

Commerce Region 12: Southern Indiana

The Area

Commerce Region 12 is comprised of seven counties in southern Indiana: Clark, Crawford, Floyd, Harrison, Orange, Scott and Washington. Four counties (Clark, Floyd, Harrison and Washington) form the Indiana portion of the 13-county Louisville, Kentucky-Indiana metropolitan statistical area (metro). Cities in the region include New Albany, Jeffersonville, Clarksville, Salem, Sellersburg and Scottsburg (which is the primary city of the area's only micropolitan statistical area).

Eight out of 10 residents of Region 12 lived in the Louisville metro area, according to Census 2000. Clark County is the population center of the area, with 34.2 percent of the region's 281,852 residents (see Figure 1). Floyd County followed with over a quarter of the regional population as counted in 2000.

Population growth in Region 12 over the past decade was above the state average, expanding by 10.5

percent. Between 1990 and 2000, the Indiana portion of the Louisville metro grew slightly faster at 11.2 percent and accounted for 86.2 percent of the regional growth.

In the two years since Census 2000, Region 12 added nearly 4,700 new residents—a growth of 1.7 percent. This was slightly higher than the state's 1.3 percent. The Louisville metro also grew by 1.7 percent, although its share of regional growth declined to 82.2 percent. Crawford County, the most rural part of the region, had the largest percent growth of 3.1 percent, but that only amounted to 333 people. Clark County increased by 1.8 percent, adding over 1,700 people. With the exception of Floyd and Orange counties, all the counties in Region 12 grew in the previous two years at rates faster than Indiana.

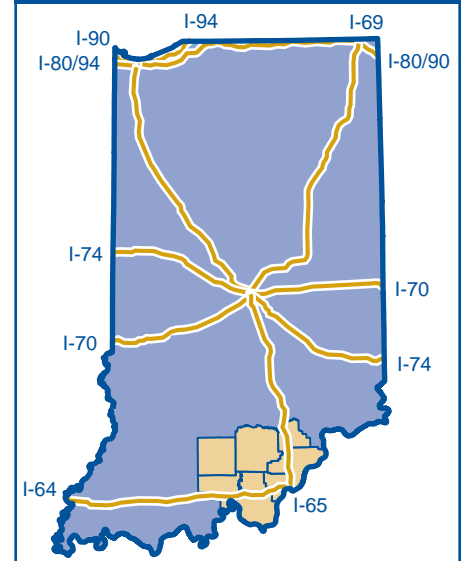
Industrial Mix and Jobs

Major employers in the area include Adplex Rhodes, American Commercial

Barge Lines, Beach Mold and Tool, GKN Sinter Metals, Paoli Inc., Tower Automotive and Tyson Foods.

Between 1990 and 2000, nonfarm employment grew by 32.8 percent, significantly faster than the state's 20.1 percent growth. The only industries experiencing a decline were mining and military

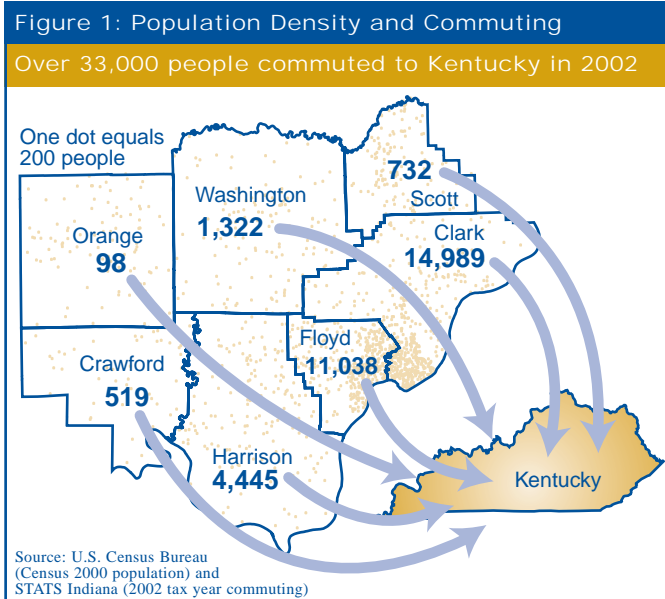
Commerce Region 12:
Clark, Crawford, Floyd, Harrison,
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employment. While Region 12's industrial mix reflects the state's, it has slightly smaller shares in the two largest sectors (services and manufacturing) and a larger portion of the workforce engaged in government and government enterprises.

