

Nonprofits Continue to Add Jobs in the Current Downturn, but Rate of Job Growth Falters: An Overview

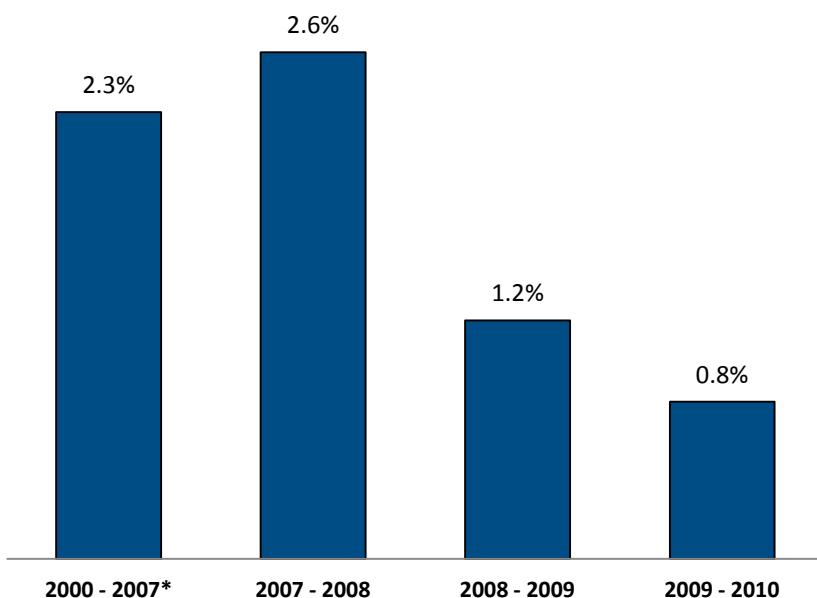
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America's nonprofit organizations continue to display striking resilience in the face of the current economic downturn according to a new analysis of U.S. Bureau of Labor Statistics data on 45 states carried out as part of the Johns Hopkins Nonprofit Economic Data Project.¹

Nonprofit job growth. While other sectors are shedding jobs, nonprofit organizations boosted their employment by nearly 1 percent between 2009 and 2010, the latest year for which data are available. This growth comes on the heels of even more substantial nonprofit employment growth in 2008 and 2009, boosting nonprofit employment by a cumulative total of nearly 5 percent between 2007 and 2010 despite the economic downturn then under way (see **Figure 1**).

Contrast with for-profits. This pattern of job growth among nonprofit organizations contrasts sharply with the performance of the country's for-profit sector during the recent economic downturn. While nonprofit employment expanded each year from 2008 to 2010, for-profit employment declined by 1.1 percent in 2008, by a striking 6.2 percent in 2009, and by another 0.9 percent in 2010, for a cumulative decline of more than 8 percent between 2007 and 2010 (see **Figure 2**).

Figure 1: Annual changes in nonprofit employment, 45 states, 2000-2010



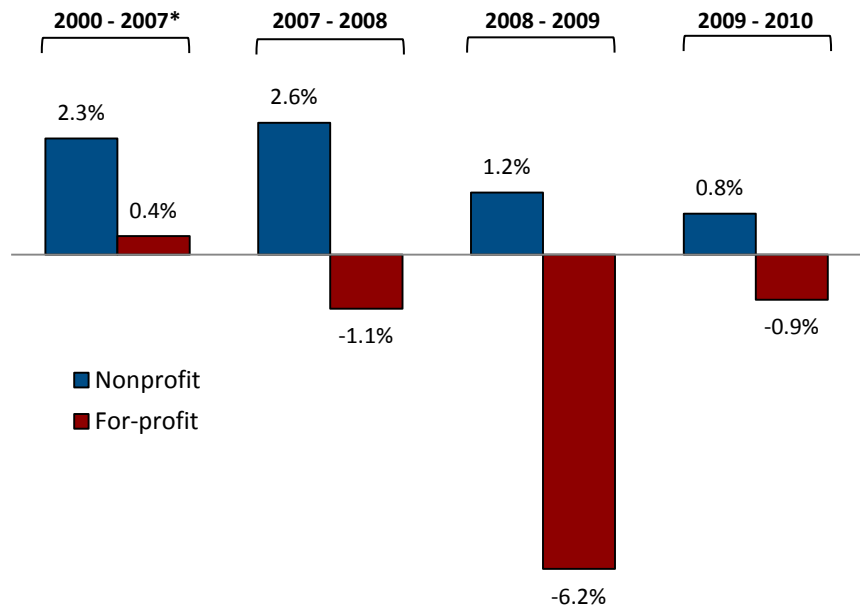
* Annualized average.

