PROGRAM YEAR 2009
Issued October 2010

Indiana

Economic Analysis Report

INDIANA WORKFORCE DEVELOPMENT AND ITS WorkOne CENTERS

Indiana Economic Analysis Report

Published October 2010

Acknowledgements

The Indiana Economic Analysis Report involved the following collaborators and/or contributors:

DWD/RESEARCH AND ANALYSIS

Allison Leeuw, *Manager of Federal Studies*

DWD/ECONOMIC AND MARKET ANALYSIS

Sam Forrest, *Economic Analyst (Lead Contributor)*
Charlie Baer, *Economic Analyst*
Terry Brown, *Economic Analyst*
Bob Ferguson, *Research Analyst*
Jon Wright, *Team Lead*

DWD/WORKFORCE TRANSITION STUDIES

Joe Roesler, *Labor Market Analyst*

DWD/MARKETING

Lindsey Wells, *Graphic Designer*

INDIANA BUSINESS RESEARCH CENTER (IBRC)

Rachel Justis, *Geodemographic Analyst*

If you have questions or would like more information please contact :

Sam Forrest, *Economic Analyst*
Indiana Department of Workforce Development
317-233-0680

Indiana Research & Analysis Quick Facts

INDIANA EMPLOYMENT, FIRMS AND WAGES BY INDUSTRY, 2009

Industries	Units	Total Annual Wages *(in billions)*	Average Employment	Average Annual Wage
Total	**159,975**	**$103.5**	**2,705,323**	**$38,270**
Manufacturing	8,961	$23.1	441,626	$52,359
Health Care and Social Assistance	12,681	$14.9	374,157	$39,702
Retail Trade	20,683	$7.1	308,046	$22,886
Educational Services	2,960	$9.3	254,204	$36,654
Accommodation and Food Services	12,017	$3.0	233,713	$12,918
Administrative and Waste Services	8,454	$3.7	139,446	$26,630
Construction	16,585	$5.7	120,317	$47,061
Public Administration	3,110	$5.3	131,339	$40,160
Transportation and Warehousing	6,232	$4.8	122,658	$38,819
Wholesale Trade	13,958	$6.0	115,259	$51,979

*1) Table includes the top 10 industries based on average employment 2) Industry totals include all ownerships (i.e. private and government sector employers); **Source:** IDWD, Quarterly Census of Employment and Wages (QCEW)*

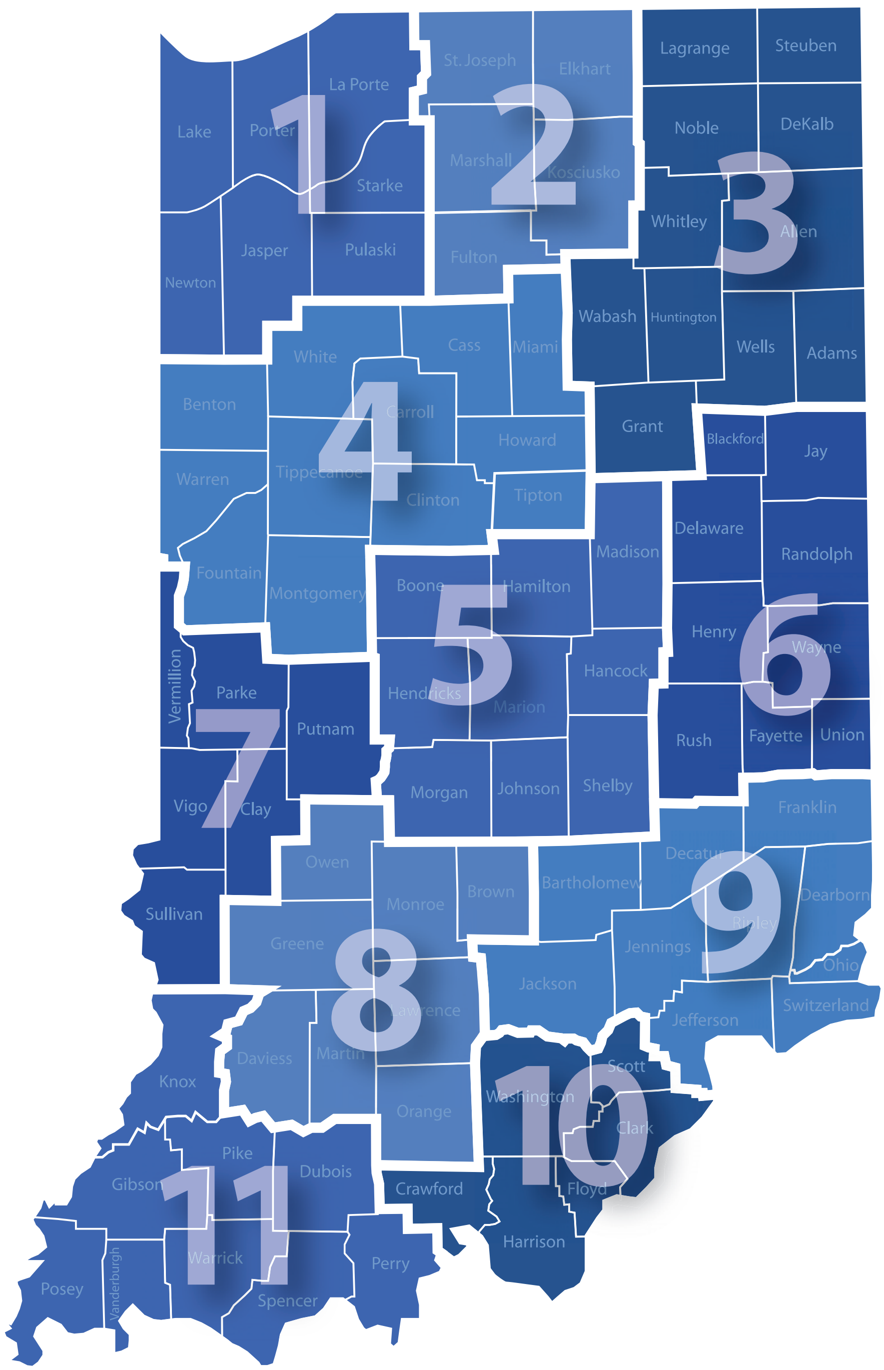
INDIANA ECONOMIC GROWTH REGIONS (EGRs), LABOR FORCE AND UNEMPLOYMENT (N.S.A.), 2009

EGR	Labor Force	Employment	Unemployment	Average Annual Unemployment Rate
EGR 1	**401,369**	**359,614**	**41,755**	**10.4**
EGR 2	292,904	253,450	39,454	13.5
EGR 3	370,900	327,211	43,689	11.8
EGR 4	237,201	211,311	25,890	10.9
EGR 5	931,082	851,715	79,367	8.5
EGR 6	163,613	144,819	18,794	11.5
EGR 7	105,607	94,746	10,861	10.3
EGR 8	157,469	144,829	12,640	8.0
EGR 9	162,862	146,030	16,832	10.3
EGR 10	143,315	129,997	13,318	9.3
EGR 11	218,469	200,862	17,607	8.1
Statewide	3,184,780	2,864,578	320,202	10.1

***Source:** IDWD, Local Area Unemployment Statistics (LAUS); "N.S.A." = Not Seasonally Adjusted*

MAP 1
DWD ECONOMIC GROWTH REGIONS

▶ ***The map below** delineates the Economic Growth Regions (EGRs) for the state of Indiana.*



INDIANA LABOR FORCE AND UNEMPLOYMENT(N.S.A.), 1990 - 2009

2009	3,184,780	2,864,578	320,202	10.1

Source: *IDWD, Local Area Unemployment Statistics (LAUS)*

INDIANA PROJECTED JOB GROWTH, 2008 - 2018

Industries	Annual Average Growth	Annual Growth Rate
Total	22,105	0.9%
Health Care and Social Assistance	8,234	2.5%
Professional, Scientific, and Technical Services	3,316	3.8%
Educational Services	3,127	1.2%
Administrative and Support and Waste Management and Remediation Services	2,841	1.8%
Construction	2,779	1.9%
Accommodation and Food Services	1,750	0.7%
Transportation and Warehousing	1,364	1.1%
Retail Trade	1,270	0.4%
Arts, Entertainment, and Recreation	666	1.5%
Other Services, except Public Administration	630	0.8%

1) Table includes the top 10 industries based on annual average growth 2) Industry totals include all ownerships (i.e. private and government sector employers); ***Source:*** *IDWD, Economic and Market Analysis (EMA)*

Table of Contents

Summary **8**

Section 1: Employment and Income **10**
Employment
Top Industries by Regional Employment (Map)
Location Quotients
Wages

Section 2: Education **17**
Educational Attainment and Population
Educational Intentions
ISTEP

Section 3: Workforce Transition **20**
Unemployment Rates
Unemployment Rates (Map)
Mass Layoff Events

Section 4: Occupations **23**
Top Occupations (Map)
Jobs in Demand
Hoosier Hot 50 Jobs

Section 5: Workforce and Industry Composition **26**
Age Groups of the Workforce
Race/Ethnicity in the Workforce
Females in Real Estate and Rental and Leasing

Section 6: Housing **29**
Homeownership Rates
Housing Permits

Summary

The Year in Review: Indiana

In 2009, both the Health and Social Assistance and Educational Services industry sectors experienced employment gains in comparison to the previous year. Average weekly wages for 2009 for these two sectors, as well as Public Administration, also reflected significant percentage increases over 2008, despite a small (-$2.52) decline in all-industry weekly wages. The annual average non-seasonally adjusted statewide unemployment rate for Indiana was 10.1% in 2009. However, unemployment levels varied considerably across the state, with twenty-six of the ninety-two Indiana counties having non-seasonally adjusted unemployment rates lower than the non-seasonally adjusted rate of the U.S. The number of mass layoff events rose dramatically in both 2008 and 2009, with the increase in events largely attributed to the national economic downturn beginning in December 2007. Homeownership rates in Indiana have continued to remain slightly above the rates of the Midwest region in 2009. However, the national housing crisis has affected Indiana's number of authorized housing permits as numbers have fallen for the fourth straight year.

