Nonprofit Employment
Bulletin No. 40

ILLINOIS NONPROFIT EMPLOYMENT UPDATE

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INTRODUCTION

New data on recent employment trends among nonprofit organizations in Illinois point to two key findings:

1) With nearly 517,600 workers—or one out of every 9 private jobs in the state—the nonprofit sector is a major jobs engine in Illinois, and one that has been growing in recent years.

2) However, nonprofit organizations are facing increased pressure from for-profit organizations in the fields in which they operate.

The following report provides greater detail on these findings. The data draw on the state’s Quarterly Census of Employment and Wages (QCEW) and cover the period between the third quarters of 2009 and 2011, the latest period for which data are available. Assembled by the Illinois Department of Employment Security in cooperation with the federal Bureau of Labor Statistics through quarterly surveys of places of employment, the QCEW is a carefully assembled and monitored data source that provides some of the most timely and accurate data on nonprofit employment and wages available.

OVERALL NONPROFIT JOB GROWTH

With 517,598 jobs, the nonprofit sector represents the fourth largest job engine in the state of Illinois. In fact, as of the third quarter of 2011, Illinois nonprofits employed 22 times as many workers as the state’s utilities industry, more than 7 times as many workers as the state’s real estate industry, more than 5 times as many workers as the state’s information industry, more than 4 times as many workers as the Illinois state government, two and a half times as many workers as the state’s construction industry, and about twice as many workers as the state’s transportation industry, finance industry, and wholesale industry (see FIGURE 1).

Moreover, these 517,598 jobs represented 8.8 percent of all jobs in Illinois (or about 1 out of every 11 jobs) and 10.7 percent of total private employment in the state (or about 1 out of every 9 private jobs), which is slightly higher than the U.S. averages of 8.4 percent and 10.1 percent respectively.

The Illinois nonprofit workforce is not only large, but also one that has been growing right through the national economic downturn. In particular, nonprofit employment in Illinois experienced...
moderate growth between the third quarter of 2009 and the third quarter of 2011, increasing by 2.5 percent. This record of growth is slightly stronger than Illinois’ entire for-profit sector, which grew by 2.3 percent over this same period.

Also demonstrating its economic heft, Illinois’ nonprofit sector generated nearly $24.3 billion in wages over the past year, or 8.7 percent of the state’s total payroll. These wages are projected to translate into an estimated $459 million of personal income tax revenue for Illinois’ state government and nearly $2.3 billion in federal tax revenues.

**GROWTH BY REGION**

- Nonprofits experienced job growth in all but one region of Illinois between the third quarters of 2009 and 2011 (see FIGURE 2).
- Nonprofit job growth was especially robust in Central Illinois (+4.7 percent) over this two-year period.
- While Metro Chicago’s nonprofit job growth was on a par with the state average (2.6 percent vs. 2.5 percent, respectively), this growth translated into the creation of 8,926 additional jobs since this region encompasses the bulk (69 percent) of Illinois’ nonprofit jobs.
- The one region which suffered a net decline of nonprofit jobs over this period was Western Illinois, where nonprofit employment declined by 2.3 percent (a loss of 335 jobs). (For further details on nonprofit employment by region, see APPENDIX 1.)

**GROWTH BY FIELD**

- Nonprofit organizations are active in a range of fields in Illinois. Hospitals account for the bulk (42 percent) of nonprofit jobs, followed by education1 (19 percent), social assistance2 (10 percent), nursing homes (9 percent), civic organizations (7 percent), and ambulatory health services3 (6 percent), arts and entertainment (2 percent), and professional services (2 percent).
- As shown in FIGURE 3, nonprofit job growth between 2009 and 2011 was especially robust in the ambulatory health services field, which added 6,329 jobs (+27 percent).
- Other fields that experienced above-average nonprofit job growth included education (+4.4 percent), social assistance (+4.3 percent), and civic organizations (+3.2 percent).
- By contrast, two key nonprofit fields—hospitals and nursing home care—each experienced a 1.5 percent drop in jobs over this 2-year period. This represents a loss of 3,184 jobs in the hospital field and 728 jobs in the nursing home field.

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1 The education field includes private elementary and secondary schools, colleges, universities, and other educational facilities.

2 The social assistance field includes individual and family services, community food services, housing services, vocational rehabilitation and child day care.

3 The ambulatory health services field encompasses organizations that offer health services on an outpatient basis such as health clinics and medical labs.
By comparing the pattern of nonprofit and for-profit job growth in these same fields, however, we gain a different perspective on the recent record of nonprofit employment. In particular, for-profits operating in the bulk of these fields not only expanded their employment over this 2-year period, but did so at a more rapid rate than their nonprofit counterparts. One possible explanation for this pattern is the superior access to capital enjoyed by for-profit companies.

