The Data Says ... Results from the 2012 Census of Agriculture

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Every five years, a fresh snapshot of our nation’s agricultural community is taken and analyzed via the Census of Agriculture. This survey provides a view into an industry responsible for providing the raw materials for our basic needs: food, clothing and shelter. In early May, the U.S. Department of Agriculture’s (USDA) National Agriculture Statistics Service (NASS) released the first results from the 2012 Census of Agriculture.

Due to the voluminous amount of data with many interesting tidbits of information, InContext is publishing a series on the many dimensions of agriculture revealed by this census. This article provides highlights from the 2012 census, while upcoming articles will focus on farm financials and production.

Who Completes the Survey?

In December 2012, 3 million questionnaires were sent out to agricultural producers throughout the nation. Similar to the national population and housing census, multiple efforts were used to solicit responses such as mail, Internet, phone and in-person visits. The USDA defines a farm as any place that produced and sold, or normally would have sold, $1,000 or more of agricultural products during the census year. Thus, farming operations of all sizes and types were sought to participate.

Farm Size

In 2012, Indiana had approximately 58,700 farms spread out over 14,720,400 acres. This represents a decline of 12 percent in the number of farms and a 5.2 percent decline in the number of acres since 1997.

For every 10 acres in farmland, 8.5 acres were dedicated to crops, 0.7 acres to woodlands and the remainder was in other land uses. The average farm was 251 acres, a figure which has grown 7.7 percent since 1997.

As expected, the 2012 census reinforced the subtle trend of a growing dichotomy within the agriculture farming community. Nationally, there has been a steady growth of small farming operations (defined as less than 50 acres) as well as large operations (2,000 acres or more). Within Indiana, this trend was more lopsided. Since 1997, the state has had a 15.4 percent growth in small farms yet a 95.8 percent growth in large farms. Since 2007, the growth among small farming operations solely occurred in operations ranging from 10 to 49 acres (6.3 percent) while large operations grew 8.6 percent.

This evolving barbell effect means there are fewer medium-sized farms—particularly those who operate farms in the 50-to-999-acre range. While this trend began several decades ago, it has become more pronounced over time.

Similar to the nation, the vast majority of Indiana’s farms are still family farms (87 percent), which have seen negligible change over the past 15 years (see Figure 1). The state has seen a slight increase in farmland being legally transferred to land trusts, estates or institutions (5.9 percent), which is often fueled by the owner’s desire for the land to stay in its current state instead of becoming developed.

Figure 1: Indiana Farms by Legal Status, 2012
Farm Operators

In 2012, Indiana had nearly 88,000 individuals involved in farming, comprising 2.8 percent of the nation’s farmers. In Indiana, the vast majority of these individuals are considered as the principal operator (66.7 percent), with 28.7 percent serving as the secondary operator and the remaining 4.6 percent viewed as the third operator.

It is common for farmers to have off-farm jobs due to the capital-intensive nature of farming. The USDA asks farmers if they have off-farm employment to gauge dependence on off-farm work. Of Indiana’s 58,695 principal operators, 43.7 percent reported farming as their principal occupation. Recognizing that the state has approximately 8,000 fewer operators than in 1997, it’s interesting that the share of farm vs. off-farm principal occupation has had very little change. However, since many farms are multi-generational, perhaps the lack of change is expected.

A slightly different question asked how many days off the farm the operators worked. Here the data were broken down by the three operator types. Across all three operators, approximately 35 percent did not work off the farm in 2012. Of those who did work off the farm, roughly 43 percent worked 200 plus days at another job.

It has been well-documented that our nation’s farmers are continuously growing older, raising concern that young farmers are not finding opportunities to farm. The average age of Indiana’s farmers is 54 years old, slightly younger than the national average of 56 years old. As anticipated, the principal operator is the eldest and each subsequent operator is slightly younger (55.8 years, 50.9 years and 43.8 years of age, respectively, at the national level). Approximately 11 percent of Indiana’s operators are under the age of 35; however, this figure likely overlooks young adults who work full-time on the farm in a hired-hand capacity.

Women comprised nearly 10 percent of the state’s principal farm operators (9.8 percent) in 2012, following a drop of 632 female operators. As a general rule, the female operators had smaller farming operations with 90 percent having fewer than 180 acres (compared to 75 percent of all principal operators). Agricultural production at these farms centered on other crop farming/hay; animal aquaculture and other animal production; oil and grain farming; and cattle production. While these four areas are the same as the remainder of farming operations, women had a greater emphasis on specialty crops and animal production.

