



Nonprofit Employment Series
Report #3

INDIANA NONPROFIT EMPLOYMENT REPORT

A JOINT PRODUCT OF

THE CENTER ON PHILANTHROPY
AT INDIANA UNIVERSITY

THE SCHOOL OF PUBLIC AND ENVIRONMENTAL AFFAIRS
AT INDIANA UNIVERSITY

AND

THE JOHNS HOPKINS
NONPROFIT ECONOMIC DATA PROJECT

SEPTEMBER 2007

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AND
ANDREA LEWIS AND PAULINE CAMPBELL

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Copies of this report are available on the Indiana Nonprofit Sector Web site (www.indiana.edu/~nonprof) and the Center for Civil Society Web site (www.jhu.edu/~csss).

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INDIANA NONPROFITS: SCOPE & COMMUNITY DIMENSIONS

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SEPTEMBER 2007

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KEY FINDINGS

Major Updates from 2005 Report

1. Nonprofit employment increased by over 2 percent between 2003 and 2005, while for-profit employment increased by about 2 percent and government employment by less than 1 percent. Since 2001, nonprofit employment increased by 5 percent and government employment by 3 percent, while for-profit employment was down 1 percent
2. The gap between nonprofit and for-profit payrolls narrowed since our previous report, as did that between nonprofit and government payrolls. Total nonprofit payrolls increased by over 10 percent, while for-profit payrolls increased by just over 8 percent and government payrolls by nearly 7 percent. From 2001 to 2005, nonprofit payrolls were up 22 percent, while government and for-profit payrolls were up respectively 13 and 10 percent
3. The gap between nonprofit and for-profit average weekly wages decreased by \$11 over the 2003-2005 period and that between nonprofit and government weekly wages decreased by \$12. Over the entire 2001 to 2005 period the gap between nonprofit and for-profit average weekly wages declined by \$14 and that between nonprofit and government weekly wages by \$20.

Other Key Findings

4. The nonprofit sector continues to be a major economic force in Indiana, accounting for nearly 1 out of every 12 paid workers—equal to the number of employees in the state's entire accommodation and food industry and about 50 percent more than those employed in the state's construction industry.
5. The 235,000 nonprofit employees in Indiana earned about \$7.4 billion in wages in 2005.
6. About half (51 percent) of nonprofit employment in the state was in health services, another 13 percent was in education, and 12 percent each was in

membership associations and social assistance.

7. Most (88 percent) nonprofit employees worked for charities, although only 56 percent of nonprofit establishments were charities.
8. The Indiana nonprofit sector grew faster than both the for-profit and government sectors between 2003 and 2005.
9. The growth share and rate of growth in nonprofit employment were concentrated in health and educational services, especially from 2004 to 2005.
10. Overall payroll for nonprofit employees in Indiana also increased faster than that for employees in for-profit or government organizations, although average weekly wages increased at a slightly slower rate.
11. On average, weekly wages for nonprofit employees were 13 percent lower than those of for-profit workers and 11 percent lower than those of government workers. However, nonprofit weekly wages were generally similar to for-profit wages in industries where nonprofit employment is concentrated.
12. Nonprofit employment grew steadily each quarter between 2003 and 2005, while there were notable seasonal fluctuations in for-profit and government employment.
13. The majority (80 percent) of nonprofit employment in Indiana is concentrated in fourteen metropolitan areas, with 28 percent in the Indianapolis area. Nonprofit share of total employment, average weekly wages, and employment rates of growth varied significantly among these metropolitan areas (see Part II).
14. Among Indiana's 11 Economic Growth Regions (EGRs), EGR 5 (Central Indiana) had the largest share of the state's nonprofit employment. Nonprofit share of total employment, average weekly wages, and rates of growth in employment and payroll varied considerably among the different regions (see Part III).

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INTRODUCTION

Nonprofit organizations make significant contributions to the quality of life for the residents of Indiana by offering healthcare, job training, access to arts and culture, education, and opportunities for democratic participation. They are also a major force in the state's economy and in the economic health of all the state's regions.

This 2007 report presents new information on the size, composition, and distribution of paid employment in the private nonprofit sector in Indiana for the 2003 to 2005 period,¹ and updates Report #2, which presented similar data for 2000 to 2003. It is part of a larger project on **Indiana Nonprofits: Scope and Community Dimensions**, currently underway at Indiana University. The project is designed to provide solid, baseline information about the Indiana nonprofit sector, its composition and structure, its contributions to Indiana, the challenges it is facing, and how these features vary across Indiana communities. For more information about the project, see <http://www.indiana.edu/~nonprof>.

The report draws on data generated by the Indiana Department of Workforce Development through surveys of Indiana workplaces carried out under the national Covered Employment and Wages (CEW) labor market information program, which is administered by the U.S. Bureau of Labor Statistics as part of the unemployment insurance program. Also known as the ES-202 program, the CEW data are collected cooperatively by the Bureau of Labor Statistics and the various state-level employment security agencies (including all 50 states, the District of Columbia, Puerto Rico, and the Virgin Islands).² These data, compiled from quarterly reports submitted by employers in compliance with U.S. and Indiana law, were prepared for us by the Indiana Business Research Center at Indiana University under a confidentiality agreement with the state.

¹ While the greatest level of detail in this report focuses on the features of nonprofit employment in 2005 (the most recent year for which we have data), we also include a retrospective analysis of employment trends in the Indiana nonprofit sector since 2001. For more information, see page 6.

² U.S. Department of Labor, Bureau of Labor Statistics. *BLS Handbook of Methods*. "Chapter 5: Employment and Wages Covered by Unemployment Insurance." See http://www.bls.gov/opub/hom/homch5_a.htm, accessed June 27, 2007.

Under federal law, all places of employment are required to complete these quarterly surveys and either be covered by the federal unemployment insurance system or make other arrangements to provide unemployment coverage to laid-off workers. However, religious congregations and 501(c)(3) charitable organizations employing less than 4 workers are not required to take part in the unemployment insurance system, although some do.³ The significance of this exclusion is unknown as some (few) religious organizations nevertheless elect to be covered by unemployment insurance. Because of these exclusions, however, we are confident that our analysis underestimates nonprofit employment in Indiana, perhaps even by a substantial amount (see Appendix A).

For the purpose of this report, we focus on private nonprofits registered as tax-exempt entities with the U.S. Internal Revenue Service under Section 501(c) of the Internal Revenue Code.⁴ This includes private, not-for-profit hospitals, clinics, colleges, universities, elementary schools, social service agencies, day care centers, orchestras, museums, theaters, homeless shelters, soup kitchens, and many more. It also includes a wide variety of civic organizations, trade associations, unions, and other membership groups.

For portions of our analysis, we are able to separate out nonprofits eligible to receive tax-deductible contributions under Section 501(c)(3) of the Internal Revenue Code. These so-called "charities" account for the bulk of nonprofit employment in Indiana and are the focus of similar analyses of nonprofit employment nationally and by state completed by the Center for Civil Society Studies at The Johns Hopkins University.

We again caution that our estimate of the size of the Indiana nonprofit sector underestimates the sector's role in the state's economy because some nonprofits (e.g., congregations and charities with less than four workers) are

³ The 2005 data used for this report includes 1,500 religious organizations, which is 5 percent of all nonprofit membership associations in Indiana. In addition, more than one-quarter (28 percent) of nonprofit organizations reporting in 2005 had less than four employees; however, this set of nonprofits accounted for just over 1 percent of all nonprofit employees and only 0.3 percent of total nonprofit payroll. These organizations reported without being required to do so, but there is no way for us to estimate how many other religious organizations or small nonprofits are not represented in our data.

⁴ Although some units of government are registered with the IRS as charities, our analysis of nonprofit employment excludes all employees of government-owned establishments and counts these as government employees.

not required to participate in the CEW reporting systems. Still others cannot be identified as nonprofits,⁵ most notably those that are not required to register as tax-exempt entities with the IRS because they have less than \$5,000 in total revenues, are among the types of nonprofits that are exempt from registering altogether (e.g., certain types of membership associations and churches), or do not do so for a variety of other reasons.

Some or all of these non-registered nonprofits may actually be included in CEW data system, but we can identify as nonprofit only those employers that are registered as tax-exempt entities with the IRS. We have had to assume that all other non-government employers are for-profit, even though we know this overestimates the for-profit share of the state's employment.

In addition, for each year we used the IRS tax-exempt status for nonprofits as of February of the previous year because we know that the process of obtaining IRS status as a tax-exempt entity takes time. Even so, it is possible that nonprofits may have employees and therefore participate in the CEW reporting systems while waiting for their IRS ruling letter. If so, this will result in further underestimation of nonprofit employment. As a result, our data will most likely underestimate nonprofit employment each year.

For further information on the CEW data source, our particular definition of the nonprofit sector, and the method used here to extract data on nonprofit organizations from the Indiana CEW records, see Appendix A (see also footnote 5).

⁵ Unfortunately, Indiana is not one of the handful of states, such as Maryland, that require private CEW establishments to indicate whether they operate under for-profit or nonprofit ownership. As a result, we have to rely on the IRS Business Master File of tax-exempt entities to identify nonprofit organizations, even though we know these records have significant gaps and may fail to capture as many as 40-50 percent of nonprofits in the state. Most likely, however, the great majority of the larger ones are included in our analysis.

UPDATE FROM 2005 ANALYSIS

This report continues the analysis of our 2005 report on Indiana's nonprofit employment, which covered the 2000 to 2003 period. Many trends remained the same through 2005, while some new features emerged.

Employment in the nonprofit sector continued to grow steadily between 2003 and 2005. The for-profit sector rebounded during this period from job losses and recession seen between 2001 and 2003. Over the same period, the overall gap between nonprofit and for-profit weekly wages declined, as did the gap between nonprofit and government weekly wages.

Unlike the 2003 and 2005 Reports, the current report includes more industry details. We have also added both a comparison of the nonprofit sector in fourteen Metropolitan Statistical Areas as well as separate chapters with more detailed analyses of eleven Economic Growth Regions in the state of Indiana.

Employment: Our previous report showed that nonprofit employment outpaced both for-profit and public employment over the 2001 to 2003 period. Between 2003 and 2005, nonprofit employment continued to grow faster than government employment, though for-profit employment rebounded quite significantly from earlier losses.

- Total paid employment in Indiana increased from 2.82 million in 2003 to 2.87 million in 2005, or by almost 2 percent.
- During the same period, nonprofit employment increased from 228,000 to 235,000, or by more than 2 percent overall (and by 5 percent for the 2001-2005 period).
- For-profit employment increased from 2.20 million in 2003 to 2.24 million in 2005, or by over 2 percent. However, for-profit employment was down by 1 percent between 2001 and 2005.
- Government employment increased from 395,000 in 2003 to 398,000 in 2005, or by almost 1 percent (and by about 3 percent since 2001).

- See p. 17 below for more detail.

Payroll: Our previous report showed that while nonprofit average weekly wages trailed those in the for-profit and government sectors, the gap between nonprofit and for-profit payrolls and weekly wages decreased notably during the 2000 to 2003 period, as did the gap between nonprofit and government payrolls and weekly wages. This trend continued between 2003 and 2005.

- Total nonprofit payrolls grew by approximately 5 percent per year between 2003 and 2005 (10.4 percent overall). The growth was 22 percent for the 2001-2005 period.
- For-profit payrolls increased by 5 percent between 2003 and 2004 and by 3 percent between 2004 and 2005 (8.1 percent overall). The growth was 10 percent for the entire 2001-2005 period.
- Total government payrolls grew more modestly, increasing by 4 percent between 2003 and 2004, and 6.7 percent overall from 2003 to 2005 and by 14 percent for the 2001-2005 period.
- Nonprofit weekly wages were, on average, \$93 below for-profit wages in 2003. By 2005 they were \$81 below for-profit weekly wages, on average. However, nonprofit wages remained similar to for-profit wages in industries where nonprofits are concentrated.
- In 2003, average nonprofit weekly wages were \$86 below average government wages; by 2005, average nonprofit weekly wages were \$74 below average government wages.
- See pp. 19-20 below for more detail.

Industries: Our previous report examined nonprofit employment only in industries where national data suggested a strong presence of nonprofits. This report looks at nonprofit data in all industries. While five major nonprofit fields – health services, educational services, social assistance, membership associations, and arts, entertainment and recreation – represented 91 percent of all nonprofit employment in Indiana, nonprofit employment constitutes a surprising share of total employment in

other industries not traditionally viewed as including nonprofits.

- Nonprofit employees accounted for 15 percent of all utilities employees in Indiana.
- More than one-tenth (12 percent) of those working in the management of companies and enterprises were employed by nonprofit organizations.
- See pg. 9-10 below for more detail.

Retrospective Trends: In the mid-1990s, the changing U.S. economy – and the adoption of the North American Free Trade Agreement (NAFTA) – made it necessary to update the industry classification system used by the government to track the U.S. economy.⁶ This change from the Standard Industrial Classification (SIC) system to the North American Industrial Classification System (NAICS) was adopted in 2002, but applied to 2001 data for comparison purposes. As a result, we present historical details for nonprofit industries only back to 2001 and do not include the 2000 or 1995 data analyzed in previous reports in this series. The 2001 to 2005 data presented in this report follows the NAICS classification system and includes all major industries, as explained in the previous section.

Regional Analysis: Our two previous statewide reports included some comparisons of metropolitan regions. We have done so again (see Chapter VII), using the 2003 revised Metropolitan Statistical Areas (MSAs) as defined by the U.S. Office of Management and Budget. By definition, each MSA is composed of an urban core area containing a substantial population nucleus, together with adjacent communities having a high degree of economic and social integration with that core.⁷ Four-fifths of all nonprofit employment in Indiana is concentrated in the state's fourteen metropolitan areas.

Previously, we have also produced several stand-alone regional reports, using Indiana Commerce Regions. However, these regions, along with the Indiana Department of Commerce that sponsored them, no longer exist. To provide more in-depth regional details than is possi-

ble for most of the state's metropolitan areas (because of confidentiality restrictions), we have therefore chosen to present profiles of the nonprofit sector in each of the state's eleven Economic Growth Regions (EGR) as defined by the Indiana Department of Workforce Development. This analysis is presented in Chapters VIII through XIX. See Figure 1 for a map of the Economic Growth Region definitions used in this report.⁸

Figure 1: Indiana Economic Growth Regions



⁶ For more information, see: <http://www.naics.com/info.htm>. Accessed 21 Aug 2007.

⁷ See <http://www.census.gov/population/www/estimates/aboutmetro.html>. Accessed 21 Aug 2007.

⁸ Map taken from STATS Indiana: http://www.stats.indiana.edu/maptools/maps/boundary/economic_growth_regions.gif 18 Aug 2007.

PART ONE: STATEWIDE ANALYSIS

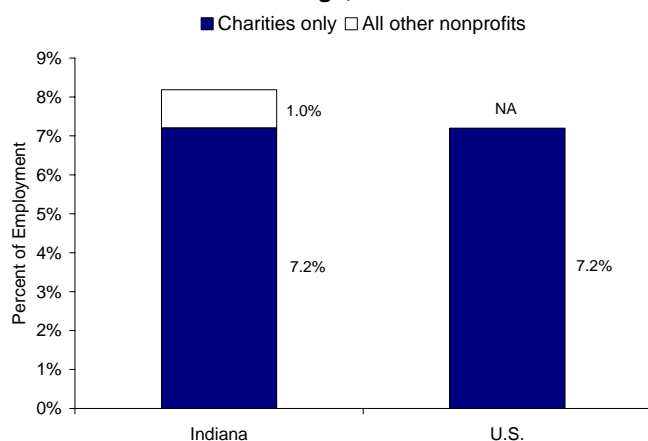
I. A MAJOR ECONOMIC FORCE

The private nonprofit sector – comprised of private hospitals, clinics, colleges, universities, elementary schools, day care centers, social service providers, museums, theaters, soup kitchens, civic and fraternal organizations, trade groups, labor unions, and many more – is a major economic force in the state of Indiana.

Employment: Nonprofit organizations employed at least 235,000 paid workers in Indiana in 2005, including 207,000 that worked for registered charities. This is up from 228,000 paid workers in 2003, of which 200,000 worked for charities.

- Overall, 8.2 percent of Indiana employees worked for a nonprofit organization, or about 1 out of every 12 workers, and 7.2 percent worked for a charity, or nearly 1 out of every 14 workers. Indiana is on par with the U.S. average (7.2 percent) in terms of the charitable share of total employment. See Figure 2.

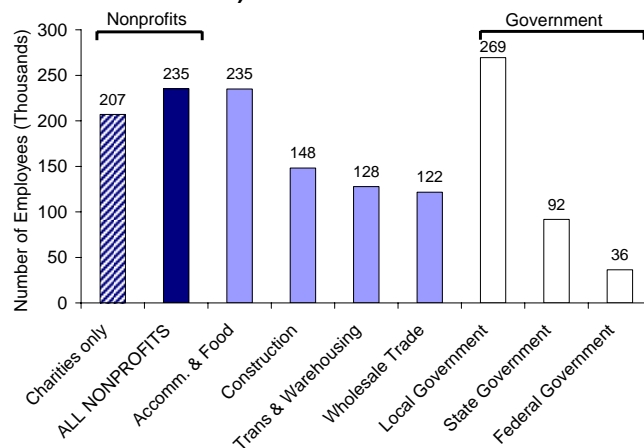
Figure 2: Nonprofit share of total employment, Indiana vs. the national average, 2005



Data sources: Indiana CEW system, and Johns Hopkins Employment Data Project based on CEW data (2006).

- As shown in Figure 3,⁹ the Indiana nonprofit sector employed:

Figure 3: Employment in Indiana's nonprofit sector in comparison to selected industries, 2005 (in thousands)



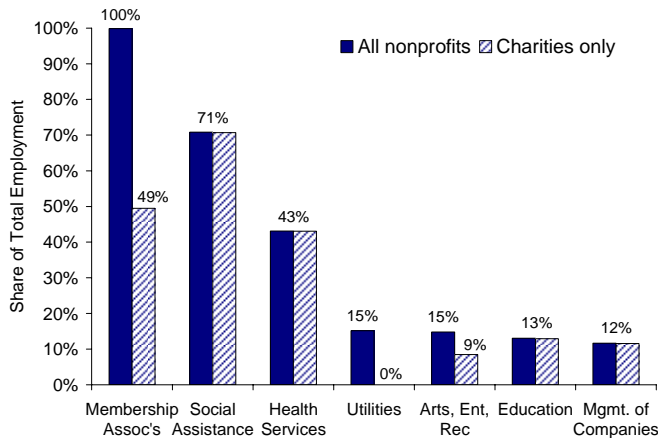
- As many people as the state's entire accommodation and food industry.
- About 60 percent more people than the state's entire construction industry.
- Nearly as many people as the state's entire transportation and warehousing and wholesale trade industries combined
- Nearly twice as many people as are employed by the state and federal government combined, but less than local government (which includes public schools).
- However, the Indiana nonprofit sector employed significantly fewer people than the state's manufacturing (572,000) and retail trade (332,000) industries, the state's two largest industries that don't have a substantial nonprofit presence.
- Nonprofits account for the bulk of employment in many fields that contribute significantly to the quality of life in local communities (see Figure 4 and Appendices F, G, and H). This included:
 - Virtually all (almost 100 percent) of the employment in membership associations, although only 49 percent of the total are employed by

for less than 0.5 percent of the employment in each of these four industries.

⁹ While the nonprofit sector is not completely mutually exclusive of the industries included in Figure 3, nonprofit employment accounts

charities.¹⁰ Government employs the remaining 0.1 percent.

Figure 4: Employment in Indiana's nonprofit sector as a share of total employment for selected industries, 2005

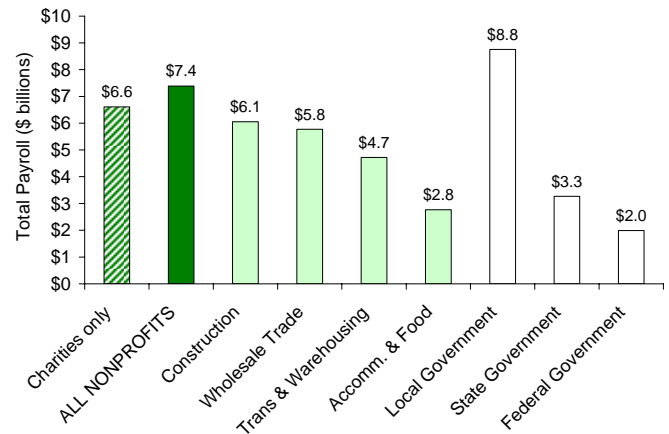


- Nearly three-fourths (71 percent) of all employment in social assistance organizations, with practically all of that employment in charities.
- More than two-fifths (43 percent) of all health services employees in Indiana.
- Fifteen percent of total employment in arts, entertainment, and recreation.
- Almost one-eighth (13 percent) of all employment in educational services.
- In addition to these fields, where nonprofits are typically thought to have a significant presence, we find that nonprofit employment comprised 15 percent of employment in utilities and 12 percent of employment in organizations concerned with the management of companies or enterprises.

¹⁰ Of the 145 religious organizations included in the ES-202 data for 2005, 59 percent were officially registered as charities with the IRS. It is likely that the remaining 41 percent also would be classified as such, but because religious congregations are not required to register with the IRS we cannot document their IRS status as charities. It is likely, therefore, that we underestimate charitable employment for membership associations. On the other hand, many other membership associations (e.g., business, labor, political, social groups and such) would not be classified as charities.

Payroll: The 235,000 nonprofit employees in Indiana earned an estimated \$7.4 billion in wages in 2005, with \$6.6 billion of that accounted for by those working for charities (see Figure 5).

Figure 5: Wages in Indiana's nonprofit sector in comparison to selected industries, 2005 (in billions)

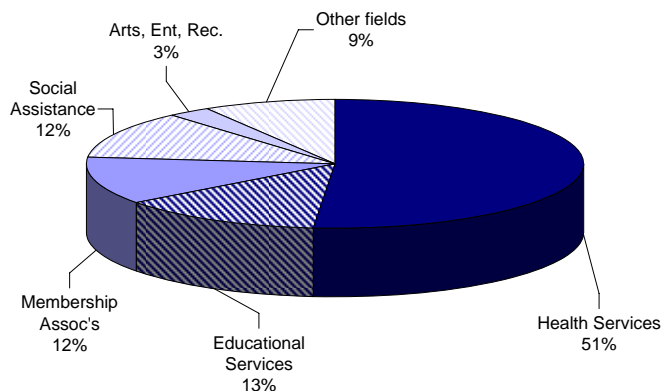


- Nonprofit employees accounted for 7.3 percent of the state's total payroll (\$101.8 billion).
- The total nonprofit payroll of \$7.4 billion:
 - Exceeded the total payroll for all jobs in construction (\$6.1 billion), in wholesale trade (\$5.8 billion), or in transportation and warehousing (\$4.7 billion).
 - Was more than twice as high as that for all jobs in the accommodation and food industry (\$2.8 billion), which is especially impressive given that employment in this industry is almost equal with total statewide nonprofit employment.
 - Exceeded that for all jobs in state and federal government combined (\$5.3 billion).
- Nonprofit payroll, however, was significantly less than the payroll for jobs in manufacturing (\$27.6 billion) and slightly less than that of local government (\$8.8 billion). Nonprofit payroll was also on par with that of retail trade (\$7.2 billion), even though the number of jobs in the retail industry was half again as large as the number of nonprofit jobs.

II. HEALTH DOMINATES

Health organizations accounted for over half of Indiana's nonprofit employment, but education services, membership associations, and social assistance organizations were also prominent (see Figure 6 and Appendices E and F).

Figure 6: Distribution of Indiana nonprofit employment by field, 2005



- The health services sector accounted for 51 percent of all nonprofit employment in Indiana, down slightly from 52 percent in 2003. This includes jobs in hospitals, nursing and personal care facilities, clinics, and home health care.¹¹
- Educational services accounted for 13 percent of all nonprofit jobs in Indiana. This includes jobs in private nonprofit colleges, universities, elementary and secondary schools.
- About 12 percent of all employment in the nonprofit sector was in membership associations. This includes jobs in business, professional, labor, political, religious, and other civic and social membership associations, including neighborhood associations, hiking clubs, and environmental organizations.¹²

¹¹ Although the NAICS classification system groups health services and social assistance together as NAICS 62, we have separated social assistance (NAICS 624) from other health-related employment both here and throughout the report in order to simplify our presentation.

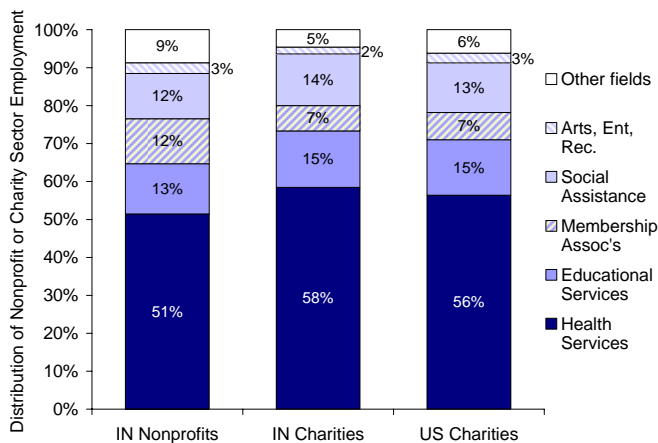
¹² Some membership associations, most notably religious congregations, are not required to register with the IRS as tax-exempt organizations. Others were classified as private associations, though not specifically as nonprofit organizations. On the assumption that all of these private membership associations are indeed nonprofit, we reclassified 317 private associations with 1,991 employees and total

- Social assistance accounted for another 12 percent of all employment in the Indiana nonprofit sector. This includes employment in individual and family services, job training and related services, and child daycare services.
- Nonprofit jobs in arts, entertainment, and recreation organizations, such as theaters, orchestras, and amateur sports clubs, accounted for 3 percent of total nonprofit employment. This category also includes museums, botanical gardens, and zoos.
- Nonprofit employment in a range of other fields accounted for 9 percent of all nonprofit jobs, which is up slightly from 8 percent in 2003. These jobs are spread across a range of industries, including utilities, manufacturing, finance and insurance, and the management of companies and enterprises, each of which accounted for approximately 1 percent of Indiana's total nonprofit employment. Other industries with smaller numbers of nonprofit employment include transportation and warehousing; information; scientific and technical services; accommodation and food; and real estate.¹³
- As shown in Figure 7 and Appendix E, charitable employment was disproportionately concentrated in health, education, and social assistance when compared to total nonprofit employment, but it was underrepresented in membership associations, arts, entertainment, and recreation organizations, and other establishments.
- The distribution of charitable employment in Indiana is almost identical to the distribution of charitable employment throughout the United States (see Figure 7).

payroll of \$42.8 million as nonprofit, although they were not registered with the IRS as tax-exempt organizations. It is possible that some of these reclassified membership organizations (particularly religious associations) would be considered charities by the IRS if they were registered, but we have no basis for making that determination.

¹³ These include Utilities (NAICS 22) with 2,480 nonprofit employees; Information (NAICS 51), which includes Publishing (NAICS 511) with 555 nonprofit employees; Finance and Insurance (NAICS 52), which includes Credit Intermediation and Related Activities (NAICS 522) with 2,630 nonprofit employees; Real Estate and Rental and Leasing (NAICS 53) with 770 nonprofit employees; Management of Companies and Enterprises (NAICS 55) with 3,066 nonprofit employees; and Accommodation and Food (NAICS 721) with 1,005 nonprofit employees.

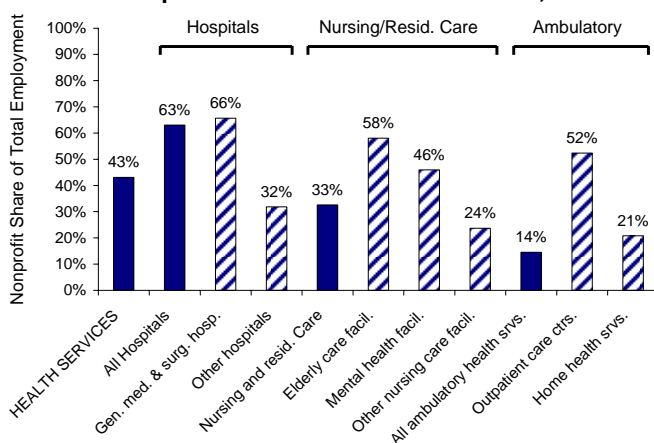
Figure 7: Distribution of nonprofit and charitable employment, by industry, Indiana vs. the nation, 2005



Data sources: Indiana CEW system, and Johns Hopkins Employment Data Project based on CEW data (2006).

- Nonprofit employment in the health services field is a significant portion of statewide employment. Not only did employment in health services organizations account for over half of the state's nonprofit employment, but nonprofit employment accounted for more than two-fifths (43 percent) of the state's overall health services employment (see Figure 8). This included:

Figure 8: Employment in Indiana's health services nonprofit sector as a share of total employment in specific health services industries, 2005



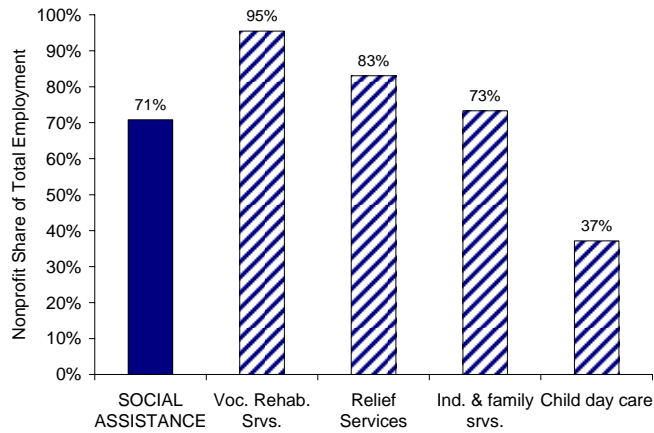
- Nearly two-thirds (63 percent) of those employed in hospital services.
 - Two-thirds (66 percent) of general medical and surgical employment.

- One-third (32 percent) of other hospitals, which include psychiatric and substance abuse hospitals as well as other specialty hospitals.¹⁴
- One third (33 percent) of those employed in nursing or residential care facilities.
 - Almost three-fifths (58 percent) of those employed in elderly care facilities.
 - Almost half (46 percent) of those employed in mental health facilities.
 - About a quarter (24 percent) of those employed in nursing care facilities.
- More than one-tenth (14 percent) of those employed by ambulatory health care services.
 - More than half (52 percent) of those employed in outpatient centers.
 - One-fifth (21 percent) of those employed in home health services.
 - Nearly one-tenth (8 percent) of those employed in other ambulatory services.¹⁵
- Although nonprofit employment in social assistance accounted for only 12 percent of statewide nonprofit employment, it contributes significantly to the overall employment in that industry. Almost three-fourths (71 percent) of all employment in social assistance organizations (see Figure 9) was nonprofit employment, including:
 - Almost all (95 percent) of those employed in vocational rehabilitation services.
 - Over four-fifths (83 percent) of workers in emergency and other relief services, which includes community food and housing.

¹⁴ These other hospitals are a small portion (only 8 percent) of all hospital employment in the state.

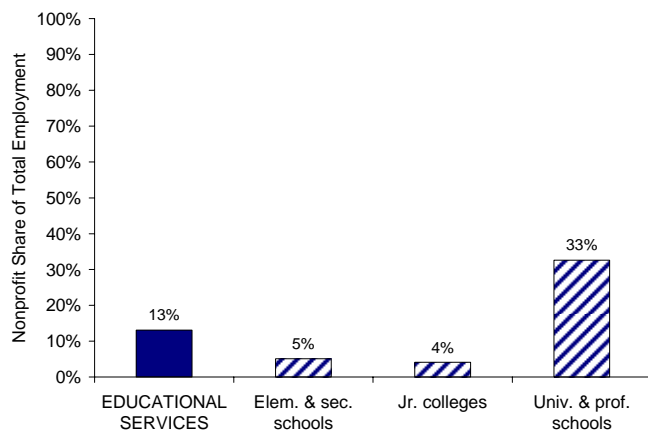
¹⁵ Other ambulatory services account for 78 percent of total employment in the ambulatory health services industry, which explains the relatively low overall percentage of nonprofit employment in ambulatory health services (14 percent) as compared to employment in specific fields like outpatient centers and home health care.

Figure 9: Employment in Indiana's social assistance nonprofit sector as a share of total employment in specific social assistance industries, 2005



- About three-quarters (73 percent) of those employed in individual and family service organizations.
- Nearly two-fifths (37 percent) of those employed in child day care services.
- Nonprofit employment also plays an important role in providing educational services in the state, accounting for over one-tenth (13 percent) of employment in education (see Figure 10), including:

Figure 10: Employment in Indiana's educational services nonprofit sector as a share of total employment in specific educational services industries, 2005



- A small portion of elementary and secondary school (5 percent) and junior college (4 percent) employment. Almost all of the remaining em-

ployment is found in public schools and institutions.

- Nearly one-third (33 percent) of those employed at universities or professional schools.

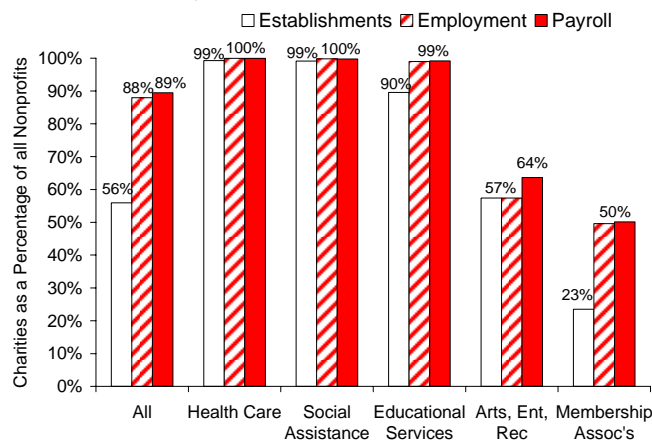
III. MAINLY CHARITABLE EMPLOYMENT

Most of Indiana's nonprofit employees worked for charities rather than for nonprofits registered with the IRS as general social welfare or mutual-benefit nonprofits.

Charities include private, not-for-profit hospitals, clinics, colleges, universities, schools, social service agencies, orchestras, museums, theaters, homeless shelters, soup kitchens, etc., registered with the IRS under section 501(c)(3) of the Internal Revenue Code and eligible to receive tax-deductible donations.

- Charities dominate Indiana nonprofits, as shown above in Figures 2 through 5.
- As shown in Figure 11, about 56 percent of all Indiana nonprofit establishments were charities. They employed about 88 percent of all nonprofit employees, suggesting that on average they were significantly larger (58 workers per establishment) than nonprofits registered under other sub-sections of the IRS codes (10 workers per establishment). (See also Appendices A and I).

Figure 11: Charities as a percent of total Indiana nonprofit establishments, employment, and payroll, by industry, 2005



- Charities accounted for about 89 percent of total nonprofit payroll, suggesting that wages were slightly higher than those of non-charitable nonprofits. (The average weekly wage for workers employed by charities was \$614, while the average

weekly wage for workers employed by other types of nonprofits was \$528.)

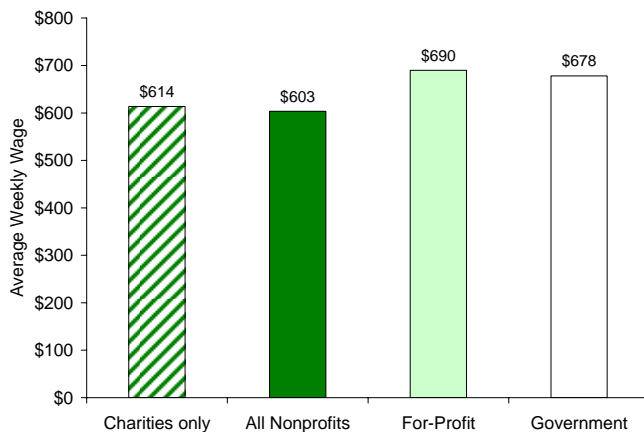
- Virtually all nonprofits in health, social assistance, and educational services were charities rather than nonprofits with other types of tax-exempt status. As noted in Figure 11, these fields accounted for about 99 percent of total nonprofit employment in each of these fields.
- Only 57 percent of arts, entertainment, and recreation nonprofits were charities. They accounted for 57 percent of nonprofit employment and 64 percent of the payroll in that industry, suggesting they were on average approximately the same size than non-charities in this field, though they paid slightly higher wages.
- Charities constituted only 23 percent of membership associations in Indiana but had 50 percent of the total nonprofit employment, suggesting that they were larger than associations registered under other sub-sections of the IRS code. On average, charitable membership associations employed 22 workers per establishment, while non-charitable membership associations employed 7 workers per establishment.
- As shown in Figure 4 above, utilities and the management of companies and enterprises have approximately the same proportion of nonprofit employment as educational services and arts, entertainment, and recreation. Approximately 92 percent of enterprise management nonprofits were charities, and charities accounted for 99 percent of the nonprofit employment. In contrast, none of the nonprofit utility establishments in the state were charities.

IV. NONPROFIT WAGES VARY BY INDUSTRY

The overall average weekly wage for nonprofit employees was lower than that in the for-profit and government sectors, but the gap has diminished since 2003. In many service fields, however, nonprofit workers actually earn higher wages than their counterparts in for-profit firms, although usually less than government workers.

Overall, the average weekly wage for nonprofit employees in Indiana was almost 13 percent lower than that for for-profit workers and 11 percent lower than for government workers, as shown in Figure 12.¹⁶

Figure 12: Nonprofit, for-profit, and government average weekly wages in Indiana, 2005

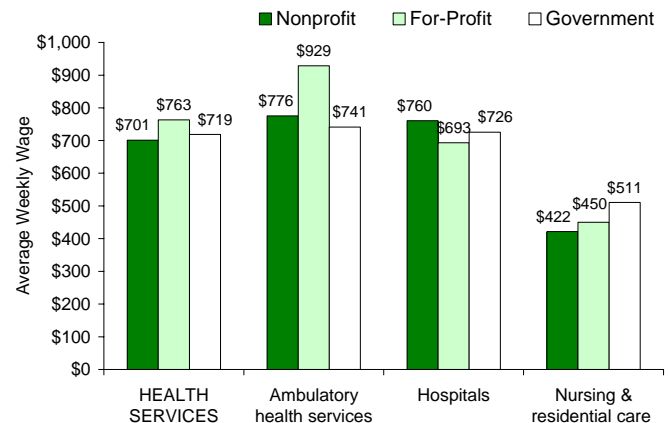


- This wage gap has declined since 2003, when nonprofit employees earned on average 14 percent less than for-profit employees and 13 percent less than government employees.
- However, once we focus on industries where nonprofits are concentrated, such as education, social assistance and health, we see that nonprofits offer higher wages than for-profit providers in several service fields, although both of these are generally lower than average weekly wages for government employees.

¹⁶ These average weekly wages do not include fringe benefits and make no adjustment for full-time or part-time work (these details are not included in the CEW reporting system). Industries or sectors with more reliance on part-time workers could show up as having lower average weekly wages than those with fewer part-time workers, even if the actual hourly pay rates are higher.

- As shown in Figure 13, nonprofit health services employees, on average, earned 8 percent less than for-profit employees but only 2.5 percent less than government employees in this industry.

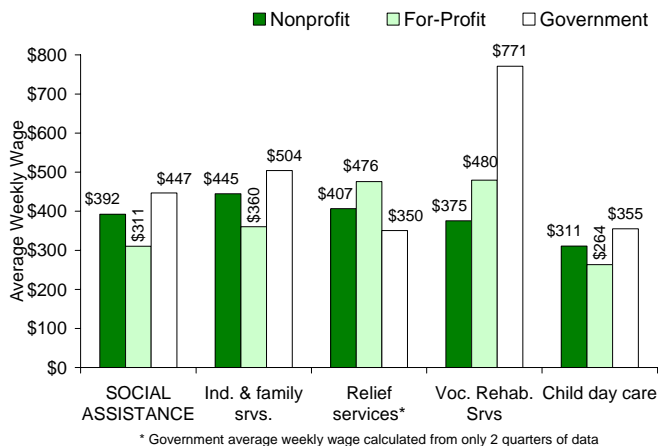
Figure 13: Comparative average weekly wages in Indiana health services organizations, 2005



- Ambulatory services, hospitals, and nursing and residential care comprise 100 percent of the health services employment in the state. Though overall nonprofit average weekly wages are lower than for-profit and government wages on average, wages in these three industry subsets show different patterns.
 - Employees in nonprofit ambulatory health services organizations earned, on average, 16 percent less than their for-profit counterparts, but they earned 5 percent more than government employees in this field.
 - Nonprofit employees accounted for 63 percent of total hospital employment and earned more than employees at for-profit or government hospitals. Nonprofit average weekly wages were 10 percent higher than for-profit wages and 5 percent higher than government wages in this industry.
 - Wages in nursing and residential care organizations are the lowest of all health services subfields. Nonprofit employees earned 6 percent less than for-profit employees and 17 percent less than government employees, though we note that government employment was only 2 percent of overall employment in this field.

- The picture is somewhat different for wages in the social assistance field (see Figure 14). Nonprofit social assistance employees, on average, earned 26 percent more than workers in for-profit social assistance institutions, but 12 percent less than those in government social assistance organizations.

Figure 14: Comparative average weekly wages in Indiana social assistance organizations, 2005



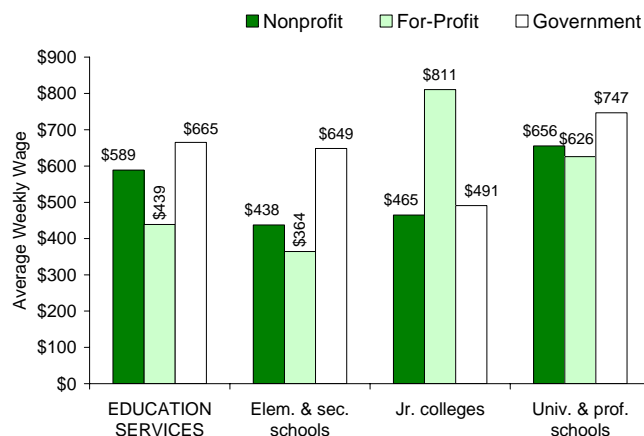
- The four sub-fields shown separately made up 100 percent of all employment in the social assistance field.¹⁷
 - Workers in nonprofit individual and family service organizations earned 24 percent more, on average, than for-profit workers and 26 percent less than the very few government workers in the same field.
 - Revealing a very different pattern, nonprofit employees in relief services (community food and housing, and emergency and other relief services) earned 14 percent less than for-profit employees and 16 percent more than the very few government workers¹⁸ in the same industry.

¹⁷ Government employees generally constituted 0.5 percent or less of total employment in these sub-fields. For-profit employees were only about 4 percent of total employees in the vocational rehabilitation field (for-profit employees account for about 41 percent of total employment in the remaining three social assistance industries).. While we report average wages for these relatively few employees, the results should be interpreted with caution.

¹⁸ We also note that only two quarters of employment and payroll data are available to generate the government average weekly wage data in this specific field.

- Employees in nonprofit vocational rehabilitation organizations earned 22 percent less, on average, than the very few for-profit workers in the same field and 51 percent less than the even fewer government workers in that field.
- Nonprofit employees in child daycare services earned weekly wages that were 18 percent higher than those of their for-profit counterparts, but earned 12 percent less than the very few government child daycare employees.
- As shown in Figure 15, workers in nonprofit educational services earned, on average, 34 percent more than workers in for-profit organizations but 11 percent less than workers in government education.

Figure 15: Comparative average weekly wages in Indiana education organizations, 2005



- The three education sub-fields shown separately jointly accounted for 97 percent of total employment in the education services field. Government employment accounted for most of the elementary and secondary schools and junior college employment, as well as two-thirds of employment in colleges, universities, and professional schools. The nonprofit sector employed the majority of the remainder in elementary and secondary schools and in colleges, universities, and professional schools, and for-profit employment accounted for 10 percent of junior college workers.¹⁹

¹⁹ For-profit employees made up less than 1.5 percent of total employees in Elementary and Secondary Education and in Universities

- The relatively few nonprofit employees in elementary and secondary schools earned 20 percent more than the even fewer workers in similar for-profit organizations, but 33 percent less than the vast majority employed in government-owned institutions.
- The very few employees in nonprofit junior colleges earned 43 percent less, on average, than their slightly more numerous counterparts in for-profit institutions, but they earned only 5 percent less than those in government institutions, which employed the vast majority of this field.
- Employees in nonprofit institutions of higher education earned 5 percent more, on average, than their very few counterparts in for-profit institutions and 12 percent less than those in government institutions.

- There are wide variations in wages among different membership associations (see Figure 16). The very few government workers in this industry earned less than their nonprofit counterparts in grantmaking associations and more than nonprofits in civic and social associations and other organizations.²⁰ For each of these three sub-fields, however, government workers made up less than 0.4 percent of total employment. We assume that there were no for-profit employees in these fields.²¹
- Nonprofit membership association employees, on average, earned 40 percent less than government employees in this field (see Figure 16).
 - Nonprofit employees in grantmaking organizations earned 5 percent more than their government counterparts.
 - Though nonprofit employees account for the vast majority of employment in civic and social organizations and other membership organizations, they earn 24 percent less and 94 percent

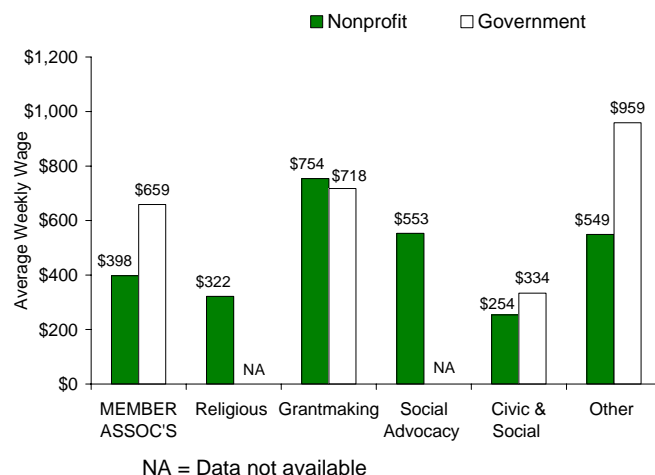
and Professional Schools, and the nonprofit sector contributed only 4 percent of the employees in Junior Colleges. While we report average wages for these relatively few employees, the results should be interpreted with caution.

²⁰ “Other” organizations include: business, professional, labor, political, and similar organizations.

²¹ See note 12 above.

less, respectively, than their government counterparts.

Figure 16: Comparative average weekly wages in Indiana membership associations, 2005

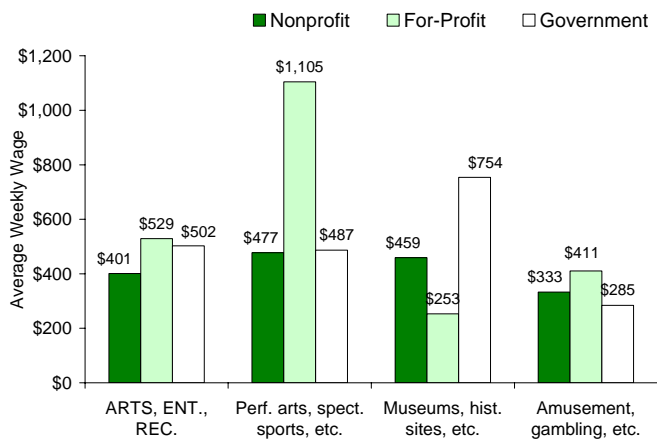


- Nonprofit employees in grantmaking organizations earned notably higher average weekly wages (\$754) than those employed by other nonprofit membership associations, especially religious (\$322) and civic and social associations (\$254).
- Nonprofit employees in art, entertainment, and recreation organizations earned, on average, 24 percent less in average weekly wages than their for-profit counterparts and 20 percent less than their relatively few government counterparts²² (see Figure 17). The sub-fields shown separately in Figure 17 accounted for 100 percent of employment in art, entertainment, and recreation.
 - Employees in nonprofit performing arts and spectator sports organizations on average earned 57 percent less in weekly wages than workers in similar for-profit organizations, though it should be noted that for-profit workers account for

²² Government employees accounted for only 2 percent of total employment in the arts, entertainment, and recreation industry overall. They accounted for 8 percent of total employment in performing arts and spectator sports, 9 percent of total employment in museum and historical site, and less than 1 percent of employment in amusement, gambling, and recreation. For-profit employees accounted for only 4 percent of total employment in museums and historical sites. While we report average wages for these relatively few employees, the results should be interpreted with caution.

- Employees in nonprofit performing arts and spectator sports organizations on average earned 57 percent less in weekly wages than workers in similar for-profit organizations, though it should be noted that for-profit workers account for three-quarters of the employment in this industry. Nonprofit employees also earned 2 percent less than their slightly fewer government counterparts in these types of organizations.

Figure 17: Comparative average weekly wages in Indiana arts, entertainment, and recreation organizations, 2005

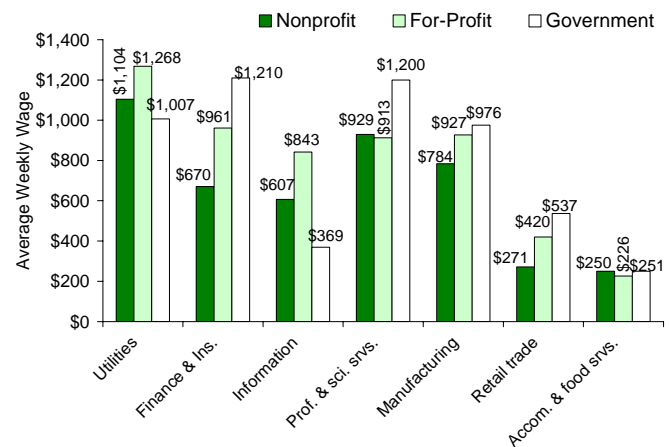


- Nonprofit employees of museums, historical sites, zoos, botanical gardens and similar organizations earned 81 percent more in average weekly wages than their very few for-profit counterparts, and 39 percent less than the relatively few government employees in this field.
- The relatively few employees in nonprofit amusement and gambling establishments on average earned 19 percent less in weekly wages than their counterparts working in for-profit organizations, and 17 percent more than the even fewer government workers in the same industry.

- Figure 18 shows the average weekly wages in industries with a relatively low nonprofit presence. In none of these industries do nonprofit employees earn the highest wage. The only industry where wages were relatively equal is accommodation and food service, even though nonprofit and government em-

ployees together account for only 1 percent of total employment in this industry.²³

Figure 18: Comparative average weekly wages in Indiana industries with low nonprofit presence, 2005



- Nonprofit employees earned less than their for-profit counterparts in all cases but two: nonprofit professional and scientific services workers earned 2 percent more than for-profit workers, and nonprofit accommodation and food services workers earned 11 percent more than employees of for-profit establishments.
- In general, nonprofit employees in these industries also earned less than government employees, though there are again two exceptions. Nonprofit utility workers earned 10 percent more than the relatively few government utility employees, while employees in nonprofit information organizations earned 64 percent more than their government counterparts.
- Nonprofit employees earned less than both for-profit and government employees in the finance and insurance, manufacturing, and retail trade industries. In all three cases, government employees earned the highest average weekly wage, with nonprofit employees earning 45 percent, 20 percent, and 57 percent less, respectively.

²³ Of the industries shown, utilities have the highest nonprofit share of total employment with 15 percent. Finance and insurance, information, and professional and scientific services all have between 1 and 4 percent nonprofit employment, while manufacturing, retail trade, and accommodation and food services each have less than 1 percent nonprofit employment.

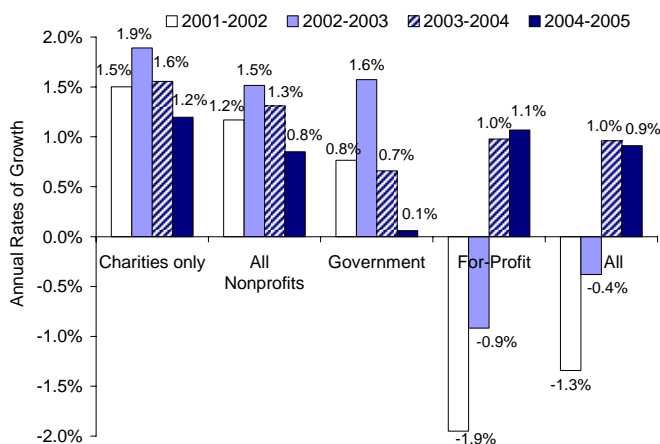
V. A GROWING SECTOR

The Indiana nonprofit sector grew notably faster than the for-profit sector between 2001 and 2003, but growth rates for the two sectors were similar between 2003 and 2005. Conversely, the Indiana nonprofit and government sectors grew at similar rates between 2001 and 2003, but the nonprofit sector grew significantly faster between 2003 and 2005. Growth in nonprofit employment was concentrated in health services, social assistance and educational services.

Employment: Total employment in Indiana has rebounded from declines experienced between 2001 and 2003. Meanwhile, nonprofit employment in the state has experienced fairly rapid growth during the entire 2001 to 2005 period for which we have data.

- Between 2004 and 2005, nonprofit employment grew by 0.8 percent and charity employment grew by 1.2 percent, while government employment grew at only a fraction of that rate (0.1 percent). The for-profit sector grew at a rate of 1.1 percent. See Figure 19.

Figure 19: Annual rates of growth in Indiana employment by sector, by year, 2001-2005



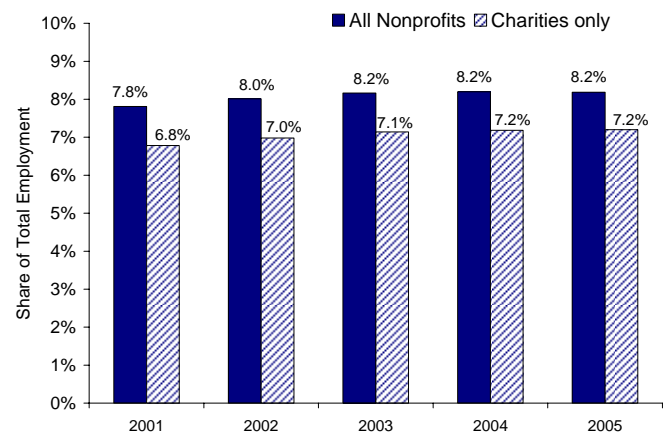
- These 2004 to 2005 growth trends are quite different from those experienced in earlier years. Between 2001 and 2002, nonprofit employment grew by 1.2 percent, while government employment grew at a rate of 0.8 percent and for-profit employment shrank by 1.9 percent.
- At the same time as for-profit employment growth has rebounded, nonprofit and govern-

ment employment growth rates have slowed; however, employment in the Indiana nonprofit sector grew twice as fast as government employment between 2003 and 2004 and eight times as fast between 2004 and 2005.

- Total employment growth over the entire 2001 to 2005 period was much higher in the nonprofit sector than in any other. Nonprofit employment grew by 4.9 percent in those four years, while government employment grew by 3.0 percent and for-profit employment declined by 0.9 percent in total. Overall statewide employment was balanced between periods of recession and growth, with overall growth at only 0.1 percent between 2001 and 2005.

- As a result of the comparatively high rates of growth in nonprofit employment over a period of several years, the nonprofit share of total Indiana employment has grown consistently, from 7.8 percent in 2001 to 8.2 percent in 2005 (Figure 20).

Figure 20: Nonprofit share of Indiana employment, 2001-2005

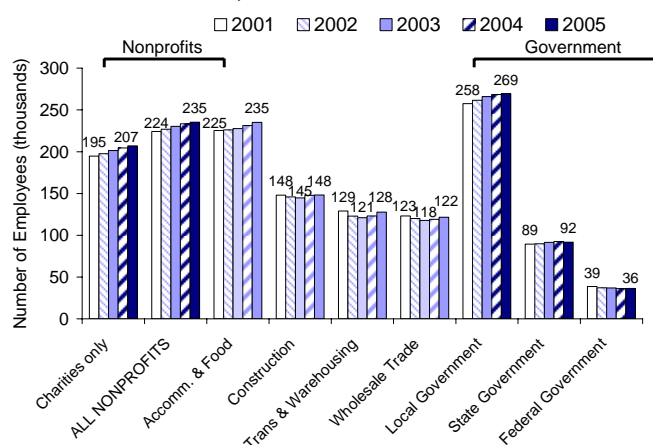


- The growth in charitable employment was slightly greater than that experienced by the nonprofit sector as a whole (an addition of 12,242 jobs compared to 11,061 total nonprofit jobs over the four-year period), and charities' share of total employment increased in step with the overall nonprofit share, from 6.8 percent in 2001 to 7.2 percent in 2005.
- For the 2001 to 2005 period, we can also examine growth rates by industry. During this period, em-

ployment in the Indiana nonprofit sector increased by 11,061 employees (from 224,278 to 235,338), or by 5 percent (see Figure 21). The number of employees of charitable organizations increased slightly more quickly (up by 12,242, or by more than 6 percent).

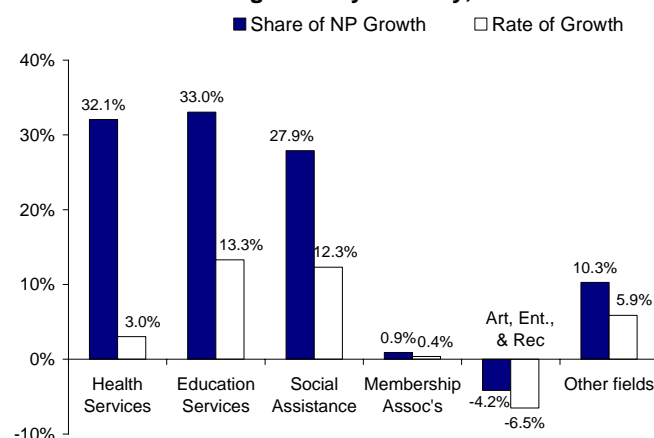
- In contrast to the steady growth experienced in the nonprofit sector over the last four years, employment in several for-profit industries has experienced notable ups and downs. Employment in construction, wholesale trade, and transportation and warehousing finally rebounded to 2001 levels by 2005. Accommodation and food service was the only industry shown in Figure 21 that did not sustain significant losses during this period.

