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

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PART THREE: ECONOMIC GROWTH REGIONS

VIII. INTRODUCTION TO ECONOMIC GROWTH REGIONS

Indiana is divided into 11 Economic Growth Regions (EGRs), as illustrated on page 6. Though certain patterns hold true for most regions, there is a considerable amount of variation in employment, wages, and growth among the 11 different regions.

Employment and Payroll: Although nonprofit employment and payroll differ across the 11 regions, nonprofits are still a considerable economic force in most regions. Most regions’ nonprofit sectors are larger than several key industries in terms of both total employees and total payroll, with the notable exception being EGR 10 (Southeast). Nonprofit employment in this region was smaller than that in all of the key industries examined (construction, transportation and warehousing, wholesale trade, and accommodation and food service) except one (wholesale trade), and nonprofit payroll in EGR 10 was similarly smaller than that for each of these same industries.

- As Figure 38 shows, the distribution of Indiana’s nonprofit employment among the 11 regions varies considerably.
  - EGR 5 (Central) had the greatest share of the state’s nonprofit employment, with 29.5 percent. The region with the next highest share was EGR 2 (North Central), with 14.6 percent.
  - EGR 10 (Southeast) had the smallest proportion of the state’s nonprofit employment, with only 1.8 percent.
  - Among the rest of the regions, EGR 1 (Northwest) and EGR 3 (Northeast) each had 11.9 percent of the state’s nonprofit employment. The remaining regions – EGR 4 (Northwest Central), EGR 6 (East Central), EGR 7 (West Central), EGR 8 (South Central), EGR 9 (Southeast Central), and EGR 11 (Southwest) – each had between 3 and 8 percent of the total.

- Individual regions’ nonprofit share of total employment varied between a low of 4.1 percent in EGR 10 (Southeast) to a high of 11.1 percent in EGR 2 (North Central). See Figure 39. The statewide share was 8 percent.
**Nonprofit Industries:** The distribution of nonprofit employment across industries varies by region. See Figure 40.

**Figure 40: Distribution of nonprofit employment by industry, by region, 2005**

- Most regions followed the statewide pattern of health dominance. Statewide, health services accounted for 51 percent of nonprofit employment, and in most regions, health services accounted for between 40 and 60 percent of nonprofit employment. The notable exception was EGR 10 (Southeast), in which only 30 percent of nonprofit employment was in the health services industry. EGR 10 was the only region in which health services did not have the largest share of nonprofit employment – social assistance organizations did, accounting for 31 percent of the region’s total nonprofit employment.

- Statewide and in all regions, arts, entertainment, and recreation organizations accounted for the smallest share of nonprofit employment. The statewide share was 3 percent, and each regional percentage was between 1 and 5 percent.

- The rankings of the three middle industries – education, social assistance, and membership associations – varied by region.

**Wages:** Nonprofit average weekly wages in each region varied from a high of $695 in EGR 5 (Central) to a low of $450 in EGR 10 (Southeast). The statewide average nonprofit weekly wage was $603. See Figure 41.

**Figure 41: Nonprofit average weekly wages, by region, 2005**

- In most regions, nonprofit average weekly wages were lower than for-profit and government average weekly wages. However, there are three exceptions:
  - In EGR 6 (East Central), nonprofit average weekly wages were higher than both for-profit and government average weekly wages.
  - In EGR 2 (North Central), nonprofit average weekly wages were higher than government average weekly wages (but still lower than for-profit average weekly wages).
  - In EGR 7 (West Central), nonprofit average weekly wages were higher than for-profit average weekly wages (but still lower than government average weekly wages).

**Growth in Employment:** Rates of growth in nonprofit employment between 2001 and 2005 varied from a high of 10.0 percent in EGR 9 (Southeast Central) to a low of 0.1 percent in EGR 1 (Northwest). The statewide growth rate for nonprofit employment over this four-year period was 4.9 percent. See Figure 42.

- In the majority of the EGRs, overall nonprofit growth rates from 2001 to 2005 were higher than overall for-profit and government growth rates. However, five EGRs differed from this pattern.
  - In EGR 1 (Northwest), EGR 4 (Northwest Central), EGR 5 (Central), and EGR 8 (South Central), nonprofit overall growth rates were smaller than the government rates (but larger than the for-profit rates).
In EGR 10, the nonprofit and for-profit overall growth rates were the same (1.8 percent for each sector). This growth rate is larger than the government growth rate (the government sector shrank by 1.4 percent during between 2001 and 2005).

**Growth in Payroll:** Rates of growth in nonprofit payroll between 2001 and 2005 varied from lows of 14.1 percent in EGRs 1 (Northwest) and 10 (Southeast) to a high of 44.4 percent in EGR 6 (East Central). The statewide growth rate was 21.3 percent.\(^{28}\) See Figure 43.

At 44 percent, the rate of growth in EGR 6 (East Central) payroll was considerably higher than those in the remaining regions, where growth rates ranged between 14 and 25 percent.

- In all EGRs, overall nonprofit payroll growth rates were larger than both for-profit and government growth rates.

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\(^{28}\) These rates of growth are not adjusted for inflation. For comparison, the inflation rate between 2001 and 2005 was approximately 10 percent.
IX. NORTHWEST INDIANA: ECONOMIC GROWTH REGION 1

Seven northwest Indiana counties – Lake, Porter, LaPorte, Starke, Newton, Jasper, and Pulaski – comprise Economic Growth Region (EGR) 1. This region includes both the Gary/Northwest Metropolitan Statistical Area (MSA), which encompasses Jasper, Lake, Newton, and Porter Counties, and the LaPorte MSA, which encompasses LaPorte County. The private nonprofit sector is a major economic force in EGR 1, employing a greater percentage of the total workforce than the statewide percentage, and employing more workers than several typically for-profit industries. From 2002 to 2005, nonprofit employment and payroll in EGR 1 grew considerably. The region’s nonprofit employment is heavily concentrated in the health services field, with close to two-thirds of the region’s nonprofit employees working in this one field.

Employment and Payroll: Nonprofits in EGR 1 employed 27,900 workers and had a total payroll of about $820 million.

- The distribution of nonprofit employment differs notably by county, as shown in Figure 44.

Figure 44: Distribution of EGR 1 nonprofit employment, by county, 2005

- Lake County contained the majority of EGR 1’s nonprofit employment, with 64 percent.

- Porter and LaPorte Counties had the next highest share, with 15 percent each.

- Jasper County’s share of nonprofit employment was only 3 percent.

- Newton, Starke, and Pulaski Counties had the lowest proportions of the region’s nonprofit employment, with only 1 percent each.

- The 27,900 nonprofit employees accounted for 9 percent of the region’s total employment of 317,300. This was slightly higher than the percentage for Indiana as a whole (8 percent).

- The nonprofit share of total employment differs by county, as shown in Figure 45.

Figure 45: Nonprofit share of total employment, by county, 2005

- Nonprofit shares of total employment in LaPorte and Lake Counties were slightly higher (by 1 or 2 percentage points) than the share of total employment for nonprofits statewide.

- Porter County nonprofit employment comprised about the same percentage of total employment as the state’s percentage.

- Nonprofit shares of total employment in Jasper, Pulaski, and Starke Counties were somewhat smaller (by 1 or 2 percentage points) than for nonprofit employment statewide.

- The nonprofit share of total employment in Newton County was only about half as large as the statewide share.
Total nonprofit employment in EGR 1 exceeds the number of employees in several key industries. As Figure 46 shows, the EGR 1 nonprofit sector employed:

- Slightly more people than the 25,800 people employed by the region’s accommodation and food service industry.

- More people than the 20,500 people employed by the region’s construction industry.

- More than twice as many people as the region’s transportation and warehousing or wholesale trade industries (13,200 and 10,900, respectively).

EGR 1’s nonprofit sector accounted for $820 million of the region’s total payroll of $11 billion, or 7 percent. As Figure 47 illustrates, payroll for jobs in the region’s nonprofit sector was:

- Nearly three times greater than total payroll for jobs in the accommodation and food service industry ($279 million), even though the number of employees is comparable.

- Considerably higher than total payroll for jobs in the transportation and warehousing industry ($508 million) and wholesale trade industry ($482 million).

Nonprofit Industries: The region’s nonprofit employment is concentrated in several industries, with over half of nonprofit employees working in health services. Nonprofits account for a considerable portion of the employment in some fields.

- As Figure 48 shows, the distribution of nonprofit employment across industries in EGR 1 differs some from the corresponding distribution statewide.

- Health services accounted for a considerably larger share of total nonprofit employment in EGR 1 (61 percent) than it did statewide (51 percent). Although the NAICS classification system groups health services and social assistance together as NAICS 62, we have separated social

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29 Less than 0.4 percent of employment in these industries was nonprofit employment, meaning there is little overlap.

30 Although the NAICS classification system groups health services and social assistance together as NAICS 62, we have separated social
Membership associations accounted for a slightly larger share than the statewide share (13 percent vs. 12 percent). With health services and membership associations taking a larger share of overall nonprofit employment in this region, there are proportionally fewer nonprofit employees in social assistance and education organizations in this region. The share of social assistance nonprofit employment was 11 percent in EGR 1, compared to 12 percent statewide, and the share of education nonprofit employment was 9 percent in EGR 1, compared to 13 percent statewide.

Arts, entertainment, and recreation, though typically a small share of total nonprofit employment, also had a slightly lower share in EGR 1 than the share statewide (1 percent vs. 3 percent).

Nonprofit employment dominates in several industries, as illustrated in Figure 49.

- Nearly all (almost 100 percent) of employment in membership associations in both EGR 1 and Indiana was attributed to nonprofits.
- Nonprofits accounted for over two-thirds (68 percent) of employment in social assistance organizations in EGR 1; this is slightly less than the statewide share (71 percent).
- About two-fifths (44 percent) of employment in health services in EGR 1 was in the nonprofit sector, which is similar to the statewide share (43 percent).
- Nearly one-tenth (9 percent) of employment in educational services in EGR 1 was attributed to nonprofits, compared to slightly over one-tenth (12 percent) statewide.
- Nonprofits comprised about 4 percent of the employment in arts, entertainment, and recreation in EGR 1, which is considerably smaller than the statewide share of 15 percent.
- Although the management of companies or enterprises and utilities are not typically thought of as containing a significant presence of nonprofit employment, in EGR 1 nonprofits accounted for 12 percent and 4 percent of employment in these industries, respectively. These percentages are lower than the statewide shares of 15 percent for management organizations and 13 percent for utilities.

Wages: Overall, average weekly wages paid to nonprofit employees are lower than those paid to employees in the for-profit and government sectors. However, this is not always true in the industries in which nonprofits are concentrated, as often nonprofit employees’ wages are actually greater than the wages of their for-profit or government counterparts.32

- In both EGR 1 and Indiana as a whole, workers in nonprofit organizations overall earn less than those

31 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 associations 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.

32 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.
in the for-profit and government sectors. See Figure 50.

**Figure 50: Nonprofit, for-profit, and government average weekly wages in EGR 1 and Indiana, 2005**

- Nonprofit workers in EGR 1 earned an average weekly wage of $565, or about 18 percent less than for-profit workers in EGR 1. This wage gap is larger than the statewide gap of 13 percent, reflecting the relatively low average weekly wages of nonprofit employees in EGR 1, while those of for-profit workers in EGR 1 are roughly on par with their counterparts statewide.

- Nonprofit workers in EGR 1 earned about 9 percent less than the region’s government workers. This gap is somewhat smaller than the statewide gap, as Indiana’s nonprofit employees earned about 11 percent less than Indiana’s government employees.

- However, in industries in which nonprofit organizations are concentrated, nonprofit workers sometimes earn more than their for-profit or government counterparts.\(^{33}\)

- Nonprofit employees in education earn more than for-profit employees but less than government employees. (See Figure 51.) The two education categories shown accounted for 94 percent of total employment in the educational services field in EGR 1. A third category, junior colleges, had too few nonprofit establishments to report separate data.

**Figure 51: Average weekly wages in EGR 1 education organizations, 2005**

- On average, employees of nonprofit education organizations earned about 27 percent more than those employed with for-profit education organizations, but about 24 percent less than government workers, who account for the majority of employment in this industry.

- Nonprofit employees in universities and professional schools earned about 27 percent less than government employees. There were too few for-profit establishments to report separately.

- The very few nonprofit employees in elementary and secondary schools earned about 20 percent more than their for-profit counterparts but about 34 percent less than government employees.

- Workers in nonprofit health service organizations earn less than those in for-profit organizations but more than those in government organizations. (See Figure 52.) Ambulatory services, hospitals, and nursing and residential care comprise 100 percent of all employment in the health services field.

- Nonprofit workers in the health services industry on average earned about 15 percent less than for-profit workers but slightly more (about 2 percent) than government workers.

- Workers in nonprofit hospitals earned slightly less (about 2 percent) than those in for-profit health services organizations.

\(^{33}\) 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.
hospitals but about 14 percent more than those in government hospitals.

**Figure 52: Average weekly wages in EGR 1 health services organizations, 2005**

- In ambulatory health care services, nonprofit workers earned about 33 percent less than for-profit workers but about 18 percent more than the relatively few government workers.

- Nonprofit and for-profit wages in nursing and residential care were similar, with nonprofit workers earning about 1 percent more. There were no government employees in this subfield.

- As Figure 53 shows, relative wages in the social assistance field are more mixed. There was no government employment in this field in EGR 1, so only non-profit and for-profit employees are compared. The four sub-industries shown made up 100 percent of all employment in the social assistance field.

- Overall nonprofit wages in the social assistance industry were about 37 percent higher than for-profit wages.

- Employees in nonprofit vocational rehabilitation services earned average weekly wages of $396. Nonprofit employees made up the vast majority of employment in this category; for-profit employment was too small to report separately.

- Workers in nonprofit individual and family services organizations earned about 19 percent more than workers in for-profit organizations.

**Figure 53: Average weekly wages in EGR 1 social assistance organizations, 2005**

- Those employed in nonprofit relief service organizations earned 44 percent less than those in for-profit relief services.

- Workers in nonprofit child day care services earned about 40 percent more than workers in for-profit child day care services.

- In the arts, entertainment, and recreation industry, nonprofit employees earn less than their for-profit counterparts. (See Figure 54.) The three sub-industries shown comprise 100 percent of the employment in arts, entertainment, and recreation in EGR 1.

**Figure 54: Average weekly wages in EGR 1 arts, entertainment, and recreation organizations, 2005**

- Overall in this industry, the few nonprofit employees earned about 38 percent less than the relatively few for-profit employees.34

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34 For-profits accounted for the vast majority of employees in this industry, with about 95 percent. Nonprofits contributed about 4 per-
The very few nonprofit employees in museums, historical sites, zoos, and parks earned an average weekly wage of $337. EGR 1 had no for-profit employees in this category. 35

The relatively few workers in nonprofit amusement and gambling establishments earned about 35 percent less than those in for-profit establishments. EGR 1 had no government employees in this category.

Employees in nonprofit performing arts and spectator sports organizations earned about 9 percent less than those in for-profit organizations. EGR 1 had no government employees in this category.

Growth: Between 2001 and 2005 employment in the EGR 1 nonprofit sector grew by only 0.1 percent, employment in the for-profit sector shrank by 0.7 percent, and employment in the region’s government sector grew by 0.4 percent.

• However, as Figure 55 shows, these overall trends mask considerable differences in annual growth rates.

– Employment in the nonprofit sector declined by 8.4 percent from 2001 to 2002. It then rebounded during the next three years, experiencing growth rates of 1.6 percent, 5.1 percent, and 2.3 percent, respectively.

– Employment in the for-profit sector also experienced decline and recovery, though to a lesser extent than the nonprofit sector. For-profit employment shrank by 2.1 percent from 2001 to 2002 and by 0.1 percent between 2002 and 2003. For-profit employment then grew during the next two years, with a growth rate of 0.1 percent during the 2003 to 2004 period and a growth rate of 1.4 percent during the 2004 to 2005 period.

Figure 55: Annual rates of growth in EGR 1 employment by sector, 2001-2005

– Government employment experienced a different trend, with growth during the first two years and decline during the next two years. Employment grew by 0.2 percent between 2001 and 2002 and by 1.0 percent between 2002 and 2003. Employment then shrank by 0.6 percent during the 2003 to 2004 period and by 0.2 percent during the 2004 to 2005 period.

• Nonprofit employment trends differ notably by industry. As Figure 56 shows, social assistance organizations experienced the most growth, while arts, entertainment, and recreation establishments saw the greatest declines.

– Overall, nonprofit employment in social assistance organizations in 2005 was up 79.5 percent over 2001. The highest growth rate (37.2 percent) occurred between 2001 and 2002. The industry then grew 10.5 percent from 2002 to 2003, 3.3 percent between 2003 and 2004, and 14.7 percent between 2004 and 2005.

– Overall employment in nonprofit education services grew by 6.2 percent between 2001 and 2005. The industry experienced increasing growth in employment each year except between 2002 and 2003, when employment declined by 7.6 percent. Growth between 2004 and 2005 was 10.4 percent.

– Overall, nonprofit employment in social assistance organizations in 2005 was up 79.5 percent growth rate of 1.4 percent during the 2004 to 2005 period.

Figure 56: Annual rates of growth in EGR 1 nonprofit employment, by industry, 2001-2005

- Overall employment in nonprofit education services grew by 6.2 percent between 2001 and 2005. The industry experienced increasing growth in employment each year except between 2002 and 2003, when employment declined by 7.6 percent. Growth between 2004 and 2005 was 10.4 percent.

- Overall, employment in nonprofit health services organizations declined by 0.7 percent between 2001 and 2005. Employment declined during the 2001 to 2002 period (by 9.8 percent) but rebounded during the next three years. The rate of growth peaked at 6.6 percent during the 2003 to 2004 period then grew at a more modest amount (1.0 percent) between 2004 and 2005.

- Employment in nonprofit membership associations experienced a downward trend, shrinking by 5.7 percent during the 2001 to 2005 period. The industry experienced 1.6 percent growth in employment during the first year, but then experienced declines for each of the next three years. From 2004 to 2005 employment declined by 5.0 percent.

- Nonprofit employment in arts, entertainment, and recreation had the largest rates of decline – overall 12.3 percent during the 2001 to 2005 period. Employment in this field declined by 11.8 percent between 2001 and 2002, recovered during the next two years (6.3 and 3.1 percent growth), but then declined by 9.3 percent from 2004 to 2005.


- From 2002 to 2005, the nonprofit sector’s total payroll increased at a faster rate than that for the for-profit and government sectors. See Figure 57.

