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Indiana Business Review



40

Indiana's Pushing Forty
Latest Population Projections for Indiana Counties and Regions

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For the Record:

The baby boom. A tired phrase? Perhaps. Coined to describe the post-World War II generation, it engenders many images. The pig in the python is one of my favorites, conveying the remarkable visibility of that generation. The sheer size of the boomers, a generation born between the generally accepted definitional years of 1947 and 1964, has had enormous social and economic impact on America.

The baby boom is quickly becoming a "senior boom," as seen in Indiana's population projections just released by the IBRC. These projections are so important, showing the age structure of our population in all counties and regions of the state, that we share two articles on the subject in this issue. The first was written by IBRC demographer, John Besl, who produced the projections and provides a thoughtful overview of the findings. The other is by Morton Marcus, economist and pundit, who does not shrink from spelling out the implications—both good and bad—of what our future age structure will mean for Hoosiers.

And don't neglect to read our last, but not least, article on a recently released study by the Indiana University Center on Philanthropy on the nature and impact of nonprofit organizations on Indiana's economy. This important work is part of a national initiative to investigate the nonprofit industry in each state. Indiana is one of only a handful of states for which this industry has been studied in a rigorous and thorough manner, thanks particularly to Dr. Kirsten Grønbjerg.

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Indiana's Median Age Is Pushing Forty

Latest Population Projections for Indiana Counties and Regions

New population projections released by the Indiana Business Research Center (IBRC) at Indiana University's Kelley School of Business portray big changes on the horizon in the size, geographic distribution, and age composition of Indiana's population.

Labor Force

A potential labor shortage may hinder economic development efforts across much of Indiana over the next twenty years, according to new projections issued by the IBRC. Population in the prime working ages of twenty-five to fifty-four can be expected to shrink in seventy-three of Indiana's ninety-two counties between 2000 and 2020. This twenty-five to fifty-four age range could be considered the most economically productive in the entire life span, since labor force participation is typically highest at these ages. A large share of the population under age twenty-five is still focusing on education, while at age fifty-five and older, the impacts of early retirement and disability result in lower labor force participation rates.

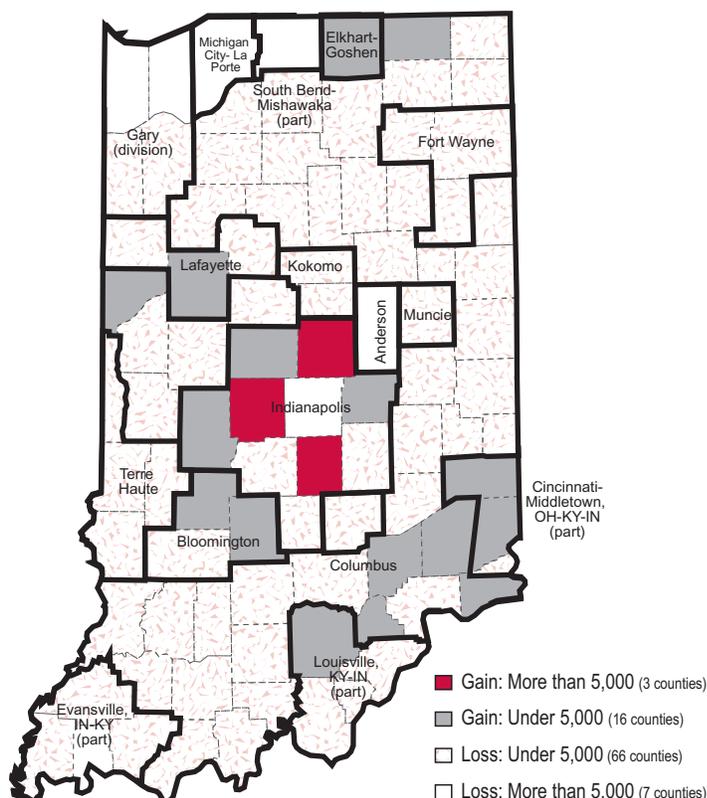
The relatively few counties that can be expected to gain population in the twenty-five to fifty-four age group are concentrated mainly in the center of the state, near Indianapolis, as seen in **Figure 1**. The ten-county Indianapolis Metropolitan Statistical Area (metro) is expected to gain approximately 86,000 people in the twenty-five to fifty-four age group in the twenty years after 2000, while the rest of the state will lose 140,000. Even within the metro, change in this age group will be geographically uneven, with strong growth in Hamilton, Hendricks, and Johnson counties overcoming

John R. Besl

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The most economically productive segment of the population in 2020—those age twenty-five to fifty-four—are between the ages of eight and thirty-seven today.

Figure 1
Numeric Change in Population Age 25 to 54, 2000 to 2020



a large loss in Marion County. In addition to Marion, six other counties are expected to lose more than 5,000 people in the prime working ages over the twenty-year period.

These findings raise doubts about the prospects for future economic development in the areas that are projected to lose population in the twenty-five to fifty-four age group. Losses in this age group would almost certainly reduce the labor force in the impacted areas, unless labor force participation rises substantially among the older population, or those under twenty-five. Keeping older workers active in the labor force could have multiple benefits for Indiana and the nation, but increased participation at younger ages would probably have a negative effect on educational attainment.

