incontext

Poverty Data: Where to Find It and What It Tells Us

With the recent recession and high unemployment rates, poverty seems to be a topic on everyone's mind. Although poverty rates in the United States rose to 13.2 percent in 2008, Indiana's rate was 12.9 percent, ranking Indiana 24th out of all 50 states and the District of Columbia. Compared to its neighboring states, Indiana has one of the lowest poverty rates. The most recent poverty data (2008) show some change in poverty over time, but it is not as large as might be expected given the state of the economy; however, the 2008 data are only indicative of the middle of the recession. While poverty levels differ by subgroup, this article focuses on all individuals in poverty.

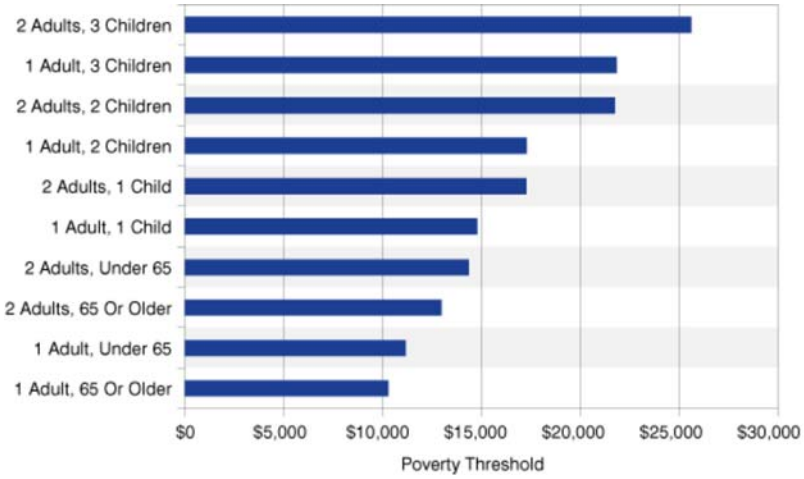
Before poverty rates in Indiana and surrounding areas are described in detail, it is helpful to look at both how poverty is measured and what data sources are available.

How to Measure Poverty

This article focuses on absolute measures of poverty using data from several U.S. Census Bureau data sets. Using an absolute measure, if an individual or family falls below a specific line or threshold, they are considered in poverty. The income used for the poverty threshold is before taxes and includes money income from earnings, Social Security, public assistance, and other income types.[1] It excludes noncash benefits like food stamps and capital gains and losses.

The threshold is adjusted based on the size of family and age of family members and is adjusted for inflation annually.[2] For example, the 2009 poverty threshold for an individual under 65 is $11,161 and for a family of four with two children it is $21,756 (see **Figure 1**).

Figure 1: Selected Poverty Thresholds, 2009



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

Using a poverty threshold gives a clear and straightforward picture of the number of people in poverty and, depending on the data source, some demographic characteristics. However, there are some disadvantages to using the measure. The threshold is the same regardless of geographic location and doesn't account for higher cost of living in large urban areas, for example. Since the poverty line has not been adjusted since the 1960s, it may no longer accurately reflect what families spend to meet their basic needs. The poverty threshold does not take relative poverty (poverty relative to others) or depth of poverty (how far income is below the poverty line) into account.[3] Depth of poverty is important because there is a considerable difference between someone who is a few dollars short of the poverty line and someone who is several hundred dollars short of the poverty line. There has been much scholarly debate over the measure of poverty, and alternative measures have been proposed. Although the Census Bureau will continue to use the current threshold, it is in the process of developing a supplemental poverty measurement that will be released in the fall of 2011.

Where to Find Poverty Data

The Census Bureau provides several sets of poverty and income data, depending on the method of collection. Each of those data sets vary depending on the method and users should decide which data set best suits a particular need. As a result, poverty estimates will differ depending on the data source used. The following list briefly describes the five different data sources and for which analyses they will be most useful.

1. **Current Population Survey (CPS) annual social and economic supplement:** Used for national poverty estimates and rates. It asks questions about income from more than 50 sources, and records additional information such as noncash benefits (school lunches, housing assistance, etc). The CPS annual supplement is useful for looking at the change in national poverty rates over time beginning in 1959 and at the state level since 1980. One disadvantage, especially for smaller states, is the relatively large sampling errors in the state-level estimates.

2. **American Community Survey (ACS):** Provides single-year national, state and subnational estimates for places, counties and metropolitan areas with a population of at least 65,000. Widespread collection of the ACS began in 2003. The ACS has mandatory response, like the decennial long-form census questionnaire that it replaced, so the sample size is large (about 3 million addresses), making ACS the best source for state-level data. There are also three-year estimates currently available for geographies with at least 20,000 people.[4]

3. **Decennial census:** Still the best measure of subnational and subpopulation change in poverty rates from 1990 to 2000, but since the 2010 census did not have a long-form component, current poverty data will come from the ACS instead.

4. **Small Area Income and Poverty Estimates (SAIPE):** This program is model-based and generates single-year poverty estimates for all states, counties and school districts. SAIPE provides the best subnational poverty estimates, especially if the population is under 65,000. SAIPE has a late release because it incorporates ACS data as well as other administrative data, but this causes the data to have smaller margins of error. Before 2005, CPS data were used to create the SAIPE models.[5]As a result of being a compilation of different data sources, SAIPE cannot provide detailed characteristics about the population in poverty.

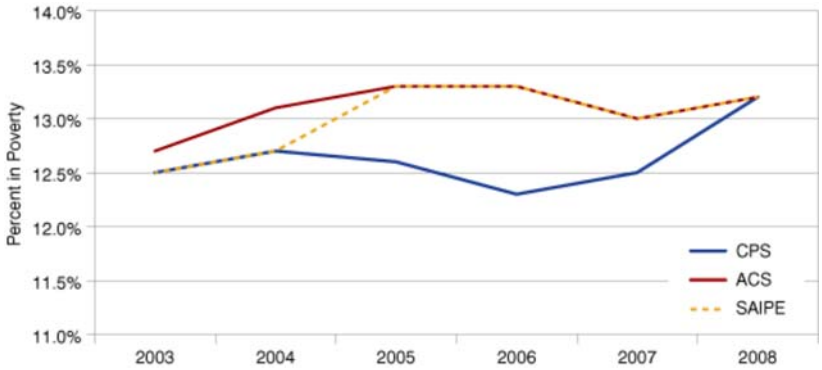
5. **Survey of Income and Program Participation (SIPP):** Useful when looking at changes in poverty status for a particular family over a three- to four-year period.[6]

In summary, the CPS annual supplement is most useful for national poverty estimates, including detailed characteristics and year-to-year change. ACS is best for looking at state-level poverty rates, including detailed characteristics and year-to-year change. SAIPE provides information on poverty rates and year-to-year change for counties and school districts. We'll look at current data from these three sources in the next sections.[7]

Poverty in the United States

As shown in **Figure 2**, U.S. poverty rates from CPS, ACS, and SAIPE are similar over time, with all three sources showing the same rate in 2008 (13.2 percent).[8] While the poverty rate has increased over time, the increase is small.[9]

Figure 2: Comparison of U.S. Poverty Rates from Different Sources, 2003-2008

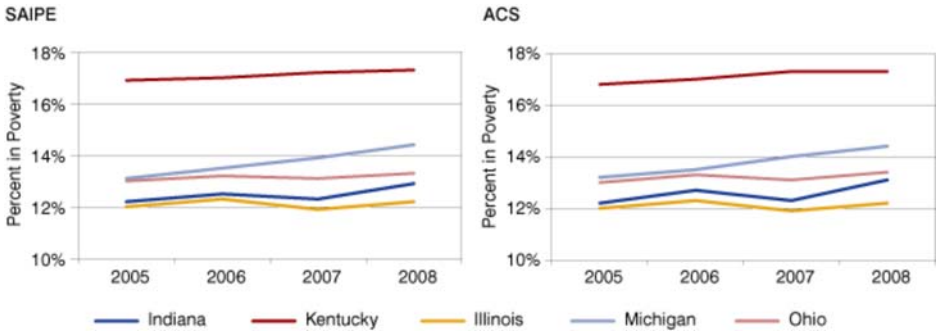


Source: IBRC, using U.S. Census Bureau data

Indiana continued to have a relatively low poverty rate from 2005-2008 when compared to its neighboring states of Kentucky, Illinois, Michigan and Ohio (see **Figure 3**).[10] Using SAIPE data, Indiana's poverty rate in 2008 was 12.9 percent, which made it

the second lowest among neighboring states (Illinois had the lowest at 12.2 percent). Indiana consistently had the second lowest rate to Illinois over the 2005-2008 period.

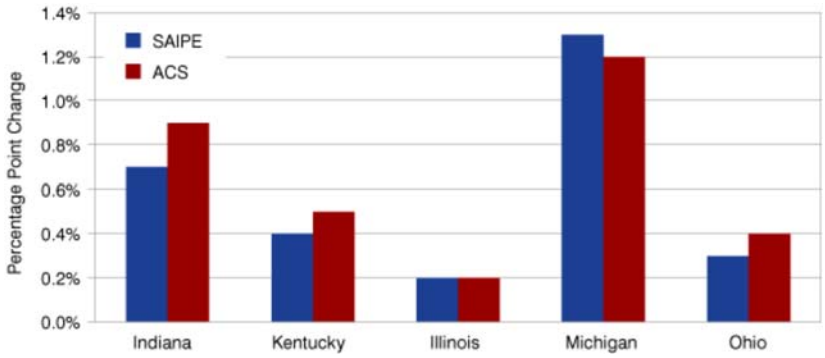
Figure 3: Indiana's Poverty Rate Compared to Neighboring States, 2005-2008



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

Indiana had the second highest increase in poverty between 2005 and 2008, in part because it had such a low rate to begin with. Michigan had the largest increase. Using ACS data, a similar trend can be seen. Illinois still has the lowest poverty rate from 2005-2008, with Indiana a close second. Indiana also has the second largest increase in poverty, again second to Michigan. The small discrepancies between these two data sets in change over time can most likely be explained by the margin of error (see **Figure 4**).[11]

Figure 4: Change in Poverty Rate for Indiana and Neighboring States, 2005-2008

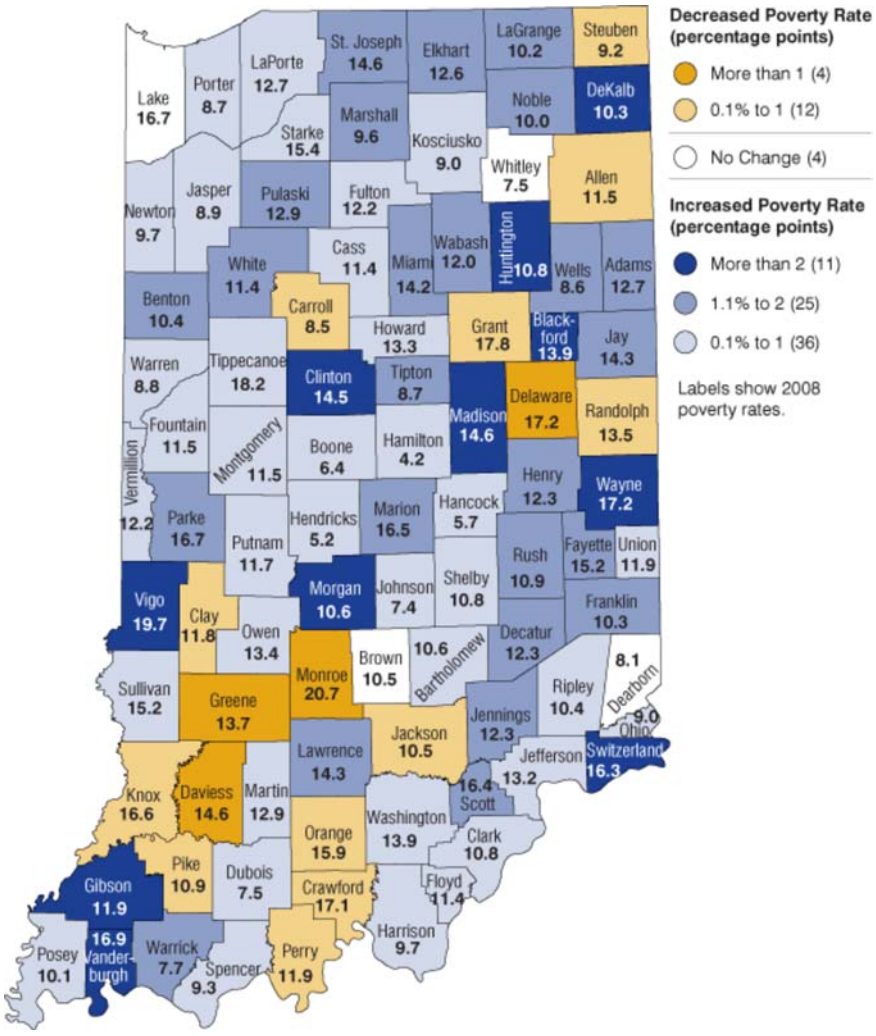


Source: IBRC, using U.S. Census Bureau data

Poverty Trend Among Indiana Counties

In the four-year time period from 2005-2008, 16 Indiana counties reduced their poverty rate, four counties showed no change, and 72 counties showed an increased poverty rate.[12] Four counties (Delaware, Greene, Monroe and Daviess) showed a decrease of more than a percentage point. Seven counties (Madison, Switzerland, Gibson, Wayne, Morgan, Clinton and Vanderburgh) had an increase in poverty of more than 2.5 percentage points (see **Figure 5**).

