

PART TWO: METROPOLITAN STATISTICAL AREAS

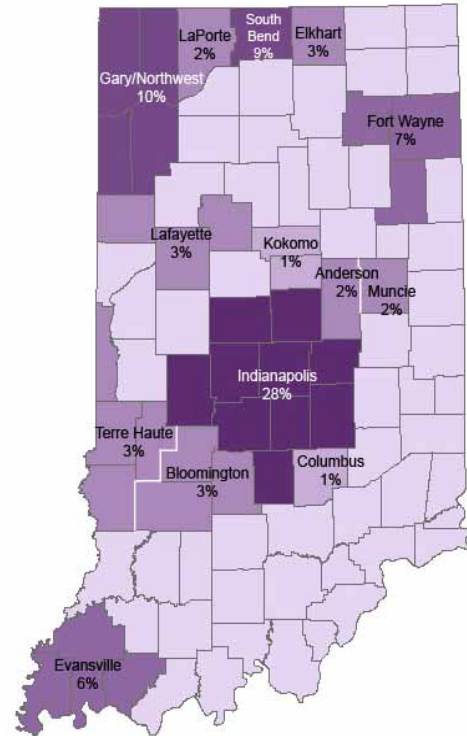
VII. KEY FINDINGS IN MSA COMPARISONS

Four-fifths (80 percent) of all nonprofit employment in Indiana is found in fourteen metropolitan regions, though the nonprofit sector's share of total employment varies across metropolitan areas and industries. Additionally, growth in nonprofit employment is uneven across metropolitan regions, though nonprofit payrolls have seen more steady growth overall.

Employment: Like Indiana's population, the state's nonprofit employment is concentrated in fourteen metropolitan regions²⁶ (see Figure 28 and Appendix B).

- These metropolitan regions jointly accounted for 80 percent of all nonprofit employment in the state, down slightly from 81 percent in 2003. By comparison, these areas accounted for 75 percent of total employment in Indiana.
 - The ten-county Indianapolis metropolitan area accounts for the largest share (28 percent) of Indiana's nonprofit employment, with just over 68,000 nonprofit employees in 2005.
 - Several counties in northern Indiana have the second-largest share of statewide nonprofit employment. The four-county Gary/Northwest metropolitan region accounts for one-tenth of the state's nonprofit workers, while the single-county South Bend region contributes 9 percent of the entire state's nonprofit employment. Both metropolitan areas have between 21,000 and 23,000 nonprofit employees.

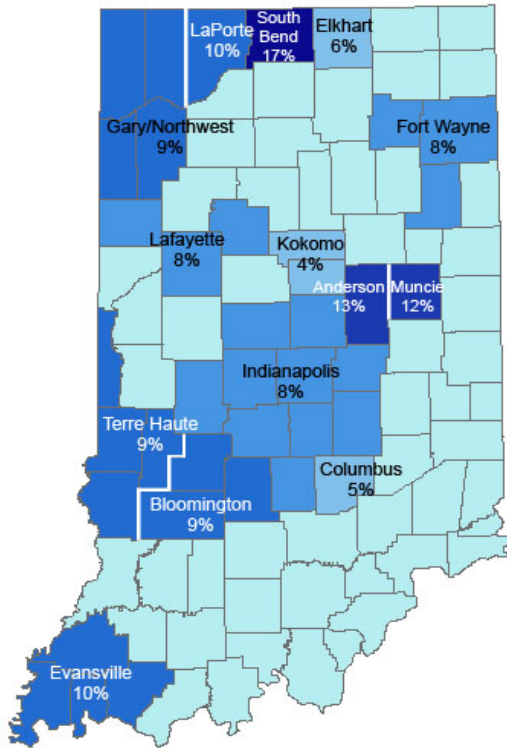
Figure 28: Distribution of Indiana's nonprofit sector by Metropolitan Statistical Area, 2005



- The Fort Wayne and Evansville regions account for 7 and 6 percent of the state's nonprofit employment, respectively, with between 14,000 and 16,000 nonprofit employees in each metropolitan area.
- Several mid-sized metropolitan areas, including Anderson, Bloomington, Elkhart, Lafayette, LaPorte, Muncie, and Terre Haute, have between 4,000 and 7,500 nonprofit employees. These metropolitan areas each contribute between 2 and 3 percent of the state's total nonprofit workforce.
- Two other smaller metropolitan areas, Columbus and Kokomo, each account for about 2,000 nonprofit employees, or 1 percent of Indiana's nonprofit employment.
- Though the distribution of the state's nonprofit employment is strikingly concentrated in Indianapolis and a handful of other metropolitan areas, the nonprofit share of total employment varies considerably across these same metropolitan regions. See Figures 29 and 30.