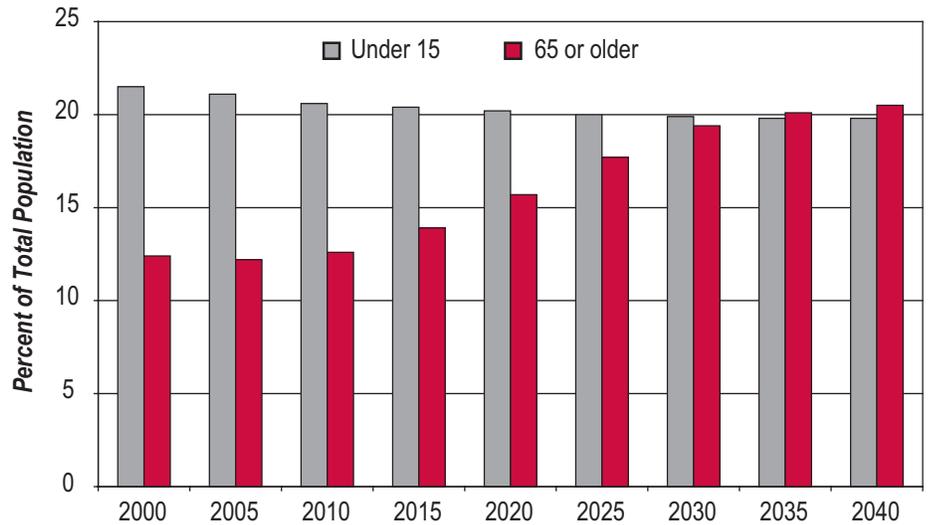
Although it may seem that migration alone accounts for the growth or decline in this coveted age group (with large numbers of people from outlying areas of the state presumably moving to the Indianapolis metropolitan area), this is not the case. While job opportunities in the Indianapolis metro may exercise a pull on people in the prime working ages, most counties across the state would inevitably experience a decline in this age group even if all county borders were closed and no migration were permitted. The large

baby boom generation outnumbers subsequent generations in most counties, and this uneven age structure is responsible for much of the decline in the prime working ages through 2020. By the time the last boomer passes out of the twenty-five to fifty-four age span in 2020, losses in that age group will certainly be mitigated. In the most current set of national population projections, released in January 2000, the twenty-five to fifty-four age group is expected to decline by 2.4 percent between 2000 and 2020.

Elderly

Just as aging boomers will have a huge impact on the labor force, their entry into the traditional retirement age of sixty-five will also transform the state. **Figure 2** depicts the changing population shares in two age groups at opposite ends of the age spectrum: under fifteen and sixty-five or older. By 2035, Indiana is expected to have more residents age sixty-five or older than those under fifteen. At the beginning of the projection period, about one in eight Hoosiers had reached their sixty-fifth birthday. This proportion is expected to remain stable through 2010, but it will climb steadily after that point, reaching 21 percent in 2040. The population share under fifteen, by contrast, remains relatively stable throughout the entire projection period.

Figure 2
Population Share, 2000 to 2040



The population growth among the elderly is perhaps even more impressive than the change in share. The number of people age sixty-five or older will virtually double from about 753,000 in 2000 to 1.5 million in 2040 (see **Table 1**). A marginal increase of 8,000 is expected statewide in the initial 2000 to 2005 projection interval, but the increase from 2010 to 2015 will jump to 108,000. Between 2020

and 2025, the state can expect to add another 162,000 senior citizens.

Median Age

Median age grew dramatically in most Hoosier counties between 1970 and 2000, and it will continue to increase, although at a slower pace. By 2040, Indiana's median age is projected to be 39.4 years of age. In **Figure 3**, a distribution of the ninety-two Hoosier counties is presented across four ranges of median age for the census years from 1970 through 2000, along with projected data for each decade up to 2040. In 1970, only one county had a median age over thirty-five, and by 1980, there was not a single county in that range. Twenty years later, however, a total of seventy-seven counties had experienced population aging to such an extent that their median age was thirty-five or higher. Another twenty years later, it is expected that eighty-seven of ninety-two Indiana counties will have a median age of thirty-five or older. By 2030, median age will exceed forty years in sixty-two counties.

At the other end of the distribution, median age in 1970 was under thirty years old in sixty-nine counties—that is three of every four. Results of Census 2000 left only three Hoosier counties—Lagrange, Monroe, and Tippecanoe—with such a young median age. By 2030, only Lagrange County is expected to have half of its population under age thirty. ◀

Figure 3
Distribution of Counties by Median Age
Historical 1970 to 2000 and Projected 2010 to 2040

