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## Non-profit Institutions Satellite Account: 2004

### QuickStats About Non-Profit Institutions: 2004

- Non-profit institutions make a significant contribution to the economic and social well-being of New Zealand. Examples of non-profit institutions include cultural societies, sports clubs, social service institutions, private schools and hospitals, churches, environmental groups, trade unions, political parties and charitable trusts.

### Key highlights

- Non-profit institutions contributed 2.6 percent to New Zealand's gross domestic product (GDP) in 2004.
- When volunteer labour is included, non-profit institutions' contribution to GDP increases from 2.6 percent to 4.9 percent.
- Over one million (1,011,600) volunteers gave more than 270 million hours of unpaid labour to non-profit institutions in 2004.
- There were 97,000 non-profit institutions identified as at October 2005.
- Non-profit institutions had 105,340 paid employees as at October 2005. Only 10 percent of all non-profit institutions employed paid staff.

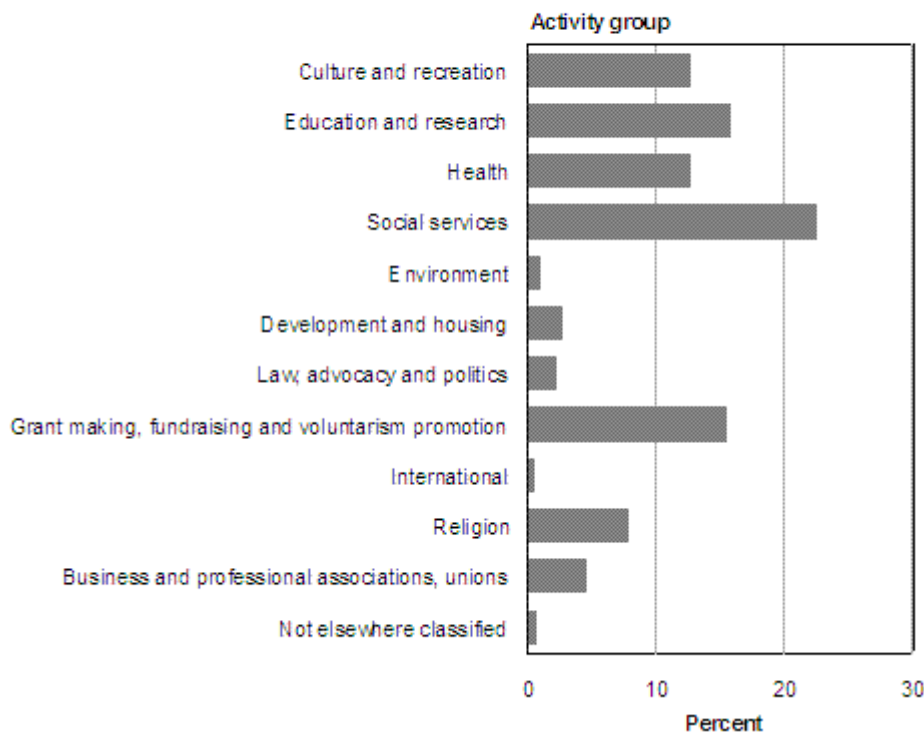
## Non-profit institutions' contribution to GDP

- Gross domestic product (GDP) is an internationally recognised measure of the activity, contribution and performance of an economy. Inflation-adjusted changes in GDP are a measure of economic growth.
- Traditional measures of GDP do not account for the value of volunteer labour for non-profit institutions. The Non-profit Institutions Satellite Account extends traditional GDP to include this contribution, and so increases the measured impact of non-profit institutions on the economy.
- Under the traditional measure of GDP, non-profit institutions contributed \$3.64 billion to GDP for the year ended March 2004. This was 2.6 percent of New Zealand's total GDP.
- In New Zealand, the social services activity group contributed 23 percent of the total GDP of non-profit institutions, followed by education and research (16 percent) and grant making, fundraising and voluntarism promotion (also 16 percent), for the year to March 2004.

### Contribution of Non-profit Institutions to GDP

*By activity group*

2004



- Most non-profit institutions are 'non-market', and so do not try to recover costs completely through the selling of goods and services they provide.
- Some non-profit institutions are 'market units', and provide most of their goods and services at competitive market prices. Almost all of these are large institutions, and contribute \$1.05 billion to GDP. This is 29 percent of the total contribution of non-profit institutions to GDP.

## Economic value of voluntary labour

- The value of voluntary labour (or formal unpaid work) in non-profit institutions in New Zealand was estimated to be \$3.31 billion for the year ended March 2004. This estimate adds 2.3 percent to the contribution that non-profit institutions make to GDP.

