IN the Spotlight:

Indiana’s Insurance Industry

Indiana is home to 179 insurance companies, with another 1,660 licensed to do business in the state in 2004. Back in 2001 (the latest year available), the insurance industry contributed nearly $3.8 billion to Indiana’s gross state product.

Insurance premium tax receipts totaled more than $178 million in 2002, while Indiana insurance carriers paid Hoosiers an estimated $2.61 billion in direct income and $1.35 billion in indirect or induced income.

Employment and Wages

Looking at the 25 largest Indiana industry sectors (as defined by three-digit NAICS codes) reveals that Indiana’s insurance industry is the highest-paying nonmanufacturing sector and the third best-paying sector overall, according to Covered Employment and Wage (CEW) data.

In 2003, the average weekly wage for insurance workers in Indiana was $917, ranking it 15th among all reporting sectors and well above the Indiana average of $642.

The insurance sector is made up of a variety of subsectors that fall into two main categories: insurance carriers (such as life, health or casualty insurance) and insurance agencies, brokerages and related services. Here are a few facts gleaned from the Current Employment Statistics (CES) survey:

- In 2003, the Indiana insurance industry employed 46,000 people, ranking it 14th out of the 35 three-digit industry sectors surveyed.
- This employment size is slightly larger than the sectors for motor vehicle and parts dealers (42,300) and machinery manufacturing (43,800).

(continued on page 2)
while slightly smaller than the truck transportation (47,100) and primary metal manufacturing (52,300) sectors.

• Since 1990, Indiana insurance employment grew 6 percent, compared to 12 percent for the United States (see Figure 1).

• Growth in Indiana’s insurance industry employment lagged behind the country through 1994, but then strengthened through 1997 (see Table 1). Between 1998 and 2003, the United States grew 2.6 percent, while Indiana declined 5.2 percent.

• Monthly job data for 2004 show growth for both Indiana and the nation, with Indiana slightly leading.

Company Rankings

Employment: Although exact rankings are not available, this information is based on InfoUSA company listings for employers with 2,000 or more workers in Indiana.

• Indiana’s largest insurance companies by employment are Anthem Health Systems, Conseco Services, Lincoln National Life Insurance and American United Life Insurance. Also included are Safeco Insurance Company of America, Golden Rule Insurance, Liberty Mutual Insurance, State Farm Mutual Auto Insurance and State Automobile Mutual.

• AON Service Corp., Key Benefit Administrators and the Forethought Group are the state’s largest insurance agencies and brokerage offices.

• Adminastar Federal is the largest third-party administrator of insurance funds.

Assets: Indiana has 25 insurance companies with over $200 million in assets, ranging from Lincoln National Life Insurance with assets of $67.8 billion to Mennonite Mutual Aid Association at $259 million.

• Indiana’s top nine life/health insurance companies with assets of $1 billion or greater are Lincoln National Life Insurance, American United Life Insurance, Anthem Health Systems, Conseco Annuity Assurance, Conseco Insurance, Safeco Insurance Company of America, Golden Rule Insurance, Liberty Mutual Insurance Company and State Farm Mutual Auto Insurance.

• Indiana’s top five property/casualty insurance companies with assets of $1 billion or greater are Safeco Insurance Company of America, Golden Rule Insurance, Liberty Mutual Insurance, State Farm Mutual Auto Insurance and State Automobile Mutual.

