

Nonprofits In America

New BLS Research Data on the Nonprofit Sector

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www.bls.gov

Presenters

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Office of Field Operations

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Statistics and Labor Turnover

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Dynamics

Outline for Today's Webinar

- Highlights
- BLS nonprofit methodology
- Nonprofit data series
- Request for public comment:
<http://data.bls.gov/cgi-bin/forms/bdm?/bdm/home.htm>

Nonprofit Website:

<http://www.bls.gov/bdm/nonprofits/nonprofits.htm>

Highlights

- Nonprofits accounted for 11.4 million employees (10.3% of all private sector employment) in 2012
- Healthcare and Social Assistance (NAICS 62) is the largest component of the nonprofit sector, accounting for 68 percent of all nonprofit employment in 2012
- Employment for nonprofit organizations steadily increased from 2007 through 2012

Demand for Nonprofit Data

- BLS receives frequent information requests
- State partners cite demand and some produce their own data
- Prior research has shown usefulness
 - Johns Hopkins
 - Urban Institute

Scope of BLS Nonprofit Data

- Published as Unofficial Research Data
- Private Sector only
- 501c(3) organizations only
 - An organization must be organized and operated exclusively for exempt purposes set forth in section 501(c)(3), and none of its earnings may inure to any private shareholder or individual.
 - In addition, it may not be an action organization, *i.e.*, it may not attempt to influence legislation as a substantial part of its activities and it may not participate in any campaign activity for or against political candidates.

What BLS Nonprofit Data are Available?

- Annual data from 2007 through 2012
- National NAICS 2-digit and 3-digit industry
- State NAICS 2-digit industry
- Variables in each series
 - Annual average number of establishments
 - Annual average employment
 - Total annual wages
 - Annual average wages per employee
 - Average weekly wages

Description of QCEW

- Quarterly data
- UI based, mandatory collections to run UI
 - Wages - 98% reported data
 - Employment - 97% reported data
 - Units - 95% reported data
- Released 6 months after reference period – timely
- Highly accurate data with low revisions
- Units, employment and wages

Description of IRS Data

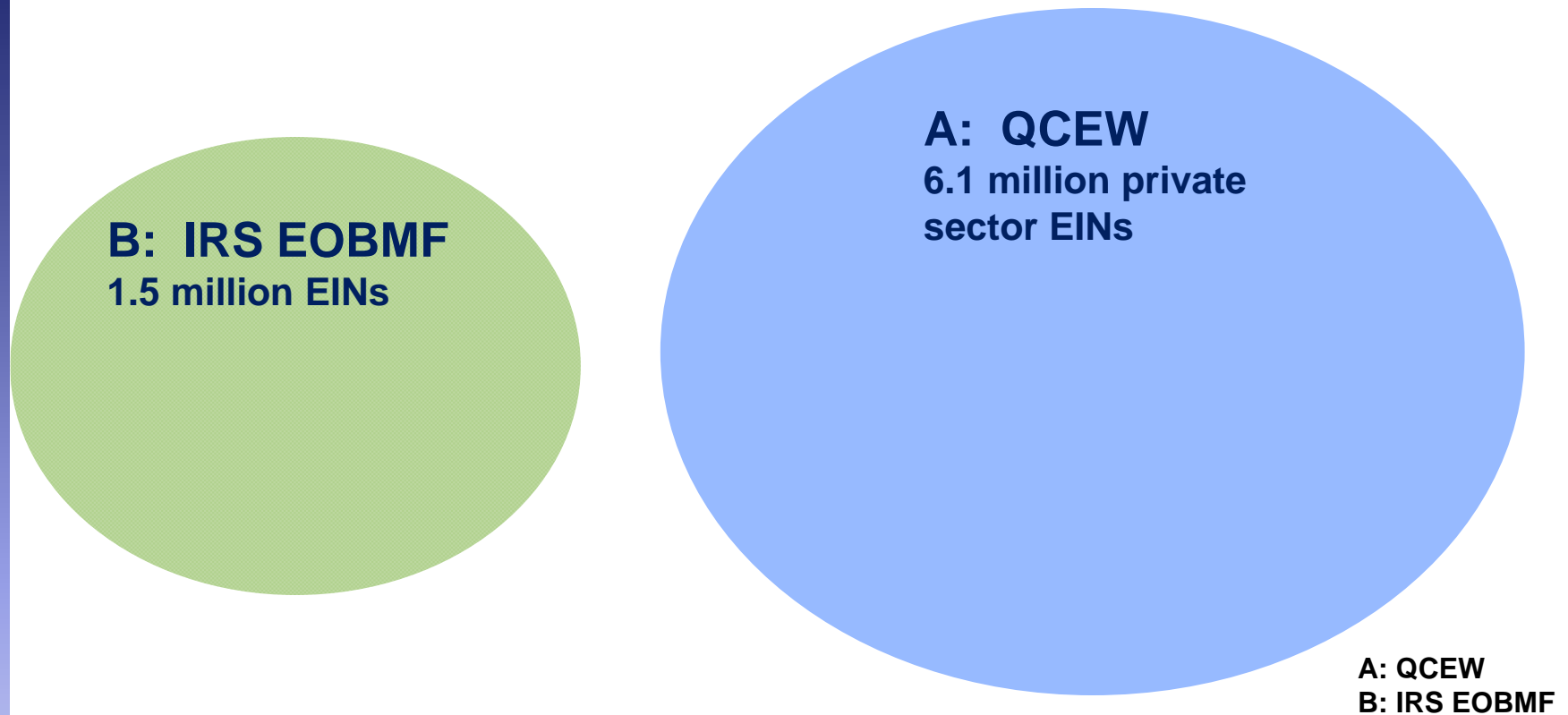
- Organizations request nonprofit status through Form 1023, Form 1023-EZ or Form 1024
- Information collected includes:
 - Employer Identification Number (EIN)
 - Primary name of the organization
 - Address
- Data maintained on the Exempt Organization Business Master File (EOBMF)
 - Available on the Tax Exempt and Government Entities Division (TEGE) website
 - <http://www.irs.gov/Charities-&-Non-Profits>

