



Nonprofit Employment Series
Report #5

INDIANA NONPROFIT EMPLOYMENT: TRENDS IN EDUCATION, 1995-2009

MAY 2012

A JOINT PRODUCT OF
THE CENTER ON PHILANTHROPY AT INDIANA UNIVERSITY
THE SCHOOL OF PUBLIC AND ENVIRONMENTAL AFFAIRS AT INDIANA UNIVERSITY
THE INDIANA BUSINESS RESEARCH CENTER AT INDIANA UNIVERSITY
THE JOHNS HOPKINS CENTER FOR CIVIL SOCIETY STUDIES

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The Johns Hopkins Center for Civil Society Studies

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

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MAY 2012
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INDIANA NONPROFITS: SCOPE & COMMUNITY DIMENSIONS

NONPROFIT EMPLOYMENT
SERIES: REPORT #5

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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. Educational nonprofits, the focus of this report, play a very important role in training future and current workers and supporting innovation and entrepreneurship. They also provide entertainment and recreation through sports and arts programs and encourage social engagement through clubs and other activities. This report from *Indiana Nonprofits: Scope and Community Dimensions* presents new data on the size, composition, and distribution of paid education employment in Indiana's private nonprofit sector from 1995 to 2009.

Major Findings in Education Employment

- **Nonprofit employment in education increased faster than employment in other major nonprofit industries.** From 1995 to 2009, total nonprofit employment in education grew by nearly 50 percent. In comparison, nonprofit employment in health care and social assistance grew 35 and 44 percent, respectively. For more information, see page 11 and Figure 2.
- **In 2001, the education industry surpassed membership organizations and became the second largest employer of nonprofit workers.** About 12 to 13 percent of all nonprofit workers were employed by educational institutions. The number one employer, health care, accounted for over 50 percent of nonprofit workers. For more information, see page 11 and Figure 3.
- **Nonprofit employment in education grew more than employment in governmental education establishments** – up by 50 percent from 1995 to 2009, compared to only 25 percent growth for government education over this same time period (the latter includes state universities, such as Indiana and Purdue universities, and public elementary and secondary schools). For more information, see page 13 and Figure 6.
- **The average size of nonprofit education establishments decreased 20 percent from 1995 to 2009.** This is likely due to the formation of new smaller education establishments, rather than employment reductions in older establishments. The average size of government establishments grew slightly over the same time period. For more information, see page 37 and Figure 42.
- **Total nonprofit payroll in education grew over 70 percent over the same time period** (adjusted for inflation), fueled mainly by growth in college and university payroll (up 66 percent from 1995 to 2009). For more information, see page 45 and Figure 52.
- **Nonprofit average annual wages in education increased by 15 percent between 1995 and 2009** (adjusted for inflation). This growth outpaced that of nonprofit average annual wages in the social assistance and arts, entertainment, and recreation industries, which saw growth of 11 percent and 7 percent, respectively. For more information, see page 55 and Figure 66.
- **Nonprofit and for-profit educational institutions are very different from one another.** While it might be tempting to compare nonprofit and for-profit educational institutions when evaluating the growth of private sector education, nonprofit institutions have trends more similar to government educational institutions. For-profit universities, junior colleges, and grade schools tend to be much smaller and display much more volatility than their nonprofit peers.

Findings in College and University Employment

- **Nonprofits employed about one-third of college and university workers in Indiana.** Overall, nonprofit employment in this sub-industry increased by 43 percent from 1995 to 2009, while government employment (i.e., in public universities) only increased 23 percent. For more information, see page 17, Figure 12 and Figure 13.
- **Nonprofit (i.e., private) college and university establishments significantly outnumbered government (i.e., public) and for-profit establishments.** Over the 15 year time period, the nonprofit sector dominated college and university establishments, ranging from a high of 67 percent in 1995 to a low of 57 percent in 2008. For more information, see page 29, Figure 31 and Figure 32.
- **Average wages in nonprofit colleges and universities increased 16 percent** (adjusted for inflation). Wages in public colleges and universities grew only 5 percent. For more information, see page 59 and Figure 71.

Findings in Elementary and Secondary School Employment

- **Nonprofit employment in elementary and secondary schools grew 58 percent from 1995 to 2009.** This might be due to increased interest in private and charter school education in the state. In comparison, government employment increased 24 percent. For more information, see page 18 and Figure 14.
- **The average nonprofit elementary or secondary school had between 60 and 80 workers.** In comparison, public schools had between 100 and 115 employees. The average size of for-profit schools peaked at about 70 employees in 1999, but has remained at 30 or fewer employees since 2001. For more information, see page 41 and Figure 48.
- **In nonprofit elementary and secondary schools, the average annual wage increased 20 percent from 1995 to 2009.** Average wages in these establishments dropped 8 percent over the same time period (all adjusted for inflation). For more information, see page 59 and Figure 72.

Findings in Junior College Employment

- **Trends suggest that nonprofit employment in junior colleges decreases when for-profit employment increases.** In particular, the number of for-profit junior college employees increased from 2004 to 2009 while nonprofit employment decreased. For more information, see page 19, page 32, and Figure 16.
- **The nonprofit sector comprised a small and decreasing number of junior colleges between 1995 and 2009.** From 1995 to 2006, nonprofit junior colleges accounted for 18 to 21 percent of all junior colleges, but this percentage dropped dramatically from 2007 to 2009. This is might be due to the reclassification of one junior college (and all its campuses) into a four-year school. For more information, see page 32 and Figure 37.
- **Nonprofit junior college average annual wages were more volatile than government average wages but less volatile than for-profit wages between 1995 and 2009.** Yearly changes in nonprofit wages (adjusted for inflation) were as high as 12 percent from one year to the next, with the greatest annual changes occurring between 1995 and 2003. For more information, see page 60 and Figure 74.

I. INTRODUCTION

Nonprofit organizations make significant contributions to the quality of life for the residents of Indiana by offering education and job training as well as health care, access to arts and culture, 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 report presents new information on the size, composition, and distribution of paid, private, nonprofit employment in Indiana's educational services industry. The fifth report in a series of statewide employment analyses,¹ it focuses on education employment trends from 1995 through 2009. Data over this time period give us insights into how recessions and economic growth periods impact nonprofit education employment. Upcoming reports in this series will analyze similar trends in health care, social assistance, and the arts.

The research 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.

A. Why Education Nonprofit Employment Matters to Indiana

Analysis of employment in Indiana's nonprofit sector serves at least two purposes. First, data on nonprofit employment are useful in understanding Indiana's overall economic health and the contributions of the nonprofit sector to the state's economic development. For example, nonprofit employment in education grew consistently from 1995 through 2009 despite the recession of the early 2000s and the most recent Global Financial Crisis. Much of this growth occurred in colleges and universities, which hired more staff members as college enrollment increased.

Second, analysis of employment trends helps us better understand the nonprofit 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, frequency, and accuracy of employment data present a more detailed picture of the sector's growth patterns than relying on the number of tax-exempt organizations or data available from the minority of nonprofits that report financial data to the IRS.

More specifically, employment information provides insights into nonprofit contributions to Indiana in particular industries in comparison to the for-profit and public sectors.² Indeed, while public institutions (e.g., Indiana University and Purdue University, public schools) dominate the education industry, nonprofit

¹ 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 time period. Report #4 updated previous findings by adding 2009 data.

² 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

establishments are major components of the education industry at all levels. In turn, the education industry is a crucial factor in the state's economic development. For example:

- Universities, colleges, and secondary schools prepare students for future jobs in Indiana's fast-growing health care and biomedical fields.
- College education significantly impacts an individual's future earnings. Five years after graduating, workers with bachelor's degrees see their wages increase 24 percent on average. Workers with associate's degrees or certificates experience average wage increases of 11 and 6 percent.³
- Technology transfer programs between universities and industry in the state spur entrepreneurship and innovation.
- Schools and colleges play a critical role in sports (grade school and college athletics), arts and culture (theatre and music performances, libraries, and museums), and lifelong learning (continuing education classes, training sessions, and lecture series). Many schools also promote democratic participation by providing meeting space, infrastructure, and funding for various clubs and social groups. These activities make communities more attractive to businesses.

Scholars like Richard Florida suggest that such community enhancing features can significantly contribute to overall economic development and job growth.⁴ As we illustrate below, nonprofit establishments also account for significant shares of Indiana's educational services industry and as such are a vital component of the overall economy.

In the remainder of this report, we take a closer look at the education industry in Indiana. We explore employment, number of establishments, average establishment size, total payroll, and average yearly wages in the education industry, all with a specific focus on the contributions of the nonprofit sector to the state of Indiana. Within each of these sections, we provide an overview of the education industry, how it relates to other major Indiana industries, and how education nonprofits relate to other Indiana industries with a strong nonprofit influence. Next, we look within the education industry and compare the nonprofit, for-profit, and government sectors, including comparisons in specific education sub-industries. For portions of the analysis, we also compare charitable nonprofits⁵ as defined by the Internal Revenue Service with other tax-exempt nonprofits.

³ Indiana Business Research Center. (November 2011). *How Education Pays: Work Outcomes of Indiana's Postsecondary Graduates*. Bloomington, Indiana: Indiana University Kelley School of Business. Available at: <http://iwis.in.gov/documents/HowEducationPays.pdf>

⁴ 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.

⁵ Charities are tax-exempt organizations recognized under Section 501(c)(3) of the Internal Revenue Code, eligible to receive tax deductible donations. Typical charitable organizations include religious, educational, scientific or other organizations primarily focused on public service. Nonprofit organizations that are *not* eligible to receive tax-deductible donations are advocacy (social welfare) organizations and member-serving organizations and include organizations such as business and professional associations, labor unions, and mutual benefit organizations.

B. Methodology

The report draws on data generated by the Indiana Department of Workforce Development through the filings of Indiana workplaces carried out under the national Quarterly Census Employment and Wages (QCEW) 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 QCEW 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).⁶ 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 filings and either be covered by the federal unemployment insurance system or make other arrangements to provide unemployment coverage to laid-off workers. However, all religious congregations as well as 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.⁷ Because of these exclusions, however, we are confident that our analysis underestimates nonprofit employment in Indiana, perhaps by a substantial amount (see Appendix A for more details).

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.⁸ This includes private, nonprofit 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, veterans groups, cemeteries, fraternal organizations, 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 completed by the Center for Civil Society Studies at The Johns Hopkins University.

⁶ 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.

⁷ For example, 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 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. Grønbjerg. (2002). Evaluating Nonprofit Databases. *American Behavioral Scientist* 45, 10: 1741-77. Available at <http://abs.sagepub.com/content/45/11/1741>.)

⁸ Although some units of government are registered with the IRS as charities, our analysis of nonprofit employment excludes all employees of government-owned establishments, such as public schools and state universities (e.g., Indiana University, Purdue University, Ball State University, Indiana State University). They are counted as government employees.

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 QCEW reporting systems. Still others cannot be identified as nonprofits,⁹ most notably those that are not required to register as tax-exempt entities with the IRS because they did not meet the revenue threshold for filing,¹⁰ 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 QCEW 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 QCEW 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 more information on the QCEW data source, our particular definition of the nonprofit sector, and the method used here to extract data on nonprofit organizations from the Indiana QCEW records, see Appendix A.

C. Overview of Education and Its Sub-Industries

Educational services (also referred to in this report as “the education industry” or simply “education”) is divided into seven sub-industries: elementary and secondary schools; junior colleges; colleges, universities and professional schools; business and training schools; technical and trade schools; educational support services; and other schools and instruction.¹¹ For this report, the last four categories are grouped together and designated as “other” education institutions. Our comparisons include the three largest sub-industries

⁹ 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 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.

¹⁰ 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 annually via Form 990-N or “e-postcard.” Those that fail to do so for three consecutive years lose their exempt status. As of July 2011 some 275,000 organizations lost their tax-exempt status because they failed to comply with these new regulations. To the extent that these are all small nonprofits with few employees, their removal from the list of tax-exempt organizations should have little impact on the type of analysis we present here. For more information about the impact on Indiana nonprofits, see “IRS Exempt Status Initiative: Indiana Nonprofits and Compliance with the Pension Protection Act of 2006” by Kirsten A. Grønberg, Kellie McGiverin-Bohan, Kristen Dmytryk, and Jason Simons., Bloomington, Indiana: School of Public and Environmental Affairs, July 1, 2011. Available at www.indiana.edu/~nonprof/results/database/INS.IRSRevocation.pdf

¹¹ For more information on NAICS industry definitions, see the U.S. Census's Industry Statistics Sampler: www.census.gov/econ/industry/index.html.

(elementary and secondary schools; junior colleges; and colleges, universities, and professional schools) as well as the “other” sub-industry, consisting of the remaining sub-industries.

Colleges, universities, and professional schools

These institutions include baccalaureate and graduate degree-granting institutions including colleges (except junior colleges, a separate sub-industry), military academies, professional schools, and theological seminaries and this category is generally referred to as “colleges and universities” in this report. Depending on their structure and governance, colleges and universities can be nonprofit, for-profit, or government-operated.

Generally, colleges and universities are referred to as public or private institutions, but these categories do not make a clear distinction between nonprofit, government, and for-profit institutions. For example, for-profit colleges might be considered private schools. In many cases, public colleges and universities fall under the governmental sector, but there are exceptions. Therefore, in this report we categorize colleges and universities as nonprofit, government, and for-profit.

While many might first think of large public universities (e.g., Indiana University and Purdue University) when discussing higher education in Indiana, the state is also home to several nationally recognized private nonprofit institutions. For example, the University of Notre Dame ranked 19th in all national universities according to *US News and World Report’s College Rankings*, and Rose-Hulman Institute of Technology ranked first in undergraduate engineering programs. Nationwide DePauw and Wabash were 53rd and Earlham and St. Mary’s were 68th in a list of top 100 liberal arts colleges.

In addition to providing excellent educational experiences, Indiana’s nonprofit colleges and universities foster a variety of learning environments. Generally private nonprofit schools enroll fewer students, which can promote the development of small, tight-knit academic communities. Furthermore, some churches and other religious organizations maintain colleges where the religious community nurtures student development. Although they are growing more rare nationwide, the state also has a men’s college (Wabash College) and women’s college (St. Mary’s College).

Perhaps because of these diverse offerings, both full- and part-time enrollment in private nonprofit four-year colleges grew 40 percent (from 64,000 students in 1995 to 89,700 in 2009). In contrast, four-year public college and university full-time enrollment grew only 25 percent and part-time enrollment decreased by more than one-fifth.¹² Year-to-year enrollment in public schools is less volatile than in private nonprofit schools, perhaps indicating that enrollment in private school is more reactive to economic pressures. With the ongoing economic impacts from the recession, private institutions might suffer from “middle-class melt,” as students who could pay private school tuition instead opt for a lower-price public university degree.¹³ The increasing popularity of for-profit private schools (e.g., Harrison College, ITT Technical Institute, DeVry University) could also pose competition for students in the future.

¹² Delta Cost Data Project. <http://www.deltacostproject.org>

¹³ See Donald Steward, Pearl Rock Kane, and Lisa Scruggs, “Education and Training,” Chapter 3 in Lester M. Salamon (Editor), *State of Nonprofit America*, 2nd Edition. Washington, D.C.: Brookings Institution, 2012).

Elementary and secondary schools

These establishments include kindergartens, primary schools, high schools, parochial schools, and other public and private schools covering K-12 education. Nonprofit elementary and secondary schools include schools covering K-12 education that are operated by nonprofit organizations such as churches and other entities, while for-profit elementary and secondary schools include some private schools as well as for-profit firms that have contracted with charter schools or public school districts. Government elementary and secondary schools consist of the majority of schools in Indiana, such as those operated by county school corporations, cities, or other municipalities.

Around 10 to 12 percent of Indiana elementary and secondary students attend private nonprofit schools, which is close to the national enrollment average.¹⁴ At the national level, Catholic schools serve the majority of these students (similar data are not available for Indiana). While these schools have historically focused on serving the Catholic community, in recent decades Catholic schools have fostered an expanded mission of social justice, community development, and academic excellence, which has led to higher enrollment of minorities and at-risk students regardless of religious affiliation.¹⁵

In addition to Catholic schools, a small but growing percentage of private school students attend conservative Christian schools. Many of these schools were founded to address the concerns of parents who felt the public schools gave inadequate attention to Christian values in the classroom. While some of these schools maintain large campuses, others operate with limited facilities within larger church buildings.

Independent schools comprise a small, but diverse, percentage of private nonprofit schools. Examples of independent schools include Montessori schools, which provide a nontraditional curriculum and structure for students. The Culver Academies, Howe School and other boarding schools provide college preparatory and military training.

While public school challenges and opportunities (e.g., No Child Left Behind, funding cutbacks, and stimulus money) feature prominently in the news, private nonprofit schools also are striving to thrive in a changing environment. In future years, private schools might receive additional funding through Indiana's publicly-funded schools voucher programs, but also might face more competition from public charter schools.

Junior colleges

Junior colleges include community colleges, junior colleges, and other organizations primarily focused on granting associate degrees or certificates below the baccalaureate level (e.g., associate degrees or technical certificates) and generally require a high school diploma or equivalent for admission to their programs. These institutions may be nonprofit, government-operated, or for-profit. As in the case of higher education,

¹⁴ We cannot provide longitudinal trends in private school enrollment due to inconsistencies in the state and national data. Until 2006, Indiana considered homeschoolers to be non-public, non-accredited schools. Homeschooled students were included in the private school enrollment number for the state. Prior to 2006, we have no way of distinguishing enrollment between accredited and non-accredited institutions.

¹⁵ This analysis of enrollment by type of private school is based on Donald Steward, Pearl Rock Kane, and Lisa Scruggs, "Education and Training," Chapter 3 in Lester M. Salamon (Editor), *State of Nonprofit America*, 2nd Edition. Washington, D.C.: Brookings Institution, 2012).

we do not refer to these institutions as “public” or “private” colleges since private colleges could include both for-profit and nonprofit institutions. Ivy Tech is the most prominent example of a government-sector junior college. Ancilla College is an example of a 2-year nonprofit junior college, and examples of for-profit junior colleges include Lincoln Technical Institute, Indiana Business College, and Brown Mackie College.

Overall, junior college enrollment more than doubled from 49,000 students in 1995 to nearly 104,000 in 2009; however, most of this growth occurred in public/governmental institutions, like Ivy Tech campuses. Less than 3 percent of all junior college students are enrolled in nonprofit institutions. While full-time enrollment in nonprofit junior colleges has grown by 3 percent, part-time enrollment has dropped 70 percent from 1995 to 2009. Reasons for this drop might include more students enrolling in 4-year institutions or competition with public and for-profit junior colleges. Additionally, the data used for this analysis indicates that some 2-year nonprofit colleges have expanded their degree offerings and become 4-year institutions.

“Other” education sub-industry

This report combines the smallest four sub-industries within the education industry: business and training schools; technical and trade schools; educational support services; and other schools and instruction. The latter includes establishments such as martial arts and athletic education facilities, cosmetology schools, computer training centers, and technical and trade schools. We combine these four small sub-industries because there are too few to allow for detailed comparisons between nonprofit, for-profit and public establishments in each category separately, given confidentiality restrictions. It is important to note, however, that all *non-charitable* nonprofit establishments (that is, tax-exempt organizations that are *not* eligible to receive tax-deductible donations) in the education industry are found in this sub-industry. Thus, comparisons are made in this report between charitable and other nonprofits only in this sub-industry. Conversely, all nonprofit elementary and secondary schools, colleges and universities and junior colleges are charitable establishments eligible to receive tax-deductible contributions.

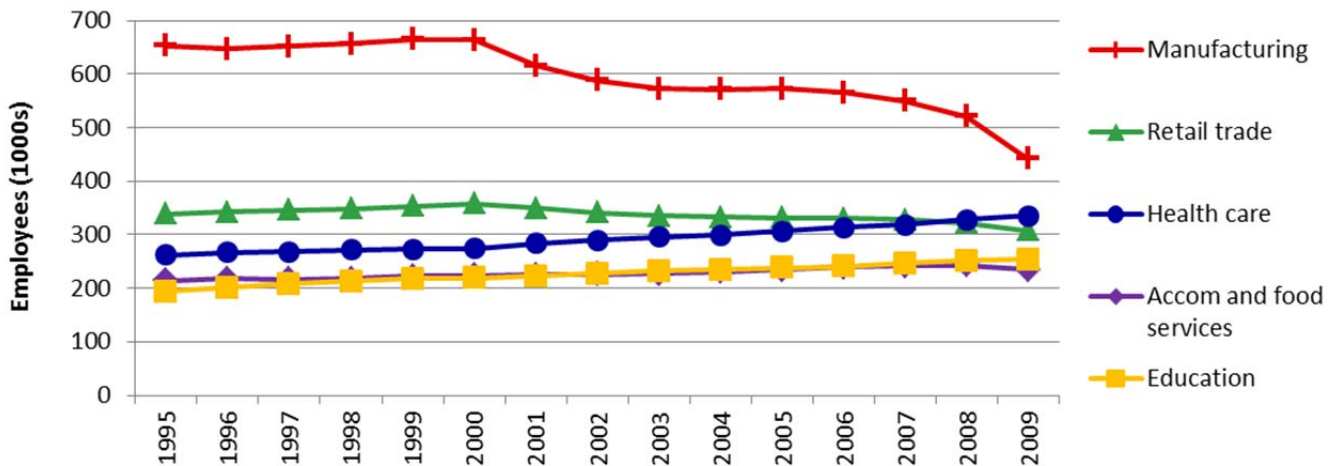
II. EMPLOYMENT

The education industry grew consistently from 1995 to 2009 in Indiana, becoming the fourth largest industry in the state in 2002. In part, this growth can be attributed to nonprofit employment which increased by more than half over the time period; nonprofit growth was largely fueled by private nonprofit colleges and universities and elementary and secondary schools. While nonprofits only employed one in eight education workers, the sector has persistent and clear effects on this industry.

A. Employment in Education and Other Major Indiana Industries

The education industry was one of the top five industries in Indiana with respect to employment from 1995 to 2009, and annual education employment grew at a faster rate than overall Indiana employment. Furthermore, employment in education grew steadily – even during recessions – in contrast to other industries like manufacturing and retail trade which declined (Figure 1).

Figure 1: Employment trends in Indiana’s largest industries, 1995–2009



- **In 2002, education surpassed accommodation and food service to become the fourth largest industry in Indiana.** Only the manufacturing, retail trade, and health care industries had greater employment numbers. If trends since 2002 continue, education will surpass retail trade in 2015 to become the state’s third largest employer.
- **The percentage of Indiana employees working in education grew from 7 percent in 1995 to over 9 percent in 2009.** In contrast, manufacturing employment decreased from 24 percent in 1995 to only 16 percent in 2009. The percentage of workers in retail trade also fell from 13 to 11 percent over the same time period.
- **Education employment grew at a faster rate than overall Indiana employment.** Education employment grew 31 percent (from 194,300 in 1995 to 254,100 in 2009) in contrast to overall Indiana employment, which decreased slightly (less than 1 percent) over the same time period. Manufacturing and retail trade employment fell 32 and 9 percent respectively over the same time period, while health care and accommodation and food service employment grew 28 and 10 percent respectively.

- **Education employment grew 1 to 4 percent every year from 1995 to 2009.** Education employment grew the least from 1999-2000 (only 1 percent) and the most from 1996-1997 (4 percent). This growth continued through two recessions. In 2002 and 2003, education employment grew nearly 2 percent per year, while overall Indiana employment shrank an average of 1 percent per year. During the most recent recession, Indiana's overall employment shrank 6 percent from 2008-2009, while education employment grew 1 percent. In part, this growth in education employment might be attributed to increased demand for training among unemployed workers.
- **After health care, the education industry added the most employees in Indiana from 1995 to 2009.** Education employment increased by nearly 60,000 employees and health care increased by nearly 73,000. The two fastest growing industries in terms of percentages were arts, entertainment, and recreation (increased 79 percent) and social assistance (increased 61 percent); however, these industries both employ less than a quarter of those employed by education.

B. Nonprofit Employment in Education and Other Major Nonprofit Industries in Indiana

Not only does education play a prominent role in overall Indiana employment, education also contributes substantially to employment in the nonprofit sector. Within the nonprofit sector, education was the fastest growing major industry from 1995 to 2009, and it fueled overall nonprofit sector growth over that period. Because of this growth, education became the state's second largest nonprofit industry in 2001.

- **Nonprofit employment in education increased faster than nonprofit employment in other industries with a major nonprofit presence** (Figure 2). It grew from under 21,800 in 1995 to over 32,600 in 2009, a 50 percent overall increase. In comparison, social assistance and health care nonprofit employment only grew 44 and 35 percent respectively, and total nonprofit employment in the state grew by 34 percent.
- **Growth in education was consistent, with very little volatility from year to year.** Nonprofit education employment grew the most in 1998 (6 percent) and the least in 2005 (-1 percent). The years of greatest growth were between 1998 and 2002 (4 to 6 percent each year).
- **Education surpassed membership organizations in 2001 to become the second largest nonprofit employer, following health care.** Figure 3 illustrates that the percentage of nonprofit workers in education grew from less than 12 to over 13 percent (21,800 to 32,700 employees).
- **Nonprofit employees accounted for a small percent of total education employment, although this percentage grew from 11 percent in 1995 to 13 percent in 2009** (Figure 4). In comparison, about 67 percent of social assistance employees worked in nonprofits in 1995, but this number decreased to 62 percent in 2009. The nonprofit share of the health care industry has been stable around 40 percent, while the nonprofit share in the arts, entertainment, and recreation industry has declined from 25 percent to 15 percent over this same period.

Figure 2: Nonprofit employment in major nonprofit industries, 1995–2009

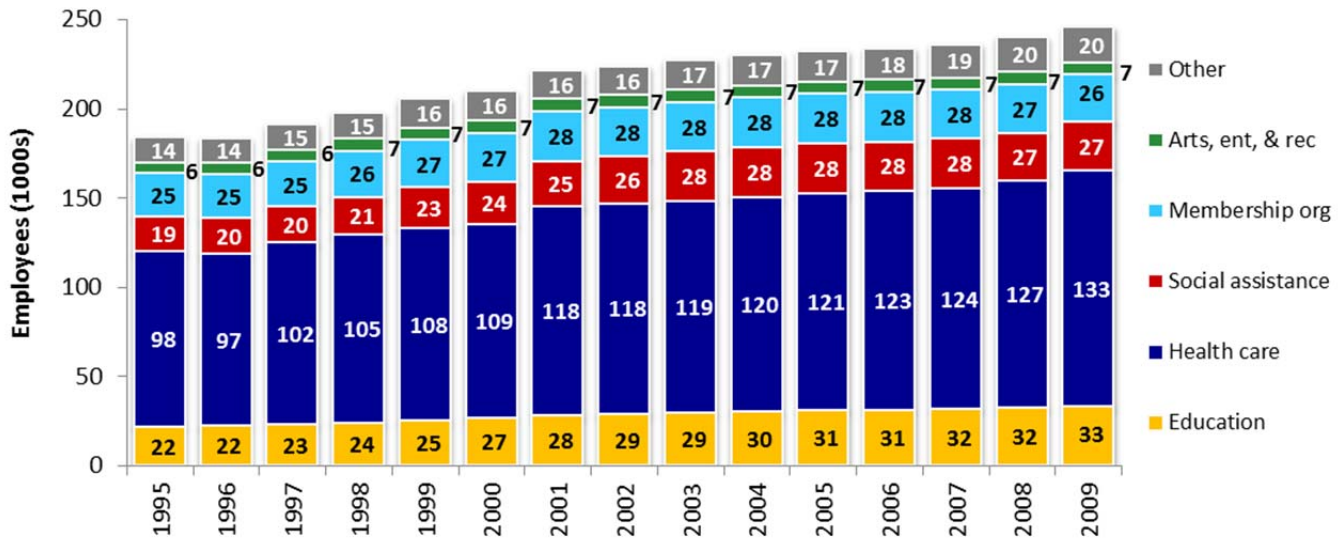


Figure 3: Percentage of total nonprofit employment in major nonprofit industries, 1995–2009

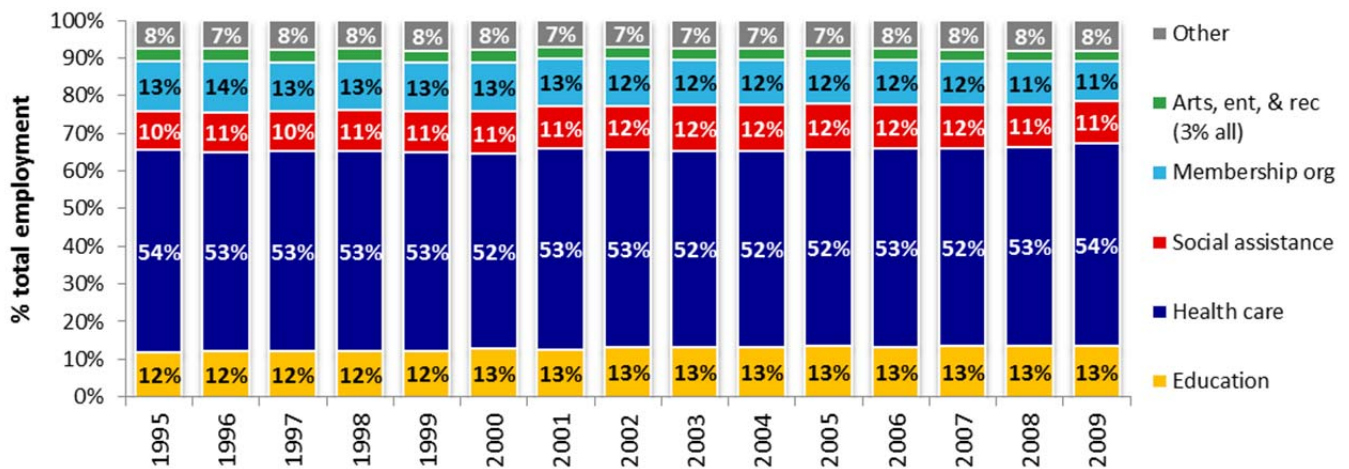
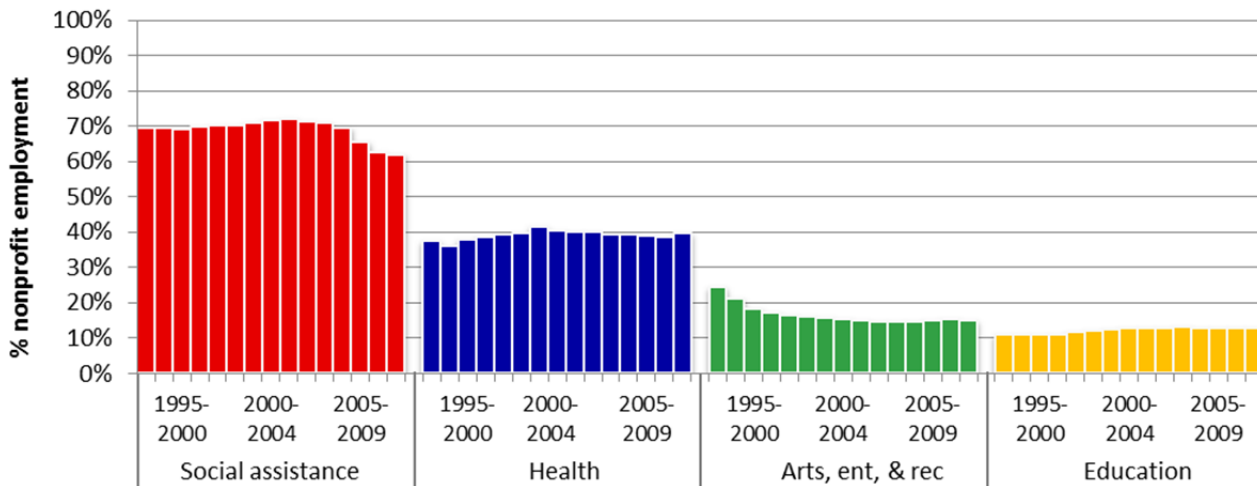


Figure 4: Percentage of industry workers employed by nonprofits, 1995–2009



C. Education Employment in Nonprofit, Government, and For-Profit Sectors

The nonprofit sector was the second largest employer of education workers, but trailed government education employers by a considerable margin. Government employees dominated elementary and secondary schools and universities due to a long tradition of public education. Only a small percentage of workers were employed by for-profit education organizations. Nonprofit employment grew at a faster annual rate than in government organizations. For-profit employment had the greatest annual growth rate, but was extremely volatile because it accounted for only a small percentage of workers in the education industry. This might be because for-profit organizations were still experimenting with gaining a foothold in the education industry. Additionally, nonprofit and government employment varied seasonally likely due to summer break schedules.

