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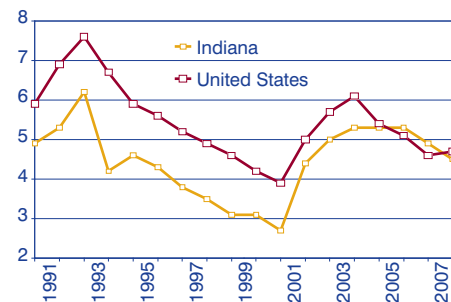
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### September Unemployment

Indiana's unemployment rate was 4.5 percent for September 2007, slightly lower than the U.S. rate of 4.7 percent.



\*seasonally adjusted

### Top Five Reasons to Move

The Census Bureau recently released data about the 39.8 million Americans who moved between 2005 and 2006. More than 7 million moved because they wanted a new or better place to live, accounting for 18 percent of the total (see below).

Reason for Move	Percent of Total
Wanted a new or better home/apartment	18%
New job or job transfer	9%
Wanted to own home, not rent	9%
To establish own household	9%
Wanted cheaper housing	6%

Source: 2006 Current Population Survey

## The Future of Work in Indiana: Job Migration and Industry Realignments

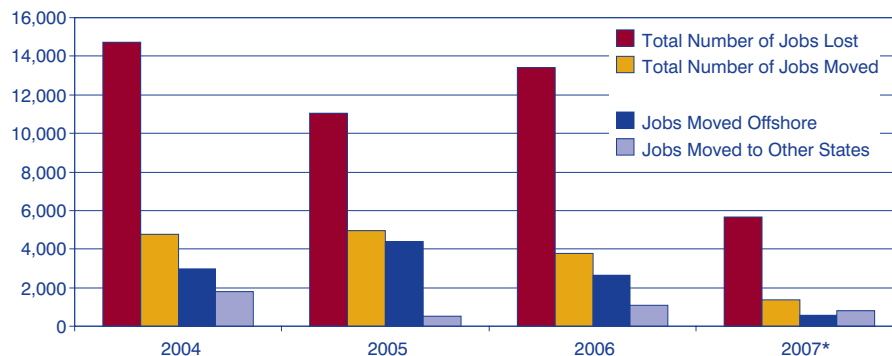
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Many industries and occupations see offshoring as a threat to their continued viability in today's marketplace—and not only in the manufacturing sector. Service sector jobs in information technology, business and legal services, engineering and finance are also on the move. Some analysts are developing vulnerability scales to quantify an occupation's vulnerability to offshoring.<sup>1</sup> This second article on Mass Layoff Statistics (MLS) and the movement of work out of Indiana examines the impact of offshoring and near-shoring. Near-shoring is the movement of work to a close geographic locale, such as other states or a border country. In addition, this article examines the implications of this phenomenon on occupations and skills in demand.

There were 44,808 job losses due to mass layoff events from the first quarter of 2004 through the second quarter of 2007.<sup>2</sup> A third of those jobs (33 percent) were moved to another location. For 2004 through 2006, 74 percent of those jobs that moved went offshore. However, in 2007 nearly 60 percent of jobs moved went to other states. Although it may be too soon to tell if the trend is changing directions, recently Hoosier employees and employers have been competing with other Americans and not always against foreign economies (see **Figure 1**).

The information being collected by the MLS analyst is often incomplete, as some employers do not yet know where the jobs will go. What we find when examining movement of work to another state is that more than half the jobs move to other Midwestern states. Some of these jobs may move to

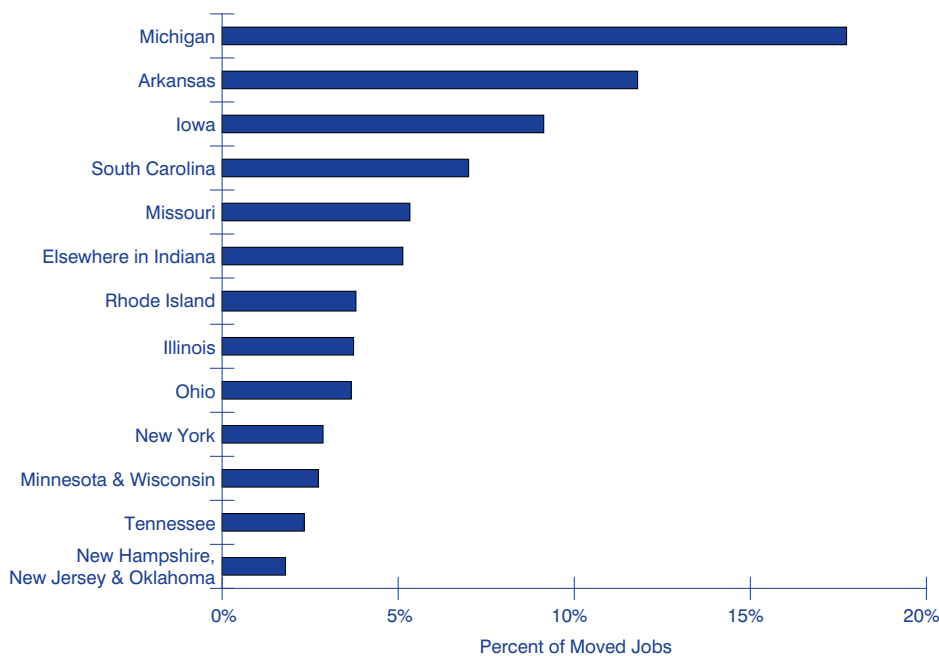
**FIGURE 1: JOBS LOST AND JOBS MOVED FROM INDIANA, 2004 TO 2007**



\* Data through the second quarter of 2007.

Source: Indiana Department of Workforce Development, Research and Analysis Unit

**FIGURE 2: HOOSIER JOBS MOVING TO OTHER U.S. LOCATIONS, 2004 TO 2007\***



\* Data through the second quarter of 2007. Location was unknown for 23 percent of the moved jobs. Source: Indiana Department of Workforce Development, Research and Analysis Unit

more than one location, and sometimes one of the locations is elsewhere in Indiana. Most often, these jobs move to Michigan, Arkansas or Iowa (see **Figure 2**). Nearshoring—when a company outsources or moves close to home—would typically refer to a move to a border country such as Mexico, but it seems to occur within the continental United States as well in the form of domestic relocation. Companies may be worried about cultural barriers or other risks associated with offshoring, yet may benefit in other ways from a company re-organization or move. Establishments in Indiana are more likely to move elsewhere in the Midwest than to the East or West Coast. The Department of Workforce Development (DWD) does not yet have information about whether Indiana is seeing movement of work from surrounding states, but plans to examine the inflow of jobs in a future analysis.

### **Movement by Industry**

Approximately 24 layoff events involved moving work to other states, although in many cases, the jobs moved

to more than one location. Twenty of these events were in the manufacturing industry and the remaining events were in wholesale and retail trade or finance. In most cases, these are the same industries impacted by offshoring and all other layoff events. This is not surprising, yet it does provide some additional information about Indiana's economy. Contrary to the national trend in recent years, Indiana's service sector employees and other professional and technical workers are not greatly impacted by layoffs caused by a company moving jobs offshore.

Indiana had four layoff events in the food and beverage manufacturing industry, four events in paper product manufacturing, and five events in rubber and plastics manufacturing. These are traditional Midwestern manufacturing jobs. These industries employ predominantly production workers, but often pay lower wages than other manufacturing jobs; for example, the average weekly wage in 2006 for all jobs in manufacturing was \$969, compared to \$688 in food manufacturing and \$780 in

rubber and plastics.<sup>3</sup> Indiana's strong manufacturing industry will continue to be a driving force in our economy, as evidenced by expanding biofuels manufacturing plants, as well as the Honda and Toyota expansions. However, there are signs that point to change regarding the types of jobs that will be available in manufacturing's future. Just as personal financial advisors promote portfolio diversification, both the economy and workforce will benefit if the industry and business makeup in Indiana also diversifies.

### **Development through Innovation**

Recent studies show economic development through innovation as being closely linked to higher education institutions, a strong arts and entertainment sector, a highly educated workforce, and communities that are open to diversity and change. Some of these ideas come out of Richard Florida's research on the creative class.<sup>4</sup>

This research examines the potential for regions that inspire creativity and economic growth, as well as highlighting certain types of occupations that are linked to innovation and creative technological development. According to Florida, the 23 major occupational groups can be categorized into three different types of jobs:

1. Creative Occupations (i.e., professional and technical, management, finance, computer, engineering, and arts occupations)
2. Service and Sales Occupations
3. Skilled Labor and Production Occupations

Those categorized as creative occupations are growing in Indiana.