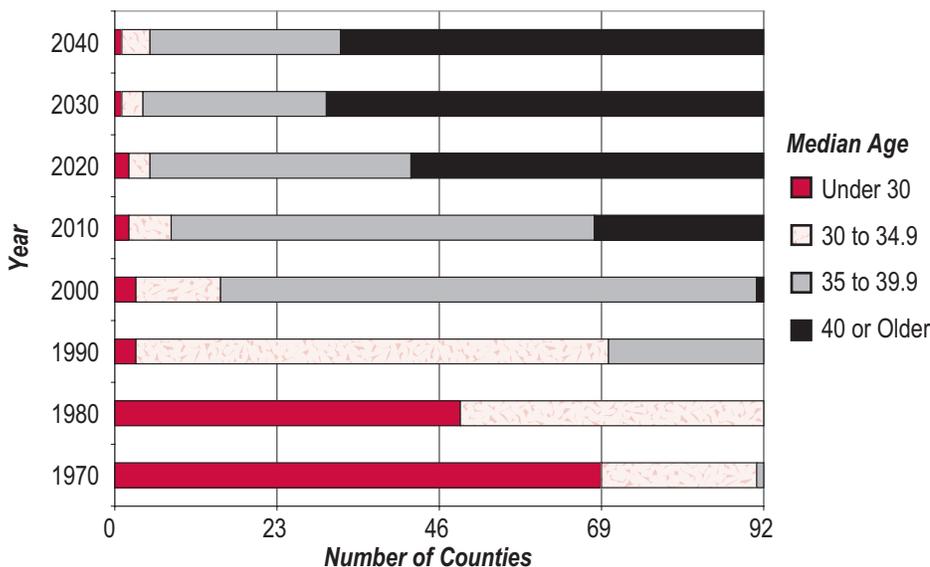


Table 1
Population Projections for Metropolitan Statistical Areas, 2000 to 2040

Region	Year	Total Population	Preschool Age 0 to 4		School Age Age 5 to 19		College Age Age 20 to 24		Young Adult Age 25 to 44		Older Adult Age 45 to 64		Seniors Age 65 or Older	
		Number	Number	% of Total	Number	% of Total	Number	% of Total	Number	% of Total	Number	% of Total	Number	% of Total
 Indiana	2000	6,080,485	423,215	7.0%	1,340,171	22.0%	425,731	7.0%	1,791,828	29.5%	1,346,709	22.1%	752,831	12.4%
	2040	7,227,402	481,462	6.7%	1,427,087	19.7%	444,676	6.2%	1,750,462	24.2%	1,644,180	22.7%	1,479,535	20.5%
 Anderson	2000	133,358	8,507	6.4%	26,860	20.1%	8,532	6.4%	37,753	28.3%	31,808	23.9%	19,898	14.9%
	2040	121,114	7,146	5.9%	21,421	17.7%	6,506	5.4%	27,623	22.8%	28,872	23.8%	29,546	24.4%
 Bloomington	2000	175,506	9,568	5.5%	38,056	21.7%	25,578	14.6%	48,543	27.7%	34,830	19.8%	18,931	10.8%
	2040	213,725	11,280	5.3%	41,309	19.3%	26,892	12.6%	48,957	22.9%	45,208	21.2%	40,079	18.8%
 Cincinnati-Middletown	2000	73,883	5,023	6.8%	17,265	23.4%	3,770	5.1%	21,971	29.7%	17,153	23.2%	8,701	11.8%
	2040	86,263	4,842	5.6%	15,643	18.1%	3,832	4.4%	19,997	23.2%	21,319	24.7%	20,630	23.9%
 Columbus	2000	71,435	5,260	7.4%	15,182	21.3%	4,000	5.6%	21,181	29.7%	17,160	24.0%	8,652	12.1%
	2040	76,881	5,191	6.8%	14,457	18.8%	3,822	5.0%	19,006	24.7%	18,070	23.5%	16,335	21.2%
 Elkhart-Goshen	2000	182,791	14,800	8.1%	43,113	23.6%	12,300	6.7%	54,482	29.8%	38,255	20.9%	19,841	10.9%
	2040	240,474	19,958	8.3%	53,460	22.2%	14,553	6.1%	61,141	25.4%	51,254	21.3%	40,108	16.7%
 Evansville	2000	283,866	17,942	6.3%	60,289	21.2%	19,352	6.8%	80,797	28.5%	65,084	22.9%	40,402	14.2%
	2040	308,173	19,602	6.4%	60,413	19.6%	19,813	6.4%	71,912	23.3%	69,491	22.5%	66,942	21.7%
 Fort Wayne	2000	390,156	29,376	7.5%	89,171	22.9%	25,118	6.4%	116,128	29.8%	84,708	21.7%	45,655	11.7%
	2040	477,974	34,763	7.3%	99,376	20.8%	28,193	5.9%	119,014	24.9%	105,413	22.1%	91,215	19.1%
 Gary	2000	675,971	47,106	7.0%	152,715	22.6%	43,309	6.4%	192,076	28.4%	155,952	23.1%	84,813	12.5%
	2040	731,706	49,502	6.8%	150,786	20.6%	44,846	6.1%	175,097	23.9%	158,650	21.7%	152,825	20.9%
 Indianapolis	2000	1,525,104	114,250	7.5%	332,318	21.8%	95,770	6.3%	495,074	32.5%	325,304	21.3%	162,388	10.6%
	2040	2,106,188	138,269	6.6%	392,534	18.6%	102,333	4.9%	529,552	25.1%	511,672	24.3%	431,828	20.5%
 Kokomo	2000	101,541	6,991	6.9%	21,411	21.1%	5,740	5.7%	28,629	28.2%	25,023	24.6%	13,747	13.5%
	2040	106,054	7,224	6.8%	20,911	19.7%	5,650	5.3%	25,611	24.1%	23,767	22.4%	22,891	21.6%
 Lafayette	2000	178,541	10,765	6.0%	40,753	22.8%	27,683	15.5%	48,805	27.3%	32,720	18.3%	17,815	10.0%
	2040	223,312	13,631	6.1%	46,660	20.9%	29,288	13.1%	50,560	22.6%	45,208	20.2%	37,965	17.0%
 Louisville	2000	228,843	15,151	6.6%	48,683	21.3%	13,898	6.1%	69,195	30.2%	54,096	23.6%	27,820	12.2%
	2040	256,600	15,285	6.0%	46,560	18.1%	13,637	5.3%	61,270	23.9%	60,581	23.6%	59,267	23.1%
 Michigan City-La Porte	2000	110,106	7,116	6.5%	22,606	20.5%	6,720	6.1%	32,735	29.7%	26,017	23.6%	14,912	13.5%
	2040	115,460	7,467	6.5%	21,539	18.7%	6,145	5.3%	27,525	23.8%	26,772	23.2%	26,012	22.5%
 Muncie	2000	118,769	7,009	5.9%	25,365	21.4%	14,005	11.8%	30,431	25.6%	25,970	21.9%	15,989	13.5%
	2040	133,982	8,277	6.2%	27,521	20.5%	14,838	11.1%	30,534	22.8%	27,872	20.8%	24,940	18.6%
 South Bend-Mishawaka	2000	265,559	18,673	7.0%	59,939	22.6%	21,114	8.0%	74,310	28.0%	55,422	20.9%	36,101	13.6%
	2040	308,290	21,957	7.1%	65,743	21.3%	22,234	7.2%	73,280	23.8%	67,363	21.9%	57,713	18.7%
 Terre Haute	2000	170,943	10,478	6.1%	36,091	21.1%	14,287	8.4%	47,471	27.8%	37,836	22.1%	24,780	14.5%
	2040	186,167	11,616	6.2%	36,578	19.6%	14,540	7.8%	43,964	23.6%	41,193	22.1%	38,276	20.6%

Perspectives on the Projections

The recent population projections for Indiana released by the Indiana Business Research Center contain two features that deserve special attention: the aging of the state's population and the continuing concentration of the state's population in a few counties. Both of these are subject to extreme and inappropriate responses.

The Aging of Indiana's Population

There is no question that the aging of the baby boom will mean more older people in Indiana, as well as in the nation. Between 2000 and 2040, the population sixty-five or older in Indiana will nearly double, from about 753,000 to nearly 1.5 million. As a share of the state's population, as seen in **Figure 1**, this group will move from about 12 percent (one in eight people) to more than 20 percent (one in five people).

By 2040, nearly half of the state's population will be over age 40. However, while the median age of Indiana's population rose by eight years (from approximately twenty-seven in 1970 to just above thirty-five in 2000), the gain between 2000 and 2040, will be less than five years (see **Figure 2**).

