

April 1997 Volume 72, Number 4 Indiana Business Review Update

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

STATS Indiana

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<http://www.iupui.edu/it/ibrc>

For the very latest in demographic and economic information.

THE EMPLOYMENT PUZZLE

It can be hazardous to discuss state employment and unemployment information. The data are subject to revision, re-benchmarking, and other adjustments that can reverse any tendencies the writer might identify prematurely.

County level information is even more risky. The methods used to generate those estimates are subject to question, but the numbers are issued monthly and used extensively. Consider the following:

In December of 1996, 76 Indiana counties had *lower* unemployment rates than they did in the same month a year earlier. Of these, 18 counties also had *more* people employed than they did in December of 1995. This is what we would expect: employment rises and unemployment falls.

Of these 76 counties with *lower* unemployment rates, 58 also had *fewer* people employed. This is not what we would expect. When fewer persons are employed, we expect the unemployment rate to rise. But if the labor force is falling faster than jobs are being lost, it is possible for the unemployment rate to fall.

Is Indiana's labor force declining? The U.S. Bureau of the Census tells us that Indiana gained 44,000 persons from 1995 to 1996. This should mean a growing labor force. But the U.S. Bureau of Labor Statistics reports that the state's labor force fell by 1.2% and the Indiana Department of Workforce Development (IDWD) identifies 68 counties where the labor force declined. Why the labor force is declining we can not determine, but that is what the data say.

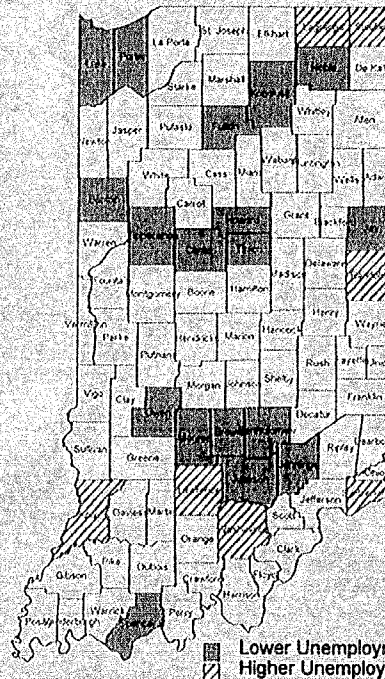
Data collected from employers by IDWD tell us that total employment in Indiana rose by 0.3%, while the county data, based on household surveys, indicate employment fell by 0.6%. If these are facts, they are contradictory and unexplained. How are policy makers to use them?

The fault may lie with the small sample used by the federal government to determine labor force characteristics in Indiana. IDWD does not have the resources to conduct its

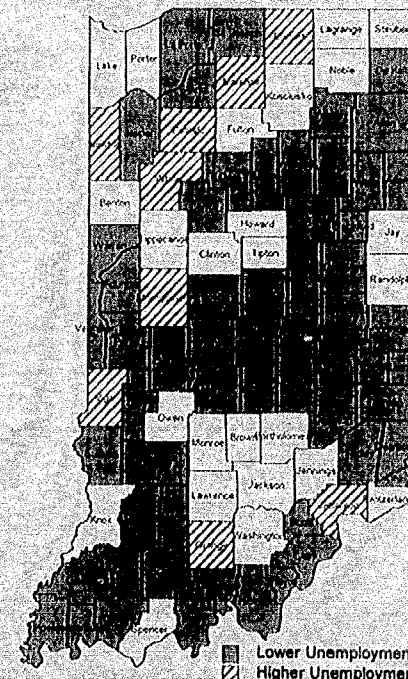
own survey nor to challenge the federal numbers handed down to us. Unfortunately, county level unemployment rates will continue to be published in our local newspapers and trumpeted on radio and TV as if they represented reality.

