

INSIDE *this issue:*

- **IN THE SPOTLIGHT** 1
The Long and Short of Indiana's Economy
- **IN THE NEWS** 4
Population Estimates for 2004: Indiana Barely Maintains Its Rank
- **IN THE WORKFORCE** 6
Indiana's Employment Versus the Nation: Where We Have Been
- **IN METRO AREAS** 8
The Gary Metro Division
- **IN THE DATA CENTER** 11
How Old Is That Commuter?

Unemployment for December 2004

Indiana
5.0%

U.S.
5.1%

*Not seasonally adjusted

IN the Spotlight:

The Long and Short of Indiana's Economy

It is easy to recline comfortably on a winter day in Indiana and reflect on all that is good. Business for many has been just fine over the past few years so that we forget the essential truth of Indiana's economy.

Yet there are ongoing pressures on state and local government revenues while the demand for the services of governments rise. Although business in some parts of the Indianapolis area looks good, it is far from healthy elsewhere. How can things be so good and so bad at the same time?

Let's sit back and look at the record of the past 35 years. Our measure of economic performance is the most basic data: real personal income, that is, the total money the people of Indiana make as a result of working for themselves

or someone else, plus all the dividends, interest and rent they collect, plus any Social Security, unemployment compensation or other payments from the federal government. When we say real, we mean adjusted for price changes to year 2000 levels.

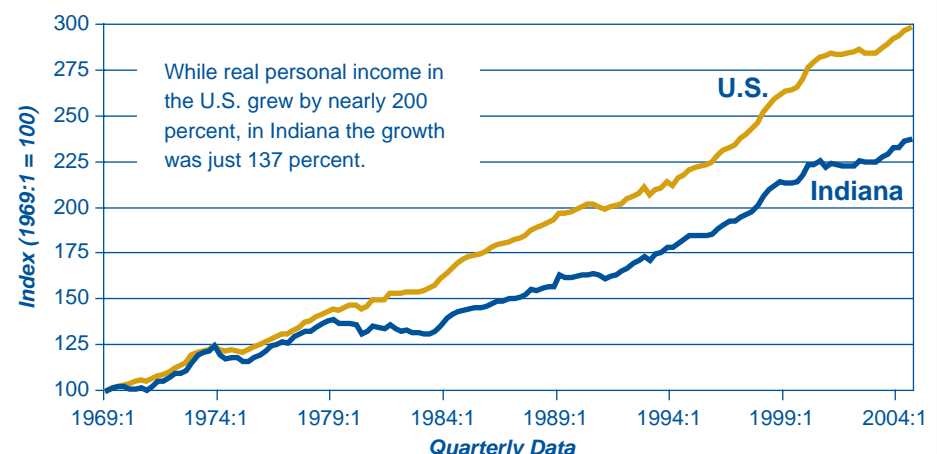
Figure 1 compares Indiana's record of growth in real personal income with that of the nation. Both economies are set equal to 100 in the first quarter of 1969 and then the chart follows them through 143 quarters to the third quarter of 2004.

Indiana kept pace with the U.S. economy until 1979 and then began to slip. The gap between the two grew. By the third quarter of 2004, the latest data we have, the nation had grown

(continued on page 2)

Figure 1: Thirty-Five Year Index of Real Personal Income through 2004:3

Since 1969, Indiana has not kept pace with the national average growth



IN the Spotlight

(continued from page 1)

by nearly 200 percent from 1969, but Indiana had advanced by only 137 percent. What does this mean in dollars? In the third quarter of 2004, the citizens of Indiana had real personal income of \$175.4 billion, which was \$44.8 billion (20 percent) below what they would have had if they had kept pace with the nation over the past 35 years. What would it mean to your business if the market was 20 percent larger?

The disparity between Indiana and the nation is very strong. When Indiana is ahead of the nation, the average growth differential is 2 percent, and

when Indiana lags the nation, the average is -2.3 percent. But, Indiana's economy has grown faster than the nation in only 57 of the past 142 quarters, just 40 percent of the time. The result is shown in **Figure 2**, where Indiana has led the nation in only one of the five-year periods shown.

The only period when Indiana led the nation was between 1989 and 1994, the slowest five-year growth period since 1969. The result of Indiana's slower growth rates has been a declining share of U.S. personal income (see **Figure 3**).

At the start of 1969, Indiana ranked as the 11th largest economy in the

United States. By the third quarter of 2004, Indiana ranked 16th in the nation, passed by Georgia, Maryland, North Carolina, Virginia and Washington (see sidebar). The state's share of the nation's personal income slipped from 2.5 percent to 2 percent. This drop was the sixth worst record in the country.

How Are We Doing Now?

Many will respond that all this is old news and that we must concentrate on how we are doing now. What is now? The latest information we have is the third quarter of 2004. Is "now" our performance over the past year? That is, from the third quarter of 2003 to the same time in 2004? Let's look at that record.

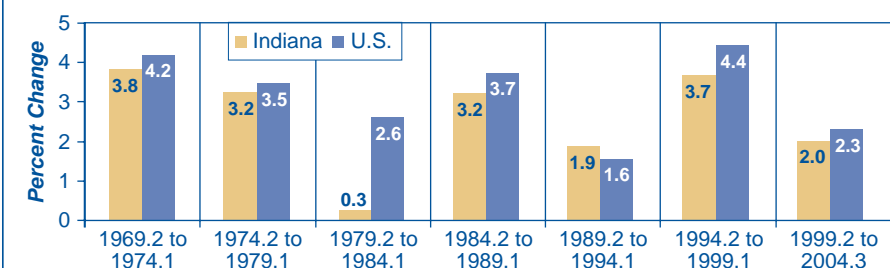
Over the past year, the Indiana economy has outperformed the United States in personal income gains. Indiana grew by 5.8 percent compared to a 5.2 percent increase nationally, the 15th best record in the country and better than all of our neighboring states, as seen in **Figure 4**.

What's driving Indiana's good performance in this period? The easy, but incorrect, answer would be farming. In the year 2003–2004, farm earnings rose by 24.4 percent in Indiana, but this is a small, highly volatile sector that contributed only 0.5 percent of total personal income in the third quarter of 2004. Of the total increase in personal income for the state, farming contributed just 2 percent, nearly four times its share.