The occupational breakout of the other two categories is also shifting. The percentage of skilled labor and production occupations is declining gradually, from 34 percent of all jobs in 2000 to 32 percent in 2006. Professional, technical, scientific, artistic, and management occupations are on the rise and are projected to grow through 2014. However, even with the increases in creative occupations, the majority of Hoosier occupations will still fall into the other two categorical breakouts (see **Figure 3**).<sup>5</sup>

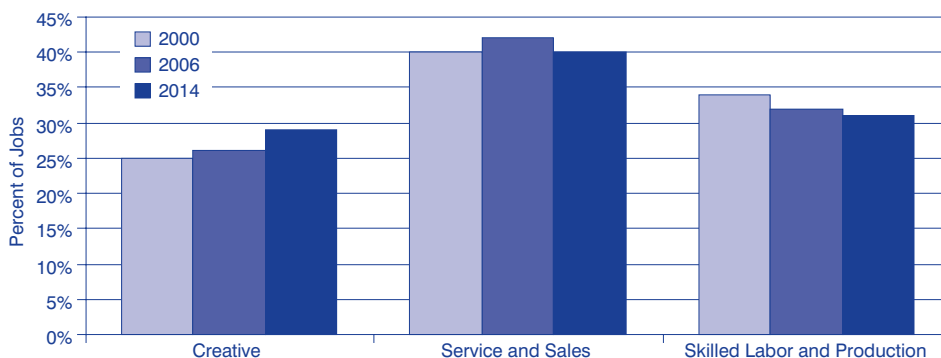
This occupational data is based on the Occupational Employment Survey, yet the same trend is reinforced by this examination of Mass Layoff Statistics. In addition to information collected by MLS analysts, DWD can examine the staffing patterns of the impacted industries and estimate the types of occupations most at risk. These staffing patterns are also based on the Occupational Employment Statistics program, which collects data on occupations and wages for the state and nation. The manufacturing industries discussed earlier that have faced the largest percentage of layoffs include many occupations that value the “Things” skill pathway, highlighted in Indiana’s new career guide.<sup>6</sup> These skills include: equipment maintenance,

equipment selection, operation and control, troubleshooting, repairing, and quality control analysis. These skills will continue to be in demand for many of the occupations of the future. In fact, these skilled labor and production occupations will continue to comprise 31 percent of the occupational employment projected in 2014. In addition, many of these skills are transferable to various advanced manufacturing jobs—as well as emerging occupations in the health care industry. However, soft skills, people skills, information and systems skills will be the skills in shortest supply in coming years.<sup>7</sup> The shift in occupational types highlighted in **Figure 3** also points to increasing needs for creative skills, critical thinking, complex problem-solving, decision-making, and other analytical skills.

As the economy continues to transform and face global competition, it will become necessary to develop a workforce with a variety of skills. Regional economic and workforce development efforts can entice employers to choose Indiana if they find the skilled workforce they need.

Indiana has two Workforce Innovation in Regional Economic Development (WIRED) grants that go  
(continued on page 14...)

**FIGURE 3: INDIANA’S THREE OCCUPATION TYPES OVER TIME**



Source: Indiana Department of Workforce Development, Research and Analysis Unit

## Occupation Types

*Creative Occupations include:*

- Computer and mathematical
- Architecture and engineering
- Life, physical and social science
- Education, training and library
- Art, design, entertainment, sports and media
- Management
- Business and financial
- Legal
- Health care practitioners and technicians
- High-end sales and sales management
- Real Estate

*Service and Sales Occupations include:*

- Health care support
- Food preparation and serving
- Building, grounds, cleaning and maintenance
- Personal care
- Retail sales
- Office and administrative support
- Community and social service
- Protective service

*Skilled Labor and Production Occupations include:*

- Construction and extraction
- Installation, maintenance and repair
- Production
- Transportation and material moving

# Casino Impact on Orange County's Labor Market—Early Evidence

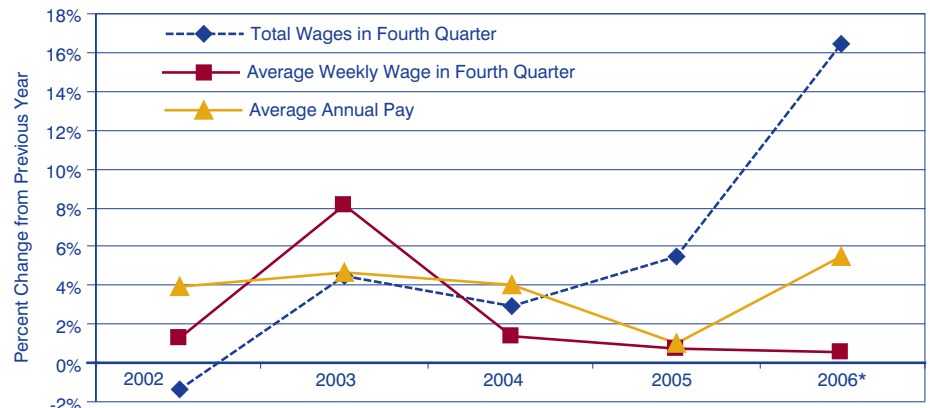
One of the frequently cited reasons for rural casino development is the number of jobs generated for local residents. The release of the year-end 2006 Quarterly Census of Employment and Wages (QCEW) data by the Bureau of Labor Statistics and the November 2006 opening of the French Lick casino provide an opportunity for a preliminary analysis of employment activity associated with the casino's opening and its first months of operation.

## Jobs

The most recent QCEW data provide sector employment information up to December 2006 and should capture any increases (or decreases) in total payroll employment associated with the start-up and opening of the new casino.

Preliminary data indicate that approximately 1,005 jobs were added in Orange County from the fourth quarter of 2005 to the fourth quarter of 2006. A closer look at the 2006 monthly data reveals that the number of jobs increased by approximately 300 in September 2006 (two months prior to the official opening), and measurable increases occurred during

**FIGURE 3: PERCENT CHANGE IN ORANGE COUNTY WAGES, 2001 TO 2006**



\*Preliminary data  
Source: Quarterly Census of Employment and Wages

the last quarter of 2006. Altogether, total payrolls increased by 15.5 percent from fourth quarter 2005 to the fourth quarter of 2006 (see **Figure 1**).

## Businesses

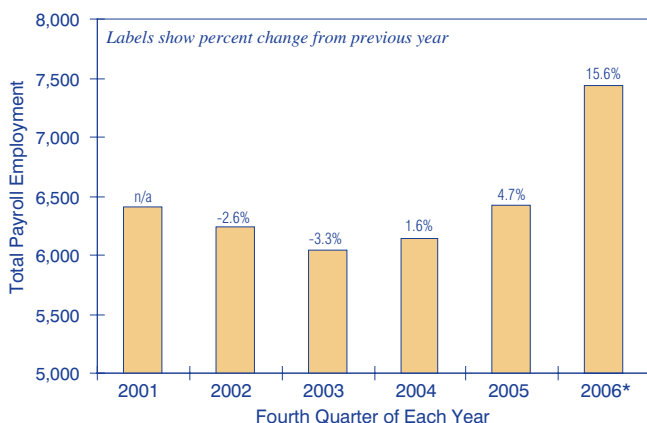
Advocates of casino development also tout the number of new business establishments a new rural casino is expected to generate. Preliminary data indicate that the casino's initial opening had a negligible impact on the number of new establishments (see **Figure 2**). Five additional establishments were added to Orange County from 2005 to 2006. It should be noted that these are initial data and correspond only to the opening of the casino. Additional

time is needed to gain a more accurate measure of the impact on the number of new establishments. QCEW data for December 2007 will not be available until 2008; hence, analyzing the first full year of impact from casino operations cannot be done for some time.

## Wages

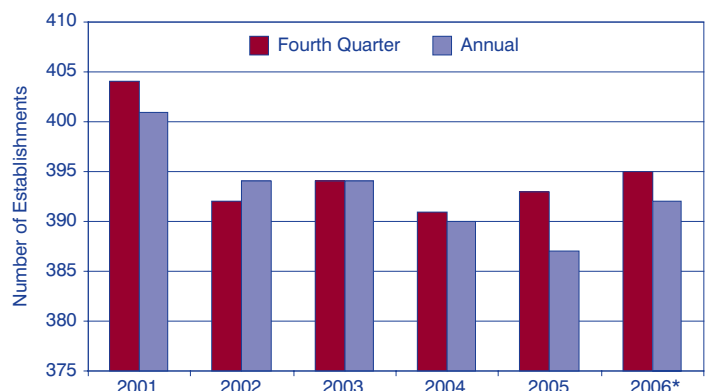
The 15.6 percent increase in employment led to a 16.5 percent increase in total wages from 2005:4 to 2006:4. Year-over-year average weekly wages for the fourth quarter increased less than 1 percent, however. The annual increase (2005 to 2006) in the average weekly wage increased by

**FIGURE 1: ORANGE COUNTY PAYROLL EMPLOYMENT**



\*Preliminary data  
Source: Quarterly Census of Employment and Wages

**FIGURE 2: NUMBER OF ORANGE COUNTY BUSINESSES**



\*Preliminary data  
Source: Quarterly Census of Employment and Wages

5.6 percent, and the average annual pay (2005 to 2006) increased by 5.5 percent, representing the largest increase in five years (see Figure 3).

