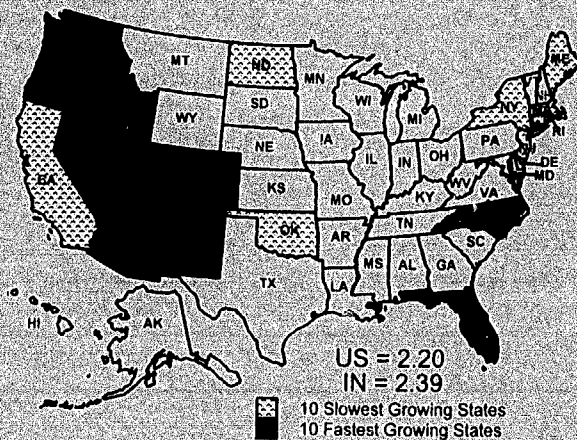


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Update A Monthly Overview of Economic Trends
 Indiana University School of Business, Indiana Business Research Center

Progress Slowed. Over the past eight years, Indiana has outperformed the nation in the growth of personal income. From 1988 through 1995,¹ total personal income averaged a 2.2 percent rate of growth, led by Nevada, Idaho, and Utah (see figure 1). Indiana averaged a 2.39 percent increase during this period, good enough to rank 23rd of the 50 states, and first among the five Great Lakes states.

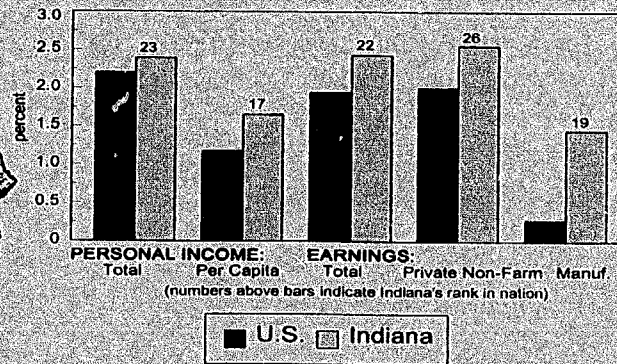
Fig 1. Real Percent Change in Total Personal Income (1988-1995)



¹ Data for 1995 are preliminary and subject to revision. The numbers reported here are based on the annual average of quarterly data from the U.S. Bureau of Economic Analysis. Figures have been adjusted for inflation.

Indiana's strong long-term performance was also evident in the growth of per capita personal income, total earnings, private non-farm earnings and manufacturing earnings (see figure 2).

Fig 2. Average Real Rates of Change 1988 to 1995

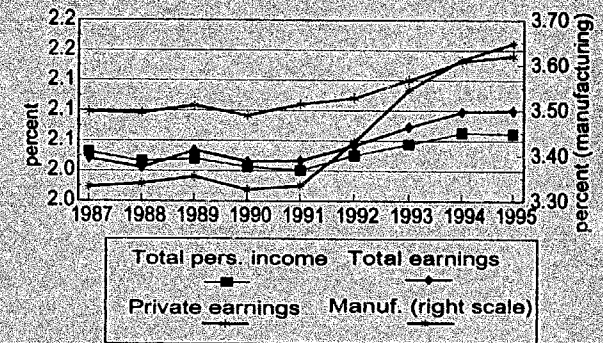


Slow population growth contributed to Indiana ranking as high as 17th among the states in growth of per capita personal income.

The most encouraging factor is the upward trend in the relative position of the state compared to the nation. All the lines in figure 3 show a decided upward movement since the end of the recession in 1991. Indiana's share of earnings from manufacturing has increased from 3.32% in 1990 to 3.65% in 1995. Likewise, the state had 2.06% of total personal income in 1995, up from 2.03% in 1990.

Indiana's long-term improvement, however, was slowed by the national slowdown in 1995. As interest rates were increased by the Federal Reserve in '94-'95 to avoid inflation, manufacturing earnings in both the state and the nation grew less rapidly in 1995 than they had in '94. Thus the upward movement of the lines for total personal income and total earnings (figure 3) were flattened in 1995.