The driving force in the economy for the past year was durable goods manufacturing, which contributed 21 percent of the growth Indiana

Figure 2: Average Real Personal Income Growth Rates

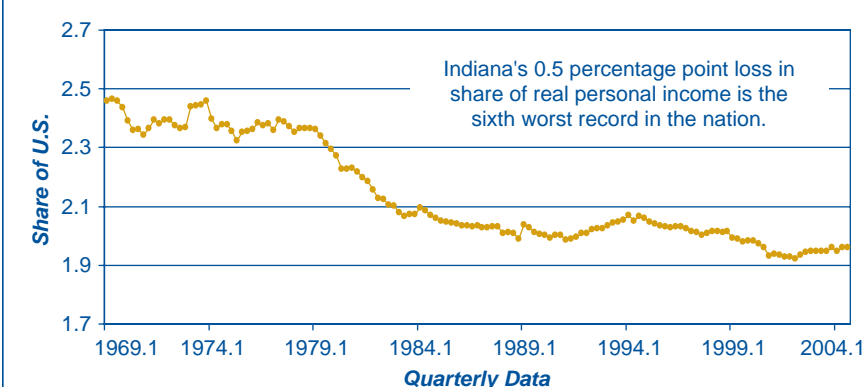
The only period Indiana passed the U.S. in income growth was 1989 to 1994



Source: U.S. Bureau of Economic Analysis

Figure 3: Indiana's Share of U.S. Personal Income

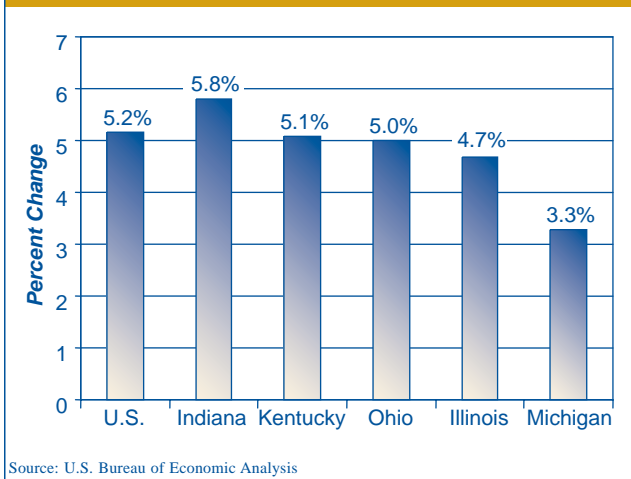
Slow growth has caused Indiana's share of U.S. personal income to decline



Source: U.S. Bureau of Economic Analysis

Figure 4: Personal Income Growth, 2003:3 to 2004:3

Indiana has outperformed all of its neighbors recently



experienced. Another 10 percent of the growth came from nondurable goods. Thus, nearly a third of Indiana's growth came from the depressed sectors that were in recovery. This suggests that Indiana's economy is not changing, but is replicating its previous structure. This is not necessarily bad, despite the often heard cries for restructuring. There may be real changes taking place within manufacturing that make this a continuing healthy sector for the state.

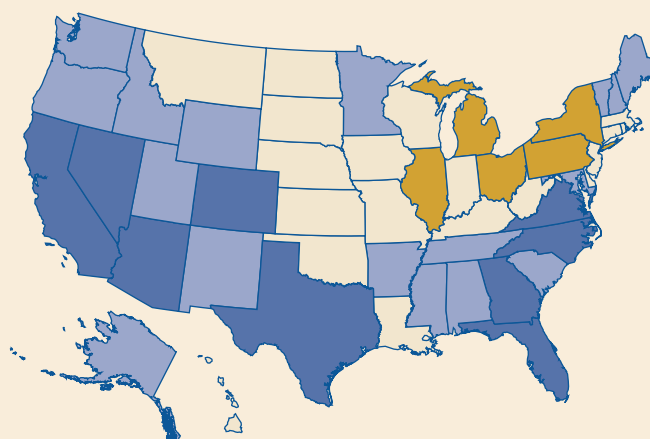
Economic development efforts involve subtlety. It is not a case of rejecting the past and its structure as much as determining what is and is not working to increase income in the state. Diversification for its own sake is not a reasonable objective. Higher income, not restructuring Indiana's economy, is the goal.

The issue is that Indiana has failed to keep pace with the nation year after year. To break that cycle, the state has embarked on a series of important initiatives. It will take years to see if these are successful. We should not be diverted from continuing these efforts by the results of a single year in which we enjoyed some marginal improvements in personal income.

—Morton J. Marcus, Director Emeritus, Indiana Business Research Center, Kelley School of Business, Indiana University

Trading Places

Twenty-six states gained in share of total personal income between 1969:1 and 2004:3. But only three states gained more than 1 percent in share of U.S. total personal income over that period of time: Florida, Texas and California.



Gained Share

- More than 0.5 percentage points (9 states)
- 0.01 to 0.5 percentage points (17 states)

Lost Share

- More than 0.5 percentage points (5 states)
- 0.01 to 0.5 percentage points (20 states)

Rank Then: 1969:1		Gain / Loss in Rank	Rank Now: 2004:3	
10	Massachusetts	-1	10	Georgia
11	Indiana	-5	11	Massachusetts
12	Missouri	-8	12	Virginia
13	Wisconsin	-5	13	North Carolina
14	Virginia	2	14	Maryland
15	Maryland	1	15	Washington
16	North Carolina	3	16	Indiana
17	Connecticut	-6	17	Minnesota
18	Georgia	8	18	Wisconsin
19	Minnesota	2	19	Tennessee
20	Washington	5	20	Missouri

Source: U.S. Bureau of Economic Analysis

Population Estimates for 2004: Indiana Barely Maintains Its Rank

Indiana's population reached 6.24 million on July 1, 2004, according to the Census Bureau's recently released state population estimates. Our gain since 2003 was about 38,000, for a growth rate of 0.6 percent. The growth since Census 2000 was approximately 157,000, yielding a 2.6 percent increase for the period.

Washington Is Nipping at Our Heels

Indiana is just barely hanging on to its status as the 14th most populated state in the nation, as the state of Washington is poised to eclipse us within the next year or so. The difference in population between these two states has decreased fairly rapidly in recent years, the gap closing from 186,000 in April 2000 to only 34,000 this past summer. If these states experience the same annual rate

of growth from 2004 to 2005, as was observed between April 2000 and July 2004, Washington's population will exceed Indiana's by nearly 3,900 in July 2005 (assuming constant growth).

Gaining on Massachusetts

Both Indiana and Washington are gaining on Massachusetts, currently the 13th largest state. The population gap between Indiana and Massachusetts has decreased from about 269,000 for the 2000 census to only 179,000 in 2004. Washington is gaining on Massachusetts even more quickly, closing the gap from about 455,000 in 2000 to only 213,000 in 2004. Another hard-charging state, Arizona, narrowed the margin with Massachusetts from over 1.2 million for Census 2000 to roughly 673,000 by 2004. Helping

to close these gaps is the fact that Massachusetts sustained a population loss of about 3,850 between 2003 and 2004.

High Growth States

To determine a state's growth, we can focus on numeric change, percent change or both simultaneously.

Figure 1 shows the percent change from April 2000 to July 2004 plotted against the numeric change for the same period. Due to the arithmetic involved, states with large populations are more challenged to achieve high percent increases than states with small populations. The scatterplot gives us a comprehensive visualization of the population growth that has taken place.