Agricultural Production

Often many of the specialty or niche farming activities are lumped into an “other” category, thus providing very little insight. Census data, however, allow researchers to look closer at these farm production activities. Table 1 shows the number of farms engaged in each farming activity, as defined by the North American Industry Classification System (NAICS) for both 2007 and 2012.

As expected, oilseed and grain farming was still king in Indiana with 24,000 farms devoted to the production of these row crops, accounting for nearly 41 percent of all farms (despite a 4.6 percent decline in farms). Within this category, corn production is still the most popular farming activity followed by soybean production, which has seen a 44.4 percent growth in farm numbers.

The next most prolific farming activity was other crop farming (19.8 percent), closely followed by cattle ranching and farming (17.3 percent) and animal aquaculture/other animal production (11.3 percent). In the other crop farming category, one can really see the sizeable number of farms that grow specialty crops such as maple syrup, hay and grass seeds and spices.
The data also show that one in seven farms raise beef cattle. Our dairy production is concentrated to a mere 2.5 percent of farms. Nearly 10 percent of all farms raise horses, heavily dominating the specialty animal production category.

Table 1: Indiana Farms by Production Activity, 2007 and 2012

<table>
<thead>
<tr>
<th>NAICS</th>
<th>Agriculture Production Activity</th>
<th>2007</th>
<th>2012</th>
<th>Percent Change</th>
</tr>
</thead>
<tbody>
<tr>
<td>111</td>
<td>Oilseed and Grain Farming</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>1115</td>
<td>Corn Farming</td>
<td>15,692</td>
<td>11,692</td>
<td>-25.5%</td>
</tr>
<tr>
<td>1111</td>
<td>Soybean Farming</td>
<td>6,471</td>
<td>9,342</td>
<td>44.4%</td>
</tr>
<tr>
<td>1110</td>
<td>All Other Grain Farming</td>
<td>2,812</td>
<td>2,750</td>
<td>-2.2%</td>
</tr>
<tr>
<td>1114</td>
<td>Wheat Farming</td>
<td>175</td>
<td>214</td>
<td>22.3%</td>
</tr>
<tr>
<td>1112</td>
<td>Oilseed (except Soybean) Farming</td>
<td>-</td>
<td>4</td>
<td>n/a</td>
</tr>
<tr>
<td>1119</td>
<td>Other Crop Farming</td>
<td>11,889</td>
<td>11,636</td>
<td>-2.1%</td>
</tr>
<tr>
<td>1121</td>
<td>Cattle Ranching and Farming</td>
<td>11,252</td>
<td>10,172</td>
<td>-9.6%</td>
</tr>
<tr>
<td>11211</td>
<td>Beef Cattle Ranching and Farming</td>
<td>8,676</td>
<td>8,394</td>
<td>-3.3%</td>
</tr>
<tr>
<td>11212</td>
<td>Dairy Cattle and Milk Production</td>
<td>1,462</td>
<td>1,459</td>
<td>-0.2%</td>
</tr>
<tr>
<td>11212</td>
<td>Cattle Feedlots</td>
<td>1,114</td>
<td>319</td>
<td>-71.4%</td>
</tr>
<tr>
<td>1125 &amp; 1129</td>
<td>Animal Aquaculture and Other Animal Production</td>
<td>5,616</td>
<td>6,645</td>
<td>18.3%</td>
</tr>
<tr>
<td>11292</td>
<td>Horses and Other Equine Production</td>
<td>4,342</td>
<td>5,747</td>
<td>32.4%</td>
</tr>
<tr>
<td>11399</td>
<td>All Other Animal Production</td>
<td>1,019</td>
<td>653</td>
<td>-35.9%</td>
</tr>
<tr>
<td>11291</td>
<td>Apiculture</td>
<td>114</td>
<td>181</td>
<td>58.8%</td>
</tr>
<tr>
<td>11293</td>
<td>Fur-Bearing Animal and Rabbit Production</td>
<td>120</td>
<td>43</td>
<td>-64.2%</td>
</tr>
<tr>
<td>1125</td>
<td>Aquaculture</td>
<td>21</td>
<td>21</td>
<td>0.0%</td>
</tr>
<tr>
<td>1124</td>
<td>Sheep and Goat Farming</td>
<td>1,547</td>
<td>1,719</td>
<td>11.1%</td>
</tr>
<tr>
<td>1123</td>
<td>Poultry and Egg Production</td>
<td>1,442</td>
<td>1,336</td>
<td>-7.4%</td>
</tr>
<tr>
<td>1122</td>
<td>Hog and Pig Farming</td>
<td>1,959</td>
<td>1,301</td>
<td>-33.6%</td>
</tr>
<tr>
<td>1114</td>
<td>Greenhouse, Nursery and Floriculture Production</td>
<td>877</td>
<td>794</td>
<td>-9.5%</td>
</tr>
<tr>
<td>1112</td>
<td>Vegetable and Melon Farming</td>
<td>665</td>
<td>688</td>
<td>3.5%</td>
</tr>
<tr>
<td>1113</td>
<td>Fruit and Tree Nut Farming</td>
<td>541</td>
<td>402</td>
<td>-25.7%</td>
</tr>
</tbody>
</table>

