



Nonprofit Employment Series
Report #2B

NORTHWEST ECONOMIC REGION NONPROFIT EMPLOYMENT: 2005 REPORT

A JOINT PRODUCT OF

THE CENTER ON PHILANTHROPY
AT INDIANA UNIVERSITY

THE SCHOOL OF PUBLIC AND ENVIRONMENTAL AFFAIRS
AT INDIANA UNIVERSITY

AND

THE JOHNS HOPKINS
NONPROFIT EMPLOYMENT DATA PROJECT

MAY 2006

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AND
KERRY S. BROCK

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Copies of this report are available on the Indiana Nonprofit Sector Web site (www.indiana.edu/~nonprof).

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NONPROFIT
EMPLOYMENT:
2005 REPORT**

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SCOPE & COMMUNITY
DIMENSIONS**

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Key Findings -

1. The private nonprofit sector was a major economic force in the four-county Northwest economic region, accounting for 1 out of every 12 paid workers—more than were employed in the region’s entire construction or finance, insurance, and real estate industries (see pages 4-5).
2. Northwest-region nonprofits accounted for virtually all employment in membership associations, two-thirds of total employment in social assistance organizations, and more than two-fifths of total employment in health services (see pages 5-6).
3. The 21,955 nonprofit employees in the Northwest region earned about \$618 million in wages in 2003 (see page 6).
4. Nonprofit employment in the Northwest region was concentrated in Lake County, but was found in all of the region’s four counties (see page 7).
5. Three-fifths (60 percent) of nonprofit employment in the Northwest region was in health services, another 14 percent was in membership associations, and 11 percent was in social assistance organizations (see page 8).
6. Almost all (88 percent) nonprofit employees in the Northwest region worked for charities, although only 52 percent of nonprofit employers were charitable establishments (see pages 9-10).
7. On average, weekly wages for nonprofit employees in the Northwest region were 18 percent lower than those of for-profit workers and 10 percent lower than those of government workers (see page 10). However, nonprofit weekly wages were higher than their counterparts’ wages in membership associations, social assistance organizations, and educational services organizations (see pages 10-13).
8. Average weekly wages for nonprofit employees in the Northwest region were above the median for the state’s twelve economic regions, but were lower than the statewide average (see pages 13-14).
9. The Northwest region nonprofit sector declined at nearly three times the rate of decline of the for-profit sector between 2001-2003, while the government sector saw a slight growth during the same period (see pages 14-15).
10. Overall payroll for nonprofit employees in the Northwest region also declined somewhat during this period, while payrolls in the for-profit and government sectors increased somewhat (see pages 15-17).
11. Most of the decline in nonprofit employment in the Northwest region was absorbed by health service jobs (see pages 17-18).
12. Nonprofit employment in the Northwest region lagged behind that of all other regions between 2001 and 2002, but regained some ground in comparison to other regions from 2002 to 2003 (see pages 18-19).
13. Trends in overall nonprofit employment in the Northwest region varied across the four counties. The significant decline in nonprofit employment in Lake County overshadowed more positive trends in Porter and Jasper Counties (see pages 19-20).

INTRODUCTION

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

This report presents information on the size, composition, and distribution of paid employment in the private nonprofit sector in the Northwest economic region for 2003, including changes over the 2000-2003¹ period. We also present comparisons to the state of Indiana from our statewide report ([Indiana Nonprofit Employment: 2005 Report](#)) and to other economic regions in the state. The analysis is part of a larger project, **Indiana Nonprofits: Scope and Community Dimensions**, that is currently underway at Indiana University. The project is designed to provide solid, baseline information about the Indiana nonprofit sector, its composition and structure, its contributions to Indiana, the challenges it is facing, and how these features vary across Indiana communities. For more information about the project, see <http://www.indiana.edu/~nonprof>.

The report draws on data generated by the Indiana Department of Workforce Development through surveys of Indiana workplaces carried out under the national Covered Employment and Wages (CEW) labor market information program administered by the U.S. Bureau of Labor Statistics as part of the unemployment insurance program. Also known as the ES-202 program, the CEW data are collected cooperatively by the Bureau of Labor Statistics and the various state-level employment security agencies (including all 50 states, the District of Co-

¹ Because of changes in how industries are classified (from the Standard Industrial Classification (SIC) system to the North American Industrial Classification System (NAICS) as mandated by the North American Free Trade Agreement (NAFTA)), we were able to obtain consistent industry classifications dating back only to 2001. As a result, most of our trend analysis is limited to the 2001-2003 period. However, we were able to report on overall nonprofit employment and payroll data back to 2000. Our methodology for estimating nonprofit employment in 1995 used in our previous report carries some uncertainty (it most likely underestimates nonprofit employment in 1995); we therefore limit our analysis to the more recent periods.

lumbia, Puerto Rico, and the Virgin Islands).² These data, compiled from quarterly reports submitted by employers in compliance with U.S. and Indiana law, were prepared for us by the Indiana Business Research Center at Indiana University under a confidentiality agreement with the state.

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

For the purpose of this report, we focus on private nonprofits registered as tax-exempt entities with the U.S. Internal Revenue Service under Section 501(c) of the Internal Revenue Code. This includes private, not-for-profit hospitals, clinics, colleges, universities, elementary schools, social service agencies, day care centers, orchestras, museums, theaters, homeless shelters, soup kitchens, and many more. It also includes a wide variety of civic organizations, trade associations, unions, and other membership groups.³

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

² U.S. Department of Labor, Bureau of Labor Statistics. *BLS Handbook of Methods*. "Chapter 5: Employment and Wages Covered by Unemployment Insurance." See http://www.bls.gov/opub/hom/homch5_a.htm, accessed May 17, 2006.

³ Although some units of government are registered with the IRS as charities, our analysis of nonprofit employment excludes all employees of government-owned establishments, such as public schools, and counts these as government employees.

We again caution that our estimate of the size of the Indiana nonprofit sector underestimates the sector's role in the state's economy because some nonprofits (e.g., congregations and charities with less than four workers) are not required to participate in the CEW reporting systems. Still others cannot be identified as nonprofits,⁴ most notably those that are not required to register as tax-exempt entities with the IRS because they have less than \$5,000 in total revenues, are among the types of nonprofits that are exempt from registering altogether (e.g., certain types of membership associations and churches), or do not do so for a variety of other reasons.

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

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

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

⁴ Unfortunately, Indiana is not one of the handful of states, such as Maryland, that require private CEW establishments to indicate whether they operate under for-profit or nonprofit ownership. As a result, we have to rely on the IRS Business Master File of tax-exempt entities to identify nonprofit organizations, even though we know these records have significant gaps and may fail to capture as many as 40-50 percent of nonprofits in the state. Most likely, however, the great majority of the larger ones are included.

DETAILED FINDINGS

I. A MAJOR ECONOMIC FORCE

The four-county Northwest economic region is an important component of the Indiana economy, accounting for 9 percent of the state's paid jobs. In turn, the private nonprofit sector is a major economic force in the region.

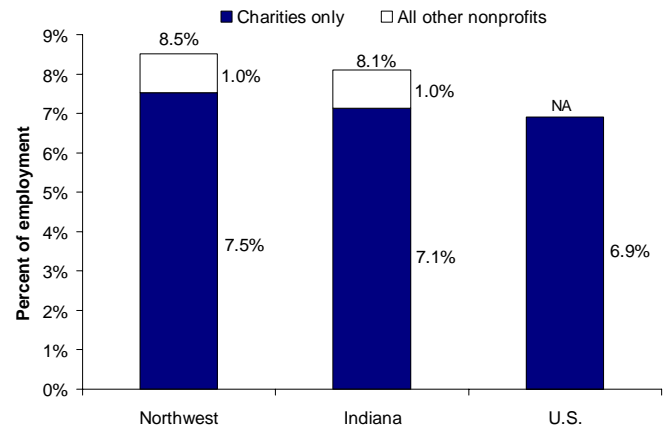
The private nonprofit sector is comprised of private hospitals, clinics, colleges, universities, elementary schools, day care centers, social service providers, museums, theaters, and soup kitchens. The sector also includes civic and fraternal organizations, trade groups, labor unions, and many other types of organizations. Because of data limitations, most churches were not included in this analysis, and the analysis reported here therefore underestimates of the overall size of the private nonprofit sector in Indiana.⁵

Employment: The four-county Northwest economic region (see Appendix B), which includes the Gary metropolitan area and surrounding counties (as originally defined by the Indiana Department of Commerce, including Jasper, Lake, Newton, and Porter Counties), is an important component of Indiana's economy. The region accounted for almost 258,000 of the state's paid jobs in 2003, or about 9 percent of the 2.8 million paid jobs statewide (see Appendix C).

- Private nonprofit organizations accounted for a minimum of 21,955 of all paid jobs in the Northwest economic region in 2003. This includes over 19,000 nonprofit employees working for registered charities.
- Overall, 8.5 percent of employees in the Northwest economic region worked for a private nonprofit organization, or nearly one out of every 12 workers, including 7.5 percent who worked for a charity (or nearly one out of every 13 workers). These rates are slightly above the corresponding rates for the state of Indiana (8.1 percent and 7.1 percent respectively). See Figure 1.

⁵ See Appendix A for a more detailed description of the types of organizations that are excluded from the CEW reporting system and for an estimate of the amount by which this analysis underestimates the overall size of the sector in Indiana.

Figure 1: Nonprofit share of total employment, Northwest economic region relative to state and national levels, 2003⁶



- As shown in Figure 2, the Northwest region nonprofit sector employed:
 - More people than the region's construction industry (16,900 employees).
 - More people than the region's finance, insurance, and real estate industries combined (10,000 employees), or transportation and warehousing industries combined (10,000 employees).
 - More people than the region's wholesale trade industry (9,000 employees).
 - But fewer people than employed by all levels of government in this region (39,200), including several regional campuses of state institutions of higher education.
 - Also fewer people than the region's manufacturing (40,624) and retail trade (32,845) industries.
- Nonprofits accounted for the bulk of employment in many fields (see Figure 3 and Appendices E, F, G). This includes:
 - All (100 percent) of the employment in membership associations, although the number of these employed by charities is unknown due to rea-

⁶ Data sources: Indiana CEW system and Johns Hopkins Employment Data Project based on CEW data (2003).

sons of confidentiality.⁷ There was only 1 government employee in membership associations in the region.