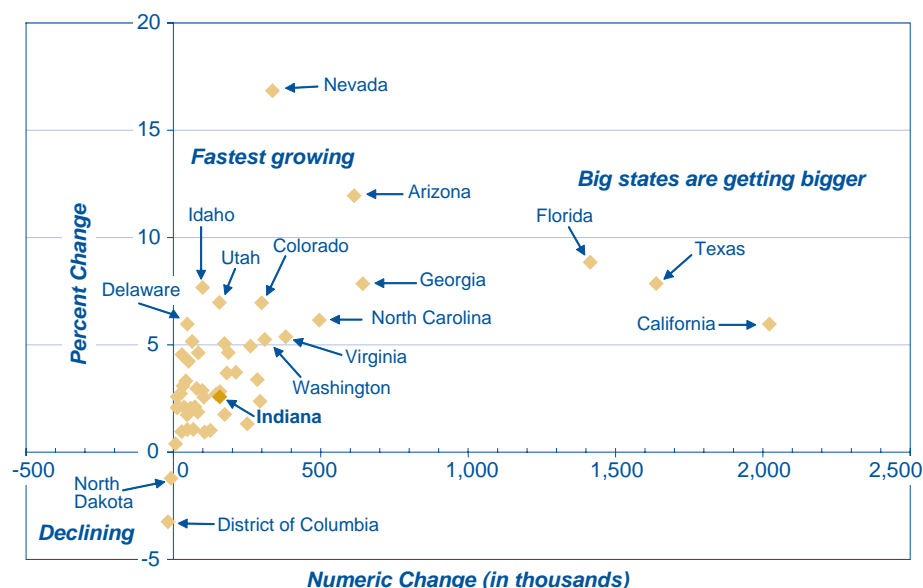
The points that are furthest away from the scatterplot's "center of mass" have been labeled, and these represent the states at the extremes of population change so far this decade. Nevada and Arizona lead the nation in terms of percent change, while California, Texas and Florida have taken the biggest gains in terms of absolute numbers. North Dakota and the District of Columbia are the bottom feeders, as they alone sustained population losses from April 2000 to July 2004.

So What Might Happen by 2010?

If we assume the population growth observed for each state since April 2000 will continue at the same rate throughout the rest of the decade, we can use the mean annualized growth rate to predict future population change (see **Table 1**).¹ This rudimentary projection method assumes constant

Figure 1: Population Growth, April 2000 to July 2004

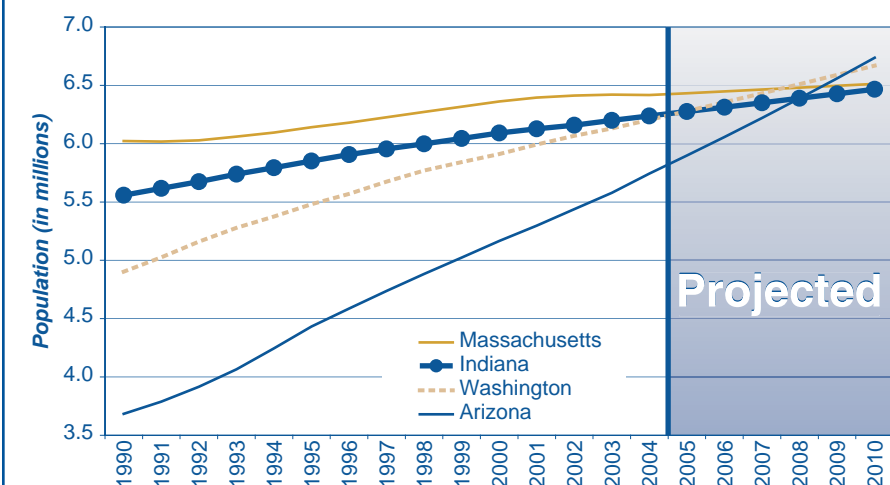
Indiana grew by about 157,000, or 2.6% since the last census



Source: U.S. Census Bureau

Figure 2: Past and Projected Population Growth for Selected States

Arizona has experienced explosive growth since 1990



Source: U.S. Census Bureau (annual estimates) and the Indiana Business Research Center (projections)

growth. According to these projections, Indiana's rank will fall to 16th by the summer of 2010, and Massachusetts will fall to 15th; however, Indiana's population will be within 47,000 of Massachusetts'. On the other hand, Washington surges past both Indiana and Massachusetts to overtake 14th place, while Arizona's explosive growth will lead it to surpass all three of these states, plus Tennessee and Missouri, to become lucky number 13 (see **Figure 2**). Another fast-growing state is Nevada, which will bypass Arkansas, Kansas and Utah to advance from 35th to 32nd. Other predictions for 2010: Florida will edge out New York for third place, North Carolina will claim 10th place from New Jersey, Connecticut takes the 28th spot from Oklahoma, New Hampshire gets past Maine to take 40th place and Vermont displaces North Dakota at number 48.²

Using the same projection technique for the United States, we predict the national population will reach about 312 million by summer 2010.

This figure is a little higher than the Census Bureau's projection of 309 million, which was generated by using a more complicated projection technique called the cohort component method. The Census Bureau is slated to release new state-level population projections sometime in 2005, which will also be produced via the cohort component technique. The IBRC produced population projections for Indiana and all 92 counties through 2040 using that same methodology. They were released in July 2003 and are available on STATS Indiana at www.stats.indiana.edu/pop_proj/.

Notes

1. The state-level projections are not controlled to the national projection. The difference between the sum of the states and the national projection is 427,217 or 0.1 percent.
2. An excel file containing IBRC-calculated population projections through 2010 for the nation, states, District of Columbia and Puerto Rico is available at www.stats.indiana.edu/projections_topic_page.html.

