



NEWS RELEASE: Nonprofits Lost Over 50,000 Jobs in December, Reversing a Slow Recovery

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In our [continuing effort](#) to track the ongoing impact of the coronavirus pandemic on nonprofit employment, this report documents our estimates of nonprofit job losses through December 2020, as reflected in the [December BLS Employment Situation Report](#). What these data reveal is a striking reversal of the admittedly tepid growth in nonprofit employment in the prior three months, leaving nonprofit employment still down by a conservatively-estimated nearly 930,000 jobs by the end of the year. The report then goes on to track the slow recovery of nonprofit jobs over the past several months and then to estimate the likely time to full recovery given the new information about vaccine availability and potentially energized federal attention promised by the incoming national administration.

PART 1: NONPROFIT JOB LOSSES AS OF DECEMBER 2020

As of December 2020, the nonprofit workforce remained down by nearly 930,000 jobs compared to estimated pre-COVID February 2020 levels, representing a 7.4% decline from its pre-pandemic level, as shown in [Figure 1](#).¹ These lost jobs include 36.6% of all workers in nonprofit arts and entertainment organizations; 15% of nonprofit education workers; over 9% of all workers in nonprofit religious, grant-making, and civic associations; 9% of workers in nonprofit social service institutions; and 3% of nonprofit health care workers.

FIGURE 1 • Estimated nonprofit job losses, December vs. February 2020, by field

	Estimated number of jobs as of February 2020 ^o	Estimated nonprofit job losses, December [^] vs. February 2020	Percent of nonprofit jobs lost, December [^] vs. February 2020
Arts, entertainment, & recreation	355,965	-130,360	-36.6%
Educational services	2,003,634	-299,933	-15.0%
Religious, grantmaking, civic, professional, & similar	818,562	-76,892	-9.4%
Social assistance	1,528,920	-137,714	-9.0%
Other fields*	555,421	-31,921	-5.7%
Health care	6,777,730	-212,351	-3.1%
TOTAL, ALL FIELDS	12,482,741	-929,073	-7.4%

^o Based on 2017 BLS data, latest year available.

[^] Reflects BLS adjustments totaling +135,000 jobs in October and November.

* Includes: Construction; Manufacturing; Wholesale Trade; Retail Trade; Professional, Scientific, and Technical Services; Transportation and Warehousing; Information; Finance and Insurance; and Accommodation and food services. Totals ~4.4% of total nonprofit employment.

¹ To estimate nonprofit job losses, we began with the latest available Bureau of Labor Statistics (BLS) data on nonprofit employment by field, which cover 2017, and calculated the nonprofit shares of total private employment by field as of this date. We then applied these shares to the monthly changes from pre-COVID (i.e., February 2020) levels in private employment by field as reported in the monthly BLS Employment Situation Reports to derive our estimates of monthly changes in nonprofit employment by field, such as those reflected in Figures 1, 2, and 3 of this report. For more on these estimates, see: Salamon & Newhouse, "The 2020 Nonprofit Employment Report," *Nonprofit Economic Data Bulletin no. 48*, (Baltimore: Johns Hopkins Center for Civil Society Studies, June 2020), available at: bit.ly/2020-NP-Empl-Rpt.

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As shown in **Figure 2**, the month of December saw a loss of nearly 51,000 nonprofit jobs—an overall decline of 5.8% compared to the level in the previous month of November.² December also saw fresh job losses in all fields except health care, with more than 44,000—or nearly 90%—of those overall losses hitting the key field of education, leaving nonprofit education employment an additional 17% lower in December than it had been in November. This worsens a trend seen in this field over the past several months. In addition, the arts, entertainment, and recreation field—including nonprofit museums and performance organizations—lost an additional 16,000 nonprofit jobs in December, dropping nonprofit employment in this field an additional 14% below what it had been in November. And the field encompassing religious institutions, foundations, and civic, social, and business associations lost over 5,000 nonprofit jobs, dropping nonprofit employment in this field an additional 7% below its November level. In only one field—health care—did nonprofit employment increase in December over its level in November, an increase of nearly 17,000 nonprofit jobs, or 7.4%, possibly reflecting the efforts of health care institutions to respond to the ever-expanding COVID caseloads and the initial phases of the rollout of the vaccination effort.

