

NORTHWEST INDIANA:

Regional Economic Trends and Opportunities

THE REGIONAL RECOVERY?



WELCOME

WELCOME

A 3D red line graph is positioned on a light gray grid background. The line starts on the left, fluctuates with several peaks and valleys, and then trends upwards to the right, ending in a large, prominent red arrow pointing towards the top right corner. The entire scene is rendered with soft shadows, giving it a three-dimensional appearance.

MARK MAASSEL
President & CEO, NWI Forum

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WELCOME TO VALPARAISO UNIVERSITY



Mark Heckler
President, Valparaiso University

UNIVERSITY PARTNERS



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UNIVERSITY
NORTH CENTRAL

Dr. Virginia C. Shingleton



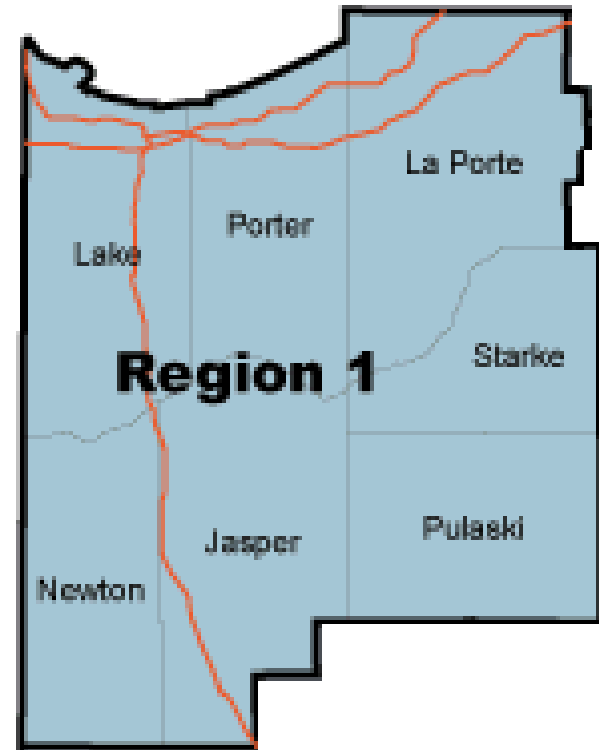
Scholar, Colleague, and Dear Friend

OPENING REMARKS & INTRODUCTIONS

A 3D red line graph is plotted on a light gray grid background. The line starts at the bottom left, fluctuates with several peaks and valleys, and then trends upwards towards the top right, where it ends in a large, thick red arrow pointing in the same direction. The overall image has a clean, professional look with a white background.

Don Babcock
Director of Economic Development,
NIPSCO

Lake
Porter
La Porte
Starke
Pulaski
Jasper
Newton



THE NORTHWEST INDIANA REGION

REGIONAL COUNCIL OF ECONOMIC ADVISORS

Participants:

Purdue University Calumet

Purdue University North Central

Valparaiso University

Indiana University Northwest

Ivy Tech Community College

Center of Workforce Innovations

Contributors

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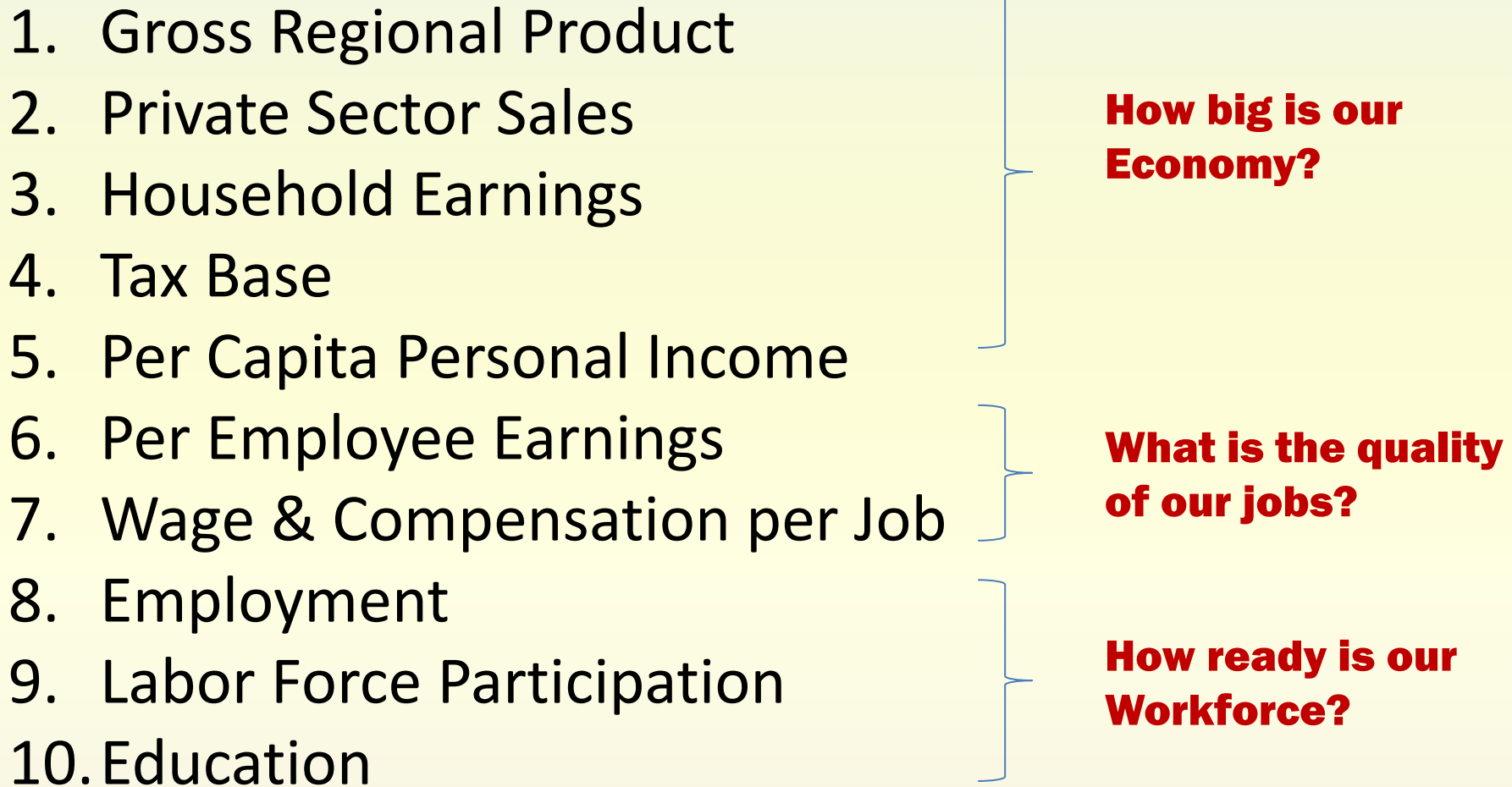
Today's Panel

- **Derek Bjonback**, Associate Professor of Business, Purdue University North Central
- **Tony Sindone**, Continuing Lecturer, Purdue University North Central
- **Paul McGrath**, Professor of Economics, Purdue University Calumet
- **Robyn Minton**, Vice President of Operations, Center of Workforce Innovations,
- **Surekha Rao**, President of the Indiana Academy of Social Sciences, Indiana University Northwest

Purpose/Goals

- Update and trend indicators to chart the economic state of the Region
- Provide the Region's economic dashboard
 - How did we fare in the recession?
 - What does Region's recovery look like?
 - Who are winners/losers coming out of 2008-2011?
 - Identify opportunities and threats to the Region's economy
- **What do we want the future to look like?**

Ten Key Indicators

- 
1. Gross Regional Product
2. Private Sector Sales
3. Household Earnings
4. Tax Base
5. Per Capita Personal Income
6. Per Employee Earnings
7. Wage & Compensation per Job
8. Employment
9. Labor Force Participation
10. Education
- How big is our Economy?**
- What is the quality of our jobs?**
- How ready is our Workforce?**

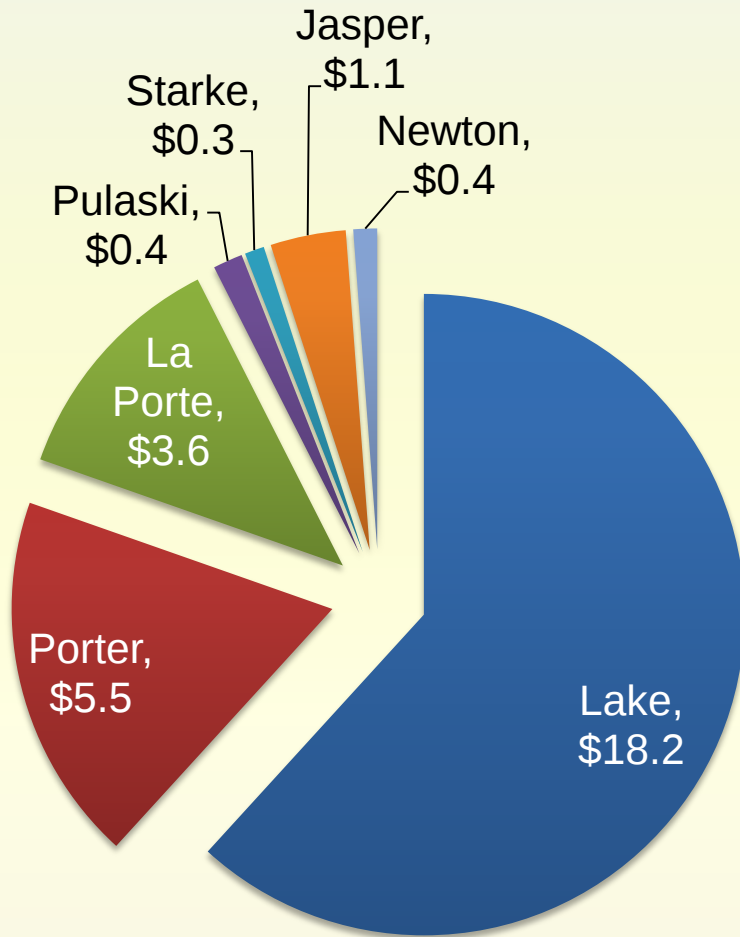
How big are we?

Total 2011 GRP
\$33,250,000,000!

