

**The Nonprofit Labor Market in Japan:
Findings from New Survey Data**

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Abstract

1. Approaches and methodology

The purpose of this paper is to investigate the working environment of NPO staff and to examine some issues of job training. For this purpose, we performed a survey of 593 organizations in July, 2001. For this survey, we chose nonprofit corporations with annual expenditure exceeded 40 thousand dollars. We also sent questionnaires to the paid and unpaid staff members who work there continuously. Approximately 42% of organizations have replied to our survey. Using the micro-data set which was collected through the survey, we investigate both financial and management issues related to nonprofit corporations, and working conditions of staff members.

2. Survey on nonprofit corporations and survey on nonprofit paid and unpaid staff

We collected approximately 250 samples of the nonprofit organizations, and we investigate the following with special interests on comparison with for-profit corporations: expenditures and revenues of nonprofit corporations, age distribution of staff (both paid and unpaid), recruitment, required ability and criteria of wage setting.

We also collected approximately 980 samples of the staff members who work for nonprofit corporations and we investigate the following with special interests on comparison with for-profit corporations: educational attainments, earnings from nonprofits and also from other sources, working conditions, fringe benefits and individual capacity.

3. Major Findings

According to our survey, 74% of nonprofit corporations have paid staff, and each organization has 3 or 4 paid staff on average. It is commonly recognized that the wages of workers who work for nonprofit corporations are low. Ruhm and Borkoski(2000) pointed out that the difference of wages between nonprofit and for-profit organizations is explained by the concentration of nonprofit organizations employing staff in relatively lowly paid industries. We compared NPO and for-profit wages among the organizations of the same size, that is organizations with less than 4 paid staff members. From this comparison we founded that the wages of women working for nonprofit corporations were not necessarily lower than female wage of for-profit counterparts. We attempted to explain the nonprofit wages by using regression models that include several variables like sex, age, educational background, the length of employment, the size of the organization etc.

Key words: Nonprofit labor market, nonprofit corporations, wage function, working conditions

1. Introduction

Nowadays, a word, NPO is used commonly without annotation. According to Yamauchi (1999a), surprisingly, the word NPO just started to appear on newspaper in the 1990s, and the number of times that appear on newspaper is acceleratory increasing. As the tuning point, the disaster of Hansin-Awaji earthquake in 1995 triggered people to pay attention to NPO activities. Subsequently, the expectation of NPO activities among the government, citizens, and the mass media gradually increased. In the year of 1998, after 3 years from the earthquake, The Law to Promote Nonprofit Activities (hereafter NPO law) has been enforced. After that, the number of certification issued increased every year, and there are more than 7000 Specified Nonprofit Corporations (hereafter SNCs) certified by NPO law. Although it became easier for SNCs to achieve a judicial personality by means of NPO law, the management bases of SNCs remains vulnerable on the whole even though 3 years has passed after the enforcement of NPO law.

According to the estimation of cross-national research, led by the Johns Hopkins University, there are 2.14 million full-time staffs in the nonprofit sector (excluding religion) as in the year of 1995. That is equivalent for 3.5% of all the non-agricultural population. Comparing to the result of the same estimation in 1990, which was 1.69 million, it increased by 27%, meaning that 450,000 people increased in five years.

Thus, the scale of NPO sector is by no means negligible. Instead, this estimation denotes that its labor market bears watching. However there are not many quantitative researches on the nonprofit labor market even though more than 5 year has passed since NPO came up, and it was expected to expand from all quarters. It would appear that there are not many available statistics. This article will clarify the problem of the NPO labor market by analyzing the labor condition and the wage, using the data from of questionnaires survey on SNCs. It consists of 3 parts as followed. In the second section; it integrates the clarified NPO labor conditions from the investigation, in the third section; it analyzes the contributing factor of wage setting, and in third section; it concludes the whole.

2. Labor condition of NPO

2.1 Method of investigation

This article uses the data from “the investigation about SNCs and their staffs” that was carried out by Japan NPO Research Association in July 2001. This survey was intended for SNCs to understand the real condition of the labor market by mailing questionnaires survey. We participated in this investigation throughout the operation such as developing a survey. The reason for choosing SNCs is following; SNCs are better suited for analyzing the constituent member, fiscal condition, and working environment comparing to non-judicial NPO whose scale is smaller; and it is

easier to investigate SNCs because there is an available data-base. We prepared for two kinds of questionnaires survey, one for SNCs as a whole, and the other for staffs working at SNCs. The subjects are 593 SNCs that are registered in “SNCs data-base” and whose annual budget scales are more than 40 thousand dollars. The subjects for individual staffs are paid or unpaid staffs who work on regular basis for more than a half-year.¹ The rate of response was 42.1% for group surveys that are 250 responses, and 52.7% for individual surveys that are 970 responses. As for individual surveys, we sent 10 sets of questionnaires survey per one organization regardless of the number of staffs in each organization. Therefore the rate of response was estimated by the average number of staffs from the response.

2.2 The number of full-time and part-time staffs

For a private enterprise, there is a distinction between permanent and nonpermanent employees by means of working condition, but there is no clear distinction for the SNCs. In “the investigation about actual activity and condition of specific nonprofit activity corporation” by the Economic Planning Agency, staffs are distinguished by full-time and part-time. The definition of full-time employment according to the investigation by the Economic Planning Agency is “to work for 30 hours or more and involve in requisite formality, accommodation, and correspondence for NPO management. In this investigation, we define full-time staffs as persons who work for 5 days a week or more, and part-time staffs as persons who work for less than 5 days.

The full-time staffs make up 25.0% and the part-time staffs make up 75.0% of the total staffs that responded the survey. In terms of the distinction between paid and unpaid staffs, 71.0% of them are paid staffs and 29.0% of them are unpaid staffs. 77.2% of responded groups have paid full-time staffs, and the average number of those is 2.8. 55.6% of responded groups have paid part-time staffs, and the average number of them is 6.3. At the same time, 15.2% of those groups have unpaid full-time staffs, 28.8% have unpaid part-time staffs, and the average number of those is 3.3.

There are less than 30% of groups that have volunteers, which generally indicate unpaid part-time staffs, and it seems a small number. According to the working conditions of staffs found in the surveys, paid staffs account for 73.8% of the whole, and unpaid staffs account for 24.1%, therefore unpaid staffs account for less than 30%. Here is the comparison between the number of staffs by “the investigation about actual activity and condition of specific nonprofit activity corporation” in 2000 and the number of staffs we found. Since our investigation limits the

¹ The questionnaires surveys for both groups and individuals were put in a same envelope and sent. Since it was impossible to know the number of staffs in each group, 10 sets of questionnaires surveys for one group were sent. When the questionnaires surveys were not enough, they were resent. The investigation term was 3 weeks, from July 16th to August 6th. When there was no response 3 days after the deadline, we called them to remind the surveys, and we sent an e-mail a week before the deadline, when knowing the address of it.

organization to a group whose annual budget scale is over 40 thousand dollars, it targets on large scale groups in terms of SNCs². According to the Economy Planning Agency, the rate of groups that have unpaid part-time staffs is 51.9%, so there is a big difference if comparing to our survey result, which is 28.8%. On the other hand, if comparing the number of paid full-time staffs, the Economy Planning Agency finds that the rate of groups that have no paid full-time staffs is 45.6%, and our investigation finds it very small number, which is 22.8%. Those results indicate followings. The first, the smaller the budget scale, there are less full-time staffs. That means the groups that cannot afford to employ paid staffs likely depend on the labor force of unpaid staffs. The second, the groups that employ paid staffs do not depend on unpaid staffs, so that they operate the organization by themselves.