EMPLOYMENT AND INCOME

Indiana experienced some significant employment gains during the 2004 – 2009 time period. The Health Care and Social Assistance sector saw dramatic employment increases due to the continued additions of new hospitals and expanded services. Another sector with sizable employment gains within the last five years was Professional and Technical Services. The top 3 industries by employment for seven out of eleven Economic Growth Regions (EGRs) are Manufacturing, Health Care and Retail Trade. The fourth listed industry represented in the top 3 for the remaining two EGRs was that of Educational Services. Despite downturns in the state's manufacturing industry over the last five years, it is still a very strong part of Indiana's economy, and remains vital to the national economy as well. Location quotients (LQs) for 2009 show that of the top ten LQs calculated for Indiana (statewide) for jobs with a U.S. base, eight are within the Manufacturing sector. The Transportation and Warehousing sector is also more concentrated in Indiana than for the nation overall. The highest average weekly wage percentage increases from 2004 to 2009 were within the Agriculture, Forestry, Fishing and Hunting, the Construction, and the Public Administration sectors.

EDUCATION

Educational attainment is on the rise in Indiana with significant gains in bachelors or above degree programs. Those not achieving a degree but acquiring some college also experienced a notable increase from 2007 – 2008. Most Indiana high school graduates intend to seek a post high school education. Significant to these post graduation intentions, the percentage of Hoosier students that have been passing the ISTEP test each school year has risen in recent years, although the 2008-09 school year results mirrored those for the prior year.

WORKFORCE TRANSITION

Indiana's unemployment rates rose with the onset of the 2001 recession earlier in the decade, but remained below the U.S. average until 2005. In 2006, the annual rates for Indiana declined for the first time since 2001 and then dropped again in 2007, with the state rate matching the national rate that year. In 2008 and continuing through 2009, the country as a whole was gripped by an economic downturn that resulted in significant increases in both the state and national rates. Out of the ninety-two Indiana counties in 2009, twenty-six had rates lower than the U.S. rate of 9.3%. Another lens for tracking workforce disruptions, the Mass Layoff Statistics program, reveals that for 2007 Indiana had the lowest number of annual mass layoff events since the year 2000. However, the number of events experienced a sharp increase in 2008 with 680 events reported for that year, followed by 730 events in 2009.

OCCUPATIONS

According to Indiana's 2008 – 2018 occupational projections, occupations expected to see the most total growth in new jobs include: Registered Nurses, Retail Salespersons, and Truck Drivers, Heavy and Tractor – Trailer. Registered Nurses are also expected to have a high rate of growth over the decade, along with Computer Software Engineers.

WORKFORCE AND INDUSTRY COMPOSITION

Women workers are well represented in Indiana's workforce, comprising 49% of all workers in 2008. Representation across industries and occupations is far from uniform, however. In 2008, five real estate and rental and leasing sub sectors had female employment of at least 40%. Indiana's labor force is well represented by the 25-34 age cadre, but here as well, age breakouts vary considerably by industry. The Professional, Scientific, and Technical Services, Administrative Support/Waste Management, and Construction sectors are all composed of significant percentages of those between the ages of 25 and 34. The racial and ethnic composition of the workforce continues to shift over time, with minorities increasing their presence by 14.8% since 2000. Those of Hispanic origin experienced the largest increase with a jump of 39.7% in the workforce from 2000 to 2008.

HOUSING

From 2004 to 2009, Indiana has maintained a slightly higher percentage of homeownership in comparison to the Midwest as a whole. In 2009, the state had a rate of 72.0% for Hoosier homeowners compared to 71.0% for the Midwest overall. The U.S. housing crisis has impacted home building in Indiana over the past four years as total privately owned housing permits authorized have dropped.

SECTION 1

Employment and Income

Employment

According to the Indiana Quarterly Census of Employment and Wages (QCEW) data, from 2004 – 2009, Indiana has experienced significant employment shifts in several different industry sectors (Table 1). Industry sectors group similar businesses identified with codes from the North American Industry Classification System (NAICS). A more in-depth look into the industry sectors uncovers some of the sub sectors causing the more dramatic increases and decreases.

TABLE 1
INDIANA ANNUAL AVERAGE EMPLOYMENT BY INDUSTRY, 2004 and 2009

Industry	2004	2009	% Change
Agriculture, Forestry, Fishing, and Hunting	12,122	12,449	2.70%
Mining	6,654	6,291	-5.46%
Construction	147,890	120,317	-18.64%
Manufacturing	572,138	442,271	-22.70%
Utilities	14,407	15,660	8.70%
Wholesale Trade	119,228	115,272	-3.32%
Retail Trade	332,974	308,140	-7.46%
Transportation and Warehousing	123,271	122,658	-0.50%
Information	47,654	44,482	-6.66%
Finance and Insurance	102,040	95,152	-6.75%
Real Estate, Rental and Leasing	35,945	33,931	-5.60%
Professional and Technical Services	89,068	96,087	7.88%
Management of Companies and Enterprises	26,901	27,518	2.29%
Administrative and Waste Services	150,744	140,148	-7.03%
Educational Services	234,288	254,204	8.50%
Health Care and Social Assistance	339,449	378,123	11.39%
Arts, Entertainment, and Recreation	45,317	44,032	-2.84%
Accommodation and Food Services	231,289	235,264	1.72%
Other Services	83,649	80,508	-3.75%
Public Administration	129,545	131,339	1.38%

** Industry totals include all ownerships (i.e. private and government sector employers);* ***Source:*** *IDWD, Quarterly Census of Employment and Wages (QCEW)*

MAP 2
TOP INDUSTRIES BY REGIONAL EMPLOYMENT, 2009

▶ ***The following map** identifies the top 3 industries for each Economic Growth Region (EGR) based on employment. Also represented are job densities for each region.*

HIGH → LOW *= Jobs per square mile*

☆ *= First*
□ *= Second*
○ *= Third*
■ *= Educational Services*
■ *= Health Care and Social Assistance*
■ *= Manufacturing*
■ *= Retail Trade*

EGR1
Health Care and Social Assistance *45,524*
Manufacturing *44,519*
Retail Trade *39,354*

EGR2
Manufacturing *73,339*
Health Care and Social Assistance *32,653*
Educational Services *29,274*

EGR3
Manufacturing *64,058*
Health Care and Social Assistance *45,618*
Educational Services *34,413*

EGR 4
Manufacturing *40,876*
Educational Services *24,853*
Health Care and Social Assistance *23,611*

EGR5
Health Care and Social Assistance *118,542*
Retail Trade *91,811*
Manufacturing *85,923*

EGR6
Health Care and Social Assistance *20,617*
Manufacturing *19,014*
Retail Trade *14,744*

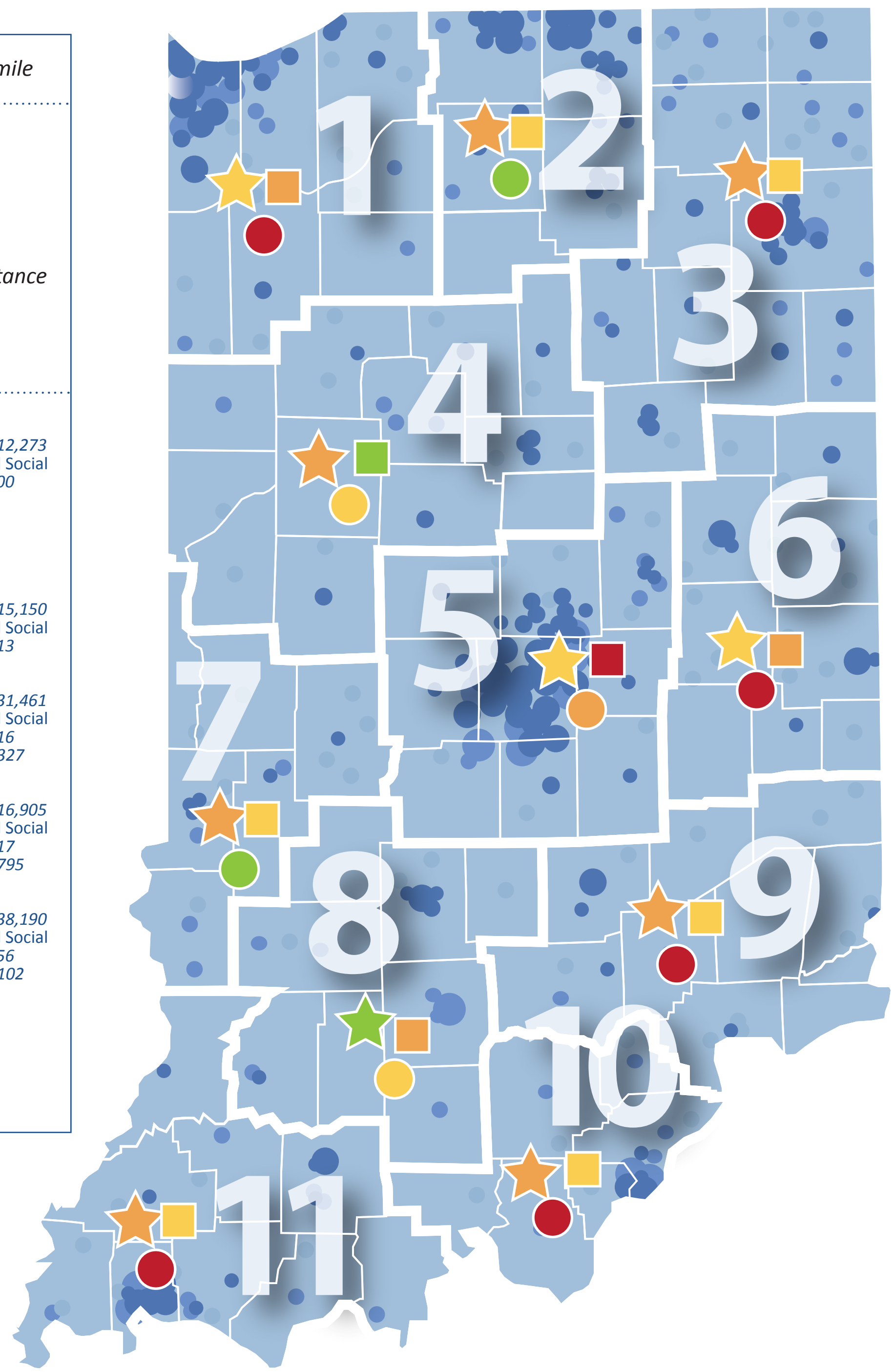
EGR7
Manufacturing *12,273*
Health Care and Social Assistance *11,800*
Educational Services *10,500*

