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**Indiana Business Review**  
*Update* A Monthly Overview of Economic Trends

Indiana University School of Business, Indiana Business Research Center



**Metropolitan Area Employment Growth**

Muncie and the New Albany area had the highest rates (21%) of employment growth among Indiana's twelve metropolitan areas between 1988 and 1995. Lagging in the employment derby was the Gary-Hammond area, which alone failed to reach 10% (see figure 1).

The entire state added nearly 373,000 jobs during this period, a 15.6% increase. The non-metropolitan areas showed a somewhat greater growth rate of 16.8%. The chief difference between the metro areas and the remainder of the state was that the non-metro areas added manufacturing jobs faster than did the metro areas - a 12.5% increase, compared with just a 3.8% growth rate for the metro counties.

Non-metropolitan areas added 24,400 manufacturing jobs between 1988 and 1995, while the metro areas managed to add 16,700. Apparently, smaller communities during this period were more attractive for expansion and new industrial locations than were the larger cities.

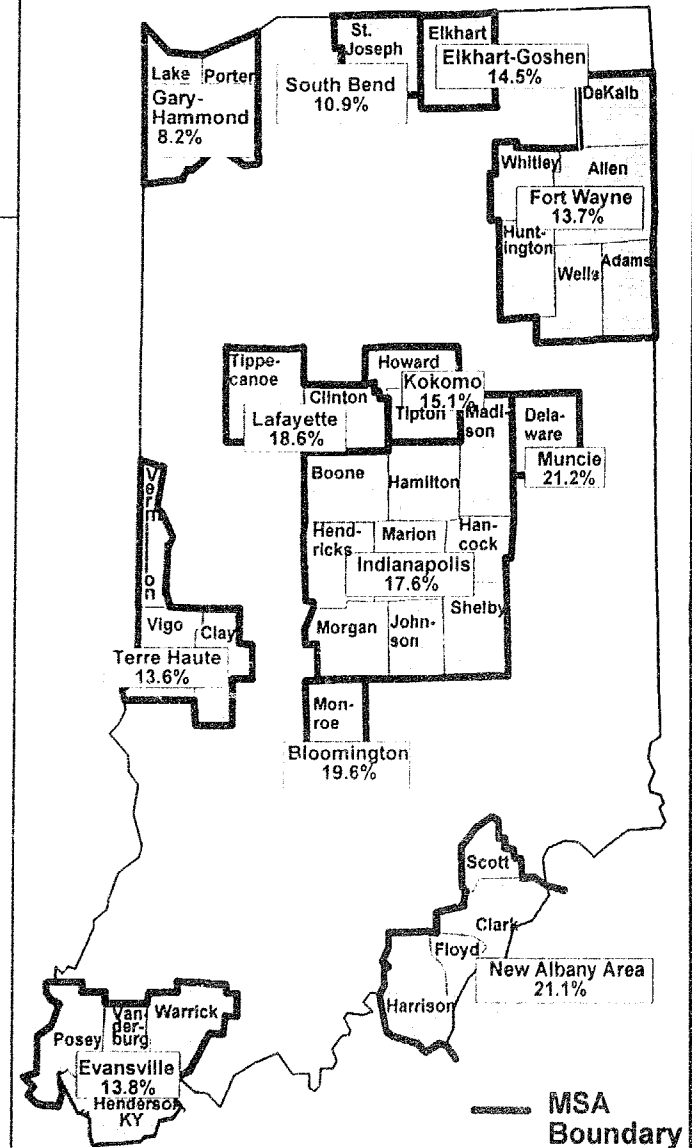
Manufacturing accounted for 24.5% of all establishment employment across the state in 1995. Non-metro areas have a higher percent of all jobs in manufacturing (33%) than the state's metro areas (22%). This is consistent with the greater diversity of employment available in metro areas, although we tend to think of factories and cities as being synonymous.

