

**January 1997** *Volume 72, Number 1*  
**Indiana Business Review**  
*Update* A Monthly Overview of Economic Trends

Indiana University School of Business, Indiana Business Research Center

**To Each State Its Own**

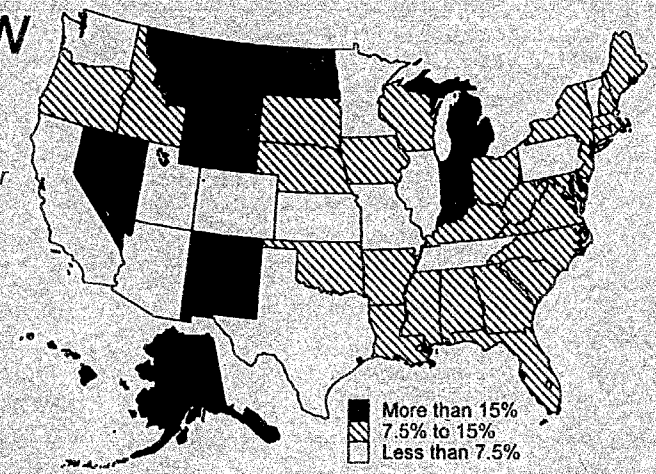
Each state has its own pattern of earnings. In Indiana, durable goods manufacturing accounts for nearly 24% of the earnings of workers and business proprietors. In 1995, Indiana ranked second in the nation in dependence on durable goods. The national figure was 11%, with Michigan leading the pack at 27% and Hawaii coming in lowest at just 1%.

It may surprise some Hoosiers, but in 1995 Indiana ranked 48th in reliance on earnings from farming and 47th in earnings from government

(see figure 1). Services are second in importance within Indiana as a source of earnings, but we rank a low 45th in our dependence on this sector. Nevada, at nearly 44%, tops the nation in depending on services.

What would it take for Indiana's pattern of earnings to be just like the nation? Back in 1985, it would have required shifting 13% of Hoosier earnings to get

**Figure 2. Percent of Earnings to be Shifted to Match U.S. Pattern, 1995**



the same alignment as enjoyed by the nation. At that time, Wyoming had the dubious honor of being most differentiated from the national pattern of earnings; Indiana ranked 14th. By 1995, Wyoming was still most different, but Indiana had marched up to the 10th spot on the list. (The states most like the nation? Missouri in 1985 and Pennsylvania in 1995, see figure 2.)

Between 1985 and 1995, Indiana's divergence from the national pattern accelerated. While 37 states became more like the nation in the past decade, Indiana ranked 2nd in the change in its divergence from the nation's pattern of earnings. Only Arkansas exceed our performance in this regard. Where it took a shift of 13% in earnings to match Indiana to the nation in 1985, it required 15% in 1995.

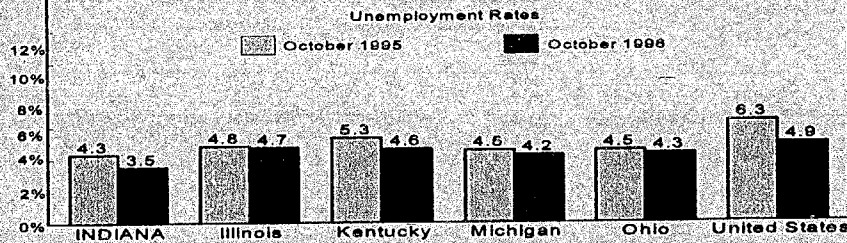
Looking like the nation may not be desirable. Earnings in Indiana grew faster than the nation between 1985 and 1995 and faster than in any of our four neighboring states during the same period. Being different isn't the same as being unsuccessful.