Methodology

1. Matching QCEW data to IRS
 - Use Employer Identification Number (EIN) to match QCEW to IRS
 - These matches were applied for all years
2. Reimbursables
 - Under state UI laws most states allow nonprofits to “reimburse” the UI system for employee claims rather than provide quarterly contributions
 - Most states limit this to 501(c)3
 - Added unmatched reimbursable establishments
 - These reimbursables were updated for each year
3. Review and eliminate false positives
 - Conducted by the QCEW staff, state staff and outside researchers

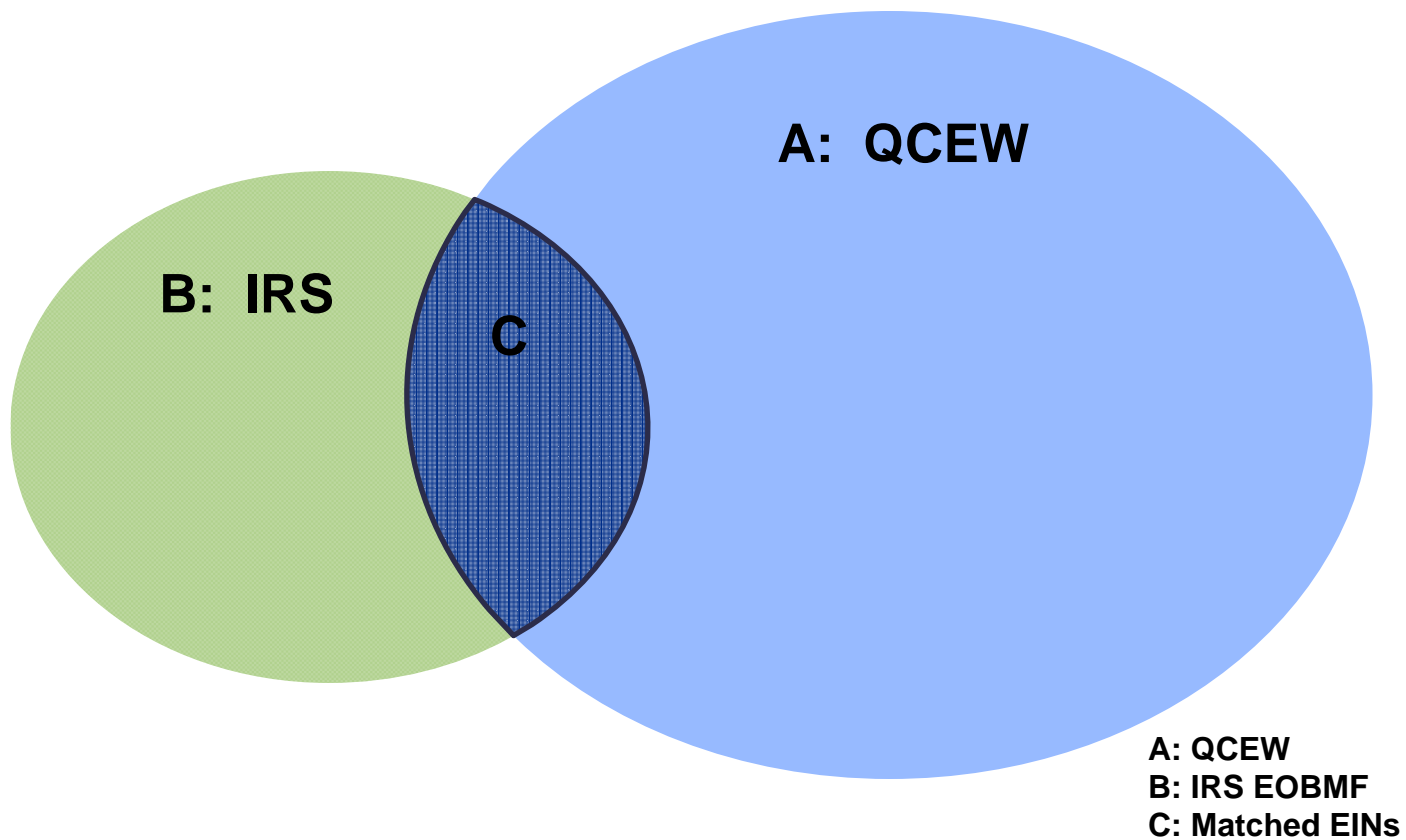
Creating the Data

Two datasets: QCEW and IRS



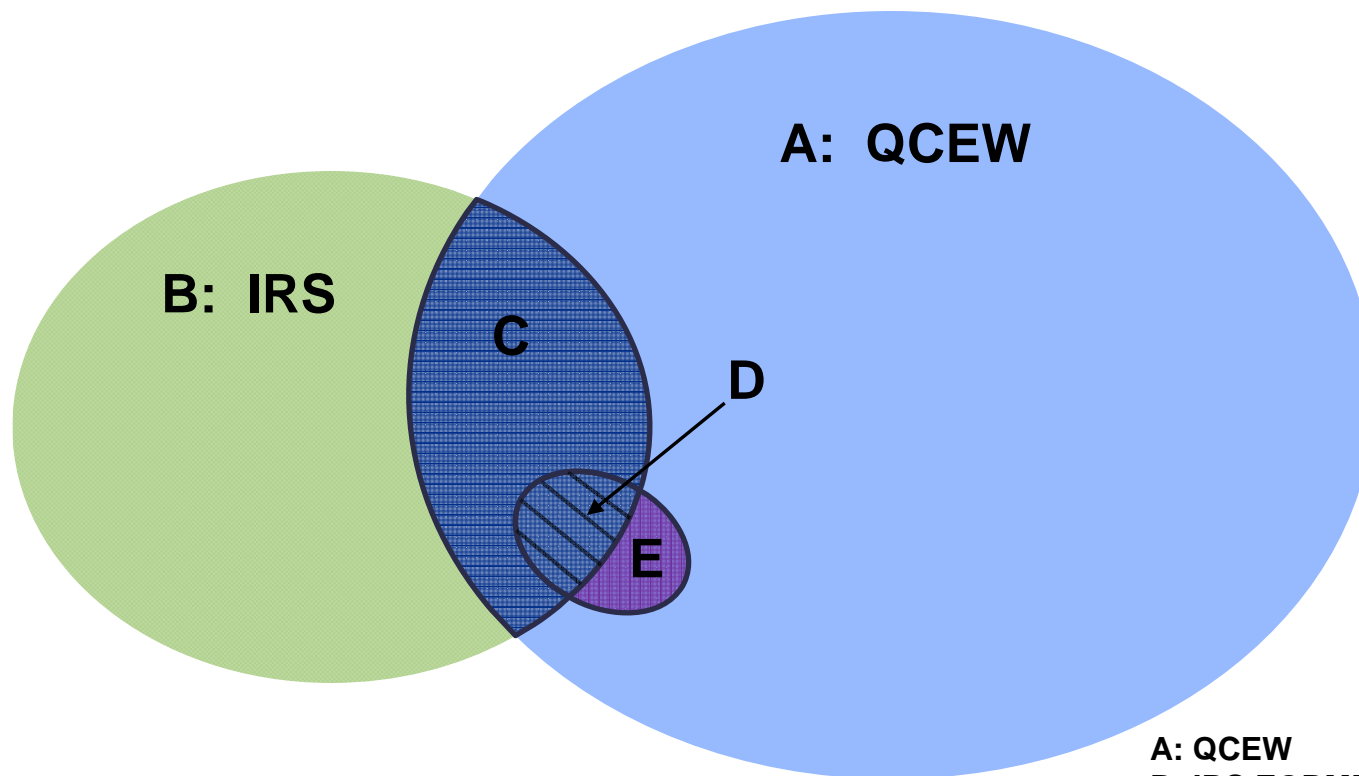
Creating the Data

The two data sources are merged by EIN



Creating the Data

Reimbursable units are added

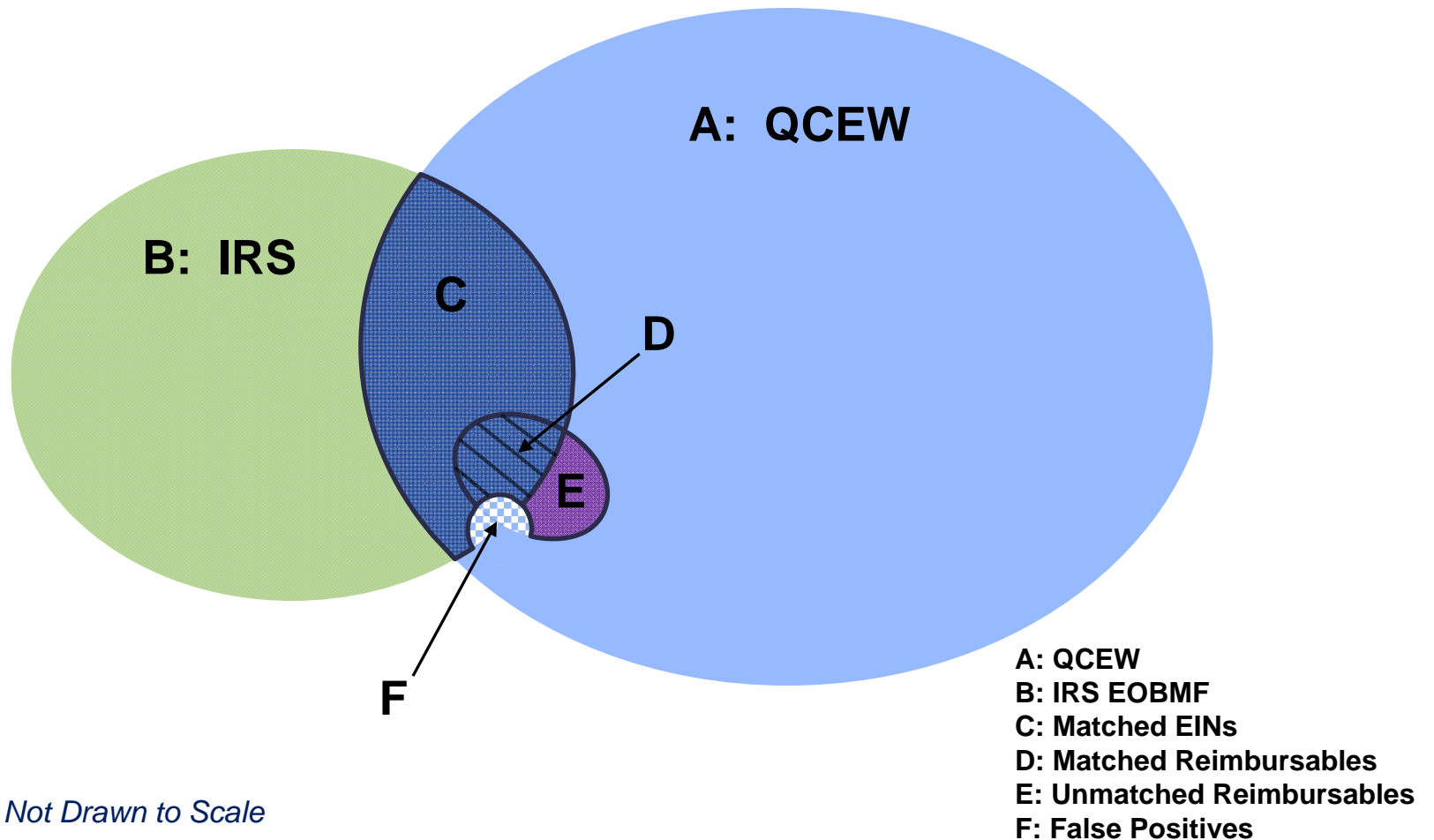


A: QCEW
B: IRS EOBF
C: Matched EINs
D: Matched Reimbursables
E: Unmatched Reimbursables

