



Nonprofit Employment Series  
Report #4

# INDIANA NONPROFIT EMPLOYMENT: 2009 UPDATE

AUGUST 2011

A JOINT PRODUCT OF

THE CENTER ON PHILANTHROPY AT INDIANA UNIVERSITY  
THE SCHOOL OF PUBLIC & ENVIRONMENTAL AFFAIRS AT INDIANA UNIVERSITY  
THE INDIANA BUSINESS RESEARCH CENTER AT INDIANA UNIVERSITY  
THE JOHNS HOPKINS NONPROFIT ECONOMIC DATA PROJECT

PREPARED BY

KIRSTEN A. GRØNBJERG, PROJECT DIRECTOR  
AND  
KELLIE L. MCGIVERIN-BOHAN, JACOB KNIGHT, KATHERINE NOVAKOSKI, AND VIRGINIA SIMPSON  
WITH  
KRISTEN DMYTRYK AND JASON SIMONS

Copyright © 2011 Kirsten A. Grønbjerg  
All rights reserved  
Printed in the United States of America

### **Acknowledgments**

This report was prepared as part of an ongoing project on the **Indiana Nonprofit Sector: Scope and Community Dimensions**, which is made possible by the support for the Efroymsen Chair in Philanthropy by the Efroymsen Fund at the Central Indiana Community Foundation, and the Indiana University Center on Philanthropy's Indiana Research Fund, supported in part by Lilly Endowment Inc. We are grateful to Carol O. Rogers, Victoria Nelson, and Jerry Conover at the Indiana Business Research Center for making the data on which this report is based available to us and for very helpful comments on the draft. We thank Kerry S. Brock for her efforts in preparing the basic framework for our analysis and S. Wojciech Sokolowski at the Center for Civil Society Studies for suggestions regarding some data issues we encountered. Finally, we thank Roger Frick and members of the Advisory Board for the Indiana Nonprofit Sector: Scope and Community Dimensions project as well as Bob Cross for helpful comments and suggestions.

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

### **Suggested Citation**

*Indiana Nonprofit Employment: 2009 Update*. Nonprofit Employment Report No. 4., by Kirsten A. Grønbjerg, Kellie L. McGiverin-Bohan, Jacob Knight,, Katherine Novakoski, and Virginia Simpson with Kristen Dmytryk and Jason Simons. (Bloomington, IN: Indiana University School of Public and Environmental Affairs, August, 2011).

# PROJECT ADVISORY BOARD

**Ellen K. Annala**

President & Chief Executive Officer, United Way of Central Indiana

**Keira Amstutz**

President & CEO, Indiana Humanities Council

**David J. Bennett**

Executive Director, Community Foundation of Greater Fort Wayne

**Roland M. Dorson**

President & CEO, Indianapolis Chamber of Commerce

**Reverend Charles Ellis**

Executive Director, Indianapolis Ten Point Coalition, Inc.

**Andy Fraizer**

Executive Director, Indiana Association for Community Economic Development

**Roger Frick**

President, Indiana Association of United Way

**John Hamilton**

Former Secretary, Indiana Family and Social Services Administration

**Gilbert Holmes**

Executive Director, Indiana Civil Liberties Union

**James Huston**

Executive Director, Indiana Office of Faith Based & Community Initiatives

**Harriet Ivey**

President & CEO, Nina Mason Pulliam Charitable Trust

**Sheila Kennedy**

Professor, School of Public & Environmental Affairs

**Abigail Lawlis Kuzma**

Director & Chief Council, Consumer Protection Division, Indiana Office of Attorney General

**Dave Lawrence**

President & CEO, Arts Council of Indianapolis

**Marissa S. Manlove**

President & CEO, Indiana Grant-Makers Alliance

**Scott T. Massey**

President & CEO, Meridian Institute

**Thomas P. Miller**

President & CEO, Thomas P. Miller and Associates

**Fran Quigley**

Director of Operations & Development, IU-Kenya Partnership

**Lewis Ricci**

Executive Director, Indiana Arts Commission

**Carol O. Rogers**

Deputy Director & Chief Information Officer, Indiana Business Research Center

**Patrick Rooney**

Executive Director, Center on Philanthropy at Indiana University

**Paula Parker Sawyers**

Director of Outreach & Partnerships, National Campaign to Prevent Teen and Unplanned Pregnancy

**Msgr. Joseph Schaedel**

Vicar General, Archdiocese of Indianapolis

**Rev. Timothy Shapiro**

President, Indianapolis Center for Congregations

**William Stanczykiewicz**

President & CEO, Indiana Youth Institute

**Pamela Velo**

Associate Vice President for Donor Services, Central Indiana Community Foundation

**Dr. Rev. Angelique Walker-Smith**

Executive Director, Church Federation of Greater Indianapolis

**Charlie White**

Indiana Secretary of State

**Susan Williams**

President, Indiana Sports Corporation



# Indiana Nonprofit Employment: 2009 Update

AUGUST 2011

## INDIANA NONPROFITS: SCOPE & COMMUNITY DIMENSIONS

### NONPROFIT EMPLOYMENT SERIES: REPORT #4

A joint product of

THE CENTER ON PHILANTHROPY  
AT INDIANA UNIVERSITY

THE SCHOOL OF PUBLIC &  
ENVIRONMENTAL AFFAIRS  
AT INDIANA UNIVERSITY

THE INDIANA BUSINESS  
RESEARCH CENTER AT INDIANA  
UNIVERSITY'S KELLEY SCHOOL OF  
BUSINESS

THE JOHNS HOPKINS  
NONPROFIT EMPLOYMENT  
DATA PROJECT

Prepared by  
KIRSTEN A. GRØNBJERG

KELLIE L. MCGIVERIN-BOHAN,  
JACOB KNIGHT, KATHERINE  
NOVAKOSKI AND VIRGINIA SIMPSON  
WITH KRISTEN DMYTRYK AND  
JASON SIMONS

## Table of Contents

Key Findings.....	1
<b>I. Introduction .....</b>	<b>2</b>
A. Why Nonprofit Employment Matters to Indiana.....	2
B. Methodology.....	3
<b>II. Major Changes since Report #3 .....</b>	<b>5</b>
A. Employment.....	5
B. Payroll.....	5
C. Industries.....	6
D. Regional Analysis .....	6
<b>III. 2009 Statewide Analysis.....</b>	<b>9</b>
A. The Nonprofit Sector as a Major Economic Force in 2009.....	9
Employment.....	9
Establishment Size .....	10
Payroll.....	11
Average Annual Wages.....	12
B. Distribution of Nonprofit Employment by Industries, 2009 .....	13
Overview of Major Nonprofit Industries .....	13
Health Services.....	14
Social Assistance.....	17
Education.....	18
Membership Associations.....	19
Art, Entertainment, and Recreation.....	20
C. Charitable Employment as a Proportion of all Nonprofit Employment.....	21
D. Nonprofit Wage Variations by Industry .....	22
Overview of Major Nonprofit Industries .....	22
Health Services.....	23
Social Assistance.....	24
Education.....	25
Membership Associations.....	27
Arts, Entertainment, and Recreation .....	27
Industries with Low Nonprofit Presence.....	28
<b>IV. Nonprofit Sector Growth, 2005-2009.....</b>	<b>30</b>
A. Employment Growth Trends.....	30
B. Payroll and Annual Wage Trends .....	30
C. Quarterly Trends in Nonprofit Employment.....	32
<b>V. Conclusion .....</b>	<b>33</b>

## Appendixes

Appendix A: The ES-202 Unemployment Insurance Labor Market Information Program.....	34
Appendix B: Nonprofit Employment in Indiana, By Metropolitan Statistical Area, 2009.....	38
Appendix C: Nonprofit Employment in Indiana, by Economic Growth Region, 2009 .....	39
Appendix D: Nonprofit Employment in Indiana, by County, 2009 .....	40
Appendix E: Total Employment, Payroll and Wages for Select Industries in Indiana, 2009.....	43
Appendix F: Nonprofit and Charitable Employment by Industry in Indiana, 2009 .....	44
Appendix G: Nonprofit Employment, Payroll and Wages for Select Industries in Indiana, 2009 .....	45
Appendix H: For-Profit Employment, Payroll and Wages for Select Industries in Indiana, 2009 .....	46
Appendix I: Government Employment, Payroll and Wages for Select Industries in Indiana, 2009 .....	47
Appendix J: Distribution of Indiana Nonprofit Employment by IRS Reporting Status, 2005, 2007, 2009.....	48
Appendix K: Project Publications and Reports .....	49

## Index of Figures

Figure 1: Indiana Metropolitan Statistical Areas.....	7
Figure 2: Indiana Economic Growth Regions .....	7
Figure 3: Share of Indiana total employment by sector, 2005-2009.....	9
Figure 4: Nonprofit employment compared to employment in other major Indiana industries, 2009.....	10
Figure 5: Average number of employees per Indiana establishment by sector, 2009.....	10
Figure 6: Estimated median number of employees per Indiana establishment by sector, 2009.....	11
Figure 7: Nonprofit sector total payroll compared to other major Indiana industries, 2009.....	12
Figure 8: Indiana average annual wages by sector, 2009.....	12
Figure 9: Nonprofit average annual wages compared to other major Indiana industries, 2009.....	12
Figure 10: Distribution of nonprofit employment by field, 2009.....	13
Figure 11: Nonprofit and charitable employment in Indiana and nationally, 2009.....	14
Figure 12: Sector share of employment in Indiana health service industries, 2009.....	15
Figure 13: Sector share of employment in Indiana hospital sub-industries, 2009.....	15
Figure 14: Sector share of employment in Indiana nursing and residential care sub-industries, 2009.....	16
Figure 15: Sector share of employment in Indiana ambulatory service sub-industries, 2009.....	16
Figure 16: Average number of employees per Indiana health services establishment by sector, 2009.....	16
Figure 17: Sector share of employment in Indiana social service industries, 2009.....	17
Figure 18: Average number of employees per Indiana social assistance establishment by sector, 2009.....	18
Figure 19: Sector share of employment in Indiana education industries, 2009.....	18
Figure 20: Average number of employees per Indiana educational establishment by sector, 2009.....	19
Figure 21: Sector share of employment in Indiana arts, entertainment, and recreation industries, 2009.....	20
Figure 22: Average number of employees per Indiana arts, entertainment, and recreation establishment by sector, 2009.....	21
Figure 23: Charities as a percentage of nonprofit establishments, employment, and payroll in major industries, 2009.....	22
Figure 24: Average annual wages in Indiana industries with high nonprofit presence by sector, 2009.....	22
Figure 26: Sector share of total annual payroll in Indiana health service industries, 2009.....	23
Figure 27: Average annual wages by sector in Indiana health services industries, 2009.....	24
Figure 28: Sector share of total annual payroll in Indiana social assistance industries, 2009.....	24
Figure 29: Average annual wages by sector in Indiana social assistance industries, 2009.....	25
Figure 30: Sector share of total annual payroll in Indiana education industries, 2009.....	26
Figure 31: Average annual wages by sector in Indiana education industries, 2009.....	26
Figure 32: Average annual wages by sector in Indiana membership association and related industries, 2009.....	27
Figure 33: Sector share of total payroll in Indiana arts, entertainment, and recreation industries, 2009.....	28
Figure 34: Average annual wages by sector in Indiana arts, entertainment, and recreation industries, 2009.....	28
Figure 35: Percent change in the number of employees by sector and industry, 2005-2009.....	31
Figure 36: Percent change in total payroll by sector and industry, 2005-2009.....	31
Figure 37: Percent change in average annual wages by sector and industry, 2005-2009.....	31
Figure 38: Quarterly employment by sector, 2005-2009.....	32

---

## KEY FINDINGS

Nonprofit organizations make significant contributions to the quality of life for the residents of Indiana. They are also a major force in the state's economy and in the economic health of all regions of the state. This report from the *Indiana Nonprofits: Scope and Community Dimensions* project presents new information on the size, composition, and distribution of paid employment in Indiana's private nonprofit sector. The report focuses on nonprofit employment in 2009 and updates and extends a previous analysis that focused on nonprofit employment in 2005.<sup>1</sup>

### *Major Employment Updates since 2005*

- **The nonprofit sector continues to be a major economic force in Indiana, accounting for nearly 1 out of every 11 paid workers in 2009, up from 1 in 12 in 2005.** This is more than twice the number of construction or wholesale trade workers. It also exceeds the number of workers in the accommodation and food industry.
- **Nonprofit employment grew by 5.9 percent between 2005 and 2009**, while total employment fell by 5.9 percent and for-profit employment declined by 8.6 percent.
- **Nonprofit employment growth was concentrated in the health and education industries.** From 2005 to 2009 nonprofit employment grew 9.6 percent in healthcare and 4.8 percent in education. By comparison, nonprofit employment decreased among arts, entertainment and recreation, social assistance, and membership organizations.
- **Nonprofit payroll grew rapidly, despite a decrease in total payroll.** Between 2005 and 2009 total payroll decreased by 7.5 percent (adjusted for inflation), while nonprofit payroll increased by 11.2 percent. The overall increase in nonprofit

---

<sup>1</sup> This is the fourth in a series of reports analyzing nonprofit employment trends. A forthcoming report (expected release fall 2011) will examine historical trends in nonprofit employment over the past two decades, including during the recession of the early 2000s and the beginning of the Great Recession.

payrolls was driven mainly by education and health care; nonprofit payroll decreased in social assistance and arts, entertainment and recreation.

- **Nonprofit average annual wages increased from 2005 to 2009.** Adjusted for inflation, nonprofit average annual wages grew 5.1 percent while for-profit average annual wages decreased by 2.7 percent. Nonprofit average annual wages grew the most in education (6.7 percent) and membership organizations (5.1 percent), held steady in social assistance, and actually declined in arts, entertainment and recreation (-3.1 percent).
- **The wage gap between nonprofit and for-profit employees has been reduced by half since 2005.** For-profit employees had annual wages 12.5 percent higher than nonprofit employees in 2005; this gap was only 6 percent in 2009.

### *Other Major Findings*

- The more than 245,600 nonprofit employees earned \$8.6 billion in wages in 2009.
- Over half (54 percent) of all nonprofit employees worked in healthcare, another 13 percent worked in education services, 11 percent in membership associations, 11 percent in social assistance, and 3 percent in arts, entertainment and recreation.
- Almost all (90 percent) nonprofit employees worked for charities, while only 58 percent of establishments are charities. This is largely because charities include large establishments such as private nonprofit colleges and hospitals.
- On average, nonprofit employees earned \$36,000 per year (those working for charities earn an average of \$36,600), reflecting high average payments in hospitals, ambulatory services, colleges and universities, and grant-making. Government employees earned \$39,000 and for-profit workers \$38,300 on average. The latter includes many very low paid workers in the accommodations and food industry.
- Nonprofit employment is found in nearly every industry in 2009; only mining, public administration, and spectator sports were exceptions.



---

# I. 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 civic engagement. They are also a major force in the state's economy and in the economic health of all regions of the state.

This 2011 report presents new information on the size, composition, and distribution of paid employment in Indiana's private nonprofit sector. The fourth in a series of statewide employment analyses,<sup>2</sup> it focuses mainly on 2009 employment figures for the state as a whole. We also provide some comparisons to 2005 and 2007 as a first look at the impact of the Great Recession on nonprofit employment. Subsequent reports will explore trends in nonprofit employment back to 1989 as well as more detailed trend analyses for major industries and the state's economic growth regions.

The report 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, and the challenges it is facing. For additional information about the project and to access this and other project reports, please visit [www.indiana.edu/~nonprof](http://www.indiana.edu/~nonprof).

## A. WHY NONPROFIT EMPLOYMENT MATTERS TO INDIANA

Analysis of employment in Indiana's nonprofit sector serves two major purposes. First, it helps us better understand the sector overall. While there are important insights to be gained by focusing on volunteers or other aspects of nonprofit organizations, employment data offer unique opportunities to better understand the extent and complexity of the nonprofit sector. For example, the timeliness and accuracy of

employment data can present a more detailed picture of the sector's growth patterns than the number of organizations alone, due to lags in removing closed institutions and less frequent data collection. Additionally, employment information provides insights into nonprofit contributions in particular industries and allows for comparisons with the for-profit and public sectors. For example, in some industries wages of nonprofit workers are comparable to or higher than their for-profit peers; this finding challenges the common conception that nonprofit workers are severely underpaid.<sup>3</sup>

Second, data on nonprofit employment is useful in understanding Indiana's overall economic development and health. For example, hospitals and other healthcare organizations play a significant role in Indiana's *Biocrossroads Initiative*, a public-private collaboration dedicated to growing Indiana's life sciences industries. In this study, we find that nonprofit establishments account for 40 percent of all healthcare workers and 65 percent of all hospital employees – information that might be useful for this initiative.

More generally, many nonprofit industries contribute to the state's overall quality of life. For example, arts and culture activities enrich our communities; educational institutions and job training programs help workers prepare for careers in new industries or gain new skills to apply in their current professions; and membership organizations help bring people together to share common interests and in the process promote democratic participation. Scholars like Richard Florida suggest that such community enhancing features can significantly contribute to overall economic development and job growth.<sup>4</sup> Nonprofit establish-

---

<sup>3</sup> For more information on the utility of nonprofit employment data, see Lester Salamon & Wojciech Sokolowski. (2005). Nonprofit organizations: new insights from QCEW data. *Monthly Labor Review*. Copy available at [www.bls.gov/opub/mlr/2005/09/art3full.pdf](http://www.bls.gov/opub/mlr/2005/09/art3full.pdf)

<sup>4</sup> For example, see: Florida, Richard and Gates, Gary. (2001). *Technology and Tolerance: The Importance of Diversity to High-Technology Growth*, (Washington, DC: Brookings Institution Center on Urban and Metropolitan Policy). Harvey Goldstein and Michael Lugar. (1993). *Theory and Practice in High-Tech Economic Development*, in Richard Bingham and Robert Mier, ed., *Theories of Local Economic Development*, (Thousand Oaks, CA), Ch. 7, pp. 147-171.

---

<sup>2</sup> Report #1 (2003) compared 1995, 2000 and 2001. Report #2 looked at trends from 2000-2003. Report #3 focused on changes over the 2001-2005 period.

---

ments employ approximately one in eleven Indiana workers – more than construction or accommodation and food services – and are a vital component of the overall economy.

## B. METHODOLOGY

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. The program 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).<sup>5</sup> 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.

Under federal law, almost 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 fewer than four workers are not required to take part in the unemployment insurance system, although some do. The significance of this exclusion is unknown as some charities and a few religious organizations nevertheless elect to be covered by the unemployment insurance system.<sup>6</sup> Be-

cause of these exclusions, however, we are confident that our analysis underestimates nonprofit employment in Indiana, perhaps 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.<sup>7</sup> 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 other types of organizations. 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 for some states 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 fewer than four workers) are not required to participate in the CEW reporting systems. Still others cannot be identified as nonprofits,<sup>8</sup> most notably those that are not required

---

other religious organizations or other small nonprofits are not represented in the data, although we know that there are about 10,000 religious congregations in Indiana (see Kirsten A. Grønberg, “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.*)

<sup>7</sup> Although some units of government are registered with the IRS as charities, our analysis of nonprofit employment excludes all employees of government-owned establishments. They are counted as government employees.

<sup>8</sup> Unfortunately, Indiana is not one of the handful of states, such as Maryland, that assign discrete identification numbers to nonprofits that align with QCEW data. 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

---

<sup>5</sup> For further details, please see: U.S. Department of Labor, Bureau of Labor Statistics. *BLS Handbook of Methods*. “Chapter 5: Employment and Wages Covered by Unemployment Insurance” available at [http://www.bls.gov/opub/hom/homch5\\_a.htm](http://www.bls.gov/opub/hom/homch5_a.htm).

<sup>6</sup> The 2009 data used for this report include 58 religious organizations, about 9 percent of all reported nonprofit membership associations in Indiana. In addition, 1,881 nonprofit organizations (856 of which are charities) reporting in 2009 had fewer than four employees; however, this set of nonprofits accounted for just 0.6 percent of all nonprofit employees and total nonprofit payroll. These organizations reported without being required to do so, but there is no way for us to estimate how many

---

to register as tax-exempt entities with the IRS because they did not meet the revenue threshold for filing,<sup>9</sup> 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 April of the previous year because we know that the process of obtaining IRS tax-exempt status and of being included on the IRS list of tax-exempt organizations 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 or to be included on the available listing. 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.

---

have significant gaps and may fail to capture as many as 40 to 50 percent of nonprofits in the state. Most likely, however, the great majority of the larger ones are included in our analysis.

<sup>9</sup> Beginning in 2007 the IRS has required small tax-exempt organizations (i.e., with gross receipts normally under \$25,000) to file basic organizational information via Form 990-N or "e-postcard." This regulatory change should have little effect on our analysis, since such small organizations usually lack paid staff members. For more information, see "IRS Exempt Status Initiative: Indiana Nonprofits and Compliance with the Pension Protection Act of 2006" by Kirsten A. Grønbjerg, Kellie McGiverin-Bohan, Kristen Dmytryk, and Jason Simons, Bloomington, Indiana: School of Public and Environmental Affairs, July 1, 2011. Available at <http://www.indiana.edu/~nonprof/results/database/INS.IRSRevocation.pdf>

---

## II. MAJOR CHANGES SINCE REPORT #3

This current analysis (Report #4 of the *Indiana Nonprofit Employment Analysis* series) in part serves to update the findings from Report #3, which largely focused on year 2005. When we compare years 2005 and 2009, we find some patterns have remained unchanged while other new features have also emerged. This is not surprising considering the impacts of the Mortgage Boom and subsequent Great Recession on Indiana's overall economy. For example, in 2005 Indiana's per capita personal income in general was growing (and would continue to grow until a little after 2008), after which it declined. Additionally, unemployment almost doubled from 2005 to 2009 (from approximately 5.1 to 10.1 percent).<sup>10</sup>

### A. EMPLOYMENT

Since our previous report (which captured employment through 2005), overall employment has declined in Indiana. However, the decline is concentrated in for-profit employment; nonprofit and government employment actually increased from 2005 to 2009.

