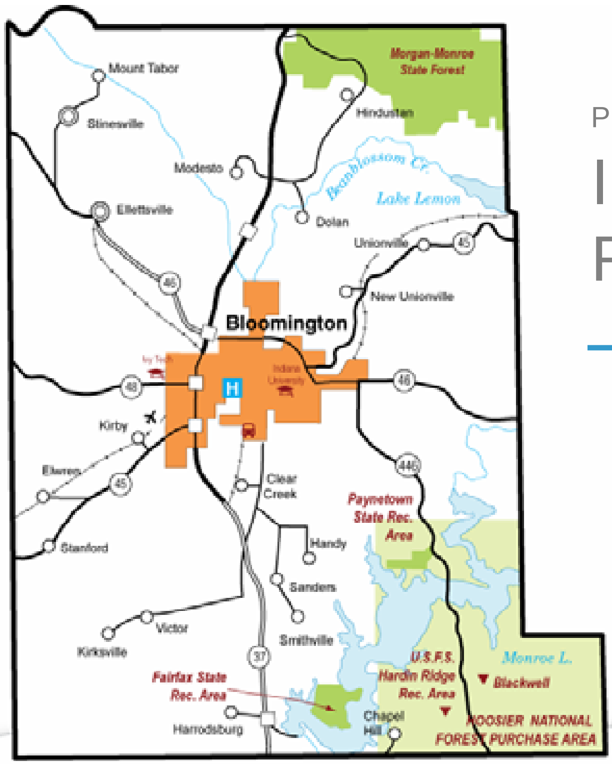
A LOOK INSIDE THE
BLOOMINGTON ECONOMY



Prepared by the

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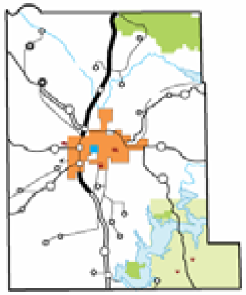
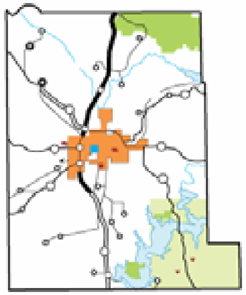
bedc
Bloomington Economic Development Corporation

June 2007



Background

- Similar studies done in 2000, 2002, 2004
- Sponsored by BEDC to support its economic development efforts
- Additional support this time from City of Bloomington to develop sustainability metrics
  - Bloomington Commission on Sustainability will report on this at a later date



Benchmarking Basics

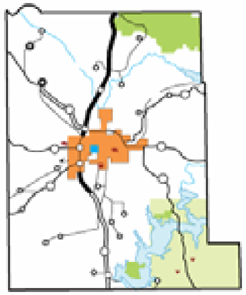
- **Goal:** understand how the area is performing economically
  - Current snapshot + trends over time
  - Comparisons to other places like us
- **Useful for:**
  - Identifying economy’s strong & weak spots
  - Setting economic targets & goals
  - Monitoring progress toward goals
  - Guiding strategic planning

Two Sets of Peer Cities

Indiana peers:

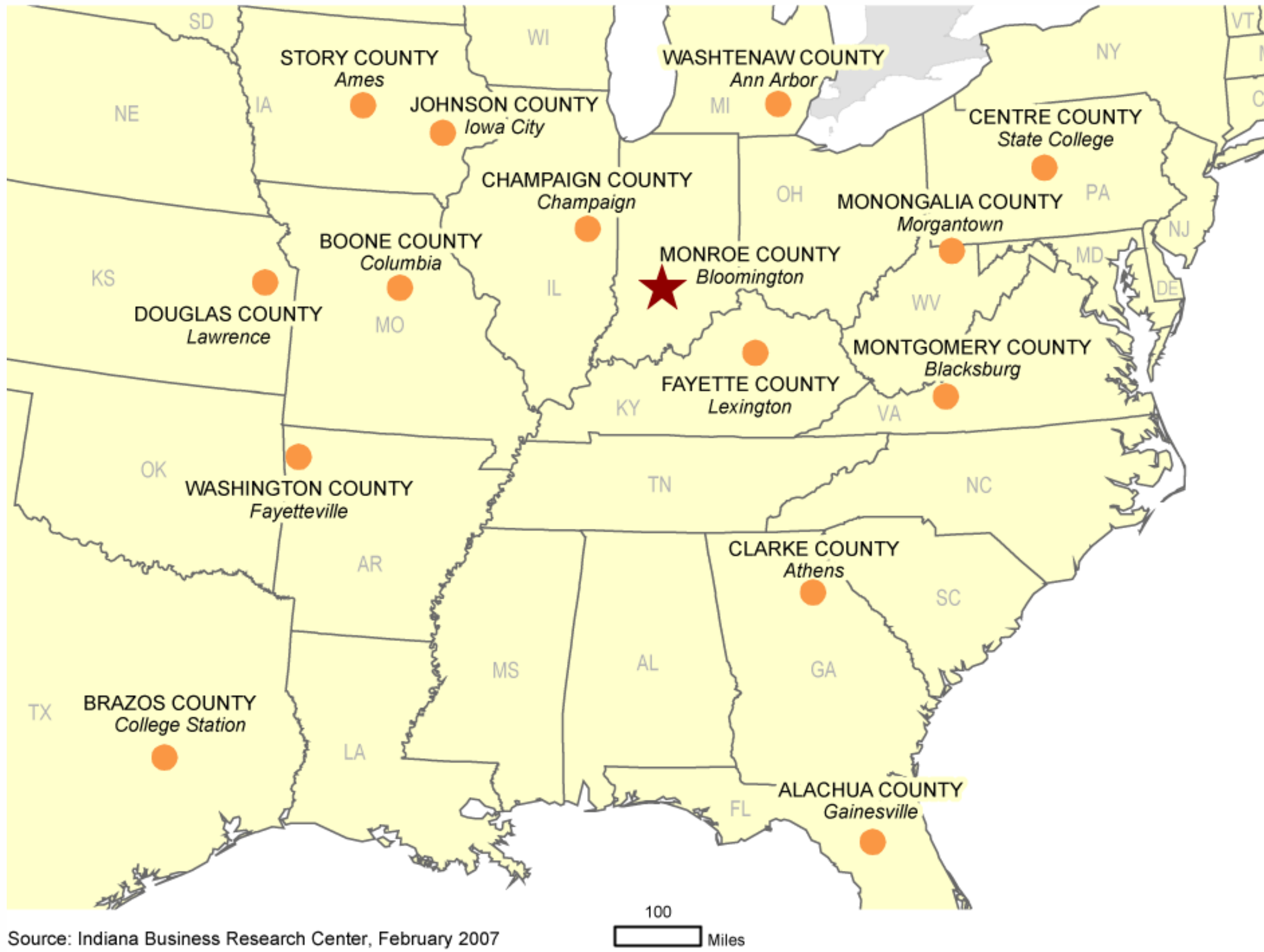
the 12 Indiana cities in metro areas whose central cities are within the state

Source: Indiana Business Research Center, February 2007



National Peers

14 cities with profiles similar to Bloomington



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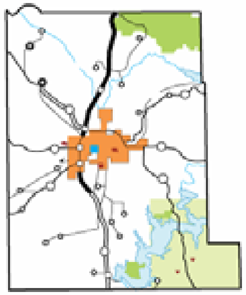
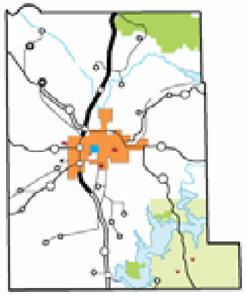


Selecting U.S. Peers

- Analyzed all U.S. counties for statistical similarity to Monroe County in terms of:
  - Demographics
  - Industry mix
  - Income characteristics
- Populations between 80,000 & 220,000
- University enrollments >20% of population
- 11 peers fit these criteria. We then added 3 college towns with interesting characteristics:
  - Ann Arbor, MI   Lexington, KY   Fayetteville, AR

Overview of Findings

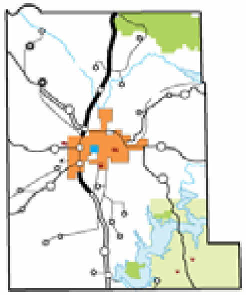
- Population
- Housing
- Education
- Employment
- Income
- Infrastructure & Commuting