Creating the Data

Incorrectly identified records are removed

$$\text{Nonprofits} = C + D + E - F$$

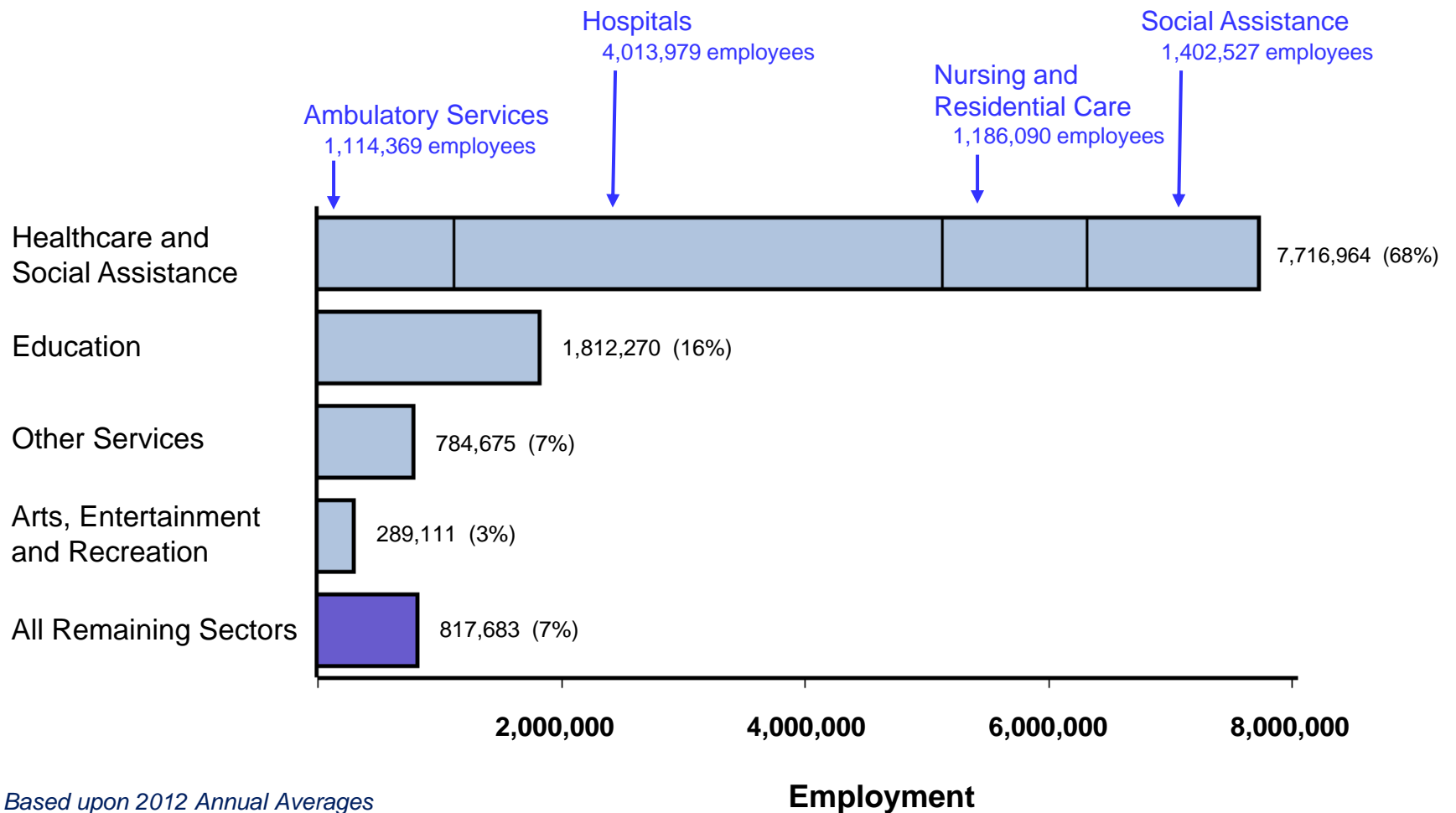


Summary of 2012 Nonprofit Data

- 11,426,870 employed in nonprofits
 - 10.3% of total private employment
- \$532 billion in wages
 - 9.8% of total private wages
- 267,855 private sector establishments
 - 3.0% of total private establishments
- 152,585 firms
 - 2.5% of total private firms

