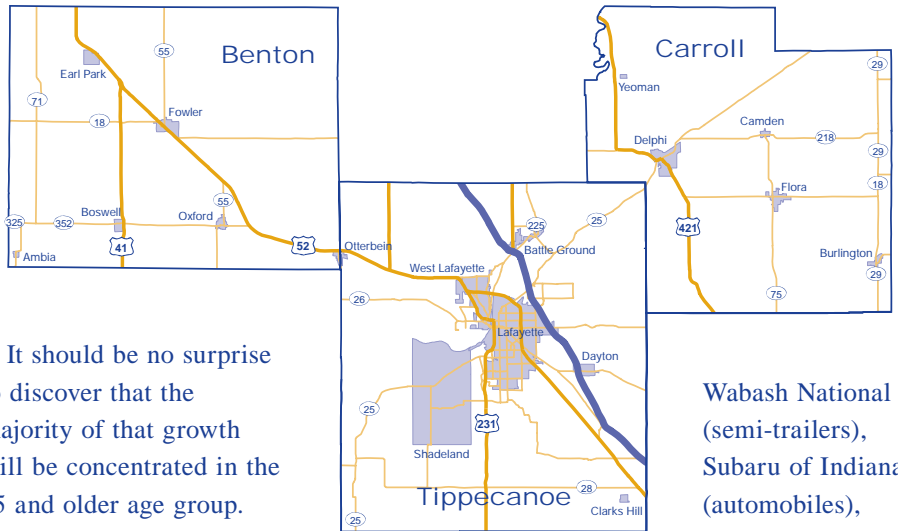# The Lafayette Metro Area

The Area

With a population exceeding 150,000, Tippecanoe County is at the core of the Lafayette Metropolitan Statistical Area (metro). When metropolitan areas were redefined a few years back, Clinton County seceded from the Lafayette definition to form the Frankfort Micropolitan Area. In exchange, the Lafayette metro picked up Carroll and Benton counties to hit 181,512 residents, according to the 2004 population estimates from the U.S. Census Bureau.

Since Census 2000, the metro has grown 1.6 percent—slower than the state's 2.4 percent during that same time period. Despite its slow start, projections from the Indiana Business Research Center indicate that, by 2020, the Lafayette metro will have grown 15.3 percent from Census 2000. That is 4.4 percentage points higher than Indiana overall.
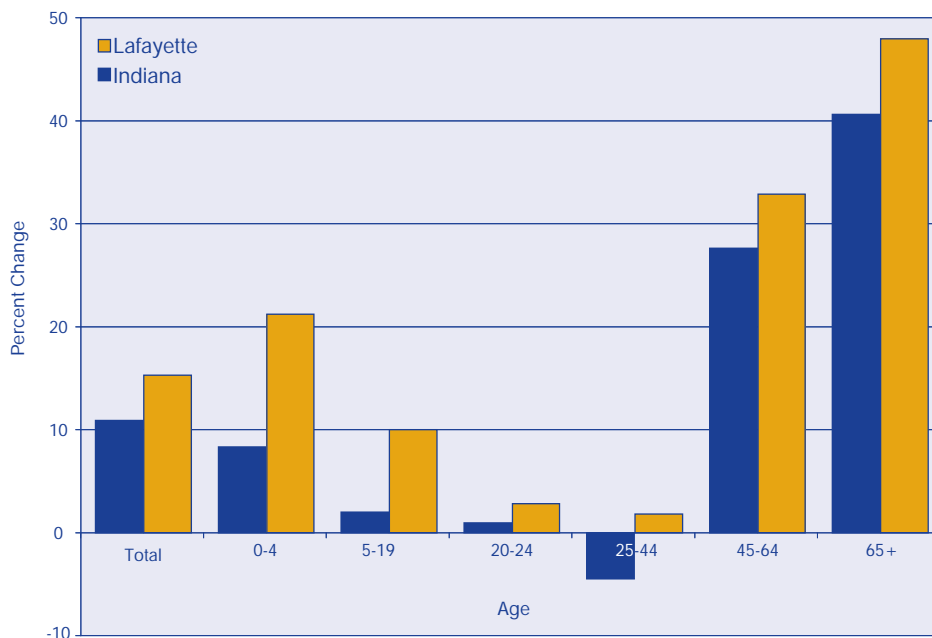
It should be no surprise to discover that the majority of that growth will be concentrated in the 45 and older age group. However, compared to most other parts of the state, Lafayette shows respectable growth in the younger age groups (see **Figure 1**).

Industrial Mix and Jobs

More than 81,000 jobs exist in the Lafayette metro, with manufacturing as the largest industry. Major manufacturers in the region include Wabash National (semi-trailers), Subaru of Indiana (automobiles), Caterpillar (construction machinery) and Alcoa (aluminum extrusions). As of the third quarter of 2004, manufacturing accounted for 21.1 percent of the metro area workforce, about the same as seen in the state overall.

However, with over 13,000 employees, Purdue University is the area's largest single employer (see **Table 1**) and plays a dominant role in the local economy. The Purdue Research Park is indicative of this, as it serves as a partnership between the university and private businesses in an effort to spur innovation and counteract "brain drain." In 2004, it was named the top research park in the nation by the Association of University Research Parks. More than 90 companies are located in the park, and many are developing Purdue-licensed technologies. Endocyte is one such company, founded in 1996, which just opened new state-of-the-art facilities in the park. The biotechnology firm is developing receptor-targeted therapies for cancer and autoimmune diseases, a treatment discovered by Purdue University researchers.

