

Region Four: West Central Indiana

The Area

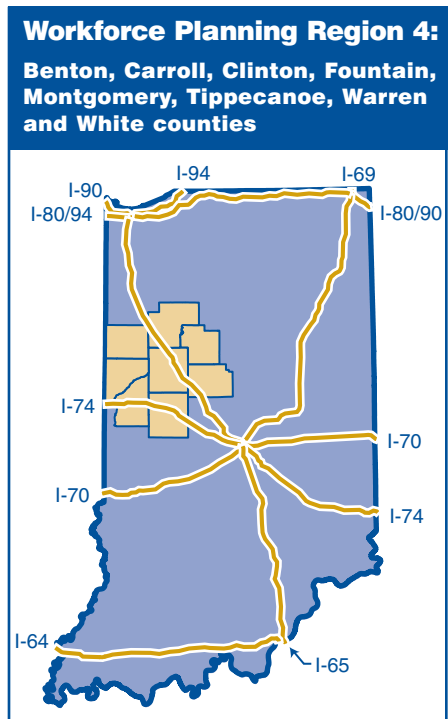
Region 4 borders Illinois, is slightly northwest of Indianapolis and is almost due south of the Chicago/Gary CMSA. It is comprised of eight counties: Benton, Carroll, Clinton, Fountain, Montgomery, Tippecanoe, Warren and White. The hub and driving influence of this region is the Lafayette Metropolitan Statistical Area (MSA), comprised of Clinton and Tippecanoe counties.

Population

By 2000, the population of Region 4 had grown to 301,676—a 10.3 percent

increase from 1990. Growth during that time was centered in Tippecanoe County (14.1%). At the other end of the spectrum, Benton County declined in population by 0.2 percent (20 people) between 1990 and 2000.

The Lafayette MSA had a total of 182,821 people, accounting for 60.1 percent of the region's population in 2000 (see Figure 1). The MSA accounted for 75.4 percent of all the population growth in Region 4, increasing by 13.2 percent during the 1990s. As the arrows in Figure 1 indicate, commuting patterns show that Tippecanoe County is also a job hub.



Industrial Mix, Jobs and Wages

This region is closely associated with Purdue University, which exerts a positive influence on the area as one of the state's largest universities and part of the Big Ten. In the 1980s, the arrival of the Subaru-Isuzu Automotive plant strengthened this region's manufacturing base. Today, a large number of well-known manufacturing businesses are in the area, including: Aluminum Co. of America; Bioanalytical Systems; Caterpillar Inc.; Eli Lilly; Fairfield Manufacturing; Great Lakes Chemical Corp; Lafayette Venetian Blind; Perry Chemical; Rohn Industries, Inc.; Staley Manufacturing; and Wabash National.

