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Indiana Business Review
Update A Monthly Overview of Economic Trends
 Indiana University School of Business, Indiana Business Research Center

Long-Term Review

Employment. Over the past 25 years, Indiana has added more than 986,000 jobs (see figure 1). That amounts to an average annual rate of growth just shy of 1.5%; nationally, jobs have grown by 1.95% per year.

As a result of our lower rate of job creation since 1969, Indiana's share of total U.S. employment has declined from 2.56% to 2.29% in 1994 (see figure 2). If Indiana had kept pace with the nation for the past quarter century, we would have an additional 382,000 jobs in the Hoosier state.

Earnings Per Job. In 1969, only \$301 (as measured in constant 1992 dollars) separated the average earnings per job in Indiana from what could be earned nationally. And Indiana was higher (see figure 3). By 1994, the average earnings per job in Indiana had grown by \$130 to \$24,643, but the average job in the U.S. was generating earnings of \$26,921, up \$2,710 from 1969.

Between 1969 and 1979, average earnings per job in Indiana generally paid more than the U.S. average. By 1994, Indiana was 8.5% below the national average, although up from its 1992 low point (see figure 4).

Per Capita Personal Income. Total personal income (which adds transfer payments, dividends, interest, and rent to earnings) per capita in Indiana in 1969 was \$480 below the national figure. Over the past 25 years, per capita personal income for Hoosiers grew from \$13,066 to \$19,279 as measured in constant 1992 dollars (see figure 5). But the gap between Indiana and the U.S. had grown to \$1,367.

Between '69 and '94, the nation averaged growth of 1.7% per year while Indiana managed only 1.56%. As a result, per capita personal income in the Hoosier state fell from about 3.5% below the national level to 6.6% short of the U.S. figure in 1994. This, however, was an improvement from the lowest levels realized during the 1980s (see figure 6).

Summary. The good news is that employment, real earnings per job, and real per capita personal income continue to rise for Indiana's citizens. In addition, in the past few years, Indiana has been out-performing the nation in each of these indicators of economic well-being. The challenge is to regain the relative levels held a generation ago.

-mjm

Figure 1. Employment in Indiana

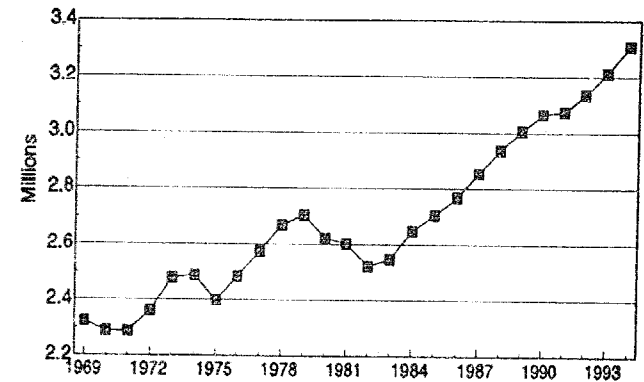


Figure 2. Indiana's Share of Total U.S. Employment

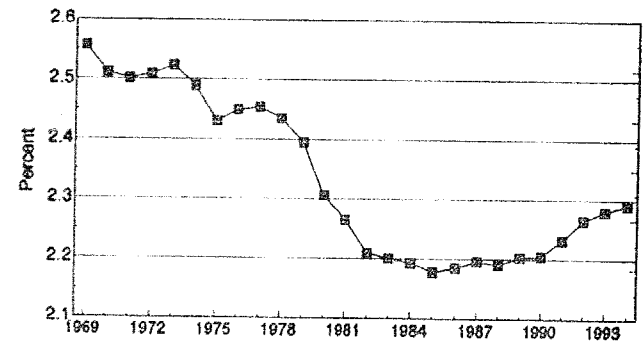
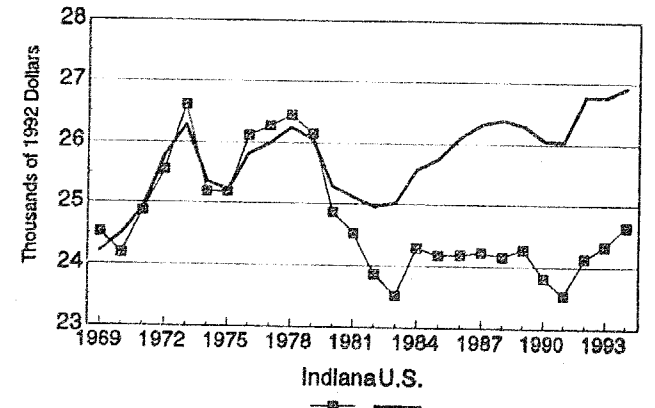
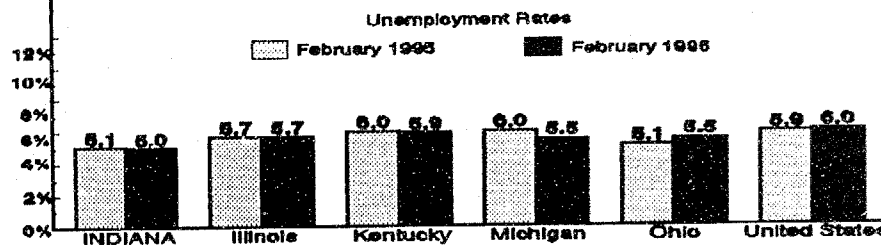


