



Indiana Update

A Monthly Overview of Indiana's Economic Trends
Indiana University School of Business
Indiana Business Research Center

November 1995

The Steel Industry

Each month, page 3 of this Update features data on raw steel production by Indiana mills. Here we take a quick, long-term view of the steel industry in the U.S. and in Indiana.

Figure 1: As the U.S. economy has grown, as shown by an index of Gross Domestic Product (GDP), raw steel production has not kept pace. Real GDP advanced by more than 50% from 1978 to 1994. Raw steel production, however, has remained for many years at just 80% of its level in the first quarter of 1978. Part of this reduction in the role of raw steel is due to the increased use of recycled steel. Other factors at work are greater efficiency in the use of steel by manufacturers and a substitution of other materials for steel in the production process.

Figure 2: Since 1987, Indiana steel mills have operated in a range between 4.6 and 5.5 million raw tons per quarter. They have not returned to the 6+ million tons of the late '70s and early '80s.

Figure 3

Indiana's Share of U.S. Raw Steel Production quarterly data, percentages

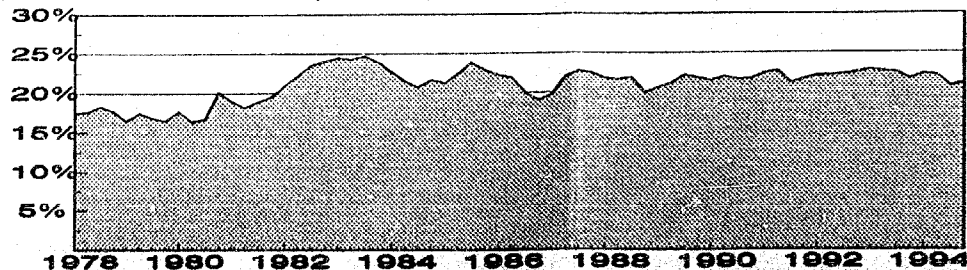


Figure 3: Although Indiana produced more steel in past years, our share of the nation's output climbed after the industry restructuring of the early '80s. As mills in other states closed, Indiana's share of U.S. raw steel production grew and has been around 22% for the past ten years.

Figure 4 (see page 4): Steel mill employment peaked at 73,400 in the second quarter of 1979. By the end of 1994, employment in Indiana mills was down 52% from this peak to 35,500. Since 1987, employment seems to have stabilized, although there is a slight down-trend in the numbers.

Figure 5 (see page 4): Indiana's steel mill workers produce many outputs in addition to raw steel. However, we may take tons of raw steel per worker as a proxy for productivity. Since 1978, this measure has increased by 90%. This growth in productivity promises steel will continue as an important factor in the Indiana economy.