Table 1 contains data from the third quarter of 2001, comparing

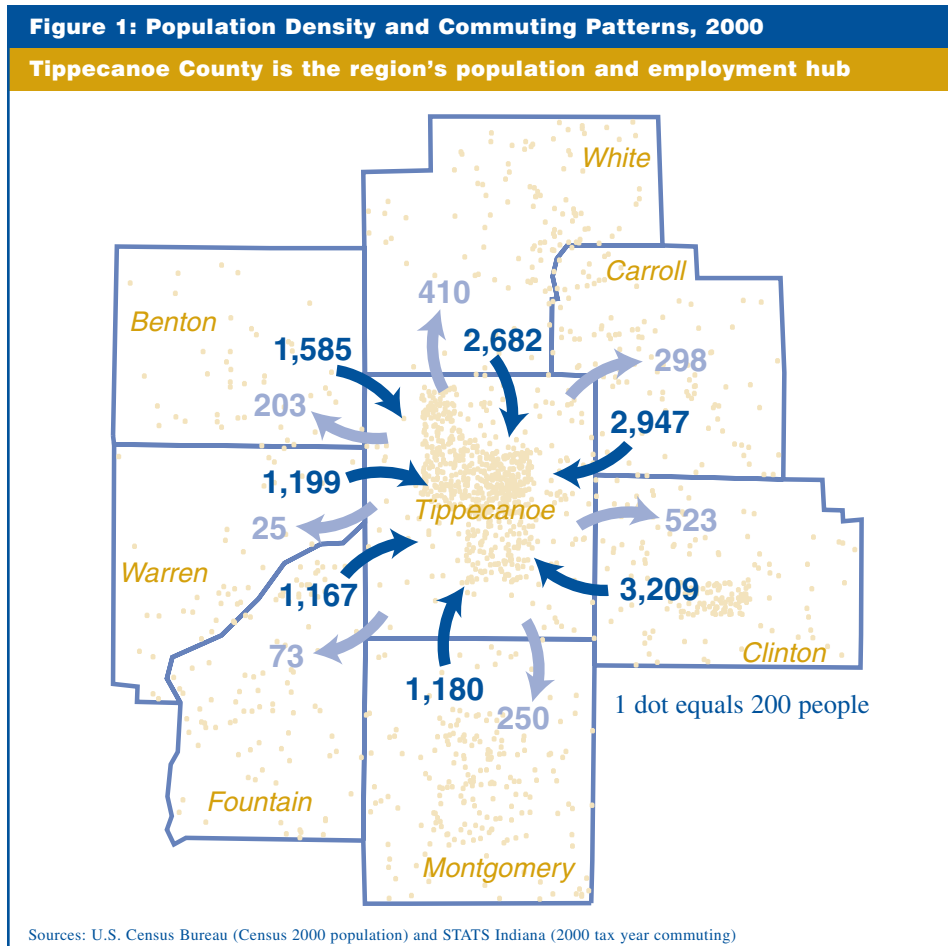


Table 1: Average Employment and Earnings for Third Quarter 2001

Industry	Employment		% of Employment		Avg. Quarterly Wage/Job	
	Indiana	Region 4	Indiana	Region 4	Indiana	Region 4
TOTAL NONFARM	2,871,974	128,850			\$7,727	\$7,165
AGRICULTURE, FORESTRY & FISHING	34,062	1,928	1.2%	1.5%	5,116	4,641
MINING*	6,743	D	0.2%	0.0%	11,583	D
CONSTRUCTION	155,098	5,480	5.4%	4.3%	9,059	7,490
MANUFACTURING	634,994	32,794	22.1%	25.5%	10,247	9,524
TRANSPORTATION AND PUBLIC UTILITIES	162,972	4,246	5.7%	3.3%	9,310	8,627
WHOLESALE TRADE	140,523	4,023	4.9%	3.1%	9,805	8,412
RETAIL TRADE	555,452	24,091	19.3%	18.7%	4,073	3,653
FINANCE, INSURANCE & REAL ESTATE	140,653	4,839	4.9%	3.8%	9,746	7,813
SERVICES	908,867	40,446	31.6%	31.4%	7,145	7,201
PUBLIC ADMINISTRATION	131,872	5,179	4.6%	4.0%	7,581	6,234
NONCLASSIFIABLE*	738	D	0.0%	0.0%	7,231	D

*Data for Mining and Nonclassifiable establishments were nondisclosable in Region 4.
Source: Indiana Business Research Center, Indiana Industry Employment and Wages, based on ES-202 data from the Indiana Department of Workforce Development

employment and wages by industry for both the state and the region. The balance of industries in Region 4 closely mirrors the industrial mix of the entire state, resulting in a fairly stable regional economy.

Services employment accounted for 31.4 percent of all non-farm

employment in this region, followed by manufacturing (25.5%) and retail trade (18.7%). These three industries accounted for 97,331 jobs or 75.5 percent of the total employment (see Figure 2).

The number of jobs in Region 4 grew throughout the 1990s. In fact, the

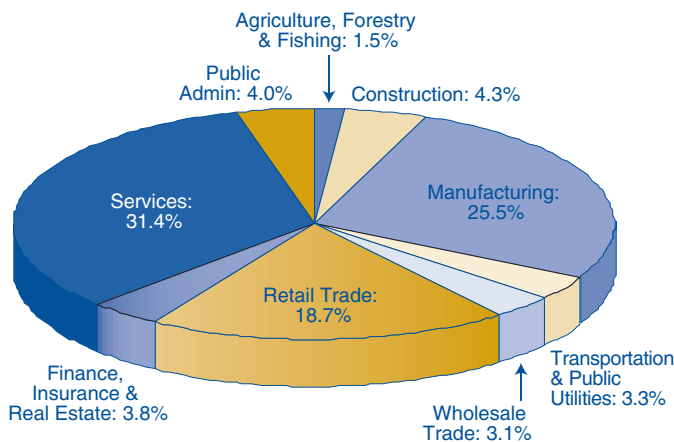
Lafayette MSA has outperformed Indiana in the percent of employment growth since 1996.

