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Benchmarking & Target Industry Analysis

Spotlight on a Changing Region

A Report Prepared for the
Orange County Economic Development Partnership

Research conducted by the
Indiana Business Research Center at the Kelley School of Business, Indiana University
& Strategic Development Group, Inc.



Orange | County
Economic Development Partnership



**KELLEY SCHOOL
OF BUSINESS**
INDIANA UNIVERSITY
Indiana Business Research Center

ORANGE COUNTY BENCHMARKING AND TARGET INDUSTRY ANALYSIS

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SEPTEMBER 2011

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WITH THE SUPPORT OF

- Orange County Development Commission
- Orange County REMC
- Duke Energy
- Springs Valley Bank & Trust Co.
- OCEDP

TABLE OF CONTENTS

EXECUTIVE SUMMARY.....	2
INTRODUCTION TO THE STUDY	5
Selection of Peer Counties	5
POPULATION AND KEY DEMOGRAPHIC CHARACTERISTICS.....	8
OC and Its Peers: Population	12
EDUCATION AND EDUCATIONAL ATTAINMENT	13
OC and Its Peers: Education.....	15
INDUSTRY MIX BY EMPLOYMENT AND OCCUPATION.....	17
OC and Its Peers: Employment Trends and GDP	21
INCOME AND WAGES.....	24
Orange County and Its Peers: Income	27
COMMUTING PATTERNS.....	29
OC and Its Peers: Gross Earnings Flows	30
INNOVATION.....	32
OC and Its Peers: Innovation	33
HOUSING.....	34
OC and Its Peers: Housing	36
ECONOMIC DISTRESS.....	37
OC and Its Peers: Distress Indicators.....	39
COMPARING ORANGE COUNTY AGAINST OTHER CASINO RESORT COUNTIES	41
TARGET INDUSTRY ANALYSIS	46
Employment Base	46
Strengths and Weaknesses for New Employer Recruitment	47
Recommended Approach to New Employer Recruitment	49
Recommended Sectors to Target	51
Summary.....	56
CONCLUSION	57
APPENDIX A: METHODOLOGIES	58
Housing Affordability Index Methodology	58
Innovation Index Overview	58
APPENDIX B: SUPPLEMENTAL DATA	61
APPENDIX C: SUMMARY OF 7/21/2011 EMPLOYER FOCUS GROUP.....	65
Q & A	65

EXECUTIVE SUMMARY

Nestled in south-central Indiana, Orange County is a rural county filled with lots of natural scenery, historical buildings, and the French Lick and West Baden Springs Hotels. Early in the 19th century, settlers fled Orange County, NC, and its institution of slavery, thus forming the beginnings of Orange County, IN. Covering 400 square miles, the population density remains low at 50 people per square mile. The population has gradually grown to 19,840 residents in 2010, and the county is not expected to have a population boom in the near future.

This study follows by five years the last major benchmarking analysis of Orange County’s economy. In the interim, the county has experienced major improvements to the French Lick Resort, the West Baden Springs Hotel and numerous other businesses marking a significant resurgence in the Valley area. **Table 1** presents the primary indicators used in both the current and previous benchmark studies, noting changes over the past decade and since the last report. Employment, GDP, average wage, per capita personal income and the number of Orange County residents working within the county have increased—all positive indicators. Unfortunately, the Great Recession (December 2007-June 2009) likely contributed substantially to increased rates of unemployment and poverty.

Table 1: Orange County Scorecard of Indicators

Indicator	Past Decade	Since 2006 Report*
Population		
Educational Attainment		
H.S. Graduate Intent to Pursue Higher Education		
Total Employment		
GDP		
Average Wage		
Per Capita Personal Income (PCPI)		
Outgoing commuters		
Number of Orange County residents with jobs in Orange County		
Median Home Value		
Unemployment Rate		
Poverty Rate		

Increased Decreased Little or No Change

* The data used in the 2006 and 2011 reports represent various years depending on the source.
Source: IBRC

The IBRC research team conducted a focus group with local community leaders, and the general consensus was that improvements had been made in the past five years, but there is room for further improvement. Despite the recent boost in tourism and its long history in the Valley area, it is believed that the local tourism industry is still in its infancy stage. Therefore, a significant portion of the economic development focus has been centered on businesses that would complement the existing tourism economy. To meet this goal, it would be beneficial for the current workforce to be trained in hospitality and tourism management—especially for middle management positions and future executives so existing companies can hire from within the region.

While much attention has been given to tourism growth in the county, manufacturing is still a large player in the county. Despite the industry’s declining employment, employers cite the need for skilled workers with the desire to be in manufacturing and other skilled labor positions. Transportation and logistics challenges also exist for manufacturing companies due to the rustic transportation routes around Orange County.

Overall, the chief challenge is improving the county’s educational attainment levels. Over the past 10 years, there has been very little change in educational attainment relative to Orange County’s peers. The community has more high school graduates pursuing postsecondary degrees, but they are not returning to the area. Not only does the county need to help adult workers increase their education and skills, it also needs to entice Orange County natives to return after obtaining additional education. Local high schools have increased their partnerships with area businesses to provide preliminary education and training courses; however, the county would likely benefit greatly from a partnership with Ivy Tech to provide classes for the local workforce.

Relative to its peers, Orange County remains in the middle of the pack on a number of indicators, indicating that it is neither falling behind nor surpassing its peers. Orange County stood out in its employment growth within the past decade—giving it the peer group’s largest share of employment in leisure and hospitality. The mix of small and large businesses in the county helped make Orange County the fifth most innovative county and likely contributed its fourth-strongest GDP growth rate. In regard to housing, Orange County has the most affordable housing market among its peers despite not having the lowest median home value.

This report concludes with a target industry analysis conducted by Strategic Development Group (SDG), Inc., offering guidance regarding sectors that ought to be pursued. Focusing on accommodation and

Overall, the chief challenge is improving the county’s educational attainment levels.

food services growth and the existing manufacturing strength, SDG recommends the following industries to target:

- Amusement and Theme Parks
- Continuing Care Retirement Communities
- Frozen Specialty Food Manufacturing
- Manufacturing Canned Specialty Foods
- Concrete Pipe Manufacturing
- Other Structural Clay Product Manufacturing
- Telemarketing Bureaus and Other Contact Centers
- Animal Food Manufacturing
- Plastics Packaging Materials and Unlaminated Film and Sheet Manufacturing

Compared to five years ago, community leaders feel that progress has been made—which is confirmed by this report. While challenges still exist, the county has the ability to “re-invent” itself—which will require strategic planning for the future and the need to enlist the support of Orange County residents.

INTRODUCTION TO THE STUDY

In the fall of 2005, the Orange County Economic Development Partnership (OCEDP) asked the Indiana Business Research Center (IBRC) at Indiana University's Kelley School of Business to study the Orange County economy, benchmark its performance against comparable counties and conduct a targeted industry analysis to determine which industries the OCEDP could consider targeting in its development efforts.

Since that study's 2006 release, Orange County has undergone several major changes—including the re-opening of the French Lick Hotel and Casino as well as the West Baden Springs Hotel. Subsequently, the OCEDP requested another study to benchmark its performance against comparable counties and insights on industries that it could target for economic development.

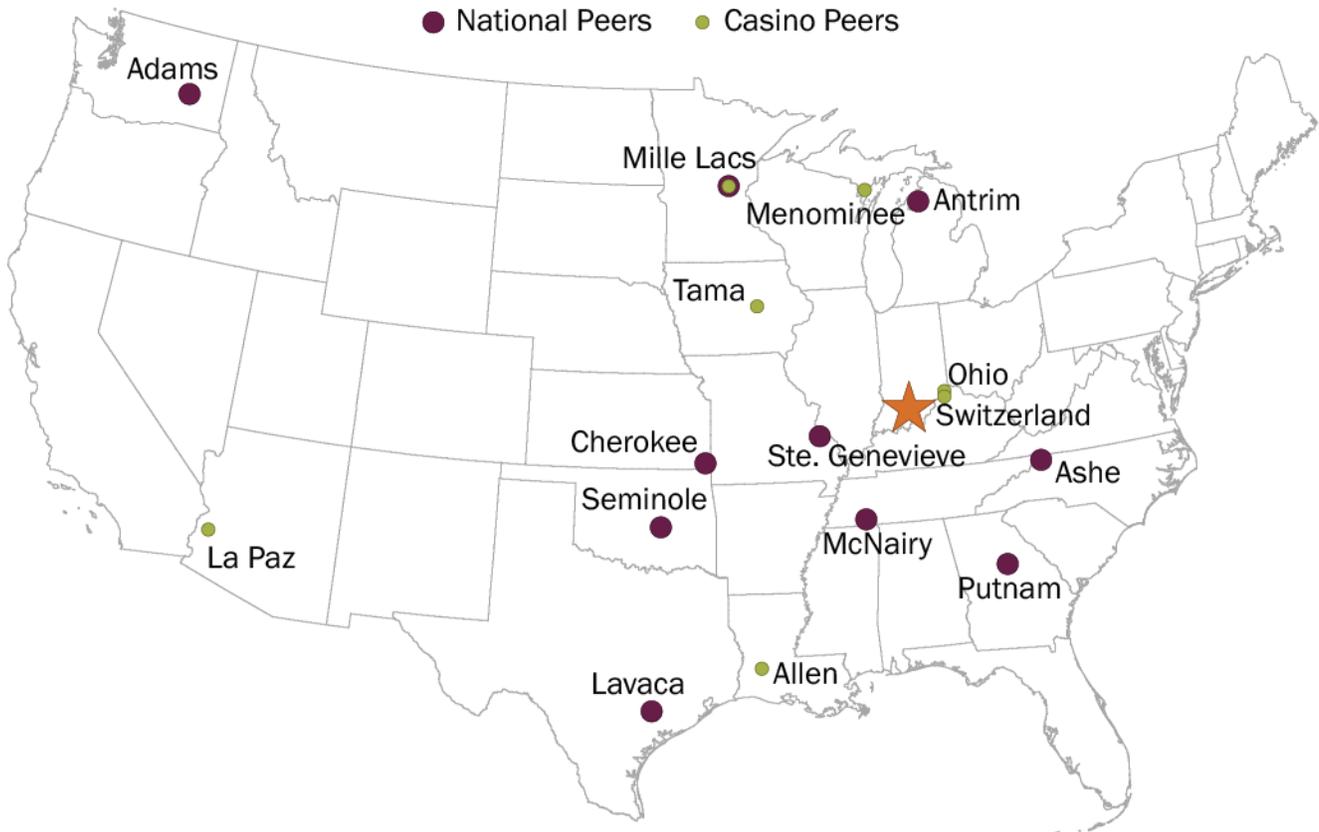
By comparing Orange County to its peers, its relative strengths and weaknesses may be reviewed by local citizens, planners and community leaders, business employees and organizations considering where to locate or expand their operations. Moreover, by conducting such studies regularly over time, a community can establish a basis for tracking its progress toward desired goals and for understanding fundamental trends affecting its competitive positioning.

This report begins with a summary of how the peer counties were selected, followed by detailed analysis of eight economic categories and the county's performance relative to its peers and other rural casino resort counties. These analyses are based on predominantly public data available for all the peer counties, with additional perspective obtained via a focus group of several local community leaders. The report concludes with discussion of potential growth industries that Orange County's economic development efforts could target.

Selection of Peer Counties

The IBRC selected 10 peer counties based on similarities to Orange County in the year 2000 (see **Figure 1**). This retroactive approach benchmarks Orange County's socioeconomic trends against communities it was similar to recently but which may now be on divergent paths. Identifying those communities that have prospered the most since 2000 may spur subsequent research to determine why some communities have outperformed Orange County.

Figure 1: Orange County Peers



The IBRC used three steps to develop this peer set:

1. The Census Bureau's set of 3,144 counties was limited to the 518 counties whose population ranged from 15,000 to 25,000 residents. Analysts chose this population threshold to stay about 5,000 above and below Orange County's 2000 population (19,306 residents).
2. The remaining counties were then compared to Orange County by their 2000 values for the following indicators:
 - Per capita personal income (PCPI)
 - Percent of total employment in manufacturing
 - Percent of total employment in trade and transportation
 - Percent of total employment in professional services
 - Percent of total employment in financial activities.

Each county's value in the given indicators were divided by Orange County's value for that same indicator in order to determine which county's values were closest to Orange County's. To standardize these values, the absolute value of each county's mark minus one (one represents Orange County) was calculated. Finally, a composite score was created by summing the county's absolute values for each indicator. The lower the composite score, the more similar the county is to Orange County with regard to these indicators. To narrow down the list, IBRC focused on the 100 lowest scores and relied on judgment to arrive at the final peer set of 10 counties. The most

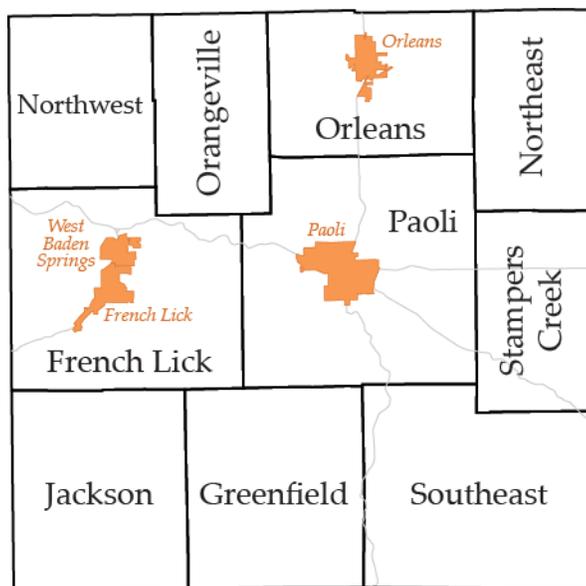
common reason for a county with a low score to not be included was that its percent share of manufacturing diverged too much from Orange County. Other reasons for excluding a county: natural amenity advantages (e.g., located on or near coastline); per capita personal income less than \$28,000; excessive population loss (greater than 5 percent); and being part of a micropolitan or metropolitan statistical area.

3. The IBRC team then consulted with OCEDP and it was determined that at least two counties from the 2006 report should be included in the 2011 peer set to allow continuity between the two benchmarking reports. Additionally, the 2011 report includes a brief comparison of Orange County against seven other rural casino resort counties throughout the nation. Interestingly, one county – Mille Lacs, MN, was included in both peer sets.

POPULATION AND KEY DEMOGRAPHIC CHARACTERISTICS

Orange County has gained approximately 530 new residents in the past decade, an increase of 2.8 percent. The three towns in the region each recorded population declines while the unincorporated regions of the county grew 9.5 percent. The population increase has occurred throughout the county with the most growth in Greenfield, Jackson and Paoli townships (see **Figure 2** and **Table 2**). The population increase in Greenfield and Jackson townships has been dramatic—roughly 30 percent since 2000. Speculation by local leaders as to why the county is growing in its outlying townships rather than within the towns included residents’ desires to live near, but not within, town limits due to wanting more property, lower property values (hence lower taxes) and the lack of attractive building opportunities within town limits.

Figure 2: Orange County Townships



Source: IBRC

Table 2: Population of Orange County Townships, Towns and Unincorporated Areas, 2000 and 2010

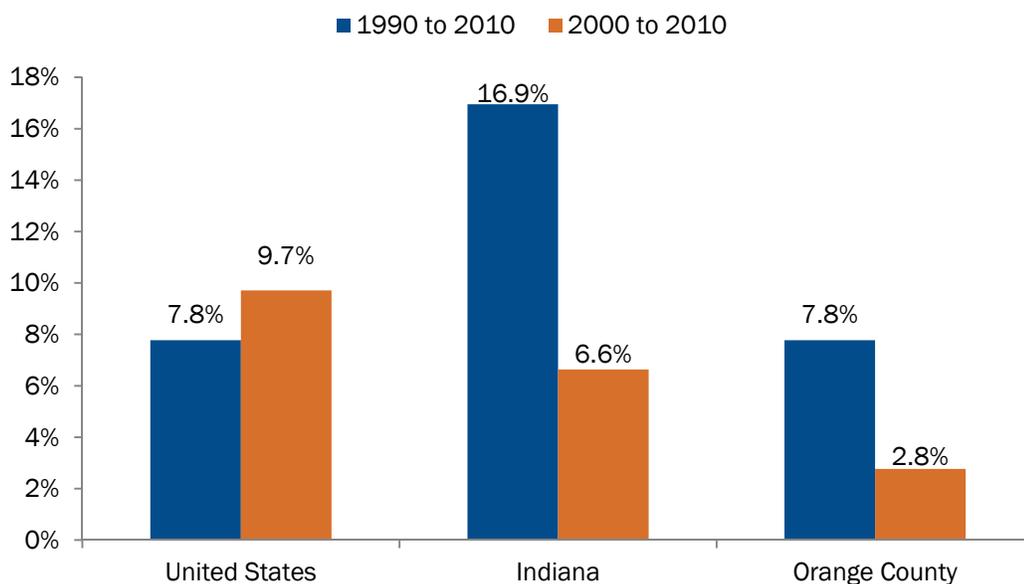
	Census Counts		Change 2000 to 2010	
	2000	2010	Number	Percent
Orange County	19,306	19,840	534	2.8%
French Lick Township	4,767	4,699	-68	-1.4%
French Lick Town	1,941	1,807	-134	-6.9%
West Baden Springs Town	618	574	-44	-7.1%
<i>Balance of French Lick Township</i>	2,208	2,318	110	5.0%

	Census Counts		Change 2000 to 2010	
	2000	2010	Number	Percent
Greenfield Township	559	730	171	30.6%
Jackson Township	543	686	143	26.3%
Northeast Township	578	549	-29	-5.0%
Northwest Township	345	375	30	8.7%
Orangeville Township	613	658	45	7.3%
Orleans Township	3,508	3,555	47	1.3%
Orleans Town	2,273	2,142	-131	-5.8%
<i>Balance of Orleans Township</i>	1,235	1,413	178	14.4%
Paoli Township	5,890	6,031	141	2.4%
Paoli Town	3,844	3,677	-167	-4.3%
<i>Balance of Paoli Township</i>	2,046	2,354	308	15.1%
Southeast Township	1,544	1,603	59	3.8%
Stampers Creek Township	959	954	-5	-0.5%

Source: U.S. Census Bureau

Compared to the nation and state, Orange County’s population growth has lagged in both the 1990-2000 and the 2000-2010 timeframes (see **Figure 3**). Nationally, the past decade yielded a nearly 10 percent growth in population, but Orange County saw only a 2.8 percent increase. The state’s growth over the past decade was at a much slower pace than its 17 percent growth between 1990 and 2000. The state’s earlier population surge was also reflected in Orange County as it had nearly an 8 percent growth in its population in 1990-2000.