Figure 21: Employment in the nonprofit sector and in key industries, Indiana 2001-2003



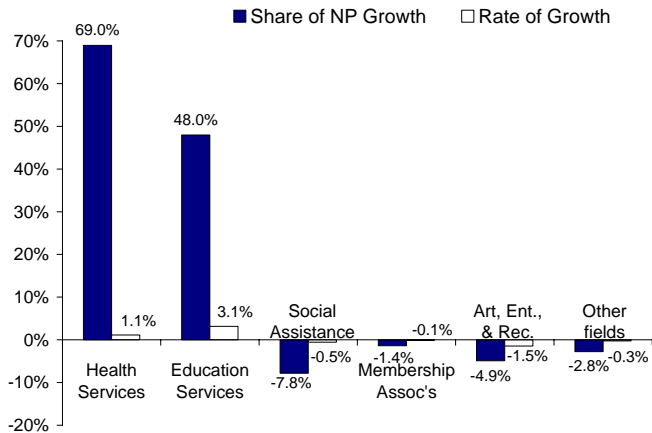
- Nonprofit employment growth was about equal to the growth seen in government jobs (almost all of which were in local government).
- Growth in Indiana's nonprofit sector between 2001 and 2005 was fairly evenly split between growth in health services (32 percent of overall nonprofit growth), educational services (28 percent), and social assistance (33 percent). See dark bars in Figure 22. Membership associations and other fields experienced some growth as well, while arts, entertainment, and recreation nonprofits declined in employment.

Figure 22: Indiana nonprofit employment growth shares and rate of growth by industry, 2001-2005



- The rate of growth experienced by nonprofits in each of these industries (see clear bars in Figure 22), however, varies significantly when compared to the 5 percent overall growth rate for the nonprofit sector during this period. Health services, partially because it is the largest nonprofit industry (51 percent of all nonprofits), had a lower growth rate of 3 percent, while educational services (13 percent of nonprofits) and social assistance (12 percent of nonprofits) experienced higher growth rates of 13 and 12 percent, respectively.
- Membership associations added only 100 jobs during this four-year period, for a growth rate of 0.4 percent, while arts organizations lost nearly 400 jobs, which translates into a decline of 6.5 percent.
- Though most nonprofit industries experienced employment growth between 2001 and 2005, the picture is very different when we focus on only the last year in that period. Between 2004 and 2005, only health and educational services nonprofits experienced positive employment growth. See Figure 23.
 - Nonprofit employment in educational services grew slightly faster than in health services (3.1 percent vs. 1.1 percent), but the growth in health services nonprofit employment accounted for a larger share of the overall increase in nonprofit jobs, again because health is the largest nonprofit field in Indiana.

Figure 23: Indiana nonprofit employment growth shares and rate of growth by industry, 2004-2005



- Nonprofit employment in all other fields declined between 2004 and 2005. Arts, entertainment, and recreation nonprofits saw the steepest decline in employment at negative 1.5 percent, or about 100 jobs.
- Employment in social assistance nonprofits fell by 0.5 percent (about 200 jobs), and employment in membership associations fell slightly, with a negative growth rate of 0.1 percent (approximately 30 jobs).

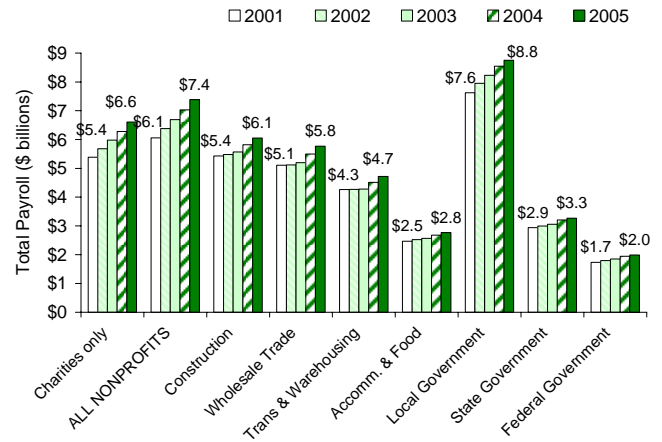
Payroll: Overall wages for nonprofit employees in Indiana also increased faster than those of employees in for-profit or government organizations.

- Total payroll for nonprofit employees increased from \$6.1 billion in 2001 to \$7.4 billion in 2005, or by 22 percent,²⁴ while government payroll increased by 14 percent and for-profit payroll by only 10 percent over the entire period. See Figure 24.
 - By comparison, the \$1.3 billion increase in nonprofit payroll exceeded the combined increase in total payroll for construction, wholesale trade (both \$0.7 billion), and transportation and warehousing (\$0.4 billion).
 - Significantly, though employment growth in the accommodation and food industry matched overall nonprofit employment growth, total payroll for this industry only increased by \$0.3 bil-

²⁴ This growth rate is not adjusted for inflation. For comparison, the inflation rate between 2001 and 2005 was approximately 10 percent.

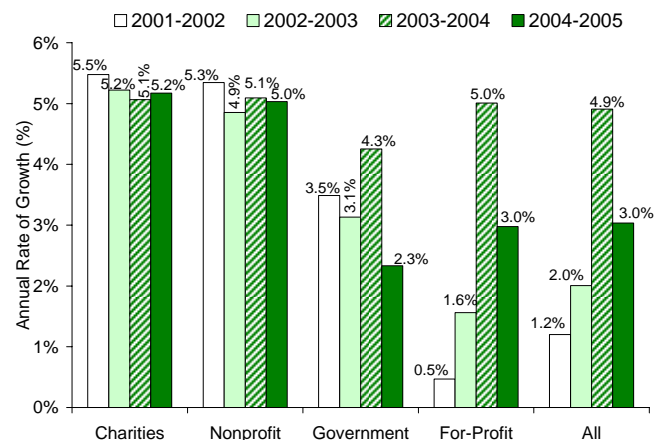
lion over this four-year period, or by only one quarter of the growth seen in nonprofit payroll.

Figure 24: Total payroll for Indiana nonprofit employees and for key industries, 2001-2005



- The gain in total nonprofit payroll was nearly two times greater than the combined gain for federal and state payrolls (\$0.7 billion) and roughly equal to the gain in local government payroll (\$1.2 billion).
- Payrolls increased for all sectors over this period, but nonprofit payrolls consistently increased at faster rates than the payrolls of for-profit and government organizations. See Figure 25.

Figure 25: Annual rates of growth in Indiana total payroll by sector, by year, 2001-2005



- Payrolls for Indiana's nonprofits have consistently increased between 4.9 and 5.3 percent over the last four years. Between 2004 and 2005,

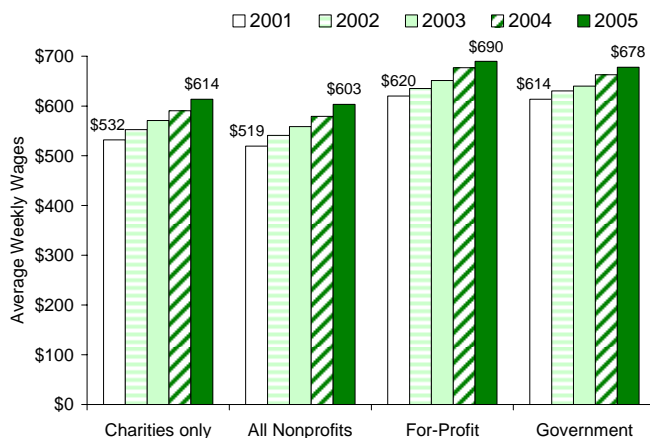
nonprofit payrolls increased by 5.0 percent, while total payrolls for charitable organizations increased by 5.2 percent.²⁵

- While payrolls for government and for-profit organizations have never declined in this period, payroll growth rates in these sectors have always been lower than in the nonprofit sector, even if only by 0.1 percentage points as between 2003 and 2004. Additionally, government and for-profit payroll growth rates are much more variable, growing by 4.3 percent and 5.0 percent, respectively, between 2003 and 2004, but then growing by only 2.3 percent and 3.0 percent, respectively, between 2004 and 2005.
- Growth in overall payrolls is also reflected in increases in average weekly wages for each sector. Indeed, average weekly wages for nonprofit employees increased by \$84 between 2001 and 2005 (not adjusted for inflation), faster than the growth of average weekly wages for employees of for-profit (up \$70) or government organizations (up \$64) during the same period. See Figure 26.

both of which are still lower than the increase experienced by nonprofit employees.

- The faster increase in nonprofit average weekly wages compared to those in government and for-profit establishments confirms our earlier observation that the gap between average nonprofit weekly wages and those in the government and the for-profit sector declined over the 2001 to 2005 period.

Figure 26: Average weekly wages in Indiana, by sector, by year, 2001-2005



- The \$64 increase in average government weekly wages hides major differences among the various levels of government. The wages of the relatively few federal employees increased by \$186, while those of state and local government employees increased by \$52 and \$56, respectively,

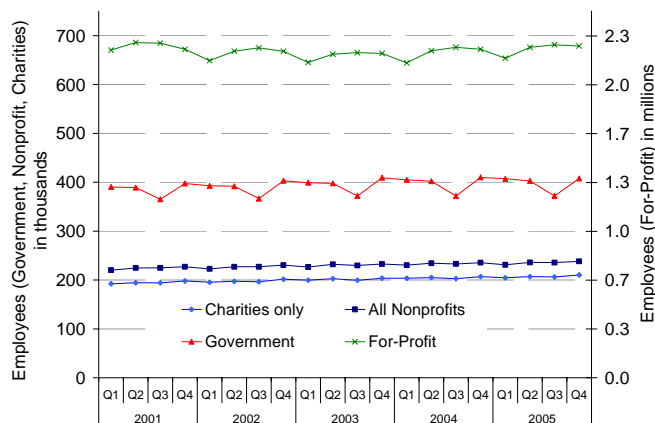
²⁵ Again, we note that these payroll growth rates have not been adjusted for inflation.

VI. DETAILED TRENDS IN NONPROFIT EMPLOYMENT

Detailed analysis of trends over time indicates that the growth of nonprofit employment in Indiana has been steady, while the growth of government and for-profit employment has been cyclical. The for-profit employment trend line reflects Indiana's economic recession and upswing over the last four years, but nonprofit and charitable employment does not appear to be affected by the same overall economic influences.

An analysis of total employment for each sector by quarter (see Figure 27) shows that total nonprofit and charity employment (bottom two trend lines, left axis) have increased steadily each quarter, while government employment has fluctuated some, but generally shows a slight upward trend (middle trend line, left axis). Employment in the for-profit sector has also fluctuated from quarter to quarter, and it shows a notable dip in the middle of this period, though by 2005 overall for-profit employment had rebounded to 2001 levels (top trend line, right axis).

Figure 27: Indiana employment by sector, 2001-2005, quarterly (nonprofit, government, and charities in thousands; for-profit in millions)



- These trends suggest that the nonprofit sector provides more stable, recession-proof employment than the for-profit sector, most likely because virtually all the nonprofit sector employment is in service industries where demand is likely to remain steady and perhaps even grow during recessions (e.g., health and social assistance). Nonprofit employment continued to grow even as for-profit employment recov-

ered from the impact of the recession, which suggests that the growth of the nonprofit sector in the early part of this period was not simply a function of the decline in for-profit employment during that same period.

The nonprofit sector exhibits steady growth, while there are notable seasonal fluctuations in the for-profit and government sectors.

- The nonprofit sector exhibits steady growth. First quarter employment is, on average, 2 percent below the annual average. Second and third quarter employment, on average, is approximately equal to the annual average. Fourth quarter employment is, on average, 1 percent above the annual average.
- In the for-profit sector, first quarter employment is typically below that year's average (by 2 percent, on average). Second and third quarter employment increases to approximately one percent above average, while fourth quarter employment drops to a level approximately equal to the average employment for that year. For-profit employment decreases by 3 percent, on average, between the fourth quarter of one year and the first quarter of the subsequent year.
 - The majority of the drop between fourth quarter employment of one year and the first quarter employment the following year reflects the decline in retail employment, which on average accounts for 26 percent of for-profit employment fluctuation over this period. For-profit construction and accommodation/food service employment account for another 23 percent and 11 percent of this decline, respectively.
 - Other industries that exhibit the same pattern as overall for-profit trends (with a dip between fourth quarter and first quarter employment) are agriculture and forestry, transportation and warehousing, administrative support services, and arts, entertainment and recreation. Many of the other industries experience much more stable employment patterns.
 - The manufacturing industry has not followed overall for-profit growth patterns but has instead declined dramatically, from nearly 628,000 jobs in the first quarter of 2001 to only 568,000 jobs

in the last quarter of 2005, a decline of nearly 10 percent.

- In contrast, for-profit health and social assistance has experienced dramatic growth in the same period, from a combined 139,000 jobs in the first quarter of 2001 to nearly 163,000 jobs in the last quarter of 2005, an increase of nearly 18 percent. Health and social assistance employment combined accounted for only 7 percent of all for-profit employment in 2005, but the growth experienced in these two industries accounted for 87 percent of all additional for-profit jobs between 2001 and 2005.
- Government employment exhibits a sharp (6 percent below annual average) decline in the third quarter each year from 2001 to 2005.
 - As we saw in our previous report, the vast majority of both the decline between quarters two and three and the sharp increase between quarters three and four is due to education employment, especially at the level of local government.

PART TWO: METROPOLITAN STATISTICAL AREAS

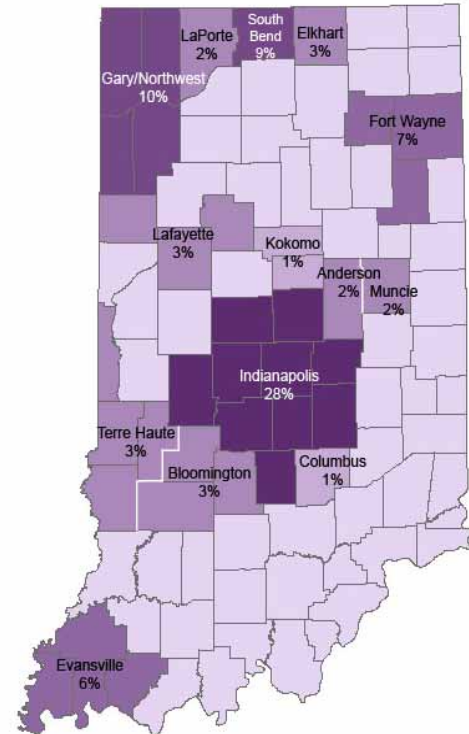
VII. KEY FINDINGS IN MSA COMPARISONS

Four-fifths (80 percent) of all nonprofit employment in Indiana is found in fourteen metropolitan regions, though the nonprofit sector's share of total employment varies across metropolitan areas and industries. Additionally, growth in nonprofit employment is uneven across metropolitan regions, though nonprofit payrolls have seen more steady growth overall.

Employment: Like Indiana's population, the state's nonprofit employment is concentrated in fourteen metropolitan regions²⁶ (see Figure 28 and Appendix B).

- These metropolitan regions jointly accounted for 80 percent of all nonprofit employment in the state, down slightly from 81 percent in 2003. By comparison, these areas accounted for 75 percent of total employment in Indiana.
 - The ten-county Indianapolis metropolitan area accounts for the largest share (28 percent) of Indiana's nonprofit employment, with just over 68,000 nonprofit employees in 2005.
 - Several counties in northern Indiana have the second-largest share of statewide nonprofit employment. The four-county Gary/Northwest metropolitan region accounts for one-tenth of the state's nonprofit workers, while the single-county South Bend region contributes 9 percent of the entire state's nonprofit employment. Both metropolitan areas have between 21,000 and 23,000 nonprofit employees.

Figure 28: Distribution of Indiana's nonprofit sector by Metropolitan Statistical Area, 2005



- The Fort Wayne and Evansville regions account for 7 and 6 percent of the state's nonprofit employment, respectively, with between 14,000 and 16,000 nonprofit employees in each metropolitan area.
- Several mid-sized metropolitan areas, including Anderson, Bloomington, Elkhart, Lafayette, LaPorte, Muncie, and Terre Haute, have between 4,000 and 7,500 nonprofit employees. These metropolitan areas each contribute between 2 and 3 percent of the state's total nonprofit workforce.
- Two other smaller metropolitan areas, Columbus and Kokomo, each account for about 2,000 nonprofit employees, or 1 percent of Indiana's nonprofit employment.
- Though the distribution of the state's nonprofit employment is strikingly concentrated in Indianapolis and a handful of other metropolitan areas, the nonprofit share of total employment varies considerably across these same metropolitan regions. See Figures 29 and 30.

²⁶ These Metropolitan Statistical Areas are defined by the US Office of Management and Budget and include 39 of Indiana's 92 counties. These metropolitan areas differ slightly from the regional definitions used in the 2005 Employment Report. We also note that these metropolitan area definitions are not the same as the Economic Growth Region boundaries used in Chapters VIII through XIX, though there is some overlap.

Figure 29: Nonprofit share of total employment by Metropolitan Statistical Area, 2005

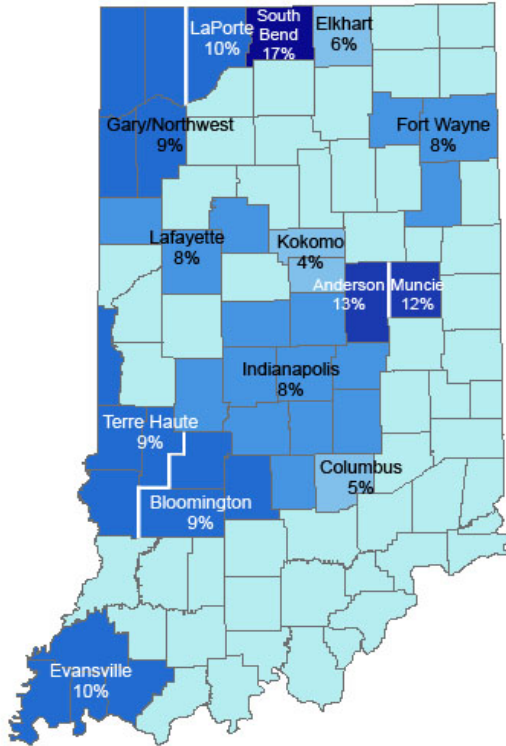
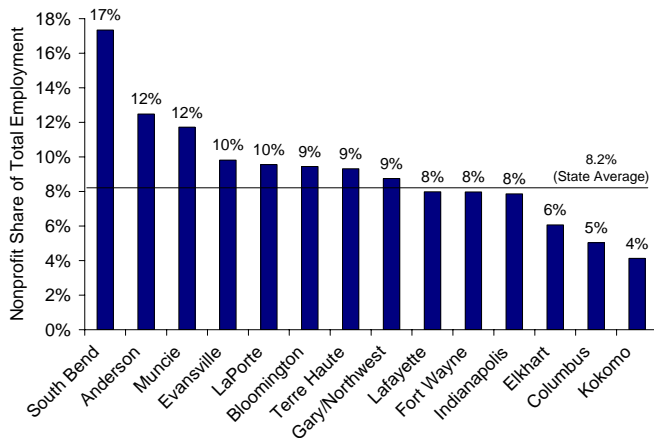


Figure 30: Nonprofit share of total employment, by Metropolitan Statistical Area, 2005



- For eight of the fourteen metropolitan statistical areas, nonprofit employment's share of total employment in that area was higher than the statewide average of 8.2 percent.
 - The nonprofit sector is particularly important in the South Bend metropolitan region, with nonprofit employment accounting for more than 17

percent of total employment, or about one in six employees. This most likely reflects the presence of several large nonprofit health and educational institutions in that community.

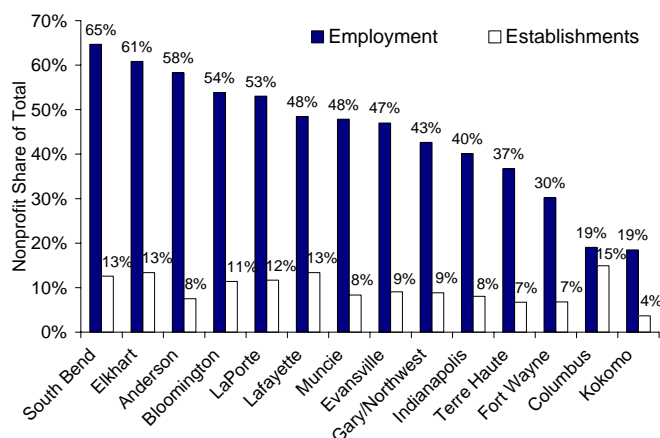
- Nonprofit employment in the Anderson and Muncie metropolitan regions accounted for approximately 12 percent of total employment, or about one in every eight employees.
- For Evansville, LaPorte, Bloomington, Terre Haute, and Gary/Northwest, nonprofit employment was between 9 and 10 percent of total employment in these regions.
- Lafayette, Fort Wayne, and Indianapolis were closest to the statewide average, with nonprofit workers accounting for approximately 8 percent of total employment.
- Elkhart, Columbus, and Kokomo had the lowest nonprofit share of total employment of the metropolitan regions, with between 4 and 6 percent each.

- The share of nonprofit employment varies even more dramatically when we examine specific industries. The dark bars in Figure 31 show the nonprofit share of total employment in health services organizations. The clear bars indicate nonprofit share of health services establishments, revealing that nonprofit health services establishments are in general significantly larger than their for-profit or government counterparts. The health services industry includes ambulatory services, hospitals, and nursing and residential care facilities.

- South Bend has the highest nonprofit share of health services employees, with this area's 9,200 nonprofit hospital, ambulatory, and nursing care service employees accounting for nearly two-thirds (65 percent) of all similar health employment (14,300).
- In terms of raw numbers, only Indianapolis and Gary/Northwest have more nonprofit health services employees than South Bend; however, the proportion of health employees who work for nonprofits in these areas is considerably lower than in South Bend. Nonprofit employees were

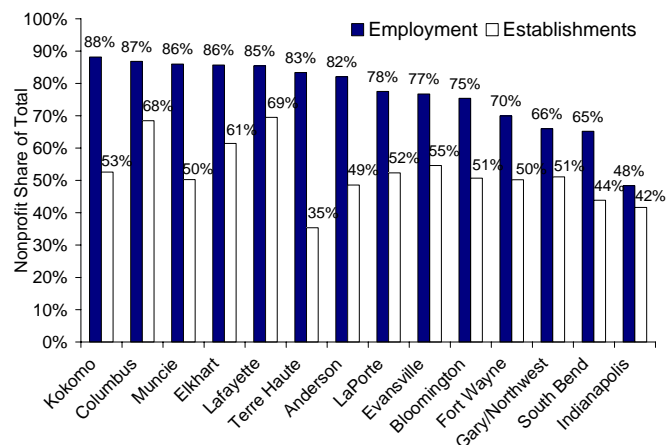
40 percent of all health services employment in Indianapolis and 43 percent in Gary/Northwest.

Figure 31: Nonprofit share of health services employment and establishments, by Metropolitan Statistical Area, 2005



- Columbus and Kokomo had the lowest nonprofit share of total employment for the health services industry, with 19 percent each.
- On the whole, nonprofit health services establishments are significantly larger than their for-profit and government counterparts. Columbus is the only exception: in this region, nonprofit share of total health services employment is comparable to the nonprofit share of establishments in this industry.
- Nonprofit share of social assistance employment is generally much higher and much more consistent across metropolitan regions. Nonprofit social assistance establishments are slightly larger than their counterparts, though this difference is not as dramatic as that seen in the health services industry. The social assistance industry includes individual and family services, emergency relief, vocational rehabilitation, and child day care, among other community services. See Figure 32.
 - Although Kokomo and Columbus had the lowest share of nonprofit health services employment, they lead the other metropolitan areas in terms of the proportion of nonprofit employment in social assistance organizations, with 88 percent and 87 percent, respectively.

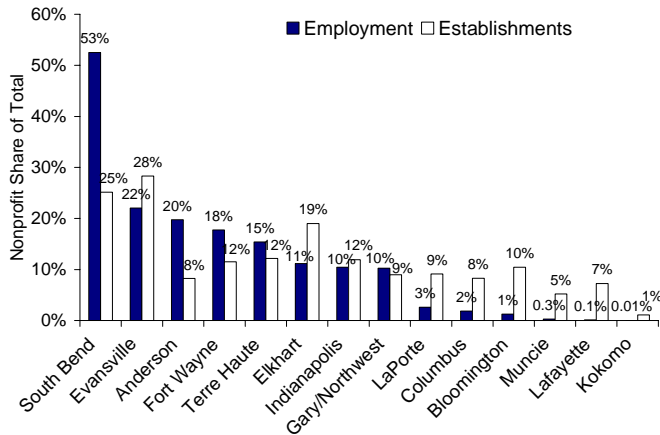
Figure 32: Nonprofit share of social assistance employment and establishments, by Metropolitan Statistical Area, 2005



- Fort Wayne, Gary/Northwest, South Bend, and Indianapolis have the highest number of social assistance nonprofit employees, with between 1,500 and 4,500 employees, but the nonprofit share of total employment was lower in these four areas than in any of the others. Close to two-thirds of all social assistance employees work for a nonprofit organization in Fort Wayne, Gary/Northwest, and South Bend (70 percent, 66 percent, and 65 percent, respectively), while less than half (48 percent) of all such employees in Indianapolis work for a nonprofit.
- Nonprofit social assistance organizations are larger than their counterparts in all of these regions, though the extent of this size difference varies across metropolitan areas. Social assistance nonprofits in Terre Haute (83 percent of employment and 35 percent of establishments) are much larger than other social assistance organizations in the region, while Indianapolis social assistance nonprofits (48 percent of employment and 42 percent of establishments) are only slightly larger than their counterparts.
- Nonprofit share of education employment differs more dramatically across metropolitan regions than does the share for the other industries we've examined. Additionally, nonprofit education establishments vary in size across the state, with some much larger than their counterparts and others significantly smaller. The educational services industry includes all levels of schooling, from elementary and second-

dary schools, to junior colleges, to universities and professional schools. See Figure 33.

Figure 33: Nonprofit share of educational services employment and establishments, by Metropolitan Statistical Area, 2005

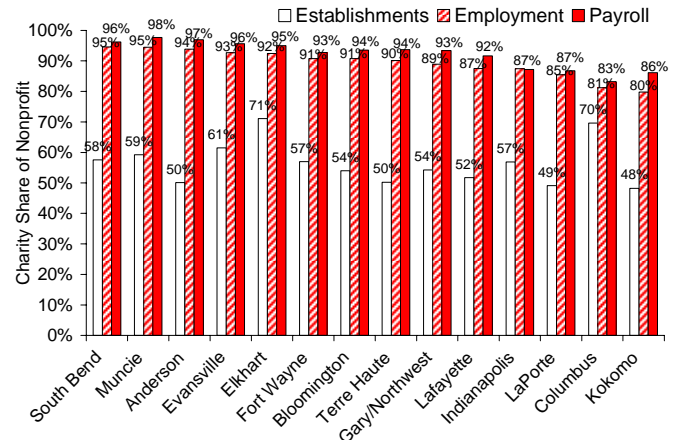


- South Bend has both the highest number of nonprofit education employees (nearly 9,000) and the highest nonprofit share of total employment (53 percent) by a considerable margin.
- Only four other metropolitan areas have more than 2,000 nonprofit education employees, though those nonprofit employees account for a varied proportion of the total education workforce. Nonprofit employees were 22 percent of all education employees in Evansville, 18 percent of employees in Fort Wayne, and 10 percent each in Indianapolis and Gary/Northwest.
- Government employment dominates this industry in several metropolitan regions, so that the nonprofit share of total employment is quite small. Nonprofit employment was 3 percent of all education employment in LaPorte and 2 percent in Columbus. Nonprofit educators comprised 1 percent or less of all education employment in four metropolitan regions: Bloomington, Muncie, Lafayette, and Kokomo.
- Nonprofit educational services establishments are on average larger than their counterparts in only five metropolitan areas: South Bend, Anderson, Fort Wayne, Terre Haute, and Gary/Northwest. In the other nine areas, educa-

tion nonprofits are much smaller than other organizations in this industry.

- Regardless of the industry, the vast majority of nonprofit employment is in charitable organizations. Charities are on the whole larger than other nonprofit establishments, and their employees are paid more on average. See Figure 34.

Figure 34: Charities share of nonprofit establishments, employment, and payroll, by Metropolitan Statistical Area, 2005

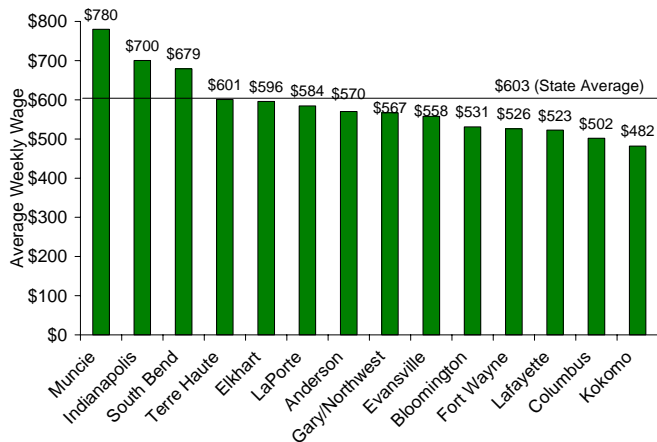


- Charities account for between 80 and 95 percent of all nonprofit employment in all fourteen metropolitan areas. Charities comprised the largest proportion of employment in South Bend and Muncie (95 percent each) and the smallest proportion in Columbus and Kokomo (81 percent and 80 percent, respectively).
- Charitable establishments are larger than other types of nonprofits in each of these metropolitan regions, shown by the fact that charities' share of employment is much higher than their share of establishments. The difference was the smallest in Columbus, where charities are only slightly larger than other nonprofits (81 percent of employment vs. 70 percent of establishments); in contrast, charities were significantly larger than other types of nonprofits in Anderson (94 percent of employment vs. 50 percent establishments) and Terre Haute (90 percent of employment vs. 50 percent of establishments).
- In all regions but Indianapolis, charity employees are paid slightly more than their counterparts in other nonprofits, shown by the fact that in

most cases charities' share of payroll is slightly higher than their share of employment.

Payroll: On average across the state, nonprofit employees earned \$603 in weekly wages. Nonprofit average weekly wages varies quite considerably across metropolitan regions. See Figure 35.

Figure 35: Nonprofit average weekly wages, by Metropolitan Statistical Area, 2005



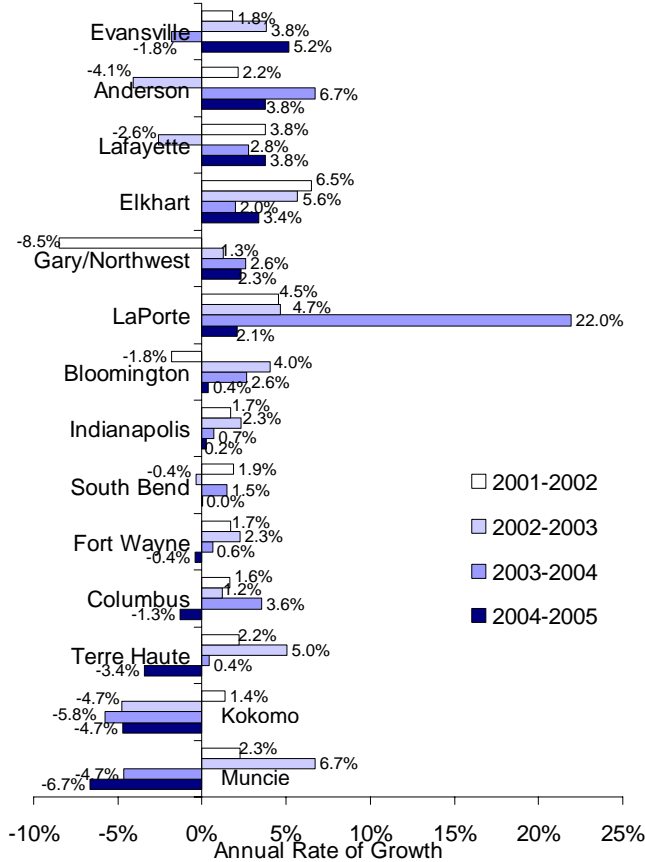
- Nonprofit employees in Muncie earned the highest average weekly wages of all metropolitan nonprofit workers. At \$780, their average wage was 29 percent higher than the state average.
- Only two other areas had nonprofit wages higher than the state average. Average weekly wages for nonprofit employees in Indianapolis (\$700) and South Bend (\$679) were also notably higher than the state average.
- Nonprofit wages were about equal with the statewide average for Terre Haute (\$601).
- Nonprofit wages were only slightly below the state average in Elkhart (\$596) and LaPorte (\$584).
- Average weekly wages for nonprofit employees in Anderson (\$570), Gary/Northwest (\$567), and Evansville (\$558) were somewhat below the state average.
- Nonprofit wages were notably lower than the state average in Bloomington (\$531), Fort Wayne (\$526) and Lafayette (\$523).

- Nonprofit average weekly wages were significantly lower than the state average in Columbus (\$502, or 17 percent lower) and Kokomo (\$482, or 20 percent lower).

Growth: Though the overall trend shows steady growth in both nonprofit employment and payroll, there is much more variation in growth rates for individual metropolitan areas. Additionally, annual rates of growth for nonprofit employment are much more variable than rates of growth for nonprofit payroll.

- Statewide, nonprofit employment grew steadily over the 2001 to 2005 period. Employment growth in metropolitan area nonprofits has not been as uniform, and several areas have seen negative growth over the last year. See Figure 36.
 - Nonprofit employment in six metropolitan areas grew faster between 2004 and 2005 than the overall state growth rate of 0.8 percent during that period: Evansville (5.2 percent), Anderson (3.8 percent), Lafayette (3.8 percent), Elkhart (3.4 percent), Gary/Northwest (2.3 percent), and LaPorte (2.1 percent).
 - Bloomington and Indianapolis also experienced positive growth in nonprofit employment, though their annual rates of growth for 2004 to 2005 (0.4 percent and 0.2 percent, respectively) were lower than the statewide average. Nonprofit employment in South Bend grew by only 0.01 percent.
 - Nonprofit employment declined between 2004 and 2005 for five metropolitan areas in Indiana: Fort Wayne (-0.4 percent), Columbus (-1.3 percent), Terre Haute (-3.4 percent), Kokomo (-4.7 percent), and Muncie (-6.7 percent).
 - Only Elkhart, LaPorte, and Indianapolis have experienced consistent positive growth in nonprofit employment for the entire 2001 to 2005 period. The other eleven metropolitan areas have seen a decline in nonprofit employment during at least one of those years.

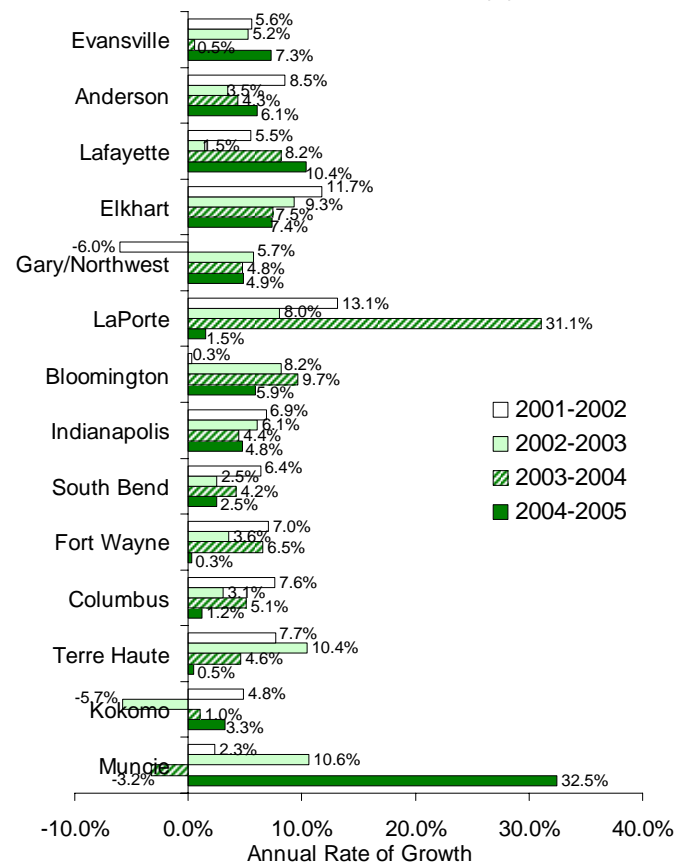
Figure 36: Annual rates of growth for nonprofit employment, by Metropolitan Statistical Area, by year, 2001-2005



- Of special note is the significant rate of growth (22 percent) in LaPorte nonprofit employees between 2003 and 2004. Approximately 87 percent of that growth was in nonprofit health services employment.
- Kokomo and Muncie have each seen notable decline in nonprofit employment over the last several years. In Kokomo, the decline between 2002 and 2003 was due to a decline in nonprofit health services employment, but between 2003 and 2005 the majority of the decline in the nonprofit sector can be attributed to membership association employment. In Muncie, both the growth between 2002 and 2003 and the decline between 2003 and 2005 were due for the most part to changes in health services employment.

- Matching the statewide pattern, nonprofit payrolls grew in each of these metropolitan areas over the 2001 to 2005 period. See Figure 37.²⁷

Figure 37: Annual rates of growth for nonprofit payroll, by Metropolitan Statistical Area, by year, 2001-2005



- Total nonprofit payrolls increased between 2004 and 2005 for all of the state's metropolitan regions. Nonprofit payroll in six areas grew faster between 2004 and 2005 than the overall state growth rate of 5.0 percent during that period: Muncie (32.5 percent), Lafayette (10.4 percent), Elkhart (7.4 percent), Evansville (7.3 percent), Bloomington (6.9 percent), and Anderson (6.1 percent).
- The exceptional growth in Muncie's total nonprofit payroll between 2004 and 2005 is surprising given the fact that overall nonprofit employment declined by -6.7 percent during that

²⁷ These growth rates are not adjusted for inflation. For reference, inflation rates between 2001 and 2005 ranged between 1.5 percent and 3.5 percent annually.

period. A major cause of the overall decline in Muncie's nonprofit sector between 2004 and 2005 was a decline in health services employment, specifically in the ambulatory services sub-field. Unexpectedly, the vast majority of the payroll growth in the same period was also due to changes in the health services field: payroll for ambulatory services declined, but payroll for hospital employees increased by 81 percent.

- Significant growth in LaPorte nonprofit payrolls between 2003 and 2004 matches the nonprofit employment growth seen in that area during the same period.
- Nonprofit payroll declined only for only three regions, and then for only one year each: once in Gary/Northwest, once in Kokomo, and once in Muncie, over this five-year period. The general trend is for nonprofit payroll to increase, somewhat independent of employment growth or decline in the region.

PART THREE: ECONOMIC GROWTH REGIONS

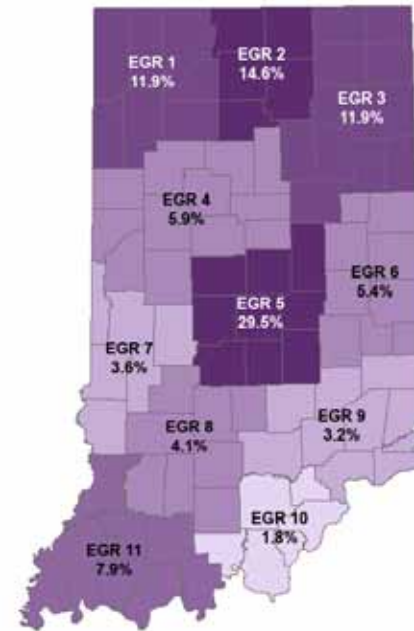
VIII. INTRODUCTION TO ECONOMIC GROWTH REGIONS

Indiana is divided into 11 Economic Growth Regions (EGRs), as illustrated on page 6. Though certain patterns hold true for most regions, there is a considerable amount of variation in employment, wages, and growth among the 11 different regions.

Employment and Payroll: Although nonprofit employment and payroll differ across the 11 regions, nonprofits are still a considerable economic force in most regions. Most regions' nonprofit sectors are larger than several key industries in terms of both total employees and total payroll, with the notable exception being EGR 10 (Southeast). Nonprofit employment in this region was smaller than that in all of the key industries examined (construction, transportation and warehousing, wholesale trade, and accommodation and food service) except one (wholesale trade), and nonprofit payroll in EGR 10 was similarly smaller than that for each of these same industries.

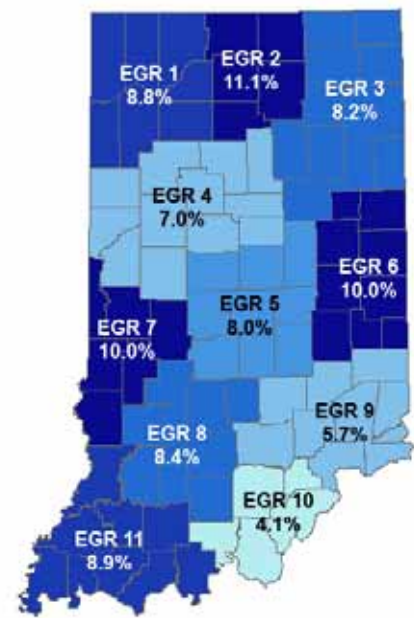
- As Figure 38 shows, the distribution of Indiana's nonprofit employment among the 11 regions varies considerably.
 - EGR 5 (Central) had the greatest share of the state's nonprofit employment, with 29.5 percent. The region with the next highest share was EGR 2 (North Central), with 14.6 percent.
 - EGR 10 (Southeast) had the smallest proportion of the state's nonprofit employment, with only 1.8 percent.
 - Among the rest of the regions, EGR 1 (Northwest) and EGR 3 (Northeast) each had 11.9 percent of the state's nonprofit employment. The remaining regions – EGR 4 (Northwest Central), EGR 6 (East Central), EGR 7 (West Central), EGR 8 (South Central), EGR 9 (Southeast Central), and EGR 11 (Southwest) – each had between 3 and 8 percent of the total.

Figure 38: Distribution of Indiana's nonprofit sector by Economic Growth Region, 2005



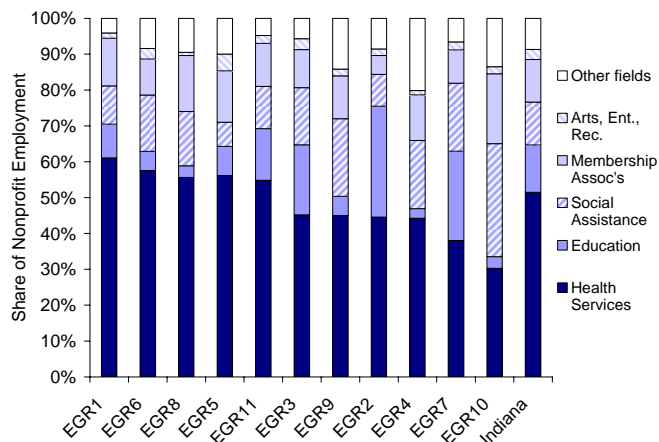
- Individual regions' nonprofit share of total employment varied between a low of 4.1 percent in EGR 10 (Southeast) to a high of 11.1 percent in EGR 2 (North Central). See Figure 39. The statewide share was 8 percent.

Figure 39: Nonprofit Share of Total Employment, by Economic Growth Region, 2005



Nonprofit Industries: The distribution of nonprofit employment across industries varies by region. See Figure 40.

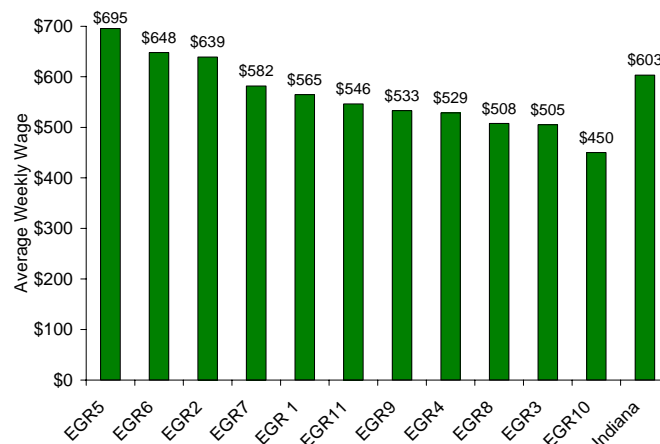
Figure 40: Distribution of nonprofit employment by industry, by region, 2005



- Most regions followed the statewide pattern of health dominance. Statewide, health services accounted for 51 percent of nonprofit employment, and in most regions, health services accounted for between 40 and 60 percent of nonprofit employment. The notable exception was EGR 10 (Southeast), in which only 30 percent of nonprofit employment was in the health services industry. EGR 10 was the only region in which health services did not have the largest share of nonprofit employment – social assistance organizations did, accounting for 31 percent of the region's total nonprofit employment.
- Statewide and in all regions, arts, entertainment, and recreation organizations accounted for the smallest share of nonprofit employment. The statewide share was 3 percent, and each regional percentage was between 1 and 5 percent.
- The rankings of the three middle industries – education, social assistance, and membership associations – varied by region.

Wages: Nonprofit average weekly wages in each region varied from a high of \$695 in EGR 5 (Central) to a low of \$450 in EGR 10 (Southeast). The statewide average nonprofit weekly wage was \$603. See Figure 41.

Figure 41: Nonprofit average weekly wages, by region, 2005

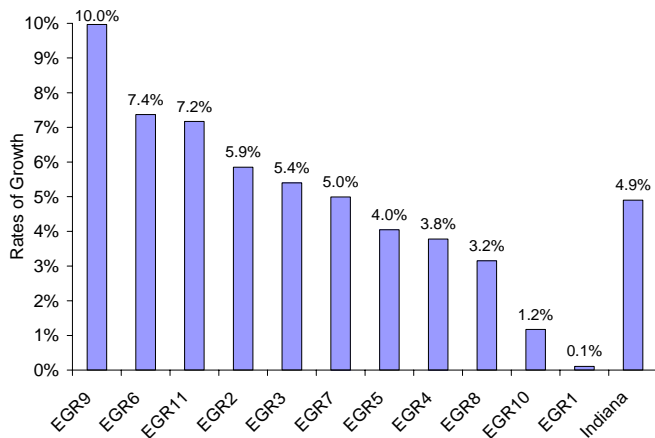


- In most regions, nonprofit average weekly wages were lower than for-profit and government average weekly wages. However, there are three exceptions:
 - In EGR 6 (East Central), nonprofit average weekly wages were higher than both for-profit and government average weekly wages.
 - In EGR 2 (North Central), nonprofit average weekly wages were higher than government average weekly wages (but still lower than for-profit average weekly wages).
 - In EGR 7 (West Central), nonprofit average weekly wages were higher than for-profit average weekly wages (but still lower than government average weekly wages).

Growth in Employment: Rates of growth in nonprofit employment between 2001 and 2005 varied from a high of 10.0 percent in EGR 9 (Southeast Central) to a low of 0.1 percent in EGR 1 (Northwest). The statewide growth rate for nonprofit employment over this four-year period was 4.9 percent. See Figure 42.

- In the majority of the EGRs, overall nonprofit growth rates from 2001 to 2005 were higher than overall for-profit and government growth rates. However, five EGRs differed from this pattern.
 - In EGR 1 (Northwest), EGR 4 (Northwest Central), EGR 5 (Central), and EGR 8 (South Central), nonprofit overall growth rates were smaller than the government rates (but larger than the for-profit rates).

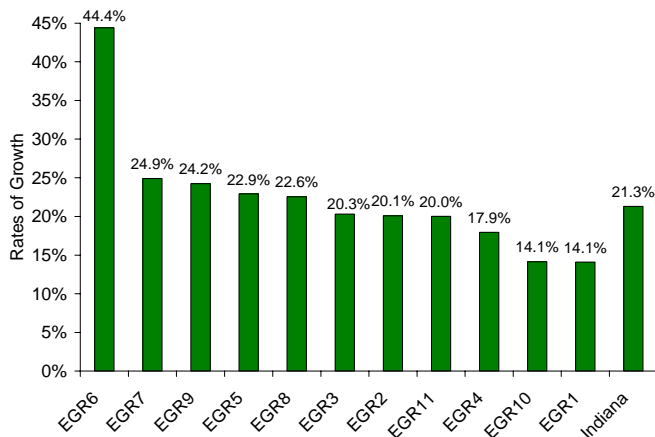
Figure 42: Rates of growth in employment, by region, 2001-2005



- In EGR 10, the nonprofit and for-profit overall growth rates were the same (1.8 percent for each sector). This growth rate is larger than the government growth rate (the government sector shrank by 1.4 percent during between 2001 and 2005).

Growth in Payroll: Rates of growth in nonprofit payroll between 2001 and 2005 varied from lows of 14.1 percent in EGRs 1(Northwest) and 10 (Southeast) to a high of 44.4 percent in EGR 6 (East Central). The statewide growth rate was 21.3 percent.²⁸ See Figure 43.

Figure 43: Rates of growth in payroll, by region, 2001-2005



- At 44 percent, the rate of growth in EGR 6 (East Central) payroll was considerably higher than

those in the remaining regions, where growth rates ranged between 14 and 25 percent.

- In all EGRs, overall nonprofit payroll growth rates were larger than both for-profit and government growth rates.

²⁸ These rates of growth are not adjusted for inflation. For comparison, the inflation rate between 2001 and 2005 was approximately 10 percent.

IX. NORTHWEST INDIANA: ECONOMIC GROWTH REGION 1

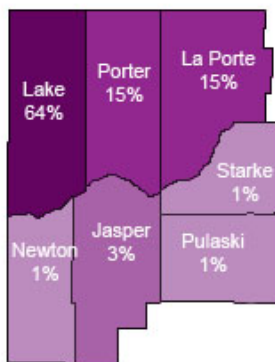


Seven northwest Indiana counties – Lake, Porter, LaPorte, Starke, Newton, Jasper, and Pulaski – comprise Economic Growth Region (EGR) 1. This region includes both the Gary/Northwest Metropolitan Statistical Area (MSA), which encompasses Jasper, Lake, Newton, and Porter Counties, and the LaPorte MSA, which encompasses LaPorte County. The private nonprofit sector is a major economic force in EGR 1, employing a greater percentage of the total workforce than the statewide percentage, and employing more workers than several typically for-profit industries. From 2002 to 2005, nonprofit employment and payroll in EGR 1 grew considerably. The region's nonprofit employment is heavily concentrated in the health services field, with close to two-thirds of the region's nonprofit employees working in this one field.

Employment and Payroll: Nonprofits in EGR 1 employed 27,900 workers and had a total payroll of about \$820 million.

- The distribution of nonprofit employment differs notably by county, as shown in Figure 44.

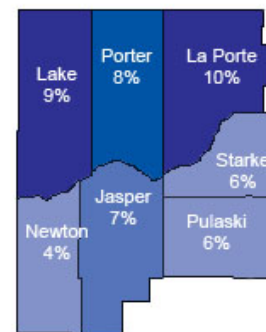
Figure 44: Distribution of EGR 1 nonprofit employment, by county, 2005



- Lake County contained the majority of EGR 1's nonprofit employment, with 64 percent.
- Porter and LaPorte Counties had the next highest share, with 15 percent each.

- Jasper County's share of nonprofit employment was only 3 percent.
- Newton, Starke, and Pulaski Counties had the lowest proportions of the region's nonprofit employment, with only 1 percent each.
- The 27,900 nonprofit employees accounted for 9 percent of the region's total employment of 317,300. This was slightly higher than the percentage for Indiana as a whole (8 percent).
- The nonprofit share of total employment differs by county, as shown in Figure 45.

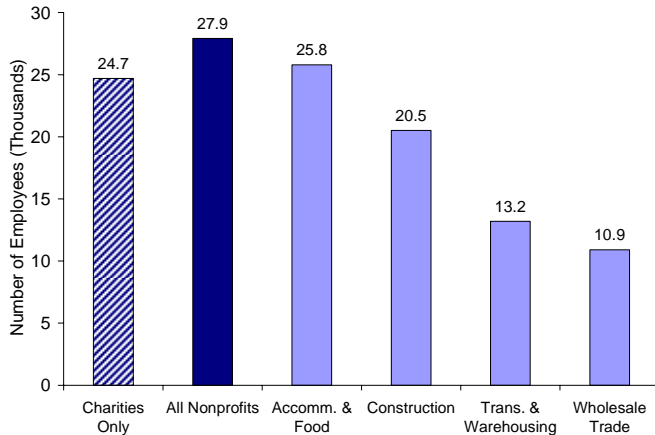
Figure 45: Nonprofit share of total employment, by county, 2005



- Nonprofit shares of total employment in LaPorte and Lake Counties were slightly higher (by 1 or 2 percentage points) than the share of total employment for nonprofits statewide.
- Porter County nonprofit employment comprised about the same percentage of total employment as the state's percentage.
- Nonprofit shares of total employment in Jasper, Pulaski, and Starke Counties were somewhat smaller (by 1 or 2 percentage points) than for nonprofit employment statewide.
- The nonprofit share of total employment in Newton County was only about half as large as the statewide share.

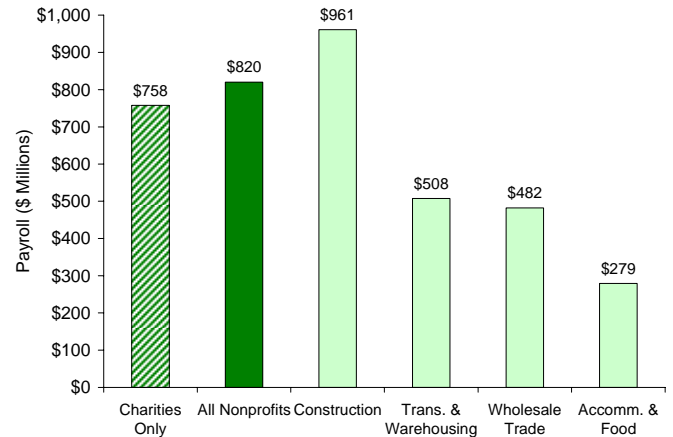
- Total nonprofit employment in EGR 1 exceeds the number of employees in several key industries.²⁹ As Figure 46 shows, the EGR 1 nonprofit sector employed:

Figure 46: Employment in EGR 1's nonprofit sector in comparison to certain industries, 2005 (in thousands)



- Slightly more people than the 25,800 people employed by the region's accommodation and food service industry.
- More people than the 20,500 people employed by the region's construction industry.
- More than twice as many people as the region's transportation and warehousing or wholesale trade industries (13,200 and 10,900, respectively).
- EGR 1's nonprofit sector accounted for \$820 million of the region's total payroll of \$11 billion, or 7 percent. As Figure 47 illustrates, payroll for jobs in the region's nonprofit sector was:
 - Nearly three times greater than total payroll for jobs in the accommodation and food service industry (\$279 million), even though the number of employees is comparable.
 - Considerably higher than total payroll for jobs in the transportation and warehousing industry (\$508 million) and wholesale trade industry (\$482 million).

Figure 47: Payroll in EGR 1's nonprofit sector in comparison to certain industries, 2005 (in millions)

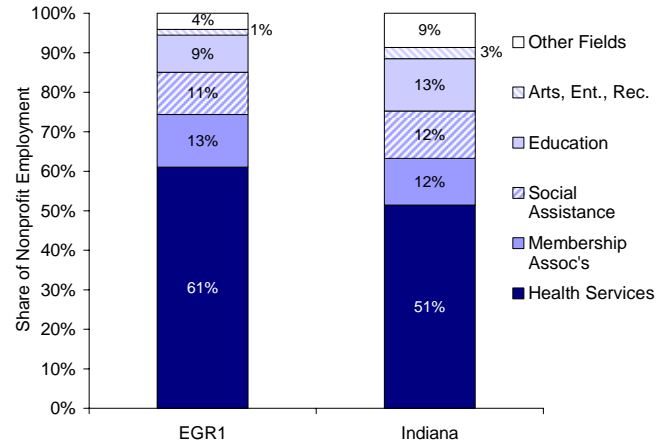


- Lower than total payroll for jobs in the construction industry (\$961 million).

Nonprofit Industries: The region's nonprofit employment is concentrated in several industries, with over half of nonprofit employees working in health services. Nonprofits account for a considerable portion of the employment in some fields.

- As Figure 48 shows, the distribution of nonprofit employment across industries in EGR 1 differs some from the corresponding distribution statewide.

Figure 48: Distribution of nonprofit employment, by industry, EGR 1 vs. Indiana, 2005



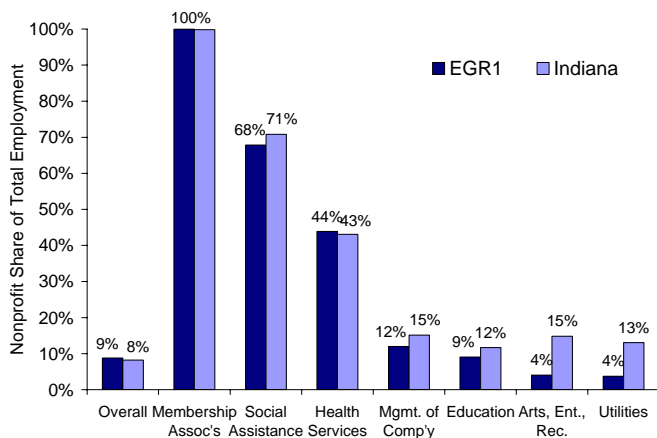
- Health services accounted for a considerably larger share of total nonprofit employment in EGR 1 (61 percent) than it did statewide (51 percent).³⁰

²⁹ Less than 0.4 percent of employment in these industries was nonprofit employment, meaning there is little overlap.