Of the 1.1 million people added to the state's population between 2000 and 2040, 63 percent will be sixty-five years of age or older.

In **Figure 3**, we see the impressive number of people added to the population in the higher age groups and the decline in the number of people in the important twenty-five to forty-nine year old age group.

This overwhelming growth of the older population occurs at the county level as well. As seen in **Figure 4**, the growth of the population sixty-five or older exceeds the combined growth of all other age groups in twenty-eight counties. In thirty-one counties, the growth of the sixty-five or older group offsets the decline in the balance of the population, and leads to population growth for the county as a whole. However, the growth of the sixty-five or older group cannot offset the decline of population in the other age groups for nineteen counties.

The growth in the population age sixty-five or older could be taken as a threat to the fiscal wellbeing of the state. Reporters have asked, "How do we stop this trend?," as if we might want to move our senior citizens to someplace else. Most of these reporters do not realize that they will be among the sixty-five or older population in 2040.

Yes, one could be frightened by the prospect of huge numbers of people dependent on Medicare, limited in mobility, and requiring special attention in specialized facilities. But that scenario misses the point.

Morton J. Marcus

Economist, Kelley School of Business, Indiana University

Figure 1
Indiana Population Age 65 or Older, 2000 to 2040

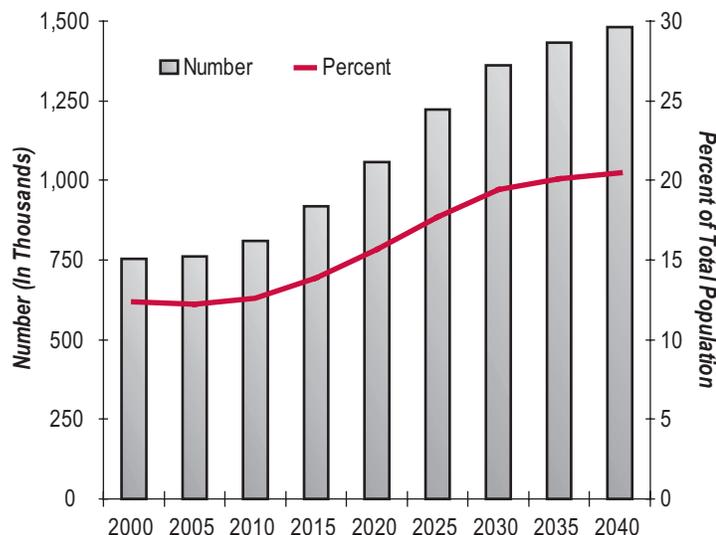


Figure 2
Median Age, Historical 1970 to 2000 and Projected 2010 to 2040

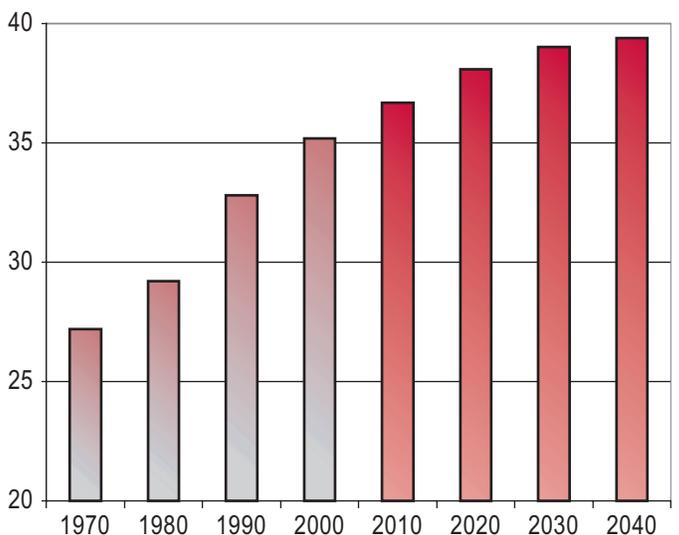
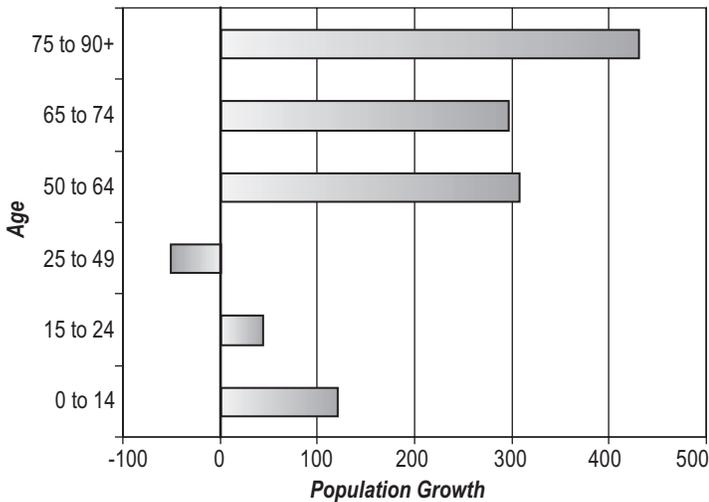


Figure 3
Population Change by Major Age Groups, 2000 to 2040



Between now and 2040, citizens (and the state) have an opportunity to create an environment where our older population is neither dependent nor decrepit. This can be done by

- ▶ Working hard to secure good incomes for Hoosiers in the years ahead
- ▶ Encouraging them to save for the future
- ▶ Educating them about good health practices

Those who will be sixty-five or older in 2040 are twenty-eight or older today in 2003. They are beyond college age. Most have established households and families. Do they have the skills to learn as the job market changes in the years ahead? Is the state prepared to work with them so that they can earn good incomes before they become eligible for retirement?

