

Fall 2000



Indiana Business Review

THE RICH STAY RICH

KELLEY
School of Business

Indiana Business Review

Volume 75, Number 3
Fall 2000

Published by the
Indiana Business Research Center
Kelley School of Business
Indiana University

Dean

Dan R. Dalton

Associate Dean

R. Jeffrey Green

Director

Morton J. Marcus

Editor

Carol O. Rogers

Associate Editor

Cynthia Gwynne Yaudes

Circulation

Rebecca Hollingsworth

1 The Rich Stay Rich Among Indiana's Counties

Morton J. Marcus

7 Indiana Migration Shifts

Joan Rainey Morand

13 The Changing Face of Indiana

John Besl

16 Census 2000 Update--The Next Steps

Carol O. Rogers

From the Editor...

"The uniform, constant and uninterrupted effort of every man to better his condition, the principle from which public and national as well as private opulence is frequently derived, is frequently powerful enough to maintain the natural progress of things toward improvement." (Adam Smith, *The Wealth of Nations*, Book II, Chapter III, page 325).

That tenet is the topic of Morton Marcus' insightful article that considers whether and which of Indiana's counties sustain wealth (or its inverse) over the long term. Movement of peoples is the theme tackled by Joan Rainey Morand, as it relates to the latest migration trends for Indiana. And the changing racial and ethnic face of Indiana is explored by John Besl, using just-released data for age, race, and gender for the Hoosier state.

Next Month: The Annual Outlook for 2001. Look to these pages for professional prognostication by some of the best and brightest economists throughout Indiana.

The Rich Stay Rich Among Indiana's Counties

The most widely accepted measure of economic well-being is real per capita personal income (see sidebar below left).

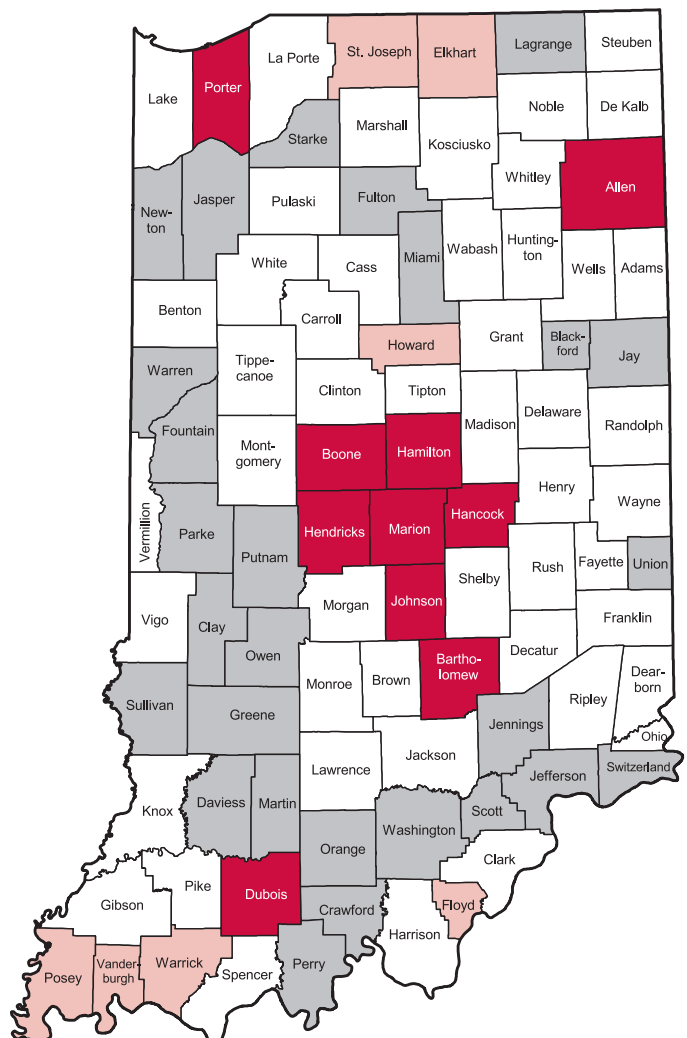
In 1998, the latest year for which county level data are available from the U.S. Bureau of Economic Analysis, Indiana's real per capita personal income (PCPI) was \$24,446— 7.5 percent below the national figure of \$26,427. That simple figure does not tell the

full story. As seen in **Figure 1**, ten Indiana counties, six of which are in the Indianapolis metro area, had PCPI levels above the U.S. Only seven other counties, for a total of 17, were above the state's PCPI level. That left 75 counties in the lower ranges of PCPI, with 27 counties failing to be within 25 percent of the national level.

Morton J. Marcus

Director, Indiana Business Research Center, Kelley School of Business, Indiana University

Figure 1
Real Per Capita Income 1998



- Greater than U.S. – \$26,427 (10)
- Less than U.S., but Greater than Indiana – \$24,446 (7)
- Below Indiana, but Greater than 75% of U.S. (48)
- Less than 75% of U.S. – \$19,820 (27)

Sidebar

Real Per Capita Personal Income (PCPI)
for a county, state or nation is:

The sum of:

- earnings
- + dividends, interest and rent
- + transfer payments

divided by population and adjusted
for changes in consumer prices

In this article, all dollar figures are
expressed in constant 1996 dollars

Note: **Earnings** include wages, salaries, employer paid benefits and proprietors' income. **Transfer payments** include social security, welfare, and unemployment compensation.

Table 1
Winners and Losers

Over a period of 30 years many changes take place. The well-being of counties relative to each other rises and falls. Small changes are of little consequence. But as **Table 1** shows, there have been some dramatic changes in rank among the 92 counties of Indiana between 1969 and 1998. Brown climbed from 73rd place in the state to 25th, a rise of 48 places. At the same time Union and Newton each fell more than 70 places.

Three counties (Hamilton #1, Allen #5, and Orange #83) had no change in their relative positions in the state. If there is any pattern to these rank order changes, it seems that rural counties had the greatest rank order changes, although there are enough exceptions to call that generalization into question.