³⁰ Although the NAICS classification system groups health services and social assistance together as NAICS 62, we have separated social

- Membership associations accounted for a slightly larger share than the statewide share (13 percent vs. 12 percent).³¹
- With health services and membership associations taking a larger share of overall nonprofit employment in this region, there are proportionally fewer nonprofit employees in social assistance and education organizations in this region. The share of social assistance nonprofit employment was 11 percent in EGR 1, compared to 12 percent statewide, and the share of education nonprofit employment was 9 percent in EGR 1, compared to 13 percent statewide.
- Arts, entertainment, and recreation, though typically a small share of total nonprofit employment, also had a slightly lower share in EGR 1 than the share statewide (1 percent vs. 3 percent).
- Nonprofit employment dominates in several industries, as illustrated in Figure 49.

Figure 49: Nonprofit share of total employment for selected industries, EGR 1 vs. Indiana, 2005



assistance (NAICS 624) from other health-related employment both here and throughout the report in order to simplify our presentation.

³¹ Some membership associations, most notably religious congregations, are not required to register with the IRS as tax-exempt organizations. As a result, some private associations participating in the CEW reporting system would not be classified as nonprofit associations under our methodology. On the assumption that all of these private membership associations are indeed nonprofit, we reclassified as nonprofit the relatively small number of private membership associations not registered with the IRS as tax-exempt organizations.

- Nearly all (almost 100 percent) of employment in membership associations in both EGR 1 and Indiana was attributed to nonprofits.
- Nonprofits accounted for over two-thirds (68 percent) of employment in social assistance organizations in EGR 1; this is slightly less than the statewide share (71 percent).
- About two-fifths (44 percent) of employment in health services in EGR 1 was in the nonprofit sector, which is similar to the statewide share (43 percent).
- Nearly one-tenth (9 percent) of employment in educational services in EGR 1 was attributed to nonprofits, compared to slightly over one-tenth (12 percent) statewide.
- Nonprofits comprised about 4 percent of the employment in arts, entertainment, and recreation in EGR 1, which is considerably smaller than the statewide share of 15 percent.
- Although the management of companies or enterprises and utilities are not typically thought of as containing a significant presence of nonprofit employment, in EGR 1 nonprofits accounted for 12 percent and 4 percent of employment in these industries, respectively. These percentages are lower than the statewide shares of 15 percent for management organizations and 13 percent for utilities.

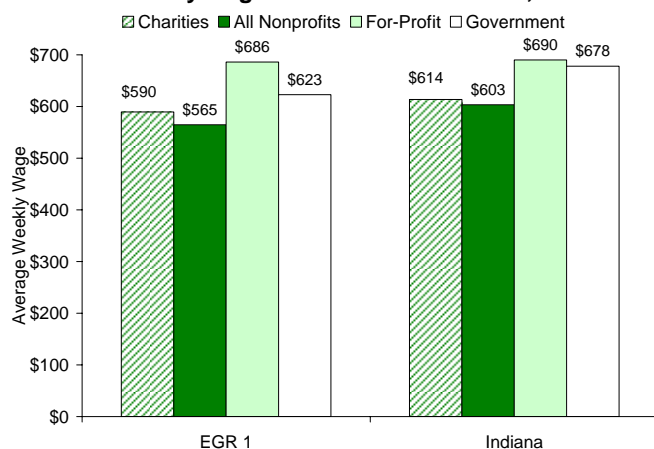
Wages: Overall, average weekly wages paid to nonprofit employees are lower than those paid to employees in the for-profit and government sectors. However, this is not always true in the industries in which nonprofits are concentrated, as often nonprofit employees' wages are actually greater than the wages of their for-profit or government counterparts.³²

- In both EGR 1 and Indiana as a whole, workers in nonprofit organizations overall earn less than those

³² These average weekly wages do not include fringe benefits and make no adjustment for full-time or part-time work (these details are not included in the CEW reporting system). Industries or sectors with more reliance on part-time workers could show up as having lower average weekly wages than those with fewer part-time workers, even if the actual hourly pay rates are higher.

in the for-profit and government sectors. See Figure 50.

Figure 50: Nonprofit, for-profit, and government average weekly wages in EGR 1 and Indiana, 2005

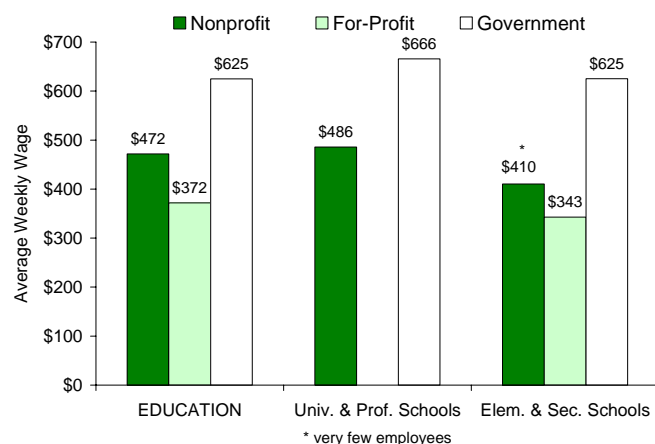


- Nonprofit workers in EGR 1 earned an average weekly wage of \$565, or about 18 percent less than for-profit workers in EGR 1. This wage gap is larger than the statewide gap of 13 percent, reflecting the relatively low average weekly wages of nonprofit employees in EGR 1, while those of for-profit workers in EGR 1 are roughly on par with their counterparts statewide.
- Nonprofit workers in EGR 1 earned about 9 percent less than the region’s government workers. This gap is somewhat smaller than the statewide gap, as Indiana’s nonprofit employees earned about 11 percent less than Indiana’s government employees.
- However, in industries in which nonprofit organizations are concentrated, nonprofit workers sometimes earn more than their for-profit or government counterparts.³³
- Nonprofit employees in education earn more than for-profit employees but less than government employees. (See Figure 51.) The two education categories shown accounted for 94 percent of total em-

³³ When a sector had less than three establishments in an industry or sub-industry, the data was suppressed for confidentiality reasons. When a sector had three or more establishments but still a very small relative number of employees in a given industry or sub-industry (less than 4 percent of the total employment for the industry or sub-industry), the data are reported but marked with an asterisk in the corresponding graph. While we report data for these relatively few employees, the results should be interpreted with caution.

ployment in the educational services field in EGR 1. A third category, junior colleges, had too few non-profit establishments to report separate data.

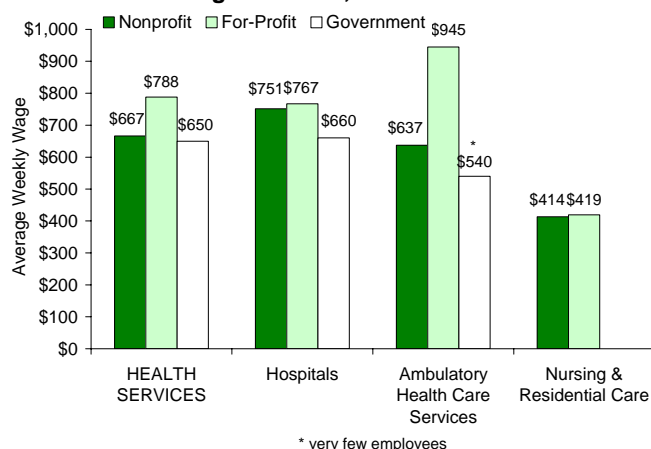
Figure 51: Average weekly wages in EGR 1 education organizations, 2005



- On average, employees of nonprofit education organizations earned about 27 percent more than those employed with for-profit education organizations, but about 24 percent less than government workers, who account for the majority of employment in this industry.
- Nonprofit employees in universities and professional schools earned about 27 percent less than government employees. There were too few for-profit establishments to report separately.
- The very few nonprofit employees in elementary and secondary schools earned about 20 percent more than their for-profit counterparts but about 34 percent less than government employees.
- Workers in nonprofit health service organizations earn less than those in for-profit organizations but more than those in government organizations. (See Figure 52.) Ambulatory services, hospitals, and nursing and residential care comprise 100 percent of all employment in the health services field.
 - Nonprofit workers in the health services industry on average earned about 15 percent less than for-profit workers but slightly more (about 2 percent) than government workers.
 - Workers in nonprofit hospitals earned slightly less (about 2 percent) than those in for-profit

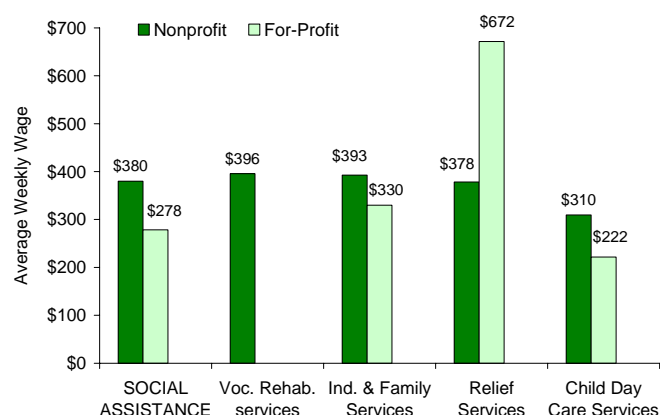
hospitals but about 14 percent more than those in government hospitals.

Figure 52: Average weekly wages in EGR 1 health services organizations, 2005



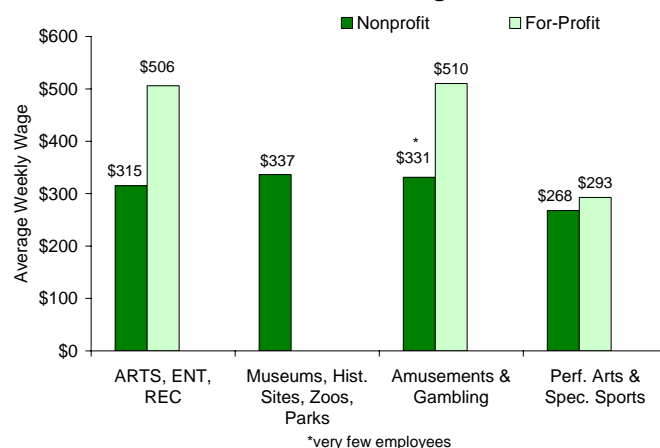
- In ambulatory health care services, nonprofit workers earned about 33 percent less than for-profit workers but about 18 percent more than the relatively few government workers.
 - Nonprofit and for-profit wages in nursing and residential care were similar, with nonprofit workers earning about 1 percent more. There were no government employees in this subfield.
- As Figure 53 shows, relative wages in the social assistance field are more mixed. There was no government employment in this field in EGR 1, so only non-profit and for-profit employees are compared. The four sub-industries shown made up 100 percent of all employment in the social assistance field.
 - Overall nonprofit wages in the social assistance industry were about 37 percent higher than for-profit wages.
 - Employees in nonprofit vocational rehabilitation services earned average weekly wages of \$396. Nonprofit employees made up the vast majority of employment in this category; for-profit employment was too small to report separately.
 - Workers in nonprofit individual and family services organizations earned about 19 percent more than workers in for-profit organizations.

Figure 53: Average weekly wages in EGR 1 social assistance organizations, 2005



- Those employed in nonprofit relief service organizations earned 44 percent less than those in for-profit relief services.
 - Workers in nonprofit child day care services earned about 40 percent more than workers in for-profit child day care services.
- In the arts, entertainment, and recreation industry, nonprofit employees earn less than their for-profit counterparts. (See Figure 54.) The three sub-industries shown comprise 100 percent of the employment in arts, entertainment, and recreation in EGR 1.

Figure 54: Average weekly wages in EGR 1 arts, entertainment, and recreation organizations, 2005



- Overall in this industry, the few nonprofit employees earned about 38 percent less than the relatively few for-profit employees.³⁴

³⁴ For-profits accounted for the vast majority of employees in this industry, with about 95 percent. Nonprofits contributed about 4 per-

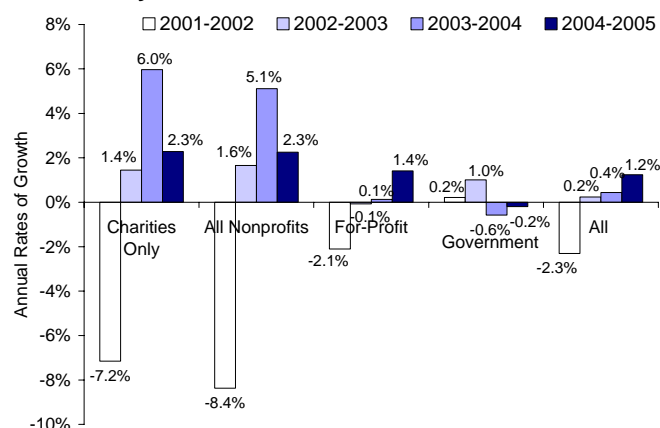
- The very few nonprofit employees in museums, historical sites, zoos, and parks earned an average weekly wage of \$337. EGR 1 had no for-profit employees in this category.³⁵
- The relatively few workers in nonprofit amusement and gambling establishments earned about 35 percent less than those in for-profit establishments. EGR 1 had no government employees in this category.
- Employees in nonprofit performing arts and spectator sports organizations earned about 9 percent less than those in for-profit organizations. EGR 1 had no government employees in this category.

Growth: Between 2001 and 2005 employment in the EGR 1 nonprofit sector grew by only 0.1 percent, employment in the for-profit sector shrank by 0.7 percent, and employment in the region's government sector grew by 0.4 percent.

- However, as Figure 55 shows, these overall trends mask considerable differences in annual growth rates.
 - Employment in the nonprofit sector declined by 8.4 percent from 2001 to 2002. It then rebounded during the next three years, experiencing growth rates of 1.6 percent, 5.1 percent, and 2.3 percent, respectively.
 - Employment in the for-profit sector also experienced decline and recovery, though to a lesser extent than the nonprofit sector. For-profit employment shrank by 2.1 percent from 2001 to 2002 and by 0.1 percent between 2002 and 2003. For-profit employment then grew during the next two years, with a growth rate of 0.1 percent during the 2003 to 2004 period and a

growth rate of 1.4 percent during the 2004 to 2005 period.

Figure 55: Annual rates of growth in EGR 1 employment by sector, 2001-2005



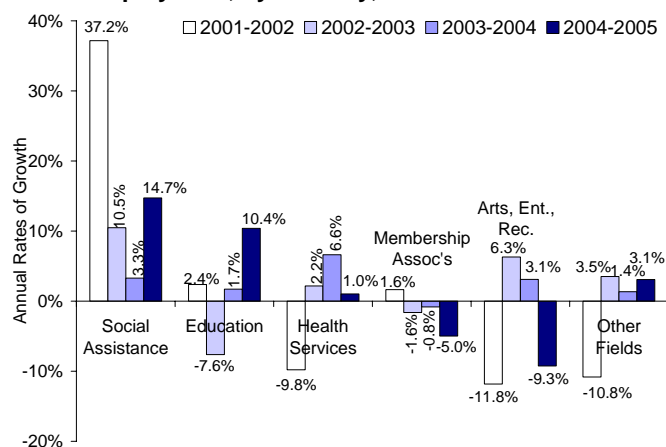
- Government employment experienced a different trend, with growth during the first two years and decline during the next two years. Employment grew by 0.2 percent between 2001 and 2002 and by 1.0 percent between 2002 and 2003. Employment then shrank by 0.6 percent during the 2003 to 2004 period and by 0.2 percent during the 2004 to 2005 period.
- Nonprofit employment trends differ notably by industry. As Figure 56 shows, social assistance organizations experienced the most growth, while arts, entertainment, and recreation establishments saw the greatest declines.
 - Overall, nonprofit employment in social assistance organizations in 2005 was up 79.5 percent over 2001. The highest growth rate (37.2 percent) occurred between 2001 and 2002. The industry then grew 10.5 percent from 2002 to 2003, 3.3 percent between 2003 and 2004, and 14.7 percent between 2004 and 2005.
 - Overall employment in nonprofit education services grew by 6.2 percent between 2001 and 2005. The industry experienced increasing growth in employment each year except between 2002 and 2003, when employment declined by 7.6 percent. Growth between 2004 and 2005 was 10.4 percent.
 - Overall, nonprofit employment in social assistance organizations in 2005 was up 79.5 percent

cent. Government employees made up about 1 percent of the total; however, all of the government employees were employed by only one establishment, so the data was suppressed for confidentiality reasons.

³⁵ Government employees made up the vast majority of the employment in this category, with 91 percent; however, all of these employees were employed by one establishment, so the data was suppressed for confidentiality reasons. Nonprofit employees accounted for the remaining 9 percent.

over 2001. The highest growth rate (37.2 percent) occurred between 2001 and 2002. The industry then grew 10.5 percent from 2002 to 2003, 3.3 percent between 2003 and 2004, and 14.7 percent between 2004 and 2005.

Figure 56: Annual rates of growth in EGR 1 nonprofit employment, by industry, 2001-2005



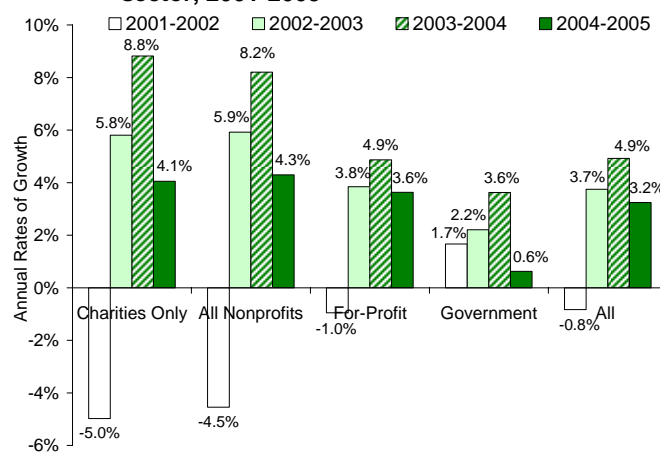
- Overall employment in nonprofit education services grew by 6.2 percent between 2001 and 2005. The industry experienced increasing growth in employment each year except between 2002 and 2003, when employment declined by 7.6 percent. Growth between 2004 and 2005 was 10.4 percent.
- Overall, employment in nonprofit health services organizations declined by 0.7 percent between 2001 and 2005. Employment declined during the 2001 to 2002 period (by 9.8 percent) but rebounded during the next three years. The rate of growth peaked at 6.6 percent during the 2003 to 2004 period then grew at a more modest amount (1.0 percent) between 2004 and 2005.
- Employment in nonprofit membership associations experienced a downward trend, shrinking by 5.7 percent during the 2001 to 2005 period. The industry experienced 1.6 percent growth in employment during the first year, but then experienced declines for each of the next three years. From 2004 to 2005 employment declined by 5.0 percent.
- Nonprofit employment in arts, entertainment, and recreation had the largest rates of decline – overall 12.3 percent during the 2001 to 2005 pe-

riod. Employment in this field declined by 11.8 percent between 2001 and 2002, recovered during the next two years (6.3 and 3.1 percent growth), but then declined by 9.3 percent from 2004 to 2005.

- Overall, employment in nonprofit organizations in other fields shrank by 3.6 percent between 2001 and 2005. Employment declined by 10.8 percent from 2001 to 2002 then grew from 2002 to 2005. Growth between 2004 and 2005 was 3.1 percent.

- From 2002 to 2005, the nonprofit sector's total payroll increased at a faster rate than that for the for-profit and government sectors. See Figure 57.³⁶

Figure 57: Annual rates of growth in EGR 1 payroll, by sector, 2001-2005



- Overall growth in payroll for EGR 1 nonprofits from 2001 to 2005 was 14.1 percent. Nonprofit payroll declined at a rate of 4.5 percent between 2001 and 2002 and then rebounded during the next three years. Growth peaked at 8.2 percent from 2003 to 2004 then grew by a lesser amount (4.3 percent) between 2004 and 2005.
- Overall growth in for-profit payroll between 2001 and 2005 was 11.8 percent. For-profit payroll experienced annual growth trends similar to those of nonprofits, with decline during the 2001 to 2002 period and growth during the 2002 to 2005 period, but the rates were more modest than those of the nonprofits. For-profit payroll shrank by 1.0 percent from 2001 to 2002. Growth peaked at 4.9 percent between 2003 and

³⁶ These growth rates are not adjusted for inflation.

2004 then grew at the more modest amount of 3.6 percent between 2004 and 2005.

- Government payroll grew by 8.3 percent during the 2001 to 2005 period, and it experienced growth during each of the four years. The growth rates steadily increased from 1.7 percent between 2001 and 2002 to 3.6 percent from 2003 to 2004, dropping to a rate of 0.6 percent between 2004 and 2005.

X. NORTH CENTRAL INDIANA: ECONOMIC GROWTH REGION 2



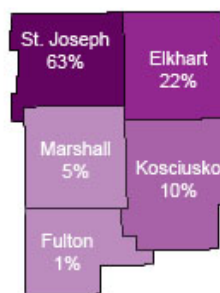
Economic Growth Region (EGR) 2 is comprised of five north central Indiana counties – St. Joseph, Elkhart, Marshall, Kosciusko, and Fulton Counties. EGR 2 includes both the South Bend Metropolitan Statistical Area (St. Joseph County) as well as the Elkhart Metropolitan Statistical Area (Elkhart County).

The private nonprofit sector is a major economic force in EGR 2, employing a greater percentage of the total workforce than the statewide percentage and employing considerably more workers than several typically for-profit industries. Nonprofit employment in this sector is concentrated in the health and education fields, with over three-fourths of the sector's total nonprofit employment accounted for by these two fields. Nonprofit employment and payroll in this region has grown each year during the 2001 to 2005 period.

Employment and Payroll: Nonprofits in EGR 2 employed 34,400 workers and had payrolls of over \$1.1 billion.

- The distribution of this region's nonprofit employment differs notably by county, as shown in Figure 58.

Figure 58: Distribution of EGR 2 nonprofit employment, by county, 2005

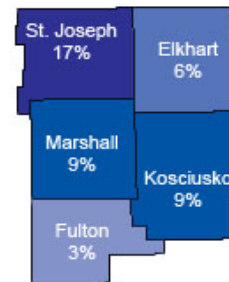


- St. Joseph County employed the largest percentage of EGR 2 nonprofit employees by far, with 63 percent.
- The county with the next highest share of the region's nonprofit employment was Elkhart County, with 22 percent.

- Kosciusko County accounted for 10 percent of the region's nonprofit employment.
- Marshall and Fulton Counties contained the smallest shares of the region's nonprofit employment, with 5 percent and 1 percent, respectively.

- The 34,400 nonprofit employees account for 11 percent of the total employment in this region, which is higher than the sector's share statewide (8 percent).
- The nonprofit share of total employment differs by county, as shown in Figure 59.

Figure 59: Nonprofit share of total employment, by county, 2005



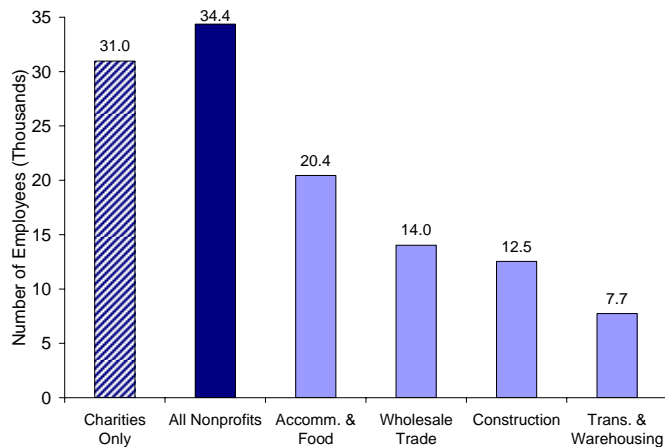
- St. Joseph County's nonprofit share of total employment was over twice as high as the sector's share statewide (17 percent vs. 8 percent).
- Nonprofit employment in Kosciusko and Marshall Counties made up a slightly larger share of total employment (about 1 percentage point) than the statewide share.
- Elkhart County nonprofits accounted for a slightly smaller share of total county employment than the statewide share (6 percent vs. 8 percent).
- Fulton County nonprofits accounted for a considerably smaller share of total employment than the statewide share (3 percent vs. 8 percent).

- Total nonprofit employment in EGR 2 exceeds the number of employees in several key industries.³⁷ As

³⁷ Less than 0.5 percent of employment in these industries was nonprofit employment, meaning there is little overlap.

Figure 60 shows, the 34,400 workers employed in the EGR 2 nonprofit sector was:

Figure 60: Employment in EGR 2's nonprofit sector in comparison to certain industries, 2005 (in thousands)



- Considerably more people than the 20,400 people employed by the region's accommodation and food service industry.
- Over twice as many people as the 14,000 people employed in the region's wholesale trade industry and over twice as many people as the 12,500 employees in the region's construction industry.
- More than four times as many people as the 7,700 people employed by the region's transportation and warehousing industry.

- The nonprofit sector in EGR 2 accounted for \$1.14 billion of the region's total payroll of \$10.83 billion, or 11 percent. As Figure 61 shows, the payroll for nonprofit jobs in EGR 2 was considerably larger than the payroll for the accommodation and food service, wholesale trade, construction, and transportation and warehousing industries.

Nonprofit Industries: The region's nonprofit employment is concentrated in several industries, with the largest concentration in health services. Nonprofits account for a considerable portion of the employment in some industries.

- As Figure 62 shows, the distribution of nonprofit employment across industries differs some from the corresponding distribution statewide.

Figure 61: Payroll in EGR 2's nonprofit sector in comparison to certain industries, 2005 (in millions)

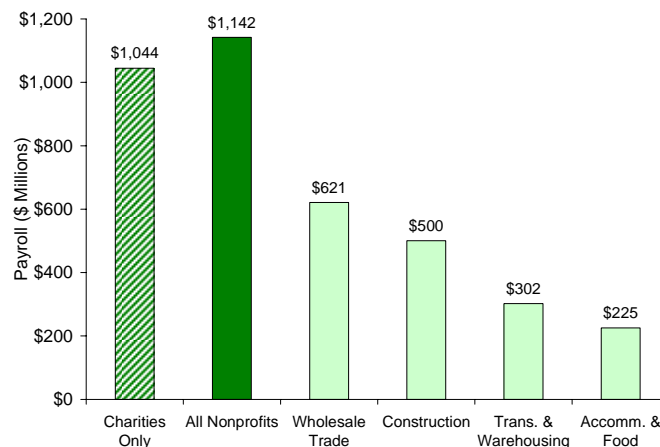
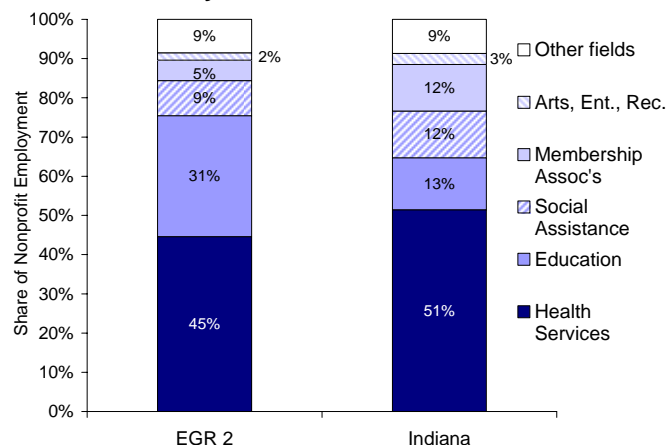


Figure 62: Distribution of nonprofit employment, by industry, EGR 2 vs. Indiana, 2005

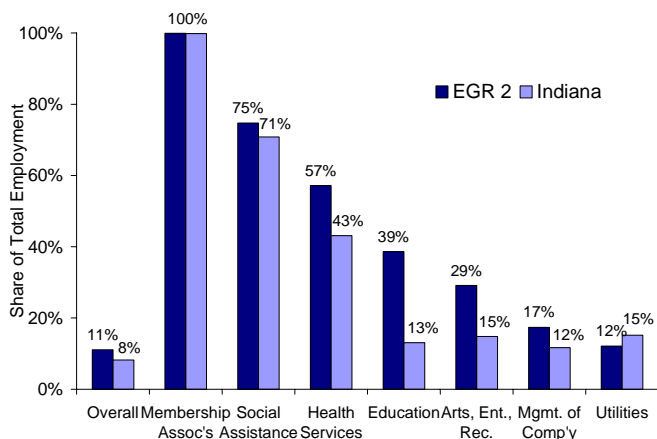


- Health services accounted for nearly half (45 percent) of total nonprofit employment. This was smaller than the statewide share of 51 percent.³⁸
- Education services made up a much larger share of EGR 2's nonprofit employment than the share statewide (31 vs. 13 percent).
- Social assistance organizations made up a smaller share of nonprofit employment in EGR 2 than they did in the state as a whole (9 percent vs. 12 percent)

³⁸ Although the NAICS classification system groups health services and social assistance together as NAICS 62, we have separated social assistance (NAICS 624) from other health-related employment both here and throughout the report in order to simplify our presentation.

- Membership associations accounted for 5 percent of nonprofit employment in EGR 2, and this is considerably smaller than the statewide share of 12 percent.³⁹
- Arts, entertainment, and recreation accounted for a slightly smaller share of nonprofit employment in EGR 2 than it did statewide (2 percent vs. 3 percent).
- The share of nonprofit employment in other fields were approximately the same for EGR 2 and Indiana (9 percent each).
- Nonprofits dominate the employment in certain key industries. As Figure 63 shows:

Figure 63: Nonprofit share of total employment for selected industries, EGR 2 vs. Indiana, 2005



- Nearly all (almost 100 percent) of employment in membership associations in both EGR 2 and Indiana was attributed to nonprofits.
- Nonprofits accounted for about three-fourths (75 percent) of social assistance organizations in EGR 2; this is slightly higher than the statewide percentage (71 percent).

³⁹ Some membership associations, most notably religious congregations, are not required to register with the IRS as tax-exempt organizations. As a result, some private associations participating in the CEW reporting system would not be classified as nonprofit organizations under our methodology. On the assumption that all of these private membership associations are indeed nonprofit, we reclassified as nonprofit the relatively small number of private membership associations not registered with the IRS as tax-exempt organizations.

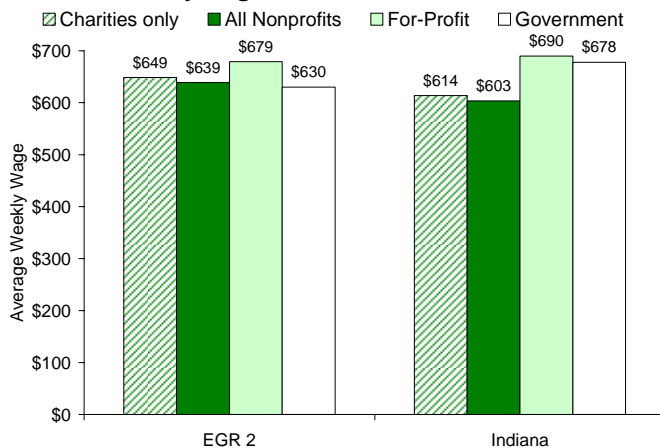
- Over half (57 percent) of employment in health services in EGR 2 was in the nonprofit sector, which is notably higher than the Indiana percentage (43 percent).
- Nearly two-fifths (39 percent) of employment in educational services in EGR 2 was attributed to nonprofits. This is considerably higher than the statewide share of 13 percent.
- Nonprofits comprised about 29 percent of employment in the arts, entertainment, and recreation field in EGR 2, nearly twice as high as the state as a whole (15 percent).
- Although utilities and organizations concerned with the management of companies or enterprises are not typically thought of as containing a significant nonprofit presence, in EGR 2 nonprofits accounted for 17 percent of employment in management organizations and 12 percent of utilities. The management organizations share was higher than the statewide average of 12 percent, and the utilities share was lower than the statewide average of 15 percent.

Wages: Overall, average weekly wages paid to nonprofit employees are lower than those paid to for-profit workers but higher than those paid to government workers. However, in industries in which nonprofits are concentrated, nonprofit employees in some cases earn more than their for-profit and government counterparts.⁴⁰

- Nonprofit employees in EGR 2 earned less per week than for-profit employees but more per week than government employees, while nonprofit employees statewide earned less than both for-profit and government employees. See Figure 64.
- Nonprofit workers in EGR 2 earned about 6 percent less than for-profit workers in EGR 2. This gap was much smaller than the gap statewide, with Indiana nonprofit workers earning about 13 percent less than Indiana for-profit workers.

⁴⁰ These average weekly wages do not include fringe benefits and make no adjustment for full-time or part-time work (these details are not included in the CEW reporting system). Industries or sectors with more reliance on part-time workers could show up as having lower average weekly wages than those with fewer part-time workers, even if the actual hourly pay rates are higher.

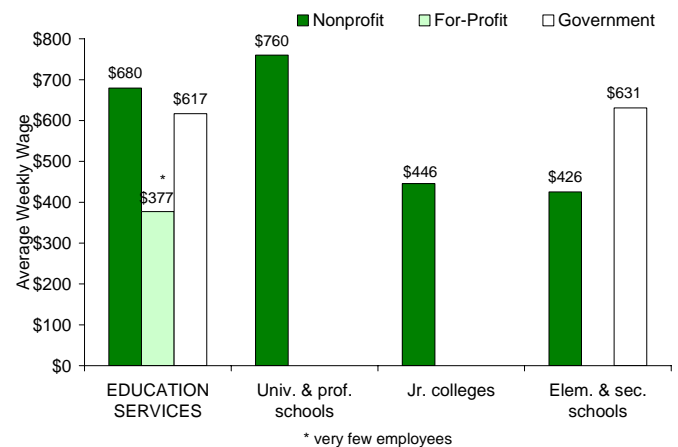
Figure 64: Nonprofit, for-profit, and government average weekly wages in EGR 2 and Indiana, 2005



- Nonprofit workers in EGR 2 earned about 1 percent more than the region's government workers. In contrast, statewide, Indiana nonprofit workers earned about 11 percent less than Indiana government workers.
- However, in industries in which nonprofits are concentrated, nonprofit workers often earn more than both their for-profit and government counterparts.⁴¹
- Nonprofit employees in education earned more, on average, than for-profit and government employees. (See Figure 65.) The three sub-industries shown made up 98 percent of total employment in EGR 2's education services field.
 - On average, employees of nonprofit education organizations earned about 80 percent more than the few employees in for-profit education organizations, and they earned about 10 percent more than workers in government education organizations.
 - Nonprofit university and professional school employees earned an average weekly wage of \$760. Data for for-profit and government wages was suppressed because there were too few establishments in these sectors.

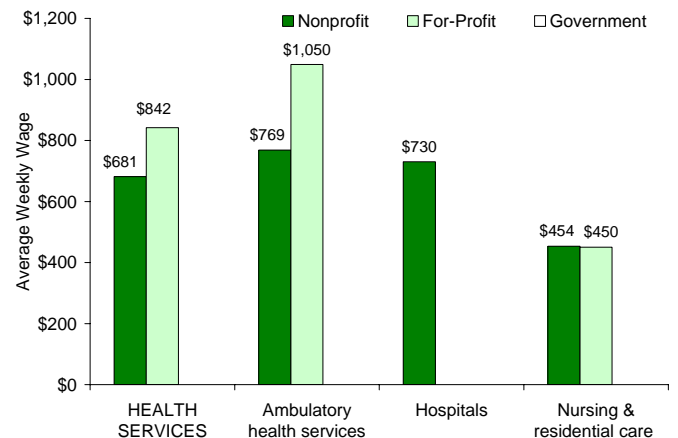
⁴¹ When a sector had less than three establishments in an industry or sub-industry, the data was suppressed for confidentiality reasons. When a sector had three or more establishments but still a very small relative number of employees in a given industry or sub-industry (less than 4 percent of the total employment for the industry or sub-industry), the data are reported but marked with an asterisk in the corresponding graph. While we report data for these relatively few employees, the results should be interpreted with caution.

Figure 65: Average weekly wages in EGR 2 education organizations, 2005



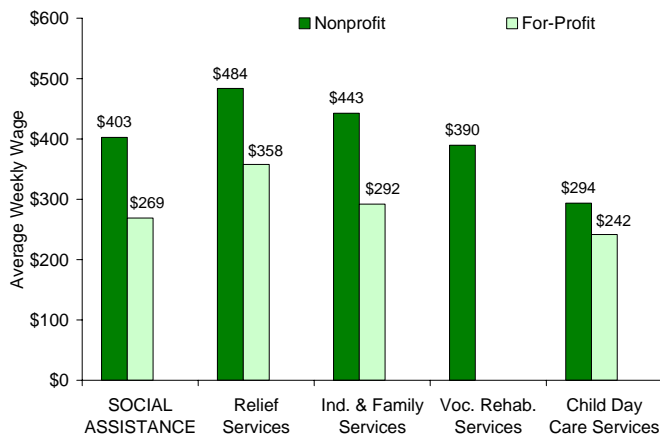
- Employees of nonprofit junior colleges earned an average weekly wage of \$446. Data for for-profit and government wages was suppressed because there were too few establishments in these sectors.
- Nonprofit employees in elementary and secondary schools earned wages about 33 percent lower than those for government employees. There were too few for-profit establishments to report separately.
- Overall, nonprofit workers in the health services industry earn less than for-profit workers. (See Figure 66.) Government employment was too small to report separately. The three sub-industries shown made up 100 percent of the employment in the health services industry.

Figure 66: Average weekly wages in EGR 2 health services organizations, 2005



- On average, nonprofit workers in the health services industry earned about 19 percent less than for-profit workers.
 - In the ambulatory health services sub-field, nonprofit workers earned about 27 percent less than for-profit workers.
 - Workers in nonprofit hospitals had average weekly wages of \$730. There were too few for-profit establishments to report separately.
 - Nonprofit nursing and residential care employees earned slightly more (about 1 percent) than for-profit employees.
- Employees of nonprofit social assistance organizations earn more than those of for-profit social assistance organizations. (See Figure 67.) Government employment was too small to report separately. The four sub-industries shown comprise 100 percent of the social assistance employment.

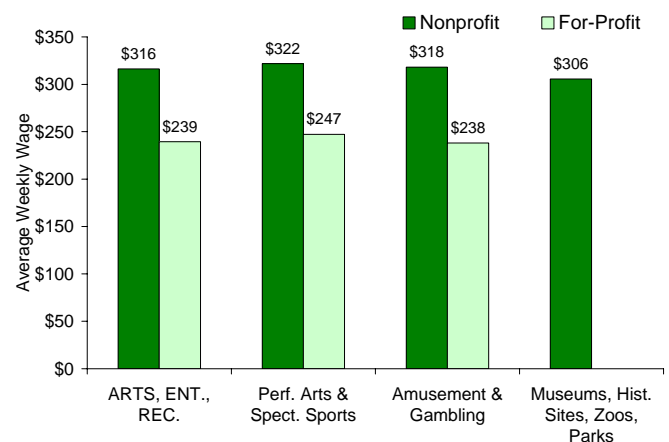
Figure 67: Average weekly wages in EGR 2 social assistance organizations, 2005



- Overall, nonprofit employees in the social assistance industry earned average weekly wages about 1.5 times higher than those of for-profit employees.
- Nonprofit relief services workers earned about 35 percent more than for-profit workers.
- In individual and family services, nonprofit employees earned about 52 percent more than for-profit employees.

- All of the employment in vocational rehabilitation services was attributed to nonprofits.
 - Workers in nonprofit child day care services earned average weekly wages about 22 percent higher than for-profit workers' wages.
- Employees of nonprofit arts, entertainment, and recreation organizations earn more than their counterparts in for-profit organizations. There was no government employment in this industry. (See Figure 68.) The three sub-industries shown accounted for 100 percent of total employment in the arts, entertainment and recreation field.

Figure 68: Average weekly wages in EGR 2 arts, entertainment, and recreation organizations, 2005

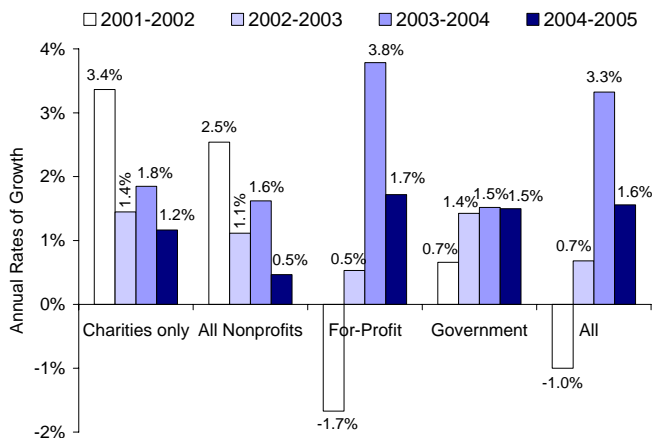


- Nonprofit employees in the arts, entertainment, and recreation industry earned about 32 percent more than their for-profit counterparts.
- In the performing arts and spectator sports category, nonprofit employees earned about 30 percent more than for-profit employees.
- Employees in nonprofit amusement and gambling establishments earned about 34 percent more than their for-profit counterparts.
- All of the employment in museums, historical sites, zoos, and parks was accounted for by nonprofits.

Growth: Between 2001 and 2005, the nonprofit sector grew by 5.9 percent, the for-profit sector grew by 4.4 percent and the government sector grew by 4.6 percent.

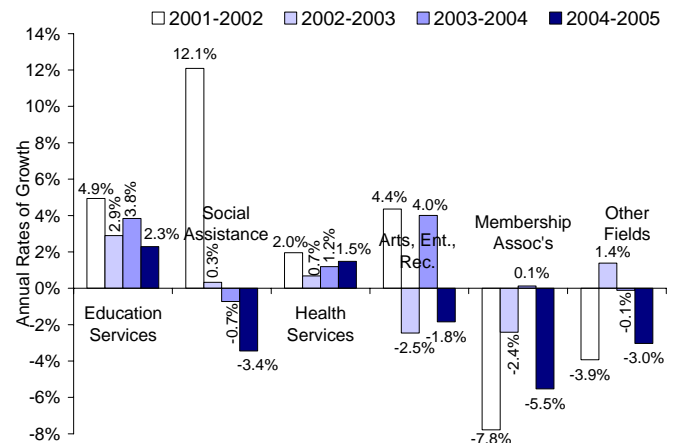
- However, as Figure 69 shows, these overall trends mask differences in annual growth rates.

Figure 69: Annual rates of growth in EGR 2 employment by sector, 2001-2005



- Nonprofit employment grew each year during the four-year period, with the greatest growth rate (2.5 percent) from 2001 to 2002 and the smallest growth rate (0.5 percent) between 2004 and 2005.
- The for-profit sector shrank by 1.7 percent during the 2001 to 2002 period. During the next three years it rebounded, growing by 0.5 percent from 2002 to 2003, by 3.8 percent from 2003 to 2004, and by 1.7 percent from 2004 to 2005.
- Government employment grew relatively slowly each year during the four-year period. The smallest rate of growth in government employment (0.7 percent) was from 2001 to 2002, and the greatest growth rate (1.5 percent) was between 2003 and 2004.
- Nonprofit employment trends differ notably by industry. As Figure 70 shows, education organizations experienced the most growth, while membership organizations saw the greatest declines.
 - Nonprofit education services experienced the highest overall growth rate during the four-year period (15 percent) and grew each year during the period, with the highest growth rate (4.9 percent) occurring between 2001 and 2002, and the lowest growth rate (2.3 percent) occurring between 2004 and 2005.

Figure 70: Annual rates of growth in EGR 2 nonprofit employment, by industry, 2001-2005

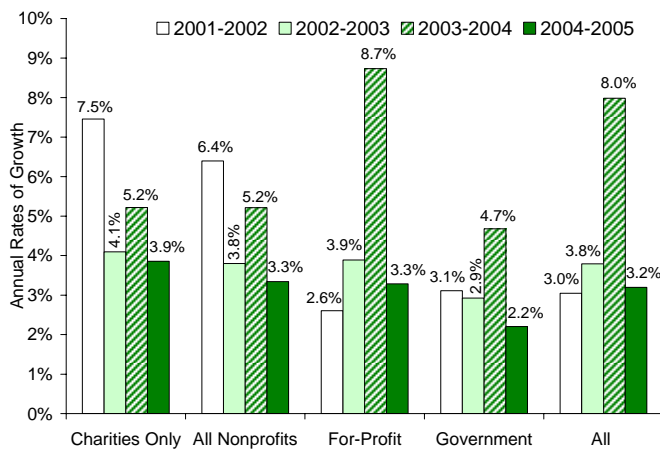


- Nonprofit social assistance organizations experienced the highest single-year growth rate (12.1 percent between 2001 and 2002), but growth then declined in later years. Between 2004 and 2005, employment shrank by 3.4 percent. Overall growth during the four-year period was 8 percent.
- Nonprofit employment in health services grew 5 percent between 2001 and 2005. This field experienced relatively low growth each year during the period, with the greatest growth (2.0 percent) occurring between 2001 and 2002, and the least growth (1.2 percent) occurring between 2003 and 2004.
- Overall, employment in nonprofit arts, entertainment, and recreation organizations grew 4 percent between 2001 and 2005. However, annual trends reflect a mix of growth and decline. Employment grew by 4.4 percent between 2001 and 2002 and then shrank by 2.5 percent from 2002 to 2003. Employment then grew by 4.0 percent between 2003 and 2004, shrinking once again by 1.8 percent between 2004 and 2005.
- Employment in nonprofit membership associations declined by 15 percent between 2001 and 2005. Employment declined considerably during three of the four years. From 2004 to 2005 the rate of decline was 5.5 percent.
- Nonprofit employment in other fields shrank by 6 percent from 2001 to 2005. Employment shrank 3.9 percent between 2001 and 2002, and

then grew by 1.4 percent from 2002 to 2003. Employment then began to decline again, and during the 2004 to 2005 period shrank by 3.0 percent.

- Between 2001 and 2005, nonprofit, for-profit, and government payroll all experienced growth each year. Nonprofit payroll grew slightly faster than for-profit payroll, and it also grew faster than government payroll. See Figure 71.⁴²

Figure 71: Annual rates of growth in EGR 2 payroll, by sector, 2001-2005



- Nonprofit payroll grew by 20.1 percent between 2001 and 2005. The lowest rate of growth was 3.3 percent between 2004 and 2005, and the highest rate of growth was 6.4 percent between 2001 and 2002.
- For-profit payroll grew by 19.7 percent between 2001 and 2005. The lowest rate of growth was 2.6 percent from 2001 to 2002, and the highest rate of growth was 8.7 percent from 2003 to 2004.
- Government payroll grew by 13.5 percent between 2001 and 2005. The lowest growth rate was 2.2 percent during the 2004 to 2005 period, and the highest growth rate was 4.7 percent during the 2003 to 2004 period.

⁴² Growth rates are not adjusted for inflation.

XI. NORTHEAST INDIANA: ECONOMIC GROWTH REGION 3



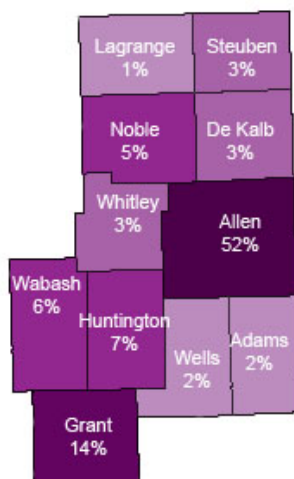
Eleven northeast Indiana counties – Lagrange, Steuben, Noble, DeKalb, Whitley, Allen, Wabash, Huntington, Wells, Adams, and Grant – comprise Economic Growth Region (EGR) 3. This region includes the Fort Wayne Metropolitan Statistical Area, which encompasses Allen, Wells, and Whitley Counties. The private nonprofit sector

is a major economic force in EGR 3, employing about the same percentage of the total workforce as the state-wide percentage, and employing considerably more workers than several typically for-profit industries. Nonprofit employment in this sector is concentrated in the health and education fields; together these two fields account for 65 percent of the nonprofit employment in this region. Nonprofit employment and payroll in this region grew moderately between 2001 and 2005..

Employment and Payroll: Nonprofits in EGR 3 employed 28,000 workers and had a total payroll of over \$736 million.

- The distribution of this region's nonprofit employment differs notably by county, as shown in Figure 72.

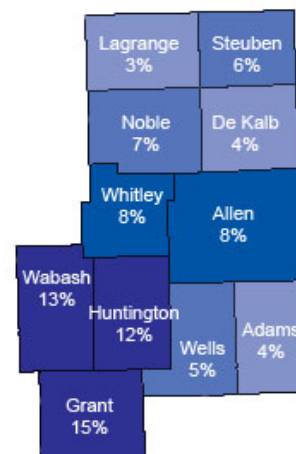
Figure 72: Distribution of EGR 3 nonprofit employment, by county, 2005



- Allen County contained the majority of the region's nonprofit employment, with 52 percent.

- Grant County had the next highest share, with 14 percent.
- Huntington, Wabash, and Noble Counties had shares of 7, 6, and 5 percent, respectively.
- Steuben, DeKalb, and Whitley Counties each contained 3 percent of the region's nonprofit employment.
- Adams and Wells Counties each represented 2 percent of the region's nonprofit employment.
- Lagrange County contained the smallest share of the region's nonprofit employment, with only 1 percent.
- The 28,000 nonprofit employees accounted for 8 percent of the total employment in EGR 3, which is approximately equal to the statewide percentage.
- The nonprofit share of total county employment differs by county, as shown in Figure 73.

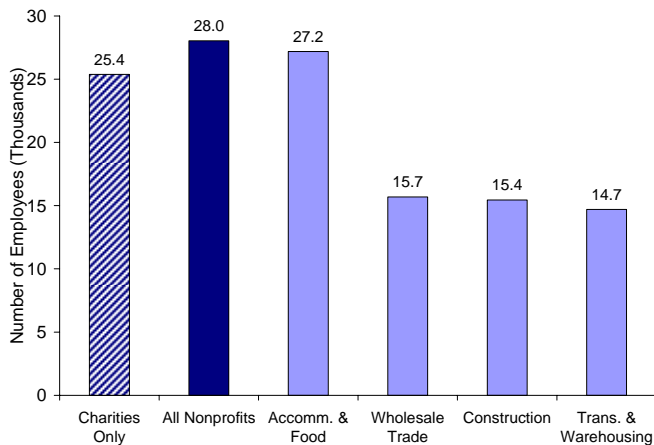
Figure 73: Nonprofit share of total employment, by county, 2005



- The share of total county employment accounted for by Grant County nonprofits was almost twice as high as the share statewide (15 percent vs. 8 percent).
- Wabash and Huntington County nonprofits made up a considerably larger share of total employment (by 4 or 5 percentage points) than that of nonprofits statewide.

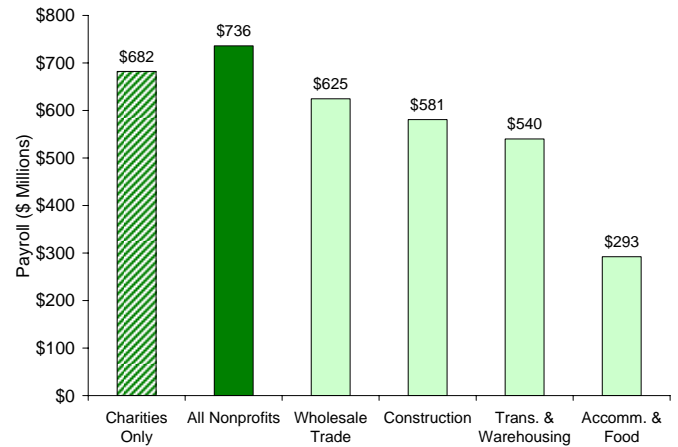
- Allen and Whitley County nonprofits comprised about the same percentage of total employment as the Indiana percentage.
- The nonprofit share of total employment in Noble and Steuben Counties was about 1 or 2 percentage points lower than the statewide share.
- Wells, DeKalb, Adams, and Lagrange County nonprofit shares of total employment were only about half the statewide share of 8 percent.
- Total nonprofit employment in EGR 3 exceeds the number of employees in several key industries.⁴³ As Figure 74 shows, nonprofits in this region employed:

Figure 74: Employment in EGR 3's nonprofit sector in comparison to certain industries, 2005 (in thousands)



- Slightly more people than the 27,200 people employed by the region's accommodation and food service industry.
- Considerably more people than the region's wholesale trade industry (15,700 employees), construction industry (15,400 employees), or transportation and warehousing industry (14,700 employees).
- EGR 3's nonprofit sector accounted for \$736 million of the region's total payroll of \$11 billion, or 7 percent. As Figure 75 illustrates, payroll for jobs in the region's nonprofit sector was:

Figure 75: Payroll in EGR 3's nonprofit sector in comparison to certain industries, 2005 (in millions)



- Greater than payroll for the region's wholesale trade industry (\$625 million), construction industry (\$581 million), and transportation and warehousing industry (\$540 million).
- Over twice as great as the payroll for the region's accommodation and food service industry (\$293 million), even though the number of employees is comparable.

Nonprofit Industries: The region's nonprofit employment is concentrated in several fields, with the largest concentration in the health services field. Nonprofits account for a considerable portion of the employment in some fields.

- As Figure 76 shows, the distribution of nonprofit employment across industries differs some from the corresponding distribution statewide.
- Health services accounted for a slightly smaller share of total nonprofit employment in EGR 3 than it did statewide (45 percent vs. 51 percent).⁴⁴
- Education (20 percent) and social assistance (16 percent) made up considerably larger shares of total nonprofit employment in EGR 3 than in all of Indiana (13 percent and 12 percent, respectively).

⁴³ Less than 0.4 percent of employment in these industries was nonprofit employment, meaning there is little overlap.

⁴⁴ Although the NAICS classification system groups health services and social assistance together as NAICS 62, we have separated social assistance (NAICS 624) from other health-related employment both here and throughout the report in order to simplify our presentation.

Figure 76: Distribution of nonprofit employment, by industry, EGR 3 vs. Indiana, 2005

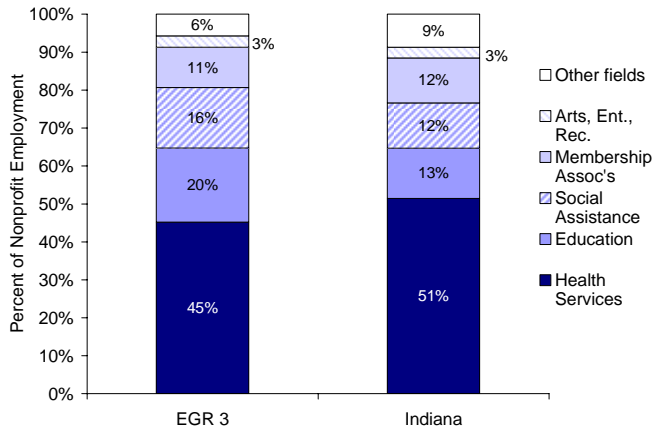
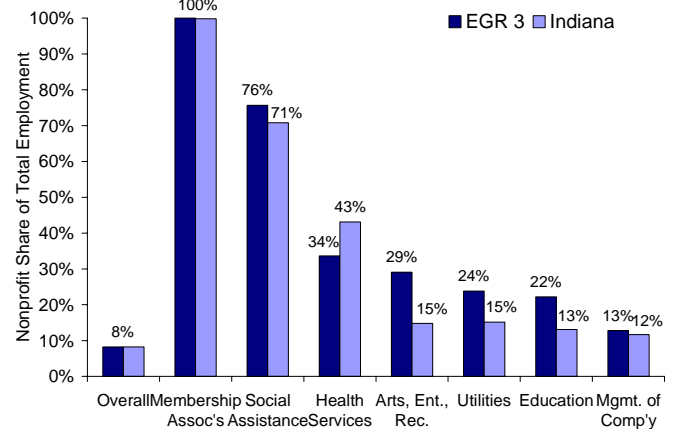


Figure 77: Nonprofit share of total employment for selected industries, EGR 3 vs. Indiana, 2005



- Membership associations made up a slightly smaller share of nonprofit employment than they did statewide (11 percent vs. 12 percent).⁴⁵
- The share of nonprofit employment taken up by EGR 3 arts, entertainment, and recreation organizations was approximately the same as the statewide percentage (3 percent).
- Nonprofit employment in other fields was a smaller percentage of nonprofit employment in EGR 3 than in the state as a whole (6 percent vs. 9 percent).
- Nonprofits dominate in certain industries, as Figure 77 illustrates.
 - Nearly all (almost 100 percent) of employment in membership associations in both EGR 3 and Indiana was attributed to nonprofits.
 - Nonprofits accounted for over three-fourths (76 percent) of employment in social assistance organizations in EGR 3; this is a bit more than the statewide share of 71 percent.
 - About one-third (34 percent) of EGR 3 employment in health services was in the nonprofit sector. This is lower than the share statewide (43 percent).
 - Nonprofits comprised about 29 percent of employment in arts, entertainment, and recreation in EGR 3, and this is considerably higher than the statewide share of 15 percent.
 - About 22 percent of employment in education services in EGR 3 was attributed to nonprofits, which is notably higher than the Indiana share of 13 percent.
 - Although utilities and organizations concerned with the management of companies or enterprises are not typically thought of as containing a significant presence of nonprofits, in EGR 3 nonprofits accounted for 24 percent of employment in utilities and 13 percent of employment in management organizations. The comparative statewide percentages were 15 percent for utilities and 12 percent for management organizations.

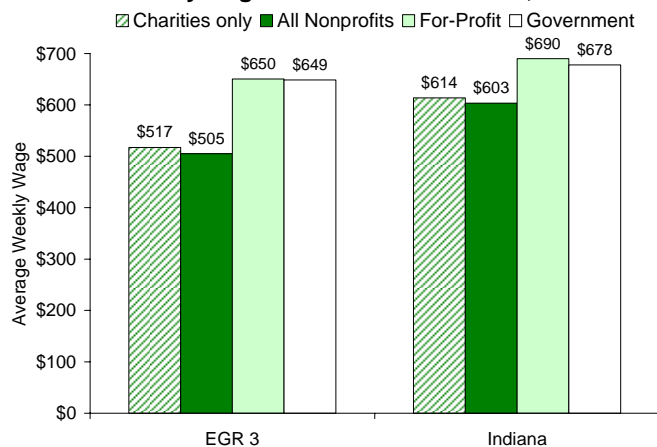
⁴⁵ Some membership associations, most notably religious congregations, are not required to register with the IRS as tax-exempt organizations. As a result, some private associations participating in the CEW reporting system would not be classified as nonprofit organizations under our methodology. On the assumption that all of these private membership associations are indeed nonprofit, we reclassified as nonprofit the relatively small number of private membership associations not registered with the IRS as tax-exempt organizations.

