

Relative Pay and Benefits in the Nonprofit Sector

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Abstract We use the National Longitudinal Survey of Youth, 1979 to explore three aspects of compensation in the nonprofit sector relative to the for-profit sector: wage levels, availability of fringe benefits, and use of incentive pay. We find that men receive lower wages in the nonprofit sector but also have greater access to fringe benefits. There is little evidence of sector differences in wages or fringe benefits for women. We find that incentive pay is less common in the nonprofit sector than in the for-profit sector for both men and women.

Keywords: Nonprofit Sector, Wages, Benefits, NLSY79

JEL Classification: J31, J32, J33

1. Introduction

The behavior of nonprofit firms in both product markets and labor markets has long been of interest to economists. Researchers have suggested that nonprofit firms behave differently than firms in the for-profit sector of the economy, either because of the different legal environments faced by firms in the two sectors or because nonprofit firms and their employees have different motivations than their for-profit counterparts. (See Ackerman (1996) for a review of these arguments.) In particular, there has been a significant focus on measuring differences in the wage determination processes in the two sectors. The empirical research on wage differences yields mixed results, but many papers find, when controlling for enough factors — human capital, industry, occupation, and so on — that there are few differences between the two sectors. One widely-noted caveat to this conclusion, however, is that nonprofit jobs may differ systematically from jobs in for-profit firms in the type and quantity of fringe benefits they offer or in other non-pecuniary features. Consequently, comparisons of wages, alone, may misstate differences in total compensation.

It has also been noted that pay structures may differ systematically in nonprofit versus for-profit firms. Several researchers have suggested, for example, that nonprofit firms may be less likely to use incentive pay schemes than for-profit firms. These researchers offer competing explanations for this conjecture. (See, for example, Borjas, Frech and Ginsburg 1983; Holtmann and Idson 1993; Ackerman 1996; Roomkin and Weisbrod 1999.)

This paper adds to the literature by using data from the National Longitudinal Survey of Youth, 1979 (NLSY79) to examine differences in compensation between the for-profit and nonprofit sectors. The NLSY79 has several advantages relative to the Current Population Survey (CPS) data that have typically been used to examine nonprofit compensation. First, it has much more

detailed information on individuals' human capital and labor market histories. Second, because it is a true panel, fixed effects (FE) estimation can be employed to eliminate heterogeneity bias in our estimates. Third, the NLSY79 contains (self-reported) information on the availability of several types of fringe benefits. We use these data to examine differences in receipt of fringe benefits across sectors. Finally, there is information regarding the receipt of incentive pay, which we use to explore whether this type of pay is less prevalent in the nonprofit sector. It is important to note that the NLSY79 also has some disadvantages in that the NLSY79 is a much smaller sample, and it provides information on a relatively narrow age cohort of the US population.

We find that men receive lower wages in the nonprofit sector. The estimated wage differential shrinks substantially when we account for individual heterogeneity, but remains statistically significant. For women, when using ordinary least squares (OLS), we find significantly lower wages in the nonprofit sector. However, the nonprofit effect is statistically insignificant when using FE estimation. We also find some limited evidence that workers in nonprofit institutions have access to more fringe benefits. Finally, being employed in the nonprofit sector is found to reduce the likelihood of receiving incentive pay.

2. Literature Survey

Many cross-section analyses of wage determination find large and statistically significant negative wage differentials for nonprofit workers, even when controlling for standard measures of human capital. A standard interpretation of this is that nonprofit workers are making a "donation" to the cause of the nonprofit firm by accepting lower wages (e.g., Preston 1989). However, there are several other possible explanations for this cross-section finding. Some have noted that nonprofit firms tend to be concentrated in relatively few, low-paying industries, such as educational services, health services and community services. The observed pay differentials, then, may be an industry wage effect rather than a nonprofit wage effect (Leete 2001; Ruhm and Borkoski 2003). Also, it may be that nonprofit workers are of lower quality in ways that are not captured by standard human capital controls. Researchers have accounted for this potential heterogeneity bias using panel data techniques. In fact, Ruhm and Borkoski (2003), using CPS data, find that once they control for industry and occupation and apply an FE estimator, there is no wage differential between the for-profit and nonprofit sectors. Schumacher (2009) studies public sector hospital workers along with private for-profit and private nonprofit hospital workers and also finds no sectoral wage differences when using FE estimation.