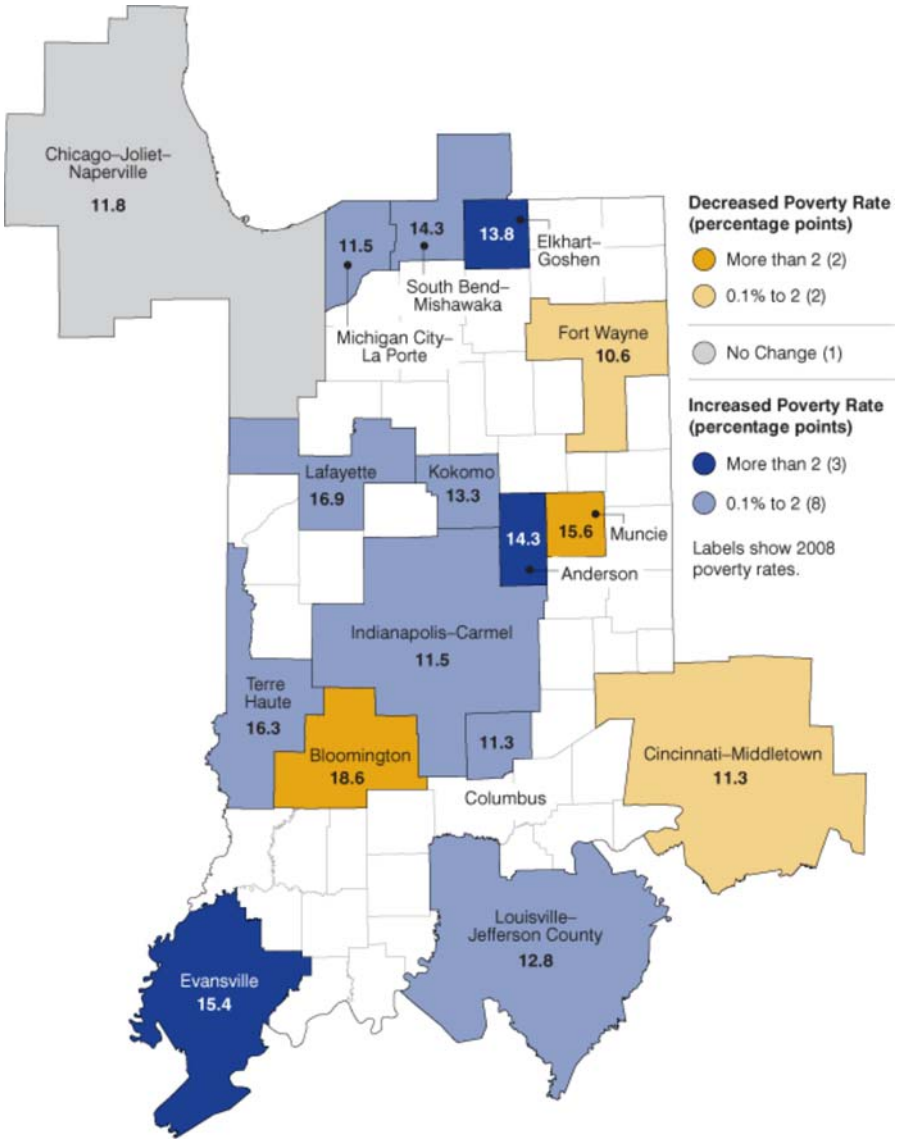
Figure 5: Percentage Point Change in Poverty Rate in Indiana Counties, 2005-2008



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

The American Community Survey publishes poverty rates for Metropolitan Statistical Areas (MSAs). Looking at MSAs in Indiana, most (11 out of 16) showed an increase in poverty from 2005-2008, although in some areas it was much larger than others. The Bloomington MSA showed the largest decrease in poverty, at 3 percentage points, and the Evansville MSA showed the largest increase at 4.8 percentage points (see **Figure 6**).

Figure 6: Percentage Point Change in Poverty Rate in Indiana Metros, 2005-2008



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

A Concluding Caveat

The poverty estimates described here can be useful for general comparisons, but users should be cautious and read the footnotes carefully.[13] Be aware that some questions on each of the surveys will change over time, especially for ACS, so it is best to look carefully at the comparison information provided on the ACS website before making conclusions about poverty data.[14] Once again, reading introductory materials and footnotes should always be a must for the careful user of poverty data.

For more data on poverty, including a set of useful links for further research, visit STATS Indiana's Poverty and Welfare topic page at **www.stats.indiana.edu/topic/welfare.asp**.

Notes

1. See the Census Bureau website for the full list: **www.census.gov/hhes/www/poverty/about/overview/measure.html**.
2. The poverty line was created in 1963 by Mollie Orshansky and is based on the economy food plan times three, which was the average percentage of the budget that people spent on food at that time. The economy food plan, while nutritionally adequate, was developed only for short-term or emergency use (**http://aspe.hhs.gov/poverty/papers/hptgssiv.htm**). Although the poverty threshold is the official measure of poverty in the United States, the Department of Health and Human Services Poverty Guidelines is a simplified version sometimes used to determine program eligibility.
3. Most calculations of relative poverty consider earning below 50 percent of the median income to be poverty.
4. In 2006, ACS began including group quarters in its data collection. Because people in households generally have higher incomes than those living in group quarters, the inclusion of group quarters may have lowered the per capita income in the ACS. The Census Bureau suggests making comparisons between 2006 and earlier years if the area does not have a

substantial group quarters population.

5. The Census Bureau advises against comparing SAIPE models that use the CPS annual supplement to those that use ACS.
6. SIPP can be used to analyze the duration of poverty spells, or the nature of the spells, and changes in poverty on a monthly or quarterly basis. SIPP asks about income from up to 81 sources, so poverty rates are usually lower when using these data as compared to CPS.
7. For a comparison chart with information on all of these data sources, see the Census Bureau's website: **www.census.gov/hhes/www/poverty/about/datasources/description.html**.
8. Data from the CPS annual supplement gathered from **www.census.gov/hhes/www/poverty/data/index.html.**
   Data from ACS gathered from **http://factfinder.census.gov/servlet/DatasetMainPageServlet?_program=ACS&_submenuId=&_lang=en&_t**.
   Data from SAIPE gathered from: **www.census.gov/did/www/saipe/data/index.html**.
9. Looking at these data, one can see where SAIPE switched from using CPS data to ACS data.
10. The years 2003 and 2004 were excluded because in 2005 SAIPE switched from using CPS to calculate poverty rates to ACS, which makes the data too different for comparisons.
11. The margin of error ranges from +/- 0.2 percent to +/- 0.5 percent, depending on the year and the state.
12. SAIPE data was used here because it is better than ACS for small counties.
13. Correlation can be an issue as a result of ACS data being used to create SAIPE models and counties and states being correlated in the same year. For detailed information about comparisons with SAIPE data, both within years and with other sources of data, see **www.census.gov/did/www/saipe/methods/cautions.html**.
14. A starting point for doing comparisons, with information on how to compare 2008 and 2007 ACS data is available at **www.census.gov/acs/www/UseData/compACS2008.htm**. Subsequent pages describe comparisons with early years of ACS data.

Jill Waity
Research Assistant, Indiana Business Research Center, Indiana University Kelley School of Business

incontext

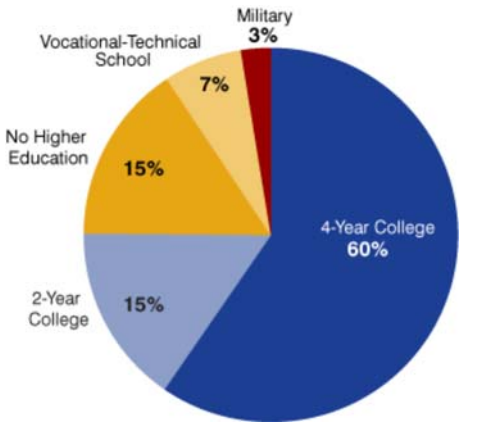
The Higher Education Plans of Indiana's High School Graduates

Three-quarters of Indiana high school graduates were college bound in 2008 with 60 percent of graduates saying they were headed to a four-year school and 15 percent going to a two-year college (see **Figure 1**). That leaves 7 percent heading to a vocational-technical school, 3 percent joining the military and 15 percent with no higher education plans.

These data come from the Indiana Department of Education (IDOE), which collects data from high schools on the next steps of their graduates.[1]

Table 1 shows the number of students in each category along with the change since 2003.

Figure 1: Graduate Intent in Indiana High Schools, 2008



Source: IBRC, using Indiana Department of Education data

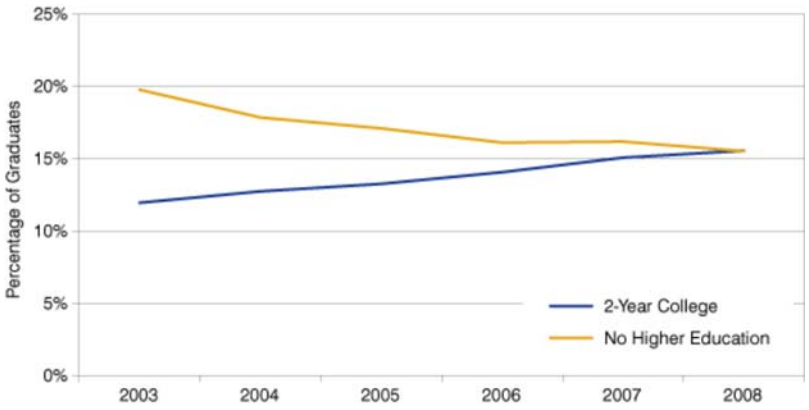
Table 1: Changes in Graduate Higher Education Intent, 2003 to 2008

Higher Education Intent	Number, 2008	Numeric Change, 2003-2008	Percent of Total, 2008	Percentage Point Change, 2003-2008
Total Graduates	67,250	6,974	100%	0.0
4-Year College	40,095	5,053	60%	1.5
2-Year College	10,440	3,260	16%	3.6
No Higher Education Plans	10,417	-1,481	15%	-4.2
Vocational/Technical School	4,571	319	7%	-0.3
Military	1,727	-177	3%	-0.6

Source: IBRC, using Indiana Department of Education data

These percentages have been quite stable in recent years with two exceptions. **Figure 2** shows that the percentage of graduates seeking no further education declined from 20 percent in 2003 to 15 percent in 2008. Meanwhile, the percentage choosing a two-year school has increased from 12 percent to 16 percent.

