

# Seeking Escape Velocity—Jobs, Income and Productivity Forecasts

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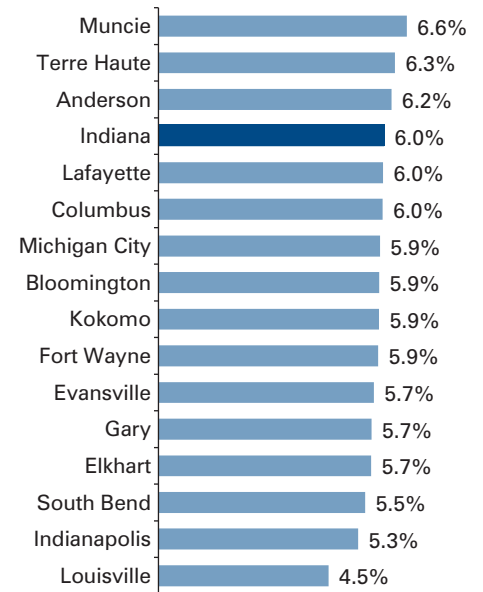
Economists have lately been looking at our sluggish job growth as an increasing drag on the growth of the economy, akin to gravitational pull. They are watching the data to spot when we might reach escape velocity, launching us out and away from the “gravitational” drag of no/low-growth and out of the job growth deficit. It is worth watching jobs, income and gross domestic product (productivity) forecasts for any signs of escape velocity for Indiana and its metropolitan areas in 2014.

Indiana is expected to see a 6 percent increase in PCPI in 2014. The metros at the front end of this growth (growing at a faster rate than the Indiana forecast) include Muncie, Terre Haute and Anderson (see Figure 1). Growth in GDP is expected to be around 2 percent in Indiana, led by the Indianapolis-Carmel metro (see Figure 2). The Lafayette metro is forecast to lead job growth in Indiana, with a 2.9 percent increase

expected for 2014, compared to Indiana’s 1.3 percent growth forecast (see Figure 3). Figure 4 gives us a closer look at manufacturing specific job growth expected in 2014. While Indiana’s manufacturing jobs are expected to remain stable, Kokomo’s forecast looks for 6 percent growth in manufacturing in 2014.

These forecasts of change may not match those of our authors, but that’s okay. There is a long and honorable tradition in economics of always having multiple forecasts (think of the Truman line “give me a one-handed economist” in reference to economists often saying “on the one hand ... on the other hand”). The indicators shown here are from Moody’s and use the 2012 metro delineations. These data are useful as a starting point, but keep in mind what you can’t get from Moody’s is the insight and analysis of Indiana economists who live and work in Indiana, as evidenced in this, our annual Outlook issue. Let this small

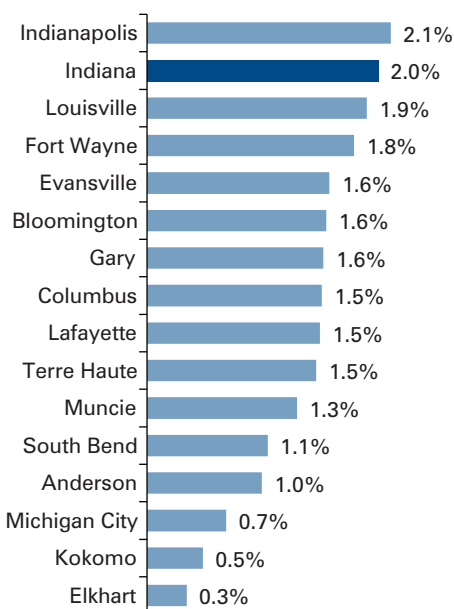
FIGURE 1: Per Capita Income Growth Forecast, 2014



Source: IBRC, using subscription data from Economy.com

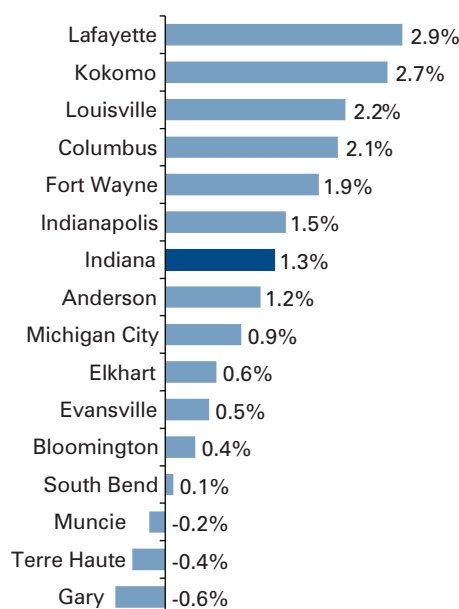
piece simply serve as a snapshot of what might occur in the next year as we all seek escape velocity. ■

FIGURE 2: GDP Growth Forecast, 2014



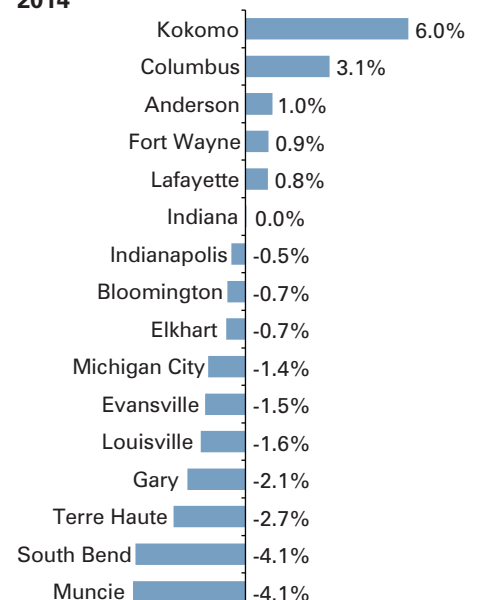
Source: IBRC, using subscription data from Economy.com

FIGURE 3: Jobs Forecast, 2014



Source: IBRC, using subscription data from Economy.com

FIGURE 4: Manufacturing Jobs Forecast, 2014



Source: IBRC, using subscription data from Economy.com