Note: NAICS 11199 includes sugar beet, peanut, agave, hay and grass seeds, hops, maple sap/syrup, mint, spice and tea farming. NAICS 11299 includes alpacas, aviaries, bison, breeding for pets, deer, llamas, dog and cats, companion animals, buffalo, kennels, breeding and raising stock for show and even worm/rattlesnake/earthworm production. For a complete list of included items in these categories, visit www.census.gov/eos/www/naics/.

Source: IBRC, using USDA’s 2007 and 2012 Census of Agriculture

Since 2007, several farm categories have seen double-digit changes. Indiana has had large increases in farms devoted to

- Soybeans
- Wheat
- Horses
- Apiculture
- Sheep/goats

Meanwhile, Indiana has lost farms in the production of

- Corn
- Cattle feedlots
- All other animal production
- Fur-bearing animals and rabbit production
- Hog/pig farming
- Fruit and tree nut farming
Since the state has only 3.7 percent fewer farms than in 2007, it is likely that most of these changes are the result of farmers changing their production focus and/or trying new specialty markets. (More details on Indiana’s agriculture production in terms of yield and market value will be discussed in a future article.)

**Organic Farming**
Within Indiana, there are 465 farms that meet the following criteria: USDA National Organic Program (NOP) certified organic production, USDA NOP organic production exempt from certification or have acres transitioning into USDA NOP organic production. This analysis focuses on organic farming centers that are either NOP certified or exempt.

Since 2007, Indiana has seen a 12.9 percent increase in the number of certified or exempt organic farms (324 farms). The total number of farms that reported sales of certified or exempt organically produced commodities in 2012 was 283, an 18.4 percent increase from 2007. The value of sales from these operations totaled $35.7 million in 2012, a 311 percent increase from 2007. The average age of these operators was 45 years, and they had been on their farming operation for an average of 16 years. Similar to other farming operations, approximately 39 percent work on the farm full-time.

**Summary**
The 2012 Census of Agriculture shows that agriculture is alive and well in Indiana despite a subtle decline in farmland acreage. Indiana’s farms are becoming larger—likely snapping up farmland as farmers retire or as landowners choose to sell. However, small operations are thriving as well and are likely the ones responsible for the growth evidenced in specialty crops and animal production, as well as organically grown products.

The USDA will release more detailed census data on aquaculture in September 2014, specialty crops in December 2014 and horticulture specialties in December 2015. Nevertheless, the Census of Agriculture provides researchers with plenty of data to analyze in the meantime. Stay tuned for the next two articles in this series, which will delve into more detail.

**Notes**
1. On the census form, respondents were instructed to indicate if they had organic production according to USDA’s National Organic Program (NOP) in 2012. Respondents reported whether their organic production was certified or exempt from certification and the sales from NOP-produced commodities. They also reported whether they had acres transitioning into NOP production and the value of sales of USDA NOP-certified or exempt organically produced commodities.
Indiana's STEM Pipeline: A Surplus of Graduates

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Science, technology, engineering and mathematics (STEM) degrees and occupations are of growing importance in today’s economy. High-tech and knowledge-based occupational growth is tied to innovation and has implications on the economic recovery and strength of the labor market.

While there are many definitions for what constitutes a STEM degree, job or industry, this article examines Indiana’s STEM education-to-workforce pipeline using the Indiana Workforce Intelligence System (IWIS) and the STEM guidelines developed by the Bureau of Labor Statistics (BLS).