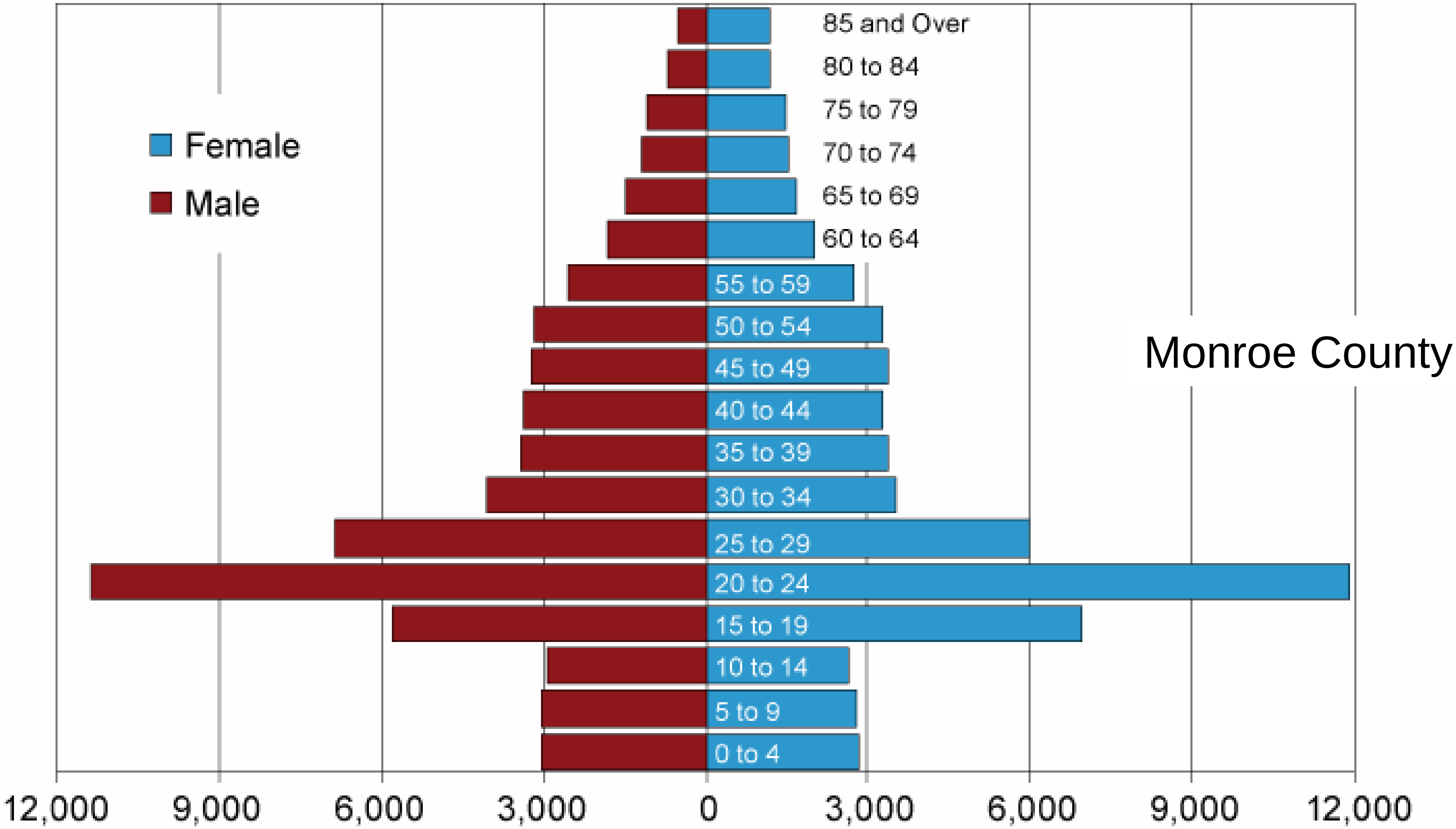
Population: Slow Growth

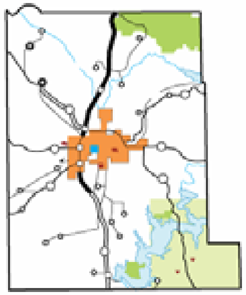
- City: 69,017
- County: 121,473
- MSA: 177,734
- Change from 2000 to 2005:
  - Bloomington lost 2,520 residents (-3.5%)
  - Monroe County gained 910 (+0.8%)
  - Owen County grew the most in the MSA: +1,067
- County projected to grow by 24,280 (20%) in next 20 years

2005 Census estimates



40% between 15 and 29 years old

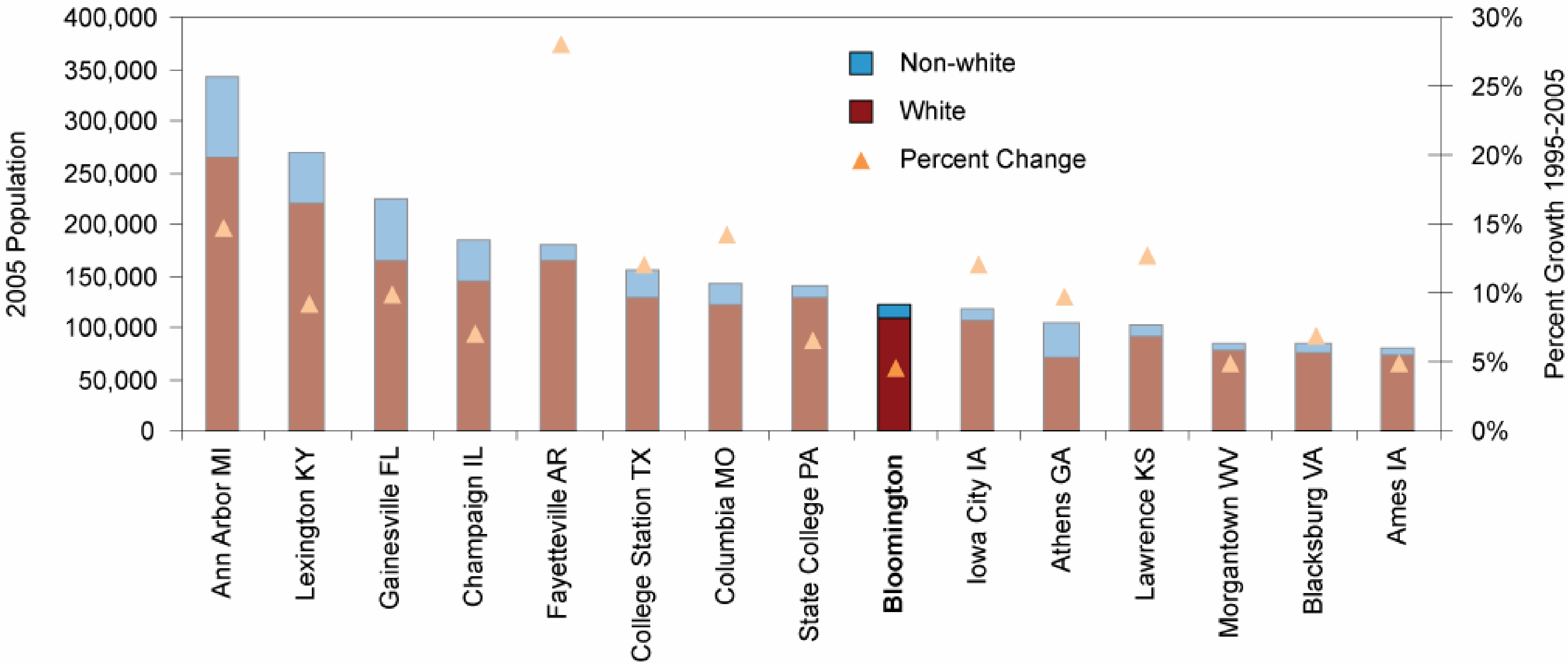


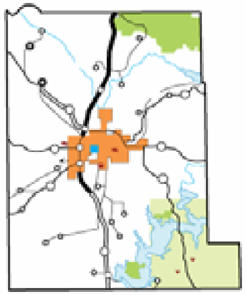


Population vs. U.S. Peers

Bloomington is in the middle of U.S. peer set

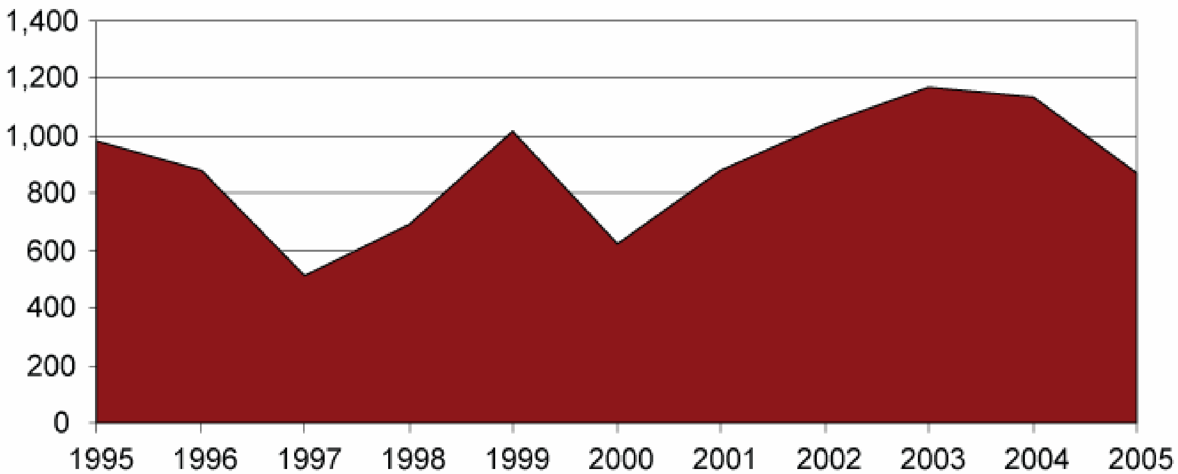
But we're the slowest growing (4.5% in 10 years)



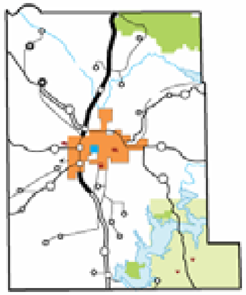


Housing

- 54% owner-occupied
  - vs. 72% (Indiana) & 67% (U.S.)
- Median home value = $135,100
  - vs. $114K (Indiana) & $168K (U.S.)

