

MISSION AND MORE:

THE ECONOMIC POWER OF THE HUDSON VALLEY'S CHARITABLE NONPROFIT SECTOR

A COLLABORATIVE PROJECT OF:
NEW YORK COUNCIL OF NONPROFITS &
HUDSON VALLEY FUNDERS NETWORK


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SUPPORTED BY:

Berkshire Taconic Community Foundation
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Why This Matters

Every person in the Hudson Valley benefits in one way or another from the social, health, housing, education, cultural, environmental, animal welfare, and other mission-related work advocated for and provided by the over 7,700 active 501c(3) nonprofits in the region. For various reasons—including particularly the lack of relevant and timely data—the significant and far-reaching impact that nonprofits have on the economic health and well-being of the region is not fully understood or appreciated.

As the latest federal and state economic data reveal in this report, **nonprofits generate significant economic activity and jobs** that ripple throughout local communities and the region, and confirm what we already know: **nonprofits are the bedrock of our communities.** This has become particularly evident as people in our region have turned to nonprofits for support for themselves, loved ones, and neighbors in these unprecedented and uncertain pandemic times. The sector's economic impact is further amplified by the fact that many nonprofits directly support other local employers and their workforce by providing child and elder care, job training, health care, and the care economy in general.

Consider just a few of the key findings that illustrate how powerful of an economic driver the nonprofit sector is in the Hudson Valley:

- **Nonprofits employed nearly 1 in 5 non-government workers in 2020**, making nonprofits the largest non-government employer in the region with more than 139,000 employees.
- **Nonprofits generated over \$16 billion in annual revenue** and held over \$23 billion in total assets in 2018.
- **Nonprofit workers earned \$7.4 billion in wages and are estimated to have generated up to \$1.1 billion in total state and federal tax revenue**—and much more if sales and local property taxes paid by employees are added.

In addition to the findings covered in this report, research has shown that the economic ripple or “dollar multiplier” effect of nonprofits on a local economy can vary by subsector (arts, health care, social services, etc.), the overall local economy circumstances, and the research model used. Although it was beyond the scope of this study to detail the multiplier effect of Hudson Valley nonprofits, the sizable financial and jobs presence of the sector speaks for itself.

This report also provides a glimpse into how resilient Hudson Valley nonprofits have been during the pandemic. For example, between 2019–2020, regional nonprofits lost a marginally smaller share of their workers than the average nonprofit employer in the state. Also, **while facing a mounting tide of community needs in the first year of the pandemic, nonprofits were able to retain significantly more of their workforce than for-profit businesses in the region, a reflection of the nonprofit workforce's commitment to mission and service.**

Nonprofits generate significant economic activity and jobs that ripple throughout local communities and the region.

In the first year of the pandemic, nonprofits were able to maintain significantly more of their workforce than for-profit businesses in the region.

As funding partners to our region's nonprofits, we are pleased to present this economic impact analysis of public-serving nonprofits in the 9-county Hudson Valley region (Columbia, Dutchess, Greene, Orange, Putnam, Rockland, Sullivan, Ulster, Westchester). We thank the New York Council of Nonprofits, Inc., the New York State Department of Labor, and chief researcher Chelsea Newhouse, for their efforts and contributions to this project.

This report is rich in economic facts about our region's nonprofit sector. We present these findings to further inform and educate the media, the public, nonprofit stakeholders, and local, state and federal policymakers as to the vital economic importance and value of nonprofits in our local communities and region. **It is our hope that this report will provide sector advocates, policy makers, and practitioners with the basic data needed to make important course corrections to ensure that nonprofit organizations can continue their crucial work serving residents in the Hudson Valley Region and beyond.**

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Introduction

Background and Purpose of this Report

The [Hudson Valley Funders Network](#) (HVFN), a coalition of philanthropic organizations, was formed in 2020 to mobilize resources and address the capacity and viability needs of nonprofits during the pandemic. It became apparent in the economic turmoil caused by the pandemic that local nonprofits were not only vitally important to the fulfillment of their charitable missions, but also to the economic health of the region as well. Realizing that there was little to no data readily available to demonstrate the economic importance of public serving nonprofits—hospitals, universities, symphonies, art galleries, nursing homes, family service agencies, homeless shelters, churches, civic agencies, environmental groups, and others—a group of funders within HVFN commissioned the [New York Council of Nonprofits](#) (NYCON) to gather and analyze the latest economic data available on nonprofits in the region, with a special focus on the impact of the coronavirus pandemic.

Supporting sponsors of this report are the Berkshire Taconic Community Foundation, Community Foundation of Orange and Sullivan, Community Foundations of the Hudson Valley, Dyson Foundation, Field Hall Foundation, Foundation for Community Health, Swantz Family Foundation, United Way of the Dutchess-Orange Region, United Way of Ulster County, United Way of Westchester and Putnam, and Westchester Community Foundation.

Data Sources

This report draws on two key datasets. First, the [Urban Institute National Center for Charitable Statistics' Core Files](#), which include data from the IRS Business Master File of registered nonprofit organizations and tax form 990 filings, provide data on the number of nonprofits, revenues, and assets. Second, data provided by the New York State Department of Labor drawn from the Quarterly Census of Employment and Wages (QCEW) provides information on nonprofit and for-profit employment and wages collected under the state's Unemployment Insurance Law.

While the impacts of the pandemic since its onset in early 2020 regarding the overall private sector are well-documented through monthly jobs reports released by the Bureau of Labor Statistics, these reports, like most federal employment data, do not break out nonprofits from the larger private sector. What is more, these jobs reports are provided only on the national level, obscuring regional differences in impacts. Thus, while researchers at the Johns Hopkins Center for Civil Society Studies have attempted to provide [national estimates](#) of nonprofit job losses over the course of the pandemic, it has not been possible until now to truly quantify how nonprofits fared in the face of these challenges. Thanks to the help of the Regional Offices of the New York State Department of Labor in providing nonprofit-specific employment data for both 2019 and 2020, this report is one of, *if not the first*, to examine concrete data comparing employment in the sector both before and during the pandemic period. These findings underscore the importance of making systematic, comparable data on the nonprofit sector regularly available.

Full details on these data sources and their limitations are provided in [Appendix A](#).