The STEM guidelines are based on the August 2012 recommendations of the BLS Standard Occupational Classification Policy Council. Compared to other STEM definitions, this measure tends to be slightly broader and more inclusive. While the choice may not adhere to everyone’s expectations, the important point is to have a standardized measure across the entire study when attempting to compare the supply and demand of such graduates.

A potentially significant way in which this definition of STEM may differ from others is its inclusion of health professions and related social sciences.

Science, Engineering, Mathematics and Information Technology

1. Life and Physical Science, Engineering, Mathematics, and Information Technology Occupations
2. Social Science Occupations

Science- and Engineering-Related

1. Architecture Occupations
2. Health Occupations

Overall, five types of occupations are included in the BLS definition.

1. Research, Development, Design or Practitioner Occupations
2. Technologist and Technician Occupations
3. Postsecondary Teaching Occupations
4. Managerial Occupations
5. Sales Occupations

Some specific examples include computer and information systems managers, medical and health services managers, database administrators, civil engineers, mechanical drafters, architects, psychologists, and pharmacists.

Indiana 2020 STEM Projections

Based on the BLS methodology, there are approximately 170 STEM occupations in Indiana’s workforce, accounting for about 331,000 jobs in 2010, or 11.4 percent of all jobs in Indiana (see Table 1). This is only slightly less than the national average, where 12.7 percent of all jobs can be defined as STEM.
Table 1: Indiana Occupation Projections, 2010 to 2020

<table>
<thead>
<tr>
<th></th>
<th>2010 Base Employment</th>
<th>2020 Employment Projections</th>
<th>Numeric Change over the Decade</th>
<th>Percent Change</th>
<th>Growth Openings</th>
<th>Replacement Openings</th>
<th>Annual Total Openings</th>
</tr>
</thead>
<tbody>
<tr>
<td>All Occupations</td>
<td>2,914,033</td>
<td>3,318,650</td>
<td>404,617</td>
<td>14%</td>
<td>414,021</td>
<td>691,218</td>
<td>110,524</td>
</tr>
<tr>
<td>STEM Occupations</td>
<td>331,301</td>
<td>401,408</td>
<td>70,107</td>
<td>21%</td>
<td>70,382</td>
<td>71,350</td>
<td>14,178</td>
</tr>
<tr>
<td>STEM Occupations as</td>
<td>11.4%</td>
<td>12.1%</td>
<td>17.3%</td>
<td>n/a</td>
<td>17.0%</td>
<td>10.3%</td>
<td>12.8%</td>
</tr>
<tr>
<td>a Percent of Total</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

Source: Indiana Department of Workforce Development

The Indiana Department of Workforce Development (DWD) projects that Indiana STEM jobs will grow at a faster rate than other occupations over the next decade. All occupations are projected to grow about 13.9 percent in Indiana from 2010 to 2020, while STEM jobs are projected to grow by 21.2 percent. By 2020, they will represent 12.1 percent of all jobs in Indiana.

The vast majority of STEM jobs in Indiana are projected to be in the health care domain, which includes practitioners and technologists. The types of occupations will be predominately research oriented or technical (including supportive occupations) in nature (see Figure 1).

Figure 1: Indiana’s STEM Occupations by Domain and Occupational Type, 2020 Projections

Source: Indiana Department of Workforce Development

Not surprisingly, the importance of education and training will continue to grow in tandem. Almost all (96 percent) of these jobs require training, certification or a college degree beyond a high school diploma.

**STEM Projected Job Demand in Indiana**

Health care jobs have the highest projected job openings. STEM occupations with the most annual job openings include registered nurses, licensed practical and licensed vocational nurses, pharmacy technicians, and medical and health services managers.

Veterinary technologists and technicians and biomedical engineers are the fastest-growing STEM occupations, both with growth rates exceeding 50 percent over the next decade. The anticipated demand for STEM occupations will be around 7,000 new jobs annually, with an additional demand for approximately 7,000 jobs annually due to replacements and retirements.

These are jobs with good prospects and high wages. The average median wage for a STEM-related job is almost double the median wage for all Indiana occupations, $60,956 vs. $31,740 (see Figure 2). STEM positions may account for 11.4 percent of jobs for Indiana, yet half of Indiana’s “Hoosier Hot 50 Jobs” fall into the STEM categories.3

Figure 2: Indiana Median Wage Comparison, 2010
The STEM Pipeline

What does this mean for economic development professionals and Indiana educators and job seekers? Is there a shortage of skilled STEM workers or a shortage of science and high-tech job opportunities for these graduates?

