incontext

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GDP Dynamics Shed Light on Economic Downturn in Indiana

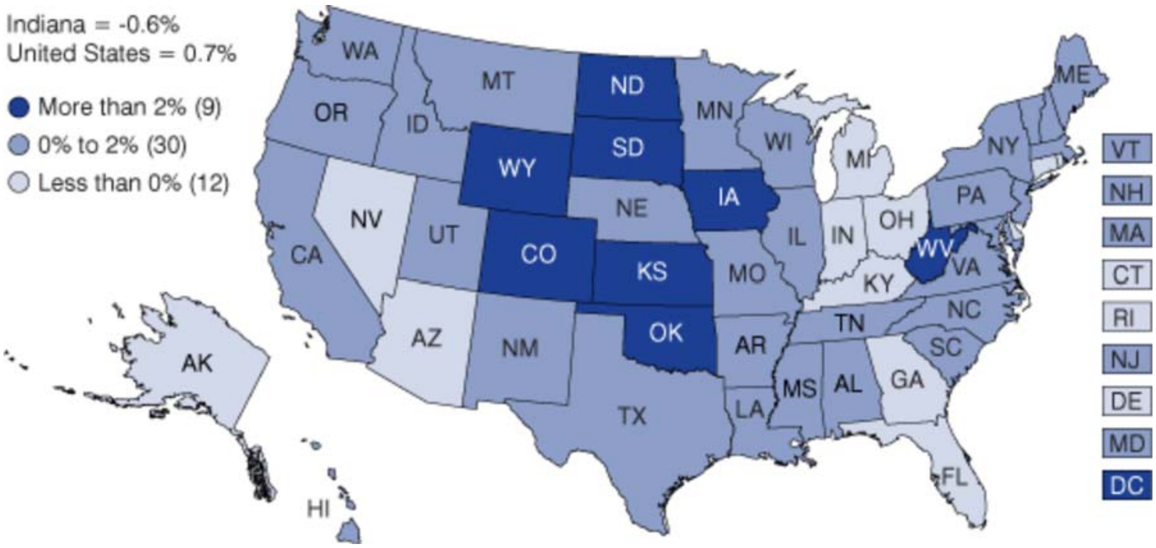
There has been no shortage of information detailing the current economic downturn. Monthly reports on job losses and growing unemployment have chronicled the recession's impact on the labor force both nationally and locally. Quarterly releases of gross domestic product (GDP) and personal income have offered broader indicators of economic performance and well-being for the United States. However, recent releases of regional GDP data by the U.S. Bureau of Economic Analysis offer our first look at the economic performance of states and metropolitan areas through 2008.[1]

GDP, which is widely regarded as the most comprehensive indicator of economic activity, measures the total value of goods and services produced within an area after subtracting the cost of inputs for production. Recently released data indicate that Indiana was among the most hard-hit states through the initial stages of the recession, particularly in Elkhart-Goshen and Kokomo. However, declines in economic activity were not seen throughout the state. GDP growth in the Columbus, Bloomington and Lafayette metropolitan areas was comparable to their average rates of growth in the years preceding this downturn.

Change in GDP for States

Indiana's GDP (adjusted for inflation) declined 0.6 percent between 2007 and 2008. This mark ranked 43rd among states and, as **Figure 1** shows, made Indiana one of 12 states to have a decline in real GDP in 2008. Alaska, Delaware, Florida and Michigan had the steepest drops with each state declining by more than 1 percent over the year. North Dakota, Wyoming, South Dakota and the District of Columbia posted the strongest growth in real GDP in 2008 while the United States grew by just 0.7 percent.

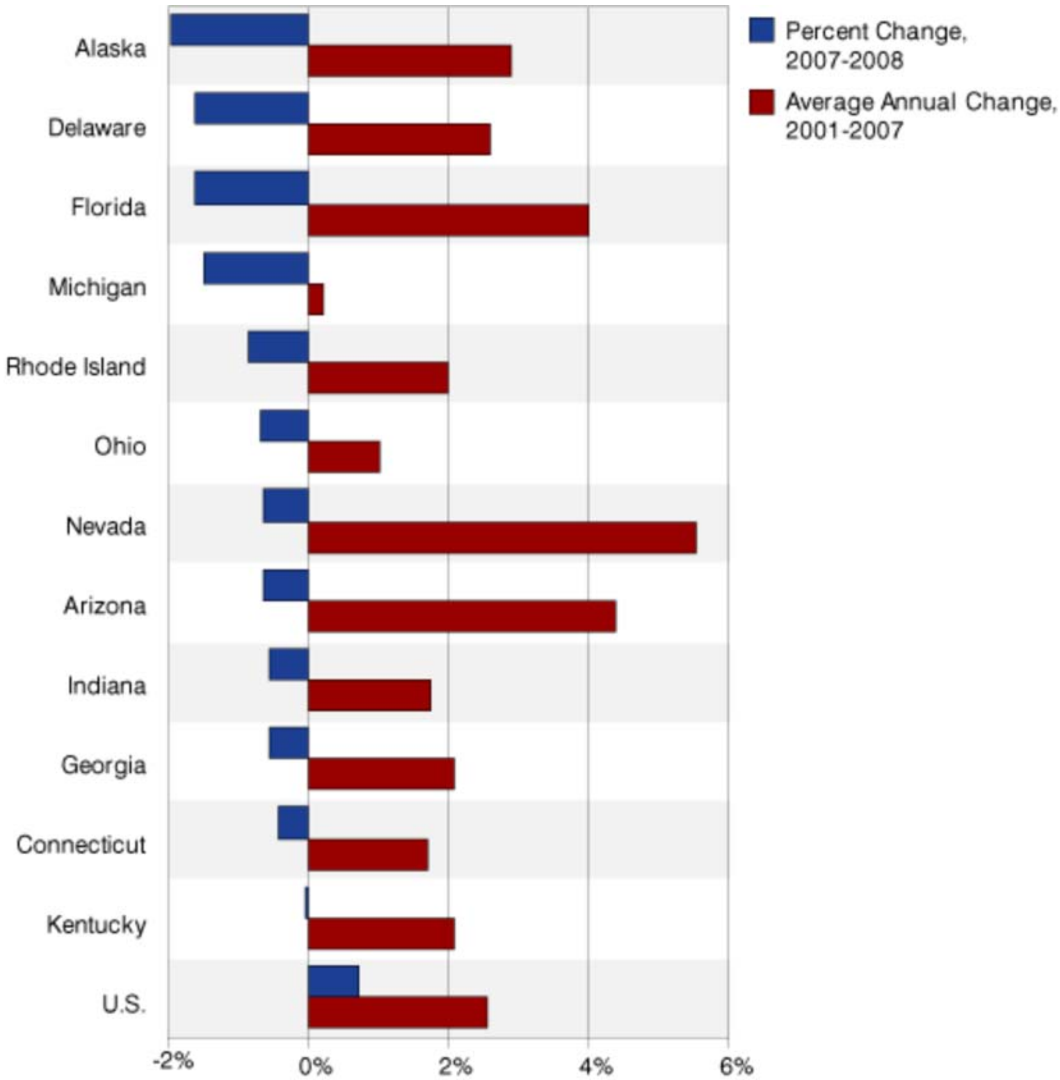
Figure 1: Percent Change in Real GDP, 2007-2008



Source: IBRC, using data from the Bureau of Economic Analysis

While many states experienced real GDP growth in 2008, all but nine grew at a slower pace than in prior years. The United States 2008 growth rate of 0.7 percent, for instance, falls far short of its 2.5 percent average annual rate of real GDP growth from 2001 to 2007. **Figure 2** presents this rate comparison for the 12 states with GDP declines in 2008. Real GDP in Indiana grew at an average annual rate of 1.7 percent between 2001 and 2007, ranking 40th among states. Neighboring Michigan and Ohio recorded the nation's slowest rates of economic growth from 2001 to 2007 and remained among the poorest performers in 2008.

Figure 2: Recent Activity for States with Real GDP Decline in 2008

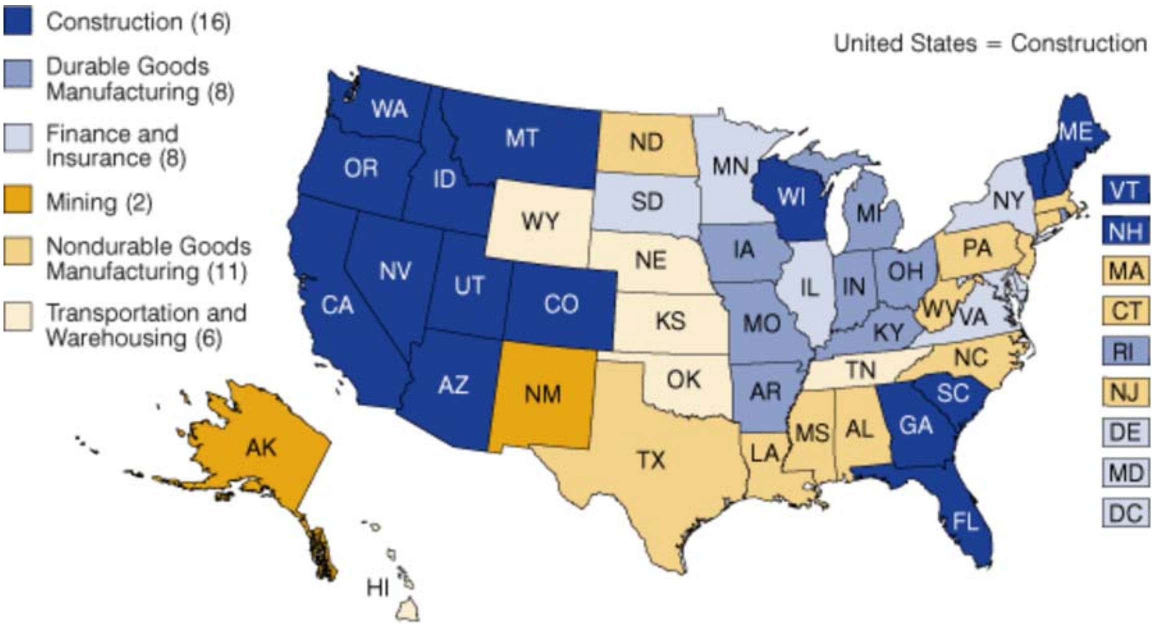


Source: IBRC, using data from the Bureau of Economic Analysis

Notable shifts among this 12-state set include Nevada and Arizona, which had ranked first and third, respectively, in the average annual rate of real GDP change between 2001 and 2007. Florida, Alaska and Delaware also had average rates of change over this period that exceeded the national average.