Executive Summary

Why Nonprofits Matter

Nonprofit organizations provide vital services and opportunities for engagement to communities here in New York's Hudson Valley Region and in every corner of the U.S. They care for our health, educate our children, provide support for those in need, and give us opportunities to express ourselves artistically and physically. At no time has this been more evident—and appreciated—than today, as the coronavirus pandemic has occasioned an unprecedented need for the services and support nonprofits provide, especially for those most vulnerable. However, beyond the services and opportunities they provide, nonprofits have another less understood and recognized role—they are major drivers of economic vitality in the communities they serve. A key reason for this lack of understanding is the absence of regular core jobs and wage data collected and released by the federal government that distinguishes nonprofits from other private employers.

What is Revealed

This report provides a detailed picture based on concrete metrics of the scope, scale, and economic impact of the **over 7,700 active public serving 501(c)3 nonprofits**¹ in the nine-county Hudson Valley Region as a whole and includes a supplemental [data dashboard](#) that provides information on the county level. Depicted is the scale of the sector's resources—its revenues, assets, employment, and wages paid. It confirms that the regional nonprofit sector not only contributes directly to the health, safety, and cultural enrichment of the communities it serves, but has a broad and deep impact on the economic health of the region.

The data strongly support six Key Findings about Hudson Valley nonprofits. They:

1. Are the region's **largest non-government employer**, employing nearly 1 in 5 of the region's non-government workers.
2. Provide a wide array of services, with a strong **focus on health care**.
3. Hold **considerable financial power**.
4. Pay average weekly **wages that are significantly lower than for-profit wages** overall, but higher in a few key fields.
5. **Fared relatively well** in terms of retaining employees during the first year of the coronavirus pandemic.
6. Increased wages during the pandemic, but at a **slower pace than for-profits**.

The data also underscore the fact that, overall, local nonprofits are not wage competitive in this pandemic induced labor market. The challenge of not being able to attract and retain qualified employees will adversely affect their missions and economic impact moving forward.

Beyond the services and opportunities they provide, nonprofits have another less understood and recognized role—they are major drivers of economic vitality in the communities they serve.

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Key Findings

FINDING #1 • Nonprofits are the Hudson Valley Region's largest non-government employer

As of 2020, Hudson Valley Region 501(c)3 nonprofits employed **139,123 paid workers**—just behind all branches of government and more than any other private industry for which data are available. As illustrated in **Figure 1**, this included:

- More than 12 times as many workers as the region's information² industry;
- Nearly 9 times as many workers as the region's real estate industry;
- More than 5 times as many workers as the finance and insurance industry;
- About 3 times as many workers as all types of manufacturing and administrative and waste services;
- Over twice the number of workers as both construction and accommodation and food services; and
- Roughly a third more workers than the region's retail trade industry.

What is more, the region's nonprofits employed just 10,600 fewer total workers than all branches of the region's government sector in 2020—a difference of just 7%. This gap between nonprofit and government employment has narrowed substantially over the past decade—as of 2010, nonprofits employed an estimated 47,000 fewer workers than public sector employers, a difference of nearly 28%. This is likely the result of an increased reliance on nonprofit groups to deliver services previously provided directly by government-run agencies.

These 139,123 nonprofit employees represented over 19% of all private, non-governmental workers in the region, or nearly **one out of every five non-governmental workers**. As shown in **Figure 2**, this exceeded the New York State average of 18.1% and put the region's nonprofit share of private, non-

FIGURE 1
Hudson Valley Region nonprofit employment vs. employment in for-profit industries & government, 2020

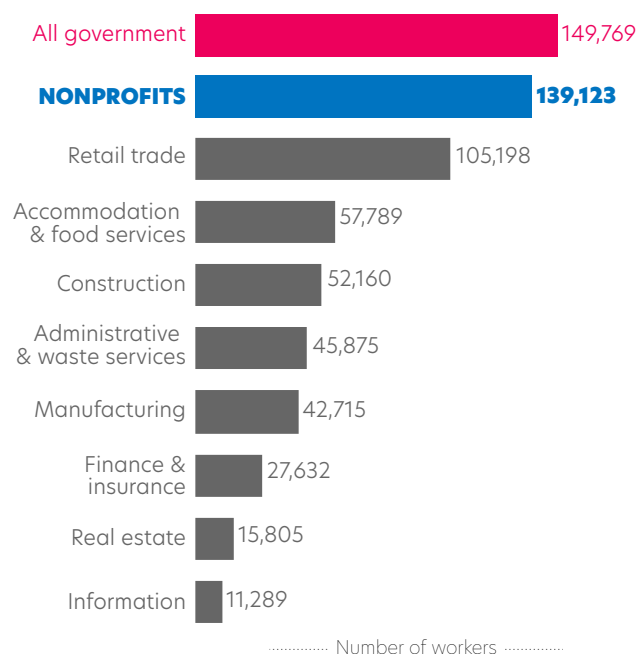
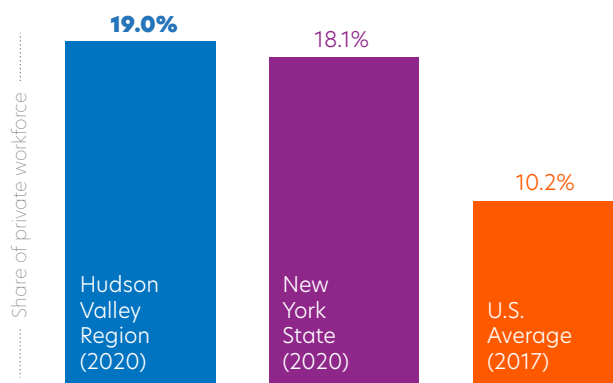


FIGURE 2
Hudson Valley Region, New York State, & U.S. nonprofit share of private employment, latest year available



