

# Characteristics of workers in nonprofit organizations

*Labor force traits of service workers in the nonprofit sector are not very different from their for-profit counterparts; direct estimates and further research are needed to give a clearer picture of this rapidly increasing group*

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The U.S. economy has been described as “two-tier” with a “split personality, languid in manufacturing but dynamic in the services sector.”<sup>1</sup> More precisely, there is a third tier if the services are classified into for-profit and nonprofit services. The tertiary nonprofit sector contributes importantly to the dynamics of the services economy which experienced rapid employment growth between 1970 and 1985.<sup>2</sup> (See table 1.)

Nonprofit employment accounts for a significant portion of the service economy. It is mostly concentrated in the subsector identified in Federal Government statistics as “other services.” The other services group is a heterogeneous assembly of services that fall outside of such industries as transportation, communications, public utilities, finance, insurance, and real estate. It includes business, medical, professional, and personal services, hotels, and other industries, many of which have a nonprofit presence in varying degrees.

In response to the employment growth trends in the services sector, labor force analysts have recognized the need to distinguish between the private profit-oriented labor force and the nonprofit segments. Despite the general lack of data on nonprofit activities in Government statistics, a classification according to whether a given organization is profit-oriented or nonprofit has been introduced in other studies.

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Although the resultant estimates are often crude, they provide an additional dimension of description and analysis—one that cuts across existing industrial classifications within the private service sector.

This study provides estimates of selected labor force characteristics and earnings of workers in the nonprofit service sector.<sup>3</sup> It also examines the influence of the services themselves on employment of certain types of workers, depending on the occupational requirements, irrespective of for-profit orientation. Data are based largely on special tabulations of the 1980 Census of Population and on published data from the 1982 Census of Service Industries.<sup>4</sup> Some noteworthy statistics are:

- At least 7.8 million persons were in the nonprofit labor force in 1985.
- These persons accounted for 7.3 percent of all employed workers.
- The nonprofit labor force is projected to be 8.6 million in 1990 and 9.3 million in 1995.
- The nonprofit labor force has been and will be growing faster than total employment over the next decade.

## **A nonprofit presence**

A special tabulation of the 1980 Census of Population provided selected characteristics data in 23 services identified as having a nonprofit presence. But, as mentioned earlier, no direct data were available on nonprofits as such. A procedure was therefore developed in the study to analyze the characteristics based on the extent of nonprofit presence.<sup>5</sup> In this respect, use was made of the nonprofit pres-

ence estimation in an earlier study by Gabriel Rudney and Murray Weitzman.<sup>6</sup>

Four groups of industries were identified. (See table 2.) Group I industries include seven services which were classed as exclusively (or almost entirely) nonprofit in orientation. Group II consists of the hospitals alone; this group was estimated to be 86 percent nonprofit in 1980. Group III is made up of five services with a preponderance of nonprofit employment ranging from 57 to 80 percent. Finally, Group IV consists of a varied group of 10 industries whose nonprofit components are below 50 percent, averaging close to 10 percent. The principle purpose of this grouping is to permit an examination of selected characteristics of workers employed in industries that are overwhelmingly nonprofit (Groups I and II) and to compare the characteristics with those of other service employees in industries with a significant profit orientation (Groups III and IV).

Table 2 shows the 23 selected industries by group and the number of persons employed in the industries in 1980. A total of 9,759,000 workers were employed in these services in 1980. Of these workers, more than one-fourth (26.4 percent) were employed in Group I industries—those that are almost exclusively nonprofit. The two industries that dominated Group I were educational (comprising primary and secondary schools, colleges, and universities) and religious organizations. Together, these organizations employed 86 percent of the workers in Group I. Hospitals in Group II (86 percent of which were classified as nonprofit in 1980) employed more than 3 million workers in 1980, while Group III industries employed only 1,075,000 workers (about 11 percent of the total employment in all four groups of industries). About three-fifths of the workers in Group III were engaged in a variety of “human care” services other than hospitals, such as health services not elsewhere classified, child day care services or residential care facilities other than nursing homes. Finally, the wide range of services in Group IV also employed more than 3 million workers. The largest of the 10 industries in this group is the nursing and personal care industry, employing 928,000 workers (30 percent of the total in this group).