- Total paid employment has decreased by 169,000 jobs from 2.9 to 2.7 million (-5.9 percent) since 2005.
- Nonprofit paid employment increased by 13,600 jobs, from 232,000 to 245,600 (5.9 percent).
- Government employment increased by 11,200 jobs, from 397,500 to 408,700 (2.8 percent).
- For-profit paid employment decreased by 193,900 jobs, from 2.3 to 2.1 million (-8.6 percent).

For more details, see page 9 for statewide employment and page 12 for employment in key nonprofit industries.

### B. PAYROLL

Total payroll in Indiana has decreased since 2005, but nonprofit payroll has increased notably. (The following figures are adjusted for inflation and are in 2009 U.S. dollars.)<sup>11</sup>

- From 2005 to 2009 total Indiana payroll decreased by more than \$8 billion, from \$111.8 billion to \$103.5 billion (-7.5 percent).
- Nonprofit employment payroll increased by \$892.8 million, from \$7.9 billion to \$8.8 billion (11.2 percent) from 2005 to 2009, driven mainly by increases in payrolls for health and education.
- For-profit payroll decreased by \$9.8 billion, from \$88.8 billion to \$78.7 billion (-11.1 percent) from 2005 to 2009.
- Government payroll increased by \$558.4 million, from \$15.4 billion to \$15.9 billion (3.6 percent) from 2005 to 2009.

Average annual wages decreased from 2005 to 2009 (adjusted for inflation). Although wages for nonprofit workers still trail those of for-profit and government workers, their wages increased over this time period while those of for-profit employees decreased.

- Indiana average annual wages decreased by about \$650 (from \$38,909 to \$38,258) between 2005 and 2009 (-1.7 percent).
- Nonprofit average annual wages increased by over \$1,700 (from \$34,323 to \$36,508) between 2005 and 2009 (5.1 percent), driven mainly by increases in education, membership associations and health.
- For-profit average annual wages decreased by over \$1,000 (\$39,418 to \$38,368) from 2005 to 2009 (-2.7 percent).

---

<sup>10</sup> More information on Indiana economic indicators can be found at Stats Indiana at [www.stats.indiana.edu](http://www.stats.indiana.edu).

---

<sup>11</sup> Figures were adjusted for inflation based on the Consumer Price Index. For more information, visit <http://data.bls.gov/cgi-bin/cpicalc.pl>.

- 
- Government average annual wages increased by over \$300 (\$38,721 to \$39,025) from 2005 to 2009 (0.8 percent).

See page 11 for more detail on payroll changes.

## C. INDUSTRIES

There have been no substantial changes in the major nonprofit industries in Indiana since 2005.

- Health services, educational services, social assistance, membership association, and arts, entertainment, and recreation represented 92 percent of all nonprofit employment in Indiana. (In 2005, they made up 91 percent.)
- Nonprofit employment also constituted a large percentage of total employment in industries not traditionally viewed as nonprofit employers. For example, nonprofit employment accounted for nearly 16 percent of total employment in utilities and more than one-tenth (13.5 percent) of those employed in the management of companies and enterprises.
- Nonprofit employment is found in nearly every industry in 2009; only mining, public administration, and spectator sports were exceptions.
- Health services, the largest nonprofit employer, increased its share of nonprofit employment from 52 percent in 2005 to 54 percent in 2009. .

## D. REGIONAL ANALYSIS

We summarize briefly here Indiana regional employment using both Metropolitan Statistical Areas (MSA) as well as Economic Growth Regions (EGR). MSA definitions are not the same as the EGR boundaries, though there is some overlap (Figure 1 and Figure 2). Also, EGRs account for the entire state since every county is part of an EGR; only counties surrounding and economically tied to a metropolitan city are part of MSAs.<sup>12</sup> Using both types of regions allows us to

---

<sup>12</sup> The U.S. Census Bureau defines an MSA as a large population nucleus, together with adjacent communities having a high degree of social and economic integration with that core. New

produce a more complete picture of employment differences across the state. We will release more in-depth regional reports later this year.<sup>13</sup>

In this section, we analyze regional nonprofit employment in two ways. First, we look at nonprofit employment as a percentage of total employment in the region, and then we compare regional shares of total state nonprofit employment.

While statewide nonprofit employment increased, the percentage of nonprofit employment as part of total employment increased in only five of the 14 MSAs from 2005 to 2009:

- The five MSAs where nonprofit employment as a percentage of total employment increased were the cities of Elkhart, Gary/Northwest, Indianapolis, Kokomo, and South Bend and their economically integrated surrounding counties.
- The largest increase in the percentage of nonprofit employment was in the Elkhart MSA, which increased from 6 percent to 8 percent.<sup>14</sup>
- The largest increase in the total number of nonprofit employees was in the Gary/Northwest MSA, where nonprofit employment increased by almost 2,000 employees.<sup>15</sup>

---

areas usually are added annually; definitions of existing areas are updated only after each decennial census, in years ending in 3. For more information, visit [http://quickfacts.census.gov/qfd/meta/long\\_metro.htm](http://quickfacts.census.gov/qfd/meta/long_metro.htm).

<sup>13</sup> More details on nonprofit employment for 2009 are available in Appendix B for MSA regions, in Appendix C for EGRs, and in Appendix D for counties.

<sup>14</sup> This is due to a large decrease in total employment in the region and reflects nonprofit employment's increased share of total employment, rather than an increase in nonprofit employees. The total number of nonprofit employees actually fell in the region, but it fell much less than total employment.

<sup>15</sup> This is the only MSA region where the actual number of nonprofit employees increased; the four other percentage increases reflect the increased nonprofit share of a declining regional employment base.

We found that the percentage of nonprofit employment to total employment increased in all EGRs from 2005 to 2009.<sup>16</sup>

- EGR 2 (north central Indiana) had the highest regional percentage of nonprofit employment in both 2005 and 2009, respectively 11 and 13 percent. Actual employment numbers increased by about 250 employees.
- The greatest gain in the number of nonprofit employees occurred in EGR 5 (central Indiana), which saw an increase of almost 7,500 nonprofit employees.<sup>17</sup>
- EGR 10 (south central Indiana), had the smallest percentage of nonprofit employment and grew from 4 percent in 2005 to nearly 5 percent in 2009. The actual number of nonprofit employees increased by about 500.

To find regional shares of state employment, we divided each region's nonprofit employment by total state nonprofit employment. When analyzing regional shares of state nonprofit employment we find few changes for MSA regions:

- Only the Gary/Northwest MSA increased its share of statewide nonprofit employment from 2005 to 2009, but only from 11 percent to 11.1 percent. Nonprofit employment outside the MSA regions increased by about 8 percent, indicating that nonprofit employment in rural areas is increasing faster than in metropolitan regions.
- In both 2005 and 2009, the area surrounding Indianapolis had the greatest share of state nonprofit employment, a little over 30 percent.

- The MSA with the second largest share of state nonprofit employment was Gary/Northwest, accounting for about 11 percent in both years.

**Figure 1: Indiana Metropolitan Statistical Areas**



**Figure 2: Indiana Economic Growth Regions**



<sup>16</sup> Although the percentage of nonprofit employment increased in all EGRs, the actual number of nonprofit employees did not always increase. As total employment decreased rapidly in these years, the share of nonprofit employment increased, but in EGRs 6 (east central Indiana) and 9 (southeast Indiana) the actual number of nonprofit employees decreased.

<sup>17</sup> While the Indianapolis EGR gained 7,500 nonprofit employees from 2005 to 2009, the Indianapolis MSA lost about 1,000 nonprofit employees in that same time period.

We found that the EGRs with the highest percentages of total state nonprofit employment in 2005 increased their shares by 2009:

- 
- EGR 5 (central Indiana) accounted for 30 percent of total Indiana nonprofit employment in 2005; in 2009 that number grew to just over 31 percent. It had the highest share of Indiana nonprofit employment in both years.
  - From 2005 to 2009, three EGRs increased their share of total state nonprofit employment. These were EGRs 5 (central), 1 (northwest), and 10 (south central Indiana). All other EGRs' total share of state nonprofit employment decreased.

See forthcoming regional reports (late 2011) for more details.

### III. 2009 STATEWIDE ANALYSIS

The nonprofit sector – comprised of 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 and social force in Indiana. These organizations improve quality of life for the state’s residents by providing a rich array of important services and employment opportunities for many workers. But the nonprofit sector – membership associations in particular – also provides an established framework for developing communal networks, strengthening civic engagement, and enhancing social capital, all factors associated with “improvements in numerous aspects of individual, organizational, and community success.”<sup>18</sup>

#### A. THE NONPROFIT SECTOR AS A MAJOR ECONOMIC FORCE IN 2009

The nonprofit share of the state’s employment base has increased to more than 9 percent – one out of every eleven Hoosier workers is employed at a nonprofit organization. Nonprofits are also prominent in some of Indiana’s key growth industries, like healthcare.

#### Employment

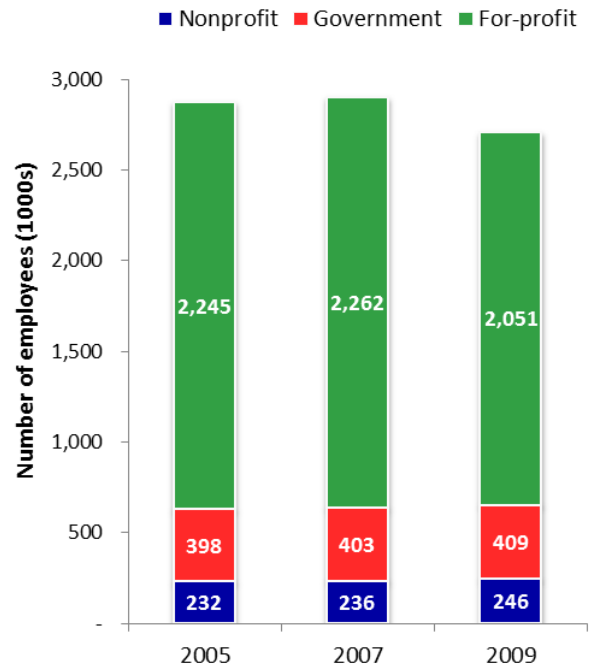
In 2009 nonprofit organizations employed at least 245,600 paid workers in Indiana (bottom segment in the last bar in Figure 3), including 221,400 that worked for registered charities. This reflects a 5.9 percent increase in the number of nonprofit workers and a 6.9 percent increase in the number of charity workers since 2005.

- Overall, 9 percent of Indiana employees worked at a nonprofit organization, or one out of every 11 workers. The nonprofit share of state total employment increased by nearly one percentage

<sup>18</sup> Gregory Saxton and Michelle Benson, “Social Capital and the Growth of the Nonprofit Sector,” *Social Science Quarterly*, 86.1, 2005, 16-35, pg. 19.

point since 2005 due to the slight increase in nonprofit employment and a significant decrease in for-profit employment.

**Figure 3: Share of Indiana total employment by sector, 2005-2009**



To put these numbers in context, consider the following (Figure 4):

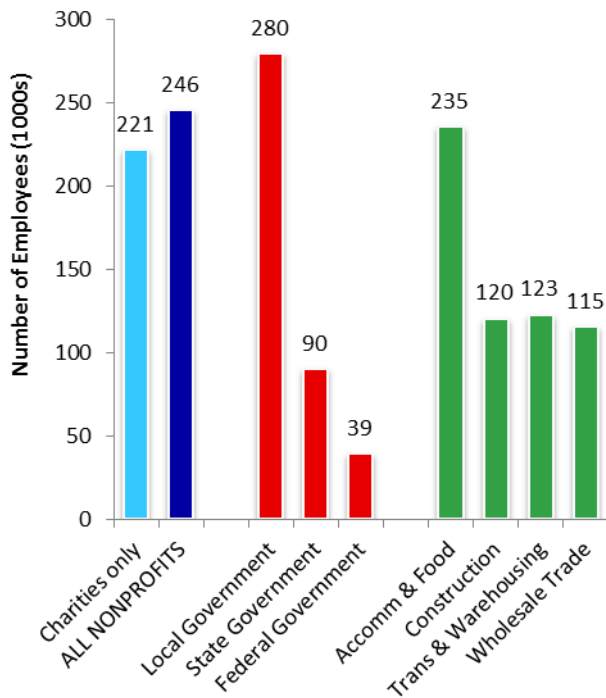
- Nonprofit employment is now larger (by 10,000 workers) than the food and accommodation industry; in 2005 nonprofits employed fewer persons than the food and accommodation industries (235,000 food workers to 233,000 nonprofit workers).<sup>19</sup>
- Nonprofits employ more persons than the construction and transportation industries combined.
- Indiana’s nonprofit sector employs more than twice as many workers in Indiana as state and federal governments combined, but 34,000 persons less than local governments.

<sup>19</sup> See Appendix E for information on total employment by industry in Indiana for 2009.



- Within the nonprofit sector, 90 percent of employees worked for charities.
- Total nonprofit employment is lower than employment in manufacturing (442,000) and retail trade (308,000), despite declines in both of these industries since 2005.

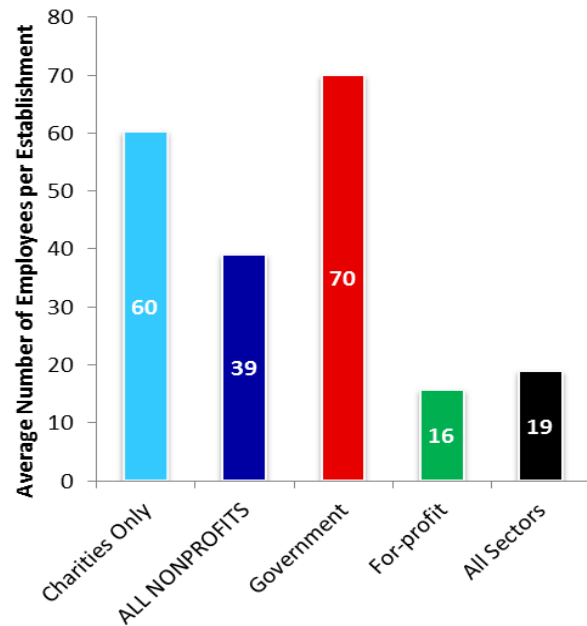
**Figure 4: Nonprofit employment compared to employment in other major Indiana industries, 2009**



## Establishment Size

The average number of employees per establishment location (establishment size) varies greatly by industry and sector. As Figure 5 shows, the overall average is 19 workers per establishment, but 39 for nonprofit establishments and more than twice the number of persons than the average for-profit establishment. The high average size of nonprofit institutions reflects the presence of large nonprofit hospitals, and the high average size of government institutions reflects large public universities.<sup>20</sup>

**Figure 5: Average number of employees per Indiana establishment by sector, 2009**



- The industries with the largest establishments for the state as a whole are general medical and surgical hospitals (993 workers per establishment), which tend to be nonprofit, and colleges and universities (763 employees per establishment), which tend to be public.
- The largest average nonprofit establishments are found in the same types of industries, general medical and surgical hospitals (1,402 persons per establishment) and colleges and universities (446 employees per establishment). These numbers were nearly identical for charities, since education and health establishments tend to be charities.
- The largest institutions in the government sector are colleges and universities (2,784 employees per establishment), followed by general medical and surgical hospitals (764).

ees (and to just fewer than four for charities). When the same adjustment is made for government establishments, the average number employees decreased to 52, while for-profits remained constant at 15 workers. The nonprofit sector had larger hospitals than government, but public universities (including most notably Indiana University and Purdue University) were much larger than nonprofit higher education establishments.

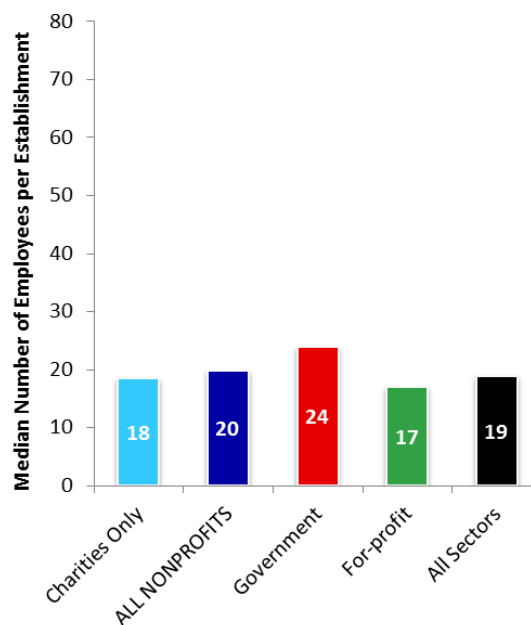
<sup>20</sup> When industries with particularly large establishments (hospitals and universities) are excluded from our calculations, the average size of nonprofit establishments decreases to six employ-

- The largest establishments in the for-profit sector are also general medical and surgical hospitals (438) and specialty hospitals (178). The average for-profit manufacturing establishment in Indiana employed about 50 people. While there are many large for-profit manufacturing firms in the state, many of their workers are spread across multiple establishments, reducing the average size of for-profit establishments.
- Nonprofit medical and surgical hospitals represent less than 1 percent of all nonprofit institutions, but they employ about 35 percent of the nonprofit workforce.

The presence of a few very large establishments in the nonprofit and public sectors obscures the more typical size of these establishments. Because we do not have access to data for individual establishments, we cannot compute the more appropriate median (or middle) values. However, we did calculate an approximate median number of employees per establishment.<sup>21</sup> These middle values control for the drastic impact of industries with few but very large entities, such as universities and hospitals in the nonprofit and government sectors, and therefore reveal the more typical size of establishments across the sectors.

As Figure 6 shows, with that adjustment, the median nonprofit establishment has an estimated 20 employees, slightly higher than the median for the state as a whole (19 employees) and for-profit establishments (17 employees). Charities, at about 18 employees per establishment, remain larger than nonprofits in general. Government establishments are still the largest with an estimated median of 24 employees per establishment.

**Figure 6: Estimated median number of employees per Indiana establishment by sector, 2009**



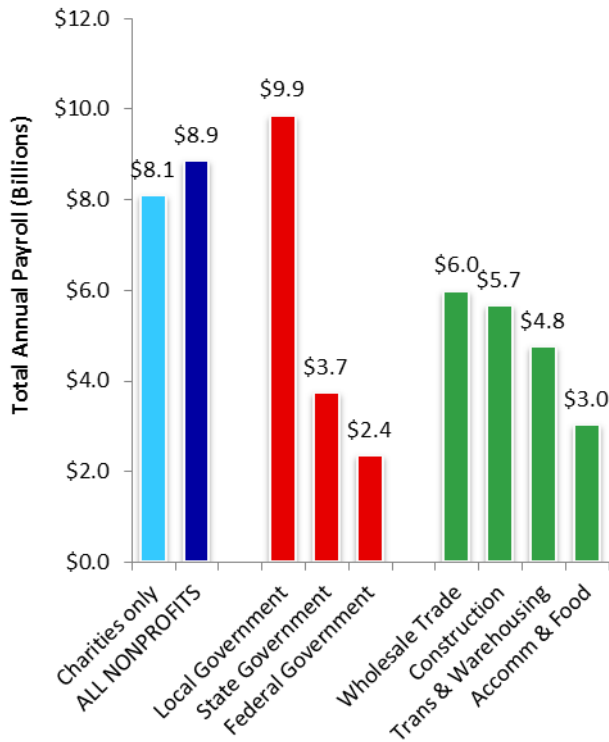
## Payroll

In 2009, Indiana employees earned over \$103.5 billion in payroll. Figure 7 illustrates nonprofit payroll compared to other selected industries. The nonprofit sector accounted for almost 9 percent of the total payroll (\$8.9 billion), with charities by themselves accounting for 8 percent (\$8.1 billion).

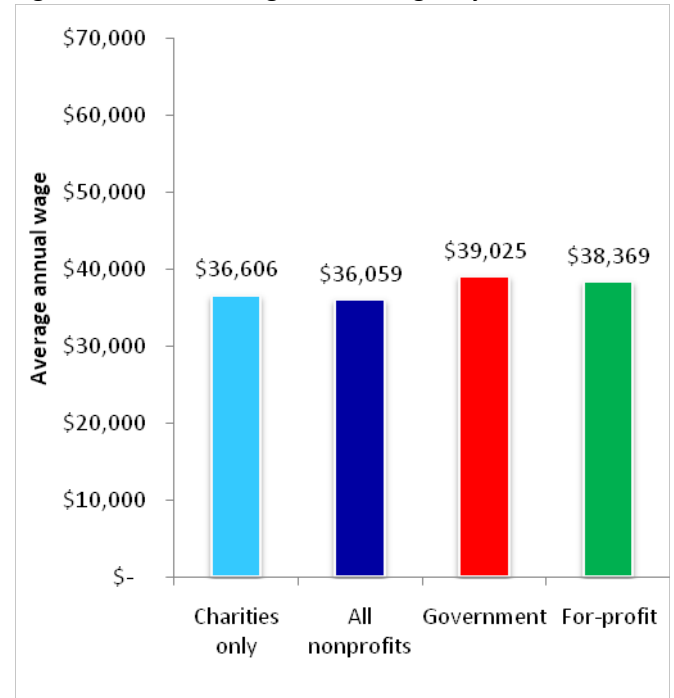
- The \$8.9 billion payroll for Indiana nonprofits is higher than the total payrolls for the wholesale trade (\$6 billion), construction (\$5.7 billion), transportation and warehousing (\$4.8 billion), and accommodation and food (\$3 billion) industries.
- Total nonprofit payroll is still much less than combined government payroll (\$15.9 billion). It is, however, larger than state and federal government payroll combined (\$3.7 billion and \$2.4 billion).
- Total payroll for all nonprofits is about 40 percent of the size of total payroll in manufacturing, the industry with the highest payroll in Indiana (\$23.2 billion).
- The nonprofit share of total payroll varies widely by industry. Thus nonprofits account for 66 percent of total social assistance payroll, but only 13 percent of education payroll. For more detail see analysis starting on page 22.