²⁶ These Metropolitan Statistical Areas are defined by the US Office of Management and Budget and include 39 of Indiana's 92 counties. These metropolitan areas differ slightly from the regional definitions used in the 2005 Employment Report. We also note that these metropolitan area definitions are not the same as the Economic Growth Region boundaries used in Chapters VIII through XIX, though there is some overlap.

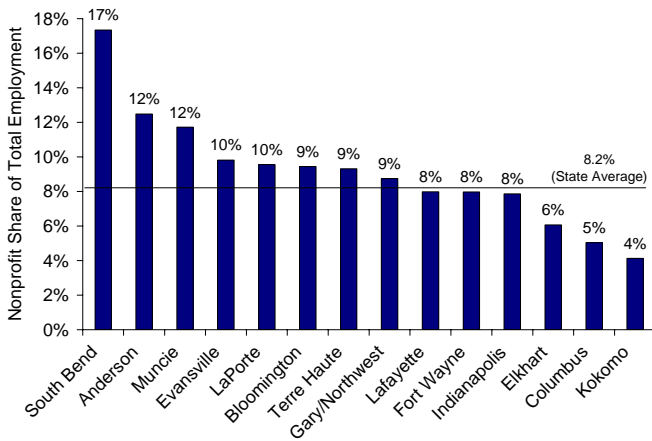
Figure 29: Nonprofit share of total employment by Metropolitan Statistical Area, 2005



percent of total employment, or about one in six employees. This most likely reflects the presence of several large nonprofit health and educational institutions in that community.

- Nonprofit employment in the Anderson and Muncie metropolitan regions accounted for approximately 12 percent of total employment, or about one in every eight employees.
- For Evansville, LaPorte, Bloomington, Terre Haute, and Gary/Northwest, nonprofit employment was between 9 and 10 percent of total employment in these regions.
- Lafayette, Fort Wayne, and Indianapolis were closest to the statewide average, with nonprofit workers accounting for approximately 8 percent of total employment.
- Elkhart, Columbus, and Kokomo had the lowest nonprofit share of total employment of the metropolitan regions, with between 4 and 6 percent each.

Figure 30: Nonprofit share of total employment, by Metropolitan Statistical Area, 2005



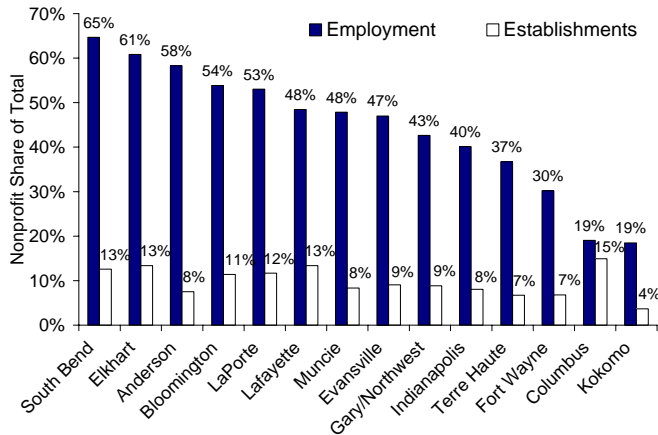
- For eight of the fourteen metropolitan statistical areas, nonprofit employment’s share of total employment in that area was higher than the statewide average of 8.2 percent.
 - The nonprofit sector is particularly important in the South Bend metropolitan region, with nonprofit employment accounting for more than 17

- The share of nonprofit employment varies even more dramatically when we examine specific industries. The dark bars in Figure 31 show the nonprofit share of total employment in health services organizations. The clear bars indicate nonprofit share of health services establishments, revealing that nonprofit health services establishments are in general significantly larger than their for-profit or government counterparts. The health services industry includes ambulatory services, hospitals, and nursing and residential care facilities.

