

XIV. EAST CENTRAL INDIANA: ECONOMIC GROWTH REGION 6



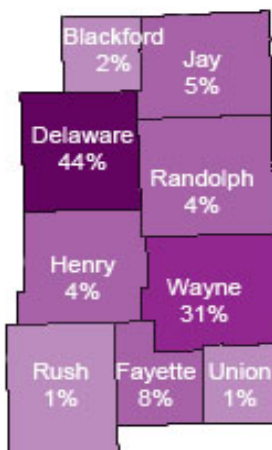
Nine east central Indiana counties – Blackford, Jay, Delaware, Randolph, Henry, Wayne, Rush, Fayette, and Union – comprise Economic Growth Region (EGR) 6. This region includes the Muncie Metropolitan Statistical Area (Delaware County). The private, nonprofit sector is a major economic force in EGR 6, 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.

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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.

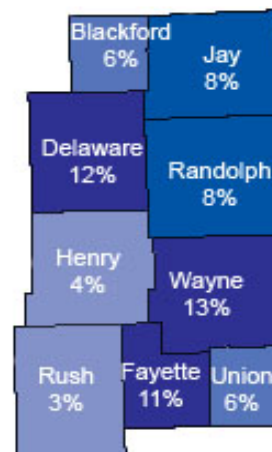
Figure 114: Distribution of EGR 6 nonprofit employment, by county, 2005



- 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

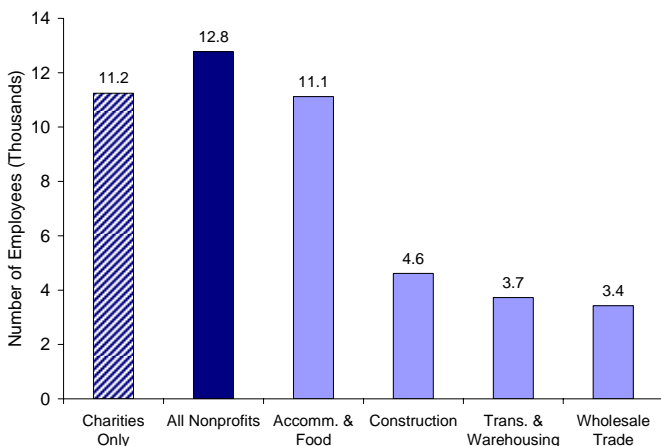


- The nonprofit shares of total employment in Wayne, Delaware, and Fayette Counties were higher (by 3-5 percentage points) than the share of total employment for nonprofits statewide.
- Nonprofit employment in Jay and Randolph Counties comprised about the same share of total employment as the statewide 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.⁶³ 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)

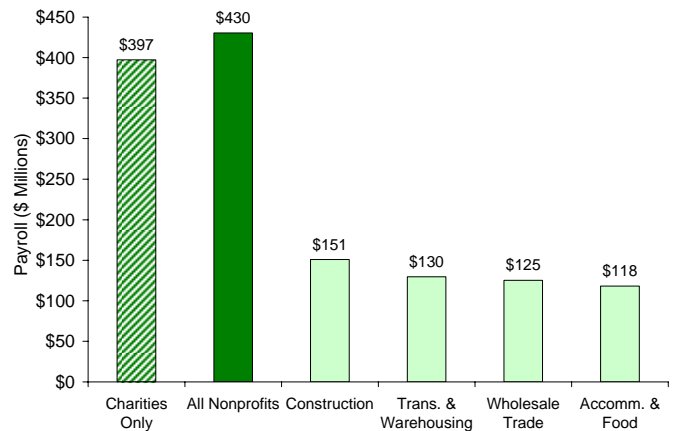


- Slightly more people than the 11,100 people employed by the region's accommodation and food service industry.
- More than twice as many people as the region's construction industry (12,800 vs. 4,600).
- More than three times as many people as the region's transportation and warehousing industry (3,700 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

ing, wholesale trade, or accommodation and food services industries.