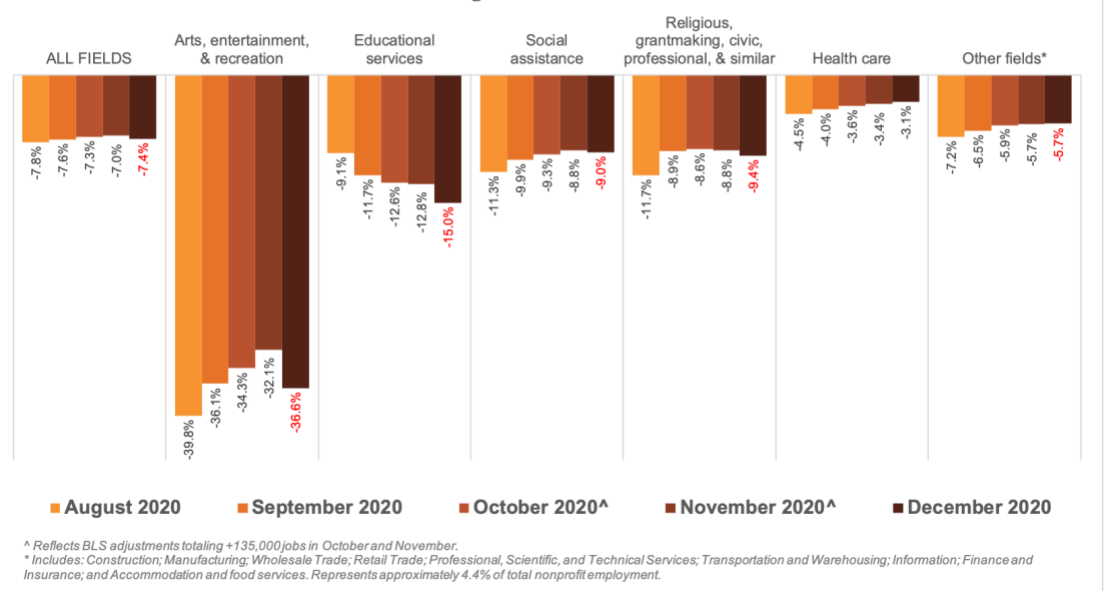
FIGURE 2 • Estimated changes in nonprofit jobs, December vs. November[^] 2020, by field

	Nonprofit jobs lost as of November [^] vs. February 2020	Change in nonprofit jobs in December vs. November 2020 [^]	Percent change in nonprofit jobs in December vs. November 2020 [^]
Educational services	-255,596	-44,337	-17.3%
Arts, entertainment, & recreation	-114,438	-15,922	-13.9%
Religious, grantmaking, civic, professional, & similar	-71,812	-5,080	-7.1%
Social assistance	-134,919	-2,795	-2.1%
Other fields*	-31,921	-402	-1.3%
Health care	-229,206	16,854	7.4%
TOTAL, ALL FIELDS	-879,149	-50,757	-5.8%

[^] Reflects BLS adjustments totaling +135,000 jobs in October and November. Losses are calculated against February based on 2017 BLS data.
^{*} Includes: Construction; Manufacturing; Wholesale Trade; Retail Trade; Professional, Scientific, and Technical Services; Transportation and Warehousing; Information; Finance and Insurance; and Accommodation and food services. Totals -4.4% of total nonprofit employment.

These losses in December reversed the extremely modest month-to-month improvement in the nonprofit job picture over the previous 4 months, as shown in **Figure 3**.

