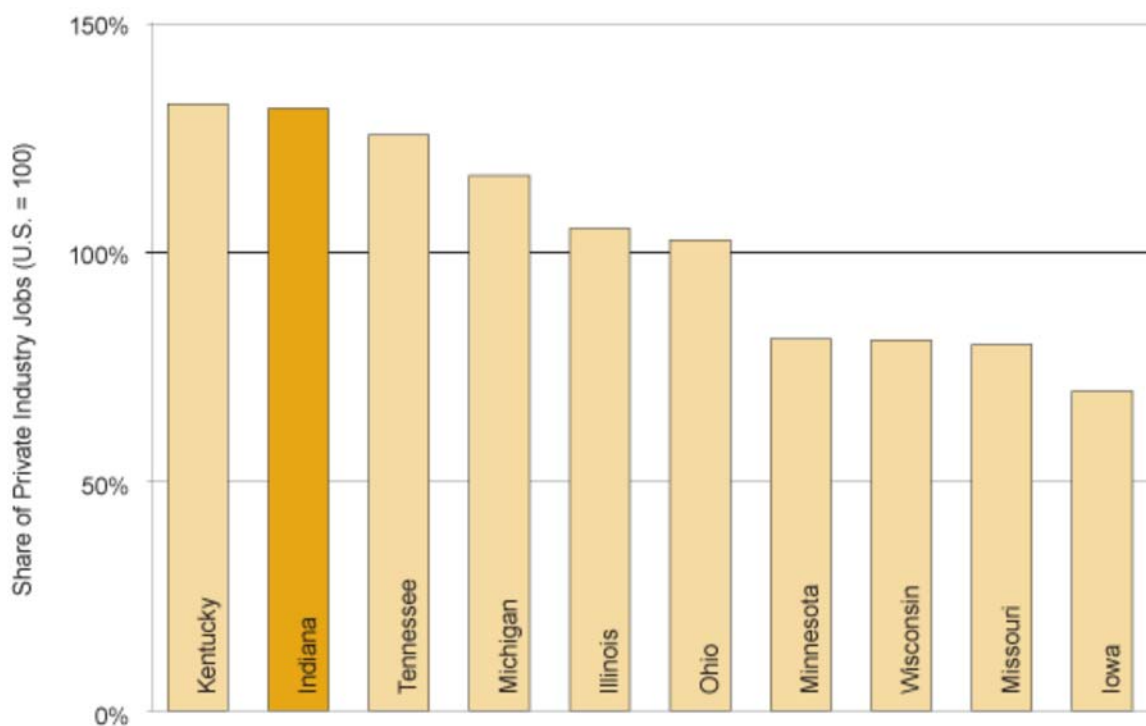


## Foreign Direct Investment in Indiana

Indiana has been one of the nation's top beneficiaries of foreign direct investment. Indiana ranks 14th among states with 148,000 workers employed at firms in which a foreign investor or company had at least a 50 percent stake (i.e., majority-owned U.S. affiliates). Majority-owned U.S. affiliates (MOUSA) accounted for 4.6 percent of Indiana's total private sector employment in 2006 (the most recent data available), ranking ninth nationally and well above the U.S. average (3.5 percent). Furthermore, among its Midwestern neighbors, only Kentucky has a higher share of total private employment in MOUSAs (see **Figure 1**).

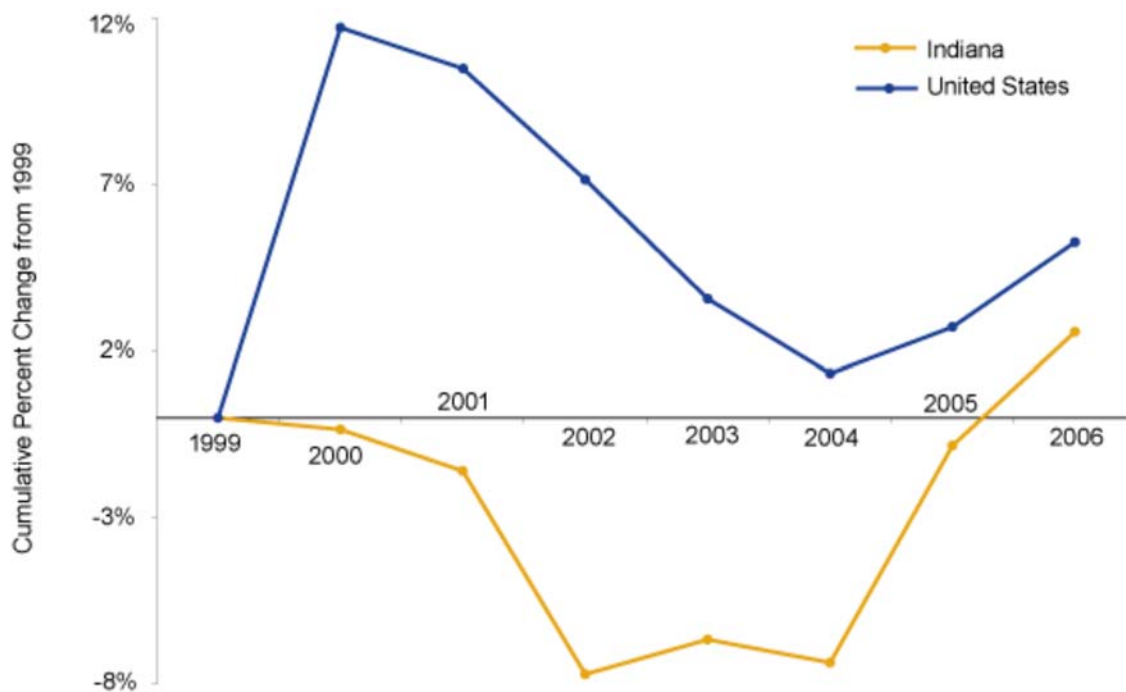
**Figure 1: Share of Private Industry Jobs by Majority-Owned U.S. Affiliates in the Midwest Compared to the Nation**



Source: IBRC, using 2006 data from the Bureau of Economic Analysis and Bureau of Labor Statistics

The recent growth in MOUSA employment in Indiana is particularly noteworthy. As **Figure 2** shows, following a period of decline early in this decade, 2006 marks the highest MOUSA employment level in the state in recent years. Between 2004 and 2006, Indiana MOUSA employment increased by 14,000 jobs which was the largest gain among neighboring states.<sup>1</sup> Employment at the national level also exhibited a post-2004 rebound but still has a ways to go to reach the year 2000 level.

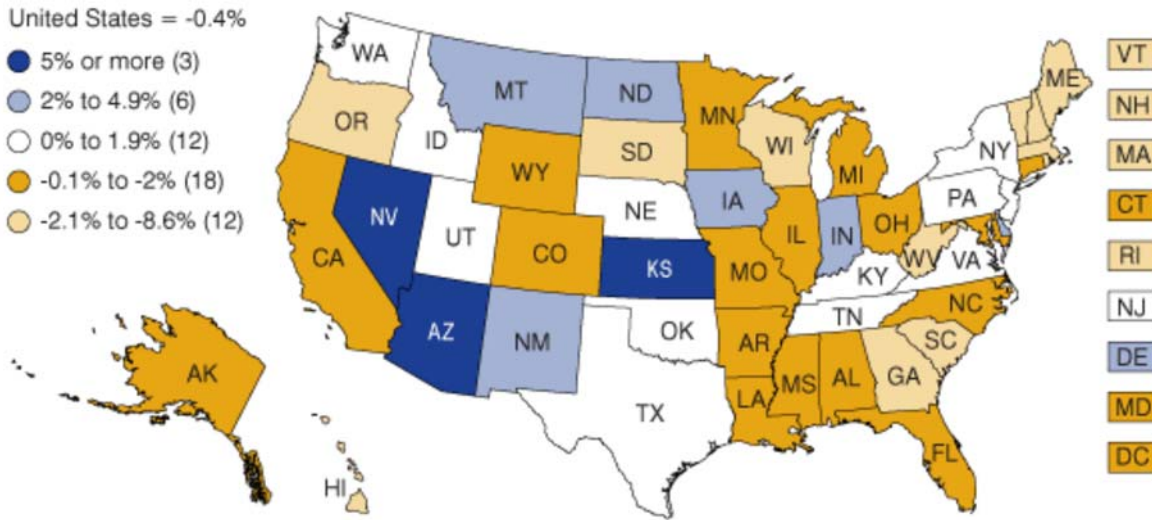
**Figure 2: Percent Change in Majority-Owned U.S. Affiliate Employment, Indiana and the United States, 1999 to 2006**



Source: IBRC, using data from the Bureau of Economic Analysis

Indiana ranked seventh nationally in the rate of MOUSA employment growth between 2002 and 2006. As **Figure 3** illustrates, the state's average annual growth rate of 2.7 percent made it one of only 20 states to post positive growth. Nationally, MOUSA employment declined over this period at an average annual rate of 0.4 percent. For further context, Indiana's total employment growth rate over this time was just 0.5 percent annually.