From April 1996 to April 2002, Indiana's total industry employment increased 3.5 percent. In contrast, the Lafayette MSA experienced a 6.6 percent increase in employment—nearly twice the state's gain.

Throughout Indiana, the most significant job gains were in the services industry, where employment jumped 16.1 percent. But in the Lafayette MSA, the largest gain was an 18.1 percent increase in government employment (public administration). Employment growth also occurred in Service Producing (8.1%) and Finance, Insurance and Real Estate (5.4%). Opposite to most cited trends, manufacturing employment in the Lafayette MSA grew 0.5 percent while the state encountered an 8.3 percent decline overall.

Figure 2: Region 4's Industry Breakdown Based on 3rd Quarter 2001*

The balance of industries in the region closely mirrors the state



*Data for Mining and Nonclassifiable establishments were nondisclosable.
Source: Indiana Business Research Center, Indiana Industry Employment and Wages, based on ES-202 data from the Indiana Department of Workforce Development

(continued on page 12)

IN CONTEXT

Published six times per year by a partnership of:

Indiana Business Research Center

Kelley School of Business
Indiana University
Bloomington Campus
1275 E. Tenth Street, Suite 3110
Bloomington, Indiana 47405
IUPUI Campus
777 Indiana Avenue, Suite 210
Indianapolis, Indiana 46202
E-mail: context@indiana.edu

Indiana Department of Commerce

One North Capitol
Suite 700
Indianapolis, Indiana 46204

Managing editor: Terry Creeth

Contributing editors: Morton J. Marcus, Leslie Richardson, John Besl, Carol Rogers, James Smith

Graphic designer: Rachel Justis

Web: Carol Rogers, Rachel Justis

Circulation: Nikki Livingston

INDIANA UNIVERSITY

KELLEY
School of Business

 **Indiana**
Be in a state of progress

Indiana Department of Commerce



IN the Workforce

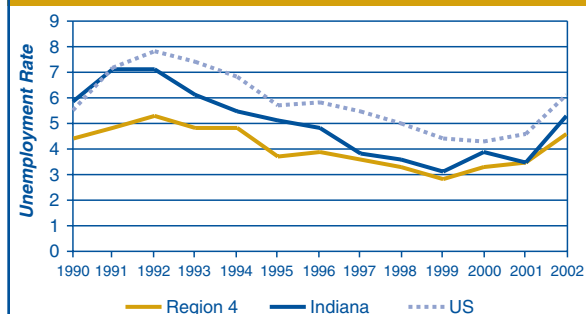
(continued from page 9)

Region 4 has consistently had unemployment rates below both the U.S. and the state (see Figure 3). During the last few years, employers in the region began actively recruiting workers from not only surrounding counties, but from other parts of the state because of the extremely low unemployment in the region.

The substantial presence of manufacturing firms in Region 4, combined with a balanced industrial mix, is a primary factor causing this area to out-perform other areas of the state and consistently have low unemployment rates.

Figure 3: Unemployment Comparisons


Region 4 consistently has low unemployment



Source: U.S. Bureau of Labor Statistics

On the Web

For all the latest state and county figures and complete time series data sets related to the Indiana economy, visit the following Internet sites:



Indiana IN Depth
Regions & Counties Custom Regions

Commuting, building permits, industry mix, population trends, migration and much more for Indiana counties and regions. PLUS - build your own region functionality.

USA Counties IN Profile
www.stats.indiana.edu

Comparable indicators for all 3,141 counties nationwide. Plus - use peer finder to locate counties similar in size or income.

www.ibrc.indiana.edu/incontext www.stats.indiana.edu www.indianacommerce.com

Indiana Business Research Center
Kelley School of Business
Indiana University
IUPUI Campus
777 Indiana Avenue, Suite 210
Indianapolis, IN 46202

Nonprofit
Organization
U.S. Postage
PAID
Permit No. 4245
Indianapolis, Indiana