

Trends & Issues

Employment trends in Non Profit Institutions Serving Households: **Nonprofit health and welfare organizations**

Non Profit Institutions Serving Households (NPISH) are a subset of nonprofits that make up 22% of the nonprofit sector by GDP. NPISH includes organizations that do not generate profits for their owners, are independent from government and provide services to individuals for free or for nominal fees. The category does not include organizations in the broader nonprofit sector - hospitals, colleges and universities - and nonprofits that charge market rates for their services. The NPISH classification is used by Statistics Canada and by statistical agencies in other countries to compile information on the nonprofit sector.¹ Statistics Canada's data show trends in nonprofit employment over time, both nationally and by province.

A significant proportion of NPISH organizations are engaged in providing health and social services to individuals; together, welfare organizations and health services make up 30% of employment in NPISH. This report examines this segment of the nonprofit sector in greater detail using data obtained from Statistics Canada.

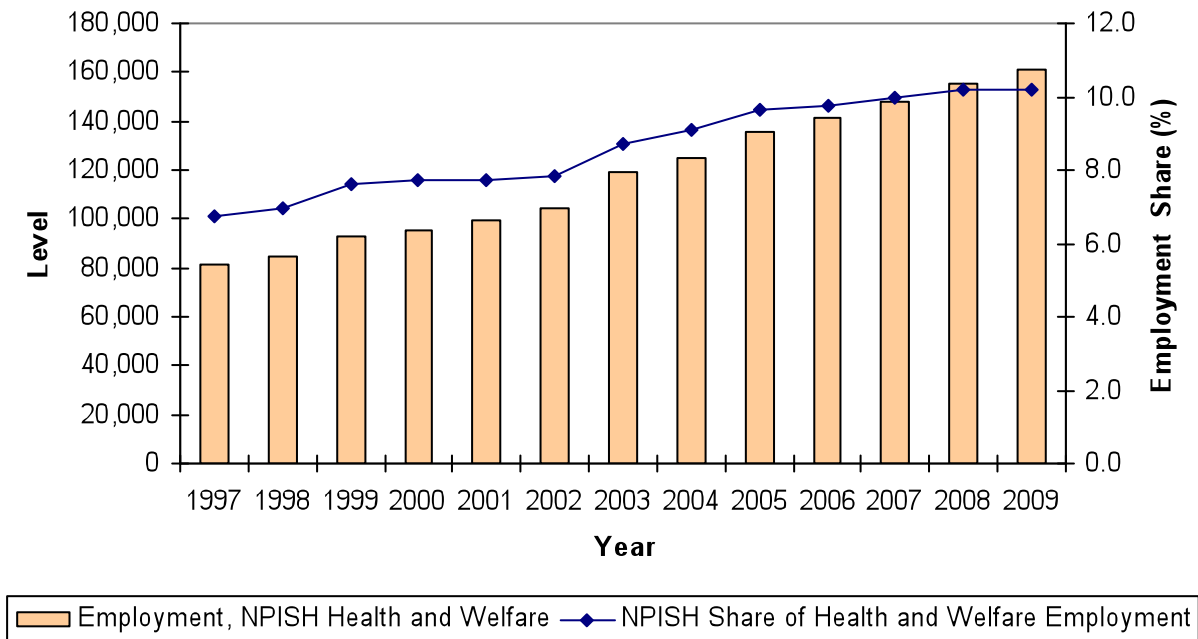
Nonprofit health and welfare organizations have grown quickly over the past twelve years, both in terms of the number of workers and their share of total health and welfare employment. The NPISH share of total health and welfare employment rose from 6.7% in 1997 to 10.2% in 2009.

The Canadian nonprofit sector is a key part of the national economy, providing communities and individuals with goods, programs and services, and also employing many individuals. The sector includes workers in health care; social services; education; sports and recreation; arts and entertainment; and religion, among other groups. Nonprofits enrich communities, provide important programs and services and represent an important economic sector.

