

INDIANA UPDATE

BUSINESS REVIEW



A MONTHLY OVERVIEW OF ECONOMIC TRENDS

INDIANA BUSINESS RESEARCH CENTER
INDIANA UNIVERSITY SCHOOL OF BUSINESS

§ LATEST COUNTY INCOME DATA

What do they mean? Per capita personal income (PCPI) is often used to measure economic well-being. The U.S. Bureau of Economic Analysis has just released the 1995 data for Indiana counties. Before we look at the results, let's consider what the data represent.

PCPI is total personal income divided by population. Income can remain unchanged and PCPI can move because of population changes. If the population of a county grows, with income constant, PCPI declines. When children leave home, but parents continue earning as before, PCPI can rise dramatically.

But PCPI can also decline while the population remains constant. If the people of the county get older and stop working, the population may be unchanged, but income drops, hence PCPI falls. Yet the community may be as prosperous as before. The retired people may now be using their savings and pensions, which can be spent but which do not count as income.

The data. Between 1985 and 1995, Indiana's per capita personal income, adjusted for inflation, grew by 17.7%. Jennings County led the state with a 28.4% increase while Newton County trailed with a 7.5% decline.

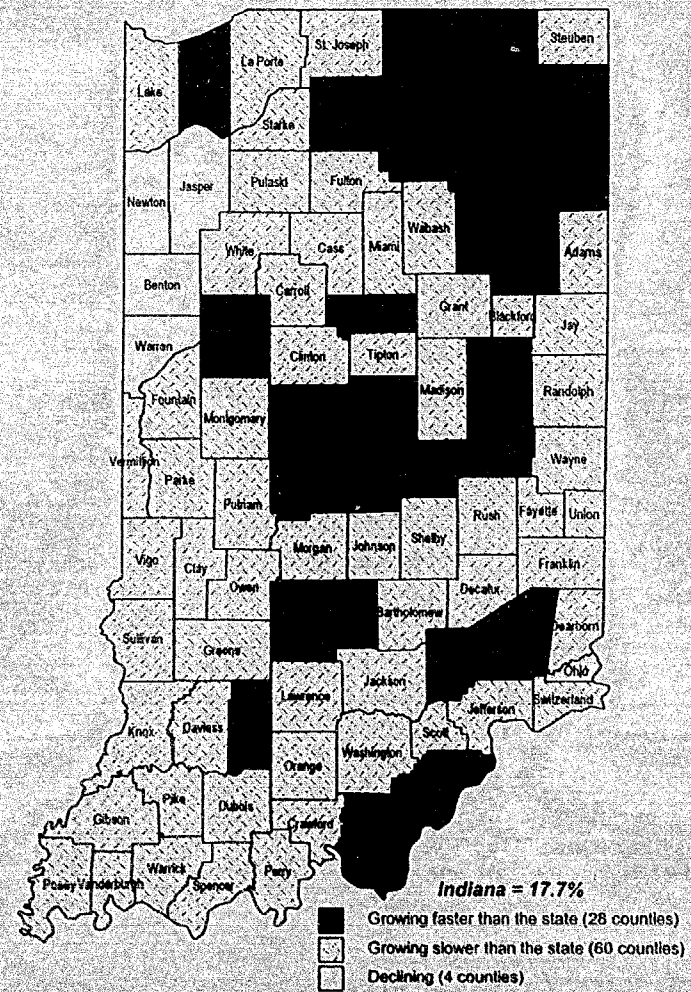
Hamilton County led the state in PCPI in both '85 and '95. With \$27,040 in 1985, Hamilton was 47.9% over the state level of \$18,278. By 1995, Hamilton (\$33,163) had pulled to 54.1% above the state (\$21,517).

This is in contrast with the poorest county (Crawford) which sank from 31.6% below the state PCPI in '85 to 34.2% below the state in '95. Thus, the spread between the wealthiest county in Indiana and the poorest increased from \$14,545 in 1985 to \$19,009 ten years later.