Figure 57: Annual rates of growth in EGR 1 payroll, by sector, 2001-2005

- Overall growth in payroll for EGR 1 nonprofits from 2001 to 2005 was 14.1 percent. Nonprofit payroll declined at a rate of 4.5 percent between 2001 and 2002 and then rebounded during the next three years. Growth peaked at 8.2 percent from 2003 to 2004 then grew by a lesser amount (4.3 percent) between 2004 and 2005.

- Overall growth in for-profit payroll between 2001 and 2005 was 11.8 percent. For-profit payroll experienced annual growth trends similar to those of nonprofits, with decline during the 2001 to 2002 period and growth during the 2002 to 2005 period, but the rates were more modest than those of the nonprofits. For-profit payroll shrank by 1.0 percent from 2001 to 2002. Growth peaked at 4.9 percent between 2003 and 2004.

These growth rates are not adjusted for inflation.
2004 then grew at the more modest amount of 3.6 percent between 2004 and 2005.

- Government payroll grew by 8.3 percent during the 2001 to 2005 period, and it experienced growth during each of the four years. The growth rates steadily increased from 1.7 percent between 2001 and 2002 to 3.6 percent from 2003 to 2004, dropping to a rate of 0.6 percent between 2004 and 2005.
X. NORTH CENTRAL INDIANA: ECONOMIC GROWTH REGION 2

Economic Growth Region (EGR) 2 is comprised of five north central Indiana counties – St. Joseph, Elkhart, Marshall, Kosciusko, and Fulton Counties. EGR 2 includes both the South Bend Metropolitan Statistical Area (St. Joseph County) as well as the Elkhart Metropolitan Statistical Area (Elkhart County). The private nonprofit sector is a major economic force in EGR 2, employing a greater percentage of the total workforce than the statewide percentage and employing considerably more workers than several typically for-profit industries. Nonprofit employment in this sector is concentrated in the health and education fields, with over three-fourths of the sector’s total nonprofit employment accounted for by these two fields. Nonprofit employment and payroll in this region has grown each year during the 2001 to 2005 period.

Employment and Payroll: Nonprofits in EGR 2 employed 34,400 workers and had payrolls of over $1.1 billion.

- The distribution of this region’s nonprofit employment differs notably by county, as shown in Figure 58.

Figure 58: Distribution of EGR 2 nonprofit employment, by county, 2005

- St. Joseph County employed the largest percentage of EGR 2 nonprofit employees by far, with 63 percent.
- The county with the next highest share of the region’s nonprofit employment was Elkhart County, with 22 percent.
- Kosciusko County accounted for 10 percent of the region’s nonprofit employment.
- Marshall and Fulton Counties contained the smallest shares of the region’s nonprofit employment, with 5 percent and 1 percent, respectively.

- The 34,400 nonprofit employees account for 11 percent of the total employment in this region, which is higher than the sector’s share statewide (8 percent).
- The nonprofit share of total employment differs by county, as shown in Figure 59.

Figure 59: Nonprofit share of total employment, by county, 2005

- St. Joseph County’s nonprofit share of total employment was over twice as high as the sector’s share statewide (17 percent vs. 8 percent).
- Nonprofit employment in Kosciusko and Marshall Counties made up a slightly larger share of total employment (about 1 percentage point) than the statewide share.
- Elkhart County nonprofits accounted for a slightly smaller share of total county employment than the statewide share (6 percent vs. 8 percent).
- Fulton County nonprofits accounted for a considerably smaller share of total employment than the statewide share (3 percent vs. 8 percent).
- Total nonprofit employment in EGR 2 exceeds the number of employees in several key industries. 37 As

37 Less than 0.5 percent of employment in these industries was nonprofit employment, meaning there is little overlap.
Figure 60 shows, the 34,400 workers employed in the EGR 2 nonprofit sector was:

- Considerably more people than the 20,400 people employed by the region’s accommodation and food service industry.
- Over twice as many people as the 14,000 people employed in the region’s wholesale trade industry and over twice as many people as the 12,500 employees in the region’s construction industry.
- More than four times as many people as the 7,700 people employed by the region’s transportation and warehousing industry.

- The nonprofit sector in EGR 2 accounted for $1.14 billion of the region’s total payroll of $10.83 billion, or 11 percent. As Figure 61 shows, the payroll for nonprofit jobs in EGR 2 was considerably larger than the payroll for the accommodation and food service, wholesale trade, construction, and transportation and warehousing industries.

Nonprofit Industries: The region’s nonprofit employment is concentrated in several industries, with the largest concentration in health services. Nonprofits account for a considerable portion of the employment in some industries.

- As Figure 62 shows, the distribution of nonprofit employment across industries differs some from the corresponding distribution statewide.

- Health services accounted for nearly half (45 percent) of total nonprofit employment. This was smaller than the statewide share of 51 percent.\(^{38}\)
- Education services made up a much larger share of EGR 2’s nonprofit employment than the share statewide (31 vs. 13 percent).
- Social assistance organizations made up a smaller share of nonprofit employment in EGR 2 than they did in the state as a whole (9 percent vs. 12 percent).

\(^{38}\) 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.
Membership associations accounted for 5 percent of nonprofit employment in EGR 2, and this is considerably smaller than the statewide share of 12 percent.\(^{39}\)

Arts, entertainment, and recreation accounted for a slightly smaller share of nonprofit employment in EGR 2 than it did statewide (2 percent vs. 3 percent).

The share of nonprofit employment in other fields were approximately the same for EGR 2 and Indiana (9 percent each).

Nonprofits dominate the employment in certain key industries. As Figure 63 shows:

![Figure 63: Nonprofit share of total employment for selected industries, EGR 2 vs. Indiana, 2005](chart)

- Nearly all (almost 100 percent) of employment in membership associations in both EGR 2 and Indiana was attributed to nonprofits.
- Nonprofits accounted for about three-fourths (75 percent) of social assistance organizations in EGR 2; this is slightly higher than the statewide percentage (71 percent).

Over half (57 percent) of employment in health services in EGR 2 was in the nonprofit sector, which is notably higher than the Indiana percentage (43 percent).

Nearly two-fifths (39 percent) of employment in educational services in EGR 2 was attributed to nonprofits. This is considerably higher than the statewide share of 13 percent.

Nonprofits comprised about 29 percent of employment in the arts, entertainment, and recreation field in EGR 2, nearly twice as high as the state as a whole (15 percent).

Although utilities and organizations concerned with the management of companies or enterprises are not typically thought of as containing a significant nonprofit presence, in EGR 2 nonprofits accounted for 17 percent of employment in management organizations and 12 percent of utilities. The management organizations share was higher than the statewide average of 12 percent, and the utilities share was lower than the statewide average of 15 percent.

**Wages:** Overall, average weekly wages paid to nonprofit employees are lower than those paid to for-profit workers but higher than those paid to government workers. However, in industries in which nonprofits are concentrated, nonprofit employees in some cases earn more than their for-profit and government counterparts.\(^{40}\)

- Nonprofit employees in EGR 2 earned less per week than for-profit employees but more per week than government employees, while nonprofit employees statewide earned less than both for-profit and government employees. See Figure 64.
- Nonprofit workers in EGR 2 earned about 6 percent less than for-profit workers in EGR 2. This gap was much smaller than the gap statewide, with Indiana nonprofit workers earning about 13 percent less than Indiana for-profit workers.

\(^{39}\) 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.

\(^{40}\) 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 2 earned about 1 percent more than the region’s government workers. In contrast, statewide, Indiana nonprofit workers earned about 11 percent less than Indiana government workers.

However, in industries in which nonprofits are concentrated, nonprofit workers often earn more than both their for-profit and government counterparts.41

Nonprofit employees in education earned more, on average, than for-profit and government employees. (See Figure 65.) The three sub-industries shown made up 98 percent of total employment in EGR 2’s education services field.

On average, employees of nonprofit education organizations earned about 80 percent more than the few employees in for-profit education organizations, and they earned about 10 percent more than workers in government education organizations.

Nonprofit university and professional school employees earned an average weekly wage of $760. Data for for-profit and government wages was suppressed because there were too few establishments in these sectors.

Employees of nonprofit junior colleges earned an average weekly wage of $446. Data for for-profit and government wages was suppressed because there were too few establishments in these sectors.

Nonprofit employees in elementary and secondary schools earned wages about 33 percent lower than those for government employees. There were too few for-profit establishments to report separately.

Overall, nonprofit workers in the health services industry earn less than for-profit workers. (See Figure 66.) Government employment was too small to report separately. The three sub-industries shown made up 100 percent of the employment in the health services industry.

41 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, nonprofit workers in the health services industry earned about 19 percent less than for-profit workers.

– In the ambulatory health services sub-field, nonprofit workers earned about 27 percent less than for-profit workers.

– Workers in nonprofit hospitals had average weekly wages of $730. There were too few for-profit establishments to report separately.

– Nonprofit nursing and residential care employees earned slightly more (about 1 percent) than for-profit employees.

Employees of nonprofit social assistance organizations earn more than those of for-profit social assistance organizations. (See Figure 67.) Government employment was too small to report separately. The four sub-industries shown comprise 100 percent of the social assistance employment.

Figure 67: Average weekly wages in EGR 2 social assistance organizations, 2005

– Overall, nonprofit employees in the social assistance industry earned average weekly wages about 1.5 times higher than those of for-profit employees.

– Nonprofit relief services workers earned about 35 percent more than for-profit workers.

– In individual and family services, nonprofit employees earned about 52 percent more than for-profit employees.

– All of the employment in vocational rehabilitation services was attributed to nonprofits.

– Workers in nonprofit child day care services earned average weekly wages about 22 percent higher than for-profit workers’ wages.

– Employees of nonprofit arts, entertainment, and recreation organizations earn more than their counterparts in for-profit organizations. There was no government employment in this industry. (See Figure 68.) The three sub-industries shown accounted for 100 percent of total employment in the arts, entertainment and recreation field.

Figure 68: Average weekly wages in EGR 2 arts, entertainment, and recreation organizations, 2005

– Nonprofit employees in the arts, entertainment, and recreation industry earned about 32 percent more than their for-profit counterparts.

– In the performing arts and spectator sports category, nonprofit employees earned about 30 percent more than for-profit employees.

– Employees in nonprofit amusement and gambling establishments earned about 34 percent more than their for-profit counterparts.

– All of the employment in museums, historical sites, zoos, and parks was accounted for by nonprofits.

Growth: Between 2001 and 2005, the nonprofit sector grew by 5.9 percent, the for-profit sector grew by 4.4 percent and the government sector grew by 4.6 percent.
However, as Figure 69 shows, these overall trends mask differences in annual growth rates.

Figure 69: Annual rates of growth in EGR 2 employment by sector, 2001-2005

- Nonprofit employment grew each year during the four-year period, with the greatest growth rate (2.5 percent) from 2001 to 2002 and the smallest growth rate (0.5 percent) between 2004 and 2005.

- The for-profit sector shrank by 1.7 percent during the 2001 to 2002 period. During the next three years it rebounded, growing by 0.5 percent from 2002 to 2003, by 3.8 percent from 2003 to 2004, and by 1.7 percent from 2004 to 2005.

- Government employment grew relatively slowly each year during the four-year period. The smallest rate of growth in government employment (0.7 percent) was from 2001 to 2002, and the greatest growth rate (1.5 percent) was between 2003 and 2004.

Nonprofit employment trends differ notably by industry. As Figure 70 shows, education organizations experienced the most growth, while membership organizations saw the greatest declines.

- Nonprofit education services experienced the highest overall growth rate during the four-year period (15 percent) and grew each year during the period, with the highest growth rate (4.9 percent) occurring between 2001 and 2002, and the lowest growth rate (2.3 percent) occurring between 2004 and 2005.

- Nonprofit social assistance organizations experienced the highest single-year growth rate (12.1 percent between 2001 and 2002), but growth then declined in later years. Between 2004 and 2005, employment shrank by 3.4 percent. Overall growth during the four-year period was 8 percent.

- Nonprofit employment in health services grew 5 percent between 2001 and 2005. This field experienced relatively low growth each year during the period, with the greatest growth (2.0 percent) occurring between 2001 and 2002, and the least growth (1.2 percent) occurring between 2003 and 2004.

- Overall, employment in nonprofit arts, entertainment, and recreation organizations grew 4 percent between 2001 and 2005. However, annual trends reflect a mix of growth and decline. Employment grew by 4.4 percent between 2001 and 2002 and then shrank by 2.5 percent from 2002 to 2003. Employment then grew by 4.0 percent between 2003 and 2004, shrinking once again by 1.8 percent between 2004 and 2005.

- Employment in nonprofit membership associations declined by 15 percent between 2001 and 2005. Employment declined considerably during three of the four years. From 2004 to 2005 the rate of decline was 5.5 percent.

- Nonprofit employment in other fields shrank by 6 percent from 2001 to 2005. Employment shrank 3.9 percent between 2001 and 2002, and...
then grew by 1.4 percent from 2002 to 2003. Employment then began to decline again, and during the 2004 to 2005 period shrunk by 3.0 percent.

• Between 2001 and 2005, nonprofit, for-profit, and government payroll all experienced growth each year. Nonprofit payroll grew slightly faster than for-profit payroll, and it also grew faster than government payroll. See Figure 71.42

**Figure 71: Annual rates of growth in EGR 2 payroll, by sector, 2001-2005**

- Nonprofit payroll grew by 20.1 percent between 2001 and 2005. The lowest rate of growth was 3.3 percent between 2004 and 2005, and the highest rate of growth was 6.4 percent between 2001 and 2002.

- For-profit payroll grew by 19.7 percent between 2001 and 2005. The lowest rate of growth was 2.6 percent from 2001 to 2002, and the highest rate of growth was 8.7 percent from 2003 to 2004.

- Government payroll grew by 13.5 percent between 2001 and 2005. The lowest growth rate was 2.2 percent during the 2004 to 2005 period, and the highest growth rate was 4.7 percent during the 2003 to 2004 period.

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42 Growth rates are not adjusted for inflation.
XI. NORTHEAST INDIANA: ECONOMIC GROWTH REGION 3

Eleven northeast Indiana counties – Lagrange, Steuben, Noble, DeKalb, Whitley, Allen, Wabash, Huntington, Wells, Adams, and Grant – comprise Economic Growth Region (EGR) 3. This region includes the Fort Wayne Metropolitan Statistical Area, which encompasses Allen, Wells, and Whitley Counties. The private nonprofit sector is a major economic force in EGR 3, employing about the same percentage of the total workforce as the statewide percentage, and employing considerably more workers than several typically for-profit industries. Nonprofit employment in this sector is concentrated in the health and education fields; together these two fields account for 65 percent of the nonprofit employment in this region. Nonprofit employment and payroll in this region grew moderately between 2001 and 2005.

Employment and Payroll: Nonprofits in EGR 3 employed 28,000 workers and had a total payroll of over $736 million.

- The distribution of this region’s nonprofit employment differs notably by county, as shown in Figure 72.

Figure 72: Distribution of EGR 3 nonprofit employment, by county, 2005

- Allen County contained the majority of the region’s nonprofit employment, with 52 percent.
- Grant County had the next highest share, with 14 percent.
- Huntington, Wabash, and Noble Counties had shares of 7, 6, and 5 percent, respectively.
- Steuben, DeKalb, and Whitley Counties each contained 3 percent of the region’s nonprofit employment.
- Adams and Wells Counties each represented 2 percent of the region’s nonprofit employment.
- Lagrange County contained the smallest share of the region’s nonprofit employment, with only 1 percent.

- The 28,000 nonprofit employees accounted for 8 percent of the total employment in EGR 3, which is approximately equal to the statewide percentage.
- The nonprofit share of total county employment differs by county, as shown in Figure 73.

Figure 73: Nonprofit share of total employment, by county, 2005

- The share of total county employment accounted for by Grant County nonprofits was almost twice as high as the share statewide (15 percent vs. 8 percent).
- Wabash and Huntington County nonprofits made up a considerably larger share of total employment (by 4 or 5 percentage points) than that of nonprofits statewide.
– Allen and Whitley County nonprofits comprised about the same percentage of total employment as the Indiana percentage.

– The nonprofit share of total employment in Noble and Steuben Counties was about 1 or 2 percentage points lower than the statewide share.

– Wells, DeKalb, Adams, and Lagrange County nonprofit shares of total employment were only about half the statewide share of 8 percent.

• Total nonprofit employment in EGR 3 exceeds the number of employees in several key industries. As Figure 74 shows, nonprofits in this region employed:

  - Slightly more people than the 27,200 people employed by the region’s accommodation and food service industry.

  - Considerably more people than the region’s wholesale trade industry (15,700 employees), construction industry (15,400 employees), or transportation and warehousing industry (14,700 employees).

• EGR 3’s nonprofit sector accounted for $736 million of the region’s total payroll of $11 billion, or 7 percent. As Figure 75 illustrates, payroll for jobs in the region’s nonprofit sector was:

  - Greater than payroll for the region’s wholesale trade industry ($625 million), construction industry ($581 million), and transportation and warehousing industry ($540 million).

  - Over twice as great as the payroll for the region’s accommodation and food service industry ($293 million), even though the number of employees is comparable.

**Nonprofit Industries:** The region’s nonprofit employment is concentrated in several fields, with the largest concentration in the health services field. Nonprofits account for a considerable portion of the employment in some fields.

• As Figure 76 shows, the distribution of nonprofit employment across industries differs some from the corresponding distribution statewide.

  - Health services accounted for a slightly smaller share of total nonprofit employment in EGR 3 than it did statewide (45 percent vs. 51 percent). 44

  – Education (20 percent) and social assistance (16 percent) made up considerably larger shares of total nonprofit employment in EGR 3 than in all of Indiana (13 percent and 12 percent, respectively).

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43 Less than 0.4 percent of employment in these industries was nonprofit employment, meaning there is little overlap.

44 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.
Membership associations made up a slightly smaller share of nonprofit employment than they did statewide (11 percent vs. 12 percent). 45

The share of nonprofit employment taken up by EGR 3 arts, entertainment, and recreation organizations was approximately the same as the statewide percentage (3 percent).

Nonprofit employment in other fields was a smaller percentage of nonprofit employment in EGR 3 than in the state as a whole (6 percent vs. 9 percent).

Nonprofits dominate in certain industries, as Figure 77 illustrates.

Nearly all (almost 100 percent) of employment in membership associations in both EGR 3 and Indiana was attributed to nonprofits.

Nonprofits accounted for over three-fourths (76 percent) of employment in social assistance organizations in EGR 3; this is a bit more than the statewide share of 71 percent.

About one-third (34 percent) of EGR 3 employment in health services was in the nonprofit sector. This is lower than the share statewide (43 percent).

Nonprofits comprised about 29 percent of employment in arts, entertainment, and recreation in EGR 3, and this is considerably higher than the statewide share of 15 percent.