<sup>21</sup> To calculate median establishment size, we would first calculate the aggregate establishment size for each industry at the smallest level of aggregation possible. The values are then sorted by establishment size and the middle value is determined. We then use the industry with the median establishment size to counteract the effect of the unusual frequency distribution of establishments.

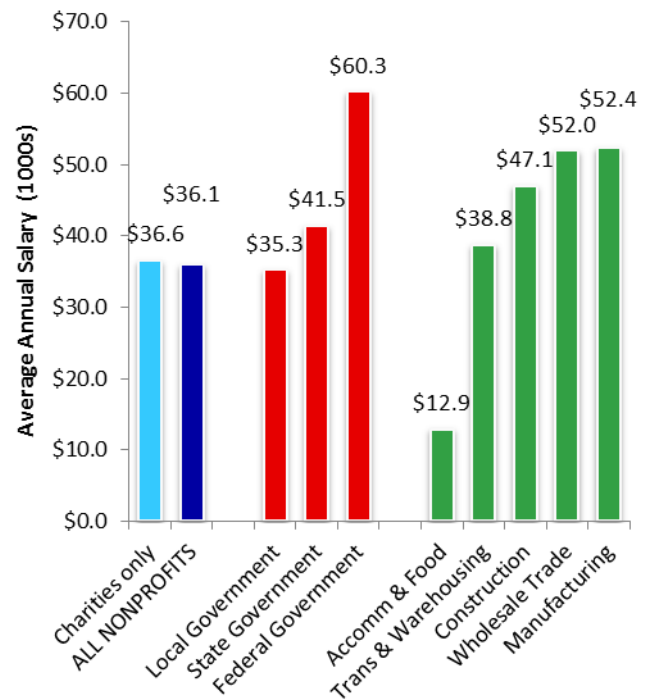
**Figure 7: Nonprofit sector total payroll compared to other major Indiana industries, 2009**



**Figure 8: Indiana average annual wages by sector, 2009**



**Figure 9: Nonprofit average annual wages compared to other major Indiana industries, 2009**



## Average Annual Wages

- In 2009, average annual wages for all sectors were in the mid to high \$30,000s. Nonprofit wages (\$36,000) were about 8 percent lower than combined government (\$39,000) and 6 percent lower than for-profit wages (\$38,300) (Figure 8).
- The nonprofit wage gap has declined since 2005, when nonprofit employees on average earned 11 percent less than the average government employee and 12 percent less than the average for-profit worker. The gap decreased only slightly between 2005 and 2007, when nonprofit average wages were about 9 percent less than average government wages and about 11 percent less than for-profit wages. The substantial decrease in the nonprofit wage gap from 2007 to 2009 may reflect both the effects of the economic downturn on for-profit industries and growth in the well-paying nonprofit health and education industries.
- Figure 9 illustrates the average annual wages in Indiana's nonprofit sector compared to entire selected industries and the public sector.

- As described in greater details on pages 22-28, average nonprofit wages are boosted by high nonprofit wages in hospital, ambulatory services, colleges/universities, and grant-making industries.

- Average nonprofit wages were nearly three times that of average food and accommodation wages (\$12,900).
- While nonprofit average annual wages were less than government wages (especially federal government wages--\$60,300), they were higher than the average annual wages of local government workers (\$35,300).
- The average annual nonprofit wage was significantly lower than the average wage in construction (\$47,100) and wholesale trades (\$52,400), though comparable with the average annual wage of transportation and warehousing (\$38,800).
- The average nonprofit wage was also significantly lower than the average manufacturing wage (\$52,400) – the largest industry in terms of employees in Indiana.

## B. DISTRIBUTION OF NONPROFIT EMPLOYMENT BY INDUSTRIES, 2009

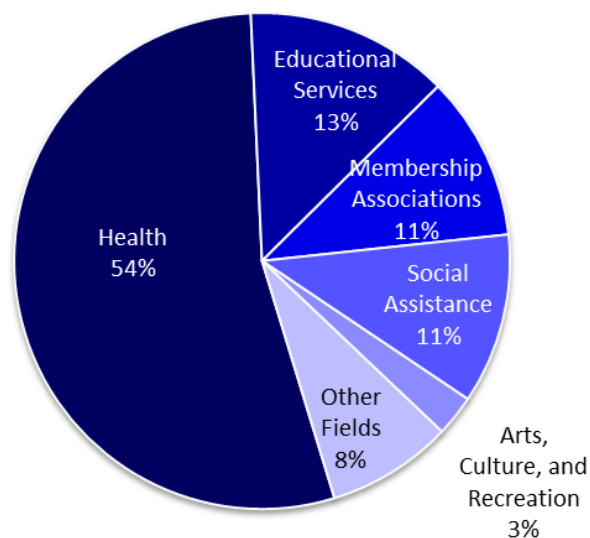
Of the five major industries that employ over 90 percent of all nonprofit workers in Indiana, the health field's share of nonprofit employment has continued to grow. The percentage of nonprofit workers employed in educational services has remained consistent, while the share of nonprofit employment in membership associations, social assistance organizations, and other industries has declined slightly.<sup>22</sup>

### Overview of Major Nonprofit Industries

The health industry continues to dominate nonprofit employment (Figure 10), followed by education, membership associations, and social assistance with arts, entertainment and recreation lagging behind. These five industries make up 92 percent of total nonprofit employment in Indiana.

- The **health services** industry accounted for 54 percent of all nonprofit employment in Indiana and was larger than all other nonprofit industries combined. The share of health services in overall nonprofit employment has increased since 2005, when health services organizations comprised 51 percent of nonprofit employment. The health services industry includes jobs in hospitals, nursing and personal care facilities, clinics, and home health care.<sup>23</sup>

**Figure 10: Distribution of nonprofit employment by field, 2009**



- **Education** is the second largest industry, accounting for 13 percent of total nonprofit employment and includes jobs in private nonprofit colleges, universities, and elementary and secondary schools. This percentage is unchanged from previous years.
- **Membership associations** and **social assistance** organizations each comprises about 11 percent of total nonprofit employment in Indiana. Both percentages are relatively unchanged from previous years. Membership associations include business, professional, labor, political, religious,

<sup>22</sup> Some industry-level details are available in Appendix F for charitable (and nonprofit) employment. More details are available in Appendix G for nonprofit employment, in Appendix H for for-profit employment, and in Appendix I for government employment.

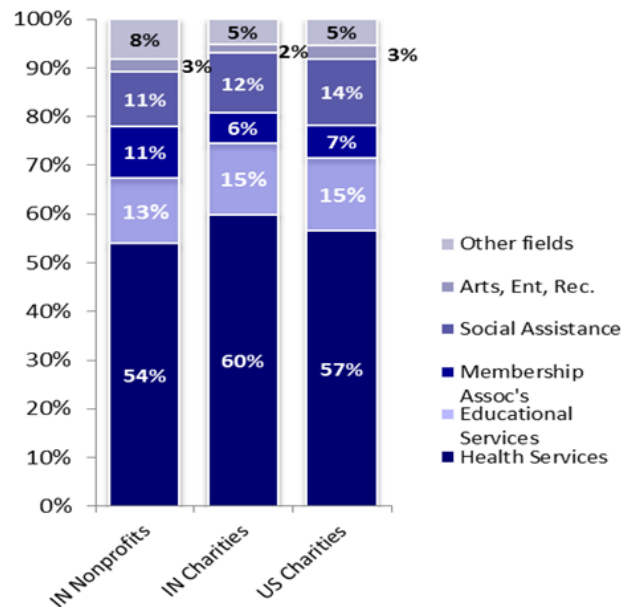
<sup>23</sup> Although the NAICS classification system groups health services and social assistance together as NAICS 62, we have separated social assistance (NAICS 624) from health-related employment both here and throughout the report in order to simplify our presentation.

mutual benefit, and civic and social membership associations. The latter includes neighborhood associations, recreation and hobby clubs, and environmental organizations.<sup>24</sup> Social assistance jobs include 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, account for 3 percent of total nonprofit employment. This category also includes museums, botanical gardens, and zoos. This percentage is unchanged from previous years.
- Nonprofit employment in a range of **other industries** accounted for 8 percent of all nonprofit jobs. These jobs are spread across a range of industries, including manufacturing, finance and insurance, management of companies and enterprises, utilities, and retail trade, each of which accounted for just over 1 percent of Indiana’s total nonprofit employment. Other industries that make up less than 1 percent of nonprofit employment include information, professional, scientific, and technical services; accommodation and food; and real estate.<sup>25</sup>

- The distribution of charitable employment in Indiana is almost identical to the estimated distribution<sup>26</sup> of charitable employment in the U.S. (Figure 11). The largest difference is that 60 percent of Indiana charitable workers are in the industry of health services, while this is only 57 percent at the national level. There is no nationwide estimate of employment in nonprofits other than charities.

**Figure 11: Nonprofit and charitable employment in Indiana and nationally, 2009**



Data sources: Indiana CEW system, and Johns Hopkins Employment Data Project based on CEW data (2006) with estimated 2009 data.

## Health Services

The health services industry employs over half (54 percent) of the nonprofit workforce in Indiana. Health service providers are also the largest establishments in Indiana’s nonprofit sector.

## Employment

The nonprofit sector accounted for 40 percent of the state’s overall health services employment in 2009 and

nonprofit employees; and Real Estate and Rental and Leasing (NAICS 53) with 789 nonprofit employees.

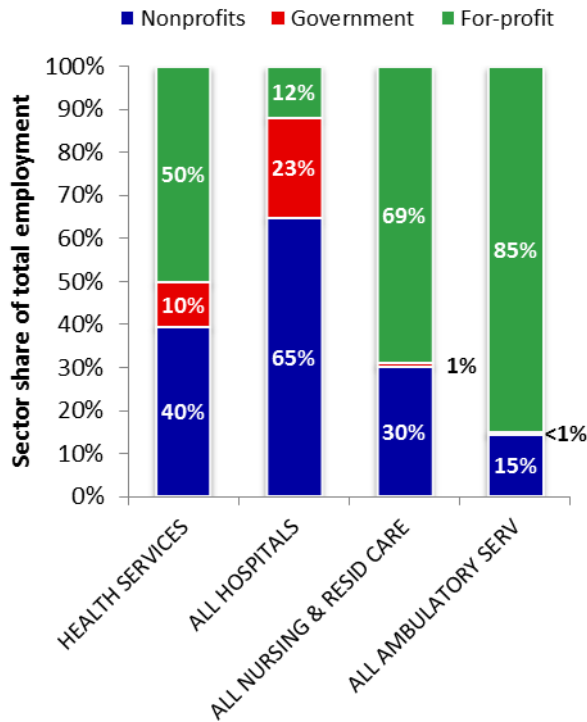
<sup>26</sup> We used overall growth trends by industry to calculate the estimated number of nationwide charities in 2009.

<sup>24</sup> Some membership associations, most notably religious congregations, are not required to register with the IRS as tax-exempt organizations. Others are classified as private associations. On the assumption that all of these private membership associations are indeed nonprofit, we reclassified 369 private associations with 2,122 employees and total payroll of \$50.5 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.

<sup>25</sup> Industries with few nonprofit employees included Finance and Insurance (NAICS 52) with 3,946 workers, about three-fourths (3,094) of whom worked in Credit Intermediation and Related Activities (NAICS 522); Management of Companies and Enterprises (NAICS 55) with 3,704 nonprofit employees; Utilities (NAICS 22) with 2,639 nonprofit employees; Retail Trade (NAICS 44-45) with 2,501 nonprofit employees; Information (NAICS 51) with 1,701 nonprofit employees; Professional, Scientific, and Technical Services (NAICS 54) with 1,481 nonprofit employees; Accommodation and Food (NAICS 721) with 1,237

makes up a significant portion in all detailed health industries (Figure 12).

**Figure 12: Sector share of employment in Indiana health service industries, 2009**

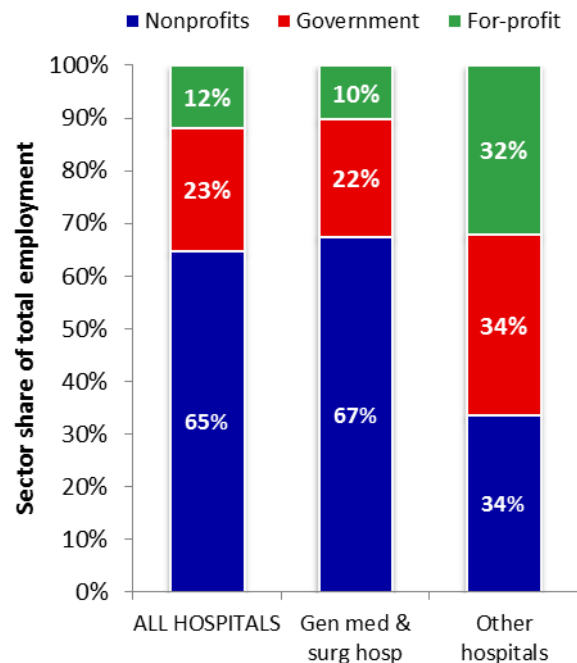


- Nonprofit employment accounted for nearly two thirds (65 percent) of all hospital employment in Indiana. Government hospitals accounted for almost a quarter (23 percent), with for-profit establishments making up the remaining 12 percent.
- About one-third (30 percent) of nursing and residential care employment was in the nonprofit sector, while nearly 70 percent of employees in this specific industry worked in for-profit institutions.
- Nonprofits employed nearly 15 percent of the ambulatory services workforce. For-profit establishments employ the vast majority (85 percent) of workers in this sub-industry.
- While government accounted for nearly one quarter (23 percent) of all hospital workers, public employment in nursing and residential care and ambulatory services is nearly nonexistent (about 1 percent in each).

Employment in hospitals, nursing and residential care facilities, and ambulatory services make up 100 percent of nonprofit employment in the health field. An analysis of each of these industries shows that the nonprofit sector accounts for substantial proportions of the employment in most of the more detailed healthcare industries.

- Over two-thirds (67 percent) of general medical and surgical personnel worked in nonprofit hospitals. Nonprofits employed slightly more than one-third (34 percent) of employees in other hospitals, which includes psychiatric and substance abuse hospitals as well as other specialty hospitals (Figure 13).

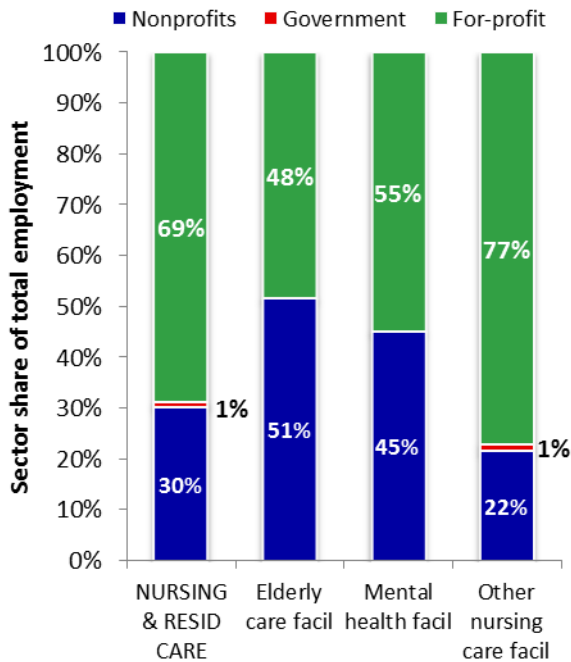
**Figure 13: Sector share of employment in Indiana hospital sub-industries, 2009**



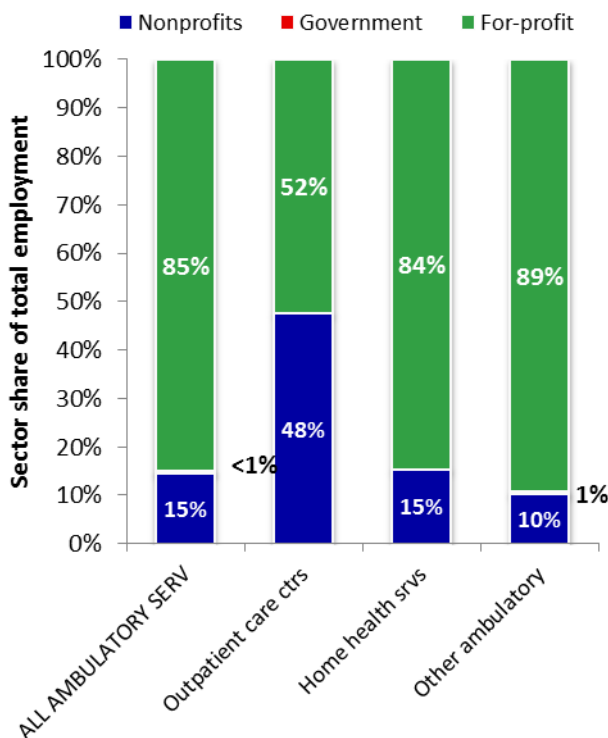
- The nonprofit sector employs 30 percent of those working in nursing or residential care facilities and is particularly important in elder care (51 percent of employees) and mental health care (45 percent of employees). The nonprofit presence was much lower in other nursing care facilities (22 percent) (Figure 14).
- Although nonprofits employed almost half (48 percent) of outpatient care center personnel, only 15 percent of home health services staff worked for nonprofit organizations. Ambulatory services

include private practice doctor and dentist offices, which might account for the low percentage of nonprofit employees in this sub-industry (Figure 15).

**Figure 14: Sector share of employment in Indiana nursing and residential care sub-industries, 2009**



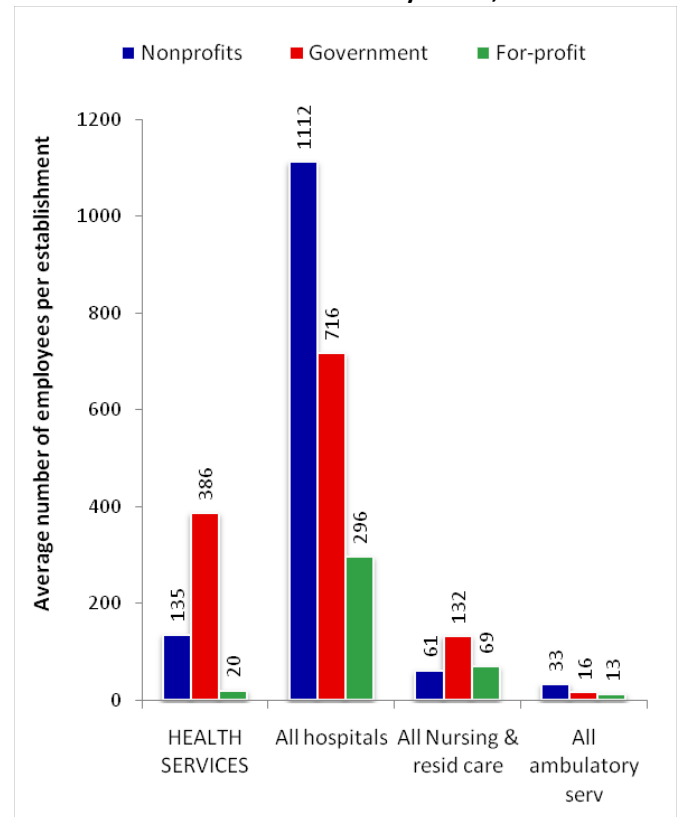
**Figure 15: Sector share of employment in Indiana ambulatory service sub-industries, 2009**



### Establishment Size

The largest establishments in the healthcare industry, and in the nonprofit sector as a whole, are nonprofit hospitals. Each of these institutions, particularly the general medical and surgical hospitals, employs thousands of community members (Figure 16).

**Figure 16: Average number of employees per Indiana health services establishment by sector, 2009**



- The average nonprofit healthcare establishment employs about 135 people, more than the for-profit sector (20 employees per establishment on average) but substantially fewer than the government sector (386 employees per establishment on average).
- Nonprofit employment is concentrated in hospitals, where the average number of employees per establishment is over 1,100. Nonprofit hospitals, especially general medical and surgical hospitals, are much larger than government and for-profit hospitals.
- Nonprofit nursing and residential care facilities (with an average of 61 employees per establishment) are of comparable size to those operated

for profit (69 employees per establishment), but government institutions are about twice as big (132 employees per establishment).

- In the ambulatory services industry, which is largely for-profit, nonprofit establishments (with 33 employees on average) are larger than both government and for-profit establishments, which average 16 and 13 employees per establishment, respectively.

## Social Assistance

The social assistance industry employs just over 11 percent of the statewide nonprofit workforce. Social assistance establishments are generally much smaller than health and education nonprofits, but they are larger than the median nonprofit establishment, as measured by the number of employees.

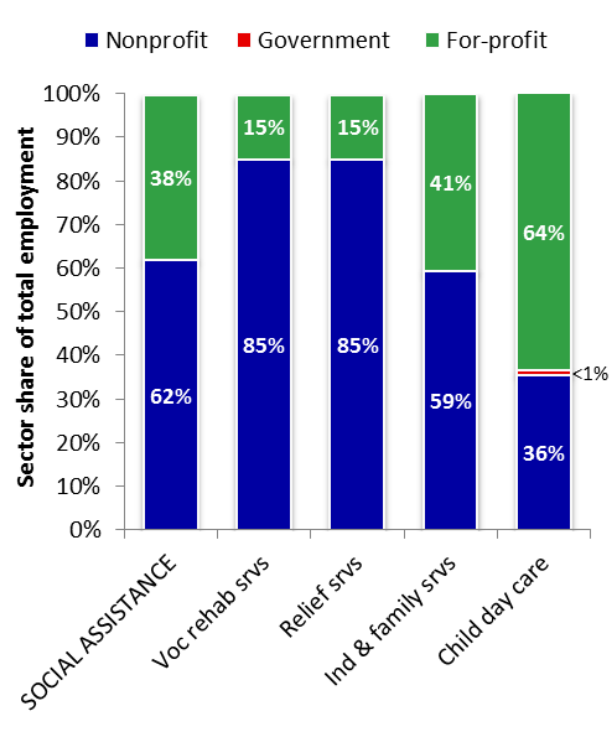
### Employment

Nonprofit employees account for more than 60 percent of all workers in the social assistance industry.