- **Nonprofits were the second largest employer of education workers**, but accounted for only 32,600 or 13 percent of the more than a quarter million total education employees (254,100) in the state (with for-profit employees trailing far behind at 13,300 employees) in 2009. The percentage of education workers in the nonprofit sector grew from 11 percent in 1995 to nearly 13 percent in 2009, while for-profit employment grew from a very small base of 3 percent to 5 percent (Figure 5). In contrast, while government employees continued to dominate the education industry, their share of the industry decreased from 86 to 82 percent over the same time period. These trends may reflect growing demands for private schools, cutbacks in government funding for public education, or a combination of the two.
- **Nonprofit employment in education grew more than employment in the other two sectors.** Nonprofit employment increased from under 21,800 in 1995 to over 32,600 in 2009, 50 percent overall. Employment in government grew 25 percent over the same period (from 166,500 to 208,100 employees), while employment in for-profit organizations increased 120 percent (from 6,100 to 13,300 employees). Possible reasons underlying this growth might include increased interest in charter and private school education for children and growth in private college enrollment.
- **Nonprofit employment in education grew steadily from 1995 to 2009.** (Figure 6). Nonprofit employment grew every year except for 2005–2006 (a decrease of less than 1 percent), and grew the greatest in 1998–1999 (6 percent). Government grew at a slower rate. For-profit employment was much more volatile than employment in the nonprofit and government sectors, with large increases up to 28 percent (from 1995–1996) and large decreases up to 18 percent (from 1999–2000). This volatility reflects the fact that for-profit employment was a very small segment of total education employment so that even small changes in the absolute number of employees resulted in large percentage changes.
- **Nonprofit and government employment varied seasonally** (Figure 7). Nonprofit employment dipped an average of 7 percent in the third quarter of each year but recovered fully, gaining even more employment in the fourth quarter annually. Government employment followed a similar pattern but decreased an average of 15 percent in the third quarter. These third quarter dips most likely reflect the fact that most teachers and college professors are on 10-month contracts and not employed during the summer. For-profit employment does not follow this trend, perhaps due to a larger percentage of small “year-round” career colleges and tutoring services.

Figure 5: Percentage of education employment by sector, 1995–2009

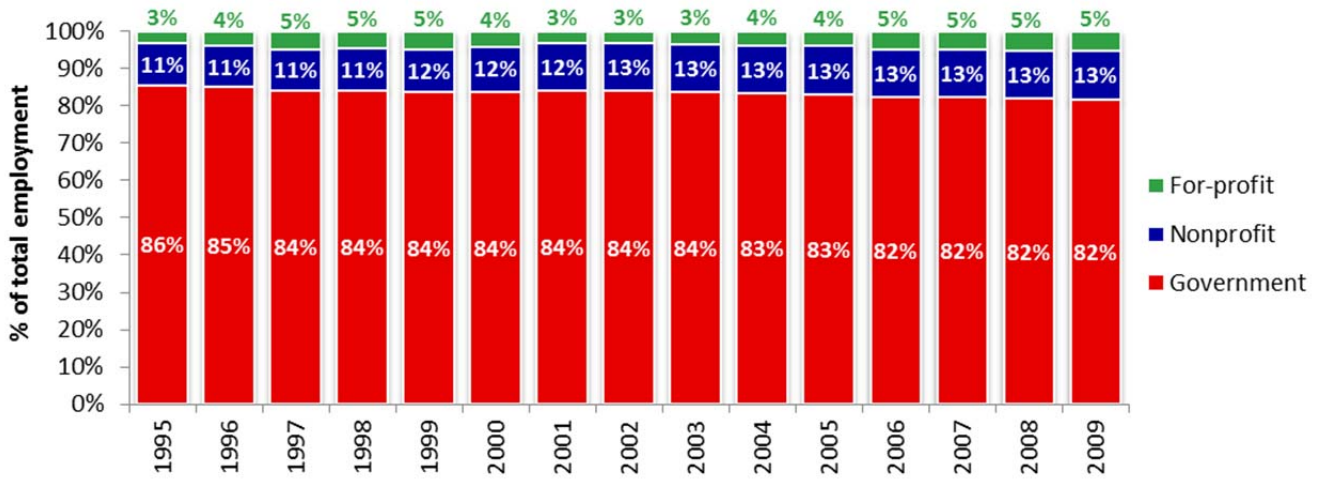


Figure 6: Annual percentage change in education in nonprofit and government employment, 1995–2009

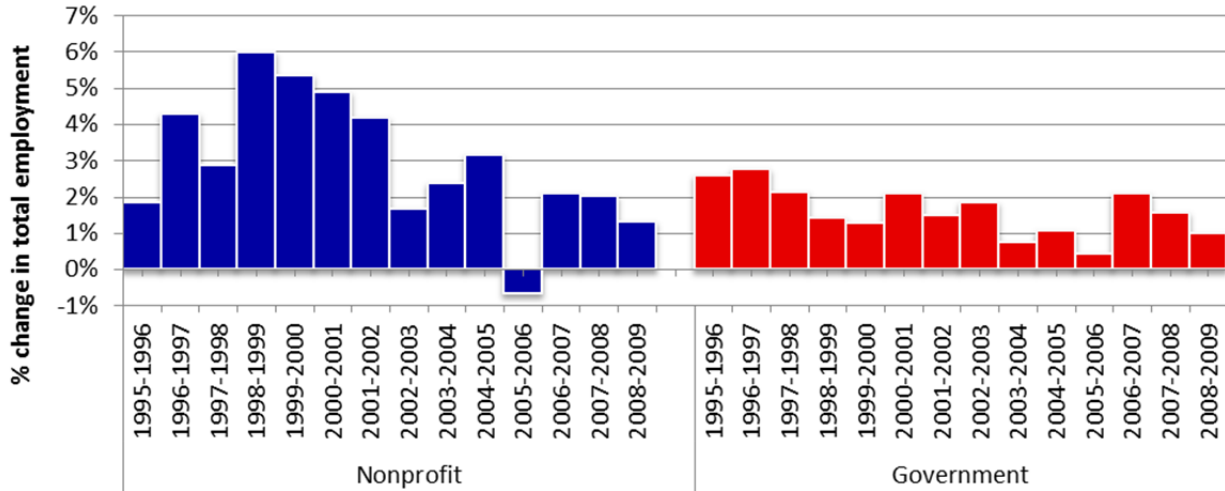
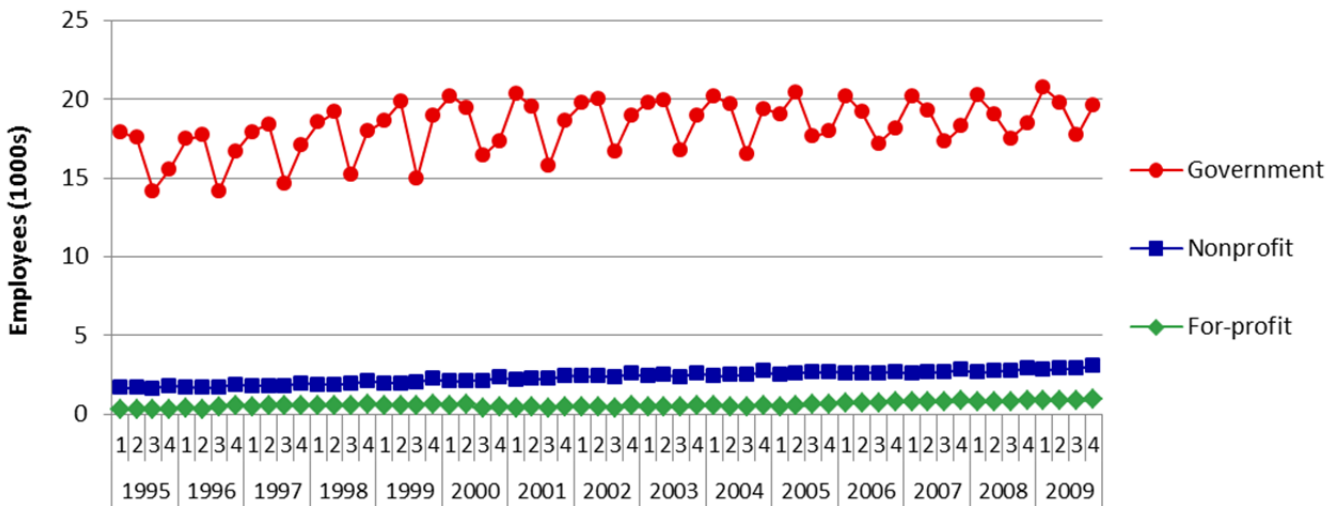
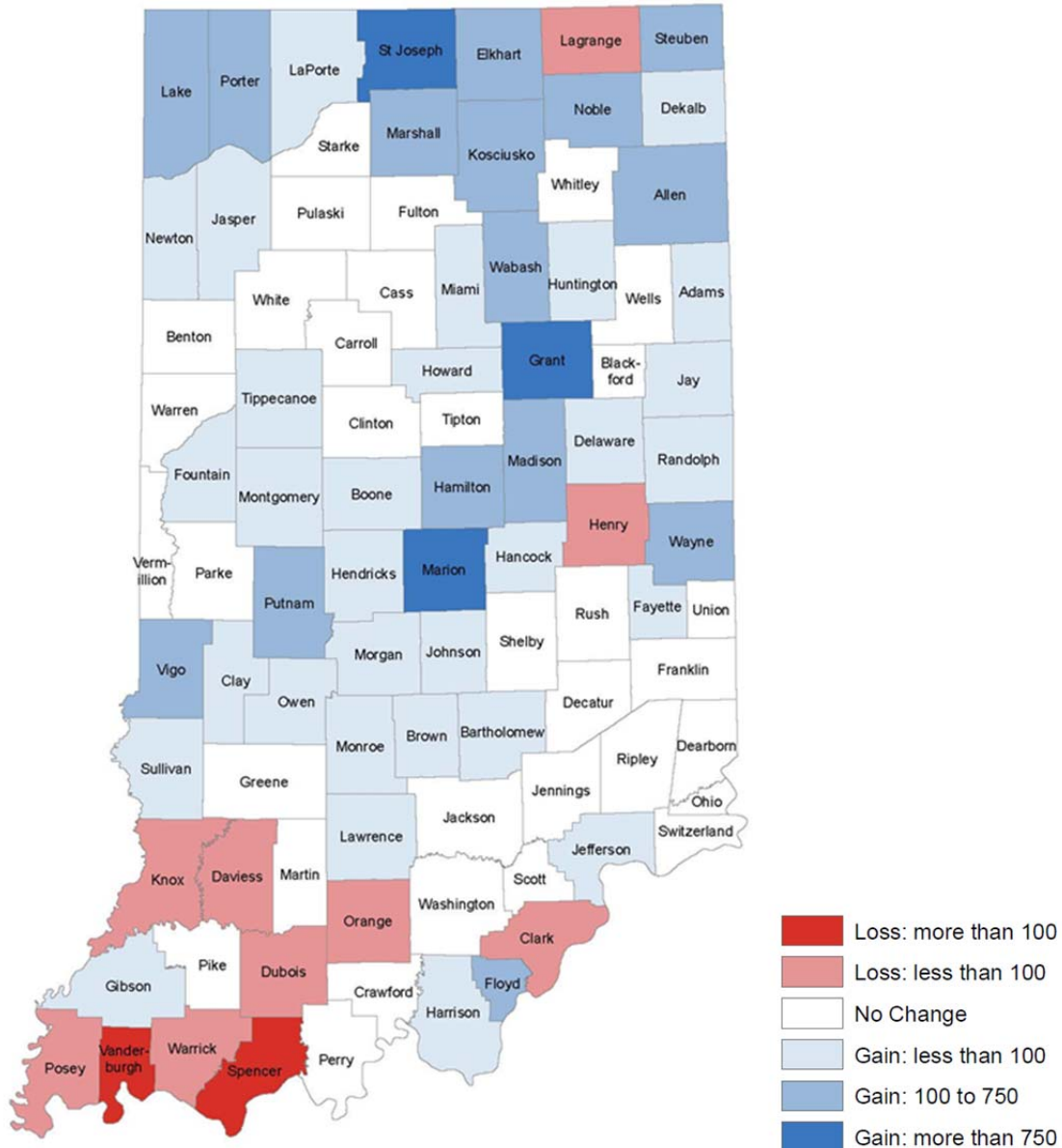


Figure 7: Education employment by sector, 1995–2009 quarterly



- **While nonprofit education employment has increased consistently each year between 1995 and 2009, growth has not been distributed evenly across all regions of Indiana** (Figure 8). Employment has decreased in many southwestern Indiana counties, particularly in Vanderburgh and Spencer Counties where over 200 jobs have been lost over this period. Employment increased in most northern counties. While job growth was particularly robust in counties with large nonprofit colleges and universities, some of this growth was also due to increases in nonprofit elementary and secondary education employment. Overall, Lake, Porter, and Allen each gained more than 500 positions, while employment in Grant County (home to Indiana Wesleyan University and Taylor University) and St. Joseph County (home to Notre Dame, St. Mary’s, and Holy Cross) increased by over 1,200 and 2,500 workers respectively. Marion County has also seen a substantial increase of over 2,500 employees - a 90 percent increase since 1995.

Figure 8: Changes in nonprofit education employment by county, 1995-2009



D. Employment in Specific Education Sub-Industries

Employment in each of the four major educational sub-industries grew each year over the 1995-2009 period at roughly comparable rates. As a result, there were no major shifts among sub-industries over the period.

- **Elementary and secondary schools dominated the education industry overall, employing about two-thirds of all education employees over this time period** (Figure 9). However, this sub-industry accounted for only 24 percent of total nonprofit educational workers, but contributed to the growth in overall nonprofit education employment (Figure 10 and Figure 11).
- **Colleges and universities were the next largest sub-industry**, accounting for an average of 27 percent of total education employment; however, colleges and universities accounted for the bulk of nonprofit educational workers (72 percent) and for most of the overall growth in nonprofit education employment.
- **Junior colleges and “other” establishments trailed far behind**, each employing an average of only 3 percent of total education employment. Junior colleges also accounted for only 1 percent of total nonprofit employment in education with “other” establishments making up the remaining 4 percent.

Figure 9: Total education employment by sub-industry, 1995–2009

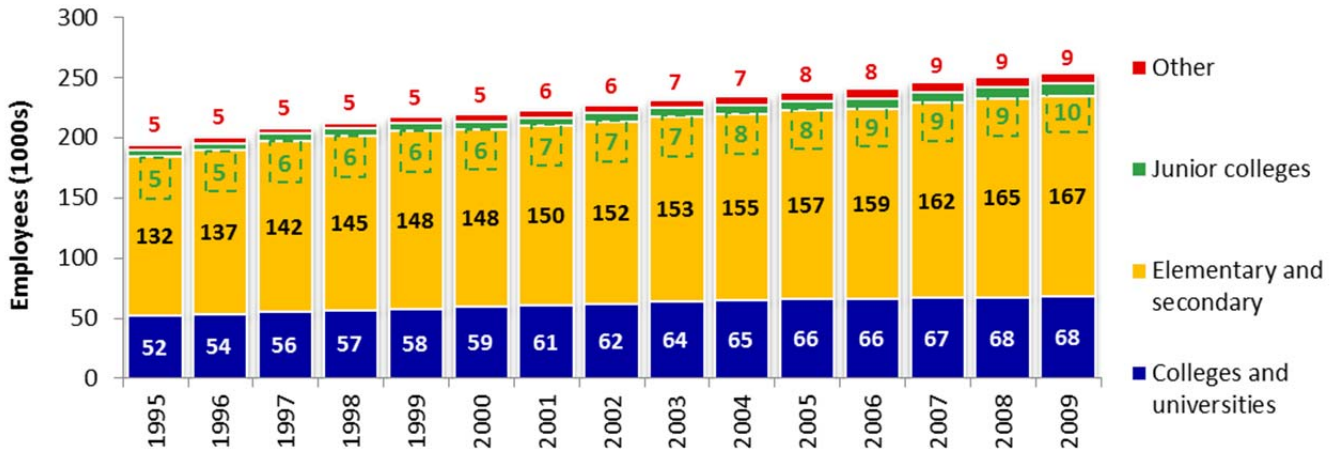


Figure 10: Nonprofit education employment by sub-industry, 1995–2009

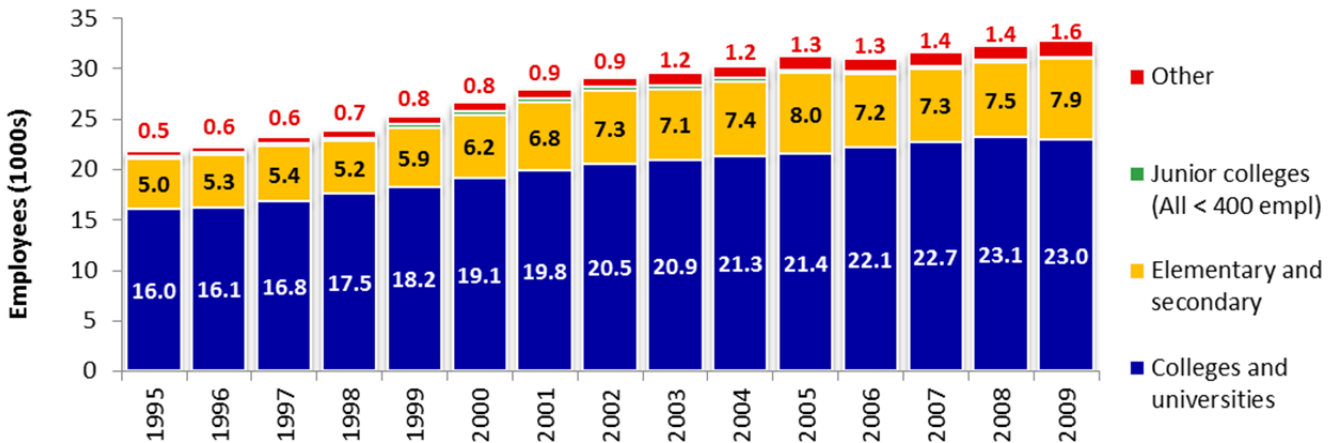
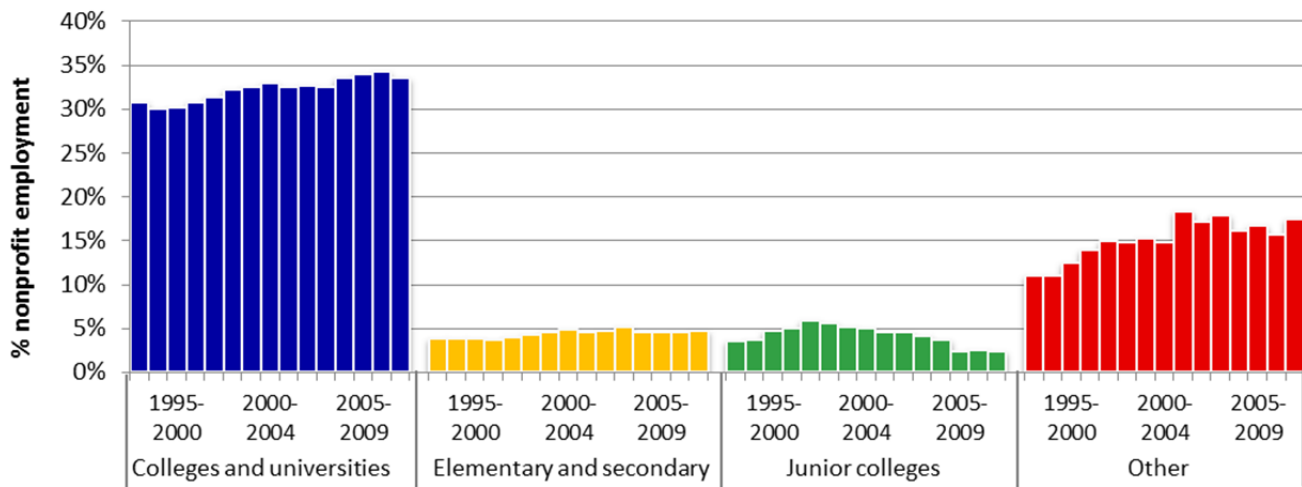


Figure 11: Percentage of industry workers employed by nonprofits, 1995–2009



1. Colleges and Universities

- Nonprofits employed about a third (30 to 34 percent) of college and university workers between 1995 and 2009** (Figure 12 and Figure 13). Government employment accounted for the majority of college and university employment during the same time period, ranging from 65 to 70 percent of all workers. The percentage of government employees in the sub-industry increased between 1995 and 2009, but at a slower rate than the more-rapidly growing numbers of nonprofit and for-profit workers, even though for-profit employment increased to comprise only 1 percent of colleges and universities by 2009.
- Nonprofits accounted for a larger percentage of total employment in colleges and universities (about 33 percent) than in other divisions of the education industry.** College and university employment in the nonprofit sector increased by 43 percent, growing from 16,000 in 1995 to 23,000 in 2009. This growth was slightly greater than total enrollment which increased 40 percent over the same time period. Government employment also increased, but only by 23 percent, from 36,200 in 1995 to 44,500 in 2009; however, total enrollment grew only 9 percent. Due to its small size, for-profit employment saw an enormous percentage increase despite a relatively small increase in absolute number of employees (from less than 10 to nearly 1,000) during the same time period.
- Nonprofit college and university employment grew nearly every year over the 1995-2009 period, except for a drop of less than 1 percent in 2008-2009** (Figure 13). Government employment had a similar growth trend. The employment growth patterns in these two sectors likely reflect organizational growth strategies in response to the growing demand for college education in the state; established colleges and universities added a number of staff every year to meet student needs. In contrast, employment trends in for-profit colleges were much more volatile, due in part to their small base. Additionally, for-profit colleges tend to be smaller and may be more responsive to market demands (i.e., hiring instructors for just semester contracts or only if a certain number of class seats are filled).

Figure 12: College and university employment by sector, 1995–2009

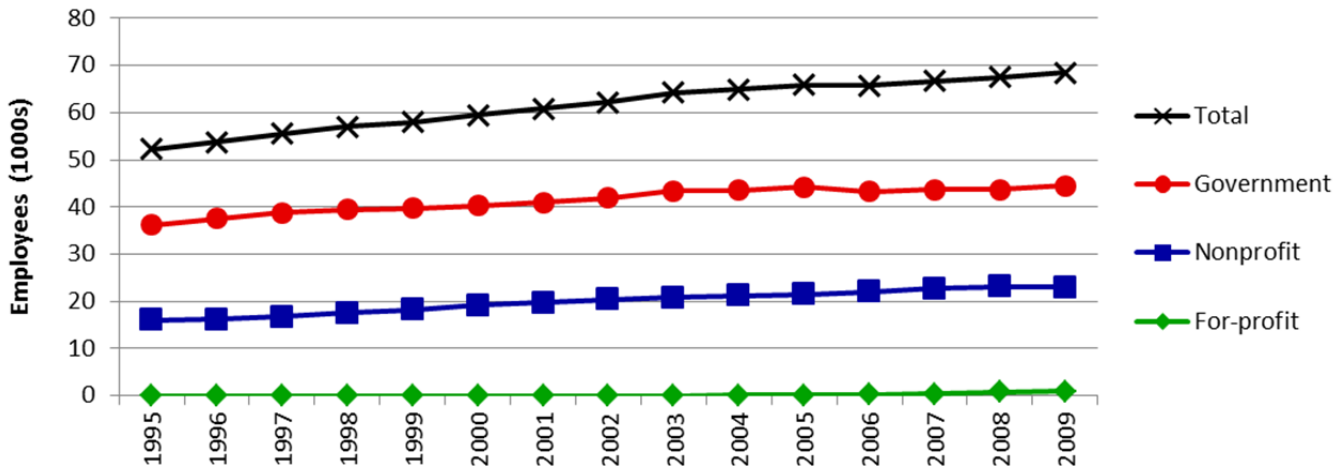
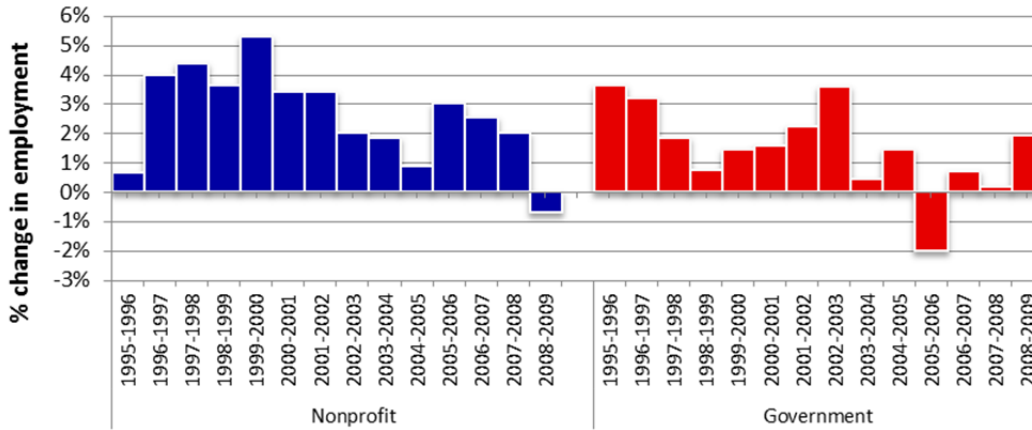


Figure 13: Annual percentage change in college and university nonprofit and government employment, 1995–2009



2. Elementary and Secondary Schools

- **Nonprofit employment in elementary and secondary schools grew 58 percent (from 5,000 employees in 1995 to 7,900 in 2009)** (Figure 14). We might continue to see this growth in upcoming years, due to an expansion in Indiana’s school voucher program during this time period and the foundation of new private nonprofit schools. Government employment grew less (24 percent) from 125,400 in 1995 to 155,200 in 2009. For-profit school employment more than doubled over the same time frame from 1,600 to 3,800 employees.
- **Nonprofits accounted for only a small percentage (4 to 5 percent) of elementary and secondary school employment from 1995–2009, and enrolled over 10 percent of all students.** Over the same period, the majority of elementary and secondary school employees (92 to 95 percent) worked in government organizations (mostly traditional public schools), while for-profits employed 1 to 4 percent of all workers in this sub-industry. While for-profit school management is a much-discussed growing trend, the National Heritage Academies, Edison Learning, and other for-profit education organizations only had a limited presence in Indiana during this time period.

- In most years nonprofit employment grew 5 to 10 percent, but also experienced decreases as large as 10 percent in 2005-2006 (Figure 15). It is too early to say if the dip in 2008-2009 was related to the recent recession; it could be due to the closing of one particular school or it could represent layoffs due to reduced funding. Government employment grew a small amount each year of the 1995-2009 time period. By contrast, small changes in the absolute number of for-profit employees resulted in large percentage changes, ranging from increases as high as 100 percent in 1995-1996, to decreases as high as 51 percent in 2000-2001. These variations do not seem to coincide with economic booms and recessions.

Figure 14: Elementary and secondary school employment by sector, 1995-2009

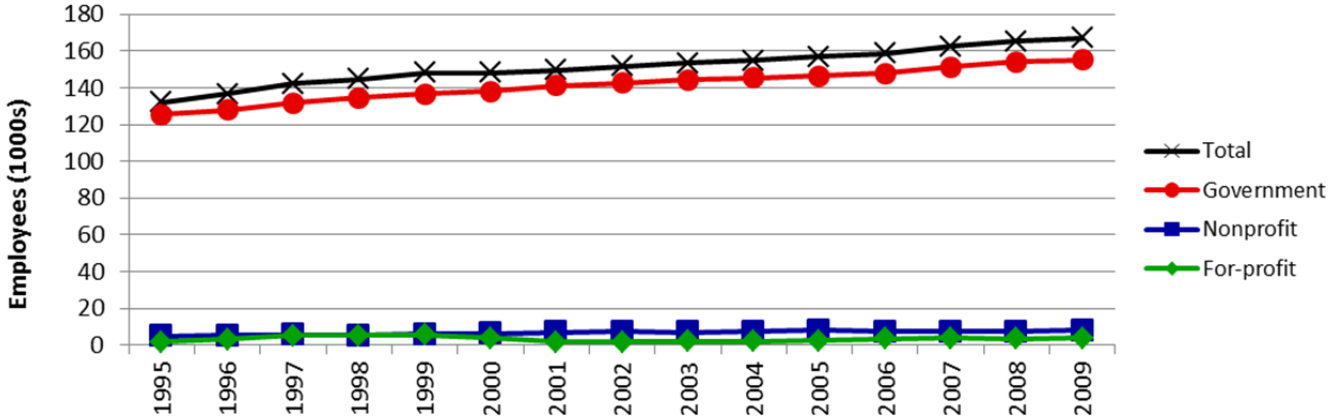
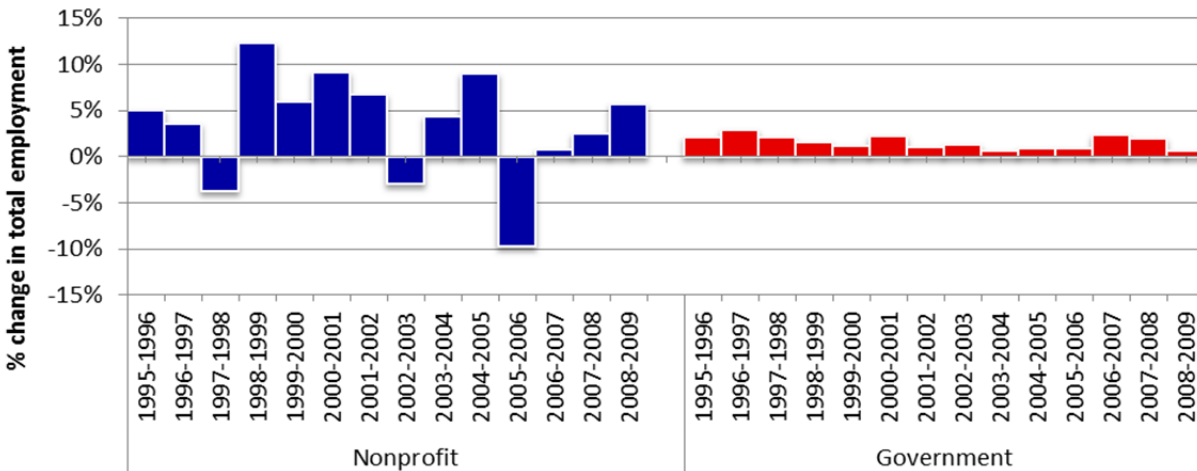


Figure 15: Annual percentage change in elementary and secondary nonprofit and government employment, 1995-2009



3. Junior Colleges

- Nonprofit employment in junior colleges nearly doubled from 1995 to 1999, but also dropped by a third in 2006 (Figure 17). Most of the growth in the late 1990s was due to increased hiring on already established campuses, but there was also one new establishment formed in 1996. We suspect the large drop in employees in 2006 was not due to layoffs or a campus closing; rather, the data suggest that one college (and its campus) changed from a 2-year to a 4-year institution. Employment in government establishments grew over 70 percent from 1995 to 2009. Over the same time period, for-profit junior

colleges began to grow in popularity, established new campuses, and increased their employment by over 250 percent.

- Nonprofits have not been leading the charge to meet increased demands for junior college education, as evidenced by decreased employment at these establishments** (Figure 16). Less than 3 percent of all junior college students attend nonprofit institutions. Most of Indiana’s junior college services are provided by the Ivy Tech system and other public community colleges. These establishments employed 90 percent of all junior college workers in 1995 and 85 percent in 2009. As for-profit junior college establishments have grown, they have employed an increasingly larger percentage of junior college workers (13 percent in 2009, up from 6 percent in 1995). In contrast, the percentage of workers in nonprofit junior colleges decreased from a high of 6 percent in 2000 to a low of 2 percent in 2009. The small role of nonprofits in this area might be because nonprofit higher education institutions are more focused on offering 4-year degree options.
- Growth in nonprofit (and for-profit) junior college employment was much more volatile than growth in government-run junior colleges** (Figure 17). Nonprofit growth patterns were marked with peaks as great as 29 percent growth and valleys as low as 33 percent decreases. For-profit employment exhibited a similar pattern of volatility. In contrast, government employment grew by 2 to 6 percent each year. The stability in government employment growth can in part be attributed to its large base. Additionally, trends in public junior college employment might be influenced by long-term, statewide strategic growth plans.