About 22 percent of employment in education services in EGR 3 was attributed to nonprofits, which is notably higher than the Indiana share of 13 percent.

Although utilities and organizations concerned with the management of companies or enterprises are not typically thought of as containing a significant presence of nonprofits, in EGR 3 nonprofits accounted for 24 percent of employment in utilities and 13 percent of employment in management organizations. The comparative statewide percentages were 15 percent for utilities and 12 percent for management organizations.

**Wages:** Overall, average weekly wages paid to nonprofit employees are lower than those paid to employees in the for-profit and government sectors. However, when the fields in which nonprofits are concentrated are considered individually, this trend is not always true. 46

46 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

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45 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.

46 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.

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• In both EGR 3 and Indiana as a whole, employees in nonprofit organizations earn less than those in the for-profit and government sectors, but the gaps are larger than at the statewide level. See Figure 78.

Figure 78: Nonprofit, for-profit, and government average weekly wages in EGR 3 and Indiana, 2005

- Nonprofit workers in EGR 3 earned about 22 percent less than both the region’s for-profit and government workers.

- These gaps are considerably larger than the statewide gaps – statewide, Indiana nonprofit workers earned about 13 percent less than for-profit workers and 11 percent less than government workers.

• In fields in which nonprofits are concentrated, nonprofit workers sometimes earn more than their for-profit or government counterparts.47

• Nonprofit employees in education services earn higher average weekly wages than for-profit employees but lower average weekly wages than government employees. (See Figure 79.) The two edu-

cation sub-industries shown accounted for 95 percent of total employment in education in EGR 3.

Figure 79: Average weekly wages in EGR 3 education organizations, 2005

- On average, nonprofit employees in education services earned about 44 percent more than the few for-profit employees but about 27 percent less than government employees.

- Nonprofit university and professional school employees earned an average weekly wage of $537. There was no for-profit employment in this category, and there were too few government establishments to report separately.

- Employees of nonprofit elementary and secondary schools earned about 42 percent less than government employees. For-profit employment was too small to report separately.

- A third sub-industry, junior colleges, is not shown because all the employment was accounted for by 1 government establishment. Due to the very low number of establishments, the data was suppressed for confidentiality reasons.

• Overall, nonprofit workers in the health services industry earn lower average weekly wages than for-profit and government workers. (See Figure 80.) The three subfields shown accounted for 100 percent of the all employment in the health services field.

- On average, nonprofit workers in health services earned about 15 percent less than for-profit

47 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.
workers and about 22 percent less than government workers.

**Figure 80: Average weekly wages in EGR 3 health services organizations, 2005**

- Workers in nonprofit hospitals earned about 14 percent more than those in for-profit hospitals but about 12 percent less than those in government hospitals.
- Nonprofit ambulatory health service workers earned about 40 percent less than for-profit workers and about 6 percent less than the very few government workers.
- Nonprofit nursing and residential care workers earned about 3 percent less than for-profit workers but about 19 percent more than the very few government workers.

**Overall, employees of nonprofit social assistance organizations earn higher average weekly wages than employees of for-profit social assistance organizations.** (See Figure 81.). Government employment was too small to report separately. The four sub-industries shown accounted for 100 percent of the employment in the social assistance industry.

- On average, nonprofit social assistance employees earned about 28 percent more than their for-profit counterparts.
- In the individual and family services sub-field, nonprofit employees earned about 41 percent more than for-profit employees.

- Nonprofit relief service workers earned an average weekly wage of $382. For-profit employment was too small to report separately.
- Nonprofit workers in vocational rehabilitation services earned an average weekly wage of $358. There were no for-profit workers in this subfield.

**Figure 81: Average weekly wages in EGR 3 social assistance organizations, 2005**

- Nonprofit employees in child day care services earned about 10 percent more than for-profit employees.

**Overall, employees of nonprofit arts, entertainment, and recreation organizations earn higher average weekly wages than their for-profit counterparts.** (See Figure 82). There were too few government establishments in this industry to report government data. The three sub-industries shown accounted for 100 percent of the employment in the arts, entertainment, and recreation industry.

- On average, employees in nonprofit arts, entertainment, and recreation organizations earned about 37 percent more than their for-profit counterparts.
- Nonprofit employees in performing arts and spectator sports earned about 9 percent more than for-profit employees.
- Nonprofit workers in museums, historical sites, zoos, and parks earned an average weekly wage of $344. For-profit employees were too few to report separately.
Nonprofit workers in amusements and gambling earned about 36 percent more than for-profit workers.

Figure 82: Average weekly wages in EGR 3 arts, entertainment, and recreation organizations, 2005

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Growth: Between 2001 and 2005, the nonprofit sector in EGR 3 grew by 5.4 percent, the for-profit sector shrank by 2.9 percent, and the government sector grew by 1.1 percent.

- However, as Figure 83 shows, these overall trends mask differences in annual growth rates.

Figure 83: Annual rates of growth in EGR 3 employment by sector, 2001-2005

- During the four years examined, nonprofit employment grew each year except between 2003 and 2004, when it shrank by 0.1 percent. The highest growth rate was from 2003 to 2004, when nonprofit employment grew by 2.4 percent. Between 2004 and 2005, nonprofit employment grew by 1.0 percent.

- For-profit employment shrank by about 2 percent during both the 2001 to 2002 and 2002 to 2003 periods. It then rebounded, growing by 0.3 percent from 2003 to 2004 and by 0.9 percent from 2004 to 2005.

- Rates of growth in government employment during this time period reflect a mix of growth and decline. From 2001 to 2002 employment grew by 1.2 percent, but during the following year (2002 to 2003) it shrank by 0.4 percent. Between 2003 and 2004 employment grew by 0.9 percent, and shrank once again the following year (2004 to 2005), this time by 0.7 percent.

- Nonprofit growth trends differ notably by industry. As Figure 84 shows, social assistance organizations experienced the highest growth rates, while arts, entertainment, and recreation organizations experienced the greatest declines.

Figure 84: Annual rates of growth in EGR 3 nonprofit employment, 2001-2005

- Employment in nonprofit social assistance organizations grew by 18.6 percent between 2001 and 2005, with annual growth rates of 2.9 percent, 11.2 percent, 3.5 percent, and 0.1 percent, respectively.

- Nonprofit employment in education organizations grew by 7.4 percent during the 2001 to 2005 period. Growth was 5.1 percent between 2001 and 2002, but then declined by 0.8 percent and 2.4 percent during the next two years. Em-
Employment rebounded during the 2004 to 2005 period, growing by 5.5 percent.

- Nonprofit employment in health services grew by 4.5 percent from 2001 to 2005. The greatest annual growth rate (3.0 percent) was during the 2001 to 2002 period, and then growth slowed in later years. Between 2003 and 2004, employment declined by 0.3 percent. Between 2004 and 2005 employment once again grew, but only by 0.1 percent.

- Nonprofit employment in membership associations declined by 0.8 percent between 2001 and 2005. Employment grew by 0.7 percent between 2001 and 2002 but then shrank during the next three years (by 0.4 percent, 0.4 percent, and 0.7 percent, respectively).

- Employment in EGR 3 nonprofit arts, entertainment, and recreation organizations shrank by 18.3 percent during the 2001 to 2005 period. Employment declined during all four years, with rates of decline of 9.3 percent, 5.4 percent, 1.7 percent, and 3.1 percent respectively.

- Employment in nonprofit organizations in other fields grew by 1.8 percent during the 2001 to 2005 period. Employment declined by 6.9 percent from 2001 to 2002, then rebounded from 2002 to 2003, growing by 8.0 percent. Employment then grew more modestly during the next two years, with growth rates of 0.7 percent and 0.5 percent respectively.

- Between 2001 and 2005, all three sectors’ payrolls increased each year. The nonprofit sector’s total payroll increased at a faster rate than the for-profit and government sectors’ payrolls. See Figure 85.48

- Nonprofit payroll grew by 20.3 percent during this four year period, experiencing annual growth rates of 6.8 percent, 4.2 percent, 5.5 percent, and 2.6 percent, respectively.

- For-profit payroll grew by 4.8 percent during this period, with annual growth rates ranging between 0.1 percent and 2.3 percent.

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48 These growth rates are not adjusted for inflation.
XII. NORTHWEST CENTRAL INDIANA: ECONOMIC GROWTH REGION 4

Economic Growth Region (EGR) 4 is situated in the northwest-central part of Indiana. It is comprised of twelve counties – Benton, White, Carroll, Cass, Miami, Warren, Tippecanoe, Clinton, Howard, Tipton, Fountain, and Montgomery. EGR 4 contains the Lafayette Metropolitan Statistical Area (MSA) which is comprised of Benton, Carroll, and Tippecanoe Counties, as well as the Kokomo MSA, which is made up of Howard and Tipton Counties. The private nonprofit sector is a notable economic force in EGR 4, employing more people than several typically for-profit industries. However, the nonprofit sector accounts for a smaller share of total employment in EGR 4 than statewide. The nonprofit sector in EGR 4 grew relatively slowly between 2001 and 2005.

Employment and Payroll: Nonprofits in EGR 4 employed 14,000 employees and had a total payroll of over $384 million.

- The distribution of nonprofit employment across this region differs notably by county, as shown in Figure 86.

Figure 86: Distribution of ERG 4 nonprofit employment, by county, 2005

- Tippecanoe County had the largest share of this region’s nonprofit employment with 44 percent.
- Montgomery County had the next highest percentage, with 19.6 percent.
- Howard County’s share of EGR 4’s nonprofit employment was 13.5 percent.
- Cass and Clinton Counties each contained 6.2 percent of the region’s nonprofit employment.
- Miami, Carroll, White, Warren, and Fountain Counties each contained between 1 and 3 percent of the region’s nonprofit employment.
- Benton and Tipton Counties each contained less than 1 percent of the region’s nonprofit employment (0.3 percent and 0.2 percent, respectively).
- The 14,000 nonprofit employees accounted for 7 percent of the region’s total employment of 199,100. This percentage is slightly lower than the overall percentage for Indiana (8 percent).
- The nonprofit share of total county employment differs by county, as shown in Figure 87.

Figure 87: Nonprofit share of total employment, by county, 2005

- The share of total employment accounted for by nonprofits in Montgomery County was 16 percent, which was twice as large as the Indiana statewide share.
- Warren County nonprofits made up a slightly higher share of total employment than did nonprofits statewide (9 percent vs. 8 percent).
• The nonprofit shares of total employment in Tippecanoe and Clinton Counties were approximately the same as the statewide share.

• The nonprofit shares of total employment in Carroll and Cass Counties were smaller than that statewide (6 percent vs. 8 percent).

• Howard and White Counties had nonprofit shares of total employment that were about half as large as the statewide share.

• Miami, Fountain, Benton, and Tipton Counties had nonprofit shares of total employment that were less than half as large as the statewide share.

• Total nonprofit employment in EGR 4 exceeds the number of employees in several key industries.49 As Figure 88 shows, nonprofits in this region employed:

![Figure 88: Employment in EGR 4’s nonprofit sector in comparison to certain industries, 2005 (in thousands)](chart)

- Somewhat fewer people than the 16,300 people employed by the region’s accommodation and food service industry.

- Twice as many people as the 7,500 people employed by the region’s construction industry.

- Nearly three times as many people the region’s transportation and warehousing industry (5,400 employees) and wholesale trade industry (4,900 employees).

• The nonprofit sector in EGR 4 accounted for $384 million of the region’s total payroll of $7 billion, or 5 percent. As Figure 89 illustrates, payroll for jobs in this region’s nonprofit sector was:

![Figure 89: Payroll in EGR 4’s nonprofit sector in comparison to certain industries, 2005 (in millions)](chart)

- Considerably larger than the payroll for the region’s construction industry ($251 million) and wholesale trade industry ($205 million).

- About two times larger than payroll for the region’s transportation and warehousing industry ($197 million) and accommodation and food service industry ($176 million). The latter is particularly noteworthy since this industry contained a larger number of workers than the nonprofit sector.

**Nonprofit Industries:** The region’s nonprofit employment is concentrated in several industries, with the largest concentration in health services. Nonprofits account for a considerable portion of the employment in some industries.

- As Figure 90 shows, the distribution of nonprofit employment across industries differs some from the corresponding distribution statewide.

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49 Less than 2 percent of the employment in these industries was nonprofit employment, meaning there is little overlap.
Health services accounted for 44 percent of total nonprofit employment, which is smaller than the statewide share of 51 percent.\textsuperscript{50}

Social assistance organizations made up a larger share of nonprofit employment in EGR 4 than that statewide (19 percent vs. 12 percent).

Membership associations made up a slightly larger share of nonprofit employment in EGR 4 than that statewide (13 percent vs. 12 percent).

Education organizations accounted for only 3 percent of nonprofit employment in this region; this is considerably smaller than the statewide share of 13 percent.

Arts, entertainment, and recreation, though typically a small share of total nonprofit employment, also had lower shares in EGR 4 than the share statewide (1 percent vs. 3 percent).

Nonprofit employment in other industries accounted for a considerably higher share of non-

\textsuperscript{50} 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. \textsuperscript{51} 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 the relatively small number of private membership associations not registered with the IRS as tax-exempt organizations.

- Nonprofit employment dominates in several industries, as illustrated in Figure 91.

Nearly all (almost 100 percent) of employment in membership associations in both EGR 4 and Indiana was attributed to nonprofits.

Nonprofits comprised 87 percent of the employment in social assistance organizations in EGR 4, notably higher than the statewide share of 71 percent.

About one-third (33 percent) of employment in health services in EGR 4 was attributed to nonprofits; this is less than the statewide percentage (43 percent).

Although utilities and the management of companies or enterprises are not typically thought of as containing a significant presence of nonprofit employment, nonprofits accounted for 31 percent and 22 percent of employment in these industries in EGR 4, respectively. These percentages are considerably higher than the statewide percentages of 13 percent for utilities and 15 percent for management organizations.

Nonprofits made up 12 percent of the employment in arts, entertainment, and recreation or-
ganizations in EGR 4, while the statewide share was a bit higher (15 percent).

- Only 2 percent of employment in EGR 4 education organizations was attributed to nonprofits. This is considerably lower than the statewide share of 12 percent.

**Wages:** Overall, average weekly wages paid to nonprofit employees in EGR 4 are lower than those paid to employees in the for-profit and government sectors. However, this is not always true in the industries in which nonprofits are concentrated, as often nonprofit employees’ wages are actually greater than the wages of their for-profit or government counterparts.\(^5^2\)

- In both EGR 4 and Indiana as a whole, workers in nonprofit organizations overall earn less than those in the for-profit and government sectors, but the gaps are larger for EGR 4 than for the state overall. See Figure 92.

**Figure 92: Nonprofit, for-profit, and government average weekly wages in EGR 4 and Indiana, 2005**

- Nonprofit workers in EGR 4 earned an average weekly wage of $529, or about 24 percent less than for-profit workers in the region, while the statewide gap was only 13 percent.

- EGR 4 nonprofit workers earned about 23 percent less than government workers. This gap was also larger than the statewide gap, as Indiana nonprofit workers earned about 11 percent less than government workers.

- However, in industries in which nonprofit organizations are concentrated, nonprofit workers sometimes earn more than their for-profit counterparts.\(^5^3\)

- Overall, nonprofit employees in EGR 4 education organizations earn higher average weekly wages than their for-profit and government counterparts. (See Figure 93.) The two sub-industries shown comprised 96 percent of the employment in the education industry in EGR 4.

**Figure 93: Average weekly wages in EGR 4 education organizations, 2005**

- On average, employees of nonprofit education organizations earned weekly wages about 3 times higher than those of for-profit employees and about 10 times higher than those of government employees.

- There were too few nonprofit establishments in the university and professional schools category to report separately. In addition, there were no for-profit employees in this category, thus the vast majority of employment was government employment.

\(^{52}\) 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.

\(^{53}\) 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 an 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.
The few employees in nonprofit elementary and secondary schools earned about 61 percent less than government employees. For-profit establishments were too few to report separately.

The third sub-industry, junior colleges, is not shown here because employment in this category was made up of only two government establishments, and this was too few to report due to confidentiality concerns.

Overall in the health services industry, nonprofit employees earn lower average weekly wages than their for-profit and government counterparts. (See Figure 94.) The three sub-industries shown comprised 100 percent of the employment in the health services industry.

![Figure 94: Average weekly wages in EGR 4 health services organizations, 2005](image)

- On average, nonprofit workers in the health services industry earned about 13 percent less than for-profit workers and about 2 percent less than government workers.

- However, employees in nonprofit hospitals earned about 5 percent more than those in government hospitals. There were too few for-profit establishments in this category to report separately.

- In the ambulatory health care services category, nonprofit workers earned about 34 percent less than for-profit workers. Government employment was too small to report separately.

- Nonprofit nursing and residential care employees earned about 3 percent less than for-profit employees. There were too few government establishments in this category to report separately.

- Overall in the social assistance industry, nonprofit employees’ average weekly wages are higher than those of for-profit employees. (See Figure 95.) Government employment was too small to report separately. The four sub-industries shown accounted for 100 percent of the employment in the social assistance industry.

![Figure 95: Average weekly wages in EGR 4 social assistance organizations, 2005](image)

- On average, employees in nonprofit social assistance organizations earned about 6 percent more than their for-profit counterparts.

- Nonprofit individual and family services employees earned about 19 percent more than for-profit individual and family services employees.

- All of the employment in vocational rehabilitation services in EGR 4 was attributed to nonprofits. The nonprofit average weekly wage was $290.

- Nonprofit relief services employees earned about 10 percent less than for-profit relief services employees.

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54 Government employees made up the vast majority of this industry, accounting for 99.65 percent of employment. Nonprofit employees made up only 0.34 percent of employment.
- Nonprofit and for-profit child day care service employees earned comparable wages, with non-profit wages only being about 1 percent higher.

- Nonprofit employees in EGR 4 arts, entertainment, and recreation organizations earn higher average weekly wages than for-profit employees, and there was no government employment in this industry. (See Figure 96.) The three sub-industries shown accounted for 100 percent of the employment in arts, entertainment, and recreation organizations.

**Figure 96: Average weekly wages in EGR 4 arts, entertainment, and recreation organizations, 2005**

- Overall in the arts, entertainment, and recreation industry, nonprofit employees earned about 33 percent more than for-profit employees.

- In the amusements and gambling category, nonprofit employees earned about 41 percent more than for-profit employees.

- Nonprofit workers in museums, historical sites, zoos, and parks earned an average weekly wage of $298. For-profit employees were too few to report separately.

- In the performing arts and spectator sports category, nonprofit employees earned about 6 percent more than for-profit employees.

