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Housing Hoosiers

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For the Record:

Home is where the heart is. "A person's home is his or her castle" (updated for the new millennium). "There's a lot of gold in them thar houses." That could be the current adage, as housing in many parts of the nation and in Indiana has remained strong in a sinking, or at least lackluster, economy. With mortgage interest rates as low as they've been in forty years and many people fearful of the stock market, people's homes are an essential, and in some cases, sole asset. This issue of the IBR takes a look at those important assets in the aggregate, as seen through the Census 2000 data and the maps we've created to help visualize the information.

We also look at jobs and earnings through a detailed analysis of the decade of the 1990s. Which industries were the job engines? Which states were the most successful in terms of both job creation and earnings growth? Morton Marcus gives us the answers to those questions, plus two performance measures that don't focus solely on the big industry in each state, but rather create a cumulative score for performance in all sectors in each state.

What's next? The *2003 Outlook* edition, that's what. Look for it in your mailboxes or on the web in late December.

And please look at our new and improved *Indiana Business Review* web site. We now have the past four years of the IBR in a browser friendly format at www.ibrc.indiana.edu/ibr.

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Housing Hoosiers

Carol O. Rogers

Associate Director and IBR Editor, Indiana Business Research Center, Kelley School of Business, Indiana University

Mansion or trailer, townhouse or ranch, most Hoosiers live in single-family homes. The decennial census taken in April 2000 provides detailed information on the physical and financial characteristics of housing in Indiana, such as the number of rooms and bedrooms, vehicles and telephones, value, and heating fuel.

Indiana's overall housing inventory is the primary focus of this article and will likely cause the reader to learn more about local areas within the state. This information is available for every county, city, town, and township in the state on STATS Indiana (www.stats.indiana.edu) in a series of 60-page profiles developed from a census file named Summary File 3.

Physical Characteristics

Single or double (we don't mean cheeseburgers), trailer or apartment? Most housing in Indiana consists of single-family homes (see **Table 1** and **Figure 1**). Still, 25 percent of Indiana's housing is apartments

Figure 1
Multi-Unit Housing: Indiana Compared to the U.S.

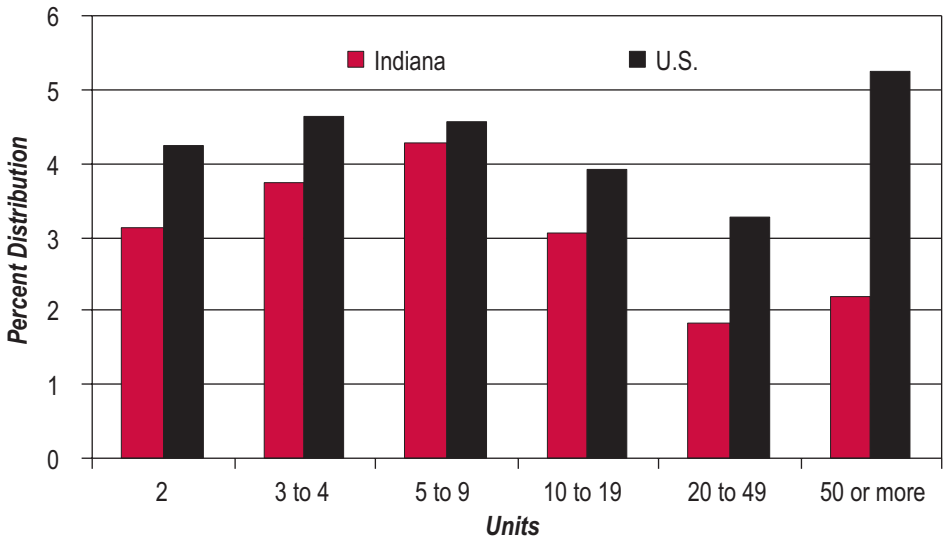


Table 1
Housing Units by Type: Indiana Compared to the Nation

Types of Housing	Occupied Units	Distribution (%)		Persons Per Unit	
	Indiana	Indiana	U.S.	Indiana	U.S.
Total Units:	2,336,306	100.00	100.00	2.53	2.59
1, Detached	1,699,089	72.73	61.42	2.72	2.81
1, Attached	66,100	2.83	5.60	2.22	2.57
2	72,852	3.12	4.23	2.17	2.46
3 to 4	87,490	3.74	4.65	1.92	2.29
5 to 9	100,118	4.29	4.57	1.90	2.12
10 to 19	71,043	3.04	3.90	1.81	2.01
20 to 49	42,958	1.84	3.28	1.57	1.95
50 or More	50,844	2.18	5.24	1.41	1.82
Mobile Home	145,078	6.21	7.00	2.46	2.56
Boat, RV, Van, etc.	734	0.03	0.10	2.25	1.81

or mobile homes (571,117 such units). Most apartment dwellers are found in the metro areas of the state, with mobile home living more prevalent in southern Indiana (see **Figure 2**).

Utility gas heats the majority of Hoosier (65 percent) and U.S. (51 percent) homes. Electricity is a distant second choice with a 22 percent share in Indiana and 30 percent share nationwide. Hoosiers use more bottled, tank, or LP gas (9 percent) than is used nationwide (7 percent), but less fuel oil or kerosine (3 percent) than the U.S. average of 9 percent (see **Figure 3**).

Financial Characteristics

Most Hoosiers are homeowners—71 percent compared to 62 percent nationally.

Based on Census 2000, the median value of a home in Indiana is $94,300, compared to $119,600 for the U.S. Of course, the median home value varies widely depending on location, with median values as high as $625,000 in the Indianapolis area (Crows Nest) and $390,600 in Northern Indiana (Dune Acres) (see **Table 2** and **Figure 4**). Home values also vary with the race of the homeowner, with Asians (reporting one race) having the highest median value at $138,300 in Indiana and $199,300 nationally (see **Figure 5**).

