

# Terre Haute

**Carol O. Rogers**

Associate Director, Indiana Business Research Center, Kelley School of Business, Indiana University

The national economy is expected to grow at a rate of 3 percent in 2007. Terre Haute's economy will grow in terms of income, but the picture for job gains is mixed because of continued volatility in the manufacturing sector. Population growth in the area is declining, even with news of the expansion of significant companies in the area, including Pfizer's plans to add 450 jobs by 2009 and two automotive parts companies plans for an additional 200 jobs.

## Population

The Terre Haute metropolitan area ranks tenth among Indiana's metro areas with a population of 168,000 estimated in 2005. The metro as a whole declined by 1.7 percent between 2000 and 2005, a loss counteracted in part by growth in Clay County, which saw its population grow by slightly more than 2 percent during the same period (see **Figure 1**).

## Employment

Terre Haute has made a number of significant job announcements during the past year regarding expansions in manufacturing and health services.

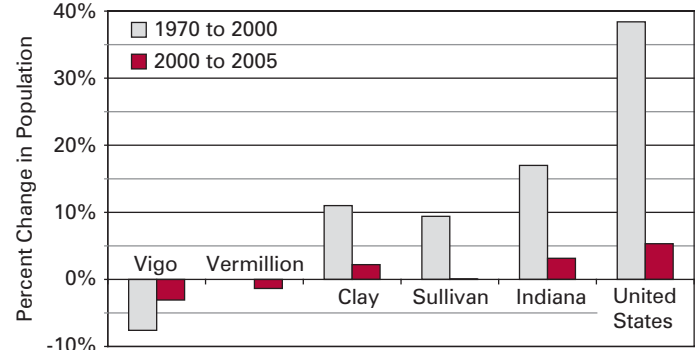
Manufacturing makes up 20 percent of employment in the private sector but is matched now by the education and health services sectors. With the addition of new restaurants and at least one hotel in the area, the food and accommodation sector is supplying 12 percent of the metro areas jobs based on the latest job estimates (October) from the Indiana Department of Workforce Development. Those same estimates show a job level of more than 75,000 jobs, still shy of the October peak of 79,000 in 1995 but part of a continued positive trend for this measure (see **Figures 2 and 3**).

## Conclusion

Job levels in the Terre Haute metro area should climb above 76,000 by the fall of 2007, with most of the increases due to health, education and other business services. Manufacturing

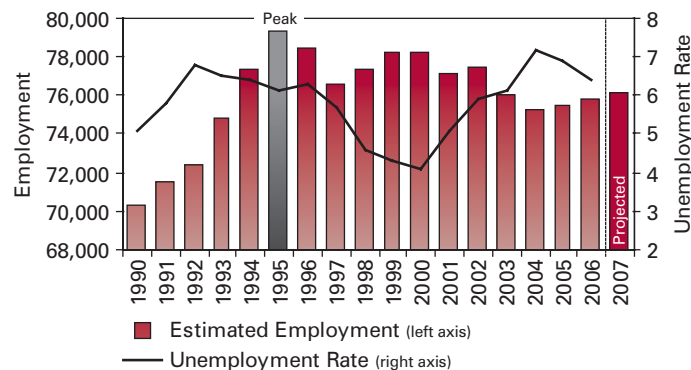
employment gains during the year are likely to be offset somewhat by losses, but we anticipate a net increase of goods-producing jobs for the coming year. Terre Haute's manufacturing strengths are complemented by its continued initiatives in broadening the economic base of the area. Population movement will continue in the surrounding counties while Vigo County will continue to show what we consider to be short-term losses because of out-migration; however, as a job hub for this part of the state, Terre Haute's potential is beginning to emerge. ■

**Figure 1**  
Population Trends in the Terre Haute Metro Area



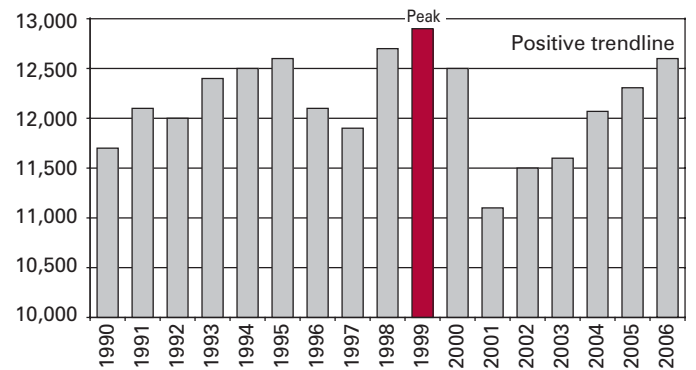
Source: IBRC, using U.S. Census Bureau data

**Figure 2**  
Estimated Employment Levels, October of Each Year



Note: The 2006 unemployment rate is calculated based on the average of monthly data from January through October, as it was latest data when written.  
Source: IBRC, using Bureau of Labor Statistics data

**Figure 3**  
Estimated Manufacturing Employment, October of Each Year



Source: IBRC, using Bureau of Labor Statistics data