

**Title:** Are Wages Suppressed in the Nonprofit Social Services Sector? A Case Study in Oregon

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# **Are Wages Suppressed in the Nonprofit Social Services Sector?**

## **A Case Study in Oregon**

Kevin E. Cahill, Jonathan Ely, and Aditya Gadkari

### **Abstract**

This paper examines compensation and retention rates between: 1) Oregonians in the nonprofit sector, with an emphasis on those working in social service jobs, and 2) Oregonians in the for-profit and public sectors working in similar occupations. Using data from the American Community Survey (ACS), the Current Population Survey (CPS), and the U.S. Bureau of Labor Statistics Occupational Employment and Wage Statistics (OEWS), we find that, controlling for confounding factors, individuals working in the nonprofit sector in Oregon had wages that were approximately 5 to 15 percent lower than their counterparts in the for-profit sector. We provide context from the economics literature for our findings because the value of proposed solutions for closing the wage gap depends on an accurate interpretation of what the wage gap means (e.g., does it reflect disadvantage or preferences?). We conclude that the nonprofit wage gap in Oregon is problematic, at least in part, and that policies that can reduce the gap would improve societal welfare by more accurately tying work to compensation in the nonprofit sector.

## Executive Summary

Does a wage gap exist between social service jobs in the nonprofit sector and those in the for-profit and public sectors? We address this question, specifically for the case of Oregon, by examining compensation and retention rates between: 1) Oregonians in the nonprofit sector, with an emphasis on those working in social service jobs, and 2) Oregonians in the for-profit and public sectors working in similar occupations.

Our analysis is based on three publicly-available data sources: the American Community Survey (ACS), the Current Population Survey (CPS), and the U.S. Bureau of Labor Statistics Occupational Employment and Wage Statistics (OEWS). The ACS is a nationwide annual survey conducted by the U.S. Census Bureau that contains information about demographics, economics, housing, and other attributes of the U.S. population. Importantly for this project, the ACS contains state-level geographic information, allowing us to examine the nonprofit sector within Oregon. The CPS is a nationwide monthly survey of approximately 60,000 households conducted by the U.S. Census Bureau that is used to generate monthly labor force statistics published by the U.S. Bureau of Labor Statistics. The CPS also has a longitudinal structure that allows us to identify the degree to which people change sectors over time, and analyze the factors associated with such changes. Our third source of data, the OEWS, provides summary statistics (e.g., average wages) for detailed occupation and industry subcategories. The OEWS summary statistics for these detailed occupation and industry codes enables comparisons between Oregon and the rest of the country, and allows us to explore how specific occupations, such as those in industries related to housing, compare with others in similar occupation categories.

Our descriptive analysis of data from the ACS, CPS, and OEWS reveals several important takeaways. First, the nonprofit sector accounted for *10.5 percent* of wage-and-salary employment in Oregon between 2012 and 2022 (Table E.1). Workers in the nonprofit sector in Oregon were disproportionately female, older, and had higher levels of formal education compared with those in the for-profit sector. Workers in the nonprofit sector more closely aligned with those in the public sector than those in the for-profit sector, though workers in the nonprofit sector were still disproportionately female relative to those in the public sector and were, on average, younger than those in the public sector. Workers in the nonprofit sector also worked fewer hours per week than those in both the for-profit and public sectors. Not controlling for worker characteristics (e.g., educational attainment), and including relatively higher-paid workers in healthcare and education, average hourly and annual wages in the nonprofit sector were higher than those in the for-profit and public sectors. The social and human services sector appears to be an exception, however, even before worker characteristics are taken into account. For example, individuals working in social and human services within the community food and housing services industry had substantially lower wages than other workers in the nonprofit industry (Table E.2 and E.3). Finally, turnover was relatively higher in the nonprofit sector compared with the for-profit and public sectors. Approximately two-thirds (66.4%) of individuals stayed in the nonprofit sector over a 12-month period, compared with 95.0 percent of those in the for-profit sector and 88.5 percent of those in the public sector.

These differences by sector are important because, in order to assess the impact that being in the nonprofit sector has on compensation, the analysis needs to take into account the fact that workers themselves (e.g., education levels) and work schedules (e.g., hours worked) are

different across the sectors. More specifically, it would not be appropriate to attribute higher wages in the nonprofit sector to the sector itself if the observed higher wages were the result of higher ages and levels of educational attainment among workers in the sector. We find that, when age, sex, educational attainment, race, ethnicity, and hours worked are taken into account using regression analysis, individuals working in the nonprofit sector had wages that were approximately *5 to 15 percent lower* than their counterparts in the for-profit sector and approximately *7 to 11 percent lower* than the public sector (Table E.4).

We also conducted analyses for workers within specific occupations: human services, mental health services, and child/youth services. The nonprofit wage gap that we identified overall remained for workers in human services and mental health services occupations. Among workers in child/youth service occupations, the reduction was 6 percent relative to the for-profit sector and 11 percent relative to the public sector.

A wide body of empirical evidence supports the existence of a negative wage gap between the nonprofit and for-profit sectors, as we found empirically in Oregon. One explanation for a negative wage gap is the nature of funding sources (e.g., grant procurement, fundraising), which can be unpredictable and consist primarily of short-term contracts with limited options for wage setting. These funding issues can, in turn, make it difficult for nonprofit organizations to implement competitive wage structures over time, such as with cost-of-living adjustments. Another explanation is that workers in the nonprofit sector are members of historically disadvantaged and marginalized populations (e.g., females, older individuals, members of the BIPOC community), and nonprofit pay could reflect discrepancies in compensation between these groups and others that exists in the for-profit and public sectors. A negative wage gap might also emerge, however, if compensation in the nonprofit sector, more broadly defined (e.g., wages and benefits plus the value of doing rewarding work), is collectively comparable between the nonprofit and for-profit sectors. In this case, the nonprofit and for-profit sectors might differ with respect to their compensation *mix*. Workers in the nonprofit sector, for example, might be willing to accept lower wages in return for a job that is rewarding or for a position with an employer that includes societal benefits as part of its mission.

The relevant question then becomes: what explains the negative wage gap between the nonprofit and for-profit sectors? Overall, three themes emerged from our review of the economics literature related to the nonprofit wage gap. First, while a positive wage gap can theoretically exist between the nonprofit and for-profit sectors, the reality is that a pronounced negative wage gap exists, and the size of the wage gap varies considerably by occupation and industry. Second, pro-social and intrinsically motivated workers within the nonprofit sector could plausibly accept a lower wage, all else equal, to do the work that they do and, moreover, funders of nonprofits might expect such in-kind contributions when making contributions. Third, nonprofit employment is particularly sensitive to minimum wage rates. One deduction from the literature, then, is that the intrinsic motivation of nonprofit workers and the threat of displacement can be leveraged against nonprofit workers to keep their wages lower than they otherwise would be. We conclude that the nonprofit wage gap in Oregon is indeed problematic, at least in part, and that policies that can reduce the gap would improve societal welfare by more accurately tying work to compensation in the nonprofit sector.

We identify five options for reducing or removing the nonprofit wage gap in Oregon: 1) instituting a cost-of-living adjustment, 2) instituting a nonprofit wage board, 3) setting a

prevailing wage for nonprofits, 4) publishing a nonprofit employment dashboard, and 5) creating a nonprofit wage advocate position. Each option has its upsides and its downsides; collectively, however, these options can reduce the wage gap between the nonprofit and for-profit sectors.

**Table E.1:** Distribution of For-Profit, Nonprofit, and Public Sector Workers by Age, Sex, Educational Attainment, Race/Ethnicity, and Hours Worked, Oregon, 2012 to 2022

Category	Distribution by Sector		
	For-Profit	Non-Profit	Public
Observations	16,049,471	2,291,813	3,462,458
Percentage	73.6%	10.5%	15.9%
Age (Mean)	40.5	44.0	46.1
Sex			
Male	55.2%	34.4%	42.9%
Female	44.8%	65.6%	57.1%
Educational Attainment			
Less than high school	11.7%	5.6%	3.4%
High school graduate	25.5%	12.5%	13.0%
Some college	28.6%	22.2%	24.1%
Associate's	8.8%	9.5%	9.3%
Bachelor's	18.3%	28.6%	24.5%
Master's	4.9%	14.8%	20.2%
Doctorate/Professional	2.3%	6.8%	5.4%
Race/Ethnicity			
Hispanic	14.3%	9.1%	8.0%
Non-Hispanic White	74.2%	79.5%	81.2%
Non-Hispanic Black	1.8%	2.1%	1.9%
Non-Hispanic Asian	4.8%	4.5%	3.5%
Non-Hispanic Other	5.0%	4.9%	5.4%
Mean weekly hours	37.4	35.4	37.7

Note: Analyses are based on weighted observations using ACS person and replicate weights. Observations refer to the (weighted) number of individuals who responded to the survey.

Source: ECONorthwest analysis of data from the American Community Survey, 2012 to 2022.

**Table E.2:** Distribution of Wages for For-Profit, Nonprofit, and Public-Sector Workers, Oregon, 2012 to 2022

Category	Mean	Median	25th Percentile	75th Percentile
<b>Hourly Wage (min \$5/hr)</b>				
Private	\$28.16	\$20.04	\$13.07	\$32.75
Public	\$29.25	\$24.85	\$16.04	\$34.97
NonProfit	\$31.38	\$22.74	\$14.67	\$38.00
<b>Annual Wages (min \$5k/yr)</b>				
Private	\$49,704	\$36,367	\$20,169	\$64,486
Public	\$52,074	\$41,197	\$23,029	\$70,531
NonProfit	\$53,505	\$47,526	\$25,482	\$70,531

Notes: Analyses are based on weighted observations using ACS person and replicate weights. Hourly wages are based on individuals with hourly wages between \$5 and \$2,000 (n=167,159). Annual wages are based on individuals with an annual salary greater than \$5,000 (n=163,251).

Source: EConorthwest analysis of data from the American Community Survey, 2012 to 2022.

**Table E.3:** Analysis of Social and Human Service Assistants (21-1093), by Industry, Oregon, 2022

Industry	Employment	Mean Wage	
		Hourly	Annual
All Social and Human Service Assistants	8,410	\$21.64	\$45,010
Selected Subgroups			
Individual and Family Services	1,820	\$20.69	\$43,040
Local Government, excluding Schools and Hospitals	510	\$26.52	\$55,160
Community Food and Housing, and Emergency and Other Relief Services	1,190	\$19.89	\$41,380
State Government, excluding Schools and Hospitals	2,060	\$23.56	\$48,990
Residential Intellectual and Developmental Disability, Mental Health, and Substance Abuse Facilities	550	\$20.23	\$42,080

Note: Description: Assist other social and human service providers in providing client services in a wide variety of fields, such as psychology, rehabilitation, or social work, including support for families. May assist clients in identifying and obtaining available benefits and social and community services. May assist social workers with developing, organizing, and conducting programs to prevent and resolve problems relevant to substance abuse, human relationships, rehabilitation, or dependent care. Excludes “Rehabilitation Counselors” (21-1015), “Psychiatric Technicians” (29-2053), “Personal Care Aides” (31-1122), and “Eligibility Interviewers, Government Programs” (43-4061).

Sources: U.S. Bureau of Labor Statistics. (2024). "Occupational Employment and Wages, May 2022: 21-1093 Social and Human Service Assistants." Washington, DC: U.S. Department of Labor. <https://www.bls.gov/oes/current/oes211093.htm>; "oes\_research\_2022\_allsectors.xlsx."

**Table E.4:** Results of Multivariate Wage Gap Analysis, Oregon, 2012 to 2022

	Wage Relative to the For-Profit Sector				
	Model 1	Model 2	Model 3	Model 4	Model 5
Sector					
For-Profit	-----	-----	-----	-----	-----
Non-Profit	7%	-15%	-6%	-6%	-5%
Public	21%	-11%	-9%	2%	2%
Controls Included in the Model					
Age		✓	✓	✓	✓
Sex		✓	✓	✓	✓
Educational Attainment		✓	✓	✓	✓
Race/Ethnicity		✓	✓	✓	✓
Mean Weekly Hours			✓	✓	✓
Industry and Occupation				✓	✓
Time Trend					✓

Note: Analyses are based on weighted observations using ACS person and replicate weights.

Source: ECONorthwest analysis of data from the American Community Survey, 2012 to 2022.

## I. Introduction

Does a wage gap exist between social service jobs in the nonprofit sector and those in the for-profit and public sectors? This paper examines compensation and retention rates between: 1) Oregonians in the nonprofit sector, with an emphasis on those working in social service jobs, and 2) Oregonians in the for-profit and public sectors working in similar occupations. A wage gap in the nonprofit sector can emerge for a variety of reasons, and the direction of the gap, at least theoretically, can be in either direction. The wage gap could be positive if wages in the nonprofit sector are insulated from the market discipline imposed on wages in the for-profit sector. A positive wage gap could also emerge if nonprofit organizations pass along the benefits of any tax-exemptions to employees in the form of higher wages.

A negative wage gap can emerge in the nonprofit sector because of the nature of funding in this sector (e.g., grant procurement, fundraising), which can be unpredictable and consist primarily of short-term contracts with limited options for wage setting. These funding issues can, in turn, can make it difficult for nonprofit organizations to implement competitive wage structures over time, such as with cost-of-living adjustments. A negative wage gap can also emerge if workers in the nonprofit sector are disproportionately members of historically disadvantaged and marginalized populations (e.g., females, older individuals, members of the BIPOC community) and nonprofit pay reflects discrepancies in compensation between these groups and others that exists in the for-profit and nonprofit sectors. A negative wage gap might also emerge if compensation in the nonprofit sector, more broadly defined (e.g., wages and benefits plus the value of doing rewarding work), is collectively comparable between the nonprofit and for-profit sectors. In this case, the nonprofit and for-profit sectors might differ with respect to their compensation *mix*. Workers in the nonprofit sector, for example, might be

willing to accept lower wages in return for a job that is rewarding or for a position with an employer that includes societal benefits as part of its mission. This different compensation mix would necessarily cause a wage gap between the nonprofit and for-profit sectors, albeit without a gap in overall compensation. As such, an argument could be made that, in this instance, any wage gap between the nonprofit and for-profit sector is not problematic per se. The gap might merely reflect the different preferences of nonprofit workers and their nonprofit employers. In turn, if the wage gap is not problematic—and, possibly, even beneficial for both nonprofit workers and employers—policies should not be put in place to close or mitigate the gap.