**Figure 1.**

	Percent of 1995 Earnings			Range of Values			
	U.S.	Indiana	Rank	Highest State		Lowest State	
Farm	0.8	0.1	48	5.1	South Dakota	0.0	West Va
Ag Serv Fish & For.	0.7	0.4	44	2.1	Alaska	0.3	New York
Mining	0.9	0.4	26	15.7	Wyoming	0.0	Maine
Construction	5.5	6.2	19	9.7	Nevada	3.6	New York
Non-durable manf.	7.2	8.8	16	21.1	Delaware	1.7	Nevada
Durable manf.	11.3	23.8	2	27.3	Michigan	1.0	Hawaii
Trans & Public utils.	6.9	6.3	34	10.0	Alaska	4.8	Rhode Island
Wholesale	6.3	5.7	30	8.6	New Jersey	3.0	Alaska
Retail	9.3	9.3	39	12.6	Montana	6.9	New York
FIRE	7.5	5.2	36	16.3	New York	3.6	Alaska
Services	28.1	21.3	45	43.7	Nevada	19.0	Wyoming
Government	15.6	12.4	47	30.2	Alaska	11.7	New Hampshire

### The Regional Employment Situation

Total Persons Employed	Oct. 1995	Oct. 1996	Number Change	% Change	Rank in US
<b>INDIANA</b>	3,036,700	2,989,200	-47,500	-1.56%	49
Illinois	5,833,500	5,863,700	30,200	0.52%	37
Kentucky	1,748,800	1,788,500	39,700	2.27%	24
Michigan	4,525,000	4,675,100	150,100	3.32%	10
Ohio	5,363,400	5,506,800	143,400	2.67%	16
United States	125,979,000	128,438,000	2,459,000	1.95%	N/A



### Employment - Hours - Earnings by Industry

INDIANA	Establishment Related Employment		Average Weekly Hours		Average Weekly (Real) Earnings	
	Oct. 1996	% Chg. 95/96	Oct. 1996	% Chg. 95/96	Oct. 1996	% Chg. 95/96
<b>Total Non-Ag</b>	2,835,600	0.5%	NA	NA	NA	NA
Mining	6,700	0.0%	43.9	-4.1%	\$754.20	-5.1%
Construction	139,600	4.4%	42.0	1.0%	\$736.26	1.9%
Manufacturing	680,500	-0.5%	43.0	0.9%	\$611.46	-0.5%
Durable	489,600	-0.5%	43.5	0.9%	\$637.28	-0.6%
Non-durable	190,900	-0.7%	41.7	2.0%	\$542.10	1.5%
Wholesale	141,400	2.2%	37.7	0.5%	\$455.42	-0.3%
Retail	548,500	2.0%	29.1	2.1%	\$225.23	3.8%
Finance, Insurance & Real Estate	133,900	1.7%	35.7	-0.6%	\$383.78	-0.6%
Services*	647,000	0.8%	32.7	0.9%	\$340.41	0.6%

### Employment - Hours - Earnings

(Not seasonally adjusted)

#### Metropolitan Statistical Areas (MSAs) in Indiana

NON-AG WAGE & SALARIED EMPLOYMENT	Oct. 1995	Oct. 1996	Change	
			Number	Percent
Bloomington MSA	65,000	67,100	2,100	3.2%
Elkhart-Goshen MSA	117,400	120,700	3,300	2.8%
Evansville MSA	150,600	148,000	-2,600	-1.7%
Fort Wayne MSA	263,700	266,300	2,600	1.0%
Gary MSA	257,900	264,600	6,700	2.6%
Indianapolis MSA	802,700	809,000	6,300	0.8%
Kokomo MSA	55,100	56,500	1,400	2.5%
Lafayette MSA	85,200	89,600	4,400	5.2%
Muncie MSA	60,300	60,900	600	1.0%
New Albany Area*	75,200	85,500	10,300	13.7%
South Bend MSA	135,000	131,400	-3,600	-2.7%
Terre Haute MSA	72,100	73,000	900	1.2%

MANUFACTURING	Oct. 1996	Employment	Average Weekly Hours	Average Hourly Earnings	Average Weekly Earnings
			Hours	Earnings	Earnings
Bloomington MSA		10,600	36.9	\$10.76	\$397.04
Elkhart-Goshen MSA		58,000	39.8	\$12.08	\$480.78
Evansville MSA		30,400	42.9	\$13.55	\$581.30
Fort Wayne MSA		74,000	40.9	\$14.81	\$605.73
Gary MSA		51,100	43.0	\$19.42	\$835.06
Indianapolis MSA		128,400	44.1	\$15.62	\$688.84
Kokomo MSA		22,500	48.5	\$18.80	\$911.80
Lafayette MSA		21,400	42.6	\$14.17	\$603.64
Muncie MSA		10,800	44.0	\$14.59	\$641.96
New Albany Area*		19,700	42.9	\$11.53	\$494.64
South Bend MSA		22,600	43.2	\$12.27	\$530.06
Terre Haute MSA		11,800	44.1	\$13.80	\$608.58

\*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.

