

Service Economy Now Matches Manufacturing Economy in Lake County

Lake County has a reputation as a center for heavy manufacturing in Indiana. While that reputation is well deserved, total wages paid by service businesses in Lake County have pulled even with total wages paid by the manufacturing sector.

If twice as many people in Lake County work in services as in the two sectors of manufacturing, why are total wages about equal?

The Indiana Department of Workforce Development recently released statistics on employment and wages by industry sector in the first quarter of 1999. These data show each industry sector's share of all wages paid. For both Lake County and the state, the sector with the largest share of first quarter wages was services: 31% for Lake County, 27% for the state (see Fig. 1). Manufacturing-durable goods now accounts for 24% of wages in Lake County, the same share as in the state. In manufacturing-non durable goods, Lake County trails the state average for first quarter wages, at a 7% share compared to 11% for the state.

Together, the two manufacturing sectors' wages equaled wages in services.

As the state's second most populous county, Lake now has 73,382 people employed in service businesses, according to IDWD data. Durable and non-durable manufacturing together employ 37,072. Yet taken together, durable and non-durable manufacturing accounted for about the same amount of Lake County wages in the first quarter as services.

If twice as many people in Lake County work in services as in the two sectors of manufacturing, why are total wages paid about equal? The answer can be seen in Fig. 2. Lake County's service sector employees earned on average only half the amount paid to manufacturing employees in the first quarter. In fact, Lake County exceeded the state's average quarterly wages for manufacturing-durable goods by 20%.

Certainly part-time employees are more common in service businesses, and that fact will pull down the average pay for the quarter. Service employees received on average half the pay for the quarter as did manufacturing employees. Even so, Lake County businesses in the service industries paid as many dollars in wages as all manufacturing combined.

Other sectors for which the amount of quarterly wages in Lake County significantly exceeded the state's average were construction (22% higher); transportation, communication and public utilities (11% higher) and mining (10% higher). Lake County's average quarterly wages were well below the state average in finance, insurance and real estate (26% lower) and agriculture, forestry and fishing (13% lower).

Figure 1: Industry Sector's Share of Total Wages, First Quarter 1999

Source: Indiana Department of Workforce Development

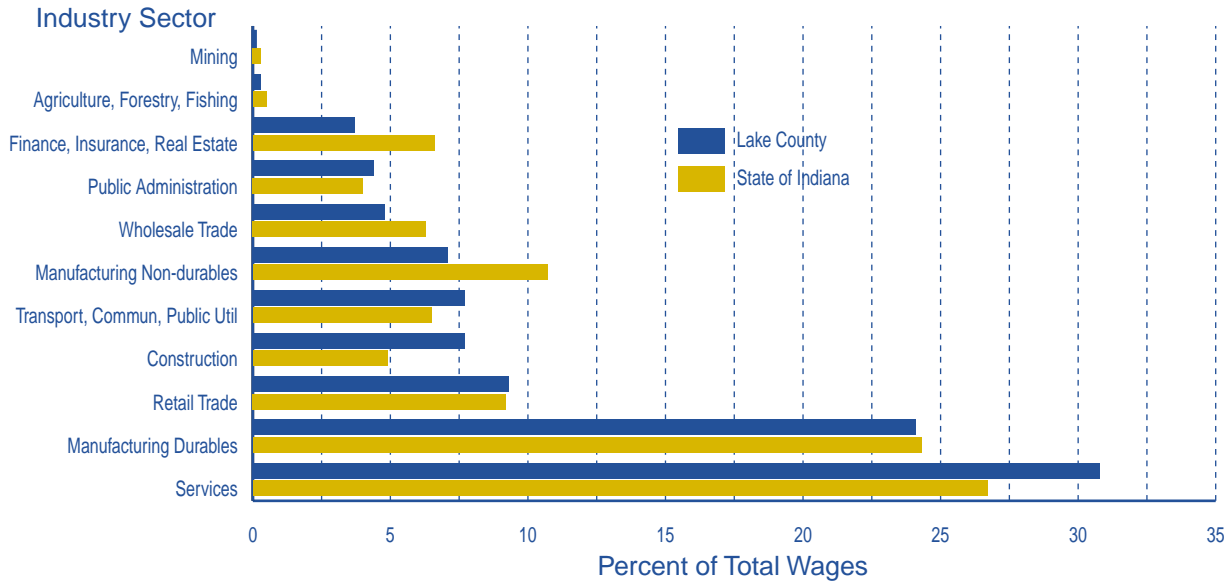


Figure 2: Average Quarterly Wages, First Quarter 1999, Lake County and State

Source: Indiana Department of Workforce Development

