HAMILTON COUNTY
NONPROFIT EMPLOYMENT, 1995-2009

Our ongoing analysis of Indiana nonprofit employment is a joint effort by the Center on Philanthropy, the School of Public and Environmental Affairs, and the Indiana Business Research Center at Indiana University to document the significant impact of nonprofits on Indiana’s economy by providing detailed information on the size, composition, and distribution of paid employment in the private nonprofit sector in Indiana.

Key Facts about Nonprofits in Indiana

- Nonprofits employ 1 in 11 workers in Indiana (nearly 250,000 employees).
- Nonprofits include public charities, private foundations and other types of tax-exempt groups such as civic leagues, chambers of commerce, social clubs, lodges, and veterans’ organizations.
- The majority of nonprofit organizations are public charities with 501(c)(3) designation from the IRS. Public charities provide social assistance, health care, education, arts and recreation, and religious services in local communities.
- Nonprofit social assistance organizations provide child care, job training and placement, individual and family services, emergency relief, and more. This was the second fastest growing nonprofit industry in Indiana, second only to health care.

Employment in Hamilton County

- In 2009, about 1 out of 24 workers in Hamilton County was employed by a nonprofit organization, compared to about 1 out of 21 in 1995.
- Nonprofit establishments employed less than 5 percent of workers in 2009, about the same percentage as in 1995.
- Nonprofit employment grew more than 55 percent from 1995 to 2009. For-profit employment grew more than 80 percent.
- Over 35 percent of nonprofit employees work in health care.

Payroll in Hamilton County

- Nonprofit payroll grew in Hamilton County from just over $103 million in 1995 to almost $195 million by 2009 (in constant 2009 dollars).
- This change represented a nearly 90 percent growth for nonprofits. Meanwhile, for-profit payroll grew by nearly 100 percent between 1995 and 2009, adjusted for inflation.
- Average annual nonprofit wages grew from about $36,000 in 1995 to more than $43,500 in 2009, a 20 percent increase, adjusted for inflation. For-profit wages increased 8 percent from more than $40,000 to slightly greater than $43,000—less than their nonprofit counterparts.

Establishments in Hamilton County

- Between 1995 and 2009, the number of nonprofit establishments increased more than 100 percent, to around 160, still far less than the approximately 6,500 for-profit establishments in 2009.

Figure 1: Percent change of nonprofit and for-profit employment, payroll, and establishments in Hamilton County, 1995-2009

For more information, visit the Indiana Nonprofits: Scope and Community Dimensions Project at www.indiana.edu/~nonprof
County Industry Data

The nonprofit sector plays an important role in the economic well-being of Hamilton County. However, as shown in Figures 2-4, nonprofits here tend to account for smaller percentages of employment, payroll, and establishments than in the state as a whole.

Figure 2: Percentage of nonprofit workers, 2009

- In the education, health, and social assistance industries, nonprofits accounted for a smaller percentage of employees than is the case for these industries in the state overall. Conversely, nonprofits accounted for a greater percentage of employees in the arts, entertainment, and recreation (AER) industry (Figure 2).

Figure 3: Percentage of payroll from nonprofits, 2009

- Nonprofit payroll constitutes a smaller percentage of total payroll in Hamilton County in 2009 than in Indiana overall (Figure 3), consistent with establishment and employment percentages.

Figure 4: Percentage of nonprofit establishments

- Nonprofit establishments accounted for around a quarter of county AER payroll, much greater than their share of total state AER payroll (Figure 3).

Note on Methodology

The report draws data from the national Quarterly Census Employment and Wages (QCEW) filings. However, because of the unique position of nonprofits under federal law, many nonprofits are not required to complete these filings. For example, some religious congregations as well as 501(c)(3) organizations employing fewer than four workers are exempt from QCEW filings. We can also only identify nonprofit employers that are registered with the IRS as exempt entities. Because of these exclusions we are confident that our analysis underestimates nonprofit employment in Indiana. For a full explanation of our methodology, please visit www.indiana.edu/~nonprof.