

XVIII. SOUTHEAST INDIANA: ECONOMIC GROWTH REGION 10



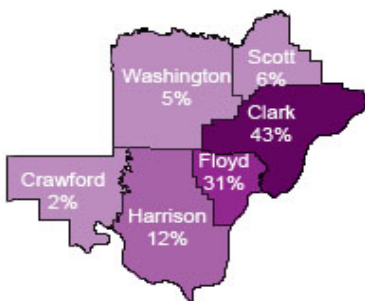
Six southeast Indiana counties – Washington, Scott, Clark, Crawford, Harrison, and Floyd – comprise Economic Growth Region (EGR) 10. In contrast to other Economic Growth Regions in the state, EGR 10 contains no metropolitan statistical area. The private nonprofit sector in this region has some notable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

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

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

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

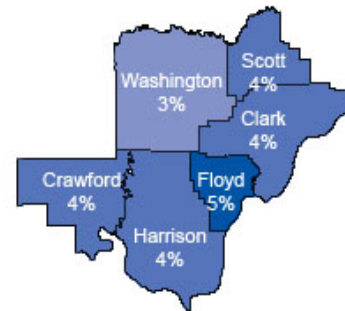


- Clark County contained the largest share of EGR 10’s nonprofit employment, with 43 percent.
- Floyd County had the next largest share, with 31 percent.
- Harrison County’s share of the region’s nonprofit employment was 12 percent.

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

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

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

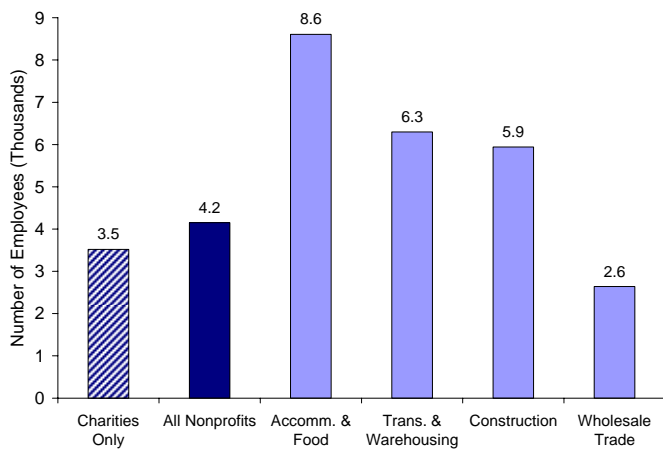


- Floyd County’s share was the highest at 5 percent, followed by Harrison, Crawford, Clark, and Scott Counties with shares of 4 percent and Washington County at 3 percent.

- Also unlike most other Economic Growth Regions, the EGR 10 nonprofit sector employed less people than most other key industries.⁹² See Figure 172.
 - EGR 10 nonprofits employed less than half as many people as the 8,600 people employed by the accommodation and food service industry.
 - EGR 10 nonprofits employed fewer people than the 6,300 people employed by the transportation and warehousing industry and the 5,900 people employed by the construction industry.
 - EGR 10 nonprofits employed more people than the 2,600 people employed by the wholesale trade industry.

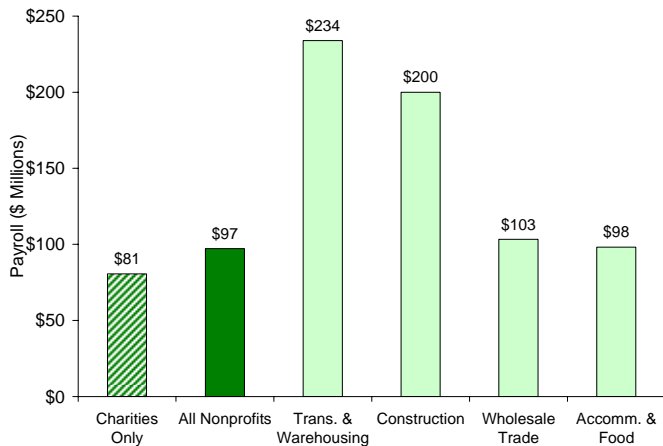
⁹² Less than 0.2 percent of employment in these industries in nonprofit employment, meaning there was little overlap.