The study found that although Groups I and II have a high nonprofit presence, there were a number of important differences between workers in the two groups. First, in Group I,

60 percent of the workers were women, compared with 81 percent in Group II. Second, the proportion of workers with at least 1 year of graduate education was 24 percent in Group I, compared with only 9.5 percent in Group II. Third, the proportion of professional workers in Group I was 47 percent, compared with 34 percent in Group II. The workers in these two groups also differed considerably with respect to the intensity of their labor force attachment. The proportion of employees working year-round, full time in Group I was 43 percent, while for those in Group II it was 60 percent. Finally, there were important differences between men and women with respect to their distribution among specific industries within each group. In Group I, for example, one-fifth of the men were employed in primary or secondary schools, compared with more than two-fifths of the women in that group.

The findings with respect to educational attainment are especially noteworthy. The workers in Group I are clearly distinguishable from those in the other three groups in that they include a much larger proportion of college educated workers, and especially workers with postgraduate training. Nearly one-fourth of Group I workers have completed at least 1 year of graduate study, compared with about 10 percent among workers in the other three groups. Finally, workers in Group I are also distinctive with respect to their heavy concentration (nearly half) in professional occupations, compared with about one-third in Group II, one-fourth in Group III, and one-fifth in Group IV. In contrast, workers in Group III industries are much more likely than those in the other three groups to be employed in executive or administrative-level positions.

We draw two conclusions from these findings: First, the workers who are engaged in predominantly nonprofit organizations (Groups I and II) display few characteristics that set them off from other service workers. Their outstanding differences are their high levels of educational attainment and their high concentration in professional occupations. Second, the evident heterogeneity between service workers in Group I and those in Group II, despite the fact that both groups are overwhelmingly nonprofit in orientation, points to the obvious fact that the kind of services performed by particular service organizations is a far more powerful determinant of employee characteristics than whether the organi-

**Table 1. Employment growth in nonagricultural sectors, selected years and periods during 1970–85**  
[Numbers in thousands]

Year or period	Total employment	Government sector		Goods-producing sector		Service-producing sector		Other services	
		Number	Percent	Number	Percent	Number	Percent	Number	Percent
1970 .....	70,880	12,554	17.7	23,578	33.3	34,748	49.0	11,548	16.3
1980 .....	90,406	16,241	18.0	25,658	28.4	48,507	53.6	17,890	19.8
1985 .....	97,698	16,295	16.7	25,056	25.6	56,347	57.7	21,929	22.4
Average annual rates of change (in percent):									
1970–80 .....	2.43	2.57	–	0.84	–	3.34	–	4.38	–
1980–85 .....	1.55	0.07	–	–0.47	–	3.00	–	4.07	–

<sup>1</sup> Based on employer-provided information.

<sup>2</sup> SOURCE: Bureau of Labor Statistics, *Handbook of Labor Statistics*, December 1983 for 1970 and 1980 data; *Employment and Earnings*, February 1986 for 1985 data.

zation in question is profit- or nonprofit-oriented. If, as disclosed by our analysis, the workers in nonprofit organizations displayed a number of differentiating characteristics, the underlying explanation for those differences was more likely to be found in the nature of the work performed rather than whether that work was nonprofit. The characteristics observed in the 1980 census among workers in specific industries which have a predominant for-profit presence (Groups III and IV) also pertain to the estimated for-profit and nonprofit segments of these industries.

