

INDIANA BUSINESS REVIEW UPDATE



A MONTHLY OVERVIEW
OF ECONOMIC TRENDS

INDIANA BUSINESS RESEARCH CENTER
INDIANA UNIVERSITY
KELLEY SCHOOL OF BUSINESS

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HOW MANY?

In this office we get calls, often seeking very basic information. How many hardware stores are there in Indiana? Which industry has the most employees? How many Hoosier restaurants employ more than 100 persons?

Answers to these and many other questions are found in, or can be derived from, *County Business Patterns (CBP)*, published by the U.S. Bureau of the Census, and based on data collected by the Indiana Department of Workforce Development on behalf of the U.S. Bureau of Labor Statistics. The following is a sample, a reintroduction if you will, of Indiana's economy.

But a word of caution. *CBP* does not include farmers, self-employed persons, certain very small businesses, or any government agencies. Hence, the entire public sector is excluded. When you see Education Services in *CBP*, the data exclude public elementary, secondary, and higher education employees. Hence, we are dealing with a major, but incomplete, picture of the economy. About 15% of all employment is excluded.

Then let's get started, Indiana had 382 *hardware stores* in 1996. But what you want might be found also in one of the 266 paint, glass, and wallpaper stores or at one of 614 lumber and building material dealers.

After that do-it-yourself project, you might want to visit one of the 10,485 *eating and drinking places* in the state. You will be served by one of the 195,906 persons working there at an average pay of \$8,176. Of course many of those persons are part-time, so that income figures might be misleading. While the average establishment you might visit has 19 employees, there are 160 eating and drinking places in Indiana with 100 or more employees, not all of whom wait tables, of course.

If you haven't over done it with your project or your food consumption, you might consider taking in a movie at one of the 160 *movie theaters* in the state. Perhaps you would stop at a *bookstore* (there are 286 to choose from) or cruise around looking at the vehicles on the lots of the 1,379 *auto dealers*.

If your exertions or your meal were stressful, perhaps you need the products available at one of the 942 *drug stores* or 856 *liquor stores*. If it's really bad, we will try to catch up with you at one of the 3,364 *offices and clinics of medical doctors* or one of the 177

hospitals in the state where 118,395 persons are waiting to attend to your needs. Should it turn out to be worse than expected, we'll attend the services at one of the 514 *funeral establishments*.

WHICH IS BIGGER? As in any system, classification tends to hide the complexity of life. For example, books can be bought in drug stores as well as in grocery stores. In addition, the rules of classification produce unusual results. According to the latest information, Indiana has only 62 *barber shops*. No wonder the wait can be so long! But there are 1,613 *beauty shops*. Why the disparity? We suspect that many barber shops are very small single proprietorships which are not included in the database for *CBP*.

Which industry is the biggest? Which has the *most* something is a function of the level of aggregation. In Figure 1, services are the biggest sector in Indiana if measured in terms of employees or number of establishments. Manufacturing, however, takes first place in payroll, employees per establishment, and average annual payroll.

Figure 1. 1996 County Business Patterns for Indiana

Sector	Number of Employees	Annual Payroll (\$1,000)	Total Number of Establishments	Employees per Establishment	Payroll per Employee (\$)
Total	2,433,380	67,695,063	143,507	17	23,768
Services	691,649	15,100,216	49,269	14	21,832
Manufacturing	607,701	23,731,740	9,738	69	35,486
Retail Trade	531,360	6,825,358	34,949	15	12,563
Fin., Ins. & Real Estate	133,164	4,163,514	13,129	19	31,281
Wholesale Trade	131,879	4,706,698	10,820	12	31,858
Construction	129,644	4,134,474	16,028	8	31,679
Trans. & Public Util.	124,423	4,056,317	6,547	19	32,085
Agr., Ser., For., and Fishing	17,614	242,711	2,348	6	19,214
Mining	5,353	225,196	371	14	42,309