—*Vincent Thompson, Economic Analyst, Indiana Business Research Center, Kelley School of Business, Indiana University*

Table 1: Projections, 2010

States	Rank	Population
United States	-	311,832,713
California	1	38,955,784
Texas	2	25,024,273
Florida	3	19,609,496
New York	4	19,586,035
Illinois	5	13,140,560
Pennsylvania	6	12,585,276
Ohio	7	11,610,152
Michigan	8	10,363,672
Georgia	9	9,823,311
North Carolina	10	9,291,881
New Jersey	11	9,117,027
Virginia	12	8,032,551
Arizona	13	6,736,311
Washington	14	6,668,830
Massachusetts	15	6,512,878
Indiana	16	6,466,220
Tennessee	17	6,213,311
Missouri	18	5,985,202
Maryland	19	5,949,444
Wisconsin	20	5,720,898
Minnesota	21	5,368,598
Colorado	22	5,059,874
Alabama	23	4,649,753
Louisiana	24	4,582,694
South Carolina	25	4,475,826
Kentucky	26	4,296,772
Oregon	27	3,854,054
Connecticut	28	3,646,780
Oklahoma	29	3,629,099
Iowa	30	2,994,537
Mississippi	31	2,987,327
Nevada	32	2,908,504
Arkansas	33	2,868,498
Kansas	34	2,802,783
Utah	35	2,627,740
New Mexico	36	2,028,904
West Virginia	37	1,825,288
Nebraska	38	1,799,255
Idaho	39	1,546,569
New Hampshire	40	1,395,081
Maine	41	1,379,417
Hawaii	42	1,338,988
Rhode Island	43	1,127,953
Montana	44	962,846
Delaware	45	901,173
South Dakota	46	794,114
Alaska	47	697,896
Vermont	48	639,579
North Dakota	49	623,463
District of Columbia	50	528,372
Wyoming	51	525,087

Source: Indiana Business Research Center

Indiana's Employment Versus the Nation: Where We Have Been

To figure out where the job picture is heading, it is useful to look at past trends. This article examines job numbers from the Quarterly Census of Covered Employment and Wages (QCEW), which is produced by the Indiana Department of Workforce Development in cooperation with the Bureau of Labor Statistics. The QCEW data are universe counts derived from administrative files of employees covered by unemployment insurance (UI). Since the Current Employment Statistics (CES) program benchmarks their estimates annually to these universal counts, we will first examine the QCEW and then move forward to look at the job estimates.

Figure 1: Over-the-Year Job Change by Metro, 2003:1 to 2004:1

Half of the metros gained jobs, while the other half lost jobs

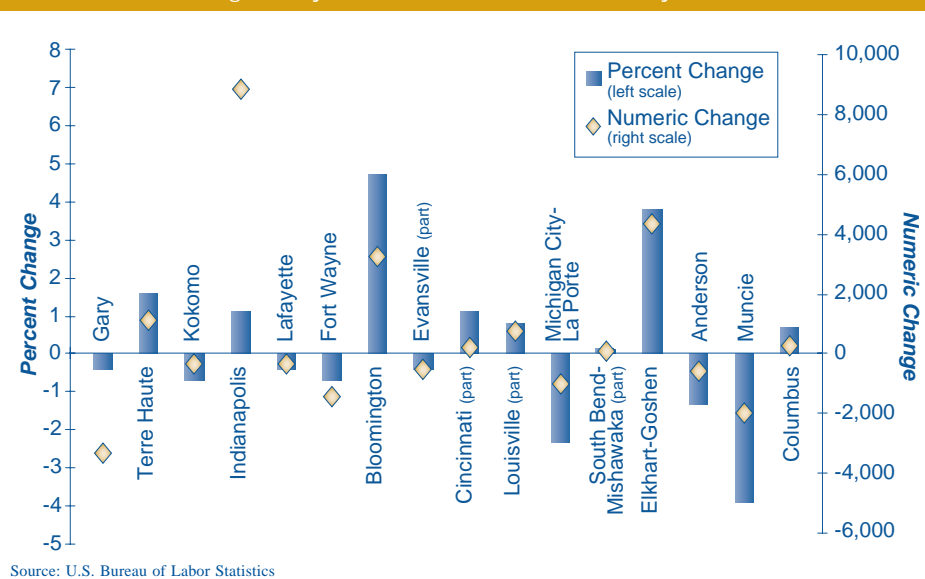


Table 1: Job Changes by Industry, 2003:1 to 2004:1

NAICS Industries	Indiana		U.S.	
	Job Change	% Change	Job Change	% Change
Total Nonfarm	6,428	0.2	714,265	0.6
Administrative, Support and Waste Management	5,124	3.9	226,623	3.1
Educational Services	5,094	2.1	110,883	0.9
Health Care and Social Services	6,549	2.0	274,167	1.8
Professional, Scientific and Technical Services	1,407	1.6	63,226	0.9
Mining	99	1.6	11,956	2.5
Accommodation and Food Services	3,172	1.5	249,226	2.5
Construction	1,572	1.2	153,778	2.5
Agriculture, Forestry, Fishing and Hunting	95	0.9	6,303	0.6
Real Estate, Rental and Leasing	287	0.8	22,210	1.1
Public Administration*	723	0.6	-79,594	-1.1
Utilities	89	0.6	-12,973	-1.6
Other Services (except Public Administration)	-302	-0.4	32,917	0.8
Information	-200	-0.4	-94,594	-2.8
Retail Trade	-1,489	-0.5	114,837	0.8
Transportation and Warehousing	-702	-0.6	-34,748	-0.7
Wholesale Trade	-819	-0.7	-3,694	-0.1
Finance and Insurance	-1,376	-1.3	40,460	0.7
Arts, Entertainment and Recreation	-609	-1.5	36,118	1.9
Manufacturing	-11,493	-2.0	-496,565	-3.4
Management of Companies and Enterprises	-686	-2.5	26,055	1.6

*Includes federal, state and local government

Source: U.S. Bureau of Labor Statistics and the Indiana Department of Workforce Development (QCEW)

In 2004:1, Indiana had 2,782,922 jobs, which is a decline of 62,518 jobs from the corresponding quarter of 2001. **Table 1** shows over-the-year first quarter employment changes for the state and the nation. For the first quarter of 2004, Indiana had a job gain of 6,428 or 0.2 percent over the same period in 2003. This was a move in the right direction, but the national results outstripped our gain by 0.4 percentage points.

A job gain is always positive, but the situation would be better if those gains were evenly distributed. However, in this case, there were industry winners and losers. Not surprisingly, the manufacturing industry posted the largest nominal loss (-11,493 jobs), a 2 percent drop. Manufacturing was also a loser on the national level with almost 500,000 jobs lost (-3.4 percent). The service sectors, particularly health care and social services, compensated

for the loss in manufacturing jobs with gains exceeding 6,500 jobs.

Metros and Counties

In terms of numeric job change, the 16 metropolitan areas (looking at just the Indiana portions) split in job gains and job losses from the previous year. The Indianapolis metropolitan area had the largest numeric increase in jobs (8,816), but did not stand out as a leader in job generation like the Bloomington (4.7 percent) and Elkhart-Goshen (3.8 percent) metro areas (see **Figure 1**).

Which industries are at the forefront of these employment increases?

Figure 2 shows the sectors with the largest employment percent changes from 2003:1 to 2004:1 by county. Considering the percent change in jobs levels the playing field between small and large industries so we can examine how industries performed relative to others. Almost a third of Indiana's 92 counties experienced the largest percentage growth in jobs in administrative, support and waste management services or real estate, rental and leasing. One-fourth of our counties experienced large percent increases in the arts, entertainment and recreation sector or the transportation and warehousing sector. The transportation and warehousing sector outperformed all other sectors in the Gary metro area, with a job gain of 1,078 (11 percent). The Lafayette metro area's industry with the largest percentage change was agriculture, forestry, fishing and hunting (80 jobs, or 18.1 percent), although health care and social services had the largest

nominal increase (276 jobs, or 3.2 percent).

