

Manufacturing and Services Run Neck and Neck

Indiana's economy is commonly perceived as being heavily dependent on manufacturing, even as the manufacturing industry has become a less important employer nationwide. At the national level in 1999, private-sector service industries employed about two workers for every one employed in manufacturing. In Indiana, the comparable 1999 ratio was approximately one to one. When public sector employment is included, however, service industry workers outnumbered manufacturing workers in Indiana by about four to three in 1999.

Although the services industry holds a slight statewide employment edge, the state's 92 counties are evenly split between manufacturing and services in terms of the dominant employing industry. Among 11 standard industry divisions, manufacturing is the leading employer in 45 Indiana counties, according to the most current quarterly tabulations of the Covered

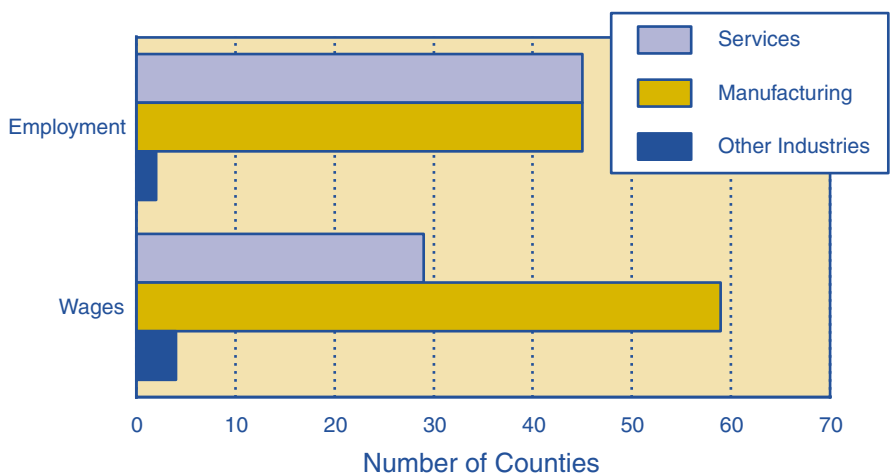
Employment and Wages data series. The services industry leads in 45 other counties. The two exceptions are Johnson County, where retail trade employs the most workers, and Martin County, where public administration (Crane Naval Depot) is the dominant industry. Figure 1 shows a distribution of Indiana counties by the industry accounting for the largest share of county employment and wages in the first quarter of 2000.

Figure 2 presents the geographic distribution of the leading industry in employment for first quarter 2000. The services industry is the top employer in nine of the state's 10 largest counties (ranked by population size), with manufacturing-intensive Elkhart County as the lone exception. Counties in which the manufacturing industry is the largest employer are clustered primarily in the northeast to north-central area of the state and in a band of 15 contiguous counties running

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Figure 1: Leading Industries, Indiana Employment and Wages, 2000:1

In total wages, manufacturing tops services in twice as many counties



Source: Indiana Department of Workforce Development

from Fayette County to Spencer County.

Conventional wisdom holds that manufacturing jobs pay higher wages than service jobs. That notion is supported in Figure 1. Manufacturers account for a higher share of wages than any other industry in 59 Indiana counties, compared to 45 counties where they lead in employment. In all 45 counties where the manufacturing

industry is the leading employer, the industry also pays out the most wages. Among the counties where the services industry leads in employment, however, a different industry pays more in total wages in 17 of 45 counties.