	Gaining Counties			Losing Counties			
	Rank 1969	Rank 1998	Pos. change	Rank 1969	Rank 1998	Neg. change	
Brown	73	25	48	Union	13	88	-75
Monroe	85	45	40	Newton	15	85	-70
Dubois	45	6	39	Benton	7	58	-51
Steuben	59	24	35	White	17	54	-37
Dearborn	65	31	34	Jasper	32	69	-37
Decatur	63	33	30	Miami	35	68	-33
Ohio	79	49	30	Randolph	30	61	-31
Harrison	75	48	27	Daviess	44	73	-29
Gibson	58	32	26	Warren	51	80	-29
Ripley	61	35	26	Clinton	23	50	-27
Knox	77	51	26	Wayne	19	39	-20
Tippecanoe	54	29	25	Jay	64	84	-20
Delaware	55	30	25	Jackson	41	60	-19
Warrick	40	16	24	Fulton	50	66	-16
Franklin	86	63	23	La Porte	22	37	-15
Jennings	90	67	23	Cass	27	42	-15
Posey	38	17	21	Marshall	31	46	-15
Martin	88	70	18	Fountain	57	71	-14
Spencer	82	65	17	Rush	43	56	-13
De Kalb	39	23	16	Elkhart	3	15	-12
Vigo	68	52	16	Blackford	62	74	-12
Floyd	28	13	15	Madison	26	36	-10
Vanderburgh	25	11	14	Washington	71	81	-10
Pulaski	66	53	13	Lagrange	78	87	-9
Morgan	46	34	12	Lake	12	20	-8
Perry	87	75	12	Grant	47	55	-8
Noble	53	43	10	Sullivan	74	82	-8
Whitley	33	26	7	Starke	84	92	-8
Boone	8	2	6	Porter	2	9	-7
Hancock	10	4	6	Parke	70	77	-7
Huntington	34	28	6	Scott	72	79	-7
Adams	49	44	5	Fayette	52	5	-5
Vermillion	67	62	5	Green	81	86	-5
Johnson	14	10	4	Pike	60	64	-4
St. Joseph	18	14	4	Howard	9	12	-3
Jefferson	80	76	4	Henry	37	40	-3
Hendricks	11	8	3	Lawrence	56	59	-3
Tipton	21	19	2	Putnam	69	72	-3
Clark	24	22	2	Kosciusko	16	18	-2
Shelby	29	27	2	Carroll	36	38	-2
Crawford	91	89	2	Clay	76	78	-2
Owen	92	90	2	Switzerland	89	91	-2
Marion	4	3	1	Bartholomew	6	7	-1
Montgomery	42	41	1	Wells	20	21	-1
Wabash	48	47	1				
Hamilton	1	1	No Change				
Allen	5	5	No Change				
Orange	83	83	No Change				

Rank order changes are the result of different growth rates in real per capita income. Indiana counties at all levels of income have had very diverse growth rate experiences. This is demonstrated in **Table 2** where the 92 counties have been divided two ways: across the table, counties are categorized by their income level in 1969, while down the table they are grouped by their PCPI growth rates from 1969 to 1998.

In the upper right box of **Table 2** are the most fortunate counties, those which were in the top quarter of all Indiana counties in 1969 and had the highest growth rates from then through 1998. Five of

these seven counties are suburban Indianapolis with Bartholomew and Allen rounding out the set. At the other extreme are the poor six counties (Greene, Scott, Washington, Lagrange, Switzerland, and Starke) with very low growth rates over three decades.

The remaining 79 counties were spread all over the table. In fact, the correlation between a county's PCPI rank in 1969 and its PCPI growth rate for the period 1969 to 1998 was -.66, which means there was a weak negative relationship. In other words, high PCPI was weakly related to slow growth, while strong growth was weakly related to more rapid growth.

Table 2
Indiana Counties by Level of PCPI

		1969 Level of Real PCPI												
		High Top 23			Medium Next 23			Low Next 23			Very low Next 23			
		1st quartile 3.01% to 2.08%			2nd quartile 2.07% to 1.85%			3rd quartile 1.84% to 1.61%			4th quartile 1.61% to 0.75%			
		Rank			Rank			Rank			Rank			
Average Annual Percent Change 1969 to 1998	High	Hamilton	3.01	1	Dubois	2.59	3	Steuben	2.19	10	Monroe	2.45	4	
	PCPI=	Boone	2.67	2	Vanderburgh	2.28	7	Dearborn	2.15	16	Brown	2.41	5	
	\$16,144	Hancock	2.19	11	Warrick	2.20	9	Decatur	2.11	20	Jennings	2.28	6	
	To	Johnson	2.17	13	Posey	2.17	14	Ripley	2.08	23	Ohio	2.23	8	
	\$13,751	Hendricks	2.14	18	Floyd	2.16	15				Harrison	2.18	12	
		Bartholomew	2.11	21							Knox	2.14	17	
		Allen	2.11	22							Franklin	2.14	19	
		Medium	St. Joseph	2.01	30	De Kalb	2.03	29	Gibson	2.07	24	Spencer	2.04	25
		PCPI=	Marion	2.01	31	Morgan	1.95	35	Delaware	2.04	26	Martin	2.04	27
		\$13,702	Howard	1.98	33	Clark	1.94	37	Tippecanoe	2.03	28	Perry	1.98	32
		to	Tipton	1.94	36	Whitley	1.92	38	Vigo	1.97	34	Crawford	1.85	46
		\$12,966	Wells	1.92	39	Huntington	1.90	40	Noble	1.89	41			
			Kosciusko	1.88	42	Shelby	1.86	44	Pulaski	1.88	43			
		Low	Porter	1.80	51	Montgomery	1.83	48	Wabash	1.81	49	Owen	1.84	47
		PCPI=	Lake	1.79	54	Carroll	1.80	52	Vermillion	1.78	55	Jefferson	1.81	50
		\$12,954	La Porte	1.69	58	Henry	1.80	53	Lawrence	1.65	62	Orange	1.73	57
		to	Wayne	1.63	67	Madison	1.74	56	Grant	1.64	63	Clay	1.69	59
		\$11,933				Cass	1.68	60	Fayette	1.64	64	Parke	1.61	68
						Marshall	1.68	61	Putnam	1.63	65	Sullivan	1.61	69
		Very low	Elkhart	1.55	75	Rush	1.59	72	Fulton	1.49	79	Greene	1.61	70
	PCPI=	Clinton	1.53	76	Jackson	1.53	77	Blackford	1.47	80	Scott	1.60	71	
	\$11,896	White	1.36	83	Randolph	1.42	82	Fountain	1.43	81	Washington	1.57	73	
	to	Benton	1.13	90	Daviess	1.33	84	Jay	1.31	86	Lagrange	1.56	74	
	\$9,828	Newton	0.79	91	Miami	1.32	85	Warren	1.27	87	Switzerland	1.52	78	
		Union	0.75	92	Jasper	1.26	88				Starke	1.25	89	

