

INDIANA BUSINESS REVIEW UPDATE



A MONTHLY OVERVIEW OF ECONOMIC TRENDS

INDIANA BUSINESS RESEARCH CENTER
INDIANA UNIVERSITY
KELLEY SCHOOL OF BUSINESS

AUGUST 1999, VOLUME 74, NUMBER 8

THE HOOSIER ELEVEN

Indiana has eleven metropolitan statistical areas (MSAs) that include 31 counties (see figure 1). These areas range from Indianapolis' nine counties to single county areas for Bloomington, Muncie, Elkhart, and South Bend. However, these eleven areas do not include the four Indiana counties that are part of the Louisville MSA nor the two Hoosier counties in the Cincinnati MSA. In total, 37 Indiana counties are considered metropolitan by the federal government.

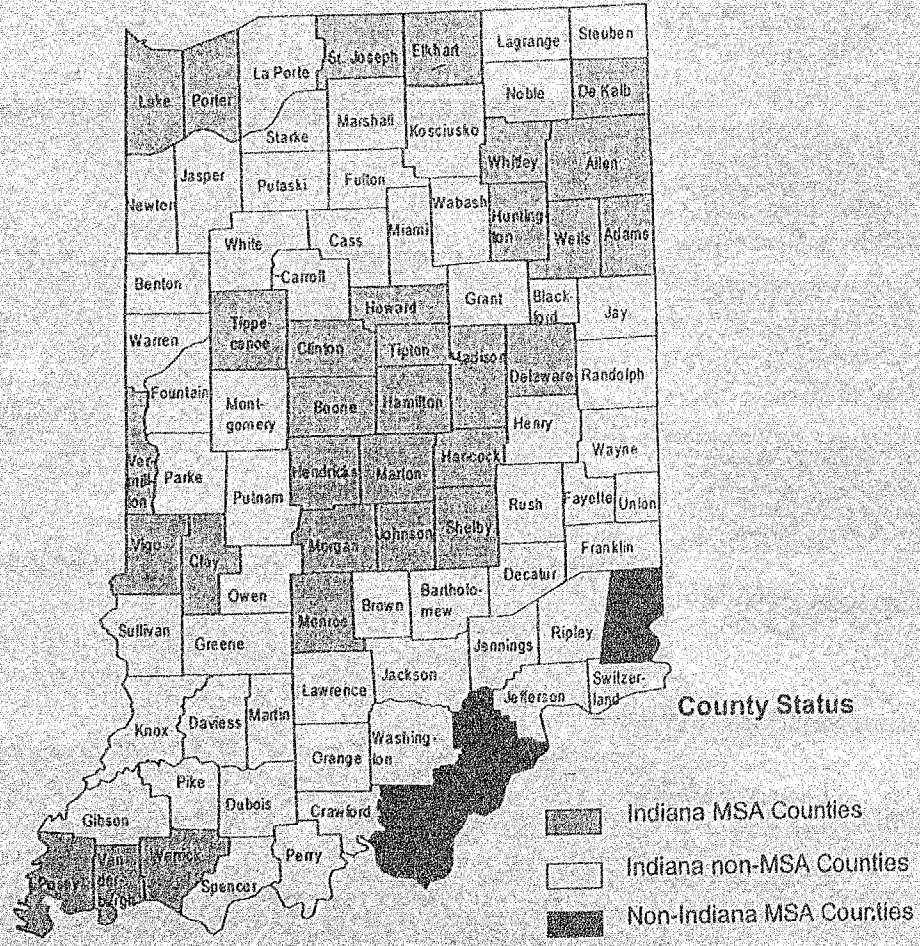
Over the past year (May 1998 to May 1999), total non-farm employment in all 273 of the nation's metro areas has grown by 2%. Only the Evansville (2.8%) and Lafayette (2.3%) MSAs have equaled that national rate (see figure 2).

