

XIX. SOUTHWEST INDIANA: ECONOMIC GROWTH REGION 11



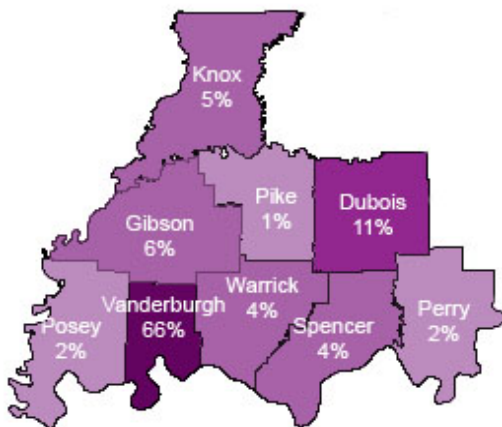
Nine southwest Indiana counties – Knox, Gibson, Pike, Dubois, Posey, Vanderburgh, Warrick, Spencer, and Perry – comprise Economic Growth Region (EGR) 11. This region includes the Evansville Metropolitan Statistical Area (Gibson, Posey, Vanderburgh, and Warrick Counties). The private nonprofit sector is a major

economic force in EGR 11, employing a greater percentage of the total workforce than the statewide average, and employing more workers than several typically for-profit industries. The region's nonprofit employment is concentrated in health services, with over half of nonprofit employees working in this field. Between 2001 and 2005, the EGR 11 nonprofit sector grew by 7.2 percent.

Employment and Payroll: Nonprofits in EGR 11 employed 18,500 workers and had a total payroll of over \$494 million.

- The distribution of this region's nonprofit employment differs notably by county, as shown in Figure 184.

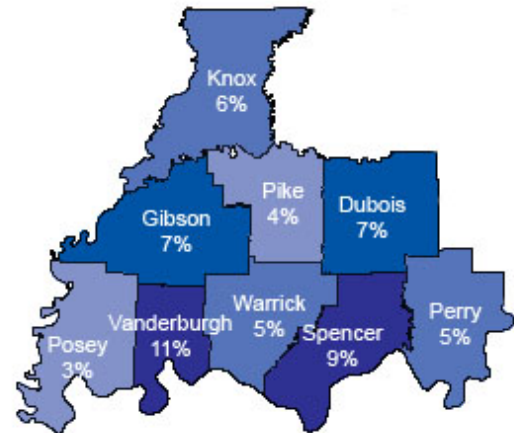
Figure 184: Distribution of EGR 11 nonprofit employment, by county, 2005



- Vanderburgh County contained two-thirds (66 percent) of the region's nonprofit employment.
- Dubois County had the next highest proportion, with 11 percent.

- Gibson County's share of the region's nonprofit employment was 6 percent, followed by Knox County's share of 5 percent.
- Warrick and Spencer Counties each contained 4 percent of the region's nonprofit employment.
- Posey and Perry Counties each contained 2 percent of the region's nonprofit employment.
- Pike County had the smallest share of the region's nonprofit employment, with only 1 percent.
- The 18,500 nonprofit employees accounted for 9 percent of the region's total employment of 207,700. This is slightly higher than the percentage statewide (8 percent).
- The nonprofit share of total employment differs by county, as shown in Figure 185.

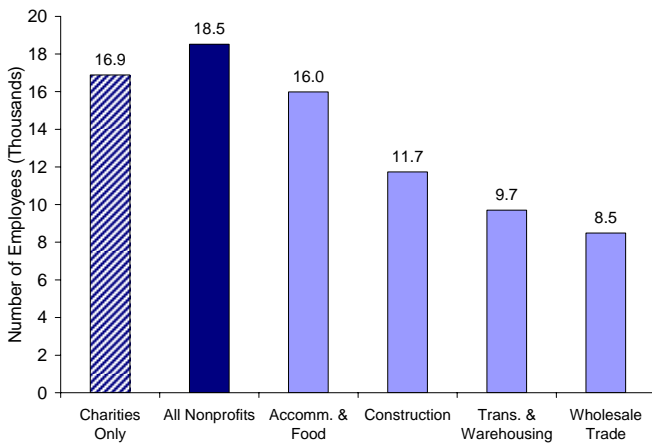
Figure 185: Nonprofit share of total employment, by county, 2005



- Vanderburgh County (11 percent nonprofit employment) and Spencer County (9 percent nonprofit employment) had nonprofit shares of total employment that were higher than the statewide share of 8 percent.
- Gibson, Dubois, and Knox Counties had nonprofit shares of total employment that were about 1 or 2 percentage points below the statewide share.

