

INDIANA BUSINESS REVIEW UPDATE



A MONTHLY OVERVIEW OF ECONOMIC TRENDS

INDIANA BUSINESS RESEARCH CENTER
INDIANA UNIVERSITY
KELLEY SCHOOL OF BUSINESS

URBAN SPRAWL CONTINUES

Between 1990 and 1998, 68.1% of Indiana's population growth occurred in rural areas. While the state added 355,000 persons (a 6.4% increase), the cities and towns of Indiana grew by 113,300 (3.2%) and the rural areas by 241,700 (12.3%). Where the rural areas represented 35.4% of the state in 1990, that share rose to 37.4% by 1998.

The distinction between urban and rural is never clear. As used here, the urban population means people living in cities and towns. Rural is all other residential areas. Marion County is entirely urban according to this definition, even though many persons live in less densely settled areas than those who reside in some of the unincorporated places of the state.

Brown County is the most rural county in Indiana, with 94% of its population living outside any city or town. But many residents of Brown County work, shop, worship, and play in urban Indianapolis, Columbus, and Bloomington. The same observation may be made for Lagrange, Harrison, Owen, and Switzerland counties, which all top 80% rural (see figure 1).

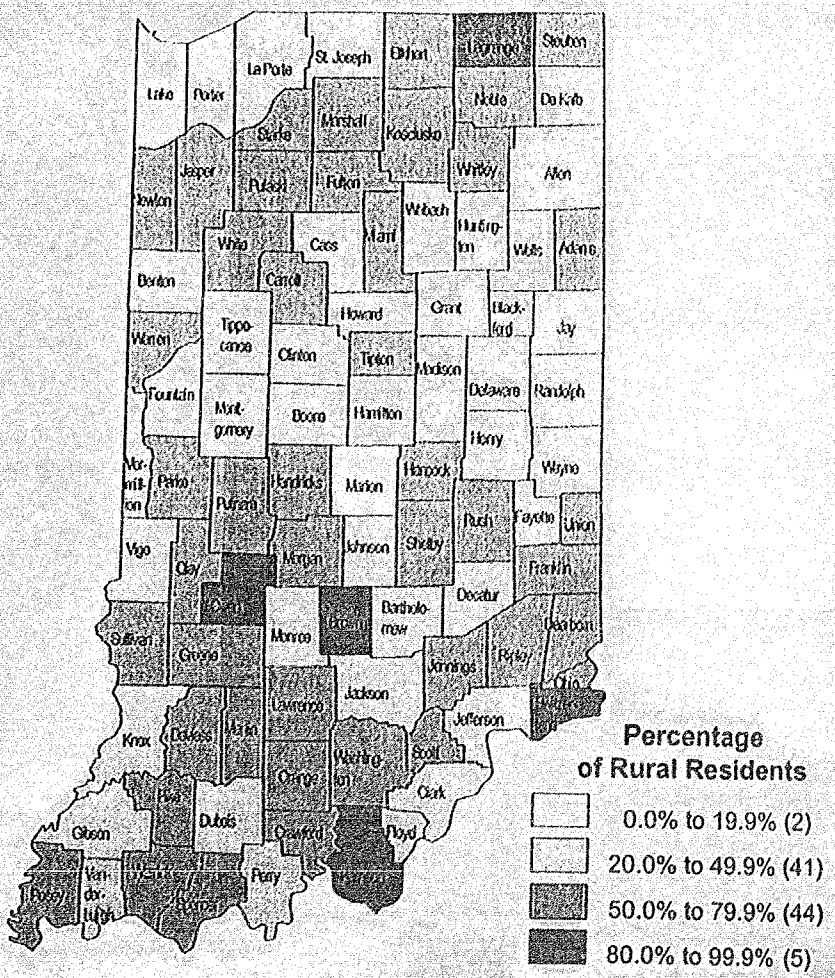
Indiana had 49 counties with 50% or more of their residents living in rural areas in 1998. Only two counties had less than 20% rural population (Marion at 0% and Lake at 8.4%).