Source: Special tabulation of data drawn from the U.S. Bureau of Labor Statistics' *Quarterly Census of Employment and Wages*.

¹ Data on nonprofit employment were not available on five states: Massachusetts, Mississippi, New Hampshire, Oregon, and Wyoming. Estimates of aggregate nonprofit employment were estimated for these states but the estimates of trends do not include data on these states.

Nonprofit job growth faltering. While the pattern of nonprofit job growth during the recent recession contrasts sharply with the pattern of for-profit job loss, nonprofits have not been immune from the macro-economic pressures of recent years. To the contrary, the rate of nonprofit job growth has clearly been faltering, falling from 2.6 percent in 2008 to 1.2 percent in 2009, and then to 0.8 percent in 2010.

Figure 2: Annual changes in employment, nonprofit vs. for-profit, 45 states, 2000-2010

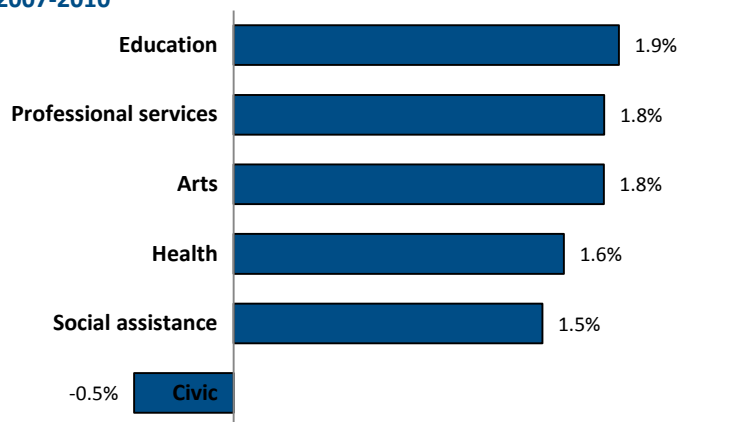


* Annualized average.
 Source: Special tabulation of data drawn from the U.S. Bureau of Labor Statistics' *Quarterly Census of Employment and Wages*.

Consistent overall pattern among states. This overall record of nonprofit job growth and for-profit job loss during the recent economic downturn was evident in almost all of the 45 states on which data are available from the Bureau of Labor Statistics' Quarterly Census of Employment and Wages, the data source utilized in this analysis. While nonprofit employment grew between 2007 and 2010 in every one of these states, for-profit employment declined in all but two states (North Dakota and Arkansas). At the same time, considerable variation was evident among states, with nonprofit job growth between 2007 and 2010 varying from 0.9 percent in Hawaii to 10.7 percent in Idaho, while for-profit job changes varied from a decline of 15.8 percent in Nevada to a gain of nearly 5 percent in North Dakota.

Nonprofit job growth among fields. The overall pattern of nonprofit job growth during the economic downturn was evident in almost all fields of nonprofit activity. In only one field out of the six examined (civic organizations) did nonprofit organizations experience an average annual decline in employment between 2007 and 2010. By contrast, in the other major fields—education, the arts, professional services, health, and social assistance—average annual increases ranged from 1.5 to nearly 2 percent, though arts employment turned negative in 2010 (see **Figure 3**).