Some have also argued that nonprofit firms may pay higher wages, *ceteris paribus*. For example, several researchers have noted that nurses working in the nonprofit sector have higher wages than those in the for-profit sector. Borjas, Frech and Ginsburg (1983) argue that this is because nonprofits do not have a profit motive to reduce wages of employees. On the other hand, Hansmann (1980) suggests nonprofits provide goods and services for which it is difficult to judge quality. This solves the consumers' asymmetric information problem because these nonprofits have no incentive to reduce (unobserved) quality. As a consequence, nonprofits may hire better quality workers and therefore offer higher compensation. Holtmann and Idson (1993), using data on compensation for nurses, believe they find empirical support for this argument.

Leete (2001), in fact, finds evidence of positive nonprofit wage differences in some markets and negative differences in other markets, but no overall profit-nonprofit wage difference.

Other researchers have noted that, due to data limitations, existing research has generally not controlled for fringe benefits in wage determination models.¹ This caveat has the potential to be quite important. If there are systematic differences in fringe benefits or working conditions across the two sectors, then measured wage differentials may misstate the total compensation differential.²

Preston (1990) uses the 1977 Quality of Employment Survey, which includes measures of job characteristics, to examine why women tend to work in the nonprofit sector at higher rates than men. Specifically, she examines whether the nonprofit sector offers jobs with characteristics relatively more attractive to women, such as flexible hours or sick leave.³ She finds few differences in job characteristics between women in the for-profit and nonprofit sectors, though nonprofit workers find it harder to take time off, and they are more likely to be developing skills. Finally, some researchers have argued that both the structure and the level of compensation are likely to differ between the nonprofit and for-profit sectors. For example, Ackerman suggests, "Ideological founders will seek to hire managers and employees who share their vision. Because these employees want the services they provide to reflect these values, they will need little monitoring. Committed employees may be easier to attract if the firm is nonprofit." (1996, p. 719). If the employees of nonprofit firms share the values and goals of the firm, then the standard agency problem is less pressing in the nonprofit sector, which could mean there is less need for compensation schemes to address the agency problem.

Roomkin and Weisbrod (1999) also conjecture that nonprofits would rely less on incentive pay, but for a different reason than Ackerman proposes: "Our principal hypothesis is that nonprofit and for-profit organizations seek to maximize the values of different objective functions, that nonprofits give greater weight to goals for which performance is costly to measure that, as a result, nonprofits will make less use than for-profits do of performance-based bonuses relative to base salaries" (p. 755). They find supporting evidence of this hypothesis using a 1992 survey of compensation in hospitals.

3. Data

The NLSY79 is a sample of 12,686 individuals aged 35 to 43 in 2000 who were interviewed annually starting in 1979 (biennially after 1994). Starting in 1989, the survey asks respondents whether they receive certain fringe benefits, and starting in 1994 the survey identifies those working in the nonprofit sector. In 2002 the NLSY79 changed its industry and occupation coding schemes. Because industry and occupation controls are critical to studies of nonprofit compensation, we use the 1994-2000 waves in our analyses, as these waves provide a consistent set of industry and occupation controls.

We focus on the respondent's most recent or current position. For all regressions, we drop those who claim to work over 100 hours per week (29 person-year observations), those in the military (17 person-year observations), the self-employed (130 person-year observations), all farm workers⁴ (426 person-year observations) and those for whom industry or occupation is not classified (142 person-year observations). In the wage equations, we keep observations that

report wages between \$1 and \$400 in year 2000 dollars.⁵ Since we want to focus on the differences in compensation between the nonprofit and for-profit sectors, we drop all observations for which the person works in government (3,536 person-year observations). Finally, only those person-years for which there is a complete set of the relevant variables are retained for each regression.