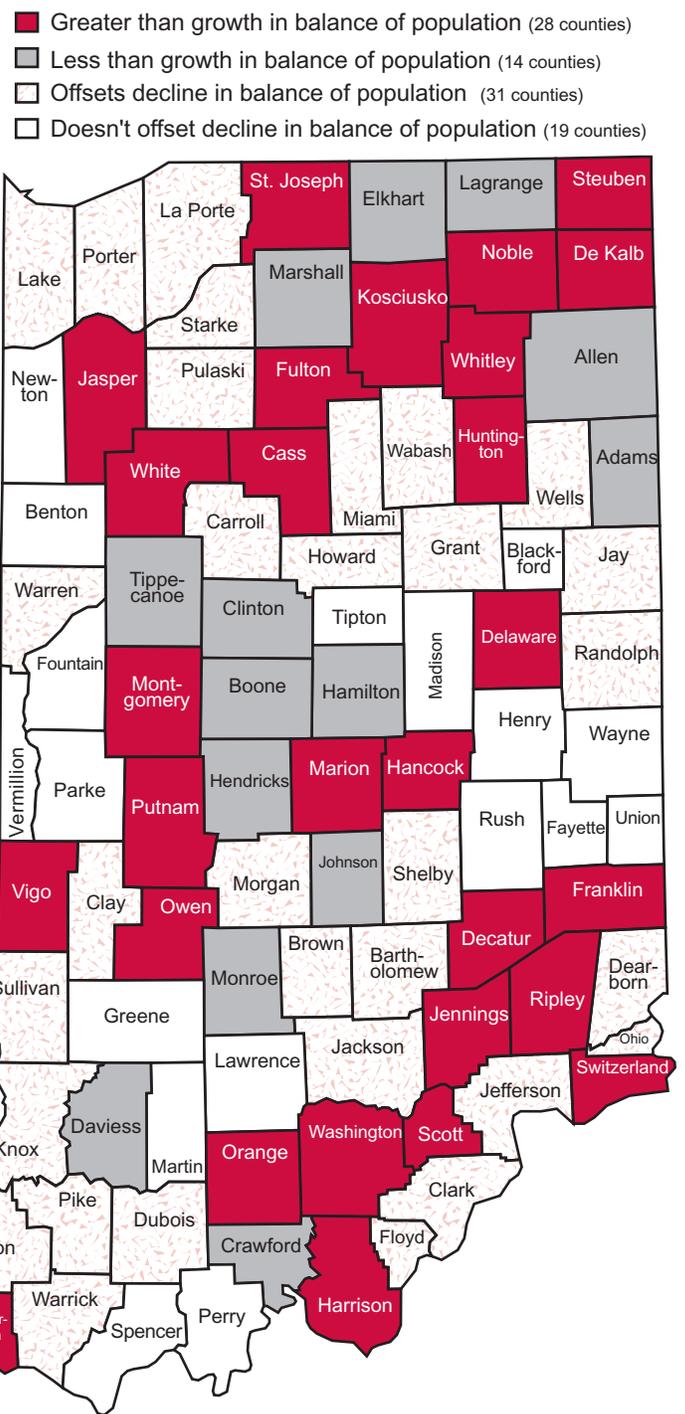
And, if they earn good incomes, will they have the resources to retire with comfort and security? Government and private programs are not dependable. Only a balanced private savings program, not just stock market speculation, can provide security. Today, our citizens invest heavily in their homes, but real estate is not a liquid asset, and people do not want to sell their homes to pay for their retirement. Hence, federal, state, and local subsidies for home owners tend to trap people into illiquid circumstances. Savings must be based on a broad portfolio, protected from inflation, and reasonably liquid.

Economic education is not one of the state's high priorities, but it should be if we are going to help Hoosiers be successful in their later years.

Similarly, health education is important if we are to avoid the massive costs of avoidable illnesses. Diabetes, heart disease, and other ailments could be reduced in a statewide campaign to curb obesity. Illnesses that are the result of environmental factors (lead toxicity, for example) also could be reduced by public investment in clean-up programs.

Tomorrow's population lives here today. A healthy, economically secure population over sixty-five is possible if we address the basic issues of economic development, economic education, health education, and environmental clean-up in the years ahead.

Figure 4
Growth of Population Age 65 or Older, 2000 to 2040



Increasing Concentration

Figure 5 shows the percent change in population indicated by the projections. Four of the five fastest growing counties are neighbors of Marion County.

In 2000, the ten most populous counties in Indiana had 47.8 percent of the state's population; by 2040, that number will be 50.5

percent, an increase of 2.7 percent. Eight counties—Marion, Lake, Hamilton, Allen, St. Joseph, Elkhart, Tippecanoe, Vanderburgh (in their 2040 rank order)—were in the top ten in both 2000 and 2040. Porter and Madison counties slip out of the top ten while Hendricks and Johnson enter during the projection period. The top ten in 2040 will account for 69.6 percent of the growth since 2000.

Looking only at Marion County and its seven contiguous counties, the share of the state's population increases from 24.2 percent to 28.3 percent, an increase of 4.1 percent, which is greater than the increase for the state's top ten noted above. In fact, half of the state's entire growth occurs in those eight contiguous counties.

Political power follows population. The Indianapolis area will become stronger in the General Assembly. It will become an even greater target for the enmity of other parts of the state.

