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Scope and Community Dimensions

Nonprofit Employment Series
Report #8

Indiana Nonprofit Employment: Trends in Health Care, 1995–2011

September 2013

A Joint Project of
The Indiana University Lilly Family School of Philanthropy
The School of Public and Environmental Affairs at Indiana University
The Indiana Business Research Center at Indiana University
The Johns Hopkins Center for Civil Society Studies

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Copies of this report are available on the Indiana Nonprofits project web site (www.indiana.edu/~nonprof) and the Center for Civil Society Web site (www.jhu.edu/~csss).

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SEPTEMBER 2013

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NONPROFIT EMPLOYMENT
SERIES: REPORT #8

A joint product of

The Lilly Family
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Environmental Affairs
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The Indiana Business
Research Center
at Indiana University's
Kelley School of Business

The Johns Hopkins
Nonprofit Employment
Data Project

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CONTENTS

Key Findings	1
Major Findings in Health Care	1
Findings in Hospitals	2
Findings in Nursing and Residential Care Facilities	3
Findings in Ambulatory Health Care Services.....	3
I. Introduction.....	5
A. Why Nonprofit Health Care Employment Matters to Indiana.....	5
B. Methodology	6
C. Overview of Health Care and Its Sub-Industries.....	8
1. Hospitals.....	9
2. Nursing and Residential Care Facilities.....	10
3. Ambulatory Health Care Services	11
D. Overview of Nonprofit and For-profit Employment Dynamics.....	12
II. EMPLOYMENT	14
A. Employment in Health Care and Other Indiana Industries.....	14
B. Nonprofit Employment in Health Care and Other Nonprofit Industries	15
C. Health Care Employment in Nonprofit, Government, and For-Profit Sectors	16
D. Employment in Specific Health Care Sub-Industries	20
III. Establishments	26
A. Establishments in Health Care and Other Indiana Industries	26
B. Nonprofit Establishments in Health Care and Other Nonprofit Industries.....	27
C. Health Care Establishments in Nonprofit, Government, and For-Profit Sectors	29
D. Establishments in Specific Health Care Sub-Industries	30
IV. Payroll.....	38
A. Payroll in Health Care and Other Indiana Industries.....	38
B. Nonprofit Payroll in Health Care and Other Nonprofit Industries	38
C. Health Care Payroll in the Nonprofit, Government, and For-Profit Sectors	40
D. Payroll in Specific Health Care Sub-Industries	42
V. Average Annual Wages.....	47
A. Average Annual Wages in Health Care and Other Indiana Industries	47
B. Nonprofit Average Annual Wages in Health Care and Other Nonprofit Industries.....	47
C. Average Annual Wages in Nonprofit, Government, and For-Profit Sectors	48
D. Average Annual Wages in Specific Health Care Sub-Industries	50
VI. Conclusion and Policy Implications	57
Appendix A: The ES-202 Unemployment Insurance Information Program.....	59
Appendix B: Data Tables.....	64
Appendix C: Project Publications and Reports.....	68

APPENDICES

Appendix A: The ES-202 Unemployment Insurance Labor Market Information Program.....	59
Source of Data.....	59
Scope of Coverage.....	59
Data Processing and Cleaning.....	62
Appendix B: Data Tables	64
Table 1: Establishments, employment, and payroll in nonprofit health care, all health care, and all nonprofits ..	64
Table 2: Nonprofit health care employment and payroll as a percentage of all health care and all nonprofit employment and payroll.....	64
Table 3: Nonprofit establishments, employment, and payroll in health care sub-industries.....	65
Table 4: Nonprofit health care sub-industry employment and payroll as a percentage of all health care and all nonprofit employment and payroll	65
Table 5: Nonprofit sub-industry employment and payroll as a percentage of all nonprofit and all sub-industry employment and payroll.....	66
Table 6: Average nonprofit and total average annual wages in health care and health care sub-industries.....	66
Table 7: Average number of employees per establishment in health care and health care sub-industries	67
Appendix C: Project Publications and Report.....	68

KEY FINDINGS

Nonprofit organizations make significant contributions to the quality of life for the residents of Indiana. They are also a major force in the state's economy and in the economic health of all regions of the state. In particular, health care nonprofits (e.g., hospitals, outpatient clinics, nursing and group homes for the elderly or people with disabilities, blood banks, etc.) not only provide critical services but also employ a significant number of workers with average wages higher than in most other Indiana industries¹. This report from the *Indiana Nonprofits: Scope and Community Dimensions* project presents new data on the size, composition, and distribution of paid health care² employment in Indiana's private nonprofit sector over the 1995-2011 period. All dollars are adjusted for inflation and are reported in constant 2009 dollars.

MAJOR FINDINGS IN HEALTH CARE

- **In Indiana, the health care industry was overwhelmingly the largest employer in the nonprofit sector.** On average from 1995-2011, health care employed 54 percent of all nonprofit employees and provided 62 percent of total nonprofit sector payroll. In comparison, the next largest nonprofit industry, education, employed an average of just 13 percent of all Indiana nonprofit workers and accounted for 13 percent of all nonprofit payroll. For more information, see page 15.
- **The nonprofit health care industry grew even during recessions.** By 2011, nonprofit health care establishments in Indiana employed 36 percent more workers than in 1995, expanding in all but one year. Even during economic recessions, the nonprofit health industry continued to grow, responding to persistent demand for health care in all types of economic situations. For more information, see page 15.
- **Health care nonprofits had the highest annual wages on average (\$38,600) during the period compared to all other major nonprofit industries in Indiana.** Among nonprofits, the ambulatory health care services sub-industry had the top wages, at \$43,000 on average. The hospitals sub-industry followed closely behind at \$41,700 annually. The lowest-paying sub-industry, nursing and residential care facilities, barely averaged \$23,700, perhaps because many employees in this sub-industry work part-time or in low-paying personal care positions. For more information, see page 47.
- **Average annual wages of nonprofit health care workers in Indiana grew 21 percent from 1995-2011, more than those of for-profit workers (1 percent), but less than those of government workers (29 percent).** In 2011, nonprofit wages surpassed for-profit wages and averaged \$42,100, while for-profit wages were \$41,200 and government wages were the highest at \$44,600. For more information, see page 48.
- **Payroll of health care nonprofits grew 65 percent between 1995 and 2011, faster than overall Indiana payroll.** This growth was also larger than health care payroll in the government (5 percent growth) or for-profit (46 percent growth) sectors. Nonprofit health care payroll growth was less than

¹ In this report, industries refer to the classification of establishment by economic activity according to North American Industry Classification System (NAICS), such as health care, education, or manufacturing. Sector refers to the distinction between nonprofit, for-profit, and government establishments.

² When this report refers to health care (NAICS 62), it does not include the social assistance sub-industry (NAICS 624). That sub-industry was profiled in a previous report. For more information, visit www.indiana.edu/~nonprof/results/inemploy/innonprofemploytrendsassocassist.php.

only the nonprofit education industry, “other” nonprofits (i.e., utilities, animal shelters, cooperatives), and social assistance. For more information, see page 40.

- **Despite having the largest employment of all major nonprofit industries, health care made up only 15 percent of total nonprofit establishments on average.** This pattern reflects the presence of large hospitals and residential facilities requiring entire building complexes instead of small offices. The number of nonprofit health care establishments increased by 27 percent over the time period, with nearly consistent positive growth most years—impressive growth for establishments usually requiring major capital and construction. Growth in number of both education and social assistance establishments outpaced health care, at 99 percent and 28 percent respectively. For more information, see page 27.
- **Health care had the largest average establishment size in the nonprofit sector, averaging 133 employees from 1995-2011.** By 2011, the average nonprofit health care establishment had about 45 more employees than the average establishment in the nonprofit education industry and roughly 115 employees more than the average nonprofit establishment in arts, entertainment, and recreation. These patterns confirm the staff-intensive nature of health care establishments, which contribute substantially to overall nonprofit employment. For more information, see page 27.

FINDINGS IN HOSPITALS

- **The hospitals sub-industry represents the largest employment base in terms of both the nonprofit health care sector and the overall health care industry.** On average, 65 percent of hospital employment was in the nonprofit sector and 70 percent of all nonprofit employment in the health industry could be found in hospitals, reinforcing their dominance and importance in this field and Indiana’s economy overall. For more information, see page 20.
- **Nonprofit employment in hospitals saw a large increase compared to the rest of the health care industry, adding nearly 24,000 employees from 1995 to 2011, a 34 percent increase.** Nonprofit hospital employment was less volatile than in the for-profit sector, with positive growth in all but two years. For more information, see page 22.
- **While hospitals had the highest number of employees, they had the fewest establishments.** More than 45 percent of all hospitals in Indiana were nonprofits. Nonprofits added 14 new establishments over the time period and on average were considerably larger (by a factor of almost 4.5) than for-profit hospitals. This is largely due to differences in the size of general versus specialty hospitals. For more information, see page 30.
- **Of the three health care sub-industries, only hospitals had the majority of payroll come from nonprofits.** Hospitals garnered 75 percent of dollars spent on nonprofit payroll within the health care sector. Nonprofit hospital payroll increased 58 percent over the time period, from \$2.7 billion to \$4.3 billion. Government payroll in hospitals was the second largest, averaging \$1.3 billion. While for-profits had the fastest growing payroll of the three sectors at 240 percent, for-profit payroll was on average only one-eighth the size of nonprofit sector payroll at \$442 million. For more information, see page 43.
- **Nonprofit hospitals paid higher wages than for-profit hospitals.** The average wage for nonprofit hospital employees was \$41,700. Government and for-profit hospital wages averaged \$40,100 and \$37,400, respectively. For more information, see page 51.

FINDINGS IN NURSING AND RESIDENTIAL CARE FACILITIES

- **In 2011, 30 percent of workers in nursing and residential care facilities were employed by nonprofits.** Nonprofits added approximately 5,000 workers between 1995 and 2011. By comparison, for-profits added more than 10,000 employees, while government establishments lost more than 2,700. For more information, see page 23.
- **Nonprofits, on average, had only half as many nursing and residential facilities as the for-profit sector.** With just fewer than 400 establishments, nonprofits made up 36 percent of total nursing and residential care establishments and their number of establishments grew just 1 percent through 2011. The most nonprofit growth occurred between 1995 and 1999. In contrast, the number of for-profits grew the most from 2004 to 2011, with a major spike in 2011. For more information, see page 34.
- **Nursing and residential care had the smallest payroll of all health care sub-industries (averaging \$514 million) within the nonprofit sector and the least growth overall.** Payroll in this sub-industry was dominated by the for-profit sector with an average of \$1.1 billion. For more information, see page 44.
- **Nursing and residential care had the lowest average annual wages of all health care sub-industries.** Within this sub-industry, nonprofits were the lowest-paying sector. For-profit wages surpassed nonprofit wages in 1997, and government remained the highest-paying sector throughout the time period. Nonprofit wages only grew 4 percent, from \$22,300 in 1995 to \$23,200 in 2011. For more information, see page 53.

FINDINGS IN AMBULATORY HEALTH CARE SERVICES

- **Nonprofit employment in ambulatory health care services increased 63 percent between 1995 and 2011—greater than in nonprofit health care overall.** In this sub-industry, for-profit employment increased 45 percent over the time period, while government employment grew 47 percent. For more information, see page 24.
- **Nonprofits made up approximately 15 percent of ambulatory health care employment, while for-profits employed around 85 percent.** Government facilities employed less than one percent of workers. Overall, ambulatory health care services were the second largest health care employers, employing an average of 34 percent of industry employees and adding 39,400 employees over the time period. For more information, see page 24.
- **While ambulatory care accounted for 86 percent of the overall number of health care establishments, it was the sub-industry with the smallest nonprofit presence.** Nonprofits accounted for only 5 percent of ambulatory care establishments on average. Largely due to its small base, the number of nonprofit establishments in this sub-industry grew faster than in any other sub-industry (59 percent). The relatively large number of establishments in this sub-industry is due to the smaller operating size of clinics and medical offices as compared to large hospital or residential care infrastructure. For more information, see page 36.
- **Ambulatory care had the second largest overall annual payroll, \$5.1 billion, of any of the health care sub-industries.** This payroll represents 42 percent of the average annual total payroll of all Indiana health care establishments during the period. For-profits held the lion's share of this sub-industry's aver-

age annual payroll, about 87 percent, compared to 12 percent and less than 1 percent for nonprofits and government respectively. For more information, see page 45.

- **Nonprofit ambulatory care wages grew steadily during the period and averaged \$43,000.** From 1995 to 2006, for-profit employees had the highest wages, averaging over \$52,000. While government wages surpassed those of the for-profit sector in 2007, government wages averaged only \$46,300 over the entire period. For more information, see page 55.

I. INTRODUCTION

Nonprofit organizations make significant contributions to the quality of life of Indiana residents by offering health care, social assistance, job training, culture and recreation, and opportunities for civic engagement. They are also a major force in the state's economy and in the well-being of all regions of the state.

This report presents new information on the size, composition, and distribution of paid, private, nonprofit employment in Indiana's health care industry. The eighth report in a series of statewide employment analyses,³ it focuses on health care employment trends from 1995 through 2011. Data over this time period provide insights into how recessions and economic growth periods impact nonprofit health care employment and how employment differs across sectors and nonprofit industries. Reports on trends in nonprofit education, social assistance, and arts, entertainment, and recreation employment have been published and are available at: www.indiana.edu/~nonprof/results/innonprofitemploy.htm.

The research is part of a larger project on *Indiana Nonprofits: Scope and Community Dimensions*, currently underway at Indiana University. The project is designed to provide solid, baseline information about the Indiana nonprofit sector, its composition and structure, its contributions to Indiana, and the challenges it is facing. For additional information about the project and to access this and other project reports, please visit www.indiana.edu/~nonprof.

A. Why Nonprofit Health Care Employment Matters to Indiana

Analysis of employment in Indiana's nonprofit sector serves at least three purposes. First, it demonstrates the nonprofit sector contributions to the state's economic development. For example, nonprofit employment in the health care industry increased by more than a third from 1995 to 2011, while overall state employment grew less than 2 percent. Nonprofit health care employees received the highest wages on average of all major nonprofit industries in Indiana.

Second, analysis of employment trends helps us better understand the nonprofit sector overall and its economic impact on our communities. While there are important insights to be gained by focusing on volunteers or other aspects of nonprofit organizations, employment data offer a unique opportunity to understand the extent and complexity of the nonprofit sector. For example, the timeliness, frequency, and accuracy of employment data present a more detailed picture of the sector's growth patterns than relying on the number of tax-exempt organizations or data available from the minority of nonprofits that report financial data via tax forms.

Third, employment information provides insights into the dynamics and changing composition of for-profit and nonprofit sectors within an industry.⁴ For example, while for-profits employ about half of health care workers, the nonprofit sector is responsible for over 65 percent of employment within the hospitals sub-industry.

³ Report #1 (2003) compared 1995, 2000 and 2001. Report #2 looked at trends from 2000-2003. Report #3 focused on changes over the 2001-2005 time period. Report #4 updated previous findings by adding 2009 data. Report #5, #6, and #7 looked, respectively, at trends in the education, social assistance, and arts, entertainment and recreation industries from 1995 to 2009.

⁴ For more information on the utility of nonprofit employment data, see: Lester Salamon & Wojciech Sokolowski. (2005). Nonprofit organizations: new insights from QCEW data. *Monthly Labor Review*. Copy available at www.bls.gov/opub/mlr/2005/09/art3full.pdf

Indeed, a large percentage of health care establishments are nonprofits and their presence is important to the state's economic development. For example:

- Hospitals, easily the largest and most visible establishments of the health care industry, provide high-quality and stable sources of employment. Nearly half of all general hospitals remain nonprofit and continue to play a vital role in maintaining and enhancing community health.⁵ Moreover, these establishments provide a wide range of critical services.
- In nursing and residential care, nonprofits stepped in to help fill the void in care left by closing government facilities between 1995 and 2007. Nursing and residential care facilities provide important services for some of the state's most vulnerable populations, including senior citizens and those with disabilities.
- Ambulatory health care covers a wide range of medical services, including nonprofit health care clinics and home health care services, which may serve disadvantaged or homebound groups.

In the remainder of this report, we take a closer look at the health care industry in Indiana. We explore employment, number of establishments, average establishment size, total payroll, and average yearly wages in the health care industry, all with a specific focus on the contributions of the nonprofit sector to the state. Within each of these sections, we first provide an overview of the health care industry and how it compares to other major Indiana industries across all sectors. We then compare health care nonprofits to other major nonprofit industries.⁶ Next, we consider differences across the nonprofit, for-profit, and government sectors. We conclude by looking at the health care industry in more detail, describing three specific health care sub-industries: hospitals, nursing and residential care facilities, and ambulatory health care services.

B. Methodology

The report draws on data generated by the Indiana Department of Workforce Development through the filings of Indiana workplaces carried out under the national Quarterly Census of Employment and Wages (QCEW) program. The program is administered by the Bureau of Labor Statistics as part of the unemployment insurance program. Also known as the ES-202 program, the QCEW data are collected cooperatively by the Bureau of Labor Statistics and the various state-level employment security agencies (including all 50 states, the District of Columbia, Puerto Rico, and the Virgin Islands).⁷ The data were prepared for us by the Indiana Business Research Center at Indiana University under a confidentiality agreement with the state.

For the purpose of this report, we focus on private nonprofits registered as tax-exempt entities with the U.S. Internal Revenue Service under Section 501(c) of the Internal Revenue Code.⁸ This includes private, nonprofit hospitals, clinics, colleges, schools, social service agencies, homeless shelters, soup kitchens, museums,

⁵ Gray, Bradford H. and Mark Schlesinger, "Health Care," in *The State of Nonprofit America*, ed. Lester M. Salamon, 89-136. (Washington, DC: Brookings Institution Press, 2012), 34.

⁶ When comparing the health care industry (NAICs code 62) we use data from manufacturing (31-33), retail trade (44-45), accommodation and food services (72), education (61), and construction (23). These industries are the closest in size to health care in terms of number of employees across all sectors.

⁷ For further details, please see: U.S. Department of Labor, Bureau of Labor Statistics. *BLS Handbook of Methods*. "Chapter 5: Employment and Wages Covered by Unemployment Insurance" available at www.bls.gov/opub/hom/homch5_a.htm.

⁸ Although some units of government are registered with the IRS as charities, our analysis of nonprofit employment excludes all employees of government-owned establishments. They are counted as government employees.

theaters, and many other types of organizations. It also includes a wide variety of civic organizations, trade associations, unions, veterans groups, cemetery associations, and other membership groups.

Our report focuses on the health care industry as classified in the QCEW dataset by the North American Industry Classification System (NAICS) codes.⁹ NAICS code 62 is “health care and social assistance,” which we have separated into “health care” and “social assistance” based on the industry’s four sub-industries, identified by their three-digit codes: ambulatory health care services (621), hospitals (622), nursing and residential care facilities (623), and social assistance (624). Due to its distinct role and importance in local communities, social assistance (624) was examined separately in a previous report.¹⁰ We consider the remaining three sub-industries (621, 622, and 623) to comprise “health care,” and they are the primary focus of this report. We present the sub-industries according to the size of their nonprofit employment (largest to smallest): hospitals, nursing and residential care facilities, and ambulatory health care services.

The unique position of nonprofits under federal law creates special challenges for our data analysis in which the number of nonprofits could be underestimated for several reasons. First, federal law allows states to exempt some nonprofits from the unemployment insurance program: 501(c)(3) charitable organizations employing fewer than four workers and all religious congregations. Indiana exempts these two groups, but the significance of this exclusion is unknown because some small charities and a few religious organizations nevertheless elect to be covered by the unemployment insurance system.¹¹

Second, other organizations cannot be identified as nonprofits.¹² Most notably, some small organizations are not required to register as tax-exempt entities with the IRS because they do not meet the revenue threshold for filing.¹³ Others are exempt from registering altogether (e.g., certain types of membership associations

⁹ For more information on NAICS industry definitions, see the U.S. Census Bureau’s Industry Statistics Sampler at www.census.gov/econ/industry.

¹⁰ For more information, visit www.indiana.edu/~nonprof/results/inemploy/innonprofemploytrendssocassist.htm.

¹¹ For example, the 2011 data used for our statewide analysis of all paid nonprofit employment in Indiana include 170 religious organizations, about 6 percent of all reported nonprofit membership associations in Indiana. In addition, 1,843 nonprofit organizations (839 of which are charities) reporting in 2011 had fewer than four employees; however, this set of nonprofits accounted for just 1 percent of all nonprofit employees and total nonprofit payroll. These organizations reported without being required to do so, but there is no way for us to estimate how many other religious organizations or other small nonprofits are not represented in the data, although we know that there are about 10,000 religious congregations in Indiana (see Grønberg, Kirsten A. (2002). Evaluating Nonprofit Databases. *American Behavioral Scientist* 45, 10: 1741-77. Available at <http://abs.sagepub.com/content/45/11/1741>.)

¹² Unfortunately, Indiana is not one of the handful of states, such as Maryland, that assign discrete identification numbers to nonprofits that align with QCEW data. As a result, we have to rely on the IRS Business Master File of tax-exempt entities to identify nonprofit organizations, even though we know these records have significant gaps and may fail to capture as many as 40 to 50 percent of nonprofits in the state (see Grønberg, Kirsten A. (2002). Evaluating Nonprofit Databases. *American Behavioral Scientist* 45, 10: 1741-77. Available at <http://abs.sagepub.com/content/45/11/1741>). Most likely, however, the great majority of the larger nonprofits are included in our analysis.

¹³ Beginning in 2007 the IRS required small tax-exempt organizations (i.e., with gross receipts normally under \$25,000) to file basic organizational information annually via Form 990-N or “e-postcard.” Those that fail to do so for three consecutive years lose their exempt status, and as of July 2011 some 275,000 organizations lost their tax-exempt status because they failed to comply. To the extent that these are all small nonprofits with few employees, their removal from the list of tax-exempt organizations should have little impact on the type of analysis we present here. For more information on how this affected Indiana nonprofits, see “IRS Exempt Status Initiative: Indiana Nonprofits and Compliance with the Pension Protection Act of 2006” by Grønberg, Kirsten A., Kellie McGiverin-Bohan, Kristen Dmytryk, and Jason Simons, Bloomington, Indiana: School of Public and Environmental Affairs, July 1, 2011. Available at www.indiana.edu/~nonprof/results/database/INS.IRSRevocation.pdf

and churches) or do not register for a variety of other reasons. Some or all of these non-registered nonprofits (such as hospitals or nursing homes owned by religious organizations) may actually be included in the QCEW data system, but we can identify as nonprofit only those employers that are registered as tax-exempt entities with the IRS.¹⁴ Therefore, we are forced to assume that all other non-government employers are for-profit, even though we know this overestimates the for-profit share of the state's employment.

Third, for each year we used the IRS tax-exempt status for nonprofits as of April of the previous year because we know that the process of obtaining tax-exempt status and of being included on the IRS list of tax-exempt organizations takes time. Even so, it is possible that nonprofits may have employees and therefore participate in the QCEW reporting systems while waiting for their IRS ruling letter, or before they are added to the IRS listing. Indeed, our detailed analysis of quarterly data suggests that there are at least some delays of this type.

Because of these exclusions, we are reasonably confident that our analysis *underestimates* nonprofit employment in Indiana, perhaps by a substantial amount (see Appendix A for more details).

On the other hand, some activities take place inside establishments classified as belonging to other industries, for example, employees devoted to health education programs taking place in hospitals or arts and cultural programs provided by schools, universities or churches. These types of embedded, subordinate activities are not reported separately and therefore appear as part of the industry code for the parent establishment. This may inflate some sub-industries (such as hospitals), but probably not to a significant extent.

For more information on the QCEW data source, our definition of the nonprofit sector, and the method used here to extract data on nonprofit organizations from the Indiana QCEW records, see Appendix A.

This report marks the first instance in which data from 2010 and 2011 are included; previous reports analyzed 1995 through 2009. Including these more recent years allows us to begin to analyze the impact of the "Great Recession" on nonprofits in Indiana.

C. Overview of Health Care and Its Sub-Industries

The health care industry provides a wide range of services to meet the medical and other health needs of Indiana residents. This field includes not only standard medical facilities, but also outpatient care centers, dental practices, in-home health care, mental health centers, nursing care for the elderly, rehabilitation centers, and many other specialty services. In all instances, "services provided by establishments in this sector are delivered by trained professionals."¹⁵ Broadly, health care is divided into four sub-industries: ambulatory health care services, hospitals, nursing and residential care facilities, and social assistance.¹⁶

¹⁴ Please see Appendix A, page 59, for more details.

¹⁵ United States Department of Labor, Health Care and Social Assistance: NAICS 62, www.bls.gov/iag/tgs/iag62.htm

¹⁶ As discussed in the methodology section, for the purposes of this report we examine only the first three sub-industries, as social assistance was examined previously in a separate report. Components which might be considered part of the scope of the health care industry, from pharmaceuticals to medical devices and special medical equipment, fall under different NAICS classifications and therefore are also not included within this report. In addition, some religious health care establishments may not be included in our data. Consequently, our analysis underestimates the true impact of the health care industry.

Typically, the value ascribed to the health care industry lies in its contributions to a healthy population, but the industry also plays a vital role in economic development. This report shows a distinct growth in the health care industry in Indiana through 2011. The U.S. Department of Labor projects that, nationwide, health care employment will increase by 29 percent between 2010 and 2020, adding some 3.5 million new jobs and outpacing growth in most other major industries, including social services and computer and information technology.¹⁷ An aging population, expanding health insurance coverage, and new technological developments are primary drivers of growth in this industry.

Furthermore, the health care industry's growth has been large, steady, and countercyclical. Research has found that "demand for health care is relatively unaffected by recessions, because to the consumer, health care can be a necessity rather than an optional commodity."¹⁸ Not only is demand countercyclical, but employment may be as well, as workers displaced from other jobs during recessionary periods shift to employment in health care positions. Our data have found that this relationship held true in Indiana, with the health care industry adding more than 6,000 employees during the 2001-2002 recession and 7,000 employees from 2008-2009.

Though health care is not as sensitive to economic fluctuations as other industries, it is comparatively more sensitive to changes in federal and state policy. The connection is clear, since, in addition to being highly regulated, health care also receives large percentages of its revenue from the government. For example, at the national level, "Medicare and Medicaid programs pay for 28 percent of all medical care, 40 percent of all hospital care, [and] 60 to 70 percent of long-term care."¹⁹ It is likely that this close relationship between health care and government will grow stronger with the aging of the U.S. population and the implementation of the Patient Protection and Affordable Care Act (PPACA) of 2010. Most obvious of these changes is increased access to care for 30 million Americans, with half of those newly eligible receiving coverage through Medicaid, and the other half receiving subsidized private insurance.²⁰ In addition, the act favors the establishment of accountable care organizations and medical homes, which will encourage health care providers to develop new structures for delivering care.²¹ Though our data do not reflect the implementation of major parts of the PPACA, this report can serve as a valuable baseline for further analysis of the impacts of this policy shift on nonprofit and for-profit health care establishments.

1. Hospitals

Hospital establishments "provide medical, diagnostic, and treatment services that include physician, nursing, and other health services to inpatients and the specialized accommodation services required by inpatients."

¹⁷ United States Department of Labor, Bureau of Labor Statistics, *Occupational Outlook Handbook*, "Projections Overview," www.bls.gov/ooh/About/Projections-Overview.htm

¹⁸ Goodman, William. (2001) "Employment in Service Industries Affected by Recessions and Expansions". p. 7. www.bls.gov/opub/mlr/2001/10/art1full.pdf

¹⁹ Gray, Bradford H. and Mark Schlesinger, "Health Care," in *The State of Nonprofit America*, ed. Lester M. Salamon, 89-136. (Washington, DC: Brookings Institution Press, 2012), 97.

²⁰ Feldstein, P. J. (2011). Health care economics. Delmar Pub. p. 323.

²¹ United States Centers for Medicare and Medicaid Services (2012), "The Affordable Care Act: Lowering Medicare Costs by Improving Care," www.cms.gov/apps/files/aca-savings-report-2012.pdf

Additionally, they “may also provide outpatient services as a secondary activity.”²² Examples of Indiana nonprofit hospitals include Riley Hospital for Children in Indianapolis, Ball Memorial Hospital in Muncie, and those in the St. Vincent network. For-profit hospitals include Pinnacle Hospital in Crown Point and Porter Health in Valparaiso.

Like all of the health care sub-industries, hospitals are extremely sensitive to changes in federal and state funding because the government is a large payer of medical expenses. Nationally in 2010, nonprofit hospitals received 38 percent of revenues from government funding, including Medicare and Medicaid. A larger proportion, 56 percent, came from private payments (which includes third-party insurance and individual payments), but third-party insurance payments are closely linked to government reimbursement rates.²³ The remaining five percent comes from private gifts and investments. With so much revenue coming from or influenced by public sector sources, hospitals are particularly sensitive to changes in public policies related to health care.

Another factor influencing hospitals has been consolidation among both insurers and providers. Insurers have sought to encourage price competition to drive larger discounts, causing nonprofits to merge and/or acquire other nonprofit hospitals.²⁴ Most hospitals are now part of larger organizations that own multiple facilities. For example the IU Health system contains 19 hospitals in addition to facilities such as pharmacies and urgent care centers.²⁵ Overall, the need to compete on price has led to what critics view as nonprofits taking on more “for-profit-like” behavior (see more on nonprofit and for-profit dynamics on page 7.). Still, nonprofit hospitals have demonstrated some level of resilience in the face of changing market pressure. At the national level, 60 percent of general community hospitals have remained nonprofit while the overall number of hospitals has decreased dramatically as a result of mergers.²⁶

2. Nursing and Residential Care Facilities

Establishments in the nursing and residential care facilities sub-industry “provide residential care combined with either nursing, supervisory, or other types of care as required by the residents.” In this sub-industry, “the facilities are a significant part of the production process and the care provided is a mix of health and social services.”²⁷ Examples of Indiana nonprofits within this category include Provena Sacred Heart Home in Avilla and Healthwin in South Bend. For-profit examples include Ashford Place Health Campus in Shelbyville and Altenheim Health & Living Community, LLC in Indianapolis. Residential mental health facilities, such as Hamilton Center in Terre Haute, are also included in this category.

In the early 1990s, the national balance of nursing and residential care facilities shifted to include greater numbers of nonprofits. At this time, state and federal policies shifted to discourage institutionalization of

²² United States Department of Labor, Hospitals: NAICS 622, www.bls.gov/iag/tgs/iag622.htm

²³ Roeger, Katie L., Amy S. Blackwood, and Sarah L. Pettijohn, *The Nonprofit Almanac 2012*, (Washington, DC: The Urban Institute Press, 2012).

²⁴ Gray, Bradford H. and Mark Schlesinger, “Health Care,” in *The State of Nonprofit America*, ed. Lester M. Salamon, 89-136. (Washington, DC: Brookings Institution Press, 2012), 99.

²⁵ IU Health, Hospital Locations, <http://iuhealth.org/locations/>

²⁶ Gray, Bradford H. and Mark Schlesinger, “Health Care,” in *The State of Nonprofit America*, ed. Lester M. Salamon, 89-136. (Washington, DC: Brookings Institution Press, 2012), 113.

²⁷ United States Department of Labor, Nursing and Residential Care Facilities: NAICS 623, www.bls.gov/iag/tgs/iag623.htm

the elderly and people with disabilities and instead allowed for an increase in Medicaid reimbursement for home health services. In addition to, or perhaps because of, these new pressures, some for-profit nursing care facilities were investigated and prosecuted for fraud. These factors pushed investors away from this sub-industry and toward industries with greater growth potential and less liability. In their place, nonprofits filled unmet demand.²⁸

During this time period, Indiana also began closing state-run nursing and residential care facilities. From 1995 to 2011, Indiana transitioned from employing 3,200 government workers in 11 establishments to fewer than 500 employees across only four establishments. These closures included government-run residential intellectual disability, mental health, and substance abuse facilities, all of which had closed by 2007.²⁹

One of the more notable examples is the Muscatatuck State Developmental Center. In 1999, the Center was stripped of its federal Medicaid funding after regulators found it did not provide a sufficient level of care, forcing the state of Indiana to fund all services. Coupled with a shift in federal and state policy to provide care for individuals with developmental disabilities in community settings, this loss of funding prompted the state to close the Center in 2005. Many of the Center's residents relocated to community-based residences operated by nonprofits, which could provide care at a much lower cost (\$342 per resident per day, as opposed to \$850 at Muscatatuck).³⁰ For more discussion, see page 23.

3. Ambulatory Health Care Services

Ambulatory health care service establishments “provide health care services directly or indirectly to ambulatory patients and do not usually provide inpatient services.” In contrast to the care provided by nursing and residential care facilities, for ambulatory health care services “the facilities and equipment [are] not usually...the most significant part of the production process.”³¹ Ambulatory health care service establishments include physicians' and dentists' offices, medical laboratories, and urgent care clinics, as well as home health care services.

Nationally, the ambulatory health care services sub-industry has grown around 3 percent annually, from 3.8 million employees in 1995 to 6.1 million employees in 2011, for a total increase of 63 percent.³² In Indiana, employment in ambulatory health care saw slightly less growth, at 48 percent from 1995 to 2011. However, the vast majority of this growth (80 percent) came from for-profits, while nonprofits accounted for 19 percent of sub-industry growth.

While in absolute terms nonprofit growth was much smaller than that of for-profits, the number of nonprofit establishments grew 59 percent from, 330 to 530. This follows a general industry trend of moving from inpatient services to less invasive and more profitable outpatient services. In the early 1990s, outpatient services revenue was equivalent to only 10-15 percent of hospitals revenue, but today it is nearly 60

²⁸ Gray, Bradford H. and Mark Schlesinger, “Health Care,” in *The State of Nonprofit America*, ed. Lester M. Salamon, 89-136. (Washington, DC: Brookings Institution Press, 2012), 117.

²⁹ This industry group is NAICS 6232.

³⁰ Schneider, Rob (April 20, 2003). “State Now Prefers Community Settings.” *The Indianapolis Star*.

³¹ United States Department of Labor, Ambulatory Health Care Services: NAICS 621, www.bls.gov/iag/tgs/iag621.htm

³² Ibid.

percent.³³ This movement to outpatient care has benefitted the for-profit sector and has the potential to lower medical costs and broaden care options.

D. Overview of Nonprofit and For-profit Employment Dynamics

As discussed above, changes in policies, funding, and demand in health care have markedly altered the roles of for-profits and nonprofits in this industry. Historically, the divide between for-profit and nonprofit health care has been clear. Nonprofit health care sprang up in the 18th and 19th centuries to fill the need for care for indigent populations and thus only nominally competed with for-profit establishments. Over time, however, this inter-sector distinction has diminished, largely because reimbursements from Medicare and Medicaid programs after 1965 made services to low-income patients profitable and attracted for-profit competitors to sub-industries previously dominated by nonprofits.³⁴ In addition, legal requirements that nonprofit health care organizations provide "charity care" (care at low or no cost to individuals in need) are not federally mandated and vary widely by state. Often, oversight of these requirements is loose or nonexistent, further contributing to the diminished perception of differences between nonprofit and for-profit sectors in the health care industry.³⁵

Despite a strong values-orientation and the benefit of public trust, nonprofit health care organizations face a unique set of challenges. While charitable by definition, nonprofit health care organizations must also establish themselves as competitive counterparts to for-profit firms.³⁶ As the health care industry has evolved over time, the nature of this competition has also changed. Nonprofit hospitals, for example, competed in the past on the basis of reputation, location, and loyalty. More recently they compete around price, like for-profit organizations, due to discounts and price competition sought by private insurers as well as Medicare and Medicaid. As a result, nonprofit health care establishments have adopted more commercial practices like mergers with and acquisitions of other hospitals.³⁷

As nonprofit health care organizations continue implementing for-profit practices to compete on the basis of price, they may give lower priority to traits traditionally associated with nonprofit operations. Charitable activities in the form of low or no-cost health services, commitment to valuable but intangible components of health care (such as research or community education), and the public trust are all at stake as nonprofit health organizations navigate inter-sector competition by adopting market practices.³⁸

Pressure on the nonprofit health care sector also comes from the public sector. The tax exemption status for large nonprofit health organizations is being called into question on the grounds that these organizations

³³ Kutscher, Beth. (2012) "Outpatient care takes the inside track." *Modernhealthcare.com*, accessed 2/22/2012 www.modernhealthcare.com/article/20120804/MAGAZINE/308049929#ixzz2LdiPgMsy?trk=tynt

³⁴ Gray, Bradford H. and Mark Schlesinger, "Health Care," in *The State of Nonprofit America*, ed. Lester M. Salamon, 89-136. (Washington, DC: Brookings Institution Press, 2012), 98.

³⁵ In Indiana, for example, nonprofit hospitals are required to provide charity care but are given the autonomy to develop their own goals and objectives for charity care provision. See www.communitycatalyst.org/projects/hap/free_care?id=0014 for more information.

³⁶ Gray, Bradford H. and Mark Schlesinger, "Health Care," in *The State of Nonprofit America*, ed. Lester M. Salamon, 89-136. (Washington, DC: Brookings Institution Press, 2012), 90

³⁷ *Ibid*, 96.

³⁸ *Ibid*, 106.

earn much of their revenue from sales, typically in the form of fees for services. Although nonprofits have traditionally determined their own charitable activities, state and federal governments are increasingly questioning whether such efforts should be left to self-regulation. While there are currently no policies regarding the amount of community benefit expenditures needed to qualify for nonprofit tax exemption, there has been a groundswell of support for new requirements.³⁹ For example, in 2008 the IRS implemented a new reporting procedure (Schedule H on Form 990) specifically “for hospitals to report expenditures on community benefit (that is, charitable) activities.”⁴⁰ In Illinois, this issue recently landed in the courts and a handful of nonprofit hospitals were stripped of their tax-exempt status in 2010 and 2011. These decisions were reversed following a new Illinois state bill passed in June 2012 that established guidelines for nonprofit hospital tax exemptions.⁴¹

As previously mentioned, the health care industry is acutely sensitive to changes in public policy. For example, under the Patient Protection and Affordable Care Act (PPACA) of 2010, physician-owned hospitals become ineligible for federal Medicare payments if they increase the number of beds or operating rooms. As a result, in 2011 IU Health bought out the remaining shares of two physician-owned hospitals in Avon and Carmel, converting them to nonprofit hospitals in order to maintain their potential for growth without risking future Medicare payments.⁴² The significant influence of federal policy on health care services is one more reason to treat social assistance as a separate industry, since social assistance is more likely to be affected by public policy at the state and local levels.