**Growth:** Between 2001 and 2005, overall employment in the EGR 4 nonprofit sector grew by 3.8 percent, employment in the for-profit sector declined by 5.4 percent, and employment in the government sector grew by 4.2 percent.

- However, as Figure 97 shows, these overall trends mask differences in annual growth rates.

**Figure 97: Annual rates of growth in EGR 4 employment by sector, 2001-2005**

- Nonprofit employment grew by 1.6 percent between 2001 and 2002, then declined by 3.2 percent between 2002 and 2003. Employment then rebounded, growing 4.7 percent during 2003 to 2004 and 0.8 percent during 2004 to 2005.

- For-profit employment declined during the first three years of this time period (by 2.7 percent, 3.6 percent, and 0.2 percent) but then grew by 1.1 percent between 2004 and 2005.

- Government employment grew each year during the four-year time period, posting annual growth rates of 1.3 percent, 1.8 percent, 1.0 percent, and 0.1 percent, respectively.

- Nonprofit employment trends differ notably by industry. As Figure 98 shows, education organizations experienced the most growth, while arts, entertainment, and recreation organizations saw the greatest declines.

- Nonprofit employment in education organizations grew by 27.5 percent between 2001 and 2005. Employment grew during the first two years of the time period (by 1.9 percent and 10.6 percent), declined by 0.6 percent during 2003 to 2004, but then grew by 13.9 percent during the 2004 to 2005 period.
Employment in nonprofit social assistance organizations grew by 16.4 percent between 2001 and 2005, with annual growth rates of 7.5 percent, 2.7 percent, 3.1 percent, and 2.3 percent, respectively.

Figure 98: Annual rates of growth in EGR 4 nonprofit employment, by industry, 2001-2005

- Nonprofit employment in health services grew by 9.0 percent from 2001 to 2005. Employment grew by 3.7 percent between 2001 and 2002, declined by 5.8 percent between 2002 and 2003, then grew during the next two years (by 8.6 percent and 2.7 percent).

- Nonprofit employment in membership associations declined by 3.5 percent between 2001 and 2005. Employment in this field declined each year during the four year period, with annual rates of decline of 0.7 percent, 0.2 percent, 6.6 percent, and 3.5 percent, respectively.

- Employment in nonprofit arts, entertainment, and recreation organizations shrank by 10.6 percent between 2001 and 2005. Employment declined by 5.5 percent between 2001 and 2002, grew by 2.7 percent between 2002 and 2003, then declined sharply by 25.7 percent in 2003 to 2004 and 10.6 percent in 2004 to 2005.

- Nonprofit employment in other fields declined by 2.7 percent between 2001 and 2005. Employment declined during the first two years of this time period (by 4.9 percent and 6.8 percent), grew by 10.2 percent during 2003 to 2004, and then declined again between 2004 and 2005 (by 2.7 percent).

- From 2001 to 2005, nonprofit payroll increased at a faster rate than for-profit and government payrolls. See Figure 99.

Figure 99: Annual rates of growth in EGR 4 payroll, by sector, 2001-2005

- Between 2001 and 2005, nonprofit payroll grew by 17.9 percent overall. It grew by 2.9 percent from 2001 to 2002, declined by 1.0 percent from 2002 to 2003, then grew during the next two years (by 10.9 percent and 4.4 percent).

- For-profit payroll grew by 5.9 percent between 2001 and 2005. During the first two years of this time period, for-profit payroll shrank, by 0.2 percent and 0.6 percent, but recovered the next two years, with annual growth rates of 4.9 percent and 1.7 percent respectively.

- Government payroll grew by 14.1 percent from 2001 to 2005. It experienced growth each year during the four-year period, with annual growth rates of 1.3 percent, 4.5 percent, 5.1 percent, and 2.6 percent.

55 These growth rates are not adjusted for inflation.
XVIII. CENTRAL INDIANA: ECONOMIC GROWTH REGION 5

Nine central Indiana counties – Boone, Hamilton, Madison, Hendricks, Marion, Hancock, Morgan, Johnson, and Shelby – make up Economic Growth Region (EGR) 5. This region includes most of the Indianapolis Metropolitan Statistical Area (MSA) (Boone, Hamilton, Hendricks, Marion, Hancock, Morgan, Johnson, and Shelby Counties are part of the Indianapolis MSA included in EGR 5; Putnam and Brown Counties are also part of the Indianapolis MSA but are not included in EGR 5). EGR 5 also includes the Anderson MSA (Madison County). The private, nonprofit sector is a major economic force in EGR 5, employing considerably more workers than several typically for-profit industries. Nonprofit employment in this region is concentrated in health services, with over half of the region’s nonprofit workers working in this region. Average weekly wages paid to nonprofit employees in this region are higher than the statewide average. The EGR 5 nonprofit sector grew, modestly from 2001 to 2005.

Employment and Payroll: Nonprofits in EGR 5 employed 69,400 workers and had a total payroll of over $2.51 billion.

- The distribution of this region’s nonprofit employment differs notably by county, as shown in Figure 100.

Figure 100: Distribution of EGR 5 nonprofit employment, by county, 2005

- Marion County contained the vast majority (80 percent) of EGR 5’s nonprofit employment.
- The county with the next highest share was Madison County, with 7.6 percent.
- Hamilton County contained 4.8 percent of the region’s nonprofit employment.
- Johnson County accounted for 3 percent of the region’s nonprofit employment.
- Hendricks and Morgan Counties each contained only 1.2 percent of the region’s nonprofit employment.
- Boone, Shelby, and Hancock Counties each contained less than 1 percent of the region’s nonprofit employment (0.9 percent, 0.7 percent, and 0.5 percent, respectively).

- The 69,400 employees accounted for 8 percent of the region’s total employment of 867,500, about the same proportion seen statewide.

- The nonprofit share of total employment differs by county, as shown in Figure 101.

Figure 101: Nonprofit share of total employment, by county, 2005

- At 12 percent and 10 percent, respectively, Madison and Marion Counties’ nonprofit shares of total employment were higher than the statewide share of 8 percent.
At 5 percent of total employment, Morgan and Johnson County nonprofit shares of total employment were lower than the statewide share.

Nonprofit shares of total employment in Boone and Hamilton Counties were about half the statewide share (4 percent vs. 8 percent).

Nonprofit shares of total employment in Shelby, Hendricks, and Hancock Counties were less than half the statewide level.

- Total nonprofit employment in EGR 5 exceeds the number of employees in several key industries. As Figure 102 shows, the EGR 5 nonprofit sector employed:

  - Somewhat fewer people than the 74,200 people employed by the region’s accommodation and food service industry.
  - More people than the transportation and warehousing industry (51,300 employees), construction industry (50,400 employees), or wholesale trade industry (43,100 employees).

- EGR 5’s nonprofit sector accounted for $2.51 billion of the region’s total payroll of $34 billion, or 7 percent. As Figure 103 illustrates, payroll for jobs in the region’s nonprofit sector was:

  - Greater than total payroll in the wholesale trade industry ($2.22 billion), construction industry ($2.19 billion), or transportation and warehousing industry ($1.92 billion).
  - More than two times greater than the total payroll for the accommodation and food service industry ($1.00 billion), even though this industry had more employees than the nonprofit sector.

**Nonprofit Industries:** The region’s nonprofit employment is concentrated in several fields, with over half of nonprofit employees working in the health services field. Nonprofits account for a considerable portion of the employment in some fields.

- As Figure 104 shows, the distribution of nonprofit employment across industries differs some from the corresponding distribution statewide.

  - Health services accounted for a slightly larger share of total nonprofit employment in EGR 5 (56 percent) than it did statewide (51 percent).

  - Membership associations also accounted for a slightly larger share of nonprofit employment in EGR 5 than statewide (14 percent vs. 12 percent).

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56 Less than 0.4 percent of employment in these industries was nonprofit employment, meaning there is little overlap.

57 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.

58 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
Education organizations made up a smaller share of nonprofit employment in EGR 5 than statewide (8 percent vs. 12 percent).

Social assistance organizations accounted for 7 percent of nonprofit employment in EGR 5, which is smaller than the statewide share of 12 percent.

Arts, entertainment, and recreation organizations made up 5 percent of EGR 5 nonprofit employment, which is larger than the statewide share of 3 percent.

Other fields accounted for 10 percent of nonprofit employment in EGR 5, while the statewide share was slightly smaller, at 9 percent.

Nonprofit employment dominates in several industries, as illustrated in Figure 105.

Nearly all (almost 100 percent) of employment in membership associations in both EGR 5 and Indiana was attributed to nonprofits.

Nonprofits accounted for about half (48 percent) of employment in social assistance organizations

Nonprofit share of total employment for selected industries, 2005

About two-fifths (41 percent) of the employment in health services in EGR 5 was in the nonprofit sector, which is slightly lower than the statewide share of 43 percent.

Nonprofits made up 23 percent of the employment in arts, entertainment, and recreation organizations in EGR 5, and this is notably higher than the statewide share of 15 percent.

Nonprofits accounted for 17 percent of the employment in EGR 5 utilities, which is higher than the statewide share of 13 percent.

Nonprofits accounted for 13 percent of employment in management of companies in EGR 5, lower than the statewide share of 15 percent.

One tenth (10 percent) of the employment in education organizations in EGR 5 was accounted for by nonprofits, and this is lower than the statewide share of 12 percent.

Wages: Overall, average weekly wages paid to nonprofit employees are lower than those paid to employees in the for-profit and government sectors. However, this is not always true in the fields in which nonprofits are concentrated, as often nonprofit employees’ wages are actually greater than the wages of their for-profit or government counterparts.

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.
• In both EGR 5 and Indiana as a whole, workers in nonprofit organizations overall earn less than those in the for-profit and government sectors. See Figure 106.

Figure 106: Nonprofit, for-profit, and government average weekly wages in EGR 5 and Indiana, 2005

- Nonprofit workers in EGR 5 earned an average weekly wage of $695, about 10 percent less than the region’s for-profit workers. This gap is smaller than the statewide gap of 13 percent.

- Nonprofit workers in EGR 5 earned about 9 percent less than the region’s government workers. This gap is also smaller than the statewide gap of 11 percent.

- However, in industries in which nonprofits are concentrated, nonprofit workers sometimes earn more than their for-profit or government counterparts.

- Nonprofit employees in education earn slightly more than for-profit employees but less than government employees. (See Figure 107.) The three sub-

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59 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.

60 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.

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61 Government made up the vast majority of this subfield, accounting for 95.7 percent of the total employment. Nonprofits accounted for 3.6 percent of the employment, and for-profits made up only 0.6 percent.

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On average, employees of nonprofit education organizations earned average weekly wages about 1 percent higher than for-profit employees but about 17 percent lower than government employees.

The few nonprofit elementary and secondary school employees earned about 40 percent more than the very few for-profit employees but about 16 percent less than government employees.

Nonprofit employees in universities and professional schools earned about 1 percent less than the very few for-profit employees. Government data was suppressed because there were too few establishments.

There was no nonprofit employment in junior colleges in EGR 5, and government data was suppressed because there was only 1 establishment.

Workers in EGR 5 nonprofit health service organizations earn less than their for-profit and government counterparts. (See Figure 108.) The three sub-

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Figure 107: Average weekly wages in EGR 5 education organizations, 2005

- On average, employees of nonprofit education organizations earned average weekly wages about 1 percent higher than for-profit employees but about 17 percent lower than government employees.

- The few nonprofit elementary and secondary school employees earned about 40 percent more than the very few for-profit employees but about 16 percent less than government employees.

- Nonprofit employees in universities and professional schools earned about 1 percent less than the very few for-profit employees. Government data was suppressed because there were too few establishments.

- There was no nonprofit employment in junior colleges in EGR 5, and government data was suppressed because there was only 1 establishment.

---

61 Government made up the vast majority of this subfield, accounting for 95.7 percent of the total employment. Nonprofits accounted for 3.6 percent of the employment, and for-profits made up only 0.6 percent.
industries shown accounted for 100 percent of the employment in the EGR 5 health services industry.

Figure 108: Average weekly wages in EGR 5 health services organizations, 2005

- Overall in the EGR 5 health services industry, nonprofit workers earned about 7 percent less than for-profit workers and about 5 percent less than government workers.

- In ambulatory health care services, nonprofit employees earned about 11 percent more than for-profit employees and about 9 percent more than the few government employees.

- Nonprofit hospital employees earned average weekly wages that were about the same (only about 0.25 percent less) as those for for-profit hospital employees and about 2 percent less than those for government hospital employees.

- Nonprofit employees in nursing and residential care earned about 7 percent less than for-profit employees. There were no government employees in this sub-industry.

- Overall, nonprofit social assistance employees in EGR 5 earn higher average weekly wages than for-profit employees but lower average weekly wages than government employees. (See Figure 109.) The four sub-industries shown comprised 100 percent of the employment in social assistance.

- On average, nonprofit social assistance nonprofit employees in EGR 5 earned about 36 percent more than for-profit employees and about 1 percent more than the very few government employees.

Figure 109: Average weekly wages in EGR 5 social assistance organizations, 2005

- In individual and family services, nonprofit employees earned about 21 percent more than for-profit employees. There were too few government establishments to report separately.

- Nonprofit vocational rehabilitation employees earned about 2 percent more than for-profit employees. There were no government employees in this category.

- Nonprofit relief services workers earned about 19 percent less than for-profit workers. There were no government workers in this category.

- Nonprofit workers in child day care services earned about 18 percent more than for-profit workers but about 21 percent less than the very few government workers.

- Overall in the arts, entertainment, and recreation industry, nonprofit employees earn lower average weekly wages than for-profit employees but higher average weekly wages than government employees. (See Figure 110.) The three sub-industries shown accounted for 100 percent of the employment in the EGR 5 arts, entertainment, and recreation industry.

- On average, nonprofit arts, entertainment, and recreation employees earned about 37 percent less than for-profit employees but about 2 percent more than government employees.
In performing arts and spectator sports, nonprofit employees earned about 59 percent less than for-profit employees. There were too few government establishments to report separately.

**Figure 110**: Average weekly wages in EGR 5 arts, entertainment, and recreation organizations, 2005

On average, nonprofit arts, entertainment, and recreation employees earned about 37 percent less than for-profit employees but about 2 percent more than government employees.

In performing arts and spectator sports, nonprofit employees earned about 59 percent less than for-profit employees. There were too few government establishments to report separately.

Nonprofit workers in museums, historical sites, zoos, and parks earned an average weekly wage of $525. The for-profit and government sectors each had too few establishments to report separately.

Nonprofit workers in amusements and gambling earned about 43 percent more than their for-profit counterparts. There were too few government establishments to report separately.

**Growth**: Overall, between 2001 and 2005, employment in the EGR 5 nonprofit sector grew by 4.0 percent, employment in the for-profit sector grew by 1.6 percent, and employment in the government sector grew by 5.0 percent.

However, as Figure 111 shows, these overall trends mask differences in annual growth rates.

Nonprofit employment experienced growth each year during the four-year period. The largest annual growth rate was 1.8 percent from 2002 to 2003, the smallest was 0.4 percent between 2004 and 2005.

**Figure 111**: Annual rates of growth in EGR 5 employment by sector, 2001-2005

For-profit employment decline during 2001 to 2002 (1.6 percent) and 2002 to 2003 (0.5 percent) but then recovered, growing 1.9 percent between 2003 and 2004 and 1.8 percent between 2004 and 2005.

Employment in government grew each year during the four-year period. The largest annual growth rate was 2.3 percent during 2002 to 2003, the smallest was 0.2 percent during 2004 to 2005.

Nonprofit employment trends differ notably by industry. As Figure 112 shows, education organizations experienced the most growth, while social assistance organizations saw the greatest declines.

Employment in nonprofit education organizations grew by 20.5 percent between 2001 and 2005. The greatest annual growth rate was 9.1 percent during 2002 to 2003, and the smallest annual growth rate was 0.3 percent during 2004 to 2005.

Membership organizations experienced 8.2 percent growth in nonprofit employment between 2001 and 2005. The greatest annual growth rate was 3.3 percent during 2003 to 2004; there was no growth during 2004 to 2005.
Health services experienced a 2.6 percent growth in nonprofit employment between 2001 and 2005. Employment grew by 1.1 percent from 2001 to 2002, remained steady during the next two years, then grew by 1.4 percent during 2004 to 2005.

Figure 112: Annual rates of growth in EGR 5 nonprofit employment, by industry, 2001-2005

- Employment in nonprofit arts, entertainment, and recreation organizations grew by 3.3 percent between 2001 and 2005. Annual trends fluctuated, with 0.3 percent growth in 2001 to 2002, 3.2 percent growth from 2002 to 2003, 0.8 percent decline during 2003 to 2004, and 0.6 percent growth between 2004 and 2005.

- Nonprofit social assistance organizations saw a 1.9 percent decline in employment between 2001 and 2005. Employment grew during the first two years of this time period (by 4.3 percent and 3.0 percent), but then it declined by 3.2 percent during 2003 to 2004 and by 5.6 percent during 2004 to 2005.

- Nonprofit employment in other fields declined by 1.3 percent from 2001 to 2005. Employment shrank by 9.5 percent between 2001 and 2002. It then recovered, growing 4.3 percent between 2002 and 2003 and 4.8 percent between 2003 and 2004. It then declined again from 2004 to 2005, by 0.2 percent.

- From 2001 to 2005, the nonprofit sector’s total payroll increased at a faster rate than the for-profit and government sectors’ total payrolls. See Figure 113.

- Nonprofit payroll grew by 22.9 percent between 2001 and 2005. The greatest annual growth rate was 6.0 percent (between 2001 and 2002 and between 2002 and 2003), and the smallest annual growth rate was 4.4 percent between 2003 and 2004.

Figure 113: Annual rates of growth in EGR 5 payroll, by sector, 2001-2005

- For-profit payroll grew only half as quickly as nonprofit payroll – 11.0 percent from 2001 to 2005. Payroll declined by 0.5 percent between 2001 and 2002, then rebounded to grow by 1.3 percent during 2002 to 2003, 6.3 percent during 2003 to 2004, and 3.6 percent during 2004 to 2005.

- Government payroll grew by 17.6 percent between 2001 and 2005. Annual growth rates for each of the four years were 5.2 percent, 2.9 percent, 5.3 percent, and 3.2 percent, respectively.

62 These growth rates are not adjusted for inflation.
Nine east central Indiana counties – Blackford, Jay, Delaware, Randolph, Henry, Wayne, Rush, Fayette, and Union – comprise Economic Growth Region (EGR) 6. This region includes the Muncie Metropolitan Statistical Area (Delaware County). The private, nonprofit sector is a major economic force in EGR 6, employing a greater percentage of the total workforce than the statewide average and employing considerably more workers than several typically for-profit industries. The region’s nonprofit employment is concentrated in the health services field, with over half of the region’s nonprofit employees working in this field. In contrast to most other EGRs, overall average weekly wages paid to nonprofit workers are higher than average weekly wages paid to for-profit and government workers.