The sharp turnabout in GDP change for Nevada, Arizona and Florida is directly related to the weakened housing market that has headlined this economic downturn. Construction was the largest contributor to real GDP decline in each of these states. As **Figure 3** illustrates, construction was the largest negative contributor to real GDP change in 16 states as well as for the United States as a whole. Many of these states are located in the high population growth areas of the South and the West. Other common industries in decline in 2008 were nondurable goods manufacturing and finance and insurance.

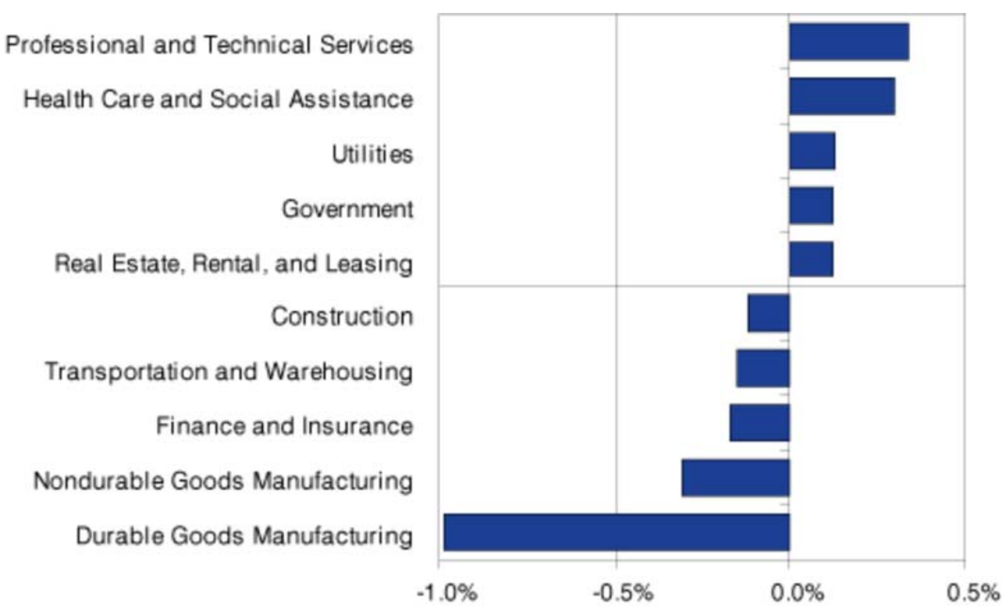
Figure 3: Industry with the Largest Negative Contribution to Real GDP in Each State, 2008



Note: Three states had ties, so the industry with the larger share of GDP is shown on the map. The tied industries not shown include: Washington (nondurable goods manufacturing), Virginia (construction) and Oklahoma (agriculture).
Source: IBRC, using data from the Bureau of Economic Analysis

Figure 4 highlights the industries that had the greatest influence, positive and negative, on Indiana's 2008 change in real GDP. Each industry's impact is expressed as its percentage point contribution to Indiana's total percent change in real GDP.

Figure 4: Industries with the Largest Positive and Negative Contributions to Indiana's Real GDP Change, 2008



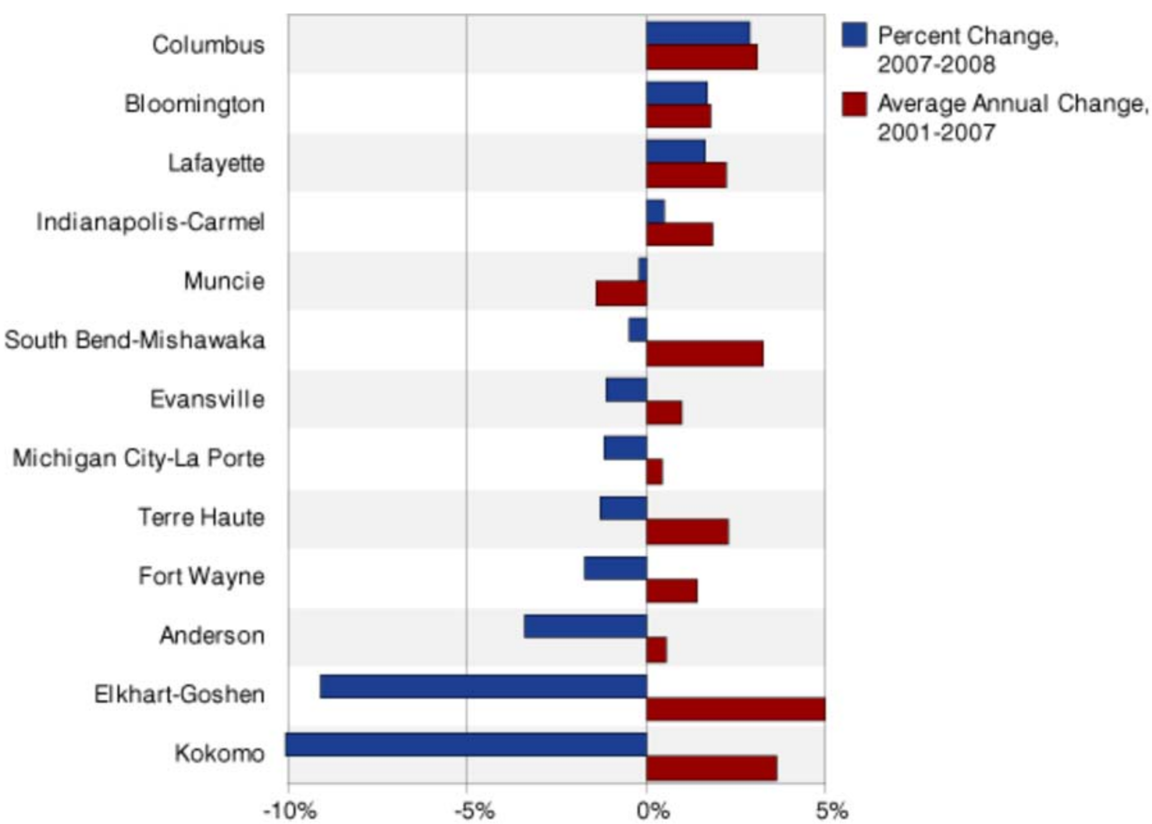
Source: IBRC, using data from the Bureau of Economic Analysis

Durable and nondurable goods manufacturing were the largest contributors to decline. The drop in manufacturing also weakened Indiana's transportation and warehousing industry. The other industries with large negative impacts on GDP change—construction and finance and insurance—were influenced, at least partly, by turmoil in the housing market. Growth in the professional and technical services industry as well as in health care and social assistance provided the largest positive contributions to Indiana's GDP change.

GDP Change in Indiana's Metropolitan Areas

Nine of the 13 metropolitan areas (MSAs) centered in Indiana had a negative real GDP change in 2008 (see **Figure 5**). The sharpest drops occurred in the Elkhart-Goshen and Kokomo MSAs, which fell by 10 percent and 9 percent, respectively. Elkhart-Goshen and Kokomo have the unfortunate distinction of recording the two largest declines in real GDP among the nation's 366 MSAs in 2008. Their declines are even more dramatic when considering that Elkhart-Goshen ranked 25th nationally in the average annual rate of real GDP growth from 2001 to 2007 and Kokomo ranked 80th.

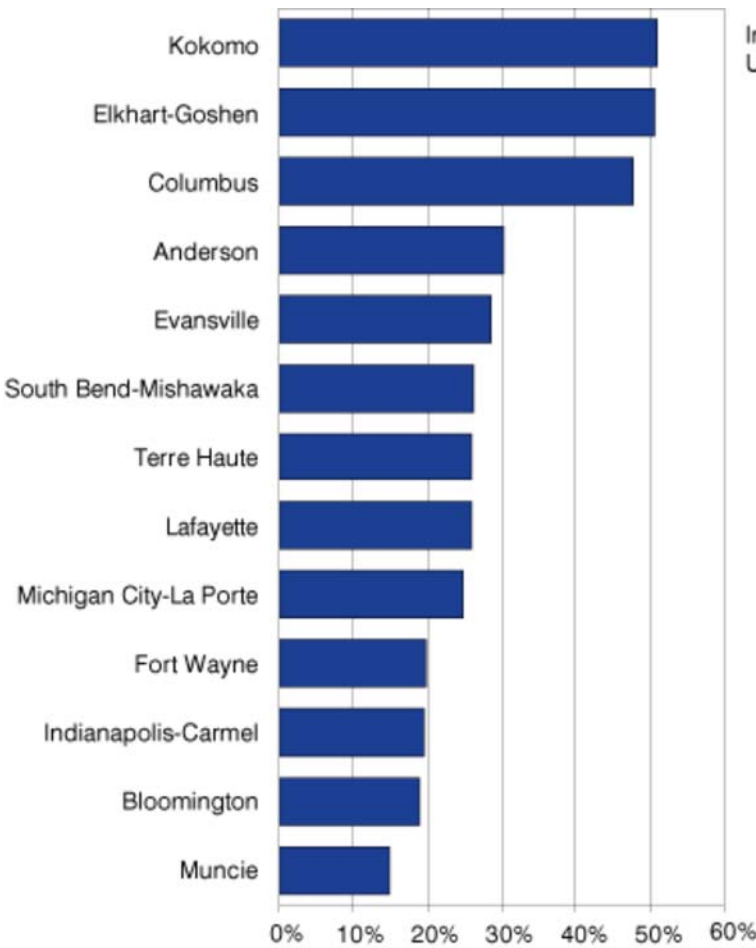
Figure 5: Change in Real GDP for Indiana MSAs, 2001-2008



Source: IBRC, using data from the Bureau of Economic Analysis

Much of the situation in Elkhart-Goshen and Kokomo (and Indiana in general) can be attributed to the dominant role that manufacturing plays in these economies. In 2007, no state had larger share of its total GDP in manufacturing than Indiana and no metropolitan areas in the state were more dependent on manufacturing than were Kokomo and Elkhart-Goshen (see **Figure 6**). More than half of all economic activity in these MSAs was in manufacturing. Of course, much of the manufacturing in these communities has been focused on automotive parts and recreational vehicles—industries that have been particularly hard-hit in this downturn.

