



INDIANA NONPROFITS PROJECT
NONPROFIT EMPLOYMENT: COUNTIES SERIES
REPORT #1

Nonprofit Profit Paid Employment in Clark and Floyd Counties, Indiana, 2000-2018

June 2020

A joint product of
The O'Neill School of Public & Environmental Affairs at Indiana University
and the Lilly Family School of Philanthropy

A report prepared for the



Community Foundation
of Southern Indiana

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Acknowledgments

This report was prepared at the request of the Community Foundation of Southern Indiana. It is part of an ongoing project on the **Indiana Nonprofit Sector: Scope and Community Dimensions**, made possible by the support from the Community Foundation of Southern Indiana, the Efroymson Chair in Philanthropy by the Efroymson Fund at the Central Indiana Community Foundation, the Lilly Family School of Philanthropy's Indiana Research Fund, supported in part by Lilly Endowment Inc., and the O'Neill School of Public and Environmental Affairs at IU.

We are grateful to Carol O. Rogers, Victoria Nelson, and Jerry Conover at the Indiana Business Research Center for making the data on which this report is based available to us and for very helpful comments on the draft. We thank the many research assistants working on the Indiana Nonprofit Sector project for their contributions to developing the data series and prior reports which this report is based: Tyler Abbott, Andrea (Lewis) Appeltranger, Rachel Breck, Pauline Campbell, Anthony Colombo, Kristen Dmytryk, Lauren Dula, Erich Eschmann, Jacob Knight, Hannah Martin, Kellie McGiverin-Bohan, Weston Merrick, Rachel Miller, Kathleen Novakosky, Hun Myoung Park, Deb (Oonk) Seltzer, Lauren Shaman, Virginia Simpson, Alexandra (Buck) Toledo, and Kathleen Zilvinskis. We thank members of the Advisory Board for the Indiana Nonprofit Sector: Scope and Community Dimensions project for helpful comments and suggestions. We also thank AJ Wheeler for making the maps within the report. Finally, we thank Elizabeth McAvoy and Apurva Gadde for comments and suggestions on previous versions of this report.

Copies of this report are available on the Indiana Nonprofit Sector Website (www.indiana.edu/~nonprof).

Suggested Citation

Nonprofit Paid Employment in Clark and Floyd Counties, Indiana, 2000-2018, Nonprofit Employment Series, Counties Series, Report 1, by Kirsten A. Grønbjerg and Apurva Gadde with Anjali Bhatt. (Bloomington, IN: Indiana University O'Neill School of Public and Environmental Affairs), June 2020.

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Clark and Floyd Counties

Clark and Floyd counties are neighboring counties located in Economic Growth Region (EGR) 10 in Southeast Indiana. In 2018, the 4,000 establishments in Clark and Floyd counties employed more than 84,000 workers with a total payroll of almost 3.5 billion. This report examines the economic contributions of nonprofits in Clark and Floyd counties and how that compares to Indiana and EGR 10, other industries, and other sectors.

A separate report examines the economic contributions of nonprofits in EGR 10. It shows similar patterns, reflecting the fact that Clark and Floyd counties jointly account for 82 percent of total nonprofit employment in EGR 10 in 2018 (up from 77 in 2000). Similarly, the two counties account for 87 percent of total nonprofit payroll in EGR 10 in 2018, up from 55 percent in 2000 and 67 percent in 2009.

Employment and Payroll

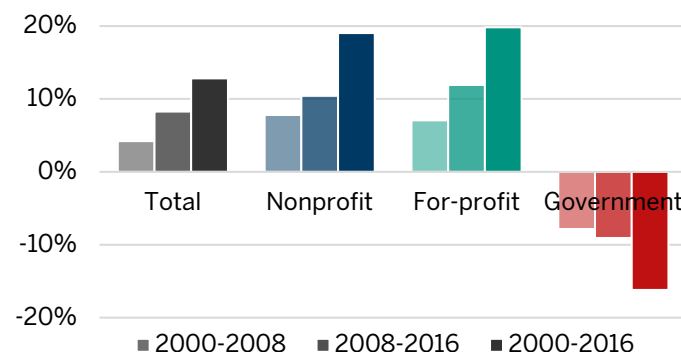
In 2018, nonprofits in Clark and Floyd counties employed more than 6,000 workers and had a total payroll of over \$269 million. This is about 7 percent of all paid employees and 8 percent of total payroll in the two counties, similar to EGR 10 (about 7 percent for each in 2018). The corresponding percentages for Indiana as a whole were higher (about 10 percent). Nonprofit employment in the two counties increased from 2009 when nonprofits accounted for 5 percent of paid employees and 4 percent of payroll. In 2000, 4 percent of all paid employees and 3 percent of total payroll were nonprofits. Paid nonprofit employment has doubled since 2000 and total payroll is more than four times the 2000 level (adjusted for inflation).