With homes come mortgages, utilities, and taxes. In Indiana, 71 percent of specified owner occupied homes (see sidebar definition) have a mortgage. Of those mortgaged homes, average monthly owner costs are $977. The mortgage is clearly the biggest financial load, since homeowners without a mortgage have average costs of only $280 a month. Indiana has a median yearly real estate tax of $868, compared to $1,334 in the U.S.

Specified owner occupied units:

Financial data and some other housing characteristics are tabulated only for those units classified by the Census Bureau as "specified." Those units include only 1-family houses on less than 10 acres without a business or medical office on the property. The data for "specified units" exclude mobile homes, houses with a business or medical office, houses on 10 or more acres, and housing units in multi-unit buildings.

Figure 2
Mobile Home Share of All Housing Units by Township, 2000

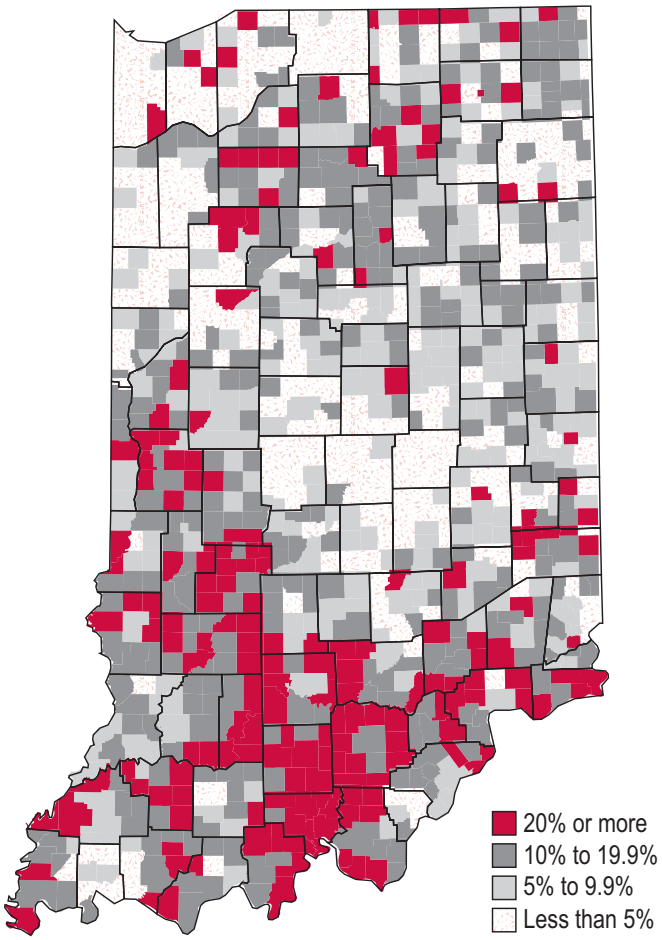
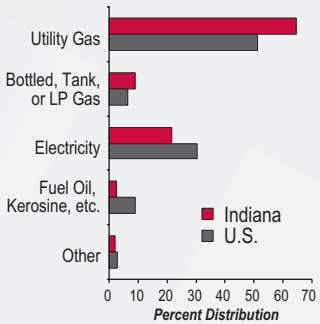


Figure 3
Fuel Used for Home Heating

Fuel Type	Distribution (%)	
	Indiana	U.S.
Occupied Units	100.00	100.00
Utility Gas	64.65	51.22
Bottled, Tank, LP Gas	8.96	6.52
Electricity	21.70	30.35
Fuel Oil, Kerosine, etc.	2.58	8.97
Other	*2.11*	*2.94*
Coal or Coke	0.09	0.14
Wood	1.42	1.68
Solar	0.02	0.04
Other	0.37	0.39
None Used	0.21	0.69

Utility gas heats the majority of Hoosier and U.S. homes



Quick Facts about Hoosier Homes and Households

Medians
- $41,567 is the median household income
- $50,261 is the median family income
- $94,300 is the median value of an owner-occupied home

Vehicles
- 32.3 percent have one vehicle
- 40.3 percent have two vehicles
- 20.1 percent have three or more

Space
- 2.3 percent of housing units have more than one person per room
- 72.0 percent have less than one person per room—possible since the average household size is 2.5 persons and the average number of rooms per housing unit is 5.8.
- The rental vacancy rate is 8.8 statewide

Home Value
- 3,566 homes in Indiana are valued at $1 million or more
- 65,440 housing units have five or more bedrooms

Table 2
Median Home Value in Indiana Cities and Towns

Places with a Median Home Value of $150,000 or More		*Places with a Median Home Value of $42,500 or Less*	
Crows Nest	$625,000	$42,300	Ridgeville
North Crows Nest	$598,200	$42,200	Bicknell
Williams Creek	$553,600	$42,200	Shelburn
Dune Acres	$390,600	$41,500	Sandborn
Meridian Hills	$281,900	$41,000	Dugger
Clear Lake	$275,000	$40,800	Modoc
Spring Hill	$270,800	$40,800	Wheatland
Zionsville	$246,300	$40,600	Salamonia
Ulen	$238,900	$39,900	Lyons
Beverly Shores	$238,000	$39,400	Pennville
Woodlawn Heights	$232,500	$39,300	Switz City
Ogden Dunes	$222,000	$38,800	Carbon
Long Beach	$217,500	$37,600	Hymera
Carmel	$205,400	$37,500	Mecca
Country Club Heights	$192,000	$36,300	Alton
Wynnedale	$183,000	$35,600	Decker
Winfield	$180,100	$34,700	Elnora
St. John	$172,100	$34,700	State Line City
Munster	$163,800	$33,100	Mauckport
Fishers	$161,500	$31,900	Newberry
Schererville	$157,900	$31,300	Crane
River Forest	$156,300	$30,200	Edwardsport
Granger	$154,600	$29,600	Saltillo
Michiana Shores	$154,200	$28,800	Ambia
McCordsville	$150,800	$24,300	Alamo Lore