-mjm

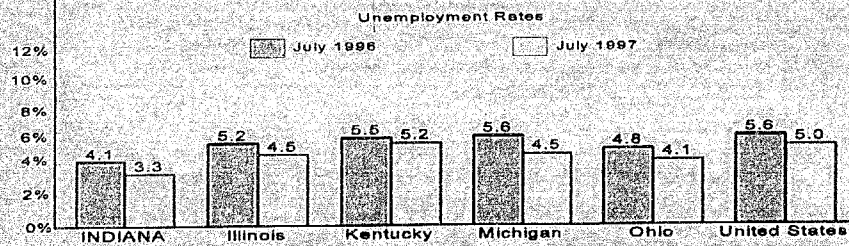
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Figure 1. PCPI Rate of Growth, 1985 to 1995



The Regional Employment Situation

Total Persons Employed	July 1996	July 1997	Number Change	% Change	Rank in US
INDIANA	2,983,000	3,063,800	80,800	2.7%	18
Illinois	5,870,800	5,945,200	74,400	1.3%	33
Kentucky	1,800,900	1,864,100	63,200	3.5%	11
Michigan	4,605,300	4,713,900	108,600	2.4%	23
Ohio	5,472,400	5,594,500	122,100	2.2%	24
United States	128,579,000	131,350,000	2,771,000	2.2%	N/A



Employment - Hours - Earnings by Industry

INDIANA	Establishment Related Employment		Average Weekly Hours		Average Weekly (Real) Earnings	
	July 1997	% Chg. 96/97	July 1997	% Chg. 96/97	July 1997	% Chg. 97/97
Total Non-Ag	2,814,400	1.4%	NA	NA	NA	NA
Mining	6,600	1.5%	47.0	5.9%	\$804.64	3.5%
Construction	147,000	2.5%	41.5	-2.8%	\$717.95	-6.7%
Manufacturing	666,300	0.4%	41.6	-1.4%	\$606.53	-0.6%
Durable	478,000	0.9%	42.1	-1.9%	\$627.71	-1.8%
Non-durable	188,300	-0.9%	40.3	-0.7%	\$550.50	2.3%
Wholesale	141,600	0.7%	37.8	1.9%	\$466.07	3.0%
Retail	548,900	1.0%	29.7	-1.0%	\$229.88	-2.4%
Finance, Insurance & Real Estate	140,800	2.8%	36.0	-0.6%	\$421.20	8.4%
Services*	670,700	2.6%	32.7	-1.8%	\$355.45	3.1%

Employment - Hours - Earnings

(Not seasonally adjusted)

Metropolitan Statistical Areas (MSAs) in Indiana

NON-AG WAGE & SALARIED EMPLOYMENT	July 1996	July 1997	Change	
			Number	Percent
Bloomington MSA	59,700	61,600	1,900	3.2%
Elkhart-Goshen MSA	115,300	116,300	1,000	0.9%
Evansville MSA	150,000	150,800	800	0.5%
Fort Wayne MSA	263,300	265,400	2,100	0.8%
Gary MSA	258,400	261,900	3,500	1.4%
Indianapolis MSA	805,900	823,200	17,300	2.1%
Kokomo MSA	51,600	51,600	0	0.0%
Lafayette MSA	85,800	86,800	1,000	1.2%
Muncie MSA	56,300	60,100	3,800	6.8%
New Albany Area*	81,000	85,200	4,200	5.2%
South Bend MSA	131,200	135,400	4,200	3.2%
Terre Haute MSA	66,200	66,700	500	0.8%