Figure 3. Earnings Per Job, Indiana & U.S.



The Regional Employment Situation

Total Persons Employed	February 1995	February 1996	Number Change	% Change	Rank in US
INDIANA	2,959,800	2,934,600	-25,200	-0.85%	46
Illinois	5,701,200	5,736,400	35,200	0.62%	34
Kentucky	1,754,400	1,719,700	-34,700	-1.98%	49
Michigan	4,376,900	4,510,100	133,200	3.04%	8
Ohio	5,244,800	5,312,000	67,200	1.28%	26
United States	123,343,000	124,137,000	794,000	0.64%	N/A



Employment - Hours - Earnings by Industry

INDIANA	Establishment Related Employment		Average Weekly Hours		Average Weekly (Real) Earnings	
	Feb. 1996	% Chg. 95/96	Feb. 1996	% Chg. 95/96	Feb. 1996	% Chg. 95/96
Total Non-Ag	2,767,500	1.2%	NA	NA	NA	NA
Mining	6,100	0.0%	46.0	8.7%	\$741.98	-1.6%
Construction	115,600	-2.0%	39.1	2.4%	\$643.98	0.4%
Manufacturing	676,800	0.0%	41.7	-1.9%	\$593.39	-0.4%
Durable	486,100	0.2%	42.2	-1.9%	\$619.92	0.2%
Non-durable	190,700	-0.5%	40.2	-2.0%	\$518.58	-2.1%
Wholesale	138,300	2.3%	37.1	-0.5%	\$438.15	-1.9%
Retail	527,500	2.3%	27.9	0.7%	\$210.92	2.2%
Finance, Insurance & Real Estate	132,800	4.2%	36.4	-0.3%	\$378.92	-2.2%
Services*	632,900	2.0%	33.1	6.1%	\$338.94	2.8%

Employment - Hours - Earnings (Not seasonally adjusted) Metropolitan Statistical Areas (MSAs) in Indiana

NON-AG WAGE & SALARIED EMPLOYMENT	February 1995	February 1996	Change	
			Number	Percent
Bloomington MSA	64,900	63,100	-1,800	-2.8%
Elkhart-Goshen MSA	117,200	116,400	-800	-0.7%
Evansville MSA	144,800	148,200	3,400	2.3%
Fort Wayne MSA	253,700	259,100	5,400	2.1%
Gary MSA	247,600	253,800	6,200	2.5%
Indianapolis MSA	775,500	794,800	19,300	2.5%
Kokomo MSA	50,200	54,300	4,100	8.2%
Lafayette MSA	87,800	89,000	1,200	1.4%
Muncie MSA	61,700	61,200	-500	-0.8%
New Albany Area*	72,900	83,200	10,300	14.1%
South Bend MSA	125,800	128,800	3,000	2.4%
Terre Haute MSA	68,500	71,000	2,500	3.6%

MANUFACTURING	February 1996	Employment	Average Weekly Hours	Average	Average
				Hourly Earnings	Weekly Earnings
Bloomington MSA	10,400	37.9	\$10.50	\$397.95	
Elkhart-Goshen MSA	57,200	39.7	\$11.95	\$474.42	
Evansville MSA	31,700	42.0	\$12.75	\$535.50	
Fort Wayne MSA	73,500	41.3	\$14.60	\$602.98	
Gary MSA	52,400	43.1	\$18.24	\$786.14	
Indianapolis MSA	126,200	42.4	\$15.32	\$649.57	
Kokomo MSA	22,200	47.4	\$18.72	\$887.33	
Lafayette MSA	21,700	43.8	\$14.84	\$649.99	
Muncie MSA	10,800	43.4	\$15.45	\$670.53	
New Albany Area*	19,500	39.6	\$11.49	\$455.00	
South Bend MSA	22,600	42.9	\$12.05	\$516.95	
Terre Haute MSA	12,200	40.8	\$13.52	\$551.62	

* Employment includes schools; Hours and Earnings excludes schools. The New Albany Area (Clark, Floyd, Harrison, Scott counties) is part of the larger Louisville MSA. (Real) indicates dollars adjusted for changes in consumer prices to 1996 level. Employment and earnings data based on preliminary and revised series provided by the Indiana Department of Workforce Development.