Figure 2: Employment in the Northwest region's nonprofit sector in comparison to selected industries, 2003 (in thousands)

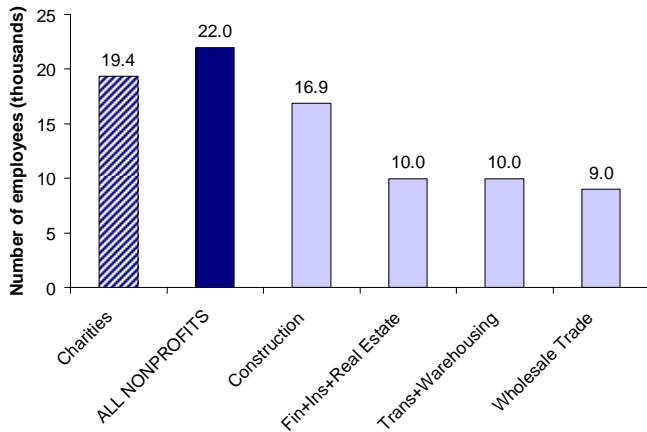
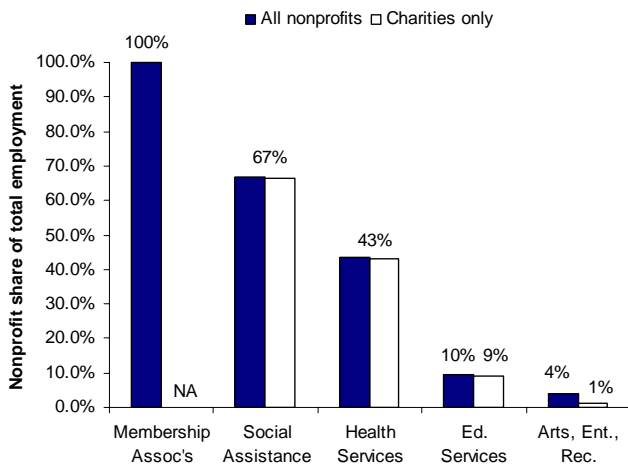


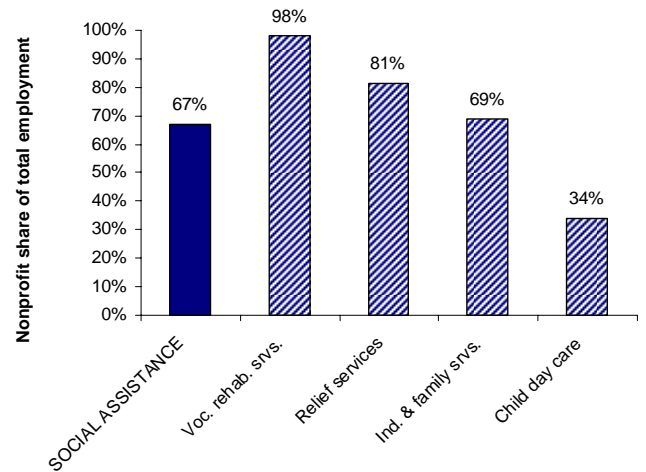
Figure 3: Employment in the Northwest region's nonprofit sector as a share of total employment in the region for selected industries, 2003



- Two-thirds (67 percent) of all employment in social assistance organizations (see Figure 4), including:

- Almost all (98 percent) of those employed in vocational rehabilitation services.
- Over four-fifths (81 percent) of workers in emergency and other relief services, as well as community food and housing.
- Over two-thirds (69 percent) of those employed in individual and family service organizations.
- But only one-third (34 percent) of those employed in child day care services.

Figure 4: Nonprofit employment in the Northwest region's social assistance sector as a share of total employment in the region's specific social assistance industries, 2003

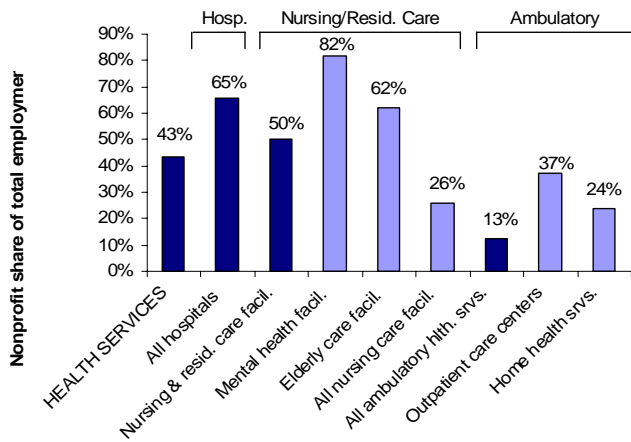


- More than two-fifths (43 percent) of total employment in health services (see Figure 5), including:
 - Almost two-thirds (65 percent) of those employed in hospital services.
 - Half (50 percent) of those employed in nursing or residential care facilities, including:
 - More than four-fifths (82 percent) of those employed in mental health care facilities.
 - More than three-fifths (62 percent) of those employed in elderly care facilities.
 - More than one-quarter (26 percent) of those employed in nursing care facilities.

⁷ Again, religious congregations are not required to register with the IRS and will not be defined as charities under our methodology, although some are included in the employment reporting system. Many membership associations (e.g., business, labor, political, social groups and the like) are not charities, but are registered as tax-exempt entities under other sub-sections of the IRS code.

- More than one-tenth (13 percent) of those employed by ambulatory health care services, including:
 - Almost two-fifths (37 percent) of those employed in outpatient care centers.
 - Almost one-quarter (24 percent) of those employed in home health care services.

Figure 5: Nonprofit employment in the Northwest region's health services sector as a share of total employment in the region's specific health services industries, 2003

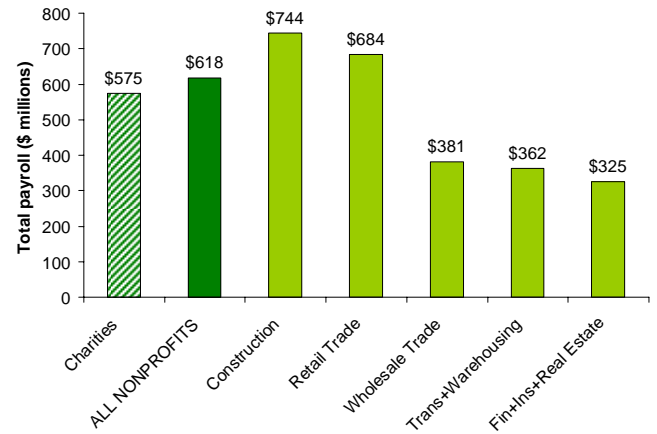


- Only 4 percent of total employment in arts, entertainment, and recreation (see Figure 3).

Payroll: The 22,000 nonprofit employees in the Northwest region earned an estimated \$618 million in wages in 2003, with \$575 million of that accounted for by those working in charities (see Figure 6).

- Nonprofit employees accounted for 7.2 percent of the region's total payroll (\$8.6 billion).
- The nonprofit payroll of \$618 million exceeded payrolls for:
 - All wholesale trade jobs (\$381 million).
 - All jobs in transportation and warehousing (\$362 million).
 - All jobs in finance, insurance and real estate (\$325 million).

Figure 6: Wages in the Northwest region's nonprofit sector in comparison to the region's selected industries, 2003



- The \$618 million nonprofit payroll was notably less than the payrolls for jobs in manufacturing (\$2.2 billion) and total government (\$1.2 billion, including payrolls for several regional campuses of state institutions of higher education).
- The \$618 million nonprofit payroll was also less than the payrolls for jobs in construction (\$744 million) and retail trade (\$684 million).

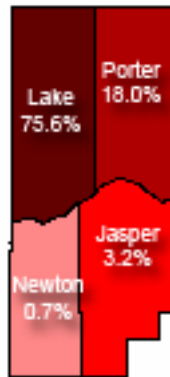
II. REGIONAL PRESENCE

Nonprofit jobs were spread across all of the region's four counties, but more than three-quarters of the region's nonprofit jobs were located in Lake County, which also had the highest rate of nonprofit employment as a percent of total employment in the region.

Regional Distribution: The 22,000 nonprofit jobs in the Northwest region were distributed across the entire region, although the economic impact of the nonprofit sector varied considerably among the region's four counties.

- Over three-quarters (76 percent) of the region's 22,000 nonprofit jobs were located in Lake County and the city of Gary (see Figure 7).⁸ This was slightly higher than Lake County's share of the region's total paid jobs (74 percent) and total population (71 percent).⁹

Figure 7: Distribution of nonprofit employment among the four counties of the Northwest economic region, 2003



- Another 18 percent of the region's nonprofit labor force worked in Porter County and 3 per-

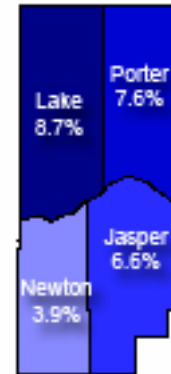
⁸ The percentages in Figure 7 do not add to 100% because they do not reflect the 68 membership associations (NAICS 813) that were converted from for-profit to nonprofit for purposes of our analysis. See notes 10 and 31 for further clarification.

⁹ Lake County's percent of the total population of the region was calculated using 2003 population estimates for Indiana Counties from the Indiana Business Research Center's (IBRC) STATS Indiana Project. IBRC. (2005). Population Estimates for Indiana Counties, 2004. Retrieved September 20, 2005 from www.stats.indiana.edu/population/popTotals/2004_cntvest.html.

cent worked in Jasper County, with the few remaining nonprofit employees working in Newton County.

- Lake County also had the highest rate of nonprofit employment (9 percent of total paid jobs) among the four counties in the region, followed by Porter (8 percent), then Jasper (7 percent), and finally Newton (4 percent). See Figure 8.

Figure 8: Nonprofit employment as a percent of total employment, by county in the Northwest economic region, 2003

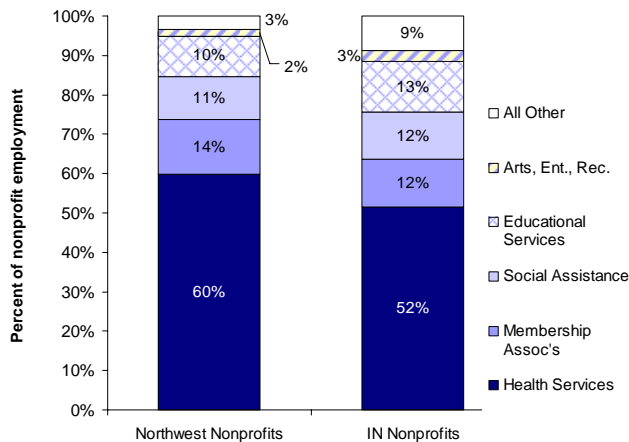


III. HEALTH DOMINATES

Most nonprofit employees in the Northwest economic region worked for health organizations, but jobs in membership associations and social assistance organizations were also prominent. The distribution of nonprofit jobs generally resembled that at the state level.

Nonprofit Industries: The distribution of jobs across major nonprofit services was similar to the statewide distribution (compare the columns in Figure 9).

Figure 9: Distribution of Northwest economic region and Indiana nonprofit employment by field, 2003



- Three-fifths (60 percent) of all nonprofit employees in the Northwest economic region worked in the health services sector, more than the share of health services employment in the overall state nonprofit sector (52 percent). This includes jobs in hospitals, nursing and personal care facilities, clinics, and home health care.
- About 14 percent of all employment in the regional nonprofit sector was in membership associations, slightly more than at the state level (12 percent). This includes jobs in business, professional, labor, political, religious, and other civic and social membership associations such as neighborhood associations, hiking clubs, and environmental organizations.¹⁰

¹⁰ Some membership associations, most notably religious congregations, are not required to register with the IRS as tax-exempt organizations. For 2003, we reclassified 68 private membership associations with 552 employees and total payroll of \$6.6 million as nonprofit in

- Social assistance accounted for 11 percent of all employment in the Northwest economic region's nonprofit sector, slightly less than at the state level (12 percent). This includes employment in individual and family services, job training and related services, and child day care services.
- Educational services accounted for 10 percent of all nonprofit jobs in the Northwest economic region, slightly less than at the state level (13 percent). This includes jobs in private nonprofit colleges, universities, elementary and secondary schools.¹¹
- Nonprofit jobs in arts, entertainment, and recreation, such as theatres, orchestras, and amateur sports clubs, accounted for 2 percent of regional nonprofit employment, nearly equal to the state level (3 percent). This category also includes museums, botanical gardens, and zoos.
- The remaining 3 percent of all nonprofit jobs in the Northwest region were in other types of nonprofit organizations spread across a range of industries, involving financial or credit services; management; housing; and various types of trusts, e.g., charitable, religious, and educational trusts.¹² This was notably less than the share these jobs held at the state level (9 percent).

the Northwest region, although they were not registered with the IRS as tax-exempt organizations, on the assumption that all are indeed nonprofit.

¹¹ See note 3 above. Our analysis defines publicly-owned establishments (including public schools and state-owned institutions of higher education) as government establishments and therefore excluded from our count of private nonprofit establishments.

