

As Lean as Anyone Else: How Operational Efficiency of Human Services Compares among Illinois Industries

THEY SAY...

Some state officials, funders and commentators argue that the human service sector is not as efficient as other businesses

RESEARCH SAYS...

Some studies suggest "that many non-profits operate with underfunded overhead - possibly performing more 'efficiently' than they should."*

What does efficiency look like when comparing human service industries to other Illinois industries?

Production Resources

Human service industries: allocate a *greater proportion* of their staff to production/operations, allocate a *higher percentage* of their total salaries and wages to staff operations, *all while* top management takes a smaller proportion of wages and salary when compared to other industries. *

Employee Turnover

The national employee turnover rate for Health Care and Social Service industries is typical of other industries, being higher than some, but lower than others.*

Enterprise and Establishment Size

Human service industries are comparable to other industries regarding the number of enterprises that are small, that have multiple establishments, and in their distribution of employees and payroll across the enterprises. *

BOTTOM LINE: Human service providers operate as efficiently, and in some cases more efficiently, than do other Illinois industries.