

## Coal Mining in Indiana

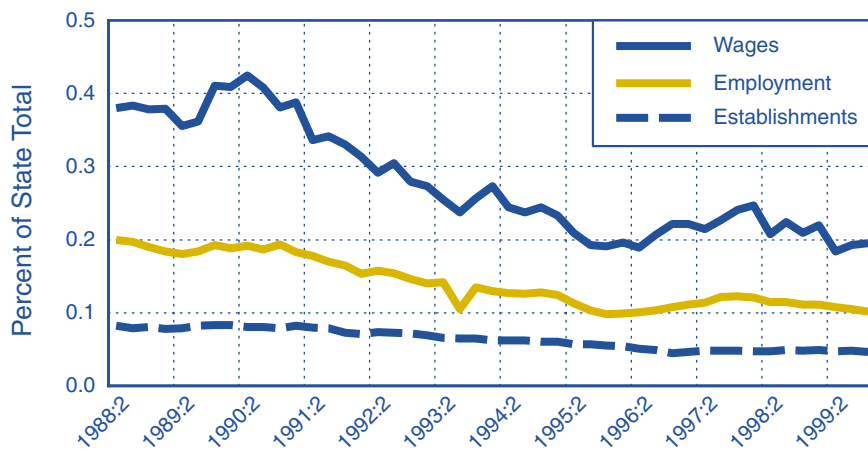
When you think of coal mines and the miners who descend into the earth, the hills of West Virginia, Kentucky and Pennsylvania probably come to mind. It may be somewhat surprising, then, to learn that coal mining is a

significant source of employment and wages across southwestern Indiana, and in one county in particular.

Statewide, the coal-mining industry employed 3,000 persons in the fourth quarter of 1999, according to the latest tabulation of data collected from employers covered under Indiana's unemployment insurance system. This total accounted for about one-tenth of 1% of covered employment in the state. Figure 1 portrays the slow decline of Indiana's coal-mining industry over the past 11 years. The statewide shares of covered employment and wages have declined by roughly half since the second quarter of 1988. On the positive side, it appears that mining wages are relatively high, with the share of wages usually accounting for double the employment share, as shown in Figure 1. In this study period, the share of covered wages attributed to the coal-mining industry peaked in 1990's second quarter, and has subsequently dropped to less than half of that peak level.

**Figure 1: Coal Mining Industry Share of State Total**

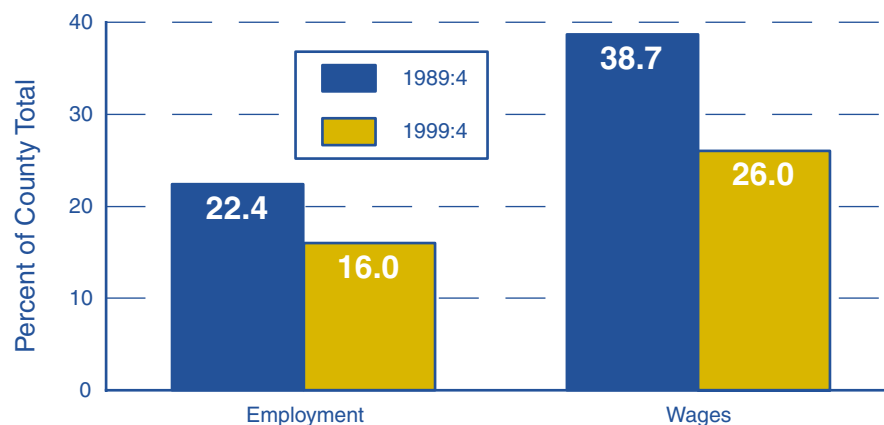
**Establishments, employment and wages**



Source: Indiana Department of Workforce Development

**Figure 2: Coal Mining Industry Share of Pike County**

**Employment and wages, 1989:4 and 1999:4**



Source: Indiana Department of Workforce Development

**Although coal mining is only a bit player on the statewide stage, the industry is an economic force in southwestern Indiana.**

Although coal mining is only a bit player on the statewide stage, the industry is an economic force in southwestern Indiana. Across 15 counties in the southwest region, coal-mining employment in the most recent quarter accounted for 1% of the workforce, 10 times greater than the comparable state ratio. In Pike County, the disparity was even greater, with coal accounting for 16% of the