Recent descriptive data from the 2024 Pacific Northwest Compensation and Benefits Survey for Oregon and the U.S. Bureau of Labor Statistics for Oregon suggests that a negative wage gap exists for workers in the human social services sector. Case managers and social workers in the human services sector in Oregon had an average annual salary of \$58,942, compared to an average salary for social workers in Oregon generally (all sectors: for-profit, public, and nonprofit) of \$63,300. Substance abuse counselors in the human social services sector in Oregon had an average salary of \$56,246, compared with an average salary for substance abuse, behavioral disorder, and mental health counselors in Oregon generally of \$66,260. Rehabilitation specialists in the human social services sector in Oregon had an average salary of \$36,836, compared with an average salary for rehabilitation counselors in Oregon generally of \$53,970. While the full list of occupations covered by the PNW Compensation and Benefits Survey might differ somewhat from those covered by the U.S. Bureau of Labor Statistics for Oregon generally, these differences in average salary are consistent with a negative wage gap between the nonprofit social services sector and the for-profit and public sectors.

The relevant questions then become: does a negative wage gap exist between the nonprofit and for-profit sectors and, if so, why? We use data for the State of Oregon from three publicly-available data sources to address this question: the American Community Survey (ACS), the Current Population Survey (CPS), and the U.S. Bureau of Labor Statistics Occupational Employment and Wage Statistics (OEWS). Each dataset provides specific information to address these questions and, collectively, shed much light on this topic.

We find that the nonprofit sector accounted for 10.5 percent of wage-and-salary employment in Oregon between 2012 and 2022. Workers in the nonprofit sector in Oregon were disproportionately female, older, and had higher levels of formal education compared with those in the for-profit sector. Workers in the nonprofit sector more closely aligned with those in the public sector than those in the for-profit sector, though workers in the nonprofit sector were still disproportionately female relative to those in the public sector and were, on average, younger than those in the public sector. Self-reported hours worked per week were also lower in the nonprofit sector compared with both the for-profit and public sectors.

Not controlling for worker characteristics (e.g., educational attainment), and including relatively higher-paid workers in healthcare and education, average hourly and annual wages in the nonprofit sector were higher than those in the for-profit and public sectors. The social and human services sector appears to be an exception, as noted above, even before worker characteristics are taken into account. For example, individuals working in social and human services within the community food and housing services industry had substantially lower wages than other workers in the nonprofit industry. Finally, turnover was relatively higher in the nonprofit sector compared with the for-profit and public sectors, likely in response to wages

being more stagnant in the nonprofit sector among stayers (i.e., those who do not switch out of their sector).

These differences by sector are important because a comprehensive analysis of differences in wages and compensation by sector needs to take into account these worker characteristics (aka, confounding factors).<sup>1</sup> Our multivariate regression analysis, which takes into account confounding factors when assessing wage disparities in the nonprofit sector, showed that individuals working in the nonprofit sector had wages that were approximately 5 to 15 percent lower than their counterparts in the for-profit sector. This nonprofit wage gap is the result of many factors, ranging from a willingness among nonprofit workers to accept a lower wage, all else equal, to do this type of work—and nonprofit funders’ expectation for such in-kind contributions—to nonprofit workers having minimal leverage to negotiate wages comparable to those of their for-profit counterparts. The empirical evidence and literature support the latter narrative, as well as the former, and we conclude that the nonprofit wage gap in Oregon is indeed problematic, at least in part, and that policies that can reduce the gap would be welfare improving.

This paper is structured as follows. The next section provides some relevant background on nonprofit wage gaps from the economics literature. Section III describes our three datasets and analysis methodology. Section IV presents our descriptive and multivariate findings.

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<sup>1</sup> The term “confounding factors” is oftentimes used to describe the additional determinants of an outcome beyond the one that is the focus of the analysis. In this case, worker compensation is the outcome and being in the nonprofit sector is the determinant that is the focus of the analysis. Worker characteristics and hours worked also impact compensation and would, therefore, be additional determinants. These additional determinants need to be taken into account in order to identify the specific impact on compensation of being in the nonprofit sector. So, in this part of the analysis, we are examining the impact that being in the nonprofit sector has on worker compensation, controlling for confounding factors.

Section V contains a discussion and presents five options for reducing or removing the nonprofit wage gap in Oregon.

## II. Background

Several studies in the economics literature, dating back to the 1990s, have explored the nonprofit wage gap. One particularly relevant study, Hirsch, Macpherson, and Preston (2017), identified a nonprofit wage gap of 2.9 percent using data from the Current Population Survey, and found that the gap varied based on demography, occupation, and industry, controlling for worker characteristics.<sup>2</sup> Cui (2020) identified a slightly higher wage gap of 4.3 percent using data from the American Community Survey and the 2000 decennial census and, similarly, found that the nonprofit pay differential varied by both industry and occupation after controlling for worker characteristics.<sup>3</sup> Many other studies reached a similar conclusion (Folbre, Gautham, and Smith (2023), Faulk, Edwards, Lewis, and McGinnis (2013), Jones (2015), and Zhao and Zhang (2023)).<sup>4</sup> One main takeaway from these studies is that the average wage gap between

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<sup>2</sup> Hirsch, B. T., Macpherson, D. A., and Preston, A. E. (2017). "Nonprofit Wages: Theory and Evidence." *IZA Institute of Labor Economics*, Discussion Paper Series. <https://docs.iza.org/dp10571.pdf>.

<sup>3</sup> Cui, S. T. (2020). "Donative labor effect of the nonprofit pay: A multilevel explanation." *Nonprofit Management & Leadership*, 31, 1, 57-79. <https://onlinelibrary.wiley.com/doi/abs/10.1002/nml.21413>.

<sup>4</sup> Folbre, N., Gautham, L., and Smith, K. (2023). "Gender Inequality, Bargaining, and Pay in Care Services in the United States." *Industrial and Labor Relations Review*, 76, 1: 86-111. [https://journals.sagepub.com/doi/abs/10.1177/00197939221091157?journalCode=ilra#:~:text=The%20positive%20impact%20of%20movement,occupations%E2%80%94heavily%20concentrated%20in%20care](https://journals.sagepub.com/doi/abs/10.1177/00197939221091157?journalCode=ilra#:~:text=The%20positive%20impact%20of%20movement,occupations%E2%80%94heavily%20concentrated%20in%20care;); Faulk, L., Edwards, L.H., Lewis, G. B., and McGinnis, J. (2013). "An Analysis of Gender Pay Disparity in the Nonprofit Sector: An Outcome of Labor Motivation or Gendered Jobs?" *Nonprofit and Voluntary Sector Quarterly*, 42, 6: 1268-1287. <https://journals.sagepub.com/doi/abs/10.1177/0899764012455951>; Jones, D. B. (2015). "The supply & demand of motivated labor: When should we expect to see nonprofit wage gaps?" *Labour Economics*, 32: 1-14. <https://www.sciencedirect.com/science/article/abs/pii/S0927537114001353>; Zhao, R. and Zhang, C. (2023). "Racial Pay Disparity of Social Workers in Nonprofit, For-Profit, and Government Human Services Organizations." *Human Services Organizations: Management, Leadership, & Governance*. <https://www.tandfonline.com/doi/abs/10.1080/23303131.2023.2227231>.

the nonprofit and for-profit sectors conceals wider disparities within specific occupations and industries.

Another valuable study is Johnston and Johnston (2019).<sup>5</sup> These authors identified a nonprofit wage gap of 5.5 percent and, interestingly, concluded that the gap was more pronounced within “traditional charities” (e.g., civic organizations, churches) than within commercial nonprofits (e.g., healthcare systems). Further, Zhao and Zhang (2023), noted above, found that social workers were paid less in the nonprofit sector than in both the for-profit sector and public sector. Folbre, Gautham, and Smith (2023) explored several factors that might explain the wage gap for providers of care services, including social services.<sup>6</sup> The authors argue that the wage gap stems from an inability (of workers and their employers) to capture the total value of the services they provide. The reasons included limited consumer sovereignty (e.g., situations where vulnerable populations are not aware of the type or quantity of services they need), incomplete information regarding quality, and large positive social benefits. The authors concluded that, relative to business services, other service workers were paid far less when controlling for worker characteristics. Handy and Katz (1998) and Preston and Sacks

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<sup>5</sup> Johnston, A. C. and Johnston, C. (2019). “Is Compassion a Good Career Move? Nonprofit Earnings Differentials from Job Changes.” *The Journal of Human Resources*, 56, 4: 1226-1253.  
<https://jhr.uwpress.org/content/wpjhr/56/4/1226.full.pdf>.

<sup>6</sup> Folbre, N., Gautham, L., and Smith, K. (2023). “Gender Inequality, Bargaining, and Pay in Care Services in the United States.” *Industrial and Labor Relations Review*, 76, 1: 86-111.  
<https://journals.sagepub.com/doi/abs/10.1177/00197939221091157?journalCode=ilra#:~:text=The%20positive%20impact%20of%20movement,occupations%E2%80%94heavily%20concentrated%20in%20care.>

(2010) take this logic one step further and argue that this market failure with respect to accurately valuing certain services drives in part the creation of nonprofit organizations.<sup>7, 8</sup>

Still another explanation for a negative wage gap was proposed by Devaro and Brookshire (2007).<sup>9</sup> Devaro and Brookshire explored the extent to which the wage differential in the nonprofit sector was due to a lack of opportunities for promotions. The authors found that those promoted in the for-profit and nonprofit sectors generally saw similar wage increases, but that workers in the nonprofit sector were far less likely to be promoted. Devaro and Brookshire also found, not surprisingly, that, even when controlling for industry, nonprofit workers had far less output-based pay, such as bonuses, commissions, firm profit-sharing income.

As noted above, an alternative explanation for the wage gap is that workers are willing to accept a lower wage in return for other benefits associated with working in the nonprofit sector. This concept has been described as a “wage donation,” in which workers are willing to forego a portion of what they otherwise could have earned in the for-profit sector to do work that is more personally meaningful in the nonprofit sector.<sup>10</sup>

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<sup>7</sup> Handy, F. and Katz, E. (1998). “The Wage Differential between Nonprofit Institutions and Corporations: Getting More by Paying Less?” *Journal of Comparative Economics*, 26, 2: 246-261.  
<https://www.sciencedirect.com/science/article/abs/pii/S0147596798915207>.

<sup>8</sup> Preston, A. E. and Sacks, D. W. (2010). “Nonprofit wages: theory and evidence.” From the Handbook of Research on Nonprofit Economics and Management. Edited by Seaman, B. A., and Young, D. R.. *Edward Elgar Publishing, Inc.*, Northampton, MA.  
[http://ndl.ethernet.edu.et/bitstream/123456789/11351/1/120%20.%20Bruce\\_A.\\_Seaman%2C.pdf#page=125](http://ndl.ethernet.edu.et/bitstream/123456789/11351/1/120%20.%20Bruce_A._Seaman%2C.pdf#page=125).

<sup>9</sup> Devaro, J. and Brookshire, D. (2007). “Promotions and Incentives in Nonprofit and For-Profit Organizations.” *Industrial and Labor Relations Review*, 60, 3: 311-339.  
<https://ecommons.cornell.edu/server/api/core/bitstreams/bff06ed9-f6f2-49c0-920c-6d45e4e0d945/content>.

<sup>10</sup> Folbre, N., Gautham, L., and Smith, K. (2023). “Gender Inequality, Bargaining, and Pay in Care Services in the United States.” *Industrial and Labor Relations Review*, 76, 1: 86-111.  
<https://journals.sagepub.com/doi/abs/10.1177/00197939221091157?journalCode=ilra#:~:text=The%20positive%20impact%20of%20movement,occupations%E2%80%94heavily%20concentrated%20in%20care>.

Along these lines, Handy and Katz (1998) suggested that nonprofits attract a certain motivated group of individuals and develop trust with them.<sup>11</sup> The authors argue that by attracting this select group who care about the mission of the organization, nonprofits can both increase the quality of the services that they provide and pay a wage that is lower than workers' for-profit counterparts. Similarly, De Cooman, De Gieter, Pepermans, and Jegers (2011) found that nonprofit workers were more likely to value social service, in contrast to for-profit workers who were more likely to value career advancement.<sup>12</sup> Further, nonprofit workers were more likely to be motivated by accomplishing goals that were meaningful or that fit with their value system, while for-profit workers were more likely to be motivated by material rewards. Oelberger (2024) found that those with strong prosocial work preferences had increased job satisfaction doing prosocial work, while those without strong preferences had decreased job satisfaction.<sup>13</sup> AbouAssi, Johnson, and Holt (2021) found that, among millennials, workers in the nonprofit sector were less likely to switch sectors if they volunteered (a reflection of prosocial preferences).<sup>14</sup> Jeworrek and Mertens (2021) uncovered a similar pattern using a natural experiment, in which individuals with a prosocial attitude had increased performance when

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<sup>11</sup> Handy, F. and Katz, E. (1998). "The Wage Differential between Nonprofit Institutions and Corporations: Getting More by Paying Less?" *Journal of Comparative Economics*, 26, 2: 246-261. <https://www.sciencedirect.com/science/article/abs/pii/S0147596798915207>.

<sup>12</sup> De Cooman, R., De Gieter, S., Pepermans, R., and Jegers, M. (2011). "A Cross-Sector Comparison of Motivation-Related Concepts in For-Profit and Not-For-Profit Service Organizations." *Nonprofit and Voluntary Sector Quarterly*, 40, 2: 296-317.

<sup>13</sup> Oelberger, C. (2024). "Beyond assumptions of altruism: Examining nonprofit work with a job fit framework and response surface analysis." *Nonprofit Management & Leadership*. <https://onlinelibrary.wiley.com/doi/full/10.1002/nml.21610>.

<sup>14</sup> AbouAssi, K., Johnson, J. M., and Holt, S.B. (2021). "Job Mobility Among Millennials: Do They Stay or Do They Go?" *Review of Public Personnel Administration*, 41, 2, 219-249. <https://journals.sagepub.com/doi/abs/10.1177/0734371X19874396>.

assigned (randomly) to a prosocial job.<sup>15</sup> Even further, Jones (2015) found that wage differentials were inversely related to the percentage of an industry that was nonprofit (i.e., wage differentials were reduced as the pool of available pro-social, intrinsically-motivated workers in the industry became exhausted).<sup>16</sup> Finally, at the extreme end of intrinsically-motivated work—volunteering—Haider and Schneider (2007) found that wage rates were lower among nonprofits that also used volunteer labor.<sup>17</sup>

The reliance on intrinsically-motivated workers in the nonprofit sector could explain why increases in the minimum wage had a particularly acute negative impact on employment within the nonprofit sector (Balsam, et. al. (2023), and Meer and Tajali (2023)).<sup>18</sup> In light of these negative impacts to nonprofit employment, Haider and Schneider (2007) proposed that public subsidies to nonprofit organizations would be a more effective mechanism for raising wages in the nonprofit sector.<sup>19</sup> Haider and Schneider also noted that, while higher donations to nonprofit organizations increased wages, the increases went predominantly to higher earners within the nonprofits. Both studies suggest that wages in the nonprofit sector are relatively low

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<sup>15</sup> Jeworrek, S. and Mertins, V. (2021). “Mission, Motivation, and the Active Decision to Work for a Social Cause.” *Nonprofit and Voluntary Sector Quarterly*, 51, 2: 260-278. <https://journals.sagepub.com/doi/abs/10.1177/08997640211007206>.