¹² These include Utilities (NAICS 22) with 48 nonprofit employees; Finance and Insurance (NAICS 52) with 177 nonprofit employees; Real Estate and Rental and Leasing (NAICS 53) with 9 nonprofit employees; Professional, Scientific, and Technical Services (NAICS 54) with 60 nonprofit employees; Management of Companies and Enterprises (NAICS 55) with 196 nonprofit employees; and Accommodation and Food Service (NAICS 72) with 91 nonprofit employees.

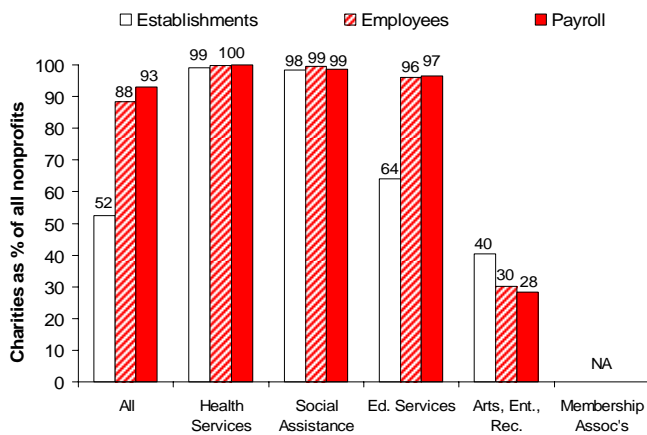
IV. MAINLY CHARITABLE EMPLOYMENT

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

Charities dominated nonprofit employment. This includes private, not-for-profit hospitals, clinics, colleges, schools, social service agencies, orchestras, museums, homeless shelters, soup kitchens, etc., registered with the IRS under section 501(c)(3) of the Internal Revenue Code and eligible to receive tax-deductible donations.¹³

- Although charities accounted for 52 percent of all Northwest-region nonprofit establishments (white bar in Figure 10), they employed about 88 percent of all nonprofit employees (hatched bar) and accounted for 93 percent of the total payroll, suggesting that on average they were significantly larger and paid higher wages than nonprofits registered under other sub-sections of the IRS codes (see also Appendix D).

Figure 10: Charities as a percent of the Northwest region's total nonprofit establishments, employment, and payroll, by industry, 2003



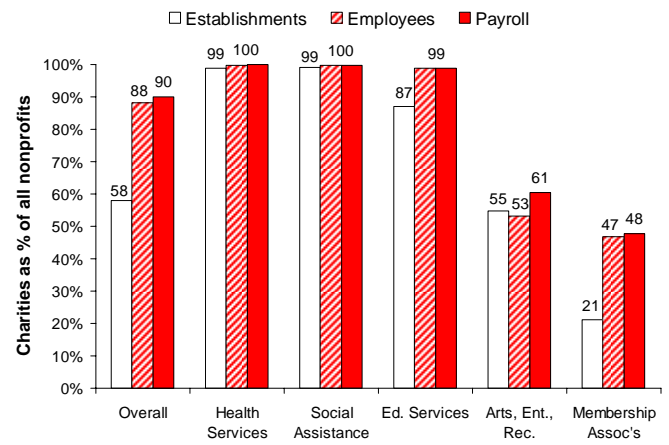
- Virtually all nonprofits in health and social assistance, and nearly two-thirds of nonprofits in educational services were charities rather than nonprofits

¹³ See note 7 above regarding the absence of churches in this designation.

with other types of tax-exempt status. As noted earlier, these fields combined accounted for about 81 percent of total nonprofit employment in the Northwest economic region, and about 77 percent of total nonprofit employment in the state of Indiana (see Figure 9 above).

- Charities accounted for 40 percent of all nonprofit arts, entertainment and recreation establishments, but only 30 percent of nonprofit employees in this field and 28 percent of nonprofit payroll, suggesting that, on average, they employed fewer workers and paid slightly lower wages than non-charities.
- Information regarding charitable membership associations was not available due to reasons of confidentiality.
- These patterns were generally similar to those at the statewide level, where 58 percent of nonprofit establishments were registered as charities and 88 percent of nonprofit employees worked for charitable establishments (see Figure 11). However, as a comparison of Figures 10 and 11 shows, there were some differences.

Figure 11: Charities as a percent of total Indiana nonprofit establishments, employment, and payroll, by industry, 2003



- The Northwest-region charitable share of educational service establishments was 23 percentage points lower than at the state level, while the charitable share of nonprofit employment in this industry was similar (96 percent and 99 percent respectively), suggesting that Northwest-region charities in this field employed significantly

more people (likely due to the location of several private colleges and universities in the region).

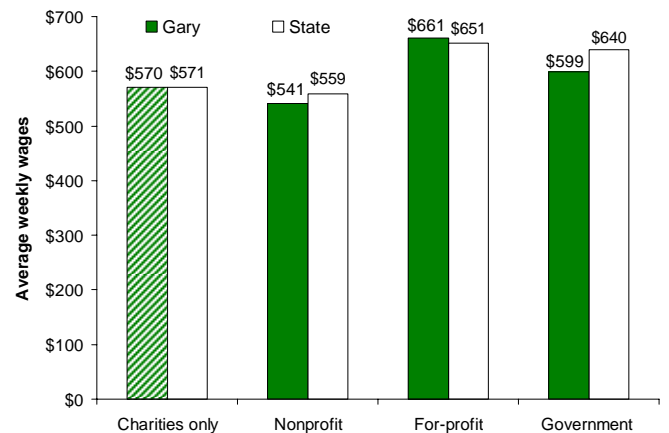
- The Northwest-region charitable share of arts, education, and recreation establishments was 15 percentage points lower than at the state level, while the charitable share of nonprofit employment in this industry was 23 percentage points below the share at the state level.

V. NONPROFIT WAGES VARY BY INDUSTRY AND REGION

The overall average weekly wage for nonprofit employees in the Northwest region was lower than that in the for-profit and government sectors. In several service fields, however, nonprofit workers actually earned higher wages than their counterparts in for-profit firms, although usually less than government workers. Nonprofit wages were slightly above the median for the state's twelve economic regions.

Industry: Average weekly wages in the Northwest region were fairly similar to average wages for the state as a whole. Overall, the average weekly wage of \$541 for nonprofit employees in the Northwest economic region was 18 percent lower than the \$661 per week earned by for-profit workers and 10 percent lower than the weekly \$599 earned by government workers, as shown in Figure 12.¹⁴

Figure 12: Nonprofit, for-profit, and government average weekly wages in Northwest economic region and Indiana, 2003



- Charitable average weekly wages in the Northwest region (\$570) were virtually equal to the average weekly wages of charitable employees at the state-

¹⁴ These average weekly wages do not include fringe benefits and make no adjustment for full-time or part-time work (because these details are not included in the CEW reporting system). As a result, industries or sectors with more reliance on part-time workers could show up as having lower average weekly wages than those with fewer part-time workers, even if the actual hourly pay rates are higher.

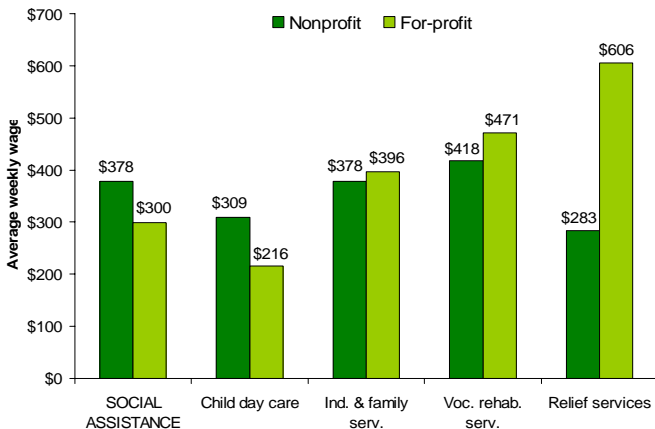
wide level (\$571), while nonprofit average weekly wages were only 3 percent lower than the statewide average (\$541 and \$559, respectively).

- Northwest-region for-profit average weekly wages (\$661) were 1.5 percent above the \$651 state average.
- Government average weekly wages in the Northwest region (\$599) were 6 percent lower than the state average of \$640.

However, when focusing on industries where nonprofits were concentrated, nonprofits offered higher wages than for-profit providers in some service fields. The exceptions were health services and arts, entertainment, and recreation, where for-profit wages were higher than nonprofit wages.

- Nonprofit *social assistance* employees, on average, earned 26 percent more than workers in for-profit social assistance institutions (see Figure 13).¹⁵ There were no government social assistance establishments reporting in the Northwest region.¹⁶

Figure 13: Comparative average weekly wages in Northwest economic region social assistance organizations, 2003

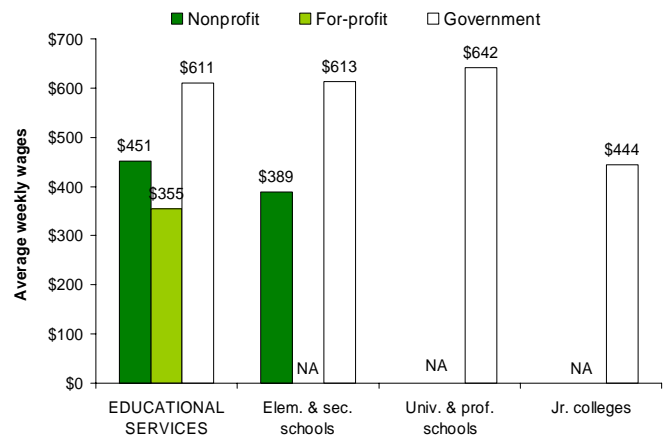


¹⁵ Under the North American Industrial Classification System (NAICS), social assistance is considered part of the health industry. We treat it as a separate category in this analysis.

¹⁶ The lack of government social assistance employers in the Northwest region could possibly reflect a failure to report, rather than a true absence of government employees in this field. We were unable to determine the direct cause of this lack of government data.

- The four sub-fields shown separately made up 100 percent of all employment in the Northwest region’s social assistance field.
 - Employees in nonprofit child day care organizations earned 43 percent more, on average, than for-profit workers in this field.
 - However, workers in nonprofit individual and family service organizations earned 5 percent less, on average, than the for-profit workers in the same field.
 - Nonprofit employees in vocational rehabilitation services earned 11 percent less than their for-profit counterparts.
 - Nonprofit employees in relief services (community food and housing, and emergency and other relief services) earned 53 percent less than the few for-profit employees in this field.
- Nonprofit workers in *educational services* earned 27 percent more on average than their for-profit counterparts, but 26 percent less than government employees in this field. See Figure 14.

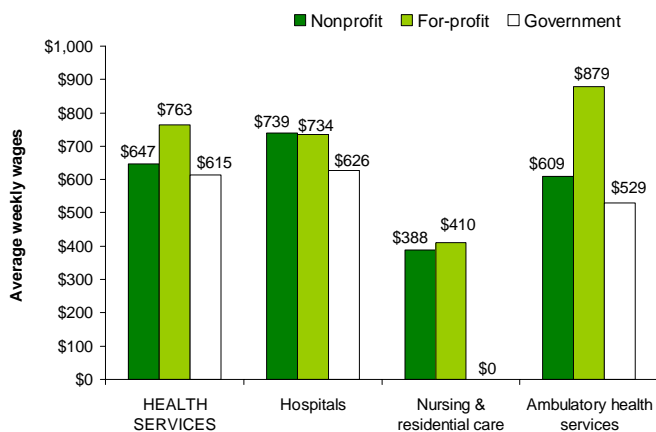
Figure 14: Comparative average weekly wages in Northwest economic region educational services organizations, 2003



- Workers in nonprofit elementary and secondary schools earned 37 percent less, on average, than their for-profit counterparts. Data on for-profit employees in this field were suppressed for reasons of confidentiality.

