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INDIANA BUSINESS REVIEW UPDATE

A MONTHLY OVERVIEW OF ECONOMIC TRENDS

INDIANA BUSINESS RESEARCH CENTER
INDIANA UNIVERSITY
KELLEY SCHOOL OF BUSINESS

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COUNTY POPULATION CHANGES

Data recently released by the U.S. Bureau of the Census indicates continuing growth during this decade for most Indiana counties. The state, in total, added 355,000 to its population, an increase of 6.4%. However, the data show major differences in growth patterns among the state's 92 counties.

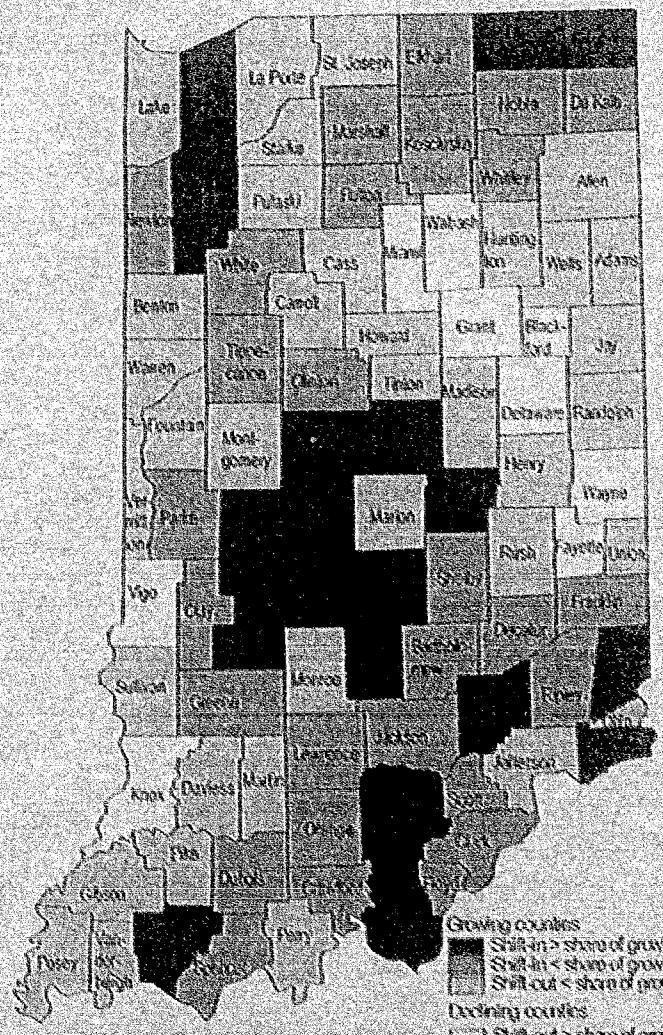
Population shifts. Growth rates can be deceiving. For example, Boone and Switzerland counties both advanced by 14.9% in the past eight years. But 14.9% in Boone county equals 5,700 persons while in Switzerland county that same percentage equaled 1,200 persons. The costs of a 14.9% increase are different in the two counties. Switzerland may be able to accept 1,200 added residents more readily than Boone can accommodate 5,700. If the schools in Boone are already crowded, if the water and sewer lines are already near capacity, then the added costs of 5,700 could be a greater burden than adding 1,200 persons in lightly populated Switzerland county.

Counties that grow faster than the state average may be said to have a *shift-in* of population. Those counties have an increase in their share of the state's population. If all counties had grown at the same rate, the state's 6.4%, Hamilton county might have expected 7,000 added to its population. But Hamilton realized a growth of 53,700. The difference of 46,700 is a shift in the population caused by differential birth and death rates as well as migration preferences of those leaving and entering Hamilton county.

In total, there was a shift of 160,000 persons within Indiana between 1990 and 1998. This sum equaled 45% of the growth in population. Eight counties (Hamilton, Hendricks, Johnson, Hancock, Dearborn, Morgan, Porter, and Elkhart) accounted for 109,500 persons or 69% of the shift in population.