Fig 3. Indiana's Share of U.S.

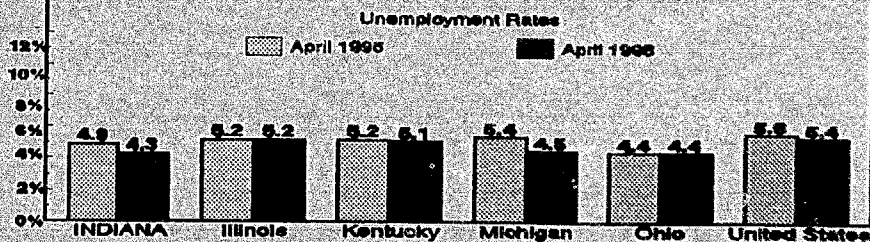


Structural Change. From 1987 to 1995, manufacturing's share of private non-farm earnings has declined by 3.1 percentage points, from 24.8% to 21.7%. In Indiana, that decline was slightly stronger at -3.4 points. Indiana remains one of the states most dependent on manufacturing, with 36.1% of private non-farm earnings originating in manufacturing compared to 21.7% nationally. Only Michigan (38.5%) exceeds Indiana in this statistic for the year 1995.

Nationally, the trend is toward a growing reliance on transfer payments (notably social security) and dividends, interest, and rent as part of total income. Indiana is one of only 13 states to go against this trend. Earnings from employment are a slightly rising factor in this state.

The Regional Employment Situation

Total Persons Employed	April 1995	April 1996	Number Change	% Change	Rank in US
INDIANA	2,979,800	2,964,100	-15,700	-0.53%	49
Illinois	5,734,200	5,795,800	61,600	1.07%	37
Kentucky	1,758,000	1,727,200	-30,800	-1.75%	50
Michigan	4,452,600	4,542,100	89,500	2.01%	24
Ohio	5,258,900	5,388,700	129,800	2.47%	18
United States	124,279,000	125,388,000	1,109,000	0.89%	N/A



Employment - Hours - Earnings by Industry

INDIANA	Establishment Related Employment		Average Weekly Hours		Average Weekly (Real) Earnings	
	Apr. 1996	% Chg. 95/96	Apr. 1996	% Chg. 95/96	Apr. 1996	% Chg. 95/96
Total Non-Ag	2,793,500	1.2%	NA	NA	NA	NA
Mining	6,400	-3.0%	47.1	7.8%	\$779.03	3.0%
Construction	126,800	-1.4%	40.8	4.1%	\$691.56	3.8%
Manufacturing	676,100	0.0%	42.7	7.6%	\$609.33	6.6%
Durable	487,100	0.4%	43.3	8.5%	\$636.94	7.4%
Non-durable	189,000	-1.0%	40.9	4.6%	\$530.06	3.5%
Wholesale	140,100	2.1%	37.5	1.9%	\$446.63	0.8%
Retail	533,500	2.6%	28.4	-0.4%	\$216.12	0.4%
Finance, Insurance & Real Estate	133,000	3.0%	36.0	-2.7%	\$378.00	-3.9%
Services	639,200	2.3%	32.8	2.8%	\$334.23	-0.6%

Employment - Hours - Earnings

(Not seasonally adjusted)

Metropolitan Statistical Areas (MSAs) in Indiana

NON-AG WAGE & SALARIED EMPLOYMENT	April 1995	April 1996	Change	
			Number	Percent
Bloomington MSA	64,800	63,900	-900	-1.4%
Elkhart-Goshen MSA	119,200	118,400	-800	-0.7%
Evansville MSA	145,700	148,000	2,300	1.6%
Fort Wayne MSA	258,500	260,100	1,600	0.6%
Gary MSA	250,200	256,000	5,800	2.3%
Indianapolis MSA	789,600	800,800	11,200	1.4%
Kokomo MSA	50,900	54,900	4,000	7.9%
Lafayette MSA	89,200	89,400	200	0.2%
Muncie MSA	62,700	61,000	-1,700	-2.7%
New Albany Area*	73,400	83,500	10,100	13.8%
South Bend MSA	126,700	129,100	2,400	1.9%
Terre Haute MSA	69,400	70,800	1,400	2.0%