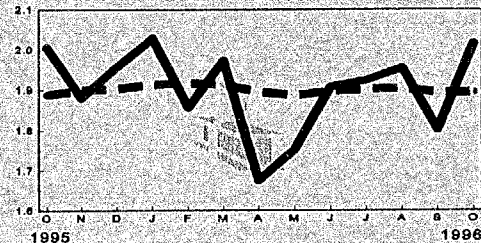
## Indiana Economic Activity

Monthly Data    
  12 Month Moving Average

### Raw Steel Production

American Iron and Steel Institute  
(Millions)

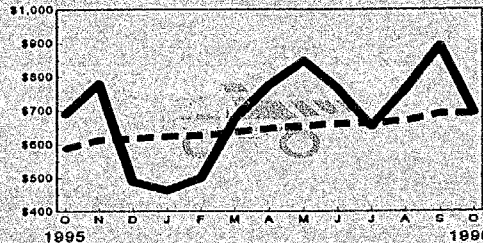
Oct. 1994 — 1.691     Oct. 1995 — 2.007     Oct. 1996 — 2.016



### Total Construction Activity

F. W. Dodge Construction Potentials Bulletin  
(Millions)

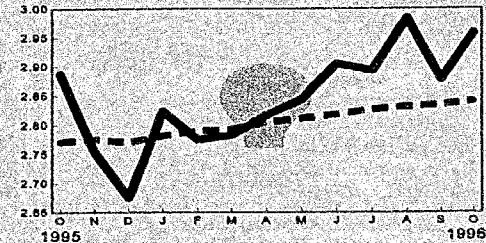
Oct. 1994 — \$546.5     Oct. 1995 — \$690.6     Oct. 1996 — \$694.3



### Industrial Electricity Sales

(The 5 investor owned utilities)  
(Billions)

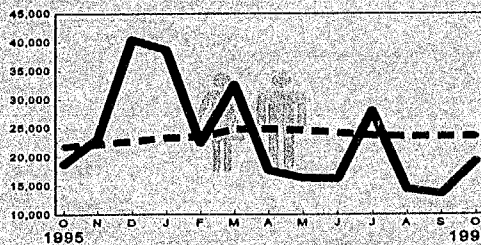
Oct. 1994 — 2.756     Oct. 1995 — 2.887     Oct. 1996 — 2.958



### Initial Unemployment Insurance Claims

Indiana Department of Workforce Development

Oct. 1994 — 17,725     Oct. 1995 — 18,773     Oct. 1996 — 19,288



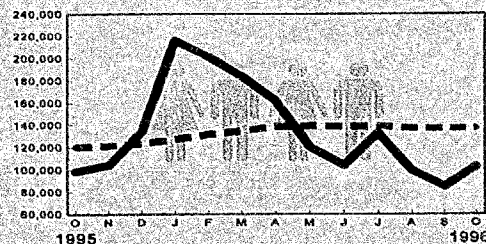
*Ups or Downs... Indiana Indicators Year-to-Date*  
(based on November 1995 through October 1996 and compared to same period the year before, unless otherwise noted)

- Raw steel production remained at 22.7 million net tons annually for the second consecutive year.
- Total construction activity for the period was \$8.3 billion, up \$1.2 billion.
- Industrial electricity sales glowed at 34.1 billion kilowatt hours, an increase of 8 million kilowatt hours sold.
- New car registrations totaled 164,099, putting 444 more vehicles on the road than in the past 12 month period.
- New home starts increased by 4,126 units over last year, with an annual total of 37,140.
- Hoosier shoppers rang up \$54.5 billion in retail sales from October 1994 to September 1995, an increase of \$2.2 million over the previous year.