As a consequence, nonprofits in most key fields actually lost market share between the third quarters of 2009 and 2011. More specifically, as shown in FIGURE 4, during just this 2-year period, the nonprofit share of private employment declined by:

- 2.0 percent in social assistance
- 1.6 percent in education
- 1.4 percent in nursing homes
- 1.1 percent in hospitals

The two major exceptions were the ambulatory health field, in which the nonprofit share of private employment increased by 2.1 percent, and the civic organizations field, in which the nonprofit share increased by 1.2 percent.

**CONCLUSION**

While Illinois’ nonprofit sector is a critical economic engine in the state, it is facing real pressure from for-profits. Given the crucial role that nonprofits play in providing quality services to Illinois residents, this trend is troubling. As such, it is critical to put the state’s nonprofit sector on the radar screen of state policymakers and to alert leaders within the sector to the important challenges the sector is facing. Hopefully, this report has usefully served these goals.

**APPENDIX 1**

Nonprofit employment in Illinois vs. for-profit employment, by region, 2011 (Q3)

<table>
<thead>
<tr>
<th>REGION</th>
<th>TOTAL NONPROFIT EMPLOYMENT</th>
<th>TOTAL NONPROFIT WAGES (billions $)</th>
<th>TOTAL PRIVATE EMPLOYMENT</th>
<th>NONPROFIT EMPLOYMENT AS % OF TOTAL PRIVATE EMPLOYMENT</th>
</tr>
</thead>
<tbody>
<tr>
<td>Central</td>
<td>72,925</td>
<td>$3.06</td>
<td>564,953</td>
<td>12.9%</td>
</tr>
<tr>
<td>East St. Louis</td>
<td>14,739</td>
<td>$0.50</td>
<td>165,382</td>
<td>8.9%</td>
</tr>
<tr>
<td>Metro Chicago</td>
<td>356,027</td>
<td>$17.98</td>
<td>3,309,459</td>
<td>10.8%</td>
</tr>
<tr>
<td>Northern</td>
<td>38,676</td>
<td>$1.55</td>
<td>366,521</td>
<td>10.6%</td>
</tr>
<tr>
<td>Southern</td>
<td>20,302</td>
<td>$0.68</td>
<td>199,196</td>
<td>10.2%</td>
</tr>
<tr>
<td>Western</td>
<td>13,989</td>
<td>$0.45</td>
<td>95,211</td>
<td>14.7%</td>
</tr>
<tr>
<td>Unclassified*</td>
<td>940</td>
<td>$0.05</td>
<td>123,498</td>
<td>0.8%</td>
</tr>
<tr>
<td>Total</td>
<td>517,598</td>
<td>$24.28</td>
<td>4,824,220</td>
<td>10.7%</td>
</tr>
</tbody>
</table>

*Due to data limitations, 940 nonprofit employees could not be assigned to a specific region. Source: Johns Hopkins Nonprofit Economic Data Project based on QCEW data

**ABOUT THIS REPORT**

For the purpose of this report, the nonprofit sector includes all 501 (c)(3) organizations registered with the State of Illinois. 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.

**ACKNOWLEDGEMENTS**

We are grateful to Dave Bienemen and his staff at the Illinois Department of Employment Security for generating the data on which this report is based; to Valerie Lies, President and CEO, and Laurel O’Sullivan, Vice President, Public Policy at the Donors Forum; and to Chelsea Newhouse (design and production) and Mimi Bilzor (editorial guidance) at The Johns Hopkins University.

**SUGGESTED CITATION**

Illinois Nonprofit Employment Update by Lester M. Salamon and Stephanie L. Geiler (Baltimore: Johns Hopkins Center for Civil Society Studies, October 2012). The full text of this report is available at ccss.jhu.edu.

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THE JOHNS HOPKINS NONPROFIT ECONOMIC DATA PROJECT

Nonprofit organizations are facing increased pressures in states and localities throughout the United States, but the nonprofit sector’s ability to respond to these pressures has been limited by a lack of timely information about how prevailing economic realities are affecting the sector.

The Johns Hopkins Nonprofit Economic Data Project (NED) is helping to tackle this problem by charting economic trends in the nonprofit sector including how employment, wages, and finances have changed over time and in relation to other industries. Moreover, the project is able to analyze these data at the national, regional, state, and local level, and to focus on particular subsectors, such as nursing homes, hospitals, home health centers, education, social services, and the arts.

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The Johns Hopkins Center for Civil Society Studies seeks to improve the understanding and the effective functioning of not-for-profit, philanthropic, or “civil society” organizations in the United States and throughout the world in order to enhance the contribution these organizations can make to democracy and the quality of human life. The Center is part of the Johns Hopkins Institute for Policy Studies and carries out its work through a combination of research, training, and information sharing both domestically and internationally.

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