

Region Five: North Central Indiana

The Area

Region 5 is comprised of six counties: Cass, Fulton, Howard, Miami, Tipton and Wabash. The region's largest city, Kokomo, is 52 miles north of Indianapolis. Howard and Tipton counties comprise the Kokomo Metropolitan Statistical Area (MSA), which is the smallest of Indiana's 12 metropolitan areas.

Population

Region 5 had 234,024 residents in 2000. Rebounding from a 5.9 percent population loss during the 1980s, Region 5 gained 3.5 percent the following decade (see Figure 1). With the exception of Miami and Wabash, each county in the region experienced growth in the 1990s, gaining a total of 7,859 people. Fulton County experienced the largest percent gain (8.9%), while Howard County had the largest numeric increase of 4,137 people. Miami County declined 2.2 percent (815 people), while Wabash decreased 0.31 percent (109 people).

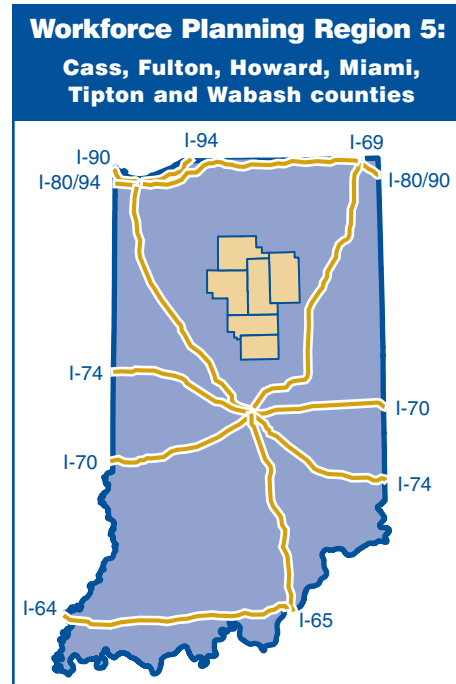
With 84,964 residents, Howard County is the heart of the Kokomo MSA and accounts for 36.3 percent of Region 5's population. Tipton is primarily rural with merely 7.1 percent of the region's inhabitants.

Industrial Mix, Jobs and Wages

While Indiana's nonfarm employment grew 20.3 percent from 1990 to 2000, the rate of growth in Region 5 was 11.0 percent. During that decade, employment in the Kokomo MSA grew slightly faster than the region at 14.9 percent.

According to labor market analysts at the Indiana Department of Workforce Development, well known employers in Region 5 include: IBP (Iowa Beef Processing), T.M. Morris Manufacturing Co., Federal Mogul Co., Logansport State Hospital, Rochester Metal, Syndicate Sales, Haynes International, Delphi Delco Electronic Systems, Daimler-Chrysler, St. Joseph Hospital, Marlburger Foods, Square D Co., Pioneer Hi-Bred International, Steel Parts, GenCorp, and Ford Meter Box.

In contrast to statewide trends, manufacturing remained the dominant industry in Region 5, accounting for 30.3 percent of nonfarm employment in 2000. The fast-growing services industry accounted for 21.1 percent, while retail trade



comprised 18.0 percent. In Indiana, the services industry was 27.6 percent of nonfarm employment while manufacturing comprised just 19.3 percent.

Figure 2 shows the changes in Region 5's industrial mix between 1990 and 2000. The area saw the largest percent increases in construction (25%) and services employment (21.9%). The largest numeric increases were in services (4,898 jobs) and manufacturing (2,841 jobs). The largest decrease involved military employment, which declined 76.5 percent (2,695 jobs) due to the closing of Grissom Air Force Base in Miami County.

Despite growth over the previous decade, employment in the Kokomo MSA declined 4.1 percent in the five years from June 1997 to June 2002. Manufacturing employment declined 13.7 percent, while it only fell 8.4 percent statewide. Between 1997 and 2000, 500 manufacturing jobs were