As noted above, 68.1% of the state's growth was in rural areas. There were 72 counties, however, with 50% or more of their growth in rural areas. In 24 of those counties, rural growth offset urban decline, while in 48 counties rural growth exceeded urban growth (see figure 2).

In only ten counties did the growth of urban areas exceed rural additions to the population. Marion County with no rural areas naturally showed no change in rural population, although it had a growth of more than 16,200 in its urban population.

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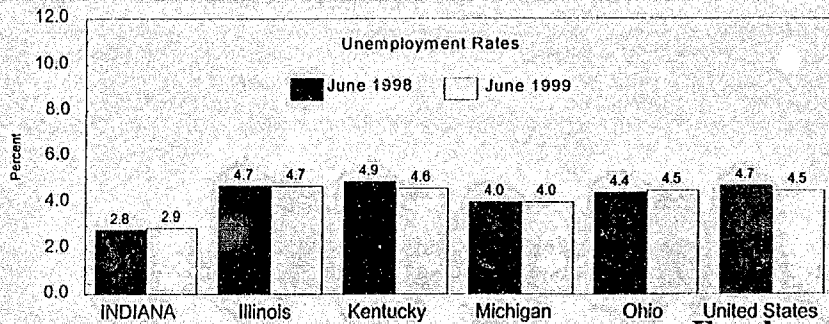
Figure 1. Rural percent of population, Indiana counties, 1998



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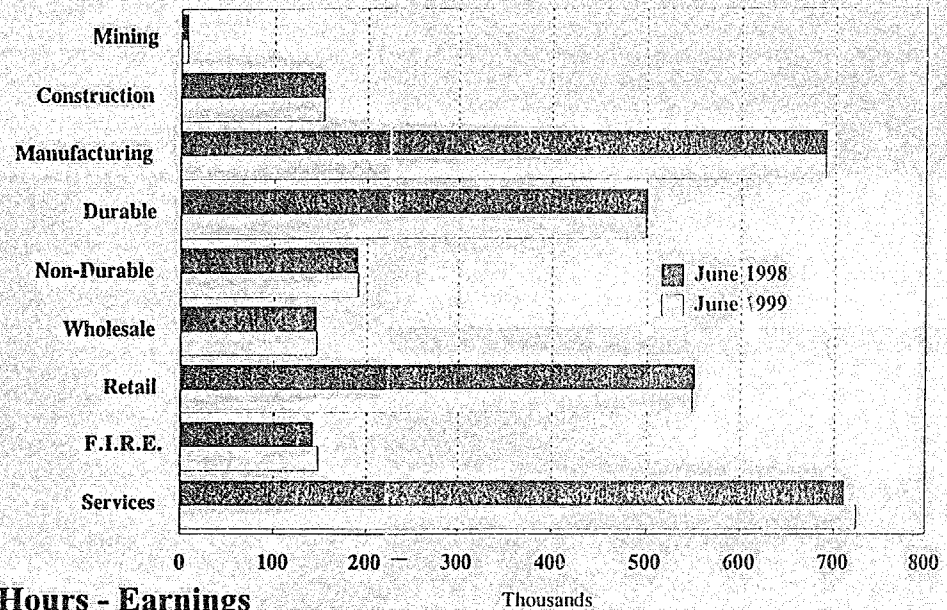
The Regional Employment Situation

TOTAL PERSONS EMPLOYED	JUNE 1998	JUNE 1999	NUMBER CHANGE	% CHANGE	RANK IN US
INDIANA	3,030,775	3,055,515	24,740	0.8%	39
Illinois	6,012,103	6,136,220	124,117	2.1%	25
Kentucky	1,865,556	1,905,030	39,474	2.1%	20
Michigan	4,898,275	4,949,147	50,872	1.0%	37
Ohio	5,466,471	5,637,114	170,643	3.1%	13
United States	132,265,000	134,395,000	2,130,000	1.6%	N/A



Indiana's Non-Ag Employment

Total Non-Ag Employment in June 1999 was 2,958,300, up 0.8% from the same month a year ago.



