



Nonprofit Employment Series
Report #6

INDIANA NONPROFIT EMPLOYMENT: TRENDS IN SOCIAL ASSISTANCE, 1995-2009

AUGUST 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

PREPARED BY

KIRSTEN A. GRØNBJERG, PROJECT DIRECTOR

AND

KELLIE L. MCGIVERIN-BOHAN, ALEXANDRA BUCK, KRISTEN DMYTRYK,
KATHERINE GAGNON, WESTON MERRICK, AND KATHERINE NOVAKOSKI

Copyright © 2012 Kirsten A. Grønbjerg
All rights reserved
Printed in the United States of America

Acknowledgments

This report was prepared as part of an ongoing project on the **Indiana Nonprofit Sector: Scope and Community Dimensions**, which is made possible by the support for the Efroymson Chair in Philanthropy by the Efroymson Fund at the Central Indiana Community Foundation, and the Indiana University Center on Philanthropy's Indiana Research Fund, supported in part by Lilly Endowment Inc. We are grateful to Carol O. Rogers, Victoria Nelson, and Jerry Conover at the Indiana Business Research Center for making the data on which this report is based available to us and for very helpful comments on the draft. We thank Kerry S. Brock for her help in preparing the basic framework for our analysis. Finally, we thank members of the Advisory Board for the Indiana Nonprofit Sector: Scope and Community Dimensions project for helpful comments and suggestions. We are particularly grateful to Thomas P. Miller and his staff (Justin Heet and Jonathan Faris), Tom Rugh of the Indiana Association of United Ways, and Bob Cross of United Way of Central Indiana for helpful comments on our original analysis plan.

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

Suggested Citation

Indiana Nonprofit Employment: Historical Trends in Social Assistance 1995-2009, by Kirsten A. Grønbjerg, with Kellie L. McGiverin-Bohan, Alexandra Buck, Kristen Dmytryk, Katherine Gagnon, Weston Merrick, and Katherine Novakoski (Bloomington, IN: Indiana University School of Public and Environmental Affairs, August 2012).

PROJECT ADVISORY BOARD

Ellen K. Annala

President & Chief Executive Officer, United Way of Central Indiana

Keira Amstutz

President & CEO, Indiana Humanities Council

David J. Bennett

Executive Director, Community Foundation of Greater Fort Wayne

Jerold Bonnet

Chief Legal Counsel, Office of the Indiana Secretary of State

Roland M. Dorson

President & CEO, Indianapolis Chamber of Commerce

Reverend Charles Ellis

Executive Director, Indianapolis Ten Point Coalition, Inc.

Andy Fraizer

Executive Director, Indiana Association for Community Economic Development

Roger Frick

President, Indiana Association of United Way

John Hamilton

Former Secretary, Indiana Family and Social Services Administration

James Huston

Executive Director, Indiana Office of Faith Based & Community Initiatives

Harriet Ivey

President & CEO, Nina Mason Pulliam Charitable Trust

Sheila Kennedy

Professor, School of Public & Environmental Affairs

Abigail Lawlis Kuzma

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

Dave Lawrence

President & CEO, Arts Council of Indianapolis

Marissa S. Manlove

President & CEO, Indiana Grant-Makers Alliance

Thomas P. Miller

President & CEO, Thomas P. Miller and Associates

Fran Quigley

Senior Advisor, IU Center for Global Health

Lewis Ricci

Executive Director, Indiana Arts Commission

Carol O. Rogers

Deputy Director & Chief Information Officer, Indiana Business Research Center

Patrick Rooney

Executive Director, Center on Philanthropy at Indiana University

Paula Parker Sawyers

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

Msgr. Joseph Schaedel

Vicar General, Archdiocese of Indianapolis

Rev. Timothy Shapiro

President, Indianapolis Center for Congregations

William Stanczykiewicz

President & CEO, Indiana Youth Institute

Pamela Velo

Associate Vice President for Donor Services, Central Indiana Community Foundation

Dr. Rev. Angelique Walker-Smith

Executive Director, Church Federation of Greater Indianapolis

Indiana Nonprofit Employment: Trends in Social Assistance 1995-2009

AUGUST 2012

INDIANA NONPROFITS: SCOPE & COMMUNITY DIMENSIONS

NONPROFIT EMPLOYMENT SERIES:
REPORT #6

A joint product of

The Center on Philanthropy
at Indiana University

The School of Public &
Environmental Affairs
at Indiana University

The Indiana Business
Research Center at Indiana
University's Kelley School of Business

The Johns Hopkins
Nonprofit Employment
Data Project

Prepared by
Kirsten A. Grønbjerg

Kellie L. McGiverin-Bohan,
Alexandra Buck, Kristen Dmytryk,
Katherine Gagnon, Weston
Merrick, and Katherine Novakoski

TABLE OF CONTENTS

Key Findings.....	1
I. Introduction	3
A. Why Social Assistance Nonprofit Employment Matters to Indiana.....	3
B. Methodology.....	5
C. Overview of Social Assistance and Its Sub-Industries	7
D. Overview of Nonprofit and For-profit Employment Dynamics.....	11
II. Employment	12
A. Employment in Social Assistance and Other Indiana Industries.....	12
B. Nonprofit Employment in Social Assistance and Other Major Nonprofit Industries in Indiana	13
C. Social Assistance Employment in Nonprofit and For- Profit Sectors	17
D. Employment in Specific Social Assistance Sub-Industries.....	19
III. Establishments.....	25
A. Establishments in Social Assistance and Other Comparable Indiana Industries	25
B. Nonprofit Establishments in Social Assistance and Other Major Nonprofit Industries in Indiana	26
C. Social Assistance Establishments in Nonprofit and For- Profit Sectors	28
D. Establishments in Specific Social Assistance Sub- Industries.....	29
IV. Payroll.....	36
A. Payroll in Social Assistance and Other Indiana Industries	36
B. Nonprofit Payroll in Social Assistance and Other Major Nonprofit Industries in Indiana	37
C. Social Assistance Payroll in the Nonprofit and For-Profit Sectors	38
D. Payroll in Specific Social Assistance Sub-Industries.....	39
V. Average Annual Wages	46
A. Average Annual Wages in Social Assistance and Other Indiana Industries	46
B. Nonprofit Average Annual Wages in Social Assistance and Other Major Nonprofit Industries in Indiana.....	47
C. Social Assistance Average Annual Wages in Nonprofit and For-Profit Sectors	48
D. Average Annual Wages in Specific Social Assistance Sub- Industries.....	49
VI. Conclusion and Policy Implications	55

APPENDICES

Appendix A: The ES-202 Unemployment Insurance Labor Market Information Program.....58

Source of Data	58
Scope of Coverage.....	58
Data Processing and Cleaning.....	62

Appendix B: Data Tables.....63

Table 1: Establishments, employment, and payroll in nonprofit social assistance, all social assistance, and all nonprofits	63
Table 2: Nonprofit social assistance employment and payroll as a percentage of all social assistance and all nonprofit employment and payroll	64
Table 3: Nonprofit establishments, employment, and payroll in social assistance sub-industries	64
Table 4: Nonprofit social assistance sub-industry employment and payroll as a percentage of all social assistance and all nonprofit employment and payroll	65
Table 5: Nonprofit sub-industry employment and payroll as a percentage of all nonprofit and all sub-industry employment and payroll	65
Table 6: Average nonprofit and total average annual wages in social assistance and social assistance sub-industries	66
Table 7: Average number of employees per establishment in social assistance and social assistance sub-industries	66

Appendix C: Project Publications and Reports67

KEY FINDINGS

Nonprofit organizations make significant contributions to the quality of life for the residents of Indiana. They are also an important player in the state's economy and to the economic health of each region of the state. In particular, social assistance nonprofits play an important role by providing a variety of services - such as day care and employment training - that help community residents be productive members of Indiana's workforce. They also offer counseling, food, shelter, and other relief services for the unemployed, underemployed, and other marginalized populations. This report from the *Indiana Nonprofits: Scope and Community Dimensions* project presents new data on the size, composition, and distribution of paid social assistance employment in Indiana's private nonprofit sector over the 1995-2009 period. All dollars are adjusted for inflation and are reported in constant 2009 dollars.

Major Findings in Social Assistance

- **Nonprofit employment in social assistance increased faster than employment in most other major nonprofit industries.** From 1995 to 2009, total nonprofit employment in social assistance grew by about 44 percent. Only nonprofit employment in education showed greater growth (50 percent), while nonprofit employment in health services increased by 35 percent during the same period. For more information, see page 13.
- **For-profit employment in social assistance grew much faster than nonprofit employment.** Between 1995 and 2000, the ratio of nonprofit to for-profit social assistance employment remained constant at 70 percent to 30 percent. However, from 1995 to 2009 for-profit employment more than doubled from 8,200 to 16,600, increasing its total share of employment in the industry to 38 percent by 2009. This may reflect increasingly large contracts between the state and for-profit service providers during this latter period. For more information, see page 17.
- **The number of social assistance establishments increased by nearly 30 percent,** from over 1,800 in 1995 to nearly 2,400 in 2009. The increase in social assistance establishments lagged behind the large growth (62 percent) in total social assistance employment, indicating that social assistance establishments grew in size. For more information, see page 25.
- **Over the 1995 to 2009 time period, social assistance employment, establishments, and payroll grew steadily even during recessions** and in contrast to other similarly sized industries. In general, industries with a strong nonprofit presence tended to maintain steady employment during recessions. For example, the nursing care facility industry, which has a strong nonprofit contingent similar to social assistance, grew persistently. In contrast, payroll in the information and real estate industries (which are largely for-profit) significantly decreased from 2007 to 2009. For more information, see page 36.

Findings in Vocational Rehabilitation Services

- **Nonprofit employment in vocational rehabilitation services increased by 48 percent between 1995 and 2009, from about 7,700 to 11,400 employees.** Employment in for-profit vocational rehabilitation services increased even more (by 120 percent), but from a much smaller base (about 900 in 1995 to 2,000 in 2009). For more information, see page 21.
- **Average annual wages of nonprofit vocational rehabilitation workers decreased by 5 percent from \$22,200 in 1995 to around \$21,100 in 2009.** Over the same time period, for-profit wages increased over 26 percent from \$18,900 to \$24,000 in 2009. For more information, see page 51.

Findings in Individual and Family Services

- **The number of nonprofit individual and family services employees increased over 50 percent from 6,600 in 1995 to 10,100 in 2009.** However, growth in the for-profit sector far outpaced nonprofit growth, increasing by 600 percent from just under 1,000 employees in 1995 to 6,900 by 2009. For more information, see page 22.
- **Average annual wages in nonprofit individual and family services organizations increased 25 percent from \$20,500 in 1995 to over \$25,300 in 2009.** For-profit wages decreased steadily by 7 percent over the same time period. For more information, see page 52.

Findings in Child Day Care Services

- **From 1995 through 2009, the nonprofit sector founded more child day care services establishments than the for-profit sector.** The number of nonprofit establishments grew by 43 percent (from under 230 in 1995 to over 300 in 2009), while the number of for-profit establishments grew by only 6 percent. Even so, the number of for-profit establishments outnumbered nonprofits, on average, five to two. For more information, see page 34.
- **Child day care services had the lowest wages of all four sub-industries. Average annual wages in nonprofit child day care services organizations were highest between 2001 and 2003 (\$18,400).** For-profit wages peaked in 2004 at around \$15,400. The low wages for both sectors could be due in part to the fact that a large number of these workers are part-time. For more information, see page 53.

Findings in Community Housing, Food, and Other Relief Services

- **Nonprofit employees accounted for 65 percent of private sector employment in relief services in 1995 and increased to 85 percent by 2009.** Interestingly, the increasing composition of nonprofit employment in relief services runs contrary to the trend of increasing shares of for-profit employment in the overall social assistance industry during this time period. For more information, see page 24.
- **Nonprofit relief services workers outnumbered their for-profit counterparts and received lower average annual wages than those in the for-profit sector.** Nonprofit average annual wages peaked at

\$24,500 in 2002. For-profit wages averaged \$28,000 and were the highest at \$31,200 in 2009. For more information, see page 54.

I. INTRODUCTION

Nonprofit organizations make significant contributions to the quality of life for the residents of Indiana by offering social assistance, healthcare, job training, access to arts, and opportunities for civic engagement. They play an important role in the state's economy and in the economic health of each region of the state.

This report presents new information on the size, composition, and distribution of paid, private, nonprofit employment in Indiana's social assistance industry. The sixth report in a series of statewide employment analyses,¹ it focuses on social assistance employment trends from 1995 through 2009. Data over this time period gives us insights into how recessions and economic growth periods impact nonprofit social assistance employment. Upcoming reports in this series will analyze similar trends in health care and arts, entertainment, and recreation. A report on trends in nonprofit education employment was published in May 2012 and is available at www.indiana.edu/~nonprof/results/inemploy/innonprofemploytrendseduc.htm.

This research is part of a larger project, *Indiana Nonprofits: Scope and Community Dimensions*, currently underway at Indiana University. The project is designed to provide reliable, 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 Social Assistance 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 development and health. For example, nonprofit employment in social assistance grew by 43 percent from 1995 to 2009, compared to 34 percent for the entire Indiana nonprofit sector, while total employment in Indiana *declined* 0.3 percent.² Much of the growth of the nonprofit social assistance industry occurred in the sub-industries of vocational rehabilitation and individual and family services, which might reflect increased demand for job training, welfare support, and other similar services in Indiana.

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. Report #5 looked at trends in the education industry from 1995 to 2009.

² Computed from "Annual Overview" at http://www.stats.indiana.edu/topic/jobs_wages.asp. Accessed June 28, 2012.

- Many social assistance services support the working poor and underemployed. During the Great Recession, Indiana food banks reported an increased number of clients who were employed but still struggling to keep food on the table.⁴ Similarly, many underemployed Hoosiers benefit from reduced-rate child care services and job skills and placement programs. The provision of affordable childcare and job training have the dual impact of keeping individuals in the workforce and training them for higher skilled jobs that help them move off welfare assistance.⁵
- Vocational rehabilitation programs provide training and job placement services that help those who have sustained injuries or experienced illness return to the ranks of the employed and get off workers' compensation. Vocational rehabilitation services also combat the high unemployment rate of people with disabilities.⁶
- Child care and youth services ensure children have a safe, constructive, and nurturing environment when parents or guardians are working.⁷ In a similar way, adult care services can be helpful to workers who have dependent relatives in need of temporary care and/or supervision, and can make it possible for guardians to remain in the workforce.
- Emergency relief services are critical in getting communities back on their feet after natural disasters. Floods and tornadoes in Indiana often displace residents and destroy businesses (e.g. 2004 Marengo tornado, 2005 Evansville tornadoes, 2008 Midwest floods, etc.). In addition to providing for immediate safety and security needs for residents of these communities, relief services are essential in reopening damaged businesses and enabling families to return to work and school.

⁴ Local Foods Banks and Recession Impacts. Accessed June 5, 2012 <http://www.wthr.com/story/11274059/food-banks-feel-recessions-impact?clienttype=printable> & http://articles.wsbt.com/2012-02-20/food-bank_31081358

⁶ For more information see: <http://www.disabilitystatistics.org/reports/acs.cfm?statistic=2>

⁷ NACRRA. 2011 Child Care in the State of Indiana. Accessed June 1, 2012. <http://www.naccrra.org/randd/data/docs/IN.pdf>

In the remainder of this report, we take a closer look at the social assistance industry in Indiana. We explore employment, number of establishments, average establishment size, total payroll, and average yearly wages in the social assistance industry, all with a specific focus on the contributions of the nonprofit sector to the state of Indiana. Within each of these sections, we first provide an overview of the social assistance industry, the way in which it relates to other major Indiana industries, and the way in which social assistance nonprofits relate to other Indiana industries⁸ with a strong nonprofit influence.⁹ Next, we look at the social assistance industry in more detail and compare the nonprofit and for-profit sectors, including comparisons in specific social assistance sub-industries: vocational rehabilitation, individual and family services, child day care, and relief services.

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. 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.¹⁰ 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.

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.¹¹ This includes private, not-for-profit social service agencies, day care centers, homeless shelters, and soup kitchens, and many other types of 501(c)(3) charity organizations. It also includes a wide variety of civic organizations, trade associations, unions, veterans groups, cemetery associations, fraternal organizations, and other membership groups operating under any of the other 27 501(c) tax-exempt designations.

This report focuses on the social assistance industry as classified in the QCEW dataset by the North American Industry Classification Systems (NAICS) codes.¹² NAICS code 62 is “Health and Social Assistance,” which we have divided into its three-digit codes: Health (621, 622, and 623) to be examined in a subsequent report, and Social Assistance (624), the focus of this report. Within the 624 code are sub-industries which

⁸ When comparing the Social assistance industry (NAICS code 624) with similar industries we use data from Information (51), Real estate and rental and leasing (53), and Nursing care facilities (6231).

⁹ When comparing the nonprofit social assistance industry (NAICS 624) with similar industries we use data from Arts, entertainment, and recreation (71), membership organizations (813), education (61), and healthcare (621, 622, and 623 combined).

¹⁰ 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.

¹¹ Although some units of government are registered with the IRS as charities, our analysis of nonprofit employment excludes all employees of government-owned establishments. They are counted as government employees.

¹² For more information on NAICS industry definitions, see the U.S. Census’s Industry Statistics Sampler: www.census.gov/econ/industry/index.html.

we have consolidated into their four-digit codes and presented in order of nonprofit employment size: vocational rehabilitation services (6243), individual and family services (6241), child day care services (6244), and community food and housing, and emergency and other relief services (6242). The unique position of nonprofits under federal law creates an exceptional circumstance for data collection where nonprofits could be underestimated in any of three ways. First, federal law exempts all religious congregations as well as 501(c)(3) charitable organizations employing fewer than four workers from the unemployment insurance system, although some opt to participate in the program. Because the data source reports exclusively on paid employment and does not include voluntary or unpaid labor, it underestimates the impact of social assistance labor on the state's economy. In addition, many social assistance programs are embedded in churches or within other multi-purpose establishments and therefore are not included in the QCEW dataset.

Second, still other organizations cannot be identified as nonprofits,¹³ 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,¹⁴ those that are among the types of nonprofits that are exempt from registering altogether (e.g., certain types of membership associations and churches), or those that do not register 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 employers that are registered as tax-exempt entities with the IRS. Therefore, we have 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. The significance of this exclusion is unknown, because some charities and a few religious organizations nevertheless elect to be covered by the unemployment insurance system.¹⁵

¹³ Regrettably, 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 (see Grønbjerg, Kirsten A.. (2002). Evaluating Nonprofit Databases. *American Behavioral Scientist* 45, 10: 1741-77. Available at <http://abs.sagepub.com/content/45/11/1741>). Most likely, however, the great majority of the larger ones are included in our analysis.

¹⁴ 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 Grønbjerg, Kirsten A., Kellie McGiverin-Bohan, Kristen Dmytryk, and Jason Simons, Bloomington, Indiana: School of Public and Environmental Affairs, July 1, 2011. Available at <http://www.indiana.edu/~nonprof/results/database/INS.IRSRevocation.pdf>

¹⁵ 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

Lastly, 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. Indeed, our detailed analysis of quarterly data suggests that there are at least some delays of this type.

Importantly, this report excludes the public sector (government) from most analysis due to the very small (less than 1 percent) direct employment of government in social assistance. Data on so few employees would compromise the confidentiality of the data and have no significant impact on trends presented here. While total industry comparisons do include the public sector, any cross-sector comparison is limited to the nonprofit and for-profit elements of the private sector only.

For more information on the QCEW data source, our particular definition of the nonprofit sector, and our methodology for extracting nonprofit employment from the Indiana QCEW records, see Appendix A.

C. Overview of Social Assistance and Its Sub-Industries

The social assistance industry provides a wide variety of services including: child and youth services, community food services, community emergency services, services for the elderly and people with disabilities, vocational rehabilitation, and child day care. This does not include residential services (which is included in the health service industry), except for temporary shelters and other short-term housing solutions.

Numerous governmental policy shifts have affected employment and payroll in the social assistance industry. Nationally from 1996 to 2011, both government and citizens depended more on social services than welfare cash assistance, with the number of nonprofits increasing to meet the new demand.¹⁶ Key factors contributing to this growth included increased government contracts as a result of 1996 welfare reforms, as well as "the expansion of community care, the broad interest in community service, and the growth of private philanthropy."¹⁷ As we will explore throughout this report, these shifts have resulted in a growth of nonprofit providers, but for-profit establishments have entered the social assistance industry at an even faster rate. These new entrants have brought both new competition and techniques to the industry, vastly changing the dynamics for established nonprofits.

Nonprofit employment in this report includes workers from charities (nonprofits eligible to receive tax-

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

¹⁶ Pear, Robert. (2003, October 13). Welfare Spending Shows Huge Shift. *New York Times*. Accessed June 19, 2012. <http://www.nytimes.com/2003/10/13/us/welfare-spending-shows-huge-shift.html?pagewanted=all&src=pm>

¹⁷ Smith, Stephen Rathgeb. (2012). Social Services. In Lester M. Salamon (Ed.), *The State of Nonprofit America* (pp. 192-228). Washington, DC: Brookings Institution Press. p. 197

deductible contributions under Section 501(c)(3) of the Internal Revenue Code) and all other 501(c) nonprofit establishments. Because charities account for the bulk of nonprofit employment in Indiana and nearly all of the employment in the social assistance industry, we do not distinguish between charities and other nonprofits in this report. Between 1995 and 2009, charities employed 99 percent or more of all 8,600 nonprofit employees who worked in individual and family services and close to 100 percent of the 10,500 nonprofit employees who worked in vocational rehabilitation services. Furthermore, charities employed 100 percent of nonprofit employees in the relief services and child day care services sub-industries each year between 1995 and 2009. These sub-industries are presented below in order of nonprofit employment size.

1. Vocational Rehabilitation Services

Vocational rehabilitation services, now the largest nonprofit sub-industry employer in social assistance, helps unemployed, underemployed, and disabled workers by providing job counseling services, training, and workshops. Some organizations also provide opportunities to gain work experience. Vocational rehabilitation and job training establishments, but not schools or sheltered workshops, are included in this industry. Pathfinder Services, Inc. is an example of a nonprofit vocational rehabilitation services organization and Votech Rehab LLC is a for-profit example.

A variety of factors, such as changes in welfare administration after the Personal Responsibility and Work Opportunity Reconciliation Act of 1996, have influenced the dynamics of this industry. A large portion of the funding for these types of programs now comes from federal block grants administered by the Department of Labor's Employment and Training Administration, which makes grants available for state and local workforce development systems.¹⁸ Additional funding comes from state grants, client services fees, and, for nonprofit providers, also from individual and corporate donations and receipts from sales of donated goods (e.g. Goodwill Industries International). Over the last 20 years, globalization has driven many manual jobs to countries with lower costs of production. Indeed, Indiana lost almost 210,000 manufacturing jobs between 1997 and 2009 alone, contributing significantly to Indiana's structural unemployment and placing new importance on vocational rehabilitation services programs to train displaced workers for positions requiring different skills. In an effort to reduce the loss of these types of well-paying jobs, the Indiana Manpower and Comprehensive Training program in 2009 alone spent \$4.2 million, of which 40 percent came from federal grants, to administer job training programs.¹⁹

2. Individual and Family Services

The individual and family services sub-industry, now the second largest sub-industry in social assistance, includes various types of organizations, such as:

- adoption agencies;
- child welfare services;

¹⁸ For information on the Labor Employment and Training Administration see: <http://www.doleta.gov/etainfo/mission.cfm>

¹⁹ State of Indiana Budget Report 2009-2011. Accessed June 22, 2012. http://www.in.gov/sba/files/as_2009_whole.pdf

- youth centers (except those providing only recreation) and other establishments focused on providing nonresidential services to youth;
- senior citizens' centers, adult day care centers, disability support groups, and other establishments focused on providing nonresidential services to the elderly and persons with physical or mental disabilities;
- and welfare and social service centers, counseling services, crisis intervention and hotline centers, and other establishments focused on the provision of nonresidential social services more generally.

For-profit examples of individual and family service organizations include Active Day Adult Day Care (which has multiple sites throughout the state), and MLJ Adoptions. Nonprofit examples include Ryves Hall Youth Center in Terre Haute, Stepping Stones transitional youth housing in Bloomington, and Harvesting Capabilities, Inc.'s advocacy and training center for the disabled and aging populations in Peru, Indiana.

Individual and family services support vulnerable populations by administering resources and caretaking beyond what the state or an individual's family can provide. These services sustain families emotionally and economically and make it possible for clients to participate in the social assistance system, workforce, and community. However, providing such services is becoming more difficult as caseloads are growing (due to an aging population and greater ability to diagnose developmental disorders like autism) while financial constraints are also increasing.²⁰

3. Child Day Care Services

This sub-industry, the third largest sub-industry in social assistance in terms of nonprofit employment, includes child day care centers, as well as babysitting and child care services offered in personal homes. It also includes before-and-after school child care programs and other establishments primarily caring for young children and infants, but also older children outside of regular school hours. For-profit child day care services include both multi-branch corporations like KinderCare and single establishments, while nonprofits include single entities like Bloomington Development Learning Center or Children Inc. in Columbus, Indiana. Head Start programs across the state offer an example of using federal grants to fund local, private nonprofit and for-profit child care agencies to provide services aimed at closing the academic achievement gap for low-income children. In Indiana, Head Start programs served 17,600 children in 2008-2009 alone.²¹

Child day care services are an important part of community infrastructure supporting child development and facilitating parents' employment.²² Measuring this sub-industry's scale and impact, however, is made difficult

²⁰ Adams, Jane. Short and Long Term Impact of Budget Reductions to DDD
http://www.ddc.wa.gov/Agency%20Roundtables/1101_DDD_Budget_Impact.pdf

²¹ For more information on impacts of the program in Indiana see "Head Start: It Works for Indiana Children and Families!" at <http://www.in.gov/fssa/dfr/3292.htm>

²² Linking Economic Development and Child Care. <http://government.cce.cornell.edu/doc/reports/childcare/>

by the high level of unregistered and informal service providers.²³ While our data only accounts for formal establishments with paid employees, “the majority of care is provided in the informal paid market and outside the market altogether through unpaid family, friend and neighbor care.”²⁴ Also, many churches and multi-purpose organizations like the YMCA provide such services embedded within other program areas, but not as separate establishments and thus cannot be identified as child day care providers in our data.

4. Community Food and Housing, and Emergency and Other Relief Services

This sub-industry, the smallest of the sub-industries in social assistance (hereafter referred to simply as relief services), includes food banks, meal delivery programs, soup kitchens, and other establishments concerned with the provision of food; community housing services including temporary or transitional shelter to the homeless, runaway children, and victims of domestic violence, as well as housing assistance agencies and establishments engaged in volunteer construction or home repair; and refugee settlement, immigrant resettlement, and emergency and disaster relief services.

Organizations in this category are predominantly nonprofit (96 percent nationally as of 2007).²⁵ For-profit entities in relief services, unlike other sub-industries, had negligible growth in Indiana from 1995 to 2009. Emergency relief services are critical in getting communities back on their feet after natural disasters, such as floods and tornadoes, which not infrequently disrupt the lives of Indiana residents, sometimes also severely affecting business operations. In these cases, emergency services are often joint efforts of nonprofit, for-profit, and government organizations. For example, the Federal Emergency Management Agency (FEMA), local government, local businesses, local Red Cross chapters, and numerous community-based nonprofits in Crawford County collaborated extensively after the May 30, 2004 tornadoes that left over \$13 million in damage across Indiana.²⁶ Nonprofits in Indiana organize through networks called Community Organizations Active in Disasters (COADs) or Volunteer Organizations Active in Disaster (VOADs) at the county and state levels, coordinating responses to and recovery from disasters.²⁷ These networks are crucial contact points for local and state government authorities in disaster situations, especially in petitions for federal funding for recovery where states must report on the availability of nonprofits from COADs or VOADs to distribute these funds. This is another example of how government outsources direct service provision through nonprofit programs.

²³ Warner, Mildred E. (2009). “Overview: The Regional Economics of Child Care.” *The Journal of Regional Analysis and Policy* 39(1): 37-39. Available at: http://www.jrap-journal.org/pastvolumes/2000/v39/warneroverview39_1.pdf

²⁴ Ibid. p 37

²⁵ Smith, Stephen Rathgeb. (2012). Social Services. In Lester M. Salamon (Ed.), *The State of Nonprofit America* (pp. 192-228). Washington, DC: Brookings Institution Press. p. 198

²⁶ Top Central Indiana Weather Events of the Decade. <http://www.crh.noaa.gov/ind/?n=2000sdecade>. The Indiana Office of Faith-Based and Community Initiatives was created in 2005 to be the lead agency for these type of emergencies.

²⁷ For more information see: <http://www.invoad.com/>

Relief organizations also play a primary role in the economic safety net supporting communities and families after economic shocks. In the midst of the Great Recession, an estimated 117,900 people received emergency food assistance each week from the 11 Feeding Indiana's Hungry associated food banks across Indiana.²⁸ The growing population of underemployed, however, is creating increasing demand for food banks and shelters, especially in times of high unemployment.²⁹

D. Overview of Nonprofit and For-profit Employment Dynamics

Perhaps contrary to popular belief, the U.S. social assistance industry has historically been dominated by private (nonprofit and for-profit) organizations. State and federal governments have long-standing practices of privatization or “contracting out” social assistance services, presumably to gain greater economic efficiency and better meet local needs through on-the-ground, community-based organizations. This historical practice has recently been combined with increasing focus on competitive, performance-based contracting.³⁰

In Indiana, the nonprofit and for-profit sectors employed more than 99 percent of social assistance workers over the 1995-2009 time period and nearly all nonprofit employees worked in tax-exempt, “charitable” nonprofits (501(c)(3) establishments (as opposed to 501(c)(4), member serving, or other types of nonprofit establishments). Nationally, the social assistance industry accounts for the largest proportion of charities and is perhaps why most people associate social assistance (or social or human services) with nonprofits.³¹ Even though government directly employs only a small percentage of social assistance workers, governmental agencies still influence the industry through contracts, consumer-based subsidies, and other programs. Many for-profit and nonprofit employment trends we document in this report reflect changes in government funding levels and priorities.

The shift towards consumer subsidies (e.g., tax credit for day care services) and other dynamics have contributed to an increasing commercialization of the social assistance industry, as well as a blurring between the for-profit and nonprofit sectors.³² Nationwide from 2002 to 2007 the number of for-profit social assistance organizations increased while nonprofit employment within the industry decreased.³³

²⁸ Feeding Indiana's Hungry. (2010). *Hunger in America 2010: Indiana State Report*. <http://feedingindianashungry.org/resources/>. For more information see: <http://feedingindianashungry.org/>

²⁹ Aguilar, Rose. Food Banks and Shelters See Increasing Demand From Working Families and Underemployed. Accessed May 9, 2012. <http://archive.truthout.org/food-banks-and-shelters-see-increasing-demand-working-families-and-underemployed66224>

³⁰ Kendall, Knapp, Forder in *The Nonprofit Sector Handbook*, Powell and Steinberg, p. 420.

