



Evansville

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The Evansville economy continued its substantial growth into 1999 as measured by the index calculated at the University of Evansville. The index grew at 3 percent from 1995 to 1996, 1 percent from 1996 to 1997, 3 percent from 1997 to 1998, and 5 percent from 1998 to 1999. All sectors measured in the index, save for industrial production, were at five-year highs. Growth was strongest in construction trade and finance, weakest in transportation and negative in industrial production. Anecdotal evidence suggests declines in construction and transportation in Evansville proper in the near term, but if the Toyota expansion begins to have its positive impact

on the local economy, I anticipate that good times will continue for our area. Please note that the index below is slightly different from the one printed in last year's Indiana Business Review Outlook Issue. They differ in that the one just reported relies upon employment as the relevant data for industrial production instead of electricity sold to industrial users that was not readily available at the time of calculation. This is somewhat telling about the sorts of changes that are going on in the economy that are not easily captured by an index such as the one reported here. Our local public utility for years, SIGECO, has apparently become much more dynamic as it has moved into the communications/internet delivery business and has also been through a substantial merger. As other firms in Southwest Indiana also transform themselves, offering new products and services and employing new production technologies, our economy may be able to sustain this sort of growth even with the tightness in the local labor market.

Evansville Economic Index

Year	Industrial Production	Construction	Trade	Transportation	Finance	Index	Index Growth
1995	0.316	0.040	0.272	0.047	0.227	0.903	
1996	0.330	0.060	0.267	0.051	0.237	0.944	0.05
1997	0.329	0.048	0.267	0.055	0.234	0.942	0.00
1998	0.359	0.069	0.277	0.060	0.234	1.000	0.06
1999	0.385	0.090	0.288	0.062	0.256	1.081	0.08