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



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

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

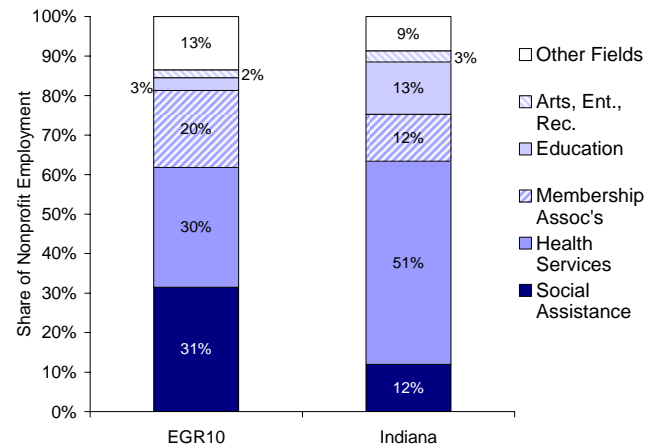


- EGR 10 nonprofit payroll was less than half as large as payroll for the region's transportation and warehousing industry (\$234 million) and construction industry (\$200 million).
- EGR 10 nonprofit payroll was also smaller than the payroll for the region's wholesale trade industry (\$103 million)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

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

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

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



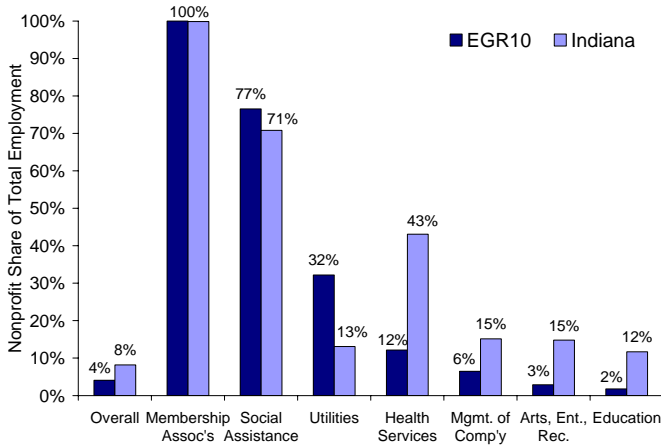
- Social assistance accounted for a much larger share of nonprofit employment in EGR 10 than statewide. The share in EGR 10 was 31 percent, while the share statewide was 12 percent.⁹³
- Health services accounted for a much smaller share in EGR 10 than statewide. The share in EGR 10 was 30 percent, while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

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

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

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

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



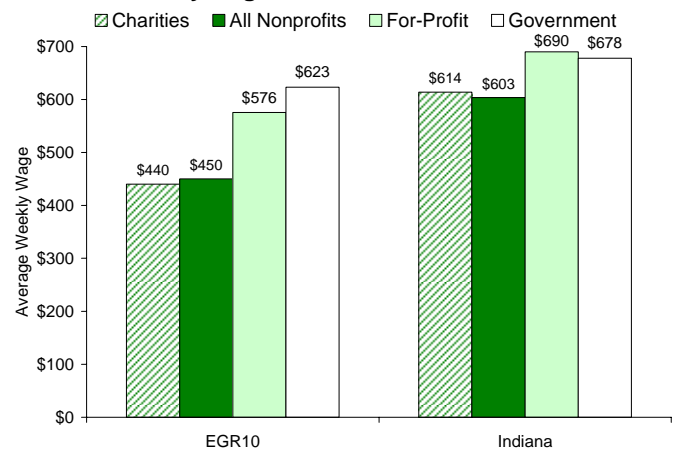
- Nearly all (almost 100 percent) of all employment in membership associations in both EGR 10 and Indiana was attributed to nonprofits.
- Nonprofits accounted for 77 percent of employment in social assistance organizations in EGR 10; this was larger than the statewide share of 71 percent.
- Nonprofits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

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

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

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

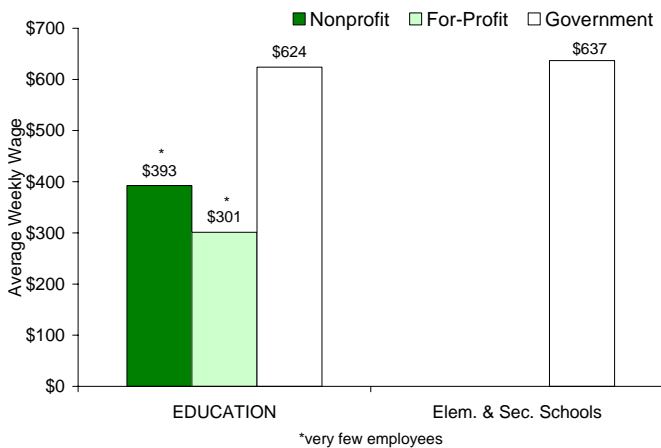
Figure 176: Nonprofit, for-profit, and government average weekly wages in EGR 10 and Indiana, 2005