We study three aspects of compensation for nonprofit workers: wage levels, receipt of fringe benefits and use of incentive pay schemes. A set of dummy variables indicates receipt of each of the following fringe benefits: *training opportunities*, *medical insurance*, *dental insurance*, paid parental leave (*parental leave*), flexible work schedules (*flextime*), *child care*, *life insurance*, *retirement*, *sick days*, and *paid vacation*. The possible types of incentive pay are *piece-rates*, *commissions*, *bonuses*, and *other incentive pay*.⁶ The incentive pay variables are not available in the 1994 wave, so this part of our analysis is limited to 1996-2000 surveys. The dependent variable in the wage regressions is the log of the hourly wage of each worker in the CPS job in 2000 dollars ($\ln(\text{wage})$).⁷

Explanatory variables in all models include typical measures of human capital, socio-economic status and labor market conditions. We measure education with a set of indicator variables for level of schooling completed. Other human capital variables include linear and quadratic terms for tenure in years at current position (*tenure*) and years of labor market experience prior to the current job (*previous experience*). We also include the age-standardized score on the Armed Forces Qualification Test (*AFQT*). *AFQT* is considered to be a measure of ability/trainability, and has been found to be a predictor of job market outcomes (Heckman, Stixrud, and Urzua 2006; Carneiro, Heckman, and Masterov 2005).⁸

Personal characteristics include race (*black*), Hispanic cultural affiliation (*Hispanic*), marital status (*married*), and presence of a health limitation that affects work (*health*). Job and labor market controls include the log of the number of employees at the respondent's work location ($\ln(\text{firm size})$), and dummy variables for union status (*union*), urban residence (*urban*), and living in the South (*south*).

Table 1 presents descriptive statistics for the sample, stratified by sex and sector. Interestingly, wages are higher for men in the for-profit sector but higher for women in the nonprofit sector. This is likely driven by wages in the nursing profession, which accounts for about ten percent of the women working in the nonprofit sector in our sample—more than twice the percentage of the next largest occupation. In our sample, nurses working in the nonprofit sector earn, on average, 5.2 percent higher wages than those in the for-profit sector. The statistics in Table 1 also indicate that workers in the nonprofit sector are more educated, have higher age-adjusted *AFQT* scores and work for larger employers, on average. These differences almost certainly are explained by the occupation and industry distributions in the nonprofit versus for-profit sectors in that over 56 percent of the nonprofit workers are in either “professional” or “management” positions. Moreover, about 80 percent work in the “professional services” industry, which includes health care and education workers. These statistics highlight the importance of controlling for industry and occupation in econometric analyses.

Table 2 presents data on the incidence of fringe benefits (panel A) and incentive pay (panel B) in the for-profit and nonprofit sectors for men and women separately. Fringes are grouped by type—training opportunities, “family-friendly” fringes, and “other” types of fringes. Grouping fringe benefits in this way facilitates a re-examination of Preston’s (1990) conjecture that nonprofits offer compensation packages particularly valued by women. One concern is that receipt of fringes is self-reported, which creates the concern that the fringe benefit variables may be measuring awareness rather than receipt of fringe benefits. This is of particular concern since it is possible that women are more aware of family-friendly benefits. Fortunately, the NLSY distinguishes the causes of missing values. In 1996 we find only 4 women and 3 men claim to not know whether they receive medical insurance, while twice as many men report not knowing about childcare benefits (60 versus 31). Further, a higher percentage of respondents without children than those with children claim not to know whether they receive childcare benefits (1.98% versus 1.08%). The percentages of childless respondents and parents that don’t know about medical benefits, however, are nearly identical (0.11% versus 0.10%). This suggests that respondents are willing to acknowledge when they do not know the facts. Since we drop observations with missing values (including “do not know”), we are reassured that any gender differences in the data are not driven by differences in respondent awareness.

Sectoral differences in receipt of fringe benefits are evident—workers in the nonprofit sector receive fringe benefits at higher rates than those working in for-profit firms. Gender differences within sector are small, while differences across sectors are slightly larger for men. Also, for-profit workers are more apt to receive incentive pay, particularly in the form of bonuses.