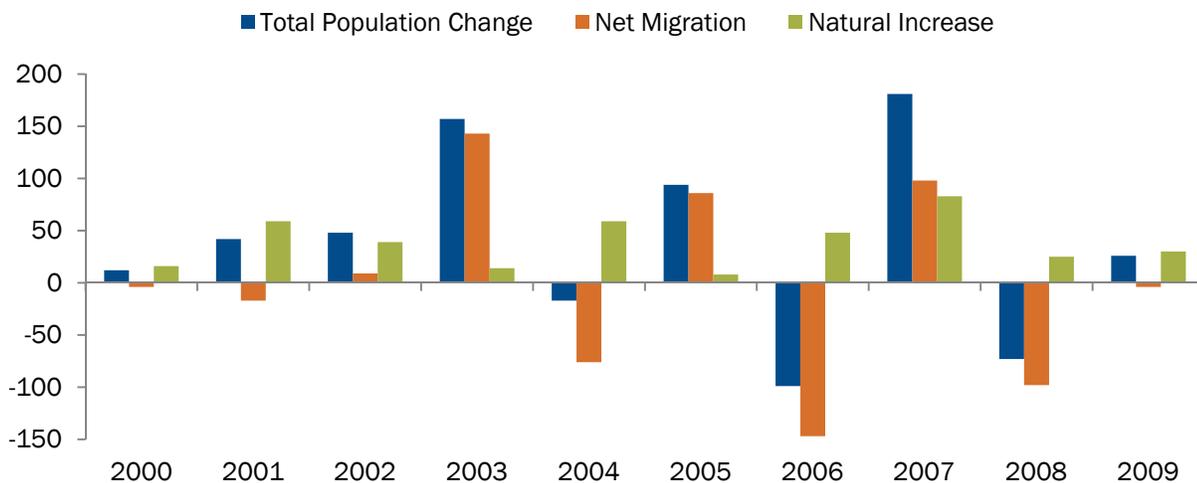
Figure 3: Population Growth of U.S., Indiana and Orange County, 1990-2010



Source: U.S. Census Bureau

Figure 4 shows the components of population change in Orange County across the past decade. Between 2003 and 2008, net migration had the most effect on population change. Net migration includes both domestic and international migration into the county, but it is predominantly domestic migration that drives the change. Of particular interest is the change in population in 2006 and 2007 as the French Lick Springs Hotel was closed most of 2006 and the West Baden Springs Hotel reopened again in May 2007. The impact of these closures/reopening can be seen by the migration decline (individuals leaving the county) in 2006 and a subsequent uptick in 2007. Similarly, the population was also boosted by an increase of births in 2006 and 2007. Since the reopening of the hotels, Orange County saw a decrease in net migration in 2008 (likely due to the recession) and a slight growth in 2009 due to an increase in births.

Figure 4: Components of Population Change, Orange County, 2000 to 2009

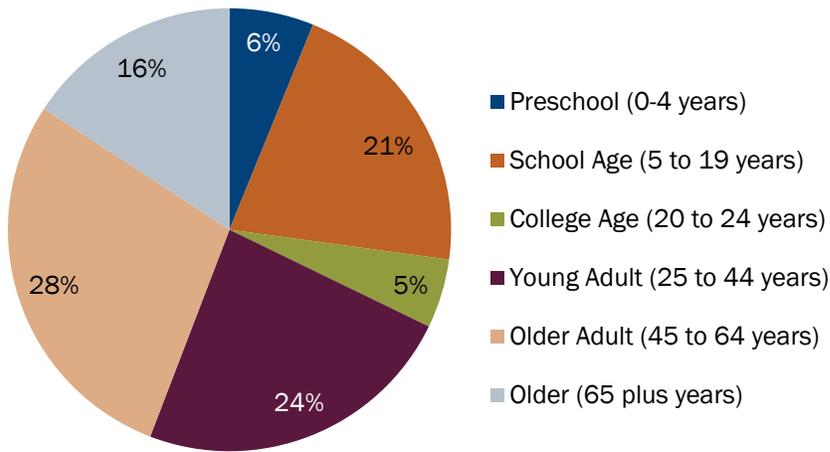


Source: IBRC calculations based on the U.S. Census Bureau’s annual population estimates and the 2000 and 2010 decennial census counts

When looking at median age, Orange County’s residents have historically been older than the state and that trend has continued. The county’s median age increased from 37.6 years in 2000 to 40.8 years in 2010. This compares to a 2010 median age of 37.2 years for the U.S. and 37 years for Indiana.

As shown in **Figure 5**, 44 percent of Orange County’s population is 45 or older. On the other end of the spectrum, 27 percent of the population is preschool or school age (less than 20 years old). That leaves 29 percent of the population between the ages of 20 and 44. By 2020, it is projected that 45 percent of the population will be 45 and older, 25 percent will be preschool or school age, and 30 percent will be in the 20-to-44 age group. The largest growth is expected to occur in the 65 and older age group, which will increase 23 percent to comprise 19 percent of the population.

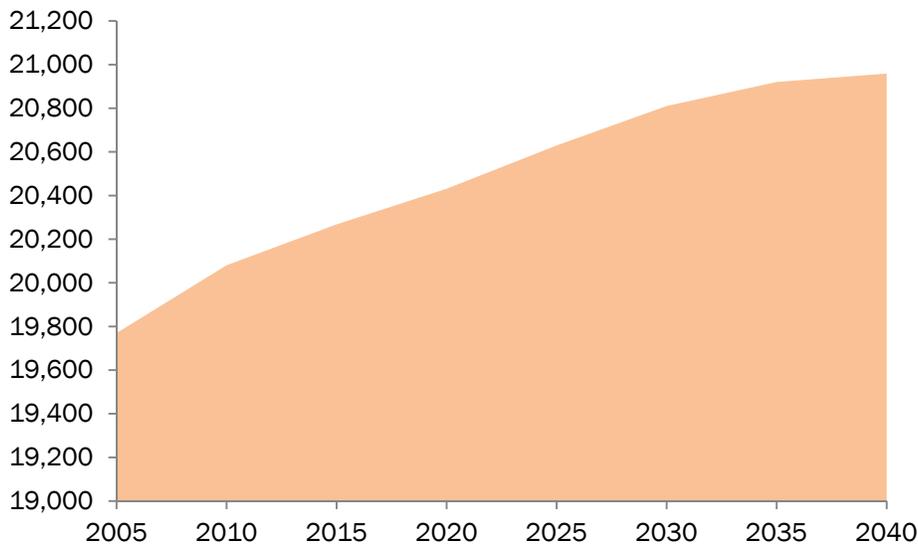
Figure 5: Population Distribution in Orange County, 2010



Source: U.S. Census Bureau

Overall, Orange County is not anticipated to have a major bump in total population in the near future, but it should slowly grow at an average annual rate of 0.2 percent (see **Figure 6**).

Figure 6: Projected Population, 2005-2040



Note: Projections are based on the 2005 population estimates.
Source: IBRC, using U.S. Census data

The majority of Orange County is white (97 percent), with the second-largest racial group being black or African-American (0.9 percent). Another 1.2 percent of the population declared two or more races, with half of those identifying themselves as white and American Indian/Alaska Native. The lack of diversity in Orange County is common among the more rural counties in the state. However, in the past decade the county has seen a 47 percent increase in its minority population.

OC and Its Peers: Population

Relative to its peers, Orange County has one of the smaller populations and was in the middle of the pack regarding its average annual population growth (see **Figure 7**). Mille Lacs, MN, and Adams, WA, had the highest average annual population growth rates in the past decade at 1.7 percent and 1.4 percent, respectively. On the other end of the spectrum, Cherokee, KS, was the only peer county to post a population loss (-0.6 percent annually) and Lavaca, TX, did not grow at all in the past decade.

Figure 7: Population and Rate of Growth, National Peers, 2000-2010



Source: U.S. Census Bureau

EDUCATION AND EDUCATIONAL ATTAINMENT

Orange County has three school corporations serving about 3,400 students via three elementary schools and three junior/senior high schools. The Paoli Community School Corporation serves the most students, with roughly 1,600 students in the 2010-2011 school year. Over the past five years, community leaders have seen improvements made to their schools, attributed largely to the casino funds allocated to each school in the county. Currently each student in the county receives free textbooks and the additional funds have allowed schools to invest in building projects, additional professional development for teachers and technology tools to further enhance the teaching environment for students. Recently, the schools have seen improved test scores, with Springs Valley performing above the state average; community leaders attribute this to the use of new technology tools. The local high schools also offer \$1,000 scholarships to graduating seniors who are pursuing postsecondary education via a program initiated in 2009.

Graduation rates are an important indicator of school success. Over the past three years, all local school corporations have seen an increase in graduation rates. For the 2009-2010 academic year, the Paoli and Orleans school corporation graduation rates exceeded the state average of 84.1 percent, and Springs Valley School Corporation was not far behind at 80.6 percent.

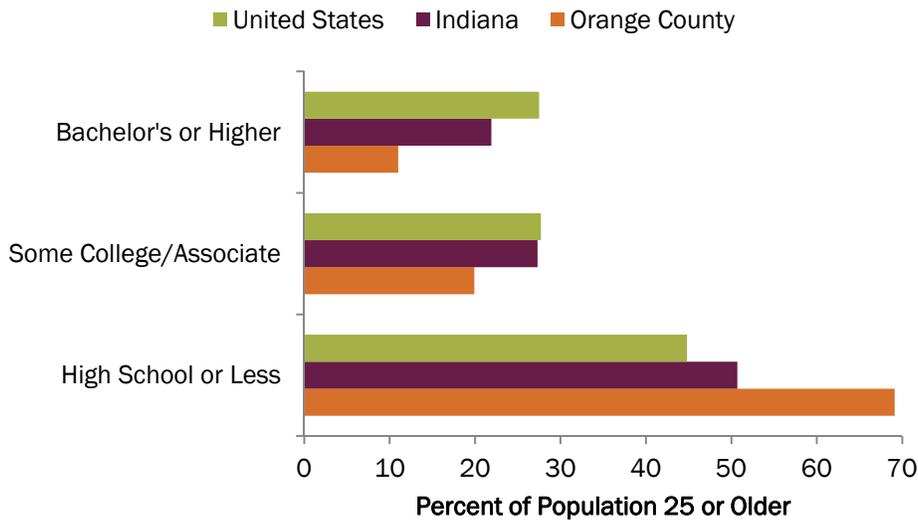
More than half of the 2010 graduating class intended to pursue college education (60.8 percent).¹ However, community leaders note that very few postsecondary graduates return to Orange County, likely due to the lack of job opportunities in the area. Since 2000, the proportion of residents with a high school diploma or less has declined only slightly. Focus group participants speculated that the “brain drain” from the county may be reaching a turning point, noting that more college students seem to have returned to the county in recent years.

For the majority of Orange County residents, a high school diploma or less is the highest education attained (69.1 percent), far exceeding state and national levels (see **Figure 8**). Consequently, Orange County’s proportion of individuals with at least some college is well below the state and national averages.

Over the past three years, all local school corporations have seen increased graduation rates.

¹ The 2010 graduating classes’ intentions to pursue college education varies by school—Orleans: 51 percent; Paoli: 67 percent; and Springs Valley: 72 percent.

Figure 8: Educational Attainment, 2005-2009

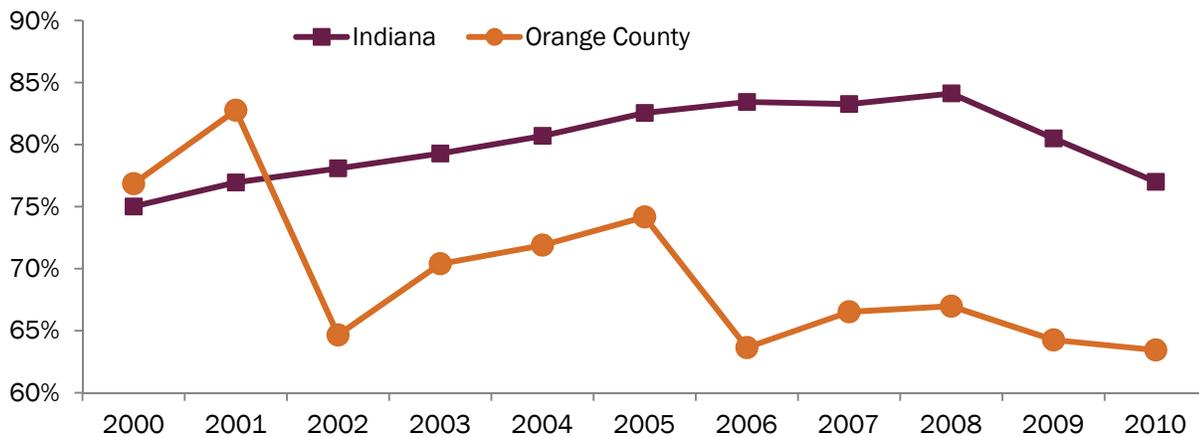


Note: Due to Orange County's small population, it is necessary to use the five-year estimates.
Source: U.S. Census Bureau, American Community Survey Five-Year Estimates

The Indiana Department of Education (IDOE) collects data on graduating high school seniors and their intent to pursue higher education degrees (see **Figure 9**). The IDOE reported these data by county through 2008, but by school thereafter; thus for the 2009 and 2010 data, the IBRC research team used current IDOE school reports to piece together the estimates.² In 2000 and 2001, Orange County graduates' intentions to pursue higher education were higher than the state average. However, in 2002, that percentage nosedived and has remained well below the state rate. Unfortunately while the state's rate for postsecondary intentions has steadily increased over time, Orange County's has been quite volatile—likely reflecting Orange County's small cohort relative to the state. There may be many reasons why Orange County residents are not more interested in pursuing higher education, such as lack of affordability and access, few employment opportunities requiring education beyond high school in the local area and family influence (especially if parents do not have a higher education degree).

² These data indicate only intent, not whether the students actually did attend a postsecondary institution and complete a degree.

Figure 9: Percentage of High School Graduates Intending to Pursue a Higher Education Degree, 2000-2010



Note: Data for 2009 and 2010 were aggregated from the individual school reports.
 Source: Indiana Department of Education

Regionally, county residents are able to take classes at Vincennes University (regional campus in Jasper), at the Salem learning center, Bedford, and other locations. However, the county recognizes that it needs county specific training in hotel and tourism management skills. Therefore, the county is involved in ongoing dialogue with Ivy Tech about re-opening its community learning center, thus offering higher education courses to county residents.³ This initiative is needed as currently the French Lick Resort has to hire employees from outside the region to fill both upper and middle management positions, and the resort would rather promote from within to reduce turnover and further support the community. If local employers supported the effort, additional classes focused on workforce skills could be added to the curriculum to address local employment needs. While it might be desirable to increase the share of individuals with bachelor’s and above degrees, the county could benefit greatly from expanding its pool of certificate and associate degree holders—thus the Ivy Tech partnership could be a good fit.

OC and Its Peers: Education

Among its peers, Orange County has the second-highest percentage of individuals with a high school diploma or less (see **Table 3**). Subsequently, it has the lowest percentage of individuals with some college or associate’s degree and the second-lowest percentage of residents with a bachelor’s degree or higher.

Since 2000, there has been very little change in the educational attainment trends in Orange County and McNairy County, TN, both of which have many individuals with only a high school diploma or less. The fastest growing county in the peer group, Mille Lacs, MN, has relatively few residents with high-school-or-less attainment and the group’s highest proportion with some college or an associate degree. Research

³ Orange County had a community learning center administered by Ivy Tech, but it closed in 2010.

finds that individuals with certificates or associate degrees tend to stay in their hometown, whereas those with bachelor’s degrees have a tendency to pursue occupations outside the local area.⁴ Since certificate and associate degree programs tend to be more focused on workforce preparation, encouraging attainment of these degrees may be especially relevant for Orange County and its employers.

Table 3: Educational Attainment Distributions, National Peers, 2000 to 2009

National Peer	Bachelor’s Degree or Higher		Some College or Associate Degree		High School or Less	
	2005-2009 Proportion	Change since 2000	2005-2009 Proportion	Change since 2000	2005-2009 Proportion	Change since 2000
Antrim, MI	22.5%	3.1%	28.4%	0.3%	49.1%	-3.4%
Putnam, GA	17.5%	3.1%	26.6%	6.1%	55.9%	-9.2%
Ashe, NC	16.5%	4.4%	26.5%	3.3%	57.0%	-7.7%
Cherokee, KS	14.2%	2.9%	31.3%	1.1%	54.6%	-3.9%
Lavaca, TX	14.2%	2.8%	24.0%	3.5%	61.7%	-6.4%
Mille Lacs, MN	13.9%	1.7%	34.0%	5.2%	52.1%	-6.9%
Adams, WA	13.6%	1.4%	26.4%	1.5%	60.0%	-2.9%
Seminole, OK	13.6%	1.5%	27.8%	1.5%	58.7%	-2.9%
Ste. Genevieve, MO	12.2%	4.1%	25.0%	2.2%	62.9%	-6.1%
Orange, IN	11.0%	0.8%	19.9%	1.5%	69.1%	-2.3%
McNairy, TN	9.7%	0.9%	20.8%	1.3%	69.5%	-2.2%

Note: 2000 data are from the decennial census whereas 2005-2009 data are five-year estimates which must be used due to the small population sizes. Source: U.S. Census Bureau, American Community Survey Five-Year Estimates

⁴ The IBRC research team observed this pattern in the Indiana University Economic Impact Study, and recently found similar findings among a cohort of statewide postsecondary graduates.

INDUSTRY MIX BY EMPLOYMENT AND OCCUPATION

Consistent with the presence of major resorts and abundant forests, Orange County’s top two industries are accommodation-and-food services and manufacturing (see **Table 4**).⁵ Together these two industries comprised one-third of all employment in 2009. The third-largest employment industry is construction, although it may be similar in size to the health care and social assistance industry (for which data are not disclosed) that includes the IU Health–Paoli hospital and the local nursing home facilities and services.

As anticipated due to the restoration of the French Lick resorts, accommodation and food services sector employment has surged. While manufacturing used to be the county’s major employer, its dominance has declined over the years. As in the rest of the state and nation, manufacturing employment declined more severely during the recession (-11.6 percent) than during the past decade overall (-4.9 percent average annual rate). Other sectors that grew notably over the past decade include administrative, support, waste management and remediation services (average annual rate of 12.8 percent); information (4.2 percent); and real estate, rental and leasing (4.1 percent).

Table 4: Orange County Employment by Sector, 2009

	2009 Employment	Percent of Total	2001-2009 Average Annual Rate of Change	2007-2009 Average Annual Rate of Change
Total employment	9,446	100.0%	1.1%	-1.9%
Wage and salary employment	7,908	83.7%	1.4%	-2.1%
Proprietors employment	1,538	16.3%	-0.5%	-0.9%
Farm proprietors employment	415	4.4%	-3.4%	0.0%
Nonfarm proprietors employment	1,123	11.9%	1.1%	-1.3%
Farm employment	494	5.2%	-2.4%	-1.8%
Nonfarm employment	8,952	94.8%	1.3%	-1.9%
Private employment	7,853	83.1%	1.3%	-2.4%
Accommodation and food services	1,970	20.9%	23.1%	-1.8%
Manufacturing	1,182	12.5%	-4.9%	-11.6%
Construction	945	10.0%	0.8%	-0.9%
Retail trade	807	8.5%	-1.9%	-4.8%
Other services, except public administration	395	4.2%	-0.4%	-2.2%
Administrative and waste management services	291	3.1%	12.8%	9.9%
Transportation and warehousing	212	2.2%	0.2%	-7.6%

⁵ The majority of Orange County’s manufacturing is in the wood-products and furniture-related categories.