Figure 4
Median Home Value by Township, 2000

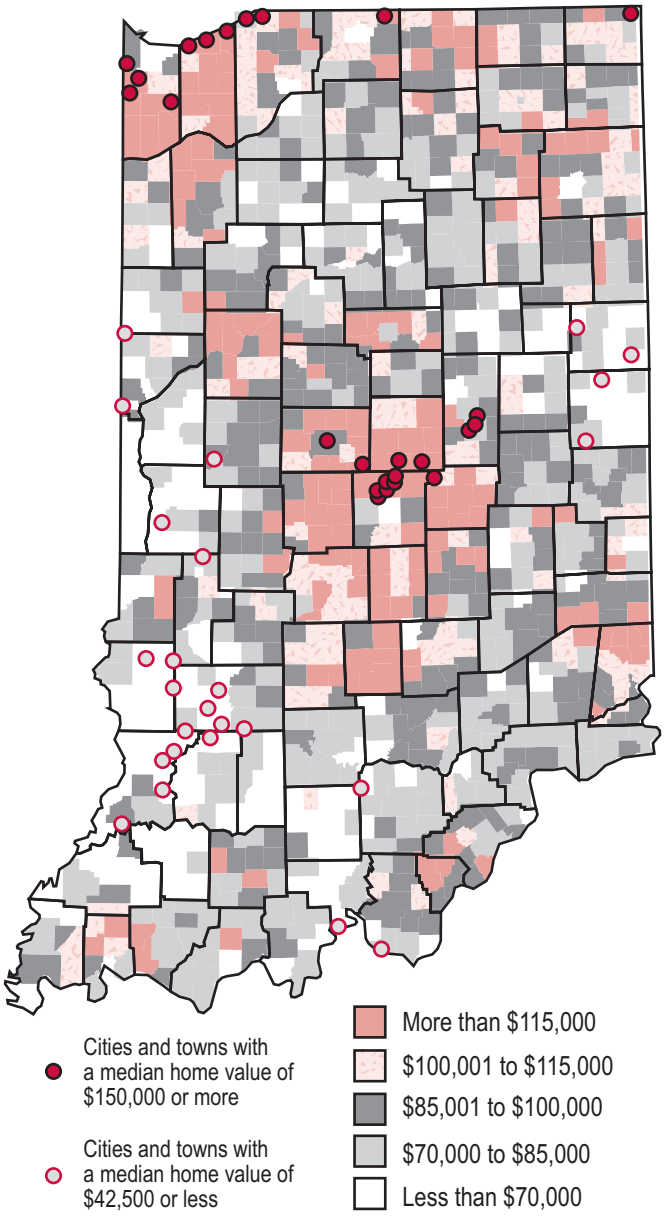
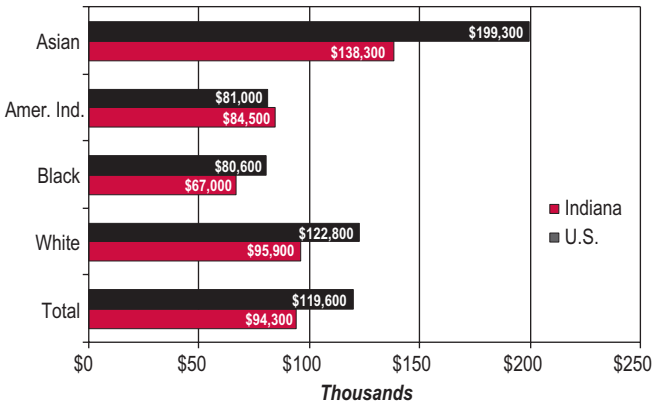


Figure 5
Median Home Value by Race of Householder

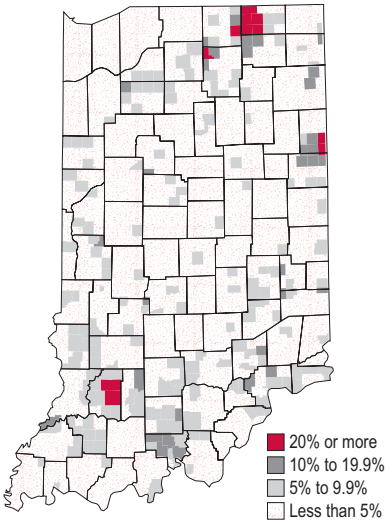


Long Form Data Fill Out Census 2000 Portrait

John R. Besl

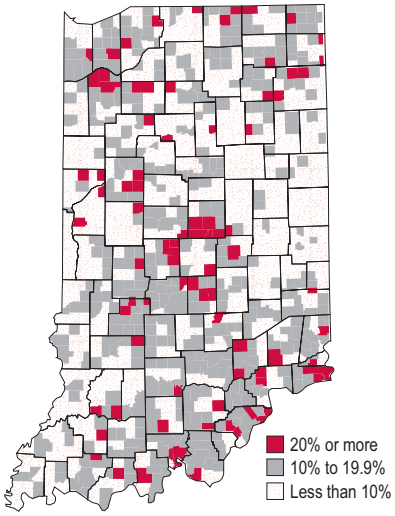
Research Demographer,
Indiana Business Research
Center, Kelley School of
Business, Indiana University

Figure 1
Households with No Telephone Service



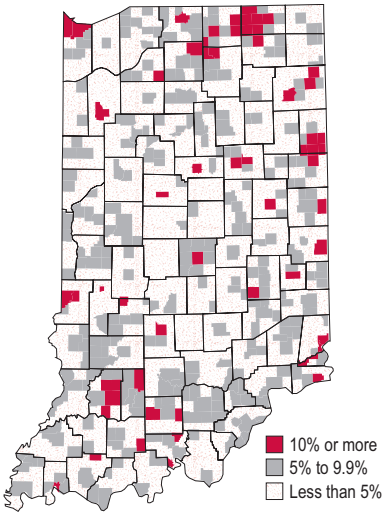
In four small clusters of townships throughout the state, at least one in five households has no telephone service. These areas are largely populated by Amish families.

