

XI. NORTHEAST INDIANA: ECONOMIC GROWTH REGION 3



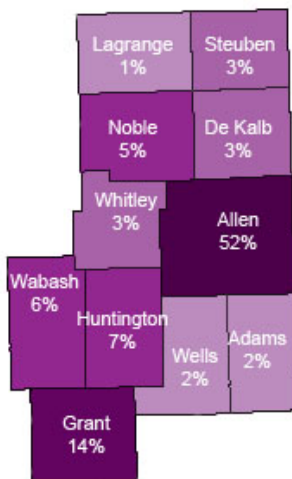
Eleven northeast Indiana counties – Lagrange, Steuben, Noble, DeKalb, Whitley, Allen, Wabash, Huntington, Wells, Adams, and Grant – comprise Economic Growth Region (EGR) 3. This region includes the Fort Wayne Metropolitan Statistical Area, which encompasses Allen, Wells, and Whitley Counties. The private 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.

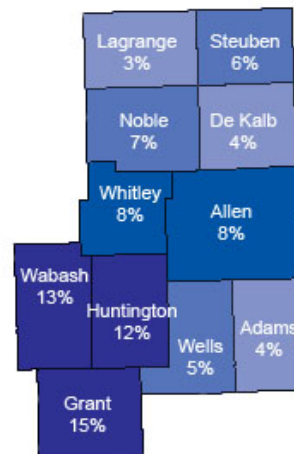
Figure 72: Distribution of EGR 3 nonprofit employment, by county, 2005



- 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.

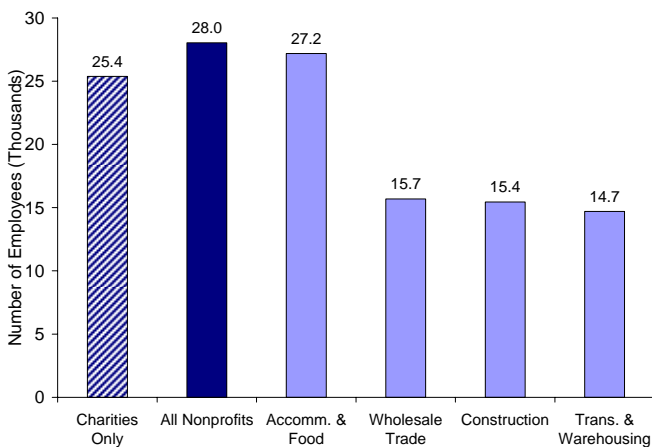
Figure 73: Nonprofit share of total employment, by county, 2005



- 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.

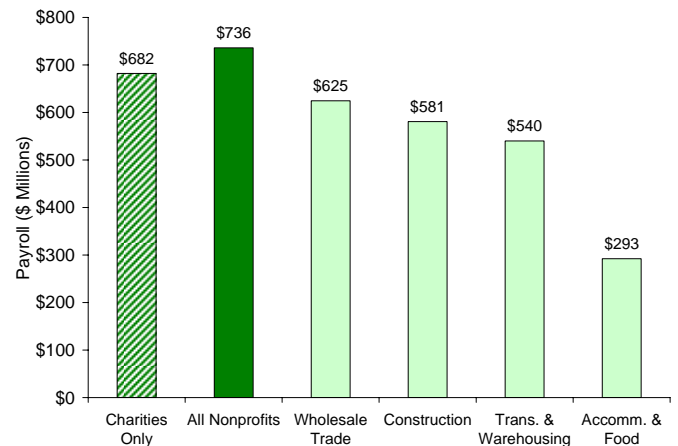
- Allen and Whitley County nonprofits comprised about the same percentage of total employment as the Indiana percentage.
- The nonprofit share of total employment in Noble and Steuben Counties was about 1 or 2 percentage points lower than the statewide share.
- Wells, DeKalb, Adams, and Lagrange County 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.⁴³ As Figure 74 shows, nonprofits in this region employed:

Figure 74: Employment in EGR 3's nonprofit sector in comparison to certain industries, 2005 (in thousands)



- 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:

Figure 75: Payroll in EGR 3's nonprofit sector in comparison to certain industries, 2005 (in millions)



- 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).