Wages: Overall, average weekly wages paid to nonprofit employees are lower than those paid to employees in the for-profit and government sectors. However, when the fields in which nonprofits are concentrated are considered individually, this trend is not always true.⁴⁶

⁴⁶ These average weekly wages do not include fringe benefits and make no adjustment for full-time or part-time work (these details are not included in the CEW reporting system). Industries or sectors

- In both EGR 3 and Indiana as a whole, employees in nonprofit organizations earn less than those in the for-profit and government sectors, but the gaps are larger than at the statewide level. See Figure 78.

Figure 78: Nonprofit, for-profit, and government average weekly wages in EGR 3 and Indiana, 2005



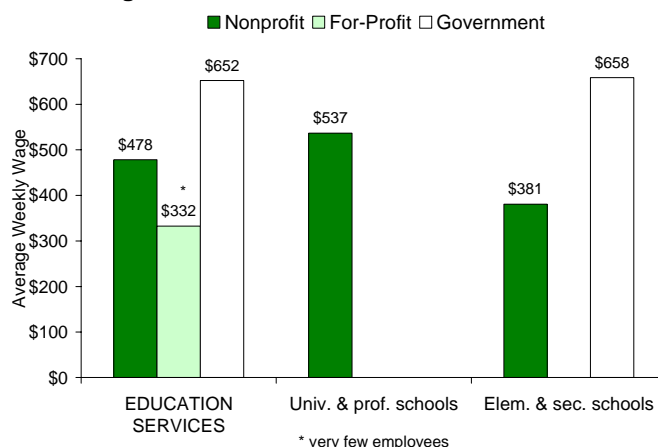
- Nonprofit workers in EGR 3 earned about 22 percent less than both the region's for-profit and government workers.
- These gaps are considerably larger than the statewide gaps – statewide, Indiana nonprofit workers earned about 13 percent less than for-profit workers and 11 percent less than government workers.
- In fields in which nonprofits are concentrated, nonprofit workers sometimes earn more than their for-profit or government counterparts.⁴⁷
- Nonprofit employees in education services earn higher average weekly wages than for-profit employees but lower average weekly wages than government employees. (See Figure 79.) The two edu-

with more reliance on part-time workers could show up as having lower average weekly wages than those with fewer part-time workers, even if the actual hourly pay rates are higher.

⁴⁷ When a sector had less than three establishments in an industry or sub-industry, the data was suppressed for confidentiality reasons. When a sector had three or more establishments but still a very small relative number of employees in a given industry or sub-industry (less than 4 percent of the total employment for the industry or sub-industry), the data are reported but marked with an asterisk in the corresponding graph. While we report data for these relatively few employees, the results should be interpreted with caution.

cation sub-industries shown accounted for 95 percent of total employment in education in EGR 3.

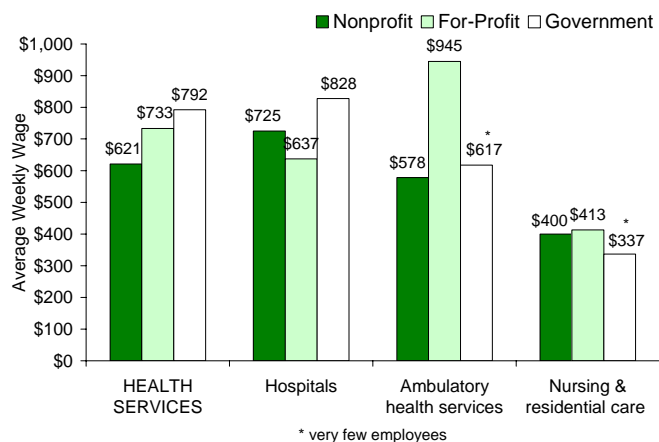
Figure 79: Average weekly wages in EGR 3 education organizations, 2005



- On average, nonprofit employees in education services earned about 44 percent more than the few for-profit employees but about 27 percent less than government employees.
- Nonprofit university and professional school employees earned an average weekly wage of \$537. There was no for-profit employment in this category, and there were too few government establishments to report separately.
- Employees of nonprofit elementary and secondary schools earned about 42 percent less than government employees. For-profit employment was too small to report separately.
- A third sub-industry, junior colleges, is not shown because all the employment was accounted for by 1 government establishment. Due to the very low number of establishments, the data was suppressed for confidentiality reasons.
- Overall, nonprofit workers in the health services industry earn lower average weekly wages than for-profit and government workers. (See Figure 80.) The three subfields shown accounted for 100 percent of the all employment in the health services field.
- On average, nonprofit workers in health services earned about 15 percent less than for-profit

workers and about 22 percent less than government workers.

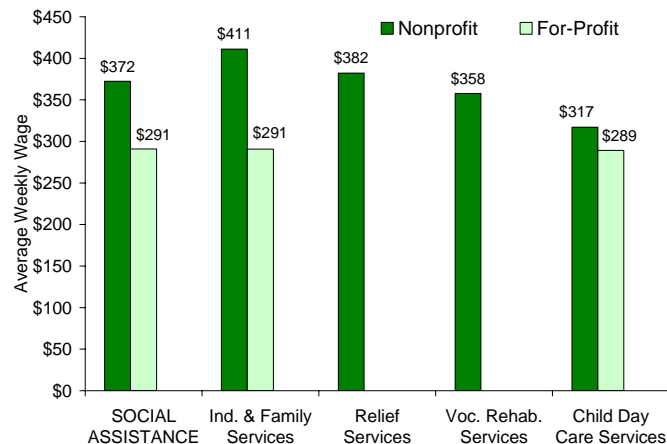
Figure 80: Average weekly wages in EGR 3 health services organizations, 2005



- Workers in nonprofit hospitals earned about 14 percent more than those in for-profit hospitals but about 12 percent less than those in government hospitals.
- Nonprofit ambulatory health service workers earned about 40 percent less than for-profit workers and about 6 percent less than the very few government workers.
- Nonprofit nursing and residential care workers earned about 3 percent less than for-profit workers but about 19 percent more than the few government workers.
- Overall, employees of nonprofit social assistance organizations earn higher average weekly wages than employees of for-profit social assistance organizations. (See Figure 81.). Government employment was too small to report separately. The four sub-industries shown accounted for 100 percent of the employment in the social assistance industry.
 - On average, nonprofit social assistance employees earned about 28 percent more than their for-profit counterparts.
 - In the individual and family services sub-field, nonprofit employees earned about 41 percent more than for-profit employees.

- Nonprofit relief service workers earned an average weekly wage of \$382. For-profit employment was too small to report separately.
- Nonprofit workers in vocational rehabilitation services earned an average weekly wage of \$358. There were no for-profit workers in this subfield.

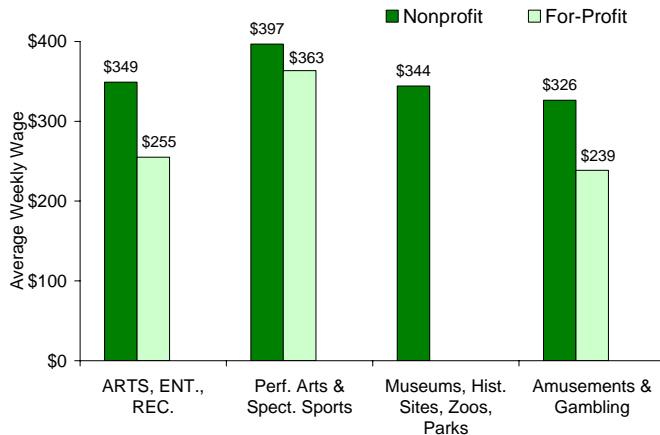
Figure 81: Average weekly wages in EGR 3 social assistance organizations, 2005



- Nonprofit employees in child day care services earned about 10 percent more than for-profit employees.
- Overall, employees of nonprofit arts, entertainment, and recreation organizations earn higher average weekly wages than their for-profit counterparts. (See Figure 82). There were too few government establishments in this industry to report government data. The three sub-industries shown accounted for 100 percent of the employment in the arts, entertainment, and recreation industry.
 - On average, employees in nonprofit arts, entertainment, and recreation organizations earned about 37 percent more than their for-profit counterparts.
 - Nonprofit employees in performing arts and spectator sports earned about 9 percent more than for-profit employees.
 - Nonprofit workers in museums, historical sites, zoos, and parks earned an average weekly wage of \$344. For-profit employees were too few to report separately.

- Nonprofit workers in amusements and gambling earned about 36 percent more than for-profit workers.

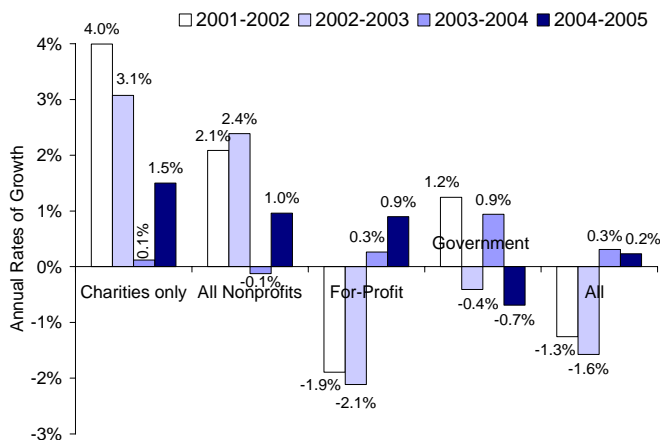
Figure 82: Average weekly wages in EGR 3 arts, entertainment, and recreation organizations, 2005



Growth: Between 2001 and 2005, the nonprofit sector in EGR 3 grew by 5.4 percent, the for-profit sector shrank by 2.9 percent, and the government sector grew by 1.1 percent.

- However, as Figure 83 shows, these overall trends mask differences in annual growth rates.

Figure 83: Annual rates of growth in EGR 3 employment by sector, 2001-2005



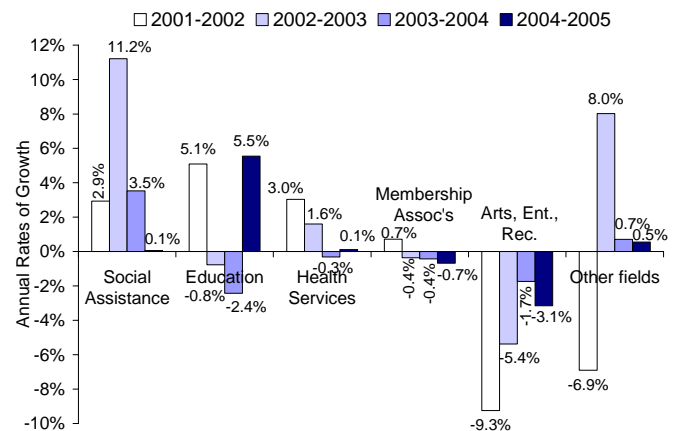
- During the four years examined, nonprofit employment grew each year except between 2003 and 2004, when it shrank by 0.1 percent. The highest growth rate was from 2003 to 2004, when nonprofit employment grew by 2.4 per-

cent. Between 2004 and 2005, nonprofit employment grew by 1.0 percent.

- For-profit employment shrank by about 2 percent during both the 2001 to 2002 and 2002 to 2003 periods. It then rebounded, growing by 0.3 percent from 2003 to 2004 and by 0.9 percent from 2004 to 2005.
- Rates of growth in government employment during this time period reflect a mix of growth and decline. From 2001 to 2002 employment grew by 1.2 percent, but during the following year (2002 to 2003) it shrank by 0.4 percent. Between 2003 and 2004 employment grew by 0.9 percent, and shrank once again the following year (2004 to 2005), this time by 0.7 percent.

- Nonprofit growth trends differ notably by industry. As Figure 84 shows, social assistance organizations experienced the highest growth rates, while arts, entertainment, and recreation organizations experienced the greatest declines.

Figure 84: Annual rates of growth in EGR 3 nonprofit employment, 2001-2005



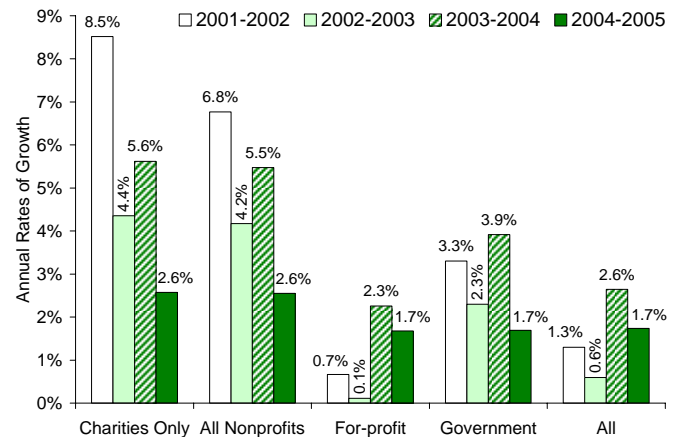
- Employment in nonprofit social assistance organizations grew by 18.6 percent between 2001 and 2005, with annual growth rates of 2.9 percent, 11.2 percent, 3.5 percent, and 0.1 percent, respectively.
- Nonprofit employment in education organizations grew by 7.4 percent during the 2001 to 2005 period. Growth was 5.1 percent between 2001 and 2002, but then declined by 0.8 percent and 2.4 percent during the next two years. Em-

ployment rebounded during the 2004 to 2005 period, growing by 5.5 percent.

- Nonprofit employment in health services grew by 4.5 percent from 2001 to 2005. The greatest annual growth rate (3.0 percent) was during the 2001 to 2002 period, and then growth slowed in later years. Between 2003 and 2004, employment declined by 0.3 percent. Between 2004 and 2005 employment once again grew, but only by 0.1 percent.
- Nonprofit employment in membership associations declined by 0.8 percent between 2001 and 2005. Employment grew by 0.7 percent between 2001 and 2002 but then shrank during the next three years (by 0.4 percent, 0.4 percent, and 0.7 percent, respectively).
- Employment in EGR 3 nonprofit arts, entertainment, and recreation organizations shrank by 18.3 percent during the 2001 to 2005 period. Employment declined during all four years, with rates of decline of 9.3 percent, 5.4 percent, 1.7 percent, and 3.1 percent respectively.
- Employment in nonprofit organizations in other fields grew by 1.8 percent during the 2001 to 2005 period. Employment declined by 6.9 percent from 2001 to 2002, then rebounded from 2002 to 2003, growing by 8.0 percent. Employment then grew more modestly during the next two years, with growth rates of 0.7 percent and 0.5 percent.

- Government payroll grew by 11.7 percent during the 2001 to 2005 period, with annual growth rates ranging between 1.7 percent and 3.9 percent.

Figure 85: Annual rates of growth in EGR 3 payroll, by sector, 2001-2005



- Between 2001 and 2005, all three sectors' payrolls increased each year. The nonprofit sector's total payroll increased at a faster rate than the for-profit and government sectors' payrolls. See Figure 85.⁴⁸

- Nonprofit payroll grew by 20.3 percent during this four year period, experiencing annual growth rates of 6.8 percent, 4.2 percent, 5.5 percent, and 2.6 percent, respectively.
- For-profit payroll grew by 4.8 percent during this period, with annual growth rates ranging between 0.1 percent and 2.3 percent.

⁴⁸ These growth rates are not adjusted for inflation.

XII. NORTHWEST CENTRAL INDIANA: ECONOMIC GROWTH REGION 4



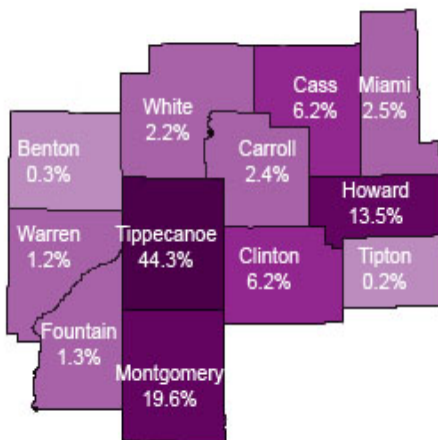
Economic Growth Region (EGR) 4 is situated in the northwest-central part of Indiana. It is comprised of twelve counties – Benton, White, Carroll, Cass, Miami, Warren, Tippecanoe, Clinton, Howard, Tipton, Fountain, and Montgomery. EGR 4 contains the Lafayette Metropolitan Statistical Area (MSA) which is comprised of Benton, Carroll, and Tippecanoe Counties, as well as the

Kokomo MSA, which is made up of Howard and Tipton Counties. The private nonprofit sector is a notable economic force in EGR 4, employing more people than several typically for-profit industries. However, the nonprofit sector accounts for a smaller share of total employment in EGR 4 than statewide. The nonprofit sector in EGR 4 grew relatively slowly between 2001 and 2005.

Employment and Payroll: Nonprofits in EGR 4 employed 14,000 employees and had a total payroll of over \$384 million.

- The distribution of nonprofit employment across this region differs notably by county, as shown in Figure 86.

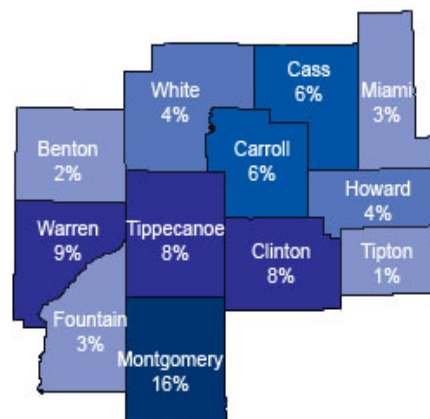
Figure 86: Distribution of EGR 4 nonprofit employment, by county, 2005



- Tippecanoe County had the largest share of this region's nonprofit employment with 44 percent.

- Montgomery County had the next highest percentage, with 19.6 percent.
- Howard County's share of EGR 4's nonprofit employment was 13.5 percent.
- Cass and Clinton Counties each contained 6.2 percent of the region's nonprofit employment.
- Miami, Carroll, White, Warren, and Fountain Counties each contained between 1 and 3 percent of the region's nonprofit employment.
- Benton and Tipton Counties each contained less than 1 percent of the region's nonprofit employment (0.3 percent and 0.2 percent, respectively).
- The 14,000 nonprofit employees accounted for 7 percent of the region's total employment of 199,100. This percentage is slightly lower than the overall percentage for Indiana (8 percent).
- The nonprofit share of total county employment differs by county, as shown in Figure 87.

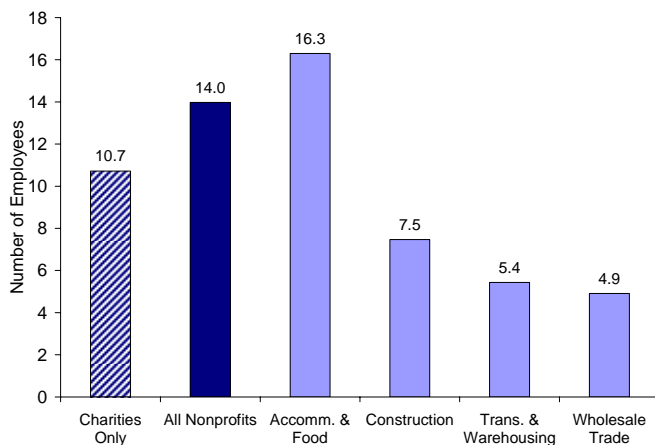
Figure 87: Nonprofit share of total employment, by county, 2005



- The share of total employment accounted for by nonprofits in Montgomery County was 16 percent, which was twice as large as the Indiana statewide share.
- Warren County nonprofits made up a slightly higher share of total employment than did nonprofits statewide (9 percent vs. 8 percent).

- The nonprofit shares of total employment in Tippecanoe and Clinton Counties were approximately the same as the statewide share.
- The nonprofit shares of total employment in Carroll and Cass Counties were smaller than that statewide (6 percent vs. 8 percent).
- Howard and White Counties had nonprofit shares of total employment that were about half as large as the statewide share.
- Miami, Fountain, Benton, and Tipton Counties had nonprofit shares of total employment that were less than half as large as the statewide share.
- Total nonprofit employment in EGR 4 exceeds the number of employees in several key industries.⁴⁹ As Figure 88 shows, nonprofits in this region employed:

Figure 88: Employment in EGR 4's nonprofit sector in comparison to certain industries, 2005 (in thousands)

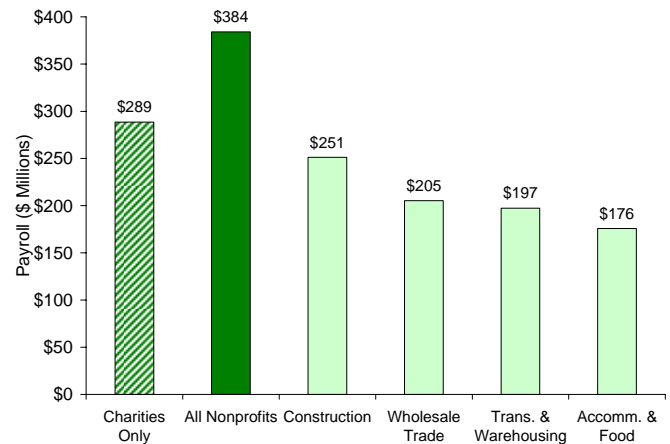


- Somewhat fewer people than the 16,300 people employed by the region's accommodation and food service industry.
- Twice as many people as the 7,500 people employed by the region's construction industry.
- Nearly three times as many people the region's transportation and warehousing industry (5,400

employees) and wholesale trade industry (4,900 employees).

- The nonprofit sector in EGR 4 accounted for \$384 million of the region's total payroll of \$7 billion, or 5 percent. As Figure 89 illustrates, payroll for jobs in this region's nonprofit sector was:

Figure 89: Payroll in EGR 4's nonprofit sector in comparison to certain industries, 2005 (in millions)



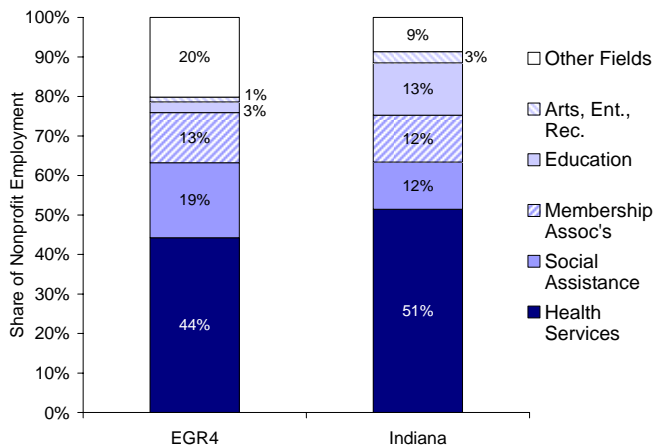
- Considerably larger than the payroll for the region's construction industry (\$251 million) and wholesale trade industry (\$205 million).
- About two times larger than payroll for the region's transportation and warehousing industry (\$197 million) and accommodation and food service industry (\$176 million). The latter is particularly noteworthy since this industry contained a larger number of workers than the nonprofit sector.

Nonprofit Industries: The region's nonprofit employment is concentrated in several industries, with the largest concentration in health services. Nonprofits account for a considerable portion of the employment in some industries.

- As Figure 90 shows, the distribution of nonprofit employment across industries differs some from the corresponding distribution statewide.

⁴⁹ Less than 2 percent of the employment in these industries was nonprofit employment, meaning there is little overlap.

Figure 90: Distribution of nonprofit employment, by industry, EGR 4 vs. Indiana, 2005



- Health services accounted for 44 percent of total nonprofit employment, which is smaller than the statewide share of 51 percent.⁵⁰
- Social assistance organizations made up a larger share of nonprofit employment in EGR 4 than that statewide (19 percent vs. 12 percent).
- Membership associations made up a slightly larger share of nonprofit employment in EGR 4 than that statewide (13 percent vs. 12 percent).⁵¹
- Education organizations accounted for only 3 percent of nonprofit employment in this region; this is considerably smaller than the statewide share of 13 percent.
- Arts, entertainment, and recreation, though typically a small share of total nonprofit employment, also had lower shares in EGR 4 than the share statewide (1 percent vs. 3 percent).
- Nonprofit employment in other industries accounted for a considerably higher share of non-

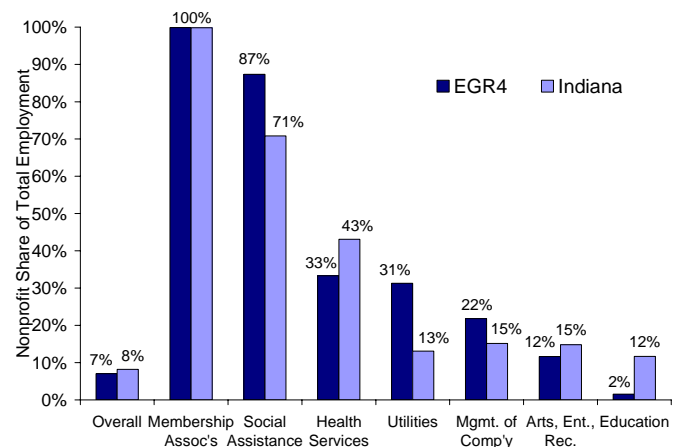
⁵⁰ Although the NAICS classification system groups health services and social assistance together as NAICS 62, we have separated social assistance (NAICS 624) from other health-related employment both here and throughout the report in order to simplify our presentation.

⁵¹ Some membership associations, most notably religious congregations, are not required to register with the IRS as tax-exempt organizations. As a result, some private associations participating in the CEW reporting system would not be classified as nonprofit organizations under our methodology. On the assumption that all of these private membership associations are indeed nonprofit, we reclassified as nonprofit the relatively small number of private membership associations not registered with the IRS as tax-exempt organizations.

profit employment in EGR 4 than statewide (20 percent vs. 9 percent). More than half of these (11 percent) were employed in manufacturing industries.

- Nonprofit employment dominates in several industries, as illustrated in Figure 91.

Figure 91: Nonprofit share of total employment for selected industries, EGR 4 vs. Indiana, 2005



- Nearly all (almost 100 percent) of employment in membership associations in both EGR 4 and Indiana was attributed to nonprofits.
- Nonprofits comprised 87 percent of the employment in social assistance organizations in EGR 4, notably higher than the statewide share of 71 percent.
- About one-third (33 percent) of employment in health services in EGR 4 was attributed to nonprofits; this is less than the statewide percentage (43 percent).
- Although utilities and the management of companies or enterprises are not typically thought of as containing a significant presence of nonprofit employment, nonprofits accounted for 31 percent and 22 percent of employment in these industries in EGR 4, respectively. These percentages are considerably higher than the statewide percentages of 13 percent for utilities and 15 percent for management organizations.
- Nonprofits made up 12 percent of the employment in arts, entertainment, and recreation or-

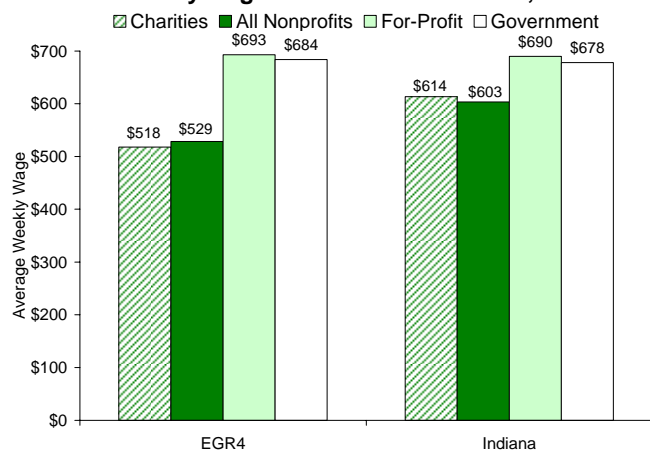
ganizations in EGR 4, while the statewide share was a bit higher (15 percent).

- Only 2 percent of employment in EGR 4 education organizations was attributed to nonprofits. This is considerably lower than the statewide share of 12 percent.

Wages: Overall, average weekly wages paid to nonprofit employees in EGR 4 are lower than those paid to employees in the for-profit and government sectors. However, this is not always true in the industries in which nonprofits are concentrated, as often nonprofit employees' wages are actually greater than the wages of their for-profit or government counterparts.⁵²

- In both EGR 4 and Indiana as a whole, workers in nonprofit organizations overall earn less than those in the for-profit and government sectors, but the gaps are larger for EGR 4 than for the state overall. See Figure 92.

Figure 92: Nonprofit, for-profit, and government average weekly wages in EGR 4 and Indiana, 2005



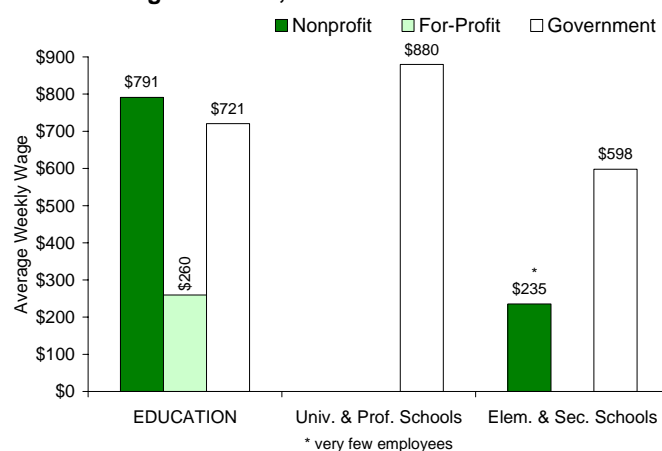
- Nonprofit workers in EGR 4 earned an average weekly wage of \$529, or about 24 percent less than for-profit workers in the region, while the statewide gap was only 13 percent.
- EGR 4 nonprofit workers earned about 23 percent less than government workers. This gap

⁵² These average weekly wages do not include fringe benefits and make no adjustment for full-time or part-time work (these details are not included in the CEW reporting system). Industries or sectors with more reliance on part-time workers could show up as having lower average weekly wages than those with fewer part-time workers, even if the actual hourly pay rates are higher.

was also larger than the statewide gap, as Indiana nonprofit workers earned about 11 percent less than government workers.

- However, in industries in which nonprofit organizations are concentrated, nonprofit workers sometimes earn more than their for-profit counterparts.⁵³
- Overall, nonprofit employees in EGR 4 education organizations earn higher average weekly wages than their for-profit and government counterparts. (See Figure 93.) The two sub-industries shown comprised 96 percent of the employment in the education industry in EGR 4.

Figure 93: Average weekly wages in EGR 4 education organizations, 2005

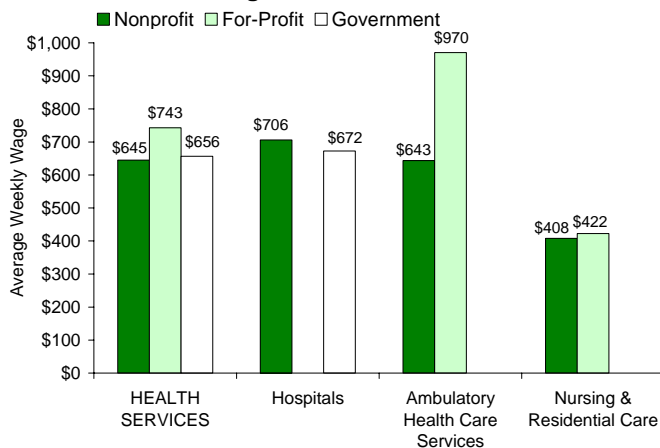


- On average, employees of nonprofit education organizations earned weekly wages about 3 times higher than those of for-profit employees and about 10 times higher than those of government employees.
- There were too few nonprofit establishments in the university and professional schools category to report separately. In addition, there were no for-profit employees in this category, thus the vast majority of employment was government employment.

⁵³ When a sector had less than three establishments in an industry or sub-industry, the data was suppressed for confidentiality reasons. When a sector had three or more establishments but still a very small relative number of employees in a given industry or sub-industry (less than 4 percent of the total employment for an industry or sub-industry), the data are reported but marked with an asterisk in the corresponding graph. While we report data for these relatively few employees, the results should be interpreted with caution.

- The few employees in nonprofit elementary and secondary schools earned about 61 percent less than government employees.⁵⁴ For-profit establishments were too few to report separately.
- The third sub-industry, junior colleges, is not shown here because employment in this category was made up of only two government establishments, and this was too few to report due to confidentiality concerns.
- Overall in the health services industry, nonprofit employees earn lower average weekly wages than their for-profit and government counterparts. (See Figure 94.) The three sub-industries shown comprised 100 percent of the employment in the health services industry.

Figure 94: Average weekly wages in EGR 4 health services organizations, 2005



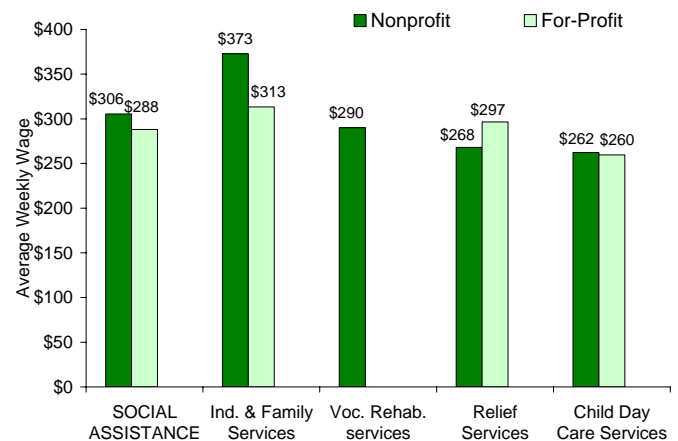
- On average, nonprofit workers in the health services industry earned about 13 percent less than for-profit workers and about 2 percent less than government workers.
- However, employees in nonprofit hospitals earned about 5 percent more than those in government hospitals. There were too few for-profit establishments in this category to report separately.
- In the ambulatory health care services category, nonprofit workers earned about 34 percent less

⁵⁴ Government employees made up the vast majority of this industry, accounting for 99.65 percent of employment. Nonprofit employees made up only 0.34 percent of employment.

than for-profit workers. Government employment was too small to report separately.

- Nonprofit nursing and residential care employees earned about 3 percent less than for-profit employees. There were too few government establishments in this category to report separately.
- Overall in the social assistance industry, nonprofit employees' average weekly wages are higher than those of for-profit employees. (See Figure 95.) Government employment was too small to report separately. The four sub-industries shown accounted for 100 percent of the employment in the social assistance industry.

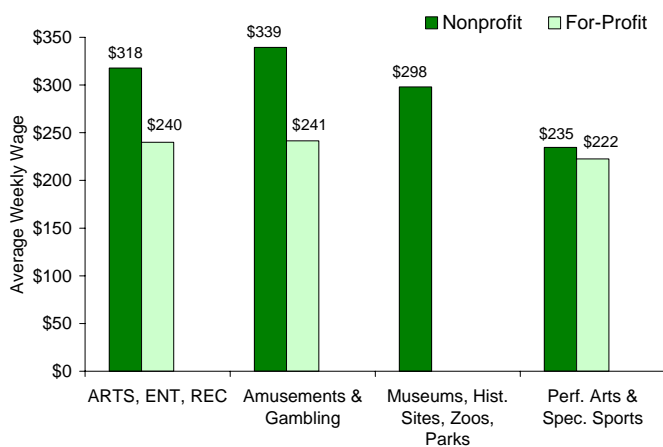
Figure 95: Average weekly wages in EGR 4 social assistance organizations, 2005



- On average, employees in nonprofit social assistance organizations earned about 6 percent more than their for-profit counterparts.
- Nonprofit individual and family services employees earned about 19 percent more than for-profit individual and family services employees.
- All of the employment in vocational rehabilitation services in EGR 4 was attributed to nonprofits. The nonprofit average weekly wage was \$290.
- Nonprofit relief services employees earned about 10 percent less than for-profit relief services employees.

- Nonprofit and for-profit child day care service employees earned comparable wages, with nonprofit wages only being about 1 percent higher.
- Nonprofit employees in EGR 4 arts, entertainment, and recreation organizations earn higher average weekly wages than for-profit employees, and there was no government employment in this industry. (See Figure 96.) The three sub-industries shown accounted for 100 percent of the employment in arts, entertainment, and recreation organizations.

Figure 96: Average weekly wages in EGR 4 arts, entertainment, and recreation organizations, 2005

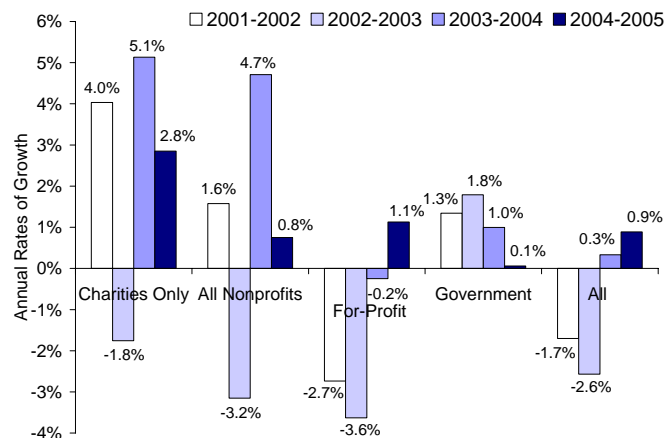


- Overall in the arts, entertainment, and recreation industry, nonprofit employees earned about 33 percent more than for-profit employees.
- In the amusements and gambling category, nonprofit employees earned about 41 percent more than for-profit employees.
- Nonprofit workers in museums, historical sites, zoos, and parks earned an average weekly wage of \$298. For-profit employees were too few to report separately.
- In the performing arts and spectator sports category, nonprofit employees earned about 6 percent more than for-profit employees.

Growth: Between 2001 and 2005, overall employment in the EGR 4 nonprofit sector grew by 3.8 percent, employment in the for-profit sector declined by 5.4 percent, and employment in the government sector grew by 4.2 percent.

- However, as Figure 97 shows, these overall trends mask differences in annual growth rates.

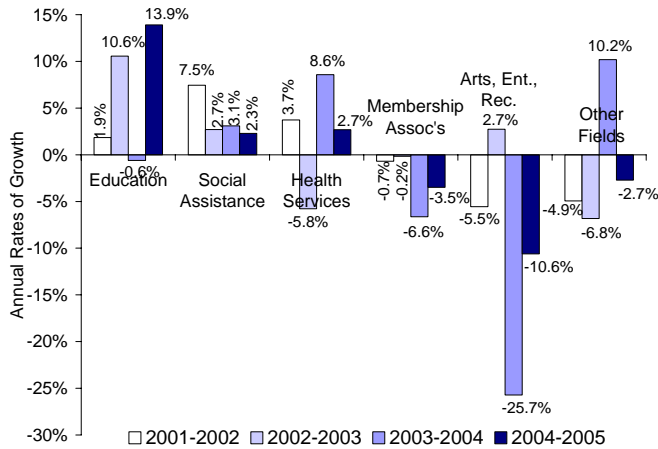
Figure 97: Annual rates of growth in EGR 4 employment by sector, 2001-2005



- Nonprofit employment grew by 1.6 percent between 2001 and 2002, then declined by 3.2 percent between 2002 and 2003. Employment then rebounded, growing 4.7 percent during 2003 to 2004 and 0.8 percent during 2004 to 2005.
- For-profit employment declined during the first three years of this time period (by 2.7 percent, 3.6 percent, and 0.2 percent) but then grew by 1.1 percent between 2004 and 2005.
- Government employment grew each year during the four-year time period, posting annual growth rates of 1.3 percent, 1.8 percent, 1.0 percent, and 0.1 percent, respectively.
- Nonprofit employment trends differ notably by industry. As Figure 98 shows, education organizations experienced the most growth, while arts, entertainment, and recreation organizations saw the greatest declines.
 - Nonprofit employment in education organizations grew by 27.5 percent between 2001 and 2005. Employment grew during the first two years of the time period (by 1.9 percent and 10.6 percent), declined by 0.6 percent during 2003 to 2004, but then grew by 13.9 percent during the 2004 to 2005 period.

- Employment in nonprofit social assistance organizations grew by 16.4 percent between 2001 and 2005, with annual growth rates of 7.5 percent, 2.7 percent, 3.1 percent, and 2.3 percent, respectively.

Figure 98: Annual rates of growth in EGR 4 nonprofit employment, by industry, 2001-2005

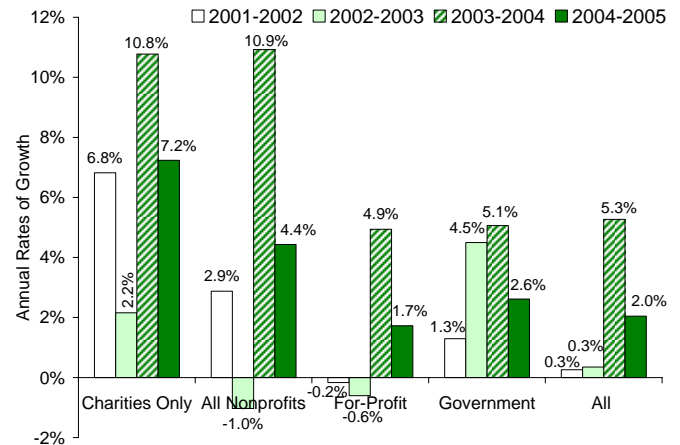


- Nonprofit employment in health services grew by 9.0 percent from 2001 to 2005. Employment grew by 3.7 percent between 2001 and 2002, declined by 5.8 percent between 2002 and 2003, then grew during the next two years (by 8.6 percent and 2.7 percent).
- Nonprofit employment in membership associations declined by 3.5 percent between 2001 and 2005. Employment in this field declined each year during the four year period, with annual rates of decline of 0.7 percent, 0.2 percent, 6.6 percent, and 3.5 percent, respectively.
- Employment in nonprofit arts, entertainment, and recreation organizations shrank by 10.6 percent between 2001 and 2005. Employment declined by 5.5 percent between 2001 and 2002, grew by 2.7 percent between 2002 and 2003, then declined sharply by 25.7 percent in 2003 to 2004 and 10.6 percent in 2004 to 2005.
- Nonprofit employment in other fields declined by 2.7 percent between 2001 and 2005. Employment declined during the first two years of this time period (by 4.9 percent and 6.8 percent), grew by 10.2 percent during 2003 to 2004, and

then declined again between 2004 and 2005 (by 2.7 percent).

- From 2001 to 2005, nonprofit payroll increased at a faster rate than for-profit and government payrolls.⁵⁵ See Figure 99.

Figure 99: Annual rates of growth in EGR 4 payroll, by sector, 2001-2005



- Between 2001 and 2005, nonprofit payroll grew by 17.9 percent overall. It grew by 2.9 percent from 2001 to 2002, declined by 1.0 percent from 2002 to 2003, then grew during the next two years (by 10.9 percent and 4.4 percent).
- For-profit payroll grew by 5.9 percent between 2001 and 2005. During the first two years of this time period, for-profit payroll shrank, by 0.2 percent and 0.6 percent, but recovered the next two years, with annual growth rates of 4.9 percent and 1.7 percent respectively.
- Government payroll grew by 14.1 percent from 2001 to 2005. It experienced growth each year during the four-year period, with annual growth rates of 1.3 percent, 4.5 percent, 5.1 percent, and 2.6 percent.

⁵⁵ These growth rates are not adjusted for inflation.

XVIII. CENTRAL INDIANA: ECONOMIC GROWTH REGION 5



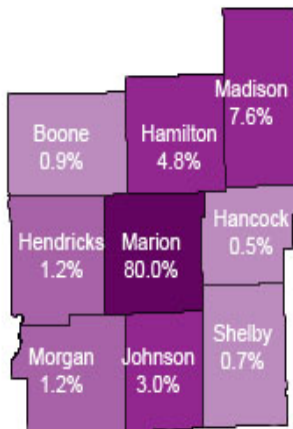
Nine central Indiana counties – Boone, Hamilton, Madison, Hendricks, Marion, Hancock, Morgan, Johnson, and Shelby – make up Economic Growth Region (EGR) 5. This region includes most of the Indianapolis Metropolitan Statistical Area (MSA) (Boone, Hamilton, Hendricks, Marion, Hancock, Morgan, Johnson, and

Shelby Counties are part of the Indianapolis MSA included in EGR 5; Putnam and Brown Counties are also part of the Indianapolis MSA but are not included in EGR 5). EGR 5 also includes the Anderson MSA (Madison County). The private, nonprofit sector is a major economic force in EGR 5, employing considerably more workers than several typically for-profit industries. Nonprofit employment in this region is concentrated in health services, with over half of the region's nonprofit workers working in this region. Average weekly wages paid to nonprofit employees in this region are higher than the statewide average. The EGR 5 nonprofit sector grew modestly from 2001 to 2005.

Employment and Payroll: Nonprofits in EGR 5 employed 69,400 workers and had a total payroll of over \$2.51 billion.

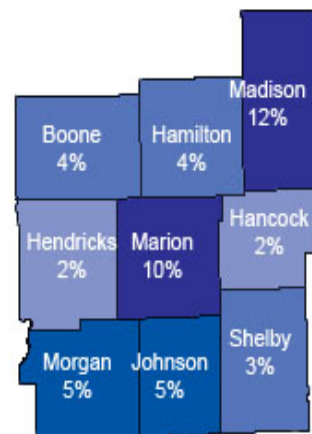
- The distribution of this region's nonprofit employment differs notably by county, as shown in Figure 100.

Figure 100: Distribution of EGR 5 nonprofit employment, by county, 2005



- Marion County contained the vast majority (80 percent) of EGR 5's nonprofit employment.
- The county with the next highest share was Madison County, with 7.6 percent.
- Hamilton County contained 4.8 percent of the region's nonprofit employment.
- Johnson County accounted for 3 percent of the region's nonprofit employment.
- Hendricks and Morgan Counties each contained only 1.2 percent of the region's nonprofit employment.
- Boone, Shelby, and Hancock Counties each contained less than 1 percent of the region's nonprofit employment (0.9 percent, 0.7 percent, and 0.5 percent, respectively).
- The 69,400 employees accounted for 8 percent of the region's total employment of 867,500, about the same proportion seen statewide.
- The nonprofit share of total employment differs by county, as shown in Figure 101.

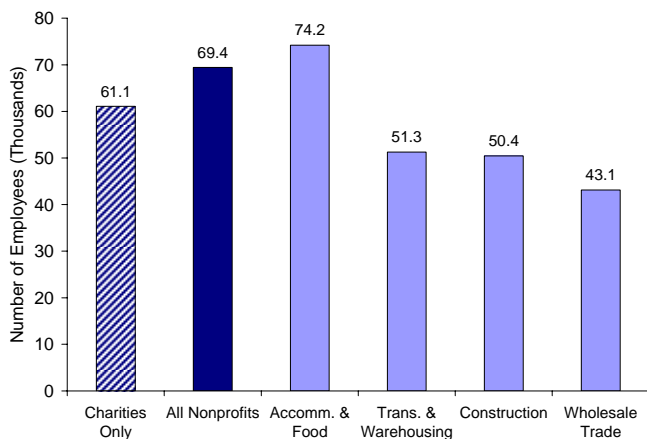
Figure 101: Nonprofit share of total employment, by county, 2005



- At 12 percent and 10 percent, respectively, Madison and Marion Counties' nonprofit shares of total employment were higher than the statewide share of 8 percent.

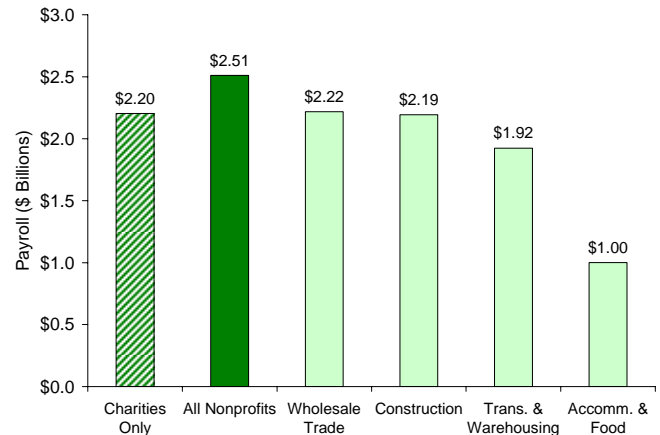
- At 5 percent of total employment, Morgan and Johnson County nonprofit shares of total employment were lower than the statewide share.
- Nonprofit shares of total employment in Boone and Hamilton Counties were about half the statewide share (4 percent vs. 8 percent).
- Nonprofit shares of total employment in Shelby, Hendricks, and Hancock Counties were less than half the statewide level.
- Total nonprofit employment in EGR 5 exceeds the number of employees in several key industries.⁵⁶ As Figure 102 shows, the EGR 5 nonprofit sector employed:

Figure 102: Employment in EGR 5's nonprofit sector in comparison to certain industries, 2005 (in thousands)



- Somewhat fewer people than the 74,200 people employed by the region's accommodation and food service industry.
- More people than the transportation and warehousing industry (51,300 employees), construction industry (50,400 employees), or wholesale trade industry (43,100 employees).
- EGR 5's nonprofit sector accounted for \$2.51 billion of the region's total payroll of \$34 billion, or 7 percent. As Figure 103 illustrates, payroll for jobs in the region's nonprofit sector was:

Figure 103: Payroll in EGR 5's nonprofit sector in comparison to certain industries, 2005 (in billions)



- Greater than total payroll in the wholesale trade industry (\$2.22 billion), construction industry (\$2.19 billion), or transportation and warehousing industry (\$1.92 billion).
- More than two times greater than the total payroll for the accommodation and food service industry (\$1.00 billion), even though this industry had more employees than the nonprofit sector.

Nonprofit Industries: The region's nonprofit employment is concentrated in several fields, with over half of nonprofit employees working in the health services field. Nonprofits account for a considerable portion of the employment in some fields.

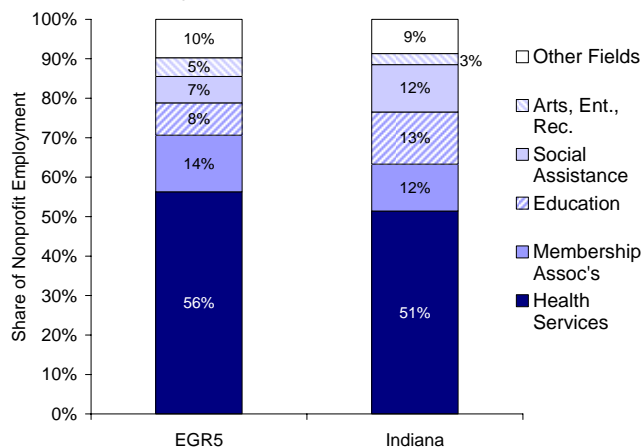
- As Figure 104 shows, the distribution of nonprofit employment across industries differs some from the corresponding distribution statewide.
 - Health services accounted for a slightly larger share of total nonprofit employment in EGR 5 (56 percent) than it did statewide (51 percent).⁵⁷
 - Membership associations also accounted for a slightly larger share of nonprofit employment in EGR 5 than statewide (14 percent vs. 12 percent).⁵⁸

⁵⁷ Although the NAICS classification system groups health services and social assistance together as NAICS 62, we have separated social assistance (NAICS 624) from other health-related employment both here and throughout the report in order to simplify our presentation.

⁵⁸ Some membership associations, most notably religious congregations, are not required to register with the IRS as tax-exempt organizations. As a result, some private associations participating in the

⁵⁶ Less than 0.4 percent of employment in these industries was nonprofit employment, meaning there is little overlap.

Figure 104: Distribution of nonprofit employment, by industry, EGR 5 vs. Indiana, 2005

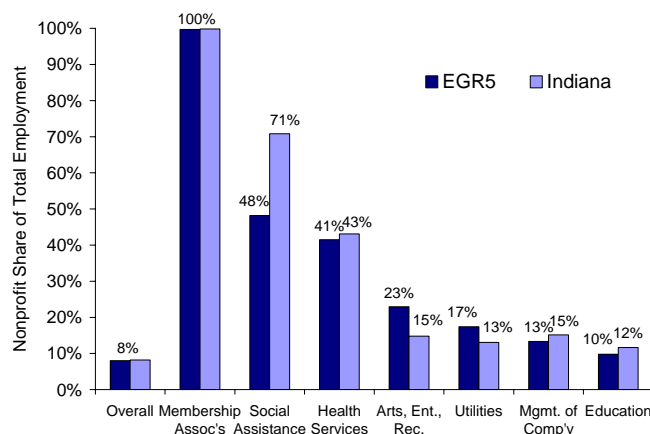


- Education organizations made up a smaller share of nonprofit employment in EGR 5 than statewide (8 percent vs. 12 percent).
- Social assistance organizations accounted for 7 percent of nonprofit employment in EGR 5, which is smaller than the statewide share of 12 percent.
- Arts, entertainment, and recreation organizations made up 5 percent of EGR 5 nonprofit employment, which is larger than the statewide share of 3 percent.
- Other fields accounted for 10 percent of nonprofit employment in EGR 5, while the statewide share was slightly smaller, at 9 percent.
- Nonprofit employment dominates in several industries, as illustrated in Figure 105.
 - Nearly all (almost 100 percent) of employment in membership associations in both EGR 5 and Indiana was attributed to nonprofits.
 - Nonprofits accounted for about half (48 percent) of employment in social assistance organizations

CEW reporting system would not be classified as nonprofit organizations under our methodology. On the assumption that all of these private membership associations are indeed nonprofit, we reclassified as nonprofit the relatively small number of private membership associations not registered with the IRS as tax-exempt organizations.

in EGR 5. This is considerably smaller than the statewide share of 71 percent.

Figure 105: Nonprofit share of total employment for selected industries, 2005

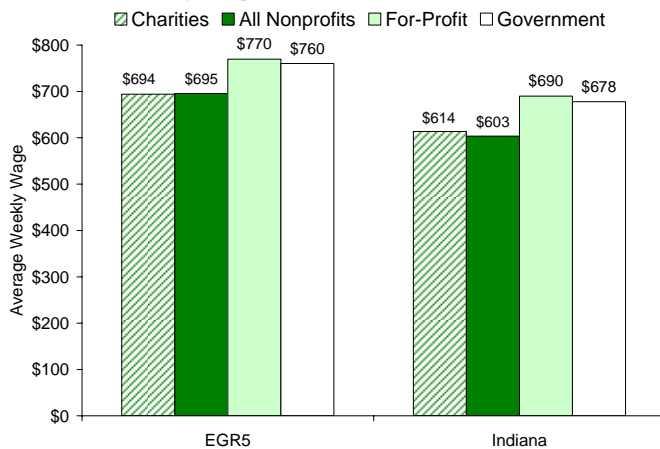


- About two-fifths (41 percent) of the employment in health services in EGR 5 was in the nonprofit sector, which is slightly lower than the statewide share of 43 percent.
- Nonprofits made up 23 percent of the employment in arts, entertainment, and recreation organizations in EGR 5, and this is notably higher than the statewide share of 15 percent.
- Nonprofits accounted for 17 percent of the employment in EGR 5 utilities, which is higher than the statewide share of 13 percent.
- Nonprofits accounted for 13 percent of employment in management of companies in EGR 5, lower than the statewide share of 15 percent.
- One tenth (10 percent) of the employment in education organizations in EGR 5 was accounted for by nonprofits, and this is lower than the statewide share of 12 percent.

Wages: Overall, average weekly wages paid to nonprofit employees are lower than those paid to employees in the for-profit and government sectors. However, this is not always true in the fields in which nonprofits are concentrated, as often nonprofit employees' wages are actually greater than the wages of their for-profit or government counterparts.

- In both EGR 5 and Indiana as a whole, workers in nonprofit organizations overall earn less than those in the for-profit and government sectors.⁵⁹ See Figure 106.

Figure 106: Nonprofit, for-profit, and government average weekly wages in EGR 5 and Indiana, 2005



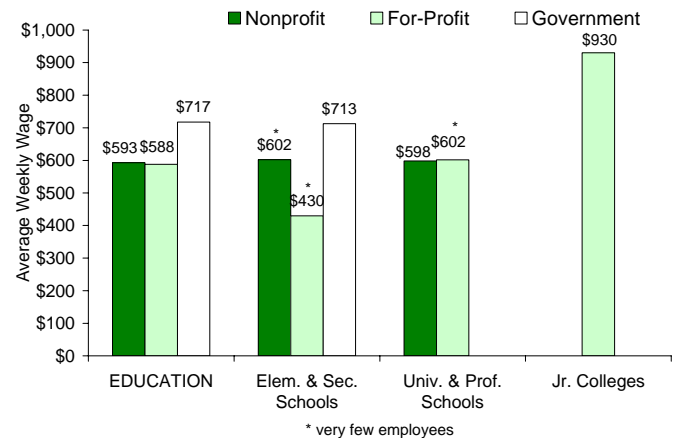
- Nonprofit workers in EGR 5 earned an average weekly wage of \$695, about 10 percent less than the region's for-profit workers. This gap is smaller than the statewide gap of 13 percent.
- Nonprofit workers in EGR 5 earned about 9 percent less than the region's government workers. This gap is also smaller than the statewide gap of 11 percent.
- However, in industries in which nonprofits are concentrated, nonprofit workers sometimes earn more than their for-profit or government counterparts.⁶⁰
- Nonprofit employees in education earn slightly more than for-profit employees but less than government employees. (See Figure 107.) The three sub-

⁵⁹ These average weekly wages do not include fringe benefits and make no adjustment for full-time or part-time work (these details are not included in the CEW reporting system). Industries or sectors with more reliance on part-time workers could show up as having lower average weekly wages than those with fewer part-time workers, even if the actual hourly pay rates are higher.

⁶⁰ When a sector had less than three establishments in an industry or sub-industry, the data was suppressed for confidentiality reasons. When a sector had three or more establishments but still a very small relative number of employees in a given industry or sub-industry (less than 4 percent of the total employment for the industry or sub-industry), the data are reported but marked with an asterisk in the corresponding graph. While we report data for these relatively few employees, the results should be interpreted with caution.

industries shown comprised 95 percent of total employment in the educational services industry in EGR 5.