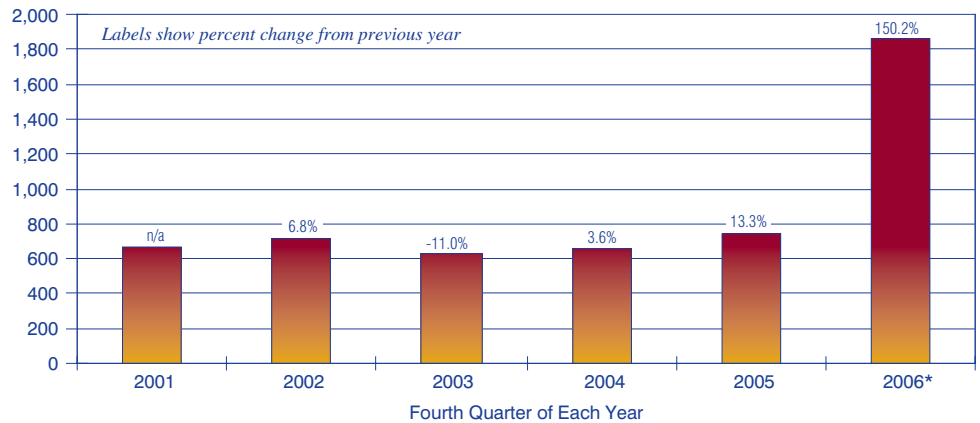
### Sector Performance

The addition of more than 1,000 jobs can be traced entirely to the casino project. Leisure and hospitality sector data show that 1,115 jobs were added surrounding the casino's opening (see Figure 4). Absent the casino, Orange County could have possibly lost approximately 100 jobs, which is consistent with recent trends.

Other sectors observed small gains. Construction, manufacturing, finance and insurance, and real estate all saw small gains in employment. As of year-end 2006, retail showed a small decrease in jobs (see Figure 5).

The passage of 2007 will give analysts an indication of sector employment changes following the one year opening of the French Lick casino and hotel. The summer 2007 opening of the West Baden Resort hotel is expected to generate additional jobs in the leisure and hospitality sector, and other

**FIGURE 4: ORANGE COUNTY LEISURE AND HOSPITALITY EMPLOYMENT**



\*Preliminary data  
Source: Quarterly Census of Employment and Wages

developments are also in progress. The impact of both hotels on other sectors will become more apparent with a full year of 2007 data.

### Labor Force Activity

The BLS releases Local Area Unemployment Statistics (LAUS) monthly data on labor force, employment and unemployment rates. Unlike the QCEW data, LAUS data are timely and provide an opportunity to observe recent labor market activity. QCEW data track the location of the jobs, but LAUS data follow the

geographic residence of the individual. For example, an additional job may be created in Orange County (i.e., a new job associated with the casino and located in Orange County), and that job will be counted in Orange County's QCEW data. However, these additional jobs may or may not be held by county residents.

A person is counted as a member of the labor force in the county where he or she lives. An employed individual living in Orange County would be counted as employed and a member of the Orange County labor force, regardless of where the individual worked. If the resident commuted to a job in Lawrence County, she would still be counted as a member of the Orange County labor force. Thus, her job would be counted in the Lawrence County QCEW data, but she would show up as part of the Orange County labor force in the LAUS data.

Focusing on both QCEW and LAUS data allow the analyst to draw inferences regarding the residency of individuals holding the additional jobs associated with the casino. Year-over-year fourth quarter data (2005:4 to 2006:4) show the labor force (Orange County LAUS data) increased by 8.2 percent (774) and the number of

**FIGURE 5: ORANGE COUNTY EMPLOYMENT IN SELECTED INDUSTRIES, 2001 TO 2006**



\*Preliminary data  
Source: Quarterly Census of Employment and Wages

employed increased 9 percent (794) (see **Table 1**). Again, the QCEW data track jobs located in Orange County and the LAUS data track employment of Orange County residents. Hence, the 15.6 percent increase of approximately 1,000 jobs in the QCEW data implies that a majority of these jobs initially accrued to Orange County residents.

Following the initial November 2006 opening, there has been a gradual decline in the size of the Orange County labor force. The Orange County labor force declined by 8.7 percent from November 2006 to July 2007. The 8.7 percent decline compares to a five-year November to July average change of a positive 2.9 percent. The 8.7 percent decline is lower than the previous five-year trend and points to an apparent change in the Orange County labor force since the casino opened.

Seasonality does impact the size of the labor force throughout the year, and perhaps a portion of this decline may be attributed to seasonality. Focusing on the change in the labor force from July 2006 to July 2007, a decrease of 3.6 percent (347) is observed. Similarly, year-over-year July data also indicate a

**TABLE 1: ORANGE COUNTY LABOR FORCE STATISTICS**

Time Period	Labor Force Percent Change	Employed Percent Change	Unemployed Percent Change
2005:4 to 2006:4	8.2%	9.0%	-3.2%
Four-Year Average Percent Change	0.6%	-1.8%	-1.8%

Note: Four years are included to exclude the effects of 2001 recession

November 2006 to July 2007	-8.7%	-8.5%	-12.3%
Five-Year Average Percent Change	2.9%	3.1%	0.2%

July 2006 to July 2007	-3.6%	-2.2%	-22.7%
Five-Year Average Percent Change	0.1%	0.1%	0.8%

Source: Local Area Unemployment Statistics

decline in employment of 2.2 percent (194). The five-year average of July-to-July changes in both labor force and employment is a positive 0.1 percent.

### Unemployment Insurance Claims

Unemployment claims provide additional insight on labor market activity in Orange County (see **Figure 6**). Unemployment claims are available monthly from the Indiana Department of Workforce Development. The data indicate significant declines in unemployment claims for Orange County. Declines in year-over-year unemployment claims began in

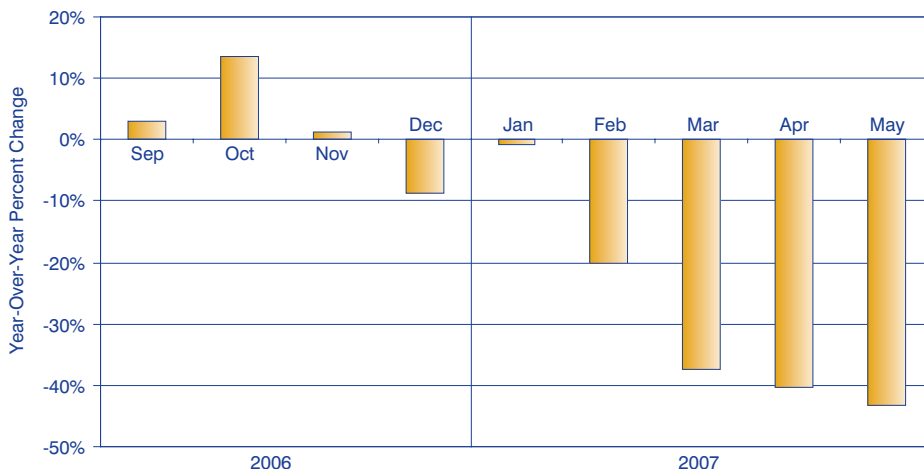
December 2006 and the largest declines occurred throughout 2007. The highest decline for unemployment insurance claims occurred in May with a 43 percent decline from May 2006.

### Concluding Thoughts

Preliminary data indicate that the casino project has generated more than 1,000 jobs in Orange County. Total wages are up and county residents are also seeing an increase in average annual wages. LAUS data indicate that these jobs led to an initial increase in the labor force, as well as the number of employed Orange County residents. After the casino opening, subsequent LAUS data point to a decline in the Orange County labor force and the number of employed Orange County residents. Unemployment claims show large decreases throughout 2007. Additional 2007 data will allow for more definitive conclusions on the impact of the French Lick casino on the Orange County labor market.