-mjm

COUNTIES WITH AN INCREASE IN THE NUMBER OF PERSONS EMPLOYED, 12/95-12/96

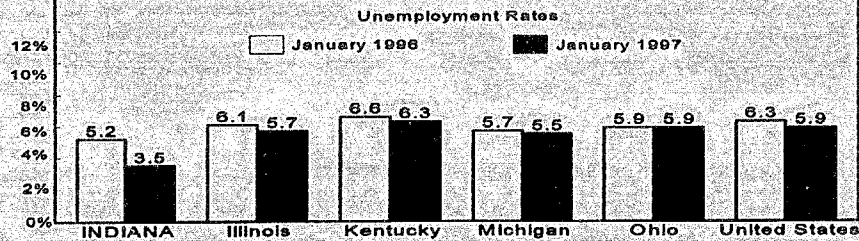


COUNTIES WITH A DECREASE IN THE NUMBER OF PERSONS EMPLOYED, 12/95-12/96



The Regional Employment Situation

Total Persons Employed	Jan. 1996	Jan. 1997	Number Change	% Change	Rank in US
INDIANA	2,885,900	2,918,900	33,000	1.1%	46
Illinois	5,651,200	5,715,300	64,100	1.1%	47
Kentucky	1,714,300	1,765,300	51,000	3.0%	19
Michigan	4,431,800	4,549,500	117,700	2.7%	21
Ohio	5,202,300	5,340,600	138,300	2.7%	20
United States	123,126,000	126,384,000	3,258,000	2.6%	N/A



Employment - Hours - Earnings by Industry

INDIANA	Establishment Related Employment		Average Weekly Hours		Average Weekly (Real) Earnings	
	Jan. 1997	% Chg. 96/97	Jan. 1997	% Chg. 96/97	Jan. 1997	% Chg. 96/97
Total Non-Ag	2,779,600	0.7%	NA	NA	NA	NA
Mining	6,100	0.0%	44.7	1.6%	\$776.89	5.3%
Construction	117,500	1.6%	38.4	1.1%	\$646.66	-0.2%
Manufacturing	666,800	-1.5%	42.5	0.7%	\$633.68	2.4%
Durable	479,100	-1.5%	43.2	0.9%	\$666.14	2.9%
Non-durable	187,700	-1.5%	40.6	0.2%	\$545.26	1.4%
Wholesale	137,800	-0.1%	37.3	1.9%	\$450.21	0.1%
Retail	531,200	0.0%	28.0	1.1%	\$216.44	-0.5%
Finance, Insurance & Real Estate	135,400	2.2%	35.6	-1.9%	\$411.54	4.7%
Services*	658,100	4.3%	31.6	-2.8%	\$342.54	-0.4%

Employment - Hours - Earnings

(Not seasonally adjusted)

Metropolitan Statistical Areas (MSAs) in Indiana

NON-AG WAGE & SALARIED EMPLOYMENT	Jan. 1996	Jan. 1997	Change	
			Number	Percent
Bloomington MSA	62,600	64,800	2,200	3.5%
Elkhart-Goshen MSA	116,300	115,500	-800	-0.7%
Evansville MSA	147,900	149,300	1,400	0.9%
Fort Wayne MSA	258,300	266,800	8,500	3.3%
Gary MSA	253,300	257,300	4,000	1.6%
Indianapolis MSA	791,100	829,100	38,000	4.8%
Kokomo MSA	54,500	52,700	-1,800	-3.3%
Lafayette MSA	88,100	88,500	400	0.5%
Muncie MSA	61,300	59,400	-1,900	-3.1%
New Albany Area*	82,600	86,400	3,800	4.6%
South Bend MSA	128,200	132,500	4,300	3.4%
Terre Haute MSA	71,100	68,400	-2,700	-3.8%

MANUFACTURING	Jan. 1997	Employment	Average Weekly Hours	Average Hourly Earnings	Average Weekly Earnings
Bloomington MSA		9,700	41.1	\$12.90	\$530.19
Elkhart-Goshen MSA		57,800	39.0	\$12.13	\$473.07
Evansville MSA		31,000	42.5	\$14.25	\$605.63
Fort Wayne MSA		73,600	41.4	\$14.58	\$603.61
Gary MSA		51,200	43.0	\$18.33	\$788.19
Indianapolis MSA		128,200	44.3	\$15.93	\$705.70
Kokomo MSA		21,300	48.8	\$18.91	\$922.81
Lafayette MSA		21,800	42.6	\$14.38	\$612.59
Muncie MSA		11,000	44.5	\$14.54	\$647.03
New Albany Area*		19,200	43.7	\$11.89	\$519.59
South Bend MSA		22,000	40.4	\$12.84	\$518.74
Terre Haute MSA		11,600	40.8	\$14.34	\$585.07

*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.

