



Maryland Nonprofit Employment Update

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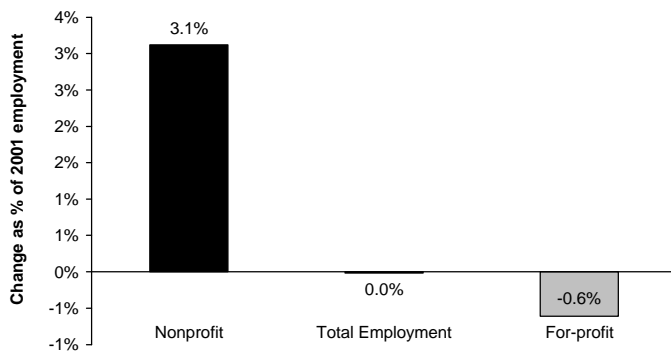
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CONTINUED NONPROFIT EMPLOYMENT GROWTH

- Despite the national economic downturn and burgeoning state fiscal crisis, nonprofit organizations in Maryland continued their growth in 2002, adding nearly 6,800 jobs to the state's economy—a growth rate of 3.1 percent (Figure 1).
- By contrast, overall employment in Maryland was stagnant during 2002, and for-profit employment actually declined by almost 1 percent, eliminating more than 10,800 jobs. Nonprofits thus accounted for all of the state's net employment growth between 2001 and 2002.
- This record of nonprofit employment growth reflects the concentration of nonprofit activity in service fields, which have generally been growing. In fact, nonprofit employment growth was evident in many different service fields during this year. Thus, employment grew by nearly 2 percent in both nonprofit educational organizations and nursing homes/residential facilities, by nearly 4 percent in nonprofit hospitals, and by 4 percent in other nonprofit organizations, including social services, arts and culture, and recreation. While for-profit employers in these fields also added jobs, nonprofits added more.

Figure 1: Employment growth rates for nonprofit and for-profit sectors, Maryland, 2001-2002



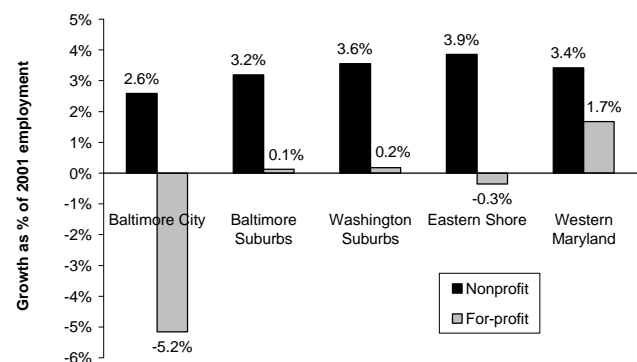
Source: Johns Hopkins Nonprofit Employment Data Project based on Maryland ES-202 data.

NONPROFIT EMPLOYMENT GROWTH IN ALL REGIONS

- Nonprofit employment growth was also dispersed widely across the state, outpacing private employment growth in every region, typically by a sizable margin (see Figure 2).

- At 2.6 percent, nonprofit employment growth during 2002 was lowest in Baltimore City. Even here, however, it far outpaced the private for-profit sector, which suffered a net decline of 9,430 jobs, a drop of 5.2 percent.
- In most other regions of the state, as well, nonprofit organizations were virtually the only source of job growth between 2001 and 2002. Thus, nonprofit employment increased by 3.2 percent, 3.6 percent, and 3.9 percent, respectively, in the Baltimore suburbs, the Washington suburbs, and the Eastern Shore, while for-profit employment barely increased at all, and in the case of the Eastern Shore, actually declined.
- Only in Western Maryland did for-profit employment register growth during this period, but here as well nonprofit employment growth was twice as robust (3.4 percent vs. 1.7 percent).