Table 1: Insurance Industry Employment, 1990 to 2003

<table>
<thead>
<tr>
<th>Year</th>
<th>Indiana</th>
<th>Change (%)</th>
<th>U.S.</th>
<th>Change (%)</th>
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<td></td>
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<td>1991</td>
<td>44,000</td>
<td>1.4%</td>
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<td>43,600</td>
<td>-0.9%</td>
<td>2,039,500</td>
<td>-0.4%</td>
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<td>1993</td>
<td>43,200</td>
<td>-0.9%</td>
<td>2,082,500</td>
<td>2.1%</td>
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<tr>
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<td>43,400</td>
<td>0.5%</td>
<td>2,118,800</td>
<td>1.7%</td>
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<tr>
<td>1995</td>
<td>44,400</td>
<td>2.3%</td>
<td>2,108,200</td>
<td>-0.5%</td>
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<tr>
<td>1996</td>
<td>45,700</td>
<td>2.9%</td>
<td>2,108,000</td>
<td>0.0%</td>
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<tr>
<td>1997</td>
<td>47,900</td>
<td>4.8%</td>
<td>2,143,600</td>
<td>1.7%</td>
</tr>
<tr>
<td>1998</td>
<td>48,500</td>
<td>1.3%</td>
<td>2,209,400</td>
<td>3.1%</td>
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<td>1999</td>
<td>48,400</td>
<td>-0.2%</td>
<td>2,236,100</td>
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<td>2000</td>
<td>47,300</td>
<td>-2.3%</td>
<td>2,220,600</td>
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<tr>
<td>2001</td>
<td>47,100</td>
<td>-0.4%</td>
<td>2,233,700</td>
<td>0.6%</td>
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<tr>
<td>2002</td>
<td>46,300</td>
<td>-1.7%</td>
<td>2,233,200</td>
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<tr>
<td>2003</td>
<td>46,000</td>
<td>-0.6%</td>
<td>2,266,100</td>
<td>1.5%</td>
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Concentration, Taxes and Competition

The insurance industry is often mentioned as a possible industry to attract. Its employment levels show long-term growth, and although it is not immune to recessionary conditions, the effects are less severe. The problem is that the insurance industry, like many service sector industries, is closely linked to population and little influenced by geographic conditions. Of course, some exceptions exist. States showing industry concentration with respect to population include Connecticut, Nebraska, Iowa, New
Hampshire, Minnesota and North Dakota.

One common trait for these states is their low tax rates for the insurance industry. In some cases, they show employment growth (Iowa and Nebraska). Connecticut, however, shows a sharp employment decline, especially from 1992 to 1996. Connecticut’s historic rates are not readily available, but it appears the state has lowered its tax rates and its employment has been relatively stable since 1997 and is slowly increasing.

Overall, tax rates appear to be continuing to decline. Indiana is lowering its premium rate and Iowa’s 1 percent rate is being phased-in between now and 2006. The competitive nature of lower premium taxes to attract new businesses and employees is most clearly seen in Colorado. Here, a new 1 percent rate is only for insurance companies with headquarters or regional home offices in the state.

While tax premiums are a fair indicator of employment growth trends, they vary over time. The insurance industry is also a service sector that is strongly influenced by changes in population. This is especially true for the agents and insurance brokers component of the industry.

Another fact for consideration is that many of the states with the fastest growth also have the lowest wages. This suggests that a large segment of insurance sector job growth is lower-paying, back-office functions and not high-wage headquarter operations. Even low annual average wages, however, still run $40,000 and up.

What is Indiana Doing to Be Competitive?

In 1998, the Insurance Industry Working Group was created to identify ways to improve the operating environment for Hoosier insurance companies.

As a result of work done by this panel and other industry supporters, several key pieces of legislation have been passed in recent years:

- An insurance premium tax rate reduction lowering rates incrementally from 2 percent to 1.3 percent by January 2006.
- A tax bill ensuring Indiana-chartered financial institutions are treated the same as nonresident institutions.
- The most modern demutualization legislation in the country, establishing the cleanest process for converting mutual companies into stock companies.

Also, several Indiana colleges and universities offer specialty programs in insurance industry skills:

- Indiana State University (ISU) students can earn an undergraduate degree in insurance and risk management. In 1999, the Gongaware Center at the School of Business was opened to support this degree program, to educate the insurance executives of tomorrow and to recruit top high school students. ISU also offers a distance education degree program in insurance.

- Ball State University offers degrees in actuarial science, as well as insurance. Both majors fall under the umbrella of the Center for Actuarial Science, Insurance and Risk Management, which encourages its faculty to conduct applied research to benefit the insurance industry and the people and businesses dependent upon it.

- Ivy Tech State College has 23 campuses across the state and offers an insurance specialty associate degree that prepares students to perform customer service functions. Graduates of the program are eligible for employment in customer support positions, rating positions, claims handling positions and others.