- Nonprofits accounted for very high proportions (85 percent) of total employment in vocational rehabilitation and in relief services (see Figure 17). Vocational rehabilitation services include job counseling services, training centers, and workshops. Relief services include the provision of food and temporary shelter, energy assistance programs, immigrant and refugee resettlement programs, and emergency and disaster relief.
- Nonprofits also employed the majority (59 percent) of workers in the individual and family services, which includes youth centers, adoption agencies, housing and service facilities for the elderly, assistance for the disabled, counseling services, and crisis intervention.
- In the child day care, nonprofits accounted for only 36 percent of employees, notably lower than in the other detailed social assistance industries
- For-profit establishments account for almost all other employment in these industries.
- Government employment is minimal (less than 1 percent), likely because state and local govern-

ment subsidize nonprofit and for-profit service providers to deliver such services.<sup>27</sup>

**Figure 17: Sector share of employment in Indiana social service industries, 2009**



### Establishment Size

Indiana social assistance nonprofits appear to be larger establishments than comparable institutions in the government and for-profit sectors (Figure 18).

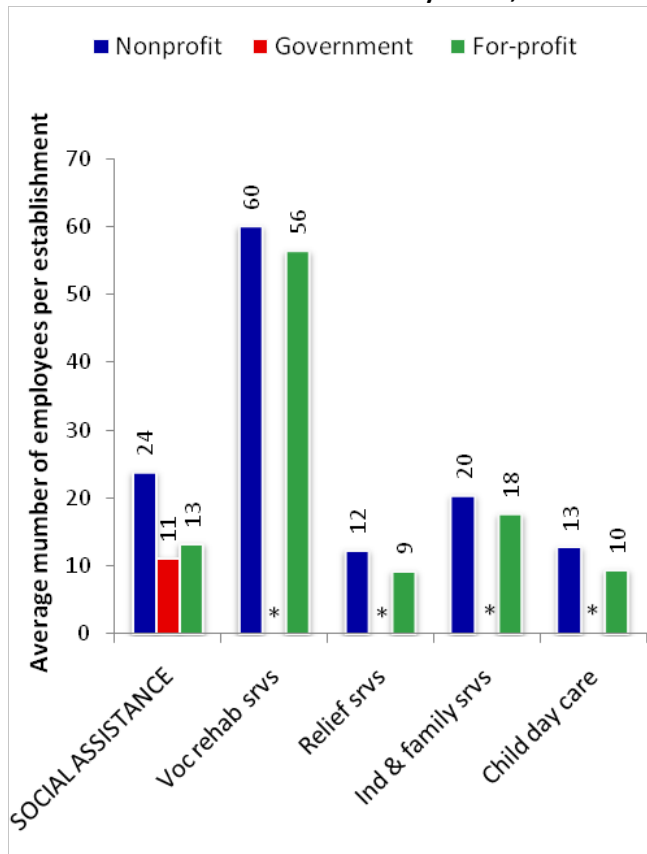
- Nonprofit social assistance establishments have, on average, 24 employees, about twice as many as government and for-profit social assistance establishments (averaging 11 and 13 employees per establishment, respectively).
- Within the social assistance industry, nonprofit vocational rehabilitation services are the largest

<sup>27</sup> The Indiana state budget has typically appropriated over 80 percent of its health and human services expenditures to grants and distribution programs. Distribution programs include, for example, payments under the Medicaid program for health and social services provided by nonprofit and for-profit organizations to eligible individuals (see chapter four of *The State of Nonprofit America* (2002), edited by Lester Salamon). For more detailed information on the Indiana budget, visit the website of the Indiana State Budget Agency at <http://www.in.gov/sba/>.



establishments, each employing 60 people on average.

**Figure 18: Average number of employees per Indiana social assistance establishment by sector, 2009**



- Additionally, nonprofit vocational rehabilitation services, relief services, family and social service, and day care establishments tend to have more employees on average than their for-profit counterparts. This could reflect a larger number of part-time employees in nonprofit organizations (Figure 18). There are too few government establishments for us to give a fair representation of their average size.

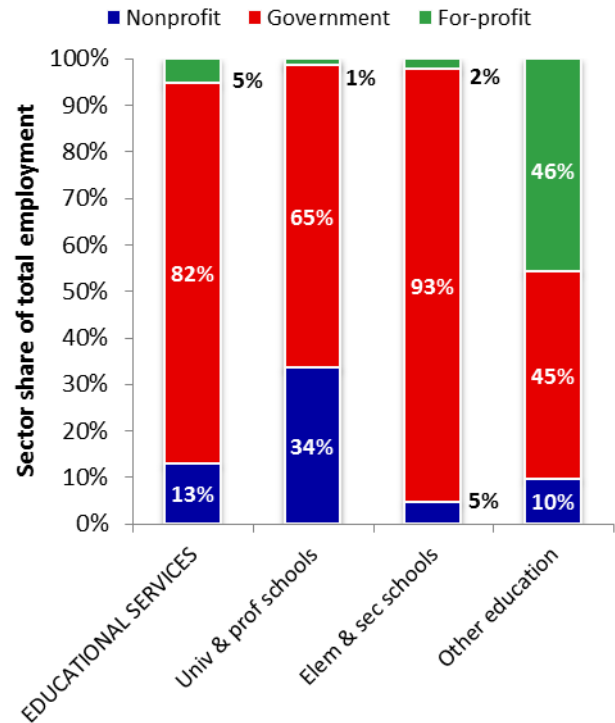
## Education

Thirteen percent of nonprofit employees in Indiana work in educational establishments. Although not as large, on average, as establishments in the healthcare industry, nonprofit educational establishments, particularly those in higher education, are much larger than the median nonprofit establishment.

## Employment

Nonprofits also play an important role in providing educational services in the state, especially higher education (Figure 19).

**Figure 19: Sector share of employment in Indiana education industries, 2009**



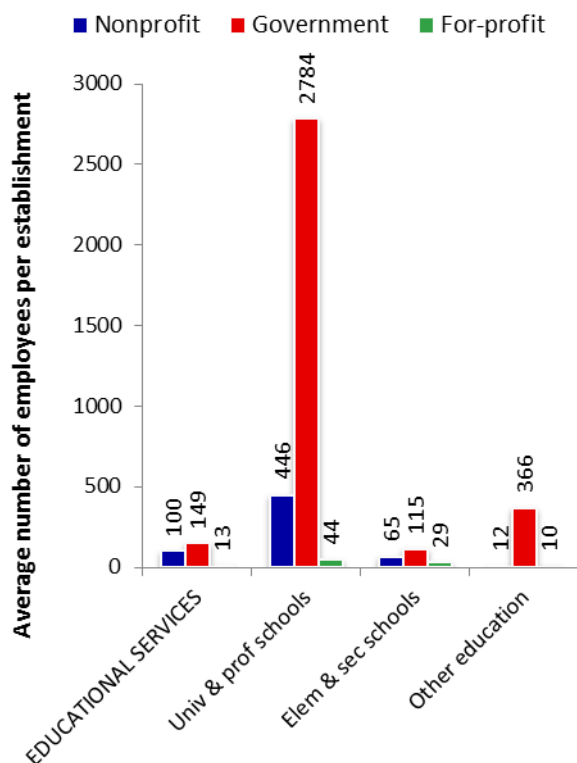
- Nonprofit establishments house over one-tenth (13 percent) of employment in education (Figure 19). Public/government workers (e.g., public school teachers and public university staff) comprise the major portion of employment in this industry (82 percent).
- Nonprofits accounted for a small portion of employment in elementary and secondary school (5 percent) and other education (10 percent), which consists of junior colleges and instructional schools such as sports and recreation, cosmetology, computer training, etc.
- Public sector employees account for most of the workers in elementary and secondary schools (93 percent) and university and professional schools (65 percent).

- For-profit employment was the most prevalent in other education, accounting for 46 percent of the total employment.
- Nonprofits are most prevalent in universities and professional schools, accounting for one-third of total employment, notably less than government (65 percent), while for-profit establishments only accounted for 1 percent of employment.

### Establishment Size

In education, nonprofit establishments are generally smaller than government establishments but larger than for-profit establishments (Figure 20).

**Figure 20: Average number of employees per Indiana educational establishment by sector, 2009**



- In the education industry overall, nonprofit establishments employ about 50 fewer people on average than government establishments (100 nonprofit versus 149 government employees per establishment). For-profit educational institutions were much smaller (13 employees per establishment on average).

- The largest nonprofit educational establishments are colleges and universities (with 446 employees on average), which are over ten times the size of for-profit colleges (44 employees on average). However, public colleges and universities are much larger and average more than 2,700 employees.
- As shown in Figure 20, the average government higher education institution employs more than six times the number of average employees in nonprofit colleges or universities (2,784 versus 446), although nonprofit institutions employ 34 percent of the workforce. This is due to large state universities such as Indiana University, Ball State, Purdue University, and Indiana State University, and indicates that there are many more, but much smaller, nonprofit institutions than public universities.
- Nonprofits tend to have a higher average number of employees per establishment than for-profit institutions.

### Membership Associations

In the Indiana nonprofit sector, approximately 11 percent of employees work in membership associations. Nonprofits in this industry are generally small institutions, employing fewer workers than the median nonprofit establishment.

### Employment

Membership associations include religious, philanthropic, social, professional, advocacy, and civic organizations. Almost all (over 99 percent) membership organizations, in terms of both establishments and employees, were nonprofit.<sup>28</sup> The few governmental

<sup>28</sup> 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.

membership organizations include professional associations and civic organizations.

- Nonprofit employment in membership associations (26,339) was comparable to nonprofit employment in social assistance (27,306), with each industry employing about 11 percent of the nonprofit workforce in Indiana.
- Nonprofit employment was concentrated in professional associations and civic/social organizations (which jointly accounted for just under 100 percent of total nonprofit employment in this industry).
- Though the CEW data reported here suggest that nonprofit employment in religious organizations is a relatively small portion of the total number of establishments and nonprofit employment in the membership association field, the contribution of religious organizations to nonprofit employment is likely severely understated due to the lack of reporting requirements for congregations. For more details, see Appendix A.

### *Establishment Size*

Nonprofit membership associations are on average smaller than nonprofit establishments in other industries – only about 10 employees. Average establishment size was relatively consistent across the various types of membership associations, ranging between seven and 14 workers on average.

### **Art, Entertainment, and Recreation**

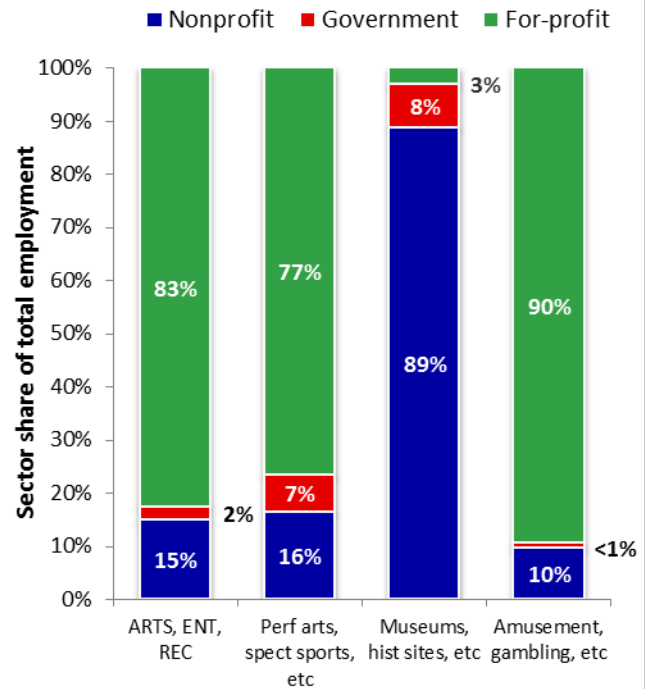
About 3 percent of the nonprofit workforce in Indiana is employed in art, entertainment, and recreation organizations. Arts organizations tend to be mid-sized institutions, and the average nonprofit establishment in this industry consistently employs more workers than the median nonprofit establishment overall.

### *Employment*

The arts, entertainment, and recreation industry includes a wide variety of organizations, such as performing arts venues, sports facilities, event promoters, museums, zoos, parks, historical sites, amusement parks, movie theaters, and casinos.

- Nonprofits employed a high percentage of workers in the performing arts and in museums, historical sites, and similar institutions (Figure 21).

**Figure 21: Sector share of employment in Indiana arts, entertainment, and recreation industries, 2009**



- The for-profit sector accounted for a substantial portion (83 percent) of arts, entertainment, and recreation employment. (Figure 21). The for-profit sector also employs the majority of workers in performing arts and spectator sports (77 percent), as well as amusement/gambling establishments (nearly 90 percent).
- In contrast, the nonprofit sector employs 89 percent of workers in museums and similar historical sites, though they account for only 5 percent of all jobs in arts, entertainment, and recreation.
- The for-profit sector presence in the performing arts and spectator sports sub-industry is primarily concentrated in spectator sports, a sub-industry which boasts both high employment and a high average wages.
- Nonprofit workers in the performing arts and spectator sports sub-field were concentrated in performing arts establishments. Although there was no nonprofit employment in the spectator

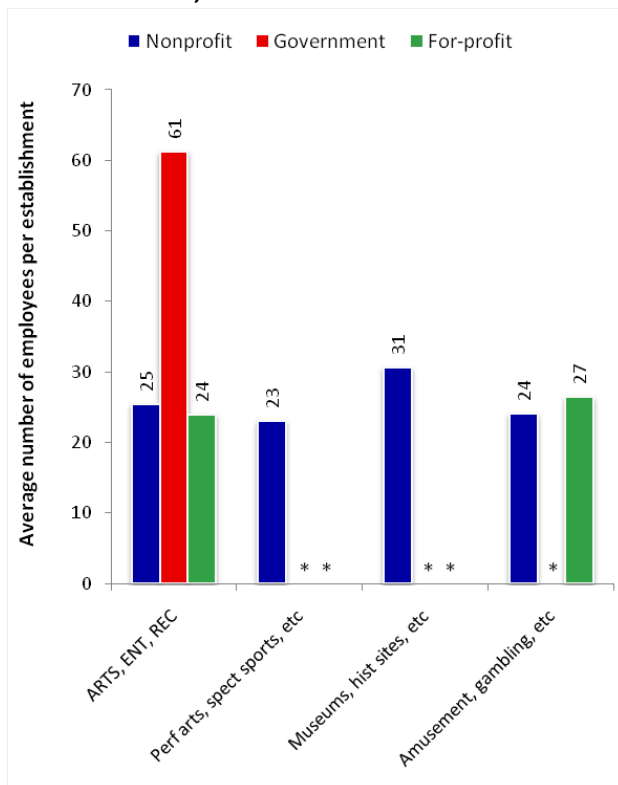
sports sub-industry, nonprofit sector employment in performing arts establishments was nearly double that of for-profit establishments.

### Establishment Size

The average nonprofit art, entertainment, and recreation establishment has fewer employees than the average government establishment but about as many employees as the average for-profit establishment (Figure 22).

- The average nonprofit establishment in this industry employs about 25 people, comparable in size to for-profit establishments (24 employees) but much smaller than government establishment (61 employees on average).
- Museums and similar institutions are the largest nonprofit establishments in this industry, each employing about 31 people on average.

**Figure 22: Average number of employees per Indiana arts, entertainment, and recreation establishment by sector, 2009**



## C. CHARITABLE EMPLOYMENT AS A PROPORTION OF ALL NONPROFIT EMPLOYMENT

Charities comprise a special subset of the nonprofit sector. They include: not-for-profit hospitals, clinics, colleges, universities, schools, social service agencies, orchestras, museums, theaters, homeless shelters, soup kitchens, and other similar organizations. Charities register with the IRS under section 501(c)(3) of the Internal Revenue Code and are eligible to receive tax-deductible donations because of their community benefit activities. Other nonprofits register under different sections of the Internal Revenue Code. They include social welfare (advocacy) organizations and mutual benefit associations (e.g., veterans groups, fraternal societies, business leagues, etc.). Since charities comprise a majority of all nonprofits and are a major economic force, we compare employment trends of charitable nonprofits to total nonprofits.<sup>29</sup>

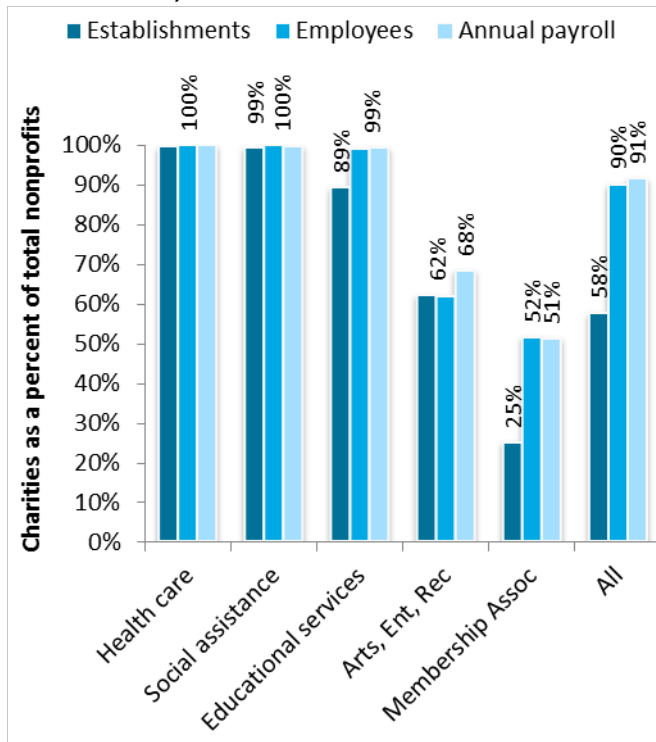
- Charities dominate Indiana’s nonprofit sector employment and payroll (Figure 4 and Figure 7). Most of Indiana’s nonprofit employees work for charities, rather than other types of nonprofit organizations (Figure 23).
- As Figure 23 demonstrates, the healthcare industry is almost wholly comprised of charities.
- In social assistance, nearly all (99 percent) of the nonprofit establishments were charities, accounting for nearly 100 percent of nonprofit employment and payroll in this industry.
- Charities comprised nearly all (over 99 percent) of nonprofit educational service employment and payroll, but only 89 percent of establishments. This indicates that those charitable educational establishments are larger than other nonprofit educational organizations.
- Although only one-fourth of all nonprofit membership associations were charities, over one-half

<sup>29</sup> For more details see Appendix F: Nonprofit and Charitable Employment by Industry in Indiana, 2009.

of all nonprofit employees in this industry worked for charities. This suggests that membership charities are larger than other nonprofit organizations in this field, but wages are comparable.

- Employees of public charities earned slightly more on average than those in other nonprofit organizations). This slight difference may be attributed to health charities, which have some of the highest average wages among nonprofit employees. There are also fewer charities in lower-wage nonprofit industries, such as membership associations and arts, entertainment, and recreation organizations.

**Figure 23: Charities as a percentage of nonprofit establishments, employment, and payroll in major industries, 2009**



## D. NONPROFIT PAYROLL AND WAGES BY INDUSTRY

As described in more detail earlier (see page 12), the average annual wage<sup>30</sup> for nonprofit employees was

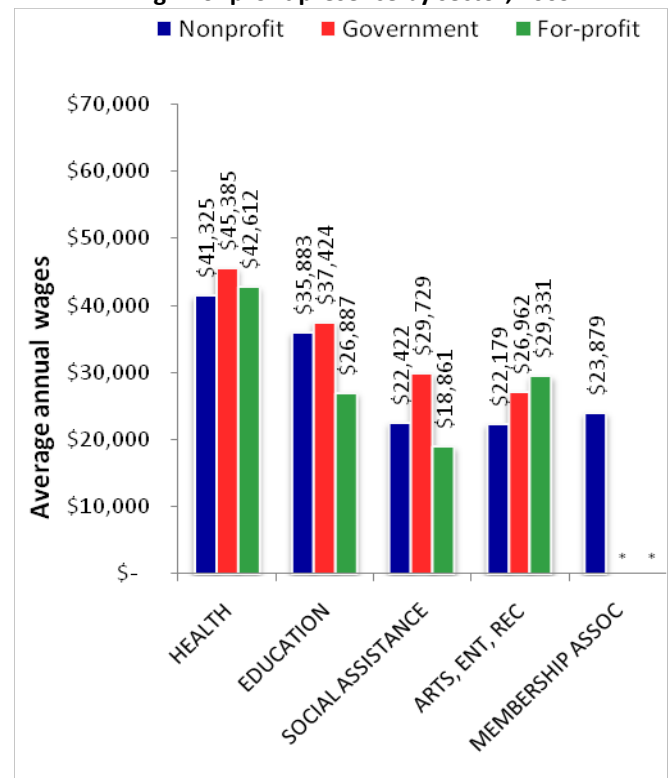
<sup>30</sup> These average annual wages do not include fringe benefits and make no adjustment for full-time or part-time work (these details are not included in the CEW reporting system). Industries or

lower than that for employees in the for-profit and government sectors, but the wage gap between nonprofit and for-profit employees was reduced by half from 2005 to 2009, mainly because of the increase in average nonprofit wages in health, education, and membership associations.

## Overview of Major Nonprofit Industries

In some major nonprofit industries, nonprofit workers earn higher wages than their counterparts in for-profit firms, but they usually earn less than government workers in those industries (Figure 24).

