

Indiana also outpaced the nation in transfer payments and returns on capital (dividends, interest and rent). These may be demographically driven factors as the Hoosier state aged more rapidly in the latter part of the 20th century than did the U.S. as a whole.

The bottom line: if we are concerned about per capita personal income, we should focus on earnings per worker and more workers in higher paying jobs. If that comes as a surprise to anyone, he or she has been asleep for past twenty years.

Endnotes

1. Although below the national figure in each component of personal income per capita, the state has shown an upward trend in two elements that may be related to a population growing older faster than the nation as a whole. As the population ages, social security payments become more important and citizens tend to be owners of financial and real assets that earn dividends, interest, and rent. During the period under study, Indiana went from being a state with a younger population to one with a population older than the national average.

2. Source: Base data taken from the U.S. Bureau of Economic Analysis.

Indiana's Population Tops 6.1 Million

New population estimates issued by the U.S. Census Bureau on December 28, 2001 indicate that Indiana's population increased by 34,000 between April 1, 2000 and July 1, 2001. Since the census count in 2000, Indiana's population continued its climb over 6 million. As of midyear 2001, the Census Bureau estimates the state's population at 6,114,745 (see **Figure 1**).

The State's Ranking

Indiana ranks 14th among the states in population size, unchanged from its ranking on Census 2000 population. As recently as 1980, Indiana ranked 11th.

Our rank was only 23rd on numeric change and ranked only 31st among 51 states (including the District of Columbia) in percent population change

between April 1, 2000 and midyear 2001. With so many other states gaining population faster than Indiana, it's likely that the Hoosier State will slip out of the top 15 by the time of the next census in 2010.

Population Growth Rate

Since the 2000 census, Indiana's population growth has slowed to an average annual rate of 0.4 percent, down from 0.9 percent per year in the 1990s. The national growth rate is considerably higher than Indiana's, both before and after the 2000 census. A slowdown in the rate of population growth is also evident across the United States, but the decline has been more moderate at the national level, from 1.2 percent per year in the 1990s to 1.0 percent since Census 2000 (see **Figure 2**).

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Figure 1
Indiana's Total Population by Decade(with July 1, 2001)

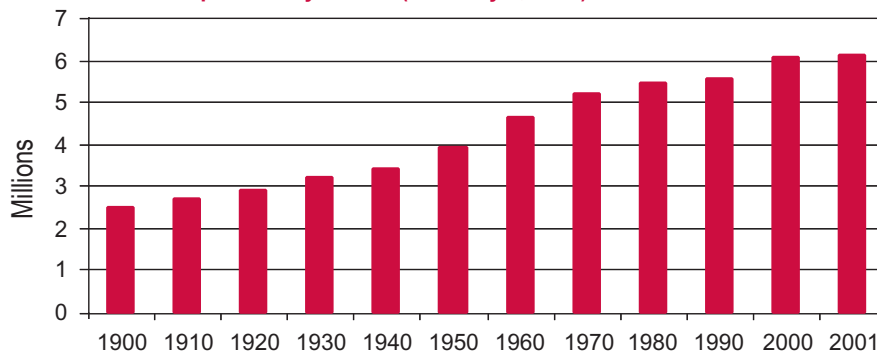
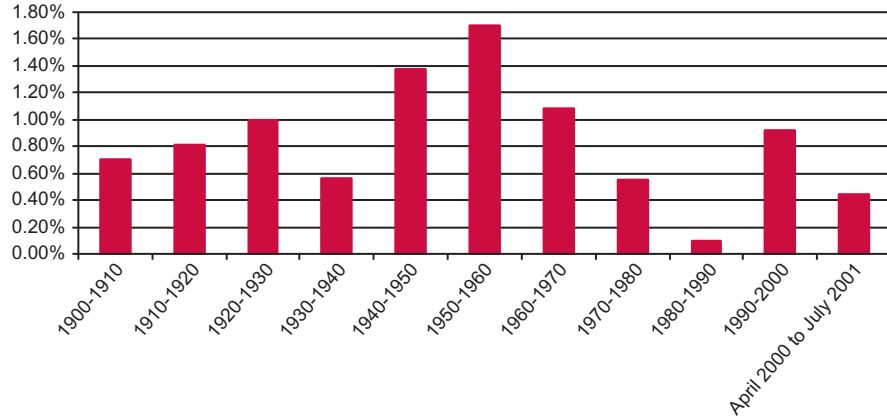


Figure 2
Average Annual Rate of Population Change, Indiana



Although Indiana's post-census population growth has slowed, Hoosiers are keeping pace with neighboring states. Michigan and Illinois matched Indiana's average annual growth rate of 0.4 percent since April 1, 2000, but Ohio's population has been anemic, increasing at a rate of only 0.1 percent per year. In contrast, Kentucky has grown by 0.5 percent per year, slightly faster than Indiana.