Notes

1. The information used in this section comes from both public (employment) and private sources (assets and revenues). This gives a broader perspective in understanding relative strengths of insurance sector companies, but there are some inconsistencies and gaps in the information. Employment information is for all companies, but confidentiality restrictions prevent exact rankings. Information in both the asset and revenue sections comes from the Indianapolis Business Journal 2004 Book of Lists. Asset information is for insurance companies only. Revenue data is for all Indiana-based companies. Data for Golden Rule is not listed for assets or revenue.

—Ted Jockel, Senior Economist, Indiana Department of Commerce
The only constant is change. This adage certainly applies to both our economy and the mix of industry jobs. Over the last six decades, the composition of the workforce has shifted toward service-providing with a corresponding shift away from goods-producing employment. What is the extent of this shift? That can be quantified by using Current Employment Statistics (CES) data produced by the U.S. Bureau of Labor Statistics (BLS) and the Indiana Department of Workforce Development.

The Shift: Gradual and Persistent

According to average annual national employment reported in the reconstructed NAICS series, goods-producing employment as a percent of total nonfarm employment peaked at 44 percent in 1943, a time when our country was busily engaged in efforts related to World War II. By 1990, however, that figure had dropped to 21.7 percent, or just under half of the 1943 percentage. The shift continued and by 2003 the figure had decreased to 16.8 percent. Stated in equivalent terms, service-providing employment increased from a low of 56 percent in 1943 to a high of 83.2 percent by 2003.

At the state level, NAICS series data for average annual goods-producing and service-providing employment are only available from 1990. The values represented in Figure 1 are simply the difference between the 1990 and 2003 share of service-providing employment within each state. That is, they are percentage point increases rather than percent increases. This is an important distinction to make, as it is possible to have an increase in share, even if service-providing employment decreases. In fact, that happened in the District of Columbia. By the same reasoning, there could be a decrease in share over the period, even when an increase in service-providing employment is observed. That actually happened in North Dakota.

How does Indiana compare to all other states and the District of Columbia on this measure? We fall in the middle of the pack, ranking 25th with a shift of 4.1 percentage points. North Carolina had the greatest shift at 10.4 percentage points, about 1.7 percentage points ahead of second place Rhode Island. North Dakota is the only state that had a decrease in share of service-providing employment, ranking last with a shift of -1.6 percentage points.

Figure 1: Change in Share of Service-Providing Employment, 1990 to 2003

Indiana ranks 25th, with a shift of 4.1 percentage points

The Midwest Has the Goods

Twenty-five percent of jobs in Indiana were in goods-producing industries in 2003, nearly two percentage points higher than second place Arkansas. Figure 2 reveals that Indiana is one of only 11 states that had 20 percent or more of its employment in goods-producing industries in 2003. All but one of our neighboring states are in this group, including third place Wisconsin (22.8 percent), eighth place Michigan (21 percent), ninth place Kentucky (20.7 percent) and 10th place Ohio (20.1 percent). Illinois had reduced its share of goods-producing jobs to 17.3 percent by 2003.

Changing Ranks

How do state rankings for the 2003 percentage of goods-producing employment compare to those observed in 1990? The top 11 states moved little, with none changing more than five ranks. Of the bottom 10, none moved more than six places. Regarding all the other states, however, it is a completely different story. While the average change in rank for the top 11 and bottom 10 combined was about 2.5, it was 8.1 for the states in between. The biggest movers were Wyoming, which soared 23 places from 36th to 13th, and Maine, which plummeted 19 places from 14th to 33rd.

A More Detailed Investigation

Now that changes in employment at higher levels of sector aggregation have been described, it would be helpful to dig deeper for details. Table 1 compares the employment shifts for the United States, Indiana and neighboring states by BLS supersector. These values represent the change in share of total nonfarm employment from 1990 to 2003 in percentage points.

Other than showing the specifics of how these regions fared over the period, this table shows how supersectors relate to one another. For this purpose, there is intentional redundancy in the table. For example, a shift in share for the total private supersector has a corresponding shift in the opposite direction for the government supersector. Also note that the shift for goods production is equal to the sum of shifts for the three supersectors within the goods-producing group (differences due to rounding). The same goes for the service-providing group and its eight supersectors.

