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## **NONPROFITS SHOW JOB GROWTH THROUGH DECADE OF TURMOIL BUT STILL LOSE MARKET SHARE**

Defying two recessions, the nonprofit sector posted a remarkable 10 year record of job growth, achieving an average annual growth rate of 2.1 percent from 2000 to 2010, while for-profit jobs declined by an average of minus 0.6 percent per year, according to a new Johns Hopkins University report.

Even during the recession from 2007 to 2009, nonprofit jobs increased by an average of 1.9 percent per year. At the same time, businesses averaged jobs losses of 3.7 percent per year.

“Nonprofit organizations have been holding the fort for much of the rest of the economy over the past decade, creating jobs right through the recent recession and jobs crisis while other components of the economy have been shedding jobs at accelerating rates,” noted Lester M. Salamon, study author and director of the Johns Hopkins Center for Civil Society Studies. “Ironically, with signs of recovery beginning to appear, there are serious questions about whether nonprofits will be able to sustain this resilient performance in the wake of the impending sharp cuts in government spending,” Salamon added.

At 10.7 million workers as of 2010, nonprofit organizations employ the third largest workforce among U.S. industries, behind only retail trade and manufacturing.

While overall nonprofit employment grew faster than overall business employment during the 2000-2010 decade, in three key fields—social assistance, education, and nursing home care—for-profit employment growth actually outpaced nonprofits. As a result, nonprofit organizations operating in these fields lost significant market share to for-profits.

“The continued loss of nonprofit market share is a cause for real concern, particularly since it results from the unequal playing field nonprofits confront in accessing capital and their resistance to slashing employee benefits or skimping on the quality of services,” noted Larry Minnix, CEO of Leading Age, an association of nonprofit organizations serving the elderly. “We need to be careful that human needs don’t simply become commodities,” Mr. Minnix added.

Other findings from the report include:

- The U.S. nonprofit sector employs 15 times more workers than the nation’s mining industry, nearly 10 times more workers than the agriculture industry, and about twice as many workers as the construction industry.

- The vast majority of nonprofit jobs are in three service fields—health care (57 percent), education (15 percent), and social assistance (13 percent).
- During the 2007-2009 recession, nonprofit employment grew in 45 of the 46 states on which state-specific data were available, while for-profit employment declined in 45.
- Nonprofit employment also grew in all regions of the country from 2000 to 2010, with an average annual growth rate that ranged from 1.5 percent in the East South Central region to 3.4 percent in the Mountain region. During this same time span, for-profit employment registered annual average declines in all but two of the regions, and the growth rate in these two was no more than one-seventh as robust as the nonprofit one.
- While nonprofit employment in social assistance grew at an average annual rate of 2.2 percent between 2000 and 2010, for-profit employment in this field grew by an average of 5.4 percent per year. As a result, the nonprofit market share in this field fell from 62 percent in 2000 to 54 percent in 2010. Similarly, for-profit growth outpaced nonprofit growth in education (4.4 percent vs. 2.6 percent) and nursing home care (2.3 percent vs. 1.3 percent).

These findings come from a report presenting previously unavailable data on year-to-year changes in employment in private, nonprofit establishments in the United States from January 2000 through June 2010. The data were drawn from the Quarterly Census of Employment and Wages (QCEW), a data collection program carried out regularly by state governments throughout the country in cooperation with the U.S. Bureau of Labor Statistics (BLS) as part of the U.S. Unemployment Insurance Program.

The full report,  [\*Holding the Fort: Nonprofit Employment during a Decade of Turmoil\*](#) , which includes charts with state by state data, is available at [ccss.jhu.edu](http://ccss.jhu.edu).

The Center is part of the Johns Hopkins Institute for Policy Studies, within the Department of Health Policy and Management at the Johns Hopkins Bloomberg School of Public Health .