When talking about NPO, we imagine a free labor force. However this investigation found that more than 70% of responded groups operate their organization without unpaid part-time staffs. Unpaid staffs are very important for NPO, but their weak point is an deficiency of responsibility because they are unpaid. Therefore it is oftentimes efficient to operate the organization only by paid staffs although they are few. Our survey results indicate that the proportion of unpaid part-time staffs is small. Conversely it is perchance that they indicate the burden of paid full-time staffs.

In terms of Japan whose unemployment rate is decreasing, there are great hopes that NPO makes more job opportunities, but the number of paid full-time staffs in NPO is less than 2 per group. It is common that management of NPO depends on one paid full-time staffs and volunteered staffs, so that it is not developed enough to create job opportunities.

2.3 Distribution by gender

If looking at the number of paid and unpaid staffs by gender, there are 33.0% of men and 67.0% of women in paid staffs, and there are 65.7% of men and 34.3% of women in unpaid staffs. (Fig.II-1) Generally speaking, the rate of female NPO staffs is higher, and it is true if only looking at paid staffs. On the contrary, it is clear that the rate of male NPO staffs is higher if looking at unpaid staffs. Then next, it focuses on the staffs by age bracket. In paid staffs, the rate of male staffs is high in the age of 20s and 60s. On the other hand, the female staffs in 40s and 50s

² According to “the investigation about actual activity and condition of specific nonprofit activity corporation” in 2000, the SNCs whose annual budget is under 40 thousand dollars accounts for 48.6% of the whole, among them, the one under 16 thousand dollars makes the biggest proportion that is 26.9% of the whole. The SNCs with 40 thousand dollars or more accounts for 8.0%. According to the investigation report of “the actual condition of specified nonprofit corporations and their activities”, conducted by C’s, the SNCs whose annual budget is under 40 thousand dollars accounts for 38.7% of the whole. Our investigation covers SNCs whose annual budget is 40 thousand dollars or more. That means it focuses on the SNCs that are above middle scale, and they occupy 60% of the whole.

dominate a half of the whole. In unpaid staffs, the male staffs in 40s and 50s make a high proportion of the whole, and the female staffs in 40s and 50s are decreasing, and those who are 60s are increasing. (Fig.II-2) For male staffs, it is often the case that both paid and unpaid staffs choose NPO as a work after retirement. It is a rare case for men in the prime of their life, in 40s and 50s, to choose NPO as a full time staff. In contrast, women in 40s and 50s who finish off parenting are the main working force in NPO. We will include the wage analysis to explain the distribution by genders and the age groups.

2.4 Wage

Ruman and Borkoski (2000) clarifies that the aggregate average of wages in NPO is lower than profit-making enterprise, but it is not always the case if looking at wages by occupations and industries. In the case of Japan, Yamauchi (2001) delivers that there is a big gap between NPO and profit-making enterprise, so that the imparity of those may remain even if concerning the distinct of industries.

To analyze the wage of NPO staffs, we collected the samples of 75 male and 137 female paid staffs who work only for the present NPO and work for more than 5 days per week. Looking at the annual wage including the bonus, “the wage from 8 thousand to 16 thousand dollars” has the highest proportion of all, and there was no woman who earns more than 48 thousand dollars. The average annual wage for men is 20,280 dollars (the median is 15,960 dollars) and that for women is 15,792 dollars (the median is 15,200 dollars). (Fig.II-3) According to the Final Report of Monthly Labor Survey in 2000 operated by Ministry of Health, Labor and Welfare, the annual wage of general labors in enterprises established with 5 or less employees is 29,432 dollars for men and 15,024 dollars for women (The annual wage is a sum of monthly wage times 12 and the bonus). Comparing those amounts, the wage of men in NPO is lower than that in profit-making enterprises, but the wage of women in NPO is higher than that in profit-making enterprises. As indicated above, the factor that the rate of women in NPO is higher than the rate of men can be explained in terms of the wage. Preston (1990) states that the reason why a lot of women work in NPO is that there is no distinct gap in wages between men and women, and the content of job is not simple and it is possible to up-skill. The first, to inquire the regard that there are not many disparities of wages between men and women, we searched the wage differences, and compare it to the case in profit-making enterprises. As the result, the annual wage of men, working full-time, is 1.28 times of women’s. According to the census of wage in 2000 in the whole industry, men earn 1.6 times of women. Little the scale of enterprise, the more wage disparities occur. (Table II-1) Hereout, there is a wage difference between men and women in NPO, but its disparity is smaller if comparing to profit-making enterprises. Preston (1990) states that a lot of women compare conditions between NPO and profit-making enterprises, and as the overall result, they choose NPO. In other words, it proves that women have a tendency to look forward NPO is false. So that women will not work in

NPO if there is no wage disparity between NPO and profit-making enterprises. According to our survey, the reason for beginning activities varies by the gender. A lot of men bring the altruist reason such as “they sympathize with an idea of organization’s establishment or the purpose of activity” and “they want to work on a job that involve in problem solution or cooperation in the society and local community”. On the contrary, women bring the self-serving reasons such as “they can work in flexible hours” and “they want to derive their wage”. It can be true that there are merits for women working in NPO, if looking at the fact of age-group of female NPO staffs and the high rate of paid female staffs.

We will closely analyze the determining factor of the wage in chapter 3.

2.5 Welfare

Earning is not only the reason why people decide to work. Even though wages are low, if fringe benefits are high, people might choose to work. The question is how they provide fringe benefits³ in NPO whose financial base is fragile. Our survey inquired about the systems they adapt, and the results are as followings, sorted by the rate of frequency. 63.2% adapts commutation allowance, 61.7% adapts employment insurance, 54.5% adapts employee’s pension and health care insurance, and 45.5% adapts annual bonus. About 60% of NPO adapts employment insurance and about a half of NPO adapts health insurance. They seem lower rate, if comparing to the rate in profit-making enterprises. To align with the scale of NPO, we will compare it with the “small and medium-sized business” (here after SMBs). Then the result is as below, 54.7% adapts commutation allowance, 37.6% adapts employment insurance, 55.9% adapts annual bonus. (Fig.II-4) Surprisingly, NPO has a higher proportion of adapting welfare except the annual bonus. As can be seen, NPO has better fringe benefits than enterprises in the same scale. Yamauchi (1999b) points that NPO shares out the profit in the disguise of fringe benefits because it is prohibited to share profits among those involved. Whether it is in the disguise or not, there is a high possibility that the reservation wage decreases by means of providing the fringe benefits. Handy and Katz (1998) explains the point that the wage of manager in NPO is lower than profit-making enterprises using the concept of reservation wage. The reservation wage of managers who want to work in empathy with the mission is lower than ones who work in profit-making enterprises. NPO dares to offer low wages to recruit people who sympathize with the mission. As a result, it will be possible to have qualified staffs for NPO. Then the fringe benefit is a tool for offsetting the reservation wage.

There was no indication that Japanese NPOs had high fringe benefits, but now it is clear that Japanese NPO provides better fringe benefits than same-scale private enterprises. This result bears out the theory of Handy and Katz, and there might be a possibility that the condition of fringe benefits is a primary factor of making decision for staffs to work in NPO.