Nationally, there are plenty of anecdotal stories in the press that American students and schools are struggling and falling behind in educating our youth in science, math, engineering and technology. In Indiana, it is possible to examine this pipeline utilizing the Indiana Workforce Intelligence System (IWIS) that links education and workforce data for Indiana. It provides the opportunity for analysis of Hoosier K-12 students, all those that are educated in public state institutions, and the ability to match employment and wage outcomes for those who ultimately become employed (or unemployed) in Indiana.

Starting with the BLS-defined STEM occupations and similarly aligned curriculum and degree programs, the outcomes of Indiana public institution STEM graduates for 2006 to 2010 were examined against their current employment and wage outcomes.

Indiana currently has a surplus of STEM graduates. This is not surprising, given the concentration of renowned higher education institutions in the Hoosier state.

As shown in Table 2, Indiana public universities graduated between 18,500 and 21,800 STEM graduates (of all degree types) each year since 2006. Roughly 20 percent of these completers re-enroll for additional education and advanced degrees in the following year. Thus far, it appears that 58 percent to 60 percent remain initially employed in Indiana one, three or five years out. This is consistent with other analysis on all degree types done by the Commission for Higher Education and IWIS.

Table 2: Employment Results One Year After Graduation for Indiana’s STEM Graduates, 2007 to 2011

<table>
<thead>
<tr>
<th>Year</th>
<th>Total Graduates</th>
<th>Number Employed in Indiana</th>
<th>Percent Employed in Indiana</th>
<th>Number Enrolled Post-Graduation</th>
<th>Percent Enrolled Post-Graduation</th>
<th>Percent Employed of Those Not Re-Enrolled</th>
<th>Average Wage: First Job Post-Graduation</th>
</tr>
</thead>
<tbody>
<tr>
<td>2007</td>
<td>18,585</td>
<td>8,642</td>
<td>46.5%</td>
<td>3,932</td>
<td>21%</td>
<td>59.0%</td>
<td>$52,338</td>
</tr>
<tr>
<td>2008</td>
<td>18,542</td>
<td>8,582</td>
<td>46.3%</td>
<td>3,688</td>
<td>20%</td>
<td>57.8%</td>
<td>$53,538</td>
</tr>
<tr>
<td>2009</td>
<td>18,669</td>
<td>8,868</td>
<td>47.5%</td>
<td>3,871</td>
<td>21%</td>
<td>59.6%</td>
<td>$53,868</td>
</tr>
<tr>
<td>2010</td>
<td>19,769</td>
<td>9,381</td>
<td>47.5%</td>
<td>3,812</td>
<td>19%</td>
<td>58.8%</td>
<td>$53,822</td>
</tr>
<tr>
<td>2011</td>
<td>21,833</td>
<td>10,335</td>
<td>47.3%</td>
<td>4,049</td>
<td>19%</td>
<td>58.1%</td>
<td>$52,394</td>
</tr>
</tbody>
</table>

Those that do become employed in Indiana obtain an average wage of approximately $52,000 in their first year after graduation. Especially when considering that this is for a recent graduate, this is significantly higher than for all occupations. While there is always an argument to augment or expand higher education, the first step within Indiana may be to retain and employ the current Hoosier STEM pipeline. Given these higher wages, for Indiana to continue to compete nationally and to raise its own per capita income, the state will need to continue to work on accelerating the creation of STEM and other high-skilled jobs.

Even with the projected growth in the coming years, Indiana will continue to have a significant surplus of STEM-related degrees compared to projected job openings—even when accommodating for replacement jobs (see Figure 3). Hoosiers should be proud that Indiana has prestigious universities that attract students from across the nation and the globe. The state should be working hard to provide robust economic growth such that all students are able to find ample high-paying jobs in the state post-graduation.
Clearly, some students will leave the state after graduation for a variety of reasons; however, the goal from a state perspective should be that all students have options to remain in the state if they would like.

**Figure 3: Indiana STEM Graduates Compared to STEM Employment, 2007 to 2011**

![Graph showing STEM graduates and employment trends from 2007 to 2011.](image)

Source: Indiana Department of Workforce Development, using IWIS data

**Current STEM Job Openings**

If one concludes that Indiana is generating an ample supply of graduates, what are the job opportunities? The highest concentrations of graduates from all degree types come from health care, including nursing and technician support degrees and certificates. The next highest concentration is in a variety of engineering fields, biology, chemistry, and social science fields such as psychology. Computer and IT degrees are more common among the associate and bachelor’s degree graduates.