Nonprofit **employment** in Clark and Floyd counties grew by 19 percent between 2000 and 2016,¹ while for-profit employment increased by 20 percent and government employment declined by about 16 percent (Figure 1). The nonprofit average annual growth rate was 1.1 percent, slightly higher than 1.0 percent for for-profits, and especially the decline (by 0.2 percent) for government.² Nonprofit employment increased for 12 of the 19 years during the 2000-2018 period, slightly more years than for-profit or government employment (11 and 9 years).

Nonprofit **payroll** in Clark and Floyd counties follows a similar pattern to employment. Total nonprofit payroll

in Clark and Floyd counties grew from \$89 million in 2000, to \$103 million in 2008, and to \$116 million in 2016. This is an increase of 30 percent from 2000 to 2016. Annually, this is an average of 1.5 percent growth for nonprofit payroll, higher than for-profit and government payroll (1.4 and 0.4 percent).² Nonprofit payroll increased in 12 of the 19 years between 2000 and 2018, more than for-profit and government payroll (11 and 8 years respectively).

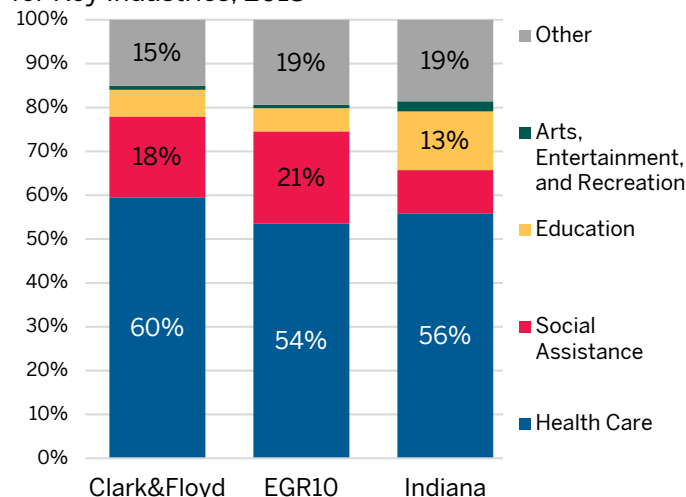
Figure 1: Percent Change in Employment by Sector



Nonprofit Industry Data

Two nonprofit industries – healthcare and social assistance – account for the majority (78 percent) of total nonprofit employment in Clark and Floyd counties (see Figure 2). The dominance of health care (60 percent) in the two counties is similar to the state as a whole (56 percent) and to EGR 10 (54 percent).

Figure 2: Percentage of Total Nonprofit Employment for Key Industries, 2018



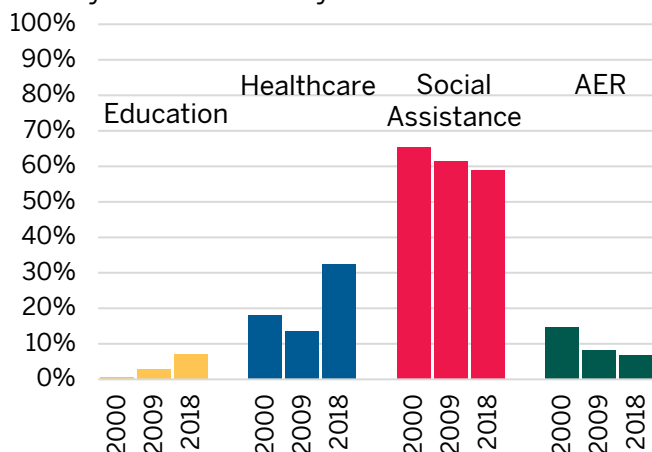
¹ We focus on trends over the 2000-2016 period because there was a one-time conversion from government to nonprofit ownership of a health facility in 2017 which distorts changes for 2016-17.