³¹ Grønbjerg, Kirsten. (2001). “The U.S. Nonprofit Human Service Sector: A Creeping Revolution,” *Nonprofit and Voluntary Sector Quarterly* 2001 30, p. 287. Available at: <http://nvs.sagepub.com/content/30/2/276>

³² Grønbjerg, Kirsten. (2001). “The U.S. Nonprofit Human Service Sector: A Creeping Revolution,” *Nonprofit and Voluntary Sector Quarterly* 2001 30, p. 291, 293. Available at: <http://nvs.sagepub.com/content/30/2/276>.

³³ Smith, Stephen Rathgeb. (2012). Social Services. In Lester M. Salamon (Ed.), *The State of Nonprofit America* (pp. 192-228). Washington, DC: Brookings Institution Press. p. 199.

Indiana exhibited a slightly different trend. Until 2004, social assistance employment grew in both the nonprofit and for-profit sectors; after 2004 for-profit sector employment grew more rapidly while nonprofit employment stagnated and even experienced minor decreases in some years.

This is part of a systemic change in the employment composition of social assistance that began when the state began to test a new administrative system using for-profits to run operations that historically were the domain of nonprofits. For example, the state implemented an automation of welfare transfer payments in 59 of Indiana's 92 counties in 2008. This automation, undertaken by IBM, converted 1,500 public employees of the Family and Social Services Administration (FSSA) to for-profit employees.³⁴ The pattern continued with FSSA finalizing a contract with Chase Bank to consolidate three previously disparate contracts—Electronic Benefit Transfer services, Food Stamps for Needy Families, and subsidized child care—into one for-profit contract.³⁵ Indiana anticipated saving \$24.2 million over four years, to be directly reinvested into child care services. However, these promises of cost-savings didn't materialize and the state cancelled the contract in 2009.

II. EMPLOYMENT

Social assistance employment increased consistently from 1995 through 2009, and overall, social assistance was the second fastest growing nonprofit industry in Indiana during this period. While the majority of social assistance employees worked in nonprofits, the number of for-profit jobs in this industry (particularly the individual and family services sub-industry) increased significantly in recent years.

A. Employment in Social Assistance and Other Indiana Industries

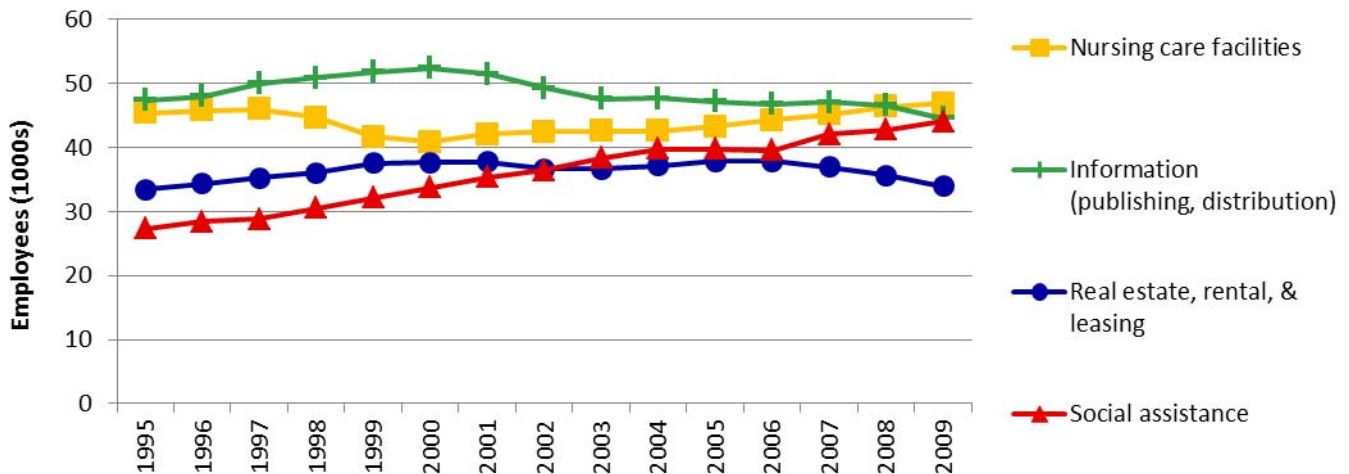
Between 1995 and 2009, social assistance employment grew while overall employment in Indiana declined slightly (down by 8,400 employees to just over 2.7 million employees in total). Moreover, employment in social assistance grew steadily (even during economic recessions) in contrast to comparably-sized industries like nursing care facilities and real estate. Individual and family services largely fueled this growth, while the vocational rehabilitation and child day care sub-industries exerted a lesser influence. Furthermore, while the social assistance industry accounted for only about 1.3 percent of total employment and 0.5 percent of for-profit employment in the state of Indiana, it accounted for about 11 percent of nonprofit employment in the state. The following findings refer to all sectors combined.

³⁴ Opsahl, Andy. (2008, August 4). Indiana Welfare Automation Project Experiences Growing Pains. Accessed June 5, 2012. <http://www.govtech.com/health/Indiana-Welfare-Automation-Project.html>.

³⁵ Chase Lands FSSA Contract. (2008). Accessed June 5, 2012 <http://www.insideindianabusiness.com/newsitem.asp?ID=28772>.

- **Total social assistance employment increased by more than 60 percent from 1995 to 2009** (Figure 1). Comparably-sized industries did not experience such strong and steady growth. Nursing care facilities and real estate employment experienced a less than 10 percent increase over this time period, and information employment (publishing and distribution) decreased.
- **Social assistance employment continued to grow even during recessions.** This could be due in part to increased demand for social assistance due to economic hardship. It also could be a sign of the more recession-resistant, counter-cyclical tendencies of the nonprofit sector, which dominate this industry. In contrast, employment decreased during the recession periods of the early 2000s and in 2007 within the real estate and information industries, which consist largely of for-profit employers with higher sensitivity to cyclical demand.

Figure 1: Employment trends in total social assistance and comparably-sized Indiana industries, 1995–2009



B. Nonprofit Employment in Social Assistance and Other Major Nonprofit Industries in Indiana

The social assistance industry accounted for about 11 percent of nonprofit employment statewide between 1995 and 2009. In the nonprofit sector, social assistance was the second fastest growing major nonprofit industry during this time period, fueling overall nonprofit sector growth. In 2002, social assistance surpassed membership organizations to become the third largest employer of Indiana nonprofit workers, trailing only the education and health services industries. More detailed findings follow in the bullet points below.

- **Social assistance was the second fastest growing nonprofit industry in the state.** Nonprofit employment in the social assistance industry increased by 44 percent between 1995 and 2009 – growing from 19,000 to 27,300 nonprofit employees (Figure 2). Overall nonprofit employment in the state of Indiana grew only 34 percent during the same time period (nonprofit health care employment increased by 35 percent). Only education saw greater nonprofit employment growth, with a 50 percent increase between 1995 and 2009.

- **Social assistance establishments employed between 10 and 12 percent of all nonprofit employees in the state of Indiana each year from 1995 to 2009** (Figure 3). The percentage of Indiana nonprofit employment in all major nonprofit industries remained relatively stable between 1995 and 2009. Membership organizations saw the greatest decline in percentage of state nonprofit employment, falling from 14 percent in 1996 to 11 percent in 2008 and 2009.
- **In 2009, more than 60 percent of social assistance employees worked in the nonprofit sector** (Figure 4). For all years, social assistance had a greater percentage of nonprofit workers than any other industry in Indiana. In comparison, nonprofit employees accounted for 40 percent of Hoosiers employed in health services, 15 percent in arts, entertainment, and recreation, and 13 percent in education jobs in 2009.
- **The percentage of nonprofit workers in social assistance dropped significantly in 2007 and 2008.** Prior to 2007, nonprofits accounted for about 70 percent of employment in this industry, but this dropped to 62 percent by 2009. This could be due to an increased reliance by the state upon for-profit contractors around this time period. By comparison, the percentage of nonprofit workers in education and health services grew over the same time period.

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

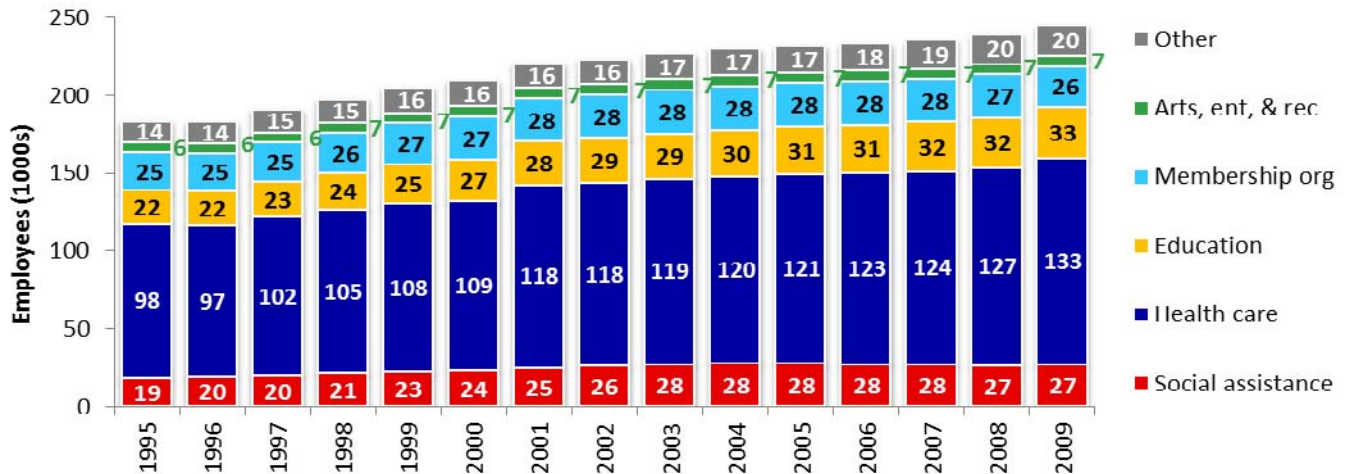


Figure 3: Percentage of total nonprofit employment in major Indiana nonprofit industries, 1995–2009

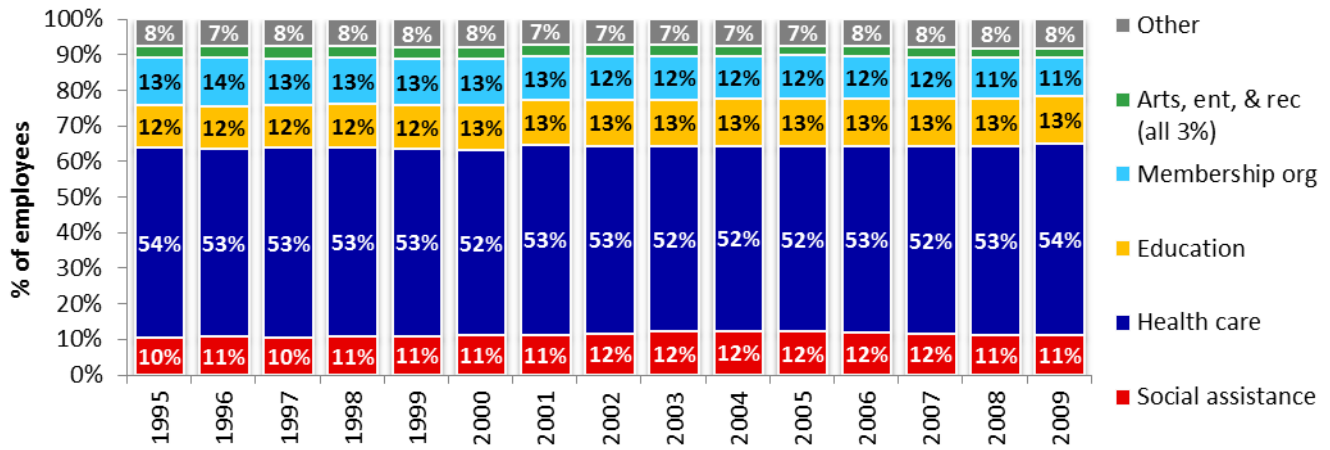
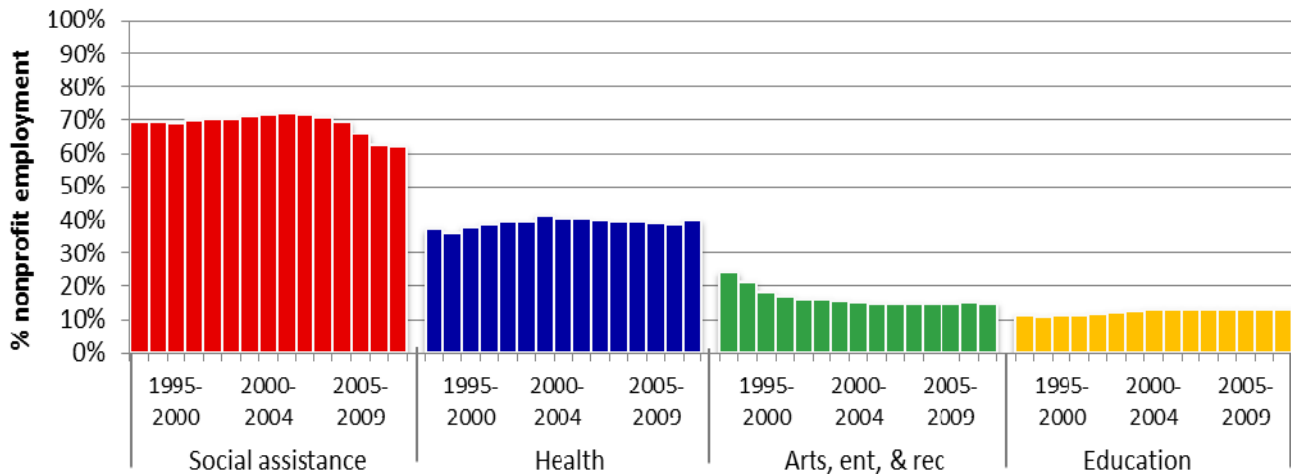
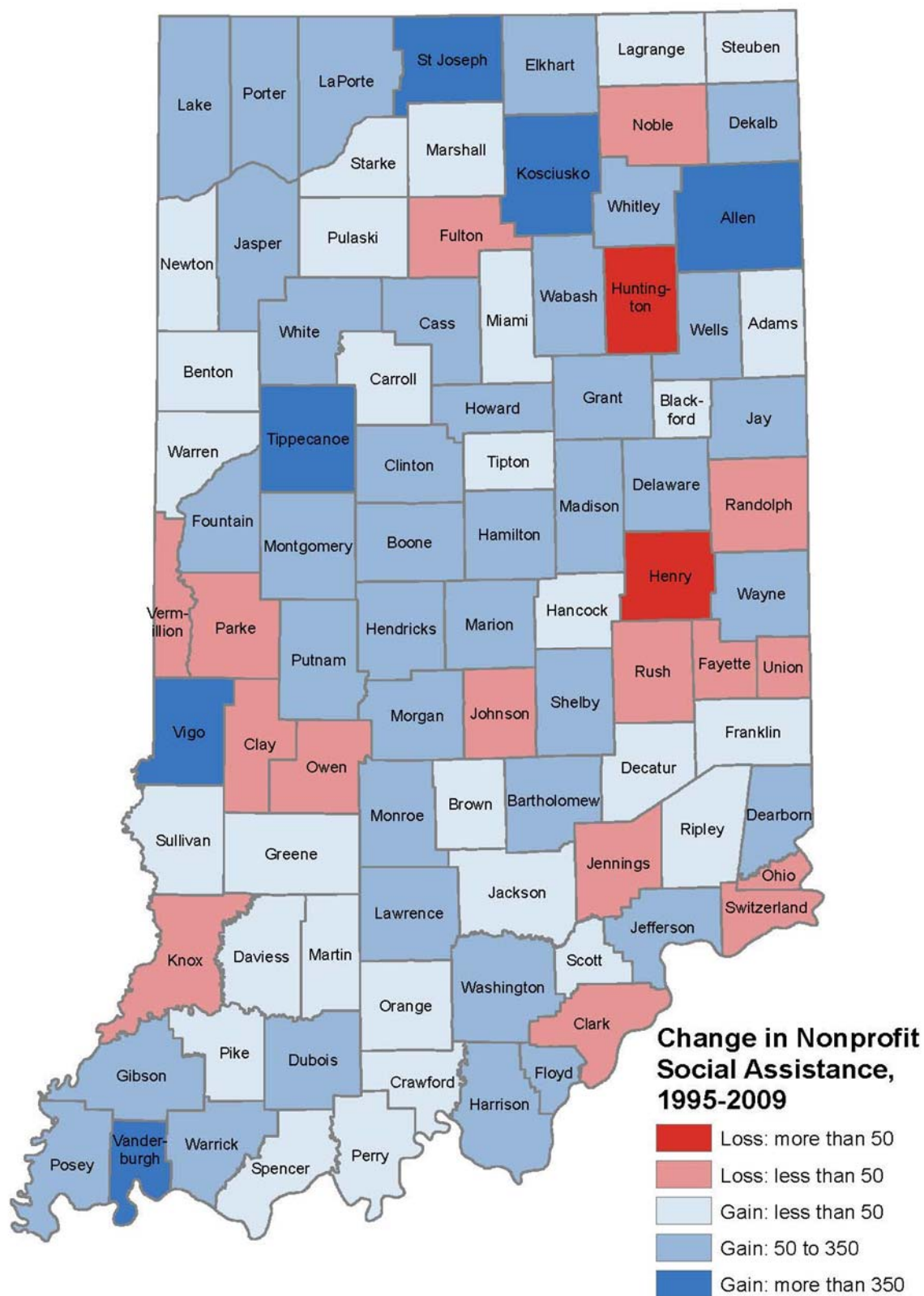


Figure 4: Percentage of industry workers employed by nonprofits, 1995–2009



- Though overall nonprofit social assistance employment increased in Indiana during this time period, the benefits did not accrue evenly among counties (Figure 5). **Huntington and Henry counties both lost more than 50 employees, while Allen, Kosciusko, St. Joseph, Tippecanoe, and Vigo counties all saw increases of at least 350 employees. In Allen, Kosciusko, and Vigo, the gain was over 500 employees.** Of the 92 counties in Indiana, 74 saw an increase in nonprofit social assistance employment, while the remaining 18 had a decrease. In percentage terms, Kosciusko and Warren counties saw the largest increase, both of which increased over 90 percent. Clay and Parke saw the largest percentage decrease, by over 90 and 30 percent respectively.



C. Social Assistance Employment in Nonprofit and For-Profit Sectors

Indiana's social assistance industry grew consistently from 1995 to 2009, though this growth occurred unevenly between the nonprofit and for-profit sectors. While the number of nonprofit employees in the social assistance industry increased by nearly half during this time period, the number of for-profit employees more than doubled. For-profit growth in the individual and family services sub-industry contributed most substantially to this overall for-profit social assistance growth, potentially due in part to state contracts with IBM and other for-profit providers. Most of this growth occurred between 2006 and 2009 and resulted in nonprofits' decreasing share of all social assistance employment. Below are our findings in more detail.

- **Between 1995 and 2009, nonprofit social assistance employment grew 44 percent from 19,000 to 27,300 employees; meanwhile, for-profit employment more than doubled from 8,200 employees in 2006 to 16,600 in 2009** (Figure 6). Nonprofit employment growth was largely fueled by growth in the individual and family services sub-industry and, to a lesser extent, the vocational rehabilitation services sub-industry. The greatest growth in nonprofit employment occurred steadily and gradually from 20,000 workers in 1997 to 28,300 in 2004. After 2005, nonprofit employment began to decline while for-profit employment began to grow substantially. The sizeable increase in for-profit social assistance employees is most likely due to a contractual agreement between the Indiana Family and Social Services Administration (FSSA) and Affiliated Computer Services, Inc. (IBM Corp.) for the automation of the Indiana welfare system. The state cancelled its contract with this company in late 2009.³⁶
- **The percentage of social assistance employees working in nonprofit organizations relative to for-profits began to decrease in 2005** (Figure 7). After remaining relatively stable from 1995 to 2001, the share of nonprofit employment in social assistance declined from a peak of 72 percent (2002-2004) to a low of 62 percent (2009), with the greatest change occurring between 2007 and 2009. For-profit employment increased from a low of 28 percent (2002-2004) to 38 percent of all private sector social assistance employees by 2009. This change reflects the disproportionate growth in the number of for-profit employees, while nonprofit employment stagnated.
- **The largest single-year change in nonprofit social assistance employment, an increase of 7 percent, occurred from 1997-1998** (Figure 8). This change is likely a result of the 1996 welfare reform which shifted public funding from cash assistance to financing services aimed at facilitating the employment of welfare recipients.³⁷ The largest single-year change in for-profit social assistance employment, in contrast, occurred from 2006-2007 when this sector experienced a 21 percent increase in employment (from 11,900 to 14,400 employees). As noted above, this was the start of the FSSA contract with IBM Corp.

³⁶ Hoover, Nicholas. (2009, October 19). Indiana Cancels \$1.3 Billion IBM Contract. Accessed June 15, 2012. <http://www.informationweek.com/news/government/state-local/220700151>

³⁷ Smith, Stephen Rathgeb. (2012). Social Services. In Lester M. Salamon (Ed.), *The State of Nonprofit America* (pp. 192-228). Washington, DC: Brookings Institution Press. p. 192

Figure 6: Annual number of private sector social assistance employees, 1995–2009

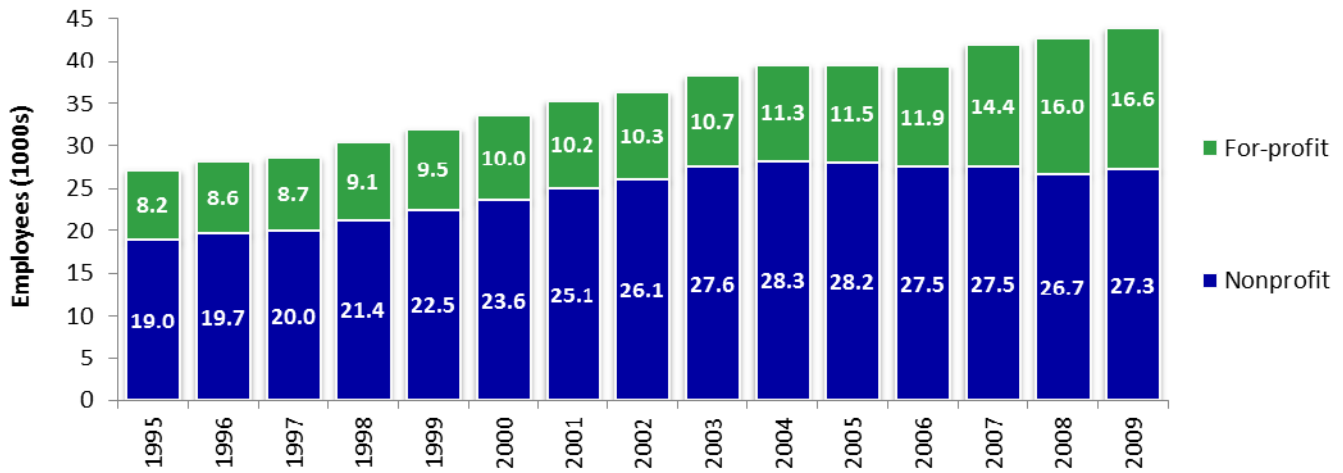


Figure 7: Percentage of private sector social assistance employment, 1995–2009

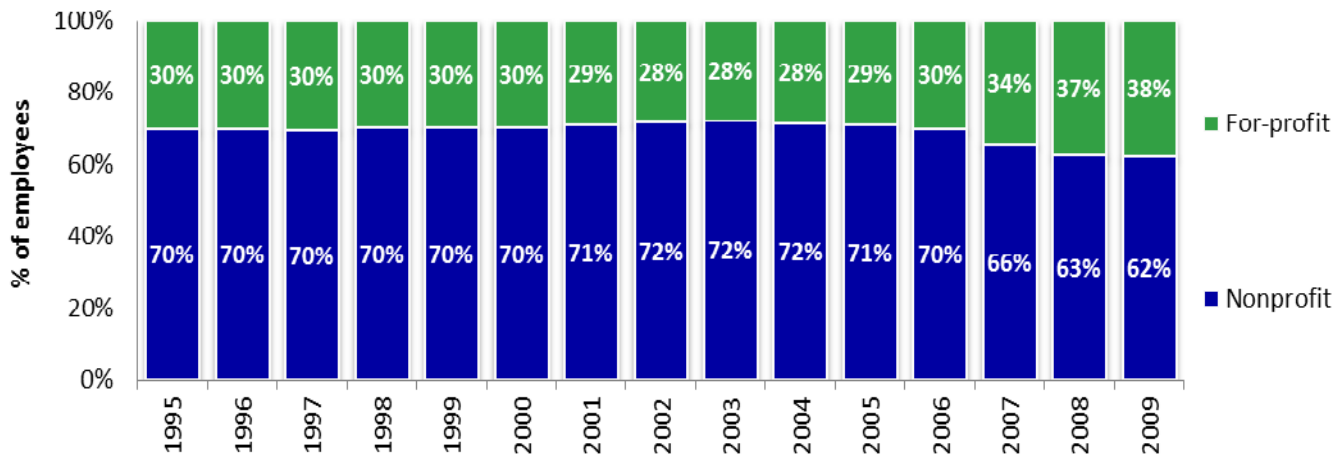
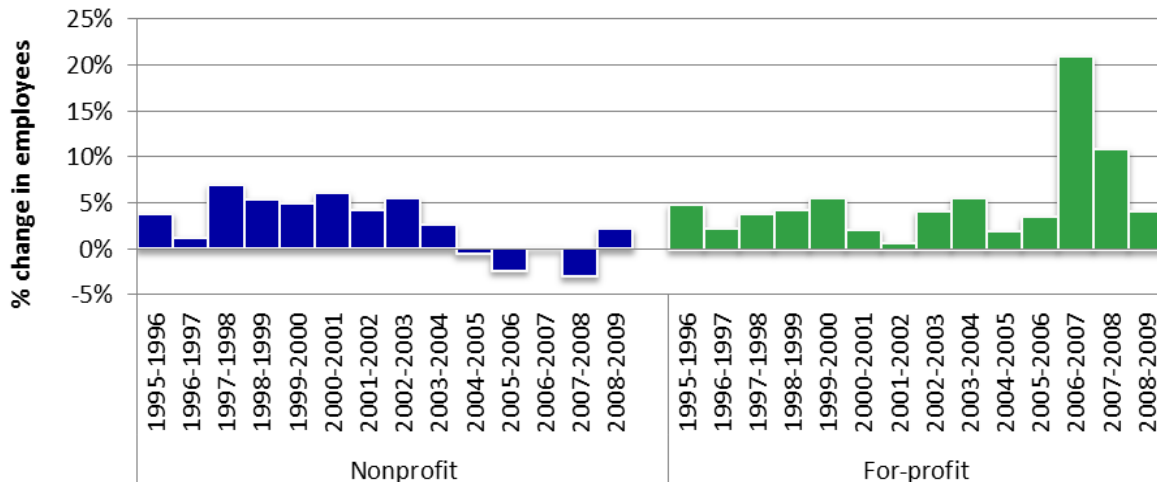


Figure 8: Annual percentage change in private sector social assistance employment, 1995–2009



D. Employment in Specific Social Assistance Sub-Industries

Social assistance sub-industries had vastly different growth patterns over the time frame of our study. Overall, vocational rehabilitation and individual and family services sub-industries grew at a much greater absolute pace than child day care services and relief services. Comparing total social assistance employment in the private sector to only nonprofit employment in the industry, it is clear that nonprofits provide the majority of employment for most of the social assistance sub-industries. This holds true even when looking at the nonprofit share of total workers in each sub-industry.

- **With 17,000 employees in Indiana's private sector, individual and family services was the largest social assistance sub-industry as of 2009** (Figure 9). It was followed by vocational rehabilitation services (13,400 employees), child day care services (11,600 employees), and relief services (only 1,900 employees). It is likely that relief services relied more on volunteer labor due to its unpredictable and inconsistent work load. It could also be in part to relief services being one of the fields in which religious congregations are most heavily involved,³⁸ thereby reducing somewhat the need for paid employees, and embedding relief services within the activities of another, non-filing, nonprofit organization.
- **By 2009, the three largest private sector social assistance sub-industries had reversed order in size since 1995** (Figure 9). The largest social assistance sub-industry in 1995 was child day care services, followed closely by vocational rehabilitation, and individual and family services. By 2009, these rankings reversed in order and individual and family services became the largest social assistance sub-industry. These three sub-industries employed similar numbers of workers in 2002 (between 11,200 and 11,900), after which point employment in individual and family services increased substantially while employment in vocational rehabilitation services increased only slightly. The number of child care employees remained relatively constant from 2002 through 2009.
- **Individual and family services saw the greatest gains in sub-industry employment, with an increase from 7,600 employees in 1995 to 17,000 in 2009, growing more than 120 percent** (Figure 9). During the same time period, vocational rehabilitation services experienced the second largest increase in employment from 8,600 to 13,400 employees, or about 56 percent. Both the child day care services and relief services sub-industries saw relatively smaller increases in employment between 1995 and 2009 of 22 and 27 percent respectively.
- **Nonprofit employment in vocational rehabilitation grew faster in absolute terms, but relief services had the largest percentage growth** (Figure 10). Vocational rehabilitation grew by around 3,700 employees over this study's time period, an increase of 48 percent. However, the small base of

³⁸ At the national level, almost all (93 percent) of congregations reported (in 2007-8) that members of the congregation volunteer for the congregation's social service projects; about half of congregations are involved in some type of food program, such as feeding the hungry, working in soup kitchens, etc.; 20 percent have some type of clothing program, and 15 percent serve the homeless in some capacity. Chaves, Mark, Shawna Anderson & Jason Byassee (2009). *National Congregations Study: American Congregations at the Beginning of the 21st Century*. Duke University, pp. 12, 25. Online at <http://www.soc.duke.edu/natcongl/> (retrieved June 25, 2012).

relief services meant its growth of nearly 700 employees created the largest percentage change of the four sub-industries. Child day care had the lowest growth by both absolute number and percentage terms.

- **The concentrations of sub-industries in nonprofit social assistance employment remained relatively stable over time.** Only child day care services decreased overall relative to other sub-industries, comprising 15 percent of all nonprofit social assistance employment in 2009, down from 20 percent in 1995. Vocational rehabilitation maintained the largest concentration of employment, followed by individual and family services, child day care, and lastly, relief services.
- **Between 1995 and 2009, nonprofit employees as a percentage of total relief services employment increased consistently** (Figure 11). Meanwhile, the nonprofit share of total employment decreased gradually in individual and family services, and remained relatively constant in both vocational rehabilitation services and child day care services.