³ Additional allowance except cash paycheck

2.6 Employment

One of the problems in NPO is a shortage of manpower. As mentioned above, the average number of paid full-time staffs is less than 3. There are 30% of organizations managed only by unpaid staffs, and the most reason is the “financial difficulties”, which occupies the more than 54% of whole reasons. It is inevitable for those organizations to fund-raise. However there are only a few organizations that fund-raise proficiently. In the investigation, 38.8% of organizations mentioned the reason for the difficulties of fund-raising is “a short of staffs who can fund-raise or know about fund-raising”. (Fig.II-5) However there are less than 1% of organizations that employ capable persons for fund-raising among the organizations that give high priority to fund-raise. It is obvious that matching is not well done in NPO, if comparing the short of the functions in present staffs and the desired skills in newly employed. The skills that are lack in NPO are “fund-raising” (31.1%), “accounting, financial affairs, and tax accounting” (29.7%), and “ability of using computers” (24.8%). On the other hand, the demanded skills are “professional or technical knowledge in the field” (57.6%), “ability of using computers” (40.2%), and “accounting, financial affairs, and tax accounting” (35.5%). (Fig.II-6, II-7)

Most NPO staffs are employed as intermediate recruitment, so that they are experienced and are possible to adapt to the work immediately. 59.6% of organizations find staffs on the introduction of acquaintances, and 23.6% of them do not recruit in particular. (Fig.II-8) For the processes of recruitment, 79.9% of organizations examine people by “interviewing”, and 60.3% of them examine by “documentary such as resume”. (Fig. II-9) If comparing with the same type of investigation on same-scale private enterprises, most those enterprises employ people with the introduction of acquaintances or through personal connections, and the result is very similar to NPO. Both NPO and SMBs tend to employ people by introduction because of the low-cost. Besides, it may alleviate the informational asymmetry between employers and job seekers through the credential of staffs and acquaintances. However NPO tends to regard their individual willingness to sympathize as importance because of their purpose of activities. Handy and Katz (1998) state that NPO can hire qualified persons by offering low wages. In this case, however, it is important to ascertain if employees have appropriate ability to their wages.

2.7 Educational Background

As looking at the educational background of NPO staffs, it is clear that the rate of staffs who have higher educational backgrounds is higher than private enterprises. In general, higher educations mean high school, technical school, junior college, or above. In NPO, 55.8% of paid staffs have those academic backgrounds. (Fig.II-10) According to the statistic on wage structure in terms of industry, size of enterprises, age and educational level in the Basic Survey on Wage Structure in 2000, there are 38.7% of male and 38.5% of female who have higher educational

backgrounds. Takaba (2000) states that there are more staffs who have high educational backgrounds than average, using data of “the investigation of manpower and financial affairs in NPO for International Communication”,

2.8 Working Hours

By searching the working hours for paid full-time staffs in NPO, 45.4% of staffs work for more than 9 hours per day. In private enterprises with 1 to 4 labors, 44% of them work for 44%, which is the highest rate, and 14.9% of them work for more than 9 hours per day. (Fig.II-11) However, we need to pay attention that the respondents for private enterprises are employers and the respondents for NPO are employees. In general employers tend to underestimate the working hours, and employees tend to overestimate the working hours. Even if subtracting hours because of those facts, the working hours for NPO staffs are still not short.

Ruhm and Borkoski (2000) mention that one of the reasons for low wages for NPO staffs is that their working hours are short, and they verify the cause. Only if adjusting the individual attribute, working hours for NPO staffs are 1.7 hours less than staffs in private enterprises. However, if adjusting by the types of industries, the difference diminishes to 0.4 hours. Also the decrease of working hours when transferring from NPO to private sectors is only 0.2 hours. Therefore it becomes clear that the working hours for labors in NPO and private enterprises are almost same, if adjusting the types of industries.

Even in our investigation, the low wage for NPO staffs cannot be explained by the short time of working hours. We often hear that the reason for working in NPO is that “they can work in flexible hours” as a merit. In this investigation, 10% of respondents work in NPO because of the above reason. NPO accepts those flexible labors, but on the other hand, full-time staffs bear a burden from a short of manpower.

2.9 Behavior of occupational change

For the occupation before participating in NPO activities, 21.1% of respondents worked as “company employee”, and 17.2% of them worked for “household”. The most frequent reason why they got off from former job is “a compulsory retirement”, so that NPO plays a role of reemployment for aged people who retire under the age limit.

At present, the problem in NPO is a short of manpower or the high rate of occupational change. Then here is a question why the rate of occupational change in NPO is high. This investigation asks individual staffs about the future plan for their activities. 5.7% of respondents answered that they might quit working in NPO, 11.8% of them do not know, and 69.3% of them will continue the activities. In this investigation, it was not possible to find out the common distinctive feature in those who think about leaving off NPO.

Looking at the years of continuous employment for paid full-time staffs, “more than 1 year

and less than 2 years” occupies the most that is 28.8% of all, “more than 2 years and less than 3 years” occupies 15.3%, and “less than 6 months” occupies 10.7%. (Fig.II-12) We cannot conclude that the years of continuous employment in NPO are short, only looking at those numbers above. That is because there are a lot of organizations that newly establish in recent years. Looking at the date of foundation of organizations, 33.2% of them established before 1989, 43.6% of them established after 1995, which is the year of the disaster of Hanshin -Awaji earthquake, and 19.6% of them established between 1990 and 1994.(Fig.II-13) The average years of activities after foundation is 9.5 years.

3. Analysis of NPO’s wage

3.1 A model of the NPO wage function

Mincer’s wage function is often used to analyze a wage because of its good fitness. It is said that the Mincer’s wage function cannot account for the wage of small enterprises as well as large enterprises. An NPO’s scale is smaller than small enterprises. Hence, we expect that Mincer’s wage function accounts for the NPO wage partially. Therefore, what kinds of factors determine the NPO wage?

Firstly, motivation to work for an NPO may be an important factor for the NPO wage. Menchik and Weisbrod(1987) distinguished ‘consumption motivation’ and ‘investment motivation’ as the types of volunteer motivation. The consumption motivation means that volunteering itself increases one’s utility like leisure. On the other hand, the investment motivation means that volunteering increases one’s expected wage in future. we will follow this model and examine motivation’s effect on the wage.

The other two factors for the NPO wage; the amount of wage earned in another workplace and the whole household’s wage except for the NPO wage. If the former wage is large, it is possible that the staff has other regular work. So, the amount affects the NPO wage negatively. Conversely, if the amount of a household’s wage is large, one can afford to work for an NPO not for the purpose of earning money. It means that the amount increases the rate of working for NPO as a paid staff.

3.2 How to estimate

As there are both paid and unpaid staff in NPO, some sample for wage shows 0. OLS can’t have unbiased and consistent estimation when the same value accounts for a high proportion in data. At this point, we will handle a model involving dichotomous dependent variables. Heckman’s two step estimator and Tobit model are popular as the censored regression model. On the Tobit model, the labor participation function and the wage function are introduced from the same function. we treat these two functions independently; consequently we use Heckman’s two step estimator.

3.3 First step: the labor participation function

What kinds of factors affect the rate of participating in NPO as a paid staff? Intuitively, it is possible that the amount of wage offered to a person is related to the rate of starting work as a paid staff. If people are offered a lower wage than their reservation wage, they may choose to work as a unpaid staff. To estimate the labor participation function, we used 6 variables that are used in Mincer's wage function model; 'sex' 'age' 'age²' 'length of working' 'square of length of working' and 'the schooling length'. Next, we added the following variables as the result of thinking about features of NPO labor market; 'job dummy' 'the wage earned in another workplace' 'the whole household's wage except for the NPO wage' 'consumption motivation' and 'investment motivation'. Finally, we used 'scale dummy' as a variable showing group's attribute, and used a 'employee's Pension Insurance dummy' 'health insurance dummy' 'commutation allowance dummy' as a fringe benefit dummy. The variables are listed in table 3-1 and the descriptive statistics are listed in table 3-2, 3-3 and 3-4. Table 3-5 shows the result of Probit estimation of the labor participation function.