Figure 2: Growth rates for nonprofit and for-profit employment in Maryland, by region, 2001-2002

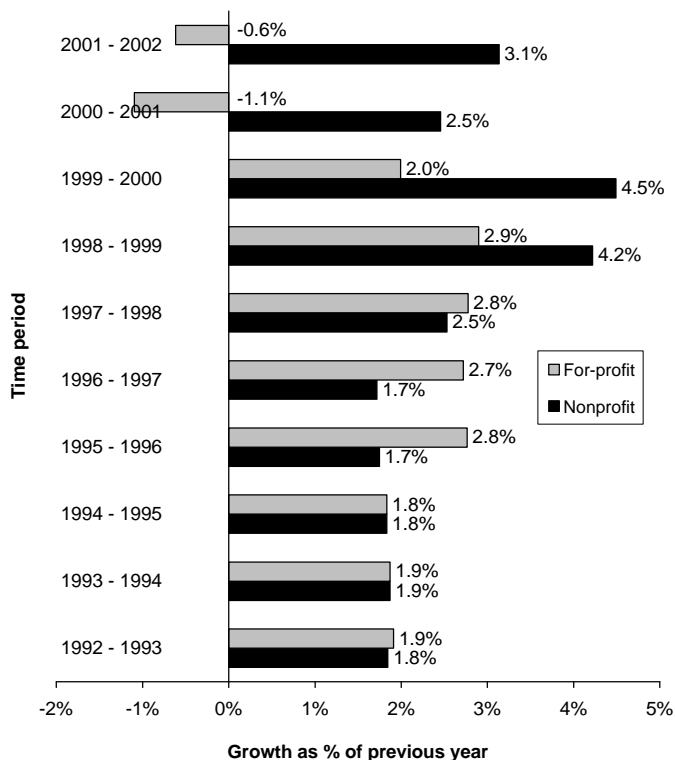


Source: Johns Hopkins Nonprofit Employment Data Project based on Maryland ES-202 data.

A TEN-YEAR RECORD OF NONPROFIT GROWTH

- This record of nonprofit employment growth continues a ten-year pattern. As shown in Figure 3, nonprofit employment has been growing steadily for the past ten years, and in seven of those ten years, the nonprofit employment growth rate has equaled or exceeded that of the for-profit sector.
- Over this ten year period as a whole, therefore, nonprofit employment has grown by 29 percent, compared to only 18 percent for the for-profit sector.

Figure 3: Annual growth rates of private employment in Maryland, nonprofit vs. for-profit sector



Source: Johns Hopkins Nonprofit Employment Data Project based on Maryland ES-202 data.

A MAJOR PRESENCE

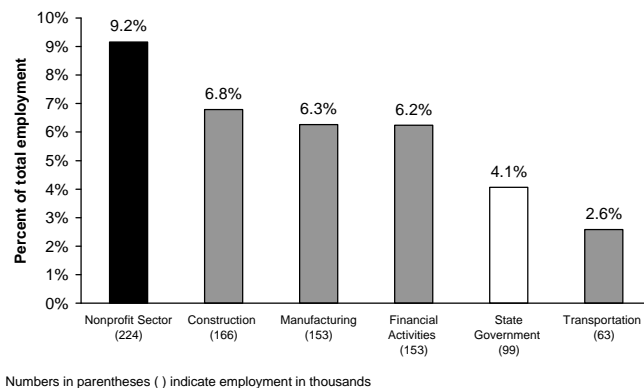
Reflecting this growth trend, nonprofit organizations constitute a surprisingly significant component of the state's economy and employment base. In particular:

- As of the end of 2002, the nonprofit sector accounted for 223,704 jobs in Maryland, or 9.2 percent of the total. This means that the nonprofit sector employed more people than the construction industry and the entire manufacturing sector in Maryland. It also

employed more people than state government (see Figure 4).