Figure 16: Percentage of junior college employment by sector, 1995–2009

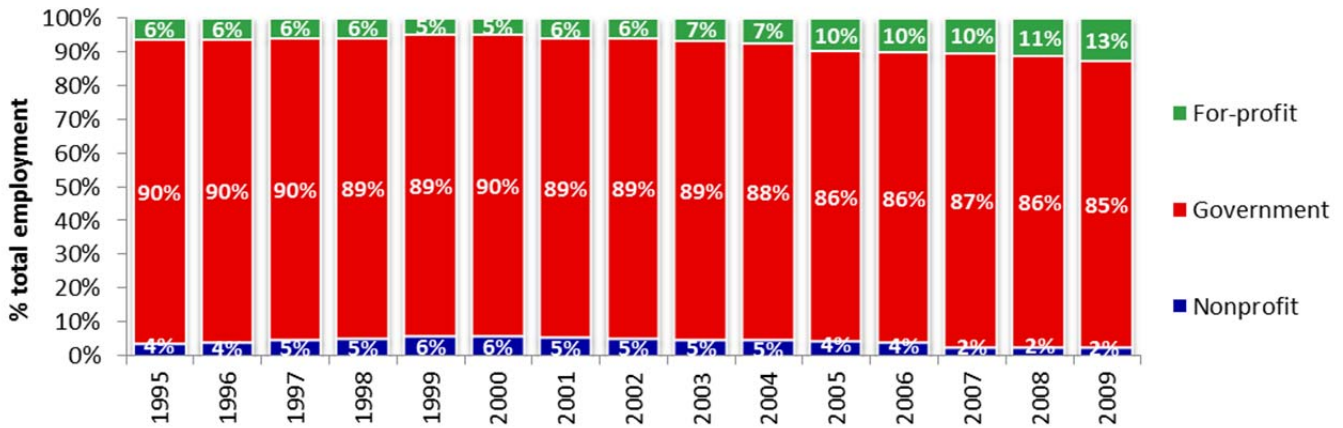
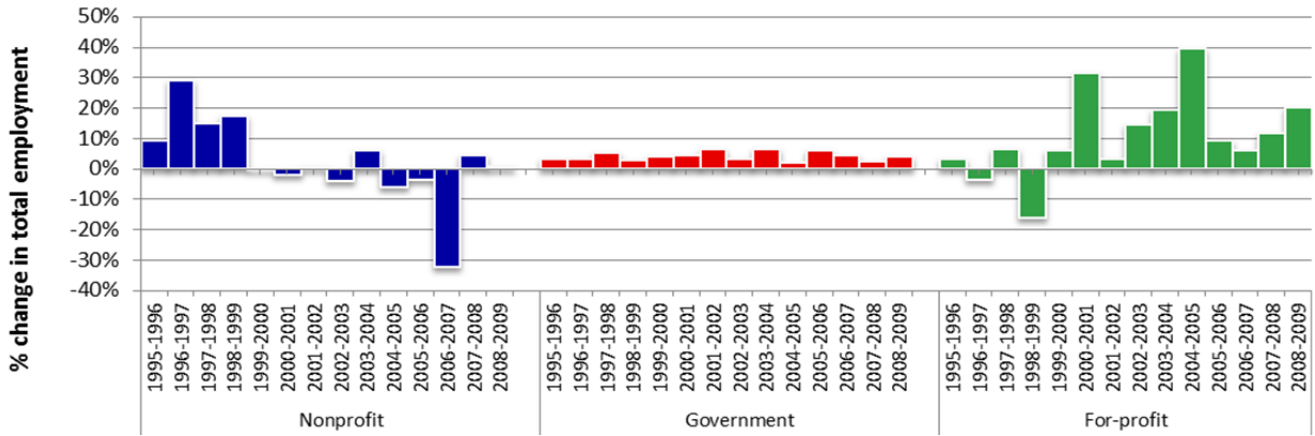


Figure 17: Annual percentage change in junior college employment by sector, 1995–2009



4. “Other” Education Organizations

- Nonprofit employment in “other” education organizations grew by 200 percent, from around 500 in 1995 to over 1,500 in 2009 (Figure 18). For-profit employment grew around 80 percent (from 4,100 to 7,300), but government grew by only 6 percent (fewer than a dozen employees).
- Growth in nonprofit employment in these sub-industries was more volatile than for-profit employment (Figure 19). From 2002 onward, nonprofit employment jumped by as much as 30 percent in some years, but alternate years were marked with decreases. Generally, for-profit employment grew each year except for a downturn from 2008 to 2009, most likely reflecting the start of the Great Recession.

Figure 18: “Other” education employment by sector, 1995–2009

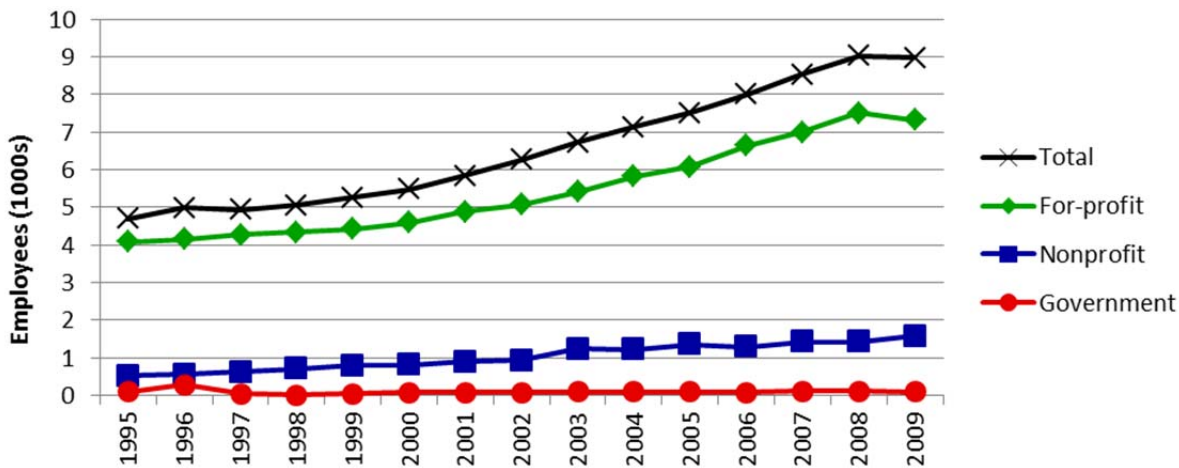
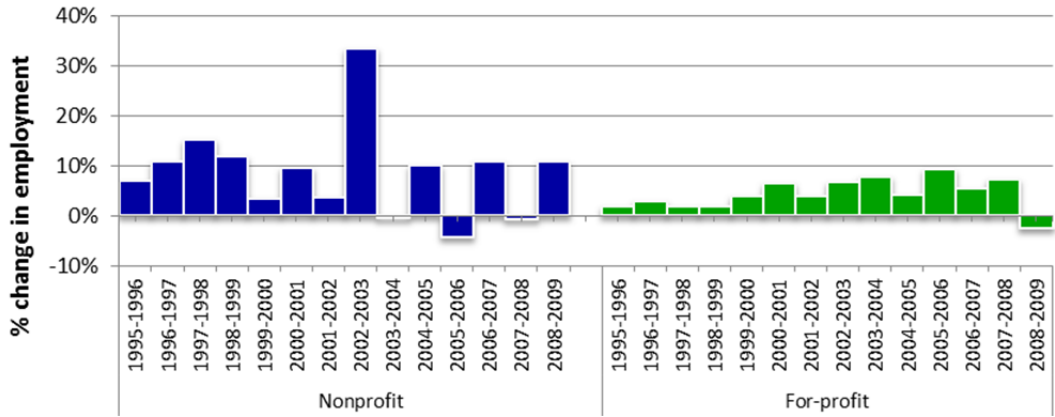


Figure 19: Annual percentage change in “other” education nonprofit and for-profit employment, 1995–2009

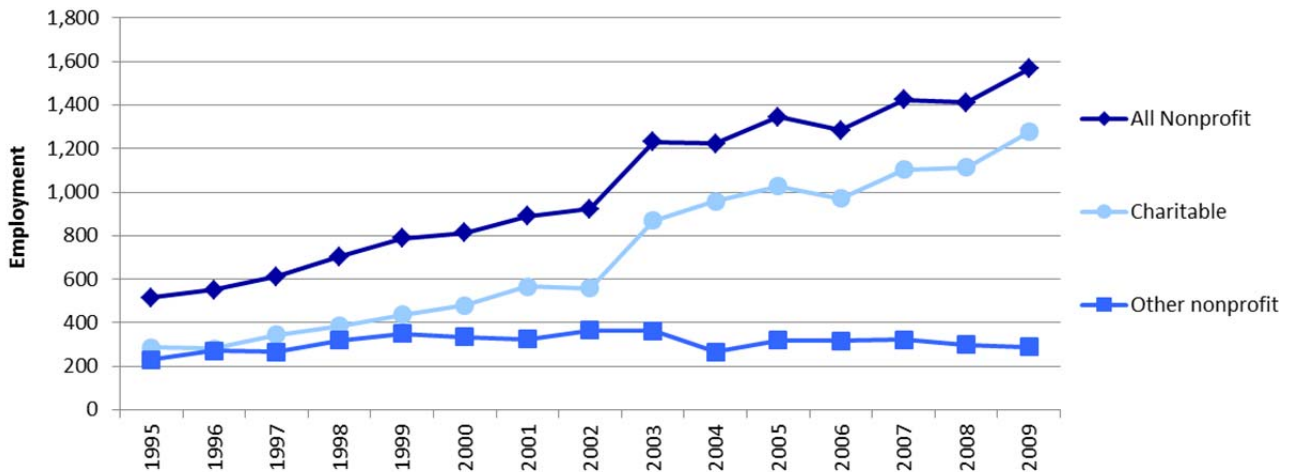


E. Employment in Charities Compared to Other Nonprofits

All nonprofit elementary and secondary schools, junior colleges, and colleges and universities were charitable establishments (i.e., eligible to receive tax-deductible contributions). The only non-charitable education establishments are in the “other” education sub-industry and most likely are education advocacy groups. Non-charitable nonprofit employment makes up less than half of “other” education employment (an average of 43 percent from 1995 to 2009), so the majority of “other” nonprofit education establishments are charitable.

- **Charitable nonprofit employment in “other” education industries increased over the time period** (Figure 20). Nearly 1,000 workers were added over the time period, an increase of over 300 percent. “Other” non-charitable nonprofits had less than 400 employees and increased overall less than 100 employees.

Figure 20: “Other” education nonprofit employment by nonprofit type, 1995–2009



III. ESTABLISHMENTS

We turn next to a quick look at the number of education establishments before we consider the size of establishments. While employment and establishment size both indicate growth, the formation of new establishments can indicate substantial other investment in the industry (e.g., possibly new organization incorporations, new satellite locations, etc.). It can also indicate diversification in the industry to meet growing demand in different regions and various markets. For example, an increase in the number of private grade schools could indicate an expansion of independent schools in more communities. It could also indicate public interest in a wider variety of educational programs (e.g., based in different religions, or focused on particular disciplines like music or technology).

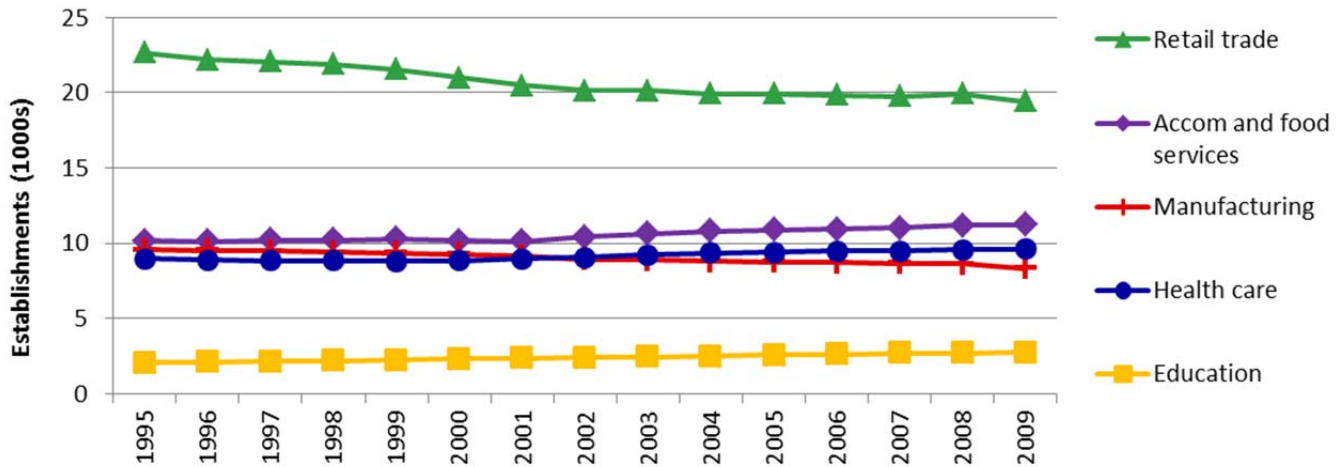
The number of establishments in the education industry remained low relative to those in other large Indiana industries between 1995 and 2009. Within education, the nonprofit sector grew by the most significant percentage of establishments and added nearly as many establishments as the public sector during the same time period. However, the number of nonprofit education establishments remained smaller than the number of government and for-profit establishments in every year.

A. Establishments in Education and Other Major Indiana Industries

While education rivals the accommodation and food services industry in employees, it has only about one-fourth the establishments. Retail trade has nearly ten times the number of education establishments. Nevertheless, the number of establishments in education increased at a greater rate than the other top five industries.

- **The number of education establishments steadily increased 34 percent during the 1995-2009 time period.** Education establishments increased from 2,100 in 1995 to 2,800 in 2009 (Figure 21). Over the same period, establishments in accommodation and food services and health care grew 10 and 7 percent respectively. The number of establishments in manufacturing and retail trade decreased 13 and 14 percent. These decreases did not just occur in recession years, but accumulated steadily over the 15-year period. The comparable growth in education establishments further underscores its importance in the overall Indiana economy.

Figure 21: Total establishments in five major Indiana industries, 1995–2009



- **Each year education added 1-3 percent more establishments, and in no years did the number of establishments decrease.** While this rate of growth might seem small, consider the investment that goes into building a new school or any other establishment. In some years, this means that Indiana added over 70 new schools and other educational facilities. This growth trend continued during recessions. In contrast, over 200 manufacturing establishments shut their doors in 2001 and again in 2009.

B. Nonprofit Establishments in Education and Other Major Nonprofit Industries in Indiana

Overall the number of nonprofit establishments grew 15 percent from 5,700 in 1995 to over 6,500 in 2009 (Figure 22). All major nonprofit industries except membership organizations contributed to this increase. While the number of nonprofit education establishments increased through the 1995-2009 timeframe, the total number remained relatively proportional to the number of nonprofit establishments in other industries such as arts, entertainment and recreation; health care; social assistance; and membership organizations.

- **The number of nonprofit education establishments increased by 87 percent, from less than 200 in 1995 to over 300 in 2009.** This compares to a growth of 30 percent in social assistance and 27 percent in health care. In part, the extreme change in education is exaggerated by the relatively small base of nonprofit education establishments. Even so, the growth in education is still impressive considering that many of these establishments include college campuses and primary or elementary schools.
- **By 2009, the number of nonprofit education establishments had grown to comprise 5 percent of all nonprofit establishments in Indiana, up from 3.1 percent in 1995** (Figure 23). The share of Indiana nonprofit establishments in most other industries generally also increased or remained the same, with the exception of nonprofit membership organization establishments.
- **Nonprofit establishments only accounted for about 10 percent of total education establishments** (Figure 24), although their share increased slightly over the period. This is roughly similar to the non-

profit shares of establishments in health and arts, entertainment, and recreation, but notably less than for social assistance (50 percent).

Figure 22: Total nonprofit establishments in major nonprofit industries, 1995–2009

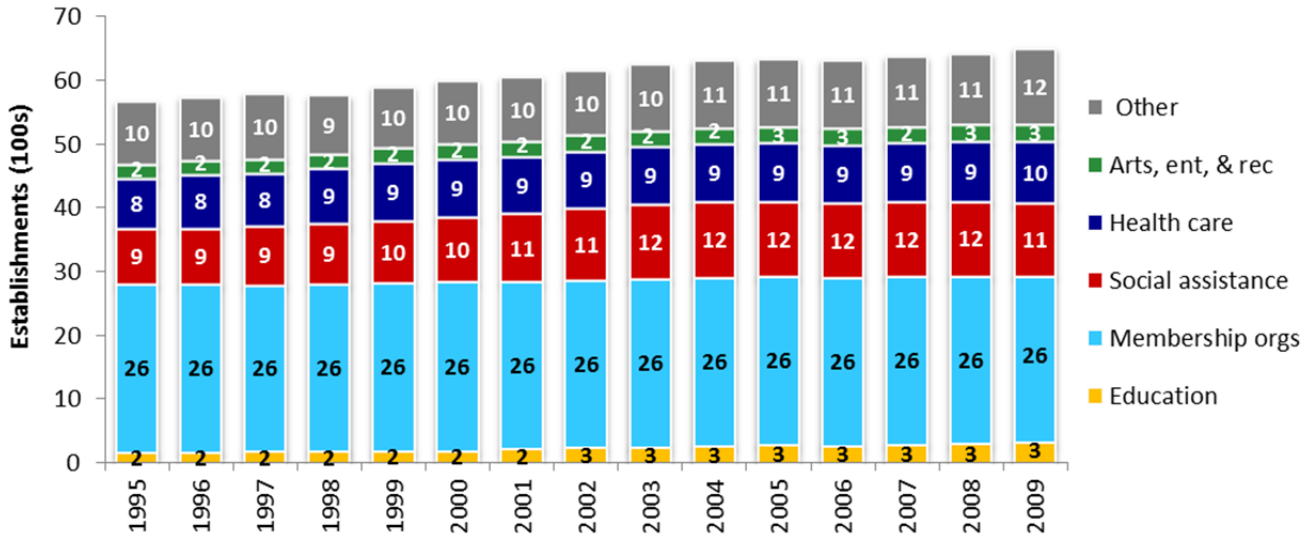


Figure 23: Percentage of total nonprofit establishments in major nonprofit industries, 1995–2009

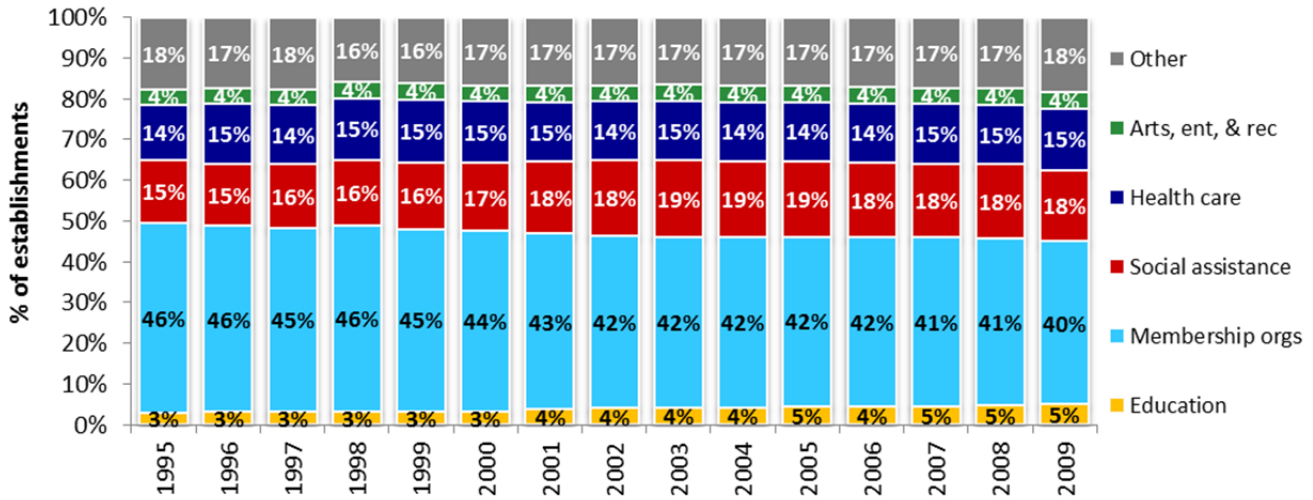
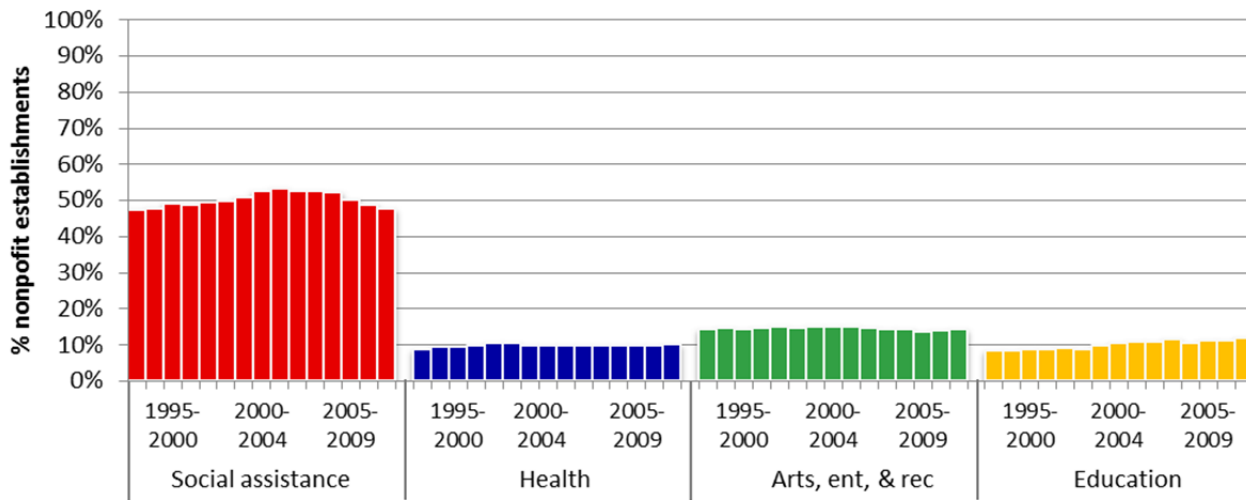


Figure 24: Percentage of industry establishments that are nonprofit, 1995–2009



C. Education Establishments in Nonprofit, Government, and For-Profit Sectors

Of the three sectors, the nonprofit sector had the fewest education establishments, but as discussed previously in this report, employed more education workers than for-profit institutions. The public sector contained the majority of education establishments and the for-profit sector accounted for the second greatest number of education establishments. Government education has historically been made up of elementary and secondary schools (Section C.2), while for-profit education has been comprised of mostly “other” education establishments. Like nonprofit education establishments, the number of for-profit establishments steadily increased from 1995 to 2009.

- **The number of education establishments in the nonprofit sector increased 87 percent – a rate faster than in the government and for-profit sectors** (Figure 25 and Figure 26). This percentage is somewhat exaggerated, however, due to the small base of nonprofit education establishments (just 175 in 1995). The number of for-profit education establishments also increased during the time period (from 650 to 1,030), while the number of government establishments increased only slightly between 1995 and 2000 (from 1,235 to 1,400) and remained fairly steady from 2000 to 2009.
- **The nonprofit sector added about the same number of education establishments as the government sector over the 1995-2009 time period.** The number of nonprofit education establishments grew by 152 over the time period, while government increased by 159. The for-profit sector experienced the greatest absolute increase of education establishments, adding 382 from 1995 to 2009.
- **The nonprofit share of education establishments rose from 8 percent in 1995 to 12 percent in 2009** (Figure 27). The for-profit share of education establishments also rose, from 32 percent in 1995 to 37 percent in 2009. Meanwhile, the government share of education establishments fell from 60 to 51 percent.

Figure 25: Total number of education establishments by sector, 1995–2009

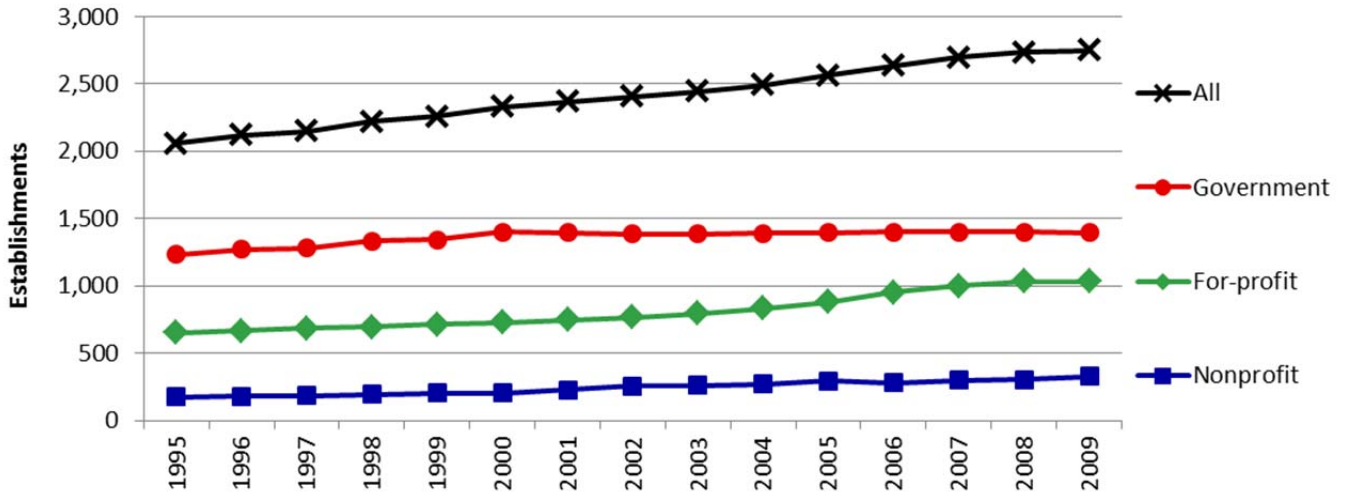


Figure 26: Annual percentage change in number of establishments by sector, 1995–2009

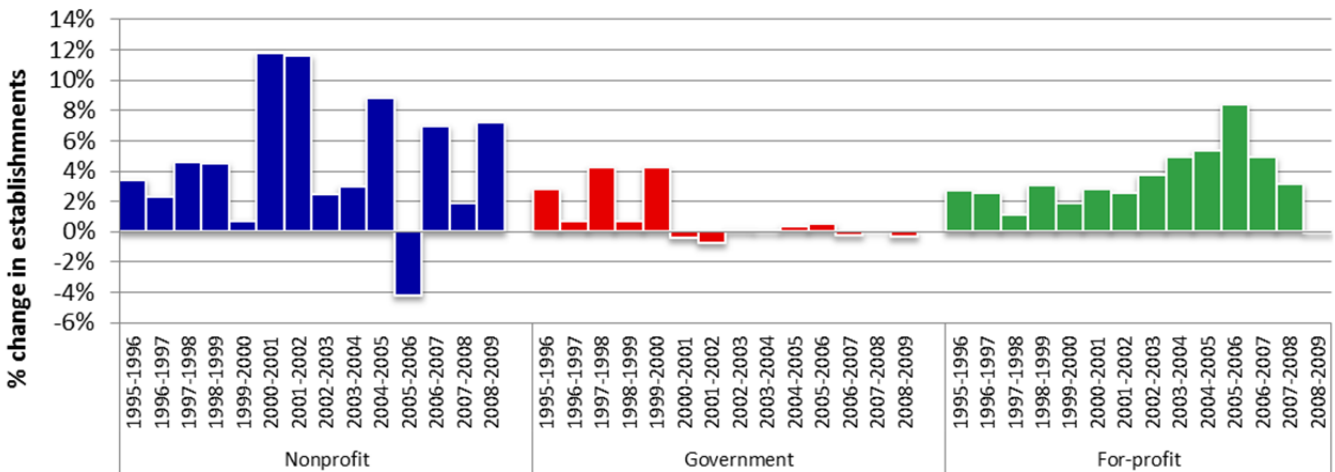
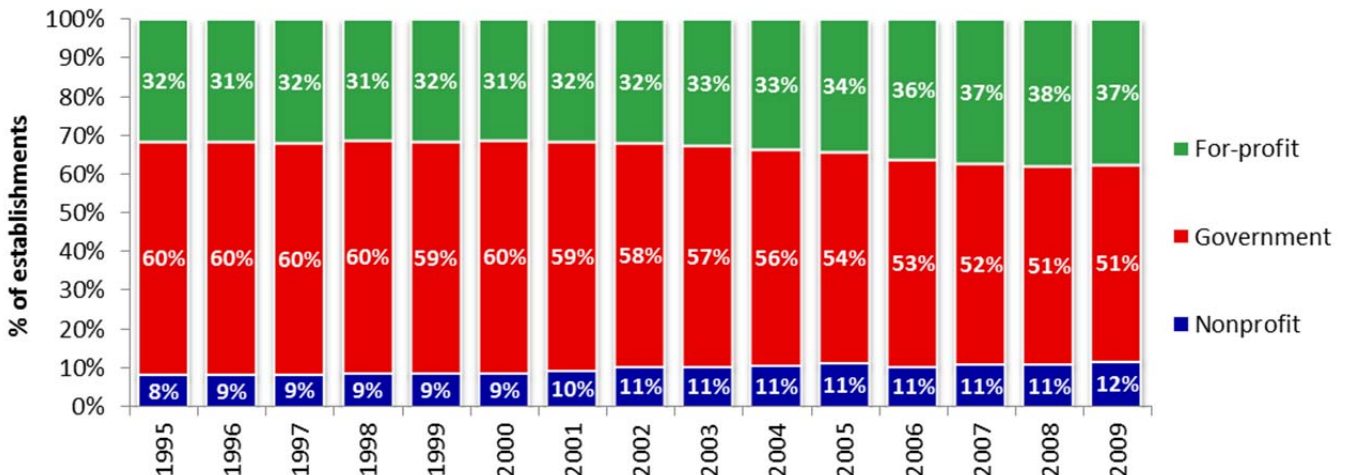


Figure 27: Percentage of education establishments by sector, 1995–2009



D. Establishments in Specific Education Sub-Industries

The majority of education establishments in Indiana have historically been elementary and secondary institutions. “Other” education establishments have also made up a large portion of the industry.

- Elementary and secondary schools made up the majority (40 percent) of nonprofit educational organizations.** The number of these establishments increased from around 70 to over 120 over the 1995-2009 time period (Figure 28). Looking at the industry as a whole (i.e., all sectors), elementary and secondary schools comprised around 63 percent of all establishments (Figure 29).
- The number of nonprofit college and university establishments increased from 35 to 52 over the 1995-2009 time period.** While this increase might seem quite small, it is significant considering these could include new campuses and branches. Additionally, colleges and universities were the second largest sub-industry (by number of establishments) in nonprofit education. In the education industry as a whole, colleges and universities only comprised about 2-3 percent of all establishments.
- Over the 1995-2005 time period, one in five junior college establishments were nonprofit organizations** (Figure 30). However, this number dropped to less than one in ten after 2005. Overall, junior colleges comprised only a small percentage of all nonprofit education establishments.
- “Other” education establishments made up about 33 percent of education establishments.** This sub-industry was dominated by for-profit establishments (87 percent). As will be discussed in subsequent sections, these establishments tended to be smaller (fewer employees and smaller payrolls) than their other nonprofit counterparts.