	2009 Employment	Percent of Total	2001-2009 Average Annual Rate of Change	2007-2009 Average Annual Rate of Change
Arts, entertainment, and recreation	196	2.1%	2.9%	9.0%
Real estate and rental and leasing	190	2.0%	4.1%	-1.5%
Finance and insurance	163	1.7%	1.0%	2.9%
Information	64	0.7%	4.2%	9.3%
Forestry, fishing, and related activities	ND	-	-	-
Mining	ND	-	-	-
Utilities	ND	-	-	-
Wholesale trade	ND	-	-	-
Professional, scientific, and technical services	ND	-	-	-
Management of companies and enterprises	ND	-	-	-
Educational services (private only)	ND	-	-	-
Health care and social assistance	ND	-	-	-
Government and government enterprises	1,099	11.6%	1.9%	2.4%
Federal, civilian	48	0.5%	-0.5%	0.0%
Military	66	0.7%	0.0%	4.1%
State and local	985	10.4%	2.2%	2.4%
State government	123	1.3%	2.1%	0.8%
Local government	862	9.1%	2.2%	2.7%

Note: ND represents non-disclosable data. This accounts for roughly 1,438 employees or 15.2 percent of total employment. Employment figures include both payroll employees and the self-employed.

Source: Bureau of Economic Analysis

As a whole, Orange County has only a handful of declining industries—manufacturing, retail trade, other services (excluding public administration) and farming. Total employment grew by an average of 1.1 percent annually since 2001 (94 jobs a year), largely from wage-and-salary employees and non-farm proprietors, not farm proprietors. Indeed, farm employment for both proprietors and employees declined in the county. The Great Recession certainly impacted the county with a 3.7 percent employment decline between 2007 and 2009. While the overall uptick in employment over the decade is positive news, it is not enough growth to employ graduating seniors of local high schools and postsecondary institutions.

Recognizing the county’s strength in the accommodation and food services sector, community leaders are focusing on its tourism cluster— attracting and developing businesses that complement the resort and casino business. Unfortunately, Orange County is not always an easy sell to outside investors due to limited available developable land (particularly in the French Lick–West Baden area) despite the area’s low-cost, central location for regional markets and abundance of low-to-moderately-skilled labor.

Location quotients (LQs) are widely used to show which industries have a particularly strong presence in a region. In this study, LQs were calculated by dividing a given industry cluster’s share of total

employment in Orange County by the cluster’s corresponding share in the nation as a whole; an LQ greater than 1 indicates that the industry cluster is more concentrated locally than the national average.⁶

Table 5 shows that Orange County’s only notable strong industrial presence is in the forest and wood products industry—more than six times greater than the national concentration. However, the LQ has shrunk by about one-third since 2001, showing that this cluster is losing ground relative to other parts of the nation, even though it’s still represented far above average in the local economy. Two clusters—chemicals and chemical-based products and glass and ceramics—have increased their concentrations since 2001 and pay wages below the average for all clusters. The two highest-paying industry clusters (life sciences and defense and security) both have low LQs, but any growth in these clusters could help improve Orange County’s average wage.

Several clusters are not listed due to data suppression in 2009, including advanced materials; agribusiness, food processing and technology; apparel and textiles; manufacturing; mining; and printing and publishing.

Table 5: Orange County Industry Cluster Location Quotients and Average Wage per Job, 2001 to 2009

Industry Cluster	2001 LQ	2009 LQ	2009 Average Wage
Total, All Industries	1.00	1.00	\$28,526
Arts, Entertainment, Recreation and Visitor Industries	ND	0.56	\$10,063
Biomedical/Biotechnical (Life Sciences)	ND	0.35	\$42,632
Business and Financial Services	0.08	0.07	\$30,025
Chemicals and Chemical Based Products	0.10	0.16	\$26,112
Defense and Security	ND	0.39	\$44,253
Education and Knowledge Creation	0.85	0.82	\$31,390
Energy (Fossil and Renewable)	0.44	0.30	\$21,971
Forest and Wood Products	9.88	6.56	\$31,169
Glass and Ceramics	0.44	0.74	\$26,112
Information Technology and Telecommunications	0.10	0.05	\$37,446

Note: ND represents non-disclosable data.

Source: U.S. Bureau of Labor Statistics, Quarterly Census of Employment & Wages (QCEW) and Purdue Center for Regional Development (cluster definitions)

Another approach to assessing a region’s workforce strengths uses the knowledge and skills needed to carry out a job to define occupation (rather than industry) clusters. Occupation clusters are formed by grouping occupations with similar job functions, knowledge requirements, essential experience and the amount of on-the-job training needed to accomplish the work.⁷ Occupations are classified in the O*NET

⁶ The industry cluster data are derived from work done by the Purdue Center for Regional Development in collaboration with the IBRC for an Economic Development Administration project titled, *Unlocking Rural Competitiveness: The Role of Regional Clusters*. More information about the clusters and related work can be found at www.statsamerica.org/innovation/reports.html.

⁷ More information about occupation clusters and the methodology underlying them can be found at www.statsamerica.org/innovation/reports/sections2/3.pdf.

system (sponsored by the U.S. Department of Labor) into five “job zones.” Job zones 1 and 2 are characterized by relatively low skill levels, formal education requirements and wages, the likelihood of few benefits and easy transfer between jobs.⁸ The remaining zones—3 through 5—require significantly more knowledge, skills and education. Occupations in these higher-level zones are allocated into 15 knowledge clusters, with health care and medical science further disaggregated into three sub-clusters.

Nearly 60 percent of Orange County’s workforce is in low-skilled occupations requiring little or no formal training.

The largest share of Orange County workers (38 percent) fall into job zone 2 followed by job zone 1 at 21.5 percent (see **Table 6**). This means that nearly 60 percent of Orange County’s workforce is in low-skilled occupations requiring no formal training or very little training—which may partially explain why educational attainment is relatively low in the county. Compared to the state, Orange County has a larger share of low-skilled occupations, particularly in job zone 1. Among higher-skilled

occupations, skilled production workers comprise the highest share of Orange County workers at 10.3 percent. Comparing the proportion of workers in select clusters to the state, Orange County has higher proportions of its workforce in skilled production occupations and in agribusiness and food technology jobs.

Over time, the proportion of Orange County workers in each occupation cluster has changed very little. The most notable increase since 2001 has been a 2.2 percentage point increase in the proportion of job zone 1 workers. The largest decreases in proportion of workers in a particular occupation cluster include agribusiness and technology (-1.9 percent), job zone 2 (-0.9 percent), and skilled production workers (-0.8 percent). The declines in job zone two and skilled production workers concern local employers that are having difficulties finding qualified workers for hire. This is a situation where the county’s partnership with Ivy Tech could assist the local workforce to advance from job zone one to more-skilled labor. In particular, employers have noticed that middle-aged workers need more computer skills to adapt to technological changes in the workforce.

⁸ O*Net definitions of job zones can be found at www.onetonline.org/help/online/zones.

Table 6: Occupation Cluster Mix of Orange County and Indiana, 2009

Occupation Cluster	Orange County		Indiana	
	Employment	Share	Employment	Share
Job Zone 2	3,533	37.9%	1,311,736	37.4%
Job Zone 1	2,002	21.5%	536,823	15.3%
Skilled Production Workers: Technicians, Operators, Trades, Installers & Repairers	962	10.3%	304,726	8.7%
Agribusiness and Food Technology	460	4.9%	65,742	1.9%
Health Care and Medical Science (Aggregate)	440	4.7%	205,321	5.9%
Primary/Secondary and Vocational Education, Remediation & Social Services	433	4.6%	179,528	5.1%
Managerial, Sales, Marketing and HR	428	4.6%	249,783	7.1%
Legal and Financial Services, and Real Estate	417	4.5%	245,568	7.0%
Health Care and Medical Science (Therapy, Counseling and Rehabilitation)	283	3.0%	117,645	3.4%
Personal Services Occupations	126	1.4%	69,283	2.0%
Health Care and Medical Science (Medical Technicians)	91	1.0%	44,938	1.3%
Arts, Entertainment, Publishing and Broadcasting	84	0.9%	61,209	1.8%
Mathematics, Statistics, Data and Accounting	83	0.9%	64,344	1.8%
Health Care and Medical Science (Medical Practitioners and Scientists)	65	0.7%	42,738	1.2%
Public Safety and Domestic Security	61	0.7%	37,287	1.1%
Engineering and Related Sciences	56	0.6%	32,838	0.9%
Information Technology	50	0.5%	51,802	1.5%
Postsecondary Education and Knowledge Creation	45	0.5%	43,883	1.3%
Building, Landscape and Construction Design	26	0.3%	12,795	0.4%
Natural Sciences and Environmental Management	10	0.1%	10,603	0.3%

Note: Job zone 1 includes occupations that need little or no preparation—the occupations may require a high school diploma or GED certificate. Some may require a formal training course to obtain a license. Job zone 2 includes occupations that need some preparation—the occupations usually require a high school diploma and may require some vocational training or job-related course work. In some cases, an associate or bachelor's degree could be needed.

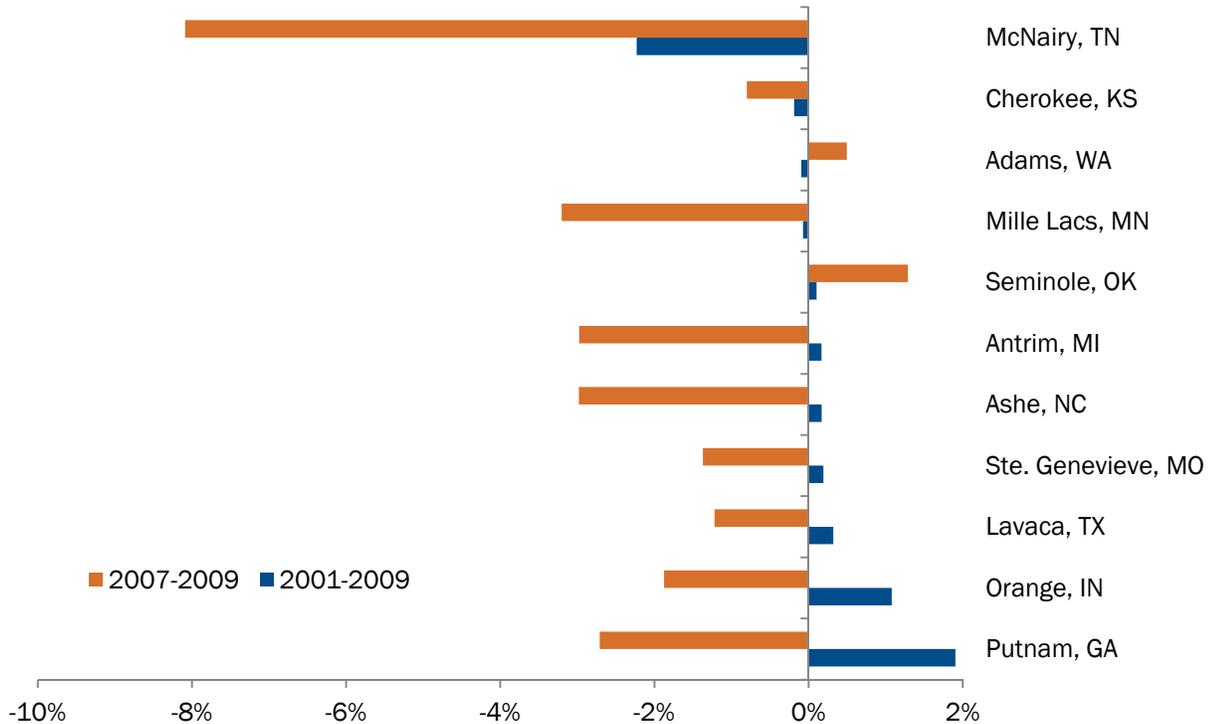
Source: Statsamerica.org; Economic Modeling Specialists, Inc. Complete Employment Statistics

OC and Its Peers: Employment Trends and GDP

Over the past decade, Orange County has posted an average annual employment gain of 1.1 percent, ranking it second among its peers for employment growth (see **Figure 10**). Putnam, GA, led the peer set with 1.9 percent average annual growth, while the remaining counties with positive growth grew at less

than 0.5 percent annually. The recession severely impacted several counties, especially McNairy, TN, and Mille Lacs, MN. Compared to its peers, Orange County had the sixth-highest average annual change in employment at -1.9 percent between 2007 and 2009.

Figure 10: Average Annual Employment Change, National Peers, 2001 to 2009 and 2007 to 2009



Source: Bureau of Economic Analysis

Manufacturing and leisure & hospitality are Orange County’s top-employing industries, so it is instructive to compare their relative importance in the peer counties (see **Figure 11**). As of 2009, Ste. Genevieve, MO, had the highest share of manufacturing jobs. Orange County had the highest share of leisure and hospitality employment, which also experienced strong growth. (Note that leisure and hospitality data for Adams, WA, and McNairy, TN, were non-disclosable.) Adams County, WA, was the only county to experience positive growth in manufacturing since 2001, and McNairy County, TN, had the largest decline in manufacturing share. Throughout this time period, all peer counties experienced positive growth in the leisure and hospitality industry except for Seminole, Antrim and Mille Lacs.

Figure 11: Share of Manufacturing and Leisure and Hospitality Employment and Trends, National Peers, 2001 to 2009

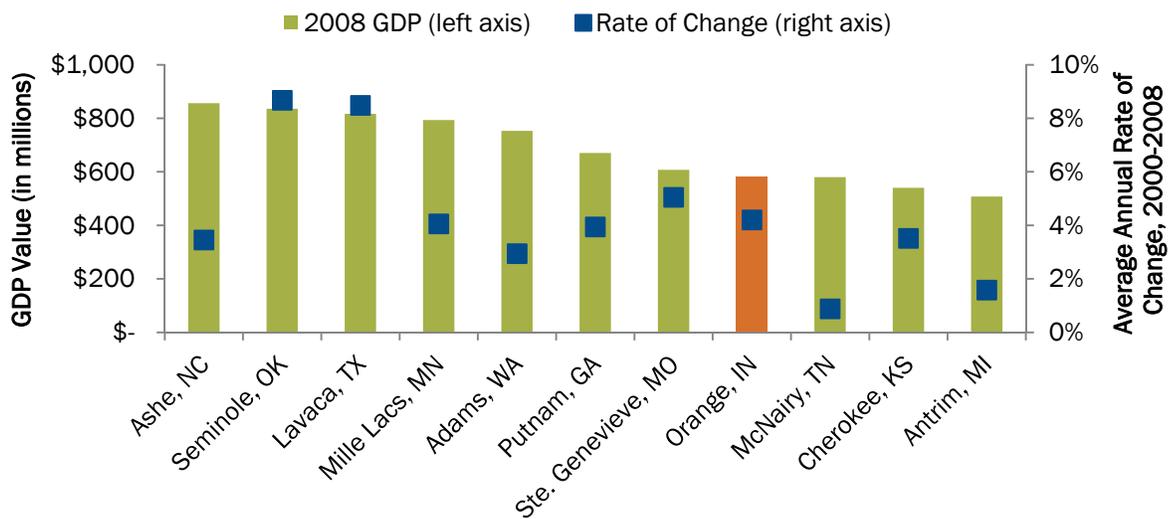


Note: Leisure and hospitality data for McNairy and Adams counties were non-disclosable. Leisure and hospitality employment includes two industry sectors: arts, entertainment and recreation and accommodation and food services. Change is reflected as the difference in the industry share of employment in 2009 versus 2001.

Source: Bureau of Economic Analysis

The mix of industries in a given region affects the region’s gross domestic product (GDP, its economic output). All of the peer counties experienced increased GDP between 2000 and 2008. Of all the counties, Ashe, NC, had the largest GDP at \$856 million, whereas Antrim, MI, had the smallest at \$507.5 million (see **Figure 12**). Seminole, OK, has had the strongest average annual GDP growth at 8.7 percent, followed by Lavaca, TX, at 8.5 percent. Orange County’s GDP grew at 4.2 percent annually—making it the fourth-fastest growing county in the peer group.

Figure 12: Estimated GDP, National Peers, 2000-2008



Note: 2008 is the most recent year for which GDP data are available.

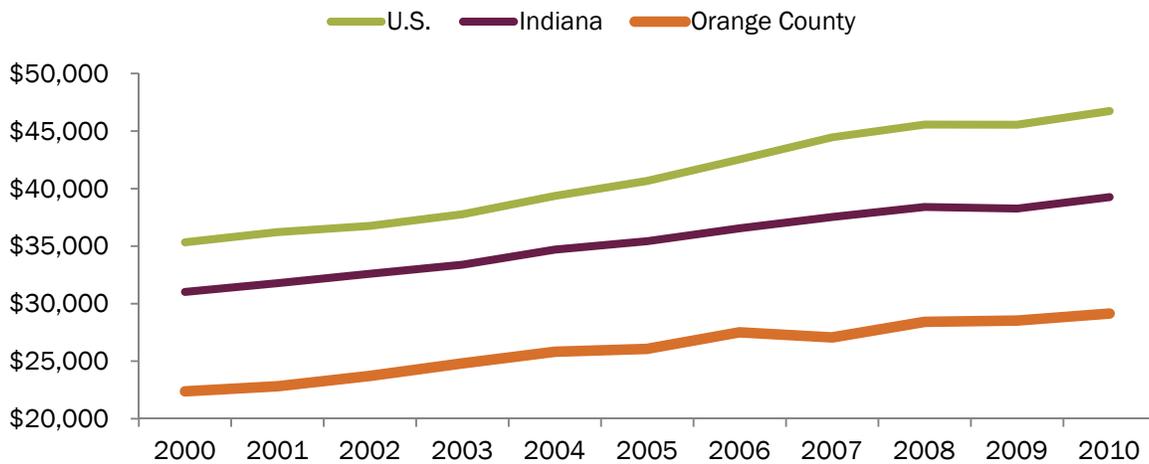
Source: Moody’s Analytics

INCOME AND WAGES

In 2010, the Orange County average wage for all industries was \$29,134—approximately \$10,000 less than the state’s average wage and \$17,600 less than the nation (see **Figure 13**). Orange County’s average wage has grown about 3 percent annually over the past decade, besting the state’s rate of 2.7 percent and matching the national rate of wage growth. U.S. and Orange County average wage growth has exceeded the average rate of inflation, whereas Indiana’s average wage has simply kept pace with inflation in the past decade.

Orange County average wage growth has outpaced inflation.

Figure 13: Average Wage, U.S., Indiana and Orange County, 2000 to 2010



Source: Bureau of Labor Statistics

Table 7 shows that three industries pay higher wages in Orange County than their statewide averages—transportation and warehousing; administration, support, waste management and remediation services; and accommodation and food services. On the other end of the spectrum, three industries pay less than half of the state’s average wage—arts, entertainment and recreation; management of companies and enterprises; and real estate, rental and leasing. Unfortunately, the industries paying higher than state average wages cover only 13.5 percent of the workforce, explaining why the county’s average wage is slightly less than three-fourths the state average.