Figure 6: Manufacturing's Share of Total GDP in Indiana MSAs



Source: IBRC, using 2007 data from the Bureau of Economic Analysis

It is interesting to note that Columbus had nearly half of its economic activity in manufacturing in 2007, but 2008 real GDP growth in Columbus barely missed a beat compared to its average rate in the preceding years. Columbus has not gone completely unscathed, however. Durable goods manufacturing, the area's key industry, grew by 3.5 percent in 2008—well below the 8.6 percent average growth rate for 2002 to 2007. This deceleration was partially offset by above average GDP growth in service-providing industries. Bloomington, Lafayette and Indianapolis-Carmel were the other Indiana MSAs that recorded positive real GDP change in 2008.

Muncie, which has had a negative rate of real GDP change throughout this decade, was the only Indiana MSA whose 2008 mark was an improvement over its average rate between 2001 and 2007. Muncie experienced continued decline in manufacturing output but was buoyed by stronger than normal GDP growth in service-providing industries such as professional and business services and, surprisingly, financial activities.

Readers may also be interested in the economic performance of MSAs centered in bordering states that include Indiana counties. 2008 real growth in the Cincinnati-Middletown MSA was essentially flat at 0.1 percent. Chicago-Naperville-Joliet (-0.4 percent) and Louisville-Jefferson County (-1.3 percent) each had negative real GDP change. At 0.5 percent growth, Indianapolis-Carmel outperformed its nearby big city peers in 2008.

Conclusion

Difficulties in the housing market have weakened the construction and finance industries in many states—Indiana included. Like much of the Midwest, however, Indiana has been most heavily impacted by softened demand for manufactured products, particularly in the automotive and recreational vehicles industries. Nowhere has this been more keenly felt than in the Elkhart-Goshen and Kokomo metropolitan areas. The effects of the recession continue to be felt and the numbers for 2009 will likely show further declines.

As we begin to emerge from this economic downturn, however, states such as Indiana may be better positioned to return to accustomed levels of economic activity. That is, a rebound in consumer demand should rekindle economic growth in Indiana and other manufacturing-focused states. The same may not be true in areas where robust GDP growth prior to the recession was driven by unsustainable real estate development. Granted, Indiana’s rate of economic growth throughout this decade has left something to be desired. The key to improving Indiana’s economic performance moving forward will be to maintain Indiana’s position as a national leader in manufacturing while expanding opportunities in other high-growth production or service industries.

Notes

1. The Bureau of Economic Analysis accelerated the production of 2008 GDP data for states and metropolitan areas. These data are presented a year earlier than similar figures have been available in the past. These figures should be considered preliminary and will be revised with the release of 2009 GDP data for states and metropolitan areas.

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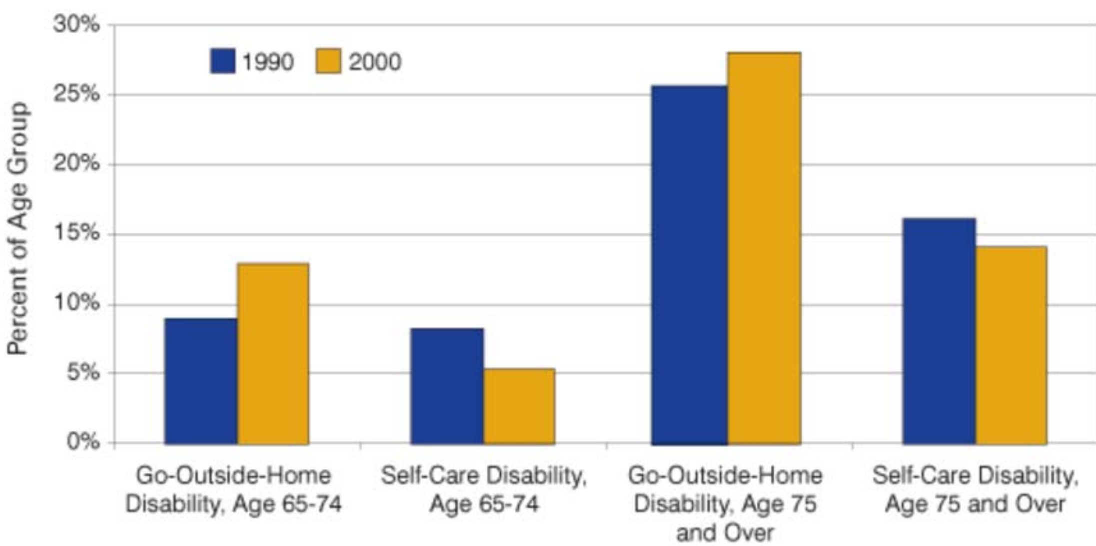
Indiana's Elderly: How Are They Doing?

How well is Indiana's elderly population doing? This was among the questions posed to this researcher by the Center for Aging and Community at the University of Indianapolis.[1] Although there are multiple ways to approach the question, for this article we will focus on two dimensions: disability and poverty. These factors obviously have a significant impact on quality of life, and their frequency of occurrence tends to increase as people age. Knowing how our senior citizens fare on these issues and knowing where those affected tend to live may help both the public and private sectors to more effectively serve their needs.

Indiana's Disabled Elderly

Figure 1 shows the percentage of elderly Hoosiers who are disabled according to the U.S. Census Bureau. The chart compares 1990 to 2000 for two age groups, and for two different types of limitations: go-outside-home disability and self-care disability.[2] The population under consideration does not include those residing in nursing homes. Keep in mind that the Census Bureau added some additional disability categories in the year 2000 that were not available in 1990, so differences between those two years should be interpreted with caution. Even so, note how much greater the disability percentage is for the 75+ age group than it is for the 65-to-74 age group. In 2000, the incidence of the go-outside-home disability for the 75+ age group was about 15 percentage points greater than it was for the 65-to-74 group. For the self-care disability, that gap was smaller at nearly 9 percentage points.

Figure 1: Indiana's Disabled Elderly, 1990 and 2000

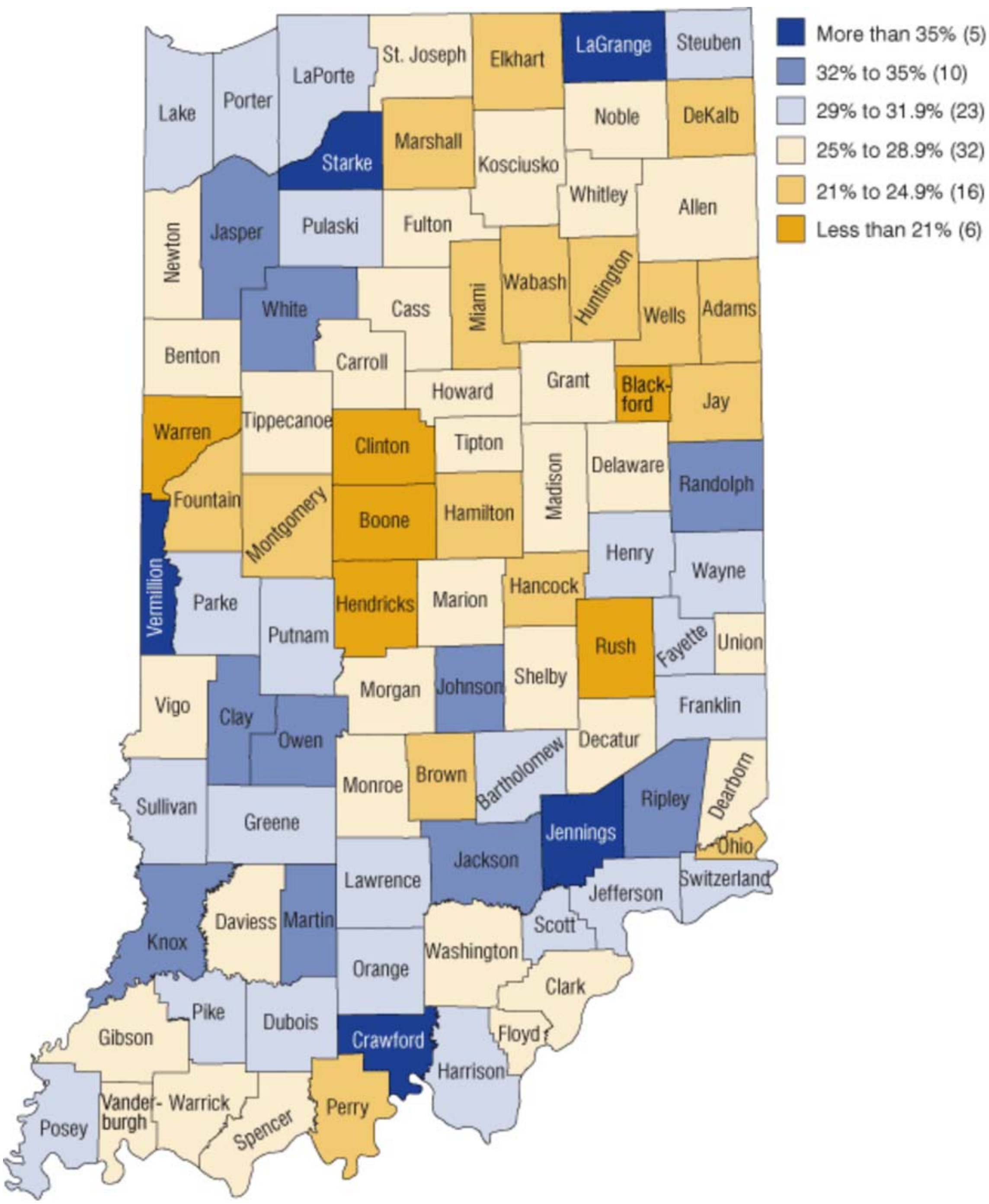


Note: While the "go-outside-home disability" was referred to as a "mobility limitation" in Census 1990, the language of the questions from which these data were derived stayed essentially the same.