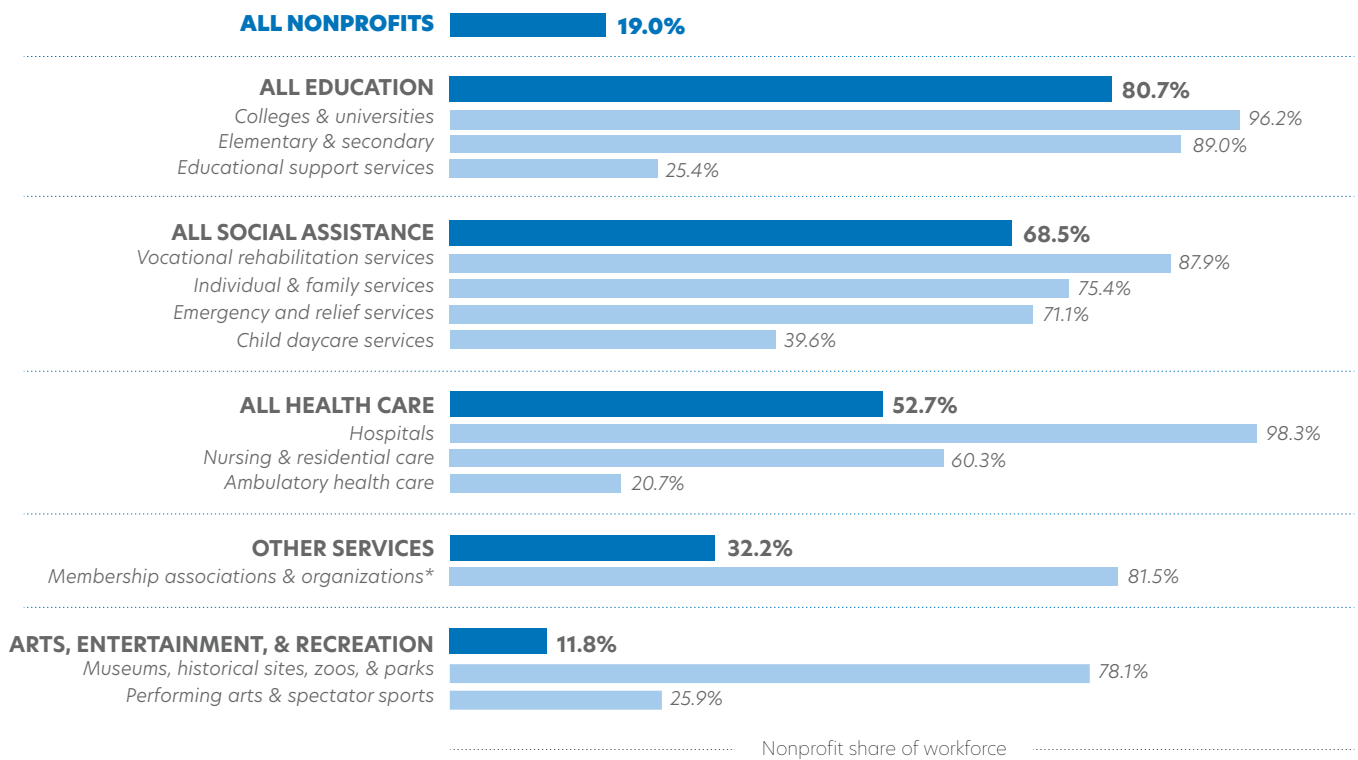
² Information includes publishing, broadcasting, and telecom; information and data processing services; and the motion picture and sound recording industries.

government employment well above the national average of 10.2% as of 2017, the latest year for which national data are available.³

What is more, as shown in **Figure 3**, in many fields where nonprofits are particularly active, they employed even larger shares of the non-government workforce, including:

- Nearly 81% of all education workers (not including public schools). Within the educational field, nonprofits employed 96% of private college and university workers, and 89% of workers in private elementary and secondary schools.
- About 69% of workers providing social assistance services. Within this field, nonprofits employed 88% of vocational rehabilitation workers, 75% of workers providing services to individuals and families, 71% of emergency and relief services workers, and 40% of child care workers.
- Approximately 53% of all non-government health care workers, including nearly all of those working in hospitals and 60% of nursing and residential care workers.
- Just 32% of workers in the other services field, which includes a wide array of personal and household services; however, nonprofits employ 82% of workers in the associations sub-sector which includes religious, grantmaking, civic, professional, and similar organizations.
- Just under 12% of all private workers in the arts, entertainment, and recreation field. Within this field, nonprofits employed 78% of workers in museums, historical sites, zoos, and parks.

FIGURE 3
Hudson Valley Region nonprofit share of private workforce, by field, 2020



* Includes Religious, grantmaking, civic, professional, and similar organizations and associations.

³ The Bureau of Labor Statistics (BLS) currently releases nonprofit employment and wage data on a 5-year cycle. As a result, these are the most recent data available on the national level. Updated national data is not expected until 2024. Differences in methodology and resources between the BLS and NYDoL data for 2019 and 2020 may result in limited discrepancies in the organizations covered. As such, the national data are not directly comparable to the state and regional data examined here. However, these data can provide an important baseline context and are presented for this purpose. For more information, see **Appendix A** and the [BLS Nonprofit Data page](#).

FINDING #2 • The region's nonprofits provide a wide array of services, with a strong focus on health care

While half of Hudson Valley Region nonprofit workers are employed in health care, nonprofit organizations provide a wide array of services and expressive opportunities across the region, as illustrated in **Figures 4 and 5**. In particular, as of 2020:

- Fully 50% of all nonprofit workers—69,586—were engaged in providing **health care services**. Of these health care jobs, *hospitals* accounted for over half—or 35,273 jobs; *nursing and residential care facilities* employed roughly a third, or 21,909 workers; and *ambulatory health services*—including outpatient clinics, doctors' offices, and others—employed 12,404 workers or 18% of the total nonprofit health care workforce.
- The second largest field of nonprofit employment activity in the region was **educational services**, which engaged 25,298 workers and accounted for just under a fifth of the region's nonprofit workforce. Of these workers, 13,505—or 53%—were employed by *colleges and universities*, while private *elementary and secondary schools* employed 10,787 workers, accounting for 43% of the nonprofit educational workforce.
- **Social assistance organizations** employed 22,941 workers, or 16.5% of the region's nonprofit workforce. Three quarters of these workers—17,164—were engaged in providing services to *individuals and families*.