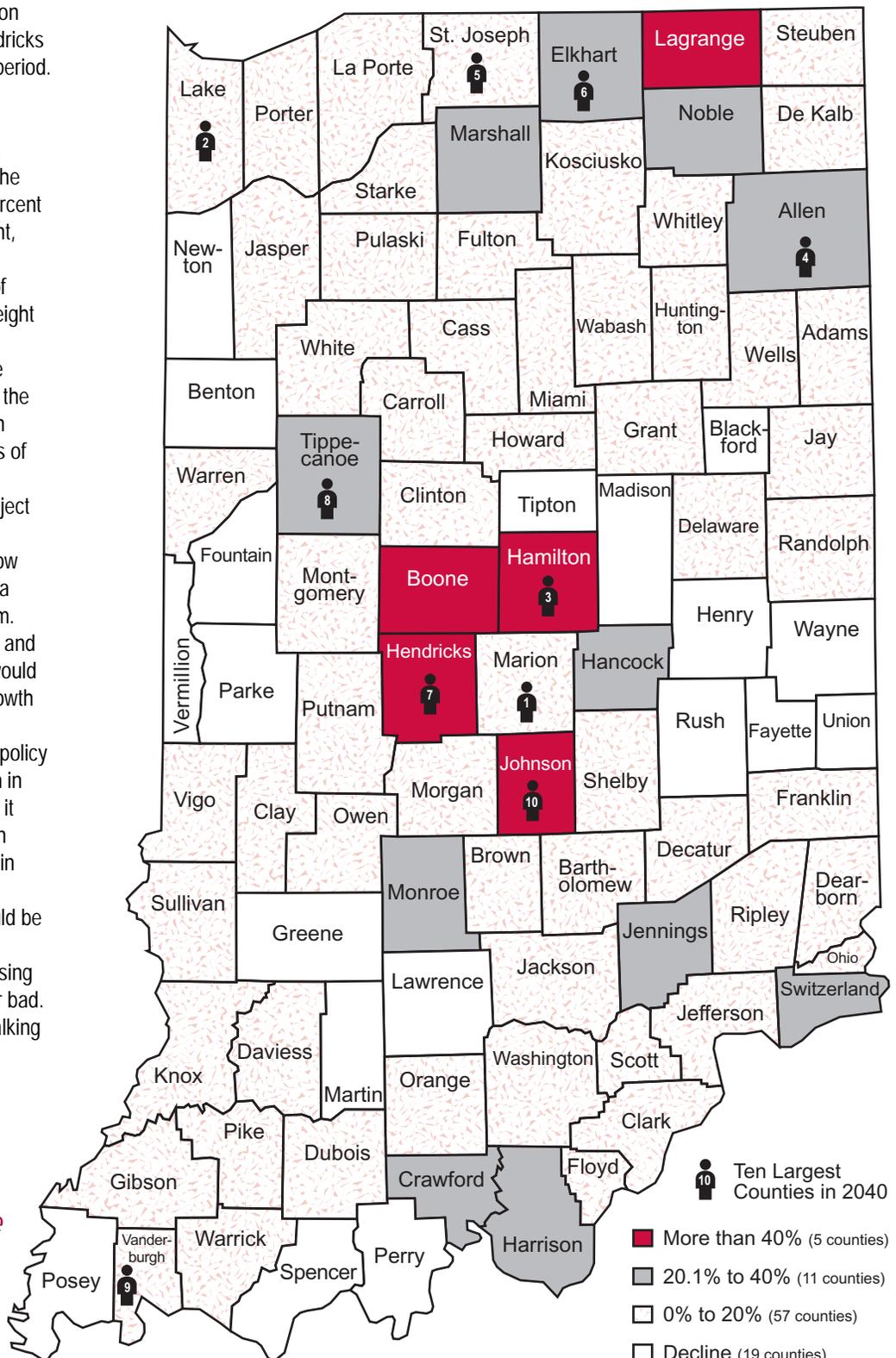
Is this something that should be a subject of public policy? Some will argue that the state should not intervene, but should allow market forces to operate. If this is the area where people choose to live, then let them. But if this area becomes more congested and there is excess capacity in other areas, would it not be best to encourage population growth elsewhere?

Many would answer no, saying that a policy designed to encourage population growth in other areas would be expensive because it would have to overcome market forces. In addition, they would argue, many people in Indiana want low population densities. To attempt a redistribution of population would be contrary to their preferences.

There is no clear evidence that increasing concentration of the population is good or bad. It may be little more than an interesting talking point. However, if there are serious costs to society from having so much growth concentrated in one region, the subject deserves meaningful discussion. ◀

Projections data are available for counties, regions, metros, and customized areas at www.stats.indiana.edu

Figure 5
Percent Change in Total Population, 2000 to 2040



Study Explores Economic Impact of Indiana Nonprofits

Nonprofit organizations contribute to the quality of life for all Indiana citizens. What is not widely appreciated, however, is that the private nonprofit sector is a major economic force in the state of Indiana.

A report 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 Indiana's private nonprofit sector. It is part of a larger project, *Indiana Nonprofits: Scope and Community Dimensions*, currently underway at Indiana University.

Employment

Nonprofit organizations employed a minimum of 222,000 paid workers in Indiana in 2001, including 194,000 that worked for registered charities. This means that 7.7 percent of Indiana employees worked for a nonprofit organization, or about 1 out of every 13 workers.

Over half of all Indiana nonprofit establishments are charities (thereby eligible to receive tax-deductible contributions under Section 501(c)(3) of the Internal Revenue Code). They employ about 88 percent of all nonprofit employees, suggesting that on average they are significantly larger than nonprofits registered under other subsections of the IRS codes, such as general social welfare or mutual-benefit nonprofits.

The health services sector accounts for 49 percent of all nonprofit employment in Indiana (see **Figure 1**). This includes jobs in hospitals, nursing and personal care facilities, clinics, and home health care services. Social services account for an additional 17 percent, including employment in individual and family services, job training and related services, child day care services, and residential care.

The distribution of nonprofit charitable employment in Indiana is similar to the national average, although Indiana has slightly larger shares of charitable employment in health and social services, but lower shares in education, membership associations, and culture and recreation. Nonprofit hospitals account for almost 88 percent of all private hospital employment in Indiana, compared to only 66 percent nationally.

Payroll

The 222,000 nonprofit employees in Indiana earned an estimated \$6 billion in wages in 2001, with \$5.4 billion earned by those working for charities. Overall, nonprofit employees accounted for 6.6 percent of the state's total payroll of \$92.3 billion.

The nonprofit payroll exceeded the payrolls for several sectors, including finance, insurance, and real estate (\$5.8 billion), construction (\$5.4 billion), and state and federal government combined (\$4.6 billion). Nonprofit payrolls, however, were less than the payrolls for local government (\$7.6 billion), nondurable manufacturing (\$7.5 billion), retail trade (\$9 billion), and durable manufacturing (\$19.6 billion).

Wages

The average weekly wage for nonprofit employees in Indiana is 19 percent lower than that of for-profit workers and 18 percent lower than that of government workers. However, when focusing on industries where nonprofits are concentrated, such as social services and health, nonprofits offer higher wages than for-profit providers in some service fields, although both are generally lower than average weekly wages paid to government employees.

The data do not allow us to determine whether the differences in earnings of nonprofit, for-profit, and government employees reflect real differences in wage levels or different rates of using part-time workers.

