

XV. SOUTHEAST CENTRAL INDIANA: ECONOMIC GROWTH REGION 9



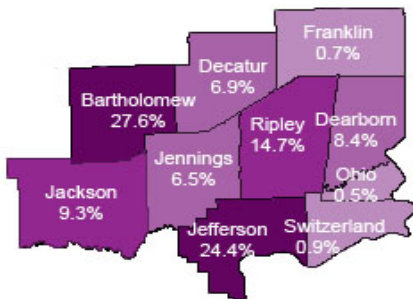
Ten southeast-central Indiana counties – Bartholomew, Decatur, Franklin, Ripley, Dearborn, Jackson, Jennings, Jefferson, Switzerland, and Ohio – comprise Economic Growth Region (EGR) 9. This region includes the Columbus Metropolitan Statistical Area (Bartholomew County). The private nonprofit sector is a major economic

force in EGR 9, employing more workers than several typically for-profit industries. Nonprofit employment in this region is concentrated in the health services and social assistance fields, with over two thirds of nonprofit employees working in one of these two fields. Overall, employment in the EGR 9 nonprofit sector has grown between 2001 and 2005, but employment in the nonprofit arts, entertainment and recreation industry has declined considerably.

Employment and Payroll: Nonprofits in EGR 9 employed 6,200 workers and had a total payroll of over \$178 million.

- The distribution of this region’s nonprofit employment differs notably by county, as shown in Figure 156.

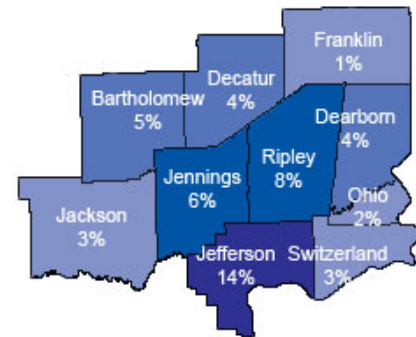
Figure 156: Distribution of EGR 9 nonprofit employment, by county



- Bartholomew County contained the largest share of the EGR 9’s nonprofit employment, with 27.6 percent.
- Jefferson County had the next largest share, with 24.4 percent.

- Ripley County contained 14.7 percent of the region’s nonprofit employment.
- Jackson County’s share of the region’s nonprofit employment was 9.3 percent.
- Dearborn County’s share was 8.4 percent.
- Decatur County’s share was 6.9 percent and Jennings County’s share was 6.5 percent.
- Switzerland, Franklin, and Ohio Counties each contained less than 1 percent of the region’s nonprofit employment, with shares of 0.9 percent, 0.7 percent, and 0.5 percent, respectively.
- The 6,200 nonprofit employees accounted for 6 percent of the region’s total employment of 132,400. This is lower than the statewide share of 8 percent.
- The nonprofit share of total employment differs by county, as shown in Figure 157.

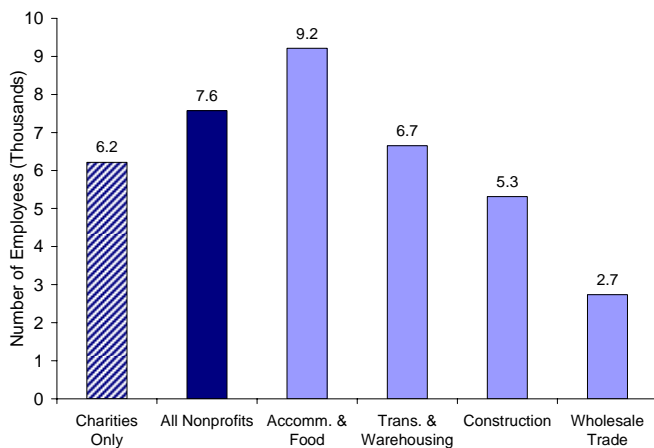
Figure 157: Nonprofit share of total employment, by county, 2005



- Jefferson County’s nonprofit share of total county employment was considerably higher than the statewide share (14 percent vs. 8 percent).
- Ripley County’s nonprofit sector comprised about the same percentage of total employment as the state’s percentage.
- Jennings and Bartholomew Counties had nonprofit shares of total employment that were about 2 or 3 percentage points lower than the statewide share.

