

Region 2: North Central Indiana

The Area

Region 2 is comprised of four counties in north central Indiana: **St. Joseph, Elkhart, Marshall, and Kosciusko.** This region is included in the area often designated as the “Michiana Area” because its economic and other associations spill over into Michigan.

Population

Region 2’s total 2000 population was 601,160. Population in the region grew by 11% from 1990 to 2000, slightly exceeding the overall Indiana growth rate of 9.7%. Elkhart ranked sixth among Indiana’s 92 counties in numerical change during that decade; it gained 26,593 residents. Its 17% growth rate over the ten-year period made up almost half of Region 2’s increase of 59,339 people. One of the reasons for this gain may be the

number of jobs created by Elkhart’s large manufacturing base.

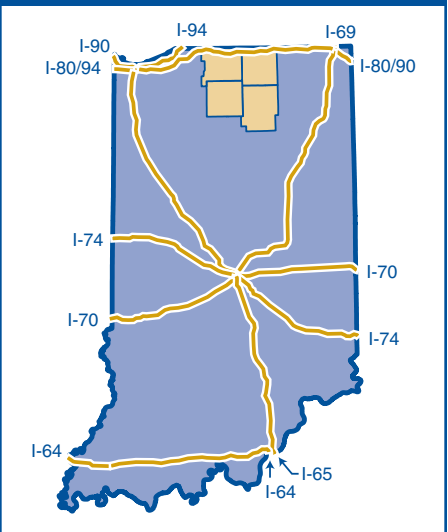
Industrial Mix, Jobs and Wages

Region 2 is dominated by its two largest counties, St. Joseph and Elkhart, each of which is its own Metropolitan Statistical Area (MSA). St. Joseph is in the South Bend/Mishawaka MSA, and Elkhart is in the Elkhart/Goshen MSA.

St. Joseph County is the fourth-largest county in the state and is home to the University of Notre Dame, AM General Corp. (manufacturer of the Humvee military vehicle), and Indiana’s second busiest airport. It has a long history of automotive-related industries including the Studebaker Corp., which closed in 1963.

Elkhart County is the center of the nation’s manufactured housing and

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recreational vehicle industry and builds about half of the RVs produced in the United States. It has more than 881 diverse manufacturing establishments, including producers of electronic components and musical instruments. Its farms are notable for making the county the largest producer of dairy products in Indiana, with milk production at more than 279 million pounds per year.

An important development for the economy of St. Joseph County and the region is the current construction in Mishawaka of a \$200 million production facility for a new lighter weight, civilian version of the Humvee military vehicle. The new Hummer H2 SUV is a joint project of AM General Corp. and General Motors. This sport utility vehicle is expected to be in production by late 2002. Up to 1,500 employees are expected to work at the new plant when production reaches its peak of 40,000 vehicles per year. Business activity resulting from direct

Table 1: Indiana and Region 2: Employment and Wages

INDIANA	Employment	Percent	Avg. Wages
<i>Industry Employment</i>	2,936,343	100.0%	\$31,018
Manufacturing	685,522	23.3%	\$42,425
Services	692,206	23.6%	\$26,825
Retail Trade	561,455	19.1%	\$15,794
All Government	383,872	13.1%	\$30,988
Wholesale Trade	147,142	5.0%	\$39,710
Mining/Construction	157,448	5.4%	\$35,544
Finance, Insur., Real Estate*	138,093	4.7%	\$39,239
Transp., Commun., Ut.**	142,086	4.8%	\$36,594
Agriculture Related	27,624	0.9%	\$20,988
REGION 2			
<i>Industry Employment</i>	306,420	100.0%	\$29,905
Manufacturing	110,062	35.9%	\$36,048
Services	67,924	22.2%	\$27,283
Retail Trade	50,233	16.4%	\$15,174
All Government	25,792	8.4%	\$29,496
Wholesale Trade	16,494	5.4%	\$36,479
Mining/Construction	14,139	4.6%	\$35,080
Finance, Insur., Real Estate*	10,560	3.4%	\$33,703
Transp., Commun., Ut.**	8,636	2.8%	\$36,335
Agriculture Related	2,547	0.8%	\$20,362

Source: Indiana Department of Workforce Development
 Note: County all-employment totals above may include employment data for unlisted nonclassifiable employers.
 * Finance, Insurance and Real Estate ** Transportation, Communications and Public Utilities

and indirect support of the new plant should increase other employment as well.