—*Uric Dufrene, Sanders Chair in Business, Indiana University Southeast and Brenda Swartz, Director, Regional Economic Development Resource Center, Indiana University Southeast*

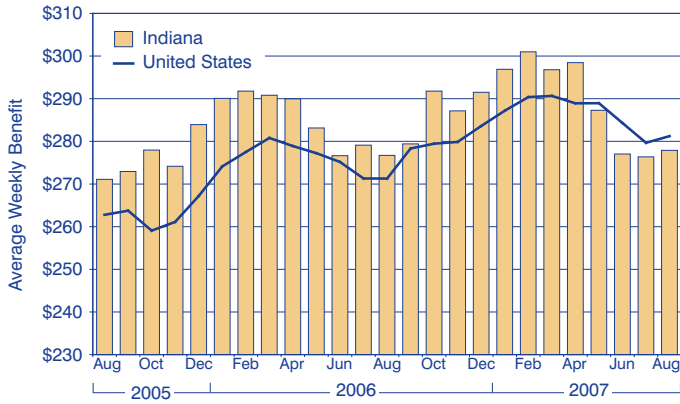
**FIGURE 6: PERCENT CHANGE IN ORANGE COUNTY UNEMPLOYMENT INSURANCE CLAIMS**



Source: Indiana Department of Workforce Development

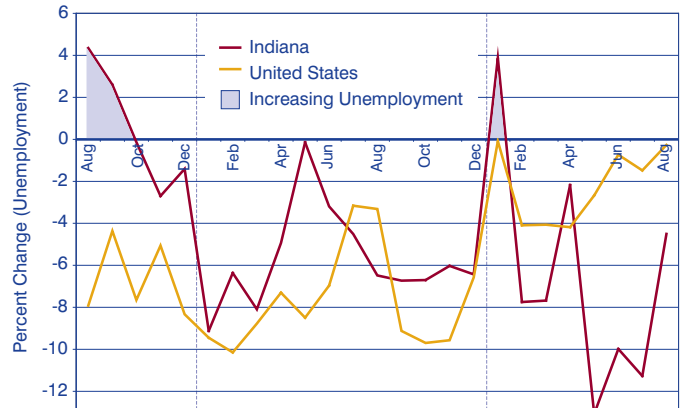
# Monthly Metrics: Indiana's Economic Dashboard

## AVERAGE BENEFITS PAID FOR UNEMPLOYMENT INSURANCE CLAIMS



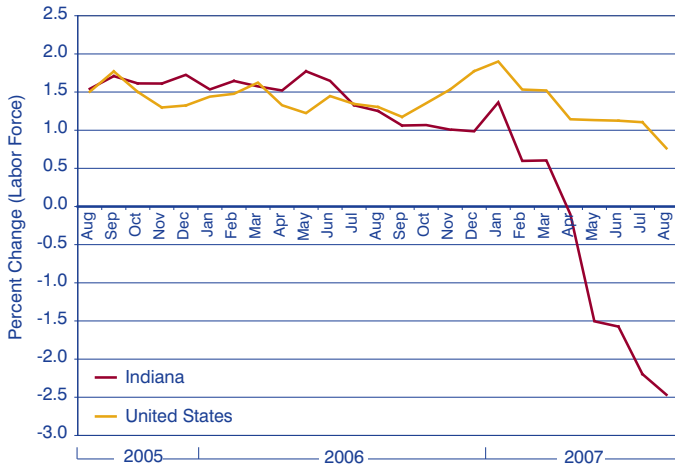
Source: IBRC, using U.S. Department of Labor data

## PERCENT CHANGE IN PERSONS UNEMPLOYED FROM THE PREVIOUS YEAR\*



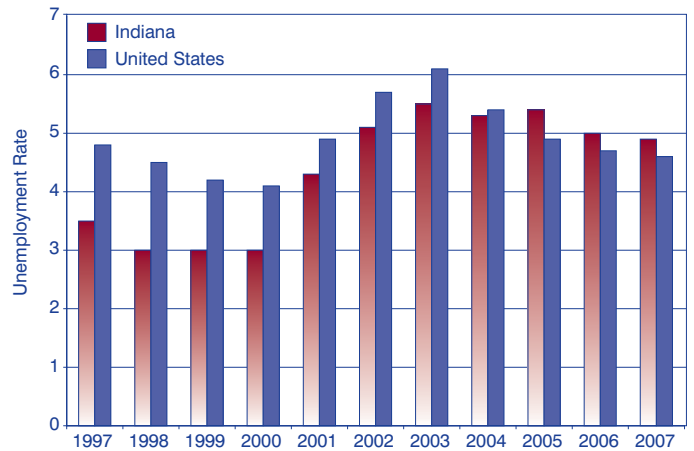
\*seasonally adjusted  
Source: IBRC, using Bureau of Labor Statistics data

## PERCENT CHANGE IN LABOR FORCE FROM PREVIOUS YEAR\*



\*seasonally adjusted  
Source: IBRC, using Bureau of Labor Statistics data

## AUGUST UNEMPLOYMENT RATES



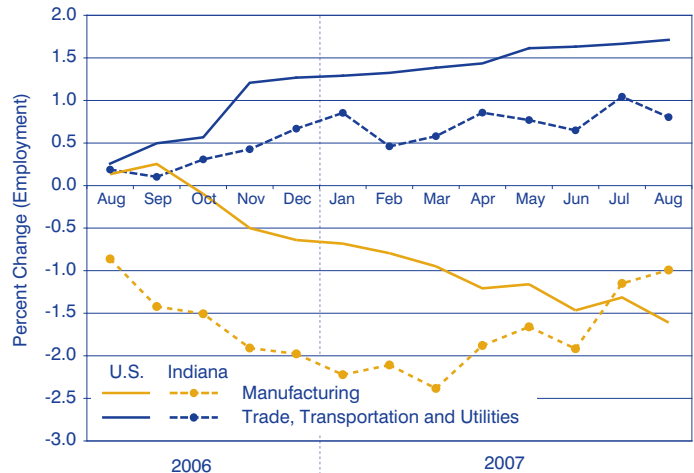
\*seasonally adjusted  
Source: IBRC, using Bureau of Labor Statistics data

## CHANGE IN EMPLOYMENT BY INDUSTRY SUPER-SECTOR, 2006 TO 2007\*

Industry	Indiana		United States
	Change in Jobs	Percent Change	Percent Change
Total Nonfarm	25,900	0.9	1.8
Government	12,100	2.8	0.6
Leisure and Hospitality	6,000	2.1	3.6
Natural Resources & Mining	100	1.4	6.9
Financial Activities	1,200	0.9	1.8
Trade, Transportation & Utilities	4,700	0.8	1.7
Other Services	800	0.7	1.6
Professional & Business Services	1,800	0.6	3.0
Information	200	0.5	0.7
Educational & Health Services	200	0.1	3.8
Manufacturing	-5,600	-1.0	-1.6