PCPI Growth Rate for:
U.S. 2.12
Indiana 1.87

Table 3
Average Annual Percent Change in Income, 1969-1998

	Real Total Personal Income		Population		Real Per Capita Personal Income			Real Total Personal Income		Population		Real Per Capita Personal Income	
	Income	Rank	Rank	Rank	Income	Rank		Income	Rank	Rank	Rank	Income	Rank
United States	3.16		1.02		2.12								
Indiana	2.46		0.48		1.97								
Adams	2.61	37	0.74	40	1.86	45	Lawrence	2.30	46	0.64	46	1.65	62
Allen	2.58	38	0.46	51	2.11	22	Madison	1.58	78	-0.16	79	1.74	56
Bartholomew	2.85	29	0.73	41	2.11	21	Marion	2.14	54	0.13	67	2.01	31
Benton	0.61	92	-0.51	91	1.13	90	Marshall	2.63	36	0.94	27	1.68	61
Blackford	1.03	89	-0.43	89	1.47	80	Martin	1.88	66	-0.15	78	2.04	27
Boone	3.96	7	1.25	17	2.67	2	Miami	0.77	91	-0.54	92	1.32	85
Brown	4.50	2	2.04	5	2.41	5	Monroe	3.70	12	1.22	19	2.45	4
Carroll	2.23	50	0.43	54	1.80	52	Montgomery	2.10	58	0.26	59	1.83	48
Cass	1.53	80	-0.15	77	1.68	60	Morgan	3.43	16	1.46	13	1.95	35
Clark	2.75	32	0.80	36	1.94	37	Newton	1.64	75	0.84	34	0.79	91
Clay	2.07	59	0.37	55	1.69	59	Noble	3.00	23	1.09	22	1.89	41
Clinton	1.82	69	0.28	58	1.53	76	Ohio	3.09	20	0.84	35	2.23	8
Crawford	2.81	30	0.94	25	1.85	46	Orange	2.23	51	0.50	49	1.73	57
Daviess	1.62	77	0.29	57	1.33	84	Owen	3.69	13	1.82	8	1.84	47
Dearborn	3.83	9	1.64	10	2.15	16	Parke	2.11	57	0.49	50	1.61	68
Decatur	2.56	39	0.44	53	2.11	20	Perry	2.05	60	0.07	68	1.98	32
De Kalb	2.91	25	0.86	33	2.03	29	Pike	1.79	71	0.16	66	1.63	66
Delaware	1.71	73	-0.32	85	2.04	26	Porter	3.77	11	1.93	6	1.80	51
Dubois	3.50	15	0.89	29	2.59	3	Posey	2.90	26	0.72	43	2.17	14
Elkhart	2.70	33	1.13	20	1.55	75	Pulaski	2.12	56	0.24	60	1.88	43
Fayette	1.63	76	-0.01	73	1.64	64	Putnam	2.53	40	0.88	30	1.63	65
Floyd	3.09	19	0.91	28	2.16	15	Randolph	1.24	84	-0.17	80	1.42	82
Fountain	1.44	81	0.00	72	1.43	81	Ripley	2.98	24	0.88	31	2.08	23
Franklin	3.02	21	0.87	32	2.14	19	Rush	1.20	85	-0.38	87	1.59	72
Fulton	2.18	53	0.68	44	1.49	79	St. Joseph	2.20	52	0.19	64	2.01	30
Gibson	2.26	48	0.19	63	2.07	24	Scott	2.69	34	1.07	23	1.60	71
Grant	1.17	86	-0.47	90	1.64	63	Shelby	2.37	44	0.50	48	1.86	44
Greene	2.37	45	0.75	39	1.61	70	Spencer	2.78	31	0.72	42	2.04	25
Hamilton	7.07	1	3.94	1	3.01	1	Starke	2.03	63	0.77	37	1.25	89
Hancock	3.84	8	1.62	11	2.19	11	Steuben	3.82	10	1.59	12	2.19	10
Harrison	4.07	6	1.85	7	2.18	12	Sullivan	1.82	68	0.21	62	1.61	69
Hendricks	4.26	5	2.08	4	2.14	18	Switzerland	2.66	35	1.13	21	1.52	78
Henry	1.54	79	-0.25	82	1.80	53	Tippecanoe	3.00	22	0.95	24	2.03	28
Howard	2.04	61	0.06	69	1.98	33	Tipton	1.95	64	0.01	71	1.94	36
Huntington	2.13	55	0.23	61	1.90	40	Union	1.09	88	0.33	56	0.75	92
Jackson	2.30	47	0.76	38	1.53	77	Vanderburgh	2.26	49	-0.02	74	2.28	7
Jasper	2.53	41	1.25	18	1.26	88	Vermillion	1.80	70	0.02	70	1.78	55
Jay	1.03	90	-0.27	83	1.31	86	Vigo	1.65	74	-0.31	84	1.97	34
Jefferson	2.38	43	0.56	47	1.81	50	Wabash	1.74	72	-0.07	75	1.81	49
Jennings	3.59	14	1.27	16	2.28	6	Warren	1.12	87	-0.15	76	1.27	87
Johnson	4.41	4	2.19	2	2.17	13	Warrick	4.43	3	2.18	3	2.20	9
Knox	1.94	65	-0.20	81	2.14	17	Washington	2.88	28	1.29	15	1.57	73
Kosciusko	3.32	17	1.41	14	1.88	42	Wayne	1.29	83	-0.33	86	1.63	67
Lagrange	3.27	18	1.68	9	1.56	74	Wells	2.38	42	0.45	52	1.92	39
Lake	1.36	82	-0.42	88	1.79	54	White	2.03	62	0.67	45	1.36	83
La Porte	1.87	67	0.17	65	1.69	58	Whitley	2.88	27	0.94	26	1.92	38

- As stated in the sidebar on page one, **real per capita personal income** is:

real total personal income
divided by
population

- Roughly speaking, then: **percent change in PCPI** is:

percent change in real total personal income
minus
percent change in population

The perverse nature of the above arithmetic truth is that PCPI may grow faster in counties that are declining in population than in counties experiencing strong population growth. What is driving PCPI growth in Indiana counties?

Consider the counties of Whitley and Washington. Both grew in real personal income by approximately 2.88 percent and ranked 27th and 28th respectively in that factor between 1969 and 1998 (see **Table 3**). But Whitley's population growth was 26th in the state (0.94%) while Washington County came in 16th (1.29%). The result was Whitley's PCPI growth was 1.92 percent (38th in the state) and Washington trailed down in 73rd position at 1.57 percent.

A higher rate of population growth is normally considered a favorable factor in assessing a community's performance. But when PCPI is the ultimate indicator, population growth has a negative influence.

Table 3 shows 20 counties (highlighted in gray) in which PCPI was boosted by declining population in the period 1969 to 1998. Rapid growth in real personal income does not assure rapid growth in PCPI. Indiana had 18 counties (highlighted in red) exceed the national growth rate for personal income of 3.16 percent. Hamilton ranked first in both growth of total personal income and population. The difference between the two still left Hamilton the fastest growing county in PCPI.

Others in that elite group did not fare as well. For example, Porter's income growth rate of 3.77 percent was good enough for 11th place, but the county also

ranked 6th in population growth (1.93%) and ended up in 51st place in PCPI growth. By contrast, Boone grew slightly faster in income (3.96%) and slightly slower in population (1.25%) than did Porter and ended up with the second fastest growth in PCPI in the state.

Growth of aggregate income and population are both desirable traits, but they can lead to great difficulties in interpreting growth in PCPI in some cases. However, in general, population and income growth are highly related to each other. For example, 17 of the 18 Indiana counties that surpassed the national average for total income growth also were ahead of the nation in population growth. Only Dubois failed to have this double distinction.

The relationship between income and population growth rates in Indiana counties between 1969 and 1998 is very strong:

	Income	Population	PCPI
Income	1.00	0.94	0.72
Population		1.00	0.45

As population rises so does total personal income. But growing personal income or growing population does not have as strong a relationship with rising PCPI. The data suggests that if one were to have an opportunity to choose, the effort should be made to increase income (seek high paying jobs) rather than increasing population (babies and retirees do not help PCPI).

Indiana's Migration Shifts

Joan Rainey Morand

Research Director, Indiana Business Research Center, Kelley School of Business, Indiana University

Indiana experienced a slight gain in population due to migration between 1998 and 1999. This occurred despite a second straight year when the state lost more residents to other U.S. states than it gained from them.

Table 1 shows that the number of people who moved from other states to Indiana was slightly smaller than the number who moved from Indiana to these other states. At the same time, more people moved from foreign countries to the Hoosier state than moved from Indiana to these countries. This positive international net migration offset the small amount of negative domestic net migration, resulting in a small overall gain for Indiana.

The total number of in-migrants to Indiana was estimated at 117,200, with out-migration estimated

at 116,100. The resulting net migration figure was positive with an estimated 1,100 more people moving into the state than moving out, between 1998 and 1999. In the previous year, Indiana experienced net out-migration when 1,100 more people moved from Indiana to other states or countries than moved from these states or countries to Indiana.