The extent to which PPACA will influence nonprofit health care organizations remains to be seen. While the Act is silent on some issues, such as delineating national requirements for the provision of charity care or community benefits among nonprofit health care organizations, it includes a number of other components that are likely to affect the operations of health care nonprofits. For example, nonprofit hospitals will now be required to file needs assessments to report on the state of community health in the areas they serve.⁴³ Administered by the Internal Revenue Service, this new reporting requirement is likely to have some bearing on nonprofit hospitals’ tax-exempt eligibility. While the full impacts of this legislation will not be seen until 2013 or later, our analysis provides a baseline for pre-PPACA nonprofit health care activity.

³⁹ Relatedly, there has been increased interest in requiring non-profit hospitals, which have a large physical presence but do not pay property taxes, to make payments or services in lieu of taxes (PILOTs or SILOTs) to cover some costs of local municipal services. In 2010, 53 percent of Indiana local government officials favored requiring PILOTs and/or SILOTs for nonprofit hospitals. For more information, please see www.indiana.edu/~nonprof/results/specialsurveys/2010PILOTSILOT.pdf.

⁴⁰ Gray, Bradford H. and Mark Schlesinger, “Health Care,” in *The State of Nonprofit America*, ed. Lester M. Salamon, 89-136. (Washington, DC: Brookings Institution Press, 2012), 102.

⁴¹ Frost, Peter (May 29, 2012) “Legislation defines charity care for hospitals,” *Chicago Tribune*. http://articles.chicagotribune.com/2012-05-29/business/ct-biz-0530-hospital-charity-care-20120530_1_exemptions-for-three-hospitals-charity-care-nonprofit-hospitals

⁴² Wall, J.K. (May 23, 2011), “IU Health buying docs in hospital ventures,” *The Indianapolis Business Journal*. www.ibj.com/iu-buying-out-docs-in-hospital-ventures/PARAMS/article/27315

⁴³ Internal Revenue Service, “New Requirements for 501(c)(3) Hospitals Under the Affordable Care Act,” [http://www.irs.gov/Charities-&-Non-Profits/Charitable-Organizations/New-Requirements-for-501\(c\)\(3\)-Hospitals-Under-the-Affordable-Care-Act](http://www.irs.gov/Charities-&-Non-Profits/Charitable-Organizations/New-Requirements-for-501(c)(3)-Hospitals-Under-the-Affordable-Care-Act).

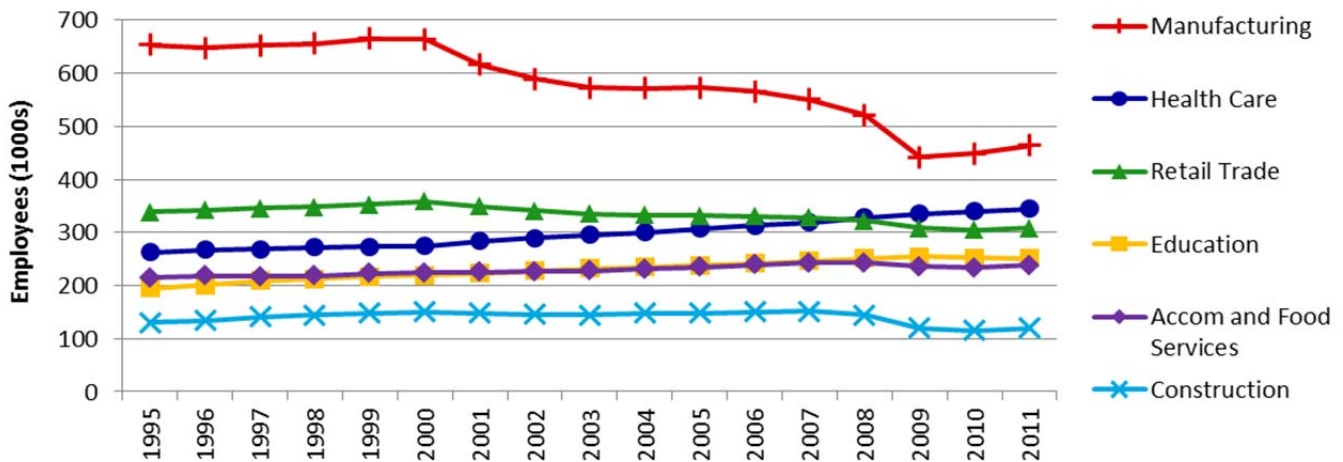
II. EMPLOYMENT

A. Employment in Health Care and Other Indiana Industries

As a whole, the health care industry grew consistently from 1995 to 2011 despite economic downturns, reflecting the demand for health care in all economic situations and the counter-cyclical tendencies of the industry. This growth led health care to be one of the top three industries in Indiana from 1995 to 2011, employing an average of 1 in 10 workers in organizations such as hospitals, nursing homes, outpatient care centers, and doctors' offices. In the last four years of the time period, after the start of the Great Recession, this average jumped to 1 in every 8 workers. In this section, we will compare health care employment to selected comparison industries, the largest industries in Indiana as measured by number of employees.

- Indiana employment in health care grew steadily and by a greater percentage than any other major industry between 1995 and 2011** (Figure 1). During this time period, the number of health care employees increased nearly one-third. Employment in the second-fastest growing major industry, education, increased 29 percent over the same time period. Meanwhile, Indiana manufacturing, retail trade, and construction industries all lost workers, decreasing by 29 percent, 9 percent, and 8 percent, respectively. Overall Indiana employment increased slightly (less than 2 percent) during the time frame.
- In 2008, health care surpassed retail trade to become the second largest industry in Indiana**, growing from 262,500 to over 344,000 workers. Health care trailed only manufacturing, which employed 464,200 workers as of 2011. The next closest industries, retail trade and education, employed 308,200 and 251,200 workers respectively in 2011.
- Health care employment grew consistently even during economic downturns.** The health care industry added more than 6,000 employees during the 2001-2002 recession and added 7,100 employees from 2008-2009. This countercyclical employment behavior resonates with empirical research, which shows that workers move during recessions from declining industries like manufacturing to health care, which has a steady demand for services.⁴⁴

Figure 1: Employment in health care and similarly sized Indiana industries, 1995-2011



⁴⁴ Goodman, W.C. (October 2001). Employment in services industries affected by recessions and expansions. *Monthly Labor Review*. p 3-11.

B. Nonprofit Employment in Health Care and Other Major Nonprofit Industries in Indiana

The health care industry employed the largest number of nonprofit workers in Indiana by a wide margin, accounting for over half of nonprofit employment statewide between 1995 and 2011. Nonprofit health care firms hired, on average, 2,300 new employees each year in Indiana, fueling overall nonprofit sector growth.

- **Nonprofit health care employment grew 36 percent, from 101,300 workers in 1995 to 137,700 workers in 2011** (Figure 2). This employment growth was the third fastest among major nonprofit industries behind education (56 percent) and social assistance (39 percent), and came from a much larger initial base employment level. During the same time, nonprofit employment in arts, entertainment, and recreation grew only 4 percent and membership organizations 8 percent.
- **Health care establishments employed more than half of all Indiana nonprofit workers** (Figure 3). Health care’s share of Indiana’s nonprofit employees, averaging 54 percent, was more than triple that of the next largest nonprofit industry, education, which employed an average of only 13 percent from 1995-2011. The shares of employment held by each nonprofit industry remained relatively stable over the time period.
- **Within the health care industry, the proportion of employment that was nonprofit increased slightly from 39 percent in 1995 to 40 percent in 2011** (Figure 4). This growth was not even across the time period; the proportion peaked at 42 percent in 2001 before declining through 2007 and then remaining relatively steady through 2011. Only the education industry saw a greater increase in proportion of nonprofit employment, which grew from 11 to 13 percent over the time period. Relative to other industries, nonprofits continued to employ the greatest (but declining) proportion of workers in social assistance, where 59 percent of employment was nonprofit in 2011. On average, just less than 8 percent of employment in all Indiana industries was nonprofit over the time period.

Figure 2: Nonprofit employment in major nonprofit industries, 1995–2011

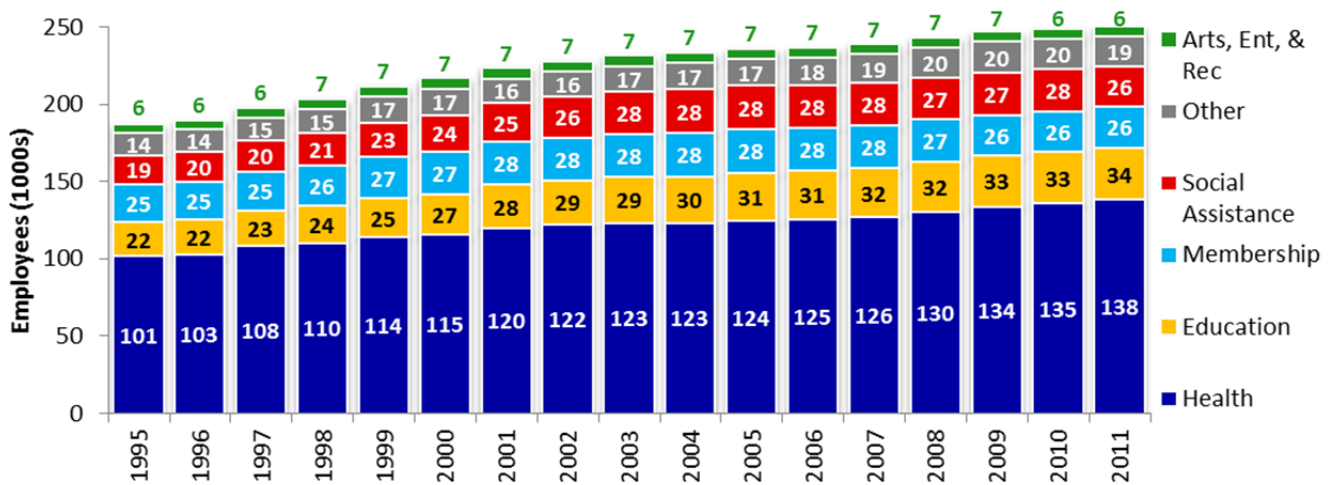


Figure 3: Composition of total nonprofit employment, 1995–2011

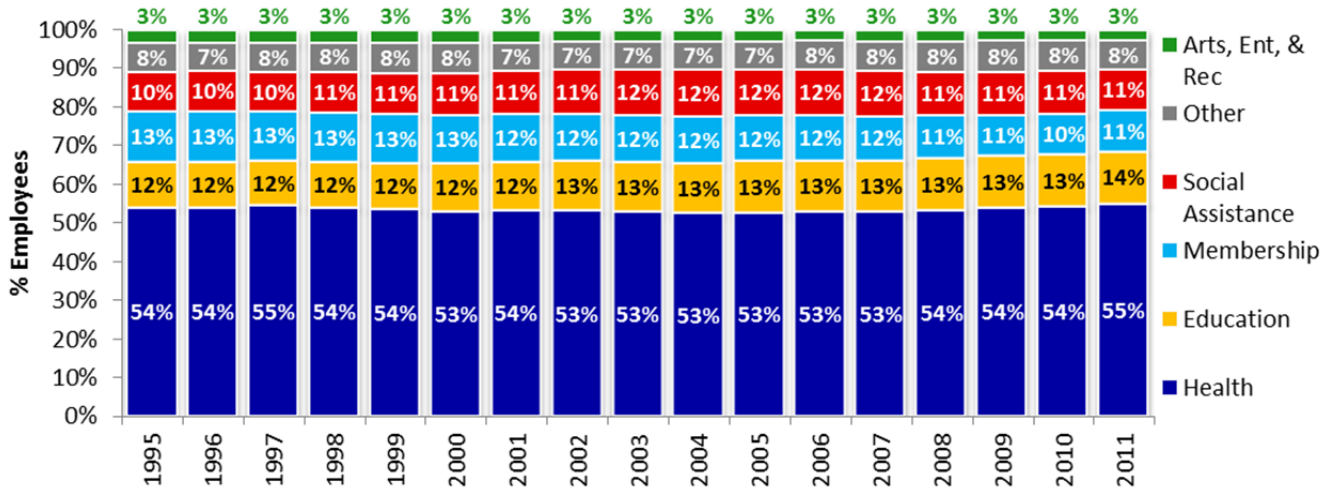
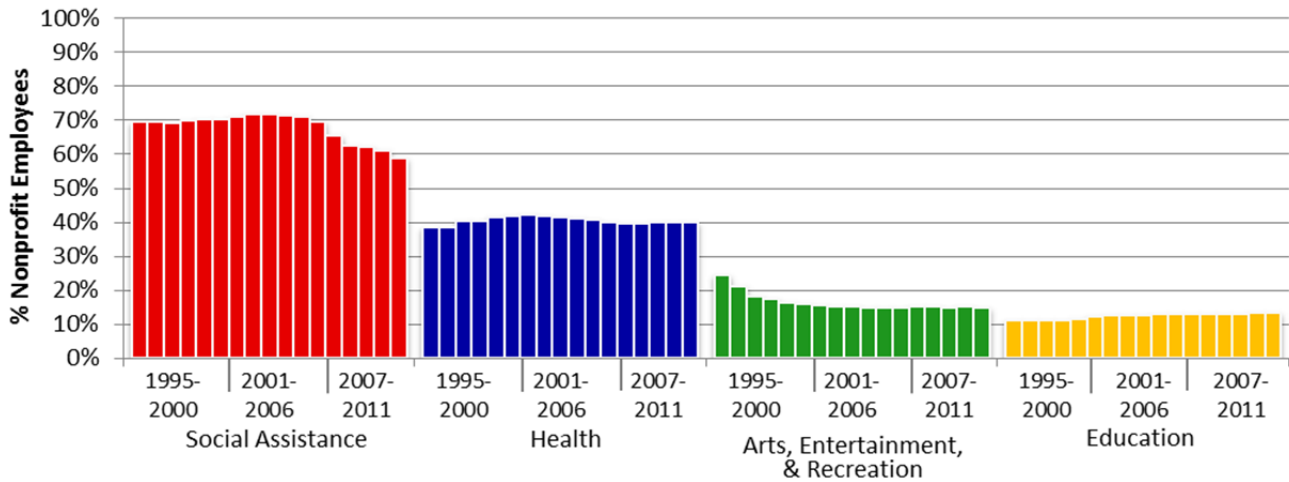


Figure 4: Percentage of industry workers employed by nonprofits, 1995–2011



C. Health Care Employment in Nonprofit, Government, and For-Profit Sectors

Changes in demographics and the evolution of medical services most likely explain why total health care employment in Indiana increased 31 percent from 1995 to 2011. This growth occurred entirely in the private sector, with nonprofits and for-profits both experiencing increases in employment, while public sector health care employment fell during the early years of the period.

- From 1995 to 2011 nonprofit employment in health care increased from 101,300 to 137,700—an increase of 36 percent (Figure 5). For-profits saw a similar increase, beginning the period with 119,800 employees in 1995 and ending the period with 172,700 workers—a 44 percent increase. Government employment decreased 19 percent, from 41,400 to 33,700 workers.
- Over the time period, health care employment became increasingly concentrated in the private sector, as the government share of health care employment declined from 16 percent to 10 percent (Figure 6). This decline was particularly noticeable in hospitals and nursing and residential care facilities. Nonprofits and for-profits gained from the decline in government-provided health care, adding

to their respective shares of health care employment by 2 percent and 4 percent, respectively. The growth patterns between the sectors offer some indication of the similarity in demands and clientele in each sector.

- **Both nonprofits and for-profits exhibited relatively steady employment growth, increasing an average of 2 percent annually during the time frame** (Figure 7). Government employment experienced greater volatility and a declining overall trend, falling by as much as 14 percent in 1996-1997. Ninety-six percent of the over 5,700 government employees lost in this decline came from the hospital sub-industry, indicating state hospitals were either closed or privatized in this year.

Figure 5: Health care employment by sector, 1995-2011

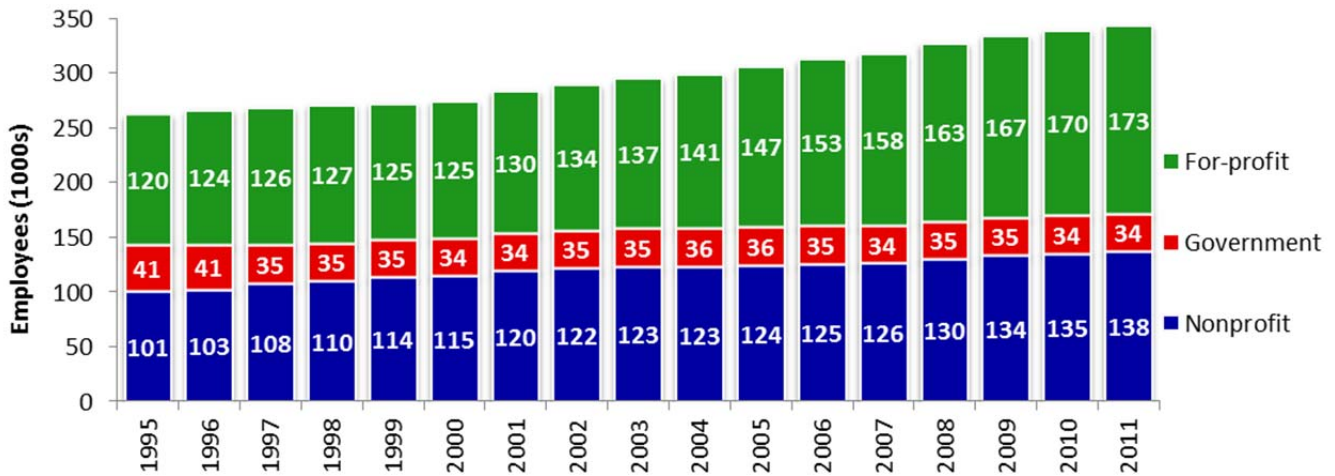


Figure 6: Percentage of health care employees in each sector, 1995-2011

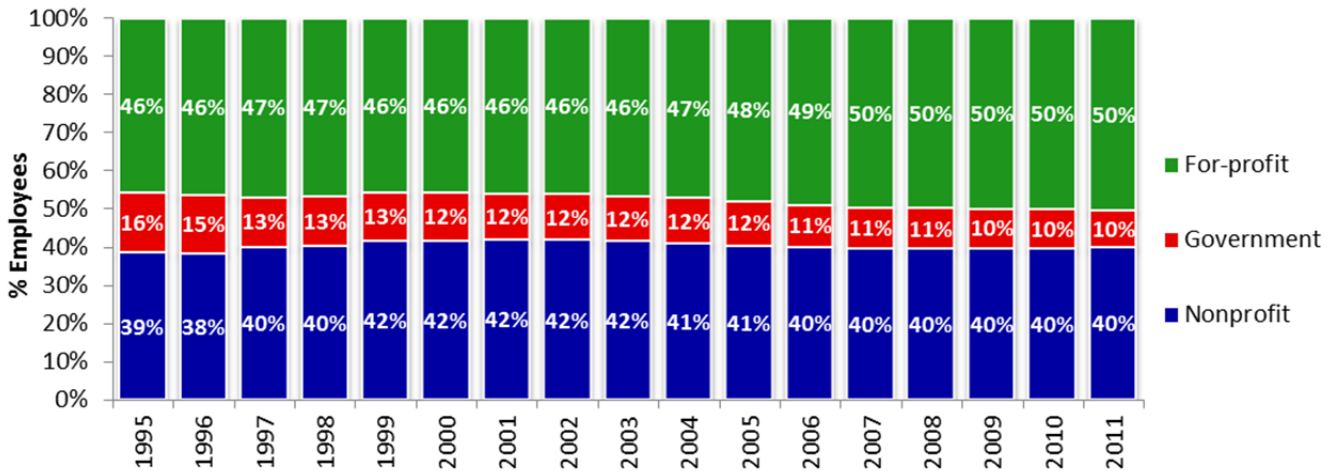
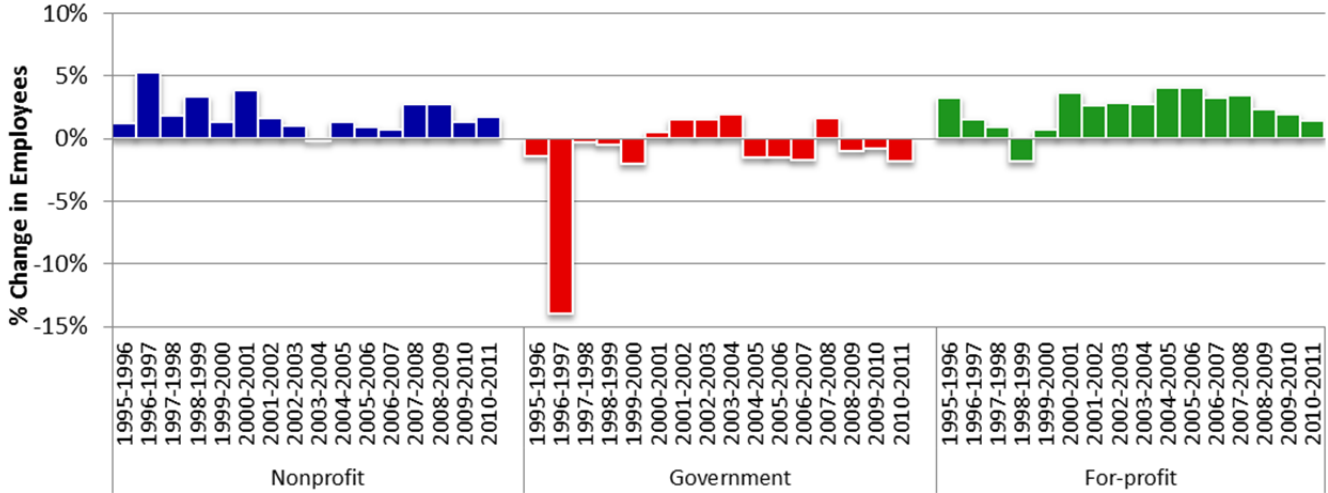


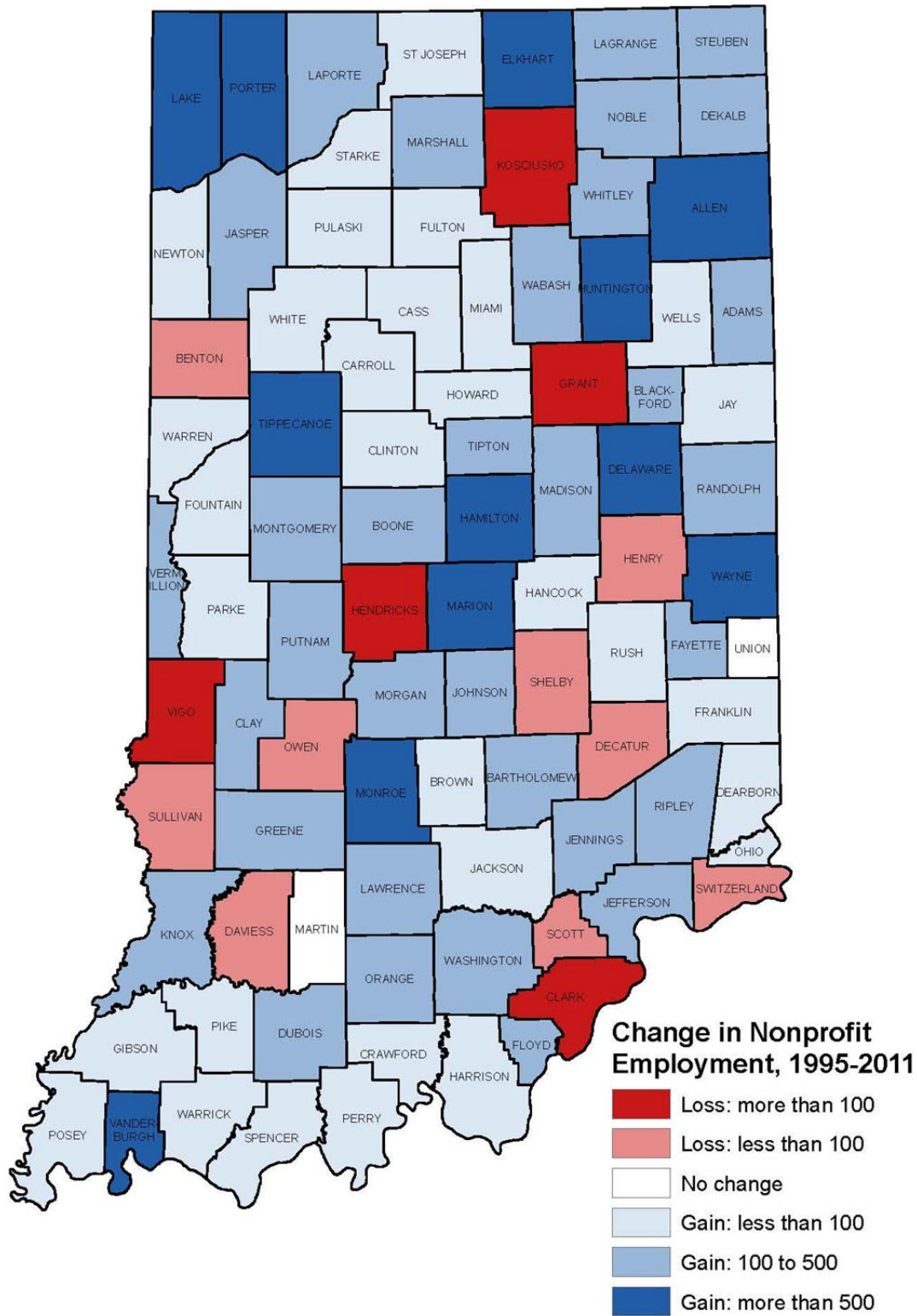
Figure 7: Annual percentage change in health care employment by sector, 1995-2011



- **Though overall nonprofit health care employment increased rapidly in Indiana from 1995 to 2011, growth was not spread evenly among counties** (Figure 8). Of the 92 counties, 76 saw increases in nonprofit employment, 14 lost employees, and two remained unchanged. Gains were particularly large in more densely populated areas: nonprofit health care employment in Marion County increased by approximately 15,100 workers, in Lake County by 2,700 and in Vanderburgh County by 2,100.⁴⁵
- **Of the 14 counties that lost nonprofit health care employment, only five lost more than 100 employees.** The greatest losses of nonprofit workers over the time period occurred in Hendricks and Grant (losses of more than 300 employees), as well as in Kosciusko, Clark, and Vigo counties. In most but not all cases, it appears that these significant losses may be due to institutional closures or transition to for-profit ownership, since most of the declines occur suddenly in individual years, rather than gradually across the time period.

⁴⁵ Early in our data analysis, we encountered notable spikes from one year to the next in health care employment trends for some counties. Closer analysis suggested that some of these might be artifacts of the datasets we used (see Appendix A, page 62). We consulted with the Indiana Business Research Center about the spikes and believe the data we present here have been corrected for most or all of these aberrations. If so, some of the remaining spikes may reflect conversions of particular care health providers from for-profit or government to nonprofit status (growth) or from nonprofit to for-profit status (decline).

Figure 8: Change in nonprofit health care employment by county, 1995-2011



D. Employment in Specific Health Care Sub-Industries

All health care sub-industries—hospitals, nursing and residential care, and ambulatory care—had remarkably similar growth patterns over the 1995-2011 time period. The sector compositions of these sub-industries differed substantially, however. Among hospitals, the largest health care sub-industry, nonprofits accounted for an average of 65 percent of employment. In the nursing and residential care and ambulatory care sub-industries, the trend was the opposite: nonprofits employed less than a third of all employees and for-profits took the lead. We begin this section with an overview of sub-industry employment and then delve into each sub-industry's sector composition.

- **From 1995 to 2011, employment in all three of the health care sub-industries increased, with ambulatory health care services making the largest gains** (Figure 9). Ambulatory services added 39,400 employees—growing almost 50 percent. Hospitals grew by almost 30,000 workers, a 26 percent increase over the time period. Nursing and residential care added just 12,200 employees but still grew by 19 percent over the time period, a robust growth given its relatively smaller base.
- **Though employment for each sub-industry changed at different rates, the share of health care employment in each sub-industry remained relatively unchanged.** Hospitals were the largest employer among the three sub-industries, averaging around 43 percent of total health care workers during the time period. Ambulatory health care services were the second largest employer, with, on average, 34 percent of industry employees. Nursing and residential care facilities, the smallest of the three sub-industries, averaged 23 percent of total industry employment.
- **Hospitals represented a substantial portion of nonprofit health care employment, averaging 70 percent of all nonprofit health care employment during the period** (Figure 10). Ambulatory health care services averaged 12 percent of nonprofit employment during the period, while nursing and residential care averaged 18 percent.
- **During the time period, nonprofit employment in all health care sub-industries increased in most years and exhibited counter-cyclical employment trends** (Figure 11). All three sub-industries grew during weak economies in 2001-2002 and 2007-2009. Most notably, ambulatory services saw growth of 7 percent from 2001-2002. This is consistent with earlier noted empirical findings on health care employment, which find that workers laid off in other industries move to health care services during economic downturns.⁴⁶

⁴⁶ Goodman, W.C. (October 2001). Employment in services industries affected by recessions and expansions. *Monthly Labor Review*. p 3-11.

Figure 9: **Total** health care employment by sub-industry, 1995-2011

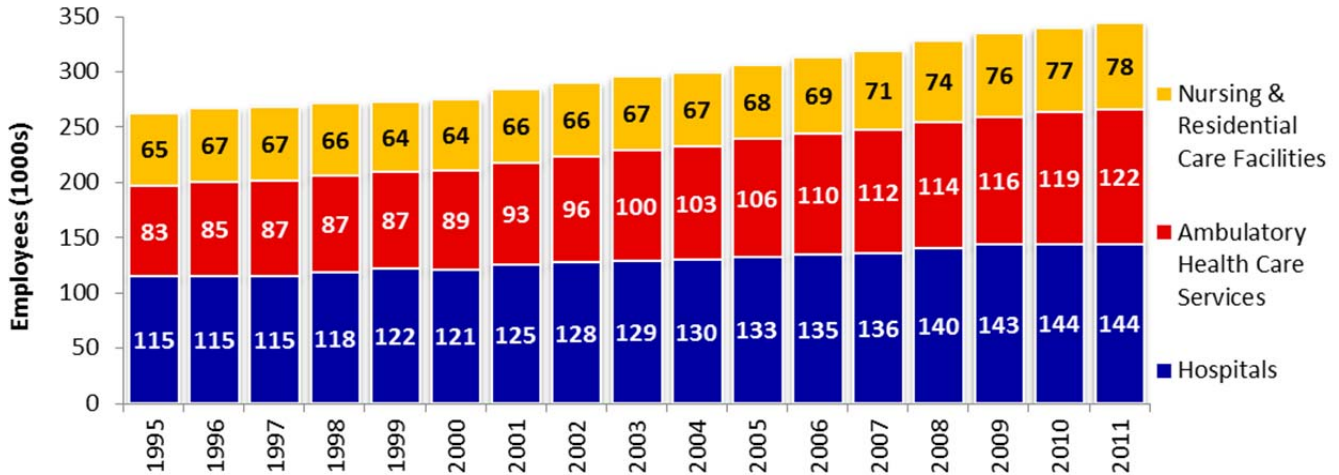


Figure 10: **Nonprofit** health care employment by sub-industry, 1995-2011

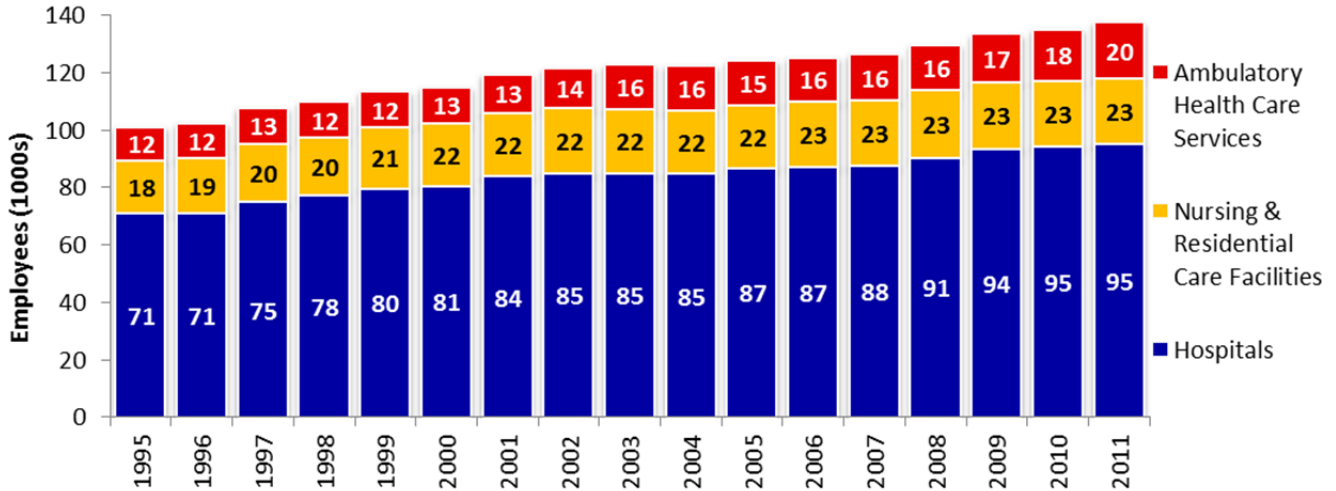
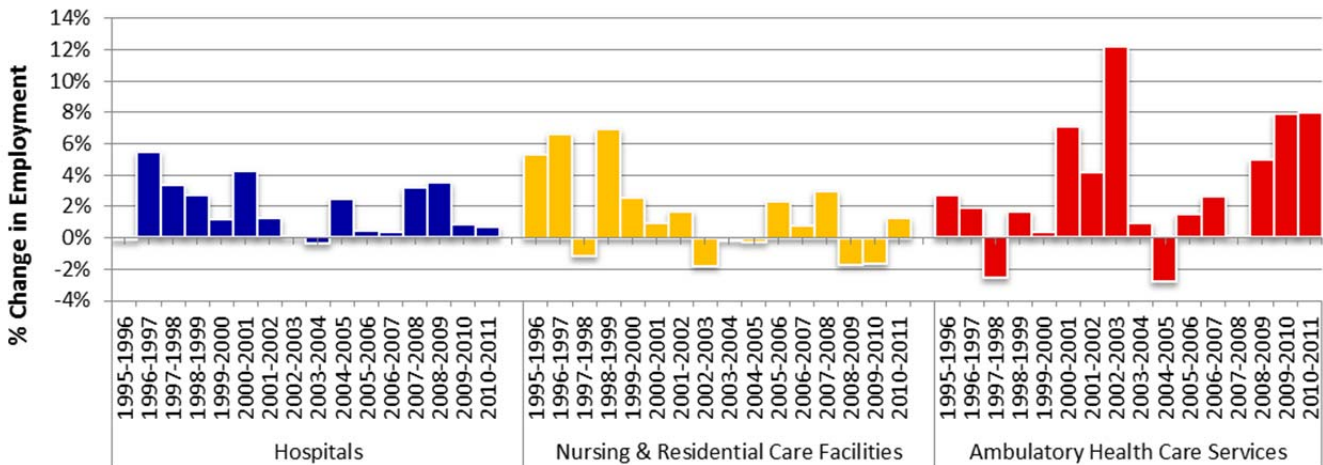


Figure 11: Annual percentage change in nonprofit health care employment by sub-industry, 1995-2011



1. Hospitals

- From 1995 to 2011 employment in hospitals grew from 114,500 to over 144,400 employees—a 26 percent increase (Figure 12). Nonprofit employment in hospitals grew by 23,900 workers during the time frame (a 34 percent increase). For-profit employment in hospitals grew about 193 percent from 5,800 employees in 1995 to 17,000 employees in 2011. Meanwhile, government employment decreased 14 percent, from 37,500 employees in 1995 to 32,200 in 2011. These changes seem to be the result of the construction of new private sector hospitals and the conversion of public hospitals to private ones.⁴⁷
- Employment growth in nonprofit hospital care was fairly stable during the time period, with only two years of decline (Figure 13). This is in stark contrast to the volatility in for-profit employment, in which the number of employees increased by over 20 percent from 1995 to 1996 and changed by more than 10 percent in five other years. Government experienced a substantial drop in employment of 15 percent from 1996 to 1997, but otherwise saw a fairly constant decline.