EGR8
Educational Services *18,892*
Manufacturing *15,150*
Health Care and Social Assistance *14,513*

EGR9
Manufacturing *31,461*
Health Care and Social Assistance *15,216*
Retail Trade *13,327*

EGR10
Manufacturing *16,905*
Health Care and Social Assistance *13,217*
Retail Trade *12,795*

EGR11
Manufacturing *38,190*
Health Care and Social Assistance *30,156*
Retail Trade *22,102*



** Job concentration: block-level QCEW data; Top Industries: regional QCEW data. Indiana Business Research Center, July 2009.*

AGRICULTURE, FORESTRY, FISHING, AND HUNTING

Employment in this sector increased from 12,122 to 12,449 from 2004 to 2009. The Animal Production sub sector was the main contributor to this growth with an increase of 843 employees, an 18.58% growth rate.

MINING

Employers in the Mining sector have shed approximately 350 jobs since 2004 for a 5.46% decrease. Among the three sub sectors, the Mining (Except Oil and Gas) sub sector was the prime factor with a loss of 430 employees from 2004 to 2009. The bulk of this decline occurred between 2007 and 2008 with a loss of 245 workers.

CONSTRUCTION

The Construction sector experienced an employment decrease from 2004 to 2009 in conjunction the national recession and the bursting of the "housing bubble," falling from 147,890 to 120,317, an 18.64% drop. The most significant loss in this sector occurred from 2008 to 2009, a 16.72% decrease. Of the three sub sectors, Construction of Buildings experienced the largest decrease in employment with a loss of 16,100 employees.

MANUFACTURING

From 2004 to 2009, Manufacturing employment dropped from 572,138 to 442,271. The overall decrease of 129,867 workers represents a decline of 22.7%. The majority of this decline occurred between 2008 and 2009 with an overall employment loss of 79,540. The Manufacturing sector is made up of 21 sub sectors. Of these sub sectors, five experienced employment gains from 2004 to 2009. They were: Food Manufacturing (5.01%), Beverage and Tobacco Manufacturing (2.11%), Leather and Allied Product Manufacturing (68.5%), Petroleum and Coal Products Manufacturing (4.8%), and Miscellaneous Manufacturing (0.67%). Of those experiencing a loss over the period, the highest numeric loss occurred in Transportation Equipment Manufacturing, with a decline in employment of 53,115 (-37.99%) as both the recreational vehicle manufacturing and automotive sectors faced severe turbulence.

UTILITIES

The Utilities sector has seen growth from 2004 to 2009 with an increase in employment of 1,253, an 8.70% growth rate.

WHOLESALE TRADE

The Wholesale Trade sector saw a decrease of 3,956 workers from 2004 to 2009, a 3.32% decline. Over the time period, two of the three sub sectors saw employment growth with Electronic Markets and Agents and Brokers experiencing the largest gain (4.43%). The sub sector Merchant Wholesalers, Durable Goods saw an employment decline of 5.88%.

RETAIL TRADE

Since 2004, Retail Trade has experienced a downward trend. Out of the 12 sub sectors, 11 dropped in employment from 2004 through 2009. The largest numeric decrease occurred in the sub sector of Motor Vehicle and Parts Dealers with an employment drop of 5,367, a 12.56% decrease. Dealership closings in conjunction with automaker bankruptcies contributed to this contraction. The lone sub sector to experience an increase was Health and Personal Care Stores, which rose by 454 workers, a 2.2% growth rate.

TRANSPORTATION AND WAREHOUSING

From 2004 to 2009, employment in this sector saw a slight decrease of 613 workers, a 0.5% decline. Over the time period, two sub sectors experienced moderate growth. Transit and Ground Passenger Transportation saw an 11.63% increase in employment while Support Activities for Transportation experienced a 5.57% rate of growth. The sub sector Postal Service experienced the largest numeric decrease in employment with a loss of 1,367 workers, an 8.79% decline.

INFORMATION

The Information sector has seen a moderate decline since 2004. Over the period, this sector has dropped by 3,172 for a 6.66% decrease. The largest numerical decrease was in the sub sector of Publishing Industries, Except Internet, which saw a loss of 1,624 jobs for an 11.42% decline. The miscellaneous sub sector of Other Information Services experienced a gain from 2004 to 2009 with a growth rate of 7.91%.

FINANCE AND INSURANCE
The Finance and Insurance sector experienced a moderate decrease from 2004 to 2009 with a drop of 6.75%. The most notable numeric loss occurred in the sub sector of Credit Intermediation and Related Activities which dropped by 7,532 workers. The largest percentage growth took place in the sub sector of Securities, Commodity Contracts, and Investments which saw an increase of 13.22%.

REAL ESTATE AND RENTAL AND LEASING
The Real Estate and Rental and Leasing sector fell by 2,014 employees from 2004 to 2009, a 5.6% decrease. All three sub sectors within this industry experienced losses. The sub sector of Rental and Leasing Services experienced the largest numeric drop with a loss of 2,241 workers, a 16.98% decrease.

PROFESSIONAL AND TECHNICAL SERVICES
The Professional and Technical Services sector rose 7.88%, increasing by 7,019 employees from 2004 to 2009. Three specific industry groups led the growth with an increase of 3,450 in Computer Systems Design and Related Services, 1,451 in Architectural and Engineering Services, and 2,593 in Management and Technical Consulting Services.

MANAGEMENT OF COMPANIES AND ENTERPRISES
This sector grew by 617 workers from 2004 to 2009, a 2.29% growth rate. The most significant gains occurred between 2006 and 2007 with a percentage increase of 5.88%.

ADMINISTRATIVE AND WASTE SERVICES
Employment dropped 10,596 from 2004 to 2009 in this sector, resulting in a 7.03% decrease. Between 2004 and 2007, employment within the sector grew by 13,492. Significant employment loss occurred between 2008 and 2009 with jobs decreasing by 18,359. The Employment Services sub sector is heavily utilized by Hoosier manufacturing firms to manage production fluctuations, employee vacations, etc. Leaner production teams and reduced outputs have translated into decreased demand for temporary and contract workers.

EDUCATIONAL SERVICES
The Educational Services sector has increased by 19,916, an 8.55% growth rate between 2004 and 2009. The largest numerical increase within the sector was in Elementary and Secondary Schools which gained 12,454 workers for an 8.08% increase. Also contributing to the sector's growth numerically was the Colleges, Universities, and Professional Schools sub sector adding 3,725 employees for a 5.75% increase.

HEALTH CARE AND SOCIAL ASSISTANCE
The Health Care and Social Assistance sector grew by 38,674 workers since 2004, an 11.39% gain. The sub sector of Ambulatory Health Care Services had the largest percentage gain at 12.04%, adding 12,424 jobs overall. Another sub sector that experienced considerable numeric growth was that of Hospitals with an increase of 12,803 workers between 2004 and 2009 as several new hospitals opened during the period.

ARTS, ENTERTAINMENT, AND RECREATION

This sector experienced a moderate drop from 2004 to 2009 with a 2.84% decrease. The Amusements, Gambling, and Recreation industry went from an initial 34,680 in 2004 to 33,043 in 2008, a 4.72% drop. The most significant drop within the overall sector occurred from 2004 to 2005, with employment falling from 45,316 to 44,676, a 1.41% decrease. This decrease was attributed to a loss of 624 workers in the Amusements, Gambling, and Recreation sub sector.