Figure 9: Private sector social assistance employment by sub-industry, 1995–2009

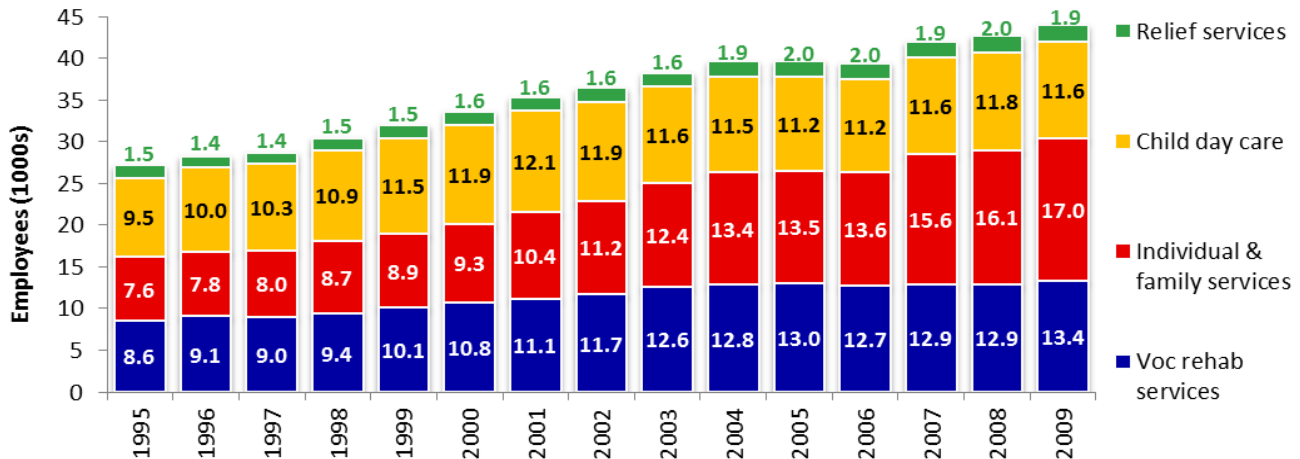


Figure 10: Nonprofit social assistance employment by sub-industry, 1995–2009

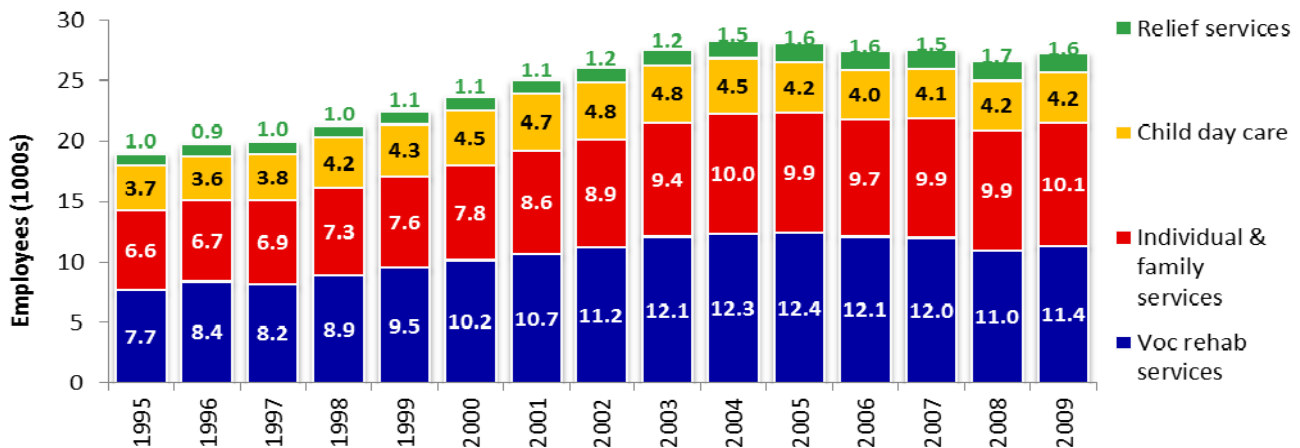
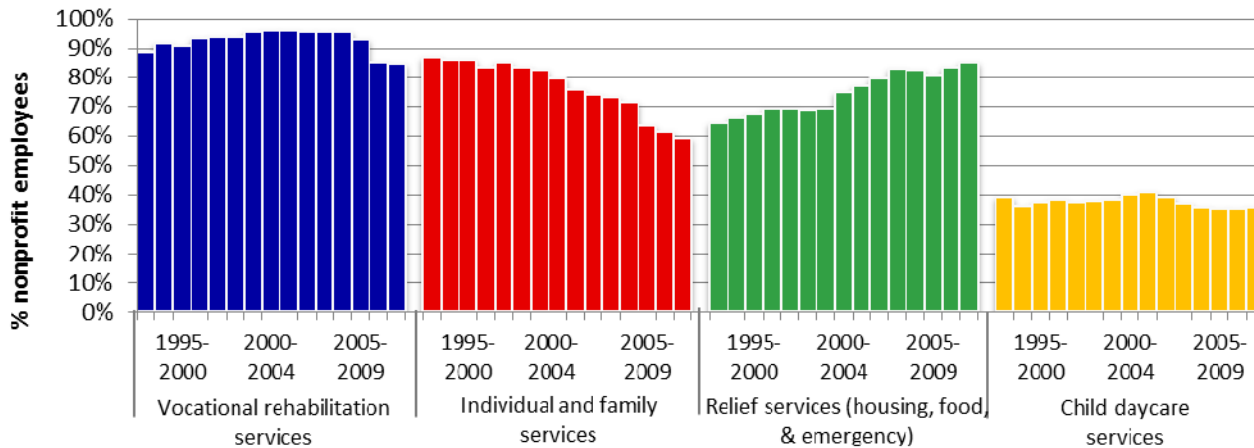


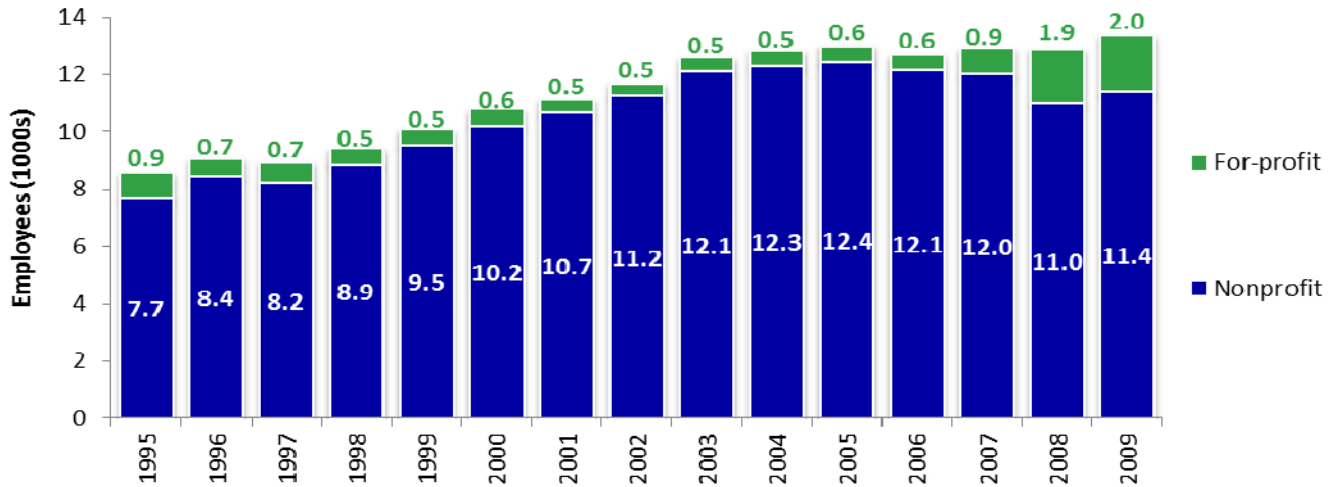
Figure 11: Percentage of sub-industry workers employed by nonprofits, 1995–2009



1. Vocational Rehabilitation Services

- Overall, nonprofit employment in vocational rehabilitation services increased by 48 percent between 1995 and 2009, from about 7,700 to 11,400 employees** (Figure 12). Meanwhile, for-profit employment increased by more than 125 percent. This large increase in for-profit employment is exaggerated, however, due to the small base of for-profit vocational rehabilitation services employees, up from only about 900 in 1995 to 2,000 in 2009. These increases may be due to massive changes in federal policy during the time period. The Personal Responsibility and Work Opportunity Act (1996) and the Work Investment Act (1998) changed welfare cash assistance to a block grant program which allowed states much greater control of program administration. These laws also mandated that those receiving cash assistance and food stamps find at least part time work and/or participate in job training programs. These developments are likely major contributing factors to the 56 percent increase in vocational rehabilitation services employment between 1995 and 2009.
- The number of nonprofit employees in vocational rehabilitation services peaked in 2005 at 12,400**, then decreased to 11,000 in 2008, before rising again slightly to 11,400 in 2009 (Figure 12). At the same time, for-profit vocational rehabilitation services employment grew from 600 to 1,900 employees between 2005 and 2008, adding nearly as many employees as the nonprofit sector lost. The increase in for-profit employment might be associated with the incorporation of Votech Rehab in 2008 and the founding of other similar for-profit service providers.
- Nonprofit vocational rehabilitation services saw relatively small but steady employment gains in nearly all years through 2005 before experiencing small decreases at the end of the time period.** Conversely, for-profit vocational rehabilitation services employment was more volatile, decreasing by as much as 30 percent in a single year and increasing 63 and 109 percent in 2007 and 2008 respectively.

Figure 12: Private sector vocational rehabilitation employment, 1995–2009



2. Individual and Family Services

- The number of nonprofit individual and family services sub-industry employees increased over 50 percent from 6,600 in 1995 to 10,100 in 2009 (Figure 13). However, this increase was far outpaced by growth in the for-profit sector, which increased nearly seven-fold from 1,000 employees in 1995 to 6,900 by 2009.
- Nonprofit employment in individual and family services generally increased by small annual increments, with the largest annual change of 10 percent occurring between 2000 and 2001 (Figure 14). In contrast, for-profit employment increased much more sharply, with many annual changes above 15 percent and the largest increase of 46 percent occurring between 2006 and 2007. Again, this large increase in for-profit employment is most likely due to the state directing more contracts to for-profit firms.

Figure 13: Private sector individual and family services employment, 1995–2009

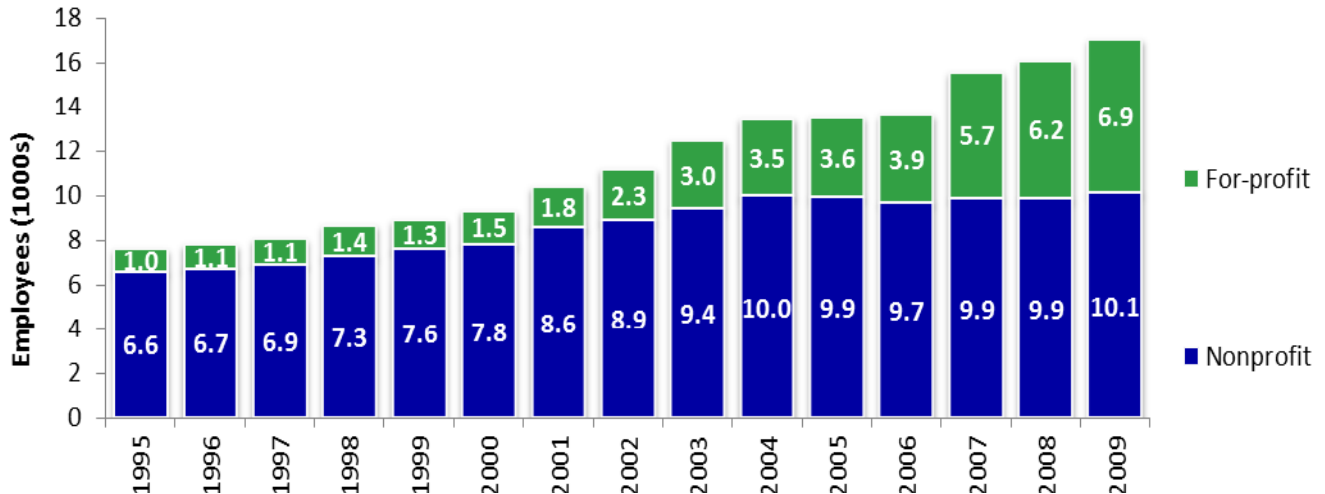
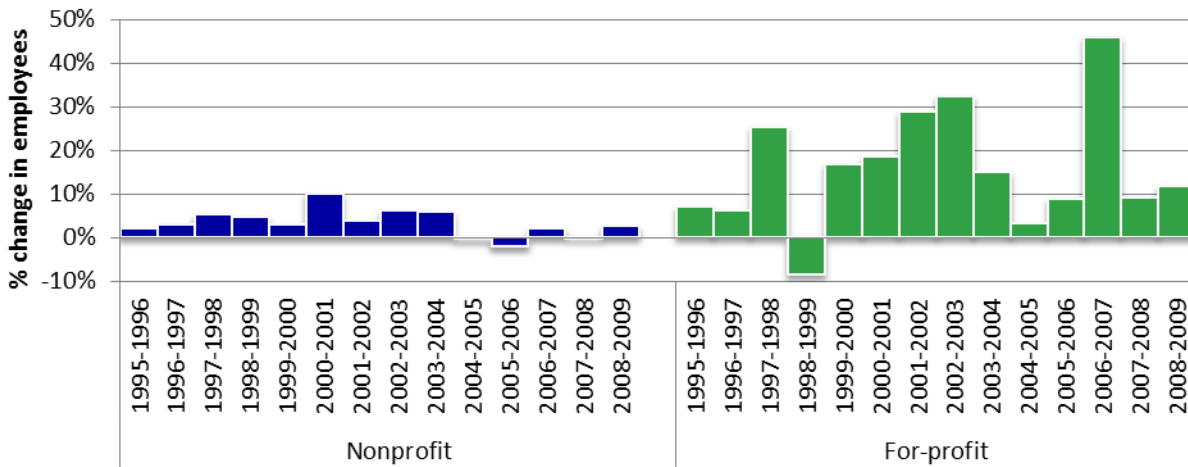


Figure 14: Annual percentage change in private sector individual and family services employment, 1995–2009



3. Child Day Care Services

- The number of nonprofit child day care services employees grew from 3,700 in 1995 to 4,200 in 2009, an overall increase of 12 percent (Figure 15). Meanwhile, for-profit child day care services employment grew from 5,800 employees in 1995 to 7,500 employees in 2009, an overall increase of 29 percent. Both sectors experienced fluctuations during the interim years, with nonprofit child day care services employment peaking at 4,800 in 2003.
- During the recession in 2001-2003 nonprofits experienced moderate growth, while for-profits lost 5 percent of employment each year (Figure 16). This could indicate that child day care services employment in nonprofit organizations are more resistant to economic recessions.
- Nonprofit child day care services employment increased most significantly from 1996 to 2003, then lost employees until 2006 before exhibiting employment gains through 2009. For-profit employment experienced a greater number of positive yearly changes during the period, with decreases only from 2001-2003 and 2008-2009, further suggesting that nonprofit day care establishments are more recession-proof than their for-profit counterparts.

Figure 15: Private sector child day care services employment, 1995–2009

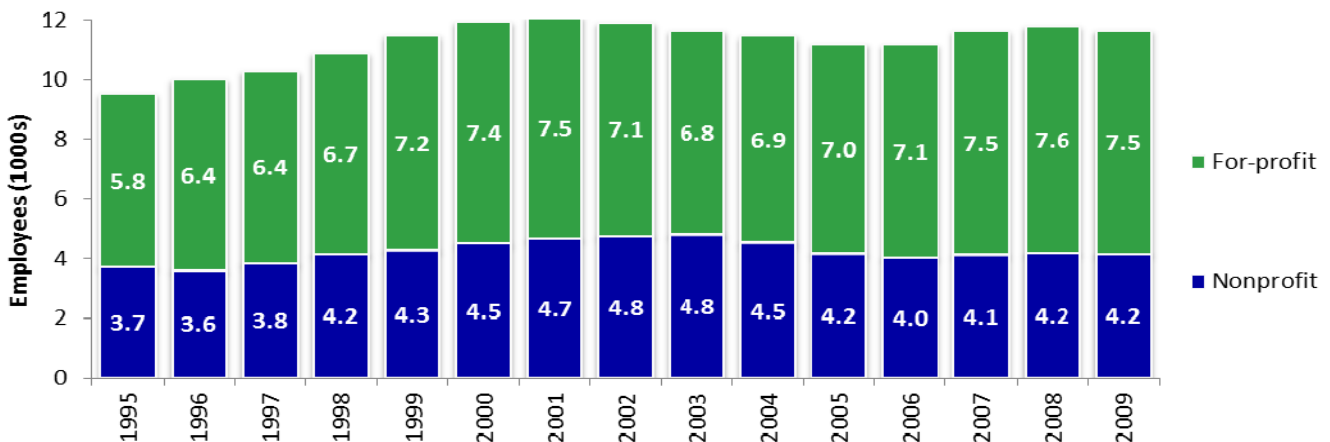
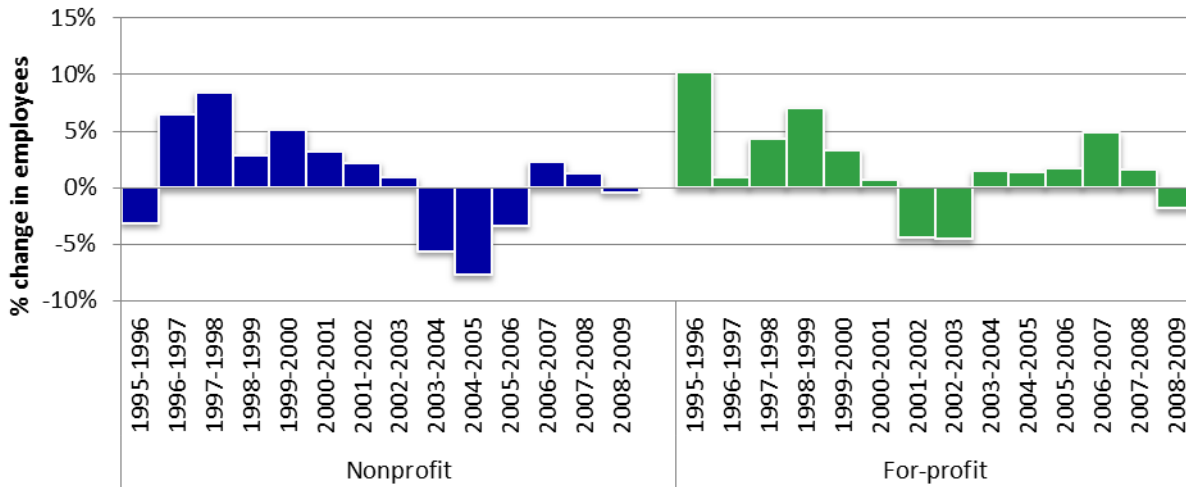


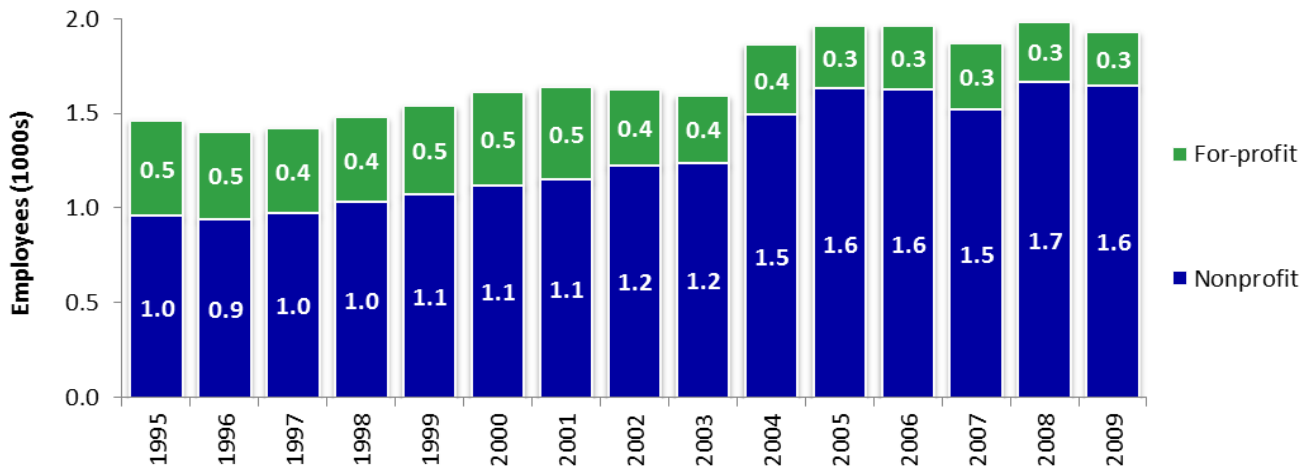
Figure 16: Annual percentage change in private sector child day care services employment, 1995–2009



4. Community Food and Housing, and Emergency and Other Relief Services

- **Nonprofit employment in relief services grew from 1,000 employees in 1995 to 1,600 in 2009**, while for-profit sector employment declined slightly from 500 to 300 employees over the same period (Figure 17). With just 1,900 total private sector employees in 2009, the relief services industry was easily the smallest social assistance sub-industry during this time period. As noted earlier, the small number of employees might reflect a higher reliance on volunteers.
- **Nonprofit employees accounted for 65 percent of private sector employment in relief services in 1995, increasing to 85 percent by 2009.** Notably, the increasing nonprofit employment in relief services runs contrary to the trend of growing for-profit employment in the overall social assistance industry and the other social assistance sub-industries during this time period.
- **Nonprofit relief services employment experienced annual increases in most years between 1995 and 2009** (Figure 17). Nonprofit employment experienced the largest annual increase from 2003-2004, growing more than 20 percent, with increases of 5 to 10 percent occurring in several years. By contrast, for-profit employment experienced decreases of up to 19 percent and few notable increases during this time period, albeit from a small base.

Figure 17: Private sector relief services employment, 1995–2009



III. ESTABLISHMENTS

While nonprofit employees outnumbered for-profit employees in the social assistance industry between 1995 and 2009, the number of establishments was more evenly balanced between the two sectors, indicating that nonprofit establishments on average employed more workers than for-profit establishments.

A. Establishments in Social Assistance and Other Comparable Indiana Industries

From 1995 to 2009, total social assistance establishments grew faster than any of the other comparably-sized industries. However, this growth was less than the rate at which employment grew (Figure 1, page 13), indicating that the average establishment size in social assistance grew as well, although only moderately.

- **Relative to comparably-sized industries, social assistance saw the largest growth (29 percent) in number of establishments** (Figure 18). In contrast, the information industry increased 12 percent, while both real estate and nursing care facilities decreased by 5 and 8 percent respectively. The increase in social assistance establishments mirrors the large growth (62 percent) in social assistance employment since 1995. The number of total establishments increased nearly 30 percent, from over 1,800 in 1995 to nearly 2,400 in 2009.
- **The size of social assistance establishments remained steady or grew slightly each year from 1995 to 2009, employing an average of 15 to 18 employees per establishment** (Figure 19). This was despite changes in government social assistance funding and large growth in social assistance employment. By 2009, with its steady increase in establishment size, social assistance nearly surpassed the average establishment size of the information industry.

Figure 18: Number of total establishments in social assistance and comparable Indiana industries, 1995–2009

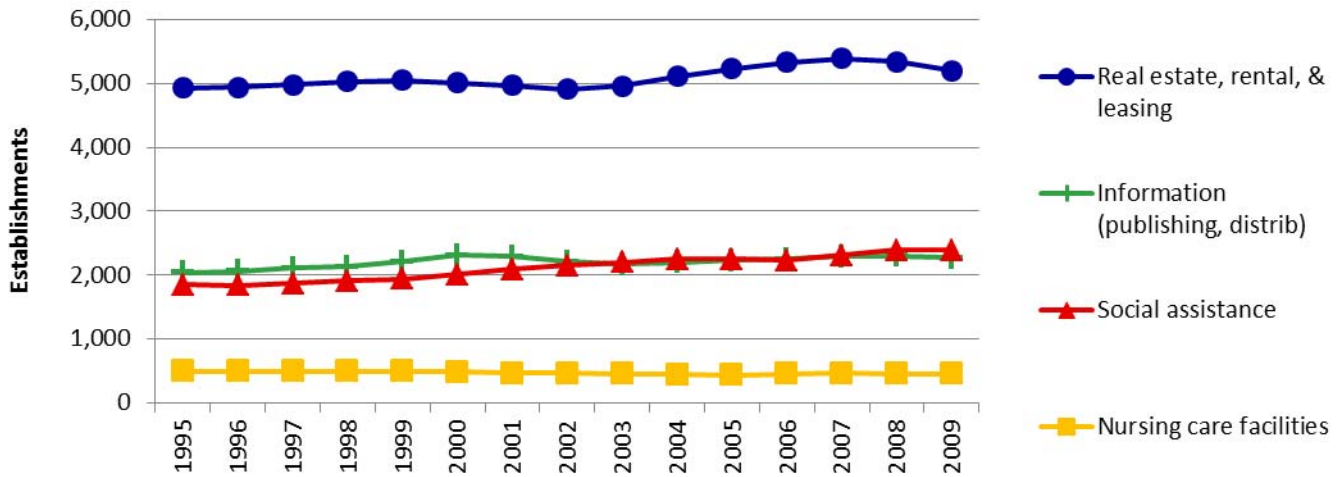
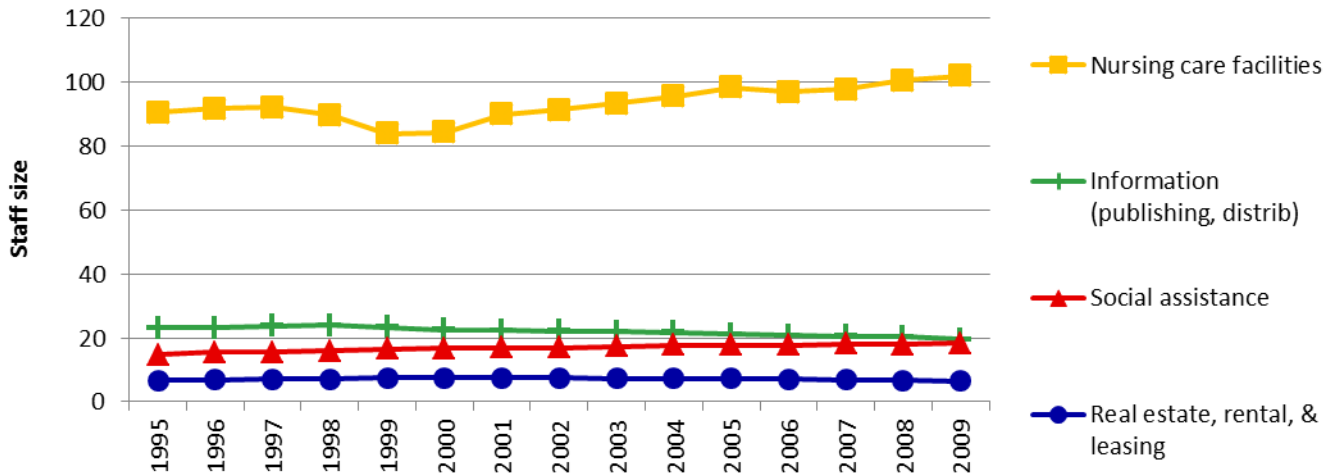


Figure 19: Average establishment size of total social assistance and comparable Indiana industries, 1995–2009



B. Nonprofit Establishments in Social Assistance and Other Major Nonprofit Industries in Indiana

The number of nonprofit social assistance establishments in Indiana between 1995 and 2009 was slightly larger than the number of nonprofit health care establishments during the same time period. Membership organizations were the only major nonprofit industry that had more nonprofit establishments than social assistance.

- The number of nonprofit social assistance establishments increased 30 percent overall, from nearly 900 in 1995 to 1,100 in 2009 (Figure 20). This percentage growth in nonprofit social assistance establishments was nearly identical to the growth in total private sector social assistance establishments.
- By 2003, social assistance had grown to account for nearly 20 percent of all nonprofit establishments in Indiana, up from 15 percent in 1995-1996 (Figure 21). The industry remained a substantial

force through the end of the time period. Health care accounted for only 14 percent of all nonprofit establishments, while education accounted for a small but increasing percentage.

- **The size of nonprofit social assistance establishments remained relatively stable from 1995 to 2009**, increasing from nearly 22 employees per establishment in 1995 to 24 employees per establishment in 2009 (Figure 22). The size of social assistance establishments more closely approximated the size of establishments in membership organizations (9 to 10 employees per establishment) and the arts, entertainment, and recreation industry (between 25-28 employees per establishment) than those in the larger nonprofit industries of health care (118 to 135 employees per establishment) and education (100 to 130 employees per establishment). The education industry saw a nearly 20 percent overall decline in nonprofit average establishment size, falling from over 120 employees per establishment in 1995 to just under 100 employees per establishment in 2009. Meanwhile, average establishment size in health care grew from 127 to 135 employees.