Figure 12: Hospital employment by sector, 1995-2011

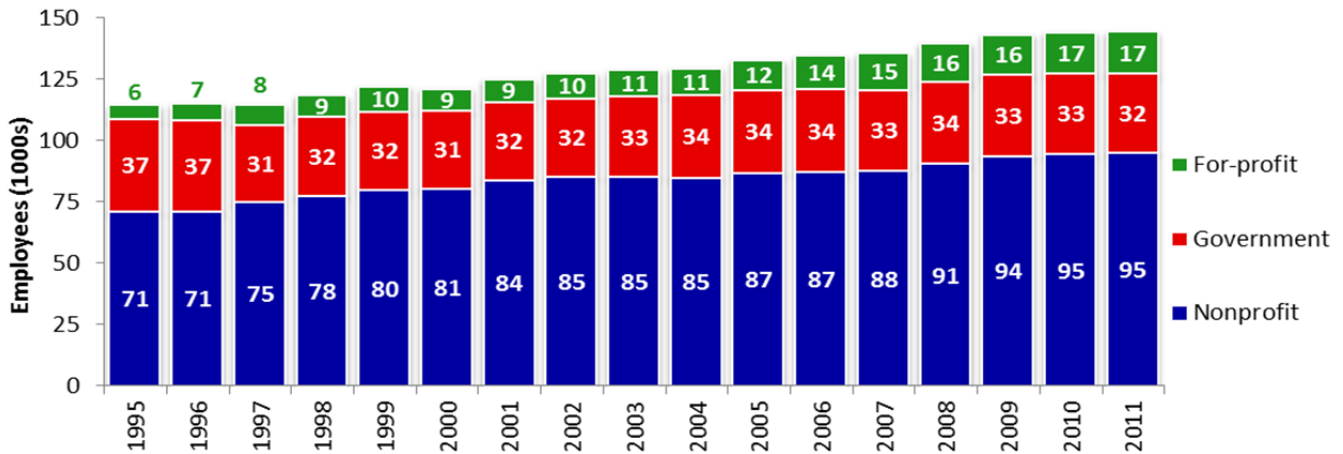
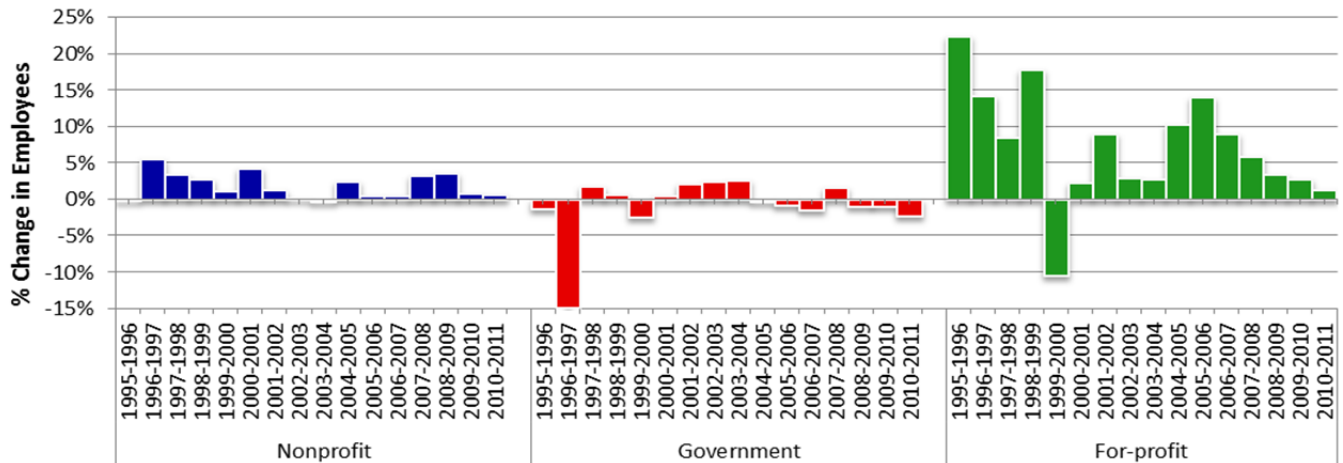


Figure 13: Annual percentage change in hospital employment by sector, 1995-2011

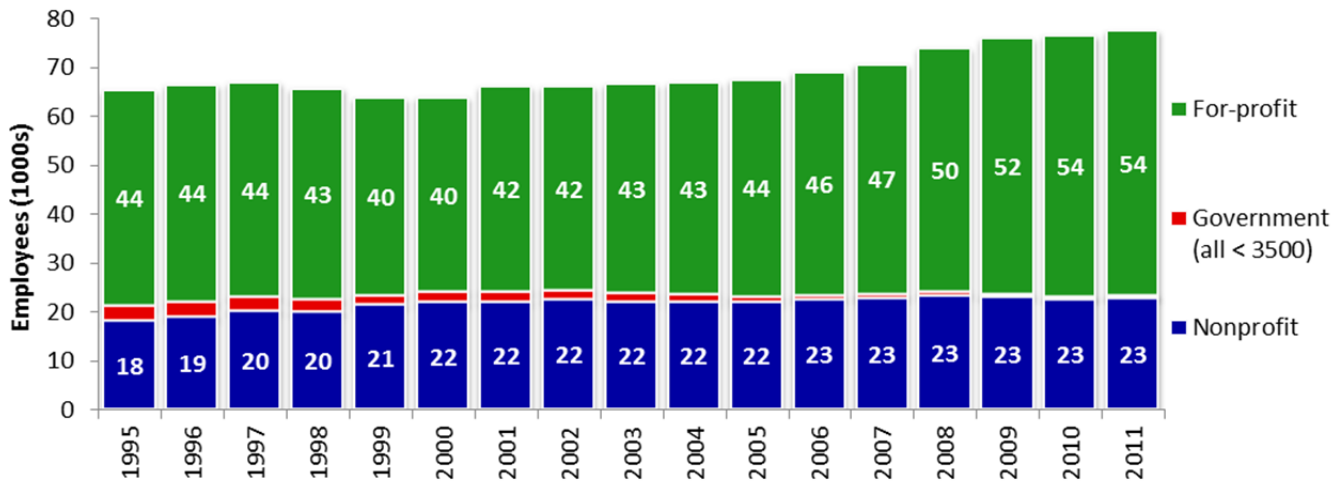


⁴⁷ Religiously-affiliated hospitals sometimes operate under the classification of their parent religious organizations, which, despite being part of the nonprofit sector, may not appear as nonprofits in our data because they are not required to register with the IRS. Such organizations are therefore incorrectly counted as for-profit entities under the methodology we have to use. Although the data presented here have been corrected for some of these errors, we believe our data may still underestimate the true number of Indiana nonprofits (most notably some religiously-affiliated hospitals). Please see the Methodology section for more information.

2. Nursing and Residential Care Facilities

- **In 2011, nonprofits employed 30 percent of workers in nursing and residential care facilities, up from 28 percent in 1995** (Figure 14). Nonprofits added approximately 4,900 employees over the time period, a growth of 27 percent. For-profits added a greater number of employees (10,000), but grew from a significantly larger base level in 1995, resulting in a growth of 23 percent. Their share of workers in the sub-industry grew from 68 percent in 1995 to 70 percent by 2011. The number and proportion of government nursing and residential care employees decreased substantially, ending the period with less than 500 workers and a sub-industry employment share of less than 1 percent.
- **From 1995 to 2011, private sector nursing and residential care employment exhibited moderate volatility, particularly in the beginning of the time frame** (Figure 15). Nonprofits experienced only six years in which employment decreased (each less than 2 percent annually). For-profit employment decreased from 1996-2000 before increasing through the second half of the time frame. Government employment, meanwhile, fell drastically, increasing in only one year and experiencing large declines of 16 percent annually from 1997-1999 and greater than 20 percent annually in 2004-2007 and 2008-2010.
 - **NOTE: Nonprofit and for-profit employment in residential intellectual and developmental disability, mental health, and substance abuse facilities account for most of these changes.** These sectors expanded to fill a gap in care left by the closure of government establishments (Figure 16) after changes in public policy and public attitudes regarding state-run institutions.⁴⁸ As a result, employment composition in this industry subgroup⁴⁹ progressed from 43 percent nonprofit, 27 percent government, and 30 percent for-profit in 1995, to 47 percent nonprofit and 53 percent for-profit by 2007, showing little further change through 2011. For more discussion, please see page 34.

Figure 14: Nursing and residential care facilities employment by sector, 1995-2011



⁴⁸ Schneider, Rob. (2003). "State Now Prefers Community Settings." Indianapolis Star. Accessed from: <http://www.thearcgbc.org/archives/State%20now%20prefers%20community%20settings.htm>

⁴⁹ Industry group is defined by 4 digit NAICS code, as opposed to sub-industries which are 3 digit NAICS codes. Typically our analysis is restricted to these 3 digit codes, however this change was so stark it required a more in-depth look.

Figure 15: Annual percentage change in nursing and residential care facilities employment by sector, 1995-2011

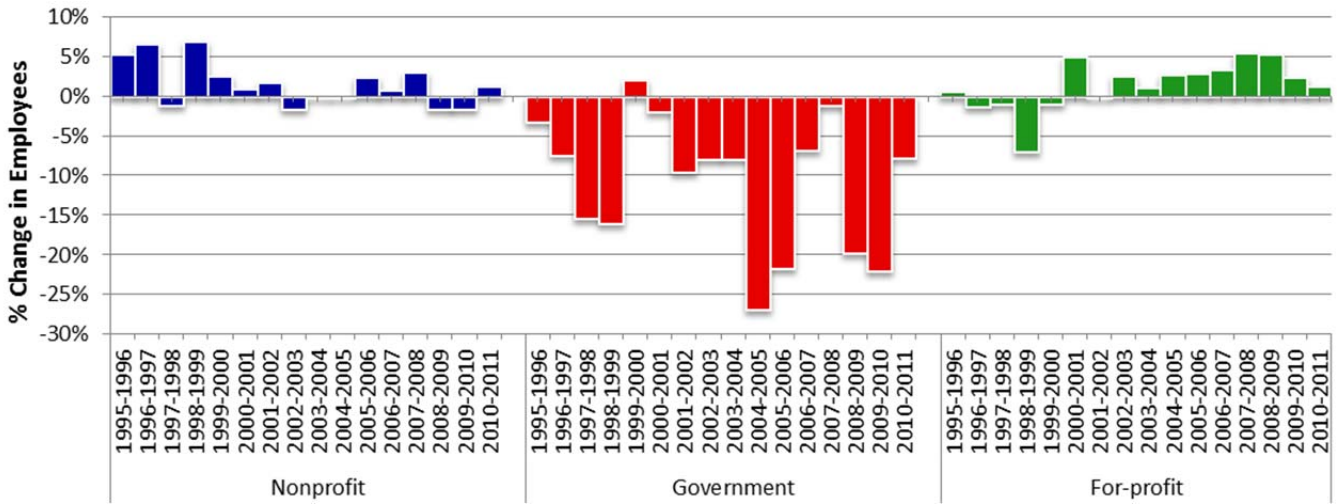
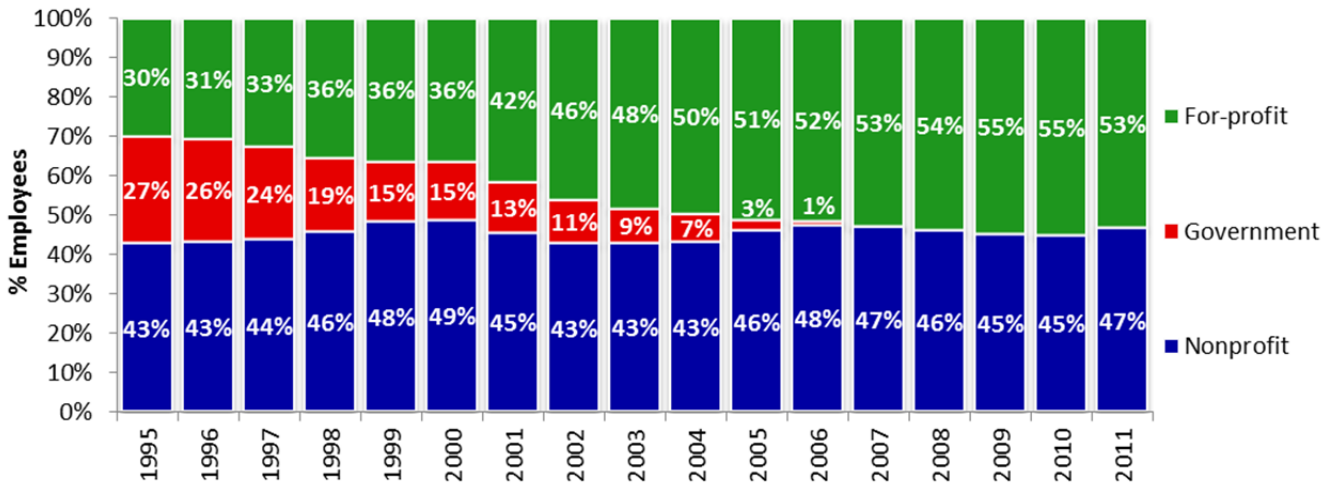


Figure 16: Percentage of residential intellectual and developmental disability, mental health, and substance abuse facilities employees in each sector, 1995-2011



3. Ambulatory Health Care Services

- From 1995 to 2011, employment in nonprofit ambulatory health care services saw the largest proportional increase across all sectors (Figure 17). Nonprofits increased by 63 percent, from around 12,000 workers in 1995 to 19,600 workers by 2011. For-profits added a greater number of workers (increasing from 69,900 to 101,400 workers over the time period) but saw less proportional growth, at 45 percent overall. Government employment in the sub-industry grew 47 percent, but from a much smaller base, totaling under 700 workers in 1995 and almost 1,000 in 2011.
- On average, approximately one out of every seven ambulatory health care services employees worked in the nonprofit sector. This proportion remained relatively steady from 1995 to 2011. Other employees in this industry (on average about 85 percent) worked at for-profit firms. Less than one percent of ambulatory services employees were employed by government establishments.

- Nonprofit employment in ambulatory health care services grew in all but two years from 1995 to 2011** (Figure 18). The only two years when nonprofit employment decreased were 1997-1998 and 2004-2005, with losses of less than three percent in each year. The largest growth in nonprofit employment (12.2 percent) occurred from 2002-2003, when nonprofits added 1,700 employees. Government employment was the most volatile of the sectors, with fluctuations as large as 32 percent in 1997-1998 and 2008-2009. However, these changes are relative to government's much smaller base. For-profits were relatively stable, with only one year of loss.

Figure 17: Ambulatory health care services employment by sector, 1995-2011

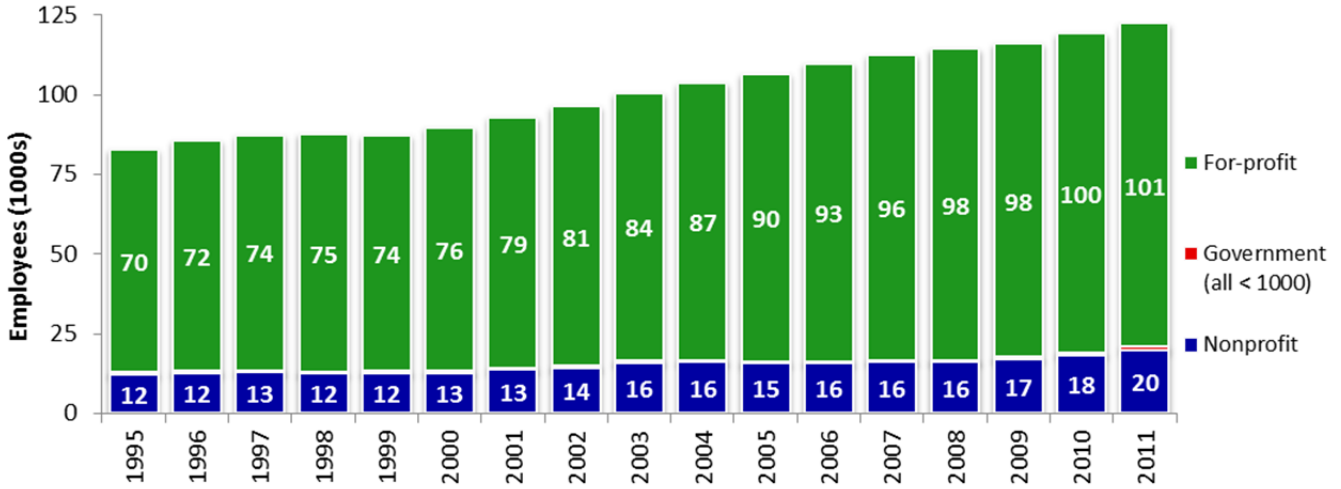
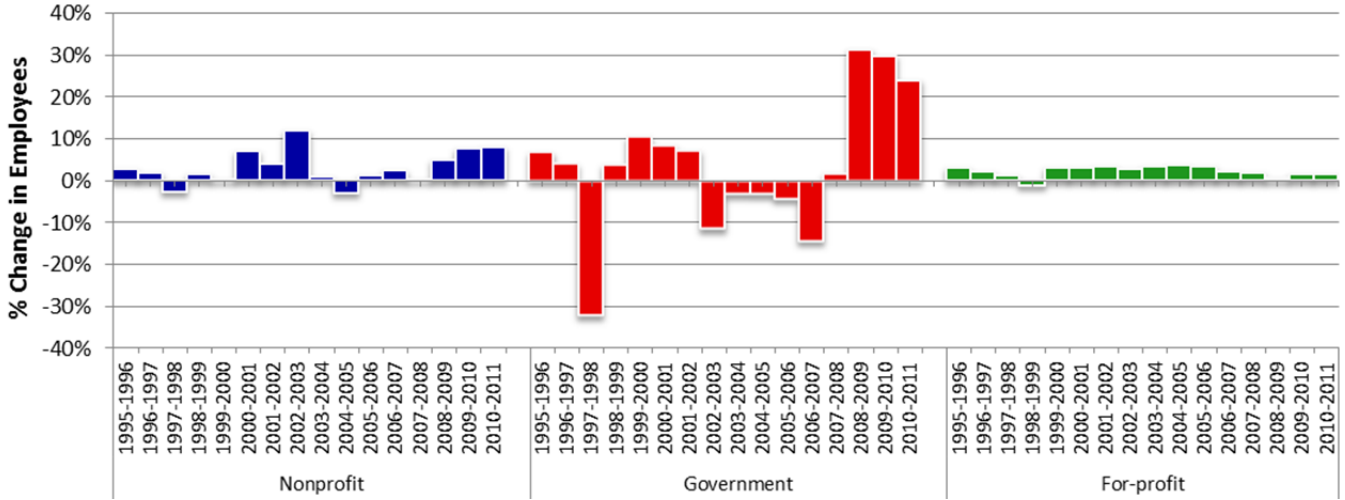


Figure 18: Annual percentage change in ambulatory health care services employment by sector, 1995-2011



III. ESTABLISHMENTS

A. Establishments in Health Care and Other Indiana Industries

While health care was one of the top three employers in Indiana between 1995 and 2011, it had fewer establishments than many similarly sized Indiana industries. The nature of the industry explains this difference: large establishments such as hospitals each employ many workers to fill a variety of staff-intensive roles, from medicine to maintenance to administration. The significant number of large hospitals skews this comparison among industries, since hospitals were the sub-industry with the fewest establishments but greatest employment. While the number of health care establishments did not grow significantly over the time period, the average size of establishments did.

- **The number of health care establishments grew by over 950 across all sectors between 1995 and 2011** (Figure 19). Comparing percentage growth, education and accommodation and food services both grew more than health care, although education had fewer establishments overall than health care throughout the time period. Manufacturing, retail trade, and construction all decreased in number of establishments.
- **Health care saw the greatest percentage increase in establishment size over the time period, but most growth occurred in the last three years after a long period of stable or declining size** (Figure 20). The growth of over 5 employees per establishment, from 29 to 35 on average, gave health care an 18 percent growth rate, the highest of all compared industries. The only other industries with positive establishment size change were manufacturing (growth of 12 employees per establishment for 17 percent) and retail trade (growth of 1 employee per establishment, or 8 percent). All other comparison industries experienced a decrease in their average establishment size throughout the time period.

Figure 19: Number of total establishments in health care and similarly sized Indiana industries, 1995-2011

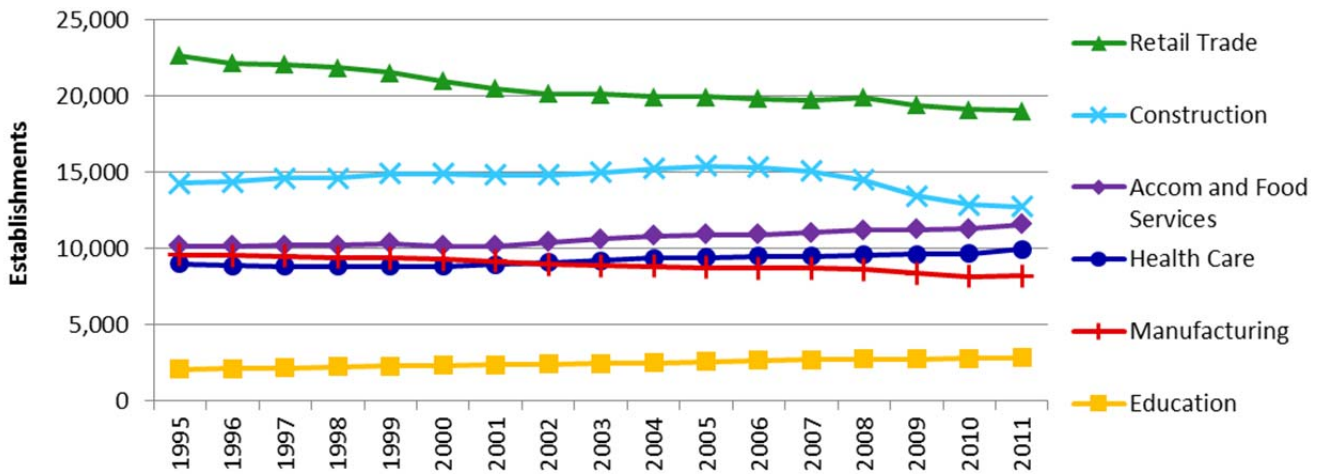
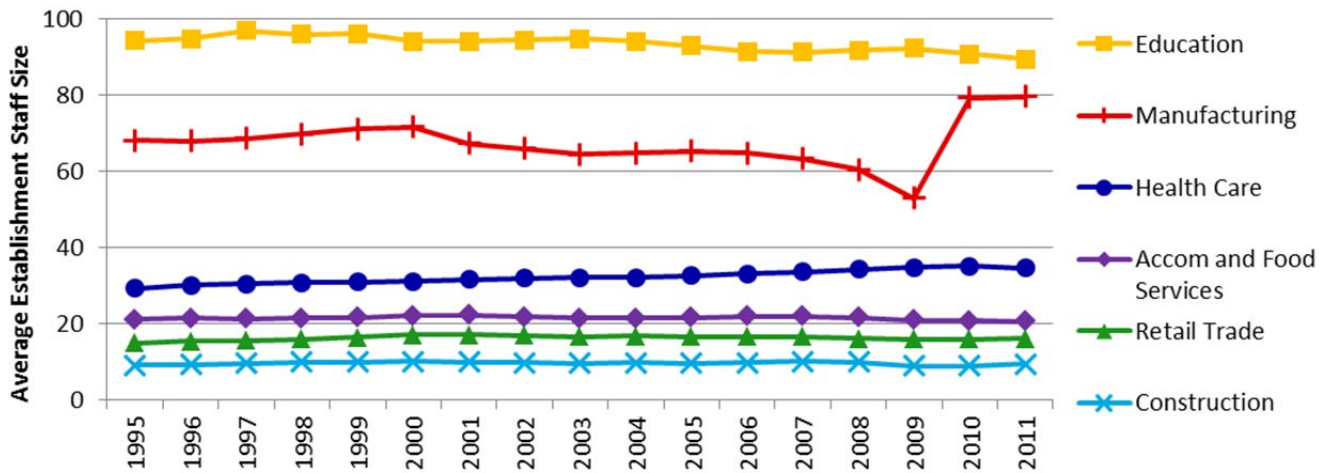


Figure 20: Average establishment staff size in health care and similarly sized Indiana industries, 1995-2011



B. Nonprofit Establishments in Health Care and Other Major Nonprofit Industries in Indiana

Establishments in nonprofit health care had the largest average staff size compared to those of other nonprofit industries. However, several other major industries dwarfed nonprofit health care in the overall number of nonprofit establishments.

- **Despite having the greatest employment of all major nonprofit industries, health care had only the fourth largest number of establishments with an average of 906** (Figure 21). Membership organizations had the most establishments throughout the time period with an average of 2,630, followed by social assistance (1,073) and nonprofits grouped in the “other” category (1,052).
- **The number of nonprofit health care establishments increased by 27 percent over the time period, with positive growth almost every year.** Again, this is noteworthy for an industry where founding a new establishment is a significant investment due to the capital and infrastructure required. Education and social assistance both outpaced health care growth, at 99 percent and 28 percent respectively. All major nonprofit industries saw an increase in total number of establishments.
- **Nonprofit health care surpassed education in 2001 to have the largest establishment size relative to all major nonprofit industries, averaging 136 employees per establishment from 2001 to 2011** (Figure 22). From 1995-2001 there was a 7 percent increase in establishment size. Over the full time period, nonprofit health care establishments had an average of 133 employees and nonprofit education establishments averaged 114 workers; all other major nonprofit industries averaged less than 30 workers per establishment.
- **Compared to other major nonprofit industries, health care had the lowest percentage of establishments that were nonprofit** (Figure 23). Health care nonprofit employment tends to be centralized in large, singular establishments, like hospitals, whereas for-profit health care establishments encompass numerous small establishments, like doctors’ offices and outpatient centers.

Figure 21: Nonprofit establishments in major nonprofit industries, 1995-2011

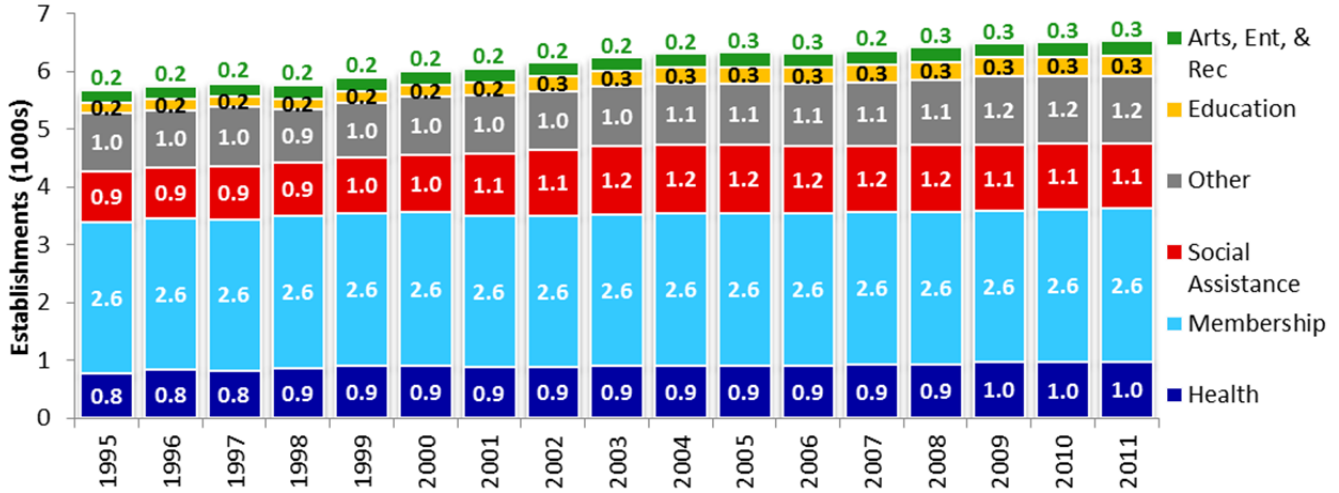


Figure 22: Average nonprofit establishment staff size in major nonprofit industries, 1995-2011

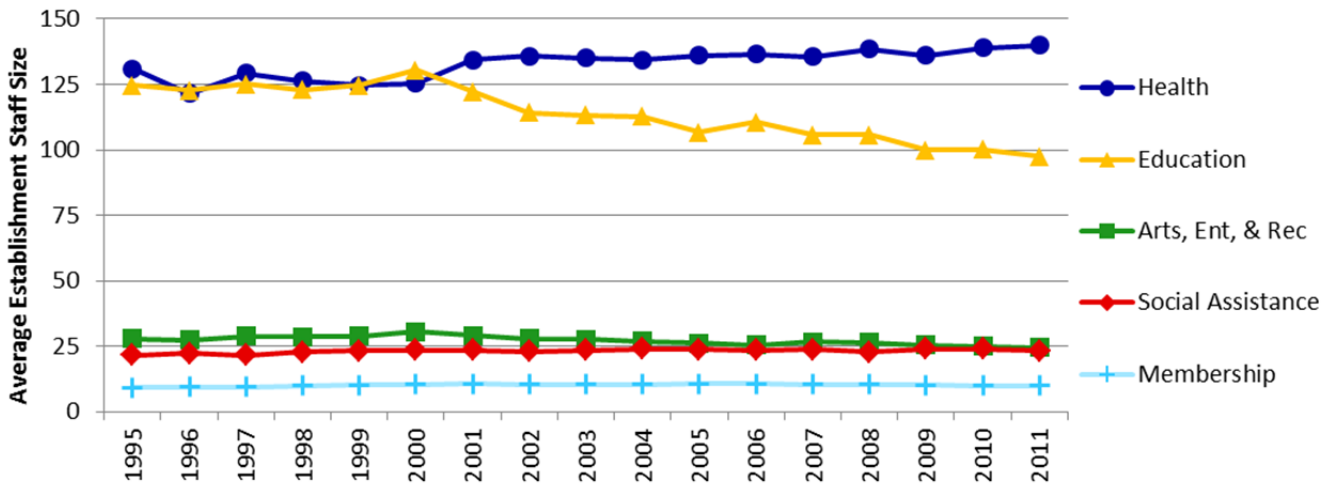
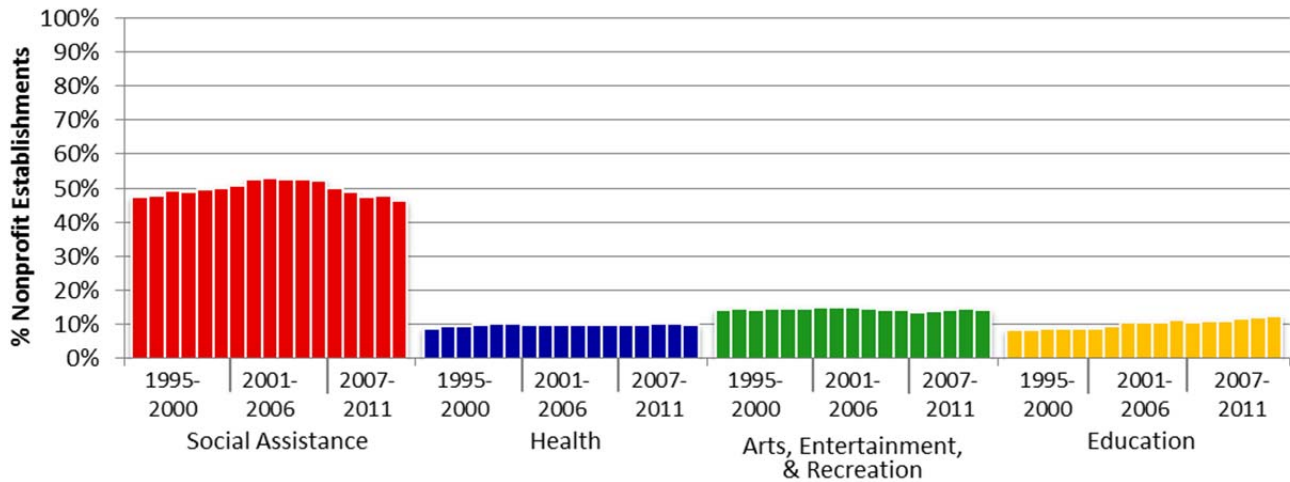


Figure 23: Percentage of industry establishments that are nonprofits, 1995-2011



C. Health Care Establishments in Nonprofit, Government, and For-Profit Sectors

The majority of health care establishments are for-profit, with nonprofit and government accounting for only 10 and 1 percent of establishments, respectively. However, this ranking is reversed when measuring establishment size, with government having the largest average, followed by nonprofits and then for-profits.

- **The number of nonprofit health care establishments grew from 770 to just over 980 by the end of the period—a growth of 27 percent** (Figure 24). Despite this increase, nonprofits had a tenth as many establishments as the for-profit sector. The for-profit sector grew by only 9 percent, but in absolute terms increased by over 740 establishments. Government, with a much smaller base, experienced an increase of 10 establishments, or 10 percent.
- **Nonprofit establishments had, on average, smaller staff sizes than government establishments and much larger staff sizes than for-profits** (Figure 25). Nonprofits had an average establishment size of 133 employees, while government employed 385 workers per establishment, on average including sharp declines after 2007. For-profits, however, had only 17 staff members per establishment, due to the presence of many smaller-staffed ambulatory or acute care clinics (rather than large hospitals).
- **The number of nonprofit and for-profit health care establishments experienced only moderate levels of volatility** (Figure 26), which is unsurprising given consistent demand for health care. Nonprofits saw their greatest growth, 9 percent, in the first year of the data period, while their greatest decrease, in 2000-2001, was just over 3 percent. Contrastingly, the greatest for-profit decrease in number of establishments (2 percent) occurred in the first year of the data period and the greatest increase (3 percent) was in the last year of the data period. Government had much more volatility given its smaller base, experiencing a decrease of nearly 13 percent from 1997-1998 and an increase of nearly 23 percent from 2008-2009.

Figure 24: Number of health care establishments by sector, 1995-2011

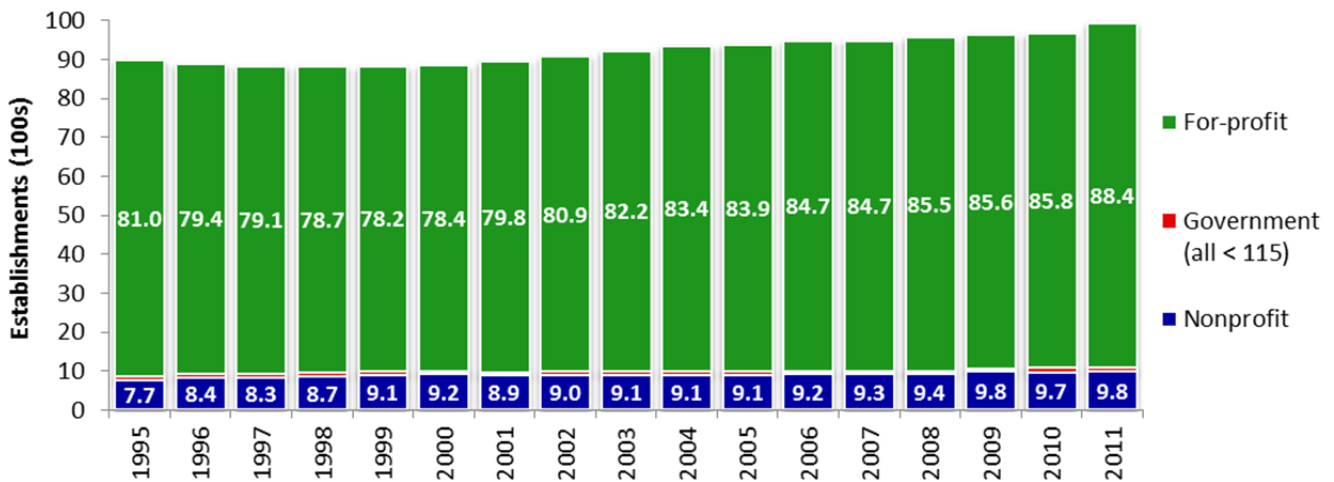


Figure 25: Average health care establishment staff size by sector, 1995-2011

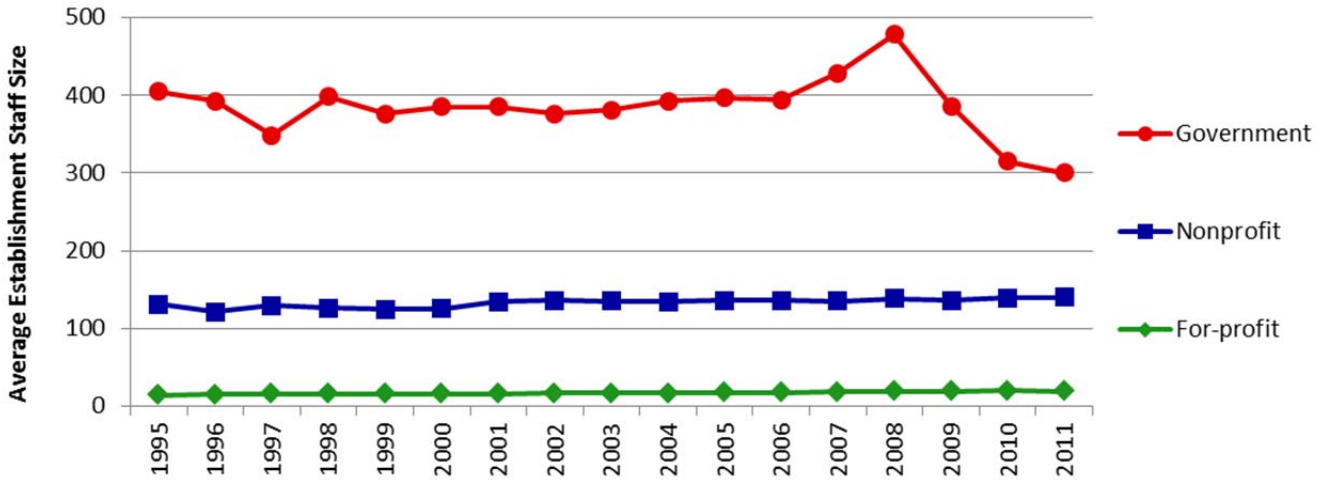
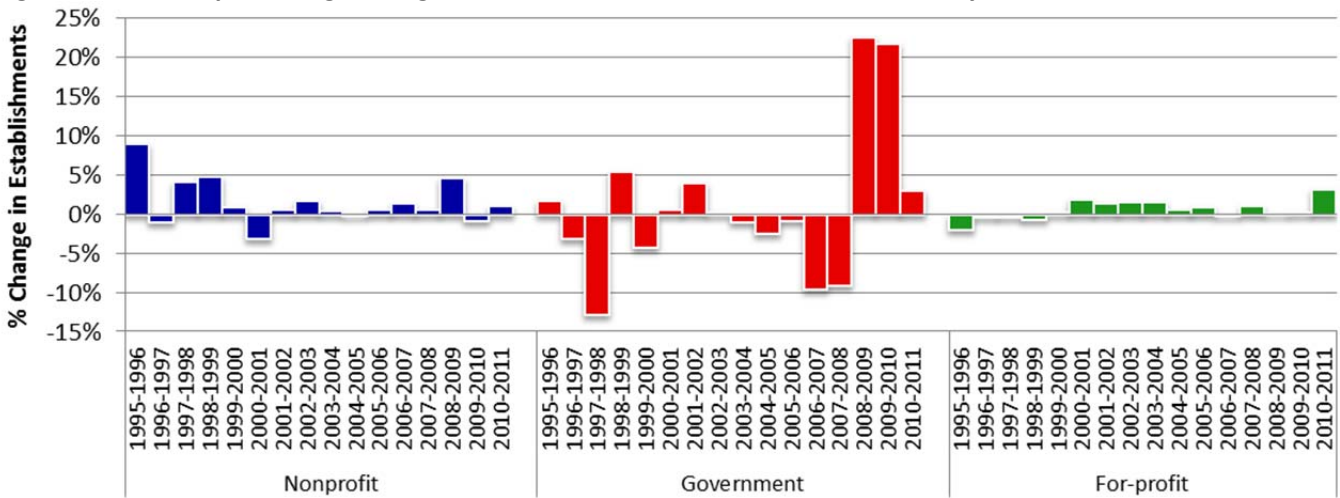


Figure 26: Annual percentage change in number of health care establishments by sector, 1995–2011



D. Establishments in Specific Health Care Sub-Industries

While hospitals are the most prominent establishments and largest employers in the overall health industry, they accounted for, on average, only 2 percent of health care establishments across all sectors. The more diverse ambulatory services establishments accounted for 86 percent of health establishments over the time period. Nursing and residential care facilities made up the remaining 12 percent of all establishments (Figure 27). We begin this section with an overview of nonprofit establishment numbers and then explore each sub-industry’s composition by sector.