Where We Are Headed

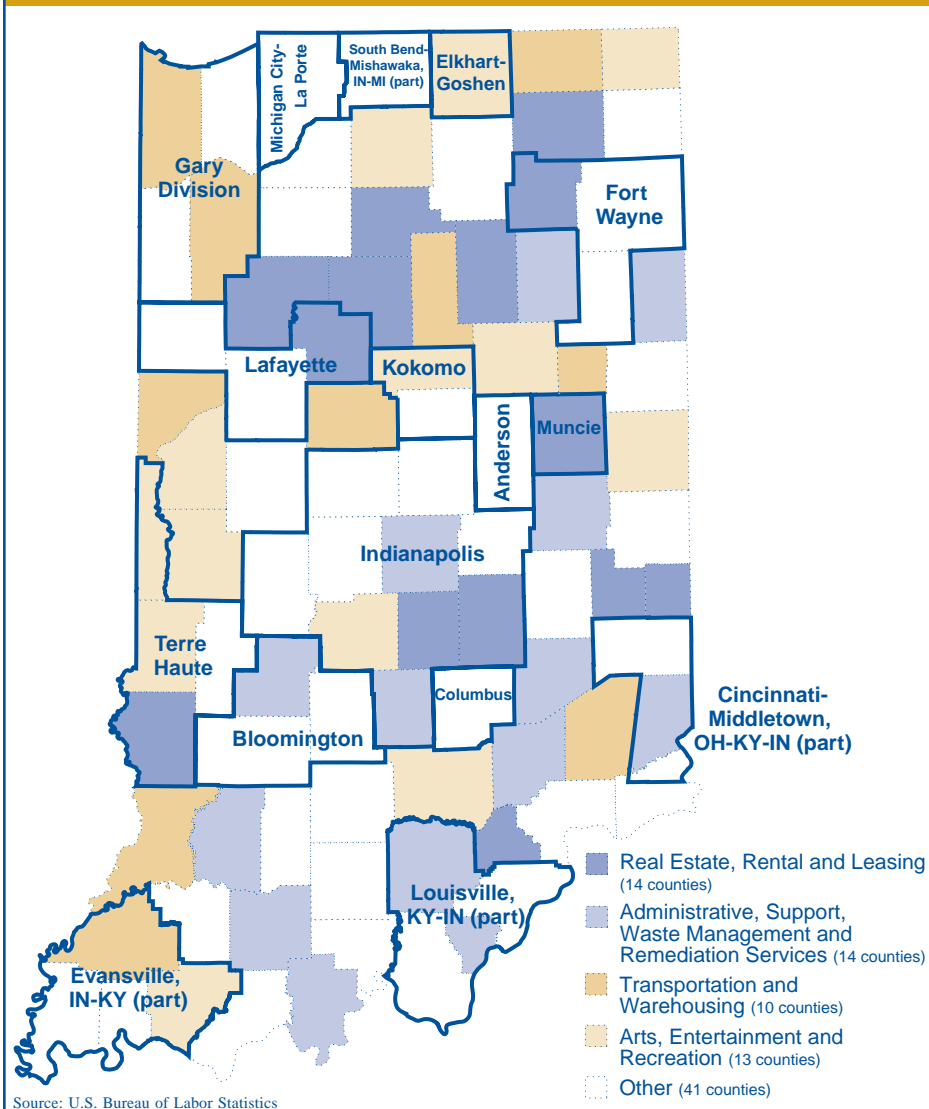
November 2004 preliminary job estimates were pegged at 2,947,400 (not seasonally adjusted), a gain of 16,900 jobs when compared to levels for November 2003. The nation experienced a 2.1 million increase in

the number of jobs over the same time period. For the 11 months of 2004 for which data are available, Indiana has posted job gains every month and had a net increase of 162,700 jobs. Hopefully, the state can keep the momentum going.

—Amber Kostelac, Data Manager, Indiana Business Research Center, Kelley School of Business, Indiana University

Figure 2: Industries with Most Percent Growth by County, 2003:1 to 2004:1

Four industries led the job growth in the majority of the state's counties



The Gary Metro Division

The Area

More than one out of every 10 Hoosiers lives within the Gary Metropolitan Division, which consists of four counties in northwest Indiana: Lake, Porter, Jasper and Newton. The five biggest cities in the region include Gary, Hammond (the fifth and sixth largest cities in the state), Portage, East Chicago and Merrillville.

Metropolitan divisions did not exist prior to the 2003 redefinition of statistical areas. Now, however, a metro area containing a single core

with a population of 2.5 million or more may be subdivided to form smaller groupings of counties known as metropolitan divisions. Thus, northwest Indiana was absorbed into the Chicago-Naperville-Joliet, IL-IN-WI metro area, which was then divided into metro divisions (see **Figure 1**).

The four-county Gary metro division had a 2003 population of 685,490, a 1.4 percent growth since Census 2000. This is slightly less than experienced in the state overall (1.9 percent).

