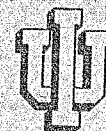


INDIANA BUSINESS REVIEW UPDATE

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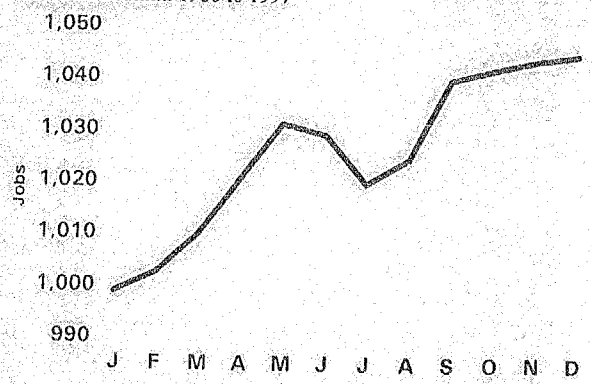


A MONTHLY OVERVIEW OF ECONOMIC TRENDS

INDIANA BUSINESS RESEARCH CENTER
INDIANA UNIVERSITY SCHOOL OF BUSINESS

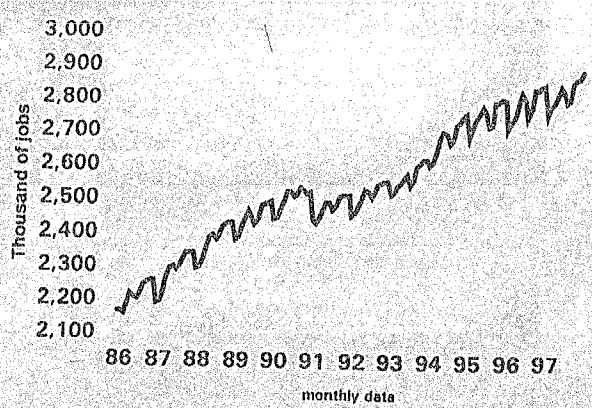
SEASONAL PATTERNS IN EMPLOYMENT

Figure 1. If Employment in a Typical January = 1000
Based on Indiana 1986 to 1997



Typically, employment rises as we move forward during the year. If there were 1,000 jobs for Hoosiers in January, we would find a steady increase until May when the figure reached 1,032. There would be a slump during June and July, but by September employment would exceed the May figure and rise to a Christmas season peak of 1,046.

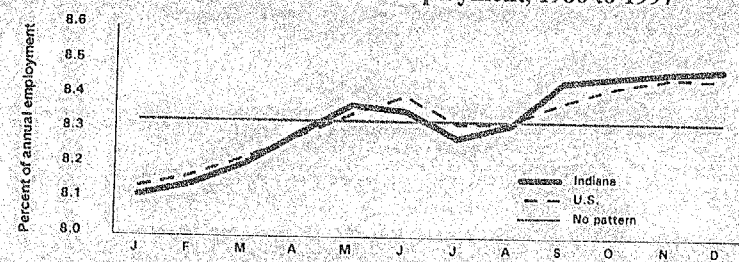
Figure 2. Establishment Employment
Indiana, 1986 to 1997



As we look at monthly establishment employment figures (not the number of persons working, but the most reliable number of jobs), we see the saw-toothed seasonal pattern of employment along with a clear upward trend. (See back page of this Update for more on this trend.)

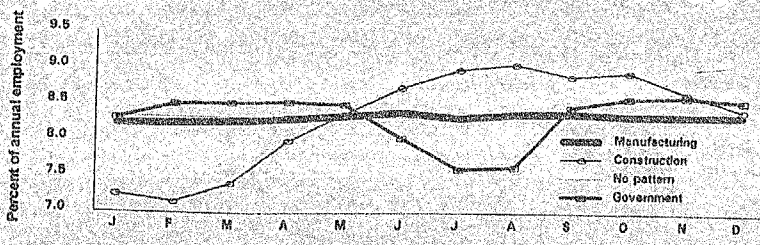
MAY 1998, VOLUME 73, NUMBER 5

Figure 3. Seasonal Patterns in Total Employment, 1986 to 1997



If employment were spread out evenly over the year, 8.33% of all employment would take place in each of the 12 months. But that is not the case, either for Indiana or the nation. While Indiana has an early summer peak in May, the nation peaks in June before going into the summer doldrums. As might be expected of a state with significant climate changes, our employment variability is greater than that of the nation.

