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NONPROFITS A SURPRISING BRIGHT SPOT IN NATIONAL JOBS PICTURE

Nonprofit employers are providing one of the few bright spots in the country's dismal employment picture this Labor Day, according to new data released today by researchers at the Johns Hopkins University Center for Civil Society Studies.

Initial analysis of data on 21 states spread broadly across the country reveals that nonprofit employment actually grew by an average of 2.5 percent per year between the second quarter of 2007 and the second quarter of 2009, the worst part of the recent recession. By contrast, for-profit employment in these states fell during this same period by an average of 3.3 percent per year (see **Figure 1**). And this pattern held for every single state examined.

In addition, nonprofit job growth during the recession was actually stronger than it had been from 2001 to 2007, when nonprofit jobs grew by an average of 2.3 percent a year compared to 2.5 percent per year growth during the recession years. During this earlier period, nonprofit job growth easily exceeded for-profit job growth, which limped along at an annual average increase of only 0.2 percent. This pattern held in virtually every state studied.

However, nonprofits in some fields and some states did worse than others. While the average rate of nonprofit job growth during the recession was 2.5 percent per year, it was only 1.8 percent per year in the nursing home field and 1.4 percent per year in social assistance (see **Table 1**).

Viewed by state, nonprofit job growth during the recession was also a much lower 0.7 percent in New Jersey, 1.3 percent in Michigan and Indiana, 1.4 percent in Ohio, and 1.5 percent in Illinois (see **Table 2**).

In the key field of social assistance, which is especially important during a recession, some places experienced nonprofit job losses during the recession, among them the District of Columbia (-4.5 percent), Maine (-1.5 percent), Indiana (-.9 percent), and Ohio (-0.8 percent).

Also revealing is the evidence these data provide of the increasingly competitive environment in which nonprofits are operating. While overall nonprofit job growth exceeded overall for-profit job growth, there is evidence that this is as much a product of the fields in which nonprofits are active as it is a product of the nature of nonprofit organizations. In many of these fields, in fact, for-profit job growth exceeded nonprofit job growth, at least prior to the current recession. For example, over the period 2001-2007, while nonprofit jobs in the field of social assistance grew by an average of 2.4 percent per year, for-profit jobs in this field grew by an average of 7 percent per year. In the nursing home field, for-profit jobs grew 2.0 percent per year compared to 1.4 percent for nonprofits (see **Table 1**).

Furthermore, this growth in nonprofit jobs has come in the face of much greater growth in the need for nonprofit assistance. A recent [report](#) from the Johns Hopkins Nonprofit Listening Post Project found, for example, that nearly 40 percent of organizations surveyed currently lack adequate staff to deliver their programs and services. Staff members at surveyed organizations are facing additional job duties (49 percent of responding organizations), salary freezes (39 percent), increased hours (23 percent), reduced benefits (23 percent) and reduced wages (12 percent).

“That nonprofit organizations have been able to increase employment in the face of the most severe recession since the Great Depression is a testament to the effectiveness of the federal stimulus program, which channeled assistance to many nonprofit organizations, and to the resilience and determination of nonprofit leaders and those who support them in the public and private sectors,” said Lester M. Salamon, study author and director of the Johns Hopkins Center for Civil Society Studies. “But this accomplishment, impressive though it is, still leaves many needs unmet and many organizations and regions under severe strain.”

The following additional reports from the Center for Civil Society Studies provide further evidence of the recession’s impact on nonprofit organizations:

- Recession Pressures on Nonprofit Jobs (July 2010)
http://ccss.jhu.edu/pdfs/LP_Communicues/LP_Communique19_jobs.pdf
- Nonprofits and Recessions: New Data from Maryland (January 2010).

http://ccss.jhu.edu/pdfs/NED_Bulletins/States/MD_33.pdf

- Texas Nonprofit Employment Update, August 2010)
http://ccss.jhu.edu/pdfs/NED_Bulletins/States/NED_Bulletin35_Texas_2010.pdf
- Impact of the 2007-09 Economic Recession on Nonprofit Organizations (June 2009)
http://ccss.jhu.edu/pdfs/LP_Communicues/LP_Communique_14.pdf

A Note on the Source of Data Reported Here

This report draws on data generated by state labor market information offices under the national Quarterly Census of Employment and Wages (QCEW) program administered by the U.S. Bureau of Labor Statistics. These data are compiled from quarterly reports submitted by employers in compliance with U.S. and state law. All nonprofit places of employment with at least four employees are required to complete these quarterly surveys and either be covered by the federal unemployment insurance system or make other arrangements to provide unemployment coverage to laid-off workers. Some twenty states, many of them included in the data reported here, have extended this requirement to places of employment with at least one employee. The one major exclusion is religious congregations, which are not required to take part in the unemployment insurance system, although the significance of this exclusion is unknown as some religious organizations nevertheless elect to be covered by unemployment insurance.

