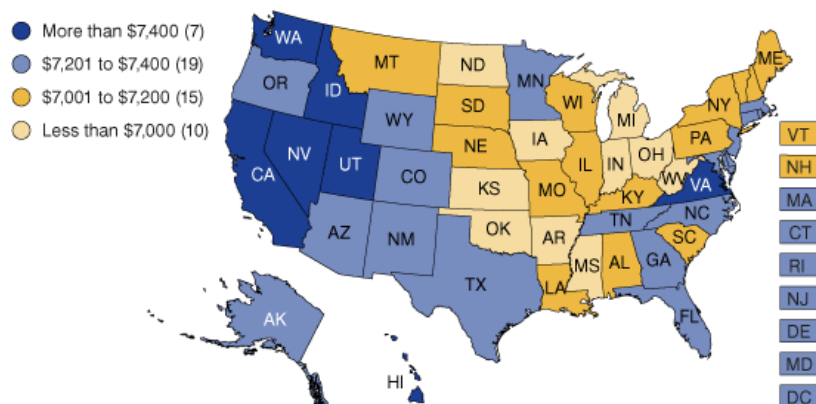


First-Time Homebuyers Got Billions in Tax Credits

One of the more popular federal recovery programs of 2009 was the tax credit provided to first-time homebuyers. To qualify, the taxpayer needed to prove it was his or her first home purchase and that it would be the primary residence.

For the two years 2009 and 2010, income tax credits valued at more than \$19.2 billion were granted by the Internal Revenue Service (IRS) to 2.7 million homebuyers. An average tax credit of \$7,182 was received by those taxpayers. Utah had the highest average, at \$7,617, while Michigan tallied the lowest at \$6,308. That's a pretty wide difference of \$1,309 from the highest to the lowest averages (see **Figure 1**).

Figure 1: Average Homebuyer's Tax Credit per Taxpayer, 2009 to 2010



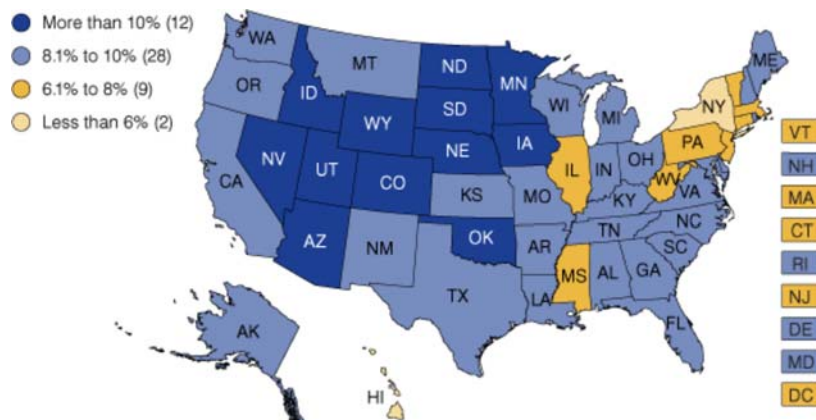
Source: IBRC, using Internal Revenue Service data

Comparing the popularity of this credit by state, we calculated the number of first-time homebuyers per 1,000 population for each state (based on 2010 Census population figures). Nevada by far had the most claimants of this credit, at 13.7 per 1,000. Nebraska was a bit further behind, at 11.9, along with North Dakota (11.7), Idaho (11.6) and Arizona (11.4).

Indiana had a rate of 9.6 claimants per 1,000, putting it close to the middle of the states.

Interestingly, although not surprising considering its high housing costs, Hawaii came in last with a rate of only 5 claimants per 1,000. New York also had among the lowest rates of credits (5.2 per 1,000). **Figure 2** shows the states in comparison by these rates.

Figure 2: Rate of Taxpayers Receiving Homebuyer's Tax Credit per 1,000 population, 2009 to 2010



Source: IBRC, using Internal Revenue Service data

Overall, a little more than 62,000 Hoosier homebuyers received \$426 million in tax credits in 2009 and 2010, with an average of \$6,868 in credit per qualifying taxpayer (see **Table 1**).

Table 1: First-Time Homebuyer Tax Credit in Indiana, 2009 to 2010

	2010	2009	Total
Number of Taxpayers	52,599	9,452	62,051
Value of Credits	\$ 357,595,336	\$ 68,556,490	\$ 426,151,826
Average Credit per Taxpayer	\$ 6,799	\$ 7,253	\$ 6,868

Source: IBRC, using Internal Revenue Service data

While this federal credit is no longer available, the Indiana Housing Authority still has a number of **programs available to assist first homebuyers**.

Notes

1. The IRS is a wonderful source for income and tax credit statistics. These data reflect the First-Time Homebuyer Credit claimed and granted by the IRS after adjustments. Under the American Recovery and Reinvestment Act of 2009 and the Worker, Homeowner, and Business Assistance (WHBA) Act of 2009, taxpayers could claim the credit either on their 2008, 2009 or 2010 tax returns: www.irs.gov/taxstats/article/0,,id=220060,00.html.