MANUFACTURING

April 1996	Employment	Average Weekly Hours	Average Hourly Earnings	Average Weekly Earnings
Bloomington MSA	10,500	36.7	\$10.65	\$390.86
Elkhart-Goshen MSA	58,200	39.5	\$12.28	\$485.06
Evansville MSA	31,200	40.6	\$12.68	\$514.81
Fort Wayne MSA	72,600	42.4	\$14.86	\$630.06
Gary MSA	51,700	41.9	\$18.33	\$768.03
Indianapolis MSA	125,800	43.5	\$15.64	\$680.34
Kokomo MSA	22,500	53.4	\$19.19	\$1,063.13
Lafayette MSA	21,500	43.9	\$15.02	\$659.38
Muncie MSA	10,900	42.8	\$14.60	\$624.88
New Albany Area*	19,500	40.9	\$11.64	\$476.08
South Bend MSA	22,600	42.0	\$12.26	\$514.92
Terre Haute MSA	11,800	42.6	\$14.01	\$596.83

* 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 1996 level. Employment and earnings data based on preliminary and revised series provided by the Indiana Department of Workforce Development.

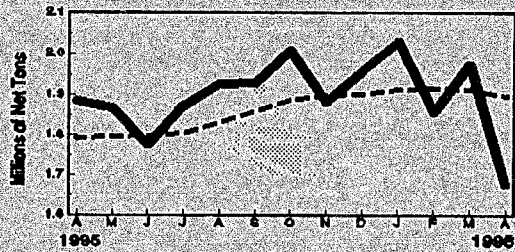
Indiana Economic Activity

Monthly Data
 12 Month Moving Average

Raw Steel Production

American Iron and Steel Institute
(Millions)

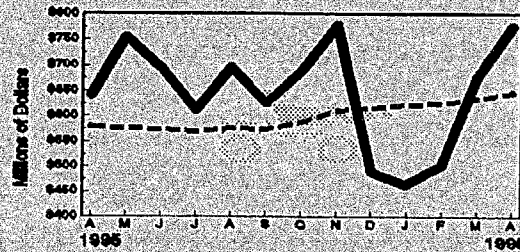
Apr. 1994 — 1.872 Apr. 1995 — 1.885 Apr. 1996 — 1.675



Total Construction Activity

F. W. Dodge Construction Potentials Bulletin
(Millions)

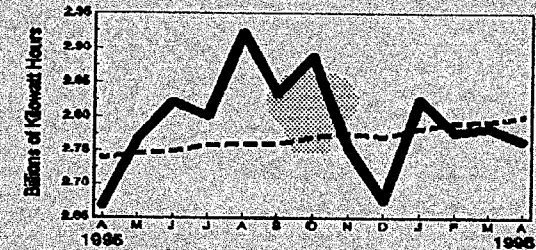
Apr. 1994 — \$790.0 Apr. 1995 — \$641.7 Apr. 1996 — \$775.7



Industrial Electricity Sales

(The 5 investor owned utilities)
(Billions)

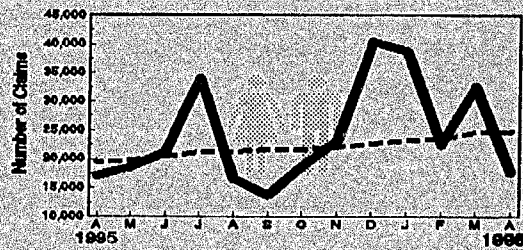
Apr. 1994 — 2.639 Apr. 1995 — 2.668 Apr. 1996 — 2.817