**Employment and Payroll:** Nonprofits in EGR 6 employed 12,800 workers and had a total payroll of over $397 million.

- The distribution of the region’s nonprofit employment differs notably by county, as shown in Figure 114.

**Figure 114: Distribution of EGR 6 nonprofit employment, by county, 2005**

- Delaware County contained the greatest share of the region’s nonprofit employment, with 44 percent.
- Wayne County had the next highest share, with 31 percent of the region’s nonprofit employment.
- Fayette County accounted for 8 percent of the region’s nonprofit employment.
- Jay County contained 5 percent of the region’s nonprofit employment.
- The remaining 5 counties each contained less than 5 percent of the region’s nonprofit employment. Randolph and Henry Counties contained 4 percent, Blackford County contained 2 percent, and Rush and Union Counties each contained 1 percent.
- The 12,800 nonprofit employees accounted for 10 percent of the region’s total employment of 127,800. This is higher than Indiana’s nonprofit share of 8 percent.
- The nonprofit share of total employment differs by county, as shown in Figure 115.

**Figure 115: Nonprofit share of total employment, by county, 2005**

- The nonprofit shares of total employment in Wayne, Delaware, and Fayette Counties were higher (by 3-5 percentage points) than the share of total employment for nonprofits statewide.
- Nonprofit employment in Jay and Randolph Counties comprised about the same share of total employment as the statewide share.
– The nonprofit shares of total employment in Union and Blackford Counties were about 2 percentage points lower than the statewide share.

– Henry County’s nonprofit share of total employment (4 percent) was only about half the statewide share, and Rush County’s share was even lower, at 3 percent.

• Total nonprofit employment in EGR 6 exceeds the number of employees in several key industries. As Figure 116 shows, nonprofits in this region employed:

**Figure 116: Employment in EGR 6’s nonprofit sector in comparison to certain industries, 2005 (in thousands)**

<table>
<thead>
<tr>
<th>Industry</th>
<th>Payroll (thousands)</th>
</tr>
</thead>
<tbody>
<tr>
<td>Charities Only</td>
<td>11.2</td>
</tr>
<tr>
<td>All Nonprofits</td>
<td>12.8</td>
</tr>
<tr>
<td>Accommodation &amp; Food</td>
<td>11.1</td>
</tr>
<tr>
<td>Construction</td>
<td>4.6</td>
</tr>
<tr>
<td>Transportation &amp; Warehousing</td>
<td>3.7</td>
</tr>
<tr>
<td>Wholesale Trade</td>
<td>3.4</td>
</tr>
</tbody>
</table>

– Slightly more people than the 11,100 people employed by the region’s accommodation and food service industry.

– More than twice as many people as the region’s construction industry (12,800 vs. 4,600).

– More than three times as many people as the region’s construction industry (3,700 employees) or wholesale trade industry (3,400 employees).

• EGR 6’s nonprofit sector accounted for $430 million of the region’s total payroll of $3.92 billion. As Figure 117 illustrates, payroll for jobs in the region’s nonprofit sector was about 3 times higher than payroll in the construction, transportation and warehousing, wholesale trade, or accommodation and food services industries.

**Figure 117: Payroll in EGR 6’s nonprofit sector in comparison to certain industries, 2005 (in millions)**

<table>
<thead>
<tr>
<th>Industry</th>
<th>Payroll ($ Millions)</th>
</tr>
</thead>
<tbody>
<tr>
<td>Charities Only</td>
<td>$397</td>
</tr>
<tr>
<td>All Nonprofits</td>
<td>$430</td>
</tr>
<tr>
<td>Construction</td>
<td>$151</td>
</tr>
<tr>
<td>Trans. &amp; Warehousing</td>
<td>$130</td>
</tr>
<tr>
<td>Wholesale Trade</td>
<td>$129</td>
</tr>
<tr>
<td>Accommodation &amp; Food</td>
<td>$118</td>
</tr>
</tbody>
</table>

**Nonprofit Industries:** The region’s nonprofit employment is concentrated in several fields, with over half of nonprofit employees working in the health services field. Nonprofits account for a considerable portion of the employment in some fields.

• As Figure 118 shows, the distribution of nonprofit employment across industries differ some from the corresponding distribution statewide.

**Figure 118: Distribution of nonprofit employment, by industry, EGR 6 vs. Indiana, 2005**

<table>
<thead>
<tr>
<th>Industry</th>
<th>Share of Nonprofit Employment</th>
</tr>
</thead>
<tbody>
<tr>
<td>Other Fields</td>
<td>EGR6 6%</td>
</tr>
<tr>
<td>Arts, Ent., Rec.</td>
<td>Indiana 9%</td>
</tr>
<tr>
<td>Education</td>
<td>EGR6 16%</td>
</tr>
<tr>
<td>Membership Assoc’s</td>
<td>Indiana 51%</td>
</tr>
<tr>
<td>Social Assistance</td>
<td>EGR6 58%</td>
</tr>
<tr>
<td>Health Services</td>
<td>Indiana 51%</td>
</tr>
</tbody>
</table>

– Health services accounted for a larger share of total nonprofit employment in EGR 6 (58 percent) than it did statewide (51 percent).64

63 Less than 0.05 percent of employment in these industries was nonprofit employment, meaning there is little overlap.

64 Although the NAICS classification system groups health services and social assistance together as NAICS 62, we have separated social
– Social assistance organizations also accounted for a larger share than the statewide share (16 percent vs. 12 percent).

– Membership associations comprised about 10 percent of total nonprofit employment in EGR 6, which is slightly smaller than the statewide share of 12 percent.\textsuperscript{65}

– Education nonprofits accounted for a considerably smaller share of total nonprofit employment than the statewide share (5 percent vs. 13 percent).

– In both EGR 6 and statewide, arts, entertainment, and recreation comprised about 3 percent of the total nonprofit employment.

• Nonprofit employment dominates in several industries, as illustrated in Figure 119.

\textbf{Figure 119: Nonprofit share of total employment for selected industries, EGR 6 vs. Indiana, 2005}

\begin{figure}[h]
\centering
\includegraphics[width=\textwidth]{figure119.png}
\caption{Nonprofit share of total employment for selected industries, EGR 6 vs. Indiana, 2005}
\end{figure}

– Nearly all (almost 100 percent) of employment in membership associations in both EGR 6 and Indiana was attributed to nonprofits.

– Nonprofits accounted for nearly nine-tenths (88 percent) of employment in social assistance organizations in EGR 6. This is higher than the statewide percentage (71 percent).

– About two-fifths (41 percent) of employment in health services in EGR 6 was attributed to nonprofits; this is slightly less than the statewide percentage (43 percent).

– Nonprofits accounted for about 34 percent of employment in arts, entertainment, and recreation, more than twice as high as the 15 percent statewide.

– Although the management of companies or enterprises and utilities are not typically thought of as containing a significant presence of nonprofit employment, in EGR 6 nonprofits accounted for 31 percent and 19 percent of employment in these industries, respectively. These percentages are notably higher than the statewide averages of 12 percent for management organizations and 15 percent for utilities.

– Only 5 percent of the region’s employment in education was attributed to nonprofits; this is considerably lower than the statewide share of 13 percent.

\textbf{Wages:} In contrast to most other regions, average weekly wages paid to nonprofit employees in EGR 6 are higher than average weekly wages paid to for-profit workers and government workers. When individual fields in which nonprofits are concentrated are examined, this pattern sometimes holds true and sometimes does not.\textsuperscript{66}

• Nonprofit workers in EGR 6 earned an average weekly wage of $648. This wage was higher than the region’s for-profit and government average weekly wages ($576 and $611, respectively). See Figure 120.

\textsuperscript{65} 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.

\textsuperscript{66} 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 6 earned about 13 percent more than for-profit workers in EGR 6. In contrast, statewide, nonprofit workers earned about 13 percent less than for-profit workers.

Nonprofit workers in EGR 6 earned about 6 percent more than government workers in the region. In contrast, nonprofit workers earned 11 percent less than government workers.

In industries in which nonprofits are concentrated, this pattern sometimes holds true and sometimes does not.\(^{67}\)

Nonprofit employees in education organizations earn more than for-profit employees but less than government employees. (See Figure 121.) Elementary and secondary schools accounted for 61 percent of the employment in this industry in EGR 6. Two other sub-industries – junior colleges and universities and professional schools – are not shown because there were two few establishments in each sector to report separately.

On average, employees of nonprofit education organizations earned about 61 percent more than employees of for-profit education organizations, but about 18 percent less than employees of government education organizations.\(^{68}\)

Government employees in elementary and secondary schools earned an average weekly wage of $589. There were too few nonprofit and for-profit establishments to report wages for these sectors.

Overall, nonprofit employees in EGR 6’s health services industry earn higher average weekly wages than their for-profit and government counterparts, though this is not true of all sub-industries. (See Figure 122.) The three sub-industries shown comprised 100 percent of the employment in the health services industry.

On average in the health services industry, nonprofit employees earned about 21 percent more than for-profit employees and about 27 percent more than government employees.

Workers in nonprofit hospitals earned about 56 percent less than the very few workers in for-profit hospitals\(^{69}\) but about 42 percent more than workers in government hospitals.

In the ambulatory health care services subfield, nonprofit employees earned about 4 percent less

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\(^{67}\) 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.

\(^{68}\) Government employment makes up the vast majority of the employment in this industry (94 percent), with only about 5 percent of employment attributed to nonprofits and about 1 percent attributed to for-profits.

\(^{69}\) For-profit workers accounted for only 0.5 percent of the employment in hospitals in EGR 6.
than for-profit employees. There were too few government establishments to report government wages separately.

Figure 122: Average weekly wages in EGR 6 health services organizations, 2005

- Nonprofit nursing and residential care workers earned about 6 percent less than for-profit workers. There were too few government establishments to report government wages separately.

- Overall average weekly wages in EGR 6 nonprofit social assistance organizations are higher than average weekly wages in EGR 6 for-profit social assistance organizations. (See Figure 123.) There were too few government establishments to report government data separately. The four sub-industries shown comprised 100 percent of the employment in the social assistance industry.

Figure 123: Average weekly wages in EGR 6 social assistance organizations, 2005

- Overall in the social assistance industry, nonprofit wages were about 3 percent higher than for-profit wages.

- In relief services, nonprofit wages were about 4 percent lower than for-profit wages.

- The average weekly wage for nonprofit vocational rehabilitation services employees was $383. There were too few for-profit establishments to report separate data.

- In individual and family services, nonprofit average weekly wages were about 1 percent lower than for-profit average weekly wages.

- Workers in nonprofit child day care services earned about 31 percent more than for-profit child day care service workers.

- Overall in the EGR 6 arts, entertainment, and recreation industry, nonprofit employees earn higher average weekly wages than for-profit workers. (See Figure 124.) There were too few government establishments to report government data separately. The three sub-industries shown made up 100 percent of the employment in arts, entertainment, and recreation.

Figure 124: Average weekly wages in EGR 6 arts, entertainment and recreation organizations, 2005

- Overall, nonprofit employees in arts, entertainment, and recreation organizations earned about 27 percent more than for-profit employees.

- Nonprofit employees in museums, historical sites, zoos, and parks earned an average weekly
wage of $377. There were too few for-profit establishments to report separate for-profit data.

- In the amusements and gambling subfield, nonprofit employees earned about 1 percent more than for-profit employees.

- There were too few nonprofit performing arts and spectator sports establishments to report separately. The average for-profit weekly wage was $197.

**Growth:** Between 2001 and 2005, overall employment in the EGR 6 nonprofit sector grew by 7.4 percent, while employment in the for-profit sector shrank by 11.5 percent, and employment in the government sector grew by only 1.1 percent.

- However, as Figure 125 shows, these overall trends mask considerable differences in annual growth rates.

**Figure 125: Annual rates of growth in EGR 6 employment by sector, 2001-2005**

- Nonprofit employment grew considerably (by 8.7 percent) between 2001 and 2002, and at a more moderate rate of 2.3 percent between 2002 and 2003. Growth then ceased, with 2003 to 2004 and 2004 to 2005 seeing declines of 1.9 percent and 1.6 percent, respectively.

- For-profit employment shrank during all four years but shrank by smaller amounts in each consecutive year, posting rates of decline of 4.4 percent, 4.0 percent, 2.4 percent, and 1.2 percent.

- Government employment grew by 1.5 percent between 2001 and 2002 and by 0.5 percent between 2002 and 2003. It then declined by 1.6 percent during the 2003 to 2004 period, but recovered to grow by 0.7 percent during the 2004 to 2005 period.

- Nonprofit employment trends differ notably by industry. As Figure 126 shows, education organizations experienced the greatest growth rates in employment, while membership associations experienced the greatest declines.

**Figure 126: Annual rates of growth in EGR 6 nonprofit employment, by industry, 2001-2005**

- Education employment in 2005 was up 31.9 percent over 2001. The majority of growth occurred between 2001 and 2002, when employment grew by 22.9 percent. Growth then became more modest, with a growth rate of 5.7 percent between 2002 and 2003, a 1.5 percent decline between 2003 and 2004, and 3.1 percent increase between 2004 and 2005.

- Overall, social assistance employment grew by 29.8 percent between 2001 and 2005. However, the greatest growth (16.3 percent) occurred during the first year (2001 to 2002) and then growth became slower with each successive year. The 2002 to 2003 and 2003 to 2004 periods saw growth rates of 9.0 percent and 3.2 percent, respectively; the 2004 to 2005 period saw a 0.7 percent decline.

- Employment in health services experienced a similar pattern during 2001 to 2005. Overall
growth from 2001 to 2005 was 2.2 percent. In the 2001 to 2002 and 2002 to 2003 periods, growth rates were 6.9 percent and 3.1 percent, respectively. Employment then began to decline, with a 2.9 percent decline between 2003 and 2004 and a 4.5 percent decline between 2004 and 2005.

Employment in arts, entertainment, and recreation declined by 0.1 percent from 2001 to 2005. During the 2001 to 2002 period employment grew by 1.5 percent. Employment declined by 4.0 percent and 3.4 percent during the next two years, and then it recovered to grow by 6.2 percent during the 2004 to 2005 period.

Employment in membership associations declined by 14.8 percent from 2001 to 2005. The greatest decline (7.6 percent) was during the 2001 to 2002 period. During the 2002 to 2003 and 2003 to 2004 periods the rates of decline were 2.7 percent and 7.1 percent, respectively. Employment recovered somewhat during the 2004 to 2005 period, posting a growth rate of 2.0 percent.

Employment in nonprofit organizations in other fields grew by 41.4 percent during the 2001 to 2005 period (primarily driven by growth in nonprofit finance and insurance establishments). The majority of growth occurred during the first year, when employment grew by 37.0 percent. Employment declined by 8.0 percent between 2002 and 2003, then it posted modest gains of 3.8 percent and 8.1 percent respectively during the next two years.

- Nonprofits experienced much faster growth in payroll from 2001 to 2005 than did for-profits and government.\(^\text{70}\) See Figure 127.

- The overall growth in nonprofit payroll from 2001 to 2005 was 44.4 percent. Annual growth rates during these four years were 11.5 percent, 5.7 percent, 1.7 percent, and 20.4 percent, respectively.

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\(^{70}\) These growth rates are not adjusted for inflation.
XV. WEST CENTRAL INDIANA: ECONOMIC GROWTH REGION 7

Six west central Indiana counties – Vermillion, Parke, Putnam, Vigo, Clay, and Sullivan – make up Economic Growth Region (EGR) 7. This region includes the Terre Haute Metropolitan Statistical Area (MSA) (Vermillion, Vigo, Clay, and Sullivan Counties), as well as one county of the Indianapolis MSA (Putnam County).

The private nonprofit sector is a major economic force in EGR 7, employing a greater percentage of the total workforce than the statewide percentage, and employing more workers than several typically for-profit industries. The region’s nonprofit employment is concentrated in the health and education fields, with over half of nonprofit employment accounted for by these two fields. In contrast to most other regions, nonprofit average weekly wages are higher than for-profit average weekly wages. Nonprofit employment grew faster than for-profit and government employment between 2001 and 2005.

Employment and Payroll: Nonprofits in EGR 7 employed 8,400 workers and had a total payroll of over $255 million.

- The distribution of the region’s nonprofit employment differs notably by county, as shown in Figure 128.

Figure 128: Distribution of EGR 7 nonprofit employment, by county, 2005

- Putnam County contained the next highest proportion, with 21 percent.
- Clay County’s share of the region’s nonprofit employment was only 5 percent.
- Vermillion and Parke Counties each contained only 3 percent of the region’s nonprofit employment.
- Sullivan County had the smallest share of the region’s nonprofit employment, with 2 percent.

- The 8,400 nonprofit employees accounted for 10 percent of the region’s total employment of 84,700. This is higher than the percentage statewide (8 percent).

- The nonprofit share of total employment differs by county, as shown in Figure 129.

Figure 129: Nonprofit share of total employment, by county, 2005

- Putnam County’s nonprofit share of total employment was nearly twice the statewide share (15 percent vs. 8 percent).
- At 11 percent, Vigo County’s nonprofit share of total employment was larger than the statewide share.
- Parke, Clay, and Vermillion Counties had nonprofit shares of total employment 2 or 3 percentage points lower than the statewide share.
The nonprofit share of total employment in Sullivan County was less than half the statewide percentage.

Total nonprofit employment in EGR 7 exceeds the number of employees in several key industries. As Figure 130 shows, nonprofits in this region employed:

- Slightly more people than the 7,600 people employed by the region’s accommodation and food services industry.
- More than twice as many people as the 3,600 people employed in the construction industry and the 3,600 people employed in the transportation and warehousing industry.
- More than four times as many people as the 1,800 people employed in the wholesale trade industry.

EGR 7’s nonprofit sector accounted for $255 million of the region’s total payroll of $2.5 billion, or 10 percent. As Figure 131 illustrates, payroll for jobs in the region’s nonprofit sector was:

- More than twice as large as payroll for the region’s construction industry ($125 million) and transportation and warehousing industry ($123 million).
- More than three times larger than payroll for the accommodation and food services industry ($77 million), even though the two industries have nearly the same number of employees.
- More than four times larger than payroll for the wholesale trade industry ($59 million).

Nonprofit Industries: The region’s nonprofit employment is concentrated in several fields, with the largest concentrations in the health and education fields. Nonprofits account for a considerable portion of the employment in some fields.