Among the state's 12 metro areas (see figure 2), the Elkhart area has the highest dependence on manufacturing, while Bloomington is least dependent on manufacturing. Both the Gary-Hammond and South Bend metro areas lost manufacturing jobs during this period. Figure 3 shows that the fastest growth in manufacturing employment occurred in the Lafayette area (up 30%) and the New Albany area (up 24%). Only in these two areas did manufacturing's share of total employment rise between 1988 and 1995.

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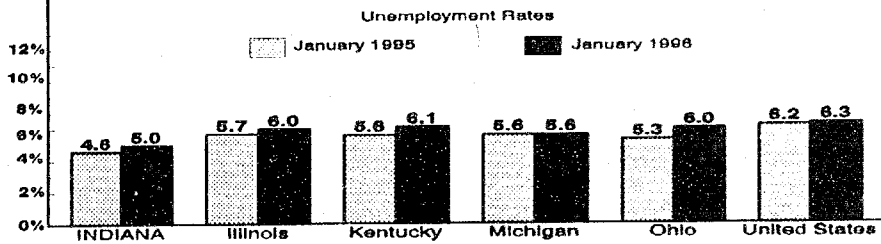
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Figure 1. Percent Change in Employment 1988-1995



### The Regional Employment Situation

Total Persons Employed	January 1995	January 1996	Number Change	% Change	Rank in US
INDIANA	2,976,300	2,899,000	-77,300	-2.60%	50
Illinois	5,625,200	5,737,200	112,000	1.99%	16
Kentucky	1,738,500	1,730,700	-7,800	-0.45%	43
Michigan	4,451,200	4,477,100	25,900	0.58%	34
Ohio	5,199,000	5,305,300	106,300	2.04%	15
United States	122,597,000	123,126,000	529,000	0.43%	N/A



### Employment - Hours - Earnings by Industry

INDIANA	Establishment Related Employment		Average Weekly Hours		Average Weekly (Real) Earnings	
	Jan. 1996	% Chg. 95/96	Jan. 1996	% Chg. 95/96	Jan. 1996	% Chg. 95/96
Total Non-Ag	2,747,900	1.1%	NA	NA	NA	NA
Mining	6,100	-1.7%	42.1	-3.7%	\$729.17	-2.8%
Construction	115,000	-4.0%	38.5	0.3%	\$641.03	-0.2%
Manufacturing	679,700	0.8%	42.2	-2.3%	\$614.85	0.6%
Durable	488,600	1.1%	42.8	-2.3%	\$626.16	-1.9%
Non-durable	191,100	-0.1%	40.5	-2.4%	\$581.99	8.4%
Wholesale	138,000	2.2%	36.8	-1.6%	\$436.82	-3.2%
Retail	531,200	2.0%	28.3	1.1%	\$213.10	2.3%
Finance, Insurance & Real Estate	132,500	4.5%	36.3	-1.4%	\$387.32	-0.6%
Services*	620,600	-1.8%	32.6	4.2%	\$334.15	0.5%

### Employment - Hours - Earnings

(Not seasonally adjusted)

#### Metropolitan Statistical Areas (MSAs) in Indiana

NON-AG WAGE & SALARIED EMPLOYMENT	January 1995	January 1996	Change	
			Number	Percent
Bloomington MSA	63,300	63,500	200	0.3%
Elkhart-Goshen MSA	116,600	114,700	-1,900	-1.6%
Evansville MSA	144,500	148,100	3,600	2.5%
Fort Wayne MSA	253,400	258,900	5,500	2.2%
Gary MSA	247,900	253,300	5,400	2.2%
Indianapolis MSA	773,800	788,200	14,400	1.9%
Kokomo MSA	50,000	54,500	4,500	9.0%
Lafayette MSA	86,700	83,000	-3,700	-4.3%
Muncie MSA	60,800	58,700	-2,100	-3.5%
New Albany Area*	72,800	82,400	9,600	13.2%
South Bend MSA	124,600	129,000	4,400	3.5%
Terre Haute MSA	69,400	69,600	200	0.3%

