

Anderson

Employment is the big story nationally. Many communities are faced with the difficult task of attracting more jobs. Anderson and Madison County are no exception. The competitive environment brings new demands for creativity and accommodation for communities like ours. The task is not only to attract new jobs but to find ways to retain those jobs that are already in the community.

Total employment in Madison County rose last year, as more Madison County residents were working in 2002 compared to 2001. That number rose from 61,620 to 61,920 (an increase of 300). However, many of those in the labor force found employment in other counties, as the number of jobs in Madison County fell from 45,174 in 2001 to 44,228 in 2002 (a loss of 946). This means more people are working, but fewer of them are finding their jobs in Madison County. Net commuting rose by 1,246.

With the increase in the number of people working, we might make the incorrect assumption that the unemployment rate fell. The unemployment rate in 2001 was 4.8 percent for Madison County, rising to 5.9 percent in 2002. The increase in the number of people working (300) was offset by an increase in the number of people who were unable to find employment (800). With the national economy performing in a rather sluggish fashion, we might have expected

the unemployment rate in Madison County to rise above the national level. The 5.9 percent rate for Madison County was only 0.1 percent higher than the national rate for 2002 (5.8 percent). For 2003, the local unemployment rate is running slightly below the national figures. This outcome is somewhat surprising given our historically high rates of unemployment during recessions and national slowdowns (see **Figure 1**). The changing mix of local employment and the uniqueness of automotive labor contracts are the likely explanation for the variation away from these historic trends.

There were significant losses in the county in terms of manufacturing employment. Over the past ten years, manufacturing employment fell from 15,054 in 1992 to 8,928 in 2002. That averages to about 613 lost jobs per year. For 2002, the net loss was 691. In October 2003, over four hundred automotive workers accepted retirement from the local Anderson plants. It is obvious that this trend will continue. The only thing we do not know is the pace of the attrition. Fortunately, job losses have been spread over the past twenty years, helping to avoid the potentially devastating impact of total plant closings.

Still, one in five jobs in the county is in manufacturing. It would be a mistake to ignore the impact of manufacturing on the short-term economic performance of this community. There is a substantial retirement base from the historic presence of manufacturing that supports spending and income in the area. Also, the average manufacturing wages that are paid locally are some of the highest in the state. Last year, the average manufacturing wage paid in Anderson was \$53,900. Indiana's average manufacturing wage was only \$51,494 in 2002. If we take the nearly nine thousand manufacturing jobs in the county and multiply by the average wage of \$43,949, we get some idea of the total impact of manufacturing wages on county income (\$481 million).

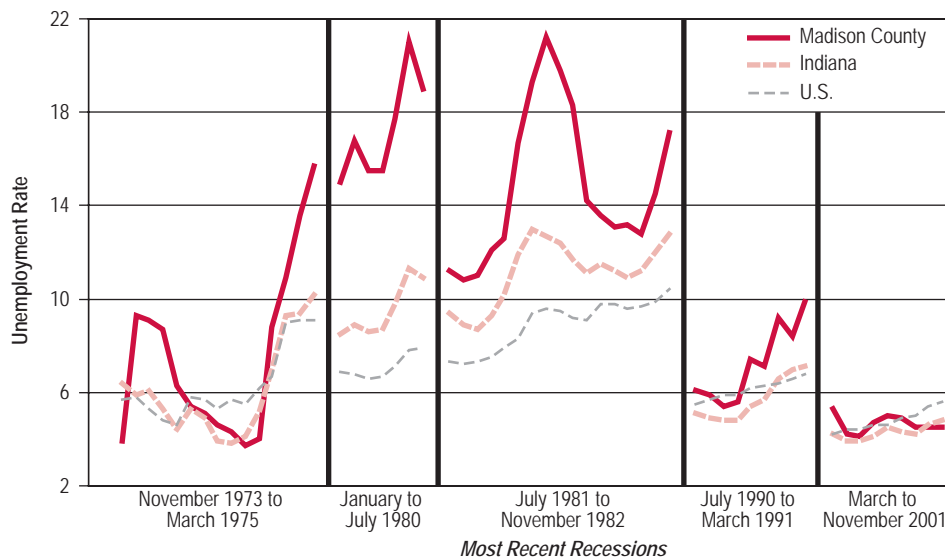
Some sectors in the county did show employment gains. Employment in education and health services rose over the 2002 numbers (228), as did leisure and hospitality (247).