The state has seen a dramatic change in its domestic migration picture over the past five years (see **Figure 1**). Between 1994 and 1995, 10,900 more people moved into Indiana from other states than moved out of Indiana to other U.S. states. That figure declined to 8,400 the following year, and then dropped again to 1,500 in the next year. The state experienced negative net domestic migration in the most recent two years, losing more people to other states than it gained from them.

HOW THE IRS DETERMINES MIGRATION

County-to-county migration flow data are developed by the Internal Revenue Service by matching social security numbers of primary taxpayers from one year to the next.

When a social security number match is found, the counties of residence for the last two tax years (e.g. 1998 for the year 1997 and 1999 for the year 1998) are compared to determine if they are the same. If the county addresses match, then the taxpayer's number of personal exemptions are counted as "non-migrants." If the county addresses do not match, then the taxpayer's number of exemptions are counted as "out-migrants" from the county listed on the return filed in the earlier year (e.g. 1998) and as "in-migrants" into the county listed on the return filed in the later year (e.g. 1999).

Data are based on income tax returns from the IRS's Individual Master File. That master file includes a record for each IRS Form 1040, 1040a, and 1040ez individual tax return filed by citizens and resident aliens. Actual migration flows may be understated, since tax returns that did not match based on social security number are not included. Moreover, additional people not represented in the data set include those not required to file tax returns because their income was below the required minimum for filing, people whose only income was from social security payments, people whose income was primarily from a vested interest retirement plan, and immigrants.

Table 1
Estimates of Migration To and From Indiana, 1998-1999
International migration offset out-migration to other states.

	To Indiana	From Indiana	Net Migration
Domestic	113,300	114,300	-1,000
International	3,900	1,800	2,100
Total	117,200	116,100	1,100

Figure 1
Net Migration Into Indiana

The state has seen a dramatic change in its domestic migration over the past 5 years

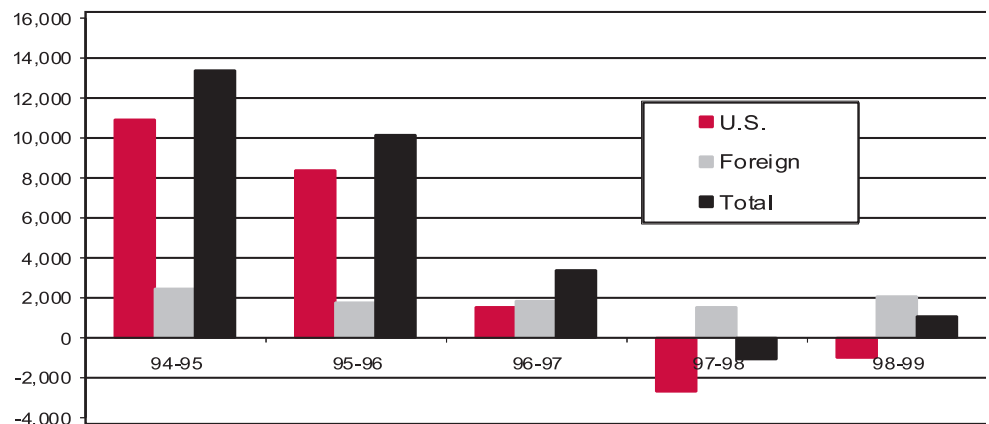
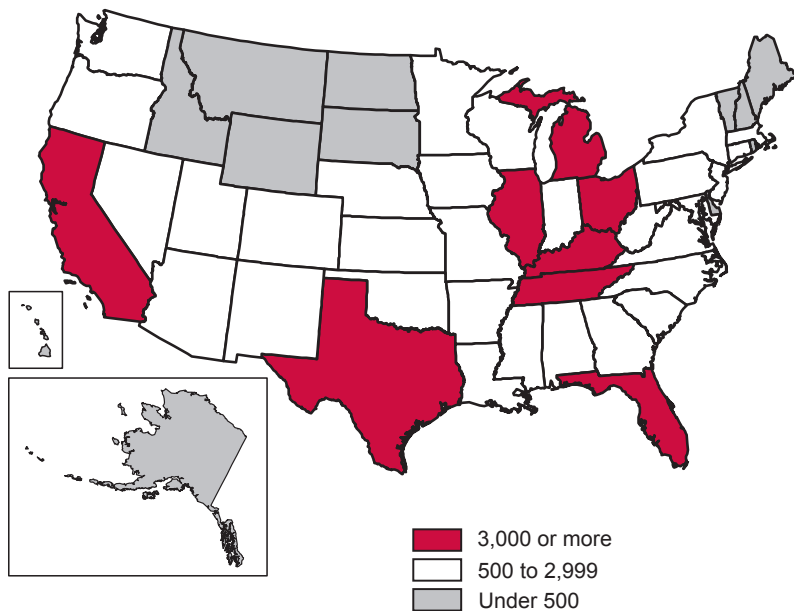


Figure 2
In-migration to Indiana, 1998-1999



Where are They Coming From?

Figure 2 gives an overview of migration to Indiana from other states.

The largest numbers of in-migrants to Indiana were from neighboring states: Illinois (19,200), Ohio (11,800), Kentucky (9,400) and Michigan (9,200). More than 40 percent of the state's in-migrants were from one of these four neighboring states.

Indiana also attracted large numbers of new residents from Florida (7,700), Texas (6,000), California (5,600), foreign (3,900), Tennessee (3,600) and North Carolina (2,700) (see **Figure 3**).

Figure 3
Migration to Indiana, 1998-1999

Forty-two percent of the people that moved to Indiana were from neighboring states

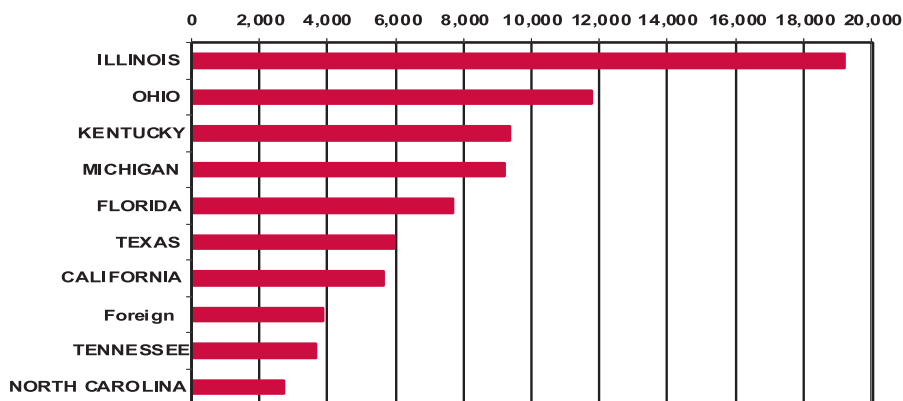
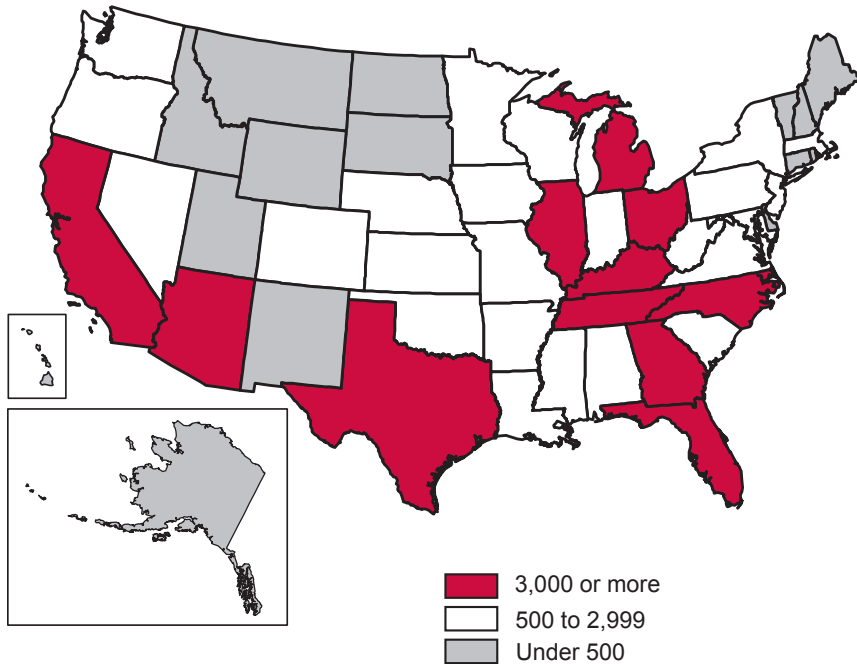