**Figure 3: Average Annual Percent Change in Majority-Owned U.S. Affiliate Employment, 2002 to 2006**



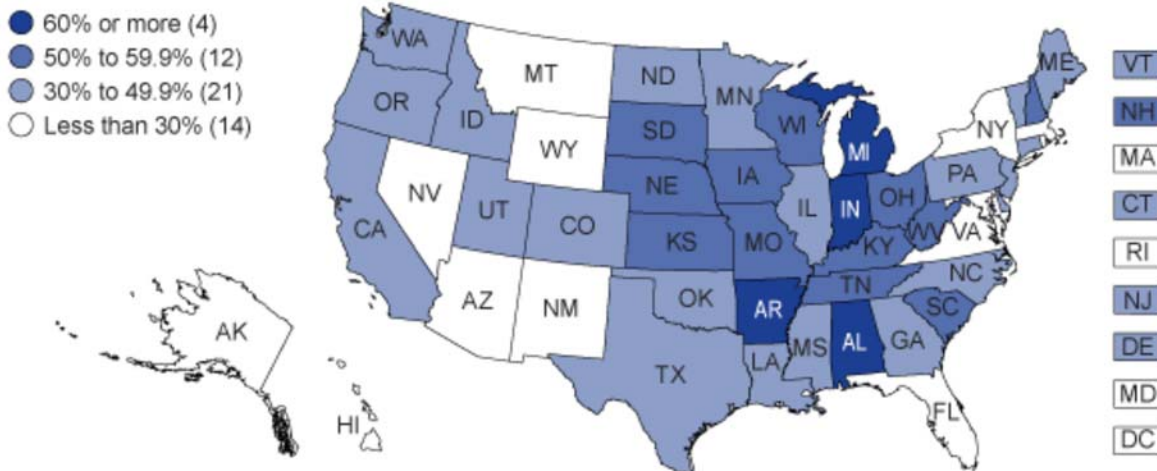
Source: IBRC, using data from the Bureau of Economic Analysis

### FDI by Industry

MOUSA manufacturing firms employed 95,900 Hoosiers in 2006, accounting for one of every six manufacturing jobs in the state. The MOUSA's 16.6 percent share of total private manufacturing employment in Indiana far exceeds the U.S. share of 13.9 percent and, among neighboring states, is surpassed by only Michigan, Kentucky and Tennessee.

Manufacturing jobs represent 64.8 percent of total MOUSA employment in Indiana, the second highest share in the nation in 2006 behind Arkansas (see **Figure 4**). Wholesale trade was Indiana's second largest sector with an 11 percent share of total MOUSA employment. Retail trade followed at 4 percent. MOUSA employment in the United States is distributed more evenly across sectors with manufacturing registering 35 percent of employment, followed by wholesale trade at 12 percent and retail trade at 11 percent.

**Figure 4: Majority-Owned U.S. Affiliate Jobs: Manufacturing as a Percent of Total**

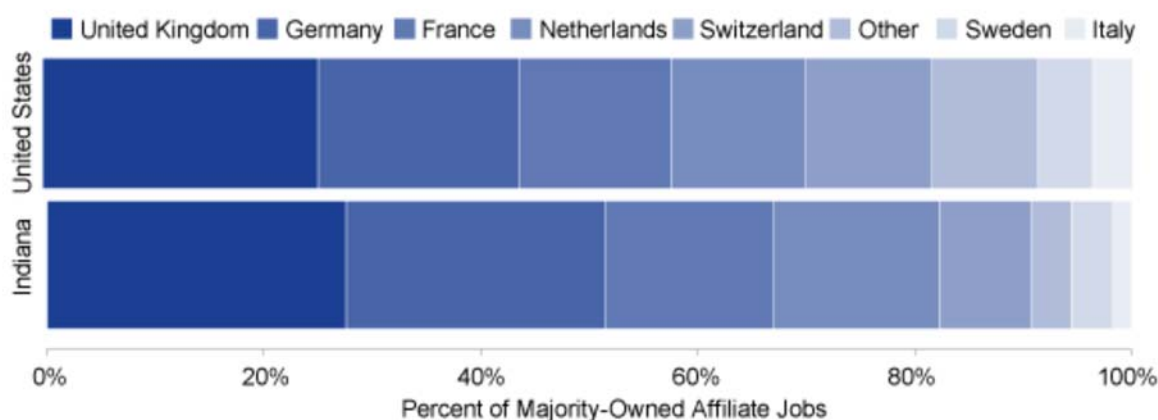


Source: IBRC, using 2006 data from the Bureau of Economic Analysis

## FDI by Country of Origin

European companies accounted for 65.4 percent of Indiana's MOUSA employment in 2006 while firms from Asia and the Pacific contributed another 23.5 percent of the total. Europe had an even stronger presence in the United States as a whole in 2006, comprising 67.4 percent of total employment. **Figure 5** illustrates that the United Kingdom, Germany and France are the top European sources of MOUSA employment for both the United States and Indiana.

**Figure 5: Majority-Owned U.S. Affiliate Employment Contributed by European Parent Companies**



Source: IBRC, using 2006 data from the Bureau of Economic Analysis

While Europe as a region was the dominant source of Indiana's MOUSA employment, Japan was the state's single largest source nation with 33,200 jobs in 2006. This job total represents a 22.4 percent share of Indiana's MOUSA employment which is nearly twice as great as Japan's 11.8 percent share nationally.

## Current FDI Prospects

The data series presented thus far runs through 2006, which is the most current FDI data available at the state level. However, the current economic downturn has certainly had a negative impact on existing foreign investments in Indiana—we just do not yet have the data that would tell this story. Data on global FDI activity is slightly more current.

The United Nations Conference on Trade and Development (UNCTAD), in its 2008 *World Investment Report*, noted that global FDI flows were still quite robust in 2007 hitting a record high of \$1.8 trillion. However, in this same report, UNCTAD forecasts that global FDI flows for 2008 will drop to \$1.6 trillion, a 10 percent from the 2007 mark. The Organisation for Economic Co-operation and Development (OECD) predicts that FDI inflows to its 29 member nations will decline by 13 percent from 2007 to 2008 while FDI outflows from these same countries are expected to drop 6 percent. The OECD expects even sharper declines in 2009.<sup>2</sup>

There are some bright spots in the FDI forecast, however. UNCTAD's annual *World Investment Prospects Survey, 2008-2010* reports that many transnational corporations (TNCs), while certainly reigning in expectations, remain generally optimistic about near-term FDI activity.<sup>3</sup> A survey of 226 TNCs conducted in the second quarter of 2008 found that 68 percent of companies intend to increase investment in the 2008 to 2010 period. The United States ranked as the third-largest likely destination of FDI over this period, behind China and India. Economic conditions have deteriorated considerably since the second quarter of 2008 and, as a result, the next survey may not reflect similar optimism.

### Recent FDI Announcements in Indiana

The role of FDI in Indiana is likely to grow given the significant levels of FDI commitments announced in recent years, as tracked by the Indiana Economic Development Corporation (IEDC). **Figure 6** is an interactive graphic that shows the location in Indiana and source country for each announcement recorded by the IEDC between 2005 and 2008.

#### Figure 6: International Investment Commitments in Indiana, 2005 to 2008



*This figure contains interactive content. To view this figure, please install or upgrade your Flash Player.*



The IEDC reports that there were 97 FDI deals announced over this period, worth a combined \$7.4 billion and creating an estimated 13,800 jobs.<sup>4</sup> Chief among these was British Petroleum's \$3 billion investment announcement to reconfigure its facility in Whiting that is expected generate 70 new jobs. Other large FDI deals announced in this time frame include Honda in Greensburg with its expected \$550 million investment and 2,100 new jobs, and Nestlé's commitment to invest \$338 million and create 340 jobs in Anderson.

### Conclusion

Foreign direct investment plays an increasingly important role in Indiana's economy, particularly in the manufacturing sector. For instance, U.S. Bureau of Economic Analysis data for the period 2002 to 2006 show that Indiana's MOUSA manufacturing employment is on the rise even while the state's manufacturing employment overall has declined. Indiana's growth trend also runs contrary to a national decline in MOUSA manufacturing employment over this period. Under normal economic conditions, Indiana's growth in MOUSA employment would seem certain to continue as the significant FDI announcements of 2006 and 2007 are implemented. However, as this is written in the third quarter of 2009, the global economic crisis continues and the future is uncertain. The data presented in this report establish that Indiana is an attractive destination for foreign investment. The question remains as to whether the state will continue to buck the broader FDI employment

trends or if economic conditions will negatively affect foreign investments in the state. As more current data become available, we will be better able to chronicle this story.