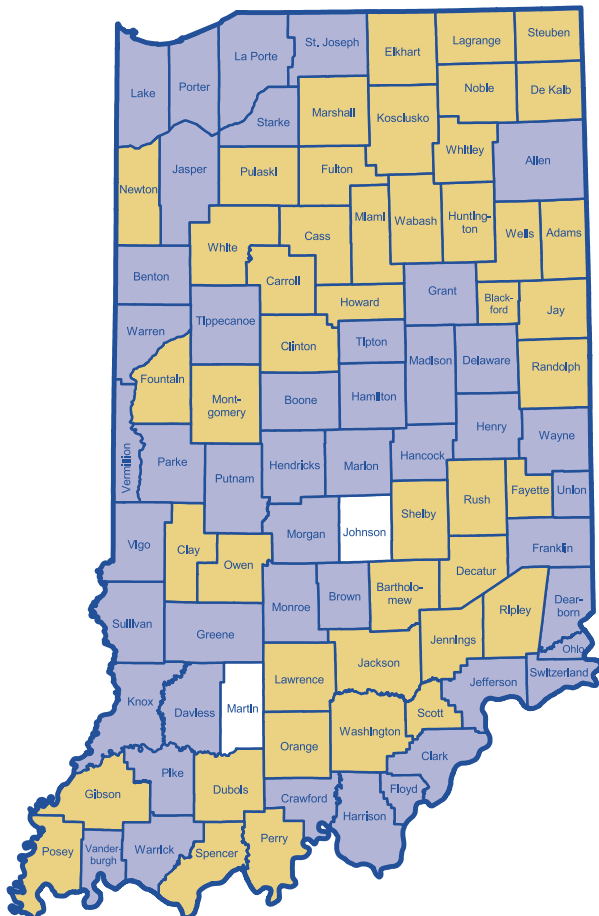
Figure 3 maps the distribution of the leading wage-paying industry in the first quarter one year ago. In four counties, neither the manufacturing nor

the services industry accounted for the highest total wages. Public administration led the way in total wages paid in both Martin County and Sullivan County (Wabash Valley prison); in Pike County, the top wage-paying industry was transportation, communications and public utilities; and the leading industry in Hamilton County was finance, insurance and real estate.

Figure 2: Leading Industry in Employment, 2000:1

Manufacturing and services are equally divided

- Services (45 counties)
- Manufacturing (45 counties)
- Other (2 counties)

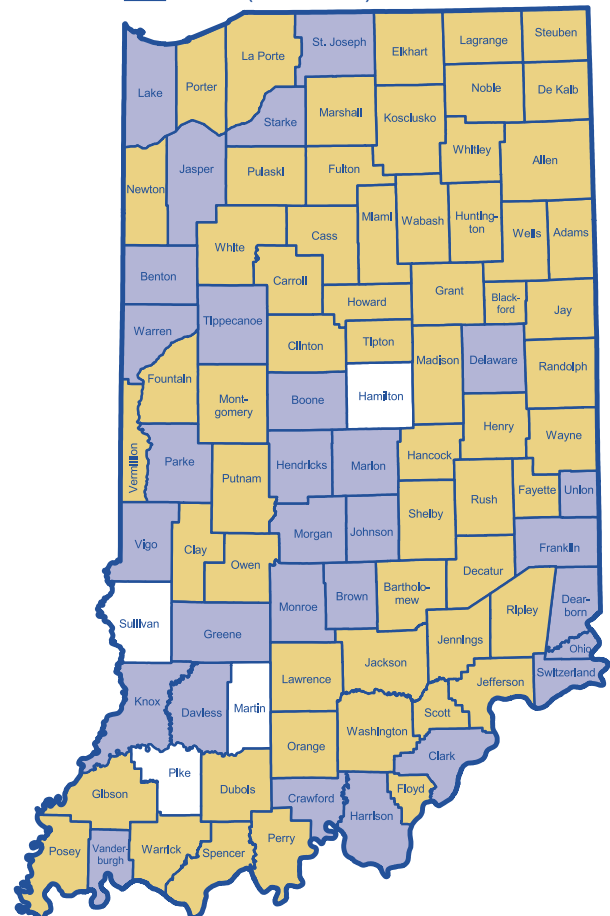


Source: Indiana Department of Workforce Development

Figure 3: Leading Industry in Wages, 2000:1

Manufacturing is dominant industry in 59 counties

- Services (29 counties)
- Manufacturing (59 counties)
- Other (4 counties)



Source: Indiana Department of Workforce Development