

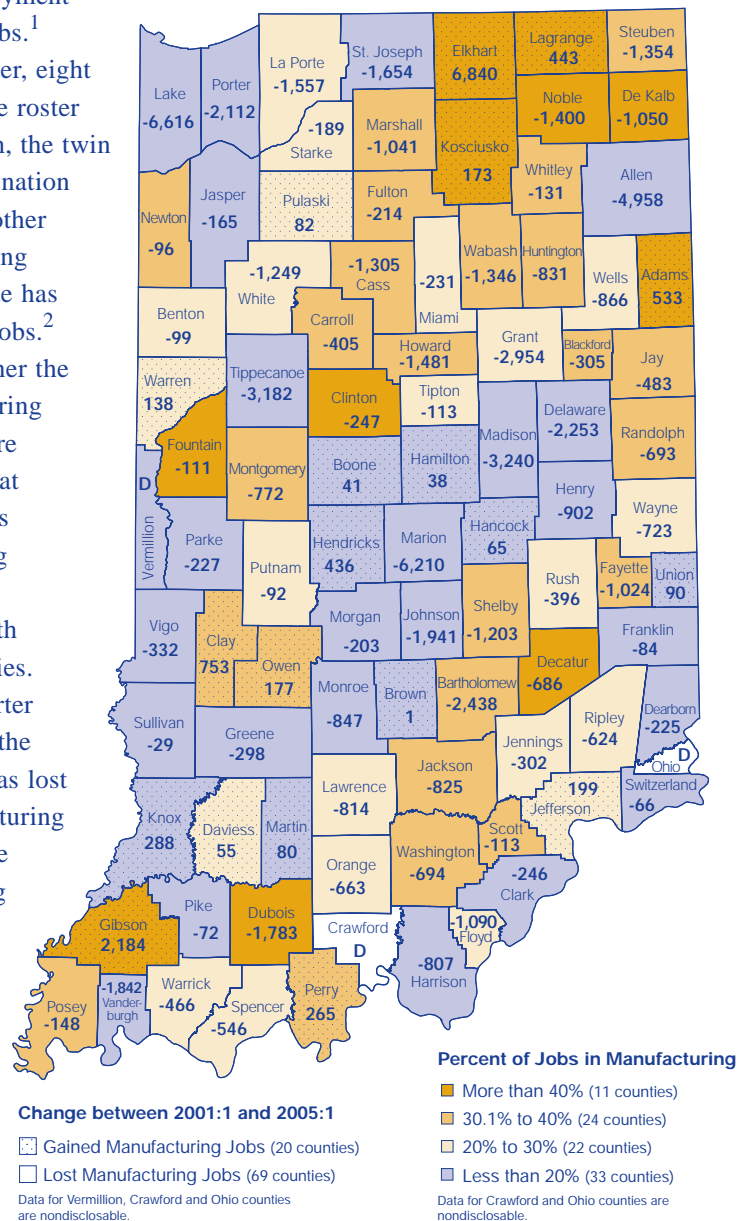
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Indiana's Manufacturing Counties

In 1973, George Steinbrenner bought the Yankees for \$10 million, the World Trade Center officially opened, U.S. troops withdrew from Vietnam, and Indiana's manufacturing employment peaked at 758,200 jobs.¹ Thirty-three years later, eight players on the Yankee roster earn over \$10 million, the twin towers are gone, our nation is in the midst of another war, and manufacturing employment statewide has dropped to 572,900 jobs.² Times change. Whether the decline in manufacturing jobs results from more efficient processes that require fewer workers or production shifting overseas, Indiana continues to cope with these changing realities.

FIGURE 1: MANUFACTURING CONCENTRATION AND CHANGE



the total increase for these 20 counties with manufacturing employment gains totaled only 12,881, over half of which was in Elkhart County alone.

Since the first quarter of 2001 (the start of the recession), Indiana has lost over 61,000 manufacturing jobs, with twenty-five counties experiencing declines of 1,000 or more. Nevertheless, Figure 1 shows that 20 counties actually increased manufacturing employment during that same time period; however,

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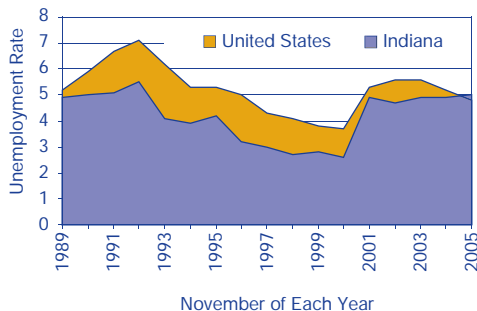
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November Unemployment

Every year prior to 2005, Indiana's November unemployment rate* has fared better than the nation's. The biggest difference was in 1993, with Indiana's rate 2.1 percentage points below the nation's rate. In November 2005, however, the unemployment rate for Indiana rose to 5 percent, while the nation's rate dropped to 4.8 percent.