Figure 2: Trend in Two-Year College vs. No Higher Education, 2003 to 2008



Source: IBRC, using Indiana Department of Education data

Indeed, Indiana's community college system saw rapid expansion over the last decade, with Ivy Tech Community College surpassing Indiana University's system-wide enrollment to become the state's largest post-secondary institution.[2] However, given that the percentage of high school graduates choosing a four-year school has not declined, these data suggest that community colleges are not drawing high school graduates away from four-year institutions due to lower costs or increased credit transfer options, but are likely appealing to students who would not otherwise pursue higher education.

More high school graduates pursuing further education is considered beneficial for the person and the economy.[3] Of course, higher education intent is just one step toward the goal of a more educated workforce since degree completion is also a factor in the ultimate realization of formal education's benefits.[4] Nevertheless, it is a step in the right direction.

Notes

1. Schools submit a graduate report for students who receive one of eight diploma or document types (see documentation at **www.doe.in.gov/stn/pdf/doe_gr.pdf**). Two of these document types (certificates of achievement and course completion) are not considered diplomas. An astute data user might note that the college-bound percentage reported in this article varies slightly from the percent of graduates pursuing college education data reported on the IDOE website. This is because IDOE excludes those who received the two non-diploma documents from the denominator on that data set. However, since this article focuses on all types of higher education intent, nothing was excluded from the denominator so that the percentages would not exceed 100. Data used in this article were downloaded from the grads school building table at **http://mustang.doe.state.in.us/SAS/sas2.cfm?type=s&tab=grads&already=**.
2. "Ivy Tech Now Largest College System in Indiana," *Inside Indiana Business,* December 10, 2008, **www.insideindianabusiness.com/newsitem.asp?id=32958**.
3. Much has been written about the economic value of a degree, including "The Big Payoff: Educational Attainment and Synthetic Estimates of Work-Life Earnings" issued in July 2002 by the Census Bureau: **www.census.gov/prod/2002pubs/p23-210.pdf**.
4. That is why one of the goals of the Indiana Commission for Higher Education's Reaching Higher Initiative is increasing community college degree completion. Their dashboard of key indicators (updated February 2010) indicates marginal improvement on that measure, with 496 more degrees/certificates earned in 2009 compared to 2007: **http://www.in.gov/che/2340.htm**.

Rachel Justis
Geodemographic Analyst, Indiana Business Research Center, Indiana University Kelley School of Business

Ireland: Countries IN Profile

After gaining independence from the United Kingdom in 1922, the Republic of Ireland experienced almost 70 years of violence and unrest, fueled by nationalism and religious conflict. Ireland is a small country covering roughly 27,000 square miles with a population of 4.5 million. It joined the European Community in the first round of enlargement in 1973, alongside Denmark and the United Kingdom.[1] At the time of its membership, Ireland was the poorest country in the European Community; however, 30 years of rapid growth and development propelled the country to become one of the wealthiest states in Western Europe, with its GDP per capita exceeding the average for the Euro area. In 2009, Ireland was ranked fifth on the United Nation's Human Development Index, the highest rank amongst the 27 members of the EU and above the United States which ranks 13th (see **Table 1**).

Table 1: UN Human Development Index (HDI), 2007

HDI Measures	Ireland	United States
HDI Value	0.965	0.956
Life Expectancy at Birth (Years)	79.7	79.1
Education Index*	0.985	0.968
GDP Per Capita (PPP U.S. Dollars)	$44,613	$45,592

*Measures a country's relative acheivement in both adult literacy and combined primary, secondary and tertiary gross enrollment.
Source: Human Development Reports

The period of economic expansion saw numerous U.S. information technology companies such as Intel, Dell and Microsoft establishing operations in the country. A number of high-profile Indiana-based businesses have also invested in Ireland, including the Cook Medical Group,[2] Eli Lilly,[3] Zimmer Inc.,[4] Hill-Rom Inc.[5] and Symmetry Medical.[6] Currently more than 600 U.S. firms operate in Ireland, employing around 90,000 individuals. In 2009, the estimated value of American investment in Ireland stood at $146 billion.[7]

While Ireland's economic performance has been impressive, like most countries it is currently attempting to steer its economy through difficult times. The collapse of the domestic housing market combined with recessions in the country's major trading partners led to a dramatic reversal in Ireland's fortunes. While a return to positive growth is forecast for 2011, the rate of growth can be described as meager at best (see **Figure 1**). It remains to be seen whether the Irish government and the European Union will be able to restore the country's economy without undermining its competitive advantage.

Figure 1: Annual Change in GDP, 2000 to 2011*

where is ireland?

p data ©2010 Europa Technologies, Tele Atlas -

Ireland is located to the northwest of Europe.
View **Ireland** in a larger map.

protocol tips for ireland

Titles and Forms of Address
In an initial meeting, expect to be addressed by your appropriate title and last name. Often after a relationship has developed, given names are used.

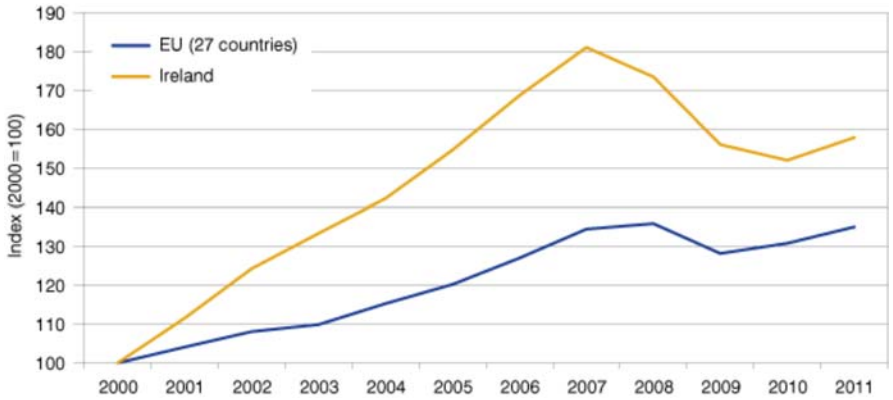
Language
Irish (Gaelic) and English are the official languages of Ireland. Meetings are nearly always conducted in English with Irish being primarily used in rural areas on the west coast.

Time
Punctuality is expected, but not always returned. Meetings may go longer than anticipated because of their friendly and informal nature. Initial meetings tend to be relaxed and will generally begin with light conversation to become acquainted.

Communication
The Irish often engage in "slagging," the trading of insults and chides. Slagging occurs when there is a positive relationship and the appropriate response is to take the chiding well and respond with equally witty and sarcastic remarks.

Greetings
Handshakes accompanied by a salutation appropriate for the time of day are the general form of greetings in Ireland. When greeting your counterpart, keep eye contact as it is a sign of trust and is very important in making first impressions.

Gift Giving
Gift giving at business meetings is not common. Gifts should be personal and are not necessary during an opening meeting. Once a closer relationship is established, exchanging gifts at business meetings becomes more appropriate, but is not expected.



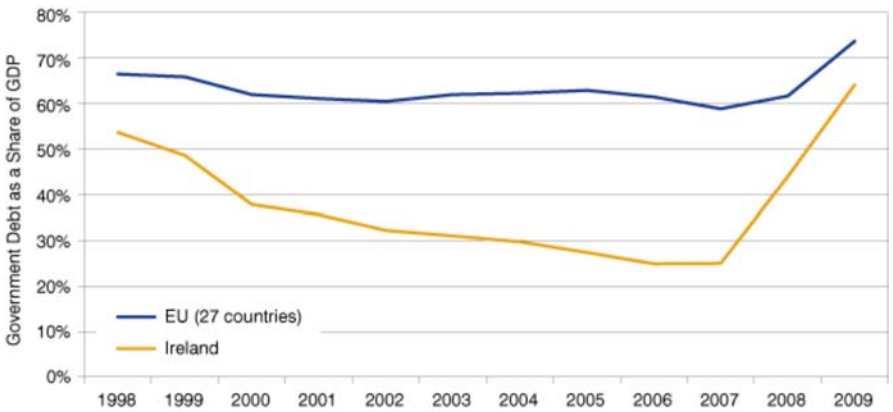
*2010 and 2011 are projections
Source: IBRC, using Eurostat data

Economy

Since 2007, Ireland's GDP has been falling and is expected to decline further until at least the third quarter of 2010. Seven quarters of negative growth have resulted in substantial unemployment, which is forecast to stabilize at about 14 percent in the third quarter of 2010. At its peak in 2006, the construction industry accounted for some 13 percent of total employment, in contrast to an EU average of just 8 percent. The rapid contraction in the real estate market resulted in a significant drop in construction employment and was likely a major factor contributing to plummeting employment figures across the country.[8] As unemployment rose, disposable income and private savings also fell. Instability in the job market has also led to a reverse in migration trends as Irish and foreign workers seek employment outside the country.[9]

As with many European states in the throes of the recession, the Irish government embarked upon a program to reverse the economic hemorrhaging, including setting up a "bad bank" known as the National Asset Management Agency (NAMA), the purpose of which was to purchase toxic assets from banks operating in Ireland.[10] The increase in public spending required to fund NAMA activities combined with falling tax revenues resulted in a rapidly escalating level of government debt. To address this problem, the Irish government cut public services and increased taxes, but even with these measures in place, the government debt-to-GDP ratio is likely to continue to increase (see **Figure 2**). Ireland has been an attractive destination for foreign capital, but that may change given that the recent direction of fiscal policy may hinder growth by discouraging future foreign direct investment (FDI).

Figure 2: Government Debt as a Share of GDP, 1998 to 2009



Source: IBRC, using Eurostat data

Dress
In Ireland, business attire for men is not as formal as in the United States. However, it is recommended to wear a business suit to meetings. Women are expected to be more fashionable and well-dressed.

For more information on conducting business in Ireland or any other country around the world, please contact Peter Kirkwood, Protocol Officer, Office of Protocol at the International Center of Indianapolis Sponsored by Duke Energy, **www.icenterindy.org**.

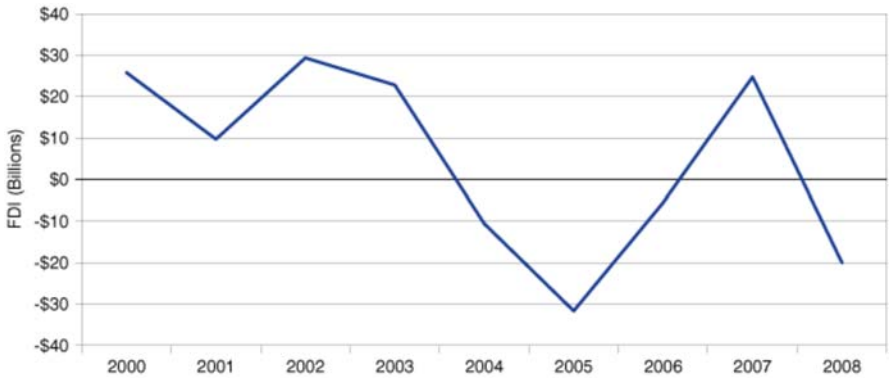
The pending effects of Ireland's changing fiscal policy on FDI is relevant for Indiana firms with connections in Ireland. For example, in July 2010 ImageStream Internet Solutions based in Plymouth, Ind., announced it will be partnering with Azotel which is based in Cork, Ireland, to produce an innovative network provisioning solution. Both organizations have agreed to continue their association for at least the following year and are currently investigating the possibility of expanding their shared areas of operation.[11] It is clear that despite the recent difficulties, Ireland and Irish industry play a noteworthy role in the economy of the Midwest.