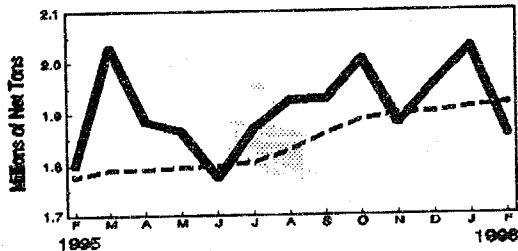
Indiana Economic Activity

Monthly Data
 12 Month Moving Average

Raw Steel Production

American Iron and Steel Institute
(Millions)

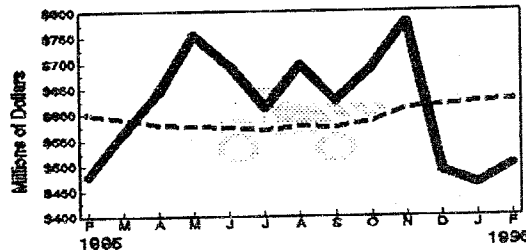
Feb. 1994 — 1.672 Feb. 1995 — 1.801 Feb. 1996 — 1.857



Total Construction Activity

F. W. Dodge Construction Potentials Bulletin
(Millions)

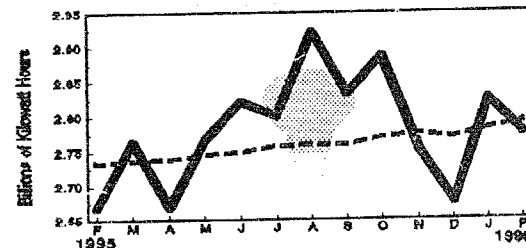
Feb. 1994 - \$471.5 Feb. 1995 - \$480.7 Feb. 1996 - \$501.0



Industrial Electricity Sales

(The 5 investor owned utilities)
(Billions)

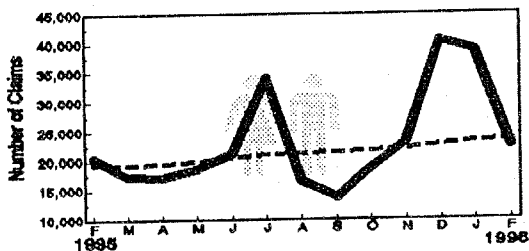
Feb. 1994 — 2.565 Feb. 1995 — 2.668 Feb. 1996 — N/A



Initial Unemployment Insurance Claims

Indiana Department of Workforce Development

Feb. 1994 — 20,945 Feb. 1995 — 20,557 Feb. 1996 — 22,432



Ups or Downs... Indiana Indicators Year-to-Date

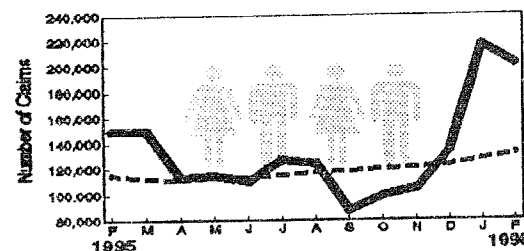
(based on March 1995 through February 1996 and compared to same period the year before, unless otherwise noted)

- Raw steel production** increased by 1.7 million net tons over the same period last year, for a total of 23.0 million tons.
- Total construction activity** activity grew by \$303.9 million dollars, to a total of \$7.5 billion for the period.
- Industrial electricity sales** totaled 33.5 billion kilowatt hours, an increase of 687 million over last year.
- New car registrations** decreased by 709 units over the same last year, totaling 161,256 new cars for the period.
- Housing starts** totaled 33,485 units, an increase of 978 homes over the same period last year.
- Retail sales** grew by \$3.2 billion, for a total of \$52.9 billion between February 1995 and January 1996.