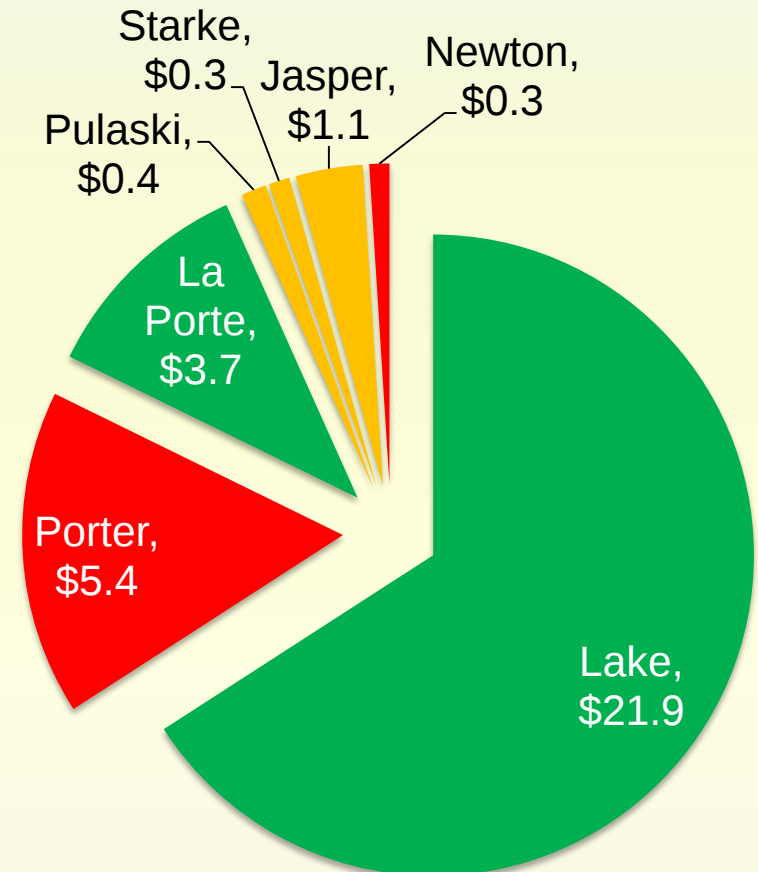
In 2008, that number was \$29,350,000,000.

GRP is the sum of all the economic activity within the Region. This includes consumer spending, business investment, government spending and net exports

Comparison of GRP Composition, in billions

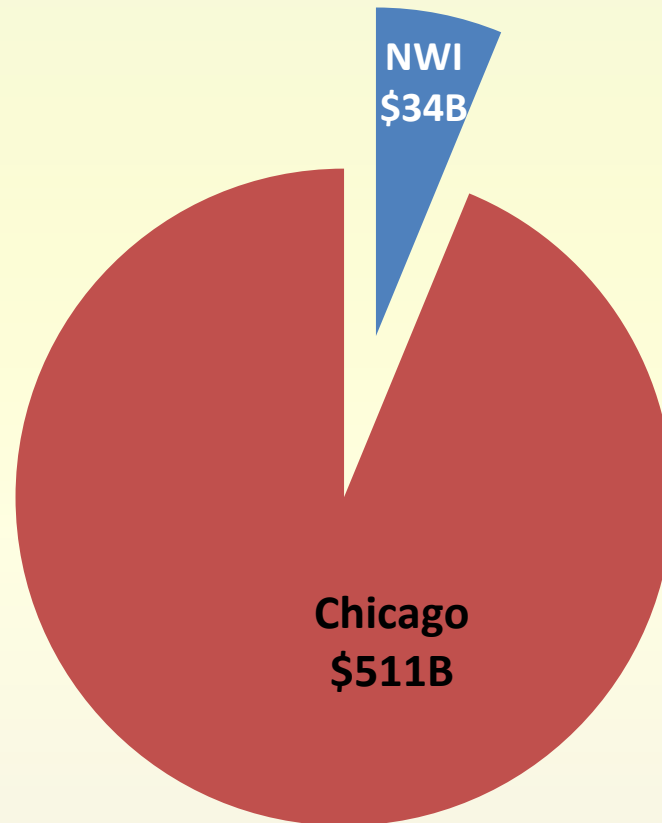


2008 GRP:
\$29,350,000,000



2011 GRP:
\$33,250,000,000

NWI GRP as Part of \$545 Billion Chicago Metro Economy



Private Sector Sales

Last summit, we were at **\$41B** (Q3 2011)

What are we at now?

\$43B

(Q4 2012)

*Private Sector Sales:
the dollar value of all sales in the Region*

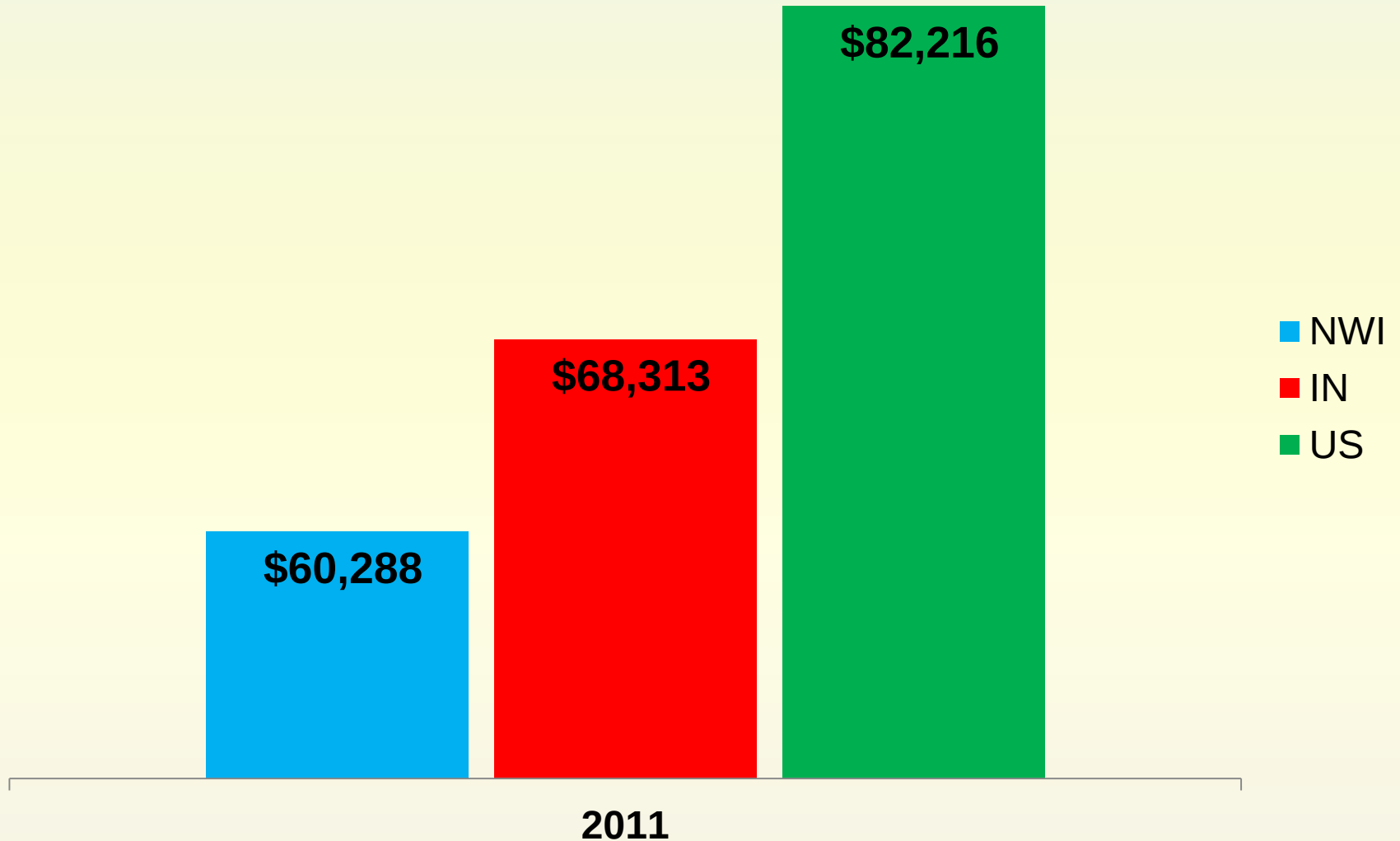
Household Earnings

Region: \$19.2 Billion (2011)

Comparing Change in Earnings over the Last Decade (2001-2011)

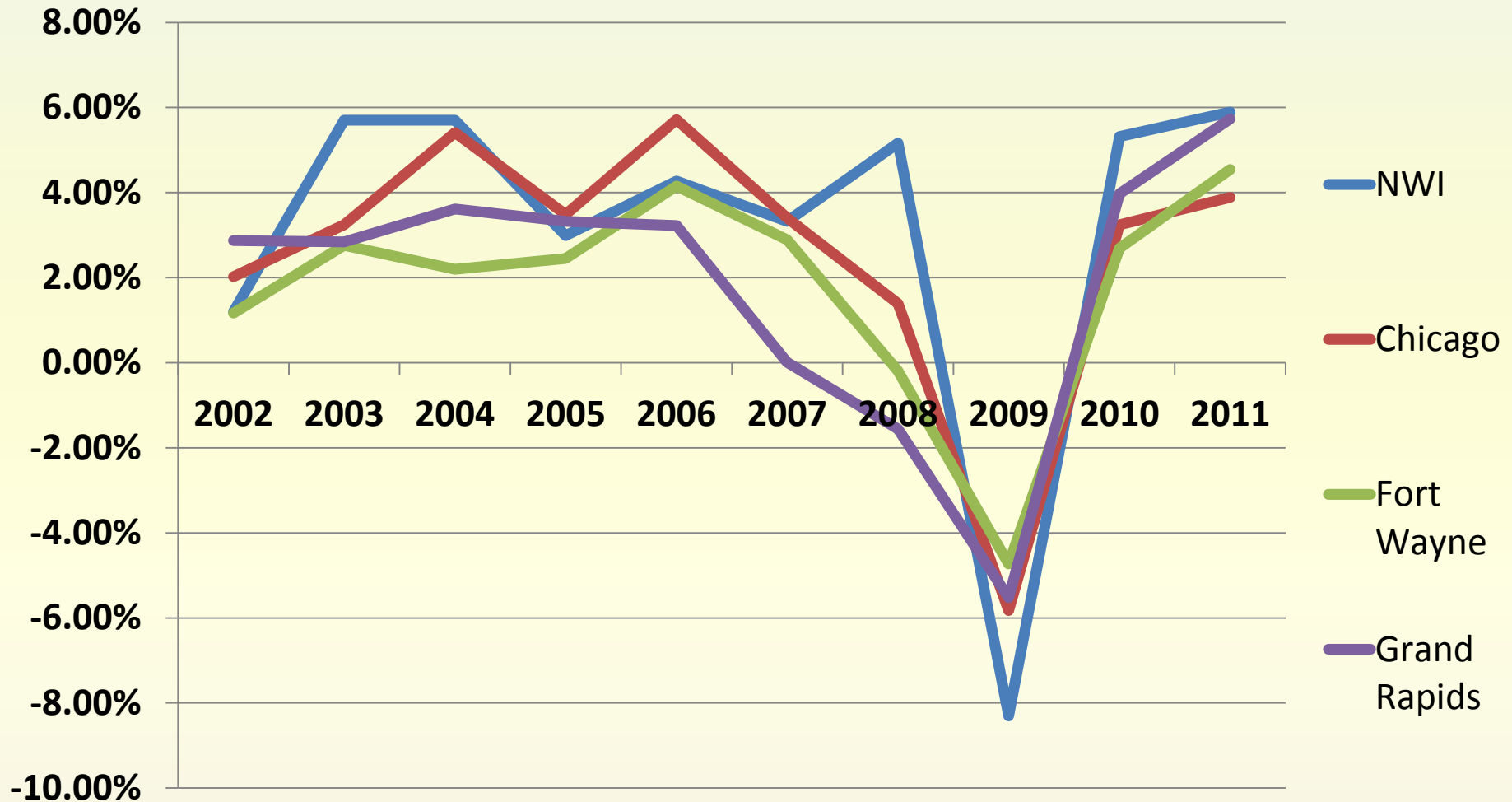
	EARNINGS GROWTH	% GROWTH
Northwest Indiana	\$5 B	35%
United States	2,610 B	38%
Indy Metro	15 B	35%
Chicago	76 B	29%
Fort Wayne	2 B	19%
Grand Rapids	4 B	20%