Figure 107: Average weekly wages in EGR 5 education organizations, 2005

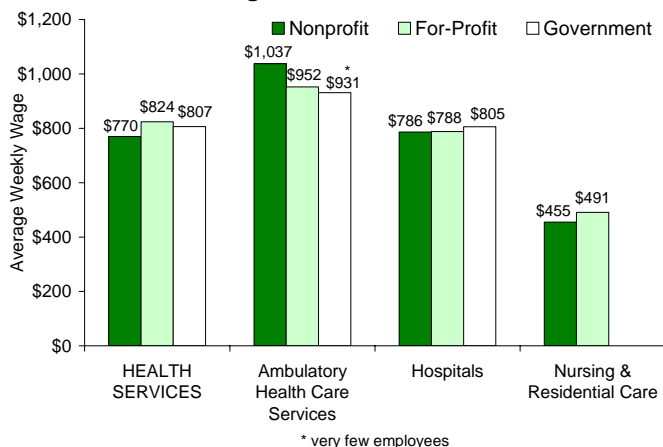


- On average, employees of nonprofit education organizations earned average weekly wages about 1 percent higher than for-profit employees but about 17 percent lower than government employees.
- The few nonprofit elementary and secondary school employees earned about 40 percent more than the very few for-profit employees but about 16 percent less than government employees.⁶¹
- Nonprofit employees in universities and professional schools earned about 1 percent less than the very few for-profit employees. Government data was suppressed because there were too few establishments.
- There was no nonprofit employment in junior colleges in EGR 5, and government data was suppressed because there was only 1 establishment.
- Workers in EGR 5 nonprofit health service organizations earn less than their for-profit and government counterparts. (See Figure 108.) The three sub-

⁶¹ Government made up the vast majority of this subfield, accounting for 95.7 percent of the total employment. Nonprofits accounted for 3.6 percent of the employment, and for-profits made up only 0.6 percent.

industries shown accounted for 100 percent of the employment in the EGR 5 health services industry.

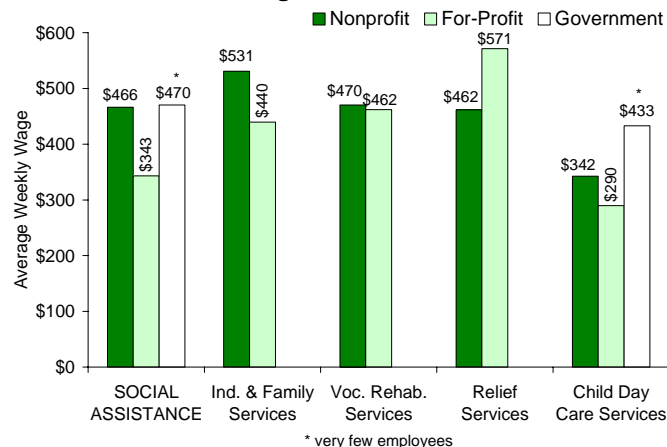
Figure 108: Average weekly wages in EGR 5 health services organizations, 2005



- Overall in the EGR 5 health services industry, nonprofit workers earned about 7 percent less than for-profit workers and about 5 percent less than government workers.
- In ambulatory health care services, nonprofit employees earned about 11 percent more than for-profit employees and about 9 percent more than the few government employees.
- Nonprofit hospital employees earned average weekly wages that were about the same (only about 0.25 percent less) as those for for-profit hospital employees and about 2 percent less than those for government hospital employees.
- Nonprofit employees in nursing and residential care earned about 7 percent less than for-profit employees. There were no government employees in this sub-industry.
- Overall, nonprofit social assistance employees in EGR 5 earn higher average weekly wages than for-profit employees but lower average weekly wages than government employees. (See Figure 109.) The four sub-industries shown comprised 100 percent of the employment in social assistance.
 - On average, nonprofit social assistance nonprofit employees in EGR 5 earned about 36 percent more than for-profit employees and about 1 per-

cent more than the very few government employees.

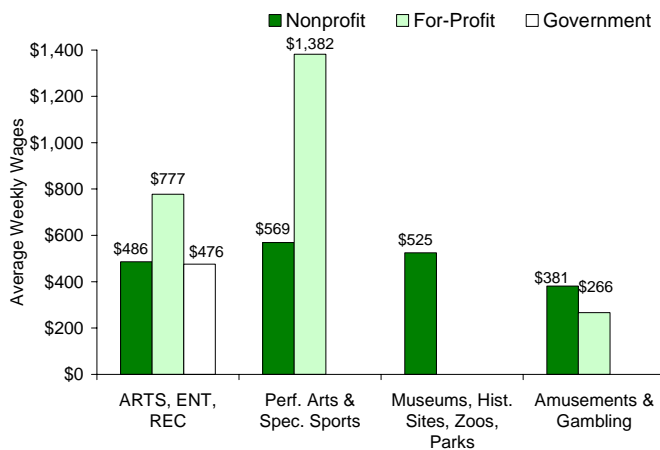
Figure 109: Average weekly wages in EGR 5 social assistance organizations, 2005



- In individual and family services, nonprofit employees earned about 21 percent more than for-profit employees. There were too few government establishments to report separately.
- Nonprofit vocational rehabilitation employees earned about 2 percent more than for-profit employees. There were no government employees in this category.
- Nonprofit relief services workers earned about 19 percent less than for-profit workers. There were no government workers in this category.
- Nonprofit workers in child day care services earned about 18 percent more than for-profit workers but about 21 percent less than the very few government workers.
- Overall in the arts, entertainment, and recreation industry, nonprofit employees earn lower average weekly wages than for-profit employees but higher average weekly wages than government employees. (See Figure 110.) The three sub-industries shown accounted for 100 percent of the employment in the EGR 5 arts, entertainment, and recreation industry.
 - On average, nonprofit arts, entertainment, and recreation employees earned about 37 percent less than for-profit employees but about 2 percent more than government employees.

- In performing arts and spectator sports, nonprofit employees earned about 59 percent less than for-profit employees. There were too few government establishments to report separately.

Figure 110: Average weekly wages in EGR 5 arts, entertainment, and recreation organizations, 2005



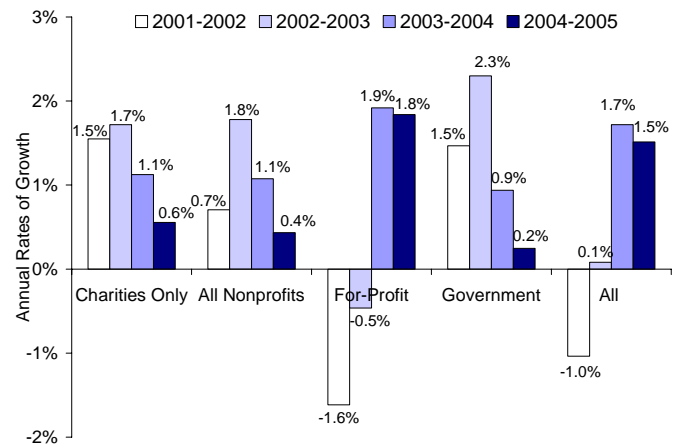
- On average, nonprofit arts, entertainment, and recreation employees earned about 37 percent less than for-profit employees but about 2 percent more than government employees.
- In performing arts and spectator sports, nonprofit employees earned about 59 percent less than for-profit employees. There were too few government establishments to report separately.
- Nonprofit workers in museums, historical sites, zoos, and parks earned an average weekly wage of \$525. The for-profit and government sectors each had too few establishments to report separately.
- Nonprofit workers in amusements and gambling earned about 43 percent more than their for-profit counterparts. There were too few government establishments to report separately.

Growth: Overall, between 2001 and 2005, employment in the EGR 5 nonprofit sector grew by 4.0 percent, employment in the for-profit sector grew by 1.6 percent, and employment in the government sector grew by 5.0 percent.

- However, as Figure 111 shows, these overall trends mask differences in annual growth rates.

- Nonprofit employment experienced growth each year during the four-year period. The largest annual growth rate was 1.8 percent from 2002 to 2003, the smallest was 0.4 percent between 2004 and 2005.

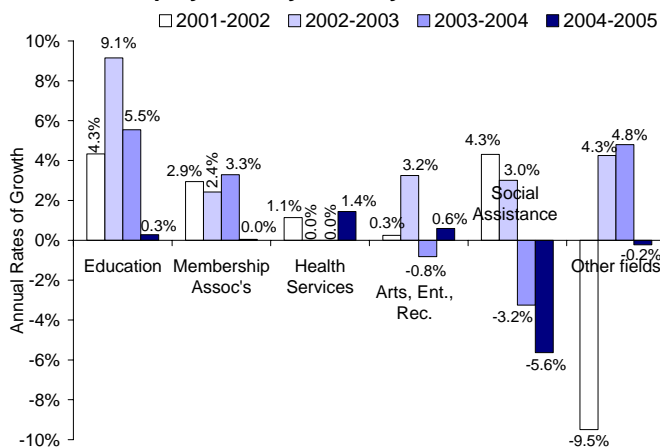
Figure 111: Annual rates of growth in EGR 5 employment by sector, 2001-2005



- For-profit employment decline during 2001 to 2002 (1.6 percent) and 2002 to 2003 (0.5 percent) but then recovered, growing 1.9 percent between 2003 and 2004 and 1.8 percent between 2004 and 2005.
- Employment in government grew each year during the four-year period. The largest annual growth rate was 2.3 percent during 2002 to 2003, the smallest was 0.2 percent during 2004 to 2005.
- Nonprofit employment trends differ notably by industry. As Figure 112 shows, education organizations experienced the most growth, while social assistance organizations saw the greatest declines.
 - Employment in nonprofit education organizations grew by 20.5 percent between 2001 and 2005. The greatest annual growth rate was 9.1 percent during 2002 to 2003, and the smallest annual growth rate was 0.3 percent during 2004 to 2005.
 - Membership organizations experienced 8.2 percent growth in nonprofit employment between 2001 and 2005. The greatest annual growth rate was 3.3 percent during 2003 to 2004; there was no growth during 2004 to 2005.

- Health services experienced a 2.6 percent growth in nonprofit employment between 2001 and 2005. Employment grew by 1.1 percent from 2001 to 2002, remained steady during the next two years, then grew by 1.4 percent during 2004 to 2005.

Figure 112: Annual rates of growth in EGR 5 nonprofit employment, by industry, 2001-2005



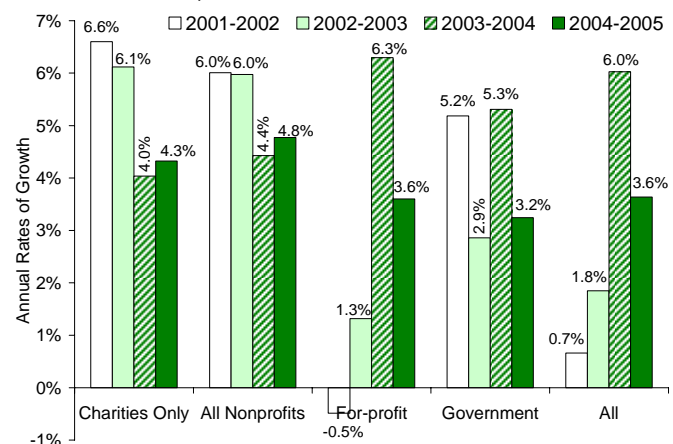
- Employment in nonprofit arts, entertainment, and recreation organizations grew by 3.3 percent between 2001 and 2005. Annual trends fluctuated, with 0.3 percent growth in 2001 to 2002, 3.2 percent growth from 2002 to 2003, 0.8 percent decline during 2003 to 2004, and 0.6 percent growth between 2004 and 2005.
- Nonprofit social assistance organizations saw a 1.9 percent decline in employment between 2001 and 2005. Employment grew during the first two years of this time period (by 4.3 percent and 3.0 percent), but then it declined by 3.2 percent during 2003 to 2004 and by 5.6 percent during 2004 to 2005.
- Nonprofit employment in other fields declined by 1.3 percent from 2001 to 2005. Employment shrank by 9.5 percent between 2001 and 2002. It then recovered, growing 4.3 percent between 2002 and 2003 and 4.8 percent between 2003 and 2004. It then declined again from 2004 to 2005, by 0.2 percent.

- From 2001 to 2005, the nonprofit sector's total payroll increased at a faster rate than the for-profit and

government sectors' total payrolls.⁶² See Figure 113.

- Nonprofit payroll grew by 22.9 percent between 2001 and 2005. The greatest annual growth rate was 6.0 percent (between 2001 and 2002 and between 2002 and 2003), and the smallest annual growth rate was 4.4 percent between 2003 and 2004.

Figure 113: Annual rates of growth in EGR 5 payroll, by sector, 2001-2005



- For-profit payroll grew only half as quickly as nonprofit payroll – 11.0 percent from 2001 to 2005. Payroll declined by 0.5 percent between 2001 and 2002, then rebounded to grow by 1.3 percent during 2002 to 2003, 6.3 percent during 2003 to 2004, and 3.6 percent during 2004 to 2005.
- Government payroll grew by 17.6 percent between 2001 and 2005. Annual growth rates for each of the four years were 5.2 percent, 2.9 percent, 5.3 percent, and 3.2 percent, respectively.

⁶² These growth rates are not adjusted for inflation.

XIV. EAST CENTRAL INDIANA: ECONOMIC GROWTH REGION 6



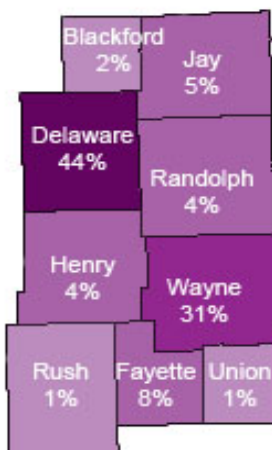
Nine east central Indiana counties – Blackford, Jay, Delaware, Randolph, Henry, Wayne, Rush, Fayette, and Union – comprise Economic Growth Region (EGR) 6. This region includes the Muncie Metropolitan Statistical Area (Delaware County). The private, non-profit sector is a major economic force in EGR 6, employing a greater per-

centage of the total workforce than the statewide average and employing considerably more workers than several typically for-profit industries. The region's non-profit employment is concentrated in the health services field, with over half of the region's nonprofit employees working in this field. In contrast to most other EGRs, overall average weekly wages paid to nonprofit workers are higher than average weekly wages paid to for-profit and government workers.

Employment and Payroll: Nonprofits in EGR 6 employed 12,800 workers and had a total payroll of over \$397 million.

- The distribution of the region's nonprofit employment differs notably by county, as shown in Figure 114.

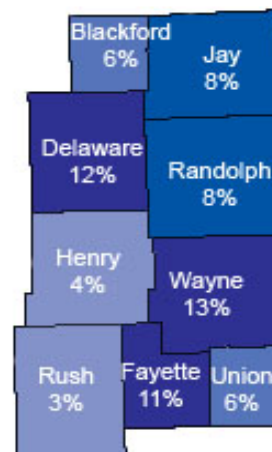
Figure 114: Distribution of EGR 6 nonprofit employment, by county, 2005



- Delaware County contained the greatest share of the region's nonprofit employment, with 44 percent.

- Wayne County had the next highest share, with 31 percent of the region's nonprofit employment.
- Fayette County accounted for 8 percent of the region's nonprofit employment.
- Jay County contained 5 percent of the region's nonprofit employment.
- The remaining 5 counties each contained less than 5 percent of the region's nonprofit employment. Randolph and Henry Counties contained 4 percent, Blackford County contained 2 percent, and Rush and Union Counties each contained 1 percent.
- The 12,800 nonprofit employees accounted for 10 percent of the region's total employment of 127,800. This is higher than Indiana's nonprofit share of 8 percent.
- The nonprofit share of total employment differs by county, as shown in Figure 115.

Figure 115: Nonprofit share of total employment, by county, 2005

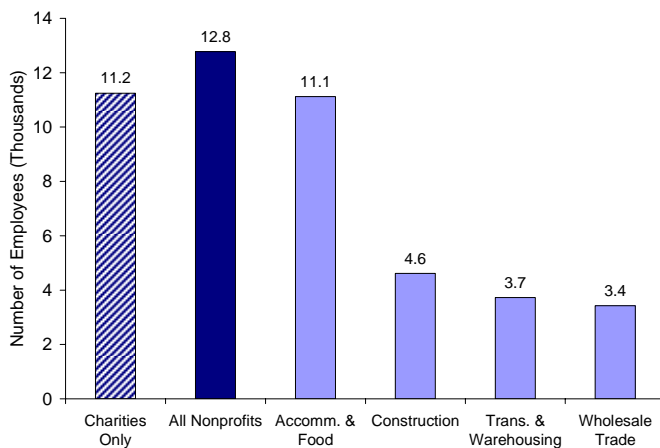


- The nonprofit shares of total employment in Wayne, Delaware, and Fayette Counties were higher (by 3-5 percentage points) than the share of total employment for nonprofits statewide.
- Nonprofit employment in Jay and Randolph Counties comprised about the same share of total employment as the statewide share.

- The nonprofit shares of total employment in Union and Blackford Counties were about 2 percentage points lower than the statewide share.
- Henry County’s nonprofit share of total employment (4 percent) was only about half the statewide share, and Rush County’s share was even lower, at 3 percent.

- Total nonprofit employment in EGR 6 exceeds the number of employees in several key industries.⁶³ As Figure 116 shows, nonprofits in this region employed:

Figure 116: Employment in EGR 6’s nonprofit sector in comparison to certain industries, 2005 (in thousands)

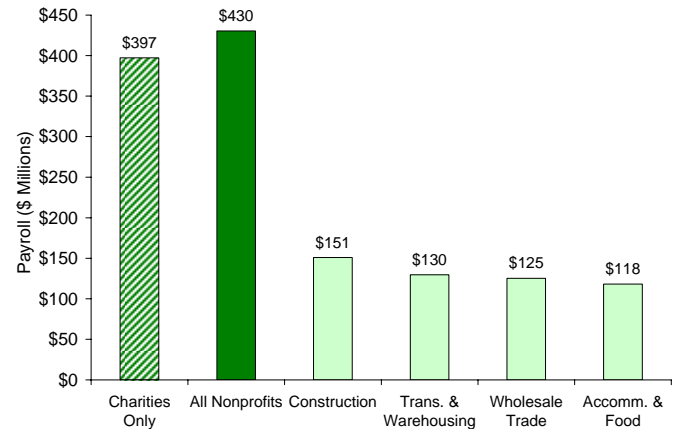


- Slightly more people than the 11,100 people employed by the region’s accommodation and food service industry.
- More than twice as many people as the region’s construction industry (12,800 vs. 4,600).
- More than three times as many people as the region’s transportation and warehousing industry (3,700 employees) or wholesale trade industry (3,400 employees).

- EGR 6’s nonprofit sector accounted for \$430 million of the region’s total payroll of \$3.92 billion. As Figure 117 illustrates, payroll for jobs in the region’s nonprofit sector was about 3 times higher than payroll in the construction, transportation and warehousing,

ing, wholesale trade, or accommodation and food services industries.

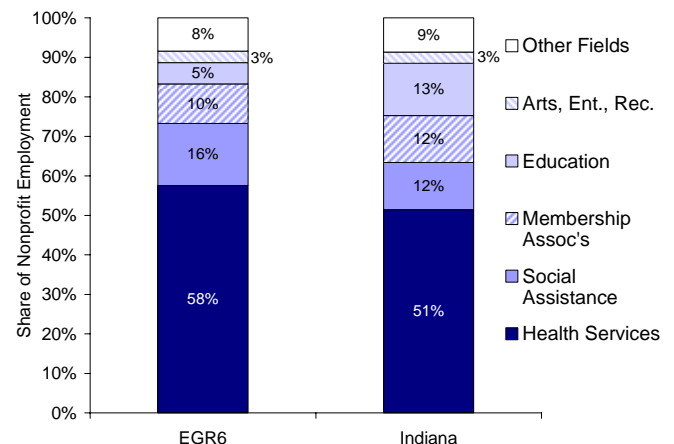
Figure 117: Payroll in EGR 6’s nonprofit sector in comparison to certain industries, 2005 (in millions)



Nonprofit Industries: The region’s nonprofit employment is concentrated in several fields, with over half of nonprofit employees working in the health services field. Nonprofits account for a considerable portion of the employment in some fields.

- As Figure 118 shows, the distribution of nonprofit employment across industries differ some from the corresponding distribution statewide.

Figure 118: Distribution of nonprofit employment, by industry, EGR 6 vs. Indiana, 2005



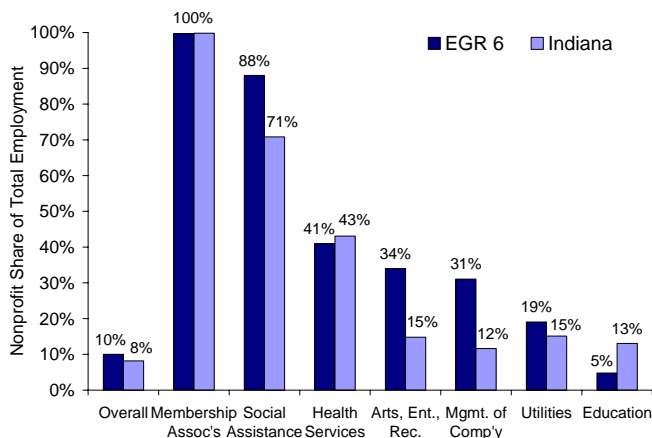
- Health services accounted for a larger share of total nonprofit employment in EGR 6 (58 percent) than it did statewide (51 percent).⁶⁴

⁶³ Less than 0.05 percent of employment in these industries was nonprofit employment, meaning there is little overlap.

⁶⁴ Although the NAICS classification system groups health services and social assistance together as NAICS 62, we have separated social

- Social assistance organizations also accounted for a larger share than the statewide share (16 percent vs. 12 percent).
- Membership associations comprised about 10 percent of total nonprofit employment in EGR 6, which is slightly smaller than the statewide share of 12 percent.⁶⁵
- Education nonprofits accounted for a considerably smaller share of total nonprofit employment than the statewide share (5 percent vs. 13 percent).
- In both EGR 6 and statewide, arts, entertainment, and recreation comprised about 3 percent of the total nonprofit employment.
- Nonprofit employment dominates in several industries, as illustrated in Figure 119.

Figure 119: Nonprofit share of total employment for selected industries, EGR 6 vs. Indiana, 2005



- Nearly all (almost 100 percent) of employment in membership associations in both EGR 6 and Indiana was attributed to nonprofits.

assistance (NAICS 624) from other health-related employment both here and throughout the report in order to simplify our presentation.

⁶⁵ Some membership associations, most notably religious congregations, are not required to register with the IRS as tax-exempt organizations. As a result, some private associations participating in the CEW reporting system would not be classified as nonprofit organizations under our methodology. On the assumption that all of these private membership associations are indeed nonprofit, we reclassified as nonprofit the relatively small number of private membership associations not registered with the IRS as tax-exempt organizations.

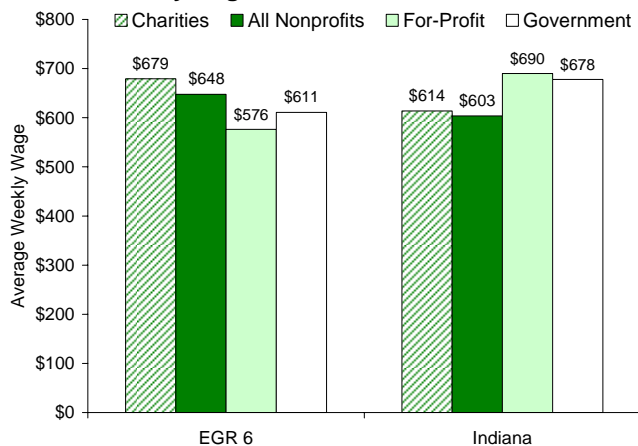
- Nonprofits accounted for nearly nine-tenths (88 percent) of employment in social assistance organizations in EGR 6. This is higher than the statewide percentage (71 percent).
- About two-fifths (41 percent) of employment in health services in EGR 6 was attributed to nonprofits; this is slightly less than the statewide percentage (43 percent).
- Nonprofits accounted for about 34 percent of employment in arts, entertainment, and recreation, more than twice as high as the 15 percent statewide.
- Although the management of companies or enterprises and utilities are not typically thought of as containing a significant presence of nonprofit employment, in EGR 6 nonprofits accounted for 31 percent and 19 percent of employment in these industries, respectively. These percentages are notably higher than the statewide averages of 12 percent for management organizations and 15 percent for utilities.
- Only 5 percent of the region's employment in education was attributed to nonprofits; this is considerably lower than the statewide share of 13 percent.

Wages: In contrast to most other regions, average weekly wages paid to nonprofit employees in EGR 6 are higher than average weekly wages paid to for-profit workers and government workers. When individual fields in which nonprofits are concentrated are examined, this pattern sometimes holds true and sometimes does not.⁶⁶

- Nonprofit workers in EGR 6 earned an average weekly wage of \$648. This wage was higher than the region's for-profit and government average weekly wages (\$576 and \$611, respectively). See Figure 120.

⁶⁶ These average weekly wages do not include fringe benefits and make no adjustment for full-time or part-time work (these details are not included in the CEW reporting system). Industries or sectors with more reliance on part-time workers could show up as having lower average weekly wages than those with fewer part-time workers, even if the actual hourly pay rates are higher.

Figure 120: Nonprofit, for-profit, and government average weekly wages in EGR 6 and Indiana, 2005

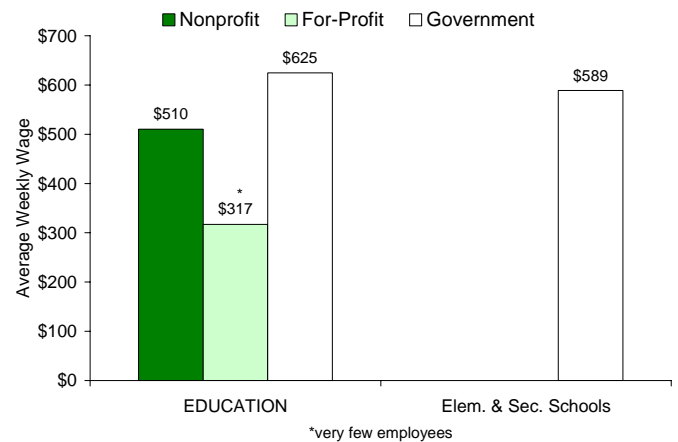


- Nonprofit workers in EGR 6 earned about 13 percent more than for-profit workers in EGR 6. In contrast, statewide, nonprofit workers earned about 13 percent less than for-profit workers.
- Nonprofit workers in EGR 6 earned about 6 percent more than government workers in the region. In contrast, nonprofit workers earned 11 percent less than government workers.
- In industries in which nonprofits are concentrated, this pattern sometimes holds true and sometimes does not.⁶⁷
- Nonprofit employees in education organizations earn more than for-profit employees but less than government employees. (See Figure 121.) Elementary and secondary schools accounted for 61 percent of the employment in this industry in EGR 6. Two other sub-industries – junior colleges and universities and professional schools – are not shown because there were too few establishments in each sector to report separately.
 - On average, employees of nonprofit education organizations earned about 61 percent more than employees of for-profit education organizations,

⁶⁷ When a sector had less than three establishments in an industry or sub-industry, the data was suppressed for confidentiality reasons. When a sector had three or more establishments but still a very small relative number of employees in a given industry or sub-industry (less than 4 percent of the total employment for the industry or sub-industry), the data are reported but marked with an asterisk in the corresponding graph. While we report data for these relatively few employees, the results should be interpreted with caution.

but about 18 percent less than employees of government education organizations.⁶⁸

Figure 121: Average weekly wages in EGR 6 education organizations, 2005



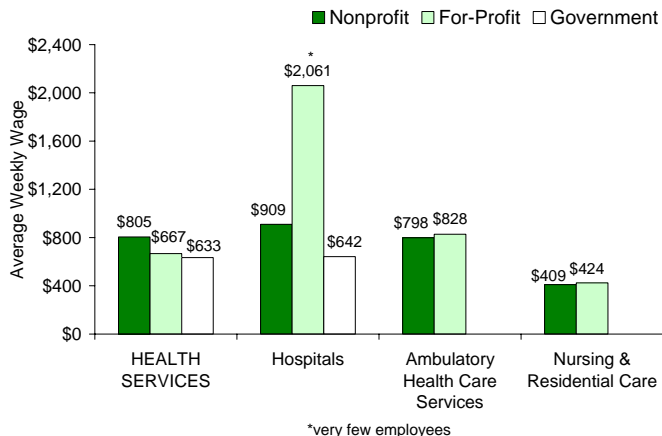
- Government employees in elementary and secondary schools earned an average weekly wage of \$589. There were too few nonprofit and for-profit establishments to report wages for these sectors.
- Overall, nonprofit employees in EGR 6's health services industry earn higher average weekly wages than their for-profit and government counterparts, though this is not true of all sub-industries. (See Figure 122.) The three sub-industries shown comprised 100 percent of the employment in the health services industry.
 - On average in the health services industry, nonprofit employees earned about 21 percent more than for-profit employees and about 27 percent more than government employees.
 - Workers in nonprofit hospitals earned about 56 percent less than the very few workers in for-profit hospitals⁶⁹ but about 42 percent more than workers in government hospitals.
 - In the ambulatory health care services subfield, nonprofit employees earned about 4 percent less

⁶⁸ Government employment makes up the vast majority of the employment in this industry (94 percent), with only about 5 percent of employment attributed to nonprofits and about 1 percent attributed to for-profits.

⁶⁹ For-profit workers accounted for only 0.5 percent of the employment in hospitals in EGR 6.

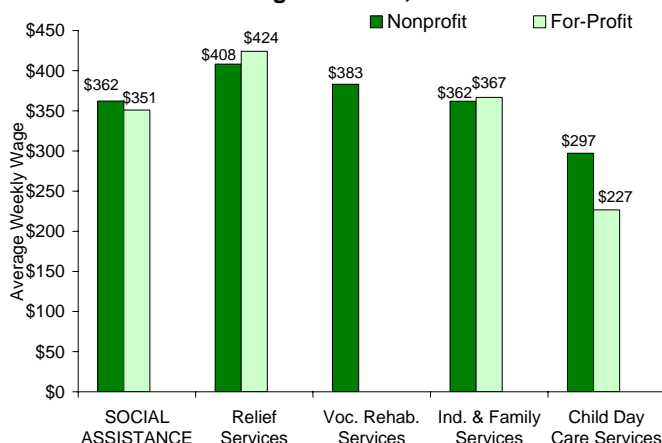
than for-profit employees. There were too few government establishments to report government wages separately.

Figure 122: Average weekly wages in EGR 6 health services organizations, 2005



- Nonprofit nursing and residential care workers earned about 6 percent less than for-profit workers. There were too few government establishments to report government wages separately.
- Overall average weekly wages in EGR 6 nonprofit social assistance organizations are higher than average weekly wages in EGR 6 for-profit social assistance organizations. (See Figure 123.) There were too few government establishments to report government data separately. The four sub-industries shown comprised 100 percent of the employment in the social assistance industry.

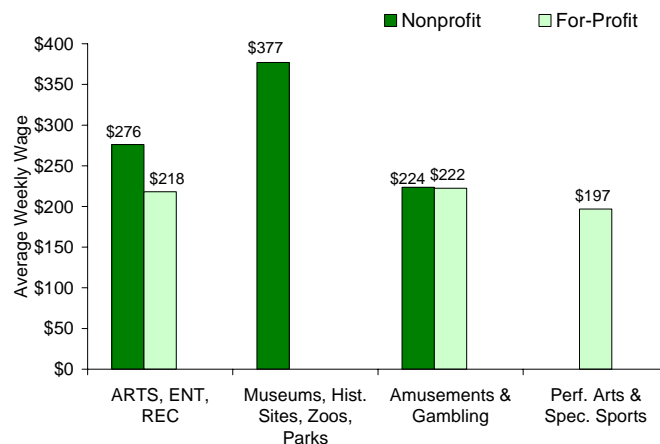
Figure 123: Average weekly wages in EGR 6 social assistance organizations, 2005



- Overall in the social assistance industry, nonprofit wages were about 3 percent higher than for-profit wages.
- In relief services, nonprofit wages were about 4 percent lower than for-profit wages.
- The average weekly wage for nonprofit vocational rehabilitation services employees was \$383. There were too few for-profit establishments to report separate data.
- In individual and family services, nonprofit average weekly wages were about 1 percent lower than for-profit average weekly wages.
- Workers in nonprofit child day care services earned about 31 percent more than for-profit child day care service workers.

- Overall in the EGR 6 arts, entertainment, and recreation industry, nonprofit employees earn higher average weekly wages than for-profit workers. (See Figure 124.) There were too few government establishments to report government data separately. The three sub-industries shown made up 100 percent of the employment in arts, entertainment, and recreation.

Figure 124: Average weekly wages in EGR 6 arts, entertainment and recreation organizations, 2005



- Overall, nonprofit employees in arts, entertainment, and recreation organizations earned about 27 percent more than for-profit employees.
- Nonprofit employees in museums, historical sites, zoos, and parks earned an average weekly

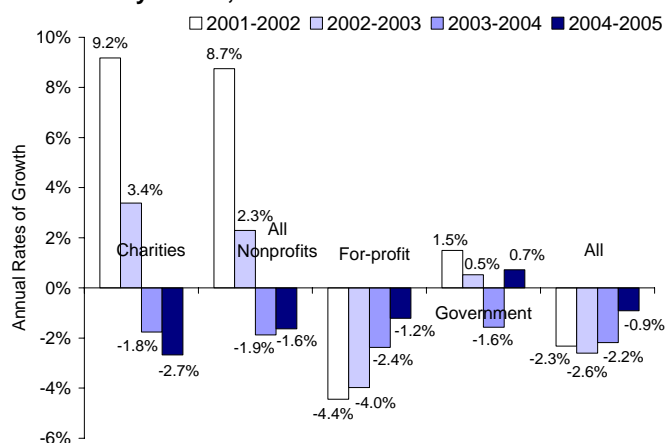
wage of \$377. There were too few for-profit establishments to report separate for-profit data.

- In the amusements and gambling subfield, nonprofit employees earned about 1 percent more than for-profit employees.
- There were too few nonprofit performing arts and spectator sports establishments to report separately. The average for-profit weekly wage was \$197.

Growth: Between 2001 and 2005, overall employment in the EGR 6 nonprofit sector grew by 7.4 percent, while employment in the for-profit sector shrank by 11.5 percent, and employment in the government sector grew by only 1.1 percent.

- However, as Figure 125 shows, these overall trends mask considerable differences in annual growth rates.

Figure 125: Annual rates of growth in EGR 6 employment by sector, 2001-2005

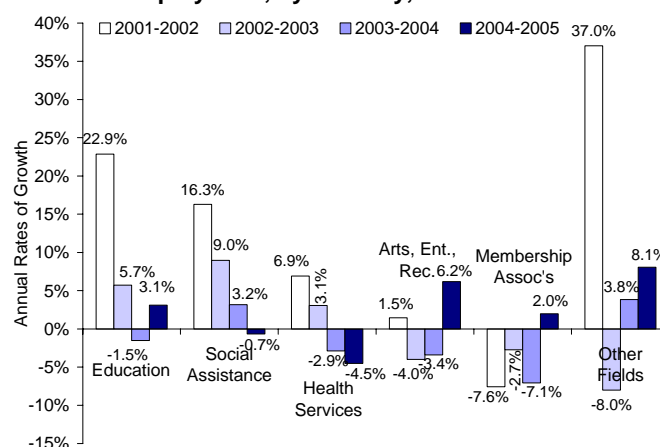


- Nonprofit employment grew considerably (by 8.7 percent) between 2001 and 2002, and at a more moderate rate of 2.3 percent between 2002 and 2003. Growth then ceased, with 2003 to 2004 and 2004 to 2005 seeing declines of 1.9 percent and 1.6 percent, respectively.
- For-profit employment shrank during all four years but shrank by smaller amounts in each consecutive year, posting rates of decline of 4.4 percent, 4.0 percent, 2.4 percent, and 1.2 percent.

- Government employment grew by 1.5 percent between 2001 and 2002 and by 0.5 percent between 2002 and 2003. It then declined by 1.6 percent during the 2003 to 2004 period, but recovered to grow by 0.7 percent during the 2004 to 2005 period.

- Nonprofit employment trends differ notably by industry. As Figure 126 shows, education organizations experienced the greatest growth rates in employment, while membership associations experienced the greatest declines.

Figure 126: Annual rates of growth in EGR 6 nonprofit employment, by industry, 2001-2005

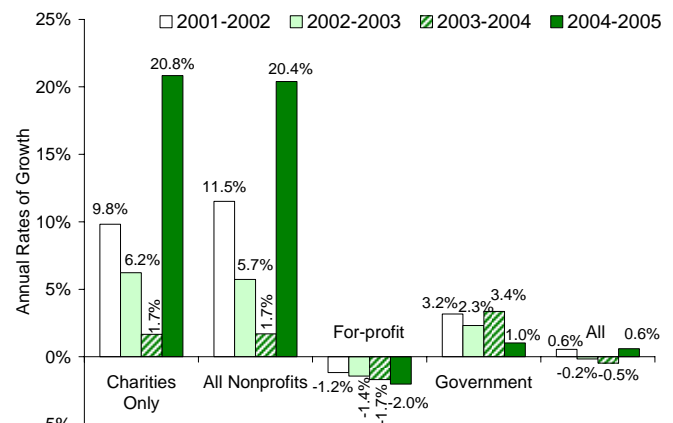


- Education employment in 2005 was up 31.9 percent over 2001. The majority of growth occurred between 2001 and 2002, when employment grew by 22.9 percent. Growth then became more modest, with a growth rate of 5.7 percent between 2002 and 2003, a 1.5 percent decline between 2003 and 2004, and 3.1 percent increase between 2004 and 2005.
- Overall, social assistance employment grew by 29.8 percent between 2001 and 2005. However, the greatest growth (16.3 percent) occurred during the first year (2001 to 2002) and then growth became slower with each successive year. The 2002 to 2003 and 2003 to 2004 periods saw growth rates of 9.0 percent and 3.2 percent, respectively; the 2004 to 2005 period saw a 0.7 percent decline.
- Employment in health services experienced a similar pattern during 2001 to 2005. Overall

growth from 2001 to 2005 was 2.2 percent. In the 2001 to 2002 and 2002 to 2003 periods, growth rates were 6.9 percent and 3.1 percent, respectively. Employment then began to decline, with a 2.9 percent decline between 2003 and 2004 and a 4.5 percent decline between 2004 and 2005.

- Employment in arts, entertainment, and recreation declined by 0.1 percent from 2001 to 2005. During the 2001 to 2002 period employment grew by 1.5 percent. Employment declined by 4.0 percent and 3.4 percent during the next two years, and then it recovered to grow by 6.2 percent during the 2004 to 2005 period.
- Employment in membership associations declined by 14.8 percent from 2001 to 2005. The greatest decline (7.6 percent) was during the 2001 to 2002 period. During the 2002 to 2003 and 2003 to 2004 periods the rates of decline were 2.7 percent and 7.1 percent, respectively. Employment recovered somewhat during the 2004 to 2005 period, posting a growth rate of 2.0 percent.
- Employment in nonprofit organizations in other fields grew by 41.4 percent during the 2001 to 2005 period (primarily driven by growth in nonprofit finance and insurance establishments). The majority of growth occurred during the first year, when employment grew by 37.0 percent. Employment declined by 8.0 percent between 2002 and 2003, then it posted modest gains of 3.8 percent and 8.1 percent respectively during the next two years.
- Nonprofits experienced much faster growth in payroll from 2001 to 2005 than did for-profits and government.⁷⁰ See Figure 127.
 - The overall growth in nonprofit payroll from 2001 to 2005 was 44.4 percent. Annual growth rates during these four years were 11.5 percent, 5.7 percent, 1.7 percent, and 20.4 percent, respectively.

Figure 127: Annual rates of growth in EGR 6 payroll, by sector, 2001-2005



- For-profit payroll declined by 6.2 percent during the 2001 to 2005 period. Annual rates of decline during these four years were 1.2 percent, 1.4 percent, 1.7 percent, and 2.0 percent.
- Government payroll grew by 10.2 percent from 2001 to 2005. Annual rates of growth were 3.2 percent, 2.3 percent, 3.4 percent, and 1.0 percent during these four years.

⁷⁰ These growth rates are not adjusted for inflation.

XV. WEST CENTRAL INDIANA: ECONOMIC GROWTH REGION 7



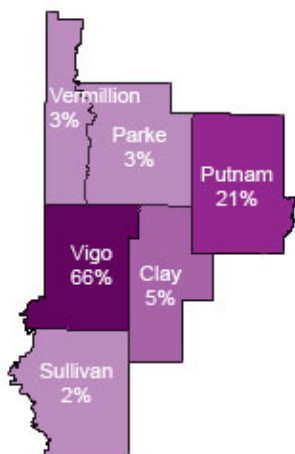
Six west central Indiana counties – Vermillion, Parke, Putnam, Vigo, Clay, and Sullivan – make up Economic Growth Region (EGR) 7. This region includes the Terre Haute Metropolitan Statistical Area (MSA) (Vermillion, Vigo, Clay, and Sullivan Counties), as well as one county of the Indianapolis MSA (Putnam County).

The private nonprofit sector is a major economic force in EGR 7, employing a greater percentage of the total workforce than the statewide percentage, and employing more workers than several typically for-profit industries. The region's nonprofit employment is concentrated in the health and education fields, with over half of nonprofit employment accounted for by these two fields. In contrast to most other regions, nonprofit average weekly wages are higher than for-profit average weekly wages. Nonprofit employment grew faster than for-profit and government employment between 2001 and 2005.

Employment and Payroll: Nonprofits in EGR 7 employed 8,400 workers and had a total payroll of over \$255 million.

- The distribution of the region's nonprofit employment differs notably by county, as shown in Figure 128.

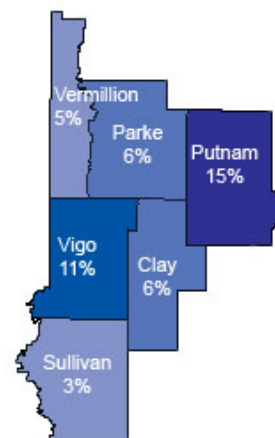
Figure 128: Distribution of EGR 7 nonprofit employment, by county, 2005



- Vigo County contained almost two-thirds (66 percent) of EGR 7's nonprofit employment.

- Putnam County contained the next highest proportion, with 21 percent.
- Clay County's share of the region's nonprofit employment was only 5 percent.
- Vermillion and Parke Counties each contained only 3 percent of the region's nonprofit employment.
- Sullivan County had the smallest share of the region's nonprofit employment, with 2 percent.
- The 8,400 nonprofit employees accounted for 10 percent of the region's total employment of 84,700. This is higher than the percentage statewide (8 percent).
- The nonprofit share of total employment differs by county, as shown in Figure 129.

Figure 129: Nonprofit share of total employment, by county, 2005

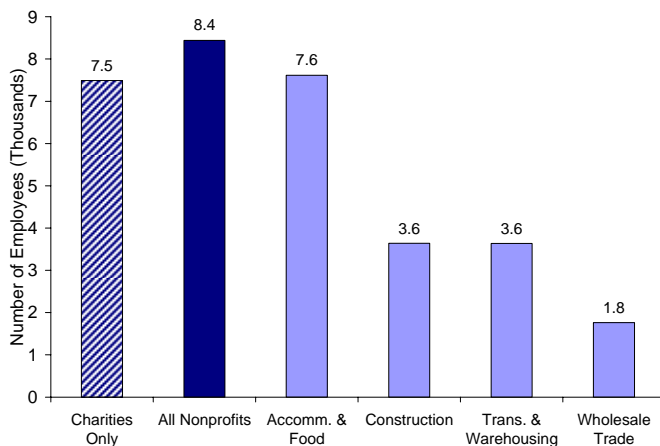


- Putnam County's nonprofit share of total employment was nearly twice the statewide share (15 percent vs. 8 percent).
- At 11 percent, Vigo County's nonprofit share of total employment was larger than the statewide share.
- Parke, Clay, and Vermillion Counties had nonprofit shares of total employment 2 or 3 percentage points lower than the statewide share.

- The nonprofit share of total employment in Sullivan County was less than half the statewide percentage.

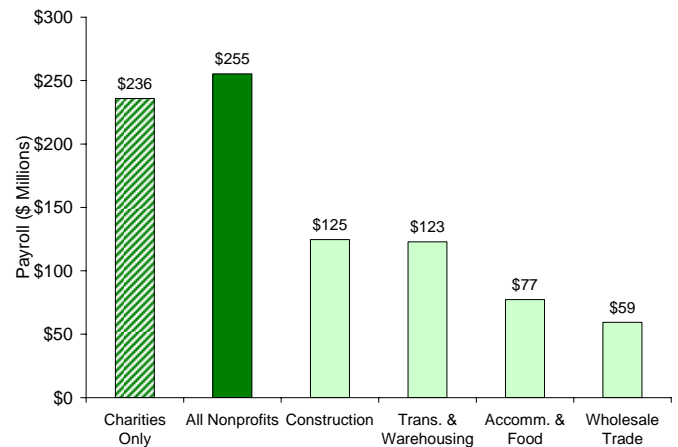
- Total nonprofit employment in EGR 7 exceeds the number of employees in several key industries.⁷¹ As Figure 130 shows, nonprofits in this region employed:

Figure 130: Employment in EGR 7's nonprofit sector in comparison to certain industries, 2005 (in thousands)



- Slightly more people than the 7,600 people employed by the region's accommodation and food services industry.
- More than twice as many people as the 3,600 people employed in the construction industry and the 3,600 people employed in the transportation and warehousing industry.
- More than four times as many people as the 1,800 people employed in the wholesale trade industry.
- EGR 7's nonprofit sector accounted for \$255 million of the region's total payroll of \$2.5 billion, or 10 percent. As Figure 131 illustrates, payroll for jobs in the region's nonprofit sector was:

Figure 131: Payroll in EGR 7's nonprofit sector in comparison to certain industries, 2005 (in millions)



- More than twice as large as payroll for the region's construction industry (\$125 million) and transportation and warehousing industry (\$123 million).
- More than three times larger than payroll for the accommodation and food services industry (\$77 million), even though the two industries have nearly the same number of employees.
- More than four times larger than payroll for the wholesale trade industry (\$59 million).

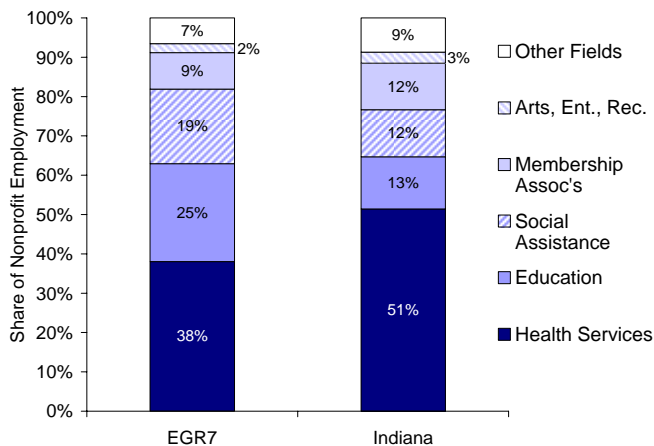
Nonprofit Industries: The region's nonprofit employment is concentrated in several fields, with the largest concentrations in the health and education fields. Nonprofits account for a considerable portion of the employment in some fields.

- As Figure 132 shows, the distribution of nonprofit employment across industries differed some from the corresponding distribution statewide.
 - Health services accounted for a notably smaller share of nonprofit employment in EGR 7 than it did statewide (38 percent vs. 51 percent).⁷²

⁷¹ The construction, transportation and warehousing, and wholesale trade industries in EGR 7 contained no nonprofit employees. The accommodation and food services industry in EGR 7 did contain nonprofit employees, but only 1.4 percent of the total accommodation and food services employment was nonprofit, meaning there is little overlap.

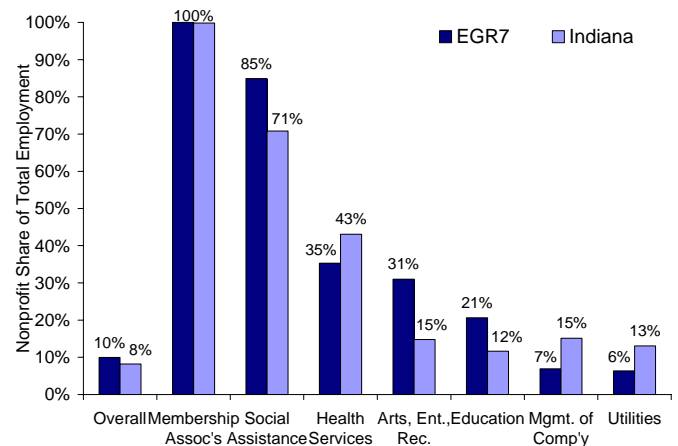
⁷² Although the NAICS classification system groups health services and social assistance together as NAICS 62, we have separated social assistance (NAICS 624) from other health-related employment both here and throughout the report in order to simplify our presentation.

Figure 132: Distribution of nonprofit employment, by industry, EGR 7 vs. Indiana, 2005



- In contrast, education made up a much larger share of nonprofit employment in EGR 7 than statewide (25 percent vs. 13 percent).
- Social assistance organizations also made up a larger share of nonprofit employment in EGR 7 than statewide (19 percent vs. 12 percent).
- Membership associations accounted for 9 percent of nonprofits in EGR 7, which is lower than the statewide share of 12 percent.⁷³
- Arts, entertainment, and recreation organizations made up 2 percent of nonprofit employment in EGR 7, compared to 3 percent statewide.
- Employment in other fields made up 7 percent of nonprofit employment in EGR 7, compared to 9 percent statewide.
- Nonprofit employment dominates in several industries, as illustrated in Figure 133.
 - Nearly all (almost 100 percent) of employment in membership associations in both EGR 7 and Indiana was attributed to nonprofits.

Figure 133: Nonprofit share of total employment for selected industries, EGR 7 vs. Indiana, 2005



- Nonprofits accounted for 85 percent of employment in social assistance organizations in EGR 7; this is higher than the statewide share of 71 percent.
- About one-third (35 percent) of employment in EGR 7 health services was nonprofit, which is lower than the statewide percentage (43 percent).
- Nonprofits made up 31 percent of the employment in arts, entertainment, and recreation in EGR 7. This is more than twice the statewide percentage (15 percent).
- About one-fifth (21 percent) of employment in education organizations in EGR 7 was attributed to nonprofits, and this is considerably more than the statewide share of 12 percent.
- Nonprofits made up 7 percent of employment in management of companies in EGR 7. This percentage is less than half the statewide percentage (15 percent).
- The nonprofit share of total employment for utilities was 6 percent. This is also less than half the statewide share of 13 percent.

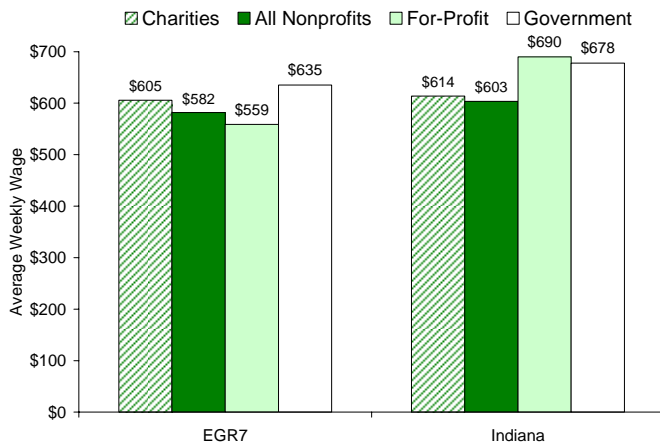
⁷³ Some membership associations, most notably religious congregations, are not required to register with the IRS as tax-exempt organizations. As a result, some private associations participating in the CEW reporting system would not be classified as nonprofit organizations under our methodology. On the assumption that all of these private membership associations are indeed nonprofit, we reclassified as nonprofit the relatively small number of private membership associations not registered with the IRS as tax-exempt organizations.

Wages: In contrast to most other regions, nonprofit average weekly wages in EGR 7 are higher than for-profit average weekly wages. Like most other regions, however, nonprofit average weekly wages are lower than government average weekly wages. When the industries in which nonprofits are concentrated are examined, the

above patterns sometimes hold true and sometimes do not.

- In EGR 7, nonprofit workers earned an average weekly wage of \$582; this wage is higher than for-profit workers' average weekly wage but lower than government workers' average weekly wage. In Indiana as a whole, the nonprofit average weekly wage is lower than both the for-profit and government average weekly wage.⁷⁴ See Figure 134.

Figure 134: Nonprofit, for-profit, and government average weekly wages in EGR 7 and Indiana, 2005



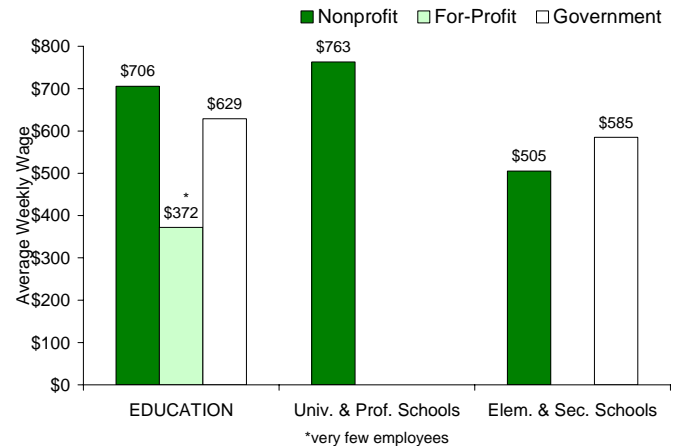
- Nonprofit workers in EGR 7 earned about 4 percent more than EGR 7's for-profit workers. In contrast, statewide, Indiana nonprofit workers earned about 13 percent less than Indiana for-profit workers.
- Nonprofit workers in EGR 7 earned about 8 percent less than EGR 7's government workers. This gap is smaller than the statewide gap – in Indiana overall, nonprofit workers earned about 11 percent less than government workers.
- In industries in which nonprofits are concentrated, nonprofit employees sometimes earn more than their for-profit and government counterparts.⁷⁵

⁷⁴ These average weekly wages do not include fringe benefits and make no adjustment for full-time or part-time work (these details are not included in the CEW reporting system). Industries or sectors with more reliance on part-time workers could show up as having lower average weekly wages than those with fewer part-time workers, even if the actual hourly pay rates are higher.

⁷⁵ When a sector had less than three establishments in an industry or sub-industry, the data was suppressed for confidentiality reasons. When a sector had three or more establishments but still a very small

- Following the overall trend, nonprofit employees in education earn more than for-profit employees but less than government employees. (See Figure 135.) The two sub-industries shown accounted for 94 percent of total employment in the educational services industry in EGR 7. A third sub-industry, junior colleges, is not shown because there were too few establishments to report data separately.

Figure 135: Average weekly wages in EGR 7 education organizations, 2005



- On average, employees of education organizations earned about 90 percent more than the few for-profit employees⁷⁶ and 12 percent more than government employees.
- Employees in nonprofit university and professional schools earned an average weekly wage of \$763. There was no for-profit employment in this category, and there were too few government establishments to report separately.
- Nonprofit elementary and secondary school employees earned about 14 percent less than government employees. There were too few for-profit establishments to report separate for-profit data.
- There was no nonprofit employment in junior colleges in EGR 7, nor was there for-profit em-

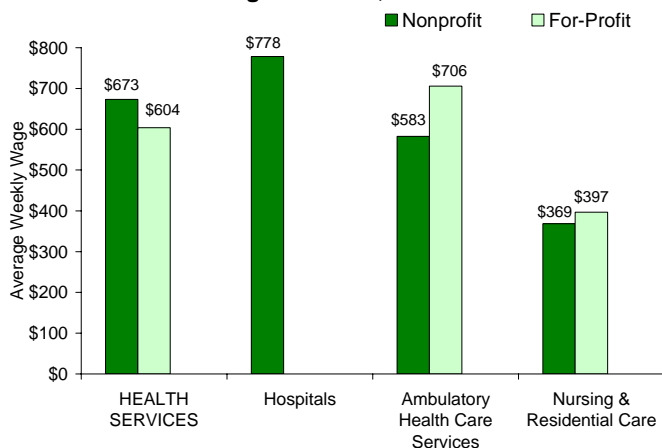
relative number of employees in a given industry or sub-industry (less than 4 percent of the total employment for the industry or sub-industry), the data are reported but marked with an asterisk in the corresponding graph. While we report data for these relatively few employees, the results should be interpreted with caution.

⁷⁶ For-profit employees made up less than 3 percent of the employment in EGR 7 education organizations.

ployment. Government establishments were too few to report.

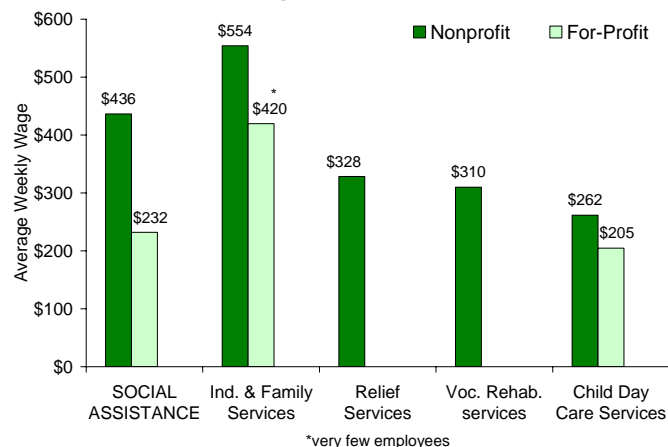
- Overall in the health services industry, nonprofit employees earn higher average weekly wages than for-profit employees. (See Figure 136.) There were too few government establishments to report government data separately. The three sub-industries shown made up 100 percent of the employment in the health services industry in EGR 7.