- Warrick and Perry Counties had nonprofit shares of total employment that were 3 percentage points lower than the statewide share.
- Pike County's nonprofit share of total employment was half as large as the statewide share (4 percent vs. 8 percent).
- Posey County's nonprofit share of total employment (3 percent) was less than half as large as the statewide percentage.
- Total nonprofit employment in EGR 11 exceeds the number of employees in several key industries.¹⁰⁰ As Figure 186 shows, nonprofits in this region employed:

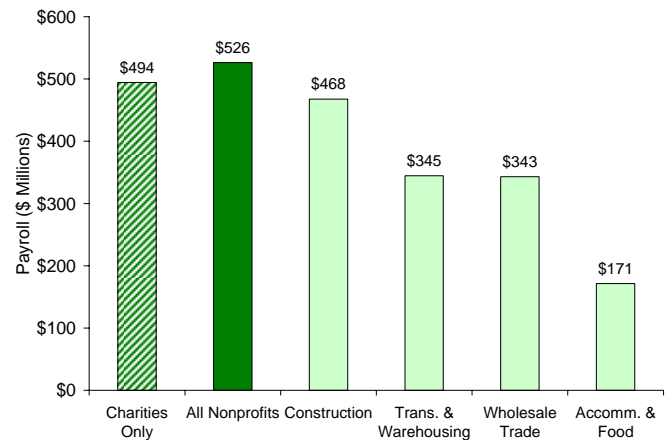
Figure 186: Employment in EGR 11's nonprofit sector in comparison to certain industries, 2005 (in thousands)



- More people than the 16,000 people employed by the region's accommodation and food services industry.
- Considerably more people than the 11,700 people employed by the region's construction industry.
- Nearly twice as many people as the 9,700 people employed by the region's transportation and warehousing industry.

- More than twice as many people as the 8,500 people employed by the region's wholesale trade industry.
- EGR 11's nonprofit sector accounted for \$526 million of the region's total payroll of \$7.1 billion, or 7 percent. As figure 187 illustrates, total payroll for jobs in the region's nonprofit sector was:

Figure 187: Payroll in EGR 11's nonprofit sector in comparison to certain industries, 2005 (in millions)



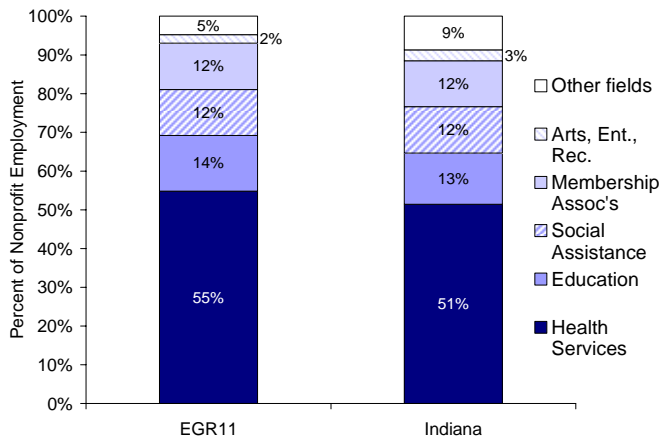
- Somewhat higher than payroll for the region's construction industry (\$468 million).
- About 1.5 times higher than payroll for the region's transportation and warehousing industry (\$345 million) and wholesale trade industry (\$343 million).
- Nearly 3 times higher than payroll for the region's accommodation and food services industry (\$171 million), even though this industry's number of employees was only a little smaller than the number of nonprofit employees.