In Statistics Canada data, health and welfare organizations are clustered in the North American Industry Classification System (NAICS) code 62 - Health Care and Social Assistance. This category is further subdivided into 3-, 4-, and 6-digit levels that include a variety of health services (e.g., hospitals, offices of physicians, community health services, etc.), as well as social services for individuals and families (e.g., counselling services, food banks, friendship centres, home care services, etc.). In the area of healthcare, the NPISH classification excludes hospitals and residential care facilities from these counts; therefore, these data do not reflect employment in these facilities even though they may be considered nonprofit. In terms of social services, all services that provide free services or charge only nominal costs are included; nonprofits that charge market rates (e.g., some daycare services or day programs) are considered out-of-scope to NPISH.

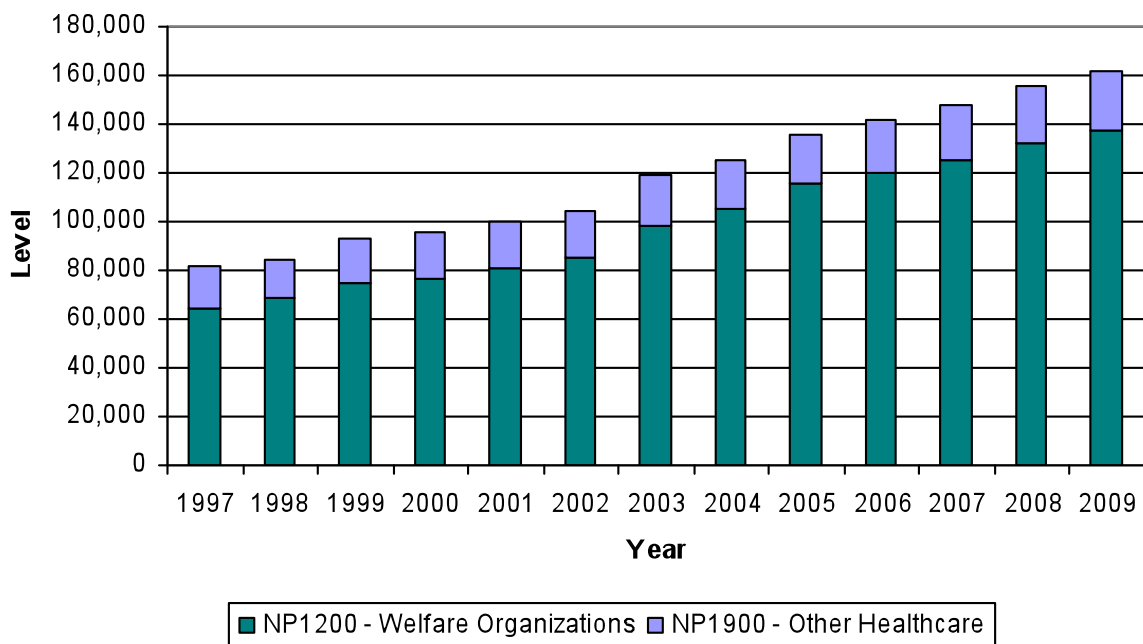
1. For more information on NPISH, please consult the appendix of this document.

Employment and Employment Share, Nonprofit Health and Welfare Organizations, Canada



The NPISH data further subdivide health and welfare organizations, separating these at the 3-digit and 4-digit NAICS levels. Category NP1200 includes Welfare Organizations that are classified under NAICS code 624. The healthcare portion of NP1900, Other Nonprofit Institutions, includes a range of out-patient health services that are classified under NAICS 6213-6216 and 6219. These codes are aggregated into the NAICS 62A0 group in the NPISH data set. As the figure below shows, welfare organizations make up the majority of NPISH health and welfare employment.