<sup>16</sup> Jones, D. B. (2015). “The supply & demand of motivated labor: When should we expect to see nonprofit wage gaps?” *Labour Economics*, 32: 1-14. <https://www.sciencedirect.com/science/article/abs/pii/S0927537114001353>.

<sup>17</sup> Haider, A. and Schneider, U. (2007). “The influence of volunteers, donations and public subsidies on the wage level of nonprofit workers.” *Institute for Social Policy*. <https://research.wu.ac.at/en/publications/the-influence-of-volunteers-donations-and-public-subsidies-on-the-7>.

<sup>18</sup> Balsam, S., Mao, C. X., Xu, M., and Zhang, Y. (2023). “The Effect of State Minimum Wage Increases on Nonprofit Organizations.” *Nonprofit and Voluntary Sector Quarterly*, 52, 6: 1722-1752. <https://journals.sagepub.com/doi/abs/10.1177/08997640221138266>; Meer, J. and Tajali, H. (2023). “Effects of the Minimum Wage on the Nonprofit Sector.” NBER Working Paper, 31281. [https://www.nber.org/system/files/working\\_papers/w31281/w31281.pdf](https://www.nber.org/system/files/working_papers/w31281/w31281.pdf).

<sup>19</sup> Haider, A. and Schneider, U. (2007). “The influence of volunteers, donations and public subsidies on the wage level of nonprofit workers.” *Institute for Social Policy*. <https://research.wu.ac.at/en/publications/the-influence-of-volunteers-donations-and-public-subsidies-on-the-7>.

(in need of being raised) and that employment is particularly sensitive to wage increases. Combined, these two factors suggest that workers in the nonprofit sector not only have relatively low wages but also limited leverage to increase them.

Overall, three themes emerged from our review of the economics literature related to the nonprofit wage gap. First, while a positive wage gap can theoretically exist between the nonprofit and for-profit sectors, the reality is that a pronounced negative wage gap exists, and the size of the wage gap varies considerably by occupation and industry. Second, pro-social and intrinsically motivated workers within the nonprofit sector might be willing to accept a lower wage to do the work that they do. Third, nonprofit employment is particularly sensitive to minimum wage rates. One plausible deduction from the literature, then, is that the intrinsic motivation of nonprofit workers and the threat of displacement can be leveraged against nonprofit workers to keep their wages lower than they otherwise would be. Further, as noted above, workers in the nonprofit sector are disproportionately members of historically disadvantaged and marginalized groups, and nonprofit pay could reflect discrepancies in compensation between these groups and others that exists in the for-profit and public sectors.

### **III. Data and Methods**

Our analysis focuses on the nonprofit wage gap in Oregon. We rely on data from three publicly-available sources: the American Community Survey (ACS), the Current Population Survey (CPS), and the U.S. Bureau of Labor Statistics Occupational Employment and Wage Statistics (OEWS). We use the ACS data to describe employment shares by sector (nonprofit, for profit, and public), demographic characteristics by sector, and wages. We use the CPS data to examine switching across sectors and retention. We use the OEWS data to delve deeper into

specific occupations within the nonprofit sector. Each analysis leverages the advantages of each dataset.

The ACS is a nationwide annual survey conducted by the U.S. Census Bureau that contains information about demographics, economics, housing, and other attributes of the U.S. population. The ACS sample is very large, with more than 3 million people contacted to participate in the survey each year. Importantly for this project, the ACS contains state-level geographic information, allowing us to examine the nonprofit sector within Oregon.<sup>20</sup>

We identified a total of 409,582 Oregon respondents in the ACS from 2012 to 2022, to which we applied sample weights to obtain population-level estimates.<sup>21</sup> Of these respondents, approximately 40 percent (n=163,194) were not in the labor force. Of those who were in the labor force, 6.7 percent (n=1,643) reported being unemployed, 5.0 percent reported working for a family business without pay (n=1,234), and 12.5 percent (n=30,741) reported being self-employed. The remaining 212,770 Oregon respondents were wage-and-salary workers in the nonprofit sector (11.3%, n=24,078), for-profit sector (70.7%, n=150,527), and public sector (17.9%, n=38,165). The ACS analyses described below are based on these 212,770 Oregon respondents.

The CPS is a nationwide monthly survey of approximately 60,000 households conducted by the U.S. Census Bureau that is used to generate monthly labor force statistics published by the U.S. Bureau of Labor Statistics. The CPS is also a rich source of information on the

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<sup>20</sup> For a description of the ACS, see: U.S. Census Bureau. (2017). “American Community Survey: Information Guide.” Washington, D.C.: U.S. Department of Commerce.  
[https://www.census.gov/content/dam/Census/programs-surveys/acs/about/ACS\\_Information\\_Guide.pdf](https://www.census.gov/content/dam/Census/programs-surveys/acs/about/ACS_Information_Guide.pdf).

<sup>21</sup> Data for 2020 are not included in our analysis because of potential lack of alignment with other years due to the COVID-19 pandemic. In this paragraph, we present the unweighted results.

demographic, social, and economic characteristics of the U.S. population.<sup>22</sup> Most relevant for our analysis is the survey design of the CPS, which follows a 4-8-4 pattern, where households are interviewed during two four-month periods, with an eight-month gap between each period. This longitudinal structure allows us to identify the degree to which people change sectors over time, and what factors are associated with such changes.

We identified a total of 24,792 Oregon responses in the CPS from 2009 to 2020 who were employed in the for-profit (74.5%), nonprofit (9.1%), and public (16.4%) sectors. Longitudinal data could be identified for 7,180 respondents. Our analysis of switching is based on these 7,180 Oregonians.

Our third source of data, the OEWS, provides summary statistics (e.g., average wages) for detailed occupation and industry subcategories. The occupation and industry categories follow an established classification system developed by the U.S. Bureau of Labor Statistics: the Standard Occupational Classification (SOC) system and the North American Industrial Classification System (NAICS). The OEWS summary statistics for these detailed occupation and industry codes enable comparisons between Oregon and the rest of the country, and allow us to explore how specific occupations, such as those in industries related to housing, compare with others in similar occupation categories.

The second part of our analysis assesses pay disparities between the nonprofit, for-profit, and public sectors, controlling for confounding factors. We apply a standard multivariate log wage regression framework to isolate the impact of working in the nonprofit sector on wages.

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<sup>22</sup> The history of the CPS dates back to the early 1940s, to address the lack of employment data during the Great Depression. For more information about the CPS, see: U.S. Census Bureau. (2024). "History of the Current Population Survey (CPS)." Washington, D.C.: U.S. Department of Commerce. <https://www.census.gov/programs-surveys/cps/about/history-of-the-cps.html>.

This regression framework is critical because workers in the nonprofit sector tend to be older and have higher levels of educational attainment than workers in the for-profit sector. Both of these factors are also associated with higher wages. Therefore, it would not be appropriate to attribute higher wages in the nonprofit sector to the sector itself if the observed higher wages were the result of higher ages and levels of educational attainment among workers in the sector. Regression analysis enables us to separate out the impacts of age, education, and a host of other factors, from the impact of working in the nonprofit sector per se.

Our regression equation takes the following form.

$$(1) \ln(wage)_i = \alpha + \beta_1 Sector_i + \beta_2 Age_i + \beta_3 Sex_i + \beta_4 Education_i + \beta_5 RaceEthnicity_i + \beta_6 Hours_i + \beta_7 Industry_i + \beta_8 Occupation_i + \beta_9 SurveyYear_i + \varepsilon_i$$

The dependent variable is the natural logarithm of wage for individual,  $i$ . This transformation means that the coefficients on the right-hand side can be interpreted as percentage changes. Sector is a vector that denotes whether individual,  $i$ , works in the nonprofit, for-profit, or public sector; age is a vector of age indicators, by decade; sex is a dichotomous indicator of whether the worker is female; education is a vector of educational attainment indicators (less than high school, high school graduate/GED, some college, associate's degree, bachelor's degree, master's degree, and doctorate or professional degree); the variable "RaceEthnicity" denotes whether individual,  $i$ , is Hispanic and, if not, whether the individual is White, Black, Asian, or another race; hours is a vector denoting hours worked (less than 20 hours, 21-34 hours, and 35 or more hours); industry is a vector of industry indicators; occupation is a vector of occupation indicators; and survey year denotes the calendar year in which the survey took place, which controls for macroeconomic influences generally.

We model wages using various combinations of the variables shown in Equation 1. The different specifications allow us to assess the impact of being in the nonprofit sector controlling for different factors, and how this impact may or may not change when other factors are taken into account.

We also examine the impact of interactions, or combinations of the right-hand-side variables. For example, wages might be lower for females generally and wages might be lower in the nonprofit sector generally, but being both female and in the nonprofit sector might have its own impact over and above the two individual ones. For the purposes of our analysis, we examine interactions between sector and sex, between sector and race/ethnicity, and between sector, sex, and race/ethnicity.

In equation form, this model is as follows:

$$(2) \ln(wage)_i = \alpha + \beta_1 Sector_i + \beta_2 Age_i + \beta_3 Sex_i + \beta_4 Education_i + \beta_5 RaceEthnicity_i + \beta_6 Hours_i + \beta_7 Industry_i + \beta_8 Occupation_i + \beta_9 SurveyYear_i + \beta_{10} Sector_i * Sex_i + \beta_{11} Sector_i * RaceEthnicity_i + \beta_{12} Sex_i * RaceEthnicity_i + \beta_{13} Sector_i * Sex_i * RaceEthnicity_i + \varepsilon_i$$

In this model, for example, the impact of sector and sex, combined, is equal to  $\beta_1 + \beta_3 + \beta_{10}$ .<sup>23</sup> We assess the various combinations in Equation 2 to explore how wages in the nonprofit sector are impacted by the sex and race/ethnicity of its workers.

#### IV. Findings

The first part of our analysis addresses the percentage of ACS respondents in Oregon in the nonprofit sector, and the degree to which this percentage is stable over time. From 2012 to 2022, the percentage of wage-and-salary workers in the nonprofit sector in Oregon increased

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<sup>23</sup> Notably, this simplified calculation applies for the race and ethnicity reference group.

slightly from 10.1 percent to 10.6 percent, with a peak of 10.8 percent in 2018 (Table 1).<sup>24</sup> The percentage of workers in the for-profit sector over this time period ranged from 72.4 percent to 74.5 percent, while the percentage of workers in the public sector ranged from 15.1 percent to 17.1 percent. Generally speaking, therefore, employment within each of the three sectors has remained relatively stable over the 2012 to 2022 time period. As such, it is appropriate to conduct analyses based on these data as a whole.

The next part of the analysis documents the percentage of workers in the nonprofit sector by industry and occupation. Taking industry first, the services industry (excluding public administration) has the highest percentage of workers in the nonprofit sector at 46.1 percent (Table 2). More than one-third (33.5%) of workers in the healthcare and social assistance industry were in nonprofits, followed by educational services (16.3%) and arts, entertainment, and recreation (also 16.8%), and finance and insurance (11.6%). The percentage of workers in the nonprofit sector in all other industries fell below ten percent.

Regarding occupation, more than one half (50.7%) of workers in community and social service occupations were in the nonprofit sector, and approximately one third (32.3%) of workers in health practitioner and technical occupations were in the nonprofit sector. Other occupations with more than 10 percent of workers in the nonprofit sector were: instruction and library occupations (17.0%), arts, design, entertainment, sports, and media occupations (16.1%), healthcare support occupations (15.5%), educational personal care and service occupations (15.4%), management occupations (13.8%), life, physical, and social science occupations (13.0%), business and financial operations occupations (12.8%), building and grounds cleaning

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<sup>24</sup> We present the weighted ACS estimates in this section and subsequent ones, and in the tables.

and maintenance occupations (11.1%), and office and administrative support occupations (10.9%).

*a. Demographic Characteristics by Sector*

Approximately two-thirds (65.6%) of workers in the nonprofit sector were female, compared with 44.8 percent of workers in the for-profit sector (Table 3). Individuals in the nonprofit sector, as a whole, were also older and had higher levels of educational attainment compared with the for-profit sector. The mean age of workers in the nonprofit sector was a full three years higher than that in the for-profit sector (44 and 41 years, respectively). More than one half (50.2%) of workers in the nonprofit sector had a bachelor's degree or higher, with 14.8 percent having a master's degree and 6.8 percent having a doctorate or professional degree. In comparison, 25.5 percent of workers in the for-profit sector had a bachelor's degree or higher, 4.9 percent had a master's degree, and 2.3 percent had a doctorate or professional degree.

The demographic characteristics of workers in the nonprofit sector tended to be more in line with those in the public sector than in the for-profit sector. The mean age of workers in the nonprofit and public sectors were 44.0 and 46.1, respectively, and approximately 50 percent of both groups had educational attainment of a bachelor's degree or higher. Workers in nonprofits were more likely than those in the public sector to have a doctorate or professional degree (6.8% vs. 5.4%) and more likely to have a bachelor's degree only (28.6% vs. 24.5%), but were less likely to have a master's degree only (14.8% vs. 20.2%).

When looking at ethnicity and race, Hispanic workers were more likely to be in the nonprofit sector than the public sector, but less likely than in the for-profit sector (9.1% in the nonprofit sector, 8.0% in the public sector, and 14.3% in the for-profit sector). In contrast, non-Hispanic Black workers were (slightly) more likely to be in the nonprofit sector than in the

public or for-profit sectors (2.1% in the nonprofit sector, 1.9% in the public sector, and 1.8% in the for-profit sector).

Workers in nonprofits, on average, worked fewer hours per week than workers in the public and for-profit sectors. On average, those in nonprofits worked 35 hours per week, compared with 37 hours per week among for-profit and public sector workers. Further, 69 percent of those in nonprofits worked 35 or more hours per week, compared with 73 percent of those in the for-profit sector and 77 percent of those in the public sector.

These demographic differences by sector are important because differences in wages and compensation by sector should take these potentially confounding factors into account.