*Not seasonally adjusted

Source: IBRC, using Indiana Department of Workforce Development data

Hoosiers are more reliant on manufacturing than the nation, where production accounts for only 11 percent of all jobs. Statewide, 20 percent of all jobs fall within the manufacturing industry (as of the first quarter of 2005). From a local perspective, 33 counties fall below Indiana's average (with 2 counties being nondisclosable), leaving 57 counties to exceed it (see **Figure 1**). Eleven counties, most of which are concentrated in northeast Indiana, have more than 40 percent of their jobs in manufacturing. This article will look at those counties (Adams, Clinton, De Kalb, Decatur, Dubois, Elkhart, Fountain, Gibson, Kosciusko, Lagrange and Noble) to see how Indiana's most manufacturing-intensive areas are faring in this changing economy.

Employment

One-fourth of all the manufacturing jobs statewide are found in these 11 counties, which had nearly 141,400 manufacturing jobs in the first quarter of 2005 (see **Table 1**). Noble and Elkhart counties both have over half of their total employment in manufacturing. With over 63,000 manufacturing jobs, Elkhart County is second only to Marion County statewide in the number of

TABLE 2: LARGEST MANUFACTURING COMPANIES IN EACH COUNTY

County	Company	Industry	City	Annual Sales
Largest Manufacturers Have Less than 1,000 Employees				
Clinton	Emerson Appliance Controls	Relays and Industrial Controls	Frankfort	\$100,000-\$499,999
	Federal-Mogul	Rubber Supplies	Frankfort	\$100,000-\$499,999
De Kalb	Cooper-Standard Automotive	Automobile Parts and Supplies	Auburn	\$100,000-\$499,999
	Guardian Automotive	Glass	Auburn	\$100,000-\$499,999
	Steel Dynamics	Steel Mills	Butler	\$100,000-\$499,999
Lagrange	Redman Homes	Mobile Homes	Topeka	\$100,000-\$499,999
Noble	Dalton	Gray and Ductile Iron Foundries	Kendallville	\$20,000-\$49,999
	Dexter Axle	Axles	Albion	\$100,000-\$499,999
	Guardian Auto Glass	Glass Products	Ligonier	\$50,000-\$99,999
	Kraft	Candy and Confectionery	Kendallville	\$100,000-\$499,999
	Silgan Plastics	Plastic Bottles	Ligonier	\$100,000-\$499,999
Largest Manufacturers Have More than 1,000 Employees				
Adams	Fleetwood Motor Homes	Motor Homes	Decatur	\$100,000-\$499,999
Decatur	Delta Faucet	Plumbing Fixture Fittings and Trim	Greensburg	\$100,000-\$499,999
	Gecom	Automobile Parts and Supplies	Greensburg	\$100,000-\$499,999
Dubois	Best Chairs	Furniture	Ferdinand	\$50,000-\$99,999
Elkhart	Bayer	Biological Products	Elkhart	\$100,000-\$499,999
	Fairmont Homes	Mobile Homes	Nappanee	\$100,000-\$499,999
	Home Crest	Cabinets	Goshen	\$50,000-\$99,999
	Monaco Coach	Motor Homes	Wakarusa	\$500,000-\$999,999
	Supreme Industries	Truck Bodies	Goshen	n/a
Fountain	Master Guard	Automobile Bumpers, Guards and Grills	Veedersburg	\$100,000-\$499,999
Gibson	Toyota Motor Manufacturing	Automobiles	Princeton	\$1,000,000+
Kosciusko	Biomet Manufacturing	Orthopedic Prosthetic/Surgical Appliances	Warsaw	n/a
	R R Donnelley & Sons	Printers	Warsaw	\$100,000-\$499,999
	Zimmer	Orthopedic Prosthetic/Surgical Appliances	Warsaw	n/a

Source: InfoUSA

manufacturing jobs. Kosciusko County is in the top ten with nearly 15,200 manufacturing jobs. **Table 2** shows a few of the major manufacturing employers in these counties.