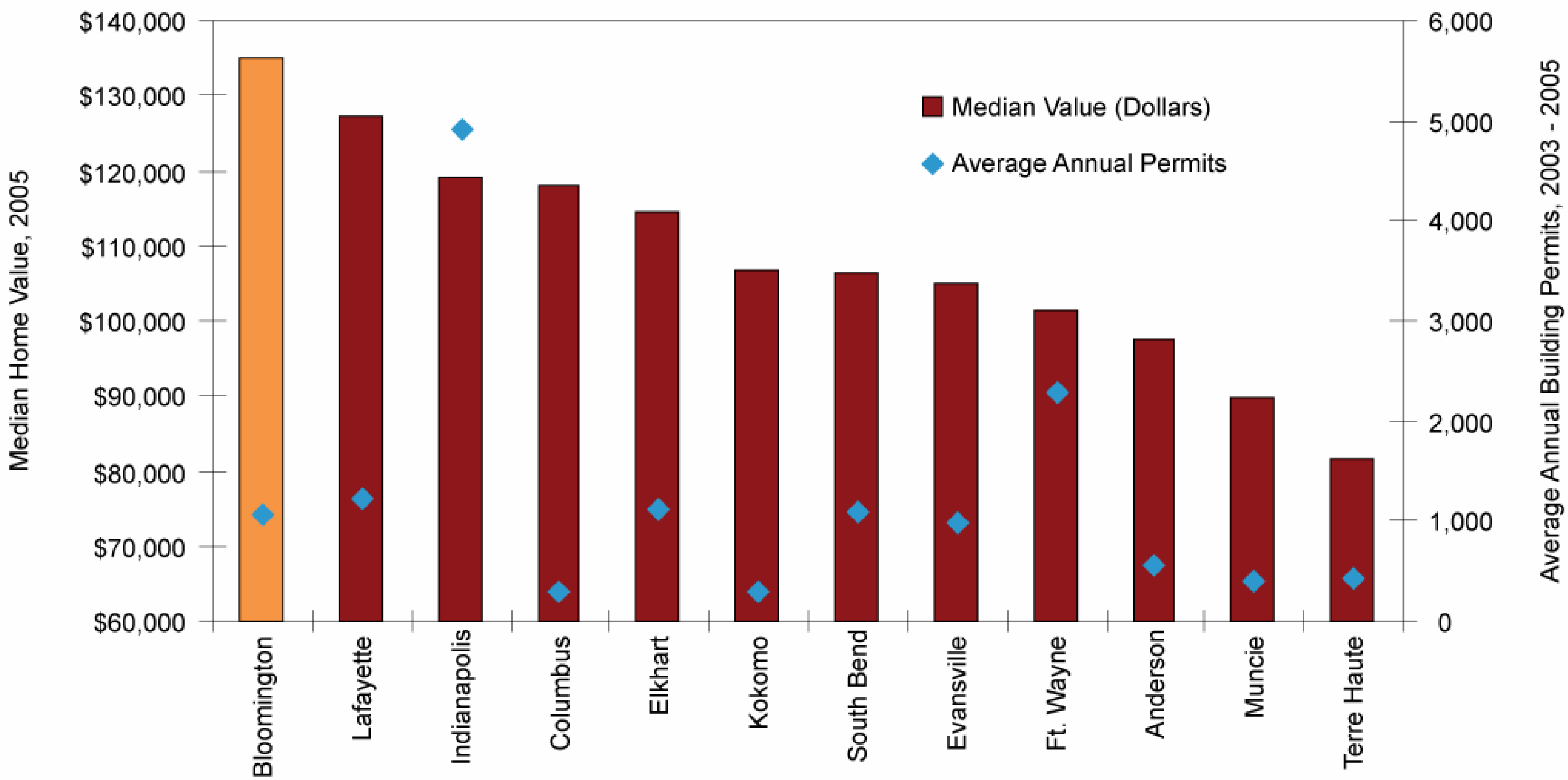


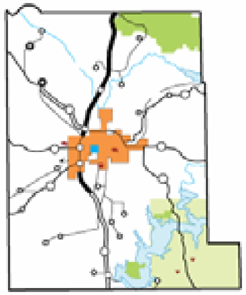
Building permits down a bit, staying within 10-year historical range



Housing Expensive vs. Indiana Peers

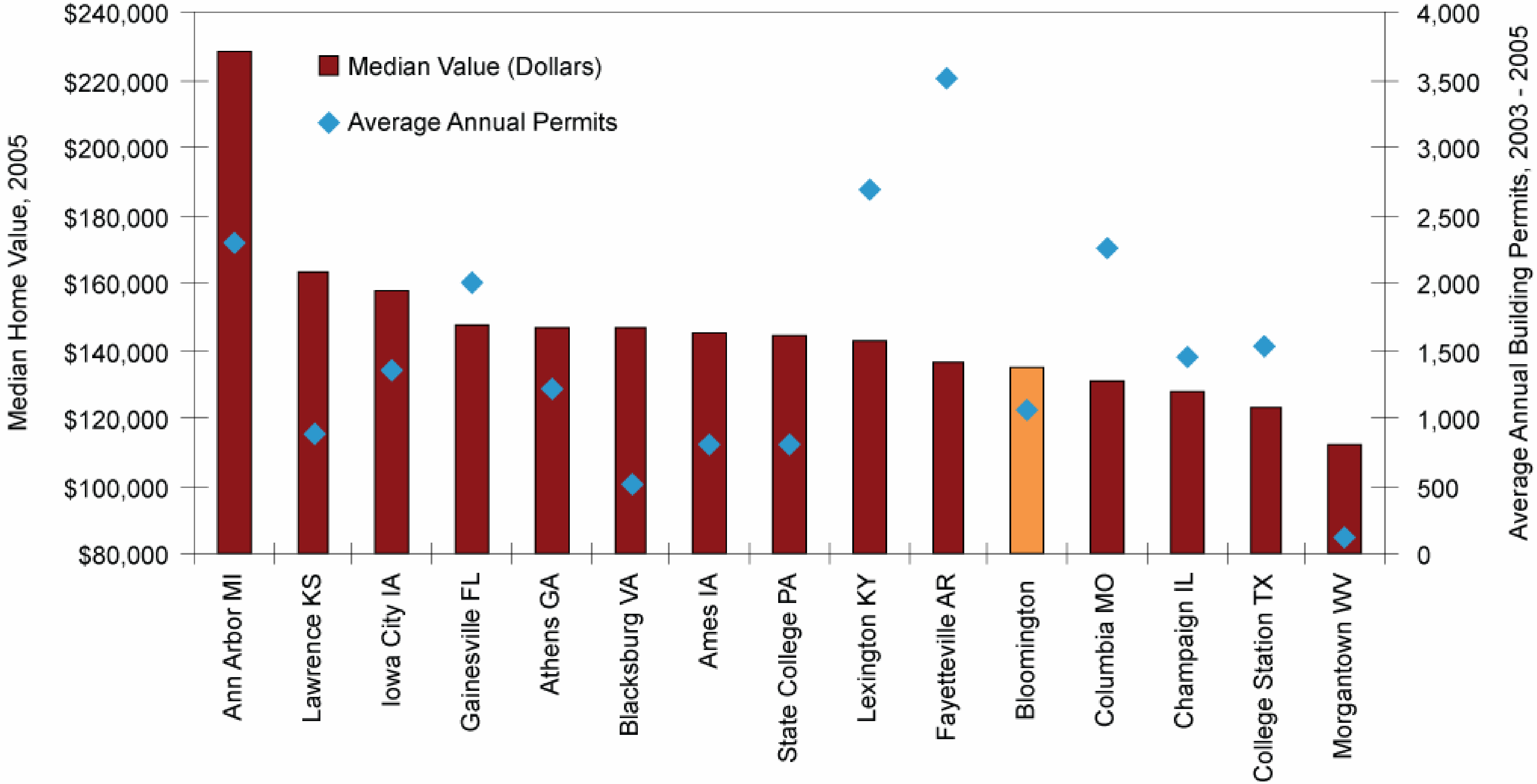
…but more building permits than Evansville area

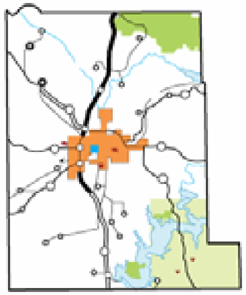




More Affordable vs. U.S. Peers

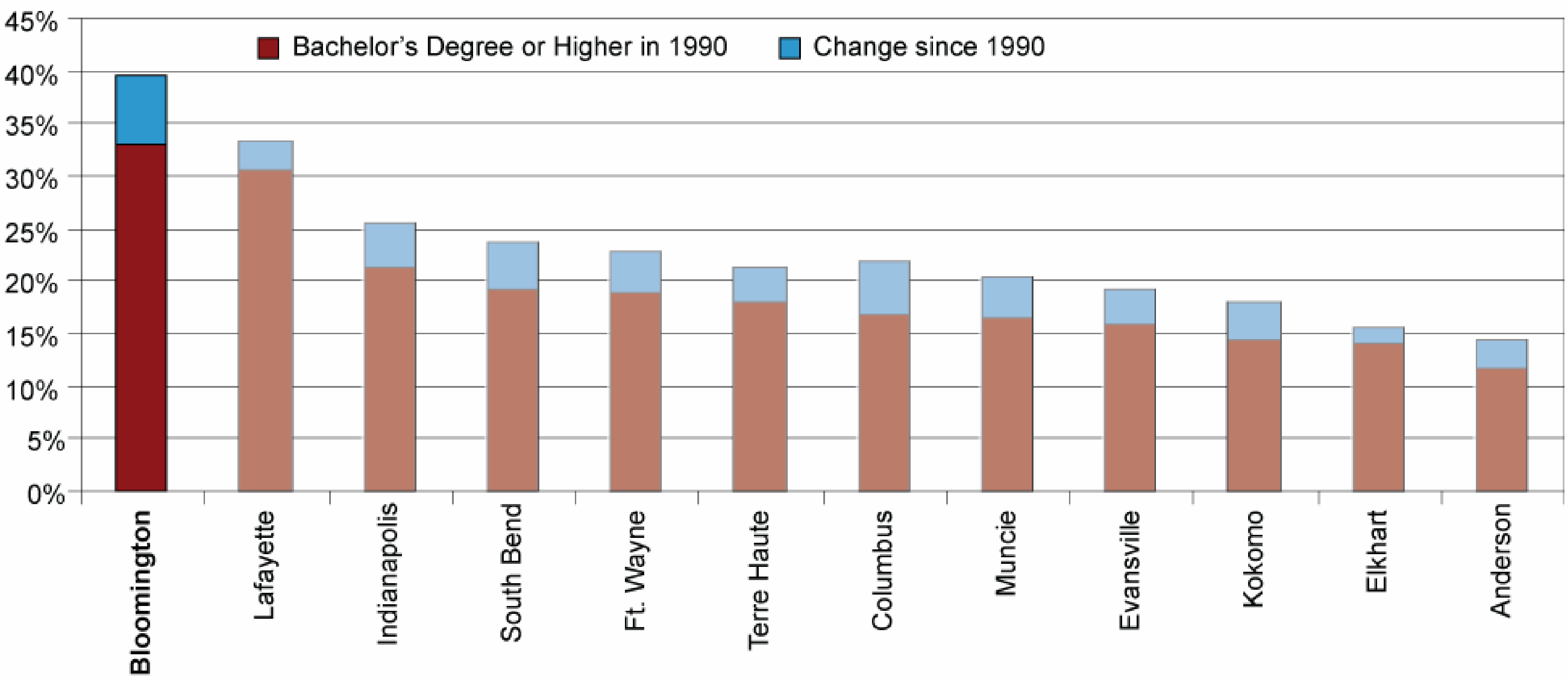
…with less building than in fast-growth areas