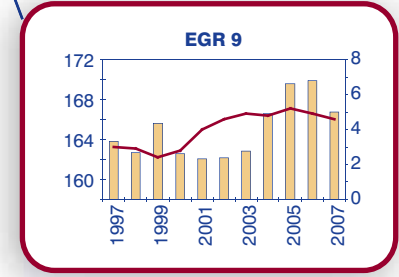
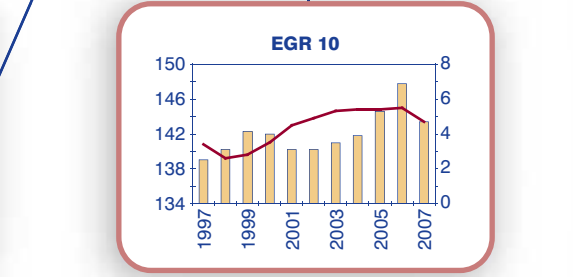
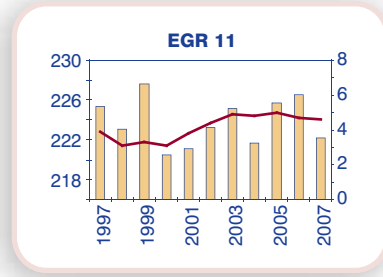
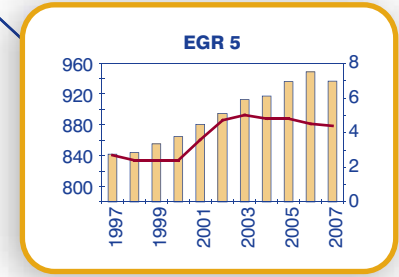
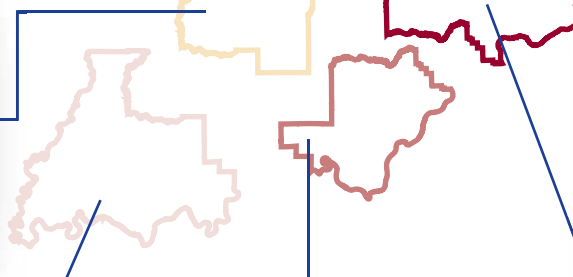
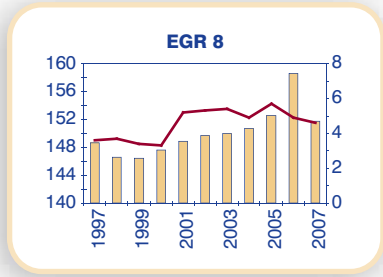
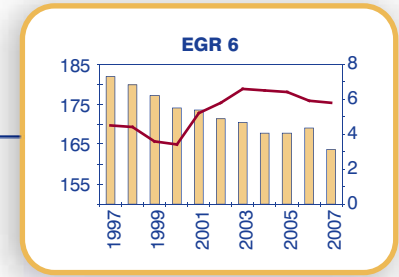
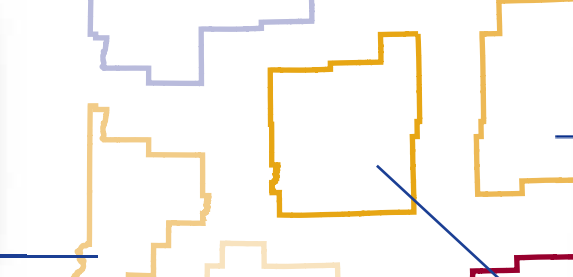
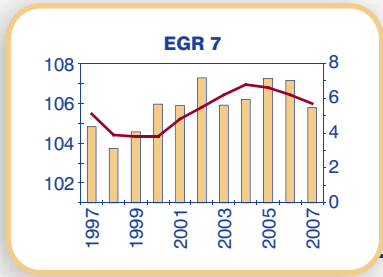
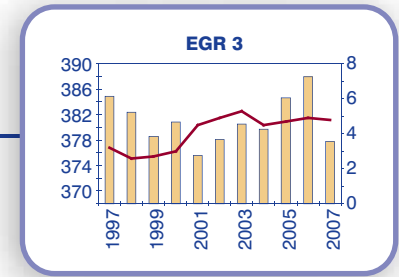
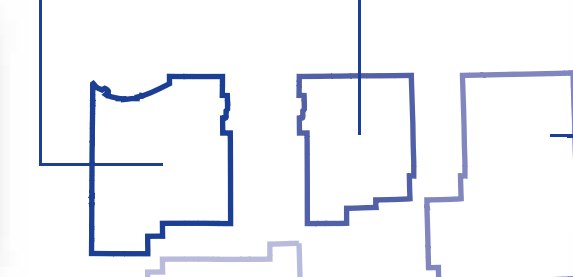
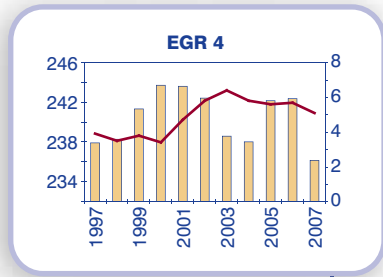
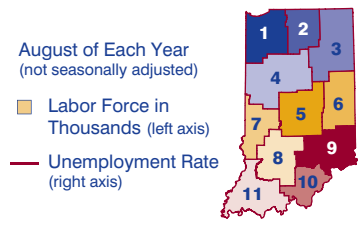
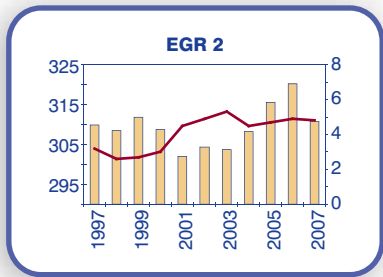
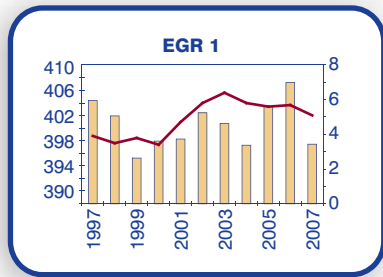
\*August of each year, seasonally adjusted  
Source: IBRC, using Bureau of Labor Statistics data

## OVER-THE-YEAR PERCENT CHANGE IN EMPLOYMENT BY SUPER-SECTOR\*



\*seasonally adjusted  
Source: IBRC, using Bureau of Labor Statistics and Indiana Department of Workforce Development data

# Regional Labor Force and Unemployment Rates



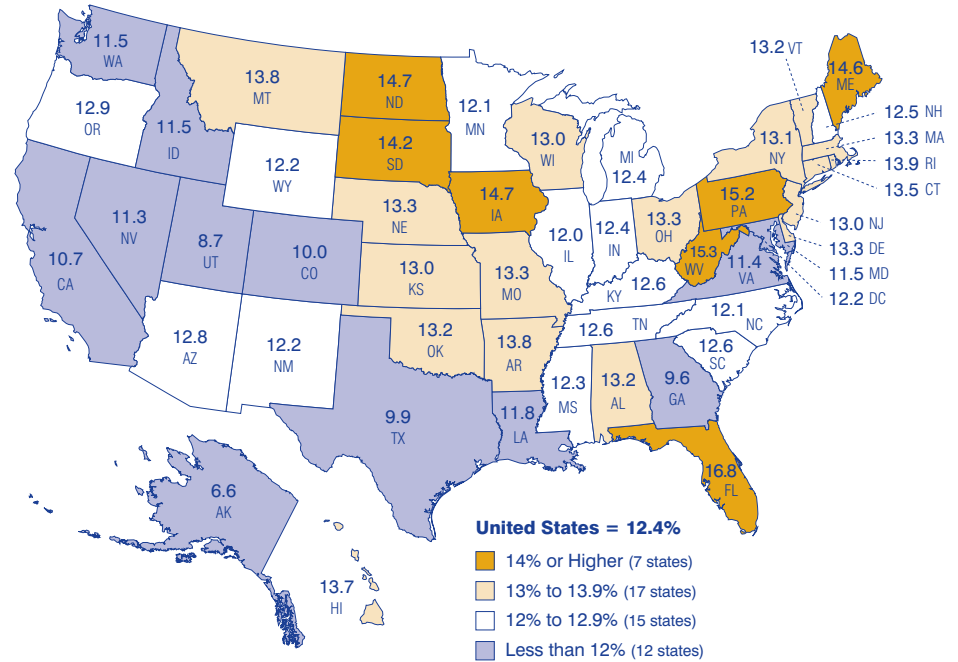


# The Older Generations in Indiana: A Demographic Look at Older Adults

In 2005, there were about 36.8 million people living in the United States who were born before the invention of microwaves, spray cans or even cake mix. For the purposes of this article, we will identify this population (those 65 and older) as the elderly. They made up 12.4 percent of the U.S. population in 2005, a number that has remained steady since 2000. Florida led the United States in percent of population who are elderly, with 16.8 percent of the state's total population comprised of people 65 and older. Alaska was at the opposite end of the spectrum, reporting only 6.6 percent of its total population as elderly (see **Figure 1**).

While Florida had the highest percentage, California laid claim to the most elderly in the United States with about 3.9 million people in that category. Alaska was again at the opposite end, with just over 44,000 elderly residents (see **Figure 2**). So

**FIGURE 1: PERCENT OF STATE POPULATION AGE 65 AND OLDER, 2005**



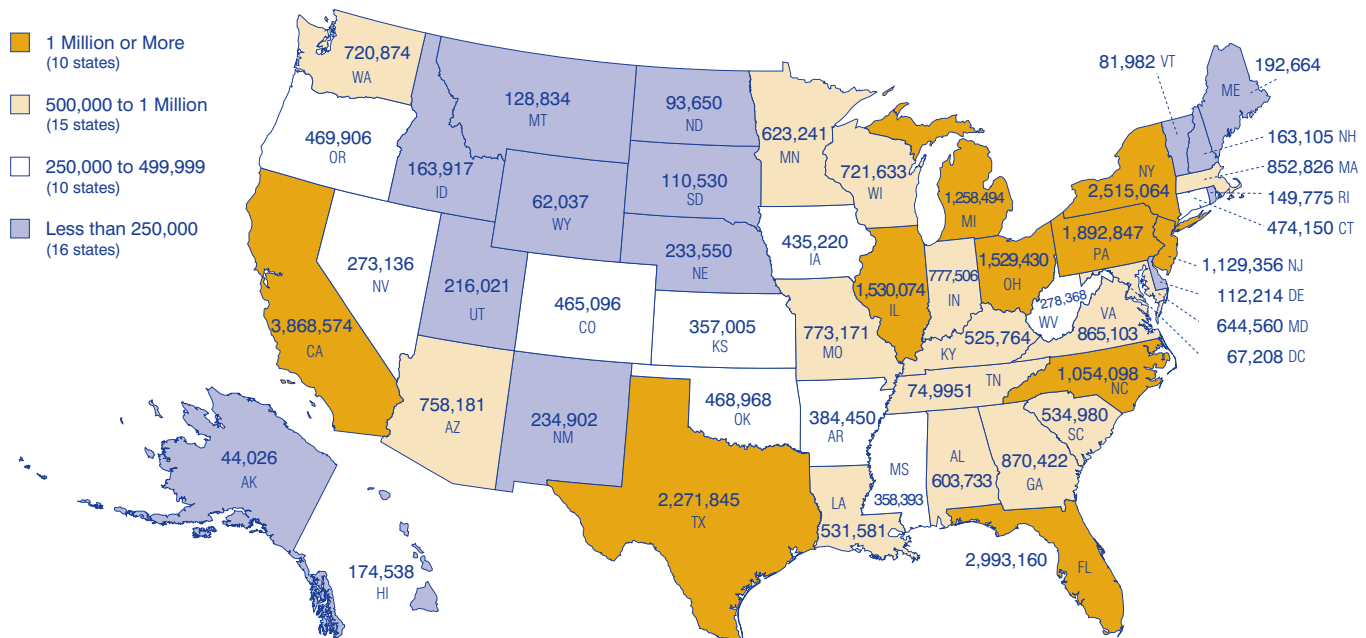
Source: IBRC, using U.S. Census Bureau data

where did Indiana fall within the mix of things? Elderly Hoosiers were on par with the nation, making up 12.4 percent of the state with a total of 777,506 people age 65 or older in 2005.