4. Empirical Procedure and Results

4.1 Wages

Table 3 presents Mincerian log wage regressions which control for sector of employment.⁹ As is typical, we find that wages rise with education, tenure, experience, and firm size. Wages are higher in urban areas and lower in the South. The OLS estimates suggest that working for a nonprofit employer is associated with significantly lower wages for both men and women, when compared to for-profit employment. In fact, the adjusted wage differentials are larger (in absolute value) than the gross differentials reported in Table 1, implying that workers in the nonprofit sector and/or jobs in the nonprofit sector have observable characteristics that are more highly rewarded by the labor market than those in the for-profit sector. The point estimates imply a wage differential of about eighteen percent for men and approximately nine percent for women. In contrast to the findings of Ruhm and Borkoski (2003), the coefficient on the nonprofit dummy variable is statistically significant even with the inclusion of broad (1-digit level) controls for industry and occupation.¹⁰

Of course, if individuals in the nonprofit sector have unobservable characteristics that are less valued in the labor market—for example, if they have less innate “ability”—then the OLS estimates will suffer from heterogeneity bias and the negative impact of working in the nonprofit sector will be over-stated. We control for ability in our OLS regressions through the inclusion of age-standardized AFQT. As the estimates in Table 3 indicate, this has no appreciable effect on our findings.

To account more explicitly for unmeasured worker heterogeneity, Table 3 also presents estimates using individual FE estimation.¹¹ The estimated impact of working in the nonprofit sector is much smaller using the FE technique, which suggests that heterogeneity bias is a significant problem for the OLS estimates. For women, the FE estimates imply no wage penalty for working in the nonprofit sector. For men, on the other hand, we still find a significant negative wage differential, however the point estimates suggest about a seven percent wage differential as opposed to the estimated twenty percent differential found using OLS.¹²

4.2 Fringe Benefits

Table 2 indicates that nonprofit workers in the NLSY79 receive fringe benefits more frequently than for-profit workers. We investigate the determinants of fringe benefit receipt by sector through estimation of Linear Probability Models (LPMs) for each benefit.¹³ Our estimates of the *nonprofit* coefficients are presented in Table 4.¹⁴ For men, the point estimates on the nonprofit dummy variable are positive for nine of the ten fringe benefits and the coefficients are statistically significant (at the 10% level or better) for *parental leave*, *retirement benefits* and *sick days*. The point estimates suggest that men working in the nonprofit sector are about five percent more likely to receive these benefits than are men in the for-profit sector.

The FE estimates for men are similar in sign and size to the OLS estimates, but the effect of nonprofit employment is statistically insignificant for all fringes.

For women, our findings are mixed. Using OLS, the nonprofit dummy has a positive coefficient for 6 of the 10 fringe benefits and for none of those is the nonprofit dummy significant. The nonprofit dummy does have statistically significant negative coefficients in the *vacation time* and *parental leave* regressions.

When using FE, on the other hand, we find a positive coefficient on the nonprofit dummy for 7 of 10 fringe benefits. Moreover, the coefficient is positive and statistically significant for *sick days*.

We find little support for Preston's (1990) suggestion that nonprofits offer fringe benefits that are attractive to women. The nonprofit dummy has a negative coefficient in two of the three FE regressions for fringes we identify as family friendly and is statistically insignificant for all three of these fringe benefits. However, women in nonprofits are significantly more likely to receive sick days (almost 9% more likely according to the FE point estimate). Our estimates also suggest men in nonprofits are more apt to receive sick days. One could view sick days as "family-friendly" in that parents may use them to tend to sick children.

All in all, we do not find large differences in receipt of fringe benefits between the nonprofit and for-profit sectors. Nonetheless, it appears that the lower wages men receive in the nonprofit sector may be at least partially offset by their greater likelihood of receiving fringe benefits. For women, on the other hand, it appears that both wages and fringe benefits are, at best, similar in the for-profit and non-profit sectors.

4.3 Incentive Pay

About twenty-five percent of the for-profit observations and about thirteen percent of the nonprofit observations in our sample receive at least one type of incentive pay. Table 5 presents the *nonprofit* coefficients from LPM estimates of the determinants of each of the four types of incentive pay in our sample. OLS and FE estimates are similar. The results are consistent with the idea that incentive pay is not commonly used for motivation in nonprofits. Nonprofit workers—both men and women—are less likely to receive either bonus pay or commissions than for-profit workers. We find larger sectoral differences in use of incentive pay for men than for women. For example, men in the nonprofit sector are estimated to be about 10 percent less likely to receive bonus pay, whereas women in the nonprofit sector are about 7 percent less likely to receive bonus pay. There are smaller difference in use of commissions across the for-profit and nonprofit sectors, but once again the difference is larger for men—we find a difference of about 2 percent for men and 1 percent for women in the likelihood of receiving commissions. The estimated nonprofit coefficient is positive in the piece-rate and other incentive pay regressions, but the point estimates are small and statistically insignificant.¹⁵