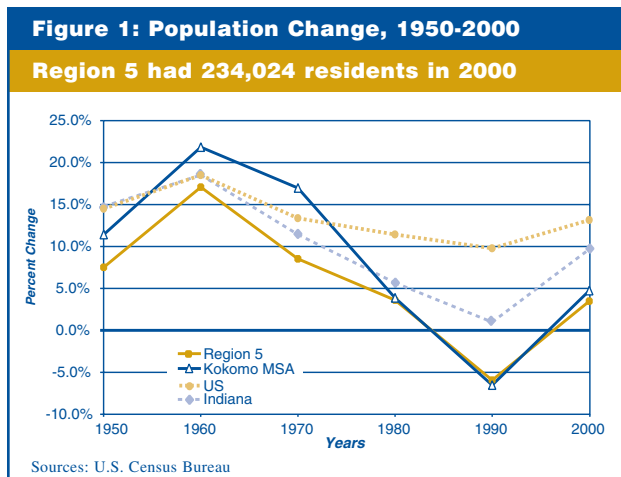
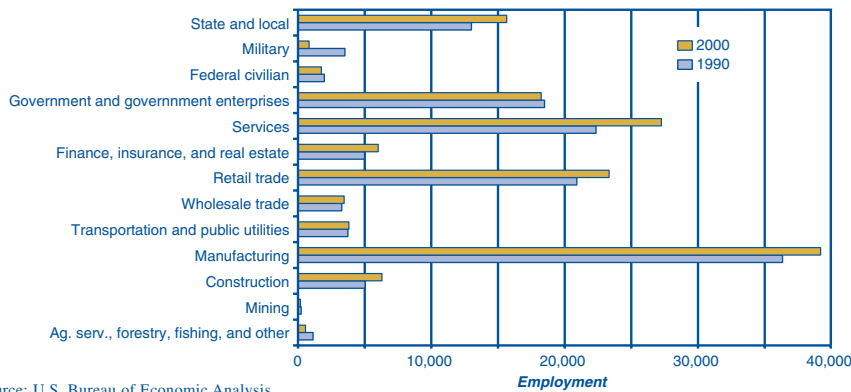


Figure 2: Changes in Regional Industry Employment, 1990-2000

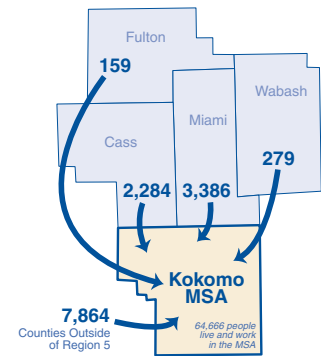
Manufacturing remains the dominant industry in Region 5



Source: U.S. Bureau of Economic Analysis

Figure 3: Commuting to Kokomo

45% of regional labor force work in MSA



Source: STATS Indiana Commuting Profiles, Tax Year 2000

lost in the MSA. In 2000, that number jumped to 3,700 lost jobs primarily because of layoffs from manufacturing plants. Employment in the sector improved slightly with a gain of 500 jobs in 2001, but the first six months of 2002 brought another loss of 100 jobs.

However, manufacturing remains the dominant industry in the Kokomo MSA, accounting for 35.8 percent of employment. Of the state's 12 MSAs, only Elkhart-Goshen had a higher percentage of manufacturing employment (49.1%).

Nearly 45 percent of the region's labor force—70,774 people—were employed in the Kokomo MSA in 2000. Of that number, 64,666 both lived and worked in the MSA. Within the region, Miami County sent the most commuters

to Kokomo, while Fulton County sent the fewest commuters (see Figure 3).

Overall, 5.7 percent of Region 5's labor force commuted into the Kokomo MSA. An additional 2 percent commuted outside of the region into the Indianapolis MSA.

Table 1 shows that in the fourth quarter of 2001, the average quarterly wage for nonfarm employment in Region 5 was \$390 higher than in the

state. The average quarterly wage in manufacturing was \$1,886 more than in Indiana. Manufacturing earnings in the Kokomo MSA show an even greater difference, where the average quarterly wage was \$4,534 higher than in the region and \$6,420 higher than in the state.

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

Table 1: Average Employment and Earnings for Third Quarter 2001

Industry	Employment		% of Employment		Avg. Quarterly Wage/Job	
	Region 5	Indiana	Region 5	Indiana	Region 5	Indiana
TOTAL NONFARM	97,289	2,865,107	100%	100%	\$8,594	\$8,204
AGRICULTURE, FORESTRY & FISHING	855	27,389	0.9%	1.0%	\$7,502	\$6,114
MINING	5	6,619	0%	0.2%	\$5,605	\$13,110
CONSTRUCTION	3,627	149,019	3.7%	5.2%	\$8,580	\$9,993
MANUFACTURING	34,840	617,829	35.8%	21.6%	\$12,847	\$10,961
TRANSPORTATION AND PUBLIC UTILITIES	3,002	159,689	3.1%	5.6%	\$8,730	\$9,486
WHOLESALE TRADE	2,707	138,350	2.8%	4.8%	\$9,116	\$10,814
RETAIL TRADE	17,506	560,782	18.0%	19.6%	\$3,859	\$4,218
FINANCE, INSURANCE & REAL ESTATE	2,913	138,736	3.0%	4.8%	\$7,966	\$10,420
SERVICES	26,067	941,016	26.8%	32.8%	\$6,445	\$7,619
PUBLIC ADMINISTRATION	4,976	125,070	5.1%	4.4%	\$7,079	\$7,951
NONCLASSIFIABLE*	0	608	0%	0%	n/a	\$8,425

*Data for Nonclassifiable establishments were nondisclosable in Region 5. Source: Indiana Business Research Center, Indiana Industry Employment and Wages, based on ES-202 data from the Indiana Department of Workforce Development