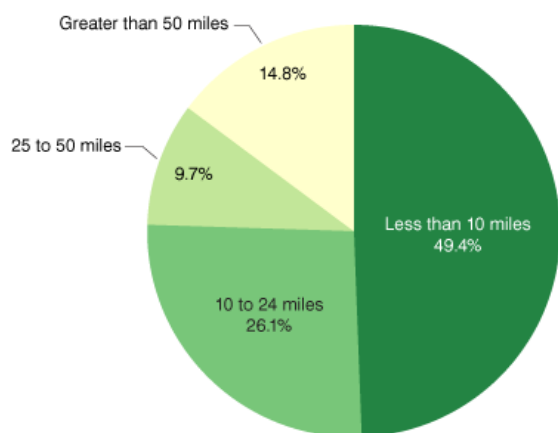
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How Long Is That Commute? OnTheMap Sheds Light on Distance from Home to Work

Nearly half of those who work in Indiana live within 10 miles of their job (see **Figure 1**), while 15 percent commute more than 50 miles each way. **OnTheMap**, a web-based tool from the Census Bureau showing the work-residence patterns of workers, was upgraded earlier this year and includes several new analytical capabilities. This article highlights the new “distance direction” feature using both statewide data and that for Indiana’s 10 largest cities.

Figure 1: Distance to Primary Job for Indiana Workers, 2010

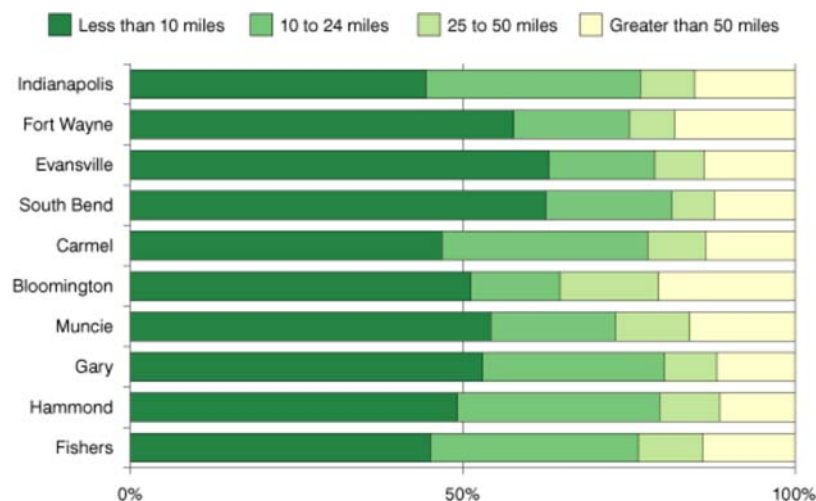


Note: Distance is calculated from work census block to home census block.

Source: IBRC, using Census Bureau data

More than half of workers in 6 of the 10 largest cities in the state live within 10 miles of their job (see **Figure 2**). Who has the shortest commutes? Sixty-three percent of workers employed in Evansville and South Bend travel less than 10 miles (see **Table 1**).

Figure 2: Commuting Distance for Workers in Indiana's 10 Largest Cities, 2010



Note: Cities are sorted by size of workforce.

Source: IBRC, using Census Bureau data

Table 1: Percent of Workforce Living Less than 10 Miles from Job, Indiana's 10 Largest Cities, 2010

City	Percent of Workforce	Number of Workers
------	----------------------	-------------------

Evansville	63%	54,524
South Bend	63%	35,520
Fort Wayne	58%	75,807
Muncie	54%	17,549
Gary	53%	16,443
Bloomington	51%	23,102
Indiana	49%	1,254,055
Hammond	49%	14,356
Carmel	47%	24,082
Fishers	45%	11,568
Indianapolis	45%	221,971

Source: IBRC, using Census Bureau data

At the other end of the spectrum, those working in Bloomington had the highest percentage (21 percent) of commutes exceeding 50 miles (see **Table 2**). Among the 10 largest cities, Bloomington workers also had the highest percentage of those traveling 25 to 50 miles.

Table 2: Percent of Workforce Living More than 50 Miles from Job, Indiana's 10 Largest Cities, 2010

City	Percent of Workforce	Number of Workers
Bloomington	21%	9,217
Fort Wayne	18%	23,833
Muncie	16%	5,112
Indianapolis	15%	75,108
Indiana	15%	375,592
Fishers	14%	3,554
Evansville	14%	11,911
Carmel	14%	6,924
South Bend	12%	6,854
Gary	12%	3,675
Hammond	11%	3,305

Source: IBRC, using Census Bureau data

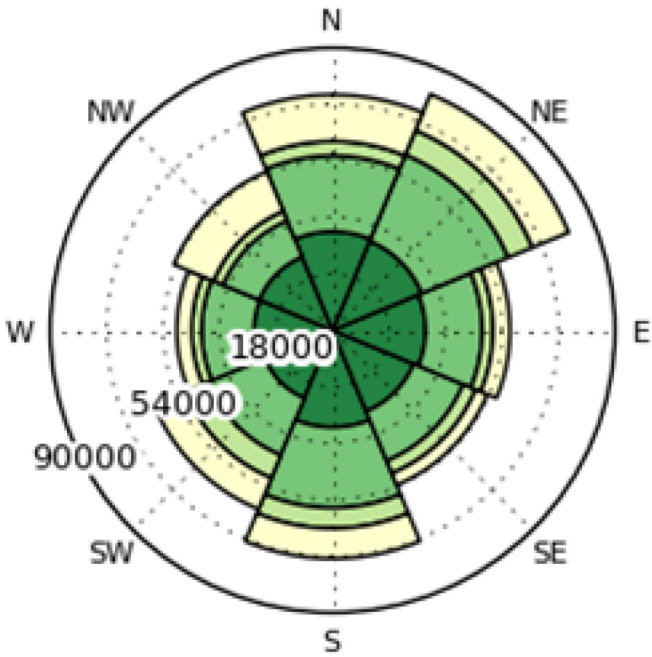
Figure 3 shows the radar charts generated by the OnTheMap application. These charts combine distance and direction into a single visual and illustrate the uniqueness of each city's commuting structure.

