

Counts of Establishments Up, Jobs Down

Talk of job losses, plant closings and permanent layoffs can be heard throughout the state, as we move through this so-called jobless recovery. Indiana has been in this place before. During the 1980s, the economic buzz was about downsizing and modernizing. Manufacturing businesses took the buzz to heart. By the early 1990s, Indiana's employment in this sector was under 600,000 and its share of all jobs in the state was shrinking. But the mid to late 1990s were boom years for the nation and Indiana, with jobs in manufacturing in this state once again totaling more than 600,000.

Today, the buzz is about advanced manufacturing, the integration of automated processes and the resulting gains in productivity with a smaller workforce. The dynamics of the economy are hinted at through numbers tallied in the covered establishment and payroll figures collected quarterly by the state. By the first quarter of 2003, the latest quarter

for which we have covered payroll establishment counts, Indiana had lost close to 300 manufacturing establishments and 54,000 manufacturing jobs between first quarter 2001 and first quarter 2003.

At the same time, Indiana saw an increase in the total number of business establishments (see Figure 1). More than 1,300 establishments were added to the count of covered payroll establishments (meaning they are covered by the unemployment compensation laws). The average weekly wage went up by \$18 during those two years, but Indiana also saw job losses of nearly 69,000.

Bright spots in the data show that the professional, scientific and technical services sector had gains of 637 establishments at the same time that sector lost 696 jobs. Health care

and social assistance added 15,141 new jobs and had 412 more establishments engaged in the business of that sector.

Importantly, this information is not survey-based—these are actual counts of establishments (by physical location), jobs and quarterly payroll as reported by employers. Some users refer to this data set as Covered Employment, Covered Payroll or even by the form code, ES-202. The Bureau of Labor Statistics official title is Covered Employment and Wages (CEW).

See Table 1 for highlights and go to STATS Indiana for more detail at the county level: www.stats.indiana.edu/cew.

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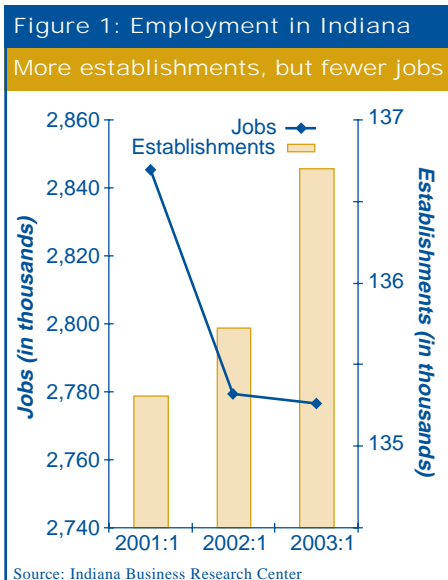


Table 1: Change in Indiana's Establishments and Jobs, 2001 to 2003

Industry Change from 2001:1	Establishments		Jobs	
	2003:1	Change	2003:1	Change
Total Covered Establishments, Jobs and Wages	136,700	1,393	2,776,494	-68,946
Agriculture, Forestry, Fishing and Hunting	1,108	41	10,024	-26
Mining	325	-3	6,303	151
Utilities	478	-5	15,884	-745
Construction	14,450	2	130,928	-2,465
Manufacturing	8,890	-297	577,571	-54,231
Wholesale Trade	11,460	266	117,408	-6,449
Retail Trade	20,151	-339	328,103	-19,283
Transportation and Warehousing	4,867	49	120,564	-7,111
Information	2,158	-144	47,608	-4,343
Finance and Insurance	8,761	211	103,620	-1,751
Real Estate and Rental and Leasing	4,925	31	35,343	-860
Professional, Scientific, and Technical Services	11,678	637	88,507	-696
Management of Companies and Enterprises	747	48	27,328	498
Administrative and Support and Waste Management and Remediation Services	6,069	52	131,861	3,379
Educational Services	2,425	105	241,016	8,536
Health Care and Social Assistance	11,372	412	329,153	15,141
Arts, Entertainment, and Recreation	1,554	51	39,872	645
Accommodation and Food Services	10,463	494	217,510	1,121
Other Services (Except Public Administration)	11,826	-129	82,244	-2,762
Public Administration	2,767	33	125,094	2,747

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