Largest Sectors of Nonprofit Employment

Total Nonprofit Private Sector Employment: 11,426,870



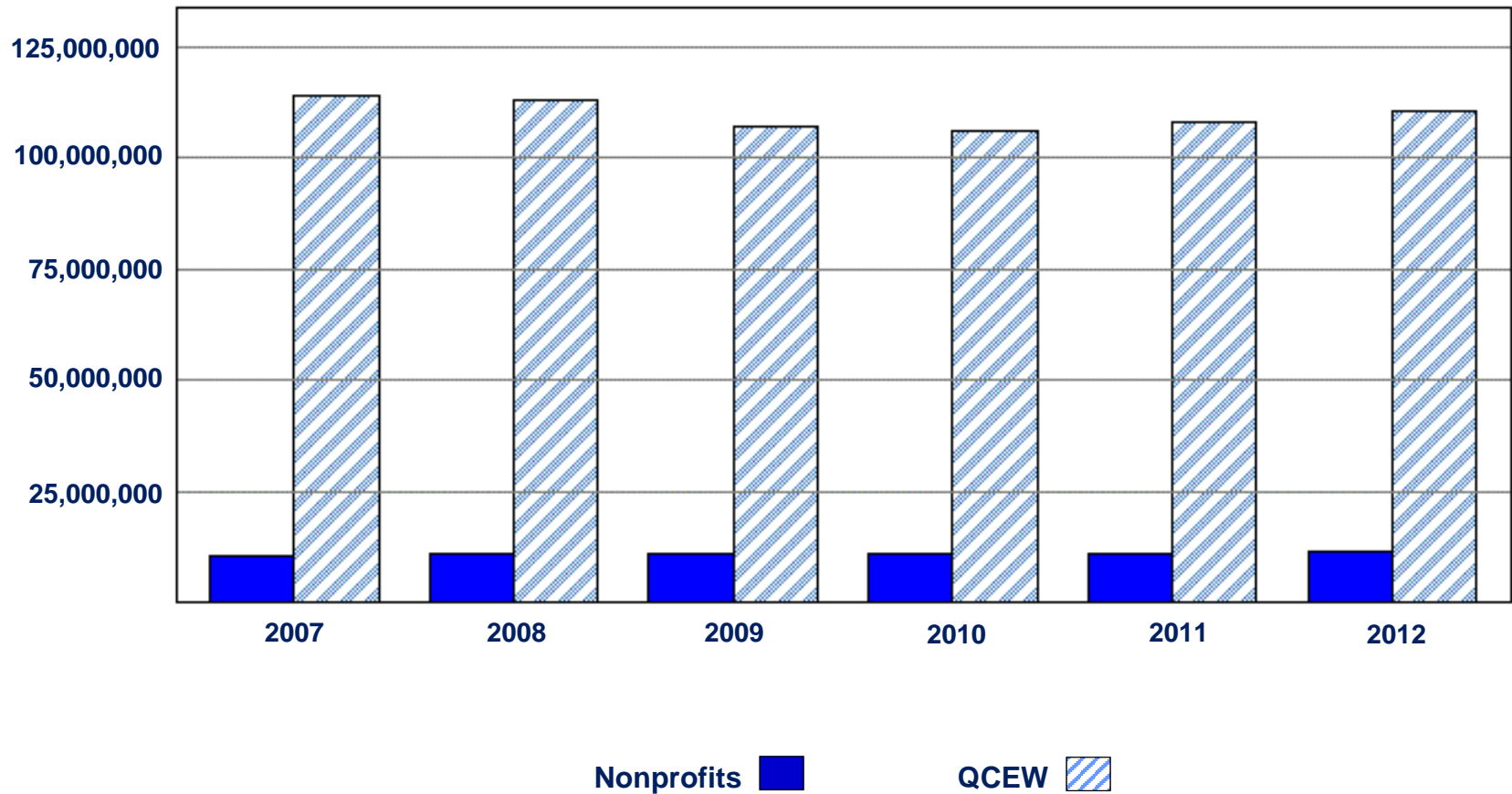
Based upon 2012 Annual Averages



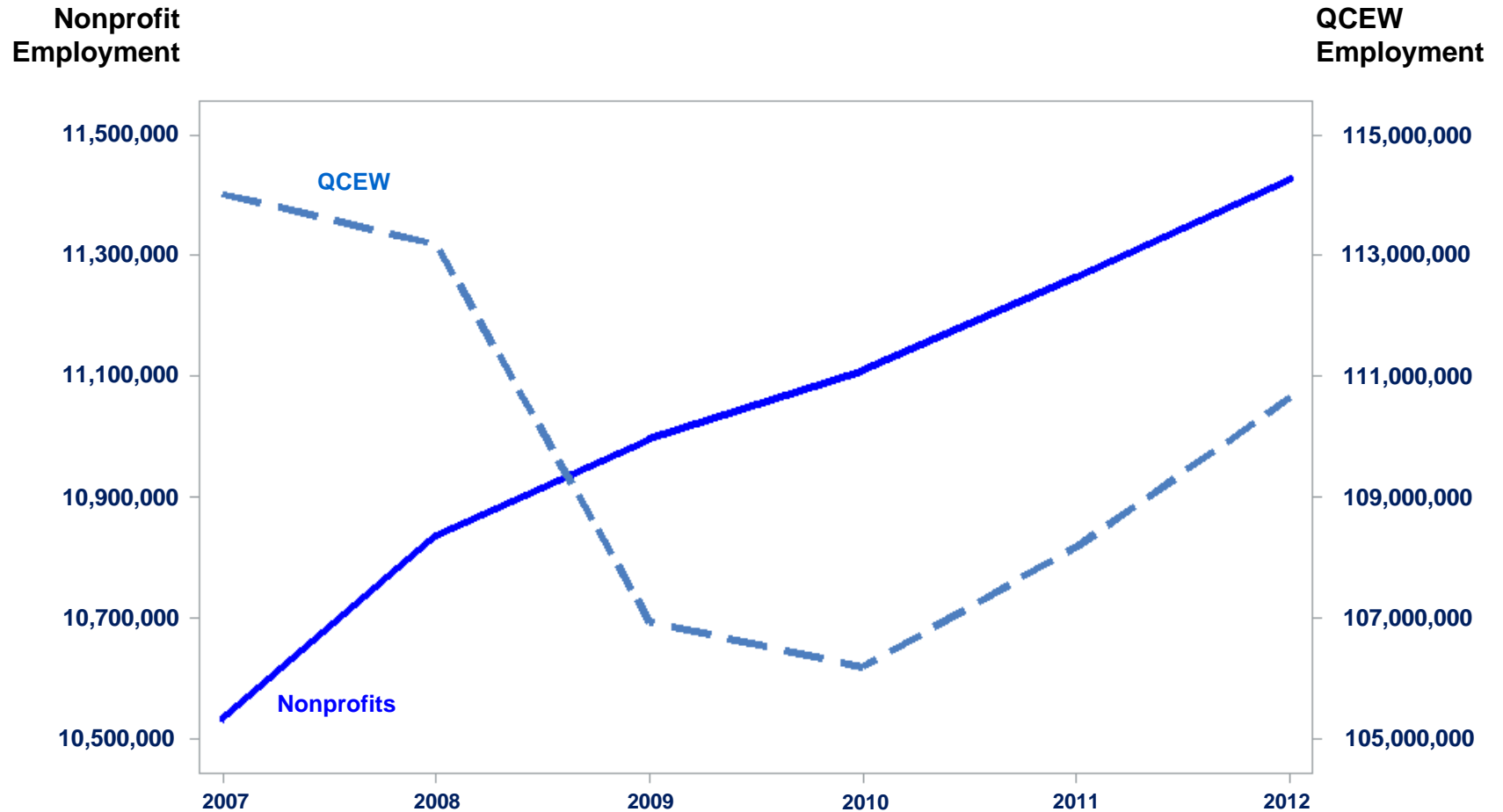
Largest Share of Nonprofit Employment by Sector in 2012