ACCOMMODATION AND FOOD SERVICES

The Accommodation and Food Services sector climbed from an initial level of 231,289 workers in 2004 to 235,264 in 2009, a 1.72% growth rate. The Food Services and Drinking Places sub sector made up the majority of the gain, adding 3,595 jobs for a 1.71% increase.

OTHER SERVICES

Included in the Other Services sector are the sub sectors of: Repair and Maintenance, Personal and Laundry Services, Member Associations and Organizations, and Private Households. This sector decreased by 3,141 workers between 2004 and 2009.

PUBLIC ADMINISTRATION

The Public Administration sector grew by 1,794 employees between 2004 and 2009, representing a 1.38% growth rate. Of the eight existing sub sectors within Public Administration, the sub sector of Executive, Legislative, and Other General Government Support experienced the most gains with an increase of 436 employees.

Location Quotients

The Bureau of Labor Statistics defines a location quotient as the ratio that compares the concentration of a resource or activity, such as employment, in a defined area to that of a larger base. Location quotients are very important for identifying an area's employment strengths and weaknesses. In Table 2 Indiana industry sector location quotients have been calculated for jobs with a U.S. base.

Location quotients identify export and import industries in an area. An export industry is an industry that produces more of a good or service than is needed to meet area demand. An import industry is an industry that produces less than enough of a good or service to meet area demand.

A location quotient greater than 1.0 has proportionately more workers than the larger comparison area (or base) and therefore suggests that more of a product is being produced than can be consumed by the area residents. Consequently, an LQ greater than 1.0 is considered to be an exporter. A location quotient less than 1.0 has proportionately less workers than the base and this suggests that less of a product is being produced than can be consumed locally. Consequently, an LQ less than 1.0 is considered to be an importer. This can indicate an opportunity to develop certain industries in the area to meet demand.

Looking at Table 2, it is apparent that the sectors of Manufacturing (1.74) and Utilities (1.27) are two examples of high location quotient/export industries within Indiana. Also from the table above, sectors Mining (0.46) and Agriculture, Forestry, Fishing, and Hunting (0.51) are two examples of low location quotient/import industries within Indiana.

Table 3 lists the top 10 industry sub sector LQs for Indiana. Sub sectors within manufacturing dominate the list, taking eight out of the ten spots. Outside of manufacturing, the two sub sectors with the highest LQ's are Truck Transportation followed by Warehousing and Storage, both taking advantage of Indiana's central location as a distribution hub.

TABLE 2
INDIANA INDUSTRY SECTOR LOCATION QUOTIENTS

NAICS	INDUSTRY	JOBS LQ (U.S. Base)
11	Agriculture, Forestry, Fishing, and Hunting	0.51
21	Mining	0.46
22	Utilities	1.27
23	Construction	0.94
31-33	Manufacturing	1.74
42	Wholesale Trade	0.97
44-45	Retail Trade	0.99
48-49	Transportation and Warehousing	1.20
51	Information	0.62
52	Finance and Insurance	0.79
53	Real Estate and Rental and Leasing	0.78
54	Professional and Technical Services	0.59
55	Management of Companies and Enterprises	0.69
56	Administrative and Waste Services	0.91
61	Educational Services	0.89
62	Health Care and Social Assistance	1.01
71	Arts, Entertainment, and Recreation	1.04
72	Accommodation and Food Services	0.98
81	Other Services	0.86

Source: U.S. Bureau of Labor Statistics (BLS) using 2009 annual average employment

TABLE 3
INDIANA TOP 10 INDUSTRY SUB SECTOR LOCATION QUOTIENTS

NAICS	INDUSTRY	JOBS LQ (U.S. Base)
331	Primary Metal Manufacturing	5.03
336	Transportation Equipment Manufacturing	2.99
337	Furniture and Related Product Manufacturing	2.45
339	Miscellaneous Manufacturing	2.34
326	Plastics and Rubber Products Manufacturing	2.34
484	Truck Transportation	1.79
325	Chemical Manufacturing	1.70
333	Machinery Manufacturing	1.69
332	Fabricated Metal Product Manufacturing	1.64
493	Warehousing and Storage	1.58

Source: U.S. Bureau of Labor Statistics (BLS) using 2009 annual average employment

Wages

Average annual weekly wages are affected by the ratio of full-time to part-time workers as well as the number of individuals in high-paying and low-paying occupations. All twenty of Indiana's industry sectors had an increase in annual average weekly wages from 2004 to 2009 (Table 4). Some sectors experienced a more dramatic percentage change while other sectors were a little more modest in their increase. The Construction sector had the largest percentage increase with a 19.55% change from 2004 to 2009. The Agriculture, Forestry, Fishing, and Hunting and Public Administration sectors also posted high percentage increases at 18.37% and 18.22% respectively. From an initial weekly wage of $873 in 2004 to $1,029 in 2009, the Professional and Technical Services sector also rose dramatically over the period for a 17.87% increase. The lowest percentage increase was within the Retail Trade sector at 6.80% for the five year period.

TABLE 4
INDIANA AVERAGE WEEKLY WAGES BY INDUSTRY, 2004 and 2009

Industry	2004	2009	% Change
Agriculture, Forestry, Fishing, and Hunting	$490	$580	18.37%
Mining	$958	$1,112	16.08%
Construction	$757	$905	19.55%
Manufacturing	$916	$1,007	9.93%
Utilities	$1,209	$1,410	16.63%
Wholesale Trade	$887	$999	12.63%
Retail Trade	$412	$440	6.80%
Transportation and Warehousing	$704	$747	6.11%
Information	$766	$840	9.66%
Finance and Insurance	$931	$1,003	7.73%
Real Estate, Rental and Leasing	$555	$632	13.87%
Professional and Technical Services	$873	$1,029	17.87%
Management of Companies and Enterprises	$1,285	$1,386	7.86%
Administrative and Waste Services	$437	$512	17.16%
Educational Services	$637	$705	10.68%
Health Care and Social Assistance	$672	$770	14.58%
Arts, Entertainment, and Recreation	$496	$544	9.68%
Accommodation and Food Services	$223	$248	11.21%
Other Services	$434	$492	13.36%
Public Administration	$653	$772	18.22%

Source: IDWD, Quarterly Census of Employment and Wages(QCEW)

SECTION 2

Education

Educational Attainment and Population

Indiana is the 16th most populous state in the United States. The capital and largest city is Indianapolis. From 2000 to 2008, the Indianapolis Metropolitan Statistical Area ("MSA") has grown by 12.5%. While Indiana's educational attainment rate for bachelors' degrees has lagged the nation and several neighboring states, estimates from Census 2000 and the 2001-2008 American Community Surveys indicate that between 2000 and 2008, the number of individuals with "some college", associates' degrees and bachelors' degrees were increasing at a substantially higher rate than the population 25 years and over.

TABLE 5
EDUCATIONAL ATTAINMENT, INDIANA POPULATION 25 YEARS & OVER

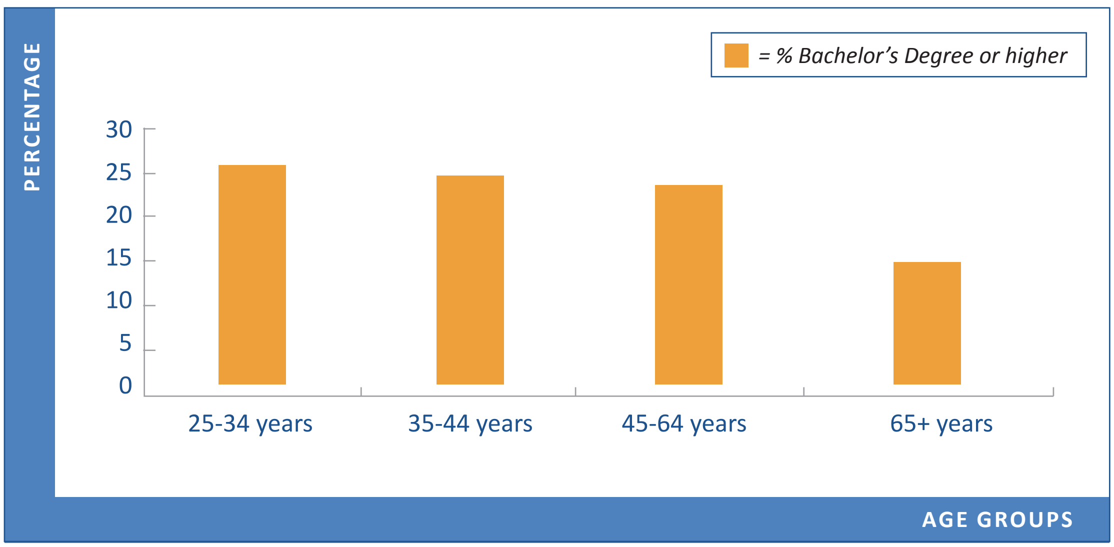
Year	Some college, no degree	Associate degree	BA/BS or Above	Population 25 Years and Over
2000	727,387	210,265	749,872	3,893,278
2001	739,281	244,714	789,776	3,882,504
2002	725,926	219,712	794,098	3,845,706
2003	747,449	253,224	811,771	3,863,200
2004	768,437	250,762	838,435	3,889,833
2005	789,952	276,886	840,876	3,956,723
2006	793,292	296,052	891,489	4,110,754
2007	803,293	293,297	914,471	4,143,159
2008	866,304	313,410	956,371	4,177,420
2000-2008	19.1%	49.1%	27.5%	7.3%

Source: Census 2000, 2001-2008 American Community Survey (ACS)

Indiana's excellent state colleges and universities attract students from around the county (the state ranks 5th nationally in terms of net in-migration of college freshman, according to the National Center for Education Studies). These schools also aid in research and development efforts, assist in the formation of small business "incubators" and award advanced degrees in fields as varied as engineering, economics and pharmacy. In 2007, based on a National Science Foundation (NSF) survey, among the nation's universities, Indiana ranked 19th in the nation in Academic Research & Development from Institutional funding (including grants and endowments), 15th in terms of Industry (for-profit entities) funding and 15th in funding from "All Other" sources. In the National Science Foundation 2005-2007 Science and Engineering State Profiles report, Indiana ranks in the top 20 for numbers of Doctoral Scientists, Science and Engineering (S&E) doctorates awarded. Indiana University, Purdue University and the University of Notre Dame have all been included in the Financial Times rankings of the world's top business schools.