Source: Thompson Analytics LLC, using data from the U.S. Census Bureau

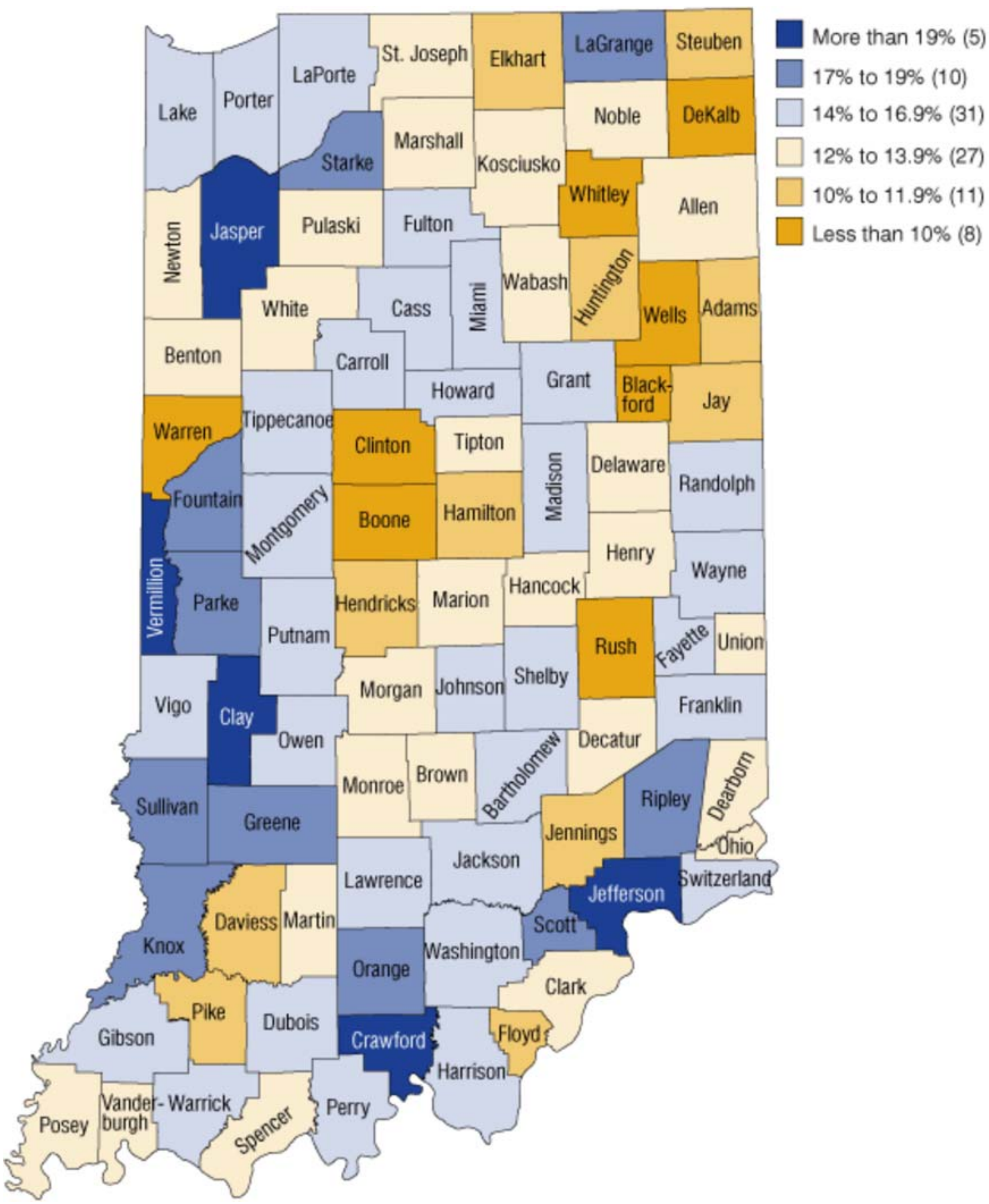
Figures 2 and 3 illustrate the percentage of disabled senior citizens in the 75+ age group, by county, according to Census 2000. Note that of the counties with very low or very high disability percentages, many have low populations to begin with, so the number of those affected is also relatively low. These maps, nonetheless, provide useful illustrations of where the greatest concentrations of the disabled elderly are across the state.

Figure 2: Percent of Population Age 75 and Older with a Go-Outside-Home Disability, 2000



Source: Thompson Analytics LLC, using data from the U.S. Census Bureau

Figure 3: Percent of Population Age 75 and Older with a Self-Care Disability, 2000

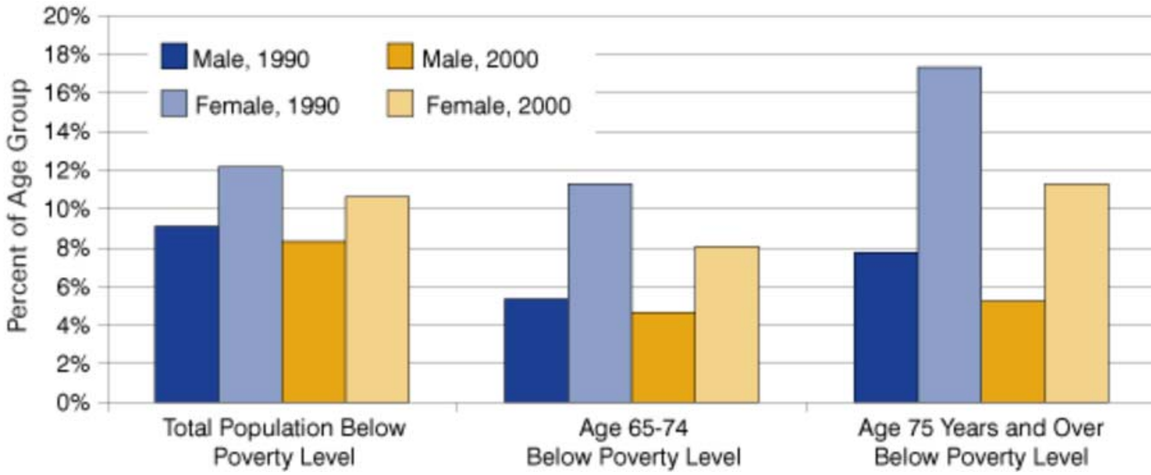


Source: Thompson Analytics LLC, using data from the U.S. Census Bureau

Elderly Hoosiers in Poverty

Figure 4 shows the percentage of elderly Hoosiers below the poverty level. Note that the rate for females is consistently higher than that for males, and this gap is substantially bigger for the 75+ age group. Some of this gap increase is explained by the fact that women tend to live longer than men, so they are more likely to continue living long after their life savings are depleted. They are also much more likely to be living alone.

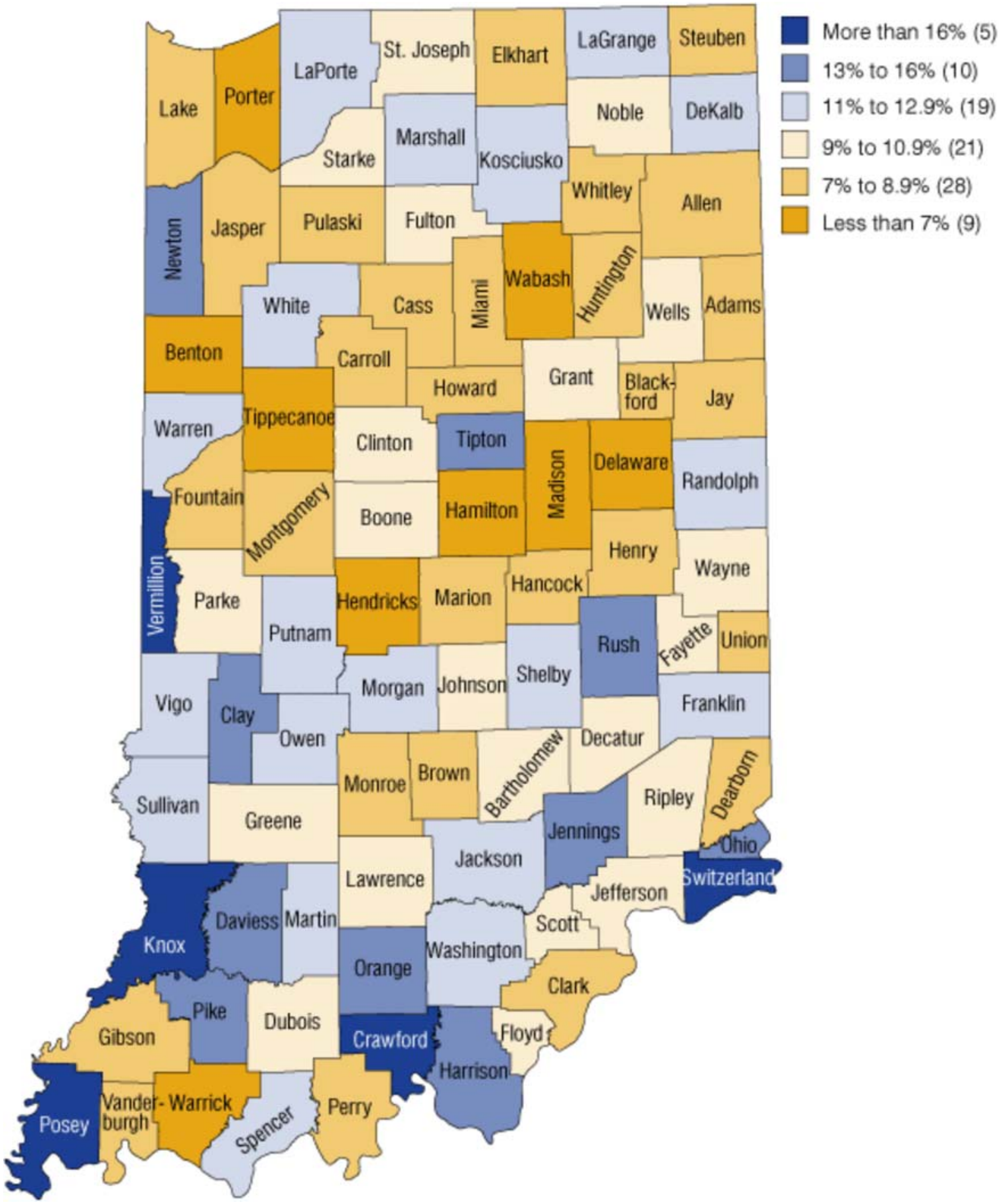
Figure 4: Indiana Poverty Rates, 1990 and 2000