It should be noted, however, that our line of reasoning is not necessarily inconsistent with an analysis by Philip Mirvis and Edward Hackett which suggested that the more important difference between workers in nonprofit and profit-seeking services may lie in the realm of attitudes and values with respect to nonprofit goals and environments.<sup>7</sup> Mirvis and Hackett contend that workers in services are likely to hold certain unique values and attitudes that would predispose them to seek work in such organizations. However, such insights remain merely plausible and suggestive, and point to the need to supplement objective data with subjective data on values, perceptions, and aspirations of nonprofit workers. If, as this study found, the nonprofit workers do not display significant differences from those in for-profit organizations (other than can be accounted for by reason of occupation), they may well differ considerably with respect to their values and motivations.

### Demographic characteristics

**Educational attainment.** The median educational attainment of the U.S. labor force reached 12.7 years in 1983, according to data from the Bureau of Labor Statistics. More than one-third of the labor force had completed 1 or more years of college, and close to one-fifth of all workers had college degrees.

A closer look at the nonprofit labor force reveals that the educational attainment of the workers is probably the most important feature differentiating them from the labor force as a whole. Nonprofit workers were more likely than other workers to be both less educated and more educated. That is, in 1980, one-third of them (compared with about one-fourth of the civilian labor force) had not completed 4 years of high school. At the same time, however, one-fourth of nonprofit workers (compared with 18 percent of the labor force) had completed 4 or more years of college, and nearly 14 percent (compared with 8 percent of the total labor force) had completed at least 1 year of graduate training. This broad dispersion of workers in the nonprofit services with respect to educational attainment demonstrates the danger of generalizing when describing a highly diversified labor force.

Workers in private, higher educational establishments are clearly distinguishable from those in most other service industries in that they include a much larger proportion of

college educated workers, especially those with postgraduate training. Nearly one-fourth have completed at least 1 year of graduate study, compared with about 10 percent among other nonprofit workers. Finally, workers in higher education are also heavily concentrated (nearly half) in professional occupations, compared with less, but still substantial, representation in other services.

**Occupations.** It is clear that the heavy emphasis on educational attainment in the nonprofit sector is reflected in the occupational distribution. Findings indicate the strong weight of professional activities in the nonprofit segment. Nearly half (47.9 percent) of the nonprofit service workers were employed as executives, administrators, professionals, or technicians, and nearly one-third of these workers (31.9 percent) were classified as professionals. The corresponding proportions in the labor force as a whole were 26.6 and 11.8 percent.

**Women.** With respect to the male-female ratio of workers in the nonprofit services, the findings are unequivocal. A substantially higher proportion of women is common in

**Table 2. Estimated number of employees in nonprofit organizations within 23 specified service industries, 1980**  
[Numbers in thousands]

Industry	Total employed	Estimated percentage nonprofit	Estimated number in nonprofit organizations
<b>All groups</b> .....	9,759	64.1	6,260
<b>Group I, total</b> .....	2,577	99.6	2,568
Elementary and secondary schools .....	882	100.0	882
Colleges and universities .....	757	100.0	757
Libraries .....	28	100.0	28
Job training and vocational education .....	51	96.0	49
Social services, n.e.c. ....	230	97.0	223
Religious organizations .....	570	100.0	570
Noncommercial scientific, educational, and research organizations .....	59	100.0	59
<b>Group II, hospitals</b> .....	3,020	86.0	2,597
<b>Group III, total</b> .....	1,075	67.6	727
Health services .....	325	61.0	198
Child day care services .....	267	57.0	152
Residential care facilities .....	71	77.0	55
Museums, art galleries and others .....	29	80.0	23
Membership organizations .....	383	78.0	299
<b>Group IV, total</b> .....	3,087	11.9	368
Radio and TV broadcasting .....	220	6.0	13
Securities, commodities, investments .....	315	17.0	54
Commercial laboratories .....	205	0.0	0
Lodgings, excluding hotels .....	79	4.0	3
Theaters and motion pictures .....	238	4.0	10
Miscellaneous entertainment and recreation .....	502	4.0	20
Nursing, personal care .....	928	24.0	223
Legal services .....	510	2.5	13
Business, trade, and others .....	45	26.0	12
Educational services, n.e.c. ....	45	44.0	20

n.e.c. = Not elsewhere classified.