Continued Unemployment Insur. Claims

Indiana Department of Workforce Development

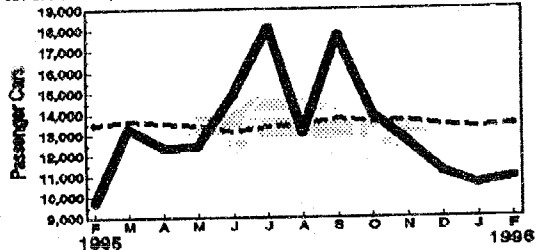
Feb. 1994 — 175,932 Feb. 1995 — 149,614 Feb. 1996 — 201,410



New Car Registrations

R. L. Polk and Company

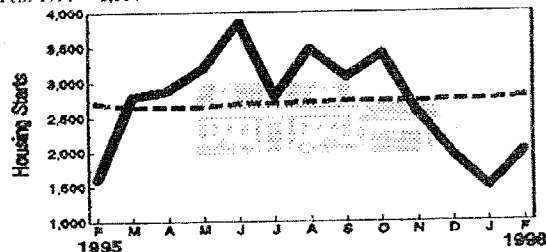
Feb. 1994 — 10,369 Feb. 1995 — 9,743 Feb. 1996 — 10,893



Housing Starts

F.W. Dodge Construction Potentials Bulletin

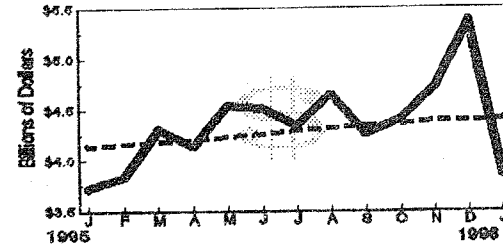
Feb. 1994 — 1,554 Feb. 1995 — 1,608 Feb. 1996 — 2,005



Retail Sales

Bureau of the Census
(Billions)

Jan. 1994 — \$3.39 Jan. 1995 — \$3.72 Jan. 1996 — \$3.85



Indiana Business Review Update

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Figure 4. Relative Earnings Per Job
 (as a percent of U.S.)

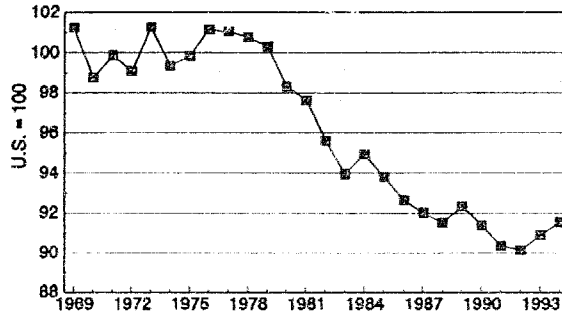


Figure 5. Per Capita Personal Income
 1992 dollars

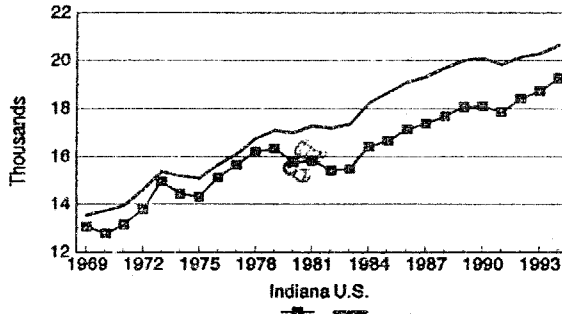
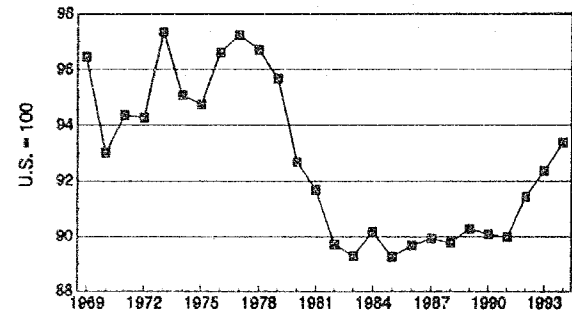


Figure 6. Indiana Per Capita Personal Income
 (as a percent of U.S.)

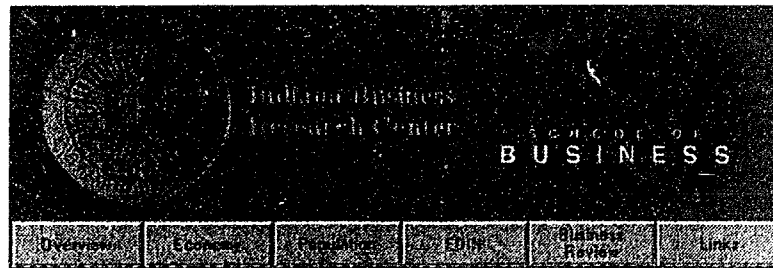


New Publication Available!!!

Estimates of Indiana Counties, Cities and Towns

Use this publication to track population trends since the 1990 census; county figures to 1995; cities & towns to 1994. \$15 plus 0.75 sales tax. Send check or money order to: IBRC, IU School of Business, 1309 East 10th Street, Bloomington, IN 47405-1171.

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 ■ The Indiana Business Research Center is a partner in the Indiana Data Center Program.
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