Figure 3: Distance and Direction to Home for Workers in Indiana's 10 Largest Cities, 2010

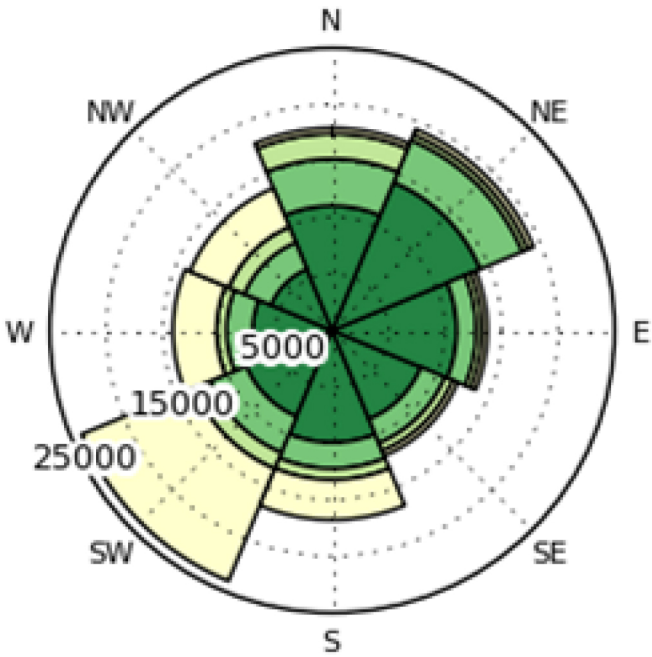
Job Counts by Distance/Direction

Less than 10 miles 10 to 24 miles 25 to 50 miles Greater than 50 miles

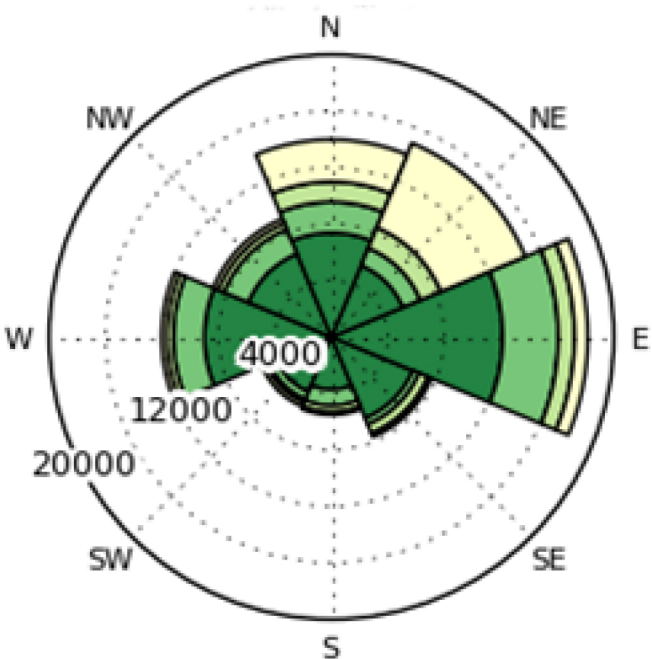
Indianapolis



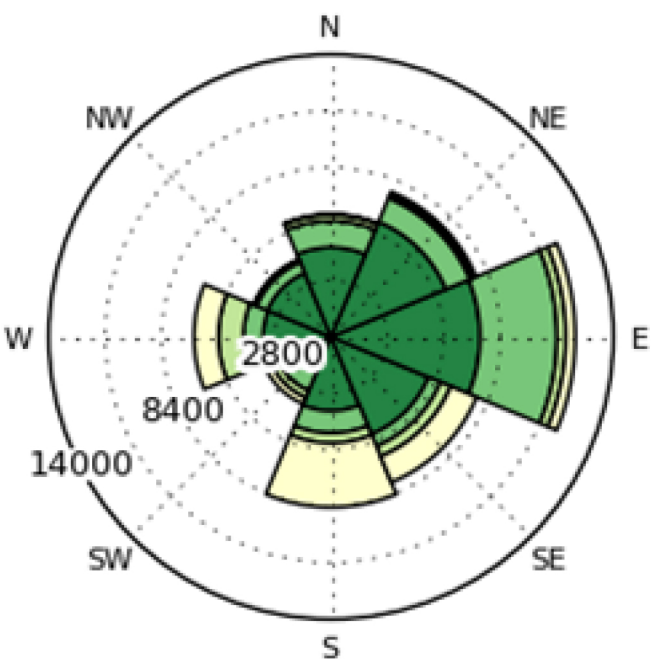
Fort Wayne



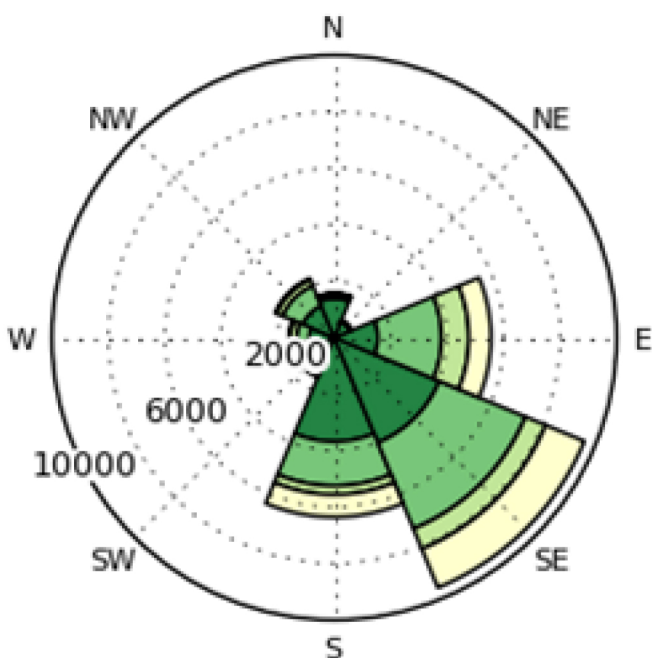
Evansville



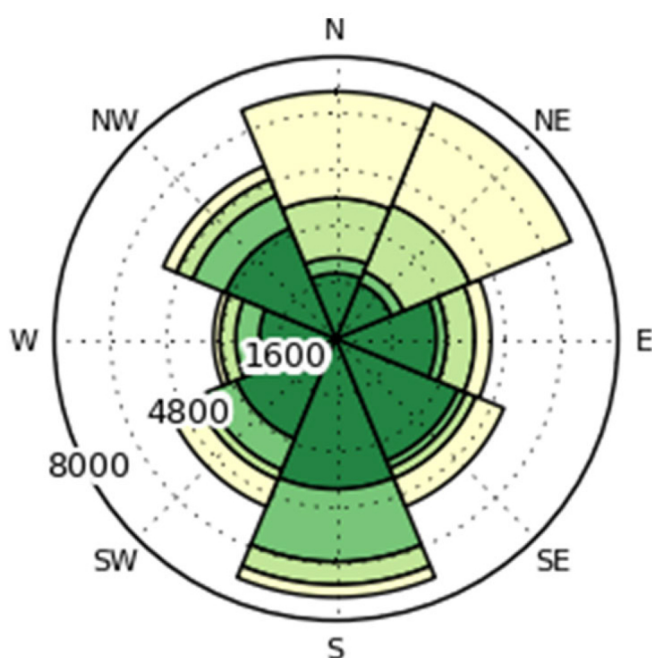
South Bend



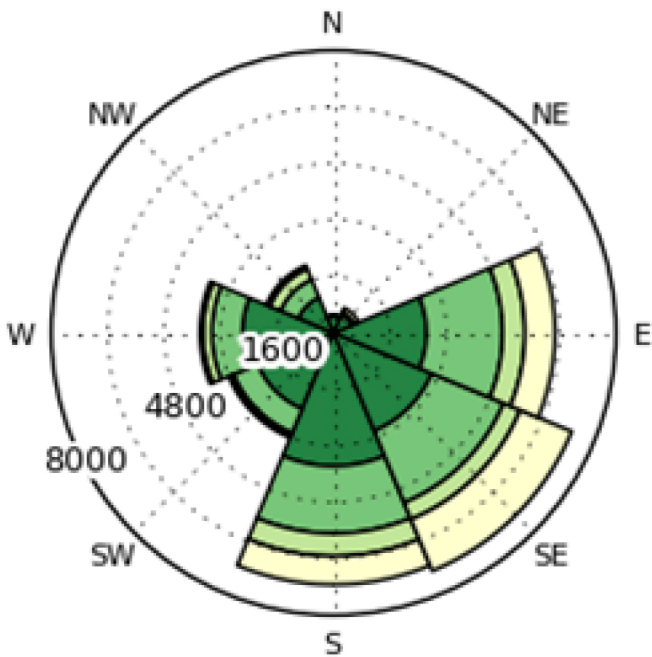
Hammond



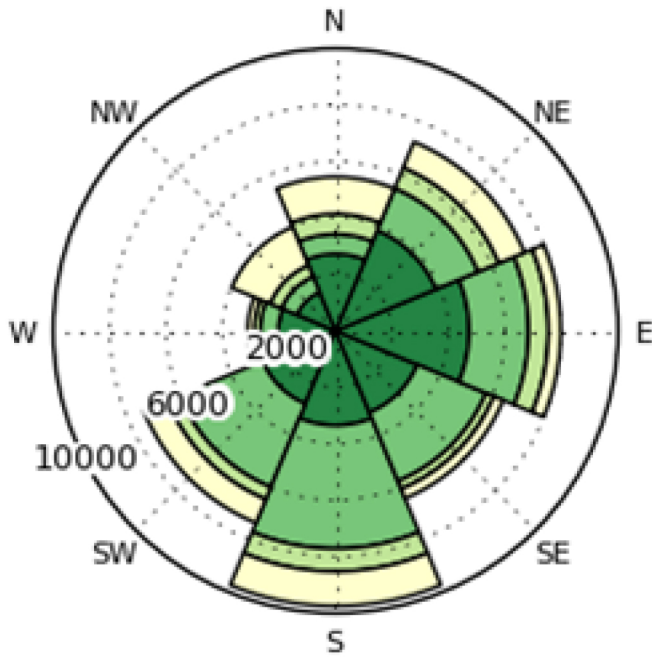
Bloomington



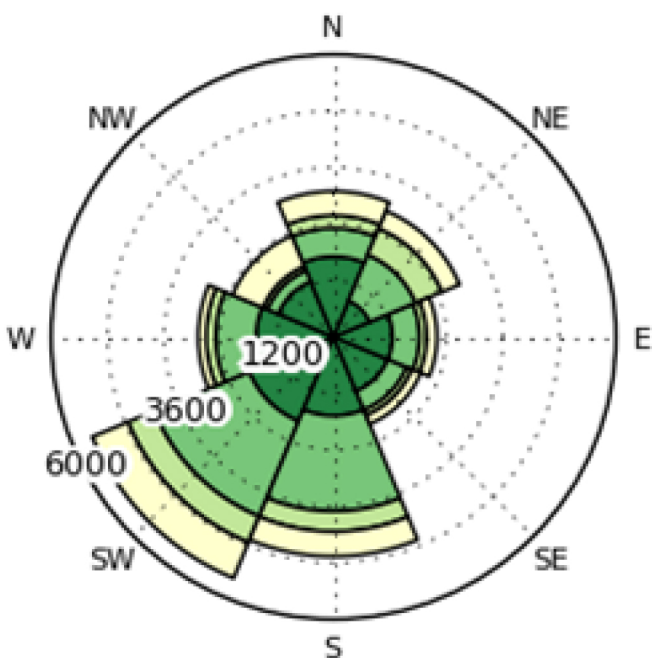
Gary



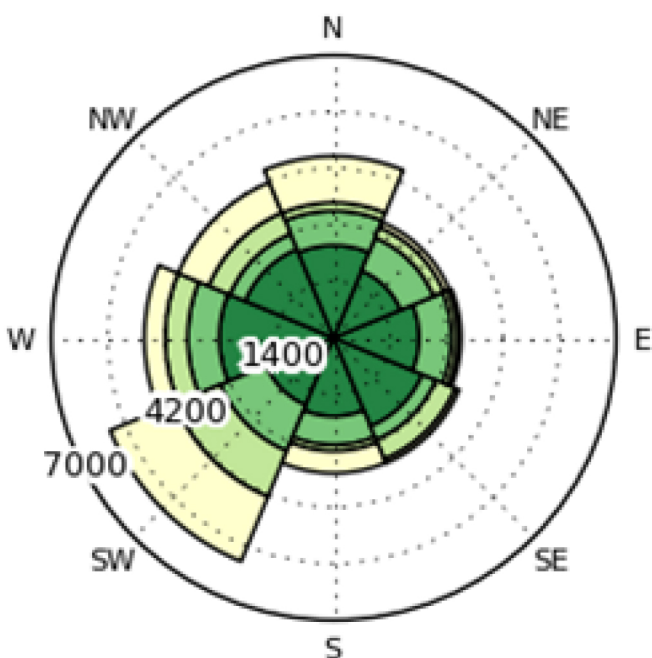
Carmel



Fishers



Muncie



Source: IBRC, using Census Bureau data