As a result, 6 variables are significant They are 'age' 'age²' 'the wage earned in another workplace' 'the whole household's wage except for the NPO wage' 'scale dummy' and 'commutation allowance dummy'. Looking at each sign, 'age' 'the whole household's wage except for the NPO wage' 'scale dummy' and 'commutation allowance dummy' have positive sign and others have a negative sign. As a household's wage is large and the scale of the organization is large, the rate of choosing work as a paid staff increases. Setting a commuting allowance also makes the rate increase. Conversely, earning a lot in another workplace makes the rate decrease. Comparing to the two descriptive statistics between paid staffs and unpaid staffs, the average age of unpaid staff is older than that of paid staffs. But the average of 'length of working' and 'the schooling length' are almost the same.

The average whole household's wage is very different between the two groups. The average for paid staff is 48,456 dollars and the average for unpaid staff is 29,240 dollars. This means that housewives tend to work for an NPO as a paid staff.

3.4 Second step: the wage function

To estimate the wage function, we added a new variable, inverse Mill's ratio, to the former 15 variables. Using Heckman's two step estimator, it is a problem that the estimation has heteroscedastic errors. So, we adapted for White's Heteroscedasticity Corrected Standard Errors and t Statistics to correct for the heteroscedasticity. The result of the estimation is listed in table 3-6.

5 variables are significant as factors to affect an NPO's wage. They are 'sex' 'the schooling length' 'the whole household's wage except for the NPO wage' 'scale dummy' and 'job dummy'. At the first step, 'sex' 'the schooling length' used in Mincer's wage function are not significant. However, these two variables are significant at this time. It became clear that sex and the academic

background affect the NPO wage .

We considered motivation to work for NPO as a factor of the NPO wage, but neither investment and consumption motivation are not significant. However, this result doesn't always mean that the motivations cannot explain the wage differentials . For it is not possible to distinguish two motivations clearly only by a questionnaire . Besides, some people have both motivations at the same time. If we can define these motivations and distinguish them, it may be shown that the motivation affect the NPO wage. An FPO tends to make a difference on wage by age and the length of working. However, these factors do not make a difference to an NPO's wage.

3.5 Conclusion Remarks

The significant variables are different on two estimations: the labor participation function and the wage function. Factors related to an organization have more effect on the labor participation function than personal factors. If an organization's scale is large, if a commuting allowance is equipped, people are willing to work for an NPO as a paid staff. That is to say, people are considering the working conditions when they decide to work.

Almost all personal factors have effect on the wage function. Especially, the effect of sex is large . Factors related to an organization also have more effect on the wage function than personal factors . Considering these results, an NPO cannot make differences on wage by personal factors because of their limited resources.If the factors related to an organization affect the rate of working for an NPO, the NPO should enlarge the scale of organization or equip welfare system well to employ more good workers. However, these measures are difficult to carry outbecause of an NPO 's severe financial problem.NPO 's manpower depends on staff 's motivation to work for an NPO. If an organization doesn't arrange working conditions well, it will be worried about a lack of appropriately skilled people forever.

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Japan NPO Center, A Data Base <http://www.npo-hiroba.or.jp/>