Employment - Hours - Earnings
(Not seasonally adjusted)

Metropolitan Statistical Areas (MSAs) in Indiana

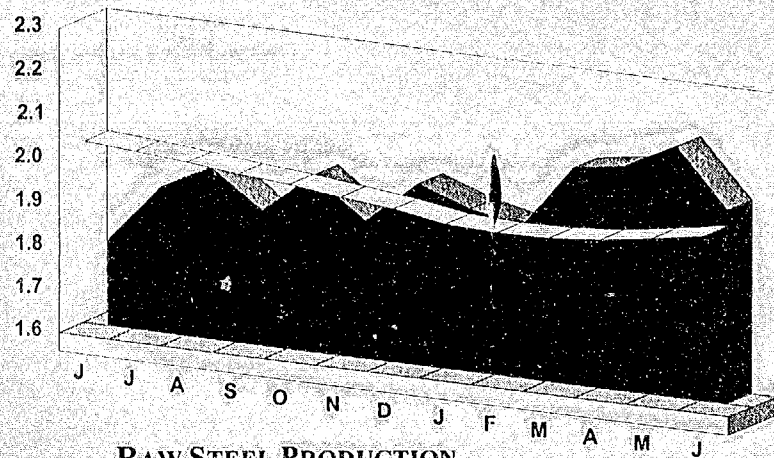
NON-AG WAGE & SALARIED EMPLOYMENT	JUNE 1998	JUNE 1999	CHANGE	
			NUMBER	PERCENT
Bloomington MSA	61,400	60,600	-800	-1.3%
Elkhart-Goshen MSA	122,300	125,100	2,800	2.3%
Evansville MSA	155,600	159,900	4,300	2.8%
Fort Wayne MSA	275,800	276,500	700	0.3%
Gary MSA	274,300	275,000	700	0.3%
Indianapolis MSA	856,600	870,700	14,100	1.6%
Kokomo MSA	52,200	53,100	900	1.7%
Lafayette MSA	89,300	91,500	2,200	2.5%
Muncie MSA	56,800	59,600	2,800	4.9%
New Albany Area*	90,800	89,800	-1,000	-1.1%
South Bend MSA	137,500	138,500	1,000	0.7%
Terre Haute MSA	65,900	66,600	700	1.1%

MANUFACTURING	JUNE 1999 EMPLOYMENT	AVERAGE WEEKLY HOURS	AVERAGE HOURLY EARNINGS	AVERAGE WEEKLY EARNINGS
Bloomington MSA	9,200	41	\$12.59	\$512.41
Elkhart-Goshen MSA	64,100	41	\$12.89	\$525.91
Evansville MSA	34,000	44	\$14.51	\$641.34
Fort Wayne MSA	75,100	40	\$15.57	\$618.13
Gary MSA	49,500	43	\$19.73	\$852.34
Indianapolis MSA	130,800	44	\$15.55	\$688.87
Kokomo MSA	20,800	48	\$23.19	\$1,106.16
Lafayette MSA	22,400	42	\$15.77	\$668.65
Muncie MSA	10,800	46	\$14.98	\$683.09
New Albany Area*	19,200	44	\$12.94	\$569.36
South Bend MSA	22,600	41	\$12.53	\$514.98
Terre Haute MSA	12,000	44	\$13.77	\$612.77

*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.