² The annual growth rate averages exclude the growth from 2016-17, which was an anomaly.

Social assistance accounts for a notably larger share of paid nonprofit employment in Clark and Floyd counties (and in EGR 10) compared to Indiana as a whole. Education and arts, entertainment and recreation make up correspondingly smaller segments. The “other” segments include nonprofit employees in all other industries (including membership associations).

The patterns differ, however, when we look at how dominant nonprofits are in each of these industries. Social assistance is the only industry where nonprofits dominate (red bars in Figure 3) in Clark and Floyd counties. They account for almost 60 percent of total paid employment, down slightly from the earlier part of the 2000-2018 period. Nonprofits account for a much smaller proportion of workers in the health care industry (just over 30 percent in 2018), but that is an increase from 18 percent in 2000 and 14 percent in 2009.³

Figure 3: Percentage Nonprofit Employment in Clark and Floyd Counties for Key Industries



During the 2000-2018 period, the nonprofit share of art, entertainment and recreation industry has declined, while the share of nonprofit education has increased. Both industries had a small nonprofit share of employment to begin with. In general, these patterns are fairly similar to EGR 10.

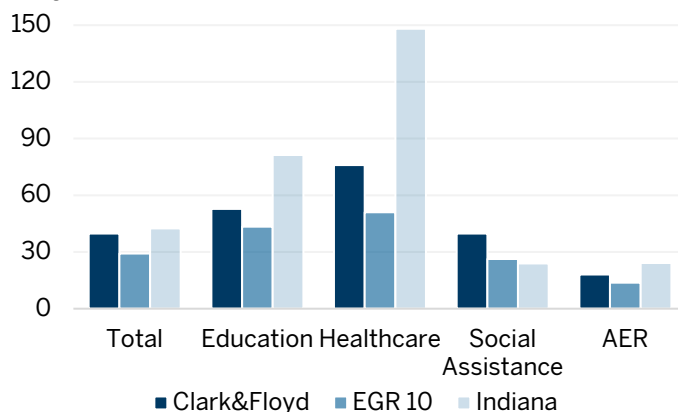
Size of Nonprofit Establishments

We use average size of establishment to better understand the scope of operations in these industries. However, these averages (number of employees per establishment) should be interpreted with caution since they may hide very large or very small establishments. They also do not distinguish between full-

time and part-time workers. Both features likely vary considerably among industries and sub-industries (e.g., hospitals vs. clinics in health care).

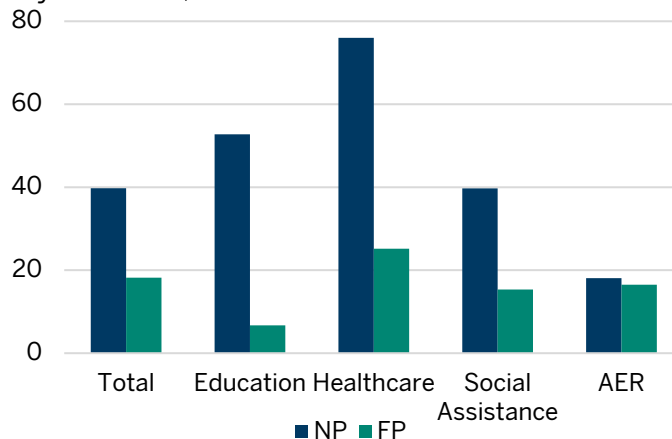
On average, Clark and Floyd counties nonprofit establishments were larger than nonprofit establishments in the same industries for EGR 10 (Figure 4). However, they were smaller than the averages for the state as a whole, except for social assistance).

Figure 4: Average Size of Nonprofit Establishments of Key Industries, 2018



Nonprofits on average have many more employees than for-profit establishments (Figure 5). The difference is particularly striking in education, where the average nonprofit had more than 50 employees in 2018, compared to less than ten for for-profit establishments. For health care, nonprofits on average had about three times as many employees as for-profit employers and for social assistance about one and a half times as many.

Figure 5: Average Size of Establishment by Sector for Key Industries, 2018



³ The increase in healthcare employment is due in part to the conversion of a health facility to nonprofit status.