OnTheMap, now in its 6th version, includes data for 49 states plus the District of Columbia (data for Massachusetts should be available in the near to medium term). It is worth noting that these data do not currently include the self-employed, military and the informally employed (i.e., those not covered by state unemployment insurance laws).¹ Prior users of OnTheMap will notice that the new application is much faster and includes 2010 census blocks and other geographies.

View the [analysis guides](#) for a step-by-step approach to using each of the report types available in OnTheMap, or simply go to the website and jump in: <http://onthemap.ces.census.gov/>.

Notes

1. Federal worker data were released in the summer of 2012 and self-employment data are tentatively planned for 2013.

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Mexico, the U.S. and Indiana: Economy and Trade

Mexico is inextricably linked to the United States— politically, geographically and economically. The expanding Mexican economy is a large market for U.S. goods. Mexico's population is estimated at about 115 million people, roughly a third the size of the U.S. population.¹ As **Table 1** shows, Mexico lags the United States considerably in terms of its developed status. In 2011, Mexico received a United Nations Human Development Index ranking of 57, placing it between Saudi Arabia and Panama. The per capita income is also well below the U.S. average, nearly \$30,000 below in purchasing power parity (PPP) dollars. Despite the lower standard of living, however, life expectancy in Mexico is about the same as the United States.