Nonprofit Industries: The region's nonprofit employment is concentrated in several industries, with over half of nonprofit employees working in health services. Nonprofits account for a considerable share of the employment in some industries.

- As Figure 188 shows, the distribution of nonprofit employment across industries differs only slightly from the corresponding distribution statewide.

¹⁰⁰ Less than 0.5 percent of employment in these industries was nonprofit employment, meaning there is little overlap.

Figure 188: Distribution of nonprofit employment, by industry, EGR 11 vs. Indiana, 2005

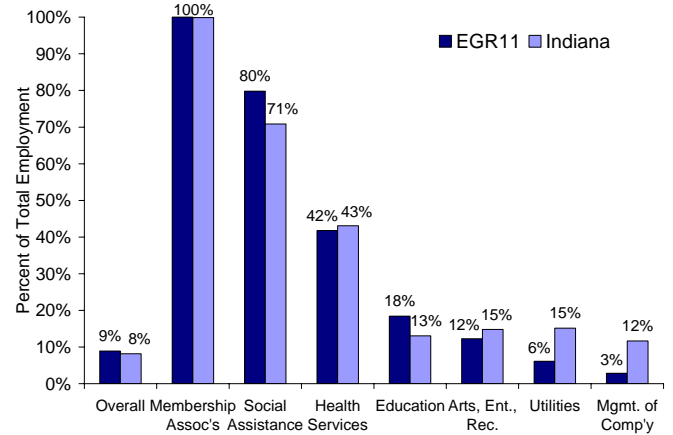


- Health services accounted for a larger share of total nonprofit employment in EGR 11 than statewide (55 percent vs. 51 percent).¹⁰¹
- Education made up a slightly larger share of nonprofit employment in EGR 11 than statewide (14 percent vs. 13 percent).
- Social assistance organizations and membership associations¹⁰² each made up 12 percent of nonprofit employment in EGR 11 the same as for the state as a whole.
- EGR 11 arts, entertainment, and recreation organizations accounted for 2 percent of nonprofit employment in the region, which is slightly lower than the statewide percentage (3 percent).
- Employment in other fields accounted for 5 percent of nonprofit employment in EGR 11, compared to 9 percent statewide.
- Nonprofit employment dominates in several industries, as shown in Figure 189.

¹⁰¹ 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.

¹⁰² 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.

Figure 189: Nonprofit share of total employment for selected industries, EGR 11 vs. Indiana, 2005



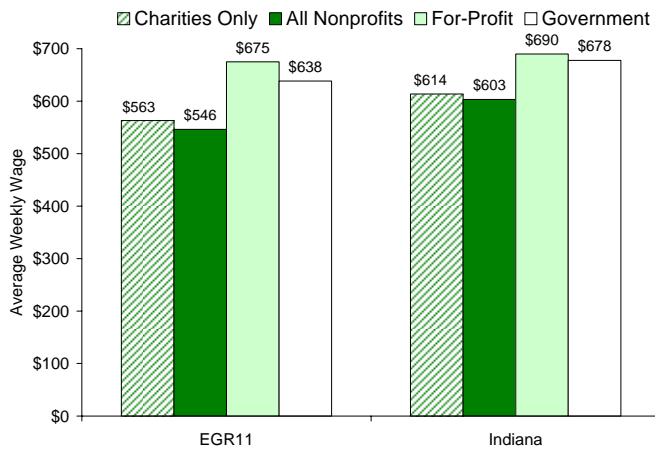
- Nearly all (almost 100 percent) of employment in membership associations in both EGR 11 and Indiana was attributed to nonprofits.
- Nonprofits accounted for four-fifths (80 percent) of employment in social assistance organizations in EGR 11; this is higher than the statewide share of 71 percent.
- About two-fifths (42 percent) of employment in health services in EGR 11 was attributed to nonprofits, which is similar to the statewide share of 43 percent.
- Nonprofits accounted for 18 percent of employment in education in EGR 11, which is higher than the statewide share of 13 percent.
- Nonprofits accounted for 12 percent of employment in arts, entertainment, and recreation in EGR 11, which is lower than the statewide share of 15 percent.
- Nonprofits comprised 6 percent of employment in utilities in EGR 11, less than half the statewide share of 15 percent.
- Nonprofits made up 3 percent of employment associated with the management of companies in EGR 11, considerably less than the statewide share of 12 percent.