- Data on nonprofit and for-profit employment in university and professional schools and in junior colleges were suppressed for reasons of confidentiality.
- A somewhat different pattern was identified for the *health services* field in the Northwest region (see Figure 15). Nonprofit health care workers earned 15 percent less, on average, than workers in similar for-profit institutions, but 5 percent more than government workers in that industry.
- The sub-fields shown separately in Figure 15 accounted for 100 percent of employment in health services.

Figure 15: Comparative average weekly wages in Northwest-region health organizations, 2003

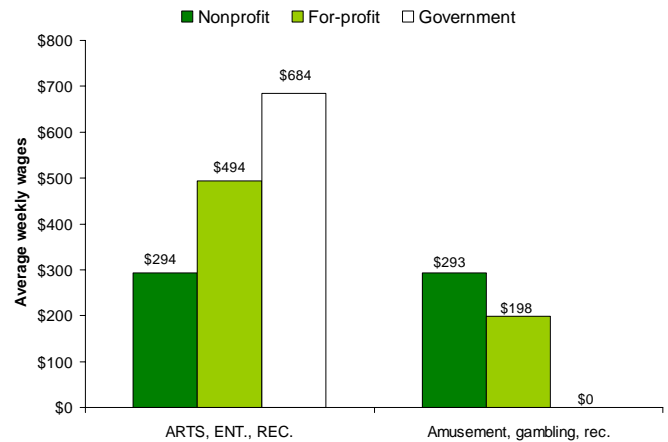


- Workers in nonprofit hospitals earned about the same (almost 1 percent more), on average, than workers in similar for-profit institutions, and 18 percent more than government workers in this field (see Figure 15).
- Employees in nonprofit nursing and residential care facilities earned an average of 5 percent less than workers in for-profit organizations. In 2003, there were no government employers reporting in this field (see Figure 15).
- The ambulatory health services category includes health practitioners who provide outpatient services. Nonprofit employees earned 31 percent less, on average, than for-profit employ-

ees, but 15 percent more than government employees in this field.

- The relatively few nonprofit employees in *arts, entertainment, and recreation* organizations earned, on average, 40 percent less in weekly wages than their for-profit and 57 percent less than their few government counterparts. See Figure 16.

Figure 16: Comparative average weekly wages in Northwest-region arts, entertainment, and recreation organizations, 2003

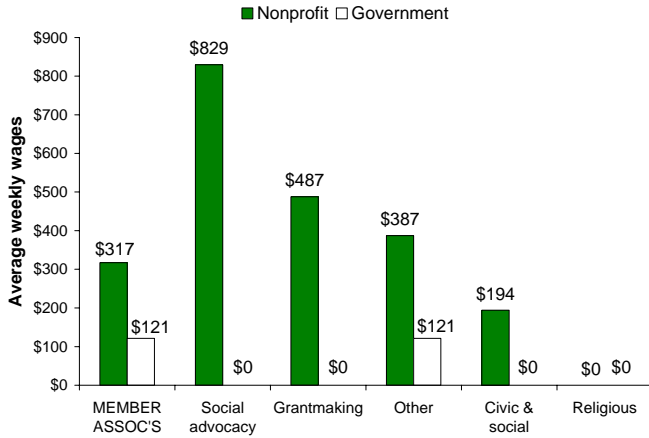


- Nonprofit employees of amusement, gambling, and recreation establishments on average earned 48 percent more than their for-profit counterparts. There were no government employers reporting in this field.
- Data for the remaining sub-fields in arts, entertainment and recreation (including performing arts, spectator sports, museums, historical sites, and related institutions) were unavailable for reasons of confidentiality, making comparisons impossible for these fields.

- The Northwest region housed only one government *membership association*; the rest of these organizations were nonprofit (Figure 17). Average weekly wages varied greatly, from a high of \$829 for social advocacy organizations to a low of \$194 for civic and social associations.
- As noted above, our data on average weekly wages did not allow us to determine whether the differences between nonprofit, for-profit, and government

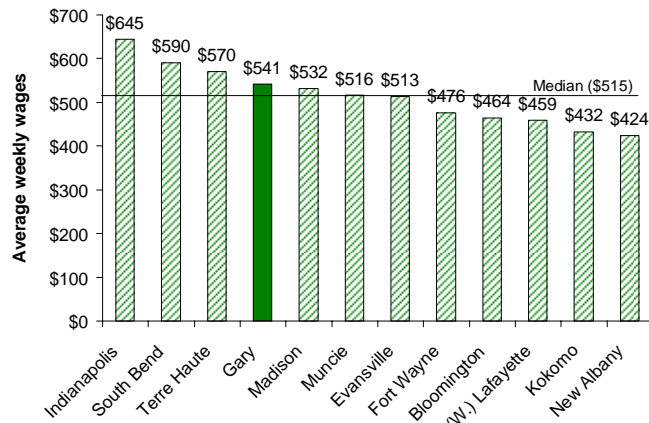
employees reflected real differences in wage levels or different rates of using part-time workers.¹⁷

Figure 17: Comparative average weekly wages in Northwest-region membership associations, 2003



Region: Nonprofit average weekly wages varied considerably among Indiana’s economic regions. See Figure 18.

Figure 18: Comparative average weekly wages for nonprofit employees by economic regions in Indiana, 2003



- The \$541 average nonprofit weekly wage in the Northwest economic region was 5 percent more than the median weekly wage (\$515) of the twelve Indiana economic regions (see Figure 18 and Table 1).¹⁸

¹⁷ See note 14 above.

¹⁸ Note that the \$541 average nonprofit weekly wage is an *average* of wages over the 52 weeks of the year for the Northwest region. In contrast, the median weekly wage of the 12 Indiana economic regions is the *median* of all average weekly wages over the 12 regions and is used to compare the 12 regions with each other. The median shows the wage level for which half the regions are above and the other half

- Average weekly wages for Northwest-region employees of for-profit establishments (\$661) were 9 percent above the median for the twelve regions (\$605).

Table 1: Average weekly wages in nonprofit, for-profit, and government establishments for Indiana economic regions, 2003

Economic Hub	Nonprofit	For-profit	Government
Indianapolis	\$645	\$725	\$708
South Bend	\$590	\$623	\$596
Terre Haute	\$570	\$543	\$578
Gary	\$541	\$661	\$599
Madison	\$532	\$585	\$557
Muncie	\$516	\$570	\$584
Evansville	\$513	\$617	\$676
Fort Wayne	\$476	\$634	\$616
Bloomington	\$464	\$592	\$614
(W.) Lafayette	\$459	\$593	\$697
Kokomo	\$432	\$706	\$595
New Albany	\$424	\$537	\$585
Statewide Average	\$559	\$651	\$640
Median Across Regions	\$514	\$605	\$598
Gary as % of Median	105%	109%	100%

- Northwest-region weekly wages were generally at or above the median for the state’s twelve economic regions for most key nonprofit industries. See Table 2.
 - Average weekly wages for nonprofit employees in nursing and residential care in the Northwest region (\$388) ranked sixth out of twelve regions, about the same as the median (\$387).
 - Among the eleven regions for which average weekly wages were available for employees in ambulatory health care, the Northwest region (\$609) ranked seventh, about 8 percent below the median value for the regions.

below. The statewide average (\$559) is the weighted mean for the state as a whole and takes into account the respective number of employees in each region.

Table 2: Average weekly wage in nonprofit industries for Indiana economic regions, 2003

Economic Hub	Social Assistance	Hospitals	Nursing & residential care	Ambulatory health care
	Indianapolis	\$435	\$748	\$433
South Bend	\$379	\$682	\$430	\$675
Terre Haute	\$391	NA	\$368	\$534
Gary	\$378	\$739	\$388	\$609
Madison	\$338	\$636	\$360	\$857
Muncie	\$333	\$622	\$386	\$693
Evansville	\$347	\$660	\$400	\$479
Fort Wayne	\$347	NA	\$385	\$550
Bloomington	\$353	\$615	\$361	\$661
(W.) Lafayette	\$299	NA	\$408	\$662
Kokomo	\$355	\$634	\$385	\$485
New Albany	\$394	NA	\$422	NA
Median	\$354	\$648	\$387	\$661
Gary as % of Median	107%	114%	100%	92%

*Note: NA means the information is suppressed for reasons of confidentiality or that there were no nonprofit employees in this industry in the region.

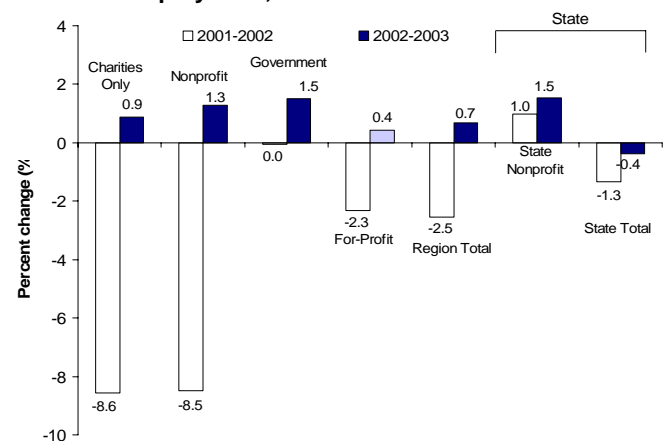
VI. A REBOUNDED SECTOR

The Northwest region nonprofit sector declined significantly during 2001-2002, but recovered slightly in 2002-2003. The decline in nonprofit employment was concentrated in health services, arts, entertainment, and recreation, educational services, and social assistance organizations. The Northwest region performed less well than most other nonprofit sectors among the state's twelve economic regions during 2001-2003.

Employment: Total employment in the Northwest region declined during the 2001-2002 period, but recovered somewhat between 2002-2003. Nonprofit employment followed this trend but experienced significantly larger declines overall.

- Between 2001 and 2002, overall nonprofit employment decreased by -8.5 percent (see white bar in the second group of bars in Figure 19), while government employment practically remained the same (see third group of bars, with actual decline of -0.04 percent). For-profit employment also decreased, but by much less than nonprofit employment (-2.3 percent, see fourth group of bars).

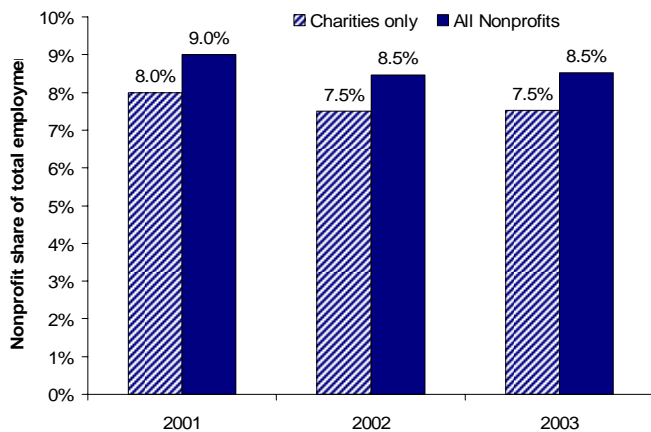
Figure 19: Percent change in Northwest region and Indiana employment, 2001-2002 and 2002-2003



- Between 2002 and 2003, nonprofit employment regained some ground over the previous year's losses (up 1.3 percent, see solid bar in the second group of bars), and government employment grew by 1.5 percent. Both nonprofits and government outpaced for-profit employment, which grew by only 0.4 percent that year.

- Overall, between 2001 and 2003 the Northwest region nonprofit sector shrank by -7.3 percent (from 23,700 employees in 2001 to 22,000 in 2003). For-profit employment also declined, but at a much lower rate (-1.9 percent, from 200,600 employees in 2001 to 196,800 in 2003). while overall government employment grew by 1.5 percent (from 38,600 employees in 2001 to 39,200 in 2003).
- Throughout the period, employment in charitable establishments (first group of bars) in the Northwest region declined even more severely than overall nonprofit employment (-7.8 percent).
- The overall decline in nonprofit employment in the Northwest region for the 2001-2003 period was not consistent with the statewide trend of growth in the nonprofit sector. While Northwest-region nonprofit employment declined at a rate of -7.3 percent, total nonprofit employment at the state level grew by 2.5 percent. Total employment in both the Northwest region and the state decreased at similar levels over the 2001-2003 period (-1.9 percent and -1.7 percent respectively).
- As a result of this decline in Northwest-region nonprofit employment, the nonprofit share of total employment in the region shrank from 9.0 percent in 2001 to 8.5 percent in 2003. See Figure 20.