NOTE: The estimated percentage nonprofit is based on the methodology used in the Gabriel-Rudney and Murray Weitzman study, "Significance of Employment and Earnings in the Philanthropic Sector, 1972-1982" (Yale University, Institution for Social Policy Studies, Program on Non-Profit Organizations, November 1983), Working Paper No. 77. Estimates are based on the 1980 census. See footnote 5 for an explanation of the methodology.

**Table 3. Selected demographic characteristics of the nonprofit labor force, 1980**

Characteristic	Total	Men	Women	Women as a percent of total	Percentage distribution		
					Total	Men	Women
<b>Marital status</b>							
Total .....	6,260	1,871	4,389	70.1	100.0	100.0	100.0
Never married .....	1,738	585	1,153	66.3	27.7	31.3	26.3
Married .....	3,620	1,139	2,481	68.5	57.8	60.9	56.5
Other status .....	902	147	755	83.7	14.4	7.8	17.2
<b>Educational attainment</b>							
Total .....	6,260	1,871	4,389	70.1	100.0	100.0	100.0
Less than 12 years .....	2,041	683	1,358	66.5	32.6	36.5	30.9
12 years .....	1,486	286	1,200	80.8	12.7	15.3	27.3
13 years or more .....	2,733	902	1,831	67.0	43.6	48.2	41.7
13-15 years .....	995	195	836	84.0	15.9	8.5	19.0
16 years .....	769	221	548	71.3	12.3	11.8	12.5
17 years or more .....	969	522	447	46.1	15.5	27.9	10.2
17-18 years .....	486	171	315	64.8	7.8	9.1	7.2
19 years or more .....	483	351	132	27.3	7.7	18.8	3.0
<b>Occupations</b>							
Total .....	6,260	1,871	4,389	70.1	100.0	100.0	100.0
Executive-administrative .....	474	242	232	48.9	7.6	12.9	5.3
Professional .....	2,343	785	1,558	66.5	37.4	42.0	35.5
Technical .....	511	117	394	77.1	8.2	6.2	9.0
Other white-collar .....	1,277	159	1,118	87.5	20.4	8.5	25.5
Service .....	1,378	374	1,004	72.8	22.0	20.0	22.9
All other .....	277	194	83	30.0	4.4	10.4	1.9
<b>Labor force attachment</b>							
Total .....	6,260	1,871	4,389	70.1	100.0	100.0	100.0
Year-round full time .....	3,268	1,201	2,067	63.2	52.2	64.2	47.1
Part-year, part time .....	2,992	670	2,322	77.6	47.8	35.8	52.9
<b>Race and Hispanic origin</b>							
Total .....	6,260	1,871	4,389	70.1	100.0	100.0	100.0
White .....	5,262	1,593	3,669	69.7	84.0	85.1	83.6
Black .....	712	181	531	74.6	11.4	9.7	12.1
Other .....	286	97	189	66.1	4.6	5.2	4.3
Hispanic <sup>1</sup> .....	261	90	171	65.5	4.2	4.8	3.9
<b>Age</b>							
16 to 34 years .....	3,228	948	2,280	70.6	51.6	50.7	51.9
35 to 54 years .....	2,176	613	1,563	71.8	34.8	32.8	35.6
55 years and over .....	856	310	546	63.8	13.7	16.6	12.8

<sup>1</sup> Hispanics are included in both the white and black population groups, therefore, the sums will not equal totals.

most of the nonprofit services. More than two-thirds (67.8 percent) of these workers were women, compared with 42.6 percent of the employed civilian labor force as a whole. The preponderance of women in hospital work stands out at 81 percent.