**Figure 24: Average annual wages in Indiana industries with high nonprofit presence by sector, 2009<sup>31</sup>**



sectors with more reliance on part-time workers could appear to have lower average wages than those with fewer part-time workers, even if the actual hourly pay rates are higher. For a complete list of nonprofit payroll and wages by industry, see Appendix G. For more information on for-profit and government payroll and wages, see Appendices H and I, respectively.

<sup>31</sup> We cannot report of average salaries for membership organizations that are not nonprofit. There are no for-profit associations in this dataset, and too few government associations to report any reliable averages. Throughout this section government and for-profit data bars in figures are omitted when there is insufficient data

- When comparing wages sectors across industries that have a strong nonprofit presence (Figure 24), the average nonprofit wage exceeded for-profit wages in both social assistance and educational services but lagged behind government average wages in all industries.
- In education services, nonprofit employees earned only about \$1,500 less than government employees and about \$9,000 more than for-profit employees on average.
- Although it appears that government employees generally earn more than their nonprofit counterparts, there are very few government employees in health, social assistance, and membership organizations. Average wage figures for government employees in these industries should therefore be interpreted with caution.
- Interestingly, the average nonprofit wage was about \$800 higher than the average wage of local government employees, but \$5,400 less than the average wage in state government.
- When compared to average annual wages for state and local government employees (\$36,784), the average annual wage for charities was approximately the same, and the average wage for the whole nonprofit sector was only about \$700 lower. The average wage of federal government employees, though relatively few in number in Indiana, distorts the total government average wage figure so that the gap between nonprofit and government wages appears more extreme.

## Health Services

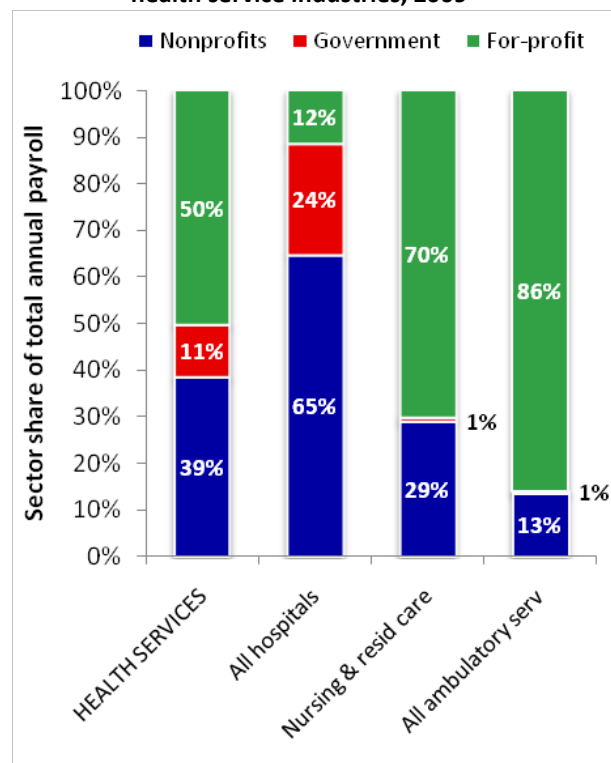
Of the major nonprofit industries, health services boasted both the highest nonprofit payroll (accounting for more than 60 percent of the state total nonprofit payroll) and the highest average annual wage.

### Payroll

Nonprofit wages in the health care industry contributed \$5.5 billion dollars (39 percent of total payroll in healthcare) to the Indiana economy in 2009 (Figure 25). Nonprofits accounted for the majority (65 percent or \$4.1 billion) of the total payroll for all hospitals. Nonprofit workers also account for nearly one-

third (29 percent or \$554 million) of the total payroll for nursing and residential care. The sub-industry of ambulatory services had the lowest nonprofit share of total payroll at 13 percent (or \$795 million).

**Figure 25: Sector share of total annual payroll in Indiana health service industries, 2009**



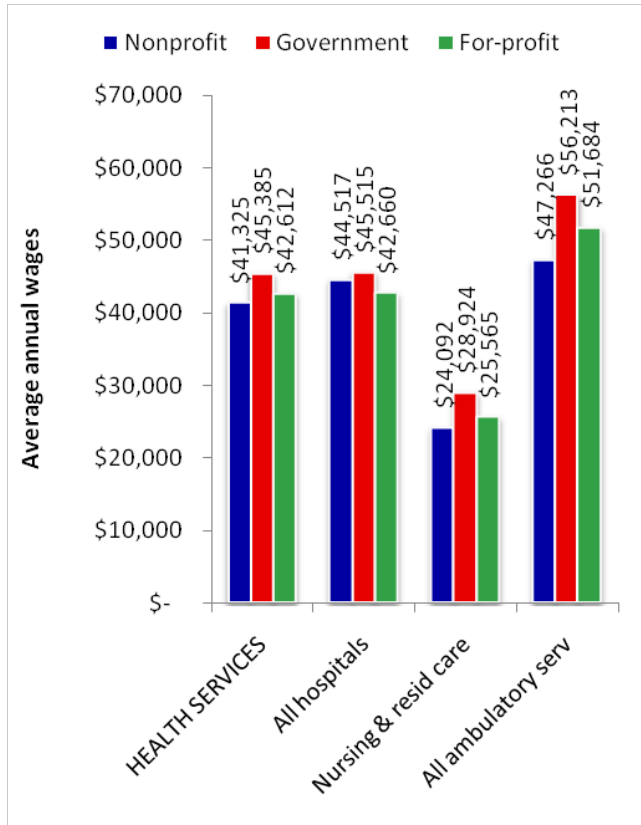
### Average Annual Wages

Looking specifically at health services we find that, on average, employees in nonprofit health services organizations on average earned less annually than employees in for-profit or government health services organizations in 2009 (Figure 26).

- Average annual wages for nonprofit health services employees are consistently lower than government wages and generally lower than for-profit wages, except in hospitals.
- On average, employees in nonprofit hospitals earned \$41,325, about 9 percent less than employees in government hospitals (\$45,515) and about 3 percent less than employees in for-profit hospitals (\$42,612).
- Wages in nonprofit nursing and residential health care organizations were also lower than in for-

profit or government organizations. Employees in non-profit organizations in this sub-industry earned approximately \$24,100, 17 percent less than government employees (\$28,924) and about 6 percent less than for-profit employees (\$25,565).

**Figure 26: Average annual wages by sector in Indiana health services industries, 2009**



- Employees in nonprofit ambulatory services earned significantly less on average than their government and for-profit counterparts. The greatest gap in actual earned wages of all the sub-industries was between employees in government and non-profit organizations, with an absolute difference of about \$9,000. In relative terms, the average nonprofit employee in this sub-industry (\$47,266) earned approximately, 16 percent less than government employees (\$56,213) and 8.5 percent less than for-profit employees (\$51,684).

## Social Assistance

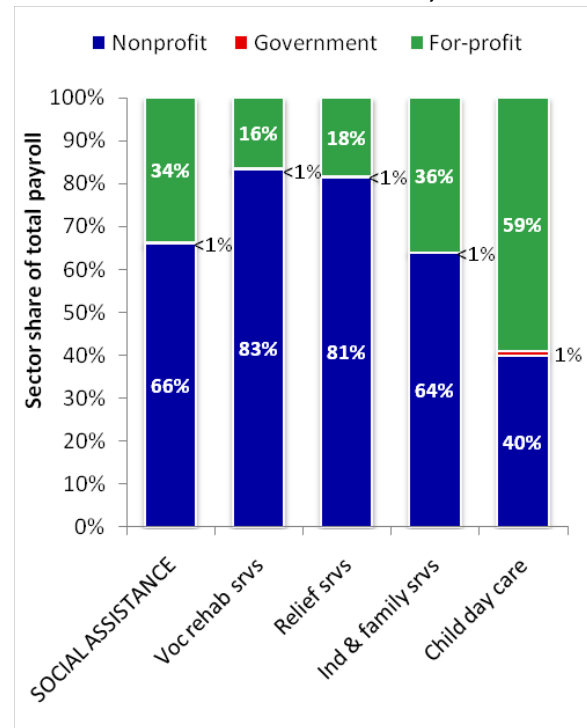
Nonprofit social assistance providers account for the majority of the compensation in that industry, but social assistance payroll makes up less than 7 percent of total nonprofit payroll in Indiana. Average annual

wages in nonprofit social assistance organizations are below the average nonprofit wage.

## Payroll

The total nonprofit social assistance payroll was \$612 million in 2009, accounting for 66 percent of total payroll in social assistance (Figure 27). Nonprofits are especially prominent in the payroll for vocational rehabilitation (83 percent) and relief services (81 percent) industries. A smaller but still substantial part of payroll remains in nonprofit individual and family services (64 percent) and child day care (40 percent).

**Figure 27: Sector share of total annual payroll in Indiana social assistance industries, 2009**



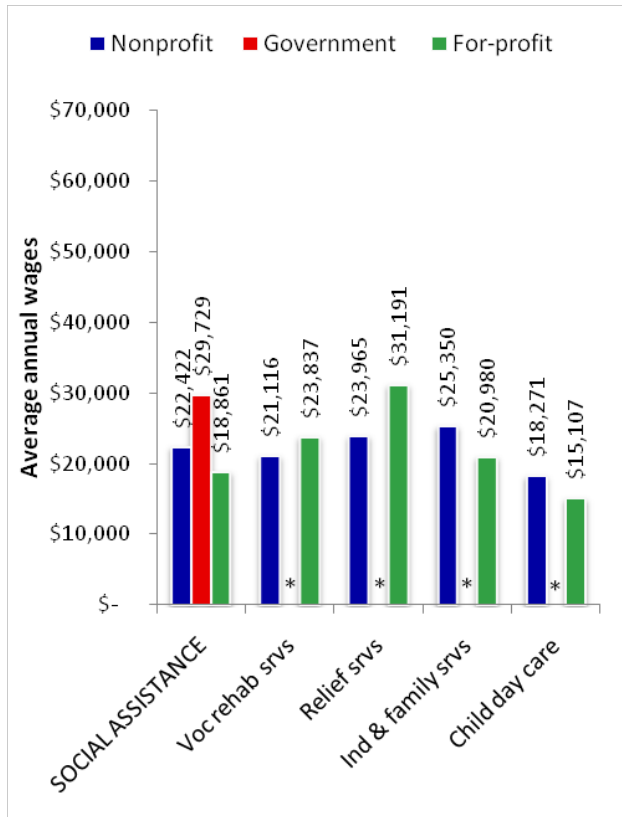
## Average Annual Wages

Average annual wages for social assistance workers are lower than for all other nonprofit dominated industries, except for arts, entertainment and recreation.

- In the nonprofit sector, the average social assistance annual wage (\$22,422) was lower than the average health services annual (\$45,941), education (\$35,883), and membership association (\$23,879) industries, but it was higher than the average annual wage in the arts, entertainment, and recreation industry (\$22,179) (Figure 24).

- However, average annual wages in social assistance organizations remained slightly higher for nonprofit employees (\$22,422) than for their for-profit counterparts (\$18,861), but lower than government employees (\$28,729) (Figure 28).

**Figure 28: Average annual wages by sector in Indiana social assistance industries, 2009**



- The average annual wage for nonprofit employees tends to be less than for-profit employees in social assistance industries that are dominated by nonprofit employees.
  - Nonprofit employment made up 85 percent of total employment in vocational rehabilitation services, but the average annual wage was lower in the nonprofit sector (\$21,116) than in the for-profit sector (\$23,837).
  - For relief services, the wage gap between nonprofit (\$23,965) and for-profit (\$31,191) organizations was more pronounced. The difference could be due to nonprofit versus for-profit specialization in different types of services, because the two sectors serve different

populations, or because they differ in their mix of full-time and part-time workers.

- In social assistance industries dominated by for-profit employees, nonprofit annual wages tend to be higher compared to those of for-profit workers. For example, in the child day care sub-field, for-profits employed more workers (around 64 percent of sub-industry employment) but paid them over \$3,000 less, on average, than nonprofits.
- Nonprofit average wages across sub-industries were more consistent than wages for the government and for-profit sectors. Nonprofit average wages ranged from \$18,200 to \$25,350. Government wages ranged from \$27,550 to \$50,800, while for-profit average wages ranged from \$15,100 to \$31,200.
- Given that government employment in the social assistance industry constituted less than 1 percent of total social assistance employment, the relatively high average annual government wage suggests that government employment in this field consists of relatively few perhaps managerial or specialized positions. Our estimates of government average annual wages figures should therefore be interpreted with caution, and we cannot provide any details for sub-industries of social assistance.

## Education

Nonprofits claim a sizeable share of payroll in higher education institutions, though public schools make up the majority of total payroll in all education industries. The average annual wages of nonprofit employees in education are higher than all major nonprofit industries except for health services.

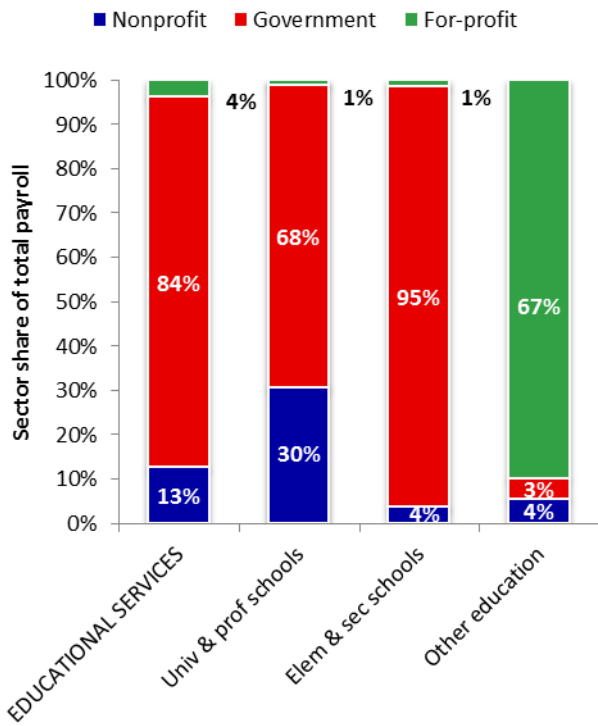
### Payroll

In the education industry nonprofit employees were compensated \$1.7 billion dollars in 2009, about 13 percent of the total payroll of the education industry. When further broken down, we can see that 30 percent of university and college payroll is comprised by nonprofit wages, while elementary and secondary schools and other education have minimal nonprofit payroll presence.



- Government employees claimed the majority of educational payroll (84 percent), as shown in Figure 29. For more detailed information, please see Appendix I.

**Figure 29: Sector share of total annual payroll in Indiana education industries, 2009**



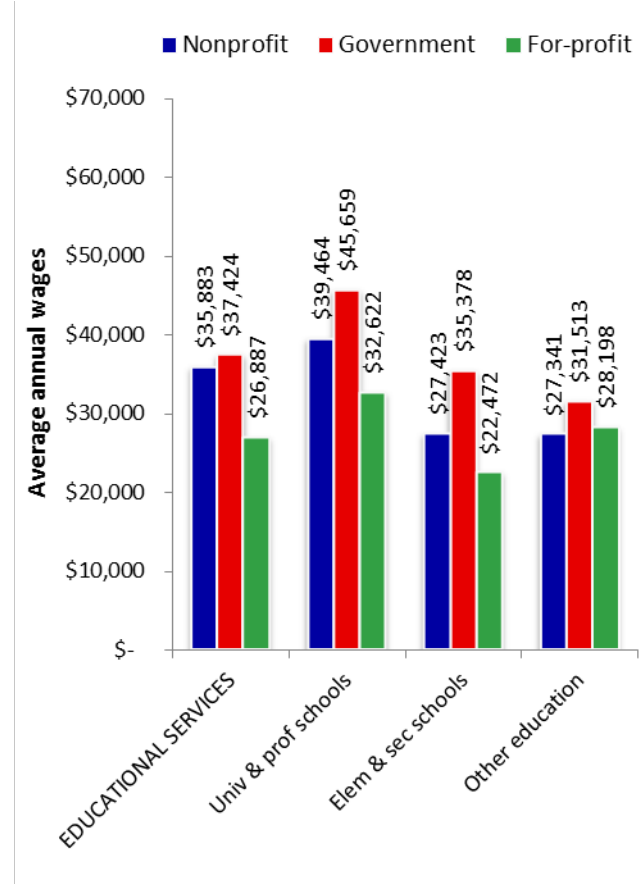
- For-profits accounted for only 4 percent of total education services payroll, but employees in for-profit institutions claimed 67 percent of the total payroll in other education. For more detailed information, please see Appendix H.

### *Average Annual Wages*

- Government was the dominant sector in educational services payroll. We also generally find that the annual wage for the average employee was higher for government workers (Figure 30).
  - Looking at educational services as a whole, government and nonprofit annual wages were very similar; differing by less than \$2,000 (average annual wages for government and nonprofits were \$37,424 and \$35,883, respectively). In contrast, for-profit educational service employees made approximately \$9,000 less

(average annual wages of \$26,887) than those employed by nonprofit institutions.

**Figure 30: Average annual wages by sector in Indiana education industries, 2009**



- More distinctions between sector wages become apparent when looking at sub-industries, such as elementary and secondary schools. Here, on average, government workers made 29 percent more per year than their nonprofit counterparts (\$35,278 versus \$27,423 per year).
- We found that university and professional school wages follow a similar trend. Employees in nonprofit institutions of higher education earned 21 percent more annually, on average, than those in for-profit institutions (\$39,464 versus \$32,622) and 14 percent less than those in government institutions (\$45,659).

## Membership Associations

Nonprofits account for nearly the entire total payroll in membership organizations although only that is only 7 percent of total nonprofit payroll. On average, nonprofit membership association employees' annual wages are below the average nonprofit wage.

### Payroll

We assume there are no for-profit associations, so nonprofit organizations and government agencies make up 100 percent of the payroll in this field. For all of the sub-industries, nonprofits account for over 99 percent of total payroll.

### Average Annual Wages

Membership associations include religious, grantmaking, social advocacy, civil and social, and professional organizations as well as similar groups. Indiana nonprofit membership associations had an average annual wage of approximately \$23,900. This is lower than average annual wages in health (\$41,325) and education (\$35,883), but slightly higher than in social assistance (\$22,422) or arts, entertainment, and recreation (\$22,179).

- Average annual wages varied widely among different types of nonprofit membership organizations (Figure 31).
- Grantmaking organizations have the highest average annual wage (\$44,174) followed by business and professional associations (\$35,586), with religious (\$19,725) and civil and social organizations (\$14,394) trailing substantially behind.

## Arts, Entertainment, and Recreation

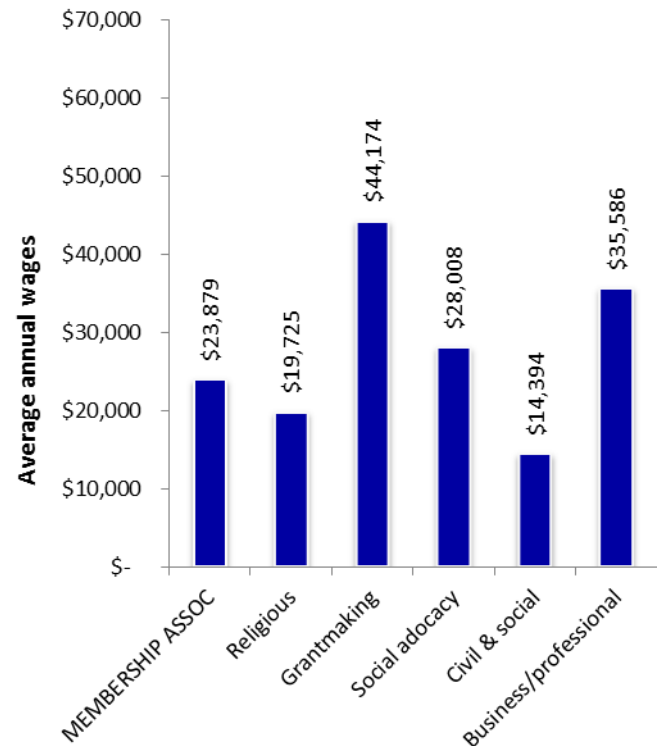
Nonprofits do not claim a large share of the total payroll in the arts, entertainment, and recreation industry as a whole, but do so in museums and historical sites. Nonprofits in this industry account for about 2 percent of total nonprofit payroll. Nonprofit average wages in this industry were lower than in the other major nonprofit fields.

### Payroll

About 12 percent of the payroll in the arts and entertainment industry, or \$145.6 million, is comprised of

nonprofit pay (Figure 32). Most notably, 85 percent of the payroll for museums and historical societies is accounted for by nonprofit establishments. In the performing arts and spectator sports sub-industries, nonprofits account for only 8 percent of the total payroll.

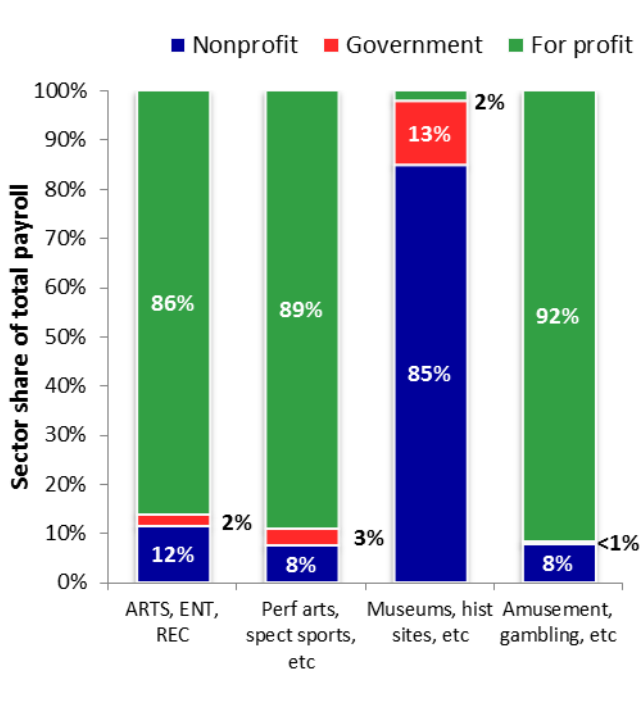
**Figure 31: Average annual wages for nonprofit Indiana membership associations and related industries, 2009**



- The for-profit sector contributed the greatest share of total payroll (86 percent) in the industry of arts, entertainment, and recreation.
- For-profit payroll accounted for a significant portion of total payroll in both the performing arts and spectator sports sub-industry (89 percent) and the amusement and gambling sub-industry (92 percent).
- Nonprofit wages were a substantial portion (85 percent) of the payroll in the detailed industry category that includes museums, historical sites, zoos, botanical gardens, and other similar organizations.
- Wages of government organizations represented a small portion of overall wages in the arts, enter-

tainment, and recreation field. There are few government establishments in this field, and government employment in this industry is also low.

