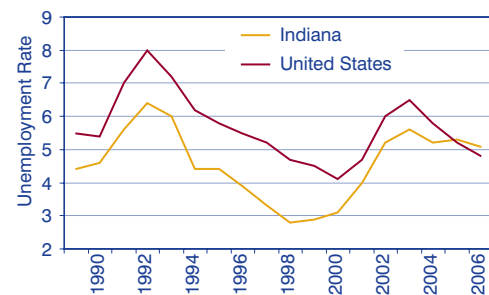


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June Unemployment

Indiana's unemployment rate fell 0.2 percentage points to 5.1 percent in June. However, the state rate in June has been higher than the national rate for two consecutive years, with a difference in 2006 of 0.3 percentage points.



*not seasonally adjusted

News Articles on Honda, Toyota and Subaru (click to visit)

- Columbus one of six "shovel-ready" sites in state
- North Vernon mayor joining economic development officials on Japan trip
- Precision Products engine venture will create 66 jobs in Jefferson County
- Lafayette panel recommends tax breaks for Toyota suppliers
- Supplier for Toyota ready to move to Lafayette
- Honda's ripple effect could impact three of Johnson County's largest plants

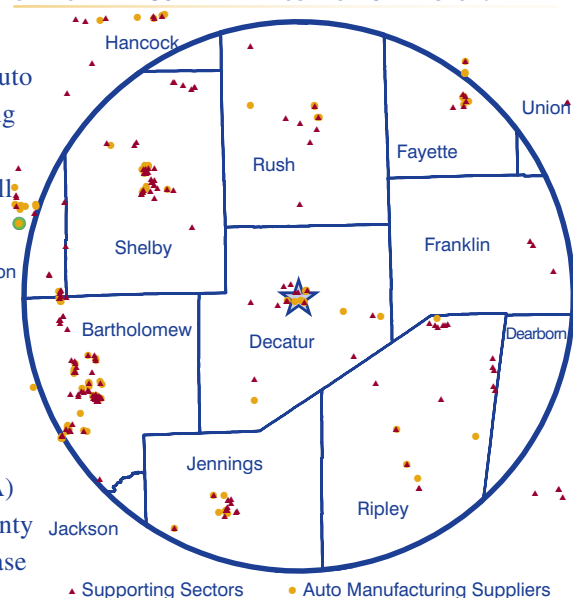
Automobile Assembly in Indiana

The infusion of 2,000 to 4,000 manufacturing jobs at the Honda plant in Decatur County is good news for auto suppliers in Indiana and surrounding states. Certainly, the effect will be regional in scope, but only time will tell us what the true metrics will show in terms of economic impact.

Indiana has a long history with major auto plants, the most recent of which has been Toyota Motor Manufacturing of Indiana (TMMI) in Gibson County and Subaru of Indiana Automotive (SIA) in Tippecanoe County. Gibson County has seen the most significant increase in wages between the time prior to TMMI and more recently. With a 52 percent increase in jobs and an average increase in wages of 66 percent, it isn't difficult to see what the effect can be on a county with a relatively small population base. Decatur County will see similar effects on its wages and jobs because of the small population and small workforce.

In counties such as Tippecanoe and Howard, the effects of a big assembly plant are muted by the existence of a larger economic base (see **Table 1**). Even though Howard County has an

FIGURE 1: SELECTED EMPLOYERS WITH 25 EMPLOYEES OR MORE IN A 30-MILE RADIUS FROM GREENSBURG



• Supporting Sectors • Auto Manufacturing Suppliers

Source: IBRC, using Quarterly Census of Employment and Wages data

illustrious history in the automotive industry, it is less dependent on manufacturing than Gibson and Decatur counties. Decatur County, with the infusion of between 2,000 and 4,000 new Honda jobs, will see its proportion of jobs in manufacturing jump over 50 percent. This, of course, will be the downside when the inevitable downturns in the auto industry occur.

—Carol Rogers, Executive Editor, Indiana Business Research Center, Kelley School of Business, Indiana University

TABLE 1: JOBS AND WAGES IN MAJOR AUTO ASSEMBLY PLANT COUNTIES

Counties	Per Capita Income	Average Wage		Jobs		Manufacturing Jobs		Ten-Year Change	
		2004	1994	2004	1994	2004	Percent of Total	Wages	Jobs
Decatur*	\$27,194	\$29,647	\$27,290	12,345	11,727	4,987	40%	9%	5%
Gibson	\$29,583	\$42,091	\$25,410	15,480	10,211	6,599	43%	66%	52%
Howard	\$31,134	\$45,900	\$44,697	42,006	44,808	14,993	36%	3%	-6%
Tippecanoe*	\$26,752	\$34,982	\$31,862	73,471	67,086	14,629	20%	10%	10%

*These figures are current data and do not reflect the Honda jobs nor the new jobs anticipated for Toyota at Subaru.

Note: Major auto assembly refers to those plants where the automobiles are assembled and come off the line ready to go to the dealers.