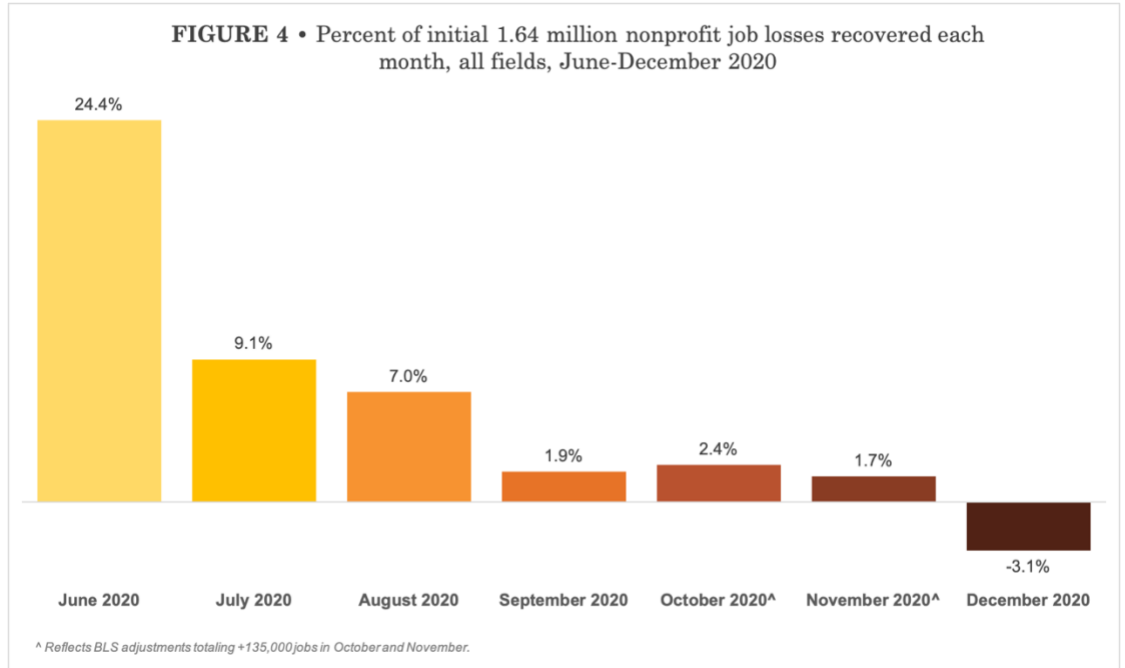
FIGURE 3 • Percent of nonprofit jobs still lost in key fields, by month, August-December 2020



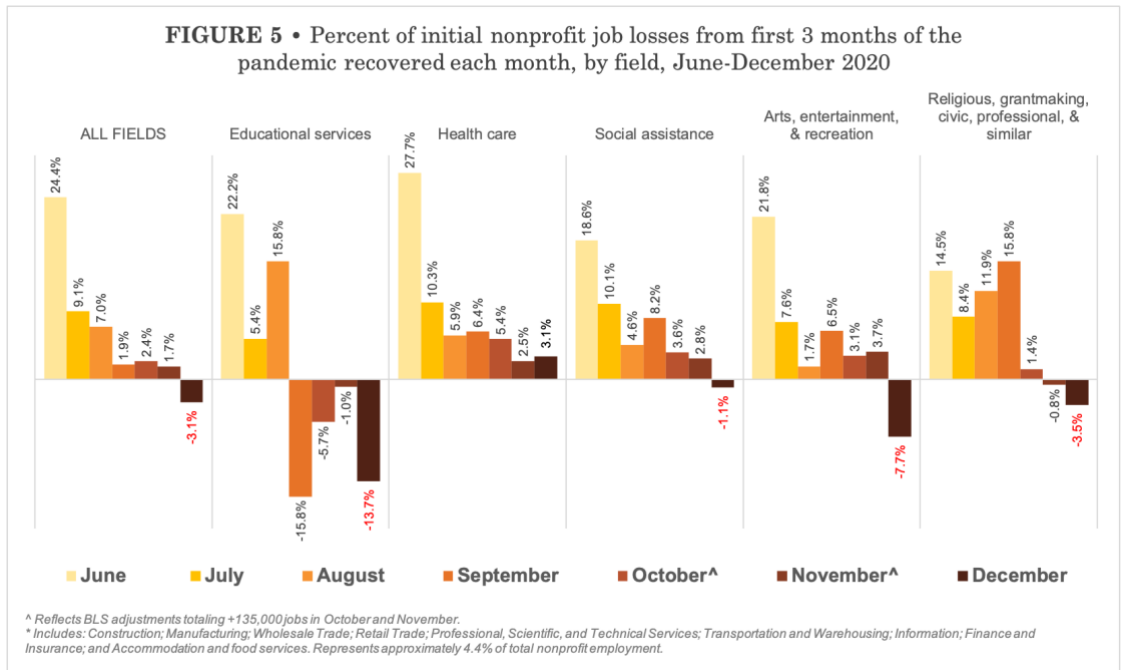
² Our [November update](#) found that, as of November, nonprofit job losses stood at an estimated 877,802. However, BLS revisions for October and November resulted in a new estimate for November, which we have incorporated in Figure 2. BLS monthly revisions result from additional reports received from businesses and government agencies since the last published estimates and from the recalculation of seasonal factors. For more information, see: [U.S. Bureau of Labor Statistics December Employment Situation Report \(1/8/2021\)](#).