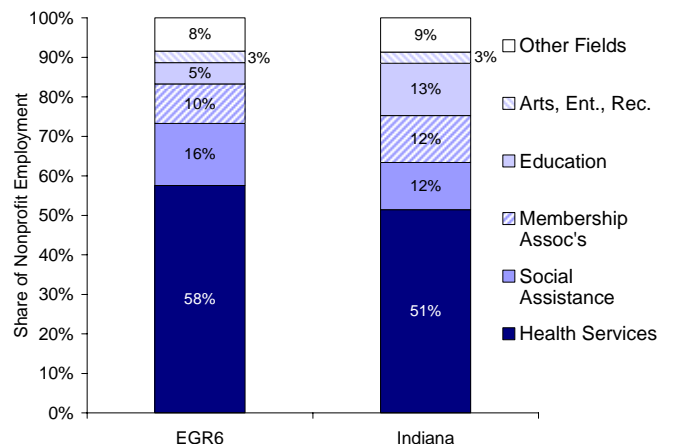
Figure 117: Payroll in EGR 6's nonprofit sector in comparison to certain industries, 2005 (in millions)



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



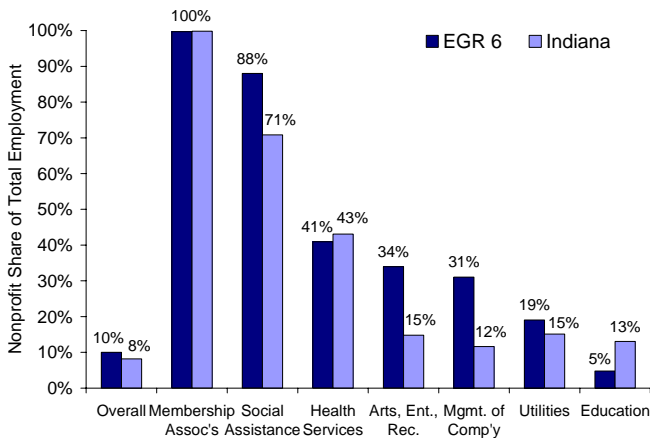
- Health services accounted for a larger share of total nonprofit employment in EGR 6 (58 percent) than it did statewide (51 percent).⁶⁴

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.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.

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



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

assistance (NAICS 624) from other health-related employment both here and throughout the report in order to simplify our presentation.

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.

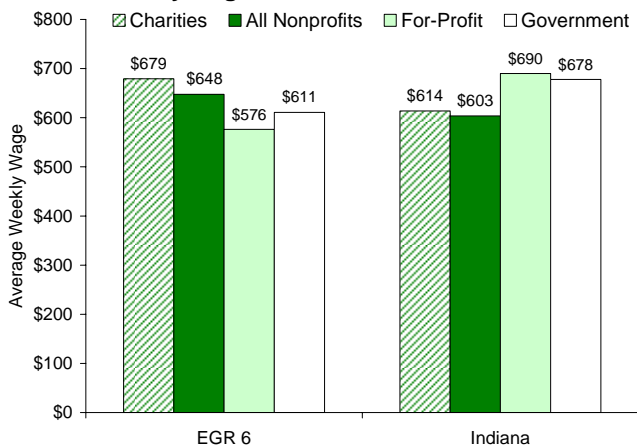
- Nonprofits accounted for nearly nine-tenths (88 percent) of employment in social assistance organizations in EGR 6. This is higher than the statewide percentage (71 percent).
- About two-fifths (41 percent) of employment in health services in EGR 6 was attributed to nonprofits; this is slightly less 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.

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.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.

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.

Figure 120: Nonprofit, for-profit, and government average weekly wages in EGR 6 and Indiana, 2005