Of great concern to Indiana is the shift in manufacturing employment. Nationally, manufacturing as a share of total nonfarm employment decreased by 5 percentage points over the 13-year period. For Indiana, the downward shift was 4.4 percentage points. The only neighboring state to experience a decrease greater than that of the United States was Ohio, at 6.1 percentage points. Kentucky is the neighbor that had the lowest decrease at only 3.6 percentage points.

Note the slight negative shifts across the board for the trade, transportation and utilities supersector. While all of these regions experienced an increase in employment within this supersector, those increases were not large enough for the supersector to maintain its share of total nonfarm employment.

Indiana has room for improvement in the information supersector, as its 0.4 point downward shift was the largest among our peers. The national share remained flat in this supersector, whereas Indiana and its neighboring states all sustained slight decreases.

All regions gained share in the professional and business services supersector and the education and health services supersector. Indiana

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Figure 2: Goods-Producing Employment as a Percent of Total Nonfarm, 2003

At 25%, Indiana ranks first in the percent of jobs that produce goods

- 20% or More (11 states)
- 17% to 19.9% (13 states)
- 14% to 16.9% (17 states)
- Less than 14% (10 states)

excels in these areas, with a combined upward shift of 5.3 points (difference due to rounding). The upward shift for the U.S. was 5.1 points, which none of our neighbors exceeded. Kentucky had the lowest shift at 4.3 percentage points.

Indiana had the greatest upward shift (1.2 points) in the leisure and hospitality supersector, although Illinois was right behind with a 1.1 point increase. Within the Midwest, only these two states exceeded the U.S. shift of 0.8 percentage points.

**Embrace Globalization**

Given the global nature of our economy, it doesn’t appear that the trends discussed here will reverse any time soon. Although we are number one in goods-producing employment as a share of all nonfarm jobs, that piece of the pie is shrinking. In terms of “portfolio management,” this is problematic. Indiana is at 25 percent now, but what will its share be five, 10 or 20 years from now? Serving as a backdrop are the issues surrounding outsourcing, which continue to resonate with managers who face the “make or buy” decision and those whose jobs are affected by those decisions. While Indiana is maintaining a relatively high proportion of goods-producing jobs (through increases in exports, for example), the situation begs these questions: What competitive advantages does Indiana hold due to its mix of jobs, and can they be retained over time? Which types of manufacturing jobs are most worth fighting for, and is the advanced manufacturing cluster the best response to that question? Given the state’s finite resources, how much effort should it allocate toward stimulating manufacturing activity versus beefing up opportunities in high skilled service-providing sectors? Overall, how can Indiana leverage the global trends linked to its economy?

Future issues will continue to explore the industry mix in Indiana and the jobs and pay yielded by those industries.

**Notes**

1. See www.bls.gov/opub/mlr/2003/06/art2exc.htm for a helpful excerpt from Monthly Labor Review Online, and links to related articles.
2. For more details about the switch from SIC to NAICS, read the IN Context series of articles at www.incontext.indiana.edu/topicindex.html#naics, and also visit the U.S. Bureau of Labor Statistics website: stats.bls.gov/bls/naics.htm.
3. The conversion ratios are available at www.bls.gov/ces/cesratioemp.htm.
4. See www.census.gov/epcd/naics02/index.html for links to the various correspondence tables.
5. For a listing of the NAICS sectors and BLS supersectors that comprise goods-producing and service-providing employment, see stats.bls.gov/ces/cessuper.htm.

—Vincent Thompson, Economic Analyst, Indiana Business Research Center, Kelley School of Business, Indiana University

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<th>Supersector</th>
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<th>Ohio</th>
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Source: U.S. Bureau of Labor Statistics
People Do Move to Indiana

Indiana may have lost a seat in Congress due to a relative decline in population, but people do move to Indiana. At a recent dinner, I sat next to a gentleman who had moved to Indiana in June. I myself had moved here in July, so I thought, “Just how many people are moving to Indiana?” According to the latest American Community Survey (ACS) data from the U.S. Census Bureau, an estimated 125,735 people moved to Indiana in 2003 (see Figure 1). Most (36 percent) moved from elsewhere in the Midwest, while 29 percent moved from the South, 18 percent from the West, 10 percent from abroad, and 7 percent from the Northeast.