There are many current job openings for STEM-related fields particularly in the state’s larger metropolitan areas. From January 2011 through September 2013, there were over 22,500 job postings in Indiana Career Connect for STEM occupations.

The most common job postings over a four-quarter period are illustrated in **Figure 4.** Key industries include health care, employment services and manufacturing. The most common STEM job orders were for registered nurses, manufacturing (engineering) production technicians, and licensed practical nurses. If there are supply shortages, they are likely for niche fields that require specialized technical knowledge and expertise.

**Figure 4: Top STEM Job Postings from Indiana Career Connect, 2012 Q3 to 2013 Q3**

![Bar chart showing top STEM job postings from 2012 Q3 to 2013 Q3.](image)

Source: Indiana Department of Workforce Development

**Focusing on STEM Job Creation**

Recent analysis done by the Central Indiana Corporate Partnership and the Battelle Technology Partnership Practice came to a
similar conclusion: Indiana does not produce enough high-skilled job opportunities for the state’s current supply of college graduates.\textsuperscript{6} The STEM crisis may not be a candidate supply issue, but rather a continued need for job growth in these industries. Given that these STEM jobs allow for much higher wages, Indiana’s economy can benefit greatly from job creation in these areas.

Indiana fares relatively close to the national average for its concentration of STEM employment. STEM jobs encompassed about 11.4 percent of the Indiana workforce in 2010. Nationally, that concentration was only slightly higher at 12.7 percent. To illustrate what even moderate growth could do for the economy, we examined this 1.3 percent difference.

For Indiana to have a concentration equal to the national STEM concentration, we would need to generate about 38,000 new STEM jobs. If those jobs paid wages on par with the STEM average wage of $60,000—which is $28,000 greater than the state median wage—this could potentially generate an additional $1.1 billion in annual wages to the Hoosier State. This makes a telling case for educators and workforce professionals alike to focus efforts on innovation, job creation and development in the world of science, technology, engineering and math.

Notes

1. IWIS is a collaborative effort among the Indiana Department of Workforce Development, the Indiana Commission on Higher Education, the Indiana Department of Education and the Indiana Business Research Center. It is a state-of-the-art research database linking student and worker records in Indiana. Learn more at \url{www.iwis.in.gov}.
3. Learn more about the Hoosier Hot 50 at \url{https://netsolutions.dwd.in.gov/hh50/}.
4. These IWIS data come from the Indiana Commission for Higher Education.
5. See “Indiana Return on Investment Part II: A Closer Look at College Value” at \url{www.iwis.iupui.edu/analysis.aspx}.
What Can IRS Data Tell Us about Income in Indiana?

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While getting up and going to work each day is the predominant source of income for many Hoosiers, recently released data (for tax year 2011) from the Internal Revenue Service (IRS) shed light on some other income streams, such as interest earnings and pensions.

More than 3 million returns were filed statewide, with 40 percent of those being joint returns. Figure 1 shows the number of returns in each adjusted gross income (AGI) bracket.

**Figure 1: Indiana Tax Returns by Adjusted Gross Income**

![Figure 1: Indiana Tax Returns by Adjusted Gross Income](source: IBRC, using IRS data)

**Wages and Investments**

Figure 2 shows that the number of returns reporting salaries and wages varied from 77 percent for Hoosiers with an AGI less than $25,000 to a high of 93 percent for those with an AGI between $100,000 and $200,000.

**Figure 2: Income Type Reported in Indiana by Adjusted Gross Income**

![Figure 2: Income Type Reported in Indiana by Adjusted Gross Income](source: IBRC, using IRS data)
As AGI increased, so did the likelihood of reporting taxable interest, dividends and capital gains. For example, while only 20 percent of Hoosiers with an AGI less than $25,000 reported taxable interest and only 7 percent reported capital gains, those numbers increased to 87 percent and 64 percent, respectively, for those with an AGI of $200,000 or more.

Table 1 shows how the average amount contributed by each income type varied as AGI increased.