Figure 20: Nonprofit share of Northwest economic region employment, 2001-2003

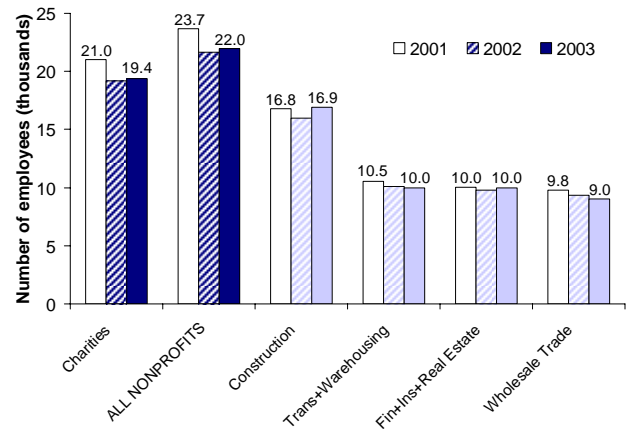


- Although charitable employment declined more rapidly than nonprofit employment overall in the Northwest region, the charitable share of total

employment in the state declined at a similar rate, from 8.0 percent of all employees in 2001 to 7.5 percent in 2003.

- Over the 2001-2003 period total nonprofit jobs in the Northwest region decreased from 23,688 jobs in 2001 to 21,955 jobs in 2003 (see Figure 21).

Figure 21: Employment in the nonprofit sector and in selected industries, Northwest economic region, 2001-2003



- Almost all of the decline in nonprofit employment (-1,733 jobs) was accounted for by a decline in charitable employment (-1,631) during the same period.
- The decline in nonprofit employment (-1,733 jobs) was more severe than trends in all the other fields, including transportation and warehousing (-539 jobs); finance, insurance and real estate (-88 jobs); and wholesale trade (-749 jobs).
- While nonprofit employment declined relatively severely (-1,733 jobs) compared to other fields, overall government employment in the region increased (+563 jobs), as did employment in construction (+114 jobs).

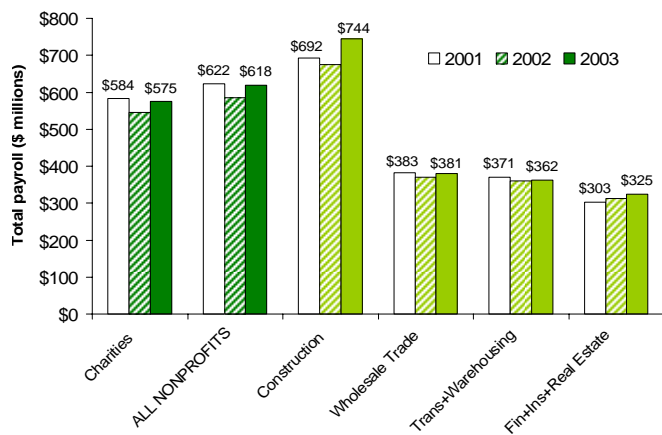
Payroll: Overall payroll for nonprofit employees in the Northwest region declined, while the change in payroll in for-profit industries over the same period (2001-2003) was mixed, and government payrolls increased.

- Total payroll for nonprofit employees declined from \$622 million in 2001 to \$618 million in 2003, or by

-0.6 percent (not adjusted for inflation). See Figure 22.

- To place these changes in perspective, for the 2001-2003 period the net loss of \$4 million in nonprofit payroll was twice the net loss in wholesale trade (\$2 million) but less than half the net loss in transportation and warehousing (\$9 million).
- During the same period, government payroll increased by \$52 million,¹⁹ and payrolls also increased for construction and finance, insurance, and real estate employees (by \$52 million and \$22 million respectively).

Figure 22: Total payroll for Northwest-region nonprofit employees and for selected industries, 2001-2003



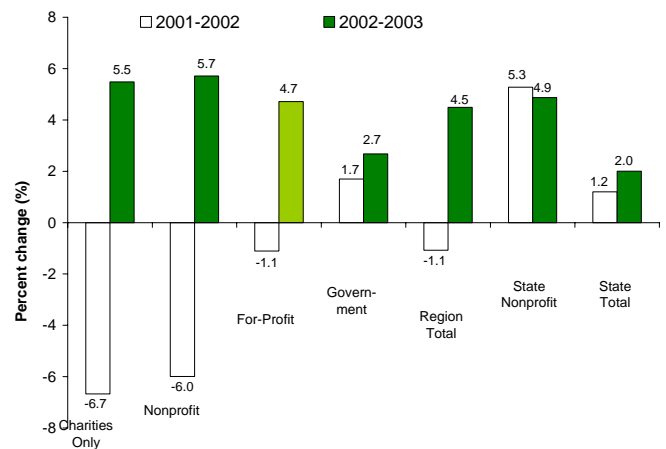
- As a result, nonprofit payrolls did poorly as compared to total payrolls of for-profit organizations and government payrolls.²⁰ See Figure 23.
- Between 2001 and 2002, nonprofit payrolls declined at an average annual rate of -6.0 percent. While for-profit workers in the Northwest region saw much less of a decline that year (-1.1 percent), government workers saw an annual increase of 1.7 percent. Note that these figures are not adjusted for inflation.

¹⁹ At the state level increases in government employment and payroll are mainly at the level of local government. We do not have sufficient data to determine whether that is also the case for the Northwest region.

²⁰ See note 14 above.

- Total nonprofit payrolls in the Northwest region made quite a comeback between 2002 and 2003, growing at a rate of 5.7 percent and surging ahead of the statewide nonprofit rate of 4.9 percent. This growth was faster than for Northwest-region government payrolls (2.7 percent) and for-profit payrolls (4.7 percent) in the region, and noticeably faster than growth in jobs, suggesting disproportionate growth in high wage jobs in the region.
- Overall, during the 2001-2003 period nonprofit payrolls declined by -0.6 percent (from \$622 million in 2001 to \$618 million in 2003). This decline is put into perspective by the 10.4 percent growth in nonprofit payroll at the state level during the same period (from \$6.1 billion in 2001 to \$6.7 billion in 2003). The trend was also disappointing when compared with growth in Northwest-region government payrolls (4.4 percent, from \$1.17 billion in 2001 to \$1.22 billion in 2003)²¹ and for-profit payrolls (3.6 percent, from \$6.5 billion in 2001 to \$6.8 billion in 2003).

Figure 23: Percent change in total payroll by sector, Northwest economic region and Indiana state, 2001-2002 and 2002-2003

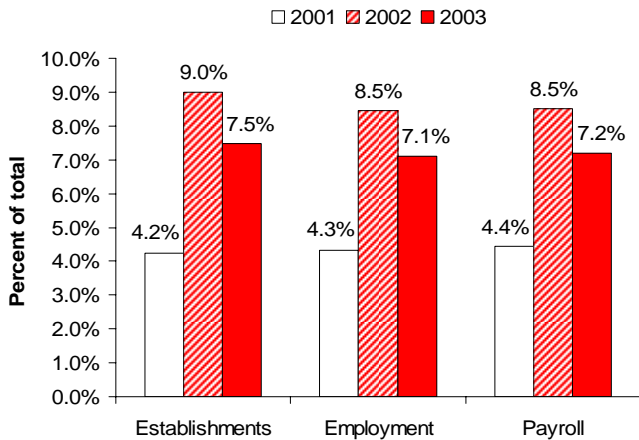


- Despite these overall rates of decline, there was a slight increase in total nonprofit establishments (see first group of bars in Figure 24). However, the region's share of nonprofit employees decreased from 9.0 percent to 8.5 percent over the same period (see second group of bars), and the nonprofit share of to-

²¹ See note 14 above.

tal payroll in the Northwest region decreased from 7.5 percent in 2001 to 7.2 percent in 2003 (see third group of bars). This suggests that while there were more nonprofit establishments in the Northwest region (signifying the birth of new establishments), on average these employed fewer workers and paid slightly higher wages in 2003 compared to 2001.

Figure 24: Nonprofit shares of Northwest economic region employment and total payroll, 2001-2003



- Average weekly wages for Northwest-region nonprofit employees increased by \$36 between 2001 and 2003 (not adjusted for inflation), about the same as the growth of average weekly wages for employees of for-profits (up \$35) but more than for government employees (up \$17) during the same period.²² See Figure 25.

Industry: The vast majority of the overall decline in nonprofit employment during the 2001-2003 period was accounted for by the health services field, with three other fields (arts, entertainment, and recreation; educational services; and social assistance) accounting for the remaining decline. Nonprofit employment in membership associations and other fields grew slightly during the same period. See Figure 26.

- Health services accounted for 87 percent of the overall decline in the Northwest region nonprofit sector between 2001 and 2003, even though this

field accounted for only 60 percent of nonprofit employment (see Figure 9 earlier).

Figure 25: Average weekly wages by sector, Northwest economic region, 2001-2003

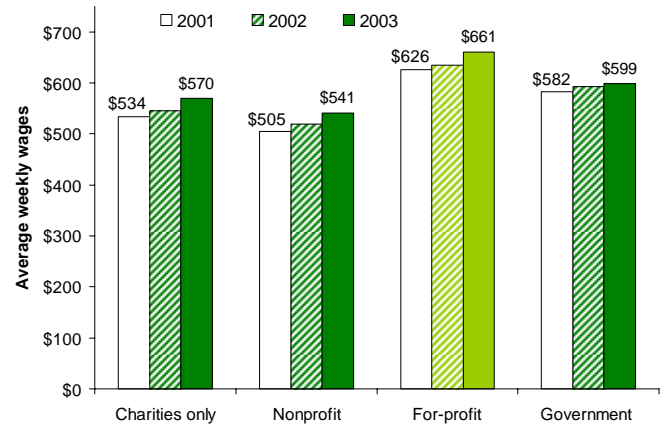
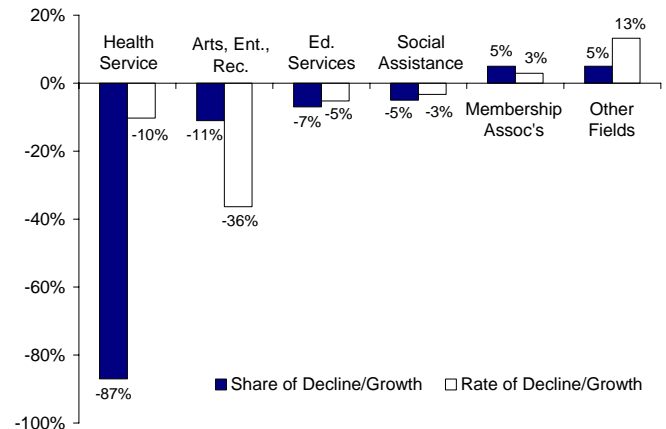


Figure 26: Northwest-region nonprofit employment share of decline and rate of decline by industry, 2001-2003



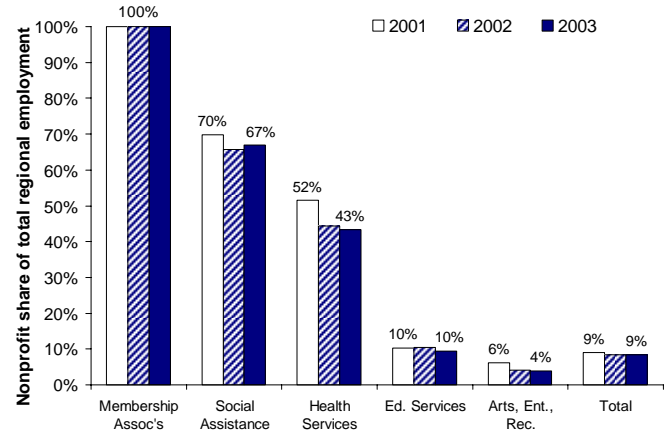
- Arts, entertainment and recreation absorbed another 11 percent of the overall decline in nonprofit employment, despite the field's small share of total nonprofit employment (see Figure 9 earlier).
- Educational services accounted for 7 percent of the overall nonprofit decline during this period.
- Social assistance accounted for 5 percent of the overall nonprofit decline during this period.
- Employment in membership associations and other fields actually increased between 2001 and 2003.