### Economic Value of Formal Unpaid Work

*For non-profit institutions*

March 2004 year

Activity group	Economic value
	\$(000)
Culture and recreation	958,926
Education and research	491,332
Social support and health <sup>(1)</sup>	416,026
All other groups <sup>(2)</sup>	1,445,687
<b>Total</b>	<b>3,311,970</b>

(1) This is an aggregate of the social services group and the health group.

(2) This is an aggregate of all remaining activity groups. These are environment; development and housing; law, advocacy and politics; grant making, fundraising and volunteerism promotion; international; religion; business and professional associations, unions; and not elsewhere classified.

**Note:** Individual figures may not sum to totals due to rounding.

## Comparison of GDP contribution

- Non-profit institutions contribution to GDP in New Zealand (2.6 percent) is the same as the contribution of non-profit institutions in Canada in 2003 (also 2.6 percent), but is less than the contribution in Australia in 2000 (3.3 percent).
- When volunteer labour is included, non-profit institutions' contribution to New Zealand's GDP increases from 2.6 percent to 4.9 percent. This is larger than the contribution of non-profit institutions to GDP including volunteer labour in Australia (4.7 percent) in 2000.
- When volunteer labour is included, the contribution of non-profit institutions (\$6.95 billion) to GDP is greater than the individual contributions of several industries, including construction, transport and storage, and communication services.

## Contribution to GDP

*A selection of industries*

March 2004 year

Industry group	Total industry contribution
	\$(million)
Construction	6,582
Transport and storage	5,789
Communication services	4,231
Electricity, gas and water supply	3,875
Accommodation, cafes and restaurants	2,537
Mining	1,329

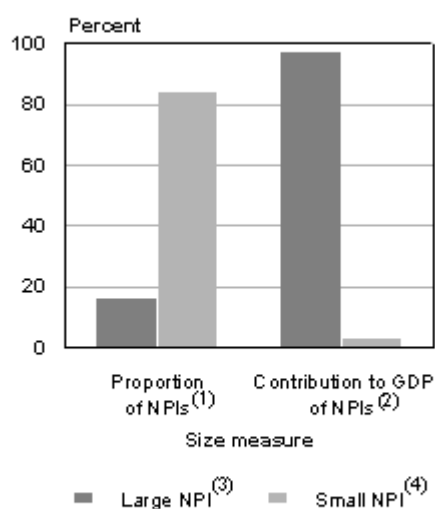
**Note:** Each of these industries is assumed to have a negligible level of volunteer labour.

## Large and small non-profit institutions

- Large non-profit institutions contributed far more to GDP (97 percent) than small non-profit institutions (3 percent), although there are more than five times as many small non-profit institutions (84 percent) as large ones (16 percent).
- Large (or economically significant) non-profit institutions are those that fulfil at least one of the following:
  - annual GST expenses or sales of more than \$30,000
  - at least some paid employment
  - total annual income (including rent, interest and dividends) of more than \$40,000.
- In general, small non-profit institutions get the majority of their income from donations and member subscriptions.

### Contribution of Non-profit Institutions to GDP

*By size of NPI*



(1) October 2005.

(2) Year ended March 2004.

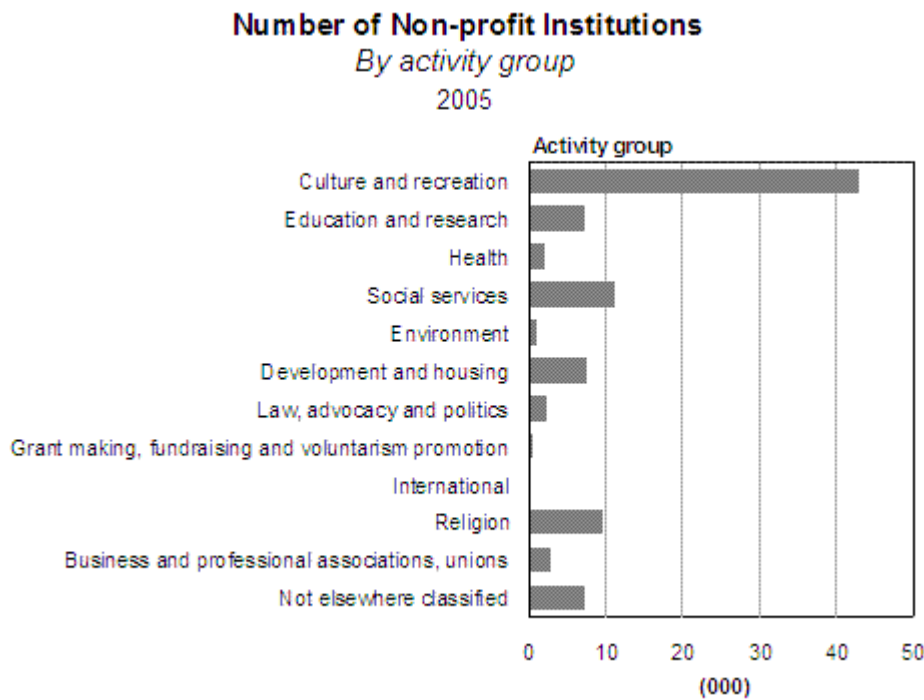
(3) Economically significant.