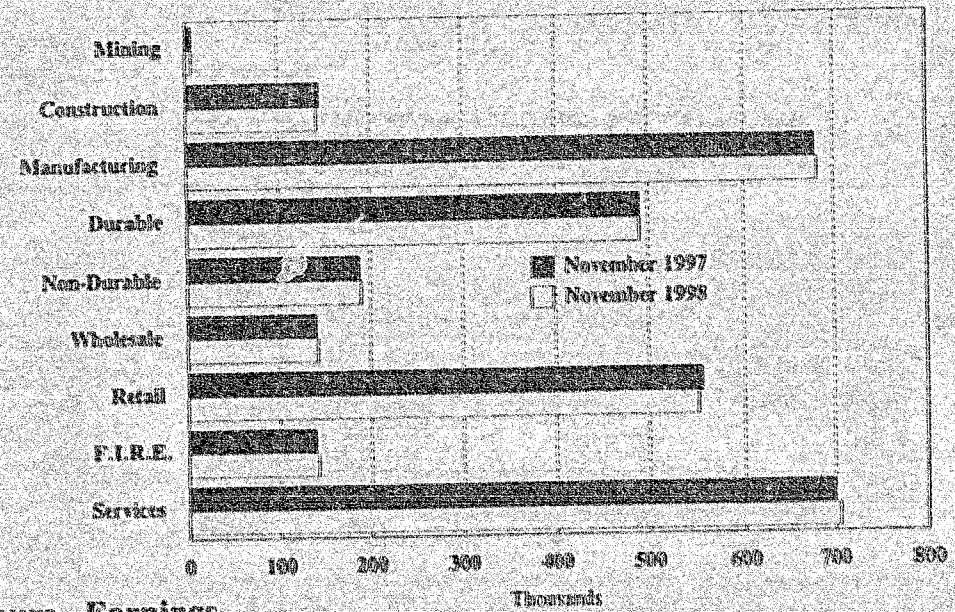
The Regional Employment Situation

TOTAL PERSONS EMPLOYED	NOVEMBER 1997	NOVEMBER 1998	NUMBER CHANGE	% CHANGE	RANK IN US
INDIANA	3,015,086	3,039,993	24,907	0.8%	37
Illinois	5,901,272	5,926,984	25,712	0.4%	43
Kentucky	1,858,443	1,877,618	19,175	1.0%	31
Michigan	4,839,354	4,936,034	96,680	2.0%	18
Ohio	5,549,725	5,602,108	52,383	0.9%	34
United States	130,999,000	132,577,000	1,578,000	1.2%	N/A



Indiana's Non-Ag Employment

Total Non-Ag Employment in November 1998 was 2,923,600, up 0.4% since the same month a year ago.



Employment - Hours - Earnings (Not seasonally adjusted)

Metropolitan Statistical Areas (MSAs) in Indiana

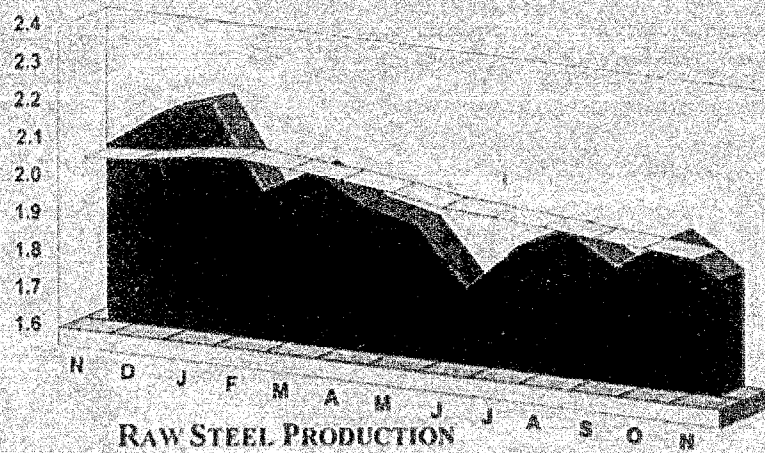
NON-AG WAGE & SALARIED EMPLOYMENT	NOVEMBER 1997	NOVEMBER 1998	CHANGE	
			NUMBER	PERCENT
Bloomington MSA	67,200	65,900	-1,300	-1.9%
Elkhart-Goshen MSA	116,700	118,100	1,400	1.2%
Evansville MSA	155,300	156,300	800	0.5%
Fort Wayne MSA	271,300	272,700	1,400	0.5%
Gary MSA	266,000	269,400	3,400	1.3%
Indianapolis MSA	844,400	867,400	23,000	2.7%
Kokomo MSA	53,400	54,800	1,400	2.6%
Lafayette MSA	95,600	97,100	1,500	1.6%
Muncie MSA	61,600	61,500	-100	-0.2%
New Albany Area*	89,000	90,400	1,400	1.6%
South Bend MSA	134,700	137,500	2,800	2.1%
Terre Haute MSA	69,700	68,600	-1,100	-1.6%