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.

Figure 76: Distribution of nonprofit employment, by industry, EGR 3 vs. Indiana, 2005

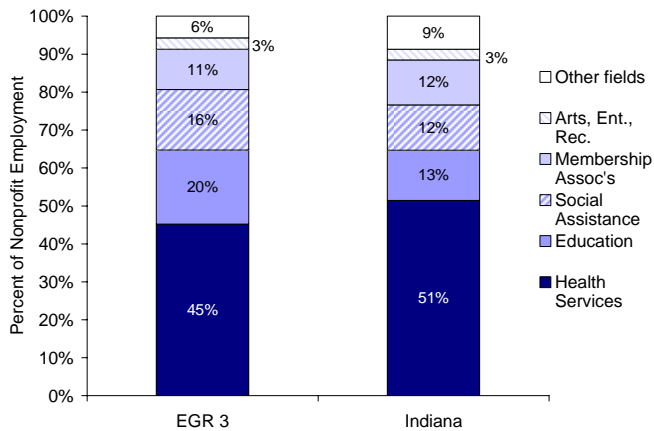
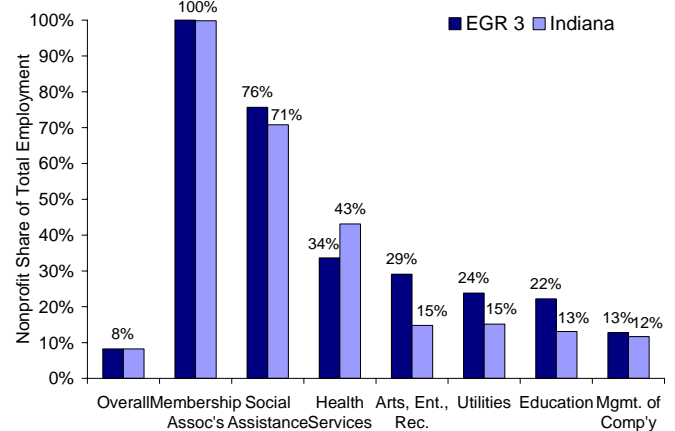


Figure 77: Nonprofit share of total employment for selected industries, EGR 3 vs. Indiana, 2005



- 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.

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.

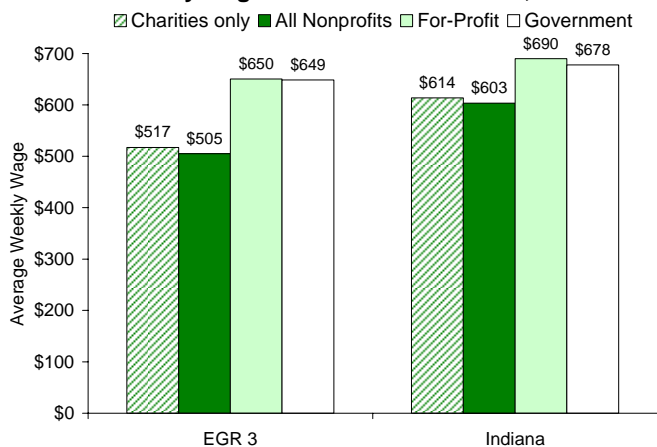
- About one-third (34 percent) of EGR 3 employment in health services was in the nonprofit sector. This is lower than the share statewide (43 percent).
- Nonprofits comprised about 29 percent of employment in arts, entertainment, and recreation in EGR 3, and this is considerably higher than the statewide 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