Figure 4
Out-migration From Indiana, 1998-1999



Where Are They Going?

Figure 4 gives an overview of migration from Indiana to other states. Hoosiers moving to other states tended to move to neighboring states or to states in the south or west: Illinois (13,900), Florida (10,800), Ohio (10,300), Michigan (9,500), Kentucky (9,200), Texas (6,200), California (5,000), Tennessee (4,500), Georgia (3,800) and Arizona (3,200) (see **Figure 5**). Thirty-seven percent of the state's out-migrants moved to one of Indiana's four immediate neighbors.

Figure 5
Migration From Indiana, 1998-1999

Forty-six percent of the people who migrated from Indiana moved to Florida or a neighboring state

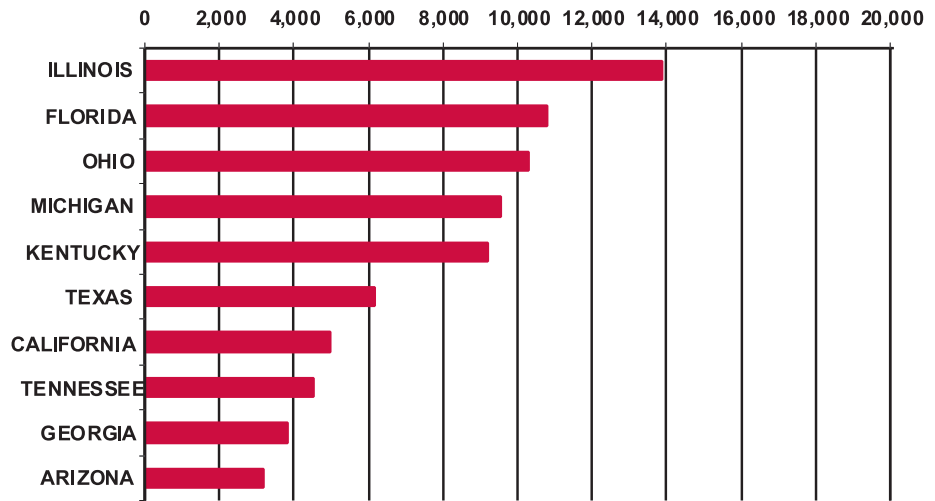
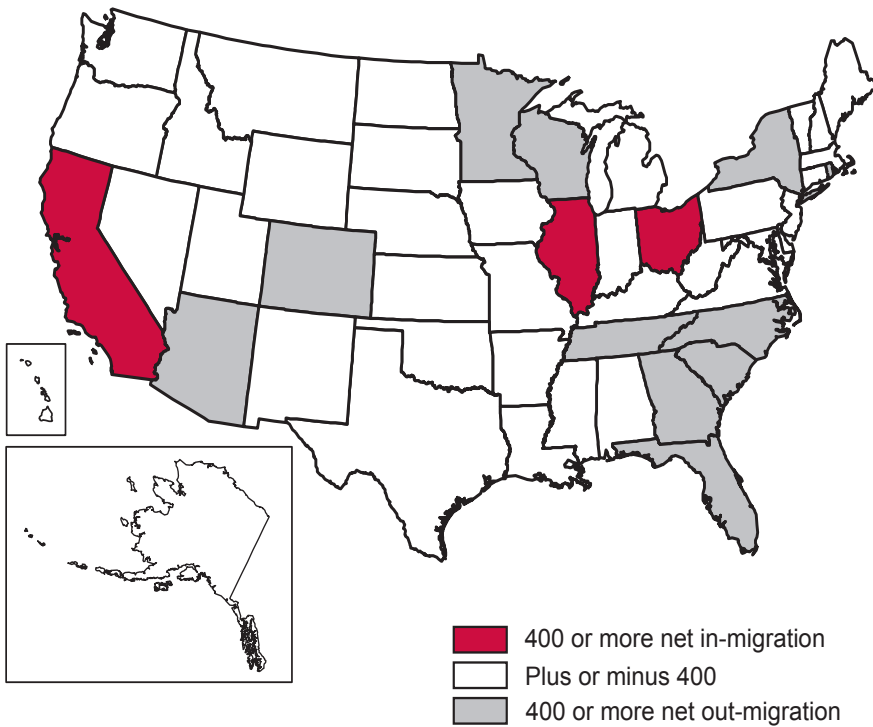


Figure 6
Net Migration To/From Indiana, 1998-1999



The Net Effect

Subtracting out-migration from in-migration yields net migration figures. **Figure 6** gives an overview of net migration to and from Indiana.

States that accounted for the largest number of net in-migrants to Indiana were Illinois (5,400), foreign (2,100), Ohio (1,500), California (700) and New York (500). States that accounted for the largest number of net out-migrants were Florida (3,100), Arizona (1,300), Georgia (1,300), Tennessee (900) and Colorado (700) (see **Figure 7**).

Large amounts of migration occurred between Indiana and Michigan, and also between Indiana and Kentucky. However, the in-migration and out-migration figures ran about even between these states and Indiana. The result was a small amount of net in-migration to Indiana from Kentucky and a small amount of net out-migration to Michigan from Indiana.

