

Insight: Oregon's Nonprofits in 2021

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A not-for-profit corporation, commonly referred to as a "nonprofit," is organized to achieve a purpose other than to generate a profit.

These entities qualify for federal tax exempt status and must reinvest any surplus revenues into efforts that further the mission of the organization. They are prohibited from passing profits on to those who control the organization.

These organizations range from trade unions and religious groups to food banks and private schools. Many hospitals are also organized as nonprofit corporations.

For the purposes of this article, the impact of nonprofits presented is limited to employment and wages.

Oregon's 2021 nonprofit stats:

9,800 nonprofit establishments with employment and payroll

185,900 nonprofit jobs

41% of all nonprofits were in the other services industry

63% of nonprofit employment was in health care and social assistance

\$62,859 in average annual pay

\$28.01 median hourly wage (third quarter 2021)

10% of nonprofit jobs paid less than \$15.00 per hour

Most nonprofit jobs – 73% – paid \$20.00 or more per hour

Keep in mind that not all nonprofit organizations are employers, and thus are not included in the employment and wage data presented here. Nonprofits in Oregon must register and be certified by the Secretary of State's office, while the Department of Justice regulates charitable activities.

The Secretary of State's office provides a searchable database of active nonprofit corporations, available at this URL:

<https://data.oregon.gov/Business/Active-Nonprofit-Corporations/8kyv-b2kw>

Likewise, the Department of Justice has a searchable database for Oregon charities, here:

<https://www.doj.state.or.us/charitable-activities/>

How Many Nonprofit Employers Are There in Oregon?

In 2021, there were around 10,800 nonprofit business units that filed an employment report in Oregon. Most of these employers (91%) reported one or more jobs in 2021, but around 900 units missed that threshold.

Nonprofit organizations played an integral role in Oregon's economy. They made up 6% of all private businesses in the state and had 185,900 jobs, accounting for 12% of Oregon's private-sector employment. As a share of Oregon's total (private and public) employment, nonprofits made up 10% in 2021, about the same amount as the state's manufacturing industry.

Nonprofits by Industry

Health care and social assistance dominated Oregon's nonprofit employment in 2021, representing 116,400 jobs or 63%. Other services included 22,000 nonprofit jobs and educational services employed 19,100.

Together, the top three industries represented 85% of Oregon's total nonprofit employment.

Nonprofit Hospitals: Health Care and Social Assistance

Health care and social assistance led nonprofits with 116,400 jobs or 63% of Oregon's nonprofit employment. Like other services, there is diversity in the industry from assisted living facilities to mental health services. However, hospitals completely overshadow the sector's employment.

Oregon's nonprofit hospitals (general medical and surgical; psychiatric and substance abuse; and specialty) included 75 reporting units in 2021 and employed 55,800, or 48% of the nonprofit health care and social assistance industry's total employment. Hospitals in Oregon (government and private) included 99 reporting units and provided 67,200 jobs in 2021, with nonprofit hospitals representing 83% of the employment.

Service Organizations

Other services represented about 12% of the state's nonprofit employment (22,000 jobs). The correlation between other services and nonprofits makes sense. It is the industry that includes religious, grant making, civic, professional, and similar organizations. Places of worship, the Boys & Girls Club, The United Way, and local chambers of commerce are some of the most widely recognized nonprofits in Oregon, and there are a lot of these organizations across the state. Other services accounted for 41% of Oregon's nonprofit organizations (4,100).

Educational and Employment Training Providers

Educational services accounted for 10% of Oregon's nonprofit employment in 2021 with 19,100 jobs. The organizations in this industry range from preschools and tutoring services to colleges and employment training places.

Nonprofit elementary and secondary schools represented the biggest slice with 9,500 jobs (50%) and 333 reporting units (40%). Nonprofit colleges, universities, and professional schools accounted for 7,900 jobs (41%) while representing 21% of the nonprofit educational services provider reporting units. Other schools and instruction, including sports training, provided 1,100 jobs (6%), and 20% of nonprofit educational services reporting units.

Pay at Nonprofits Follows Industry Standards

Oregon's private for-profit industries paid an average annual wage of \$63,116 in 2021, compared with \$62,859 for nonprofits. Although the average wage gap between for-profit and nonprofit employers was just \$300 (0.4%) in 2021, their industry profiles were quite different.

In 2021, six industry sectors reported higher annual average wages for nonprofits compared with for-profit businesses. Nonprofits in financial activities paid an average \$89,340 in 2021, which exceeded for-profit pay by about \$3,400 or 4%. Leisure and hospitality also favored nonprofits by \$6,629 (+25%), despite having a relatively low annual average pay at \$33,506.

Health care and social assistance, Oregon's largest nonprofit industry, enjoyed a pay advantage of nearly \$18,600 or 37% over for-profit employers, paying an average \$69,325 in 2021. Other services paid \$37,364 in 2021, falling about \$10,400 or 22% below for-profit employers. Educational services paid an average \$46,531 in 2021, exceeding for-profit pay by about \$4,700 or 11%.

Rural Versus Urban

Oregon's 23 nonmetro counties provided a home base for 1,700 nonprofit employer units in 2021 or 7% of all nonmetro private industry employer reporting units. Nonprofit organizations provided about 22,500 rural Oregon jobs, or 11% of all nonmetro private employment. Rural nonprofit pay averaged \$53,919 in 2021, which exceeded the average for all private industries by 21%, around \$9,400.

In Oregon's metropolitan areas, nonprofits provided close to 163,400 jobs in 2021, or 12% of all metro private employment. With about 8,100 employer units, metros provided a home base for 83% of Oregon

nonprofits, and nonprofits represented 6% of all metro private employer units. In 2021, nonprofit pay averaged \$64,090 in metro Oregon, falling 2% (about \$1,000) below the all private industries average.

Only four rural counties provided more than 1% of Oregon's nonprofit jobs in 2021. Douglas County led rural Oregon with 3,500 nonprofit jobs, or 1.9% of Oregon's total, followed by Klamath County (1.5%), Umatilla County (1.2%), and Wasco County (1.1%). Metropolitan areas commanded 88% of Oregon's nonprofit employment led by Multnomah County's 33% (about 60,300 jobs). Together with Washington County (10.7%) and Lane County (8.2%), Oregon's top three metro counties represented 51% of all nonprofit jobs in 2021.

The Future of Nonprofit Employment

The future of nonprofit employment in Oregon is directly linked to growth in health care and social assistance. The industry reached 267,400 jobs in 2021, an increase of about 31% or 64,400 since 2011, including the reclassification of more than 15,000 home care workers to health care and social assistance from state government in 2018.

With 63% of Oregon's nonprofit employment in 2021, health care and social assistance will continue to lead its job growth. Health care and social assistance represented an even larger share of rural Oregon's nonprofit employment and payroll. The industry provided 74% of rural Oregon's 22,500 nonprofit jobs along with 84% of its \$1.2 billion payroll.

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