



# *News from the* Fiscal Policy Institute

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## Report: NYC nonprofit sector the largest private employer *Called a vital part of the safety net, source of jobs for minorities*

Nonprofit organizations in New York City—hospitals, social service providers, arts organizations—employ nearly 500,000 workers, just over 15 percent of the total, according to a new report released by the Fiscal Policy Institute (FPI). That makes the so-called “health and human services and cultural nonprofits” (HHSC) sector the largest private employer in New York City. And it’s growing, even in tough times, having gained jobs through both upswings and downturns in the economy. From 2000 to 2007, the nonprofit HHSC sector added more than 50,000 jobs, while the rest of the city’s private economy lost jobs. The sector’s current annual payroll in the city tops \$20 billion.

“During this severe recession, increased demands for a range of safety net services will fall upon the city’s nonprofit health and human services sector,” said the Fiscal Policy Institute’s chief economist, James Parrott, the principal author of the report. “These increased demands come at a time when the nonprofit sector is under pressure from severely constrained city and state budgets—and facing mounting challenges as philanthropies and foundations scale back.”

The report focused on health care, social services, and cultural organizations, all sectors in the city’s economy that are dominated by nonprofit organizations. The largest industries included in the analysis are hospitals, home health care services, nursing homes, social services organizations, and child day care centers. Doctor’s offices, medical testing labs and pharmaceutical companies were not included. The performing arts and museum sectors account for a little over 25,000 of the 473,000 jobs in the overall HHSC nonprofit sector.

New York City’s Deputy Mayor for Health and Human Services, Linda I. Gibbs, requested that FPI prepare the report to quantify the magnitude and economic role of the nonprofit sector. Ms. Gibbs said, “The Bloomberg Administration recognizes the strength and vitality of the almost half a million New Yorkers that make up our City’s nonprofit workforce. That is why yesterday Mayor Bloomberg launched a comprehensive strategy that will reduce organizations’ fixed costs, improve City contract procedures and build new partnerships to help strengthen nonprofits. We are thankful the Fiscal Policy Institute worked to prepare this report because it is an incredibly useful snapshot of this important sector that is so crucial to our city.”

The report includes a detailed look at the demographic profile of health and human services workers, the first in recent memory. Fiscal Policy Institute researchers found that this workforce is predominately female, slightly older than the rest of the city's workforce and much more likely to be members of minority racial and ethnic groups. A third of all health and human service workers have at least a four-year college degree.

Parrott noted that the sector is uniquely important in terms of jobs for members of minority groups. He said, "The number of minority workers employed in this sector increased by nearly one third from 2000 to 2007. Elsewhere in the city, economy minority employment grew by less than three percent."

"Nonprofit service providers are integral to life in New York City in so many ways," said Fran Barrett, executive director of the Community Resource Exchange (CRE).

"Nonprofits are the front line of defense against individual and family hardship, and major providers of essential health and human services. And, as the FPI report so clearly documents, they also employ hundreds of thousands of New Yorkers and are a major economic factor in every borough."

The FPI report found that while the major cultural organizations are highly concentrated in Manhattan, the broader health and human services and cultural organizations sector accounts for 17 to 33 percent of all private payroll jobs in Staten Island, Queens, Brooklyn, and the Bronx.

The report is available at [www.fiscalpolicy.org/nonprofits.html](http://www.fiscalpolicy.org/nonprofits.html).

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*The Fiscal Policy Institute (FPI) is a nonprofit, nonpartisan education and research organization that focuses on the tax, budget, and economic issues that affect the quality of life and well-being of New York State and New York City residents.*

*The Community Resource Exchange (CRE) is a New York City-based leading provider of technical assistance to small and medium-sized nonprofit organizations.*