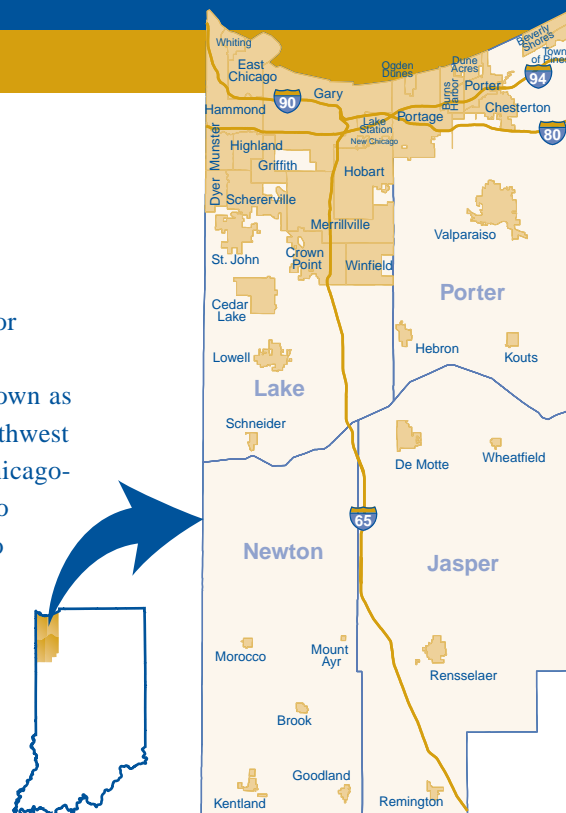
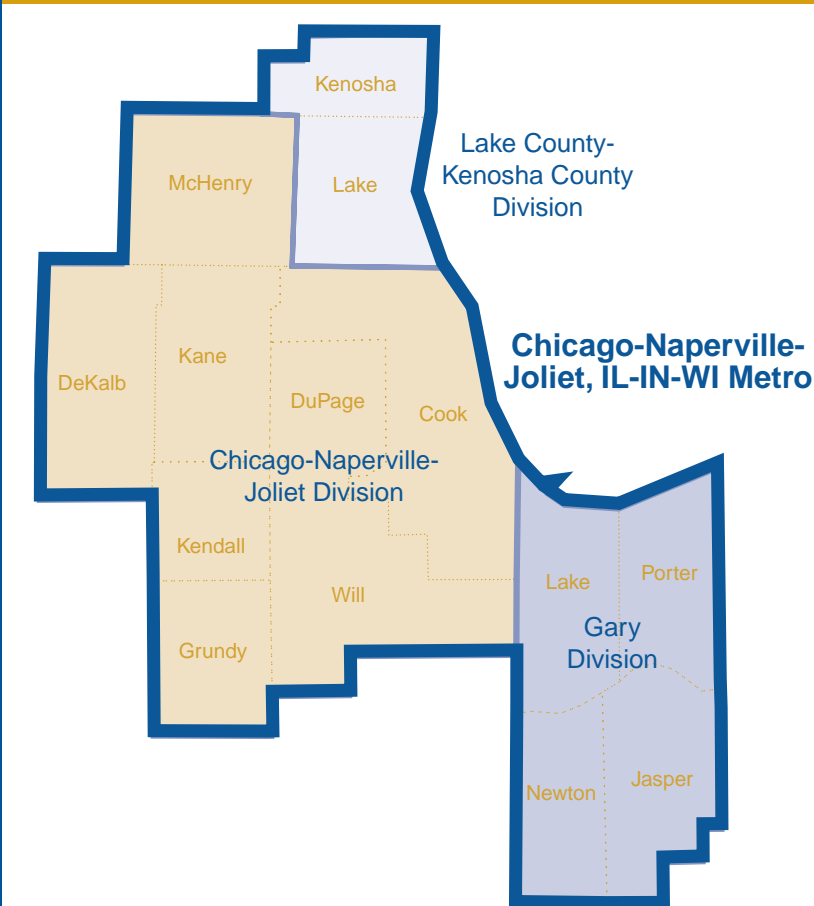


Figure 1: The 2003 Chicago Metro Configuration

The Gary division is now part of the broader Chicago metro area



Source: Indiana Business Research Center

Table 1: Population, 2003

Indicator	Lake	Porter	Jasper	Newton
Population	487,476	152,533	31,078	14,403
Growth Since 1990	2.5%	18.3%	25.2%	6.3%
Growth Since 1970	-10.8%	75.1%	52.1%	24.1%
Population Density per Square Mile	980.8	364.8	55.5	35.8

Source: U.S. Census Bureau

Porter County added over 5,700 residents, advancing 3.9 percent. This was nearly twice the number of people added in Lake County, which grew only 0.6 percent. Jasper County added just over 1,000 people for a 3.4 percent growth. Meanwhile, Newton lost 163 residents, declining by 1.1 percent.

Over 70 percent of the metro division's population lives in Lake County (see **Table 1**), which is also one of Indiana's most diverse counties. Over 25 percent of the population is black, and it has the largest number of Hispanics of any county in the state. (Bear in mind that Hispanic is not a race but an ethnicity, so it is calculated

separately.) In fact, the 70,602 Hispanics living in the Gary metro division account for nearly 30 percent of all Hispanics statewide.

Projections from the Indiana Business Research Center indicate that the Gary region will continue to grow, although at a slower pace than the state. By 2020, the division is set to gain about 16,000 people from current levels, an increase of 2.4 percent, while the state is projected to grow 8.8 percent.

Industrial Mix and Jobs

Manufacturing accounted for 14.9 percent of the metro division's employment in the first quarter of 2004, down from 18 percent in the first quarter of 2001. While still the largest industry in the region with 37,707 jobs, it declined by more than 9,000 jobs since early 2001. Newton County relies most heavily on manufacturing, since the sector accounted for almost one out of three jobs in the first quarter of 2004.

Primary metal manufacturing (the steel mills) is by far the largest subsector in the Gary division, accounting for half of all manufacturing employment in the region. As shown in **Table 2**, that subsector lost the most jobs on a numeric basis (and accounted for 83.6 percent of manufacturing's employment declines), but other smaller subsectors were hit harder from a percentage basis.

According to Donald Coffin, an economist at Indiana University

Table 2: Manufacturing Employment by Subsector in Gary Division, 2004:1

NAICS	Industry	Jobs	Percent of Manu- facturing	Average Weekly Wage	Job Change 2001:1 to 2004:1	
					Number	Percent
0	Total Covered Employment	252,691	-	\$647	-8,010	-3.1
31-33	Manufacturing	37,707	100	\$1,123	-9,202	-19.6
331	Primary Metal Manufacturing	19,014	50.4	\$1,365	-7,694	-28.8
332	Fabricated Metal Product Manufacturing	3,483	9.2	\$843	-449	-11.4
326	Plastics and Rubber Products Manufacturing	1,692	4.5	\$714	228	15.6
324	Petroleum and Coal Products Manufacturing	1,573	4.2	\$1,992	-157	-9.1
336	Transportation Equipment Manufacturing	1,521	4.0	\$742	21	1.4
311	Food Manufacturing	1,469	3.9	\$649	-131	-8.2
325	Chemical Manufacturing	1,441	3.8	\$1,207	-240	-14.3
327	Nonmetallic Mineral Product Manufacturing	1,240	3.3	\$810	-101	-7.5
333	Machinery Manufacturing	1,044	2.8	\$877	-422	-28.8
339	Miscellaneous Manufacturing	979	2.6	\$501	-2	-0.2
337	Furniture and Related Product Manufacturing	936	2.5	\$573	232	33.0
323	Printing and Related Support Activities	497	1.3	\$625	-214	-30.1
322	Paper Manufacturing	243	0.6	\$901	-27	-10.0
321	Wood Product Manufacturing	210	0.6	\$492	-151	-41.8
334	Computer and Electronic Product Manufacturing	114	0.3	\$921	-8	-6.6
335	Electrical Equipment, Appliance, and Component Manufacturing	93	0.2	\$617	5	5.7
315	Apparel Manufacturing	45	0.1	\$306	-25	-35.7
314	Textile Product Mills	37	0.1	\$421	-13	-26.0

Source: Indiana Department of Workforce Development

Northwest, manufacturing employment in the region is likely to hold its own in 2005. The merger of ISPAT-Inland with ISG (to form Mittal Steel) is unlikely to have immediate consequences, as long as steel demand remains strong.¹

Health care and social services (34,484 employees) is the next largest industry after manufacturing. Between the first quarters of 2001 and 2004, this sector had the largest numeric growth among the major industries in three of the four counties, adding 2,894 jobs region-wide.