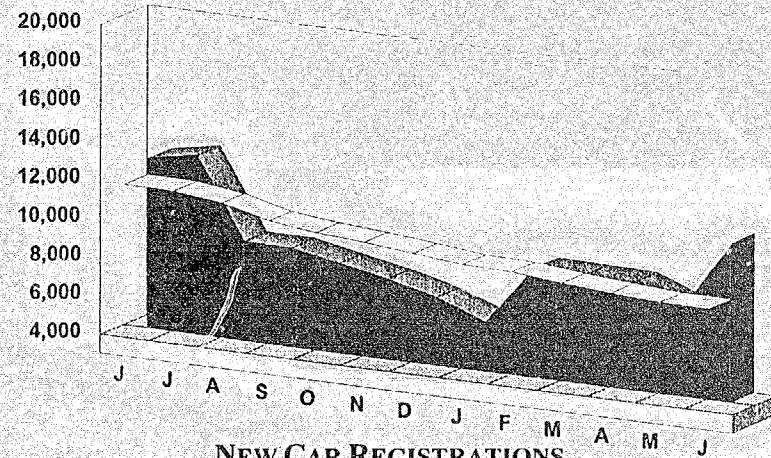
Current Trends in Indiana's Economy

June 1998 – June 1999



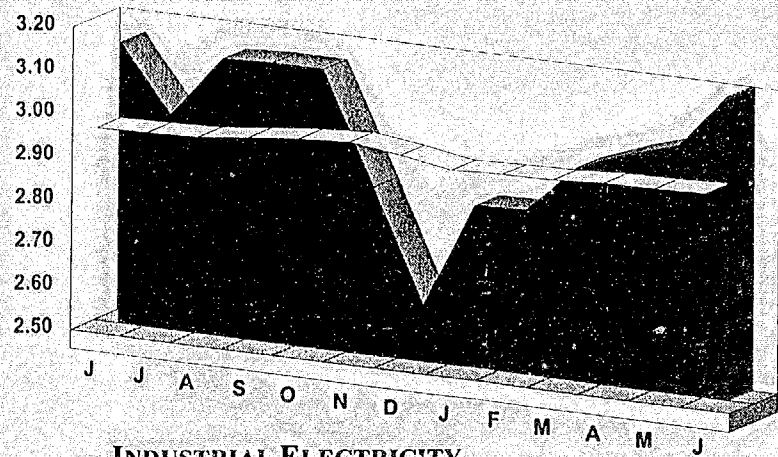
RAW STEEL PRODUCTION

American Iron and Steel Institute
Year to date: 12.4 million net tons
12-month total: 24.2 million net tons
Peak month: January 1998



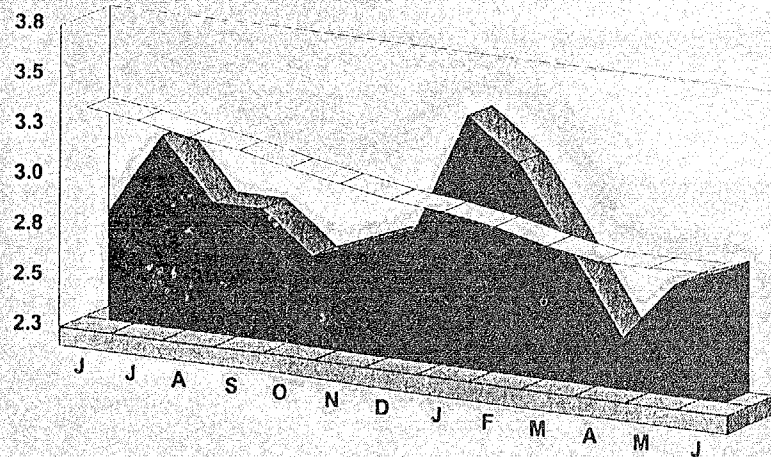
NEW CAR REGISTRATIONS

R.L. Polk and Company
Year to date: 56,255
12-month total: 111,983
Peak month: May 1996



INDUSTRIAL ELECTRICITY SALES (BILLIONS)

The 5 investor owned utilities
Year to date: 18.1 billion kwh
12-month total: 36.0 billion kwh
Peak month: June 1999



