

IN the Spotlight:

Indiana: A Motor Vehicle Industry Leader

The Indiana motor vehicle and related products industry is one of the nation's largest, and Indiana ranks third or higher in employment in almost every category in this industry. Indiana motor vehicle and related products employment represents a significant segment of national employment (see Figure 1).

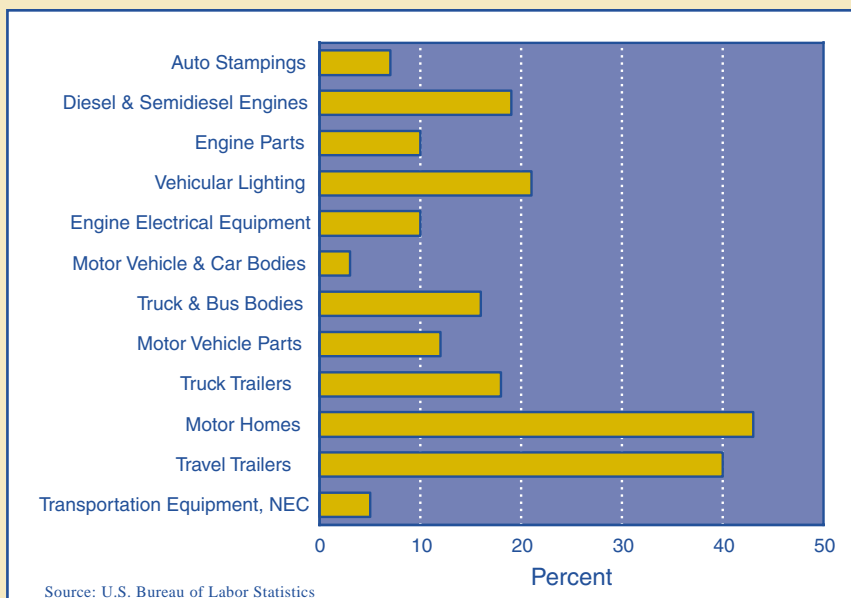
Since 1989, Indiana motor vehicle and related products employment increased by 32.1%, while national employment in this industry increased by 13.4%. Some segments in Indiana's motor vehicle and related products industry experienced growth that is

even more significant. The state's motor vehicle parts employment grew 89.3%, more than twice the national rate of 34.7%. During the same period, Indiana truck trailer production employment grew almost 92%, nearly three times the U.S. employment growth of 33.1%. Most notably, motor vehicle and car bodies employment grew at a faster rate than for any state with employment of 6,000 or greater.

Indiana and its neighboring states are known leaders in auto and related production, accounting for 56% of all industry employment. This covers all

(continued on page 2)

Figure 1: Indiana's Share of Total U.S. Employment in the Auto Industry, 1998



INSIDE *this issue:*

- **IN THE SPOTLIGHT** **1**
Indiana: A Motor Vehicle Industry Leader
- **IN THE NEWS** **4**
Indiana Job Growth Tops U.S. Average
- **IN BUSINESS** **6**
Manufacturing and Services Run Neck and Neck
- **IN LOCAL AREAS** **8**
December Unemployment Rate Did Not Signal Recession
- **IN THE WORKFORCE** **10**
Indiana and U.S. Show Similar Trends in Employment Growth

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**Indiana
Unemployment Rate
for December 2000:
2.7%**

IN the Spotlight

(continued from page 1)

major areas of motor vehicle production. Combined, these states account for more than a quarter of national employment for truck and bus bodies. Motor home production in this region approaches nearly half of national employment. These states also account for nearly two-thirds of finished cars and trucks and 80% of all stamped-metal auto-parts employment.

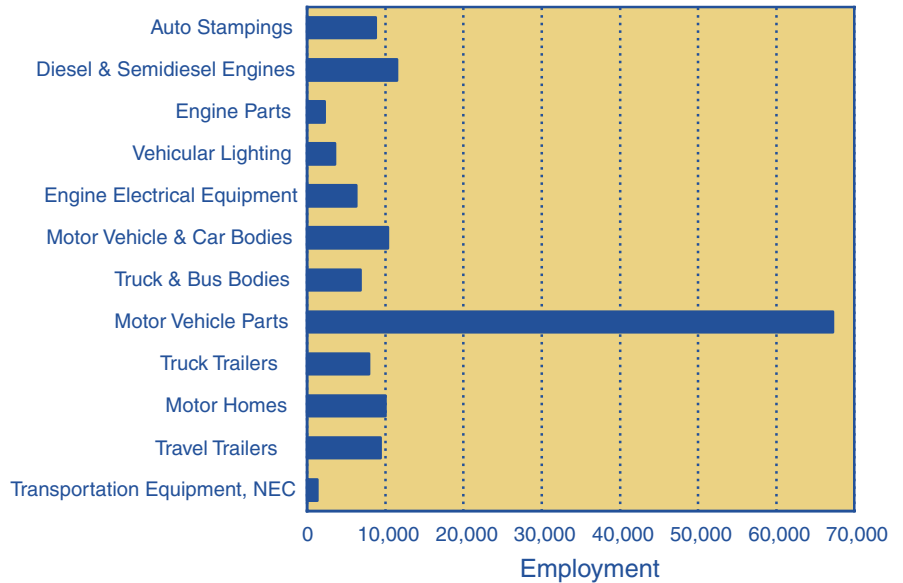
In 1999, Indiana had 619 establishments that were producers of motor vehicles equipment and related products, with a combined employment of 145,496 workers (see Figures 2 and 3). Indiana has a minimum of 2,200 employees in all but the smallest industry group. Motor vehicle operations can be found throughout the state (see Figure 4). Of Indiana's 92 counties, at least 79 have one or more facilities directly related to the industry. Of these, 43 have employment greater than 500, 32 have employment greater than 1,000, and seven have employment greater than 5,000.