Foreign Direct Investment and the Economic Crisis

Since joining the EU in the mid-1970s, Ireland enjoyed a positive inflow of investment from other countries. No doubt investors were in part attracted by Ireland's corporate income tax rate, which has declined since the early 1980s to almost half the EU average of 23.2 percent[12] and the third lowest amongst all member states, after Cyprus and Bulgaria (10 percent in both).[13] In 1990, foreign investment began to increase, peaking in 2002 before rapidly declining to its lowest level in more than 30 years in 2005. FDI recovered in 2006 and 2007 but this proved to be unsustainable and disinvestment once again outweighed investment causing FDI to fall by around 200 percent in 2008 (see **Figure 3**).

Whether this sudden imbalance was a cause or symptom of Ireland's recent economic trouble is difficult to determine, but what is clear is that these fluctuations in confidence in the Irish economy have had significant ramifications. In July of this year, Moody's rating agency downgraded Ireland's sovereign bond rating from Aa1 to Aa2, causing the Irish stock market to fall over the four days following the announcement and the yield on Irish 10-year bonds to rise 8 basis points to 5.51 percent,[14] suggesting that country's troubles are not yet over. In recent months, certain investment banking organizations have begun to group together the European states in which they have the least confidence under the acronym "PIIGS" (Portugal, Italy, Ireland, Greece and Spain). While the usage of this acronym is contentious, the inclusion of Ireland in this group, which, hitherto had consisted exclusively of southern European nations, demonstrates just how far the Irish economy has fallen.[15]

Figure 3: Net Foreign Direct Investment Inflows to Ireland, 2000 to 2008



Source: IBRC, using UNCTAD data

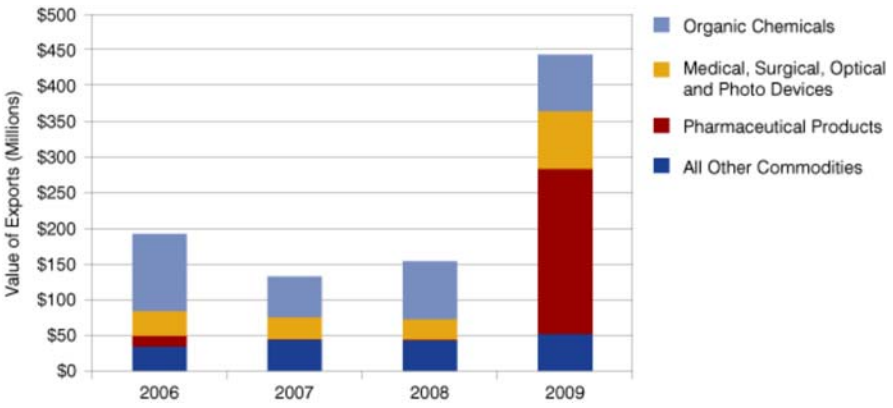
In response to this crisis, the Irish government has developed a comprehensive review of its financial sector and plans to implement a number of measures to restore confidence in its economy. According to the most recent report issued by the Irish Central Bank, the collapse of the economy was a result of a relaxed attitude toward the regulation of the financial sector. Consequently, the intended reforms focus on redesigning the regulatory framework and, if effective, they will contribute to the restoration of confidence in the Irish economy.[16]

Trade

While a relatively small economy compared to other Euro-zone countries, Ireland maintains important trade linkages with the United States. The United States ranks third as a destination for Irish exports.[17] In 2009, the largest commodity by far (when measured in dollar value) exported by Ireland to the state of Indiana was organic chemicals, followed by medical and surgical equipment and then pharmaceutical products.

Indiana's exports to Ireland follow a similar pattern. The largest commodity by dollar value exported from Indiana to Ireland in 2009 was pharmaceuticals, followed by medical and surgical equipment, and then organic chemicals. As **Figure 4** shows, these three commodities comprised almost all Hoosier products purchased by Irish businesses.

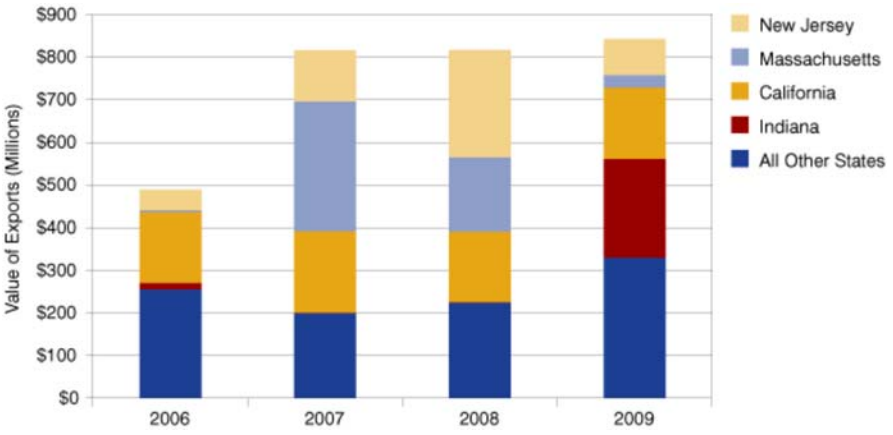
Figure 4: Indiana's Commodity Exports to Ireland, 2006 to 2009



Source: IBRC, using WISERTrade data

The similarity in these leading traded goods reflects inter-dependent industrial sectors in Ireland and Indiana. Perhaps the most interesting feature of Indiana-Ireland trade relations is the recent increase in exports to Ireland from Indiana's chemical and pharmaceutical industries. This rapid recent increase in trade supports the hypothesis that there is substantial interdependence between the Indiana and Irish chemical industries. Trade data seem to suggest that fluctuations in Indiana's pharmaceutical exports to Ireland are associated with the variation in exports from a small number of other states, namely California, New Jersey and Massachusetts (see **Figure 5**). A majority of the world's pharmaceutical companies have subsidiaries in Ireland, including Indiana's Eli Lilly, which is about to begin construction on a new $520 million facility.[18]

Figure 5: Pharmaceutical Exports to Ireland, 2006 to 2009



Source: IBRC, using WISERTrade data

Conclusion

Because of the increasing trade and investment flows, Indiana has a significant interest in the fortunes of Ireland. But will the expansion in the pharmaceutical trade between these two regions be sustainable? The U.S. health care reform legislation recently enacted creates many uncertainties about the direction and volume of trade and investment in pharmaceuticals and medical devices between Indiana and Ireland.

The current global recession appears to have temporarily stalled Ireland's impressive economic growth over the last three decades. There are open questions about the Irish economy's ability to bounce back given the high levels of public sector indebtedness and the need for the national government to scale back on its expenditures. The pursuit of foreign capital and trade opportunities presented by integrating with Europe has allowed Ireland to emerge as a significant economic actor. Historic and cultural links combined with a common language and favorable government economic policies have made Ireland a key location for many American industries. Although the current situation remains bleak, most Ireland watchers expect the Irish economy will return to growth in 2011. The question is, will the Celtic tiger come back limping or roaring?

Notes

1. BBC, "Ireland Country Profile," March 23, 2010, **http://news.bbc.co.uk /2/hi/europe/country_profiles/1038581.stm** (accessed June 2, 2010).
2. Cook Group, "Medical Manufacturing," **www.cookgroup.com/profile/med-mfg /ireland.html** (accessed June 23, 2010).
3. Eli Lilly and Company, "Welcome to Lilly in Ireland," **www.lilly.ie**/ (accessed June 23, 2010).
4. Zimmer Inc., " Zimmer Facilities," **www.zimmer.com/z/ctl/op/global/action /1/id/131/template/CP/navid/10541** (accessed May 21, 2010).
5. Hill-Rom Inc., "Welcome to Hill-Rom Ireland," **www.hill-rom.com/ie/** (accessed May 21, 2010).
6. Symmetry Medical Inc., "A World of Oppurtunities," **www.symmetrymedical.com/About/SymmetryMap.aspx** (accessed May 21, 2010).
7. U.S. Commercial Service, "Doing Business in Ireland," U.S. Department of Commerce, 2010, **www.buyusa.gov/ireland/en/doingbusinessinireland.html**.
8. Directorate General for Economic and Financial Affairs, *European Economic Forecast* (Brussels: European Commission, 2009).
9. Directorate General for Economic and Financial Affairs, *European Economic Forecast* (Brussels: European Commission, 2010).
10. Dominic Coyle, "A Shot in the Arm," *The Irish Times*, June 6, 2008.
11. *"ImageStream Partners with Azotel for ISP Provisioning Automation,"* Business Wire, July 22, 2010, **http://eon.businesswire.com/news/eon /20100721006421/en**.
12. KPMG, "KPMG's Corporate and Indirect Tax Survey 2009," **www.kpmg.com**, October 19, 2009, **www.kpmg.com/Global/en/IssuesAndInsights /ArticlesPublications/Documents/KPMG-Corporate-Indirect-Tax-Rate-Survey-2009.pdf** (accessed June 23, 2010).
13. "Taxation Trends in the European Union," Eurostat News Release, June 28, 2010, **http://epp.eurostat.ec.europa.eu/cache/ITY_PUBLIC/2-28062010-BP/EN/2-28062010-BP-EN.PDF** (accessed July 29, 2010).
14. David Oakely, "Moody's Downgrades Ireland's Rating*," Financial Times*, July 19, 2010.
15. "PIIGS Label-too-ham-fisted for Barclay's, "*The Irish Times*, February 6, 2010, Business Today section: 18.
16. Irish Central Bank, "Banking Supervison: Our New Approach," June 21, 2010, **www.financialregulator.ie/press-area/press-releases/Documents/21 June 2010**

- Banking Supervision - Our New Approach.pdf (accessed June 23, 2010).
17. Central Statistics Office Ireland, “External Trade,” **www.cso.ie/statistics /botmaintrpartners.htm** (accessed May 17, 2010).
18. Eli Lilly and Company, “Welcome to Lilly in Ireland,” **www.lilly.ie/** (accessed June 23, 2010).

Matthew Hutchinson
Research Assistant, Indiana Business Research Center, Indiana University Kelley School of Business

incontext

Amish in Indiana and the United States

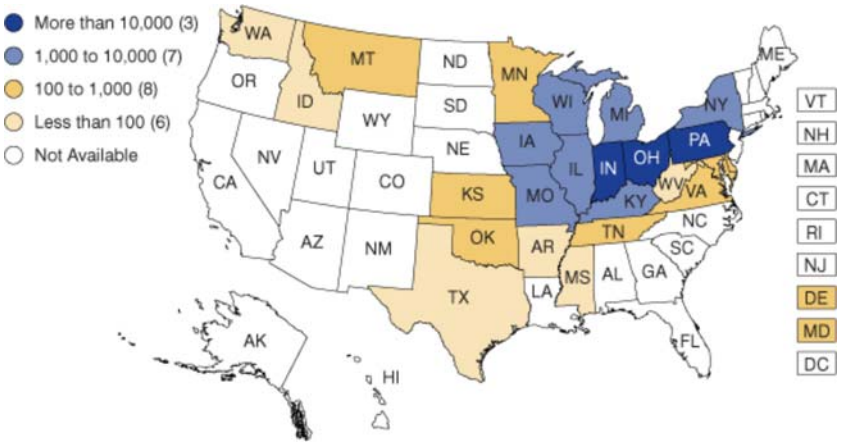
Look at county-level educational attainment data and you'll find LaGrange County at the bottom of the list in terms of high school completion rates. Those with local knowledge know that this is explained by the large numbers of Amish in the area who only require formal education through the eighth grade. Since Indiana ranks third in the number of Amish nationwide and first in the percentage of Amish relative to total population, here's a brief look at this unique segment of the population.

The Amish, known widely for the horses and buggies they use for transportation, came to America in the 18th century from Switzerland. The Old Order Amish branched into additional denominations that some would include in the overall Amish denomination; however due to the lack of available data for certain branches of Amish, this article focuses solely on the "Old Order Amish Mennonite" branch.[1] Therefore, numbers of Amish in this article will be understated.