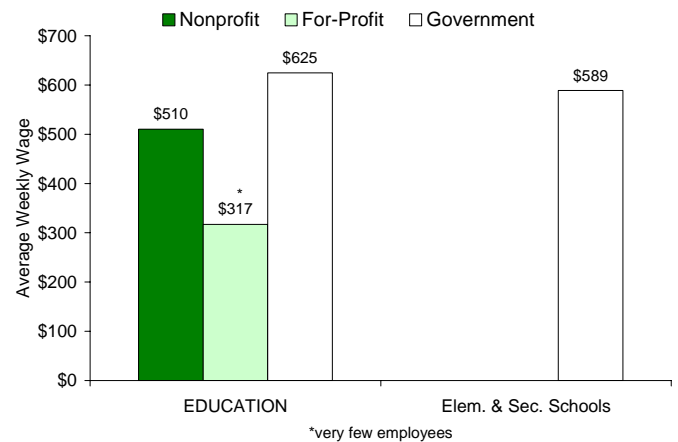


- Nonprofit workers in EGR 6 earned about 13 percent more than for-profit workers in EGR 6. In contrast, statewide, nonprofit workers earned about 13 percent less than for-profit workers.
- Nonprofit workers in EGR 6 earned about 6 percent more than government workers in the region. In contrast, nonprofit 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,

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.

but about 18 percent less than employees of government education organizations.⁶⁸

Figure 121: Average weekly wages in EGR 6 education organizations, 2005



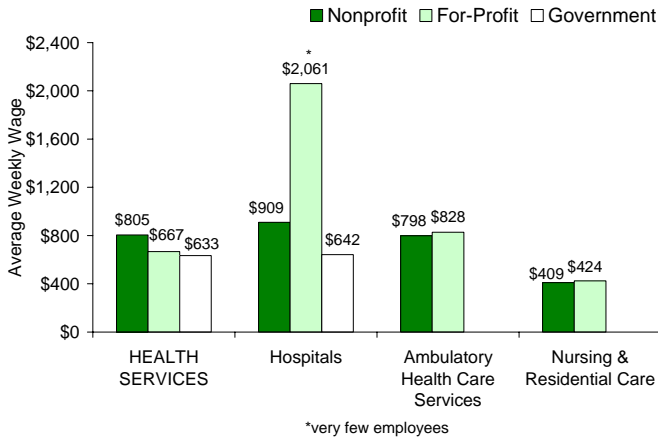
- Government employees in elementary and secondary schools earned an average weekly wage of \$589. There were too few nonprofit and for-profit establishments to report wages for these sectors.
- Overall, nonprofit employees in EGR 6’s health services industry earn higher average weekly wages than their 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 hospitals⁶⁹ but about 42 percent more than workers in government hospitals.
 - In the ambulatory health care services subfield, nonprofit employees earned about 4 percent less

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.

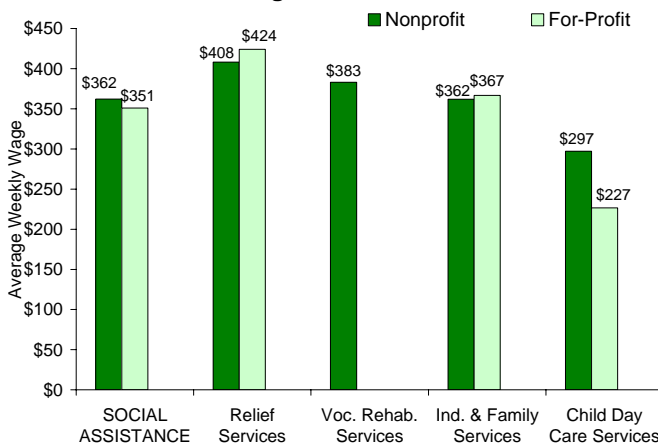
than for-profit employees. There were too few government establishments to report government wages separately.

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.

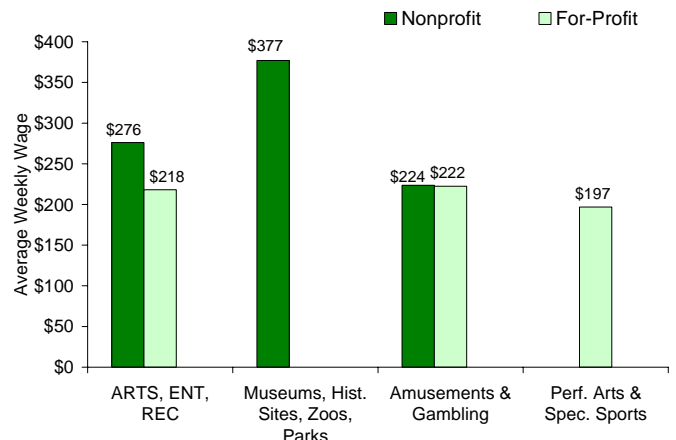
Figure 123: Average weekly wages in EGR 6 social assistance organizations, 2005