Table 7: Average Wage Distribution, Orange County, 2010

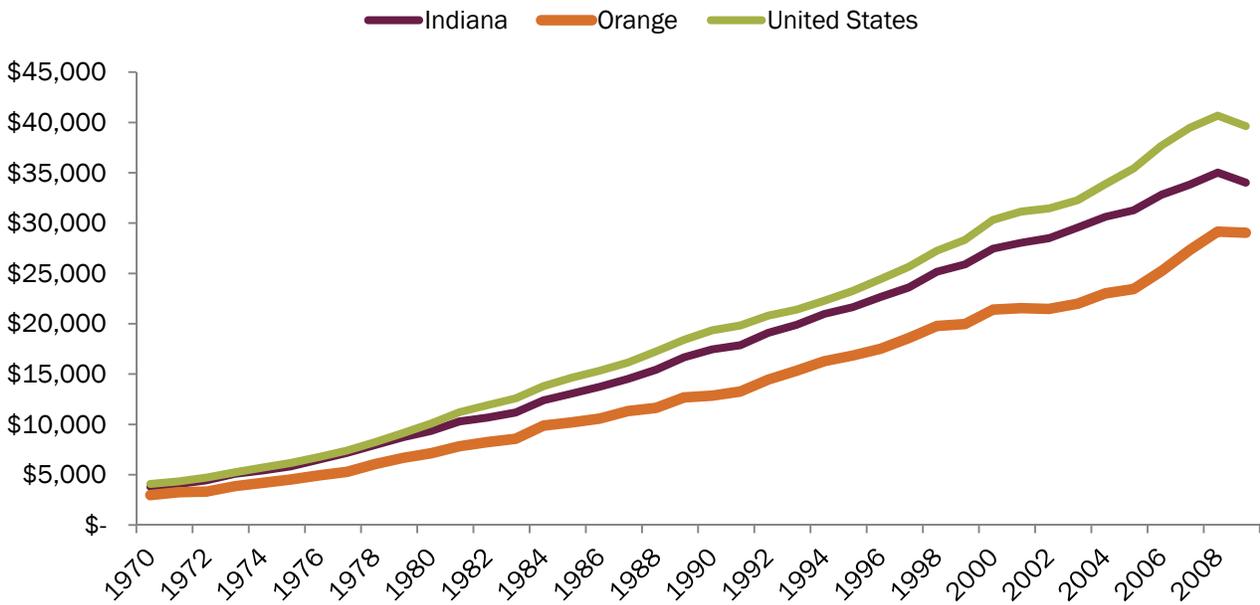
	Average Wage	Percent of Indiana's Average Wage
Total Employment	\$29,134	74.2%
Construction	\$48,725	98.5%
Professional, Scientific, and Technical Services	\$40,967	74.8%
Transportation & Warehousing	\$40,404	101.8%
Manufacturing	\$34,069	62.6%
Finance and Insurance	\$32,011	59.0%
Educational Services	\$31,632	85.6%
Management of Companies and Enterprises	\$31,008	40.6%
Admin. & Support & Waste Mgt. & Rem. Services	\$29,333	110.4%
Public Administration	\$28,751	70.7%
Information	\$22,841	51.3%
Accommodation and Food Services	\$21,747	162.6%
Retail Trade	\$20,002	85.1%
Other Services (Except Public Administration)	\$18,106	69.2%
Real Estate and Rental and Leasing	\$15,539	45.7%
Arts, Entertainment, and Recreation	\$11,512	39.2%

Note: The following industries are non-disclosable: agriculture, forestry, fishing and hunting; mining; utilities; wholesale trade; and health care and social services.
Source: Bureau of Labor Statistics

Per capita personal income (PCPI) is a broader indicator of a region's income level because it includes many sources of income, not just wages. It includes wages/salaries, any supplements to wages and salaries (e.g., bonuses), proprietors' income, investment income and personal current transfer receipts, but not contributions for government social insurance. **Figure 14** shows that in 1970, the county, state and nation were very similar in PCPI, but Orange County PCPI subsequently accelerated more slowly than the U.S. and Indiana. Between 2006 and 2008, Orange County steadily narrowed the gap with the state, but it still lags Indiana by roughly \$5,000 and the nation by \$10,000.

As of 2009, Orange County PCPI was \$29,042, Indiana's was \$34,022 and U.S. PCPI was \$39,635. Orange County's PCPI was 85.4 percent of Indiana's PCPI and 73.3 percent of the nation's PCPI, and it has grown at an average annual rate of 1.1 percent over the past nine years.

Figure 14: Per Capita Personal Income of Orange County, Indiana and the U.S., 1970 to 2009



Source: Bureau of Economic Analysis

To better understand the composition of personal income, **Table 8** breaks down the components comprising the bulk of personal income. Orange County is fairly similar to the state and nation in all categories except personal current transfer receipts.

- Net earnings by place of residence (which includes wages earned at the workplace adjusted for government and social insurance contributions and residence) comprises the largest share of personal income. Wages and salaries are the primary component of net earnings, followed by supplements to wages and salaries (i.e., employer contributions to employee pension and insurance funds and for government social insurance).
- The smallest major category of income for all areas was dividends, interest and rent, comprising less than one-fifth of each area’s personal income.
- The remainder of personal income is derived from personal current transfer receipts, which are government payments to individuals for which no services are performed. Consistent with local community leaders’ intuitions, Orange County residents are more dependent on such government payments than are residents of the state and nation, primarily for medical benefits and retirement and disability insurance benefits (43.7 and 35.3 percent of current transfer receipts, respectively). The 27.8 percent of personal income coming from government payments might help explain recurring themes in the area such as the receipt of free or subsidized lunches in the county schools (51 percent in 2010), common perceptions that local citizens want “hand-outs,” and the categorization of the county as being one of the poorest in the state.

Table 8: Composition of Personal Income, U.S., Indiana and Orange County, 2009

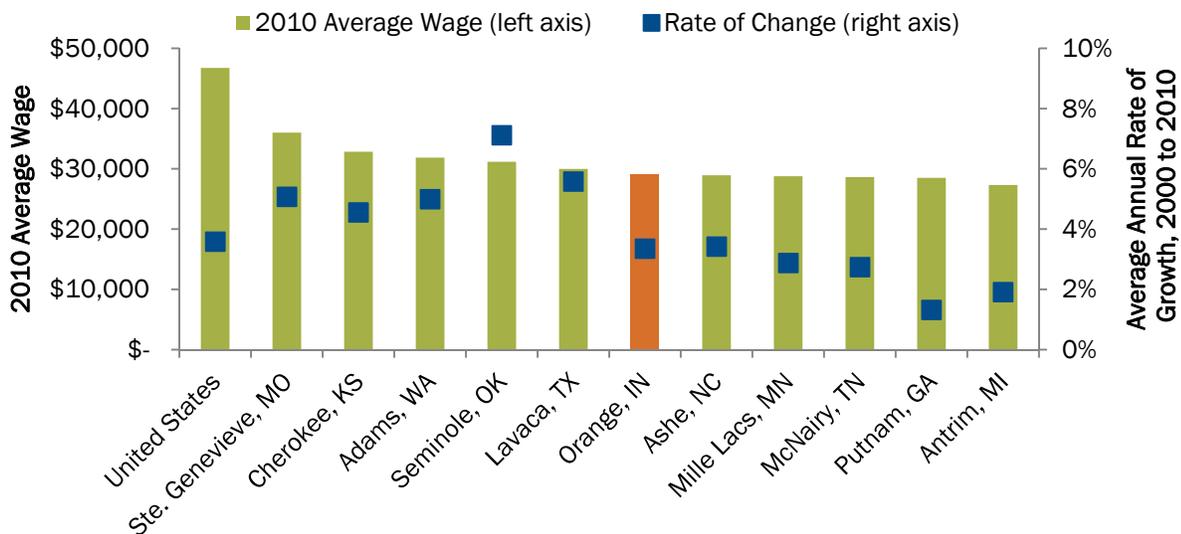
Personal Income Component	U.S.	IN	Orange County
Net earnings by place of residence	64.5%	65.5%	59.6%
Net earnings by place of work	72.4%	71.7%	57.9%
Wage and salary disbursements	71.1%	71.2%	73.5%
Supplements to wages and salaries	17.3%	18.2%	17.5%
Proprietors' income	11.6%	10.6%	9.1%
Dividends, interest, and rent	18.0%	14.6%	12.7%
Personal current transfer receipts	17.5%	19.9%	27.8%

Source: Bureau of Economic Analysis

Orange County and Its Peers: Income

Among the national peers, Ste. Genevieve, MO, had the highest 2010 average wage at \$36,011, which is \$10,700 below the national average (see **Figure 15**). Overall, average wages in the peer counties averaged around \$30,300—with Antrim, MI, reporting the lowest average wage of \$27,322. Orange County places in the middle of the pack for both average wage and average annual growth rate. Six counties had faster growth rates than the United States, led by Seminole, OK, at 7.1 percent.

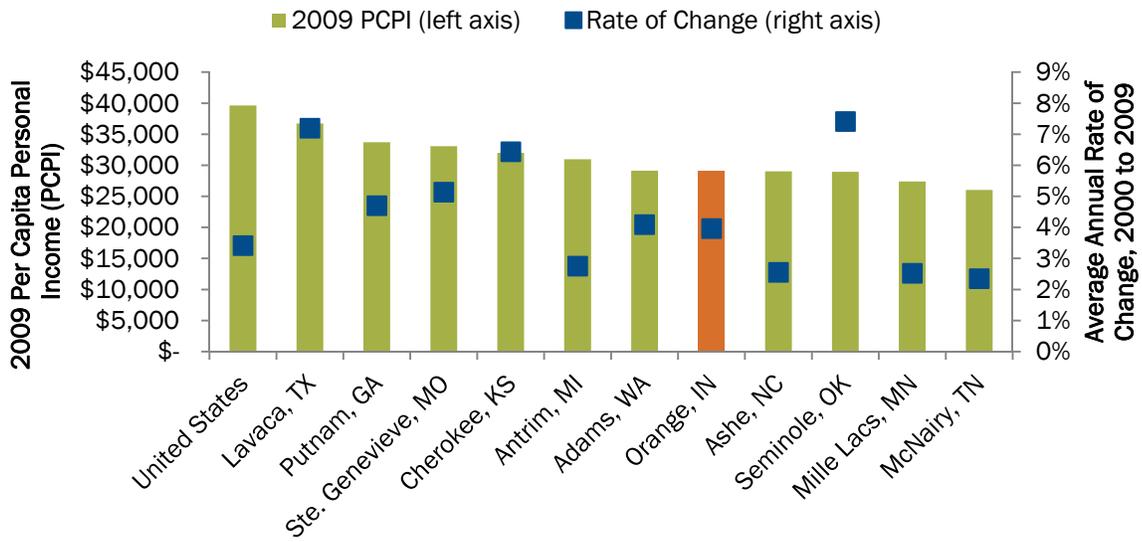
Figure 15: Average Wage, National Peers, 2000 to 2010



Source: Bureau of Labor Statistics

Despite Ste. Genevieve having the highest average wage among the national peers, Lavaca, TX, and Putnam, GA, recorded higher PCPIs than Ste. Genevieve (see **Figure 16**). This indicates that residents in those areas obtain significant income from sources other than wages. Relative to the U.S., the national peers' PCPIs range from 92.7 percent (Lavaca, TX) to 65.7 percent (McNairy, TN). Orange County is in the lower half of the peer counties for PCPI, PCPI growth rate and PCPI as a percentage of the U.S value.

Figure 16: Per Capita Personal Income of National Peers, 2000 to 2009



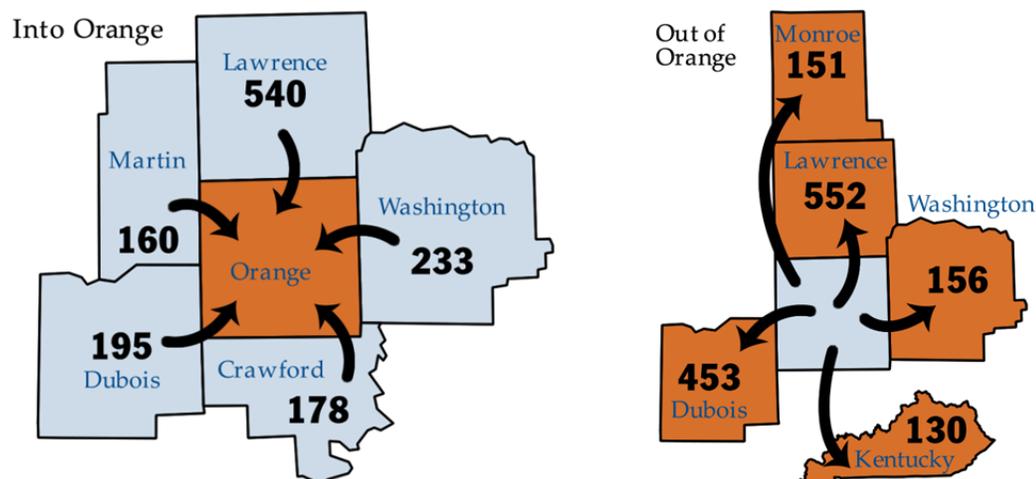
Source: Bureau of Economic Analysis

COMMUTING PATTERNS

The availability of quality jobs in other regions and the willingness of workers to travel have caused commuting to become a way of life for many workers. The economic effects of commuting reach beyond the individual worker to the broader community. Therefore, this study examines the commuting patterns of workers as well as the gross earnings flows to and from counties. The available commuting data are at the county level, with Indiana's data being the most comprehensive.

Figure 17 shows that Lawrence and Orange County are the major sources of workers commuting into each other's county. Sixty-one percent of Orange County's inbound commuters come from Lawrence, Washington, Dubois, Crawford and Martin counties. The commuters leaving Orange County go mainly to either Lawrence or Dubois County with the remainder traveling to Washington, Monroe and Kentucky. These top five counties capture 67.4 percent of all outgoing commuters.

Figure 17: Workers Commuting Into and Out of Orange County, 2009



Source: STATS Indiana Commuting Profiles, using Indiana Department of Revenue data

In 2000, 79.9 of Orange County workers were employed in the county, but by 2009 this percentage had increased to 82.8 percent. This increase in non-commuting residents cannot be explained solely by growth in the implied resident labor force (individuals who live in Orange County and work), which rose only 0.3 percent over the past nine years (see **Table 9**). Rather the increase primarily came from a reduction in residents commuting out of the county. Nearly 70 percent of the county's increase in employment results from reduced outbound commuting and growth in the resident labor force. The remaining 30 percent came from an increase in incoming commuters.

Commuting affects where paychecks wind up. That is, a resident who crosses county lines to work brings her earnings home to her county of residence from the county of employment. Orange County's increased volume of incoming commuters thus resulted in higher gross earnings outflows. These

incoming commuters apparently held higher-paying jobs because the gross earnings outflow growth was more than double the incoming commuter growth.

Meanwhile, because more Orange County residents secured jobs within the county, the number of residents commuting out of Orange

County declined by 14.2 percent between 2000 and 2009. Meanwhile, the gross earnings inflows increased – which may indicate that the 2009 outbound commuters had higher paying jobs relative to the 2000 outbound commuters.

The number of residents commuting out of Orange County declined by 14.2 percent between 2000 and 2009.

Table 9: Commuting Trends, Orange County, 2000 and 2009

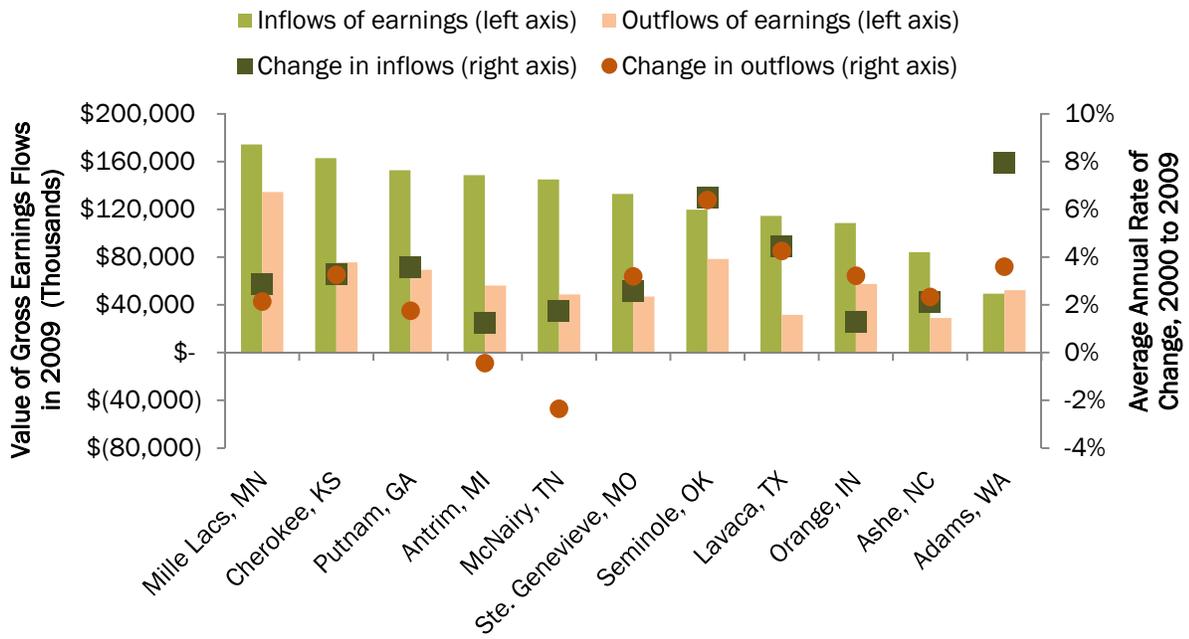
	2000	2009	Change
Number Who Live in OC and Work (implied resident labor force)	12,380	12,415	0.3%
Number Who Work in OC (implied workforce)	11,315	11,873	4.9%
Number Who Live and Work in OC	9,887	10,276	3.9%
Number Who Live in OC but Work Elsewhere	2,493	2,139	-14.2%
Number Who Live Elsewhere but Work in OC	1,428	1,597	11.8%
Total Gross Earnings Inflows (in thousands of dollars)	\$97,080	\$108,478	11.7%
Total Gross Earnings Outflows (in thousands of dollars)	\$44,522	\$57,434	29.0%

Source: STATS Indiana Commuting Profiles, using Indiana Department of Revenue data; Bureau of Economic Analysis

OC and Its Peers: Gross Earnings Flows

Compared to its peers, Orange County has one of the lowest gross earnings inflows and the fifth-highest gross earnings outflow (see **Figure 18**). Of all the counties, nearly all have a greater value of inflows than outflows, reflecting that either a larger portion of the workforce commutes out of the county or these workers are able to secure higher paying positions out of the county in which they live. In all counties (except in Antrim and McNairy), the value of inflows and outflows has risen over the past nine years. Adams, WA, is the only county that has more gross earnings outflows than inflows, which may be due to the increase in manufacturing occupations that was noted earlier in the report.

