

The Terre Haute Metro Area

In the southwest portion of the state next to Illinois is the Terre Haute Metropolitan Statistical Area (metro). Consisting of Vigo, Clay, Sullivan and Vermillion counties, the metro has a total population approaching 169,000. The city of Terre Haute, with a population of 57,224, is the only community in the region exceeding 10,000 people. Brazil,

FIGURE 2: INDUSTRY DISTRIBUTION



*Totals exclude county data that are not available due to nondisclosure requirements
Source: Bureau of Labor Statistics

in Clay county, is the next largest city with a population of 8,244. All told, over 60 percent of the metro's population resides in Vigo County.

Figure 1 shows that the Vigo County population contracted by 2.4 percent (2,516 fewer people) between 2000 and 2004, while the other counties had a combined growth of 0.7 percent (473 more people).

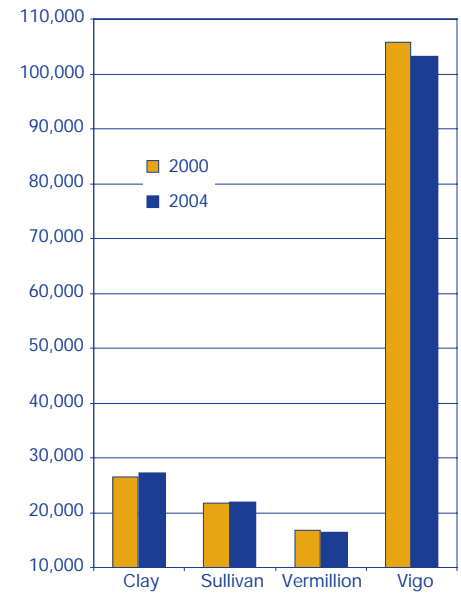
Population projections from the Indiana Business Research Center indicate that the Terre Haute metro will add just over 6,900 residents by 2020, growing 4 percent from its Census 2000 population. This growth rate may be a little high since the region is not on pace to hit its projected population for 2005. Terre Haute is expected to see a decline in school age, college age and young adult populations between 2000 and 2020. Meanwhile, there is an anticipated 18 percent growth in those over age 45 and a 5.7 percent growth in those under age 5.

Industrial Mix and Jobs

For the first quarter of 2005, there were 3,455 establishments supplying nearly 68,000 jobs in the Terre Haute metro. Manufacturing had the most employees, accounting for 17.5 percent of the local job market, slightly less than the 20.2 percent share statewide. As seen in Figure 2, additional industries with more than 10 percent of total employment include retail trade (14.2 percent), health care and social services (13.6 percent), and education (10.6 percent). Major players in the region's education scene include Indiana State University, Rose-Hulman Institute of Technology, St. Mary of the Woods and Ivy Tech.

Terre Haute has added both manufacturing establishments (five) and manufacturing jobs (1,284)

FIGURE 1: TERRE HAUTE METRO POPULATION



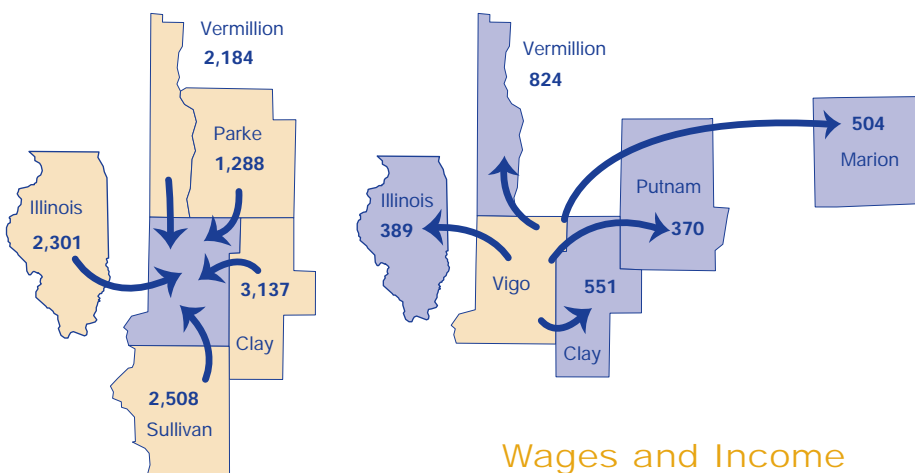
Source: IBRC, using U.S. Census Bureau data

since the first quarter of 2001, when manufacturing accounted for just 15.5 percent of employment and retail trade held the largest share of employment at 16.3 percent. Since 2001, retail trade shed more jobs than manufacturing added, with 48 fewer establishments and 1,435 fewer jobs. This equates to a 12 percent gain in manufacturing employment and a 13 percent drop in retail employment. Indiana experienced a 10 percent loss in manufacturing employment and a 7 percent decline in retail trade. Table 1 shows which industries gained employment and which lost employment during this time period. Overall, the metro lost 94 jobs during the four-year period.