Amish within the United States

According to the latest available data from the Association of Religion Data Archives (ARDA), 24 states reported an Amish population in 2000. Pennsylvania had the highest number of adherents, followed by Ohio and then Indiana (see **Figure 1**).[2]

Figure 1: Number of Amish Adherents by State, 2000



Source: IBRC, using Religious Congregations and Membership Study data

Table 1 shows the top 10 Amish-inhabiting states by percent of total population compared to number of adherents. Although Pennyslvania had the highest number of adherents, Indiana had the most Amish as a percent of total population (0.32 percent).

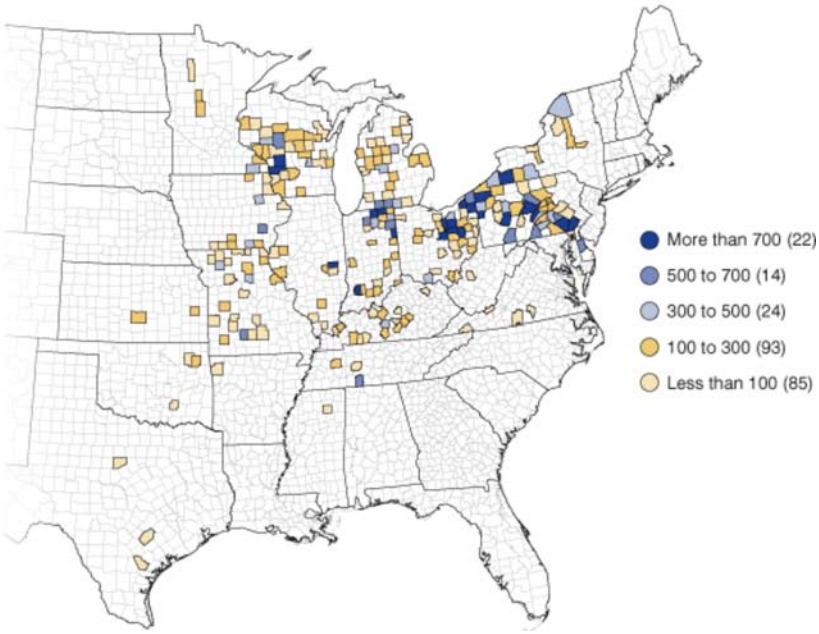
Table 1: Top 10 Amish-Inhabiting States by Percent of Total Population, 2000

Rank	State	Number of Adherents	Percent of Total Population
1	Indiana	19,177	0.32%
2	Ohio	24,613	0.22%
3	Pennsylvania	25,340	0.21%
4	Wisconsin	5,872	0.11%
5	Iowa	2,601	0.09%
6	Delaware	608	0.08%
7	Missouri	3,300	0.06%
8	Kentucky	2,272	0.06%
9	Michigan	4,771	0.05%
10	Illinois	2,306	0.02%

Source: IBRC, using Religious Congregations and Membership Study data

Figure 2 shows the number of adherents by county. Lancaster County, Pa., claimed the top spot, boasting 11,590 Amish. Holmes County, Ohio, came in second place with 6,202 Amish, and LaGrange County, Ind., came in third with 5,994 Amish.

Figure 2: Number of Adherents by County, 2000



Notes: White counties indicate that data were unavailable. The following counties had available data but are not shown: Lincoln County, Mont. (122); Boundary County, Idaho (76); Rosebud County, Mont. (40); Stevens County, Wash. (34).
Source: IBRC, using Religious Congregations and Membership Study data

However, at 17.2 percent, LaGrange County ranked number one nationally when looking at Amish as a percent of the total population. Adams (ranked third) and Daviess (ranked ninth) were the other Indiana counties to make the top 10 on this measure (see **Table 2**).

Table 2: Top Ten Amish-Inhabiting Counties Nationwide by Percent of Total Population, 2000

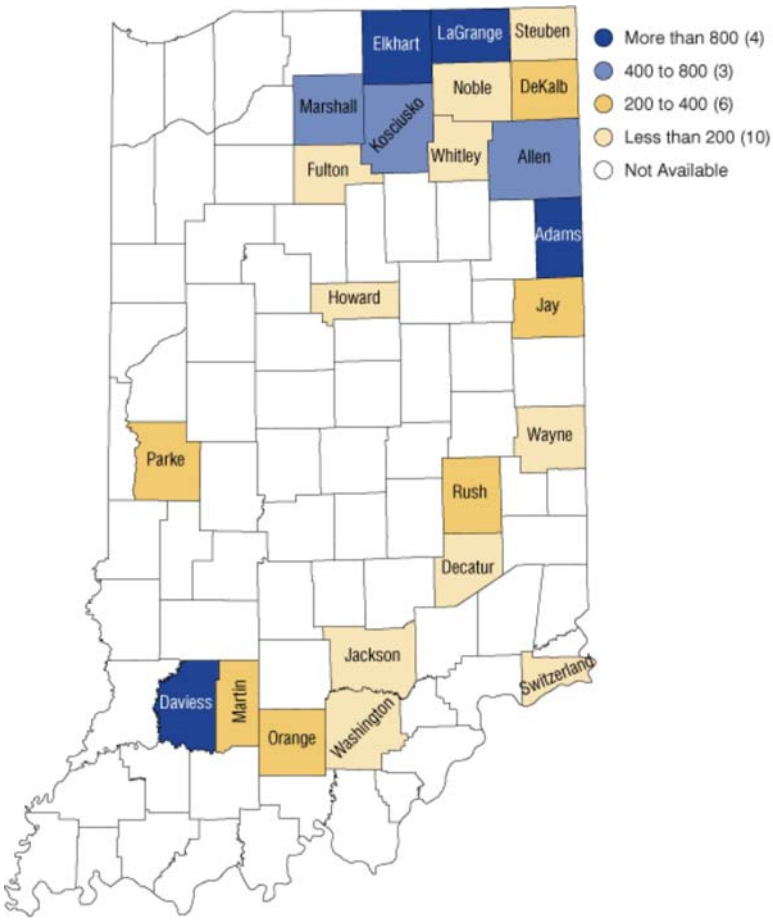
Rank	County	State	Adherents	Percent of Total Population
1	LaGrange	Indiana	5,994	17.2%
2	Holmes	Ohio	6,202	15.9%
3	Adams	Indiana	2,686	8.0%
4	Douglas	Illinois	1,449	7.3%
5	Davis	Iowa	483	5.7%
6	Daviess	Missouri	414	5.2%
7	Geauga	Ohio	4,004	4.4%
8	Wayne	Ohio	4,554	4.1%
9	Daviess	Indiana	1,155	3.9%
10	Tuscarawas	Ohio	3,122	3.4%

Source: IBRC, using Religious Congregations and Membership Study data

Amish within Indiana

In all, one-quarter of Indiana's 92 counties have an Old Order Amish Mennonite community. LaGrange County has the largest Amish population in Indiana with 5,994 adherents, followed by Elkhart and Adams counties (see **Figure 3**).

Figure 3: Number of Amish Adherents by Indiana County, 2000



Source: IBRC, using Religious Congregations and Membership Study data

Table 3 provides the top 10 Amish-inhabiting counties by percent of total population in comparison to number of adherents. Again, LaGrange County has the largest percent of Amish (17.2%), but this time followed by Adams and Daviess counties, respectively.

Table 3: Top 10 Amish-Inhabiting Counties in Indiana by Percent of Total Population, 2000

Rank	County	Number of Adherents	Percent of Total Population
1	LaGrange	5,994	17.2%
2	Adams	2,686	8.0%
3	Daviess	1,155	3.9%
4	Martin	296	2.9%
5	Elkhart	4,758	2.6%
6	Switzerland	150	1.7%
7	Parke	273	1.6%
8	Marshall	608	1.4%
9	Orange	274	1.4%
10	Rush	228	1.3%

Source: IBRC, using Religious Congregations and Membership Study data

For more information, visit the Association of Religion Data Archives at **www.thearda.com**. In the near future, they will be releasing 2010 data, and we will be sure to provide additional coverage.

Notes

1. The full data set includes statistics for 149 religious groups. For more information on the branching out and merging of

Amish and Mennonite denominations, visit **www.thearda.com/Denoms/Families/Trees/familytree_mennonite.asp**. These data are the result of a survey and are therefore subject to sampling error. For more information on the survey methodology, visit **www.thearda.com/Archive/Files/Descriptions/RCMSCY.asp**.

2. Congregational adherents include full members, their children and others who regularly attend.

Molly Manns

Associate Editor, Indiana Business Research Center, Indiana University's Kelley School of Business

incontext

Indiana's Wood Products Manufacturing Industry

Although Indiana appears to be a state full of corn and soybean fields, some readers might be surprised to learn that 20 percent of our land area is devoted to forestland (4.65 million acres). Indiana's forestland and wood product manufacturing is estimated to have a $17 billion economic impact on the state (2005 estimate),[1] due in part to the production of high-quality hardwoods, especially oak and hickory, which comprise 73 percent of all Indiana forests. This article will describe the wood products industry in Indiana by detailing the trends in employment, establishments, earnings and trade for this important industry.

Indiana Forestland

At its peak, forestland covered 85 percent of Indiana's land (in 1800) before clearings for agriculture, community development and infrastructure began. By 1860, Indiana's forests looked much like they do today. As of 2008, 84.1 percent of the forestland is privately owned by 225,000 landowners, mostly farmers. The remaining 15.9 percent is split between federal, state and county ownership. Unsurprisingly, the majority of the harvested timber occurred on privately held land in 2008 (93.7 percent), yet according to the U.S. Forest Service, current tree growth is estimated to be 1.5 times faster than the current rate of tree harvest. In fact, the state has nearly 2.2 billion trees in its forestland, with Eastern soft hardwoods[2] (24.4 percent) and hard maples (16.4 percent) being the top two species.

The Forest Industry and Its Sectors

The forestry industry is typically classified into two manufacturing sectors, primary and secondary wood products, based on the products made and the value added by the industry. Ancillary industries are also covered as they are related to the hardwood industry but not directly a part of the two main sectors. **Table 1** shows a breakdown of each sector based on the North American Industry Classification System (NAICS). **Table 2** shows the number of establishments and employees in each manufacturing sector in Indiana.

