

Nonprofits represent the largest employment block in Westchester's economy

Nonprofits are a multi-billion dollar industry and make up the largest employment sector in Westchester County, according to a report released recently by Nonprofit Westchester (NPW) and The Johns Hopkins Center for Civil Society Studies.

The study, entitled "Westchester County Nonprofits: A Major Economic Engine," found that 53,987 people, or 13.6 percent, of the county's total workforce is employed by nonprofits. That's one out of every seven workers. Additionally, this sector generated \$6.9 billion in revenues and paid roughly \$2.7 billion in wages and compensation – including hundreds of millions in federal, state and local taxes.

"We've always known that we provide many essential services and are critically important to the regional economy," said Joanna Straub, executive director of Nonprofit Westchester. "With this study, we have concrete data that shows just how vital we are and how much we contribute to Westchester County."

The \$15,000 study, funded by the Westchester Community Foundation, includes five major economic findings. They include:

- At 53,987 workers, the county's nonprofit sector employs more than retail, tourism, local government, construction, finance, real estate or other industries. In fact, nonprofits employ more than six times as many workers than the county's real estate and information technology fields, more than three times as many as the finance industry, and 10 percent more than local governments.

- Health organizations, such as hospitals and nursing homes, were significant areas of employment in 2013 as were colleges and universities.

- Nonprofits generated nearly \$6.9 billion in revenues and spent approximately \$2.7 billion in wages. The compensation, in turn, translated into roughly \$311 million in federal taxes, \$104 million in state income taxes, and \$21.8 million in local income taxes.



From left: Susan Wayne, Nonprofit Westchester Board Chairperson; Catherine Marsh, Executive Director of the Westchester Community Foundation, who funded the study; Lester Salamon, Director of the Johns Hopkins Center for Civil Society Studies; and Joanna Straub, Executive Director of Nonprofit Westchester.

- Between 2003 and 2013, employment in this area grew by 8.4 percent, adding 4,203 jobs, particularly in health services and elementary and secondary education. Compared with an anemic 1.2 percent growth in all areas of the economy, growth in nonprofits trumped other segments.

- Other information in the study concluded that increased competition and overall wages were a mixed bag. Wages in this sector were below those in the for-profit and government sectors – by roughly 1/3 in both cases. However, nonprofit wages are higher in fields where nonprofits and other sectors compete, suggesting that nonprofits are concentrated in low-wage fields.

The Westchester Community Foundation, which develops, manages and distributes philanthropic funds in a manner that is responsive to donor interests and community needs, funded the study because they believed it was important to show the wide economic reach and impact of nonprofits.

"It's important that organizations, governments and members of the public understand the true value of nonprofits in Westchester County," said Catherine Marsh, executive director of the Westchester Community Foundation. "These results show that nonprofits are not only respected service providers, but also create a wide range of economic opportunities."

For more information, or to read a copy of the study, visit www.npwestchester.org or call 332-6679.