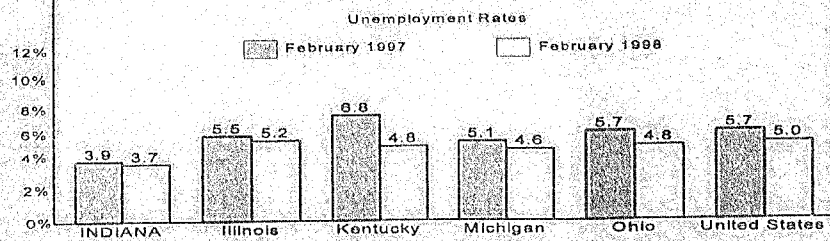
Figure 4. Sectors With Different Seasonal Employment Patterns
Indiana, 1986 to 1997



Seasonal patterns of employment vary greatly by industry. Manufacturing in Indiana shows almost no seasonal pattern. Construction and government employment are both highly seasonal and somewhat offsetting as well. When teachers are without jobs in the summer months, construction work is peaking. Year-round schooling would eliminate much of the seasonality of public sector employment.

The Regional Employment Situation

Total Persons Employed	February 1997	February 1998	Number Change	% Change	Rank in US
INDIANA	2,905,400	2,952,900	47,500	1.6%	36
Illinois	5,726,000	5,808,500	82,500	1.4%	38
Kentucky	1,756,200	1,812,500	56,300	3.2%	20
Michigan	4,669,500	4,770,300	100,800	2.2%	32
Ohio	5,268,400	5,436,000	167,600	3.2%	21
United States	126,887,000	129,482,000	2,595,000	2.0%	N/A



Employment - Hours - Earnings by Industry

INDIANA	Establishment Related Employment		Average Weekly Hours		Average Weekly (Real) Earnings	
	February 1998	% Chg. 97/98	February 1998	% Chg. 97/98	February 1998	% Chg. 97/98
Total Non-Ag	2,847,600	1.6%	NA	NA	NA	NA
Mining	6,300	1.6%	45.3	-2.6%	\$800.00	-3.1%
Construction	127,300	3.0%	39.7	-0.3%	\$686.81	1.0%
Manufacturing	677,400	0.5%	42.7	-0.2%	\$636.23	-0.9%
Durable	487,900	0.9%	43.4	-0.5%	\$661.42	-1.7%
Non-durable	189,500	-0.1%	40.6	0.0%	\$564.34	1.1%
Wholesale	140,000	1.8%	37.8	-0.3%	\$461.16	-1.1%
Retail	525,800	0.1%	28.5	-2.1%	\$226.29	-1.3%
Finance, Insurance & Real Estate	138,700	2.5%	35.9	-0.8%	\$431.52	-0.4%
Services*	690,700	4.4%	32.0	-1.2%	\$367.68	3.7%

Employment - Hours - Earnings

(Not seasonally adjusted)

Metropolitan Statistical Areas (MSAs) in Indiana

NON-AG WAGE & SALARIED EMPLOYMENT	February 1997	February 1998	Change	
			Number	Percent
Bloomington MSA	64,400	65,100	700	1.1%
Elkhart-Goshen MSA	114,300	114,500	200	0.2%
Evansville MSA	150,100	152,500	2,400	1.6%
Fort Wayne MSA	262,300	267,500	5,200	2.0%
Gary MSA	259,200	262,000	2,800	1.1%
Indianapolis MSA	824,400	836,300	11,900	1.4%
Kokomo MSA	51,200	51,900	700	1.4%
Lafayette MSA	92,200	94,200	2,000	2.2%
Muncie MSA	59,700	59,400	-300	-0.5%
New Albany Area*	86,600	87,400	800	0.9%
South Bend MSA	130,700	133,000	2,300	1.8%
Terre Haute MSA	67,600	67,500	-100	-0.1%

MANUFACTURING	February 1998	Employment	Average Weekly Hours	Average	
				Hourly Earnings	Weekly Earnings
Bloomington MSA		10,200	40.3	\$11.98	\$482.79
Elkhart-Goshen MSA		58,400	39.4	\$12.28	\$483.83
Evansville MSA		31,500	43.6	\$14.95	\$651.82
Fort Wayne MSA		75,500	41.7	\$14.72	\$613.82
Gary MSA		49,500	42.7	\$19.21	\$820.27
Indianapolis MSA		128,700	44.1	\$15.65	\$690.17
Kokomo MSA		20,900	48.1	\$20.93	\$1,006.73
Lafayette MSA		22,200	42.7	\$15.91	\$679.36
Muncie MSA		9,900	45.3	\$14.60	\$661.38
New Albany Area*		19,700	42.3	\$12.40	\$524.52
South Bend MSA		22,300	41.7	\$12.50	\$521.25
Terre Haute MSA		12,000	43.8	\$14.93	\$653.93

