

INDIANA BUSINESS REVIEW UPDATE



A MONTHLY OVERVIEW
OF ECONOMIC TRENDS

INDIANA BUSINESS RESEARCH CENTER
INDIANA UNIVERSITY
KELLEY SCHOOL OF BUSINESS

INDIANA METRO AREAS IN A MIDWESTERN PERSPECTIVE

MARCH 1999, VOLUME 74, NUMBER 3

Eleven of the 55 Midwestern Metropolitan Statistical Areas are located in Indiana. The remaining 44 are found in Ohio (12), Michigan (9), Kentucky (3), Illinois (9), and Wisconsin (11). As a group, their employment increased by 1.6% between November of 1997 and the same month in 1998. Indiana did not keep pace, however, showing an increase of 1.3% (see table 1).

The Hoosier state declined in both manufacturing and retail employment, while no major sector declined in the six state area. Indiana did out-perform the wider area in transportation & public utilities, in finance, insurance and real estate (FIRE), as well as in the government sector.

Of Indiana's metro areas, Kokomo showed the greatest percent increase in jobs (2.6%), good enough to rank 7th among the 55 Midwestern areas. Kenosha (WI) led the pack with a 4.5% increase. Bloomington and Terre Haute ranked 50th and 53rd respectively (see table 2, page 4).

Kenosha also led in percent increases for transportation & public utilities, services, and government. Eau Claire (WI) had the largest percent increase in manufacturing and Wausau (WI) held first place in wholesale trade. Detroit (MI) was the retail leader while Bloomington-Normal (IL) was out in front in FIRE, followed closely by Lafayette. Indiana was in the top 10 in three industries: FIRE, services and government.

Metropolitan areas, more than states, are the prime economic competitors of our times. Therefore, we should have some concern that neither Evansville nor Gary ranked in the top ten regionally in any of the sectors under consideration. Of the remaining nine Indiana MSAs, two were in the top 10 three times, four managed to be in the top ten twice while the other three achieved that status only once. It is a competition that deserves on going attention.

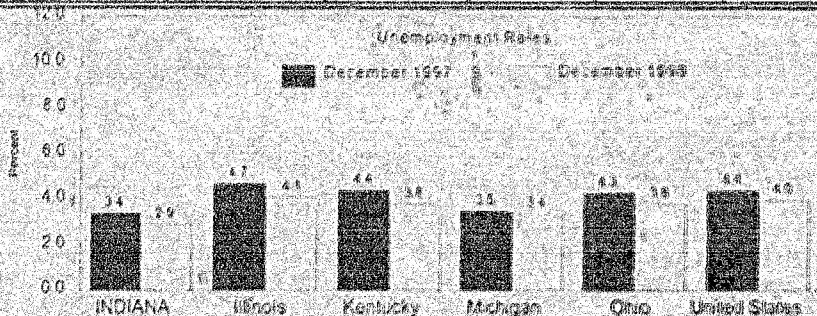
-mjm

Table 1. Employment in Metro Areas of Six Midwestern States
(Thousands of Jobs)

Sectors	Total: 55 MSAs			Indiana: 11 MSAs		
	Nov. 1998	Change from a year earlier (number)	Percent	Nov. 1998	Change from a year earlier (number)	Percent
Total Nonfarm	1,8942.1	297.1	1.6	2,164.5	28.5	1.3
Manufacturing	3,551.9	2.6	0.1	439.9	-1.2	-0.3
Transportation and Public Utilities	918.2	5.7	0.6	107.6	0.9	0.8
Wholesale Trade	1,070.6	16.7	1.6	117.1	1.7	1.5
Retail Trade	3,424.7	42.1	1.2	414.7	-0.1	0.0
Finance, Insurance, and Real Estate	1,122.3	25.4	2.3	119.7	3.7	3.2
Services	5,426.7	144.9	2.7	555.8	14.8	2.7
Government	2,562.6	28.9	1.1	286.8	5.4	1.9