FIGURE 4
Hudson Valley Region distribution of nonprofit employment by field, 2020

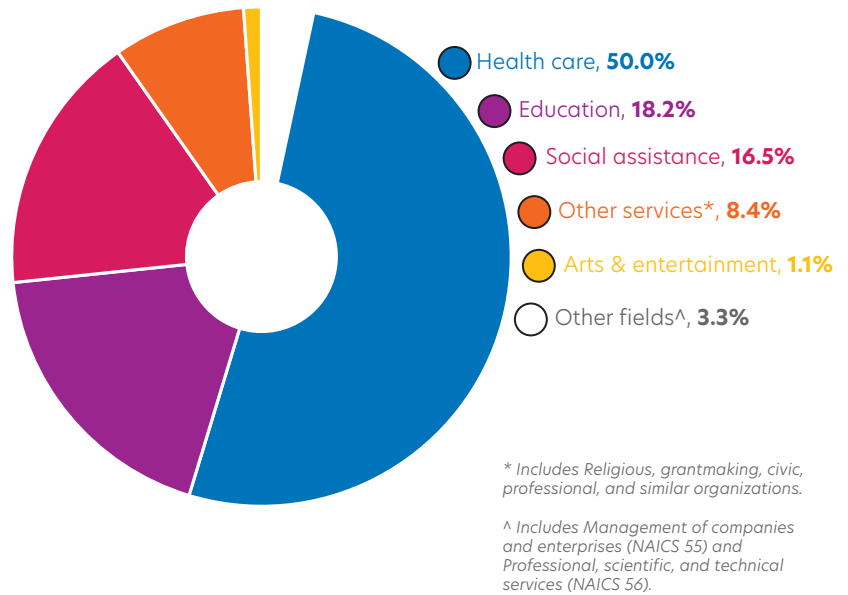
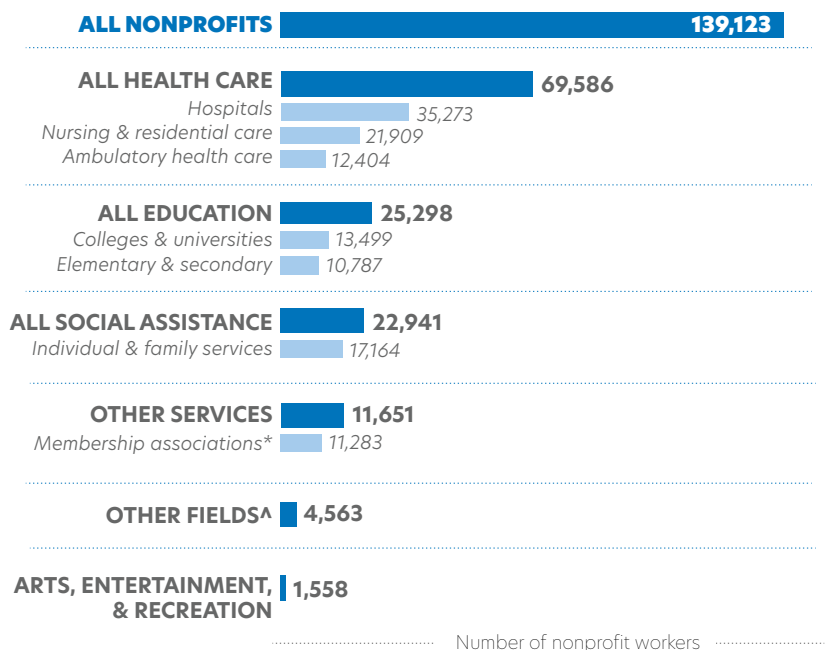


FIGURE 5
Hudson Valley Region nonprofit employees by field, 2020



* Includes Religious, grantmaking, civic, professional, and similar organizations.
^ Includes Management of companies and enterprises (NAICS 55) and Professional, scientific, and technical services (NAICS 56).

- About 8.4% (11,651) of the region's nonprofit jobs were in **other service organizations**. Nearly 97%—11,283—of these nonprofit jobs were concentrated in *membership associations* including religious, grantmaking, civic, professional, and similar organizations.
- **Arts, entertainment, and recreation**-focused organizations employed just 1.1% of the region's nonprofit workforce—or 1,558 workers. Of these, about half (860) worked for *museums, historical sites, zoos, and parks*, and half (852) for *performing arts and spectator sports* organizations.
- The remainder of the region's nonprofit workforce fell into management of companies⁴ (2.1% or 2,936 jobs), and professional, scientific, and technical services⁵ (1.2% or 1,627 jobs).

FINDING #3 • Hudson Valley nonprofits have considerable financial power in the region

The economic impact of the Hudson Valley Region's nonprofit sector is not limited to its role as a job creator. Indeed, regional nonprofits have a considerable financial footprint, as shown in **Figure 6**, and have:

- Generated over **\$16 billion in revenues** in 2018;
- Held over **\$23 billion in total assets** as of that year; and
- Paid over **\$7.4 billion in wages** in 2020, representing 14.5% of all non-government wages paid in the region.

Further evidence of the nonprofit sector's significant economic impact is found in the state and federal tax revenue generated by the \$7.4 billion in wages paid in 2020. Based on estimates from a [New York State tax calculator](#), these wages could generate **up to \$1.01 billion in total income tax revenue**, including \$665.7 million in federal income taxes and \$347.3 million in state income taxes. ***In other words, while these organizations may be tax exempt themselves, they nevertheless generate substantial tax revenues by virtue of the wages paid to their workers.***

FIGURE 6

Hudson Valley Region nonprofit revenues, assets, wages, and tax revenue generated

Revenues (2018)	\$16,088,590,825
Assets (2018)	\$23,058,346,509
Wages (2020)	\$7,412,661,000
Est. income tax revenue (2020)	\$1,012,963,338

⁴ Includes establishments that hold the securities of (or other equity interests in) companies and enterprises for the purpose of owning a controlling interest or influencing management decisions or non-government establishments that administer, oversee, and manage establishments of the company or enterprise and that normally undertake the strategic or organizational planning and decision-making role of the company or enterprise.