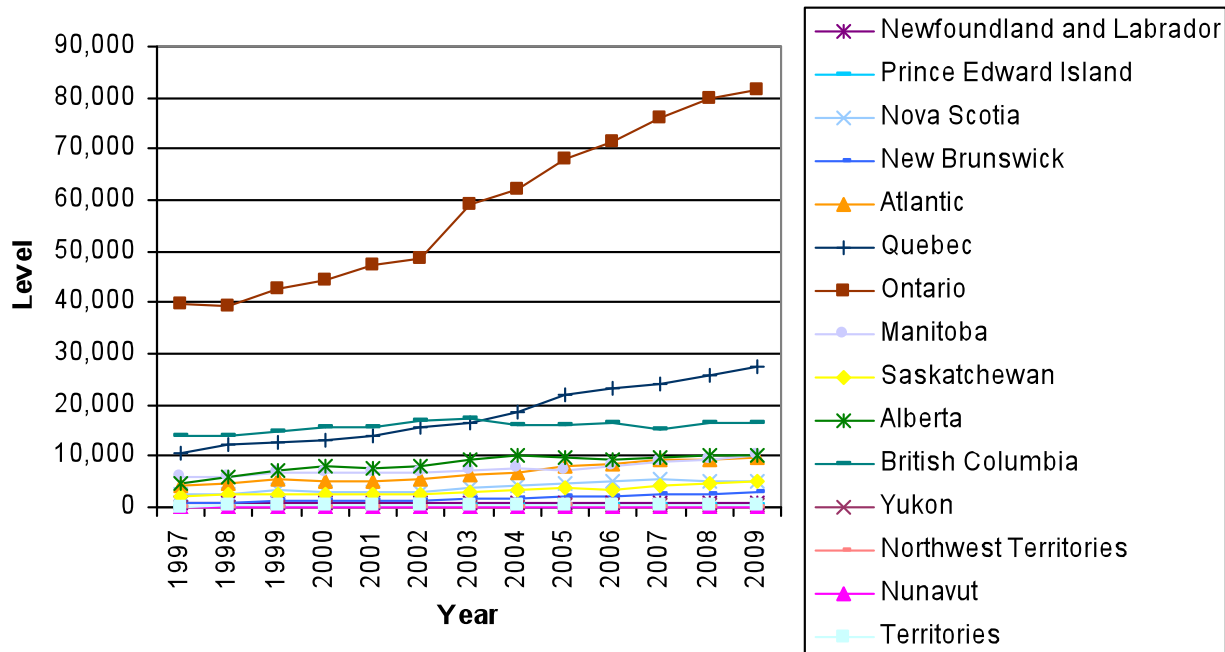
Employment by NPISH Category, Health and Welfare Organizations, 1997-2009



Provincial trends

The NPISH data presented above are also available by province, allowing for a more detailed analysis of sector trends. The following charts and tables provide provincial breakdowns for the combined health and welfare categories.

Employment, NPISH Welfare and Health, 1997-2009



ABOUT THE DATA

The data on the nonprofit sector used in this report come from the *Income and Expenditure Division of Statistics Canada's System of National Accounts Branch*. The data are collected to measure productivity and gross domestic product for a segment of the nonprofit sector called Non Profit Institutions Serving Households (NPISH). Aggregate data on the sector can be found in the annual data release on the *Satellite Account for Nonprofit Institutions and Volunteering* (Catalogue #13-015-X), as well as in CANSIM table 383-0010. The data presented are a special tabulation of the CANSIM data set that offers more detailed industry breakdowns.

Readers may notice that the NPISH employment estimates for health and welfare organizations differ significantly from those that were seen in the National Survey of Nonprofit Organizations (NSNVO), which was conducted in 2003. This difference is a result of the NSNVO and the Satellite Account using two different definitions of the nonprofit sector. NPISH are a subset of nonprofits that make up approximately 22% of the total nonprofit sector by gross domestic product (GDP). This is a smaller share than the "core" nonprofit sector (All nonprofits less hospitals, colleges and universities), on which many past estimates have been based.