- 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



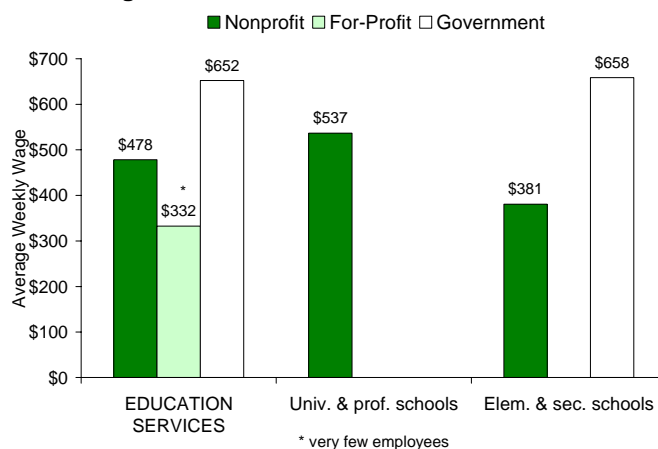
- Nonprofit workers in EGR 3 earned about 22 percent less than both the region’s for-profit and government workers.
- These gaps are considerably larger than the statewide gaps – statewide, Indiana nonprofit workers earned about 13 percent less than for-profit workers and 11 percent less than government 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-

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.

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.

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

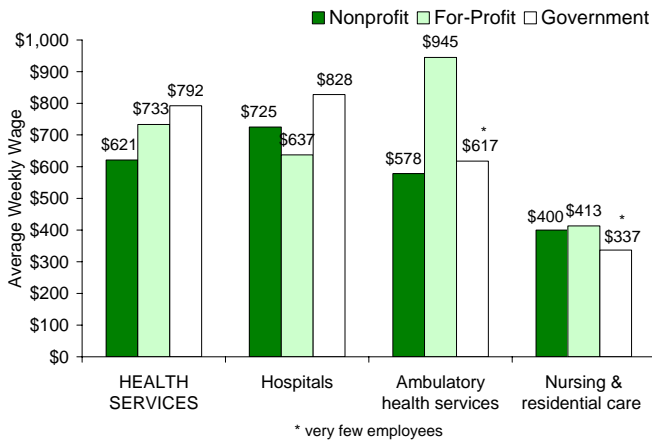


- On average, nonprofit employees in education services earned about 44 percent more than the few for-profit employees but about 27 percent less than government employees.
- Nonprofit university and professional school employees earned an average weekly wage of \$537. There was no for-profit employment 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

workers and about 22 percent less than government workers.

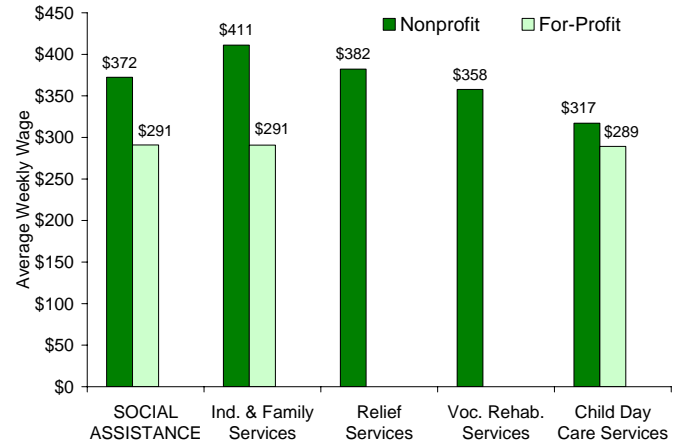
Figure 80: Average weekly wages in EGR 3 health services organizations, 2005



- 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 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.

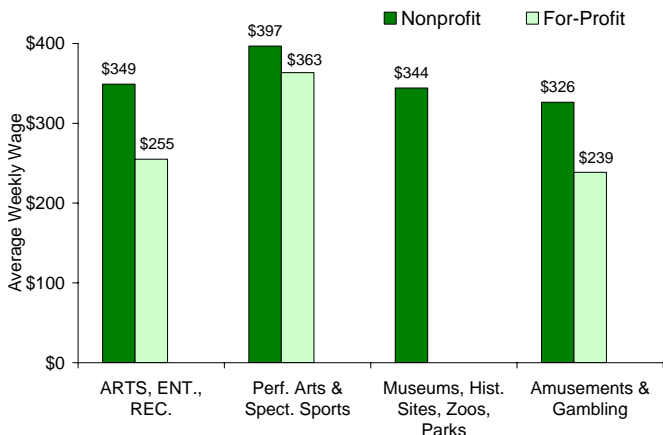
Figure 81: Average weekly wages in EGR 3 social assistance organizations, 2005



- 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.