Table 1: Development Statistics for Mexico and the United States

Human Development Index Measures	Mexico	United States
Human Development Index Value	57	4
Life Expectancy at Birth (years)	77	78.5
Education Index	0.726	0.939
Gross National Income per Capita (PPP U.S. dollars)	\$13,245	\$43,017

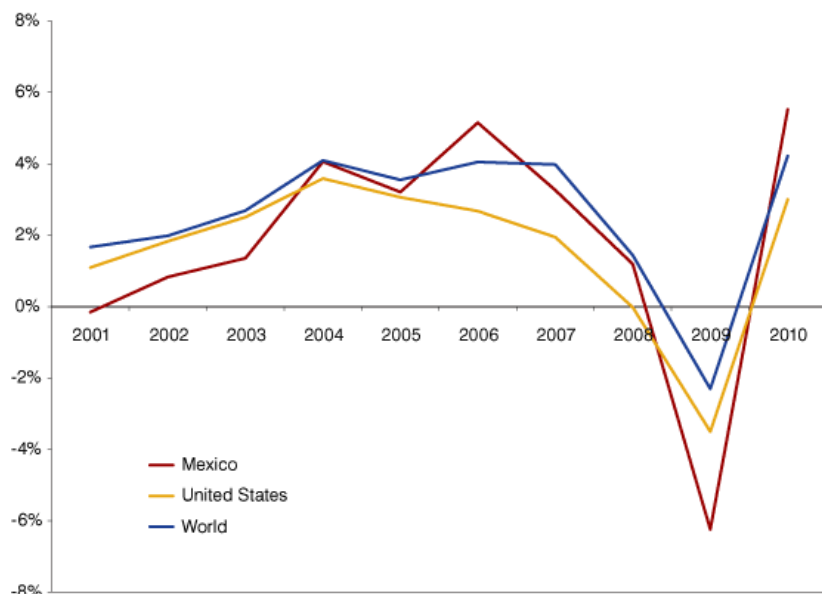
Source: Human Development Reports, 2011

Economy

As **Figure 1** shows, Mexico's economic growth has exceeded the U.S. rate of growth in every year since 2004, with the exception of 2009 when Mexico suffered considerable economic decline due to the worldwide economic slowdown. In 2010, economic growth bounced back, reaching nearly 6 percent. At \$1.66 trillion in 2011, Mexico's economy is the 12th largest in the world.²

Even though its economy is relatively large, the World Bank ranked Mexico 53rd in 2012 among all nations in ease of doing business in terms of regulatory environment—right between St. Lucia and Botswana. More specifically, Mexico ranked 75th in ease of starting a business, 109th in terms of the tax burden, 81st in enforcement of contracts, and 142nd in ease of getting electricity. The regulatory environment has been, and continues to be, a major impediment to economic growth.³

Figure 1: GDP Growth for Mexico, the United States and the World, 2001 to 2010

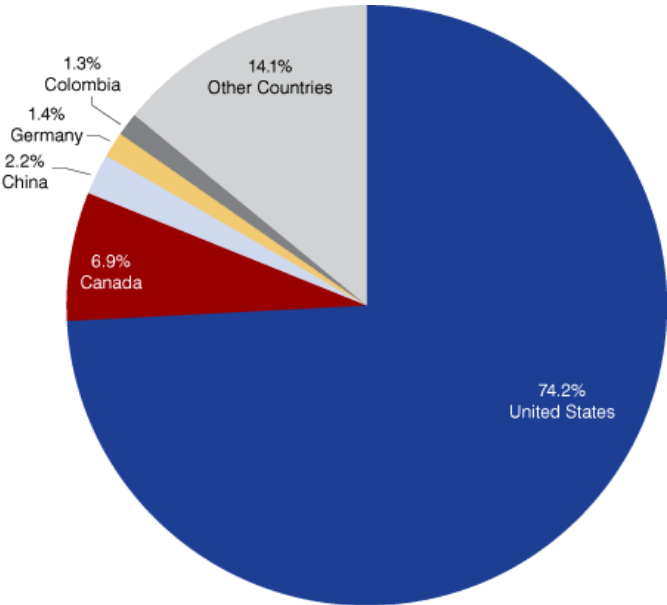


Source: IBRC, using World Bank data

Trade

As **Figure 2** shows, Mexico has one major trading partner: the United States. Mexico's exports totaled \$309.6 billion in 2010—74 percent of which were U.S. purchases. Rounding out the top five export destinations were Canada, China, Germany and Columbia. The remaining 14 percent of exports were fairly evenly split among many different nations in Central and South America, Europe, and Asia. Mexico's exports, like its overall economy, suffered a severe setback in 2009, but bounced back in 2010 to reach new heights. Between 2006 and 2010, Mexico's exports grew almost 25 percent.