Figure 28: Nonprofit education establishments by sub-industry, 1995–2009

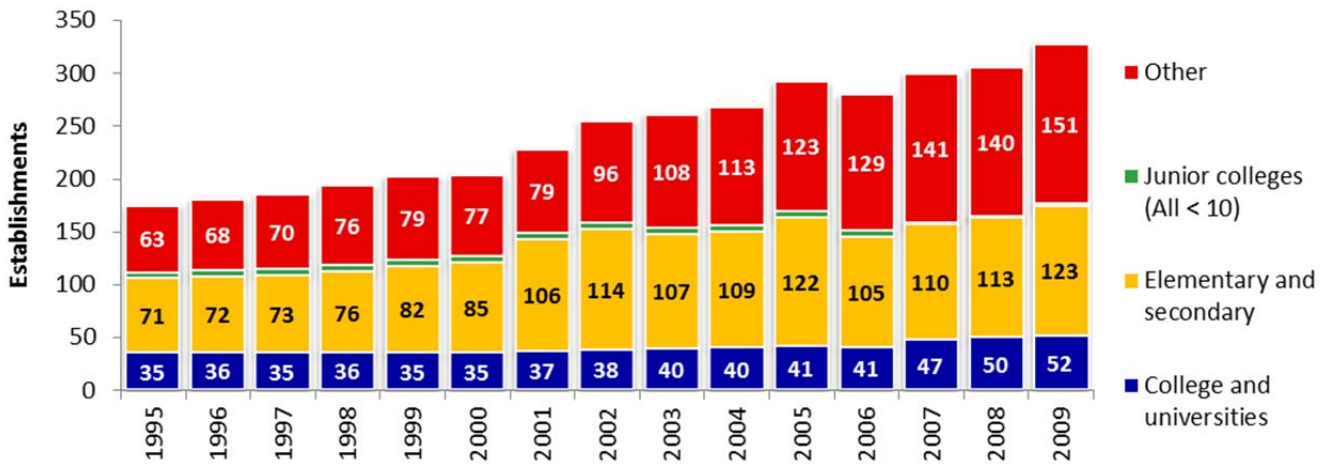


Figure 29: Total education establishments by sub-industry, 1995–2009

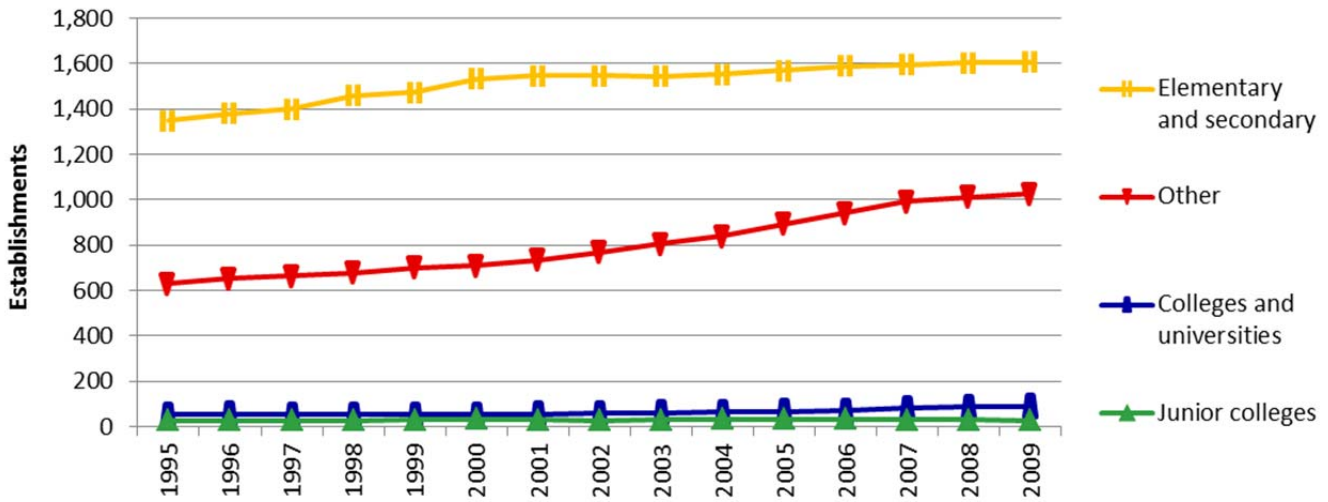
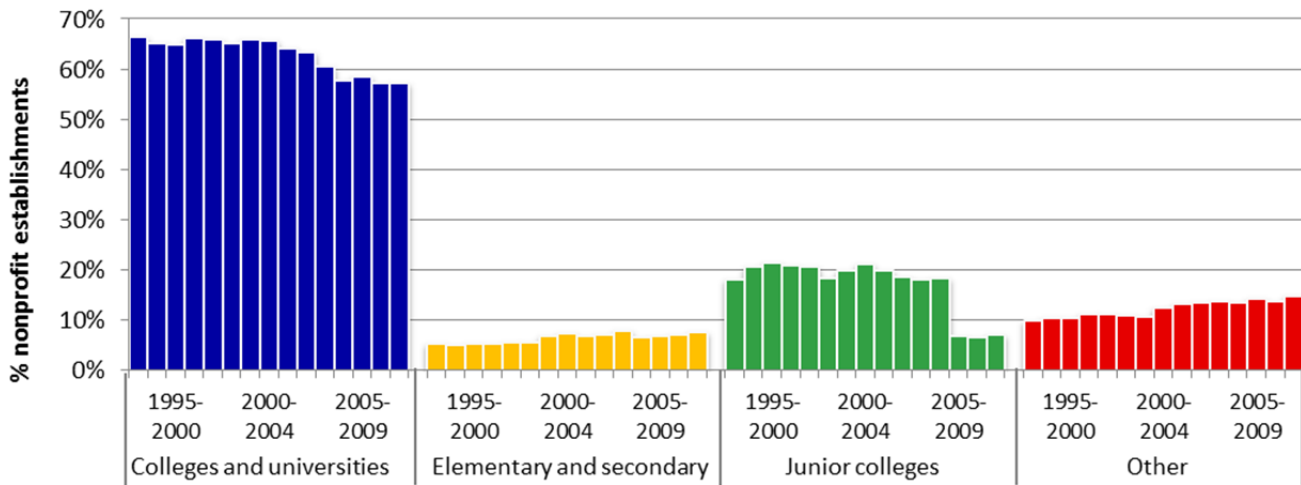


Figure 30: Percentage of education sub-industry establishments that are nonprofits, 1995–2009



1. Colleges and Universities

- **The nonprofit sector accounted for the majority of establishments in colleges and universities** (Figure 31 and Figure 32). In every year from 1995-2009, the nonprofit sector dominated college and university establishments, ranging from a high of 67 percent (35 of 53 establishments in 1995) to a low of 57 percent (50 of 87 establishments in 2008). During this time period, the government sector never exceeded 31 percent (with a peak of 17 of 55 institutions in 2001), and the for-profit sector never exceeded 25 percent of all college and university establishments (with a peak of 22 of 90 institutions in 2009).
- **The number of for-profit establishments grew significantly from 2007, and overtook the government sector in 2007 to become the sector with the second highest number of college and university establishments.** This growth resulted in an increase in the for-profit sector share of college and university establishments, with the for-profit sector peaking at 22 establishments in 2009.

- Increases in establishments in the nonprofit and for-profit sectors contributed to overall growth in the number of total college and university establishments.** Total establishments increased by 69 percent, growing from 53 institutions in 1995 to 90 in 2009. We suspect for-profit establishments grew more quickly than their nonprofit peers for a variety of reasons. First, many for-profit colleges are outposts of larger, national corporations (e.g., the University of Phoenix), while private nonprofit colleges tend to be stand-alone entities. For-profit colleges can receive investment dollars from the parent company to create new establishments, while nonprofits must rely on donations or local revenue sources. Secondly, for-profit establishments are often career colleges – small establishments focused on teaching alone. Nonprofit establishments tend to be much more complex with campus living facilities, libraries, performing arts halls, sports areas, green space, museums, etc. Therefore, it is likely to be cheaper and simpler to open a new for-profit education establishment than a nonprofit one.
- We suspect some of the increase of nonprofit establishments in 2007 is due to a 2-year college being re-classified as a 4-year college.** When the college was reclassified, so were all of its campuses and other establishments.

Figure 31: Total number of college and university establishments by sector, 1995–2009

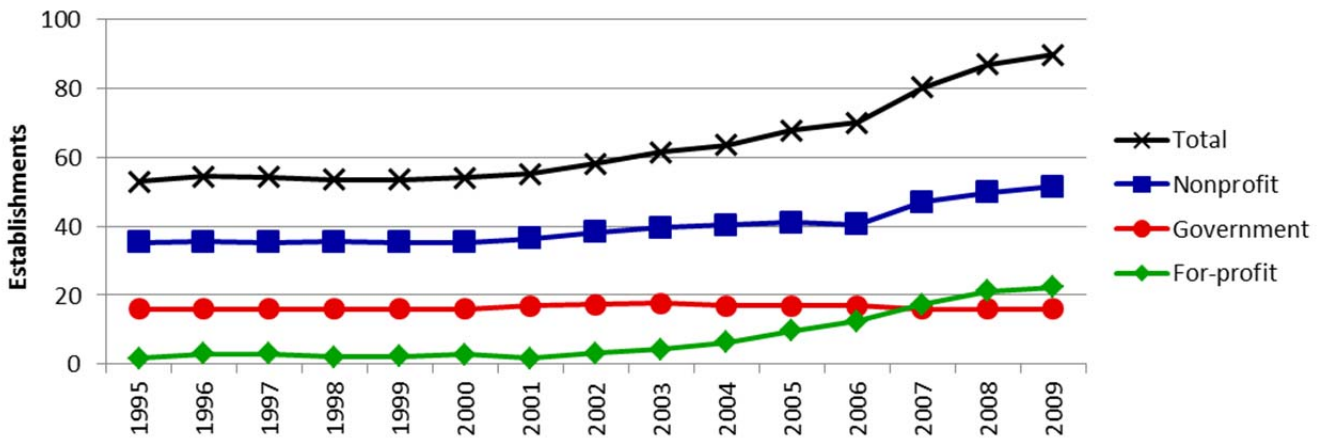
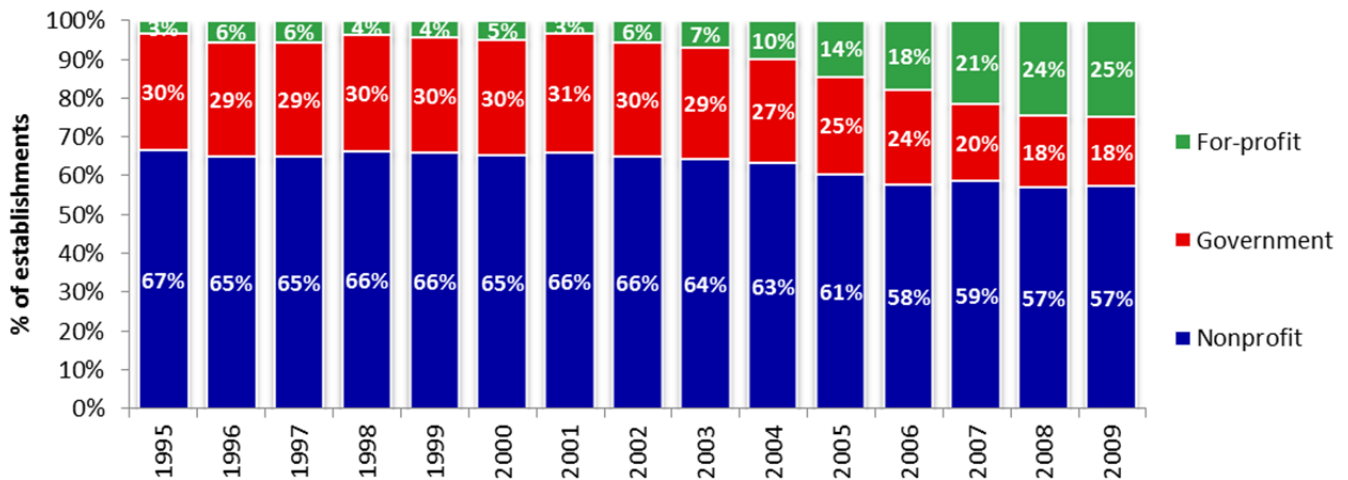


Figure 32: Percentage of college and university establishments by sector, 1995–2009



2. Elementary and Secondary Schools

- The number of nonprofit elementary and secondary schools increased steadily from 1995 until 2000, when they overtook the for-profit sector** (Figure 33 and Figure 34). This could be both due to the establishment of nonprofit-run charter schools and independent religious-based schools. The number of for-profit elementary and secondary school establishments also increased, but at a slower rate between 1995 and 2005. In 2006, the number of for-profit elementary and secondary schools jumped to 120 establishments, a 30 percent increase from the 92 establishments in the previous year, and continued to increase slowly for the duration of the time period.
- The nonprofit and for-profit sectors experienced a counter-cyclical trend between 1995 and 2009** (Figure 34). The nonprofit sector maintained a greater number of education establishments than the for-profit sector between 2000 and 2005. From 2006-2007, the number of nonprofit elementary and secondary schools decreased from 122 to 105, a drop of 14 percent, while the number of for-profit elementary and secondary schools grew from 92 to 120, an increase of 30 percent. In some cases, these changes might have been due to schools switching from nonprofit management structures to contracts with for-profit management companies like Edison Inc. or Mosaica.
- Nonprofit elementary and secondary schools increased their share of elementary and secondary schools from 5 to 8 percent between 1995 and 2009** (Figure 35). Government elementary and secondary schools remained dominant throughout the period, with over 1,200 establishments every year from 1995-2009, accounting for over 80 percent of all elementary and secondary schools. The share of for-profit elementary and secondary schools gradually increased throughout the timeframe, reaching 8 percent of all elementary and secondary schools in the state by 2009.

Figure 33: Total number of elementary and secondary school establishments by sector, 1995–2009

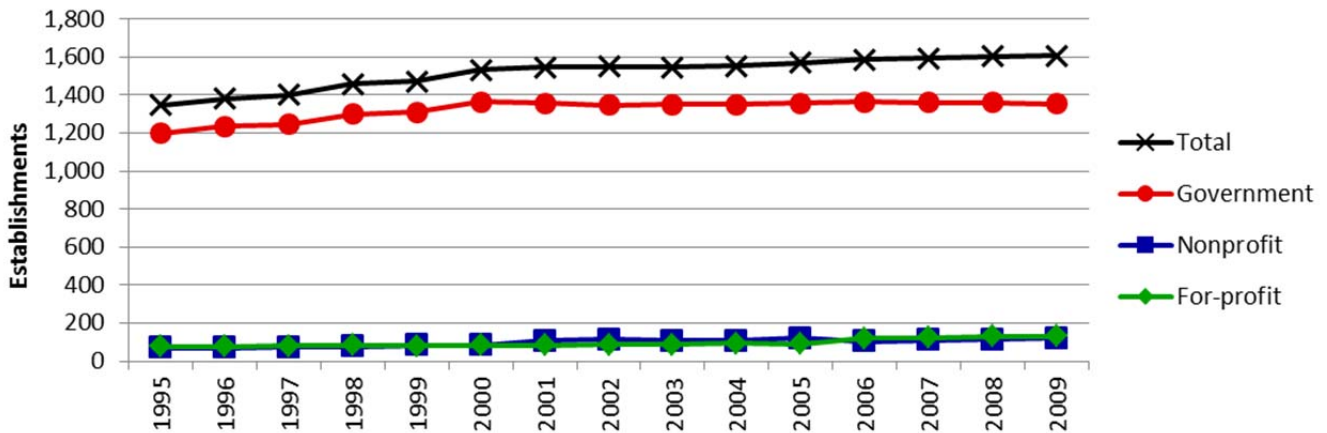


Figure 34: Total number of elementary and secondary school establishments in the nonprofit and for-profit sectors, 1995–2009

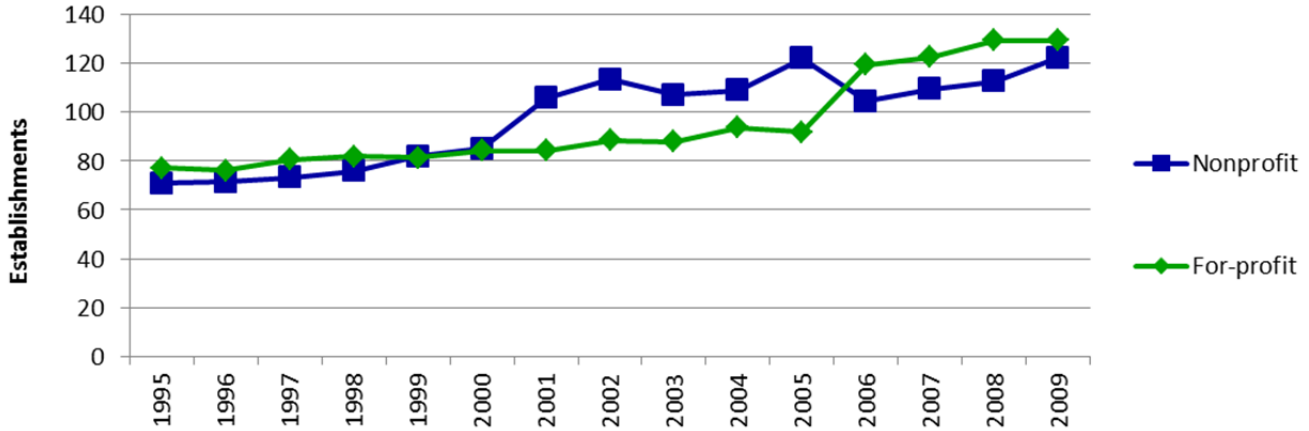
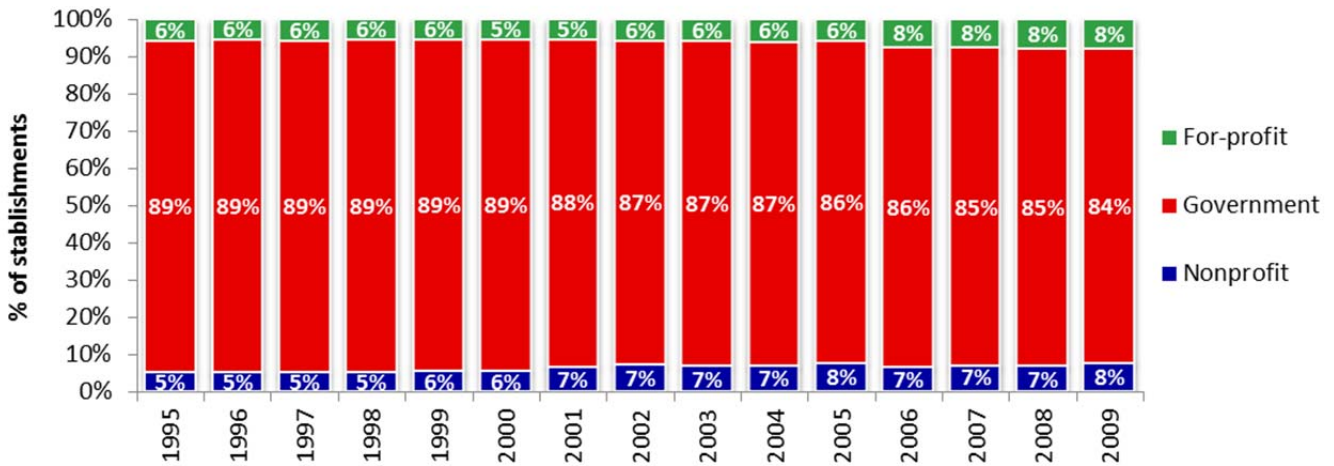


Figure 35: Percentage of elementary and secondary school establishments by sector, 1995–2009



3. Junior Colleges

- The number of nonprofit junior colleges began at 5 in 1995 and remained at a consistent 6 from 1996 until 2006 but decreased to a low of 2 by 2007, where they remained for the rest of the period (Figure 36). The government sector operated the largest number of junior colleges from 1995–2009. The number of for-profit junior colleges varied more widely over these years, nearly doubling in 1999, then fluctuating until the end of the period. The volatility in for-profit establishments might be because funding and oversight from their national headquarter corporations allow them to respond quickly to changes in the market or policy regulations. Nonprofits are often stand-alone institutions and might also have more stable demand for their services due to their reputation.
- The nonprofit sector comprised a small and decreasing number of junior colleges between 1995 and 2009. From 1995 to 2006, nonprofit junior colleges accounted for 18 to 21 percent of all junior colleges (Figure 37), but that concentration dropped to just 7 percent of all junior colleges from 2007 to

2009 (likely due to the reclassification of one college into a four-year school), while the number of for-profit junior colleges grew to comprise 37 percent of junior colleges by 2009.

Figure 36: Total number of junior college establishments by sector, 1995–2009

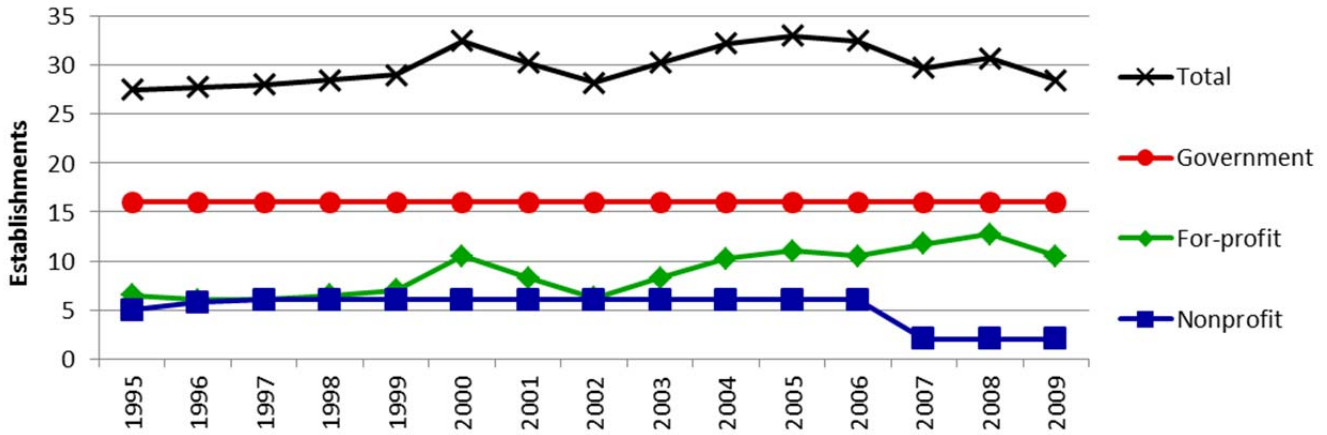
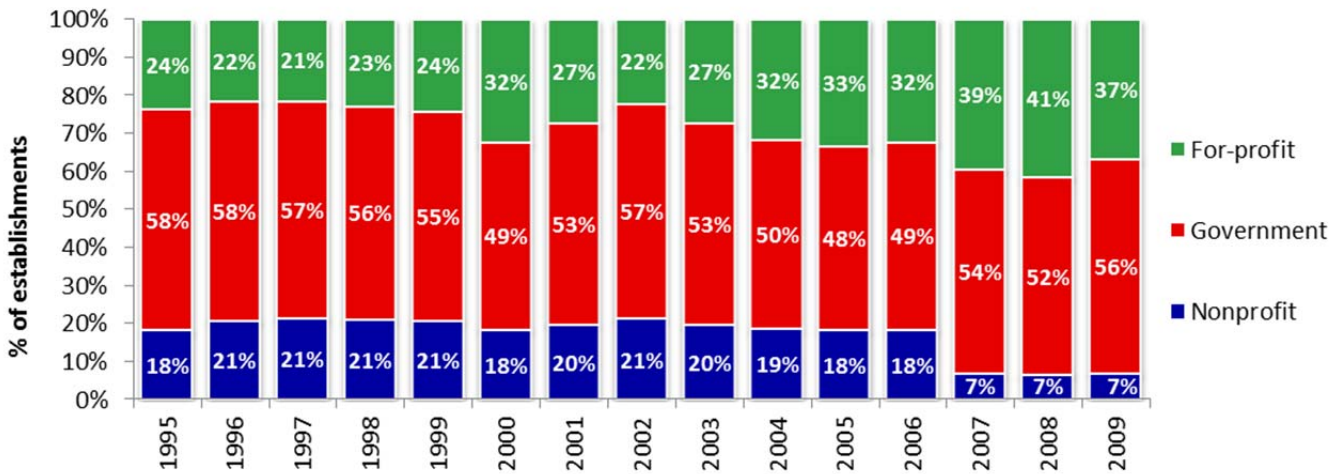


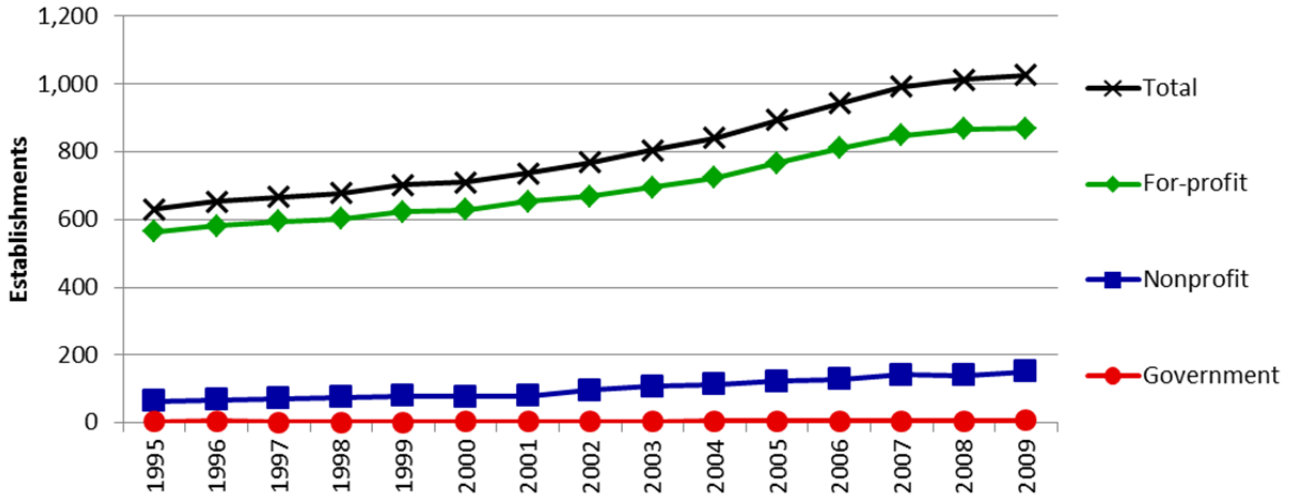
Figure 37: Percentage of junior colleges establishments by sector, 1995–2009



4. “Other” Education Organizations

- The number of “other” nonprofit education establishments grew from 63 in 1995 to 151 in 2009, an increase of 140 percent (Figure 38). Some of this growth was due to the rise of technical colleges and other trade or certification schools. This growth persisted even through the two economic recessions. The number of “other” for-profit sector education establishments increased by 54 percent during the same time period. Contrary to sub-industries like elementary and secondary schools, the government sector did not have a significant presence in “other” education institutions.

Figure 38: Total number of “other” education establishments by sector, 1995–2009



E. Charitable Establishments

The great majority (86 percent) of nonprofit education institutions are charitable establishments (Figure 39). All non-charitable education establishments are in “other” education establishments (Figure 40).

- **While the number of both charitable and non-charitable education establishments increased over the time period, charitable establishments increased at a much higher rate.** Overall, the number of charitable education establishments doubled (by 99 percent) while the number of non-charitable establishments only increased 24 percent from 1995 to 2009.
- **In “other” education establishments, the number of charitable and non-charitable nonprofit establishments remained relatively close until 2001.** In 2001 the number of charitable nonprofit “other” education establishments began to increase significantly, and grew from 49 establishments in 2001 to 116 establishments in 2009. Non-charitable nonprofit “other” education establishments remained steady during this time period, between 31 and 36.

Figure 39: Nonprofit education establishments by nonprofit type, 1995–2009

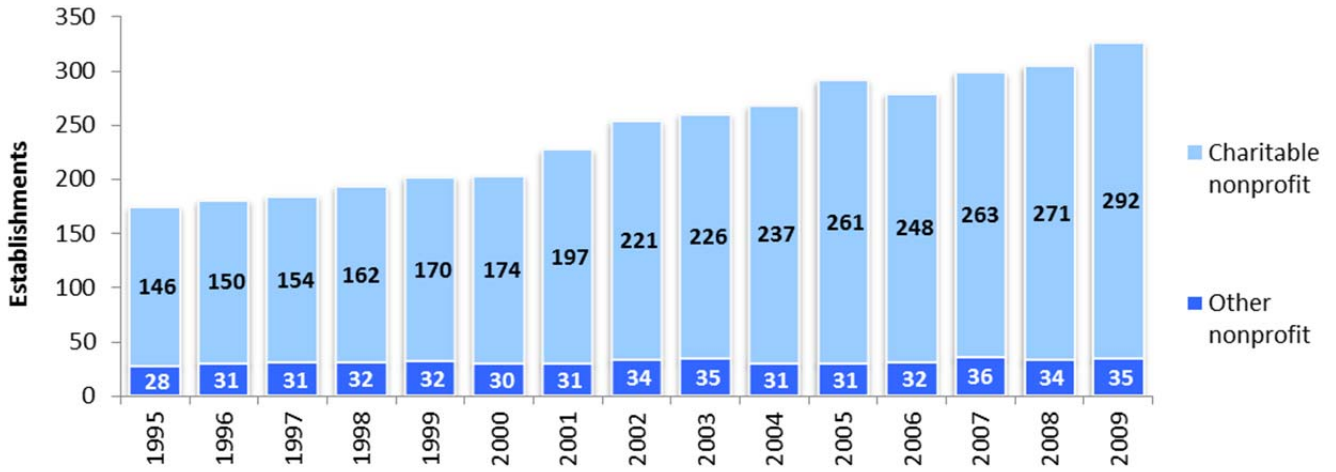
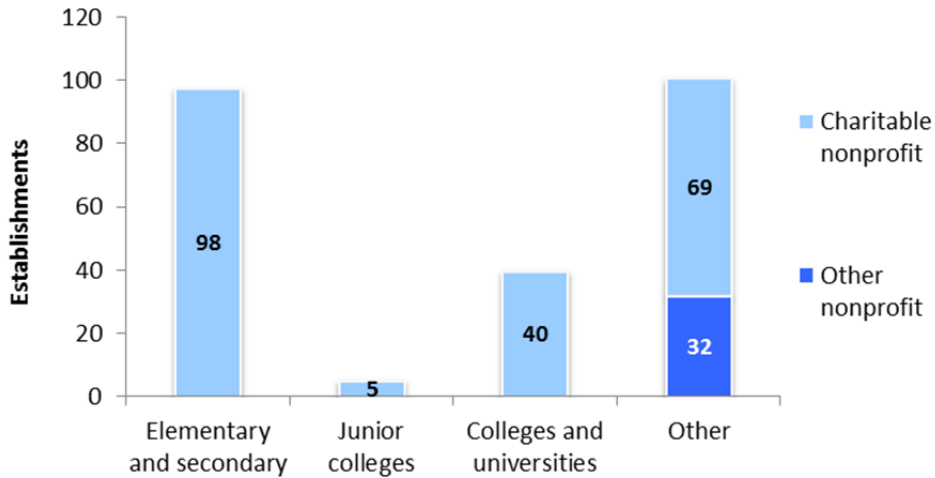


Figure 40: Nonprofit education establishments by sub-industry and nonprofit type, 1995–2009 (averaged)



IV. AVERAGE ESTABLISHMENT SIZE

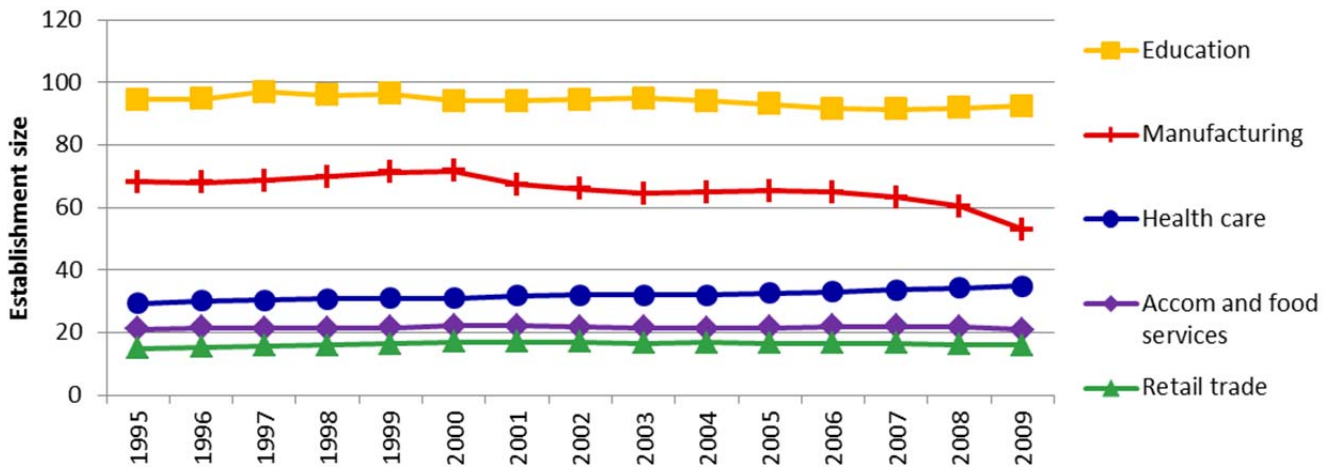
Educational establishments differed greatly in size, depending on their sub-industry. For example, universities and colleges were very large establishments, especially public universities. Among nonprofit industries, nonprofit educational establishments were second in size only to health care establishments; similarly, nonprofit colleges and universities tended to be much larger than elementary and secondary schools, as well as other types of educational establishments. Overall, the number of employees per education establishment decreased between 1995 and 2009 because the number of establishments grew faster than the number of employees.