(4) Economically insignificant.

# Counting non-profit institutions, paid employees and unpaid volunteers

## Number of non-profit institutions

- There were 97,000 non-profit institutions identified as at October 2005.
- Of these, 45 percent were engaged in arts, cultural, sporting or recreational activities. The next largest non-profit institution groups by activity were those providing social services (12 percent), and religion (10 percent).



## Number of paid employees in non-profit institutions

- Ninety percent of non-profit institutions did not employ paid staff. Only 10 percent of non-profit institutions employed staff.
- Of those that did employ paid staff, the total employment count (of salary and wage earners) was 105,340. Employment counts do not distinguish between full- and part-time employment.

**Distribution of Employees**  
*By number of non-profit institutions*  
 October 2005

Number of employees	Number of non-profit institutions	Percentage of all non-profit institutions
0	87,220	89.9
1-5	6,390	6.6
6-19	2,450	2.5
20-99	790	0.8
100+	140	0.1
<b>Total</b>	<b>97,000</b>	<b>100.0</b>

**Note:** All data has been randomly rounded to protect confidentiality.  
 Individual figures may not sum to the totals.

- Almost half of the total employment count is in just two activity groups, social services (30 percent) and education and research (19 percent). A further 16 percent of the employment count was in culture and recreation, and 14 percent in health. The next largest group was religion with 9 percent of employment. The seven remaining groups contributed 12 percent of the employment count.

**Number of Employees in Non-profit Institutions**  
*By activity group*  
 2005



## Number of unpaid volunteers

- The number of people who volunteered for one or more non-profit institutions is estimated to be 1,011,600 for the year ended March 2004. This represents 31 percent of the New Zealand population aged 12 years and over.

- The percentage of New Zealanders who volunteered for non-profit institutions compares well with similar countries in recent years. In the United Kingdom, 39 percent of the population volunteered for one or more non-profit institution (2005), compared with 32 percent of the population in Australia (2000), and 27 percent in both Canada (2000) and the United States (1995).
- It is estimated that volunteers contributed 270 million hours of formal unpaid work for non-profit institutions in New Zealand for the year ended March 2004. This is equal to 133,799 full-time positions being filled by volunteers.

### Hours of Formal Unpaid Work for Non-profit Institutions

*Including estimated full-time equivalent volunteers*

March 2004 year

Activity group	Total hours worked	Full-time equivalent volunteers for non- profit institutions
	(000s)	Number
Culture and recreation	78,241	38,739
Education and research	40,089	19,849
Social services and health <sup>(1)</sup>	33,944	16,806
All other groups <sup>(2)</sup>	117,956	58,403
<b>Total</b>	<b>270,230</b>	<b>133,799</b>

(1) This is an aggregate of the social services group and the health group.

(2) This is an aggregate of all remaining activity groups. These are environment; development and housing; law, advocacy and politics; grant making, fundraising and volunteerism promotion; international; religion; business and professional associations, unions; and not elsewhere classified.

**Note:** Individual figures may not sum to totals due to rounding.

- In New Zealand, the average volunteer did 5.1 hours per week of formal unpaid work, compared with an average of 3.2 hours per week per volunteer in Australia, 3.1 hours in Canada and 2.4 hours in the United States.
- The greatest total number of hours worked by volunteers was in the culture and recreation activity group.

**Number of Institutions<sup>(1)</sup> Worked for per Volunteer**  
*Time Use Survey 1998/99*

Number of institutions	Percentage of volunteers
1	54
2	30
3	10
4 or more	6

(1) Primarily non-profit institutions, although a small number of government institutions are included.

- The majority of volunteers (54 percent) volunteered for one non-profit institution.
- Because 46 percent of volunteers volunteered for more than one institution, there are more unpaid positions volunteered for than the actual number of people who volunteer. It is estimated that 1,727,400 volunteer positions were filled for non-profit institutions in the year ended March 2004.