Figure 20: Nonprofit establishments in major nonprofit industries, 1995–2009

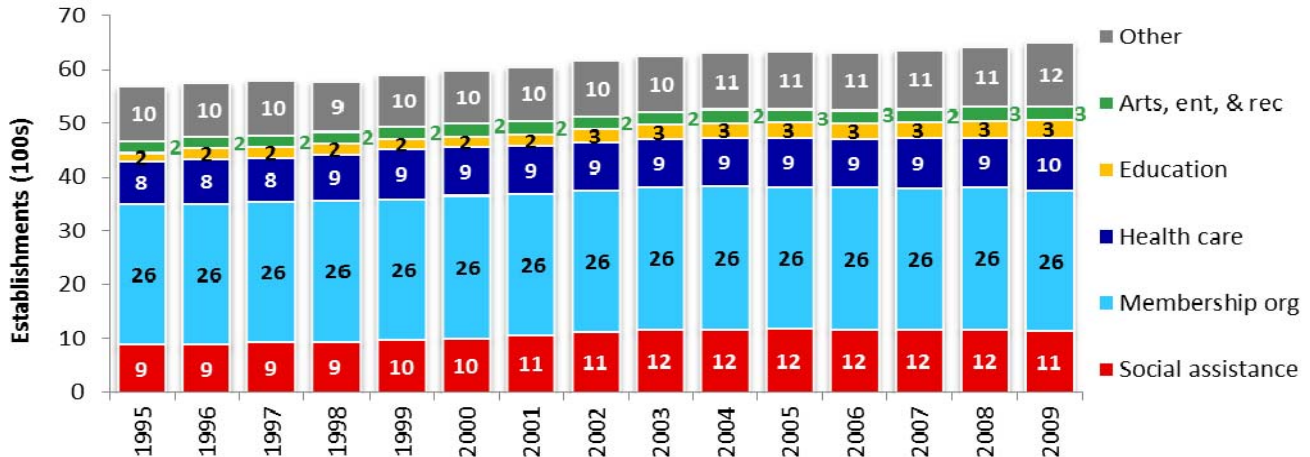


Figure 21: Percentage of total nonprofit establishments in major Indiana nonprofit industries, 1995–2009

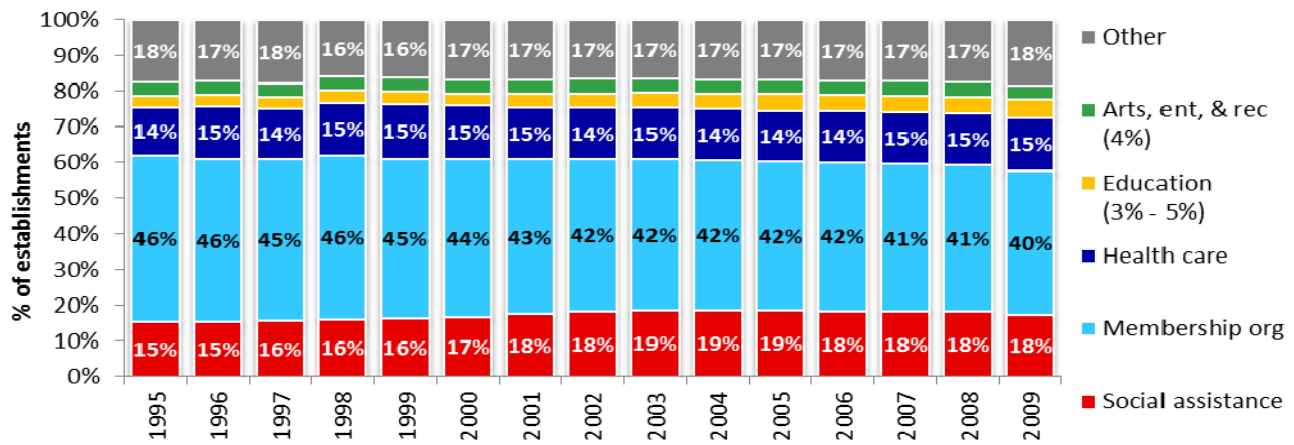
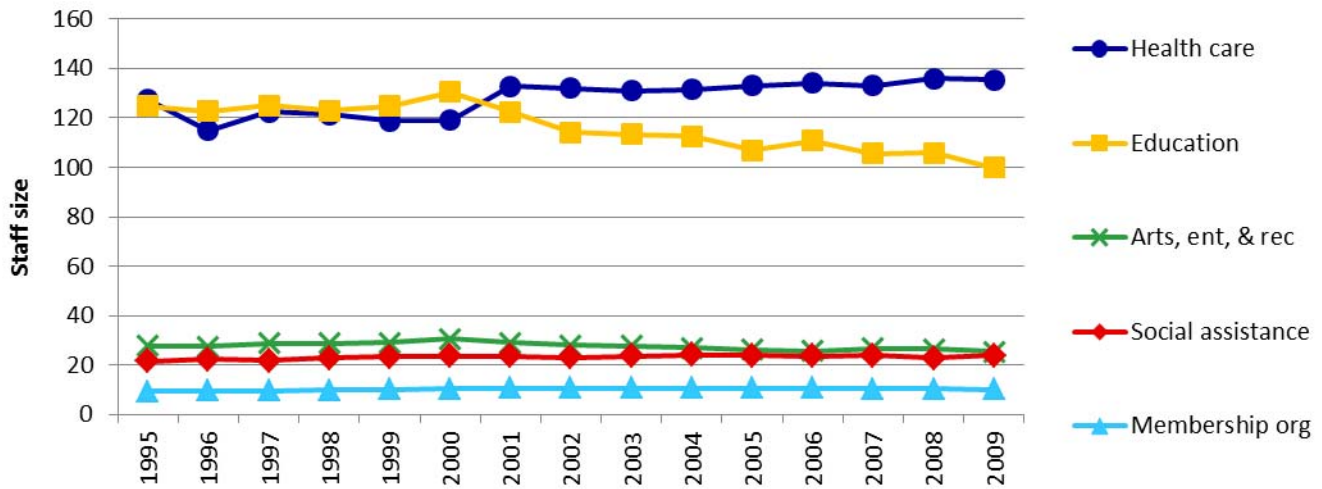


Figure 22: Average nonprofit establishment size in major nonprofit industries, 1995–2009



C. Social Assistance Establishments in Nonprofit and For-Profit Sectors

Over the 1995 to 2009 time period, the number of both nonprofit and for-profit social assistance establishments increased by one-third. Additionally, the nonprofit sector consistently employed more workers per establishment than the for-profit sector. Both sectors remained relatively stable in terms of establishment size between 1995 and 2009. We elaborate on our findings below.

- **From 1995 to 2009, the number of nonprofit social assistance establishments increased 30 percent overall**, about the same as the overall increase of for-profit establishments (29 percent) (Figure 23). The nonprofit and for-profit sectors exhibited slightly counter-cyclical trends in number of establishments from 1995 to 2009. Between 1995 and 2003, the number of nonprofit social assistance establishments grew more than their for-profit counterparts.
- **Overall, the number of establishments was relatively evenly split between nonprofits and for-profits.** Nonprofit establishments made up 48 to 53 percent of private sector social assistance establishments, with for-profit establishments accounting for the rest. The greatest difference in the number of nonprofit and for-profit establishments occurred in 2003, when nonprofit establishments exceeded for-profit establishments in Indiana by over 150. By 2008, for-profit establishments exceeded the number of nonprofit establishments by 40, a trend that continued through 2009.
- **The average size of nonprofit social assistance establishments was more than double that of for-profit social assistance establishments** (Figure 24). Average nonprofit social assistance establishment size remained fairly stable from 1995 to 2009, increasing from nearly 22 employees per establishment in 1995 to 24 employees per establishment in 2009. Average for-profit social assistance establishment size increased 58 percent over the same time period, from fewer than 9 employees per establishment in 1995 to an average of over 13 employees per establishment in 2009.

Figure 23: Number of private sector social assistance establishments, 1995–2009

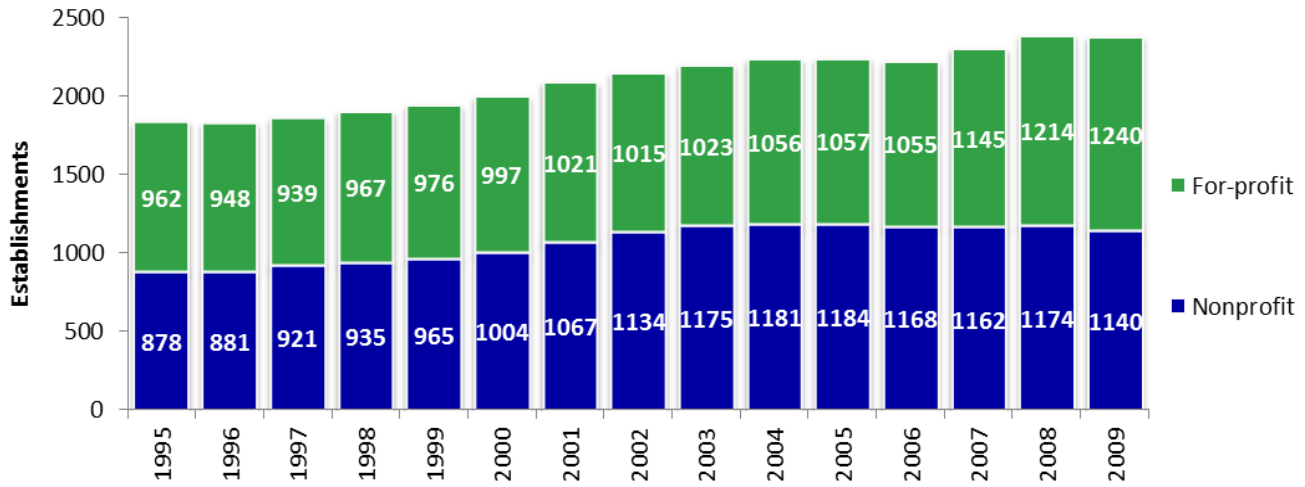
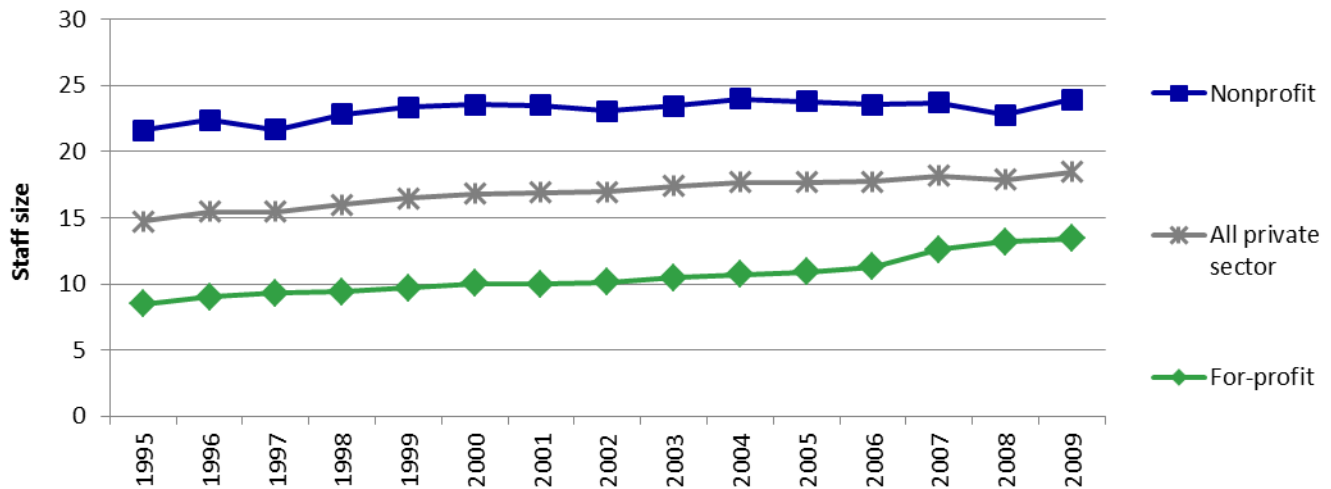


Figure 24: Average private sector social assistance establishment size, 1995–2009



D. Establishments in Specific Social Assistance Sub-Industries

Between 1995 and 2009, the child day care services sub-industry led the social assistance industry in number of private sector establishments, although individual and family services showed significant growth during this time period as well. Even though child day care services constituted the greatest number of overall private social assistance establishments, this sub-industry employed far fewer workers per establishment than individual and family services and vocational rehabilitation. Also noteworthy is that establishments in vocational rehabilitation services were double to triple the size of the other sub-industries during this period for both the private sector as a whole and amongst nonprofits. We first expand upon our overall private and nonprofit sector findings. Following that will be a discussion including nonprofit and for-profit comparisons for each sub-industry in more depth.

- **The growth of nonprofit social assistance establishments was led by growth in the number of individual and family services and child day care services establishments** (Figure 26). The number of establishments in vocational rehabilitation services and relief services remained relatively constant; but nonprofit establishments in individual and family services increased 46 percent, from around 340 establishments in 1995 to 490 in 2009, and child day care services increased 43 percent, from 230 to 330.
- **Establishments in nearly all social assistance sub-industries from 1995 to 2009 were dominated by the nonprofit sector** (Figure 25), with the exception of child day care services where only 30 percent of establishments were nonprofit. The percentage of nonprofit establishments in relief services increased from nearly 60 percent in 1995 to over 80 percent in 2009, while individual and family services exhibited a significant decline in terms of percentage of nonprofit establishments over the same years (from over 80 percent in 1995 to just over 60 percent in 2009).
- **Nonprofit reduction in vocational rehabilitation and child day care services establishment size was compensated for by gains in the for-profit sector** (Figure 27, Figure 28). The average size of nonprofit establishments in vocational rehabilitation decreased slightly in 2008, from 55 to 53 employees per establishment. This loss was not reflected in the total private sector because the average size of the relatively few for-profit establishments increased from 44 to 82 employees. Nonprofit child day care employment also contracted from 16 to 13 employees per establishment. This loss was again mostly compensated for by growth in the for-profit sector, which rose from 8 to 10 employees per establishment.

Figure 25: Private sector social assistance establishments by sub-industry, 1995-2009

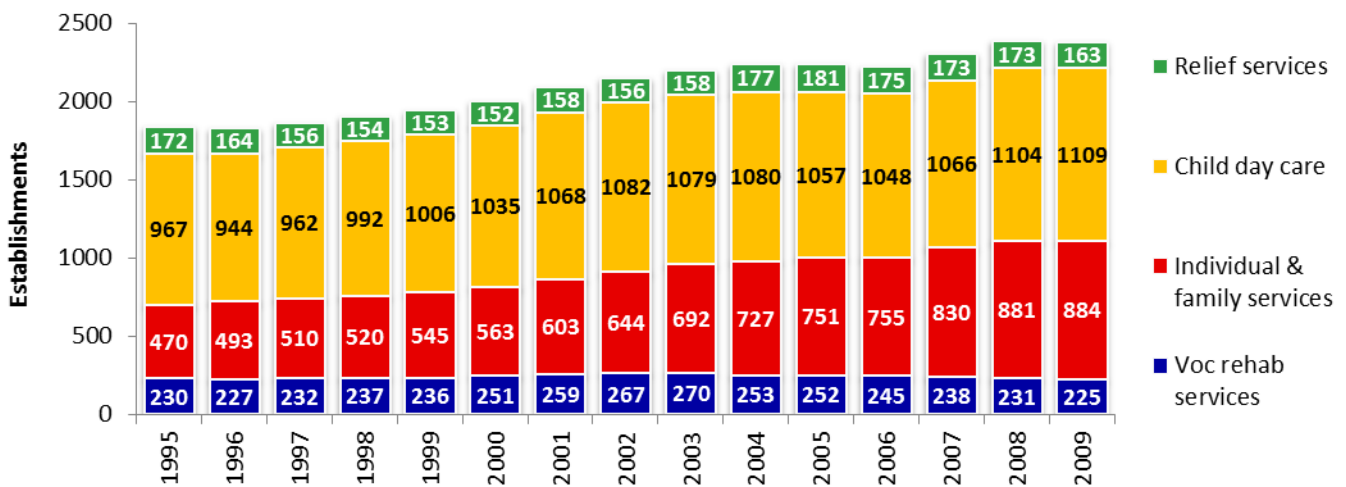


Figure 26: Nonprofit social assistance establishments by sub-industry, 1995–2009

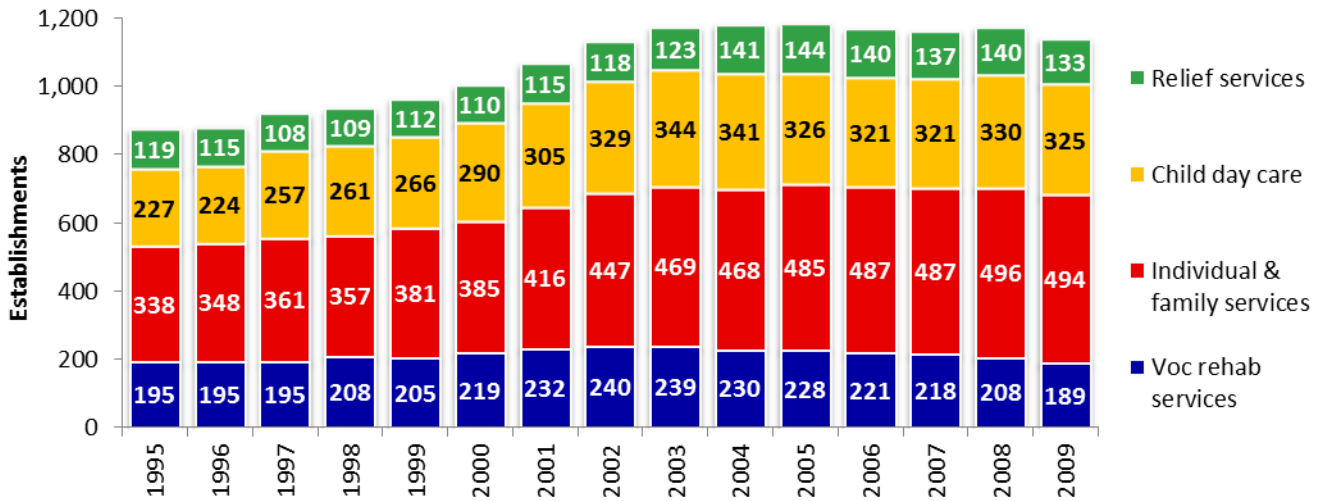


Figure 27: Private sector social assistance establishment size by sub-industry, 1995–2009

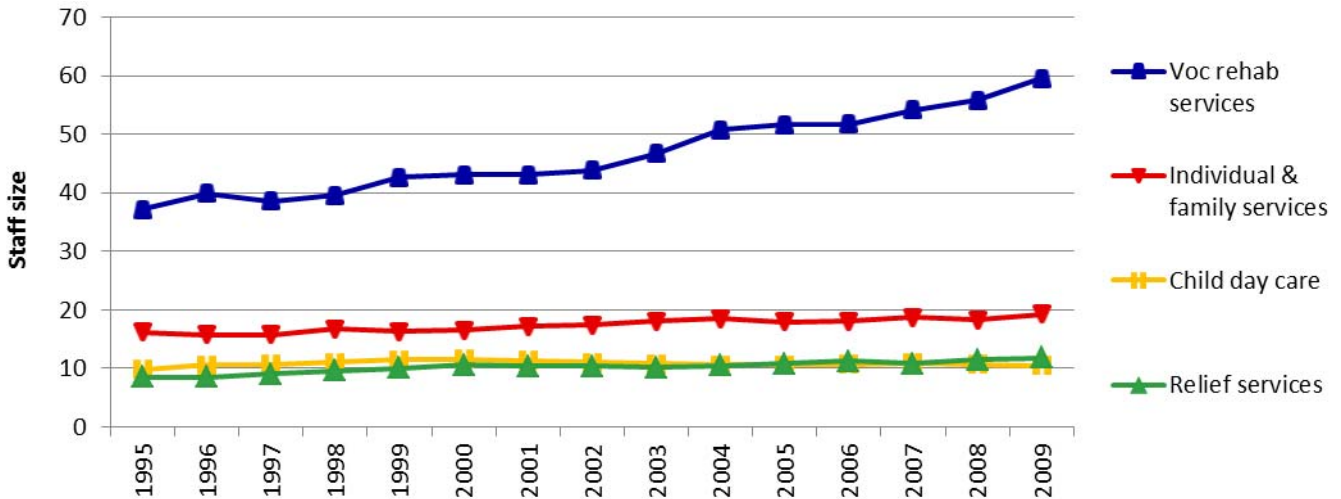
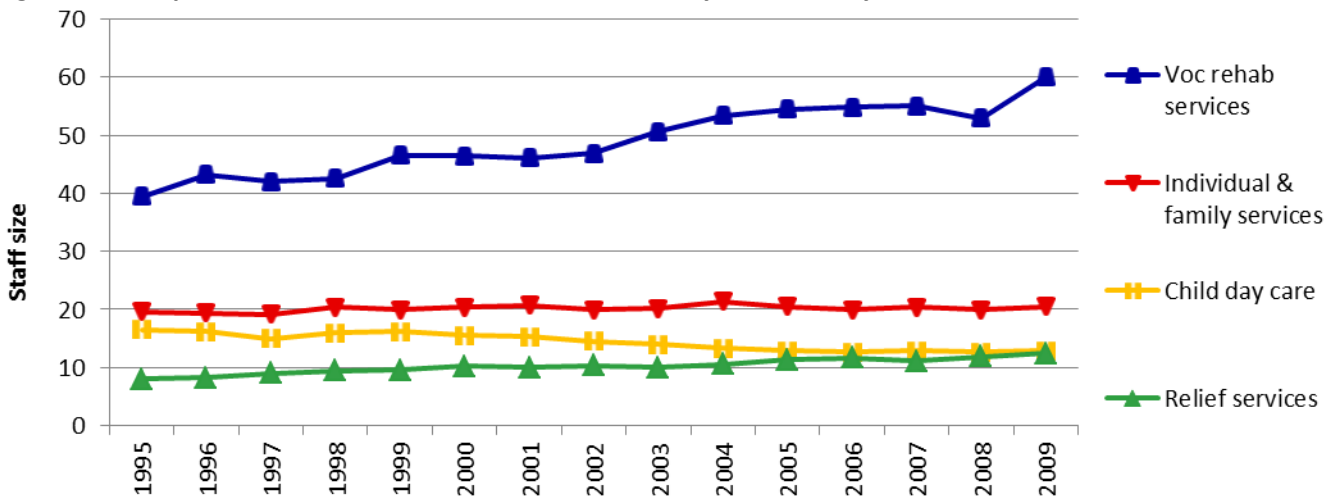


Figure 28: Nonprofit social assistance establishment size by sub-industry, 1995–2009



1. Vocational Rehabilitation Services

- **Between 1995 and 2009, most vocational rehabilitation establishments were nonprofits** (Figure 29). The nonprofit sector increased in number of vocational rehabilitation services establishments from 1995 until 2002. After 2002, many of these establishments began to close their doors or restructure, although this resulted in only a 3 percent overall decrease in number of nonprofit establishments from 1995 to 2009.
- **The size of nonprofit vocational rehabilitation establishments grew more consistently than for-profit establishments, from 39 workers per establishment in 1995 to 60 in 2009** (Figure 30). The average number of employees per for-profit establishment spiked dramatically between 2006 and 2008, peaking at just over 80 employees per establishment in 2008, a 260 percent increase from 2006. The for-profit sector then experienced a sharp drop in establishment size in 2009, declining to just under 60 employees per establishment.

Figure 29: Number of private sector vocational rehabilitation services establishments, 1995–2009

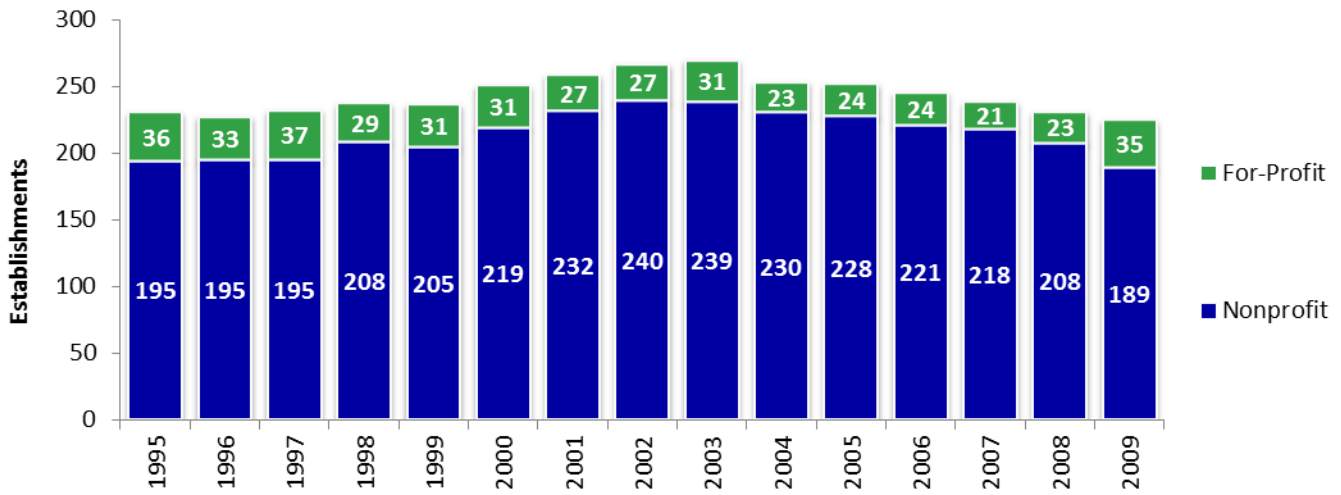
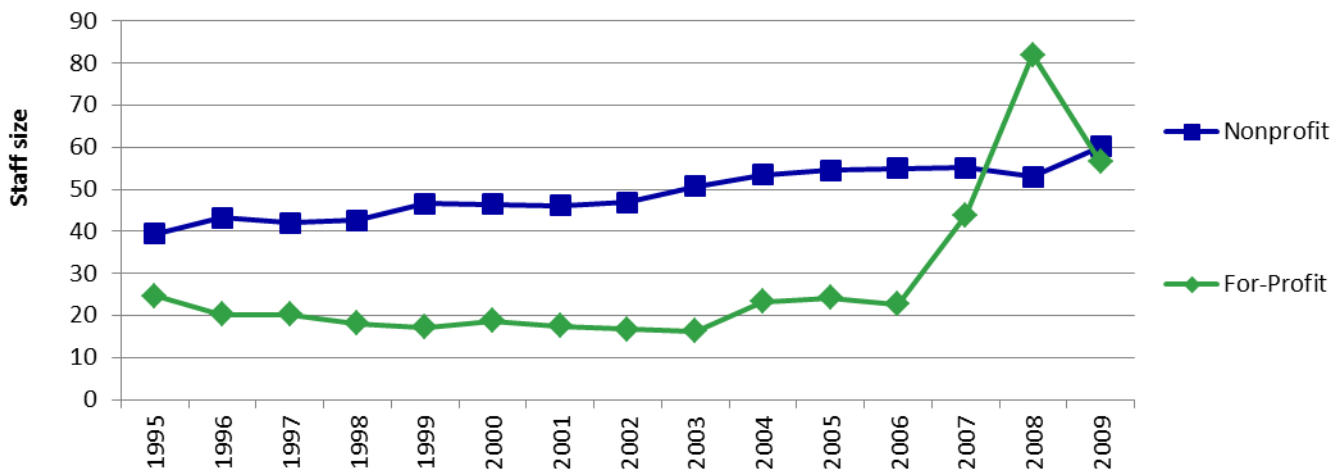


Figure 30: Private sector vocational rehabilitation services average establishment size, 1995–2009



2. Individual and Family Services

- The number of nonprofit individual and family services establishments increased by 46 percent, from nearly 340 in 1995 to about 500 in 2009 (Figure 31). However, the number of establishments in the for-profit sector increased by a remarkable 200 percent during this time period, but never exceeded the nonprofit sector in total number of establishments.
- Although the number of nonprofit establishments increased, the size of nonprofit individual and family services establishments remained relatively stable between 1995 and 2009, hovering around 20 employees per establishment (Figure 32). The for-profit sector experienced much greater growth in establishment size, doubling the average number of employees per establishment, from under 10 in 1995 to nearly 20 in 2009.

Figure 31: Number of private sector individual and family services establishments, 1995–2009

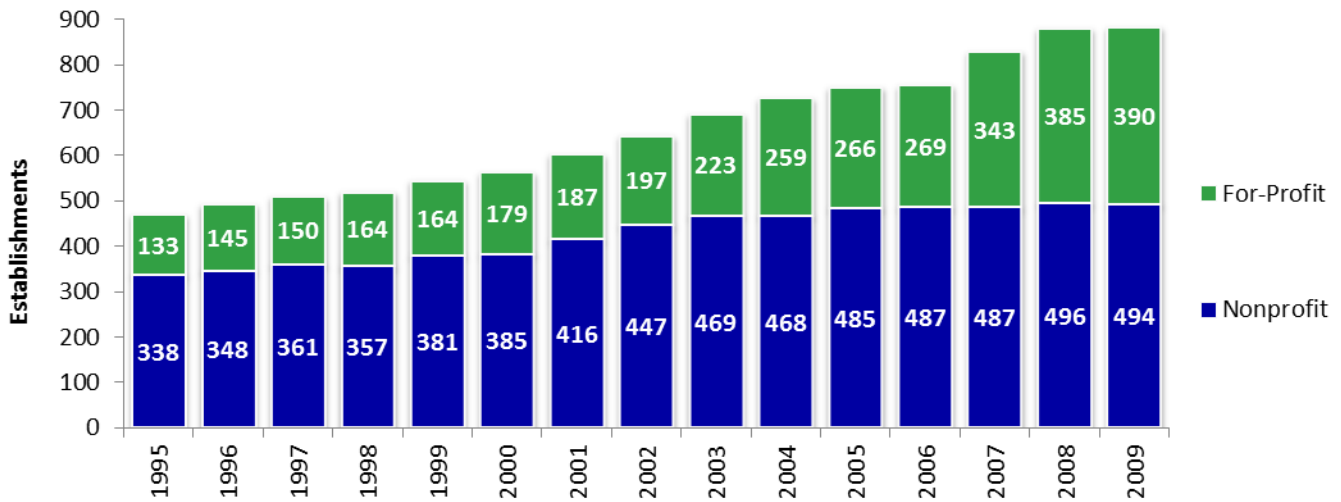
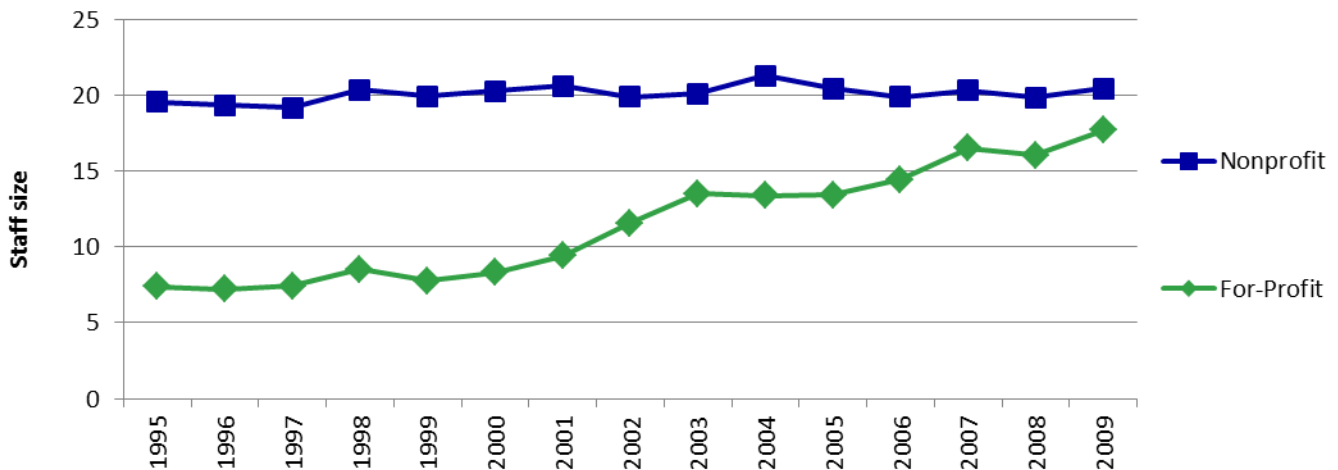


Figure 32: Private sector individual and family services average establishment size, 1995–2009



3. Child Day Care Services

- From 1995 through 2009, the nonprofit sector founded more establishments than the for-profit sector (Figure 33). The number of nonprofit establishments grew a remarkable 43 percent (from under 230 in 1995 to over 300 in 2009), while the number of for-profit establishments grew only 6 percent. Even so, the number of for-profit child day care establishments outnumbered nonprofits five to two.
- The average number of employees in each nonprofit day care establishment decreased from 16 to 13 between 1995 and 2009 (Figure 34). This small decrease contrasts with the relative consistency of for-profit establishment size (around 9 employees). As a result, while nonprofit day care establishments were larger on average than their for-profit counterparts throughout the period, the gap between the two sectors diminished.