Note: Poverty figures correspond to the calendar year prior to the Census. The population for whom poverty status is determined excludes persons living in institutions, as well as individuals under age 15 who are unrelated to anyone within their household (e.g., foster children).
Source: Thompson Analytics LLC, using data from the U.S. Census Bureau

Figure 5 illustrates Census 2000 poverty rates by county for the 75+ age group. Note that two of the counties with the highest rates, Crawford and Vermillion, were also among the counties with the highest percentage of both types of disabilities (see **Figures 2** and **3**).

Figure 5: Percent of Population Age 75 and Older Below Poverty Level, 2000



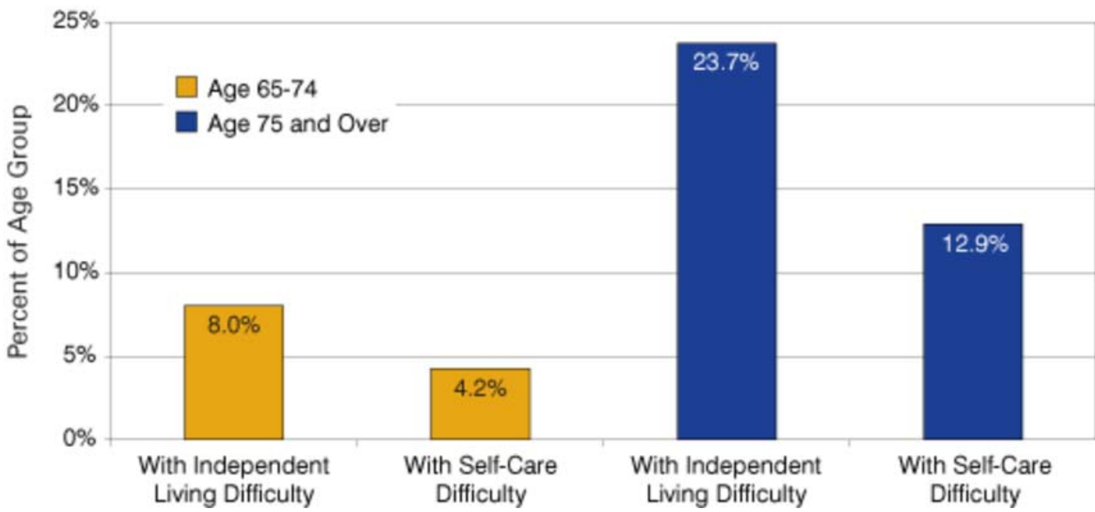
Source: Thompson Analytics LLC, using data from the U.S. Census Bureau

Recent ACS Data

The data presented so far are dated, as it has been nearly a decade since the last census. What's a researcher to do? Thankfully, the U.S. Census Bureau has released more recent estimates via the American Community Survey (ACS). **Figure 6** gives us Indiana's estimated disability percentages for 2008. Note that "go-outside-home disability," which had been known as "mobility limitation" in 1990, is now referred to as "independent living difficulty" beginning with 2008 ACS reporting. Also, "self-care disability" is now known as "self-care difficulty." Note that the percentage of those in the 75+ age group having independent living difficulties is about three times that for the 65-to-74 age group. The same is true for self-care difficulties. Note that we shouldn't compare **Figure 6** directly to

Figure 1 due to questionnaire changes introduced since Census 2000. Changes to the disability question layout were implemented for the 2003 ACS, and then further refinements to those questions were adopted for the 2008 ACS.[3] The 2003 changes remedied the tendency for some paper questionnaire respondents to declare a disability in error, and the 2008 changes further simplified the questions for improved clarity.[4]

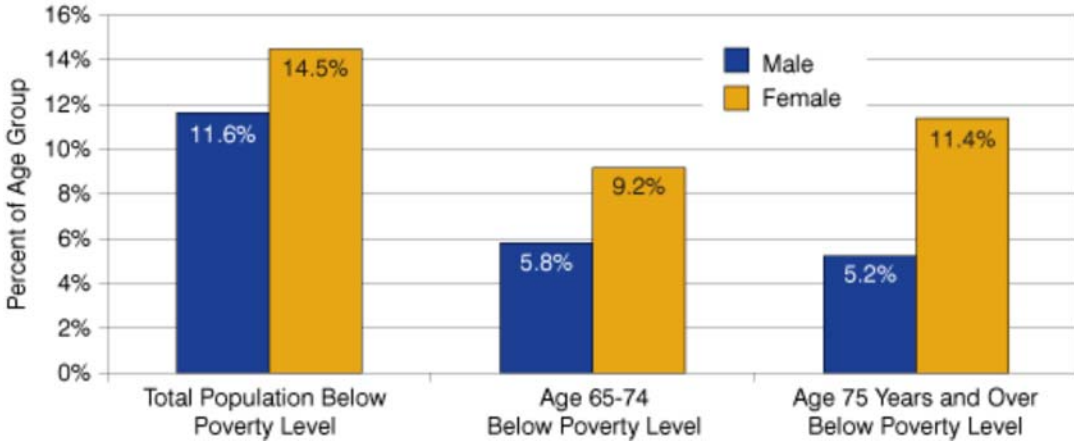
Figure 6: Indiana's Disabled Elderly, 2008



Source: Thompson Analytics LLC, using data from the U.S. Census Bureau American Community Survey

Figure 7 shows what appears to be the impact of the recession on poverty rates—not for the very oldest Hoosiers, but noticeable for the 65-to-74 age group, and especially for the overall population. Although the poverty rates in the 75+ age group were about the same for 2008 as they were for 2000, the rates for the 65-to-74 age group were about 1 percentage point higher for both men and women. The rates in 2008 for the overall population, however, were approximately 3 percentage points higher than those observed in 2000 for males, and 4 percentage points higher for females. The 2008 rates also exceeded those observed in 1990 when the recession of 1990-1991 was imminent. Of course, the overall figures are influenced in part by particularly high poverty rates for children age five and below as well as college-aged adults (ages 18 to 24), which exceed 20 percent. So although the elderly population definitely feels the effects of the recession, they appear to be more resilient than other vulnerable populations.

Figure 7: Indiana Poverty Rates, 2008



Note: The ACS measures poverty for the 12 months immediately preceding the survey, whereas the Census measures poverty for the previous calendar year.
Source: Thompson Analytics LLC, using data from the U.S. Census Bureau American Community Survey

Now What?

Those who engage in needs assessment, program planning, and policy development make a stronger case when using objective data as a foundation. Data such as those presented here provide this needed evidence base. As pointed out by Dr. Elaine Jurkowski in her recently published book, this is important because it provides "empirically driven background/rationale to support the need for specific directions for policy development or program planning."[5] Perhaps even more important is that it "also minimizes values that may be political as opposed to objective reasons for policy development."[6] In any case, this article will hopefully help advocates for our senior citizens as they pursue their mission.

Notes

1. Readers may visit the University of Indianapolis Center for Aging and Community online at cac.uindy.edu.
2. According to definitions in place for Census 2000, the U.S. Census Bureau defined disability as a physical, mental or emotional condition lasting six months or longer that makes it difficult to perform certain activities. A go-outside-home disability refers to having difficulty going outside the home alone to shop or visit a doctor's office. A self-care disability refers to having difficulty dressing, bathing, or getting around inside the home.
3. The 2008 ACS disability question results should not be compared directly to those of 2007 ACS or earlier. Neither should they be compared directly to disability results from Census 2000 or earlier. See www.census.gov/acs/www/UseData/compACS2008.htm for more information.
4. See www.census.gov/hhes/www/disability/ACS_disability.pdf for more details about the changes in questionnaire layout and the magnitude of disability over-reporting prior to 2003. Also see www.census.gov/acs/www/AdvMeth/content_test/P4_Disability.pdf for a discussion of further refinements implemented for the 2008 ACS.
5. Elaine Theresa Jurkowski, *Policy and Program Planning for Older Adults: Realities*

and Visions (New York: Springer, 2008), 59.
6. Ibid., 60.