#### *b. Wages by Sector*

Not controlling for worker characteristics (aka, confounding factors), average hourly and annual wages were highest among those in nonprofits.<sup>25</sup> The mean hourly wage among those in nonprofits was \$31, compared with \$28 in the for-profit sector and \$29 in the public sector (Table 4). The distribution surrounding these averages was tighter within the public sector. One implication is that the median wage in the public sector was higher than both the nonprofit sector (\$25 and \$23, respectively) and for-profit sector (\$25 and \$20, respectively). A similar pattern held when examining annual compensation. Average annual compensation in the nonprofit sector was \$53,500, compared with approximately \$52,000 in the public sector and \$49,700 in the for-profit sector. Median compensation in the public sector was \$48,000, compared with \$41,000 in the nonprofit sector and \$36,000 in the for-profit sector.

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<sup>25</sup> As noted above, the term “confounding factors” is oftentimes used to describe the additional determinants of an outcome beyond the one that is the focus of the analysis. In this part of the analysis, we are examining the impact that being in the nonprofit sector has on worker compensation, controlling for confounding factors.

*c. Social and Human Service Nonprofits*

The analyses to this point have examined the nonprofit sector as a whole. Important differences exist, however, between nonprofits generally and social service nonprofits. We therefore explore how social service nonprofits (human services, mental health services, child/youth services) compared with similar occupations in the for-profit and public sectors (Table 5).<sup>26, 27, 28</sup> We note that workers in human services nonprofits in Oregon were younger than those in the public sector (mean age of 44 years compared with 46 years), and earned lower wages than those in the public sector (median hourly wage of \$21.60 compared with \$25.93; median annual wage of \$41,692 compared with \$50,507). Table 5 presents a full list of comparisons between sectors and occupation types.

The OEWS data revealed wide variation both across social services occupation categories and within social services occupation categories. National mean annual pay, for example, varied from \$41,600 for social and human service assistants (21-1093) to more than \$64,200 for educational, guidance, and career counselors and advisors (21-1012) and \$66,710 health education specialists (21-1091). In Oregon, mean annual pay for social and human service assistants was \$45,010, while mean annual pay for educational, guidance, and career

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<sup>26</sup> Human services includes: 11-9151 MGR-Social And Community Service Managers; 21-1021 CMS-Child, Family, And School Social Workers; 21-1029 CMS-Social Workers, All Other; 21-1092 CMS-Probation Officers And Correctional Treatment Specialists; 21-1093 CMS-Social And Human Service Assistants; and 21-109X CMS-Other Community And Social Service Specialists.

<sup>27</sup> Mental health services includes: 21-1011 CMS-Substance Abuse And Behavioral Disorder Counselors; 21-1012 CMS-Educational, Guidance, And Career Counselors And Advisors; 21-1013 CMS-Marriage And Family Therapists; 21-1014 CMS-Mental Health Counselors; 21-1015 CMS-Rehabilitation Counselors; 21-1019 CMS-Counselors, All Other; 21-1022 CMS-Healthcare Social Workers; 21-1023 CMS-Mental Health And Substance Abuse Social Workers; 31-1121 HLS-Home Health Aides; 31-1122 HLS-Personal Care Aides; and 31-909X HLS-Other Healthcare Support Workers.

<sup>28</sup> Child/youth services includes: 11-9030 MGR-Education And Childcare Administrators; 25-2010 EDU-Preschool And Kindergarten Teachers; 25-2050 EDU-Special Education Teachers; 25-30XX EDU-Other Teachers And Instructors; 25-90XX EDU-Other Educational Instruction and Library Workers; and 39-9011 PRS-Childcare Workers.

counselors and advisors was \$70,740 and for health education specialists was \$74,450 (Table 6).

Wide variation existed within occupational categories as well. In particular, the 25th percentile for hourly wages within the Social and Human Service assistants occupation code (21-1093) nationally was \$15.79, compared with the 75th percentile wage of \$22.66. The 25th and 75th percentiles for annual wage were \$32,850 and \$47,130, respectively. The 75th percentile was, therefore, more than 40 percent higher than the 25th percentile. Further, Social and Human Service Assistants in the industry category “Community Food and Housing, and Emergency and Other Relief Services” had mean hourly wages of \$18.15, whereas Social and Human Service Assistants in state and local government had mean hourly wages of \$21.33 and \$23.43, respectively (Table 7).

*d. Switching between Sectors*

Our analysis of individuals who switched sectors between CPS interviews reveals three notable findings. First, individuals in the nonprofit sector were less likely than those in the for-profit and public sectors to remain in their sector. Approximately two-thirds (66.4%) of individuals stayed in the nonprofit sector between CPS interviews, compared with 95.0 percent of those in the for-profit sector and 88.5 percent of those in the public sector (Tables 8a and 8b). Of those who transitioned away from the nonprofit sector, more than 8 out of 10 individuals transitioned to the for-profit sector. Importantly, these percentages reflect transitions between sectors, and not transitions between jobs. The fact that 95 percent of individuals stayed within the for-profit sector says nothing about job transitions within the for-profit sector between CPS interviews.

Our second observation from the switchers analysis is that workers in the nonprofit sector were somewhat more likely to have stagnant wages between CPS interviews. The percentage of individuals in the nonprofit sector who did not switch sectors and who had no change in their wage was 27 percent. The analogous percentage in the for-profit and public sectors were 22 percent and 24 percent, respectively.

Our third observation is that a relatively high percentage of individuals from the for-profit sector who switched to the nonprofit sector experienced an increase in their wage between CPS interviews. This finding suggests that nonprofit organizations fill needed roles with individuals throughout the community, including those in the for-profit sector and, to do so, they offer higher wages than these individuals were receiving previously. One plausible explanation is that those in the nonprofit sector are recruiting from nontraditional, lower-skilled workers in the for-profit sector, and the average compensation statistics support this narrative.

More broadly, our findings from the switchers analysis can be combined to support anecdotal evidence of a sequence of events. First, turnover is relatively higher in the nonprofit sector compared with the for-profit and public sectors in response to wages being more stagnant in the nonprofit sector among stayers. Then, in the next period, in order to fill the newly-opened positions, the nonprofit sector is forced to recruit from the for-profit sector at for-profit sector wages. This catching up of wages, though, occurs for the new recruits only and, as a result, nonprofit organizations are always (at least) one step behind the other sectors when it comes to compensation. As we will show in our multivariate analysis that controls for confounding factors, a wage gap indeed persists between the nonprofit and public sectors.

*e. Multivariate Analysis*

Consistent with the descriptive analysis, wages in the nonprofit sector were, on average, higher than those in the for-profit sector, when age, educational attainment, occupation (e.g., social and human services) and industry (e.g., community food and housing, individual and family services) are not taken into account. This result can be seen in Model 1, where the nonprofit sector had a coefficient of positive 7 percent (Table 8).

When age, sex, educational attainment, race, ethnicity, and hours worked are taken into account, individuals working in the nonprofit sector had wages that were six percent lower than individuals in the for-profit sector. This result remained at negative six percent when industry and occupation were included in the regression analysis and at negative five percent when calendar year was included as a control variable in the analysis to take macroeconomic influences into account.

The models with variable interactions revealed an important insight. First, the *combined* impact of working in the nonprofit sector *and* being female was a 22 percent reduction in wages, all else equal ( $-.22 = -.05 + -.17$ ; see Model 5) (Table 9). The inclusion of the interaction between sector and sex revealed that the overall impact of working in the nonprofit sector—i.e., taking into account the impact of being female—was approximately a 16 percent reduction in wage among workers in the nonprofit sector, for both males and females, relative to those working in the for-profit sector, and a two percent reduction relative to those working in the public sector (see Table 10, Model 6). These results were maintained when interaction terms were added for race and ethnicity (see Table 10, Models 8 and 9).

The interactions between sector and race and ethnicity also revealed some interesting results. Across the models, wages among Hispanics were approximately eight percent below

those of Non-Hispanic Whites, all else equal; wages among Non-Hispanic Blacks were approximately 20 percent below those of Non-Hispanic Whites. Upon considering the interaction between race and sector, no wage gap existed between Hispanics and Non-Hispanic Whites in the nonprofit sector, and the wage gap between Non-Hispanic Whites and Non-Hispanic Blacks was reduced by roughly one third in the nonprofit sector (Models 8 and 9).

Finally, we conducted the analysis among individuals in specific occupations of interest: human services, mental health services, and child/youth services. The results were robust for the first two categories: individuals in the nonprofit sector experienced a four to eight percent reduction in wage relative to the for-profit sector and a four to seven percent reduction in wage relative to the public sector, all else equal (Table 11). Among those in child/youth service occupations, the reduction was 6 percent relative to the for-profit sector (and 11 percent relative to the public sector).

In summary, our multivariate regression analysis, which takes into account confounding factors when assessing wage disparities in the nonprofit sector, showed that individuals working in the nonprofit sector had wages that were approximately 5 to 15 percent lower than their counterparts in the for-profit sector and approximately 7 to 11 percent lower than the public sector .

## **V. Discussion**

The combination of our empirical analysis and review of the economics literature leads us to conclude that: 1) a pronounced negative wage gap exists in Oregon between the nonprofit sector and the for-profit and public sectors, with the gap generally being more pronounced relative to the public sector; 2) the intrinsic motivation of nonprofit workers and the threat of displacement can be leveraged against nonprofit workers to keep their wages lower than they

otherwise would be; and 3) workers in the nonprofit sector are disproportionately members of historically disadvantaged and marginalized groups, and nonprofit pay could reflect discrepancies in compensation between these groups and others that exists in the for-profit and public sectors. Further, the nature of funding in the nonprofit sector can make it difficult for nonprofit organizations to implement set wage structures over time. For these reasons, the nonprofit wage gap in Oregon is indeed problematic, and policies that can reduce the gap would improve societal welfare by more accurately tying work to compensation in the nonprofit sector

We acknowledge that the magnitude of the wage gap that we have identified in this paper could be mitigated by selection bias. The selection issue is that the types of individuals who opt to work in the nonprofit sector might also be the types of individuals who are willing to work for lower wages in the nonprofit sector, all else equal. As such, the nonprofit wage gap might be a function of the types of people who choose to work in nonprofits. Econometric methods exist to take selection bias into account; however, such analyses require detailed longitudinal data, which is not available in the ACS or CPS. Even if selection bias is a concern, however, we note that other objectives, such as fairness, could imply that the nonprofit wage gap is suboptimal nonetheless.

In the remainder of this section we propose five options for reducing the nonprofit wage gap in Oregon. To keep the discussion focused, we highlight policies that relate to wages specifically, as opposed to nonprofit funding more generally. We describe each option below and discuss how the option could be implemented, as well as its potential efficacy and longer-term viability.

### *Option 1: Institute a Cost-of-Living Adjustment*

The goal of cost-of-living or inflation adjustments is for wages to keep pace with other changes in the economy, particularly price increases. A \$15 per hour wage in 2020, for example, meant something different than a \$15 per hour wage means today. One reason is that the purchasing power of one dollar in 2020—the quantity of goods and services that could have been purchased with that dollar in 2020—was higher than the purchasing power of one dollar in 2024. Consider the cost of one dozen eggs in 2020, approximately \$1.50. That same dozen eggs cost \$3.00 in 2024—a 100 percent increase above the 2020 price.<sup>29</sup> Not all prices have doubled over the past four years, but the average price increase between 2020 and 2024 is approximately 20 percent.<sup>30</sup> Therefore, in order to have the same purchasing power, the \$15.00 wage in 2020 would have to be equal to \$18.00 in 2024. This result is apparent when examining the ability to be self-sufficient on the minimum wage in Oregon between 2015 and 2023.<sup>31</sup>

Wages, as opposed to prices, increased 15.1 percent between 2020 and 2024, or about 5 percentage points below inflation.<sup>32</sup> So, if the \$15 per hour wage in 2020 kept pace with wage increases generally, the corresponding wage rate in 2024 would be \$17.25.

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<sup>29</sup> US Inflation Calculator. (2024). “Egg Prices by Year and Adjusted for Inflation.” <https://www.usinflationcalculator.com/inflation/egg-prices-adjusted-for-inflation/>; Allcot, D. (2024). “Egg Prices Have Nearly Doubled Since 2020: How Much They Could Cost by 2028.” Yahoo! Finance. [https://finance.yahoo.com/news/egg-prices-nearly-doubled-since-171357774.html?guccounter=1&guce\\_referrer=aHR0cHM6Ly93d3cuZ29vZ2x1LmNvbS8&guce\\_referrer\\_sig=AQAAAFyX2qzZ-8pLkv6guUDd0zbxuu\\_pQY1ibGSKreA7gPKEnKBRYqc7IGmax8C863j04Z5M4FMlibR3TZP4zjIKRrhgbJqBm2-Z6A-pz-uoBYsB117BZhe7snRGi3REQqEr-f66TnwCJU-QGhgJYGe6alFbi5i9yN9ehZVBRtm\\_q-q6](https://finance.yahoo.com/news/egg-prices-nearly-doubled-since-171357774.html?guccounter=1&guce_referrer=aHR0cHM6Ly93d3cuZ29vZ2x1LmNvbS8&guce_referrer_sig=AQAAAFyX2qzZ-8pLkv6guUDd0zbxuu_pQY1ibGSKreA7gPKEnKBRYqc7IGmax8C863j04Z5M4FMlibR3TZP4zjIKRrhgbJqBm2-Z6A-pz-uoBYsB117BZhe7snRGi3REQqEr-f66TnwCJU-QGhgJYGe6alFbi5i9yN9ehZVBRtm_q-q6).

<sup>30</sup> The actual increase in the Consumer Price Index (CPI) is 19.6 percent (U.S. Bureau of Labor Statistics. (2024). CPI Inflation Calculator. <https://data.bls.gov/cgi-bin/cpicalc.pl?cost1=100.00&year1=202001&year2=202401>.)

<sup>31</sup> North Star. (2024). “Oregon Minimum Wage Earners’ Capacity to be Self-Sufficient: 2015 vs. 2023.” Portland, OR: North Star.

<sup>32</sup> Federal Reserve Bank of St. Louis. (2024). Employment Cost Index: Wages and Salaries: Private Workers.” <https://fred.stlouisfed.org/series/ECIWAG>.

The main point is that if wages in the nonprofit sector do not keep pace with other changes in the economy, be it prices or wages, the gap between wages in the nonprofit sector and the for-profit sector will grow over time, because wages in the for-profit sector generally do adjust to market conditions, though not always and not continuously. As a result, not only is there a need for a one-time adjustment to sure up the documented wage gap in the nonprofit sector, but adjustments will need to be made on an ongoing basis to prevent a drift backwards over time.