A. Establishment Size in Education and Other Major Indiana Industries

Average establishment size varied greatly among the five largest employment industries in the state. Education, accommodation and food services, and retail trade establishment size remained relatively steady, while health care increased and manufacturing decreased by about 20 percent each from 1995 to 2009.

- **Education establishments were much larger than establishments in other major Indiana industries** (Figure 41), averaging 90 to 100 workers per education establishment, compared to 50 to 70 per manufacturing establishment. These employees include teachers as well as other administrative and support staff.
- **The size of education establishments fluctuated slightly throughout this time period and decreased about 2 percent overall.** While the number of both education employees and establishments grew from 1995 to 2009, establishments grew slightly faster than employment (34 compared to 31 percent). This indicates the foundation of new, smaller educational establishments, rather than staff size reductions within pre-existing organizations. Meanwhile, the size of health care establishments increased because employment grew at a much faster rate than establishments (7 percent and 28 percent, respectively). Manufacturing decreased in both employment and establishments over the same time period.

Figure 41: Average establishment size in Indiana’s five largest industries, 1995–2009

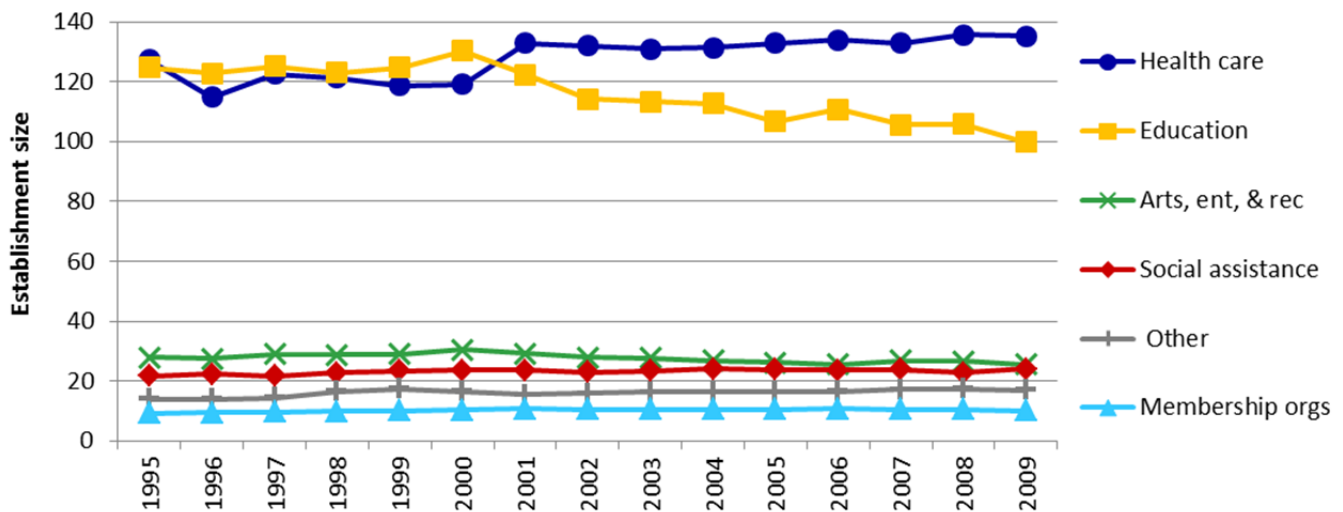


B. Nonprofit Establishment Size in Education and Other Major Nonprofit Industries in Indiana

Education establishment size was larger than that of establishments in other major nonprofit industries, but the average size of education establishments decreased from 1995 to 2009 (Figure 42). This could be due to the establishment of new, smaller religious-based or charter schools.

- **On average, each nonprofit education establishment had between 100 and 130 workers**, roughly on par with health care establishments. The average sizes of the other nonprofit industries were notably smaller: 25-30 for arts, entertainment, and recreation, 20-25 workers for social assistance, and 10 or fewer workers for membership organizations.
- **Nonprofit education establishment size increased from 1995 to 2000 and then sharply dropped (by 23 percent) from 2000 to 2009.** This decrease occurred because the number of establishments grew at a faster rate than employment (87 compared to 50 percent). Overall, health care establishment size grew 6 percent and remained very steady from 2001 to 2009. Arts, entertainment, and recreation establishment size grew from 1995 to 2000, but decreased afterwards to 1999 levels.

Figure 42: Average nonprofit establishment size in major nonprofit industries, 1995–2009



C. Education Establishments in Nonprofit, Government, and For-Profit Sectors

Nonprofit education establishments were the second largest behind only government education establishments, which continued to grow throughout the time period. In contrast, nonprofit establishment sizes decreased from 1995 to 2009.

- **Nonprofit education establishments were smaller than government institutions** (Figure 43). The number of workers in nonprofits ranged from 100 to 130, while government establishments had 130 to 150 workers. For-profits generally were much smaller with 9 to 14 workers.

- **The average number of workers at nonprofit educational establishments decreased, likely due to an increase in smaller establishments rather than employment reductions in existing organizations.** Although there were increases in the average size of nonprofit establishments in 1997, 1999, 2000, and 2006, overall establishment size dropped nearly 20 percent (from 125 employees per establishment to 100) from 1995 to 2009. The average size of government establishments grew slightly from 135 to 150 workers. Growth rates for the average size of for-profit organizations are extremely volatile due to the small base (Figure 44).
- **Employment in nonprofit and government establishments varied seasonally** (Figure 43). Generally, establishment size decreased slightly in both the first and second quarters of the years. The substantial drop in the third quarter (on average 7 percent in nonprofits and 16 percent in government) was likely due to reduced teaching schedules during summer recess. The number of employees in each establishment spiked in the fourth quarter (on average 16 percent in nonprofit and 25 percent in government establishments) with the start of the school year.

Figure 43: Average education establishment size by sector, 1995–2009 quarterly

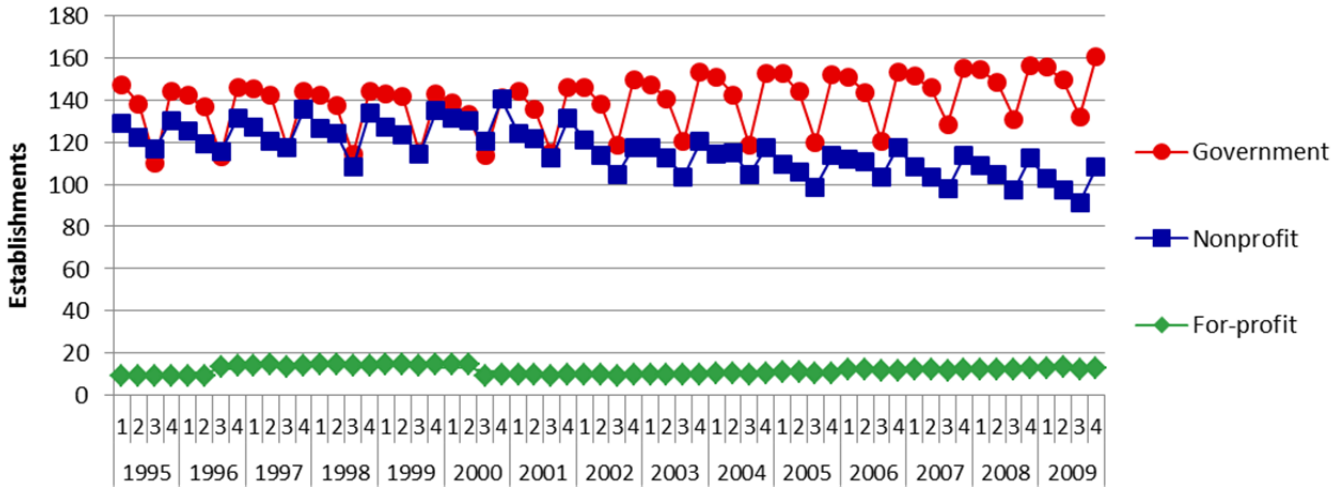
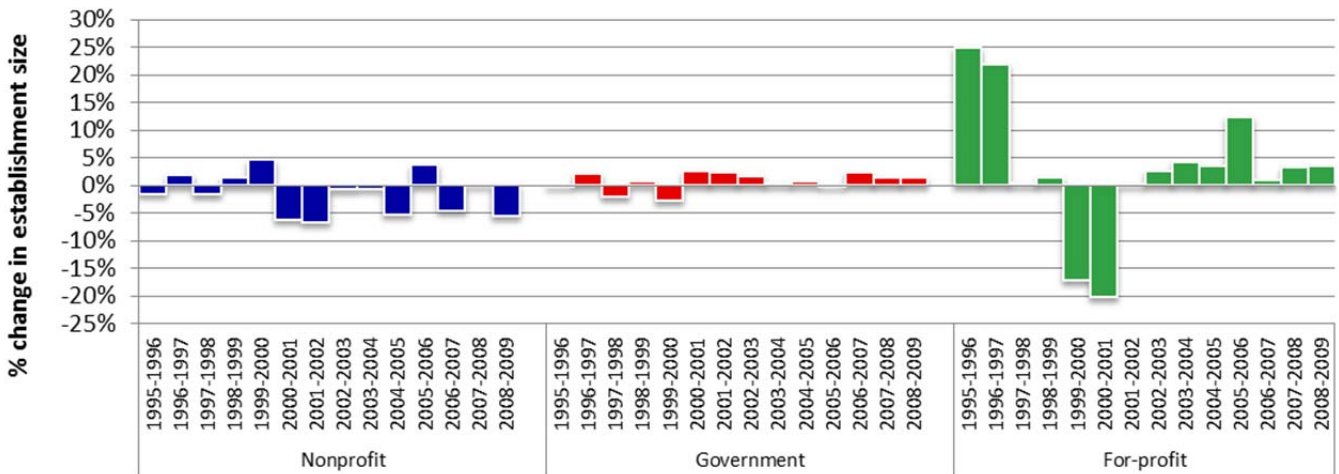


Figure 44: Annual percentage change in education establishment size by sector, 1995–2009



D. Establishment Size in Specific Education Sub-Industries

Colleges and universities were by far the largest educational establishments both overall and among non-profit educational establishments. While elementary and secondary school establishment size remained relatively stable, the size of junior college establishments grew from 1995 to 2009. “Other” educational establishments tended to be small operations with only 5 to 10 staff members. To some extent, size may indicate the scope of services provided. For example, colleges and universities tend to offer services in addition to instruction (e.g., performances, public green space, research facilities, and student living areas) which require more staff than a purely teaching facility.

- **Colleges and universities were by far the largest establishments** (Figure 45). From 1995 to 2000, the average number of employees per establishment grew from around 985 to a high of 1,100 before decreasing to a low of approximately 760 in 2009. Nonprofit establishments followed a similar trend, increasing from 455 in 1995 to 545 in 2000, then down to 445 in 2009.
- **Junior colleges were also large and increased in size by more than 75 percent**, from an average of 190 in 1995 to 340 in 2009. Nonprofit junior colleges had an average of around 50 workers per establishment (Figure 46) and grew in size by more than 40 percent from 1995 to 2006 (2007 to 2009 numbers not reported due to the small number of establishments).
- **Elementary and secondary schools were somewhat smaller, with little change over time.** Non-profit establishments averaged 60 to 70 employees while government establishments ranged from 100 to 115 employees.
- **“Other” education establishments were on average much smaller** than more traditional education establishments. While “other” education establishments had the second highest number of establishments overall, they averaged only 5 to 10 employees.

Figure 45: Average establishment size by sub-industry, 1995–2009

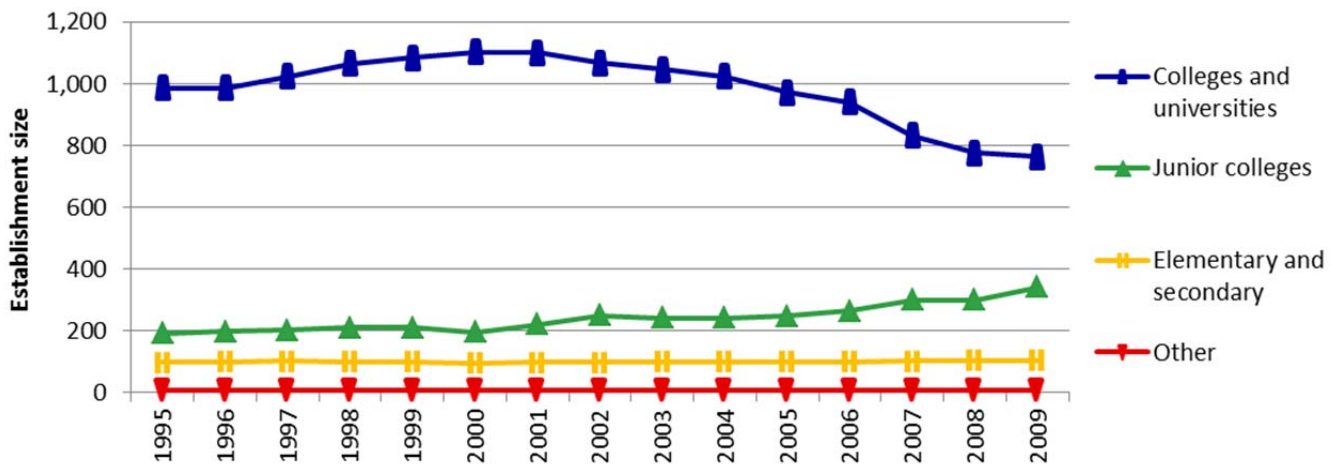
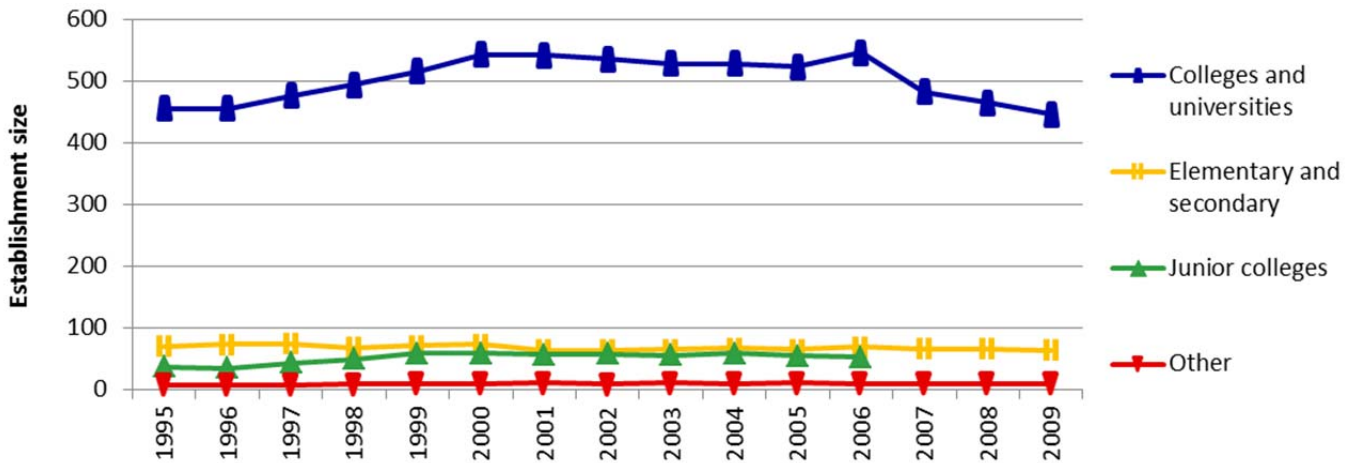


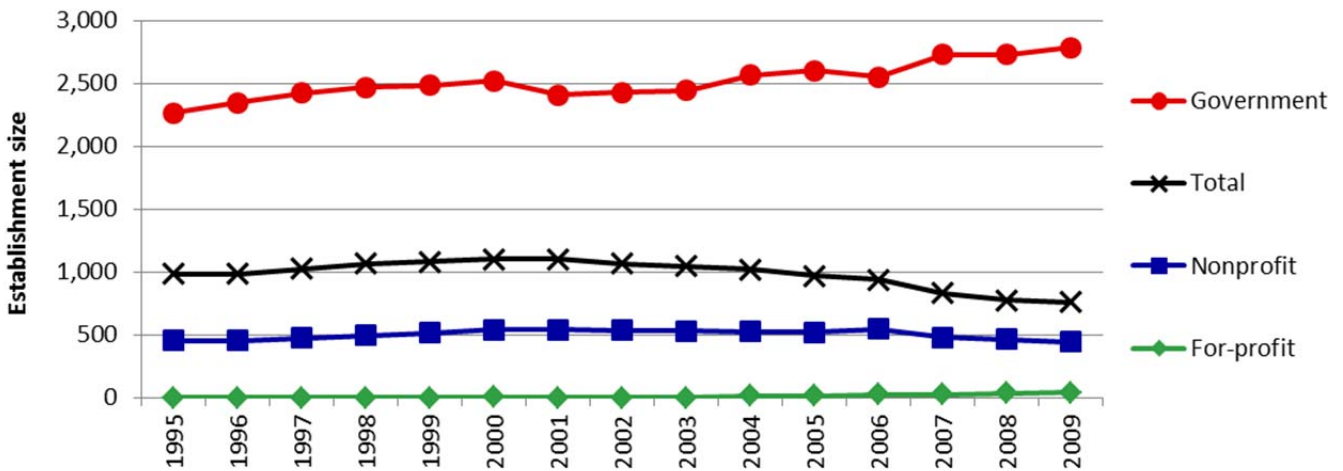
Figure 46: Nonprofit average establishment size by sub-industry, 1995–2009



1. Colleges and Universities

- **Nonprofit college and university establishments were quite large**, averaging around 445 to 545 employees, but still much smaller than public colleges and universities which were on average five times larger (from 2,200 to nearly 2,800 employees). For-profits tended to have no more than 40 workers per establishment (Figure 47). The decline in nonprofit establishment size after 2006 could be due to an increase in smaller establishments.
- **Nonprofits added about 90 new workers annually per establishment between 1995 and 2001, and then lost about 100 workers per establishment between 2001 and 2009.** The size of government establishments grew slowly, with the number of employees per establishment falling by as much as 100 employees in the greatest single-year decrease. The average size of for-profit colleges in universities jumped from less than 5 to nearly 20 in 2004 and more than 40 in 2009.

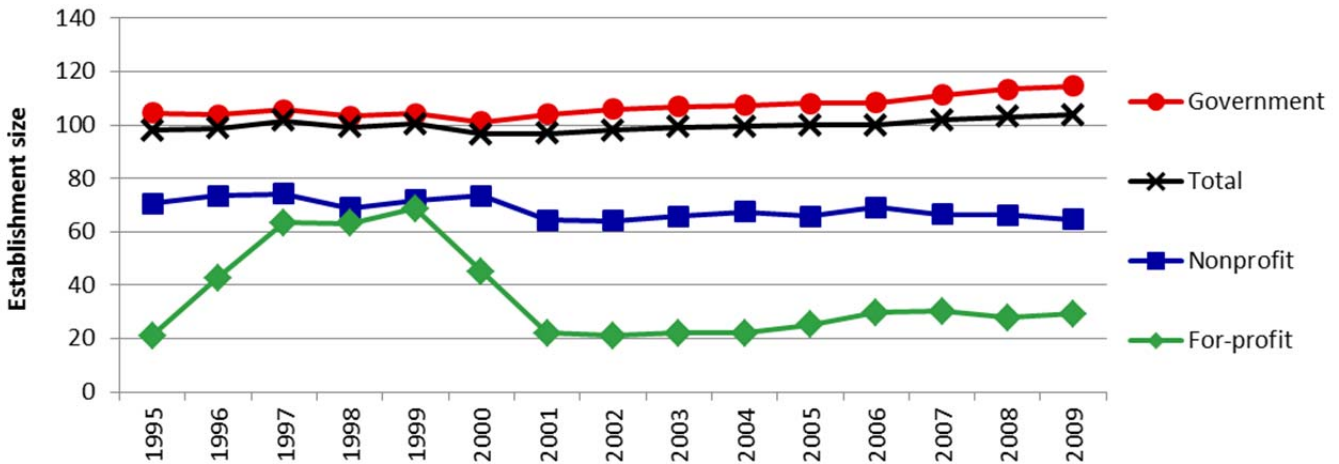
Figure 47: College and university average establishment size by sector, 1995–2009



2. Elementary and Secondary Schools

- **The average nonprofit elementary or secondary school had between 60 and 80 workers** (Figure 48). Public schools, meanwhile, employed between 100 and 115 employees. The average size of for-profit schools peaked at about 70 employees in 1999, but has remained at 30 or fewer employees since 2001. These breakdowns in average number of employees per establishment might reflect that nonprofit establishments offer services similar to their government counterparts, while for-profit establishments advertise online and self-guided programs, which may require fewer employees to deliver. Additionally, administrative staff in for-profit schools might be located in their umbrella companies outside the state.
- **Nonprofit employment and the number of nonprofit establishments both grew from 1995 to 2009.** The size of establishments decreased over this time period, because the number of employees grew less (58 percent) than establishments (73 percent). This change could be due to the growth of smaller religious-based schools, rather than decreases in established institutions. Similarly, the size of government-operated schools appears to grow because the number of employees increased faster than the number of establishments (24 percent compared to 13 percent). The spike in the size of for-profit schools from 1997 to 1999 was due to a large increase in employment without a concomitant increase in establishments. This period of seemingly large for-profit establishment size could be due to reporting anomalies (i.e., one organization reporting multiple establishments as one establishment).

Figure 48: Elementary and secondary school average establishment size by sector, 1995–2009

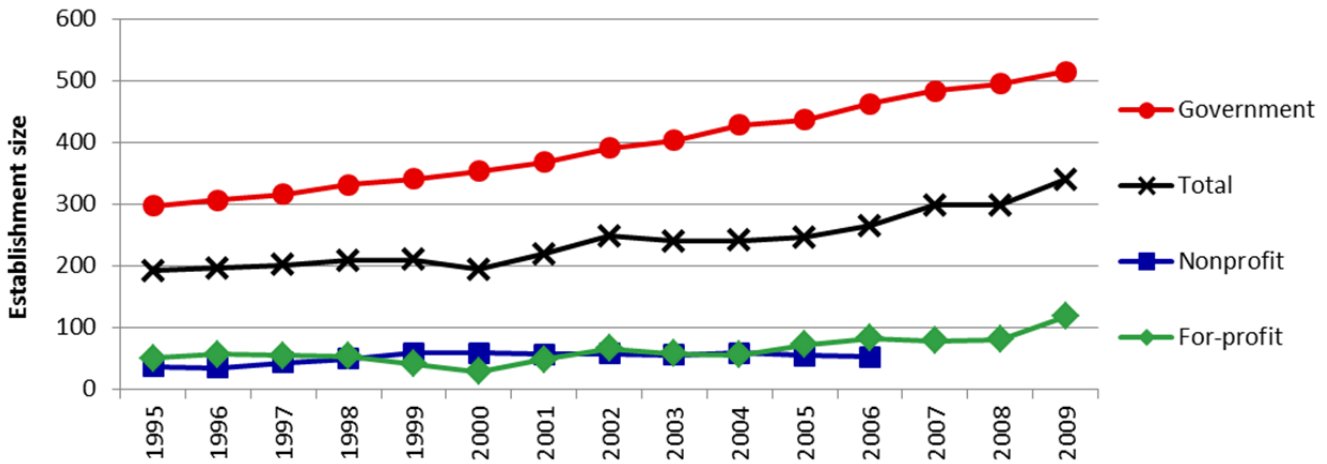


3. Junior Colleges

- **On average nonprofit junior colleges were small, with 35 to 60 workers per establishment** (Figure 49). The average size of for-profit junior colleges was similar. These numbers, however, should be treated with caution due to the small number of establishments. Government-run junior colleges were much larger, averaging between 300 and 515 employees each. These numbers might indicate differences in the service provision between private and public junior colleges. Private schools (both nonprofit and for-profit) might offer fewer degree options than their public peers and focus their activities exclusively on classes in those particular fields, thus having smaller establishments. Furthermore, public establishments might offer additional services like libraries, more extensive student activity and green spaces, and “student life” activities (e.g. student government, clubs and honor societies, events, etc.).

- **The average size of nonprofit junior colleges grew from fewer than 40 to over 50 employees from 1995 to 2006.** After 2006, the number of establishments dropped substantially. (Due to this limited number, we cannot report on average establishment size after this year.) On average, government junior colleges grew in size by 73 percent, from about 300 employees in 1995 to 515 in 2009. The average size of for-profit junior colleges also began to increase substantially in later years of the period. Overall, these trends coincide with increased market demand for post-secondary education in Indiana.

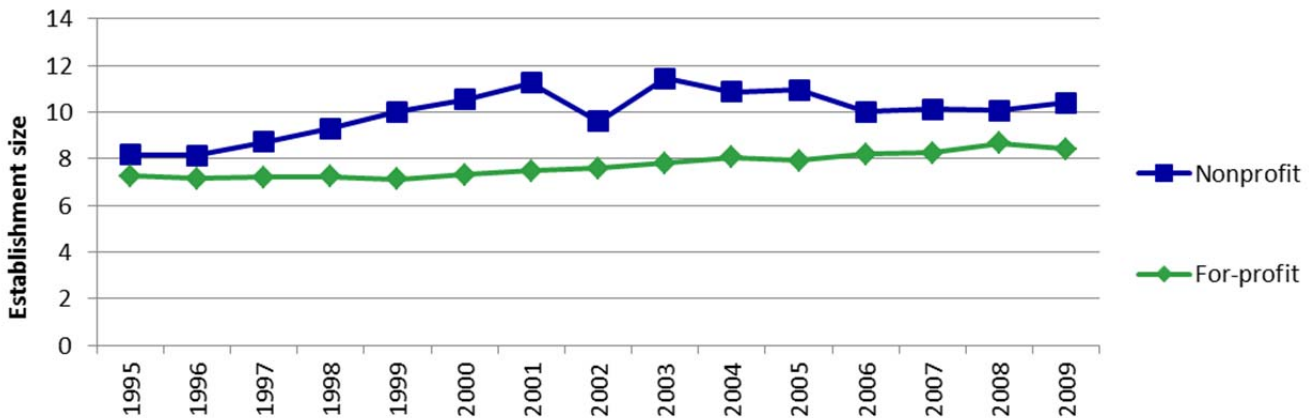
Figure 49: Junior college average establishment size by sector, 1995–2009



4. “Other” Education Organizations

- **Nonprofit “other” education establishments were larger than for-profit establishments, but not by much.** Nonprofit “other” education establishments generally employed about ten people while for-profit “other” education establishments employed between seven and eight (Figure 50). There were very few government establishments in this category and establishment size estimates for this sector were erratic and unreliable, and thus not reported here.
- **Both nonprofit and for-profit “other” education establishment sizes increased from 1995 to 2009,** but the average size of nonprofit establishments experienced a greater increase, growing from an average of 8 to 10.5 employees per establishment, compared to an increase from only about seven employees per establishment to just over eight in for-profit “other” education establishments.

Figure 50: “Other” education average establishment size in nonprofit and for-profit sectors, 1995–2009



E. Charitable Establishment Size

The vast majority of nonprofit establishments were charitable. “Non-charitable” nonprofit establishments – which might include educational sports clubs, advocacy, and lobbying groups – made up about 40 percent of “other” educational establishments. These other nonprofit establishments tended to be significantly smaller than their charitable counterparts.

V. PAYROLL

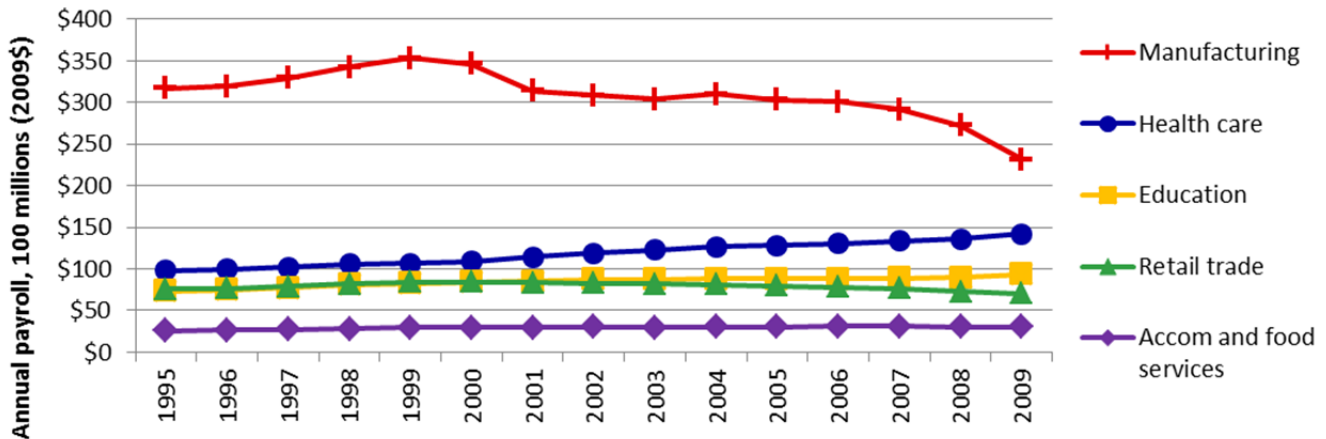
The education industry was one of the top sources of payroll in Indiana, and an increasing percentage of this payroll came from nonprofit organizations. These increases were largely due to payroll growth in elementary and secondary schools as well as colleges and universities. Furthermore, education accounted for an increasing percentage of payroll from all Indiana nonprofit organizations. All dollar values have been adjusted for inflation and are reported in 2009 dollars.

A. Payroll in Education and Other Major Indiana Industries

In 2001 the education industry passed retail trade to become the third largest source of payroll in Indiana. Overall, education payroll grew 27 percent from 1995 to 2009. Nonprofit education payroll grew 72 percent, and the share of education payroll from nonprofits increased from 9 percent in 1995 to 13 percent in 2009, paralleling a growth in nonprofit employment. Figure 51 compares trends in total education payroll (government, nonprofit, and for-profit combined) to other top Indiana industries.

- **In 2001 education surpassed retail trade to become the third largest source of payroll in Indiana.** This occurred before education became the fourth largest employer in Indiana in 2002. Only manufacturing and health care payrolls were higher than education payroll.
- **From 1995 to 2009 education payroll grew 27 percent from \$7.3 to \$9.3 billion.** Only health care grew more – 44 percent from \$9.8 to \$14.2 billion. Accommodation and food services also grew 17 percent, while manufacturing and retail trade payroll decreased by 27 and 7 percent, respectively.
- **The percentage of all Indiana payroll coming from education increased from 7 percent in 1995 to 9 percent in 2009.** In contrast, the percentage of payroll from manufacturing fell from 32 to 22 percent over the same time period.
- **Education payroll continued to grow from 2000 to 2009, even when payroll decreased in manufacturing, retail, and wholesale trade.** For-profit dominated industries appear to have been more affected by recessions than industries dominated by the nonprofit or government sectors.