Figure 2
Percent of Housing Units Built 1995 or Later



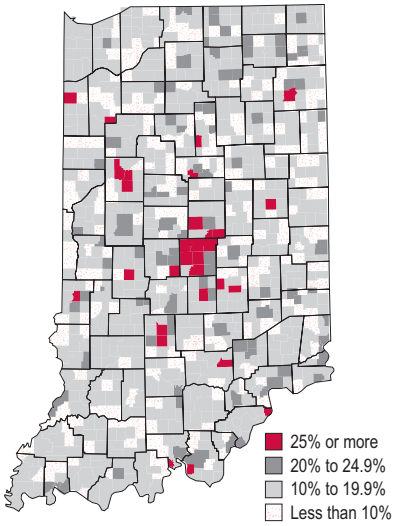
Several suburban townships ringing Indianapolis experienced strong residential construction activity from 1995 to 2000, with 20 percent or more of the housing stock built in that period.

Figure 3
Percent of Households with No Vehicles Available



In an odd mix of townships, at least one in 10 households had no vehicles available. In Amish communities, college towns, and urbanized townships in Evansville, Indianapolis, and northern Lake County, 10 percent of households rely on other modes of transportation.

Figure 4
Percent of Householders Moved into Unit 1999 or Later



In six of nine Marion County townships, as well as some suburban areas and university communities, at least 25 percent of household heads had moved within five quarters of Census Day (April 1, 2000).

A Graphic Overview of Employment and Earnings in the 1990s

Morton J. Marcus

Executive Director, Indiana Business Research Center, Kelley School of Business, Indiana University, Bloomington, Indianapolis, and Gary

The 1990s were a fascinating decade for the American economy. We opened with a recession and ended in a boom. This article offers a summary of the employment and earnings during the decade with emphasis on industries and states. While many people are focused on the warts of the decade now being revealed, history may yet record the 1990s as one of our most successful eras.

The total number of jobs in the U.S. grew by 28 million from 1990 to 2000. More than half of this growth (14.6 million) was in services with another 4.4 million jobs added in retail trade. Nine of the 14 sectors examined in this article expanded employment while the other five declined (see **Figure 1**).

Figure 1
Changes in the Number of Jobs in the U.S., 1990-2000

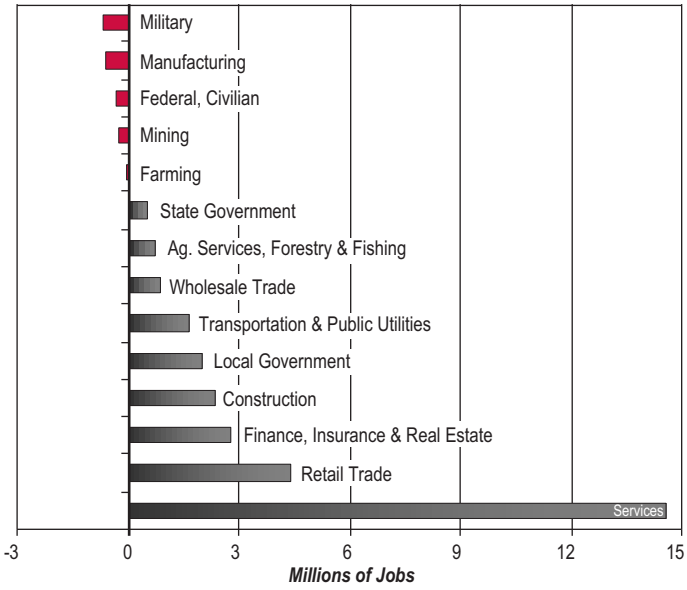
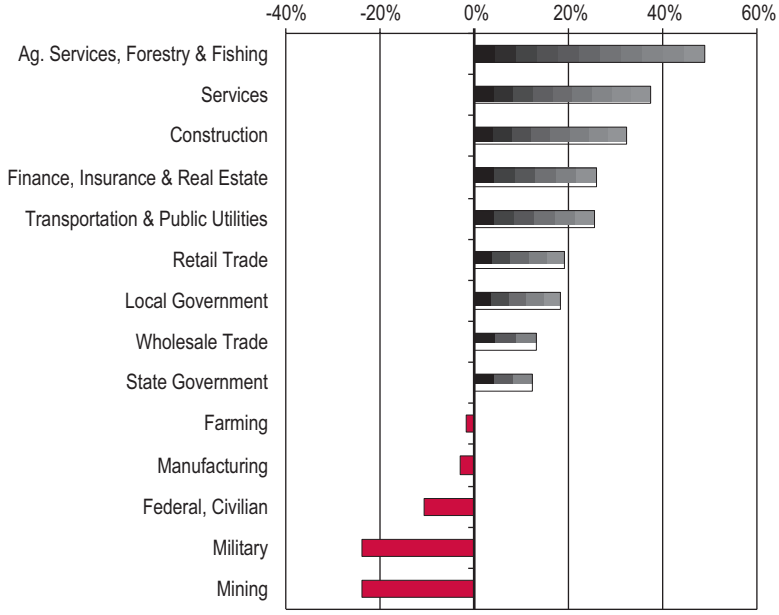