Adjustments for inflation or wage growth are common and straightforward. Social Security retirement benefits, for example, are adjusted each year for price increases, known as a Cost of Living Adjustment (COLA).<sup>33</sup> A COLA can be tied to a price index, such as the Consumer Price Index (CPI), or to a wage index, such as the Employment Cost Index (ECI), or some other index. Both the CPI and ECI have many variants, such as the CPI for Urban Consumers or the ECI for wages and salaries, so the overall index can be used or, if preferred, a more specific index can be used. Moreover, the U.S. Bureau of Labor Statistics publishes price index data on a monthly basis, so wages in the nonprofit sector could be recalibrated each year formulaically using the CPI or the ECI, or even on a more disaggregated basis, such as biannually. More frequent adjustment could make sense in a high inflation environment, such as the year 2022.

While the calculation of a COLA is relatively straightforward, the implementation of a nonprofit wage COLA would have to be coordinated and enforced by some governing body. One possibility is to establish a Nonprofit Wage Board (see next option). The Nonprofit Wage

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<sup>33</sup> U.S. Social Security Administration. (2024). "Social Security Announces 3.2 Percent Benefit Increase for 2024." <https://www.ssa.gov/news/press/releases/2023/#10-2023-2>.

Board could decide an appropriate index for the COLA and could periodically evaluate how nonprofits implement it, and have regulations that outline any ramifications should the COLA not be applied properly. Given the successful implementation of COLAs in a variety of contexts, we think establishing a nonprofit COLA is highly feasible and would be both effective and viable in the longer term.

### *Option 2: Institute a Nonprofit Wage Board*

As noted above, a governing body of some form would be required to implement and enforce a nonprofit wage COLA. The implementation of a COLA, however, merely ensures that future wage growth within the nonprofit sector keeps pace with changes in the economy. A one-time adjustment, or series of adjustments, will be required to “true up” the current gap between wages in the nonprofit sector and for-profit sector. The same governing body charged with implementing the COLA could also be charged with estimating and implementing the one-time wage adjustment in the nonprofit sector. And this governing body could also establish a wage floor within the nonprofit sector (i.e., a nonprofit-specific minimum wage).

One option is to establish a Nonprofit Wage Board in the state of Oregon. This Board could operate as other Boards do, with a well-defined charge and a well-defined set of members. The members of the Board should represent various interests within the nonprofit sector and, thereby, form a credible group that can be trusted to make decisions that benefit not just the nonprofit sector but also the state of Oregon more broadly.

We think the Nonprofit Wage Board could include: a representative from the governor’s office, a staff member from the Oregon Employment Department, a doctoral-level labor economist from an Oregon college or university (e.g., the University of Oregon, Oregon State), a representative from NAO, and three representatives from nonprofit organizations in Oregon,

covering management, represented labor, and unrepresented labor. It is unclear what agency within Oregon would have the authority to create this Board, or fund it, but perhaps it could be established by the governor's office or by the legislature.

A key attribute of this option is that the Nonprofit Wage Board would have the power to implement any wage changes in the nonprofit sector, and the authority to enforce these changes. This authority is necessary because it would require funders of nonprofits to adopt the standard set by the Board. Alternatively, if the Nonprofit Wage Board is charged with establishing non-binding recommendations for wages in the nonprofit sector, the Board's recommendations could simply be ignored by funders and, thereby, leave nonprofits with no choice but to pay wages below that of their workers' for-profit and public sector counterparts. We stress that leadership buy-in will be crucial. If leadership buy-in is feasible, we think this option can be an effective way to both "true up" the existing nonprofit wage gap in Oregon and implement a COLA to ensure that the gap does not reemerge in the future.

### *Option 3: Set a Prevailing Wage for Nonprofit Wages*

One option that may assist the Nonprofit Wage Board is to establish, for government funders of nonprofits, a prevailing wage set by, say, occupation, education, and skill level within the nonprofit sector. Governments are large funders of nonprofits. In 2018, for example, over one half of community-based development organizations nationally received government grants and over three quarters of large organizations did.<sup>34</sup> By having governments require that nonprofit organizations have wage rates in line with a government-established prevailing

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<sup>34</sup> Lo, L., Scally, C. P., Lecy, J., and Kumari, S. (2022). "The Financial Health of Community-Based Development Organizations: Using Internal Revenue Service Tax Data to Assess Sector Health." *Urban Institute Metropolitan Housing and Communities Policy Center*. <https://www.urban.org/research/publication/financial-health-community-based-development-organizations-using-IRS>.

wage—ideally, benchmarked to the for-profit sector—nonprofits would have an immediate incentive to increase wages.

This approach of having government-imposed requirements for grants and contracts is well established at the federal and state level. The state of Oregon, for example, has Community Workforce Agreements that support racial and gender equity within the construction workforce.<sup>35</sup>

In order for this option to be viable, and to maintain service levels and nonprofit employment, the State would almost certainly need to pair this requirement with an increase in funding. A second-best alternative, perhaps, would be to consider wage levels as one evaluation criterion for receipt of government grants, without requiring such rates per se.

#### *Option 4: Publish a Nonprofit Employment Dashboard*

Services such as Charity Navigator and Charity Watch publish information about charities to help private donors decide which charities to support and by how much.<sup>36</sup> These services, and others, consider the effectiveness of charities, different elements of responsible governance, fundraising costs, and other factors to determine an overall score for nonprofit organizations. Much of the information used in these ratings comes from nonprofits' IRS Form 990s. Somewhat ironically, these services might exacerbate the existence of the nonprofit wage gap, as nonprofits aim to minimize costs (including labor costs) to maximize reported efficiency.

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<sup>35</sup> Oregon Department of Transportation. (2024). "Community Workforce Agreements." *Oregon Department of Transportation*. <https://www.oregon.gov/odot/equity/pages/cba.aspx>.

<sup>36</sup> See [www.charitynavigator.org](http://www.charitynavigator.org) and [www.charitywatch.org](http://www.charitywatch.org). See, also: Gordon, T. P. and Knock, C. L. (2009). "The Role of Rating Agencies in the Market for Charitable Contributions: An Empirical Test." *Journal of Accounting and Public Policy*, 28, 6: 469-484. <https://www.sciencedirect.com/science/article/abs/pii/S0278425409000684>.

The publication of a Nonprofit Employment Dashboard would create a resource for potential funders to understand how nonprofit organizations in Oregon pay their workers. Specifically, funders can learn how an organization’s compensation aligns with that of other nonprofits in Oregon, as well as with nonprofits regionally and nationally, controlling for job responsibilities and staff qualifications. The New York Human Services Council’s “RFP Rater” is an example of how such a tool can work in the context of proposals. In particular, the RFP Rater is, “designed to illuminate risks associated with government contracts, allowing nonprofits to make more informed choices and collectively promote better practices by government.”<sup>37</sup> Assuming that donors would prefer charities that pay “fair” wages, such a tool would provide an incentive for nonprofits to compensate workers at rates that are comparable to other nonprofits, and even the for-profit sector.

One challenge with a nonprofit employment dashboard is that such a tool would likely require personal employee information, such as age, gender, and education, in order to publish wage comparisons that take into account employee characteristics. As such, it might be appropriate to publish aggregate-level information. A downside to this approach, though, is that watered-down information could diminish the value of such a dashboard. One potential alternative is to partner with the State, which can maintain ownership of potentially sensitive employee information. Such a partnership could also help expand the type of information that could be available on the dashboard, and thereby improve the dashboard’s value while addressing privacy concerns.

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<sup>37</sup> See Human Services Council. (2024). “RFP Rater.” New York, NY: Human Services Council. <https://humanservicescouncil.org/raters/>.

Another potential challenge with the implementation of a dashboard is that some donors might actually prefer charities that operate with wages that are below the for-profit sector, under the philosophy that nonprofit labor should be inherently less expensive because of the lack of a profit motive. To help assist with this challenge, it might be useful to publish turnover rates as part of the dashboard, as a way to illustrate that, in order to reap the benefits of a stable organization with respect to staff turnover, organizations need to pay rates that incentivize stable employee-employer relationships.

Establishing and maintaining a nonprofit employment dashboard has the above-mentioned challenges with respect to employee privacy and how the information would be interpreted. Continued funding for periodic updates would be another challenge. Therefore, unlike the first three options, the long-term viability of a nonprofit employment dashboard is somewhat uncertain.

#### *Option 5: Create a Nonprofit Wage Advocate Position*

Given the likely headwinds that will come with increasing wages in the nonprofit sector, one potentially fruitful way to bolster the chances of success is to create a nonprofit wage advocate position, either as a part of NAO or within a state government agency. The wage advocate could provide input on legislation, assist nonprofits in setting wage levels, and conduct research on the wellbeing of nonprofit workers in Oregon. An ideal candidate for the position would have an understanding of nonprofit organizational structures, generally and within the state of Oregon, compensation structures, and research methods with respect to wages and compensation.

The success of the wage advocate position will depend on both the desire of nonprofits to raise wages, the political climate, and the abilities of the individual selected (i.e., hiring the

right person). Without an alignment of these factors, the advocate might struggle to effectuate change.

## **VI. Conclusion**

This paper examines compensation and retention rates between: 1) Oregonians in the nonprofit sector, with an emphasis on those working in social service jobs, and 2) Oregonians in the for-profit and public sectors working in similar occupations. Using data from the ACS, CPS, and OEWS, we identified a nonprofit wage gap in Oregon, where workers in the nonprofit sector had wages that were 5 to 15 percent below those of otherwise similar workers in the for-profit sector and approximately 7 to 11 percent lower than the public sector. This nonprofit wage gap is the result of many factors, ranging from a willingness among nonprofit workers to accept a lower wage to do this type of work—and funders’ expectations for such in-kind contributions—to nonprofit workers having minimal leverage to negotiate wages comparable to those of their for-profit counterparts. The empirical evidence and literature support the latter narrative, as well as the former, and we conclude that the nonprofit wage gap in Oregon is indeed problematic, at least in part, and that policies that can reduce the gap would be welfare improving.

We identify five options for reducing or removing the nonprofit wage gap in Oregon: 1) instituting a cost-of-living adjustment, 2) instituting a nonprofit wage board, 3) setting a prevailing wage for nonprofits, 4) publishing a nonprofit employment dashboard, and 5) creating a nonprofit wage advocate position. Each option has its upsides and its downsides; collectively, however, we think these options can lower the nonprofit wage gap.

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**Table 1:** Wage and Salary Employment and Shares in the For-Profit, Nonprofit, and Public Sectors, Oregon, 2012 to 2022

Year	Sector Employment Shares (%)			Wage & Salary Sector Employment			
	For-Profit	Non-Profit	Public	For-Profit	Non-Profit	Public	Total W&S
2012	74.0%	10.1%	15.9%	1,513,152	207,074	325,957	2,046,183
2013	74.5%	9.9%	15.6%	1,546,965	206,511	324,102	2,077,578
2014	73.4%	10.5%	16.1%	1,530,138	219,097	335,421	2,084,656
2015	74.2%	10.5%	15.3%	1,577,286	223,564	326,306	2,127,156
2016	73.6%	10.7%	15.7%	1,608,956	234,726	344,104	2,187,567
2017	74.2%	10.7%	15.1%	1,624,629	234,656	331,718	2,191,003
2018	73.7%	10.8%	15.6%	1,644,157	240,205	348,253	2,232,393
2019	72.4%	10.5%	17.1%	1,638,769	237,860	386,325	2,263,180
2020	-----	-----	-----	-----	-----	-----	-----
2021	73.1%	10.6%	16.3%	1,668,150	242,515	372,907	2,283,573
2022	73.5%	10.6%	15.9%	1,697,270	245,603	367,364	2,310,468

Note: Analyses are based on weighted observations using ACS person and replicate weights.

Source: ECONorthwest analysis of data from the American Community Survey, 2012 to 2022.

**Table 2:** Distribution of For-Profit, Nonprofit, and Public Sector Workers, by Industry and Occupation, Oregon, 2012 to 2022

Year	% Nonprofit	Distribution by Sector			Wage & Salary Sector Employment			Total W&S
		For-Profit	Non-Profit	Public	For-Profit	Non-Profit	Public	
<b>Industry</b>								
Agriculture, Forestry, Fishing and Hunting	1.9%	3.4%	0.5%	1.8%	540,733	11,992	63,231	615,956
Mining, Quarrying, and Oil and Gas Extraction	3.0%	0.1%	0.0%	0.0%	19,187	589	63	19,839
Utilities	6.8%	0.7%	0.5%	1.8%	109,019	12,428	61,051	182,497
Construction	1.7%	6.7%	0.8%	2.1%	1,070,564	19,405	74,133	1,164,103
Nondurable Manufacturing	1.9%	3.1%	0.4%	0.1%	490,585	9,376	1,941	501,901
Durable Manufacturing	1.1%	12.2%	0.9%	0.3%	1,951,436	20,932	10,248	1,982,616
Wholesale Trade	1.2%	3.7%	0.3%	0.1%	586,521	6,977	2,834	596,333
Retail Trade	2.7%	16.8%	3.2%	0.4%	2,697,125	74,133	15,045	2,786,302
Transportation and Warehousing	2.4%	4.1%	0.8%	3.8%	651,932	19,187	133,003	804,123
Information	5.8%	2.0%	1.0%	1.1%	316,154	21,804	39,247	377,205
Finance and Insurance	11.6%	4.1%	3.9%	0.4%	665,015	89,395	15,481	769,891
Real Estate and Rental and Leasing	4.5%	2.0%	0.7%	0.3%	322,696	15,699	11,774	350,168
Professional, Scientific, and Technical Services	4.2%	7.2%	2.3%	1.0%	1,157,779	52,329	34,886	1,244,995
Waste Management and Remediation Services	4.4%	4.8%	1.6%	0.9%	771,853	37,066	32,706	841,625
Educational Services	16.3%	2.0%	14.4%	39.9%	327,056	331,417	1,380,178	2,038,651
Health Care and Social Assistance	33.5%	11.1%	45.7%	8.5%	1,787,908	1,048,761	294,351	3,131,020
Arts, Entertainment, and Recreation	16.8%	1.8%	3.4%	2.7%	294,351	78,494	93,756	466,600
Accommodation and Food Services	2.5%	11.4%	2.1%	0.7%	1,835,876	47,968	23,984	1,907,829
Other Services (except Public Administration)	46.1%	2.8%	17.3%	0.3%	453,518	396,828	10,466	860,812
Military and Public Administration	0.0%	0.0%	0.0%	33.6%	0	0	1,164,321	1,164,321
<b>Total</b>	<b>10.5%</b>	<b>100.0%</b>	<b>100.0%</b>	<b>100.0%</b>	<b>16,049,309</b>	<b>2,294,780</b>	<b>3,462,696</b>	<b>21,806,786</b>
<b>Occupation</b>								
Management Occupations	13.8%	8.7%	11.8%	8.6%	1,393,260	270,367	296,531	1,960,158
Business and Financial Operations Occupations	12.8%	4.3%	5.4%	4.4%	695,540	124,281	152,626	972,448
Computer and Mathematical Occupations	8.5%	3.1%	2.4%	2.8%	492,765	54,509	95,937	643,211
Architecture and Engineering Occupations	1.8%	2.8%	0.4%	1.6%	449,157	9,158	56,690	515,005
Life, Physical, and Social Science Occupations	13.0%	0.6%	1.3%	3.3%	91,576	30,525	113,380	235,481
Community and Social Service Occupations	50.7%	0.4%	9.9%	4.4%	67,592	226,759	152,626	446,977
Legal Occupations	6.8%	0.8%	0.6%	1.4%	124,281	12,646	50,149	187,076
Educational Instruction and Library Occupations	17.0%	1.6%	10.0%	25.1%	252,924	228,939	867,790	1,349,653
Arts, Design, Entertainment, Sports, and Media Occupations	16.1%	1.8%	2.9%	1.3%	294,351	65,411	45,788	405,550
Healthcare Practitioners and Technical Occupations	32.3%	4.1%	16.4%	3.8%	651,932	375,025	133,003	1,159,960
Healthcare Support Occupations	15.5%	3.0%	4.7%	3.0%	477,502	106,838	104,658	688,999
Protective Service Occupations	4.2%	0.8%	0.8%	7.6%	133,003	17,225	263,825	414,053
Food Preparation and Serving Related Occupation	4.1%	9.1%	2.9%	2.1%	1,458,671	65,411	74,133	1,598,215
Building and Grounds Cleaning and Maintenance Occupations	11.1%	3.5%	3.6%	3.1%	558,176	82,854	106,838	747,869
Personal Care and Service Occupations	15.4%	2.8%	4.6%	3.8%	442,616	104,658	130,823	678,097
Sales and Related Occupations	3.1%	12.6%	2.9%	0.9%	2,029,930	65,411	32,706	2,128,047
Office and Administrative Support Occupations	10.9%	12.7%	13.5%	14.2%	2,034,291	309,613	492,765	2,836,669
Farming, Fishing, and Forestry Occupations	2.4%	2.4%	0.4%	0.5%	392,468	10,248	17,661	420,376
Construction and Extraction Occupations	2.1%	5.2%	0.8%	1.9%	832,904	19,187	65,411	917,502
Installation, Maintenance, and Repair Occupations	3.3%	3.2%	0.8%	1.4%	505,847	19,187	50,149	575,183
Production Occupations	2.9%	7.5%	1.6%	1.3%	1,197,026	37,066	43,608	1,277,700
Transportation and Material Moving Occupations	3.5%	9.2%	2.5%	2.7%	1,473,934	56,690	93,756	1,624,380
Military	0.0%	0.0%	0.0%	0.6%	0	0	19,841	19,841
<b>Total</b>	<b>10.5%</b>	<b>100.0%</b>	<b>100.0%</b>	<b>100.0%</b>	<b>16,049,746</b>	<b>2,292,011</b>	<b>3,460,692</b>	<b>21,802,449</b>