-mjm

Figure 1

U.S. Raw Steel Production & GDP
Index: 1978 1st qtr. = 100

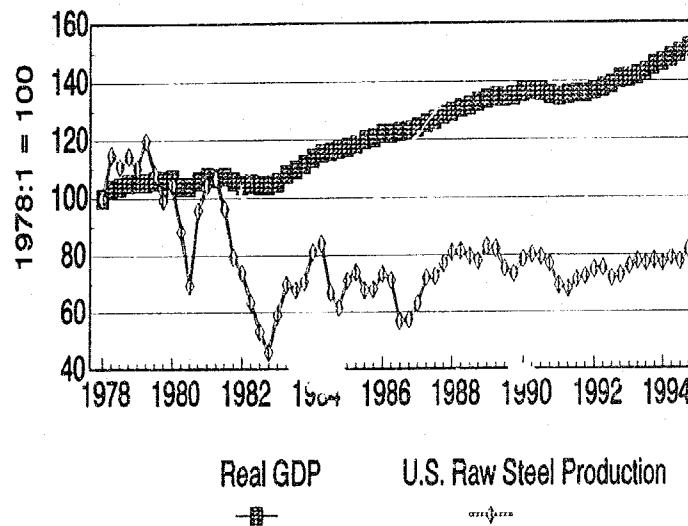
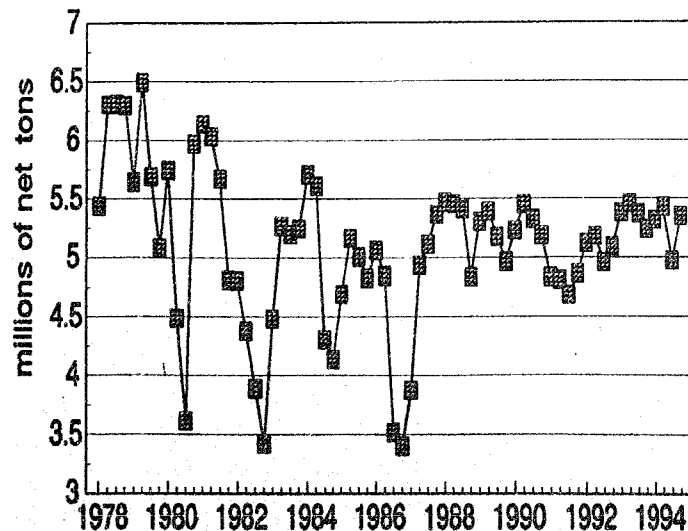


Figure 2

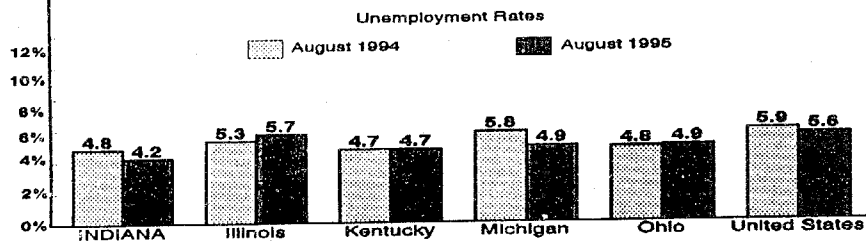
Indiana Raw Steel Production quarterly data, not seasonally adjusted



V2160-6-P

The Regional Employment Situation

Total Persons Employed	August 1994	August 1995	Number Change	% Change	Rank in US
INDIANA	2,917,000	3,035,200	118,200	4.05%	4
Illinois	5,684,500	5,738,900	54,400	0.96%	34
Kentucky	1,756,500	1,783,900	27,400	1.56%	25
Michigan	4,525,000	4,523,300	-1,700	-0.04%	44
Ohio	5,258,500	5,358,000	99,500	1.89%	18
United States	124,493,000	125,926,000	1,433,000	1.15%	N/A



Employment - Hours - Earnings by Industry

INDIANA	Establishment Related Employment		Average Weekly Hours		Average Weekly (Real) Earnings	
	August 1995	% Chg. 94/95	August 1995	% Chg. 94/95	August 1995	% Chg. 94/95
Total Non-Ag	2,751,600	1.9%	NA	NA	NA	NA
Minire	6,700	-4.3%	47.1	0.0%	\$787.04	2.1%
Construction	140,300	0.9%	40.5	1.3%	\$676.76	-0.9%
Manufacturing	680,500	1.8%	42.0	-2.8%	\$580.86	-3.5%
Durable	486,700	2.0%	42.7	-2.7%	\$611.89	-3.0%
Non-durable	193,800	1.4%	40.1	-2.9%	\$497.24	-5.2%
Wholesale	139,300	4.1%	37.1	-0.8%	\$430.36	-3.9%
Retail	533,800	3.0%	29.4	0.0%	\$216.68	0.6%
Finance, Insurance & Real Estate	133,700	0.1%	36.1	-0.6%	\$366.78	6.8%
Services*	626,100	2.6%	32.6	1.2%	\$327.30	-0.7%