Initial Unemployment Insurance Claims

Indiana Department of Workforce Development

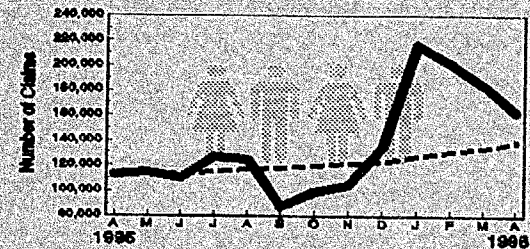
Apr. 1994 — 14,850 Apr. 1995 — 17,150 Apr. 1996 — 17,677



Continued Unemployment Insur. Claims

Indiana Department of Workforce Development

Apr. 1994 — 116,413 Apr. 1995 — 112,593 Apr. 1996 — 162,338



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

(based on May 1995 through April 1996 and compared to same period the year before, unless otherwise noted)



Raw steel production continued to increase (by 1.2 million net tons), with a total of 22.7 million tons for the period.



Total construction (residential and non) totaled \$7.7 billion for the period, an increase of \$811 million over last year.



Sales of electricity to industrial consumers totaled 33.6 billion kilowatt hours, an increase of 7 million hours.



New car registrations increased by 683 units, with a total of 163,570 for the year.



Housing starts totaled 34,796, an increase of 2,895 over last year.

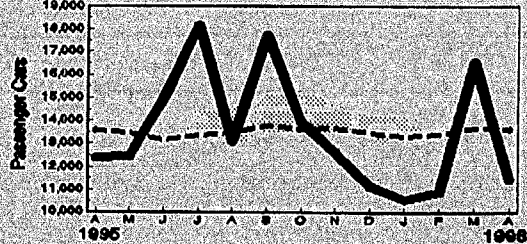


Retail sales increased by \$3.3 billion, totaling \$53.4 billion between April '95 and March '96.

New Car Registrations

R. L. Polk and Company

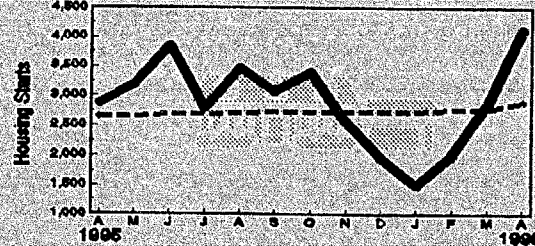
Apr. 1994 — 13,684 Apr. 1995 — 12,382 Apr. 1996 — 11,465



Housing Starts

F.W. Dodge Construction Potentials Bulletin

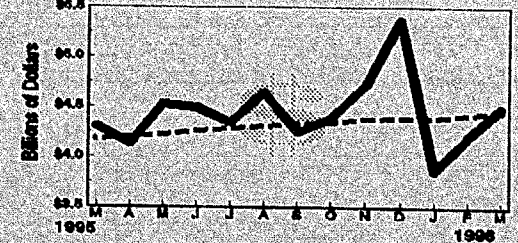
Apr. 1994 — 2,904 Apr. 1995 — 2,884 Apr. 1996 — 4,137



Retail Sales

Bureau of the Census
(Billions)