Note: Analyses are based on weighted observations using ACS person and replicate weights.

Source: ECONorthwest analysis of data from the American Community Survey, 2012 to 2022.

**Table 3:** Distribution of For-Profit, Nonprofit, and Public Sector Workers by Age, Sex, Educational Attainment, Race/Ethnicity, and Hours Worked, Oregon, 2012 to 2022

Category	% Nonprofit	Distribution by Sector		
		For-Profit	Non-Profit	Public
Number	-----	16,049,471	2,291,813	3,462,458
Percentage	10.5%	73.6%	10.5%	15.9%
<b>Age</b>				
Mean	10.5%	40.5	44.0	46.1
16-19	7.8%	5.5%	3.5%	2.2%
20-29	8.5%	24.1%	17.6%	14.0%
30-39	10.6%	22.2%	22.0%	19.0%
40-49	10.5%	18.3%	18.8%	21.1%
50-59	11.0%	16.2%	18.1%	21.8%
60-69	13.0%	10.9%	15.4%	18.0%
70+	15.6%	2.8%	4.7%	3.9%
<b>Sex</b>				
Male	7.1%	55.2%	34.4%	42.9%
Female	14.1%	44.8%	65.6%	57.1%
<b>Educational Attainment</b>				
Less than high school	6.0%	11.7%	5.6%	3.4%
High school graduate	6.0%	25.5%	12.5%	13.0%
Some college	8.6%	28.6%	22.2%	24.1%
Associate's	11.2%	8.8%	9.5%	9.3%
Bachelor's	14.8%	18.3%	28.6%	24.5%
Master's	18.6%	4.9%	14.8%	20.2%
Doctorate/Professional	21.7%	2.3%	6.8%	5.4%
<b>Race/Ethnicity</b>				
Hispanic	9.9%	14.3%	9.1%	8.0%
Non-Hispanic White	11.0%	74.2%	79.5%	81.2%
Non-Hispanic Black	11.9%	1.8%	2.1%	1.9%
Non-Hispanic Asian	10.4%	4.8%	4.5%	3.5%
Non-Hispanic Other	10.3%	5.0%	4.9%	5.4%
<b>Mean weekly hours</b>				
Mean	11.3%	37.4	35.4	37.7
Less than 20 hours	14.6%	8.1%	11.9%	9.0%
20 to 34 hours	11.2%	18.6%	19.1%	14.2%
35 or more hours	9.9%	73.3%	69.0%	76.8%

Note: Analyses are based on weighted observations using ACS person and replicate weights. Earnings are based on individuals with hourly wages between \$5 and \$2,000 (n=167,159). See Table 4 for details.

Source: ECONorthwest analysis of data from the American Community Survey, 2012 to 2022.

**Table 4:** Distribution of Wages For-Profit, Nonprofit, and Public Sector Workers, Oregon, 2012 to 2022

Category	n	Percent	Mean	Std Dev.	10th Percentile	25th Percentile	Median	75th Percentil	90th Percentile
<b>Hourly Wage (min \$5/hr)</b>									
Private	12,758,926	73.2%	\$28.16	\$42.72	\$8.95	\$13.07	\$20.04	\$32.75	\$52.78
Public	2,800,015	16.1%	\$29.25	\$34.37	\$10.54	\$16.04	\$24.85	\$34.97	\$47.95
Nonprofit	1,870,827	10.7%	\$31.38	\$43.20	\$9.91	\$14.67	\$22.74	\$38.00	\$57.38
<b>Annual Wages (min \$5k/yr)</b>									
Private	12,598,771	73.6%	\$49,704	\$54,824	\$10,131	\$20,169	\$36,367	\$64,486	\$104,153
Public	2,740,509	16.0%	\$52,074	\$38,575	\$11,144	\$23,029	\$41,197	\$70,531	\$103,141
Nonprofit	1,788,910	10.4%	\$53,505	\$53,812	\$12,157	\$25,482	\$47,526	\$70,531	\$94,753

Note: Analyses are based on weighted observations using ACS person and replicate weights. A nonzero annual salary was reported for 183,799 out of 212,770 individuals (86.4%). Of those with a nonzero salary, 163,251 (88.9%) had an annual salary greater than \$5,000 and 167,159 (90.1%) had an hourly wage above \$5 per hour and less than \$2,000 per hour.

Source: ECONorthwest analysis of data from the American Community Survey, 2012 to 2022.

**Table 5:** Distribution of Selected Occupations by Sector and by Age, Sex, Educational Attainment, Race/Ethnicity, Hours Worked, and Wages, Oregon, 2012 to 2022

Category	Nonprofit Sectors				For-Profit Sector				Public Sector			
	Human Services	Mental Health Services	Child/Youth Services	Other	Human Services	Mental Health Services	Child/Youth Services	Other	Human Services	Mental Health Services	Child/Youth Services	Other
Number	115,560	63,231	106,838	2,008,126	21,804	154,807	167,889	15,703,066	63,231	95,937	183,152	3,122,298
Percentage	5.0%	2.8%	4.7%	87.5%	0.1%	1.0%	1.0%	97.9%	1.8%	2.8%	5.3%	90.1%
<b>Age</b>												
Mean	43.5	42.3	42.1	44.2	41.9	41.1	35.8	40.5	45.6	46.8	46.4	46.1
16-19	0.6%	2.7%	6.5%	3.6%	2.6%	4.2%	11.1%	5.5%	0.1%	1.1%	2.3%	2.3%
20-29	19.3%	23.9%	20.1%	17.2%	21.9%	27.5%	33.6%	24.0%	11.5%	16.7%	10.7%	14.2%
30-39	25.3%	23.0%	20.2%	21.8%	27.3%	20.9%	20.6%	22.3%	24.3%	19.0%	19.2%	18.9%
40-49	21.4%	15.0%	18.5%	18.7%	16.8%	14.1%	12.8%	18.4%	26.0%	16.3%	25.1%	20.9%
50-59	16.5%	20.6%	16.1%	18.2%	14.7%	15.4%	10.8%	16.3%	20.7%	21.0%	22.4%	21.8%
60-69	13.3%	10.5%	14.4%	15.8%	12.7%	13.1%	8.5%	10.9%	15.5%	20.2%	17.9%	18.0%
70+	3.6%	4.3%	4.2%	4.8%	4.0%	4.9%	2.6%	2.7%	2.0%	5.7%	2.5%	4.0%
<b>Sex</b>												
Male	27.6%	27.2%	19.5%	35.8%	23.2%	16.6%	12.9%	56.0%	30.0%	21.0%	25.9%	44.8%
Female	72.4%	72.8%	80.5%	64.2%	76.8%	83.4%	87.1%	44.0%	70.0%	79.0%	74.2%	55.2%
<b>Educational Attainment</b>												
Less than high school	1.8%	5.4%	5.4%	5.8%	0.7%	11.7%	9.8%	11.7%	1.2%	7.9%	3.5%	3.3%
High school graduate	7.9%	19.0%	10.3%	12.7%	11.6%	29.1%	18.9%	25.5%	9.3%	24.2%	6.2%	13.1%
Some college	18.2%	28.3%	20.7%	22.3%	27.8%	32.3%	31.2%	28.5%	15.7%	32.0%	15.1%	24.6%
Associate's	5.9%	6.5%	7.6%	9.9%	9.0%	9.5%	9.7%	8.8%	9.8%	8.5%	6.8%	9.4%
Bachelor's	38.2%	19.4%	30.0%	28.3%	30.9%	9.2%	20.8%	18.3%	42.9%	9.4%	17.8%	25.0%
Master's	24.6%	20.3%	20.8%	13.8%	19.2%	7.3%	7.6%	4.9%	19.0%	16.9%	43.0%	19.0%
Doctorate/Professional	3.3%	1.0%	5.1%	7.3%	0.9%	1.0%	1.8%	2.3%	2.2%	1.0%	7.6%	5.5%
<b>Race/Ethnicity</b>												
Hispanic	10.9%	12.0%	9.4%	8.8%	8.9%	16.1%	13.6%	14.3%	15.5%	11.1%	8.3%	7.7%
Non-Hispanic White	77.6%	73.5%	77.8%	79.8%	82.1%	68.5%	75.6%	74.2%	70.6%	77.2%	82.6%	81.4%
Non-Hispanic Black	4.3%	3.3%	3.3%	1.9%	2.6%	4.2%	2.5%	1.8%	4.8%	3.1%	1.8%	1.8%
Non-Hispanic Asian	2.7%	2.8%	2.9%	4.7%	2.3%	4.0%	3.9%	4.8%	1.6%	3.3%	1.7%	3.7%
Non-Hispanic Other	4.5%	8.5%	6.6%	4.8%	4.0%	7.3%	4.4%	5.0%	7.6%	5.3%	5.6%	5.4%
<b>Mean weekly hours</b>												
Mean	38.6	35.7	32.9	35.4	39.8	34.3	31.1	37.5	39.3	34.3	39.1	37.6
Less than 20 hours	6.1%	7.3%	20.5%	11.9%	4.1%	14.3%	20.2%	7.9%	3.2%	12.5%	9.2%	9.0%
20 to 34 hours	14.3%	22.1%	17.4%	19.4%	13.2%	23.2%	26.3%	18.5%	8.0%	24.9%	13.7%	14.0%
35 or more hours	79.6%	70.6%	62.1%	68.6%	82.8%	62.5%	53.5%	73.6%	88.8%	62.6%	77.2%	77.0%
<b>Earnings</b>												
Median hourly wage	\$21.60	\$17.97	\$18.47	\$23.38	\$21.67	\$15.43	\$14.04	\$20.06	\$25.93	\$16.51	\$27.56	\$24.99
Mean hourly wage	\$26.24	\$25.57	\$25.24	\$32.18	\$26.15	\$21.48	\$20.64	\$28.30	\$29.97	\$21.51	\$34.07	\$29.20
Standard deviation	\$23.34	\$54.71	\$26.71	\$44.27	\$18.47	\$42.52	\$29.07	\$42.85	\$48.72	\$23.24	\$50.84	\$32.99
Median annual wage	\$41,692	\$30,227	\$27,026	\$40,304	\$40,406	\$24,244	\$20,025	\$36,271	\$50,507	\$26,847	\$52,416	\$46,347
Mean annual wages	\$49,088	\$35,035	\$44,329	\$54,810	\$48,973	\$29,371	\$29,696	\$50,072	\$52,164	\$35,620	\$57,671	\$52,260
Standard deviation	\$35,017	\$24,129	\$48,768	\$55,510	\$29,225	\$21,554	\$30,628	\$55,167	\$34,759	\$30,271	\$40,781	\$38,621

Note: Analyses are based on weighted observations using ACS person and replicate weights.

Source: ECONorthwest analysis of data from the American Community Survey, 2012 to 2022.