In addition to the NPISH data, the share of total workforce was calculated using data from the *Survey of Employment, Payrolls and Hours (SEPH)*. These data are available as a monthly, seasonally-adjusted series on CANSIM table 281-0025.

As one might expect, provincial employment levels in health and social assistance organizations vary dramatically by province, with the largest provinces generally having the highest numbers of workers. Also of interest are the varying rates of growth in the sector. Most provinces experienced modest growth between 1997 and 2009. Ontario and Quebec, however, have shown strong and consistent growth in employment levels, with growth in Ontario being particularly strong. In contrast, British Columbia has seen fluctuating levels of employment over the study period; the province only gained 2,600 jobs between 1997 and 2009,

growing from 13,800 to 16,400 jobs. The peak employment year for the province occurred in 2003 with employment of 17,155 - 755 jobs higher than the 2009 level.

The following chart shows employment levels for all NPISH Health and Welfare Organizations by province. Due to the relatively small numbers of workers in the “Other Healthcare” category, some of the Statistics Canada data on this group were suppressed to meet confidentiality requirements. Where data for this set have been suppressed, the square is shaded; an X indicates that both data sets have been suppressed.

Employment levels by province, NPISH health and welfare

Employment, nonprofit health and welfare organizations, 1997-2009													
	1997	1998	1999	2000	2001	2002	2003	2004	2005	2006	2007	2008	2009
Canada*	81,405	84,710	92,960	95,515	99,700	104,225	119,060	125,125	135,630	141,320	148,150	155,540	161,340
Newfoundland & Labrador	695	770	790	690	640	710	695	665	730	850	805	1,010	985
Prince Edward Island	120	135	150	165	190	205	225	220	325	310	345	395	395
Nova Scotia	2,595	2,645	3,325	3,000	2,980	3,155	3,670	4,105	4,740	4,940	5,330	5,110	5,265
New Brunswick	820	1,010	1,115	1,105	1,375	1,395	1,595	1,725	1,960	2,190	2,510	2,545	2,950
Atlantic Provinces*	4,400	4,745	5,625	5,175	5,185	5,465	6,185	6,855	7,900	8,440	9,130	9,180	9,720
Quebec	10,550	12,390	12,850	13,070	13,920	15,525	16,670	18,695	21,920	23,295	24,250	25,785	27,590
Ontario	39,575	39,245	42,865	44,360	47,535	48,800	59,330	62,190	68,215	71,505	76,215	79,660	81,685
Manitoba	5,850	6,105	6,575	6,735	6,850	6,750	7,345	7,725	7,380	8,030	8,920	9,415	10,070
Saskatchewan	2,230	2,460	2,470	2,450	2,485	2,530	2,945	3,285	3,715	3,585	4,190	4,565	4,980
Alberta	4,800	5,735	7,365	7,830	7,815	8,070	9,125	9,955	9,870	9,485	9,700	10,025	10,290
British Columbia	13,800	13,795	14,830	15,615	15,625	16,785	17,155	16,050	16,090	16,420	15,180	16,310	16,400
Yukon	40	55	150	115	110	135	145	160	245	235	240	265	245
Northwest Territories	140	145	130	120	130	130	X	140	215	195	180	185	190
Nunavut	0	0	75	30	30	25	X	45	55	100	120	140	160
Territories*	180	235	380	265	270	290	295	370	540	560	565	590	595

* Data may not add to totals due to rounding and/or data suppressions
X - Data suppressed to meet confidentiality requirements
Red data - One data set has been suppressed
Source : Statistics Canada, CANSIM 383-0010, Custom Tabulation