The largest numeric growth occurred in the services industry, which added 11,000 workers and accounted for nearly one quarter of the region's employment. Construction encountered the largest growth on a percentage basis by nearly doubling employment over the decade. Manufacturing saw a 24.5 percent growth during the 1990s, an increase of over 5,000 jobs. This is significant for a region where manufacturing declined by more than 35 percent during the 1970s and then only slightly rebounded during the 1980s. By 2000, manufacturing employment had reached 26,742; that is the highest employment level since 1970.

The September 2003 unemployment rate for Region 12 was 4.2 percent. As



seen in Figure 2, the region stays fairly close to the state average (data are not seasonally adjusted). Clark, Floyd and Harrison counties consistently have low levels of unemployment. However, this is offset by the massive employment problems encountered in Orange County. Since January 1990, Orange County's unemployment rate has been more than double the state rate 43 percent of the time. Furthermore, in the past 13 years, it has not once fallen below Indiana's rate.

In the recent election, 66 percent of Orange County voters approved the referendum for building a casino in French Lick, believing that it will help revitalize the area. But because it will take at least two years before the casino opens, any economic benefits that could materialize as a result are still a ways off.

Commuting

A significant portion of Region 12's labor force crosses the state line for employment. Over 33,000 people commuted into Kentucky from the

area in 2002, illustrating the strong pull of the Louisville area (see Figure 1). Within Region 12, the employment hub is Clark County, where nearly 35,000 people live and work—in addition to the 8,447 people who commuted there from the other counties in the region.

Income and Wages

Region 12's per capita personal income was \$25,633 for 2001, ranking it right in the middle of the 12 Commerce regions and about \$1,900 less than the state. However, the

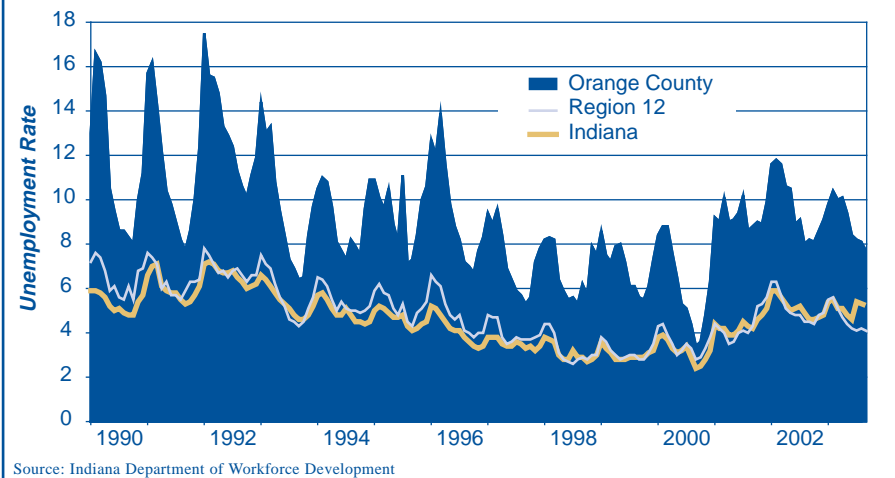
average weekly wage for the first quarter of 2003 was \$522, ranking it last among all of the Commerce regions and \$120 less than the state average (see Table 1). With a quarterly payroll of \$699.8 million, Region 12 has the second smallest payroll among Indiana's regions.

Additional data is available at: www.stats.indiana.edu/profiles/prcomm12.html.

—Rachel Justis, *IN Context* Managing Editor, Indiana Business Research Center, Kelley School of Business, Indiana University

Figure 2: Unemployment Rates: January 1990 to September 2003

Orange County has more than doubled the state rate 43% of the time



Source: Indiana Department of Workforce Development

Table 1: Average Employment and Earnings in Selected Industries for First Quarter 2003

Industry	Employment		% of Employment		Avg. Weekly Wage/Job	
	Region 12	Indiana	Region 12	Indiana	Region 12	Indiana
Total Covered Employment	103,186	2,776,494	100	100	\$522	\$642
Manufacturing	22,250	577,571	21.6	20.8	\$652	\$877
Retail Trade	13,652	328,103	13.2	11.8	\$375	\$399
Health Care and Social Assistance	11,938	329,153	11.6	11.9	\$541	\$615
Accommodation and Food Services	8,277	217,510	8.0	7.8	\$203	\$212
Educational Services	7,963	241,016	7.7	8.7	\$584	\$620
Transportation and Warehousing	6,249	120,564	6.1	4.3	\$646	\$669
Public Administration	5,726	125,094	5.5	4.5	\$524	\$622
Construction	5,265	130,928	5.1	4.7	\$600	\$705

Source: Indiana Business Research Center, Covered Employment and Wages, based on ES-202 data from the Indiana Department of Workforce Development