- As Figure 132 shows, the distribution of nonprofit employment across industries differed some from the corresponding distribution statewide.
- Health services accounted for a notably smaller share of nonprofit employment in EGR 7 than it did statewide (38 percent vs. 51 percent).  

71 The construction, transportation and warehousing, and wholesale trade industries in EGR 7 contained no nonprofit employees. The accommodation and food services industry in EGR 7 did contain nonprofit employees, but only 1.4 percent of the total accommodation and food services employment was nonprofit, meaning there is little overlap.

72 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.
Figure 132: Distribution of nonprofit employment, by industry, EGR 7 vs. Indiana, 2005

- In contrast, education made up a much larger share of nonprofit employment in EGR 7 than statewide (25 percent vs. 13 percent).

- Social assistance organizations also made up a larger share of nonprofit employment in EGR 7 than statewide (19 percent vs. 12 percent).

- Membership associations accounted for 9 percent of nonprofits in EGR 7, which is lower than the statewide share of 12 percent.\(^73\)

- Arts, entertainment, and recreation organizations made up 2 percent of nonprofit employment in EGR 7, compared to 3 percent statewide.

- Employment in other fields made up 7 percent of nonprofit employment in EGR 7, compared to 9 percent statewide.

- Nonprofit employment dominates in several industries, as illustrated in Figure 133.

- Nearly all (almost 100 percent) of employment in membership associations in both EGR 7 and Indiana was attributed to nonprofits.

\(^73\) 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.

- Nonprofits accounted for 85 percent of employment in social assistance organizations in EGR 7; this is higher than the statewide share of 71 percent.

- About one-third (35 percent) of employment in EGR 7 health services was nonprofit, which is lower than the statewide percentage (43 percent).

- Nonprofits made up 31 percent of the employment in arts, entertainment, and recreation in EGR 7. This is more than twice the statewide percentage (15 percent).

- About one-fifth (21 percent) of employment in education organizations in EGR 7 was attributed to nonprofits, and this is considerably more than the statewide share of 12 percent.

- Nonprofits made up 7 percent of employment in management of companies in EGR 7. This percentage is less than half the statewide percentage (15 percent).

- The nonprofit share of total employment for utilities was 6 percent. This is also less than half the statewide share of 13 percent.

Wages: In contrast to most other regions, nonprofit average weekly wages in EGR 7 are higher than for-profit average weekly wages. Like most other regions, however, nonprofit average weekly wages are lower than government average weekly wages. When the industries in which nonprofits are concentrated are examined, the
above patterns sometimes hold true and sometimes do not.

- In EGR 7, nonprofit workers earned an average weekly wage of $582; this wage is higher than for-profit workers’ average weekly wage but lower than government workers’ average weekly wage. In Indiana as a whole, the nonprofit average weekly wage is lower than both the for-profit and government average weekly wage.\(^7^4\) See Figure 134.

    \[\text{Figure 134: Nonprofit, for-profit, and government average weekly wages in EGR 7 and Indiana, 2005}\]

    - Nonprofit workers in EGR 7 earned about 4 percent more than EGR 7’s for-profit workers. In contrast, statewide, Indiana nonprofit workers earned about 13 percent less than Indiana for-profit workers.

    - Nonprofit workers in EGR 7 earned about 8 percent less than EGR 7’s government workers. This gap is smaller than the statewide gap – in Indiana overall, nonprofit workers earned about 11 percent less than government workers.

- In industries in which nonprofits are concentrated, nonprofit employees sometimes earn more than their for-profit and government counterparts.\(^7^5\)

- Following the overall trend, nonprofit employees in education earn more than for-profit employees but less than government employees. (See Figure 135.) The two sub-industries shown accounted for 94 percent of total employment in the educational services industry in EGR 7. A third sub-industry, junior colleges, is not shown because there were too few establishments to report data separately.

    \[\text{Figure 135: Average weekly wages in EGR 7 education organizations, 2005}\]

    - On average, employees of education organizations earned about 90 percent more than the few for-profit employees\(^7^6\) and 12 percent more than government employees.

    - Employees in nonprofit university and professional schools earned an average weekly wage of $763. There was no for-profit employment in this category, and there were too few government establishments to report separately.

    - Nonprofit elementary and secondary school employees earned about 14 percent less than government employees. There were too few for-profit establishments to report separate for-profit data.

    - There was no nonprofit employment in junior colleges in EGR 7, nor was there for-profit employment.

\(^7^4\) 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.

\(^7^5\) 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.

\(^7^6\) For-profit employees made up less than 3 percent of the employment in EGR 7 education organizations.
ployment. Government establishments were too few to report.

- Overall in the health services industry, nonprofit employees earn higher average weekly wages than for-profit employees. (See Figure 136.) There were too few government establishments to report government data separately. The three sub-industries shown made up 100 percent of the employment in the health services industry in EGR 7.

Figure 136: Average weekly wages in EGR 7 health services organizations, 2005

- On average in the health services industry, nonprofit workers earned about 11 percent more than for-profit workers.
- Workers in nonprofit hospitals earned an average weekly wage of $778. For-profit establishments were too few to report separately.
- In ambulatory health care services, nonprofit workers earned about 17 percent less than for-profit workers.
- Nonprofit nursing and residential care employees earned about 7 percent less than for-profit employees.

- Overall, employees in nonprofit social assistance organizations earn higher average weekly wages than those in for-profit organizations. (See Figure 137.) There was no government employment in this field in EGR 7. The four sub-industries shown accounted for 100 percent of the social assistance employment in EGR 7.

Figure 137: Average weekly wages in EGR 7 social assistance organizations, 2005

- On average, nonprofit social assistance employees earned 88 percent more than their for-profit counterparts.
- Nonprofit workers in individual and family services earned about 32 percent more than the few for-profit workers.
- Nonprofit relief service workers earned an average weekly wage of $328. There were too few for-profit establishments to report separate for-profit data.
- Nonprofit vocational rehabilitation services employees earned an average weekly wage of $310. There were too few for-profit establishments to report separate for-profit data.
- Nonprofit workers in child day care services earned about 28 percent more than for-profit workers.

- Overall in the arts, entertainment, and recreation industry, nonprofit workers earn higher average weekly wages than for-profit workers. (See Figure 138.) There was no government employment in this industry. The three sub-industries shown made up 100 percent of the employment in the arts, entertainment, and recreation industry.
- On average, employees in nonprofit arts, entertainment, and recreation organizations earned about 12 percent more than for-profit employees.
Figure 138: Average weekly wages in EGR 7 arts, entertainment, and recreation organizations, 2005

- In amusements and gambling, nonprofit employees earned about 31 percent more than for-profit employees.

- Nonprofit workers in museums, historical sites, zoos, and parks earned an average weekly wage of $247. There were too few for-profit establishments to report separate for-profit data.

- There were too few nonprofit establishments in performing arts and spectator sports to report separate nonprofit data. For-profit employees earned an average weekly wage of $216.

Growth: Between 2001 and 2005, overall employment in the nonprofit sector grew by 5.0 percent, employment in the for-profit sector shrank by 1.0 percent, and employment in the government sector grew by 2.0 percent.

- However, as Figure 139 shows, these overall trends mask notable differences in annual growth rates.

- During the first three years of the time period examined, nonprofit employment grew – by 1.4 percent during 2001 to 2002, 4.9 percent during 2002 to 2003, and 0.6 percent during 2003 to 2004. During the fourth year (2004 to 2005), employment declined by 1.9 percent.

- For-profit employment declined by 1.7 percent from 2001 to 2002, recovered during 2002 to 2003 and 2003 to 2004 (growing by 0.9 percent and 0.4 percent, respectively), then declined by 0.6 percent between 2004 and 2005.

- Government employment grew during the first three years (by 0.7 percent, 0.7 percent, and 1.6 percent), then declined by 0.9 percent between 2004 and 2005.

- Nonprofit trends differ notably by industry. As Figure 140 shows, social assistance organizations experienced the most growth, while membership associations saw the greatest overall declines.

Figure 140: Annual rates of growth in EGR 7 nonprofit employment, by industry, 2001-2005

- Employment in nonprofit social assistance organizations grew by 119.9 percent between 2001 and 2005. The majority of growth occurred during 2002 to 2003, when growth was 63.2 percent. During the next two years, growth was more moderate, with annual growth rates of 17.8 percent and 6.3 percent, respectively.
Nonprofit arts, entertainment, and recreation employment grew by 82.1 percent from 2001 to 2005. The largest annual growth rate was 29.7 percent during 2002 to 2003. The smallest annual growth rate was 4.4 percent between 2004 and 2005.

Nonprofit employment in education grew by 5.1 percent between 2001 and 2005. Annual rates of growth were moderate and fairly steady: 1.9 percent, 0.8 percent, 1.2 percent, and 1.1 percent for each of the four years in this time period.

Nonprofit employment in health services declined by 10.1 percent between 2001 and 2005. Employment grew by 2.1 percent during 2001 to 2002, then declined during the next three years by 1.8 percent, 6.5 percent, and 4.2 percent respectively.

Employment in nonprofit membership associations shrank by 5.6 percent between 2001 and 2005. Employment declined during the first two years, grew by 6.3 percent during 2003 to 2004, then declined by 5.6 percent during 2004 to 2005.

Nonprofit employment in other fields declined by 28.4 percent between 2001 and 2005. Annual rates of decline became successively larger during the four-year period, from a decline of 4.3 percent between 2001 and 2002 to a decline of 15.9 percent between 2004 and 2005.

Between 2001 and 2005, nonprofit payroll grew at a faster rate than for-profit and government payroll. See Figure 141.

Nonprofit payroll grew by 24.9 percent between 2001 and 2005. The largest annual growth rate was 9.1 percent between 2002 and 2003. The smallest annual growth rate was 2.3 percent between 2004 and 2005.

For-profit payroll grew by 10.1 percent between 2001 and 2005. The largest annual growth rate was 3.3 percent during 2002 to 2003, and the smallest annual growth rate was 1.2 percent during 2004 to 2005.

Figure 141: Annual rates of growth in EGR 7 payroll, by sector, 2001-2005

Government payroll grew by 14.9 percent between 2001 and 2005. The largest annual growth rate was 5.0 percent during 2003 to 2004. The smallest annual growth rate was 3.0 percent, which occurred during both 2002 to 2003 and 2004 to 2005.

These growth rates are not adjusted for inflation.
XI. SOUTH CENTRAL INDIANA: ECONOMIC GROWTH REGION 8

Eight south central Indiana counties – Owen, Monroe, Brown, Greene, Daviess, Martin, Lawrence, and Orange – comprise Economic Growth Region (EGR) 8. This region includes the Bloomington Metropolitan Statistical Area (MSA) (Green, Monroe, and Owen Counties) as well as one county from the Indianapolis MSA (Brown County). The private nonprofit sector is a major economic force in EGR 8, employing more workers than several typical for-profit industries. The region’s nonprofit employment is concentrated in the health field, with over half of the region’s nonprofit workers employed in this field. The region’s nonprofit employment is currently growing at a faster rate than for-profit employment but at a slower rate than government employment.

Employment and Payroll: Nonprofits in EGR 8 employed 9,700 workers and had a total payroll of over $255 million.

- The distribution of this region’s nonprofit employment differs notably by county, as shown in Figure 142.

Figure 142: Distribution of EGR 8 nonprofit employment, by county, 2005

- Monroe County contained almost two-thirds (64 percent) of the region’s nonprofit employment.

- Lawrence County had the next highest proportion, with 13 percent.

- Orange County’s share of the region’s nonprofit employment was 7 percent.

- Greene and Daviess Counties each contained 6 percent of the region’s nonprofit employment.

- Owen County contained only 2 percent of the region’s nonprofit employment.

- Brown and Martin Counties each contained only 1 percent of the region’s nonprofit employment.

- The 9,700 nonprofit employees accounted for 8 percent of the region’s total employment of 114,500. This percentage is the same as the percentage statewide.

- The nonprofit share of total employment differs by county, as shown in Figure 143.

Figure 143: Nonprofit share of total employment, by county, 2005

- Orange, Monroe, and Lawrence County nonprofit shares of total employment were 1 or 2 percentage points higher than the statewide percentage.

- Greene County’s nonprofit share of total employment was the same as the statewide share.

- The nonprofit share of total employment in Daviess County was smaller than the statewide share (5 percent vs. 8 percent).
Brown and Owen County nonprofit shares of total employment were half as large as the statewide share.

Martin County’s share of total employment was much lower than the statewide share – only 1 percent in Martin County, compared to 8 percent statewide.

- Total nonprofit employment in EGR 8 exceeds the number of employees in several key industries. As Figure 144 shows, nonprofits in this region employed:

**Figure 144: Employment in EGR 8’s nonprofit sector in comparison to certain industries, 2005 (in thousands)**

<table>
<thead>
<tr>
<th>Industry</th>
<th>Number of Employees (Thousands)</th>
</tr>
</thead>
<tbody>
<tr>
<td>Charities Only</td>
<td>8.9</td>
</tr>
<tr>
<td>All Nonprofits</td>
<td>9.7</td>
</tr>
<tr>
<td>Accommodation &amp; Food</td>
<td>11.5</td>
</tr>
<tr>
<td>Construction</td>
<td>5.9</td>
</tr>
<tr>
<td>Transportation &amp; Warehousing</td>
<td>3.1</td>
</tr>
<tr>
<td>Wholesale Trade</td>
<td>2.7</td>
</tr>
</tbody>
</table>

- Fewer people than the 11,500 people employed by the accommodation and food service industry.
- Considerably more people than the 5,900 people employed by the construction industry.
- More than 3 times as many people as the 3,100 people employed by the transportation and warehousing industry or the 2,700 people employed by the wholesale trade industry.

- EGR 8’s nonprofit sector accounted for $255 million of the region’s total payroll of $3.5 billion, or 7 percent. As Figure 145 illustrates, payroll for jobs in the region’s nonprofit sector was:

**Figure 145: Payroll in EGR 8’s nonprofit sector in comparison to certain industries, 2005 (in millions)**

<table>
<thead>
<tr>
<th>Industry</th>
<th>Payroll ($ Millions)</th>
</tr>
</thead>
<tbody>
<tr>
<td>Charities Only</td>
<td>$232</td>
</tr>
<tr>
<td>All Nonprofits</td>
<td>$255</td>
</tr>
<tr>
<td>Construction</td>
<td>$206</td>
</tr>
<tr>
<td>Accommodation &amp; Food</td>
<td>$121</td>
</tr>
<tr>
<td>Wholesale Trade</td>
<td>$101</td>
</tr>
<tr>
<td>Transportation &amp; Warehousing</td>
<td>$99</td>
</tr>
</tbody>
</table>

- Greater than total payroll for the region’s construction industry ($206 million).
- More than two times greater than the accommodation and food service industry ($121 million), even though the accommodation and food service industry employed more people than the nonprofit sector.
- More than two times greater than the wholesale trade industry ($101 million) and transportation and warehousing industry ($99 million).

**Nonprofit Industries:** The region’s nonprofit employment in concentrated in several industries, with over half of nonprofit employees working in health services. Nonprofits account for a considerable portion of the employment in some industries.

- As Figure 146 shows, the distribution of nonprofit employment across industries differs some from the corresponding distribution statewide.

**Nonprofit Industries:** The region’s nonprofit employment in concentrated in several industries, with over half of nonprofit employees working in health services. Nonprofits account for a considerable portion of the employment in some industries.

**Nonprofit Industries:** The region’s nonprofit employment in concentrated in several industries, with over half of nonprofit employees working in health services. Nonprofits account for a considerable portion of the employment in some industries.

- Health services accounted for a slightly larger share of total nonprofit employment in EGR 8 than it did statewide (56 percent vs. 51 percent).  

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78 The construction, transportation and warehousing, and wholesale trade industries had no nonprofit employment in EGR 8. Only about 2 percent of employment in the accommodation and food service industry was nonprofit, meaning there is little overlap.

79 Although the NAICS classification system groups health services and social assistance together as NAICS 62, we have separated social...
– EGR 8 membership associations\(^80\) (16 percent of nonprofit employment) and EGR 8 social assistance organizations (15 percent of nonprofit employment) also had larger shares than found statewide (12 percent for each industry).

– With health services, membership associations, and social assistance taking up larger shares of nonprofit employment, there are relatively fewer education and arts, entertainment, and recreation nonprofits. Education nonprofits accounted for only 3 percent of nonprofit employment in EGR 8, compared to 13 percent statewide. Arts, entertainment, and recreation organizations made up 1 percent of nonprofit employment, compared to 3 percent statewide.

– The share of nonprofit employment attributed to other fields was approximately the same in EGR 8 and statewide (9 percent each).

• Nonprofit employment dominates in several industries, as illustrated in Figure 147.

Wages: Overall, average weekly wages paid to nonprofit employees in EGR 8 are lower than average weekly wages paid to for-profit and government em-

\(^80\) 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.
employees. However, this is not always true in the fields in which nonprofits are concentrated.; sometimes nonprofit employees’ wages are higher than their for-profit or government counterparts.

• The average weekly wage paid to nonprofit workers in EGR 8 was $508. In both EGR 8 and Indiana as a whole, the nonprofit average weekly wage was lower than the for-profit and government average weekly wages. See Figure 148.

Figure 148: Nonprofit, for-profit, and government average weekly wages in EGR 8 and Indiana, 2005

![Average Weekly Wage Graph](image)

- Nonprofit workers in EGR 8 earned about 7 percent less than EGR 8 for-profit workers. This gap is smaller than the statewide gap, with Indiana nonprofit workers earning about 13 percent less than for-profit workers.

- Nonprofit workers in EGR 8 earned about 28 percent less than EGR 8 government workers. This gap is more than twice as large as the statewide gap, with Indiana nonprofit workers earning about 11 percent less than Indiana government workers.

- However, in industries in which nonprofit organizations are concentrated, nonprofit workers sometimes earn more than their for-profit or government counterparts.81

Figure 149: Average weekly wages in EGR 8 education organizations, 2005

![Average Weekly Wage Graph](image)

- On average, the relatively few employees in nonprofit education organizations earned about 19 percent less than the relatively few for-profit employees and about 44 percent less than government employees.82

- The few nonprofit employees in elementary and secondary schools earned about 41 percent less than government employees.

• Overall in the health services industry, nonprofit employees earn lower average weekly wages than their for-profit and government counterparts. (See Figure 150.) The three sub-industries shown accounted for 100 percent of the employment in the health services industry in EGR 8.

81 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.

82 Government employees made up the vast majority of employment in this field, accounting for 97 percent of the employment. Nonprofit employees made up only 1.7 percent of the total employment, and for-profit employees made up only 1.3 percent.
On average, nonprofit health services employees earned about 11 percent less than for-profit and government employees.