- 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

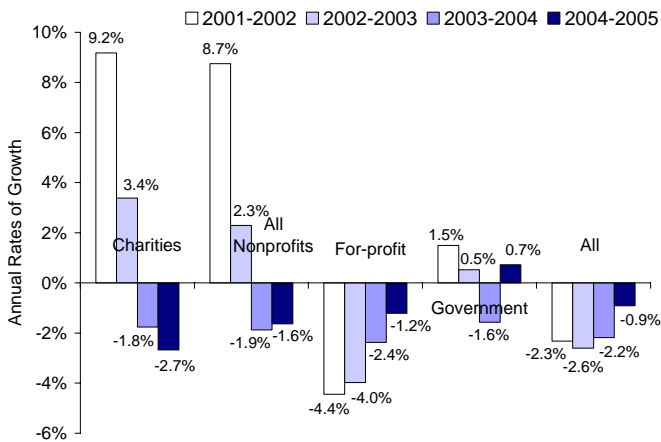
wage of \$377. There were too few for-profit establishments to report separate for-profit data.

- 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.

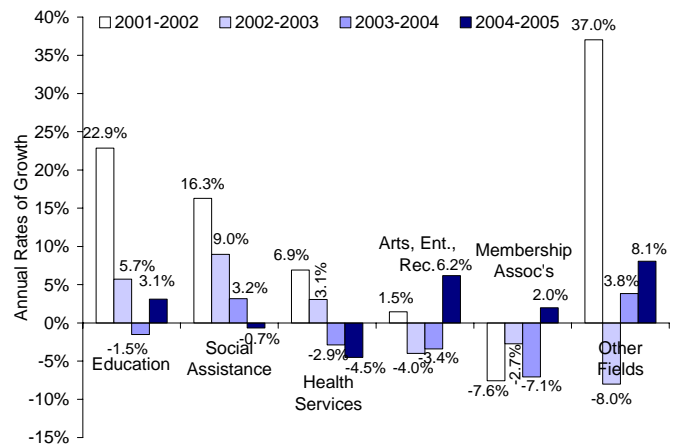
Figure 125: Annual rates of growth in EGR 6 employment by sector, 2001-2005



- 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

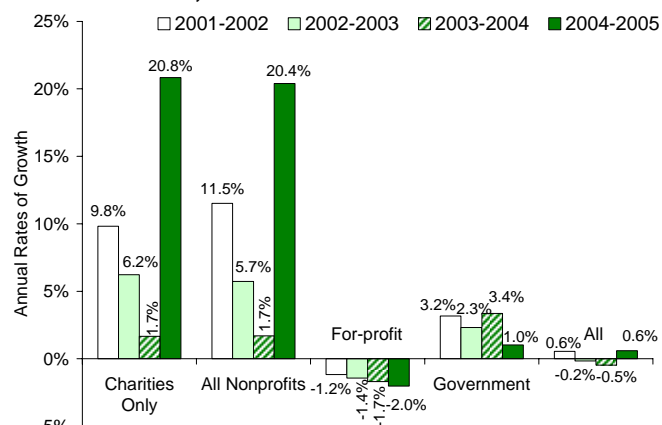


- Education employment in 2005 was up 31.9 percent over 2001. The majority of growth occurred between 2001 and 2002, when employment grew by 22.9 percent. Growth then became more modest, with a growth rate of 5.7 percent between 2002 and 2003, a 1.5 percent decline between 2003 and 2004, and 3.1 percent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

Figure 127: Annual rates of growth in EGR 6 payroll, by sector, 2001-2005



- For-profit payroll declined by 6.2 percent during the 2001 to 2005 period. Annual rates of decline during these four years were 1.2 percent, 1.4 percent, 1.7 percent, and 2.0 percent.
- Government payroll grew by 10.2 percent from 2001 to 2005. Annual rates of growth were 3.2 percent, 2.3 percent, 3.4 percent, and 1.0 percent during these four years.

⁷⁰ These growth rates are not adjusted for inflation.