

INDIANA UPDATE

BUSINESS REVIEW

V2160-6



A MONTHLY OVERVIEW
OF ECONOMIC TRENDS

INDIANA BUSINESS RESEARCH CENTER
INDIANA UNIVERSITY SCHOOL OF BUSINESS

RURAL GROWTH CONTINUES IN INDIANA

Anyone driving the roads of Indiana is aware of what the latest population estimates from the U.S. Bureau of the Census show most clearly: rural increases dominate the growth of Hoosier counties. Cities, towns, and small places (all incorporated areas) in the state grew by 3% between 1990 and 1996. During the same period, rural areas (unincorporated areas) advanced by 9.3%. In total, the state gained 296,372 persons (a 5.3% increase), of which 64% was in rural areas. In 60 of the state's 92 counties, the urban populations grew, but rural populations grew in 89 counties. (Note: we use the word urban to include all cities, towns and small places in an area. Many of these small places [incorporated] have fewer than 500 persons. Nonetheless, they are, or have served in the past as, the nucleus of a community.)

Five counties (Delaware, Grant, Knox, Miami, and Wabash, see figure 1) declined in population. Only in Miami County were there losses in both urban and rural areas due to the reduction in staff at Grissom Air Force base. Of the 87 counties which grew in population, one (Marion) technically has no rural population since all residents of the county are part of one of the incorporated places within the county. Jennings County was the only county in which urban growth offset rural decline. However, this might have been the result of annexations rather than a unique pattern of development.

Annexation or strong zoning and land use controls may explain why nine growing counties added more persons in their urban areas than in their rural sections (Boone, Decatur, Hamilton Johnson, Marshall, Monro, Porter, Steuben, and Wells). In 49 counties, both urban and rural areas advanced, with most of the growth occurring in the rural portion. In 27 counties, rural growth offset urban decline so that the counties actually grew.

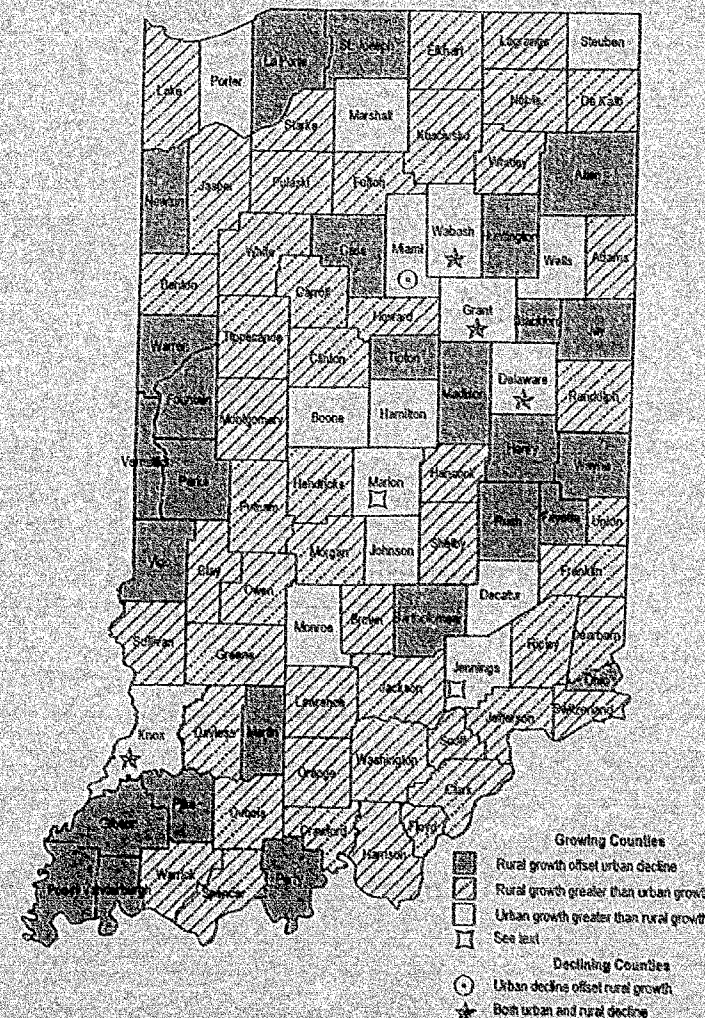
It should be noted that the data presented here are the numeric, not the percentage increases, in population. In 78 of the 92 counties, rural areas grew faster (that is, had higher percentage increases) than urban areas. This more rapid growth rate can be trivial when the population involved is small. It is more important to look, as we have here, at the actual size of the change.