# Non-profit institutions' income and expenditure

## Income and Expenditure for Non-profit Institutions

March 2004 year

	\$ (000)	Percent
<b>Income</b>		
Sales of goods and services	4,869,708	60.6
Interest received	345,971	4.3
Dividends received	132,135	1.6
Membership, donations and grants <sup>(1)</sup>	1,905,396	23.7
Government grants <sup>(2)</sup>	758,829	9.4
Insurance claims	24,206	0.3
<b>Total income</b>	<b>8,036,245</b>	<b>100.0</b>
<b>Expenditure</b>		
Purchases of goods and services	3,479,672	48.7
Compensation of employees <sup>(3)</sup>	2,611,090	36.6
Taxes on production	227,676	3.2
Donations paid	684,746	9.6
Interest payments	96,270	1.3
Net insurance premiums	42,691	0.6
<b>Total expenditure</b>	<b>7,142,145</b>	<b>100.0</b>
<b>Surplus</b>		
<b>Income minus expenditure</b>	<b>894,100</b>	<b>...</b>

(1) This does not include government grants.

(2) Government grants does not include government contracts.

(3) Compensation of employees includes salaries and wages, directors' fees, superannuation and ACC payments, but excludes payments to contractors.

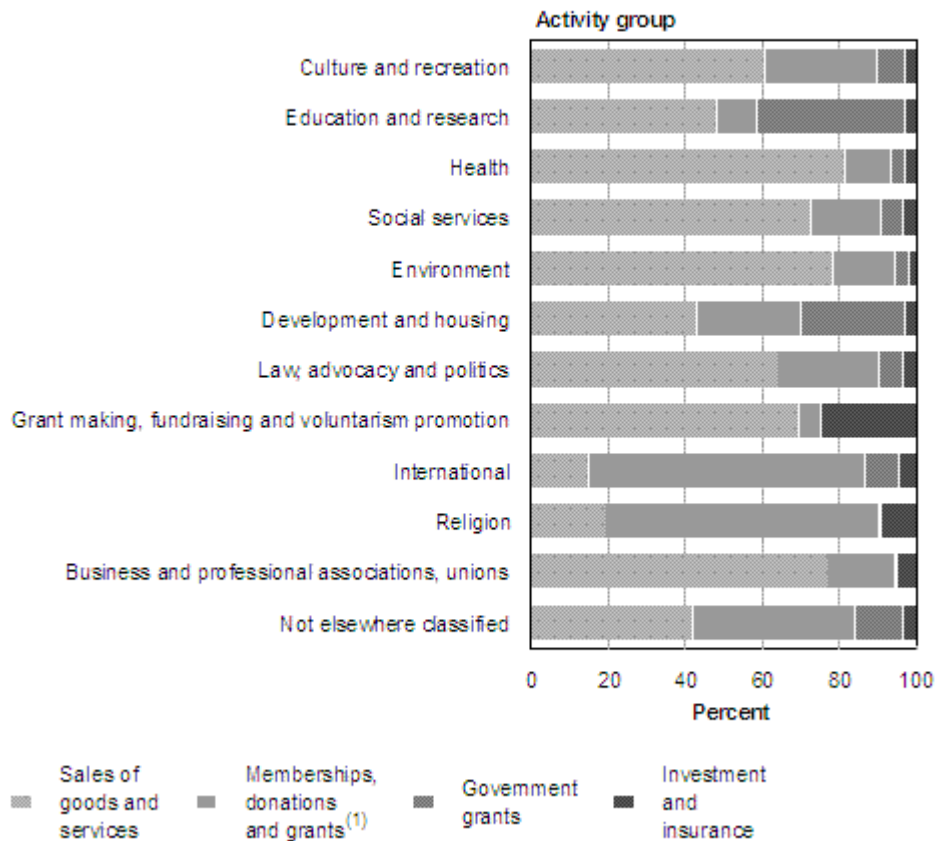
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- Of the total income for non-profit institutions, 61 percent came from the sale of goods and services.
- Of the total expenditure of non-profit institutions, 49 percent came from the purchasing of goods and services.