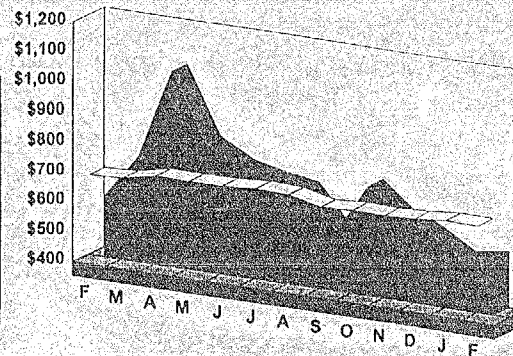
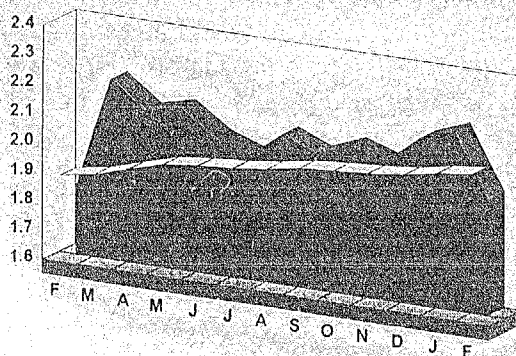
*Employment includes schools; Hours and Earnings excludes schools. *The New Albany Area (Clark, Floyd, Harrison, Scott counties) is part of the larger Louisville MSA. (Real) indicates dollars adjusted for changes in consumer prices to 1998 levels. Employment and earnings data based on preliminary and revised series provided by the Indiana Department of Workforce Development.

CURRENT TRENDS IN INDIANA'S ECONOMY

February 1997—February 1998

Raw Steel Production

American Iron and Steel Institute
 Year to date: 4.2 million net tons
 12-month total: 27.2 million net tons
 Peak month: January 1998

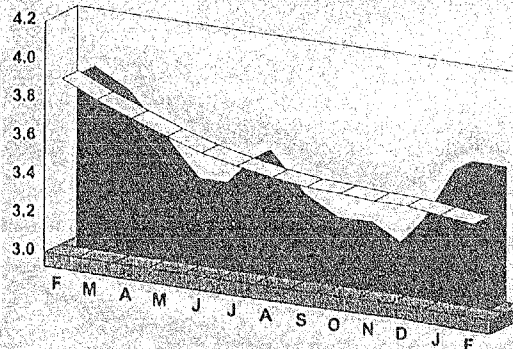
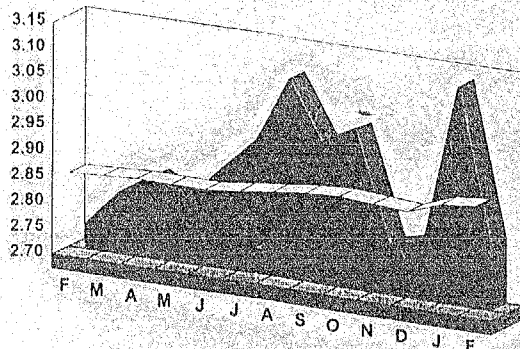


Total Construction Activity (\$MIL)

F.W. Dodge Construction Potentials Bulletin
 Year to date: \$1,161.5 million
 12-month total: \$9,309.3 million
 Peak month: April 1997

Industrial Electricity Sales (Billions)

The 5 investor owned utilities
 Year to date: 5.9 billion kwh
 12-month total: 37.7 billion kwh
 Peak month: January 1998

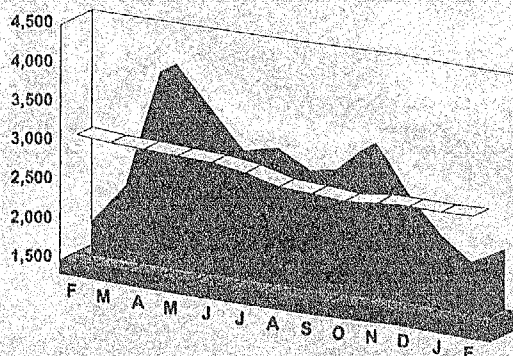
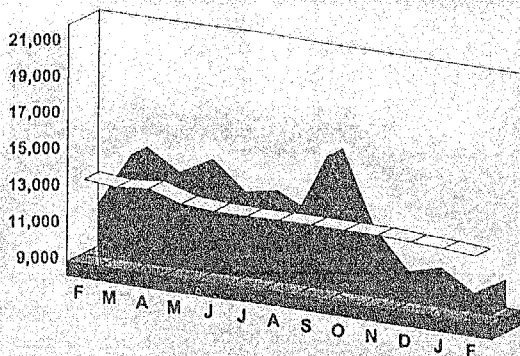