MANUFACTURING	July 1997	Employment	Average Weekly Hours	Average Weekly Earnings	
				Average Hourly Earnings	Average Weekly Earnings
Bloomington MSA		10,200	41.3	\$12.42	\$512.95
Elkhart-Goshen MSA		58,800	39.2	\$12.15	\$476.28
Evansville MSA		31,300	43.0	\$14.78	\$635.54
Fort Wayne MSA		73,700	41.0	\$14.43	\$591.63
Gary MSA		50,300	42.3	\$18.78	\$794.39
Indianapolis MSA		125,600	44.2	\$15.72	\$694.82
Kokomo MSA		20,300	51.2	\$19.30	\$988.16
Lafayette MSA		22,200	42.2	\$15.34	\$647.35
Muncie MSA		10,700	43.7	\$14.59	\$637.58
New Albany Area*		20,000	42.7	\$12.21	\$521.37
South Bend MSA		22,100	41.2	\$12.85	\$529.42
Terre Haute MSA		11,500	43.4	\$14.83	\$643.62

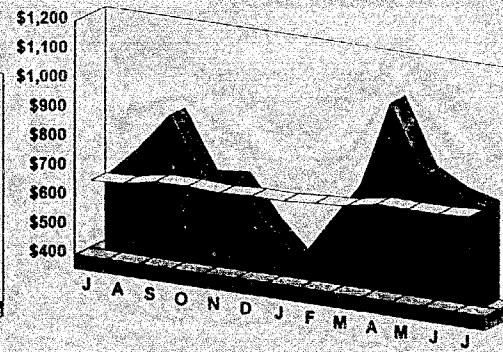
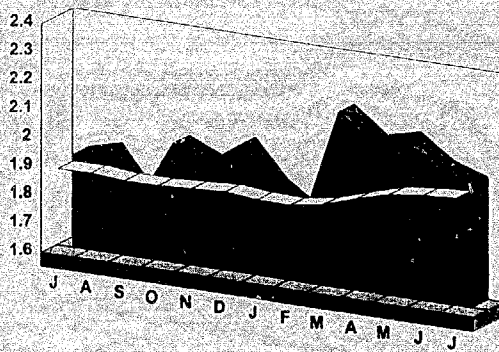
Employment includes schools; Hours and Earnings excludes schools. *The New Albany Area (Clark, Floyd, Harrison, Scott counties) is part of the larger Louisville MSA. (Real) indicates dollars adjusted for changes in consumer prices to 1997 level. Employment and earnings data based on preliminary and revised series provided by the Indiana Department of Workforce Development.

CURRENT TRENDS IN INDIANA'S ECONOMY

July 1996—July 1997

Raw Steel Production

American Iron and Steel Institute
 Year to date: 14.3 million net tons
 12-month total: 24.1 million net tons
 Peak month: March 1997

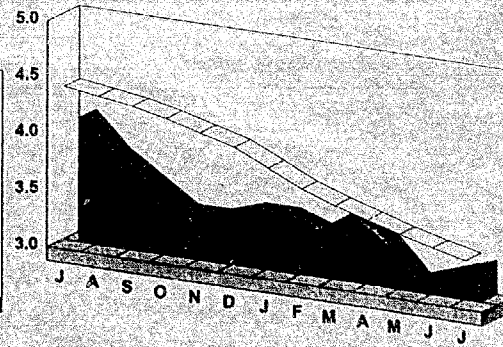
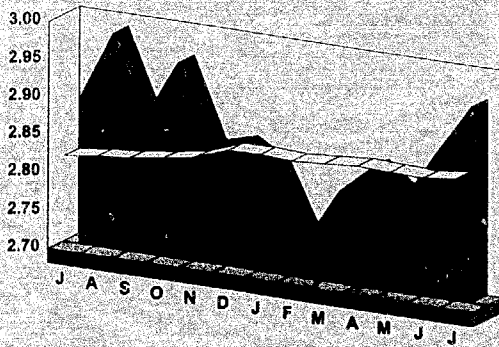


Total Construction Activity (\$MIL)

F.W. Dodge Construction Potentials Bulletin
 Year to date: \$5,198.6 million
 12-month total: \$8,819.8 million
 Peak month: April 1997

Industrial Electricity Sales (Billions)

The 5 investor owned utilities
 Year to date: 19.9 billion kwh
 12-month total: 34.5 billion kwh
 Peak month: August 1996

