With the national recession ending in June 2009, most experts feel a double-dip recession has been narrowly avoided. However, despite the end of the recession, growth and job creation remain stubbornly stagnant. As was pointed out in last year’s Richmond forecast, the recession only exacerbated the problems Richmond and Wayne County faced, including the loss of manufacturing jobs, decreasing population, increasing global competition and diminishing tax revenue. The end of the recession won’t cause those issues to go away. Nonetheless, Richmond and Wayne County did see new investment from the private sector continuing from 2009 into 2010.

**Investment Activity and Trends for 2009-2010**

As last year’s forecast stated, entrepreneurial businesses were finding ways and reasons to expand their product lines, retain and create jobs, and increase investment in Wayne County. Local entrepreneurs felt confident enough to take advantage of opportunities to purchase companies, while others diversified product lines to be more competitive, keeping investment and jobs in the community. The Economic Development Corporation (EDC) of Wayne County partnered with existing companies in retention and/or expansion projects creating close to $11 million in private investment for 2010. With the most recent announcement by Perpetual Recycling Solutions to locate a new facility in Richmond, the investment total for 2010 so far totals $40.8 million. In 2009, projects in the county resulted in $11.5 million in investment. The two years combined resulted in $52.3 million in new, private investment.

A number of trends started in 2009 that continued through 2010:

**The plastics sector has seen an increase in activity, particularly in manufacturing of food containers.**
- Berry Plastics, a manufacturer of plastic food containers, expanded in 2009.
- While Innatech, which manufactured plastic automobile components, closed its operations, Abbott Laboratories purchased the building and continues to operate a manufacturing line that produces plastic containers for their baby formula and health food lines.

**There has been an increase in activity in the renewable and recyclable sectors.**
- Crate Creations added a new line that manufactures biofuel and animal bedding from scrap wood pallets.
- Perpetual Recycling Solutions announced they will locate a new operation in the former General Aluminum facility, recycling water bottles into food-grade plastic flake for food container manufacturers.
- B & F Plastics manufactures a diverse number of products from recycled plastic and rubber for the construction, recreation and automotive industries to name a few.

**Addition of new lines have expanded existing businesses.**
- CIT specializes in the design and production of steel racks, containers, machine cabs and canopies for the transportation industry, but was able to use their expertise to win a three-year contract to produce physical therapy tables for the health care equipment industry.
- Reel Options, a division of Vandor Corporation, purchased new machinery to add a new product line.
- Transilwrap also purchased new equipment to add a new product line to their Richmond facility.

Retailers and restaurateurs began investing in a section of downtown Richmond named the Historic Depot District for its proximity to the railroad and the location of a historic rail depot. The district continues to grow and succeed through the momentum that’s been created.

- A local businessman purchased the historic rail depot the district is named for, and with financial assistance from the city of Richmond, began restoration work. Space in the building will be available for lease.
- Several small retail stores and boutiques have opened for business and restaurants have expanded to allow for additional seating and banquet space.

**2011 Strategies and Trends**

Moving into 2011, a number of different strategies to encourage investment are being developed. An aggressive business retention and expansion program continues; the EDC of Wayne County, partnering with the Economic Growth Group, pursued a target industry analysis to research industry sectors with characteristics that match key attributes in Wayne County; Phase II of the Midwest Industrial Park is being prepared for development; and new marketing strategies are being developed to promote the county externally to site consultants. Internally, strategies are being utilized to educate the community.
The Michiana region, which includes the Elkhart-Goshen MSA and the South Bend-Mishawaka MSA,¹ is still recovering from the 2007-2009 recession² and has begun to enjoy vigorous business growth despite the weak economy. This trend toward recovery is likely to continue throughout 2011.

Employment
After a fairly steady drop in the labor force the past few years, the 2010 data for the combined Elkhart-Goshen and South Bend-Mishawaka MSAs indicate a leveling out in the area’s labor market.³ While the labor force continued its decline, it is declining at a slower rate, with a drop of about 6,500 workers from September 2009 to September 2010 (see Figure 1); the prior year’s decline was more than double that figure.

The Elkhart-Goshen MSA had some of the worst unemployment rates in the nation during the recession, warranting visits from President Obama in early 2009.⁴ The Elkhart-Goshen unemployment rate peaked in March 2009 at 20.1 percent and has since dropped to 13 percent in September 2010, still high but definitely an improvement (see Figure 2).

The South Bend-Mishawaka MSA did not see as drastic a climb in its unemployment rate, though it is still much higher than it was pre-recession at 11 percent in September 2010. This metro has a notably lower concentration in manufacturing than the Elkhart-Goshen MSA that likely contributed to its less drastic jump.

As both metropolitan areas improve in 2011, the unemployment rate should decline to 9.5 percent in the South Bend-Mishawaka metro and 11 percent in the Elkhart-Goshen area.

Table 1 shows employment data by industry for the Michiana region. While jobs in the MSAs are still down 46,500 from where they were in September 2007, a look at the more recent data shows some positive signs. Combined total nonfarm jobs were down 1,500 (-0.6 percent) in September 2010 compared to their September 2009 levels. That may not

Notes