## Income and expenditure by activity group

### Source of Income for Non-profit Institutions

By activity group  
2004



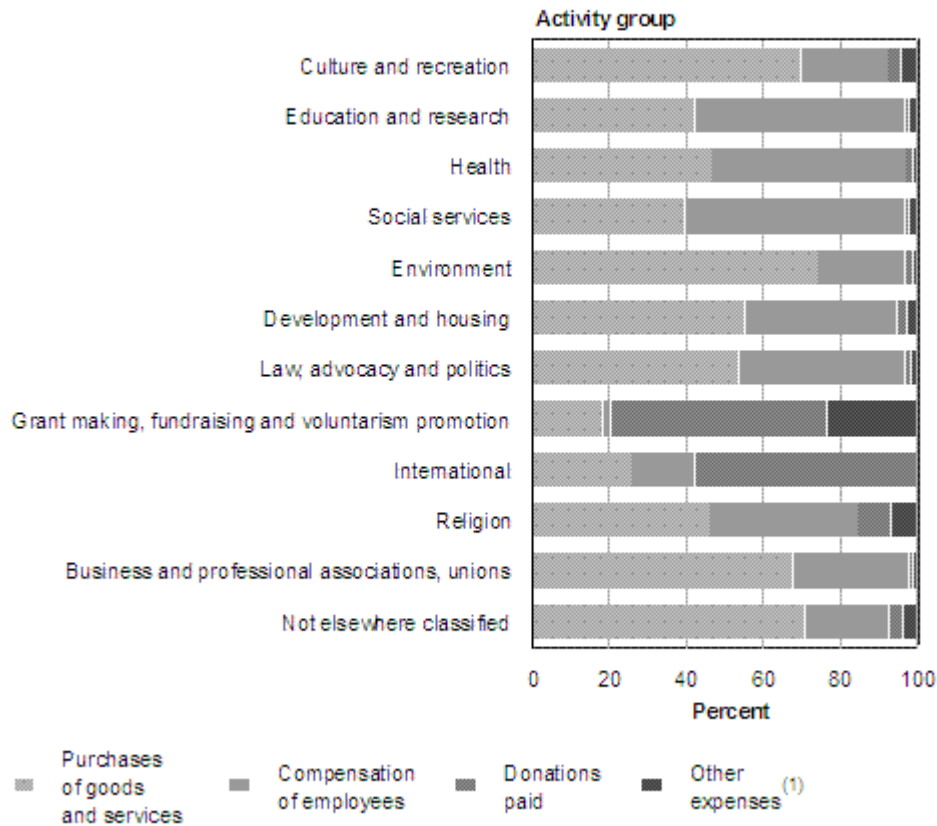
(1) Does not include government grants.

- The sale of goods and services made up more than 70 percent of income for institutions in the following activity groups: health; social services; environment; and business and professional associations, unions.
- Only the grant making, fundraising and voluntarism promotion activity group received substantial investment income. Interest and dividends made up 24 percent of the total income for this activity group.
- Over 70 percent of income for the activity groups of international and religion came from memberships, donations and grants.
- Government grants were an important source of income for institutions involved in education and research (38 percent) and development and housing (27 percent).

## Expenditure for Non-profit Institutions

By activity group

2004



(1) Includes taxes on production, interest payments and net insurance premiums.

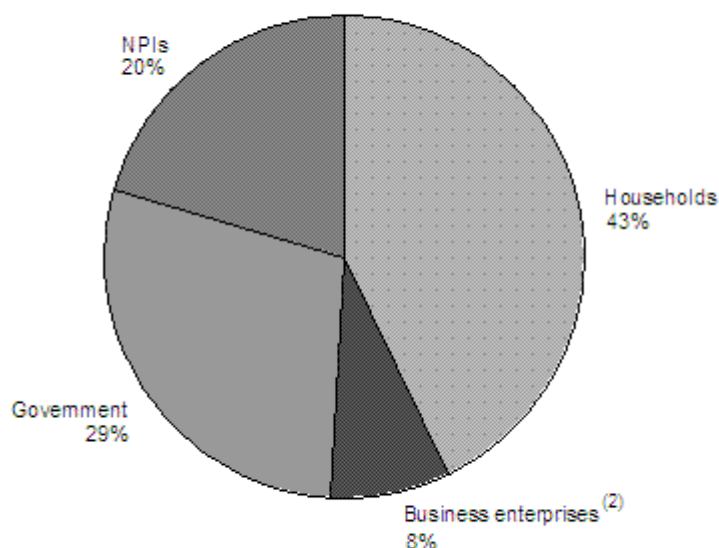
- The purchase of goods and/or services is more than 65 percent of total expenditure in the following activity groups: culture and recreation; environment; and business and professional associations, unions.
- Compensation of employees was more than half of the expenditure in the social services (57 percent), education and research (55 percent), and health (51 percent) groups.
- Donations paid to other institutions was the biggest item of expenditure for the activity groups of grant making, fundraising and voluntarism promotion (56 percent) and international (57 percent). This represents significant philanthropic giving both within New Zealand and overseas.

## Income from member subscriptions, donations, grants and government grants

### Non-profit Institutions Transfer Income <sup>(1)</sup>

*By institutional sector*

March 2004 year



(1) Excluding insurance claims.