The proportion of women is particularly high among workers who are widowed, divorced, or separated. (See table 3.) Also evident is the relatively high concentration of women at two intermediate levels of educational attainment: persons completing 12 years of schooling (high school graduates with no college education) and persons completing 1 to 3 years of college, but not graduating (table 3). In contrast, women were seriously underrepresented among the ranks of the highly educated workers. This discrepancy is especially pronounced among workers in certain service industries (such as legal services). Only one-fifth of the workers with 1 or more years of graduate education were women.

The proportion of women among the different occupa-

tional groups also varied considerably from that of the men. While women were underrepresented in executive or administrative positions as well as in primarily blue-collar or skilled labor jobs, they tended to be heavily concentrated in sales and administrative support jobs (formerly termed "lower white-collar"). Women were also fairly well represented in professional jobs; presumably, there are significant opportunities of employment for professional women (table 3).

*Full- and part-time employment.* It is evident that workers in nonprofit services are more likely than other workers to be employed less than year-round, full time. Only about 52 percent of the nonprofit service workers were employed year-round, full time in 1980, compared with close to four-fifths of workers in the civilian labor force as a whole.

The difference between male and female nonprofit workers with respect to the proportions who worked year-round, full time is also quite large. In higher educational institutions, for example, only 31 percent of the women, but 60

percent of the men, worked year-round, full time. Overall, fewer than half of the women, compared with nearly two-thirds of the men, worked year-round, full time (table 3).

**Age.** Nonprofit workers do not differ significantly from others with respect to age distribution; about 14 percent of both categories were age 55 or over in 1980. The substantial increase in services to the elderly reflect their growing share of the population. But equally important is the growth of the older segment of the labor supply that is anticipated in the course of the next 20 years, reflecting the aging of the postwar baby-boom cohorts.

**Racial and ethnic minorities.** Our findings with respect to the presence of racial or ethnic minorities disclose no significant differences between the workers in the nonprofit segments of the service industries and the labor force in general. For example, blacks constituted about 11 percent of both groups in 1980. However, whereas black women made up less than half of black workers in the labor force as a whole, they constituted nearly three-fourths of black workers in nonprofit services (table 3).

## Earnings

Rudney and Weitzman had estimated that total earnings in the nonprofit sector were \$81.7 billion in 1982—5.4 percent of total U.S. payrolls.<sup>8</sup> They found that total earnings more than tripled from an estimated \$25.3 billion in 1972. This rather spectacular growth in earnings reflected both 1.9 million new jobs generated in the nonprofit sector during that decade and rising average earnings of nonprofit workers. They also found that the rise in earnings of hospital workers benefited more from an increase in average relative

wages than from the otherwise substantial growth of hospital employment during the decade. By contrast, earnings of workers in private, higher educational establishments lagged behind those of other nonprofit workers, generally because these institutions experienced both slow employment growth and slow earnings growth during the decade.

Earnings accounted for a major share of costs of nonprofit operations. Rudney, in an earlier study, estimated that wages, salaries, and supplements in 1980 accounted for 58 percent of the total outlays by nonprofit organizations.<sup>9</sup> This labor input represented 84 percent of the value added by the nonprofit sector. (Value added excludes goods and services purchased by nonprofits from others, such as energy and materials.)

While the high labor cost may give the impression that overall, the nonprofit sector is labor intensive, the percentage of labor input can vary considerably among the specific services, as Ronald Kutscher and Jerome Mark discovered.<sup>10</sup> For example, they found radio and television services had one of the lowest labor-capital ratios among the services.

The earnings data in this study are cross sectional, using the 1982 Census of Service Industries. The census provided the opportunity to compare earnings of nonprofit workers with earnings of their for-profit counterparts. It provided payroll data specifically for nonprofit organizations, but its coverage was deficient because it excluded hospitals, educational institutions, and religious organizations, and did not distinguish between full- and part-time workers. By comparison, the 1980 Census of Population covered all of the services, but did not distinguish between nonprofit and for-profit organizations.