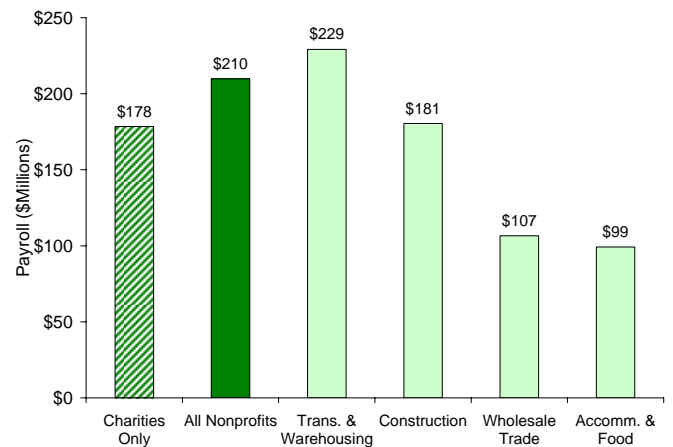
- Dearborn and Decatur County nonprofit shares of total employment were about half as large as the statewide percentage.
- Jackson, Switzerland, Ohio, and Franklin Counties had nonprofit shares of total employment that were less than half as large as the statewide percentage.
- Total nonprofit employment in EGR 9 exceeds the number of employees in several key industries.⁸⁴ As Figure 158 shows, nonprofits in this region employed:

Figure 158: Employment in EGR 9's nonprofit sector in comparison to certain industries, 2005 (in thousands)



- Fewer people than the 9,200 people employed by the region's accommodation and food services industry.
- More people than the 6,700 people employed by the region's transportation and warehousing industry and the 5,300 people employed by the region's construction industry.
- More than twice as many people as the 2,700 people employed by the region's wholesale trade industry.
- EGR 9's nonprofit sector accounted for \$210 million of the region's total payroll of \$4.4 billion, or 5 percent. As Figure 159 illustrates, payroll for jobs in the region's nonprofit sector was:

Figure 159: Payroll in EGR 9's nonprofit sector in comparison to certain industries, 2005 (in millions)



- Less than total payroll for the region's transportation and warehousing industry (\$229 million).
- Greater than total payroll for the region's construction industry (\$181 million).
- Nearly two times greater than total payroll for the region's wholesale trade industry (\$107 million).
- More than two times greater than total payroll for the region's accommodation and food services industry (\$99 million), even though the accommodation and food services industry had more employees.

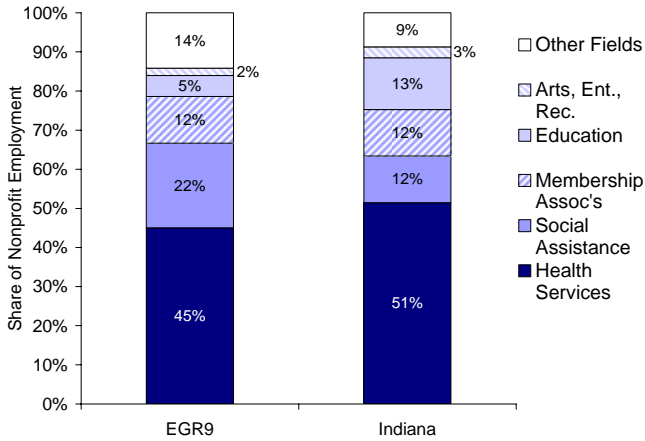
Nonprofit Industries: The region's nonprofit employment is concentrated in several industries, with over two thirds of nonprofit employees working in health services and social assistance. Nonprofits account for a considerable portion of the employment in some industries.

