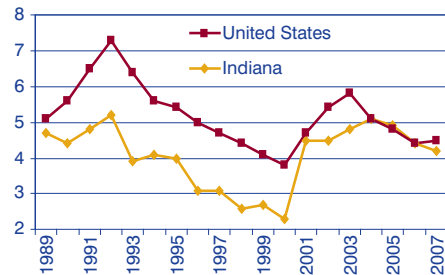


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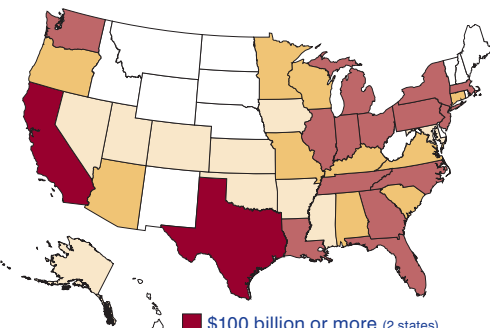
### October Unemployment

Indiana's October unemployment rate fell 0.3 percentage points below the U.S. rate, coming in at 4.2 percent.



\*seasonally adjusted

### Value of Exports in 2006



Learn more about Indiana's exports on page 3

- \$100 billion or more (2 states)
- \$20 billion to \$99 billion (14 states)
- \$10 billion to \$19 billion (10 states)
- \$4 billion to \$9 billion (10 states)
- Less than \$4 billion (15 states)

\*in current dollars  
Source: IBRC, using WISER Trade data

## Hoosier Engines of Job Growth

One of Indiana's engines of job growth and job creation actually has engines: the auto industry. Despite widespread contraction in this industry, concentrated among domestic auto makers, Indiana's employment in the automobile manufacturing industry (NAICS 3361, manufacturing entire vehicle, not auto parts) grew 53 percent between 1997 and 2006, according to annual averages from Current Employment Statistics (CES).

Based on September CES not-seasonally adjusted estimates, national employment in this industry sector declined 3.6 percent since September 2006, while Indiana employment grew 4.6 percent during that same period; that's 600 new jobs. Texas was the only other state reflecting employment growth over the year (see **Table 1**, which is ranked by 2006 share of U.S. employment).

Indiana's auto manufacturing growth has been largely fueled by the addition of non-domestic auto

makers to the mix, including Toyota, Honda and Subaru. Greensburg's Honda plant, set to open in 2008,<sup>1</sup> will bring an additional 2,000 jobs to this industry. In addition, a Toyota/Subaru collaborative venture announced last year<sup>2</sup> is expected to add 1,000 jobs in the Lafayette area during 2007.

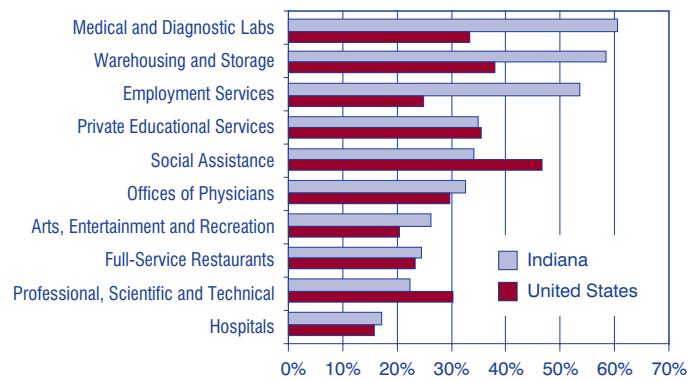
Another industry segment in the transportation sector, motor vehicle body and trailer manufacturing (NAICS 3362)—which includes motor vehicle bodies, truck trailers, motor homes, travel trailers and campers—has grown by 49.6 percent (13,100 jobs) between 1997 and 2006 in Indiana, compared to U.S. growth of 13.9 percent (22,000 jobs). Employment in this industry surged in 2006 in response to emergency housing demands in the wake of Hurricane Katrina and has been shedding jobs over the last 12 months, both nationally and in Indiana. However, Indiana employment appears to be stabilizing, with August 2007 employment of 37,500 matching that of August 2005.

**TABLE 1: AUTOMOBILE MANUFACTURING FOR STATES THAT PUBLISH MONTHLY BREAK-OUTS OF AUTO MANUFACTURING**

State	Employment			Percent of United States			Percent Change	
	1997*	2006*	September 2007	1997	2006	Change	1997-2006	September 2006-2007
Michigan	84,700	56,800	51,200	29.5	24.1	-5.5	-32.9	-10.8
Ohio	36,800	28,000	26,000	12.8	11.9	-1.0	-23.9	-5.1
Kentucky	17,000	16,400	17,100	5.9	6.9	1.0	-3.5	-2.8
Missouri	18,600	12,800	11,000	6.5	5.4	-1.1	-31.2	-3.5
Indiana	8,100	12,400	13,700	2.8	5.3	2.4	53.1	4.6
Alabama	1,600	12,300	12,100	0.6	5.2	4.7	668.8	-0.8
Texas	5,600	8,900	10,000	2.0	3.8	1.8	58.9	6.4
California	7,000	8,700	8,400	2.4	3.7	1.2	24.3	-2.3
Oklahoma	4,300	3,100	2,600	1.5	1.3	-0.2	-27.9	-3.7
<b>United States</b>	<b>286,800</b>	<b>236,100</b>	<b>228,800</b>				<b>-17.7</b>	<b>-3.6</b>