MANUFACTURING	EMPLOYMENT	AVERAGE WEEKLY HOURS	AVERAGE HOURLY EARNINGS	AVERAGE WEEKLY EARNINGS
NOVEMBER 1998				
Bloomington MSA	9,300	40.7	\$12.01	\$488.81
Elkhart-Goshen MSA	59,400	39.2	\$12.72	\$498.62
Evansville MSA	31,800	43.7	\$14.12	\$617.04
Fort Wayne MSA	75,100	41.6	\$15.23	\$633.57
Gary MSA	49,300	41.5	\$18.51	\$768.17
Indianapolis MSA	129,800	41.4	\$15.34	\$665.76
Kokomo MSA	21,300	51.4	\$21.46	\$1,103.04
Lafayette MSA	22,200	43.2	\$15.59	\$686.45
Muncie MSA	9,700	45.0	\$14.40	\$648.00
New Albany Area*	19,800	43.5	\$12.98	\$564.63
South Bend MSA	22,900	41.7	\$12.65	\$527.51
Terre Haute MSA	12,300	47.2	\$14.12	\$666.46

*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 action provided by the Indiana Department of Workforce Development.

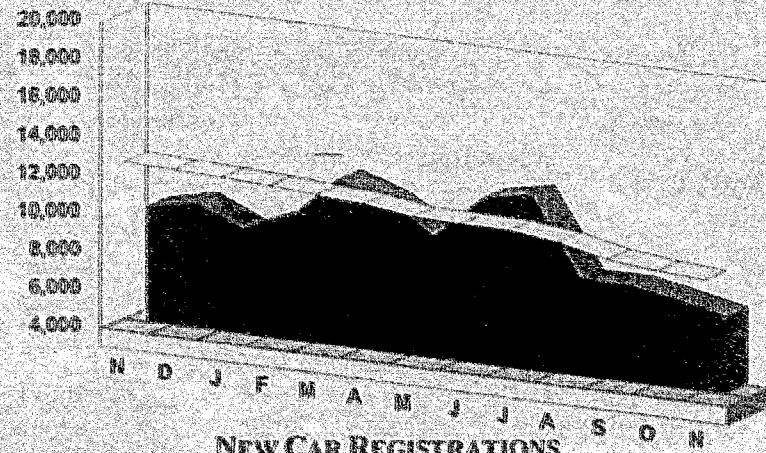
CURRENT TRENDS IN INDIANA'S ECONOMY

November 1997—November 1998



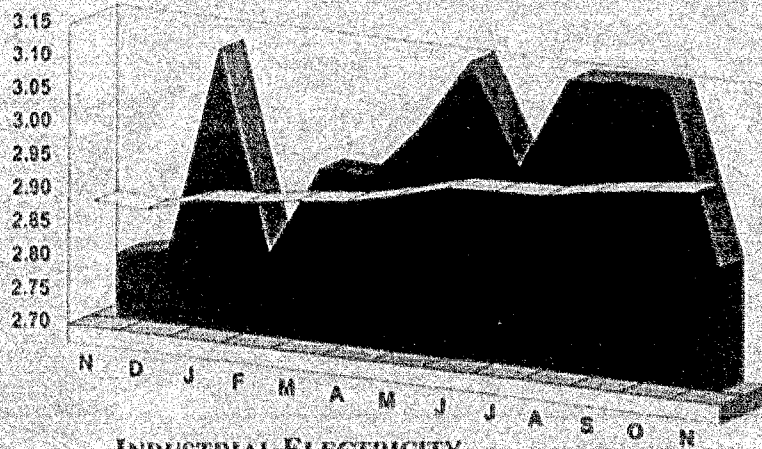
RAW STEEL PRODUCTION

American Iron and Steel Institute
 Year to date: 21.8 million net tons
 12-month total: 24.0 million net tons
 Peak month: January 1998