**Figure 32: Sector share of total payroll in Indiana arts, entertainment, and recreation industries, 2009**



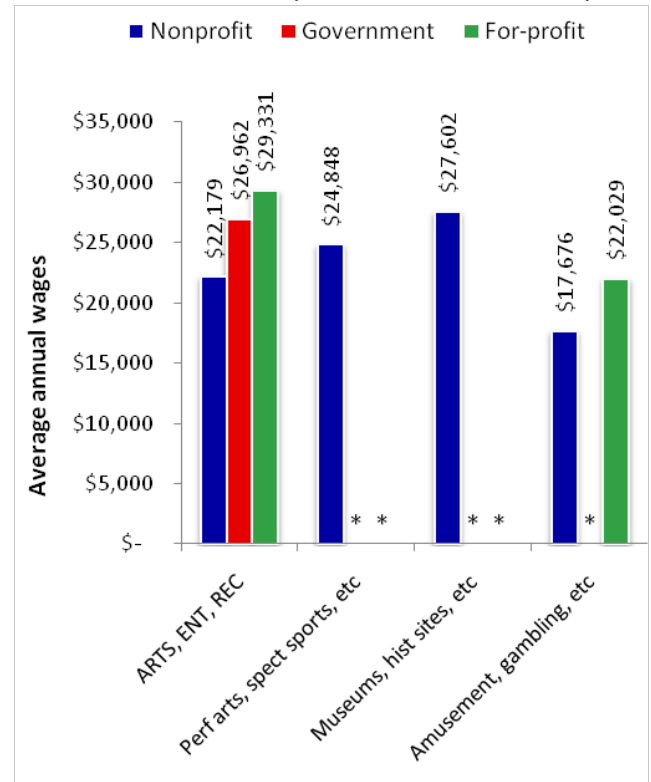
### Average Annual Wages

Indiana nonprofit arts, entertainment, and recreation associations had an average annual wage of \$22,200. This average annual nonprofit wage was the lowest of all of the industries included in this analysis. The average annual wage is lower than that of nonprofit organizations in the health (\$41,325), education (\$35,883), membership organization (\$23,879), and social assistance (\$22,422) industries. For-profit organizations in the arts, entertainment, and recreation industry generally exhibited a higher average annual wage, though there was an exception in the sub-industry which includes museums and historical sites (Figure 33).

- The average wage for employees of for-profit organizations in the general arts, entertainment, and recreation industry exceeded that of nonprofit organizations by 32 percent and that of government institutions by 9 percent.

- In the sub-industry of performing arts and spectator sports, the for-profit average wage (\$62,048) exceeded the nonprofit average wage (\$24,848) by 150 percent.
- The for-profit average wage was about 25 percent higher than the average nonprofit wage in the sub-industry of amusement and gambling.

**Figure 33: Average annual wages by sector in Indiana arts, entertainment, and recreation industries, 2009**



- There was less variation in the average wage across sub-industries for nonprofit organizations in arts, entertainment, and recreation than there was for for-profit or government organizations. In the included sub-industries, average annual nonprofit wages ranged from \$17,700 to \$27,600. The government and for-profit sectors had wage ranges about three times greater across specific industries.

### Industries with Low Nonprofit Presence

Eight percent of total nonprofit employment in Indiana is distributed among industries such as accommodation and food, finance and insurance, information, manufacturing, professional and technical

---

services, retail trade, and utilities. In these industries with relatively low nonprofit employment, the rank order for nonprofit, government, and for-profit sector average wages was not consistent across industries. Nonprofit, government, and for-profit average wages also varied greatly across these industries, likely due to the variety of goods and services provided in each. Compared to the number of firms and employees in the for-profit sector, there were relatively few government and nonprofit establishments and employees in these industries, so the calculated annual wages for the nonprofit and government sectors should be interpreted with caution.<sup>32</sup>

---

<sup>32</sup> Compared to the industries with high nonprofit employment, the average wages for several of these less common nonprofit industries were quite high. Further analyses might determine why the wages in these industries appear higher.

---

## IV. NONPROFIT SECTOR GROWTH, 2005-2009

From 2005 to 2009 nonprofit employment and wages increase compared to the for-profit and government sectors. Much of this growth is attributable to changes in the education and healthcare industries.

### A. EMPLOYMENT GROWTH TRENDS

While total employment fell nearly 6 percent in Indiana from 2005 to 2009, total employment in several industries where nonprofits are prominent, most notably education services, social assistance, and health services, all rose. Total employment fell in two other industries with major nonprofit presence: arts, entertainment, and recreation and membership organizations (Figure 34).

- Nonprofit health services gained about 11,600 employees in this time period (121,063 to 132,642 employees, or 9.6 percent). However, for-profit health service establishments added nearly 17,900 employees (11.9 percent).
- Nonprofit education services gained approximately 1,500 employees (4.8 percent, up from 31,144 to 32,654 employees). For-profit employment also grew rapidly in education (up by 42 percent, but from a relatively small base).
- The largest percentage increase was 44.8 percent in for-profit social assistance (from 11,500 to 16,647, an increase of 5,147 employees), which might be attributable to state contracts with the private sector to manage certain welfare services during this period.

### B. PAYROLL AND ANNUAL WAGE TRENDS

Nonprofit payroll grew from 2005 to 2009, compared to virtually no change in the government and a decrease in the for-profit sectors (all adjusted for inflation). Nonprofit payroll grew most notably among health care, education, and membership associations.

As Figure 35 illustrates, total payroll in Indiana decreased 7.5 percent overall, but increased by 11 per-

cent in the nonprofit sector and by 4 percent in the public sector. In contrast, total for-profit payroll declined by 11 percent (mainly driven by losses in industries other than those with high nonprofit presence, as such manufacturing).

- In health services, total payroll increased 13 percent in the nonprofit sector (from \$4.9 billion to \$5.5 billion) and 9.4 percent in the for-profit sector (from \$6.5 billion to \$7.2 billion).
- In the nonprofit sector, education payroll increased 11.8 percent (from \$1 billion to \$1.2 billion), and 52.5 percent in the for-profit sector (from \$235 million to \$358 million).
- Social assistance payroll decreased in nonprofits, but increased in government and for-profit sectors. Payroll in for-profit social assistance increased 54 percent (from \$204 million to \$314 million), although this change is largely due to the increase in employment, which rose 44.8 percent (average annual wages increased 6.3 percent in this field).
- Arts, entertainment and recreation payroll decreased by about 4 percent in nonprofit and for-profit establishments, but rose 1 percent in government.
- Membership organizations' payroll decreased 0.8 percent in nonprofits but increased for the relatively few government employees in this industry.

Similar to overall payroll, the average annual wages of nonprofit workers grew from 2005 to 2009, while government wages remained relatively stable and for-profit wages decreased

- Total annual average wage in Indiana decreased 1.7 percent from 2005 to 2009 (from \$38,910 to \$38,258) as illustrated in Figure 36.<sup>33</sup> However, in the nonprofit sector and in many for-profit and government industries wages increased.

---

<sup>33</sup> The following figures are in 2009 U.S. dollars. A deflator of 1.0985 was used to transform 2005 dollars to 2009 dollars.

Figure 34: Percent change in the number of employees by sector and industry, 2005-2009

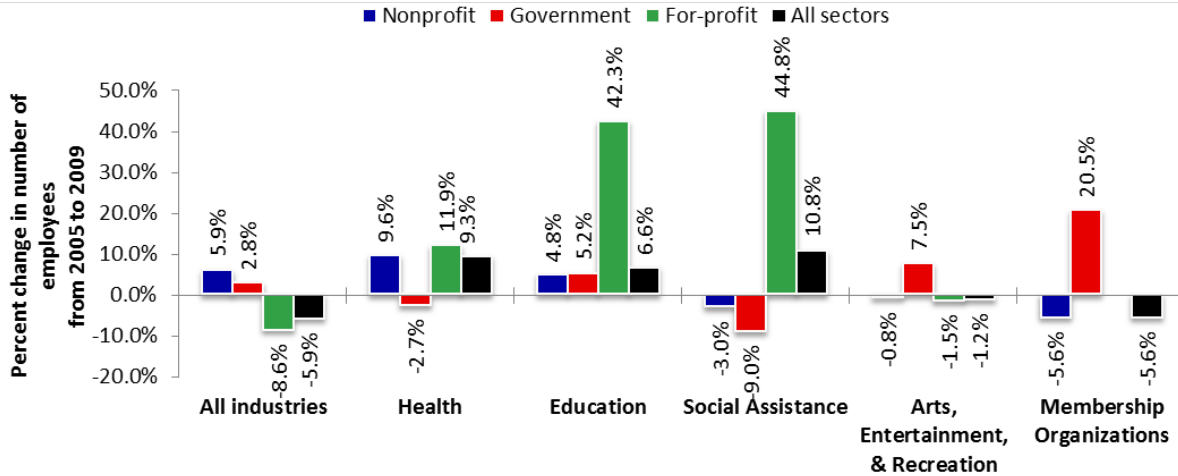


Figure 35: Percent change in total payroll by sector and industry, 2005-2009

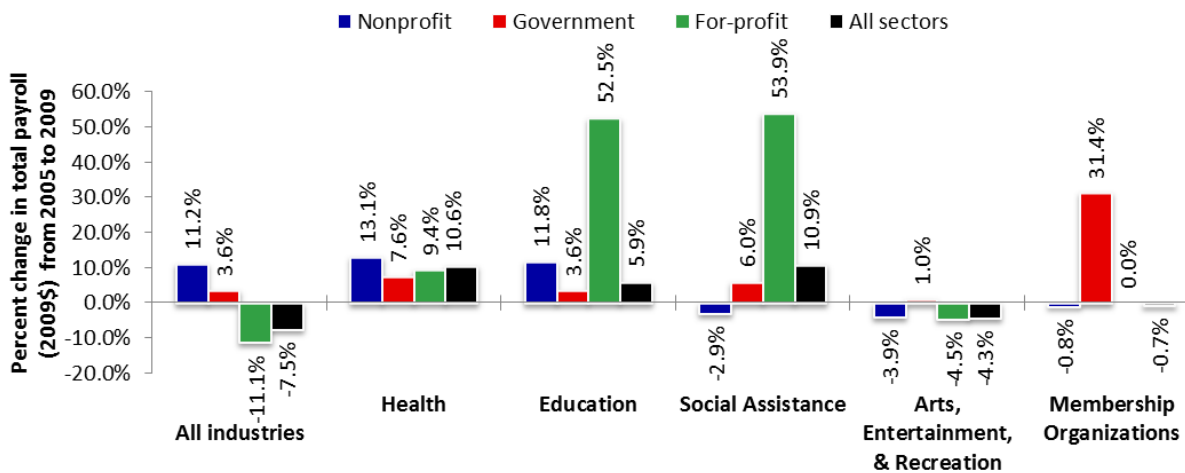
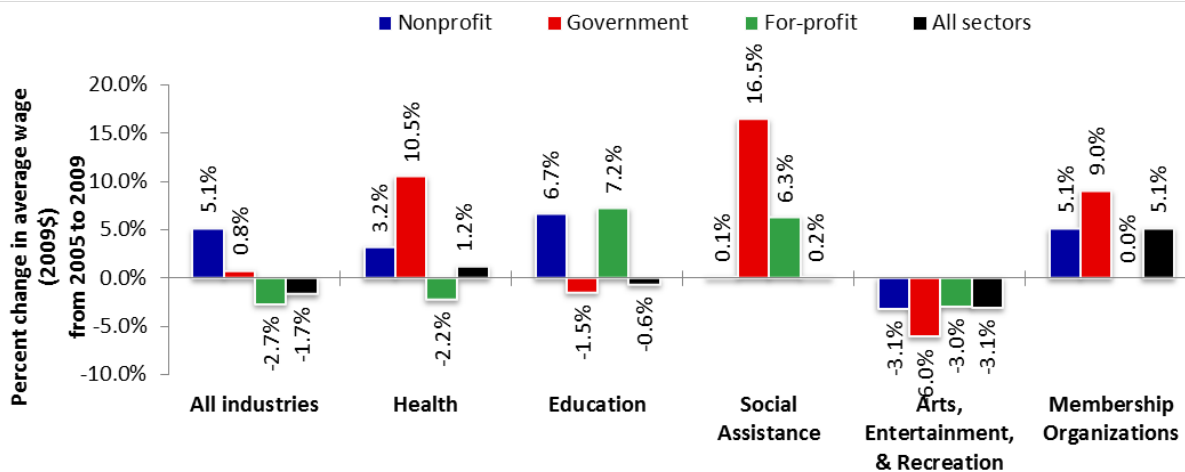


Figure 36: Percent change in average annual wages by sector and industry, 2005-2009



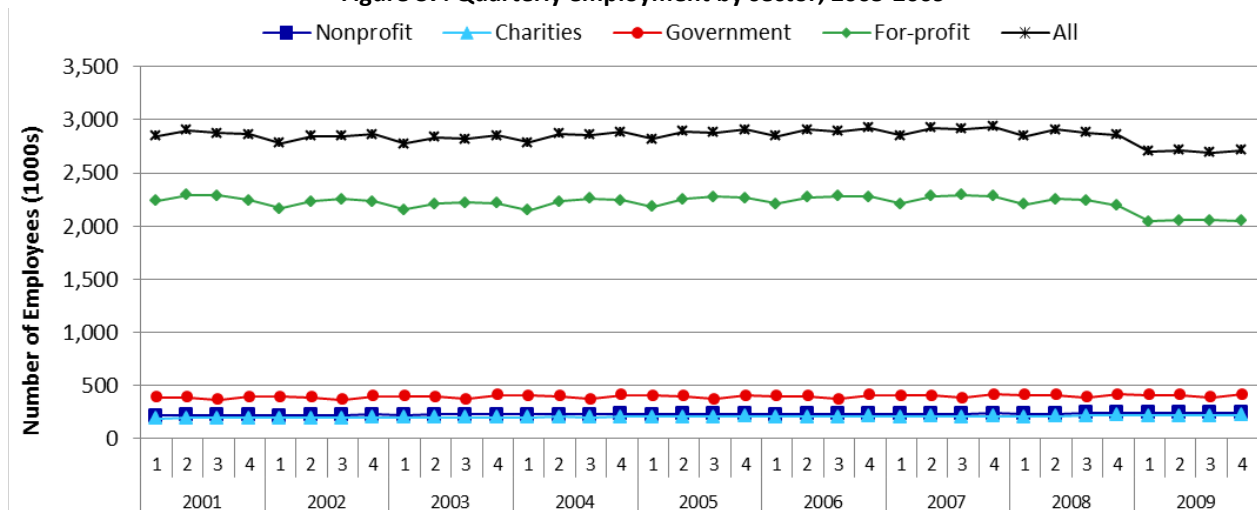
- Total nonprofit average annual wage increased 5.1 percent (\$34,323 to \$36,058).
- Nonprofit annual wages increased in the five major nonprofit industries except arts, entertainment, and recreation, where it decreased 3.1 percent (\$22,896 to \$22,179). Average annual wages in this industry decreased in all sectors.
- Average annual wages in education increased for both nonprofit and for-profit employees, but decreased by 1.5 percent for government employees. Nonprofit annual wages in education services increased 6.7 percent (\$33,645 to \$35,883).
- Average annual pay per employee in the social assistance and membership organizations industries increased across all sectors.
- Average annual pay increased for nonprofit and government workers in health services, but decreased for for-profit workers by 2.2 percent.

### C. QUARTERLY TRENDS IN NON-PROFIT EMPLOYMENT

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

- An analysis of total employment for each sector by quarter (Figure 37) shows that total nonprofit and charity employment have slowly and steadily increased each quarter, while government employment has fluctuated some by quarter and for-profit employment has fluctuated by quarter noticeably. Interestingly, these quarterly fluctuations are much less evident in 2009, after a large drop from quarter four of 2008.
- These trends suggest that the nonprofit sector provides more seasonally stable, recession-proof employment than the for-profit sector.
- We believe this is most likely because nonprofit employment is chiefly concentrated in the service industry (e.g., health and social assistance), where demand is likely to remain steady or even grow during recessions.
- Nonprofit employment continued to grow in the years that for-profit employment declined, suggesting that nonprofit employment is independent from the decline in for-profit employment during the same time period.
- Traditionally, for-profit employment increases significantly in the second quarter of the year, but that was not the case in 2009, when the increase was only about 10,000 employees, compared to 50,000 in 2008 (most likely reflecting the recession). This was followed by decreases in quarters three and four.

Figure 37: Quarterly employment by sector, 2005-2009



---

## V. CONCLUSION AND POLICY IMPLICATIONS

There were more than 245,000 people employed by Indiana nonprofits in 2009 with combined payroll of \$8.8 billion. Indiana's nonprofit sector is a major economic force in the state economy. This has been the finding in our previous reports, and the findings here extend and substantiate that conclusion. The nonprofit sector has been a stable, seemingly recession-proof employment sector and has seen increased total employment and wages since the last report while total for-profit employment and wages have decreased.

Furthermore, nonprofit total payroll is increasing while for-profit total payroll has declined. While nonprofit employees still earn lower annual wages than those working for government or for-profit establishments, the gap has narrowed considerably. In 2009, nonprofit employees made about \$3,000 less annually than government workers (a gap of 7.6 percent, down from 11 percent in 2005) and about \$2,000 less than for-profit workers (a gap of 6 percent, down from 12.5 percent in 2005).

Moreover, we find that the nonprofit sector continued to grow even after the onset of the Great Recession. For-profit wages and employment decreased, while nonprofits continued their growth trend. The nonprofit sector's resiliency to economic downturns will be explored more thoroughly in our historical analysis report, available later this year.

Nonprofits now employ nearly 10,000 more workers than the accommodation and food industry in Indiana. The average wages of nonprofit employees are much higher than those of workers in for-profit industries such as retail trade and accommodation and food. Average wages for nonprofit employees are also slightly higher than for local government workers.

Our current report also confirms that the nonprofit sector continues to provide significant opportunities for democratic participation, community involvement, and social support for all Indiana citizens. The sector has maintained its dominance in social assistance (counseling, job training, relief services, and day care). It remains a major component of the state's healthcare services and plays important roles in providing education, arts, entertainment, and recrea-

tion. Finally, membership associations saw robust growth of 5 percent or more in total employment from 2007 to 2009.

Our estimates of Indiana's nonprofit employment and payroll are conservative, as explained in Appendix A. It is impossible to know how many people Indiana nonprofits actually employ, but it is likely to be significantly higher than we can document in this report. If employers that already participate in the Covered Wage and Employment (ES-202) reporting system would be able to indicate whether they are operating under for-profit, nonprofit, or government (federal, state, or local) ownership, the state could ensure more accurate and comprehensive data. This change would impose only minor new reporting requirements on participating establishments and would insure more accurate and comprehensive data by avoiding the cumbersome and problematic process we have had to use here to estimate nonprofit employment. Currently, all Indiana for-profit and nonprofit establishments are simply coded as "private."

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. 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 they contribute a significant share of the actual nonprofit employment in the state of Indiana.

This report is fourth in a series that have examined nonprofit employment in Indiana. Indiana Nonprofits: Scope and Community Dimensions will soon release a new report showing nonprofit employment trends over nearly two decades. Later in the year, we will also be releasing reports focusing on regional and industry-specific employment trends. Please visit the project website [www.indiana.edu/~nonprof](http://www.indiana.edu/~nonprof) for the most current information available.



---

# APPENDIX A: THE ES-202 UNEMPLOYMENT INSURANCE LABOR MARKET INFORMATION PROGRAM

## SOURCE OF DATA

The major source of data for this report is the Quarterly Covered Employment and Wages Program (QCEW), also 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 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 currently accounts for approximately 99.7 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,<sup>34</sup> charitable establishments employing less than four workers in 20

weeks during the year, and religious organizations.<sup>35</sup> 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.<sup>36</sup>

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 (classified as membership associations). The extent to which nonprofit employment is underestimated is unknown, but it appears to be extensive for religious organizations.<sup>37</sup>

The number of employees is measured by the number of filled jobs for the pay period that includes the 12<sup>th</sup> day of the survey 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

---

<sup>35</sup> Indiana Code § 22-4-7-2(h) and § 22-4-8-2(j)

<sup>36</sup> Almost one third (29 percent) of the nonprofit organizations included in our analysis for 2009 reported that they had less than four employees; however, this set of nonprofits accounted for only 1.4 percent of all nonprofit employees and only 1.1 percent of total nonprofit payroll. Only 155 religious associations with some 1,179 employees were included in 2009.

<sup>37</sup> Statewide, more than 10,000 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. Survey data from 2002 show 88 percent of congregations having at least one paid staff, and those with staff on average employ 9.8 workers (full-time or part-time), although only half have 4 or more employees. 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.

---

<sup>34</sup> "Part-Time" is defined as remuneration of less than \$50 in any calendar quarter.

---

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. We present here only aggregated data, filtered using federal and state disclosure rules<sup>38</sup> to preserve confidentiality.

The list of Indiana tax-exempt entities were identified using the Exempt Organization Master File (EOMF) published by the Internal Revenue Service. This 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 entities 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 25 other subsections under which organizations can claim exemption from federal income taxation. These include such types of nonprofit or-

ganizations 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 types of organizations most commonly associated with the nonprofit sector.

