

INDIANA BUSINESS REVIEW UPDATE



A MONTHLY OVERVIEW OF ECONOMIC TRENDS

INDIANA BUSINESS RESEARCH CENTER
INDIANA UNIVERSITY
KELLEY SCHOOL OF BUSINESS

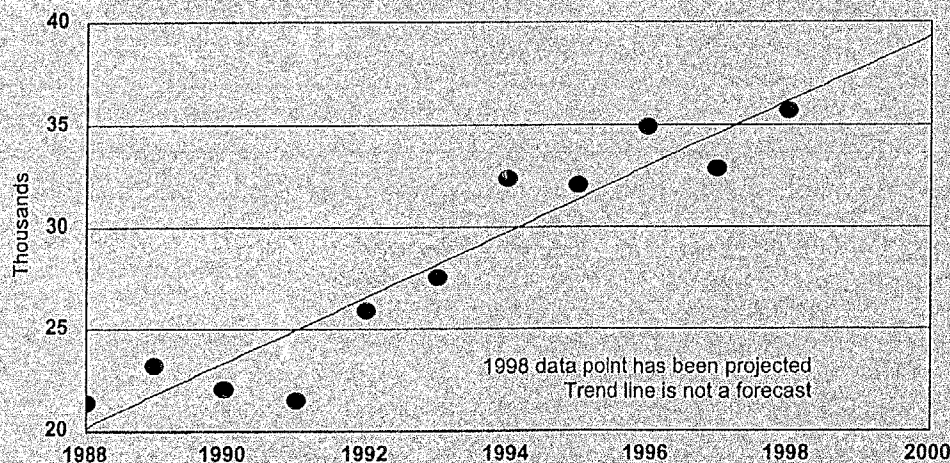
HOUSING IN INDIANA

For the past ten years, Indiana has built at least 24,000 housing units each year. In 1997, the figure rose to 35,382 and is expected to top that level this year (see figure 1). But our knowledge of housing activity at the sub-state level is limited.

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FIGURE 2. INDIANA MONTHLY HOUSING UNITS, PROJECTED 1998

FIGURE 1. INDIANA BUILDING PERMITS¹



The basic data for construction comes from building permits, which are usually issued by cities and towns. Often, areas outside incorporated areas do not require permits to build. The U.S. Census Bureau collects **monthly** data on building permits from approximately 8,500 permit-issuing places across the country.

In Indiana, approximately 188 places are asked to report monthly. As late as 1993, Indiana had 27 counties with no monthly reporting places. Then in 1994, 11 counties were added to the list, while eight were dropped. Any statement about monthly housing activity is understated because of incomplete reporting. Figure 2 shows the 66 counties currently reporting monthly and which are projected to have increasing or decreasing housing units for 1998. The same figure indicates those 26 counties that do not currently report monthly.

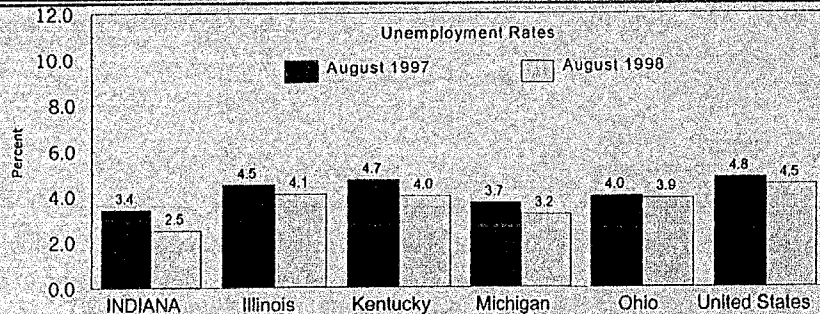


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¹Number of housing units based on monthly reports.