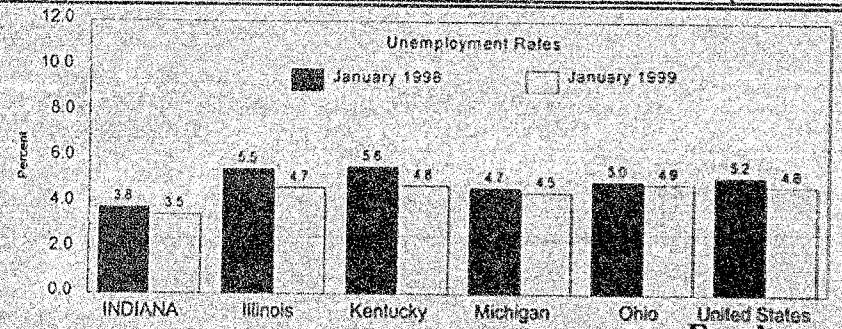
Figure 1 shows the roles these shifts played in the population change of each county. The shift of population toward 19 counties exceeded the share of the state's population growth each county would have realized if a proportionate increase had occurred. This means those counties all grew by more than twice the state's 6.4% increase. The largest group of counties (36) grew, but at a slower rate than the state average. They all had a *shift-out* of population, but it was less than their proportionate share of the state's increase. The nine counties that experienced a decline in population between 1990 and 1998 had a *shift-out* of population that exceeded their proportionate share of growth.

Figure 1



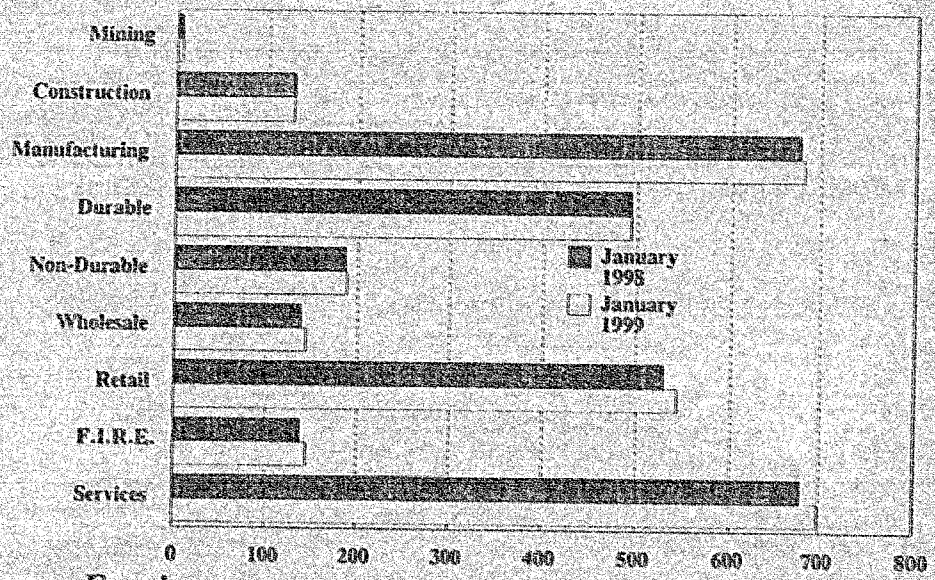
The Regional Employment Situation

TOTAL PERSONS EMPLOYED	JANUARY 1998	JANUARY 1999	NUMBER CHANGE	% CHANGE	RANK IN US
INDIANA	2,912,643	2,959,468	46,825	1.6%	37
Illinois	5,815,329	5,922,381	107,052	1.8%	33
Kentucky	1,783,909	1,817,376	33,467	1.9%	32
Michigan	4,713,735	4,773,295	59,560	1.3%	42
Ohio	5,276,271	5,430,678	154,407	2.9%	20
United States	128,882,000	131,339,000	2,457,000	1.9%	N/A



Indiana's Non-Ag Employment

Total Non-Ag Employment in January 1999 was 2,893,100, up 1.9% since the same month a year ago.



Employment - Hours - Earnings

(Not seasonally adjusted)