- As Figure 160 shows, the distribution of nonprofit employment across industries differs some from the corresponding distribution statewide.
 - Health services accounted for a smaller share of nonprofit employment in EGR 9 than statewide (45 percent vs. 51 percent).⁸⁵

⁸⁴ Less than 2 percent of employment in each of these industries was nonprofit employment, meaning that there is little overlap.

⁸⁵ Although the NAICS classification system groups health services and social assistance together as NAICS 62, we have separated social

Figure 160: Distribution of nonprofit employment, by industry, EGR 9 vs. Indiana, 2005



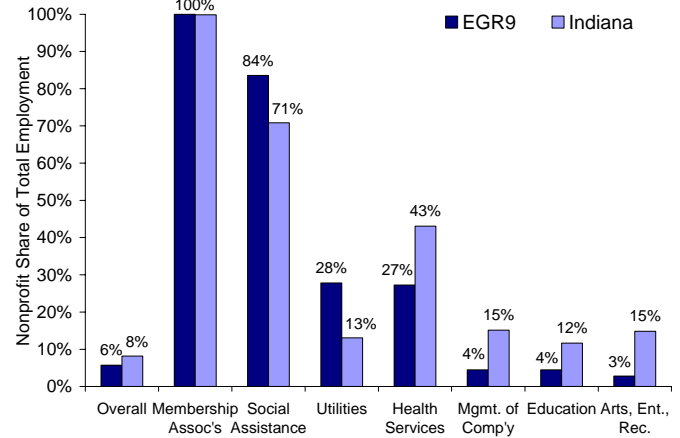
- Social assistance organizations made up a much larger share of nonprofit employment in EGR 9 than statewide (22 percent vs. 12 percent).
- The share of nonprofit employment accounted for by membership associations was the same in EGR 9 and statewide (12 percent each).⁸⁶
- The share of nonprofit employment accounted for by education organizations was 5 percent in EGR 9. This is less than half as large as the statewide percentage (13 percent).
- Arts, entertainment, and recreation accounted for a slightly smaller share in EGR 9 than statewide (2 percent vs. 3 percent).
- The share of nonprofit employment accounted for by other fields was higher in EGR 9 than statewide (14 percent vs. 9 percent).
- Nonprofit employment dominates in several industries, as illustrated in Figure 161.

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

⁸⁶ 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.

- Nearly all (almost 100 percent) of employment in membership associations in both EGR 9 and Indiana was attributed to nonprofits.

Figure 161: Share of nonprofit employment, EGR 9 vs. Indiana, 2005



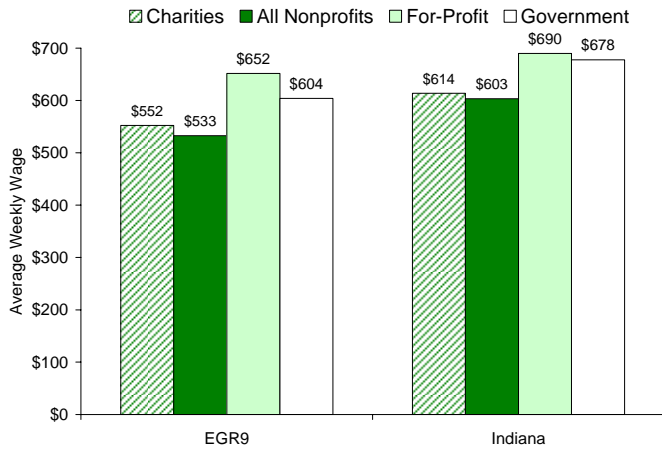
- Nonprofits accounted for 84 percent of employment in social assistance organizations in EGR 9, which is notably greater than the statewide share of 71 percent.
- Nonprofits made up 28 percent of employment in utilities in EGR 9. This is more than twice as high as the statewide percentage (13 percent).
- Nonprofits accounted for 27 percent of employment in health services in EGR 9, and this is considerably lower than the statewide share of 43 percent.
- Nonprofits accounted for only 4 percent of employment in management of companies in EGR 9, considerably less than the statewide share of 15 percent.
- Only 4 percent of the employment in EGR 9 education organizations was nonprofit, compared to 12 percent statewide.
- Three percent of the employment in EGR 9 arts, entertainment, and recreation organizations was nonprofit, while the statewide share was five times greater (15 percent).