Figure 33: Number of private sector child day care services establishments, 1995–2009

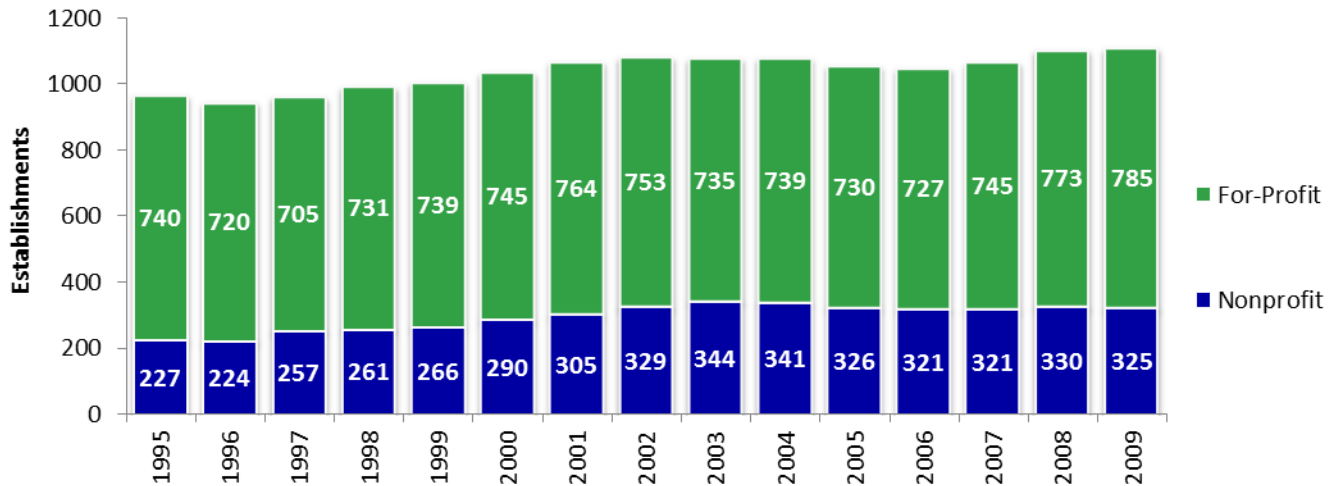
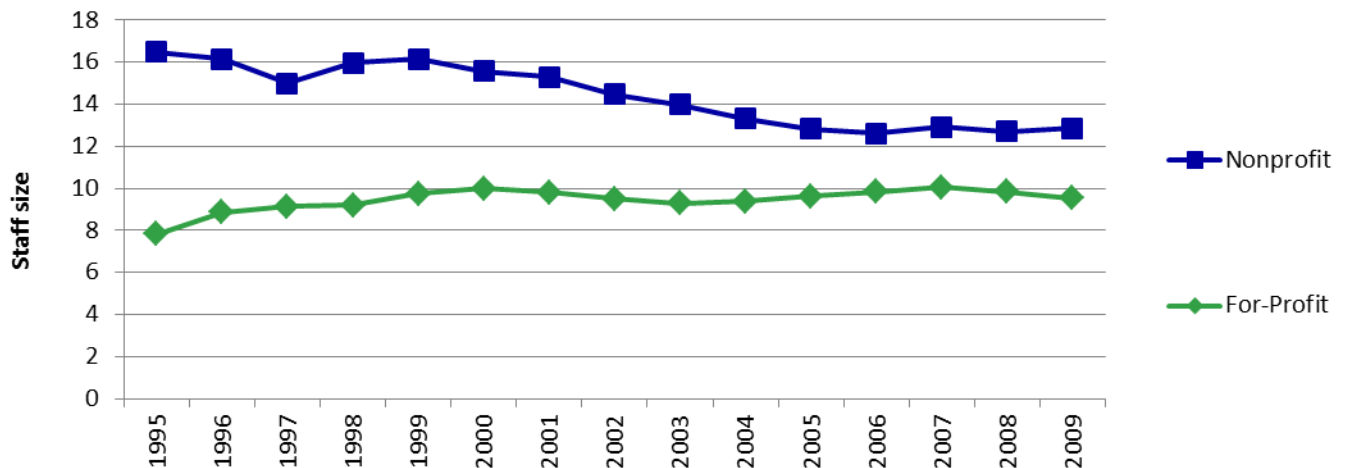


Figure 34: Private sector child day care services average establishment size, 1995–2009



4. Community Food and Housing, and Emergency and Other Relief Services

- Between 1995 and 2009, the nonprofit sector made up an average of 75 percent of private sector establishments in the relief services sub-industry (Figure 35). The lowest count of nonprofit sector establishments was 108 in 1997, and it peaked at 140 establishments in 2005 (a growth of 11 percent overall). The for-profit sector decreased 43 percent overall in number of establishments, down from a high of just over 50 establishments in 1995 to a low of 31 in 2009.
- The nonprofit sector experienced more than 50 percent growth in the size of relief services establishments, although it never exceeded an average of 12.5 employees per establishment (Figure 36). The for-profit sector did not show any notable trend in overall establishment size, but its average size fluctuated significantly more than the nonprofit sector.

Figure 35: Number of private sector relief services establishments, 1995–2009

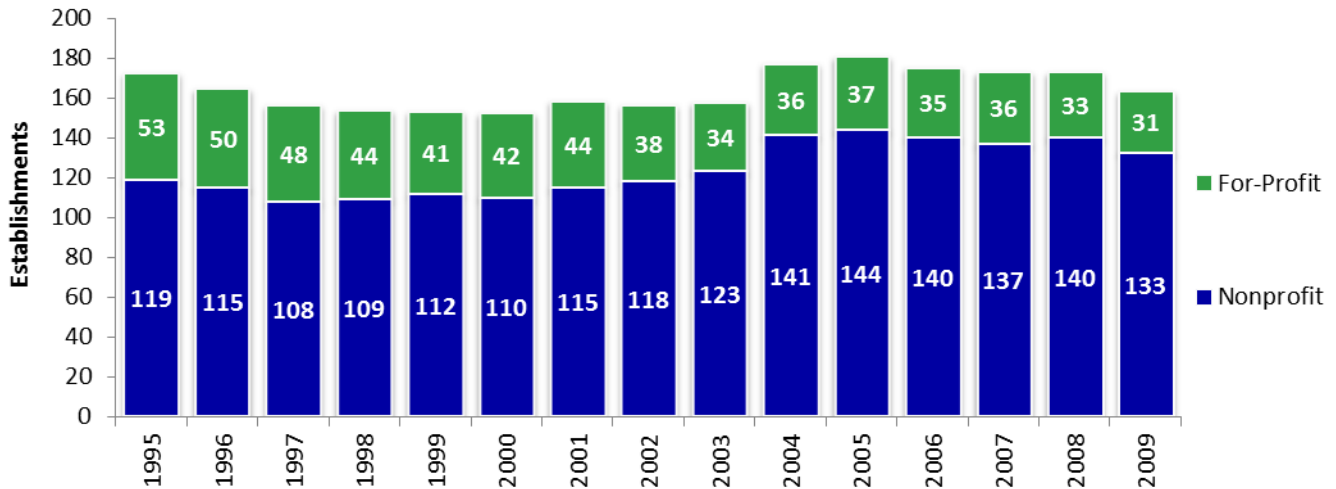
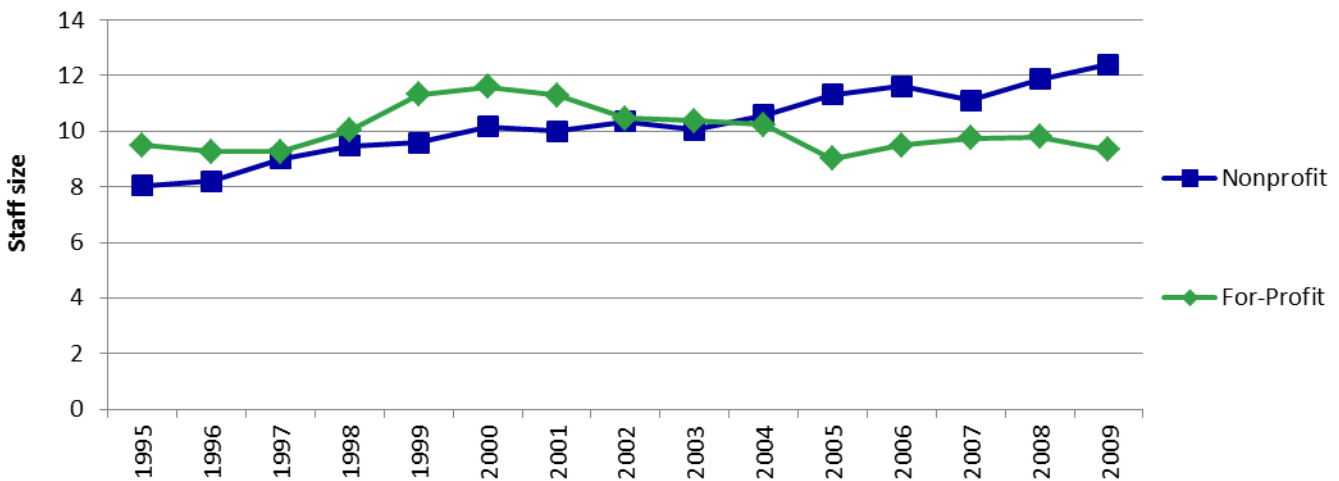


Figure 36: Private sector relief services average establishment size, 1995–2009



IV. PAYROLL

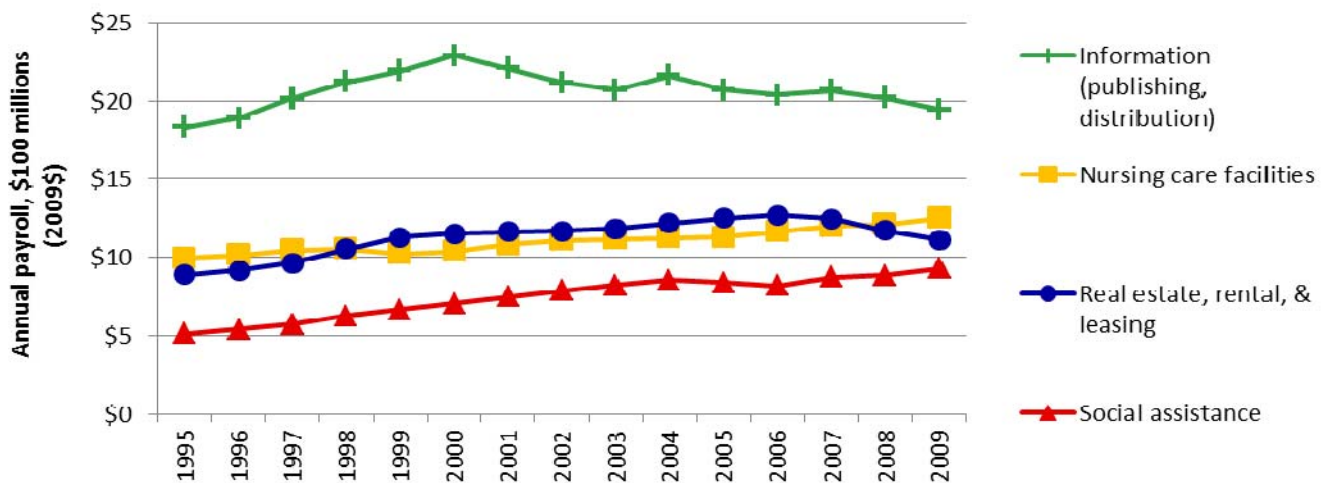
Social assistance was a growing source of nonprofit payroll in Indiana, but the percentage of private social assistance payroll coming from nonprofit organizations decreased from 1995 to 2009, largely due to greater for-profit payroll in vocational rehabilitation and in individual and family services. Note: all dollar values have been adjusted for inflation and are reported in 2009 constant dollars.

A. Payroll in Social Assistance and Other Indiana Industries

Social assistance payroll for all sectors grew over 80 percent from \$514 million in 1995 to \$929 million in 2009, but nonprofit social assistance payroll grew only 60 percent over this time period. This discrepancy was largely due to the increase in payrolls from for-profit social assistance providers.

- **Over the 1995 to 2009 time period, the overall social assistance payroll grew steadily even during recessions** and in contrast to other similarly sized industries (Figure 37). The one exception was a slight decrease from 2004 to 2006, which was also the only year that social assistance employment decreased (2005). In general, industries with a strong nonprofit presence tended to maintain steady employment and payroll during recessions. For example, the nursing care facilities industry, which has a strong nonprofit contingent similar to social assistance, grew persistently.
- **Social assistance payroll was the smallest among all comparably-sized industries, but grew steadily to almost meet the declining real estate industry payroll in 2009** (Figure 37). While both information and real estate payrolls decreased, those for nursing care facilities and social assistance both increased over the time period.

Figure 37: Total payroll in social assistance and comparable industries, 1995–2009



B. Nonprofit Payroll in Social Assistance and Other Major Nonprofit Industries in Indiana

Nonprofit payroll grew at a faster rate than nonprofit employment in the social assistance industry (60 percent and 44 percent respectively). Although social assistance became the third largest employer of nonprofit workers over the 1995-2009 time period, it ranked fourth in nonprofit payroll.

- **Nonprofit social assistance payroll grew 60 percent from 1995 to 2009, increasing from \$384 to \$612 million** (Figure 38). Nonprofit health care payroll also grew by 60 percent, while education and arts, entertainment, and recreation payrolls grew by 72 and 16 percent respectively.
- **Approximately 7 to 8 percent of all nonprofit payroll came from social assistance organizations** (Figure 39). Health care accounted for the largest percentage of payroll (61 percent), education contributed 13 percent, membership organizations made up about 8 percent, and less than 3 percent came from arts, entertainment, and recreation organizations. Overall, each of these industries accounted for a consistent share of state nonprofit payroll from year to year, reflecting similarly stable shares of nonprofit employment among the industries.

Figure 38: Nonprofit payroll in major nonprofit industries, 1995–2009

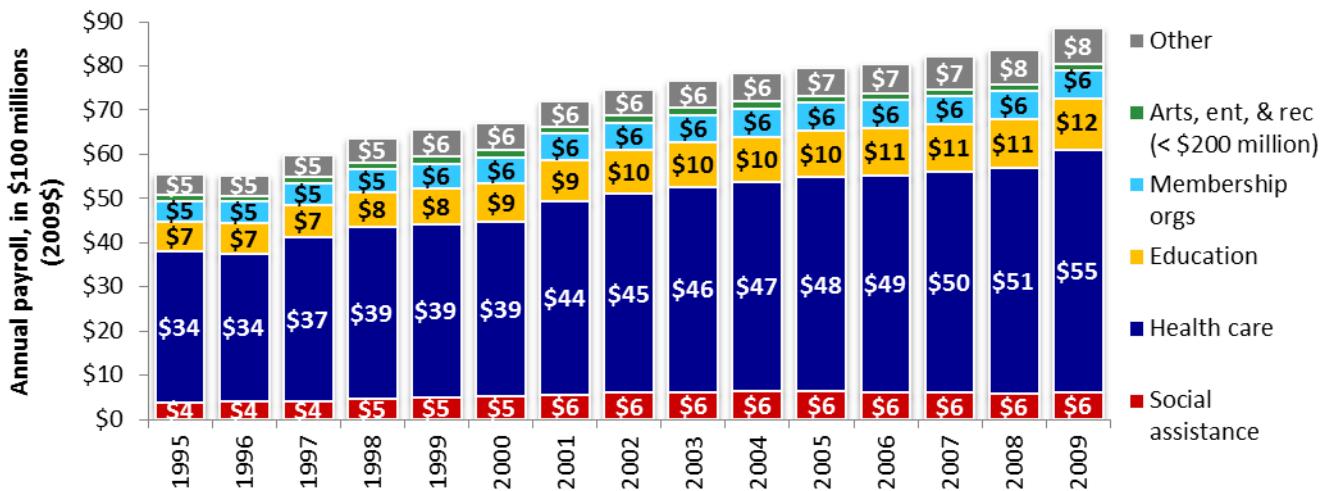
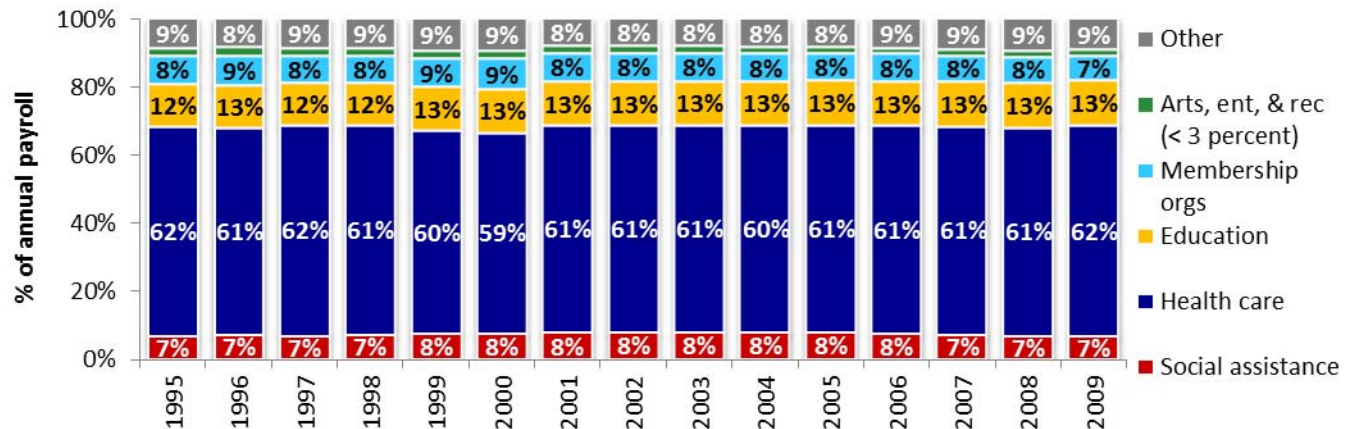


Figure 39: Percentage of total nonprofit payroll in major nonprofit industries, 1995–2009



C. Social Assistance Payroll in the Nonprofit and For-Profit Sectors

Traditionally, most social assistance payroll comes from nonprofit and for-profit organizations. The government provides funding for these efforts, but delivers only a very small percentage of social assistance services directly. We therefore exclude the public sector from this comparison. Nonprofits accounted for a significant share of total private payroll in the social assistance industry from 1995 through 2009, although their dominance of the payroll declined substantially after 2007.

- **Nonprofits accounted for between 65 and 75 percent of total private social assistance payroll from 1995 to 2009** (Figure 40), the most of all major nonprofit industries. In contrast, only about 26 percent of healthcare payroll came from nonprofits, and nonprofits provided less than 20 percent of payroll in education and in arts, entertainment, and recreation.
- **Nonprofit social assistance payroll grew by 60 percent, from \$384 million in 1995 to \$612 million in 2009** (Figure 41). For-profit payroll more than doubled from \$127 million to \$314 million over the same time period. Though for-profit payroll began at a much smaller base, its growth was nonetheless remarkable.
- **For-profit social assistance payroll increased its total share of all social assistance payroll from 25 percent in 1995 to 33 percent by 2009** (Figure 41). Although for-profit payroll doubled over the 14 year period, its share of the total private payroll increased by only 8 percentage points, reflecting both the strong absolute growth in nonprofit payrolls and the small base from which for-profits started.
- **Nonprofit social assistance payroll peaked in 2004 at \$644 million.** From 1995 to 2004, nonprofit payroll increased by 68 percent (Figure 41). From 2004 through 2008, nonprofit payroll decreased by 8 percent, before rebounding 4 percent in 2009. For-profit payroll jumped after 2006, growing nearly 50 percent from 2006 to 2009. Between 2007 and 2009, Indiana contracted with IBM (a for-profit organization) to deliver welfare services, which likely accounted for a portion of this growth.

Figure 40: Percentage of nonprofit payroll in major nonprofit industries, 1995–2009

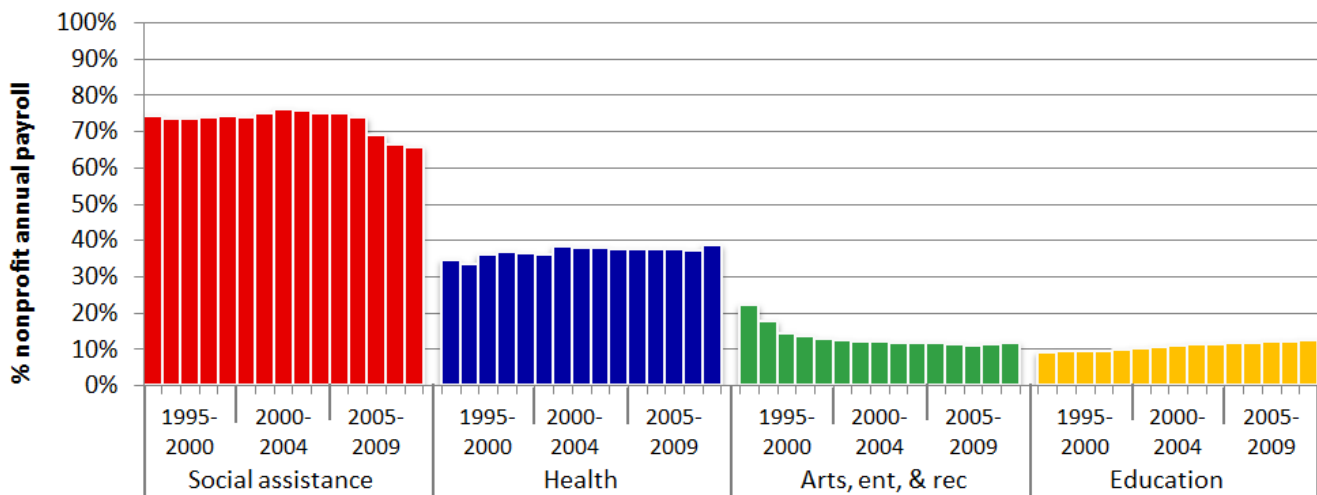


Figure 41: Private sector social assistance payroll, 1995–2009

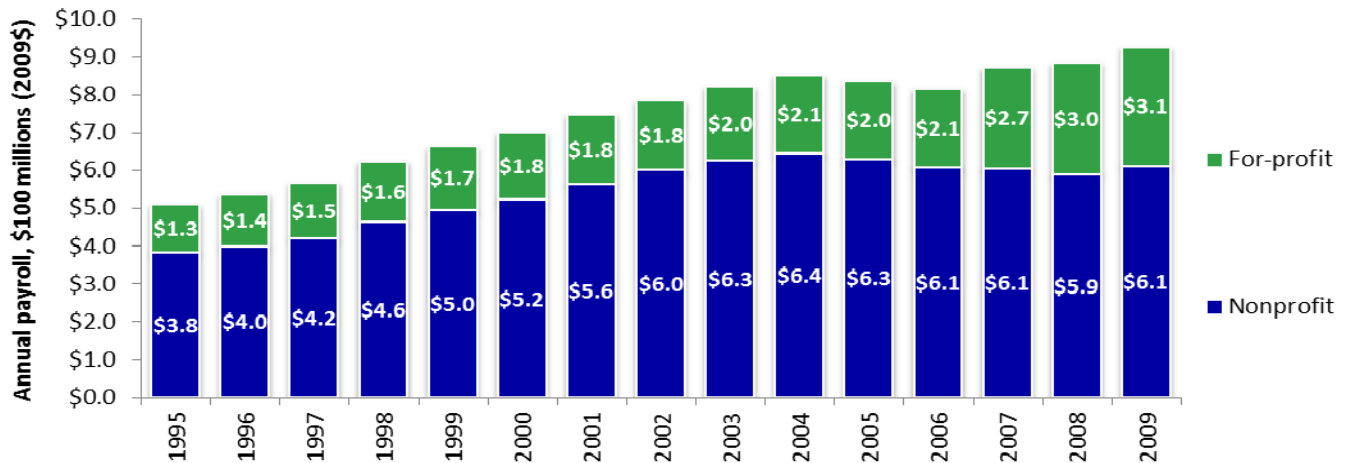
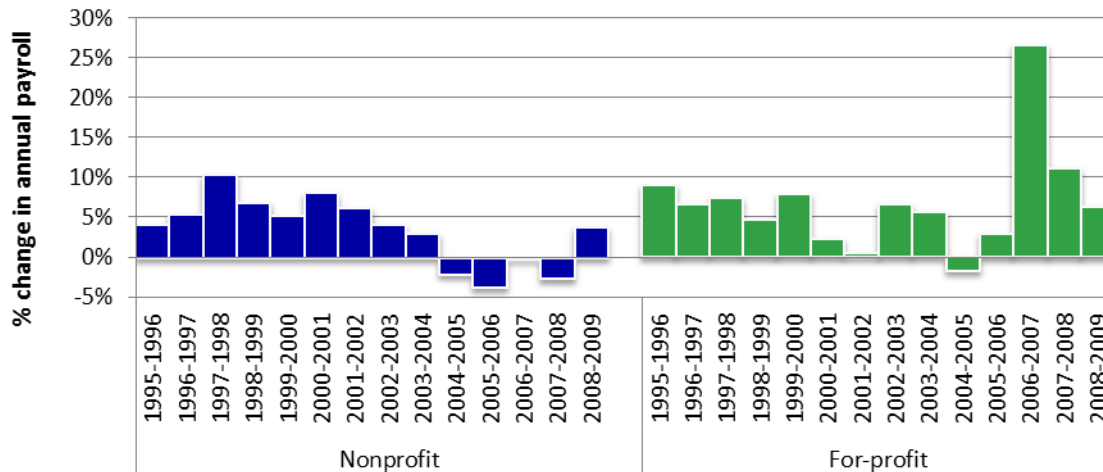


Figure 42: Annual percentage change in private sector social assistance payroll, 1995–2009



D. Payroll in Specific Social Assistance Sub-Industries

Nonprofits accounted for the bulk of private sector payroll in all social assistance sub-industries except child day care. Payrolls of all four nonprofit social assistance sub-industries increased between 1995 and 2009 in absolute terms. However, only relief services increased their percentage share of total private sector payroll relative to for-profits. Below are highlighted findings across sub-industries followed by sub-industry specific analysis. All payroll figures are reported in constant 2009 dollars.

- **Despite constituting the smallest share of nonprofit social assistance payroll among the four sub-industries, relief services experienced the greatest annual payroll growth**, more than doubling from \$19 million in 1995 to \$39 million in 2009 (Figure 44). Individual and family services, whose absolute payroll grew at 6.5 times that of relief services, saw the second highest percentage growth in annual payroll. Vocational rehabilitation's payroll peaked from 2003-2005 before decreasing and being

surpassed by individual and family services in 2008 and 2009. Child day care increased nearly 50 percent in the first half of the time period, before slightly decreasing in the second half.

- In 1995, vocational rehabilitation services had the highest concentration of nonprofit payroll among the four sub-industries (44 percent), but individual and family services surpassed it in 2008 (Figure 45). Meanwhile, child day care and relief services remained third and fourth in nonprofit payroll.

Figure 43: Private sector social assistance payroll by sub-industry, 1995-2009

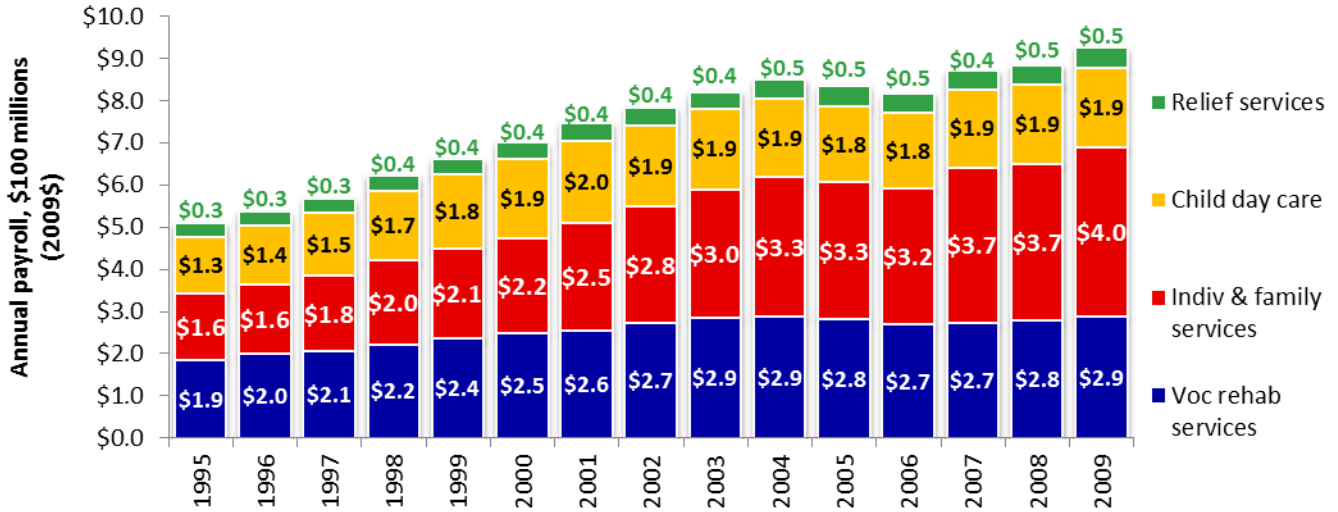


Figure 44: Nonprofit social assistance payroll by sub-industry, 1995-2009

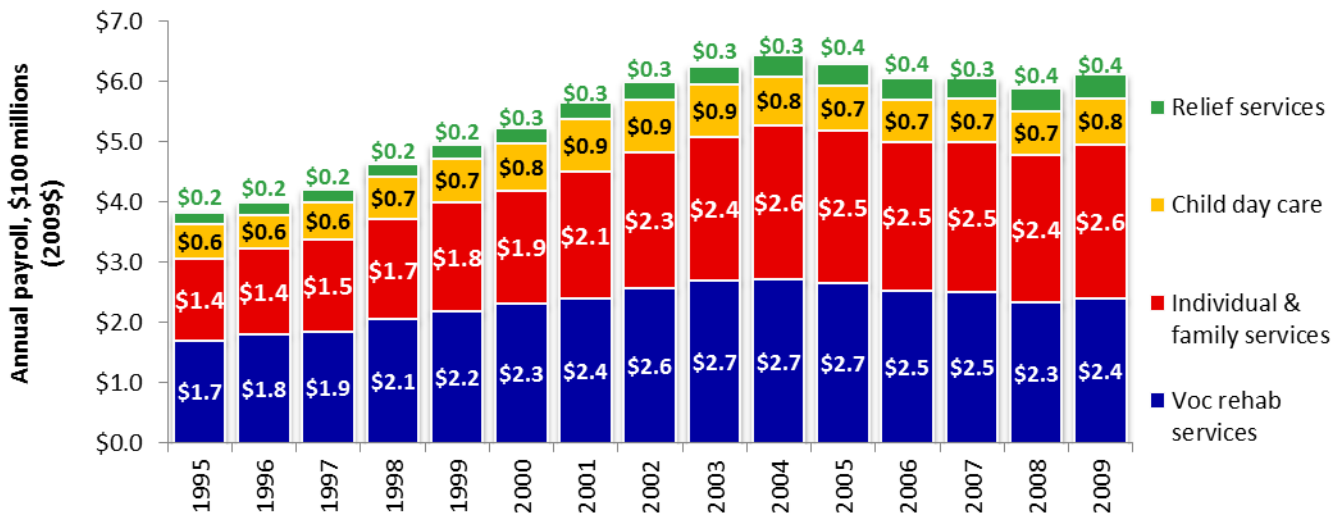


Figure 45: Percentage of nonprofit social assistance payroll by sub-industry, 1995–2009

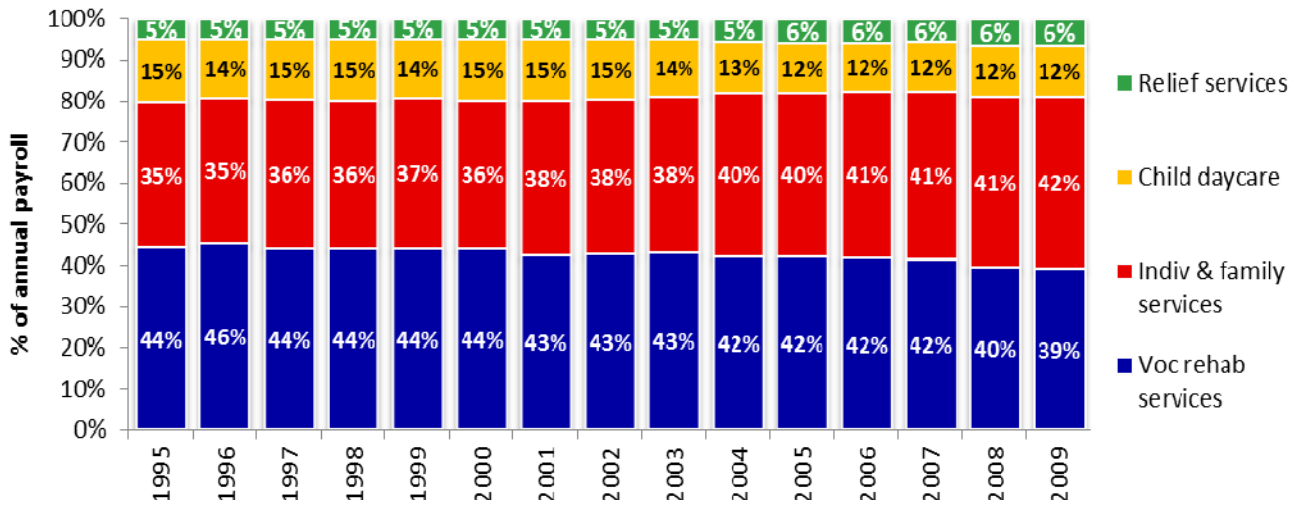
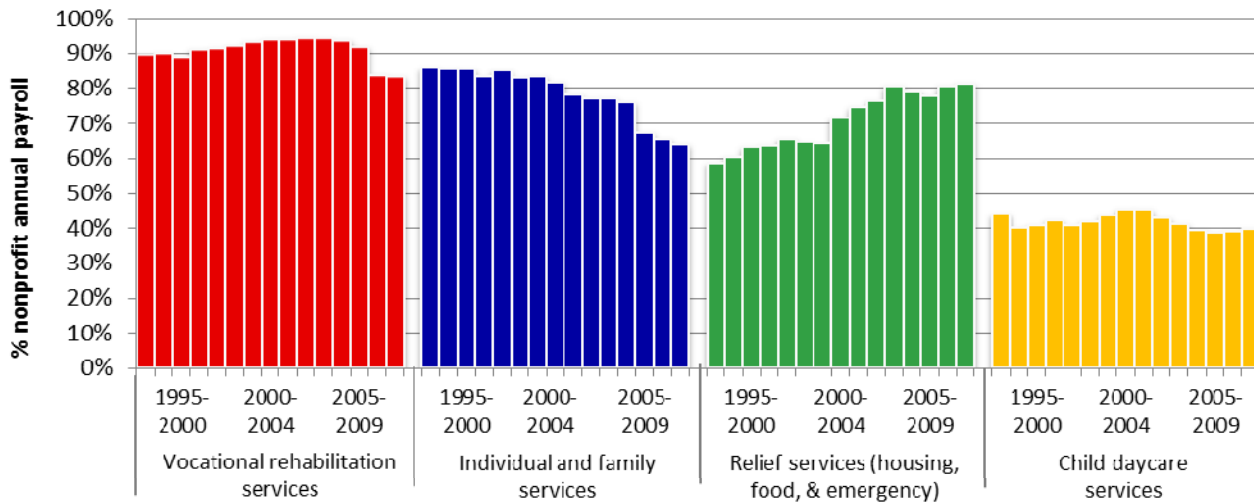


Figure 46: Percentage of total sub-industry payroll that is nonprofit, 1995–2009



1. Vocational Rehabilitation Services

- Nonprofit payroll from vocational rehabilitation organizations grew over 40 percent from \$170 million in 1995 to \$240 million in 2009 (Figure 47). Overall private sector payroll increased by 54 percent, but for-profit payroll grew 185 percent over the same time period.
- In 2004, the percentage of private sector payroll from nonprofits reached a peak of 95 percent, but dipped back to 83 percent by 2009 (Figure 47). For-profit organizations provided just 8 percent of total payroll on average from 1995 to 2009, although the share grew to 16 percent by 2008.

