Letter to the Department of Labor re: NONPROFIT EMPLOYMENT AND WAGE DATA

August 6, 2021

Honorable Martin J. Walsh
Secretary
U.S. Department of Labor
200 Constitution Avenue NW
Washington, D.C 20224

RE: EFFECTIVE JOBS RECOVERY REQUIRES REGULAR NONPROFIT EMPLOYMENT AND WAGE DATA

Dear Secretary Walsh:

We, the undersigned nonprofit organizations and scholars, appreciate the opportunity to comment on the FY 2022—2026 Draft Department of Labor (DOL) Strategic Plan and Evidence-Building Plan. We commend DOL's efforts to promote gold-standard statistics and analyses, and to be a department grounded in "evidence, innovation, and employee engagement." In addition to commenting on proposed Goal 4 of the Strategic Plan—producing gold-standard statistics—our comments pertain to all of the Evidence-Building Plan's Priority Learning Areas, especially Learning Area 1: Equity in Employment and Training Programs; Learning Area 3: Studying Effects of the Covid-19 Pandemic; and Learning Area 5: Strengthening Unemployment to Reemployment.

We write to alert you to critical data and evidence gaps that we hope will be corrected as a result of the DOL's strategic and evidence-building planning: data on the nonprofit sector, the country's third largest industry in terms of jobs. Given the sector's central role in so many aspects of American life and its position as the third largest private employer in the United States, it is essential that the U.S. government collect and report regular, accurate, and accessible data on nonprofit employment and wage trends. We, therefore, request that the Department of Labor direct the Bureau of Labor Statistics (BLS) to provide quarterly data on nonprofit employment and wages through its Quarterly Census of Employment and Wages (QCEW). These data should be provided nationally, by state, county, and metropolitan area, and broken down by field and major subfields.

Nonprofits are essential partners to government, serving on the frontlines of COVID-19 relief and economic recovery efforts. From healthcare to housing, houses of worship to human services, education to environmental protection, and more, governments at all levels rely on charitable nonprofits to generate innovative solutions and provide critical services throughout the country. Employing the third largest workforce of any U.S. industry, the nonprofit sector is also a major job creator and component of local economies, outdistancing all branches of manufacturing, all construction, and all finance and insurance. Despite its position as a leading source of jobs, this fact is largely unknown, due in no small part to the lack of timely information from the DOL.

The mission of the BLS includes a duty to "measure labor market activity, working conditions, price changes, and productivity in the U.S. economy to support public and private decision making." While BLS staff have made important efforts, a great disparity in available data

prevails. It is fundamentally unfair for the BLS to give regular quarterly workforce data to industries like goat farming and limousine service, while the nonprofit sector—representing more than 10% of the nation's private workforce—is required to either purchase this information or wait years for it. The lack of timely and accurate data threatens the health and wellbeing of tens of millions of people who rely on nonprofits for services because the absence of this information means policymakers must guess at the potential impact of legislative and regulatory proposals, or overlook nonprofits entirely.

The global economic and public health crisis caused by COVID-19 underscored and amplified the need for regular nonprofit employment information. Like other sectors, nonprofit finances were devastated, and at one point, nonprofits were estimated to have lost over 1.6 million jobs. In fact, nonprofit job losses are occurring at a time of skyrocketing need and depleted resources in our communities. Thus, the nonprofit industry has been hit hard by dramatic swings in revenue, costs, and employment. Unlike for other industries, however, the BLS does not release regular data for the nonprofit industry that could help policymakers make informed decisions.

Researchers from Johns Hopkins Center for Civil Society Studies are making every effort to provide regular estimates of the impact of these crises on the nonprofit workforce, using uncertain projections from 2017 data. It would be far more effective, efficient, and accurate if projections could be based on more recent BLS data, or if BLS itself could directly release data about nonprofit job loss and recovery alongside other industries. Lacking adequate official data from BLS, nonprofits were forced at the height of the pandemic to divert significant resources to gathering replacement data, and relief legislation was less effective as a result. Scholars and others in the nonprofit sector, who have worked with BLS in the past, stand ready to help BLS accomplish these goals, particularly as they pertain to filling in data gaps since 2017.

In conclusion, the lack of timely and accurate data on the country's third largest private sector employer hampers job recovery efforts, leaves a significant portion of U.S. employers and employees in the dark, and hurts the public. It is essential that the U.S. government release accurate and accessible data on nonprofit employment and wage trends on a quarterly basis, on par with other major industries in the country. Such data should be provided nationally, by state, county, and metropolitan area, and broken down by field and major subfields consistent with privacy requirements.

Sincerely,