Adults 65 years and older in Indiana are less likely than their younger counterparts to have completed at least a bachelor's degree (Figure 1). Of those in the 25-34 year age group, 26.5% hold a bachelor's degree while only 15.3% in the 65+ age group have completed that degree.

FIGURE 1
INDIANA EDUCATIONAL ATTAINMENT OF THE POPULATION 25 YEARS AND OVER BY AGE, 2008

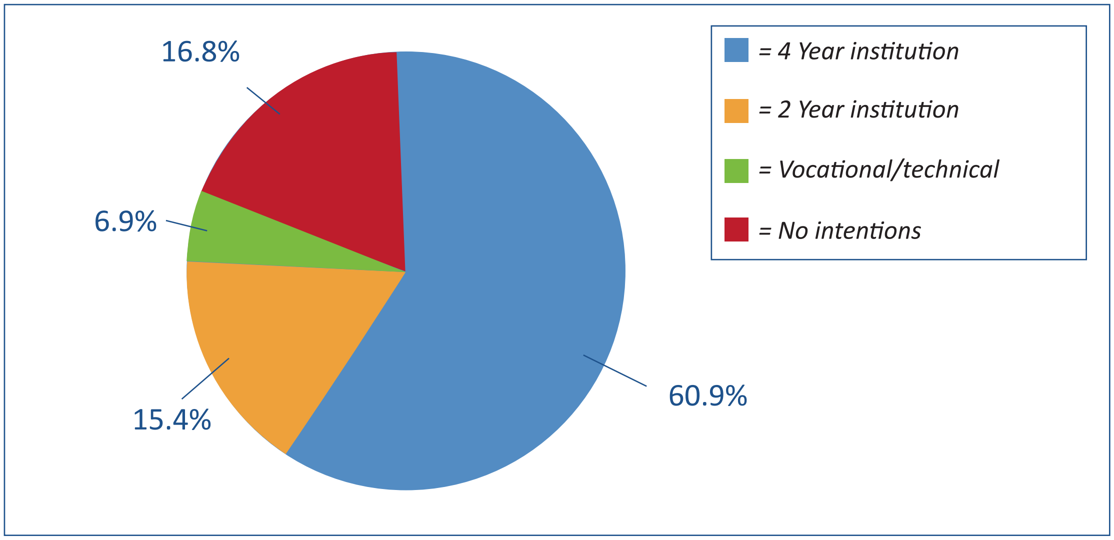


Source: *U.S. Bureau of Census, American Community Survey (ACS)*

Educational Intentions

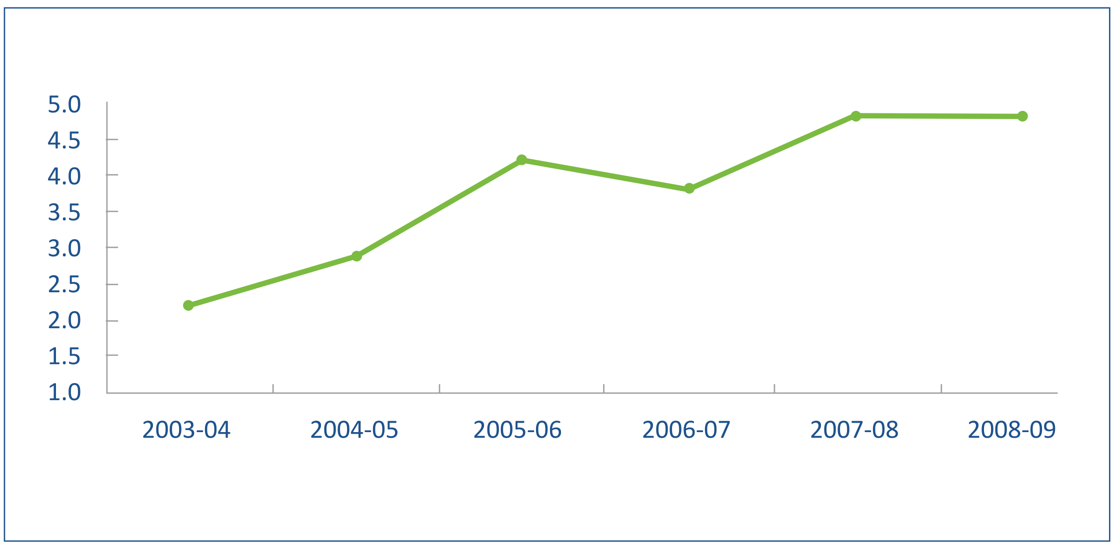
According to 2007 data from the Indiana Department of Education, 83.2% of Indiana high school graduates intend on seeking some form of higher education. Within that group, approximately sixty-one percent of high school graduates expected to attend a 4 year institution. However, roughly seventeen percent of those surveyed reported no intentions for post high school education. See Figure 2.

FIGURE 2
INDIANA HIGH SCHOOL GRADUATES' INTENTIONS FOR HIGHER EDUCATION, 2007



Source: *Indiana Department of Education (IDOE)*

FIGURE 3
ISTEP PERCENTAGE PASS BOTH ENGLISH AND MATH (PUBLIC AND NON-PUBLIC)



Source: *Indiana Department of Education (IDOE)*

Indiana Statewide Testing for Educational Progress - ISTEP

All students in Indiana, grades 3 through 10, take the ISTEP test (Indiana Statewide Testing for Educational Progress). This testing for language and math skills is crucial for progression through each scholastic year and students must pass in the 10th grade in order to qualify for graduation. The percentage of students who have passed the ISTEP test in both public and nonpublic schools has been increasing each year, with the exception of the 2006-07 school year. In 2008-09, the percentage passing matched the percentage from the previous school year. See Figure 3 above.

SECTION 3

Workforce Transition

Unemployment Rates

From 1996 to 2004, Indiana's unemployment rate was below the national average. Although a national recession was a contributor to a rate climb beginning in 2001, the Hoosier state still managed to outperform the nation for the next four years. The unemployment rate went above the national average in 2005 and 2006, but rebounded with a 4 point decrease in 2007 to match the U.S. average. Both the state and national rate have seen a significant increase in 2009. See Figure 4 (page 22.)

The annual average unemployment rates for 2009 varied from region to region in comparison to the state as a whole. Several of the counties in the central and southwest parts of the state had rates lower than the state rate of 10.1. Many eastern counties as well as counties to the north were among those experiencing rates higher than the state rate of 10.1.

TABLE 6
INDIANA UNEMPLOYMENT RATES, NON-SEASONALLY ADJUSTED
(ANNUAL AVERAGES OF MONTHLY DATA)

Year	Indiana	U.S.
1996	3.9	5.4
1997	3.3	4.9
1998	2.9	4.5
1999	2.9	4.2
2000	2.9	4.0
2001	4.2	4.7
2002	5.2	5.8
2003	5.3	6.0
2004	5.3	5.5
2005	5.4	5.1
2006	5.0	4.6
2007	4.6	4.6
2008	5.8	5.8
2009	10.1	9.3

Source: *IDWD, Local Area Unemployment Statistics (LAUS)*

MAP 3
COUNTY UNEMPLOYMENT RATES ANNUAL AVERAGES, 2009

The following map is a comparison of unemployment rates for Indiana counties to the state rate as a whole. All rates are non-seasonally adjusted.