- **The number of nonprofit health care establishments increased overall and in each sub-industry between 1995 and 2011** (Figure 28). Of all sub-industries, nonprofit ambulatory health care services added the greatest number of establishments in absolute terms (667 establishments) while nursing and residential care facilities grew the most proportionally (an increase of 25 percent).

- **Across all sectors, hospitals employed over 700 employees per establishment on average.** This average staff size is far greater than that of nursing and residential care facilities or of ambulatory health services establishments, which employed an average of 62 and 13 employees per establishment, respectively, over the time period.
- **Within the nonprofit sector alone, hospitals easily had the largest average staff size versus any other sub-industry, averaging more than 1,000 employees per establishment from 1995 to 2011** (Figure 29). Nonprofit nursing and residential care facilities and ambulatory health services establishments looked vastly different in terms of staff size, on average employing 55 and 34 people, respectively.

Figure 27: **Total** health care establishments by sub-industry, 1995-2011

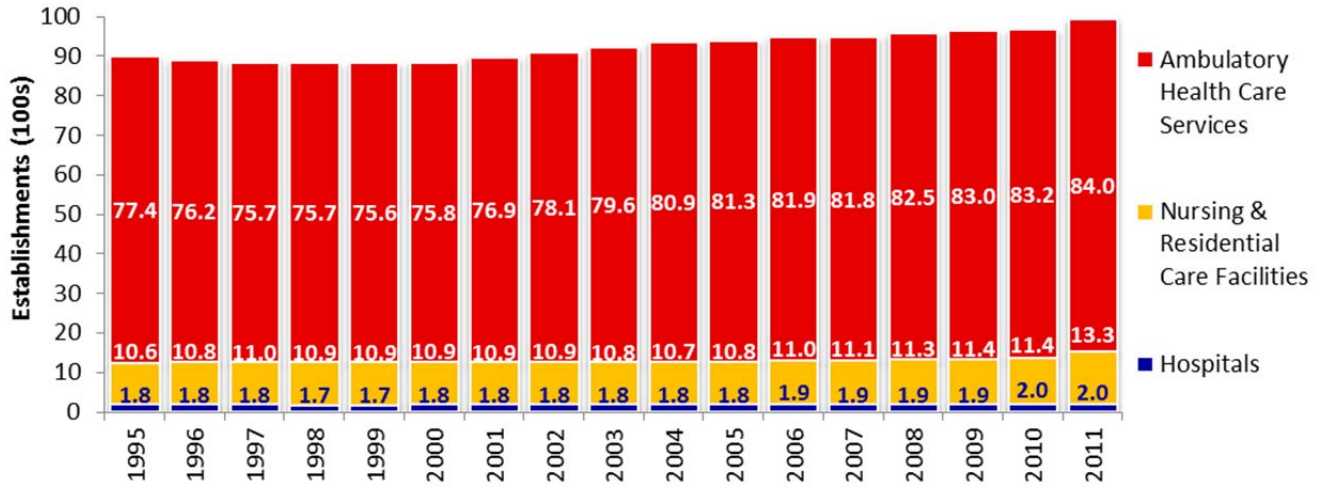


Figure 28: **Nonprofit** health care establishments by sub-industry, 1995-2011

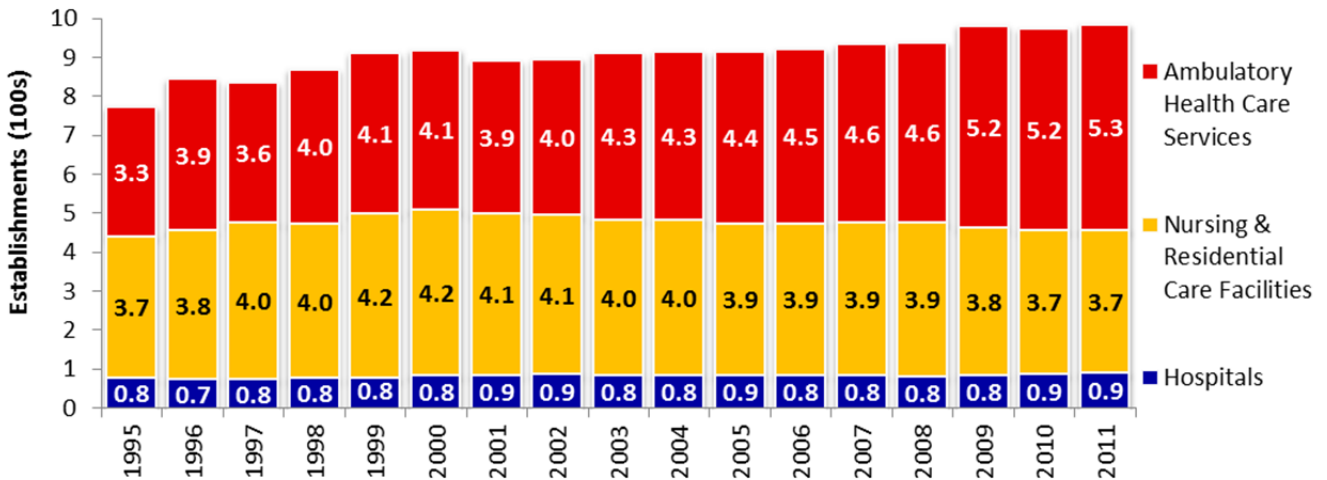
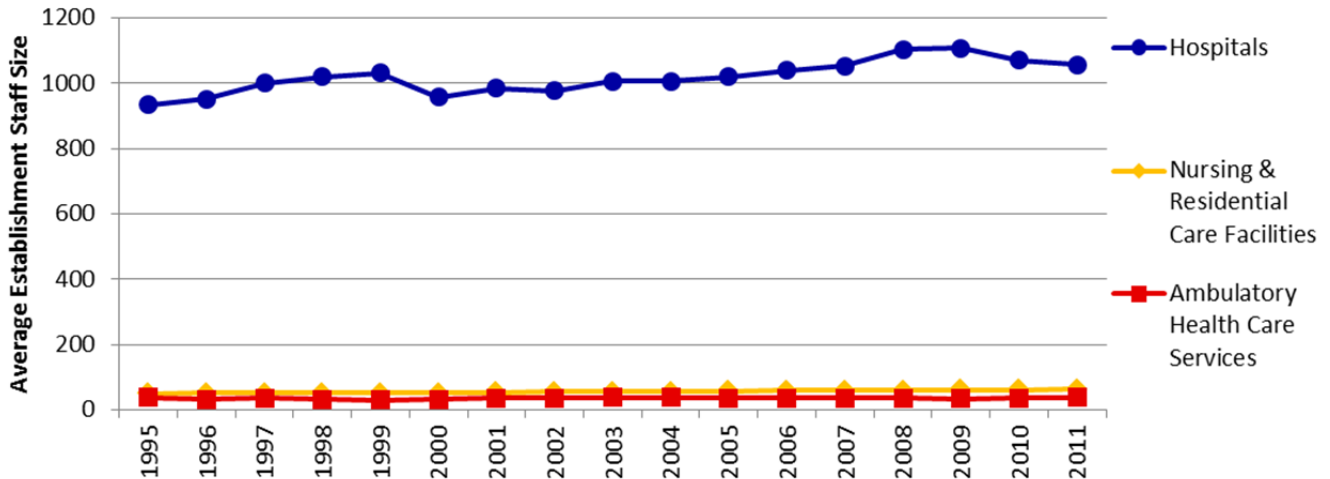


Figure 29: **Nonprofit** average establishment size by sub-industry, 1995-2011



1. Hospitals

- **Nonprofits accounted for, on average, 45 percent of all hospital establishments in Indiana from 1995 to 2011.** The rest of the sub-industry was divided into government establishments (29 percent), and for-profit (26 percent).
- **In total, 14 nonprofit hospitals were added over the time period, reaching 90 establishments by 2011** (Figure 30). For-profits added 24 new establishments, increasing from 42 in 1995 to 66 in 2011, while government lost 14 establishments. However, these changes occurred in different years and it is difficult to draw a direct connection between these trends.
- **Nonprofit hospitals, on average, employed nearly four and a half times more employees than for-profit hospitals** (Figure 31). Nonprofit hospitals averaged over 1,000 employees per establishment from 1995 to 2011, while for-profits only had about 240. Government hospitals split the difference with nearly 650 employees per establishment.
- **Nonprofit hospitals grew by about 120 employees per establishment on average over the 1995 to 2011 period, more than any other sector.** This expansion equated to an average 13 percent growth per nonprofit hospital. For-profits grew the most proportionally (89 percent), however the absolute growth was approximately the same as for nonprofits at 120 employees per establishment. Government establishment size grew by 12 percent, or around 70 employees per establishment.
- **The number of nonprofit establishments demonstrated the least volatility, with no change greater than 10 percent annually** (Figure 32). Government was also similarly stable. For-profits, with their much smaller base, had greater volatility, with a nearly 17 percent loss from 1997-1998 and growth of over 13 percent from 2005-2006. We don't know if these changes reflect the closings or openings of full hospitals or of smaller satellite establishments.

Figure 30: Number of hospital establishments by sector, 1995-2011

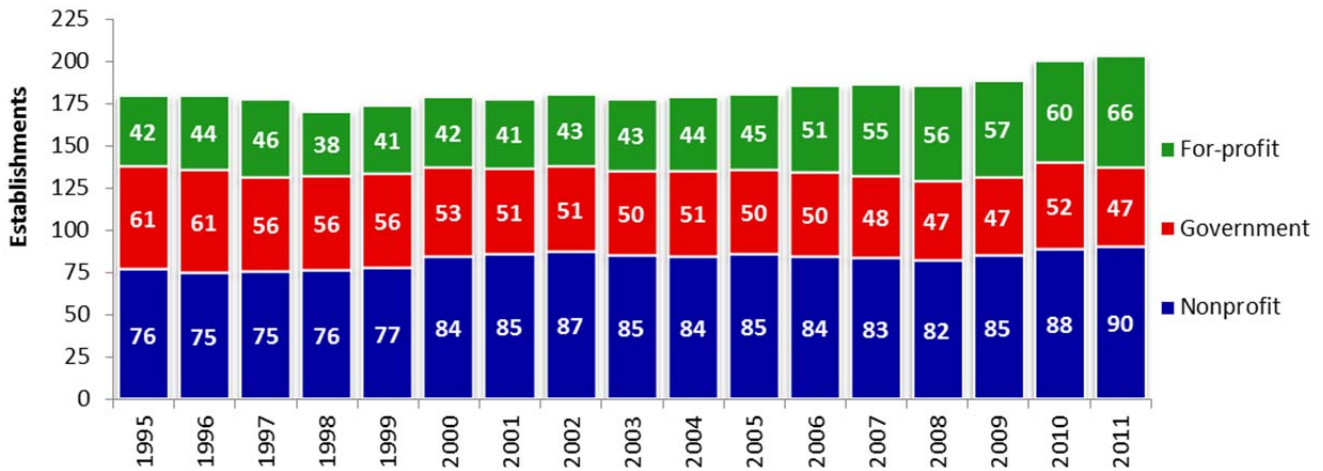


Figure 31: Hospital average establishment staff size by sector, 1995-2011

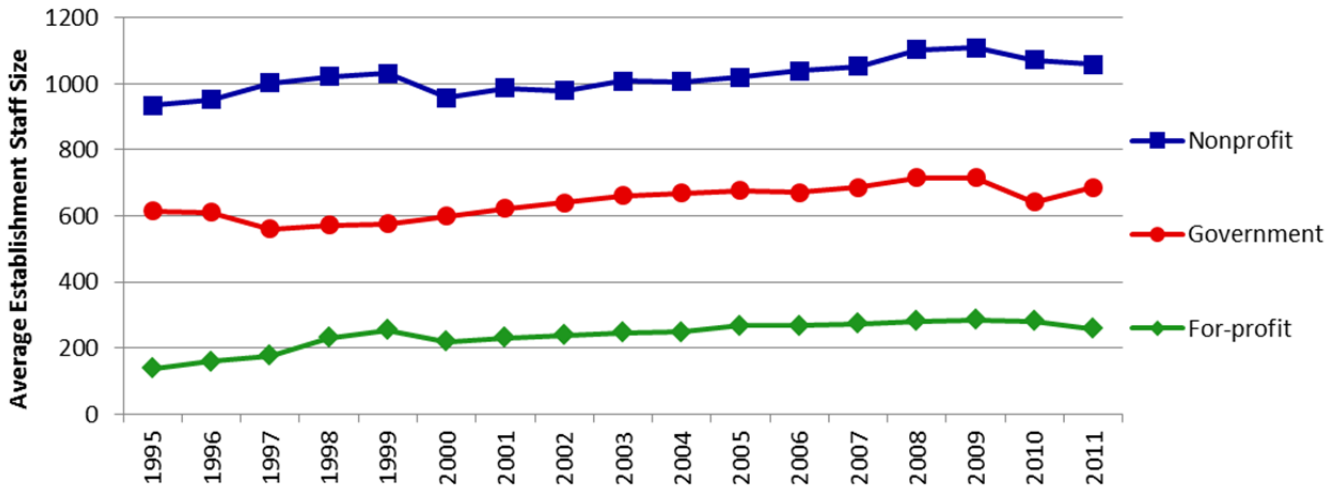
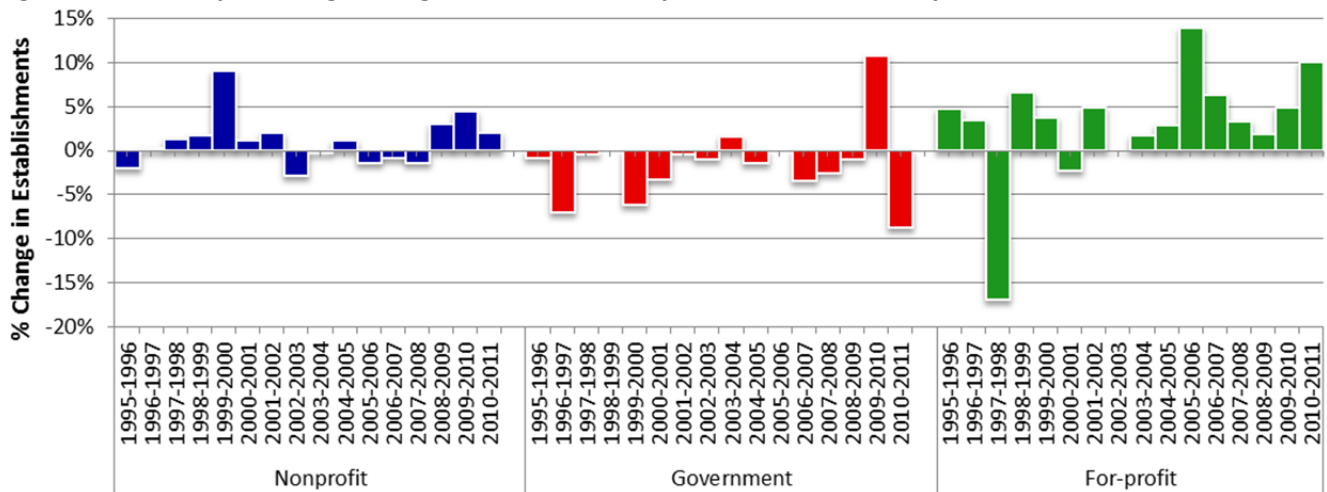


Figure 32: Annual percentage change in number of hospital establishments by sector, 1995-2011



2. Nursing and Residential Care Facilities

- **Nonprofits, with fewer than 400 establishments on average, made up 36 percent of total nursing facilities establishments** (Figure 33). For-profits constituted the majority (64 percent) of the nursing and residential care facilities during the time period. Government averaged less than 1 percent of nursing facilities establishments, with an average of only 7 establishments.
- **Nonprofits in this sub-industry added 2 new establishments, while for-profits added an astonishing 276 establishments, growing 1 percent and 40 percent respectively between 1995 and 2011.** In contrast, government lost seven establishments, more than half of their already small number.
 - **NOTE: The large spike in for-profit numbers from 2010-2011 is due to the addition of 161 establishments in the residential intellectual and developmental disability, mental health, and substance abuse facilities industry group.** Curiously, for-profit employment in this industry group declined by more than 450 workers during the same period. There are several possible explanations for this spike, including the closure of mental health units in government-run hospitals, forcing residents to seek other residential services. Alternatively, or perhaps concurrently, a change in regulation may have encouraged for-profit providers to create small group homes. Our preliminary efforts to uncover any policy changes have led us to consider further implementation of the Medicaid Home and Community-Based Services Waiver (a payment method for developmental disability services) as one possible explanation, but we are not certain this accounts for the sudden timing of the growth or the lack of simultaneous growth in the nonprofit sector. If and when we obtain more specific information, we will update this report and highlight the changes.
- **Nonprofit establishments grew from an average of 50 employees in 1995 to just over 60 in 2011 (27 percent)** (Figure 34). Average government nursing and residential care establishment size fell precipitously from over 290 in 1995 to just 118 employees per facility in 2011. This decrease, however, occurred in a small and declining number of government-run nursing and residential care establishments. For-profit establishment size shrank by 12 percent, from 64 workers in 1995 to 56 in 2011.
- **The nursing and residential care sub-industry showed variation in volatility in number of establishments across sectors.** (Figure 35). Nonprofits saw growth at the beginning of the time period, peaking in 1998-1999 at 6 percent, before losing establishments through much of the rest of the period. The number of government establishments grew in only one year, from 2000-2001. Conversely, the number of for-profit establishments increased consistently between 2004 and 2011, with a huge spike of 25 percent in the last data year, as described in an above finding.

Figure 33: Number of nursing and residential care establishments by sector, 1995-2011

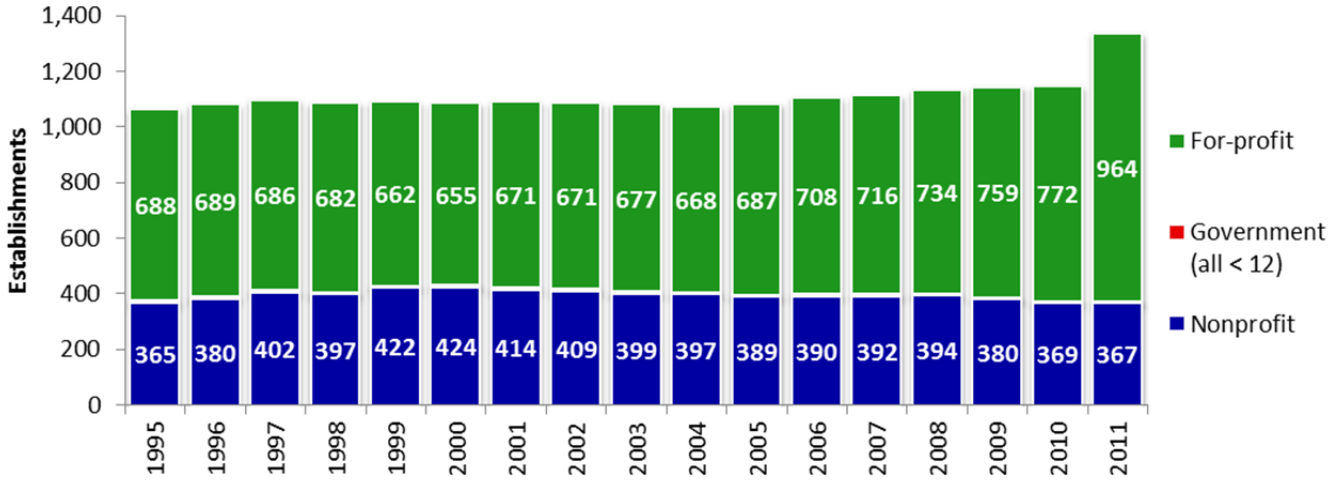


Figure 34: Nursing and residential care average establishment size by sector, 1995-2011

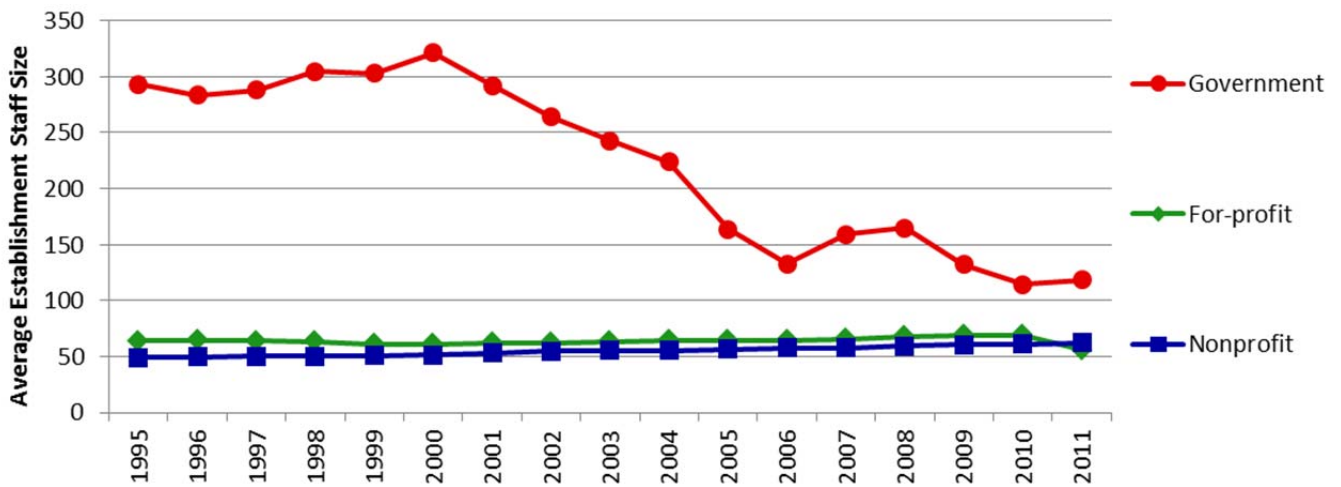
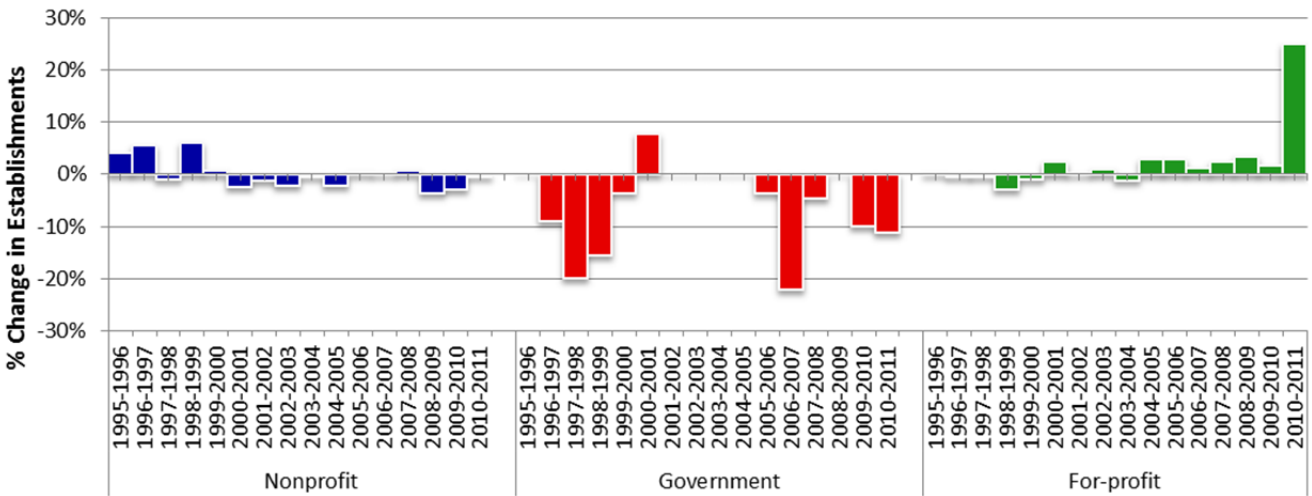


Figure 35: Annual percentage change in number of nursing and residential care establishments by sector, 1995-2011



3. Ambulatory Health Care Services

- **Nonprofits make up a small but growing percentage of ambulatory health care services establishments** (Figure 36). On average, for-profits made up 94 percent of this sub-industry and nonprofits only 5 percent, with the remaining margin being government establishments.
- **The number of nonprofit establishments in this sub-industry increased by 59 percent, from 332 in 1995 to 527 in 2011.** For-profit establishments increased only 6 percent, but from a much larger base: 7,373 establishments in 1995 grew to 7,815 by 2011. The number of government establishments doubled, but maintained the smallest proportion of establishments, with just over 60 by 2011.
- **While for-profits had more establishments in this sub-industry, nonprofits had three times more employees per establishment** (Figure 37). Nonprofits employed an average of 34 workers per establishment over the time period, with home health care services appearing primarily responsible for this inter-sector size difference. Home health care services is a sub-group of ambulatory health care services in which nonprofits employed, on average, nearly 70 workers per establishment between 1995 and 2011. Government establishments in ambulatory health care were larger than for-profits but smaller than nonprofits on average. Government establishments decreased in size while nonprofits and for-profits both grew over the time period.
- **Nonprofit and government establishment numbers experienced high volatility, while for-profits remained stable throughout the time period** (Figure 38). The nonprofit sector experienced annual changes as great as 17 percent. Government was the most volatile, decreasing just over 30 percent from 1997-1998 and increasing 81 percent from 2008-2009. However, these swings may look more drastic than they actually were due to the small base numbers of nonprofit and government establishments; the 81 percent growth equated to only 15 establishments. For-profit establishment numbers remained consistent as a percentage of the industry as a whole, with changes fluctuating only between 2 and -2 percent annually, but the hard numbers are much more dramatic. For instance, 170 for-profit establishments were lost from 1995-1996, but 132 establishments gained between 2003-2004. Some of these changes may reflect the opening and closing of smaller satellite offices.

Figure 36: Number of ambulatory health care establishments by sector, 1995-2011

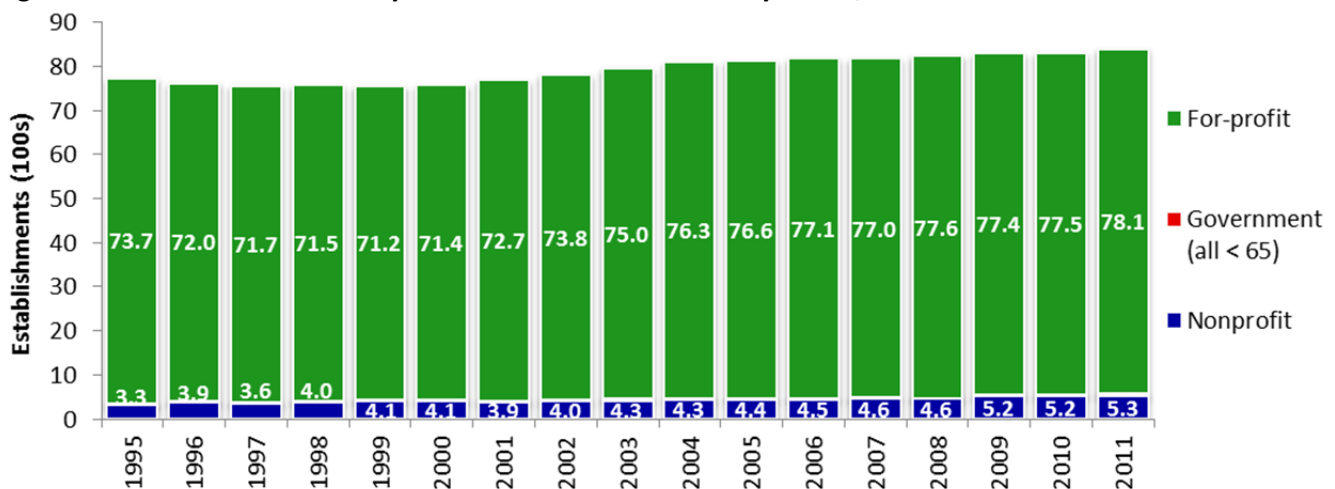


Figure 37: Ambulatory health care average establishment size by sector, 1995-2011

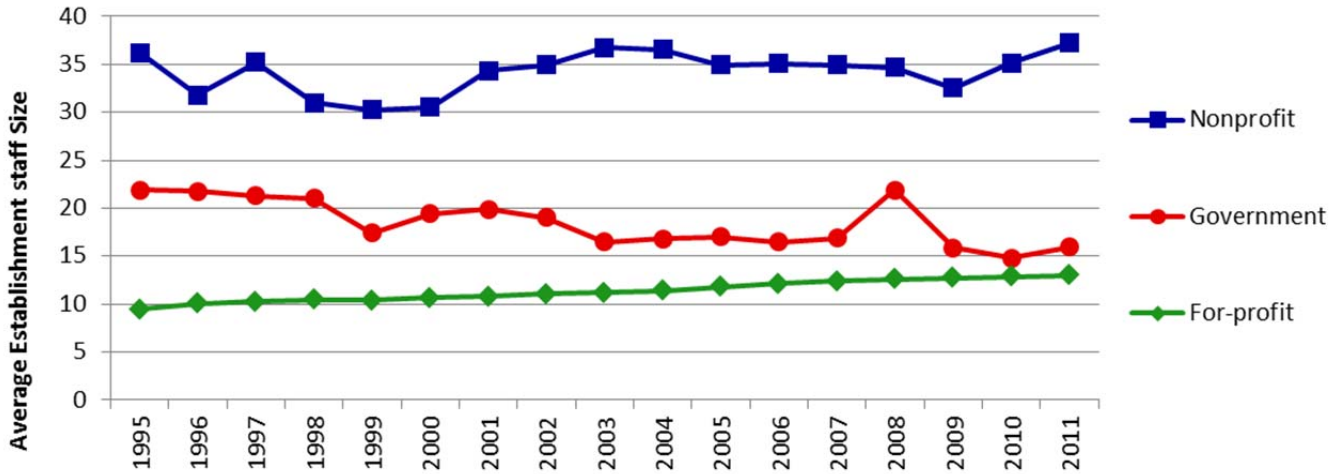
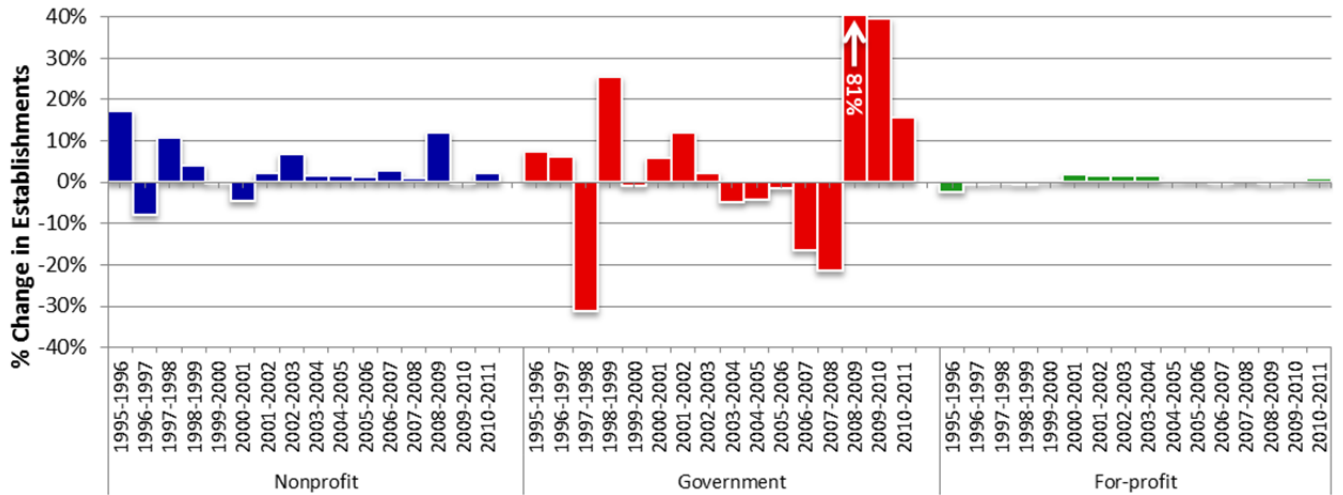


Figure 38: Annual percentage change in number of ambulatory health care services establishments by sector, 1995-2011



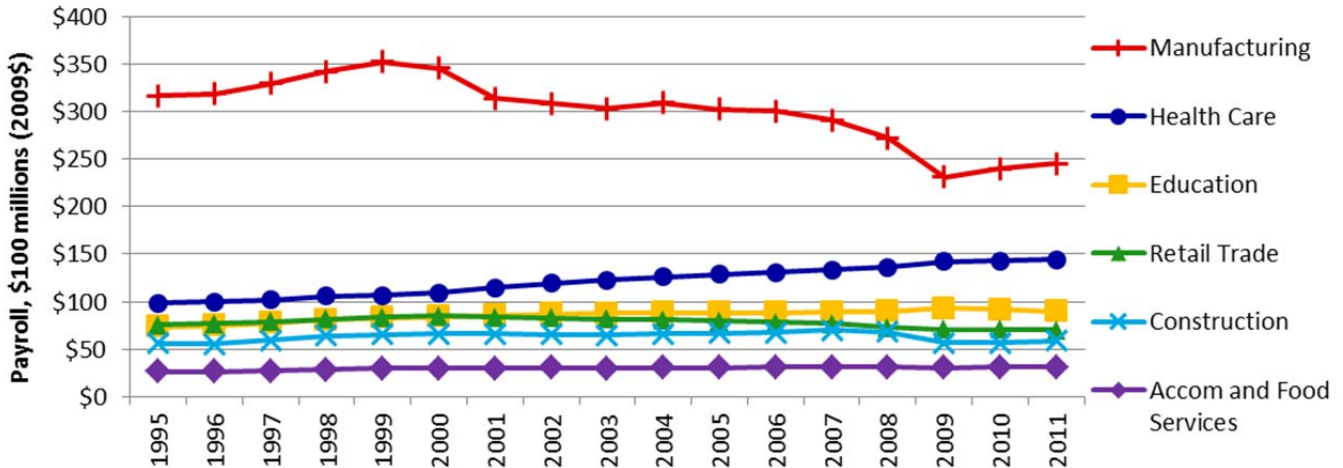
IV. PAYROLL

A. Payroll in Health Care and Other Indiana Industries

With the second highest employment and payroll of all Indiana industries, health care made a significant contribution to local economic development in communities across the state. Over the time period, health care payroll grew substantially while payroll in some other leading industries stagnated or declined. All payroll amounts have been adjusted for inflation and are reported in 2009 dollars.

- **Health care provided the second highest annual payroll of all Indiana industries over the time period, with an average of \$12.1 billion** (Figure 39). The combination of high wages and a large number of employees in this industry is responsible for its high payroll, which was second only to manufacturing (\$30.1 billion, on average). Although health care payroll began the period almost on par with education, its strong growth solidified its place as the industry with the second highest payroll through 2011. All other comparison industries had average payrolls of less than \$9 billion.
- **Health care payroll had the greatest growth, at 46 percent, over the time period compared to other major industries.** Health care payroll grew from \$9.8 billion to \$14.4 billion between 1995 and 2011. Education experienced the second largest percentage growth at 22 percent, while manufacturing, Indiana’s highest payroll throughout the period, decreased by 23 percent.

Figure 39: Payroll in health care and similarly sized Indiana industries, 1995-2011



B. Nonprofit Payroll in Health Care and Other Major Nonprofit Industries in Indiana

Payroll in nonprofit health care grew more than almost any other major Indiana nonprofit industry during the time period. Despite health care’s large nonprofit payroll size, nonprofit payroll comprised less than 40 percent of total payroll within the health care industry. All payroll amounts have been adjusted for inflation and are reported in 2009 dollars.

- **Nonprofit health care payroll grew 65 percent, increasing from \$3.5 billion to \$5.8 billion between 1995 and 2011** (Figure 40). Health care’s payroll growth was behind only that of the education industry, which increased 77 percent, and that of “other” nonprofits, which grew 67 percent over the

same time period. Nonprofit payroll in the social assistance, membership, and arts, entertainment, and recreation industries grew 43 percent, 32 percent, and 8 percent respectively over the same time period.

- **Health care accounted for the largest proportion of all Indiana nonprofit payroll, averaging 62 percent.** This proportion remained fairly constant throughout the time period, as nonprofit health care maintained both the largest number of employees and highest average annual wages relative to other major nonprofit industries. The second-largest nonprofit payroll provider, education, accounted for only 13 percent of all nonprofit payroll on average.
- **Of the industries with a strong nonprofit presence, the health care industry had the second highest percent of total payroll deriving from nonprofit establishments, averaging 38 percent from 1995 to 2011** (Figure 41). The share of health care payroll paid to nonprofit employees increased relatively steadily from 36 percent in 1995 to 40 percent in 2011. Social assistance had the highest proportion of payroll going to nonprofit employees, averaging 72 percent over the time period. Within the arts, entertainment, and recreation industry and the education industry, the shares of total payroll going to nonprofit employees were on average 13 percent and 11 percent, respectively.