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The State of Hoosier Unions: A Demographic View of Marriage

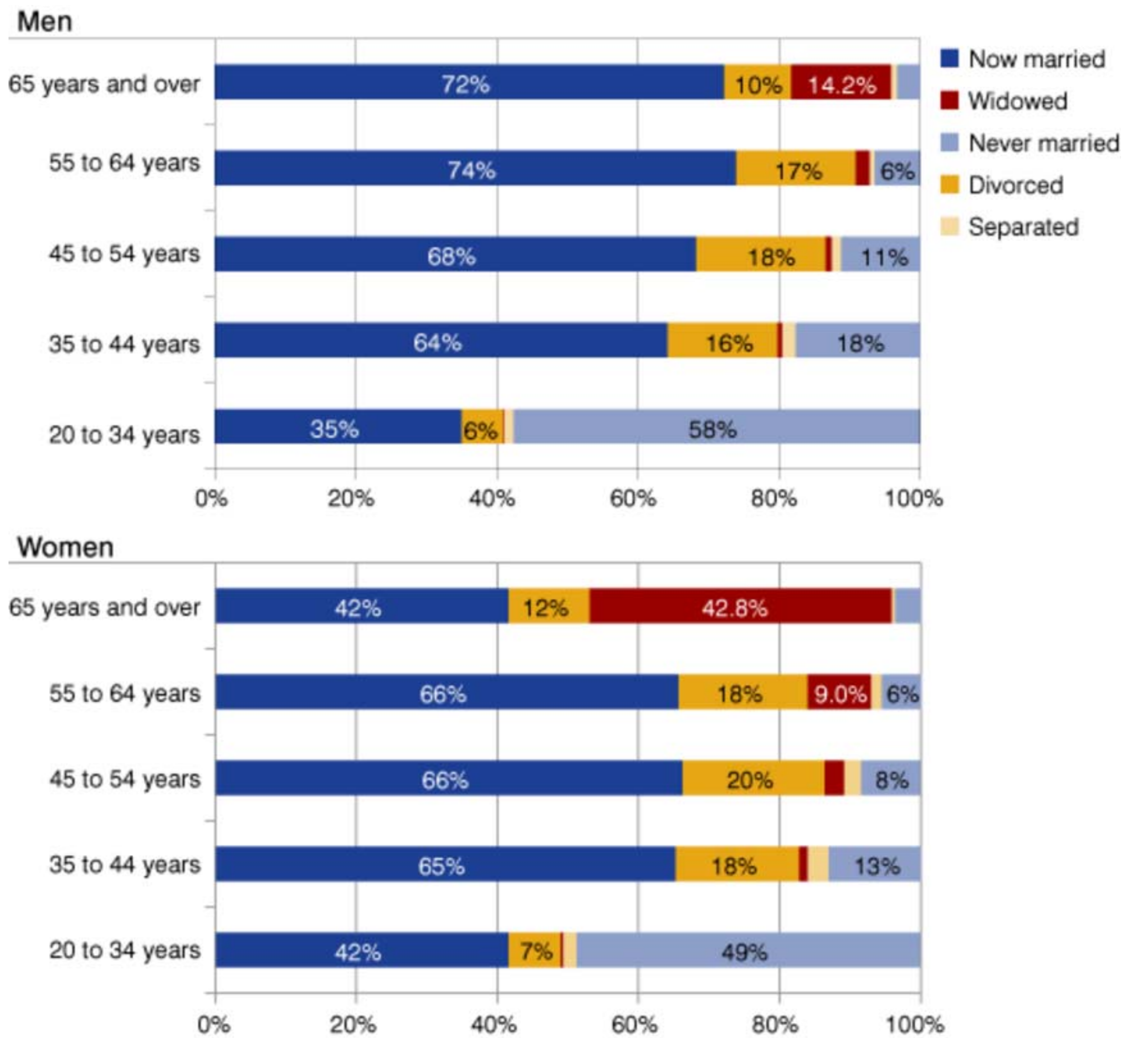
Marriage is an important social milestone in many people's lives and also affects the economy in a variety of ways. There is the merging of two households into one, the combining of incomes, and often changes to the way money is spent and saved.[1] There are labor market implications associated with raising a family, not to mention that data on marital status is often used in the planning and implementation of government programs, such as low-income tax credits.[2] The 2008 American Community Survey recently released by the U.S. Census Bureau gives us a glimpse into the marital state of Hoosiers.

Marriage Status

Fifty-two percent (or 2.6 million) of Indiana's population age 15 or older is currently married.[3] However, more than 3.6 million people in Indiana have been married at one time or another, accounting for 72 percent of the population age 15 or older (this is 3 percentage points higher than the nation).

Figure 1 shows the current marital status of Hoosiers by age and gender. We find a larger percentage of married women under the age of 35 compared to men in the same age group. This may seem odd, but consider the likelihood of people living in different locations while married, perhaps because of a spouse's work or military duty, as well as the fact that women tend to marry younger than men. We also find dramatically larger numbers of widows in the two oldest age groups, accounting for 43 percent of all women age 65 and over.

Figure 1: Marital Status in Indiana, 2008



Source: IBRC, using data from U.S. Census Bureau
Note: For both genders, 99 percent of the 15-to-19 age group fall into the "never married" category.

Work seems relevant to marriage as well. Fifty-nine percent of men in the labor force (working or looking for work) are married. However, a smaller proportion (53 percent) of women in the labor force are married.

We also find that a larger proportion of the foreign born are married (59 percent) compared to native born (51 percent). There are distinctive differences among the population based on race and ethnicity, as well (see **Table 1**). The highest proportion of marriage occurs among the Asian population, at 60 percent, with a low of 28 percent among blacks. Among whites, 54 percent of those 15 and older are married.

Table 1: Percent of People Currently Married in Indiana, 2008

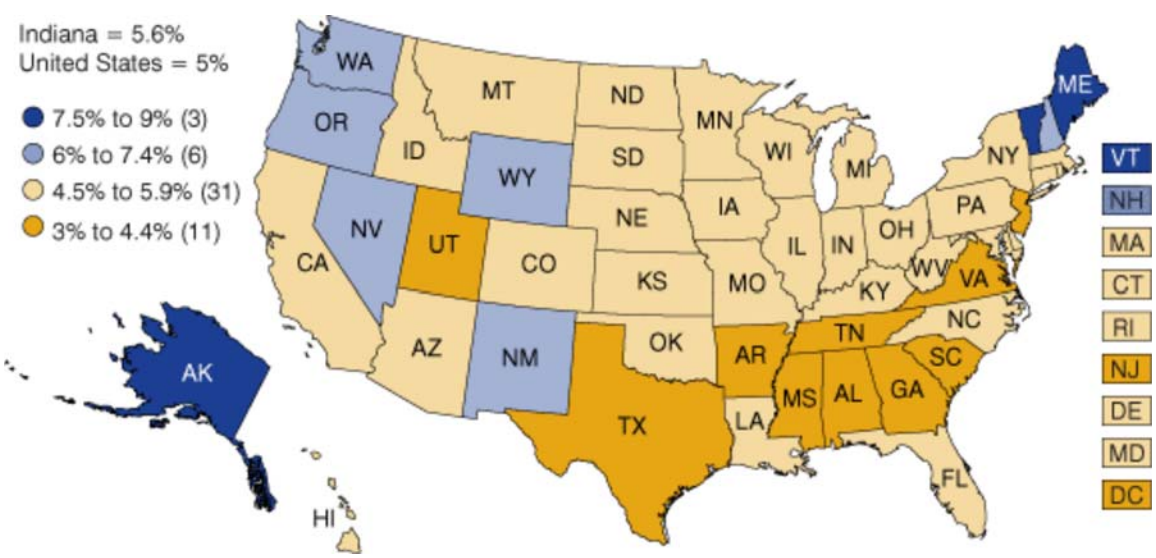
Total Population Age 15 and Older	**52%**
Men	54%
Women	50%
Native Born	51%

Foreign Born	59%
White	54%
Black	28%
Asian	60%
Hispanic (can be of any race)	48%

Conversely, 31 percent of men and 25 percent of women in Indiana have never been married. Nationwide, there are higher percentages of those never married for both men (35 percent) and women (28 percent). As shown in **Figure 1**, the percentage of those never married decreases as the age group gets older.

While these differences between young and old might be explained by the ongoing search for "the one" among the youngest age groups, it may also indicate the generational shift in attitudes toward cohabitation. Cohabitation is often a temporary arrangement that precedes marriage, but some may be foregoing marriage entirely. Households consisting of unmarried opposite sex partners account for 5.6 percent of all households, ranking Indiana 16th among the states. The U.S. figure is lower at 5 percent, with the states ranging from 3.1 percent in Alabama to 8.8 percent in Alaska (see **Figure 2**).

Figure 2: Percent of Households with Unmarried Opposite Sex Partners, 2008



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

Median Age at First Marriage

While the median age at first marriage has been increasing, Hoosiers still tend to marry younger than Americans overall. In Indiana, the median age at first marriage for men is 26.9, ranking 36th among the states; the U.S. average is 28 years. Women in Indiana tend to marry slightly younger than Hoosier men, at the median age of 25.8 (ranking 29th among the states). This is quite close to the U.S. average of 26.2, though the difference is still statistically significant.[4]

Duration

For those currently married, the median duration of the marriage is 18.8 years in Indiana, meaning that half of current marriages have lasted longer and half have been shorter. This is a few months longer than the U.S. figure.[5]

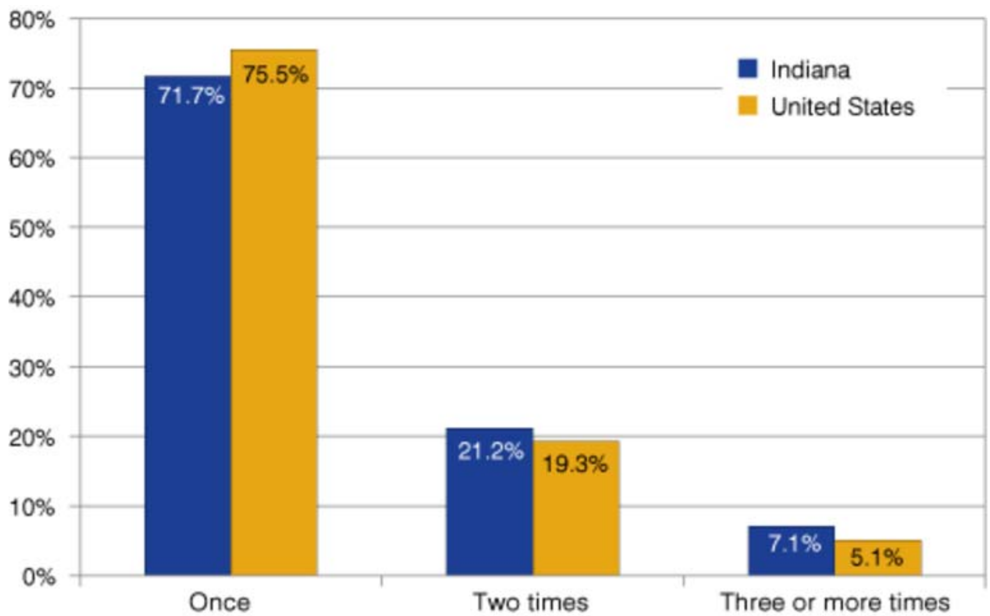
Divorce

Overall, 12.3 percent of Hoosiers age 15 and older are currently divorced. A slightly larger proportion of women in Indiana are divorced compared to men (13.1 percent and 11.5 percent, respectively). Among racial groups, Asians in Indiana have the lowest proportion (4.9 percent) while American Indians have the highest (24.5 percent). Meanwhile, 7.1 percent of the Hispanic population (which can be of any race) is currently divorced.