Income in the county continues to lag behind income for the state, which lags behind income growth for the country. That

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Figure 1
Unemployment During Recessions



Note: Due to methodological changes, data for 1994 and later are not comparable with earlier data.

Bloomington

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performance is a continuing trend for this community. Per capita county income for 2001 was \$25,059, representing only a 3.8 percent increase from 2000 (\$24,138). This reflects the changing mix of employment: Employment gains in the county have been in sectors that traditionally pay lower wages than in manufacturing (the source of employment losses). Income for Madison County is still only 91 percent of the average income for the State of Indiana.

There was also some growth in the housing market. In 2002, the number of housing permits issued in Madison County rose to 441. These modest increases in the number of permits during the past two years are an important indication of economic activity in the area. Housing markets tend to be volatile and difficult to predict. Low interest rates have helped to maintain a reasonable pace of new home construction. Those low rates are somewhat tempered by the economic uncertainty that comes with higher unemployment and job losses at the local level.

Retail sales fell in 2001 by 7.5 percent. For 2002, sales maintained the same level as in 2001. Retail sales are still high compared to historic levels. Over 70 percent of all retail sales in the county happen in the city of Anderson.

As the center of economic activity in the county, Anderson is important to the community. In the past year, significant progress has been made in the city's willingness to create a culture of education for its children. Financing has been approved for the improvement of the two high schools, and construction has been ongoing for three new elementary school buildings. Not only are educational opportunities important for the attraction and retention of jobs in the community, but they also improve the overall quality of life for our citizens. This has been an ongoing struggle for Anderson, but it seems as if the community has a plan for educational improvement.

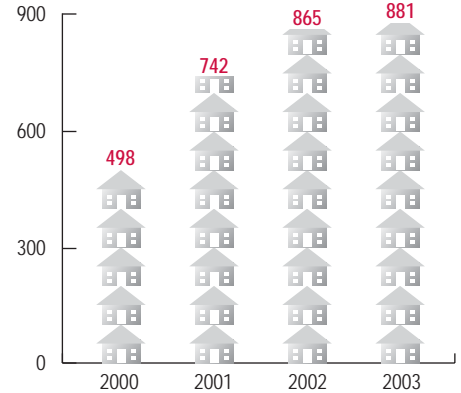
The creation of the Flagship Enterprise Center is another achievement that indicates a movement in the right direction toward an environment of entrepreneurship. While we have yet to see the impact of the new schools and the Flagship, both represent positive movement in the right direction: improvement in the quality of life in Anderson. ◀

A booming housing construction market continues to characterize the Bloomington economy. Year-to-date estimates from the U.S. Census Bureau indicate continuing growth (see **Figure 1**). Added to recent commercial and retail construction throughout the community, Monroe County has been well satisfied with its recent economic performance.

However, in the context of the U.S. economy and in comparison to other college communities, Bloomington does not have the same luster. **Figure 2** shows that the Bloomington metropolitan area (Monroe County) had a 1.8 percent increase in housing units authorized compared to an 8.5 percent increase in the nation's other metro areas. Among the 330 metro areas for which we have data, Bloomington ranked 199th. Although several college communities rank lower than Bloomington, there are also others outperforming Bloomington by substantial rates, notably one that is fixed in our thoughts: Lubbock, Texas.

Despite this continuing addition to the housing stock of the community, many argue that the Bloomington area does not offer sufficient affordable housing. Because of Indiana University, a sizable portion of the

Figure 1
Estimated Housing Units Authorized in Monroe County, September Year-to-Date



demand for housing in Bloomington is not only rented but purchased with funds from outside the area. As parents become more able to subsidize their children's housing, as tax laws encourage ownership of housing by the affluent, and as student loans increase the amount of funding available for students, young people are able to crowd out less-affluent resident families in the area. Although this may seem inequitable, it may not be bad for Bloomington if suitable housing is available in nearby communities.

Figure 2
Percent Change in Residential Units Authorized, September 2002 to September 2003*