Per Household Earnings



Source: Bureau of Economic Analysis; U.S. Census Bureau

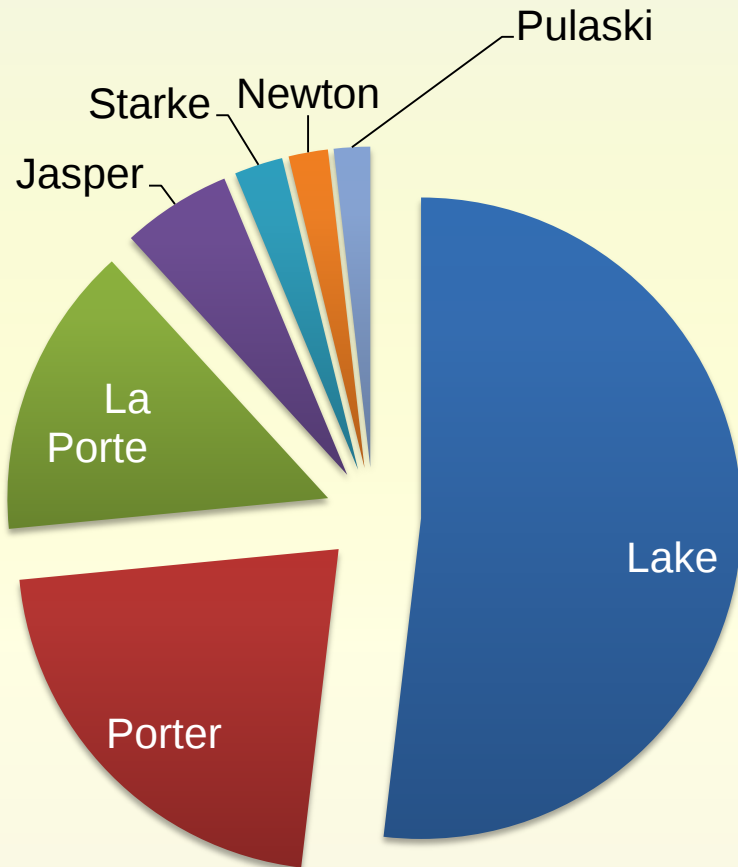
Yearly Percentage Growth in Earnings



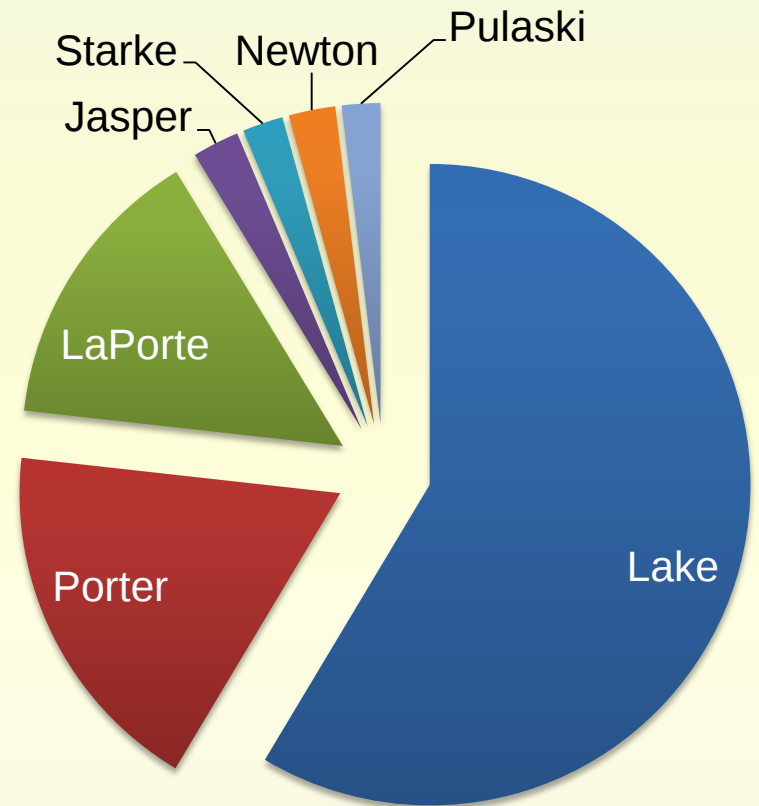
2012 Assessed Value/Tax Rates by County (in Millions)

County	Assessed Value	Tax Levy
Lake	\$20,470	\$96
Porter	8,526	30
La Porte	5,820	24
Jasper	2,181	4
Starke	966	3
Newton	782	4
Pulaski	721	3
NWI	\$39,465	\$164

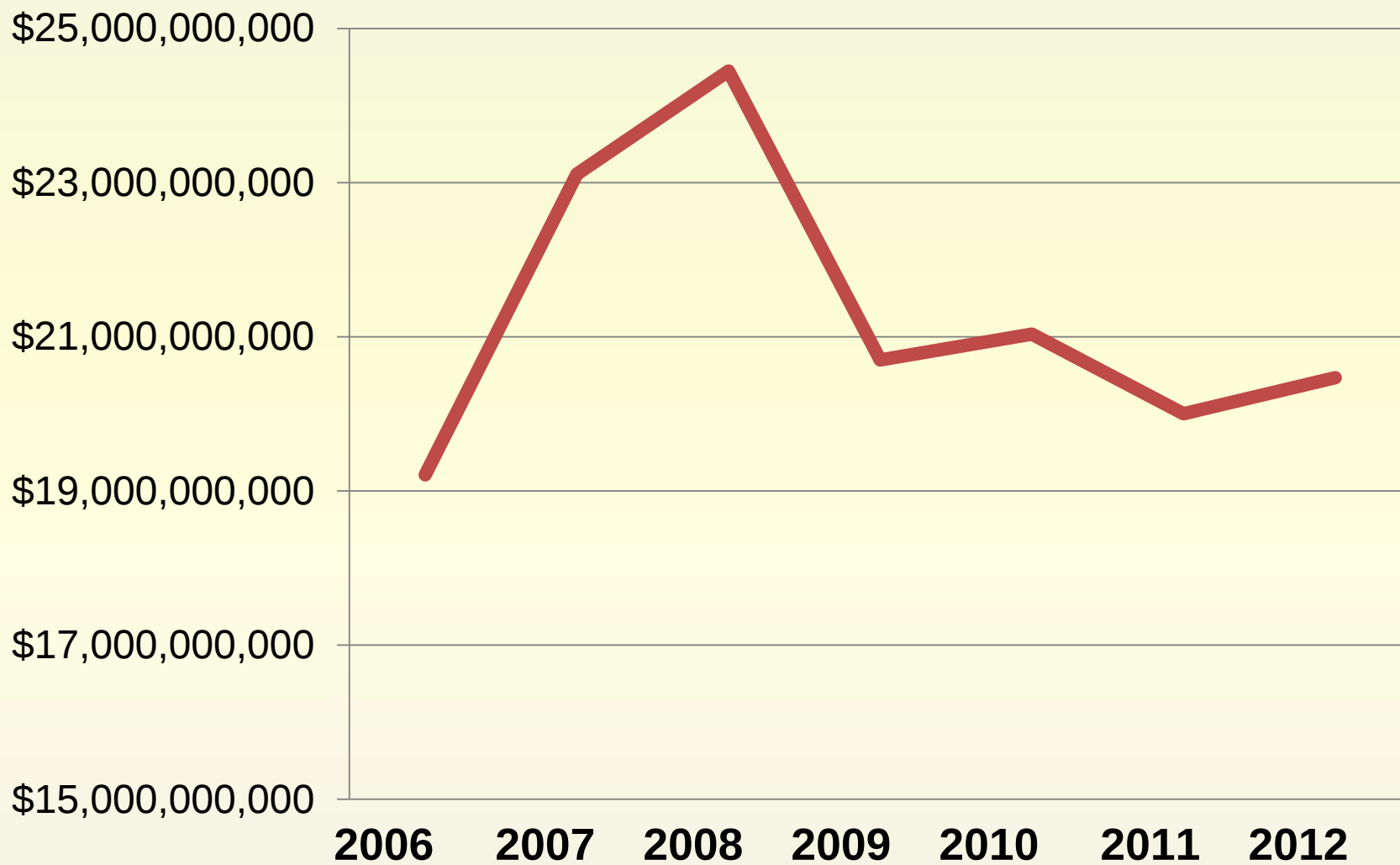
2012 Assessed Values



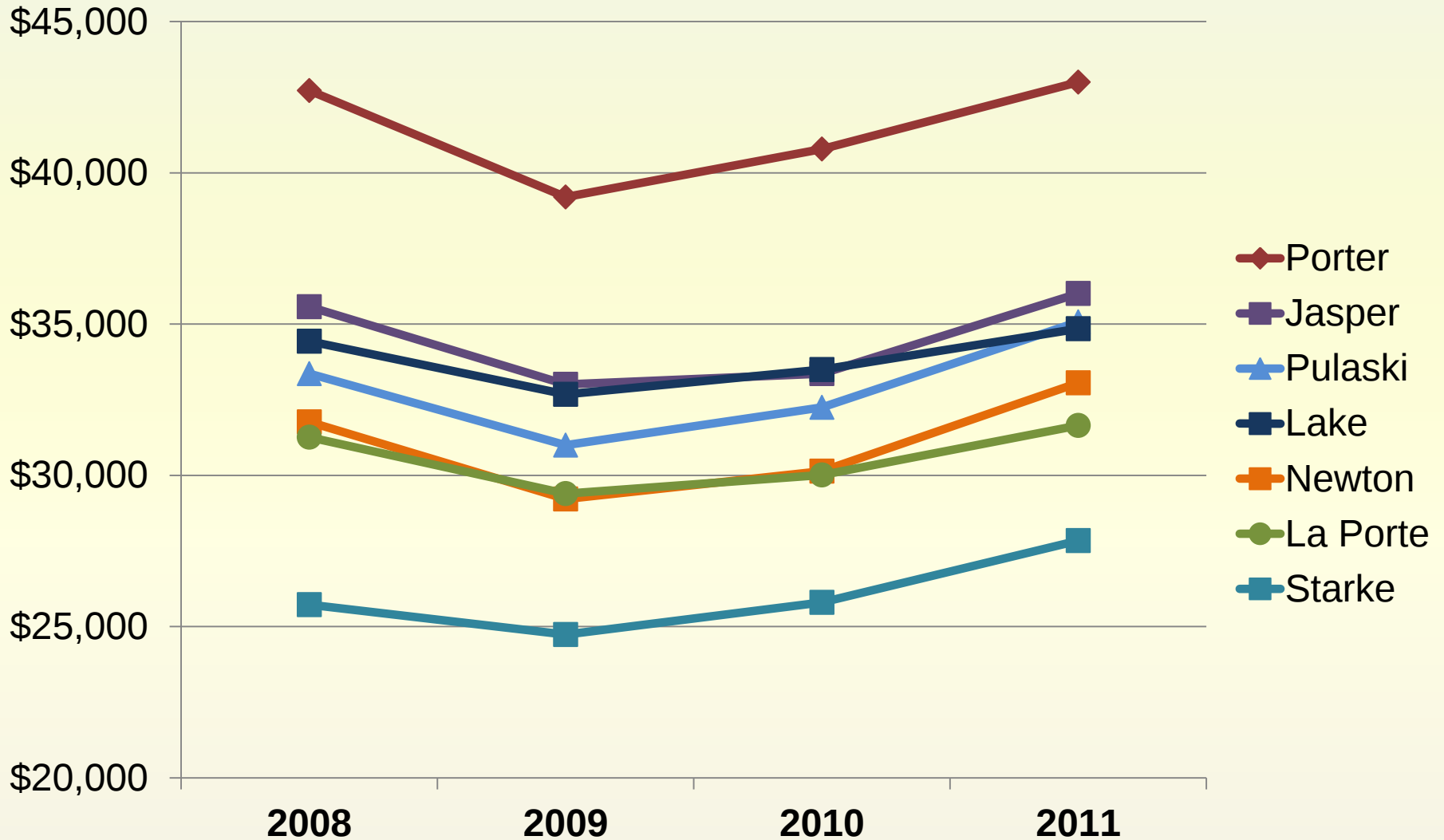
2012 Tax Levy



Lake County Certified Net Assessed Value



Per Capita Personal Income



What HAPPENED in the NWI economy?