Figure 40: Nonprofit payroll in major nonprofit industries, 1995-2011

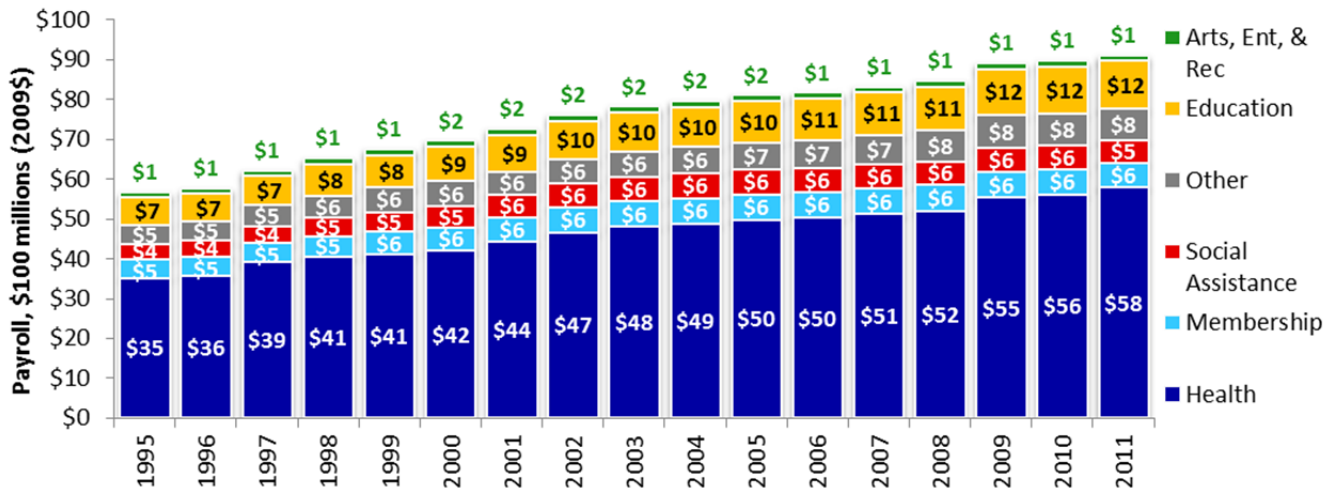
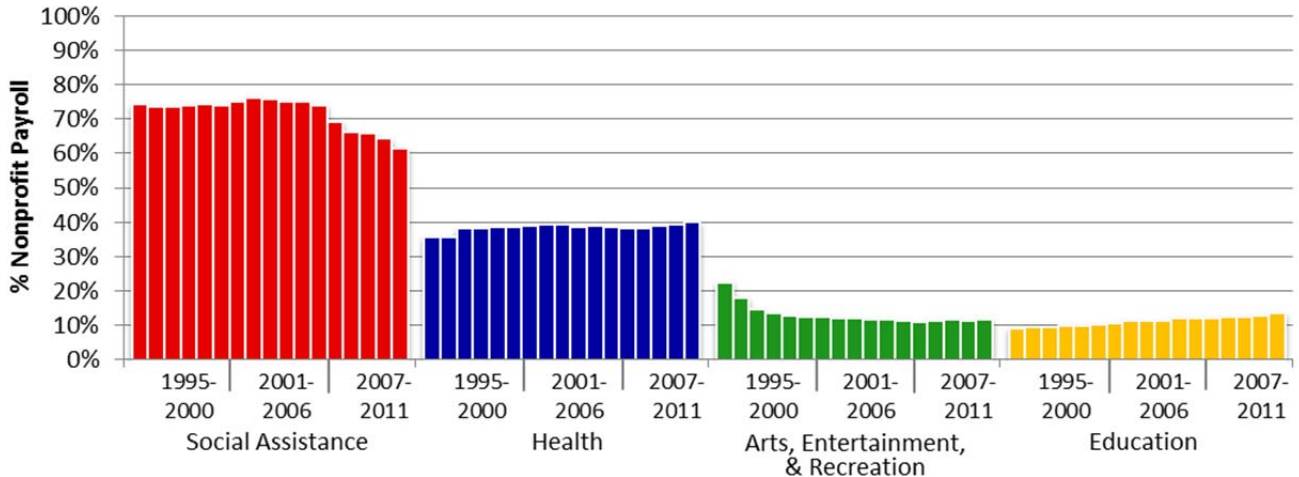


Figure 41: Percentage of total industry payroll that is nonprofit, 1995–2011



C. Health Care Payroll in the Nonprofit, Government, and For-Profit Sectors

Just as in employment, the for-profit sector made up the majority of health care payroll. However, nonprofit payroll grew faster than that of for-profits over the time period. All payroll amounts have been adjusted for inflation and are reported in 2009 dollars.

- **Payroll in nonprofit health care grew a remarkable 65 percent from 1995 to 2011, faster than payroll in government or for-profits** (Figure 42). Over the same time period, for-profit payroll grew 46 percent. Government payroll grew 5 percent despite a 19 percent decrease in number of employees.
- **On average, nonprofits made up 38 percent of health care payroll in Indiana, while for-profits represented half (50 percent) and government comprised the rest (12 percent)** (Figure 43). These proportions remained fairly stable over the time period, though slight growth in the nonprofit share was balanced by decline in that of government.
- **Of the three sectors, for-profits experienced the greatest seasonality in payroll** (Figure 44). Payroll increases occurred annually in the fourth quarters between 1995 and 2011. The average growth between the lowest paying quarter (first) and the highest paying quarter (fourth) was 32 percent in for-profits. These increases are likely due to year-end bonuses, which nonprofit employers may refrain from providing in order to avoid charges of engaging in private inurement (paying employees more than fair-market value). However, nonprofits did experience some seasonality, especially near the end of the time period, with an average growth of 9 percent between first and fourth quarters.
- **Both nonprofit and for-profit payroll grew consistently over the time period** (Figure 45). Nonprofit payroll saw no years of decline, while for-profit payroll only declined from 2010-2011. In both sectors, this sustained growth in payroll was caused by concurrent rises in wages and number of employees. Government payroll experienced greater volatility, with a 16 percent decrease in payroll in 1996-1997, corresponding with a 14 percent decrease in employment in the same year.

Figure 42: Health care annual payroll by sector, 1995-2011

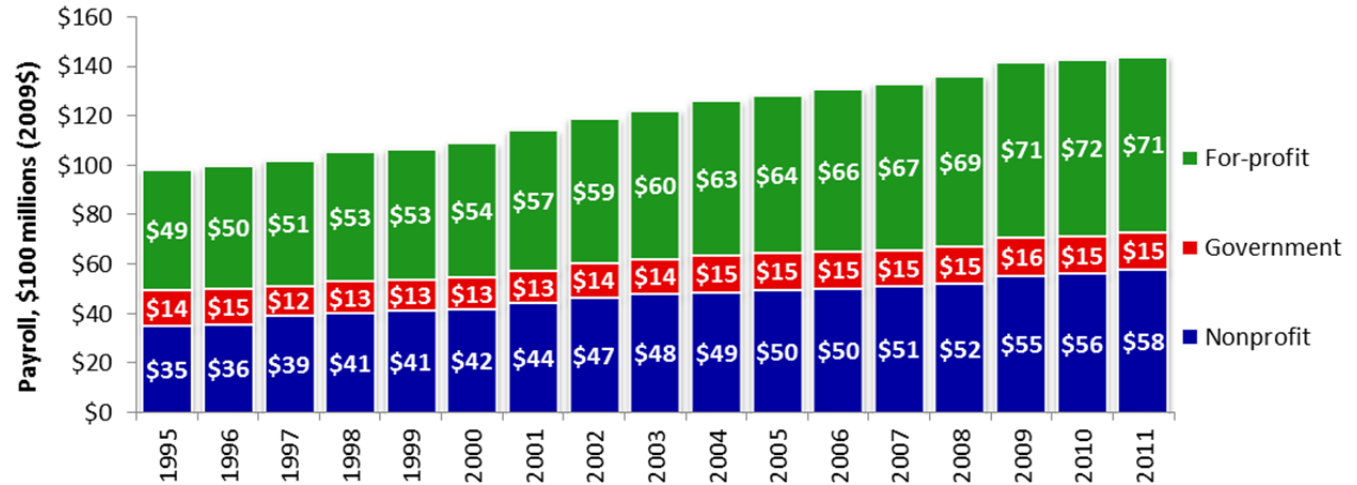


Figure 43: Percentage of health care payroll by sector, 1995-2011

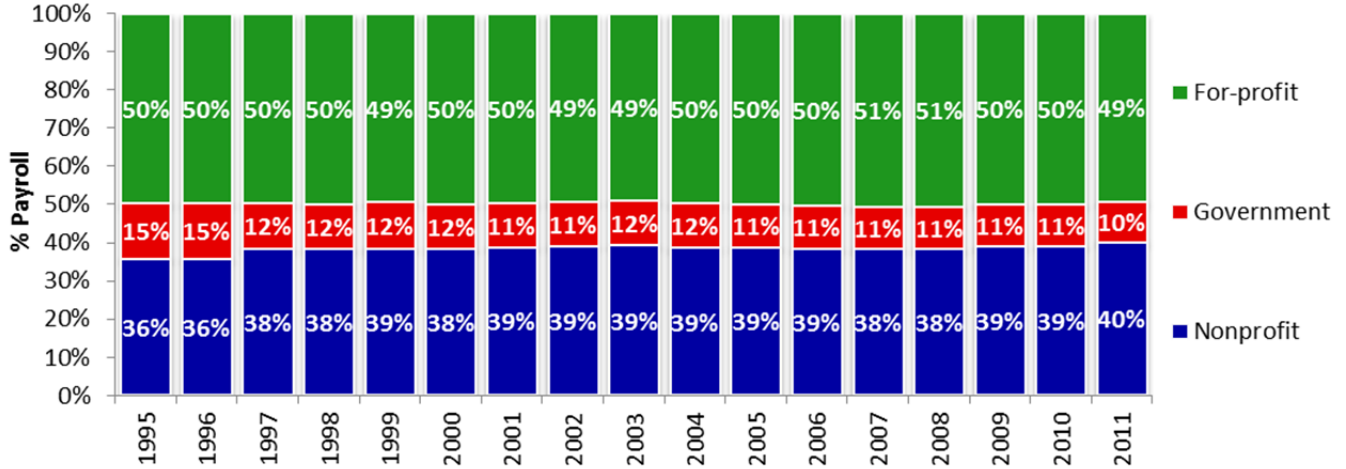


Figure 44: Quarterly health care payroll by sector, 1995-2011

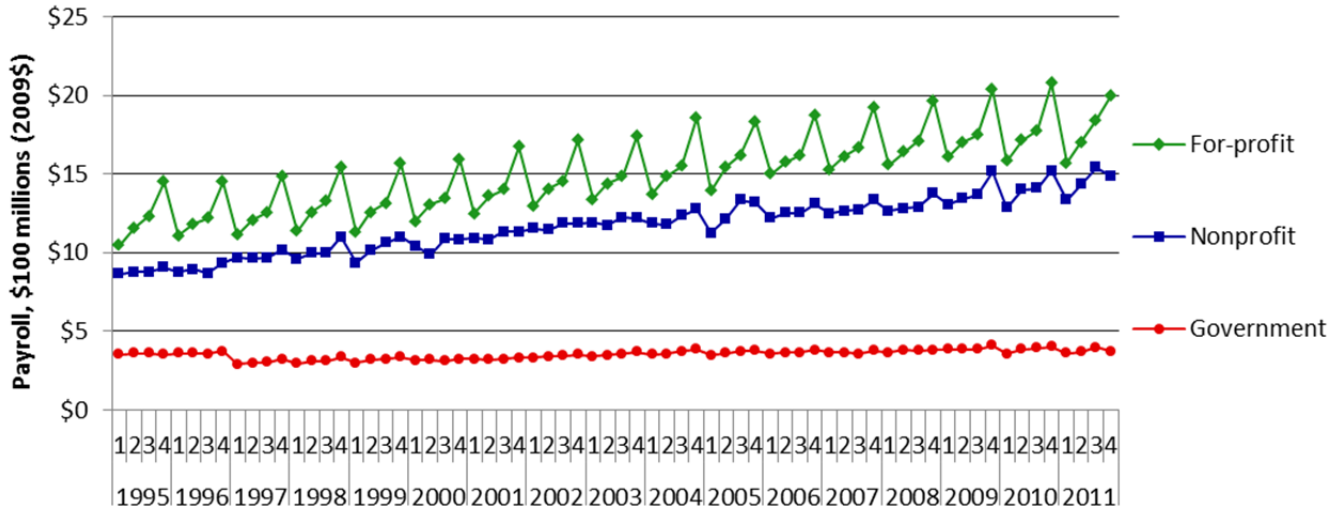
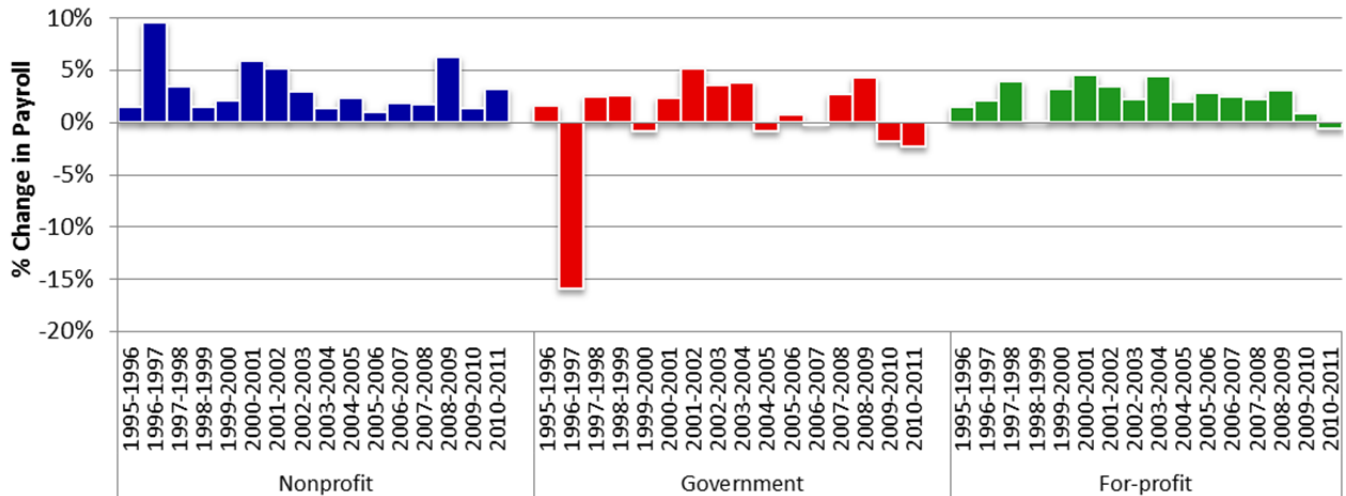


Figure 45: Annual percentage change in total health care payroll by sector, 1995-2011



D. Payroll in Specific Health Care Sub-Industries

All health care sub-industries saw strong nonprofit payroll growth from 1995 to 2011, even after adjusting for inflation. Hospitals provided, on average, three-quarters of all nonprofit health care payroll each year and contributed most substantially to the nonprofit presence in overall health care payroll. We begin this section with an overview of sub-industry payroll numbers and then consider each sub-industry’s sector composition. All payroll amounts have been adjusted for inflation and are reported in 2009 dollars.

- **Though total industry payrolls in ambulatory care and hospitals were similar in 1995, growth in hospital payroll outpaced that of the other sub-industries by 2011** (Figure 46). In 1995, payroll for hospitals was approximately \$4.2 billion and grew 52 percent to \$6.4 billion by 2011. Ambulatory care payroll began at \$4.2 billion and grew to \$6.1 billion (47 percent growth). Nursing and residential care payroll was less than one-third the size of the other two sub-industries on average and grew from \$1.4 billion in 1995 to \$1.9 billion by 2011 (29 percent growth).
- **Among nonprofits, hospitals overwhelmingly had the largest payroll of the three sub-industries** (Figure 47). Hospitals accounted for about 75 percent (\$3.5 billion) of nonprofit payroll in the health care industry during the time period. By comparison, ambulatory care and nursing and residential care accounted for 14 percent (\$641 million) and 11 percent (\$514 million) respectively.
- **Total nonprofit payroll grew 65 percent during the time period with over two-thirds of that growth coming from increases in hospital payroll.** Nonprofit hospital payroll grew 58 percent from \$2.3 billion in 1995 to \$4.3 billion in 2011. Growth in nonprofit payroll in ambulatory care was more than 130 percent, from \$305 million to \$1 billion. Nursing and residential care experienced the least growth, at 32 percent from \$247 million to \$530 million.
- **All nonprofit health care sub-industries experienced growth in payroll in almost all years between 1995 and 2011** (Figure 48). This growth occurred even in years of economic recession. Nonprofit hospital payroll saw the greatest growth from 1996 to 1997 (11 percent). Nursing and residential care experienced the greatest growth, 8 percent, concurrently with hospitals, but saw five years of decline, including the last three years of the time period. Ambulatory health care payroll saw the most extreme growth, with five years greater than 10 percent.

Figure 46: **Total** health care payroll by sub-industry, 1995-2011

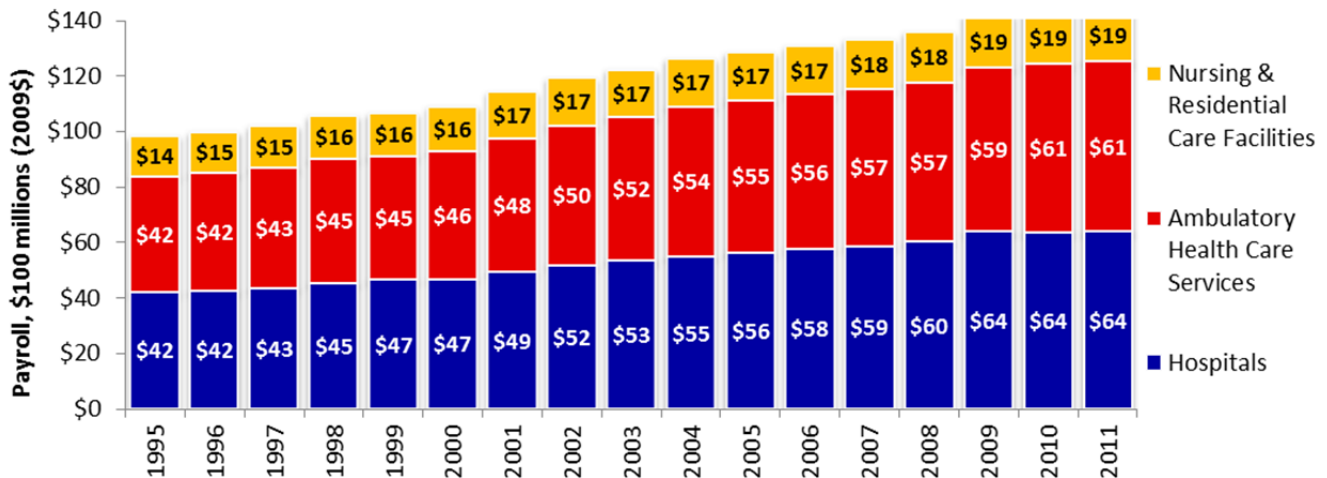


Figure 47: **Nonprofit health care payroll by sub-industry, 1995-2011**

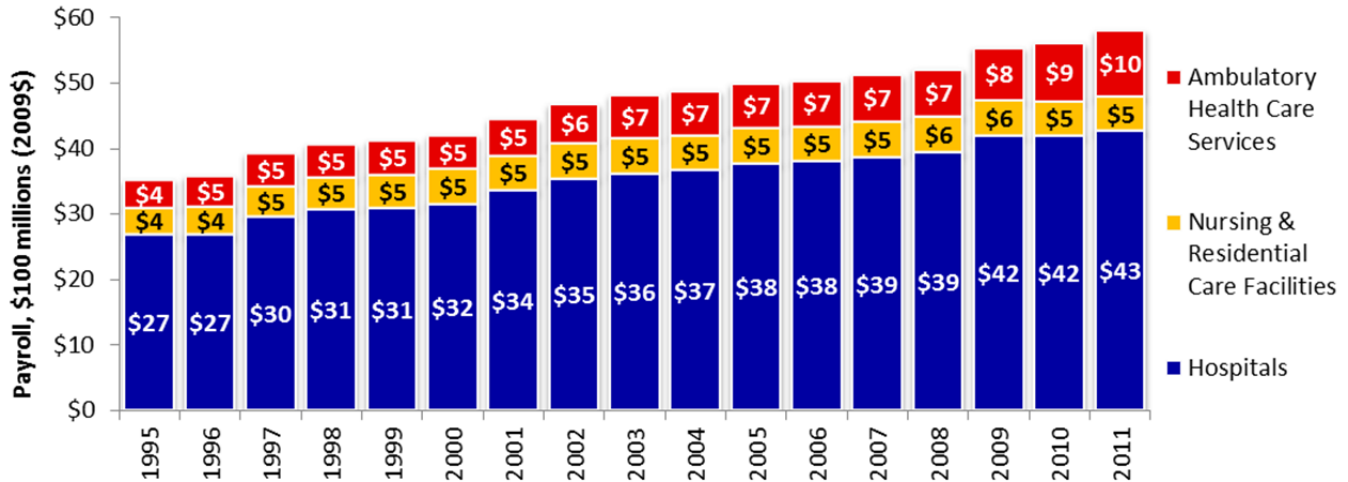
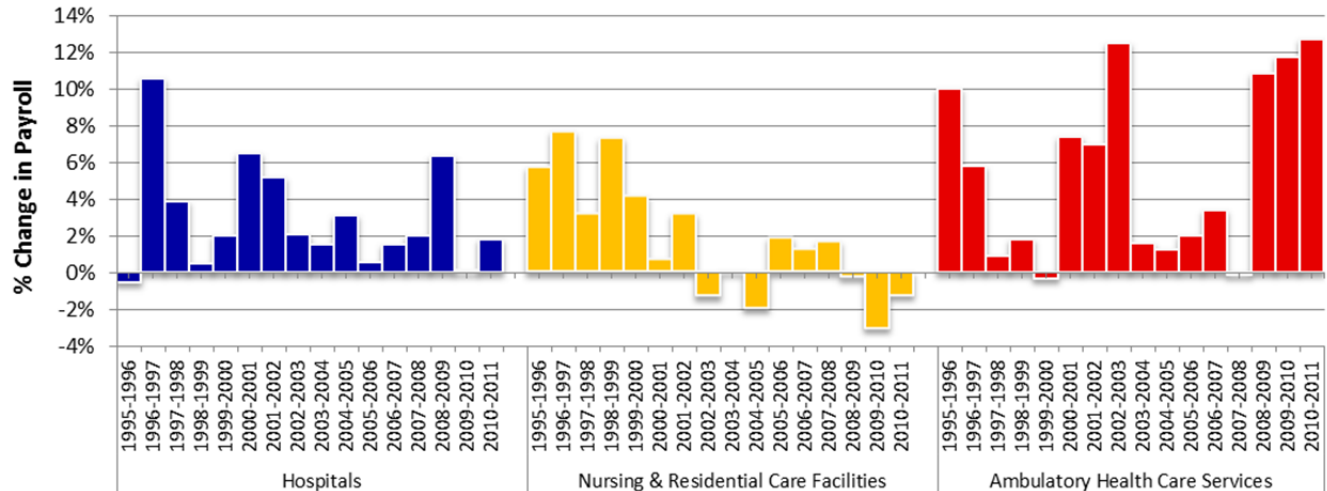


Figure 48: **Annual percentage change in nonprofit health care payroll by sub-industry, 1995-2011**



1. Hospitals

- **Nonprofit hospital payroll grew from \$2.7 billion in 1995 to \$4.3 billion in 2011, a 58 percent increase** (Figure 49). For-profit hospital payroll experienced smaller growth in absolute terms, but the greatest percentage growth (240 percent) given its smaller base, increasing from \$204 million to \$694 million. Government payroll in hospitals had the smallest growth of the three sectors, beginning at \$1.3 billion in 1995 and ending the period with \$1.4 billion, a change of only 8 percent.
- **Of the three health care sub-industries, only hospitals had a majority of payroll (66 percent, on average) derived from nonprofits.** Another quarter of hospital payroll came from government, on average, while for-profits comprised the remaining 8 percent.
- **Besides a less than 1 percent decrease in 1996, nonprofit hospital payroll experienced consistent annual growth** (Figure 50). For-profits saw six years of growth greater than 10 percent and saw declines only twice during the period: in 1999-2000 and in 2010-2011. Government payroll was slightly more volatile, with a large decline in payroll (17 percent) in 1996-1997.

Figure 49: Hospital payroll by sector, 1995-2011

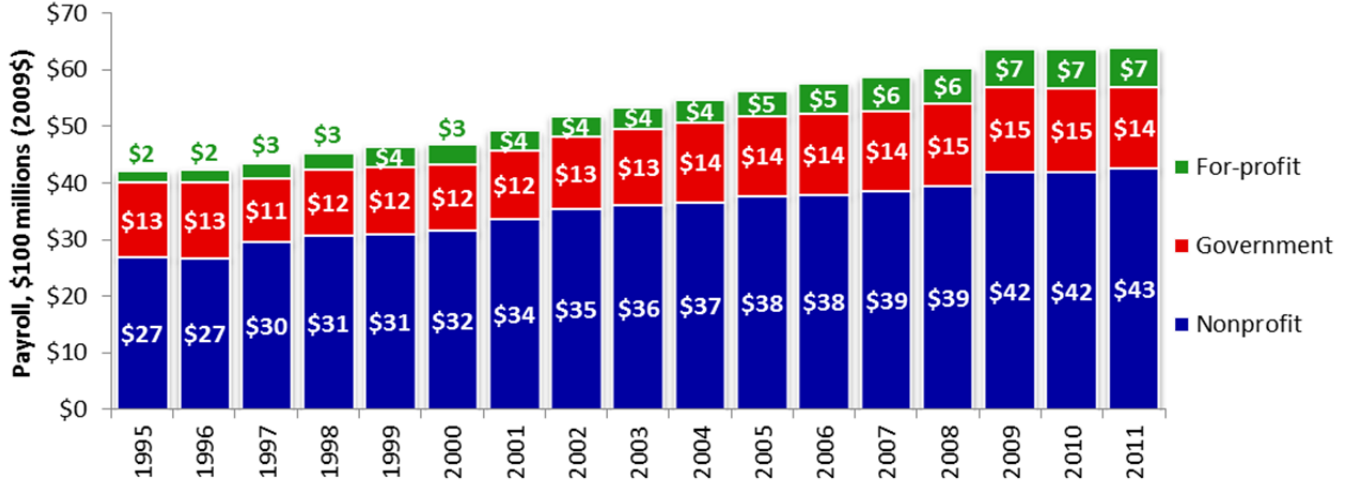
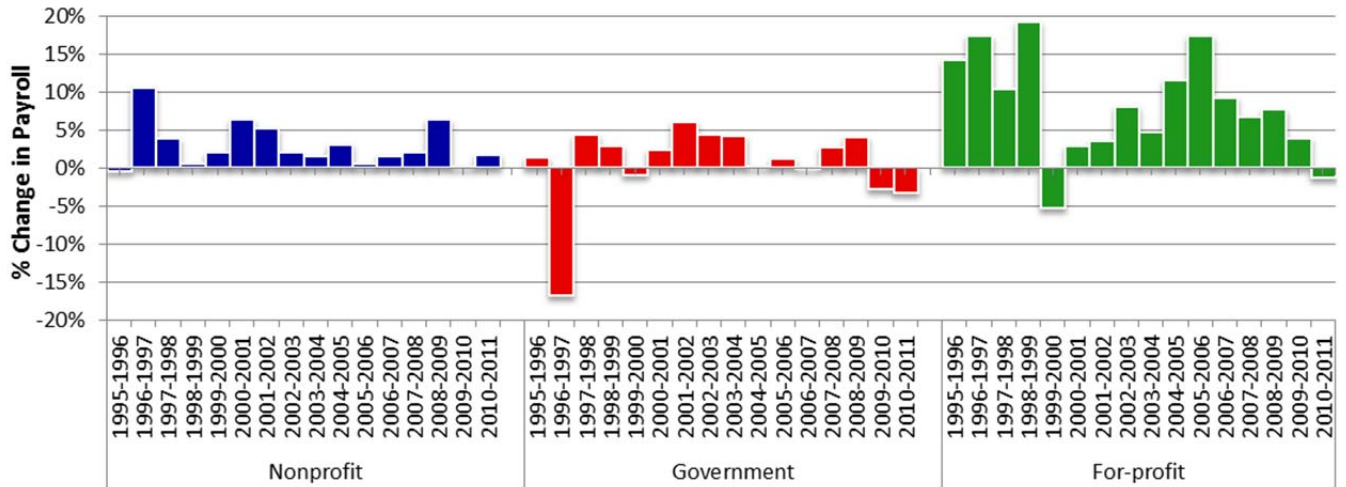


Figure 50: Annual percentage change in hospital payroll by sector, 1995-2011



2. Nursing and Residential Care Facilities

- While nonprofit and for-profit nursing and residential care facilities experienced payroll growth over the time period, government payroll dropped dramatically (Figure 51). In concordance with the previously discussed steep declines in number of both employees and establishments in this sub-industry, government payroll dropped 84 percent, from \$86 million in 1995 to \$14 million in 2011. Nonprofit nursing and residential care payroll grew from \$402 million to \$530 million (32 percent). For-profit payroll experienced the greatest growth both in terms of absolute dollars (from \$773 million in 1995 to \$1.3 billion in 2011) and percentage (39 percent).
- The nonprofit share of nursing and residential care sub-industry payroll increased from 28 percent in 1995 to a peak of 33 percent in 2000, before decreasing again to 28 percent by 2011. For-profits represented the majority of payroll in this sub-industry, averaging more than two-thirds over the time period. Government payroll decreased steadily from 6 percent of the sub-industry in 1995 to less than 1 percent by 2011, illustrating increasing privatization.

- In contrast to the hospital sub-industry, nursing and residential care appeared to have limited seasonal pay bonuses for employees (Figure 52). Nursing and residential care payroll exhibited minimal patterns of seasonality during the time period. Private sector payrolls tended to peak in the fourth quarter and were lowest in the first quarter, with an average difference between the two quarters of 7 percent for for-profits and 8 percent for nonprofits.

Figure 51: Nursing and residential care facilities payroll by sector, 1995-2011

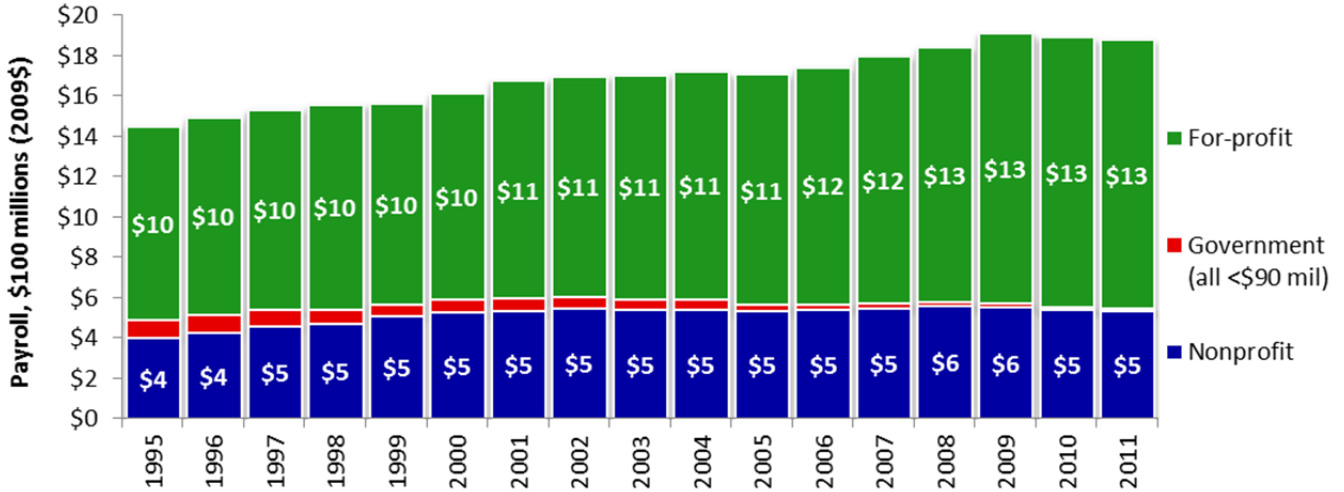
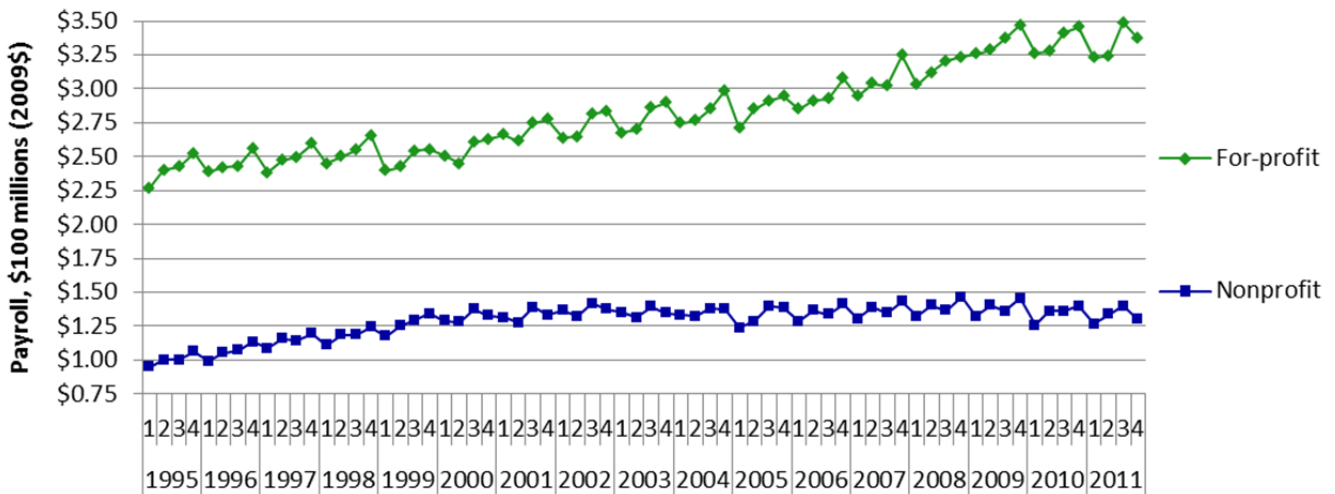


Figure 52: Quarterly private sector nursing and residential care facilities payroll by sector, 1995-2011



3. Ambulatory Health Care Services

- Nonprofit payroll in ambulatory health care services more than doubled over the time period (Figure 53). Nonprofit payrolls grew 133 percent from \$429 million in 1995 to \$1 billion in 2011. From the smallest starting base of \$25 million, government payroll grew 145 percent to \$61 million. For-profits, meanwhile, dwarfed nonprofit and government payroll in absolute terms (from \$3.7 billion to \$5.1 billion), but saw the smallest proportional growth of 37 percent.
- Nonprofits accounted for a small but growing proportion of total payroll in ambulatory care services, increasing their share from 10 percent in 1995 to 16 percent by 2011. For-profits accounted for 87 percent of the sub-industry’s steadily growing payroll on average, while government comprised less than 1 percent.

- Ambulatory care services exhibited the most seasonality in pay of any of the health care sub-industries** (Figure 54). The seasonality was overwhelmingly in the for-profit sector, perhaps due to end-of-year bonuses. For-profit payroll during the fourth quarter was, on average, 40 percent higher than first quarter averages. By comparison, nonprofit and government wages each increased 10 percent and 8 percent on average respectively in the fourth quarter over first quarter averages.

