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Indiana: A Petroleum State?

Unemployment for January 2005

Indiana
6.1%

U.S.
5.7%

*Not seasonally adjusted

IN the Spotlight:

Job Dynamics: Creation, Loss and Wages

More than 150,000 jobs were created in Indiana during the last quarter of 2003.

The quarterly average of new jobs for the year was 149,562 (see **Figure 1**). There were also 465,764 new hires, for jobs that already existed but were unfilled, and 621,802 separations. In 2003, the average quarterly turnover rate for Indiana was 10 percent of total jobs, while 5.4 percent of all jobs were created by new or expanding businesses and had not existed in previous quarters (see **Table 1**).

This new information can help us understand the dynamics of job creation, as well as the job loss in

our economy and within industrial sectors. Among the industries with the highest levels of job creation were transportation equipment, administrative and support services, hospitals, and food services (see **Table 2**).

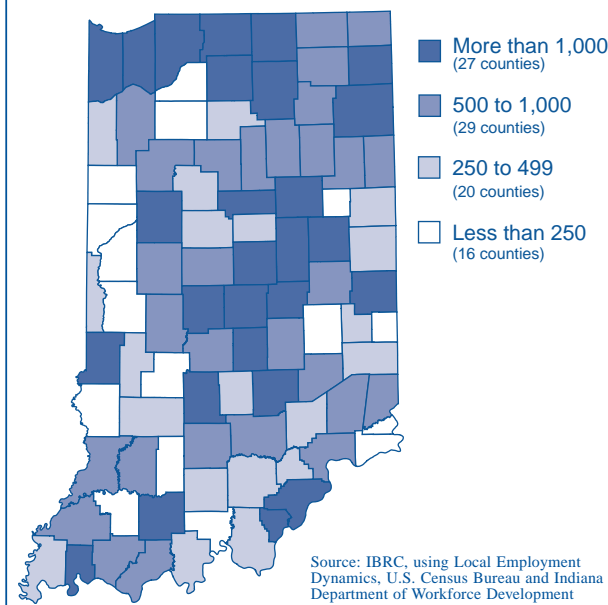
More than half of all new jobs were created by just 10 counties (see **Table 3**). Of the average quarterly creation of 149,562 jobs in Indiana, these 10 counties created 87,738. When job creation is calculated as a percent of all jobs in these counties, all 10 either matched or exceeded the state's 5 percent rate. Tippecanoe County, in particular, experienced the highest rate of job creation at 10 percent.

Table 4 provides an overview of manufacturing data, while **Figure 2** on the back cover highlights total average wages and how the wages of new hires compare in counties across the state.

—Carol O. Rogers,
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Figure 1: New Job Creation, 2003

Marion led in numbers; Tippecanoe led in percentage



(continued on page 2)

IN the Spotlight*(continued from page 1)***Local Employment Dynamics**

The Census Bureau has created a new methodology for ferreting out job creation, turnover rates, new hire wages and other information from administrative records maintained by various federal and state agencies. The new data set is called longitudinal employer-household dynamics. The general name for the program that publishes these data is the Local Employment Dynamics

program, and it is available on the Web at <http://lehd.dsd.census.gov/led/>.

The program began in 2001 with an invitation to all states to participate in this groundbreaking venture. Indiana accepted this invitation in 2004 and the first Indiana data became available in February 2005. Based on newly released data from the U.S. Census

Bureau, in partnership with the Indiana Department of Workforce Development, Indiana's job dynamics can now be seen not only in terms of the net (which has simply been measured by the change in the total number of jobs from one period of time to another) but in terms of actual new positions, new hires, separations and the resulting turnover rate.

Table 1: Indiana's Job Dynamics

Indicator	2003:4	2003 Average
Total Employment	2,820,643	2,779,562
Net Job Flows	-44,339	640
Job Creation	151,972	149,562
New Hires	465,764	459,092
Separations	621,802	554,390
Turnover Rate	11%	10%
Average Monthly Wages	\$3,074	\$2,897
Average New Hire Wages	\$1,970	\$2,006

Source: IBRC, using Local Employment Dynamics, U.S. Census Bureau and Indiana Department of Workforce Development