(2) Non-financial and financial enterprises.

- Income from member subscriptions, donations, grants and government grants is collectively called 'transfer income'.
- Total transfer income (excluding insurance claims) to non-profit institutions was \$2.66 billion for the year ended March 2004.
- Households are the largest provider of transfer income to non-profit institutions. This includes contributions via member subscriptions, which are transfers because the actual goods or services members may receive in return do not relate directly to the amount paid.
- Government provides income to non-profit institutions through either contracts (which are classified as sales), or grants (which are classified as transfers). For example, some education funding is classified as a grant because it is more in the nature of a bulk-funding grant, and cannot be clearly tied to specific service delivery. In contrast, most health payments are contractual in nature and are included in sales, as they are tied directly to the delivery of a specific good or service.
- Business enterprises provide transfers to non-profit institutions in the form of either donations or sponsorship, which may be in cash or in-kind.

- Transfers between non-profit institutions totalled \$543 million for the year ended March 2004, \$396 million of which came from grant-making foundations and charitable trusts. The remaining \$147 million was transferred between affiliated institutions, such as local and regional/national bodies.
- In addition to monetary transfer income, households also provide in-kind income to non-profit institutions through their voluntary labour. This contribution was estimated to be \$3.31 billion for the year ended March 2004.

## Technical information

- The Non-profit Institutions Satellite Account (NPISA) measures and analyses the contribution of non-profit institutions to the New Zealand economy, and the contribution of volunteering to these non-profit institutions.
- Statistics New Zealand used an internationally agreed non-profit institution definition. Non-profit institutions are defined as being organised, not set up to make a profit, not distributing profits, separate from government, self-governing and having voluntary membership.
- The register of non-profit institutions was collected from Statistics New Zealand's Business Frame (a register of businesses), administrative databases maintained by Inland Revenue, and the registers of incorporated societies and charitable trusts held by the Companies Office.
- The NPISA supplements the existing New Zealand System of National Accounts (NZSNA). Satellite accounts are recognised internationally as a way of rearranging existing information in a countries' System of National Accounts, so that an area of particular economic or social importance (such as non-profit institutions) can be analysed more closely. Links are maintained between the satellite accounts and the central national accounting framework. This is important as it enables new information to be presented alongside standard economic measures such as gross domestic product (GDP).
- Where volunteer labour is included in non-profit institutions' contribution to GDP, the economic value of volunteer labour is included in the denominator of these GDP estimates.

## Detailed tables

The following tables can be downloaded from the Statistics New Zealand website in Excel 97 format. If you do not have access to Excel 97 or higher, you may use the [Excel file viewer](#) to view, print and export the contents of the file.

### List of tables

1. Number and employment counts of non-profit institutions
2. Non-profit Institutions Satellite Account, compiled within the SNA framework, production account
3. Non-profit Institutions Satellite Account, compiled within the SNA framework, income and outlay account