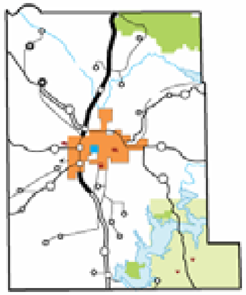




Riding High on Education

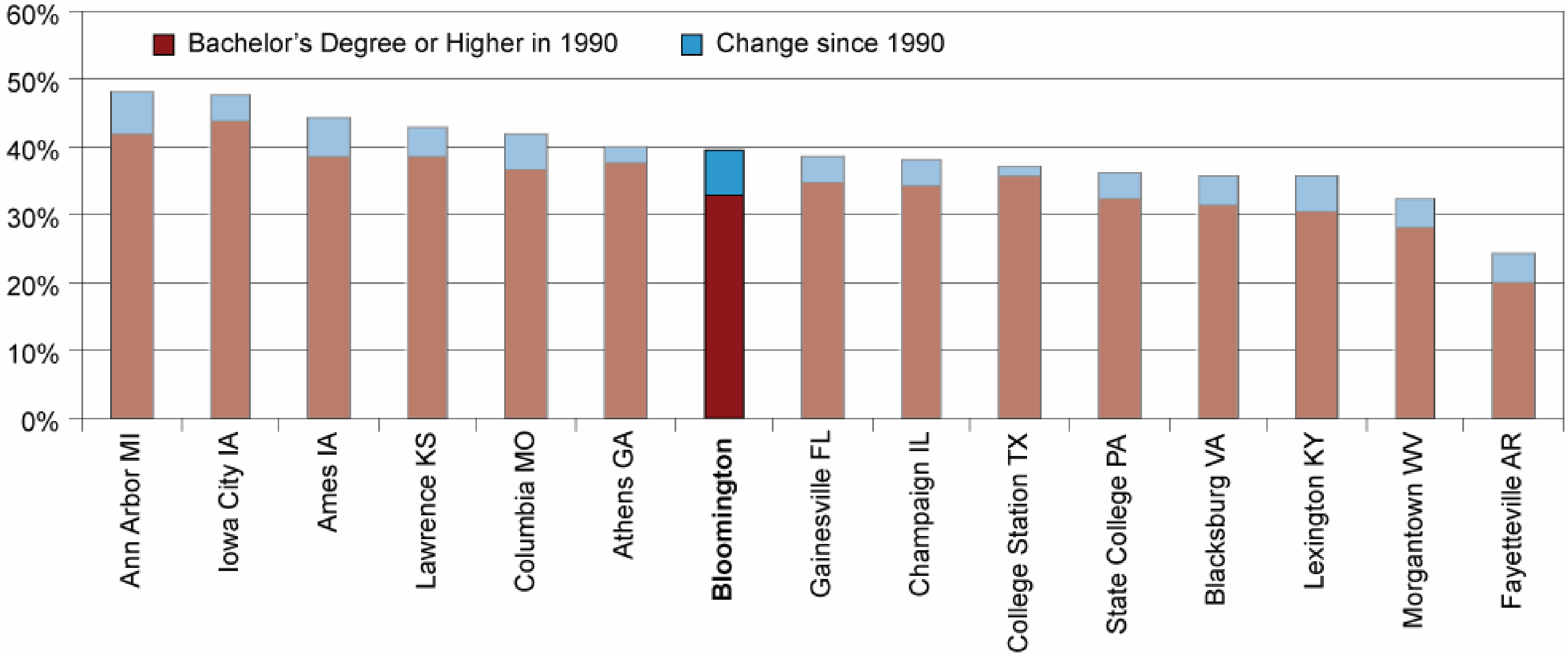
- We lead Indiana peers in Educational Attainment (40% B.A.+)
- Growing faster in attainment, too

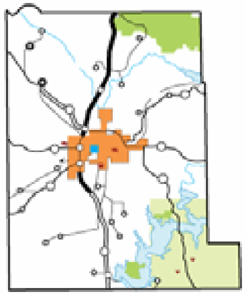




Educational Attainment vs. U.S. Peers

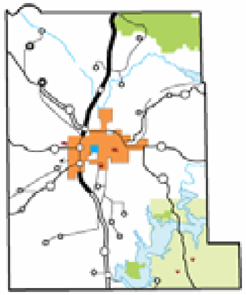
- These college towns have educated populations
- Bloomington still the fastest-growing in attainment



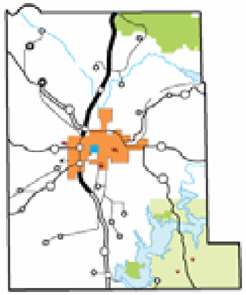


Monroe County's Largest Employment Sectors

	2005 Avg. Employ-ment	% of Total	Change from 1995	% Change from 1995
Total	**61,460**	**100.0**	**6,194**	**11.2**
Health Care & Social Services	7,589	12.3	2,190	40.6
Manufacturing	7,192	11.7	-2,342	-24.6
Retail Trade	7,031	11.4	-462	-6.2
Accommodation & Food Services	6,503	10.6	323	5.2
Construction	2,947	4.8	425	16.9
Admin. & Waste Mgmt. Services	2,815	4.6	1,299	85.7
Educational Services	2,532	4.1	769	43.6
Professional, Scientific, & Technical Svcs.	2,060	3.4	667	47.9
Other Services except Public Admin.	1,910	3.1	73	4.0
Public Administration	1,818	3.0	271	17.5
Wholesale Trade	1,616	2.6	522	47.7

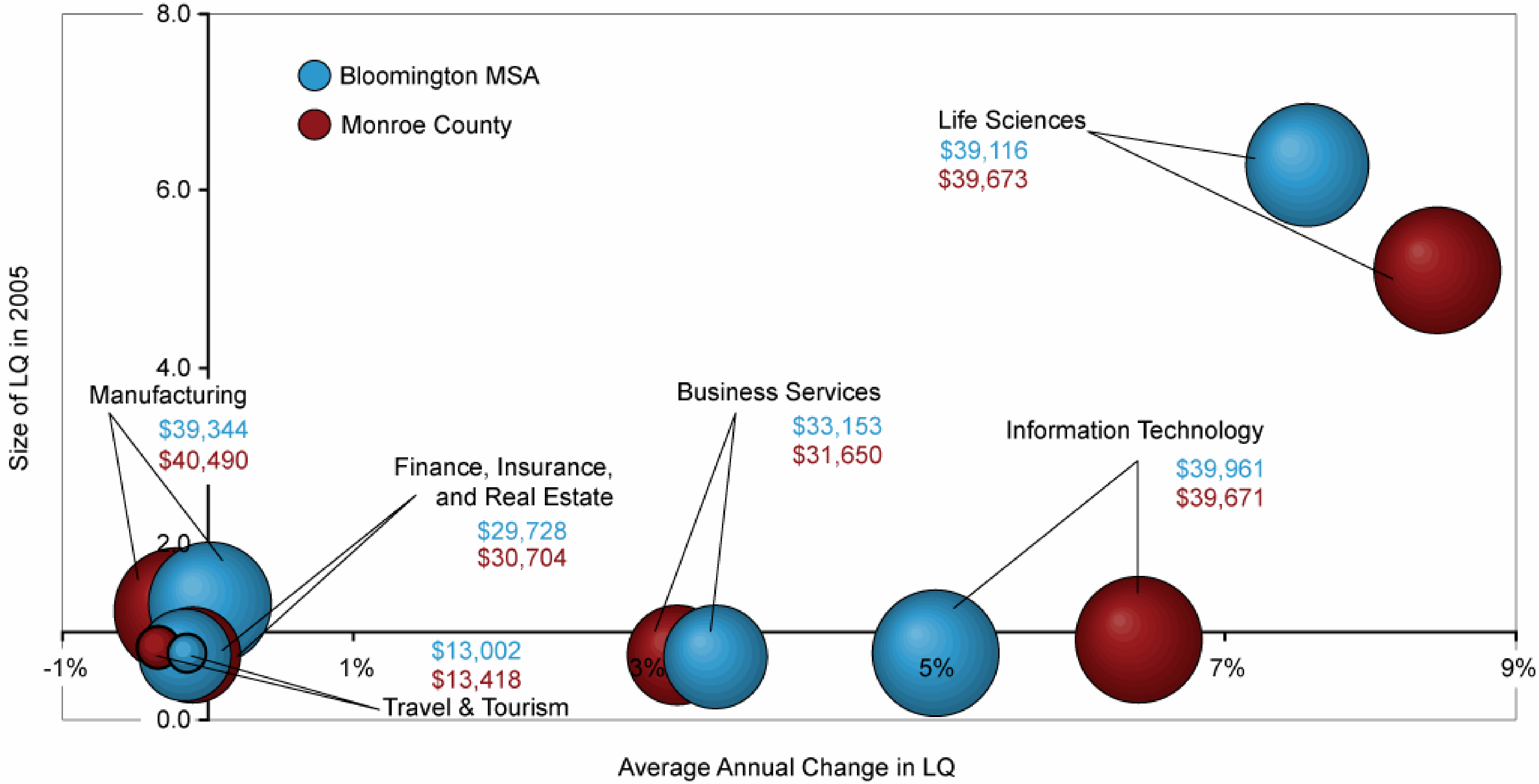


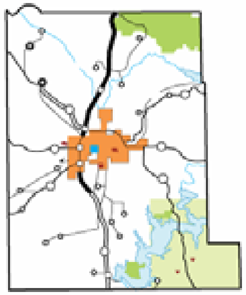
Largest Job Gainers & Losers



Some Industries Growing Well

- Life Sciences employment >5X the national average & gaining
- IT & Business Services also growing quickly