## Indiana's Aging Population

Twenty of Indiana's 92 counties had at least 10,000 elderly among their residents. Considering Marion County

**FIGURE 2: NUMBER OF PEOPLE AGE 65 AND OLDER, 2005**



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

has the largest population, it is not surprising that it also has the most older residents—more than 94,000 in 2005. On a percentage basis, however, Wabash County had the highest proportion of elderly residents (16.6 percent). Five other counties had at least 16 percent of their populations age 65 or older, including Blackford, Fountain, Henry, Randolph and Wayne counties.

Let's take a closer look at those counties with a relatively high proportion of elderly. How do they compare to the younger counties in terms of labor force, jobs, wages and education? We will define older counties as those in which elderly residents make up at least 15 percent of the total population. Twenty counties meet that criteria (see **Figure 3**).

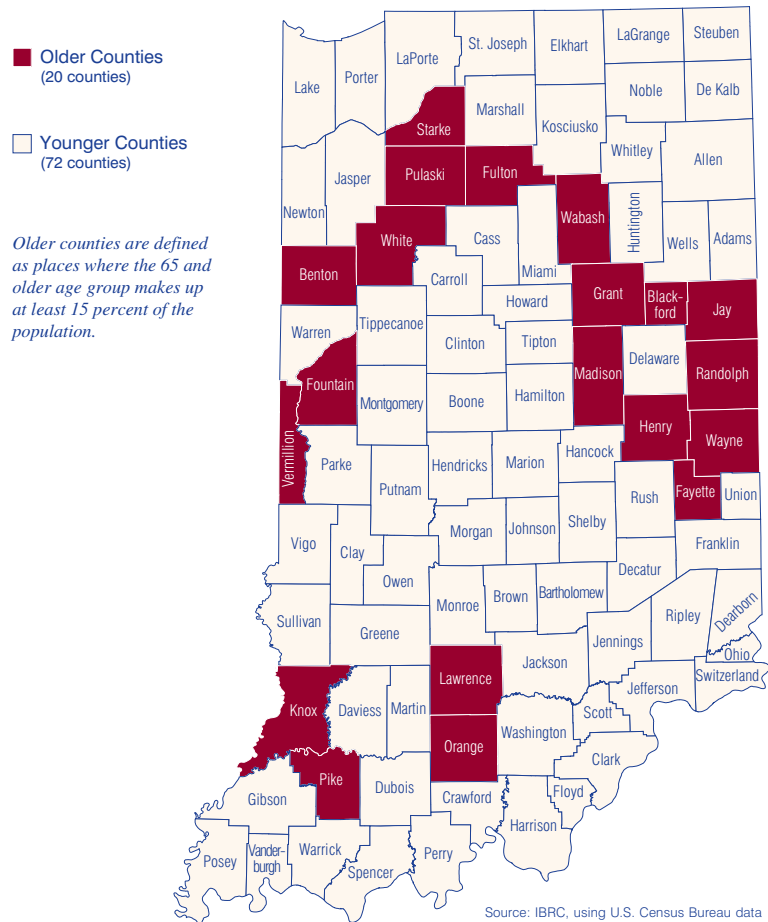
## Labor Force

These 20 older counties show an interesting but somewhat expected picture in terms of labor force. From 2000 to 2005, the labor force declined in older counties, down more than 8,100 people. Meanwhile, the population of the 65 and older age group increased over that period. This might be a telling bit of information if the younger counties showed opposite trends. However, the elderly population in younger counties grew 3.5 percent from 2000 to 2005, compared to only 0.9 percent in the older counties.

## Industry Jobs

The 20 younger counties account for 8 percent of the total number of jobs in Indiana. Therefore, percent changes will likely be somewhat skewed by this smaller base, but should still give us an idea as to the directional trends. Since 2001, older counties have lost nearly 9,500 jobs for a 3.9 percent decrease.

**FIGURE 3: INDIANA'S OLDER COUNTIES, 2005**



**TABLE 1: JOBS IN INDIANA'S COUNTIES, 2001:4 TO 2006:4**

Industry	Older Counties			Younger Counties		
	2006:4	Change	Percent Change	2006:4	Change	Percent Change
Total	234,905	-9,486	-3.9	2,614,635	74,953	3.0
Management of Companies and Enterprises	456	148	48.1	22,995	1,545	7.2
Administrative, Support and Waste Management	8,677	1,633	23.2	137,032	22,440	19.6
Agriculture, Forestry, Fishing and Hunting	2,140	341	19.0	8,603	-42	-0.5
Transportation and Warehousing	8,383	877	11.7	121,000	4,568	3.9
Wholesale Trade	6,928	584	9.2	104,807	907	0.9
Health Care and Social Services	34,604	2,561	8.0	315,838	30,580	10.7
Accommodation and Food Services	20,151	1,341	7.1	214,626	18,934	9.7
Professional, Scientific and Technical Services	3,474	177	5.4	84,218	6,754	8.7
Educational Services	22,961	720	3.2	226,151	18,981	9.2
Construction	8,720	178	2.1	139,337	4,243	3.1
Arts, Entertainment and Recreation	2,087	-9	-0.4	32,088	-520	-1.6
Real Estate, Rental and Leasing	2,061	-27	-1.3	34,219	1,262	3.8
Public Administration	13,215	-408	-3.0	114,178	7,036	6.6
Finance and Insurance	6,221	-362	-5.5	90,532	-5,150	-5.4
Utilities	759	-65	-7.9	12,357	565	4.8
Retail Trade	28,715	-2,466	-7.9	300,518	-8,400	-2.7
Other Services (Except Public Administration)	5,770	-748	-11.5	76,467	455	0.6
Information	3,394	-470	-12.2	41,680	-3,801	-8.4
Manufacturing	50,572	-13,579	-21.2	506,194	-24,212	-4.6
Mining	846	-300	-26.2	3,154	-939	-22.9

Source: IBRC, using Bureau of Labor Statistics and Indiana Department of Workforce Development data

Younger counties, on the other hand, saw a 3 percent increase in jobs (see **Table 1**). Manufacturing and retail trade were the industries hit the hardest but they remained among the highest percent of jobs in both sets of counties. The health care and social services industry has added the most jobs in both sets of counties.

## Industry Wages

Wages in older counties dramatically lagged the younger counties and the state average overall. Average weekly wages across all industry sectors was \$615 in the fourth quarter of 2006, an increase of only \$60 in the past

five years. At the same time, younger counties paid an average of \$729 across industries per week, an increase of \$91 over the same time span. As a state, Indiana paid \$723 per week on average.

*“For the most part, younger counties hovered right around the state’s average weekly wage across industry sectors. Meanwhile, older counties paid less in all but two of the 20 major industry sectors.”*

For the most part, younger counties hovered right around the state’s average weekly wage across industry sectors. Meanwhile, older counties paid less in all but two of the 20 major industry sectors: management of companies and enterprises

and administrative, support and waste management (see **Figure 4**). For both sets of counties, the management of companies and enterprises industry paid

