

Lafayette

The Lafayette metropolitan area (Tippecanoe and Clinton counties) was the third fastest growing metro area in Indiana, based on the change in population between the censuses of 1990 and 2000. At a rate of population growth of 13.2 percent, it was nearly identical to the nation's growth of 13.1 percent and considerably exceeded Indiana's 9.7 percent growth rate.

Like most of Indiana, the majority of jobs in the Lafayette metro area are now in the services sector (24.3 percent). Over the ten-year period from October 1992 to October 2002, Lafayette gained 13,400 new jobs, with 9,400 in the service producing sectors. During the more recent past, between October 2000 and October 2002, the service producing sectors managed to post a small gain of 700 jobs while other sectors of the area's economy lost jobs (see **Table 1**).

A still considerable 20 percent of jobs are in manufacturing, with average earnings per job of \$48,490 (based on Bureau of Economic Analysis data from 2000). This despite Isuzu pulling out of Subaru-Isuzu Automotive, which just a few years ago had considered building a second plant in the county. However, news reports indicate that Subaru sales remain strong and that Subaru was responsible for 80 percent of the jobs at the plant anyway. More current monthly data show average weekly earnings in manufacturing at \$655 for October 2002 (see **Table 2**). There was also a 100 job increase in durable goods manufacturing

between October 2001 and October 2002, while nondurable goods job levels remained constant. Taking a somewhat longer view and using annual averages, jobs in the primary metals industry increased 22 percent between 1995 and 2000 in Tippecanoe County, ranking it sixty-eighth out of 3,141 counties nationwide in percent increase. Positive percentage increases also occurred during that time (from 1995 to 2000) in the industrial machinery and transportation equipment industries.

Unemployment in the area remains at low levels, despite the recent recession and slowing economy. The Lafayette metro area unemployment rate in September was 26 percent lower than the state's rate of 4.6. While this might not seem to bode well for business prospects seeking a large labor supply, the commuting patterns for the region show large numbers of workers continue to be drawn to the area from other counties, such as White, Carroll, Benton, Warren, and Clinton. More than 20,000 workers reported living elsewhere but working in Tippecanoe County, based on state income tax returns for the year 2000 (see **Figure 1**).

Will Lafayette experience more of the same in 2003? With the state expected to see an increase of 30,000 jobs in 2003, Lafayette can be expected to gain a small share of those jobs, most likely in services, government, and some key manufacturing areas. ◀

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Figure 1
Commuting into Tippecanoe, 2000

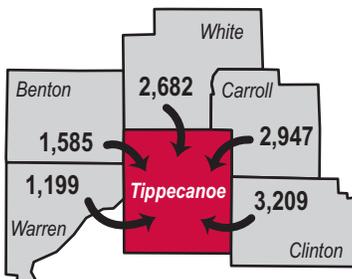


Table 1
Jobs in the Lafayette MSA: Ten-Year Comparison of October

Industry	2002	1992	Ten-Year Change	2000	Two-Year Change
Total Nonfarm	98,600	85,200	13,400	99,000	-400
Goods Producing	26,200	22,200	4,000	27,300	-1,100
Service Producing	72,400	63,000	9,400	71,700	700
Manufacturing	21,900	19,000	2,900	23,100	-1,200
Durable Goods	15,400	12,500	2,900	16,500	-1,100
Nondurable Goods	6,500	6,500	0	6,600	-100
Transportation & Public Utilities	2,100	2,300	-200	2,300	-200
Wholesale Trade	2,000	1,900	100	2,500	-500
Retail Trade	17,600	14,700	2,900	18,000	-400
Finance, Insurance, Real Estate	3,800	3,600	200	3,600	200
Services	17,700	15,600	2,100	19,400	-1,700
Government	29,200	24,900	4,300	25,900	3,300

Table 2
Comparison of Jobs and Wages in Manufacturing in MSAs

MSA	Job Levels			Average Weekly Earnings			
	Oct '02	Oct '00	Change	Oct '02	Oct '00	Change	Rank
Lafayette	21,900	23,100	-5.19%	\$655.52	\$721.10	-9.09%	12
Bloomington	5,800	9,300	-37.63%	\$531.17	\$544.27	-2.41%	10
Elkhart-Goshen	60,000	61,600	-2.60%	\$625.92	\$566.09	10.57%	3
Evansville-Henderson	30,400	31,700	-4.10%	\$656.26	\$694.70	-5.53%	11
Fort Wayne	63,700	70,900	-10.16%	\$682.21	\$674.45	1.15%	9
Gary	38,200	46,700	-18.20%	\$897.57	\$879.80	2.02%	7
Indianapolis	118,900	128,900	-7.76%	\$686.16	\$675.40	1.59%	8
Kokomo	17,500	20,100	-12.94%	\$1,287.73	\$1,095.97	17.50%	2
Muncie	8,800	9,300	-5.38%	\$672.49	\$620.78	8.33%	4
New Albany	19,400	21,200	-8.49%	\$741.64	\$556.00	33.39%	1
South Bend	21,200	21,700	-2.30%	\$545.71	\$509.53	7.10%	5
Terre Haute	11,300	12,000	-5.83%	\$629.76	\$611.60	2.97%	6