FIGURE 1: PROJECTED POPULATION GROWTH, 2000 TO 2020

Source: IBRC

TABLE 1: TOP TEN EMPLOYERS IN TIPPECANOE

Purdue University	13,831
Wabash National Corp.	3,100
Greater Lafayette Health Services	2,600
Subaru of Indiana, Inc.	2,600
Caterpillar Tractor	1,400
Arnett Clinic	1,291
Tippecanoe School Corp.	1,245
Eli Lilly & Company	1,200
Lafayette School Corp.	965
Alcoa	907

Source: Lafayette–West Lafayette Economic Development Corporation

Butler International, an engineering design firm, is one of the recent additions to the Purdue Research Park. The company opened an office at the beginning of the year, creating 40 jobs. That number may grow to 200 by the end of this year (2005), contingent upon several anticipated contracts.

Commuting

Tippecanoe County draws workers, not only from the other counties in the metro area, but from other surrounding counties, according to the preliminary data for 2003. Overall, 19,283 people commute to Tippecanoe County, while just over 4,200 Tippecanoe County residents find work elsewhere (see **Figure 2**).
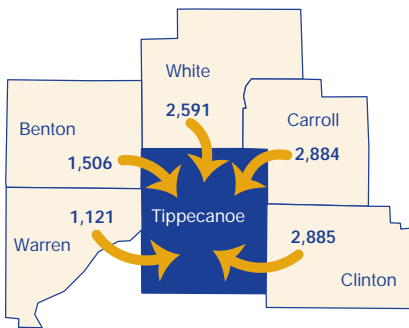
Wages and Compensation

Lafayette falls in the middle of the pack among the state's metro areas when it comes to average weekly wages (see **Figure 3**). Lafayette's average weekly wage was $642 for the third quarter of 2004, slightly lower than the state overall ($655). At the industry level, wages were slightly higher than the state in transportation and warehousing ($723) and health care and social services ($676).
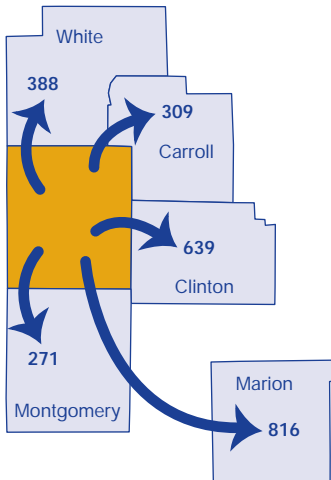
Total compensation for 2003, which includes contributions to pension, insurance and government social insurance, shows the average annual compensation per job was $39,997 in the Lafayette metro, representing a 10.1 percent growth over 2001. This equals 97 percent of the average state compensation, up from 96 percent in 2001.

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

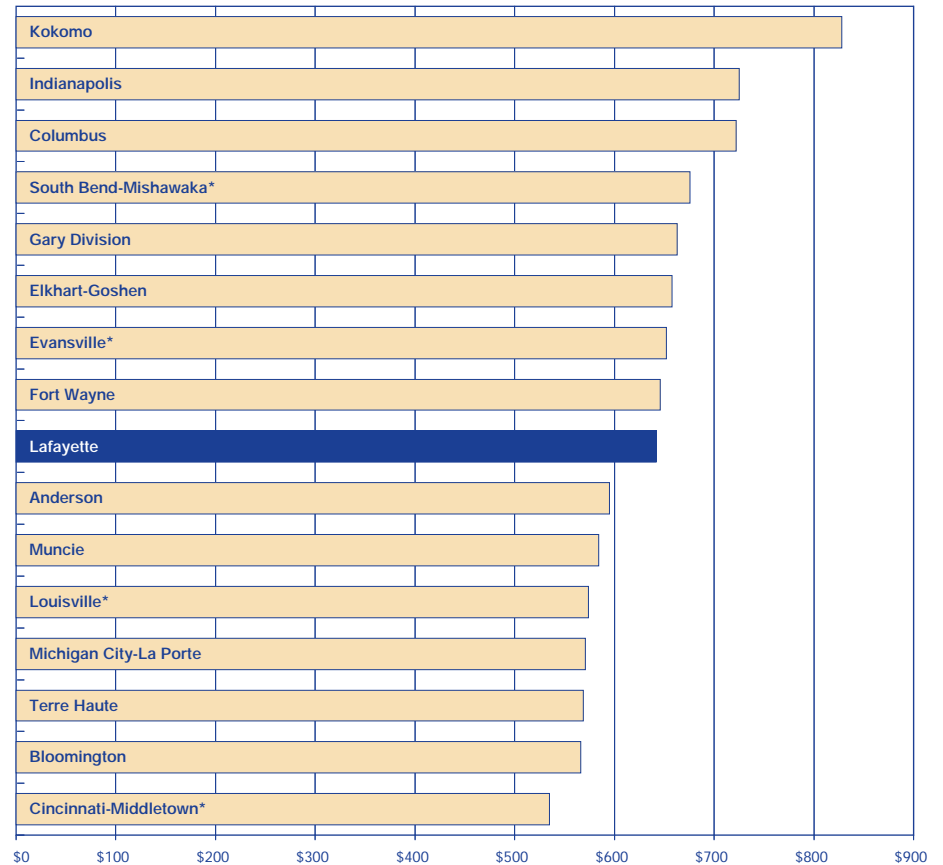**FIGURE 2:** COMMUTERS INTO TIPPECANOE, 2003

COMMUTERS OUT OF TIPPECANOE, 2003

Source: STATS Indiana Commuting Profiles, Tax Year 2003

FIGURE 3: AVERAGE WEEKLY WAGE BY METRO AREA, 2004:3

*Only shows Indiana portion of metro area

Source: IBRC, using Covered Employment and Wages