

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

Key Facts about Nonprofits in Indiana

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

Employment in Lake County

- In 2009, about 1 out of 8 workers in Lake County was employed by a nonprofit organization, compared to about 1 out of 11 in 1995.
- Nonprofit establishments employed about 12 percent of workers in 2009, up from just over 9 percent in 1995.
- Nonprofit employment grew 23 percent from 1995 to 2009. For-profit employment decreased by about 8 percent.
- Over 57 percent of nonprofit employees work in health care.

Payroll in Lake County

- Nonprofit payroll grew in Lake County from just over \$550 million in 1995 to nearly \$780 million by 2009 (in constant 2009 dollars).

- This change represents a more than 40 percent growth in nonprofit payroll. Meanwhile, for-profit payroll decreased 6 percent between 1995 and 2009, adjusted for inflation.
- Average annual nonprofit wages grew from about \$32,000 in 1995 to more than \$36,500 in 2009, a 15 percent increase, adjusted for inflation. For-profit wages increased about 2 percent from about \$39,300 to nearly \$40,000.

Establishments in Lake County

- Between 1995 and 2009, the number of nonprofit establishments increased more than 5 percent, to around 430, still far less than the roughly 8,500 for-profit establishments in 2009.
- Nonprofit organizations employed an average of about 46 workers in 1995 and 50 in 2009. The average for-profit organization had 16 workers in 2009, about one less worker than in 1995.

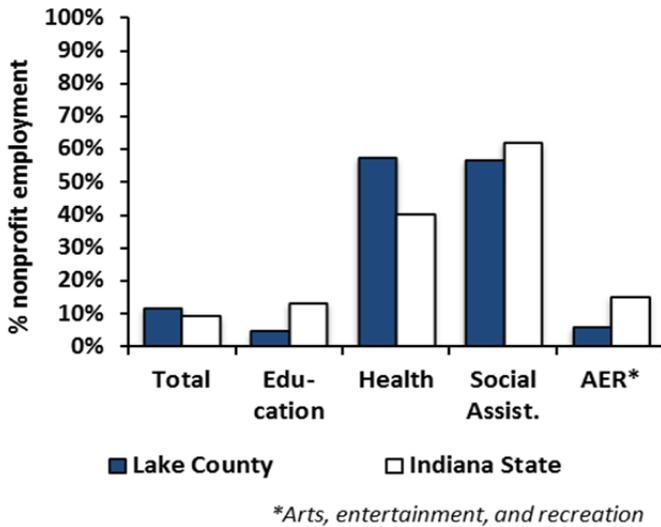
Figure 1: Percent change of nonprofit and for-profit employment, payroll, and establishments in Lake County, 1995-2009



County Industry Data

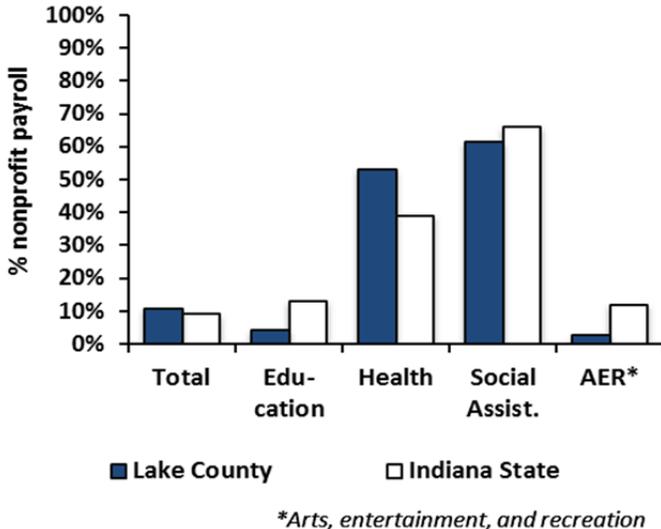
The nonprofit sector plays an important role in the economic well-being of Lake County. As shown in Figures 2-4 nonprofits here tended to account for a slightly higher percentage of employment and payroll than in the state as a whole, but had a slightly lower share of establishments.

Figure 2: Percentage of nonprofit workers, 2009



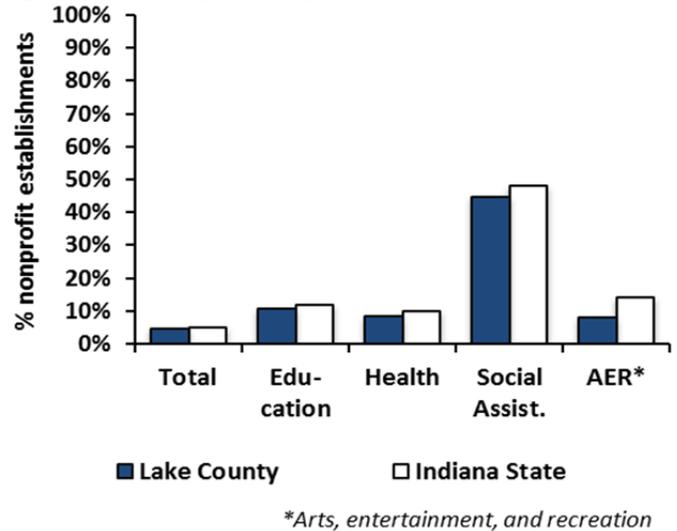
- Overall, Lake County had a higher concentration of nonprofit employment than the state as a whole in 2009. This was the case for the health care industry as well, though Lake County was below the corresponding State shares for education, social assistance, and AER (Figure 2).

Figure 3: Percentage of payroll from nonprofits, 2009



- Nonprofit payroll constituted a larger percentage of total payroll in Lake County in 2009 than in Indiana overall (Figure 3), consistent with employment percentages.
- Nonprofit establishments accounted for over half of Lake County health care and social assistance payroll. This is greater than their share of total state health care payroll, but still slightly less than state social assistance payroll (Figure 3).

Figure 4: Percentage of nonprofit establishments, 2009



- Lake County had a slightly smaller share of establishments operated by nonprofits in 2009 than did Indiana overall. Lake County also had a smaller percentage of nonprofit establishments in each of the primary industries than the rest of the state (Figure 4).

Note on Methodology

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