- = *Lower than State - 10.0*
- = *Same as State - 10.1*
- = *Higher than State*

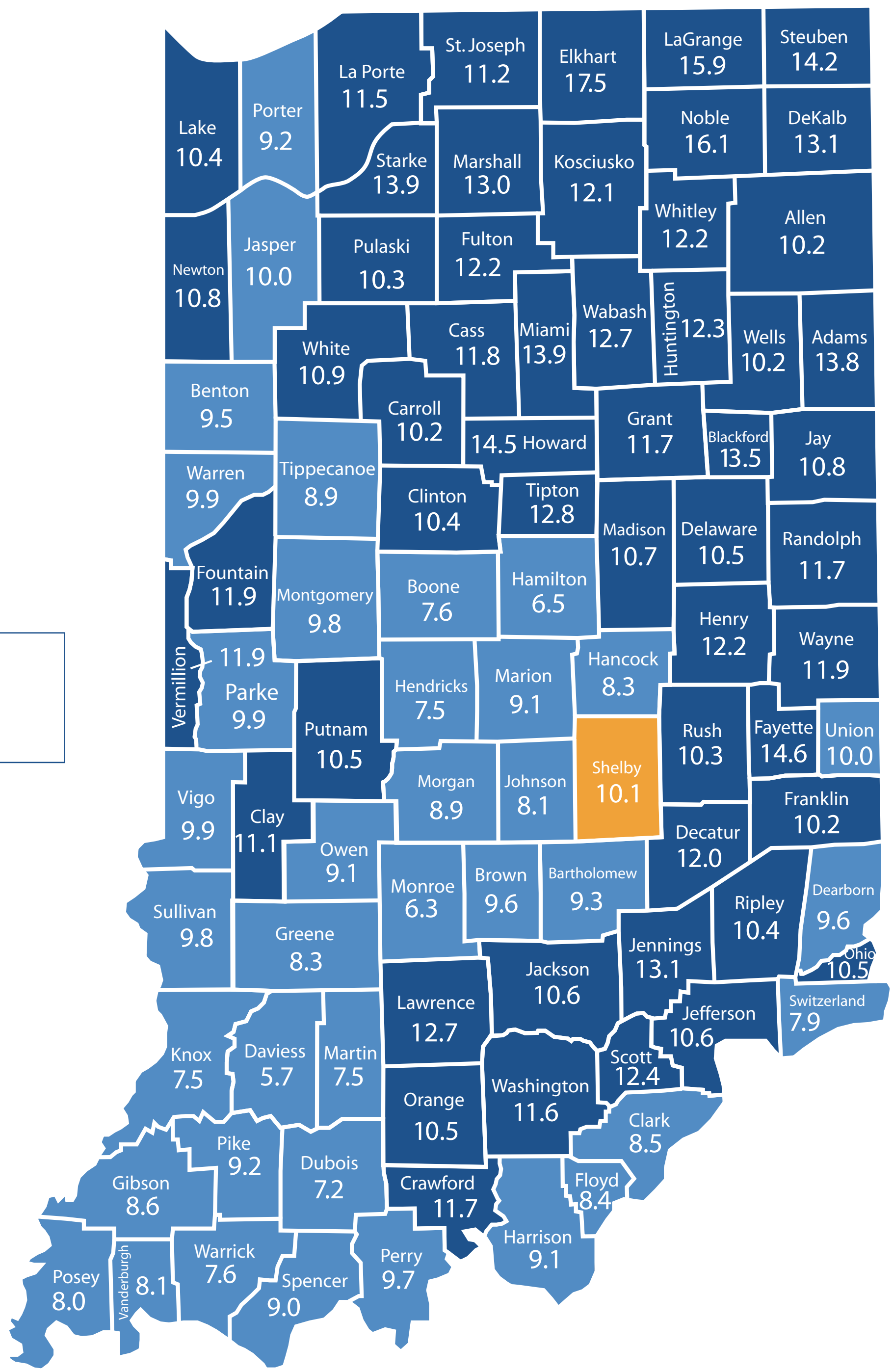
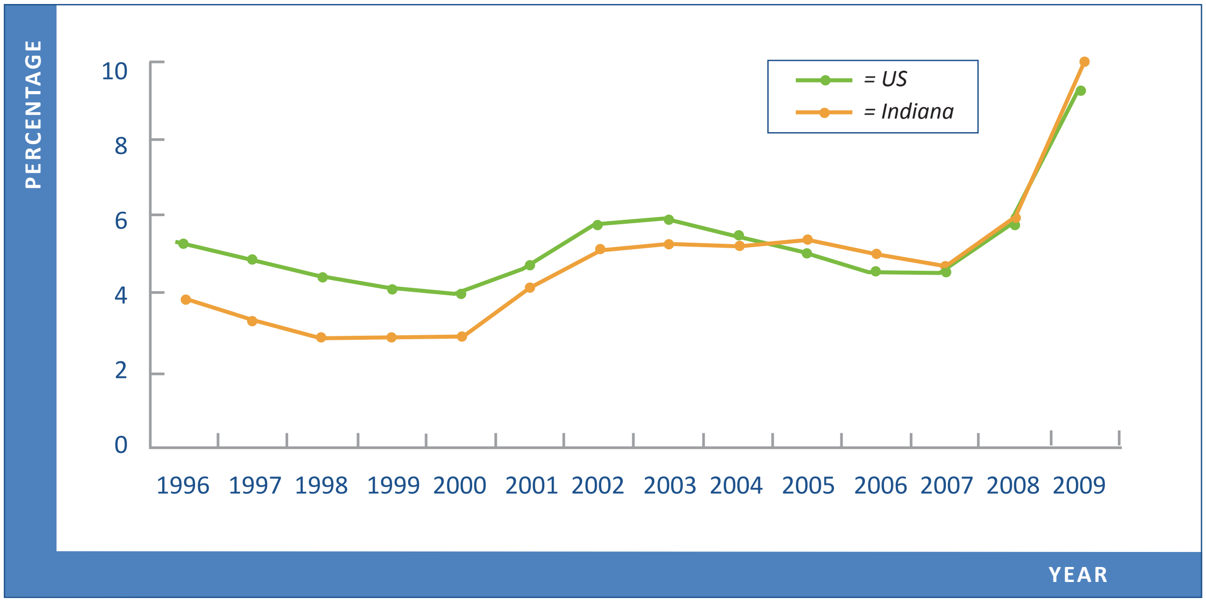


FIGURE 4
UNEMPLOYMENT RATE, N.S.A., 1996-2009



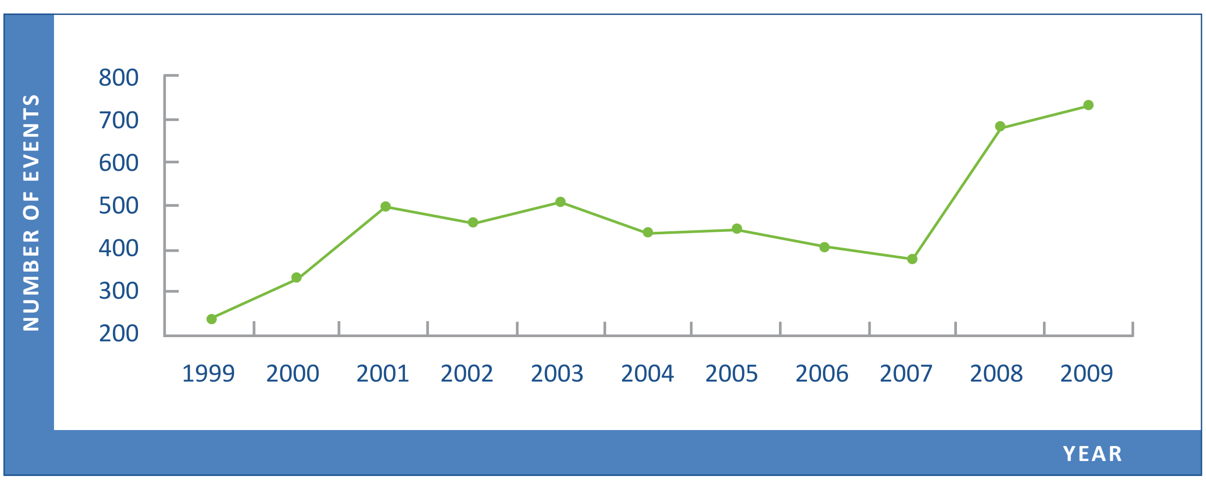
Source: *IDWD, Local Area Unemployment Statistics (LAUS)*

Mass Layoff Events

According to the Bureau of Labor Statistics, a mass layoff event is triggered when the number of persons filing an initial claim for unemployment benefits with an employer reaches 50 within any consecutive five-week period. In Figure 5, the number of mass layoff events in Indiana is graphed annually for the time period of 1998 to 2009.

Although the number of mass layoff events increased from 2000 to 2004, from 2005 to 2007 the number of events experienced a gradual decrease. In 2007, Indiana had 375 mass layoff events which was the lowest number of annual events since the year 2000. In 2008 and 2009, the statistics experienced a steep climb with 680 and 730 mass layoff events respectively.

FIGURE 5
INDIANA ANNUAL MASS LAYOFF EVENTS, 1999-2009



Source: *U.S. Bureau of Labor Statistics (BLS)*

SECTION 4

Occupations

Jobs in Demand

The occupations expected to see the most total growth in new jobs (as opposed to replacement workers), over the next decade are listed below. Registered nurses continue to top the list, as well as many service-support occupations. The demand for Truck Drivers, Heavy and Tractor-Trailer is also robust. Some of the fastest growing occupations are: Computer Software Engineers, Computer Systems Analysts, Medical Assistants, and Pharmacy Technicians. These occupations are not seen on the listing of jobs with the highest growth in new jobs, as the total number of new jobs is lower. See Table 7 below.