### Table 1: Indiana’s Average Income by Type and Adjusted Gross Income Bracket

<table>
<thead>
<tr>
<th>AGI Bracket</th>
<th>$1 - $25,000</th>
<th>$25,000 - $50,000</th>
<th>$50,000 - $75,000</th>
<th>$75,000 - $100,000</th>
<th>$100,000 - $200,000</th>
<th>$200,000 or more</th>
</tr>
</thead>
<tbody>
<tr>
<td>Salaries and Wages</td>
<td>$11,088</td>
<td>$32,732</td>
<td>$54,221</td>
<td>$75,157</td>
<td>$110,773</td>
<td>$254,302</td>
</tr>
<tr>
<td>Taxable Interest</td>
<td>$905</td>
<td>$1,065</td>
<td>$1,130</td>
<td>$1,166</td>
<td>$1,538</td>
<td>$8,520</td>
</tr>
<tr>
<td>Ordinary Dividends</td>
<td>$1,480</td>
<td>$2,112</td>
<td>$2,547</td>
<td>$2,772</td>
<td>$4,032</td>
<td>$22,205</td>
</tr>
<tr>
<td>Qualified Dividends</td>
<td>$969</td>
<td>$1,479</td>
<td>$1,849</td>
<td>$2,110</td>
<td>$3,185</td>
<td>$17,534</td>
</tr>
<tr>
<td>Capital Gain (less loss)</td>
<td>-$152</td>
<td>$8,40</td>
<td>$1,430</td>
<td>$2,480</td>
<td>$4,954</td>
<td>$71,251</td>
</tr>
</tbody>
</table>

Note: Averages are calculated based on the number reporting that type of income within each AGI bracket.

Source: IBRC, using IRS data

### Retirement Income

Pensions and annuities are an important income stream for Hoosier retirees across all income brackets (see Figure 3). In all, more than 620,000 Indiana tax returns reported this type of income.

### Figure 3: Sources of Retirement Income in Indiana by Adjusted Gross Income

Meanwhile, almost 361,000 reported taxable Social Security benefits (whether or not Social Security benefits are taxable depends on one’s total income and marital status, so this does not capture those with untaxed benefits). About 297,000 reported individual retirement account (IRA) distributions. Only about 12,200 tax returns included self-employment retirement plan distributions.
Table 2 shows that pensions and annuities are the leading source of retirement income (excluding those untaxed Social Security benefits, which are not reported in this data set) across all income brackets up to $200,000. Those in the top income bracket have IRA distributions as the leading source of income.

**Table 2: Indiana’s Average Retirement Income by Type and Adjusted Gross Income Bracket**

<table>
<thead>
<tr>
<th></th>
<th>$1 - $25,000</th>
<th>$25,000 - $50,000</th>
<th>$50,000 - $75,000</th>
<th>$75,000 - $100,000</th>
<th>$100,000 - $200,000</th>
<th>$200,000 or more</th>
</tr>
</thead>
<tbody>
<tr>
<td>Pensions and Annuities</td>
<td>$8,165</td>
<td>$15,325</td>
<td>$19,225</td>
<td>$22,578</td>
<td>$28,343</td>
<td>$41,853</td>
</tr>
<tr>
<td>Taxable Social Security Benefits</td>
<td>$1,642</td>
<td>$6,203</td>
<td>$14,414</td>
<td>$18,957</td>
<td>$21,078</td>
<td>$23,729</td>
</tr>
<tr>
<td>IRA Distributions</td>
<td>$5,133</td>
<td>$9,030</td>
<td>$12,880</td>
<td>$17,679</td>
<td>$26,765</td>
<td>$56,518</td>
</tr>
<tr>
<td>Self-Employment Retirement Plans</td>
<td>$4,009</td>
<td>$6,686</td>
<td>$7,373</td>
<td>$9,417</td>
<td>$14,818</td>
<td>$29,682</td>
</tr>
</tbody>
</table>

Note: Averages are calculated based on the number reporting that type of income within each AGI bracket.
Source: IBRC, using IRS data

**Learn More**
While you can always visit the IRS website to download the [county-level](http://mcdc.missouri.edu/data/irstaxes/Readme.shtml) or [ZIP Code](http://mcdc.missouri.edu/data/irstaxes/Readme.shtml) data nationwide, the Missouri Census Data Center has processed these files and offers enhanced versions of the files (e.g., easy-to-understand variable names and value-added calculations) via their Uexplore tool. Visit [http://mcdc.missouri.edu/data/irstaxes/Readme.shtml](http://mcdc.missouri.edu/data/irstaxes/Readme.shtml) to learn more about accessing the enhanced files.