MANUFACTURING	January 1996	Employment	Average Weekly Hours	Average Hourly Earnings	Average Weekly Earnings
Elkhart-Goshen MSA	55,400	39.3	\$12.01	\$471.99	
Evansville MSA	31,300	36.8	\$12.41	\$456.69	
Fort Wayne MSA	73,300	41.5	\$14.92	\$619.18	
Gary MSA	52,600	42.7	\$18.31	\$781.84	
Indianapolis MSA	125,400	43.4	\$15.41	\$668.79	
Kokomo MSA	22,100	53.0	\$18.51	\$981.03	
Lafayette MSA	21,500	43.7	\$14.53	\$634.96	
Muncie MSA	10,900	43.6	\$15.14	\$660.10	
New Albany Area*	19,400	38.3	\$11.66	\$446.58	
South Bend MSA	22,600	43.8	\$12.16	\$532.61	
Terre Haute MSA	12,300	43.3	\$13.65	\$591.05	

\* Employment includes schools; Hours and Earnings excludes schools. \*The New Albany Area (Clark, Floyd, Harrison, Scott counties) is part of the larger Louisville MSA. (Real) indicates dollars adjusted for changes in consumer prices to 1996 level. Employment and earnings data based on preliminary and revised series provided by the Indiana Department of Workforce Development.

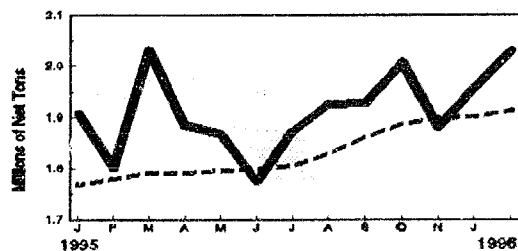
## Indiana Economic Activity

Monthly Data    
  12 Month Moving Average

### Raw Steel Production

American Iron and Steel Institute  
(Millions)

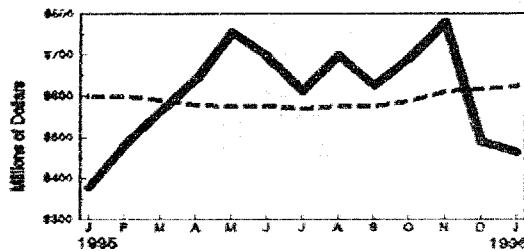
Jan. 1994 — 1.767     Jan. 1995 — 1.908     Jan. 1996 — 2.029



### Total Construction Activity

F. W. Dodge Construction Potentials Bulletin  
(Millions)

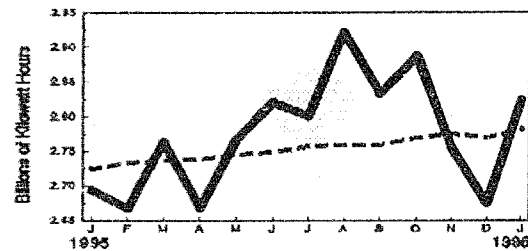
Jan. 1995 - \$318.4     Jan. 1995 - \$378.5     Jan. 1996 - \$463.4



### Industrial Electricity Sales

(The 5 investor owned utilities)  
(Billions)

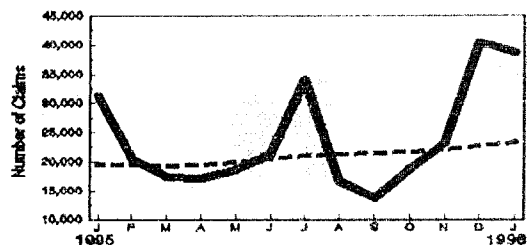
Jan. 1994 — 2.578     Jan. 1995 — 2.694     Jan. 1996 — 2.824