The third biggest sector is retail trade at 32,233 employees. According to the most recent Manpower employment survey for the first quarter of 2005, the retail sector is the only sector in the region anticipating more job cuts than job gains. Nevertheless, in northwest

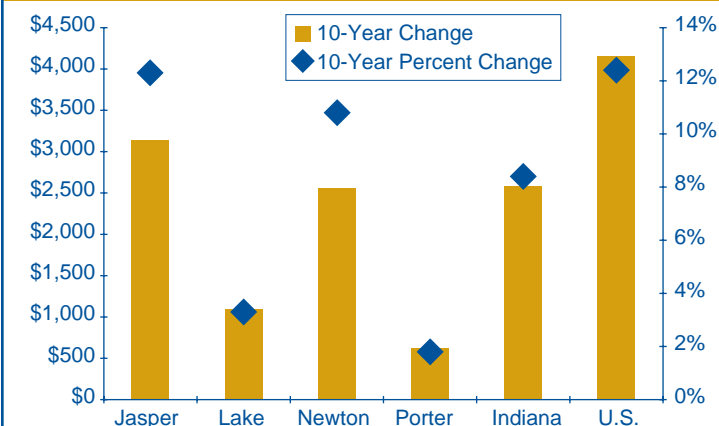
Indiana's overall economy, just 17 percent of employers plan to hire this quarter, down from 40 percent last quarter.

Wages and Income

Average wages for 2003 ranged from \$26,255 in Newton County to \$33,820 in Lake County. **Figure 2** illustrates how wages in each county have changed in the past 10 years. While Lake and Porter counties still have the highest wages in the region, the loss of high-paying manufacturing jobs is one factor causing wage growth to stagnate. In both counties, the average manufacturing wage exceeded \$55,000 in 2003, higher than that in adjacent counties and the state. That's over \$20,000 higher than health care and social services wages, which is the

Figure 2: Change in Average Wages, 1993 to 2003

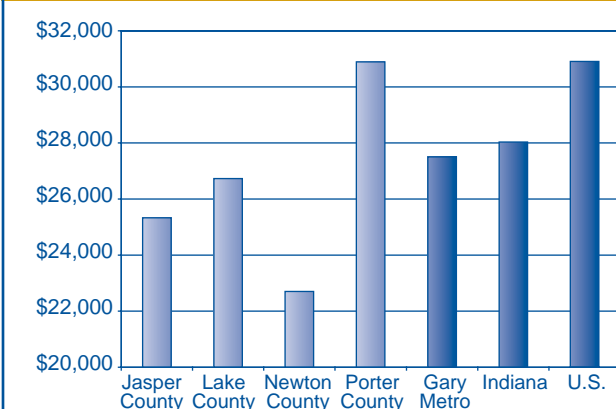
Lake and Porter still have highest wages, but least growth



Source: U.S. Bureau of Labor Statistics

Figure 3: Per Capita Personal Income, 2002

Porter County had highest in region at \$30,872



Source: U.S. Bureau of Economic Analysis

sector experiencing the most growth. This is also why Newton County did not experience the same stagnation in growth of wages, despite its higher reliance on manufacturing. Because the average manufacturing wage in Newton County is less than \$30,000, the wage gap between manufacturing and other sectors is much lower.

Per capita personal income (PCPI) in the Gary metro division was \$27,501 for 2002, or \$531 less than the state average. PCPI ranged from \$22,701 in Newton County to \$30,892 in Porter County (see **Figure 3**).

Housing

The Gary region has seen a drop in the percentage of single-family building permits over the past decade. In 1993, single-family permits accounted for 88.3 percent of all residential permits issued; by 2003, this figure had dropped to just 75.4 percent (see **Figure 4**). Lake County is driving this change, with just 67.9 percent of its new residential permits classified as single-family in 2003. Other counties in the region have seen increases in

this percentage, indicative of increased suburbanization.

Despite declining numbers of new single-family homes, the region experienced record-breaking existing single-family home sales in 2004. According to the *Times of Northwest Indiana*, sales during the first 11 months of 2004 were 6.9 percent higher than the same period in the previous year. And while the tax reassessment in Lake County has hurt

some neighborhoods, the housing market has remained strong overall.²

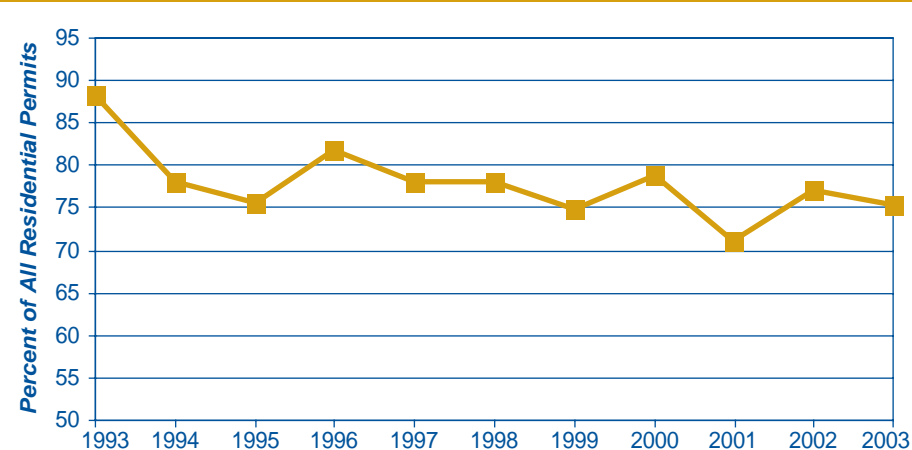
Notes

1. For more of Professor Coffin's analysis and projections for the coming year, see his article in the *Indiana Business Review's* Outlook 2005 edition; available online at www.ibrc.indiana.edu/ibr/2004/outlook05/gary.html.
2. Keith Benman, "Northwest Indiana Region on Track for Record Year in Housing," *Times of Northwest Indiana*, 30 December 2004.

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

Figure 4: Single-Family Building Permits in the Gary Division, 1993 to 2003

Single-family accounted for 75.4 percent of new residential permits in 2003



Source: U.S. Census Bureau

How Old Is That Commuter?

It's interesting to see how distance is sometimes measured in time rather than in length. When it comes to how far one drives to work versus how long it takes to get there, we probably more often talk about the distance as it relates to time. It's possible to get to downtown Indianapolis from the northwest in no time traveling down I-65. Listening to traffic reports though, one would probably need to leave quite a bit earlier to make it downtown from somewhere like Fishers.