Fig II-1 Full time/Part time staff Sex distribution

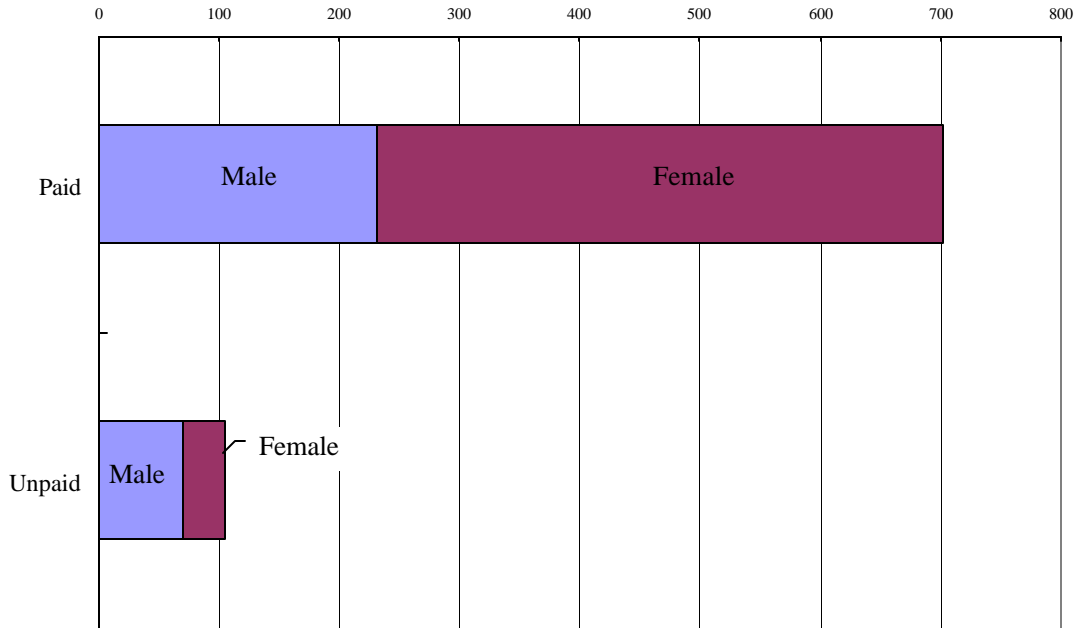


Fig II-2 Age distribution of NPO staffs

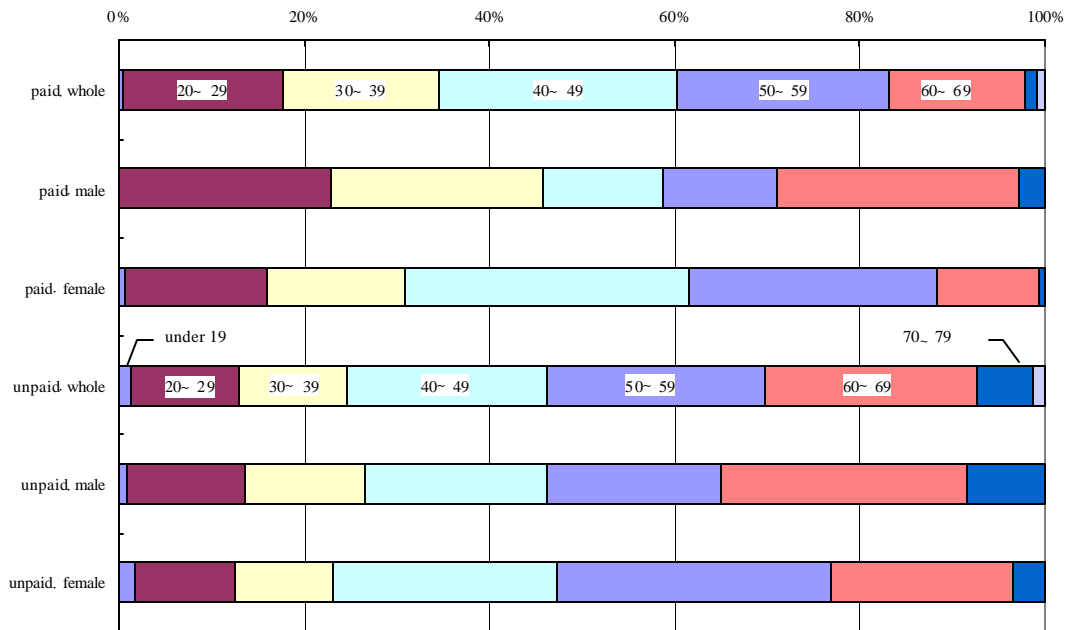


Fig II-3 The wage distribution

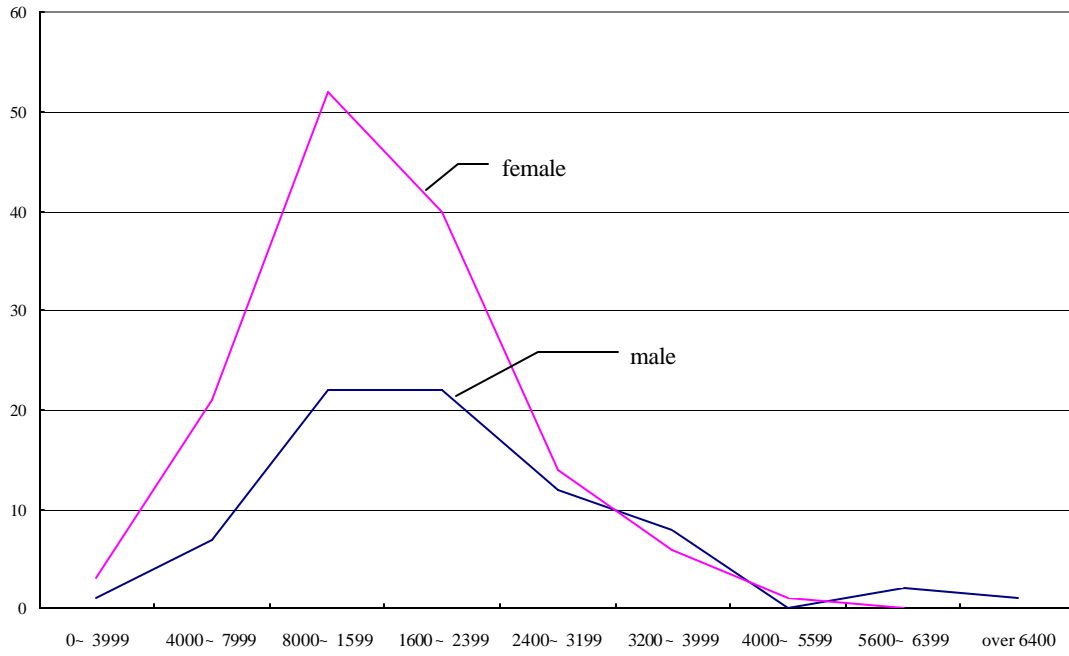


Fig II-4 Fringe Benefits

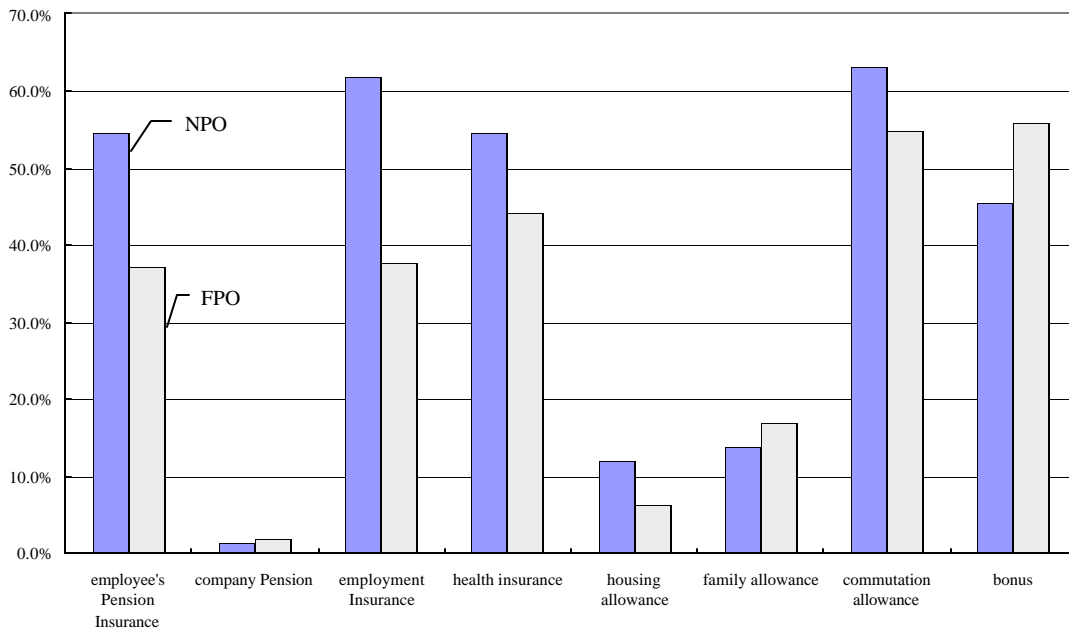


Fig II-5 the reason for the difficulties of fund-raising

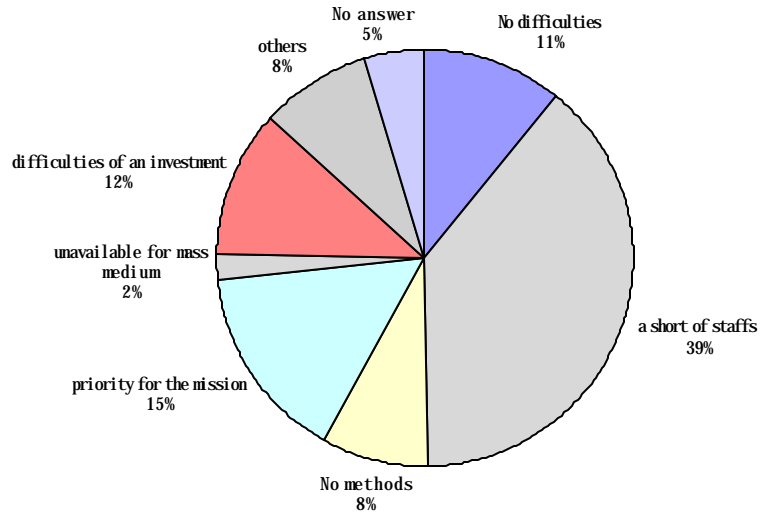


Fig II-6 The demanded skills for NPO staffs

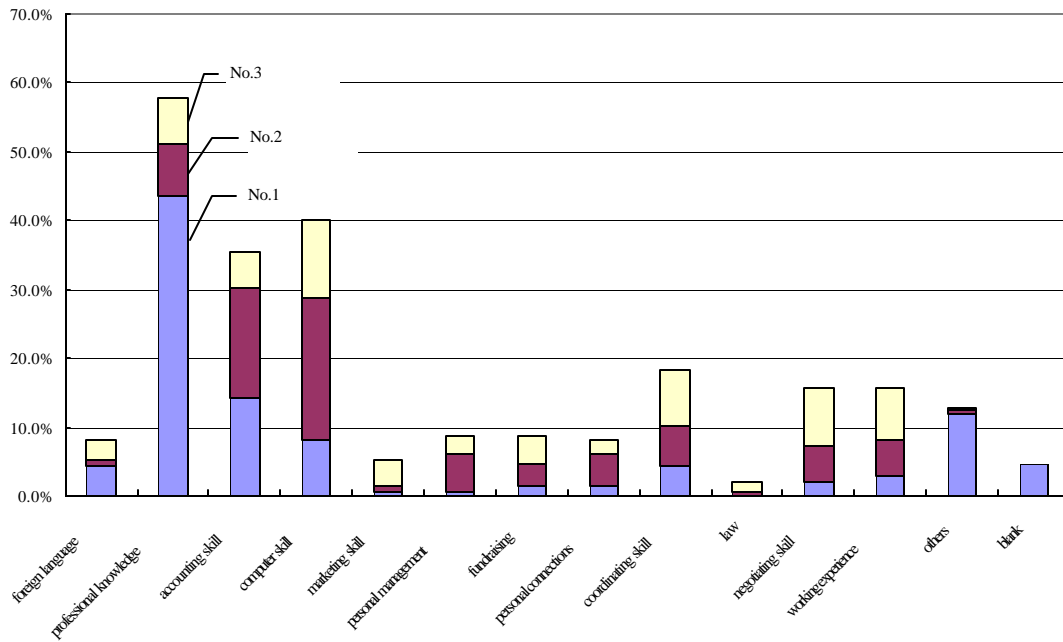


Fig II-7 The skills that are lack in NPO staffs

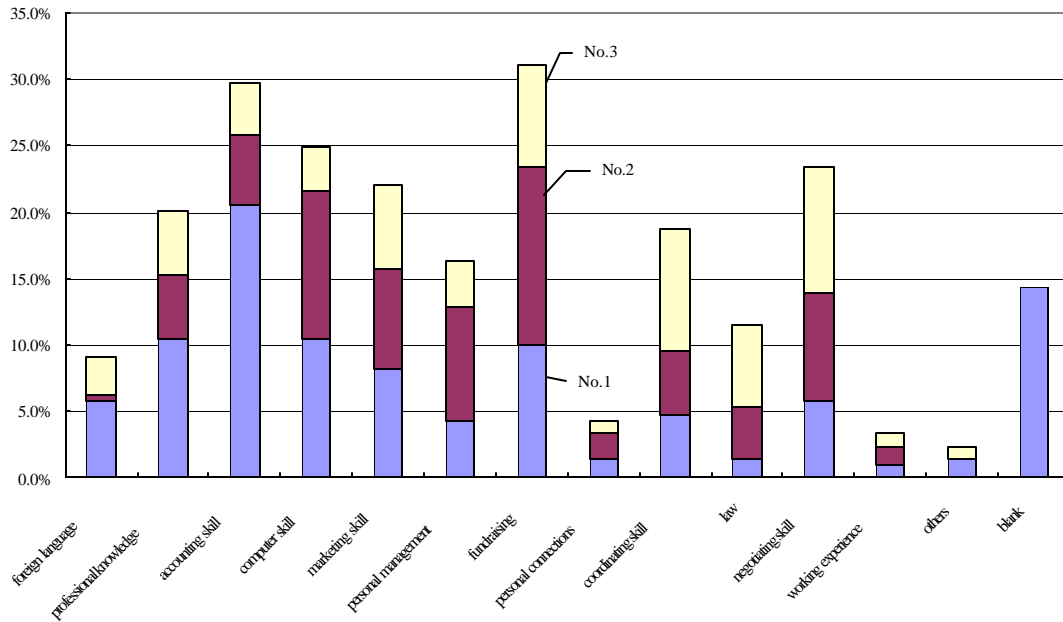


Fig II-8 How to recruit staffs

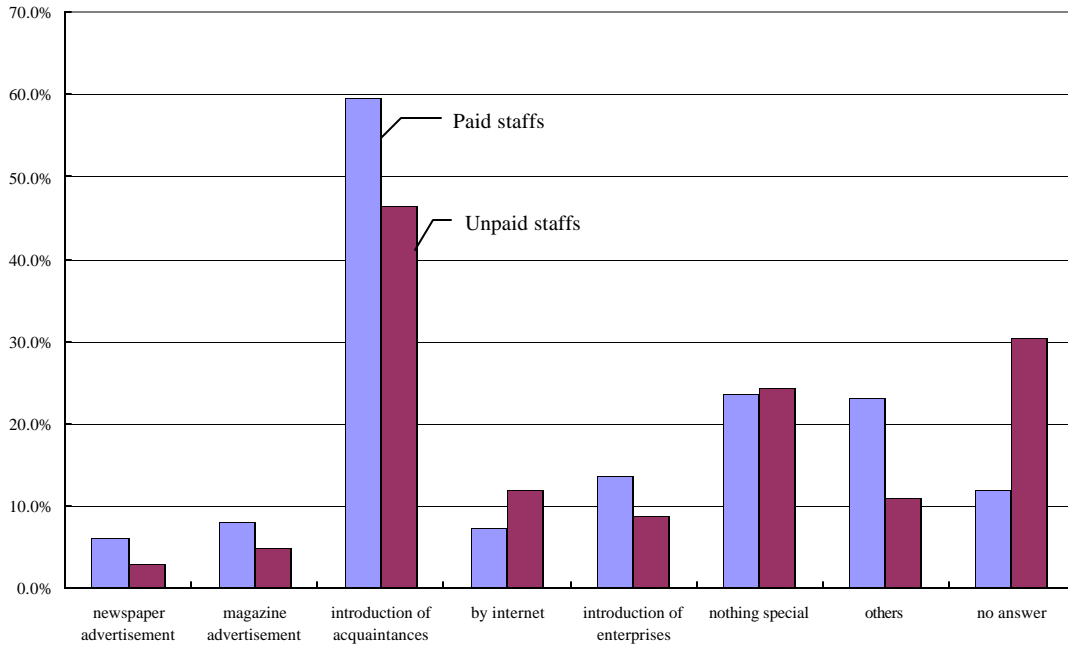


Fig II-9 Educational Background

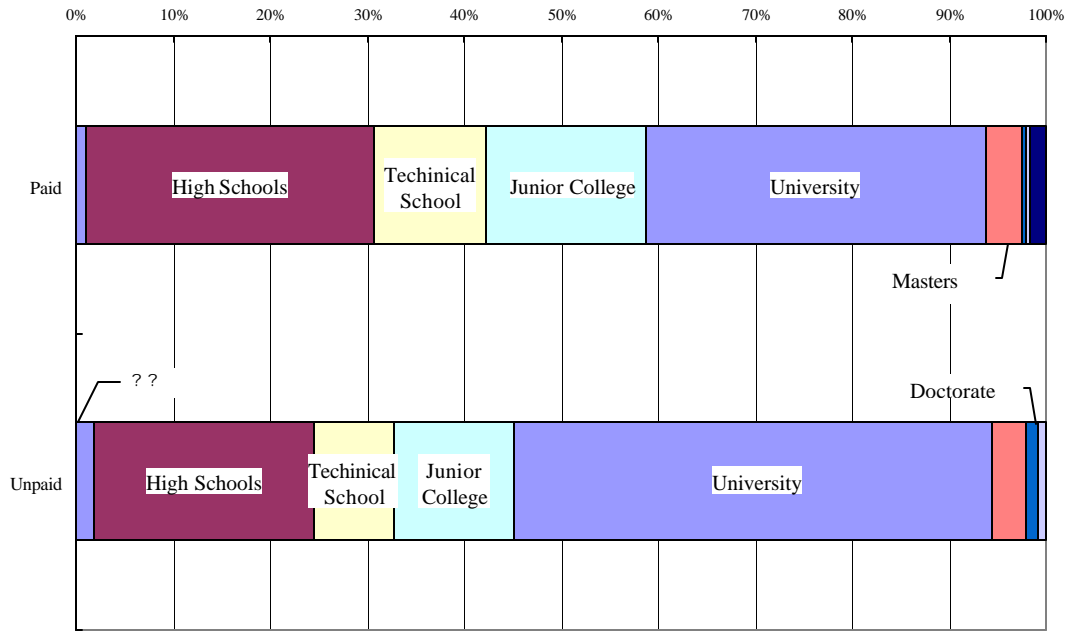


Fig II-10 The processes of recruitment

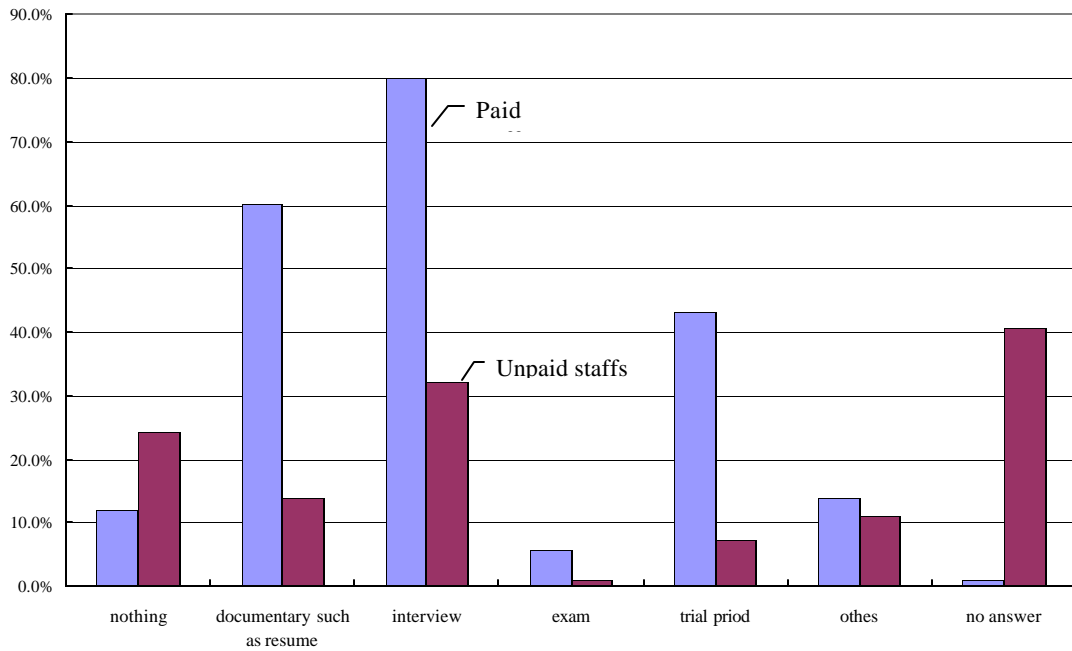


Fig II-11 Working hours

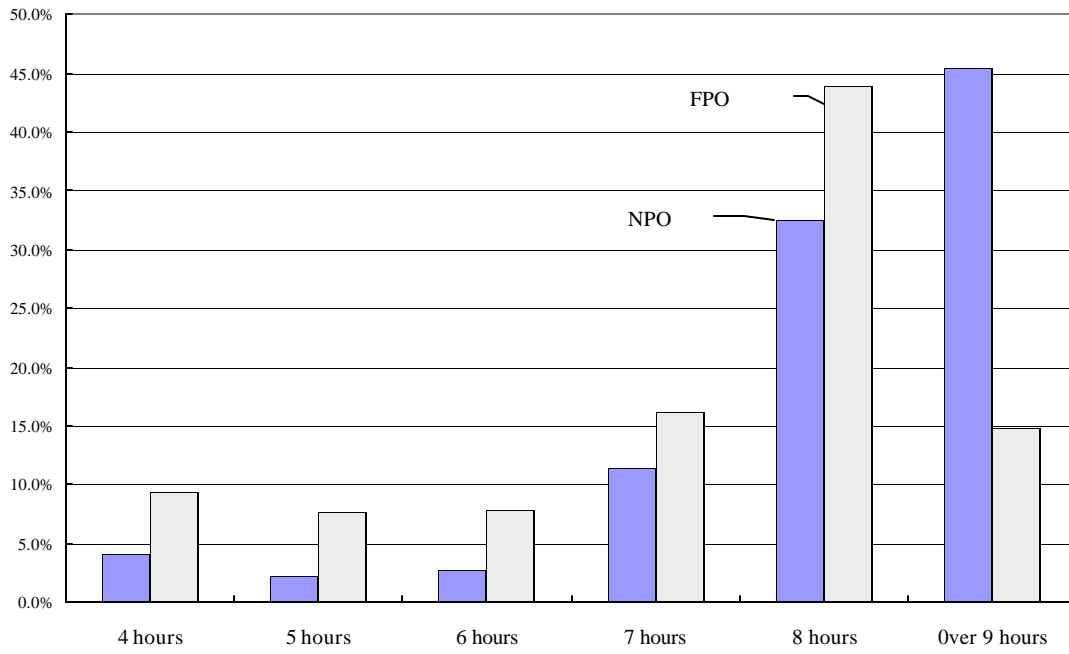


Fig II-12 The years of continuous employment for paid full-time staffs

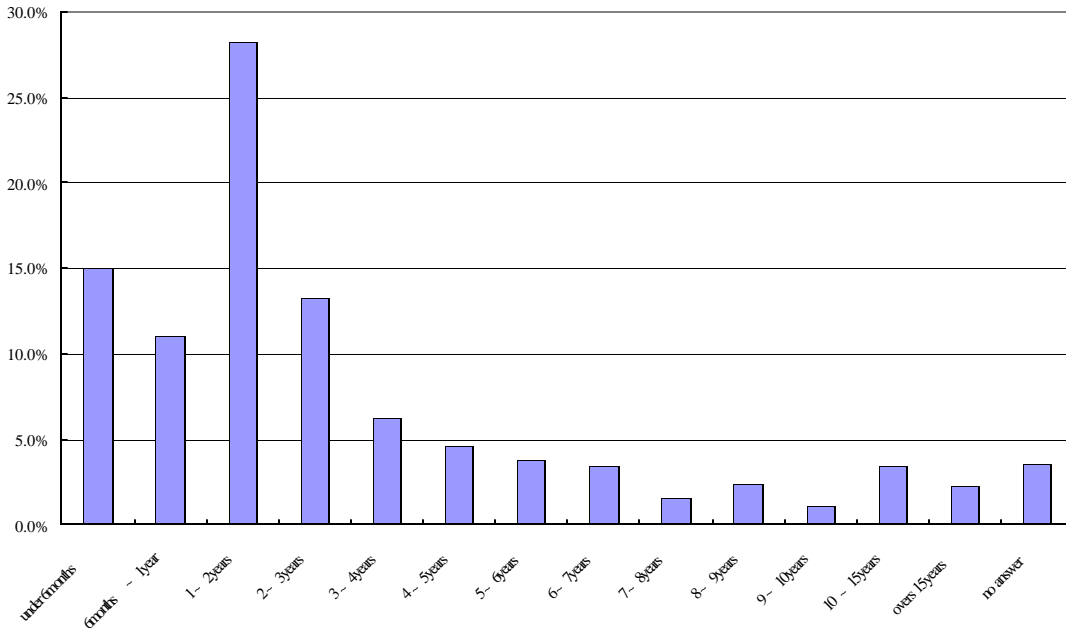


Fig II-13 The years of activities after foundation

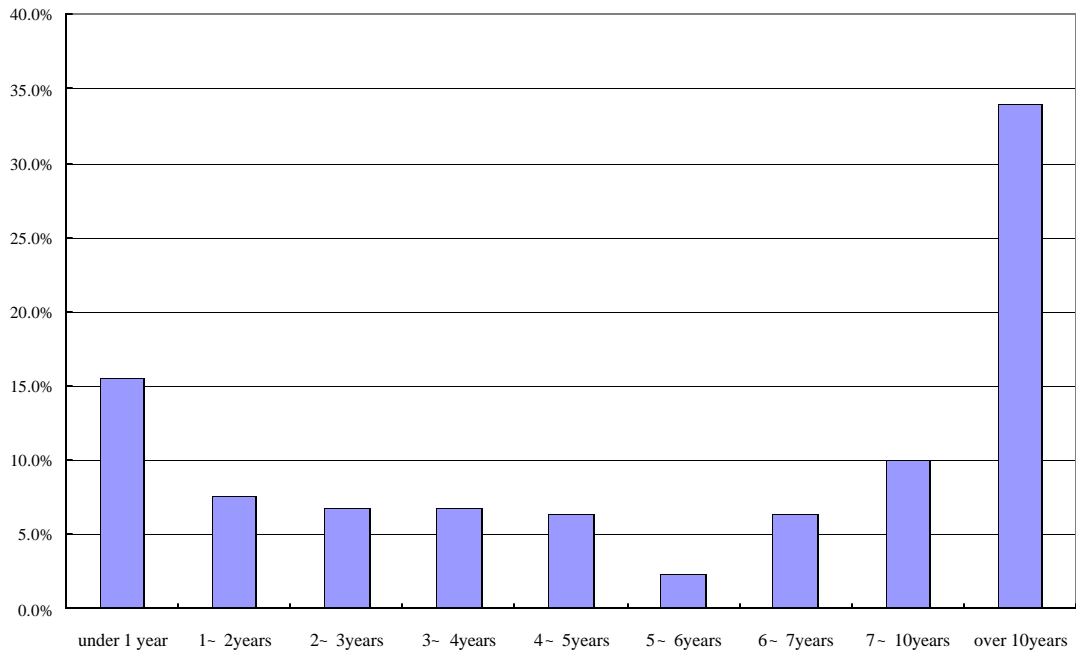


Table II-1

	Male	Female	Male/Femal
The whole industry	44.8	28.0	1.60
A survice industry	45.2	30.9	1.46
Small businesses: 1- 4numbe	29.4	15.0	1.96
A survice industry	29.3	16.8	1.74
NPO	20.3	15.8	1.28

table3-1 variables list

dependent variables	Y	staff dammv(paied staff= 1)
	NPOINCOME	NPO's income in a year (A unit:10 thousand yen)