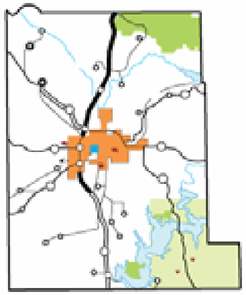


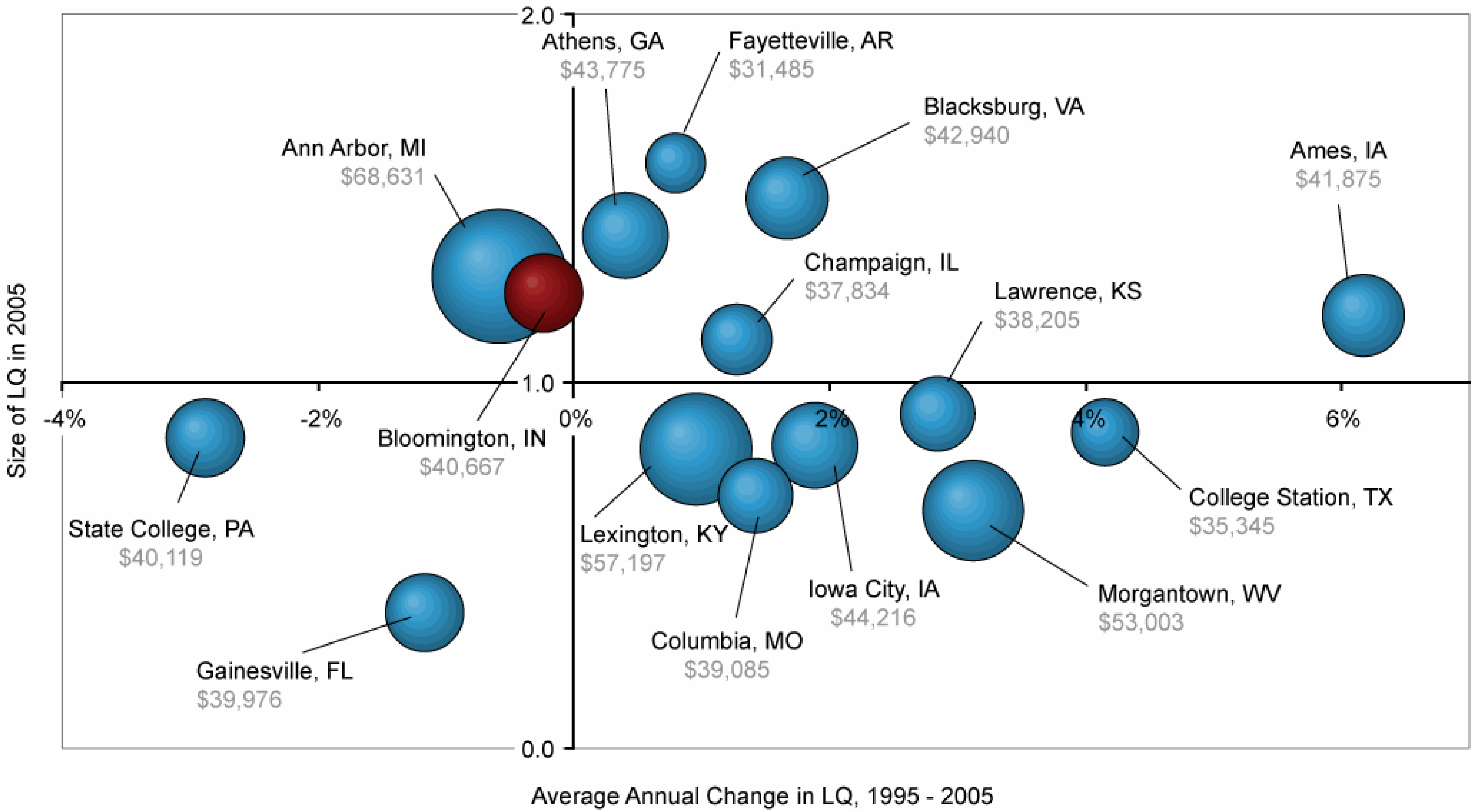


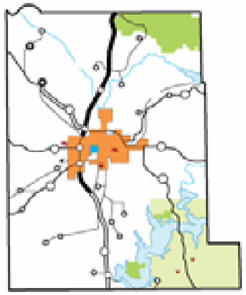
Bloomington Manufacturing

- Still more concentrated here than U.S. average, and more than 10 U.S. peers
- One of only 4 peers whose concentration in manufacturing has shrunk since 1995
- But the decline in our manufacturing LQ has been small:
  - losing mfg. jobs at about the same rate as the U.S.
- In middle of peer set for mfg. wages

Manufacturing vs. U.S. Peers

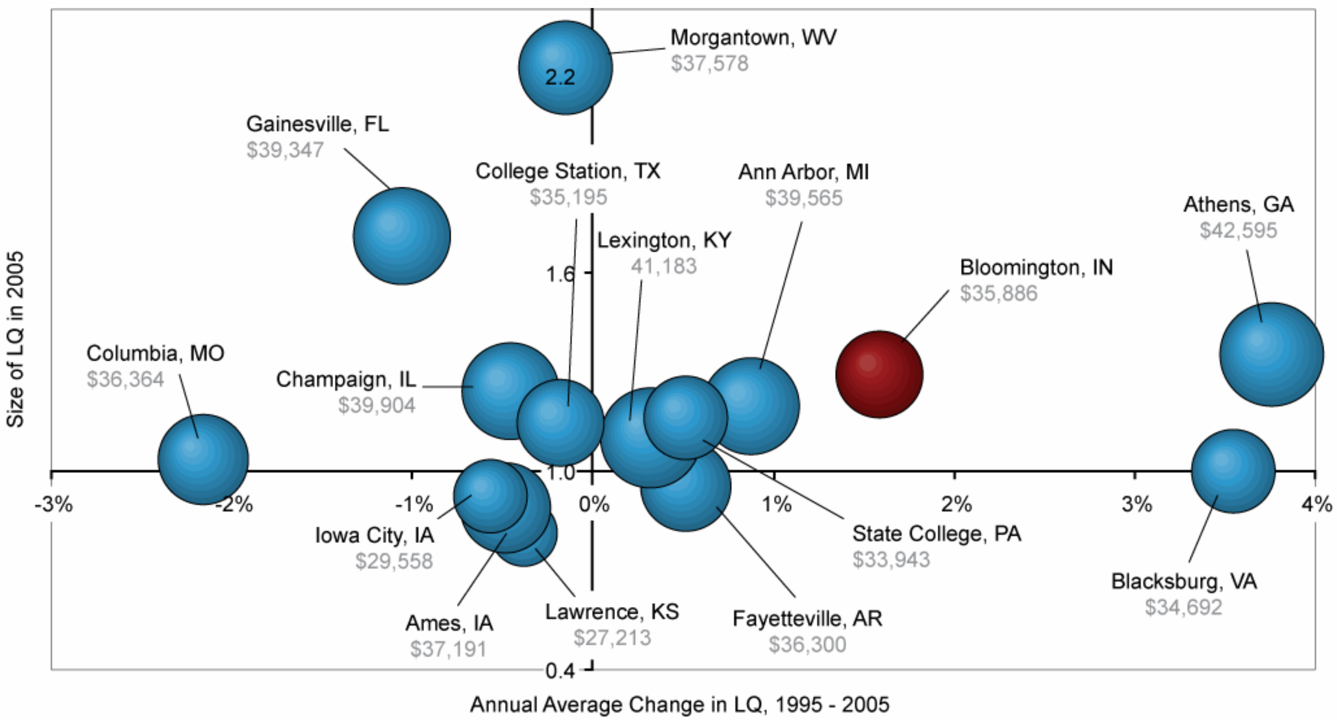


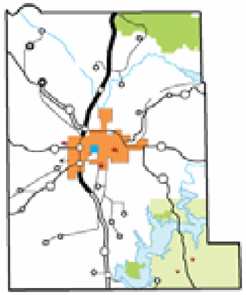




Bloomington Area's Health Care & Social Services

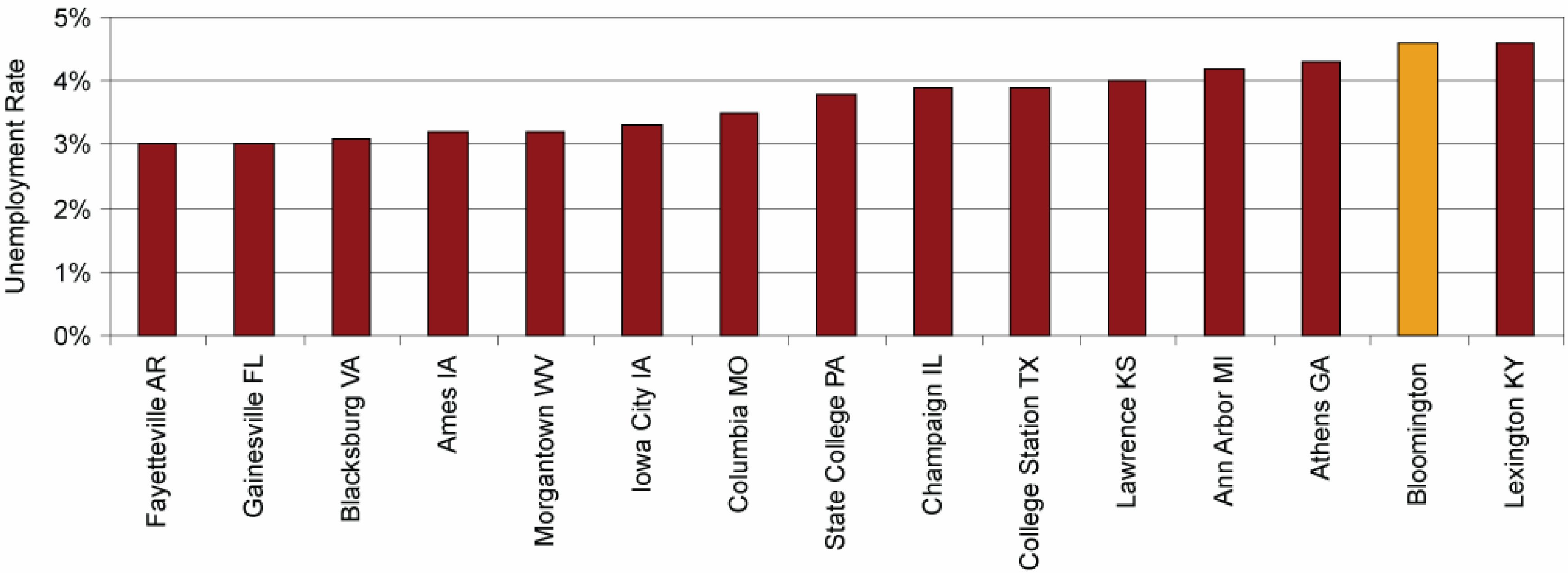
- Significant expansion over past 10 years
- vs. peers: 4th highest LQ & 3rd highest growth rate
- Avg. wages in sector are similar to peers