If you've ever wondered which age group has the longest commutes and which has the shortest, you might be surprised to find that the answer for both is the same. It seems that, of the 2,812,223 employed Hoosiers between ages 16 and 64 who were commuting an hour or more to work in 2000, 40- to 44-year-olds make up the largest group. Of those commuting fewer than 15 minutes, this same group is again the largest. Taking a look at all commuters between the ages of 16 and 64, one finds that the 40- to 44-year-olds make up the largest group in general (see

Figure 1). **Figure 2** shows the percent breakdown of the shortest and longest commutes by age group.

Historical Censuses Make Good Reading

Did you know that there are actually pages and pages of text, illustrations and maps in the historical census publications? It's true. Some of these have been scanned by the Census Bureau and are available online. For example, the 10th census (1880) includes a discussion about early iron enterprises in Indiana and Indianapolis. George K. Greene writes that around 1840 "an iron furnace was erected by Randall Ross, of Virginia, on the lands of George Adams, of Monroe County ... The investment soon proved a failure, and the furnace has long gone to decay. The ruins of the 'old iron furnace' are today the mournful monument of an early spirit of enterprise that deserved a better fate." The ninth census (1870) includes historical notes on the formation of the territory and state of Indiana. According

to the notes, in 1804, "the District of Louisiana, being all of the French cession west of the Mississippi River except the present state of Louisiana, was committed to the government of the officers of the territory of Indiana." The scanned documents can be found at www2.census.gov/prod2/decennial/index.htm, and an index to Indiana-related information found in the 1810 to 1880 censuses is at www.statelib.lib.in.us/www/isl/sdc/sdcdata.html.

Update on the American Community Survey

The last issue of *IN Context* reported the uncertain status of the American Community Survey (ACS) due to a possible cut in funding for the program. However, since then the ACS received \$146 million for fiscal year 2005 and implementation began in January 2005. The funding allows the Census Bureau to conduct a short-form-only census in 2010 and provide the nation with socio-economic information every year instead of once every 10 years.

Figure 1: Indiana Workers Commuting to Work, 2000

Commuter age is close to a normal distribution

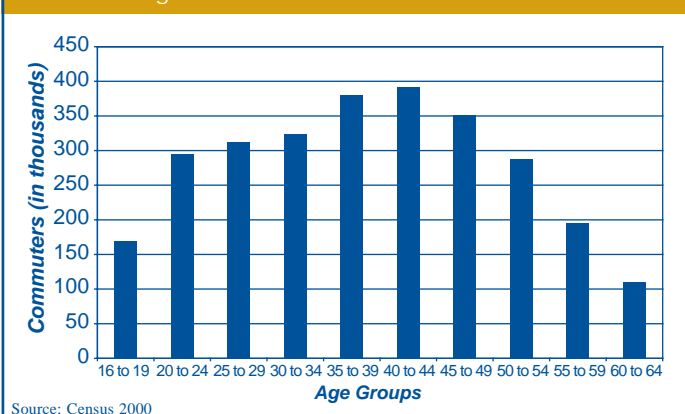
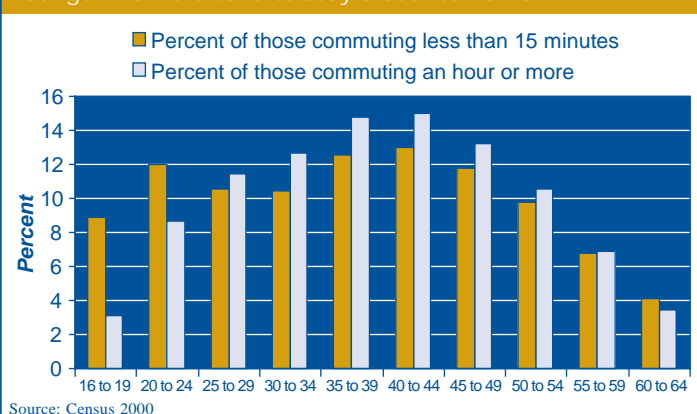


Figure 2: Long and Short Hoosier Commutes by Age

Younger workers tend to stay closer to home



IN CONTEXT

Published six times per year by a partnership of:

Indiana Business Research Center

Kelley School of Business
Indiana University

Director: Jerry Conover

Executive Editor: Carol O. Rogers

Managing Editor: Rachel Justis

Circulation: Nikki Livingston

Quality Control: Amber Kostelac
Joan Ketcham

Bloomington Campus
1275 E. Tenth Street, Suite 3110
Bloomington, IN 47405

IUPUI Campus
777 Indiana Avenue, Suite 210
Indianapolis, IN 46202

Web: www.ibrc.indiana.edu
E-mail: context@indiana.edu

INDIANA UNIVERSITY

KELLEY
School of Business

Indiana Department of Commerce

Secretary of Commerce: Patricia Miller

President, Indiana Economic
Development Corporation: Mickey
Maurer

Research Director: Ryan Asberry

One North Capitol
Suite 700
Indianapolis, IN 46204

Web: www.indianacommerce.com



IN the Data Center

(continued from page 11)

Beginning in 2005, a rolling sample of households in all U.S. counties, Puerto Rico and other outlying areas will receive questionnaires each month. The survey collects demographic, socio-economic and housing data—just like data from the long-form questionnaire that has been collected every 10 years. The \$146 million is \$19 million less than what the president requested, so the implementation of the ACS in group quarters (e.g. college dorms, prisons, nursing homes) will not begin until 2006.

Under the current timetable, data will be available for areas with more than 65,000 inhabitants beginning in the summer of 2006, for areas with 20,000 or more in the summer of 2008, and for all areas—down to census tract level—by the summer of 2010.

By 2010, we will no longer have to wait a decade for up-to-date statistics on our communities. The ACS will provide an annual moving “snapshot” of community characteristics. This will allow legislators, community leaders and businesses access to current data to address a wide range of pressing social and economic issues. To find out more about the ACS, go to www.census.gov/acs/www/SBasics/index.htm.

—Frank Wilmot, State Data Center Coordinator, Indiana State Library

The Indiana Data Center Program is a partnership with the U.S. Census Bureau between the Indiana State Library, the Indiana Business Research Center and the Indiana Department of Commerce. There are 57 affiliated data centers throughout Indiana to help assist people locally with their use of census data.

Data Center Contacts: Frank Wilmot, State Library: fwilmot@statelib.lib.in.us
Carol Rogers, IBRC: rogersc@indiana.edu

For the latest information and news, these are must-bookmark websites:

IN Context Online
www.incontext.indiana.edu

STATS Indiana
www.stats.indiana.edu

Indiana Economic Digest
www.indianaeconomicdigest.net



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

Nonprofit Org.
U.S. Postage
PAID
Bloomington, Indiana
Permit No. 2