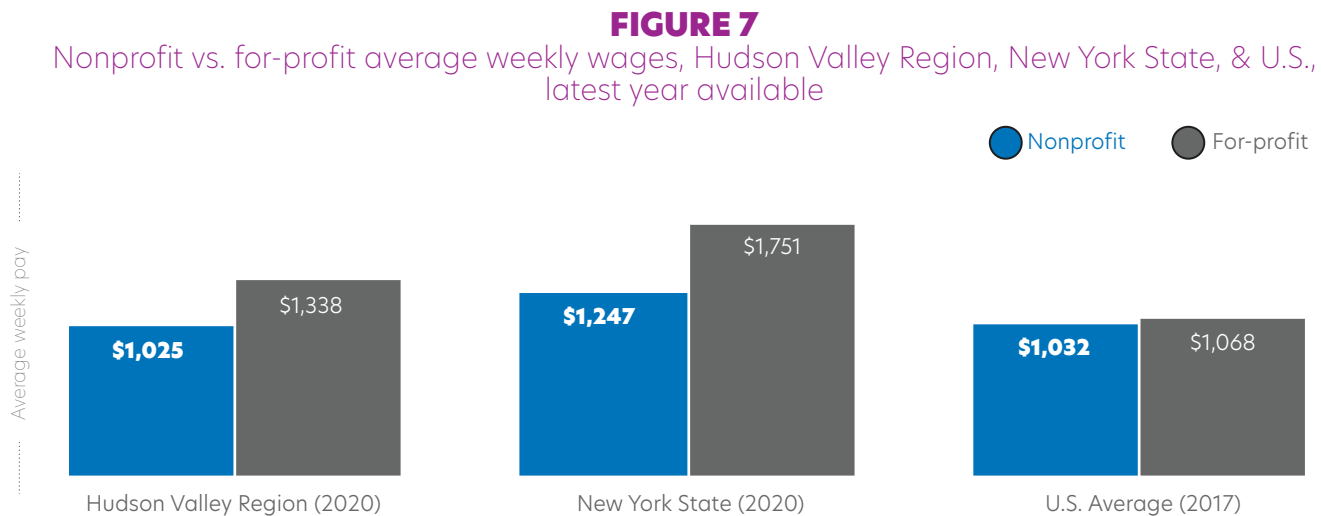
⁵ Includes establishments that specialize in performing professional, scientific, and technical activities for others.

FINDING #4 • Nonprofit average weekly wages in the region are significantly lower than for-profit wages overall, but higher in a few key fields

As shown in **Figure 7**, the average weekly wage paid by Hudson Valley Region nonprofits in 2020 was \$1,025, roughly equivalent to the U.S. average as of 2017, and somewhat below the 2020 New York State average.

While this meant that Hudson Valley Region nonprofits paid an average of 23% less per week than the for-profits as a whole, this differential is lower than the 27% seen on the state level.⁶

However, these overall averages obscure important differences between the wages paid by nonprofit institutions and for-profit businesses operating in the same fields.



As illustrated in **Figure 8**, while the average nonprofit wage in the Hudson Valley Region only accounted for 76.4% of the average for-profit wage in 2020, nonprofits in two key fields actually paid more on average than their for-profit counterparts and came close to matching wages paid by for-profits in several others. This included:

- ➔ An average weekly wage of \$636 in nonprofit social assistance organizations vs. \$555 in similar for-profit businesses—a difference of 14.5%.
- ➔ An average weekly wage of \$924 in nonprofit educational institutions vs. \$860 in for-profit schools—a difference of more than 7%.⁷

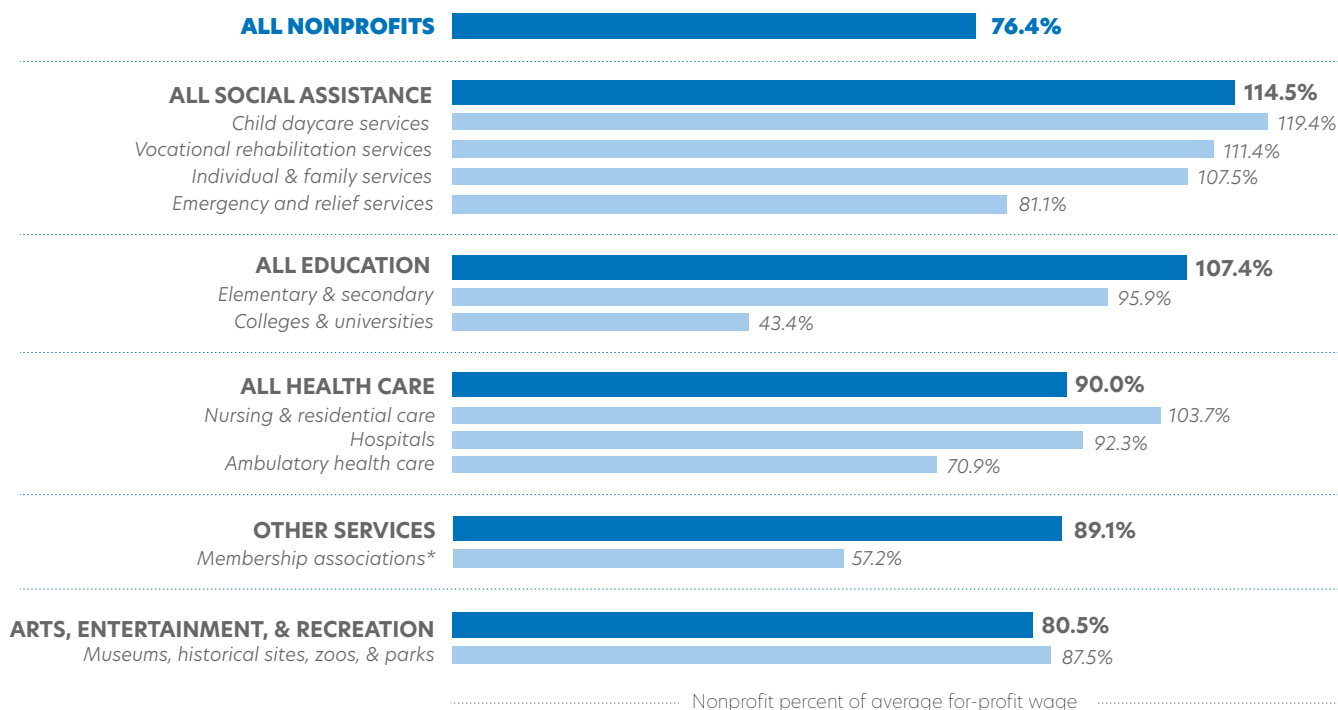
⁶ It is important to note, however, that both the region and NY State saw far more pronounced differentials between nonprofit and for-profit overall wages than the U.S. average. It is difficult to draw concrete conclusions from this finding, however, given that U.S. nonprofit data are not available for 2020.