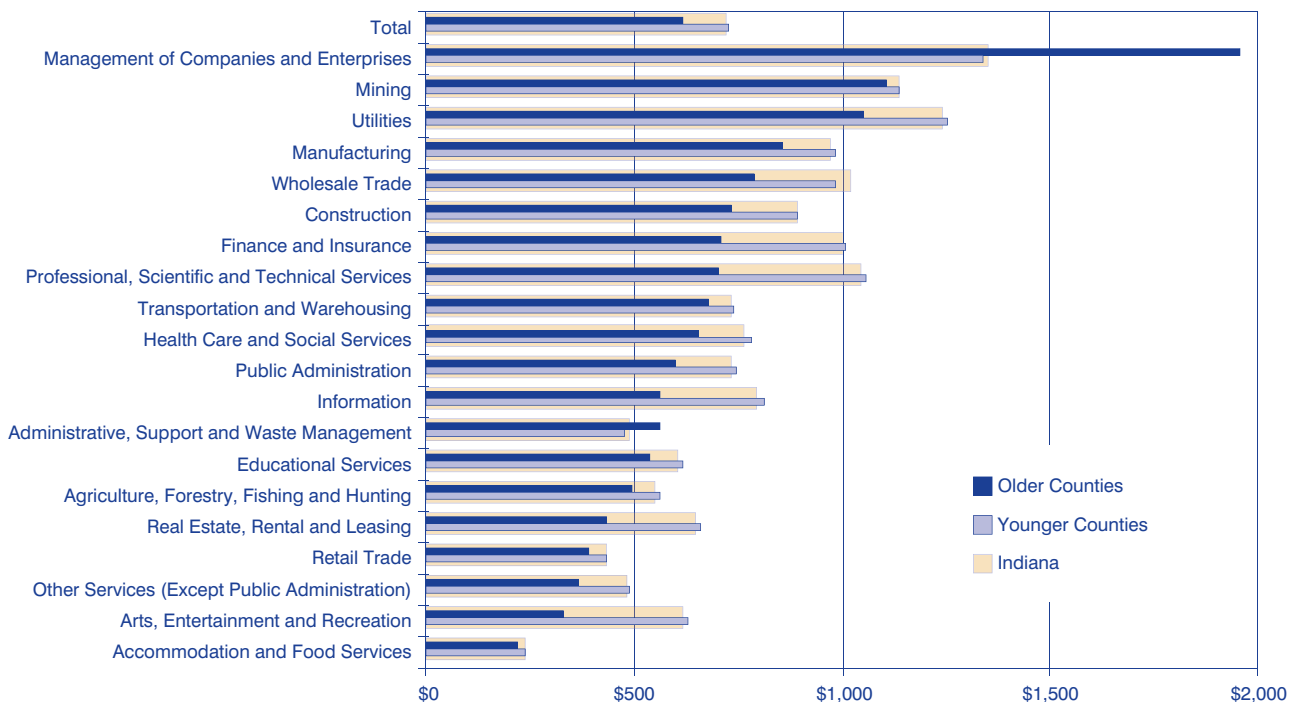
the highest average weekly wages in 2006 (\$1,955 and \$1,339, respectively).

## Conclusion

Counties with a higher proportion of older residents show definite differences in industry employment and wages when compared to counties with fewer elderly residents. Jobs declined and wages were lower for older counties from 2001 to 2006. However, as far as overall composition is concerned, industries showed similar patterns, with the same industries supplying the most jobs and the highest wages. Continuing to monitor these counties every few years could prove useful in determining how older populations affect the economy over time.

—Molly Manns, Associate Editor, Indiana Business Research Center, Kelley School of Business, Indiana University

**FIGURE 4: AVERAGE WEEKLY WAGES IN INDIANA’S OLDER AND YOUNGER COUNTIES, 2006:4**



Source: IBRC, using Bureau of Labor Statistics and Indiana Department of Workforce Development data

# Housing Unit Estimates for 2006

We all need a place to live and there are roughly 2,756,000 housing units in Indiana to help meet that need, according to the 2006 housing unit estimates from the U.S. Census Bureau. That amounts to 2 percent of the 126 million units nationwide.

Just so we're all on the same page, the Census Bureau defines a housing unit as a house, an apartment, a mobile home or trailer, a group of rooms, or a single room that is occupied (or intended for occupancy) as separate living quarters (i.e., occupants do not have to go through someone else's living quarters to get to their own unit).<sup>1</sup>

*“Based on the sheer number of housing units added, Florida and Texas top the list, each adding more than 1 million units since 2000.”*

## Short-Term Change

Indiana's housing stock grew 1.2 percent between July 1, 2005, and July 1, 2006. The United States as a whole had a slightly faster growth rate at 1.4 percent. Nevada led the nation on a percentage basis at 4.5 percent, while Florida had the largest numeric growth with the addition of 273,000 housing units. Not surprisingly, Louisiana was the only state to lose housing units, with a decline of 5.7 percent (or 110,000 units), primarily due to Hurricane Katrina.

As far as Indiana counties are concerned, it's all about the suburbs (see **Table 1**). Hamilton and Hendricks counties led the state with 2005-2006 growth of 4.5 and 4.4 percent, respectively. Warrick, Boone and Johnson counties round out the top five based on percent change. All of these surround Indianapolis, with the exception of Warrick, which is adjacent to Evansville. Meanwhile, 59 of the state's 92 counties came in under 1 percent.

**TABLE 1: TOP TEN FOR PERCENT CHANGE**

County	July 2006	Change, 2005 to 2006	Percent Change, 2005 to 2006
Indiana	2,756,331	31,852	1.2
Hamilton	95,690	4,092	4.5
Hendricks	53,430	2,258	4.4
Warrick	23,783	811	3.5
Boone	21,277	695	3.4
Johnson	53,949	1,752	3.4
Hancock	26,947	698	2.7
Switzerland	5,064	121	2.4
Porter	64,621	1,271	2.0
Clark	46,845	865	1.9
Jasper	12,746	218	1.7

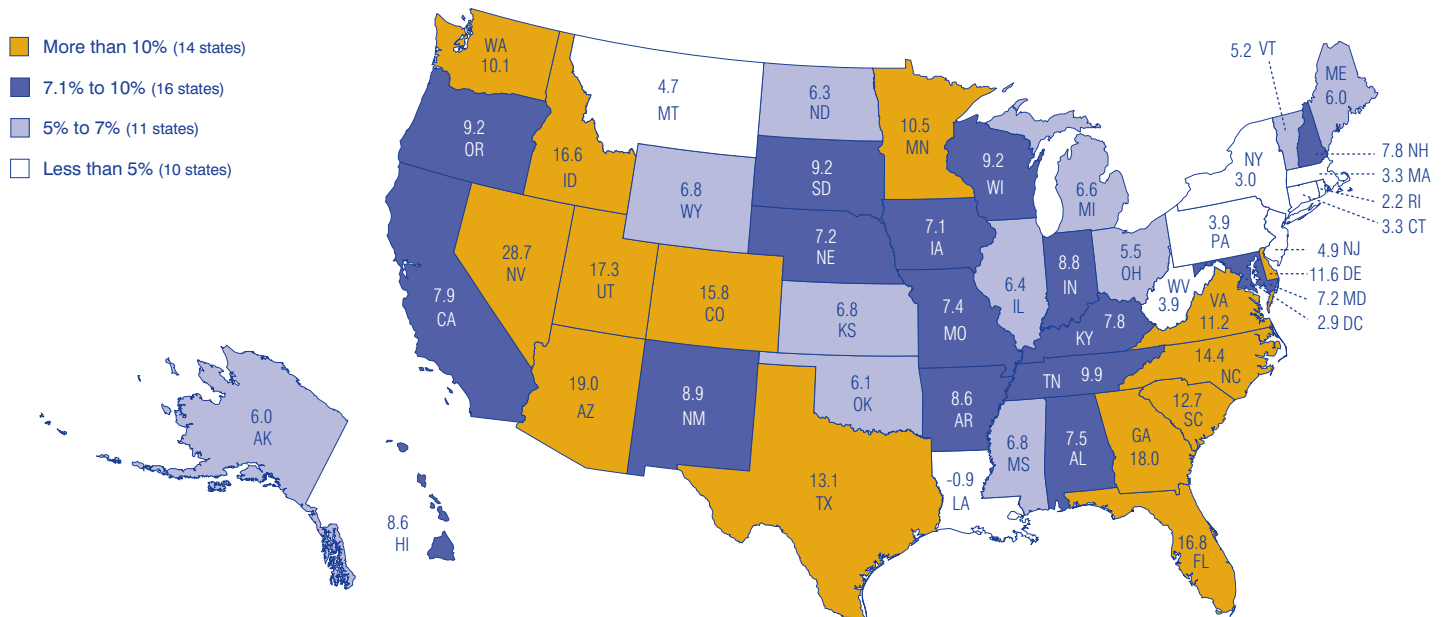
Source: IBRC, using U.S. Census Bureau data

Hamilton County led the state in the number of housing units added, building nearly 4,100 units in a single year.

## Change Since Census 2000

Taking a longer time frame into consideration, Indiana has increased its housing stock by 8.8 percent since Census 2000, slightly less than the

**FIGURE 1: CHANGE IN HOUSING UNITS BY STATE, 2000 TO 2006**



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

national average of 9 percent. Indiana ranked 20th among the states on this measure (see **Figure 1**). Fourteen states had growth rates exceeding 10 percent, led by Nevada at nearly 29 percent. Based on the sheer number of housing units added, Florida and Texas top the list, each adding more than 1 million units since 2000.

Since 2000, Indiana added 224,000 new housing units. Nearly a quarter of these units were added in just two counties—Marion and Hamilton. While 10 counties encountered tiny declines in the number of housing units during the 2005-2006 period, no county had a declining housing stock for the 2000-2006 time period. Looking at the rate of change, Hamilton and Hendricks counties again top the list, with 2000-2006 growth exceeding 36 percent (see **Figure 2**). Benton, Randolph and Wayne counties are at the other end of the spectrum, growing by just 2 percent.