**Table 4. Annual earnings per employee in selected for-profit and nonprofit service industries, 1982**

[Numbers in thousands]

SIC code	Services	Number of employees	Percent nonprofit	Earnings			Number of employees per organization: nonprofit as percent of for-profit
				For profit	Nonprofit	Nonprofit as percent of for-profit	
	Total .....	5,426	42.0	\$12,936	\$10,150	78.5	120.2
7011	Hotels .....	711	0.6	9,339	7,150	76.1	36.0
7032	Sporting and recreation camps .....	13	48.2	10,880	9,468	87.0	141.5
7391	Research and development labs .....	101	36.2	24,626	26,274	106.7	582.5
7392	Management consulting and public relations .....	367	3.7	18,471	17,172	93.0	275.6
7922	Theatrical services .....	45	31.8	18,155	10,954	60.3	165.7
7923	Bands and orchestras .....	53	51.0	15,835	11,563	73.0	510.0
7997	Membership sports and recreation clubs .....	204	52.6	8,198	10,174	124.1	138.3
8051	Skilled nursing care facilities .....	722	26.9	8,293	9,678	116.7	138.9
8059	Nursing and personal care n.e.c. ....	368	24.1	7,229	8,059	111.5	115.6
808	Outpatient care facilities .....	182	59.7	19,577	15,210	77.7	162.9
809	Health and allied services n.e.c. ....	163	51.6	8,531	11,211	131.4	195.8
81	Legal aid societies and services .....	584	2.5	22,050	13,397	88.0	226.5
836	Child day care services .....	258	52.3	5,004	6,775	131.4	157.4
832	Individual and family social services .....	259	94.1	8,997	9,329	131.4	208.8
833	Job training and vocational rehabilitation .....	225	93.1	11,917	5,747	48.2	268.8
836	Residential care .....	234	74.2	8,949	9,023	100.8	200.9
892	Noncommercial educational, scientific, and research organizations .....	53	94.3	22,582	19,600	86.8	297.7

n.e.c. = not elsewhere classified.

NOTE: These data do not distinguish between full- and part-time employment.

SOURCE: 1982 Census of Service Industries.

The 1982 census of services showed that workers in the covered nonprofit segment earned less than four-fifths as much, on average, as their for-profit counterparts. This may be attributable in part to the larger amount of part-time workers in nonprofit organizations. Overall, averages can be deceiving. Actually, the ratio of nonprofit to overall earnings varied considerably among the specific services—from a low of 48 percent among nonprofit workers in job training and vocational rehabilitation services to a high of 131 percent among nonprofit workers in health services (not including hospitals), child day care services, and a variety of individual and family social services. In general, nonprofit workers in health and social services, together with those in research and development were among the industries that appeared to have enjoyed significantly higher pay than their for-profit counterparts. (See table 4.)

However limited, these data raise questions about certain Mirvis and Hackett findings. First, Mirvis and Hackett concluded from an analysis of data from the Quality of Employment Survey that nonprofit employees earn less than for-profit employees. They attributed this to the low pay policy of nonprofits, but they also use this finding to point out that lower pay is acceptable to nonprofit employees because of a variety of intrinsic job benefits that nonprofit employees receive. However, the 1982 census of services shows that nonprofit employee earnings often exceeded those of their profit-oriented counterparts in a number of services.

Second, the 1982 census found that the average number of employees (full and part time) on nonprofit payrolls was considerably larger than that of for-profit establishments in the same industries. Only among hotels and other lodgings were the nonprofit establishments smaller than those in the for-profit segment. This size discrepancy was especially marked among the research, testing, and consulting establishments, in which the nonprofit organizations were more than five times as large, on average, as the for-profit firms. By contrast, Mirvis and Hackett found that nonprofit organizations were smaller, on average, than corresponding for-profit establishments and that tendency to smallness explains, in part, the earnings differential. As stated earlier, the 1982 census of services cannot provide conclusive evidence in this respect. No separation was made between employees who were paid for full- or part-time work. Also, hospitals and educational institutions, two services that have a significant nonprofit presence, are excluded from the 1982 census. Yet, it is generally accepted that nonprofit hospitals and educational institutions are larger employers than the average for-profit employer in those services.