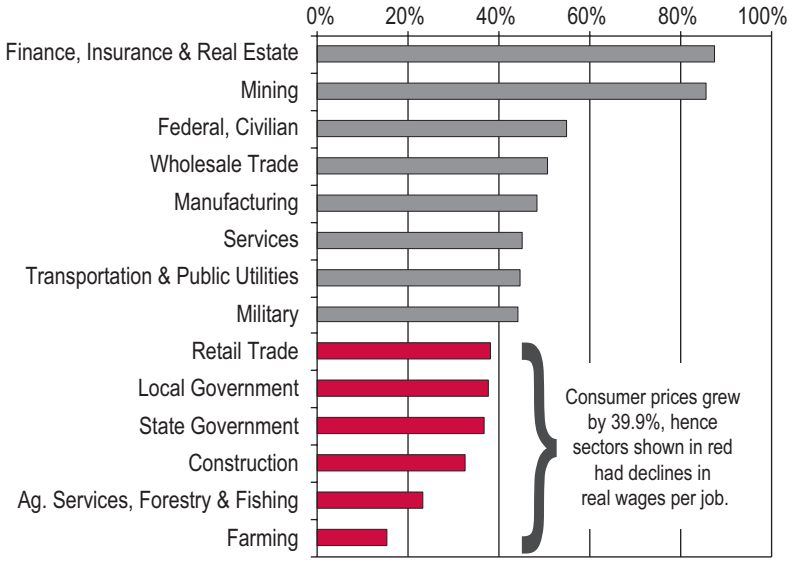
Figure 2
Percent Change in U.S. Jobs, 1990-2000



In percentage terms, the number of jobs grew by 20.1 percent in the U.S. with agricultural services, forestry, and fishing having the strongest growth. Although manufacturing lost nearly 600,000 jobs, the percentage decline was only 3 percent (see **Figure 2**).

***Details for all sectors of each state are available at:* www.ibrc.indiana.edu/ibr/2002/fall02/background/employment.xls**

Figure 3
Percent Change in Nominal Earnings per Job, 1990-2000



The stock market boom of the 1990s and the growth in the diversity of financial instruments allowed the finance, insurance, and real estate sector to lead the nation in percentage gain of earnings per job at 87.7 percent. Closely following was mining at 85.7 percent. The gain for all jobs was 44.3 percent. The weakest sector was farming at a mere 15.4 percent. Note that these gains are all in nominal terms and do not account for changes in prices, which grew by 39.9 percent. Thus, six of the 14 sectors had falling real earnings per job in the 1990s (see **Figure 3**).

The total number of jobs in the U.S. grew by 20.1 percent from 1990 to 2000. Meanwhile, the percent gain in nominal earnings was 44.3 percent.

Figure 4
Percent Change in the U.S. by Sector, 1990-2000

Rapidly growing job markets should indicate rapid growth in earnings per job. This relationship was not strong in the 1990s. Agricultural services and construction were among the top three sectors in job growth, but both had growth in earnings per job that failed to top the 40 percent line needed to outpace inflation in prices. Mining had the second best growth in earnings per job, but the second lowest growth rate in jobs. This effect was probably associated with strong productivity growth in the mining sector as capital was substituted for labor (see **Figure 4**).

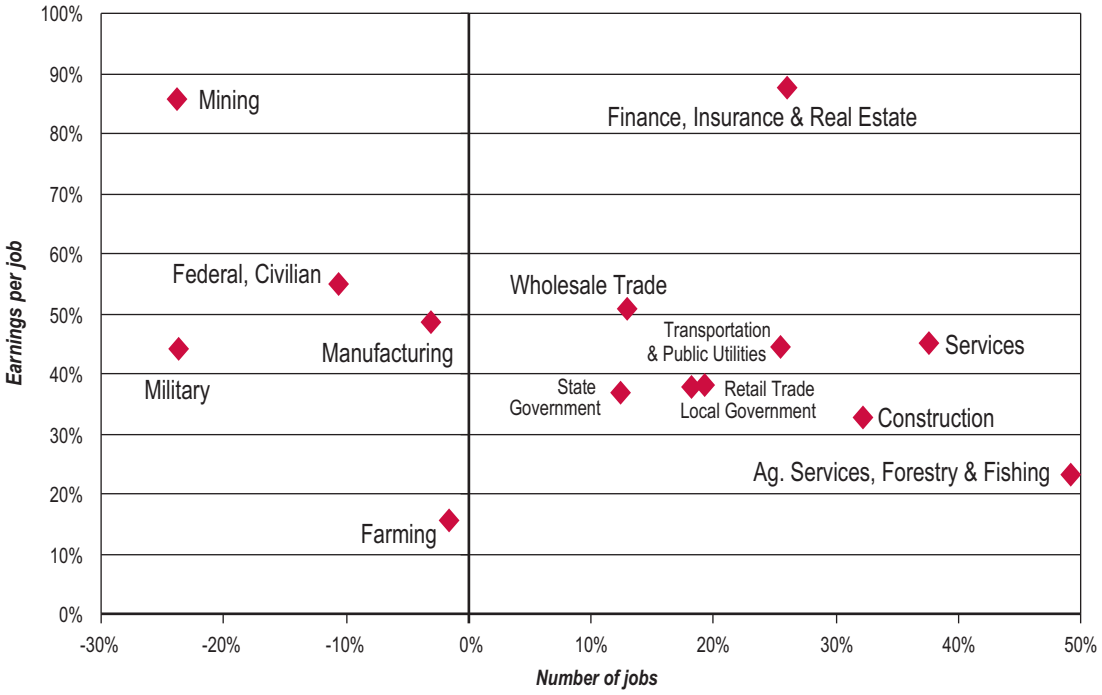
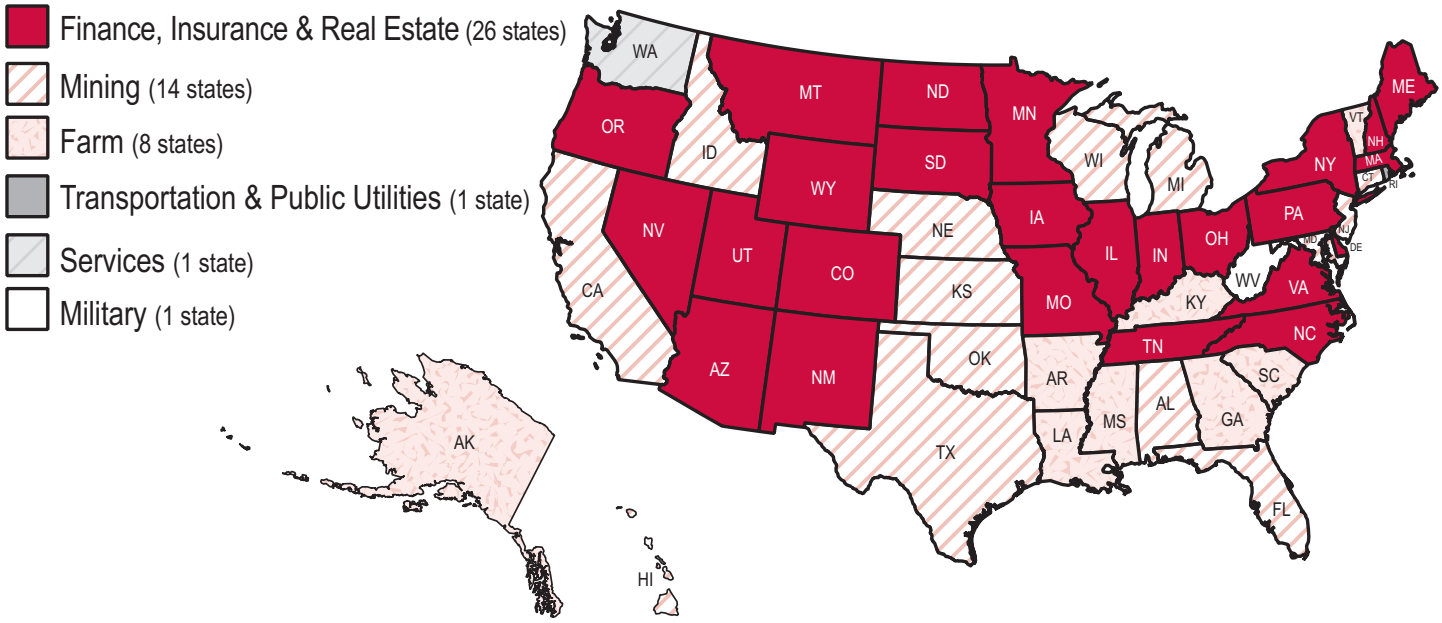