Employment - Hours - Earnings

(Not seasonally adjusted)

Metropolitan Statistical Areas (MSAs) in Indiana

NON-AG WAGE & SALARIED EMPLOYMENT	August 1994	August 1995	Change	
			Number	Percent
Bloomington MSA	59,400	60,200	800	1.3%
Elkhart-Goshen MSA	114,600	118,300	3,700	3.2%
Evansville MSA	145,700	144,800	-900	-0.6%
Fort Wayne MSA	251,900	258,000	6,100	2.4%
Gary MSA	247,700	245,500	-2,200	-0.9%
Indianapolis MSA	778,500	792,000	13,500	1.7%
Kokomo MSA	49,200	51,500	2,300	4.7%
Lafayette MSA	83,900	86,400	2,500	3.0%
Muncie MSA	57,000	60,400	3,400	6.0%
New Albany Area*	79,000	72,500	-6,500	-8.2%
South Bend MSA	125,600	125,300	-300	-0.2%
Terre Haute MSA	66,700	66,700	0	0.0%

MANUFACTURING	August 1995	Employment	Average Weekly Hours	Average	
				Hourly Earnings	Weekly Earnings
Bloomington MSA	9,900	37.0	\$11.02	\$407.74	
Elkhart-Goshen MSA	59,000	40.4	\$11.49	\$464.20	
Evansville MSA	31,800	42.5	\$12.91	\$548.68	
Fort Wayne MSA	73,600	40.0	\$12.71	\$508.40	
Gary MSA	52,900	41.0	\$18.73	\$767.93	
Indianapolis MSA	125,400	43.6	\$15.18	\$661.85	
Kokomo MSA	21,000	44.8	\$18.89	\$846.27	
Lafayette MSA	21,300	42.9	\$14.34	\$615.19	
Muncie MSA	11,300	45.1	\$15.13	\$682.36	
New Albany Area*	17,300	42.4	\$11.32	\$479.97	
South Bend MSA	23,100	41.6	\$12.54	\$521.66	
Terre Haute MSA	13,200	43.0	\$14.07	\$605.01	

*Employment includes schools; Hours and Earnings excludes schools. *The New Albany Area (Clark, Floyd, Harrison, Scott counties) is part of the larger Louisville MSA. (Real) indicates dollars adjusted for changes in consumer prices to 1995 level. Employment and earnings data based on preliminary and revised series provided by the Indiana Department of Workforce Development.

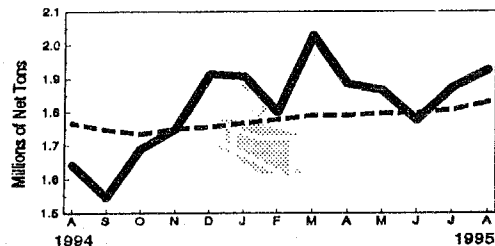
Indiana Economic Activity

—●— Monthly Data - - - - - 12 Month Moving Average

Raw Steel Production

American Iron and Steel Institute
(Millions)

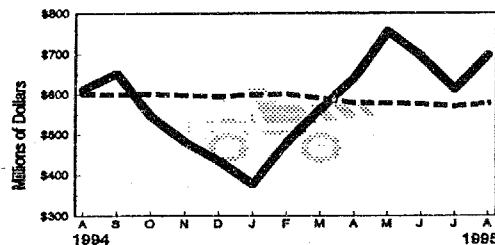
August 1993 — 1.777 August 1994 — 1.642 August 1995 — 1.926



Total Construction Activity

F. W. Dodge Construction Potentials Bulletin
(Millions)

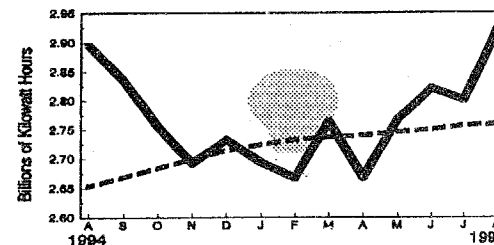
August 1993 - \$732.8 August 1994 - \$612.4 August 1995 - \$697.0