Table 1: Breakdown of Manufacturing Sectors in the Wood Products Industry

Sector	NAICS	Description
Primary	113110	Timber Tract Operations
	113210	Forest Nurseries and Gathering of Forest Products
	113310	Logging
	321912	Cut Stock, Resawing Lumber, and Planing
	321113	Sawmills
	321114	Wood Preservation
	321211	Hardwood Veneer and Plywood Manufacturing
	321212	Softwood Veneer and Plywood Manufacturing
	321213	Engineered Wood Member (except Truss) Manufacturing
	321214	Truss Manufacturing
	321219	Reconstituted Wood Product Manufacturing
Secondary	321911	Wood Window and Door Manufacturing
	321918	Other Millwork (including Flooring)
	321920	Wood Container and Pallet Manufacturing
	337110	Wood Kitchen Cabinet and Countertop Manufacturing
	337121	Upholstered Household Furniture Manufacturing
	337122	Nonupholstered Wood Household Furniture Manufacturing
	337127	Institutional Furniture Manufacturing
	337129	Wood Television, Radio, and Sewing Machine Cabinet Manufacturing
	337211	Wood Office Furniture Manufacturing
	337212	Custom Architectural Woodwork and Millwork Manufacturing
	337215	Showcase, Partition, Shelving, and Locker Manufacturing

	337920	Blind and Shade Manufacturing
	321999	All Other Miscellaneous Wood Product Manufacturing
Ancillary	115310	Support Activities for Forestry
	321991	Manufactured Home (Mobile Home) Manufacturing
	321992	Prefabricated Wood Building Manufacturing
	339995	Burial Casket Manufacturing
	423210	Furniture Merchant Wholesalers
	423310	Lumber, Plywood, Millwork, and Wood Panel Merchant Wholesalers

Source: IBRC, using definitions from the Louisiana Forest Products Development Center

Table 2: Indiana Establishments and Employment by Manufacturing Sector, 2009

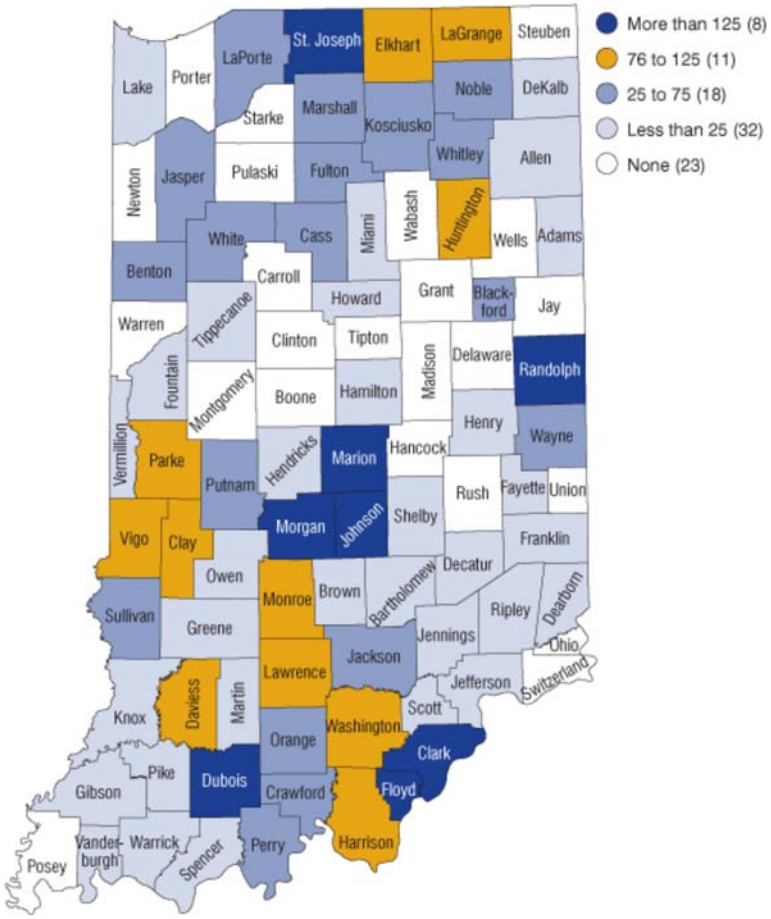
Manufacturing Sector	Number of Establishments	Number of Employees
Primary	276	4,565
Secondary	794	22,849
Ancillary	216	7,441

Source: IBRC, using QCEW, Hoover's and other commercial databases

Primary Wood Products

The primary wood products sector is comprised of firms that harvest, transport, and performs the initial processing of logs. In 2009, Indiana had 276 of these firms with 4,565 employees that earned an average annual wage of $32,448. These jobs are located throughout Indiana, with the top three employing counties being Johnson, Floyd, and Clark County. **Figure 1** shows the dispersal of primary wood product employment in Indiana.

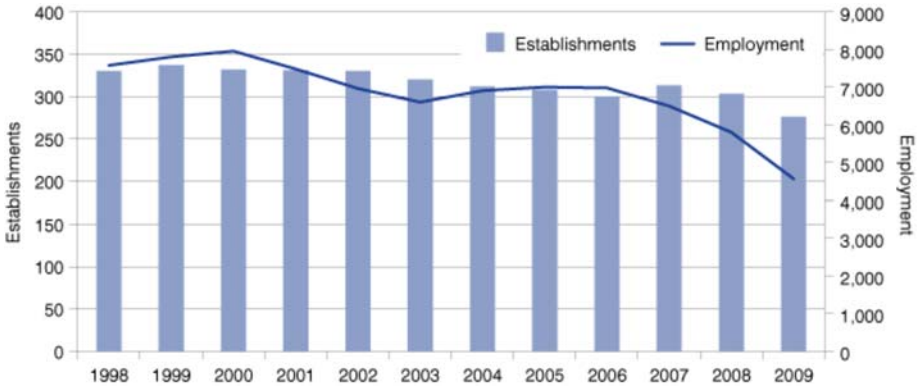
Figure 1: Primary Wood Products Employment by County, 2009



Note: 2009 data are preliminary.
Source: IBRC, using QCEW, Hoover's and other commercial databases

Since 1998, this sector has gradually declined in terms of number of establishments and employees (see **Figure 2**). All the industries in the primary wood products sector have experienced a slight decline as well, with a slight uptick in employment in 2005 through 2006 for truss manufacturing, logging and engineered wood member manufacturing. As expected, these industries were affected by the recession, with truss manufacturing having the most dramatic impact to its employment (-45.7 percent change from 2007 to 2009).

Figure 2: Primary Wood Products Trends, 1998 to 2009

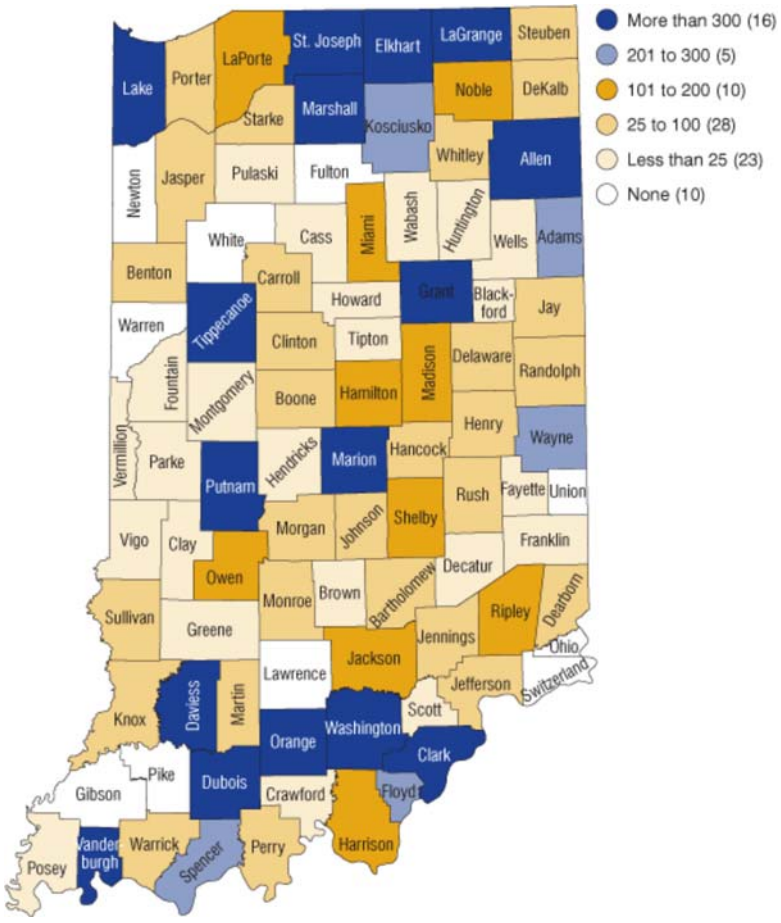


Note: 2009 data are preliminary.
Source: IBRC, using QCEW, Hoover's and other commercial databases

Secondary Wood Products

The secondary wood products sector includes businesses that further add value to wood by drying, planing, cutting and assembling wood products into parts or finished products. In 2009, Indiana had 794 of these businesses that employed 22,849 workers at an average wage of $32,640. Dubois County is the hub of secondary wood production in Indiana with around 6,100 employees, followed by Elkhart County (3,483 employees). All other counties have significantly fewer employees in this sector than these two counties, yet nearly every county has some type of secondary wood production (see **Figure 3**).

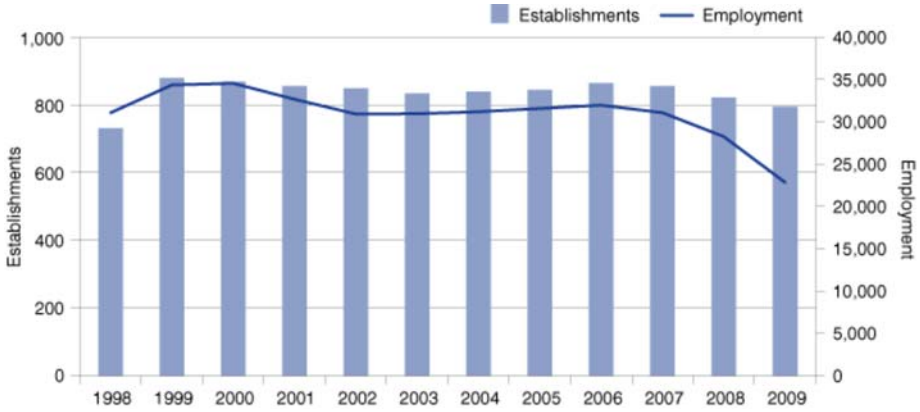
Figure 3: Secondary Wood Products Employment by County, 2009



Note: 2009 data are preliminary.
Source: IBRC, using QCEW, Hoover's and other commercial databases

Since 1998, the number of secondary wood product establishments has grown by 8.6 percent; however, the number of employees has declined by 26.4 percent (see **Figure 4**). Since the 2006 peak, the number of establishments has declined 8.1 percent and nearly a third of the workforce (28.5 percent) has been eliminated. The only two industries with positive changes in employment from the 1998 to 2009 time period were custom architectural woodwork and millwork manufacturing (19.2 percent) and wood kitchen cabinet and countertop manufacturing (2.1 percent). Unfortunately, all other industries have had declines in employment ranging from -6.5 percent (wood container and pallet manufacturing) to -95.3 percent (wood television, radio and sewing machine cabinet manufacturing).

Figure 4: Secondary Wood Products Trends, 1998 to 2009

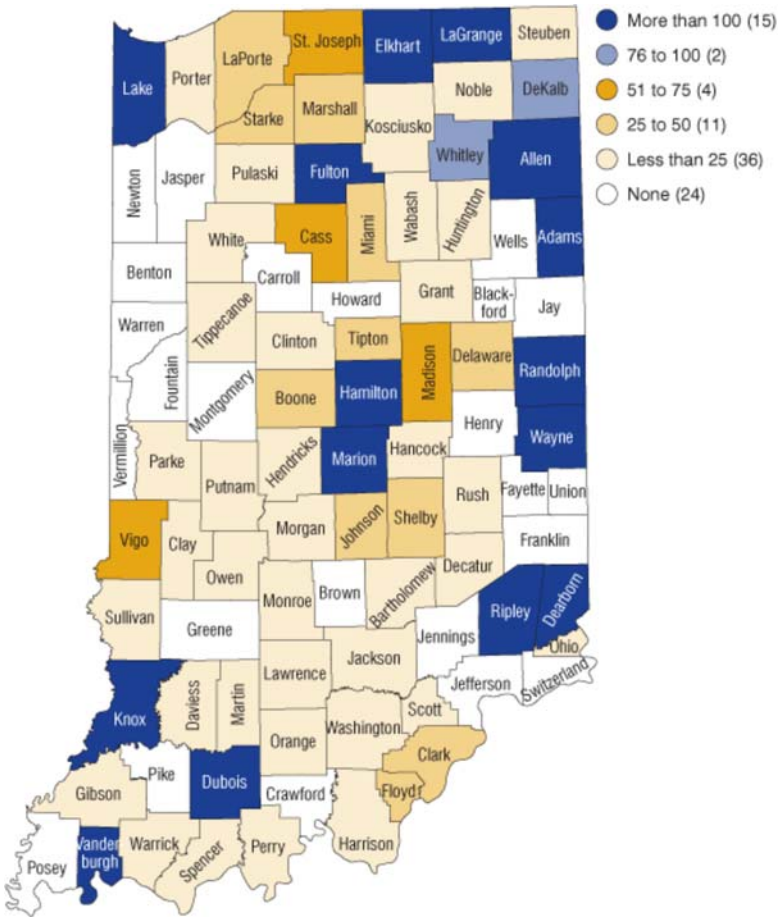


Note: 2009 data are preliminary.
Source: IBRC, using QCEW, Hoover's and other commercial databases

Ancillary Wood Products

The third sector is comprised of firms that are related to the forest industry but are not directly a part of either the primary or secondary wood product sectors. In 2009, Indiana had 459 firms in the ancillary wood products sector, employing 7,441 workers at an average wage of $44,586. Due to the heavy presence of manufactured home manufacturing and the large number of wholesalers for furniture, lumber, plywood, millwork, and wood panel merchants in Elkhart and Marion counties, these counties lead the state in employment in the ancillary wood product industry (see **Figure 5**). The next largest employing county is Ripley County due to burial casket manufacturing firms.