Update on the American Community Survey

The ACS is a relatively new program that is designed to give communities a “fresh look” at how they are changing. The intent is to have the ACS replace the long form in future decennial censuses. The Census Bureau had planned to begin full implementation of the ACS beginning in July 2004. However, the bureau has temporarily delayed the ramp-up due to current uncertainties in the congressional appropriations process for fiscal year 2005. Plans continue for conducting the full ACS for housing units in 2005 and for including data on group quarters in 2006.

The administration requested $165 million from Congress for the ACS, but the House approved only $146 million. Meanwhile, the Senate approved just $64 million, not even 40 percent of what was requested.

New Policy Regarding Sensitive Data

On Aug. 30, the Census announced it would implement new procedures for dealing with potentially sensitive data. Special tabulations of data involving sensitive populations (including minority groups) that are requested by a federal, state or local law enforcement or intelligence agency will require approval by an associate director at the bureau. Previously, requests for special tabulations were reviewed only if the bureau was to be reimbursed for the work. The change responds to recent concerns about data provided to agencies within the Department of Homeland Security. The tabulations are legal and the data is publicly available on the Census’ website, but Director Louis Kincannon feels that the Bureau should be sensitive to public perceptions of threats to confidentiality or privacy. The full press release (with a link to policy procedures) is available at www.census.gov/Press-Release/www/releases/archives/directors_corner/002491.html.

Facts for Features: Thanksgiving Day, 2004

To celebrate Thanksgiving, the Census Bureau has released facts, figures and trivia about turkey, cranberries, pumpkins, corn, sweet potatoes and more. Did you know that:

- An estimated 263 million turkeys will be raised in the United States this year. About 46.5 million of them will be raised in Minnesota.
- Turkey, Texas, had 507 residents in 2003.
- There are 20 places in the United States named Plymouth. The most populous is Plymouth, Minnesota (69,164 residents in 2003). There is one township named Pilgrim. Located in Dade County, Missouri, it has a population of 135.


—Frank Wilmot, State Data Center Coordinator, Indiana State Library

IN THE DATA CENTER

Figure 1: Moving to Indiana, 2003*

Close to 126,000 people moved to Indiana in 2003

* The 2003 American Community Survey universe is limited to the household population and excludes the population living in institutions, college dormitories and other group quarters. Source: U.S. Census Bureau

IN CONTEXT 7

November/December 2004
The Fort Wayne Metro Area

The Area

The Fort Wayne Metropolitan Statistical Area (metro) consists of Allen, Wells and Whitley counties in northeast Indiana. Cities in the region include Fort Wayne, New Haven, Bluffton and Columbia City.

Those familiar with the federal definitions of metros might notice that the Fort Wayne metro actually lost counties in the 2003 redefinition, contrary to the expansion that occurred in most other metro definitions across the country. Adams, De Kalb and Huntington counties, all formerly part of the Fort Wayne metro, are not growing any less metropolitan, per se; rather, each became its own micropolitan statistical area (micro) covering Decatur, Auburn and Huntington, respectively. Those three, plus the Kendallville micro (Noble County), join the Fort Wayne metro to form the Fort Wayne-Huntington-Auburn Combined Statistical Area, of use to those desiring statistics on the broader region.

The city of Fort Wayne is the second largest in the state with a 2003 population of 219,495. That’s about 1,000 residents less than reported in Census 2000, showing a drop of 0.4 percent. Returning to the three-county metro definition of Allen, Wells and Whitley, the region had nearly 400,000 people, with the vast majority (340,153) living in Allen County.

At 2.5 percent, the metro’s growth exceeded the state’s between 2000 and 2003. Whitley led the charge with a 3.1 percent growth, surpassing Indiana by 1.2 percentage points. Of course, this gain was less than 950 people. Meanwhile, Allen County added 8,304 residents, a growth of 2.5 percent.