Several factors affect the size of nonprofit sectors in the provinces. The sectors vary in size based on provincial population levels; provinces with larger populations tend to have more nonprofit workers. The nonprofit sector also varies relative to the share of services offered by the government and private sectors: while nonprofits deliver health and social programs in some areas, these same services may be provided by governments or private companies in other provinces. The following table shows these organizations' shares, calculated as percentages, of total national and provincial health and welfare

employment. This comparison uses employment data from the Survey of Employment, Payrolls and Hours (SEPH) to determine the total health and welfare employment in each area. Shaded cells indicate that one of the two NPISH data sets is suppressed; NPISH share estimates for these areas will therefore be slightly lower than their actual shares. Ontario and Manitoba have the highest shares of employment, while Newfoundland and Labrador and Prince Edward Island appear to have the lowest shares (although these numbers are artificially lowered due to data suppressions).

Employment share by province (%), NPISH health and welfare

NPISH employment share, health and welfare organizations, 1997-2009													
	1997	1998	1999	2000	2001	2002	2003	2004	2005	2006	2007	2008	2009
Canada	6.7	7.0	7.6	7.7	7.7	7.9	8.7	9.1	9.7	9.8	10.0	10.2	10.2
Newfoundland & Labrador	2.9	3.2	3.6	3.1	2.5	2.7	2.6	2.4	2.7	3.1	2.8	3.4	3.2
Prince Edward Island	1.9	2.1	2.0	2.1	2.5	2.7	2.9	2.5	3.6	3.7	4.0	4.6	4.3
Nova Scotia	6.1	6.1	7.5	6.8	6.9	7.0	7.9	8.7	9.5	9.7	10.2	9.5	9.3
New Brunswick	2.6	3.1	3.4	3.3	3.9	4.0	4.5	5.0	5.6	6.0	6.7	6.6	7.3
Quebec	3.4	4.1	4.3	4.4	4.3	4.7	4.8	5.4	6.2	6.4	6.6	6.9	7.2
Ontario	9.2	9.2	10.0	10.2	10.2	10.2	12.1	12.5	13.4	13.6	14.1	14.2	14.1
Manitoba	10.3	10.6	11.2	11.5	10.2	9.9	10.4	11.1	10.5	11.1	11.8	12.3	12.9
Saskatchewan	5.3	5.4	5.1	5.0	5.1	5.4	5.9	6.5	7.2	6.8	7.9	8.4	8.9
Alberta	4.5	5.3	6.8	7.0	7.9	7.7	8.3	8.9	8.7	8.1	7.8	7.7	7.5
British Columbia	8.9	8.5	8.8	9.0	9.0	9.5	9.3	9.0	8.9	8.7	7.9	8.2	7.9
Yukon	4.7	7.2	18.2	13.2	12.3	14.9	16.1	17.2	26.3	25.0	25.1	26.4	25.6

Red data - One NPISH data set has been suppressed

Source : Statistics Canada, CANSIM 383-0010, Custom Tabulation; Survey of Employment, Payrolls and Hours, CANSIM 281-0025

Wage rates

In addition to the estimates of employment by region and industry, NPISH data also include the total number of hours worked and total compensation. From these data, an average wage rate can be calculated. These numbers should, however, be interpreted with caution; they represent an average wage for a 2-digit NAICS code, not a specific rate of pay for a group of workers. For wage rates specific to a single occupation or group of workers, readers should consult surveys that measure wages, benefits

and compensation focused on workers instead of industries, such as the *Labour Force Survey* or one of the nonprofit sector-specific compensation surveys. Regional differences, including costs of living, labour market conditions, unionization rates and education and certification requirements, among others, will also affect wage rates. Shaded cells in the table indicate partial data suppressions; these estimates should therefore be used with extra caution as the effects of the suppressions on the average wage rate are unknown.