²² It is possible that, similar to the statewide analysis, the \$17 increase in average government wages hides major differences among the various levels of government. We do not have sufficient data to verify this.

- Rates of growth and decline also varied among nonprofit industries in the Northwest region (see white/clear bars in Figure 26).
 - The number of employees working for nonprofit health services organizations decreased by -10 percent between 2001 and 2003.²³
 - The number of employees in arts, entertainment and recreation fell by -36 percent during the 2001-2003 period.
 - The number of nonprofit employees in educational services and social assistance organizations fell by -5 percent and -3 percent respectively.
 - However, employment in membership associations grew during this period by 3 percent.
 - Industries which were too small to report on grew at a faster rate of 13 percent.

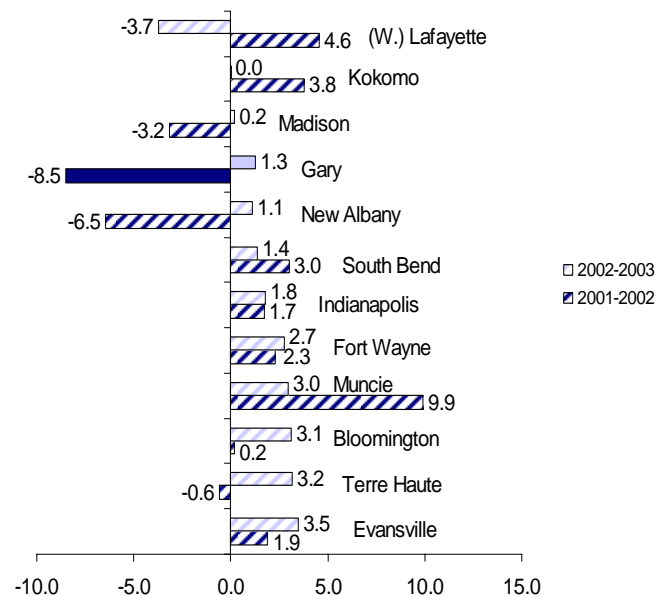
- The share of nonprofit employment in educational services in the region held steady at 10 percent.
- The share of nonprofit employment in the arts, entertainment, and recreation industry declined from 6 percent in 2001 to 4 percent in 2003.

Figure 27: Nonprofit share of total Northwest-region employment by industry, 2001-2003



Region: Most of Indiana's economic regions experienced moderate annual growth in nonprofit employment between 2002 and 2003. However, during the 2001-2002 period annual rates of growth varied somewhat across the twelve regions. See Figure 28.

Figure 28: Indiana nonprofit employment: average annual rates of growth for Indiana economic regions, 2001-2002, 2002-2003.



²³ The inconsistency between the rate of decline of nonprofit employment in health services and the share of decline of overall nonprofit employment in the region accounted for by this industry (see above, text below Figure 26) is due to the fact that there were significantly more establishments and employees in health services than in arts, entertainment, and recreation organizations. Therefore, while arts, entertainment and recreation organizations experienced a greater rate of decline than did health services organizations, their absolute decline was a much smaller percentage of the overall decline in the region than was the rate of decline of health services.

- Nonprofit employment in the Northwest region declined significantly (-8.5 percent) between 2001 and 2002 as compared to most of the other eleven regions (see dark colored columns in Figure 28).
- However, nonprofit employment regained some ground between 2002 and 2003 in the Northwest region (+1.3 percent), but still grew more slowly than most of the other eleven economic regions during this period (see light colored bars in Figure 28).

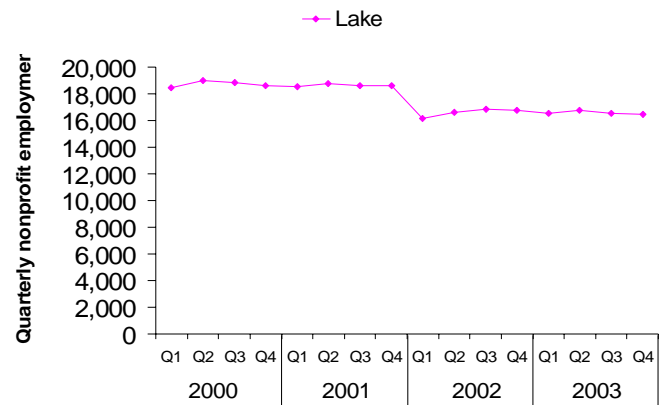
VII. COUNTY TRENDS

Overall changes in nonprofit employment varied across the four counties in the region, but were dominated by the significant decline in nonprofit employment in Lake County. The majority of decline occurred between the last quarter of 2001 and the first quarter of 2002, so that the slight recovery between 2002-2003 did not make up lost ground.

Total nonprofit employment in Lake County declined by -0.5 percent between 2000-2001, by -9.7 percent between 2001-2002, and by -2.0 percent in 2002-2003, for an overall decline of -11.4 percent over the 2000-2003 period. See Figure 29.

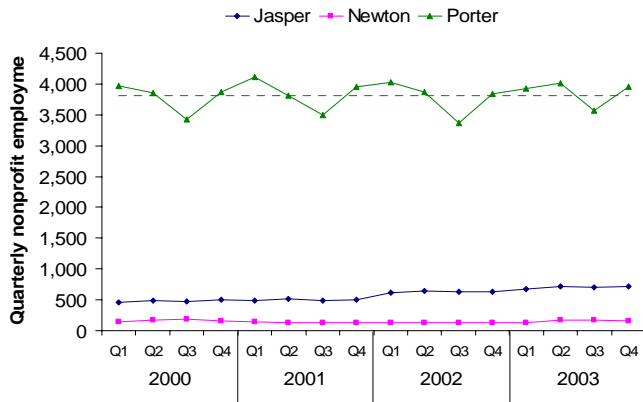
- Quarterly fluctuations in nonprofit employment in Lake County were fairly stable in general, with the sudden drop between the fourth quarter of 2001 and the first quarter of 2002 accounting for the majority of the overall decline during the period.

Figure 29: Quarterly nonprofit employment trends in Lake County, 2000-2003



- The Porter County trends differed dramatically from the Lake County trends, with overall quarterly fluctuations showing instability in general over the 2000-2003 period. Despite the large quarterly fluctuations, however, the county's overall level of nonprofit employment increased over the course of the period by 2.3 percent. See top graph in Figure 30 (the dashed line displays the overall trend line).

Figure 30: Quarterly nonprofit employment trends in Porter, Jasper and Newton Counties, 2000-2003



- Jasper County experienced much faster overall growth in nonprofit employment over the 2000-2003 period (middle graph in Figure 30, 47.5 percent, compared to Porter County's 2.3 percent and Lake County's -11.4 percent). However, because Jasper County had such a small share of overall nonprofit employment in the region, its growth in nonprofit employment was dwarfed by the overall decline in Lake and Porter Counties.
 - Interestingly, most of the growth in nonprofit employment in Jasper County corresponded with Lake County's major decline in nonprofit employment between the fourth quarter of 2001 and the first quarter of 2002.
- Similar to Lake County, Newton County (bottom graph in Figure 30) also experienced an overall decline in nonprofit employment during the 2000-2003 period, but to a much smaller degree (by -1.7 percent). Quarterly fluctuations were generally less notable in Newton County than in Lake County.

APPENDIX A: THE COVERED EMPLOYMENT AND WAGES UNEMPLOYMENT INSURANCE LABOR MARKET INFORMATION PROGRAM

SOURCE OF DATA

The major source of data for this report was the Covered Employment and Wages (CEW) Program, commonly referred to as the ES-202 program, a cooperative initiative involving State Employment Security Agencies and the Bureau of Labor Statistics. The CEW program produces a comprehensive tabulation of employment and wage information for workers covered by state Unemployment Insurance (UI) laws and Federal workers covered by the Unemployment Compensation for Federal Employees Program. Data contained in this report represent all employees covered by the Unemployment Insurance (UI) Law of Indiana as well as federal workers covered by the Unemployment Compensation of Federal Employees Program. The data on state-insured workers were compiled from quarterly contribution reports submitted by employers subject to Indiana law. Employment data pertaining to the federal government were obtained from similarly required reports submitted by the various government installations in Indiana.

SCOPE OF COVERAGE

The CEW program accounts for approximately 98 percent of all wage and salary civilian employment nationally (the program does not cover self-employed and family workers). The principal exclusions from the CEW data set are railroad workers, small-scale agriculture, domestic service, crew members on small vessels, state and local government elected officials, insurance and real estate agents who receive payment solely by commission, part-time employees of charitable organizations,²⁴ charitable establishments employing less than 4 workers in 20 weeks during the year, and religious organizations. The latter two exclusions mean that our analysis necessarily underestimated Indiana nonprofit employment.

²⁴ “Part-Time” is defined as remuneration less than \$50 in any calendar quarter.

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 that do were covered in the data and most likely were classified as membership associations. At this time the total level of non-coverage is unknown, although it appears to be extensive for religious organizations, probably at least 30,200 paid employees statewide.²⁵ We also estimate that 67 percent of the state’s 13,600 charitable establishments that are not congregations²⁶ employed less than 4 workers (perhaps some 5,600 workers in total), and therefore were not covered by the CEW program.²⁷

The number of employees is measured by the number of filled jobs for the pay period that includes the 12th day of each month as reported by the employer. Both part-time and full-time employees are included in the data set, without distinction between the two groups. If a person holds two jobs, that person would be counted twice in the data set. Wages include bonuses, stock options, the cash value of meals and lodging, and tips and other gratuities, but not the value of fringe benefits, such as employer contributions to health insurance or pensions.

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

Indiana tax-exempt firms were identified using the Exempt Organization Master File (EOMF), which is a listing of all organizations exempt from taxation under section 501(c) of the Internal Revenue Code. The file is cumulative; information on new organizations is added

²⁵ For information about how we developed these estimates, please see Appendix A in our statewide report, *Indiana Nonprofit Employment: 2005 Report*, by Kirsten A. Grønberg and Erich T. Eschmann (Bloomington, IN: Indiana University School of Public and Environmental Affairs, May, 2005) available at www.indiana.edu/~nonprof.

²⁶ Analysis of our comprehensive database of Indiana nonprofits from 2001 suggests that about 25 percent of Indiana congregations (or 2,300) are registered as public charities with the IRS.

²⁷ See note 25 above.

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 on the CEW 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 CEW record system. This is the case even if they are not using an Indiana address for purposes of reporting to the IRS since we matched the entire IRS EOMF listing for the U.S. against the Indiana CEW data set.

The EOMF includes the name, address, and zip code of the organization, the Federal Employer Identification Number, and the exact Internal Revenue Code subsection under which the organization has claimed tax exemption. This includes most notably the so-called “charitable” portion of the tax-exempt universe, those registered with the U.S. Internal Revenue Service under Section 501(c)(3) of the Internal Revenue Code – private, not-for-profit hospitals, clinics, colleges, universities, elementary schools, social service agencies, day care centers, orchestras, museums, theaters, homeless shelters, soup kitchens, and many more.