Industrial Electricity Sales

(The 5 investor owned utilities)
(Billions)

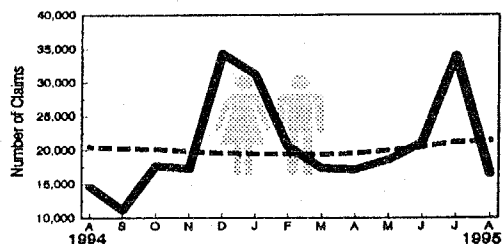
August 1993 — 2.714 August 1994 — 2.895 August 1995 — 2.921



Initial Unemployment Insurance Claims

Indiana Department of Workforce Development

August 1993 — 15,271 August 1994 — 14,614 August 1995 — 16,530



Ups or Downs... Indiana Indicators Year-to-Date

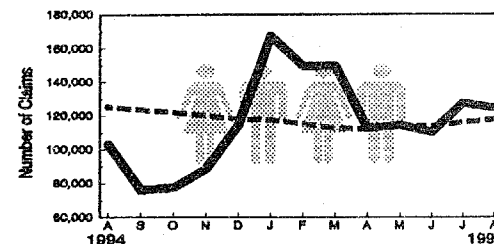
(based on September 1994 through August 1995 and compared to same period the year before, unless otherwise noted)

- Raw steel production** increased by 800,000 net tons over the same time last year, to a total of 22 million tons for the period, an encouraging sign. ↗
- Combined residential and non-residential building activity** totalled \$6.9 billion during the 12-months, a decline of \$280 million over the same time last year. ↘
- Industrial electricity sales** increased by 1.3 billion kilowatt hours, to a total of 33.1 billion hours sold during the period. ↗
- New car registrations** continue at higher levels, totalling 162,023 new cars, an increase of 3,839. ↗
- Housing starts** grew by 591 units, to a total of 32,775 homes for the year. ↗
- The sales of retail goods** increased by \$3.4 billion between August '94 and July '95, for a total of \$51.5 billion. ↗

Continued Unemployment Insur. Claims

Indiana Department of Workforce Development

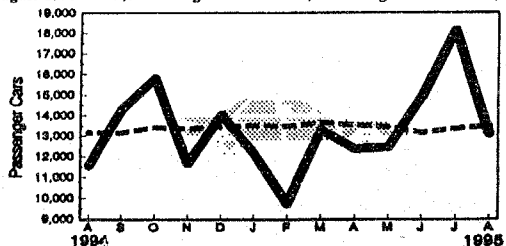
August 1993 — 120,228 August 1994 — 103,333 August 1995 — 124,416



New Car Registrations

R. L. Polk and Company

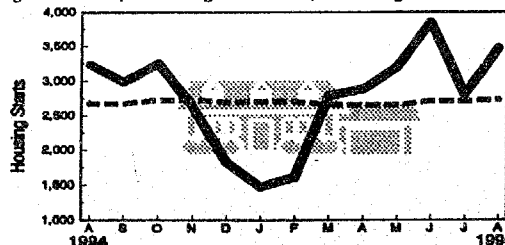
August 1993 — 13,523 August 1994 — 11,599 August 1995 — 13,090



Housing Starts

F.W. Dodge Construction Potentials Bulletin

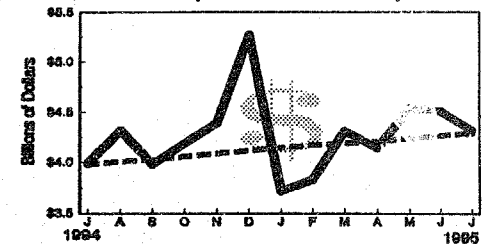
August 1993 — 2,739 August 1994 — 3,234 August 1995 — 3,469



