

GROWTH in NONPROFITS

Employment has been on the rise, mainly in health and social assistance

By **CONOR BELL**

Nonprofit organizations have been growing in Alaska and nationwide. The vast majority of nonprofit jobs are in health care and social assistance, a sector that has recorded robust growth for more than a decade.

In 2012, the most recent year available for nonprofit data, health care and social assistance represented 77 percent of all Alaska nonprofit employment and 81 percent of its wages. (See Exhibit 1.) Most of these jobs were in hospitals and services for the elderly or disabled. In private health care and social assistance overall, more than half of all jobs were with nonprofit agencies.

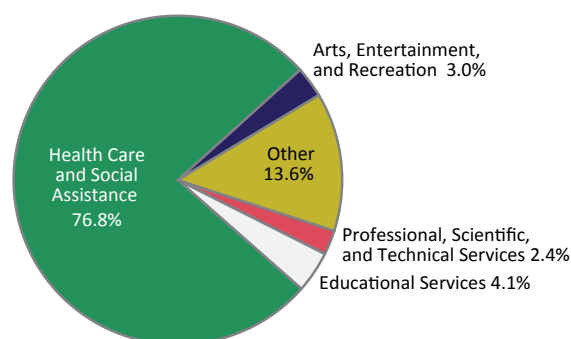
Some of Alaska's largest employers are nonprofit health care providers, but nonprofits vary in size and type from hospitals and Community Development Quota groups to small theater companies and animal shelters. After health care and social assistance, other primary nonprofit categories include educational services; professional, scientific, and technical services; and arts, entertainment, and recreation.

In all, 1,367 organizations provided 32,699 jobs in Alaska, or nearly 10 percent of the state's total employment in 2012. For the U.S., it was 9 percent. (See the sidebar on the next page for more on how these organizations are identified.)

Strong growth in employment

In Alaska and nationwide, nonprofit job growth has outpaced total job growth from 2007 to 2012. Alaska's nonprofit employment grew by 16 percent over that

1 Nonprofit Jobs by Industry ALASKA, 2012



Source: U.S. Bureau of Labor Statistics

period, while overall employment grew by 5 percent. In the U.S. as a whole, nonprofits grew by 8 percent while total employment fell by 3 percent.

Nonprofits across the country weathered the recent U.S. recession without losing net jobs. Though some types of nonprofits sustained losses in Alaska in 2008 and 2009, the recession's two worst years, health care maintained overall stability. Almost all nonprofit growth from 2007 to 2012 was in health care and social assistance, which accounted for 3,900 of the 4,600 new nonprofit jobs.

Some pay more than for-profit counterparts

Nonprofits in Alaska paid an average of \$44,900 in 2012, compared to the state's overall average private wage of \$49,300. (See Exhibit 3.) While the average

nonprofit wage is lower overall, several sectors paid more than their for-profit counterparts.

Nonprofit employees in health care and social assistance made an average of \$2,500 more than their private-sector equivalents because hospitals, which contribute most of the sector's high-wage jobs, are almost exclusively nonprofits. Educational services; other services; and arts, entertainment, and recreation also had higher wages in nonprofits.

In terms of wage growth, though, nonprofit agencies mirrored the statewide average, both growing 4 percent from 2007 to 2012 when adjusted for inflation.

Conor Bell is an economist in Juneau. Reach him at (907) 465-6037 or conor.bell@alaska.gov.

How nonprofit agencies are defined

In 2014, the U.S. Bureau of Labor Statistics released data for 2007 to 2012 on 501(c)(3) organizations, the most common nonprofit category. This was the first time BLS produced these data, so no information is available before 2007.

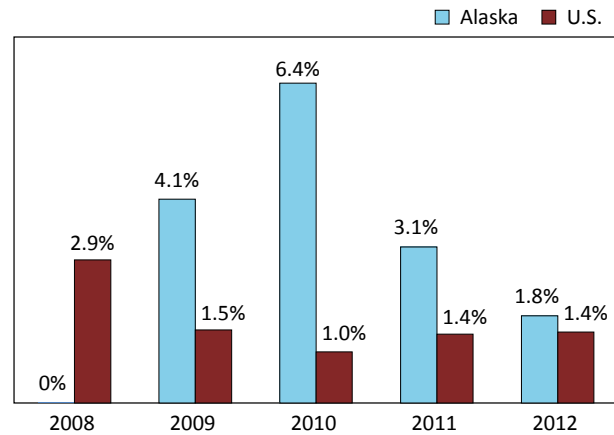
According to Internal Revenue Service statute, the 501(c)(3) designation comprises foundations that are "organized and operated exclusively for religious, charitable, scientific, testing for public safety, literary, or educational purposes, or to foster national or international amateur sports competition (but only if no part of its activities involve the provision of athletic facilities or equipment), or for the prevention of cruelty to children or animals ..."

Only employers required to pay unemployment insurance are included in the data, so not all nonprofit jobs are counted.

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Continuous Nonprofit Job Growth

PERCENT CHANGE BY YEAR, ALASKA AND U.S.



Source: U.S. Bureau of Labor Statistics

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Nonprofits Pay Lower Average Wages

VERSUS THE PRIVATE SECTOR, BY INDUSTRY, 2012

Industry	Average Nonprofit Wage	Average Private Wage
Total Private	\$44,920	\$49,320
Agriculture	\$37,648	\$46,572
Retail Trade	\$25,756	\$29,376
Information	\$38,385	\$58,855
Professional, Scientific, and Tech Services	\$57,557	\$68,733
Educational Services	\$32,296	\$30,931
Health Care and Social Assistance	\$47,619	\$45,124
Arts, Entertainment, and Recreation	\$21,544	\$19,103
Other Services	\$36,077	\$31,178

Source: U.S. Bureau of Labor Statistics