Average wage rate by province, NPISH health and welfare

Average wage rate, health and welfare organizations, 1997-2009													
	1997	1998	1999	2000	2001	2002	2003	2004	2005	2006	2007	2008	2009
Canada	16.11	16.59	17.27	18.34	18.81	19.45	19.81	21.32	22.16	23.54	24.12	25.25	24.85
Newfoundland & Labrador	12.05	10.81	11.86	14.58	15.26	14.85	15.27	18.81	15.71	16.32	18.35	19.03	20.92
Prince Edward Island	14.10	14.94	16.74	16.97	17.29	16.62	17.26	20.35	17.17	18.75	18.99	20.90	20.77
Nova Scotia	11.77	12.77	12.78	15.02	15.06	15.86	15.72	17.10	16.89	17.96	17.38	19.12	19.36
New Brunswick	10.91	10.03	10.89	10.54	12.81	13.12	12.94	13.53	14.06	13.23	12.69	13.51	13.08
Atlantic Provinces	11.95	12.04	12.61	14.19	14.56	15.05	15.00	16.36	16.07	16.51	16.18	17.57	17.69
Quebec	16.36	16.28	16.46	17.67	19.52	19.47	20.30	20.44	21.30	20.78	22.09	22.38	22.59
Ontario	16.57	17.28	18.54	19.26	19.26	19.97	20.64	22.61	23.41	25.01	25.27	26.63	25.60
Manitoba	14.51	14.05	14.17	14.44	15.14	16.09	15.09	16.56	18.62	18.10	18.66	19.07	19.36
Saskatchewan	15.02	15.21	16.92	17.50	18.80	18.67	19.56	19.59	20.42	23.27	23.04	22.96	23.85
Alberta	15.30	14.63	13.93	15.25	16.54	16.79	17.39	20.12	22.58	25.08	26.04	28.45	30.29
British Columbia	17.05	18.80	19.38	21.35	21.12	22.44	21.89	23.03	22.89	26.62	28.83	30.04	29.63
Yukon	23.89	29.47	18.84	23.64	22.56	20.85	X	18.57	18.17	18.84	22.22	25.25	24.36
Northwest Territories	17.13	17.06	15.42	20.23	21.73	22.59	X	21.91	22.58	24.30	30.31	31.89	29.19
Nunavut			15.72	12.04	13.96	X	X	X	X	X	X	X	X
Territories	18.44	21.73	15.63	20.47	21.13	21.16	20.89	21.18	21.20	22.62	26.53	26.48	25.70

X - Data suppressed to meet confidentiality requirements
 Data may not add to totals due to rounding
 Red data - One data set has been suppressed
 Source : Statistics Canada, CANSIM table 383-0010.

Alberta, British Columbia, the Northwest Territories and Ontario have the highest wage rates, while the lowest rates are found in the Atlantic Provinces. The wage rates fluctuate over time and also across the regions, but the data all trend upward. These fluctuations reflect rising costs of living, but also include factors such as the education and experience levels of the workforce; collective agreements negotiated for unionized employees; the rate of unionization; the standard rates of pay for all health and welfare occupations in the regions (including those outside of the NPISH sector); and the employment rate, all of which can change over time.

Appendix

Quick facts on Non Profit Institutions Serving Households

What are Non Profit Institutions Serving Households?

Non Profit Institutions Serving Households (NPISH) is a classification of nonprofits that comes from Statistics Canada and the Canadian System of National Accounts. NPISH are a subset of nonprofits that provide services to individuals and families. To be included in the NPISH category, organizations must:

- Operate as nonprofits (i.e., not provide income to those that control them)
- Operate independent of government control
- Provide goods and services to households
- Provide services for free or for nominal rates

Measured by GDP, approximately 22% of nonprofits fit within the NPISH category. If a nonprofit does not fit within these criteria, it will be classified in the System of National Accounts as part of the corporate sector (13% of all nonprofits) or the government sector (65% of nonprofits).

Where do NPISH data come from?