PART 2: TRACKING THE RECOVERY—JUNE THROUGH DECEMBER

As reported in our [2020 Nonprofit Employment Report](#), during the first three months of the pandemic (i.e., March, April, and May), we estimated that nonprofits had lost 1.64 million of the 12.5 million jobs they accounted for prior to the onset of the crisis. As shown in **Figure 4**, in June, July, and August, significant portions of this job loss were recovered. Beginning in September, however, this nonprofit employment improvement slowed significantly. In December, it actually turned negative, declining by 3.1%, likely reflecting the worsening of the COVID-19 pandemic and the restrictions put in place to try to slow its spread. Indeed, December's loss of 50,757 nonprofit jobs came close to wiping out the gains recorded in the previous two months.

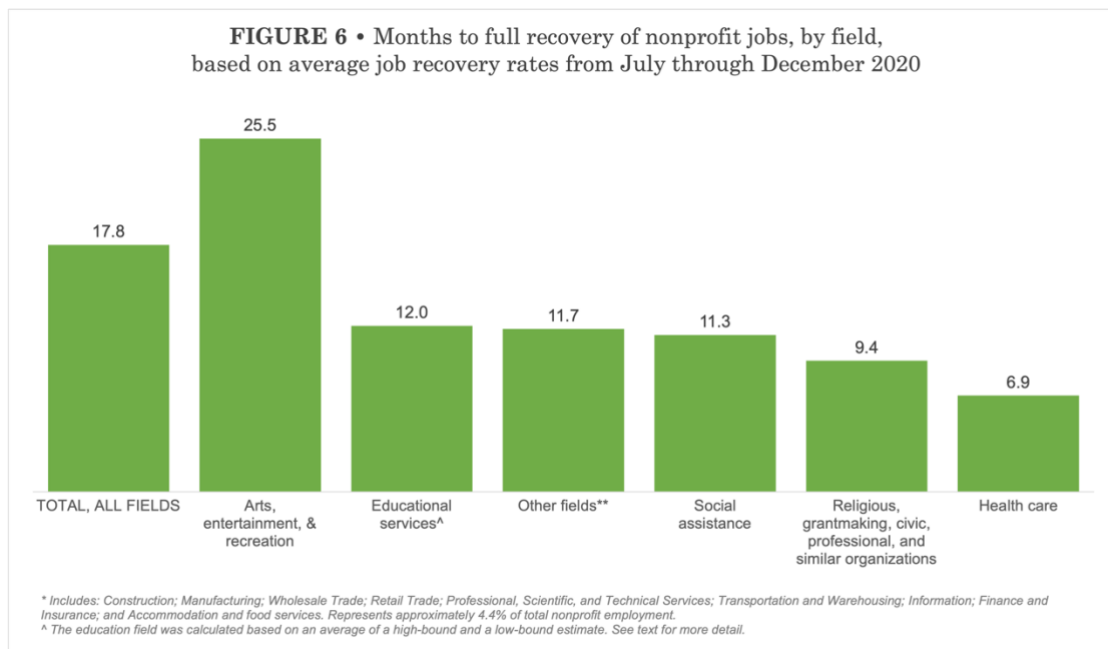


What is more, this turn-around in nonprofit employment in December was quite widespread, with every field except health care recording job losses, as shown in **Figure 5**.