Metropolitan Statistical Areas (MSAs) in Indiana

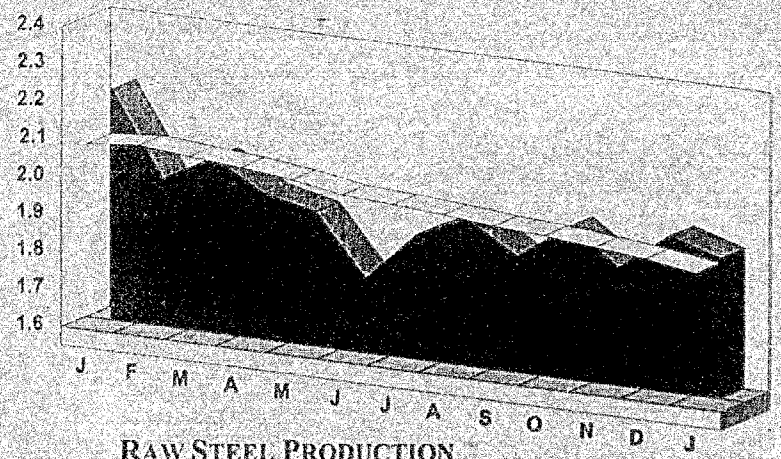
NON-AG WAGE & SALARIED EMPLOYMENT	JANUARY 1998	JANUARY 1999	CHANGE NUMBER	CHANGE PERCENT
Bloomington MSA	64,200	63,400	-800	-1.2%
Elkhart-Goshen MSA	116,000	121,000	5,000	4.3%
Evansville MSA	151,200	156,700	5,500	3.6%
Fort Wayne MSA	266,800	270,000	3,200	1.2%
Gary MSA	261,000	266,500	5,500	2.1%
Indianapolis MSA	827,000	852,100	25,100	3.0%
Kokomo MSA	50,800	51,400	600	1.2%
Lafayette MSA	91,700	93,300	1,600	1.7%
Muncie MSA	59,000	58,500	-500	-0.8%
New Albany Area*	86,100	90,300	4,200	4.9%
South Bend MSA	132,800	134,800	2,000	1.5%
Terre Haute MSA	66,300	67,600	1,300	2.0%

MANUFACTURING JANUARY 1999	EMPLOYMENT	AVERAGE WEEKLY HOURS	AVERAGE HOURLY EARNINGS	AVERAGE WEEKLY EARNINGS
Bloomington MSA	9,200	41.1	$12.18	$500.60
Elkhart-Goshen MSA	61,900	40.1	$12.60	$505.26
Evansville MSA	33,300	44.1	$14.37	$633.72
Fort Wayne MSA	75,000	40.1	$15.33	$614.73
Gary MSA	50,100	45.4	$19.23	$873.04
Indianapolis MSA	129,200	44.3	$15.54	$688.42
Kokomo MSA	20,400	47.9	$22.11	$1,059.07
Lafayette MSA	22,300	43.1	$15.68	$675.81
Muncie MSA	10,500	45.6	$14.98	$683.09
New Albany Area*	19,400	43.4	$13.07	$567.24
South Bend MSA	22,400	40.6	$12.46	$505.88
Terre Haute MSA	12,100	43.0	$14.74	$633.82

*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.