In addition to Section 501(c)(3), the Internal Revenue Code contains twenty-five other subsections under which organizations can claim exemption from federal income taxation as nonprofit organizations, such as social clubs, labor unions, business associations, and civic organizations.

For the purpose of this report, we have included all organizations exempt from federal income tax under section 501(c). Section 501(c)(3) is by far the most important sub-section of these. It covers the bulk of nonprofit organizations and includes the organizations most commonly associated with the nonprofit sector.

Some nonprofit establishments were not captured in this report. These include entities that have not registered with the IRS for tax exempt status and therefore do not have a record in the national EOMF. Were they included, they might add another 31,300 to the count of nonprofit employees analyzed in this report.²⁸ Some (perhaps even most) of these may well be included in the CEW 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. 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 CEW reporting system.²⁹

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 CEW records. The number of such establishments is unknown. On the other hand, there may be some multiple establishment nonprofit firms that have commercial subsidiaries, but which would be classified as nonprofits under our methodology. We don’t know the extent of these misclassifications.

Finally, we used the IRS status on the EOMF as of February 2002, March 2003, and March 2004 to capture IRS exempt status at the end of the immediately preceding calendar year in order to allow for newly registered exempt entities to be included on the EOMF (a process that may take several months). That means we were able to identify correctly the nonprofit status of employers that were registered as tax-exempt at the end of the calendar year in 2001, 2002, or 2003. We were unable, however, to account for establishments that were deleted from the IRS tax-exempt list by February/March of the following year because they had ceased to operate or converted to for-profit or government status, although they may have operated as nonprofit organizations for some or all of the calendar year. Because these organizations did not appear in the EOMF files from their respective years, they were not identified as nonprofits in the CEW 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 underestimated the nonprofit share of the Indiana economy for 2001-2003.

The Johns Hopkins Center for Civil Society Studies’ Nonprofit Employment Data Project is now working with State Employment Security Agencies throughout the country drawing on this CEW data source to generate similar data on nonprofit employment in other states. For more information, visit the CCSS Web site (<http://www.jhu.edu/~ccss>). For more information on the project on **Indiana Nonprofits: Scope and Community Dimensions**, see <http://www.indiana.edu/~nonprof>.

²⁸ See note 25 above.

²⁹ We believe these estimates of undercounts in nonprofit employment are reasonable, perhaps even conservative. See note 25 above.

APPENDIX B: NONPROFIT EMPLOYMENT IN NORTHWEST ECONOMIC REGION BY COUNTY, 2003³⁰

County	Total nonprofit employment in county	Total employment in county	Nonprofit employment in county as percent of total nonprofit employment in region	Nonprofit employment as percent of total employment in county	Total nonprofit payroll
Lake	16,587	191,017	75.6%	8.7%	\$509,322,979
Porter	3,955	52,252	18.0%	7.6%	\$83,799,575
Jasper	704	10,622	3.2%	6.6%	\$15,355,110
Newton	158	4,047	0.7%	3.9%	\$3,061,191
Add'l Membership Assoc's ³¹	552	--	2.5%	--	\$6,625,344
Grand Total for Region	21,955	257,938	100.0%	8.5%	\$618,164,199

³⁰ The source data for the “total nonprofit employment in county” column is based on special analyses of the CEW files, provided to us by the Indiana Business Research Center at Indiana University, and reflect the application of required confidentiality constraints. (See Introduction and Appendix A for more information on this data source.) However, the source data for “total employment in county” is based on published data from <http://www.stats.indiana.edu/cew/> and likewise reflects the need to suppress some data for some quarters for some counties in order to preserve confidentiality at the county level.

³¹ These are the 552 employees of membership associations that we re-classified as nonprofit on the assumption that there are no for-profit membership associations. See note 10 above. However, we were unable to determine the specific county in which these 552 employees were located; therefore, they are treated separately here.

APPENDIX C: NONPROFIT EMPLOYMENT IN INDIANA, BY ECONOMIC REGION, 2003

Economic Region/Hub	Total nonprofit employment in region	Total employment in region	Nonprofit employment as percent of total nonprofit employment in state	Nonprofit employment as percent of total employment in region	Construction as percent of total employment in region	Manufacturing as percent of total employment in region	Total nonprofit payroll
Indianapolis	68,410	840,103	29.7%	8.1%	5.7%	12.7%	\$2,295,208,326
South Bend	37,956	362,395	16.5%	10.5%	4.2%	32.3%	\$1,163,908,636
Gary	21,955	257,938	9.5%	8.5%	6.6%	15.7%	\$618,164,199
Fort Wayne	21,494	284,475	9.3%	7.6%	4.9%	26.0%	\$531,725,008
Evansville	18,849	224,405	8.2%	8.4%	5.6%	21.7%	\$502,542,818
Muncie	12,046	115,994	5.2%	10.4%	3.7%	21.8%	\$322,970,213
Bloomington	11,826	168,861	5.1%	7.0%	4.3%	24.5%	\$285,116,991
Terre Haute	10,973	106,662	4.8%	10.3%	4.0%	21.5%	\$325,246,817
Kokomo	9,345	115,391	4.1%	8.1%	3.3%	30.9%	\$209,804,061
(W.) Lafayette	7,512	101,359	3.3%	7.4%	4.2%	23.5%	\$179,420,778
Madison	4,828	65,237	2.1%	7.4%	4.3%	21.7%	\$133,563,687
New Albany	4,472	104,825	1.9%	4.3%	5.7%	21.5%	\$98,716,625
Nondistributable (statewide)	669	73,970	0.3%	0.9%	7.7%	0.7%	\$23,134,705
Grand Total for State	230,335	2,821,614	100.0%	8.2%	5.1%	20.3%	\$6,689,522,864

APPENDIX D: DISTRIBUTION OF NONPROFIT AND CHARITABLE EMPLOYMENT BY INDUSTRY IN NORTHWEST ECONOMIC REGION, 2003

NAICS Codes	Industry	Type of organizations	Nonprofit employment		Charity employment	
			Number of employees	Percent of total nonprofit employment	Number of employees	Percent of total charity employment
61	Educational Services	Private elementary and secondary schools, colleges and universities	2,289	10%	2,197	11%
62*	Health Services <i>(exclusive of Social Assistance)</i>	Hospitals, nursing and personal care facilities, home health care organizations	13,116	60%	13,086	67%
624	Social Assistance	Child day care services, job training and related services, individual and family services	2,359	11%	2,346	12%
71	Amusement and Recreation Services	Performing arts, spectator sports, museums, historical sites, zoos and botanical gardens	347	2%	105	1%
813	Membership Associations	Business associations, professional associations, neighborhood associations, social clubs, hiking clubs, environmental organizations	3,088	14%	NA ³²	NA
All other	Other	Utilities, information, publishing, finance and insurance, credit intermediation and related activities, funds, trusts, and other financial vehicles, real estate, rental and leasing, management of companies and enterprises, accommodation, and others	756	3%	1,654	9%
Total			21,955	100%	19,387	100%

³² "NA" signifies that the data were unavailable due to reasons of confidentiality.

APPENDIX E: NONPROFIT EMPLOYMENT AND WAGES FOR SELECT INDUSTRIES IN NORTHWEST ECONOMIC REGION, 2003

NAICS Code	Industry group	Total nonprofit employment	Share of nonprofit employment	Average weekly wage	Estimated average annual wage
61	EDUCATION SERVICES	2,289	10.4%	\$451	\$23,463
611	Educational Services	2,289	10.4%	\$451	\$23,463
6111	<i>Elementary and Secondary Schools</i>	157	0.7%	\$389	\$20,207
6112	<i>Junior Colleges</i>	***NA	NA	NA	NA
6113	<i>Colleges, Universities, and Professional Schools</i>	NA	NA	NA	NA
62*	HEALTH SERVICES	13,116	59.7%	\$647	\$33,699
621	Ambulatory Health Care Services	1,393	6.3%	\$609	\$31,690
6214	<i>Outpatient Care Centers</i>	514	2.3%	\$652	\$33,890
6216	<i>Home Health Care Services</i>	295	1.3%	\$485	\$25,243
622	Hospitals	8,826	40.2%	\$739	\$38,410
6221	<i>General Medical and Surgical Hospitals</i>	NA	NA	NA	NA
6222	<i>Psychiatric and Substance Abuse Hospitals</i>	NA	NA	NA	NA
6223	<i>Specialty (except Psychiatric and Substance Abuse) Hospitals</i>	--	--	--	--
623	Nursing and Residential Care Facilities	2,898	13.2%	\$388	\$20,177
6231	<i>Nursing Care Facilities</i>	769	3.5%	\$371	\$19,284
6232	<i>Res. Mental Retardation, Mental Hlth. & Sub. Abuse Facilities</i>	790	3.6%	\$413	\$21,452
6233	<i>Community Care Facilities for the Elderly</i>	838	3.8%	\$358	\$18,603
6239	<i>Other Residential Care Facilities</i>	502	2.3%	\$426	\$22,167
624	SOCIAL ASSISTANCE	2,359	10.7%	\$378	\$19,675
6241	Individual and Family Services	1,025	4.7%	\$378	\$19,682
6242	Community Food & Housing, Emergency & Other Relief Services	116	0.5%	\$283	\$14,728
6243	Vocational Rehabilitation Services	877	4.0%	\$418	\$21,723
6244	Child Day Care Services	341	1.6%	\$309	\$16,058
71	ARTS, ENTERTAINMENT, RECREATION	347	1.6%	\$294	\$15,271
711	Performing Arts, Spectator Sports, and Related Industries	NA	NA	NA	NA
712	Museums, Historical Sites, and Similar Institutions	NA	NA	NA	NA
713	Amusement, Gambling, and Recreation Industries	255	1.2%	\$293	\$15,231
813**	RELIGIOUS, GRANTMAKING, CIVIC, PROFESSIONAL, AND SIMILAR ORGANIZATIONS	3,088	14.1%	\$317	\$16,496
8131	Religious Organizations	NA	NA	NA	NA
8132	Grantmaking and Giving Services	NA	NA	NA	NA
8133	Social Advocacy Organizations	11	196	8,463,314	\$42,125
8134	Civic and Social Organizations	112	1,401	14,158,583	\$10,104
8139	Business, Professional, Labor, Political, and Similar Organizations	1,141	5.2%	\$387	\$20,129
Suppressed and other fields		756	3.4%	\$514	\$26,744
Total		21,955	100.0%	\$541	\$28,157

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

** We classify all NAICS 813 private employment as nonprofit.

*** The CEW suppresses data for particular industries in particular quarters in which there are very few entities reporting or in which one particular establishment accounts for more than 80 percent of employment in that industry. This is done in order to protect the confidentiality of the entities reporting.

For Appendices E, F, and G, "NA" signifies the fields for which this suppression occurred, and "--" signifies those fields for which there was no data reported at all.