What do the GRP, sales, investment, & personal income data tell us?

INDICATOR	Last Summit	Today
GROSS REGIONAL PRODUCT	\$29.3 B	\$33.2 B
PRIVATE SECTOR SALES	41 B	43 B
HOUSEHOLD EARNINGS	17.3 B	19.2 B
TAX BASE - ASSESSED VALUE	\$33.3 B	39.5 B
PER CAPITA PERSONAL INCOME	34,139	35,836

What is the Make-up of Our Economy?

- Biggest Industries
- Driver or Highest Growth Industries
- Declining Industries
- Industries Leading the Recovery
- Industries Lagging the Recovery
- A look at Exporting

Largest 12 Industries – 2011 Earnings

	Earnings (millions)	Examples
Primary metal manufacturing	\$2,107	Steel mills, foundries
Ambulatory health care services	2,003	Physicians, dentists, clinics
Local government	1,813	Schools, police, road services
Specialty trade contractors	1,059	Carpenters, electricians
Hospitals	912	In-patient services
Other services (except public administration)	808	Personal & repair, maintenance services
Professional, scientific, and technical services	666	Legal, accounting, engineering services
Wholesale trade	645	Sales to retail & business
Administrative and waste management services	547	Temp help, waste serv.
Truck transportation	472	Freight trucking
Petroleum and coal products manufacturing	472	Oil refineries, coke plants
Food services and drinking places	463	Restaurants & bars

Biggest Industries in Northwest Indiana

(By 2011 Earnings)

	NUMBER EMPLOYED	EARNINGS	AVERAGE WAGE
Primary metal manufacturing	19,626	\$2,107 M	\$87,464
Ambulatory health care services	15,608	2,003 M	52,936
Specialty trade contractors	16,130	1,059 M	67,432
Hospitals	15,648	912 M	47,788
Other services, except public administration	10,873	809 M	24,752

Biggest Industries in Each County

(By 2011 Earnings)

Lake	Porter	La Porte	Jasper	Newton	Pulaski	Starke
Primary metal mfg.	Primary metal mfg.	Hospitals	Farm earnings	Farm earnings	Manufacturing	Durable goods mfg.
Ambulatory health care	Specialty trade contractors	Machinery mfg.	Truck transport	Wholesale trade	Farm earnings	Farm earnings
Specialty trade contractors	Ambulatory health care	Ambulatory health care	Durable goods mfg.	Plastics and rubber products mfg.	Wholesale trade	Non-durable goods mfg.
Hospitals	Prof., sci., and tech. services	Primary metal mfg.	Wholesale trade	Truck transport	Other services, exc. Pub. Admin.	Wholesale trade
Wholesale trade	Admin. and support services	Wholesale trade	Non-durable goods mfg.	Primary metal mfg.	Truck transport	Accom. and food services

Regional Drivers: Highest Growth

2001-2011 Earnings (10 Years)

	CHANGE IN EARNINGS	% CHANGE	# JOBS (2011)	CHANGE IN JOBS	AVERAGE WAGE
Ambulatory health care services	\$535 M	76%	15,527	4,019	\$52,936
Specialty trade contractors	366 M	53	15,633	-160	67,432
Hospitals	333 M	58	15,648	1,913	47,788
Heavy and civil engineering construction	322 M	264	3,365	1,565	87,308
Primary metal manufacturing	315 M	18	19,213	-915	87,464
Farm earnings	292 M	291	1,788	-10	N/A
Petroleum and coal products manufacturing	288 M	156	2,033	59	66,726

Region Industries Leading the Recovery

2009 to 2011 Earnings (3 Years)

	EARNINGS GROWTH	% CHANGE	AVERAGE WAGE
Primary metal manufacturing	\$381 M	22%	\$87,464
Specialty trade contractors	234 M	28	67,432
Heavy and civil engineering construction	182 M	70	87,308
Farm earnings	172 M	78	N/A
Construction of buildings	120 M	35	69,264
Administrative and waste management services	73 M	16	22,620
Ambulatory health care services	68 M	4	52,936

Industries Leading the Recovery

2009 to 2011

Lake	Porter	La Porte	Jasper	Newton	Pulaski	Starke
Primary metal mfg.	Specialty trade contractors	Farm earnings	Farm earnings	Farm earnings	Farm earnings	Farm earnings
Heavy and civil engineering construction	Primary metal mfg.	Primary metal mfg.	Repair and maintenance	Plastics and rubber products mfg.	Manufacturing	Durable goods mfg.
Construction of buildings	Truck transportation	Fabricated metal product mfg.	Fabricated metal product mfg.	Truck transportation	Truck transportation	Repair and maintenance
Specialty trade contractors	Prof., sci., and tech. services	Hospitals	Prof., sci., and tech. services	Credit intermediation	Motor vehicle and parts dealers	General merchandise stores
Wholesale Trade	Fabricated metal product mfg.	Administrative and support services	Nonmetallic mineral product mfg.	Repair and maintenance	Building material and garden supply stores	Building material and garden supply stores

Region Industries Lagging the Recovery

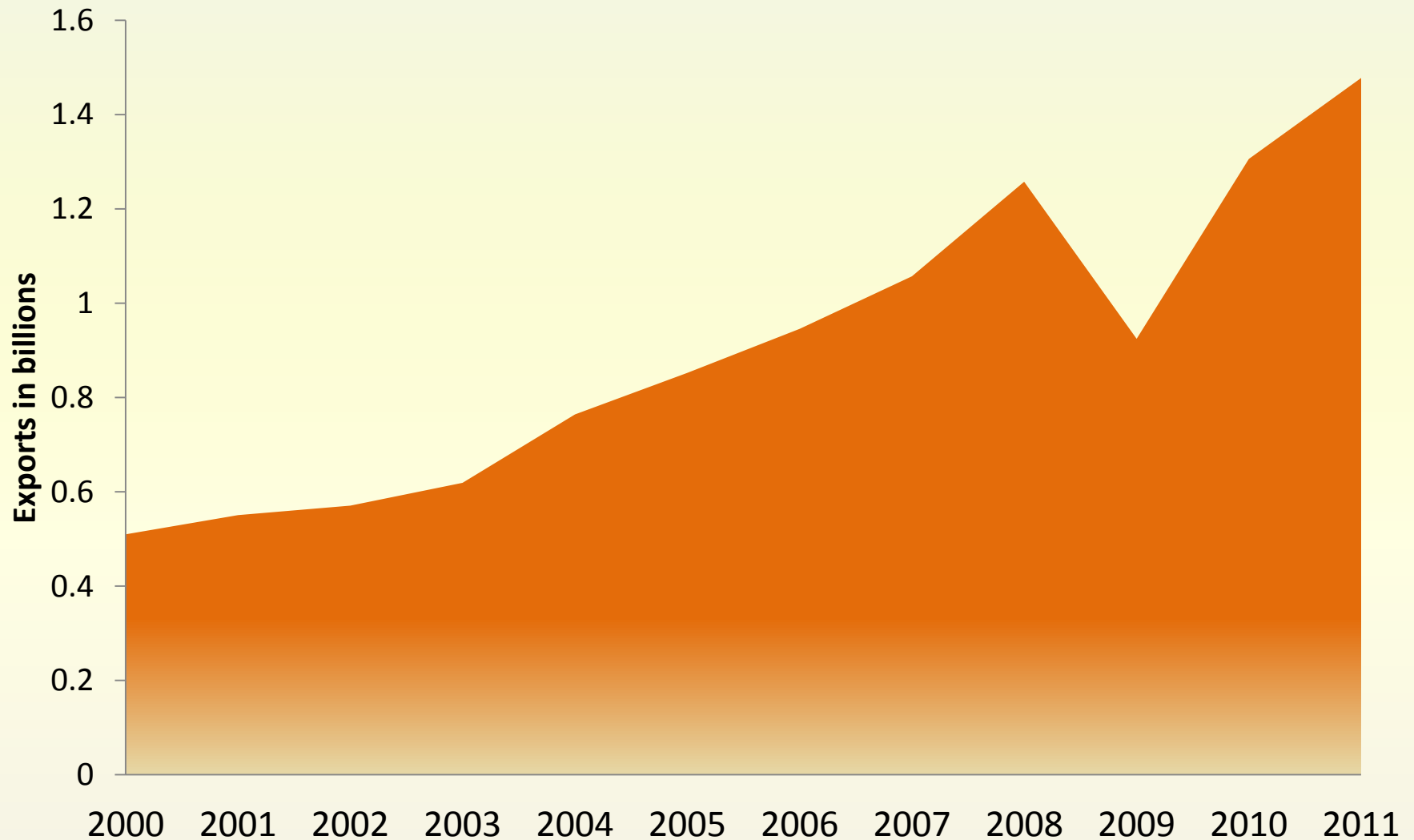
2009 to 2011

	EARNINGS DECLINE	% CHANGE	AVERAGE WAGE
Insurance carriers and related activities	\$11 M	-8%	\$45,032
Telecommunications	10 M	-12	58,292
Publishing industries, except Internet	7 M	-20	38,636
Warehousing and storage	6 M	-11	37,908
Amusement, gambling, and recreation	6 M	-2	29,328

