

Study Finds Nonprofit Sector is a Major Economic Force for Indiana

Nonprofit organizations contribute to the quality of life for all Indiana citizens by offering health care, education, job training, nursing home care, arts and culture and opportunities for democratic participation. What is not widely appreciated, however, is that nonprofit organizations are also a major force in the state's economy and in the state's regional economies.

A report just released by the Center on Philanthropy and the School of Public and Environmental Affairs at Indiana University, in cooperation with the John Hopkins Nonprofit Employment Data Project, presents new information on the size, composition and distribution of paid employment in the private nonprofit sector in Indiana for 1995, 2000 and 2001.

This report is part of a larger project, *Indiana Nonprofits: Scope and Community Dimensions*, currently underway at Indiana University

designed to provide solid, baseline information about the Indiana nonprofit sector, its composition and structure, its contributions to Indiana, the challenges it is facing, and how these features vary across Indiana communities.

The following summary provides a glimpse at the data, which will receive detailed coverage in the summer issue of the *Indiana Business Review*.

Key Findings

- The nonprofit sector is a significant economic force in Indiana, accounting for nearly one out of every 13 paid workers. This is more than those employed in the state's non-durable manufacturing industry, and about one-third more than those employed in construction (see Figure 1).
- The 222,000 nonprofit employees in Indiana earned about \$6 billion in wages in 2001.

- Nonprofit employment is not restricted to any one region of Indiana, but is distributed broadly throughout the state.
- About half (49 percent) of nonprofit employment in the state is in health services, with another 17 percent in social services and 12 percent in education (see Figure 2).
- Most (88 percent) nonprofit employees work for charities, although only 55 percent of nonprofit employers are charities.

Kirsten A. Grønberg, Efrogmson Chair in Philanthropy, Center on Philanthropy, and Professor of Public and Environmental Affairs, School of Public and Environmental Affairs, Indiana University, and Hun Myoung Park, Research Associate.

For More Details
Learn more about the study at www.indiana.edu/~nonprof