Mar. 1994 — \$4.07 Mar. 1995 — \$4.30 Mar. 1996 — \$4.49



The \$20,000 Club

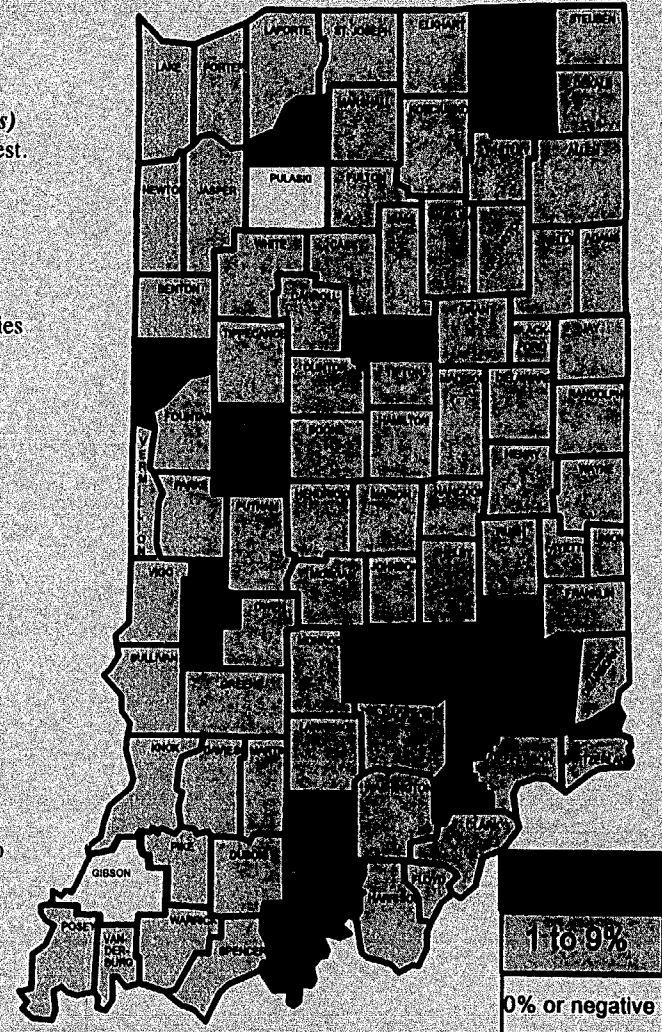
Twenty Indiana counties had per capita incomes of \$20,000 or more in 1994, based on just released data from the U.S. Bureau of Economic Analysis. They include, in ranked order:

County	Per Capita Income '94	Predominant Industry (earnings)
Hamilton	\$30,789	Fin., insur., real est.
Boone*	\$25,070	Services
Marion	\$23,465	Services
Bartholomew	\$22,464	Manufacturing
Allen	\$22,444	Manufacturing
Howard	\$22,070	Manufacturing
Hendricks*	\$21,959	Trans., Pub. Utilities
Porter	\$21,845	Manufacturing
Vanderburgh	\$21,818	Services
Hancock*	\$21,771	Manufacturing
Dubois	\$21,740	Manufacturing
Johnson*	\$21,553	Services
Elkhart	\$20,796	Manufacturing
Floyd	\$20,618	Manufacturing
St. Joseph	\$20,584	Services
Kosciusko	\$20,571	Manufacturing
Tipton*	\$20,453	Manufacturing
Montgomery	\$20,193	Manufacturing
Warrick*	\$20,141	Manufacturing
Wells	\$20,011	Manufacturing

Counties marked by an * are *importers of income*: at least 40% of their 1994 net earnings (by residence) were generated outside the county. It could be said that their predominant industry is providing housing to commuters.

Notes: "Real" indicates that the 1990 dollars have been adjusted for inflation. Per capita personal income includes earnings (by place of residence), transfer payments, dividends, interest and rent.

Per Capita Income: Percent Change 1990-1994



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■ Support for this publication provided by the Indiana Department of Commerce.
 ■ Data in this report are available from the Economic Development Information Network (EDIN) - call (812)855-5507 for details.
 ■ The Indiana Business Research Center is a partner in the Indiana Data Center Program. WEB: <http://www.bus.indiana.edu/research>
 This issue prepared by: Morton J. Marcus, Director; Carol O. Rogers, EDIN & Public Information Manager; Terry Creeth, Database Manager; Bethany Sprague, Database Coordinator.

Indiana Business Review Update

Indiana Business Research Center
 Indiana University School of Business
 1309 East 10th Street
 Bloomington, Indiana 47405-1701

00896
 SRI Acquisitions
 Congressional Info Serv.
 4520 East West Highway
 Bethesda, MD 20814-5399

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