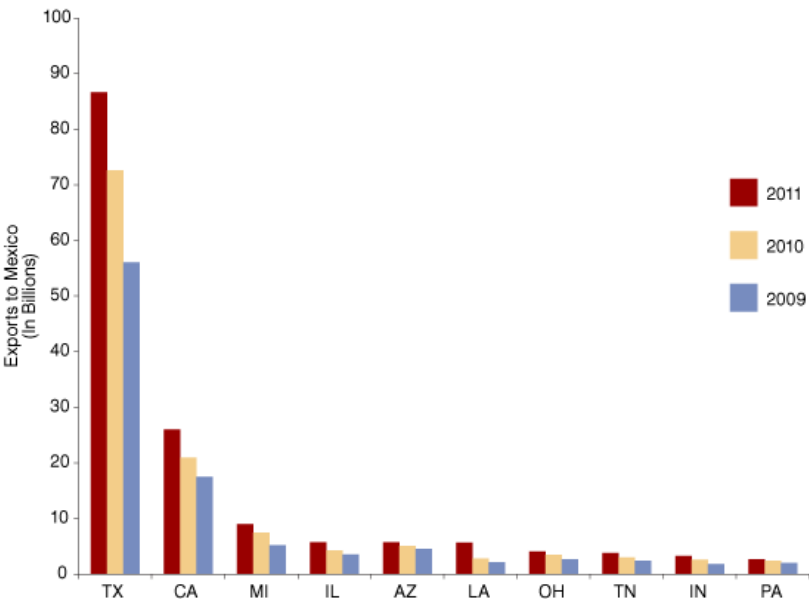
Figure 2: Destinations of Mexican Exports, 2010



Source: IBRC, using WISERTrade data

Over the past few years, Mexico has exported more to the United States than the United States has to Mexico. This gap narrowed considerably in 2009 but widened again in 2010. As of 2010, U.S. exports to Mexico totaled \$163 billion, whereas Mexican exports to the United States totaled \$230 billion—a difference of \$67 billion. **Figure 3** shows the top 10 states exporting to Mexico over the last three years. Sharing a border with Mexico and the size of a state's overall economy play a large role in determining the volume of exports to Mexico. Texas is far-and-away the leader in exports to Mexico and has seen substantial growth in these exports over the last three years—from \$56 billion in 2009 to \$87 billion in 2011. California sits at a distant second, with 2011 exports to Mexico totaling \$26 billion. The distribution widens considerably from there, with Michigan, Illinois and Arizona rounding out the top five. Indiana is the ninth-largest exporter to Mexico among the 50 states.

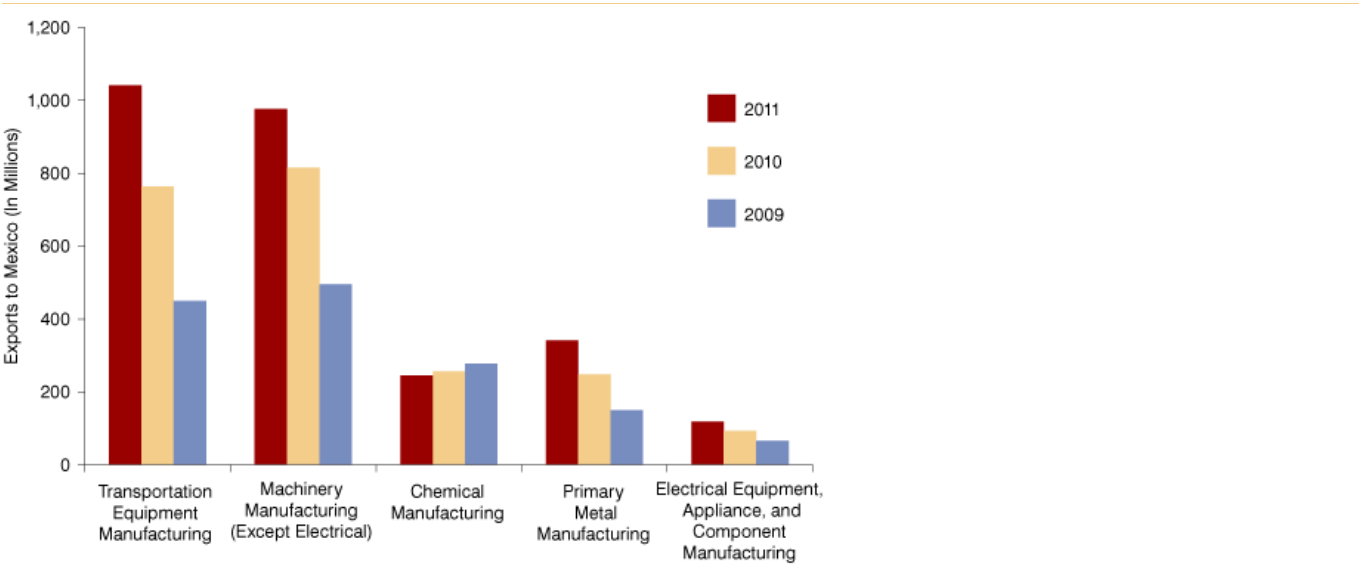
Figure 3: Top 10 States Exporting to Mexico, 2009 to 2011



Source: IBRC, using WISERTrade data

Indiana's exports to Mexico topped \$3 billion in 2011. As **Figure 4** shows, nearly a third of those exports consisted of transportation equipment. Exports to Mexico in this industry have grown considerably over the past three years, rebounding from the significant dip the industry took as a whole in the middle of the last decade. The other major industries exporting to Mexico from Indiana show a strong focus on heavy manufacturing and chemical manufacturing, consistent with Indiana's overall export profile. Interestingly, chemical manufacturing exports, while still hovering around a quarter of a billion dollars, have declined over the last few years.