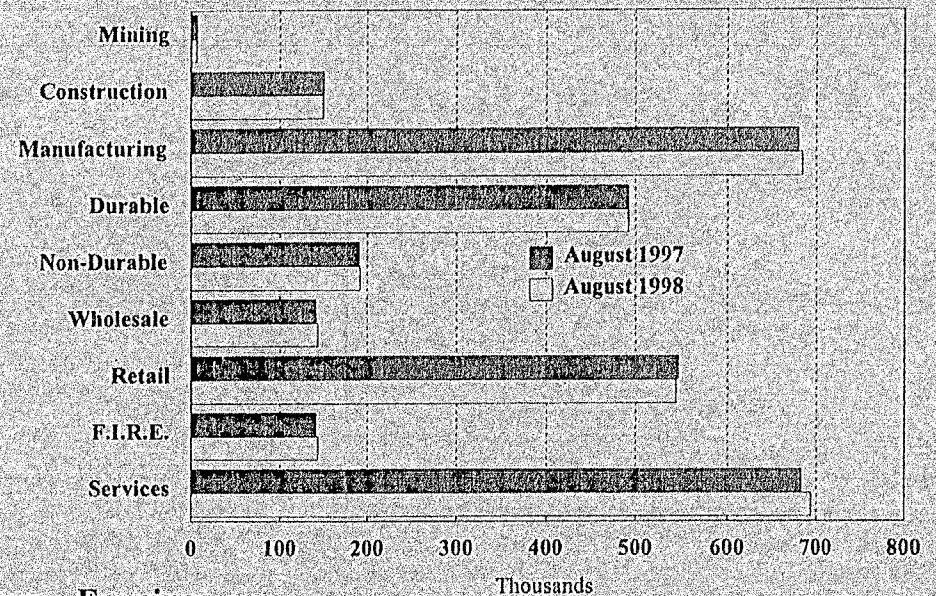
The Regional Employment Situation

TOTAL PERSONS EMPLOYED	AUGUST 1997	AUGUST 1998	NUMBER CHANGE	% CHANGE	RANK IN US
INDIANA	3,007,200	3,019,400	12,200	0.4%	42
Illinois	5,898,800	5,922,800	24,000	0.4%	42
Kentucky	1,856,400	1,886,200	29,800	1.6%	27
Michigan	4,846,000	4,931,300	85,300	1.8%	23
Ohio	5,562,700	5,651,900	89,200	1.6%	28
United States	130,865,000	132,206,000	1,341,000	1.0%	N/A



Indiana's Non-Ag Employment

Total Non-Ag Employment in August 1998 was 2,863,400, up 0.8% since the same month a year ago.



Employment - Hours - Earnings

(Not seasonally adjusted)

Metropolitan Statistical Areas (MSAs) in Indiana

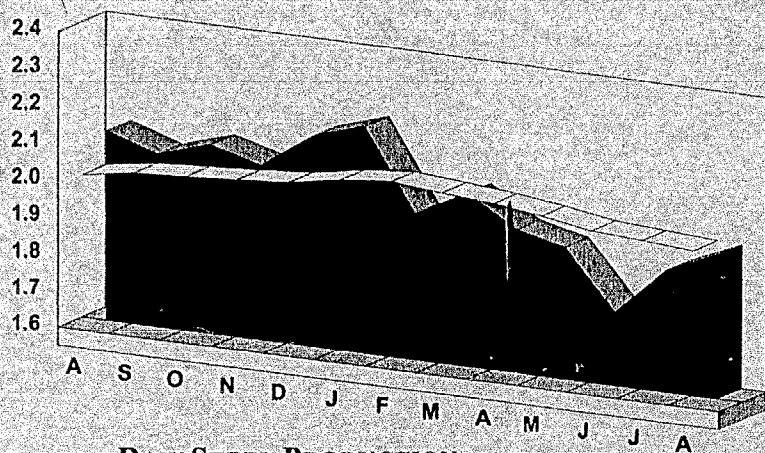
NON-AG WAGE & SALARIED EMPLOYMENT	AUGUST 1997	AUGUST 1998	CHANGE	
			NUMBER	PERCENT
Bloomington MSA	60,100	60,800	700	1.2%
Elkhart-Goshen MSA	117,400	117,700	300	0.3%
Evansville MSA	153,400	152,700	-700	-0.5%
Fort Wayne MSA	268,500	268,000	-500	-0.2%
Gary MSA	262,500	263,000	500	0.2%
Indianapolis MSA	832,000	842,200	10,200	1.2%
Kokomo MSA	50,900	53,400	2,500	4.9%
Lafayette MSA	86,900	89,900	3,000	3.5%
Muncie MSA	56,200	56,500	300	0.5%
New Albany Area*	84,900	87,400	2,500	2.9%
South Bend MSA	132,800	135,700	2,900	2.2%
Terre Haute MSA	65,300	65,600	300	0.5%