Recent company news indicates that several manufacturers are expanding in the region. Pfizer is planning to expand its current facility so it is equipped to begin production of Exubera (a new diabetes drug) as soon as it receives FDA approval. This upgrade is estimated between \$65 million and \$103.2 million and is planned to be finished by April 2007.¹

Two automotive parts companies in the Vigo County Industrial Park are also working on expansions that will create

FIGURE 3: COMMUTING TO AND FROM VIGO COUNTY



Source: STATS Indiana Commuting Profiles, Tax Year 2003

an estimated 200 jobs. Aisin Brake and Chassis is in the process of more than doubling its space, a \$35 million project, while ThyssenKrupp Presta (steering systems) is investing an initial \$5.5 million in a new assembly line.²

In addition, Sony DADC’s largest North American plant is located in Terre Haute, and employment is expected to rise to about 1,225 by the end of the year (that’s about 125 more workers than the start of the year). New product lines, such as the universal media discs for the new Playstation Portables, are responsible for some of its recent growth.³

Commuting

As the employment hub of the region, Vigo County pulls in quite a few workers from Illinois and the surrounding counties, according to the preliminary data for 2003 (see Figure 3). In addition to the 59,262 people who lived and worked in Vigo County, 14,058 additional people commuted into the county. Meanwhile, just 3,937 Vigo County residents worked in positions outside the county.

Wages and Income

Per capita personal income for 2003 (the latest year available) was \$23,946 for the Terre Haute region. Sullivan and Clay counties fell below this average (\$20,639 and \$22,589, respectively), while Vigo and Vermillion counties topped it (\$24,772 and \$25,313, respectively).

The average weekly wage for the first quarter of 2005 was \$566 for Terre Haute, about \$100 less than the state. Two industries, utilities and education, had average weekly wages higher than the state. At \$1,424,

utilities were the highest paid industry in the metro, while the lowest paid was accommodation and food services at \$198.

Looking at the change since the beginning of 2001, all industries experienced growth in average weekly wage, except for agriculture and education where wages fell \$7 and \$24, respectively. The largest growth was a \$333 increase in management of companies and enterprises average weekly wages. Considering that at the same time the state experienced a drop of \$142, this almost cut in half the significant wage gap between the metro and the state for those in management.

Notes

1. John Chambers, “Pfizer planning expansion in Vigo County” *Inside Indiana Business* 3 October 2005.
2. John Chambers, “Expansion projects bringing 200 jobs to Vigo County” *Tribune-Star* 5 October 2005.
3. John Chambers, “Terre Haute’s Top 40: Sony DADC” *Tribune-Star* 20 September 2005.

—Rachel Justis, Managing Editor, Indiana Business Research Center, Kelley School of Business, Indiana University

TABLE 1: CHANGE IN EMPLOYMENT BY INDUSTRY, 2001:1 TO 2005:1

Industry Sector	Jobs Gained	
	Jobs	Percent
Manufacturing	1,284	12.1
Health Care and Social Services	825	9.8
Administrative, Support and Waste Management*	476	21.8
Educational Services*	223	3.2
Professional, Scientific and Technical Services	144	11.2
Public Administration	79	1.8
Arts, Entertainment and Recreation*	72	23.6
Agriculture, Forestry, Fishing and Hunting	55	27.6
Accommodation and Food Services	35	0.6
Transportation and Warehousing	29	1.2
Real Estate, Rental and Leasing	24	3.3
Industry Sector	Jobs Lost	
Retail Trade	-1,435	-12.9
Construction	-242	-8.1
Information	-183	-15.7
Wholesale Trade	-153	-9.0
Finance and Insurance	-85	-4.1
Other Services (Except Public Administration)	-67	-3.0
Utilities*	-61	-10.7
Management of Companies and Enterprises*	-46	-21.5
Mining*	-6	-26.1

*These totals exclude county data that are not available due to nondisclosure requirements
Source: Bureau of Labor Statistics