Figure 7
Indiana Net Migration, 1998-1999

Exchanging residents with other states and countries, Indiana gained the most residents from Illinois and lost the most residents to Florida

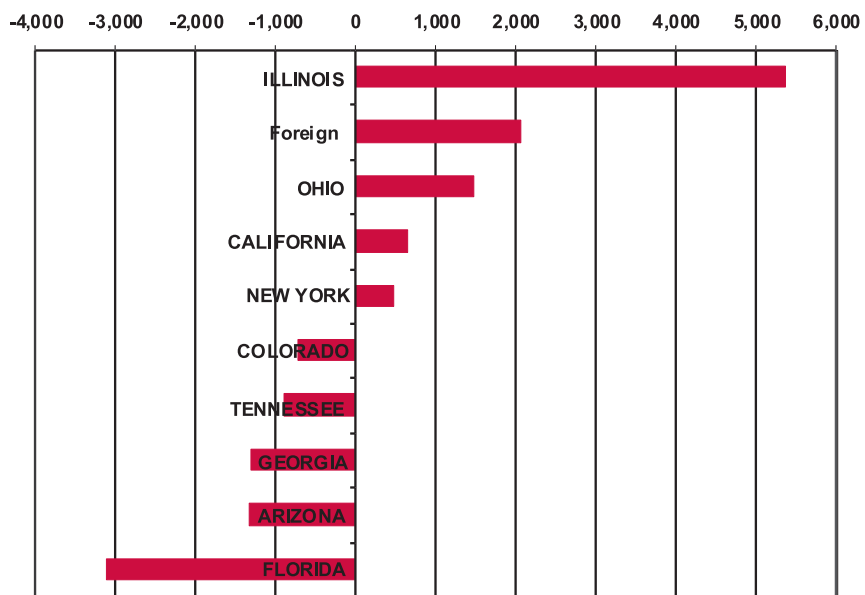
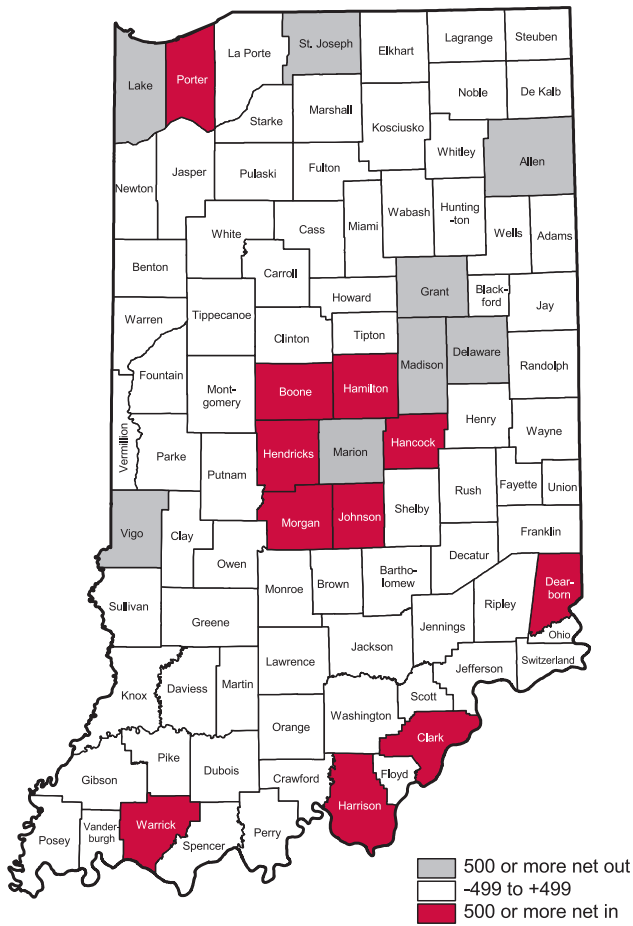


Figure 8
Net Migration for Indiana Counties, 1998-1999



Largest Net In-Migration Figures Found in Indianapolis Suburban Counties

Forty-nine of Indiana's 92 counties (53%) experienced net in-migration between 1998 and 1999, while the remaining 43 counties saw net out-migration (see **Figure 8**). Four years earlier, three-fourths of Hoosier counties experienced net in-migration.

Hamilton County ranked first in net-migration with estimated in-migration of 17,900, out-migration of 11,000 for an estimated net migration figure of 6,900. Rounding out the top five were other counties surrounding Marion: Hendricks (2,800), Johnson (2,400), Hancock (800) and Boone (800). Counties with the largest number of net out-migrants were Marion (8,200), Lake (2,200), Delaware (1,000), St. Joseph (1,000) and Vigo (800).

Gross Migration

Gross migration (the sum of in-migration and out-migration) indicates the total amount of movement across the borders of a county. **Figure 9** shows net migration for the ten Hoosier counties with the largest amounts of gross migration.

Indiana counties with large amounts of movement fell into three different scenarios. Hoosier counties with large populations: Marion, Lake, Allen and St. Joseph experienced significant amounts of net out-migration. Suburban counties: Hamilton, Johnson, Hendricks and Porter experienced significant amounts of net in-migration. Tippecanoe and Elkhart counties saw large numbers of people moving in and out, but with little net effect.

Figure 9
Net Migration for the Top Ten Gross Migration Hoosier Counties
Counties with the most movement tended to be large counties or rapidly growing ones

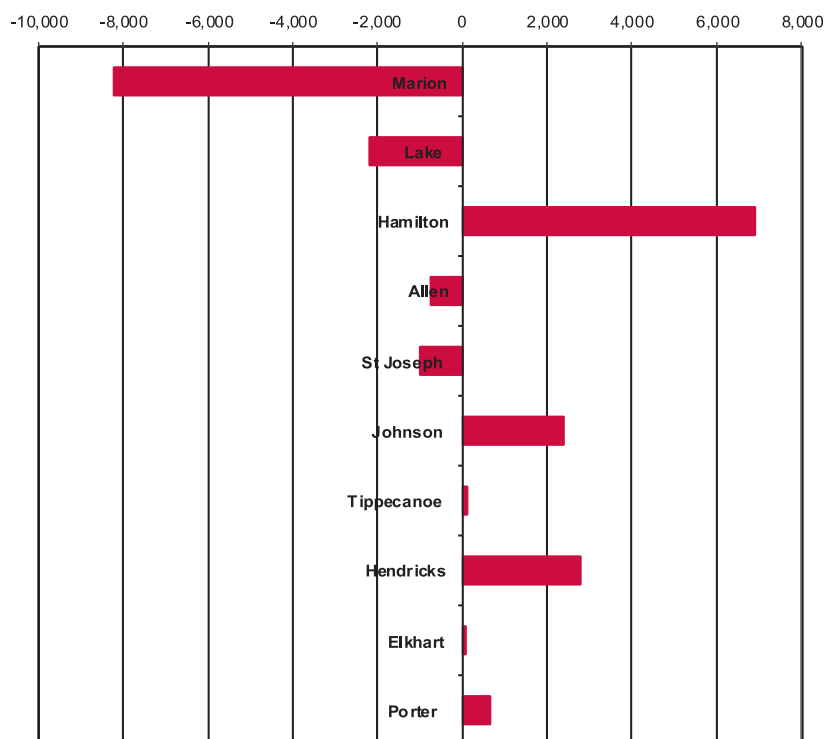
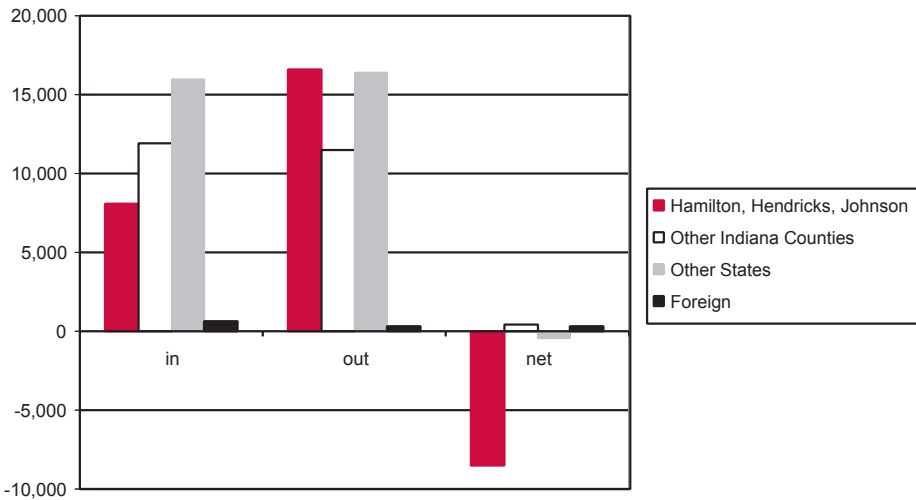


Figure 10
Migration To and From Marion County

"Ins" and "outs" ran about even except for rapidly growing neighbors.