Five of the 11 counties gained manufacturing jobs between 2001:1 and

2005:1. Elkhart County saw the largest increase from a numeric perspective (6,840 jobs), while Gibson County saw the largest percentage increase (49.6 percent).

While several counties no longer have 40 percent of their total

TABLE 1: INDIANA'S MANUFACTURING JOBS, 2005:1

Area	Manufacturing		Total Covered Employment		Percent of Total		Change in Manufacturing Since 2001:1	
	Establishments	Jobs	Establishments	Jobs	Establishments	Jobs	Change in Jobs	Percent Change in Jobs
Indiana	8,731	570,528	139,690	2,817,662	6.3	20.2	-61,274	-9.7
Manufacturing Counties	1,723	141,389	12,765	296,610	13.5	47.7	4,896	3.6
Noble	147	10,052	859	19,249	17.1	52.2	-1,400	-12.2
Elkhart	817	63,085	4,499	122,784	18.2	51.4	6,840	12.2
Lagrange	113	5,973	690	11,966	16.4	49.9	443	8.0
De Kalb	115	10,088	914	21,286	12.6	47.4	-1,050	-9.4
Kosciusko	186	15,170	1,679	33,891	11.1	44.8	173	1.2
Fountain	16	2,456	329	5,544	4.9	44.3	-111	-4.3
Adams	70	6,476	686	14,640	10.2	44.2	533	9.0
Dubois	112	12,011	1,218	28,156	9.2	42.7	-1,783	-12.9
Decatur	52	5,081	591	12,239	8.8	41.5	-686	-11.9
Gibson	46	6,584	686	15,934	6.7	41.3	2,184	49.6
Clinton	49	4,413	614	10,921	8.0	40.4	-247	-5.3

Source: IBRC, using Indiana Department of Workforce Development data

employment in manufacturing, Gibson County is the only one of the current 11 not in that group back in 2001. Expansions at the 10-year-old Toyota plant are responsible for many of its 2,184 new jobs.

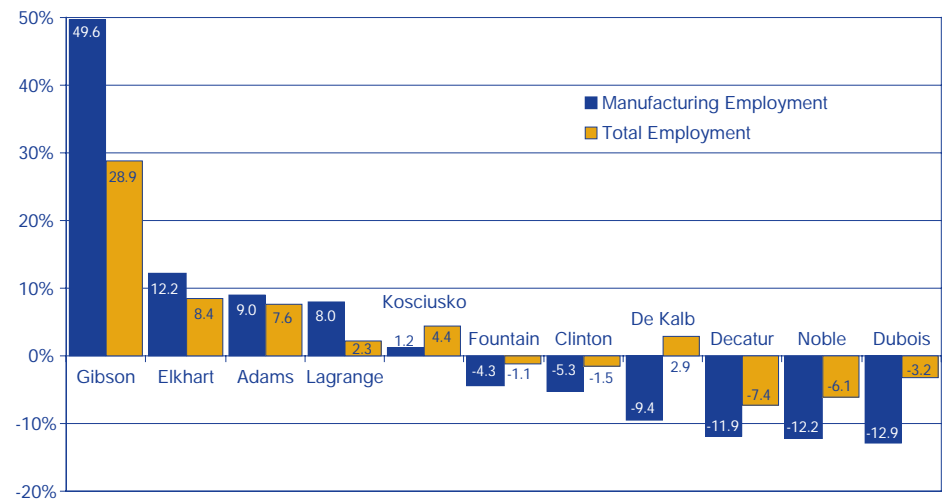
These new manufacturing jobs were responsible for about 61 percent of the growth in total employment in Gibson County, and manufacturing constituted over 71 percent of total employment growth in Elkhart County. In Lagrange County, the increase in manufacturing (443 jobs) was 66 percent higher than the increase in total employment (267), indicating losses in other industries (namely agriculture, forestry, fishing and hunting, which lost 268 jobs, and retail trade, which lost 167 jobs).

De Kalb was the only one of the 11 counties to lose manufacturing jobs and still see increases in total employment (see **Figure 2**). A tripling of wholesale trade (857 jobs), together with a 69 percent increase in administrative and support services (330 jobs), more than offset De Kalb's manufacturing decline. The remaining five counties with losses saw manufacturing declines range from -111 in Fountain County to -1,783 in Dubois County, with total employment losses ranging from -64 in Fountain County to -1,241 in Noble County.

