Special Article

Nonprofit Employment in New Mexico
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The U.S. Bureau of Labor Statistics (BLS) recently released 2017 data on employment, wages, and establishments for the nonprofit sector, specifically focusing on 501(c)3s, or charitable organizations. These figures provide insight into this important sector of the economy. For more information on this topic, including the methodology and data, please visit https://www.bls.gov/bdm/nonprofits/nonprofits.htm.

In 2017, about 51,897 workers in New Mexico, representing 8.2 percent of total statewide private employment, worked in the nonprofit sector (Exhibit 1). Washington, D.C. had the highest concentration of nonprofit employment in 2017, at 25.6 percent. The state with the lowest concentration of nonprofit employment was Nevada, with 2.8 percent. The U.S. average was 10.2 percent.

New Mexico nonprofits endured the Great Recession, in terms of employment level and wages, better than all industries combined. The nonprofit sector in New Mexico exhibited year-over-year employment growth in ten of the past eleven years (Exhibit 2). When employment in all industries declined in 2007 and 2008, employment in the nonprofit sector grew.

The number of establishments increased as well. Since 2007, the number of establishments in the nonprofit sector increased by 409, or 22.1 percent, nearly three times the rate of the number of establishments in all industries (7.9 percent).

Wages in the nonprofit sector grew faster after the Great Recession than wages for all industries (Exhibit 3). In 2007 and 2008, average annual wages for nonprofits were below that of all establishments. But starting in 2009 and continuing until the most recent year available, the average annual wages for nonprofits exceeded that of all establishments. The year-over-year growth rate of wages for all establishments averaged 1.8 percent per year since 2008, while wages for nonprofits increased over one and a half times that amount, averaging 3.0 percent per year. The average annual wage of nonprofit organizations in 2017 was $45,380, higher than the average annual wage for all establishments by $3,320.

Nearly three out of four New Mexicans who were employed in the nonprofit sector in 2017 worked in the health care and social assistance industry (Exhibit 4). In fact, more than half of the total nonprofit employment growth between 2007 and 2017 can be attributed to employment growth in nonprofit health care and social assistance establishments.
Educational services was the second largest industry, employing 7.4 percent of all workers in the nonprofit sector. Other services, which includes civic, social, professional, and political organizations, employed 6.5 percent.

About 45.3 percent of nonprofit workers in the health care and social assistance industry were employed in hospitals, followed by social assistance (29.0 percent); ambulatory health care services (14.7 percent); and nursing and residential care facilities (11.0 percent). More than half (55.6 percent) of nonprofit workers in educational services worked in elementary and secondary schools, while 18.9 percent worked in colleges, universities, and professional schools.

While health care and social assistance had the most nonprofit employment in New Mexico it placed second with respect to the concentration of nonprofit employment to the total number employed by private industry (31.8 percent). As seen in Exhibit 5, educational services had the highest concentration in New Mexico, at 40.6 percent. Within this industry, colleges, universities, and professional schools had the largest percent of employed by nonprofits. Of all available data, the detailed industry with the highest ratio was social advocacy organizations, in which four out of five persons worked in the nonprofit sector.

Over 22,000 workers, or 42.6 percent of all workers in the nonprofit sector, were employed in establishments located in Bernalillo County. Nonprofit establishments in Santa Fe County employed 6,447, or 12.4 percent, of all nonprofit workers in the state, followed by San Juan County (3,424 workers, or 6.6 percent) and Dona Ana County (2,604, or 5.0 percent).