Wages: Overall, average weekly wages paid to EGR 11 nonprofit employees are lower than those paid to em-

employees in the for-profit and government sectors. However, this is not always true in industries in which nonprofits are concentrated, as sometimes nonprofit employees' wages are greater than the wages of their for-profit or government counterparts.

- Nonprofit employees in EGR 11 earned an average weekly wage of \$546. In both EGR 11 and Indiana as a whole, nonprofit average weekly wages are lower than for-profit and government average weekly wages.¹⁰³ See Figure 190.

Figure 190: Nonprofit, for-profit, and government average weekly wages in EGR 11 and Indiana, 2005



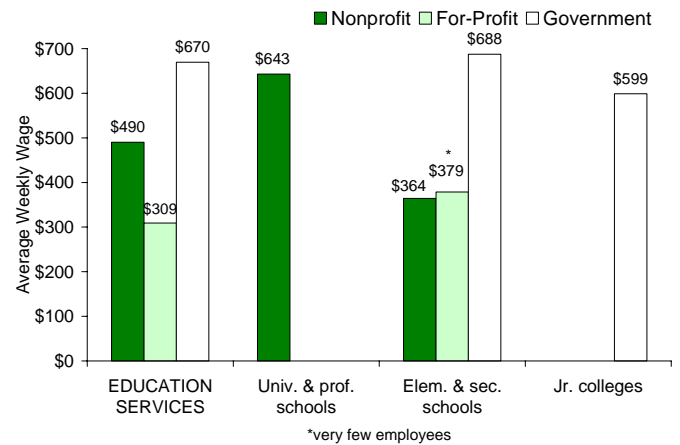
- Nonprofit workers in EGR 11 earned about 19 percent less than for-profit workers. This gap is larger than the statewide gap, with Indiana nonprofit workers earning about 13 percent less than for-profit workers.
- Nonprofit workers in EGR 11 earned about 14 percent less than government workers. This gap is also larger than the statewide gap, with Indiana nonprofit workers earning about 11 percent less than government workers.
- However, in industries in which nonprofit organizations are concentrated, nonprofit workers sometimes earn more than their for-profit or government counterparts.¹⁰⁴

¹⁰³ 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.

¹⁰⁴ When a sector had less than three establishments in an industry or sub-industry, the data was suppressed for confidentiality reasons.

- Overall, nonprofit employees in EGR 11 education organizations earn more than for-profit employees but less than government employees. (See Figure 191.) The three sub-industries shown accounted for 96 percent of the employment in the education industry in EGR 11.

Figure 191: Average weekly wages in EGR 11 education organizations, 2005

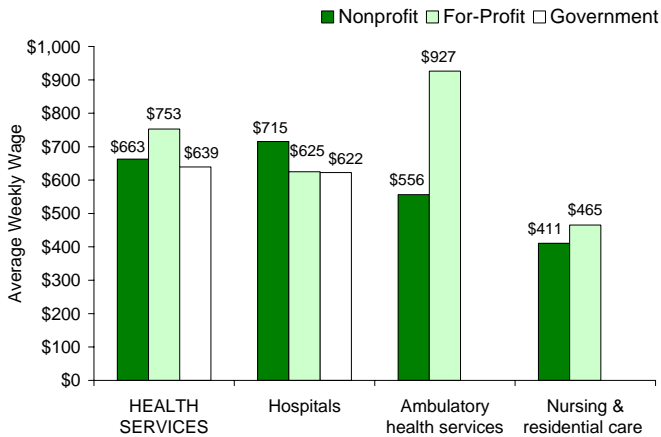


- On average, nonprofit education employees in EGR 11 earned about 59 percent more than for-profit employees but about 27 percent less than government employees.
- Nonprofit university and professional school employees earned an average weekly wage of \$643. There were no for-profit employees in this subfield, and there were too few government establishments to report government data separately.
- Nonprofit elementary and secondary school employees earned about 4 percent less than the relatively few for-profit employees and about 47 percent less than government employees.
- Fully 100 percent of the employment in junior colleges in EGR 11 was government employment. Government employees earned an average weekly wage of \$599.