### Initial Unemployment Insurance Claims

Indiana Department of Workforce Development

Jan. 1994 — 32,480     Jan. 1995 — 31,276     Jan. 1996 — 38,683



#### Ups or Downs... Indiana Indicators Year-to-Date

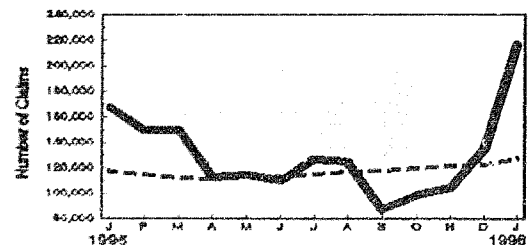
(based on February 1995 through January 1996 and compared to same period the year before, unless otherwise noted)

- Raw steel production:** Gain of 1.7 million tons over last year, for a total of 23 million tons.
- Total construction activity:** Up \$292.8 million over last year; an annual total of \$7,495.7 million.
- Industrial electricity sales:** 33.4 billion kilowatt hours sold, an increase of 7 million hours.
- New car registrations:** 160,106 cars were registered, 2,485 fewer than the previous year.
- Housing starts:** Up 635 over last year, for a total of 33,088 new homes built.
- Retail sales:** \$52.9 billion from January 1995 to December 1995, an increase of \$3.1 billion over the previous year.

### Continued Unemployment Insur. Claims

Indiana Department of Workforce Development

Jan. 1994 — 177,000     Jan. 1995 — 167,567     Jan. 1996 — 216,313



### New Car Registrations

R. L. Polk and Company

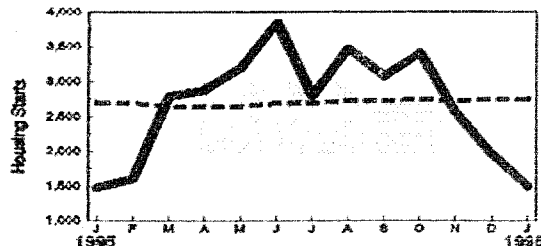
Jan. 1994 — 11,471     Jan. 1995 — 12,149     Jan. 1996 — 10,565



### Housing Starts

F.W. Dodge Construction Potentials Bulletin

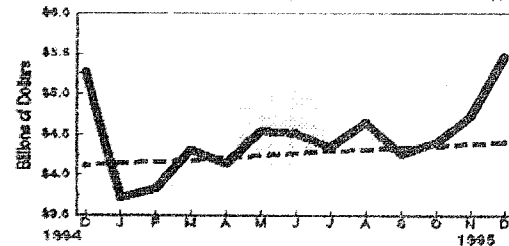
Jan. 1994 — 1,433     Jan. 1995 — 1,476     Jan. 1996 — 1,492



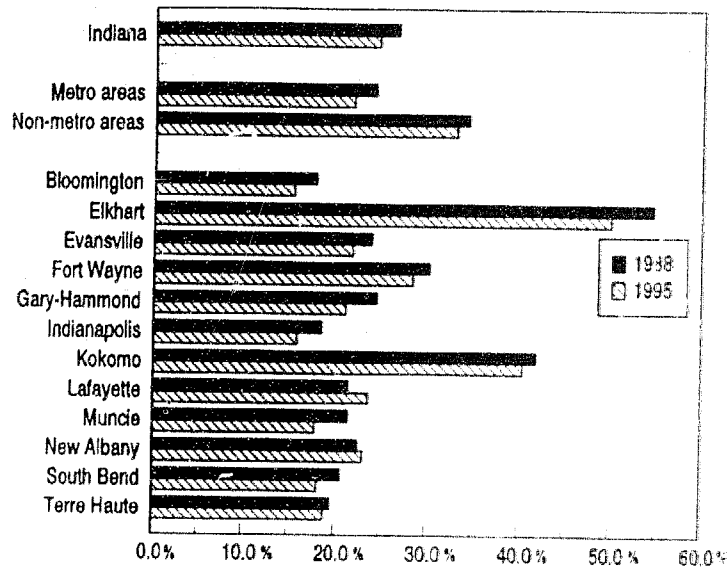
### Retail Sales

Bureau of the Census  
(Billions)