Figure 53: Ambulatory health care services payroll by sector, 1995-2011

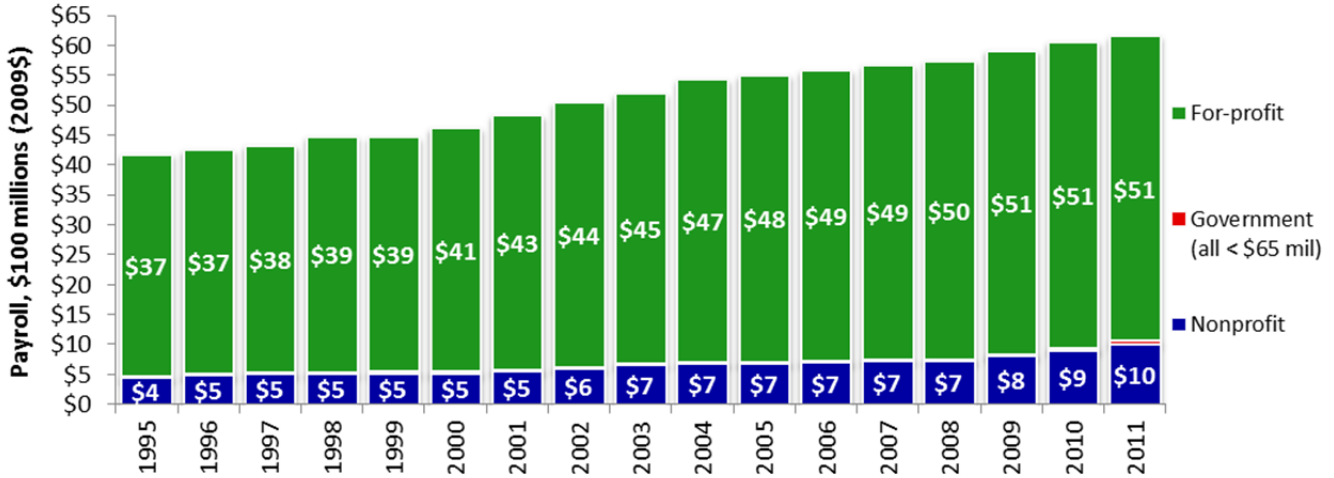
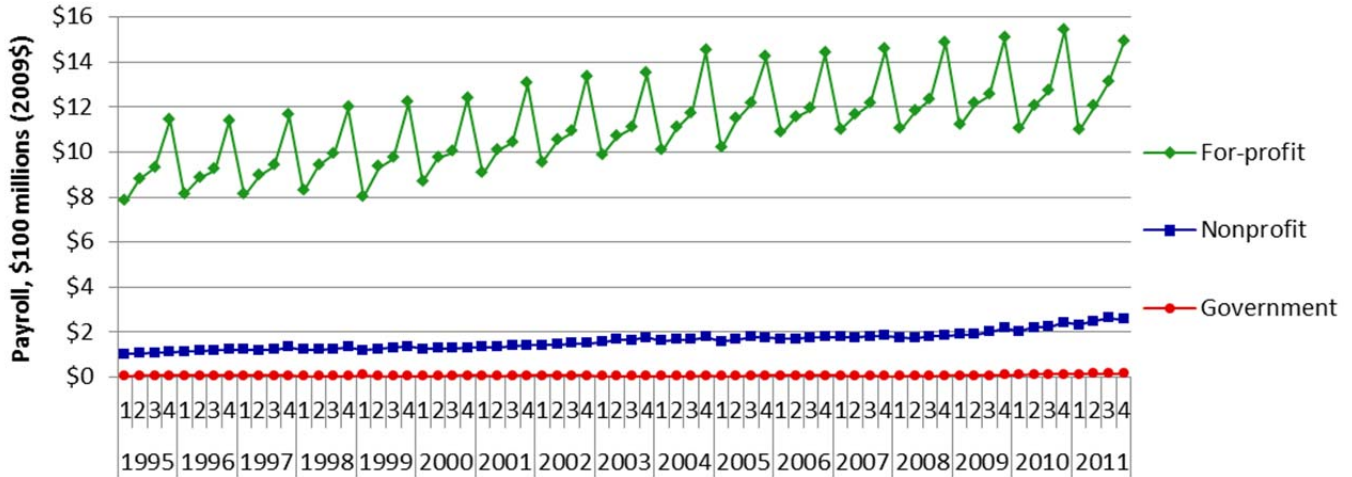


Figure 54: Quarterly ambulatory health care services payroll by sector, 1995-2011



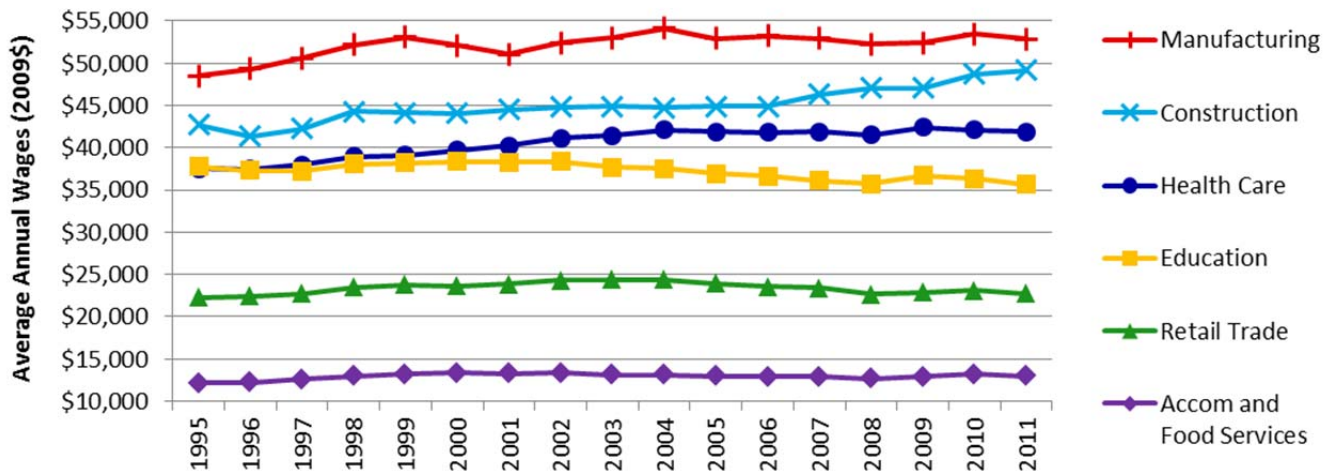
V. AVERAGE ANNUAL WAGES

A. Average Annual Wages in Health Care and Other Indiana Industries

Health care wages, while not the highest among Indiana industries, exhibited the second most growth of similarly sized industries over the time period 1995-2011, speaking to the important position of health care in the Indiana economy. All average annual wages have been adjusted for inflation and are reported in 2009 dollars.

- **Health care industry wages had the second largest growth of all similarly sized Indiana industries, growing 12 percent from 1995 to 2011** (Figure 55). Health care began with wages lower than those of education, but education wages declined by 6 percent over the time period. Construction was the only comparison industry with larger wage growth than health care, with a growth of 15 percent. Retail trade, accommodation and food services, and manufacturing wages all grew less than those of health care, at 2 percent, 7 percent, and 9 percent, respectively.
- **Health care had the third highest annual wages of all similarly sized industries from 1996 through 2011.** Health care wages grew from around \$37,500 in 1995 to \$41,900 in 2011. As of 2011, average annual health wages only trailed those in construction, which averaged \$49,100, and manufacturing, the highest-paid industry at \$52,800.

Figure 55: Average annual wages in health care and similarly sized Indiana industries, 1995-2011



B. Nonprofit Average Annual Wages in Health Care and Other Major Nonprofit Industries in Indiana

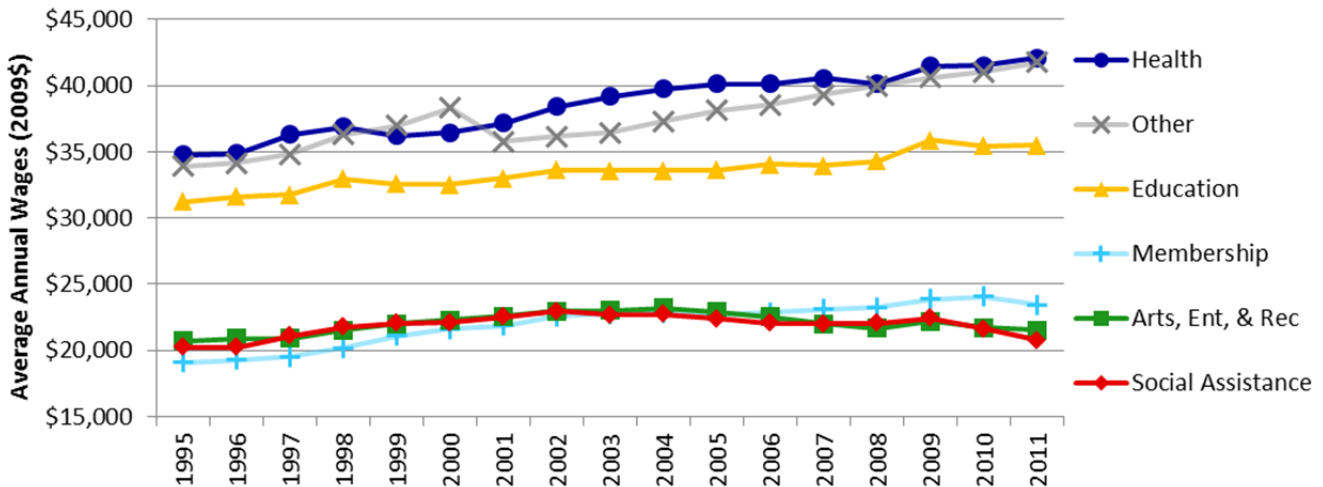
Compared with other major Indiana nonprofit industries, health care offered the highest average annual wages in nearly all years between 1995 and 2011. Combined with high nonprofit employment, these high wages ensure the place of health care as Indiana’s most dominant nonprofit industry. All average annual wages have been adjusted for inflation and are reported in 2009 dollars.

- **Despite inconsistent growth, health care averaged the highest annual nonprofit wages over the time period at \$38,600, compared to other major nonprofit industries in Indiana** (Figure 56). Average annual nonprofit wages in “other” nonprofit industries (i.e., utilities, animal shelters,

cooperatives) followed closely behind, averaging \$37,600 and exceeding those of health care in 1999 and 2000. The education industry’s average annual nonprofit wages ranked third highest, averaging \$33,500 over the time period, while average wages in the remaining nonprofit categories (membership organizations, social assistance, and arts, entertainment, and recreation) all averaged under \$22,100.

- **Average annual nonprofit health care wages grew a total of 21 percent, from \$34,800 in 1995 to \$42,100 in 2011.** This growth lagged behind that of membership organizations and “other” nonprofit industries, which each saw nonprofit wages grow by 23 percent. The other comparison nonprofit industries saw less growth than health care: 3 percent in social assistance, 4 percent in arts, entertainment, and recreation, and 14 percent in education.

Figure 56: Nonprofit average annual wages in major nonprofit industries, 1995-2011



C. Average Annual Wages in Nonprofit, Government, and For-Profit Sectors

Average annual wages in the nonprofit, government, and for-profit sectors experienced divergent patterns from 1995 to 2011. Each sector had uneven growth across the time period, with wages rising and falling above and below the other sectors. From 1995 through 2011, the government and for-profit sectors reversed position as paying the highest wages. All average annual wages have been adjusted for inflation and are reported in 2009 dollars.

- **Across all sectors, average wages increased from 1995 to 2011** (Figure 57). Nonprofit health care employees saw their wages increase from \$34,800 in 1995 to \$42,100 in 2011, a 21 percent increase. Government employees saw the largest increase, from \$34,600 in 1995 to \$44,600 in 2011, a 29 percent increase. For-profit wages increased just less than 1 percent during the time frame, from \$40,800 to \$41,200.
- **Average annual nonprofit wages surpassed those of for-profits in 2011.** This change mirrored growth in government wages, which surpassed the for-profit sector in 2008 to become the highest-paying sector. After a peak in 2004, average for-profit wages continued to decline, ending in 2011 as the lowest paying sector.

- From 1995 to 2011, average annual wages in health care exhibited only moderate year-to-year volatility (Figure 58). Nonprofit wages increased each year except between 1998-1999 and 2007-2008, with the highest growth of over 4 percent from 1996-1997. Government wages steadily increased through 2009, growing as much as 5 percent from 2008-2009. For-profit wages experienced 8 years of negative growth between 1995 and 2011.
- Average wages in nonprofit health care exhibited limited monthly volatility during the time frame (Figure 59). On average, monthly nonprofit wages were lowest in the first quarter (\$3,100) and highest in the fourth quarter (\$3,300). For-profit workers had much greater seasonality in their wages, averaging nearly 30 percent more per quarter in the fourth quarter than the first quarter (\$3,200 to \$4,100). Government demonstrated a similar pattern as nonprofits, with wages peaking slightly in the fourth quarter (\$3,200 to \$3,400). These increases in the fourth quarter are likely due to performance bonuses, with for-profit organizations being more inclined or able to give large bonuses to employees.

Figure 57: Average annual health care wages by sector, 1995-2011

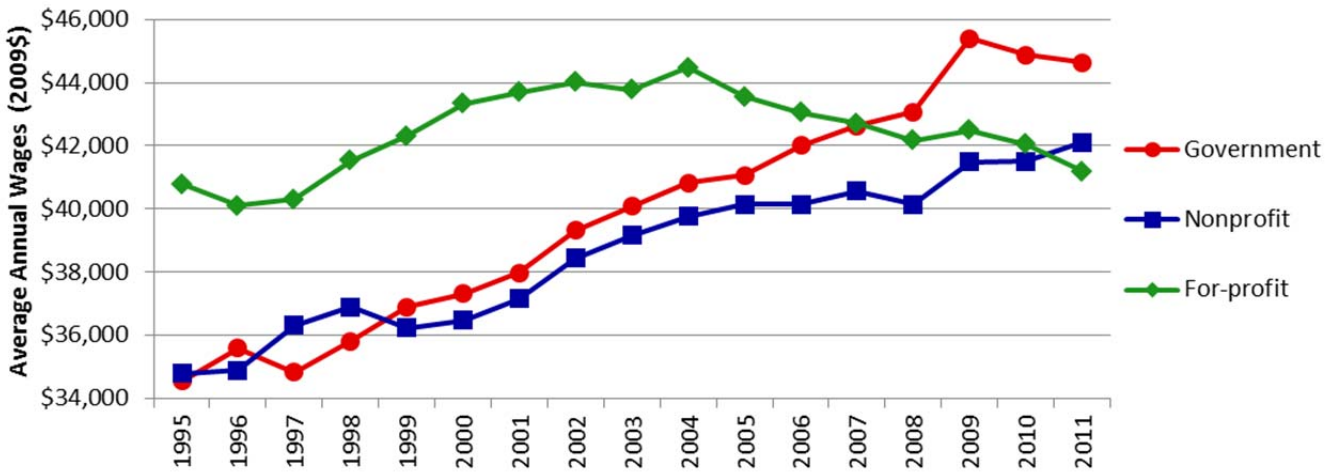


Figure 58: Percentage change in average annual health care wages by sector, 1995–2011

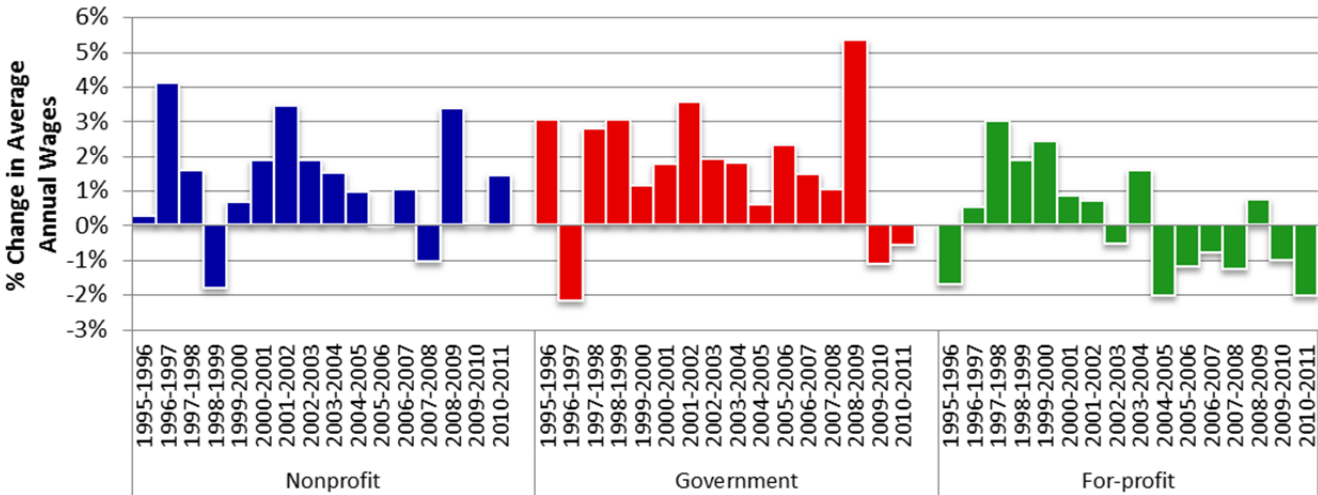
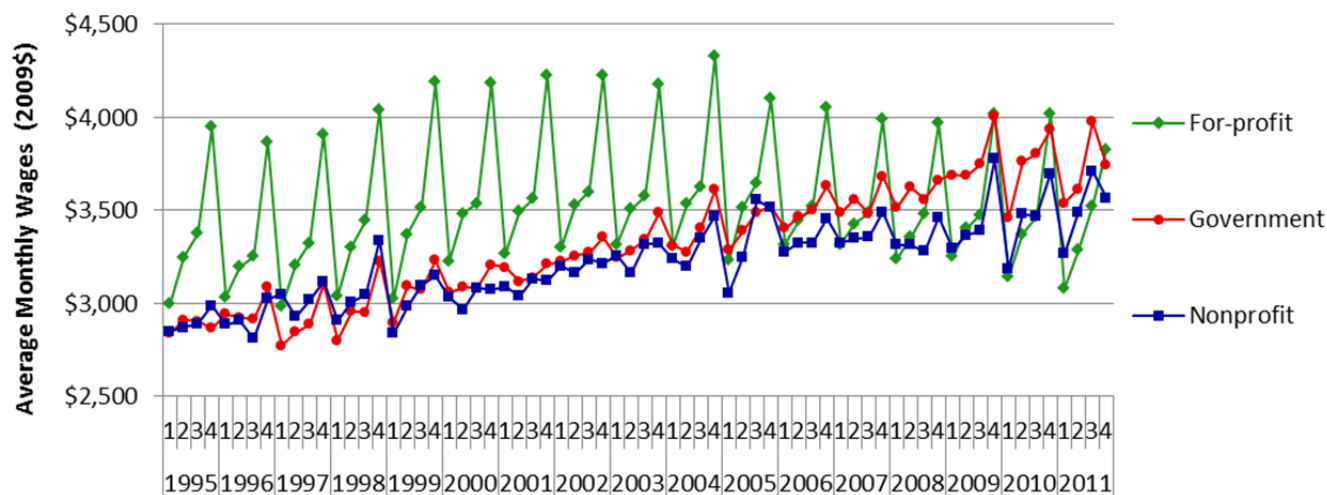


Figure 59: Average monthly health care wages by sector, 1995-2011



D. Average Annual Wages in Specific Health Care Sub-Industries

Hospitals and nursing and residential care wages experienced growth in average annual wages between 1995 and 2011, after adjusting for inflation. While ambulatory average wages decreased slightly overall, they increased for nonprofits. We begin this section with an overview of sub-industry payroll numbers and then delve into each sub-industry's sector composition. All average annual wages have been adjusted for inflation and are reported in 2009 dollars.

- Average annual wages varied greatly among the health care sub-industries overall, with the highest wage sub-industry (ambulatory care) earning more than double the lowest wage sub-industry (nursing and residential care)** (Figure 60). Average annual wages in nursing and residential care began the time period at \$22,200 and grew 9 percent to \$24,200 by 2011, but it remained the lowest paying sub-industry. Hospital employees saw the largest absolute and relative growth, starting the period with average annual wages of \$36,800 and growing to \$44,200, a 20 percent increase. From 1995 to 2011, average annual wages in ambulatory care decreased slightly from \$50,600 to \$50,400.
- Among nonprofits, ambulatory care employees had the highest wages, averaging \$43,000 across the time period** (Figure 61). Nonprofit hospital wages followed close behind at an average of \$41,700. Nursing and residential care workers' average wages were just over half those of the other two sub-industries, at \$23,700.
- Annual wages in nonprofit health care grew 21 percent between 1995 and 2011, but this growth was not distributed equally among the sub-industries.** Wages in nonprofit ambulatory care grew 43 percent, from \$35,600 in 1995 to \$51,100 in 2011. Wages in nonprofit hospitals grew from an average of \$37,800 at the beginning of the period to \$44,800 by the end (a 19 percent increase). Annual wages in nursing and residential care grew the least, at only 4 percent, from \$22,300 to \$23,200.

Figure 60: **Total** average annual health care wages by sub-industry, 1995-2011

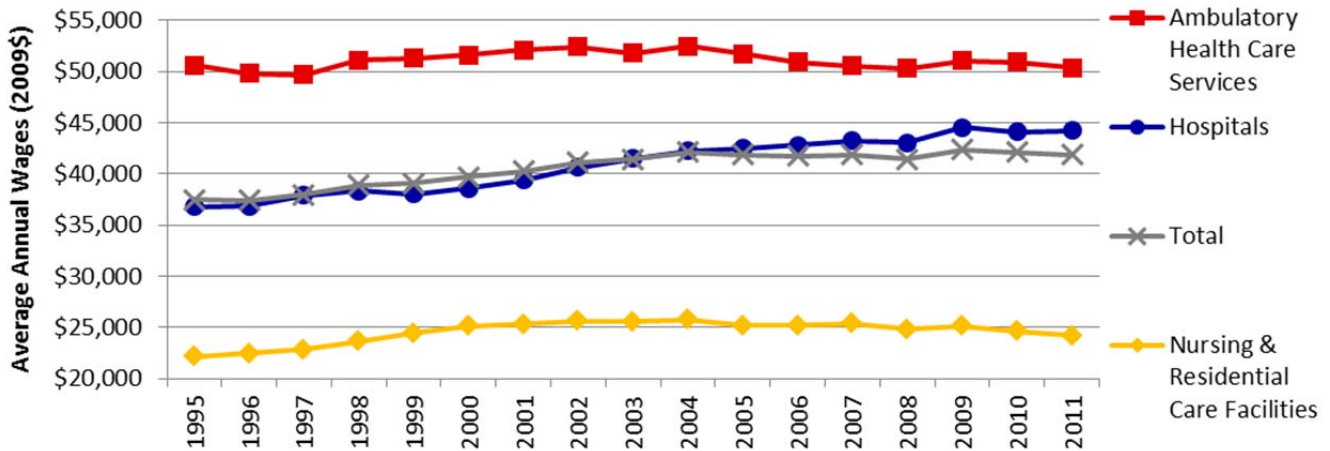
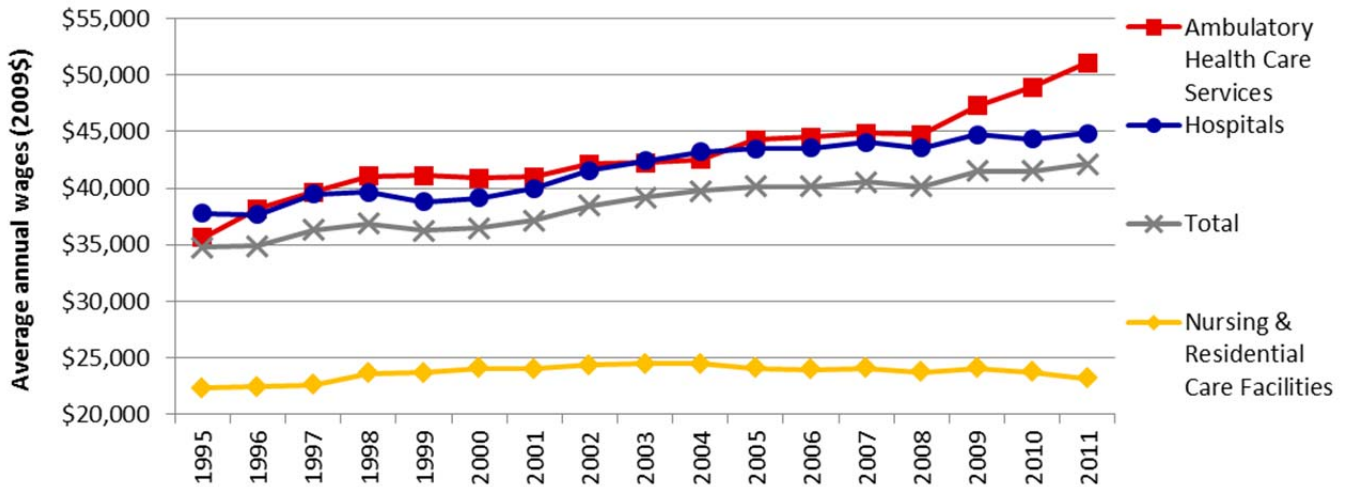


Figure 61: **Nonprofit** average annual health care wages by sub-industry, 1995-2011



1. Hospitals

- Among hospital workers, nonprofit employees had the highest average annual wages in every year except 2009 and 2010 (Figure 62). Average nonprofit wages were \$41,700, while wages in government and the much smaller for-profit hospitals averaged \$40,100 and \$37,400 respectively.
- Wages in nonprofit hospitals grew 19 percent from \$37,800 in 1995 to \$44,800 in 2011. This growth was outpaced by government hospital wages, which increased 26 percent from \$35,200 in 1995 to \$44,300 in 2011. Average for-profit wages grew 15 percent from \$35,300 to \$40,700.
- Across all sectors, average monthly wages in hospitals experienced slight seasonal fluctuations (Figure 63). Wages tended to drop in the first quarter and be highest in the fourth quarter of each year. On average, monthly nonprofit and government wages increased by 7 percent between the first and fourth quarters. For-profit monthly wages increased by an average of 8 percent between the first and fourth quarters.

- While average annual hospital wages grew overall, the nonprofit sector saw the least volatility (Figure 64). Nonprofits saw the largest growth in annual average wages, almost 5 percent, from 1996 to 1997, and the largest loss (2 percent) occurred from 1998 to 1999. Government hospitals' wages were slightly more volatile, with a gain of more than 5 percent in 2008-2009 and a loss of 2 percent in 1996-1997. For-profits were more unstable, with a gain of 6 percent from 1999-2000 and a loss of 7 percent from 1995-1996.

Figure 62: Average annual wages of hospital employees by sector, 1995–2011

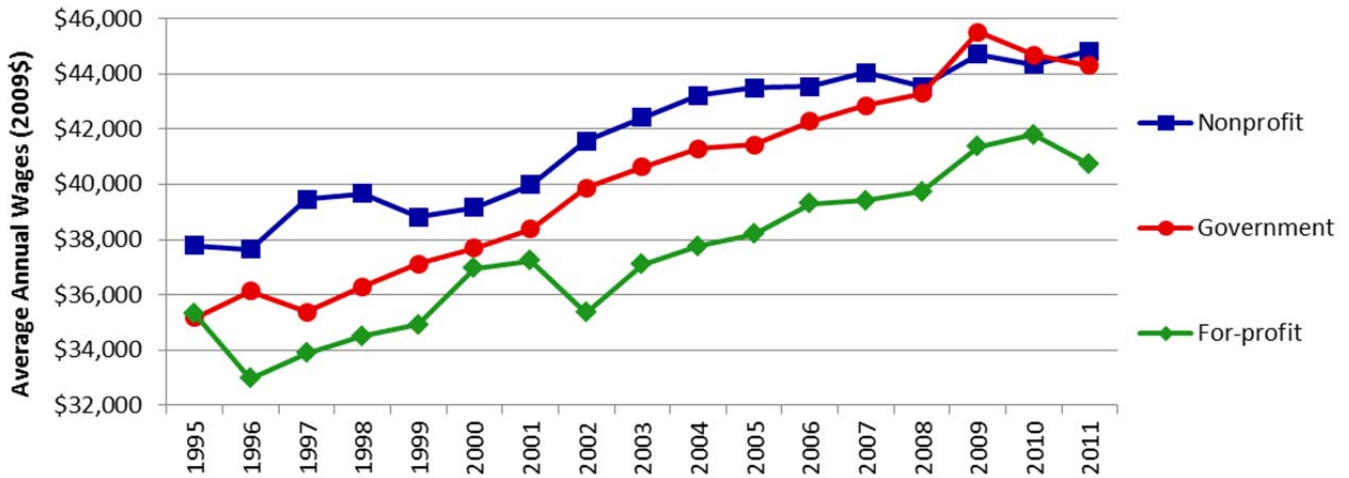


Figure 63: Average monthly wages of hospital employees by sector, 1995-2011

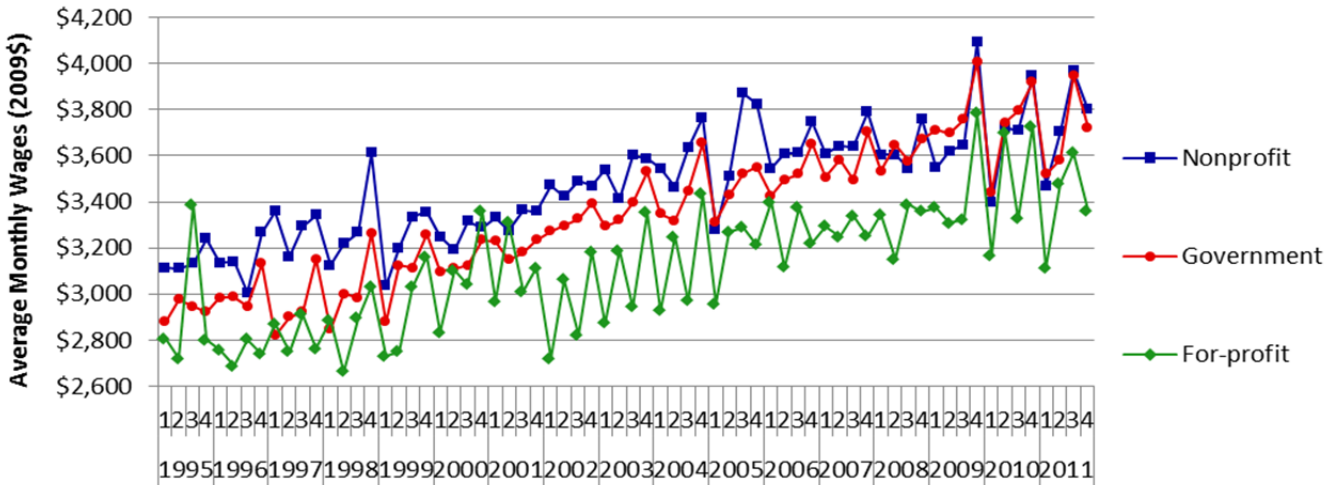
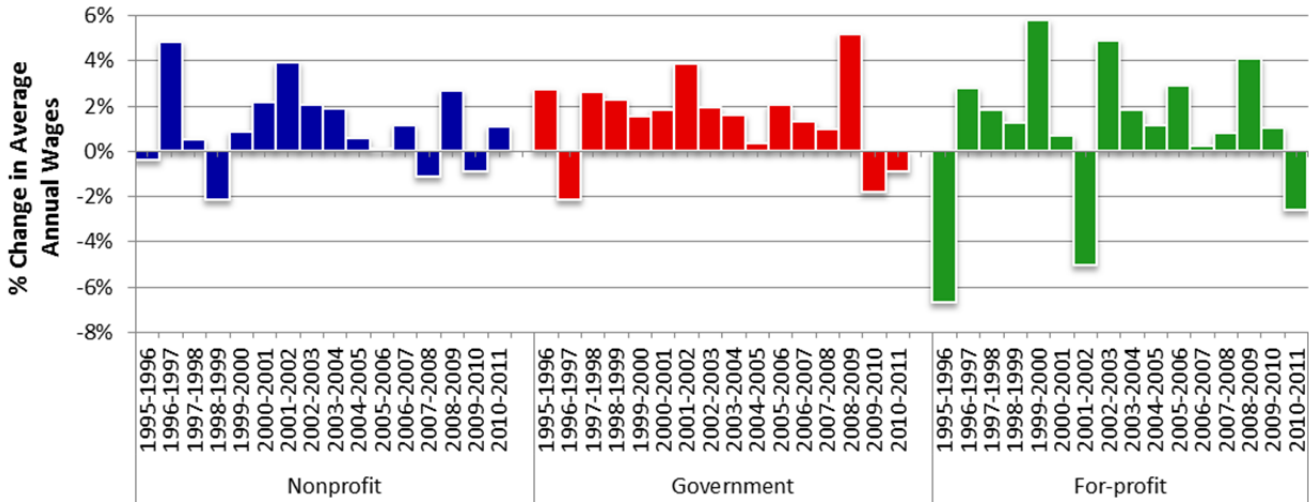


Figure 64: Annual percentage change in average annual wages of hospital employees by sector, 1995–2011



2. Nursing and Residential Care Facilities

- **Nonprofit nursing and residential care facility workers had the lowest average annual wages** (Figure 65). The average annual wage for a nonprofit employee was \$23,700 through 2011. Government and for-profit wages averaged \$29,000 and \$24,800 respectively.
- **Between 1995 and 2011, nonprofit nursing and residential care facilities had the smallest growth in wages of any sector.** Average annual wages in nonprofit nursing and residential care grew by 4 percent, from \$22,300 in 1995 to \$23,200 in 2011. Government employees had the highest wages among the three sectors, beginning the period at \$26,700 and growing 7 percent to \$28,600 annually. For-profit wages began the period below those of nonprofits but grew 13 percent from \$21,800 in 1995 to \$24,600 in 2011.
- **All sectors experienced slight increases in monthly pay in the fourth quarter of each year** (Figure 66). The average increase in nonprofit monthly wages from first- to fourth-quarter was about \$125, or 7 percent, while for-profits saw an average increase of \$115 (6 percent). Government wages exhibited the most significant seasonal fluctuations in monthly pay of the three sectors; monthly wages increased on average about \$200, or 9 percent, in the fourth quarter compared to the first quarter.
- **Nonprofit average annual wages for employees in nursing and residential care facilities were the steadiest compared to wages in other sectors** (Figure 67). While nonprofit employees saw less than a 2 percent annual change in wages in all but two years, government and for-profit wages experienced greater, though still small (all less than 8 percent), fluctuations throughout the time period.

Figure 65: Average annual wages of nursing and residential care facilities employees by sector, 1995–2011

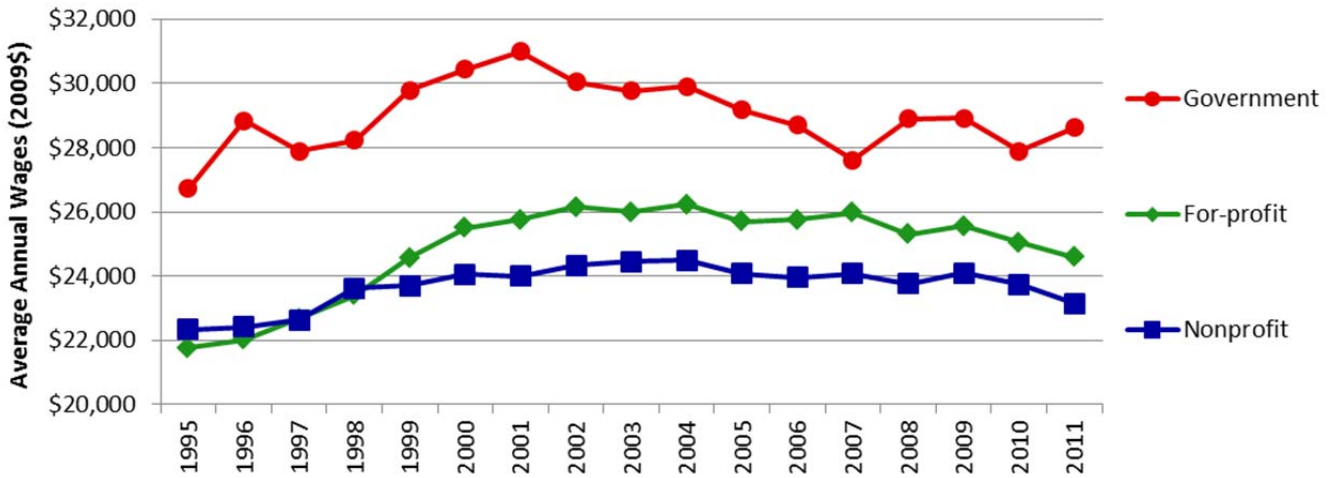


Figure 66: Average monthly wages of nursing and residential care facilities employees by sector, 1995–2011

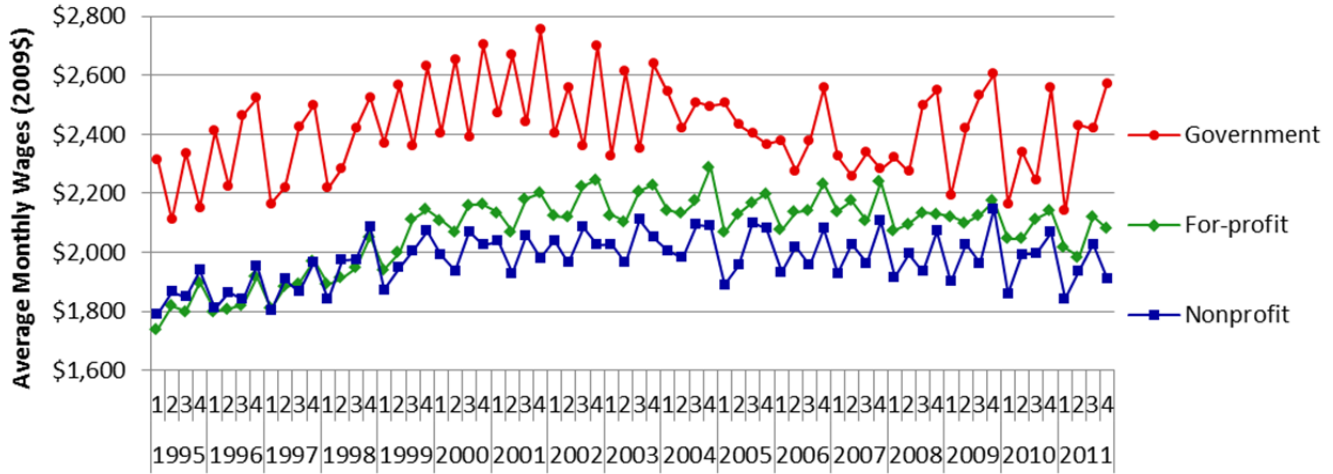
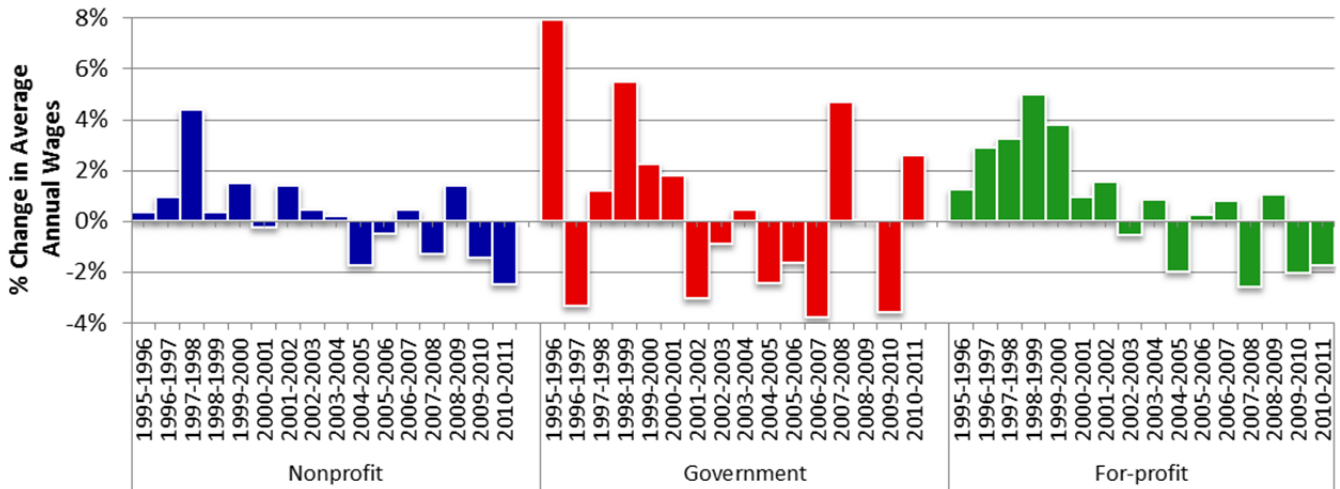


Figure 67: Percentage change in average annual wages of nursing and residential care facilities employees by sector, 1995–2011



3. Ambulatory Health Care Services

- **Nonprofit ambulatory health care workers had the lowest average annual wages compared to employees in other sectors,** (Figure 68). The average annual wage for a nonprofit employee was \$43,000 over the time period. Government wages averaged \$46,300, while for-profit’s were the highest at \$52,500.
- **Nonprofit and government ambulatory health care employees saw large growth in annual average wages.** Wages in nonprofit ambulatory health care grew by 43 percent during the period from \$35,600 in 1995 to \$51,100 in 2011. Government employees saw even greater growth, beginning the period with average wages of \$37,800 and growing 66 percent to \$62,900 annually. For-profits began the period as the highest paying sector but saw a decline of 6 percent in wages from \$53,300 in 1995 to \$50,100 in 2011. More research is needed to reveal whether this is a reflection of funding issues or a change in composition of for-profit providers—perhaps relying more on lower-paid nurse practitioners and physician assistants.
- **Nonprofit ambulatory care exhibited limited seasonal volatility in wages** (Figure 69). The wages in the fourth quarter of each year were an average of 8 percent higher than those of the first quarter. However, for-profit employees saw their monthly wages increase an average of 36 percent in the fourth quarter compared to the first quarter of each year. Government wages were largely consistent from season to season except for a spike in 1999. Since this sector employs less than 1,000 people, it is likely this spike was caused by changes in a few establishments and is merely an outlier.
- **Average annual nonprofit wages grew consistently throughout the period** (Figure 70). Wages for nonprofit employees fell in only two years (1999-2000 and 2007-2008). For-profit wages were consistent, with changes of less than 3 percent from year to year, though years of decline outnumbered years of growth. Government wages were the most volatile, with five annual changes of greater than 10 percent, though two of these swings are due to the previously mentioned anomalous spike in 1999.