Figure 18: 2009 Gross Earnings Flows for National Peers, and Change since 2000



Source: Bureau of Economic Analysis

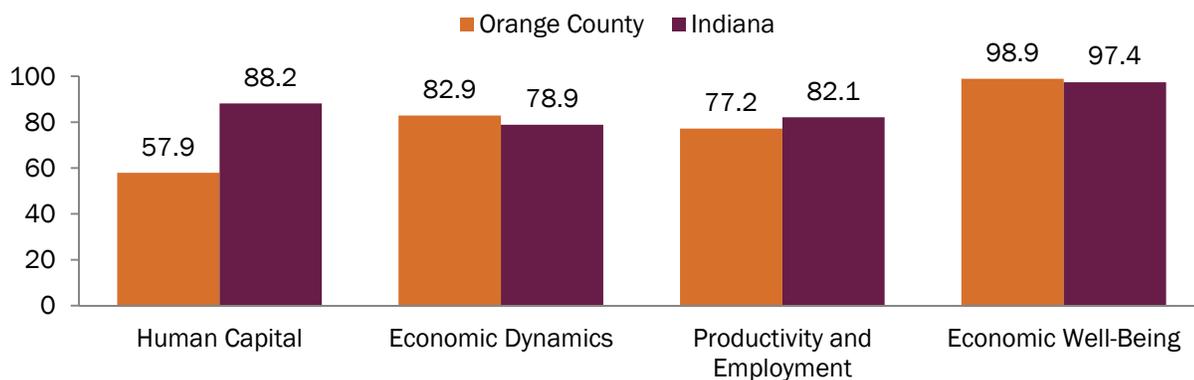
INNOVATION

Innovation is a widely recognized driver of economic growth. IBRC researchers have developed a county-level Innovation Index, which is a composite of many variables that measure both the inputs to innovation as well as its outputs.⁹ The inputs, which can be thought of as the local capacity for innovation, include measures such as venture capital, broadband penetration, investments in R&D and educational attainment. The inputs are divided into human capital and economic dynamics sub-indices.

Outputs include measures considered to be byproducts of innovative economies such as employment growth in high-tech firms, growth in output per worker and creation of patents. The outputs are divided into two sub-indices—productivity & employment and economic well-being. An Innovation Index score of 100 indicates that an area is, on average, as innovative as the nation. The same applies to each of the sub-indices that comprise the overall index.¹⁰

Orange County is very similar to Indiana in terms of innovation sub-index scores, except for human capital (see **Figure 19**). In fact, the county does slightly better than the state in economic dynamics and economic well-being, though none surpasses the U.S. benchmark of 100. Orange County performs well in the economic dynamics category due to its shares of both large and small businesses. Despite Orange County performing worse than the state in terms of poverty, unemployment and net migration, it outscored Indiana on the economic well-being sub-index due to higher growth of PCPI and earnings. Orange County's weakest innovation sub-index, human capital, reflects the low postsecondary educational attainment rates in addition to a lack of high-tech employment.

Figure 19: Innovation Index Scores, Orange County and Indiana



Source: Indiana Business Research Center

⁹ A report introducing the Innovation Index, *Crossing the Next Frontier: Information and Analytics Linking Regional Competitiveness to Investment in a Knowledge-Based Economy*, and the index data may be accessed at www.statsamerica.org/innovation/.

¹⁰ See Appendix A for a more detailed description of the Innovation Index.

OC and Its Peers: Innovation

None of Orange County’s national peers had an Innovation Index score greater than the U.S. average of 100. Their innovation scores are relatively similar, with only a 10-point spread between the most and least innovative county (see **Table 10**). No one county performed the best across all sub-indexes, yet all counties had their top score in the economic well-being category. Unfortunately, the human capital category tended to be the sub-index that undermined their innovation capacity (except for Ashe and Antrim counties).

Table 10: Innovation Index Scores of National Peers

National Peer	Innovation Index	Human Capital	Economic Dynamics	Productivity and Employment	Economic Well-Being
McNairy, TN	81.1	70.2	84.8	83.3	96.0
Mille Lacs, MN	81.1	76.4	89.3	72.6	96.2
Antrim, MI	77.1	82.0	77.4	67.4	90.6
Ashe, NC	76.5	86.6	64.1	72.5	95.4
Orange, IN	75.3	57.9	82.9	77.2	98.9
Lavaca, TX	74.4	59.1	70.8	81.5	110.3
Seminole, OK	74.4	69.3	68.6	73.1	110.8
Putnam, GA	74.1	59.9	85.2	69.2	98.3
Ste. Genevieve, MO	74.1	56.8	77.5	78.6	102.4
Adams, WA	73.3	63.5	68.8	79.7	97.1
Cherokee, KS	71.0	68.8	61.0	71.6	105.7

Note: Bold cells reflect the highest score for the sub-index category

Source: Indiana Business Research Center

HOUSING

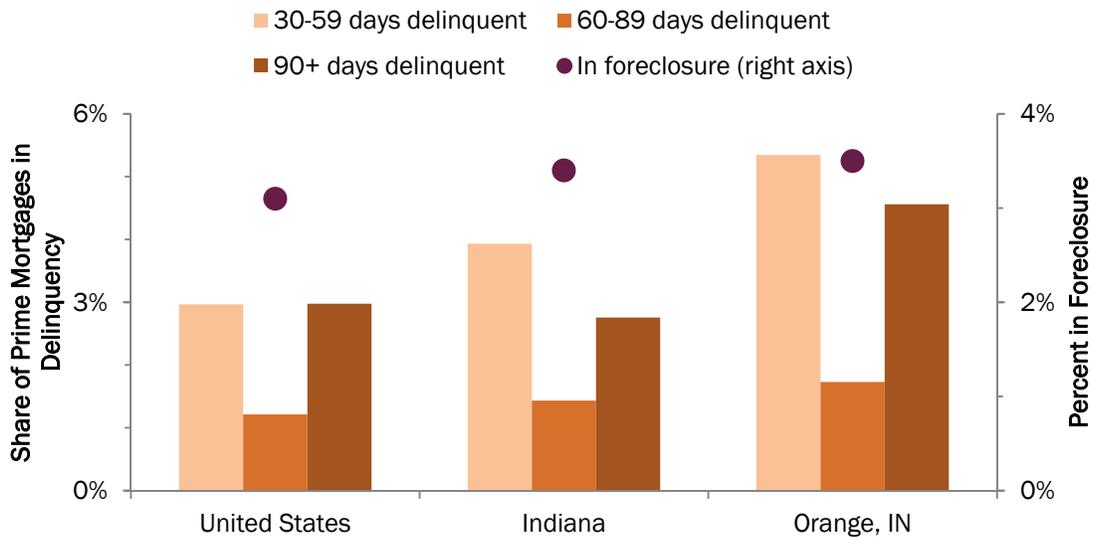
Eighty-six percent of Orange County's 9,176 housing units were occupied in 2010. Both the number of housing units and the share of vacant homes have increased (9.9 percent and 79.4 percent, respectively) since 2000, with Orange County's vacant-home growth rate far above the state rate of 49.7 percent. Three-fourths of the occupied homes were owner-occupied in 2010, housing 76 percent of the population. Of the vacant homes, most are for seasonal/recreational use (33 percent), 30 percent are for sale or rent, and the remainder are vacant for other reasons. As noted by a local real estate agent, the number of seasonal and vacation homes has increased in the past several years; in 2000, only 18.4 percent of vacant homes were for this use. Where the increase in vacant homes has led to blight, some communities have initiated efforts to purchase and tear down abandoned homes in an effort to clean-up the aesthetic appeal of the area.

Of the 7,872 households in Orange County, 68.8 percent are family households. The majority (53.5 percent) of all households are headed by married couples, and 20 percent of married couples in the county have children under 18 living in them. Nearly 9 percent of the homes with children under 18 are headed by a single parent. Roughly 27 percent of households have residents living alone, with 43 percent of those individuals age 65 or older (70 percent of which are women). As the population continues to age in Orange County, there is a need for retirement communities to provide options for the elderly seeking to downsize or needing assisted living.

The national housing crash that began in late 2007 did not impact Orange County like it did other regions in the United States. In fact, the county seemed relatively sheltered from the crash, save for reductions in sale prices, until 2009 when homes sales began to drop. Between 2005 and 2010, 185 homes sold for an average price of \$74,700. Statewide, homes sold at an average of \$109,800. Despite the significantly lower home sales price in Orange County than statewide, local community leaders noted the need for more single-family housing as well as for subsidized housing, and steps have been taken to address this issue through future housing development plans.

Foreclosures are also impacting Orange County's housing market. **Figure 20** shows that Orange County had 3.5 percent of its prime mortgages in foreclosure as of November 2010, a rate only slightly higher than the state (3.4 percent) and nation (3.1 percent). Of Orange County's prime mortgages in foreclosure, most are delinquent by 30 to 59 days, followed by more than 90 days (5.3 and 4.6 percent, respectively). All of Orange County's delinquency rates exceed the state and national figures, which could indicate a potential for increased foreclosure rates in the county relative to the state and nation in the near future.

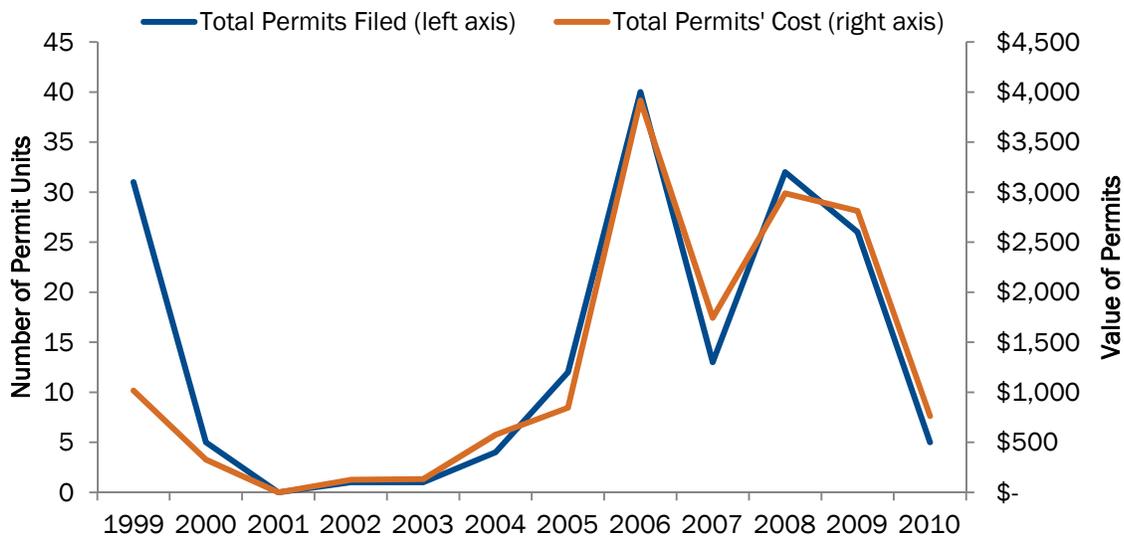
Figure 20: Comparison of Foreclosure Rates, U.S., Indiana and Orange County, November 2010



Note: This database includes mortgages from nine of the top 10 mortgage servicers and represents approximately 50-70 percent of the number of mortgages in the United States. Coverage may vary by type of mortgage and by geography. Therefore, the percentages here are likely indicative of market conditions.
 Source: Federal Reserve Bank of New York

New home construction in Orange County has been volatile over the past decade (see **Figure 21**), peaking in 2006 with 40 permits filed. Most of the permits have been for single-family units, although multi-family permits were filed in Orange County in 1999, 2006, 2008 and 2009, as represented by the spikes in the number of permits issued.

Figure 21: Number and Value of Permit Units, Orange County, 1999 to 2010



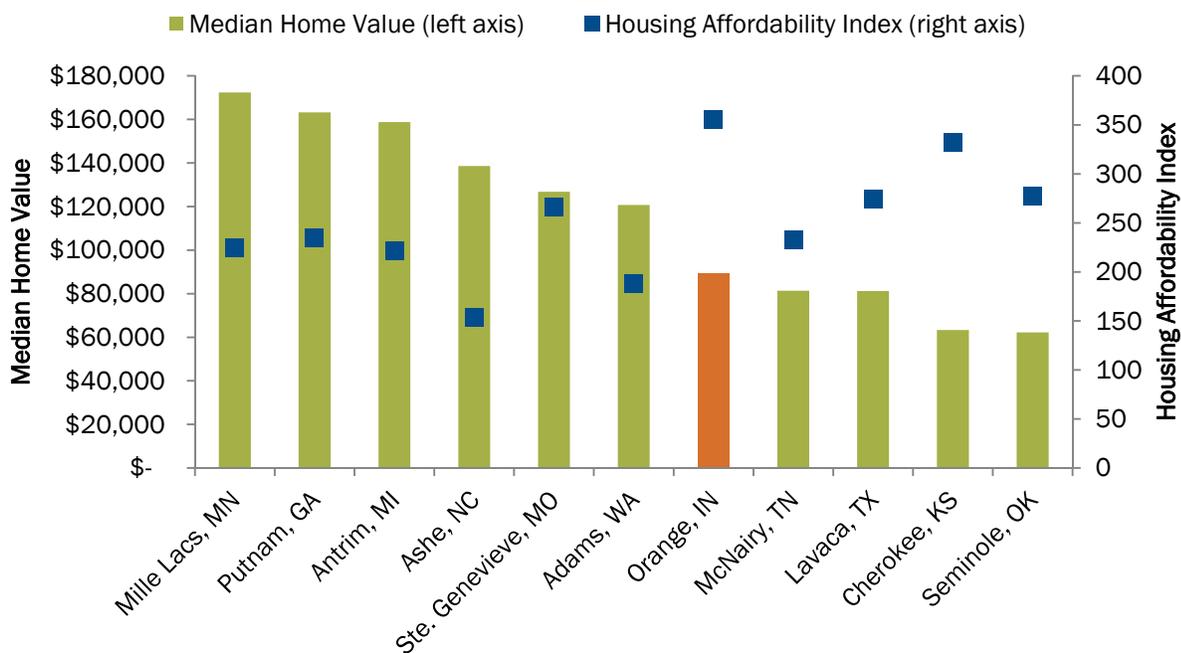
Source: U.S. Census Bureau

OC and Its Peers: Housing

Among its peers, Orange County has one of the lower median home values at \$89,300—a far cry from the \$172,400 median value in Mille Lacs, MN. Taking into account the typical incomes in a given area makes the median home value much more meaningful in terms of affordability. Moody’s Economy.com combines these factors in its single-family housing affordability index—a measure based on an area’s annual median existing-home sales price (not the same as the median value of housing stock), median family income and effective interest rates. Index values are calibrated to 100: in a community with a score of 100, the typical family income is just enough to qualify for an 80 percent mortgage on the median priced home. The higher the index value, the more affordable the housing is for the general population.¹¹

As expected, the counties with higher median home values have a lower housing affordability index value compared to the counties at the other end of the spectrum (see **Figure 22**). Of all the peers, Orange County has the most affordable housing, and its affordability steadily climbed since 2006 to reach its 2009 position.

Figure 22: Median Home Value and Housing Affordability Index, National Peers, 2009



Note: Affordability Index is for single-family homes.
Sources: U.S. Census Bureau and Moody’s Economy.com

¹¹ See Appendix A for a more complete description of the Moody’s Economy.com housing affordability index.

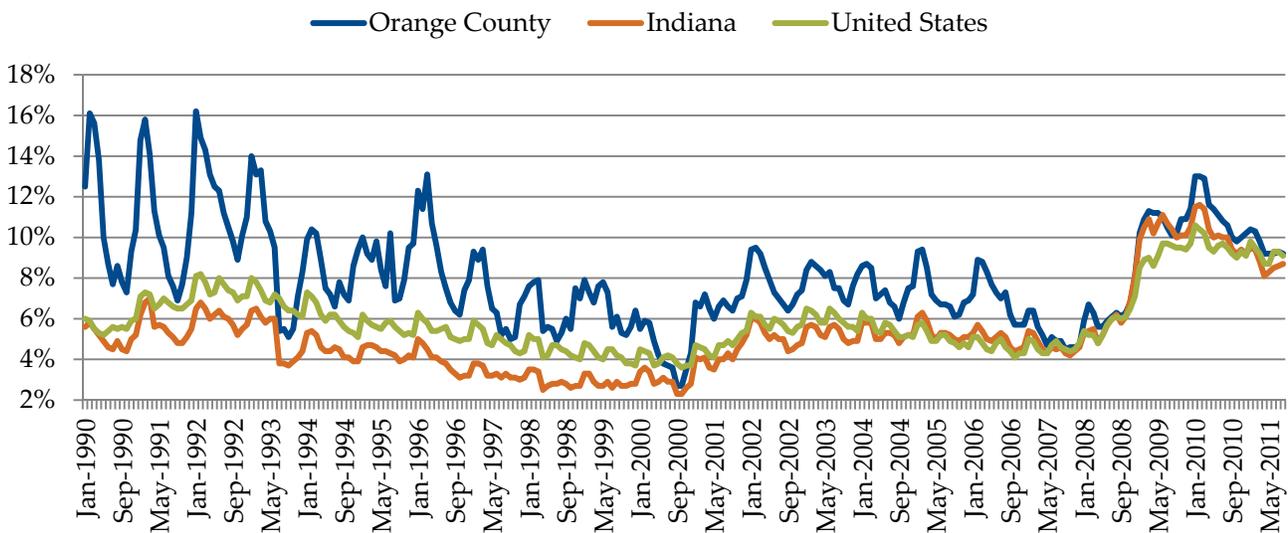
ECONOMIC DISTRESS

Following the aftermath of the recession, economists have an increased interest in distress signals that can help warn of future severe downturns in the economy. Unfortunately, there is no uniform consensus of which indicators should be watched nor at what point the alarm should be sounded. Therefore, this analysis presents several indicators (unemployment rate, poverty rate and number of food stamp recipients) that often serve as distress signals.

As a result of the employment changes related to the recession and its aftermath, the unemployment rate has risen greatly and then receded gradually over the past few years. **Figure 23** shows that Orange County’s unemployment rate has historically been higher than Indiana and the U.S., though it was on par with the state and nation from the end of 2008 through the first quarter of 2009. As of August 2011, Orange County’s unemployment rate is 9.2 percent, higher than the state’s rate of 8.7 percent but similar to the national rate of 9.1 percent.

Also noteworthy is the very seasonal nature of Orange County unemployment, much more so than in the state or nation. The county’s unemployment rate shows a pronounced peak each winter, reaching its lowest levels in the summer, mirroring tourism patterns. This seasonal volatility, however, has been much reduced during the past decade than it was in the 1990s; and over the past four years or so, it has been even less pronounced.

Figure 23: Unemployment Rates, U.S., Indiana and Orange County, 1990 to August 2011



Source: Bureau of Labor Statistics

Poverty rates have increased for the U.S., Indiana and Orange County – both in the long and short term (see **Table 11**). Since 2000, Indiana’s poverty rate rose more than Orange County’s or the nation’s.

However, during the recession period from 2007 to 2009, Orange County’s poverty rate increased more than the state or nation.