Figure 136: Average weekly wages in EGR 7 health services organizations, 2005



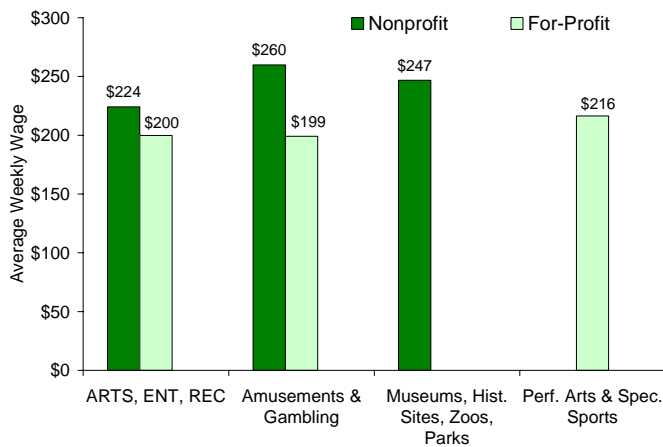
- On average in the health services industry, nonprofit workers earned about 11 percent more than for-profit workers.
- Workers in nonprofit hospitals earned an average weekly wage of \$778. For-profit establishments were too few to report separately.
- In ambulatory health care services, nonprofit workers earned about 17 percent less than for-profit workers.
- Nonprofit nursing and residential care employees earned about 7 percent less than for-profit employees.
- Overall, employees in nonprofit social assistance organizations earn higher average weekly wages than those in for-profit organizations. (See Figure 137.) There was no government employment in this field in EGR 7. The four sub-industries shown accounted for 100 percent of the social assistance employment in EGR 7.

Figure 137: Average weekly wages in EGR 7 social assistance organizations, 2005



- On average, nonprofit social assistance employees earned 88 percent more than their for-profit counterparts.
- Nonprofit workers in individual and family services earned about 32 percent more than the few for-profit workers.
- Nonprofit relief service workers earned an average weekly wage of \$328. There were too few for-profit establishments to report separate for-profit data.
- Nonprofit vocational rehabilitation services employees earned an average weekly wage of \$310. There were too few for-profit establishments to report separate for-profit data.
- Nonprofit workers in child day care services earned about 28 percent more than for-profit workers.
- Overall in the arts, entertainment, and recreation industry, nonprofit workers earn higher average weekly wages than for-profit workers. (See Figure 138.) There was no government employment in this industry. The three sub-industries shown made up 100 percent of the employment in the arts, entertainment, and recreation industry.
- On average, employees in nonprofit arts, entertainment, and recreation organizations earned about 12 percent more than for-profit employees.

Figure 138: Average weekly wages in EGR 7 arts, entertainment, and recreation organizations, 2005

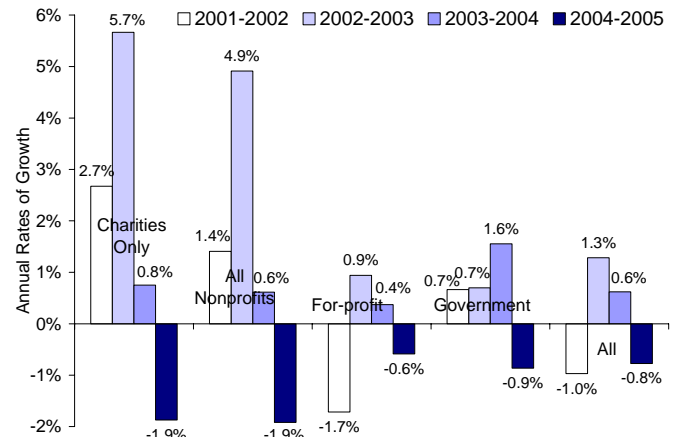


- In amusements and gambling, nonprofit employees earned about 31 percent more than for-profit employees.
- Nonprofit workers in museums, historical sites, zoos, and parks earned an average weekly wage of \$247. There were too few for-profit establishments to report separate for-profit data.
- There were too few nonprofit establishments in performing arts and spectator sports to report separate nonprofit data. For-profit employees earned an average weekly wage of \$216.

Growth: Between 2001 and 2005, overall employment in the nonprofit sector grew by 5.0 percent, employment in the for-profit sector shrank by 1.0 percent, and employment in the government sector grew by 2.0 percent.

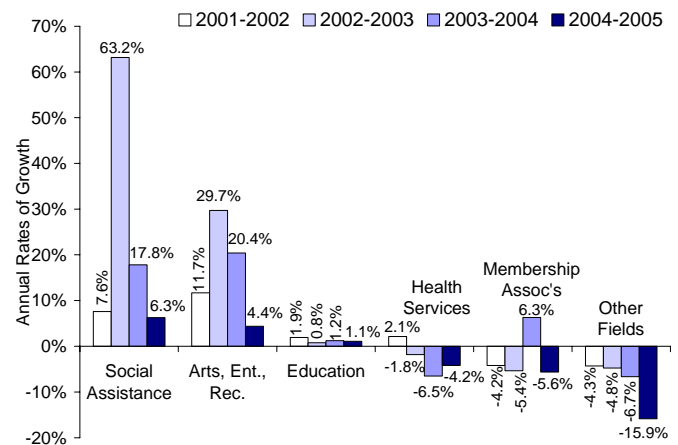
- However, as Figure 139 shows, these overall trends mask notable differences in annual growth rates.
 - During the first three years of the time period examined, nonprofit employment grew – by 1.4 percent during 2001 to 2002, 4.9 percent during 2002 to 2003, and 0.6 percent during 2003 to 2004. During the fourth year (2004 to 2005), employment declined by 1.9 percent.
 - For-profit employment declined by 1.7 percent from 2001 to 2002, recovered during 2002 to 2003 and 2003 to 2004 (growing by 0.9 percent and 0.4 percent, respectively), then declined by 0.6 percent between 2004 and 2005.

Figure 139: Annual rates of growth in EGR 7 employment by sector, 2001-2005



- Government employment grew during the first three years (by 0.7 percent, 0.7 percent, and 1.6 percent), then declined by 0.9 percent between 2004 and 2005.
- Nonprofit trends differ notably by industry. As Figure 140 shows, social assistance organizations experienced the most growth, while membership associations saw the greatest overall declines.

Figure 140: Annual rates of growth in EGR 7 nonprofit employment, by industry, 2001-2005

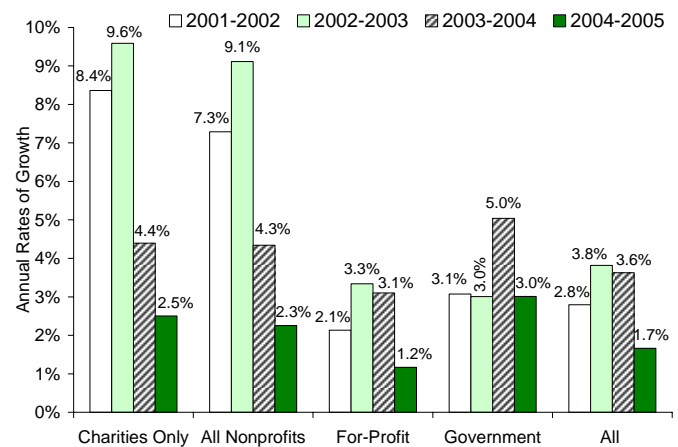


- Employment in nonprofit social assistance organizations grew by 119.9 percent between 2001 and 2005. The majority of growth occurred during 2002 to 2003, when growth was 63.2 percent. During the next two years, growth was more moderate, with annual growth rates of 17.8 percent and 6.3 percent, respectively.

- Nonprofit arts, entertainment, and recreation employment grew by 82.1 percent from 2001 to 2005. The largest annual growth rate was 29.7 percent during 2002 to 2003. The smallest annual growth rate was 4.4 percent between 2004 and 2005.
- Nonprofit employment in education grew by 5.1 percent between 2001 and 2005. Annual rates of growth were moderate and fairly steady: 1.9 percent, 0.8 percent, 1.2 percent, and 1.1 percent for each of the four years in this time period.
- Nonprofit employment in health services declined by 10.1 percent between 2001 and 2005. Employment grew by 2.1 percent during 2001 to 2002, then declined during the next three years by 1.8 percent, 6.5 percent, and 4.2 percent respectively.
- Employment in nonprofit membership associations shrank by 5.6 percent between 2001 and 2005. Employment declined during the first two years, grew by 6.3 percent during 2003 to 2004, then declined by 5.6 percent during 2004 to 2005.
- Nonprofit employment in other fields declined by 28.4 percent between 2001 and 2005. Annual rates of decline became successively larger during the four-year period, from a decline of 4.3 percent between 2001 and 2002 to a decline of 15.9 percent between 2004 and 2005.
- Between 2001 and 2005, nonprofit payroll grew at a faster rate than for-profit and government payroll.⁷⁷ See Figure 141.
 - Nonprofit payroll grew by 24.9 percent between 2001 and 2005. The largest annual growth rate was 9.1 percent between 2002 and 2003. The smallest annual growth rate was 2.3 percent between 2004 and 2005.
 - For-profit payroll grew by 10.1 percent between 2001 and 2005. The largest annual growth rate was 3.3 percent during 2002 to 2003, and the

smallest annual growth rate was 1.2 percent during 2004 to 2005.

Figure 141: Annual rates of growth in EGR 7 payroll, by sector, 2001-2005



- Government payroll grew by 14.9 percent between 2001 and 2005. The largest annual growth rate was 5.0 percent during 2003 to 2004. The smallest annual growth rate was 3.0 percent, which occurred during both 2002 to 2003 and 2004 to 2005.

⁷⁷ These growth rates are not adjusted for inflation.

XVI. SOUTH CENTRAL INDIANA: ECONOMIC GROWTH REGION 8



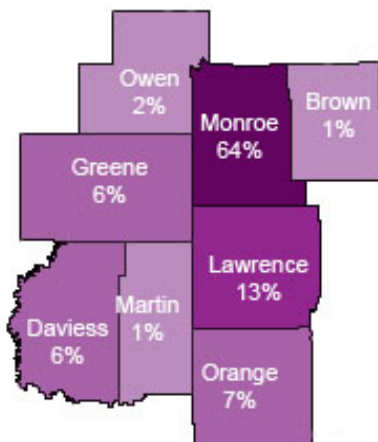
Eight south central Indiana counties – Owen, Monroe, Brown, Greene, Daviess, Martin, Lawrence, and Orange – comprise Economic Growth Region (EGR) 8. This region includes the Bloomington Metropolitan Statistical Area (MSA) (Green, Monroe, and Owen Counties) as well as one county from the Indianapolis MSA (Brown County).

The private nonprofit sector is a major economic force in EGR 8, employing more workers than several typical for-profit industries. The region's nonprofit employment is concentrated in the health field, with over half of the region's nonprofit workers employed in this field. The region's nonprofit employment is currently growing at a faster rate than for-profit employment but at a slower rate than government employment.

Employment and Payroll: Nonprofits in EGR 8 employed 9,700 workers and had a total payroll of over \$255 million.

- The distribution of this region's nonprofit employment differs notably by county, as shown in Figure 142.

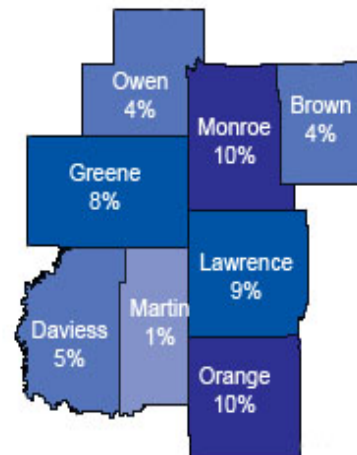
Figure 142: Distribution of EGR 8 nonprofit employment, by county, 2005



- Monroe County contained almost two-thirds (64 percent) of the region's nonprofit employment.

- Lawrence County had the next highest proportion, with 13 percent.
- Orange County's share of the region's nonprofit employment was 7 percent.
- Greene and Daviess Counties each contained 6 percent of the region's nonprofit employment.
- Owen County contained only 2 percent of the region's nonprofit employment.
- Brown and Martin Counties each contained only 1 percent of the region's nonprofit employment.
- The 9,700 nonprofit employees accounted for 8 percent of the region's total employment of 114,500. This percentage is the same as the percentage statewide.
- The nonprofit share of total employment differs by county, as shown in Figure 143.

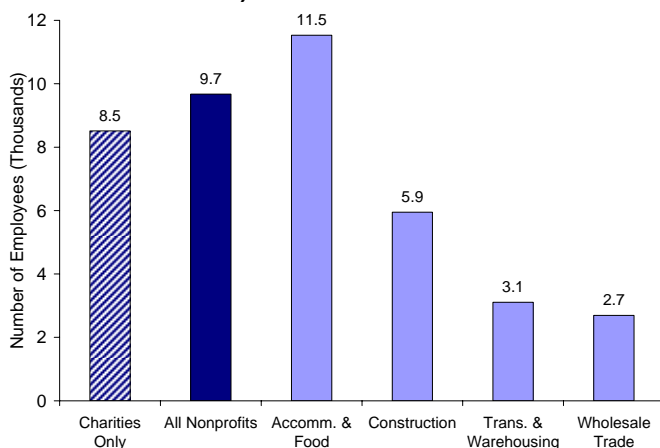
Figure 143: Nonprofit share of total employment, by county, 2005



- Orange, Monroe, and Lawrence County nonprofit shares of total employment were 1 or 2 percentage points higher than the statewide percentage.
- Greene County's nonprofit share of total employment was the same as the statewide share.
- The nonprofit share of total employment in Daviess County was smaller than the statewide share (5 percent vs. 8 percent).

- Brown and Owen County nonprofit shares of total employment were half as large as the statewide share.
- Martin County’s share of total employment was much lower than the statewide share – only 1 percent in Martin County, compared to 8 percent statewide.
- Total nonprofit employment in EGR 8 exceeds the number of employees in several key industries.⁷⁸ As Figure 144 shows, nonprofits in this region employed:

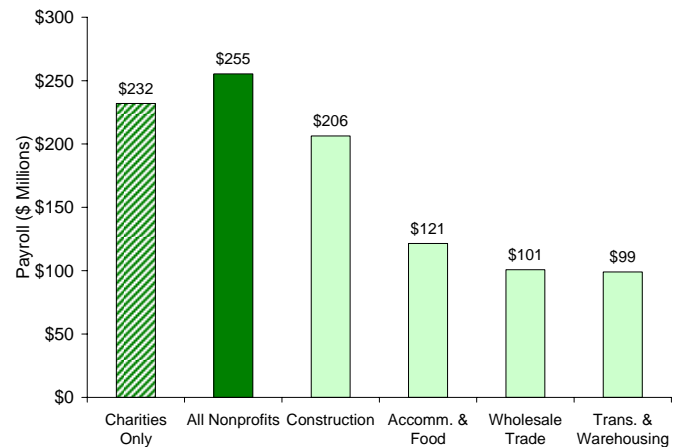
Figure 144: Employment in EGR 8’s nonprofit sector in comparison to certain industries, 2005 (in thousands)



- Fewer people than the 11,500 people employed by the accommodation and food service industry.
- Considerably more people than the 5,900 people employed by the construction industry.
- More than 3 times as many people as the 3,100 people employed by the transportation and warehousing industry or the 2,700 people employed by the wholesale trade industry.
- EGR 8’s nonprofit sector accounted for \$255 million of the region’s total payroll of \$3.5 billion, or 7 per-

cent. As Figure 145 illustrates, payroll for jobs in the region’s nonprofit sector was:

Figure 145: Payroll in EGR 8’s nonprofit sector in comparison to certain industries, 2005 (in millions)



- Greater than total payroll for the region’s construction industry (\$206 million).
- More than two times greater than the accommodation and food service industry (\$121 million), even though the accommodation and food service industry employed more people than the nonprofit sector.
- More than two times greater than the wholesale trade industry (\$101 million) and transportation and warehousing industry (\$99 million).

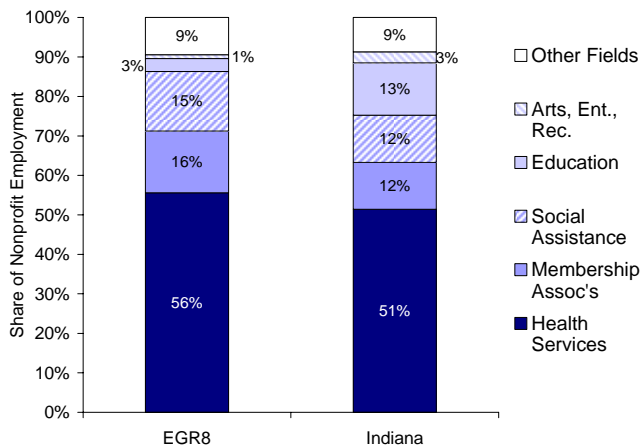
Nonprofit Industries: The region’s nonprofit employment is concentrated in several industries, with over half of nonprofit employees working in health services. Nonprofits account for a considerable portion of the employment in some industries.

- As Figure 146 shows, the distribution of nonprofit employment across industries differs from the corresponding distribution statewide.
 - Health services accounted for a slightly larger share of total nonprofit employment in EGR 8 than it did statewide (56 percent vs. 51 percent).⁷⁹

⁷⁸ The construction, transportation and warehousing, and wholesale trade industries had no nonprofit employment in EGR 8. Only about 2 percent of employment in the accommodation and food service industry was nonprofit, meaning there is little overlap.

⁷⁹ Although the NAICS classification system groups health services and social assistance together as NAICS 62, we have separated social

Figure 146: Distribution of nonprofit employment, by industry, EGR 8 vs. Indiana, 2005



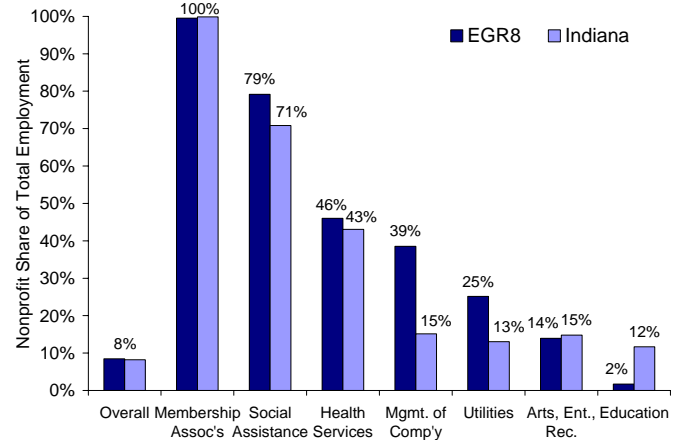
- EGR 8 membership associations⁸⁰ (16 percent of nonprofit employment) and EGR 8 social assistance organizations (15 percent of nonprofit employment) also had larger shares than found statewide (12 percent for each industry).
- With health services, membership associations, and social assistance taking up larger shares of nonprofit employment, there are relatively fewer education and arts, entertainment, and recreation nonprofits. Education nonprofits accounted for only 3 percent of nonprofit employment in EGR 8, compared to 13 percent statewide. Arts, entertainment, and recreation organizations made up 1 percent of nonprofit employment, compared to 3 percent statewide.
- The share of nonprofit employment attributed to other fields was approximately the same in EGR 8 and statewide (9 percent each).
- Nonprofit employment dominates in several industries, as illustrated in Figure 147.

assistance (NAICS 624) from other health-related employment both here and throughout the report in order to simplify our presentation.

⁸⁰ Some membership associations, most notably religious congregations, are not required to register with the IRS as tax-exempt organizations. As a result, some private associations participating in the CEW reporting system would not be classified as nonprofit organizations under our methodology. On the assumption that all of these private membership associations are indeed nonprofit, we reclassified as nonprofit the relatively small number of private membership associations not registered with the IRS as tax-exempt organizations.

- Nearly all (almost 100 percent) of employment in membership associations in both EGR 8 and Indiana was attributed to nonprofits.

Figure 147: Nonprofit share of total employment for selected industries, EGR 8 vs. Indiana, 2005



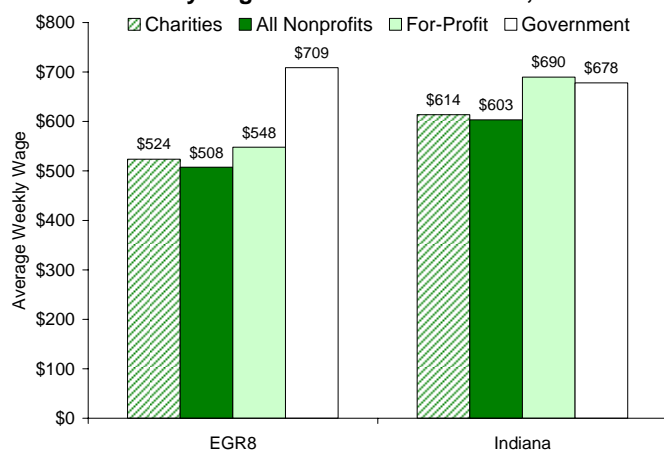
- Nonprofits accounted for 79 percent of employment in social assistance organizations in EGR 8, which is higher than the statewide share of 71 percent.
- Nonprofits made up 46 percent of the employment in health services in EGR 8, while the statewide percentage was slightly lower, at 43 percent.
- The share of nonprofit employment associated with the management of companies was considerably higher in EGR 8 (39 percent) than statewide (15 percent).
- Utilities' share of nonprofit employment in EGR 8 (25 percent) was also much higher than the statewide percentage (13 percent).
- The arts, entertainment, and recreation nonprofit shares of total employment were similar for EGR 8 and statewide – EGR 8 was 14 percent, compared to 15 percent statewide.
- Only 2 percent of education employment was attributed to nonprofits in EGR 8; this is considerably smaller than the 12 percent statewide.

Wages: Overall, average weekly wages paid to nonprofit employees in EGR 8 are lower than average weekly wages paid to for-profit and government em-

ployees. However, this is not always true in the fields in which nonprofits are concentrated; sometimes nonprofit employees' wages are higher than their for-profit or government counterparts.

- The average weekly wage paid to nonprofit workers in EGR 8 was \$508. In both EGR 8 and Indiana as a whole, the nonprofit average weekly wage was lower than the for-profit and government average weekly wages. See Figure 148.

Figure 148: Nonprofit, for-profit, and government average weekly wages in EGR 8 and Indiana, 2005

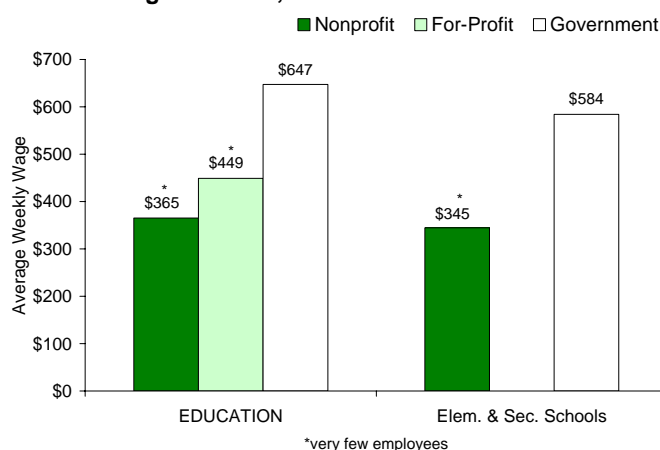


- Nonprofit workers in EGR 8 earned about 7 percent less than EGR 8 for-profit workers. This gap is smaller than the statewide gap, with Indiana nonprofit workers earning about 13 percent less than for-profit workers.
- Nonprofit workers in EGR 8 earned about 28 percent less than EGR 8 government workers. This gap is more than twice as large as the statewide gap, with Indiana nonprofit workers earning about 11 percent less than Indiana government workers.
- However, in industries in which nonprofit organizations are concentrated, nonprofit workers sometimes earn more than their for-profit or government counterparts.⁸¹

⁸¹ When a sector had less than three establishments in an industry or sub-industry, the data was suppressed for confidentiality reasons. When a sector had three or more establishments but still a very small relative number of employees in a given industry or sub-industry (less than 4 percent of the total employment for the industry or sub-industry), the data are reported but marked with an asterisk in the corresponding graph. While we report data for these relatively few employees, the results should be interpreted with caution.

- The education industry follows the overall pattern – nonprofit average weekly wages are lower than for-profit and government average weekly wages. (See Figure 149.) Elementary and secondary schools accounted for 35 percent of the total employment in the education field in EGR 8. Two other categories – universities and professional schools and junior colleges – are not shown, because, while they contain a large number of employees, there are too few establishments to report for reasons of confidentiality.

Figure 149: Average weekly wages in EGR 8 education organizations, 2005

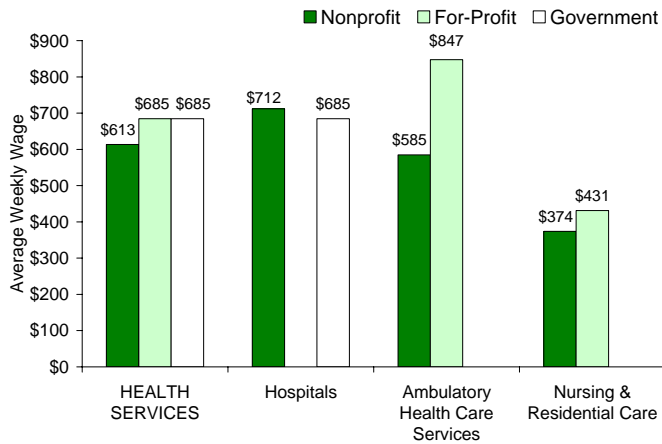


- On average, the relatively few employees in nonprofit education organizations earned about 19 percent less than the relatively few for-profit employees and about 44 percent less than government employees.⁸²
- The few nonprofit employees in elementary and secondary schools earned about 41 percent less than government employees.
- Overall in the health services industry, nonprofit employees earn lower average weekly wages than their for-profit and government counterparts. (See Figure 150.) The three sub-industries shown accounted for 100 percent of the employment in the health services industry in EGR 8.

⁸² Government employees made up the vast majority of employment in this field, accounting for 97 percent of the employment. Nonprofit employees made up only 1.7 percent of the total employment, and for-profit employees made up only 1.3 percent.

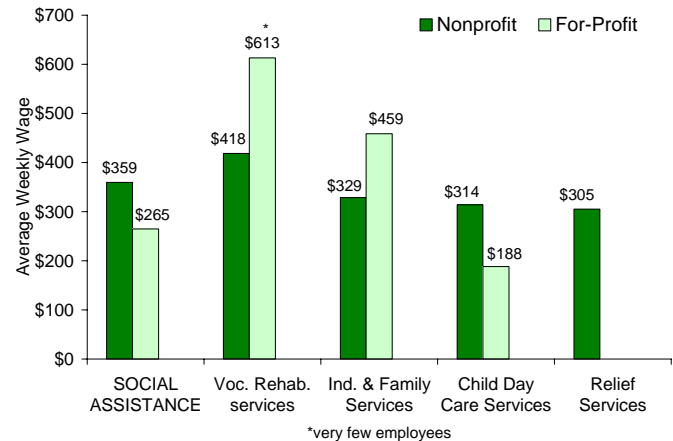
- On average, nonprofit health services employees earned about 11 percent less than for-profit and government employees.

Figure 150: Average weekly wages in EGR 8 health services organizations, 2005



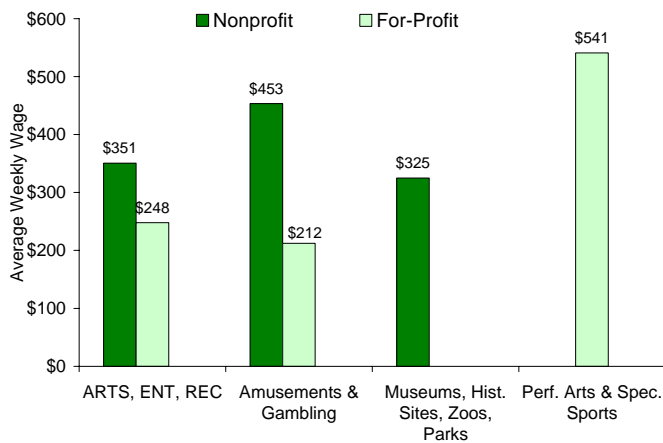
- Workers in nonprofit hospitals earned about 4 percent more than government hospital workers. There were too few for-profit establishments to report separate for-profit data.
- Nonprofit workers in ambulatory health care services earned about 31 percent less than for-profit workers. There was no government employment in this category.
- Nonprofit employees in nursing and residential care earned about 13 percent less than for-profit employees. There were no government employees in this category.
- Overall in the social assistance industry, nonprofit average weekly wages are higher than for-profit average weekly wages; however, this pattern varies for different sub-industries. (See Figure 151.) There was no government employment in social assistance in EGR 8. The four sub-industries shown accounted for 100 percent of the employment in the social assistance field.
 - Overall in this industry, nonprofit employees earned about 35 percent more than for-profit employees.
 - However, in vocational rehabilitation services, nonprofit employees earned about 32 percent less than the few for-profit employees.

Figure 151: Average weekly wages in EGR 8 social assistance organizations, 2005



- Nonprofit employees in individual and family services earned about 28 percent less than for-profit employees.
- Nonprofit workers in child day care services earned about 67 percent more than for-profit workers.
- Nonprofit relief service workers earned an average weekly wage of \$305. There were too few for-profit establishments to report separate for-profit data.
- Overall in the arts, entertainment, and recreation industry, nonprofit employees earn higher average weekly wages than their for-profit counterparts. (See Figure 152.) There were too few government establishments to report government data separately. The three sub-industries shown made up 100 percent of the employment in arts, entertainment, and recreation in EGR 8,
 - Overall, nonprofit arts, entertainment, and recreation employees earned about 42 percent more than for-profit employees.
 - In amusements and gambling, nonprofit employees earned more than twice as much as for-profit employees.
 - Nonprofit workers in museums, historical sites, zoos, and parks earned an average weekly wage of \$325. There were too few for-profit establishments to report separate for-profit data.

Figure 152: Average weekly wages in EGR 8 arts, entertainment, and recreation organizations, 2005

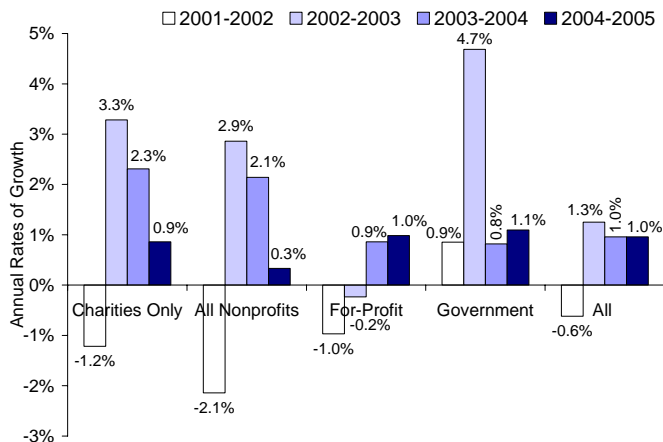


- There were too few nonprofit establishments in performing arts and spectator sports to report separate nonprofit data. For-profit employees earned an average weekly wage of \$541.

Growth: Between 2001 and 2005, overall nonprofit employment in EGR 8 grew 3.2 percent, for-profit employment grew 0.6 percent, and government employment grew 7.6 percent.

- However, as Figure 153 shows, these overall trends mask differences in annual growth rates.

Figure 153: Annual rates of growth in EGR 8 employment by sector, 2001-2005



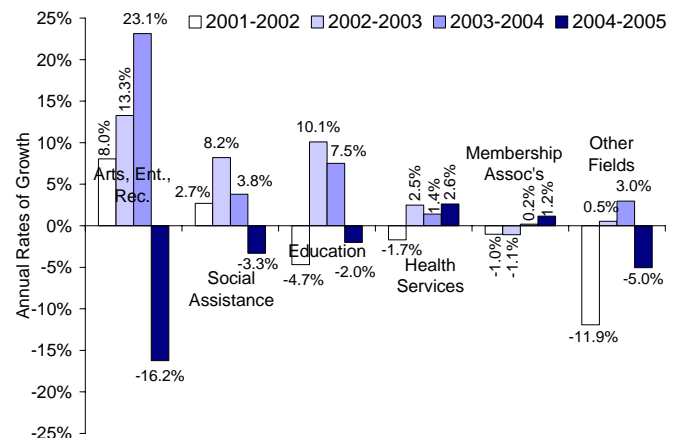
- The region's nonprofit employment declined by 2.1 percent between 2001 and 2002, then recovered during the next few years. Annual growth rates for each of the next three years were 2.9

percent, 2.1 percent, and 0.3 percent respectively.

- The for-profit sector declined during the first two years of the time period (by 1.0 percent and 0.2 percent), then recovered, growing by 0.9 percent between 2003 and 2004 and by 1.0 percent between 2004 and 2005.
- The government sector experienced growth during all four years examined. The greatest annual growth rate was 4.7 percent during 2002 to 2003, and the smallest annual growth rate was 0.8 percent during 2003 to 2004.

- Nonprofit growth rates differ notably by industry. As Figure 154 shows, arts, entertainment, and recreation experienced the most growth, while membership associations experienced the greatest declines.

Figure 154: Annual rates of growth in EGR 8 nonprofit employment, by industry, 2001-2005



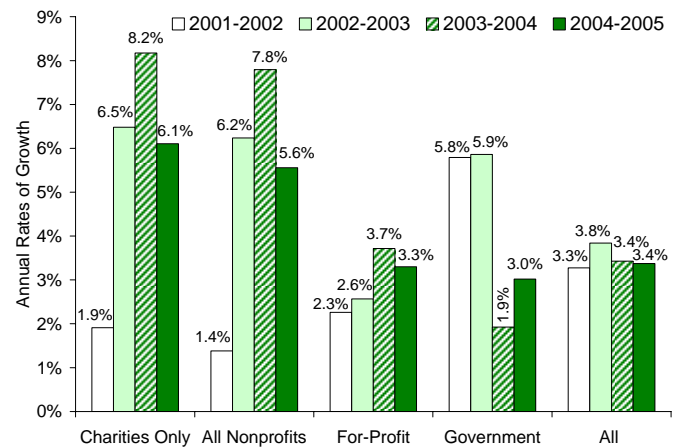
- Between 2001 and 2005, nonprofit employment in the EGR 8 arts, entertainment and recreation industry grew by 26.2 percent. The industry grew substantially during the first three years: by 8.0 percent during 2001 to 2002, 13.3 percent during 2002 to 2003, and 23.1 percent during 2003 to 2004. However, during 2004 to 2005, employment declined substantially – by 16.2 percent.
- Employment in nonprofit social assistance organizations grew by 11.5 percent from 2001 to 2005. Growth occurred during the first three years (with annual growth rates of 2.7 percent, 8.2 percent, and 3.8 percent), but then employ-

ment declined by 3.3 percent between 2004 and 2005.

- Nonprofit education employment grew by 10.6 percent between 2001 and 2005. Employment declined by 4.7 percent from 2001 to 2002, grew by 10.1 percent during 2002 to 2003 and by 7.5 percent during 2003 to 2004, then declined by 2.0 percent from 2004 to 2005.
- Employment in nonprofit health services grew by 4.9 percent between 2001 and 2005. Employment declined by 1.7 percent between 2001 and 2002, then grew during the next three years, with annual growth rates of 2.5 percent, 1.4 percent, and 2.6 percent.
- Nonprofit employment in membership associations shrank by 0.8 percent overall from 2001 to 2005. Employment declined during the first two years, with annual rates of decline of 1.0 percent and 1.1 percent, then grew during the next two years, with annual growth rates of 0.2 percent and 1.2 percent.
- Nonprofit employment in other fields declined by 13.4 percent between 2001 and 2005. Employment declined by 11.9 percent during 2001 to 2002, recovered to grow by 0.5 percent during 2002 to 2003 and 3.0 percent during 2003 to 2004. It then declined again during 2004 to 2005, by 5.0 percent.
- From 2001 to 2005, nonprofit payroll grew at a faster rate than for-profit or government payroll.⁸³ See Figure 155.
- Nonprofit payroll grew by 22.6 percent between 2001 and 2005. The smallest annual growth rate was 1.4 percent between 2001 and 2002, and the largest annual growth rate was 7.8 percent between 2003 and 2004.
- For-profit payroll grew by 12.4 percent between 2001 and 2005. The smallest annual growth rate was 2.3 percent during 2001 to 2002, and the greatest annual growth rate was 3.7 percent during 2003 to 2004.

- Government payroll grew by 17.6 percent between 2001 and 2005. The smallest annual growth rate was 1.9 percent between 2003 and 2004, and the greatest annual growth rate was 5.9 percent between 2003 and 2004.

Figure 155: Annual rates of growth in EGR 8 payroll, by sector, 2001-2005



⁸³ These growth rates are not adjusted for inflation.

XV. SOUTHEAST CENTRAL INDIANA: ECONOMIC GROWTH REGION 9



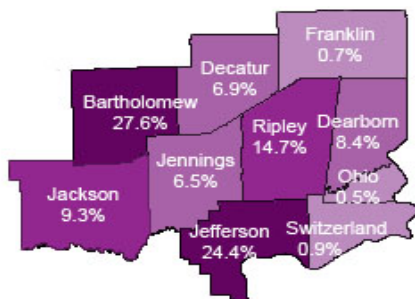
Ten southeast-central Indiana counties – Bartholomew, Decatur, Franklin, Ripley, Dearborn, Jackson, Jennings, Jefferson, Switzerland, and Ohio – comprise Economic Growth Region (EGR) 9. This region includes the Columbus Metropolitan Statistical Area (Bartholomew County). The private nonprofit sector is a major economic

force in EGR 9, employing more workers than several typically for-profit industries. Nonprofit employment in this region is concentrated in the health services and social assistance fields, with over two thirds of nonprofit employees working in one of these two fields. Overall, employment in the EGR 9 nonprofit sector has grown between 2001 and 2005, but employment in the nonprofit arts, entertainment and recreation industry has declined considerably.

Employment and Payroll: Nonprofits in EGR 9 employed 6,200 workers and had a total payroll of over \$178 million.

- The distribution of this region's nonprofit employment differs notably by county, as shown in Figure 156.

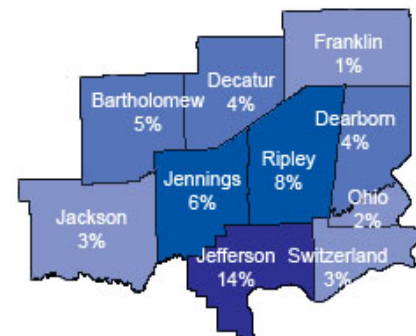
Figure 156: Distribution of EGR 9 nonprofit employment, by county



- Bartholomew County contained the largest share of the EGR 9's nonprofit employment, with 27.6 percent.
- Jefferson County had the next largest share, with 24.4 percent.

- Ripley County contained 14.7 percent of the region's nonprofit employment.
- Jackson County's share of the region's nonprofit employment was 9.3 percent.
- Dearborn County's share was 8.4 percent.
- Decatur County's share was 6.9 percent and Jennings County's share was 6.5 percent.
- Switzerland, Franklin, and Ohio Counties each contained less than 1 percent of the region's nonprofit employment, with shares of 0.9 percent, 0.7 percent, and 0.5 percent, respectively.
- The 6,200 nonprofit employees accounted for 6 percent of the region's total employment of 132,400. This is lower than the statewide share of 8 percent.
- The nonprofit share of total employment differs by county, as shown in Figure 157.

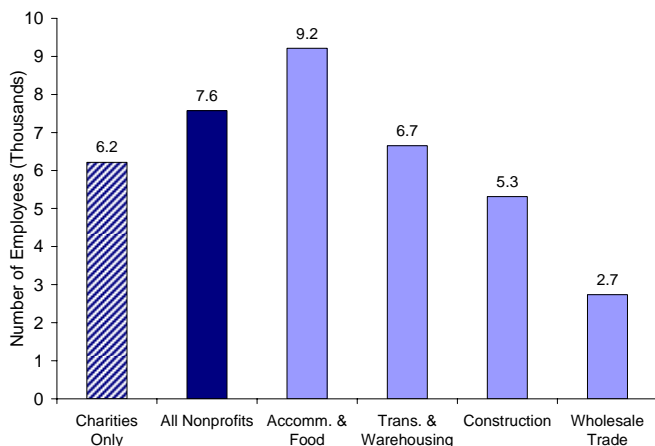
Figure 157: Nonprofit share of total employment, by county, 2005



- Jefferson County's nonprofit share of total county employment was considerably higher than the statewide share (14 percent vs. 8 percent).
- Ripley County's nonprofit sector comprised about the same percentage of total employment as the state's percentage.
- Jennings and Bartholomew Counties had nonprofit shares of total employment that were about 2 or 3 percentage points lower than the statewide share.

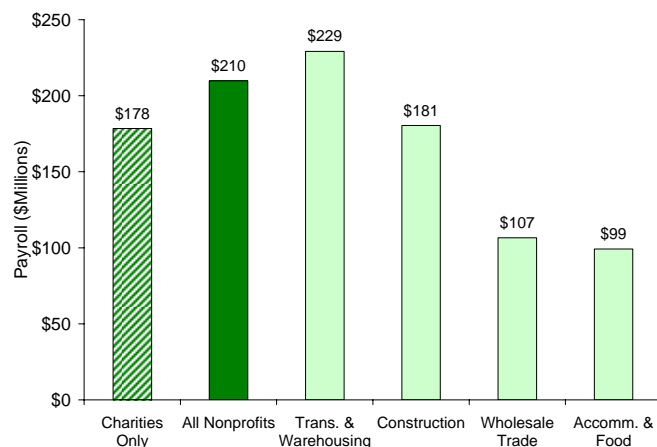
- Dearborn and Decatur County nonprofit shares of total employment were about half as large as the statewide percentage.
- Jackson, Switzerland, Ohio, and Franklin Counties had nonprofit shares of total employment that were less than half as large as the statewide percentage.
- Total nonprofit employment in EGR 9 exceeds the number of employees in several key industries.⁸⁴ As Figure 158 shows, nonprofits in this region employed:

Figure 158: Employment in EGR 9's nonprofit sector in comparison to certain industries, 2005 (in thousands)



- Fewer people than the 9,200 people employed by the region's accommodation and food services industry.
- More people than the 6,700 people employed by the region's transportation and warehousing industry and the 5,300 people employed by the region's construction industry.
- More than twice as many people as the 2,700 people employed by the region's wholesale trade industry.
- EGR 9's nonprofit sector accounted for \$210 million of the region's total payroll of \$4.4 billion, or 5 percent. As Figure 159 illustrates, payroll for jobs in the region's nonprofit sector was:

Figure 159: Payroll in EGR 9's nonprofit sector in comparison to certain industries, 2005 (in millions)



- Less than total payroll for the region's transportation and warehousing industry (\$229 million).
- Greater than total payroll for the region's construction industry (\$181 million).
- Nearly two times greater than total payroll for the region's wholesale trade industry (\$107 million).
- More than two times greater than total payroll for the region's accommodation and food services industry (\$99 million), even though the accommodation and food services industry had more employees.

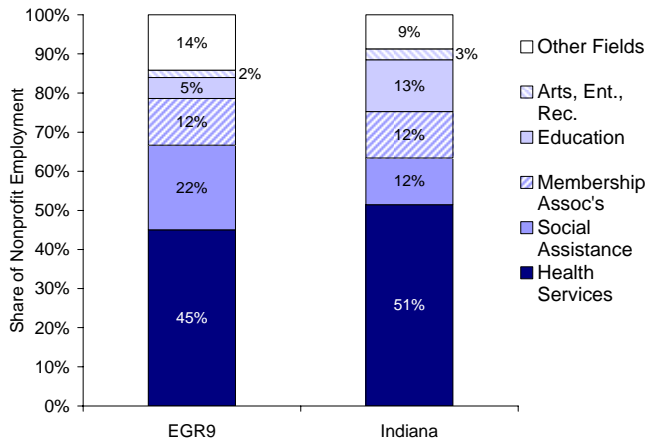
Nonprofit Industries: The region's nonprofit employment is concentrated in several industries, with over two thirds of nonprofit employees working in health services and social assistance. Nonprofits account for a considerable portion of the employment in some industries.

- As Figure 160 shows, the distribution of nonprofit employment across industries differs some from the corresponding distribution statewide.
 - Health services accounted for a smaller share of nonprofit employment in EGR 9 than statewide (45 percent vs. 51 percent).⁸⁵

⁸⁴ Less than 2 percent of employment in each of these industries was nonprofit employment, meaning that there is little overlap.

⁸⁵ Although the NAICS classification system groups health services and social assistance together as NAICS 62, we have separated social

Figure 160: Distribution of nonprofit employment, by industry, EGR 9 vs. Indiana, 2005



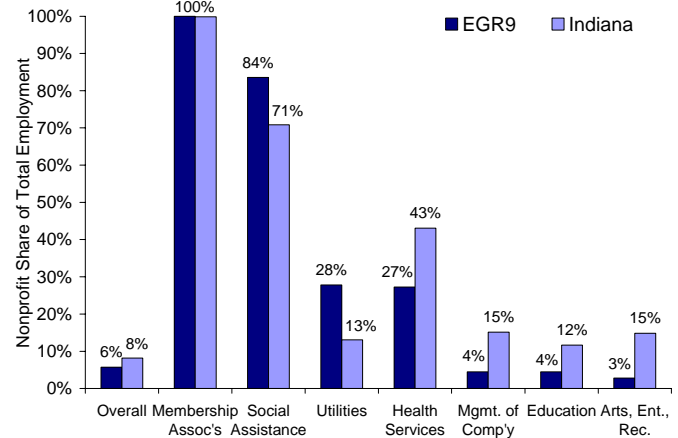
- Social assistance organizations made up a much larger share of nonprofit employment in EGR 9 than statewide (22 percent vs. 12 percent).
- The share of nonprofit employment accounted for by membership associations was the same in EGR 9 and statewide (12 percent each).⁸⁶
- The share of nonprofit employment accounted for by education organizations was 5 percent in EGR 9. This is less than half as large as the statewide percentage (13 percent).
- Arts, entertainment, and recreation accounted for a slightly smaller share in EGR 9 than statewide (2 percent vs. 3 percent).
- The share of nonprofit employment accounted for by other fields was higher in EGR 9 than statewide (14 percent vs. 9 percent).
- Nonprofit employment dominates in several industries, as illustrated in Figure 161.

assistance (NAICS 624) from other health-related employment both here and throughout the report in order to simplify our presentation.

⁸⁶ Some membership associations, most notably religious congregations, are not required to register with the IRS as tax-exempt organizations. As a result, some private associations participating in the CEW reporting system would not be classified as nonprofit organizations under our methodology. On the assumption that all of these private membership associations are indeed nonprofit, we reclassified as nonprofit the relatively small number of private membership associations not registered with the IRS as tax-exempt organizations.

- Nearly all (almost 100 percent) of employment in membership associations in both EGR 9 and Indiana was attributed to nonprofits.

Figure 161: Share of nonprofit employment, EGR 9 vs. Indiana, 2005



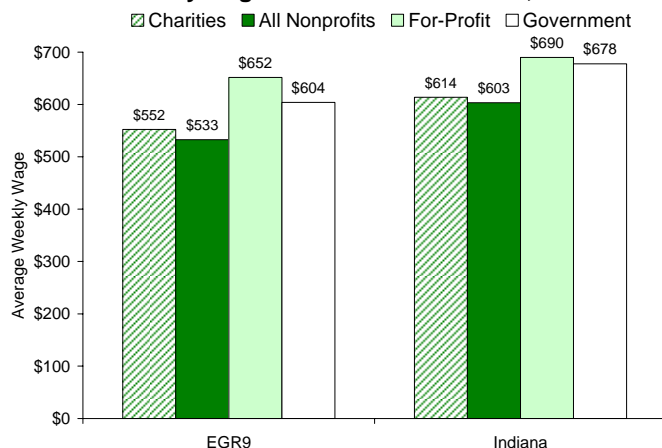
- Nonprofits accounted for 84 percent of employment in social assistance organizations in EGR 9, which is notably greater than the statewide share of 71 percent.
- Nonprofits made up 28 percent of employment in utilities in EGR 9. This is more than twice as high as the statewide percentage (13 percent).
- Nonprofits accounted for 27 percent of employment in health services in EGR 9, and this is considerably lower than the statewide share of 43 percent.
- Nonprofits accounted for only 4 percent of employment in management of companies in EGR 9, considerably less than the statewide share of 15 percent.
- Only 4 percent of the employment in EGR 9 education organizations was nonprofit, compared to 12 percent statewide.
- Three percent of the employment in EGR 9 arts, entertainment, and recreation organizations was nonprofit, while the statewide share was five times greater (15 percent).

Wages: Overall, average weekly wages paid to nonprofit employees are lower than those paid to employees in the for-profit and government sectors. However, this

is not always true in the industries in which nonprofits are concentrated, as nonprofit employees' wages are often actually greater than the wages of their for-profit or government counterparts in most of these industries.⁸⁷

- The average nonprofit weekly wage in EGR 9 was \$533. In both EGR 9 and Indiana as a whole, nonprofit employees overall earned less than their for-profit and government counterparts. See Figure 162.

Figure 162: Nonprofit, for-profit, and government average weekly wages in EGR 9 and Indiana, 2005



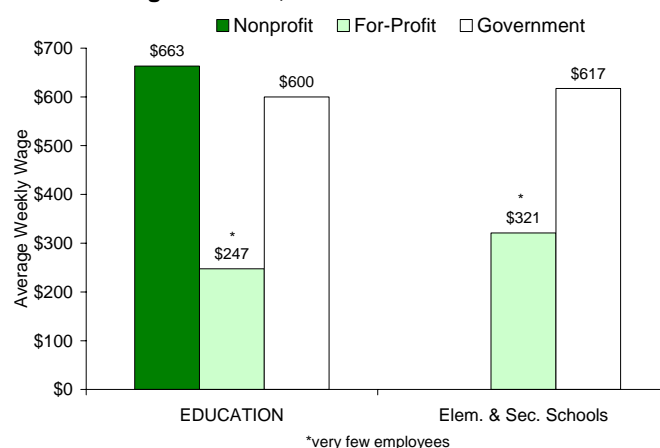
- Nonprofit workers in EGR 9 earned about 18 percent less than for-profit workers. This gap is larger than the statewide gap; overall, Indiana nonprofit workers earned about 13 percent less than for-profit workers.
- Nonprofit workers in EGR 9 earned about 12 percent less than government workers. This gap is slightly larger than the gap statewide, with nonprofit employees earning about 11 percent less than government employees statewide.
- However, in industries in which nonprofits are concentrated, nonprofit workers frequently earn more than their government or for-profit counterparts.⁸⁸

⁸⁷ These average weekly wages do not include fringe benefits and make no adjustment for full-time or part-time work (these details are not included in the CEW reporting system). Industries or sectors with more reliance on part-time workers could show up as having lower average weekly wages than those with fewer part-time workers, even if the actual hourly pay rates are higher.

⁸⁸ When a sector had less than three establishments in an industry or sub-industry, the data was suppressed for confidentiality reasons. When a sector had three or more establishments but still a very small relative number of employees in a given industry or sub-industry

- On average, nonprofit employees in EGR 9 education organizations earn more than their for-profit and government counterparts. (See Figure 163.) Elementary and secondary schools accounted for 86 percent of the employment in the education industry in EGR 9. Two other sub-industries – universities and professional schools and junior colleges – are not shown because there were too few establishments to report data separately.

Figure 163: Average weekly wages in EGR 9 education organizations, 2005



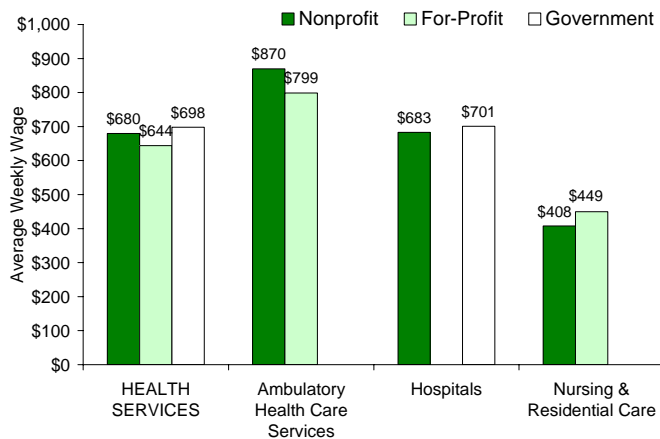
- Overall, nonprofit education employees earned more than twice as much as the few for-profit employees and about 11 percent more than government employees.⁸⁹
- There were too few nonprofit elementary and secondary school establishments to report separate nonprofit data. The average for-profit weekly wage was \$321 and the average government weekly wage was \$617.
- Overall, workers in EGR 9 nonprofit health service organizations earn higher average weekly wages than for-profit workers but lower average weekly wages than government workers. (See Figure 164.) The three sub-industries shown accounted for 100 percent of the employment in the health services field in EGR 9.

(less than 4 percent of the total employment for the industry or sub-industry), the data are reported but marked with an asterisk in the corresponding graph. While we report data for these relatively few employees, the results should be interpreted with caution.

⁸⁹ Government employees accounted for the vast majority of employment in this field, with 93 percent of the employment. Nonprofits accounted for about 4 percent and for-profits accounted for only 2 percent.

- On average, nonprofit employees in the EGR 9 health services industry earned about 6 percent more than for-profit employees but about 3 percent less than government employees.

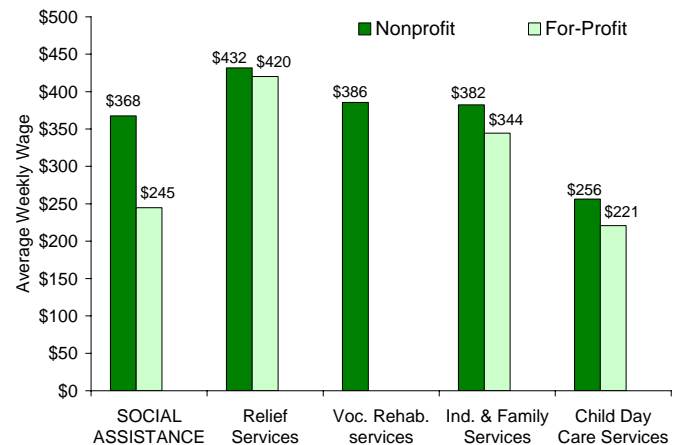
Figure 164: Average weekly wages in EGR 9 health services organizations, 2005



- In ambulatory health care services, nonprofit employees earned about 9 percent more than for-profit employees. There were too few government establishments to report separate government data.
- Workers in nonprofit hospitals earned about 3 percent less than government hospital workers. There were too few for-profit establishments to report for-profit data separately.
- Nonprofit nursing and residential care workers earned about 9 percent less than for-profit workers. There were too few government establishments to report government data separately.
- Overall, nonprofit social assistance employees in EGR 9 earn higher average weekly wages than for-profit employees. (See Figure 165.) There were too few government establishments to report government data separately. The four sub-industries shown accounted for 100 percent of the employment in social assistance in EGR 9.
 - On average in the EGR 9 social assistance industry, nonprofit employees earned about 50 percent more than for-profit employees.
 - Nonprofit relief services employees earned about 3 percent more than for-profit employees.

- Nonprofit employees accounted for 100 percent of the employment in vocational rehabilitation services in EGR 9. The average weekly wage was \$386.

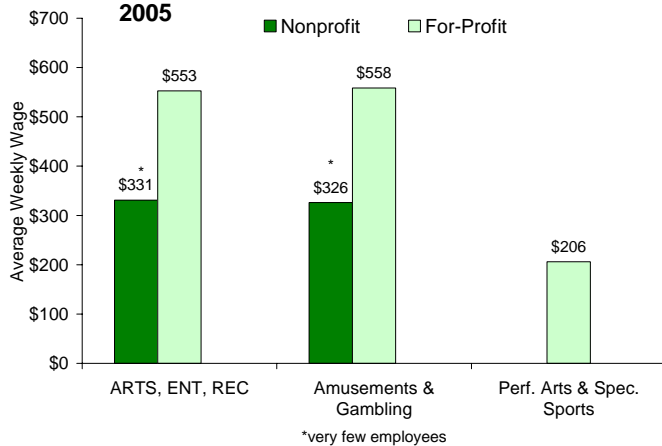
Figure 165: Average weekly wages in EGR 9 social assistance organizations, 2005



- Nonprofit workers in individual and family services earned about 11 percent more than for-profit workers.
- Nonprofit workers in child day care services earned about 16 percent more than for-profit workers.
- Overall in the EGR 9 arts, entertainment, and recreation industry, nonprofit average weekly wages were lower than for-profit average weekly wages. (See Figure 166.) There were too few government establishments to report government data separately. The two sub-industries shown accounted for over 99 percent of the employment in arts, entertainment, and recreation in EGR 9. A third sub-industry – museums, historical sites, zoos, and parks – had very little employment and too few establishments to report separately.
 - On average in the EGR 9 arts, entertainment, and recreation industry, the relatively few nonprofit employees earned about 40 percent less than for-profit employees.⁹⁰

⁹⁰ For-profit employees made up the vast majority of the employment in this industry, with 96 percent. Nonprofits made up about 3 percent, and government only about 1 percent.

Figure 166: Average weekly wages in EGR 9 arts, entertainment, and recreation organizations, 2005

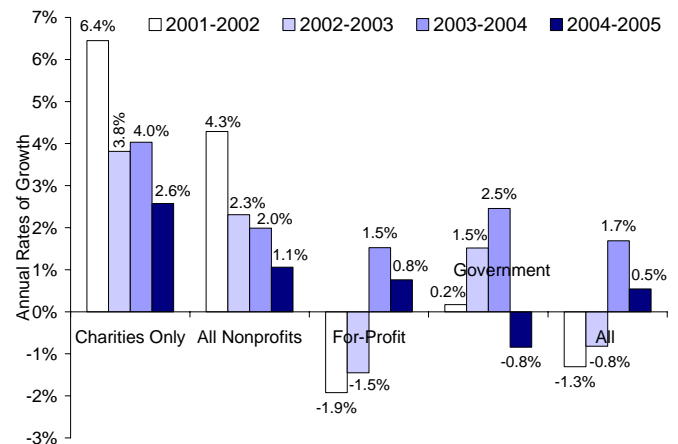


- There were too few nonprofit establishments in performing arts and spectator sports to report separate nonprofit data. The for-profit average weekly wage was \$206.
- The few nonprofit employees in amusements and gambling earned about 42 percent less than for-profit employees.