Manufacturing is more important in all Hoosier metro areas than it is nationally and Elkhart-Goshen leads the way with more than half its employment in that sector. Seven of Indiana's metro areas showed stronger employment growth in manufacturing than in the U.S. at large. As it has for some time, Indiana is moving contrary to national trends in manufacturing.

Compared to the nation, retail trade jobs are of more consequence in all Hoosier metro areas except Fort Wayne and Elkhart-Goshen. But only in the Evansville metro area did any of our MSAs grow faster than the nation's metro areas as a group.

The Indianapolis MSA exceeds the national figure for percent of employment in finance, insurance, and real estate (7.5% vs 6.4%). But seven of our MSAs topped the nation's 2.5% increase in jobs for this sector. Elkhart-Goshen and Evansville each gained more than 7% during the May to May period of 1998-99.

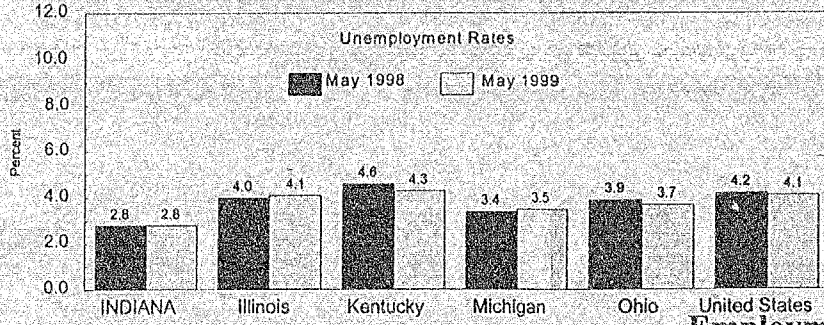
Figure 1. Indiana's Eleven Metropolitan Statistical Areas (MSAs)



(continued on page 4)

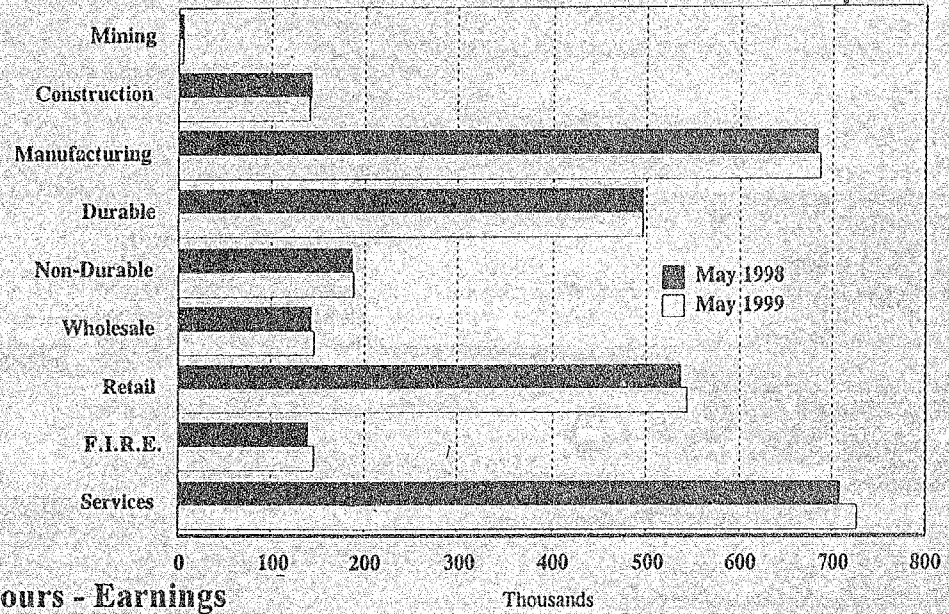
The Regional Employment Situation

TOTAL PERSONS EMPLOYED	MAY 1998	MAY 1999	NUMBER CHANGE	% CHANGE	RANK IN US
INDIANA	3,002,384	3,034,325	31,941	1.1%	39
Illinois	5,933,293	6,042,984	109,691	1.8%	28
Kentucky	1,838,820	1,876,028	37,208	2.0%	26
Michigan	4,862,075	4,903,248	41,173	0.8%	41
Ohio	5,417,597	5,595,035	177,438	3.3%	12
United States	131,476,000	133,411,000	1,935,000	1.5%	N/A



Indiana's Non-Ag Employment

Total Non-Ag Employment in May 1999 was 2,966,100, up 0.7% from the same month a year ago.