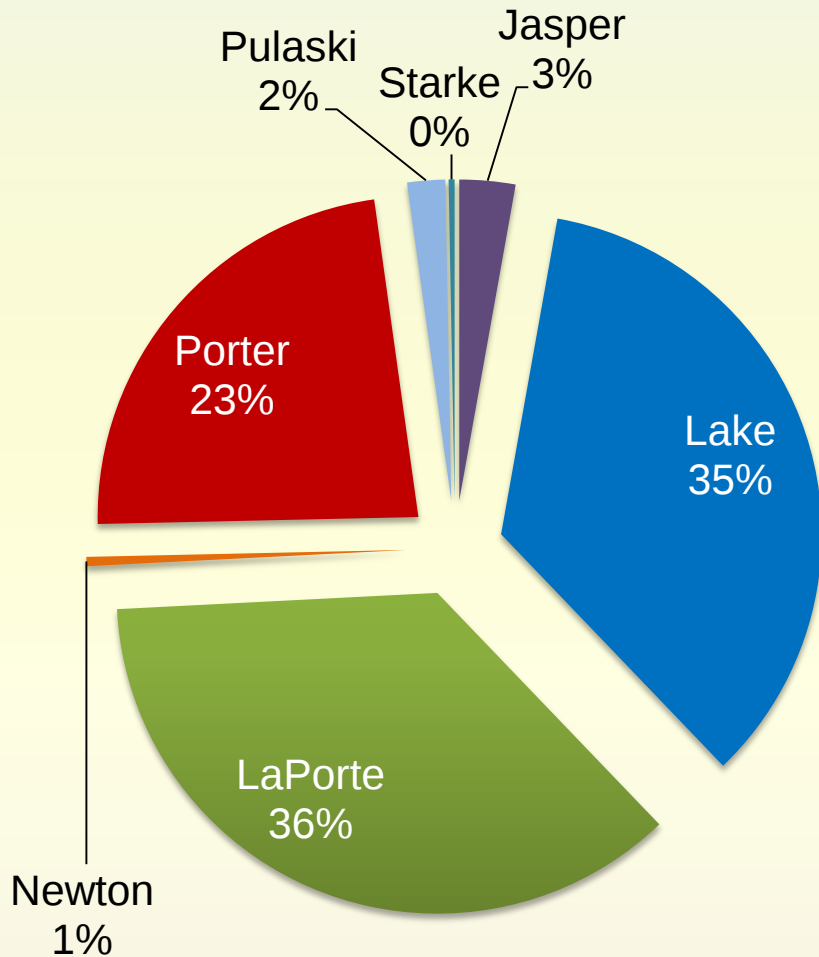
Multipliers – the impact on sales and jobs

OUR LARGEST INDUSTRIES	SALES MULTIPLIER	JOBS MULTIPLIER
Primary Metal Manufacturing	1.54	3.59
Ambulatory Health Services	1.68	1.85
Specialty Trade Contractors	1.58	1.75
Wholesale Trade	1.48	1.68
Local Government	1.64	1.35
OTHER INTERESTING INDUSTRIES	SALES MULTIPLIER	JOBS MULTIPLIER
Products of Petroleum and Coal	1.16	7.39
Utilities	1.23	2.15
Truck Transportation	1.73	1.77
Construction	1.61	1.75
Food, Beverage, Tobacco, Manufacturing	1.52	1.22
Amusement, Gambling, Rec.	1.65	1.20

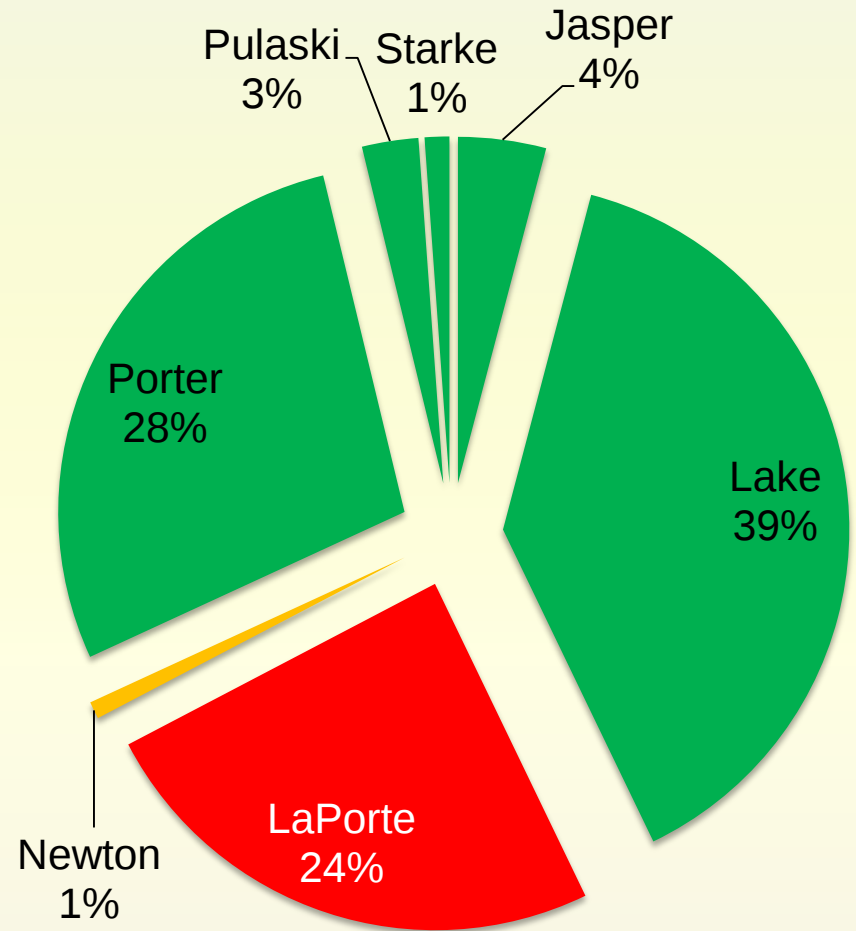
Trend in Total Region Exports 2000-2011



Relative share of Exports



2000



2011

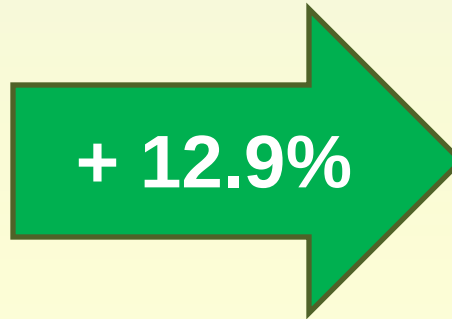
Source : Census Bureau

Industry Analysis

**What takeaways do we have
about industries?**

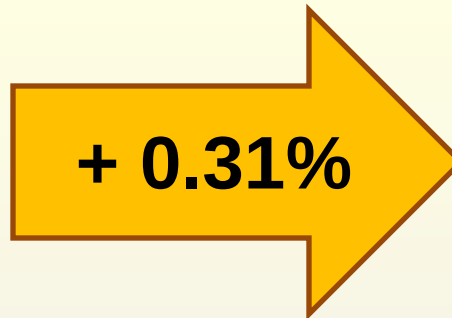
A look at the recovery in terms of employment