The advances of rural areas in the 1990s follow a long-term pattern of suburbanization which today some feel is threatening the economic and social viability of both our communities and our rural areas.

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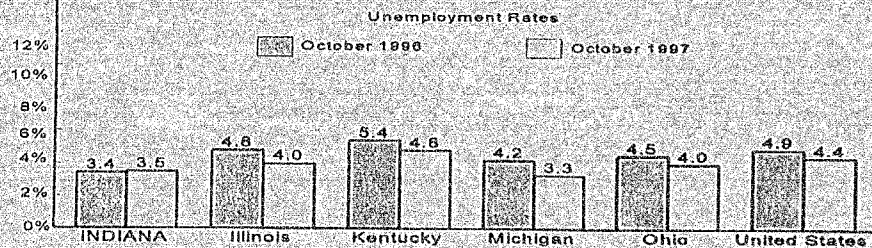
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Figure 1. Patters of Population Change, 1990 - 1996



The Regional Employment Situation

Total Persons Employed	October 1996	October 1997	Number Change	% Change	Rank in US
INDIANA	2,966,900	3,021,600	54,700	1.8%	26
Illinois	5,814,800	5,883,400	68,600	1.2%	34
Kentucky	1,770,300	1,833,100	62,800	3.5%	13
Michigan	4,644,000	4,732,300	88,300	1.9%	24
Ohio	5,426,000	5,551,300	125,300	2.3%	21
United States	128,439,000	130,671,000	2,232,000	1.7%	N/A



Employment - Hours - Earnings by Industry

INDIANA	Establishment Related Employment		Average Weekly Hours		Average Weekly (Real) Earnings	
	October 1997	% Chg. 96/97	October 1997	% Chg. 96/97	October 1997	% Chg. 97/97
Total Non-Ag	2,887,800	1.1%	NA	NA	NA	NA
Mining	6,700	1.5%	45.9	2.9%	\$790.86	-0.7%
Construction	140,300	1.7%	41.5	-1.0%	\$719.61	-4.1%
Manufacturing	674,000	0.3%	43.1	0.2%	\$639.17	1.5%
Durable	484,600	0.4%	43.7	0.2%	\$665.11	1.4%
Non-durable	189,400	0.2%	41.3	-0.7%	\$565.40	0.8%
Wholesale	139,400	0.3%	37.8	0.3%	\$467.96	0.1%
Retail	552,000	0.9%	28.7	-1.7%	\$224.43	-2.3%
Finance, Insurance & Real Estate	138,000	1.6%	35.5	-0.3%	\$423.87	8.0%
Services ¹	689,000	3.0%	32.5	-0.3%	\$361.73	4.0%

Employment - Hours - Earnings

(Not seasonally adjusted)

Metropolitan Statistical Areas (MSAs) in Indiana

NON-AG WAGE & SALARIED EMPLOYMENT	October 1996	October 1997	Change	
			Number	Percent
Bloomington MSA	66,700	68,000	1,300	1.9%
Elkhart-Goshen MSA	116,800	117,400	600	0.5%
Evansville MSA	152,000	153,300	1,300	0.9%
Fort Wayne MSA	267,100	269,500	2,400	0.9%
Gary MSA	262,500	265,900	3,400	1.3%
Indianapolis MSA	826,800	830,000	3,200	0.4%
Kokomo MSA	52,700	52,800	100	0.2%
Lafayette MSA	92,000	94,100	2,100	2.3%
Muncie MSA	59,900	61,000	1,100	1.8%
New Albany Area*	85,600	88,600	3,000	3.5%
South Bend MSA	133,200	136,800	3,600	2.7%
Terre Haute MSA	70,900	70,900	0	0.0%