Educational Services	70%
Health Care and Social Assistance	46%
Other Services	17%
Arts, Entertainment and Recreation	15%
Management of Companies and Enterprises	11%
Professional, Scientific and Technical Services	3%
Information	2%
Real Estate and Rental Leasing	2%

Comparing Nonprofits to QCEW: Total Private Employment

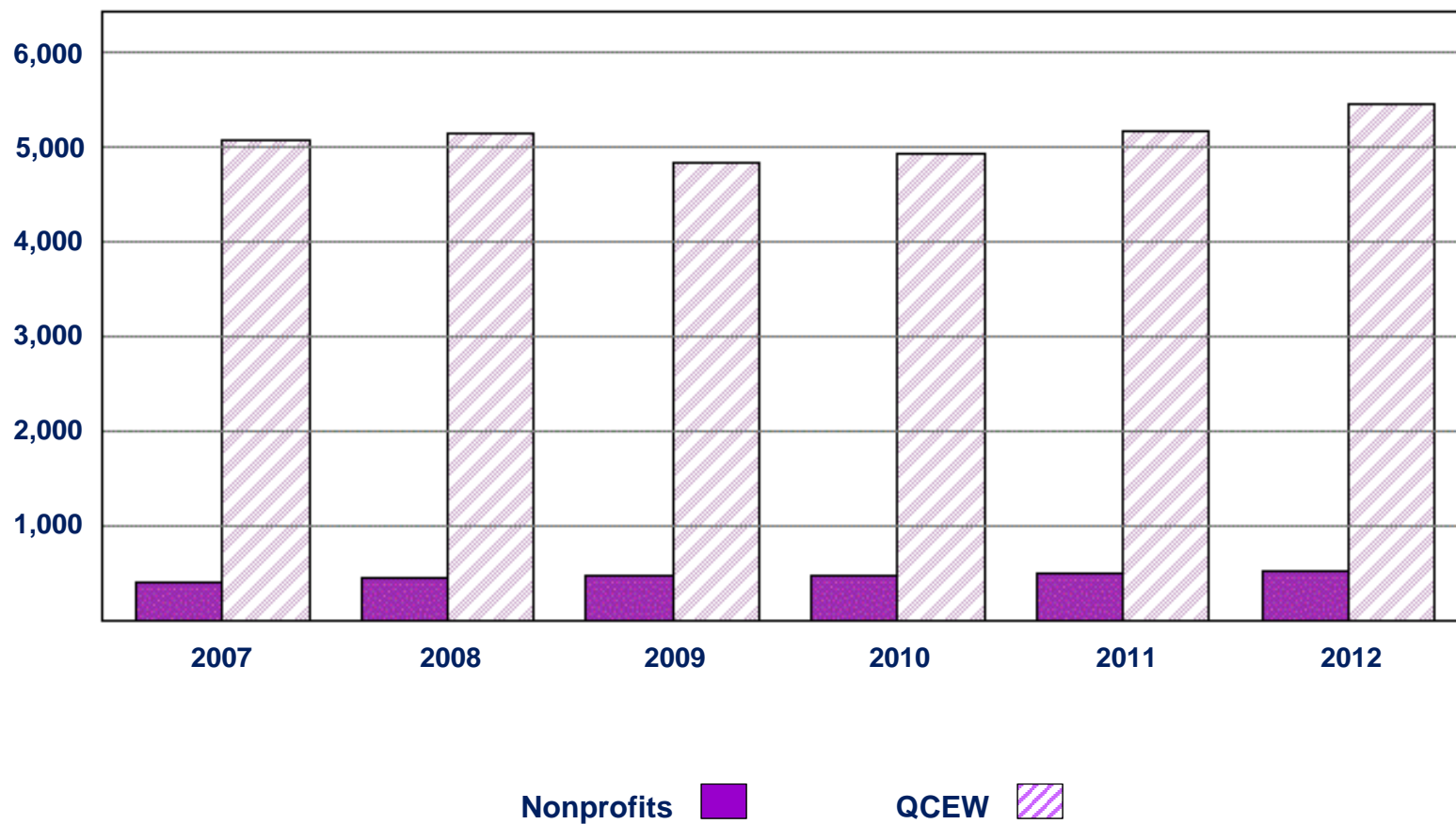