GRP 2009:
\$29.4 billion



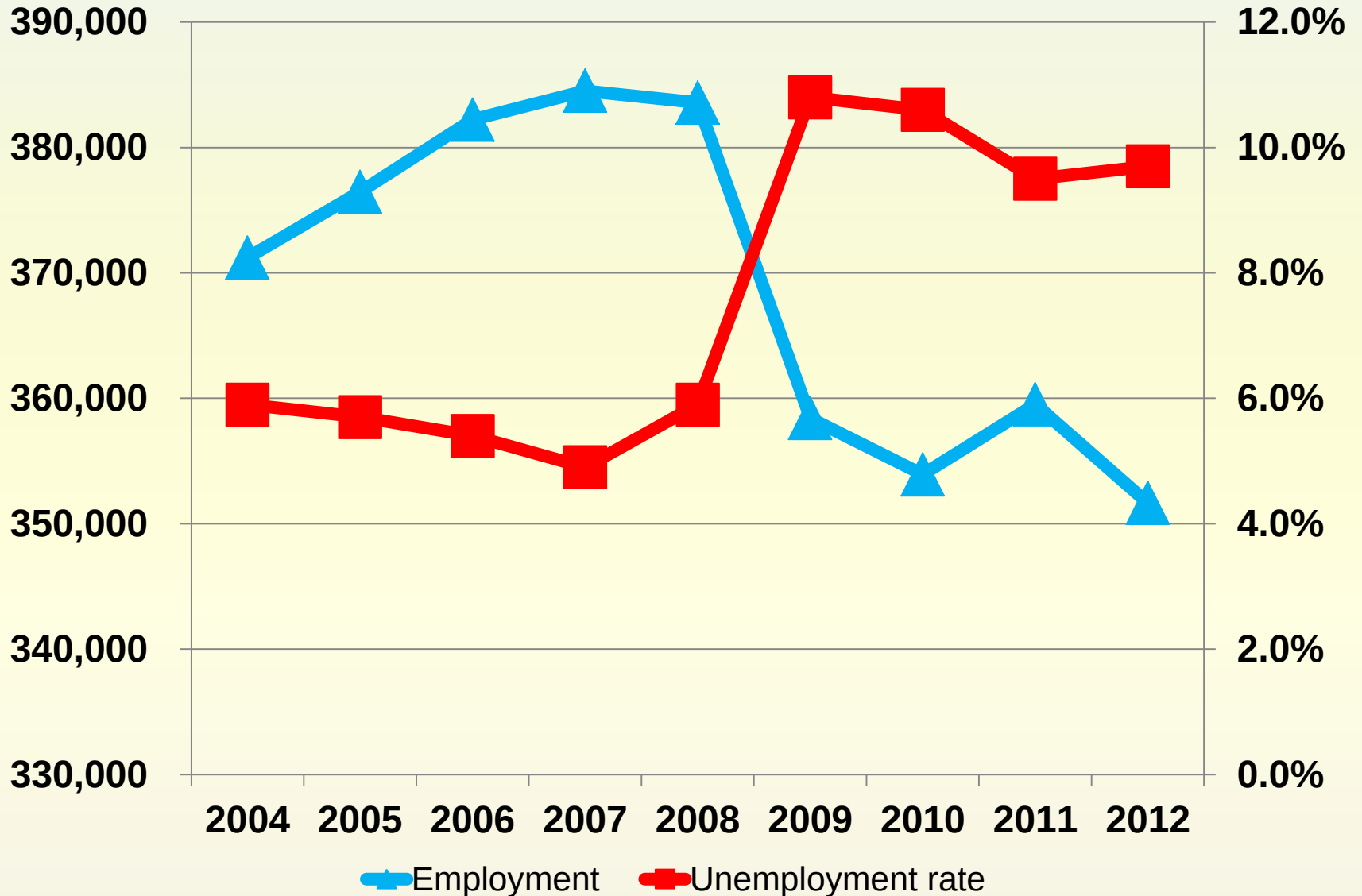
GRP 2011:
\$33.2 billion

Employment 2009:
358,411

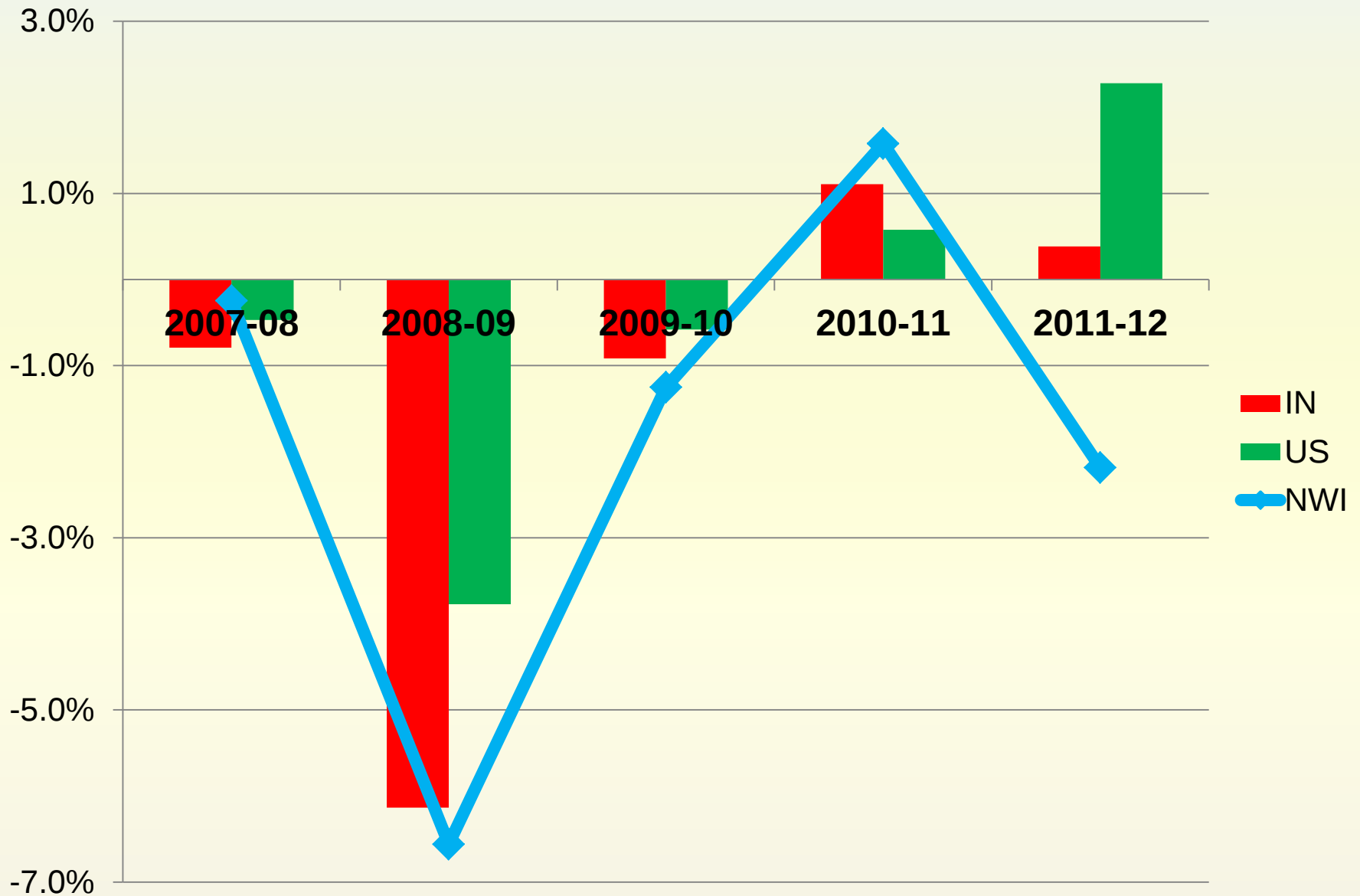


Employment 2011:
359,512

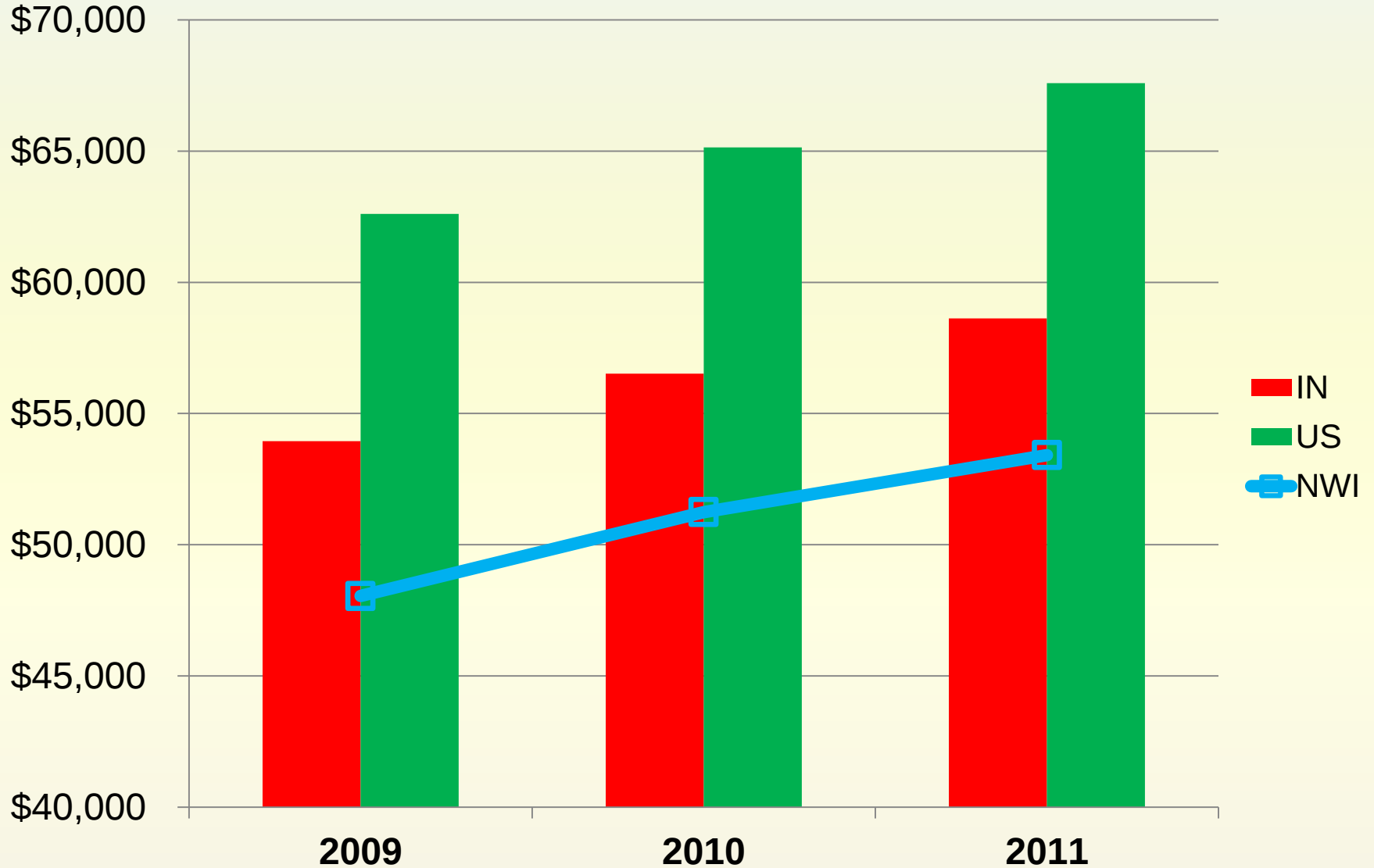
NWI Employment & Unemployment



Percentage Change in Employment

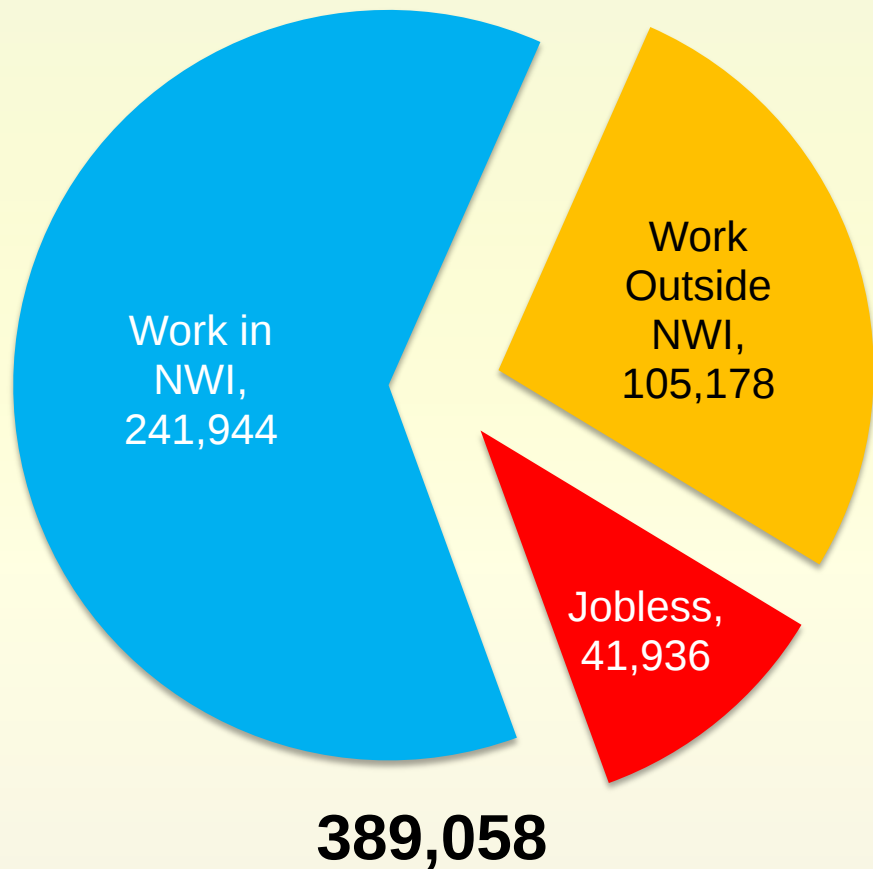


Per Employee Earnings

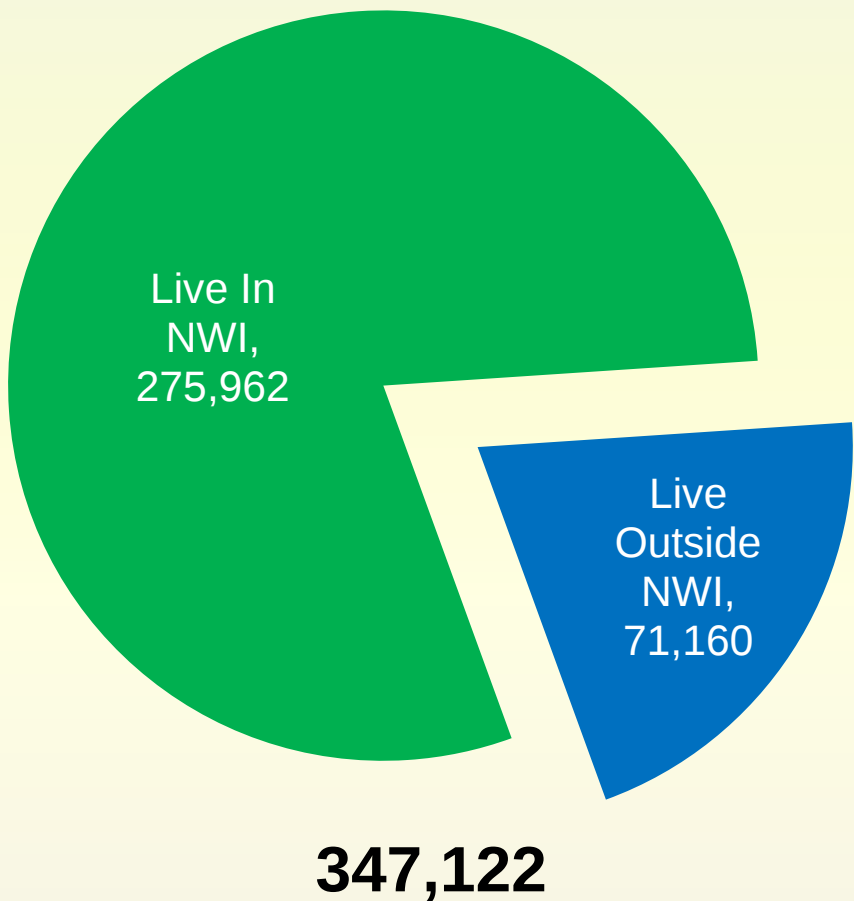


Region Labor Force – Working in and Out of Region

Labor Force



Employment



NWI Commuter Pattern

Net outflow of workers of 41,507 workers each day!