Figure 51: Industries with the highest payrolls in Indiana, 1995–2009



B. Nonprofit Payroll in Education and Other Major Nonprofit Industries in Indiana

While education did not become the second largest employer of nonprofit workers until 2001, it was the second largest source of nonprofit payroll from 1995 through 2009. Furthermore, nonprofit education payroll increased every year. All values are inflation adjusted and are reported in 2009 dollars.

- **Nonprofit education payroll grew over 70 percent from \$680 million in 1995 to nearly \$1.2 billion in 2009** (Figure 52). This is largely due to increases in the number of nonprofit education workers. Nonprofit payrolls in health care and social assistance grew 60 percent; membership payroll grew 34 percent, and arts, entertainment, and recreation 16 percent.
- **Approximately 12 to 13 percent of all nonprofit payroll came from educational institutions** (Figure 53). Health care accounted for the largest percentage of payroll (61 percent), social assistance and membership organizations made up about 8 percent each, and only about 2 percent came from arts, entertainment, and recreation organizations. Payrolls grew across nonprofit industries over the 1995-2009 period, so the percentage of payroll from each industry remained relatively steady.

Figure 52: Total nonprofit payroll in major nonprofit industries, 1995–2009

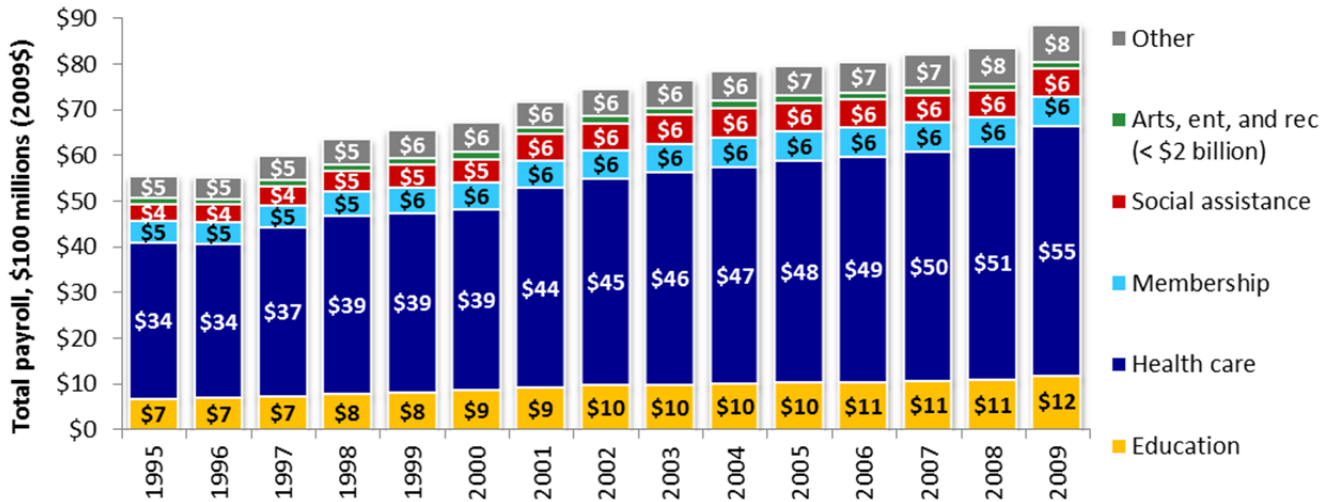
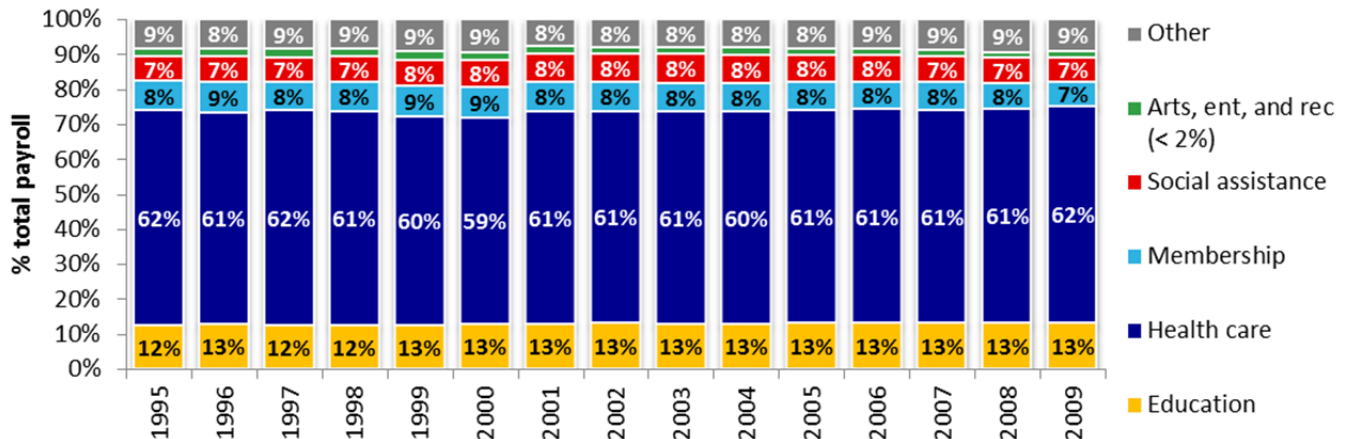


Figure 53: Percentage of total nonprofit payroll in major nonprofit industries, 1995–2009



C. Education Payroll in Nonprofit, Government, and For-Profit Sectors

Nonprofit organizations were a significant and growing source of education payroll from 1995 to 2009. In contrast, government payroll grew at a slower rate and for-profit payroll growth was more volatile. Slow and steady growth in public education funds might be due to long-term state and local government funding strategies and negotiated union wage increases. Nonprofit grade schools and colleges likely formulate similar strategies, and thus have similar growth patterns. The volatility in for-profit wages might be due in part to volatility in the small base as well as bonuses and contract pay that might vary annually.

- **Nonprofits were the second largest source of payroll in the education industry** (Figure 54). The percent of education payroll from the nonprofit sector grew from 9 percent in 1995 to 13 percent in 2009, which might reflect an increased demand for private schools as well as increases in average annual individual wages for nonprofit workers (Figure 55). In contrast, the percentage of total payroll coming from the government sector decreased from 89 to 84 percent over the same time period. Only a small (yet growing) percent of total educational payroll came from for-profit employers.
- **Nonprofit education payroll increased 72 percent from \$680 million in 1995 to nearly \$1.2 billion in 2009.** Total government payroll, while substantially greater, increased only 19 percent from \$6.5 to \$7.8 billion over the same time period. For-profit payroll grew from \$127 to \$358 million, an overall increase of over 180 percent.
- **On average, nonprofit total annual payroll grew each year from 1995 to 2009** with most of the growth occurring before 2002 (Figure 56). Growth exceeded 6 percent in 1997, 2000, 2001, and 2008. Except for spikes of 3 percent in 1997 and 2008, government payroll grew at a consistent 1 percent annual rate. By comparison, for-profit growth in payroll was much more volatile, decreasing more than 10 percent some years and increasing more than 20 percent in others; as mentioned previously, this is likely attributable to fluctuations in the small for-profit base.
- **Nonprofit payroll, like nonprofit employment, exhibited some seasonal volatility – consisting mostly of small decreases during the first quarter.** Government payroll exhibited distinct seasonal variations, particularly in the third quarter, likely due to public school summer recess. This decrease has become less significant over the years likely due to increased summer programs.

Figure 54: Total education payroll by sector, 1995–2009

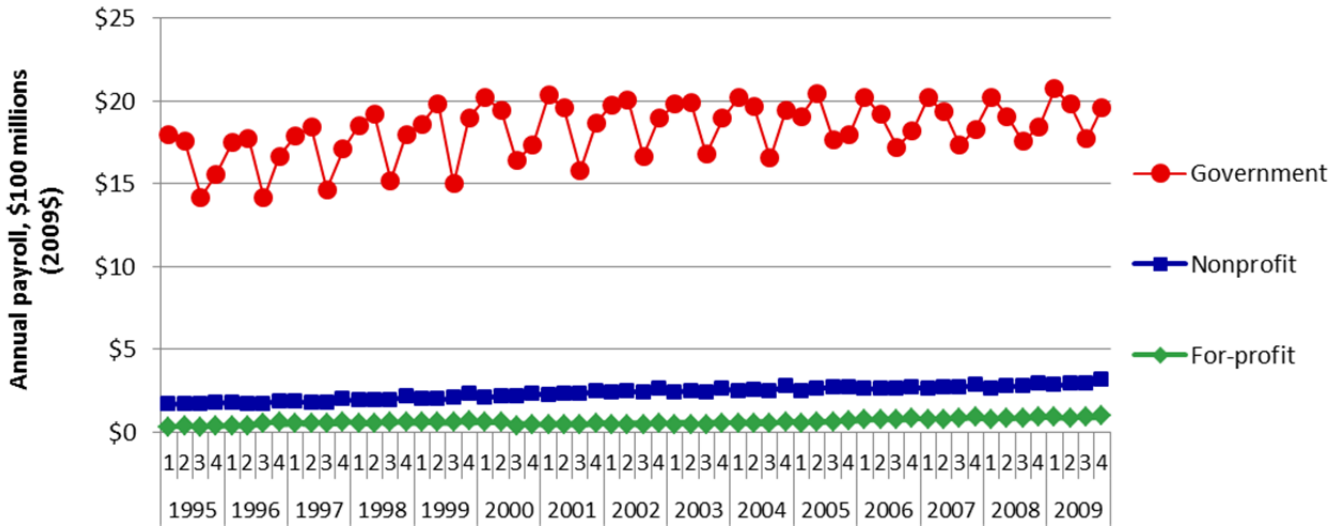


Figure 55: Percentage of total education payroll by sector, 1995–2009

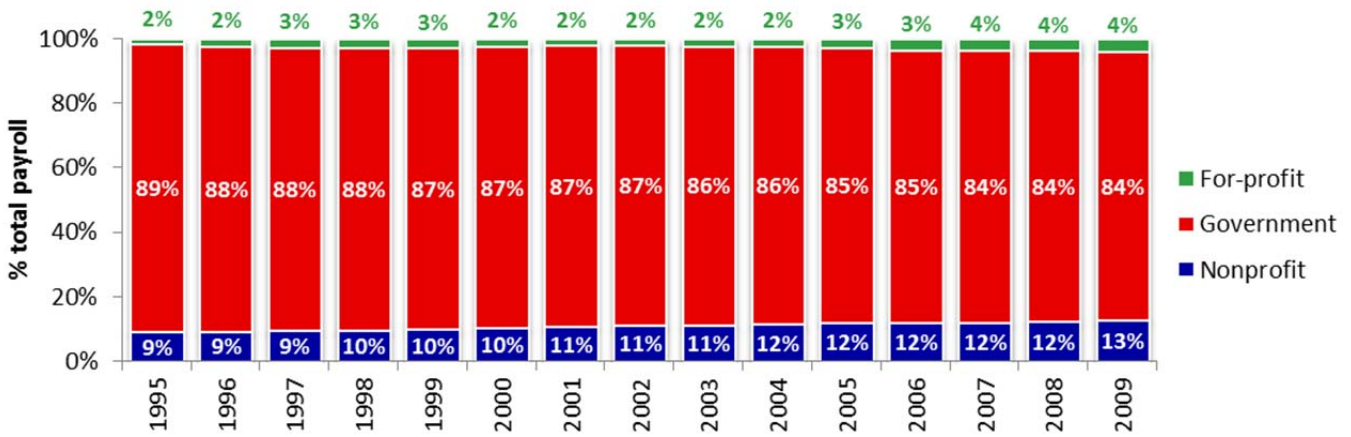
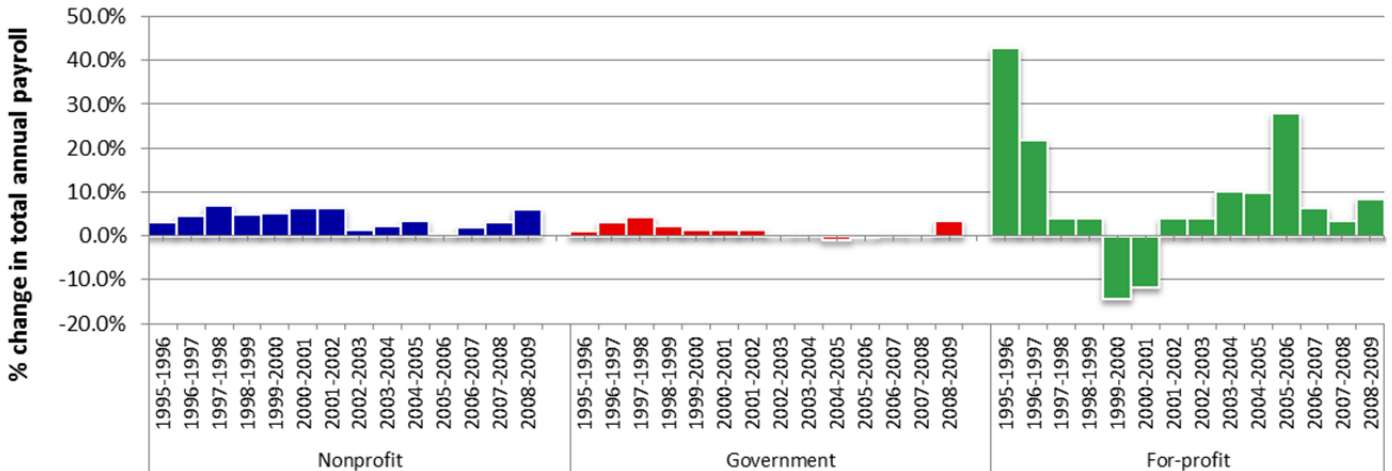


Figure 56: Annual percentage change in education payroll by sector, 1995–2009



D. Payroll in Specific Education Sub-Industries

All education sub-industry payrolls increased from 1995 to 2009 (Figure 57). Looking more specifically at nonprofit payrolls, we see that nonprofit education payroll grew steadily from 1995 to 2009 (Figure 58).

- **Nonprofit college and university payroll increased 66 percent between 1995 and 2009 (from \$546 million to \$906 million).** Over three-fourths of all nonprofit education payroll came from colleges and universities. This is due to the large number of employees in this industry. One-quarter to one-third of all college and university payroll came from nonprofit organizations (Figure 59).
- **Nonprofit elementary and secondary education organizations accounted for less than 20 percent of all nonprofit education payroll but grew much faster.** Overall nonprofit payroll in elementary and secondary institutions grew 89 percent from 1995 to 2009 (\$115 million to \$217 million). Nonprofit payroll in this sub-industry was more volatile than among colleges and universities, in part due to the smaller base. For example, nonprofit payroll increased 10 percent from 2008 to 2009, but dropped nearly 8 percent between 2005 and 2006. Less than five percent of all elementary and secondary school payroll came from nonprofit institutions.
- **Nonprofit junior college payroll nearly doubled from \$4.7 million 1995 to 9.1 million 2004, but decreased thereafter.** Only about 1 percent of nonprofit education payroll came from junior colleges. Furthermore, nonprofits contributed to less than five percent of overall junior college payroll.
- **Payroll from “other” nonprofit education institutions grew nearly 200 percent from 1995 to 2009, but this sub-industry accounted for less than 5 percent of all nonprofit education payroll.** Nonprofit payroll in these organizations increased every year over this time span, with spikes of more than 15 percent in some years.

Figure 57: Total education payroll by sub-industry, 1995–2009

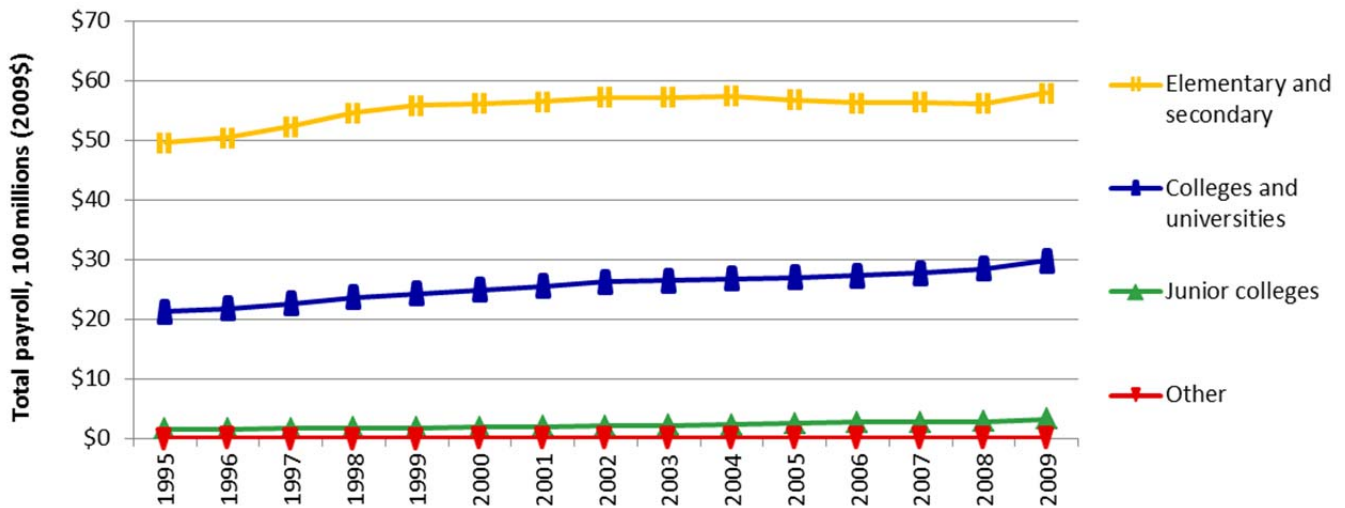


Figure 58: Total nonprofit education payroll by sub-industry, 1995–2009

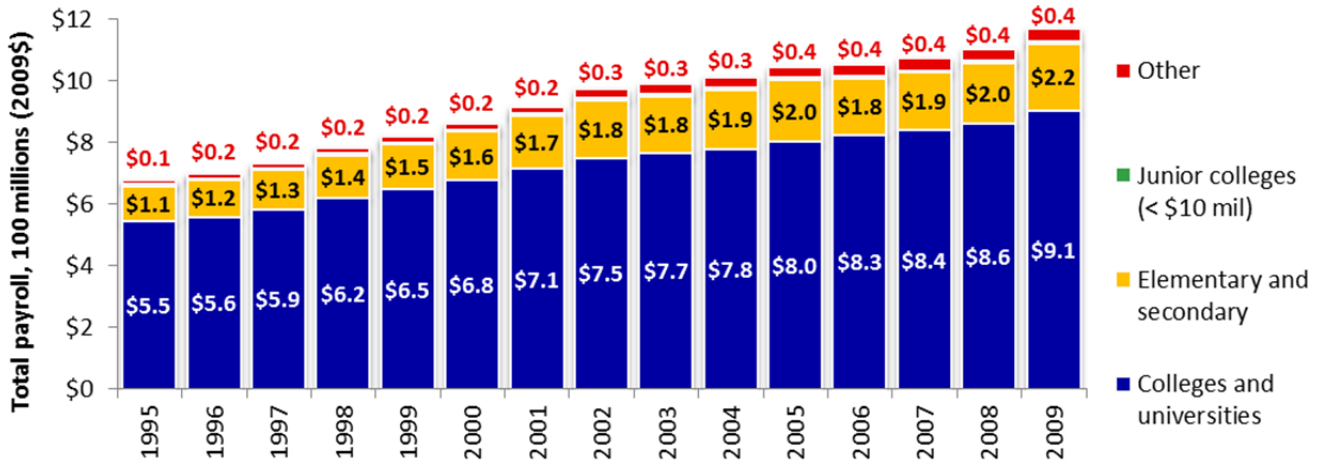
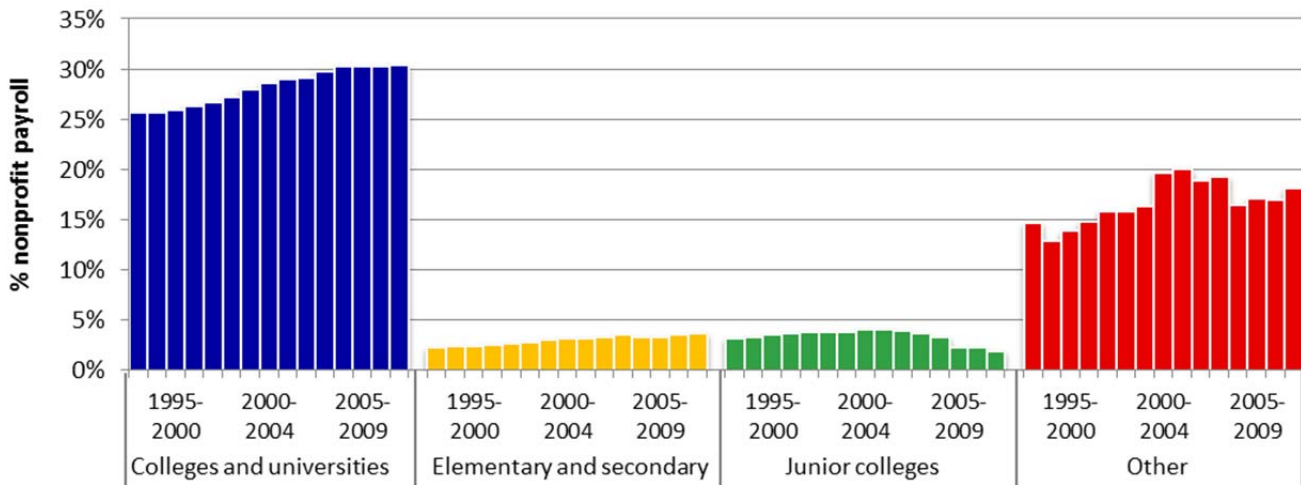


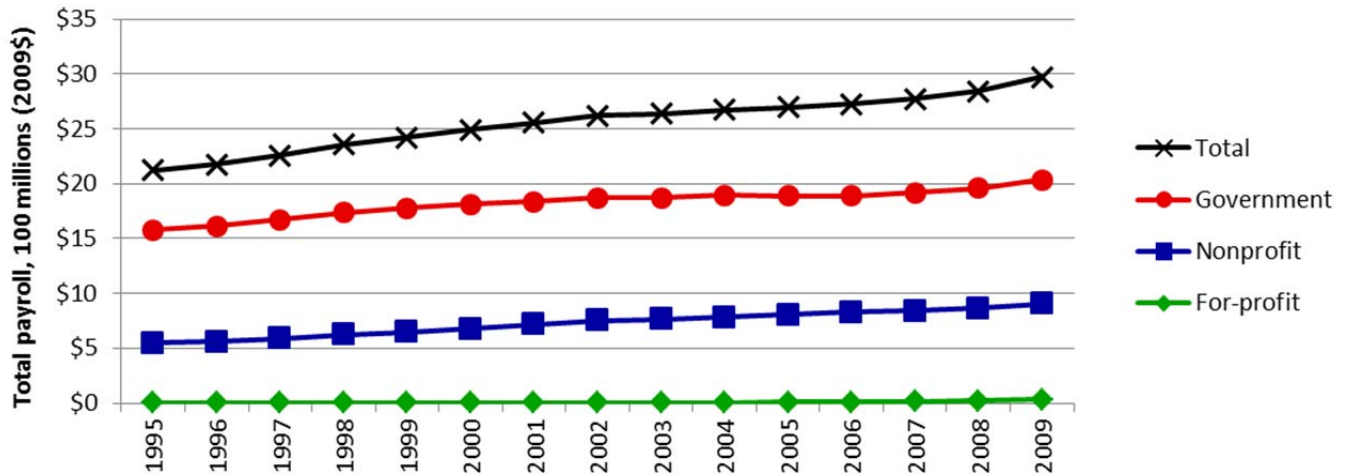
Figure 59: Percentage of sub-industry payroll that is nonprofit, 1995–2009



1. Colleges and Universities

- In 1995 nonprofits accounted for 26 percent of college and university payroll, but this percentage steadily increased to 30 percent in 2009 (Figure 59). The percentage of payroll from governmental colleges and universities correspondingly dropped from 74 percent to 68 percent over the same time period.
- Nonprofit payroll in education grew 66 percent from \$546 million in 1995 to \$906 million in 2009 (Figure 60). Government payroll grew as well, but only 29 percent from \$1.58 to \$2.03 billion over the same time period. For-profit payroll increased many times over, but due to the small base, these numbers cannot be properly compared to nonprofit and government trends. For-profit payroll was significantly lower than nonprofit payroll due largely due to the much smaller base in employees; average wage discrepancies only contributed to this difference until 2004, after which for-profit and nonprofit wages were largely equivalent.

Figure 60: Total college and university payroll by sector, 1995–2009



2. Elementary and Secondary Schools

- Total nonprofit payroll in elementary and secondary schools increased from \$115 million to \$217 million from 1995 to 2009 – a total increase of 89 percent.** In contrast, government payroll grew a more modest 17 percent from \$4.81 to \$5.49 billion over the same time period. (Figure 61 includes only nonprofit and for-profit trends, since these large government numbers dwarf trends in these sectors.) For-profit payroll increased from \$34 to \$85 million.
- Nonprofits accounted for a small but increasing percentage of elementary and secondary school payroll.** In 1995, nonprofits contributed only 2 percent of payroll in this sub-industry, but this percentage grew to 4 percent in 2009. Correspondingly, government went from providing 97 percent of total payroll to 95 percent over the same time period. This is due to the large number of public grade schools in this sub-industry and the introduction of new charter and independent schools.
- Nonprofit payroll generally grew between 5 to 10 percent annually, with a notable drop of 8 percent in 2006** (Figure 62). A similar drop in employment occurred at the same time. While this might be due to several private nonprofit schools closing, it might also have been caused by faulty reporting, since the trend reverses itself in 2007. Government payroll was characterized by minor annual increases and decreases of less than 5 percent, while for-profit payroll was exceptionally volatile.

Figure 61: Total elementary and secondary school payroll in nonprofit and for-profit sectors, 1995–2009

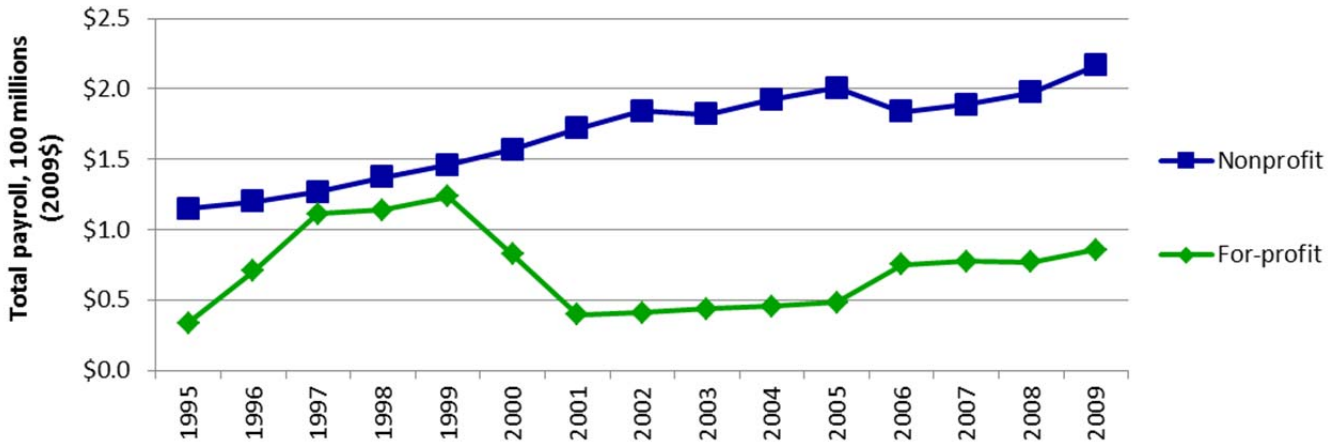
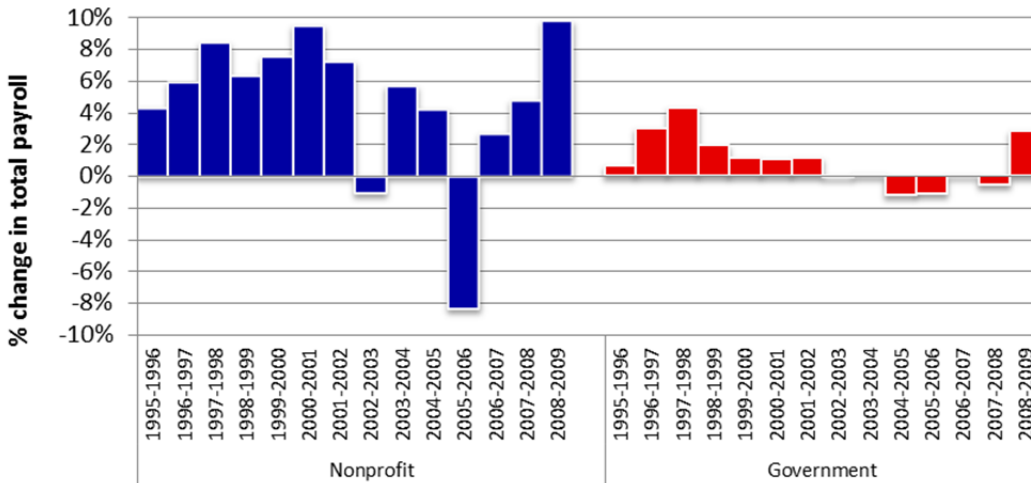


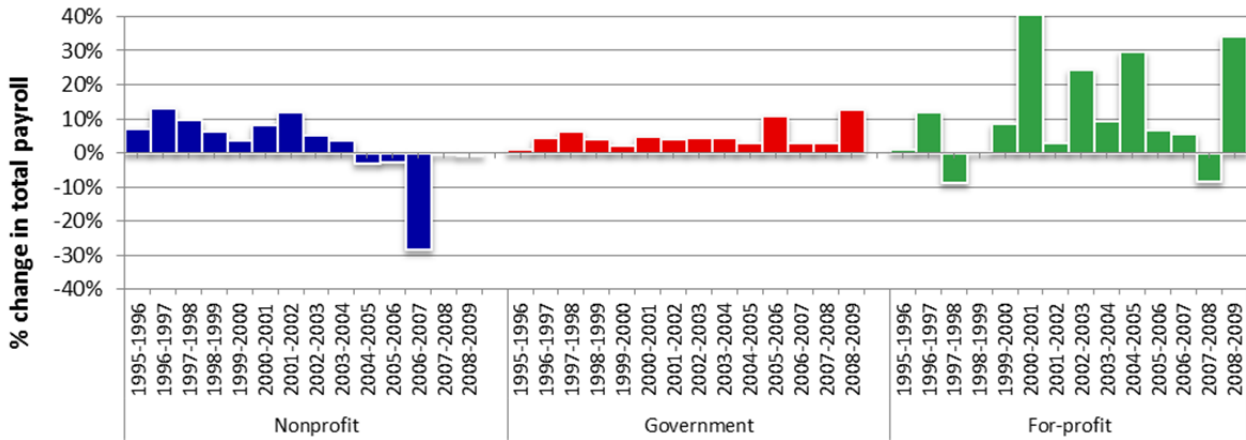
Figure 62: Annual percentage change in elementary and secondary school payroll in government and nonprofit sectors, 1995–2009



3. Junior Colleges

- **Nonprofit payroll from junior colleges grew from \$4.7 million in 1995 to \$9.1 million in 2004, but fell substantially after that point.** Even with this dip, nonprofit payroll increased overall from 1995 to 2009; as noted previously, the large dip in 2006 was likely due to the reclassification of one institution into another industry. Between 1995 and 2006, nonprofit payroll grew faster than nonprofit employment, indicating increases in wages over this time period. Government payroll, which did not experience such a dip, grew 92 percent from 1995 to 2009. Payroll more than quadrupled in for-profit junior colleges, growing much faster than employment.
- **Nonprofits accounted for 2 to 4 percent of total junior college payroll over the 1995 to 2009 time period** (Figure 63). There were only a handful of nonprofit junior colleges in Indiana at the conclusion of this time period, partially because most demand for 2-year degrees was being met by Ivy Tech. The percentage of payroll from government institutions fell from 89 to 82 percent over the same time period, reflecting the growth in payroll from for-profit junior colleges, which doubled its share from 8 percent in 1995 to 16 percent in 2009.