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

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

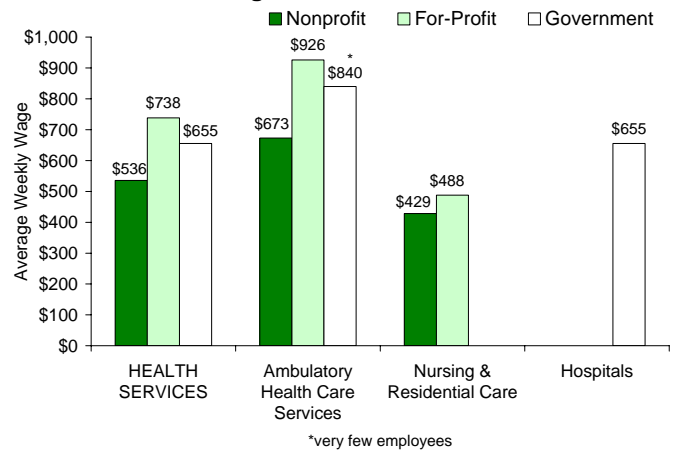
Figure 177: Average weekly wages in EGR 10 education organizations, 2005



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

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

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

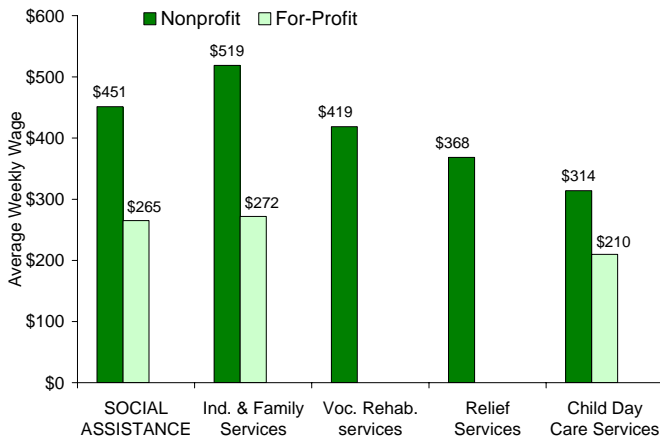


- On average in the EGR 10 health services industry, nonprofit employees earned about 27 percent less than for-profit employees and about 18 percent less than government employees.
- In ambulatory health care services, nonprofit employees earned about 27 percent less than for-profit employees and about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

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

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

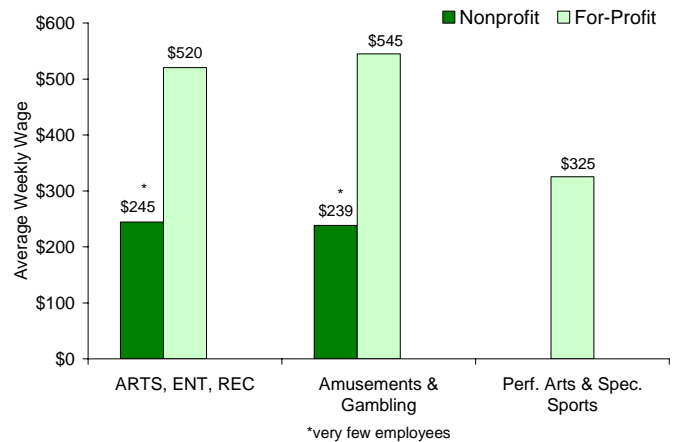
Figure 179: Average weekly wages in EGR 10 social assistance organizations, 2005