- While nonprofit payroll decreased by \$38 million from 2004 to 2008, for-profit payroll grew by \$29 million (Figure 48). The largest changes occurred in 2007, with a 7 percent (\$18 million) decrease in nonprofit payroll and over a 100 percent (\$23 million) increase in for-profit payroll. These changes correspond to shifts in employment during the same time period and, as noted, are perhaps due to state government contracting administrative services to a large, multi-establishment for-profit provider.

Figure 47: Private sector vocational rehabilitation payroll, 1995–2009

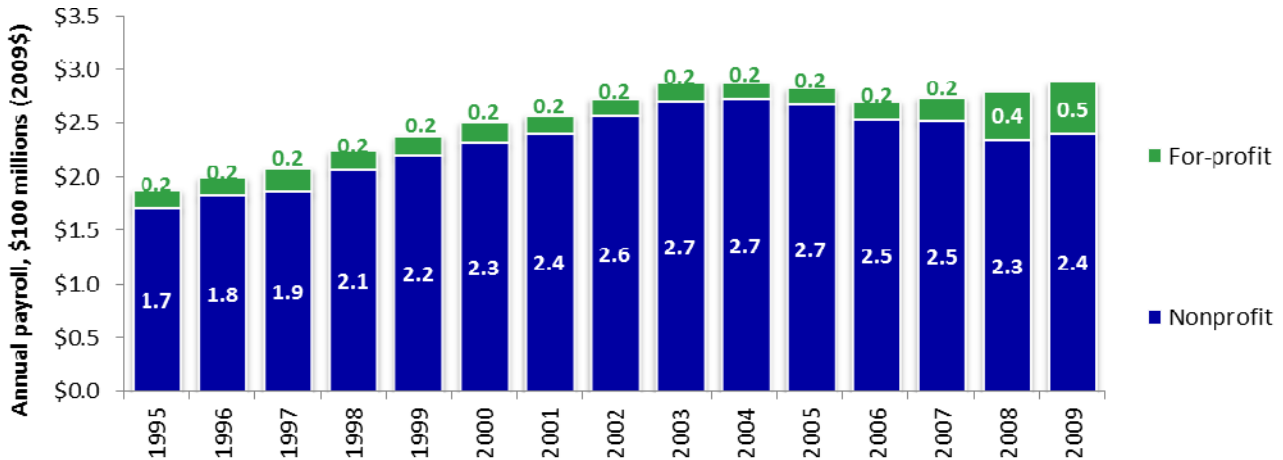
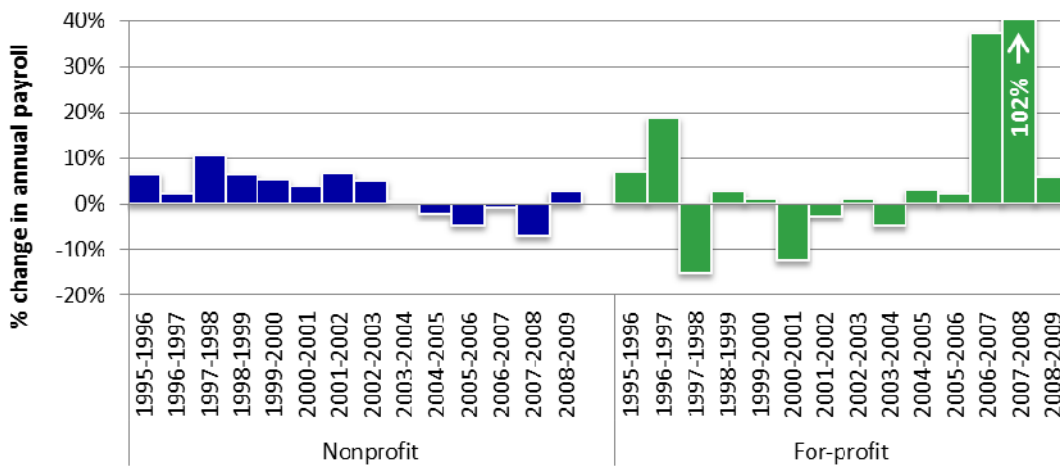


Figure 48: Annual percentage change in private sector vocational rehabilitation payroll, 1995-2009



2. Individual and Family Services

- **Nonprofits accounted for a large-but-decreasing proportion of individual and family services private sector payroll** (Figure 49). In 1995, nonprofits provided 86 percent of payroll in this sub-industry, but their share decreased to 64 percent in 2009. The percentage of payroll from for-profits grew correspondingly from 14 to 36 percent over the same time period. These changes in payroll largely correspond to changes in the number of employees.
- **Overall private sector payroll grew 155 percent in the period between 1995 and 2009.** Nonprofit payroll grew 90 percent from \$135 million in 1995 to \$256 million in 2009 due to employment growth in this sub-industry. For-profit payroll quintupled from \$22 million in 1995 to over \$144 million in 2009.
- **Nonprofit payroll was less volatile than for-profit payroll from year to year** (Figure 50). Nonprofit payroll grew as much as 13 percent in 2000, while for-profit payroll jumped 59 percent in 2006. Decreases in both sectors were minimal – no more than 2 percent.

Figure 49: Private sector individual and family services payroll, 1995–2009

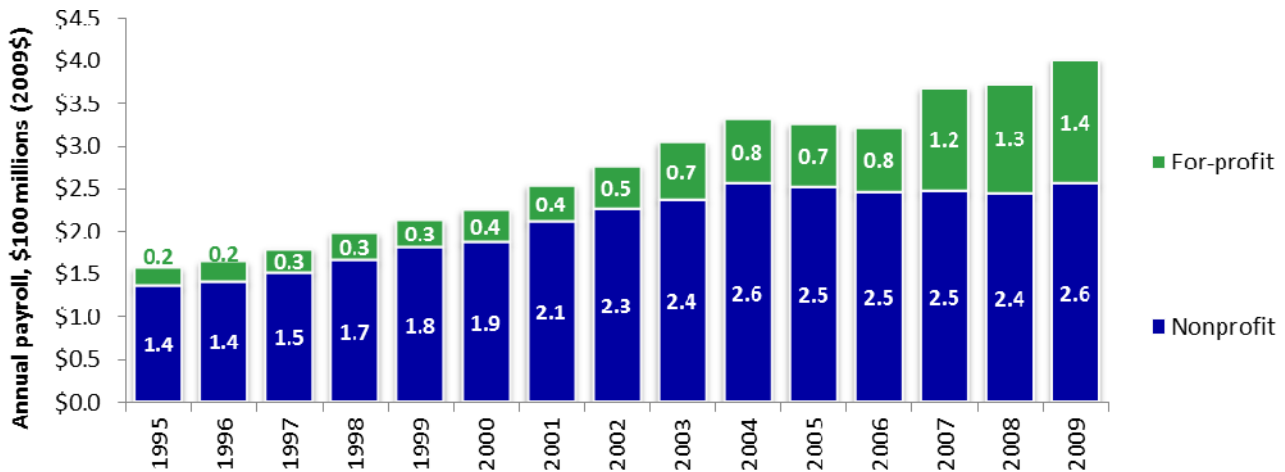
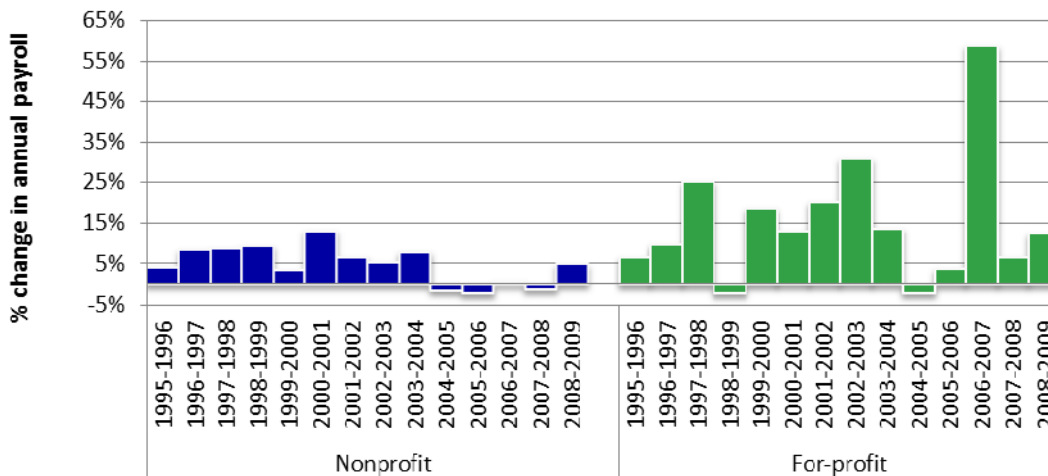


Figure 50: Annual percentage change in private sector individual and family services payroll, 1995–2009



3. Child Day Care Services

- Overall, nonprofit private sector payroll grew from less than \$59 million in 1995 to just over \$76 million in 2009—a total growth of 30 percent (Figure 51). For-profit payroll outpaced the nonprofit sector and increased about 50 percent over the same time period.
- Unlike other social assistance sub-industries, nonprofit organizations did not represent the majority of child day care services payroll (Figure 51), accounting for only 42 percent of total payroll on average.
- Both nonprofit and for-profit payroll exhibited some annual volatility (Figure 52). Nonprofit payroll dipped 17 percent from 2003 through 2006, while for-profit payroll grew 8 percent. Nonprofit payroll grew as much as 14 percent in 1997 to 1998, fell nearly 8 percent between 2003 and 2004, and then more than 8 percent in the following year. For-profit payroll grew by 13 percent in 1995 and decreased as by only 4 percent in a single year (2001)

Figure 51: Private sector child day care services payroll, 1995–2009

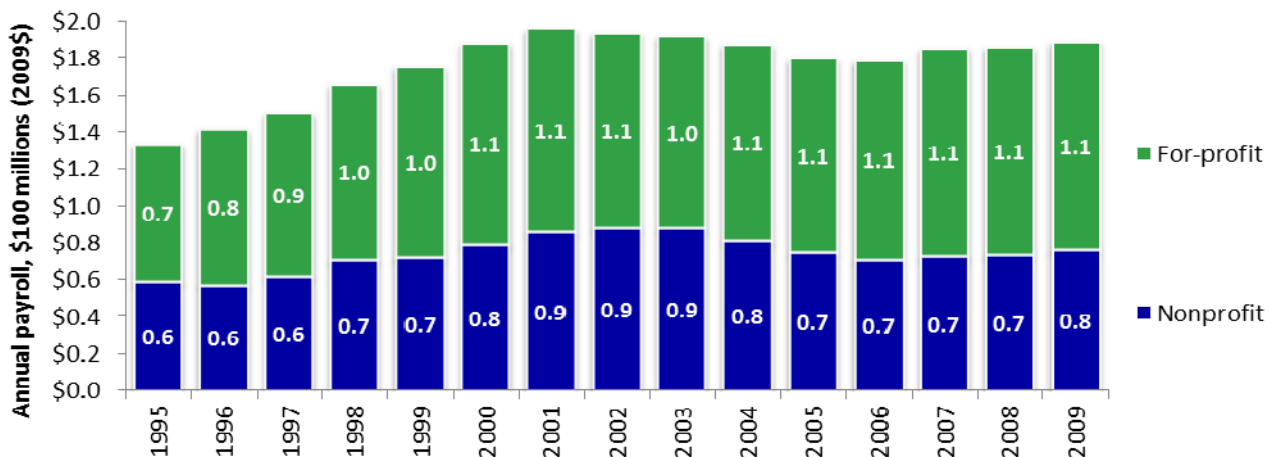
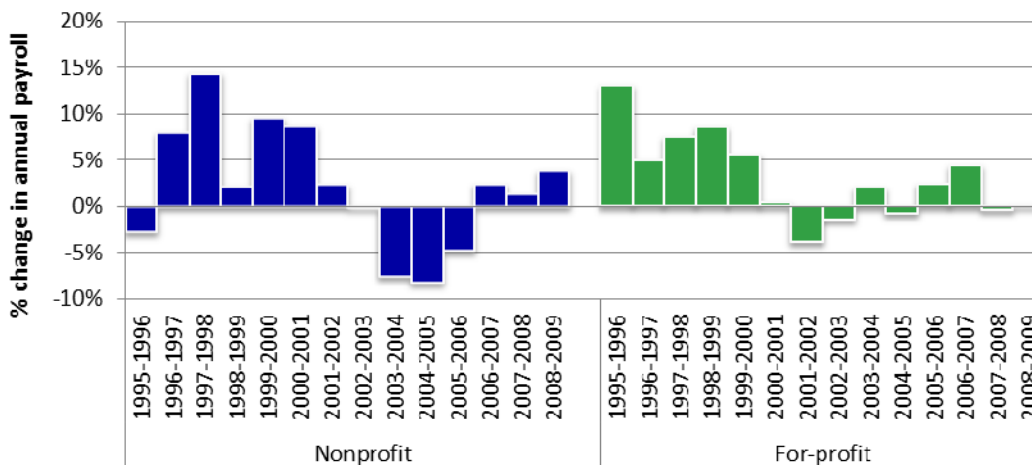


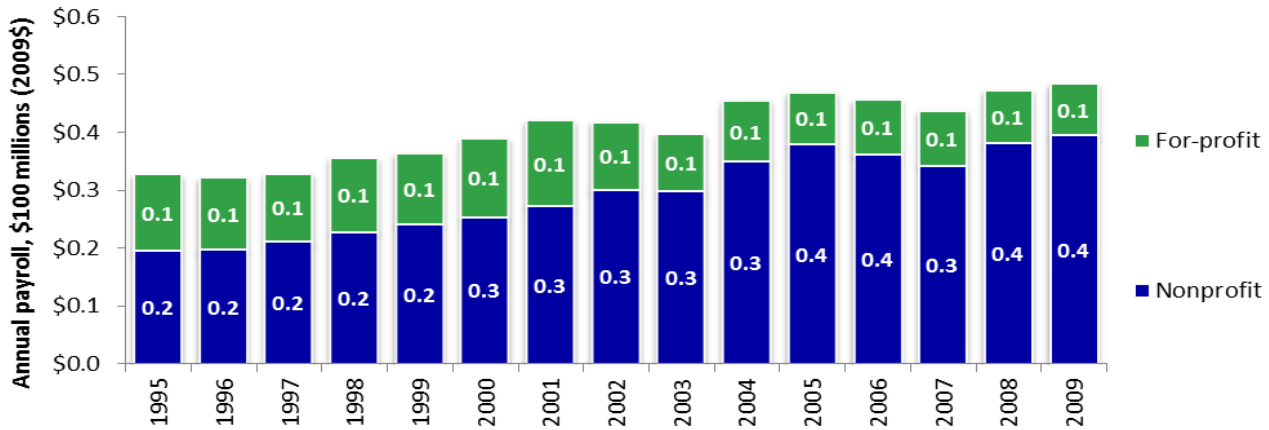
Figure 52: Annual percentage change in private sector child day care services payroll, 1995–2009



4. Community Food and Housing, and Emergency and Other Relief Services

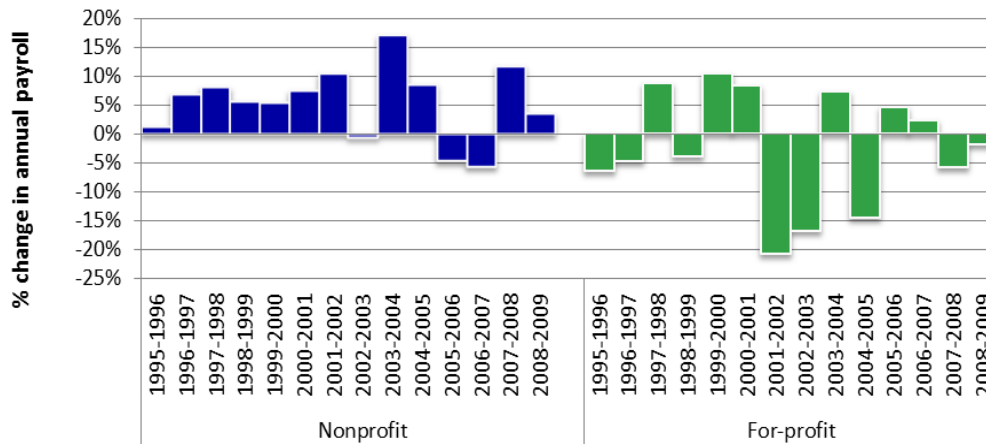
- **Nonprofit relief services payroll more than doubled from \$19 million in 1995 to over \$39 million in 2009** (Figure 53). The nonprofit growth in payroll mirrors the growth in employment. This might reflect a shift to greater reliance on paid staff, but could also be a result of federal disaster funds authorized for recovery from winter storms in 1999, 2007 and 2009 or tornadoes in 2004 and 2005³⁹.
- **The percentage of private sector payroll coming from nonprofits in relief services grew from 59 percent in 1995 to 81 percent in 2009** (Figure 53). It was the only sub-industry where nonprofits increased their share of the private sector payroll.
- **Nonprofit payroll grew consistently during the time period, while for-profit payroll was more volatile** (Figure 54). Nonprofit payroll grew by 17 percent in 2003 and 12 percent in 2007, offset by subsequent drops (5 and 6 percent in 2005 and 2006 respectively). For-profit payroll decreased by 21 percent in 2001 and 17 percent in 2002 and growing 10 percent in 1999.

Figure 53: Private sector relief services payroll, 1995–2009



³⁹ [http://www.fema.gov/search/site/indiana?f\[0\]=bundle%3Adisaster](http://www.fema.gov/search/site/indiana?f[0]=bundle%3Adisaster)

Figure 54: Annual percentage change in private sector relief services payroll, 1995-2009



V. AVERAGE ANNUAL WAGES

A social assistance worker earned \$21,000 per year in 2009, up from \$18,800 in 1995. These wages were generally lower than other Indiana industries with a comparable number of employees (e.g., real estate and information). Generally speaking, nonprofit workers had higher wages than for-profit workers in the social assistance industry, challenging the stigma that wages are always lower in the nonprofit sector. However, this did not hold true of all social assistance sub-industries. For-profit workers earned more than their nonprofit peers within the vocational rehabilitation or relief services sub-industries. Below we present our findings for the social assistance industry as a whole, and then by sub-industry. All wages reported in this section have been adjusted for inflation and are reported in 2009 dollars.

A. Average Annual Wages in Social Assistance and Other Indiana Industries

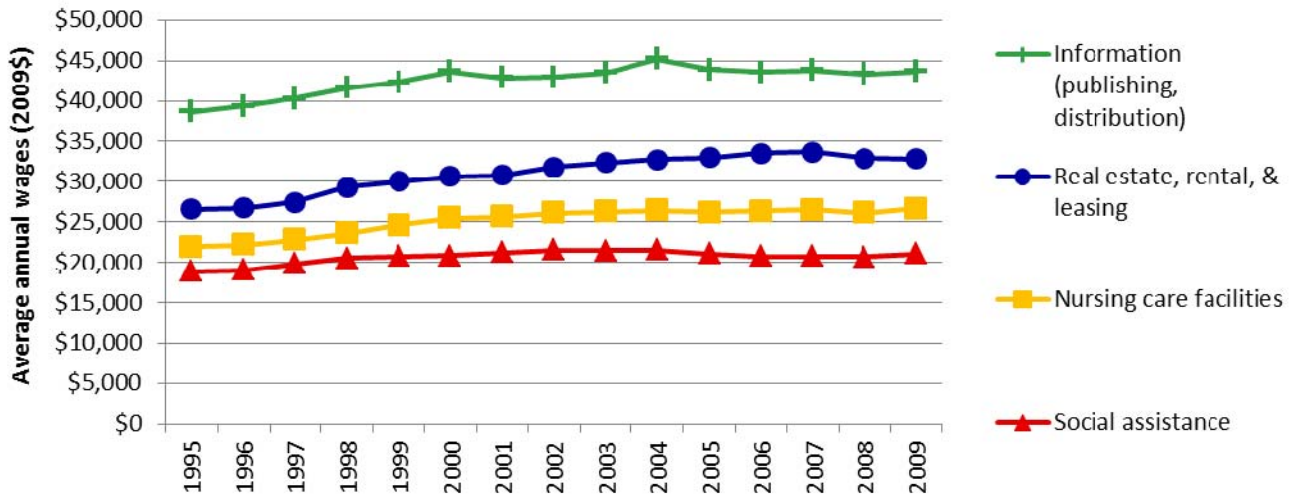
Average annual wages in the social assistance industry had little year-to-year volatility, and grew steadily overall from 1995 to 2009. Nevertheless, these annual wages were relatively low, averaging only around \$20,700 during the time period. This could be due in part to a larger percentage of part-time workers and lower wages among child day care service employees. These findings reflect all sectors.

- **Average wages in the social assistance industry tended to be low relative to industries with comparable employment** (Figure 55). For example, average annual wages in social assistance in 2009 were just over \$21,000. Nursing care facilities (an industry with a strong nonprofit presence) wages were around \$26,700, while average annual wages in real estate and information were \$32,600 and \$43,600 respectively.
- **Low average annual wages in social assistance were due in part to substantially lower wages among child day care workers.** In 2009, for example, workers in the child day care sub-industry made less than \$18,300 on average. This is substantially less than the social assistance average wage of \$20,700. If child day care workers were excluded from the analysis, the average annual wage for social assistance

workers would rise to \$23,200 per annum. Some of these differences could also be due to the presence of unknown proportions of part-time workers in different sub-industries.

- **Social assistance average wages grew a modest 12 percent from \$19,000 in 1995 to \$21,000 in 2009.** Average annual wages in the information industry (which includes publishing and media distribution) grew a similar amount (13 percent). Wages in nursing care facilities, an industry with a large nonprofit presence, grew 22 percent.
- **Compared to other industries, social assistance wages tended to be more countercyclical,** staying constant during strong economies and increasing slightly during recessions. This pattern is logical as both demand for social assistance and public funding increase in down markets. This is in comparison to wages in real estate that displayed notable increases during the housing boom and declined around 2007 when the housing market collapsed in many communities.

Figure 55: Average annual wages in private social assistance and comparable industries, 1995–2009



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

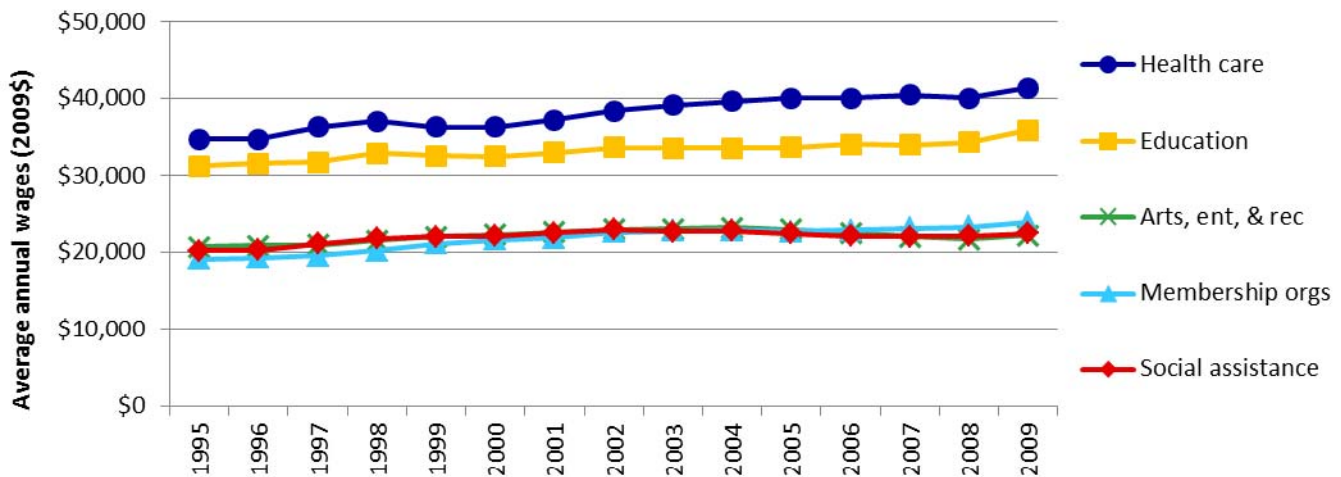
Average annual wages in social assistance grew slightly but steadily over the 1995-2009 time period. Wages in this industry were generally equivalent to those found in the membership and arts, entertainment, and recreation industries, and were significantly lower than wages in the education and health care industries.

- **On average a nonprofit social assistance worker earned only two-thirds of what an education worker made** (Figure 56). Over the 1995-2009 time period the average wage for a nonprofit social assistance worker was just below \$22,000, compared to \$33,300 in the education industry and \$38,100 in health care.
- **The average annual wage for nonprofit social assistance workers rose 11 percent from \$20,200 in 1995 to \$22,400 in 2009.** Average wages in most other major Indiana nonprofit industries grew faster over the same time period: 25 percent (\$19,100 to \$23,900) in membership and related organizations, 19

percent (\$35,740 to \$41,325) in health care, and 15 percent (\$31,200 to \$35,900) in education. Only arts, entertainment, and recreation workers in nonprofit organizations saw less growth (7 percent, from \$20,700 to \$22,200) in their wages.

- **There was little volatility in nonprofit social assistance wages:** in most years average annual wages grew less than 4 percent, and in a few years decreased nearly 2 percent. The wages in other nonprofit industries were similarly stable. The largest change was a 5 percent increase in education wages between 2008 and 2009.

Figure 56: Nonprofit average annual wages in major nonprofit industries, 1995–2009



C. Social Assistance Average Annual Wages in Nonprofit and For-Profit Sectors

Social assistance workers in nonprofit organizations tended to have higher average wages than their peers in for-profit organizations; however, for-profit average wages grew more than nonprofit wages over the 1995-2009 time period.

- **Nonprofit average annual wages exceeded for-profit wages over the 1995-2009 time period,** belying the notion that nonprofits pay less than for-profits (Figure 57). Nonprofit annual wages averaged around \$22,000, while average for-profit annual wages failed to exceed \$18,000. This trend does not hold true in all social assistance sub-industries. For instance, for-profit average wages exceeded nonprofit wages in vocational rehabilitation and relief services, but this wage discrepancy may be compensated for by other benefits such as flexible hours or continued education opportunities offered by some nonprofits in this field.
- **The gap between nonprofit and for-profit average wages narrowed over time from nearly \$4,700 in 1995 to less than \$3,600 in 2009.** Nonprofit wages grew 11 percent from \$20,200 in 1995 to \$22,400 in 2009. Over the same time period, for-profit average annual wages grew from \$15,500 to \$18,900 (a 21 percent increase).

- **Average annual wages in both the nonprofit and for-profit sectors exhibited little volatility from year to year** (Figure 58). Each year, wages increased and decreased by no more than 5 percent. Both nonprofit and for-profit employees experienced slight wage decreases from 2004 to 2006, which can be associated with decreases in individual and family services wages around that period.