⁷ In colleges and universities, where nonprofits employ 96% of all non-government workers, the average weekly wage was less than 50% of that paid to the approximately 500 workers in for-profit institutions. Given the very small for-profit sample, it is likely that this is distorted by an outlier institution, data suppression, or other factors relating to the operational nature of the respective institutions. For instance, whereas nonprofit colleges and universities tend to maintain full campuses, for-profit higher education businesses may be all or primarily remote and/or may operate under a national flagship, and therefore may not employ lower wage campus workers and administrative support personnel locally.

→ An average weekly wage of \$1,214 in nonprofit health care organizations vs. \$1,350 in for-profit businesses—or just 10% less. Within this field, nonprofit nursing and residential care facilities paid 4% more on average per week than for-profit homes, and nonprofit hospitals paid an average weekly wage of just 8% less than for-profit hospitals (which employed under 2% of the hospital workforce).

FIGURE 8

Hudson Valley Region nonprofit average weekly wages as a share of for-profit weekly wages by field, 2020



* Includes Religious, grantmaking, civic, professional, and similar organizations and associations.

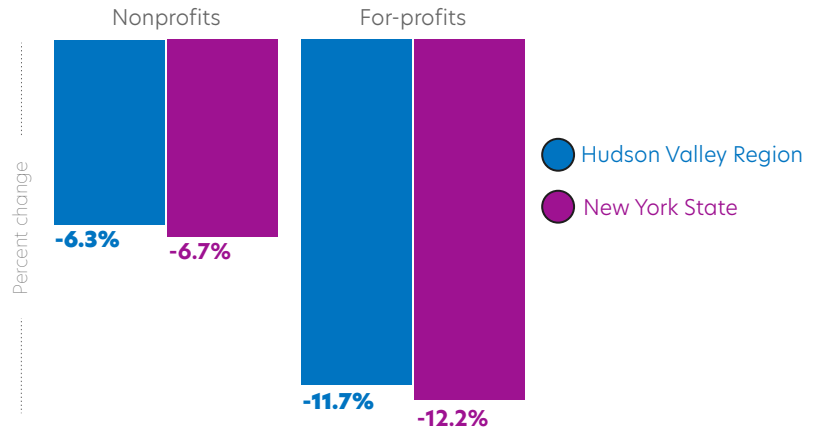
SPECIAL FOCUS: HUDSON VALLEY NONPROFITS DURING THE COVID-19 PANDEMIC

By their very nature, nonprofit organizations have long been on the front lines of responding to disasters and emergencies, and the coronavirus pandemic has been no exception. Indeed, as shown above, more than half of all non-government workers who provided care for the sick and nearly 7 in 10 of those providing crucial social services to Hudson Valley residents did so on behalf of a nonprofit. But even with their services in high demand, these institutions were not immune from the wide-ranging impact of the pandemic. Like all sectors of the economy, these organizations were faced with shut-downs, loss of revenue, and difficult transitions to a new way of operating. And, like all sectors of the economy, they were forced to make difficult choices in terms of retaining workers. This section will examine how Hudson Valley Region nonprofits responded to those choices compared to their for-profit counterparts and how that compared to nonprofits in New York State and the nation overall.

FINDING #5 • Hudson Valley nonprofit employment fared relatively well during the first year of the coronavirus pandemic

While all sectors of the economy lost jobs between 2019 and 2020, these new data reveal that nonprofits in both the Hudson Valley Region and New York State fared significantly better than for-profits, as shown in **Figure 9**. Indeed, Hudson Valley Region nonprofits lost a marginally smaller share of their workers during this period than those in the State as a whole.

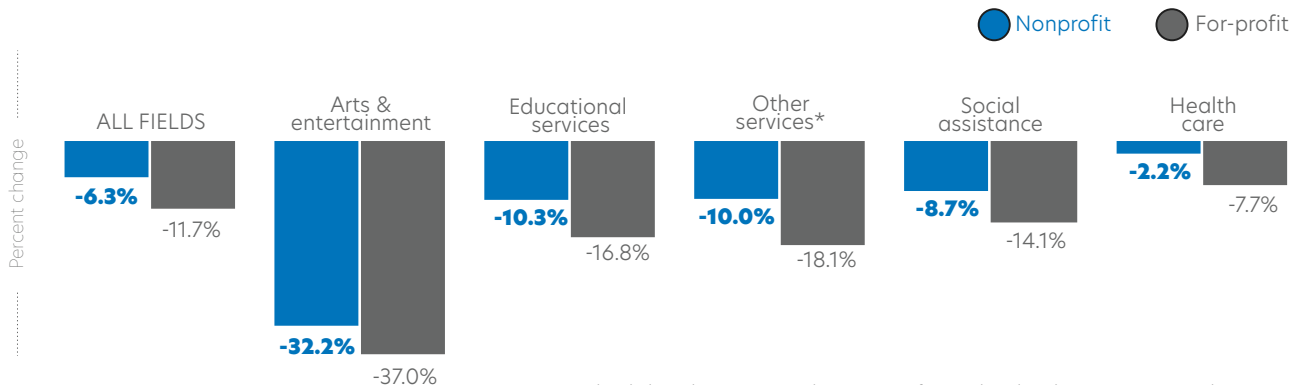
FIGURE 9
Hudson Valley Region & New York State nonprofit & for-profit percent change in employment, 2019 vs. 2020



When compared to for-profit businesses in fields where both nonprofits and for-profits are active, Hudson Valley Region nonprofits also fared relatively well, as shown in **Figure 10**. More specifically:

- Overall, the region's nonprofits retained 5.4% more of their pre-pandemic workers than regional for-profit businesses between 2019 and 2020;
- The region's nonprofit educational institutions, including colleges and universities, private elementary and secondary schools, and educational support organizations, retained 6.5% more workers during this period than for-profit educational businesses;
- The region's nonprofit health care providers, including hospitals, clinics, and nursing homes, retained 5.5% more of their staff than their for-profit counterparts during this period;
- Nonprofit social assistance organizations in the region, which were called upon to provide increased support and services to residents as the pandemic unfolded, retained 5.3% more jobs during the period compared to for-profit businesses operating in this field. Within this field, nonprofit child day care providers in particular were able to retain nearly 9% more workers than for-profit providers,

FIGURE 10
Hudson Valley Region percent change in employment, nonprofit vs. for-profit, by field, 2019 vs. 2020



* Includes Religious, grantmaking, civic, professional, and similar organizations and associations.

while nonprofit emergency and relief service providers actually increased staffing levels by 4% vs. a 1% increase in for-profit relief services.