101,790

workers outbound
each day



60,283

workers inbound
each day

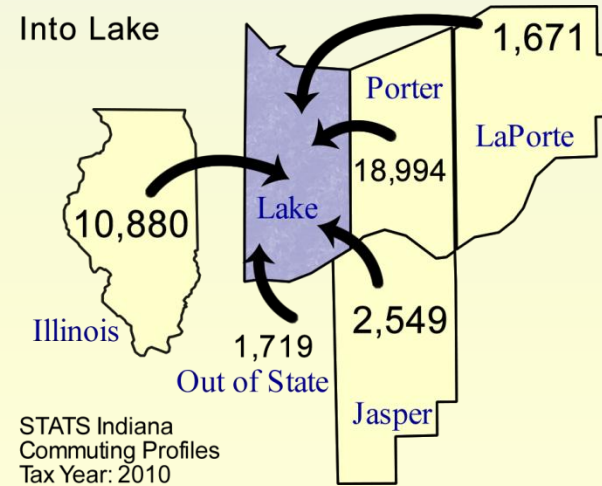
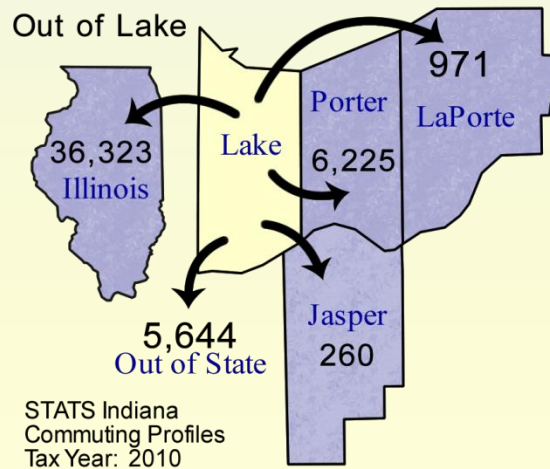


233,736 workers commute
within the region each day



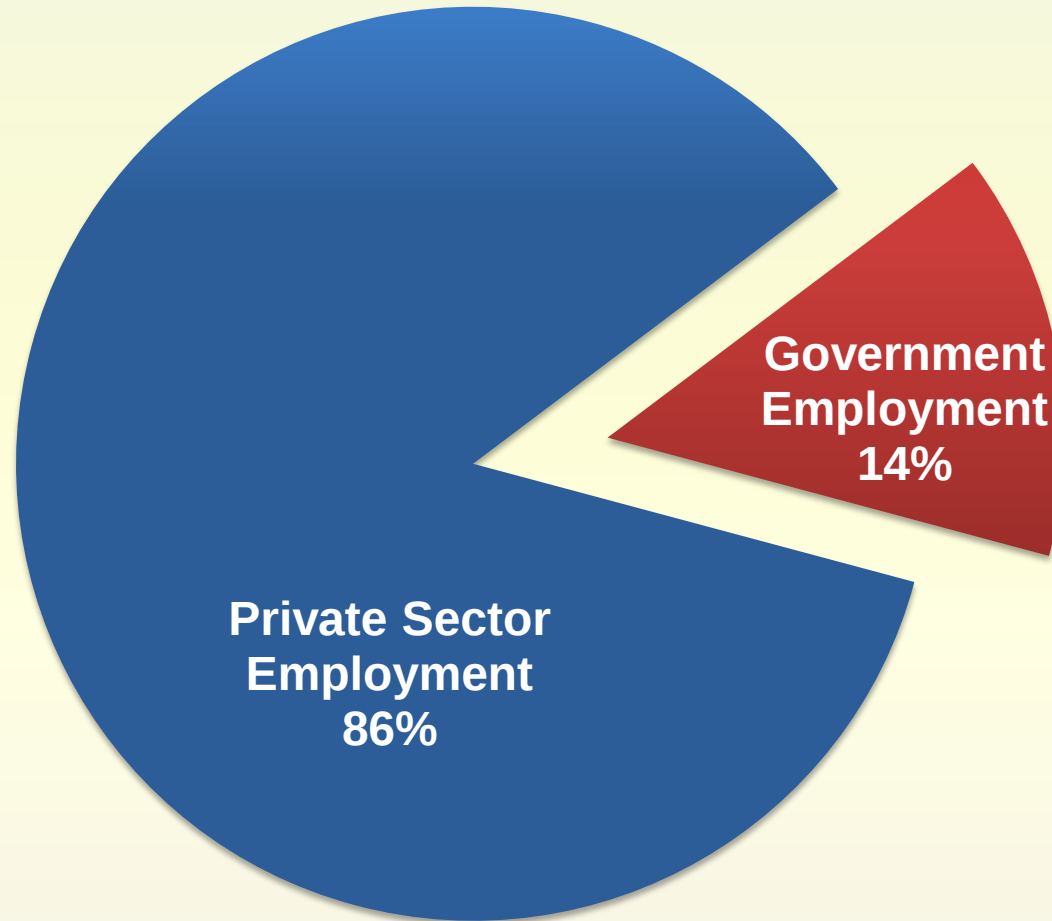
Source: STATSIndiana

Lake County Commuting Patterns for 2010



Source/destination	Inbound	Outbound	Net Commuter Flow
Illinois	10,880	36,323	Net outbound of 25,443 workers
Porter	18,994	6,225	Net inbound of 12,769 workers
LaPorte	1,671	971	Net inbound of 700 workers
Jasper	2,549	260	Net inbound of 2,289 workers
Out of State	1,719	5,644	Net outbound of 3,925 workers

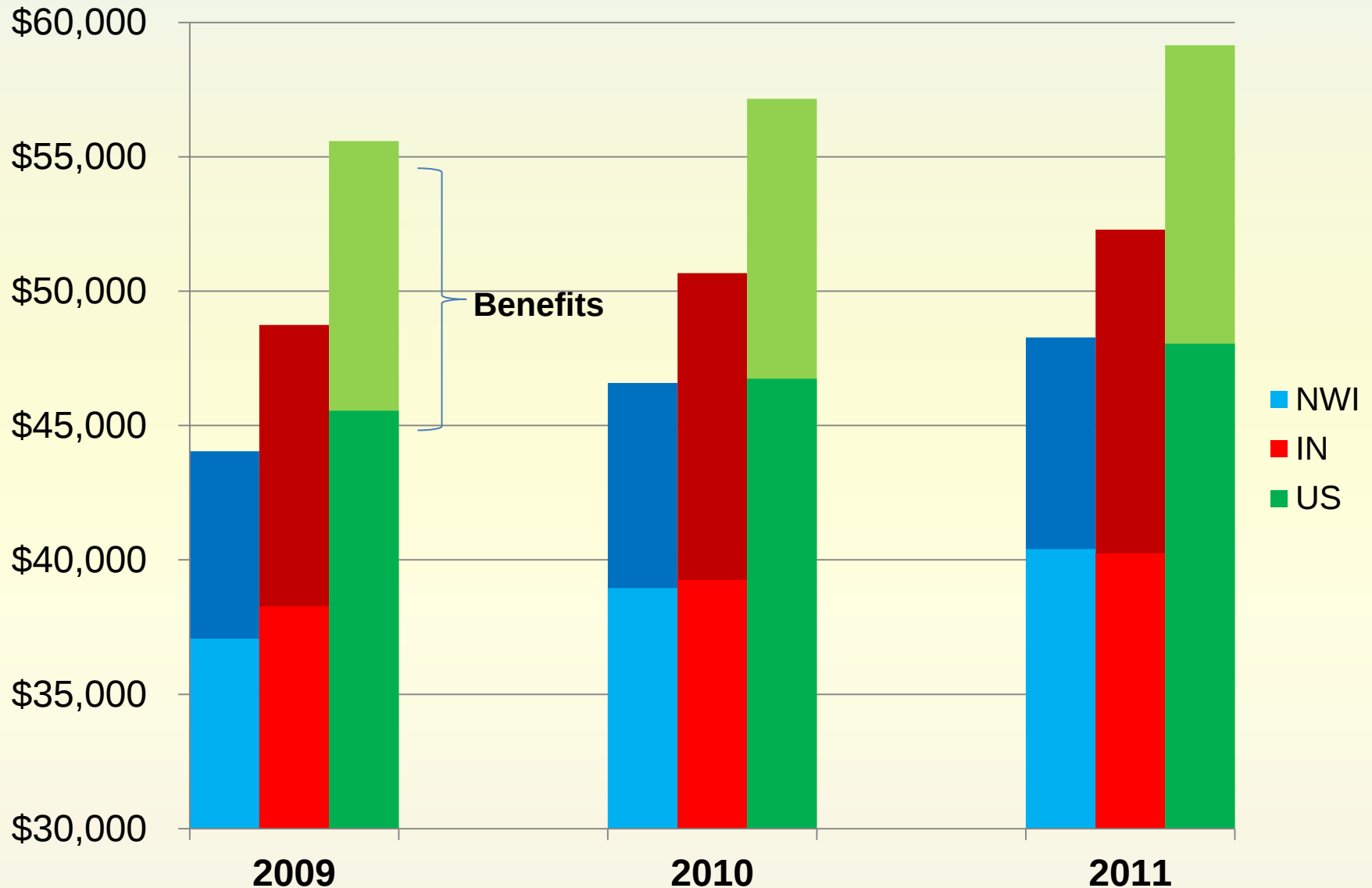
Private Sector vs. Government Employment (2012)