UNEMPLOYMENT RATE

Indiana Department of Workforce Dev.
Peak month: February 1994

Moving Average



Peak = since 1994

Monthly



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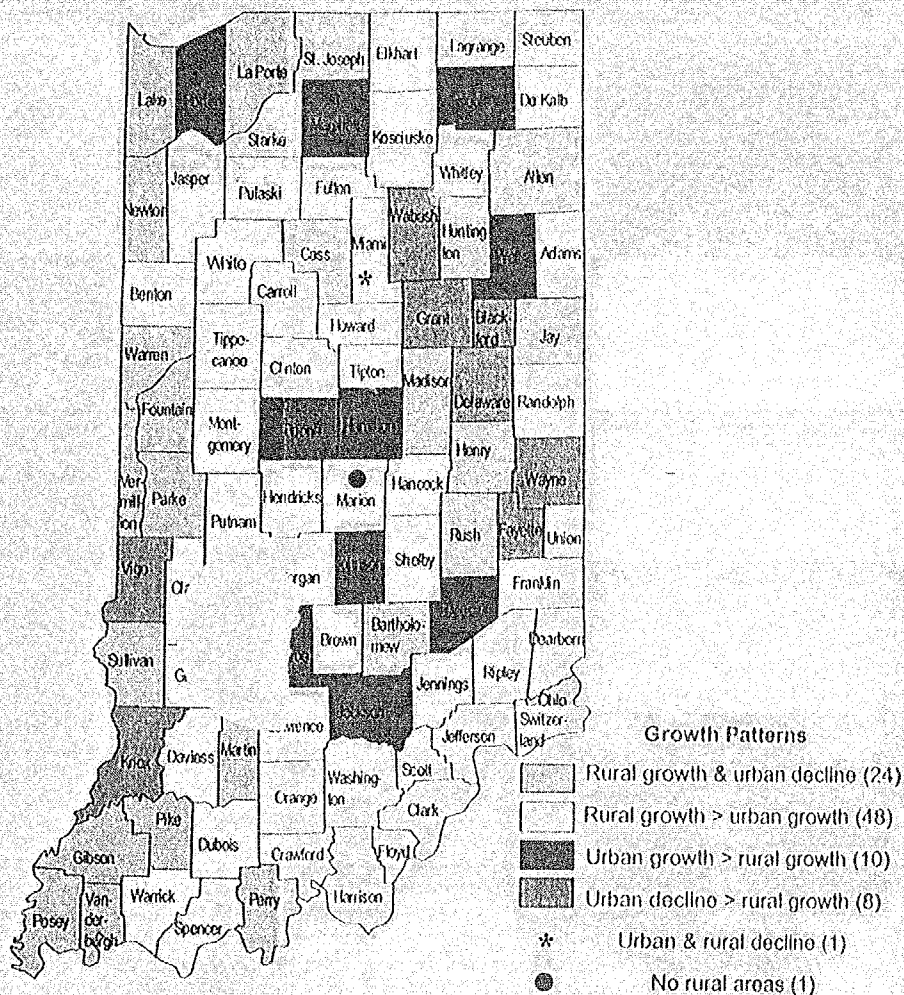
The remaining nine counties all had smaller numbers in 1998 than in 1990. In eight of these, the decline in the urban population was sufficiently large to overwhelm the growing rural population. Only Miami County showed declines in both urban and rural populations.

Hamilton County, which led the state in both rate and amount of increase in population, added 51,400 of its 53,700 new residents in urban areas.

Other counties with more urban than rural growth included Johnson, Marshall, Decatur, Jackson, and Monroe. Elkhart County led all growing counties in the disparity between rural and urban growth, adding 14,300 in rural areas and only 1,800 in its cities and towns. Porter County had the most balanced growth, adding 8,400 persons in its urban and rural areas alike.

Although it is evident that the population of Indiana continues to spread into the countryside, these data fail to reflect the true magnitude of that trend. Urban populations may grow for several reasons that are consistent with sprawl. For example, housing may be built on land in the city or town that was formerly used for agriculture. Annexations and new incorporations also add to urban populations and may even decrease rural numbers. Only with data on land use can definitive statements be made about urban sprawl.

Figure 2. Urban and rural growth patterns, Indiana counties, 1990 to 1998



Support for this publication is provided by the Indiana Department of Commerce and the State of Indiana. WEB address: <http://www.iupui.edu/iuibro>. 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 Crech, managing editor; Morton J. Marcus, contributor; and Michael Hollingsworth, graphic design. For more information visit <http://stats.indiana.edu>.

-mjm