A complete copy of the *Foreign Direct Investment in Indiana* report is available online at [www.ibrc.indiana.edu/international/pdf/fdi09.pdf](http://www.ibrc.indiana.edu/international/pdf/fdi09.pdf).

## Notes

1. This article often refers to “Indiana's neighbors” as a point of comparison. In each instance, Indiana's neighbors are the same states as those listed in **Figure 1**: Illinois, Iowa, Kentucky, Michigan, Minnesota, Missouri, Ohio, Tennessee and Wisconsin.
2. OECD “Grim Outlook for FDI and Shifting Global Investment Patterns,” *Investment News*, November 2008, Issue 8. <http://www.oecd.org/dataoecd/56/43/41671320.pdf>.
3. View the *World Investment Prospects Survey, 2008-2010* online at [http://www.unctad.org/en/docs/wips2008\\_en.pdf](http://www.unctad.org/en/docs/wips2008_en.pdf).
4. These numbers represent investment values and job creation targets at the time of the project announcement. It often takes years for these projected numbers to be fully realized, if they are realized at all.

### **Matt Kinghorn**

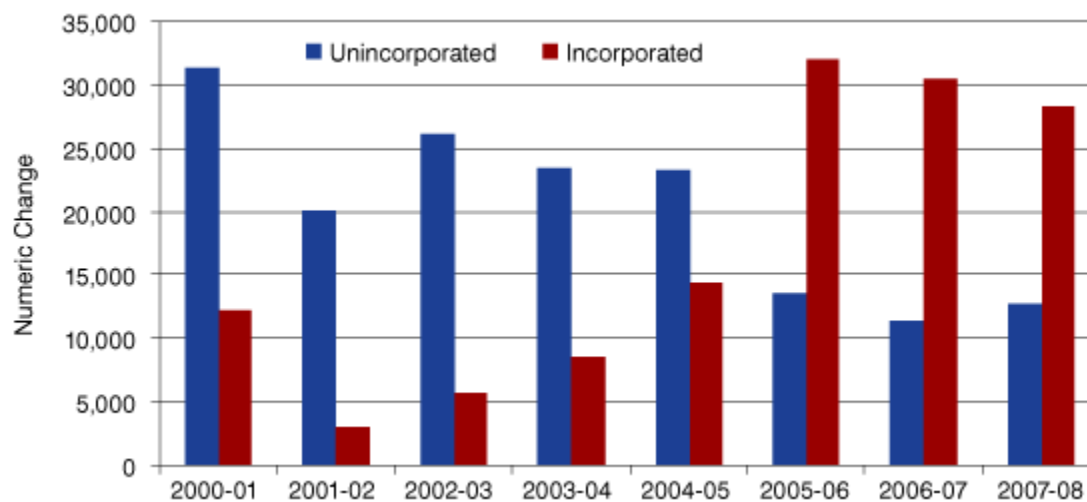
Demographer, Indiana Business Research Center, Indiana University's Kelley School of Business

## Cities and Towns vs. Unincorporated Areas: Latest Growth Trends

Last year, we noted an emerging trend of Indiana's cities and towns outpacing the population growth in unincorporated areas.<sup>1</sup> That trend seems to be continuing given the latest sub-county population estimates for 2008. Between 2007 and 2008, incorporated places added 28,245 residents (0.7 percent), while unincorporated areas grew by 12,685 people (0.6 percent).

**Figure 1** illustrates the dramatic shift that has occurred since 2005. Between 2000 and 2005, Indiana's unincorporated areas grew by nearly 124,300 people, while incorporated places added approximately 43,800 residents.<sup>2</sup> In the three years since 2005, however, unincorporated areas added just 37,560 people, compared to a growth of nearly 90,700 for incorporated places.

**Figure 1: Numeric Growth in Indiana's Incorporated Places and Unincorporated Areas, 2000 to 2008**



Source: IBRC, using data from the U.S. Census Bureau

As **Table 1** shows, the majority of Indiana's population (65 percent) lives in cities and towns, although this is down slightly from 66 percent at the start of the decade.

**Table 1: Change in Population for Indiana's Incorporated Places and Unincorporated Areas, 2008**

Unincorporated

Incorporated

Percent of

Year	Population	Numeric Change	Percent Change	Population	Numeric Change	Percent Change	Total Population Living in an Incorporated Place
2000	2,088,994	n/a	n/a	3,991,528	n/a	n/a	65.6%
2001	2,120,262	31,268	1.5%	4,003,680	12,152	0.3%	65.4%
2002	2,140,347	20,085	0.9%	4,006,627	2,947	0.1%	65.2%
2003	2,166,526	26,179	1.2%	4,012,302	5,675	0.1%	64.9%
2004	2,189,905	23,379	1.1%	4,020,896	8,594	0.2%	64.7%
2005	2,213,263	23,358	1.1%	4,035,306	14,410	0.4%	64.6%
2006	2,226,791	13,528	0.6%	4,067,333	32,027	0.8%	64.6%
2007	2,238,134	11,343	0.5%	4,097,728	30,395	0.7%	64.7%
2008	2,250,819	12,685	0.6%	4,125,973	28,245	0.7%	64.7%

Source: IBRC, using data from the U.S. Census Bureau

If we look at the full 2000-2008 time span, the incorporated areas of seven counties grew by more than 10 percent; these include the usual suspects in the Indianapolis suburbs, plus Jasper and Porter counties. **Table 2** shows the counties with the fastest growing cities and towns for three different time frames. Hamilton and Hendricks counties top all three of these lists.

**Table 2: Counties with the Fastest Growing Incorporated Places**

Percent Change, 2000-08		Annual Average Percent Change, 2000-2005		Annual Average Percent Change, 2005-2008	
County	Value	County	Value	County	Value
Hamilton	43.8	Hamilton	5.1	Hendricks	4.1
Hendricks	35.7	Hendricks	3.8	Hamilton	4.0
Johnson	24.3	Johnson	2.5	Hancock	3.2
Hancock	20.6	Hancock	1.9	Johnson	3.2
Boone	16.8	Boone	1.7	Jasper	2.3
Jasper	11.4	Morgan	1.2	Boone	2.3
Porter	10.2	Whitley	1.1	Clark	1.7
Morgan	9.3	Marshall	1.0	Tippecanoe	1.7
Whitley	9.0	Porter	1.0	Porter	1.6
Marshall	7.1	Jasper	0.8	Shelby	1.2

Source: IBRC, using data from the U.S. Census Bureau



**Table 3** shows the counties with the fastest growing unincorporated areas for the same three time frames. Hamilton County again tops these lists. Allen County comes in second for the first two measures, but its rank falls to seventh for the most recent time frame.<sup>3</sup>