Workers in nonprofit hospitals earned about 4 percent more than government hospital workers. There were too few for-profit establishments to report separate for-profit data.

Nonprofit workers in ambulatory health care services earned about 31 percent less than for-profit workers. There was no government employment in this category.

Nonprofit employees in nursing and residential care earned about 13 percent less than for-profit employees. There were no government employees in this category.

Overall in the social assistance industry, nonprofit average weekly wages are higher than for-profit average weekly wages; however, this pattern varies for different sub-industries. (See Figure 151.) There was no government employment in social assistance in EGR 8. The four sub-industries shown accounted for 100 percent of the employment in the social assistance field.

Overall in this industry, nonprofit employees earned about 35 percent more than for-profit employees.

However, in vocational rehabilitation services, nonprofit employees earned about 32 percent less than the few for-profit employees.

Nonprofit employees in individual and family services earned about 28 percent less than for-profit employees.

Nonprofit workers in child day care services earned about 67 percent more than for-profit workers.

Nonprofit relief service workers earned an average weekly wage of $305. There were too few for-profit establishments to report separate for-profit data.

Overall in the arts, entertainment, and recreation industry, nonprofit employees earn higher average weekly wages than their for-profit counterparts. (See Figure 152.) There were too few government establishments to report government data separately. The three sub-industries shown made up 100 percent of the employment in arts, entertainment, and recreation in EGR 8.

Overall, nonprofit arts, entertainment, and recreation employees earned about 42 percent more than for-profit employees.

In amusements and gambling, nonprofit employees earned more than twice as much as for-profit employees.

Nonprofit workers in museums, historical sites, zoos, and parks earned an average weekly wage of $325. There were too few for-profit establishments to report separate for-profit data.
There were too few nonprofit establishments in performing arts and spectator sports to report separate nonprofit data. For-profit employees earned an average weekly wage of $541.

**Growth:** Between 2001 and 2005, overall nonprofit employment in EGR 8 grew 3.2 percent, for-profit employment grew 0.6 percent, and government employment grew 7.6 percent.

- However, as Figure 153 shows, these overall trends mask differences in annual growth rates.

**Figure 153: Annual rates of growth in EGR 8 employment by sector, 2001-2005**

- The region’s nonprofit employment declined by 2.1 percent between 2001 and 2002, then recovered during the next few years. Annual growth rates for each of the next three years were 2.9 percent, 2.1 percent, and 0.3 percent respectively.

- The for-profit sector declined during the first two years of the time period (by 1.0 percent and 0.2 percent), then recovered, growing by 0.9 percent between 2003 and 2004 and by 1.0 percent between 2004 and 2005.

- The government sector experienced growth during all four years examined. The greatest annual growth rate was 4.7 percent during 2002 to 2003, and the smallest annual growth rate was 0.8 percent during 2003 to 2004.

- Nonprofit growth rates differ notably by industry. As Figure 154 shows, arts, entertainment, and recreation experienced the most growth, while membership associations experienced the greatest declines.

**Figure 154: Annual rates of growth in EGR 8 nonprofit employment, by industry, 2001-2005**

- Between 2001 and 2005, nonprofit employment in the EGR 8 arts, entertainment and recreation industry grew by 26.2 percent. The industry grew substantially during the first three years: by 8.0 percent during 2001 to 2002, 13.3 percent during 2002 to 2003, and 23.1 percent during 2003 to 2004. However, during 2004 to 2005, employment declined substantially – by 16.2 percent.

- Employment in nonprofit social assistance organizations grew by 11.5 percent from 2001 to 2005. Growth occurred during the first three years (with annual growth rates of 2.7 percent, 8.2 percent, and 3.8 percent), but then employ-

Employment in nonprofit health services grew by 4.9 percent between 2001 and 2005. Employment declined by 1.7 percent between 2001 and 2002, then grew during the next three years, with annual growth rates of 2.5 percent, 1.4 percent, and 2.6 percent.

Nonprofit employment in membership associations shrank by 0.8 percent overall from 2001 to 2005. Employment declined during the first two years, with annual rates of decline of 1.0 percent and 1.1 percent, then grew during the next two years, with annual growth rates of 0.2 percent and 1.2 percent.

Nonprofit employment in other fields declined by 13.4 percent between 2001 and 2005. Employment declined by 11.9 percent during 2001 to 2002, recovered to grow by 0.5 percent during 2002 to 2003 and 3.0 percent during 2003 to 2004. It then declined again during 2004 to 2005, by 5.0 percent.

From 2001 to 2005, nonprofit payroll grew at a faster rate than for-profit or government payroll. See Figure 155.

Nonprofit payroll grew by 22.6 percent between 2001 and 2005. The smallest annual growth rate was 1.4 percent between 2001 and 2002, and the largest annual growth rate was 7.8 percent between 2003 and 2004.

For-profit payroll grew by 12.4 percent between 2001 and 2005. The smallest annual growth rate was 2.3 percent during 2001 to 2002, and the greatest annual growth rate was 3.7 percent during 2003 to 2004.

Government payroll grew by 17.6 percent between 2001 and 2005. The smallest annual growth rate was 1.9 percent between 2003 and 2004, and the greatest annual growth rate was 5.9 percent between 2003 and 2004.

Figure 155: Annual rates of growth in EGR 8 payroll, by sector, 2001-2005

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<th>For-Profit</th>
<th>Government</th>
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<td>5.1%</td>
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<tr>
<td>2002-2003</td>
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<td>2.6%</td>
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<td>5.6%</td>
<td>3.4%</td>
<td>5.6%</td>
<td>8.2%</td>
</tr>
</tbody>
</table>

These growth rates are not adjusted for inflation.
XV. SOUTHEAST CENTRAL INDIANA: ECONOMIC GROWTH REGION 9

Ten southeast-central Indiana counties – Bartholomew, Decatur, Franklin, Ripley, Dearborn, Jackson, Jennings, Jefferson, Switzerland, and Ohio – comprise Economic Growth Region (EGR) 9. This region includes the Columbus Metropolitan Statistical Area (Bartholomew County). The private nonprofit sector is a major economic force in EGR 9, employing more workers than several typically for-profit industries. Nonprofit employment in this region is concentrated in the health services and social assistance fields, with over two thirds of nonprofit employees working in one of these two fields. Overall, employment in the EGR 9 nonprofit sector has grown between 2001 and 2005, but employment in the nonprofit arts, entertainment and recreation industry has declined considerably.

Employment and Payroll: Nonprofits in EGR 9 employed 6,200 workers and had a total payroll of over $178 million.

- The distribution of this region’s nonprofit employment differs notably by county, as shown in Figure 156.

Figure 156: Distribution of EGR 9 nonprofit employment, by county

- Bartholomew County contained the largest share of the EGR 9’s nonprofit employment, with 27.6 percent.
- Jefferson County had the next largest share, with 24.4 percent.
- Ripley County contained 14.7 percent of the region’s nonprofit employment.
- Jackson County’s share of the region’s nonprofit employment was 9.3 percent.
- Dearborn County’s share was 8.4 percent.
- Decatur County’s share was 6.9 percent and Jennings County’s share was 6.5 percent.
- Switzerland, Franklin, and Ohio Counties each contained less than 1 percent of the region’s nonprofit employment, with shares of 0.9 percent, 0.7 percent, and 0.5 percent, respectively.
- The 6,200 nonprofit employees accounted for 6 percent of the region’s total employment of 132,400. This is lower than the statewide share of 8 percent.
- The nonprofit share of total employment differs by county, as shown in Figure 157.

Figure 157: Nonprofit share of total employment, by county, 2005

- Jefferson County’s nonprofit share of total county employment was considerably higher than the statewide share (14 percent vs. 8 percent).
- Ripley County’s nonprofit sector comprised about the same percentage of total employment as the state’s percentage.
- Jennings and Bartholomew Counties had nonprofit shares of total employment that were about 2 or 3 percentage points lower than the statewide share.
Dearborn and Decatur County nonprofit shares of total employment were about half as large as the statewide percentage.

Jackson, Switzerland, Ohio, and Franklin Counties had nonprofit shares of total employment that were less than half as large as the statewide percentage.

- Total nonprofit employment in EGR 9 exceeds the number of employees in several key industries. As Figure 158 shows, nonprofits in this region employed:

  - Fewer people than the 9,200 people employed by the region’s accommodation and food services industry.

  - More people than the 6,700 people employed by the region’s transportation and warehousing industry and the 5,300 people employed by the region’s construction industry.

  - More than twice as many people as the 2,700 people employed by the region’s wholesale trade industry.

- EGR 9’s nonprofit sector accounted for $210 million of the region’s total payroll of $4.4 billion, or 5 percent. As Figure 159 illustrates, payroll for jobs in the region’s nonprofit sector was:

  - Less than total payroll for the region’s transportation and warehousing industry ($229 million).

  - Greater than total payroll for the region’s construction industry ($181 million).

  - Nearly two times greater than total payroll for the region’s wholesale trade industry ($107 million).

  - More than two times greater than total payroll for the region’s accommodation and food services industry ($99 million), even though the accommodation and food services industry had more employees.

**Nonprofit Industries:** The region’s nonprofit employment is concentrated in several industries, with over two thirds of nonprofit employees working in health services and social assistance. Nonprofits account for a considerable portion of the employment in some industries.

- As Figure 160 shows, the distribution of nonprofit employment across industries differs some from the corresponding distribution statewide.

  - Health services accounted for a smaller share of nonprofit employment in EGR 9 than statewide (45 percent vs. 51 percent).^{85}

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^{84} Less than 2 percent of employment in each of these industries was nonprofit employment, meaning that there is little overlap.

^{85} Although the NAICS classification system groups health services and social assistance together as NAICS 62, we have separated social
Social assistance organizations made up a much larger share of nonprofit employment in EGR 9 than statewide (22 percent vs. 12 percent).

The share of nonprofit employment accounted for by membership associations was the same in EGR 9 and statewide (12 percent each).86

The share of nonprofit employment accounted for by education organizations was 5 percent in EGR 9. This is less than half as large as the statewide percentage (13 percent).

Arts, entertainment, and recreation accounted for a slightly smaller share in EGR 9 than statewide (2 percent vs. 3 percent).

The share of nonprofit employment accounted for by other fields was higher in EGR 9 than statewide (14 percent vs. 9 percent).

Nonprofit employment dominates in several industries, as illustrated in Figure 161.

Nonprofits accounted for 84 percent of employment in social assistance organizations in EGR 9, which is notably greater than the statewide share of 71 percent.

Nonprofits made up 28 percent of employment in utilities in EGR 9. This is more than twice as high as the statewide percentage (13 percent).

Nonprofits accounted for 27 percent of employment in health services in EGR 9, and this is considerably lower than the statewide share of 43 percent.

Nonprofits accounted for only 4 percent of employment in management of companies in EGR 9, considerably less than the statewide share of 15 percent.

Only 4 percent of the employment in EGR 9 education organizations was nonprofit, compared to 12 percent statewide.

Three percent of the employment in EGR 9 arts, entertainment, and recreation organizations was nonprofit, while the statewide share was five times greater (15 percent).

Wages: Overall, average weekly wages paid to nonprofit employees are lower than those paid to employees in the for-profit and government sectors. However, this assistance (NAICS 624) from other health-related employment both here and throughout the report in order to simplify our presentation.

86 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.
is not always true in the industries in which nonprofits are concentrated, as nonprofit employees’ wages are often actually greater than the wages of their for-profit or government counterparts in most of these industries.87

- The average nonprofit weekly wage in EGR 9 was $533. In both EGR 9 and Indiana as a whole, nonprofit employees overall earned less than their for-profit and government counterparts. See Figure 162.

- Nonprofit workers in EGR 9 earned about 18 percent less than for-profit workers. This gap is larger than the statewide gap; overall, Indiana nonprofit workers earned about 13 percent less than for-profit workers.

- Nonprofit workers in EGR 9 earned about 12 percent less than government workers. This gap is slightly larger than the gap statewide, with nonprofit employees earning about 11 percent less than government employees statewide.

- However, in industries in which nonprofits are concentrated, nonprofit workers frequently earn more than their government or for-profit counterparts.88

- On average, nonprofit employees in EGR 9 education organizations earn more than their for-profit and government counterparts. (See Figure 163.) Elementary and secondary schools accounted for 86 percent of the employment in the education industry in EGR 9. Two other sub-industries – universities and professional schools and junior colleges – are not shown because there were too few establishments to report data separately.

- Overall, nonprofit education employees earned more than twice as much as the few for-profit employees and about 11 percent more than government employees.89

- There were too few nonprofit elementary and secondary school establishments to report separate nonprofit data. The average for-profit weekly wage was $321 and the average government weekly wage was $617.

- Overall, workers in EGR 9 nonprofit health service organizations earn higher average weekly wages than for-profit workers but lower average weekly wages than government workers. (See Figure 164.) The three sub-industries shown accounted for 100 percent of the employment in the health services field in EGR 9.

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87 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.

88 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

89 Government employees accounted for the vast majority of employment in this field, with 93 percent of the employment. Nonprofits accounted for about 4 percent and for-profits accounted for only 2 percent.
On average, nonprofit employees in the EGR 9 health services industry earned about 6 percent more than for-profit employees but about 3 percent less than government employees.

**Figure 164: Average weekly wages in EGR 9 health services organizations, 2005**

- In ambulatory health care services, nonprofit employees earned about 9 percent more than for-profit employees. There were too few government establishments to report separate government data.
- Workers in nonprofit hospitals earned about 3 percent less than government hospital workers. There were too few for-profit establishments to report for-profit data separately.
- Nonprofit nursing and residential care workers earned about 9 percent less than for-profit workers. There were too few government establishments to report government data separately.

- Overall, nonprofit social assistance employees in EGR 9 earn higher average weekly wages than for-profit employees. (See Figure 165.) There were too few government establishments to report government data separately. The four sub-industries shown accounted for 100 percent of the employment in social assistance in EGR 9.

- On average in the EGR 9 social assistance industry, nonprofit employees earned about 50 percent more than for-profit employees.
- Nonprofit relief services employees earned about 3 percent more than for-profit employees.

- Nonprofit employees accounted for 100 percent of the employment in vocational rehabilitation services in EGR 9. The average weekly wage was $386.

**Figure 165: Average weekly wages in EGR 9 social assistance organizations, 2005**

- Nonprofit workers in individual and family services earned about 11 percent more than for-profit workers.
- Nonprofit workers in child day care services earned about 16 percent more than for-profit workers.

- Overall in the EGR 9 arts, entertainment, and recreation industry, nonprofit average weekly wages were lower than for-profit average weekly wages. (See Figure 166.) There were too few government establishments to report government data separately. The two sub-industries shown accounted for over 99 percent of the employment in arts, entertainment, and recreation in EGR 9. A third sub-industry – museums, historical sites, zoos, and parks – had very little employment and too few establishments to report separately.

- On average in the EGR 9 arts, entertainment, and recreation industry, the relatively few nonprofit employees earned about 40 percent less than for-profit employees.\(^{90}\)

\(^{90}\) For-profit employees made up the vast majority of the employment in this industry, with 96 percent. Nonprofits made up about 3 percent, and government only about 1 percent.
There were too few nonprofit establishments in performing arts and spectator sports to report separate nonprofit data. The for-profit average weekly wage was $206.

The few nonprofit employees in amusements and gambling earned about 42 percent less than for-profit employees.

**Growth:** Overall, between 2001 and 2005 nonprofit employment grew by 10.0 percent, for-profit employment shrank by 1.1 percent, and government employment grew by 3.3 percent.

- However, as Figure 167 shows, these overall trends mask differences in annual growth rates.
  - Nonprofit employment grew each year during the four-year period, but annual growth rates became successively smaller each year, from a high of 4.3 percent in 2001 to 2002 to 1.1 percent during 2004 to 2005.
  - For-profit employment declined by 1.9 percent and 1.5 percent during the first two years, then grew during the next two years (by 1.5 percent during 2003 to 2004 and 0.8 percent during 2004 to 2005).
  - Government employment grew during the first three years (0.2 percent, 1.5 percent, and 2.5 percent respectively). Employment then shrank by 0.8 percent during 2004 to 2005.

- Nonprofit employment trends differ notably by industry. As Figure 168 shows, social assistance organizations experienced the most growth, and arts, entertainment, and recreation organizations saw the greatest decline.

- Between 2001 and 2005, nonprofit employment in social assistance organizations grew by 25.4 percent. Employment declined by 2.7 percent during 2001 to 2002, but then grew during each of the next three years, by 13.0 percent, 7.9 percent, and 5.8 percent, respectively.

- Employment in nonprofit education organizations grew by 19.4 percent between 2001 and 2005. Annual growth rates during the first three years of the time period were 9.9 percent, 6.1 percent, and 2.3 percent respectively.
percent, and 3.6 percent. Employment then shrank by 1.2 percent between 2004 and 2005.

– Nonprofit employment in membership associations grew by 9.5 percent between 2001 and 2005. Annual growth rates were unsteady during this time period. Employment grew by 13.8 percent between 2001 and 2002, declined by 5.2 percent between 2002 and 2003, grew by 3.4 percent between 2003 and 2004, and then once again declined by 1.9 percent between 2004 and 2005.

– Nonprofit employment in health services also grew by 9.5 percent between 2001 and 2005, and annual growth rates were much more moderate. Employment grew by 6.7 percent between 2001 and 2002, 1.3 percent between 2002 and 2003, 0.1 percent between 2003 and 2004, and 1.2 percent between 2004 and 2005.


– Nonprofit employment in other fields grew by 3.9 percent between 2001 and 2005. Employment grew by 1.1 percent and 2.3 percent during the first two years, declined by 2.5 percent during 2003 to 2004, and then grew by 3.0 percent during 2004 to 2005.

• From 2001 to 2005, the region’s nonprofit sector total payroll grew at a faster rate than the for-profit and government sector total payrolls.91 See Figure 169.

– Nonprofit payroll grew by 24.2 percent between 2001 and 2005. The greatest annual growth rate was 7.0 percent between 2001 and 2002, and the smallest annual growth rate was 4.0 percent between 2004 and 2005.

– For-profit payroll grew by 11.2 percent between 2001 and 2005. The greatest annual growth rate was 4.9 percent during 2003 to 2004, and the smallest annual rate of growth was 0.7 percent during 2002 to 2003.

Figure 169: Annual rates of growth in EGR 9 payroll, by sector, 2001-2005

– Government payroll grew by 12.5 percent from 2001 to 2005. The greatest annual growth rate was 4.1 percent from 2003 to 2004, and the smallest annual growth rate was 1.2 percent from 2004 to 2005.

91 These growth rates are not adjusted for inflation.
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.

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. 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.
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.

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.

- 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.  

- 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.

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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.

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.