- South Bend has the highest nonprofit share of health services employees, with this area’s 9,200 nonprofit hospital, ambulatory, and nursing care service employees accounting for nearly two-thirds (65 percent) of all similar health employment (14,300).
- In terms of raw numbers, only Indianapolis and Gary/Northwest have more nonprofit health services employees than South Bend; however, the proportion of health employees who work for nonprofits in these areas is considerably lower than in South Bend. Nonprofit employees were

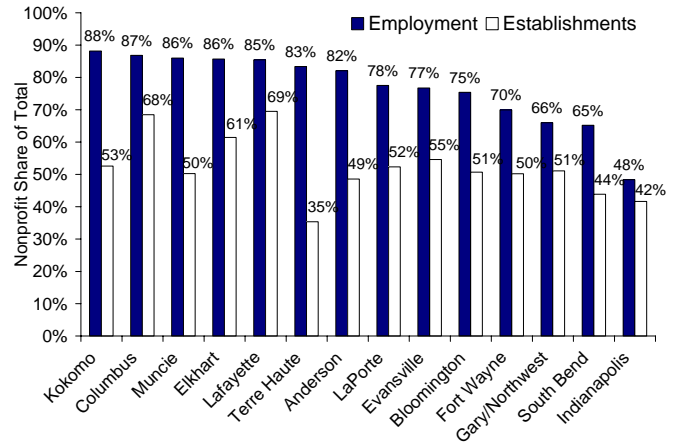
40 percent of all health services employment in Indianapolis and 43 percent in Gary/Northwest.

Figure 31: Nonprofit share of health services employment and establishments, by Metropolitan Statistical Area, 2005



- Columbus and Kokomo had the lowest nonprofit share of total employment for the health services industry, with 19 percent each.
- On the whole, nonprofit health services establishments are significantly larger than their for-profit and government counterparts. Columbus is the only exception: in this region, nonprofit share of total health services employment is comparable to the nonprofit share of establishments in this industry.
- Nonprofit share of social assistance employment is generally much higher and much more consistent across metropolitan regions. Nonprofit social assistance establishments are slightly larger than their counterparts, though this difference is not as dramatic as that seen in the health services industry. The social assistance industry includes individual and family services, emergency relief, vocational rehabilitation, and child day care, among other community services. See Figure 32.
 - Although Kokomo and Columbus had the lowest share of nonprofit health services employment, they lead the other metropolitan areas in terms of the proportion of nonprofit employment in social assistance organizations, with 88 percent and 87 percent, respectively.

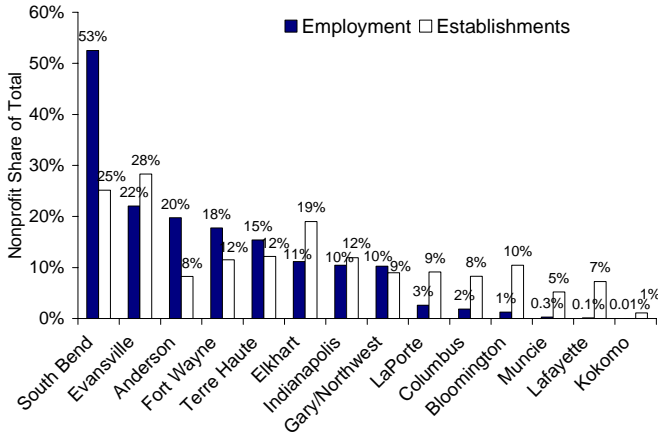
Figure 32: Nonprofit share of social assistance employment and establishments, by Metropolitan Statistical Area, 2005



- Fort Wayne, Gary/Northwest, South Bend, and Indianapolis have the highest number of social assistance nonprofit employees, with between 1,500 and 4,500 employees, but the nonprofit share of total employment was lower in these four areas than in any of the others. Close to two-thirds of all social assistance employees work for a nonprofit organization in Fort Wayne, Gary/Northwest, and South Bend (70 percent, 66 percent, and 65 percent, respectively), while less than half (48 percent) of all such employees in Indianapolis work for a nonprofit.
- Nonprofit social assistance organizations are larger than their counterparts in all of these regions, though the extent of this size difference varies across metropolitan areas. Social assistance nonprofits in Terre Haute (83 percent of employment and 35 percent of establishments) are much larger than other social assistance organizations in the region, while Indianapolis social assistance nonprofits (48 percent of employment and 42 percent of establishments) are only slightly larger than their counterparts.
- Nonprofit share of education employment differs more dramatically across metropolitan regions than does the share for the other industries we've examined. Additionally, nonprofit education establishments vary in size across the state, with some much larger than their counterparts and others significantly smaller. The educational services industry includes all levels of schooling, from elementary and second-

dary schools, to junior colleges, to universities and professional schools. See Figure 33.