Comparing Nonprofits to QCEW: Total Private Employment



Comparing Nonprofits to QCEW: Total Annual Wages

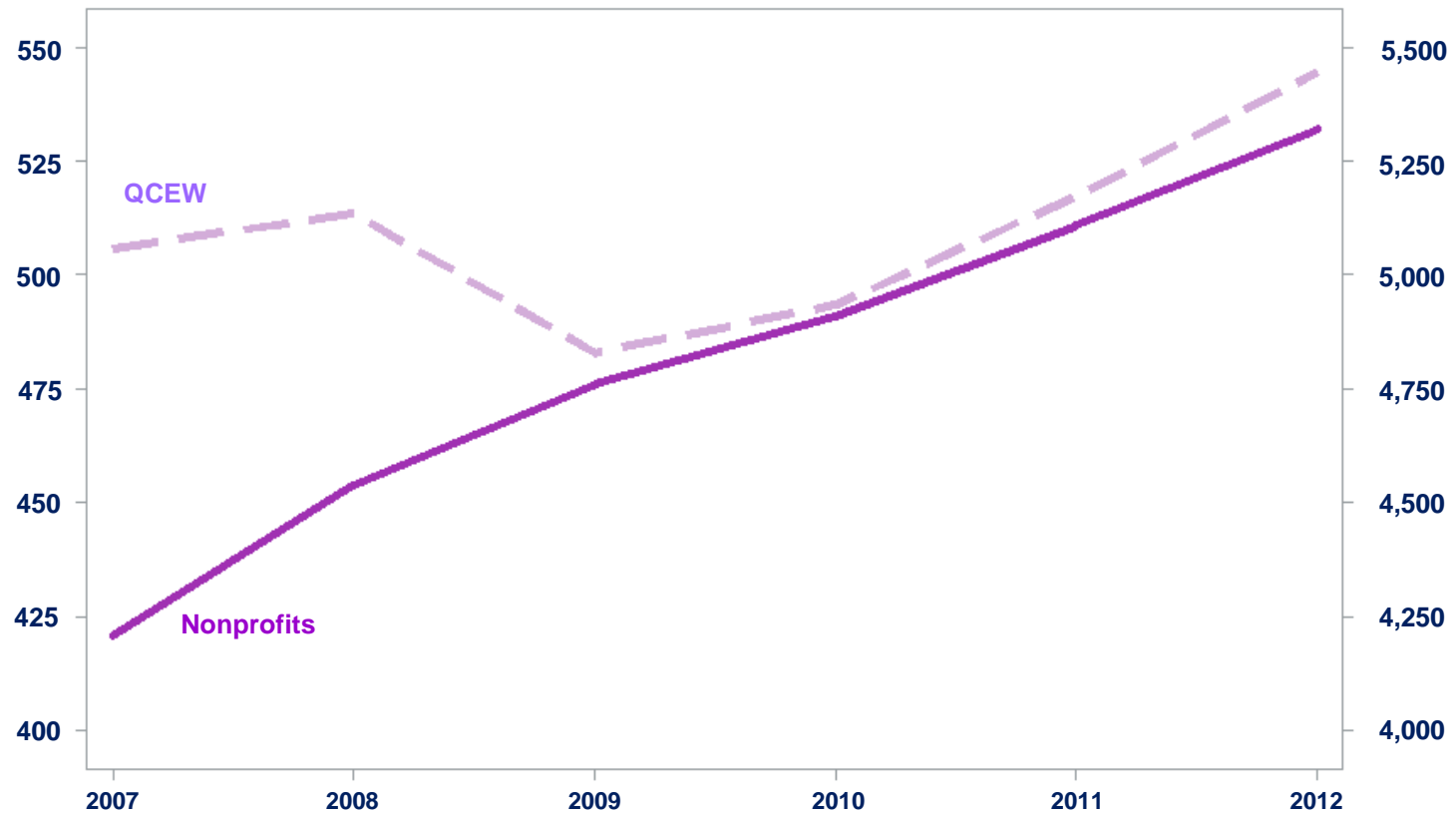
Billions of
Dollars



Comparing Nonprofits to QCEW: Total Annual Wages

Nonprofit Wages
(in billions of dollars)

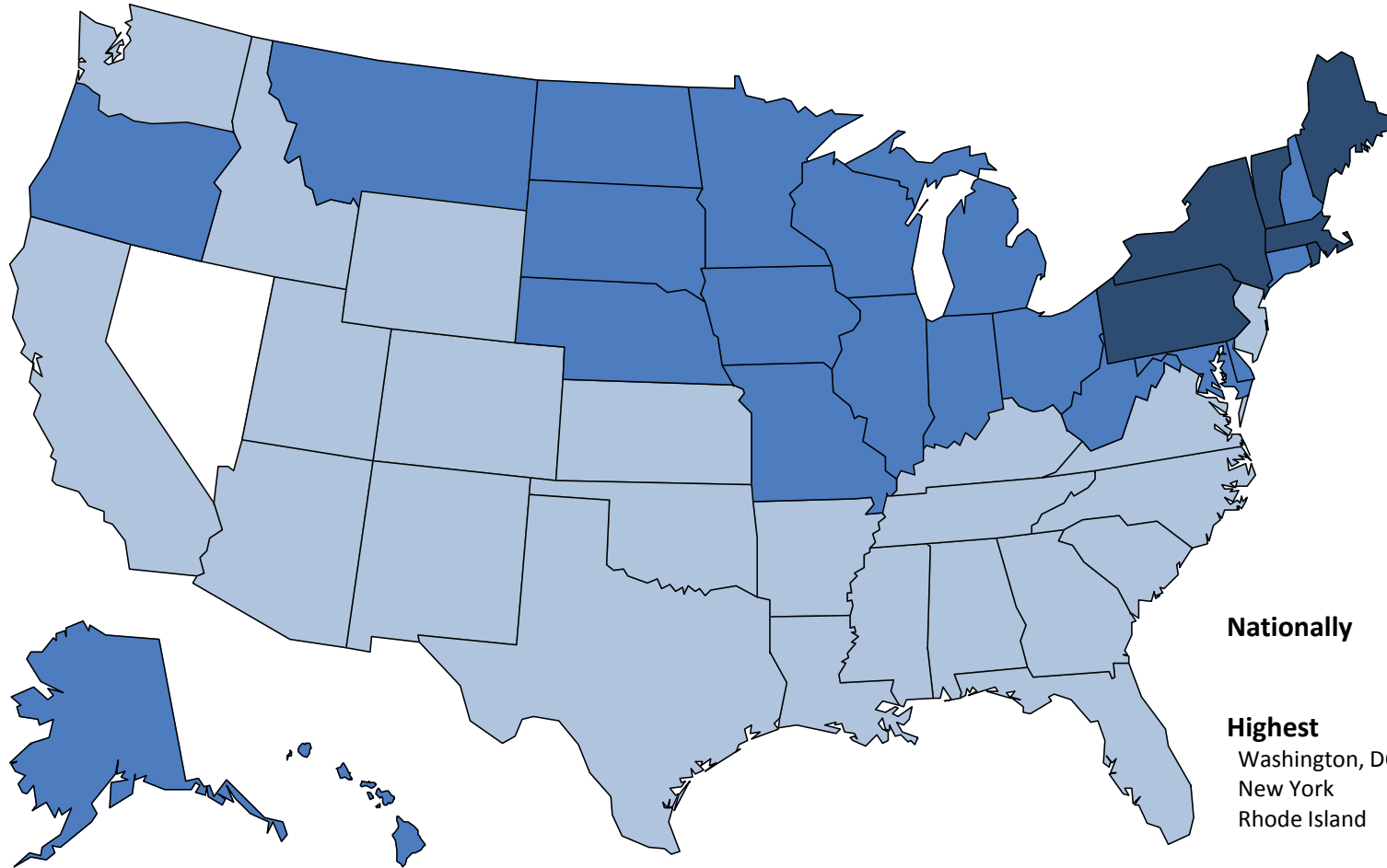
QCEW Wages
(in billions of dollars)