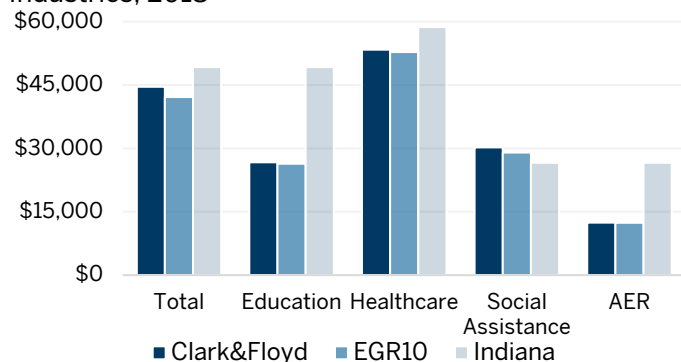
The average size of nonprofit establishments has generally increased since 2000 in each of the major nonprofit industries (with some fluctuations over the period), except for a small decline in arts, entertainment and recreation.

Nonprofit Wages by Industry

As with average size of establishments, average annual wages should be interpreted with caution since they may hide very high and very low values. In addition, industries and employers differ in the extent to which they rely on part-time vs. full-time employees. These practices affect average wages per employee.

Average annual nonprofit wages in 2018 were generally lower in Clark and Floyd counties compared to Indiana as a whole, especially in education and arts, entertainment, and recreation. The exception is social assistance (Figure 6) where they were slightly higher. In general, they were roughly comparable to average annual wages in EGR 10 for the same industries.

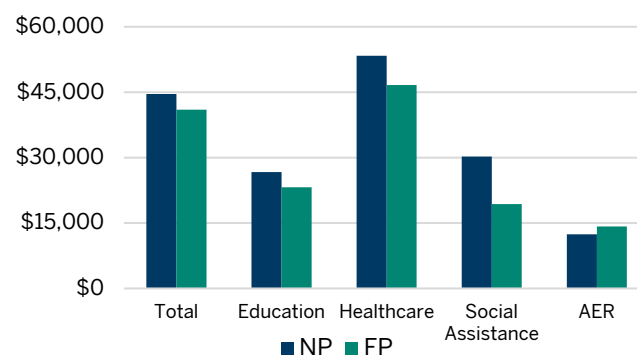
Figure 6: Nonprofit Average Annual Wages for Key Industries, 2018



Nonprofit average annual wages in Clark and Floyd counties were higher than for-profit average wages in all industries, except arts, entertainment and recreation (Figure 7). The difference was most pronounced in social assistance, where nonprofit employees on average earned about \$10,000 more per year than those employed in for-profit establishments.

Average annual wages for nonprofit workers generally increased between 2000 and 2016 overall in the two counties. The increase was especially notable in health care, where average annual wages increased by over \$20,000 (adjusted for inflation). Average annual wages in education increased only slightly (by about \$1,000), and they declined in social assistance and arts, entertainment, and recreation.

Figure 7: Average Annual Wages by Sector for Key Industries, 2018



Summary and Conclusion

Nonprofit employment in Clark and Floyd counties has increased significantly, while for-profit employment has grown only modestly and government employment has decreased. Local nonprofits also contribute substantially to the total payroll in Clark and Floyd counties.

In terms of industries, healthcare and social assistance are the prominent nonprofit industries in Clark and Floyd counties. Clark and Floyd nonprofits in the healthcare industry provide more nonprofit employment than any other major industry. Nonprofits are particularly important in social assistance in these counties, accounting for about 60 percent of total employment in the industry.

Overall, nonprofit employment in Floyd and Clark counties mirror fairly closely the overall Economic Growth Region #10. Compared to Indiana overall, nonprofits in Floyd and Clark counties account for smaller percentages of total paid employment and total payroll. Nonprofit establishments in Clark and Floyd counties have somewhat fewer employees per establishments and pay lower average annual wages than nonprofits for the state as a whole. However, nonprofits in Clark and Floyd counties are generally larger and pay higher average annual wages than for-profit establishments in the same industries.

See Appendix A, pp. 17-20 in Nonprofit Paid Employment in Social Assistance: Update Report, Indiana 1995-2018, Nonprofit Employment Series, Industry Series, Report 12, by Kirsten A. Grønberg and Anjali Bhatt. (Bloomington, IN: Indiana University O'Neill School of Public and Environmental Affairs), February 2020. The report is available here: <https://nonprofit.indiana.edu/doc/publications/employment/socialassistanceupdatereport.pdf>.



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