

BACKGROUND

Nonprofit organizations are facing increased pressures nationally and in states and localities throughout the country. Unfortunately, however, the sector's ability to respond to these pressures has long been impeded by a lack of timely data and information on key features of the nonprofit economy and the trends it is experiencing.

Thanks to the **Nonprofit Economic Data (NED) Project**, however, at least a partial solution has been found to this problem. By synthesizing and analyzing data from a variety of datasets on nonprofit organizations, some of them newly available, this Project has created a capability to chart the key trends affecting the nonprofit sector and its component sub-sectors—such as nursing homes, hospitals, home health centers, education, social services, and the arts—at national, regional, state, and local levels.

A collaboration between the **Johns Hopkins Center for Civil Society Studies**, state employment security agencies, the U.S. Bureau of Labor Statistics, and state nonprofit associations, the NED Project is yielding a vital resource for understanding the nonprofit sector.

MAJOR FINDINGS

Our analyses and reports are truly reshaping how the sector is viewed in local, state, and regional economies. Our work has shown that:

- ▶ **Nonprofit employment is much larger than expected** and much more widely dispersed, outdistancing many major industries in its contribution to state employment and payrolls.
- ▶ **Nonprofit employment is dynamic**, growing more rapidly than overall employment.
- ▶ **Nonprofit employment is spreading** to the suburbs and rural areas.
- ▶ **Nonprofit wages actually exceed for-profit wages** in many of the fields where both sectors operate.
- ▶ Despite their growth, nonprofits in many states **are losing "market share" to for-profit firms** in many fields where both sectors are operating.

PROJECT SERVICES

The NED Project works with clients across the country to develop the most up-to-date, in-depth reports available to document the important economic role of nonprofits in localities, states and regions, or specific industries. Our reports generally examine three important measures of nonprofit impact:

Wages and employment. Employment is an extraordinarily useful indicator of the economic activity of nonprofit organizations since these organizations are known to be highly "labor-intensive." The data source we have tapped to examine this facet of nonprofit operations, the **Quarterly Census of Employment and Wages (QCEW)**, is extremely powerful. The QCEW is an administrative dataset collected by states as a part of the federal Unemployment Insurance (UI) program. QCEW draws on the quarterly surveys of workplaces that state employment security offices have conducted since the 1930s and **accounts for approximately 98% of all wage and salary civilian employment nationally**. Under federal law, all nonprofit places of employment with four or more employees are required to participate in the unemployment insurance system.

While nonprofit places of employment have long been covered by the QCEW surveys, the data generated by these surveys have never broken out the nonprofit employment separate from the for-profit employment. As a consequence, the nonprofit sector has essentially been buried in the data. The NED Project developed a methodology of identifying nonprofit employers in the QCEW micro-data by record matching with the publicly available register of tax-exempt entities maintained by the Internal Revenue Service (IRS).

NED PROJECT BULLETINS

Maryland's Nonprofit Sector: A Major Economic Force (2000)
West Virginia Nonprofit Employment (2001)
Maryland Nonprofit Employment (2001)
Illinois Nonprofit Employment (2001)
Louisiana Nonprofit Employment (2001)
South Carolina Nonprofit Employment Update (2001)
California Nonprofit Employment (2001)
Connecticut Nonprofit Employment (2002)
Maryland Nonprofit Employment (2002)
Texas Nonprofit Employment (2003)
Maryland Nonprofit Employment Update (2003)
Maine Nonprofit Employment (2003)
Ohio Nonprofit Employment (2004)
Georgia Nonprofit Employment (2004)
Maryland Nonprofit Employment Update (2004)
Pennsylvania Nonprofit Employment (2005)
North Carolina Nonprofit Employment (2005)
Nonprofit Employment in the Greater Washington Region (2005)
Illinois Nonprofit Employment Update (2005)
Indiana Nonprofit Employment (2005)
Maryland Nonprofit Employment Update (2005)
Louisiana Nonprofit Employment Update (2005)
Maryland Nonprofit Employment Update (2006)
Employment in America's Charities: A Profile (2006)
Texas Nonprofit Employment Update (2007)
Maryland Nonprofit Employment Update (2007)
Florida's Nonprofit Sector: An Economic Force (2008)
The Economic Impact of the Nonprofit Sector in Colorado (2008)
Maryland Nonprofit Employment Update (2008)
Virginia's Nonprofit Sector: An Economic Force (2008)
Nonprofits and Recessions: New Data from Maryland (2010)
Maine Nonprofit Employment Update (2010)
Texas Nonprofit Employment Update (2010)
Michigan Nonprofit Employment Update (2010)
*Maryland Nonprofit Employment Update: Enduring Impact of the
Recession (2011)*
Illinois Nonprofit Employment Update (2012)
*Holding the Fort: Nonprofit Employment During a Decade of
Turmoil (2012)*
*Virginia's Nonprofit Sector: Shaping the economic, cultural, and
social landscape (2012)*
Maryland Nonprofit Employment Update (2013)
Westchester County Nonprofits: A Major Economic Engine (2014)
New York Capital Region Nonprofits (2017)
Pennsylvania Nonprofits: A Major State Industry (2017)
Nonprofits: America's 3rd Largest Workforce (2018)

MORE INFORMATION

To learn more or to download any of these reports, please visit ccss.jhu.edu.

To arrange for a NED Bulletin on your state, region, or on a particular nonprofit subsector, please contact ccss@jhu.edu.

QCEW data have a number of critical advantages over other data sources as a window into nonprofit employment trends. In particular, these data:

- ▶ **Are collected every quarter.**
- ▶ **Are available within six to eight months** of their collection, unlike Economic Census data, which require two to three years to process.
- ▶ **Are closely monitored and verified for accuracy** by the Labor Market Information offices of state Employment Security agencies and the federal Bureau of Labor Statistics.
- ▶ **Are collected at the establishment level rather than the organization level**, which is important to avoid distortions otherwise caused by the existence of multipurpose and multi-location organizations.
- ▶ **Cover employment and wages**, which is especially relevant for gauging the operations of labor-intensive entities such as nonprofits.
- ▶ **Are comprehensive**, covering about 98 percent of all nonprofit employment.
- ▶ **Cover for-profit and government places of employment** in the same data system, which facilitates systematic comparisons among the sectors, a matter of increasing importance.

Nonprofit finances. By tapping into data from the IRS Form 990, which is required of all nonprofits with expenditures in excess of \$25,000, we are able to measure the financial scope of nonprofit organizations across the country. Moreover, by examining how these indicators vary by field and region, and how they have changed over time, we are able to develop a dynamic picture of nonprofit finances and identify important trends.

Volunteering. An important, yet often overlooked, nonprofit resource is the contribution of volunteers. By estimating the economic contribution of volunteer workers to their local, state or region's economy, our Center can further detail the sector's significant strength and human capital resources. Moreover, our analyses provide important insights into the composition of an area's volunteers (e.g., gender, race/ethnicity, age, marital status), which is useful for developing new volunteer recruitment/retention strategies.