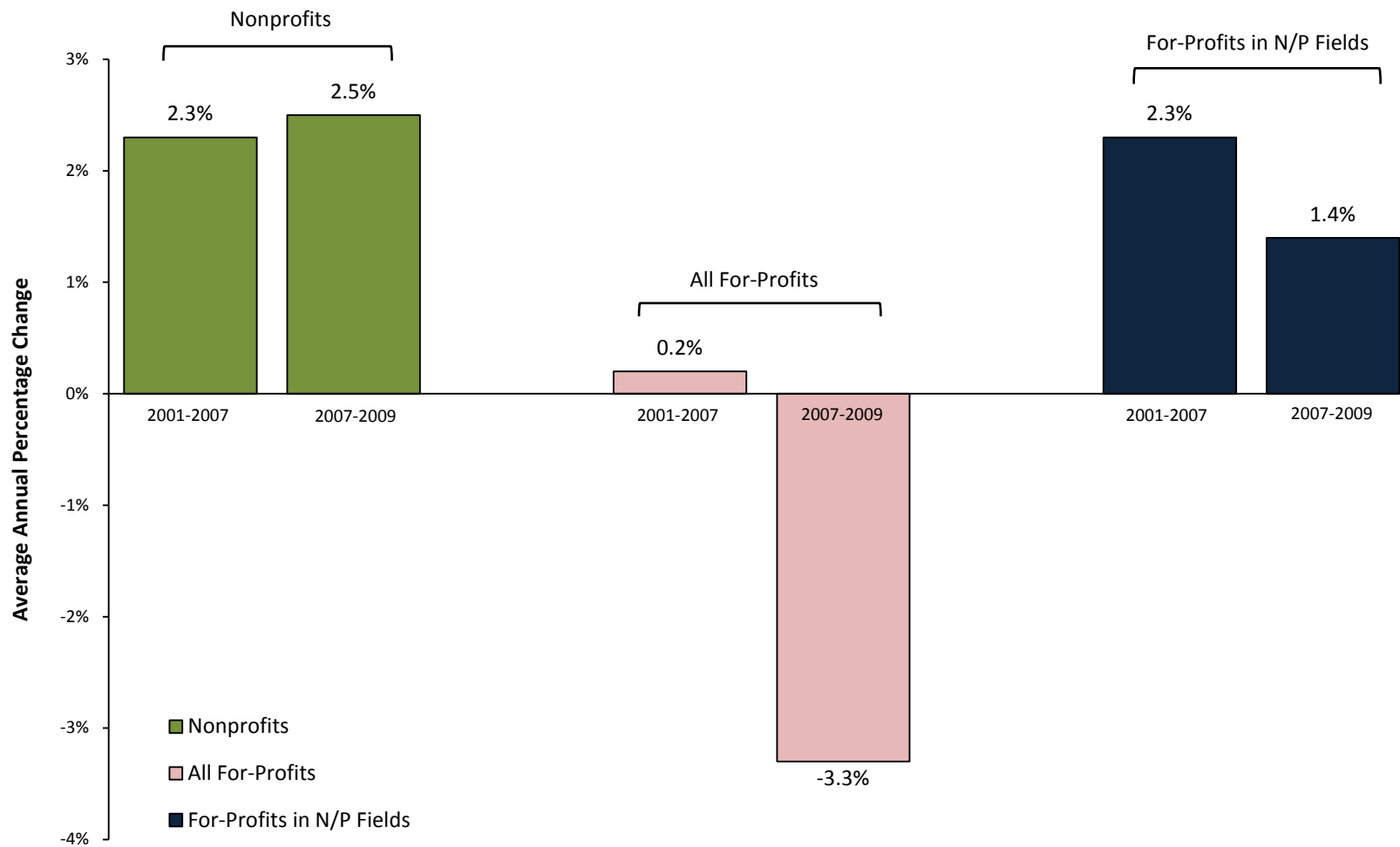
For the purpose of this report, we have chosen to focus on the “charitable” portion of the nonprofit sector. This includes organizations registered with the U.S. Internal Revenue Service under Section 501(c)(3) of the Internal Revenue Code, which embraces private, not-for-profit hospitals, clinics, colleges, universities, elementary schools, social service agencies, day care centers, orchestras, museums, theaters, environmental organizations, homeless shelters, soup kitchens, and many more.