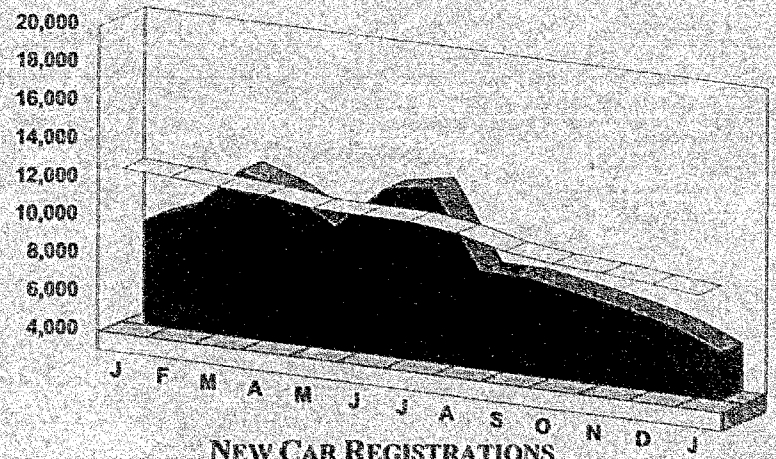
CURRENT TRENDS IN INDIANA'S ECONOMY

January 1998 — January 1999



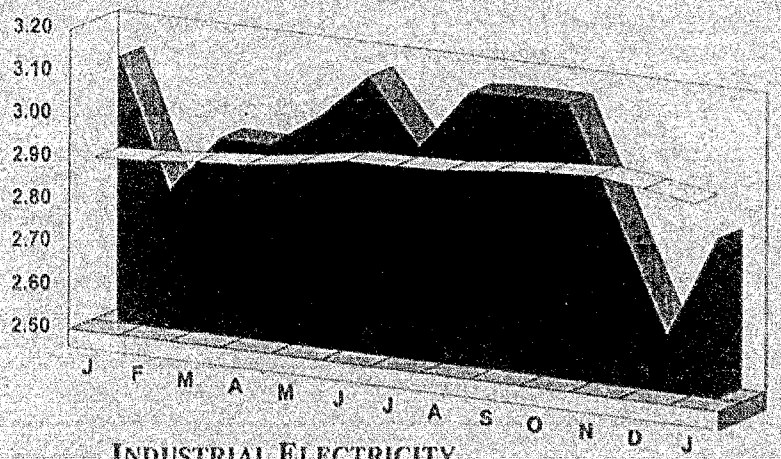
RAW STEEL PRODUCTION

American Iron and Steel Institute
Year to date: 2.0 million net tons
12-month total: 23.6 million net tons
Peak month: January 1998



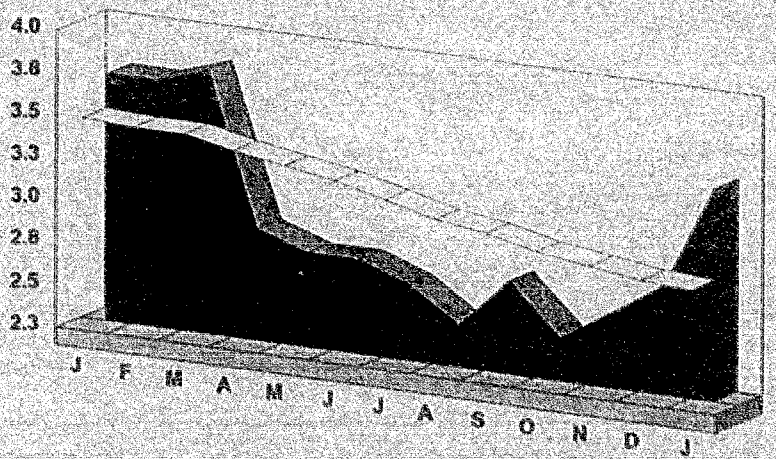
NEW CAR REGISTRATIONS

R.L. Polk and Company
Year to date: 6,522
12-month total: 120,586
Peak month: May 1996



INDUSTRIAL ELECTRICITY SALES (BILLIONS)

The 5 investor owned utilities
Year to date: 2.9 billion kwh
12-month total: 35.7 billion kwh
Peak month: June 1998



UNEMPLOYMENT RATE

Indiana Department of Workforce Dev.
Peak month: February 1994

Moving Average

(3 months)

Peak = since 1994

Monthly

(continued from page 1)

Stability of change. During the first eight years of this decade, 83 Indiana counties grew. Some counties have grown in each year, others have had a variety of annual experiences. As seen in figure 2, our peak year was 1993 when 85 counties grew, but we have not had more than 80 counties growing in any other year thus far in the 90s. In the most recent two years, 20 of the state's 92 counties have declined in population. Only 53 Hoosier counties grew each year. No county failed to grow in at least one year, but eight counties grew in only three or fewer years.