Figure 5
Leading Sector in Growth of Earnings per Job, 1990-2000



Finance, insurance, and real estate was the leading sector in growth of earnings per job in 25 states and the District of Columbia. Mining held that honor in 14 states. Services, which was the leading source of employment gains in every state, was the leader in earnings per job in the state of Washington. In eight states, farming—perhaps reflecting productivity gains or changes in federal subsidies—was the leader in earnings per job (see **Figure 5**).

Five states in the mountain region led the nation in job growth during the 1990s. Nevada was out in front with a 65 percent increase followed at a considerable distance by Arizona and Utah at 48 percent. Only the District of Columbia lost jobs in the decade. The worst records among the states were established by Connecticut, Hawaii, and Rhode Island (see **Figure 6**).

Figure 6
Percent Change in Number of Jobs, 1990-2000

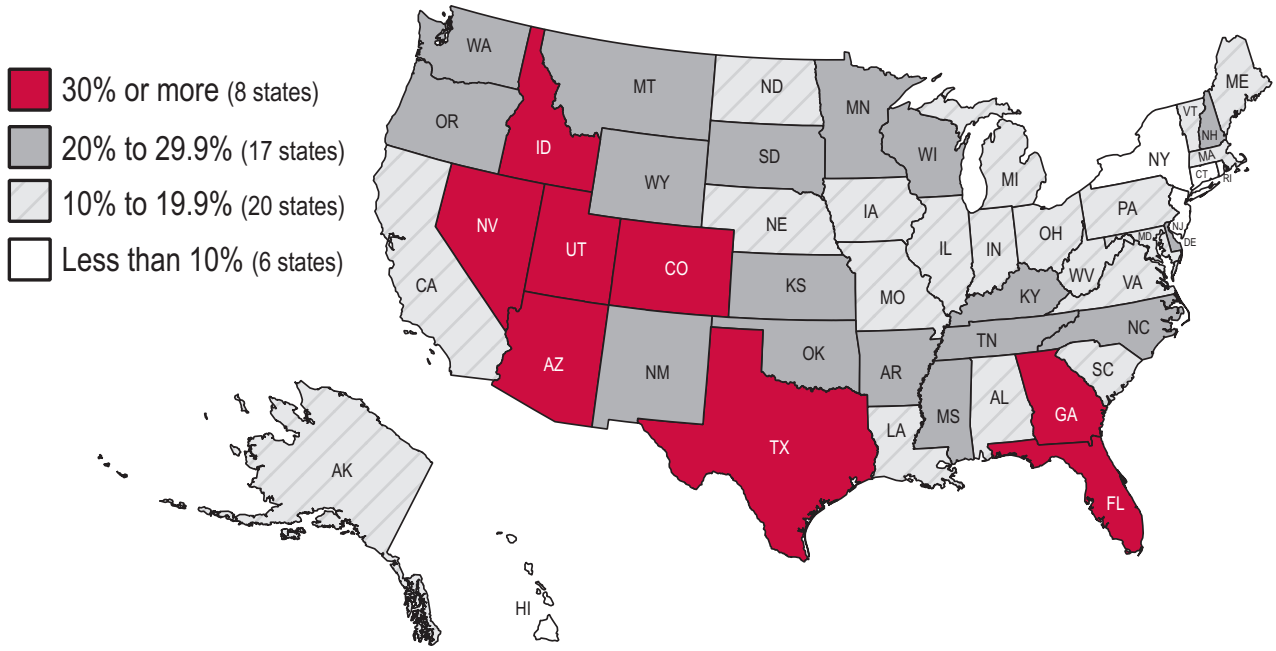
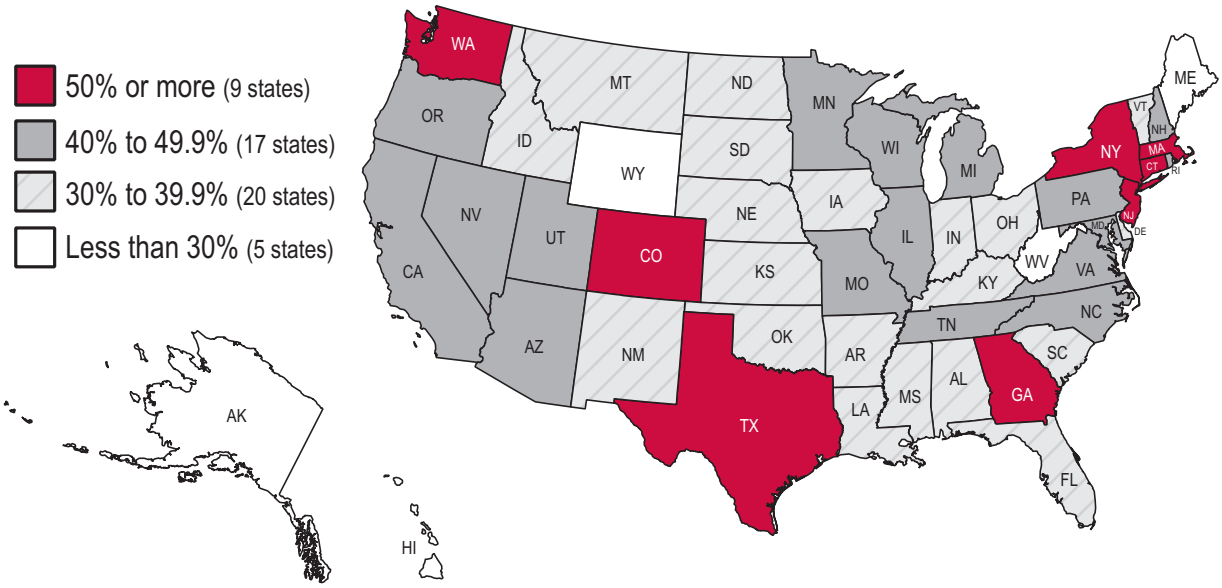