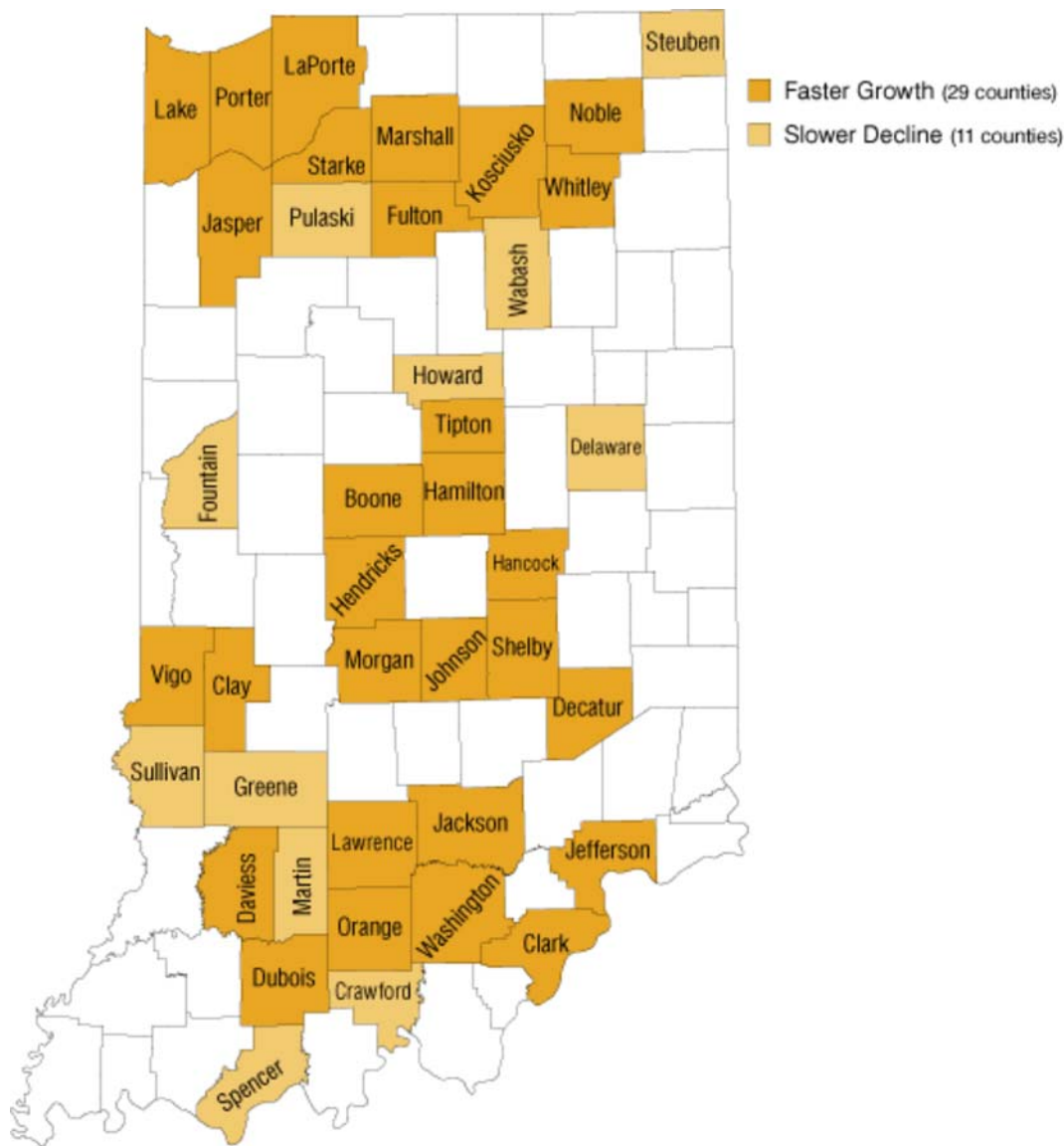
**Table 3: Counties with the Fastest Growing Unincorporated Areas**

Percent Change, 2000-2008		Annual Average Percent Change, 2000-2005		Annual Average Percent Change, 2005-2008	
County	Value	County	Value	County	Value
Hamilton	62.4	Hamilton	8.4	Hamilton	2.8
Allen	30.9	Allen	4.5	Boone	2.3
Hendricks	27.6	Hendricks	4.1	Hancock	2.0
Boone	23.4	Boone	2.9	Monroe	1.9
Hancock	22.1	Hancock	2.8	Tippecanoe	1.8
Clark	20.1	Vanderburgh	2.7	Clark	1.7
Tippecanoe	18.9	Clark	2.7	Allen	1.6
Monroe	17.1	Tippecanoe	2.4	Bartholomew	1.5
Vanderburgh	16.2	Elkhart	2.1	Warrick	1.5
Johnson	14.7	Monroe	2.1	Hendricks	1.4

Source: IBRC, using data from the U.S. Census Bureau

Using the 2005-2008 annual averages, **Figure 2** shows that annual average growth in incorporated places outpaced the growth in unincorporated areas for 40 of the 91 counties (Marion County does not have any unincorporated areas so it is excluded from this calculation). Note that 11 of these 40 counties did not experience growth, but rather the decline in incorporated areas was less than the decline in the unincorporated areas.

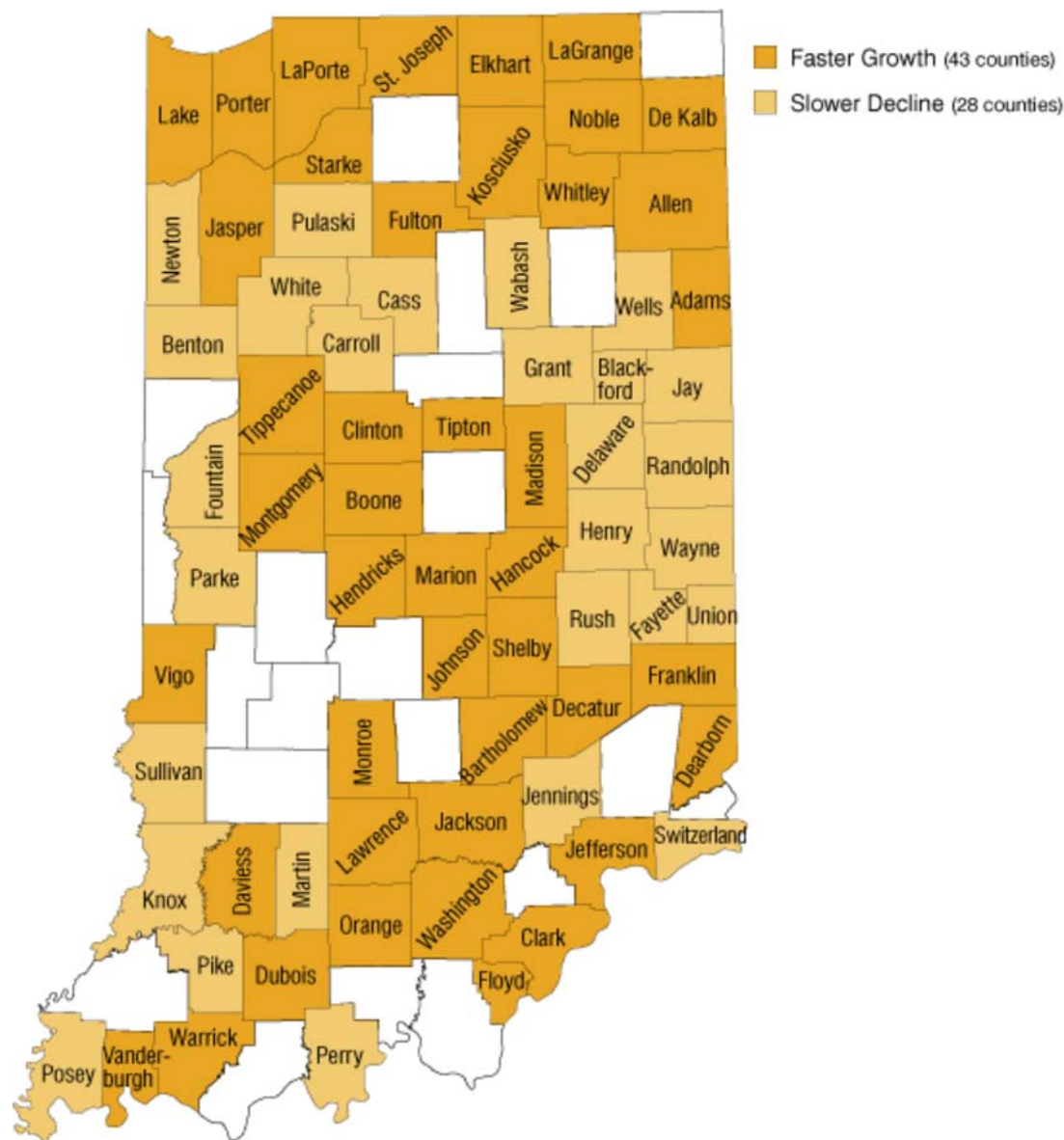
**Figure 2: Counties where Incorporated Places Are Growing Faster than Unincorporated Areas, 2005-2008**



Source: IBRC, using data from the U.S. Census Bureau

However, if we compare the annual average percent change for incorporated areas for the two halves of the decade, 71 counties experienced a faster annual average growth rate for their incorporated areas in 2005-2008 as compared to 2000-2005 (see **Figure 3**).<sup>4</sup> Meanwhile, only 22 counties can boast the same for their unincorporated areas.

**Figure 3: Counties where Incorporated Places Are Growing Faster in 2005-2008 than in 2000-2005**



Source: IBRC, using data from the U.S. Census Bureau

This indicates that although many counties are still seeing more growth in their unincorporated areas when compared to their cities and towns, most counties are seeing a turn-around in incorporated growth from earlier in the decade. Even as the recession has the potential to cause Indiana's overall population growth to slow down temporarily,<sup>5</sup> the drop in new home construction (a major source of growth for the unincorporated areas), may entice even more Hoosiers to call the state's cities and towns home in the coming year.