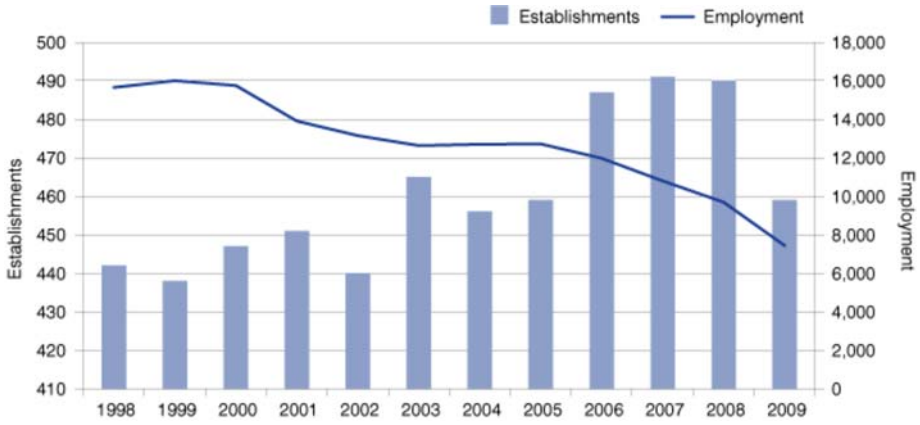
Figure 5: Ancillary Wood Products Employment by County, 2009



Note: 2009 data are preliminary.
Source: IBRC, using QCEW, Hoover's and other commercial databases

Over time, this industry has seen the number of establishments rise (3.8 percent), yet the total number of employees has declined by 52.5 percent (see **Figure 6**). A possible reason for these trends could be increasing automation, thus eliminating positions formerly held by individuals. The manufactured home industry experienced a 77.6 percent drop in employment between 1998 and 2009, of which 51.3 percent occurred between 2007 and 2009. All other industries in this sector have experienced declines in employment, but none as severe as in manufactured home manufacturing.

Figure 6: Ancillary Wood Products Trends, 1998 to 2009

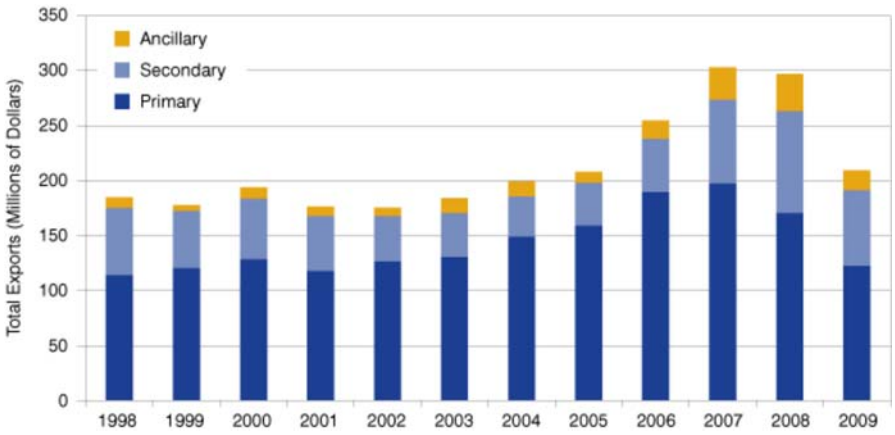


Note: 2009 data are preliminary.
Source: IBRC, using QCEW, Hoover's and other commercial databases

Exports of Indiana Wood Products

In 2009, Indiana exported nearly $22.9 billion of goods to other countries, down from the peak experienced in 2008 ($26.5 billion), yet still an 85.8 percent increase over 1998's export value. Of these exports, wood products comprise a small percentage of the overall state exports (0.9 percent in 2009 vs. a peak of 1.5 percent in 1998). Despite the small export percentage in Indiana, it ranked 14th among all states for wood product exports in 2009 with a value of $208.8 million. **Figure 7** shows the composition of the exports from Indiana beginning in 1998. The majority of the exports are from the primary wood products sector; however, the secondary wood products industry has steadily increased their exports in the last five years.

Figure 7: Wood Products Exports, 1998 to 2009



Source: IBRC, using Wiser Trade

The top five items exported from the primary and secondary wood products industry are shown in **Table 3** (the ancillary wood products industry only has one export). The percentage change reflects the change in export value experienced due to the recession.

Table 3: Top Five Exports per Sector, 2009

Sector	Wood Product	2009	Percent Change from 2008
Primary	Veneer Sheets Etc., Not Over 6 Mm Thick	$66,799,478	-30.3%
	Wood Sawn or Chipped Length, Sliced Etc, Over 6mm Thick	22,948,480	-9.6
	Wood in the Rough, Stripped or Not of Sapwood, Etc.	13,484,827	-50.1
	Railway/Tramway Sleepers (Cross-Ties), Wood, Nesoi	5,572,694	7.1
	Non-coniferous Wood (Excluding Bamboo) Contour Shaped Along Edges and Ends, Etc.	3,391,543	-10.9
Secondary	Upholstered Seats with Wooden Frames, Nesoi	11,146,056	-5.3

	Articles of Wood, Nesoi	11,832,805	14.7
	Wooden Furniture, Nesoi	7,488,834	-32.8
	Parts of Furniture, Nesoi	7,971,981	-46.7
	Wooden Kitchen Furniture, except Seats	6,654,611	-19.4
Ancillary	Prefabricated Buildings	17,745,838	-47.3

Note: Nesoi stands for not elsewhere specified or indicated.
Source: IBRC, using Wiser Trade

As expected, Canada was the largest trading partner in all wood product sectors in 2009. Other large trade partners with primary wood products were China, Germany, Spain and Mexico. Meanwhile, Australia, Mexico, the United Kingdom and South Korea are large importers of Indiana's secondary wood products. In the ancillary sector, Pakistan, Egypt, Mexico and the Czech Republic dominate in importing prefabricated buildings. The Indiana State Department of Agriculture and the hardwood industry seek to increase the value of wood products exports and continuously pursue overseas trade mission opportunities, with the most recent trip being to China.[3]

Conclusions

Indiana's forests produce high-quality wood that is converted into many different uses ranging from veneer to kitchen tables and much, much more. While Indiana is fortunate to have a productive and high quality stand of forestland, surprisingly our wood products comprise less than 1 percent of the state's exports. Further effort is needed to increase the exports of Indiana wood products to other countries, thus further enhancing the value it brings to the Indiana economy.

Notes

1. See "Indiana's Hardwood Industry: It's Economic Impact" for more information at **www.in.gov/isda/files/Indiana_Hardwoods_and_Their_Economic_Impact.pdf**.
2. Eastern soft hardwoods could include the following species: elm, sycamore, willow, birch, and boxelder.
3. D. Massie, "Local Business Reaps Benefits from China Trip," *Pharos-Tribune*, June 19, 2010, **http://pharostribune.com/local/x1703932461/Local-business-reaps-benefits-from-China-trip**.

Tanya J. Hall
Economic Research Analyst, Indiana Business Research Center, Indiana University Kelley School of Business

incontext

Northeast Indiana: Realtors Region 3 Profile

This is the third article in our coverage of Indiana's Realtors regions. For an overview of this article series and a map of all six regions, see the first article at **www.incontext.indiana.edu/2010/may-june/article5.asp**.

Geography

Realtors Region 3 consists of 12 counties in northeastern Indiana and has an estimated population of 761,584 as of 2009. Counties in this region include Adams, Allen, DeKalb, Huntington, Jay, LaGrange, Noble, Randolph, Steuben, Wayne, Wells and Whitley (see **Figure 1**). This region covers a land area of 4,787 square miles and has a population density of 159 people per square mile, a density that is much higher than the national average of 88 people per square mile but lower than the Indiana average of 179 people per square mile.

Population

The largest city in Realtors Region 3 is Fort Wayne, with a 2009 population of 255,890. The city of Richmond comes in a distant second, with a population estimate of 36,569 (see **Table 1**).

Figure 1: Northeast Indiana: Realtors Region 3

Source: IBRC, using the Indiana Association of Realtors definitions

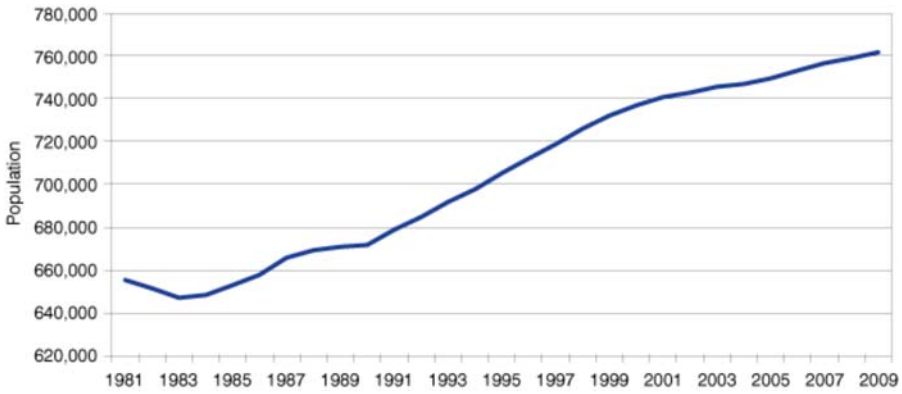
Table 1: Largest Cities in Region 3, 2009

Name	Population	Percent of Region
Fort Wayne	255,890	33.6%
Richmond	36,569	4.8%
Huntington	16,828	2.2%
New Haven	13,812	1.8%
Auburn	13,084	1.7%
Kendallville	10,561	1.4%
Decatur	9,639	1.3%
Bluffton	9,165	1.2%
Angola	8,276	1.1%
Columbia City	8,369	1.1%

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

The population in Realtors Region 3 increased between Census 2000 and the latest estimate in 2009 by nearly 25,000 people, a solid and positive change during this decade (see **Figure 2**). The population in Realtors Region 3 is projected to continue its growth through 2015, by which time its population would be close to 775,000 according to the official county population projections from the Indiana Business Research Center.

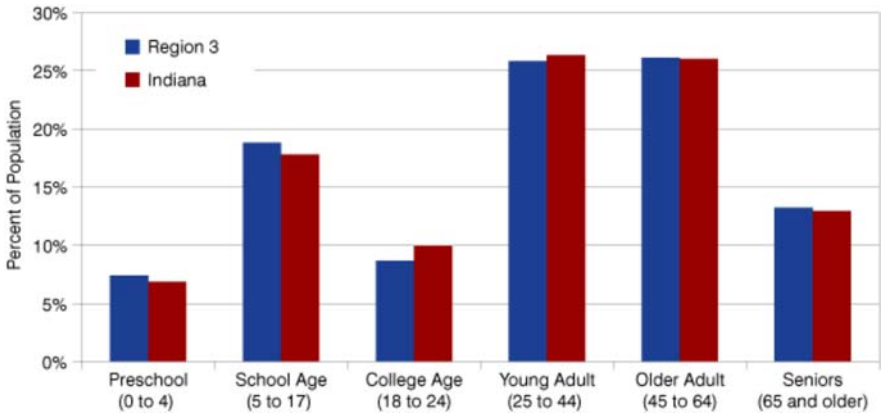
Figure 2: Region 3 Population Levels, 1981 to 2009



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

This region has an age mix that differs slightly from the state's mix (see **Figure 3**). The most notable difference is in the proportion of preschool and school age children. This region has a higher proportion of those two age groups (ages 0 to 4 and 5 to 17) than the state overall. However, the region has a lower proportion of college age and young adults while it is pretty much the same proportion as Indiana in terms of older adults and seniors.