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.

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.

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.

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 shrunk 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 shrunk 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 shrunk by 4.4 percent between 2001 and 2002, grew 2.7 percent between 2002 and 2003, shrunk 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.

- 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 shrunk by 3.5 percent during 2004 to 2005.

- Nonprofit arts, entertainment, and recreation employment shrunk 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 shrunk 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 shrunk by 21.9 percent between 2001 and 2005. Employment shrunk 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. 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.

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99 These growth rates are not adjusted for inflation.
Nine southwest Indiana counties – Knox, Gibson, Pike, Dubois, Posey, Vanderburgh, Warrick, Spencer, and Perry – comprise Economic Growth Region (EGR) 11. This region includes the Evansville Metropolitan Statistical Area (Gibson, Posey, Vanderburgh, and Warrick Counties). The private nonprofit sector is a major economic force in EGR 11, employing a greater percentage of the total workforce than the statewide average, and employing more workers than several typically for-profit industries. The region’s nonprofit employment is concentrated in health services, with over half of nonprofit employees working in this field. Between 2001 and 2005, the EGR 11 nonprofit sector grew by 7.2 percent.

**Employment and Payroll:** Nonprofits in EGR 11 employed 18,500 workers and had a total payroll of over $494 million.

- The distribution of this region’s nonprofit employment differs notably by county, as shown in Figure 184.

**Figure 184: Distribution of EGR 11 nonprofit employment, by county, 2005**

- Vanderburgh County contained two-thirds (66 percent) of the region’s nonprofit employment.
- Dubois County had the next highest proportion, with 11 percent.
- Gibson County’s share of the region’s nonprofit employment was 6 percent, followed by Knox County’s share of 5 percent.
- Warrick and Spencer Counties each contained 4 percent of the region’s nonprofit employment.
- Posey and Perry Counties each contained 2 percent of the region’s nonprofit employment.
- Pike County had the smallest share of the region’s nonprofit employment, with only 1 percent.

- The 18,500 nonprofit employees accounted for 9 percent of the region’s total employment of 207,700. This is slightly higher than the percentage statewide (8 percent).
- The nonprofit share of total employment differs by county, as shown in Figure 185.

**Figure 185: Nonprofit share of total employment, by county, 2005**

- Vanderburgh County (11 percent nonprofit employment) and Spencer County (9 percent nonprofit employment) had nonprofit shares of total employment that were higher than the statewide share of 8 percent.
- Gibson, Dubois, and Knox Counties had nonprofit shares of total employment that were about 1 or 2 percentage points below the statewide share.
Warrick and Perry Counties had nonprofit shares of total employment that were 3 percentage points lower than the statewide share.

Pike County’s nonprofit share of total employment was half as large as the statewide share (4 percent vs. 8 percent).

Posey County’s nonprofit share of total employment (3 percent) was less than half as large as the statewide percentage.

Total nonprofit employment in EGR 11 exceeds the number of employees in several key industries. As Figure 186 shows, nonprofits in this region employed:

- More than twice as many people as the 8,500 people employed by the region’s wholesale trade industry.
- EGR 11’s nonprofit sector accounted for $526 million of the region’s total payroll of $7.1 billion, or 7 percent. As figure 187 illustrates, total payroll for jobs in the region’s nonprofit sector was:

**Figure 187: Payroll in EGR 11’s nonprofit sector in comparison to certain industries, 2005 (in millions)**

- Somewhat higher than payroll for the region’s construction industry ($468 million).
- About 1.5 times higher than payroll for the region’s transportation and warehousing industry ($345 million) and wholesale trade industry ($343 million).
- Nearly 3 times higher than payroll for the region’s accommodation and food services industry ($171 million), even though this industry’s number of employees was only a little smaller than the number of nonprofit employees.

**Nonprofit Industries:** The region’s nonprofit employment is concentrated in several industries, with over half of nonprofit employees working in health services. Nonprofits account for a considerable share of the employment in some industries.

- As Figure 188 shows, the distribution of nonprofit employment across industries differs only slightly from the corresponding distribution statewide.

100 Less than 0.5 percent of employment in these industries was nonprofit employment, meaning there is little overlap.
Figure 188: Distribution of nonprofit employment, by industry, EGR 11 vs. Indiana, 2005

- Health services accounted for a larger share of total nonprofit employment in EGR 11 than statewide (55 percent vs. 51 percent).  

- Education made up a slightly larger share of nonprofit employment in EGR 11 than statewide (14 percent vs. 13 percent).

- Social assistance organizations and membership associations each made up 12 percent of nonprofit employment in EGR 11 the same as for the state as a whole.

- EGR 11 arts, entertainment, and recreation organizations accounted for 2 percent of nonprofit employment in the region, which is slightly lower than the statewide percentage (3 percent).

- Employment in other fields accounted for 5 percent of nonprofit employment in EGR 11, compared to 9 percent statewide.

- Nonprofit employment dominates in several industries, as shown in Figure 189.

101 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.

102 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.

Figure 189: Nonprofit share of total employment for selected industries, EGR 11 vs. Indiana, 2005

- Nearly all (almost 100 percent) of employment in membership associations in both EGR 11 and Indiana was attributed to nonprofits.

- Nonprofits accounted for four-fifths (80 percent) of employment in social assistance organizations in EGR 11; this is higher than the statewide share of 71 percent.

- About two-fifths (42 percent) of employment in health services in EGR 11 was attributed to nonprofits, which is similar to the statewide share of 43 percent.

- Nonprofits accounted for 18 percent of employment in education in EGR 11, which is higher than the statewide share of 13 percent.

- Nonprofits accounted for 12 percent of employment in arts, entertainment, and recreation in EGR 11, which is lower than the statewide share of 15 percent.

- Nonprofits comprised 6 percent of employment in utilities in EGR 11, less than half the statewide share of 15 percent.

- Nonprofits made up 3 percent of employment associated with the management of companies in EGR 11, considerably less than the statewide share of 12 percent.

Wages: Overall, average weekly wages paid to EGR 11 nonprofit employees are lower than those paid to em-
employees in the for-profit and government sectors. However, this is not always true in industries in which non-profits are concentrated, as sometimes nonprofit employees’ wages are greater than the wages of their for-profit or government counterparts.

- Nonprofit employees in EGR 11 earned an average weekly wage of $546. In both EGR 11 and Indiana as a whole, nonprofit average weekly wages are lower than for-profit and government average weekly wages.103 See Figure 190.

Figure 190: Nonprofit, for-profit, and government average weekly wages in EGR 11 and Indiana, 2005

<table>
<thead>
<tr>
<th>Industry</th>
<th>Nonprofit</th>
<th>For-Profit</th>
<th>Government</th>
</tr>
</thead>
<tbody>
<tr>
<td>EGR11</td>
<td>$563</td>
<td>$675</td>
<td>$614</td>
</tr>
<tr>
<td>Indiana</td>
<td>$546</td>
<td>$638</td>
<td>$603</td>
</tr>
</tbody>
</table>

- Nonprofit workers in EGR 11 earned about 19 percent less than for-profit workers. This gap is larger than the statewide gap, with Indiana nonprofit workers earning about 13 percent less than for-profit workers.

- Nonprofit workers in EGR 11 earned about 14 percent less than 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 nonprofit organizations are concentrated, nonprofit workers sometimes earn more than their for-profit or government counterparts.104

- Overall, nonprofit employees in EGR 11 education organizations earn more than for-profit employees but less than government employees. (See Figure 191.) The three sub-industries shown accounted for 96 percent of the employment in the education industry in EGR 11.

Figure 191: Average weekly wages in EGR 11 education organizations, 2005

<table>
<thead>
<tr>
<th>Industry</th>
<th>Nonprofit</th>
<th>For-Profit</th>
<th>Government</th>
</tr>
</thead>
<tbody>
<tr>
<td>EGR11</td>
<td>$490</td>
<td>$670</td>
<td>$643</td>
</tr>
<tr>
<td>Indiana</td>
<td>$556</td>
<td>$638</td>
<td>$603</td>
</tr>
</tbody>
</table>

- On average, nonprofit education employees in EGR 11 earned about 59 percent more than for-profit employees but about 27 percent less than government employees.

- Nonprofit university and professional school employees earned an average weekly wage of $643. There were no for-profit employees in this subfield, and there were too few government establishments to report government data separately.

- Nonprofit elementary and secondary school employees earned about 4 percent less than the relatively few for-profit employees and about 47 percent less than government employees.

- Fully 100 percent of the employment in junior colleges in EGR 11 was government employment. Government employees earned an average weekly wage of $599.

103 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.

104 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.
Overall, nonprofit health services workers earn lower average weekly wages than for-profit workers but higher average weekly wages than government workers. (See Figure 192.) The three categories shown accounted for 100 percent of the employment in the health services industry in EGR 11.

**Figure 192: Average weekly wages in EGR 11 health service organizations, 2005**

<table>
<thead>
<tr>
<th>Service Type</th>
<th>Nonprofit</th>
<th>For-Profit</th>
<th>Government</th>
</tr>
</thead>
<tbody>
<tr>
<td>Health Services</td>
<td>$663</td>
<td>$639</td>
<td>$625</td>
</tr>
<tr>
<td>Hospitals</td>
<td>$753</td>
<td>$715</td>
<td>$622</td>
</tr>
<tr>
<td>Ambulatory health</td>
<td>$927</td>
<td>$927</td>
<td>$927</td>
</tr>
<tr>
<td>Nursing &amp; residential care</td>
<td>$411</td>
<td>$412</td>
<td>$412</td>
</tr>
</tbody>
</table>

- On average, EGR 11 nonprofit health services employees earned about 12 percent less than for-profit employees but about 4 percent more than government employees.

- Nonprofit hospital workers earned about 14 percent more than for-profit workers and about 15 percent more than government workers.

- In ambulatory health services, nonprofit employees earned about 40 percent less than for-profit employees. There were too few government establishments to report government data separately.

- Nonprofit nursing and residential care workers earned about 12 percent less than for-profit workers. There was no government employment in this category.

Overall in EGR 11, nonprofit health services workers earn higher average weekly wages than for-profit workers. (See Figure 192.) There were too few government establishments to report government data separately. The four sub-industries shown accounted for 100 percent of the employment in the health services industry.

**Figure 193: Average weekly wages in EGR 11 social assistance organizations, 2005**

<table>
<thead>
<tr>
<th>Service Type</th>
<th>Nonprofit</th>
<th>For-Profit</th>
<th>Government</th>
</tr>
</thead>
<tbody>
<tr>
<td>Social Assistance</td>
<td>$360</td>
<td>$297</td>
<td>$247</td>
</tr>
<tr>
<td>Ind. &amp; family services</td>
<td>$120</td>
<td>$120</td>
<td>$120</td>
</tr>
<tr>
<td>Relief Services</td>
<td>$381</td>
<td>$381</td>
<td>$381</td>
</tr>
<tr>
<td>Voc. Rehab. Services</td>
<td>$358</td>
<td>$358</td>
<td>$358</td>
</tr>
<tr>
<td>Child Day Care</td>
<td>$279</td>
<td>$279</td>
<td>$279</td>
</tr>
</tbody>
</table>

- On average in the social assistance industry, nonprofit workers earned about 21 percent more than for-profit workers.

- In individual and family services, nonprofit employees earned about 8 percent more than for-profit employees.

- Nonprofit relief services workers earned about 54 percent more than for-profit workers.

- 100 percent of the employment in the vocational rehabilitation services subfield was nonprofit employment. The nonprofit average weekly wage was $358.

- Nonprofit employees in child day care services earned about 13 percent more than for-profit employees.

Overall in EGR 11, nonprofit social assistance workers earn higher average weekly wages than for-profit workers. (See Figure 193.) There were too few government establishments to report government data separately. The four sub-industries shown comprised 100 percent of the employment in the EGR 11 arts, entertainment, and recreation industry.

- On average, nonprofit arts, entertainment, and recreation employees earned about 5 percent more than for-profit employees but about 52 percent less than the relatively few government employees.
Nonprofit employees in performing arts and spectator sports earned about 3 times more than for-profit employees. There were no government employees in this category.

Nonprofit workers in museums, historical sites, zoos, and parks earned about 48 percent less than government employees. There were too few for-profit establishments to report for-profit data separately.

Nonprofit workers in amusements and gambling earned about 12 percent less than for-profit workers. There was no government employment in this category.

Growth: Overall, between 2001 and 2005 nonprofit employment grew by 7.2 percent, for-profit employment grew by 0.5 percent, and government employment shrank by 0.9 percent.

However, as Figure 195 shows, these overall trends mask differences in annual growth rates.

Nonprofit employment grew by 1.4 percent between 2001 and 2002 and by 3.3 percent between 2002 and 2003. It then shrank by 1.3 percent during 2003 to 2004, before growing again in 2004 to 2005, by 3.6 percent.

For-profit employment fluctuated during the four-year period. It experienced decline (by 0.2 percent) during 2001 to 2003, growth (by 0.3 percent) during 2003 to 2004, decline (by 0.3 percent) during 2004 to 2005, then growth again (by 0.7 percent) during 2004 to 2005.

Government employment also fluctuated during this period. It grew by 0.9 percent during the first year, shrank by 0.4 percent during the second year, grew by 0.8 percent during the third year, and shrank by 2.1 percent during the fourth year.

Nonprofit employment trends differ notably by industry. As Figure 196 shows, social assistance organizations experienced the most growth, while arts, entertainment, and recreation organizations saw the greatest declines.
ment experienced growth during the first three years (by 3.8 percent, 2.2 percent, and 5.6 percent, respectively), then declined by 0.2 percent between 2004 and 2005.

- Nonprofit employment in education grew by 11.6 percent between 2001 and 2005. The industry experienced growth each year during this four-year period, with annual growth rates of 5.2 percent, 0.6 percent, 1.9 percent, and 3.5 percent, respectively.

- Nonprofit health services employment grew by 9.2 percent from 2001 to 2005. Employment grew during the first two years (by 2.1 percent and 5.3 percent, respectively), declined by 2.9 percent during 2003 to 2004, and then grew by 4.6 percent during 2004 to 2005.

- Nonprofit employment in membership associations declined by 1.1 percent between 2001 and 2005. Employment declined by 7.1 percent during 2001 to 2002, grew by 2.0 percent during 2002 to 2003, shrank by 0.8 percent during 2003 to 2004, and grew by 5.2 percent during 2004 to 2005.

- Nonprofit arts, entertainment, and recreation employment shrank by 6.8 percent from 2001 to 2005. Employment grew by 5.1 percent during the first year of this time period, then shrank each year during the next three years, with annual rates of decline of 5.1 percent, 2.3 percent, and 4.3 percent, respectively.


- Between 2001 and 2005, the nonprofit sector’s payroll grew at a faster rate than for-profit and government payroll. These growth rates are not adjusted for inflation.

- For-profit payroll grew by 14.7 percent between 2001 and 2005. The smallest annual growth rate was 2.6 percent during 2002 to 2003, and the greatest annual growth rate was 4.5 percent during 2003 to 2004.

- Government payroll grew by 9.3 percent between 2001 and 2005. The smallest annual growth rate was 1.1 percent during 2004 to 2005, and the greatest annual growth rate was 3.3 percent during 2003 to 2004.

\[\text{Figure 197: Annual rates of growth in EGR 11 payroll by sector, 2001-2005}\]

These growth rates are not adjusted for inflation.
CONCLUSION

Our previous reports on nonprofit employment in Indiana documented the extent to which the nonprofit sector is a major economic force in the state’s economy. Our current report confirms and extends this conclusion. There were more than 235,000 people employed in the nonprofit sector in Indiana in 2005. Although growth in nonprofit employment slowed between 2004 and 2005 and for-profit employment picked up speed, over the entire 2001 to 2005 period the nonprofit sector grew faster (up 5 percent) than both government (up 3 percent) and for-profit employment (down 1 percent).

Moreover, nonprofit payroll grew even faster (up 21 percent) than nonprofit employment and reached $7.4 billion in 2005. During the same period, total for-profit payroll increased by only 10 percent and government payroll by 14 percent. As a result, the wage gap between nonprofit employees and those working in the for-profit or government sectors has narrowed.

Our current report also confirms that the nonprofit sector continues to make significant contributions to opportunities for democratic participation and the quality of life for all Indiana citizens. The sector has maintained its dominance within the fields of membership associations and social assistance (counseling, job training, relief services, and day care). It remains a major component of the state’s health care services (especially hospitals, elderly care facilities, mental health facilities, and outpatient clinics) and plays important roles in providing education, arts, culture, and recreation. It even delivers utility services.

In this report, we provide also the first systematic analyses of how these features vary across the state. As we show in our regional analyses of Metropolitan Statistical Areas (Section II) and Economic Growth Regions (Section III), there are significant regional differences in the economic role the nonprofit sector plays. These differences play themselves out across the board – in the sector’s share of overall employment and payroll, in its dominance of specific industries, in the level of wages paid, and in whether and how employment in the sector is growing (or declining, as in a few regions).

As we noted in our prior reports, the important contributions of the nonprofit sector to the state’s economy and to the quality of life across the state are not well understood by policymakers, the press, or the public at large. As a result, this sector is often overlooked in economic development and in education and training efforts that could prove extremely beneficial to it in the long term. Hopefully, the data presented here will continue to promote greater understanding of the impact of the nonprofit sector and demonstrate the immense stake that Indiana citizens have in its continued health.

Finally, as our technical discussion in Appendix A suggests, these estimates of Indiana’s nonprofit employees – and the payroll they contribute to the state’s economy – are conservative. We can only guess at how many people Indiana’s nonprofits actually employ, but it is likely to be a significantly larger number than we document here.

For that reason, we again urge the state of Indiana to enhance its (and our) ability to track the nonprofit sector’s contribution to the state in the future. For example, the state might require employers that already participate in the Covered Wage and Employment (ES-202) reporting system to indicate whether they are operating under for-profit, nonprofit, or government (federal, state, local) ownership. Several other states make these distinctions. Currently, all Indiana for-profit and nonprofit establishments are simply coded as “private.” This change would not impose additional reporting requirements on Indiana nonprofits and would insure more accurate and comprehensive data by avoiding the cumbersome and problematic process used here to estimate nonprofit employment.

We are more ambivalent about the value of extending the reporting requirements to smaller nonprofits (those with fewer than four employees) to match the requirement for for-profit establishments.\(^\text{106}\) The improvement in accuracy may be fairly minor and would impose a significant new reporting requirement on these small nonprofit employers, as would extending the reporting requirement to congregations, although by all accounts they contribute a significant share of the actual nonprofit employment in the state of Indiana.

\(^{106}\) We note that some of these small establishments do in fact already participate in the ES-202 reporting system. See note 109 for further details.