Figure 7
Percent Change in Earnings per Job, 1990-2000



Massachusetts, Colorado, and Washington led the nation in growth of earnings per job. Also ranking in the top six were Connecticut and the District of Columbia; both of which were among the bottom-feeders in growth of jobs. Alaska, West Virginia, and Wyoming—all energy dependent states—had poor records in growth of earnings per job. Hawaii, where the tourist industry has been in trouble for a decade, was also near the bottom of the list (see **Figure 7**).

Nine states exceeded the national rates of growth in jobs and earnings per job. There is no geographic pattern, with states ranging from Georgia to Washington and New Hampshire to Arizona. Eighteen states failed to meet the national growth rates in either measure (see **Figure 8**).

Figure 8
Performance in Both Job Growth and Earnings per Job, 1990-2000

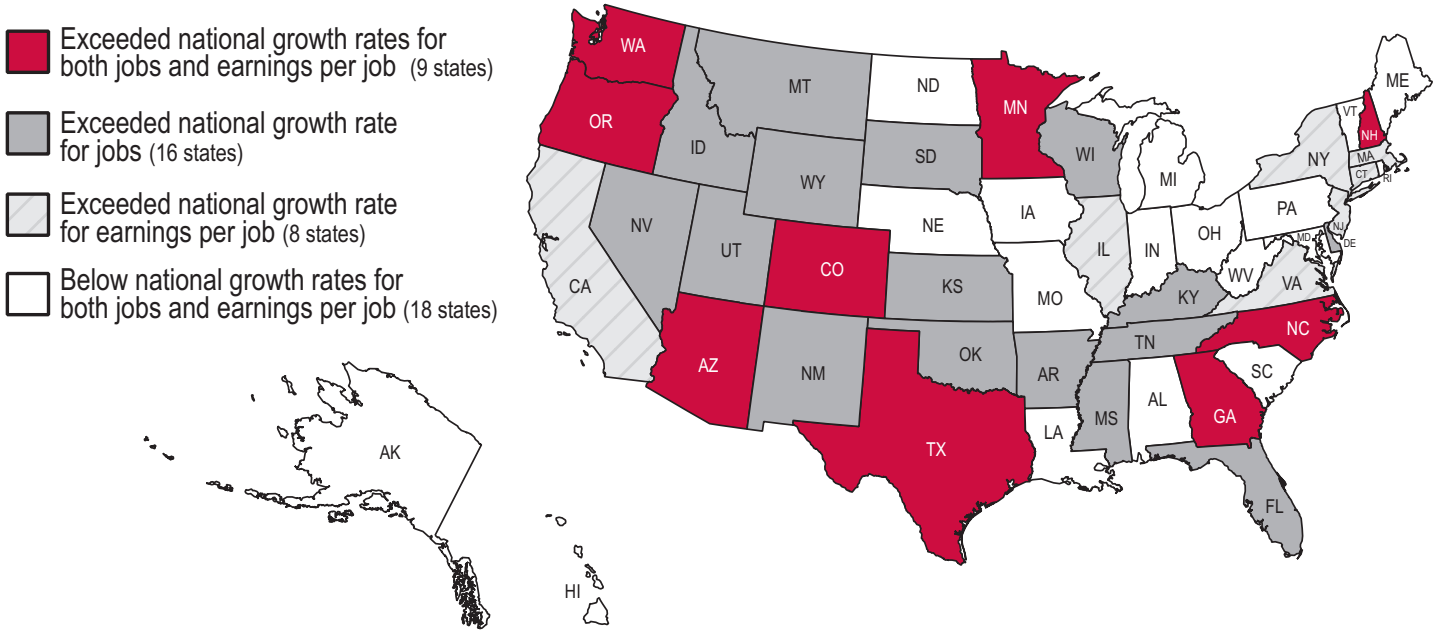
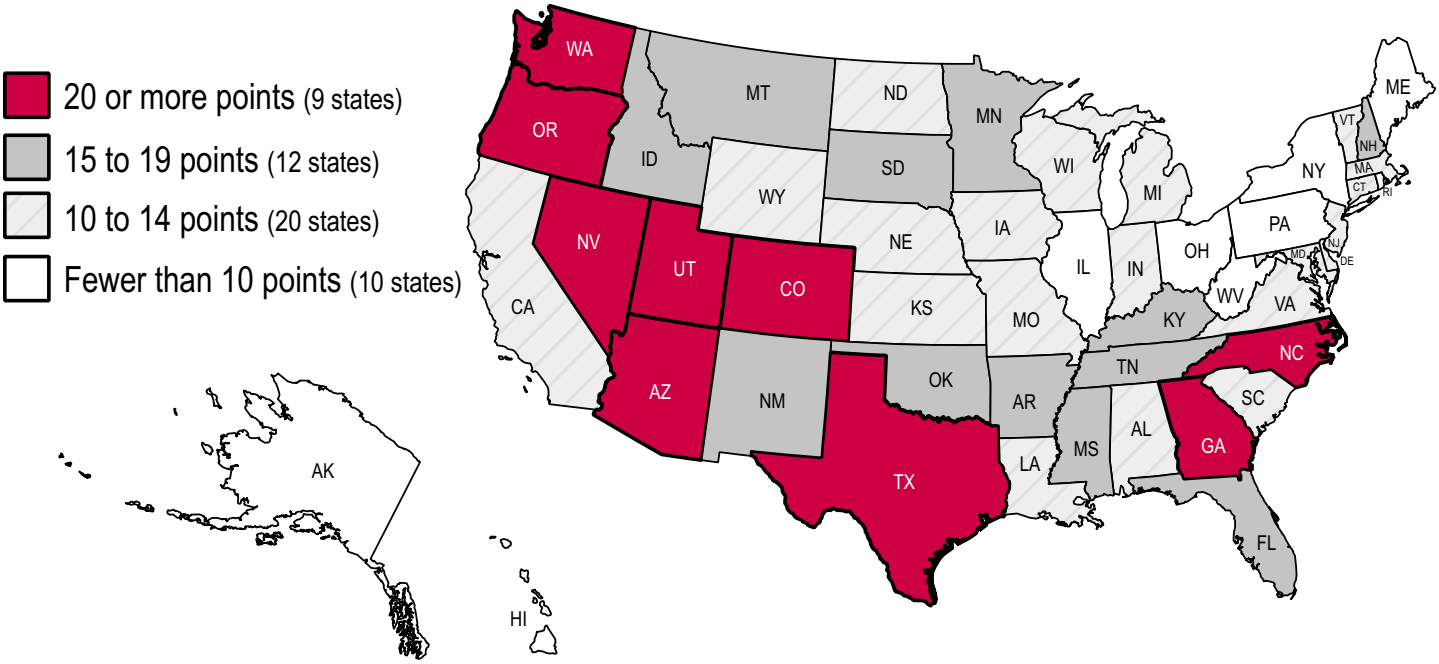