Appendix J reports on Indiana nonprofit employment for several key IRS reporting characteristics (some details were suppressed to protect confidentiality):

- Exemption status (three 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 2009, more than half (58 percent) of all nonprofit establishments were charities and these accounted for 90 percent of all nonprofit employment and 91 percent of total nonprofit payroll. Social welfare (advocacy) nonprofits accounted for less than 3 percent of all nonprofit establishments and about 1 percent of nonprofit employment and payroll. Other types of nonprofits constituted 34 percent of nonprofit establishments, but only about 8 and 7 percent, respectively, of nonprofit employment and payrolls.
- Location status (two 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 2009, about 86 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 96 percent of total Indiana nonprofit employment and nonprofit payroll.
- Filing status (two 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

---

<sup>38</sup> Data is suppressed if 1) a data grouping includes less than three establishments, 2) if one establishment comprises more than 80 percent of the employment of data grouping, or 3) if suppressed data can be estimated from other available data.

---

more than \$25,000 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 \$25,000 or less also file Form 990. In 2009, 91 percent of Indiana nonprofit entities filed financial information with the IRS. They accounted for 96 percent of total nonprofit employment and 97 percent of total nonprofit payroll in the state. The rest – some 168 non-filers – employed a total of 7,484 employees (or an average of about 45 per establishment) and had combined payrolls of \$244.3 million (or about \$1.4 million 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.<sup>39</sup> This is in 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.

---

<sup>39</sup> We have adjusted the data to correct this only in the case of membership associations (NAICS 813). We assume that there are no for-profit membership associations and so we calculate “true” nonprofit totals for this industry by subtracting government membership associations from the total. For 2009 data, this means that we reclassified 369 private associations with 2,122 employees and total payroll of \$50.5 million as nonprofit, although they were not registered with the IRS as tax-exempt organizations.

Since we do not know whether they would be considered charities if they were registered with the IRS, we have classified all of these non-registered membership associations simply 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.

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 March 2006, April 2008, and April 2010 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).

We are unable, however, to account for establishments that were deleted from the IRS tax-exempt list by February/March/April 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 2009.

The Johns Hopkins Center for Civil Society Studies' Nonprofit Employment Data Project has been working with the various state Employment Security Agencies throughout the country drawing on this ES-202 data source to generate similar data on nonprofit employment in other states (see [www.jhu.edu/~ccss](http://www.jhu.edu/~ccss)). For more information on the Indiana Nonprofits: Scope and Community Dimensions project, see [www.indiana.edu/~nonprof](http://www.indiana.edu/~nonprof).

## DATA PROCESSING AND CLEANING

The data used in this report require substantial manipulation and cross-checking to create the level of details in which our analysis is presented here (we have about 1.7 million data points per year). The work involves standardizing the names of key fields, computing the number of establishments, number of employees, total payroll, and average annual wages by

---

industry for all sectors and sub-sectors, adjusting for suppressed information, and correcting for the absence of some membership associations in the Exempt Organizations Master File. We have prepared a detailed manual with instructions and system of checks and balances that is available to anyone wishing to replicate our work elsewhere. Please contact us at [nonprof@indiana.edu](mailto:nonprof@indiana.edu) for more information.

One particular problematic item deserves somewhat more description. In processing the data for this report, we noticed substantial growth in charitable wages from one year to the next in one economic region, with a corresponding decline in for-profit wages in the same region and during that same time period. We collaborated with the IBRC to determine the source of these shifts and discovered that they were tied to the manufacturing industry and that there were other regions with surprisingly high levels of nonprofit or charitable employment in manufacturing.

With additional assistance from the IBRC we were able to determine that these patterns appear to reflect inconsistent use of identifying information in the two main databases used in developing this analysis. The analysis presented here is based on data that have been corrected for the inconsistencies we were able to identify. For some years, the changes involve redefining as for-profit about a dozen establishments that jointly employed more than 5,000 workers, with an aggregate payroll of over a half billion dollars. Additional problems may remain hidden, despite our best efforts to identify similar suspect patterns.

## APPENDIX B: NONPROFIT EMPLOYMENT IN INDIANA, BY METROPOLITAN STATISTICAL AREA, 2009

Metropolitan Statistical Area*	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
Indianapolis	74,148	827,689	30.2%	9.0%	8.8%	4.7%	\$3,144,973,432
Gary/Northwest	27,314	253,676	11.1%	10.8%	9.2%	5.8%	\$939,499,990
South Bend	21,352	114,506	8.7%	18.6%	8.4%	4.0%	\$897,975,544
Fort Wayne	16,259	191,175	6.6%	8.5%	8.5%	4.6%	\$516,470,809
Evansville	14,954	141,361	6.1%	10.6%	8.5%	5.9%	\$538,796,283
Elkhart	7,778	94,153	3.2%	8.3%	6.3%	3.3%	\$257,817,705
Bloomington	6,856	74,317	2.8%	9.2%	10.7%	3.6%	\$210,547,378
Lafayette	6,566	80,044	2.7%	8.2%	10.1%	3.5%	\$178,704,324
Terre Haute	6,417	66,451	2.6%	9.7%	9.3%	3.8%	\$241,738,965
Muncie	5,375	43,945	2.2%	12.2%	10.1%	3.3%	\$167,940,595
Anderson	4,958	38,940	2.0%	12.7%	11.0%	3.2%	\$166,734,432
LaPorte	4,179	41,861	1.7%	10.0%	8.7%	4.6%	\$144,474,974
Columbus	2,264	40,816	0.9%	5.5%	7.7%	3.3%	\$68,525,928
Kokomo	2,091	37,120	0.9%	5.6%	10.4%	2.5%	\$69,035,549
Non-distributable and Suppressed	45,133	659,599	18.3%	6.8%	8.1%	4.1%	\$1,314,388,945
<b>Grand Total for State</b>	245,644	2,705,653	100%	9.1%	8.7%	4.4%	\$8,857,624,853

\*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.

Any errors in totals are due to rounding and the suppression of confidential data.

## APPENDIX C: NONPROFIT EMPLOYMENT IN INDIANA, BY ECONOMIC GROWTH REGION, 2009

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	76,880	852,174	31.3%	9.0%	8.8%	4.6%	\$3,246,449,024
02 North Central	33,410	265,199	13.6%	12.6%	7.4%	3.6%	\$1,267,281,091
03 Northeast	28,798	310,102	11.7%	9.3%	8.5%	4.0%	\$872,042,879
01 Northwest	32,033	303,903	13.0%	10.5%	9.1%	5.5%	\$1,097,113,865
11 Southwest	12,556	180,544	5.1%	7.0%	8.0%	5.2%	\$360,418,024
04 Northwest Central	11,816	115,414	4.8%	10.2%	9.0%	3.3%	\$376,964,553
06 East Central	9,765	114,419	4.0%	8.5%	9.6%	3.1%	\$289,415,076
08 South Central	8,705	81,217	3.5%	10.7%	11.4%	4.5%	\$309,455,595
07 West Central	7,506	123,406	3.1%	6.1%	9.4%	3.6%	\$235,238,969
09 Southeast Central	4,549	98,641	1.9%	4.6%	7.7%	3.8%	\$120,072,324
10 Southeast	19,091	199,567	7.8%	9.6%	9.7%	4.6%	\$661,161,393
Nondistributable and suppressed (statewide)	535	60,718	0.2%	0.9%	5.8%	7.7%	\$22,012,060
<b>Grand Total for State</b>	<b>245,644</b>	<b>2,705,305</b>	<b>100.0%</b>	<b>9.1%</b>	<b>8.7%</b>	<b>4.4%</b>	<b>\$8,857,624,853</b>

\*Economic Growth Regions (EGR) are defined by the Indiana Department of Workforce Development. For a map of these regions, see page 7.

Any errors in totals are due to rounding and the suppression of confidential data.

## APPENDIX D: NONPROFIT EMPLOYMENT IN INDIANA, BY COUNTY, 2009

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 County	698	11,428	0.3%	6.1%	\$14,004,744
Allen County	14,812	169,818	6.0%	8.7%	\$483,304,097
Bartholomew County	2,265	40,816	0.9%	5.5%	\$68,525,928
Benton County	59	2,303	0.0%	2.6%	\$942,801
Blackford County	271	3,328	0.1%	8.1%	\$6,801,996
Boone County	831	19,419	0.3%	4.3%	\$25,808,834
Brown County	124	2,993	0.1%	4.1%	\$2,799,024
Carroll County	272	5,002	0.1%	5.4%	\$4,630,126
Cass County	732	14,578	0.3%	5.0%	\$14,359,313
Clark County	2,016	46,627	0.8%	4.3%	\$56,559,944
Clay County	445	6,585	0.2%	6.7%	\$9,595,086
Clinton County	849	10,470	0.3%	8.1%	\$20,562,020
Crawford County	83	1,881	0.0%	4.4%	\$1,839,990
Daviess County	509	10,709	0.2%	4.8%	\$10,514,629
Dearborn County	671	14,515	0.3%	4.6%	\$18,104,025
Decatur County	357	11,404	0.1%	3.1%	\$7,576,959
De Kalb County	920	17,941	0.4%	5.1%	\$25,587,170
Delaware County	5,375	43,945	2.2%	12.2%	\$167,940,595
Dubois County	2,096	26,527	0.9%	7.9%	\$72,473,116
Elkhart County	7,778	94,153	3.2%	8.3%	\$257,817,705
Fayette County	843	6,481	0.3%	13.0%	\$28,832,907
Floyd County	1,432	27,857	0.6%	5.1%	\$38,235,229
Fountain County	200	4,899	0.1%	4.1%	\$5,196,738
Franklin County	85	4,212	0.0%	2.0%	\$2,748,586
Fulton County	213	5,977	0.1%	3.6%	\$5,233,910
Gibson County	1,048	15,253	0.4%	6.9%	\$27,710,344
Grant County	4,088	26,505	1.7%	15.4%	\$135,932,215
Greene County	617	7,662	0.3%	8.0%	\$13,914,234
Hamilton County	4,484	108,451	1.8%	4.1%	\$195,137,056
Hancock County	250	18,440	0.1%	1.4%	\$7,928,293
Harrison County	538	10,686	0.2%	5.0%	\$13,070,397
Hendricks County	1,066	48,385	0.4%	2.2%	\$26,808,903
Henry County	409	12,313	0.2%	3.3%	\$7,574,143
Howard County	1,872	33,178	0.8%	5.6%	\$59,207,405
Huntington County	1,940	13,304	0.8%	14.6%	\$54,961,696
Jackson County	686	17,995	0.3%	3.8%	\$17,350,099
Jasper County	883	11,621	0.4%	7.6%	\$22,808,282
Jay County	349	7,440	0.1%	4.7%	\$8,711,685
Jefferson County	1,657	11,919	0.7%	13.9%	\$71,303,646
Jennings County	543	7,073	0.2%	7.7%	\$13,869,715
Johnson County	2,078	41,165	0.8%	5.0%	\$59,298,155
Knox County	1,112	16,037	0.5%	6.9%	\$24,639,304

<b>County</b>	<b>Total Nonprofit employ- ment in county</b>	<b>Total employ- ment in county</b>	<b>Nonprofit employment as percent of total nonprofit employment in state</b>	<b>Nonprofit Employment as percent of total employment in county</b>	<b>Total nonprofit payroll</b>
Kosciusko County	2,330	33,298	0.9%	7.0%	\$51,558,874
LaGrange County	447	9,652	0.2%	4.6%	\$14,354,319
Lake County	21,294	184,711	8.7%	11.5%	\$779,139,923
LaPorte County	4,180	41,862	1.7%	10.0%	\$144,474,974
Lawrence County	1510	12,145	0.6%	12.4%	\$46,557,132
Madison County	4,958	38,940	2.0%	12.7%	\$166,734,432
Marion County	61,818	547,392	25.2%	11.3%	\$2,719,776,908
Marshall County	1,737	17,265	0.7%	10.1%	\$54,695,058
Martin County	84	6,866	0.0%	1.2%	\$1,146,686
Miami County	336	9,161	0.1%	3.7%	\$7,110,606
Monroe County	6,110	61,639	2.5%	9.9%	\$194,496,371
Montgomery County	1,253	14,529	0.5%	8.6%	\$50,382,810
Morgan County	1,039	14,135	0.4%	7.4%	\$36,624,854
Newton County	190	3,498	0.1%	5.4%	\$4,967,979
Noble County	1,346	15,533	0.5%	8.7%	\$33,754,876
Ohio County	19	1,546	0.0%	1.2%	\$320,089
Orange County	683	7,390	0.3%	9.2%	\$17,850,227
Owen County	129	5,017	0.1%	2.6%	\$2,136,773
Parke County	186	3,305	0.1%	5.6%	\$5,256,814
Perry County	276	5,818	0.1%	4.7%	\$7,545,777
Pike County	133	3,096	0.1%	4.3%	\$2,025,737
Porter County	4,948	53,847	2.0%	9.2%	\$132,583,806
Posey County	215	8,309	0.1%	2.6%	\$2,804,008
Pulaski County	299	4,306	0.1%	6.9%	\$5,863,619
Putnam County	2,102	11,461	0.9%	18.3%	\$62,459,816
Randolph County	534	6,923	0.2%	7.7%	\$14,115,818
Ripley County	1125	11,613	0.5%	9.7%	\$32,957,228
Rush County	170	4,717	0.1%	3.6%	\$5,344,645
St. Joseph County	21,352	114,506	8.7%	18.6%	\$897,975,544
Scott County	271	6,290	0.1%	4.3%	\$5,752,692
Shelby County	357	15,849	0.1%	2.3%	\$8,331,589
Spencer County	520	6,728	0.2%	7.7%	\$15,681,176
Starke County	241	4,059	0.1%	5.9%	\$7,275,282
Steuben County	1133	13,046	0.5%	8.7%	\$30,022,247
Sullivan County	151	5,396	0.1%	2.8%	\$2,295,163
Switzerland County	100	2,313	0.0%	4.3%	\$2,482,694
Tippecanoe County	6,236	72,740	2.5%	8.6%	\$173,131,397
Tipton County	219	3,942	0.1%	5.5%	\$9,828,144
Union County	83	1,340	0.0%	6.2%	\$2,696,029
Vanderburgh County	13,025	103,656	5.3%	12.6%	\$491,485,231
Vermillion County	290	4,309	0.1%	6.7%	\$13,992,157
Vigo County	5,532	50,161	2.3%	11.0%	\$215,856,559
Wabash County	1,967	11,520	0.8%	17.1%	\$46,954,803
Warren County	212	1,700	0.1%	12.5%	\$8,247,008
Warrick County	667	14,144	0.3%	4.7%	\$16,796,700



---

<b>County</b>	<b>Total Nonprofit employment in county</b>	<b>Total employment in county</b>	<b>Nonprofit employment as percent of total nonprofit employment in state</b>	<b>Nonprofit employment as percent of total employment in county</b>	<b>Total nonprofit payroll</b>
Washington County	211	5,300	0.1%	4.0%	\$4,614,072
Wayne County	3,782	29,263	1.5%	12.9%	\$134,946,735
Wells County	491	10,429	0.2%	4.7%	\$9,135,649
White County	317	8,043	0.1%	3.9%	\$6,819,656
Whitley County	957	10,928	0.4%	8.8%	\$24,031,063
Nondistributable and suppressed (statewide)	532	60,732	0.2%	0.9%	\$22,012,060
<b>Grand Total for State</b>	<b>245,644</b>	<b>2,705,653</b>	<b>100.0%</b>	<b>9.1%</b>	<b>\$8,857,624,853</b>

Note: Data on nonprofit employment for some counties and some quarters are estimated based on available data.

The Indiana Business Research Center publishes total employment data by county, available at: <http://www.stats.indiana.edu/cew/>

Any errors in totals are due to rounding and the suppression of confidential data.

## APPENDIX E: TOTAL EMPLOYMENT, PAYROLL AND WAGES FOR SELECT INDUSTRIES IN INDIANA, 2009

NAICS Code	Industry group	Total employment	Share of total employment	Total Payroll	Estimated average annual wage*
11	Agriculture, Forestry, Fishing and Hunting	12,445	0.5%	\$375,005,632	\$30,134
21	Mining	6,288	0.2%	\$363,696,771	\$57,835
22	Utilities	16,867	0.6%	\$1,205,341,613	\$71,459
23	Construction	120,305	4.4%	\$5,661,844,546	\$47,062
31-33	Manufacturing	442,045	16.3%	\$23,155,327,127	\$52,382
42	Wholesale Trade	115,209	4.3%	\$5,989,215,607	\$51,985
44-45	Retail Trade	308,088	11.4%	\$7,052,461,755	\$22,891
48-49	Transportation and Warehousing	122,625	4.5%	\$4,760,743,418	\$38,823
51	Information	44,547	1.6%	\$1,943,522,287	\$43,628
52	Finance and Insurance	95,209	3.5%	\$4,966,276,300	\$52,162
53	Real Estate and Rental and Leasing	33,908	1.3%	\$1,114,233,534	\$32,860
54	Professional, Scientific, and Technical Services	96,004	3.5%	\$5,139,710,018	\$53,537
55	Management of Companies and Enterprises	27,462	1.0%	\$1,977,477,844	\$72,008
56	Administrative and Support and Waste Management and Remediation Services	140,156	5.2%	\$3,734,160,984	\$26,643
61	Educational Services	254,070	9.4%	\$9,317,479,925	\$36,673
62	Health Care and Social Assistance	379,132	14.0%	\$15,132,891,410	\$39,915
71	Arts, Entertainment, and Recreation	44,117	1.6%	\$1,244,508,279	\$28,209
72	Accommodation and Food Services	235,195	8.7%	\$3,039,498,529	\$12,923
81	Other Services (except Public Administration)	80,383	3.0%	\$2,056,507,868	\$25,584
92	Public Administration	131,346	4.9%	\$5,274,607,763	\$40,158
	<b>Other</b>	252	0.0%	\$8,807,623	\$34,986
	<b>Total</b>	2,705,653	100%	\$103,513,318,833	\$38,258

\* The employment data do not distinguish between full-time and part-time employees, so these wage calculations may underestimate true full-time wages.

Any errors in totals are due to rounding and the suppression of confidential data.

## APPENDIX F: NONPROFIT AND CHARITABLE EMPLOYMENT BY INDUSTRY IN INDIANA, 2009

NAICS Code	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	32,654	13.3%	32,364	14.6%
62*	Health Services (exclusive of Social Assistance)	Hospitals, nursing and personal care facilities, home health care organizations	132,642	54.0%	132,595	59.9%
624	Social Assistance	Child day care services, job training and related services, individual and family services	27,306	11.1%	27,271	12.3%
71	Arts, Entertainment and Recreation Services	Performing arts, spectator sports, museums, historical sites, zoos and botanical gardens	6,563	2.7%	4,056	1.8%
813	Membership Organizations	Business associations, professional associations, neighborhood associations, social clubs, hiking clubs, environmental organizations	26,339	10.7%	13,592	6.1%
All other	Other	Utilities, Information, Publishing, Finance and Insurance, Manufacturing, Credit Intermediation and Related Activities, Funds, Trusts, and Other Financial Vehicles, Real Estate, Rental and Leasing, Management of Companies and Enterprises, Accommodation, and others	20,140	8.2%	11,494	5.2%
Total			245,644	100.0%	221,374	100.0%

\*The NAICS incorporates Social Assistance (NAICS 624) into Health Services (NAICS 62). For clarity, our analysis separates the two.