	LINCOME	Log of NPOINCOME
explanatr variables	SEX	sex dummv(male= 1)
	AGE	age
	AGE2	age^2
	MONTH	length of the working(A unit:1 month)
	MONTH2	MONTH^2
	SCHOOL	length of education (A unit:1 year)
	INCOME	other wage in a year except for NPO wage (A unit:10 thousand yen)
	HINCOME	household's wage except for NPO staff (A unit:10 thousand yen)
	INVEST	motivation dummv (investment motivation=1)
	CONSUMP	motivation dummv (consumption motivation=2)
	SCALE	group scale dummv(over 30 million yen a year= 1)
	INSURANC	fringe benefit dammv (health insurance=1)
	PENSION	fringe benefit dammv (employee's pension insurance=1)
	COMMUTE	fringe benefit dammv (commutation allowance=1)
	MANAGER	job dammv(manager= 1)

table3-2 Descriptive statistics(the whole sample)

	AGE	MONTH	SCHOOL	INCOME	HINCOME
Mean	45.89684	38.97005	14.46589	115.5158	539.8087
Median	47	22	14	0	450
Maximum	89	454	21	1900	3000
Minimum	16	1	9	0	0
Std. Dev	13.80324	51.49805	1.917268	248.0875	482.4278
Skewness	-0.07797	3.423433	-0.00743	3.217363	1.098008
Observations	601	601	601	601	601

table3-3 Descriptive statistics(Paid staff)

	NPOINCO	AGE	MONTH	SCHOOL	INCOME	HINCOME
Mean	151.1636	44.24091	37.69091	14.36818	48.40909	606.3636
Median	108	46	22	14	0	525
Maximum	700	70	454	21	1900	3000
Minimum	3	17	1	9	0	0
Std. Dev	121.1436	13.00118	47.31545	1.882877	143.7588	484.638
Skewness	1.238587	-0.09343	3.633772	-0.06185	7.43942	1.149526
Observations	440	440	440	440	440	440

table3-4 Descriptive statistics (Unpaid staff)