PART 3: MONTHS TO RECOVERY AT RECENT RATES

Given the recent resurgence of the virus leading to reductions rather than continued modest growth in nonprofit employment, but the countervailing appearance of effective vaccines to stem its continued expansion, estimating the years to recovery of nonprofit employment to its pre-COVID level has become increasingly complicated. Basing this estimate on the most recent, negative, December level of job growth would not work since that would yield an estimate of an infinite number of months. Accordingly, we have taken a somewhat more optimistic approach, but one still based on empirical reality.



In particular, we have calculated what the recovery period would be if we assumed that the average rate of nonprofit job recovery over the past six months (July through December) prevails over the foreseeable future as the spread of vaccination escalates and economic recovery correspondingly proceeds. With an estimated 929,073 nonprofit jobs still lost as of the end of December and an average of 52,190 nonprofit jobs recovered per month, this suggests it would take the sector 17.8 months, or 1.5 years, to return to its pre-COVID level of employment, as shown in **Figure 6**.

Also shown in Figure 6 are the recovery rates of nonprofit employment in the varied fields of nonprofit activity using the same approach, but with one notable exception—education. For a variety of reasons, there is a basis for expecting that the past will not be prologue for this field given the special priority the incoming Biden Administration has placed on vaccinating teachers and re-opening schools. Using the almost consistent record of job losses in nonprofit education jobs as the sole basis for our recovery rate for this field thus seemed especially untenable. Accordingly, we developed an upper-bound estimate based on the average job gains in this field over the full 7-month recovery period (i.e., June-December), and a lower-bound estimate based on just the three months of June, July, and August, which witnessed the first, ill-fated effort to open schools. What is reported in Figure 6 for education is thus an average of these two projections—yielding an admittedly optimistic estimate of 12 months until nonprofit education employment returns to its pre-COVID level.

CONCLUSION

The failure of so many of our citizens to adhere to the COVID prevention guidelines has not only contributed to a dramatic rise of COVID cases and deaths in our country. It has also led to a resumption of job losses in the nonprofit sector as in the economy as a whole. How long this downturn will persist is far from clear at this writing, but continued nonprofit job losses over the next couple of months are not out of the question. Over the longer run, however, there is reason to expect that job recovery will resume thanks to the increasing availability of vaccines and the expanded attention the virus is expected to receive from the incoming presidential administration. In view of these developments, we have attempted to adjust our estimates of the months to full recovery of nonprofit jobs accordingly.

Our ability to track these developments would be materially enhanced, however, if the Bureau of Labor Statistics were to reduce the time spans between its releases of nonprofit employment data. Currently, these data are made available only every five years even though the database on which they depend is updated every quarter. Under this schedule we will not have a fully documented picture of the impact of the coronavirus on the nonprofit workforce until the next release, which will cover data only up through 2022, and will likely not be available until 2024. Given the vital role that the nonprofit workforce plays in our nation's health and general well-being, it is our hope that the new administration will take steps will shorten the

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time span between releases of these data on nonprofit employment to at least once every other year so that we can equip this sector with an even more precise picture of this sector's recovery path and future prospects. We invite users of these data to help persuade the new BLS to move in this direction. You can [submit a comment to the BLS](#), asking that these data be released on at least a bi-annual basis, and that a special release of 2019 and 2020 data be expedited to allow for a better understanding of the impact of the COVID-19 crisis on this sector, which employs the 3rd largest workforce of any industry in the U.S.

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The Johns Hopkins Center for Civil Society Studies is a leading source of ground-breaking research and knowledge about the nonprofit sector, social investing, and the tools of government. Working in collaboration with governments, international organizations, investment innovators, and colleagues around the world, the Center encourages the use of this knowledge to strengthen and mobilize the capabilities and resources of the public, nonprofit, and for-profit sectors to address the complex problems that face the world today. The Center conducts research and educational programs that seek to improve current understanding, analyze emerging trends, and promote promising innovations in the ways that government, civil society, and business can collaborate to address social and environmental challenges.

About the Johns Hopkins Nonprofit Economic Data Project (NED) | [link](#)

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 levels, and to focus on particular subsectors—such as nursing homes, hospitals, home health centers, education, social services, and the arts. 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 has thus far produced almost 50 state, county, and regional [Nonprofit Economic Data Bulletins](#) since its founding in 2001, yielding a vital resource for understanding the nonprofit sector.

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