Marion County

It was estimated that 36,600 people moved into Marion County and that 44,800 people moved out of Marion County, for net out-migration of 8,200 people between 1998 and 1999. **Figure 10** shows that much of the net out-migration from Marion County was accounted for by one of its rapidly growing suburban neighbors: Hamilton, Hendricks, or Johnson.

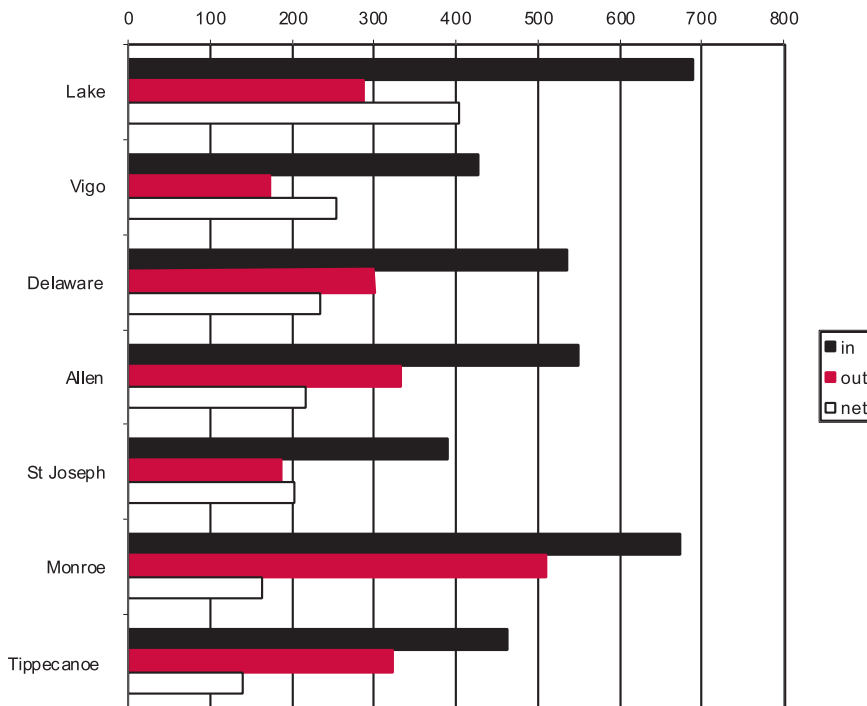
Marion County experienced net out-migration to each of its eight neighboring counties. The biggest disparity between migration to and from Marion County was in Hamilton County, Marion's fastest growing neighbor to the north. It was estimated that 7,300 people moved from Marion County to Hamilton County, for net migration of 4,400 people from Marion to Hamilton.

Hoosier counties that sent the largest number of net migrants to Marion County included high population counties: Lake and Allen, and college counties Vigo, Delaware, St. Joseph, Monroe and Tippecanoe (see **Figure 11**).

The largest numbers of net in-migrants from other states were from Illinois, foreign countries, New York, California and Ohio. The largest number of net out-migrants to other states moved to Florida, Arizona, Georgia, South Carolina and Colorado.

Figure 11
Counties with Largest Net In-migration to Marion County, 1998-1999

Large counties and college counties sent people to Marion County.



The Changing Face of Indiana

John Besl

Research Demographer,
Indiana Business Research
Center, Kelley School of
Business, Indiana University

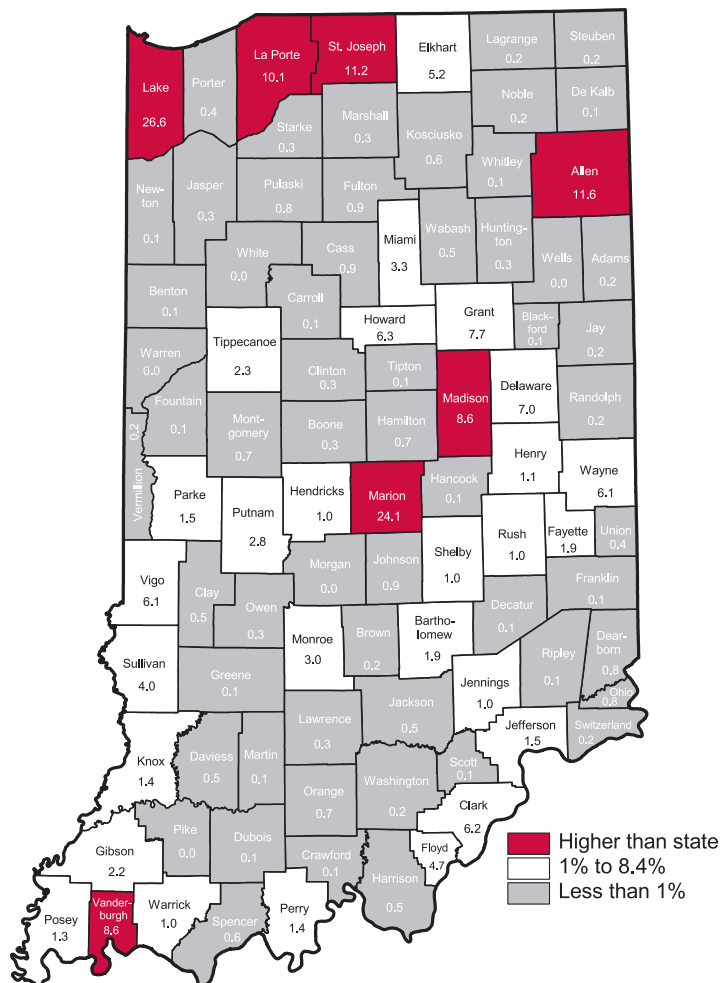
What does Indiana's population look like and how did it change in the 1990s? To get a definitive answer to that question, we'll have to wait for the results of Census 2000, beginning with the release of redistricting data in the first quarter of 2001. In the interim, a new set of county estimates presents a valuable update on the state's population composition by age, sex, race, and Hispanic Origin, as well as the geographic distribution of these characteristics. The complete set includes July 1st estimates for each county in the nation for each year from 1990 to 1999 by age, sex, race, and Hispanic Origin and was released by the U.S. Census Bureau on August 30th of this year.

Race and Hispanic Origin

Indiana's racial composition changed marginally over the decade, as the nonwhite population share grew from 8.8 percent in 1990 to 9.6 percent in 1999. The black population increased twice as fast as the state's total population, 14.4 percent compared to 7.0 percent over nine years. **Figure 1** shows that Indiana's black population is heavily concentrated in the most urbanized counties. Only seven counties had a higher concentration of black residents than the state as a whole (8.4%). The black population share was less than one percent in the vast majority of Hoosier counties (62 of 92).