One might think there isn't much difference between 0.9 and 0.4 percent, so it is helpful to extrapolate from 2000 to 2010 and calculate Indiana's population change under the two alternative growth scenarios. If the current trend reflected by the new Census Bureau estimates persists through 2010, the state's population will increase by 280,000 over the decade. If, however, the more rapid growth witnessed in the 1990s returns, Indiana's population would grow by about 590,000.

Births, Deaths and Migration The Components of Population Change

The Census Bureau estimates that persons moving out of Indiana outnumbered those moving in by about 4,000 between April 1, 2000 and July 1, 2001. The net loss due to migration was more than offset by an estimated gain of 38,000 persons through natural increase, the balance of births over deaths. The Census Bureau estimates that Indiana and the other seven states that border the Great Lakes combined to lose over 150,000 residents through migration in the 15 months following the April 1, 2000 census. Among Indiana's neighboring states, only Kentucky was given a positive net migration estimate (see Figure 3 below, and Figures 4, 5 and 6 on the inside back cover).

Figure 3
Increases in Population
April 1, 2000 to April 1, 2001

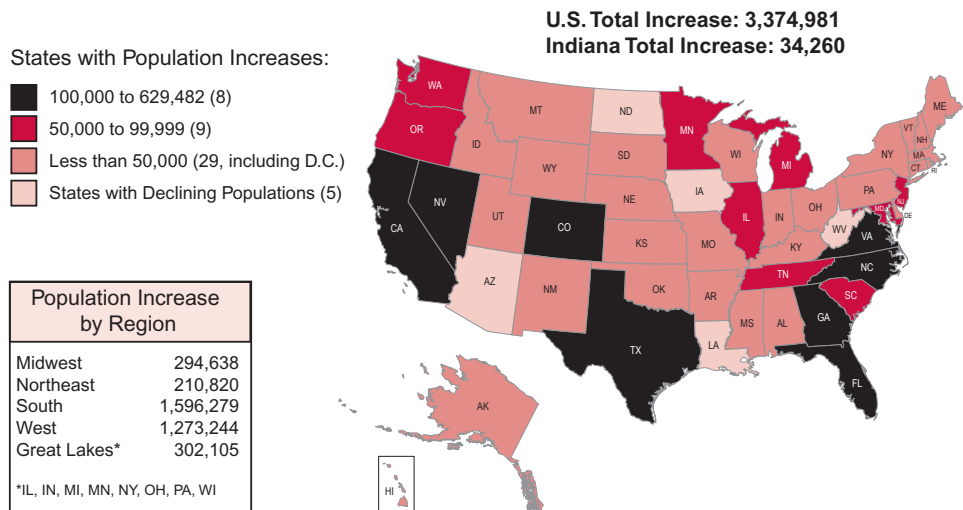
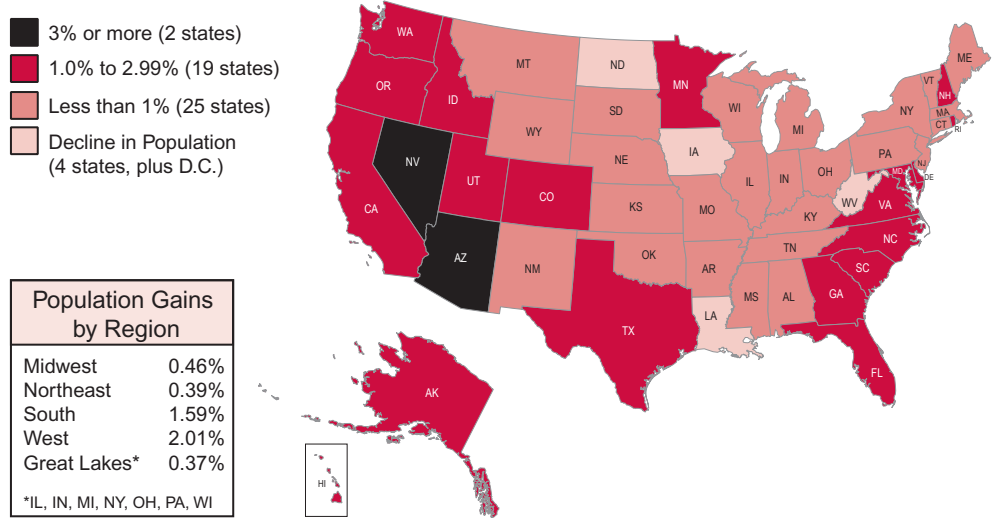


