

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 Madison County

- In 2009, slightly more than 1 out of 8 workers in Madison County was employed by a nonprofit organization, compared with 1 out of 11 in 1995.
- Nonprofit establishments employed nearly 5,000 workers in 2009, up from less than 4,500 in 1995.
- Nonprofit employment grew more than 10 percent from 1995 to 2009, while for-profit employment shrank by more than 25 percent.
- Around 55 percent of nonprofit employees work in health care.

Payroll in Madison County

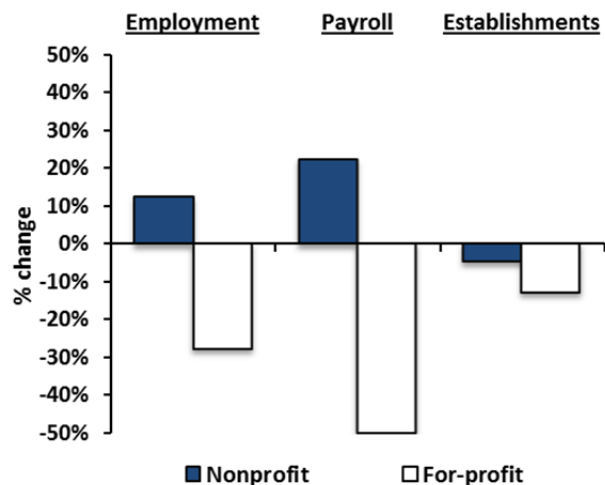
- Nonprofit payroll grew in Madison County from over \$135 million in 1995 to over \$165 million by 2009 (in constant 2009 dollars).

- This change represented an increase of more than 20 percent for nonprofits, while for-profit payroll decreased by nearly half between 1995 and 2009, adjusted for inflation.
- Average annual nonprofit wages grew from around \$31,000 in 1995 to over \$33,500 in 2009, a 35 percent increase, adjusted for inflation. For-profit wages decreased by 30 percent, from more than \$42,000 to under \$30,000.

Establishments in Madison County

- Between 1995 and 2009, the number of nonprofit establishments decreased 5 percent from 115 to 110. For-profit establishments decreased by 13 percent, losing about 280 establishments.
- Nonprofit organizations tended to have staff sizes of around 45 workers in 2009, up from about 38 in 1995. The average for-profit employed 14 workers in 2009, down from 17 in 1995.

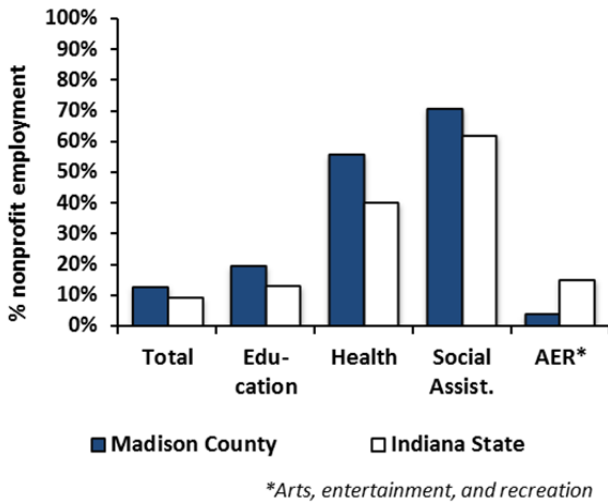
Figure 1: Percent change of nonprofit and for-profit employment, payroll, and establishments in Madison County, 1995-2009



County Industry Data

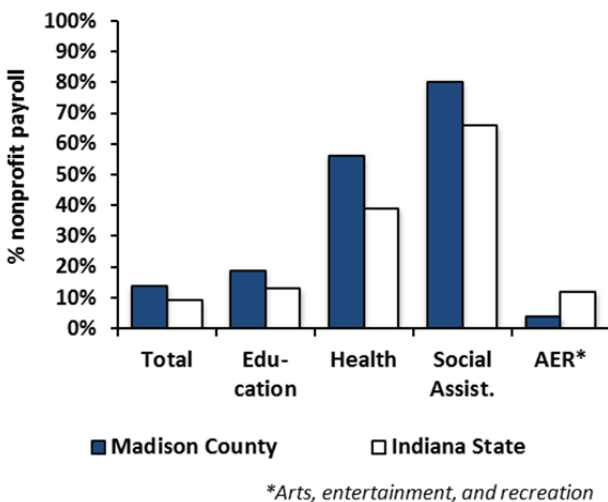
The nonprofit sector is important to the economic well-being of Madison County. As shown in Figures 2-4, nonprofits account for a substantial percentage of employment, payroll, and establishments.

Figure 2: Percentage of nonprofit workers, 2009



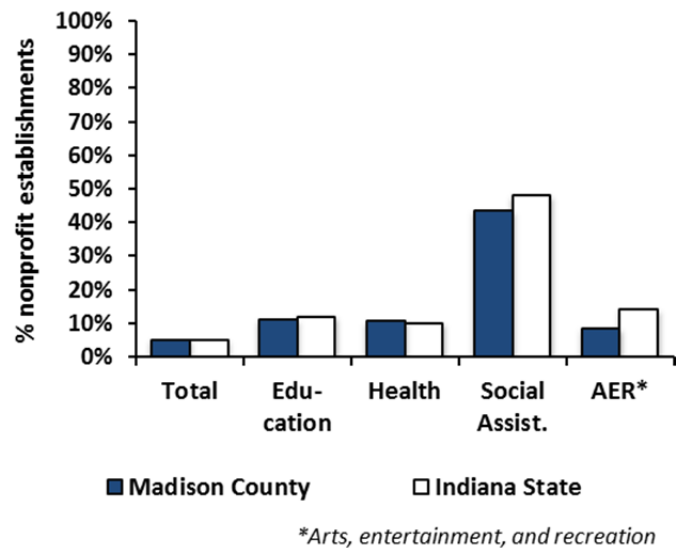
- The percentage of workers employed by nonprofits in Madison County was more than in the state as a whole in 2009 (Figure 2).
- In the education, health, and social assistance, industries, nonprofits also accounted for a higher percentage of employees than is the case for these industries in the state overall (Figure 2).

Figure 3: Percentage of payroll from nonprofits, 2009



- Nonprofit payroll constituted a larger percentage of total payroll in Madison County in 2009 than in Indiana overall (Figure 3), consistent with employment percentages.
- Nonprofit establishments accounted for nearly 60 percent of health care payroll and nearly 80 percent of social assistance payroll (Figure 3).

Figure 4: Percentage of nonprofit establishments



- Madison County had about the same share of establishments operated by nonprofits in 2009 (Figure 4) as did Indiana overall.
- Compared to the rest of Indiana, Marion County has a smaller percentage of nonprofit establishments in the education, social assistance, and AER industries.

Note on Methodology

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