MANUFACTURING	October 1997	Employment	Average Weekly Hours	Average Hourly Earnings	Average Weekly Earnings
Bloomington MSA		10,600	41.8	\$12.03	\$502.85
Elkhart-Goshen MSA		58,800	39.7	\$12.14	\$481.96
Evansville MSA		30,700	43.4	\$15.32	\$664.89
Fort Wayne MSA		73,900	41.2	\$14.47	\$596.16
Gary MSA		50,100	43.4	\$18.89	\$819.83
Indianapolis MSA		125,900	44.2	\$15.72	\$694.82
Kokomo MSA		20,300	50.3	\$21.05	\$1,058.82
Lafayette MSA		22,200	42.9	\$15.50	\$664.95
Muncie MSA		10,500	42.8	\$14.62	\$625.74
New Albany Area*		20,200	42.6	\$12.42	\$529.09
South Bend MSA		22,400	41.4	\$12.47	\$516.26
Terre Haute MSA		11,400	44.3	\$14.43	\$639.25

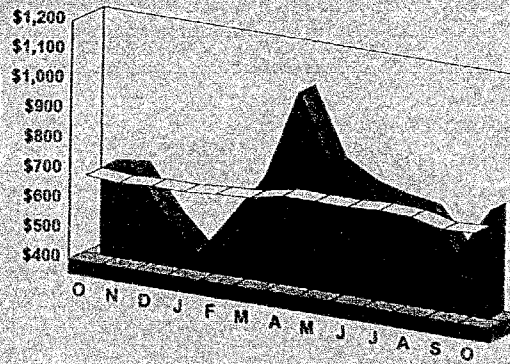
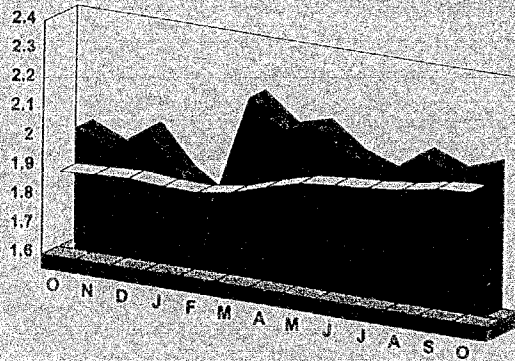
¹Employment includes schools; Hours and Earnings excludes schools. *The New Albany Area (Clark, Floyd, Harrison, Scott counties) is part of the larger Louisville MSA. (Real) indicates dollars adjusted for changes in consumer prices to 1997 levels. Employment and earnings data based on preliminary and revised series provided by the Indiana Department of Workforce Development.

CURRENT TRENDS IN INDIANA'S ECONOMY

October 1996—October 1997

Raw Steel Production

American Iron and Steel Institute
 Year to date: 20.6 million net tons
 12-month total: 26.7 million net tons
 Peak month: March 1997

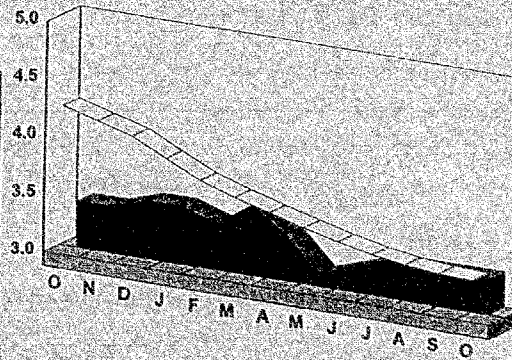
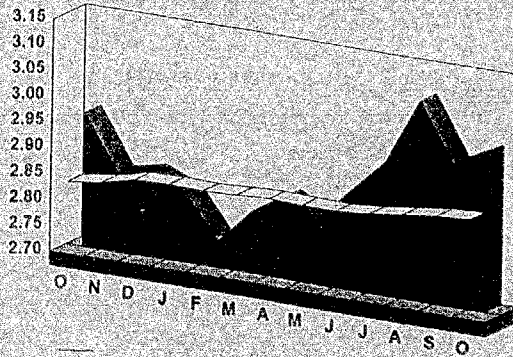


Total Construction Activity (\$MIL)

F.W. Dodge Construction Potentials Bulletin
 Year to date: \$7,283.1 million
 12-month total: \$9,248.4 million
 Peak month: April 1997

Industrial Electricity Sales (Billions)

The 5 Investor owned utilities
 Year to date: 29.0 billion kwh
 12-month total: 37.7 billion kwh
 Peak month: August 1997