Population

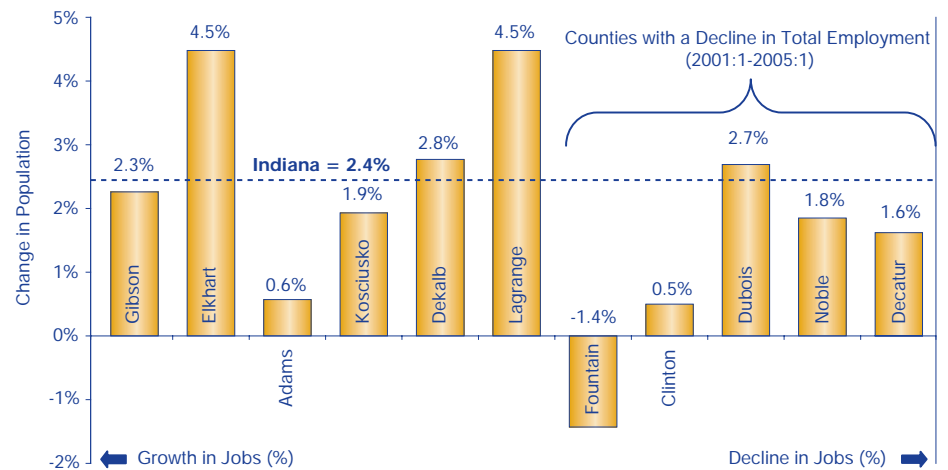
Indiana's manufacturing-intensive counties have 577,432 residents, according to 2004 estimates. Of the 11, only Fountain County lost population (256 fewer people) between 2000 and 2004 (see **Figure 3**). As a group, the counties picked up over 15,500 new residents. Elkhart and Lagrange counties had the largest population growth (8,226 and 1,566, respectively), nearly twice the state rate, at 4.5 percent. (Due to its large

FIGURE 2: PERCENT CHANGE IN EMPLOYMENT, 2001:1 TO 2005:1



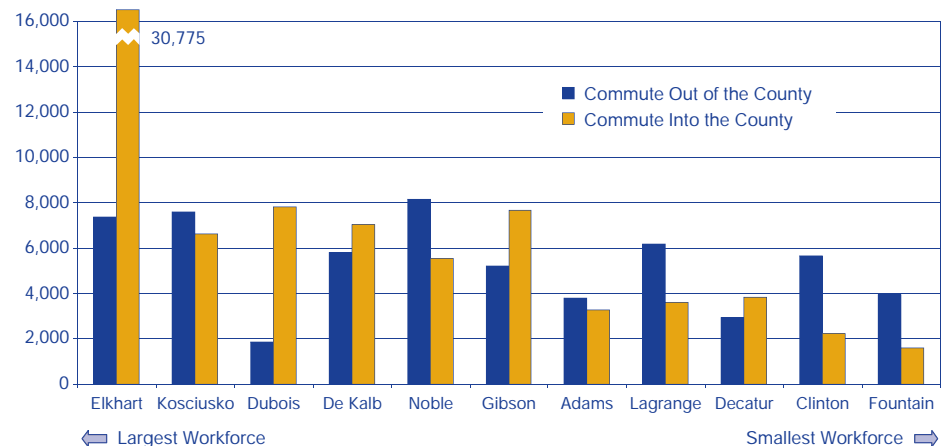
Source: IBRC, using Indiana Department of Workforce Development data

FIGURE 3: POPULATION CHANGE, 2000 TO 2004



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

FIGURE 4: COMMUTING, 2003



Source: STATS Indiana 2003 commuting profiles

Amish population with above average birth rates, Lagrange County typically exceeds the state average.) Adams and Clinton counties grew the slowest, each gaining fewer than 200 residents for growth rates under 1 percent.

Commuting

About 389,962 people work in these 11 counties, according to data from 2003. Just 69 percent of those who work in Gibson County also live there, while that number reaches all the way up to 88 percent in Clinton County. In Elkhart, Dubois, Gibson, De Kalb and Decatur counties, more people

commute into the county for work than commute out of the county (see **Figure 4**).

Those commuting into the county for work make up one-fourth of the workforce in De Kalb County and 31 percent of the workforce in Gibson County. Meanwhile, more than 25 percent of the employed residents in Fountain, Lagrange, Noble and Clinton counties earn their livings outside their county of residence. These are relatively rural areas that had high rates of commuting to begin with; however, three of these four counties (Lagrange is the exception) have seen

total employment decrease in the past several years, so it is possible that even more people will need to travel farther to find work.