Wages: Overall, average weekly wages paid to nonprofit employees are lower than those paid to employees in the for-profit and government sectors. However, this

is not always true in the industries in which nonprofits are concentrated, as nonprofit employees' wages are often actually greater than the wages of their for-profit or government counterparts in most of these industries.⁸⁷

- The average nonprofit weekly wage in EGR 9 was \$533. In both EGR 9 and Indiana as a whole, nonprofit employees overall earned less than their for-profit and government counterparts. See Figure 162.

Figure 162: Nonprofit, for-profit, and government average weekly wages in EGR 9 and Indiana, 2005



- Nonprofit workers in EGR 9 earned about 18 percent less than for-profit workers. This gap is larger than the statewide gap; overall, Indiana nonprofit workers earned about 13 percent less than for-profit workers.
- Nonprofit workers in EGR 9 earned about 12 percent less than government workers. This gap is slightly larger than the gap statewide, with nonprofit employees earning about 11 percent less than government employees statewide.

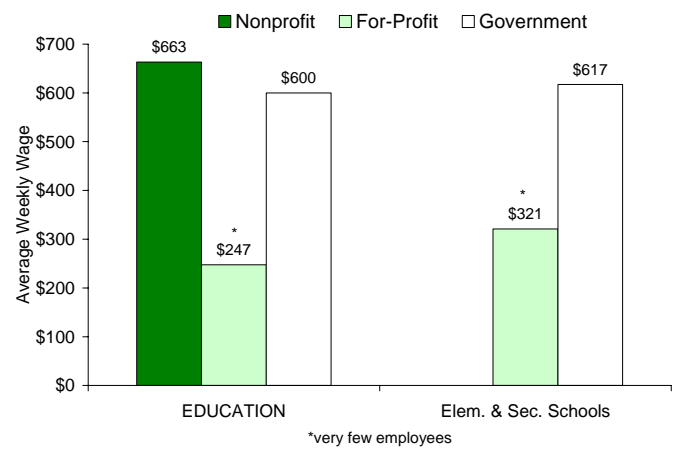
- However, in industries in which nonprofits are concentrated, nonprofit workers frequently earn more than their government or for-profit counterparts.⁸⁸

⁸⁷ 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.

⁸⁸ 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

- On average, nonprofit employees in EGR 9 education organizations earn more than their for-profit and government counterparts. (See Figure 163.) Elementary and secondary schools accounted for 86 percent of the employment in the education industry in EGR 9. Two other sub-industries – universities and professional schools and junior colleges – are not shown because there were too few establishments to report data separately.

Figure 163: Average weekly wages in EGR 9 education organizations, 2005



- Overall, nonprofit education employees earned more than twice as much as the few for-profit employees and about 11 percent more than government employees.⁸⁹
- There were too few nonprofit elementary and secondary school establishments to report separate nonprofit data. The average for-profit weekly wage was \$321 and the average government weekly wage was \$617.

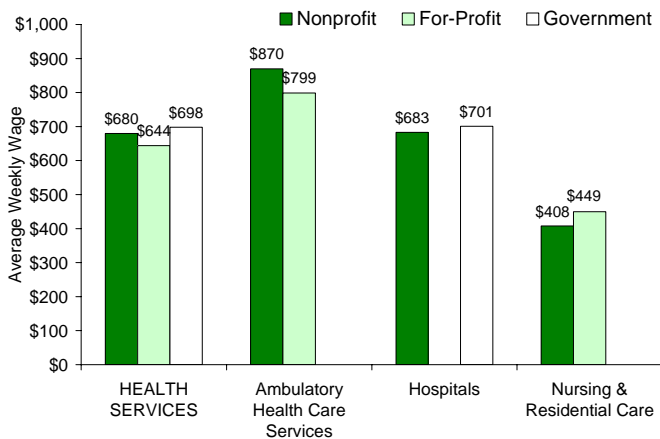
- Overall, workers in EGR 9 nonprofit health service organizations earn higher average weekly wages than for-profit workers but lower average weekly wages than government workers. (See Figure 164.) The three sub-industries shown accounted for 100 percent of the employment in the health services field in EGR 9.