Figure 33: Nonprofit share of educational services employment and establishments, by Metropolitan Statistical Area, 2005

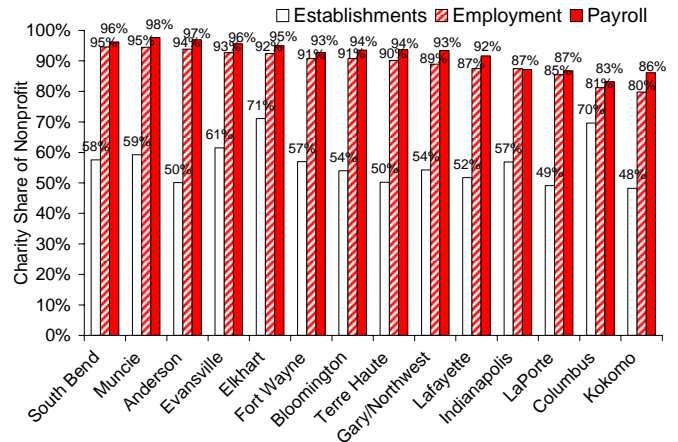


- South Bend has both the highest number of nonprofit education employees (nearly 9,000) and the highest nonprofit share of total employment (53 percent) by a considerable margin.
- Only four other metropolitan areas have more than 2,000 nonprofit education employees, though those nonprofit employees account for a varied proportion of the total education workforce. Nonprofit employees were 22 percent of all education employees in Evansville, 18 percent of employees in Fort Wayne, and 10 percent each in Indianapolis and Gary/Northwest.
- Government employment dominates this industry in several metropolitan regions, so that the nonprofit share of total employment is quite small. Nonprofit employment was 3 percent of all education employment in LaPorte and 2 percent in Columbus. Nonprofit educators comprised 1 percent or less of all education employment in four metropolitan regions: Bloomington, Muncie, Lafayette, and Kokomo.
- Nonprofit educational services establishments are on average larger than their counterparts in only five metropolitan areas: South Bend, Anderson, Fort Wayne, Terre Haute, and Gary/Northwest. In the other nine areas, educa-

tion nonprofits are much smaller than other organizations in this industry.

- Regardless of the industry, the vast majority of nonprofit employment is in charitable organizations. Charities are on the whole larger than other nonprofit establishments, and their employees are paid more on average. See Figure 34.

Figure 34: Charities share of nonprofit establishments, employment, and payroll, by Metropolitan Statistical Area, 2005

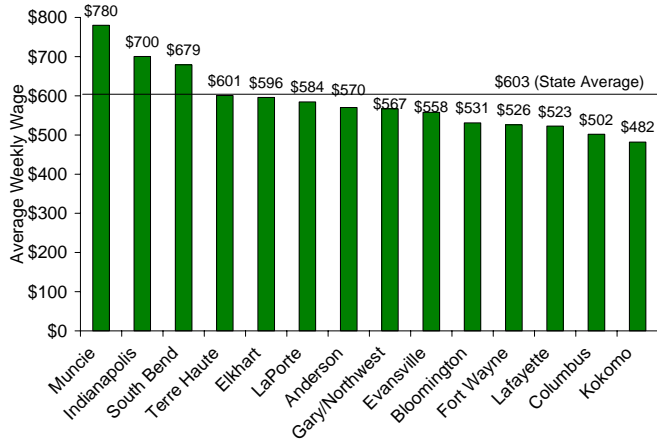


- Charities account for between 80 and 95 percent of all nonprofit employment in all fourteen metropolitan areas. Charities comprised the largest proportion of employment in South Bend and Muncie (95 percent each) and the smallest proportion in Columbus and Kokomo (81 percent and 80 percent, respectively).
- Charitable establishments are larger than other types of nonprofits in each of these metropolitan regions, shown by the fact that charities' share of employment is much higher than their share of establishments. The difference was the smallest in Columbus, where charities are only slightly larger than other nonprofits (81 percent of employment vs. 70 percent of establishments); in contrast, charities were significantly larger than other types of nonprofits in Anderson (94 percent of employment vs. 50 percent establishments) and Terre Haute (90 percent of employment vs. 50 percent of establishments).
- In all regions but Indianapolis, charity employees are paid slightly more than their counterparts in other nonprofits, shown by the fact that in

most cases charities' share of payroll is slightly higher than their share of employment.

Payroll: On average across the state, nonprofit employees earned \$603 in weekly wages. Nonprofit average weekly wages varies quite considerably across metropolitan regions. See Figure 35.