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.

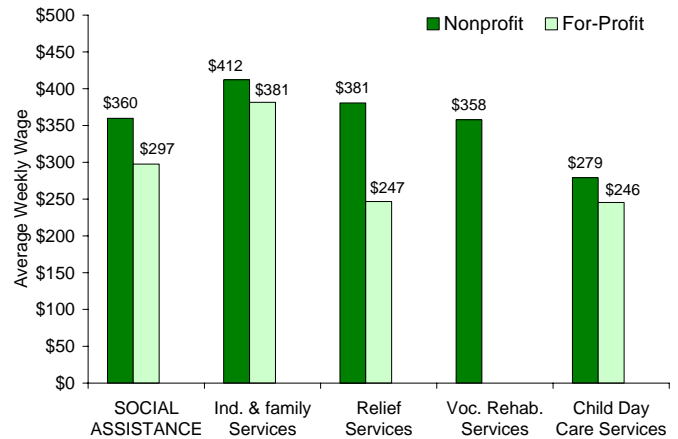
- Overall, nonprofit health services workers earn lower average weekly wages than for-profit workers but higher average weekly wages than government workers. (See Figure 192.) The three categories shown accounted for 100 percent of the employment in the health services industry in EGR 11.

Figure 192: Average weekly wages in EGR 11 health service organizations, 2005



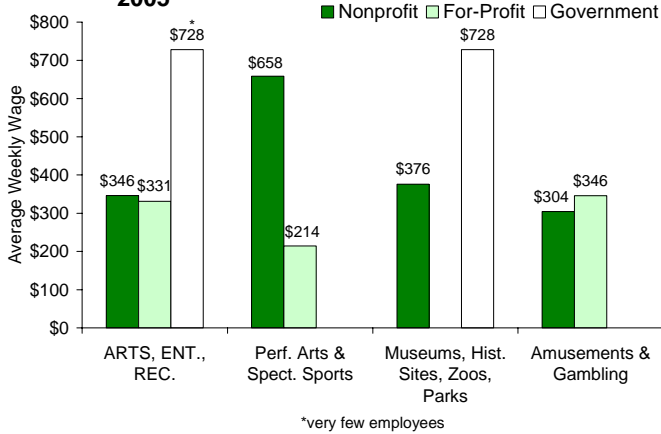
- On average, EGR 11 nonprofit health services employees earned about 12 percent less than for-profit employees but about 4 percent more than government employees.
- Nonprofit hospital workers earned about 14 percent more than for-profit workers and about 15 percent more than government workers.
- In ambulatory health services, nonprofit employees earned about 40 percent less than for-profit employees. There were too few government establishments to report government data separately.
- Nonprofit nursing and residential care workers earned about 12 percent less than for-profit workers. There was no government employment in this category.
- Overall in EGR 11, nonprofit social assistance workers earn higher average weekly wages than for-profit workers. (See Figure 193.) There were too few government establishments to report government data separately. The four sub-industries shown accounted for 100 percent of the employment in the social assistance industry.

