Unemployment Inside and Out

Ranking 17th among 50 states and the District of Columbia, Indiana's 3.4% unemployment rate continues as one of the lowest in the nation and was nearly one percentage point lower than the nation's rate of 4.2% for June 2000.

Among states in this region, only Michigan (3.5%) and Wisconsin (3.8%) came close to Indiana, while Illinois (4.5%), Kentucky (4.0%) and Ohio (4.2%) were at or close to the U.S. rate. Differences of tenths of a percent have attracted attention during these tight labor-market times, even though they may not be statistically significant.

Rates Over Time

Between 1989 and 1999, Indiana's annual average rate of unemployment peaked at 6.6% in 1992 and slid to 3.0% for 1999. The U.S. rate hit 7.5% in 1992 and declined to 4.2% for 1999 (see Figure 1). During that same time period, the 30 Indiana counties in Metropolitan Statistical Areas (MSAs) experienced consistently low unemployment rates, the highest combined rate being 6.2% in 1992. The lowest combined rate — 2.8% — occurred in 1999.

Those 62 Indiana counties not in an MSA had a combined high of 7.8% in 1992 and a low of 3.5% in 1999. Clearly the high and low years are the same for the state, MSA counties and non-MSA counties, but the rates differ significantly.

Within the state, Hamilton, Tipton, Hendricks, Boone, Johnson and Decatur were the six counties with June 2000 unemployment rates less than 2.0%, while 35 counties in Indiana had rates of less than 3.0%. Counties with the highest rates of unemployment were Switzerland (10.3%), Blackford (8.0%) and Perry (7.5%). A total of 41 counties' June rates were higher than the state's (see Figure 2).

Why has Switzerland County so consistently maintained the dubious rank of No. 1 in unemployment rates in Indiana this year? We contacted Carla Hansin, manager of the Indiana Department of Workforce Development Employment Office in Vevay, and asked just that question. Hers was a straightforward answer: not enough jobs close by. Hansin went on to tell
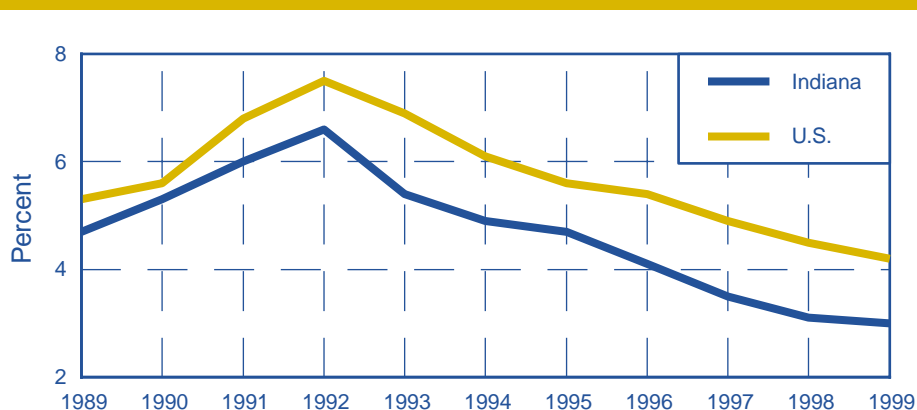
A Closer Look at Switzerland County

Location: Southwest Indiana on the Ohio border
Population: 8,961 (in 1999, est.)
Growth Rate: 15.8% (since the 1990 Census)
Rank in Population: 89th in 1999, up from 90th in 1990
Labor Force: 3,960 (June '00)
   Employed: 3,555 (June '00)
   Unemployed: 405 (June '00)
Commuting into county for work:*   178
Commuting out of county for work:*   2,190

us that this should change with the new casino going in seven miles outside Vevay and the opening of Besi Inc., a maker of school bus seats and safety harnesses for buses and the potential employer of 60 to 80 people. Besi took over the old U.S. Shoe/Nine West building and, based on information gleaned from a recent Vevay Town Council meeting, has a two-year lease with an option to buy – good news to this community. Hansin also noted that a planned road connecting Vevay (pop.1,482) to U.S. 50 would help considerably.

*1998 patterns of work/residence (aka commuting) were culled from the IT-40 State Income Tax form. Commuting profiles for each county in the state are available on STATS Indiana (www.stats.indiana.edu).

Figure 1: Trend in Lowering Rates: Indiana Compared with Nation

Annual Averages, 1989–1999

Source: Indiana Department of Workforce Development

City Unemployment Rates: A Study in Contrasts

Looking at the most local of local areas, the city of Gary experienced the highest rate (9.9%) of unemployment among the 32 Indiana cities with published rates. The town of Fishers, in Hamilton County, had the lowest rate (0.7%) in June.

Table 1: City Unemployment Rates

City	June '00	May '00	June '99
Gary	9.9	8.8	8.5
East Chicago	8.4	7.5	7.1
Marion	6.8	6.5	5.0
Terre Haute	6.4	5.6	5.0
Michigan City	5.3	5.2	4.5
Hammond	5.1	4.5	4.3
South Bend	4.7	4.3	3.8
Anderson	4.4	3.9	3.9
Evansville	4.4	3.8	3.7
Muncie	4.4	3.8	4.0
Richmond	4.4	4.2	3.8
Portage	4.3	4.1	3.8
Fort Wayne	4.0	3.6	3.7
Kokomo	4.0	2.8	3.2
Elkhart	3.7	3.1	2.7
Jeffersonville	3.5	2.9	3.1
New Albany	3.5	2.9	2.9
Mishawaka	3.3	3.0	2.6
Indianapolis	3.2	2.9	2.7
West Lafayette	3.2	2.9	3.2
Bloomington	2.9	2.5	3.1
Lawrence	2.9	2.6	2.4
Columbus	2.8	2.1	1.8
Valparaiso	2.6	2.5	2.3
Goshen	2.5	2.1	1.9
Lafayette	2.4	2.2	2.4
Merrillville	2.3	2.1	2.0
Highland	2.0	1.8	1.7
Noblesville	1.8	1.6	1.4
Carmel	1.4	1.3	1.1
Greenwood	1.4	1.3	1.3
Fishers	0.7	0.6	0.5

Source: Indiana Department of Workforce Development

Figure 2: June Unemployment Rates by County

Most Indiana county rates are lower than the state or national rate.

U.S. Rate = 4.2
Indiana Rate = 3.4

4.2 or Higher (23)
3.4 to 4.1 (21)
Lower than 3.4 (48)

Source: Indiana Department of Workforce Development