Share of Nonprofit Employment by State in 2012

Percent of Employment Attributed to Nonprofits

0 - 5%
 5 - 10%
 10 - 15%
 15% and above



Nationally 10.3%

Highest

Washington, DC 26.6%
 New York 18.1%
 Rhode Island 18.1%

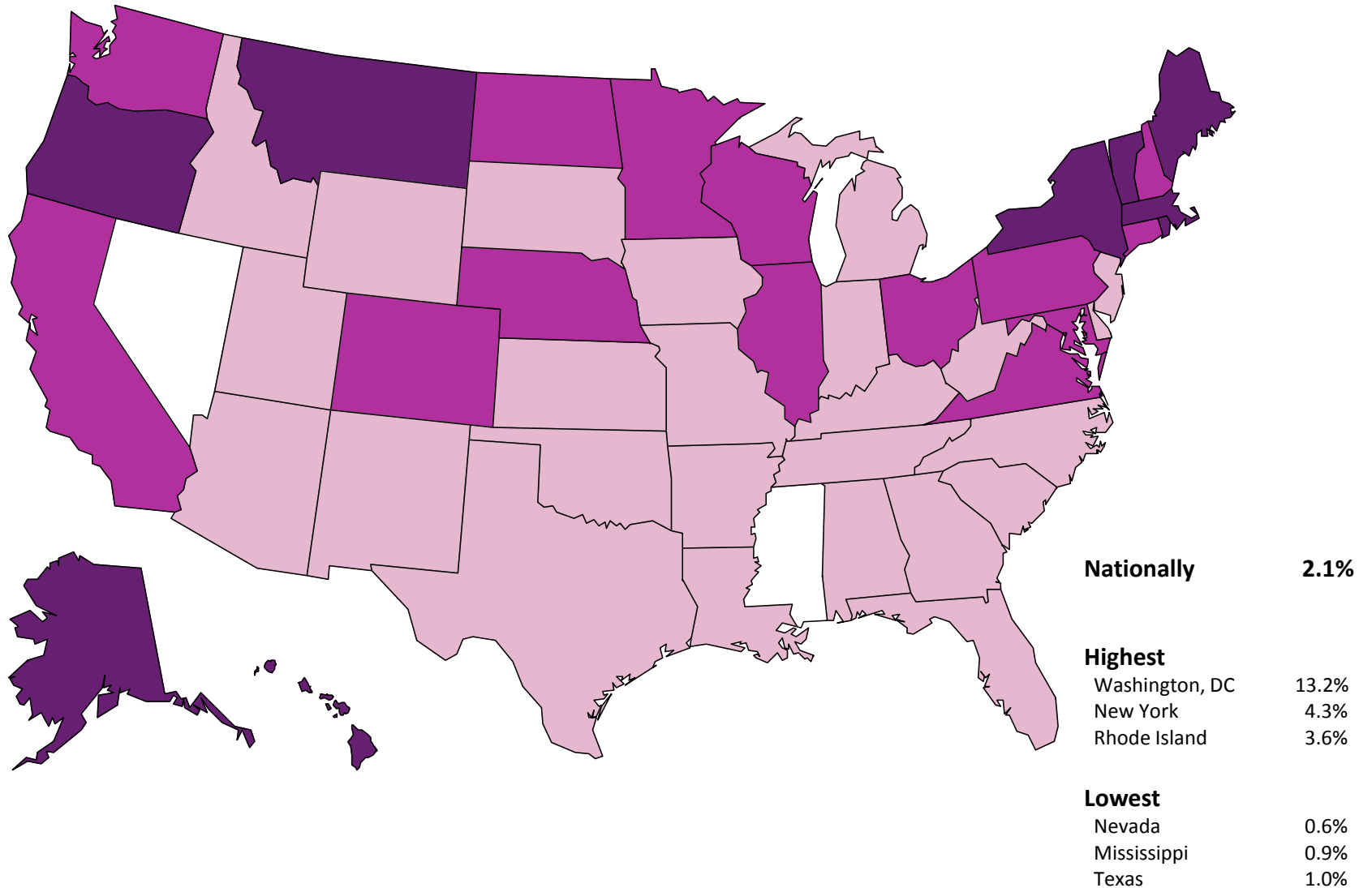
Lowest

Nevada 2.7%
 Texas 5.1%
 Alabama 5.4%

Share of Nonprofit Employment without Educational Services and Healthcare and Social Assistance by State in 2012

Percent of Employment Attributed to Nonprofits

0 - 1%
 1 - 2%
 2 - 3%
 3% and above



Big Data

- Nonprofit project is an example of “Big Data”
- Merging existing administrative datasets with no new collection or respondent burden
- Similar to QCEW Hurricane Zones
 - http://www.bls.gov/cew/hurricane_zones/home.htm
- OMB Circular M-14-06, *Guidance for Providing and Using Administrative Data for Statistical Purposes*
 - Published February 14, 2014

Seeking Public Comment

- BLS is seeking comments on:
 - Data
 - Methodology
- Submit comments by December 31, 2014
- Send comments to:
<http://data.bls.gov/cgi-bin/forms/bdm?/bdm/home.htm>

Special Thanks!

- Erik Friesenhahn (Bureau of Labor Statistics)
 - For research, reviewing, and creating the data
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 - For data review and guidance
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 - For assistance and guidance
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 - For assistance and guidance

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