Employment - Hours - Earnings (Not seasonally adjusted)

Metropolitan Statistical Areas (MSAs) in Indiana

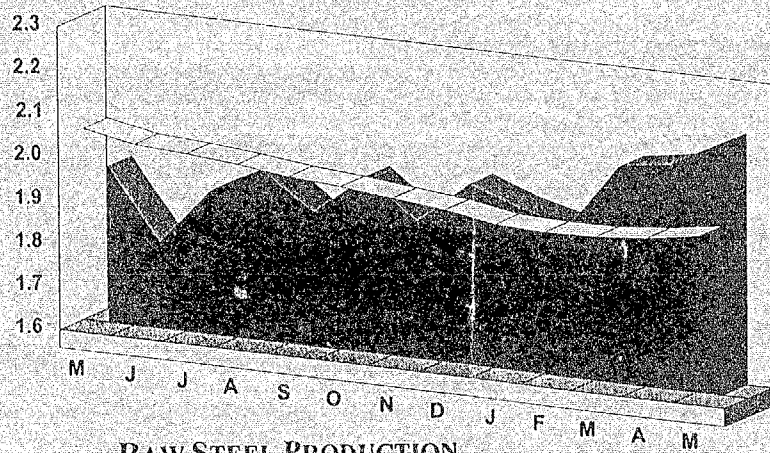
NON-AG WAGE & SALARIED EMPLOYMENT	MAY 1998	MAY 1999	CHANGE	
			NUMBER	PERCENT
Bloomington MSA	54,100	61,600	-2,500	-3.90%
Elkhart-Goshen MSA	122,000	124,300	2,300	1.89%
Evansville MSA	156,200	160,300	4,100	2.62%
Fort Wayne MSA	275,800	277,300	1,500	0.54%
Gary MSA	272,500	274,300	1,800	0.66%
Indianapolis MSA	854,000	869,300	15,300	1.79%
Kokomo MSA	53,300	53,100	-200	-0.38%
Lafayette MSA	92,600	94,600	2,000	2.16%
Muncie MSA	60,600	61,400	800	1.32%
New Albany Area*	90,300	90,000	-300	-0.33%
South Bend MSA	136,600	138,700	2,100	1.54%
Terre Haute MSA	67,000	68,000	1,000	1.49%

MANUFACTURING MAY 1999	EMPLOYMENT	AVERAGE WEEKLY HOURS	AVERAGE HOURLY EARNINGS	AVERAGE WEEKLY EARNINGS
Elkhart-Goshen MSA	63,500	40	\$12.69	\$508.87
Evansville MSA	33,700	44	\$14.65	\$649.00
Fort Wayne MSA	75,000	40	\$15.54	\$618.49
Gary MSA	49,500	43	\$19.41	\$838.51
Indianapolis MSA	129,800	44	\$15.55	\$688.87
Kokomo MSA	20,400	48	\$23.05	\$1,115.62
Lafayette MSA	22,500	42	\$15.84	\$660.53
Muncie MSA	10,700	46	\$14.94	\$679.77
New Albany Area*	19,300	44	\$13.07	\$579.00
South Bend MSA	22,400	41	\$12.55	\$513.30
Terre Haute MSA	12,000	44	\$14.40	\$635.04

*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.