Figure 9
Performance Relative to National Growth Rates for Jobs and Earnings per Job for 14 Sectors, 1990-2000



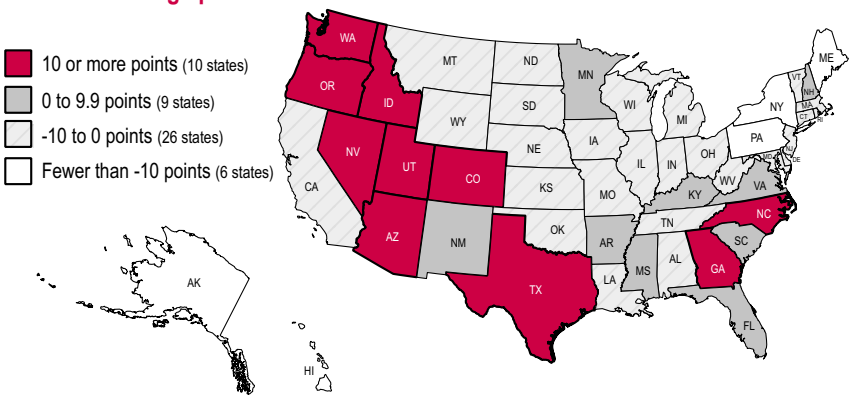
Overall performance of the states is always of interest. To get away from seeing a state look good for outstanding performance in one big sector (or looking bad for poor performance in one large sector), we developed a simple scoring device.

For each sector, each state was assessed on its performance vis-à-vis the national rate of change in jobs and earnings per job. A state could exceed the nation in each of the 14 sectors for job growth and gain 14 points in our cumulative score. Another 14 points could be earned for exceeding the nation in growth of earnings per job in each sector. If a state exceeded the nation in both measures in all sectors, it was awarded 28 points.

Texas had the highest score of all states with 25 points (22 for exceeding the nation in both measures in 11 sectors and 3 for exceeding the nation in job growth in three sectors). Colorado and Georgia tied for second with 23 points. Maine, New York, and Pennsylvania tied for 48th place with just three points each. These three states were each below the national growth rates for both job growth and earnings per job in 11 of the 14 sectors (see **Figure 9**).

The analysis presented above is focused on national rates of change and compares each state with those rates. We know, however, that large states have more influence on these national figures than smaller states and that big sectors have more weight than smaller sectors. To avoid the large states problem and the large sector problems, we calculated the mean or average value for growth in jobs and earnings per job for each sector. Then we compared the growth for each state to this average (relative to the standard deviation of the state data) to produce a standardized number which removes the big state and big sector biases. These standardized, or z-values, were summed for each state for each measure yielding a combined z-score for each state. Under this measure, Texas does not emerge as the leading state but comes in fifth behind Nevada. Maine remains in the bottom three, but this time joined by Alaska and Hawaii (see **Figure 10**).

Figure 10
Alternative Performance Scoring Relative to Average State Growth Rates for Jobs and Earnings per Job



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