Kirsten A. Grønberg

Efroymsen Chair in Philanthropy, Center on Philanthropy, and Professor of Public and Environmental Affairs, School of Public and Environmental Affairs, Indiana University

Hun Myoung Park

Research Associate, School of Public and Environmental Affairs, Indiana University

Figure 1
Indiana's Nonprofit Employment by Field, 2001

Nonprofits included in this study are registered as tax-exempt entities with the U.S. Internal Revenue Service under Section 501(c) of the Internal Revenue Code. This includes private, not-for-profit hospitals, clinics, colleges, universities, elementary schools, social service agencies, day care centers, orchestras, museums, theaters, homeless shelters, and soup kitchens. It also includes a wide variety of civic organizations, trade associations, unions, and other membership groups.

The sector's role in the Indiana economy is underestimated because some nonprofits (such as religious congregations) are not required to participate in the ES-202 reporting systems. Others cannot be identified as nonprofits because they are not required to register with the IRS (such as congregations) or do not do so for a variety of reasons.

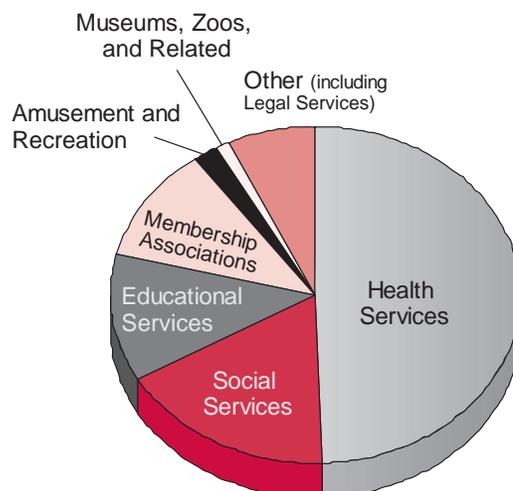
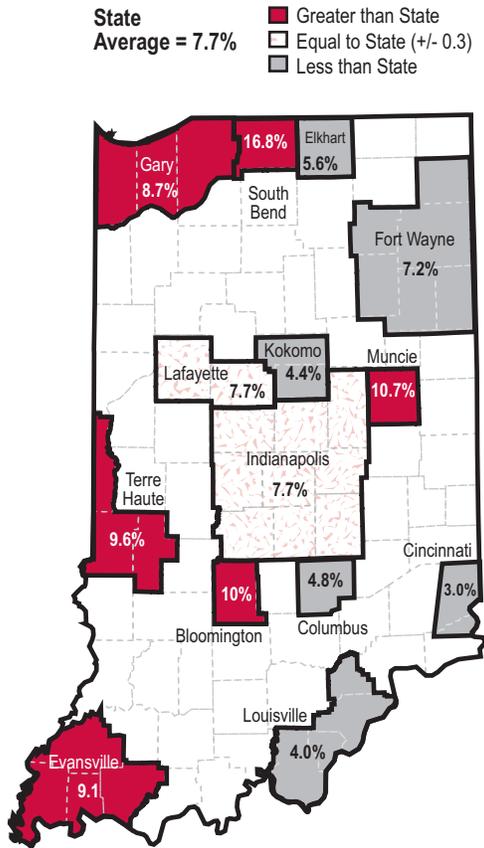


Figure 2
Nonprofit Share of Total Employment in Selected Regions



Regional Distribution

Like Indiana's population, most of the state's nonprofit employment is located in the state's metropolitan regions, accounting for 80 percent of all nonprofit employment in the state (*Editor's note: the regions used in this study do not have the same county configurations as the federally-defined metropolitan statistical areas*). Moreover, the nine-county Indianapolis metropolitan area had more than 65,000 nonprofit employees, or almost 30 percent of the total Indiana nonprofit employment in 2001.

The nonprofit share of total regional employment varies considerably across the state's metropolitan areas (see **Figure 2**). The nonprofit sector is particularly important in the South Bend region, accounting for almost 17 percent of total county employment in 2001, or about one in six employees. This most likely reflects the presence of large nonprofit health and educational institutions in that community.

Nonprofit employment accounts for just over 6 percent of total employment in the non-metropolitan areas of the state; however, nonprofit employment exceeds 12 percent of total county employment in Grant, Jefferson, Montgomery, and Putnam counties.

At \$600, the average weekly wages for nonprofit workers were highest in the South Bend region. Nonprofit wages were notably below the statewide average of \$521 for the Bloomington (\$457) and Fort Wayne (\$453) areas and were significantly below the statewide average in the Lafayette (\$431) and Kokomo (\$408) regions.

Growth

Between 1995 and 2001, employment in the Indiana nonprofit sector increased by 37,000, or 20 percent. This growth in nonprofit employment more than offset the loss of 33,000 jobs in the durable manufacturing industry.

Between 1995 and 2000, nonprofit employment grew at a rapid rate of 3.3 percent per year, slowing to 2.1 percent between 2000 and 2001 (see **Figure 3**).

As a result of the comparatively high rate of growth in nonprofit employment, the nonprofit share of total Indiana employment grew from 6.8 percent in 1995 to 7.7 percent in 2001.

Health services accounted for almost half (49 percent) of the overall growth in Indiana. Social services accounted for 23 percent, while educational services absorbed another 16 percent of the growth in employment.

The number of nonprofit employees in legal services actually declined by 29 percent over the 1995 to 2001 period, while for-profit employment increased in that field by 16 percent.

Among the state's regions, the highest rate of average annual growth in nonprofit employment over the 1995 to 2000 period occurred in Bloomington (6.8 percent), at more than twice the statewide rate. However, nonprofit employment declined 0.4 percent in Bloomington, while it continued to increase statewide between 2000 and 2001.

The Gary, Evansville, Lafayette, and Kokomo regions had below average rates of growth in nonprofit employment

for both periods, with nonprofit employment in Kokomo actually declining 2.1 percent between 2000 and 2001.

Not adjusting for inflation, total payroll for nonprofit employees increased by 48 percent, from \$4.1 billion in 1995 to \$6 billion in 2001. This was faster than both for-profits and government organizations.