Figure 57: Private sector social assistance average annual wages, 1995–2009

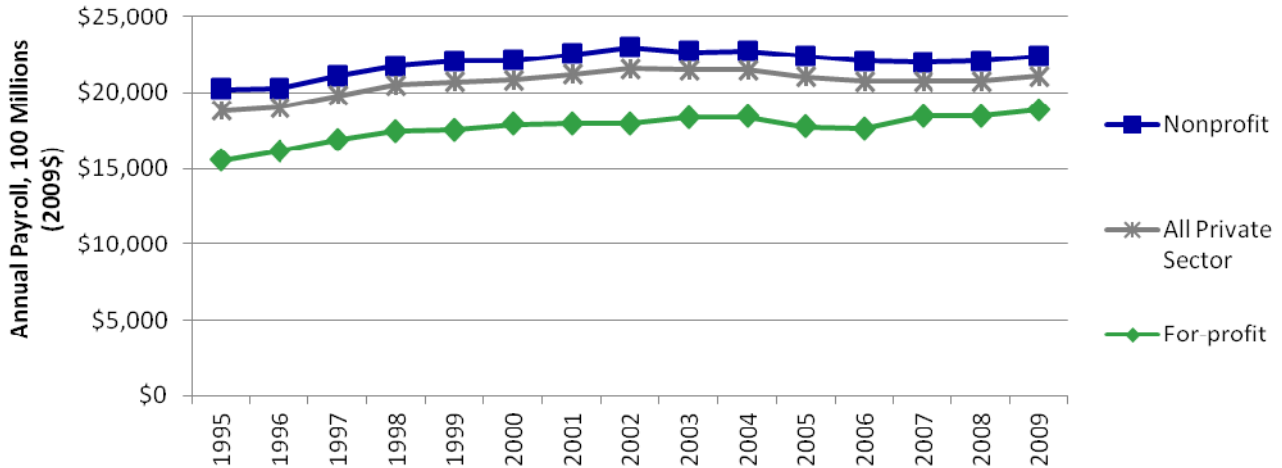
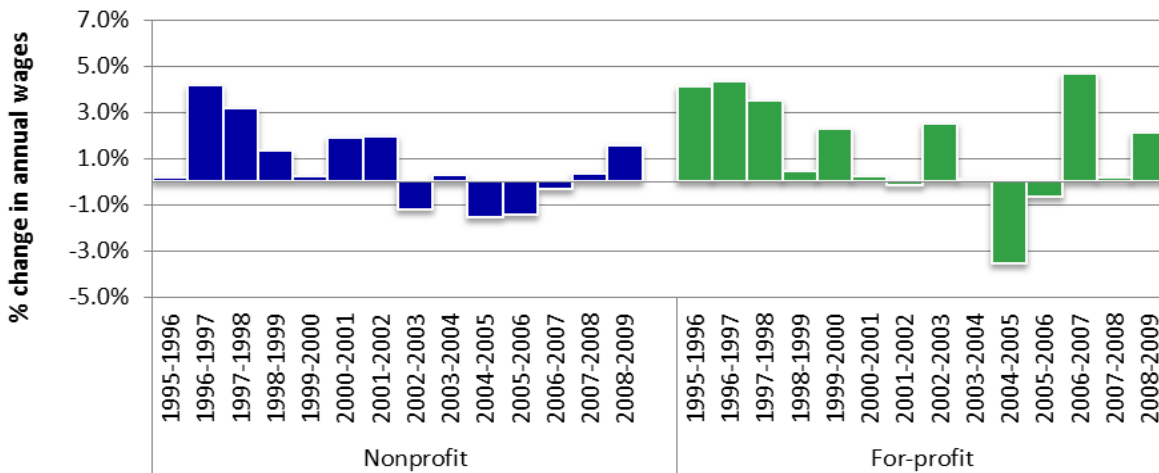


Figure 58: Annual percentage change in private sector social assistance average annual wages, 1995–2009



D. Average Annual Wages in Specific Social Assistance Sub-Industries

Average annual wages tended to be highest in individual and family services establishments and lowest in child day care services establishments. Nonprofit wages were relatively similar across the different sub-industries, while for-profit salaries varied quite widely and were much more volatile from year to year. Below are overall observations regarding sub-industry average annual wages followed by detailed sub-industry analysis.

- **Nonprofit average annual wages among the four sub-industries ranged between \$15,700 and \$25,000** (Figure 59). For-profit average annual wages had a wider range, between \$12,900 and \$34,900 (Figure 60). Stability amongst nonprofit average wages may be due to the fact that these organizations employed the majority of social assistance workers.
- **Nonprofit average annual wages tended to be the greatest in individual and family services organizations, peaking at just under \$25,700 in 2004** (Figure 59), whereas vocational rehabilitation had the highest wages among for-profits at \$34,900. Over the 1995-2009 time period, nonprofit wages in the individual and family services sub-industry averaged around \$24,100 a year. For-profit annual wages in vocational rehabilitation organizations were higher, averaging \$29,000, but these wages were less consistent from year-to-year.
- **Among all four sub-industries, child day care services had the lowest average annual wages in both the nonprofit and for-profit sectors** (Figure 59, Figure 60), perhaps reflecting a greater reliance on part-time workers. Nonprofit wages were generally higher (ranging between \$15,700 and \$18,400) than for-profit wages (\$12,900 and \$15,400) for this sub-industry.
- **Relief services nonprofit wages experienced the most years of growth over the time period, while vocational rehabilitation services nonprofit wages suffered the most years of loss** (Figure 60). Individual and family services and child day care, however, had the highest growth in a single year, over 5 percent in 1996 and 1997, respectively.

Figure 59: Nonprofit average annual wages by social assistance sub-industry, 1995–2009

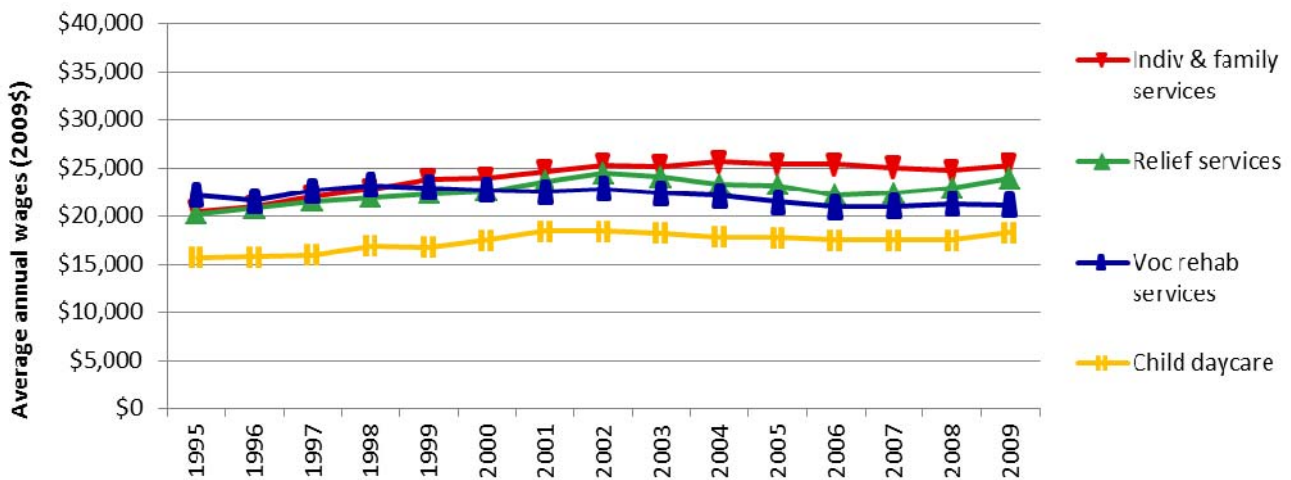


Figure 60: For-profit average annual wages by social assistance sub-industry, 1995–2009

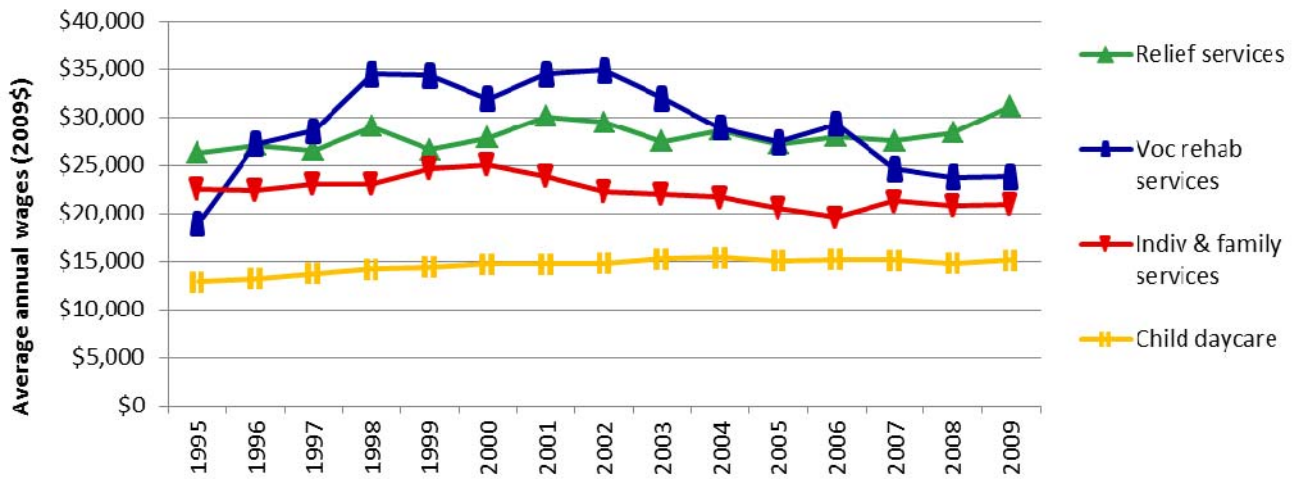
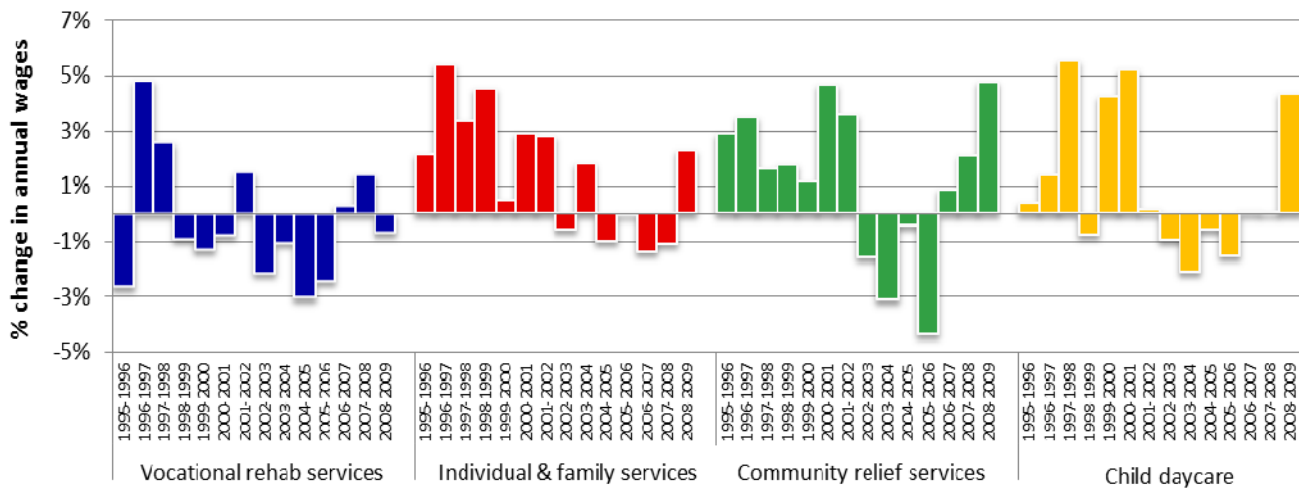


Figure 61: Annual percentage change in nonprofit social assistance average annual wages by sub-industry, 1995–2009



1. Vocational Rehabilitation Services

- **Average wages of nonprofit vocational rehabilitation workers decreased 5 percent from \$22,200 in 1995 to around \$21,100 in 2009** (Figure 62). Over the same time period, for-profit wages increased 26 percent from less than \$18,900 to \$23,800 in 2009. This increase might in part be due to the relatively low number of for-profit workers (less than 300 in 2009) compared to nonprofit workers in Indiana.
- **Nonprofit workers in vocational rehabilitation services had relatively stable wages**, while for-profit wages were much more volatile from 1995 to 2009 (Figure 63). Nonprofit wages ranged from \$21,000 in 2006 to \$23,200 in 1998. In contrast, annual wages for for-profit workers increased by over 80 percent between 1995 and 1998, plateaued at \$34,000 from 1998 to 2002, then decreased 32 percent

in 2008 to around \$25,000. Again, this volatility may be due to contracting, funding, and policy shifts among a relatively small number of for-profit organizations in the state.

Figure 62: Average annual wages of private sector vocational rehabilitation employees, 1995–2009

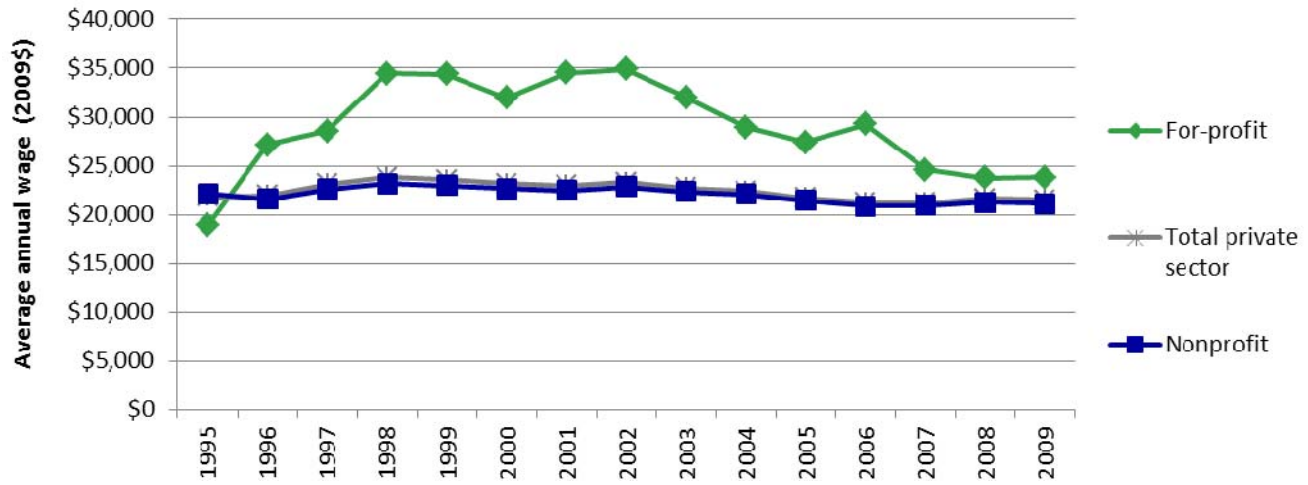
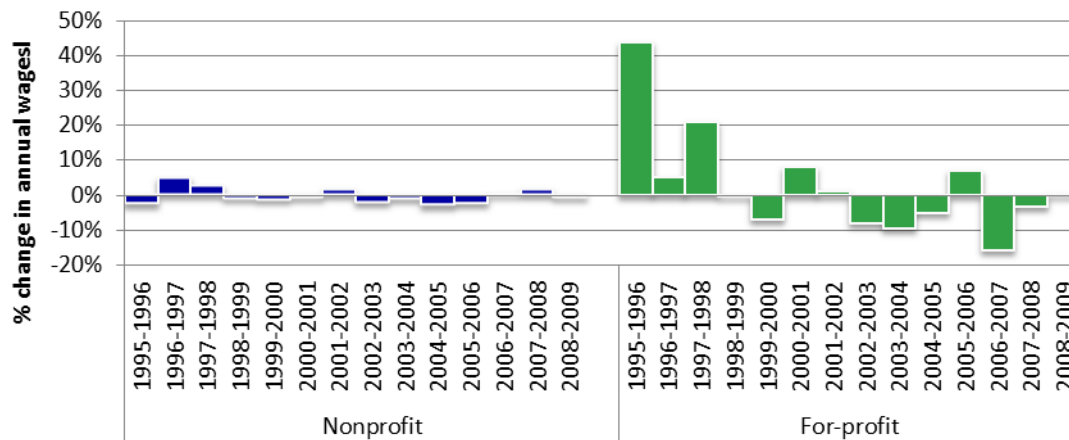


Figure 63: Annual percentage change in private sector vocational rehabilitation average annual wages, 1995–2009



2. Individual and Family Services

- **Wages at nonprofit individual and family services organizations increased nearly 25 percent from \$20,500 in 1995 to over \$25,300 in 2009** (Figure 64). This increase led the average nonprofit wage in individual and family services (\$24,060) to exceed the for-profit average wage (\$22,200). Overall for-profit wages decreased 7 percent over the same time period, but these changes were not consistent.
- **Nonprofit average wages peaked at over \$25,600 in 2004, but annual wages showed relatively less volatility than for-profit annual wages** (Figure 65). For-profit wages were less consistent, peaking at \$25,000 in 2000 before declining in the last seven years of the time period. As noted earlier, for-profit employment in this field increased rapidly between 2007 and 2009 (from 5,600 in 2007 to 6,900 in 2009), but wages remained stable around \$21,000.

Figure 64: Average annual wages of private sector individual and family services employees, 1995–2009

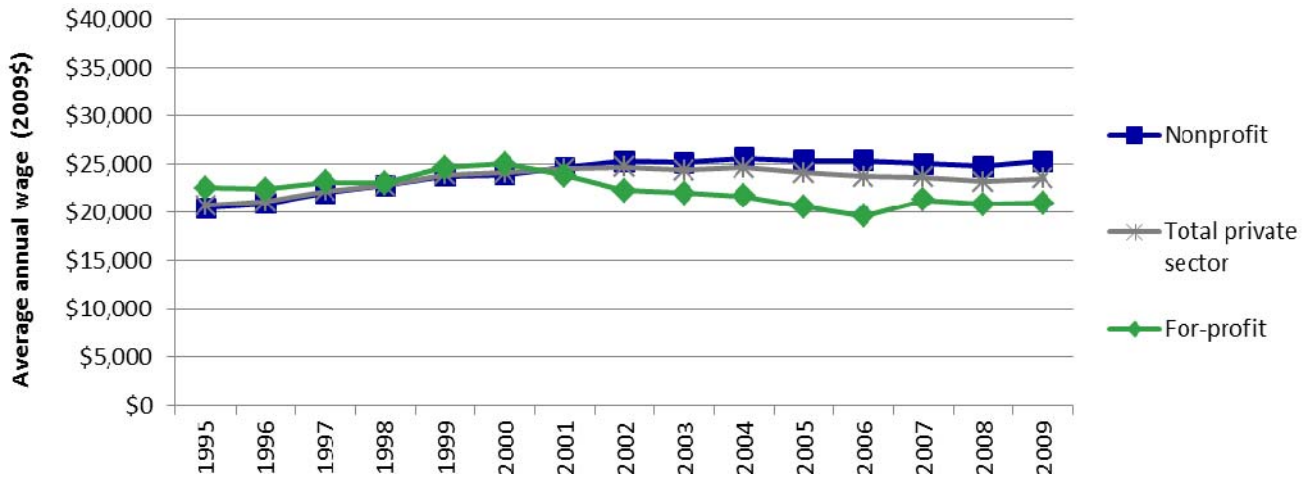
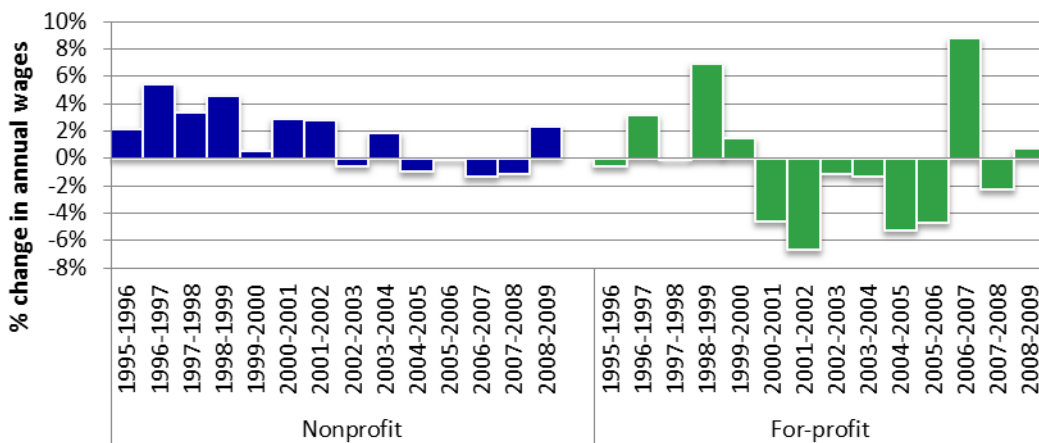


Figure 65: Annual percentage change in private sector individual and family services average annual wages, 1995–2009



3. Child Day Care Services

- **Average annual wages in child day care services were the lowest of all four sub-industries, with nonprofit wages peaking at \$18,400 between 2001 and 2003** (Figure 66). For-profit wages peaked in 2004 at around \$15,400. These average wages may reflect low hourly wages and/or employment of many part-time workers. Regrettably, as discussed in the methodology section, QCEW data do not allow us to distinguish between full- and part-time workers.
- **Nonprofit average wages experienced a small but consistent drop between 2002 and 2006 of 1 to 2 percent, bookended by years of negligible growth** (Figure 67). A variety of factors might have contributed to this dip. During this time period, Indiana reduced child day care services subsidies, thus curtailing government funding for nonprofits that may have resulted in salary cuts. Additionally, nonprofits might have relied on more volunteer labor if charitable dollars decreased due to the recession of the early 2000s.

Figure 66: Average annual wages of private sector child day care services employees, 1995–2009

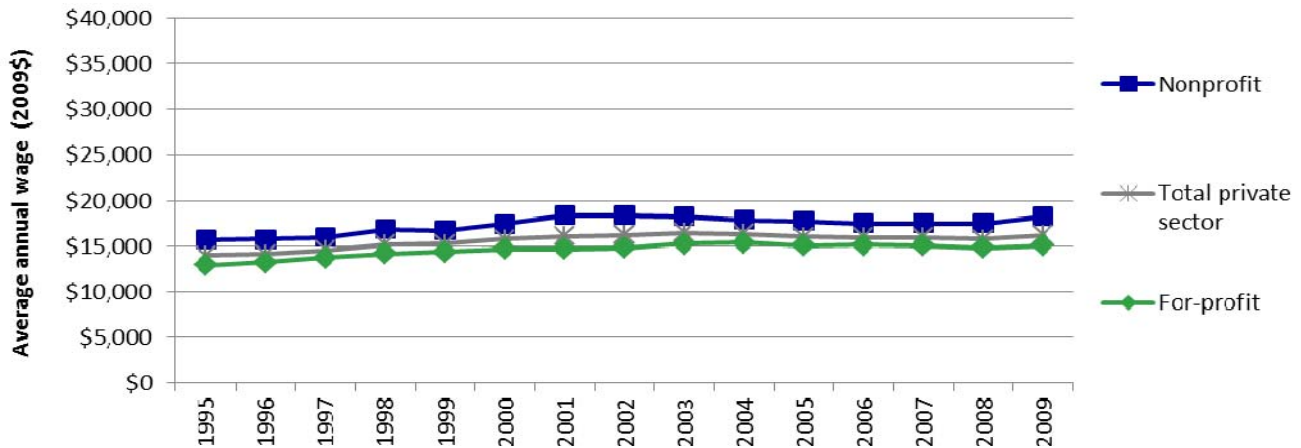
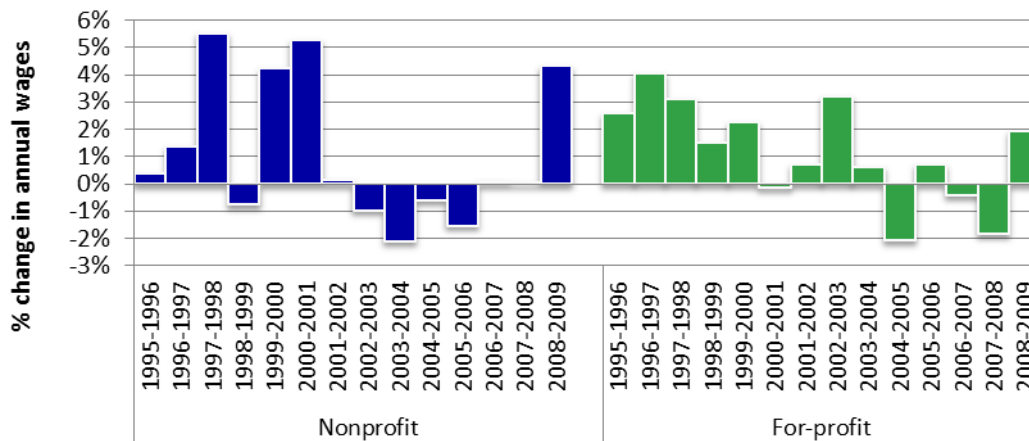


Figure 67: Annual percentage change in private sector child day care services average annual wages, 1995–2009



4. Community Food and Housing, and Emergency and Other Relief Services

- Although the nonprofit sector employed more relief services workers, their average annual wages were lower than those of their for-profit peers (Figure 68). The gap between nonprofit and for-profit wages was as broad as \$7,200 in 2009 and as narrow as \$3,400 in 2003.
- Nonprofit average annual wages peaked at \$24,500 in 2002. Both nonprofit and for-profit wages grew 19 percent over the same time period. For-profit wages were the highest (\$31,200) in 2009. Near the end of the time period, both sectors were experiencing an upward trend.
- Nonprofit wages experienced less volatility than for-profit wages (Figure 69). Nonprofit wages grew between 1 and 4 percent each year from 1995 to 2002, then decreased moderately each year until 2006, after which they started increasing moderately again. In contrast, for-profit wages increased as much as 9 percent in one year, followed by an 8 percent decrease the subsequent year.

Figure 68: Average annual wages of private sector relief services employees, 1995–2009

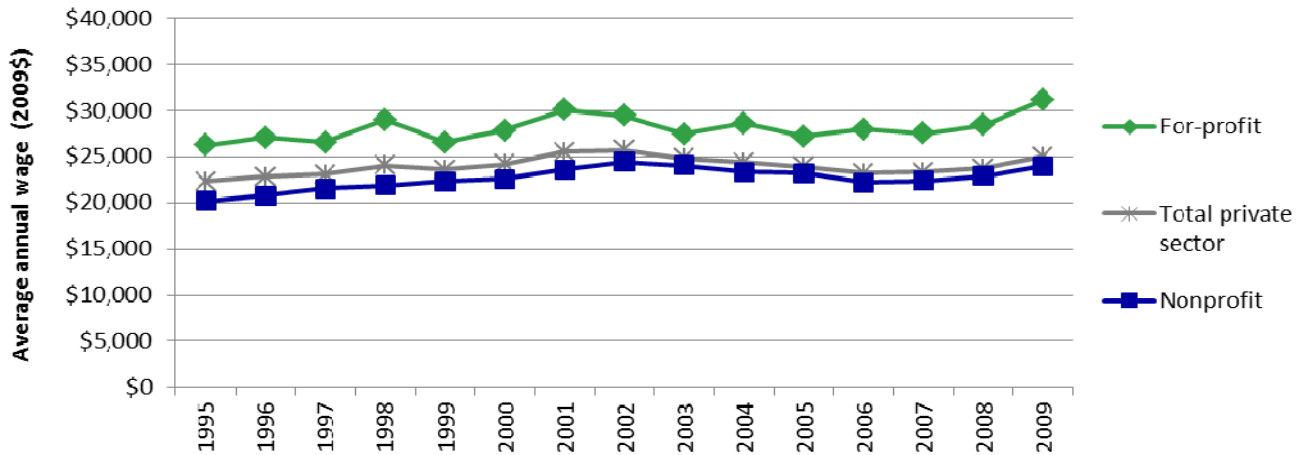
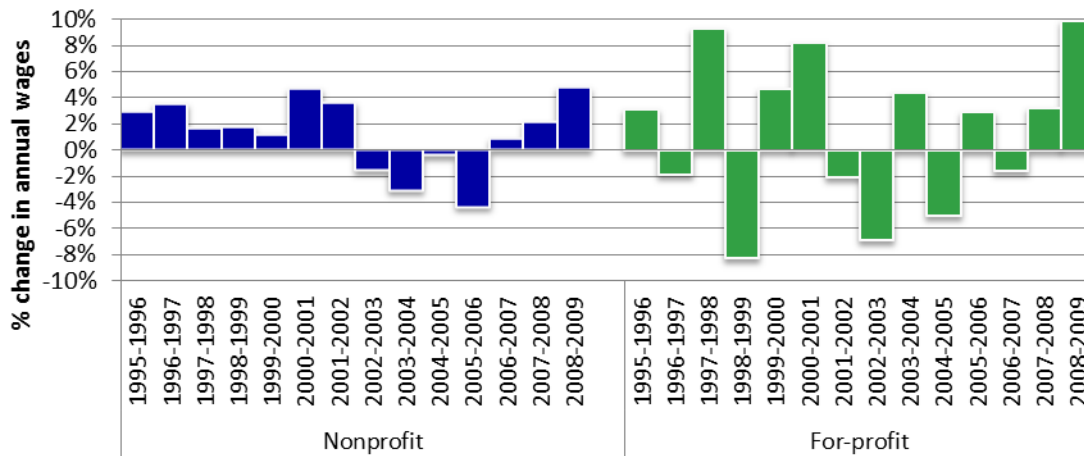


Figure 69: Annual percentage change in private sector relief services average annual wages, 1995–2009



VI. CONCLUSION AND POLICY IMPLICATIONS

By 2009, Indiana’s social assistance industry employed more than 43,000 people, or about 2 percent of the state’s labor force (up from 1 percent in 1995), with a total payroll of more than \$925 million (inflation-adjusted 2009 dollars). Despite the small size of the social assistance industry relative to other major nonprofit industries such as education or health services, nonprofit employment in social assistance accounted for 10 to 12 percent of all nonprofit employment in Indiana between 1995 and 2009. Nonprofit organizations employed more than 60 percent of all Indiana social assistance workers in 2009 (down from a peak of more than 70 percent in 2002–2003), contributing a payroll of over \$612 million. Indiana’s nonprofit sector has been a major force in the state economy. It has also been a stable, seemingly recession-resistant employer within the social assistance industry.

In terms of payroll, social assistance also remained a nonprofit-dominated industry. Nonprofit payroll grew by about 60 percent in constant dollars, from nearly \$384 million in 1995 to more than \$612 million in 2009.

Far more rapid growth in the for-profit sector, however, caused nonprofit payroll to account for a decreasing percentage of total social assistance payroll. Nonprofit payroll is down to about 66 percent of the total private sector social assistance payroll in 2009 from an average of 75 percent between 1995 and 2006. For-profit payroll grew correspondingly, up from roughly a quarter of the private sector social assistance payroll through 2006, to about 34 percent by 2009.

Nonprofit social assistance average annual wages remained notably higher than those of the for-profit sector between 1995 and 2009. They also remained resilient after the onset of the Great Recession, decreasing only about 3 percent overall from 2004 to 2007, before increasing again through 2009. Wages in the for-profit sector experienced a similar decrease—about 4 percent from 2004 to 2006—then more quickly regained ground.