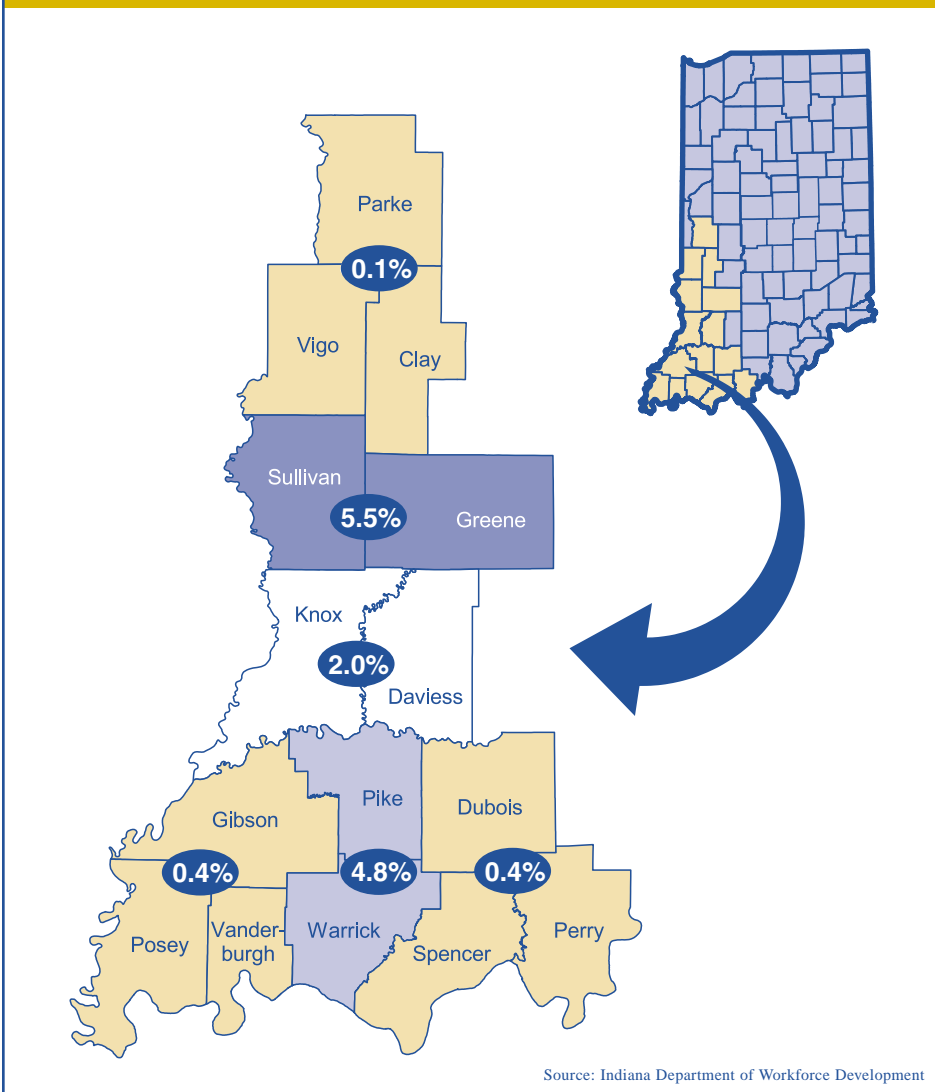
county's covered employment, a proportion 157 times greater than the state ratio and 16 times greater than the ratio for the entire 15-county area.

About one in six Pike County workers was employed in coal mining, but the industry accounted for an even larger proportion of wages paid by county employers. Approximately one of every four dollars in Pike County wages in the last quarter of 1999 came

**Approximately one of every four dollars in Pike County wages in the last quarter of 1999 came from coal mining.**

**Figure 3: Coal Mining Industry Share of Regional Employment**

**Coal employed less than 1% of workers in half the regions**



from coal mining. Ten years earlier, the Pike County shares stood even higher, at 22% of employment and 39% of wages. Figure 2 shows the change in the industry's share of Pike County employment and wages.

Figure 3 portrays the 15 counties in southwestern Indiana where there is measurable activity in the coal-mining industry. In this map, the counties are aggregated into regions to comply with disclosure restrictions on employer data. Coal's share of employment currently exceeds 5% in the region comprising Sullivan and Greene counties. In Pike County and Warrick County, combined, just under 5% of workers were employed in coal mining in the last quarter of 1999. In three of the four remaining regions, however, less than 1% of covered workers were employed in coal. Coal may not be king in Indiana, but the industry is a significant employer in the southwestern corner of the state, most notably in Pike County.