Retail Sales

Bureau of the Census
(Billions)

July 1993 — \$3.90 July 1994 — \$3.99 July 1995 — \$4.32





Indiana Update

Indiana Business Research Center
 Indiana University School of Business
 Bloomington, Indiana 47405

Figure 4

Indiana Steel Mill Employment
 quarterly data, not seasonally adjusted

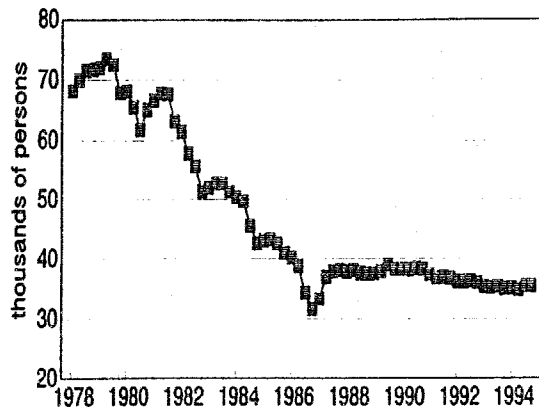
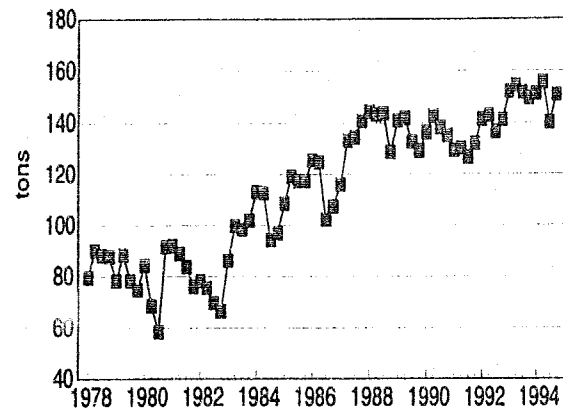


Figure 5

Indiana Raw Steel Production per Worker
 quarterly data, not seasonally adjusted



The Ten Largest Cities in Indiana Based on Just Released Census Estimates

City	1990 Census	1994 Estimate	'94 Rank*	% Chg 1990-94	Rank in % Chg*
Indianapolis CC	741,936	762,844	1	2.82%	347
Fort Wayne	184,221	183,359	2	-0.47%	454
Evansville	126,272	129,452	3	2.52%	357
Gary	116,646	114,256	4	-2.05%	486
South Bend	105,511	105,092	5	-0.40%	452
Hammond	84,236	82,837	6	-1.66%	480
Muncie	71,170	71,407	7	0.33%	433
Bloomington	60,633	62,560	8	3.18%	332
Anderson	59,459	60,846	9	2.33%	363
Terre Haute	57,475	60,200	10	4.74%	287

CC = consolidated city of Indianapolis

*based on ranks among 566 cities & towns in Indiana

The 1994 estimates of larger cities and towns are also available on the IBRC homepage -
<http://www.iupui.edu/it/librc/librc.html>. For more information, contact the IBRC at 317-274-2205 or
 send internet mail to rogersc@indiana.edu.

- Support for this publication provided by the Indiana Department of Commerce.
 - Data in this report are available from the Economic Development Information Network (EDIN) for more information, call 274-2205.
 - The Indiana Business Research Center is a partner in the Indiana Data Center Program.
- This issue prepared by: Morton J. Marcus, Director; Carol Rogers, EDIN & Public Information Manager; Terry Creeth, Database Manager; Bethany Sprague, Database Coordinator.*

SRI Acquisitions
 Congressional Info Serv.
 4520 East West Highway
 Bethesda MD 20814-3389

Non-Profit Org.
 U.S. Postage
 PAID
 Bloomington, Indiana
 Permit No. 2

2160-8-2