- While the arts, entertainment, and recreation field was heavily impacted by job losses across the board, regional nonprofit arts institutions were able to retain 4.8% more workers than their for-profit arts and entertainment counterparts; and
- In the other services sector, nonprofit institutions retained over 8% more jobs than for-profit businesses, likely due to the concentration of for-profits in personal and laundry services, which were particularly hard hit by shutdowns. In contrast, nonprofits in this field are concentrated in membership associations, religious institutions, foundations, and other fields that were less impacted.

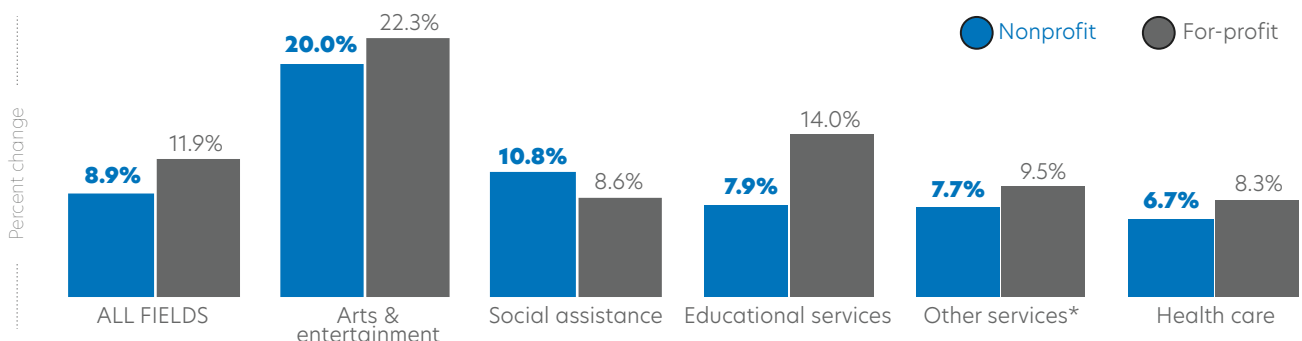
FINDING #6 • Hudson Valley nonprofits increased wages during the pandemic, but not at the pace of for-profits

Despite these job losses, the 2020 period saw increased average weekly wages across the board compared to the pre-pandemic 2019 period. Indeed, as shown in **Figure 11**, Hudson Valley Region nonprofit employees earned 9% more per week in 2020 than they did in 2019. However, nonprofits were not alone in paying higher wages in 2020, as for-profit workers earned 12% more during the first year of the pandemic vs. the pre-pandemic period. When broken down by field the results were mixed, including:

- Workers in regional nonprofit social services institutions saw their wages increase by nearly 11%, while for-profit workers saw a smaller increase of 8.6%;
- Average weekly wages for nonprofit health care workers in the region increased by 6.7% vs. 8.3% for private for-profit health care workers;
- Average weekly wages for regional nonprofit workers in the other services sector increased by just under 8% vs. 9.5% for those employed in for-profit businesses;
- Regional nonprofit arts, entertainment, and recreation workers saw their average weekly wages increase by 20%, slightly behind the 22% increase seen by workers in for-profits in this field; and
- The starkest difference was seen in the education field, where the region's nonprofit workers saw a wage increase of just under 8%—well below the 14% increase in for-profit average weekly wages.

FIGURE 11

Hudson Valley Region percent change in average weekly wages nonprofit vs. for-profit, by field, 2019 vs. 2020



* Includes Religious, grantmaking, civic, professional, and similar organizations and associations.

Conclusion

This study makes clear that the Hudson Valley's 7,700 charitable nonprofit organizations play a vital economic role in the region. Indeed, the impact of the organizations on the vitality of the region's economy goes well beyond their role as the region's largest non-government employer—as wage payers, they generate significant income and other tax revenue; as service providers, they enable our residents to pursue their work by providing child and eldercare, job training, health care, and more; and as consumers of goods and services themselves, they contribute to the economy more broadly through purchases and contractual relationships with local businesses.

The vital role played by the region's nonprofits has become even more clear as the coronavirus pandemic has unfolded. Despite facing a mounting tide of community needs and coping with the same operational and income challenges of other sectors of the economy, Hudson Valley nonprofits were able to retain significantly more of their workforce than for-profit businesses in the region—a reflection of the resiliency of these institutions and the nonprofit workforce's commitment to service.

However, the data reported here also call attention to an important challenge confronting Hudson Valley Region nonprofits as they face the need to restaff in a tight jobs market. Even prior to the pandemic, regional nonprofits offered relatively low wages compared to those paid by competing for-profit businesses. The pandemic has magnified these disparities, as nonprofit wages increased at an overall slower pace than those paid by competing for-profit businesses. This trend raises important questions about the ability of nonprofits in the Hudson Valley Region to attract and retain quality workers going forward. Without intervention, this lack of wage competitiveness could limit nonprofits' ability to continue to serve their communities, carry out their missions, and maintain their role as a key economic driver in the Hudson Valley region.

Appendix A: Methodology

Organizations and Revenue

Data on number of establishments, 501(c) classifications, revenue, and assets are derived from data from the IRS Business Master File and IRS Form 990 data from reporting organizations compiled by the National Center for Charitable Statistics (NCCS) at the Urban Institute in their Core File for 2018. The NCCS Core Files include active, reporting organizations of the given type filing within a given year. Only organizations that have filed a Form 990, 990-EZ, or 990-PF within two years of the circa year are counted as active and reporting.