Indiana's white population increased by six percent over the nine-year period, while each of the nonwhite race groups grew at least twice as fast. The growth rates of the two remaining groups, American Indian and Asian, have surpassed even the black growth rate. According to the estimates, American Indians increased their numbers by 15 percent and Asians by the prolific rate of 52 percent. Still, the two combined groups accounted for only 1.3 percent of Indiana's total population. In spite of the rapid growth among nonwhite race groups, Indiana's total population gain of almost 388,000 persons between 1990 and 1999 was predominantly white. For every 100 nonwhite residents added since 1990, the state gained over 350 white residents.

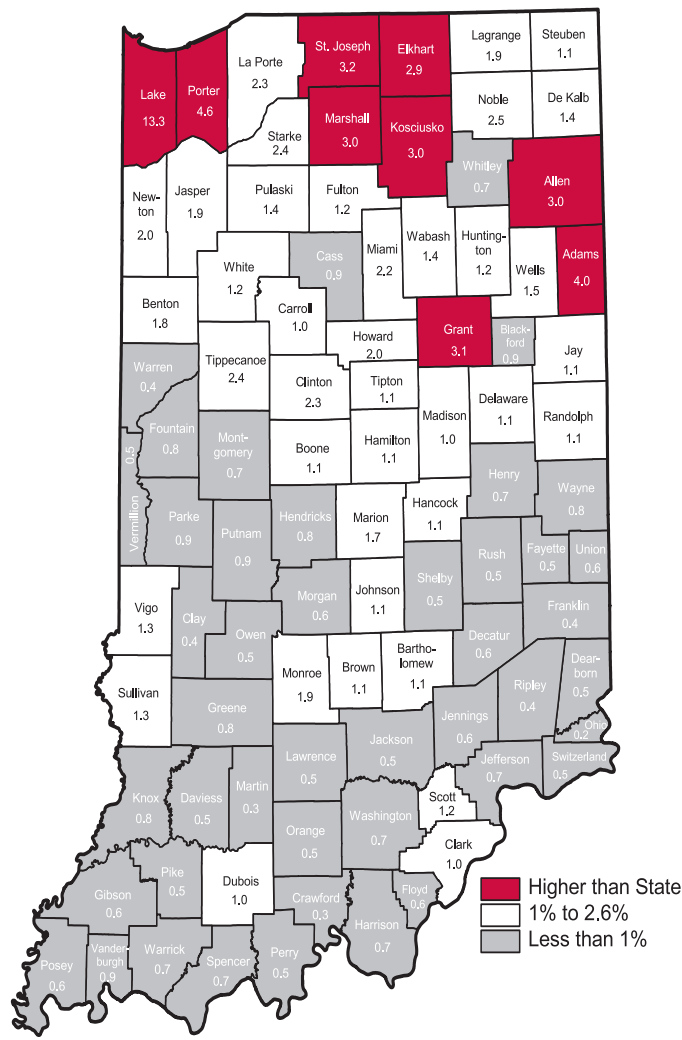
Figure 1
1999 Black Population Share



Indiana's Hispanic population (not a race category) also grew at the remarkable rate of 55 percent, but still accounted for only a small portion of the state's total population. Hispanics are only slightly more dispersed geographically than the black population. **Figure 2** shows that Hispanic concentration was less than one percent in exactly half of the state's 92 counties, while nine counties exceeded the state Hispanic population share, 2.6 percent.

As mentioned previously, the state's minority population is concentrated in a few counties, specifically Marion and Lake. Almost 14 percent of Indiana residents lived in Marion County in 1999, but the county claimed 39 percent of the state's black population. In contrast, Hispanics in Marion County accounted for about nine percent of Indiana's Hispanic population. Lake County was home to two out of five (41.5%) Indiana Hispanic residents, a concentration five times higher than the county's share of state total population (8.1%). Lake County also had a disproportionately high share of Indiana's African American population, 26 percent. Lake and Marion combined accounted for almost 65 percent of Indiana's African-American population and 50 percent of Hispanics, compared to about 22 percent of state total population.

Figure 2
1999 Hispanic Population Share



Census 2000 Update--The Next Steps

In September, the Census Bureau released the final mail response rates for counties, cities and towns, townships and census tracts for Indiana. Since the end of April, Indiana's response rate improved from 67 percent to 69 percent, but still fell below its 1990 rate of 72 percent.

Among Indiana's counties, 52 counties matched Indiana's overall rate or exceeded it:

Carol O. Rogers

Editor, and Information Services Director, Indiana Business Research Center, Kelley School of Business, Indiana University

Response Rate (%)	Counties
79	Dubois
78	Adams
77	Wells
76	Warrick, Whitley
75	Dekalb, Hamilton, Hancock, Porter, Posey
74	St. Joseph
73	Allen, Blackford, Decatur, Elkhart, Floyd, Huntington, Jay, Randolph, Spencer, Tipton, Vanderburgh, Wabash
72	Bartholomew, Benton, Franklin, Gibson, Howard, Montgomery, Perry, Tippecanoe
71	Daviess, Fayette, Henry, Jackson, Jasper, Johnson, Wayne
70	Boone, Clark, Dearborn, Harrison, Lake, Rush, Shelby, Vermillion
69	Delaware, Lagrange, Newton, Pike, Warren, Washington

What does the mail response rate tell us? It shows the proportion of forms returned of those mailed. Over the past summer, the Bureau deployed a series of non-response follow up programs geared to elicit response from the reluctant households in our communities. We do not know what the success of those programs has been, but the proof will show up in results to the Accuracy and Coverage Evaluation (ACE) survey conducted this summer to determine the extent of under or over counting.

It ain't over 'til it's over and as in baseball so it is with the decennial Census. But the work of the Census that was so visible to the public just a few short months ago is certainly over. No more door knocking, no more toll-free hotlines, and no more temporary jobs for many thousands of people.

The US Census Bureau is now working totally indoors tabulating the questionnaires. For the first time in its history, the Census Bureau is allowing independent State demographers to come into the Bureau to review the counts. Of course, legal oaths have been taken and these demographers are sworn

to secrecy. But every state that is participating (including Indiana) has a unique opportunity with this Census to have some potential feedback on whether the results look appropriate or not.

In Indiana, the Indiana Business Research Center (IBRC) at Indiana University is the State of Indiana's official representative to the Census Bureau for population issues.

Where's the Data?

Many of our readers are interested in actual results from the Census. We will learn by the end of this year what the state total population figures are to be used in apportioning the number of representatives per state. By April 2001, Indiana will receive census data to be used in the actual drawing of congressional districts, as well as those for the General Assembly. By summer 2002, we will have the data most valued – education, commuting, income, poverty, household ownership and more. These pages will reflect the transition from collecting the data to publishing it.

Inside this issue:

Volume 75, Number 3

- **The Rich Stay Rich Among Indiana's Counties**
- **Indiana's Changing Migration Picture**
- **New Census Bureau Estimates for Indiana**
- **An Update on Census 2000**

Get connected and use the web:

www.ibrc.indiana.edu your link to the IBR and other trends and analysis
www.stats.indiana.edu all data, all the time; check out the new Indiana County Profiles!

Indiana Business Review
Volume 75, Number 3
Fall 2000

Indiana Business Research Center
Indiana University Research Park
501 N. Morton, Suite 110
Bloomington, IN 47404-3730

Nonprofit Organization
U.S. Postage
PAID
Bloomington, Indiana
Permit No. 2

ADDRESS CORRECTION REQUESTED