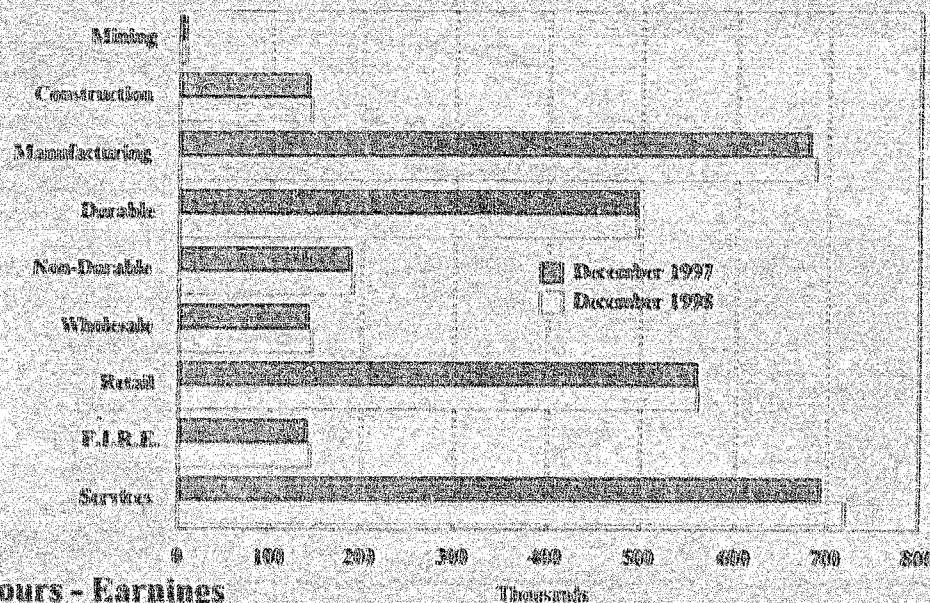
The Regional Employment Situation

TOTAL PERSONS EMPLOYED	DECEMBER 1997	DECEMBER 1998	NUMBER CHANGE	% CHANGE	RANK IN US
INDIANA	2,989,266	3,026,383	37,117	1.2%	29
Illinois	5,875,905	5,930,117	54,212	0.9%	35
Kentucky	1,750,155	1,877,469	127,314	1.5%	23
Michigan	4,126,833	4,400,493	273,660	1.5%	21
Ohio	5,534,797	5,569,996	35,199	0.6%	43
United States	110,785,000	112,732,000	1,947,000	1.5%	N/A



Indiana's Non-Ag Employment

Total Non-Ag Employment in December 1998 was 2,971,200, up 2.0% since the same month a year ago.



Employment - Hours - Earnings

(Not seasonally adjusted)

Metropolitan Statistical Areas (MSAs) in Indiana

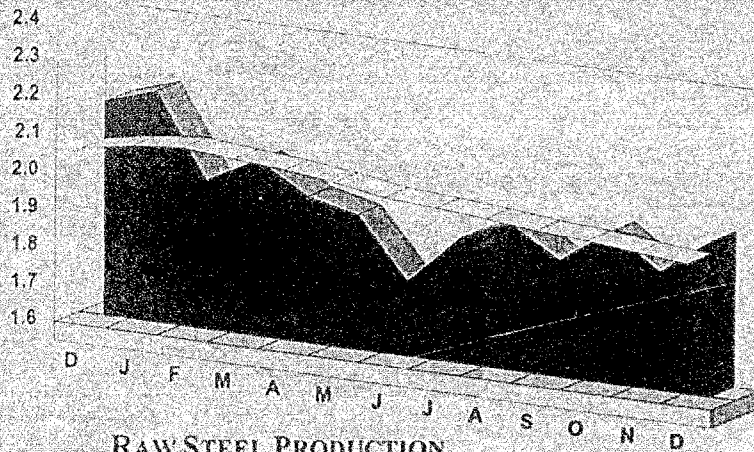
NON-AG WAGE & SALARIED EMPLOYMENT	DECEMBER 1997	DECEMBER 1998	CHANGE	
			NUMBER	PERCENT
Bloomington MSA	67,100	66,600	-500	-0.7%
Elkhart-Goshen MSA	118,300	122,000	3,700	4.0%
Evansville MSA	156,600	160,600	4,000	2.6%
Fort Wayne MSA	274,700	277,400	2,700	1.0%
Gary MSA	270,500	275,400	4,900	1.8%
Indianapolis MSA	850,800	866,900	16,100	1.9%
Kokomo MSA	51,900	53,700	1,800	3.5%
Lafayette MSA	95,300	97,100	1,800	1.9%
Muncie MSA	61,700	61,700	0	0.0%
New Albany Area*	88,400	92,300	3,900	4.4%
South Bend MSA	138,100	139,400	1,300	0.9%
Terre Haute MSA	68,100	68,800	700	1.0%

MANUFACTURING DECEMBER 1998	EMPLOYMENT	AVERAGE WEEKLY	AVERAGE HOURLY	AVERAGE WEEKLY
		HOURS	EARNINGS	EARNINGS
Bloomington MSA	9,300	30.7	\$12.04	\$490.03
Elkhart-Goshen MSA	61,700	40.4	\$12.52	\$505.81
Evansville MSA	33,700	44.3	\$14.35	\$635.70
Fort Wayne MSA	73,700	41.8	\$14.97	\$625.75
Gary MSA	30,400	44.4	\$19.18	\$851.59
Indianapolis MSA	129,600	44.3	\$15.55	\$628.67
Kokomo MSA	20,800	50.3	\$21.90	\$1,101.57
Lafayette MSA	22,400	45.2	\$15.85	\$716.42
Muncie MSA	10,400	45.5	\$14.86	\$676.13
New Albany Area*	19,600	44.9	\$13.04	\$585.50
South Bend MSA	22,600	41.5	\$12.47	\$517.51
Terre Haute MSA	12,000	45.6	\$14.70	\$670.32

