

# Nonprofits a major source of employment growth globally

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A new report from the Johns Hopkins Institute for Policy Studies reveals that nonprofit organizations are major employers and major sources of employment growth in countries throughout the world. The report draws on new data generated by statistical offices in 16 countries that have implemented a new United Nations Handbook on Nonprofit Institutions. This Handbook calls on national statistical offices to report on the economic scale and composition of nonprofit organizations in their countries for the first time.

Key findings to date from implementation of this Handbook, as summarized in this report, include these:

## A Major Employer

- In 6 of the 16 [countries](#) for which data are available, nonprofits employ 10 percent or more of the total [workforce](#), making them one of the largest employers of any industry in these countries.
- On average, in these 16 countries, nonprofits employ more workers than either the transportation or construction industry.

## A Significant Contributor to GDP

- The nonprofit sector accounts for an average of 4.5 percent of the GDP in the covered countries, roughly equivalent to GDP contribution of the [construction industry](#) in these countries.

- In the fields in which nonprofit institutions operate, their GDP contribution is even larger. In Portugal, for example, nonprofit institutions account for 94 percent of the value added by membership organizations and 76 percent of the value added in the social-assistance field.

## **Diverse Sources of Revenue**

- Nonprofits, on average, receive far less of their revenue from philanthropy than is commonly thought.
- Rather, 43 percent of the revenue comes from fees for their services, 32 percent from government sources, and only 23 percent from philanthropic giving, and this is likely an over-estimate given limitations of the data sources.

## **A Growing Sector**

- In the eight countries on which historical data are available, the growth rate of the nonprofit sector contribution to GDP exceeded the growth rate of [GDP](#).

"The global nonprofit sector is an enormously important economic actor, as well as a significant source of citizen well-being in countries throughout the world," noted Lester M. Salamon, director of the Johns Hopkins Institute for Policy Studies, which compiled these data and worked with the U.N. to create the Handbook. "It is time that we recognize more fully the contribution it makes."

## **The U.N. Nonprofit Handbook**

The findings reported here cover 16 countries that have so far implemented the [United Nations](#) Handbook on Nonprofit Institutions in

the System of National Accounts. Developed by the Johns Hopkins Institute for Policy Studies in cooperation with the U.N. Statistics Division and an international statistical advisory group, this Handbook calls on national statistical offices to prepare regular "satellite accounts" on the [nonprofit sector](#), philanthropy, and volunteering as part of their official economic data-gathering and reporting. This is the first time that guidelines for such statistical reports on nonprofit institutions have been established.

The 16 countries completing at least one nonprofit institution satellite account and covered in this report are: Australia, Belgium, Brazil, Canada, the Czech Republic, France, Israel, Japan, Kyrgyzstan, Mexico, Mozambique, New Zealand, Norway, Portugal, Thailand, and the United States.

**More information:** The full text of the Johns Hopkins report, "The State of Global Civil Society and Volunteering: Latest Findings from Implementation of the UN Nonprofit Handbook," is available at [ccss.jhu.edu](http://ccss.jhu.edu)

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