Table 11: Poverty Rates in U.S., Indiana and Orange County, and Change since 2000 & 2007

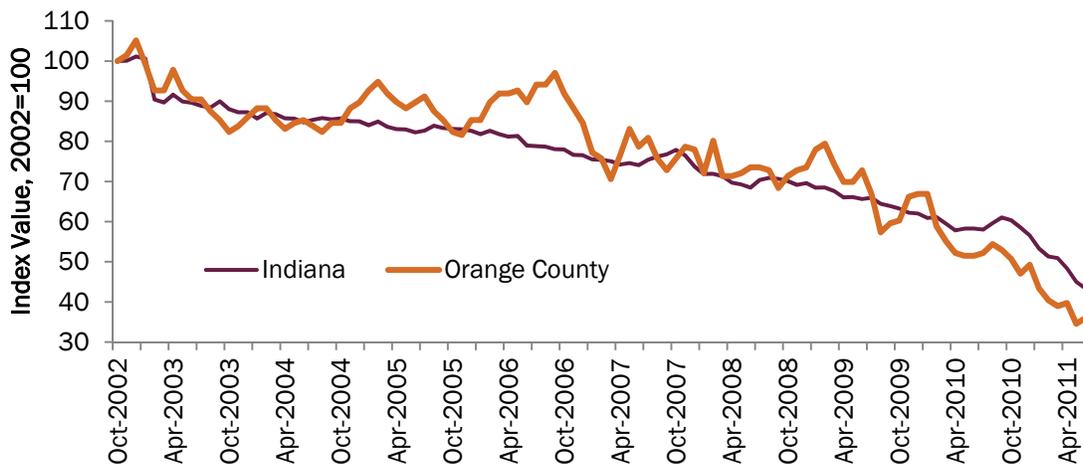
	2000	2007	2008	2009	Change from 2000 to 2009	Change from 2007 to 2009
United States	11.3%	13.0%	13.2%	14.3%	3.0%	1.3%
Indiana	8.8%	12.3%	12.9%	14.4%	5.6%	2.1%
Orange County	12.0%	14.2%	15.9%	16.9%	4.9%	2.7%

Source: U.S. Census Bureau

One form of federal assistance to needy families is food stamps, designed to raise the nutritional level of low income households by supplementing families’ available food purchasing dollars with food stamp coupons. To qualify for this program, the applicants must meet both non-financial and financial requirements. In **Figure 24**, the numbers of food stamp recipients in the state and county are indexed so that the 2002 levels equal 100, facilitating comparison of relative change since 2002. For both Indiana and Orange County, the number of food stamp recipients has dropped over time despite various spikes in the Orange County trend line. The federal government has taken several steps to make food stamps more available in recent years, thus the decline is a mystery. Orange County saw a peak in September 2006 and other notable increases in February 2009 and December-January 2009/2010.

Since February 2010, Orange County’s index has remained below the Indiana level. As of June 2011, the state had 22,613 families on food stamps and 49 were in Orange County. Despite the noted decline in food stamps in Orange County, local food banks can attest to increased demand in recent years, as one of the four community food banks (Paoli Community Food Pantry) assisted nearly 250 families and 750 individuals in July—numbers that continue to climb monthly.

Figure 24: Index of Food Stamp Recipients in Indiana and Orange County, October 2002 to June 2011

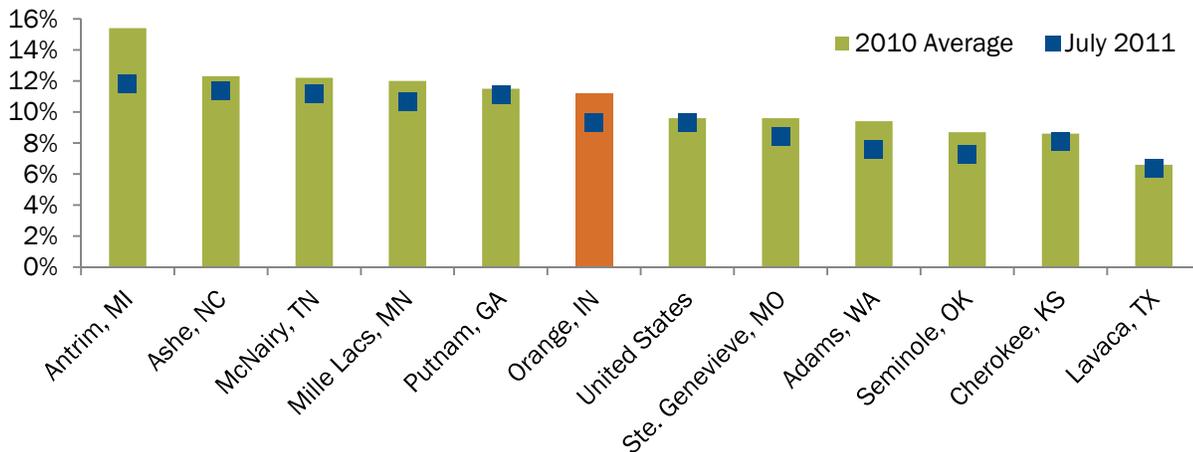


Source: Indiana Family and Social Services Administration

OC and Its Peers: Distress Indicators

Six of the national peer set counties, including Orange County, had average unemployment rates higher than the national average in 2010, with Antrim, MI, topping the list at 15.4 percent (see **Figure 25**). Lavaca, TX appeared to be nearly immune from high unemployment, with a 6.6 percent average unemployment rate in 2010. A few counties have seen improvements in their unemployment rates so far this year—namely, Antrim, Orange, Adams, and Seminole, whereas others have seen little change from their 2010 average rate.

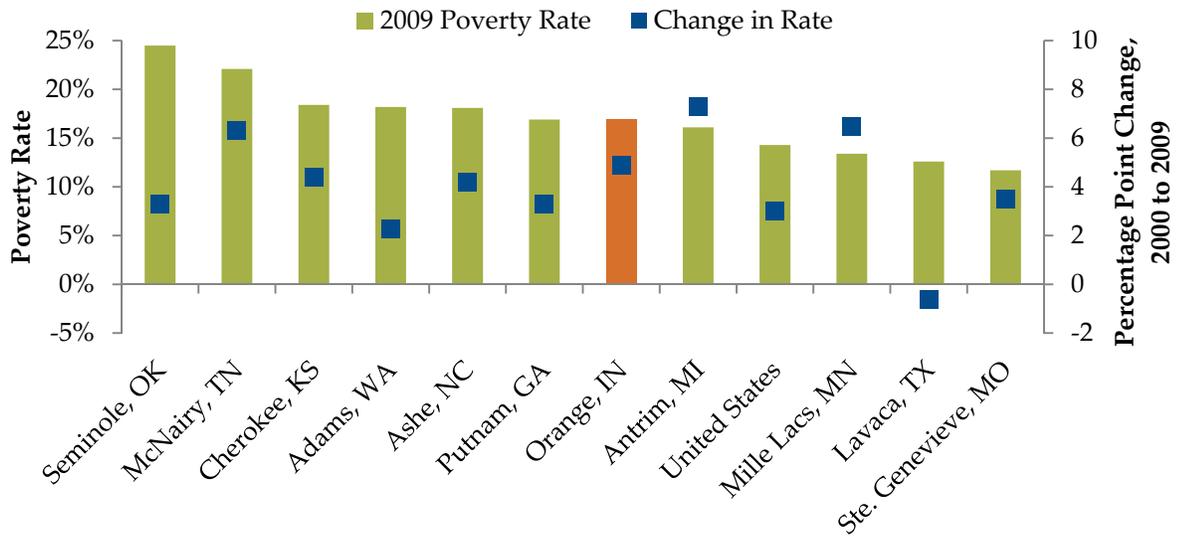
Figure 25: Unemployment Rates, National Peers, 2010 Average and July 2011



Source: Bureau of Labor Statistics

The past decade has forced large numbers of individuals into poverty, and **Figure 26** shows how disparately this impact was felt throughout the peer group. Some counties have had persistently high poverty rates (e.g., Seminole, OK), and thus have experienced little change. Other counties had relatively low poverty rates and experienced a dramatic jump in the past decade (e.g., Mille Lacs, MN). Only one county, Lavaca, TX, experienced a decline in its poverty rate over the past nine years. Orange County fell in the middle of the pack with a 2009 poverty rate of 16.9 percent, which has experienced a 4.9 percentage point change in its poverty rate.

Figure 26: Poverty Rate, National Peers, 2000 and 2009



Source: U.S. Census Bureau

COMPARING ORANGE COUNTY AGAINST OTHER CASINO RESORT COUNTIES

Due to the local importance of Orange County's casino and resorts, the IBRC research team examined a second set of peers, selected rural counties around the nation that also have a casino and resort, against which to compare Orange County's performance. The counties are similar to Orange County in their rural nature and they have casinos, typically affiliated with a destination resort.

These counties have populations between 6,000 and 26,000 and are not adjacent to a metropolitan area. The two other rural

Indiana casino counties were also included, despite being part of the Cincinnati metro area, to provide familiar points of reference.



This is the resulting set of rural casino peer counties:

- **Allen Parish, LA:** Located in southwest Louisiana near “Cajun country,” this county is the home of the Coushatta Indian Tribe and the Coushatta Casino resort, which has over 3,000 slots and 80 gaming tables. The resort has more than 500 rooms for its guests and features live entertainment, golf and proximity to a lake.
- **La Paz County, AZ:** In western Arizona, this county borders the Colorado River—a key feature of the Bluewater Resort and Casino. The casino has 475 slot machines in addition to gaming tables, a card room and bingo. The resort has 225 rooms.
- **Menominee County, MI:** Home to Chip-In Island Resort and Casino, this county in northeast Michigan is predominantly occupied by Native Americans. The casino has 1,400 slots and a wide array of other games in addition to a 115-room resort.
- **Mille Lacs County, MN:** Located in the middle of the state, this county has Grand Casino—a casino with thousands of slot games and other gaming tables. Overlooking a lake, this casino serves as a resort for outdoor adventurers with its 300 rooms.
- **Ohio County, IN:** The state's smallest county is home to the Rising Star Casino Resort, which opened in 1992. Its only town, Rising Sun, is similar in nature to Orange County's towns. Its casino has 1,300 slots and over 200 rooms for its guests—some of whom arrive via boat from the Ohio River.

- **Switzerland County, IN:** The Belterra Casino Resort, with an 18-hole golf course and more than 600 hotel rooms, opened in 1996. While Switzerland County is one of the state’s smallest counties, its population has grown rapidly in recent years. This riverboat casino has 600 rooms in its hotel overlooking the Ohio River.
- **Tama County, IA:** As one of Iowa’s largest casinos, the Meskwaki Bingo Casino Hotel has 1,400 slot machines and over 400 hotel rooms for its guests. Located in central Iowa, this casino is operated by the Meskwaki Indian Tribe.

The next several sections will compare these counties based on size, education levels, employment, PCPI, poverty and unemployment.

Orange County’s 2010 population is in the middle of the casino peer set (see **Figure 27**). Of all the casino resort counties, Mille Lacs, MN, and Switzerland, IN, have had the strongest population growth rates in the past decade. Similar to Orange County, La Paz and Allen counties have had very little growth since 2000.

Figure 27: Population Trends of Casino Peers, 2000 and 2010



Source: U.S. Census Bureau

Most of the adults in these casino resort counties have a high school diploma or less education (see **Table 12**), with Orange County leading the pack at 69.1 percent. In addition, all the counties have a higher proportion of adults with some college or an associate degree than Orange County. The data show that, compared to its casino peers, Orange County has a larger share of residents with relatively low formal education, and educational attainment is improving at a faster pace in most of those peer counties.

Table 12: Educational Attainment Levels of Casino Peers, 2000 to 2009

Casino Peer	Bachelor's Degree or Higher		Some College or Associate Degree		High School or Less	
	2005-2009 Proportion	Change since 2000	2005-2009 Proportion	Change since 2000	2005-2009 Proportion	Change since 2000
Tama, IA	16.7%	3.8%	31.0%	0.5%	52.2%	-4.4%
Mille Lacs, MN	13.9%	1.7%	34.0%	5.2%	52.1%	-6.9%
Menominee, MI	12.9%	1.9%	31.2%	5.1%	56.0%	-6.9%
Switzerland, IN	11.1%	3.5%	22.1%	2.8%	66.7%	-6.4%
Orange, IN	11.0%	0.8%	19.9%	1.5%	69.1%	-2.3%
Ohio, IN	10.9%	-0.7%	23.5%	1.4%	65.6%	-0.7%
La Paz, AZ	9.9%	1.2%	29.3%	2.6%	60.7%	-3.9%
Allen, LA	9.0%	-0.3%	22.9%	6.9%	68.1%	-6.7%

Source: U.S. Census Bureau

Table 13 details each county's total employment and leisure and hospitality employment between 2001 and 2010. Orange County is the only county in the casino peer set posting employment gains over the past nine years. As mentioned earlier, this employment gain is largely attributed to the restoration of the French Lick Resort and West Baden Springs Hotel. Leisure and hospitality employment grew in only two of the casino counties over this period, and its growth in Orange County was much higher than elsewhere.

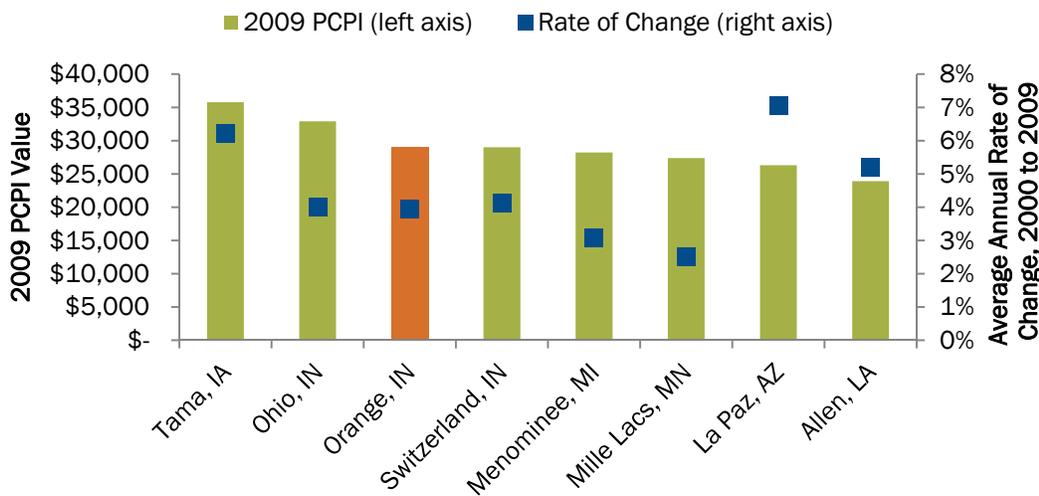
Table 13: Employment Trends, Casino Peers, 2001 to 2010

Casino Peer	Total Employment			Leisure and Hospitality Employment		
	2001	2010	2001-2010 % Change	2001	2010	2001-2010 % Change
Mille Lacs, MN	9,561	8,854	-7.4%	1,022	803	-21.4%
Menominee, MI	8,864	7,142	-19.4%	565	651	15.2%
Allen, LA	8,573	8,286	-3.3%	488	382	-21.7%
Orange, IN	6,582	7,374	12.0%	775	2,044	163.7%
Tama, IA	5,513	4,874	-11.6%	323	254	-21.4%
La Paz, AZ	5,379	5,253	-2.3%	1,040	924	-11.2%
Switzerland, IN	2,696	2,324	-13.8%	ND	1,327	-
Ohio, IN	1,854	1,503	-18.9%	ND	ND	-

Note: ND indicates the data are non-disclosable. Years 2001 and 2010 were used due to the large amount of non-disclosable data in 2000 for these counties.
Source: Bureau of Labor Statistics

The PCPIs of the rural casino resort counties are within about a \$12,000 range, and Orange County is in the top three (see **Figure 28**). Tama, IA, clearly leads the set at \$35,800, whereas Allen Parish is the lowest at \$23,900. All counties have posted positive PCPI growth that generally surpasses the average inflation rate. La Paz, AZ, has had the strongest average annual growth at 7.1 percent, followed by Tama, IA, with 6.2 percent growth.

Figure 28: PCPI, Casino Peers, 2000 to 2009



Source: Bureau of Economic Analysis

La Paz, AZ, which is similar to Orange County in population, has the highest poverty rate with over a quarter of its residents in poverty (see **Table 14**). In comparison, Orange County had roughly 17 percent of its population in poverty in 2009. Over the past nine years, the poverty rate grew most quickly in Ohio, IN, followed by Mille Lacs, MN. Interestingly, during the recession, two counties lowered their poverty rate—Tama, IA, and Menominee, MI—while some other counties experienced large surges in poverty rates, notably Mille Lacs, Switzerland, and Orange County.

Table 14: Poverty Rates, Casino Peers, 2000 and 2007-2009

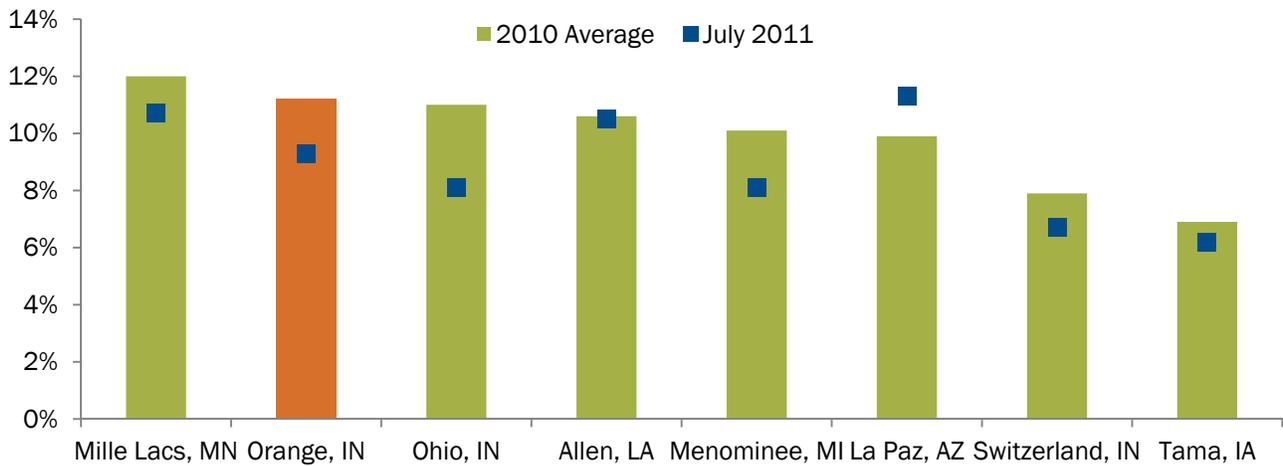
Casino Peer	Poverty Rate				Average Annual Rate of Change	
	2000	2007	2008	2009	2007-2009	2000-2009
La Paz, AZ	20.7%	23.8%	26.1%	25.4%	3.4%	2.5%
Allen, LA	21.4%	21.6%	20.7%	23.1%	3.5%	0.9%
Switzerland, IN	11.4%	14.4%	16.3%	17.2%	9.7%	5.7%
Orange, IN	12.0%	14.2%	15.9%	16.9%	9.5%	4.5%
Mille Lacs, MN	8.9%	9.5%	12.3%	13.4%	20.5%	5.6%
Menominee, MI	10.0%	14.0%	15.7%	12.9%	-3.9%	3.2%
Tama, IA	8.4%	10.8%	10.7%	10.5%	-1.4%	2.8%
Ohio, IN	6.7%	9.1%	9.0%	10.2%	6.0%	5.8%

Source: U.S. Census Bureau

The strong increase in poverty within Mille Lacs County may be a result of the high unemployment rate it had in 2010, which has persisted at the 10.7 percent mark (see **Figure 29**). Orange County had the second-highest average unemployment rate in 2010 of the peers; however, its rate has dropped into the low 9 percent range during 2011. Thus far in 2011, only one county has had increasing unemployment rates—La Paz, AZ, with its July rate of 11.3 percent. Tama, IA, has had the lowest unemployment rate of

its peers—both in 2010 and thus far this year—indicating that its economy was not as severely impacted by the recession.