(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.

⁸⁹ Government employees accounted for the vast majority of employment in this field, with 93 percent of the employment. Nonprofits accounted for about 4 percent and for-profits accounted for only 2 percent.

- On average, nonprofit employees in the EGR 9 health services industry earned about 6 percent more than for-profit employees but about 3 percent less than government employees.

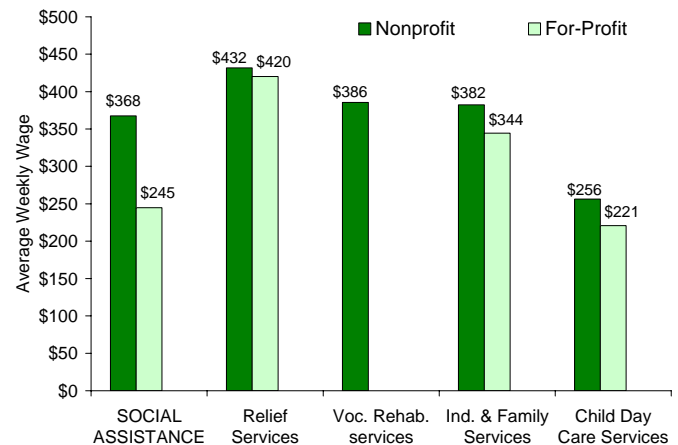
Figure 164: Average weekly wages in EGR 9 health services organizations, 2005



- In ambulatory health care services, nonprofit employees earned about 9 percent more than for-profit employees. There were too few government establishments to report separate government data.
- Workers in nonprofit hospitals earned about 3 percent less than government hospital workers. There were too few for-profit establishments to report for-profit data separately.
- Nonprofit nursing and residential care workers earned about 9 percent less than for-profit workers. There were too few government establishments to report government data separately.
- Overall, nonprofit social assistance employees in EGR 9 earn higher average weekly wages than for-profit employees. (See Figure 165.) There were too few government establishments to report government data separately. The four sub-industries shown accounted for 100 percent of the employment in social assistance in EGR 9.
 - On average in the EGR 9 social assistance industry, nonprofit employees earned about 50 percent more than for-profit employees.
 - Nonprofit relief services employees earned about 3 percent more than for-profit employees.

- Nonprofit employees accounted for 100 percent of the employment in vocational rehabilitation services in EGR 9. The average weekly wage was \$386.

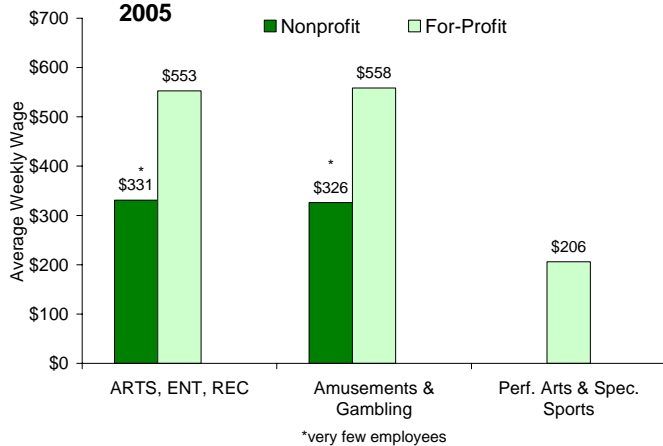
Figure 165: Average weekly wages in EGR 9 social assistance organizations, 2005