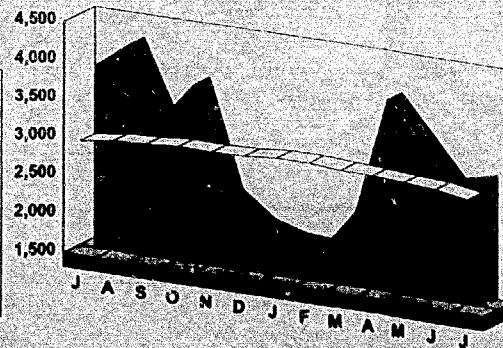
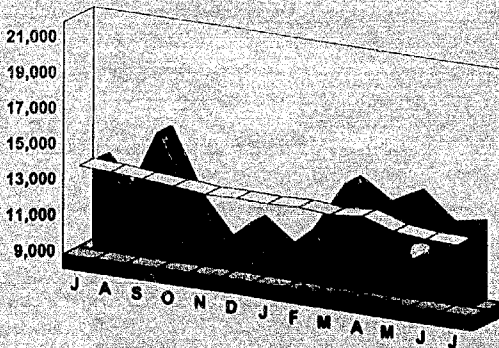


Unemployment Rate

Indiana Department of Workforce Dev.
 Peak month: February 1992

New Car Registrations

R.L. Polk and Company
 Year to date: 92,078
 12-month total: 154,420
 Peak month: May 1996



Housing Starts

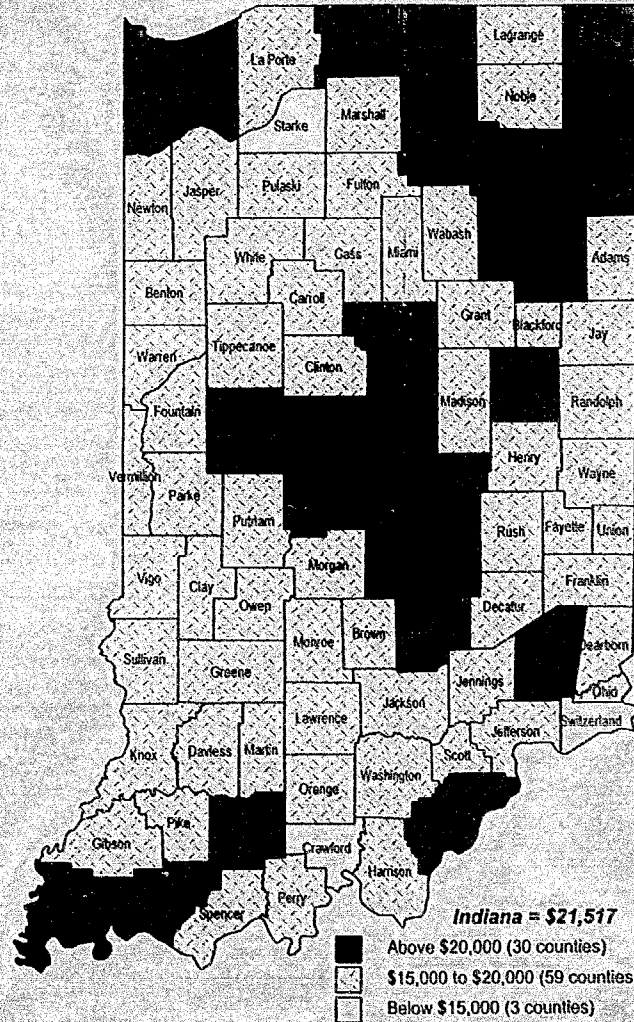
F.W. Dodge Construction Potentials Bulletin
 Year to date: 19,908
 12-month total: 35,686
 Peak month: August 1996

Moving Average

Peak = since 1992

Monthly

Figure 2. Per Capita Personal Income — 1995



Support for this publication is provided by the Indiana Department of Commerce and the State of Indiana. Data are available from the Economic Development Information Network - call (317)274-0897 for details. WEB address: <http://www.iupui.edu/it/ibrc>
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