## Notes

1. Rachel Justis, "Changing Trends: Cities and Towns Gaining Population," *InContext*, September-October 2008, <http://www.incontext.indiana.edu/2008/sept-oct/4.asp>.
2. The estimates base was used for all calculations, which means that these estimates are adjusted for boundary changes, such as annexations. Therefore, the resulting numbers reflect actual demographic changes and not changes due to shifting boundaries. For more about the estimates base, visit <http://www.stats.indiana.edu/about>

[/estimatesbase.asp](#).

3. It is perhaps worth noting that Marshall County in Table 2 has the distinction of being the only county in Table 2 and Table 3 that is not part of a metropolitan statistical area.
4. Twenty-eight of the 71 experienced a smaller decline in 2005-2008 than in 2000-2005.
5. Matt Kinghorn, "Population and Employment Change in Indiana," *InContext*, July-August 2009, <http://www.incontext.indiana.edu/2009/jul-aug/article1.asp>.

**Rachel Justis**

Geodemographic Analyst, Indiana Business Research Center, Indiana University's Kelley School of Business

## The Latest on Indiana's Foreign-Born Population

Today, people from all over the world live in Indiana, with five in every 100 people hailing from another country. The foreign-born population in Indiana is larger than the population of Fort Wayne, our second largest city (at 252,000). Of the 264,000 people who were born in countries other than the United States (and not U.S. citizens born overseas), the majority have come to Indiana from Latin America (49.4 percent), Asia (25 percent) and Europe (17.4 percent).

By 2007, Indiana's proportion of foreign-born residents was less than half that of the nation's 12.6 percent. Indiana's proportion ranks it at 35th among the 50 states and the District of Columbia. But, when we consider the percent of our population by specific region of the world, our percentages are similar to that of the nation. In the case of people born in Mexico and now living in Indiana, we have a proportion (39.8 percent) that is nearly 10 percent higher than the nation as a whole and ranks Indiana 16th among the states. Indiana also tends to attract more people (proportionally) from Europe, with a percentage more than 4 points higher than the nation (see **Table 1**).

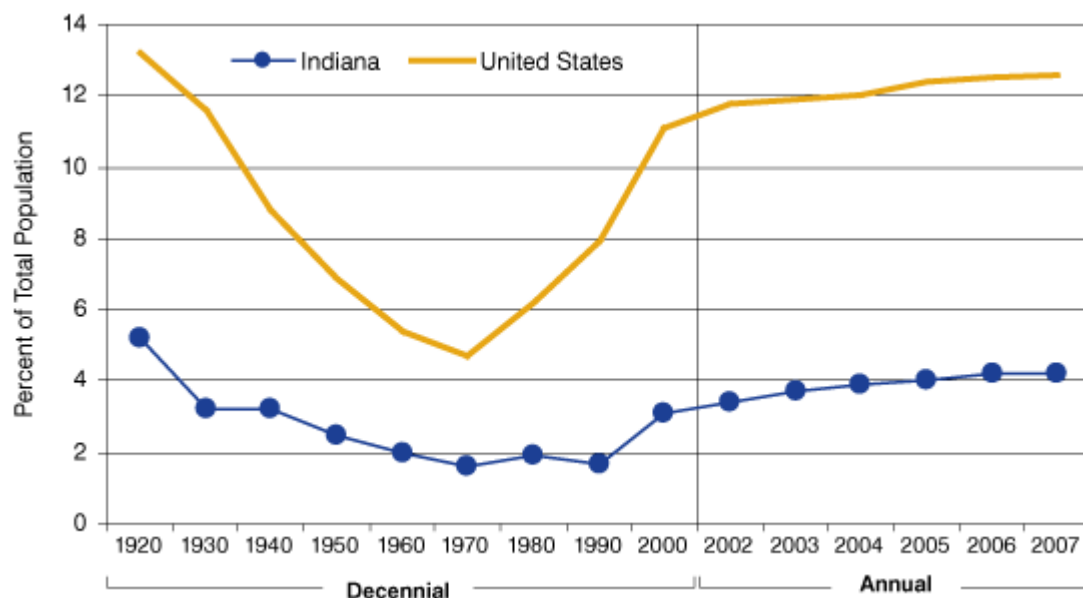
**Table 1: Foreign-Born Population in Indiana and the United States**

Percent of the Population That Is Foreign Born	Total Foreign Born	Asia	Europe	Latin America	Latin America: Mexico
United States	12.6	26.8	13.1	53.6	30.8
Indiana	4.2	25.0	17.4	49.4	39.8
Number of States Above U.S. Percentage	12	27	33	16	24
Number of States Above Indiana Percentage	35	30	24	20	15

Source: U.S. Census Bureau, 2007 American Community Survey

Historically, Indiana has had intermittent highs and lows in its foreign population.<sup>1</sup> Based on the results of the 1920 Census, which showed huge numbers of immigrants to the United States, more than 5 percent of Indiana's population had been foreign born. That proportion fluctuated significantly over the decades, with a low of 1.7 percent in 1990 (compared to 7.9 percent nationally) that has been followed by continuous increases ever since (see **Figure 1**).

**Figure 1: Foreign-Born as a Percent of Total Population for Indiana and the United States, 1920-2007**

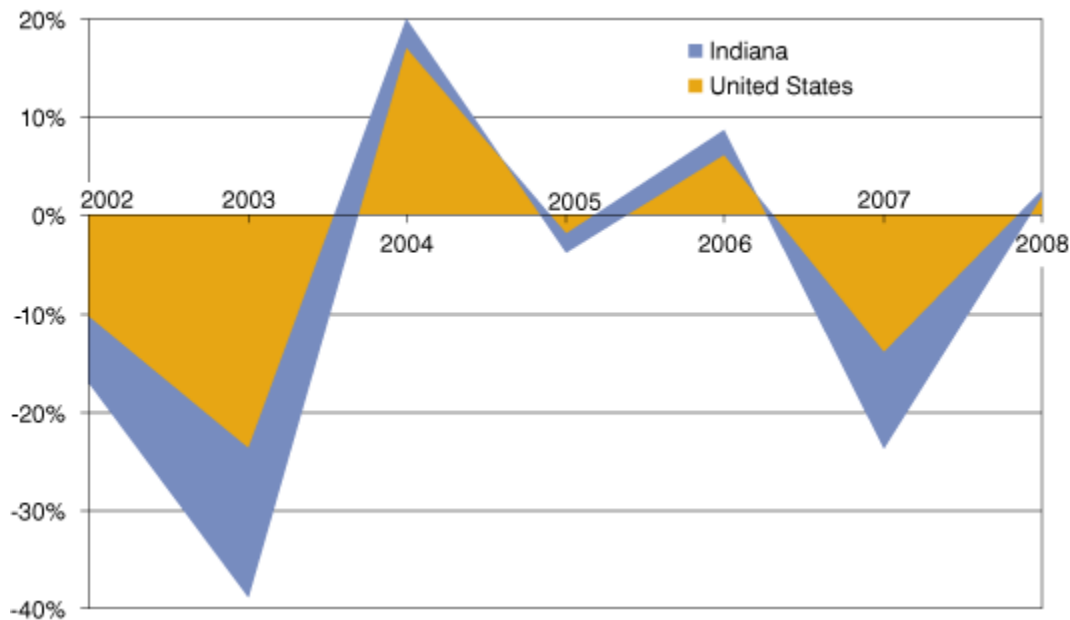


Source: IBRC, using data from the U.S. Census Bureau's decennial census and American Community Survey

After a 7 percent decrease in the foreign-born population between 1980 and 1990, immigration to Indiana has shown consistent increases since the 2000 census.

Immigration to Indiana tends to mirror national trends and major influences are economic and social. When jobs have been numerous and the economy strong, immigration is on the upswing. As more people move to the United States and establish roots, family members tend to follow and swell the ranks of the foreign born. Historically, when the economy is down, so is immigration (see **Figure 2**).

**Figure 2: Change in Net International Migration for Indiana and the United States, 2002-2008**



Source: IBRC, using data from the U.S. Census Bureau's annual population estimates

Considering the current recession, one of the longest running since the 1930s, we may see short-term declines in the numbers of people coming to Indiana from other countries. For more information, be sure to track these and other trends on STATS Indiana ([www.stats.indiana.edu](http://www.stats.indiana.edu)) and at the U.S. Census Bureau ([www.census.gov](http://www.census.gov)). And if you are curious about immigration laws and significant social trends in Indiana, check out this immigration timeline for Indiana from the Indiana Historical Society: [www.indianahistory.org/programming/immigration/TIMELINE/1900.html](http://www.indianahistory.org/programming/immigration/TIMELINE/1900.html).