Wages

Quarterly manufacturing wages in the 11 manufacturing-intensive counties exceeded \$1.4 billion in the first quarter of 2005. In all but Decatur and Dubois counties, the manufacturing sector made up over 50 percent of all wages earned in the county (see **Table 3**). The average weekly wage per manufacturing worker ranged from \$632 in Dubois County to \$1,139 in Kosciusko County. Growth in manufacturing earnings outpaced growth for total earnings, except in Decatur and Adams counties.

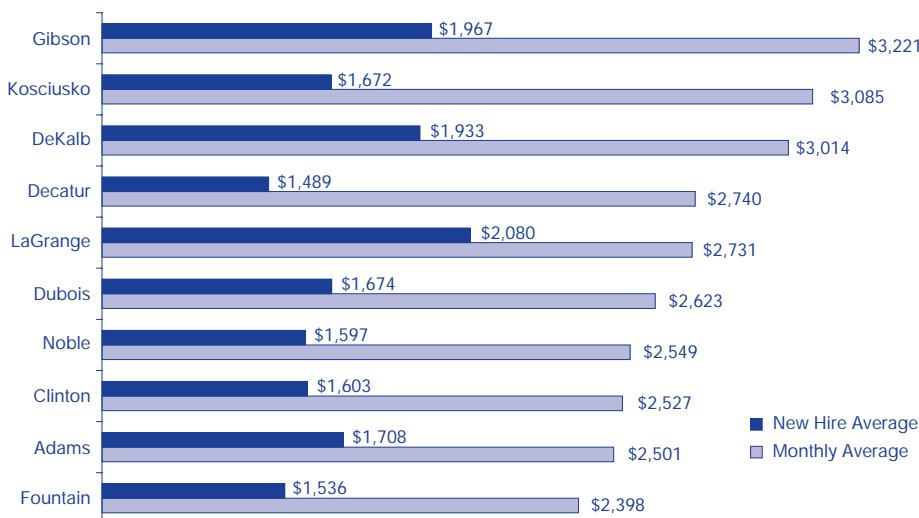
Local Employment Dynamics data are a little older, but show what new employees are making compared to the overall average wage. Average new hire monthly earnings for all industries for the third quarter of 2004 ranged from \$2,080 in Lagrange County down to \$1,489 in Decatur County (see **Figure 5**). Kosciusko County had the biggest gap between new hire earnings and average earnings (\$1,413), while Lagrange County had the smallest (\$651). New hire earnings fell in four counties compared to three years earlier (2001:3). Not surprisingly, three of those four counties had declines in manufacturing employment. Meanwhile, average earnings went up by at least \$240 in all 11 counties compared to 2001:3, with Gibson County showing a gain of nearly \$540.

TABLE 3: **WAGES, 2005:1**

Area	Manufacturing		Total Covered Employment		Percent of Total	
	Quarterly Wages	Average Weekly Wage	Quarterly Wages	Average Weekly Wage	Quarterly Wages	Average Weekly Wage
Indiana	6,925,371,716	\$934	24,423,875,264	\$667	28.4	140.0
Manufacturing Counties	1,408,116,934	\$766	2,458,892,060	\$638	57.3	120.1
Kosciusko	224,600,766	\$1,139	359,659,649	\$816	62.4	139.6
Gibson	85,058,903	\$994	152,189,034	\$735	55.9	135.2
De Kalb	118,438,843	\$903	190,173,459	\$687	62.3	131.4
Clinton	42,905,533	\$748	80,640,214	\$568	53.2	131.7
Lagrange	55,677,370	\$717	88,463,460	\$569	62.9	126.0
Elkhart	575,913,473	\$702	1,013,722,400	\$635	56.8	110.6
Noble	90,046,089	\$689	142,326,992	\$569	63.3	121.1
Decatur	42,802,735	\$648	86,467,068	\$543	49.5	119.3
Adams	53,796,990	\$639	97,623,939	\$513	55.1	124.6
Fountain	20,246,627	\$634	35,999,756	\$499	56.2	127.1
Dubois	98,629,605	\$632	211,626,089	\$578	46.6	109.3

Source: Indiana Department of Workforce Development

FIGURE 5: **MONTHLY EARNINGS, 2004:3**



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

Notes

1. 1973 annual average
2. Average of the most recent four quarters (2004:2 to 2005:1)

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