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

CURRENT TRENDS IN INDIANA'S ECONOMY

December 1997—December 1998



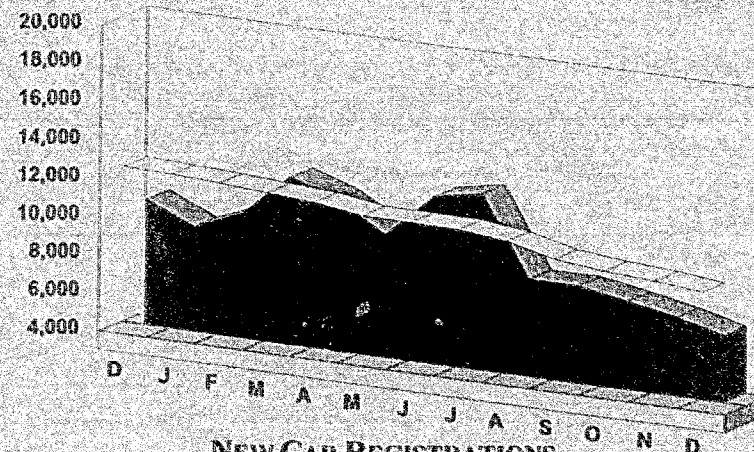
RAW STEEL PRODUCTION

American Iron and Steel Institute

Year to date: 23.8 million net tons

12-month total: 23.8 million net tons

Peak month: January 1998



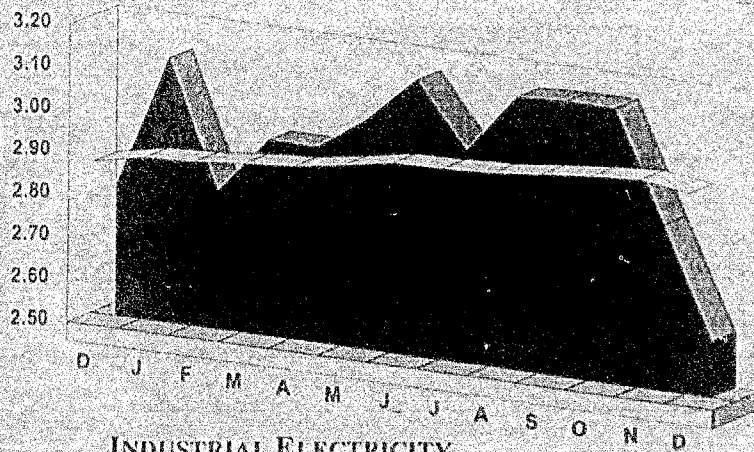
NEW CAR REGISTRATIONS

R.L. Polk and Company

Year to date: 123,548

12-month total: 123,548

Peak month: May 1998



INDUSTRIAL ELECTRICITY

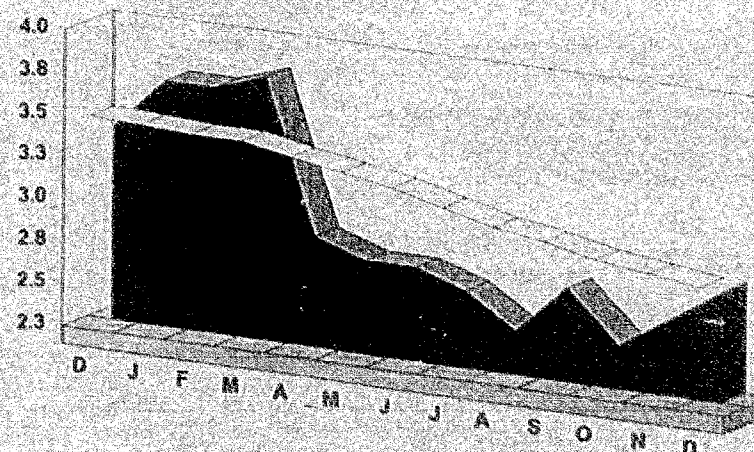
SALES (BILLIONS)

The 5 investor owned utilities

Year to date: 36.0 billion kwh

12-month total: 36.0 billion kwh

Peak month: June 1998



UNEMPLOYMENT RATE

Indiana Department of Workforce Dev.

Peak month: February 1998

Moving Average

Peak = since 1992

Monthly