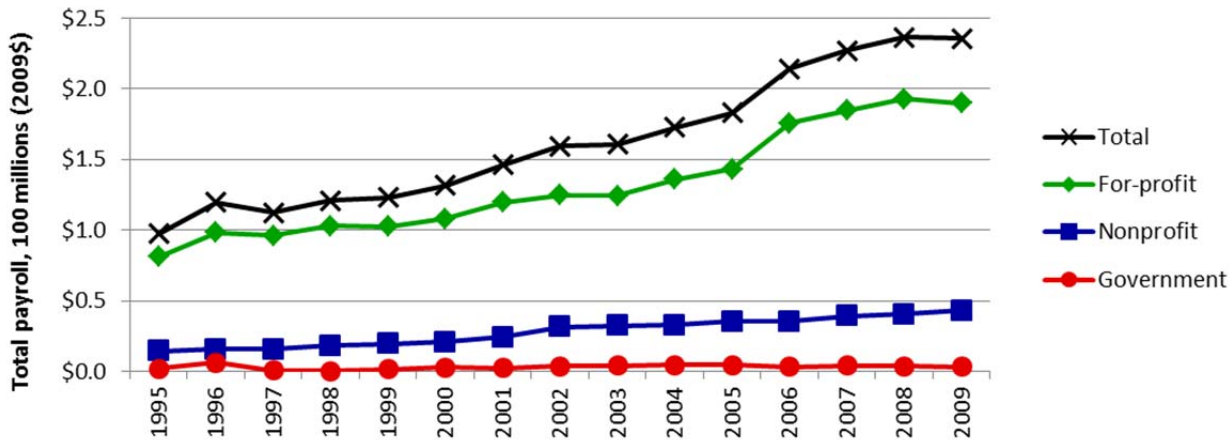
Figure 63: Annual percentage change in junior college payroll by sector, 1995–2009



4. “Other” Educational Organizations

- Total nonprofit payroll in “other” educational institutions grew from \$14 million in 1995 to nearly \$43 million in 2009 – a growth of nearly 200 percent (Figure 64). For-profit payroll grew around 130 percent (from \$81 to \$190 million) over the same time period, but not as fast as for-profit employment in junior colleges. Government payroll also increased by 76 percent.
- Approximately 18 percent of payroll in these sub-industries came from nonprofit organizations; this percentage peaked in 2003 at 20 percent. For-profits accounted for 80 percent of payroll, and government contributed less than 5 percent.

Figure 64: “Other” education payroll by sector, 1995–2009



E. Charitable Payroll

On average charitable payroll accounted for a yearly average of 99 percent of all nonprofit education payroll from 1995 to 2009. This ratio slowly increased from just below 99 percent to just above (99.2 percent).

The only education nonprofits with non-charitable payroll were in the “other” education sub-industry where non-charitable nonprofits made up an average of 31 percent of total payroll. The percentage of non-charitable nonprofits in the “other” education sub-industry slowly decreased from 1995 to 2008, but increased sharply in 2009. Non-charitable nonprofits accounted for nearly 50 percent of “other” education payroll in 1995, 21 percent in 2008, and 32 percent in 2009.

VI. AVERAGE ANNUAL WAGES

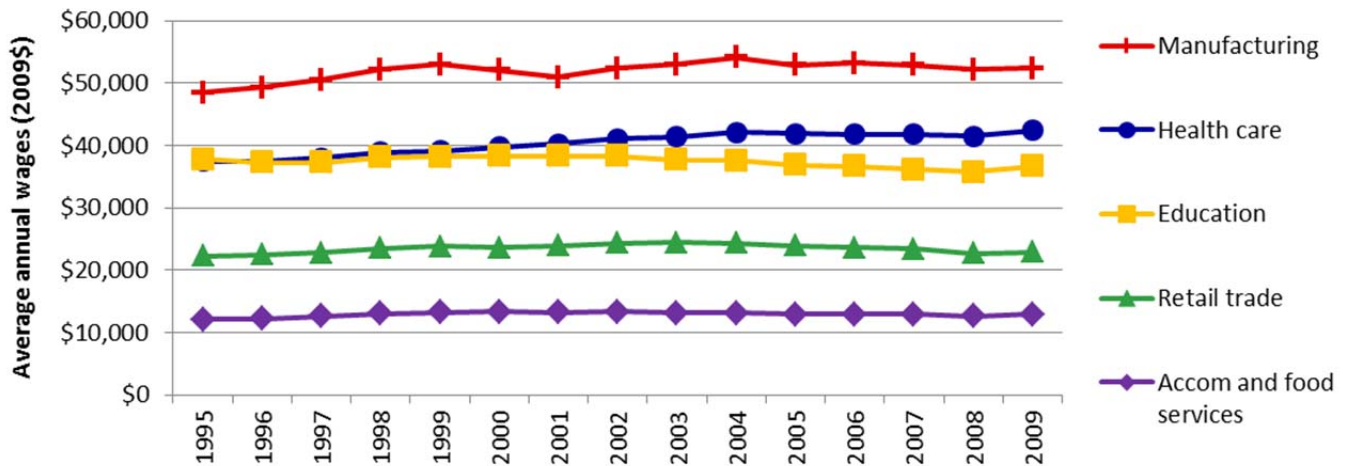
As the education industry continued to expand between 1995 and 2009, it experienced an overall decline in average wages, largely attributable to a decline in government average wages of 4.5 percent. Meanwhile, nonprofit average annual wages increased by 15 percent during this time period. All values are inflation-adjusted and are reported in 2009 dollars.

A. Average Annual Wages in Education and Other Major Indiana Industries

Average annual wages in Indiana’s major industries (by total employment) remained relatively steady throughout the 1995-2009 timeframe. Education was consistently one of the top three industries in terms of average annual wages (Figure 65).

- **Of Indiana’s largest industries, education had the third highest average annual wages from 1996 to 2009**, with an increasing gap between education wages and those of health care, which had the second highest average annual wages, during later years of the time period. Education wages were also less than only those of manufacturing, the state’s largest employer, when compared to other major Indiana industries.
- **Education wages increased from 1997 to 2000, decreased from 2003 to 2008, then increased again between 2008 and 2009.** Decreases during the 1995-2009 period were slight, with the largest single-year decrease – of 1.6 percent – occurring between 2002 and 2003. The largest single-year increase occurred between 2008 and 2009, with growth of 2.7 percent (from \$35,700 to \$36,700).

Figure 65: Average annual wages in largest Indiana industries by total employment, 1995–2009

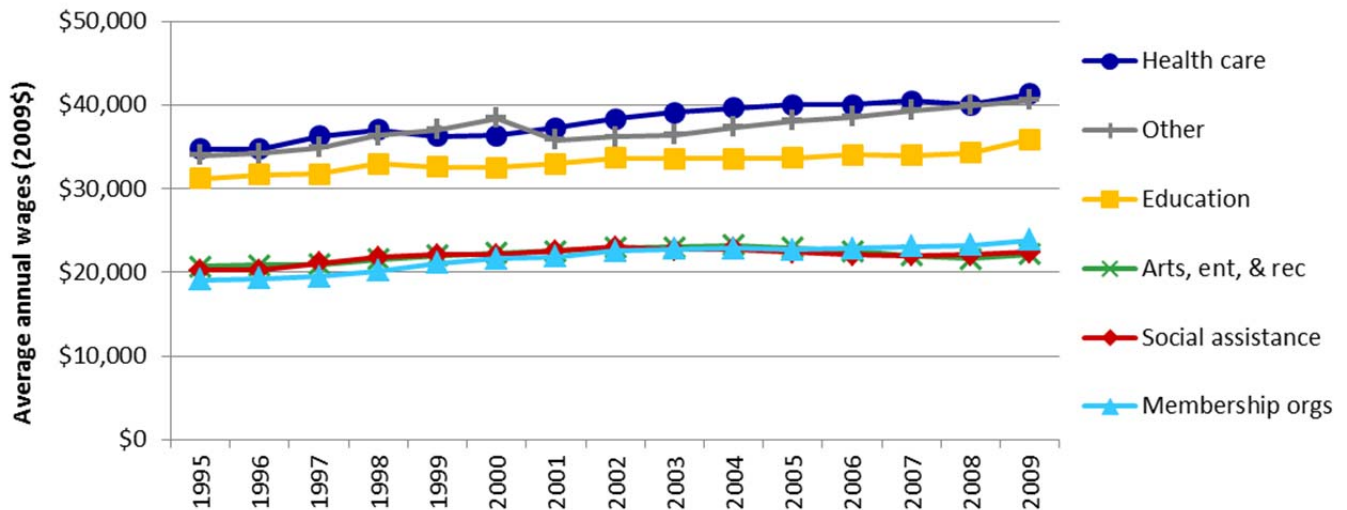


B. Nonprofit Average Annual Wages in Education and Other Major Nonprofit Industries in Indiana

Between 1995 and 2009, nonprofit average annual wages in education increased by 15 percent, slightly less than the 19 percent increase in average annual wages in nonprofit health care, the nonprofit industry which experienced the greatest growth (Figure 66).

- **Nonprofit average annual wages in education greatly exceeded nonprofit average annual wages in most other industries with a strong nonprofit presence**, such as social assistance and arts, entertainment, and recreation. Between 1995 and 2009, nonprofit average annual wages in education grew from a low of \$31,200 in 1995 to a high of \$35,900 in 2009. In contrast, nonprofit average annual wages in social assistance, membership organizations, and arts, entertainment, and recreation increased to a peak of less than \$25,000 by 2009.
- **Nonprofit average annual wages in education increased by 15 percent between 1995 and 2009.** This growth outpaced that of the social assistance and arts, entertainment, and recreation industries, which saw growth of 11 percent and 7 percent, respectively. Health care and “other” organizations saw a larger change, increasing 19 percent each between 1995 and 2009, while membership organizations saw the largest percentage growth (25 percent, from \$19,100 to \$23,900) during the same time period.
- **Nonprofit average annual wages in education, as in most other major nonprofit industries, increased substantially from 2008 to 2009, growing by 4.6 percent (from \$34,300 to \$35,900) in that year.** Wages other nonprofit industries also increased from 2008 to 2009, with the exception of arts, entertainment, and recreation, which decreased by 3.4 percent in that year (\$29,200 to \$28,200). Nonprofit responses to economic booms and recessions can be delayed by a year or two, due to patterns in charitable giving and pledges. It could be the increases seen in 2008-2009 are delayed effects from economic highs in previous years, rather than in response to the recession.

Figure 66: Nonprofit average annual wages in major nonprofit industries, 1995–2009



C. Education Average Annual Wages in Nonprofit, Government, and For-Profit Sectors

Nonprofit and government education wages began to converge by the end of this time period, as nonprofit wages increased while government wages fell overall. Between 1995 and 2009, the nonprofit education industry wages increased at a more consistent rate than the for-profit sector.

- **Nonprofits had the second highest average annual wages in education each year between 1995 and 2009** (Figure 67). Nonprofit wages averaged \$33,200 over the 1995-2009 timeframe. Government employees had the highest wages throughout the time period, averaging \$38,600, while for-profit wages were the lowest, averaging \$24,500. If the trend of declining government wages and rising nonprofit wages continues into the future, nonprofit education average annual wages could surpass government wages. Government education did, however, see a slight uptick in wages between 2008 and 2009. This is unlikely in response to the recession, because recession effects would have been delayed by a year due to tax revenue patterns and budgeting schedules.
- **Nonprofit education average annual wages grew steadily from 1995–2009** (Figure 68). Nonprofit wages increased from \$31,200 in 1995 to their highest point of \$35,900 in 2009. Meanwhile, government wages decreased from their highest point of \$39,900 in 2000 to a low of \$36,500 in 2008, increasing only slightly to \$37,400 in 2009. For-profit average yearly wages increased overall during the time period, starting at \$20,900 in 1995 and increasing to \$26,900 by 2009.
- **Nonprofit education wages experienced a greater percentage increase than government education wages**, but a smaller percentage growth than for-profit education wages. Nonprofit wages increased by 15 percent between 1995 and 2009 (from \$31,200 to \$35,900), while government average wages decreased by 4.5 percent (from \$39,200 to \$37,400, with a low of \$36,500 in 2008). For-profit average wages showed the greatest growth, increasing by 29 percent (from \$20,900 to \$26,900) during the same time period.
- **Nonprofit wages increased in nine of the 15 years and neither increased nor decreased as sharply as for-profit wages** (Figure 68). Government wages decreased significantly over the time period, increasing only four of the 15 years. For-profit wages grew during the greatest number of years (10 out of 14), but they were also the most unstable, growing as much as 11 percent in one year and dropping as much as 3 percent in others.

Figure 67: Average annual education wages by sector, 1995–2009

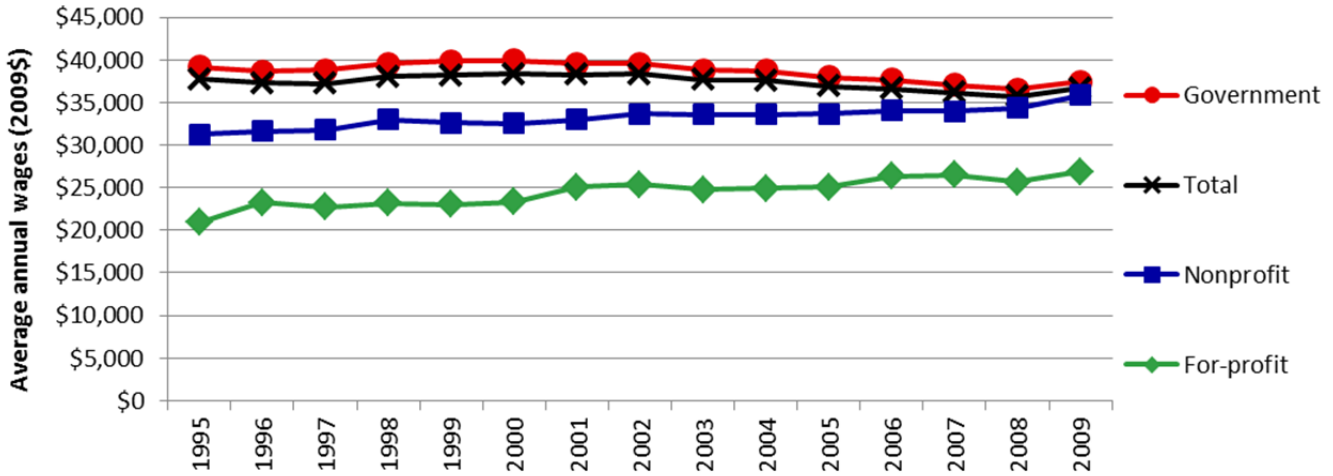
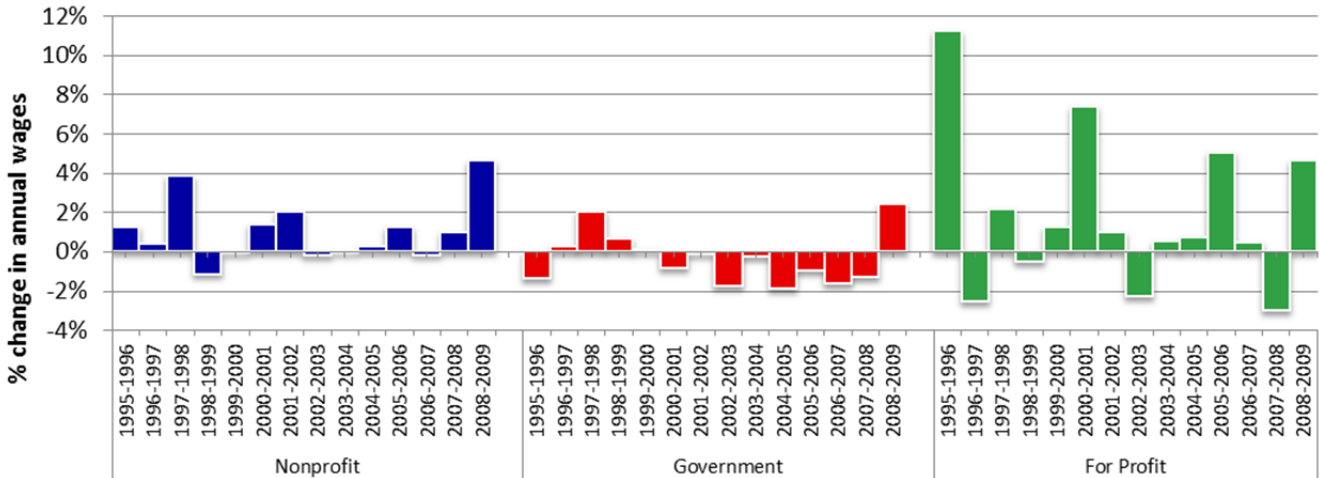


Figure 68: Annual percentage change in average annual education wages by sector, 1995–2009



D. Average Annual Wages in Specific Education Sub-Industries

From 1995 to 2009, colleges and universities had the highest average wages in the education industry, followed by elementary and secondary schools, junior colleges, and finally “other” education institutions.

- Averaged across the 1995-2009 timeframe, colleges and universities had significantly higher nonprofit average wages than any other education sub-industry (Figure 69). This could be due to the relatively high skill level required in some college positions. However, nonprofit average wages in “other” education institutions were higher than those in either elementary and secondary schools or junior colleges, even though both elementary and secondary schools and junior colleges had far higher total average wages than “other” education institutions. The unusually high nonprofit average annual wages in “other” education institutions in 2002 could be due to misreporting organizations.

- **Average wages in each education sub-industry increased from 1995 to 2009, with the exception of elementary and secondary education average wages, which decreased between 2000 and 2009** (Figure 70). Since elementary and secondary education employed the greatest number of education employees (about 65 percent of total education employment in 2009), the decreasing average wages affected a large number of workers (over 165,000). One possible cause for this decrease could be the utilization of less qualified or part-time staff in newer nonprofit elementary and secondary schools.
- **Junior college average wages increased over 9 percent from 2008 to 2009, far more than increases in either college and university wages or elementary and secondary wages occurring in the same year.** Junior colleges employed fewer workers than both elementary and secondary schools and colleges and universities, so this increase only affected about 9,700 workers. It could be that increased interest in 2-year degrees led some junior colleges to move part-time staff to full-time status.

Figure 69: Nonprofit average annual wages by education sub-industry, 1995–2009

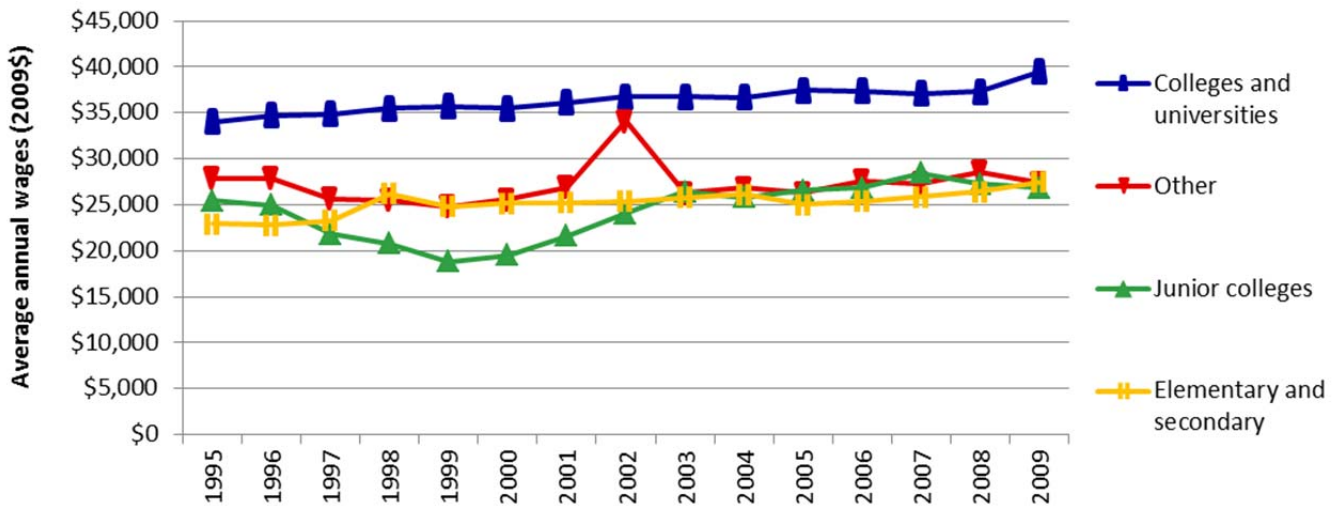
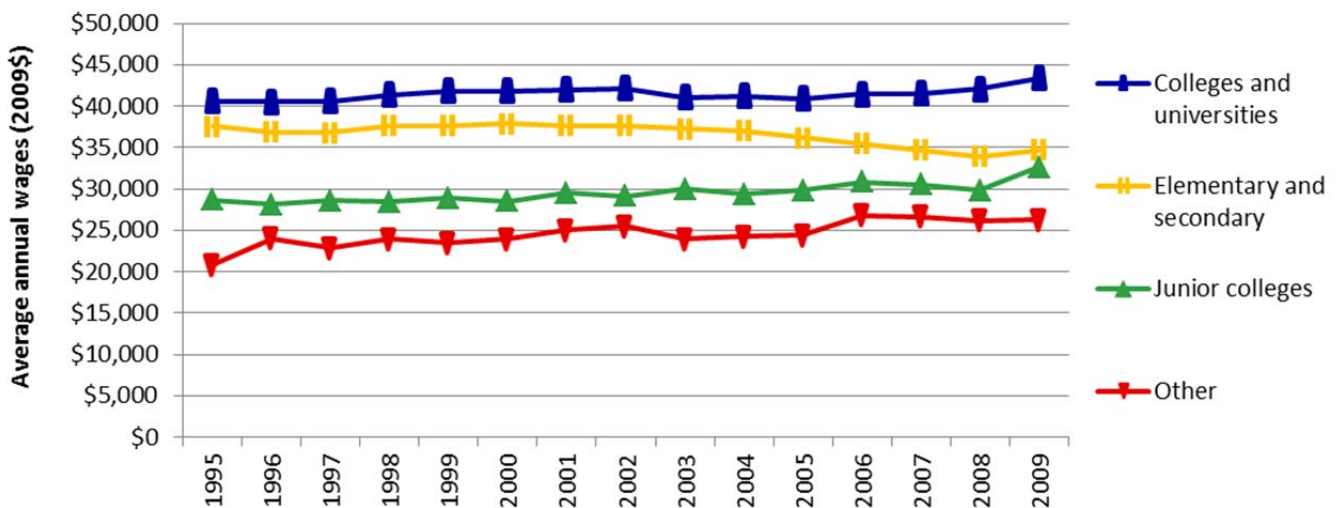


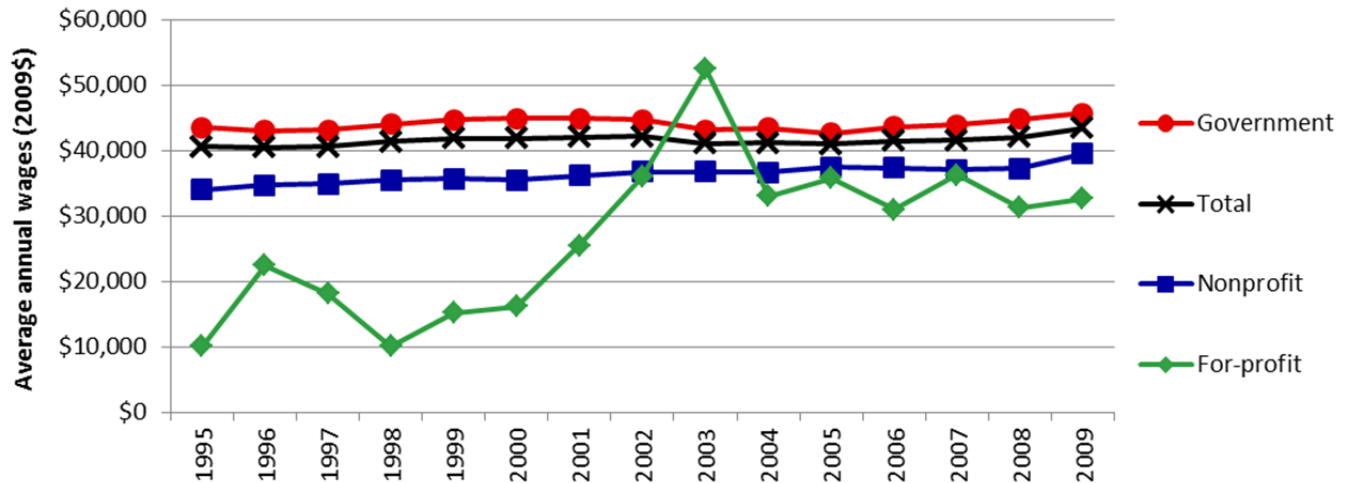
Figure 70: Average annual wages by education sub-industry, 1995–2009



1. Colleges and Universities

- **Nonprofit college and university average wages increased by 16 percent between 1995 and 2009**, growing from \$34,000 to \$39,500 (Figure 71). Government college and university wages increased by a much smaller 4.9 percent (from \$43,500 to \$45,700), while for-profit college and university wages skyrocketed by more than 220 percent, increasing from \$10,100 to \$32,600.
- **Nonprofit and government college and university average wages remained relatively stable compared to for-profit wages.** For-profit college and university wages experienced exceptionally high volatility until 2004, after which point wages fluctuated in between the relatively narrow band of \$31,000 and \$36,300 for the remainder of the period. While nonprofit and government wages increased or decreased by less than 3.5 percent in all years but one (2008-2009, when nonprofit wages grew by 5.9 percent), for-profit wages experienced enormous percentage increase and decreases through 2004, and substantial fluctuations even through 2009. The jump in for-profit average wages around 2003-2004 corresponds with a thousand-fold growth in for-profit employment at that time.

Figure 71: Average annual wages of college and university employees by sector, 1995–2009



2. Elementary and Secondary Schools

- **Nonprofit wages were substantially less than government wages.** Nonprofit schools often have more lenient teaching credential requirements, which could allow them to pay teachers less, and they might also rely more on volunteer labor. Furthermore, they might lack the strong union representation that state employees have through the National Education Association. This gap between nonprofit and government wages decreased from \$15,000 in 1995 to less than \$8,000 in 2009. This could be due to the professionalization of nonprofit teachers as well as state caps on public education spending. For-profit average wages were on average less than nonprofit wages.
- **Nonprofit elementary and secondary average wages increased by 20 percent between 1995 and 2009**, growing from \$22,900 to \$27,400 (Figure 72). For-profit wages experienced a smaller increase (8.9 percent, from \$20,600 to \$22,500), while government saw a decline of 7.8 percent, dropping from \$38,400 in 1995 to \$35,400 in 2009.

- **Elementary and secondary school wages did not experience major yearly changes in any sector between 1995 and 2009** (Figure 73). Nonprofit and for-profit average wages increased or decreased by less than 5.5 percent in every year (with the exception of 1998, when nonprofit wages rose by 13 percent from the previous year). Although government wages decreased substantially overall between 2000 and 2009, the percentage change in each year was even less than in nonprofit and for-profit wages, shifting by less than 2.5 percent per year.

Figure 72: Average annual wages of elementary and secondary school employees by sector, 1995–2009

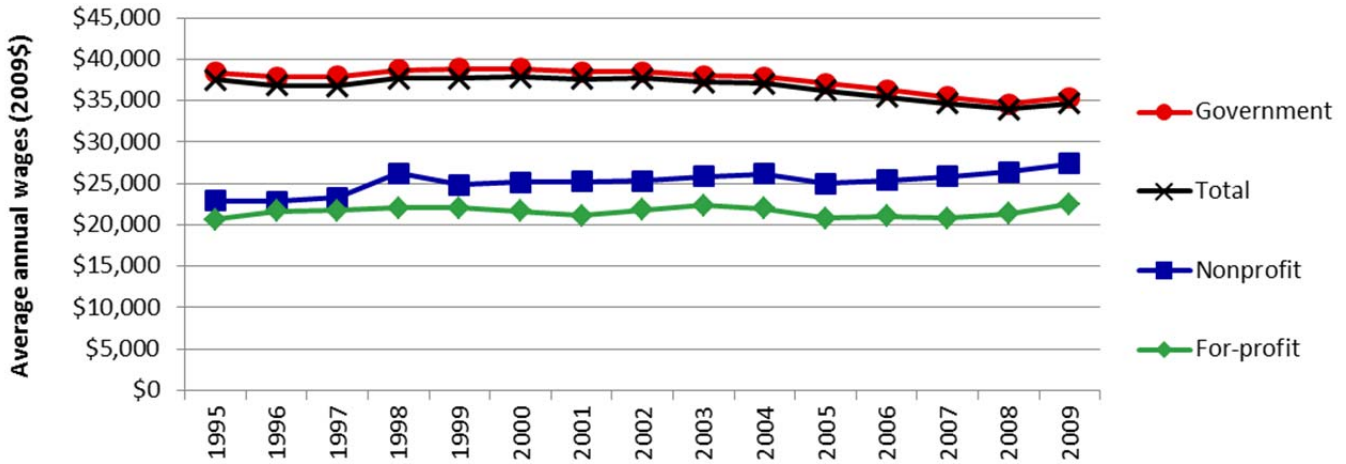
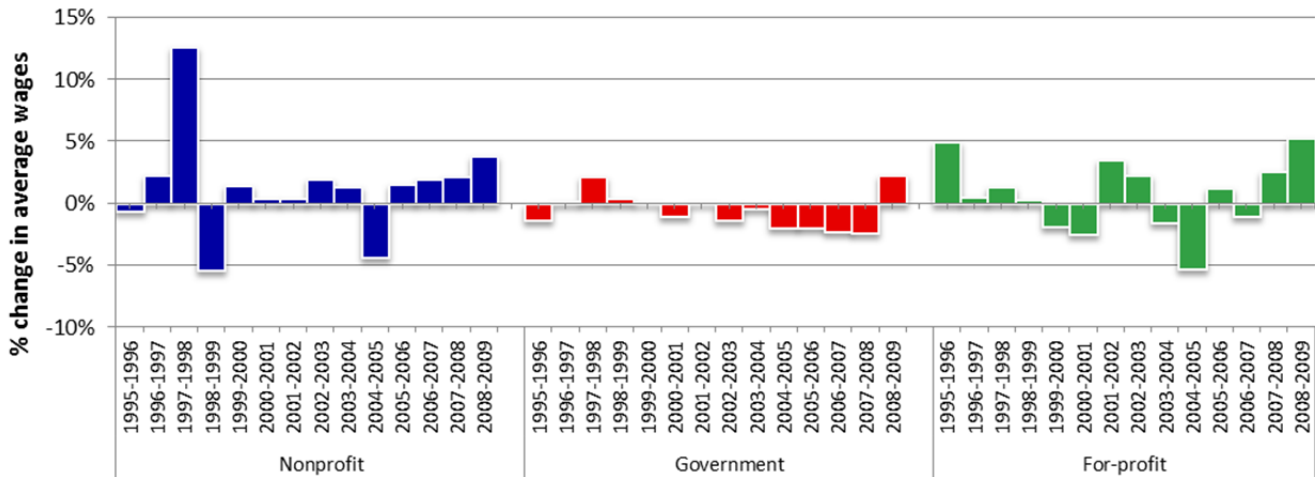


Figure 73: Annual percentage change in elementary and secondary school average annual wages by sector, 1995–2009



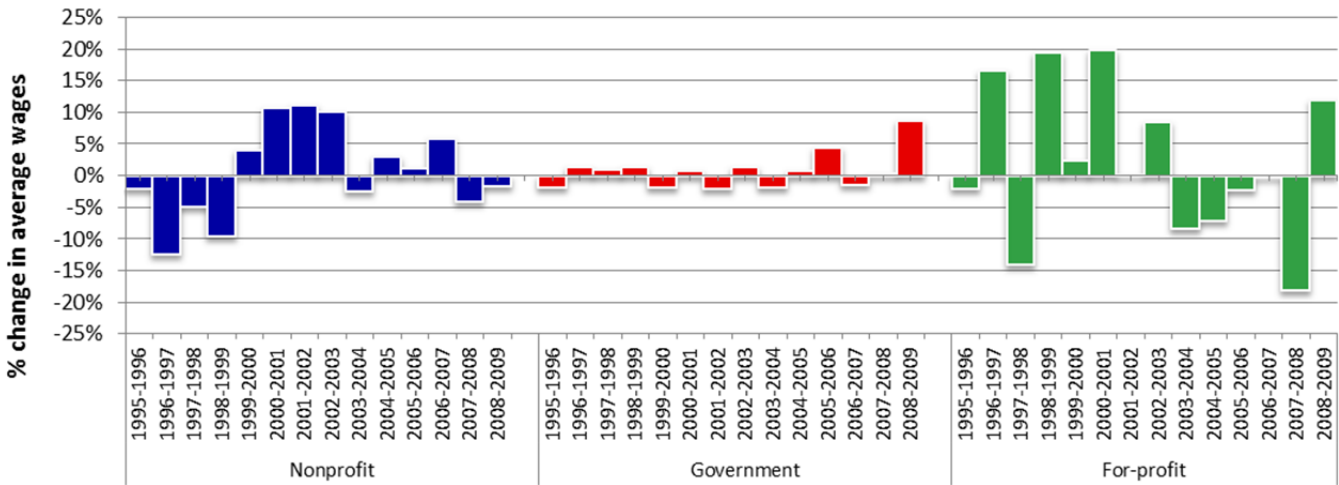
3. Junior Colleges

- **Nonprofit junior college average wages were more volatile than government average wages but less volatile than for-profit wages between 1995 and 2009** (Figure 74). Much of this volatility is most likely due to the small base, as the junior college sub-industry employed only a small percent of all education workers. Yearly changes in nonprofit wages were as great as 12 percent from one year to the next, with the greatest annual changes occurring between 1995 and 2003. During this period, nonprofit

junior college wages experienced large annual decreases between 1995 and 1999, then large annual increases until 2003 before smoothing out through 2009. Government wages saw little yearly change, with the exception of an 8.6 percent increase from 2008 to 2009. For-profit wages experienced the greatest volatility, both increasing and decreasing by as much as 20 percent throughout the 1995-2009 period.