5. Summary and Conclusions

The economics literature contains competing theories regarding the determination of compensation in the nonprofit sector relative to the for-profit sector, with some arguing that nonprofit earnings will be lower while others argue nonprofit workers are likely to receive greater pay. The empirical literature, on the other hand, frequently finds no statistically significant differences in wage levels. The typical conclusion is that worker mobility between the two sectors apparently forces compensation to equalize. Our findings are consistent with this assertion: We find evidence that men working in the nonprofit sector receive lower wages but we also find evidence that they are more likely to receive fringe benefits than are men employed by for-profit employers. There are no statistically significant differences in wages across sectors for women and differences in fringe benefits are small with no obvious pattern across sectors.

The structure of compensation appears to differ between the for-profit and nonprofit sectors of the economy, as predicted by the theoretical literature. For both men and women, incentive pay is less common in the nonprofit sector than in the for-profit sector, while fringes are slightly more common in nonprofits.

Endnotes

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1. Exceptions, which do control for fringes, include Preston (1990) and Mosca, Musella and Pastore (2006)

2. For examinations of this issue, see Preston (1990), Emmauele and Higgins (2000), Mosca, Musella and Pastore (2006).
3. She uses five characteristics in all: flexible schedules; sick leave; workplace rigidity (e.g., required overtime); repetitive work; chance for promotion.
4. We define “farmer workers” as anyone whose industry is “agriculture” or whose occupation is listed at “farmer” or “farm laborer”.
5. This causes 60 observations to be dropped—57 with wage less than \$1 and 3 with wage greater than \$400.
6. The survey also has information on whether the respondent received stock options and tips. We omit stock options and tips from our empirical work because nonprofits do not issue stock and, in our sample, no men in the nonprofit sector claimed to receive tips. Actually, there are six cases in our sample for which the person claimed to both work for a nonprofit and to receive compensation in the form of stock options. We assume these simply represent data error.
7. Constant dollars are calculated using the CPI for All Urban Consumers. We use the NLSY’s created hourly wage variable, which is based on all earned income including tips and overtime pay.
8. In 1980, participants in the NLSY79 were given the Armed Services Vocational Aptitude Battery (ASVAB). The AFQT is a composite score from parts of the ASVAB. In 1980 the ages in the NLSY79 sample ranged from 14 to 24. To age-standardize this raw score we use the standardized residual from a regression of the raw AFQT score on a series of age dummies.
9. The regressions reported in the paper were estimated using samples that include individuals regardless of school enrollment status. It is common practice when estimating wage regressions to restrict samples to individuals who have completed schooling. We also estimated all models reported in the paper on samples in which we drop anyone who was ever enrolled in school during the time frame of our panel (tables available on request). The results for the wage regressions and the incentive pay regressions (reported below) are similar regardless of sample. The fringe benefits estimates are more sensitive to the sample used. When using the restricted samples, the results are “stronger” in the sense that, for men, we find larger (positive) and more significant sectoral differences in receipt of several of the fringe benefits.
10. Ruhm and Borkoski find that the hours worked explained a large portion of the nonprofit gap. They use weekly earnings as the dependent variable. While it is true nonprofit workers work fewer hours per week—about 2 hours less per week for women in our sample and about 3 hours less for men, we omit hours worked from the wage regressions because of concern with division bias (Borjas 1980).
11. One note of caution about our FE estimates is that they are identified only by individuals who move between the for-profit and not-for-profit sectors. In our sample, only about 3.5 percent of

men and 7.9 percent of women ever move from one sector to the other, so our estimates may well be identified by an unrepresentative subset of our sample.

12. In regressions not reported in the paper, we estimate Mincer wage equations augmented with the fringe benefit variables. In our estimated regressions, the fringe benefits variables are generally found to have positive but statistically insignificant coefficients. The estimated negative effect on wages of being employed in the nonprofit sector is unaffected by the inclusion of the fringe benefits variables.

13. We present LPM estimates to preserve sample size, since FE logit models omit observations in which there is a lack of within-individual variation in the dependent variable.

14. Full regression results for the fringe benefits models (and the incentive pay models presented below) are presented in the appendix.