Figure 35: Nonprofit average weekly wages, by Metropolitan Statistical Area, 2005



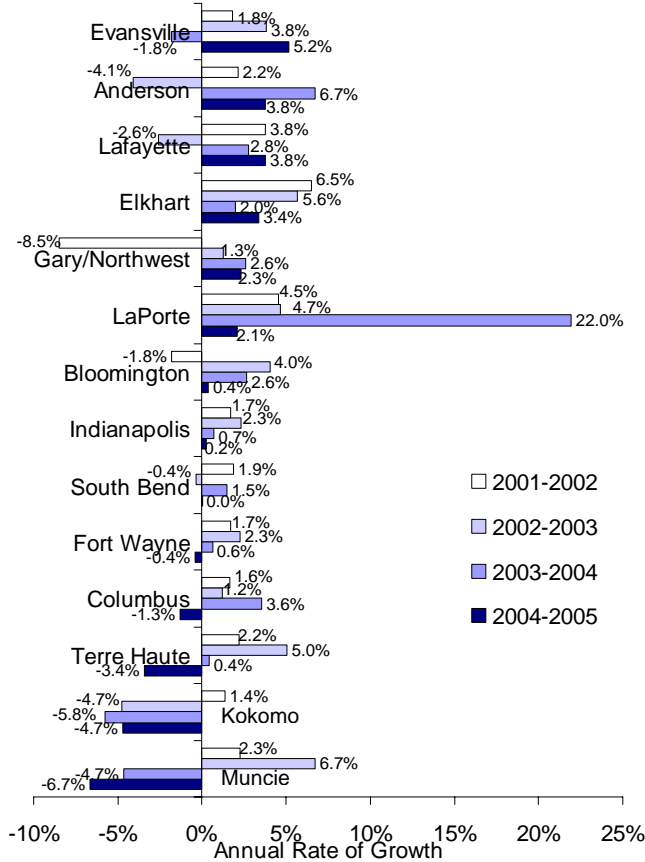
- Nonprofit employees in Muncie earned the highest average weekly wages of all metropolitan nonprofit workers. At \$780, their average wage was 29 percent higher than the state average.
- Only two other areas had nonprofit wages higher than the state average. Average weekly wages for nonprofit employees in Indianapolis (\$700) and South Bend (\$679) were also notably higher than the state average.
- Nonprofit wages were about equal with the statewide average for Terre Haute (\$601).
- Nonprofit wages were only slightly below the state average in Elkhart (\$596) and LaPorte (\$584).
- Average weekly wages for nonprofit employees in Anderson (\$570), Gary/Northwest (\$567), and Evansville (\$558) were somewhat below the state average.
- Nonprofit wages were notably lower than the state average in Bloomington (\$531), Fort Wayne (\$526) and Lafayette (\$523).

- Nonprofit average weekly wages were significantly lower than the state average in Columbus (\$502, or 17 percent lower) and Kokomo (\$482, or 20 percent lower).

Growth: Though the overall trend shows steady growth in both nonprofit employment and payroll, there is much more variation in growth rates for individual metropolitan areas. Additionally, annual rates of growth for nonprofit employment are much more variable than rates of growth for nonprofit payroll.

- Statewide, nonprofit employment grew steadily over the 2001 to 2005 period. Employment growth in metropolitan area nonprofits has not been as uniform, and several areas have seen negative growth over the last year. See Figure 36.
 - Nonprofit employment in six metropolitan areas grew faster between 2004 and 2005 than the overall state growth rate of 0.8 percent during that period: Evansville (5.2 percent), Anderson (3.8 percent), Lafayette (3.8 percent), Elkhart (3.4 percent), Gary/Northwest (2.3 percent), and LaPorte (2.1 percent).
 - Bloomington and Indianapolis also experienced positive growth in nonprofit employment, though their annual rates of growth for 2004 to 2005 (0.4 percent and 0.2 percent, respectively) were lower than the statewide average. Nonprofit employment in South Bend grew by only 0.01 percent.
 - Nonprofit employment declined between 2004 and 2005 for five metropolitan areas in Indiana: Fort Wayne (-0.4 percent), Columbus (-1.3 percent), Terre Haute (-3.4 percent), Kokomo (-4.7 percent), and Muncie (-6.7 percent).
 - Only Elkhart, LaPorte, and Indianapolis have experienced consistent positive growth in nonprofit employment for the entire 2001 to 2005 period. The other eleven metropolitan areas have seen a decline in nonprofit employment during at least one of those years.