- **From 2003 onward, nonprofit average wages were just slightly below government wages** (\$27,000 and \$29,000 respectively). At the onset of the recession in 2008, nonprofit annual wages decreased about \$1,000 on average while government wages increased over \$2,000. For-profit wages generally were much higher and much more volatile, ranging from as low as \$34,000 to as high as \$54,000. Other research indicates that teaching salaries among nonprofit and for-profit colleges are generally equivalent.¹⁶ It could be that controversial executive and administrative salaries in for-profits contributed to this volatility.

Figure 74: Annual percentage change in junior college average annual wages by sector, 1995–2009



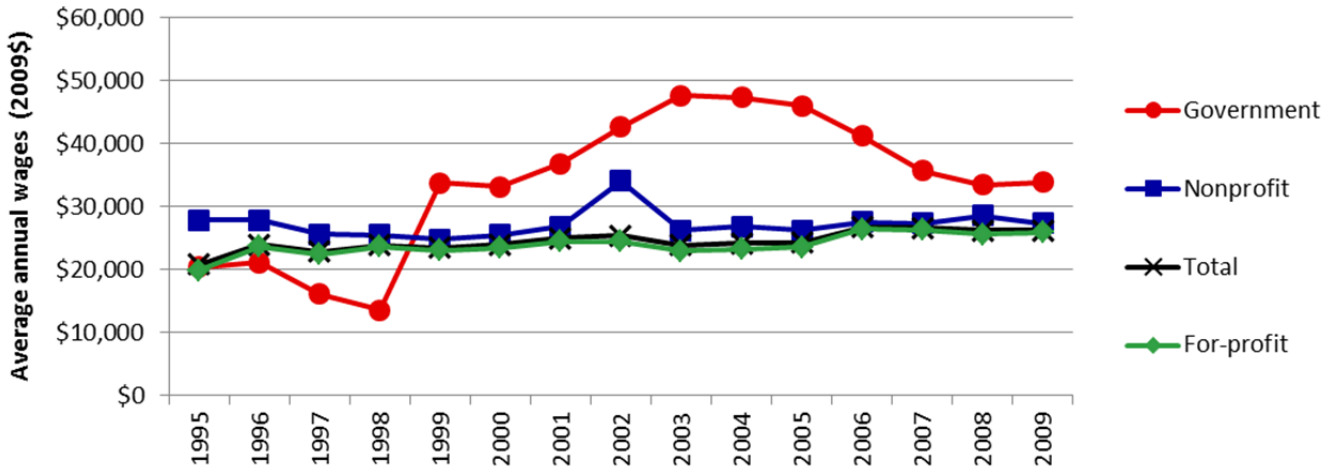
4. “Other” Education Organizations

- **Nonprofit average annual wages in “other” education institutions remained relatively constant throughout the 1995-2009 timeframe**, decreasing slightly overall from \$27,900 in 1995 to \$27,400 in 2009 (a change of -1.7 percent) (Figure 75). The one major exception was 2001-2003, when nonprofit wages spiked by 27 percent (from \$26,900 to \$34,000) for a single year before returning to the mid-to-upper \$20,000s for the remainder of the period. For-profit average wages increased by 30 percent overall (from \$19,900 in 1995 to \$26,000 in 2009), with the greatest single-year change (19 percent, or \$19,900 to \$23,700) occurring between 1995 and 1996. Government wages increased by 66 percent overall (from \$20,500 to \$33,900) but were the most volatile, with large percent changes from year to year. Government average wages increased by 149 percent from 1998 to 1999, continued on to a peak of \$47,700 in 2003, then decreased until a slight uptick in 2009. This volatility is not particularly

¹⁶ See Donald Steward, Pearl Rock Kane, and Lisa Scruggs, “Education and Training,” Chapter 3 in Lester M. Salamon (Editor), *State of Nonprofit America*, 2nd Edition. Washington, D.C.: Brookings Institution, 2012).

remarkable, given the small number of government employees in “other” education industries, which contributed to such large changes.

Figure 75: Average annual wages of “other” education employees by sector, 1995–2009

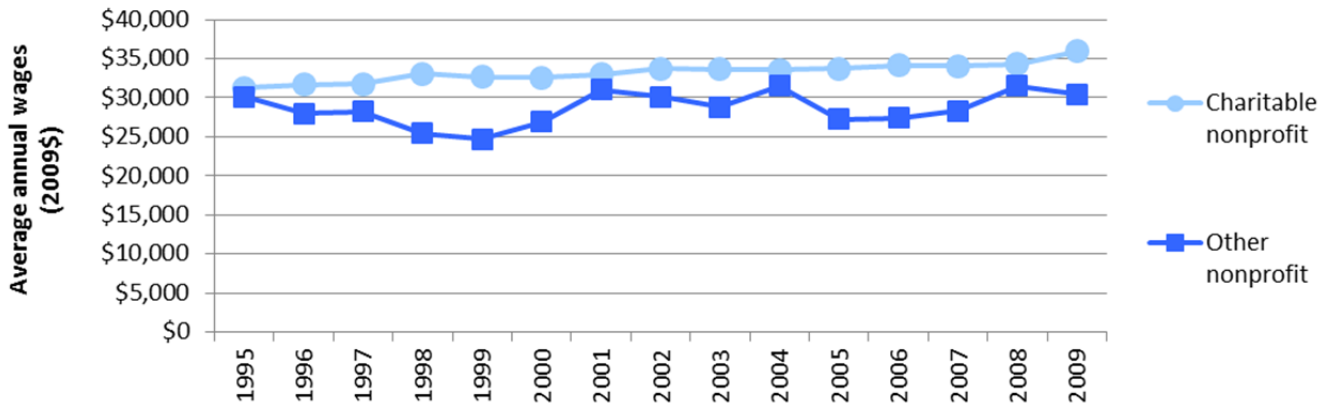


E. Average Annual Wages in Education Charities Compared to All Other Education Nonprofits

When comparing average wages between charitable nonprofits and non-charitable nonprofits, charitable nonprofits tended to have higher wages. Charitable nonprofits also had more stable average annual wages from 1995-2009 than other nonprofits (Figure 76).

- **Average annual wages in charitable education nonprofits were consistently higher than those in non-charitable nonprofits.** Average wages in non-charitable nonprofits experienced greater volatility throughout the 1995-2009 timeframe due to the small number of non-charitable education nonprofits in the state of Indiana. Despite this volatility, charitable education nonprofits had higher average wages in every year.
- **Average annual wages in charitable education nonprofits increased by 15 percent between 1995 and 2009,** growing from \$31,300 to \$35,900. This is contrary to non-charitable education nonprofit wages, which showed negligible overall growth, as well as in government education, which declined steadily from 2000 to 2008.

Figure 76: Average annual wages by nonprofit type, 1995–2009



VII. CONCLUSION AND POLICY IMPLICATIONS

By 2009, Indiana’s education industry employed more than a quarter million (254,000) people, or 9.4 percent of the state’s labor force (up from 7.2 percent in 1995), with a total payroll of more than \$9.3 billion. Non-profit education institutions employed about 13 percent, or nearly 32,700, of these workers, wielding a payroll of \$1.2 billion. As Indiana’s nonprofit sector has been a major economic force in the state economy, so too has the nonprofit sector been a stable, seemingly recession-proof employment sector within the education industry.

While education remained a government-dominated industry, nonprofit education payroll grew by over 70 percent, from \$680 million (inflation-adjusted 2009\$) in 1995 to nearly \$1.2 billion in 2009, accounting for an increasing percentage of total education payroll, growing to 13 percent in 2009 as the share of government payroll decreased, and helping to fuel an increasing total education payroll that grew by 27 percent between 1995 and 2009.

Nonprofit education average annual wages remained significantly higher than those of the for-profit sector, and the gap between nonprofit and government wages narrowed considerably due to steadily increasing nonprofit wages as government education wages fell throughout much of our reporting period. As of 2009, government education employees earned only \$1,500 more annually than the average nonprofit employee, much lower than the \$8,000 gap in wages that existed in 1995.

Moreover, we find that the nonprofit sector continued to grow even after the onset of the Great Recession. Nonprofit wages continued their growth trend despite a decrease in overall average education wages (affected largely by the overall 4.5 percent decrease in government wages during the 1995 to 2009 time period).

As of 2009, nonprofit education institutions in Indiana employed more than 32,600 workers, a significant increase over the 21,800 nonprofit education workers in 1995, and greater than the number of nonprofit workers employed by either social assistance, membership organizations, or arts, entertainment, and recreation industries. The average wages of nonprofit education employees remained much higher than those of workers in for-profit industries such as retail trade and accommodation and food services.

This report confirms that nonprofits continue to play a significant role in educating youth, training future and current workers, and encouraging lifelong learning. Along the way, they also provide sports and arts entertainment and facilitate community engagement by supporting a variety of clubs and membership groups. Furthermore, nonprofits constitute a major and growing portion of all education employment.

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. Currently, all Indiana for-profit and nonprofit establishments are simply coded as "private." If employers that already participate in the Covered Employment and Wages (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. We are, however, 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.

This report is fifth in a series that have examined nonprofit employment in Indiana. *Indiana Nonprofits: Scope and Community Dimensions* will soon release new reports showing nonprofit employment trends in social assistance and arts, entertainment, and recreation. Please visit the project website 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 Census of 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 federal government installations in Indiana.

Scope of Coverage

The ES-202 program currently accounts for approximately 95 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,¹⁷ charitable establishments employing less than four workers in 20 weeks during the year, and religious organizations.¹⁸ 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.¹⁹

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.²⁰

¹⁷ “Part-Time” is defined as remuneration of less than \$50 in any calendar quarter.

¹⁸ Indiana Code § 22-4-7-2(h) and § 22-4-8-2(j)

¹⁹ For example, 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.

²⁰ 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 member, and those with paid staff on average employ 9.8 workers (full-time or part-time), although only half have four 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.

The number of employees is measured by the number of filled jobs for the pay period that includes the reporting month as reported by the employer. Both part-time and full-time employees are included in the data set without distinction between the two groups. If a person holds two jobs, that person would be counted twice in the data set. Wages include bonuses, stock options, the cash value of meals and lodging, and tips and other gratuities, but not the value of fringe benefits, such as employer contributions to health insurance or pensions.

The employment data for nonprofit organizations were identified by matching the Federal Employer Identification Numbers (FEINs) of private firms (excluding government entities) in the Indiana ES-202 system with the FEINs of entities that have registered with the IRS for tax-exempt status. This work was performed by the Indiana Business Research Center, Kelley School of Business, Indiana University, under a confidentiality agreement with the State of Indiana. We present here only aggregated data, filtered using federal and state disclosure rules²¹ to preserve confidentiality.

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 match 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 secured 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, nonprofit hospitals, clinics, colleges, universities, elementary schools, social service agencies, day care centers, orchestras, museums, theaters, homeless shelters, soup kitchens, and many more, including also private foundations.

In addition to Section 501(c)(3), the Internal Revenue Code contains more than 25 other subsections under which organizations can claim exemption from federal income taxation. These include such types of nonprofit organizations 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.

²¹ Data is suppressed if 1) a data grouping includes less than three establishments, 2) one establishment comprises more than 80 percent of the employment of a data grouping, or 3) suppressed data can be estimated from other available data.

For example, in 2009 several key IRS reporting characteristics (some details were suppressed to protect confidentiality) included:

- 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. A nonprofit reporting address may be that of an accountant, board president, or headquarter organization, and therefore 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 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 establishments included in the ES-202 reporting system 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. It is likely that some of these non-filers are affiliated with or operated by religious institutions, which are not required to file financial information.

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.²² 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.

²² 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 example, this means that we reclassified 369 private associations with 2,122

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 or April of the data year in question to capture IRS exempt status at the end of the immediately preceding calendar year, allowing time for newly registered exempt entities to be included on the EOMF. In some cases, we suspect we have not allowed sufficient time for the registration process to be completed. If true, we will have failed to accurately classify organizations that were in operation with paid employees during a particular quarter (and participating in the ES-202 reporting system), but that only appeared on the EOMF after April of the following calendar year. These “soon to be recognized as exempt entities” would be classified as for-profit under our methodology.

We are also unable to account for establishments that were deleted from the IRS tax-exempt list by 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, for all of these reasons our estimates in this report most likely underestimate the nonprofit share of the Indiana economy for 1995 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). For more information on the Indiana Nonprofits: Scope and Community Dimensions project, see 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 for more information.

employees and total payroll of \$50.5 million as nonprofit in 2009 data, 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.

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.

In processing the data for this and other historical reports, we also observed a substantial spike in nonprofit education employment in one region that corresponded to a decline in for-profit employment in the same Indiana region. A similar pattern was observed with health care employment in a different Indiana region. We suspected these jumps in employment were due to paperwork inconsistencies, rather than the sudden founding of large nonprofit colleges and hospitals. Therefore, we collaborated with the IBRC and determined that these shifts were tied to changes in IRS-exempt status. It appears that some colleges and hospitals had been operating as subsidiaries of churches which had exercised their right not to register with the IRS. Therefore, they did not appear in the EOMF and neither did their subsidiary organizations. Because our methodology uses the EOMF to identify nonprofits, these organizations appeared as for-profit businesses the data. At a later date, some of these subsidiary organizations spun off from their religious headquarter organization and became independent nonprofit entities and as such required to register with the IRS as exempt entities. Once they were included on the EOMF, they appeared as nonprofits (instead of for-profits) in our data. Where possible, we have amended these errors, but additional problems may remain hidden despite our best efforts to identify similar suspect patterns.

APPENDIX B: DATA TABLES

Table 1: Establishments, employment, and payroll in nonprofit education, all education, and all nonprofits

Year	All education			Nonprofit education			All nonprofits		
	Est	Employment	Payroll	Est	Employment	Payroll	Est	Employment	Payroll
1995	2,058	194,265	\$7,331,610,342	175	21,755	\$482,899,583	5,674	183,911	\$5,557,930,295
1996	2,117	200,689	\$7,483,693,184	181	22,160	\$701,038,590	5,741	183,425	\$5,539,840,030
1997	2,148	208,339	\$7,758,289,195	185	23,111	\$733,878,436	5,800	191,480	\$6,000,047,658
1998	2,219	212,886	\$8,104,621,866	193	23,774	\$783,750,470	5,764	198,051	\$6,364,063,633
1999	2,258	217,324	\$8,301,160,698	202	25,195	\$820,838,187	5,897	205,725	\$6,561,938,957
2000	2,330	219,413	\$8,411,729,800	204	26,540	\$863,731,444	5,997	210,116	\$6,729,163,760
2001	2,369	223,013	\$8,534,787,759	228	27,833	\$918,186,492	6,054	221,329	\$7,200,028,762
2002	2,404	227,189	\$8,703,068,684	254	29,002	\$976,048,712	6,159	223,741	\$7,465,697,732
2003	2,442	231,690	\$8,730,331,075	260	29,490	\$990,275,764	6,248	227,163	\$7,660,069,057
2004	2,491	234,583	\$8,809,024,905	268	30,194	\$1,013,632,874	6,313	230,102	\$7,838,477,398
2005	2,564	238,391	\$8,799,130,722	292	31,144	\$1,047,861,582	6,335	232,120	\$7,967,411,991
2006	2,634	241,068	\$8,831,851,810	280	30,942	\$1,053,513,782	6,325	233,676	\$8,056,341,554
2007	2,697	246,559	\$8,906,069,589	299	31,595	\$1,073,791,853	6,370	235,926	\$8,210,554,849
2008	2,734	251,146	\$8,965,722,824	305	32,232	\$1,105,830,584	6,426	239,943	\$8,355,358,898
2009	2,751	254,070	\$9,317,479,925	327	32,654	\$1,171,725,468	6,505	245,644	\$8,857,624,853

All payroll data adjusted for inflation and in 2009\$.

Table 2: Nonprofit education employment and payroll as a percentage of all education and all nonprofit employment and payroll

Year	Nonprofit education employment	Nonprofit education payroll	% of all education employment	% of all education payroll	% of all nonprofit employment	% of all nonprofit payroll
1995	21,755	\$482,899,583	11%	7%	12%	9%
1996	22,160	\$512,699,230	11%	7%	12%	9%
1997	23,111	\$549,031,118	11%	7%	12%	9%
1998	23,774	\$595,474,564	11%	7%	12%	9%
1999	25,195	\$637,426,840	12%	8%	12%	10%
2000	26,540	\$693,281,600	12%	8%	13%	10%
2001	27,833	\$757,961,693	12%	9%	13%	11%
2002	29,002	\$818,465,641	13%	9%	13%	11%
2003	29,490	\$849,320,819	13%	10%	13%	11%
2004	30,194	\$892,504,556	13%	10%	13%	11%
2005	31,144	\$953,902,436	13%	11%	13%	12%
2006	30,942	\$989,984,844	13%	11%	13%	12%
2007	31,595	\$1,037,779,732	13%	12%	13%	13%
2008	32,232	\$1,109,778,930	13%	12%	13%	13%
2009	32,654	\$1,171,725,468	13%	13%	13%	13%

All payroll data adjusted for inflation and in 2009\$.

Table 3: Nonprofit establishments, employment, and payroll in education sub-industries

Year	Elementary and secondary			Junior colleges			Colleges and universities		
	Est	Employment	Payroll	Est	Employment	Payroll	Est	Employment	Payroll
1995	71	5,007	\$114,836,039	5	186	\$4,735,679	35	16,046	\$545,832,623
1996	72	5,256	\$119,766,050	6	204	\$5,071,934	36	16,149	\$560,812,891
1997	73	5,444	\$126,810,150	6	263	\$5,736,980	35	16,793	\$585,650,648
1998	76	5,241	\$137,418,553	6	302	\$6,282,071	36	17,528	\$622,083,494
1999	82	5,888	\$146,055,131	6	355	\$6,664,882	35	18,165	\$648,560,982
2000	85	6,241	\$156,950,660	6	354	\$6,915,532	35	19,130	\$679,052,109
2001	106	6,810	\$171,794,757	6	346	\$7,482,402	37	19,787	\$714,958,000
2002	114	7,270	\$184,138,768	6	349	\$8,377,603	38	20,461	\$752,069,567
2003	107	7,056	\$182,121,462	6	334	\$8,822,301	40	20,871	\$766,987,002
2004	109	7,361	\$192,387,126	6	354	\$9,134,901	40	21,256	\$779,319,340
2005	122	8,020	\$200,470,489	6	333	\$8,844,298	41	21,446	\$803,215,670
2006	105	7,241	\$183,733,202	6	321	\$8,606,987	41	22,096	\$825,740,913
2007	110	7,294	\$188,645,923	**	**	**	47	22,661	\$840,080,173
2008	113	7,480	\$197,592,242	**	**	**	50	23,115	\$861,777,860
2009	123	7,906	\$216,809,821	**	**	**	52	22,955	\$905,913,527

All remaining establishments, employment, and payrolls are accounted for by other educational services establishments.

All payroll data adjusted for inflation and in 2009\$.

Junior college data suppressed 2007-2009.

Table 4: Nonprofit education sub-industry employment and payroll as a percentage of all education and all nonprofit employment and payroll

Year	Elementary and secondary		Junior colleges		Colleges and universities	
	% of all nonprofit education employment	% of all nonprofit education payroll	% of all nonprofit education employment	% of all nonprofit education payroll	% of all nonprofit education employment	% of all nonprofit education payroll
1995	23%	17%	1%	1%	74%	80%
1996	24%	17%	1%	1%	73%	80%
1997	24%	17%	1%	1%	73%	80%
1998	22%	18%	1%	1%	74%	79%
1999	23%	18%	1%	1%	72%	79%
2000	24%	18%	1%	1%	72%	79%
2001	24%	19%	1%	1%	71%	78%
2002	25%	19%	1%	1%	71%	77%
2003	24%	18%	1%	1%	71%	77%
2004	24%	19%	1%	1%	70%	77%
2005	26%	19%	1%	1%	69%	77%
2006	23%	17%	1%	1%	71%	78%
2007	23%	18%	**	**	72%	78%
2008	23%	18%	**	**	72%	78%
2009	24%	19%	**	**	70%	77%

All remaining establishments, employment, and payrolls are accounted for by other educational services establishments.

Junior college data suppressed 2007-2009.

Table 5: Nonprofit sub-industry employment and payroll as a percentage of all nonprofit and all sub-industry employment and payroll

Year	Elementary and secondary		Junior colleges		Colleges and universities	
	Nonprofit as % of all sub-industry employment	Nonprofit as % of all sub-industry payroll	Nonprofit as % of all sub-industry employment	Nonprofit as % of all sub-industry payroll	Nonprofit as % of all sub-industry employment	Nonprofit as % of all sub-industry payroll
1995	4%	2%	4%	3%	31%	26%
1996	4%	2%	4%	3%	30%	26%
1997	4%	2%	5%	4%	30%	26%
1998	4%	3%	5%	4%	31%	26%
1999	4%	3%	6%	4%	31%	27%
2000	4%	3%	6%	4%	32%	27%
2001	5%	3%	5%	4%	33%	28%
2002	5%	3%	5%	4%	33%	29%
2003	5%	3%	5%	4%	32%	29%
2004	5%	3%	5%	4%	33%	29%
2005	5%	4%	4%	4%	33%	30%
2006	5%	3%	4%	3%	34%	30%
2007	4%	3%	**	**	34%	30%
2008	5%	4%	**	**	34%	30%
2009	5%	4%	**	**	34%	30%

All remaining establishments, employment, and payrolls are accounted for by other educational services establishments.

Junior college data suppressed 2007-2009.

Table 6: Average nonprofit and total average annual wages in education and education sub-industries

Year	All education		Elementary and secondary		Junior colleges		Colleges and universities	
	Nonprofit	All sectors	Nonprofit	All sectors	Nonprofit	All sectors	Nonprofit	All sectors
1995	\$31,248	\$37,740	\$22,934	\$37,574	\$25,426	\$28,694	\$34,018	\$40,594
1996	\$31,636	\$37,290	\$22,787	\$36,869	\$24,924	\$28,141	\$34,728	\$40,526
1997	\$31,755	\$37,239	\$23,296	\$36,764	\$21,834	\$28,603	\$34,876	\$40,610
1998	\$32,966	\$38,070	\$26,222	\$37,668	\$20,784	\$28,449	\$35,492	\$41,356
1999	\$32,579	\$38,197	\$24,808	\$37,676	\$18,774	\$28,871	\$35,703	\$41,847
2000	\$32,545	\$38,337	\$25,147	\$37,875	\$19,522	\$28,530	\$35,497	\$41,857
2001	\$32,989	\$38,270	\$25,228	\$37,651	\$21,625	\$29,541	\$36,133	\$42,027
2002	\$33,654	\$38,308	\$25,330	\$37,674	\$24,022	\$29,138	\$36,756	\$42,185
2003	\$33,580	\$37,681	\$25,813	\$37,228	\$26,434	\$30,008	\$36,750	\$41,074
2004	\$33,571	\$37,552	\$26,136	\$37,056	\$25,787	\$29,351	\$36,664	\$41,184
2005	\$33,645	\$36,910	\$24,996	\$36,189	\$26,559	\$29,794	\$37,452	\$40,941
2006	\$34,048	\$36,636	\$25,375	\$35,456	\$26,855	\$30,821	\$37,371	\$41,447
2007	\$33,987	\$36,122	\$25,864	\$34,693	**	\$30,549	\$37,071	\$41,549
2008	\$34,308	\$35,699	\$26,418	\$33,947	**	\$29,855	\$37,282	\$42,053
2009	\$35,883	\$36,673	\$27,423	\$34,707	**	\$32,647	\$39,464	\$43,397

All average wages adjusted for inflation and in 2009\$.

All sectors include nonprofit, government, and for-profit establishments.

Junior college data suppressed 2007-2009.

Table 7: Average number of employees per establishment in education and education sub-industries

Year	All education		Elementary and secondary		Junior colleges		Colleges and universities	
	Nonprofit	All sectors	Nonprofit	All sectors	Nonprofit	All sectors	Nonprofit	All sectors
1995	124	94	71	98	37	192	460	986
1996	122	95	74	99	35	197	460	985
1997	124	97	74	102	44	202	482	1,024
1998	122	96	69	99	50	210	499	1,065
1999	124	96	72	101	59	211	521	1,083
2000	129	94	73	97	59	195	549	1,102
2001	121	94	64	97	58	220	548	1,100
2002	114	95	64	98	58	249	539	1,067
2003	113	95	66	99	56	240	528	1,045
2004	113	94	68	100	59	242	528	1,023
2005	107	93	66	100	56	246	523	972
2006	111	92	69	100	53	265	546	939
2007	106	91	67	102	**	299	482	832
2008	106	92	66	103	**	299	465	777
2009	100	92	65	104	**	341	446	763

All sectors include nonprofit, government, and for-profit establishments.

Junior college data suppressed 2007-2009.

APPENDIX C: 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 January 2011. Online reports, as well as summaries of all other items are available on the project web site: www.indiana.edu/~nonprof. To obtain a complete version of an unpublished paper please contact Kirsten Grønbjerg (kgronbj@indiana.edu, (812) 855-5971).

Indiana Nonprofit 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.
- "Where the Shoe Hurts: Capacity Challenges among Arts and Culture Nonprofits" by Kirsten A. Grønbjerg and Kellie McGiverin-Bohan. Paper presented at the ARNOVA Annual Conference, Toronto, November, 17-29, 2011.

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.
<http://www.indiana.edu/~nonprof/results/npcapacity/artsculturecapacityfinal.html>
- *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, December, 2003).

Online Statewide Reports

- *Indiana Nonprofits: A Portrait of Religious Nonprofits and Secular Charities*, by Kirsten A. Grønbjerg, Patricia Borntrager Tennen. Online report. Survey Report #7. June 2006.
<http://www.indiana.edu/~nonprof/results/npsurvey/insfaithbased.html>
- *Indiana Nonprofits: A Profile of Membership Organizations*, by Kirsten A. Grønbjerg and Patricia Borntrager Tennen. Online report. Survey Report #6. September 2005.
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Online Regional Reports

- *Scott Nonprofits: Scope and Dimensions*. Nonprofit Survey Series, Community Report #12, by Kirsten A. Grønbjerg, Abigail Powell and Patricia Bortrager Tennen. Bloomington, IN: Indiana University School of Public and Environmental Affairs, November 2006.
www.indiana.edu/~nonprof/results/npsurvey/inscomscott.pdf
- *Miami Nonprofits: Scope and Dimensions*. Nonprofit Survey Series, Community Report #11, by Kirsten A. Grønbjerg, Kerry S. Brock and Patricia Bortrager Tennen. Bloomington, IN: Indiana University School of Public and Environmental Affairs, November 2006.
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- *Dubois Nonprofits: Scope and Dimensions*. Nonprofit Survey Series, Community Report #10, by Kirsten A. Grønbjerg, Abigail Powell and Patricia Bortrager Tennen. Bloomington, IN: Indiana University School of Public and Environmental Affairs, November 2006.
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- *Cass Nonprofits: Scope and Dimensions*. Nonprofit Survey Series, Community Report #9, by Kirsten A. Grønbjerg, Andrea Lewis and Patricia Bortrager Tennen. Bloomington, IN: Indiana University School of Public and Environmental Affairs, November 2006.
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- *Bartholomew Nonprofits: Scope and Dimensions*. Nonprofit Survey Series, Community Report #8, by Kirsten A. Grønbjerg, Kerry S. Brock and Patricia Bortrager Tennen. Bloomington, IN: Indiana University School of Public and Environmental Affairs, November 2006.
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- *South Bend Nonprofits: Scope and Dimensions*. Nonprofit Survey Series, Community Report #7, by Kirsten A. Grønbjerg, Kerry S. Brock and Patricia Bortrager Tennen. Bloomington, IN: Indiana University School of Public and Environmental Affairs, November 2006.
www.indiana.edu/~nonprof/results/npsurvey/inscomsouthbend.pdf
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- *Evansville Nonprofits: Scope and Dimensions*. Nonprofit Survey Series, Community Report #4, by Kirsten A. Grønbjerg, Curtis Child and Patricia Bortrager Tennen (Bloomington, IN: Indiana University School

of Public and Environmental Affairs, June 2006 (revised November 2006).

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- *Muncie Nonprofits: Scope and Dimensions*. Nonprofit Survey Series, Community Report #3, by Kirsten A. Grønbjerg and Patricia Borotrager Tennen. Bloomington, IN: Indiana University School of Public and Environmental Affairs, June 2006.
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- *Bloomington Nonprofits: Scope and Dimensions*. Nonprofit Survey Series, Community Report #1, by Kirsten A. Grønbjerg and Curtis Child, Patricia Borotrager Tennen (Bloomington, IN: Indiana University School of Public and Environmental Affairs, December, 2005).
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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 Borotrager 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: Trends in Education 1995-2009*, Nonprofit Employment Report No. 5, by Kirsten A. Grønbjerg, with Kellie L. McGiverin-Bohan, Kristen Dmytryk, Katherine Gagnon, and Katherine Novakoski. (Bloomington, IN: Indiana University School of Public and Environmental Affairs, May, 2012. www.indiana.edu/~nonprof/results/inemploy/innonprofemploytrendseduc.htm
- *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/inemploy/innonprofitemploy09.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/inemploy/innonprofitemploy07.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/inemploy/innonprofitemploy05.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/inemploy/innonprofitemploy03.htm

Online Regional Reports

- *Evansville Economic Region Nonprofit Employment: 2005 Report*. Nonprofit Employment Series No. 2D by Kirsten Grønbjerg and Kerry Brock. May 2006. www.indiana.edu/~nonprof/results/inemploy/Evansvilleempl05.pdf
- *Muncie Economic Region Nonprofit Employment: 2005 Report*. Nonprofit Employment Series No. 2C by Kirsten Grønbjerg and Kerry Brock. May 2006.

www.indiana.edu/~nonprof/results/inemploy/muncieempl05.pdf

- *Northwest Economic Region Nonprofit Employment: 2005 Report*. Nonprofit Employment Series No. 2B by Kirsten Grønbjerg and Kerry Brock. February 2006.
www.indiana.edu/~nonprof/results/inemploy/northwestempl05.pdf
- *Bloomington Economic Region Nonprofit Employment: 2005 Report*. Nonprofit Employment Series No. 2A by Kirsten Grønbjerg and Erich T. Eschmann with Kerry Brock. January 2006.
www.indiana.edu/~nonprof/results/inemploy/bloomingtonempl05.pdf
- *Bloomington Nonprofit Employment, 2001*. Nonprofit Employment Report No. 1, Supplement A, by Kirsten Grønbjerg and Sharon Kioko. August 2003.
www.indiana.edu/~nonprof/results/inemploy/Bloomingtonempl03.pdf

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

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

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.



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