Johns Hopkins Center for Civil Society Studies website: <http://ccss.jhu.edu>

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Information on automatic E-mail delivery of science and medical news releases is available at the same address.

Figure 1: Average annual percentage change in nonprofit and for-profit employment, 21 states, 2001-07 vs. 2007-09



Source: Johns Hopkins Center for Civil Society Studies Analysis of Bureau of Labor Statistics Quarterly Census of Employment and Wages data.

Table 1: Changes in nonprofit and for-profit employment by field, 2001-07 vs. 2007-09

Fields	Average annual % change in employment				Growth in NP ≥ FP in x of y states*	
	2001-07		2007-09		2001-07	2007-09
	Nonprofit	For-profit	Nonprofit	For-profit		
All Fields	2.3%	0.2%	2.5%	-3.3%	20/21	21/21
Fields in which nonprofits active	2.3%	2.3%	2.4%	1.4%	12/21	15/21
Primary & secondary schools	4.9%	4.6%	3.9%	1.4%	10/21	12/21
Ambulatory health	4.1%	3.1%	4.2%	2.6%	13/21	16/21
Arts & entertainment	3.3%	1.3%	4.6%	-1.1%	16/21	14/21
Social assistance	2.4%	7.0%	1.4%	5.8%	3/21	3/21
Hospitals	2.3%	0.7%	2.4%	1.0%	11/18	13/18
Colleges & universities	2.0%	26.4%	1.7%	14.2%	3/19	1/19
Membership organizations	1.5%	-0.1%	0.4%	-0.8%	18/21	14/21
Nursing homes	1.4%	2.0%	1.8%	3.2%	8/21	6/21

Source: Johns Hopkins Center for Civil Society Studies analysis of Bureau of Labor Statistics Quarterly Census of Employment and Wages data.

*Number of states in which nonprofit job growth exceeds or equals for-profit job growth compared to the total number of states for which data are available

Table 2: Changes in nonprofit and for-profit employment by state, 2001-07 vs. 2007-09

State	Average annual % change in employment			
	2001-07		2007-09	
	Nonprofit	For-profit	Nonprofit	For-profit
21 states/All fields	2.3%	0.2%	2.5%	-3.3%
California	3.9%	0.4%	2.8%	-4.2%
Colorado	2.4%	0.3%	2.8%	-3.0%
Connecticut	1.8%	-0.1%	2.4%	-3.1%
District of Columbia	2.5%	1.0%	1.8%	-1.0%
Delaware	3.5%	0.2%	5.2%	-3.8%
Georgia	2.5%	0.6%	3.1%	-4.6%
Illinois	0.5%	-0.2%	1.5%	-3.7%
Indiana	1.9%	-0.1%	1.3%	-5.0%
Louisiana	1.4%	0.0%	3.6%	-1.2%
Maryland	2.1%	0.7%	2.3%	-2.9%
Maine	2.8%	-0.4%	2.0%	-2.6%
Michigan	2.7%	-1.6%	1.3%	-6.5%
Minnesota	4.2%	0.1%	2.6%	-3.3%
North Carolina	3.4%	0.7%	4.2%	-4.4%
New Jersey	1.7%	0.0%	0.7%	-3.2%
Ohio	1.5%	-0.7%	1.4%	-4.6%
Pennsylvania	2.1%	0.0%	2.1%	-2.6%
Texas	1.2%	1.4%	3.2%	-0.9%
Virginia	2.2%	0.9%	2.6%	-2.8%
Vermont	1.9%	-0.3%	2.5%	-3.4%
West Virginia	1.1%	0.4%	2.6%	-2.0%

Source: Johns Hopkins Center for Civil Society Studies Analysis of Bureau of Labor Statistics Quarterly Census of Employment and Wages data.