**Table 6:** Attributes of Selected Services Occupations, Oregon

	Educational, Guidance, and Career Counselors and Advisors 21-1012 <sup>a</sup>	Marriage and Family Therapists 21-1013	Rehabilitation Counselors 21-1015	Substance abuse, behavioral disorder, and mental health counselors 21-1018	Counselors, All Other 21-1019	Child, Family, and School Social Workers 21-1021	Healthcare Social Workers 21-1022 <sup>b</sup>	Mental Health and Substance Abuse Social Workers 21-1023
<b>Description</b>	School counselors help students develop academic and social skills. Career counselors and advisors help people choose a path to employment.	Marriage and family therapists diagnose and treat cognitive, behavioral, or similar disorders in the context of couples and other relationships.	Rehabilitation counselors help people with physical, mental, developmental, or emotional disabilities live independently.	Substance abuse, behavioral disorder, and mental health counselors advise people on a range of issues, such as those relating to alcoholism,			Social workers help people prevent and cope with problems in their everyday lives.	
<b>Typical Entry-Level Education</b>	Master's degree	Master's degree	Master's degree	Bachelor's degree			Either a BSW (non-clinical) or an MSW (clinical)	
<b>Licensing Requirement</b>	Public school counselors must have a state-issued credential to practice.	All states require marriage and family therapists to be licensed.	Licensing requirements for rehabilitation counselors differ by state and by type of services provided	Substance abuse and behavioral disorder counselors in private practice must be licensed. Licensing requirements vary by state, but all states require these counselors to have a master's degree and complete a specified number of hours of supervised clinical experience. All states require mental health counselors to be licensed.			All states require clinical social workers to be licensed. Some states also require nonclinical social workers to have a license or credential.	
<b>Wages<sup>c</sup></b>								
Annual Mean Wage	\$70,740	\$67,440	\$47,910	\$60,980	\$53,390	\$59,390	\$77,150	\$54,370
Annual Median Wage	\$63,320	\$61,280	\$44,070	\$57,570	\$40,100	\$56,970	\$78,190	\$49,760
Annual 10th Percentile Wage	\$43,450	\$47,320	\$32,260	\$37,500	\$29,650	\$38,480	\$47,460	\$34,160
Annual 90th Percentile Wage	\$112,430	\$107,260	\$68,920	\$87,170	\$82,300	\$81,770	\$103,940	\$81,750
Hourly Mean Wage	\$34.01	\$32.42	\$23.03	\$29.32	\$25.67	\$28.55	\$37.09	\$26.14
Hourly Median Wage	\$30.44	\$29.46	\$21.19	\$27.68	\$19.28	\$27.39	\$37.59	\$23.92
Hourly 10th Percentile Wage	\$20.89	\$22.75	\$15.51	\$18.03	\$14.26	\$18.50	\$22.82	\$16.42
Hourly 90th Percentile Wage	\$54.05	\$51.57	\$33.14	\$41.91	\$39.57	\$39.31	\$49.97	\$39.30

**Table 6 (continued):** Attributes of Selected Services Occupations, Oregon

	Social Workers, All Other 21-1029	Health Education Specialists 21-1091	Probation Officers and Correctional Treatment Specialists 21-1092	Social and Human Service Assistants 21-1093	Community Health Workers 21-1094	Community and Social Service Specialists, All Other 21-1099
Description		Health education specialists develop programs to teach people about conditions affecting well-being.	Probation officers and correctional treatment specialists assist in rehabilitating law offenders in custody or on probation or parole.	Social and human service assistants provide client services in a variety of fields, such as psychology, rehabilitation, and social work.	Community health workers promote wellness by helping people adopt healthy behaviors. They implement programs and advocate for people who may have limited access to health resources and social	
Typical Entry-Level Education		Bachelor's degree	Bachelor's degree	High school diploma or equivalent	High school diploma or equivalent	
Licensing Requirement		None	None	None	Some states require certification for community health workers	
<i>Wages<sup>c</sup></i>						
Annual Mean Wage	\$59,600	\$74,450	\$69,720	\$45,010	\$57,110	\$47,950
Annual Median Wage	\$59,680	\$73,940	\$66,320	\$43,950	\$53,100	\$43,140
Annual 10th Percentile Wage	\$40,460	\$46,950	\$47,090	\$35,110	\$37,240	\$33,830
Annual 90th Percentile Wage	\$79,270	\$102,250	\$92,100	\$58,790	\$92,900	\$68,030
Hourly Mean Wage	\$28.66	\$35.79	\$33.52	\$21.64	\$27.46	\$23.05
Hourly Median Wage	\$28.69	\$35.55	\$31.89	\$21.13	\$25.53	\$20.74
Hourly 10th Percentile Wage	\$19.45	\$22.57	\$22.64	\$16.88	\$17.90	\$16.26
Hourly 90th Percentile Wage	\$38.11	\$49.16	\$44.28	\$28.26	\$44.66	\$32.71

Notes:

[a] The BLS Occupation Handbook lists this occupation as "School and Career Counselors and Advisor."

[b] The BLS Occupation Handbook lists this occupation as "Social Workers."

[c] Annual wages have been calculated by multiplying the corresponding hourly wage by 2,080 hours. Values are based on wage-and-salary workers.

Sources: U.S. Bureau of Labor Statistics. (2024). "Occupational Employment and Wage Statistics." Washington, DC: U.S. Department of Labor.

<https://www.bls.gov/oes/>; U.S. Bureau of Labor Statistics. (2024). "Occupational Outlook Handbook." Washington, DC: U.S. Department of Labor.

<https://www.bls.gov/ooh/>.

**Table 7:** Analysis of Social and Human Service Assistants (21-1093), by Industry, Oregon and the United States, May 2022

Industry	NAICS Code	Oregon			United States		
		Employment	Mean Wage		Employment	Mean Wage	
			Hourly	Annual		Hourly	Annual
All	-----	8,410	\$21.64	\$45,010	399,560	\$20.00	\$41,600
Individual and Family Services	62-4100	1,820	\$20.69	\$43,040	119,430	\$19.29	\$40,120
Local Government, excluding Schools and Hospitals	99-9300	510	\$26.52	\$55,160	50,530	\$23.43	\$48,740
Community Food and Housing, and Emergency and Other Relief Services	62-4200	1,190	\$19.89	\$41,380	30,410	\$18.15	\$37,740
State Government, excluding Schools and Hospitals	99-9200	2,060	\$23.56	\$48,990	30,230	\$21.33	\$44,370
Residential Intellectual and Developmental Disability, Mental Health, and Substance Abuse Facilities	62-3200	550	\$20.23	\$42,080	28,650	\$17.25	\$35,880

Notes: Description of 21-1093: Assist other social and human service providers in providing client services in a wide variety of fields, such as psychology, rehabilitation, or social work, including support for families. May assist clients in identifying and obtaining available benefits and social and community services. May assist social workers with developing, organizing, and conducting programs to prevent and resolve problems relevant to substance abuse, human relationships, rehabilitation, or dependent care. Excludes “Rehabilitation Counselors” (21-1015), “Psychiatric Technicians” (29-2053), “Personal Care Aides” (31-1122), and “Eligibility Interviewers, Government Programs” (43-4061).

Source: ECONorthwest analysis of data from the American Community Survey, 2012 to 2022.

**Table 8a:** Analysis of Workers Who Switched Sectors between CPS Surveys, Oregon, 2009 to 2020

	For Profit			Nonprofit			Public		
	Stayed	Non-Profit	Public	For Profit	Stayed	Public	For Profit	Non Profit	Stayed
# Individuals	4,914	158	107	181	461	52	102	48	1,157
Retention Rate	94.9%	3.1%	2.1%	26.1%	66.4%	7.5%	7.8%	3.7%	88.5%
Average Age	42.6	42.8	40.5	43.4	46.1	48.4	43.7	44.4	46.4
Age Groups									
16-19	2.3%	1.3%	1.9%	0.6%	0.0%	0.0%	2.0%	0.0%	0.1%
20-29	15.1%	13.9%	27.1%	13.3%	11.9%	3.8%	17.6%	10.4%	9.4%
30-39	26.0%	33.5%	20.6%	31.5%	22.1%	15.4%	20.6%	25.0%	19.4%
40-49	24.3%	17.7%	21.5%	18.8%	24.3%	30.8%	20.6%	33.3%	27.8%
50-59	22.3%	22.8%	20.6%	25.4%	24.5%	38.5%	27.5%	16.7%	30.3%
60-69	8.7%	8.9%	7.5%	10.5%	14.8%	9.6%	10.8%	14.6%	11.9%
70+	1.3%	1.9%	0.9%	0.0%	2.4%	1.9%	1.0%	0.0%	1.0%
Gender									
Male	57.7%	39.9%	38.3%	29.8%	33.0%	40.4%	39.2%	27.1%	42.6%
Female	42.3%	60.1%	61.7%	70.2%	67.0%	59.6%	60.8%	72.9%	57.4%
Educational Attainment									
Did not Graduate High School	8.7%	0.6%	2.8%	1.7%	1.5%	1.9%	1.0%	2.1%	1.4%
Highschool or GED	27.5%	18.4%	15.0%	9.4%	11.5%	9.6%	19.6%	4.2%	13.0%
Some College	21.6%	15.2%	23.4%	19.3%	15.0%	11.5%	16.7%	16.7%	17.8%
Associates Degree	11.0%	19.0%	13.1%	14.4%	12.6%	13.5%	8.8%	10.4%	10.5%
Bachelor's Degree	22.3%	27.2%	22.4%	38.7%	33.4%	23.1%	29.4%	29.2%	29.0%
Master's Degree	6.3%	11.4%	16.8%	10.5%	18.7%	28.8%	20.6%	22.9%	24.1%
PHD or Professional Degree	2.7%	8.2%	6.5%	6.1%	7.4%	11.5%	3.9%	14.6%	4.3%
Race/Ethnicity									
Hispanic, All Races	12.5%	5.7%	10.3%	5.0%	7.6%	1.9%	6.9%	6.3%	4.6%
Non-Hispanic White	78.7%	83.5%	82.2%	84.0%	82.4%	90.4%	83.3%	89.6%	87.0%
Non-Hispanic Black	0.9%	0.6%	1.9%	3.9%	2.0%	1.9%	2.9%	0.0%	2.0%
Non-Hispanic Asian	4.8%	5.7%	2.8%	3.9%	4.3%	1.9%	2.9%	2.1%	2.3%
Non-Hispanic Other	3.0%	4.4%	2.8%	3.3%	3.7%	3.8%	3.9%	2.1%	4.1%
Hours									
Average Hours Worked	39.5	37.5	35.9	37.4	38.4	37.7	37.1	38.7	39.6
< 20 Hours	2.9%	3.8%	6.5%	4.4%	2.8%	5.8%	5.9%	6.3%	3.4%
20 to 34 hours	12.9%	17.7%	19.6%	18.8%	15.8%	17.3%	17.3%	8.3%	9.7%
35 or more	84.2%	78.5%	73.8%	76.8%	81.3%	76.9%	81.4%	85.4%	86.9%
Hourly Wage									
Median	\$19.00	\$17.79	\$17.79	\$23.49	\$21.63	\$24.03	\$20.00	\$18.29	\$23.58
Mean	\$23.29	\$25.47	\$20.78	\$27.61	\$26.66	\$30.30	\$23.68	\$23.26	\$25.56
Standard Deviation	\$14.43	\$17.96	\$12.22	\$14.38	\$15.27	\$31.04	\$13.24	\$14.11	\$13.55
Yearly Wage									
Median	\$39,520	\$37,980	\$32,590	\$45,594	\$46,446	\$49,790	\$40,800	\$39,365	\$49,972
Mean	\$49,319	\$49,470	\$39,580	\$53,829	\$53,599	\$57,346	\$47,316	\$48,999	\$52,723
Standard Deviation	\$34,095	\$34,850	\$26,906	\$31,084	\$32,439	\$38,327	\$30,505	\$35,403	\$27,599
Change in Wage									
Median	4.2%	5.8%	8.2%	3.2%	4.1%	3.9%	1.4%	9.9%	4.2%
Mean	17.3%	18.7%	29.2%	15.7%	14.7%	6.6%	17.9%	22.5%	13.8%
Standard Deviation	73.5%	84.7%	108.3%	64.6%	56.2%	53.2%	76.3%	69.0%	55.3%
Percent with Change greater than 5%									
Increase	48.4%	51.3%	55.1%	43.6%	46.0%	44.2%	46.1%	54.2%	48.1%
Decrease	29.7%	28.5%	32.7%	30.9%	27.1%	32.7%	38.2%	25.0%	27.7%
No Change	21.9%	20.3%	12.1%	25.4%	26.9%	23.1%	15.7%	20.8%	24.3%

Source: ECONorthwest analysis of data from the Current Population Survey.

**Table 8b:** Analysis of Workers Who Switched Sectors between CPS Surveys, United States, 2009 to 2020

	For Profit			Nonprofit			Public		
	Stayed	Non-Profit	Public	For Profit	Stayed	Public	For Profit	Non Profit	Stayed
# Individuals	364,807	11,182	10,522	13,376	28,186	3,370	10,958	3,424	88,910
Retention Rate	94.4%	2.9%	2.7%	29.8%	62.7%	7.5%	10.6%	3.3%	86.1%
Average Age	42.8	43.4	42.4	43.9	46.6	44.6	43.4	45.5	46.5
Age Groups									
16-19	2.3%	1.5%	2.2%	1.2%	0.5%	0.8%	1.5%	0.3%	0.3%
20-29	16.6%	16.7%	19.4%	15.7%	11.0%	14.0%	16.9%	12.8%	8.6%
30-39	23.0%	22.3%	22.4%	22.5%	20.9%	22.8%	21.6%	21.4%	20.5%
40-49	24.4%	23.8%	22.4%	23.7%	23.0%	23.5%	24.4%	25.1%	27.4%
50-59	23.2%	23.7%	22.5%	24.0%	26.9%	25.8%	24.5%	25.2%	30.0%
60-69	9.0%	10.2%	9.4%	11.2%	15.0%	11.2%	9.5%	13.0%	11.6%
70+	1.5%	1.8%	1.7%	1.7%	2.7%	1.9%	1.7%	2.2%	1.6%
Gender									
Male	56.2%	31.0%	43.8%	30.4%	31.6%	30.3%	41.5%	31.1%	43.2%
Female	43.8%	69.0%	56.2%	69.6%	68.4%	69.7%	58.5%	68.9%	56.8%
Educational Attainment									
Did not Graduate High School	8.2%	3.7%	4.4%	2.9%	1.6%	1.9%	4.2%	2.0%	1.7%
Highschool or GED	30.3%	18.4%	23.3%	17.0%	13.2%	13.5%	22.0%	13.7%	17.7%
Some College	18.3%	15.4%	17.9%	15.0%	12.3%	10.4%	17.2%	11.3%	14.5%
Associates Degree	11.6%	14.3%	12.4%	15.1%	12.2%	9.7%	11.1%	9.1%	10.4%
Bachelor's Degree	22.7%	28.9%	25.2%	28.5%	31.9%	31.0%	25.8%	29.0%	27.8%
Master's Degree	6.6%	12.9%	12.6%	14.3%	20.3%	25.3%	15.0%	25.9%	22.2%
PHD or Professional Degree	2.3%	6.3%	4.1%	7.1%	8.5%	8.3%	4.9%	8.9%	5.9%
Race/Ethnicity									
Hispanic, All Races	14.0%	8.2%	11.6%	8.0%	5.8%	8.2%	11.1%	7.2%	8.1%
Non-Hispanic White	70.4%	74.7%	65.9%	73.7%	81.0%	73.8%	65.6%	76.7%	74.0%
Non-Hispanic Black	7.8%	10.2%	14.2%	10.7%	7.1%	9.8%	15.2%	9.6%	10.8%
Non-Hispanic Asian	5.8%	4.7%	5.0%	5.2%	4.0%	4.3%	5.0%	3.5%	3.9%
Non-Hispanic Other	2.1%	2.2%	3.3%	2.4%	2.1%	3.9%	3.1%	3.1%	3.2%
Hours									
Average Hours Worked	40.0	38.1	38.1	38.3	38.8	38.6	38.2	38.8	40.0
< 20 Hours	2.5%	4.1%	4.4%	3.8%	4.1%	4.5%	4.2%	4.0%	2.1%
20 to 34 hours	10.9%	15.4%	13.5%	14.4%	14.2%	14.2%	11.9%	12.3%	6.9%
35 or more	86.6%	80.6%	82.1%	81.8%	81.8%	83.1%	84.0%	83.8%	91.1%
Hourly Wage									
Median	\$18.75	\$19.76	\$18.00	\$20.57	\$21.63	\$20.46	\$19.23	\$20.92	\$23.08
Mean	\$23.30	\$24.21	\$22.82	\$25.22	\$26.15	\$24.45	\$23.31	\$24.88	\$26.42
Standard Deviation	\$15.60	\$15.90	\$21.13	\$17.35	\$18.85	\$14.59	\$17.27	\$16.36	\$15.17
Yearly Wage									
Median	\$39,520	\$39,988	\$36,400	\$41,600	\$44,846	\$41,964	\$39,738	\$43,000	\$49,000
Mean	\$49,713	\$48,609	\$45,556	\$50,527	\$53,088	\$49,516	\$47,014	\$50,495	\$55,363
Standard Deviation	\$34,754	\$33,359	\$31,865	\$33,896	\$34,550	\$31,922	\$31,266	\$31,803	\$31,773
Change in Wage									
Median	3.0%	4.0%	6.0%	3.0%	3.0%	3.0%	2.0%	3.0%	3.0%
Mean	17.0%	19.0%	27.0%	18.0%	16.0%	22.0%	20.0%	16.0%	16.0%
Standard Deviation	78.0%	79.0%	105.0%	76.0%	74.0%	102.0%	89.0%	72.0%	72.0%
Percent with Change greater than 5%									
Increase	46.5%	47.3%	50.6%	45.8%	44.3%	47.1%	46.2%	45.9%	45.0%
Decrease	34.5%	34.6%	36.3%	35.1%	31.4%	34.0%	40.1%	35.7%	33.6%
No Change	19.0%	18.1%	13.1%	19.0%	24.3%	18.9%	13.7%	18.4%	21.4%