TABLE 7
OCCUPATIONS WITH HIGHEST PROJECTED GROWTH, 2008-2018

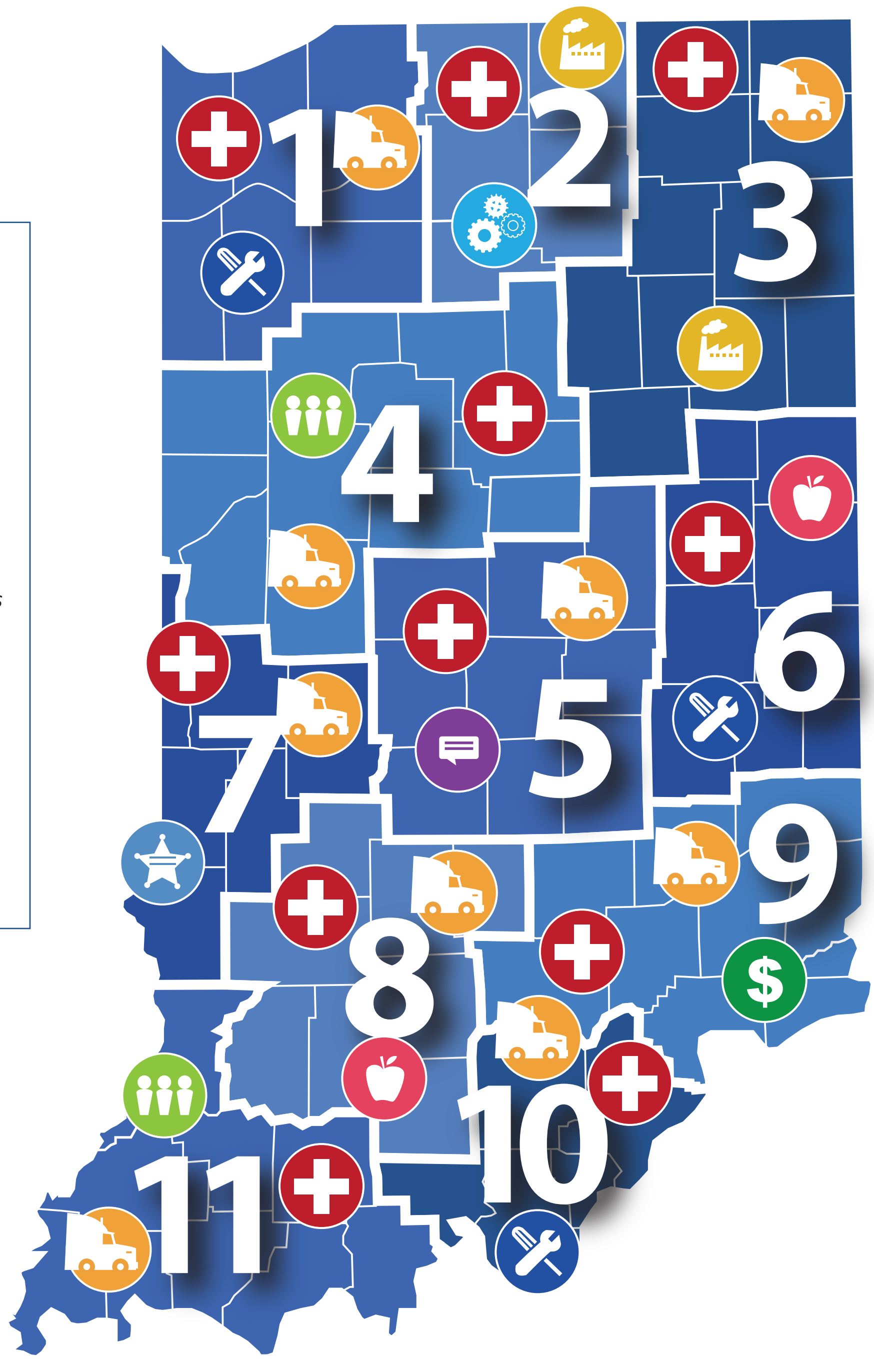
Occupational Title	2008 Employment	2018 Projection	Total Growth	10 Year Growth Rate
Total, All Occupations	**3,096,546**	**3,362,953**	**266,407**	**9%**
Registered Nurses	57,312	70,110	12,798	22%
Combined Food Preparation and Serving Workers, Including Fast Food	77,491	88,259	10,768	14%
Truck Drivers, Heavy and Tractor-Trailer	60,987	70,401	9,414	15%
Home Health Aides	12,903	19,728	6,825	53%
Retail Salespersons	95,950	102,728	6,778	7%
Nursing Aides, Orderlies, and Attendants	32,152	38,712	6,560	20%
Office Clerks, General	56,611	62,850	6,239	11%
Customer Service Representatives	37,479	43,446	5,967	16%
Janitors and Cleaners, Except Maids and Housekeeping Cleaners	49,411	56,985	7,574	15%
Personal and Home Care Aides	12,783	18,442	5,659	44%

Source: *IDWD, Occupational Projections*

MAP 4
ECONOMIC GROWTH REGIONS, 2009 TOP OCCUPATIONS

▶ *The following map shows the top 3 occupations of 2009 within each Indiana Economic Growth Region with wages above the state median wage of $30,620.*

- = *Registered nurses*
- = *Truck drivers, heavy duty*
- = *General maintenance and repair workers*
- = *Team assemblers*
- = *Customer service reps*
- = *Correctional officers and jailers*
- = *Elementary school teachers*
- = *Sales reps, wholesale and manufacturing*
- = *Production managers*
- = *Bookkeeping, accounting and auditing clerks*



Source: *Indiana Workforce Development, Research and Analysis, Occupational Employment Statistics*

TABLE 8
TOP 10 JOB LISTINGS, HOOSIER HOT 50 JOBS

	Skill Pathway	Job Title	2008	2018	Annual Openings	Annual Change	Ave. Wage	Education
1	Information	Computer Software Engineers, Applications	9,140	11,674	330	2.8%	$72,268	Bachelor's degree
2	Systems	Management Analysts	9,725	12,150	409	2.5%	$66,691	Bachelor's or higher degree, plus work experience
3	People	Physicians and Surgeons	13,023	16,276	555	2.5%	$166,400	First professional degree
4	Information	Network Systems and Data Communications Analysts	4,063	6,043	271	4.9%	$61,292	Bachelor's degree
5	People	Registered Nurses	57,312	70,110	2,281	2.2%	$56,393	Associate degree
6	Things	Construction Laborers	18,937	23,378	571	2.3%	$36,793	Moderate-term-on-the-job training
7	Systems	Supervisors of Construction Trades and Extraction Workers	13,528	16,103	519	1.9%	%57,377	Work experience in a related occupation
8	People	Industrial Engineers	6,453	7,265	246	1.3%	$69,087	Bachelor's degree
9	People	Counselors	11,004	13,085	431	1.9%	$49,249	Bachelor's degree
10	Systems	Accountants and Auditors	20,449	24,004	701	1.7%	$55,909	Bachelor's degree

*Source: IDWD, Economic and Market Analysis (EMA) *wages based on 2009 OES Wage Survey*

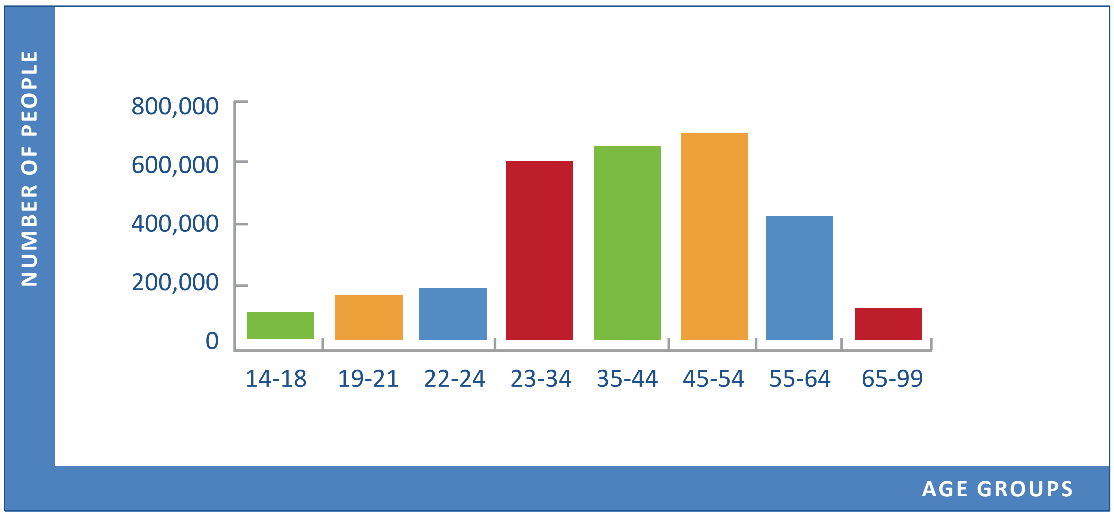
Hoosier Hot 50 Jobs

The 2010 Hoosier Hot 50 Jobs is a list of high wage growth occupations in Indiana, ranked according to a single index of eight weighted occupational measures of growth and opportunity for Hoosier workers now and into the future. The four sources that are used to determine the 2009 Hoosier Hot 50 jobs list are: Indiana 2008-2018 Long Term Occupational Projections, Indiana 2010-2012 Short Term Occupational Projections, Indiana Occupational Employment Statistics Wage Survey 2009 (OES) and job postings from the Conference Board's Help Wanted On-Line series, analyzed using Wanted Analytics (from Wanted Technologies). The eight measures are: Long Term Growth 2008-2018 (numeric and percent change), Short Term Growth 2010-2012 (numeric and percent change), Long and Short Term Job Openings (openings due to growth plus openings due to worker replacements), 2010 Help Wanted On-Line job postings through June 30 and Indiana 2009 OES Occupational Median Wages. Table 8 above shows the Top 10 listing in the Hoosier Hot 50 Jobs.