Growth: Overall, between 2001 and 2005 nonprofit employment grew by 10.0 percent, for-profit employment shrank by 1.1 percent, and government employment grew by 3.3 percent.

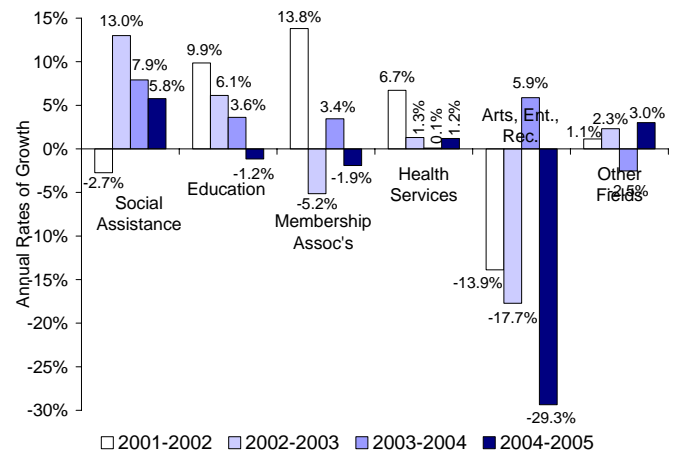
- However, as Figure 167 shows, these overall trends mask differences in annual growth rates.
 - Nonprofit employment grew each year during the four-year period, but annual growth rates became successively smaller each year, from a high of 4.3 percent in 2001 to 2002 to 1.1 percent during 2004 to 2005.
 - For-profit employment declined by 1.9 percent and 1.5 percent during the first two years, then grew during the next two years (by 1.5 percent during 2003 to 2004 and 0.8 percent during 2004 to 2005).
 - Government employment grew during the first three years (0.2 percent, 1.5 percent, and 2.5 percent respectively). Employment then shrank by 0.8 percent during 2004 to 2005.

Figure 167: Annual rates of growth in EGR 9 employment by sector, 2001-2005



- Nonprofit employment trends differ notably by industry. As Figure 168 shows, social assistance organizations experienced the most growth, and arts, entertainment, and recreation organizations saw the greatest decline.

Figure 168: Annual rates of growth in EGR 9 nonprofit employment, by industry, 2001-2005



- Between 2001 and 2005, nonprofit employment in social assistance organizations grew by 25.4 percent. Employment declined by 2.7 percent during 2001 to 2002, but then grew during each of the next three years, by 13.0 percent, 7.9 percent, and 5.8 percent, respectively.
- Employment in nonprofit education organizations grew by 19.4 percent between 2001 and 2005. Annual growth rates during the first three years of the time period were 9.9 percent, 6.1

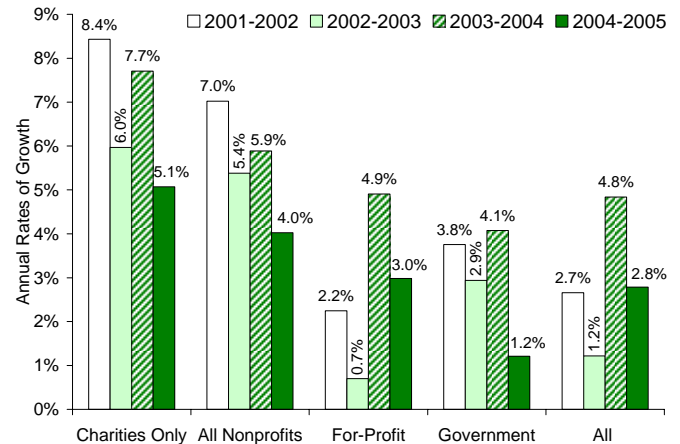
percent, and 3.6 percent. Employment then shrank by 1.2 percent between 2004 and 2005.

- Nonprofit employment in membership associations grew by 9.5 percent between 2001 and 2005. Annual growth rates were unsteady during this time period. Employment grew by 13.8 percent between 2001 and 2002, declined by 5.2 percent between 2002 and 2003, grew by 3.4 percent between 2003 and 2004, and then once again declined by 1.9 percent between 2004 and 2005.
- Nonprofit employment in health services also grew by 9.5 percent between 2001 and 2005, and annual growth rates were much more moderate. Employment grew by 6.7 percent between 2001 and 2002, 1.3 percent between 2002 and 2003, 0.1 percent between 2003 and 2004, and 1.2 percent between 2004 and 2005.
- Nonprofit employment in arts, entertainment, and recreation declined by 47.0 percent between 2001 and 2005. Employment declined by 13.9 percent during 2001-2002 and 17.7 percent during 2002 to 2003. Employment grew by 5.9 percent during 2003 to 2004, then once again declined in 2004 to 2005, by 29.3 percent.
- Nonprofit employment in other fields grew by 3.9 percent between 2001 and 2005. Employment grew by 1.1 percent and 2.3 percent during the first two years, declined by 2.5 percent during 2003 to 2004, and then grew by 3.0 percent during 2004 to 2005.

- From 2001 to 2005, the region's nonprofit sector total payroll grew at a faster rate than the for-profit and government sector total payrolls.⁹¹ See Figure 169.
- Nonprofit payroll grew by 24.2 percent between 2001 and 2005. The greatest annual growth rate was 7.0 percent between 2001 and 2002, and the smallest annual growth rate was 4.0 percent between 2004 and 2005.
- For-profit payroll grew by 11.2 percent between 2001 and 2005. The greatest annual growth rate

was 4.9 percent during 2003 to 2004, and the smallest annual rate of growth was 0.7 percent during 2002 to 2003.

Figure 169: Annual rates of growth in EGR 9 payroll, by sector, 2001-2005



- Government payroll grew by 12.5 percent from 2001 to 2005. The greatest annual growth rate was 4.1 percent from 2003 to 2004, and the smallest annual growth rate was 1.2 percent from 2004 to 2005.

⁹¹ These growth rates are not adjusted for inflation.

XVIII. SOUTHEAST INDIANA: ECONOMIC GROWTH REGION 10



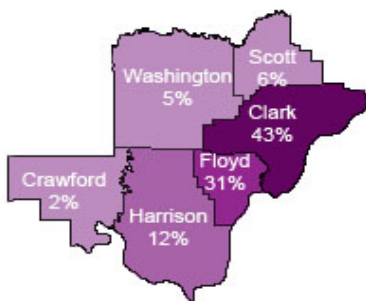
Six southeast Indiana counties – Washington, Scott, Clark, Crawford, Harrison, and Floyd – comprise Economic Growth Region (EGR) 10. In contrast to other Economic Growth Regions in the state, EGR 10 contains no metropolitan statistical area. The private nonprofit sector in this region has some notable differences when compared to the state as a whole. The nonprofit share of total employment in EGR 10 is only half as large as the statewide share, and its employment and payroll relative to other key industries is smaller than in other regions. Social assistance and health services dominate nonprofit employment in EGR 10, with over 60 percent of nonprofit employees working in these two fields. The EGR 10 nonprofit sector is currently growing in both employment and payroll.

The nonprofit share of total employment in EGR 10 is only half as large as the statewide share, and its employment and payroll relative to other key industries is smaller than in other regions. Social assistance and health services dominate nonprofit employment in EGR 10, with over 60 percent of nonprofit employees working in these two fields. The EGR 10 nonprofit sector is currently growing in both employment and payroll.

Employment and Payroll: Nonprofits in EGR 10 employed 4,200 workers and had a total payroll of about \$81 million.

- The distribution of this region's nonprofit employment differs notably by county, as shown in Figure 170.

Figure 170: Distribution of EGR 10 nonprofit employment, by county, 2005

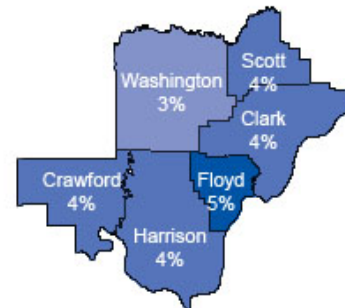


- Clark County contained the largest share of EGR 10's nonprofit employment, with 43 percent.
- Floyd County had the next largest share, with 31 percent.
- Harrison County's share of the region's nonprofit employment was 12 percent.

- Scott County's share was 6 percent with Washington County's share just below at 5 percent.
- Crawford County's share was only 2 percent.

- The 4,200 nonprofit employees accounted for 4 percent of the region's total employment of 101,600. This is only half as large as the proportion statewide (8 percent).
- In contrast to other Economic Growth Regions, the nonprofit share of total employment does not differ greatly by county, as shown in Figure 171.

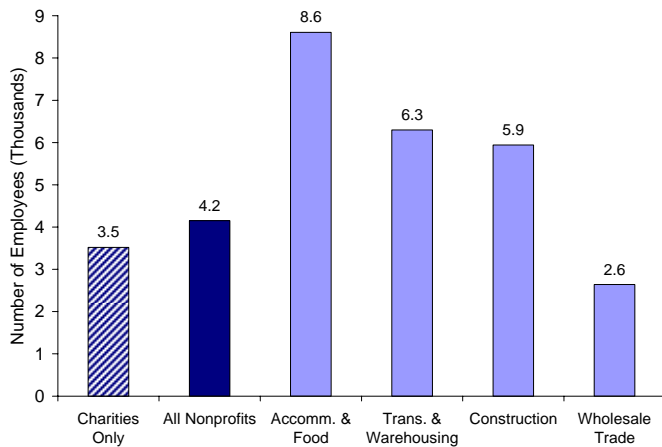
Figure 171: Nonprofit share of total employment, by county, 2005



- Floyd County's share was the highest at 5 percent, followed by Harrison, Crawford, Clark, and Scott Counties with shares of 4 percent and Washington County at 3 percent.
- Also unlike most other Economic Growth Regions, the EGR 10 nonprofit sector employed less people than most other key industries.⁹² See Figure 172.
 - EGR 10 nonprofits employed less than half as many people as the 8,600 people employed by the accommodation and food service industry.
 - EGR 10 nonprofits employed fewer people than the 6,300 people employed by the transportation and warehousing industry and the 5,900 people employed by the construction industry.
 - EGR 10 nonprofits employed more people than the 2,600 people employed by the wholesale trade industry.

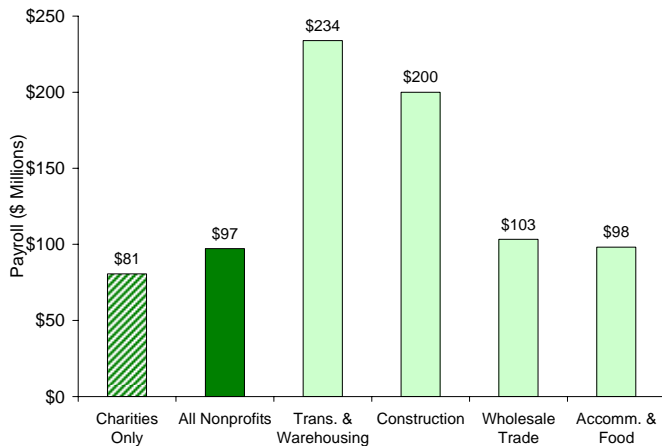
⁹² Less than 0.2 percent of employment in these industries in nonprofit employment, meaning there was little overlap.

Figure 172: Employment in EGR 10's nonprofit sector in comparison to certain industries, 2005 (in thousands)



- EGR 10's nonprofit sector accounted for \$97 million of the region's total payroll of \$3.1 billion, or 3 percent. Unlike most other Economic Growth Regions, the EGR 10 nonprofit sector payroll was smaller than several other key industries. See Figure 173.

Figure 173: Payroll in EGR 10's nonprofit sector in comparison to certain industries, 2005 (in millions)

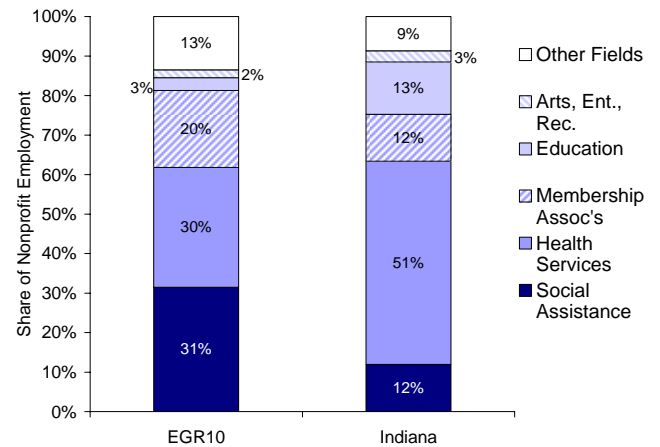


- EGR 10 nonprofit payroll was less than half as large as payroll for the region's transportation and warehousing industry (\$234 million) and construction industry (\$200 million).
- EGR 10 nonprofit payroll was also smaller than the payroll for the region's wholesale trade industry (\$103 million) or accommodation and food service industry (\$98 million).

Nonprofit Industries: The region's nonprofit employment is concentrated in several industries, with social assistance and health services accounting for over 60 percent of the nonprofit employment. Nonprofits account for a considerable portion of the employment in some industries.

- As Figure 174 shows, the distribution of nonprofit employment across industries differs considerably from the corresponding distribution statewide.

Figure 174: Distribution of nonprofit employment, by industry, EGR 10 vs. Indiana, 2005



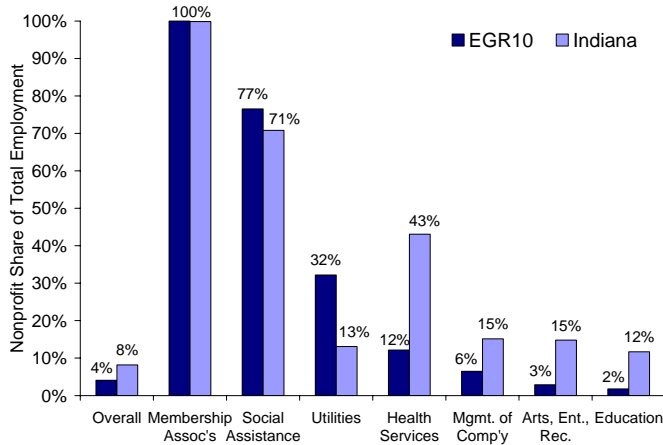
- Social assistance accounted for a much larger share of nonprofit employment in EGR 10 than statewide. The share in EGR 10 was 31 percent, while the share statewide was 12 percent.⁹³
- Health services accounted for a much smaller share in EGR 10 than statewide. The share in EGR 10 was 30 percent, while the statewide share was 51 percent.
- Membership associations made up 20 percent of nonprofit employment in EGR 10, which is larger than the statewide share of 12 percent.⁹⁴

⁹³ Although the NAICS classification system groups health services and social assistance together as NAICS 62, we have separated social assistance (NAICS 624) from other health-related employment both here and throughout the report in order to simplify our presentation.

⁹⁴ Some membership associations, most notably religious congregations, are not required to register with the IRS as tax-exempt organizations. As a result, some private associations participating in the CEW reporting system would not be classified as nonprofit organizations under our methodology. On the assumption that all of these private membership associations are indeed nonprofit, we reclassified as nonprofit the relatively small number of private membership associations not registered with the IRS as tax-exempt organizations.

- Education made up only 3 percent of nonprofit employment in EGR 10, which is much smaller than the statewide share of 13 percent.
- Arts, entertainment, and recreation made up 2 percent of nonprofit employment in EGR 10, compared to 3 percent statewide.
- Nonprofit employment in other fields made up 13 percent of the nonprofit employment in EGR 10, compared to 9 percent statewide.
- Nonprofit employment dominates in several industries, as illustrated in Figure 175.

Figure 175: Nonprofit share of total employment for selected industries, 2005



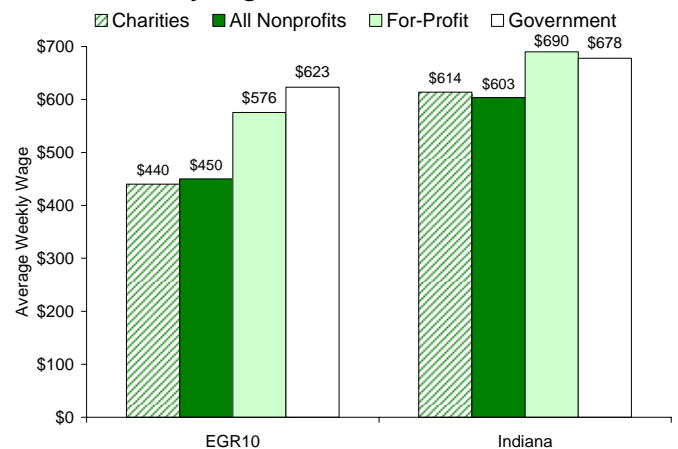
- Nearly all (almost 100 percent) of all employment in membership associations in both EGR 10 and Indiana was attributed to nonprofits.
- Nonprofits accounted for 77 percent of employment in social assistance organizations in EGR 10; this was larger than the statewide share of 71 percent.
- Nonprofits made up nearly one-third (32 percent) of employment in EGR 10 utilities, which is more than twice as high as the statewide share of 13 percent.
- Nonprofits accounted for 12 percent of employment in EGR 10 health services – considerably lower than the statewide share of 43 percent.

- Nonprofits made up about 6 percent of employment associated with the management of companies, which is less than half the statewide percentage (15 percent).
- Nonprofits made up 3 percent of employment in EGR 10 arts, entertainment, and recreation organizations. This is much lower than the statewide share of 15 percent.
- Nonprofits made up only 2 percent of employment in EGR 10 education organizations. This is much lower than the statewide share of 15 percent.

Wages: Overall in EGR 10, average weekly wages paid to nonprofit employees are lower than those paid to employees in the for-profit and government sectors. However, in the industries in which nonprofits are concentrated, nonprofit wages are sometimes higher than for-profit wages.⁹⁵

- Nonprofit workers in EGR 10 earned an average weekly wage of \$450. In EGR 10 and statewide, workers in nonprofit organizations overall earn less than those in the for-profit and government sectors. See Figure 176.

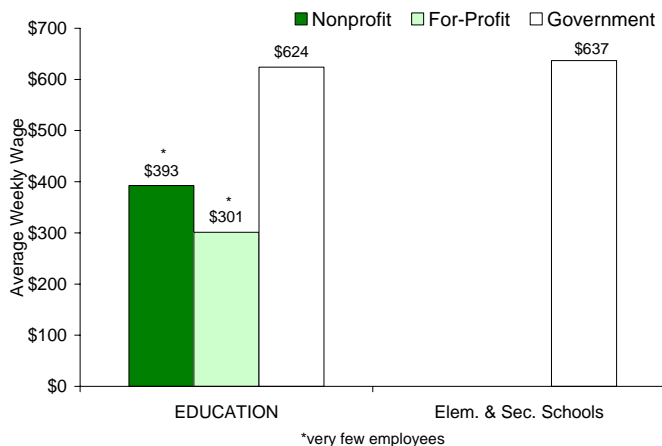
Figure 176: Nonprofit, for-profit, and government average weekly wages in EGR 10 and Indiana, 2005



⁹⁵ These average weekly wages do not include fringe benefits and make no adjustment for full-time or part-time work (these details are not included in the CEW reporting system). Industries or sectors with more reliance on part-time workers could show up as having lower average weekly wages than those with fewer part-time workers, even if the actual hourly pay rates are higher.

- Nonprofit workers in EGR 10 earned about 22 percent less than EGR 10 for-profit workers. This gap is larger than the statewide gap, in which Indiana nonprofit workers earned about 13 percent less than for-profit workers.
- Nonprofit workers in EGR 10 earned about 28 percent less than EGR 10 government workers. This gap is also larger than the statewide gap, with Indiana nonprofit workers earning about 11 percent less than government workers.
- However, in industries in which nonprofits are concentrated, nonprofits sometimes earn more than their for-profit counterparts.⁹⁶
- Overall, nonprofit employees in education earn more than for-profit employees but less than government employees. (See Figure 177.) Elementary and secondary schools comprise 84 percent of all employment in the education industry in EGR 10. Two other categories – universities and professional schools and junior colleges – are not shown because there were too few establishments to report separate data.

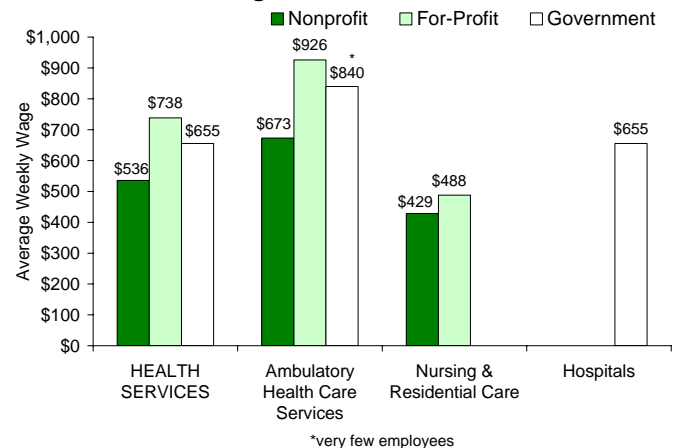
Figure 177: Average weekly wages in EGR 10 education organizations, 2005



⁹⁶ When a sector had less than three establishments in an industry or sub-industry, the data was suppressed for confidentiality reasons. When a sector had three or more establishments but still a very small relative number of employees in a given industry or sub-industry (less than 4 percent of the total employment for the industry or sub-industry), the data are reported but marked with an asterisk in the corresponding graph. While we report data for these relatively few employees, the results should be interpreted with caution.

- On average, the relatively few employees of nonprofit education organizations earned about 31 percent more than the relatively few for-profit employees but about 37 percent less than government employees.⁹⁷
- There were too few nonprofit and for-profit elementary and secondary school establishments to report separate data. Government elementary and secondary school employees earned an average weekly wage of \$637.
- Overall, workers in nonprofit health services organizations earn lower average weekly wages than for-profit and government workers. (See Figure 178.) The three sub-industries shown comprise 100 percent of the employment in the health services field in EGR 10.

Figure 178: Average weekly wages in EGR 10 health services organizations, 2005

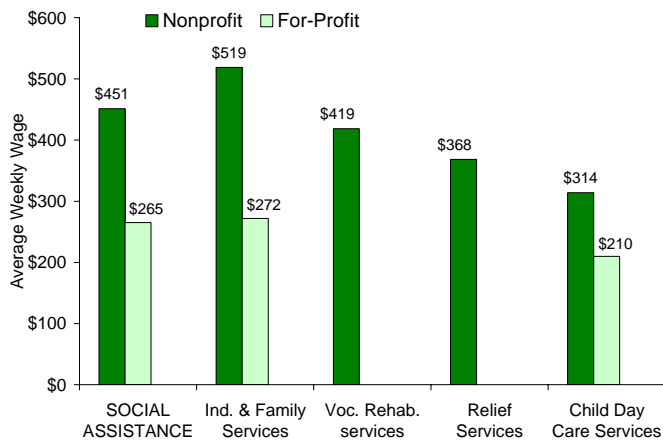


- On average in the EGR 10 health services industry, nonprofit employees earned about 27 percent less than for-profit employees and about 18 percent less than government employees.
- In ambulatory health care services, nonprofit employees earned about 27 percent less than for-profit employees and about 20 percent less than the relatively few government employees.

⁹⁷ Government employees made up the vast majority of this field, with 95.7 percent of the employment. For-profit employees contributed only 2.6 percent, and nonprofit employees contributed only 1.8 percent.

- Nonprofit nursing and residential care employees earned about 12 percent less than for-profit employees. There were too few government establishments to report separate data.
- There was no nonprofit hospital employment in EGR 10 and too few for-profit establishments to report separate data. Government employees earned an average weekly wage of \$655.
- Overall in the EGR 10 social assistance industry, nonprofit employees earn higher average weekly wages than for-profit employees. (See Figure 179.) There were no government employees in this field. The four categories shown made up 100 percent of the employment in the social assistance industry.

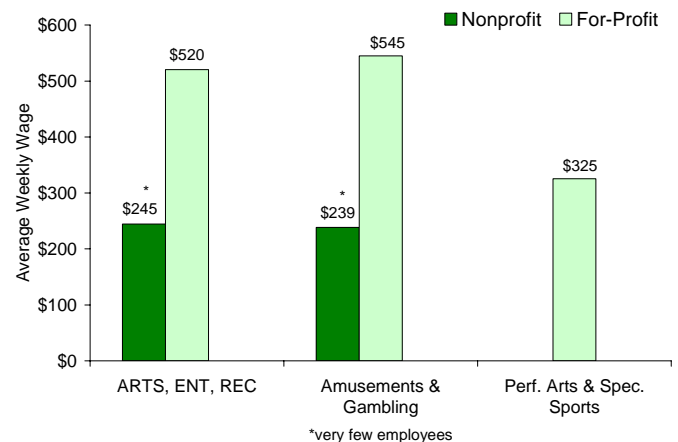
Figure 179: Average weekly wages in EGR 10 social assistance organizations, 2005



- On average, EGR 10 social assistance workers earned about 70 percent more than their for-profit counterparts.
- In individual and family services, nonprofit workers earned about 91 percent more than for-profit employees.
- Nonprofit vocational rehabilitation services employees earned an average weekly wage of \$419. There were too few for-profit establishments to report separate for-profit data.
- Nonprofit relief services workers earned an average weekly wage of \$368. There were too few for-profit establishments to report separate for-profit data.

- Nonprofit workers in child day care services earned about 50 percent more than for-profit workers.
- Overall, EGR 10 nonprofit arts, entertainment, and recreation employees earn less than their for-profit counterparts. (See Figure 180.) There was no government employment in this field. The two sub-industries shown accounted for 98 percent of the employment in this field. A third category – museums, historical sites, zoos, and parks – had too few establishments to report separate data.

Figure 180: Average weekly wages in EGR 10 arts, entertainment, and recreation organizations, 2005



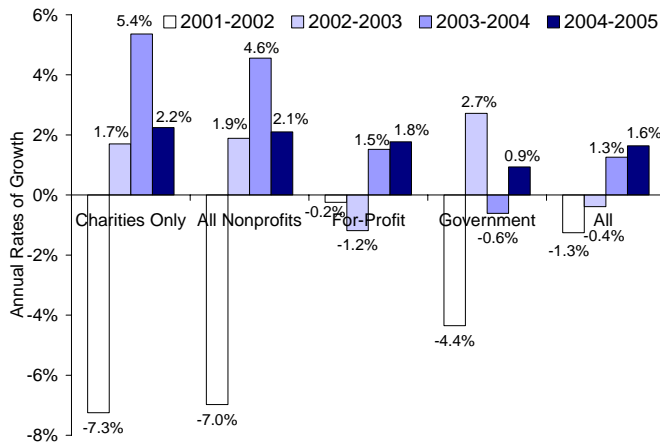
- On average, the relatively few nonprofit arts, entertainment, and recreation employees earned about 53 percent less than for-profit employees.⁹⁸
- The relatively few nonprofit employees in amusements and gambling earned about 56 percent less than for-profit employees.
- All of the employment in performing arts and spectator sports was for-profit employment. The for-profit average weekly wage was \$325.

Growth: Between 2001 and 2005, the EGR 10 nonprofit sector grew by 1.8 percent overall, as did the for-profit sector, while the government sector shrank by 1.4 percent.

⁹⁸ Nonprofit employees made up only 3 percent of the employment in this industry.

- However, as Figure 181 shows, these overall trends mask differences in annual growth rates.

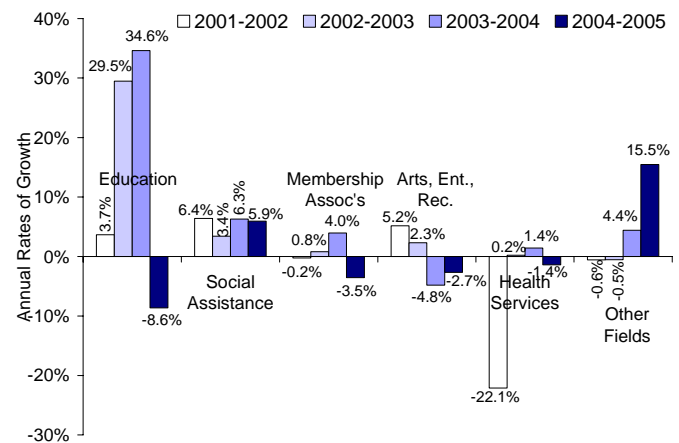
Figure 181: Annual rates of growth in EGR 10 employment by sector, 2001-2005



- Between 2001 and 2002, nonprofit employment shrank by 7.0 percent. During the next three years, employment recovered, and grew 1.9 percent during 2002 to 2003, 4.6 percent during 2003 to 2004, and 2.1 percent during 2004 to 2005.
- Employment in the for-profit sector shrank during the first two years – by 0.2 percent during 2001 to 2002 and by 1.2 percent during 2002 to 2003. It then grew during the next two years – by 1.5 percent during 2003 to 2004 and by 1.8 percent during 2004 to 2005.
- Government employment shrank by 4.4 percent between 2001 and 2002, grew 2.7 percent between 2002 and 2003, shrank by 0.6 percent during 2003 to 2004, and then grew by 0.9 percent during 2004 to 2005.
- Nonprofit employment trends differ notably by industry. As Figure 182 shows, education organizations experienced the most growth, and health services organizations saw the greatest declines.
- Nonprofit employment in education grew by 65.1 percent between 2001 and 2005. The greatest annual growth rates were 29.5 percent during 2002 to 2003 and 34.6 percent during 2003 to 2004. During 2004 to 2005, employment declined by 8.6 percent.

- Nonprofit social assistance employment grew by 23.9 percent between 2001 and 2005. Annual growth rates were fairly steady, at 6.4 percent, 3.4 percent, 6.3 percent, and 5.9 percent, respectively, for the four-year period.

Figure 182: Annual rates of growth in EGR 10 nonprofit employment, by industry, 2001-2005

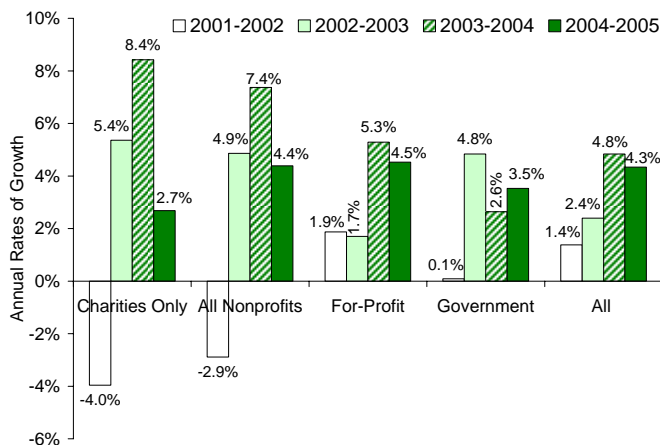


- Nonprofit employment in membership associations grew by 0.8 percent between 2001 and 2005. Employment declined by 0.2 percent during 2001 to 2002, grew during the next two years with annual growth rates of 0.8 percent and 4.0 percent, respectively, and then shrank by 3.5 percent during 2004 to 2005.
- Nonprofit arts, entertainment, and recreation employment shrank by 0.3 percent from 2001 to 2005. Employment grew during the first two years, with annual growth rates of 5.2 percent and 2.3 percent, respectively. Employment shrank during the next two years – by 4.8 percent during 2003 to 2004 and by 2.7 percent during 2004 to 2005.
- Nonprofit employment in health services shrank by 21.9 percent between 2001 and 2005. Employment shrank by 22.1 percent between 2001 and 2002, grew by 0.2 percent between 2002 and 2003 and by 1.4 percent between 2003 and 2004, and then declined by 1.4 percent between 2004 and 2005.
- Nonprofit employment in other fields grew by 19.2 percent between 2001 and 2005. Employment declined during the first two years – by 0.6

percent during 2001 to 2002 and by 0.5 percent during 2002 to 2003. Employment then grew during the next two years, with annual growth rates of 4.4 percent and 15.5 percent, respectively.

- Between 2001 and 2005, nonprofit, for-profit, and government payroll experienced growth. Nonprofit payroll grew at a faster rate than government payroll and at a slightly faster rate than for-profit payroll.⁹⁹ See Figure 183.

Figure 183: Annual rates of growth in EGR 10 payroll, by sector, 2001-2005



- Nonprofit payroll grew by 14.1 percent between 2001 and 2005. Payroll declined by 2.9 percent between 2001 and 2002, and then grew during the next three years, with annual growth rates of 4.9 percent, 7.4 percent, and 4.4 percent, respectively.
- For-profit payroll grew by 14.0 percent between 2001 and 2005. This sector experienced growth each year during the four-year period, with annual growth rates of 1.9 percent, 1.7 percent, 5.3 percent, and 4.5 percent, respectively.
- Government payroll grew by 11.5 percent between 2001 and 2005. This sector also experienced growth each year during the four-year period, with annual growth rates of 0.1 percent, 4.8 percent, 2.6 percent, and 3.5 percent, respectively.

⁹⁹ These growth rates are not adjusted for inflation.

XIX. SOUTHWEST INDIANA: ECONOMIC GROWTH REGION 11



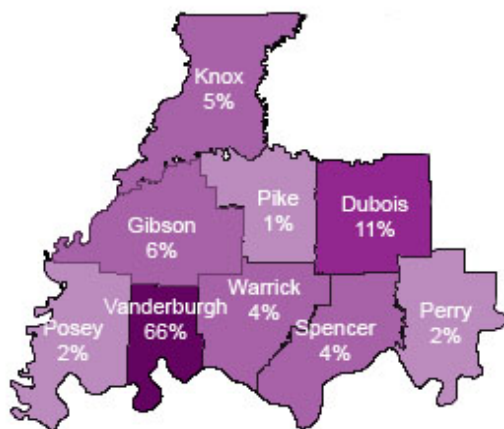
Nine southwest Indiana counties – Knox, Gibson, Pike, Dubois, Posey, Vanderburgh, Warrick, Spencer, and Perry – comprise Economic Growth Region (EGR) 11. This region includes the Evansville Metropolitan Statistical Area (Gibson, Posey, Vanderburgh, and Warrick Counties). The private nonprofit sector is a major

economic force in EGR 11, employing a greater percentage of the total workforce than the statewide average, and employing more workers than several typically for-profit industries. The region's nonprofit employment is concentrated in health services, with over half of nonprofit employees working in this field. Between 2001 and 2005, the EGR 11 nonprofit sector grew by 7.2 percent.

Employment and Payroll: Nonprofits in EGR 11 employed 18,500 workers and had a total payroll of over \$494 million.

- The distribution of this region's nonprofit employment differs notably by county, as shown in Figure 184.

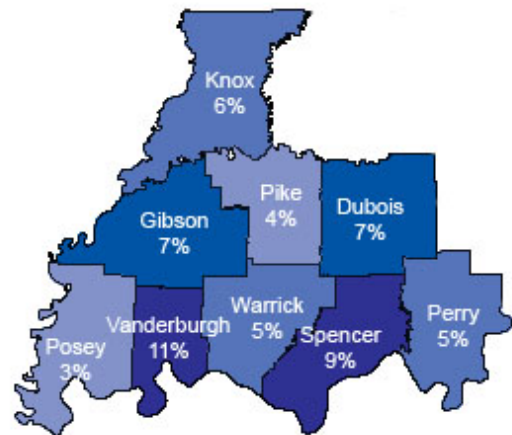
Figure 184: Distribution of EGR 11 nonprofit employment, by county, 2005



- Vanderburgh County contained two-thirds (66 percent) of the region's nonprofit employment.
- Dubois County had the next highest proportion, with 11 percent.

- Gibson County's share of the region's nonprofit employment was 6 percent, followed by Knox County's share of 5 percent.
- Warrick and Spencer Counties each contained 4 percent of the region's nonprofit employment.
- Posey and Perry Counties each contained 2 percent of the region's nonprofit employment.
- Pike County had the smallest share of the region's nonprofit employment, with only 1 percent.
- The 18,500 nonprofit employees accounted for 9 percent of the region's total employment of 207,700. This is slightly higher than the percentage statewide (8 percent).
- The nonprofit share of total employment differs by county, as shown in Figure 185.

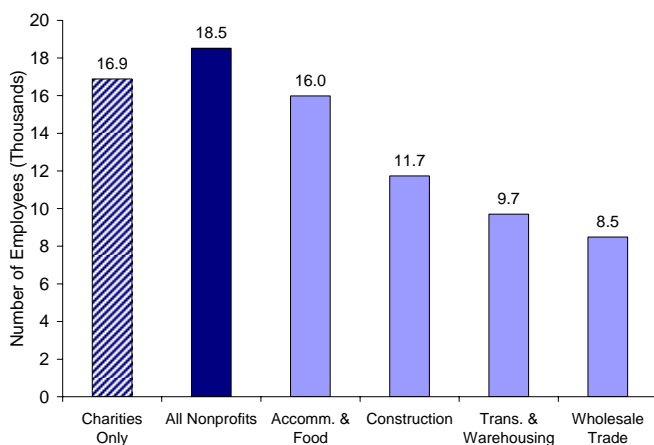
Figure 185: Nonprofit share of total employment, by county, 2005



- Vanderburgh County (11 percent nonprofit employment) and Spencer County (9 percent nonprofit employment) had nonprofit shares of total employment that were higher than the statewide share of 8 percent.
- Gibson, Dubois, and Knox Counties had nonprofit shares of total employment that were about 1 or 2 percentage points below the statewide share.

- Warrick and Perry Counties had nonprofit shares of total employment that were 3 percentage points lower than the statewide share.
- Pike County’s nonprofit share of total employment was half as large as the statewide share (4 percent vs. 8 percent).
- Posey County’s nonprofit share of total employment (3 percent) was less than half as large as the statewide percentage.
- Total nonprofit employment in EGR 11 exceeds the number of employees in several key industries.¹⁰⁰ As Figure 186 shows, nonprofits in this region employed:

Figure 186: Employment in EGR 11’s nonprofit sector in comparison to certain industries, 2005 (in thousands)

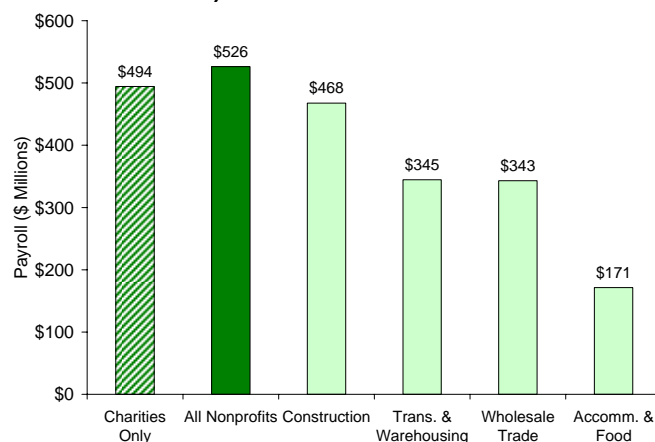


- More people than the 16,000 people employed by the region’s accommodation and food services industry.
- Considerably more people than the 11,700 people employed by the region’s construction industry.
- Nearly twice as many people as the 9,700 people employed by the region’s transportation and warehousing industry.

¹⁰⁰ Less than 0.5 percent of employment in these industries was nonprofit employment, meaning there is little overlap.

- More than twice as many people as the 8,500 people employed by the region’s wholesale trade industry.
- EGR 11’s nonprofit sector accounted for \$526 million of the region’s total payroll of \$7.1 billion, or 7 percent. As figure 187 illustrates, total payroll for jobs in the region’s nonprofit sector was:

Figure 187: Payroll in EGR 11’s nonprofit sector in comparison to certain industries, 2005 (in millions)

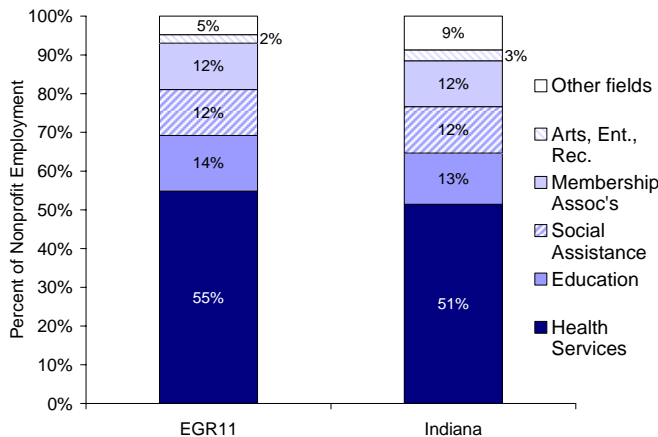


- Somewhat higher than payroll for the region’s construction industry (\$468 million).
- About 1.5 times higher than payroll for the region’s transportation and warehousing industry (\$345 million) and wholesale trade industry (\$343 million).
- Nearly 3 times higher than payroll for the region’s accommodation and food services industry (\$171 million), even though this industry’s number of employees was only a little smaller than the number of nonprofit employees.

Nonprofit Industries: The region’s nonprofit employment is concentrated in several industries, with over half of nonprofit employees working in health services. Nonprofits account for a considerable share of the employment in some industries.

- As Figure 188 shows, the distribution of nonprofit employment across industries differs only slightly from the corresponding distribution statewide.

Figure 188: Distribution of nonprofit employment, by industry, EGR 11 vs. Indiana, 2005



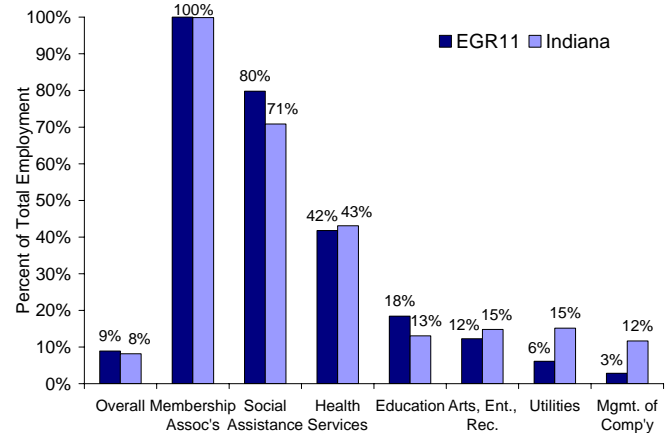
- Health services accounted for a larger share of total nonprofit employment in EGR 11 than statewide (55 percent vs. 51 percent).¹⁰¹
- Education made up a slightly larger share of nonprofit employment in EGR 11 than statewide (14 percent vs. 13 percent).
- Social assistance organizations and membership associations¹⁰² each made up 12 percent of nonprofit employment in EGR 11 the same as for the state as a whole.
- EGR 11 arts, entertainment, and recreation organizations accounted for 2 percent of nonprofit employment in the region, which is slightly lower than the statewide percentage (3 percent).
- Employment in other fields accounted for 5 percent of nonprofit employment in EGR 11, compared to 9 percent statewide.

- Nonprofit employment dominates in several industries, as shown in Figure 189.

¹⁰¹ Although the NAICS classification system groups health services and social assistance together as NAICS 62, we have separated social assistance (NAICS 624) from other health-related employment both here and throughout the report in order to simplify our presentation.

¹⁰² Some membership associations, most notably religious congregations, are not required to register with the IRS as tax-exempt organizations. As a result, some private associations participating in the CEW reporting system would not be classified as nonprofit organizations under our methodology. On the assumption that all of these private membership associations are indeed nonprofit, we reclassified as nonprofit the relatively small number of private membership associations not registered with the IRS as tax-exempt organizations.

Figure 189: Nonprofit share of total employment for selected industries, EGR 11 vs. Indiana, 2005



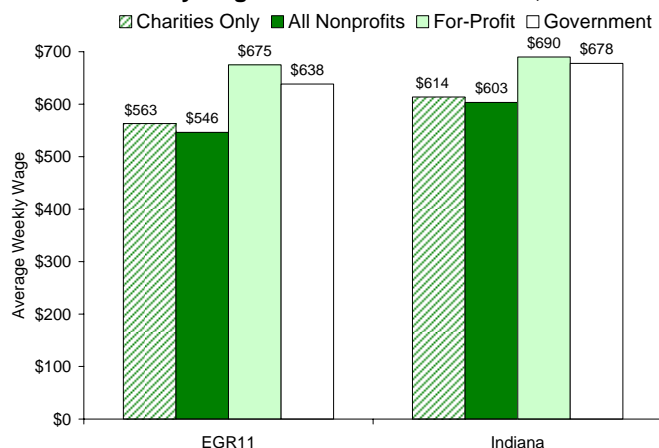
- Nearly all (almost 100 percent) of employment in membership associations in both EGR 11 and Indiana was attributed to nonprofits.
- Nonprofits accounted for four-fifths (80 percent) of employment in social assistance organizations in EGR 11; this is higher than the statewide share of 71 percent.
- About two-fifths (42 percent) of employment in health services in EGR 11 was attributed to nonprofits, which is similar to the statewide share of 43 percent.
- Nonprofits accounted for 18 percent of employment in education in EGR 11, which is higher than the statewide share of 13 percent.
- Nonprofits accounted for 12 percent of employment in arts, entertainment, and recreation in EGR 11, which is lower than the statewide share of 15 percent.
- Nonprofits comprised 6 percent of employment in utilities in EGR 11, less than half the statewide share of 15 percent.
- Nonprofits made up 3 percent of employment associated with the management of companies in EGR 11, considerably less than the statewide share of 12 percent.

Wages: Overall, average weekly wages paid to EGR 11 nonprofit employees are lower than those paid to em-

employees in the for-profit and government sectors. However, this is not always true in industries in which nonprofits are concentrated, as sometimes nonprofit employees' wages are greater than the wages of their for-profit or government counterparts.

- Nonprofit employees in EGR 11 earned an average weekly wage of \$546. In both EGR 11 and Indiana as a whole, nonprofit average weekly wages are lower than for-profit and government average weekly wages.¹⁰³ See Figure 190.

Figure 190: Nonprofit, for-profit, and government average weekly wages in EGR 11 and Indiana, 2005



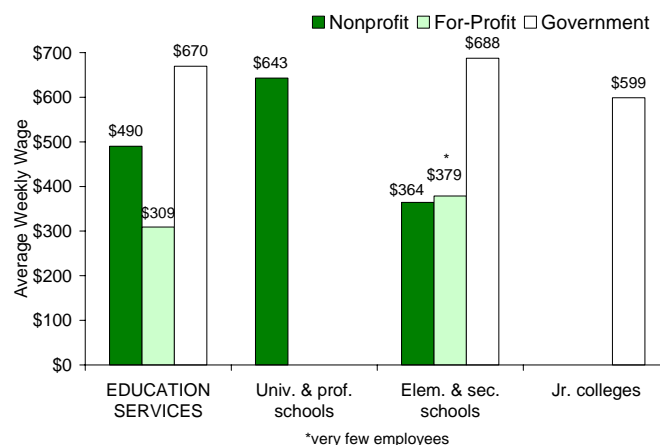
- Nonprofit workers in EGR 11 earned about 19 percent less than for-profit workers. This gap is larger than the statewide gap, with Indiana nonprofit workers earning about 13 percent less than for-profit workers.
- Nonprofit workers in EGR 11 earned about 14 percent less than government workers. This gap is also larger than the statewide gap, with Indiana nonprofit workers earning about 11 percent less than government workers.
- However, in industries in which nonprofit organizations are concentrated, nonprofit workers sometimes earn more than their for-profit or government counterparts.¹⁰⁴

¹⁰³ These average weekly wages do not include fringe benefits and make no adjustment for full-time or part-time work (these details are not included in the CEW reporting system). Industries or sectors with more reliance on part-time workers could show up as having lower average weekly wages than those with fewer part-time workers, even if the actual hourly pay rates are higher.

¹⁰⁴ When a sector had less than three establishments in an industry or sub-industry, the data was suppressed for confidentiality reasons.

- Overall, nonprofit employees in EGR 11 education organizations earn more than for-profit employees but less than government employees. (See Figure 191.) The three sub-industries shown accounted for 96 percent of the employment in the education industry in EGR 11.

Figure 191: Average weekly wages in EGR 11 education organizations, 2005

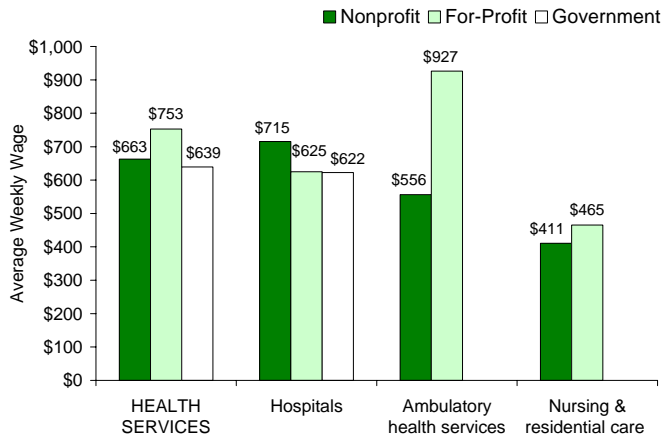


- On average, nonprofit education employees in EGR 11 earned about 59 percent more than for-profit employees but about 27 percent less than government employees.
- Nonprofit university and professional school employees earned an average weekly wage of \$643. There were no for-profit employees in this subfield, and there were too few government establishments to report government data separately.
- Nonprofit elementary and secondary school employees earned about 4 percent less than the relatively few for-profit employees and about 47 percent less than government employees.
- Fully 100 percent of the employment in junior colleges in EGR 11 was government employment. Government employees earned an average weekly wage of \$599.

When a sector had three or more establishments but still a very small relative number of employees in a given industry or sub-industry (less than 4 percent of the total employment for the industry or sub-industry), the data are reported but marked with an asterisk in the corresponding graph. While we report data for these relatively few employees, the results should be interpreted with caution.

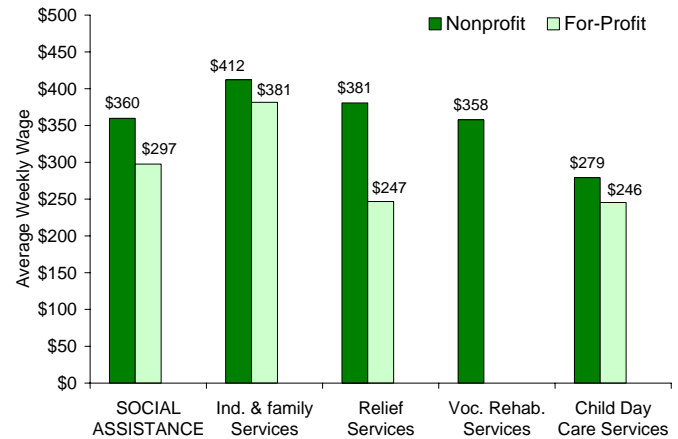
- Overall, nonprofit health services workers earn lower average weekly wages than for-profit workers but higher average weekly wages than government workers. (See Figure 192.) The three categories shown accounted for 100 percent of the employment in the health services industry in EGR 11.

Figure 192: Average weekly wages in EGR 11 health service organizations, 2005



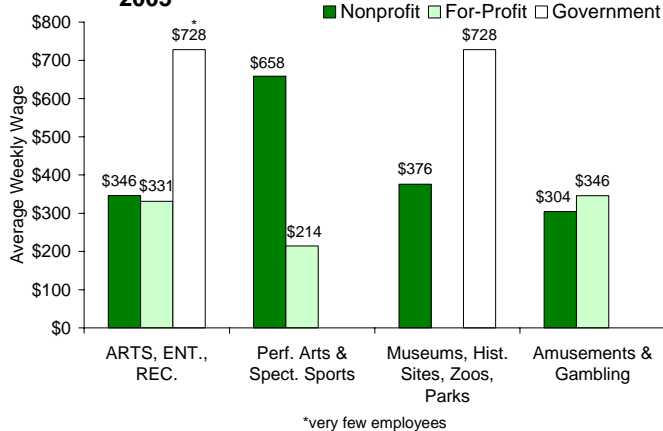
- On average, EGR 11 nonprofit health services employees earned about 12 percent less than for-profit employees but about 4 percent more than government employees.
- Nonprofit hospital workers earned about 14 percent more than for-profit workers and about 15 percent more than government workers.
- In ambulatory health services, nonprofit employees earned about 40 percent less than for-profit employees. There were too few government establishments to report government data separately.
- Nonprofit nursing and residential care workers earned about 12 percent less than for-profit workers. There was no government employment in this category.
- Overall in EGR 11, nonprofit social assistance workers earn higher average weekly wages than for-profit workers. (See Figure 193.) There were too few government establishments to report government data separately. The four sub-industries shown accounted for 100 percent of the employment in the social assistance industry.

Figure 193: Average weekly wages in EGR 11 social assistance organizations, 2005



- On average in the social assistance industry, nonprofit workers earned about 21 percent more than for-profit workers.
- In individual and family services, nonprofit employees earned about 8 percent more than for-profit employees.
- Nonprofit relief services workers earned about 54 percent more than for-profit workers.
- 100 percent of the employment in the vocational rehabilitation services subfield was nonprofit employment. The nonprofit average weekly wage was \$358.
- Nonprofit employees in child day care services earned about 13 percent more than for-profit employees.
- Overall in the EGR 11 arts, entertainment, and recreation industry, nonprofit average weekly wages are higher than for-profit average weekly wages but lower than government average weekly wages. (See Figure 194.) The three sub-industries shown comprised 100 percent of the employment in the EGR 11 arts, entertainment, and recreation industry.
- On average, nonprofit arts, entertainment, and recreation employees earned about 5 percent more than for-profit employees but about 52 percent less than the relatively few government employees.

Figure 194: Average weekly wages in EGR 11 arts, entertainment, and recreation organizations, 2005



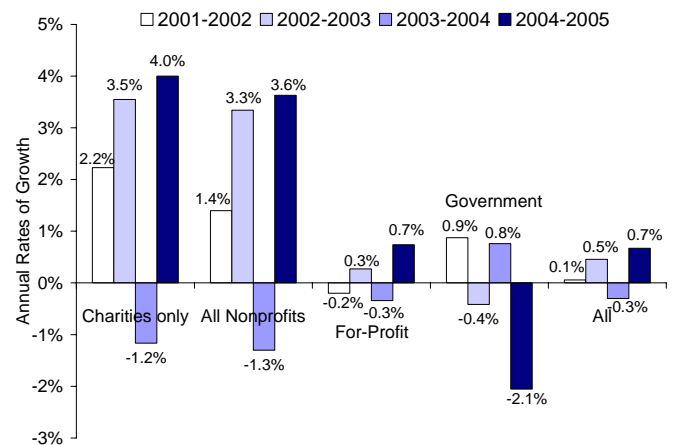
- Nonprofit employees in performing arts and spectator sports earned about 3 times more than for-profit employees. There were no government employees in this category.
- Nonprofit workers in museums, historical sites, zoos, and parks earned about 48 percent less than government employees. There were too few for-profit establishments to report for-profit data separately.
- Nonprofit workers in amusements and gambling earned about 12 percent less than for-profit workers. There was no government employment in this category.

Growth: Overall, between 2001 and 2005 nonprofit employment grew by 7.2 percent, for-profit employment grew by 0.5 percent, and government employment shrank by 0.9 percent.

- However, as Figure 195 shows, these overall trends mask differences in annual growth rates.
 - Nonprofit employment grew by 1.4 percent between 2001 and 2002 and by 3.3 percent between 2002 and 2003. It then shrank by 1.3 percent during 2003 to 2004, before growing again in 2004 to 2005, by 3.6 percent.
 - For-profit employment fluctuated during the four-year period. It experienced decline (by 0.2 percent) during 2001 to 2003, growth (by 0.3 percent) during 2003 to 2004, decline (by 0.3

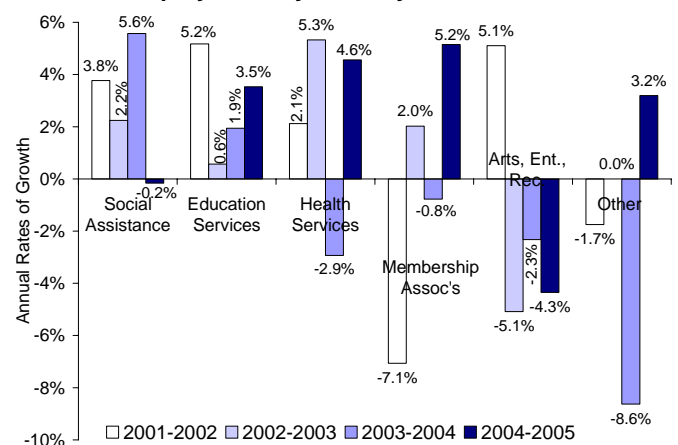
percent) during 2003 to 2004, then growth again (by 0.7 percent) during 2004 to 2005.

Figure 195: Annual rates of growth in EGR 11 employment by sector, 2001-2005



- Government employment also fluctuated during this period. It grew by 0.9 percent during the first year, shrank by 0.4 percent during the second year, grew by 0.8 percent during the third year, and shrank by 2.1 percent during the fourth year.
- Nonprofit employment trends differ notably by industry. As Figure 196 shows, social assistance organizations experienced the most growth, while arts, entertainment, and recreation organizations saw the greatest declines.