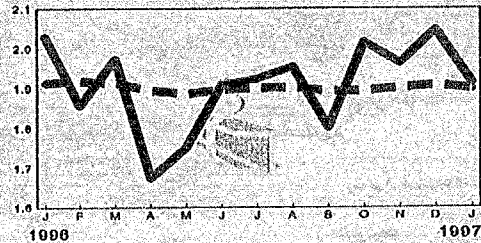
Indiana Economic Activity

Monthly Data
 12 Month Moving Average

Raw Steel Production

American Iron and Steel Institute
(Millions)

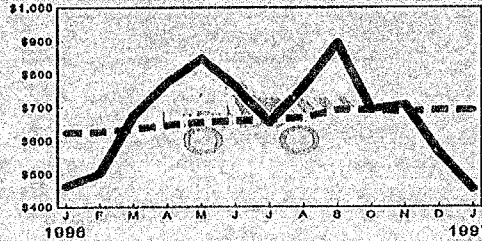
Jan. 1995 — 1,908 Jan. 1996 — 2,029 Jan. 1997 — 1,914



Total Construction Activity

F. W. Dodge Construction Potentials Bulletin
(Millions)

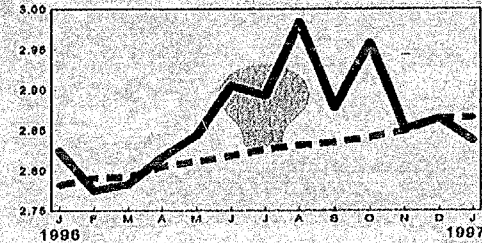
Jan. 1995 - \$378.5 Jan. 1996 - \$463.4 Jan. 1997 - \$454.1



Industrial Electricity Sales

(The 5 investor owned utilities)
(Billions)

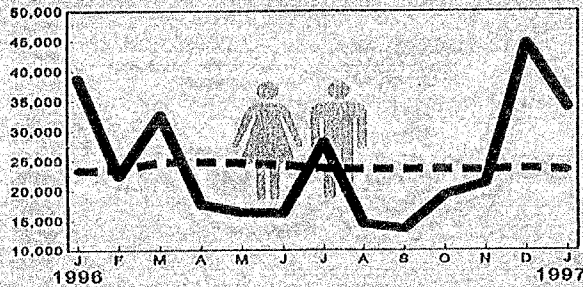
Jan. 1995 — 2.694 Jan. 1996 — 2.824 Jan. 1997 — 2.837



Initial Unemployment Insurance Claims

Indiana Department of Workforce Development

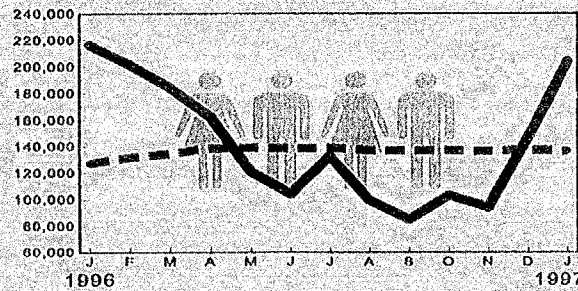
Jan. 1995 — 31,276 Jan. 1996 — 38,683 Jan. 1997 — 33,905



Continued Unemployment Insur. Claims

Indiana Department of Workforce Development

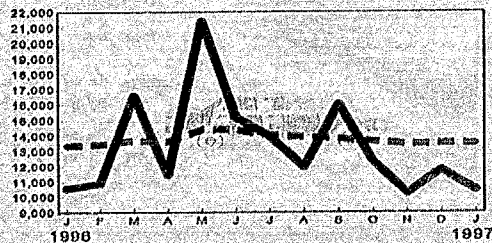
Jan. 1995 — 167,567 Jan. 1996 — 216,313 Jan. 1997 — 203,818