Figure 193: Average weekly wages in EGR 11 social assistance organizations, 2005



- On average in the social assistance industry, nonprofit workers earned about 21 percent more than for-profit workers.
- In individual and family services, nonprofit employees earned about 8 percent more than for-profit employees.
- Nonprofit relief services workers earned about 54 percent more than for-profit workers.
- 100 percent of the employment in the vocational rehabilitation services subfield was nonprofit employment. The nonprofit average weekly wage was \$358.
- Nonprofit employees in child day care services earned about 13 percent more than for-profit employees.
- Overall in the EGR 11 arts, entertainment, and recreation industry, nonprofit average weekly wages are higher than for-profit average weekly wages but lower than government average weekly wages. (See Figure 194.) The three sub-industries shown comprised 100 percent of the employment in the EGR 11 arts, entertainment, and recreation industry.
- On average, nonprofit arts, entertainment, and recreation employees earned about 5 percent more than for-profit employees but about 52 percent less than the relatively few government employees.

Figure 194: Average weekly wages in EGR 11 arts, entertainment, and recreation organizations, 2005



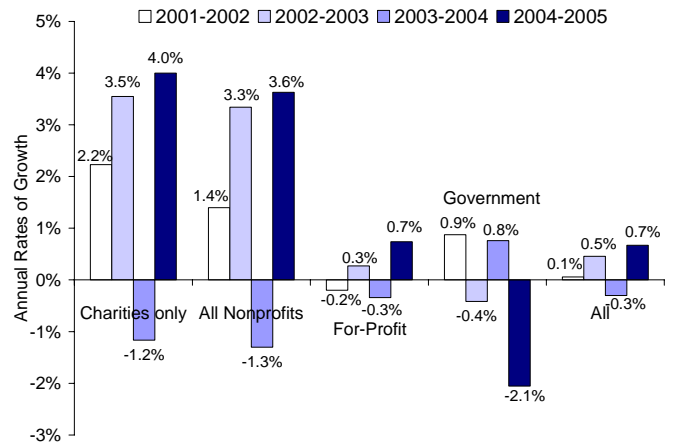
- Nonprofit employees in performing arts and spectator sports earned about 3 times more than for-profit employees. There were no government employees in this category.
- Nonprofit workers in museums, historical sites, zoos, and parks earned about 48 percent less than government employees. There were too few for-profit establishments to report for-profit data separately.
- Nonprofit workers in amusements and gambling earned about 12 percent less than for-profit workers. There was no government employment in this category.

Growth: Overall, between 2001 and 2005 nonprofit employment grew by 7.2 percent, for-profit employment grew by 0.5 percent, and government employment shrank by 0.9 percent.

- However, as Figure 195 shows, these overall trends mask differences in annual growth rates.
 - Nonprofit employment grew by 1.4 percent between 2001 and 2002 and by 3.3 percent between 2002 and 2003. It then shrank by 1.3 percent during 2003 to 2004, before growing again in 2004 to 2005, by 3.6 percent.
 - For-profit employment fluctuated during the four-year period. It experienced decline (by 0.2 percent) during 2001 to 2003, growth (by 0.3 percent) during 2003 to 2004, decline (by 0.3

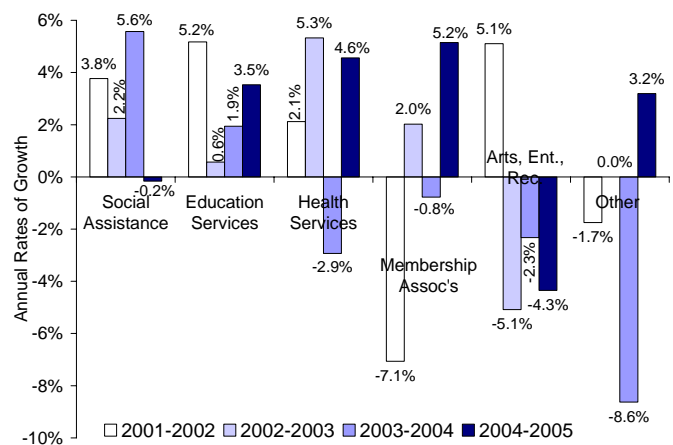
percent) during 2003 to 2004, then growth again (by 0.7 percent) during 2004 to 2005.