	AGE	MONTH	SCHOOL	INCOME	HINCOME
Mean	50.56322	42.27586	14.67816	296.5517	365.5172
Median	53	22	16	150	200
Maximum	89	343	21	1500	1700
Minimum	16	1	9	0	0
Std. Dev	14.62534	61.06562	1.994178	353.3934	437.8538
Skewness	-0.33934	2.880667	0.071677	1.29948	1.080947
Observations	174	174	174	174	174

table 3-5 The labor participation function: Probit estimation
 Sample: 1 785
 Included observations: 661
 Excluded observations: 124

Variable	Coefficien	Std. Error	z-Statistic	Prob.	
C	-0.20466	0.923655	-0.22158	0.8246	
SEX	-0.05134	0.152891	-0.33579	0.737	
AGE	0.076191	0.030045	2.535901	0.0112	**
AGE2	-0.00096	0.000316	-3.03963	0.0024	***
MONTH	-0.0006	0.002592	-0.23173	0.8167	
MONTH2	-2.99E-06	7.93E-06	-0.37714	0.7061	
SCHOOL	-0.04226	0.034153	-1.23742	0.2159	
INCOME	-0.00216	0.000378	-5.73049	0	***
HINCOME	0.000356	0.000165	2.156353	0.0311	**
INVEST	-0.39138	0.246928	-1.58498	0.113	
CONSUMP	-0.14935	0.174312	-0.85678	0.3916	
SCALE	0.537287	0.152681	3.519024	0.0004	***
INSURANCE	0.26643	0.387358	0.687813	0.4916	
PENSION	0.021593	0.380749	0.056712	0.9548	
COMMUTE	0.636703	0.140291	4.538456	0	***
MANAGER	-0.29053	0.148884	-1.95135	0.051	*
Mean dependent var	0.738275	S.D. dependent var	0.439906		
S.E. of regression	0.354107	Akaike info criterion	0.834152		
Sum squared resid	80.87764	Schwarz criterion	0.942927		
Log likelihood	-259.687	Hannan-Quinn crite	0.876311		
Restr. log likelihood	-379.978	Avg. log likelihood	-0.39287		