IT MUST BE REITERATED that the numbers in this study are derived on the basis of plausible assumptions from data that do not provide direct estimates. Obviously, such estimates are at best a pioneering effort to gain further insight into this important group of workers. We hope that direct estimates of the nonprofit labor force will be obtained from the 1990 Census of Population. □

—FOOTNOTES—

<sup>1</sup> *New York Times*, May 30, 1985.

<sup>2</sup> *Handbook of Labor Statistics*, Bulletin 2175 (Bureau of Labor Statistics, December 1983), table 67 and *Employment and Earnings* (Bureau of Labor Statistics, February 1986).

<sup>3</sup> *Handbook of Labor Statistics*, for 1970 and 1980 data, and *Employment and Earnings*, February 1986, table B-1 (preliminary estimates), for 1985.

<sup>4</sup> Employment based on household-provided information is estimated by the Bureau of the Census. Source data are obtained from the population censuses and sample surveys of households. Employment based on employer-provided information is estimated by the Bureau of Labor Statistics. Source data are obtained from sample surveys of employing establishments.

<sup>5</sup> The procedure by which these estimates were derived is as follows:

Step 1: The 23 services previously identified as having a significant nonprofit presence (by Gabriel Rudney and Murray Weitzman) were classified into four groups according to the proportion of nonprofits (see text for details).

Step 2: The demographic and socioeconomic characteristics of workers in each of the four groups (as obtained from a special tabulation of the 1980 Census of Population) were then assumed to pertain equally to all workers in a given group, whether or not they were employed in the for-profit or nonprofit segments of that group.

It is clear that this assumption is fully defensible with respect to workers in Group I, who are almost exclusively nonprofit, and also for those in Group II (hospitals), 86 percent of whom were previously estimated to be working in the nonprofit segment of that industry. The assumption is somewhat weaker with respect to workers in Group III, two-thirds of whom were estimated to be nonprofit, and it is quite weak with respect to workers in Group IV, only one-eighth of whom were estimated to be working in the nonprofit segment. However, it is arguable that workers employed in any

of these 23 service industries will tend to have many socioeconomic characteristics in common because of the kind of work they perform, regardless of their employment in the for-profit or nonprofit segments of that particular industry.

<sup>6</sup> Gabriel Rudney and Murray Weitzman, *Significance of Employment and Earnings in the Philanthropic Sector, 1972-1982* (New Haven, CT, Yale University, Institution for Social and Policy Studies, Program on Non-Profit Organizations, November 1983), Working Paper No. 77.

The employment data in this study relate to payrolls, not to individual persons who are employed. Despite the fact that the same person may hold more than one job (and thus appear on more than one payroll), the overall count of employed persons is about 10 percent higher than the count of jobs on nonagricultural payrolls. The difference reflects the net effects of a number of conceptual and procedural differences between the household-provided and employer-provided data. Also, according to the Rudney-Weitzman estimates, over 99 percent of total employment in nonprofit industries falls within the "other services" subsector. Hence estimates of both the amount of nonprofit employment in this subsector and estimates of the characteristics of such workers provide close approximations for total nonprofit employment in the economy as a whole.

<sup>7</sup> Philip H. Mirvis and Edward J. Hackett, "Work and work force characteristics in the nonprofit sector," *Monthly Labor Review*, April 1983, pp. 3-12.

<sup>8</sup> Rudney and Weitzman, *Significance of Employment and Earnings*.

<sup>9</sup> Gabriel Rudney, *A Quantitative Profile of the Nonprofit Sector* (Yale University, Institution for Social and Policy Studies, Program on Non-Profit Organizations), Working Paper No. 40, p. 7.

<sup>10</sup> Ronald Kutscher and Jerome Mark, "The Service Sector in the United States," paper presented at the American Economic Association, December 1982.