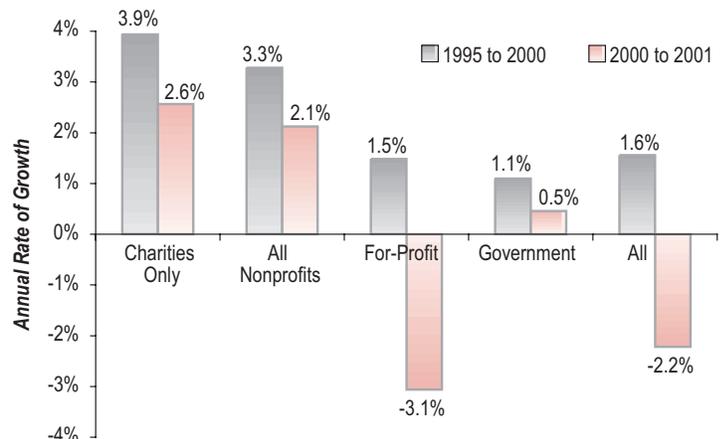
As a result of these differential growth rates, the nonprofit share of total payroll in Indiana increased from 5.8 percent to 6.6 percent.

This increase was less than the growth in the sector's share of total employment, suggesting that the average weekly wages of nonprofit employees—which increased by \$99—grew more slowly than those of workers in the for-profit and government sectors.

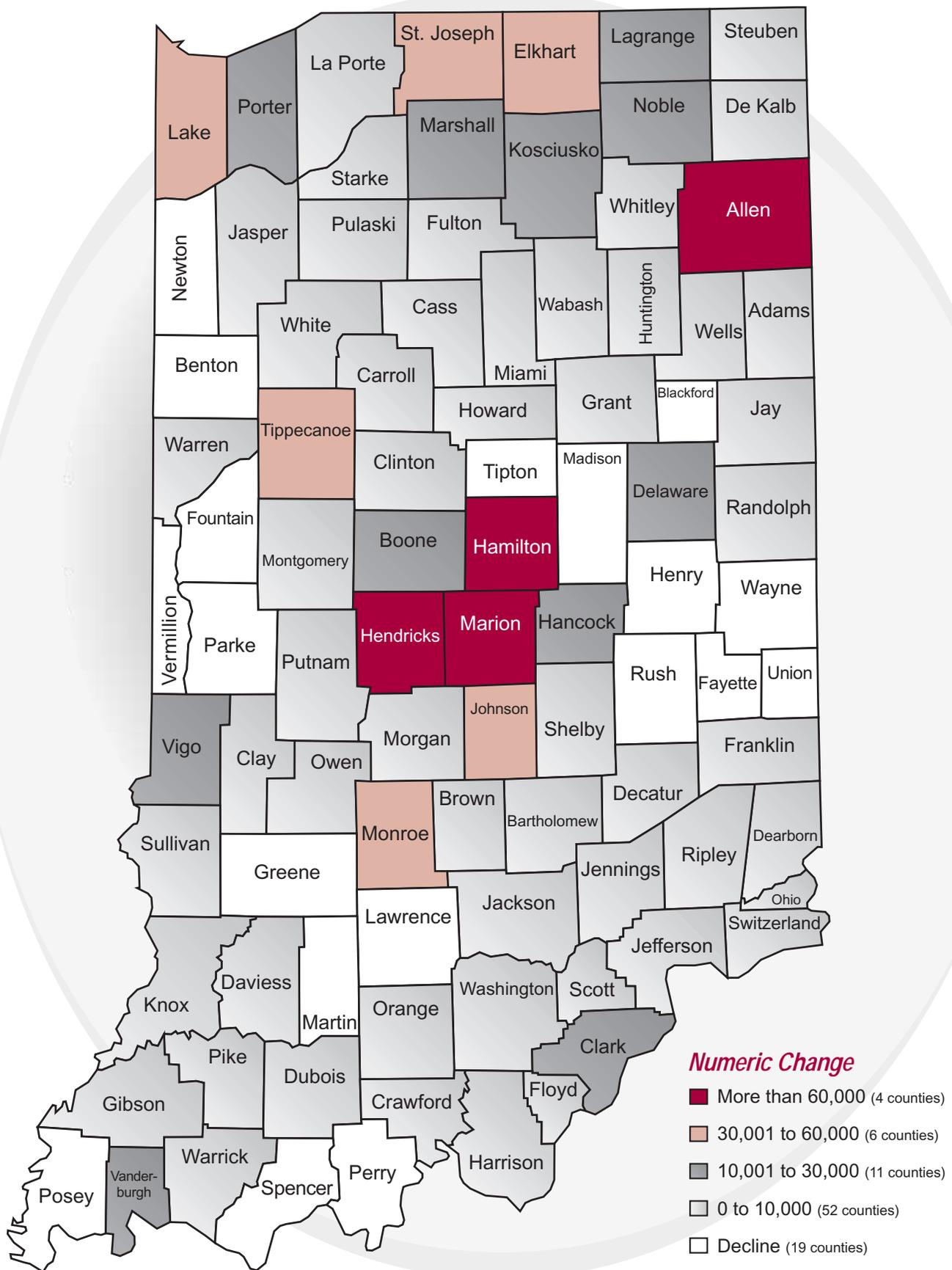
The economic role of the nonprofit sector is not well understood by policymakers, the press, or the public at large. As a result, this sector is often overlooked in economic development and education and training efforts that could prove extremely beneficial to it in the long term. Hopefully, with a greater knowledge of the nonprofit sector's economic impact, Indiana citizens will understand the immense stake they have in its continued health. ◀

For more about the study, visit www.indiana.edu/~nonprof

Figure 3
Average Annual Rates of Growth in Indiana Employment by Sector



Indiana's Population Future: Growth and Decline, 2000 to 2040



SUMMER 2003

Inside This Issue...

- **Indiana's Median Age Is Pushing Forty**

"As the baby boom generation ages, the number of people age sixty-five or older will virtually double from about 753,000 in 2000 to 1.5 million in 2040."

- **Perspectives on the Projections**

"Half of the state's population growth between 2000 and 2040 will occur in Marion County and its seven contiguous counties."

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