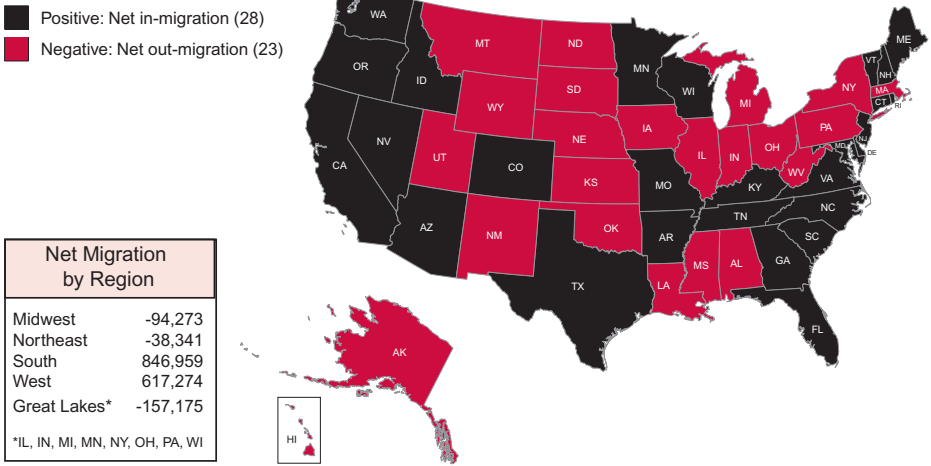
Figure 4
Population Change (percent)
April 1, 2000 to April 1, 2001



Population Gains by Region	
Midwest	0.46%
Northeast	0.39%
South	1.59%
West	2.01%
Great Lakes*	0.37%

*IL, IN, MI, NY, OH, PA, WI

U.S. Net Migration: 1,331,619
Indiana Net Migration: -3,687

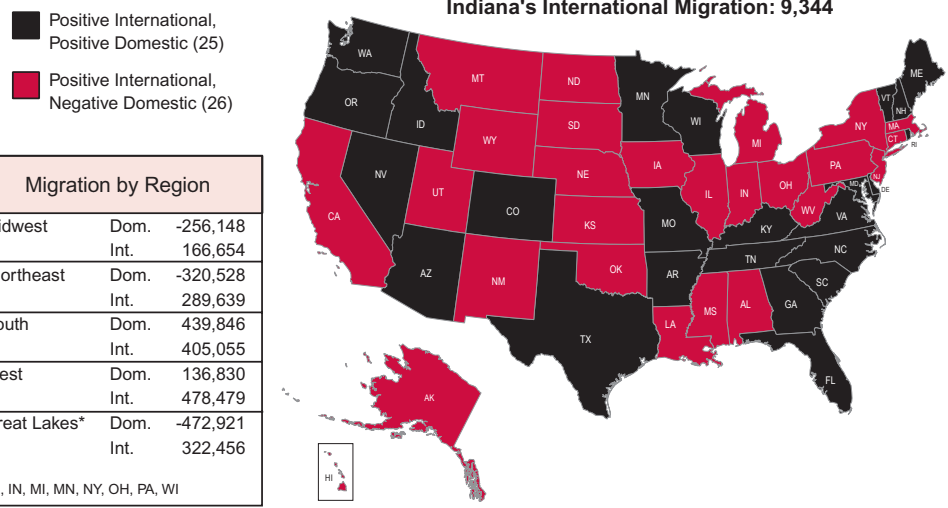


Net Migration by Region	
Midwest	-94,273
Northeast	-38,341
South	846,959
West	617,274
Great Lakes*	-157,175

*IL, IN, MI, MN, NY, OH, PA, WI

Figure 5
Net Migration
April 1, 2000 to April 1, 2001

Indiana's Domestic Migration: -12,522
Indiana's International Migration: 9,344



Migration by Region		
Midwest	Dom.	-256,148
	Int.	166,654
Northeast	Dom.	-320,528
	Int.	289,639
South	Dom.	439,846
	Int.	405,055
West	Dom.	136,830
	Int.	478,479
Great Lakes*	Dom.	-472,921
	Int.	322,456

*IL, IN, MI, MN, NY, OH, PA, WI

Figure 6
Migration: Domestic and International as of July 1, 2001