- The 223,704 nonprofit employees in Maryland earned over \$8 billion in wages in 2002, or 10 percent of the state's total payroll. These wages translate into about \$200 million of personal income tax revenue for Maryland state and local governments.
- While a significant share of nonprofit jobs were located in Baltimore City (36 percent), most were located in the Baltimore and Washington suburbs (26 and 24 percent, respectively).
- Nonprofit employment accounted for a significant share of total private employment in all regions of the state, reaching 28 percent of private employment in Baltimore City, but accounting for 11 percent in Western Maryland, 10 percent on the Eastern Shore, 9 percent in the Baltimore suburbs, and 8 percent in the Washington suburbs.

Figure 4: Shares of total employment in Maryland, 2002, nonprofit sector vs. key industries and government



Numbers in parentheses () indicate employment in thousands

About this report: This bulletin presents new information on the size, distribution, and growth of the private nonprofit sector in Maryland as of the end of 2002, the latest year for which data are available. It draws on data generated by the Maryland Department of Labor, Licensing, and Regulation through the quarterly survey of Maryland workplaces it carries out under the national ES-202 Labor Market Information Program administered by the U.S. Bureau of Labor Statistics as part of the Unemployment Insurance Program. These data are compiled from quarterly reports submitted by employers subject to Maryland law. The data series covers 98 percent of all wage and salary civilian employment.

For the purpose of this report, the nonprofit sector includes all 501(c)(3) organizations registered with the State of Maryland. This embraces private, not-for-profit universities, hospitals, clinics, social service agencies, day care centers, orchestras, symphonies, museums, art galleries, theaters, homeless shelters, soup kitchens, and many more. The one major exclusion is religious organizations, although the significance of this exclusion is unknown as some religious organizations elect to be covered by unemployment insurance as provided for in the law.

APPENDIX A: NONPROFIT EMPLOYMENT IN MARYLAND, BY COUNTY, COMPARED TO PRIVATE EMPLOYMENT AND EMPLOYMENT IN CONSTRUCTION AND MANUFACTURING, 2002

County/Region	Total nonprofit employment	Total private employment	Construction employment	Manufacturing employment	Nonprofit employment as a % of total private employment
Allegany	3,538	23,924	1,338	3,789	14.8%
Anne Arundel	11,447	167,187	13,104	15,552	6.8%
Baltimore County	30,351	305,714	22,789	31,359	9.9%
Calvert	1,593	15,732	1,822	983	10.1%
Caroline	981	6,898	550	1,873	14.2%
Carroll	4,407	43,022	6,768	5,259	10.2%
Cecil	1,644	19,716	1,391	3,777	8.3%
Charles	1,768	30,294	4,023	1,361	5.8%
Dorchester	780	9,116	551	3,066	8.6%
Frederick	5,812	69,892	8,906	7,082	8.3%
Garrett	1,044	8,901	858	891	11.7%
Harford	3,675	55,600	5,283	4,757	6.6%
Howard	8,803	119,014	11,554	7,913	7.4%
Kent	1,470	6,901	341	907	21.3%
Montgomery	36,232	372,414	28,912	18,252	9.7%
Prince George's	13,343	231,188	30,361	12,257	5.8%
Queen Anne's	290	9,678	941	987	3.0%
Saint Mary's	1,823	25,294	1,570	533	7.2%
Somerset	565	3,892	330	293	14.5%
Talbot	2,184	17,279	1,381	2,563	12.6%
Washington	6,332	55,852	3,703	9,393	11.3%
Wicomico	4,155	35,060	2,494	5,046	11.9%
Worcester	939	19,443	1,535	1,900	4.8%
Baltimore City	80,529	291,550	11,984	24,374	27.6%
Nondistributable		40,952	4,057	627	
Baltimore Suburbs	58,683	690,537	59,498	64,840	8.5%
Washington Suburbs	54,759	674,922	66,688	33,386	8.1%
Eastern Shore	13,008	127,983	9,514	20,412	10.2%
Western Maryland	16,726	158,569	14,805	21,155	10.5%
Grand Total for State	223,704	1,984,511	166,039	153,101	11.3%

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Acknowledgements

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