Dec. 1993 — \$4.87     Dec. 1994 — \$5.27     Dec. 1995 — \$5.47



**Fig 2. Manufacturing as a Percent of Total Establishment Employment, 1995**



**Fig 3. Percent Change in Manufacturing Employment, 1988-1995**

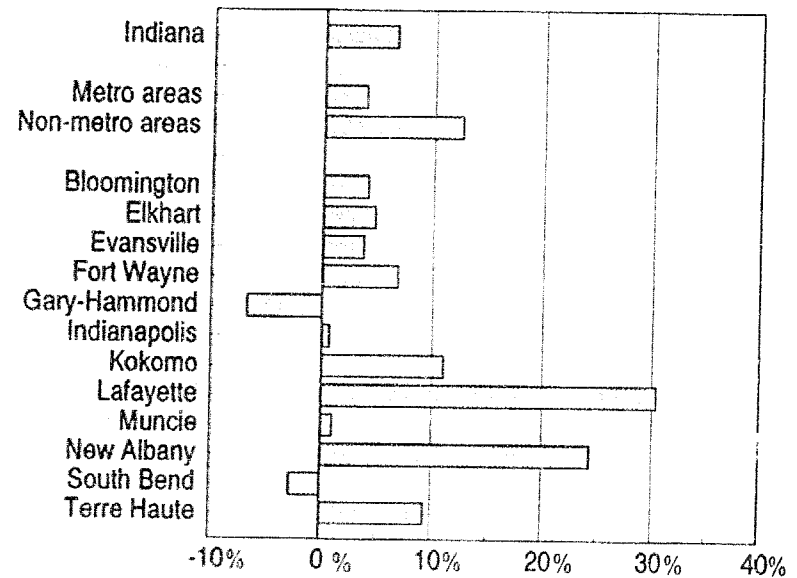


Table 1	Non-Manufacturing Employment (000)		Change (000)		Manufacturing as a % of Total Emp.	
	1988	1995	#	(%)	1988	1995
Indiana	1,758.9	2,090.8	331.8	18.9	26.6	24.5
Metro	1,385.9	1,646.6	260.7	18.8	24.2	21.8
Non-metro	373.1	444.2	71.1	19.1	34.3	33.0
Bloomington	43.6	53.7	10.0	23.0	17.8	15.4
Elkhart	46.8	59.2	12.4	26.5	54.7	50.0
Evansville	98.4	115.1	16.7	17.0	30.9	21.8
Fort Wayne	159.4	186.1	26.7	16.8	30.2	28.4
Gary-Hammond	174.4	197.2	22.7	13.0	24.5	21.1
Indianapolis	550.0	667.7	117.6	21.4	18.5	15.8
Kokomo	26.2	30.9	4.7	18.0	41.9	40.4
Lafayette	58.8	67.8	9.0	15.4	21.4	23.6
Muncie	40.8	51.7	10.9	26.7	21.4	17.8
New Albany	47.4	56.9	9.5	20.1	22.5	23.1
South Bend	91.2	104.5	13.2	14.5	20.6	18.1
Terre Haute	48.8	55.9	7.1	14.6	19.6	18.9

Table 2	Manufacturing Employment (000)		Change (000)	
	1988	1995	#	(%)
Indiana	636.7	677.8	41.1	6.5
Metro	442.3	459.1	16.7	3.8
Non-metro	194.4	218.7	24.4	12.5
Bloomington	9.4	9.8	0.4	4.0
Elkhart	56.6	59.3	2.7	4.7
Evansville	30.9	32.0	1.1	3.7
Fort Wayne	69.0	73.7	4.7	6.8
Gary-Hammond	56.6	52.7	-3.8	-6.8
Indianapolis	124.5	125.4	0.9	0.7
Kokomo	18.9	20.9	2.1	11.0
Lafayette	18.0	20.9	4.9	30.4
Muncie	11.1	11.2	0.1	1.0
New Albany	13.8	17.1	3.4	24.4
South Bend	23.7	23.0	-0.7	-2.8
Terre Haute	11.9	13.0	1.1	9.4