\*Average annual  
Note: Data are not seasonally adjusted  
Source: Indiana Department of Workforce Development, using Current Employment Statistics data

**FIGURE 1: PERCENT CHANGE IN EMPLOYMENT FOR SELECTED INDUSTRIES IN INDIANA AND THE UNITED STATES, 1997 TO 2006**



Source: Current Employment Statistics

Another strong growth segment within the manufacturing sector is medical equipment and supplies manufacturing (NAICS 3391), tucked away in the miscellaneous manufacturing sector and concentrated around Warsaw in Kosciusko County. This industry includes manufacturers who produce surgical supplies and appliances such as prosthetic joints or vascular stents. It grew 28.5 percent from 1996–2007 and had 18,200 employees as of September 2007.

During the last decade, Indiana’s total nonfarm employment grew by 115,000 (4 percent). While employment in manufacturing declined during this period (-13.2 percent compared to -18.5 percent for the nation), other sectors and subsectors exhibited substantial growth (three or more times Indiana’s overall growth rate)—a fact sometimes obscured by countering movements among other industry components. These high growth subsectors are shown in **Figure 1**.

Employment in the warehousing and storage (NAICS 493) sector of trade, transportation and utilities grew by 58.5 percent over the decade, adding 8,600 jobs (see **Table 2**). Thanks to Indiana’s central location and deliberate efforts to attract and support employers in this industry segment, Indiana’s employment growth since 1997 has surpassed the strong national trend of

37.9 percent. Growth in this sector is masked by a 4.9 percent decrease in retail trade employment over the 10-year span.

The 27 percent growth in professional and business services (NAICS 54) resulted in 59,700 employees and has come primarily from two subsectors: professional, scientific and technical services, which added 17,000 jobs and grew 22.3 percent; and employment services, which expanded by 53.7 percent, adding 29,000 employees during the period (see **Table 2**). Employment services jobs have exploded as labor leasing and other innovations aimed at creating a flexible workforce have increased the use of temporary help and other types of employment services. In many cases, professional, scientific and technical services jobs have benefited from outsourcing non-core business functions, such as accounting, and increasing use of various types of consultants.

Education and health services, which grew by 21.6 percent overall and added 68,600 jobs, has four sectors with growth of more than 30 percent: private educational services (34.9 percent, 17,000 jobs); offices of physicians (32.6 percent, 11,600 jobs); social assistance (34.2 percent, 10,400 jobs); and the small but fast-growing medical and diagnostic labs (60.6 percent, 2,000

**TABLE 2: INDIANA’S HOT INDUSTRIES—EMPLOYMENT IN INDIANA AND THE UNITED STATES, 1997 TO 2006**

Industry Segment/Sector	Indiana			U.S.	
	1997	2006	Change	Percent Change	
Medical and Diagnostic Labs	3,300	5,300	2,000	60.6	33.4
Warehousing and Storage	14,700	23,300	8,600	58.5	37.9
Employment Services	54,000	83,000	29,000	53.7	24.9
Private Educational Services	48,700	65,700	17,000	34.9	35.4
Social Assistance	30,400	40,800	10,400	34.2	46.7
Offices of Physicians	35,600	47,200	11,600	32.6	29.7
Arts, Entertainment and Recreation	34,300	43,300	9,000	26.2	20.4
Full-Service Restaurants	76,500	95,200	18,700	24.4	23.3
Professional, Scientific and Technical	76,200	93,200	17,000	22.3	30.3
Hospitals	87,700	102,800	15,100	17.2	15.8

Source: Current Employment Statistics

jobs). In addition, employment at Indiana’s private/non-public hospitals grew 17.2 percent (15,100 jobs).

Leisure and hospitality employment expanded 12.2 percent over the decade, adding 30,500 workers to their payrolls. Arts, entertainment and recreation services added 9,000 workers (26.2 percent), with more than half of the increase (5,000 jobs) coming from gambling/gaming employment across the state. Food services employment growth was dominated by full-service restaurants, growing at 24.4 percent—almost four times the 6.2 percent rate of limited-service eating places—and adding 18,700 workers to their payrolls.

The Hoosier economy is rife with hot spots—sectors that have far outperformed the overall state, and often national, rate of growth. The evidence presented confirms that Indiana’s economy continues to diversify and is resilient to economic downturns in vulnerable sectors, such as manufacturing. These economic engines serve as Indiana’s main vehicles for future employment growth.

## Notes

1. Indiana Economic Development Corporation (IEDC) News Release, "Honda selects Indiana for new North American plant," 6/28/2006.
2. IEDC News Release, "Governor announces Toyota to add Camry line in Lafayette," 3/13/2006.

—Vicki Seegert, *Advanced Economic and Market Analysis, Indiana Department of Workforce Development*