### Looking Ahead

As seen in **Figure 3**, Indiana and its contiguous states have behaved quite differently from the nation over the past six years. Indiana has seen a steady, albeit small, decline in the rate of housing unit growth. The state started with a 1.5 percent growth between 2000 and 2001 and that dropped slightly each year, down to a 1.2 percent change between 2005 and 2006.

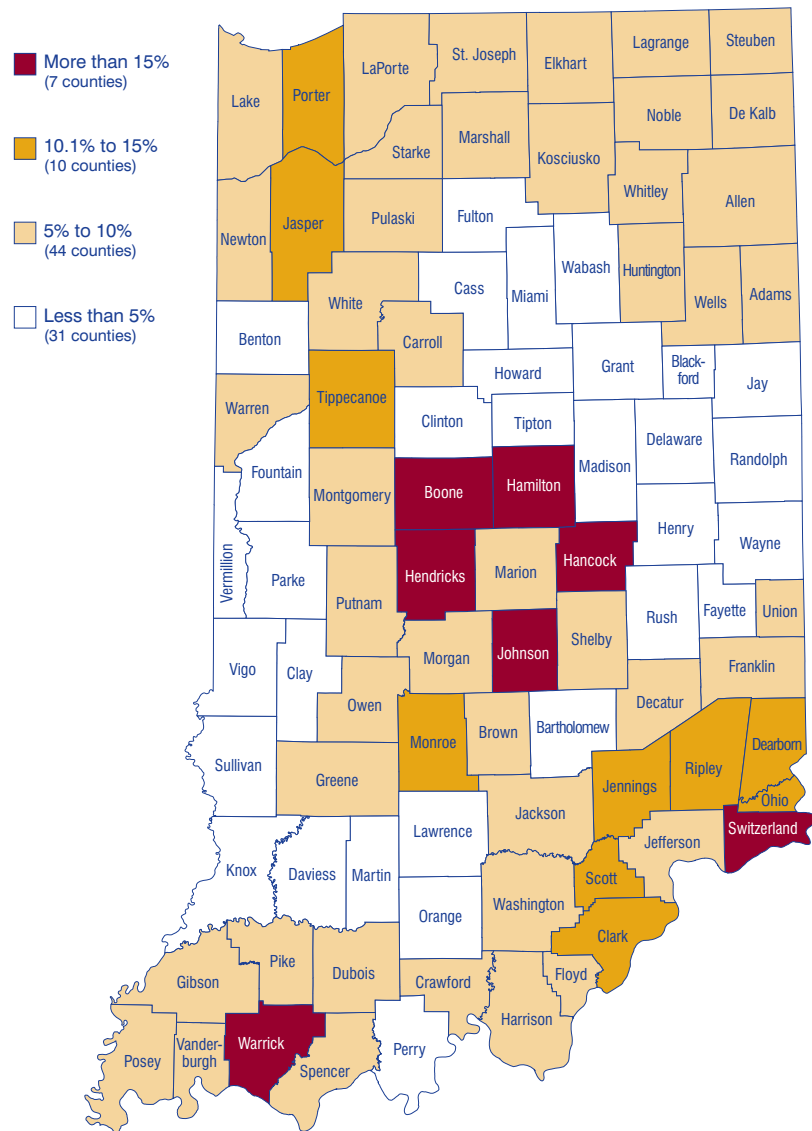
With the current turmoil in the housing market, it's likely that Indiana will continue to see fewer new housing units in the coming years.

### Note

1. [www.census.gov/popest/topics/terms/housing\\_unit.html](http://www.census.gov/popest/topics/terms/housing_unit.html)

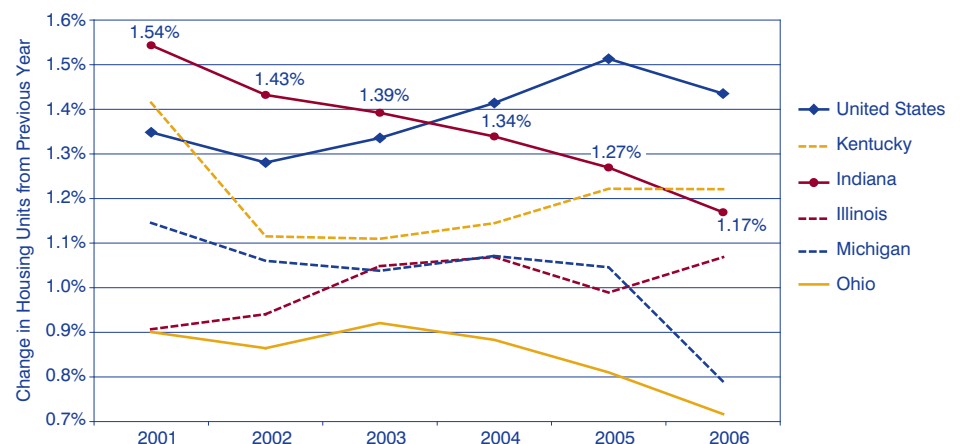
—Rachel Justis, Managing Editor, Indiana Business Research Center, Kelley School of Business, Indiana University

**FIGURE 2: CHANGE IN HOUSING UNITS BY INDIANA COUNTY, 2000 TO 2006**



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

**FIGURE 3: RATE OF HOUSING UNIT GROWTH IN INDIANA AND THE MIDWEST, 2001 TO 2006**



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

## Digital Connections

### InContext

Current workforce and economic news with searchable archives.

[www.incontext.indiana.edu](http://www.incontext.indiana.edu)

### Hoosiers by the Numbers

Workforce and economic data from the Department of Workforce Development's research and analysis division.

[www.hoosierdata.in.gov](http://www.hoosierdata.in.gov)

### STATS Indiana

Award-winning economic and demographic site provides thousands of current indicators for Indiana and its communities in a national context.

[www.stats.indiana.edu](http://www.stats.indiana.edu)

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The news behind the numbers, the Digest is a unique partnership with daily newspapers throughout Indiana providing access to daily news reports on business and economic events.

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beyond traditional strategies for worker preparation by bringing together state, local and federal entities, academic institutions, and industry to address the challenges associated with building a globally competitive and prepared workforce.<sup>8</sup> These grants provide funding to address specific regional challenges through collaborative efforts that revitalize local economies.

Also working to enhance Indiana's competitive advantage is the Major Moves initiative. Major Moves will improve our current infrastructure, create jobs and roads, and ensure that Indiana will remain the "Crossroads of America."

In addition to efforts to raise the skill levels of our workforce, there is a need to raise employers' awareness about the transferability of skills to new industries and occupations. Recent funding and programs are being directed toward placing workers in Indiana's high wage and high demand jobs based on findings from the Strategic Skills Initiative and the 2007 Skill Pathway Career Guides.<sup>9</sup>

Competition from abroad—and from closer to home—is already impacting Hoosier workers, and that is unlikely to change. The demands for new mixes of job skills to accommodate technological shifts in how work is performed

require a highly adaptable workforce. The pace of that technological change reinforces the mandate that workers and employers alike subscribe to the need for lifelong learning in various forms. Understanding how skills can build upon each other and transfer across seemingly unrelated occupations is one key piece of enhancing that flexibility for Hoosier workers.

## Notes

1. Robert D. Hof, "The End of Work as You Know It," *Business Week*, 20 August 2007; available from [www.businessweek.com/magazine/content/07\\_34/b4047426.htm?chan=search](http://www.businessweek.com/magazine/content/07_34/b4047426.htm?chan=search); and Peter Coy, "The Future of Work," *Business Week*, 22 March 2004; available from [www.businessweek.com/magazine/content/04\\_12/b3875615.htm?chan=search](http://www.businessweek.com/magazine/content/04_12/b3875615.htm?chan=search).
2. Monthly mass layoff events occur when establishments have at least 50 (20 for state events) initial claims for unemployment insurance (UI) filed against them during a five-week period.
3. Indiana Department of Workforce Development: Hoosiers by the Numbers, 2006 QCEW annual averages
4. Richard Florida. *The Rise of the Creative Class*. New York: Basic Books, 2004.
5. Indiana Department of Workforce Development, Occupational Employment Statistics
6. Indiana's Skill Pathway Career Guides, available from [www.in.gov/dwd/2433.htm](http://www.in.gov/dwd/2433.htm).
7. Michael F. Thompson, "The Demand for Soft Skills: Key Skills for Indiana's Growing Occupations through 2014," *InContext*, September 2007; available from [www.incontext.indiana.edu/2007/september/1.html](http://www.incontext.indiana.edu/2007/september/1.html)
8. [www.doleta.gov/wired/regions/](http://www.doleta.gov/wired/regions/)
9. [www.in.gov/dwd/3175.htm](http://www.in.gov/dwd/3175.htm)

—Joseph Roesler and Allison Leeuw,  
*Research and Analysis, Workforce Transitions, Indiana Department of Workforce Development*