Figure 195: Annual rates of growth in EGR 11 employment by sector, 2001-2005



- Government employment also fluctuated during this period. It grew by 0.9 percent during the first year, shrank by 0.4 percent during the second year, grew by 0.8 percent during the third year, and shrank by 2.1 percent during the fourth year.
- Nonprofit employment trends differ notably by industry. As Figure 196 shows, social assistance organizations experienced the most growth, while arts, entertainment, and recreation organizations saw the greatest declines.

Figure 196: Annual rates of growth in EGR 11 nonprofit employment, by industry, 2001-2005

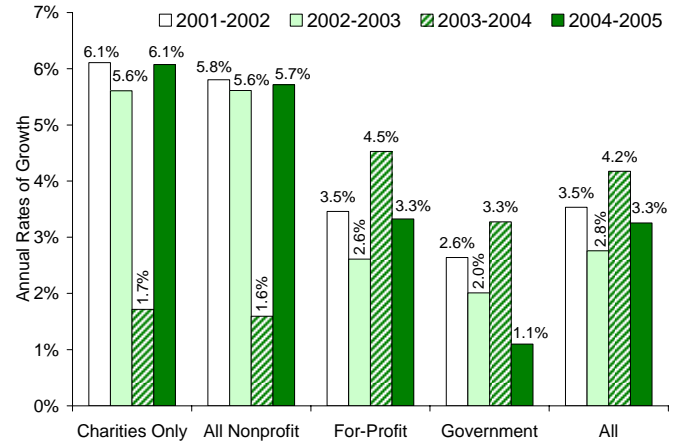


- Nonprofit social assistance employment grew by 11.8 percent between 2001 and 2005. Employ-

ment experienced growth during the first three years (by 3.8 percent, 2.2 percent, and 5.6 percent, respectively), then declined by 0.2 percent between 2004 and 2005.

percent, 5.6 percent, 1.6 percent, and 5.7 percent, respectively.

Figure 197: Annual rates of growth in EGR 11 payroll by sector, 2001-2005



- Nonprofit employment in education grew by 11.6 percent between 2001 and 2005. The industry experienced growth each year during this four-year period, with annual growth rates of 5.2 percent, 0.6 percent, 1.9 percent, and 3.5 percent, respectively.
- Nonprofit health services employment grew by 9.2 percent from 2001 to 2005. Employment grew during the first two years (by 2.1 percent and 5.3 percent, respectively), declined by 2.9 percent during 2003 to 2004, and then grew by 4.6 percent during 2004 to 2005.
- Nonprofit employment in membership associations declined by 1.1 percent between 2001 and 2005. Employment declined by 7.1 percent during 2001 to 2002, grew by 2.0 percent during 2002 to 2003, shrank by 0.8 percent during 2003 to 2004, and grew by 5.2 percent during 2004 to 2005.
- Nonprofit arts, entertainment, and recreation employment shrank by 6.8 percent from 2001 to 2005. Employment grew by 5.1 percent during the first year of this time period, then shrank each year during the next three years, with annual rates of decline of 5.1 percent, 2.3 percent, and 4.3 percent, respectively.
- Nonprofit employment in other fields shrank by 7.4 percent between 2001 and 2005. Employment shrank by 1.7 percent during 2001 to 2002, remained steady during 2002 to 2003, shrank by 8.6 percent during 2003 to 2004, and then grew by 3.2 percent during 2004 to 2005.
- Between 2001 and 2005, the nonprofit sector's payroll grew at a faster rate than for-profit and government payroll.¹⁰⁵ See Figure 197.
 - Nonprofit payroll grew by 20.0 percent between 2001 and 2005, with annual growth rates of 5.8

- For-profit payroll grew by 14.7 percent between 2001 and 2005. The smallest annual growth rate was 2.6 percent during 2002 to 2003, and the greatest annual growth rate was 4.5 percent during 2003 to 2004.
- Government payroll grew by 9.3 percent between 2001 and 2005. The smallest annual growth rate was 1.1 percent during 2004 to 2005, and the greatest annual growth rate was 3.3 percent during 2003 to 2004.

¹⁰⁵ These growth rates are not adjusted for inflation.