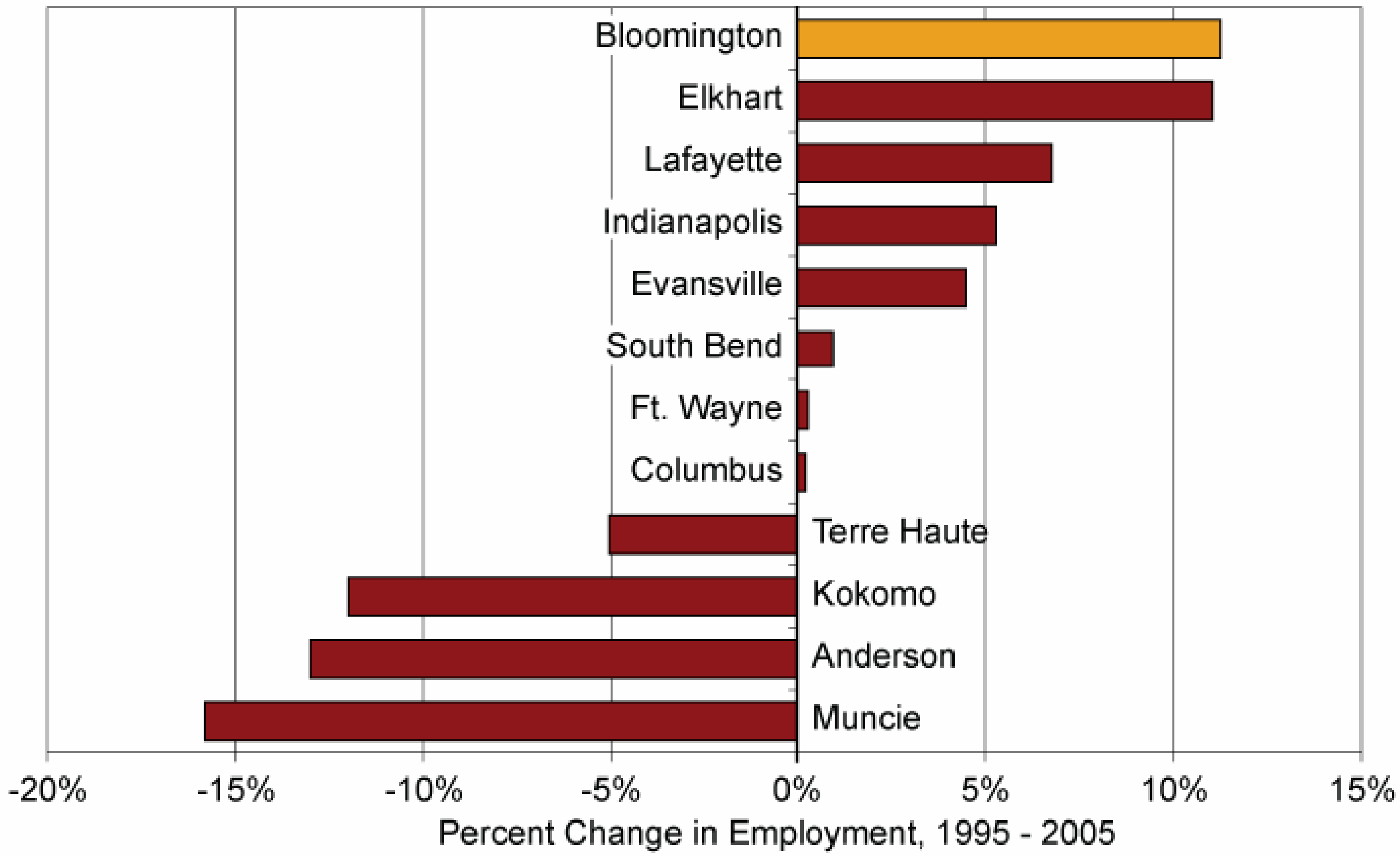
Area Unemployment Rate: High compared to U.S. Peers

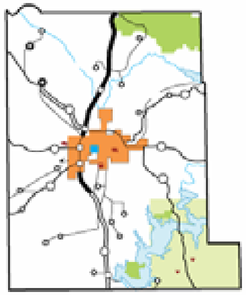
- National peers are all below U.S. rate (5.1%)
- Monroe County tied for highest in group



A Rosy Picture vs. Indiana

% Change in Total Employment – Indiana Peers, 1995-2005

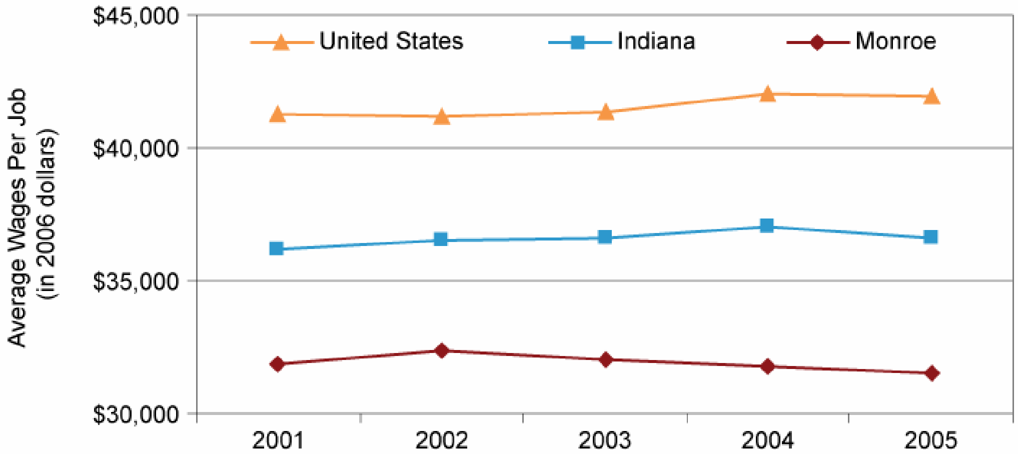




Area wages remain below average

All Jobs:

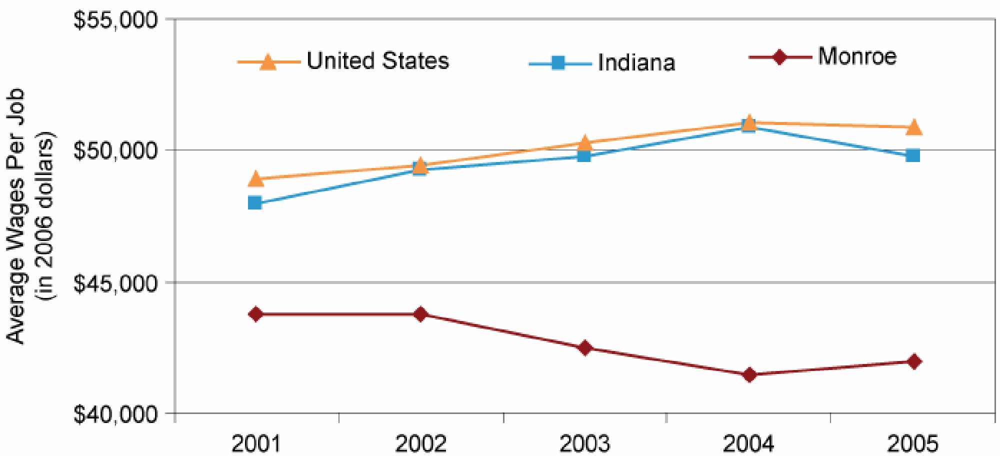
Local wages $5K below Indiana, $10K below U.S.

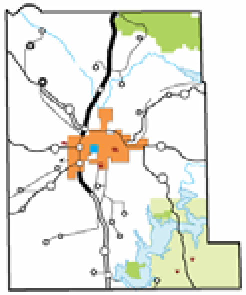


Manufacturing Jobs:

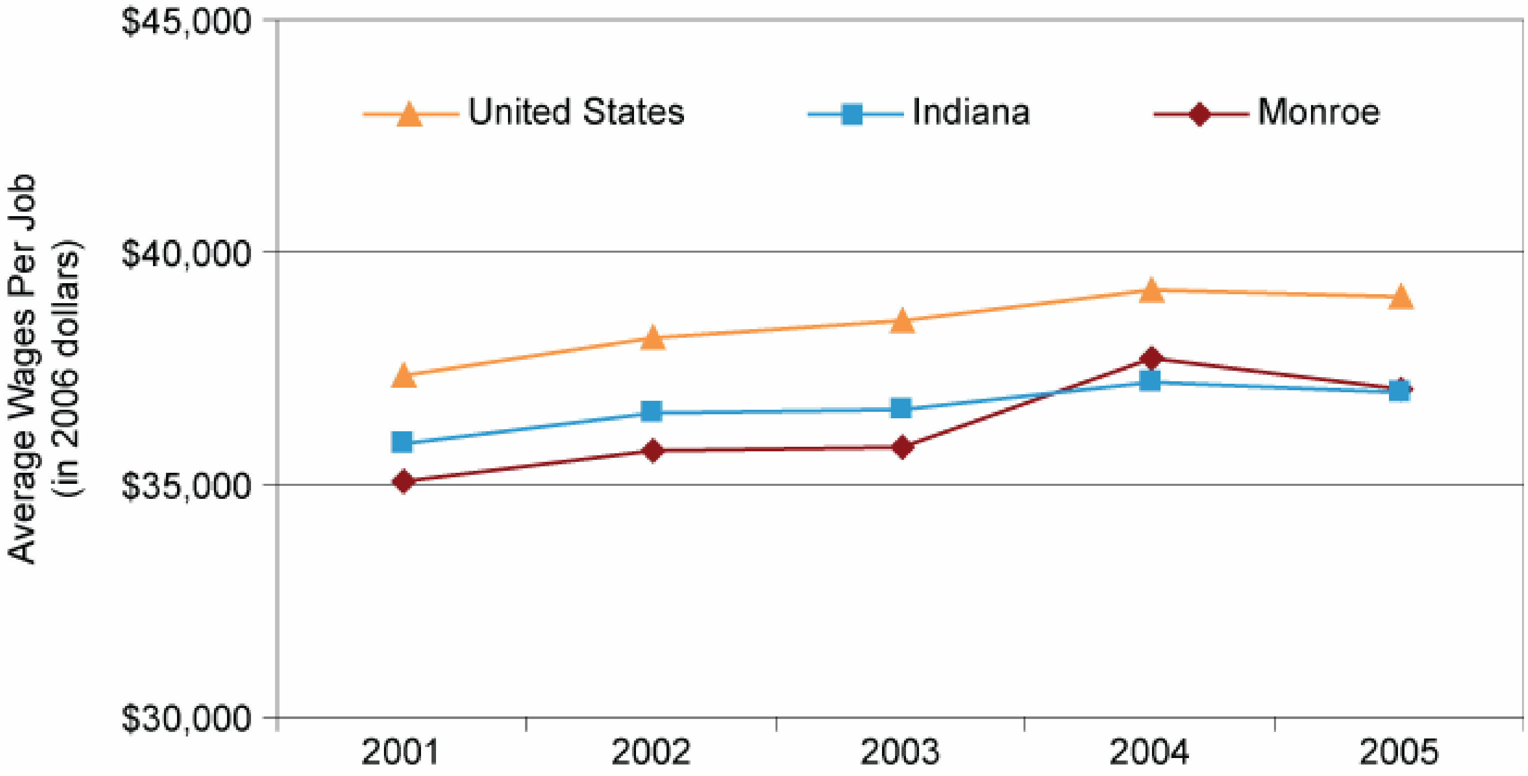
Indiana & U.S. are similar, with Monroe Co. well behind

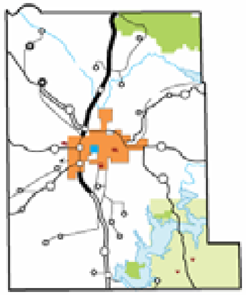
Gap is widening





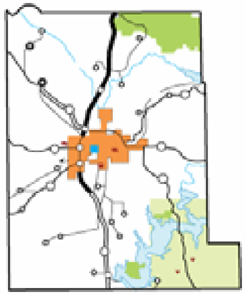
Wages Closer to State & U.S. Averages in Health Care & Social Services



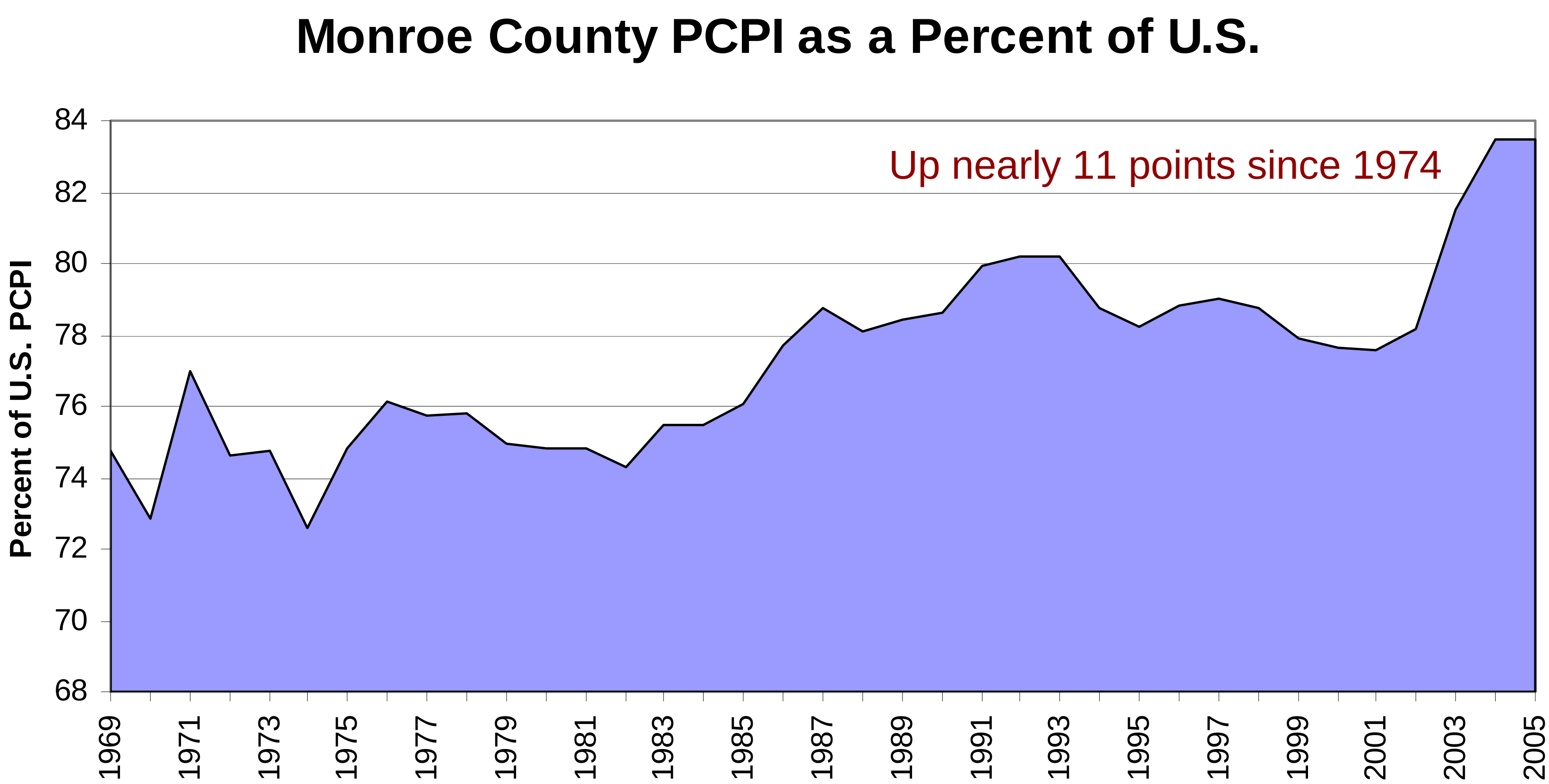


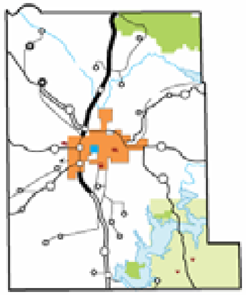
Local Wages per Job by Sector

	Avg. Wage/Job		Change	
	2005	1995	avg. wage	percent
Management of Companies & Enterprises	$ 131,232	$ 56,753	$ 74,479	131.2
Utilities	67,882	41,630	26,252	63.1
Manufacturing	40,667	29,515	11,152	37.8
Mining	39,157	37,596	1,561	4.2
Finance & Insurance	38,545	25,010	13,535	54.1
Professional, Scientific, & Technical Svcs.	38,422	27,646	10,776	39.0
Wholesale Trade	38,363	25,503	12,860	50.4
Information	37,883	28,613	9,270	32.4
Construction	37,597	25,648	11,949	46.6
Transportation & Warehousing	36,046	27,911	8,135	29.1
Health Care & Social Services	35,886	24,328	11,558	47.5
Total	**30,544**	**22,584**	**7,960**	**35.2**
Public Administration	29,412	20,400	9,012	44.2
Educational Services	27,190	25,863	1,327	5.1
Real Estate & Rental & Leasing	22,804	16,395	6,409	39.1
Other Services	20,960	15,061	5,899	39.2
Agriculture, Forestry, Fishing, etc.	19,866	12,822	7,044	54.9
Retail Trade	19,394	13,711	5,683	41.4
Admin. & Waste Management Services	19,160	13,274	5,886	44.3
Arts, Entertainment, & Recreation	18,620	10,996	7,624	69.3
Accommodation & Food Services	10,864	7,553	3,311	43.8