15. In regressions not reported in the paper, we also estimated the incentive pay LPMs omitting industry and occupation controls. It appears that a large portion of the nonprofit vs. for-profit differences reported in Table 2 is really due to industry and occupation, since the estimated nonprofit effect is much larger in the regressions omitting industry and occupation controls. Nonetheless, the nonprofit differentials in use of incentive pay are statistically significant even when industry and occupation controls are included in the regressions.

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Table 1: Descriptive Statistics (standard deviations in parentheses)

	Men		Women	
	For-Profit (N=8408)	Nonprofit (N=423)	For-Profit (7219)	Nonprofit (932)
Real Hourly Wage (in year 2000 dollars)	17.22 (14.27)	15.53 (8.273)	13.00 (10.23)	14.20 (7.679)
Tenure (years)	5.174 (5.268)	5.477 (4.815)	4.727 (4.916)	5.695 (5.296)
Previous Experience (years)	9.485 (5.121)	9.160 (4.877)	8.280 (5.047)	8.539 (4.850)
High School Degree	0.398 (0.490)	0.232 (0.422)	0.399 (0.490)	0.251 (0.434)
Some College	0.197 (0.398)	0.248 (0.432)	0.270 (0.444)	0.342 (0.475)
College Degree	0.111 (0.314)	0.170 (0.376)	0.101 (0.302)	0.207 (0.405)
More than College	0.0623 (0.242)	0.215 (0.411)	0.0436 (0.204)	0.150 (0.357)
Age-Standardized AFQT	0.0149 (1.042)	0.397 (1.077)	-0.0888 (0.930)	0.322 (0.968)
Firm Size (Number of Employees)	517.7 (2836.1)	601.5 (1278.9)	500.3 (2679.4)	629.3 (1900.8)
Union	0.147 (0.354)	0.130 (0.337)	0.0769 (0.266)	0.101 (0.301)
Lives in Urban Area	0.745 (0.436)	0.832 (0.374)	0.746 (0.435)	0.749 (0.434)
South	0.396 (0.489)	0.397 (0.490)	0.426 (0.494)	0.362 (0.481)
North Central	0.251 (0.434)	0.267 (0.443)	0.245 (0.430)	0.288 (0.453)
West	0.198 (0.399)	0.156 (0.363)	0.175 (0.380)	0.182 (0.386)
Black	0.285 (0.451)	0.340 (0.474)	0.285 (0.451)	0.279 (0.449)
Hispanic	0.180 (0.385)	0.154 (0.361)	0.181 (0.385)	0.159 (0.366)
Has Health Limitation	0.0551 (0.228)	0.0780 (0.269)	0.0776 (0.268)	0.0676 (0.251)
Married	0.574 (0.495)	0.605 (0.489)	0.570 (0.495)	0.623 (0.485)

Table 2: Incidence of Fringe Benefits and Incentive Pay

<i>Panel A: Fringe Benefits</i>					
		Men		Women	
		Nonprofit	For-Profit	Nonprofit	For-Profit
	Training Opportunities	0.72	0.48	0.71	0.51
Health Insurance	Medical	0.91	0.79	0.83	0.76
	Dental	0.76	0.64	0.75	0.63
Family-Friendly Benefits	Parental Leave	0.72	0.55	0.81	0.75
	Flextime	0.63	0.48	0.63	0.58
	Child Care	0.14	0.07	0.19	0.09
Other Common Benefits	Life Insurance	0.82	0.67	0.74	0.64
	Retirement Plan	0.82	0.64	0.74	0.62
	Sick Days	0.85	0.57	0.84	0.62
	Paid Vacation	0.87	0.81	0.82	0.81
<i>Panel B: Incentive Pay</i>					
		Men		Women	
		Nonprofit	For-Profit	NonProfit	For-Profit
	Piece-Rates	0.01	0.03	0.01	0.02
	Commission	0.01	0.07	0.01	0.05
	Bonus	0.07	0.18	0.06	0.13
	Other Incentives	0.05	0.04	0.04	0.03