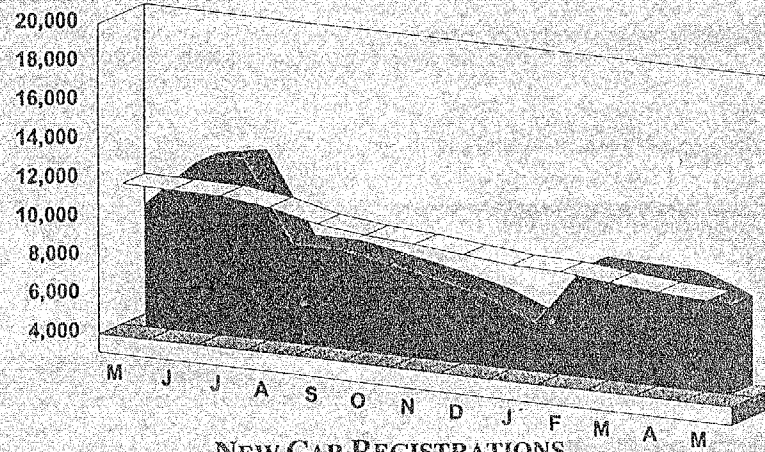
Current Trends in Indiana's Economy

May 1998 – May 1999



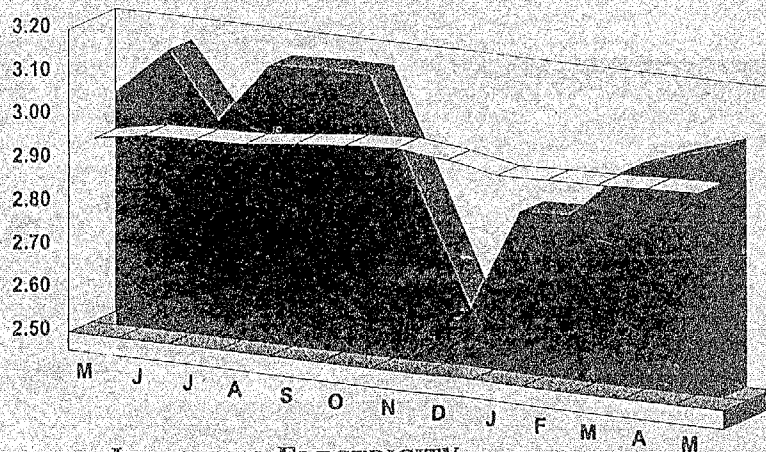
RAW STEEL PRODUCTION

American Iron and Steel Institute
 Year to date: 10.3 million net tons
 12-month total: 23.9 million net tons
 Peak month: January 1998



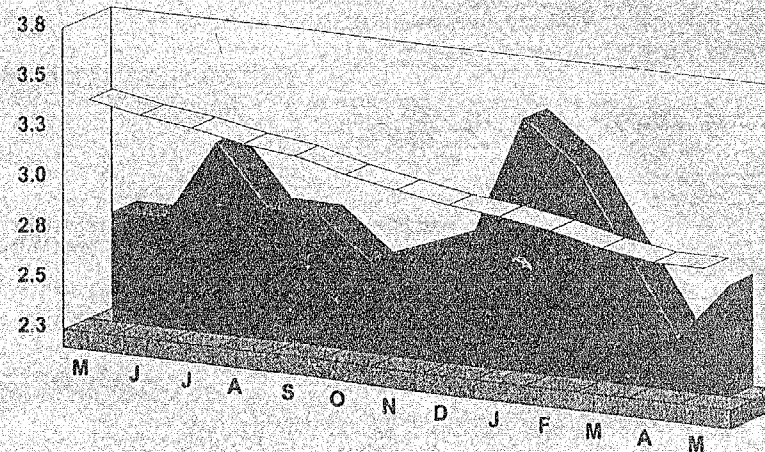
NEW CAR REGISTRATIONS

R.L. Polk and Company
 Year to date: 44,037
 12-month total: 112,513
 Peak month: May 1996



INDUSTRIAL ELECTRICITY SALES (BILLIONS)

The 5 investor owned utilities
 Year to date: 14.9 billion kwh
 12-month total: 35.9 billion kwh
 Peak month: June 1998



UNEMPLOYMENT RATE

Indiana Department of Workforce Dev.
 Peak month: February 1994

Moving Average



Peak = since 1994

Monthly