## Notes

1. Campbell J. Gibson and Emily Lennon, "Historical Census Statistics on the Foreign-born Population of the United States: 1850-1990," *Population Division Working Paper No. 29*, U.S. Census Bureau, <http://www.census.gov/population/www/documentation/twps0029/twps0029.html>.

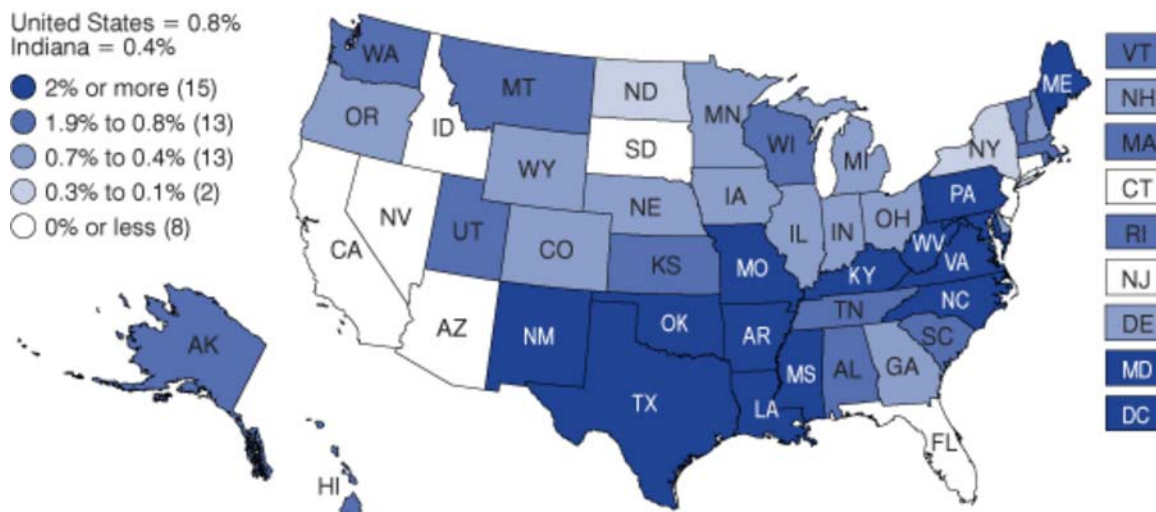
### **Carol O. Rogers**

Deputy Director and Chief Information Officer, Indiana Business Research Center, Indiana University's Kelley School of Business

## Stability and Volatility in Personal Income Growth

Personal income in the nation grew by 0.8 percent from the first quarter of 2008 (2008.1) through the same quarter this year (2009.1); Indiana grew half as fast at 0.4 percent. We ranked 35th among the 50 states while West Virginia led the nation with a 4.5 percent growth rate and Nevada trailed with a 2 percent decline in personal income. In all, eight states saw *nominal* personal income fall (see **Figure 1**). Is it any wonder that so many states are in financial difficulties?

**Figure 1: Percent Change in Nominal Personal Income, 2008.1 to 2009.1**

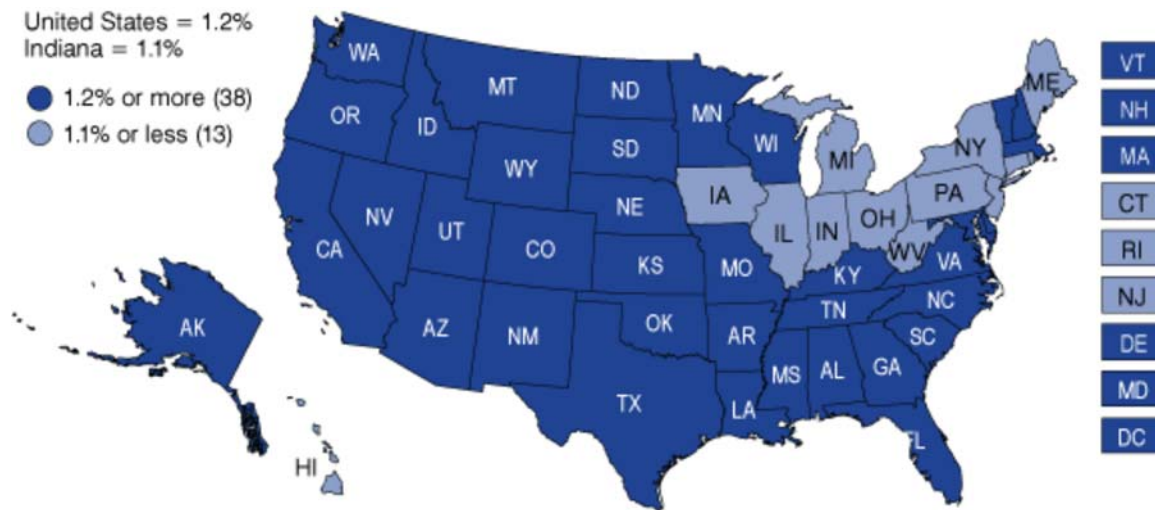


Source: IBRC, using data from the Bureau of Economic Analysis

Over the longer 20-year period, 1990.1 to 2009.1, the nation's average rate of growth in personal income was 1.2 percent. The growth leader was Louisiana (3.0 percent), but that is misleading since hurricanes distorted the data with major collapses in personal income followed by dramatic increases. Second was Nevada at 1.9 percent, with Ohio and Michigan trailing at 0.9 percent; Indiana ranked 42nd at 1.1 percent (see **Figure 2**). The small spread in these averages suggests great economic equality of experience among the states over time. That is wrong.

**Figure 2: Percent Change in Nominal Personal Income, 1990.1 to 2009.1**





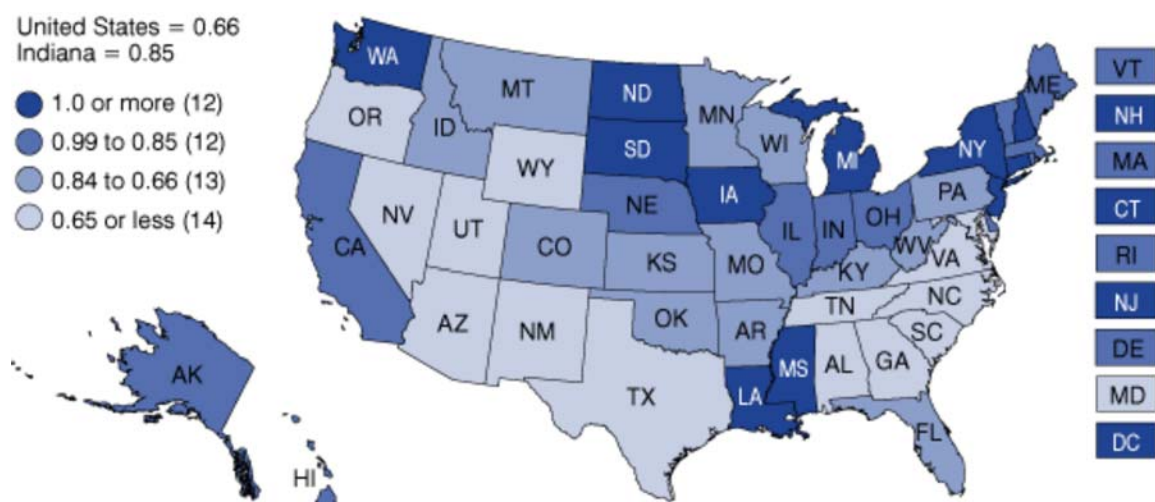
Source: IBRC, using data from the Bureau of Economic Analysis

## Measuring Volatility

One way of looking at the disparity in experience is to consider the volatility or stability in growth by calculating the coefficient of variation (CV) for these states. The CV is the standard deviation of the growth rates divided by the mean of those rates for each state. Simply put, the CV measures stability or consistency over time. For example, if the growth rate is the same each quarter, the standard deviation would be zero and the CV would also be zero. But if the growth rates vary wildly, the standard deviation will be very high and the CV likewise will be very high. The higher the CV, the more variability (or volatility) in the growth rates; the lower the CV, the more stability in the growth of the state's personal income.

The national CV from 1990.1 to 2009.1 was 0.66; the standard deviation was two-thirds of the average growth rate. Louisiana, as expected, had the greatest volatility at 8.22 followed by North Dakota at 1.75. The most stable (or least volatile) were Maryland, South Carolina, and Tennessee at 0.56. Indiana ranked near the middle of the pack at 29th, close to Vermont and Maine, at 0.85 (see **Figure 3**).