Statistics Canada collects information from businesses and organizations on incomes and expenditures (including organizations' incomes and expenditures and data on production) for the Canadian System of National Accounts (CSNA). The CSNA is based on an international standard that guides how countries report measures of economic activity. The data collected include information on employment, hours worked and compensation, allowing Statistics Canada to calculate worker productivity.

The CSNA includes a Satellite Account on Nonprofit Institutions and Volunteering that aims to improve our understanding of the value of nonprofit organizations. NPISH data are one set of data used in the Satellite Account. Labour statistics from the account are produced by Statistics Canada and compiled in data table 383-0010 on CANSIM, the agency's database of socioeconomic statistics.

Why is this information important?

Information on the nonprofit workforce is difficult to find. While Statistics Canada collects a wealth of information on businesses and workers, few studies and surveys specifically mention or identify nonprofits. The existing, well-known measures of employment released by Statistics Canada, including the Labour Force Survey (LFS) and the Survey of Employment, Payrolls and Hours (SEPH), do not differentiate nonprofit organizations from other organizations. While the LFS separates workers into "private" and "public" sectors, nonprofit is not an option. Because these systems do not reflect the nonprofit sector, finding relevant data on nonprofits is more difficult than for other sectors of the economy that are differentiated from one another by the type goods and services produced instead of organizational characteristics.

Why is the NPISH sector so much smaller than previous nonprofit employment estimates?

NPISH employment estimates differ significantly from previous employment estimates for the nonprofit sector, including those emerging from the National Survey of Nonprofit and Voluntary Organizations (NSNVO). This survey, which was conducted in 2003, estimated total nonprofit sector employment for that year at 2,031,744. The Satellite Account NPISH data, on the other hand, show an employment estimate of 438,045 for 2003. These estimates, while vastly different, can both be valid and accurate because the two sources define the sector differently. NPISH are a subset of nonprofits that make up approximately 22% of the total nonprofit sector by GDP. The NSNVO data, on the other hand, include the entire nonprofit sector; taking 22% of this figure gives a rough employment estimate of 446,984, just 2% different from the employment figure in the NPISH data and well within the acceptable margin of error for surveys.

What can we do with the NPISH data?

The NPISH data allow us to learn more about the nonprofit sector. They can help us see changes in the sector's health in terms of jobs and economic contribution. The data indicate the pace of growth by region and by sub-sector.

NPISH data can also be used to better understand trends in nonprofit employment and wages over time. The data set starts in 1997 and is currently available to 2009, providing 12 years of observations. No other data source offers this span of national data on nonprofits. The data are also broken down provincially and by industry code, allowing for in-depth examinations of the nonprofit sector by region, industry, or both.

The data can be compared with data from the Survey of Employment, Payrolls and Hours (SEPH), Canada's largest and most well-known business survey. Comparing NPISH and SEPH data allow us to determine how nonprofits are faring vis-à-vis the larger economy. Comparing trends in employment and wages by industry and by province helps to demonstrate the relative health of the sector, make comparisons between provinces and examine conditions over time.

What can't we do with NPISH data?

NPISH data do not cover all nonprofits. Organizations in the government and corporate sectors are not included. NPISH data do not provide breakdowns beyond the provincial level. Therefore, the data are not helpful for examining conditions in local labour markets or in regions within large provinces.

NPISH data are available at several levels of detail based on industry code. There are three levels available: S-level, M-level and L-level. These levels provide increasing amounts of detail on industries, for example, separating 'Other Services' at the S-level into religious organizations; grant-making, civic and professional organizations; and personal and laundry services and private households. These more detailed data, however, may be suppressed to meet Statistics Canada's confidentiality requirements as outlined in the Statistics Act. While the suppressions are minimal in data for Canada as a whole and for the largest provinces, they severely limit the data available in the smaller provinces.

The NPISH wage data are available by industry, not job or employment classification. Therefore, these data should be interpreted with caution as they do not reflect narrow, well-defined groups of employees, like those seen in the national Labour Force Survey and in wage and benefit surveys.