- Nonprofit workers in individual and family services earned about 11 percent more than for-profit workers.
- Nonprofit workers in child day care services earned about 16 percent more than for-profit workers.
- Overall in the EGR 9 arts, entertainment, and recreation industry, nonprofit average weekly wages were lower than for-profit average weekly wages. (See Figure 166.) There were too few government establishments to report government data separately. The two sub-industries shown accounted for over 99 percent of the employment in arts, entertainment, and recreation in EGR 9. A third sub-industry – museums, historical sites, zoos, and parks – had very little employment and too few establishments to report separately.
 - On average in the EGR 9 arts, entertainment, and recreation industry, the relatively few nonprofit employees earned about 40 percent less than for-profit employees.⁹⁰

⁹⁰ For-profit employees made up the vast majority of the employment in this industry, with 96 percent. Nonprofits made up about 3 percent, and government only about 1 percent.

Figure 166: Average weekly wages in EGR 9 arts, entertainment, and recreation organizations, 2005

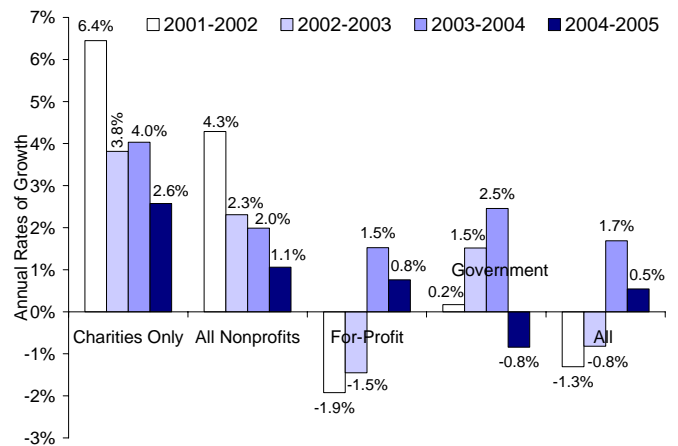


- There were too few nonprofit establishments in performing arts and spectator sports to report separate nonprofit data. The for-profit average weekly wage was \$206.
- The few nonprofit employees in amusements and gambling earned about 42 percent less than for-profit employees.

Growth: Overall, between 2001 and 2005 nonprofit employment grew by 10.0 percent, for-profit employment shrank by 1.1 percent, and government employment grew by 3.3 percent.

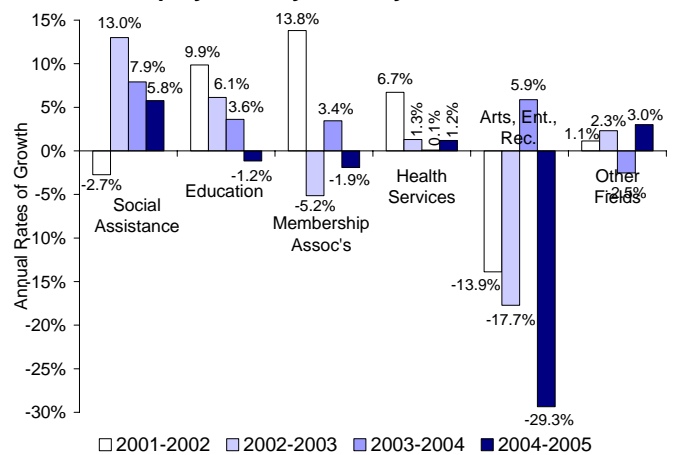
- However, as Figure 167 shows, these overall trends mask differences in annual growth rates.
 - Nonprofit employment grew each year during the four-year period, but annual growth rates became successively smaller each year, from a high of 4.3 percent in 2001 to 2002 to 1.1 percent during 2004 to 2005.
 - For-profit employment declined by 1.9 percent and 1.5 percent during the first two years, then grew during the next two years (by 1.5 percent during 2003 to 2004 and 0.8 percent during 2004 to 2005).
 - Government employment grew during the first three years (0.2 percent, 1.5 percent, and 2.5 percent respectively). Employment then shrank by 0.8 percent during 2004 to 2005.