Remarriage

For the first time, the Census Bureau collected data on the number of times people have been married (see **Figure 3**).

Figure 3: Percent of People Ever Married by Number of Times Married, 2008

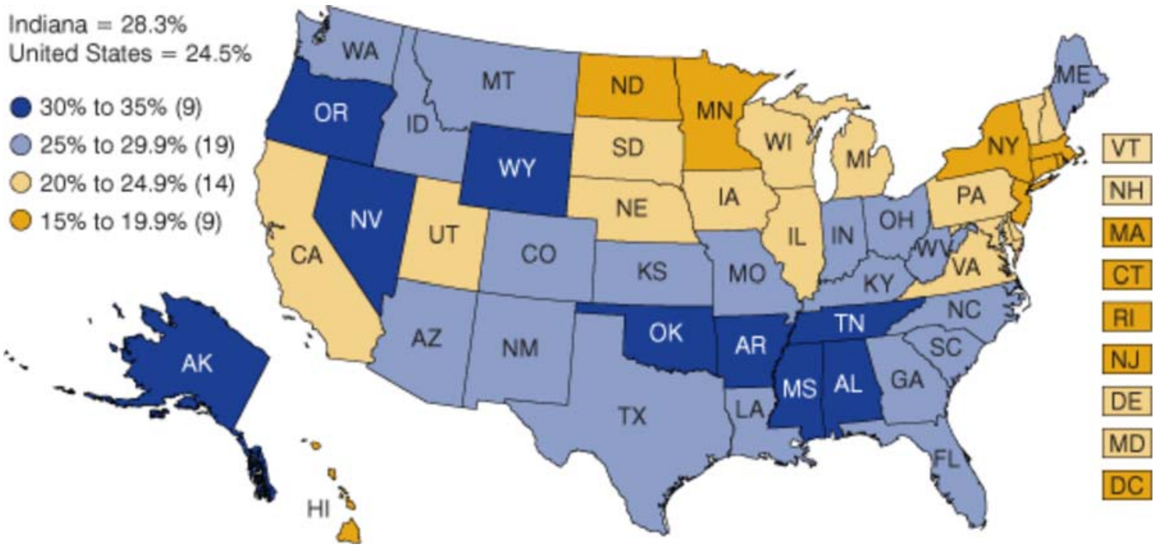


Source: IBRC, using data from the U.S. Census Bureau

Nationwide, 24.5 percent of those people who have ever married have been married more than once. Indiana ranks 14th among the states on this measure, at 28.3 percent. Arkansas ranks highest, with 34.8 percent (of all those who have ever married) tying the knot more than once (and almost 10 percent marrying three or more times), while Massachusetts ranks lowest at 16.2 percent (see **Figure 4**).

Figure 4: Percent of People Ever Married That Have Been Married More

Than Once, 2008



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

Conclusion

Hoosiers apparently enjoy being part of a couple based on these 2008 figures. Not only are people in Indiana more likely to marry than the average American, a larger percentage of Indiana households consist of cohabitating unmarried partners. Hoosiers also tend to marry younger and have higher rates of remarriage than the national average. Marriage status varies, however, when looking at different race and ethnic groups. The social and economic implications of all this can be significant and are certainly worthy of more in-depth research than our overview here can cover. For more detailed information, we recommend using the Census Bureau's American FactFinder at factfinder.census.gov and selecting the 2008 American Community Survey Data set, and searching for Marital Status.

Notes

1. Shoshana A. Grossbard-Shechtman, ed., *Marriage and the Economy: Theory and Evidence from Advanced Industrial Societies* (Cambridge: Cambridge University Press, 2003).
2. Rose M. Krieder and Tavia Simmons, "Marital Status: 2000," *Census 2000 Brief*, October 2003, www.census.gov/prod/2003pubs/c2kbr-30.pdf.
3. All statistics in this article are limited to the population that is age 15 or older except for the labor force participation statistics, which are calculated based on those age 16 or older.
4. This difference is significant at the 99 percent confidence level. To learn more about statistical significance, see Rachel Justis, "The Search for Significance: A Crash Course in Statistical Significance Using ACS 2007," *InContext*, November-December 2008, www.incontext.indiana.edu/2008/nov-dec/4.asp.
5. The difference between Indiana and the United States is statistically significant at the 90 percent confidence level, but not at the 95 percent confidence level.

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The Elkhart-Goshen Metro Story: Told by STATS Indiana

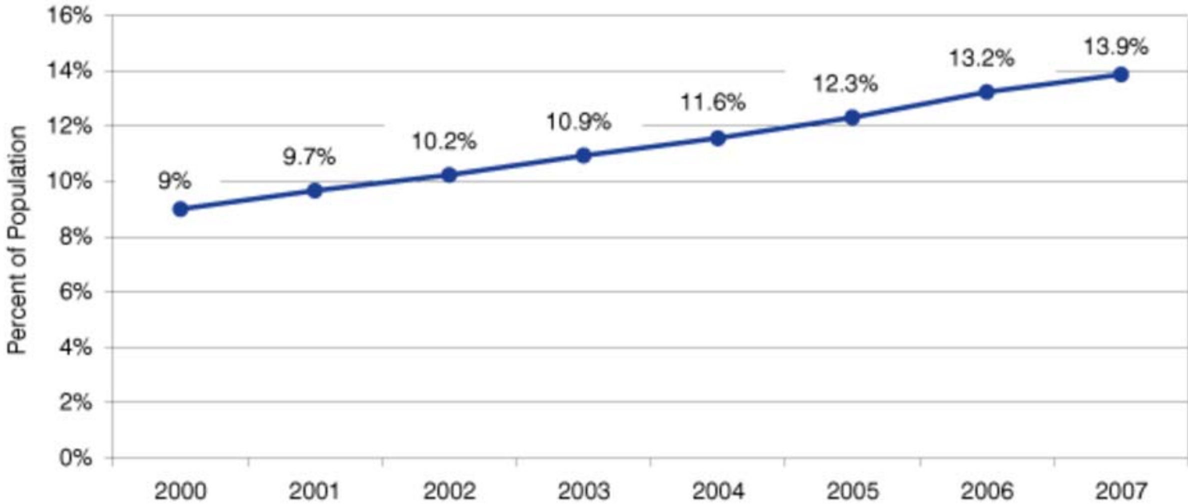
This is the 15th in a series about Indiana's metropolitan statistical areas (metros). All of the data used in this article can be found using the USA Counties in Profile and Metros Side-by-Side feature on STATS Indiana (www.stats.indiana.edu) unless otherwise noted. Because we are using annual data for this series, the information will not reflect some of the significant downturns in economic conditions.

The Area

The Elkhart-Goshen Metro consists of a single county—Elkhart—and is located in north-central Indiana. The Elkhart-Goshen metro had a population of 199,137 in 2008, making up 3.1 percent of Indiana's population. The metro's population has rapidly grown (27.5 percent) from 1990 to 2008, exceeding both Indiana (15 percent) and the United States (22.2 percent). The swift population growth stems from the metro having a 455.9 percent increase (13,368) in the Hispanic population from 1990 to 2000. Between 2000 and 2007, the Hispanic population grew an additional 68.1 percent (11,105 individuals) and became the third most populous Hispanic county in the state with 27,405 individuals (see **Figure 1**).

Between 2007 and 2008, the Elkhart-Goshen metro experienced natural increase (births minus deaths) to overcome a negative net domestic migration (more people moved out of the county than into it). The largest population group in the area is young adults (ages 25-44) at 29.2 percent.

Figure 1 : Hispanic Population in Elkhart-Goshen Metro, 2000-2007



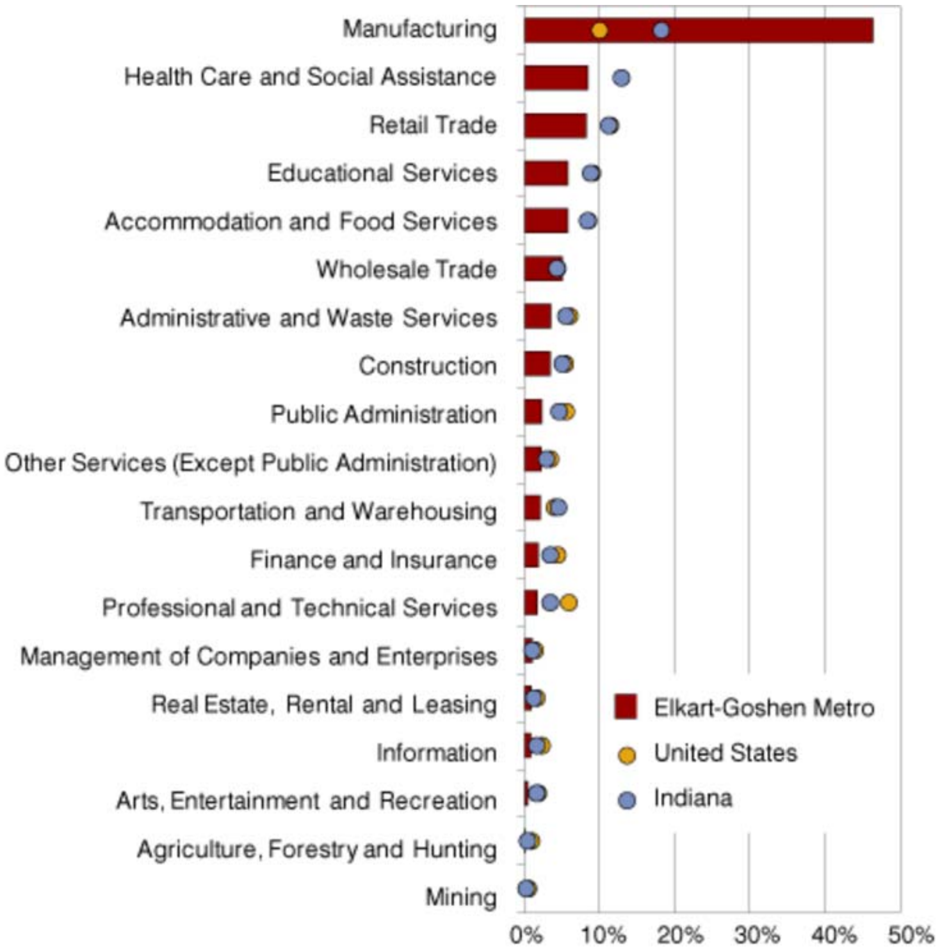
Source: IBRC, using U.S. Census Bureau data