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

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

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



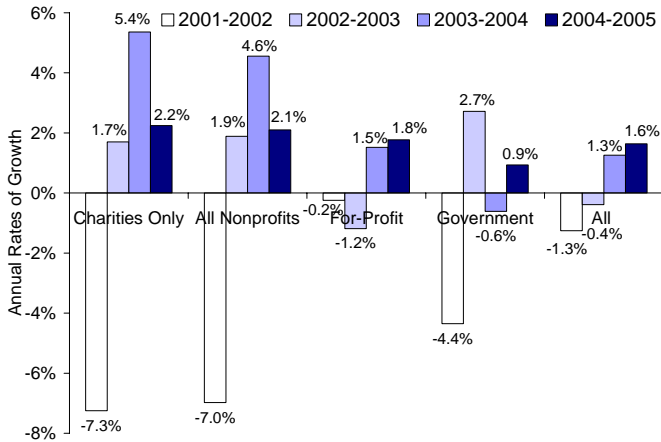
- On average, the relatively few nonprofit arts, entertainment, and recreation employees earned about 53 percent less than for-profit employees.⁹⁸
- The relatively few nonprofit employees in amusements and gambling earned about 56 percent less than for-profit employees.
- All of the employment in performing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

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

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

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

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



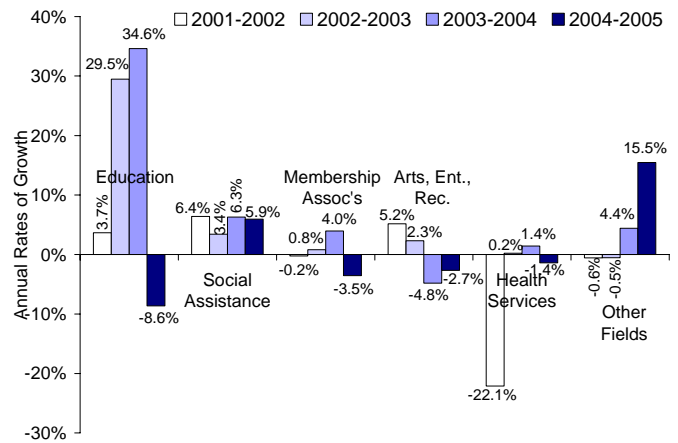
- Between 2001 and 2002, nonprofit employment shrank by 7.0 percent. During the next three years, employment recovered, and grew 1.9 percent during 2002 to 2003, 4.6 percent during 2003 to 2004, and 2.1 percent during 2004 to 2005.
- Employment in the for-profit sector shrank during the first two years – by 0.2 percent during 2001 to 2002 and by 1.2 percent during 2002 to 2003. It then grew during the next two years – by 1.5 percent during 2003 to 2004 and by 1.8 percent during 2004 to 2005.
- Government employment shrank by 4.4 percent between 2001 and 2002, grew 2.7 percent between 2002 and 2003, shrank by 0.6 percent during 2003 to 2004, and then grew by 0.9 percent during 2004 to 2005.

- Nonprofit employment trends differ notably by industry. As Figure 182 shows, education organizations experienced the most growth, and health services organizations saw the greatest declines.

- Nonprofit employment in education grew by 65.1 percent between 2001 and 2005. The greatest annual growth rates were 29.5 percent during 2002 to 2003 and 34.6 percent during 2003 to 2004. During 2004 to 2005, employment declined by 8.6 percent.

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

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

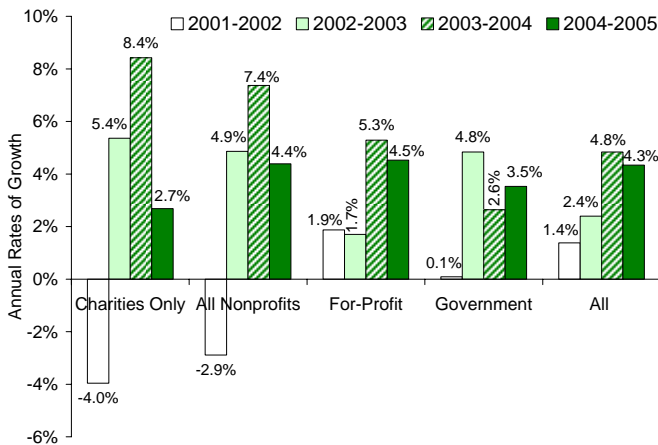


- Nonprofit employment in membership associations grew by 0.8 percent between 2001 and 2005. Employment declined by 0.2 percent during 2001 to 2002, grew during the next two years with annual growth rates of 0.8 percent and 4.0 percent, respectively, and then shrank by 3.5 percent during 2004 to 2005.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

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

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

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



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

⁹⁹ These growth rates are not adjusted for inflation.