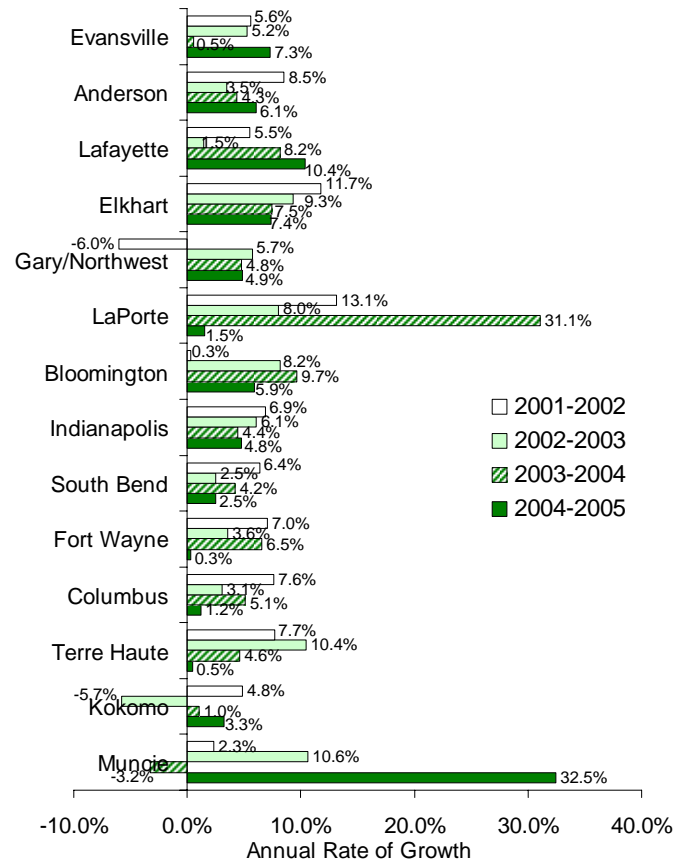
Figure 36: Annual rates of growth for nonprofit employment, by Metropolitan Statistical Area, by year, 2001-2005



- Of special note is the significant rate of growth (22 percent) in LaPorte nonprofit employees between 2003 and 2004. Approximately 87 percent of that growth was in nonprofit health services employment.
- Kokomo and Muncie have each seen notable decline in nonprofit employment over the last several years. In Kokomo, the decline between 2002 and 2003 was due to a decline in nonprofit health services employment, but between 2003 and 2005 the majority of the decline in the nonprofit sector can be attributed to membership association employment. In Muncie, both the growth between 2002 and 2003 and the decline between 2003 and 2005 were due for the most part to changes in health services employment.

- Matching the statewide pattern, nonprofit payrolls grew in each of these metropolitan areas over the 2001 to 2005 period. See Figure 37.²⁷

Figure 37: Annual rates of growth for nonprofit payroll, by Metropolitan Statistical Area, by year, 2001-2005



- Total nonprofit payrolls increased between 2004 and 2005 for all of the state’s metropolitan regions. Nonprofit payroll in six areas grew faster between 2004 and 2005 than the overall state growth rate of 5.0 percent during that period: Muncie (32.5 percent), Lafayette (10.4 percent), Elkhart (7.4 percent), Evansville (7.3 percent), Bloomington (6.9 percent), and Anderson (6.1 percent).
- The exceptional growth in Muncie’s total nonprofit payroll between 2004 and 2005 is surprising given the fact that overall nonprofit employment declined by -6.7 percent during that

²⁷ These growth rates are not adjusted for inflation. For reference, inflation rates between 2001 and 2005 ranged between 1.5 percent and 3.5 percent annually.

period. A major cause of the overall decline in Muncie's nonprofit sector between 2004 and 2005 was a decline in health services employment, specifically in the ambulatory services sub-field. Unexpectedly, the vast majority of the payroll growth in the same period was also due to changes in the health services field: payroll for ambulatory services declined, but payroll for hospital employees increased by 81 percent.

- Significant growth in LaPorte nonprofit payrolls between 2003 and 2004 matches the nonprofit employment growth seen in that area during the same period.
- Nonprofit payroll declined only for only three regions, and then for only one year each: once in Gary/Northwest, once in Kokomo, and once in Muncie, over this five-year period. The general trend is for nonprofit payroll to increase, somewhat independent of employment growth or decline in the region.