Figure 167: Annual rates of growth in EGR 9 employment by sector, 2001-2005



- Nonprofit employment trends differ notably by industry. As Figure 168 shows, social assistance organizations experienced the most growth, and arts, entertainment, and recreation organizations saw the greatest decline.

Figure 168: Annual rates of growth in EGR 9 nonprofit employment, by industry, 2001-2005



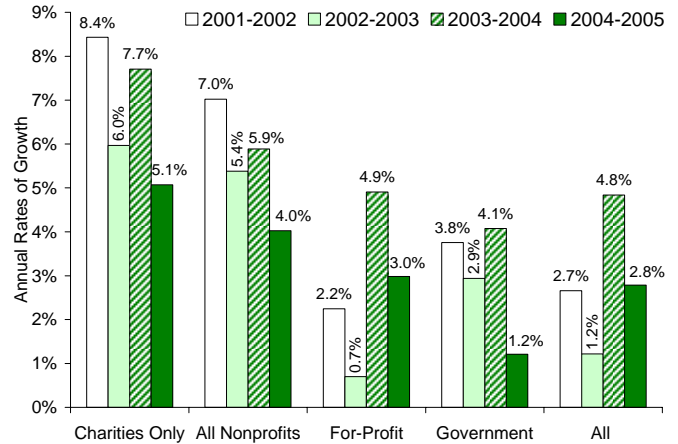
- Between 2001 and 2005, nonprofit employment in social assistance organizations grew by 25.4 percent. Employment declined by 2.7 percent during 2001 to 2002, but then grew during each of the next three years, by 13.0 percent, 7.9 percent, and 5.8 percent, respectively.
- Employment in nonprofit education organizations grew by 19.4 percent between 2001 and 2005. Annual growth rates during the first three years of the time period were 9.9 percent, 6.1

percent, and 3.6 percent. Employment then shrank by 1.2 percent between 2004 and 2005.

- Nonprofit employment in membership associations grew by 9.5 percent between 2001 and 2005. Annual growth rates were unsteady during this time period. Employment grew by 13.8 percent between 2001 and 2002, declined by 5.2 percent between 2002 and 2003, grew by 3.4 percent between 2003 and 2004, and then once again declined by 1.9 percent between 2004 and 2005.
- Nonprofit employment in health services also grew by 9.5 percent between 2001 and 2005, and annual growth rates were much more moderate. Employment grew by 6.7 percent between 2001 and 2002, 1.3 percent between 2002 and 2003, 0.1 percent between 2003 and 2004, and 1.2 percent between 2004 and 2005.
- Nonprofit employment in arts, entertainment, and recreation declined by 47.0 percent between 2001 and 2005. Employment declined by 13.9 percent during 2001-2002 and 17.7 percent during 2002 to 2003. Employment grew by 5.9 percent during 2003 to 2004, then once again declined in 2004 to 2005, by 29.3 percent.
- Nonprofit employment in other fields grew by 3.9 percent between 2001 and 2005. Employment grew by 1.1 percent and 2.3 percent during the first two years, declined by 2.5 percent during 2003 to 2004, and then grew by 3.0 percent during 2004 to 2005.

was 4.9 percent during 2003 to 2004, and the smallest annual rate of growth was 0.7 percent during 2002 to 2003.

Figure 169: Annual rates of growth in EGR 9 payroll, by sector, 2001-2005



- Government payroll grew by 12.5 percent from 2001 to 2005. The greatest annual growth rate was 4.1 percent from 2003 to 2004, and the smallest annual growth rate was 1.2 percent from 2004 to 2005.

- From 2001 to 2005, the region’s nonprofit sector total payroll grew at a faster rate than the for-profit and government sector total payrolls.⁹¹ See Figure 169.
 - Nonprofit payroll grew by 24.2 percent between 2001 and 2005. The greatest annual growth rate was 7.0 percent between 2001 and 2002, and the smallest annual growth rate was 4.0 percent between 2004 and 2005.
 - For-profit payroll grew by 11.2 percent between 2001 and 2005. The greatest annual growth rate

⁹¹ These growth rates are not adjusted for inflation.