Figure 3: Current Age Structure, 2009



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

Among the six Realtors regions, Region 3 ranks fourth in net migration from other nations, with 1,086 more people moving into the region from overseas or over-borders between 2008 and 2009 than moving out. The region had a domestic net loss of 2,903 people—that is, out-migration to other regions in Indiana or to other states between 2008 and 2009.

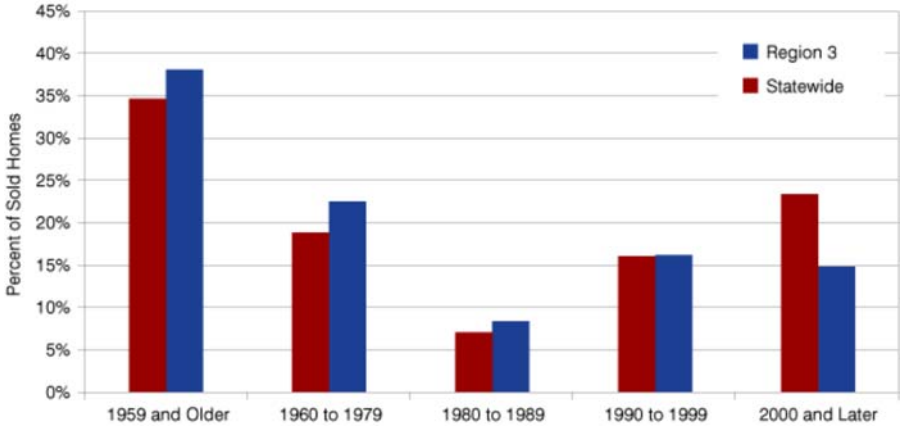
Almost 91 percent of the population is white, with 6.2 percent black (compared to the state's 9.2 percent) and only 1.2 percent Asian, concentrated in Allen County. Nearly 5 percent of the region's population is Hispanic, which is somewhat smaller than the statewide 5.5 percent in 2009.

Housing and Lifestyles

The region ranks fifth among the six regions with 333,100 housing units (2009 estimate). The majority of units, at least in 2000 when the last census was conducted, were owner-occupied. More than half of households in the region were married couples (25 percent with children, 30 percent without), 9 percent were single-parent households, and 26 percent lived alone.

Using aggregated data from the Indiana Association of Realtors database, which includes Multiple Listing Service (MLS) data from all counties but Wayne, we can look at recent home sales and a variety of characteristics of homes sold. In 2009, 7,253 homes were sold in the region. The median age of homes sold in 2009 was older in the region when compared to the state, with the largest number of homes built in 1959 or earlier (see **Figure 4**).

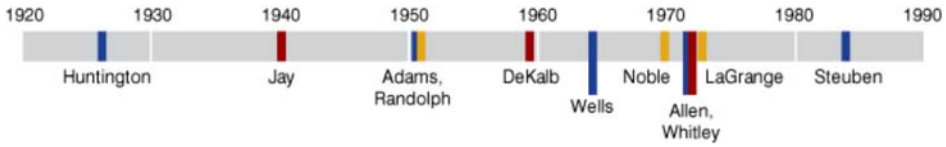
Figure 4: Homes Sold in 2009 by Year Built



Note: Wayne County data not available.
Source: IBRC, using Indiana Association of Realtors data

Looking at individual counties in the region, there is a significant spread based on the median age of homes sold in 2009, with the oldest median ages in the counties of Huntington, Jay, Adams and Randolph (see **Figure 5**).

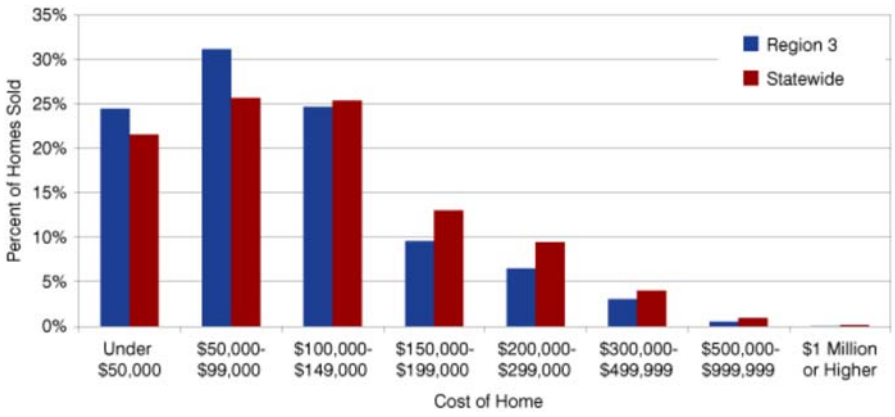
Figure 5: Median Age of Homes Sold in 2009 by County



Note: Wayne County data not available.
Source: IBRC, using Indiana Association of Realtors data

Of the homes sold in 2009, the vast majority of homes sold were priced under $150,000 and only a few were priced at $1 million or more. Using a statewide comparison, the region's home sales occurred at a higher frequency in the ranges less than $100,000 (see **Figure 6**).

Figure 6: Cost of Homes Sold Compared to the State, 2009



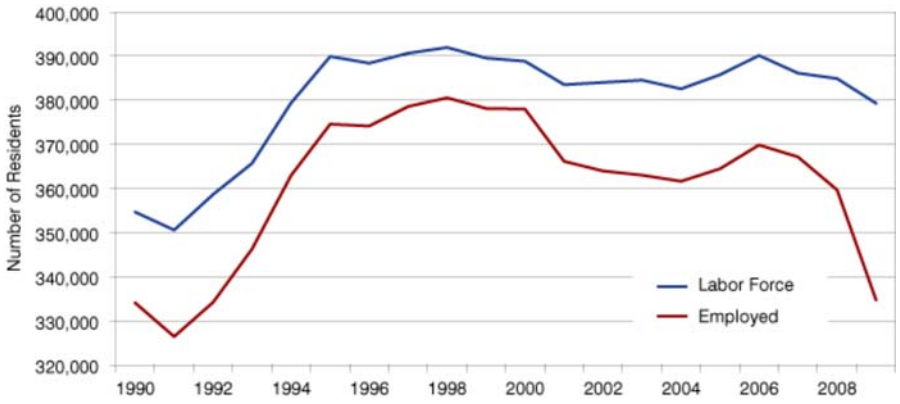
Note: Wayne County data not available.
Source: IBRC, using Indiana Association of Realtors data

Labor Force

As seen in **Figure 7**, 379,000 residents of the region are part of the labor force, with 335,000 people employed and the remaining 44,000 actively seeking work (i.e., unemployed) using the 2009 annual averages. The June 2010 unemployment rate for the region was 10.8, which was 7 percentage points higher than the state rate of 10.1 for that same month (not seasonally adjusted). For a closer inspection of labor force numbers, be sure to visit Hoosiers by the Numbers at **www.hoosierdata.in.gov**, the workforce development website of the Indiana Department of Workforce Development. These numbers come out monthly as

preliminary estimates and the previous month's figures are revised.

Figure 7: Region 3 Resident Labor Force and Employment, 2009



Note: Data are not seasonally adjusted.
Source: IBRC, using Indiana Department of Workforce Development data

Work

The vast majority of residents work in private industry or in what are called “nonfarm” jobs. The largest sectors in the region include manufacturing (68,000 jobs), retail (35,000) and health care and social services (33,000 jobs), as shown in **Table 2**.

Table 2: Realtors Region 3 Jobs by Industry, 2009

Industry	Jobs	Jobs LQ
Total	315,863	1.00
Manufacturing	68,106	2.34
Retail Trade	34,959	0.98
Health Care and Social Services	32,605	0.61
Accommodation and Food Services	27,344	0.86
Admin. and Support and Waste Mgt. and Rem. Services	15,690	0.75
Wholesale Trade	14,800	1.08
Construction	12,398	0.84
Transportation and Warehousing	11,874	0.92
Finance and Insurance	11,492	0.75
Educational Services	11,048	0.35
Public Administration	10,433	0.57
Other Services(Except Public Administration)	8,690	0.68
Professional, Scientific, and Technical Services	7,129	0.39
Information	5,393	0.75
Arts, Entertainment, and Recreation	3,027	0.49
Real Estate and Rental and Leasing	2,668	0.48
Management of Companies and Enterprises	1,614	0.35
Utilities	805	0.39
Agriculture, Forestry, Fishing and Hunting	492	0.18
Mining	151	0.10

Note: The employment numbers for some industries may be low due to nondisclosable data at the county level.
Source: IBRC, using U.S. Bureau of Labor Statistics data

Industry Clusters

Clusters can be a valuable way to organize our thinking about industry mix in an area. The Purdue Center for Regional Development has identified 17 industry clusters that give insight into the core industries and their supplier industries. The

resulting data can help the region consider which are important or emerging clusters (see **Table 3**).

Table 3: Realtors Region 3 Industry Clusters, 2008

Description	Cluster Establishments	Industry Cluster Establishment LQ
Total All Industries	17,282	1
Business and Financial Services	2,320	0.86
Energy (Fossil and Renewable)	1,182	1.04
Biomedical/Biotechnical (Life Sciences)	947	2.25
Manufacturing Supercluster	752	2.83
Advanced Materials	619	2.3
Information Technology and Telecommunications	611	0.74
Transportation and Logistics	555	1.42
Forest and Wood Products	524	1.4
Arts, Entertainment, Recreation and Vistor Industries	486	0.96
Education and Knowledge Creation	458	1.23
Defense and Security	441	0.77
Agribusiness, Food Processing and Technology	397	1.44
Printing and Publishing	368	0.97
Fabricated Metal Product Manufacturing*	322	2.77
Chemicals and Chemical-Based Products	222	1.65
Machinery Manufacturing*	200	3.44
Apparel and Textiles	144	0.92
Transportation Equipment Manufacturing*	115	3.9
Glass and Ceramics	90	2.17
Primary Metal Manufacturing*	47	4.1
Mining	40	1.75
Computer and Electronic Product Manufacturing*	34	0.94
Electrical Equipment, Appliance and Component Manufacturing*	34	2.42

*These are subclusters within the manufacturing supercluster.
Source: IBRC, using U.S. Bureau of Labor Statistics and Purdue Center for Regional Development data

In using the table, it's worthwhile to consider the actual number of establishments shown. We always want to know "volume" or just plain "how many." But of equal value is the location quotient (LQ) provided in the column next to the numbers of firms. Anything over 1.0 means the region has export capacity—exporting to their neighbors in another region, another state, across the nation or around the globe. The idea of producing "more than we need" indicates that those clusters are serving needs outside the region as well as within its borders. In short, having an LQ higher than 1.0 is good; if it is a lot higher (as in, say, primary metals), then the cluster is quite strong.

If clusters have piqued your interest, be sure to turn your browser to **www.statsamerica.org/innovation** to see these data in action for areas throughout Indiana and in comparison to the rest of the country.

Time to Explore

We hope to have given you a fast trek through the numbers. We could go on, but then that might spoil your fun in going to **STATS Indiana's IN Depth Profiles** and learning more about this region or the whole host of regions we have available.

Carol O. Rogers
Deputy Director, Indiana Business Research Center, Indiana University Kelley School of Business