Unemployment Rate

Indiana Department of Workforce Dev.
 Peak month: February 1992

New Car Registrations

R.L. Polk and Company
 Year to date: 19,981
 12-month total: 163,241
 Peak month: May 1996



Housing Starts

F.W. Dodge Construction Potentials Bulletin
 Year to date: 4,262
 12-month total: 36,383
 Peak month: August 1996

Moving Average



Peak = since 1992

Monthly



Indiana Business Review Update

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Millennium Madness

On the front page (figure 2), we saw an undeniable upward trend in establishment employment for Indiana. Those who are incorrigible about mysticism in numbers will see two milestones appearing to converge, if milestones can converge.

- The world is moving toward the year 2000
- Establishment employment in Indiana is moving toward three million.

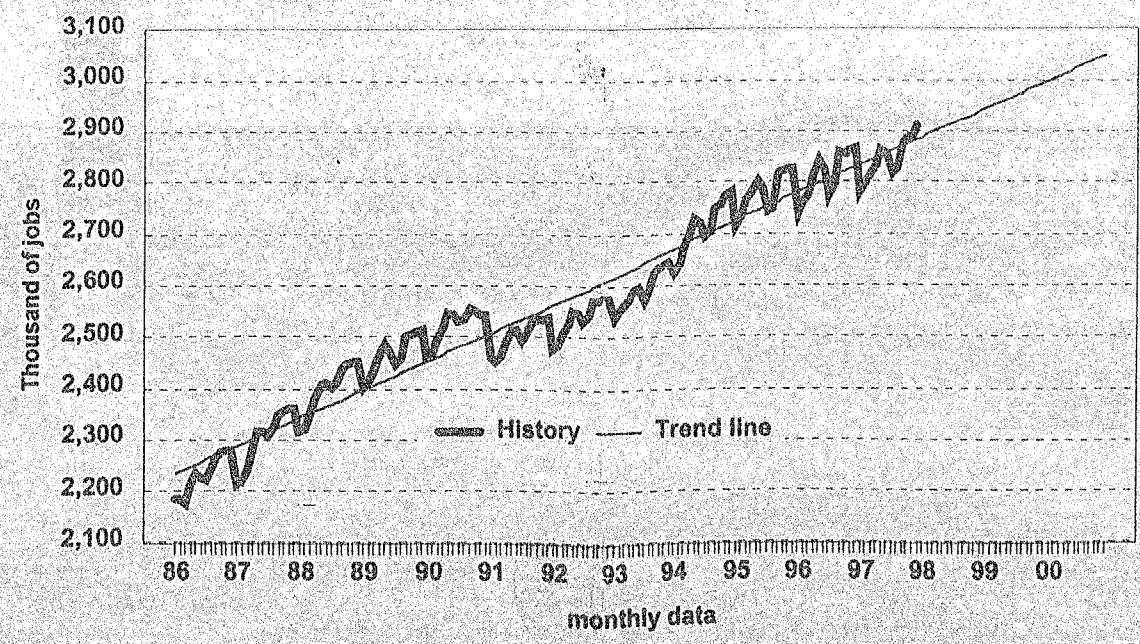
Will these events take place close to each other? As a public dis-service, and with no intention of being taken

seriously, we suggest that establishment employment in Indiana will reach three million just after New Year's Day 2000. To extend this foolishness with more precision, we can expect the three millionth Hoosier job about 11:40 p.m. on January 6, 2000.

Please, don't call us when the moment arrives. The state does not collect data which would allow an enterprising reporter to verify this event. You'll just have to take our word for it.

-mjm

Figure 6. Establishment Employment, Indiana, 1986 to 1997 and Beyond



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/ilibr>. The IBRC is a partner in the Indiana Data Center Program with the Indiana State Library, Dept. of Commerce and U.S. Census Bureau. UPDATE Staff: Terry Creech, managing editor; Morton J. Marcus, contributors; and Bethany Sprague, graphic designer.

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