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A Monthly Overview of Economic Trends

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Rich and Poor Counties

The latest data on the per capita personal income (PCPI) of Indiana counties were reported in the *Update* for July. Here we look at those data in more detail.

In 1969, 19 counties were above the state PCPI level. By 1994, only 17 counties were in this group and there was considerable change among the counties. Six counties crossed over from above the state average to a position below that level, while four rose to exceed that level (see figure 1).

Hamilton County, which led the state in both periods, was one of nine counties which improved during those 25 years. At the same time, four counties remained above the state average but were converging toward that number.

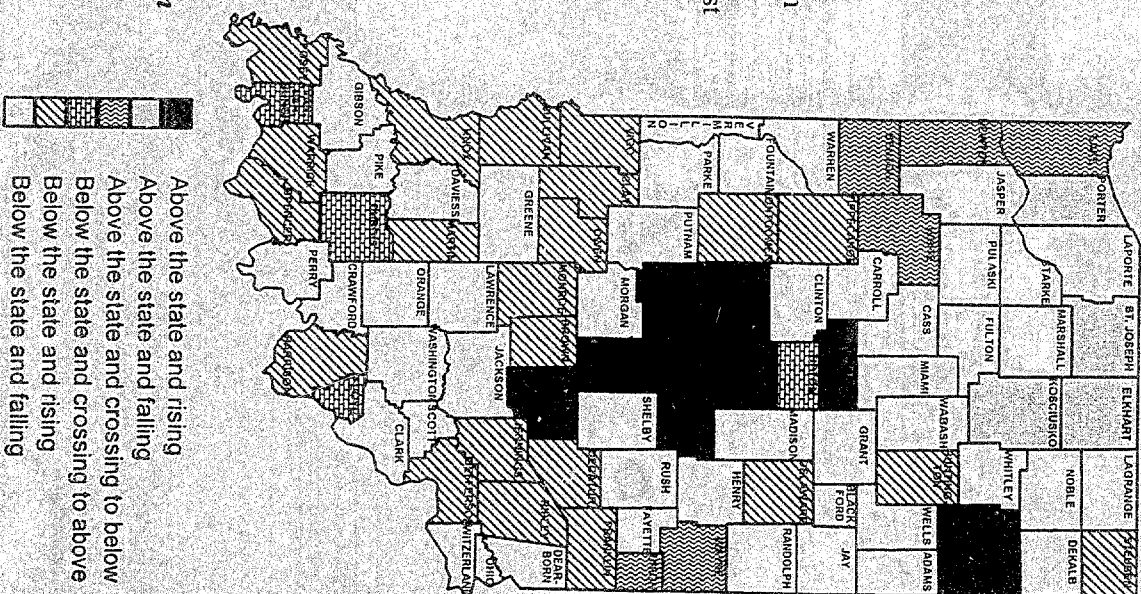
Of the 73 counties below the state in 1969, four counties (Dubois, Vanderburgh, Floyd, and Tipton) crossed over to the high side of the state level, and another 22 converged toward the state's \$20,273 figure. But 47 Indiana counties fell away from the state figure. More than half of the counties in Indiana were becoming poorer, relative to the state, over these 25 years.

The spread between the richest and the poorest county in the state has been growing (see figure 2). In 1969, Owen County's PCPI was \$7,970 (in 1994 dollars), 40% (\$5,243) below Hamilton County's state-leading \$13,213. By 1994, Hamilton had advanced to \$30,789, which was \$17,009 above Crawford's \$13,780. The highest county in the state moved from 66% to 123% above the poorest county. During this quarter century, the state had advanced by \$8,929, Hamilton County by \$17,576 and Union County by only \$3,992.

These disparities have occurred during a period when employment and earnings have shown neither an increase nor a decrease in concentration (see figure 3).² There is no evidence to support the popular view that either employment or earnings are becoming more concentrated across the state. But during this period, personal income and population have become more dispersed as urban sprawl crosses county lines and the population of the state spreads further into previously lightly populated counties (see figure 4).

-- *njin*

Fig 1. Changes in Per Capita Personal Income, 1969 to 1994



¹ Concentration is measured by an adjusted Hirfinkahl index. See footnote 1 in last month's *Update*.

² The dramatic change in the index between 1969 and 1970 was caused by a major decrease in federal military employment.