Just 20 percent of the Elkhart-Goshen population has an associate's degree or higher, compared to 25 percent for Indiana and 31 percent for the United States. This is likely driven by the fact that good-paying jobs that didn't require college had been plentiful.

Jobs and Wages

According to the Bureau of Labor Statistics (BLS)(latest full year data being 2008), nearly one in every two jobs (46.4 percent) in the Elkhart-Goshen metro was in manufacturing, which considerably exceeded Indiana and the nation (18.2 percent and 10.0 percent, respectively). Consistent with state and national trends, health care and social assistance and retail trade were also in the top three industries for jobs in the metro (see **Figure 2**).

Figure 2: Industry Distribution of Jobs in the Elkhart-Goshen Metro Compared to Indiana and the United States, 2008

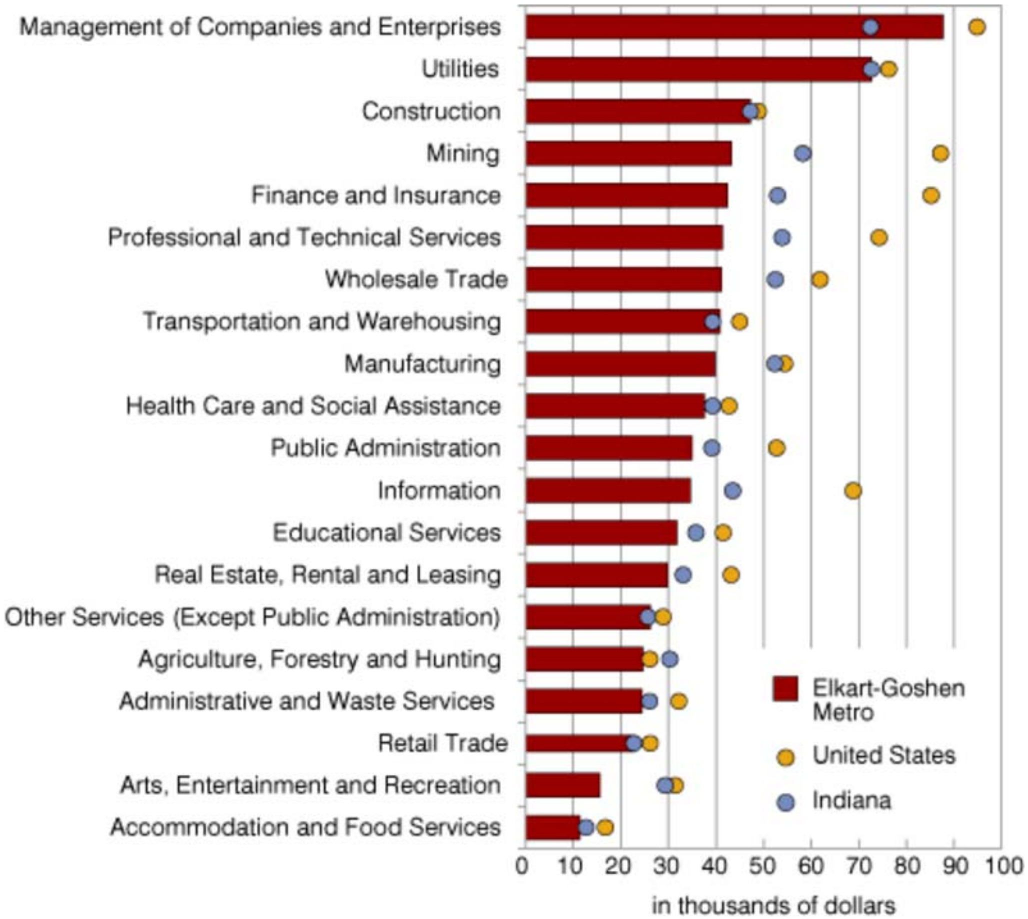


Source: IBRC, using U.S. Census Bureau data

From 1998 to 2008, the BLS data reported that the Elkhart-Goshen metro area lost 2,299 jobs (a 2.0 percent decrease), yet gained 188 new establishments (a 4.0 percent increase). In the same timeframe, Indiana and the United States gained jobs (0.8 percent and 8.6 percent, respectively) through a 6.5 percent and 19.3 percent increase in establishments.

In 2008, 829 manufacturing establishments employed 53,066 people with an average annual wage of $39,773. This average wage is below the state ($52,373) and national ($54,449) average wage for manufacturing jobs. After adjusting for inflation, wages in Elkhart-Goshen have decreased $2,090 from 1998 to 2008, a real decrease of 5.5 percent. Meanwhile, Indiana decreased by 0.2 percent, whereas the United States experienced a 7.8 percent wage increase. Of all the industries, management of companies and enterprises paid the highest wages across all three geographies (see **Figure 3**). Overall, wages in the Elkhart-Goshen metro were 78.7 percent of wages in the United States. In Indiana as a whole, wages were 84.3 percent of the nation's wages.

Figure 3: Average Wages per Job by Industry in the Elkhart-Goshen Metro, Indiana, and the United States, 2008

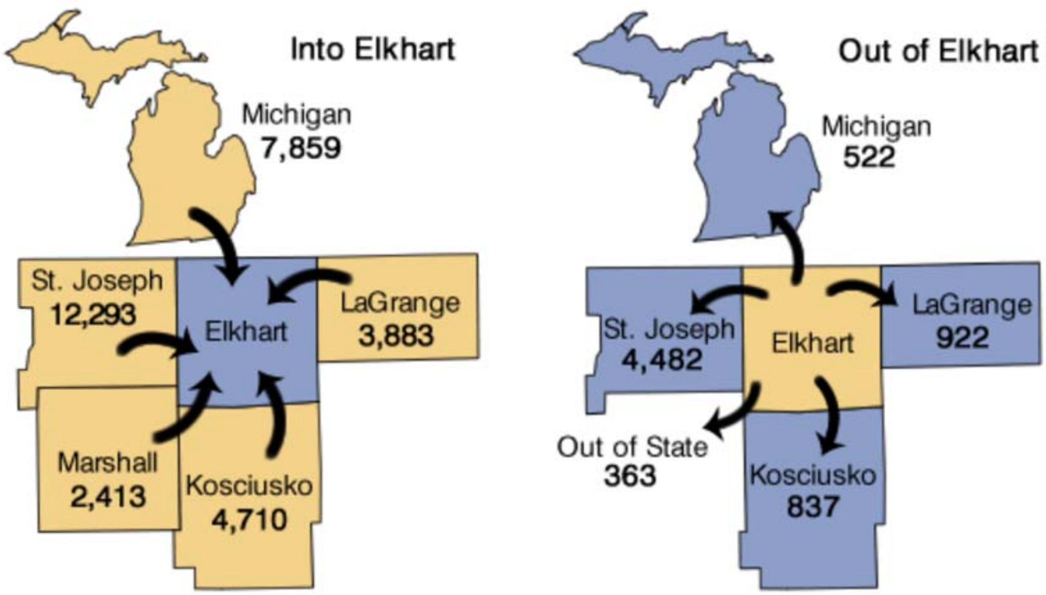


Source: IBRC, using Bureau of Labor Statistics data

Commuting Trends

Since the Elkhart-Goshen metro is heavily dominated by manufacturing jobs, it was of interest to examine the commuting patterns into and out of Elkhart County by using the annual commuting trends profile data on STATS Indiana. The metro is a net importer of workers, bringing in 35,230 workers from elsewhere while 8,374 workers leave Elkhart County for work in other counties in the United States. **Figure 4** shows the top five counties that are receiving Elkhart County resident workers and the top five counties sending workers to Elkhart County.

Figure 4: Commuting Trends Into and Out of Elkhart County, 2007



Source: STATS Indiana, using Indiana IT-40 tax returns

Conclusions

Over time, the Elkhart-Goshen metro has been successful in increasing the quantity of establishments, but has seen a gradual decline in jobs and wages. Given the dominance of manufacturing in Elkhart-Goshen, this region has been especially hard-hit in recent months by the recession, as noted by the first article in this issue. It has experienced some of the highest unemployment rates in the nation and garnered national attention, such as MSNBC's Elkhart Project.

While it will take some time to turn around the metro's economic fortunes, significant changes have already occurred this year with the beginning of a turnaround in the recreational vehicle industry and the region's focus on diversification strategies. Work has also begun on "future vehicles manufacturing," life sciences expansion and attraction efforts.[1] Officials are showing business prospects the benefits of the metro's skilled and affordable workforce.

Notes

1. See the Elkhart County Econonomic Development website at www.elkhartcountybiz.com.

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