Though the two largest counties of Region 2 border each other, they have significantly different economic

characteristics. St. Joseph County relies more heavily on the services and retail industries than does Elkhart County. Table 1 shows major industries for the year 2000 sorted by employment size. The services

industry was the largest for St. Joseph at 31.7%; retail trade was next at 19.8%, and manufacturing was third at 16.7%. In contrast, 52% of employment in Elkhart County was in manufacturing. The service industry employed 14.6%, and retail 13.1%.

Like Elkhart, Marshall and Kosciusko counties rely heavily on manufacturing employment. Marshall County had 42.0% of its total employment in manufacturing and Kosciusko County 47.6%. Manufacturing accounted for 36% of Region 2's total industry employment in 2000. In contrast, Indiana as a whole had 23.3% of its workers employed in manufacturing last year.

Manufacturing companies, generally thought to provide good pay and employee benefits, may have played a role in population growth in the region from 1990 to 2000. Table 2 illustrates the wage advantage of manufacturing. Manufacturing's average annual wage in 2000 was \$36,048, well above the region's total industry average of \$29,905 and Indiana's total industry average of \$31,018. It also had the distinction of having the largest number of jobs (over 110,000) and a wide diversity of occupations and skill levels. Its compensation was much more suited to supporting a family than the next two largest employing industries, services and retail, which together made up 39% of the employment of the region. Still, Region 2's average manufacturing wage was well below the state's manufacturing average of \$42,425. Lower employment costs may be the reason for the heavy concentration of manufacturers in the area.

Table 2: Region 2 by County: Employment and Wages

ELKHART COUNTY	Employment	Percent	Avg. Wages
Industry Employment	122,480	100.0%	\$30,354
Manufacturing	63,637	52.0%	\$34,745
Services	17,935	14.6%	\$25,045
Retail Trade	16,086	13.1%	\$15,429
All Government	7,288	6.0%	\$30,614
Wholesale Trade	6,422	5.2%	\$34,503
Mining/Construction	4,969	4.1%	\$35,550
Finance, Insur., R.E.*	2,684	2.2%	\$31,198
Transp., Comm., Ut.**	2,696	2.2%	\$33,177
Agriculture Related	745	0.6%	\$19,591
KOSCIUSKO COUNTY			
Industry Employment	34,072	100.0%	\$31,535
Manufacturing	16,210	47.6%	\$40,576
Services	5,460	16.0%	\$22,289
Retail Trade	5,403	15.9%	\$14,470
All Government	2,894	8.5%	\$27,220
Wholesale Trade	845	2.5%	\$48,892
Mining/Construction	1,258	3.7%	\$29,395
Finance, Insur., R.E.*	870	2.6%	\$30,148
Transp., Comm., Ut.**	553	1.6%	\$35,587
Agriculture Related	578	1.7%	\$24,036
MARSHALL COUNTY			
Industry Employment	20,290	100.0%	\$26,133
Manufacturing	8,522	42.0%	\$31,194
Services	3,439	16.9%	\$21,983
Retail Trade	3,134	15.4%	\$13,408
All Government	2,236	11.0%	\$26,506
Wholesale Trade	624	3.1%	\$28,716
Mining/Construction	613	3.0%	\$26,009
Finance, Insur., R.E.*	576	2.8%	\$35,993
Transp., Comm., Ut.**	717	3.5%	\$36,445
Agriculture Related	428	2.1%	\$15,772
ST. JOSEPH COUNTY			
Industry Employment	129,578	100.0%	\$29,652
Manufacturing	21,693	16.7%	\$38,375
Services	41,090	31.7%	\$29,408
Retail Trade	25,610	19.8%	\$15,376
All Government	13,374	10.3%	\$29,880
Wholesale Trade	8,603	6.6%	\$37,299
Mining/Construction	7,299	5.6%	\$36,500
Finance, Insur., R.E.*	6,430	5.0%	\$35,024
Transp., Comm., Ut.**	4,670	3.6%	\$38,232
Agriculture Related	796	0.6%	\$20,882

Source: Indiana Department of Workforce Development
 Note: County all-employment totals above may include employment data for unlisted nonclassifiable employers.
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