

Columbus

In the decade from 1990 to 2000, Bartholomew County was one of the fastest growing counties in Indiana in terms of population. A 12 percent jump in the number of residents placed the county 26th overall out of 92 counties, and that rank rises to 20th if the exceptionally fast-growing counties around Indianapolis are excluded.

As Columbus and Bartholomew counties have attracted more people, this growth has brought economic diversification. That diversification should help restrain layoffs and unemployment as the state makes its way through the recession of 2001-2002.

In fact, we can point to four factors, all of which are working together to offer Bartholomew County communities some protection against the economic downturn.

First is the simple fact that the population is growing. That brings a double benefit. On one hand, growth brings more people, who bring more value in the form of their talents and more consumption expenditures to keep the dollars flowing. Along with the direct economic boost, population growth is an excellent indicator of an area's desirability as a place to live. If there are people moving in, it must mean they see good long-term job prospects, a good education

system for their children and meaningful amenities in the community. All those things help the county weather a weak economy.

Second is the economic mix in Columbus and Bartholomew counties (see **Figure 1**). It is true that 40 percent of the jobs in the county are in the manufacturing sector, and manufacturing's predominance has not changed for many years. But employment in services industries grew 15 percent in the six years ending in 2000. Manufacturing employment grew only 5 percent. Within the services sector, much of the growth occurred in relatively high-paying fields. A 16 percent jump in health care jobs was accompanied by a 21 percent increase in engineering and management services. Engineering and management services include consulting engineers and accounting firms.

Third is the low level of unemployment in the county. Bartholomew County's monthly unemployment rate has been less than 3 percent in almost every month since 1995. Layoffs associated with the recession will drive that number up. But the low starting point means it has a long way to go before unemployment becomes a major area-wide problem.

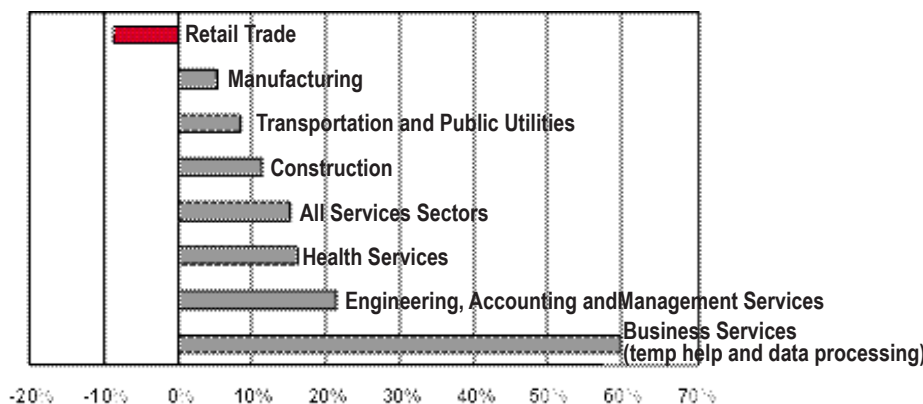
Finally, energy prices are relatively low. Recessions are worse when several key economic factors turn bad at the same time, and in past recessions, high energy prices have worked against us. But anyone who has bought gasoline in Columbus recently has been pleasantly surprised. Prices began to fall just as the recession began. Declining fuel prices fatten consumers' spendable income just like an immediate tax cut.

All these factors combine to prevent Columbus and Bartholomew counties from any disproportionate effect of the recession. If this recession proceeds as expected, and output begins to grow again by mid-2002, it should be only a moderate recession for this area. Expect more layoffs during the winter, and the unemployment rate could easily hit 6 percent. But by historical standards, those events will not mean a severe recession here. And barring more unforeseen external shocks to the economy, things should be getting back on track by the third quarter of 2002.

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Figure 1
Employment Growth in Columbus and Bartholomew Counties
Selected Sectors, 1994-2000



Source: Indiana Department of Workforce Development and STATS Indiana.