Combining the population loss in the city itself with the gains made by the county during the same time period, this indicates a rather pronounced suburbanization in the outskirts of Allen County. Population change by township perhaps illustrates the pattern best (see Figure 1).

Projections from the Indiana Business Research Center indicate that...
the Fort Wayne metro will grow 10.4 percent from Census 2000 levels by 2020, adding just over 40,700 residents. Wells County is expected to lose a bit of its metro share, with growth around 28 percent, compared to a 52 percent growth in Whitley County and a 42 percent growth in Allen County.

**Industrial Mix and Jobs**

Manufacturing accounted for 17.7 percent of Fort Wayne’s employment in the fourth quarter of 2003. While the largest piece of the employment pie, manufacturing is a slightly smaller piece than in the state overall (20 percent).

With the redefinition of the industry sectors and conversion to NAICS in 2001, long-term industry changes were not available for analysis. The Bureau of Labor Statistics has now converted some of the older SIC data to NAICS, giving us a limited ability to look at the recent history of some industries. Figure 2 shows that, from 1990 to 2003, manufacturing jobs declined 17.2 percent in Allen County and 10.3 percent in Whitley County. Meanwhile, Wells County gained 4.2 percent. This yields a decline for the entire metro of 15 percent, compared to a 6 percent drop for the state during that same time period. Falling from a 1995 peak of 47,186 jobs, manufacturing accounted for 36,566 jobs in the Fort Wayne metro in 2003.

General Motors Truck Group and BFGoodrich Tire both remain major manufacturers in the region. GM recently announced it is considering investing $175 million into its Fort Wayne plant, which makes Chevrolet Silverado and GMC Sierra full-size pickups, although that expansion is just in the planning stages.

Franklin Electric in Wells County (manufacturing submersible water and fueling systems motors) is one of just two Indiana companies to make Forbes’ list of the 200 best small companies in 2004, with a rank of 150. (The other Indiana company, Cohesant Technologies in Indianapolis, ranked 149th.) Another small company, Autoliv in Whitley County (producing seat belts, airbags and other automotive safety products), recently announced plans to invest $24.5 million to double its facility size and triple its workforce (currently about 320 employees) over the next five years.

Health care and social services was the next highest employer in the Fort Wayne metro (14.2 percent by fourth quarter 2003). The Community Research Institute at Indiana University – Purdue University Fort Wayne indicates that Parkview Health Systems and the Lutheran Health Network are two of Allen County’s largest employers.

**21st Century Logistics**

Fort Wayne is targeting the transportation, distribution and logistics (TDL) sector for further development. This year, the legislature passed temporary tax abatements on new logistics and information technology equipment for businesses in six counties along I-69, providing a useful incentive to the metro in attracting and supporting businesses.

TDL seems a good fit for the Fort Wayne area because of the existing infrastructure, the number of
manufacturers in the region who need to transport their goods, as well as the number of renowned TDL companies already in the metro. Triple Crown has ranked first among intermodal service providers by the Logistics Management and Distribution Report for three straight years, and Kitty Hawk, providing wholesale airport freight transportation, has a state-of-the-art sorting hub at the Fort Wayne International Airport.

The benefits of TDL are that many of its jobs are not susceptible to outsourcing (tied as they are to physical location and transportation), wages are relatively high, and the sector is expanding nationwide. Locally, SIRVA, a global relocation and moving services company, continues to invest and add jobs at its Allen County operation. Federal Express built a new 56,000 square-foot ground operations center in New Haven in 2003. Triple Crown and TransWorks (providing computer-based transportation tools) are both expanding. Those two operations are subsidiaries of Norfolk Southern Railroad, which has invested $2.7 million to build an additional half-mile of track in New Haven to eliminate a bottleneck where two tracks converged.

Major infrastructure enhancements possibly in Fort Wayne’s future include the I-69 expansion in southern Indiana, which furthers the goal of a “NAFTA Superhighway,” and the building of a mostly new U.S. 24 to connect Fort Wayne to the port in Toledo, Ohio.

Find additional information on the transportation, distribution and logistics sector throughout the state of Indiana at www.indianalogistics.com.