Figure 3: Average annual changes in nonprofit employment,* by field, 2007-2010

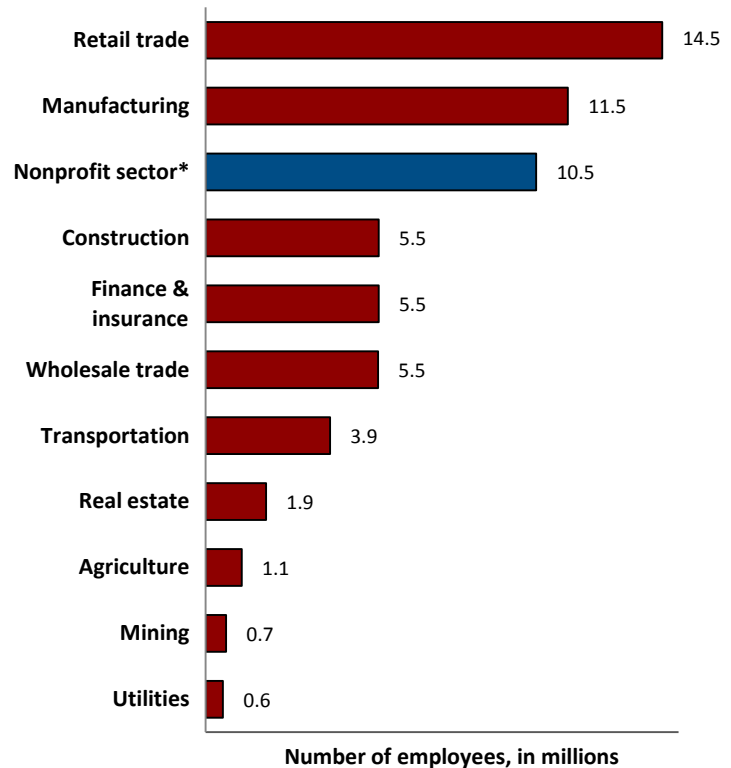


* 45 states.
 Source: Special tabulation of data drawn from the U.S. Bureau of Labor Statistics' *Quarterly Census of Employment and Wages*.

Other key findings. Additional key findings of this latest report on nonprofit employment include the following:

- Nonprofit organizations employ 10.5 million workers, which is close to 10 percent of all private workers in the United States. This makes the nonprofit workforce the third largest of all U.S. industries, behind only manufacturing and retail trade (see Figure 4).
- The scale of nonprofit employment varies widely by state, ranging from 2.6 percent of private employment in Nevada to over 18 percent in New York and Rhode Island.
- Half of all nonprofit jobs (50 percent) are in the health field, but education (13 percent) and social services (11 percent) also account for significant shares.
- Nonprofit job growth during the recent recession continues a pattern that was evident earlier in the decade. Though the rate of growth dipped in response to the 2002 recession, nonprofits added jobs at an overall annual average rate of 2.3 percent from 2000 to 2007. This contrasts sharply with the much more limited overall average rate of for-profit job growth of 0.4 percent during this same period. However, the for-profit rate was much more uneven, declining sharply during the recession of 2002-03 but then growing more rapidly during the subsequent years of growth.

Figure 4: Employment in the nonprofit sector vs. selected industries, 2010



* Includes 45 states plus estimates for 5 states and the District of Columbia.
Source: Special tabulation of data drawn from the U.S. Bureau of Labor Statistics' *Quarterly Census of Employment and Wages*.

Additional data on recent nonprofit job trends, including selected breakdowns by state, will be available in the full report, *Nonprofits Continue to Add Jobs in the Current Downturn, but Rate of Job Growth Falter*, by Lester M. Salamon, S. Wojciech Sokolowski, and Stephanie Lessans Geller. **The full report will be published later this month** on the Johns Hopkins Center for Civil Society Studies website (www.ccss.jhu.edu).

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