Table 1

**Number and Employment Counts of Non-profit Institutions**  
*By NZSCNPO<sup>(1)</sup> category*  
 October 2005

NZSCNPO category		Number of NPIs <sup>(2)</sup> employing paid staff	Number of NPIs not employing paid staff	Total number of NPIs	Employment count <sup>(3)</sup>
Code	Title				
<b>1</b>	<b>Culture, sports and recreation</b>	<b>2,380</b>	<b>40,840</b>	<b>43,220</b>	<b>16,820</b>
1 100	Culture and arts	350	4,670	5,020	2,210
1 200	Sports	1,390	13,510	14,910	9,000
1 300	Other recreation and social clubs	610	22,590	23,210	5,310
1 999	Support and ancillary services, nec	35	60	95	300
<b>2</b>	<b>Education and research</b>	<b>1,670</b>	<b>5,730</b>	<b>7,400</b>	<b>20,140</b>
2 110	Early childhood education	990	1,040	2,030	8,800
2 120	Primary and secondary education	75	110	180	4,330
2 200	Tertiary education	18	30	40	390
2 300	Other education	470	660	1,120	5,370
2 400	Research	25	290	320	290
2 999	Support and ancillary services, nec	100	3,590	3,690	970
<b>3</b>	<b>Health</b>	<b>450</b>	<b>1,770</b>	<b>2,210</b>	<b>15,090</b>
3 100	Hospitals and rehabilitation	15	0	15	2,010
3 200	Nursing homes	30	6	30	1,110
3 300	Mental health and crisis intervention	25	30	55	1,320
3 400	Other health services	380	1,150	1,530	10,580
3 999	Support and ancillary services, nec	3	580	580	70
<b>4</b>	<b>Social services</b>	<b>1,750</b>	<b>9,520</b>	<b>11,280</b>	<b>31,480</b>
4 100	Social services	1,660	8,390	10,060	30,770
4 200	Emergency relief	25	970	1,000	180
4 300	Income support and maintenance	15	130	140	60
4 999	Support and ancillary services, nec	50	35	80	460
<b>5</b>	<b>Environment</b>	<b>110</b>	<b>1,210</b>	<b>1,310</b>	<b>1,020</b>
5 100	Environment	50	960	1,010	350
5 200	Animal protection	50	210	250	640
5 999	Support and ancillary services, nec	9	40	50	50
<b>6</b>	<b>Development and housing</b>	<b>550</b>	<b>7,020</b>	<b>7,580</b>	<b>3,730</b>
6 110	Economic, social and community development	420	5,620	6,040	1,820
6 120	Tangata whenua governance organisations	65	1,120	1,180	850
6 200	Housing	12	40	50	25
6 300	Employment and training	30	240	270	700
6 999	Support and ancillary services, nec	25	9	30	330
<b>7</b>	<b>Law, advocacy and politics</b>	<b>210</b>	<b>2,280</b>	<b>2,500</b>	<b>2,490</b>
7 100	Civic and advocacy organisations	120	1,800	1,930	1,650
7 200	Law and legal services	60	130	200	670
7 300	Political organisations	3	320	320	30
7 999	Support and ancillary services, nec	20	30	50	150
<b>8</b>	<b>Grant making, fundraising and voluntarism promotion</b>	<b>80</b>	<b>540</b>	<b>610</b>	<b>570</b>
8 100	Grant making foundations	50	420	470	360
8 210	Fundraising	9	80	90	35
8 220	Voluntarism promotion	9	15	25	30
8 999	Support and ancillary services, nec	12	20	35	160
<b>9</b>	<b>International</b>	<b>45</b>	<b>260</b>	<b>300</b>	<b>560</b>
9 100	International activities	25	210	240	440
9 999	Support and ancillary services, nec	18	40	60	110
<b>10</b>	<b>Religion</b>	<b>1,910</b>	<b>7,980</b>	<b>9,890</b>	<b>9,390</b>
10 100	Religious congregations and associations	1,860	7,220	9,080	8,410
10 999	Support and ancillary services, nec	50	770	810	970
<b>11</b>	<b>Business and professional associations, unions</b>	<b>470</b>	<b>2,660</b>	<b>3,130</b>	<b>3,400</b>
11 100	Business associations	280	1,650	1,930	1,530
11 200	Professional associations	120	630	750	730
11 300	Labour unions	75	390	460	1,130
<b>99</b>	<b>Not elsewhere classified</b>	<b>150</b>	<b>7,410</b>	<b>7,560</b>	<b>640</b>
99 100	Other	150	7,410	7,560	640
	<b>TOTAL</b>	<b>9,780</b>	<b>87,220</b>	<b>97,000</b>	<b>105,340</b>

(1) NZSCNPO is the New Zealand Standard Classification of Non-Profit Organisations.

(2) NPIs are non-profit institutions.

(3) Employment count is the number of paid staff (wage and salary earners) employed.

**Note:** nec is not elsewhere classified. Data has been randomly rounded to protect confidentiality. Individual figures may not sum to totals, and values may vary in different tables.



Table 2

**Non-profit Institutions Satellite Account, Compiled within the SNA<sup>(1)</sup> Framework**  
*Production account*  
 2004

Non-profit institutions	Output			Input					
	Made up of		Equals	Less	Equals	Made up of			
	Sales of goods and services	Non-market output provided free	Gross output	Intermediate consumption	Value added (GDP) <sup>(2)</sup>	Compensation of employees	Taxes on production	Consumption of fixed capital	Operating surplus
	\$(000)								
1 Culture and recreation	984,000	479,184	1,463,184	997,080	<b>466,104</b>	322,836	26,198	110,394	6,675
2 Education and research	503,404	479,820	983,224	402,070	<b>581,154</b>	517,438	3,703	47,899	12,114
3 Health	694,178	108,323	802,501	335,689	<b>466,812</b>	362,787	2,290	42,819	58,916
4 Social services	1,013,297	338,028	1,351,326	528,356	<b>822,970</b>	758,734	6,439	51,619	6,178
5 Environment	124,644	25,199	149,843	110,650	<b>39,193</b>	33,659	213	3,228	2,093
6 Development and housing	109,408	125,597	235,005	131,054	<b>103,951</b>	93,135	688	9,279	849
7 Law, advocacy and politics	124,816	47,965	172,781	88,794	<b>83,988</b>	71,656	417	8,397	3,517
8 Grant making, fundraising and voluntarism promotion	688,688	29,882	718,570	152,817	<b>565,754</b>	15,624	181,071	72,443	296,615
9 International	18,528	32,805	51,333	29,708	<b>21,624</b>	18,695	57	1,992	881
10 Religion	145,880	436,817	582,697	295,546	<b>287,151</b>	246,206	5,165	35,780	0
11 Business and professional associations, unions	417,920	91,345	509,265	337,104	<b>172,161</b>	148,398	1,090	12,139	10,534
12 Not elsewhere classified	44,943	55,162	100,105	70,804	<b>29,301</b>	21,922	345	5,690	1,343
<b>Total</b>	<b>4,869,708</b>	<b>2,250,125</b>	<b>7,119,834</b>	<b>3,479,672</b>	<b>3,640,162</b>	<b>2,611,090</b>	<b>227,676</b>	<b>401,680</b>	<b>399,715</b>