MANUFACTURING AUGUST 1998	EMPLOYMENT	AVERAGE WEEKLY HOURS	AVERAGE HOURLY EARNINGS	AVERAGE WEEKLY EARNINGS
Elkhart-Goshen MSA	59,800	39.7	\$12.44	\$493.87
Evansville MSA	31,700	43.1	\$14.01	\$603.83
Fort Wayne MSA	73,700	41.6	\$14.33	\$596.13
Gary MSA	49,400	40.9	\$18.60	\$760.74
Indianapolis MSA	126,900	43.3	\$15.09	\$653.40
Kokomo MSA	21,200	52.9	\$20.29	\$1,073.34
Lafayette MSA	22,100	44.1	\$15.92	\$702.07
Muncie MSA	9,200	44.7	\$14.11	\$630.72
New Albany Area*	20,000	41.8	\$12.80	\$535.04
South Bend MSA	22,900	41.2	\$12.86	\$529.83
Terre Haute MSA	12,200	46.6	\$14.26	\$664.52

*The New Albany Area (Clark, Floyd, Harrison, Scott counties) is part of the larger Louisville MSA. Employment and earnings data based on preliminary and revised series provided by the Indiana Department of Workforce Development.

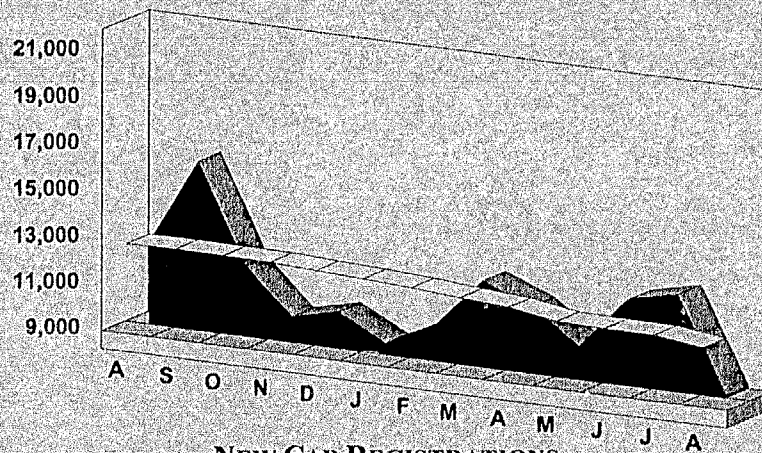
CURRENT TRENDS IN INDIANA'S ECONOMY

August 1997— August 1998



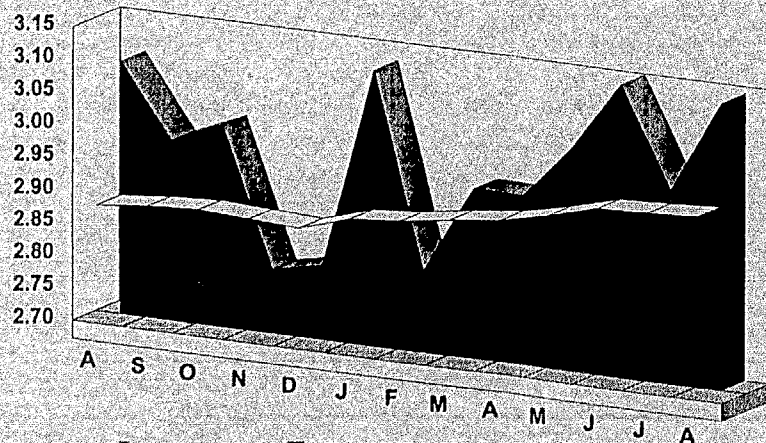
RAW STEEL PRODUCTION

American Iron and Steel Institute
Year to date: 16.0 million net tons
12-month total: 24.4 million net tons
Peak month: January 1998



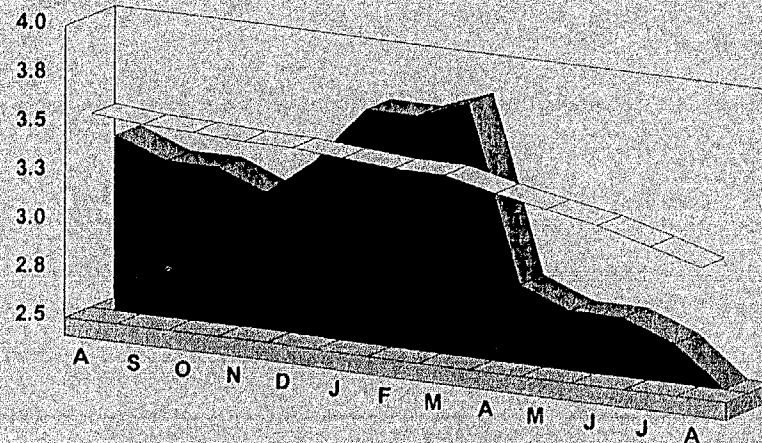
NEW CAR REGISTRATIONS

R.L. Polk and Company
Year to date: 90,157
12-month total: 139,169
Peak month: May 1996