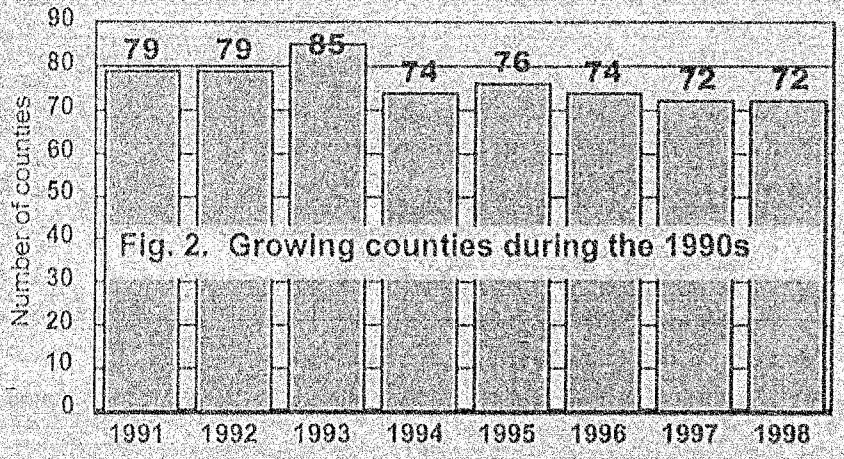


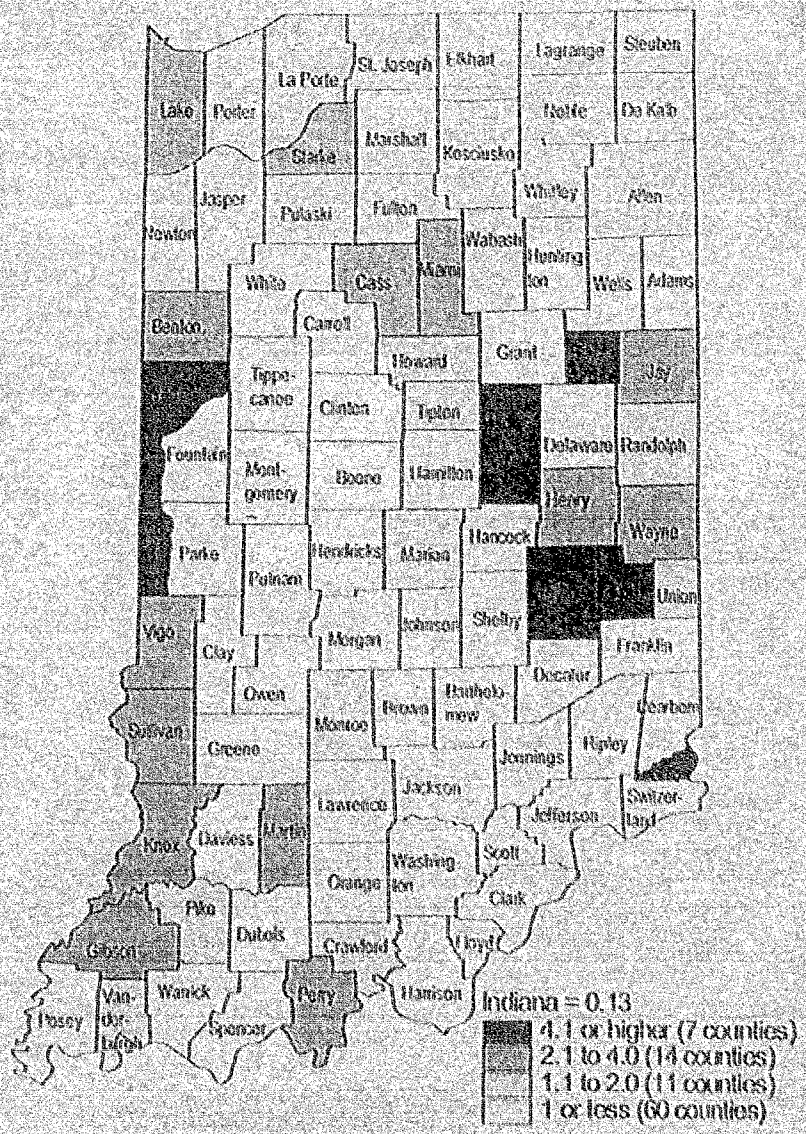
Fig. 2. Growing counties during the 1990s

The actual number of persons added to a county's population each year may vary widely. For example, Hamilton county averaged 6,537 added citizens each year between 1990 and 1998 with a high of 7,603 in 1998 and a low of 5,224 in 1992. But this fast growing county actually led the state in stability of change.[1] Figure 3 shows the variability of change for each county. Fayette, the least stable county, added 171 residents in 1992, one of three years in which it gained population, but lost 176 persons in 1998. The total change in population for Fayette county during the decade was only 46 persons.

One should be careful about assigning too much meaning to small changes that are based on estimates. The source data for estimates are often subject to revision or worse — uncorrected errors resulting from small samples or data handling mistakes. Full details of these data are available on the IBRC web site at www.iupui.edu/it/ibrc. *-mjm*

[1]Stability is measured by the coefficient of variation (CV), which is the standard deviation of the annual growth divided by the mean growth during the period. For Hamilton county CV = 0.12 while Fayette county had a CV of 20.6.

Figure 3



Support for this publication is provided by the Indiana Department of Commerce and the State of Indiana. WEB address: http://www.iupui.edu/it/ibrc. The IBRC is a partner in the Indiana Data Center Program with the Indiana State Library, Dept. of Commerce and U.S. Census Bureau. UPDATE Staff: Terry Cassels, managing editor; Morton J. Marcus and Carol O. Rogers, contributors; and Bethany Holliday, information specialist.