(1) System of National Accounts.

(2) Gross domestic product.

Table 3

**Non-profit Institutions Satellite Account, Compiled within the SNA<sup>(1)</sup> Framework**  
*Income and outlay account*  
 2004

	Income						Total income
	Operating surplus	Investment income		Current transfers			
		Interest	Dividends	Donations	Government grants	Net non-life insurance claims	
Non-profit institutions	\$(000)						
1 Culture and recreation	6,675	37,359	3,258	473,951	119,078	6,893	<b>647,214</b>
2 Education and research	12,114	21,683	3,438	109,359	400,937	3,062	<b>550,593</b>
3 Health	58,916	11,024	11,122	103,654	30,314	1,323	<b>216,352</b>
4 Social services	6,178	33,854	6,595	254,032	83,306	3,170	<b>387,136</b>
5 Environment	2,093	2,580	91	25,798	5,650	187	<b>36,399</b>
6 Development and housing	849	5,110	925	67,994	68,735	677	<b>144,290</b>
7 Law, advocacy and politics	3,517	4,417	1,688	51,615	11,817	308	<b>73,363</b>
8 Grant making, fundraising and voluntarism promotion	296,615	147,178	94,204	56,166	4,545	450	<b>599,159</b>
9 International	881	4,810	406	89,716	11,254	36	<b>107,103</b>
10 Religion	0	53,620	7,165	534,224	5,435	6,483	<b>606,927</b>
11 Business and professional associations, unions	10,534	21,554	3,077	93,643	4,251	1,234	<b>134,293</b>
12 Not elsewhere classified	1,343	2,782	166	45,242	13,508	383	<b>63,424</b>
<b>Total</b>	<b>399,715</b>	<b>345,971</b>	<b>132,135</b>	<b>1,905,396</b>	<b>758,829</b>	<b>24,206</b>	<b>3,566,252</b>
	Outlays					Savings	
	Donations	Net non-life insurance premiums	Interest	Non-market output provided free	Total outlays		
							\$(000)
Non-profit institutions	\$(000)						
1 Culture and recreation	45,830	12,158	20,951	479,184	<b>558,122</b>	<b>89,092</b>	
2 Education and research	9,114	5,400	10,159	479,820	<b>504,493</b>	<b>46,100</b>	
3 Health	11,536	2,333	3,544	108,323	<b>125,736</b>	<b>90,615</b>	
4 Social services	13,091	5,591	13,811	338,028	<b>370,522</b>	<b>16,614</b>	
5 Environment	2,799	329	1,147	25,199	<b>29,474</b>	<b>6,925</b>	
6 Development and housing	6,578	1,194	3,778	125,597	<b>137,147</b>	<b>7,143</b>	
7 Law, advocacy and politics	2,433	544	1,463	47,965	<b>52,405</b>	<b>20,958</b>	
8 Grant making, fundraising and voluntarism promotion	462,063	794	12,334	29,882	<b>505,073</b>	<b>94,086</b>	
9 International	65,641	63	108	32,805	<b>98,616</b>	<b>8,486</b>	
10 Religion	56,142	11,433	25,267	436,817	<b>529,659</b>	<b>77,268</b>	
11 Business and professional associations, unions	5,899	2,177	1,025	91,345	<b>100,446</b>	<b>33,846</b>	
12 Not elsewhere classified	3,617	675	2,684	55,162	<b>62,137</b>	<b>1,287</b>	
<b>Total</b>	<b>684,746</b>	<b>42,691</b>	<b>96,270</b>	<b>2,250,125</b>	<b>3,073,831</b>	<b>492,421</b>	

(1) System of National Accounts.