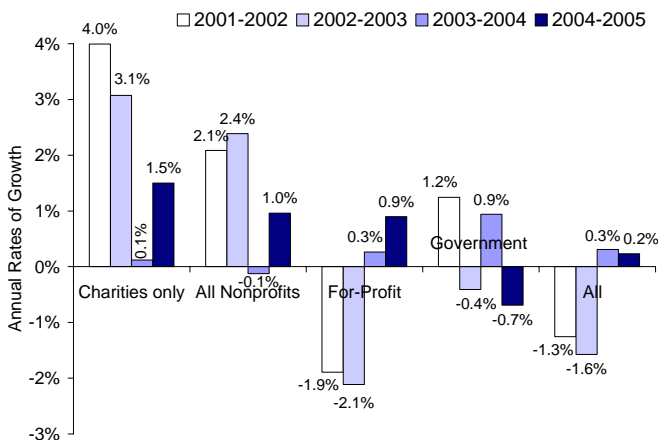
Figure 82: Average weekly wages in EGR 3 arts, entertainment, and recreation organizations, 2005



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 per-

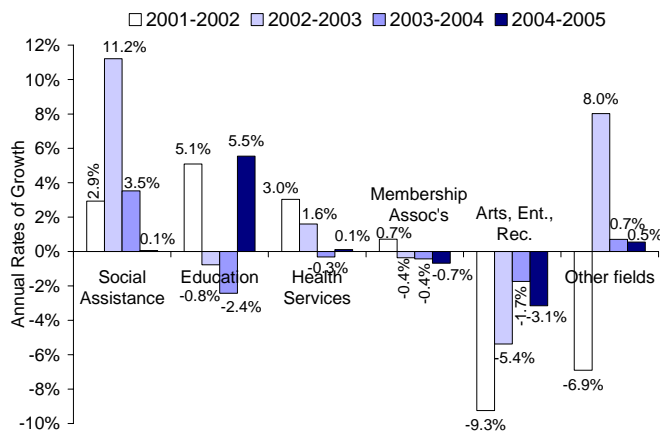
cent. Between 2004 and 2005, nonprofit employment grew by 1.0 percent.

- 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-

ployment 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.

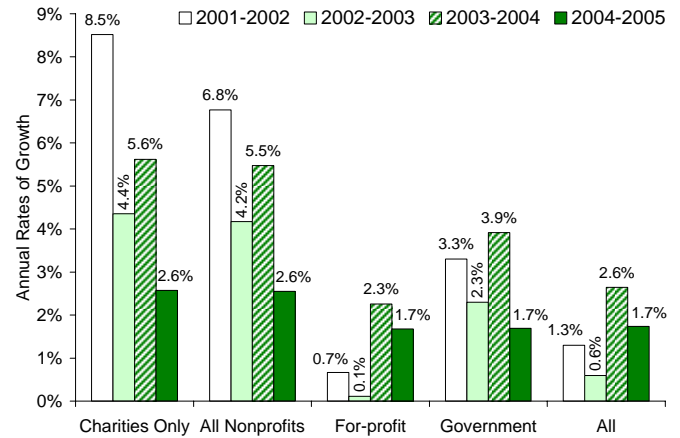
- Between 2001 and 2005, all three sectors' payrolls increased each year. The nonprofit sector's total payroll increased at a faster rate than the for-profit and government sectors' payrolls. See Figure 85.⁴⁸

- 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.

- Government payroll grew by 11.7 percent during the 2001 to 2005 period, with annual growth rates ranging between 1.7 percent and 3.9 percent.

Figure 85: Annual rates of growth in EGR 3 payroll, by sector, 2001-2005



⁴⁸ These growth rates are not adjusted for inflation.