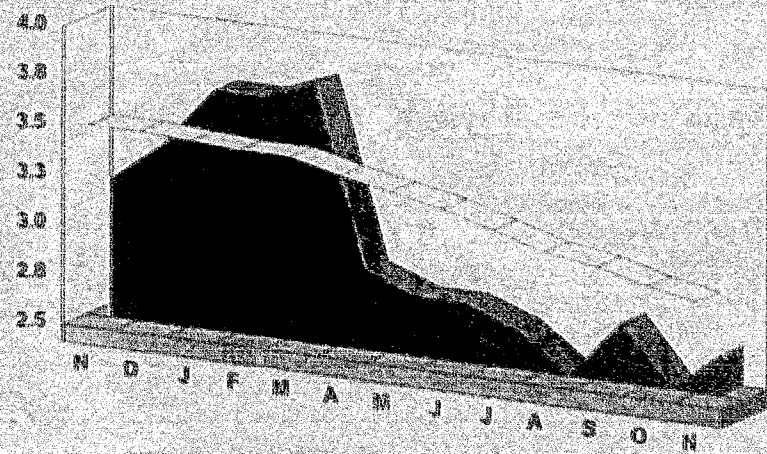
NEW CAR REGISTRATIONS

R.L. Polk and Company
 Year to date: 116,034
 12-month total: 126,611
 Peak month: May 1998



INDUSTRIAL ELECTRICITY SALES (BILLIONS)

The 5 investor owned utilities
 Year to date: 31.4 billion kwh
 12-month total: 36.2 billion kwh
 Peak month: June 1998



UNEMPLOYMENT RATE

Indiana Department of Workforce Dev.
 Peak month: February 1998

Moving Average

Peak = since 1992

Monthly

(continued from page 1)

When the data are disaggregated to the next level of detail, Figure 2 tells the rest of the story. Health services dominate in employment and payroll. Eating and drinking places are the most numerous. But it is the 18 blast furnaces and steel mills that get top honors in employees per establishment.

If we want to find the highest annual payrolls per employee in Indiana, it is not surprisingly in investment offices, and among security brokers and dealers as well as in the elite of sports. Apparently if you're not in bonds, baskets are a pretty good substitute. [note I did not say stocks and jocks]

-mj/m

Figure 2. 1996 County Business Patterns for Indiana

Top Ten Industries Plus	Number of Employees	Annual payroll (\$1,000)	Total Number of Establishments	Employees per Establishment	Payroll per Employee (\$)
Health services	252,306	6,816,043	9,424	27	27,015
Eating and drinking places	195,906	1,601,654	10,495	19	8,176
Business services	118,995	2,370,504	6,717	18	19,921
Transportation equipment	109,388	4,423,816	516	212	40,442
Wholesale trade - durable goods	81,686	2,692,755	7,094	12	32,965
Special trade contractors	80,949	2,418,883	9,947	8	30,218
Food stores	74,369	886,441	2,948	25	11,919
Primary metal industries	68,532	3,096,979	334	205	45,177
Fabricated metal products	66,671	2,142,672	1,148	58	32,138
Industrial machinery and equipment	65,124	2,283,544	1,797	36	35,065
Blast furnaces and steel mills	30,583	1,635,058	18	1,699	53,463
Investment offices	70	15,497	11	6	221,386
Sports clubs, managers, and promoters	828	105,491	43	19	127,405
Commercial sports	2,172	149,758	122	18	68,949
Security brokers and dealers	3,653	239,236	407	9	65,490

Note: Sports clubs, managers, and promoters are a subset of commercial sports which also includes nursing operations. These data and others can be found on our STATS Indiana website: www.hupad.edu/indiana/stats

Support for this publication is provided by the Indiana Department of Commerce and the State of Indiana. Web address: <http://www.in.gov/indstate>. The IBERC is a partner in the Indiana Data Center Program with the Indiana State Library, Dept. of Commerce and U.S. Census Bureau. IBERC staff: Terry Church, managing editor; Morton J. Marcus and Carol O. Rogers, contributors; and Deborah Heitdry, Information Specialist.

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