SECTION 5

Workforce and Industry Composition

FIGURE 6
INDIANA EMPLOYMENT DISTRIBUTION BY AGE GROUPS, 2008



Source: *U.S. Bureau of Census, American Community Survey (ACS)*

Age Groups of the Workforce

Indiana's employment distribution is dominated by three of the eight age groups shown in Figure 6. According to 2008 Local Employment Dynamics (LED) data, the three youngest age groups were composed of somewhat modest employment before spiking dramatically at the 25-34 age range. Specific data shows that 592,080 Indiana workers were between the ages of 25 and 34; 636,207 of the workers were between the ages of 35 and 44; and 676,673 of the workers were between the ages of 45 and 54. These numbers decrease significantly as many of Indiana's employees enter the most common age ranges (55-99) for retirement.

As many of the Hoosier state's youth complete their college educations, the result is a surge in the employment concentration within the 25-34 age group. However, the percentage of Indiana workers in the 25-34 age group is higher for some industry sectors than others. Listed in (Table 9) are the top 5 industry sectors for the percentage of workers in the 25-34 age group for 2008.

TABLE 9
TOP 5 SECTORS IN PERCENTAGE EMPLOYED FOR (25-34 AGE GROUP), 2008

NAICS Sector	Average Annual Employment (25-34 Age Group)	Average Annual Employment (All Age Groups)	% of Employed in Sector (25-34 Age Group)
Professional, Scientific, and Technical Services	25,526	98,826	25.83%
Administrative Support/Waste Management	39,137	156,251	25.05%
Construction	35,741	141,789	24.50%
Finance and Insurance	22,867	97,748	23.39%
Health Care and Social Assistance	81,322	362,271	22.49%

Source: U.S. Bureau of Census, Local Employment Dynamics (LED)

Race/Ethnicity in the Workforce

The composition of minorities employed in the workforce has increased by 14.8% since 2000. The category of Hispanic Origin saw the greatest increase with a 39.7% change from 2000 to 2008. Asians saw the second largest jump in employment, with an increase of 32.6%. Other Races experienced an increase of 24.9% over this time period. The largest decrease was with the American Indian/Alaska Native group at a 25.4% drop. The categories of Blacks and Whites experienced slight movement in overall employment, with Blacks experiencing an increase of 1.2% while Whites experienced a decrease of 1.9%. See Table 10 below.

TABLE 10
RACE/ETHNICITY IN THE WORKFORCE, 2000 and 2008

Source: U.S. Bureau of Census (2000 Census) , American Community Survey (ACS) 2008

Females in Real Estate Rental and Leasing

Real Estate and Rental and Leasing is an important industry for the Indiana economy. Many sub sectors within this industry grouping have traditionally employed a large percentage of females, as seen in Table 11 below.

TABLE 11
REAL ESTATE AND RENTAL AND LEASING SUB SECTORS IN PERCENTAGE OF FEMALES EMPLOYED, 2008

Sub Sector	Average Annual Female Employment (2008)	% of Females in Sub Sector
Real Estate Agents and Brokers	**2,578**	**65%**
Activities related to Real Estate	4,599	50%
Lessors of Real Estate	5,004	49%
Consumer Goods Rental	2,845	49%
Lessors of Nonfinancial Intangible Assets	134	48%
Commercial and Industrial Machinery and Equipment Rental	535	30%
General Rental Centers	231	23%
Automotive Equipment Rental and Leasing	802	22%
Public Administration	66,548 (58%)	47,475 (42%)

Source: *U.S. Bureau of Census, Local Employment Dynamics (LED)*

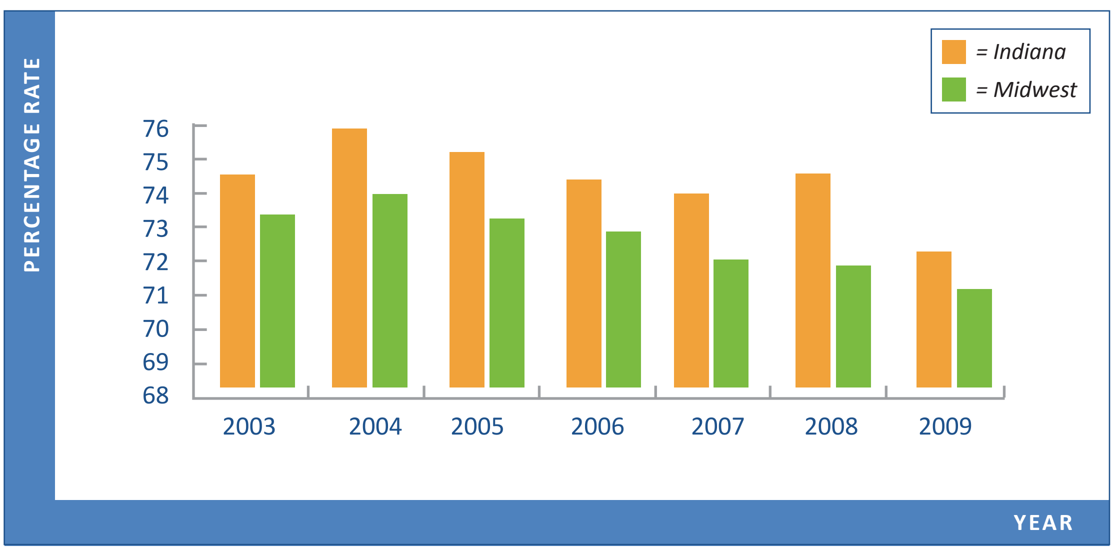
SECTION 6

Housing

Homeownership Rates

According to data from the U.S. Bureau of Census's Housing Vacancy Survey (HVS), from 2003-2009 Indiana maintained a higher percentage of homeownership in comparison to the Midwest region as a whole. In 2003, Indiana had a rate of 74.4% to the Midwest's 73.2% and this higher rate was kept by the state for every year leading up to 2009 where Indiana finished with a homeownership rate of 72.0% to the Midwest's 71.0%. For a year by year comparison, see Figure 7.

FIGURE 7
INDIANA AND MIDWEST HOMEOWNERSHIP RATES, 2003-2009



Source: U.S. Bureau of Census, Housing Vacancy Survey (HVS)
** Midwest: Illinois, Indiana, Michigan, Ohio, Wisconsin, Iowa, Kansas, Minnesota, Missouri, Nebraska, North Dakota, South Dakota*

Housing Permits

For the past couple of years, the nation has been gripped with a widespread housing crisis. This crisis has had an effect on Indiana as well, as home building permits have fallen considerably. As shown in Figure 8, the number of permits authorized has been falling since 2002, but have dropped more sharply in the last four years.

FIGURE 8
INDIANA TOTAL PRIVATELY OWNED HOUSING UNITS AUTHORIZED BY BUILDING PERMITS, 2000-2009

Source: *U.S. Bureau of Census*

2010 Update

The recession disproportionately impacted the manufacturing sector, particularly in Indiana where manufacturing is 15.8% of Indiana's total non-farm employment (June 2010) and 176% of the national concentration. The fallout from the recession brought to light the critical need to expand the workforce and enhance worker training. Targeted training grants through the Department of Labor are helping Department of Workforce Development staff and regional workforce entities marshal the resources necessary to design and implement training plans to address the skill gaps which have emerged.

Indiana's focus on training the workforce has started to translate into encouraging signs of economic recovery. In Elkhart County, home to Indiana's recreational vehicle industry and considered a "poster city" for the recession, the unemployment rate has dropped from a high of 20.1% in March of 2009 to 13.7% in June 2010. Employment in Motor Vehicle Body and Trailer Manufacturing, while still more than 25% below 2008 levels, has recovered 5,500 jobs through June of 2010 – a rebound of over 28%. Motor Vehicle Manufacturing, aided by the start-up of Honda's new assembly plant in Greensburg Indiana, has added 3,000 jobs compared to June 2009 and reached a new peak employment level of 14,200 in June 2010.

Growth in Employment Services, often considered a precursor to more permanent employment, has grown by 36.5% over the year, adding over 21,000 workers between June 2009 and June of 2010. Industry reports suggest that employers may now be slower to convert temporary or contract laborers into permanent employees, citing caution about the rate and sustainability of the recovery. Still, even temporary employment allows workers the opportunity to display their talents, learn the specifics of the business and position themselves for more permanent employment down the road.

Indiana's construction industry also exhibited some encouraging movement during the first half of 2010, with year-to-date building permits for single family dwellings running 22% higher than the first six months of 2009. However, home buyer tax credits may have pulled demand forward into the first two quarters of this year, and the pace of building construction nationally is expected to slow for the remainder of 2010, given large inventories of existing homes.

While the recession has officially ended, much work remains to prepare the long-term unemployed to re-enter the workforce and to retain existing employers and attract new ones. Indiana's private sector employers added 43,100 jobs between December 2009 and September 2010, (based on seasonally-adjusted Current Employment Statistics estimates) a rate of 1.9% compared to a U.S. private sector job growth rate of 0.8%. This hiring has not yet been sufficient to dent the unemployment rate, but Indiana's recovery, like the nation's, may prove to be more gradual than from prior recessions. Labor market data on the composition, skill sets and skill gaps of the Hoosier labor force will continue to help inform and improve those efforts.

INDIANA
WORKFORCE
DEVELOPMENT
AND ITS WorkOne CENTERS

Indiana Department of Workforce Development

Indiana Government Center South
10 North Senate Avenue • Indianapolis, IN 46204

1-800-891-6499 or **www.in.gov/dwd**