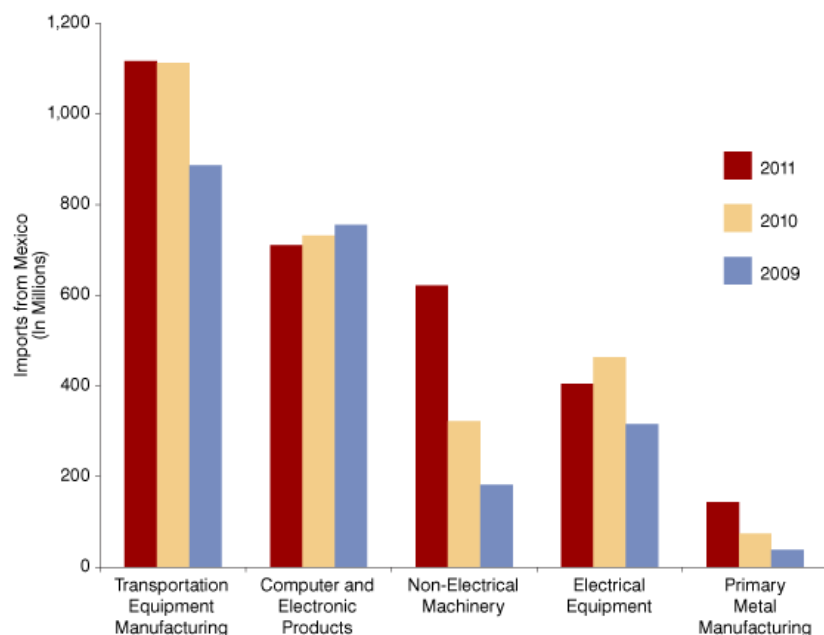
Figure 4 : Top Five Industries Exporting to Mexico from Indiana, 2009 to 2011



Source: IBRC, using WISERTrade data

While the trade gap between the United States and Mexico is fairly wide, the gap between Indiana and Mexico is much smaller. Indiana exported \$3.3 billion in products and services to Mexico in 2011 while purchasing \$3.6 billion in products and services. **Figure 5** shows the top five industries exporting to Indiana from Mexico. As one might expect, the data show evidence of the exchange in auto parts (and components) between the two trading partners. Both are key players in automobile manufacturing, and transportation equipment leads all other industries in Mexico's exports to Indiana. Computer and electronics products are a strong second, although this industry's exports to Indiana have decreased over the last three years. As with Indiana's exports, Mexico's exports to Indiana tend to be heavy manufacturing.

Figure 5: Top Five Industries Exporting from Mexico to Indiana, 2009 to 2011



Source: IBRC, using WISERTrade data

Conclusion

Often the news coming from Mexico and about the U.S. relation with Mexico distracts from Mexico's importance as a trading partner. Despite arguments over immigration between Mexico and the United States—both legal and illegal—that may surface in U.S. political discourse,⁴ the ongoing drug-motivated violence,⁵ and the recent *New York Times* report revealing that Walmart had engaged in a systematic bribery program to secure building permits for new stores,⁶ Mexico will remain an important trading partner for the Hoosier state.

In 2011, Mexico represented the United States' second-largest trading partner (after Canada), accounting for roughly 13 percent of total U.S. exports. The United States, on the other hand, represented Mexico's largest trading partner, accounting for nearly three-fourths of Mexico's total exports.⁷ As such, it is clear that the United States and Mexico are as intricately linked economically as they are geographically. That said, it is also clear that Mexico is more dependent on the United States than vice versa. That could change, however, if Mexico pursued more pro-growth policies, for example, simplifying its regulatory system and fostering a more friendly business environment. To the degree that Mexico can create and expand its own businesses and can attract new business from other countries, its current dependence on the United States will moderate.

Notes

1. Central Intelligence Agency, "Mexico," *The World Factbook*, www.cia.gov/library/publications/the-world-factbook/geos/mx.html.
2. Central Intelligence Agency, "Country Comparison: GDP (Purchasing Power Parity)," *The World Factbook*, www.cia.gov/library/publications/the-world-factbook/rankorder/2001rank.html?countryName=Mexico&countryCode=mx®ionCode=noa&rank=12#mx.
3. "Ease of Doing Business in Mexico," Doing Business: Measuring Business Regulations, <http://doingbusiness.org/data/exploreconomies/mexico>.
4. Padmananda Rama, "Immigration Debate Arrives at Supreme Court amid a Multitude of Voices," *It's All Politics Blog*, 25 April 2012, www.npr.org/blogs/itsallpolitics/2012/04/25/151359546/immigration-debate-arrives-at-supreme-court-and-with-it-a-multitude-of-voices.
5. Reuters, "Twelve Decapitated near Guadalajara, Drug Gang Suspected," 9 May 2012, www.reuters.com/article/2012/05/09/us-mexico-drugs-idUSBRE84818E20120509.
6. David Barstow, "Vast Mexico Bribery Case Hushed Up by Wal-Mart After Top-Level Struggle," *New York Times*, 21 April 2012, www.nytimes.com/2012/04/22/business/at-wal-mart-in-mexico-a-bribe-inquiry-silenced.html?_r=1.
7. Source: <http://wisertrade.org>.

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