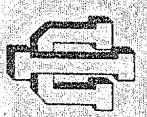


# INDIANA BUSINESS REVIEW UPDATE



A MONTHLY OVERVIEW  
OF ECONOMIC TRENDS

INDIANA BUSINESS RESEARCH CENTER  
INDIANA UNIVERSITY  
KELLEY SCHOOL OF BUSINESS

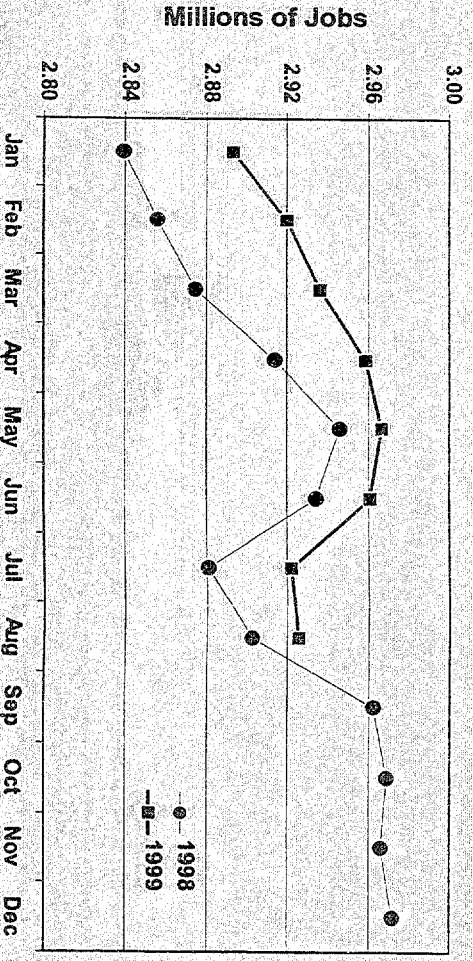
## EMPLOYMENT CONTINUES TO RISE

The feel good headline above is true: employment in Indiana is up 22,600 compared to the same month a year ago. Employment in the Hoosier state has exceeded its 1998 levels throughout this year (see figure 1). If we went back in time, we would probably find that August of 1999 was the highest employment level of any August in Hoosier history. But is that the story? In February and March, Hoosier employment was running more than 60,000 jobs ahead of year earlier levels. Not only has the absolute advantage of our performance fallen, we are no longer tracking with the nation in employment growth (see figure 2).

While the nation has grown in the narrow band between 2.1% and 2.4% (compared to the same month last year), Indiana has fallen into a zone of 1.5% growth or lower. Hence our headline could have been "Hoosier job growth lags behind nation" and that too would have been true.

At the level of specific industries, Indiana's jobs have grown in nine of the ten major non-farm categories used for labor statistics. This happy finding is based on the average monthly difference between employment in 1998 and 1999.

Figure 1. Total Non-Farm Employment in Indiana



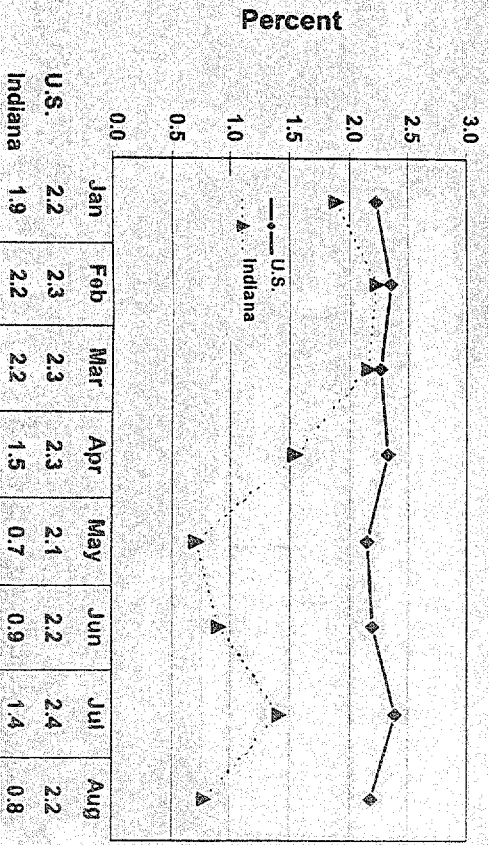
## NOVEMBER 1999, VOLUME 74, NUMBER 11

Services showed the greatest advance – more than 17,300 jobs – with 41% of the nearly 42,000 jobs added in Indiana (see figure 3). Construction alone showed a decline over the two year period through August.

Yet, if we look at how Indiana measures up to the nation at the same level of detail, we get a less favorable view. In figure 4, the job growth rate of the nation is compared with the rate in Indiana; the points of comparison are from August 1998 to August 1999.

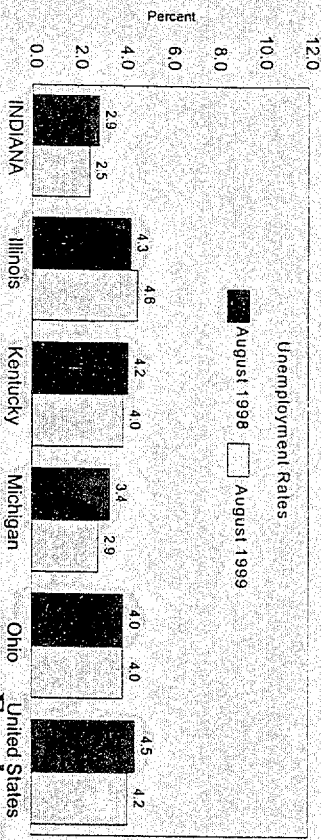
Indiana is out performing the nation in the rate of job growth in finance, insurance, and real estate (2.2% vs. 1.8%). In three other sectors where the nation is advancing (services, retail and wholesale trade), Indiana lags the U.S. growth rate. Where employment is growing nationally in government, transportation and public utilities, as well as construction, Indiana has lost jobs compared to the same month a year ago. Finally, in three industries (durable and non-durable manufacturing, plus mining) where Indiana had its smallest job growth (see again figure 3), our advances were contrary to the nation's experience. (continued on page 4)