**Figure 3: Volatility in Growth of Personal Income, 1990.1 to 2009.1**



Source: IBRC, using data from the Bureau of Economic Analysis

## Rankings

Who got the prize for fastest growth combined with the least volatility? It was a close race that is hard to call. Should fast growth be given greater weight than stability of growth? What metric should be used to score the states in the contest? Here we take the easy way out and add together the rankings for each factor (growth and stability) to get an imperfect ranking of the states.

Nevada led by a nose, ranking second in growth rate and seventh in stability for a combined score of nine, the lowest in the nation. That barely beat out Utah, which was fourth in growth and sixth in stability. Next, and very close were Texas and Arizona. Trailing the field was Michigan, 49th in rate of growth and 43rd in stability. The slowest growing state, Ohio (50th), was more stable in 35th place, which bumped its combined rank to 47. Indiana's growth rank and stability combined for a rank of 36th (ranking 42nd in growth and 29th in stability), tying with Pennsylvania, which was 47th in growth and 27th in stability.

These results are surprising. Hoosiers have long believed that ours is one of the most volatile economies in the nation. These data suggest we reconsider that long-held belief. While manufacturing and agriculture may contribute to our volatility, other sectors may protect Indiana from being among the least stable states. That analysis must wait for another time.

**Morton J. Marcus**

Independent Economist

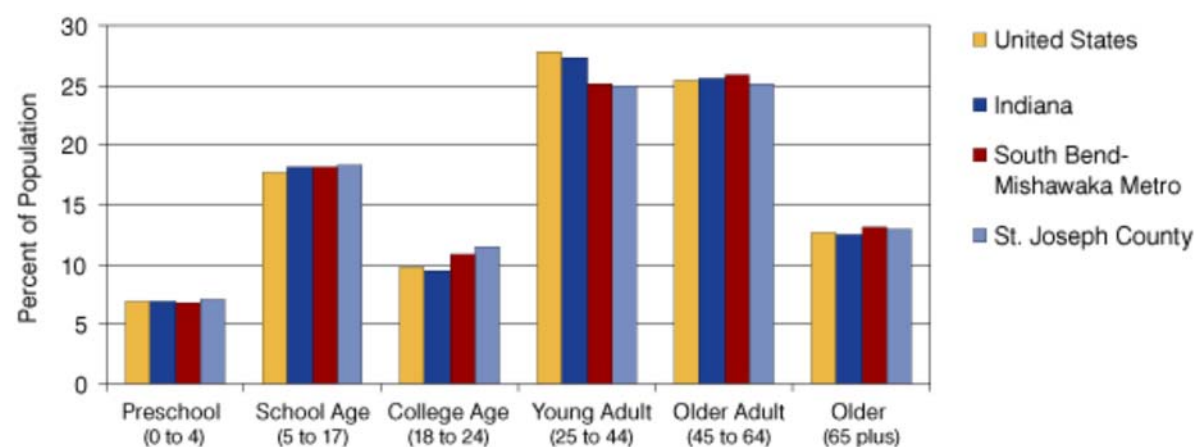
## The South Bend-Mishawaka Metro Story: Told by STATS Indiana

This article is the 14th in a series about Indiana's metropolitan statistical areas (metros). All of the data used in this article can be found using the USA Counties and Metros Side-by-Side feature on STATS Indiana ([www.stats.indiana.edu](http://www.stats.indiana.edu)) unless otherwise noted.

### The Area

The South Bend-Mishawaka Metropolitan Statistical Area includes St. Joseph County in north-central Indiana and Cass County in south-central Michigan. These two counties had a population of 316,865 in 2008, with St. Joseph County contributing 84.2 percent of the metro population. South Bend-Mishawaka's population has slowly grown (6.9 percent) from 1990 to 2008, but lagged behind Indiana (15 percent) and the United States (22.2 percent). **Figure 1** breaks the population down by age group.

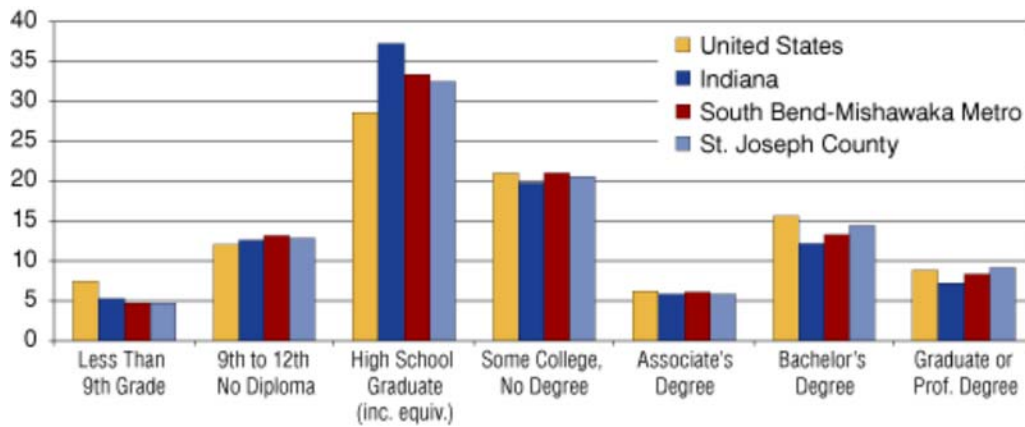
**Figure 1: Percent of Population by Age Group, 2007**



Source: IBRC, using U.S. Census Bureau data

Although the South Bend-Mishawaka metro has nine<sup>1</sup> colleges and universities in the area (including the University of Notre Dame), just 48.8 percent of the population has greater than a high school education, slightly less than the nation (51.7 percent) but more than Indiana (44.9 percent). It is no surprise that St. Joseph County has a higher proportion of bachelor, graduate or professional degrees than the rest of the metro as nearly 89 percent of the colleges and universities are in the county (see **Figure 2**).

**Figure 2: Educational Attainment, 2000**

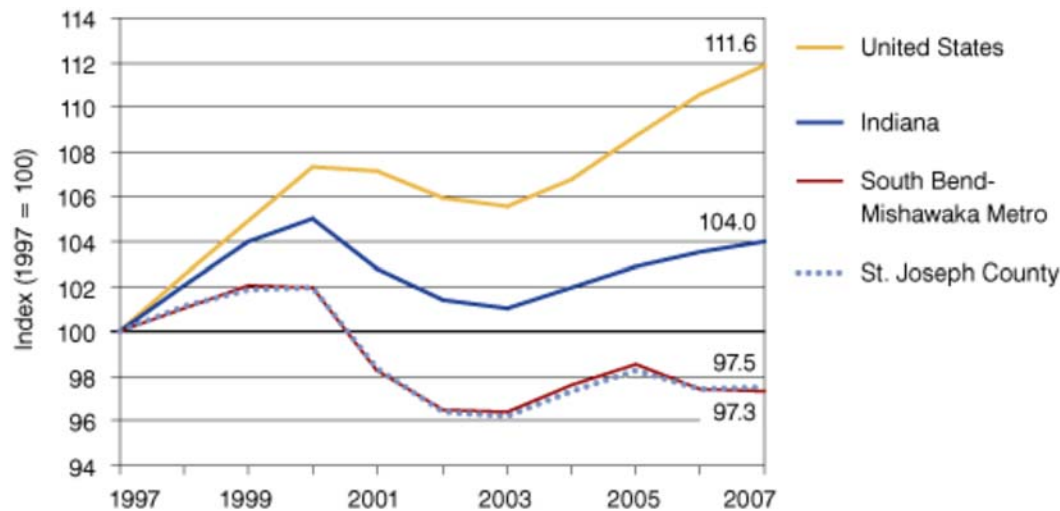


Source: IBRC, using U.S. Census Bureau data

### Jobs

The South Bend-Mishawaka metro lost jobs in six out of the 10 years from 1997 to 2007 whereas Indiana and the United States only had three years and two years of job losses, respectively. The metro area began losing jobs in 2000. Indiana and St. Joseph County did not lose jobs until 2001, while the United States did not begin losing jobs until 2002. Although all four geographies rebounded in 2004, the metro area again lost jobs in 2006 and 2007 (see **Figure 3**).