Table 3: Average Quarterly Job Numbers, 2003

County	Job Creation	Job Levels	Rate of Creation (% of Total Jobs)
Marion	29,353	592,942	5%
Lake	11,254	194,231	6%
Allen	10,069	178,886	6%
Tippecanoe	6,675	66,084	10%
Elkhart	6,264	113,128	6%
St. Joseph	6,025	124,290	5%
Vanderburgh	5,656	111,525	5%
Hamilton	5,587	94,251	6%
Monroe	3,853	62,427	6%
Porter	3,003	53,326	6%

Source: IBRC, using Local Employment Dynamics, U.S. Census Bureau and Indiana Department of Workforce Development

Table 2: Indiana's Top Ten Growth Industries, 2003

NAICS	Industry	Jobs Added
336	Transportation Equipment Manufacturing	6,310
561	Administrative and Support Services	5,146
622	Hospitals	3,777
722	Food Services and Drinking Places	2,460
621	Ambulatory Health Care Services	1,836
331	Primary Metal Manufacturing	1,432
423	Merchant Wholesalers, Durable Goods	1,366
522	Credit Intermediation and Related Activities	1,134
493	Warehousing and Storage	1,080
483	Water Transportation	895

Source: IBRC, using Local Employment Dynamics, U.S. Census Bureau and Indiana Department of Workforce Development

Table 4: Manufacturing in Indiana

Manufacturing	2003:4	2003 Average
Total Employment	577,728	581,737
Net Job Flows	-14,544	-4,395
Job Creation	15,894	17,294
New Hires	42,948	44,223
Separations	67,076	58,272
Turnover Rate	7.3%	6.8%
Average Monthly Wages	\$4,066	\$3,776
Average New Hire Wages	\$3,360	\$3,070

Source: IBRC, using Local Employment Dynamics, U.S. Census Bureau and Indiana Department of Workforce Development

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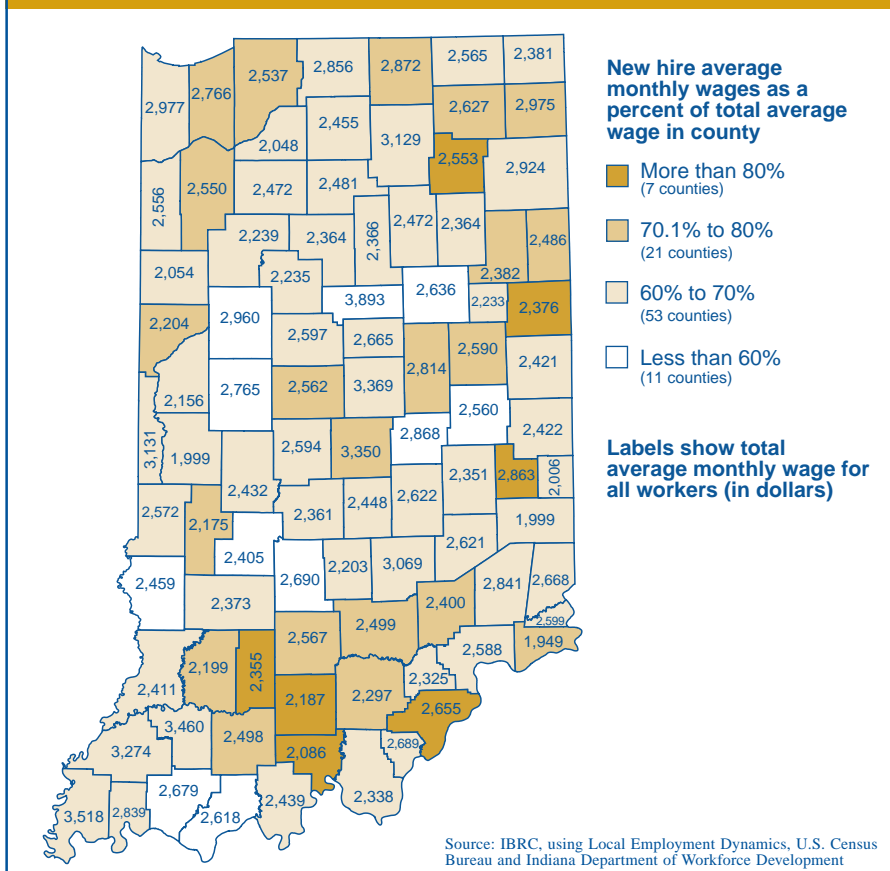


IN the Spotlight

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Figure 2: New Hire Average Monthly Wages, 2003

New hires in Howard County earn just 39% of the county average



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

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Indiana Economic Digest
www.indianaeconomicdigest.net

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