Figure 196: Annual rates of growth in EGR 11 nonprofit employment, by industry, 2001-2005



- Nonprofit social assistance employment grew by 11.8 percent between 2001 and 2005. Employ-

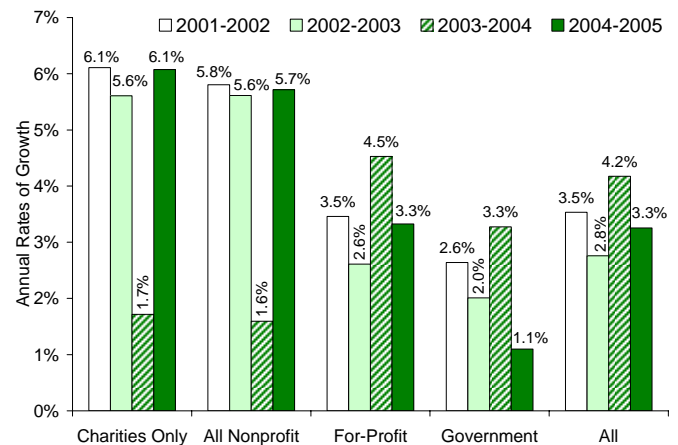
ment experienced growth during the first three years (by 3.8 percent, 2.2 percent, and 5.6 percent, respectively), then declined by 0.2 percent between 2004 and 2005.

- Nonprofit employment in education grew by 11.6 percent between 2001 and 2005. The industry experienced growth each year during this four-year period, with annual growth rates of 5.2 percent, 0.6 percent, 1.9 percent, and 3.5 percent, respectively.
- Nonprofit health services employment grew by 9.2 percent from 2001 to 2005. Employment grew during the first two years (by 2.1 percent and 5.3 percent, respectively), declined by 2.9 percent during 2003 to 2004, and then grew by 4.6 percent during 2004 to 2005.
- Nonprofit employment in membership associations declined by 1.1 percent between 2001 and 2005. Employment declined by 7.1 percent during 2001 to 2002, grew by 2.0 percent during 2002 to 2003, shrank by 0.8 percent during 2003 to 2004, and grew by 5.2 percent during 2004 to 2005.
- Nonprofit arts, entertainment, and recreation employment shrank by 6.8 percent from 2001 to 2005. Employment grew by 5.1 percent during the first year of this time period, then shrank each year during the next three years, with annual rates of decline of 5.1 percent, 2.3 percent, and 4.3 percent, respectively.
- Nonprofit employment in other fields shrank by 7.4 percent between 2001 and 2005. Employment shrank by 1.7 percent during 2001 to 2002, remained steady during 2002 to 2003, shrank by 8.6 percent during 2003 to 2004, and then grew by 3.2 percent during 2004 to 2005.

- Between 2001 and 2005, the nonprofit sector's payroll grew at a faster rate than for-profit and government payroll.¹⁰⁵ See Figure 197.
- Nonprofit payroll grew by 20.0 percent between 2001 and 2005, with annual growth rates of 5.8

percent, 5.6 percent, 1.6 percent, and 5.7 percent, respectively.

Figure 197: Annual rates of growth in EGR 11 payroll by sector, 2001-2005



- For-profit payroll grew by 14.7 percent between 2001 and 2005. The smallest annual growth rate was 2.6 percent during 2002 to 2003, and the greatest annual growth rate was 4.5 percent during 2003 to 2004.
- Government payroll grew by 9.3 percent between 2001 and 2005. The smallest annual growth rate was 1.1 percent during 2004 to 2005, and the greatest annual growth rate was 3.3 percent during 2003 to 2004.

¹⁰⁵ These growth rates are not adjusted for inflation.

CONCLUSION

Our previous reports on nonprofit employment in Indiana documented the extent to which the nonprofit sector is a major economic force in the state's economy. Our current report confirms and extends this conclusion. There were more than 235,000 people employed in the nonprofit sector in Indiana in 2005. Although growth in nonprofit employment slowed between 2004 and 2005 and for-profit employment picked up speed, over the entire 2001 to 2005 period the nonprofit sector grew faster (up 5 percent) than both government (up 3 percent) and for-profit employment (down 1 percent).

Moreover, nonprofit payroll grew even faster (up 21 percent) than nonprofit employment and reached \$7.4 billion in 2005. During the same period, total for-profit payroll increased by only 10 percent and government payroll by 14 percent. As a result, the wage gap between nonprofit employees and those working in the for-profit or government sectors has narrowed.

Our current report also confirms that the nonprofit sector continues to make significant contributions to opportunities for democratic participation and the quality of life for all Indiana citizens. The sector has maintained its dominance within the fields of membership associations and social assistance (counseling, job training, relief services, and day care). It remains a major component of the state's health care services (especially hospitals, elderly care facilities, mental health facilities, and outpatient clinics) and plays important roles in providing education, arts, culture, and recreation. It even delivers utility services.

In this report, we provide also the first systematic analyses of how these features vary across the state. As we show in our regional analyses of Metropolitan Statistical Areas (Section II) and Economic Growth Regions (Section III), there are significant regional differences in the economic role the nonprofit sector plays. These differences play themselves out across the board – in the sector's share of overall employment and payroll, in its dominance of specific industries, in the level of wages paid, and in whether and how employment in the sector is growing (or declining, as in a few regions).

As we noted in our prior reports, the important contributions of the nonprofit sector to the state's economy and to the quality of life across the state are not well under-

stood by policymakers, the press, or the public at large. As a result, this sector is often overlooked in economic development and in education and training efforts that could prove extremely beneficial to it in the long term. Hopefully, the data presented here will continue to promote greater understanding of the impact of the nonprofit sector and demonstrate the immense stake that Indiana citizens have in its continued health.

Finally, as our technical discussion in Appendix A suggests, these estimates of Indiana's nonprofit employees – and the payroll they contribute to the state's economy – are conservative. We can only guess at how many people Indiana's nonprofits actually employ, but it is likely to be a significantly larger number than we document here.

For that reason, we again urge the state of Indiana to enhance its (and our) ability to track the nonprofit sector's contribution to the state in the future. For example, the state might require employers that already participate in the Covered Wage and Employment (ES-202) reporting system to indicate whether they are operating under for-profit, nonprofit, or government (federal, state, local) ownership. Several other states make these distinctions. Currently, all Indiana for-profit and nonprofit establishments are simply coded as "private." This change would not impose additional reporting requirements on Indiana nonprofits and would insure more accurate and comprehensive data by avoiding the cumbersome and problematic process used here to estimate nonprofit employment.

We are more ambivalent about the value of extending the reporting requirements to smaller nonprofits (those with fewer than four employees) to match the requirement for for-profit establishments.¹⁰⁶ The improvement in accuracy may be fairly minor and would impose a significant new reporting requirement on these small nonprofit employers, as would extending the reporting requirement to congregations, although by all accounts they contribute a significant share of the actual nonprofit employment in the state of Indiana.

¹⁰⁶ We note that some of these small establishments do in fact already participate in the ES-202 reporting system. See note 109 for further details.

APPENDIX A: THE ES-202 UNEMPLOYMENT INSURANCE LABOR MARKET INFORMATION PROGRAM

SOURCE OF DATA

The major source of data for this report is the Covered Employment and Wages Program, commonly referred to as the ES-202 program, a cooperative initiative involving State Employment Security Agencies and the Bureau of Labor Statistics. The ES-202 program produces a comprehensive tabulation of employment and wage information for workers covered by state Unemployment Insurance (UI) laws and Federal workers covered by the Unemployment Compensation for Federal Employees Program. Data contained in this report represent all employees covered by the Unemployment Insurance (UI) Law of Indiana as well as federal workers covered by the Unemployment Compensation of Federal Employees Program. The data on state-insured workers are compiled from quarterly reports submitted by employers subject to Indiana law. Employment data pertaining to the federal government are obtained from similarly required reports submitted by the various government installations in Indiana.

SCOPE OF COVERAGE

The ES-202 program accounts for approximately 98 percent of all wage and salary civilian employment nationally (the program does not cover self-employed and family workers). The principal exclusions from the ES-202 data set are railroad workers, small-scale agriculture, domestic service, crew members on small vessels, state and local government elected officials, insurance and real estate agents who receive payment solely by commission, part-time employees of charitable organizations,¹⁰⁷ charitable establishments employing less than 4 workers in 20 weeks during the year, and religious organizations. The latter two exclusions mean that our analysis necessarily underestimates Indiana nonprofit employment, although some establishments in these two categories are already included in our dataset.¹⁰⁸

¹⁰⁷ “Part-Time” is defined as remuneration of less than \$50 in any calendar quarter.

¹⁰⁸ One-quarter (28 percent) of the nonprofit organizations included in our analysis for 2005 reported that they had less than four employees; however, this set of nonprofits accounted for only 1 percent of

Of the two, the exclusion of religious organizations is the most significant; however, religious organizations may elect to be covered by the UI program, and those few that do are covered in the data, most classified as membership associations. At this time the total level of non-coverage is unknown, although it appears to be extensive for religious organizations.¹⁰⁹

The number of employees is measured by the number of filled jobs for the pay period that includes the 12th day of each month as reported by the employer. Both part-time and full-time employees are included in the data set, without distinction between the two groups. If a person holds two jobs, that person would be counted twice in the data set. Wages include bonuses, stock options, the cash value of meals and lodging, and tips and other gratuities, but not the value of fringe benefits, such as employer contributions to health insurance or pensions.

The employment data for nonprofit organizations were identified by matching the Federal Employer Identification Numbers (FEINs) of private firms (excluding government entities) in the Indiana ES-202 system with the FEINs of entities that have registered with the IRS for tax-exempt status. This work was performed by the Indiana Business Research Center, Kelley School of Business, Indiana University, under a confidentiality agreement with the State of Indiana. Only aggregated data, filtered using federal and state disclosure rules to preserve confidentiality, are presented in this report.

Indiana tax-exempt firms were identified using the Exempt Organization Master File (EOMF), which is a listing of all organizations exempt from taxation under section 501(c) of the Internal Revenue Code. The file is cumulative; information on new organizations is added to the file on an ongoing basis and an effort is made to delete defunct organizations. By matching the FEINs in the EOMF with those of private employers in the ES-202 data set, it is possible to identify all nonprofit enti-

all nonprofit employees and only 0.3 percent of total nonprofit payroll. Only 145 religious associations with some 1,535 employees were included in 2005.

¹⁰⁹ Statewide, some 9,000 congregations are listed in the yellow pages; while some of these do not have any paid employees, it seems likely that the number included in the ES-202 record system constitute only a small fraction of the total. We attempted in our previous employment report to estimate the extent of non-coverage for both religious organizations and charitable establishments with fewer than four employees; please refer to that report for specific calculations derived from results of our 2002 survey of Indiana nonprofits.

ties that are registered with the IRS if they have employees working at an establishment in the state covered by the ES-202 record system. This is the case even if they are not using an Indiana address for purposes of reporting to the IRS since we matched the entire IRS EOMF listing for the U.S. against the Indiana ES-202 data set.

The EOMF includes the name, address, and zip code of the organization, the Federal Employer Identification Number, and the exact Internal Revenue Code subsection under which the organization has claimed tax exemption. This includes most notably the so-called “charitable” portion of the tax-exempt universe, those registered with the U.S. Internal Revenue Service under Section 501(c)(3) of the Internal Revenue Code – private, not-for-profit hospitals, clinics, colleges, universities, elementary schools, social service agencies, day care centers, orchestras, museums, theaters, homeless shelters, soup kitchens, and many more.

In addition to Section 501(c)(3), the Internal Revenue Code contains twenty-five other subsections under which organizations can claim exemption from federal income taxation as nonprofit organizations, such as social clubs, labor unions, business associations, and civic organizations.

For the purpose of this report, we have included all organizations exempt from federal income tax under section 501(c). Section 501(c)(3) is by far the most important sub-section of these. It covers the bulk of nonprofit organizations and includes the organizations most commonly associated with the nonprofit sector.

Appendix I reports on Indiana nonprofit employment for several key IRS reporting characteristics (some details were suppressed to protect confidentiality):

- Exemption status (3 types): charities exempt under Section 501(c)(3), social welfare nonprofits exempt under Section 501(c)(4), and all other types of nonprofits exempt under remaining sections of 501(c). For 2005, more than half (56 percent) of all nonprofit establishments were charities and these accounted for 88 percent of all nonprofit employment and 90 percent of total nonprofit payroll. Social welfare nonprofits accounted for less than 3 percent of all nonprofit establishments and approximately 1 percent of nonprofit employment and payroll. Other types of nonprofits constituted 36 percent of nonprofit establishments, but only about 9 and 7 per-

cent, respectively, of nonprofit employment and payrolls.

- Location status (2 types): IRS-registered nonprofits using an Indiana address for purposes of reporting with the IRS and all other IRS-registered nonprofits. Nonprofit reporting addresses may be that of an accountant, board president, or headquarter organization, and therefore this is not necessarily an indicator of where the organization carries out all, or even some, of its activities. In 2005, about 88 percent of all IRS registered nonprofits that participate in the Indiana ES-202 system used an Indiana address for purposes of reporting to the IRS. These nonprofits accounted for 95 percent of total Indiana nonprofit employment and nonprofit payroll.
- Filing status (2 types): IRS registered nonprofits filing financial information on Form 990 or Form 990 PF (private foundations) with the IRS, and all other IRS registered nonprofits. Nonprofits with \$25,000 or more in annual revenues are required to file financial information with the IRS on Form 990/990 PF, unless the organization’s finances are included as part of a group exemption report (e.g., a headquarter organization and local affiliates) or the organization uses another nonprofit as a fiscal agent. Some nonprofits with revenues of less than \$25,000 also file Form 990. In 2005, 91 percent of Indiana nonprofit entities filed financial information with the IRS. They accounted for 94 percent of total nonprofit employment and 95 percent of total nonprofit payroll in the state. The rest – some 262 non-filers – employed a total of 9,094 employees (or an average of about 35) and had combined payrolls of \$117.4 million dollars (or about \$868,000 per establishment). This suggests that a non-trivial proportion of the non-filers would appear to meet and exceed the revenue threshold for filing Form 990.

Some nonprofit establishments are not captured in this report. These include entities that have not registered with the IRS for tax exempt status and therefore do not have a record in the national EOMF. Some of these may well be included in the ES-202 reporting system, but because they are not captured in the national EOMF list, they would under our methodology be classified as for-profit rather than nonprofit establishments.¹¹⁰ This is in

¹¹⁰ We have adjusted the data to correct this only in the case of membership associations (NAICS 813). We assume that there are no for-

addition to employees in Indiana congregations and in small charities that are also missing from the analysis because they are not required to participate in the ES-202 reporting system.

Also, there may be a significant number of multiple establishment commercial firms that have nonprofit subsidiaries; these nonprofit subsidiaries would not be identified as nonprofit firms in the state ES-202 records. On the other hand, there may be some multiple establishment nonprofit firms that have commercial subsidiaries, but which would be classified as nonprofits under our methodology. The precise number of uncaptured nonprofit establishments is unknown.

Finally, we used the IRS status on the EOMF as of February 2002, March 2003, March 2004, March 2005, and March 2006 to capture IRS exempt status at the end of the immediately preceding calendar year in order to allow for newly registered exempt entities to be included on the EOMF (a process that may take several months). That means we are able to identify correctly the nonprofit status of employers that were registered as tax-exempt at the end of the calendar year in 2001, 2002, 2003, 2004, or 2005.

We are unable, however, to account for establishments that were deleted from the IRS tax-exempt list by February/March of the following year because they had ceased to operate or converted to for-profit or government status, although they may have operated as nonprofit organizations for some or all of the calendar year. Because these organizations did not appear in the EOMF files from their respective years, they were not identified as nonprofits in the ES-202 dataset. If they had employees and payroll during this time, they would by default be considered for-profit establishments. Consequently, our estimates in this report most likely underestimate the nonprofit share of the Indiana economy for 2001 to 2005.

profit membership associations and so calculate “true” nonprofit totals for this industry by subtracting government membership associations from the total. For 2005 data, this means that we reclassified 317 private associations with 1,991 employees and total payroll of \$42.8 million as nonprofit, although they were not registered with the IRS as tax-exempt organizations. Since we don’t know whether they would be considered charities if they were registered with the IRS, we have classified all of these non-registered membership associations as nonprofits, even though some of them (most notably religious congregations) would qualify as charities. Consequently, our estimate of charitable membership organizations is likely to be underestimated.

The Johns Hopkins Center for Civil Society Studies’ Nonprofit Employment Data Project is now working with State Employment Security Agencies throughout the country drawing on this ES-202 data source to generate similar data on nonprofit employment in other states. For more information, visit the CCSS Web site (<http://www.jhu.edu/~ccss>). For more information on the project on **Indiana Nonprofits: Scope and Community Dimensions**, see <http://www.indiana.edu/~nonprof>.

APPENDIX B: NONPROFIT EMPLOYMENT IN INDIANA, BY METROPOLITAN STATISTICAL AREA, 2005

Metropolitan Statistical Area [†]	Total nonprofit employment in region	Total employment in region	Nonprofit employment as percent of total nonprofit employment in state	Nonprofit employment as percent of total employment in region	Accommodation and Food as percent of total employment in region	Construction as percent of total employment in region	Total nonprofit payroll
Indianapolis	66,086	840,454	28.1%	7.9%	8.6%	5.9%	\$2,406,287,396
Gary/Northwest	23,053	263,247	9.8%	8.8%	8.2%	6.9%	\$679,277,599
South Bend	21,665	124,928	9.2%	17.3%	7.8%	4.7%	\$765,086,381
Fort Wayne	16,124	202,236	6.9%	8.0%	8.4%	5.4%	\$441,019,891
Evansville	14,391	146,648	6.1%	9.8%	8.1%	6.5%	\$417,553,626
Elkhart	7,595	125,302	3.2%	6.1%	5.2%	3.6%	\$235,211,006
Bloomington	6,947	73,537	3.0%	9.4%	10.2%	4.7%	\$191,786,426
Lafayette	6,585	82,526	2.8%	8.0%	9.2%	4.3%	\$179,022,315
Terre Haute	6,431	69,075	2.7%	9.3%	9.0%	4.6%	\$200,940,937
Muncie	5,575	47,556	2.4%	11.7%	9.8%	4.3%	\$226,117,750
Anderson	5,291	42,396	2.2%	12.5%	9.8%	4.0%	\$156,826,735
LaPorte	4,309	45,088	1.8%	9.6%	8.0%	4.9%	\$130,908,741
Columbus	2,093	41,557	0.9%	5.0%	6.9%	3.6%	\$54,641,733
Kokomo	1,918	46,385	0.8%	4.1%	8.8%	2.9%	\$48,065,883
Rest of state	46,811	652,672	19.9%	7.2%	8.5%	4.7%	\$1,235,274,404
Nondistributable (statewide)	468	71,051	0.2%	0.7%	0.1%	0.7%	\$16,503,707
Grand Total for State	235,338	2,874,658	100.0%	8.2%	8.2%	5.2%	\$7,384,524,530

[†]Metropolitan Statistical Areas as defined by the U.S. Office of Management and Budget. A map of these areas can be found on page 23. Counties classified as belonging to metropolitan statistical areas where the central city is located in other states, e.g., Cincinnati (Ohio) and Louisville (Kentucky), are included in the "Rest of state" category.

APPENDIX C: NONPROFIT EMPLOYMENT IN INDIANA, BY ECONOMIC GROWTH REGION, 2005

Economic Growth Region [†]	Total non-profit employment in region	Total employment in region	Nonprofit employment as percent of total non-profit employment in state	Nonprofit employment as percent of total employment in region	Accommodation and Food as percent of total employment in region	Construction as percent of total employment in region	Total nonprofit payroll
05 Central	69,444	867,467	29.5%	8.0%	8.6%	5.8%	\$2,511,321,998
02 North Central	34,358	310,756	14.6%	11.1%	6.6%	4.0%	\$1,141,794,965
03 Northeast	28,027	340,345	11.9%	8.2%	8.0%	4.5%	\$736,164,979
01 Northwest	27,922	317,280	11.9%	8.8%	8.1%	6.5%	\$820,061,246
11 Southwest	18,523	207,679	7.9%	8.9%	7.7%	5.6%	\$526,305,164
04 Northwest Central	13,979	199,063	5.9%	7.0%	8.2%	3.8%	\$384,228,650
06 East Central	12,776	127,752	5.4%	10.0%	8.7%	3.6%	\$430,405,510
08 South Central	9,673	114,503	4.1%	8.4%	10.1%	5.2%	\$255,301,189
07 West Central	8,443	84,725	3.6%	10.0%	9.0%	4.3%	\$255,395,639
09 Southeast Central	7,574	132,433	3.2%	5.7%	7.0%	4.0%	\$209,869,798
10 Southeast	4,153	101,606	1.8%	4.1%	8.5%	5.8%	\$97,171,685
Nondistributable (statewide)	468	71,051	0.2%	0.7%	9.9%	6.5%	\$16,503,707
Grand Total for State	235,338	2,874,658	100.0%	8.2%	8.2%	5.2%	\$7,384,524,530

[†]Economic Growth Regions are defined on page 6.

APPENDIX D: NONPROFIT EMPLOYMENT IN INDIANA, BY COUNTY, 2005

County	Total Nonprofit employment in county	Total employment in county	Nonprofit employment as percent of total nonprofit employment in state	Nonprofit employment as percent of total employment in county	Total nonprofit payroll
Adams	591	14,650	0.3%	4.0%	\$10,008,072
Allen	14,688	179,941	6.2%	8.2%	\$410,338,232
Bartholomew	2,093	41,557	0.9%	5.0%	\$54,641,733
Benton	NA	2,431	NA	NA	NA
Blackford	244	4,054	0.1%	6.0%	\$6,003,440
Boone	649	17,698	0.3%	3.7%	\$17,311,553
Brown	138	3,095	0.1%	4.5%	\$2,382,829
Carroll	341	5,341	0.1%	6.4%	\$6,056,676
Cass	869	15,645	0.4%	5.6%	\$15,756,489
Clark	1,783	45,415	0.8%	3.9%	\$45,820,995
Clay	431	7,449	0.2%	5.8%	\$7,709,237
Clinton	874	11,176	0.4%	7.8%	\$19,698,797
Crawford	92	2,229	0.0%	4.1%	\$1,916,931
Daviess	559	10,753	0.2%	5.2%	\$9,519,029
Dearborn	636	14,734	0.3%	4.3%	\$17,493,647
Decatur	525	12,426	0.2%	4.2%	\$9,615,505
De Kalb	953	21,290	0.4%	4.5%	\$23,121,309
Delaware	5,575	47,556	2.4%	11.7%	\$226,117,750
Dubois	2,047	28,431	0.9%	7.2%	\$62,613,191
Elkhart	7,595	125,302	3.2%	6.1%	\$235,211,006
Fayette	1,000	8,835	0.4%	11.3%	\$30,393,534
Floyd	1,301	28,769	0.6%	4.5%	\$30,130,328
Fountain	180	5,626	0.1%	3.2%	\$3,282,995
Franklin	57	4,069	0.0%	1.4%	\$1,022,935
Fulton	184	6,808	0.1%	2.7%	\$3,949,941
Gibson	1,168	16,049	0.5%	7.3%	\$26,630,467
Grant	4,048	26,790	1.7%	15.1%	\$112,198,361
Greene	612	7,277	0.3%	8.4%	\$12,217,371
Hamilton	3,362	95,254	1.4%	3.5%	\$131,422,895
Hancock	345	18,540	0.1%	1.9%	\$9,751,304
Harrison	511	11,473	0.2%	4.5%	\$10,978,678
Hendricks	824	40,034	0.4%	2.1%	\$19,252,379
Henry	531	13,520	0.2%	3.9%	\$9,137,720
Howard	1,887	41,955	0.8%	4.5%	\$47,701,723
Huntington	1,885	15,261	0.8%	12.4%	\$46,974,483
Jackson	706	20,248	0.3%	3.5%	\$15,958,494
Jasper	837	11,843	0.4%	7.1%	\$19,731,488

County	Total Nonprofit employment in county	Total employment in county	Nonprofit employment as percent of total nonprofit employment in state	Nonprofit employment as percent of total employment in county	Total nonprofit payroll
Jay	646	7,864	0.3%	8.2%	\$21,219,924
Jefferson	1,845	13,290	0.8%	13.9%	\$66,471,699
Jennings	495	8,025	0.2%	6.2%	\$12,883,579
Johnson	2,110	41,179	0.9%	5.1%	\$50,823,162
Knox	996	16,247	0.4%	6.1%	\$20,515,211
Kosciusko	3,313	35,092	1.4%	9.4%	\$89,705,004
Lagrange	413	12,349	0.2%	3.3%	\$10,558,910
Lake	17,754	192,887	7.5%	9.2%	\$557,414,419
La Porte	4,309	45,088	1.8%	9.6%	\$130,908,741
Lawrence	1,305	14,027	0.6%	9.3%	\$35,283,803
Madison	5,291	42,396	2.2%	12.5%	\$156,826,735
Marion	55,546	580,173	23.6%	9.6%	\$2,089,658,301
Marshall	1,603	18,626	0.7%	8.6%	\$47,842,633
Martin	83	6,773	0.0%	1.2%	\$1,276,821
Miami	346	10,698	0.1%	3.2%	\$6,493,330
Monroe	6,154	61,641	2.6%	10.0%	\$176,602,951
Montgomery	2,734	16,761	1.2%	16.3%	\$99,445,185
Morgan	808	15,128	0.3%	5.3%	\$25,304,720
Newton	172	4,207	0.1%	4.1%	\$3,727,201
Noble	1,316	19,537	0.6%	6.7%	\$29,553,688
Ohio	36	1,699	0.0%	2.1%	\$555,308
Orange	642	6,319	0.3%	10.2%	\$15,052,281
Owen	182	4,619	0.1%	3.9%	\$2,966,104
Parke	217	3,361	0.1%	6.5%	\$5,045,398
Perry	286	6,273	0.1%	4.6%	\$6,849,353
Pike	123	2,904	0.1%	4.2%	\$1,857,209
Porter	4,289	54,310	1.8%	7.9%	\$98,404,491
Posey	283	8,687	0.1%	3.3%	\$3,746,162
Pulaski	294	4,679	0.1%	6.3%	\$4,820,074
Putnam	1,795	12,288	0.8%	14.6%	\$49,409,304
Randolph	555	7,285	0.2%	7.6%	\$15,579,919
Ripley	1,111	14,043	0.5%	7.9%	\$29,410,199
Rush	142	5,376	0.1%	2.6%	\$3,020,415
St. Joseph	21,665	124,928	9.2%	17.3%	\$765,086,381
Scott	264	7,320	0.1%	3.6%	\$4,535,697
Shelby	511	17,065	0.2%	3.0%	\$10,970,949

County	Total Nonprofit employment in county	Total employment in county	Nonprofit employment as percent of total nonprofit employment in state	Nonprofit employment as percent of total employment in county	Total nonprofit payroll
Spencer	680	7,177	0.3%	9.5%	\$16,916,574
Starke	267	4,266	0.1%	6.3%	\$5,054,832
Steuben	935	15,031	0.4%	6.2%	\$23,883,887
Sullivan	176	5,371	0.1%	3.3%	\$2,436,961
Switzerland	70	2,343	0.0%	3.0%	\$1,816,699
Tippecanoe	6,198	74,755	2.6%	8.3%	\$172,524,301
Tipton	30	4,430	0.0%	0.7%	\$364,160
Union	99	1,617	0.0%	6.1%	\$2,469,039
Vanderburgh	12,195	107,909	5.2%	11.3%	\$371,800,492
Vermillion	254	4,767	0.1%	5.3%	\$8,666,385
Vigo	5,571	51,488	2.4%	10.8%	\$182,128,354
Wabash	1,763	13,202	0.7%	13.3%	\$38,846,378
Warren	NA	1,884	NA	NA	NA
Warrick	746	14,004	0.3%	5.3%	\$15,376,505
Washington	201	6,400	0.1%	3.1%	\$3,789,056
Wayne	3,987	31,646	1.7%	12.6%	\$116,463,769
Wells	510	10,801	0.2%	4.7%	\$8,523,853
White	303	8,362	0.1%	3.6%	\$5,841,620
Whitley	927	11,493	0.4%	8.1%	\$22,157,806
Nondistributable and suppressed (statewide)	468	71,051	0.2%	0.7%	\$16,503,707
Grand Total for State	235,338	2,874,658	100.0%	8.2%	\$7,384,524,530

Note: Data on nonprofit employment for some counties were not available for reasons of confidentiality.

The Indiana Business Research Center publishes total employment data by county, available at: <http://www.stats.indiana.edu/cew/>

APPENDIX E: DISTRIBUTIONS OF NONPROFIT AND CHARITABLE EMPLOYMENT BY INDUSTRY IN INDIANA, 2005

NAICS Codes	Industry	Type of organizations	Nonprofit employment		Charity employment	
			Number of employees	Percent of total nonprofit employment	Number of employees	Percent of total charity employment
61	Educational Services	Private colleges and universities, elementary and secondary schools	31,144	13%	30,826	15%
62*	Health Services (exclusive of Social Assistance)	Hospitals, nursing and personal care facilities, home health care organizations	121,063	51%	121,016	58%
624	Social Assistance	Child day care services, job training and related services, individual and family services	28,165	12%	28,114	14%
71	Arts, Entertainment and Recreation Services	Performing arts, spectator sports, museums, historical sites, zoos and botanical gardens	6,617	3%	3,799	2%
813	Membership Organizations	Business associations, professional associations, neighborhood associations, social clubs, hiking clubs, environmental organizations	27,900	12%	13,833	7%
All other	Other	Utilities, Information, Publishing, Finance and Insurance, Credit Intermediation and Related Activities, Funds, Trusts, and Other Financial Vehicles, Real Estate, Rental and Leasing, Management of Companies and Enterprises, Accommodation, and others	20,448	9%	9,452	5%
Total			235,338	100%	207,040	100%

* The NAICS incorporates Social Assistance (NAICS 624) into Health Services (NAICS 62). For clarity, our analysis separates the two.

APPENDIX F: NONPROFIT EMPLOYMENT AND WAGES FOR SELECT INDUSTRIES IN INDIANA, 2005

NAICS Code	Industry group	Total nonprofit employment	Share of nonprofit employment	Average weekly wage*	Estimated Average annual wage*
61	EDUCATION SERVICES	31,144	13.2%	\$589	\$30,629
611	Educational Services	31,144	13.2%	\$589	\$30,629
6111	Elementary and Secondary Schools	8,020	3.4%	\$438	\$22,754
6112	Junior Colleges	333	0.1%	\$465	\$24,178
6113	Colleges, Universities, and Professional Schools	21,446	9.1%	\$656	\$34,094
62**	HEALTH SERVICES	121,063	51.4%	\$701	\$36,440
621	Ambulatory Health Care Services	15,371	6.5%	\$776	\$40,329
6214	Outpatient Care Centers	5,795	2.5%	\$657	\$34,152
6216	Home Health Care Services	2,527	1.1%	\$566	\$29,456
622	Hospitals	83,683	35.6%	\$760	\$39,545
6221	General Medical and Surgical Hospitals	80,377	34.2%	\$765	\$39,790
6222	Psychiatric and Substance Abuse Hospitals	1,981	0.8%	\$550	\$28,617
6223	Specialty (except Psychiatric & Substance Abuse) Hospitals	1,326	0.6%	\$790	\$41,055
623	Nursing and Residential Care Facilities	22,009	9.4%	\$422	\$21,920
6231	Nursing Care Facilities	8,394	3.6%	\$419	\$21,792
6232	Res. Mental Retardation, Mental Hlth. & Sub. Abuse Facilities	4,231	1.8%	\$417	\$21,671
6233	Community Care Facilities for the Elderly	6,695	2.8%	\$417	\$21,696
624	SOCIAL ASSISTANCE	28,165	12.0%	\$392	\$20,386
6241	Individual and Family Services	9,928	4.2%	\$445	\$23,131
6242	Community Food & Housing, Emergency & Other Relief Services	1,630	0.7%	\$407	\$21,142
6243	Vocational Rehabilitation Services	12,421	5.3%	\$375	\$19,515
6244	Child Day Care Services	4,187	1.8%	\$311	\$16,166
71	ARTS, ENTERTAINMENT, RECREATION	6,617	2.8%	\$401	\$20,843
711	Performing Arts, Spectator Sports, and Related Industries	1,405	0.6%	\$477	\$24,819
712	Museums, Historical Sites, and Similar Institutions	1,940	0.8%	\$459	\$23,879
713	Amusement, Gambling, and Recreation Industries	3,272	1.4%	\$333	\$17,337
813***	RELIGIOUS, GRANTMAKING, CIVIC, PROFESSIONAL, AND SIMILAR ORGANIZATIONS	27,900	11.9%	\$398	\$20,685
8131	Religious Organizations	1,515	0.6%	\$322	\$16,720
8132	Grantmaking and Giving Services	1,791	0.8%	\$754	\$39,198
8133	Social Advocacy Organizations	1,745	0.7%	\$553	\$28,757
8134	Civic and Social Organizations	14,393	6.1%	\$254	\$13,203
8139	Business, Professional, Labor, Political, and Similar Organizations	8,457	3.6%	\$549	\$28,545
Suppressed and other fields		20,448	8.7%	\$686	\$35,690
Total		235,338	100.0%	\$603	\$31,378

* The employment data do not distinguish between full-time and part-time employees, so these wage calculations may underestimate true full-time wages.

** The NAICS incorporates Social Assistance (NAICS 624) into Health Services (NAICS 62). For clarity, our analysis separates the two.

*** We classify all NAICS 813 private employment as nonprofit.

APPENDIX G: FOR-PROFIT EMPLOYMENT AND WAGES FOR SELECT INDUSTRIES IN INDIANA, 2005

NAICS Code	Industry group	Total for-profit employment	Share of For-profit employment	Average weekly wage*	Estimated average annual wage*
61	EDUCATION SERVICES	9,368	0.4%	\$439	\$22,829
611	Educational Services	9,368	0.4%	\$439	\$22,829
6111	Elementary and Secondary Schools	2,324	0.1%	\$364	\$18,947
6112	Junior Colleges	801	0.0%	\$811	\$42,153
6113	Colleges, Universities, and Professional Schools	172	0.0%	\$626	\$32,533
62**	HEALTH SERVICES	149,987	6.7%	\$763	\$39,675
621	Ambulatory Health Care Services	90,325	4.0%	\$929	\$48,290
6214	Outpatient Care Centers	5,087	0.2%	\$801	\$41,635
6216	Home Health Care Services	9,593	0.4%	\$413	\$21,502
622	Hospitals	15,247	0.7%	\$693	\$36,042
6221	General Medical and Surgical Hospitals	12,721	0.6%	\$694	\$36,111
6222	Psychiatric and Substance Abuse Hospitals	1,268	0.1%	\$603	\$31,358
6223	Specialty (except Psychiatric & Substance Abuse) Hospitals	1,259	0.1%	\$771	\$40,068
623	Nursing and Residential Care Facilities	44,415	2.0%	\$450	\$23,401
6231	Nursing Care Facilities	34,180	1.5%	\$467	\$24,296
6232	Res. Mental Retardation, Mental Hlth. & Sub. Abuse Facilities	4,718	0.2%	\$420	\$21,825
6233	Community Care Facilities for the Elderly	4,835	0.2%	\$363	\$18,895
624	SOCIAL ASSISTANCE	11,500	0.5%	\$311	\$16,150
6241	Individual and Family Services	3,576	0.2%	\$360	\$18,734
6242	Community Food & Housing, Emergency & Other Relief Services	329	0.0%	\$476	\$24,754
6243	Vocational Rehabilitation Services	576	0.0%	\$480	\$24,944
6244	Child Day Care Services	7,019	0.3%	\$264	\$13,708
71	ARTS, ENTERTAINMENT, RECREATION	37,057	1.7%	\$529	\$27,512
711	Performing Arts, Spectator Sports, and Related Industries	6,340	0.3%	\$1,105	\$57,452
712	Museums, Historical Sites, and Similar Institutions	89	0.0%	\$253	\$13,147
713	Amusement, Gambling, and Recreation Industries	30,628	1.4%	\$411	\$21,357
Suppressed and other fields		2,033,894	90.7%	\$691	\$35,920
Total		2,241,805	100.0%	\$690	\$35,876

* The employment data do not distinguish between full-time and part-time employees, so these wage calculations may underestimate true full-time wages.

** The NAICS incorporates Social Assistance (NAICS 624) into Health Services (NAICS 62). For clarity, our analysis separates the two.

APPENDIX H: GOVERNMENT EMPLOYMENT AND WAGES FOR SELECT INDUSTRIES IN INDIANA, 2005

NAICS Code	Industry group	Total government employment	Share of government employment	Average weekly wage*	Estimated average annual wage*
61	EDUCATION SERVICES	197,879	49.8%	\$665	\$34,579
611	Educational Services	197,879	49.8%	\$665	\$34,579
6111	Elementary and Secondary Schools	146,573	36.9%	\$649	\$33,723
6112	Junior Colleges	NA	NA	NA	NA
6113	Colleges, Universities, and Professional Schools	44,216	11.1%	\$747	\$38,829
62**	HEALTH SERVICES	35,520	8.9%	\$719	\$37,381
621	Ambulatory Health Care Services	552	0.1%	\$741	\$38,542
6214	Outpatient Care Centers	NA	NA	NA	NA
6216	Home Health Care Services	NA	NA	NA	NA
622	Hospitals	33,824	8.5%	\$726	\$37,728
6221	General Medical and Surgical Hospitals	29,270	7.4%	\$725	\$37,705
6222	Psychiatric and Substance Abuse Hospitals	NA	NA	NA	NA
6223	Specialty (except Psychiatric and Substance Abuse) Hospitals	NA	NA	NA	NA
623	Nursing and Residential Care Facilities	1,144	0.3%	\$511	\$26,567
6231	Nursing Care Facilities	NA	NA	NA	NA
6232	Res. Mental Retardation, Mental Hlth. & Sub. Abuse Facilities	NA	NA	NA	NA
6233	Community Care Facilities for the Elderly	NA	NA	NA	NA
624	SOCIAL ASSISTANCE	106	0.0%	\$447	\$23,239
6241	Individual and Family Services	NA	NA	NA	NA
6242	Community Food & Housing, Emergency & Other Relief Services	NA	NA	NA	NA
6243	Vocational Rehabilitation Services	NA	NA	NA	NA
6244	Child Day Care Services	NA	NA	NA	NA
71	ARTS, ENTERTAINMENT, RECREATION	997	0.3%	\$502	\$26,124
711	Performing Arts, Spectator Sports, and Related Industries	635	0.2%	\$487	\$25,334
712	Museums, Historical Sites, and Similar Institutions	NA	NA	NA	NA
713	Amusement, Gambling, and Recreation Industries	NA	NA	NA	NA
813	RELIGIOUS, GRANTMAKING, CIVIC, PROFESSIONAL, AND SIMILAR ORGANIZATIONS	46	0.0%	\$659	\$34,265
8131	Religious Organizations	0	0.0%	NA	NA
8132	Grantmaking and Giving Services	NA	NA	NA	NA
8133	Social Advocacy Organizations	0	0.0%	NA	NA
8134	Civic and Social Organizations	NA	NA	NA	NA
8139	Business, Professional, Labor, Political, and Similar Organizations	20	0.0%	\$959	\$49,880
Suppressed and other fields		162,967	41.0%	\$686	\$35,661
Total		397,515	100.0%	\$678	\$35,249

* The employment data do not distinguish between full-time and part-time employees, so these wage calculations may underestimate true full-time wages.

** The NAICS incorporates Social Assistance (NAICS 624) into Health Services (NAICS 62). For clarity, our analysis separates the two.

Note: Data on government employment for some industries were not available for reasons of confidentiality.

APPENDIX I: DISTRIBUTION OF INDIANA NONPROFIT EMPLOYMENT BY IRS REPORTING STATUS, 2003-2005

Type of nonprofit	Estab- lishments	Em- ployment	Payroll	Weekly pay	Percent Distribution		
					Estab- lishments	Employ- ment	Payroll
2001							
501c3 - charities	3,150	201,458	\$5,979,553,833	\$532	52.0%	86.8%	88.9%
501c4 - social welfare	161	1,460	\$53,232,124	\$546	2.7%	0.6%	0.6%
All other	2,370	22,239	\$491,350,599	\$393	39.1%	10.2%	7.8%
Indiana address	5,316	217,401	\$6,330,909,812	\$519	87.8%	94.2%	94.1%
Out of state	365	7,756	\$193,226,744	\$479	6.0%	3.5%	3.2%
Files Form 990	5,330	217,044	\$6,346,643,394	\$522	88.0%	94.1%	94.6%
Non-filers	351	8,113	\$177,493,162	\$392	5.8%	3.6%	2.7%
Suppressed or Adjusted*	375	5,181	\$165,923,550	\$601	6.2%	2.3%	2.7%
All	6,055	224,278	\$6,056,754,822	\$519	100.0%	100.0%	100.0%
2003							
501c3 - charities	3,409	201,458	\$5,979,553,833	\$571	54.5%	87.5%	89.4%
501c4 - social welfare	175	1,460	\$53,232,124	\$701	2.8%	0.6%	0.8%
All other	2,325	22,239	\$491,350,599	\$425	37.2%	9.7%	7.3%
Indiana address	5,495	217,401	\$6,330,909,812	\$560	87.9%	94.4%	94.6%
Out of state	414	7,756	\$193,226,744	\$479	6.6%	3.4%	2.9%
Files Form 990	5,557	217,044	\$6,346,643,394	\$562	88.9%	94.2%	94.9%
Non-filers	351	8,113	\$177,493,162	\$421	5.6%	3.5%	2.7%
Suppressed or Adjusted*	345	5,181	\$165,923,550	\$616	5.5%	2.2%	2.5%
All	6,253	230,338	\$6,690,060,106	\$559	100.0%	100.0%	100.0%
2005							
501c3 - charities	3,546	207,040	\$6,607,217,877	\$614	55.9%	88.0%	89.5%
501c4 - social welfare	172	1,660	\$82,718,107	\$958	2.7%	0.7%	1.1%
All other	2,293	21,394	\$519,627,075	\$467	36.2%	9.1%	7.0%
Indiana address	5,586	223,629	\$7,033,658,879	\$605	88.1%	95.0%	95.2%
Out of state	426	6,466	\$175,904,180	\$523	6.7%	2.7%	2.4%
Files Form 990	5,749	221,001	\$6,982,237,799	\$608	90.7%	93.9%	94.6%
Non-filers	262	9,094	\$227,325,260	\$481	4.1%	3.9%	3.1%
Suppressed or Adjusted*	329	5,244	\$174,961,471	\$642	5.2%	2.2%	2.4%
All	6,340	235,338	\$7,384,524,530	\$603	100.0%	100.0%	100.0%

* Some data are suppressed to ensure confidentiality. In addition, we have adjusted the data to define all private membership associations as nonprofit organizations; these adjusted establishments are not registered with the IRS and so are reported separately in this table (these adjustments were not included in the corresponding tables in previous reports). For more information on this adjustment, see Appendix A.

PROJECT PUBLICATIONS AND REPORTS

Over the last several years a number of reports and articles related to the Indiana Nonprofit Sector Project have been published, in addition to papers presented at various colloquiums and conferences. The following citations include project-related reports and papers as of June 2007. Online reports, as well as summaries of all other items are available on the project web site: www.indiana.edu/~nonprof. To obtain a complete version of an unpublished paper please contact Kirsten Grønbjerg (kgronbj@indiana.edu, (812) 855-5971).

Indiana Nonprofit Employment Analysis

An analysis, comparing Covered Wages and Employment (ES-202 employment) reports with IRS registered nonprofits under all sub-sections of 501(c), using a methodology developed by the Center for Civil Society Studies at The Johns Hopkins University, to examine nonprofit employment in the state of Indiana. The analysis includes detailed information by county, region, and type of nonprofit as well as industry and sector comparisons.

Online Statewide Reports

- Indiana Nonprofit Employment: 2007 Report. Nonprofit Employment Report No. 3 by Kirsten A. Grønbjerg, Andrea Lewis and Pauline Campbell. September 2007. (www.indiana.edu/~nonprof/results/innonprofitemploy3.htm).
- Indiana Nonprofit Employment, 2005 Report. Nonprofit Employment Report No. 2 by Kirsten A. Grønbjerg and Erich T. Eschmann. May 2005 (www.indiana.edu/~nonprof/results/innonprofitemploy2.htm).
- Indiana Nonprofit Employment, 2001. Nonprofit Employment Report No. 1 by Kirsten A. Grønbjerg and Hun Myoung Park. July 2003 (www.indiana.edu/~nonprof/results/innonprofitemploy.htm).

Online Regional Reports

- Evansville Economic Region Nonprofit Employment: 2005 Report. Nonprofit Employment Series No. 2D by Kirsten Grønbjerg and Kerry Brock. May 2006 (www.indiana.edu/~nonprof/results/inemploy/Evansvilleempl05.pdf).
- Muncie Economic Region Nonprofit Employment: 2005 Report. Nonprofit Employment Series No. 2C by Kirsten Grønbjerg and Kerry Brock. May 2006 (www.indiana.edu/~nonprof/results/inemploy/muncieempl05.pdf).
- Northwest Economic Region Nonprofit Employment: 2005 Report. Nonprofit Employment Series No. 2B by Kirsten Grønbjerg and Kerry Brock. February 2006 (www.indiana.edu/~nonprof/results/inemploy/northwestempl05.pdf).
- Bloomington Economic Region Nonprofit Employment: 2005 Report. Nonprofit Employment Series No. 2A by Kirsten Grønbjerg and Erich T. Eschmann with Kerry Brock. January 2006 (www.indiana.edu/~nonprof/results/inemploy/bloomingtonempl05.pdf).
- Bloomington Nonprofit Employment, 2001. Nonprofit Employment Report No. 1, Supplement A, by Kirsten Grønbjerg and Sharon Kioko. August 2003 (www.indiana.edu/~nonprof/results/inemploy/Bloomingtonempl03.pdf).

Indiana Nonprofit Capacity Assessment Analysis

This survey is designed to develop a better understanding of capacity building and technical assistance needs among Indiana nonprofits. For Phase I, the Indiana University School of Public and Environmental Affairs was commissioned by the *Indiana Grantmakers Alliance (IGA)* in collaboration with the Indiana University Center on Philanthropy and *Lumina Foundation for Education* to conduct a survey of Indiana grantees of Lumina Foundation for Education and/or associated members of IGA. A total of 91 charities completed the Nonprofit Capacity Survey, which asks responding organizations to identify their most significant needs in each of seven broad areas of capacity building area and the best ways to address them.

Online Statewide Reports

- Nonprofit Capacity Assessment: Indiana Charities, 2007, by Kirsten A. Grønbjerg and Laney Cheney, with the assistance of Scott Leadingham and Helen Liu. Online report. Indiana Nonprofit Capacity Survey Series, Report #1. May 2007 (<http://www.indiana.edu/~nonprof/results/npcapacity/charitycapacityassessment.pdf>).

2002 Indiana Nonprofit Survey Analysis

This survey of 2,206 Indiana nonprofits, completed in spring and early summer of 2002, covered congregations, other charities, advocacy nonprofits, and mutual benefit associations. It used a stratified random sample drawn from our comprehensive Indiana nonprofit database and structured so as to allow for comparisons among (1) different nonprofit source listings (including those identified through the personal affiliation survey) and (2) twelve selected communities around the state. The survey included questions about basic organizational characteristics, programs and target populations, finances and human resources, management tools and challenges, advocacy activities, affiliations, and involvement in networking and collaboration. An almost identical instrument was used to survey Illinois congregations, charities and advocacy nonprofits for the Donors Forum of Chicago (report available Online at www.donorsforum.org, December, 2003).

Online Statewide Reports

- Indiana Nonprofits: A Portrait of Religious Nonprofits and Secular Charities, by Kirsten A. Grønbjerg, Patricia Borntrager Tennen. Online report. Survey Report #7. June 2006 (<http://www.indiana.edu/~nonprof/results/npsurvey/insfaithbased.html>).
- Indiana Nonprofits: A Profile of Membership Organizations, by Kirsten A. Grønbjerg and Patricia Borntrager Tennen. Online report. Survey Report #6. September 2005 (www.indiana.edu/~nonprof/results/npsurvey/insmember.html).
- Indiana Nonprofits: Affiliation, Collaboration, and Competition, by Kirsten A. Grønbjerg and Curtis Child. Online report. Survey Report #5. November 2004 (www.indiana.edu/~nonprof/results/npsurvey/insaffil.html).
- Indiana Nonprofits: Managing Financial and Human Resources, by Kirsten A. Grønbjerg and Richard M. Clerkin. Online report. Survey Report #4. August 2004 (www.indiana.edu/~nonprof/results/npsurvey/insman.html).
- Indiana Nonprofits: Impact of Community and Policy Changes, by Kirsten A. Grønbjerg and Curtis Child. Online report. Survey Report #3. June 2004 (www.indiana.edu/~nonprof/results/npsurvey/inscom.html).
- The Indiana Nonprofit Sector: A Profile, by Kirsten A. Grønbjerg and Linda Allen. Online report. Survey Report #2. January 2004 (www.indiana.edu/~nonprof/results/npsurvey/insprofile.html).
- The Indianapolis Nonprofit Sector: Management Capacities and Challenges, by Kirsten A. Grønbjerg and Richard Clerkin. Online report. Preliminary Survey Report #1. February 2003 (www.indiana.edu/~nonprof/results/npsurvey/indymanag.html).

Online Regional Reports

- Scott Nonprofits: Scope and Dimensions. Nonprofit Survey Series, Community Report #12, by Kirsten A. Grønbjerg, Abigail Powell and Patricia Borntrager Tennen. Bloomington, IN: Indiana University School of Public and Environmental Affairs, November 2006. (www.indiana.edu/~nonprof/results/npsurvey/inscomscott.pdf).
- Miami Nonprofits: Scope and Dimensions. Nonprofit Survey Series, Community Report #11, by Kirsten A. Grønbjerg, Kerry S. Brock and Patricia Borntrager Tennen. Bloomington, IN: Indiana University School of Public and Environmental Affairs, November 2006. (www.indiana.edu/~nonprof/results/npsurvey/inscommiami.pdf).
- Dubois Nonprofits: Scope and Dimensions. Nonprofit Survey Series, Community Report #10, by Kirsten A. Grønbjerg, Abigail Powell and Patricia Borntrager Tennen. Bloomington, IN: Indiana University School of Public and Environmental Affairs, November 2006. (www.indiana.edu/~nonprof/results/npsurvey/inscomdubois.pdf).

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- Cass Nonprofits: Scope and Dimensions. Nonprofit Survey Series, Community Report #9, by Kirsten A. Grønberg, Andrea Lewis and Patricia Bortrager Tennen. Bloomington, IN: Indiana University School of Public and Environmental Affairs, November 2006. (www.indiana.edu/~nonprof/results/npsurvey/inscomcass.pdf)
 - Bartholomew Nonprofits: Scope and Dimensions. Nonprofit Survey Series, Community Report #8, by Kirsten A. Grønberg, Kerry S. Brock and Patricia Bortrager Tennen. Bloomington, IN: Indiana University School of Public and Environmental Affairs, November 2006. (www.indiana.edu/~nonprof/results/npsurvey/inscombartholomew.pdf)
 - South Bend Nonprofits: Scope and Dimensions. Nonprofit Survey Series, Community Report #7, by Kirsten A. Grønberg, Kerry S. Brock and Patricia Bortrager Tennen. Bloomington, IN: Indiana University School of Public and Environmental Affairs, November 2006. (www.indiana.edu/~nonprof/results/npsurvey/inscomsouthbend.pdf)
 - Fort Wayne Nonprofits: Scope and Dimensions. Nonprofit Survey Series, Community Report #6, by Kirsten A. Grønberg, Abigail Powell, Andrea Lewis and Patricia Bortrager Tennen. Bloomington, IN: Indiana University School of Public and Environmental Affairs, November 2006. (www.indiana.edu/~nonprof/results/npsurvey/inscomfortwayne.pdf)
 - Indianapolis Nonprofits: Scope and Dimensions. Nonprofit Survey Series, Community Report #5, by Kirsten A. Grønberg and Patricia Bortrager Tennen. Bloomington, IN: Indiana University School of Public and Environmental Affairs, November 2006. (www.indiana.edu/~nonprof/results/npsurvey/inscomindianapolis.pdf)
 - Evansville Nonprofits: Scope and Dimensions. Nonprofit Survey Series, Community Report #4, by Kirsten A. Grønberg, Curtis Child and Patricia Bortrager Tennen (Bloomington, IN: Indiana University School of Public and Environmental Affairs, June 2006 (revised November 2006). (www.indiana.edu/~nonprof/results/npsurvey/inscomevansville.pdf)
 - Muncie Nonprofits: Scope and Dimensions. Nonprofit Survey Series, Community Report #3, by Kirsten A. Grønberg and Patricia Bortrager Tennen. Bloomington, IN: Indiana University School of Public and Environmental Affairs, June 2006. (www.indiana.edu/~nonprof/results/npsurvey/inscommuncie.pdf)
 - Northwest Nonprofits: Scope and Dimensions. Nonprofit Survey Series, Community Report #2, by Kirsten A. Grønberg and Patricia Bortrager Tennen (Bloomington, IN: Indiana University School of Public and Environmental Affairs, February, 2006). (www.indiana.edu/~nonprof/results/npsurvey/inscomnorthwest.pdf)
 - Bloomington Nonprofits: Scope and Dimensions. Nonprofit Survey Series, Community Report #1, by Kirsten A. Grønberg and Curtis Child, Patricia Bortrager Tennen (Bloomington, IN: Indiana University School of Public and Environmental Affairs, December, 2005). (www.indiana.edu/~nonprof/results/npsurvey/inscombloomington.pdf)

Journal Articles and Book Chapters

- "Infrastructure and Activities: Relating IT to the Work of Nonprofit Organizations," by Richard Clerkin and Kirsten A. Grønberg. Pp. 3-20 in *Nonprofits and Technology*, edited by Michael Cortés & Kevin Rafter. Chicago: Lyceum Books. 2007.
 - "Nonprofit Advocacy Organizations: Their Characteristics and Activities," by Curtis Child and Kirsten A. Grønberg. *Social Science Quarterly* 88 (1, 2007) 259-81.
 - "The Capacities and Challenges of Faith-Based Human Service Organizations," by Richard Clerkin and Kirsten Grønberg. *Public Administration Review* 67 (1, 2007): 115-126.
 - "Nonprofits in Context: Assessing the Regional-level Correlates of Nonprofit Capacity Resources," by Curtis D. Child, Kirsten A. Grønberg, and Hun Myoung Park. Paper presented at the annual meetings of ARNOVA, Chicago, IL, November 16-18, 2006.
 - "Researching Collaborative Structures and/or Their Outcomes: Challenges of Measurement and Methodology." Paper presented at the annual meetings of the Academy of Management, Atlanta, GA, August 14-16, 2006.
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- "Nonprofit Networks and Collaborations: Incidence, Scope and Outcomes," by Kirsten Grønberg and Curtis Child. Paper presented at the annual meetings of ARNOVA, Washington, D.C., November 17-19, 2005.
 - "A Portrait of Membership Associations: The Case of Indiana," by Kirsten Grønberg and Patricia Borntrager Tennen. Paper presented at the annual meetings of ARNOVA, Washington, D.C., November 17-19, 2005.
 - "Examining the Landscape of Indiana's Nonprofit Sector: Does What you Know Depend on Where you Look?" by Kirsten A. Grønberg and Richard M. Clerkin. *Nonprofit and Voluntary Sector Quarterly* 34 (June 2005, No. 2): 232-59.
 - "The Role of Congregations in Delivering Human Services" by Richard M. Clerkin and Kirsten Grønberg. Paper presented at the Independent Sector Spring Research Forum, Washington, D.C., March 6-7, 2003.

Personal Affiliation Survey Analysis

We completed a survey of 526 Indiana residents in May 2001, designed to make it possible to evaluate the utility of an alternative approach to sampling Indiana nonprofits (as compared to drawing a sample from a comprehensive nonprofit database). The survey probed for the respondents' personal affiliations with Indiana nonprofits as employees, worshippers, volunteers, or participants in association meetings or events during the previous 12 months. We recorded the names and addresses of the church the respondent had attended most recently, of up to two nonprofit employers, up to five nonprofits for which the respondent had volunteered, and up to five nonprofit associations.

Journal Articles and Conference Presentations

- "The Role of Religious Networks and Other Factors in Different Types of Volunteer Work" by Kirsten Grønberg and Brent Never. *Nonprofit Management and Leadership* 14 (Winter 2004, No. 3):263-90.
- "Individual Engagement with Nonprofits: Explaining Participation in Association Meetings and Events" by Kirsten Grønberg. Paper presented at the ARNOVA Meetings, Montreal, Canada, November 14-16, 2002.
- "Volunteering for Nonprofits: The Role of Religious Engagement" by Kirsten Grønberg and Brent Never. Paper presented at the Association for the Study of Religion. Chicago, August 14-16, 2002.

Indiana Nonprofit Database Analysis

We developed a comprehensive database of 59,400 Indiana nonprofits of all types (congregations, other charities, advocacy nonprofits, and mutual benefit associations) using a unique methodology that combines a variety of data sources, most notably the IRS listing of tax-exempt entities, the Indiana Secretary of State's listing of incorporated nonprofits, and the yellow page listing of congregations. We supplemented these listings with a variety of local listings in eleven communities across the state and with nonprofits identified through a survey of Indiana residents about their personal affiliations with nonprofits. The database is available in a searchable format through a link at <http://www.indiana.edu/~nonprof>.

Journal Articles and Conference Presentations

- "Extent and Nature of Overlap Between Listings of IRS Tax-Exempt Registrations and Nonprofit Incorporation: The Case of Indiana" by Kirsten Grønberg and Laurie Paarlberg. *Nonprofit and Voluntary Sector Quarterly* 31 (No. 4, December, 2002): 565-94.
 - "Evaluating Nonprofit Databases." *American Behavioral Scientist* 45 (July, 2002, No. 10): 1741-77. *Resources for Scholarship in the Nonprofit Sector: Studies in the Political Economy of Information, Part I: Data on Nonprofit Industries*.
 - "Community Variations in the Size and Scope of the Nonprofit Sector: Theory and Preliminary Findings" by Kirsten A. Grønberg & Laurie Paarlberg. *Nonprofit and Voluntary Sector Quarterly* 30 (No. 4, December, 2001) 684-706.
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