# APPENDIX G: NONPROFIT EMPLOYMENT, PAYROLL AND WAGES FOR SELECT INDUSTRIES IN INDIANA, 2009

NAICS Code	Industry group	Total nonprofit employment	Share of nonprofit employment	Total Nonprofit Payroll	Estimated Average annual wage*
<b>61</b>	<b>EDUCATION SERVICES</b>	32,654	13.3%	\$1,171,725,468	\$35,883
611	Educational Services	32,654	13.3%	\$1,171,725,468	\$35,883
6111	Elementary and Secondary Schools	7,906	3.2%	\$216,809,821	\$27,423
6112	Junior Colleges	NA	NA	NA	NA
6113	Colleges, Universities, and Professional Schools	22,955	9.3%	\$905,913,527	\$39,464
	Other educational services (6114, 6115, 6116, 6117)	NA	NA	NA	NA
<b>62**</b>	<b>HEALTH SERVICES</b>	132,642	54.0%	\$5,481,484,103	\$41,325
621	Ambulatory Health Care Services	16,825	6.8%	\$795,242,215	\$47,266
6214	Outpatient Care Centers	5,455	2.2%	\$199,992,750	\$36,659
6216	Home Health Care Services	2,368	1.0%	\$85,296,629	\$36,013
622	Hospitals	92,825	37.8%	\$4,132,293,722	\$44,517
6221	General Medical and Surgical Hospitals	89,025	36.2%	\$3,989,658,596	\$44,815
6222	Psychiatric and Substance Abuse Hospitals	2,249	0.9%	\$71,717,104	\$31,888
6223	Specialty (except Psychiatric & Substance Abuse) Hospitals	1,550	0.6%	\$70,918,022	\$45,739
623	Nursing and Residential Care Facilities	22,993	9.4%	\$553,948,166	\$24,092
6231	Nursing Care Facilities	7,585	3.1%	\$189,580,392	\$24,992
6232	Res. Mental Retardation, Mental Health & Sub. Abuse Facilities	4,844	2.0%	\$112,459,442	\$23,217
6233	Community Care Facilities for the Elderly	7,046	2.9%	\$164,190,679	\$23,304
6239	Other Residential Care	3,518	1.4%	\$87,717,653	\$24,936
<b>624</b>	<b>SOCIAL ASSISTANCE</b>	27,306	11.1%	\$612,244,136	\$22,422
6241	Individual and Family Services	10,116	4.1%	\$256,451,550	\$25,350
6242	Community Food & Housing, Emergency & Other Relief Services	1,644	0.7%	\$39,398,580	\$23,965
6243	Vocational Rehabilitation Services	11,372	4.6%	\$240,152,574	\$21,116
6244	Child Day Care Services	4,172	1.7%	\$76,241,432	\$18,271
<b>71</b>	<b>ARTS, ENTERTAINMENT, RECREATION</b>	6,563	2.7%	\$145,563,310	\$22,179
711	Performing Arts, Spectator Sports, & Related Industries	1,419	0.6%	\$35,259,820	\$24,848
712	Museums, Historical Sites, and Similar Institutions	1,952	0.8%	\$53,885,305	\$27,602
713	Amusement, Gambling, and Recreation Industries	3,192	1.3%	\$56,418,185	\$17,676
<b>813**</b>	<b>RELIGIOUS, GRANTMAKING, CIVIC, PROFESSIONAL, AND SIMILAR ORGANIZATIONS</b>	26,339	10.7%	\$628,935,397	\$23,879
<b>*</b>					
8131	Religious Organizations	1,179	0.5%	\$23,260,374	\$19,725
8132	Grantmaking and Giving Services	1,942	0.8%	\$85,797,713	\$44,174
8133	Social Advocacy Organizations	1,581	0.6%	\$44,301,454	\$28,008
8134	Civic and Social Organizations	13,890	5.7%	\$199,935,560	\$14,394
8139	Business, Professional, Labor, Political, and Similar Organizations	7,746	3.2%	\$275,640,296	\$35,586
<b>Suppressed and other industries</b>		20,141	8.2%	\$817,672,439	\$40,598
<b>Total</b>		245,644	100.0%	\$8,857,624,853	\$36,059

\* 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 H: FOR-PROFIT EMPLOYMENT, PAYROLL AND WAGES FOR SELECT INDUSTRIES IN INDIANA, 2009

NAICS Code	Industry group	Total for-profit employment	Share of For-profit employment	Total For-Profit Payroll	Estimated average annual wage*
<b>61</b>	<b>EDUCATION SERVICES</b>	13,326	0.6%	\$358,315,964	\$26,887
611	Educational Services	13,326	0.6%	\$358,315,964	\$26,887
6111	Elementary and Secondary Schools	3,802	0.2%	\$85,437,796	\$22,472
6112	Junior Colleges	NA	NA	NA	NA
6113	Colleges, Universities, and Professional Schools	972	0.0%	\$31,724,943	\$32,622
	Other educational services (6114, 6115, 6116, 6117)	NA	NA	NA	NA
<b>62**</b>	<b>HEALTH SERVICES</b>	167,874	8.2%	\$7,153,514,469	\$42,612
621	Ambulatory Health Care Services	98,286	4.8%	\$5,079,827,706	\$51,684
6214	Outpatient Care Centers	6,000	0.3%	\$289,994,646	\$48,330
6216	Home Health Care Services	13,017	0.6%	\$315,402,933	\$24,230
622	Hospitals	17,238	0.8%	\$735,401,908	\$42,660
6221	General Medical and Surgical Hospitals	13,592	0.7%	\$580,071,883	\$42,676
6222	Psychiatric and Substance Abuse Hospitals	NA	NA	NA	NA
6223	Specialty (except Psychiatric & Substance Abuse) Hospitals	NA	NA	NA	NA
623	Nursing and Residential Care Facilities	52,349	2.6%	\$1,338,284,855	\$25,565
6231	Nursing Care Facilities	38,726	1.9%	\$1,044,650,566	\$26,976
6232	Res. Mental Retardation, Mental Health & Sub. Abuse Facilities	5,909	0.3%	\$129,068,635	\$21,843
6233	Community Care Facilities for the Elderly	6,628	0.3%	\$137,183,567	\$20,698
6239	Other Residential Care	1,087	0.1%	\$27,382,078	\$25,202
<b>624</b>	<b>SOCIAL ASSISTANCE</b>	16,647	0.8%	\$313,983,400	\$18,861
6241	Individual and Family Services	6,904	0.3%	\$144,835,368	\$20,980
6242	Community Food & Housing, Emergency & Other Relief Services	285	0.0%	\$8,873,964	\$31,191
6243	Vocational Rehabilitation Services	1,989	0.1%	\$47,418,359	\$23,837
6244	Child Day Care Services	7,498	0.4%	\$112,439,970	\$14,995
<b>71</b>	<b>ARTS, ENTERTAINMENT, RECREATION</b>	36,482	1.8%	\$1,070,048,116	\$29,331
711	Performing Arts, Spectator Sports, and Related Industries	NA	NA	NA	NA
712	Museums, Historical Sites, and Similar Institutions	NA	NA	NA	NA
713	Amusement, Gambling, and Recreation Industries	29,752	1.5%	\$655,396,604	\$22,029
	<b>Suppressed and other Industries</b>	1,816,956	88.6%	\$69,809,402,894	\$38,421
	<b>Total</b>	2,051,286	100.0%	\$78,705,264,843	\$38,369

\* 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 I: GOVERNMENT EMPLOYMENT, PAYROLL AND WAGES FOR SELECT INDUSTRIES IN INDIANA, 2009

NA-ICS Code	Industry group	Total government employment	Share of government employment	Total Government Payroll	Estimated average annual wage*
<b>61</b>	<b>EDUCATION SERVICES</b>	208,089	50.9%	\$7,787,438,493	\$37,424
611	Educational Services	208,089	50.9%	\$7,787,438,493	\$37,424
6111	Elementary and Secondary Schools	155,212	38.0%	\$5,491,034,940	\$35,378
6112	Junior Colleges	NA	NA	NA	NA
6113	Colleges, Universities, and Professional Schools	44,541	10.9%	\$2,033,706,238	\$45,659
	Other educational services (6114, 6115, 6116, 6117)	NA	NA	NA	NA
<b>62**</b>	<b>HEALTH SERVICES</b>	34,566	8.5%	\$1,568,811,301	\$45,385
621	Ambulatory Health Care Services	604	0.1%	\$33,980,473	\$56,213
6214	Outpatient Care Centers	NA	NA	NA	NA
6216	Home Health Care Services	NA	NA	NA	NA
622	Hospitals	33,301	8.1%	\$1,515,726,208	\$45,515
6221	General Medical and Surgical Hospitals	29,417	7.2%	\$1,336,059,008	\$45,417
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	660	0.2%	\$19,104,620	\$28,924
6231	Nursing Care Facilities	NA	NA	NA	NA
6232	Res. Mental Retardation, Mental Health Sub. Abuse Facilities	NA	NA	NA	NA
6233	Community Care Facilities for the Elderly	NA	NA	NA	NA
6239	Other Residential Care	NA	NA	NA	NA
<b>624</b>	<b>SOCIAL ASSISTANCE</b>	96	0.0%	\$2,854,001	\$29,729
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
<b>71</b>	<b>ARTS, ENTERTAINMENT, RECREATION</b>	1,072	0.3%	\$28,896,853	\$26,962
711	Performing Arts, Spectator Sports, and Related Industries	NA	NA	NA	NA
712	Museums, Historical Sites, and Similar Institutions	NA	NA	NA	NA
713	Amusement, Gambling, and Recreation Industries	NA	NA	NA	NA
	<b>Other industries</b>	164,898	40.3%	\$6,562,428,489	\$39,797
	<b>Total</b>	2,051,286	100%	\$15,950,429,137	\$38,369

\* 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 J: DISTRIBUTION OF INDIANA NONPROFIT EMPLOYMENT BY IRS REPORTING STATUS, 2005, 2007, 2009 (IN 2009 DOLLARS)

Type of nonprofit	Establishments	Employment	Payroll	Annual Wages	Percent Distribution		
					Establishments	Employment	Payroll
<b>2005</b>							
501c3 - charities	3,546	207,040	\$7,258,027,146	\$35,056	56.0%	89.2%	91.1%
501c4 - social welfare	172	1,660	\$90,865,819	\$54,730	2.7%	0.7%	1.1%
All other	2,292	21,376	\$570,165,775	\$26,673	36.2%	9.2%	7.2%
Indiana address	5,585	223,611	\$7,725,828,044	\$34,550	88.2%	96.4%	97.0%
Out of state	426	6,466	\$193,230,697	\$29,885	6.7%	2.8%	2.4%
Files Form 990	5,749	221,001	\$7,669,986,435	\$34,706	90.8%	95.2%	96.3%
Non-filers	261	9,076	\$249,072,306	\$27,444	4.1%	3.9%	3.1%
Suppressed or Adjusted*	324	1,977	\$45,772,009	\$23,152	5.1%	0.9%	0.6%
All	6,334	232,053	\$7,964,830,750	\$34,323	100.0%	100.0%	100.0%
<b>2007</b>							
501c3 - charities	3,608	211,020	\$7,483,306,372	\$35,463	56.6%	89.4%	91.1%
501c4 - social welfare	170	1,763	\$98,784,852	\$56,040	2.7%	0.7%	1.2%
All other	2,216	20,671	\$568,339,595	\$27,495	34.8%	8.8%	6.9%
Indiana address	5,498	224,731	\$7,868,098,161	\$35,011	86.3%	95.3%	95.8%
Out of state	496	8,722	\$282,332,659	\$32,371	7.8%	3.7%	3.4%
Files Form 990	5,660	217,860	\$7,636,395,241	\$35,052	88.9%	92.3%	93.0%
Non-filers	333	15,593	\$514,035,578	\$32,966	5.2%	6.6%	6.3%
Suppressed or Adjusted*	378	7,324	\$60,124,029	\$24,317	5.9%	1.0%	0.7%
All	6,371	240,777	\$8,647,913,716	\$34,801	100.0%	100.0%	100.0%
<b>2009</b>							
501c3 - charities	3,718	221,202	\$8,097,538,572	\$36,606	57.2%	90.0%	91.4%
501c4 - social welfare	184	2,097	\$117,645,979	\$56,102	3.0%	0.8%	1.2%
All other	2,198	20,030	\$585,033,345	\$29,207	33.8%	8.2%	6.6%
Indiana address	5,594	235,334	\$8,534,832,815	\$36,266	86.0%	95.8%	96.4%
Out of state	508	7,996	\$265,385,081	\$33,190	7.8%	3.3%	3.0%
Files Form 990	5,933	235,846	\$8,555,924,578	\$36,277	91.2%	96.0%	96.6%
Non-filers	167	7,483	\$244,293,318	\$32,644	2.6%	3.0%	2.8%
Suppressed or Adjusted*	404	2,315	\$57,406,957	\$24,800	6.2%	0.9%	0.6%
All	6,504	245,644	\$8,857,624,853	\$36,058	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. Due to suppression rules some figures are not consistent with previous appendixes.

---

## APPENDIX K: 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 2010. Online reports, as well as summaries of all other items are available on the project web site: [www.indiana.edu/~nonprof](http://www.indiana.edu/~nonprof). To obtain a complete version of an unpublished paper please contact Kirsten Grønbjerg ([kgronbj@indiana.edu](mailto:kgronbj@indiana.edu), (812) 855-5971).

### 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* (SPEA) 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. For Phase II, SPEA was commissioned by the *Indiana Arts Commission (IAC)* in to conduct a survey of arts and culture grant applicants to the IAC or its regional partners. A total of 385 organizations completed the survey.

#### *Published Articles and Conference Papers*

- "Do Organizational Characteristics and Activities Influence Organizational Capacities: An Analysis of Indiana's Nonprofit Sector," by Li Chuan Liu and Kirsten A. Grønbjerg. Paper presented at the ARNOVA Annual Conference, Philadelphia, November, 19-22, 2008.

#### *Online Statewide Reports*

- *Nonprofit Capacity Assessment: Indiana's Arts and Culture Organizations*, Final Report 2010, Nonprofit Capacity Assessment Survey Series, Report #3, Final Report. Kirsten A. Grønbjerg and Kellie McGiverin-Bohan with Jenna Cluver, Suzzy Mangas, and Jessica Wechter. Online report. Indiana Nonprofit Capacity Survey Series, Report #3. June 2010.
- *Nonprofit Capacity Assessment: Indiana's Arts and Culture Organizations, 2009*, Nonprofit Capacity Assessment Survey Series, Report #2, Preliminary Report. Kirsten A. Grønbjerg and Kellie McGiverin-Bohan with Jenna Cluver, Suzzy Mangas, and Jessica Wechter. Online report. Indiana Nonprofit Capacity Survey Series, Report #2. March 2009. (<http://www.indiana.edu/~nonprof/results/npcapacity/charitycapacityassessment.pdf>).
- *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](http://www.donorsforum.org), December, 2003).

### *Online Statewide Reports*

- *Indiana Nonprofits: A Portrait of Religious Nonprofits and Secular Charities*, by Kirsten A. Grønbjerg, Patricia Borntreger 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 Borntreger Tennen. Online report. Survey Report #6. September 2005 ([www.indiana.edu/~nonprof/results/npsurvey/insmember.html](http://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](http://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](http://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](http://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](http://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](http://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 Borntreger Tennen. Bloomington, IN: Indiana University School of Public and Environmental Affairs, November 2006. ([www.indiana.edu/~nonprof/results/npsurvey/inscomscott.pdf](http://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 Borntreger Tennen. Bloomington, IN: Indiana University School of Public and Environmental Affairs, November 2006. ([www.indiana.edu/~nonprof/results/npsurvey/inscommiami.pdf](http://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 Borntreger Tennen. Bloomington, IN: Indiana University School of Public and Environmental Affairs, November 2006. ([www.indiana.edu/~nonprof/results/npsurvey/inscomdubois.pdf](http://www.indiana.edu/~nonprof/results/npsurvey/inscomdubois.pdf)).
- *Cass Nonprofits: Scope and Dimensions*. Nonprofit Survey Series, Community Report #9, by Kirsten A. Grønbjerg, Andrea Lewis and Patricia Borntreger Tennen. Bloomington, IN: Indiana University School of Public and Environmental Affairs, November 2006. ([www.indiana.edu/~nonprof/results/npsurvey/inscomcass.pdf](http://www.indiana.edu/~nonprof/results/npsurvey/inscomcass.pdf))

- *Bartholomew Nonprofits: Scope and Dimensions*. Nonprofit Survey Series, Community Report #8, by Kirsten A. Grønbjerg, Kerry S. Brock and Patricia Borntreger Tennen. Bloomington, IN: Indiana University School of Public and Environmental Affairs, November 2006. ([www.indiana.edu/~nonprof/results/npsurvey/inscombartholomew.pdf](http://www.indiana.edu/~nonprof/results/npsurvey/inscombartholomew.pdf))
- *South Bend Nonprofits: Scope and Dimensions*. Nonprofit Survey Series, Community Report #7, by Kirsten A. Grønbjerg, Kerry S. Brock and Patricia Borntreger Tennen. Bloomington, IN: Indiana University School of Public and Environmental Affairs, November 2006. ([www.indiana.edu/~nonprof/results/npsurvey/inscomsouthbend.pdf](http://www.indiana.edu/~nonprof/results/npsurvey/inscomsouthbend.pdf))
- *Fort Wayne Nonprofits: Scope and Dimensions*. Nonprofit Survey Series, Community Report #6, by Kirsten A. Grønbjerg, Abigail Powell, Andrea Lewis and Patricia Borntreger Tennen. Bloomington, IN: Indiana University School of Public and Environmental Affairs, November 2006. ([www.indiana.edu/~nonprof/results/npsurvey/inscomfortwayne.pdf](http://www.indiana.edu/~nonprof/results/npsurvey/inscomfortwayne.pdf))
- *Indianapolis Nonprofits: Scope and Dimensions*. Nonprofit Survey Series, Community Report #5, by Kirsten A. Grønbjerg and Patricia Borntreger Tennen. Bloomington, IN: Indiana University School of Public and Environmental Affairs, November 2006. ([www.indiana.edu/~nonprof/results/npsurvey/inscomindianapolis.pdf](http://www.indiana.edu/~nonprof/results/npsurvey/inscomindianapolis.pdf))
- *Evansville Nonprofits: Scope and Dimensions*. Nonprofit Survey Series, Community Report #4, by Kirsten A. Grønbjerg, Curtis Child and Patricia Borntreger Tennen (Bloomington, IN: Indiana University School of Public and Environmental Affairs, June 2006 (revised November 2006)). ([www.indiana.edu/~nonprof/results/npsurvey/inscomevansville.pdf](http://www.indiana.edu/~nonprof/results/npsurvey/inscomevansville.pdf))
- *Muncie Nonprofits: Scope and Dimensions*. Nonprofit Survey Series, Community Report #3, by Kirsten A. Grønbjerg and Patricia Borntreger Tennen. Bloomington, IN: Indiana University School of Public and Environmental Affairs, June 2006. ([www.indiana.edu/~nonprof/results/npsurvey/inscommuncie.pdf](http://www.indiana.edu/~nonprof/results/npsurvey/inscommuncie.pdf))
- *Northwest Nonprofits: Scope and Dimensions*. Nonprofit Survey Series, Community Report #2, by Kirsten A. Grønbjerg and Patricia Borntreger Tennen (Bloomington, IN: Indiana University School of Public and Environmental Affairs, February, 2006). ([www.indiana.edu/~nonprof/results/npsurvey/inscomnorthwest.pdf](http://www.indiana.edu/~nonprof/results/npsurvey/inscomnorthwest.pdf))
- *Bloomington Nonprofits: Scope and Dimensions*. Nonprofit Survey Series, Community Report #1, by Kirsten A. Grønbjerg and Curtis Child, Patricia Borntreger Tennen (Bloomington, IN: Indiana University School of Public and Environmental Affairs, December, 2005). ([www.indiana.edu/~nonprof/results/npsurvey/inscombloomington.pdf](http://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. Grønbjerg. 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. Grønbjerg. *Social Science Quarterly* 88 (1, 2007) 259-81.
- "The Capacities and Challenges of Faith-Based Human Service Organizations," by Richard Clerkin and Kirsten Grønbjerg. *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. Grønbjerg, 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.
- "Nonprofit Networks and Collaborations: Incidence, Scope and Outcomes," by Kirsten Grønbjerg 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 Grønbjerg 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. Grønbjerg 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 Grønbjerg. Paper presented at the Independent Sector Spring Research Forum, Washington, D.C., March 6-7, 2003.

### [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: 2009 Update*. Nonprofit Employment Report No. 4 by Kirsten A. Grønbjerg, Kellie L. McGiverin-Bohan, Jacob Knight, Katherine Novakoski, and Virginia Simpson with Kristen Dmytryk and Jason Simons. August, 2011. ([www.indiana.edu/~nonprof/results/innonprofitemploy4.htm](http://www.indiana.edu/~nonprof/results/innonprofitemploy4.htm)).
- *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](http://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](http://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](http://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](http://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](http://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](http://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](http://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](http://www.indiana.edu/~nonprof/results/inemploy/Bloomingtonempl03.pdf)).

### [Nonprofit Trust Survey Analysis](#)

We completed a survey of 536 Indiana residents in October 2008, to assess whether they trust nonprofits and charities in their communities more or less than they trust the state government in Indianapolis, local government, the federal government and businesses and corporations in their community. We also asked respondents about their political orientations and about a broad range of socio-demographic characteristics.

#### *Online Report*

- *Are Nonprofits Trustworthy?* by Kirsten Grønbjerg. Bloomington, Indiana, School of Public and Environmental Affairs, February 11, 2009. ([www.indiana.edu/~nonprofit/results/trustsurvey/trustsurvey2008.pdf](http://www.indiana.edu/~nonprofit/results/trustsurvey/trustsurvey2008.pdf)).

### [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 Grønbjerg 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 Grønbjerg. Paper presented at the ARNOVA Meetings, Montreal, Canada, November 14-16, 2002.
- "Volunteering for Nonprofits: The Role of Religious Engagement" by Kirsten Grønbjerg and Brent Never. Paper presented at the Association for the Study of Religion. Chicago, August 14-16, 2002.

### [Indiana Nonprofit Composition/Database Analysis](#)

Our most recent efforts examine the consequences for Indiana tax-exempt organizations of new federal reporting requirements mandated under the Pension Protection Act of 2006. As of June 2011, 6,152 Indiana nonprofits have lost their exempt status because they failed to meet the new reporting requirements. Earlier, 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>.

### *Online Report*

- *IRS Exempt Status Initiative: Indiana Nonprofits and Compliance with the Pension Protection Act of 2006* by Kirsten A. Grønbjerg, Kellie McGiverin-Bohan, Kristen Dmytryk, and Jason Simons., Bloomington, Indiana: School of Public and Environmental Affairs, July 1, 2011 ([www.indiana.edu/~nonprof/results/database/IRSRevocation.html](http://www.indiana.edu/~nonprof/results/database/IRSRevocation.html)).

### *Journal Articles and Conference Presentations*

- "Incorporated but not IRS-Registered: Exploring the (Dark) Grey Fringes of the Nonprofit Universe" by Kirsten A. Grønbjerg, Helen Liu and Thomas Pollak. *Nonprofit and Voluntary Sector Quarterly* 39 (No. 5, October, 2010): 925-45; first published online, August 10, 2009. Revised version of paper presented at Academy of Management Annual Conference, Anaheim, CA., August 10-13, 2008 and the Fifth Annual West Coast Nonprofit Data Conference, Phoenix, AZ, April 4-5, 2008.
- "Burrowing Into the Grey Matter of the Nonprofit Universe: Changing Patterns of IRS Registration and State Incorporation, 2001-2005" by Kirsten A. Grønbjerg, Helen Liu, Thomas Pollak and Ginger Elliott-Teague. Revised version of paper presented at the Association of Research on Nonprofit Organizations and Voluntary Action, Atlanta, GA, November 15-17, 2007.
- "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. Grønbjerg & Laurie Paarlberg. *Nonprofit and Voluntary Sector Quarterly* 30 (No. 4, December, 2001) 684-706.



# INDIANA UNIVERSITY

SCHOOL OF PUBLIC AND  
ENVIRONMENTAL AFFAIRS



# KELLEY SCHOOL OF BUSINESS

INDIANA UNIVERSITY  
Indiana Business Research Center