Figure 29: Unemployment Rates of Casino Peers, 2010 Average and July 2011



Source: Bureau of Labor Statistics

Overall, the rural casino resort counties are relatively similar to each other, yet they have been affected differently by the past decade. No single casino resort county has become a “star” as each has its weakness. Mille Lacs County, which initially looked like a model rural casino resort county, had a dramatic growth in poverty and unemployment rates, likely attributed to the gradual decline in employment opportunities in the area which subsequently affected its PCPI. Tama, IA, seemed to be favorable due to its low unemployment rate, low poverty rate and fast-growing PCPI, which is likely driven by an industry other than leisure and hospitality. Despite its low population and proximity to Cincinnati, Switzerland County may be the best comparison to Orange County as it also has a very high share of its workforce involved in leisure and hospitality, in addition to similar poverty rates, PCPI, educational mix, and positive employment growth in the past decade. The re-opening of the French Lick Resort has boosted Orange County’s economy as it helped in retaining outgoing commuters, increasing payrolls and enhancing the county’s PCPI.

TARGET INDUSTRY ANALYSIS

This section evaluates potential business sectors that the Orange County Economic Development Partnership (OCEDP) might consider targeting for new employer locations. For this analysis, Strategic Development Group (SDG) has looked at a number of issues pertinent to business location decisions such as the current business climate of the county, available employer sites and recent business investments.

Employment Base

The county's employment base leans heavily upon four sectors (see **Table 15**). Among the four leading employment sectors in Orange County, two primarily serve outside markets: accommodation and food services and manufacturing. The former focuses on convention and visitors customers¹² and the latter on business-to-business clients.

Table 15: Orange County's Leading Employment Sectors, 2009

Sector	Percent of County Jobs	Average Earnings per Job
Accommodation and Food Services	20.9	\$28,422
Manufacturing	12.5	\$40,809
Government (including K-12 Education)	11.6	\$44,844
Construction*	10.0	\$53,890

*Construction might be higher than normal due to the continuing construction in Springs Valley related to the casino.

Note: Table 7 and Table 15 utilized different data sources to report the average wage and cannot be directly comparable.

Source: STATS Indiana; U.S. Bureau of Economic Analysis

Accommodation and Food Services

Orange County has been a visitor destination since before the turn of the 20th century. After languishing for years, recent activity related to the restoration of the French Lick Springs Resort and Casino and the West Baden Springs Hotel has driven substantial new economic activity in these two communities. This helps explain why one in every five jobs in the county is in accommodations and food services.

Manufacturing

The majority of industrial firms are focused on the woodworking industry. These companies range from logging and sawmills to high-end wood furniture. Four of the six manufacturers that employ the largest number of workers are in the woodworking industry. Other major manufacturing employers are in a variety of sectors ranging from plastic bottling to gas fireplaces.

¹² Although the visitors are served when they are in Orange County, the convention and visitors industry is primarily a basic employer.

Strengths and Weaknesses for New Employer Recruitment

SDG staff has been involved in hundreds of successful site location projects. Companies looking for new locations focus on a wide range of requirements. In the firm's experience, the top requirements often include:

- Available, affordable workforce with appropriate skills
- Access to raw materials
- Access to markets
- Overall business climate
- Suitable sites or buildings

Although a site location consultant might have a list of 250 location factors, these five criteria frequently drive the location process.

Strengths

Workforce and Business Climate

The county's strengths include its workforce, sites and business climate.

Orange County is a net exporter of workers; that is to say that more Orange County residents work in other counties than the number of outside county residents work in Orange. Over 2,000 residents of Orange County work in other counties, as detailed earlier in **Table 9**.

Many of these commuters might prefer to work in their home county if the right jobs materialized. A large number of residential commuters indicate a workforce that is potentially available for new, local jobs. This is an argument that the OCEDP can make to prospective employers:

- **High percentage of manufacturing jobs:** A large percentage of the jobs in Orange County are in manufacturing. In fact, the location quotient (LQ) for skilled production workers (technicians, operators, trades, installers and repairers) is relatively high at 1.46. This suggests to a site locator that there is a culture of manufacturing here and that at least some of the manufacturing is being "exported" outside of Orange County.
- **Low manufacturing wages:** The county's manufacturing wages are significantly below the state average. Although part of this wage discrepancy is likely due to the fact that woodworking industries pay less than certain other manufacturing sectors, nonetheless, the approximately \$30,000 difference in average annual manufacturing wages should appeal to many prospective employers.¹³

¹³ The Indiana average annual manufacturing wage is \$71,752; the average annual wage for the same sector in Orange County is \$40,809.

- **Shovel-ready site:** The OCEDP promotes one “shovel-ready” site in the county.¹⁴ Many counties in Indiana have no shovel-ready sites.
- **Local business climate:** The overall business climate is perceived by established manufacturers as excellent, with great cooperation between local government and business.¹⁵

One of Indiana’s Most Scenic Counties

With its forested hills, winding roads and rural vistas, Orange County has a scenic beauty. From an economic development perspective, the question is how the OCEDP can use that aesthetic quality as an economic development asset.

Weaknesses

From the perspective of new business recruitment, Orange County faces some challenges in the areas of workforce educational attainment, amenities and access to raw materials and markets.

Education

Only 11 percent of Orange County adults have a bachelor’s degree. This is nearly half the Indiana average. An 11 percent rate ranks Orange County in the bottom quartile of Indiana’s 92 counties. Also the percentage of adults in the county with no more than a high school diploma is above the state average. In an economy in which greater economic rewards go to the workers with higher levels of education, the county is at a disadvantage.

The county’s problem with educational attainment is clarified by looking at the dominant occupational categories in the county since the majority of jobs in the county require no or little specialized skills or education, as discussed in the Industry Mix by Employment and Occupation section of this report.

Access

Intercity highway transportation is critical for accessing raw materials and markets. The county’s best roads are two-lane highways:

- SR 37 (connects with the Bloomington metro and via SR 237 or SR 145 connects with I-64).
- SR 56 (connects with I-64 and U.S. 231).
- SR 145 (connects via SR 37 with I-64).
- U.S. 150 (connects via I-64 with Louisville metro).

¹⁴ These are sites that have all appropriate utilities to the site, have had a phase one environmental assessment and are ready for new construction. The county had two sites, with one recently being purchased (late summer 2011).

¹⁵ This is based on a facilitated focus group discussion of Orange County business executives. The summary of that focus group report is found in Appendix C.

The distances and travel times to nearby metropolitan statistical areas (MSAs) are also considerations for the county's new employer recruitment strategy.

- The Louisville MSA is approximately one hour from Paoli (47 miles).
- The Evansville MSA is nearly two hours from Paoli (105 miles).
- French Lick is approximately 25 miles to I-64 at the junction with SR 37 S.
- The Crane Naval Base is just under one hour from both Orleans and French Lick.
- The Bloomington MSA is slightly less than one hour from Paoli.

Transportation costs and time for both incoming and outgoing product was cited by participants in the employer's focus group discussion as the major problem their companies faced operating in Orange County.

Amenities

The lack of amenities is also an issue. In the focus group discussion, executives mentioned that—while not a major obstacle to their business operations—they often had to entertain visitors outside of the county. This might not be an issue for the Springs Valley area.

A Note about Entrepreneurs

Related to Orange County's approach to new employer recruitment is the phenomenon that most of the basic employers in Orange County today were started by local business people. While some of these businesses are now owned by out-of-state companies, SDG has found few manufacturers that were located by out-of-state owners.¹⁶

Recommended Approach to New Employer Recruitment

For the reasons mentioned above, recruiting new employers—especially employers that will not be serving primarily the local market—will be challenging for the OCEDP. However, given the number of small to mid-size manufactures in the county and the low-cost of manufacturing wages, the county should be competitive for basic employers in a number of sectors.

SDG recommends that a targeted sector marketing plan for new employers focuses primarily on the companies that:

1. Are based on the East Coast of the U.S. and wish to add a location to serve the Midwest and West Coast
2. Wish to serve the Bloomington, Louisville and/or Evansville MSAs
3. Do not require high educational attainment levels
4. Ship both semi-truck load and less-than-truck-load
5. Can use semi-skilled and unskilled workers

¹⁶ There were at least three plants—now closed—that were started by out-of-state employers.

6. Are compatible with small-town and rural values

Focus group executives thought that Orange County's more central location would meet the needs of companies on the East Coast that wanted to serve markets to the west. Bloomington is one of Indiana's fastest-growing economies. It was recently named by Battelle/BIO as one of nation's top small MSA for life science companies.

The Louisville and Evansville MSAs are major markets that are one and two hours, respectively, from the Orange County Courthouse. Following are tables of business sectors that have relatively high location quotients (LQs). Each one of these sectors represents potential markets for Orange County prospective employers.

Table 16: Louisville MSA LQs at 1.2 or Above, 2010

NAICS	Title	LQ
492	Couriers and messengers	7.29
312	Beverage and tobacco product manufacturing	3.06
323	Printing and related support activities	2.82
335	Electrical equipment and appliance mfg.	2.63
493	Warehousing and storage	2.25
48-49	Transportation and warehousing	2.06
524	Insurance carriers and related activities	2.03
336	Transportation equipment manufacturing	1.67
484	Truck transportation	1.47
337	Furniture and related product manufacturing	1.33
52	Finance and insurance	1.31
326	Plastics and rubber products manufacturing	1.27
711	Performing arts and spectator sports	1.27
322	Paper manufacturing	1.24
332	Fabricated metal product manufacturing	1.21

Source: Statsamerica.org; Economic Modeling Specialists, Inc. Complete Employment Statistics

Table 17: Evansville MSA LQs at 1.2 or Above, 2010

NAICS	Title	LQ
331	Primary metal manufacturing	6.47
326	Plastics and rubber products manufacturing	4.83
212	Mining, except oil and gas	4.72
493	Warehousing and storage	2.07
31-33	Manufacturing	1.75
21	Mining, quarrying, and oil and gas extraction	1.71
484	Truck transportation	1.59
622	Hospitals	1.55
327	Nonmetallic mineral product manufacturing	1.44
311	Food manufacturing	1.41

NAICS	Title	LQ
23	Construction	1.29
55	Management of companies and enterprises	1.28
551	Management of companies and enterprises	1.28
811	Repair and maintenance	1.22

Source: Statsamerica.org; Economic Modeling Specialists, Inc. Complete Employment Statistics

Recommended Sectors to Target

In addition to the general principles listed in the last section, SDG has identified business sectors for the OCEDP to consider as marketing targets for new employer recruitment. Listed below are the primary sectors with their major codes, along with subsectors for consideration.

Driving these recommendations were the strengths and weaknesses discovered when analyzing the county's economy. In each sector, we found one or more strengths that the OCEDP could apply in its marketing campaigns. Similarly, we attempted to avoid those business sectors that depend upon resources that Orange County lacks.

It is unlikely that the OCEDP will want to develop a marketing campaign for each one of these sectors. Instead, SDG suggests that it choose one of these sectors to pursue in 2012.

Here are the firm's recommendations:

Amusement and Theme Parks (713110)

What is it? This sector and its related groups include a wide range of businesses—from amusement parks to performing arts and sporting events. The industry is comprised mainly of establishments in the amusement or theme parks business. However, companies in this sector are operating in a wide variety of attractions, such as mechanical rides, water rides, games, shows, theme exhibits, refreshment stands and picnic grounds.

Related sectors include establishments primarily engaged in:

- 713990 – Other Amusement and Recreation Industries: Operating mechanical or water rides on a concession basis in amusement parks, fairs and carnivals or in operating a single attraction (such as a waterslide)
- 7222 – Limited-Service Restaurants: Operating refreshment stands on a concession basis
- 713990 – All other Amusement and Recreation Industries: Supplying amusement services (except amusement parks, golf course, gambling, etc.) devices in others facilities
- 713290 – Other Gambling Industries: Supplying and servicing coin-operated gambling devices (e.g., slot machines) in places of business operated by others
- 7113 – Musical Groups and Artists: Organizing, promoting, and/or managing events, such as carnivals and fairs, with or without facilities; this includes performing arts, sports, and similar events

Why was it chosen? Springs Valley has a burgeoning economy building on tourism. All of Orange County has the potential to benefit from this same economic driver. With its scenic, rural countryside, the county should appeal to a wide range of tourism asset providers. This will make use of three primary assets:

- A. An already dynamic tourism economy serving a multi-state, regional market
- B. Attractive land
- C. A qualified, available and affordable workforce

Continuing Care Retirement Communities (623311)

What is it? This is a major growth sector for the United States. The industry is comprised of businesses primarily engaged in providing a range of residential and personal care services with on-site nursing care facilities for (1) the elderly and other persons who are unable to fully care for themselves and/or (2) the elderly and other people who do not desire to live independently. Individuals live in a variety of residential settings with meals, housekeeping, social, leisure, and other services available to assist residents in daily living. Assisted-living facilities with on-site nursing care facilities are included in this industry.

Related sectors include:

- 623110 - Nursing Care Facilities: Establishments primarily engaged in providing inpatient nursing and rehabilitative services
- 623312 - Homes for the Elderly: Assisted-living facilities without on-site nursing care facilities are classified in U.S. Industry
- 531110 - Lessors of Residential Buildings and Dwellings: Apartment or condominium complexes where people live independently in rented housing units are classified in the industry

Why was it chosen? This is a growth sector for the United States. Orange County has:

- A. Available land
- B. Qualified, available and affordable workforce
- C. Central location in South-Central/Southwest Indiana

Frozen Specialty Food Manufacturing (311412)

What is it? This sector is made up of a range of establishments primarily engaged in manufacturing frozen specialty foods (except seafood), such as frozen dinners, entrees and side dishes; frozen pizza; frozen whipped topping; and frozen waffles, pancakes and French toast.

Related sectors include:

- 311520 - Ice Cream and Frozen Dessert Manufacturing: Manufacturing frozen dairy specialties
- 311813 - Frozen Cakes, Pies, and Other Pastries Manufacturing

- 311411 - Frozen Fruit, Juice, and Vegetable Manufacturing
- 31161 - Animal Slaughtering and Processing: Manufacturing frozen meat products

Why was it chosen? Convenience foods continue to be a growth industry in the United States. The workforce requirements usually range from low-skilled to semi-skilled. Orange County has:

- A. Shovel-ready employer site
- B. Qualified, available and affordable workforce
- C. A reasonable location for serving the Central Midwest

Manufacturing Canned Specialty Foods (311422)

What is it? This industry sector is comprised of establishments primarily engaged in manufacturing canned specialty foods. Examples of products made in these establishments are canned baby food, canned baked beans, canned soups (except seafood), canned spaghetti, and other canned nationality foods.

Related sectors include:

- 311514 – Dry, Condensed and Evaporated Dairy Product Manufacturing
- 311421 - Fruit and Vegetable Canning (contains canned juices)
- 31161 - Animal Slaughtering and Processing: Manufacturing canned meat products
- 311999 - All Other Miscellaneous Food Manufacturing (contains manufacturing canned puddings)

Why was it chosen? Convenience foods continue to be a growth industry in the United States. The workforce requirements usually range from low-skilled to semi-skilled. Orange County has:

- A. Shovel-ready employer site
- B. Qualified, available and affordable workforce
- C. A reasonable location for serving the Central Midwest

Concrete Pipe Manufacturing (327332)

What is it? This U.S. industry comprises establishments primarily engaged in manufacturing concrete pipe. These pipes are used in a variety of settings: conduits, culverts, sewers, irrigation, etc.

Why was it chosen? Despite the decline in the construction industry with which this sector is associated, the Midwest continues to see growth in this area. A business in this sector recently located a new operation in southeast Indiana. Orange County has:

- A. Shovel-ready employer site
- B. Qualified, available and affordable workforce
- C. A reasonable location for serving the Central Midwest

Other Structural Clay Product Manufacturing (327123)

What is it? This industry is comprised of business establishments primarily engaged in manufacturing clay sewer pipe, drain tile, flue lining tile, architectural terra-cotta and other structural clay products.

Related sectors include:

- 327121 - Brick and Structural Clay Tile Manufacturing
- 327122 - Ceramic Wall and Floor Tile Manufacturing
- 327124 - Clay Refractory Manufacturing
- 327125 - Nonclay Refractory Manufacturing

Why was it chosen? Although tied to the construction industry, which has seen a decline since 2008, this sector continues to see some growth nationally. The workforce requirements usually range from low-skilled to semi-skilled. Orange County has:

- A. Shovel-ready employer site
- B. Qualified, available and affordable workforce
- C. A reasonable location for serving the Central Midwest

Telemarketing Bureaus and Other Contact Centers (561422)

What is it? This category is comprised of establishments primarily engaged in operating call centers that initiate or receive communications for others—via telephone, facsimile, email, or other communication modes for purposes such as:

- Promoting clients products or services.
- Taking orders for clients.
- Soliciting contributions for a client.
- Providing information or assistance regarding a client's products or services.

These establishments do not own the product or provide the services they are representing on behalf of clients.

Sectors include:

- 561421 - Answering telephone calls and relaying messages to clients
- 561499 - All Other Business Support Services
- 541910 - Marketing Research and Public Opinion Polling: Gathering, recording, tabulating, and presenting marketing and public opinion data that may include telephone canvassing services

Related operations involve:

- Floral wire services (i.e., telemarketing services).
- Order-taking for clients over the internet.

- Telemarketing bureaus.
- Telemarketing services on a contract or fee basis.
- Telephone call centers.
- Telephone solicitation services on a contract or fee basis.
- Wire services (i.e., telemarketing services).

Why was it chosen? As the U.S. economy recovers, this sector should grow. Orange County has:

- A. Available buildings
- B. Qualified, available and affordable workforce

Animal Food Manufacturing (31111)

What is it? This industry is made up of businesses primarily engaged in manufacturing food and feed for animals from a variety of ingredients: grains, oilseed mill products and meat.

Related sectors include:

- 311111 - Dog and Cat Food Manufacturing.
- 31161 - Animal Slaughtering and Processing.
- 32541 - Dog and Cat Vitamin and Minerals Manufacturing.