Table 3: Log Wage Regressions: OLS and Fixed-Effects

	Ordinary Least Squares Estimation				Fixed-Effects Estimation	
	Men		Women		Men	Women
Employer is Nonprofit	-0.205*** (-6.24)	-0.212*** (-6.42)	-0.0955*** (-4.76)	-0.0996*** (-4.91)	-0.0673** (-2.06)	0.0253 (1.17)
Percent of Employment in Occupation that is Nonprofit	-0.404*** (-3.09)	-0.330** (-2.49)	0.0229 (0.24)	0.0403 (0.43)	-0.102 (-0.50)	0.170 (1.36)
Percent of Employment in Industry that is Nonprofit	-0.0978 (-0.90)	-0.0662 (-0.62)	-0.217*** (-3.44)	-0.201*** (-3.22)	-0.0237 (-0.19)	-0.155* (-1.85)
Previous Experience (years)	0.0217*** (4.43)	0.0226*** (4.52)	0.0182*** (4.25)	0.0159*** (3.76)	0.0523*** (3.57)	0.0517*** (4.29)
Previous Experience Squared	-0.0000592 (-0.26)	-0.0000956 (-0.41)	0.000376* (1.70)	0.000411* (1.86)	0.000131 (0.43)	0.0000765 (0.27)
Tenure (years)	0.0458*** (12.48)	0.0455*** (12.29)	0.0576*** (16.94)	0.0546*** (16.33)	0.0694*** (5.22)	0.0729*** (7.16)
Tenure Squared	-0.00100*** (-4.85)	-0.000981*** (-4.72)	-0.00140*** (-7.23)	-0.00134*** (-7.04)	-0.000763*** (-3.81)	-0.00112*** (-5.84)
Has Health Limitation	-0.0794*** (-3.36)	-0.0598*** (-2.60)	-0.0923*** (-5.06)	-0.0819*** (-4.53)	-0.0132 (-0.47)	-0.0144 (-0.73)
South	-0.122*** (-6.07)	-0.114*** (-5.65)	-0.148*** (-7.13)	-0.132*** (-6.23)	-0.0493 (-1.12)	0.0673 (0.69)
North Central	-0.100*** (-4.81)	-0.0996*** (-4.78)	-0.125*** (-6.10)	-0.121*** (-5.72)	-0.0247 (-0.41)	0.133 (1.10)
West	0.00501 (0.22)	0.00756 (0.32)	-0.0338 (-1.41)	-0.0299 (-1.24)	0.0694 (1.41)	0.0949 (0.72)
Urban	0.0411*** (3.24)	0.0315** (2.46)	0.0451*** (3.67)	0.0441*** (3.55)	-0.00362 (-0.26)	0.0101 (0.81)
Married	0.101*** (7.77)	0.0987*** (7.48)	-0.000162 (-0.01)	-0.00212 (-0.17)	0.00664 (0.35)	-0.0223 (-1.43)
Log Number of Employees	0.0316*** (9.17)	0.0291*** (8.35)	0.0313*** (9.66)	0.0311*** (9.60)	0.0129*** (2.89)	0.0123*** (3.07)
Union	0.171*** (9.76)	0.175*** (9.78)	0.103*** (5.00)	0.109*** (5.25)	0.101*** (4.24)	0.0863*** (2.93)
High School Degree	0.0525*** (3.41)	0.00967 (0.60)	0.0351** (2.19)	0.0155 (0.99)	0.128 (0.55)	-0.00279 (-0.02)
Some College	0.171*** (8.70)	0.0939*** (4.33)	0.144*** (7.43)	0.0911*** (4.70)	0.212 (0.74)	0.0173 (0.14)
College Degree	0.368*** (12.76)	0.260*** (8.30)	0.344*** (12.44)	0.243*** (8.43)	0.182 (0.54)	0.197 (1.41)
More than College	0.556*** (14.28)	0.425*** (10.39)	0.428*** (10.35)	0.315*** (7.49)	0.195 (0.55)	0.288* (1.83)
Black	-0.111*** (-6.90)	-0.0436** (-2.49)	-0.0514*** (-3.23)	0.0127 (0.75)		
Hispanic	-0.0771*** (-3.92)	-0.0365* (-1.78)	0.0175 (0.98)	0.0658*** (3.55)		
Age-Standardized AFQT		0.0840*** (8.77)		0.0880*** (8.98)		
Observations	8685	8308	8173	7917	8685	8173

t statistics in parentheses; ; standard errors corrected for within-panel respondent clustering.