Figure 68: Average annual wages of ambulatory health care services employees by sector, 1995–2011

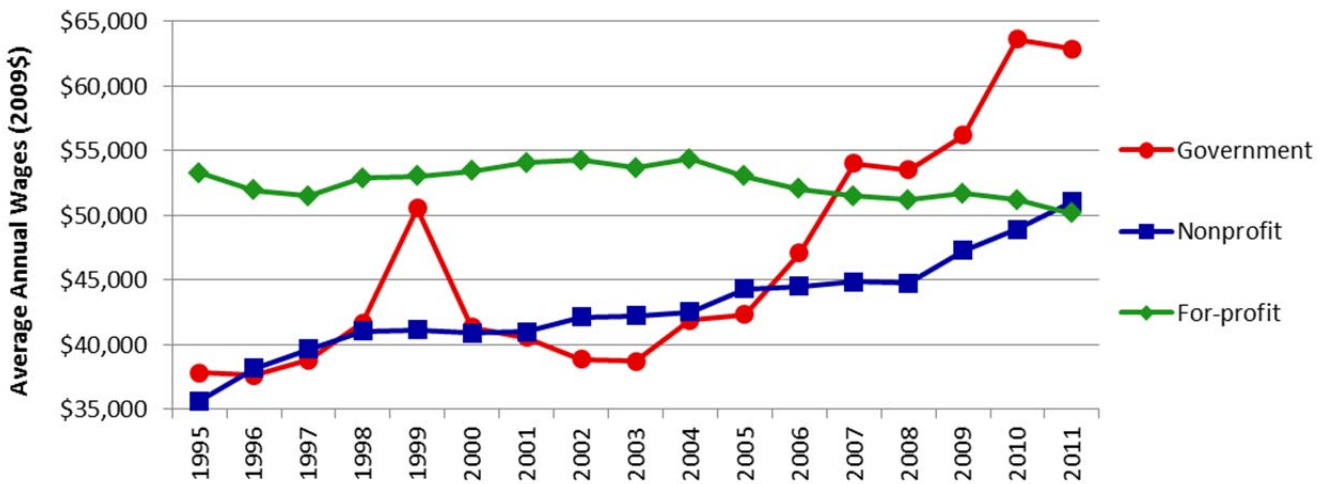


Figure 69: Average monthly wages of ambulatory health care services employees by sector, 1995–2011

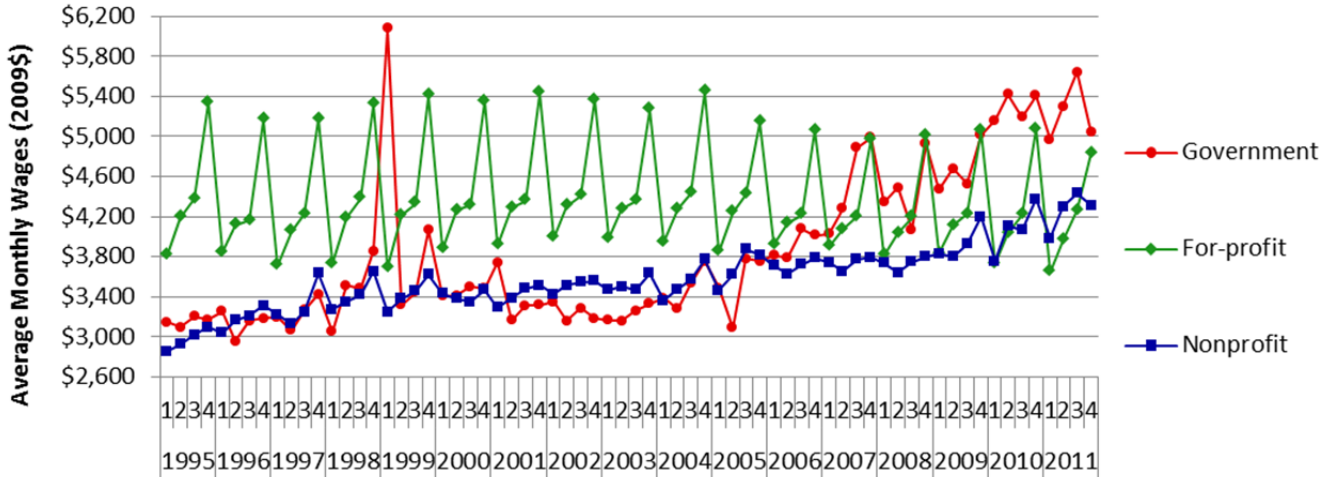
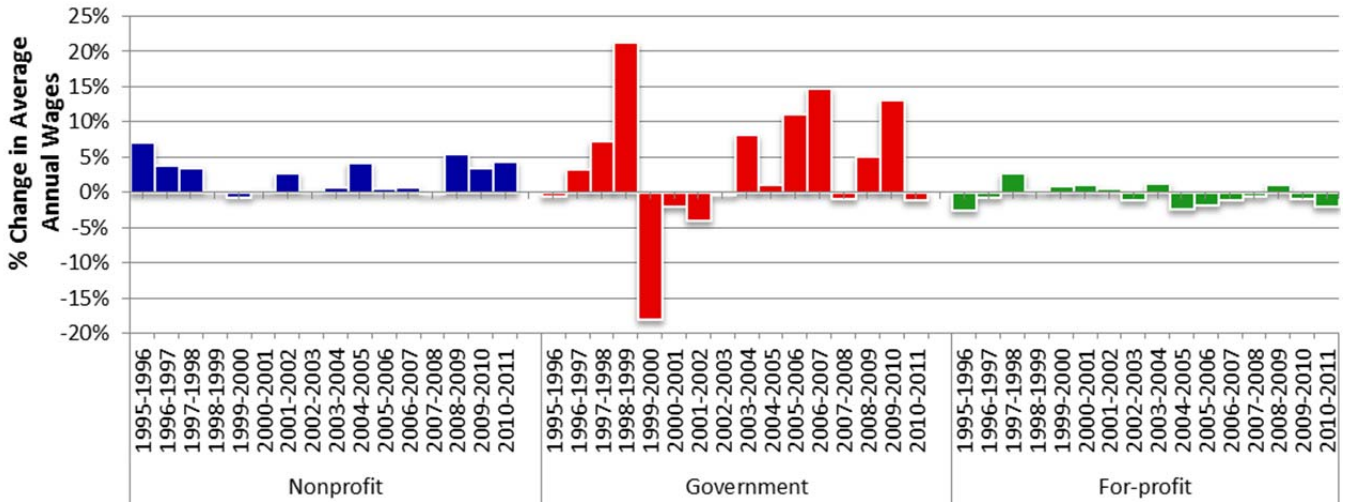


Figure 70: Percentage change in average annual wages of ambulatory health care services employees by sector, 1995–2011



VI. CONCLUSION AND POLICY IMPLICATIONS

Health care provides a wide range of services to meet the medical needs of Indiana residents. In addition to the provision of care, extending from hospitals to nursing and residential care facilities to ambulatory health care services, the health care industry contributes substantially to the Indiana economy.

By 2011, the Indiana health care industry had grown to comprise 12 percent of the state's labor force, employing more than 344,000 workers and accounting for nearly 14 percent of the state's total payroll. With a 31 percent increase in employment between 1995 and 2011, health care was Indiana's fastest-growing major industry in terms of percentage growth in employment. A corresponding growth in payroll—from \$9.8 to \$14.4 billion, adjusted for inflation—ensured that average health care wages were among the highest in Indiana. At every turn, the health care industry was a significant and growing driver of economic vitality.

The growth of health care continued largely uninhibited by recessions, providing support for the notion that health care is a “beacon of job opportunities.”⁵⁰ While the data in this report offer only a glimpse at the long-term effects of the Great Recession, we anticipate that the health care industry continued to provide an invaluable “crutch for the ailing economy” beyond 2011.⁵¹ The counter-cyclical nature of the industry can be attributed to both persistent demand for services and increased government spending on medical care during times of recession, providing opportunities for workers who are unemployed due to declines in other industries to find employment in health care.⁵² Nonprofit health care establishments played a key role in this process in Indiana and, according to our data between 1995 and 2011, tended to be more stable employers on average than their for-profit counterparts during economic downturns.

Within Indiana's nonprofit sector, the health care industry remained a dominant figure, employing over half of all nonprofit workers in the state each year between 1995 and 2011. The substantial influence of the health care industry in the nonprofit sector was present not only in large employment figures, but also in average establishment staff sizes, total payroll, and average annual wages that surpassed all other major Indiana nonprofit industries. Hospitals comprised the largest health care sub-industry and contributed substantially to this trend, as they are typically heavily staffed (from medical to administrative and support employees) and occupy large complexes rather than single office buildings. As a result, health care tended to employ a large number of employees in a relatively small number of establishments. Since 2001, health care has had the largest nonprofit establishment size of all major nonprofit industries in Indiana, averaging more than 133 employees per establishment.

This report confirms that the health care industry has expanded rapidly in terms of employment, payroll, and wages, and also that nonprofits have been a large component of this growth. The integral role of nonprofits in health care expansion is particularly remarkable given the pressures of direct for-profit competition, the rapid shifts in federal and state health care policies, and the traditional difficulties nonprofits face in raising capital. Since they have no owners and cannot sell shares to investors, nonprofits must instead raise capital from donations or accumulate surplus from fees (including Medicare and Medicaid payments).

⁵⁰ Wood, Catherine A. (April 2011). Employment in health care: a crutch for the ailing economy during the 2007-09 recession. *Monthly Labor Review*. p. 13-17. Available online at <http://www.bls.gov/opub/mlr/2011/04/art2full.pdf>

⁵¹ Ibid.

⁵² Goodman, W.C. (October 2001). Employment in services industries affected by recessions and expansions. *Monthly Labor Review*. p 3-11.

There is no doubt that public policy will continue to play a major role in the health care industry. With many of the major components of the Patient Protection and Affordable Care Act about to come into effect, the structure of how Americans pay for health care could shift significantly. Whether and how this shift or shifts will affect the composition of the industry is yet to be seen – including which services will expand the most and whether nonprofits will continue to hold their own in the face of for-profit competition.

These challenges are likely to accelerate in the coming years as increased life expectancy, a growing and aging population, and increased pressure from government entities and employers to lower health care costs place additional demands on the medical system. While rising to meet these challenges, nonprofit health care organizations will have to balance them with their traditional roles as stewards of community well-being and providers of care for citizens who are marginalized and in-need. Given the resiliency and adaptability illustrated by the historical trends in the health care industry documented in this report, it seems likely that nonprofits will continue to play a significant role in the health and safety of Indiana residents.

Nonprofits face unique challenges as they must balance the commercial interests of third-party purchasers and capital providers, charitable obligations in their communities, and regulations and reporting required by the public. While these responsibilities appear opposed, they are not mutually exclusive. If health care is to continue to operate in the nonprofit space, they will need to find a way to leverage their unique position to improve the quality and affordability of care in the United States – and Indiana – while competing with for-profit health care organizations for the best human capital. Nonprofit health care organizations may already be occupying this niche; as the industry has grown more profit-driven, the number of nonprofits in the United States and Indiana has remained steady, demonstrating their capacity to provide distinctive and competitive service.⁵³ As researchers Schlesinger and Gray contend, “the capacity for nonprofit health care to situate itself on this dynamic margin, to embody a conception of the public good that has been so difficult to codify in public policy, remains the greatest hope for the future resilience of nonprofit health care.”⁵⁴

Our overall estimates of Indiana’s nonprofit employment and payroll are conservative, as explained in Appendix A. It is impossible to know how many workers Indiana nonprofits actually employ, but it is likely to be significantly higher than we can document in this report. Currently, all Indiana for-profit and nonprofit establishments are simply coded as “private.” If employers that already participate in the Quarterly Covered Employment and Wages (ES-202) reporting system would be able to indicate whether they are operating under for-profit, nonprofit, or government (federal, state, or local) ownership, the state could ensure more accurate and comprehensive data. This change would impose only minor new reporting requirements on participating establishments and would ensure more accurate and comprehensive data by avoiding the cumbersome and problematic process we have had to use here to estimate nonprofit employment. We are, however, ambivalent about the value of extending the reporting requirements to smaller nonprofits (those with fewer than four employees) to match the requirement of for-profit establishments.

This report is eighth in the *Indiana Nonprofits: Scope and Community Dimensions* series that has examined nonprofit employment in Indiana. Please visit the project website www.indiana.edu/~nonprof for the most current information available.

⁵³ Salamon, Lester M. “The Resilient Sector: The Future of Nonprofit America,” in *The State of Nonprofit America*, ed. Lester M. Salamon, 1-88. (Washington, DC: Brookings Institution Press, 2012), 52.

⁵⁴ Gray, Bradford H. and Mark Schlesinger, “Health Care,” in *The State of Nonprofit America*, ed. Lester M. Salamon, 89-136. (Washington, DC: Brookings Institution Press, 2012), 130.

APPENDIX A: THE ES-202 UNEMPLOYMENT INSURANCE LABOR MARKET INFORMATION PROGRAM

Source of Data

The major source of data for this report is the Quarterly Census of Employment and Wages Program (QCEW), also referred to as the ES-202 program, a cooperative initiative involving State Employment Security Agencies and the U.S. Department of Labor's Bureau of Labor Statistics. The ES-202 program produces a comprehensive tabulation of employment and wage information for workers covered by state Unemployment Insurance (UI) laws and federal workers covered by the Unemployment Compensation for Federal Employees Program. Data contained in this report represent all employees covered by the UI Law of Indiana as well as federal workers covered by the Unemployment Compensation of Federal Employees Program. The data on state-insured workers are compiled from quarterly reports submitted by employers subject to Indiana law. Employment data pertaining to the federal government are obtained from similarly required reports submitted by the various federal installations in Indiana.

Scope of Coverage

The ES-202 program currently accounts for approximately 98 percent of all wage and salary civilian employment nationally (the program does not cover self-employed and family workers). The other principal exclusions from the ES-202 data set are railroad workers, small-scale agriculture, domestic service, crew members on small vessels, state and local government elected officials, insurance and real estate agents who receive payment solely by commission, part-time employees of charitable organizations,⁵⁵ charitable establishments employing less than four workers in 20 weeks during the year, and religious organizations.⁵⁶ The latter two exclusions mean that our analysis necessarily underestimates Indiana nonprofit employment, although some establishments in these two categories are included in our dataset.⁵⁷

Of the two, the exclusion of religious organizations is the most significant; however, religious organizations may elect to be covered by the UI program, and those few that do are covered in the data (classified as membership associations). The extent to which nonprofit employment is underestimated is unknown, but it appears to be extensive for religious organizations.⁵⁸

⁵⁵ "Part-Time" is defined as remuneration of less than \$50 in any calendar quarter.

⁵⁶ Indiana Code § 22-4-7-2(h) and § 22-4-8-2(j)

⁵⁷ For example, almost one third (30 percent) of the nonprofit organizations included in our analysis for 2011 reported that they had less than four employees; however, this set of nonprofits accounted for only 1 percent of all nonprofit employees and only 1 percent of total nonprofit payroll. Only 170 religious associations with some 1,314 employees were included in 2011.

⁵⁸ Statewide, more than 10,000 congregations are listed in the yellow pages; while some of these do not have any paid employees, it is certain that the number included in the ES-202 record system constitute only a small fraction of the total. Survey data from 2002 show 88 percent of Indiana congregations having at least one paid staff member (At the national level, 87 percent of congregations reported at least one paid staff member in 2006-07; see Chaves, Mark Shawna Anderson & Jason Byassee [2009]. National Congregations Study: American Congregations at the Beginning of the 21st Century. Duke University., pp. 12, 25. Online at <http://www.soc.duke.edu/natcong/>). The 2002 Indiana survey found that congregations with paid staff on average employ 9.8 workers (full-time or part-time), although only half have four or more employees. We attempted in our previous employment report to estimate the extent of non-coverage for both religious organizations and charitable establishments with fewer than four employees; please refer to that report for specific calculations derived from results of our 2002 survey of Indiana nonprofits.

The number of employees is measured by the number of filled jobs for the pay period that includes the reporting month as reported by the employer. Both part-time and full-time employees are included in the data set without distinction between the two groups. If a person holds two jobs, that person would be counted twice in the data set. Payroll dollars include bonuses, stock options, the cash value of meals and lodging, and tips and other gratuities, but not the value of fringe benefits, such as employer contributions to health insurance or pensions.

The employment data for nonprofit organizations were identified by matching the Federal Employer Identification Numbers (FEINs) of private firms (excluding government entities) in the Indiana ES-202 system with the FEINs of entities that have registered with the IRS for tax-exempt status. This work was performed by the Indiana Business Research Center, Kelley School of Business, Indiana University, under a confidentiality agreement with the State of Indiana. We present here only aggregated data, filtered using federal and state disclosure rules⁵⁹ to preserve confidentiality.

Indiana tax-exempt entities were identified using the Exempt Organization Master File (EOMF) published by the Internal Revenue Service. This is a listing of all organizations exempt from taxation under section 501(c) of the Internal Revenue Code. The file is cumulative; information on new organizations is added to the file on an ongoing basis and an effort is made to delete defunct organizations. By matching the FEINs in the EOMF with those of private employers in the ES-202 data set, it is possible to identify all nonprofit entities that are registered with the IRS if they have employees working at an establishment in the state covered by the ES-202 record system. This is the case even if they are not using an Indiana address for purposes of reporting to the IRS since we match the entire IRS EOMF listing for the U.S. against the Indiana ES-202 data set.

The EOMF includes the name, address, and zip code of the organization, the Federal Employer Identification Number, and the exact Internal Revenue Code subsection under which the organization has claimed tax exemption. This includes most notably the so-called “charitable” portion of the tax-exempt universe, those registered with the U.S. Internal Revenue Service under Section 501(c)(3) of the Internal Revenue Code – private, not-for-profit hospitals, clinics, colleges, universities, elementary schools, social service agencies, day care centers, orchestras, museums, theaters, homeless shelters, soup kitchens, and many more.

In addition to Section 501(c)(3), the Internal Revenue Code contains 25 other subsections under which organizations can claim exemption from federal income taxation. These include such types of nonprofit organizations as social clubs, labor unions, business associations, civic organizations and fraternal benefit organizations.

For the purpose of this report, we have included all organizations exempt from federal income tax under section 501(c). Section 501(c)(3) is by far the most important sub-section of these. It covers the bulk of nonprofit organizations and includes the types of organizations most commonly associated with the nonprofit sector. It also includes the largest nonprofits, most notably hospitals, universities, and major arts and cultural institutions.

For example, our analysis of the Indiana nonprofit employers covered in this report shows the following IRS reporting characteristics for 2011 (some details were suppressed to protect confidentiality). Please note

⁵⁹ Data is suppressed if 1) a data grouping includes less than three establishments, 2) one establishment comprises more than 80 percent of the employment of a data grouping, or 3) suppressed data can be estimated from other available data.

that these numbers have not been adjusted for the corrections discussed later in the appendix (manufacturing, membership, or hospital adjustments), because we do not know the IRS status of the establishments involved.

- Exemption status (three types): charities exempt under Section 501(c)(3), social welfare nonprofits exempt under Section 501(c)(4), and all other types of nonprofits exempt under remaining sections of 501(c). For 2011, more than half (62 percent) of all nonprofit establishments were charities and these accounted for 91 percent of all nonprofit employment and 92 percent of total nonprofit payroll. Social welfare (advocacy) nonprofits accounted for 3 percent of all nonprofit establishments and about 1 percent of nonprofit employment and payroll. Other types of nonprofits constituted 35 percent of nonprofit establishments, but only about 8 and 7 percent, respectively, of nonprofit employment and payroll.
- Location status (two types): IRS-registered nonprofits using an Indiana address for purposes of reporting with the IRS and all other IRS-registered nonprofits. A nonprofit reporting address may be that of an accountant, board president, or headquarter organization, and therefore is not necessarily an indicator of where the organization carries out all, or even some, of its activities. In 2011, about three-quarters (76 percent) of all IRS registered nonprofits that participate in the Indiana ES-202 system used an Indiana address for purposes of reporting to the IRS. These nonprofits accounted for 92 percent of total Indiana nonprofit employment and 93 percent of nonprofit payroll.
- Filing status (two types): IRS-registered nonprofits filing financial information on Form 990 or Form 990 PF (private foundations) with the IRS, and all other IRS-registered nonprofits. Nonprofits with more than \$25,000 in annual revenues are required to file financial information with the IRS on Form 990/990 PF, unless the organization's finances are included as part of a group exemption report (e.g., a headquarter organization and local affiliates) or the organization uses another nonprofit as a fiscal agent. Some nonprofits with revenues of \$25,000 or less also file Form 990. In 2011, 95 percent of Indiana nonprofit entities filed financial information with the IRS. They accounted for 97 percent of total nonprofit employment and payroll in the state. The rest – some 310 non-filers – employed a total of 7,421 employees (or an average of about 24 per establishment) and had combined payrolls of \$296.1 million (or about \$957 thousand per establishment). This suggests that a non-trivial proportion of the non-filers would appear to meet and exceed the revenue threshold for filing Form 990. We believe that at least some of these “non-filers” are large religiously affiliated nonprofits, such as hospitals and universities.

Some nonprofit establishments are not captured in this report. These include entities that have not registered with the IRS for tax exempt status and therefore do not have a record in the national EOMF. Some of these may well be included in the ES-202 reporting system, but because they are not captured in the national EOMF list, they would under our methodology be classified as for-profit rather than nonprofit establishments.⁶⁰ This is in addition to employees in Indiana congregations and in small charities that are also missing from the analysis because they are not required to participate in the ES-202 reporting system.

⁶⁰ We have adjusted the data to correct this only in the case of membership associations (NAICS 813). We assume that there are no for-profit membership associations and so we calculate “true” nonprofit totals for this industry by subtracting government membership associations from the total. For example, this means that we reclassified 369 private associations with 2,122 employees and total payroll of \$50.5 million as nonprofit in 2009 data, although they were not registered with the IRS as tax-exempt organizations. We have classified all of these non-registered membership associations simply as nonprofits, even though some of

Also, there may be a significant number of multiple establishment commercial firms that have nonprofit subsidiaries; these nonprofit subsidiaries would not be identified as nonprofit firms in the state ES-202 records. On the other hand, there may be some multiple establishment nonprofit firms that have commercial subsidiaries but which would be classified as nonprofits under our methodology. The precise number of uncaptured nonprofit establishments is unknown.

At the industry level, as discussed in previous sections of this report, it is also not possible to account for relevant activities that may take place inside establishments classified as belonging to other industries, such as education (schools and universities) or other services (such as social assistance and churches). This problem is particularly pervasive for the analysis presented here, since many organizations not classified as health care establishments nevertheless include such programming among services they deliver in particular locations. Therefore, these types of embedded activities are excluded from the analysis we present here.

Finally, we used the IRS status on the EOMF as of March or April of the data year in question to capture IRS exempt status at the end of the immediately preceding calendar year, allowing time for newly registered exempt entities to be included on the EOMF (a process that may take several months). A close analysis of quarterly records suggests that this procedure may miss some nonprofits that receive their exempt status later than this cut-off date. However, we believe the error is fairly small, and the consequence is to reduce our estimate of nonprofit employment.

We are also unable to account for establishments that were deleted from the IRS tax-exempt list by March/April of the following year because they had ceased to operate or converted to for-profit or government status, although they may have operated as nonprofit organizations for some or all of the calendar year. Because these organizations did not appear in the EOMF files from their respective years, they were not identified as nonprofits in the ES-202 dataset. If they had employees and payroll during this time, they would by default be considered for-profit establishments. Consequently, our estimates in this report most likely underestimate the nonprofit share of the Indiana economy for 1995 to 2011.

The Johns Hopkins Center for Civil Society Studies' Nonprofit Employment Data Project has been working with the various state Employment Security Agencies throughout the country drawing on this ES-202 data source to generate similar data on nonprofit employment in other states and for the U.S. as a whole (see <http://www.jhu.edu/~ccss>). For more information on the Indiana Nonprofits: Scope and Community Dimensions project, see <http://www.indiana.edu/~nonprof>.

Data Processing and Cleaning

The data used in this report require substantial manipulation and cross-checking to create the level of details in which our analysis is presented here (we have about 1.7 million data points per year). The work involves standardizing the names of key fields, computing the number of establishments, number of employees, total payroll, and average annual wages by industry for all sectors and sub-sectors, adjusting for suppressed information, and correcting for the absence of some membership associations in the Exempt Organizations Master File. We have prepared a detailed manual with instructions and system of checks and balances that is available to anyone wishing to replicate our work elsewhere. Please contact us at nonprof@indiana.edu for more information.

them (most notably religious congregations) would qualify as charities. Although not relevant for this report, our estimate of charitable membership organizations is likely to be underestimated.

Two problematic items deserve somewhat more description. First, in processing the data for a previous report in this series, we noticed substantial growth in charitable wages from one year to the next in one economic region, with a corresponding decline in for-profit wages in the same region and during that same time period. We collaborated with the IBRC to determine the source of these shifts and discovered that they were tied to the manufacturing industry and that there were other regions with surprisingly high levels of nonprofit or charitable employment in manufacturing.

With additional assistance from the IBRC we were able to determine that these patterns appear to reflect inconsistent use of identifying information in the two main databases used in developing this analysis. The analysis presented here is based on data that have been corrected for the inconsistencies we were able to identify. For some years, the changes involve redefining as for-profit about a dozen establishments that jointly employed more than 5,000 workers, with an aggregate payroll of over a half billion dollars. Additional problems may remain hidden, despite our best efforts to identify similar suspect patterns.

Second, we are aware that religiously-affiliated institutions (most notably hospitals and educational establishments) present special challenges in our analysis. We observed substantial spikes in our data for these industries that were later determined (by collaborating with the IBRC) to be due to changes in IRS-exempt status, where some hospitals (or universities) that had been operating as subsidiaries of religious organization (which had exercised their right not to register as tax-exempt entities with the IRS) spun off from their religious headquarter organizations and became independent nonprofit entities. After spinning off, these organizations were required to register with the IRS as exempt entities. Working with the IBRC we applied corrections to the data to the greatest extent possible, counting these organizations as non-profits throughout the entire time period.

The hospital correction process highlights the blurring of the sectors within the health care industry, as well as the inconsistency in knowledge of reporting requirements. Qualitative checks of organizational websites and nonprofit databases sometimes yield confusing or conflicting results. Some government-run hospitals proclaim themselves “not-for-profit” or file the IRS 990 form even when they are not required to do so. The growing practices of acquisitions, mergers and partnerships weave an opaque history, making it difficult to separate out the sectors. Nevertheless, we believe that our data are as “clean” as is feasible.

However, as noted in our conclusion, a minor policy change would significantly improve the quality of data. If employers that already participate in the Quarterly Census of Employment and Wages (ES-202) reporting system would be able to indicate whether they are operating under for-profit, nonprofit, or government (federal, state, or local) ownership, the result would be more accurate and comprehensive data. In turn, that would avoid the cumbersome and problematic process we have had to use here to estimate nonprofit employment.

APPENDIX B: DATA TABLES

Table 1: Establishments, employment, and payroll in health care, nonprofit health care, and all nonprofits

Year	All Health Care			Nonprofit Health Care			All Nonprofits		
	Est	Employment	Payroll	Est	Employment	Payroll	Est	Employment	Payroll
1995	8,979	262,503	\$9,841,482,731	774	101,305	\$3,524,324,371	5,675	186,825	\$5,664,150,024
1996	8,884	267,026	\$9,989,902,616	844	102,522	\$3,576,865,020	5,744	189,337	\$5,761,601,301
1997	8,840	268,656	\$10,207,272,940	834	107,909	\$3,919,693,815	5,803	197,525	\$6,222,220,967
1998	8,832	271,682	\$10,573,023,821	869	109,869	\$4,054,403,228	5,766	202,739	\$6,520,684,398
1999	8,822	272,964	\$10,669,294,105	911	113,554	\$4,114,133,364	5,900	211,388	\$6,761,255,123
2000	8,842	274,634	\$10,905,905,302	919	115,083	\$4,197,075,284	6,004	216,521	\$6,976,406,418
2001	8,958	283,878	\$11,426,435,906	890	119,586	\$4,443,026,192	6,059	223,397	\$7,267,238,339
2002	9,082	289,902	\$11,918,896,397	895	121,574	\$4,673,524,811	6,163	227,570	\$7,624,222,783
2003	9,218	295,496	\$12,238,265,943	910	122,885	\$4,813,175,148	6,252	231,275	\$7,829,482,070
2004	9,345	299,795	\$12,621,975,727	914	122,705	\$4,879,528,699	6,316	233,110	\$7,975,731,373
2005	9,394	306,569	\$12,841,506,301	914	124,294	\$4,990,743,708	6,338	235,351	\$8,112,017,066
2006	9,477	313,193	\$13,082,051,617	920	125,458	\$5,037,093,897	6,328	236,250	\$8,171,962,420
2007	9,480	318,498	\$13,329,377,287	933	126,390	\$5,126,731,651	6,372	238,508	\$8,326,176,416
2008	9,564	328,008	\$13,600,359,866	938	129,915	\$5,214,260,836	6,428	242,748	\$8,478,617,024
2009	9,627	335,083	\$14,203,809,873	981	133,527	\$5,540,374,546	6,506	246,529	\$8,916,515,296
2010	9,660	339,831	\$14,314,729,715	973	135,299	\$5,616,785,160	6,521	248,547	\$8,973,985,964
2011	9,941	344,002	\$14,412,877,533	984	137,669	\$5,797,902,472	6,531	249,931	\$9,108,313,123

*Health care numbers do not include social assistance.

All payroll data adjusted for inflation and are reported in 2009 constant dollars.

Table 2: Nonprofit health care employment and payroll as a percentage of all health care and of all nonprofit employment and payroll

Year	Nonprofit Health Care Employment		Nonprofit Health Care Payroll	
	As a % of total health care employment:	As a % of total nonprofit employment:	As a % of total health care payroll:	As a % of total nonprofit payroll:
1995	39%	54%	36%	62%
1996	38%	54%	36%	62%
1997	40%	55%	38%	63%
1998	40%	54%	38%	62%
1999	42%	54%	39%	61%
2000	42%	53%	38%	60%
2001	42%	54%	39%	61%
2002	42%	53%	39%	61%
2003	42%	53%	39%	61%
2004	41%	53%	39%	61%
2005	41%	53%	39%	62%
2006	40%	53%	39%	62%
2007	40%	53%	38%	62%
2008	40%	54%	38%	61%
2009	40%	54%	39%	62%
2010	40%	54%	39%	63%
2011	40%	55%	40%	64%

*Health care numbers do not include social assistance.

All payroll data adjusted for inflation and are reported in 2009 constant dollars.

Table 3: Nonprofit establishments, employment, and payroll in health care sub-industries

Year	Hospitals			Nursing & Residential Care Facilities			Ambulatory Health Care Services		
	Est	Employment	Payroll	Est	Employment	Payroll	Est	Employment	Payroll
1995	76	71,274	\$2,693,444,813	365	18,001	\$401,989,572	332	12,031	\$428,889,985
1996	75	71,203	\$2,680,024,527	380	18,958	\$424,935,362	389	12,362	\$471,905,131
1997	75	75,096	\$2,962,742,123	402	20,216	\$457,447,015	358	12,597	\$499,504,677
1998	76	77,614	\$3,078,329,387	397	19,981	\$472,015,881	396	12,273	\$504,057,960
1999	77	79,712	\$3,094,347,752	422	21,364	\$506,408,786	412	12,479	\$513,376,827
2000	84	80,647	\$3,157,802,880	424	21,914	\$527,356,671	410	12,523	\$511,915,732
2001	85	84,059	\$3,362,238,964	414	22,120	\$530,917,151	391	13,407	\$549,870,077
2002	87	85,109	\$3,537,497,762	409	22,499	\$547,691,563	400	13,967	\$588,335,486
2003	85	85,114	\$3,610,986,034	399	22,102	\$540,507,845	426	15,670	\$661,681,268
2004	84	84,821	\$3,666,352,252	397	22,066	\$540,651,691	433	15,818	\$672,524,756
2005	85	86,914	\$3,779,839,805	389	22,009	\$529,951,402	440	15,371	\$680,952,501
2006	84	87,330	\$3,802,673,135	390	22,526	\$539,801,259	445	15,602	\$694,619,503
2007	83	87,677	\$3,861,981,140	392	22,702	\$546,512,799	458	16,011	\$718,237,712
2008	82	90,503	\$3,941,195,576	394	23,384	\$555,562,477	462	16,028	\$717,502,782
2009	85	93,709	\$4,191,184,165	380	22,993	\$553,948,166	517	16,825	\$795,242,215
2010	88	94,528	\$4,191,433,657	369	22,616	\$537,012,154	516	18,154	\$888,339,349
2011	90	95,162	\$4,266,403,037	367	22,901	\$530,202,892	527	19,607	\$1,001,296,543

All payroll data adjusted for inflation and are reported in 2009 constant dollars.

Table 4: Nonprofit health care sub-industry employment and payroll as a percentage of all nonprofit health care employment and payroll

Year	Nonprofit Hospitals		Nonprofit Nursing & Residential Care Facilities		Nonprofit Ambulatory Health Care Services	
	As a % of all nonprofit health care:		As a % of all nonprofit health care:		As a % of all nonprofit health care:	
	Employment	Payroll	Employment	Payroll	Employment	Payroll
1995	70%	76%	18%	11%	12%	12%
1996	69%	75%	18%	12%	12%	13%
1997	70%	76%	19%	12%	12%	13%
1998	71%	76%	18%	12%	11%	12%
1999	70%	75%	19%	12%	11%	12%
2000	70%	75%	19%	13%	11%	12%
2001	70%	76%	18%	12%	11%	12%
2002	70%	76%	19%	12%	11%	13%
2003	69%	75%	18%	11%	13%	14%
2004	69%	75%	18%	11%	13%	14%
2005	70%	76%	18%	11%	12%	14%
2006	70%	75%	18%	11%	12%	14%
2007	69%	75%	18%	11%	13%	14%
2008	70%	76%	18%	11%	12%	14%
2009	70%	76%	17%	10%	13%	14%
2010	70%	75%	17%	10%	13%	16%
2011	69%	74%	17%	9%	14%	17%

All payroll data adjusted for inflation and are reported in 2009 constant dollars.

Table 5: Nonprofit sub-industry employment and payroll as a percentage of all sub-industry employment and payroll

Year	Nonprofit Hospitals		Nonprofit Nursing & Residential Care Facilities		Nonprofit Ambulatory Health Care Services	
	As a % of all hospitals:		As a % of all nursing & residential care facilities:		As a % of all ambulatory health care services:	
	Employment	Payroll	Employment	Payroll	Employment	Payroll
1995	62%	64%	28%	28%	15%	10%
1996	62%	63%	28%	28%	15%	11%
1997	66%	68%	30%	30%	14%	12%
1998	66%	68%	30%	30%	14%	11%
1999	65%	67%	34%	32%	14%	12%
2000	66%	67%	34%	33%	14%	11%
2001	67%	68%	33%	32%	14%	11%
2002	67%	68%	34%	32%	15%	12%
2003	66%	68%	33%	32%	16%	13%
2004	65%	67%	33%	31%	15%	12%
2005	65%	67%	33%	31%	14%	12%
2006	65%	66%	33%	31%	14%	12%
2007	65%	66%	32%	30%	14%	13%
2008	65%	65%	32%	30%	14%	13%
2009	65%	66%	30%	29%	15%	13%
2010	65%	66%	29%	28%	15%	15%
2011	66%	67%	30%	28%	16%	16%

All payroll data adjusted for inflation and are reported in 2009 constant dollars.