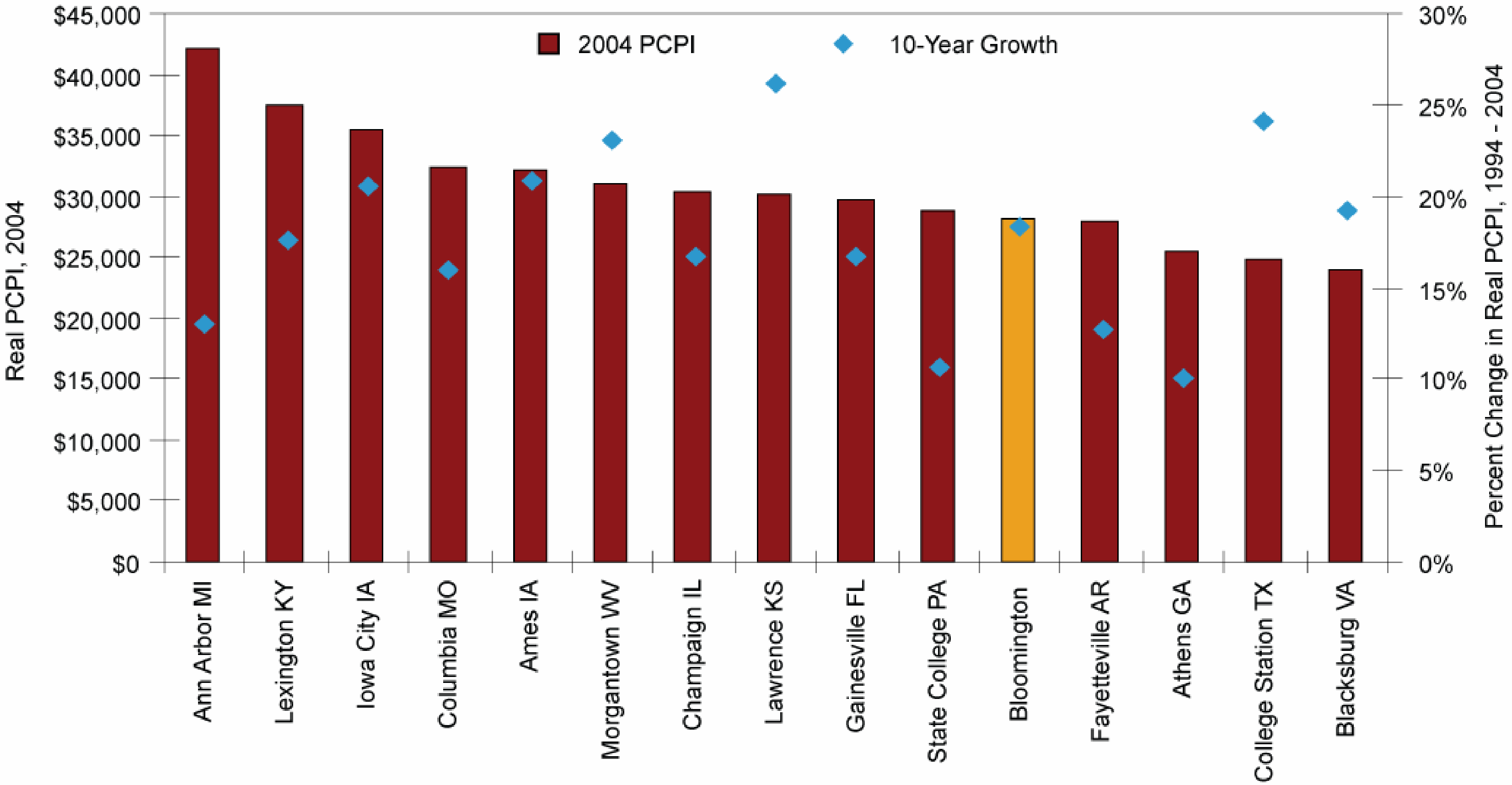


Per Capita Income Improving



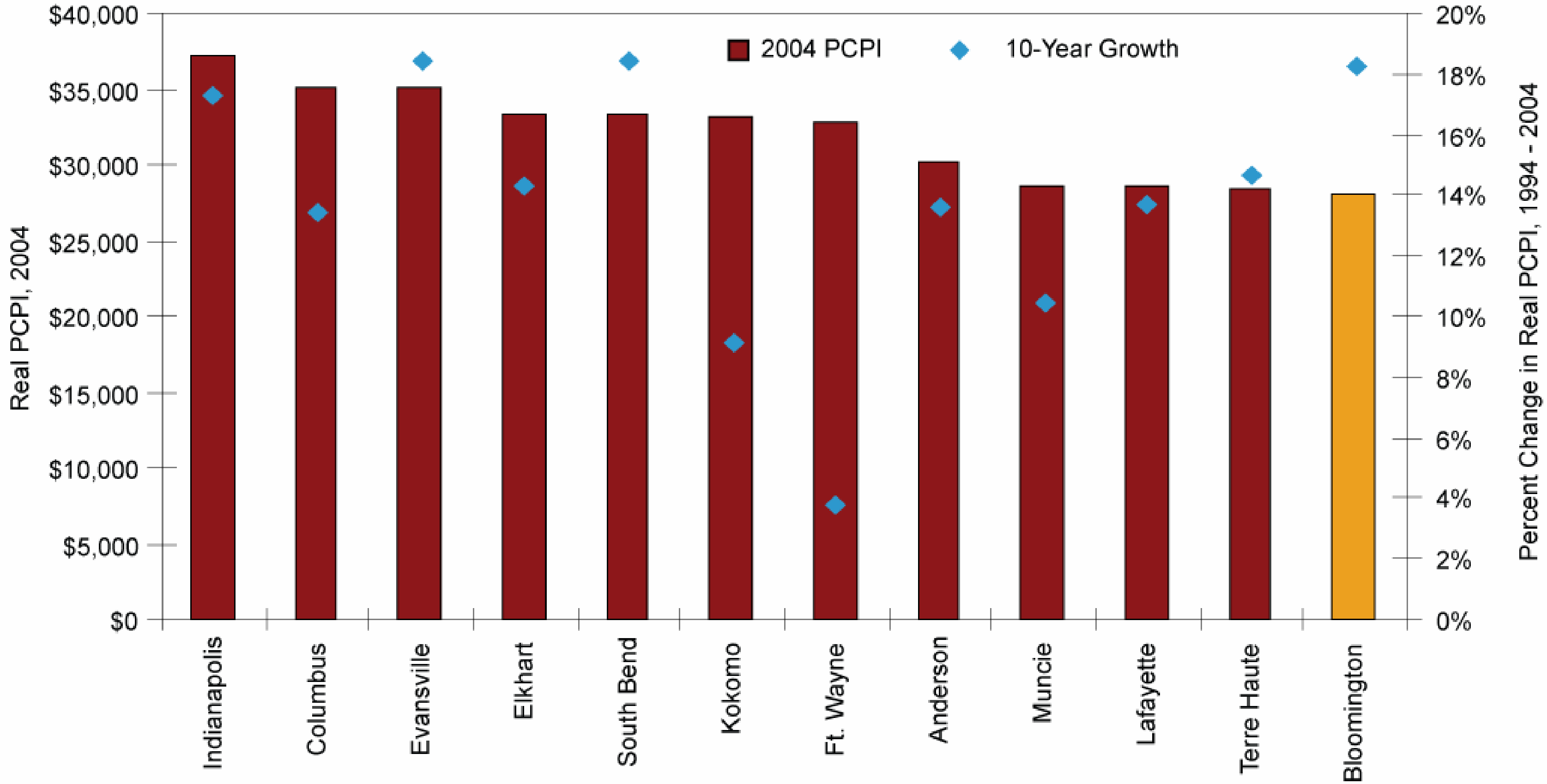


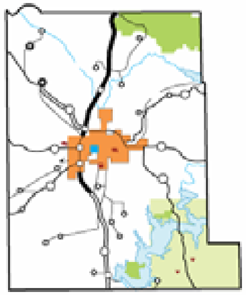
Modest PCPI vs. U.S. peers…



PCPI similar to many U.S. peers, but below high-flyers

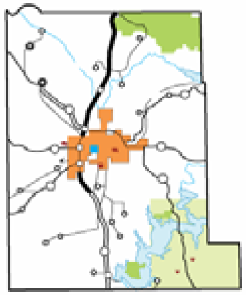
Low PCPI vs. IN, but growing well



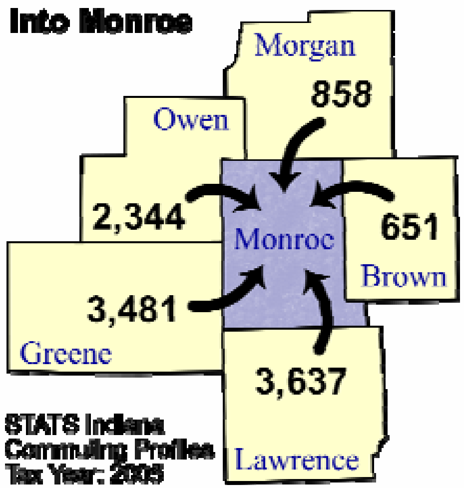


Don't forget Cost of Living

- Low cost of living can make lower incomes less burdensome
- Monroe County housing affordability among the best of U.S. peers
- Our overall cost-of-living index is 3.2% below national average, but peers are also low

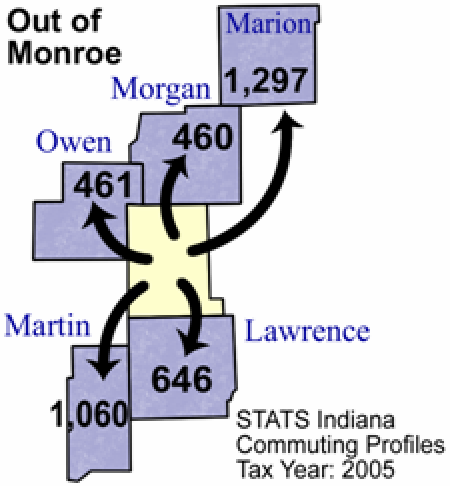


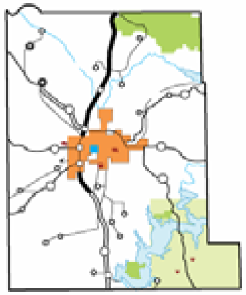
Hi-ho, hi-ho, it's off to work we go!



- 1-in-5 Monroe County workers (15,589) lives elsewhere
- In-commuters outnumber out-commuters 3-to-1

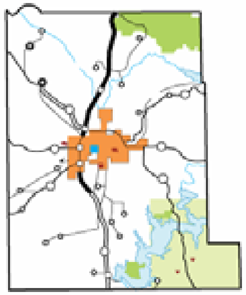
5,530 Monroe County residents work somewhere else





In conclusion…

- Bloomington area economy is performing reasonably well
  - low unemployment, growing personal income
  - we rate especially well against Indiana peers
- The U.S. peers set the bar high for Bloomington
  - They have lower unemployment and faster population growth
  - Our wages & personal income are relatively low
- The sluggish Midwest economy influences business prospects in the Bloomington area

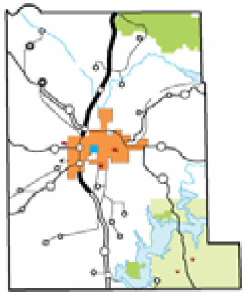


More concluding thoughts

- The local economy is in transition
  - from manufacturing to services
- Manufacturing remains a vital industry here
  - 12% of work force, 4th most among U.S. peers
- Strong growth in life sciences and IT suggests these strategic targets are on the mark
- Slow population growth is a mixed blessing
  - Reduces pressure on public infrastructure & services
  - Limits growth for businesses serving the local market

Conclusions (cont'd)

- Relatively low wages in targeted industries
  - above average locally, but well below national averages
- Low wages overall
  - Bloomington lags peers on nearly all income & wage measures
  - Local wages have not kept pace with inflation recently
  - On the other hand, low wages make Bloomington a more attractive place to create jobs



Questions?

The full report and this presentation are available at

www.ibrc.indiana.edu/services.html