APPENDIX F: TOTAL EMPLOYMENT AND WAGES FOR SELECT INDUSTRIES IN NORTHWEST ECONOMIC REGION, 2003³³

NAICS Code	Industry group	Total employment by industry	Industry share of total employment	Average weekly wage by industry	Average annual wage by industry
61	EDUCATION SERVICES	23,568	9.1%	\$577	\$29,984
611	Educational Services	23,568	9.1%	\$577	\$29,984
6111	Elementary and Secondary Schools	18405	7.1%	\$599	\$31,168
6112	Junior Colleges	515	0.2%	\$462	\$24,037
6113	Colleges, Universities, and Professional Schools	1737	0.7%	\$639	\$33,245
62*	HEALTH SERVICES	31,224	12.1%	\$691	\$35,908
621	Ambulatory Health Care Services	11,031	4.3%	\$836	\$43,459
6214	<i>Outpatient Care Centers</i>	1356	0.5%	\$680	\$35,334
6216	<i>Home Health Care Services</i>	1166	0.5%	\$368	\$19,130
622	Hospitals	11,392	4.4%	\$738	\$38,361
6221	<i>General Medical and Surgical Hospitals</i>	NA	NA	NA	NA
6222	<i>Psychiatric and Substance Abuse Hospitals</i>	NA	NA	NA	NA
6223	<i>Specialty (except Psychiatric and Substance Abuse) Hospitals</i>	--	--	--	--
623	Nursing and Residential Care Facilities	5,492	2.1%	\$401	\$20,833
6231	<i>Nursing Care Facilities</i>	2853	1.1%	\$412	\$21,407
6232	<i>Res. Mental Retardation, Mental Hlth. & Sub. Abuse Facilities</i>	968	0.4%	\$423	\$22,015
6233	<i>Community Care Facilities for the Elderly</i>	1184	0.5%	\$352	\$18,310
624	SOCIAL ASSISTANCE	2,588	1.0%	\$355	\$18,449
6241	Individual and Family Services	1015	0.4%	\$403	\$20,945
6242	Community Food & Housing, Emergency & Other Relief Services	28	0.0%	\$362	\$18,829
6243	Vocational Rehabilitation Services	144	0.1%	\$394	\$20,471
6244	Child Day Care Services	819	0.3%	\$248	\$12,904
71	ARTS, ENTERTAINMENT, RECREATION	8,953	3.5%	\$489	\$25,448
711	Performing Arts, Spectator Sports, and Related Industries	NA	NA	NA	NA
712	Museums, Historical Sites, and Similar Institutions	NA	NA	NA	NA
713	Amusement, Gambling, and Recreation Industries	8,557	3.3%	\$492	\$25,559
	Suppressed and other fields	191,606	74.3%	\$652	\$33,921
	Total	257,938	100.0%	\$641	\$33,353

³³ In order to maximize the information available, this table reflects the following contingencies: (1) data for 2-digit and 3-digit NAICS codes are based on published data from <http://www.stats.indiana.edu/cew/> and as such reflect the need to suppress some data for some quarters for some counties in order to preserve confidentiality at the county level; (2) data for 4-digit NAICS codes are totals for the region as a whole, compiled by the Indiana Business Research Center as a sum of county-level data, again excluding county data that are not available due to non-disclosure requirements. As such, the 4-digit NAICS data may not sum to the associated 3-digit data reported here.

APPENDIX G: GOVERNMENT EMPLOYMENT AND WAGES FOR SELECT INDUSTRIES IN NORTHWEST ECONOMIC REGION, 2003

NAICS Code	Industry group	Total government employment	Share of government employment	Average weekly wage	Average annual wage
61	EDUCATION SERVICES	19,835	50.6%	\$611	\$31,746
611	Educational Services	19,835	50.6%	\$611	\$31,746
6111	Elementary and Secondary Schools	17,693	45.1%	\$613	\$31,872
6112	Junior Colleges	560	1.4%	\$444	\$23,109
6113	Colleges, Universities, and Professional Schools	1,582	4.0%	\$642	\$33,396
62*	HEALTH SERVICES	\$2,379	6.1%	\$615	\$31,969
621	Ambulatory Health Care Services	286	0.7%	\$529	\$27,503
6214	<i>Outpatient Care Centers</i>	144	0.4%	\$570	\$29,619
6216	<i>Home Health Care Services</i>	41	0.1%	\$416	\$21,641
622	Hospitals	2,094	5.3%	\$626	\$32,578
6221	<i>General Medical and Surgical Hospitals</i>	2,094	5.3%	\$626	\$32,578
6222	<i>Psychiatric and Substance Abuse Hospitals</i>	--	--	--	--
6223	<i>Specialty (except Psychiatric and Substance Abuse) Hospitals</i>	--	--	--	--
623	Nursing and Residential Care Facilities	--	--	--	--
6231	<i>Nursing Care Facilities</i>	--	--	--	--
6232	<i>Res. Mental Retardation, Mental Hlth. & Sub. Abuse Facilities</i>	--	--	--	--
6233	<i>Community Care Facilities for the Elderly</i>	--	--	--	--
624	SOCIAL ASSISTANCE³⁴	--	--	--	--
6241	Individual and Family Services	--	--	--	--
6242	Community Food & Housing, Emergency & Other Relief Services	--	--	--	--
6243	Vocational Rehabilitation Services	--	--	--	--
6244	Child Day Care Services	--	--	--	--
71	ARTS, ENTERTAINMENT, RECREATION	145	0.4%	\$684	\$35,570
711	Performing Arts, Spectator Sports, and Related Industries	--	--	--	--
712	Museums, Historical Sites, and Similar Institutions	145	0.4%	\$684	\$35,570
713	Amusement, Gambling, and Recreation Industries	--	--	--	--
813	RELIGIOUS, GRANTMAKING, CIVIC, PROFESSIONAL, AND SIMILAR ORGANIZATIONS	1	0.0%	\$121	\$6,299
8131	Religious Organizations	--	--	--	--
8132	Grantmaking and Giving Services	--	--	--	--
8133	Social Advocacy Organizations	--	--	--	--
8134	Civic and Social Organizations	--	--	--	--
8139	Business, Professional, Labor, Political, and Similar Organizations	1	0.0%	\$121	\$6,299
Suppressed and other fields		19,213	49.0%	\$587	\$30,517
Total		39,193	100.0%	\$599	\$31,157

³⁴ There were no government employers in this field that reported for this region. See note 16 above.

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 May 2006. 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 Survey Analysis

This survey of 2,206 Indiana nonprofits, completed in spring and early summer of 2002, covered congregations, other charities, advocacy nonprofits, and mutual benefit associations. It used a stratified random sample drawn from our comprehensive Indiana nonprofit database and structured so as to allow for comparisons among (1) different nonprofit source listings (including those identified through the personal affiliation survey) and (2) twelve selected communities around the state. The survey included questions about basic organizational characteristics, programs and target populations, finances and human resources, management tools and challenges, advocacy activities, affiliations, and involvement in networking and collaboration. An almost identical instrument was used to survey Illinois congregations, charities and advocacy nonprofits for the Donors Forum of Chicago (report available Online at www.donorsforum.org, December, 2003).

Online Statewide Reports

- Indiana Nonprofits: A Profile of Membership Organizations, by Kirsten A. Grønbjerg and Patricia Bortrager. 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

- Evansville Nonprofits: Scope and Dimensions, by Kirsten A. Grønbjerg and Patricia Bortrager Tennen. Online report. Community Report #4. May 2006 (www.indiana.edu/~nonprof/results/npsurvey/inscomevansville.pdf).
- Muncie Nonprofits: Scope and Dimensions, by Kirsten A. Grønbjerg and Patricia Bortrager Tennen. Online report. Community Report #3. May 2006 (www.indiana.edu/~nonprof/results/npsurvey/inscommuncie.pdf).
- Northwest Region Nonprofits: Scope and Dimensions, by Kirsten A. Grønbjerg and Patricia Bortrager Tennen. Online report. Community Report #2. February 2006 (www.indiana.edu/~nonprof/results/npsurvey/inscomnorthwest.pdf).

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- Bloomington Nonprofits: Scope and Dimensions, by Kirsten A. Grønbjerg and Patricia Borntrager Tennen. Online report. Community Report #1. September 2005 (revised, December 2005) (www.indiana.edu/~nonprof/results/npsurvey/inscombloomington.pdf).

Journal Articles and Conference Presentations

- Nonprofit Networks and Collaborations: Incidence, Scope and Outcomes, by Kirsten Grønbjerg and Curtis Child. Paper prepared for presentation 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 prepared for presentation at the annual meetings of ARNOVA, Washington, D.C., November 17-19, 2005.
- The Capacities and Challenges of Faith-Based Human Service Organizations, by Richard Clerkin and Kirsten A. Grønbjerg. Public Administration Review (forthcoming, 2006).
- Examining the Landscape of Indiana's Nonprofit Sector: Does What You See Depend on Where You Look? By Kirsten A. Grønbjerg and Richard Clerkin. Nonprofit & Voluntary Sector Quarterly 34 (No. 2, June): 232-59. 2005.
- Infrastructure and Activities: Relating IT to the Work of Nonprofit Organizations, by Richard Clerkin and Kirsten A. Grønbjerg. Paper presented at Symposium on Nonprofit Technology Adoption, University of San Francisco, Institute for Nonprofit Organization Management. October 2004. Forthcoming in Nonprofits and Technology, edited by Michael Cortés and Kevin Rafter. Chicago: Lyceum Press.
- Nonprofit Advocacy Organizations: Their Characteristics and Activities, by Curtis Child and Kirsten A. Grønbjerg. Paper presented at the Biannual Conference of the International Society for Third-Sector Research, Toronto, Canada, July 11-14, 2004.

Indiana Nonprofit Employment Analysis

An analysis, comparing ES202 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 for 2001 with comparisons to 2000 and 1995. The analysis includes detailed information by county, region, and type of nonprofit as well as industry and sector comparisons.

Online Statewide Reports

- Indiana Nonprofit Employment, 2005 Report. Nonprofit Employment Report No. 2 by Kirsten Grønbjerg and Erich T. Eschmann. May 2005 (www.indiana.edu/~nonprof/results/innonprofitemploy.htm).
- Indiana Nonprofit Employment, 2001. Nonprofit Employment Report No. 1 by Kirsten Grønbjerg and Hun Myoung Park. July 2003 (www.indiana.edu/~nonprof/results/innonprofitemploy.htm).

Online Regional Reports

- Evansville Economic Region Nonprofit Employment: 2005 Report. Nonprofit Employment Series No. 2D by Kirsten Grønbjerg and Erich T. Eschmann, with Kerry S. Brock. May 2006 (www.indiana.edu/~nonprof/results/inemploy/evansvilleempl05.pdf).
- Muncie Economic Region Nonprofit Employment: 2005 Report. Nonprofit Employment Series No. 2C by Kirsten Grønbjerg and Kerry S. Brock. May 2006 (www.indiana.edu/~nonprof/results/inemploy/muncieempl05.pdf).
- Northwest Economic Region Nonprofit Employment: 2005 Report. Nonprofit Employment Series No. 2B by Kirsten Grønbjerg and Kerry S. Brock. May 2006 (www.indiana.edu/~nonprof/results/inemploy/northwestempl05.pdf).

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- Bloomington Economic Region Nonprofit Employment: 2005 Report. Nonprofit Employment Series No. 2A by Kirsten Grønberg and Erich T. Eschmann with Kerry S. Brock. January 2006 (www.indiana.edu/~nonprof/results/inemploy/bloomingtonempl05.pdf).
 - Bloomington Nonprofit Employment, 2001. Nonprofit Employment Report No. 1, Supplement A, by Kirsten Grønberg and Sharon Kioko. August 2003 (www.indiana.edu/~nonprof/results/inemploy/Bloomingtonempl03.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 Database Analysis

We developed a comprehensive database of 59,400 Indiana nonprofits of all types in 2001 (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 was most recently updated in 2004 and is available in a searchable format through a link at www.indiana.edu/~nonprof.

Journal Articles and Conference Presentations

- Extent and Nature of Overlap between Listings of IRS Tax-Exempt Registrations and Nonprofit Incorporation: The Case of Indiana, by Kirsten Grønberg and Laurie Paarlberg. Nonprofit and Voluntary Sector Quarterly 31 (No. 4, December, 2002): 565-94.
- Evaluating Nonprofit Databases. American Behavioral Scientist 45 (July, 2002, No. 10): 1741-77. Resources for Scholarship in the Nonprofit Sector: Studies in the Political Economy of Information, Part I: Data on Nonprofit Industries.
- Community Variations in the Size and Scope of the Nonprofit Sector: Theory and Preliminary Findings, by Kirsten A. Grønberg and Laurie Paarlberg. Nonprofit and Voluntary Sector Quarterly 30 (No. 4, December, 2001) 684-706.



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