**Figure 3: Total Jobs Index, 1997 to 2007**



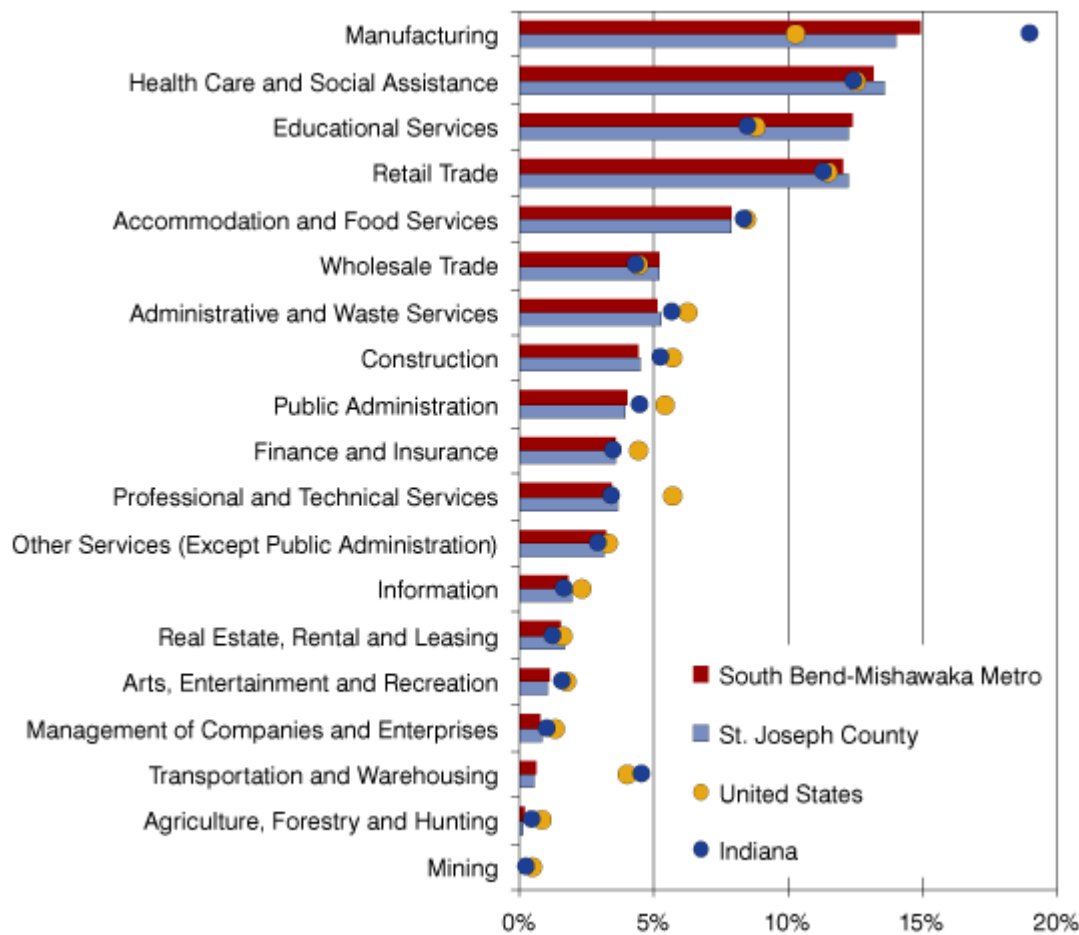
Source: IBRC, using U.S. Bureau of Labor Statistics data

From 1997 to 2007, the South Bend-Mishawaka metro area lost 2.7 percent of their jobs with the majority (92.6 percent) lost in St. Joseph County, according to the Bureau of Labor Statistics. The metro area also lost 4.5 percent of their establishments (5.6 percent loss in St. Joseph County). In the same time frame, Indiana and the United States gained jobs (4 percent and 11.9 percent, respectively), with Indiana experiencing a 6.6 percent increase in establishments and the United States having a 22.1 percent increase in establishments.

Manufacturing is St. Joseph County's largest industry in terms of employment (14 percent

of total jobs); which is lower in proportion to the metro (14.9 percent) and state (18.9 percent), but higher than the nation (10.3 percent). The remaining top four industries for jobs in St. Joseph County are health care and social assistance (13.6 percent), educational services (12.3 percent) and retail trade (12.3 percent). Jobs in the retail trade and health care and social services are more popular in St. Joseph County than in the South Bend-Mishawaka metro, Indiana and the nation (see **Figure 4**).

**Figure 4: Employment by Industry as a Percent of Total Jobs, 2007**



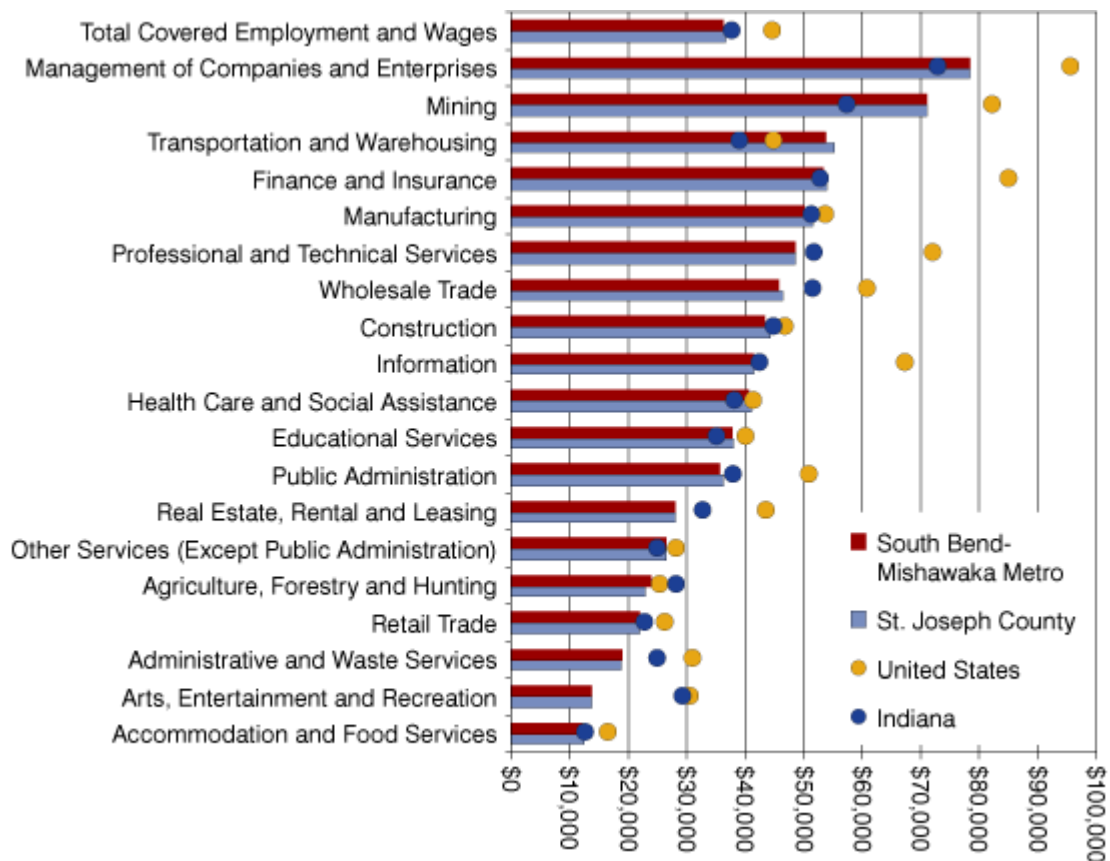
Note: Data for utilities were unavailable for St. Joseph County and the South Bend-Mishawaka metro  
 Source: IBRC, using U.S. Bureau of Labor Statistics data

## Wages

In 2007, St. Joseph County had 425 manufacturing establishments employing 17,335 people with an average annual wage of \$51,572. After adjusting for inflation, wages in St. Joseph County have increased \$2,267 from 1997 to 2007, a real increase of 6.6 percent. Meanwhile, the South Bend-Mishawaka metro increased 6.2 percent, Indiana increased 5 percent and the United States experienced an increase in wages of 11.5 percent. Of the industries with data available (i.e., excluding utilities), management of companies and enterprises paid the highest wages across all four geographies. Transportation and warehousing was the only industry in St. Joseph County and the metro to pay higher wages

than the United States average (see **Figure 5**). Overall, wages in St. Joseph County were 82.3 percent of wages in the United States. In Indiana as a whole, wages were 84.4 percent of the nation's wages.

**Figure 5: Industry Wages, 2007**



Note: Data for utilities were unavailable for St. Joseph County and South Bend-Mishawaka metro  
Source: IBRC, using U.S. Bureau of Labor Statistics data

## Conclusions

While wages in the South Bend-Mishawaka metro increased from 1997 to 2007, the area saw a decline in both jobs and establishments over the 10-year span. Meanwhile, Indiana and the United States experienced increases in all three measures. Due to the significant percentage of the South Bend-Mishawaka metro population working in the manufacturing industry, this county is likely to continue to be affected by the overall economic restructuring of the manufacturing industry.

## Notes

1. Learn More Indiana, "College Profiles," <http://www.learnmoreindiana.org/college/choosing/Pages/CollegesInIndiana.aspx>.

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