Source: ECONorthwest analysis of data from the Current Population Survey.

**Table 9:** Coefficients from a Multivariate Analysis of Wages in the For-Profit, Nonprofit, and Public Sectors , Oregon, 2012 to 2022

Category	Model 1		Model 2		Model 3		Model 4		Model 5	
	Coefficient	P-value	Coefficient	P-value	Coefficient	P-value	Coefficient	P-value	Coefficient	P-value
Constant	10.11	0.000	10.30	0.000	8.35	0.000	8.37	0.000	8.22	0.000
Sector										
For-Profit	---	---	---	---	---	---	---	---	---	---
Non-Profit	0.07	0.015	-0.15	0.000	-0.06	0.000	-0.06	0.000	-0.05	0.000
Public	0.21	0.000	-0.11	0.000	-0.09	0.000	0.02	0.015	0.02	0.023
Age										
16-19	---	---	-1.95	0.000	-1.07	0.000	-1.04	0.000	-1.05	0.000
20-29	---	---	-0.59	0.000	-0.40	0.000	-0.37	0.000	-0.36	0.000
30-39	---	---	---	---	---	---	---	---	---	---
40-49	---	---	0.20	0.000	0.16	0.000	0.16	0.000	0.16	0.000
50-59	---	---	0.23	0.000	0.20	0.000	0.19	0.000	0.20	0.000
60-69	---	---	-0.05	0.000	0.10	0.000	0.10	0.000	0.10	0.000
70+	---	---	-0.90	0.000	-0.21	0.000	-0.19	0.000	-0.22	0.000
Sex										
Male	---	---	---	---	---	---	---	---	---	---
Female	---	---	-0.35	0.000	-0.16	0.000	-0.17	0.000	-0.17	0.000
Educational Attainment										
Less than high school	---	---	-0.33	0.000	-0.24	0.000	-0.22	0.000	-0.22	0.000
High school graduate	---	---	---	---	---	---	---	---	---	---
Some college	---	---	0.03	0.000	0.09	0.000	0.04	0.000	0.05	0.000
Associate's	---	---	0.27	0.000	0.26	0.000	0.17	0.000	0.17	0.000
Bachelor's	---	---	0.58	0.000	0.53	0.000	0.37	0.000	0.37	0.000
Master's	---	---	0.77	0.000	0.70	0.000	0.57	0.000	0.56	0.000
Doctorate/Professional	---	---	1.17	0.000	1.08	0.000	0.83	0.000	0.83	0.000
Race/Ethnicity										
Hispanic	---	---	0.00	0.133	-0.08	0.000	-0.06	0.000	-0.08	0.000
Non-Hispanic White	---	---	---	---	---	---	---	---	---	---
Non-Hispanic Black	---	---	-0.20	0.000	-0.19	0.000	-0.18	0.000	-0.20	0.000
Non-Hispanic Asian	---	---	-0.02	0.145	-0.01	0.591	-0.02	0.016	-0.03	0.001
Non-Hispanic Other	---	---	-0.08	0.000	-0.07	0.000	-0.07	0.000	-0.10	0.000
Mem weekly hours										
Less than 20 hours	---	---	---	---	---	---	---	---	---	---
20 to 34 hours	---	---	---	---	1.14	0.000	1.11	0.000	1.11	0.000
35 or more hours	---	---	---	---	2.10	0.000	2.00	0.000	1.99	0.000
Industry										
Finance and Insurance	---	---	---	---	---	---	0.20	0.000	0.20	0.000
Educational Services	---	---	---	---	---	---	-0.18	0.000	-0.18	0.000
Health Care and Social Assistance	---	---	---	---	---	---	0.02	0.028	0.03	0.004
Arts, Entertainment, and Recreation	---	---	---	---	---	---	-0.21	0.000	-0.21	0.000
Other Services (except Public Administration)	---	---	---	---	---	---	-0.11	0.000	-0.12	0.000
All Other Industries	---	---	---	---	---	---	---	---	---	---
Occupation										
Management Occupations	---	---	---	---	---	---	0.49	0.000	0.48	0.000
Business and Financial Occupations	---	---	---	---	---	---	0.35	0.000	0.33	0.000
Professionals	---	---	---	---	---	---	0.44	0.000	0.43	0.000
Community & Social Service	---	---	---	---	---	---	0.05	0.000	0.05	0.001
Education	---	---	---	---	---	---	0.03	0.029	0.03	0.061
Arts & Entertainment	---	---	---	---	---	---	0.12	0.000	0.11	0.000
Healthcare	---	---	---	---	---	---	0.39	0.000	0.37	0.000
Personal Care & Service Occupations	---	---	---	---	---	---	-0.22	0.000	-0.18	0.000
Office & Admin	---	---	---	---	---	---	0.01	0.495	0.01	0.123
All Other Occupations	---	---	---	---	---	---	---	---	---	---
Year										
2012	---	---	---	---	---	---	---	---	---	---
2013	---	---	---	---	---	---	---	---	0.02	0.088
2014	---	---	---	---	---	---	---	---	0.05	0.000
2015	---	---	---	---	---	---	---	---	0.08	0.000
2016	---	---	---	---	---	---	---	---	0.11	0.000
2017	---	---	---	---	---	---	---	---	0.17	0.000
2018	---	---	---	---	---	---	---	---	0.20	0.000
2019	---	---	---	---	---	---	---	---	0.26	0.000
2021	---	---	---	---	---	---	---	---	0.31	0.000
2022	---	---	---	---	---	---	---	---	0.41	0.000

Note: Analyses are based on weighted observations using ACS person and replicate weights.

Source: ECONorthwest analysis of data from the American Community Survey, 2012 to 2022.

**Table 10:** Coefficients for Interaction Terms from a Multivariate Analysis of Wages in the For-Profit, Nonprofit, and Public Sectors , Oregon, 2012 to 2022

Category	Model 5		Model 6		Model 7		Model 8		Model 9	
	Coefficient	P-value	Coefficient	P-value	Coefficient	P-value	Coefficient	P-value	Coefficient	P-value
Constant	8.22	0.000	8.23	0.000	8.21	0.000	8.23	0.000	8.22	0.000
Sector										
For-Profit	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----
Non-Profit	-0.05	0.000	-0.16	0.000	-0.06	0.000	-0.17	0.000	-0.16	0.000
Public	0.02	0.023	-0.02	0.126	0.01	0.211	-0.03	0.027	-0.01	0.287
Sex										
Male	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----
Female	-0.17	0.000	-0.20	0.000	-0.18	0.000	-0.20	0.000	-0.20	0.000
Race/Ethnicity										
Hispanic	-0.08	0.000	-0.08	0.000	-0.08	0.000	-0.08	0.000	-0.07	0.000
Non-Hispanic White	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----
Non-Hispanic Black	-0.20	0.000	-0.20	0.000	-0.21	0.000	-0.21	0.000	-0.26	0.000
Non-Hispanic Asian	-0.03	0.001	-0.03	0.001	-----	-----	-----	-----	-----	-----
Non-Hispanic Other	-0.10	0.000	-0.10	0.000	-----	-----	-----	-----	-----	-----
Female AND										
For-Profit	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----
Non-Profit	-----	-----	0.17	0.000	-----	-----	0.17	0.000	0.16	0.000
Public	-----	-----	0.07	0.000	-----	-----	0.07	0.000	0.05	0.000
Hispanic AND										
For-Profit	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----
Non-Profit	-----	-----	-----	-----	0.06	0.036	0.06	0.025	0.03	0.453
Public	-----	-----	-----	-----	0.05	0.018	0.05	0.018	-0.09	0.030
Non-Hispanic Black AND										
For-Profit	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----
Non-Profit	-----	-----	-----	-----	0.04	0.563	0.04	0.482	0.08	0.314
Public	-----	-----	-----	-----	0.09	0.096	0.10	0.077	0.08	0.247
Female AND										
Hispanic	-----	-----	-----	-----	-----	-----	-----	-----	-0.03	0.179
Hispanic AND										
For-Profit	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----
Non-Profit	-----	-----	-----	-----	-----	-----	-----	-----	0.05	0.349
Public	-----	-----	-----	-----	-----	-----	-----	-----	0.26	0.000
Non-Hispanic Black	-----	-----	-----	-----	-----	-----	-----	-----	0.12	0.008
Non-Hispanic Black AND										
For-Profit	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----
Non-Profit	-----	-----	-----	-----	-----	-----	-----	-----	-0.10	0.375
Public	-----	-----	-----	-----	-----	-----	-----	-----	0.03	0.770

Note: Analyses are based on weighted observations using ACS person and replicate weights. Regressions include controls for age, sex, educational attainment, race/ethnicity, hours worked, industry, and occupation. See Table 1 for model specifications.

Source: ECONorthwest analysis of data from the American Community Survey, 2012 to 2022.

**Table 11:** Multivariate Analysis of Wages in the For-Profit, Nonprofit, and Public Sectors, by Selected Service Occupations, Oregon, 2012 to 2022

Category	Human Services		Mental Health Services		Child/Youth Services	
	Coefficient	P-value	Coefficient	P-value	Coefficient	P-value
Constant	7.99	0.000	8.39	0.000	7.99	0.000
<b>Sector</b>						
For-Profit	0.03	0.709	-0.12	0.003	-0.05	0.306
Non-Profit	-0.07	0.159	-0.04	0.398	-0.11	0.006
Public	-----	-----	-----	-----	-----	-----
<b>Age</b>						
16-19	-1.41	0.008	-0.95	0.000	-0.87	0.000
20-29	-0.32	0.000	-0.35	0.000	-0.35	0.000
30-39	-----	-----	-----	-----	-----	-----
40-49	0.17	0.000	0.05	0.327	0.12	0.011
50-59	0.11	0.106	0.02	0.654	0.19	0.000
60-69	0.15	0.026	-0.08	0.183	-0.02	0.736
70+	-0.23	0.295	-0.19	0.134	-0.23	0.131
<b>Sex</b>						
Male	-----	-----	-----	-----	-----	-----
Female	-0.01	0.909	0.04	0.372	-0.26	0.000
<b>Educational Attainment</b>						
Less than high school	0.07	0.590	-0.29	0.002	-0.36	0.008
High school graduate	-----	-----	-----	-----	-----	-----
Some college	0.06	0.391	0.03	0.517	0.04	0.529
Associate's	-0.07	0.560	0.09	0.230	0.17	0.050
Bachelor's	0.32	0.000	0.21	0.003	0.43	0.000
Master's	0.46	0.000	0.59	0.000	0.82	0.000
Doctorate/Professional	0.21	0.188	0.15	0.555	1.13	0.000
<b>Race/Ethnicity</b>						
Hispanic	0.00	0.941	0.10	0.122	-0.07	0.275
Non-Hispanic White	-----	-----	-----	-----	-----	-----
Non-Hispanic Black	-0.12	0.334	-0.12	0.258	-0.09	0.493
Non-Hispanic Asian	0.05	0.589	-0.07	0.537	0.09	0.347
Non-Hispanic Other	-0.04	0.705	-0.01	0.895	-0.11	0.105
<b>Mean weekly hours</b>						
Less than 20 hours	-----	-----	-----	-----	-----	-----
20 to 34 hours	1.46	0.000	1.18	0.000	1.25	0.000
35 or more hours	2.32	0.000	1.81	0.000	2.16	0.000
<b>Year</b>						
2012	-----	-----	-----	-----	-----	-----
2013	0.02	0.811	-0.04	0.905	-0.06	0.534
2014	0.09	0.514	-0.45	0.123	0.04	0.602
2015	-0.05	0.630	0.40	0.007	0.14	0.039
2016	0.06	0.578	0.51	0.000	0.14	0.062
2017	0.07	0.521	0.01	0.968	0.23	0.000
2018	0.15	0.085	0.01	0.919	0.14	0.105
2019	0.22	0.021	-0.02	0.858	0.33	0.000
2021	0.29	0.017	0.14	0.257	0.29	0.000
2022	0.35	0.002	0.25	0.036	0.45	0.000

Note: Analyses are based on weighted observations using ACS person and replicate weights.

Source: ECONorthwest analysis of data from the American Community Survey, 2012 to 2022.