While the industry is distributed throughout the state, regional sub-sector concentrations can be found. All together, total industry employment is most concentrated in northern Indiana and along Interstates 65 and 69. The main concentration of metal-stamping facilities also follows Interstate 69 and Interstate 65 south from Indianapolis. Diesel engine production is centered in Lafayette, Indianapolis and Columbus.

With the exception of companies in Indianapolis, carburetor, piston and other engine-parts facilities are mainly found along the borders of Ohio and Michigan, with most employment

Figure 2: Industry Employment, 1999 Annual Average

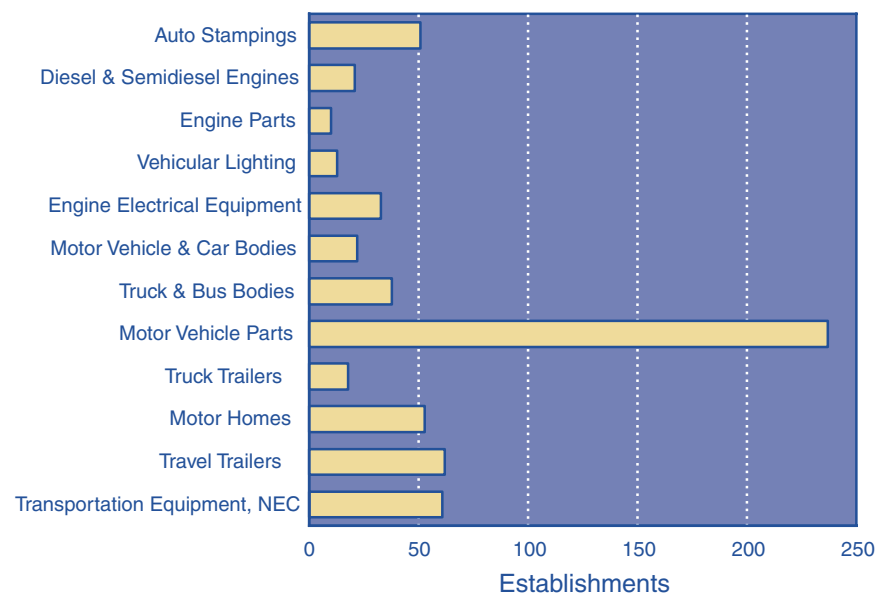
The motor vehicle parts and accessories sector is the leading employer



Source: Indiana Department of Workforce Development

Figure 3: Industry Establishments, 1999 Annual Average

Motor homes and travel trailers have more than 110 establishments



Source: Indiana Department of Workforce Development

centered in Wayne County. Electrical components are found in several larger facilities throughout the state, but Anderson has the largest concentration of employment. Elkhart (and its surrounding area) is the center of the motor and travel trailer industry in Indiana and in the nation.

Indiana has a strong commercial truck industry, but tractor, bus and van body and assembly plants are located in different regions than semi-trailer production facilities. Truck plants are most concentrated in Indianapolis and Elkhart. Indiana facilities do not, however, turn out finished semi-truck cabs, but specialized products such as delivery vans, ambulances, tow-trucks and unfinished semi-truck cabs. Trailer facilities are found in west-central Indiana between Clay, White and Tippecanoe counties.

The motor vehicle parts category, which includes brakes, axles, exhaust systems and any other parts not listed separately in this report, is the state's largest single auto sector, with 20 counties having 1,000 or more employees. Most of this industry is concentrated in the northeast corner of the state. An extension of this concentration extends southeast of Indianapolis and is centered on Shelby County. Kokomo, however, is the auto parts center of Indiana.

Finally, we should not forget that in addition to Toyota Motor Manufacturing Inc. in Princeton and Subaru-Isuzu Automotive Inc. in Lafayette, Indiana also has major final assembly facilities in Fort Wayne (General Motors light trucks) and South Bend (military Humvees and civilian Hummers).

Figure 4: Distribution of Indiana Motor Vehicle Employment by County

The motor vehicle industry is a presence throughout Indiana