* $p < 0.10$, ** $p < 0.05$, *** $p < 0.01$

Table 4: Effect of Working for a Nonprofit Employer on Receipt of Fringe Benefits: Linear Probability Models*

	Men							
	Training Opportunities	Health Insurance		Family Friendly Benefits			Life Insurance	Other Comm Retirement Plan
		Medical	Dental	Parental Leave	Flextime	Child Care		
<u>OLS Estimates with Robust Standard Errors</u>								
Employer is Nonprofit	0.0411 (1.36)	0.0228 (1.06)	0.00155 (0.05)	0.0594* (1.90)	0.0331 (0.99)	0.00760 (0.32)	0.0342 (1.30)	0.0477* (1.78)
Number of Observations	8740	8843	8880	8232	8857	8646	8755	8798
<u>Fixed Effects Estimates with Robust Standard Errors</u>								
Employer is Nonprofit	0.0599 (1.36)	0.00967 (0.32)	0.0442 (1.12)	0.0544 (1.22)	-0.00303 (-0.07)	0.0200 (0.72)	0.0342 (1.30)	0.0491 (1.35)
Number of Observations	8737	9250	9225	88618	9263	9040	8755	9201
	Women							
	Training Opportunities	Health Insurance		Family Friendly Benefits			Life Insurance	Other Comm Retirement Plan
		Medical	Dental	Parental Leave	Flextime	Child Care		
<u>OLS Estimates with Robust Standard Errors</u>								
Employer is Nonprofit	0.0318 (1.57)	-0.0230 (-1.34)	0.0256 (1.27)	-0.0405** (-2.37)	-0.00191 (-0.08)	0.0287 (1.60)	0.00776 (0.40)	0.00784 (0.41)
Number of Observations	7719	7818	7796	7613	7817	7748	7753	7731
<u>Fixed Effects Estimates with Robust Standard Errors</u>								
Employer is Nonprofit	0.0110 (0.34)	0.00253 (0.10)	0.0165 (0.63)	-0.00699 (-0.27)	-0.0196 (-0.66)	0.0210 (0.86)	0.0342 (1.30)	-0.00682 (-0.28)
Number of Observations	7700	8084	8062	7866	8083	8009	8755	7991

t-statistics in parentheses; standard errors corrected for within-panel respondent clustering.

* $p < 0.1$, ** $p < 0.05$, *** $p < 0.01$

* All regressions include controls for log of number of employees, union membership, marital status, number of children, health status, urban residence, linear and quadratic measures of prior experience and tenure, as well as industry and occupation, and dummy variables to indicate survey years. OLS models also include controls for Armed Forces Qualification Test score, level of education, black and Hispanic.

Table 5: Effect of Working for a Nonprofit Employer on Incentive Pay: Linear Probability Models*

Men				
OLS Estimates	Piece-Rate	Commission	Bonus	Other Incentives
Employer is Nonprofit	0.00271 (0.36)	-0.0226** (-2.49)	-0.103*** (-4.01)	0.0116 (0.78)
Number of Observations	7448	7448	7448	7448
Fixed-Effects Estimates				
Employer is Nonprofit	0.00452 (0.49)	-0.0217** (-2.55)	-0.0953*** (-4.17)	0.0101 (0.72)
Number of Observations	7786	7786	7786	7786
Women				
OLS Estimates	Piece-Rate	Commission	Bonus	Other Incentives
=1 if Employer is Nonprofit	0.00119 (0.30)	-0.00847 (-1.51)	-0.0717*** (-6.05)	0.00690 (0.89)
Number of Observations	6853	6853	6853	6853
Fixed-Effects Estimates				
=1 if Employer is Nonprofit	0.00265 (0.51)	-0.0105** (-2.17)	-0.0695*** (-6.29)	0.00677 (0.90)
Number of Observations	7083	7083	7083	7083

* *t* statistics in parentheses; standard errors corrected for within-panel clustering.

* $p < 0.10$, ** $p < 0.05$, *** $p < 0.01$

All regressions include controls for log of number of employees, union membership, marital status, number of children, health status, urban residence, residence in the south, linear and quadratic measures of prior experience and tenure, as well as industry and occupation, and dummy variables to indicate survey years. OLS regressions also include controls for Armed Forces Qualification Test score, level of education, black and Hispanic.