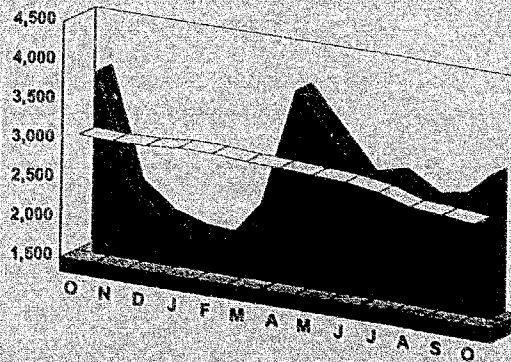
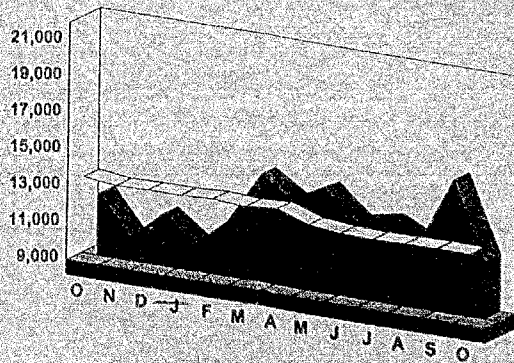


Unemployment Rate

Indiana Department of Workforce Dev.
 Peak month: February 1992

New Car Registrations

R.L. Polk and Company
 Year to date: 133,045
 12-month total: 167,406
 Peak month: May 1996



Housing Starts

F.W. Dodge Construction Potentials Bulletin
 Year to date: 29,022
 12-month total: 37,330
 Peak month: August 1996

Moving Average

Peak = since 1992

Monthly

Indiana Cities With Population of 20,000 or More in 1996

Indiana has thirty-six cities and towns with populations of 20,000 or more, according to recently released Census Bureau estimates. Of those, five cities have populations greater than 100,000 (highlighted in bold in the table

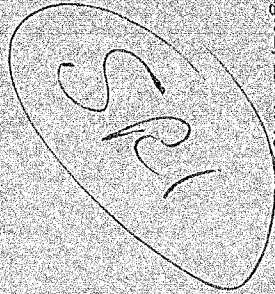
below). Fishers, a community of less than 10,000 persons in 1990, grew to more than 20,000 by 1996. All Indiana cities and towns population data are available via our web site: www.iupui.edu/it/ibrc

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	Census Population April 1990	Rank 1990	Estimated Population July 1996	Rank 1996	Percent Change 90 to 96	Rank Among All Places % Change
Anderson	59,518	9	59,131	9	-0.7	435
Bloomington	62,015	8	66,479	8	7.2	168
Carmel	25,380	26	36,837	17	45.1	7
Columbus	33,948	17	32,963	19	-2.9	483
East Chicago	33,892	18	31,761	22	-6.3	546
Elkhart	44,661	12	44,224	14	-1	445
Evansville	126,272	3	123,456	3	-2.2	469
Fishers	7,189	80	20,665	35	187.5	2
Fort Wayne	191,839	2	184,783	2	-3.7	497
Gary	116,646	4	110,975	4	-4.9	527
Goshen	23,794	30	24,930	29	4.8	235
Greenwood	26,507	24	30,600	23	15.4	47
Hammond	84,236	6	80,081	6	-4.9	526
Highland	23,696	31	23,569	32	-0.5	427
Hobart	24,440	27	24,463	30	0.1	402
Indianapolis	741,866	1	757,171	1	2.1	341
Jeffersonville	24,016	29	25,787	28	7.4	161
Kokomo	44,996	11	45,785	11	1.8	347
La Porte	21,507	32	20,696	34	-3.8	499
Lafayette	44,622	13	44,344	13	-0.6	431
Lawrence	26,849	23	32,642	20	21.6	30
Marion	32,807	20	29,964	25	-8.1	554
Merrillville	27,257	22	30,577	24	12.2	78
Michigan City	33,822	19	32,979	18	-2.5	475
Mishawaka	42,635	14	45,045	12	5.7	206
Muncie	71,170	7	69,058	7	-3	485
Munster	19,949	34	20,438	36	2.5	325
New Albany	36,322	16	38,224	15	5.2	220
Noblesville	17,655	40	23,960	31	35.7	11
Portage	29,062	21	32,419	21	11.6	83
Richmond	38,705	15	37,312	16	-3.6	494
Schererville	20,155	33	23,322	33	15.7	44
South Bend	105,511	5	102,100	5	-3.2	488
Terre Haute	57,475	10	54,585	10	-5	530
Valparaiso	24,414	28	25,804	27	5.7	207
West Lafayette	26,144	25	27,177	26	4	266

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