Why was it chosen? The U.S. pet industry continues to expand. The location of a new pet food ingredient manufacturing facility was announced earlier this year in north-central Indiana. Orange County has:

- A. Shovel-ready employer site
- B. Qualified, available and affordable workforce
- C. A reasonable location for serving the Central Midwest

Plastics Packaging Materials and Unlaminated Film and Sheet Manufacturing (32611)

What is it? This industry converts plastics resins into unsupported plastics film and sheet and also forms, coats or laminates plastics film and sheet into bags.

Sectors include:

- 32613 - Laminated Plastics Plate, Sheet (except Packaging), and Shape Manufacturing
- 32619 - Other Plastics Product Manufacturing (including plastics blister and bubble packaging)
- 32222 - Paper Bag and Coated and Treated Paper Manufacturing: Coating or laminating combinations of plastics, foils and paper (except plastics film to plastics film) into film, sheet or bags

Why was it chosen? Indiana has a number of establishments in this industry. The operations range from smaller operations to those among the top 10 U.S. film and sheet manufacturers. Orange County has:

- A. Shovel-ready employer site
- B. Qualified, available and affordable workforce
- C. A reasonable location for serving the Central Midwest

Summary

Each of these industrial sectors can serve as the focus of an OCEDP targeted marketing campaign. However, given the paucity of new basic employer locations in Orange County over the past two decades, recruiting new employers will not be an easy task. The distance and travel times from the county's four incorporated communities to nearby interstates puts Orange County at a disadvantage with those communities that are within 10 minutes of those interstates.

Despite the challenges, Orange County can recruit new basic employers. Successful recruiting will require a concentration on those prospective employers that do not require close proximity to interstate highways and that value the qualities of the Orange County workforce. This approach to economic development should be one element of the OCEDP's strategy.

CONCLUSION

The past decade has ushered in several changes to the Orange County area with the most notable ones being the renovation and re-opening of both the French Lick and West Baden Springs Hotels and the establishment of the casino. Following on the heels of these projects, several other businesses have opened in the French Lick-West Baden Springs area, re-creating a tourist destination similar to historical times.

Despite the numerous positive changes in the county, challenges still exist that need to be addressed and the steps taken to address these challenges may further spur additional economic development opportunities. Challenges include the need to improve the educational attainment level, improved transportation routes to larger markets, training of local workforce into skilled labor, retirement communities for its aging population and additional retail activity to entice management-level executives to live in the county as well as re-attract native Orange County residents who leave the county to pursue their postsecondary education.

Following the presentation of data outlining the progress made within the past decade in Orange County, SDG presented recommendations for the county regarding nine potential sectors that could be attracted to the county and employ the local workforce. The goal of the targeted industry analysis was to guide the leaders of Orange County towards developing a strategic plan for the county's future—which will need to be supported by the local residents to be fully implemented and carried out.

APPENDIX A: METHODOLOGIES

Housing Affordability Index Methodology

The housing affordability index is designed to measure the degree to which a “typical” middle income family can afford the mortgage payments on the typical home.

To interpret the index, a value of 100 means that the typical family has just enough income to qualify for an 80 percent mortgage on a median-priced home—thus, the higher the index, the more affordable the housing.

Calculation of affordability indices is dependent on several published data sources and assumptions. The primary building block is the median existing house sales price published by the National Association of Realtors (NAR). The NAR price estimates are available for the nation, Census regions and approximately 132 metropolitan areas. Economy.com estimates home prices for counties and states, in addition to the metropolitan areas not published by the NAR.

Published median family income data for the United States, regions, states, metropolitan and county areas are used to determine the income available for a home purchase. Since the Census Bureau publishes median family income for metropolitan and county areas on a decennial basis, Economy.com estimates the intercensal years.

The affordability indices use the state-level “effective” interest rates released on an annual basis by the Federal Housing Finance Board. Effective rates are higher than contract rates because they include fees and charges (points) amortized over the typical seven-year life of a mortgage.

A 20 percent down payment is assumed, being a standard of the housing industry. This implies a loan amount of 80 percent of the median sales price. Economy.com assumes a maturity of 30 years. Economy.com assumes a 25 percent coverage ratio, which is the proportion of minimum qualifying family income allocated to the monthly payment.

Source: Moody’s Economy.com

Innovation Index Overview

The ability of a regional economy to innovate drives healthy growth, but innovation is a complex concept. How can you measure innovation in order to improve it? This index provides leaders and practitioners with the first tool that compares regional innovation performance with that of the United States, a state or other regions.

A word of caution is in order: measuring regional innovation can be tricky. As with any complex process, a better understanding is gained by taking multiple perspectives. So, for example, when you describe the weather, you do not simply use one measurement, such as temperature. The weather is

usually described from a variety of perspectives. In addition to temperature, you might want to know whether it is cloudy or sunny, whether it is humid or dry, how strong the wind is blowing and in which direction. A composite of all of these measures, provides a better understanding of the weather.

So it is with innovation. No single measure will do. Innovation must be viewed from a variety of perspectives. First, the innovation index comprises two broad categories: inputs to innovation, which measure innovation capacity, and outputs of innovation, which measure the results. Within each large class, the index provides additional detail and individual measures that collectively make up the broad categories.

So, for example, economic dynamics play an important “input” role in innovation. Economic dynamics captures a variety of indicators and data: venture capital, broadband penetration, investments in R&D and business formation. Human capital is also vital to innovation. Therefore, the index provides different perspectives to evaluate a region’s human capital.

Innovation is not only about inputs, however. A region’s economy must translate these inputs into productive outcomes: employment in high-technology firms, greater output per worker, the creation of patents, to name a few. By examining the output indicators, you can explore how well your economy converts innovation inputs into performance. Because the index is not dealing with simple linear relationships, however, there is no direct cause-and-effect connection between inputs and outputs.

Innovation Index Variables			
Inputs to Innovation		Innovation Outputs	
Human Capital	Economic Dynamics	Productivity & Employment	Economic Well-Being
<ul style="list-style-type: none"> • Mid-Aged Population Growth Rate, 1997 to 2009 • Percent of Population Ages 25-64 with Some College or an Associate's Degree, 2000 • Percent of Population Ages 25-64 with a Bachelor's Degree, 2000 • Average High-Tech Employment Share, 1997 To 2009 • Location Quotient for Knowledge Occupational Cluster, 2001 to 2009 	<ul style="list-style-type: none"> • Average Venture Capital Investment per \$10,000 GDP, 2000 to 2006 • Residential Broadband Connections, 2009 • Change in Broadband Density, 2000 to 2009 • Average Establishment Churn, 1999 to 2006 • Average Small Establishments per 10,000 Workers, 1997 to 2008 • Average Large Establishments per 10,000 Workers, 1997 to 2008 	<ul style="list-style-type: none"> • Job Growth to Population Growth Ratio, 1997 to 2008 • Change in High-Tech Employment Share, 1997 to 2009 • Average Annual Rate of Change in GDP (\$Current) per Worker, 1997 to 2008 • Gross Domestic Product (\$Current) per Worker, 2008 • Average Patents per 1,000 Workers, 1997 to 2008 	<ul style="list-style-type: none"> • Average Poverty Rate, 2006 to 2008, inverse • Average Unemployment Rate, 2007 to 2009, inverse • Average Net Internal Migration Rate, 2000 to 2009 • Change in Per Capita Personal Income, 1997 to 2008 • Change in Wage and Salary Compensation per Worker, 1997 to 2008 • Change in Proprietors Income per Proprietor, 1997 to 2008

The innovation index is part of a larger study titled *Crossing the Next Frontier: Information and Analytics Linking Regional Competitiveness to Investment in a Knowledge-Based Economy*. This study, sponsored by the U.S. Economic Development Administration, is a collaboration of the IBRC; the Purdue Center for Regional Development; Strategic Development Group, Inc.; the RUPRI Center for Regional Competitiveness; and Economic Modeling Specialists, Inc. The study, along with an interactive website containing innovation data for every county in the nation, is available at www.statsamerica.org/innovation.

APPENDIX B: SUPPLEMENTAL DATA

Table 18: Orange County Population by Age, 2000 and 2010

	2000 Population	2000 Percentage	2010 Population	2010 Percentage	Change
Preschool (0-4 years)	1,298	6.7%	1,222	6.2%	-0.6%
School Age (5 to 19 years)	3,655	18.9%	4,166	21.0%	2.1%
College Age (20 to 29 years)	1,549	8.0%	2,046	10.3%	2.3%
Young Adult (30 to 44 years)	5,381	27.9%	3,641	18.4%	-9.5%
Older Adult (45 to 64 years)	4,564	23.6%	5,633	28.4%	4.8%
Older (65 plus years)	2,873	14.9%	3,132	15.8%	0.9%
Median Age (years)	37.6		40.8		

Source: U.S. Census Bureau

Table 19: Orange County Components of Population Change, 2000-2009

	2000	2001	2002	2003	2004	2005	2006	2007	2008	2009
Total Population Change	12	42	48	157	-17	94	-99	181	-73	26
Net Migration	-4	-17	9	143	-76	86	-147	98	-98	-4
Natural Increase	16	59	39	14	59	8	48	83	25	30
Domestic Migration	-7	-29	-2	133	-84	78	-154	91	-103	-10
International Migration	3	12	11	10	8	8	7	7	5	6
Births	59	283	258	229	249	241	249	278	236	241
Deaths	43	224	219	215	190	233	201	195	211	211

Notes: Net Migration = Domestic Migration + International Migration; Natural Increase = Births - Deaths

Source: U.S. Census Bureau

Table 20: High School Graduates' Intent to Pursue a Higher Education Degree, 2000-2008

	2000	2001	2002	2003	2004	2005	2006	2007	2008
Indiana	75.0%	76.9%	78.1%	79.3%	80.7%	82.6%	83.4%	83.3%	84.1%
Orange County	76.8%	82.8%	64.6%	70.4%	71.9%	74.2%	63.6%	66.5%	67.0%

Source: Indiana Department of Education

Table 21: Educational Attainment Levels, 2005-2009

	Population 25 years and older	High School or Less	Some College or Associate Degree	Bachelor's Degree or Higher
Orange County	13,095	69.1%	19.9%	11.0%
Indiana	4,118,786	50.7%	27.3%	21.9%
United States	197,440,772	44.8%	27.7%	27.5%

Source: U.S. Census Bureau, American Community Survey Five-Year Estimates

Table 22: Orange County Employment and Wages, 2000-2010

Year	Employees	Average Annual Wage
2000	6,894	\$22,379
2001	6,582	\$22,820
2002	6,316	\$23,716
2003	6,105	\$24,817
2004	6,159	\$25,817
2005	6,323	\$26,077
2006	6,612	\$27,507
2007	7,715	\$27,068
2008	7,654	\$28,420
2009	7,390	\$28,526
2010	7,374	\$29,134

Source: Bureau of Labor Statistics

Table 23: Prime Mortgages Foreclosure Rates, November 2010

	30-59 Days	60-89 Days	90 Days or More	Percent in Foreclosure
United States	3.0%	1.2%	3.0%	3.1%
Indiana	3.9%	1.4%	2.8%	3.4%
Orange County	5.3%	1.7%	4.6%	3.5%

Note: This database includes mortgages from nine of the top 10 mortgage servicers and represents approximately 50-70 percent of the number of mortgages in the United States. Coverage may vary by type of mortgage and by geography. Therefore, the percentages here are likely indicative of market conditions.

Source: Federal Reserve Bank of New York

Table 24: Orange County Companies by Industry

Company Name	Employees	SIC/Product
Paoli Inc.	625	25210000 Wood office furniture
AHF Industries, Inc.	150	30850000 Plastics bottles
Indiana Handle Company Inc.	90	24260109 Turnings, furniture: wood
Mi-Lin Wood Products Corp	90	
Hillcrest Manufacturing Inc.	36	Furniture
Eiklor Flames, LLC	33	34330201 Logs, gas fireplace
Liner Products, LLC	15	30840000 Plastics pipe
Randall Lowe & Sons Sawmill	15	
Calcar Quarries Incorporated	15	14220100 Limestone, ground
Larry Pendley Logging	10	24110000 Logging
Orange County Processing	10	20110000 Meat packing plants
Steve Cole Inc.	9	35990303 Machine shop, jobbing and repair
Crestwood Manufacturing, Inc.	8	25210000 Wood office furniture
Hudelson Sharpening & Machine Shop	8	35990303 Machine shop, jobbing and repair
Profab Custom Metal Works Inc.	7	34410000 Fabricated structural metal
Coleman Sawmill Supply	5	

Company Name	Employees	SIC/Product
Springs Valley Publishing Co Inc.	5	
Lana Hudelson	4	24319901 Brackets, wood
Hendrix Bakery, LLC	4	54610000 Retail bakeries
Busick Custom Woodworking	3	25990100 Factory furniture and fixtures
Jeff Johnson Studio	3	
Cabinetmaker Inc.	3	24340000 Wood kitchen cabinets
Fletcher Heating & Cooling	3	
French Lick Auto Signs	3	39930000 Signs and advertising specialties
Dj's Auto Parts LLC	3	
Carolyn Green	2	23950000 Pleating and stitching
Pearson Fabrication	2	
Lost River Plastics	2	30890609 Injection molding of plastics
Rose's Square Dance Accessories	2	
Dagwood, Jams Mobile Dj	2	36639906 Mobile communication equipment
Copy Trolley-Paoli	2	
Stands Photography	2	72219903 Photographer, still or video
Zebo Leather	2	31990000 Leather goods, nec
Dale Baker Instrumentation & Control Co.	1	
Wood In LLC	1	24310000 Millwork
Billy Mowing Services	1	35240201 Grass catchers, lawn mower
Bryan Allen Woodworking	1	24310000 Millwork
Newlin Furniture	1	
Stout Graphic Services	1	
Lady Quilt	1	
Carriage House Quilts	1	23950102 Quilting: for the trade
White Castle System, Inc.		20110000 Meat packing plants
Jasper Seating Company Inc.		
Mwf, LLC		
Kimball International Marketing, Inc.		50210000 Furniture
Mi-Lin Wood Products Corporation		24310000 Millwork
Irving Materials Inc		32730000 Ready-mixed concrete
C&M Conveyor Inc		

Source: Hoover's

Table 25: Orange County Occupation Clusters, 2009

Occupation Cluster	Employment	Share of Total Employment	LQ
Job Zone 2	3,533	37.9%	1.13
Job Zone 1	2,002	21.5%	1.47
Skilled Production Workers: Technicians, Operators, Trades, Installers & Repairers	962	10.3%	1.46
Agribusiness and Food Technology	460	4.9%	3.27
Health Care and Medical Science (Aggregate)	440	4.7%	0.84

Occupation Cluster	Employment	Share of Total Employment	LQ
Primary/Secondary and Vocational Education, Remediation & Social Services	433	4.6%	0.87
Managerial, Sales, Marketing and HR	428	4.6%	0.52
Legal and Financial Services, and Real Estate (L & FIRE)	417	4.5%	0.54
Technology-Based Knowledge Clusters	310	3.3%	0.39
Health Care and Medical Science (Therapy, Counseling and Rehabilitation)	283	3.0%	0.95
Personal Services Occupations	126	1.4%	0.59
Health Care and Medical Science (Medical Technicians)	91	1.0%	0.85
Arts, Entertainment, Publishing and Broadcasting	84	0.9%	0.43
Mathematics, Statistics, Data and Accounting	83	0.9%	0.36
Health Care and Medical Science (Medical Practitioners and Scientists)	65	0.7%	0.55
Public Safety and Domestic Security	61	0.7%	0.55
Engineering and Related Sciences	56	0.6%	0.6
Information Technology (IT)	50	0.5%	0.27
Postsecondary Education and Knowledge Creation	45	0.5%	0.41
Building, Landscape and Construction Design	26	0.3%	0.6
Natural Sciences and Environmental Management	10	0.1%	0.23

Source: Statsamerica.org; Economic Modeling Specialists, Inc. Complete Employment Statistics

APPENDIX C: SUMMARY OF 7/21/2011 EMPLOYER FOCUS GROUP

The Orange County Economic Development Partnership (OCEDP) organized a focus group discussion to provide input into the creation of a list of potential industrial sectors to target for recruitment. This effort is part of a larger project to update the county's economic benchmarks. The focus group discussion was led by Thayr Richey, Ph.D., president of Strategic Development Group, Inc. (SDG). Attending the meeting were:

1. Brent Buckalew, Vice President, Liner Products, LLC
2. Charles Dooley, President, Crestwood/IHC
3. Alan J. Friedman, President, Pluto Corp.
4. Sheila Morgan, Office Manager, Hudleson Machine and Tool
5. Dave Stagnolia, Director MCR, Paoli, Inc.
6. Michael Friedman, Guest.
7. Judy Gray, Executive Director of the OCEDP

Q & A

1. Why is your company located in Orange County?
 - Basically each company represented in the group was founded by local business people. Some of the companies are now owned by out-of-state entities, but all are doing well here.
 - Some of the companies have changed or broadened their product/service line.
2. What geographic areas does your company serve?
 - The answers ranged from a market within nearby states, to the United States, to the U.S. and selected countries. Some of the companies' geographic territory has moved as established customers ask the local company to serve their new locations.
3. How would you rate Orange County as a place to do business?
 - I would rate it 8 out of 10 with 10 the top.
 - The workforce is dedicated.
 - Traditional family farms and those values sustain the workforce.
 - Central location gives us a competitive edge over East Coast competitors.
 - The negatives:
 - Transportation in and out is an issue.
 - Truck lines have difficulty going North and East.

- It is hard to recruit executives.
 - There are many entry-level people available, but skilled crafts people are difficult to find.
 - Younger employees' work ethic is questionable.
 - Relatively high turnover of younger workers.
 - There are good employment services here such as Employment Plus, which has an office in Bedford that serves Orange County.
4. How does Orange County compare to other locations of your company or that of your competitors?
- We lack a major interstate.
 - Houston has a lot more workers, but they also have a lot more turnover.
 - Central location is great advantage for Orange County.
 - This is our most productive location.
 - We have closed other operations to expand here.
 - The work ethic here has helped our company be competitive; we've outlasted our competitors.
5. What recent capital investments has your company made here or plans to make here?
- Every company represented had recently made significant investments ranging from new equipment to new product lines to expanded facilities.
 - We continue to invest in order to be competitive.
 - We must keep our costs low; new investment helps.
6. To what extent have you worked with the OCEDP?
- Judy has done a great job of keeping up with the pulse of the community.
 - Helped many companies with needed tax abatement and training grants.
 - The town has been supportive of our company.
7. Is lack of housing an issue in Orange County?
- It is not a recruitment issue; most executives are not going to be living in Paoli.
 - Most of the executives of local companies live outside of the county: Bloomington, Bedford, Louisville, etc.
8. Other Issues:
- Need a better transportation network.
 - Better intercity roads would help bring in new companies.
 - Perhaps a Super-Two highway going north out of Orange that would ultimately connect with I-69.
 - There are few places to take visiting customers to eat.
 - Overall there is a lack of amenities.
 - Local residents often don't notice what they don't have.
 - It does restrict somewhat businesses that are selling products outside of Orange County.