New Car Registrations

R. L. Polk and Company

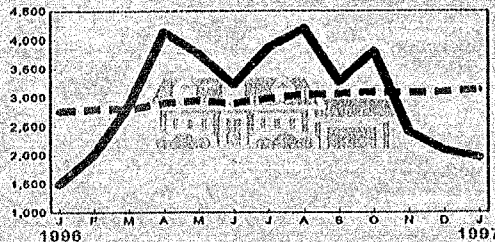
Jan. 1995 — 12,149 Jan. 1996 — 10,565 Jan. 1997 — 10,444



Housing Starts

F.W. Dodge Construction Potentials Bulletin

Jan. 1995 — 1,476 Jan. 1996 — 1,492 Jan. 1997 — 1,961



Retail Sales

Bureau of the Census
(Billions)

Please note that the Census Bureau has discontinued the Retail Sales data, effective January 1997.

Indiana's Population Grows to 5,840,526 in 1996

Indiana's population has grown by 5.35% since the 1990 census, according to figures released at the end of March by the U.S. Census Bureau. Over that period, the number of Hoosiers has grown by 296,370.

Here are the top five 1990s growth leaders among Indiana counties, based on percentage change in population:

Percent Change in Population 1990-1996

Hamilton	35.6%
Johnson	18.4%
Hendricks	18.0%
Owen	16.7%
Dearborn	16.5%

These are the counties whose populations have declined over the six years since the census:

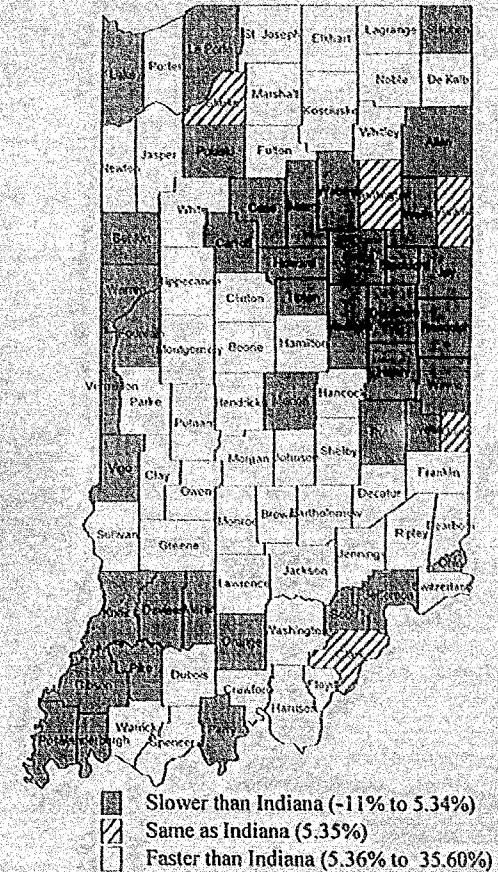
Percent Change in Population 1990-1996

Knox	- 0.54%
Delaware	- 0.89%
Grant	- 0.95%
Wabash	- 1.17%
Miami	-11.41%

Detailed numbers are available on the Center's web site (see web address listed below) and of course are available on EDIN. You can also contact us or your nearest *Data Center Affiliate* for more information.

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Percent Change 1990-1996



Indiana Business Review Update

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Support for this publication is provided by the Indiana Department of Economic Development Information Network - call (317)274-08. The IBRC is a partner in the Indiana Data Center Program with the UPDATE Staff, Terry Creeth, managing editor; Morton J. Marcus & Calvin O. Rogers, contributors; and Bethany Sprague, graphic designer.

Department of Commerce and the State of Indiana. Data are available from the State Library, Dept. of Commerce and U.S. Census Bureau. The WEB address: <http://www.bus.indiana.edu/research>