Table 6: Average nonprofit and total average annual wages in health care and health care sub-industries

Year	All Health Care		Hospitals		Nursing & Residential Care Facilities		Ambulatory Health Care Services	
	Nonprofit	All sectors	Nonprofit	All sectors	Nonprofit	All sectors	Nonprofit	All sectors
1995	\$34,789	\$37,491	\$37,790	\$36,807	\$22,332	\$22,165	\$35,649	\$50,583
1996	\$34,889	\$37,412	\$37,639	\$36,870	\$22,415	\$22,461	\$38,175	\$49,810
1997	\$36,324	\$37,994	\$39,453	\$37,940	\$22,628	\$22,883	\$39,653	\$49,690
1998	\$36,902	\$38,917	\$39,662	\$38,369	\$23,623	\$23,653	\$41,070	\$51,138
1999	\$36,231	\$39,087	\$38,819	\$38,045	\$23,704	\$24,455	\$41,138	\$51,285
2000	\$36,470	\$39,711	\$39,156	\$38,610	\$24,065	\$25,177	\$40,879	\$51,603
2001	\$37,153	\$40,251	\$39,998	\$39,380	\$24,001	\$25,328	\$41,015	\$52,073
2002	\$38,442	\$41,114	\$41,565	\$40,635	\$24,343	\$25,642	\$42,123	\$52,405
2003	\$39,168	\$41,416	\$42,425	\$41,528	\$24,455	\$25,586	\$42,227	\$51,809
2004	\$39,766	\$42,102	\$43,225	\$42,264	\$24,501	\$25,742	\$42,516	\$52,495
2005	\$40,153	\$41,888	\$43,489	\$42,490	\$24,079	\$25,235	\$44,301	\$51,726
2006	\$40,150	\$41,770	\$43,544	\$42,800	\$23,963	\$25,218	\$44,521	\$50,948
2007	\$40,563	\$41,851	\$44,048	\$43,248	\$24,073	\$25,385	\$44,859	\$50,548
2008	\$40,136	\$41,464	\$43,548	\$43,053	\$23,758	\$24,852	\$44,766	\$50,285
2009	\$41,493	\$42,389	\$44,725	\$44,526	\$24,092	\$25,148	\$47,266	\$51,065
2010	\$41,514	\$42,123	\$44,341	\$44,126	\$23,745	\$24,676	\$48,933	\$50,949
2011	\$42,115	\$41,898	\$44,833	\$44,232	\$23,152	\$24,199	\$51,070	\$50,390

All annual wage data adjusted for inflation and in 2009\$.

Table 7: Average number of employees per establishment in health care and health care sub-industries

Year	All Health Care		Hospitals		Nursing & Residential Care Facilities		Ambulatory Health Care Services	
	Nonprofit	All sectors	Nonprofit	All sectors	Nonprofit	All sectors	Nonprofit	All sectors
1995	131	29	935	638	49	61	36	11
1996	122	30	953	642	50	62	32	11
1997	129	30	1,001	648	50	61	35	12
1998	126	31	1,021	697	50	61	31	12
1999	125	31	1,032	704	51	58	30	12
2000	125	31	957	679	52	59	31	12
2001	134	32	986	707	53	61	34	12
2002	136	32	978	707	55	61	35	12
2003	135	32	1,007	725	55	62	37	13
2004	134	32	1,007	725	56	62	37	13
2005	136	33	1,020	736	57	62	35	13
2006	136	33	1,040	726	58	63	35	13
2007	136	34	1,053	730	58	64	35	14
2008	139	34	1,104	755	59	65	35	14
2009	136	35	1,109	762	61	66	33	14
2010	139	35	1,071	723	61	67	35	14
2011	140	35	1,057	711	62	58	37	15

APPENDIX C: PROJECT PUBLICATIONS AND REPORTS

Over the last several years a number of reports and articles related to the Indiana Nonprofit Sector Project have been published, in addition to papers presented at various colloquiums and conferences. The following citations include project-related reports and papers as of September 2013. Online reports, as well as summaries of all other items are available on the project website: www.indiana.edu/~nonprof. To obtain a complete version of an unpublished paper please contact Kirsten Grønbjerg (kgronbj@indiana.edu, (812) 855-5971).

Indiana Nonprofit Employment Analysis

An analysis, comparing Covered Wages and Employment (ES-202 employment) reports with IRS registered nonprofits under all sub-sections of 501(c), used a methodology developed by the Center for Civil Society Studies at The Johns Hopkins University to examine nonprofit employment in the state of Indiana. The analysis includes detailed information by county, region, and type of nonprofit as well as industry and sector comparisons.

Online Statemide Reports

- *Indiana Nonprofit Employment: Historical Trends in Health Care 1995-2011*, by Kirsten A. Grønbjerg, with Kellie L. McGiverin-Bohan, Lauren Dula, Weston Merrick, Deb Seltzer, Alexandra Toledo, and Katherine Zilvinskis. (Bloomington, IN: Indiana University School of Public and Environmental Affairs, September 2013). www.indiana.edu/~nonprof/results/inemploy/innonprofemploytrendshc.htm
- *Indiana Nonprofit Employment: Historical Trends in Arts, Entertainment, and Recreation 1995-2009*, by Kirsten A. Grønbjerg, with Kellie L. McGiverin-Bohan, Alexandra Buck, Kristen Dmytryk, Katherine Gagnon, and Weston Merrick. (Bloomington, IN: Indiana University School of Public and Environmental Affairs, November 2012). www.indiana.edu/~nonprof/results/inemploy/innonprofemploytrendsaer.htm
- *Indiana Nonprofit Employment: Historical Trends in Social Assistance 1995-2009*, by Kirsten A. Grønbjerg, with Kellie L. McGiverin-Bohan, Alexandra Buck, Kristen Dmytryk, Katherine Gagnon, Weston Merrick, and Katherine Novakoski. (Bloomington, IN: Indiana University School of Public and Environmental Affairs, July 2012). www.indiana.edu/~nonprof/results/inemploy/innonprofemploytrendssocassist.htm
- *Indiana Nonprofit Employment: Historical Trends in Education 1995-2009*, by Kirsten A. Grønbjerg, with Kellie L. McGiverin-Bohan, Kristen Dmytryk, Katherine Gagnon, and Katherine Novakoski. (Bloomington, IN: Indiana University School of Public and Environmental Affairs, May, 2012 [Revised June 2012]). <http://www.indiana.edu/~nonprof/results/inemploy/innonprofemploytrendseduc.htm>
- *Indiana Nonprofit Employment: 2009 Update*. Nonprofit Employment Report No. 4 by Kirsten A. Grønbjerg, Kellie L. McGiverin-Bohan, Jacob Knight, Katherine Novakoski, and Virginia Simpson with Kristen Dmytryk and Jason Simons. August, 2011. <http://www.indiana.edu/~nonprof/results/inemploy/innonprofemploy09.htm>
- *Indiana Nonprofit Employment: 2007 Report*. Nonprofit Employment Report No. 3 by Kirsten A. Grønbjerg, Andrea Lewis and Pauline Campbell. September 2007. <http://www.indiana.edu/~nonprof/results/inemploy/innonprofemploy07.htm>

- *Indiana Nonprofit Employment, 2005 Report*. Nonprofit Employment Report No. 2 by Kirsten A. Grønbjerg and Erich T. Eschmann. May 2005.
<http://www.indiana.edu/~nonprof/results/inemploy/innonprofitemploy05.htm>
- *Indiana Nonprofit Employment, 2003 Report*. Nonprofit Employment Report No. 1 by Kirsten A. Grønbjerg and Hun Myoung Park. July 2003.
<http://www.indiana.edu/~nonprof/results/inemploy/innonprofitemploy03.htm>

Online Regional Reports

- *Evansville Economic Region Nonprofit Employment: 2005 Report*. Nonprofit Employment Series No. 2D by Kirsten Grønbjerg and Kerry Brock. May 2006.
<http://www.indiana.edu/~nonprof/results/inemploy/evansvilleempl05.pdf>
- *Muncie Economic Region Nonprofit Employment: 2005 Report*. Nonprofit Employment Series No. 2C by Kirsten Grønbjerg and Kerry Brock. May 2006.
<http://www.indiana.edu/~nonprof/results/inemploy/muncieempl05.pdf>
- *Northwest Economic Region Nonprofit Employment: 2005 Report*. Nonprofit Employment Series No. 2B by Kirsten Grønbjerg and Kerry Brock. February 2006.
<http://www.indiana.edu/~nonprof/results/inemploy/northwestempl05.pdf>
- *Bloomington Economic Region Nonprofit Employment: 2005 Report*. Nonprofit Employment Series No. 2A by Kirsten Grønbjerg and Erich T. Eschmann with Kerry Brock. January 2006.
www.indiana.edu/~nonprof/results/inemploy/bloomingtonempl05.pdf
- *Bloomington Nonprofit Employment, 2001*. Nonprofit Employment Report No. 1, Supplement A, by Kirsten Grønbjerg and Sharon Kioko. August 2003.
<http://www.indiana.edu/~nonprof/results/inemploy/bloomingtonempl03.pdf>

Online County Reports

- *Allen County Nonprofit Employment, 1995-2009*, by Kirsten A. Grønbjerg, with Kellie L. McGiverin-Bohan, Lauren Dula, Katherine Gagnon, Weston Merrick, and Deb Oonk. (Bloomington, IN: Indiana University School of Public and Environmental Affairs, October 2012).
<http://www.indiana.edu/~nonprof/profiles/county/AllenCountySummary.pdf>
- *Bartholomew County Nonprofit Employment, 1995-2009*, by Kirsten A. Grønbjerg, with Kellie L. McGiverin-Bohan, Lauren Dula, Katherine Gagnon, Weston Merrick, and Deb Oonk. (Bloomington, IN: Indiana University School of Public and Environmental Affairs, October 2012).
<http://www.indiana.edu/~nonprof/profiles/county/BartholomewCountySummary.pdf>
- *Boone County Nonprofit Employment, 1995-2009*, by Kirsten A. Grønbjerg, with Kellie L. McGiverin-Bohan, Lauren Dula, Katherine Gagnon, Weston Merrick, and Deb Oonk. (Bloomington, IN: Indiana University School of Public and Environmental Affairs, October 2012).
<http://www.indiana.edu/~nonprof/profiles/county/BooneCountySummary.pdf>

- *Cass County Nonprofit Employment, 1995-2009*, by Kirsten A. Grønbjerg, with Kellie L. McGiverin-Bohan, Lauren Dula, Katherine Gagnon, Weston Merrick, and Deb Oonk. (Bloomington, IN: Indiana University School of Public and Environmental Affairs, October 2012).
<http://www.indiana.edu/~nonprof/profiles/county/CassCountySummary.pdf>
- *Clark County Nonprofit Employment, 1995-2009*, by Kirsten A. Grønbjerg, with Kellie L. McGiverin-Bohan, Lauren Dula, Katherine Gagnon, Weston Merrick, and Deb Oonk. (Bloomington, IN: Indiana University School of Public and Environmental Affairs, October 2012).
<http://www.indiana.edu/~nonprof/profiles/county/ClarkCountySummary.pdf>
- *Dearborn County Nonprofit Employment, 1995-2009*, by Kirsten A. Grønbjerg, with Kellie L. McGiverin-Bohan, Lauren Dula, Katherine Gagnon, Weston Merrick, and Deb Oonk. (Bloomington, IN: Indiana University School of Public and Environmental Affairs, October 2012).
<http://www.indiana.edu/~nonprof/profiles/county/DearbornCountySummary.pdf>
- *Delaware County Nonprofit Employment, 1995-2009*, by Kirsten A. Grønbjerg, with Kellie L. McGiverin-Bohan, Lauren Dula, Katherine Gagnon, Weston Merrick, and Deb Oonk. (Bloomington, IN: Indiana University School of Public and Environmental Affairs, October 2012).
<http://www.indiana.edu/~nonprof/profiles/county/DelawareCountySummary.pdf>
- *Elkhart County Nonprofit Employment, 1995-2009*, by Kirsten A. Grønbjerg, with Kellie L. McGiverin-Bohan, Lauren Dula, Katherine Gagnon, Weston Merrick, and Deb Oonk. (Bloomington, IN: Indiana University School of Public and Environmental Affairs, October 2012).
<http://www.indiana.edu/~nonprof/profiles/county/ElkhartCountySummary.pdf>
- *Floyd County Nonprofit Employment, 1995-2009*, by Kirsten A. Grønbjerg, with Kellie L. McGiverin-Bohan, Lauren Dula, Katherine Gagnon, Weston Merrick, and Deb Oonk. (Bloomington, IN: Indiana University School of Public and Environmental Affairs, October 2012).
<http://www.indiana.edu/~nonprof/profiles/county/FloydCountySummary.pdf>
- *Grant County Nonprofit Employment, 1995-2009*, by Kirsten A. Grønbjerg, with Kellie L. McGiverin-Bohan, Lauren Dula, Katherine Gagnon, Weston Merrick, and Deb Oonk. (Bloomington, IN: Indiana University School of Public and Environmental Affairs, October 2012).
<http://www.indiana.edu/~nonprof/profiles/county/GrantCountySummary.pdf>
- *Hamilton County Nonprofit Employment, 1995-2009*, by Kirsten A. Grønbjerg, with Kellie L. McGiverin-Bohan, Lauren Dula, Katherine Gagnon, Weston Merrick, and Deb Oonk. (Bloomington, IN: Indiana University School of Public and Environmental Affairs, October 2012).
<http://www.indiana.edu/~nonprof/profiles/county/HamiltonCountySummary.pdf>
- *Hancock County Nonprofit Employment, 1995-2009*, by Kirsten A. Grønbjerg, with Kellie L. McGiverin-Bohan, Lauren Dula, Katherine Gagnon, Weston Merrick, and Deb Oonk. (Bloomington, IN: Indiana University School of Public and Environmental Affairs, October 2012).
<http://www.indiana.edu/~nonprof/profiles/county/HancockCountySummary.pdf>
- *Hendricks County Nonprofit Employment, 1995-2009*, by Kirsten A. Grønbjerg, with Kellie L. McGiverin-Bohan, Lauren Dula, Katherine Gagnon, Weston Merrick, and Deb Oonk. (Bloomington, IN: Indiana

University School of Public and Environmental Affairs, October 2012).

<http://www.indiana.edu/~nonprof/profiles/county/HendricksCountySummary.pdf>

- *Howard County Nonprofit Employment, 1995-2009*, by Kirsten A. Grønbjerg, with Kellie L. McGiverin-Bohan, Lauren Dula, Katherine Gagnon, Weston Merrick, and Deb Oonk. (Bloomington, IN: Indiana University School of Public and Environmental Affairs, October 2012).
<http://www.indiana.edu/~nonprof/profiles/county/HowardCountySummary.pdf>
- *Johnson County Nonprofit Employment, 1995-2009*, by Kirsten A. Grønbjerg, with Kellie L. McGiverin-Bohan, Lauren Dula, Katherine Gagnon, Weston Merrick, and Deb Oonk. (Bloomington, IN: Indiana University School of Public and Environmental Affairs, October 2012).
<http://www.indiana.edu/~nonprof/profiles/county/JohnsonCountySummary.pdf>
- *Kosciusko County Nonprofit Employment, 1995-2009*, by Kirsten A. Grønbjerg, with Kellie L. McGiverin-Bohan, Lauren Dula, Katherine Gagnon, Weston Merrick, and Deb Oonk. (Bloomington, IN: Indiana University School of Public and Environmental Affairs, October 2012).
<http://www.indiana.edu/~nonprof/profiles/county/KosciuskoCountySummary.pdf>
- *Lake County Nonprofit Employment, 1995-2009*, by Kirsten A. Grønbjerg, with Kellie L. McGiverin-Bohan, Lauren Dula, Katherine Gagnon, Weston Merrick, and Deb Oonk. (Bloomington, IN: Indiana University School of Public and Environmental Affairs, October 2012).
<http://www.indiana.edu/~nonprof/profiles/county/LakeCountySummary.pdf>
- *LaPorte County Nonprofit Employment, 1995-2009*, by Kirsten A. Grønbjerg, with Kellie L. McGiverin-Bohan, Lauren Dula, Katherine Gagnon, Weston Merrick, and Deb Oonk. (Bloomington, IN: Indiana University School of Public and Environmental Affairs, October 2012).
<http://www.indiana.edu/~nonprof/profiles/county/LaPorteCountySummary.pdf>
- *Madison County Nonprofit Employment, 1995-2009*, by Kirsten A. Grønbjerg, with Kellie L. McGiverin-Bohan, Lauren Dula, Katherine Gagnon, Weston Merrick, and Deb Oonk. (Bloomington, IN: Indiana University School of Public and Environmental Affairs, October 2012).
<http://www.indiana.edu/~nonprof/profiles/county/MadisonCountySummary.pdf>
- *Marion County Nonprofit Employment, 1995-2009*, by Kirsten A. Grønbjerg, with Kellie L. McGiverin-Bohan, Lauren Dula, Katherine Gagnon, Weston Merrick, and Deb Oonk. (Bloomington, IN: Indiana University School of Public and Environmental Affairs, October 2012).
<http://www.indiana.edu/~nonprof/profiles/county/MarionCountySummary.pdf>
- *Monroe County Nonprofit Employment, 1995-2009*, by Kirsten A. Grønbjerg, with Kellie L. McGiverin-Bohan, Lauren Dula, Katherine Gagnon, Weston Merrick, and Deb Oonk. (Bloomington, IN: Indiana University School of Public and Environmental Affairs, October 2012).
<http://www.indiana.edu/~nonprof/profiles/county/MonroeCountySummary.pdf>
- *Morgan County Nonprofit Employment, 1995-2009*, by Kirsten A. Grønbjerg, with Kellie L. McGiverin-Bohan, Lauren Dula, Katherine Gagnon, Weston Merrick, and Deb Oonk. (Bloomington, IN: Indiana University School of Public and Environmental Affairs, October 2012).
<http://www.indiana.edu/~nonprof/profiles/county/MorganCountySummary.pdf>

- *Porter County Nonprofit Employment, 1995-2009*, by Kirsten A. Grønbjerg, with Kellie L. McGiverin-Bohan, Lauren Dula, Katherine Gagnon, Weston Merrick, and Deb Oonk. (Bloomington, IN: Indiana University School of Public and Environmental Affairs, October 2012).
<http://www.indiana.edu/~nonprof/profiles/county/PorterCountySummary.pdf>
- *St. Joseph County Nonprofit Employment, 1995-2009*, by Kirsten A. Grønbjerg, with Kellie L. McGiverin-Bohan, Lauren Dula, Katherine Gagnon, Weston Merrick, and Deb Oonk. (Bloomington, IN: Indiana University School of Public and Environmental Affairs, October 2012).
<http://www.indiana.edu/~nonprof/profiles/county/StJosephCountySummary.pdf>
- *Tippecanoe County Nonprofit Employment, 1995-2009*, by Kirsten A. Grønbjerg, with Kellie L. McGiverin-Bohan, Lauren Dula, Katherine Gagnon, Weston Merrick, and Deb Oonk. (Bloomington, IN: Indiana University School of Public and Environmental Affairs, October 2012).
<http://www.indiana.edu/~nonprof/profiles/county/TippecanoeCountySummary.pdf>
- *Vanderburgh County Nonprofit Employment, 1995-2009*, by Kirsten A. Grønbjerg, with Kellie L. McGiverin-Bohan, Lauren Dula, Katherine Gagnon, Weston Merrick, and Deb Oonk. (Bloomington, IN: Indiana University School of Public and Environmental Affairs, October 2012).
<http://www.indiana.edu/~nonprof/profiles/county/VanderburghCountySummary.pdf>
- *Vigo County Nonprofit Employment, 1995-2009*, by Kirsten A. Grønbjerg, with Kellie L. McGiverin-Bohan, Lauren Dula, Katherine Gagnon, Weston Merrick, and Deb Oonk. (Bloomington, IN: Indiana University School of Public and Environmental Affairs, October 2012).
<http://www.indiana.edu/~nonprof/profiles/county/HamiltonCountySummary.pdf>
- *Warrick County Nonprofit Employment, 1995-2009*, by Kirsten A. Grønbjerg, with Kellie L. McGiverin-Bohan, Lauren Dula, Katherine Gagnon, Weston Merrick, and Deb Oonk. (Bloomington, IN: Indiana University School of Public and Environmental Affairs, October 2012).
<http://www.indiana.edu/~nonprof/profiles/county/WarrickCountySummary.pdf>
- *Wayne County Nonprofit Employment, 1995-2009*, by Kirsten A. Grønbjerg, with Kellie L. McGiverin-Bohan, Lauren Dula, Katherine Gagnon, Weston Merrick, and Deb Oonk. (Bloomington, IN: Indiana University School of Public and Environmental Affairs, October 2012).
<http://www.indiana.edu/~nonprof/profiles/county/WayneCountySummary.pdf>

Local Government Official Survey Analysis

The Indiana Advisory Commission on Intergovernmental Relations (IACIR) periodically collects information on current issues affecting local governments in Indiana and/or services available to Indiana residents. In 2010, the IACIR surveyed nearly 1,150 local government officials, including mayors, county auditors, county commissioners, county and town council members, school board members, and township trustees. Our reports focus on nonprofit-government relations in Indiana.

Online Reports

- *Indiana Government Officials and Nonprofit Property Taxes* by Kirsten Grønbjerg and Kellie McGiverin-Bohan with Lauren Dula, Weston Merrick, Deb Oonk, and Katherine Zilvinskis. Bloomington, Indiana, School

of Public and Environmental Affairs, Spring 2013.

<http://www.indiana.edu/~nonprof/results/specialsurveys/2010PILOTSILOT.pdf>

- *Indiana Government Officials and Local 2-1-1 Services* by Kirsten Grønbjerg and Kellie McGiverin-Bohan with Lauren Dula, Weston Merrick, Deb Oonk, and Katherine Zilvinskis. Bloomington, Indiana, School of Public and Environmental Affairs, Spring 2013.
<http://www.indiana.edu/~nonprof/results/specialsurveys/211FinalReport.pdf>

Indiana Nonprofit Capacity Assessment Analysis

This survey is designed to develop a better understanding of capacity building and technical assistance needs among Indiana nonprofits. For Phase I, the Indiana University School of Public and Environmental Affairs (SPEA) was commissioned by the Indiana Grantmakers Alliance (IGA) in collaboration with the Indiana University Center on Philanthropy and Lumina Foundation for Social Assistance to conduct a survey of Indiana grantees of Lumina Foundation for Social Assistance and/or associated members of IGA. A total of 91 charities completed the Nonprofit Capacity Survey, which asks responding organizations to identify their most significant needs in each of seven broad areas of capacity building area and the best ways to address them. For Phase II, SPEA was commissioned by the Indiana Arts Commission (IAC) in to conduct a survey of arts and culture grant applicants to the IAC or its regional partners. A total of 385 organizations completed the survey.

Published Articles and Conference Papers

- "Do Organizational Characteristics and Activities Influence Organizational Capacities: An Analysis of Indiana's Nonprofit Sector," by Li Chuan Liu and Kirsten A. Grønbjerg. Paper presented at the ARNOVA Annual Conference, Philadelphia, November, 19-22, 2008.
- "Where the Shoe Hurts: Capacity Challenges among Arts and Culture Nonprofits" by Kirsten A. Grønbjerg and Kellie McGiverin-Bohan. Paper presented at the ARNOVA Annual Conference, Toronto, November, 17-29, 2011.

Online Statewide Reports

- *Nonprofit Capacity Assessment: Indiana's Arts and Culture Organizations, Final Report 2010*, Nonprofit Capacity Assessment Survey Series, Report #3, Final Report. Kirsten A. Grønbjerg and Kellie McGiverin-Bohan with Jenna Cluver, Suzzy Mangas, and Jessica Wechter. Online report. Indiana Nonprofit Capacity Survey Series, Report #3. June 2010.
<http://www.indiana.edu/~nonprof/results/npcapacity/artsculturecapacityfinal.html>
- *Nonprofit Capacity Assessment: Indiana's Arts and Culture Organizations, 2009*, Nonprofit Capacity Assessment Survey Series, Report #2, Preliminary Report. Kirsten A. Grønbjerg and Kellie McGiverin-Bohan with Jenna Cluver, Suzzy Mangas, and Jessica Wechter. Online report. Indiana Nonprofit Capacity Survey Series, Report #2. March 2009.
<http://www.indiana.edu/~nonprof/results/npcapacity/charitycapacityassessment.pdf>
- *Nonprofit Capacity Assessment: Indiana Charities, 2007*, by Kirsten A. Grønbjerg and Laney Cheney, with the assistance of Scott Leadingham and Helen Liu. Online report. Indiana Nonprofit Capacity Survey Series, Report #1. May 2007
<http://www.indiana.edu/~nonprof/results/npcapacity/charitycapacityassessment.pdf>

2002 Indiana Nonprofit Survey Analysis

This survey of 2,206 Indiana nonprofits, completed in spring and early summer of 2002, covered congregations, other charities, advocacy nonprofits, and mutual benefit associations. It used a stratified random sample drawn from our comprehensive Indiana nonprofit database and structured so as to allow for comparisons among (1) different nonprofit source listings (including those identified through the personal affiliation survey) and (2) twelve selected communities around the state. The survey included questions about basic organizational characteristics, programs and target populations, finances and human resources, management tools and challenges, advocacy activities, affiliations, and involvement in networking and collaboration. An almost identical instrument was used to survey Illinois congregations, charities and advocacy nonprofits for the Donors Forum of Chicago (report available Online at www.donorsforum.org, December, 2003).

Online Statewide Reports

- *Indiana Nonprofits: A Portrait of Religious Nonprofits and Secular Charities*, by Kirsten A. Grønbjerg, Patricia Borntreger Tennen. Online report. Survey Report #7. June 2006.
<http://www.indiana.edu/~nonprof/results/npsurvey/insfaithbased.html>
- *Indiana Nonprofits: A Profile of Membership Organizations*, by Kirsten A. Grønbjerg and Patricia Borntreger Tennen. Online report. Survey Report #6. September 2005.
www.indiana.edu/~nonprof/results/npsurvey/inmember.html
- *Indiana Nonprofits: Affiliation, Collaboration, and Competition*, by Kirsten A. Grønbjerg and Curtis Child. Online report. Survey Report #5. November 2004.
www.indiana.edu/~nonprof/results/npsurvey/insaffil.html
- *Indiana Nonprofits: Managing Financial and Human Resources*, by Kirsten A. Grønbjerg and Richard M. Clerkin. Online report. Survey Report #4. August 2004.
www.indiana.edu/~nonprof/results/npsurvey/insman.html
- *Indiana Nonprofits: Impact of Community and Policy Changes*, by Kirsten A. Grønbjerg and Curtis Child. Online report. Survey Report #3. June 2004.
www.indiana.edu/~nonprof/results/npsurvey/inscom.html
- *The Indiana Nonprofit Sector: A Profile*, by Kirsten A. Grønbjerg and Linda Allen. Online report. Survey Report #2. January 2004.
www.indiana.edu/~nonprof/results/npsurvey/insprofile.html
- *The Indianapolis Nonprofit Sector: Management Capacities and Challenges*, by Kirsten A. Grønbjerg and Richard Clerkin. Online report. Preliminary Survey Report #1. February 2003.
www.indiana.edu/~nonprof/results/npsurvey/indymanag.html

Online Regional Reports

- *Scott Nonprofits: Scope and Dimensions*. Nonprofit Survey Series, Community Report #12, by Kirsten A. Grønbjerg, Abigail Powell and Patricia Borntreger Tennen. Bloomington, IN: Indiana University School of Public and Environmental Affairs, November 2006.
www.indiana.edu/~nonprof/results/npsurvey/inscomscott.pdf

- *Miami Nonprofits: Scope and Dimensions*. Nonprofit Survey Series, Community Report #11, by Kirsten A. Grønbjerg, Kerry S. Brock and Patricia Bortrager Tennen. Bloomington, IN: Indiana University School of Public and Environmental Affairs, November 2006.
www.indiana.edu/~nonprof/results/npsurvey/inscommiami.pdf
- *Dubois Nonprofits: Scope and Dimensions*. Nonprofit Survey Series, Community Report #10, by Kirsten A. Grønbjerg, Abigail Powell and Patricia Bortrager Tennen. Bloomington, IN: Indiana University School of Public and Environmental Affairs, November 2006.
www.indiana.edu/~nonprof/results/npsurvey/inscomdubois.pdf
- *Cass Nonprofits: Scope and Dimensions*. Nonprofit Survey Series, Community Report #9, by Kirsten A. Grønbjerg, Andrea Lewis and Patricia Bortrager Tennen. Bloomington, IN: Indiana University School of Public and Environmental Affairs, November 2006.
www.indiana.edu/~nonprof/results/npsurvey/inscomcass.pdf
- *Bartholomew Nonprofits: Scope and Dimensions*. Nonprofit Survey Series, Community Report #8, by Kirsten A. Grønbjerg, Kerry S. Brock and Patricia Bortrager Tennen. Bloomington, IN: Indiana University School of Public and Environmental Affairs, November 2006.
www.indiana.edu/~nonprof/results/npsurvey/inscombartholomew.pdf
- *South Bend Nonprofits: Scope and Dimensions*. Nonprofit Survey Series, Community Report #7, by Kirsten A. Grønbjerg, Kerry S. Brock and Patricia Bortrager Tennen. Bloomington, IN: Indiana University School of Public and Environmental Affairs, November 2006.
www.indiana.edu/~nonprof/results/npsurvey/inscomsouthbend.pdf
- *Fort Wayne Nonprofits: Scope and Dimensions*. Nonprofit Survey Series, Community Report #6, by Kirsten A. Grønbjerg, Abigail Powell, Andrea Lewis and Patricia Bortrager Tennen. Bloomington, IN: Indiana University School of Public and Environmental Affairs, November 2006.
<http://www.indiana.edu/~nonprof/results/npsurvey/inscomfortwayne.pdf>
- *Indianapolis Nonprofits: Scope and Dimensions*. Nonprofit Survey Series, Community Report #5, by Kirsten A. Grønbjerg and Patricia Bortrager Tennen. Bloomington, IN: Indiana University School of Public and Environmental Affairs, November 2006.
<http://www.indiana.edu/~nonprof/results/npsurvey/inscomindianapolis.pdf>
- *Evansville Nonprofits: Scope and Dimensions*. Nonprofit Survey Series, Community Report #4, by Kirsten A. Grønbjerg, Curtis Child and Patricia Bortrager Tennen (Bloomington, IN: Indiana University School of Public and Environmental Affairs, June 2006 (revised November 2006)).
<http://www.indiana.edu/~nonprof/results/npsurvey/inscomevansville.pdf>
- *Muncie Nonprofits: Scope and Dimensions*. Nonprofit Survey Series, Community Report #3, by Kirsten A. Grønbjerg and Patricia Bortrager Tennen. Bloomington, IN: Indiana University School of Public and Environmental Affairs, June 2006.
<http://www.indiana.edu/~nonprof/results/npsurvey/inscommuncie.pdf>

- *Northwest Nonprofits: Scope and Dimensions*. Nonprofit Survey Series, Community Report #2, by Kirsten A. Grønbjerg and Patricia Bortrager Tennen (Bloomington, IN: Indiana University School of Public and Environmental Affairs, February, 2006).
<http://www.indiana.edu/~nonprof/results/npsurvey/inscomnorthwest.pdf>
- *Bloomington Nonprofits: Scope and Dimensions*. Nonprofit Survey Series, Community Report #1, by Kirsten A. Grønbjerg and Curtis Child, Patricia Bortrager Tennen (Bloomington, IN: Indiana University School of Public and Environmental Affairs, December, 2005).
<http://www.indiana.edu/~nonprof/results/npsurvey/inscombloomington.pdf>

Journal Articles and Book Chapters

- "Infrastructure and Activities: Relating IT to the Work of Nonprofit Organizations," by Richard Clerkin and Kirsten A. Grønbjerg. Pp. 3-20 in *Nonprofits and Technology*, edited by Michael Cortés & Kevin Rafter. Chicago: Lyceum Books. 2007.
- "Nonprofit Advocacy Organizations: Their Characteristics and Activities," by Curtis Child and Kirsten A. Grønbjerg. *Social Science Quarterly* 88 (1, 2007) 259-81.
- "The Capacities and Challenges of Faith-Based Human Service Organizations," by Richard Clerkin and Kirsten Grønbjerg. *Public Administration Review* 67 (1, 2007): 115-126.
- "Nonprofits in Context: Assessing the Regional-level Correlates of Nonprofit Capacity Resources," by Curtis D. Child, Kirsten A. Grønbjerg, and Hun Myoung Park. Paper presented at the annual meetings of ARNOVA, Chicago, IL, November 16-18, 2006.
- "Researching Collaborative Structures and/or Their Outcomes: Challenges of Measurement and Methodology." Paper presented at the annual meetings of the Academy of Management, Atlanta, GA, August 14-16, 2006.
- "Nonprofit Networks and Collaborations: Incidence, Scope and Outcomes," by Kirsten Grønbjerg and Curtis Child. Paper presented at the annual meetings of ARNOVA, Washington, D.C., November 17-19, 2005.
- "A Portrait of Membership Associations: The Case of Indiana," by Kirsten Grønbjerg and Patricia Bortrager Tennen. Paper presented at the annual meetings of ARNOVA, Washington, D.C., November 17-19, 2005.
- "Examining the Landscape of Indiana's Nonprofit Sector: Does What you Know Depend on Where you Look?" by Kirsten A. Grønbjerg and Richard M. Clerkin. *Nonprofit and Voluntary Sector Quarterly* 34 (June 2005, No. 2): 232-59.
- "The Role of Congregations in Delivering Human Services" by Richard M. Clerkin and Kirsten Grønbjerg. Paper presented at the Independent Sector Spring Research Forum, Washington, D.C., March 6-7, 2003.

Nonprofit Trust Survey Analysis

We completed a survey of 536 Indiana residents in October 2008, to assess whether they trust nonprofits and charities in their communities more or less than they trust the state government in Indianapolis, local government, the federal government, and businesses and corporations in their community. We also asked respondents about their political orientations and about a broad range of socio-demographic characteristics.

Online Report

- *Are Nonprofits Trustworthy?* by Kirsten Grønberg. Bloomington, Indiana, School of Public and Environmental Affairs, February 11, 2009.
<http://www.indiana.edu/~nonprof/results/trustsurvey/trustsurvey2008.pdf>

Personal Affiliation Survey Analysis

We completed a survey of 526 Indiana residents in May 2001, designed to make it possible to evaluate the utility of an alternative approach to sampling Indiana nonprofits (as compared to drawing a sample from a comprehensive nonprofit database). The survey probed for the respondents' personal affiliations with Indiana nonprofits as employees, worshippers, volunteers, or participants in association meetings or events during the previous 12 months. We recorded the names and addresses of the church the respondent had attended most recently, of up to two nonprofit employers, up to five nonprofits for which the respondent had volunteered, and up to five nonprofit associations.

Journal Articles and Conference Presentations

- "The Role of Religious Networks and Other Factors in Different Types of Volunteer Work" by Kirsten Grønberg and Brent Never. *Nonprofit Management and Leadership* 14 (Winter 2004, No. 3):263-90.
- "Individual Engagement with Nonprofits: Explaining Participation in Association Meetings and Events" by Kirsten Grønberg. Paper presented at the ARNOVA Meetings, Montreal, Canada, November, 14-16, 2002.
- "Volunteering for Nonprofits: The Role of Religious Engagement" by Kirsten Grønberg and Brent Never. Paper presented at the Association for the Study of Religion. Chicago, August 14-16, 2002.

Indiana Nonprofit Composition/Database Analysis

Our most recent efforts examine the consequences for Indiana tax-exempt organizations of new federal reporting requirements mandated under the Pension Protection Act of 2006. As of June 2011, 6,152 Indiana nonprofits have lost their exempt status because they failed to meet the new reporting requirements. Earlier, we developed a comprehensive database of 59,400 Indiana nonprofits of all types (congregations, other charities, advocacy nonprofits, and mutual benefit associations) using a unique methodology that combines a variety of data sources, most notably the IRS listing of tax-exempt entities, the Indiana Secretary of State's listing of incorporated nonprofits, and the yellow page listing of congregations. We supplemented these listings with a variety of local listings in eleven communities across the state and with nonprofits identified through a survey of Indiana residents about their personal affiliations with nonprofits. The database is available in a searchable format through a link at <http://www.indiana.edu/~nonprof/>.

Online Report

- *IRS Exempt Status Initiative: Indiana Nonprofits and Compliance with the Pension Protection Act of 2006* by Kirsten A. Grønbjerg, Kellie McGiverin-Bohan, Kristen Dmytryk, and Jason Simons. Bloomington, Indiana: School of Public and Environmental Affairs, July 1, 2011.
www.indiana.edu/~nonprof/results/database/IRSRevocation.html

Journal Articles and Conference Presentations

- “Incorporated but not IRS-Registered: Exploring the (Dark) Grey Fringes of the Nonprofit Universe” by Kirsten A. Grønbjerg, Helen Liu and Thomas Pollak. *Nonprofit and Voluntary Sector Quarterly* 39 (No. 5, October, 2010): 925-45; first published online, August 10, 2009. Revised version of paper presented at Academy of Management Annual Conference, Anaheim, CA., August 10-13, 2008 and the Fifth Annual West Coast Nonprofit Data Conference, Phoenix, AZ, April 4-5, 2008.
- “Burrowing Into the Grey Matter of the Nonprofit Universe: Changing Patterns of IRS Registration and State Incorporation, 2001-2005” by Kirsten A. Grønbjerg, Helen Liu, Thomas Pollak and Ginger Elliott-Teague. Revised version of paper presented at the Association of Research on Nonprofit Organizations and Voluntary Action, Atlanta, GA, November 15-17, 2007.
- “Evaluating Nonprofit Databases.” *American Behavioral Scientist* 45 (July, 2002, No. 10): 1741-77. Resources for Scholarship in the Nonprofit Sector: Studies in the Political Economy of Information, Part I: Data on Nonprofit Industries.
- “Community Variations in the Size and Scope of the Nonprofit Sector: Theory and Preliminary Findings” by Kirsten A. Grønbjerg & Laurie Paarlberg. *Nonprofit and Voluntary Sector Quarterly* 30 (No. 4, December, 2001) 684-706.



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