LR statistic (15 df)	240.5815	McFadden R-squar	0.316573		
Probability(LR stat)	0				
Obs with Dep=0	173	Total obs	661		
Obs with Dep=1	488				

The level of significance: *10%,**5%,***1%

table3-6 NPO wage function:LS estimation

Included observations: 438

Excluded observations: 131

White Heteroskedasticity-Consistent Standard Errors & Covariance

Variable	Coefficient	Std. Error	t-Statistic	Prob.	
C	2.70265	0.786783	3.435063	0.0007	***
SEX	0.328571	0.097073	3.384781	0.0008	***
AGE	0.028217	0.029989	0.940931	0.3473	
AGE2	-0.00049	0.000352	-1.37763	0.1691	
MONTH	0.001408	0.001586	0.887667	0.3752	
MONTH2	3.77E-06	3.92E-06	0.960782	0.3372	
SCHOOL	0.073956	0.025136	2.942246	0.0034	***
INCOME	-0.00108	0.000716	-1.50551	0.1329	
HINCOME	-0.00026	0.000102	-2.50263	0.0127	**
INVEST	-0.11957	0.1913	-0.62503	0.5323	
CONSUMP	-0.00904	0.101662	-0.08888	0.9292	
SCALE	0.273692	0.12214	2.240809	0.0256	**
INSURANCE	0.325378	0.183598	1.77223	0.0771	*
PENSION	0.153236	0.192475	0.796133	0.4264	
COMMUTE	0.21733	0.149732	1.451459	0.1474	
MANAGER	0.430344	0.101467	4.241246	0	***
IMILLS1	0.244533	0.574771	0.425444	0.6707	
R-squared	0.344077	Mean dependent va		4.636524	
Adjusted R-squared	0.319148	S.D. dependent var		0.976905	
S.E. of regression	0.806081	Akaike info criterion		2.444774	
Sum squared resid	273.5517	Schwarz criterion		2.603217	
Log likelihood	-518.406	F-statistic		13.8027	
Durbin-Watson stat	1.361588	Prob(F-statistic)		0	

The level of significance: *10%,**5%,***1%