INDUSTRIAL ELECTRICITY SALES (BILLIONS)

The 5 investor owned utilities
Year to date: 24.2 billion kwh
12-month total: 35.8 billion kwh
Peak month: June 1998



UNEMPLOYMENT RATE

Indiana Department of Workforce Dev.
Peak month: February 1992

Moving Average



Peak = since 1992

Monthly



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Indiana Business Research Center
 Indiana University, Kelley School of Business
 Research Park, Suite 110
 501 N. Morton St.
 Bloomington, IN 47404

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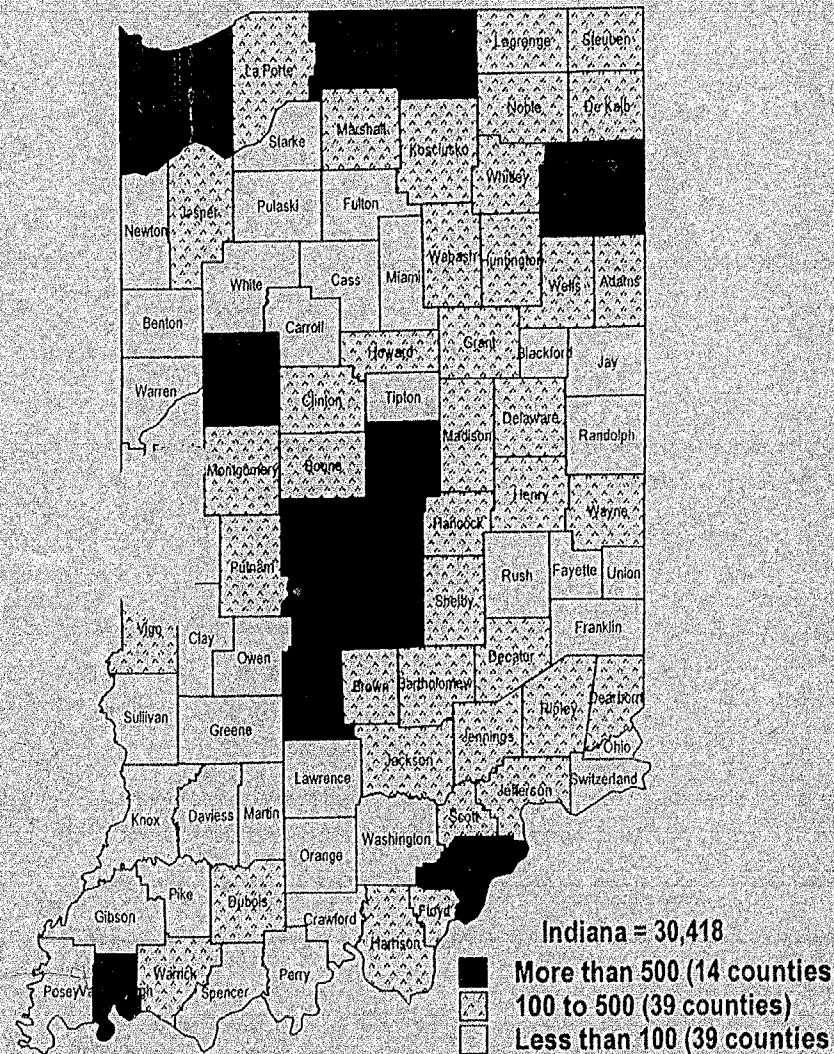
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There are 19,000 permit-issuing places across the country that are asked by the Census Bureau to report residential building activity **annually**. When a permit-issuing place doesn't report, data are *imputed* or estimated based on previous years' activity. Figure 3 shows a ten year average of permits reported annually, aggregated to the county level. Fewer than 20 counties have an average of 500 permits or more each year, while the majority of counties in Indiana issued an average of less than 250 permits each year.

-mjm

FIGURE 3. INDIANA'S 10 YEAR AVERAGE OF ANNUAL REPORTED BUILDING PERMITS



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>. 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 Creeth, managing editor; Morton J. Marcus and Carol O. Rogers, contributors; and Bethany Sprague, graphic designer.