Figure 2. Percent Change in Total Non-Farm Employment (from the same month a year earlier)



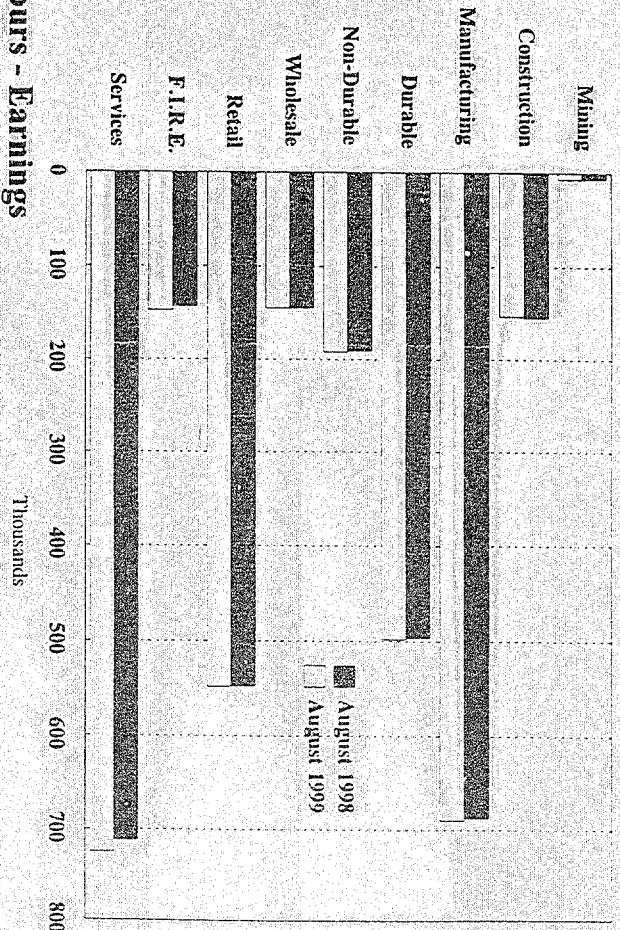
### The Regional Employment Situation

TOTAL PERSONS EMPLOYED	AUGUST 1998	AUGUST 1999	NUMBER CHANGE	% CHANGE	RANK IN US
<b>INDIANA</b>	<b>3,004,324</b>	<b>3,022,569</b>	<b>18,245</b>	<b>0.6%</b>	<b>42</b>
Illinois	5,990,241	6,103,518	113,277	1.9%	23
Kentucky	1,856,881	1,891,790	34,909	1.9%	25
Michigan	4,908,190	4,977,102	68,912	1.4%	32
Ohio	5,526,928	5,681,123	154,195	2.8%	13
United States	132,206,000	134,264,000	2,058,000	1.6%	N/A



### Indiana's Non-Ag Employment

Total Non-Ag Employment in August 1999 was 2,930,100, up 0.9% from the same month a year ago.



### Metropolitan Statistical Areas (MSAs) in Indiana

(Not seasonally adjusted)

NON-AG WAGE & SALARIED EMPLOYMENT	AUGUST 1998	AUGUST 1999	CHANGE NUMBER	CHANGE PERCENT
Bloomington MSA	60,000	60,400	400	0.67%
Elkhart-Goshen MSA	121,700	124,500	2,800	2.30%
Evansville MSA	155,800	160,200	4,400	2.82%
Fort Wayne MSA	270,800	269,900	-900	-0.33%
Gary MSA	269,400	267,100	-2,300	-0.85%
Indianapolis MSA	855,200	866,700	11,500	1.34%
Kokomo MSA	52,200	53,700	1,500	2.87%
Lafayette MSA	90,100	92,100	2,000	2.22%
Muncie MSA	54,600	58,100	3,500	6.41%
New Albany Area	90,200	88,300	-1,900	-2.11%
South Bend MSA	135,900	136,200	300	0.22%
Terre Haute MSA	65,400	65,800	400	0.61%

MANUFACTURING	AUGUST 1999	EMPLOYMENT	AVERAGE WEEKLY HOURS	AVERAGE HOURLY EARNINGS	AVERAGE WEEKLY EARNINGS
Bloomington MSA	9,300	40.4	\$13.35	\$539.34	
Elkhart-Goshen MSA	64,100	40.4	\$13.32	\$538.13	
Evansville MSA	33,800	44.3	\$15.19	\$672.92	
Fort Wayne MSA	75,100	40.8	\$15.84	\$646.27	
Gary MSA	49,500	42.8	\$20.27	\$867.56	
Indianapolis MSA	131,300	44.2	\$15.53	\$686.43	
Kokomo MSA	21,400	48.6	\$22.77	\$1,106.62	
Lafayette MSA	22,500	42.4	\$16.48	\$698.75	
Muncie MSA	10,500	45.5	\$14.97	\$681.14	
New Albany Area	19,300	42.7	\$13.16	\$561.93	
South Bend MSA	21,900	41.1	\$12.65	\$519.92	
Terre Haute MSA	11,800	45.0	\$13.89	\$625.05	

The New Albany Area (Clark, Floyd, Harrison, Scott counties) is part of the larger Louisville MSA. Employment and earnings data based on preliminary and revised series provided by the Indiana Department of Workforce Development.