### Continued Unemployment Insur. Claims

Indiana Department of Workforce Development

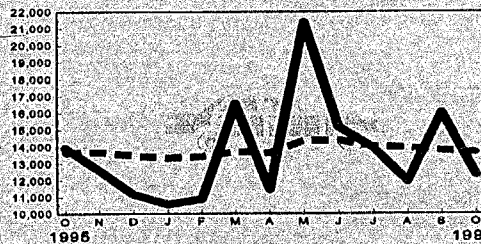
Oct. 1994 — 77,699     Oct. 1995 — 98,711     Oct. 1996 — 103,180



### New Car Registrations

R. L. Polk and Company

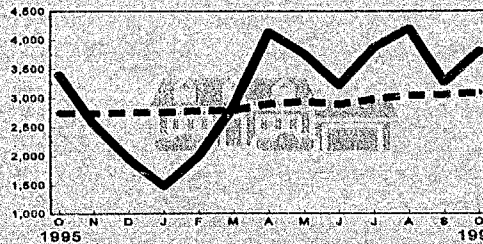
Oct. 1994 — 15,839     Oct. 1995 — 13,954     Oct. 1996 — 12,345



### Housing Starts

F.W. Dodge Construction Potentials Bulletin

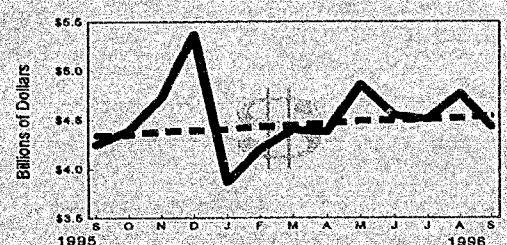
Oct. 1994 — 3,251     Oct. 1995 — 3,408     Oct. 1996 — 3,807



### Retail Sales

Bureau of the Census  
(Billions)

Sept. 1994 — \$3.97     Sept. 1995 — \$4.25     Sept. 1996 — \$4.43



## Indiana & Wisconsin Population Growth Leaders in the East North Central Region



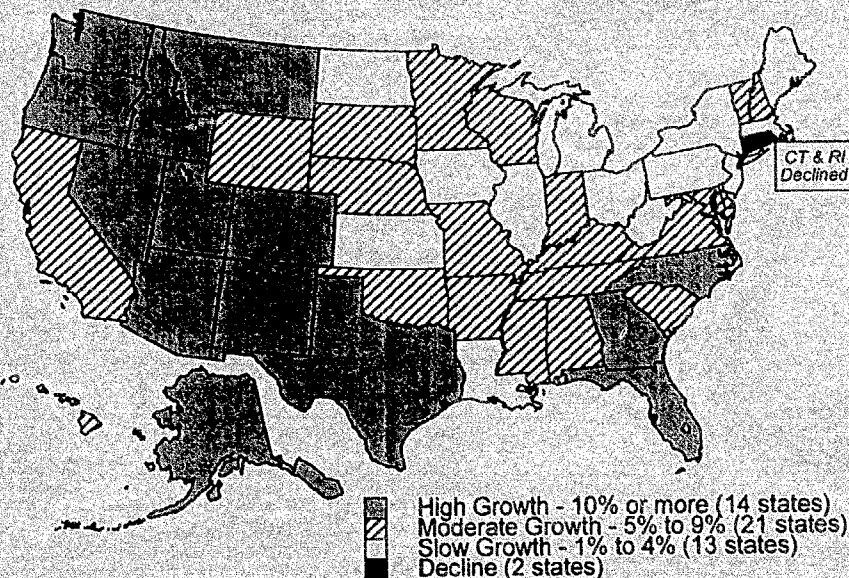
Indiana's population grew by 5.3% to 5,841,000 persons in 1996. According to figures released at the end of December by the U.S. Bureau of the Census, Indiana and Wisconsin were the two fastest growing states in the East North Central Region. This region comprises Illinois (3.6%), Indiana (5.3%), Michigan (3.2%), Ohio (3.0%) and Wisconsin (5.5%). Kentucky, which is part of the East South Central Region, grew by 5.3%.

The nation grew faster (6.7%) than Indiana during the same time period, while states in the south and west were among the fastest growing — Nevada at 33% and Arizona at 21%. Two states experienced population losses between 1990 and 1996 — Connecticut (-0.4%) and Rhode Island (-1.3). More detail is available via the dial-up service EDIN and the IBRC web site.

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## Population Change 1990 to 1996

(Based on rounded numbers)



- 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>
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