U.S. tax law delineates 27 separate sections under which organizations can claim exemption from federal income taxes as nonprofit organizations. While this report focuses on the 7,714 public-serving organizations that are exempt under section 501(c)(3), an additional 2,378 organizations in the region are exempt under other sections as follows:

Definitions of IRS 501(c) classifications

Classification	Organizations	Description
501(c)(3)	7,714	Religious, Educational, Charitable, Scientific, Literary, Testing for Public Safety, to Foster National or International Amateur Sports Competition, or Prevention of Cruelty to Children or Animals Organizations
501(c)(4)	410	Civic Leagues, Social Welfare Organizations, and Local Associations of Employees
501(c)(5)	572	Labor, Agricultural, and Horticultural Organizations
501(c)(6)	305	Business Leagues, Chambers of Commerce, Real Estate Boards, etc.
501(c)(7)	360	Social and Recreational Clubs
501(c)(19)	212	Post or Organization of Past or Present Members of the Armed Forces
Other 501(c)	519	
TOTAL	10,092	

Employment and Wages

The employment and wage data included in this study cover tax exempt entities under the IRS Section 501(c)(3). The 2019 and 2020 New York, Hudson Valley Region, and county-level data used in this study were provided by special request by the New York Department of Labor. The 2017 U.S. averages used in this study were publicly released in 2019 by the U.S. Bureau of Labor Statistics (BLS) as part of their on-going Research Data on the Nonprofit Sector program.

These data are drawn from the Quarterly Census of Employment and Wages (QCEW), a Bureau of Labor (BLS) administrative dataset collected by states as a part of the federal Unemployment Insurance (UI) program and draws on the quarterly surveys of workplaces that state employment security offices have conducted since the 1930s. Under federal law, all nonprofit places of employment with four or more employees are required to participate in the unemployment insurance system. At their discretion, states can extend this requirement to nonprofit places of employment with one or more employees. However, New York has not extended the coverage beyond the federal mandate.

The principal exclusions from the QCEW dataset vary by state and include employees of religious organizations, railroad workers, small-scale agriculture workers, domestic service workers, crew members on small vessels, state and local government elected officials, and insurance and real estate agents who receive payment solely by commission. In New York, QCEW data encompass approximately 97% percent of non-farm employment, providing a virtual census of employees and their wages as well as the most complete universe of employment and wage data, by industry, at the state, regional, and county levels. In terms of nonprofit employment, the exclusion of religious organizations as well as entities with less than four employees is the most significant; however, religious organizations may elect to be covered by the unemployment insurance program and those that do are included in the data (a total of 8,070 workers in the Hudson Valley Region).

Finding Nonprofits in the QCEW

While nonprofit places of employment have long been covered by the QCEW surveys, the data generated by these surveys have never broken out the nonprofit employment separate from the for-profit employment. To address this gap, researchers from the Johns Hopkins University's Center for Civil Society Studies developed a methodology for identifying nonprofit employers in the ES-202/QCEW micro-data by record matching with the publicly available register of tax exempt entities maintained by the Internal Revenue Service (IRS). The nonprofit micro-data were subsequently aggregated by county and fields of activity to meet BLS and New York Department of Labor disclosure rules, mandated by law to protect the confidentiality of company specific information.

In 2014, BLS began releasing periodic nonprofit data following a similar methodology of record matching. However, BLS improved on that methodology by adding organizations called "reimbursables" that were not included in the IRS business register. Reimbursables are organizations that under state unemployment laws are not required to pay unemployment insurance contributions each quarter, but rather are allowed to reimburse the unemployment insurance system when a claim is made. Most states restrict such units to 501(c)(3) nonprofits. While New York Department of Labor staff are able to identify some of these reimbursables, they are not able to do so in as comprehensive a manner as the BLS. As such, the 2019 and 2020 data included here should not be compared directly to the more comprehensive data in the BLS datasets except on a highly aggregated level; for this reason, longitudinal employment and wage data prior to 2019 are not included in this report.

QCEW data have a number of critical advantages over other data sources as a window into nonprofit employment trends. In particular, these data: 1) are collected quarterly and are usually available within 6-8 months of their collection; 2) are verified for accuracy by the state data agencies and the BLS; 3) are collected at the establishment, rather than the organization level, which avoids distortions otherwise caused by the existence of multipurpose and multi-location organizations; and 4) include for-profit and government places of employment in the same data system and using the same field classifications, which facilitates systematic comparisons among the sectors.

Data Limitations and Suppression

The primary limitation of the NCCS core file dataset is that only those institutions considered active and reporting—i.e., those that have filed a Form 990, 990-EZ, or 990-PF within two years of the circa year—are included. Because only those organizations with over \$50,000 in annual revenue are required to file these forms, the core file may exclude smaller organizations. Organizations below this threshold may choose to file a 990 form; those that do are therefore included in the organizational counts. However, financial data on assets and revenues may or may not be included for these “below-threshold” organizations due to inconsistent reporting by the Internal Revenue Service. Therefore, the asset and revenue data included here should be viewed as a minimum threshold.

The primary limitation of the QCEW data come from federal- and state-mandated disclosure rules that require suppression of statistical information that allows the identification of single institutional units. This suppression is applied at the industry level. In practice, this suppression can take two forms. First, the so-called “primary suppression” is applied when aggregates contain fewer than 3 units or when a single unit exceeds 80% of the aggregate total. Second, the so-called “secondary suppression” must be applied if the value of the non-disclosable aggregate can be calculated from the disclosed values (e.g. by subtraction); when this is the case, the disclosure of additional aggregates must also be suppressed to eliminate this possibility. Stricter suppression criteria may also be used if deemed necessary by the agency administering the data. In the data used in this report, primary and secondary suppressions occurred at the industry level in the 9 counties comprising the Hudson Valley Region, with most suppression affecting data on sub-fields within the smaller counties. While most of the two-digit NAICS remains unsuppressed in this report, caution is advised in interpreting the Hudson Valley Region results for those industries for which some county-level data are suppressed.



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