Wages and Income
The average weekly wage in Fort Wayne was $667 — $8 less than the state — for the fourth quarter of 2003. By sector, these wages ranged from $216 in accommodation and food services to $1,102 in management of companies and enterprises. While those managers make the most in the metro, those wages are more than $200 less per week than in the state overall. Only four industries in the Fort Wayne metro had average wages exceeding the state: information, real estate and rental and leasing, health care and social services, and manufacturing. Figure 3 shows the wage differences for the metro’s largest industries.

Per capita personal income (PCPI) in the metro area was $28,965 in 2002, more than 3 percent higher than the state per capita. PCPI in Allen County ($29,493) exceeded Wells County by nearly $4,200 and Whitley County by almost $3,000.

—Rachel Justis, Managing Editor, Indiana Business Research Center, Kelley School of Business, Indiana University
For every dollar the average Hoosier man earns, the Hoosier woman earns just two quarters, one dime, a nickel and three pennies. The following highlights this wage gap and other statistics concerning Indiana’s working women (those working full-time year-round).

These data are from the U.S. Census Bureau and the U.S. Bureau of Labor Statistics and are based on reference year 2003 unless otherwise noted. The American Community Survey is a household survey of 800,000 households nationwide with a time series beginning in 2000 for states.

Working Women
- Of the 2.4 million women age 16 and older in Indiana, 62 percent are in the labor force.
- In 2003, Hoosier women working full-time and year-round had median earnings of $27,207, compared to a median of $39,849 for men. That is a wage gap of $12,642. To put it in other ways, the ratio of women’s full-time earnings to that of men’s is .68 to 1, or 68 cents to the dollar (see Figures 1 and 2).
- Indiana’s working women are well-educated: 53 percent of them have at least some college or higher levels of education, such as bachelor’s degrees and master’s degrees (see Figure 3).
- More than 50 percent of full-time working Hoosier women work in lower-paying occupations (Indiana’s BLS median wages are shown in parentheses): 24 percent in office or administrative support ($24,120); 19

![Figure 1: Ratio of Women’s to Men’s Earnings](image1)

Hoosier women earned 68 cents to the dollar

![Figure 2: Difference in Male and Female Earnings, 2000](image2)

Decatur had smallest while Porter had largest wage gap

![Figure 3: Education of Indiana’s Labor Force, 2000](image3)

53% of Hoosier women have some college or more
IN the Workforce
(continued from page 11)

percent in service jobs, such as health care support ($21,110), food preparation or serving ($15,080) or personal care services ($17,840); and 12 percent in sales ($19,530).

- Table 1 illustrates how Indiana’s full-time working women compare to those in surrounding states. Earnings in Indiana and Michigan may be affected by the influence of high-wage auto jobs held mostly by men.

Working Mothers in 2000

- Seventy-three percent of Indiana women with children under 18 were in the labor force.
- Children with single mothers: 79 percent of those children’s mothers were in the labor force.
- Thirty percent of single mothers with children under 18, and 42 percent of single mothers with children under 5, lived in poverty (see Figure 4).

—Carol O. Rogers, Associate Director, Indiana Business Research Center, Kelley School of Business, Indiana University

Table 1: Earnings Ratios, 2003

<table>
<thead>
<tr>
<th>Women’s to Men’s Earnings Ratios</th>
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<tbody>
<tr>
<td>Indiana</td>
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<tr>
<td>Michigan</td>
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<tr>
<td>Kentucky</td>
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<td>Illinois</td>
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<tr>
<td>Ohio</td>
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<tr>
<td>United States</td>
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Source: American Community Survey, U.S. Census Bureau

Figure 4: Single Moms in Poverty*

<table>
<thead>
<tr>
<th>More than 60% (6 counties)</th>
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</thead>
<tbody>
<tr>
<td>45.1% to 60% (33 counties)</td>
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<tr>
<td>30% to 45% (37 counties)</td>
</tr>
<tr>
<td>Less than 30% (16 counties)</td>
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</tbody>
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*Single mothers with children under 5; Source: Census 2000

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IN Context Online
www.incontext.indiana.edu

Indiana Economic Digest
www.indianaeconomicdigest.net

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