Compared to other major nonprofit industries, the 27,300 nonprofit workers in social assistance in 2009 (up from fewer than 19,000 in 1995) is more than the number of nonprofit workers employed by membership organizations or arts, entertainment, and recreation industries, but below those employed by nonprofit health or education organizations. The average wages of nonprofit social assistance employees were similar to those of membership and arts, entertainment, and recreation organizations, while health care and education maintained notably higher average nonprofit wages.

Our findings document that nonprofits continue to play a dominant role in serving the needy, protecting at-risk populations, training individuals to make them more competitive in an economy undergoing major structural changes, and administering government-funded social assistance programs. Notably, we also show the remarkable growth of for-profits in the social assistance industry at a time when public and private funds are dwindling. Our data do not allow us to determine whether the shift towards for-profit employment in the social assistance industry reflects a deliberate preference by state policymakers to direct more contracts to for-profit providers, or less ability of nonprofit providers to compete on the same basis as for-profit. If the latter, it is not necessarily because nonprofits are worse or less efficient providers; they may simply have a greater commitment to clients who are more costly and difficult to serve. It is also possible that the growth of for-profit social assistance reflects the greater ability of such providers to expand service capacity because they have access to equity capital unavailable to nonprofit providers. Nonprofits must rely on accumulated surplus revenues and/or philanthropic support to expand their service capacity.

It seems likely, however, that the changes we document in this report have brought about an environment of increased direct competition between nonprofits and for-profits in the social assistance field. It is unclear how these trends will play themselves out over the next 10-15 years. There is evidence at the national level to suggest that if nonprofits are to survive in an environment of continuing government fiscal austerity and growing for-profit competition, they will need to secure greater access to credit markets, offer distinctive products, scale up operations, and diversify services.⁴⁰ While this may have some benefits, there is also the risk that nonprofits will leave behind their tradition of serving the needs of society's most marginalized

⁴⁰ Smith, Stephen Rathgeb. (2012). Social Services. In Lester M. Salamon (Ed.), *The State of Nonprofit America* (pp. 192-228). Washington, DC: Brookings Institution Press. p. 213-217

members. This risk might be mitigated by government policy focused on providing services to the most marginalized, allowing nonprofits to adopt more business-like practices to maintain a competitive advantage while still receiving the much-needed funding and political support to serve the populations most in need in our society.

One final caveat - our estimates of Indiana's nonprofit employment and payroll are conservative as we document in Appendix A. Currently, all Indiana for-profit and nonprofit establishments are simply coded as "private." It is impossible to know how many people Indiana nonprofits actually employ, but it is likely to be significantly higher than what we document in this report. If employers that already participate in the Covered Wage and Employment (ES-202) reporting system would be able to indicate whether they are operating under for-profit, nonprofit, or government (federal, state, or local) ownership, the state could ensure more accurate and comprehensive data. In turn, this would make it possible to determine more accurately whether and how the nonprofit and for-profit sectors are adjusting to changing government policy and economic developments. Adding this feature would impose only a minor new reporting requirement on participating establishments and would ensure more accurate and comprehensive data by avoiding the cumbersome and problematic process we have had to use here to estimate nonprofit employment. It is less certain that there is sufficient value in extending the reporting requirements to smaller nonprofits (those with fewer than four employees) to match the requirement for for-profit establishments.

This report is the sixth 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 arts, entertainment, and recreation as well as healthcare. 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 U.S. 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 installations in Indiana.

Scope of Coverage

The QCEW 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 QCEW data set are railroad workers, small-scale agriculture employees, 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,⁴¹ charitable establishments employing less than four workers in 20 weeks during the year, and religious organizations.⁴² 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.⁴³

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.⁴⁴

⁴¹ “Part-Time” is defined as remuneration of less than \$50 in any calendar quarter.

⁴² Indiana Code § 22-4-7-2(h) and § 22-4-8-2(j)

⁴³ 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.

⁴⁴ 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 (at the national level, 87 percent of congregations reported at least one paid staff member in 2006-07; see Mark Chaves, Shawna Anderson & Jason Byassee [2009]. National

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 rules⁴⁵ 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 (currently about 1.6 million organizations). 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 Internal Revenue Code subsection under which the organization has claimed tax exemption. This includes most notably the so-called “charitable” portion of the tax-exempt universe, those registered with the U.S. Internal Revenue Service under Section 501(c)(3) of the Internal Revenue Code – private, not-for-profit hospitals, clinics, colleges, universities, elementary schools, social service agencies, day care centers, orchestras, museums, theaters, homeless shelters, soup kitchens, and many more.

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

Congregations Study: American Congregations at the Beginning of the 21st Century. Duke University., pp. 12, 25. Online at <http://www.soc.duke.edu/natcong/> [retrieved June 25, 2012.]. In the 2002 Indiana survey, we found that congregations 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.

⁴⁵ 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.

organizations as social clubs, labor unions, business associations, civic organizations, and fraternal benefit 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. It also includes the largest nonprofits, most notably universities, hospitals, and major arts and cultural institutions.

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 that participate in the Indiana QCEW reporting system as private 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 QCEW reporting system as private establishments 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 entities participating in the QCEW reporting system as private establishments 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. We believe that at least some of these “non-filers” are large religiously affiliated nonprofits, such as hospitals and universities.

Some nonprofit establishments are not captured in this report. These include entities that have not registered with the IRS for tax exemption 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.⁴⁶ 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 QCEW reporting system.

Also, there may be a significant number of multiple establishment commercial firms that have nonprofit subsidiaries; these nonprofit subsidiaries would not be identified as nonprofit firms in the state QCEW records. On the other hand, there may be some multiple establishment nonprofit firms that have commercial subsidiaries, but 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 (a process that may take several months). A close analysis of quarterly records suggests that this procedure may miss some nonprofits that receive their exempt status later than this cut-off date. However, we believe the error is fairly small, although the consequence is to reduce our estimate of nonprofit employment.

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 Indiana QCEW dataset. If they had employees and payroll during this time, they would by default be considered for-profit establishments. Consequently, our estimates in this report most likely underestimate the nonprofit share of the Indiana economy for 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 QCEW data source to generate similar data on nonprofit employment in other states and for the U.S. as a whole (see www.jhu.edu/~ccss). For more information on the Indiana Nonprofits: Scope and Community Dimensions project, see www.indiana.edu/~nonprof.

⁴⁶ 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 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.

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 a 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.

Two problematic items deserve somewhat more description. First, in processing the data for a previous report in this series, 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 over the 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 involved 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.

Second, we are aware that religiously-affiliated universities and hospitals present special challenges in our analysis. We observed substantial spikes in our data for these industries that were later determined (by collaborating with the IBRC) to be due to changes in IRS-exempt status, where some colleges and hospitals that had been operating as subsidiaries of churches (which had exercised their right not to register as tax-exempt entities with the IRS) spun off from their religious headquarter organizations and became independent nonprofit entities. After spinning off, these organizations were required to register with the IRS as exempt entities. Unfortunately, this problem may be extensive in the social assistance industry (where many religious organizations provide social assistance services). However, the small number of employees per social assistance establishment does not create large enough discontinuities in the data series from year to year for us to determine whether and to what extent similar problems exist in this industry.

APPENDIX B: DATA TABLES

Table 1: Establishments, employment, and payroll in nonprofit social assistance, all private social assistance, and all nonprofits

Year	All private social assistance			Nonprofit social assistance			All nonprofits		
	Est	Employment	Payroll	Est	Employment	Payroll	Est	Employment	Payroll
1995	1,849	27,286	\$514,429,200	878	18,976	\$383,643,465	5,674	183,911	\$5,557,930,295
1996	1,839	28,416	\$541,443,729	881	19,710	\$399,265,101	5,741	183,425	\$5,539,840,030
1997	1,867	28,845	\$571,970,490	921	19,959	\$421,075,149	5,800	191,480	\$6,000,047,658
1998	1,907	30,571	\$626,900,912	935	21,351	\$464,757,556	5,764	198,051	\$6,364,063,633
1999	1,946	32,122	\$666,333,502	965	22,517	\$496,592,231	5,897	205,725	\$6,561,938,957
2000	2,007	33,757	\$704,795,612	1004	23,647	\$522,674,921	5,997	210,116	\$6,729,163,760
2001	2,094	35,360	\$749,936,349	1067	25,079	\$564,956,161	6,054	221,329	\$7,200,028,762
2002	2,154	36,479	\$786,081,479	1134	26,136	\$600,238,913	6,159	223,741	\$7,465,697,732
2003	2,206	38,359	\$824,510,942	1175	27,572	\$625,514,914	6,248	227,163	\$7,660,069,057
2004	2,247	39,713	\$854,635,962	1181	28,320	\$644,244,760	6,313	230,102	\$7,838,477,398
2005	2,251	39,771	\$837,437,805	1184	28,165	\$630,722,449	6,335	232,120	\$7,967,411,991
2006	2,233	39,531	\$819,801,611	1168	27,507	\$606,982,471	6,325	233,676	\$8,056,341,554
2007	2,314	42,033	\$873,514,495	1162	27,548	\$605,879,346	6,370	235,926	\$8,210,554,849
2008	2,395	42,791	\$887,016,695	1174	26,722	\$589,802,934	6,426	239,943	\$8,355,358,898
2009	2,389	44,049	\$929,081,537	1140	27,306	\$612,244,136	6,505	245,644	\$8,857,624,853

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

Table 2: Nonprofit social assistance employment and payroll as a percentage of all private social assistance and of all nonprofit employment and payroll

Year	Nonprofit social assistance employment	Nonprofit social assistance payroll	% of all private social assistance employment	% of all private social assistance payroll	% of all nonprofit employment	% of all nonprofit payroll
1995	18,976	\$383,643,465	70%	75%	10%	7%
1996	19,710	\$399,265,101	69%	74%	11%	7%
1997	19,959	\$421,075,149	69%	74%	10%	7%
1998	21,351	\$464,757,556	70%	74%	11%	7%
1999	22,517	\$496,592,231	70%	75%	11%	8%
2000	23,647	\$522,674,921	70%	74%	11%	8%
2001	25,079	\$564,956,161	71%	75%	11%	8%
2002	26,136	\$600,238,913	72%	76%	12%	8%
2003	27,572	\$625,514,914	72%	76%	12%	8%
2004	28,320	\$644,244,760	71%	75%	12%	8%
2005	28,165	\$630,722,449	71%	75%	12%	8%
2006	27,507	\$606,982,471	70%	74%	12%	8%
2007	27,548	\$605,879,346	66%	69%	12%	7%
2008	26,722	\$589,802,934	62%	66%	11%	7%
2009	27,306	\$612,244,136	62%	66%	11%	7%

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

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

Year	Individual and family services			Relief services			Vocational rehabilitation			Child day care services		
	Est	Empl	Payroll	Est	Empl	Payroll	Est	Empl	Payroll	Est	Empl	Payroll
1995	338	6,609	\$135,368,797	119	958	\$19,357,398	195	7,679	\$170,273,294	227	3,730	\$58,643,976
1996	348	6,736	\$140,952,167	115	942	\$19,594,619	195	8,419	\$181,696,285	224	3,613	\$57,022,031
1997	361	6,922	\$152,680,849	108	973	\$20,952,058	195	8,215	\$185,850,623	257	3,849	\$61,591,620
1998	357	7,278	\$165,924,781	109	1,034	\$22,636,335	208	8,865	\$205,706,178	261	4,174	\$70,490,263
1999	381	7,609	\$181,385,673	112	1,074	\$23,919,937	205	9,538	\$219,290,522	266	4,296	\$71,996,100
2000	385	7,816	\$187,255,315	110	1,119	\$25,225,616	219	10,195	\$231,292,134	290	4,517	\$78,901,856
2001	416	8,597	\$211,921,450	115	1,149	\$27,120,297	232	10,669	\$240,144,193	305	4,664	\$85,770,221
2002	447	8,905	\$225,682,963	118	1,225	\$29,957,565	240	11,242	\$256,825,742	329	4,765	\$87,772,644
2003	469	9,434	\$237,694,960	123	1,237	\$29,788,900	239	12,093	\$270,312,551	344	4,808	\$87,718,503
2004	468	9,983	\$256,191,391	141	1,494	\$34,854,210	230	12,305	\$272,143,702	341	4,538	\$81,055,456
2005	485	9,928	\$252,264,251	144	1,630	\$37,843,446	228	12,421	\$266,266,205	326	4,187	\$74,348,547
2006	487	9,701	\$246,414,515	140	1,625	\$36,089,278	221	12,134	\$253,716,200	321	4,047	\$70,762,478
2007	487	9,891	\$247,774,748	137	1,521	\$34,065,237	218	11,998	\$251,568,089	321	4,139	\$72,471,272
2008	496	9,871	\$244,534,046	140	1,665	\$38,071,430	208	10,996	\$233,809,582	330	4,191	\$73,387,876
2009	494	10,116	\$256,451,550	133	1,644	\$39,398,580	189	11,373	\$240,152,574	325	4,173	\$76,241,432

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

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

Year	Individual & family		Relief services		Vocational rehab		Child day care services	
	% of all nonprofit social assistance employment	% of all nonprofit social assistance payroll	% of all nonprofit social assistance employment	% of all nonprofit social assistance payroll	% of all nonprofit social assistance employment	% of all nonprofit social assistance payroll	% of all nonprofit social assistance employment	% of all nonprofit social assistance payroll
1995	35%	35%	5%	5%	40%	44%	20%	15%
1996	34%	35%	5%	5%	43%	46%	18%	14%
1997	35%	36%	5%	5%	41%	44%	19%	15%
1998	34%	36%	5%	5%	42%	44%	20%	15%
1999	34%	37%	5%	5%	42%	44%	19%	14%
2000	33%	36%	5%	5%	43%	44%	19%	15%
2001	34%	38%	5%	5%	43%	43%	19%	15%
2002	34%	38%	5%	5%	43%	43%	18%	15%
2003	34%	38%	4%	5%	44%	43%	17%	14%
2004	35%	40%	5%	5%	43%	42%	16%	13%
2005	35%	40%	6%	6%	44%	42%	15%	12%
2006	35%	41%	6%	6%	44%	42%	15%	12%
2007	36%	41%	6%	6%	44%	42%	15%	12%
2008	37%	41%	6%	6%	41%	40%	16%	12%
2009	37%	42%	6%	6%	42%	39%	15%	12%

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

Year	Individual & family		Relief services		Vocational rehab		Child day care services	
	Nonprofit as % of all private individual & family employment	Nonprofit as % of all private individual & family payroll	Nonprofit as % of all private relief services employment	Nonprofit as % of all private relief services payroll	Nonprofit as % of all private voc rehab employment	Nonprofit as % of all private voc rehab payroll	Nonprofit as % of all private child day care employment	Nonprofit as % of all private child day care payroll
1995	87%	86%	65%	59%	89%	90%	39%	44%
1996	86%	85%	66%	60%	92%	90%	36%	40%
1997	86%	85%	68%	63%	91%	89%	37%	41%
1998	84%	84%	69%	63%	94%	91%	38%	42%
1999	85%	85%	69%	66%	94%	91%	37%	41%
2000	84%	83%	69%	65%	94%	92%	38%	42%
2001	83%	83%	69%	64%	96%	93%	38%	44%
2002	80%	82%	75%	71%	96%	94%	40%	45%
2003	76%	78%	77%	75%	96%	94%	41%	45%
2004	74%	77%	80%	76%	96%	95%	39%	43%
2005	73%	77%	83%	81%	95%	94%	37%	41%
2006	71%	76%	83%	79%	96%	94%	36%	39%
2007	64%	67%	81%	78%	93%	92%	35%	39%
2008	61%	66%	84%	81%	85%	84%	35%	39%
2009	59%	64%	85%	81%	85%	83%	36%	40%

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

Year	All social assistance		Individual & family		Relief services		Vocational rehab		Child day care services	
	Nonprofit	All private sectors	Nonprofit	All private sectors	Nonprofit	All private sectors	Nonprofit	All private sectors	Nonprofit	All private sectors
1995	\$20,218	\$18,853	\$20,482	\$20,756	\$20,217	\$22,270	\$22,175	\$21,945	\$15,721	\$13,998
1996	\$20,257	\$19,054	\$20,927	\$21,137	\$20,801	\$22,783	\$21,582	\$22,074	\$15,781	\$14,143
1997	\$21,097	\$19,829	\$22,058	\$22,214	\$21,533	\$23,078	\$22,623	\$23,159	\$16,001	\$14,592
1998	\$21,768	\$20,506	\$22,799	\$22,853	\$21,892	\$23,957	\$23,205	\$23,896	\$16,887	\$15,226
1999	\$22,055	\$20,744	\$23,838	\$23,958	\$22,282	\$23,514	\$22,991	\$23,686	\$16,760	\$15,289
2000	\$22,103	\$20,879	\$23,957	\$24,132	\$22,548	\$24,071	\$22,686	\$23,246	\$17,470	\$15,766
2001	\$22,527	\$21,209	\$24,650	\$24,526	\$23,603	\$25,439	\$22,508	\$23,040	\$18,392	\$16,123
2002	\$22,966	\$21,549	\$25,343	\$24,731	\$24,460	\$25,593	\$22,846	\$23,336	\$18,421	\$16,255
2003	\$22,686	\$21,495	\$25,196	\$24,439	\$24,077	\$24,745	\$22,352	\$22,756	\$18,245	\$16,540
2004	\$22,749	\$21,520	\$25,663	\$24,664	\$23,326	\$24,302	\$22,116	\$22,414	\$17,862	\$16,388
2005	\$22,394	\$21,057	\$25,409	\$24,142	\$23,224	\$23,883	\$21,438	\$21,720	\$17,758	\$16,088
2006	\$22,067	\$20,738	\$25,400	\$23,755	\$22,209	\$23,170	\$20,910	\$21,296	\$17,487	\$16,026
2007	\$21,993	\$20,782	\$25,051	\$23,689	\$22,400	\$23,305	\$20,968	\$21,248	\$17,510	\$15,986
2008	\$22,072	\$20,729	\$24,772	\$23,254	\$22,873	\$23,722	\$21,264	\$21,654	\$17,513	\$15,801
2009	\$22,422	\$21,092	\$25,350	\$23,581	\$23,965	\$25,035	\$21,116	\$21,545	\$18,271	\$16,308

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

Table 7: Average number of employees per establishment in private sector social assistance and social assistance sub-industries

Year	All social assistance		Individual & family		Relief services		Vocational rehab		Child day care services	
	Nonprofit	All private sectors	Nonprofit	All private sectors	Nonprofit	All private sectors	Nonprofit	All private sectors	Nonprofit	All private sectors
1995	22	15	20	16	8	9	39	37	16	10
1996	22	15	19	16	8	9	43	40	16	11
1997	22	15	19	16	9	9	42	39	15	11
1998	23	16	20	17	9	10	43	40	16	11
1999	23	17	20	16	10	10	47	43	16	11
2000	24	17	20	16	10	11	47	43	16	12
2001	24	17	21	17	10	10	46	43	15	11
2002	23	17	20	17	10	10	47	44	14	11
2003	23	17	20	18	10	10	51	47	14	11
2004	24	18	21	18	11	11	53	51	13	11
2005	24	18	20	18	11	11	54	51	13	11
2006	24	18	20	18	12	11	55	52	13	11
2007	24	18	20	19	11	11	55	54	13	11
2008	23	18	20	18	12	11	53	56	13	11
2009	24	18	20	19	12	12	60	59	13	11

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 website: 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 Social Assistance to conduct a survey of Indiana grantees of Lumina Foundation for Social Assistance 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 Statwide 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 Statwide Reports

- *Indiana Nonprofits: A Portrait of Religious Nonprofits and Secular Charities*, by Kirsten A. Grønbjerg, Patricia Borntrager Tennen. Online report. Survey Report #7. June 2006.
<http://www.indiana.edu/~nonprof/results/npsurvey/insfaithbased.html>
- *Indiana Nonprofits: A Profile of Membership Organizations*, by Kirsten A. Grønbjerg and Patricia Borntrager Tennen. Online report. Survey Report #6. September 2005.
www.indiana.edu/~nonprof/results/npsurvey/insmember.html
- *Indiana Nonprofits: Affiliation, Collaboration, and Competition*, by Kirsten A. Grønbjerg and Curtis Child. Online report. Survey Report #5. November 2004.
www.indiana.edu/~nonprof/results/npsurvey/insaffil.html
- *Indiana Nonprofits: Managing Financial and Human Resources*, by Kirsten A. Grønbjerg and Richard M. Clerkin. Online report. Survey Report #4. August 2004.
www.indiana.edu/~nonprof/results/npsurvey/insman.html
- *Indiana Nonprofits: Impact of Community and Policy Changes*, by Kirsten A. Grønbjerg and Curtis Child. Online report. Survey Report #3. June 2004.
www.indiana.edu/~nonprof/results/npsurvey/inscom.html
- *The Indiana Nonprofit Sector: A Profile*, by Kirsten A. Grønbjerg and Linda Allen. Online report. Survey Report #2. January 2004.
www.indiana.edu/~nonprof/results/npsurvey/insprofile.html

- *The Indianapolis Nonprofit Sector: Management Capacities and Challenges*, by Kirsten A. Grønbjerg and Richard Clerkin. Online report. Preliminary Survey Report #1. February 2003.
www.indiana.edu/~nonprof/results/npsurvey/indymanag.html

Online Regional Reports

- *Scott Nonprofits: Scope and Dimensions*. Nonprofit Survey Series, Community Report #12, by Kirsten A. Grønbjerg, Abigail Powell and Patricia 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.
www.indiana.edu/~nonprof/results/npsurvey/inscommiami.pdf
- *Dubois Nonprofits: Scope and Dimensions*. Nonprofit Survey Series, Community Report #10, by Kirsten A. Grønbjerg, Abigail Powell and Patricia Bortrager Tennen. Bloomington, IN: Indiana University School of Public and Environmental Affairs, November 2006.
www.indiana.edu/~nonprof/results/npsurvey/inscomdubois.pdf
- *Cass Nonprofits: Scope and Dimensions*. Nonprofit Survey Series, Community Report #9, by Kirsten A. Grønbjerg, Andrea Lewis and Patricia Bortrager Tennen. Bloomington, IN: Indiana University School of Public and Environmental Affairs, November 2006.
www.indiana.edu/~nonprof/results/npsurvey/inscomcass.pdf
- *Bartholomew Nonprofits: Scope and Dimensions*. Nonprofit Survey Series, Community Report #8, by Kirsten A. 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/inscombartholomew.pdf
- *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
- *Fort Wayne Nonprofits: Scope and Dimensions*. Nonprofit Survey Series, Community Report #6, by Kirsten A. Grønbjerg, Abigail Powell, Andrea Lewis and Patricia Bortrager Tennen. Bloomington, IN: Indiana University School of Public and Environmental Affairs, November 2006.
<http://www.indiana.edu/~nonprof/results/npsurvey/inscomfortwayne.pdf>
- *Indianapolis Nonprofits: Scope and Dimensions*. Nonprofit Survey Series, Community Report #5, by Kirsten A. Grønbjerg and Patricia Bortrager Tennen. Bloomington, IN: Indiana University School of Public and Environmental Affairs, November 2006.
<http://www.indiana.edu/~nonprof/results/npsurvey/inscomindianapolis.pdf>

- *Evansville Nonprofits: Scope and Dimensions*. Nonprofit Survey Series, Community Report #4, by Kirsten A. Grønbjerg, Curtis Child and Patricia Borntrager Tennen (Bloomington, IN: Indiana University School of Public and Environmental Affairs, June 2006 (revised November 2006).
<http://www.indiana.edu/~nonprof/results/npsurvey/inscomevansville.pdf>
- *Muncie Nonprofits: Scope and Dimensions*. Nonprofit Survey Series, Community Report #3, by Kirsten A. Grønbjerg and Patricia Borntrager Tennen. Bloomington, IN: Indiana University School of Public and Environmental Affairs, June 2006.
<http://www.indiana.edu/~nonprof/results/npsurvey/inscommuncie.pdf>
- *Northwest Nonprofits: Scope and Dimensions*. Nonprofit Survey Series, Community Report #2, by Kirsten A. Grønbjerg and Patricia Borntrager Tennen (Bloomington, IN: Indiana University School of Public and Environmental Affairs, February, 2006).
<http://www.indiana.edu/~nonprof/results/npsurvey/inscomnorthwest.pdf>
- *Bloomington Nonprofits: Scope and Dimensions*. Nonprofit Survey Series, Community Report #1, by Kirsten A. Grønbjerg and Curtis Child, Patricia Borntrager Tennen (Bloomington, IN: Indiana University School of Public and Environmental Affairs, December, 2005).
<http://www.indiana.edu/~nonprof/results/npsurvey/inscombloomington.pdf>

Journal Articles and Book Chapters

- "Infrastructure and Activities: Relating IT to the Work of Nonprofit Organizations," by Richard Clerkin and Kirsten A. Grønbjerg. Pp. 3-20 in *Nonprofits and Technology*, edited by Michael Cortés & Kevin Rafter. Chicago: Lyceum Books. 2007.
- "Nonprofit Advocacy Organizations: Their Characteristics and Activities," by Curtis Child and Kirsten A. Grønbjerg. *Social Science Quarterly* 88 (1, 2007) 259-81.
- "The Capacities and Challenges of Faith-Based Human Service Organizations," by Richard Clerkin and Kirsten Grønbjerg. *Public Administration Review* 67 (1, 2007): 115-126.
- "Nonprofits in Context: Assessing the Regional-level Correlates of Nonprofit Capacity Resources," by Curtis D. Child, Kirsten A. Grønbjerg, and Hun Myoung Park. Paper presented at the annual meetings of ARNOVA, Chicago, IL, November 16-18, 2006.
- "Researching Collaborative Structures and/or Their Outcomes: Challenges of Measurement and Methodology." Paper presented at the annual meetings of the Academy of Management, Atlanta, GA, August 14-16, 2006.
- "Nonprofit Networks and Collaborations: Incidence, Scope and Outcomes," by Kirsten Grønbjerg and Curtis Child. Paper presented at the annual meetings of ARNOVA, Washington, D.C., November 17-19, 2005.

- "A Portrait of Membership Associations: The Case of Indiana," by Kirsten Grønbjerg and Patricia Borntrager Tennen. Paper presented at the annual meetings of ARNOVA, Washington, D.C., November 17-19, 2005.
- "Examining the Landscape of Indiana's Nonprofit Sector: Does What you Know Depend on Where you Look?" by Kirsten A. Grønbjerg and Richard M. Clerkin. *Nonprofit and Voluntary Sector Quarterly* 34 (June 2005, No. 2): 232-59.
- "The Role of Congregations in Delivering Human Services" by Richard M. Clerkin and Kirsten Grønbjerg. Paper presented at the Independent Sector Spring Research Forum, Washington, D.C., March 6-7, 2003.

Indiana Nonprofit Employment Analysis

This analysis compares 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 Statelwide Reports

- *Indiana Nonprofit Employment: Historical Trends in Social Assistance 1995-2009*, Nonprofit Employment Report Nr, 6, by Kirsten A. Grønbjerg, with Kellie L. McGiverin-Bohan, Alexandra Buck, Kristen Dmytryk, Katherine Gagnon, Weston Merrick, and Katherine Novakoski (Bloomington, IN: Indiana University School of Public and Environmental Affairs, July 2012).
www.indiana.edu/~nonprof/results/inemploy/innonprofemploytrendsocassist.htm
- *Indiana Nonprofit Employment: Historical Trends in Education 1995-2009*, Nonprofit Employment Report Nr, 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 [Revised June 2012].
<http://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.
<http://www.indiana.edu/~nonprof/results/inemploy/innonprofemploy09.htm>
- *Indiana Nonprofit Employment: 2007 Report*. Nonprofit Employment Report No. 3 by Kirsten A. Grønbjerg, Andrea Lewis and Pauline Campbell. September 2007.
<http://www.indiana.edu/~nonprof/results/inemploy/innonprofemploy07.htm>
- *Indiana Nonprofit Employment, 2005 Report*. Nonprofit Employment Report No. 2 by Kirsten A. Grønbjerg and Erich T. Eschmann. May 2005.
<http://www.indiana.edu/~nonprof/results/inemploy/innonprofemploy05.htm>

- *Indiana Nonprofit Employment, 2003 Report*. Nonprofit Employment Report No. 1 by Kirsten A. Grønbjerg and Hun Myoung Park. July 2003.
<http://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.
<http://www.indiana.edu/~nonprof/results/inemploy/evansvilleempl05.pdf>
- *Muncie Economic Region Nonprofit Employment: 2005 Report*. Nonprofit Employment Series No. 2C by Kirsten Grønbjerg and Kerry Brock. May 2006.
<http://www.indiana.edu/~nonprof/results/inemploy/muncieempl05.pdf>
- *Northwest Economic Region Nonprofit Employment: 2005 Report*. Nonprofit Employment Series No. 2B by Kirsten Grønbjerg and Kerry Brock. February 2006.
<http://www.indiana.edu/~nonprof/results/inemploy/northwestempl05.pdf>
- *Bloomington Economic Region Nonprofit Employment: 2005 Report*. Nonprofit Employment Series No. 2A by Kirsten Grønbjerg and Erich T. Eschmann with Kerry Brock. January 2006.
www.indiana.edu/~nonprof/results/inemploy/bloomingtonempl05.pdf
- *Bloomington Nonprofit Employment, 2001*. Nonprofit Employment Report No. 1, Supplement A, by Kirsten Grønbjerg and Sharon Kioko. August 2003.
<http://www.indiana.edu/~nonprof/results/inemploy/bloomingtonempl03.pdf>

Nonprofit Trust Survey Analysis

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

Online Report

- *Are Nonprofits Trustworthy?* by Kirsten Grønbjerg. Bloomington, Indiana, School of Public and Environmental Affairs, February 11, 2009.
<http://www.indiana.edu/~nonprof/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 Grønberg and Brent Never. *Nonprofit Management and Leadership* 14 (Winter 2004, No. 3):263-90.
- "Individual Engagement with Nonprofits: Explaining Participation in Association Meetings and Events" by Kirsten Grønberg. Paper presented at the ARNOVA Meetings, Montreal, Canada, November, 14-16, 2002.
- "Volunteering for Nonprofits: The Role of Religious Engagement" by Kirsten Grønberg and Brent Never. Paper presented at the Association for the Study of Religion. Chicago, August 14-16, 2002.

Indiana Nonprofit 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. Grønberg, 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. Grønberg, 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. Grønberg, Helen Liu, Thomas Pollak and Ginger

Elliott-Teague. Revised version of paper presented at the Association of Research on Nonprofit Organizations and Voluntary Action, Atlanta, GA, November 15-17, 2007.

- “Evaluating Nonprofit Databases.” *American Behavioral Scientist* 45 (July, 2002, No. 10): 1741-77.
Resources for Scholarship in the Nonprofit Sector: Studies in the Political Economy of Information, Part I: Data on Nonprofit Industries.
- “Community Variations in the Size and Scope of the Nonprofit Sector: Theory and Preliminary Findings” by Kirsten A. Grønbjerg & Laurie Paarlberg. *Nonprofit and Voluntary Sector Quarterly* 30 (No. 4, December, 2001) 684-706.



INDIANA UNIVERSITY

SCHOOL OF PUBLIC AND
ENVIRONMENTAL AFFAIRS



KELLEY SCHOOL OF BUSINESS

INDIANA UNIVERSITY
Indiana Business Research Center