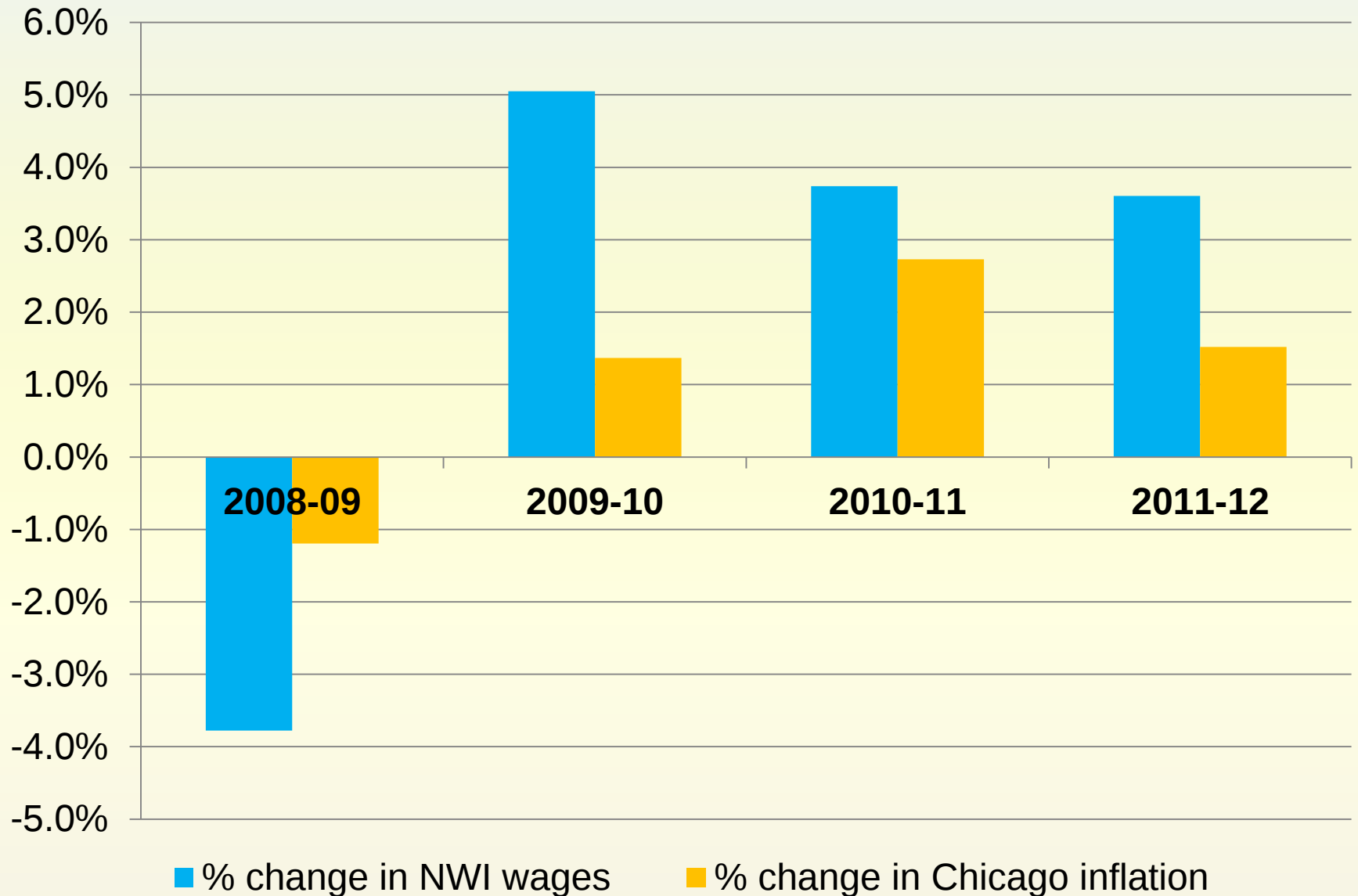
How are we doing with Employment?

INDICATOR	Last Summit	Today
EMPLOYMENT	358,411	351,652
PER EMPLOYEE EARNINGS	43,233	53,416

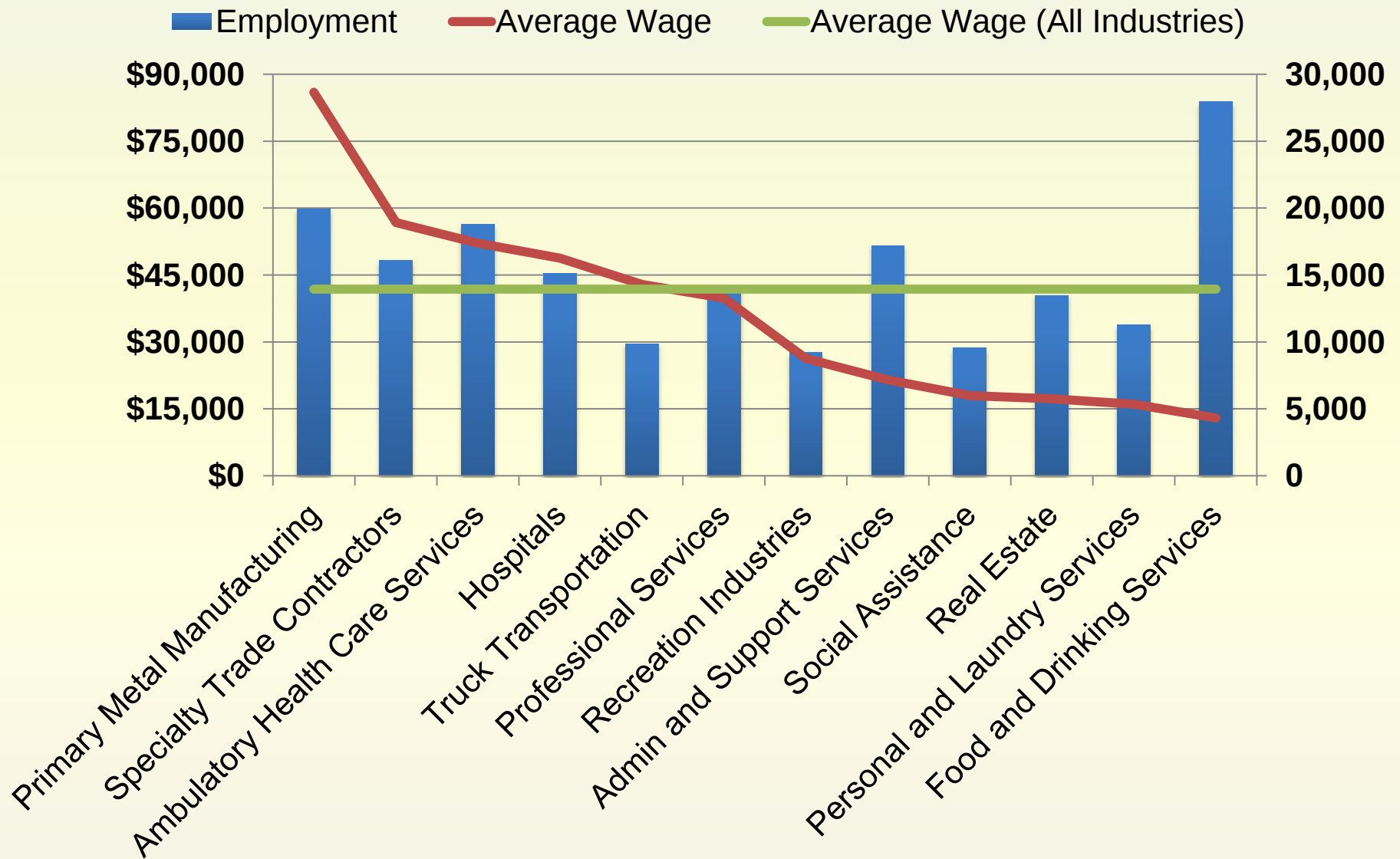
Average Wage and Compensation



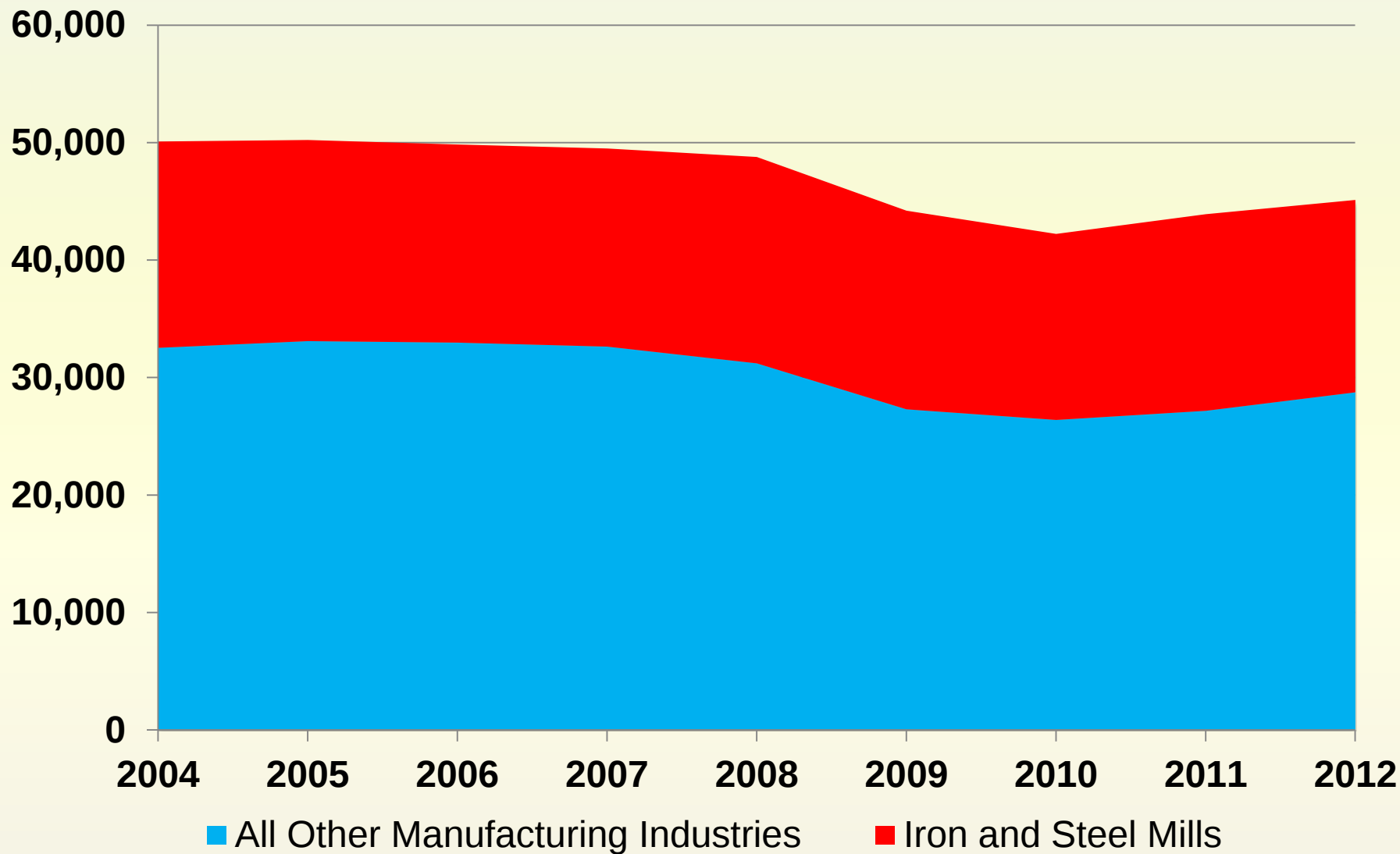
Wages vs Inflation



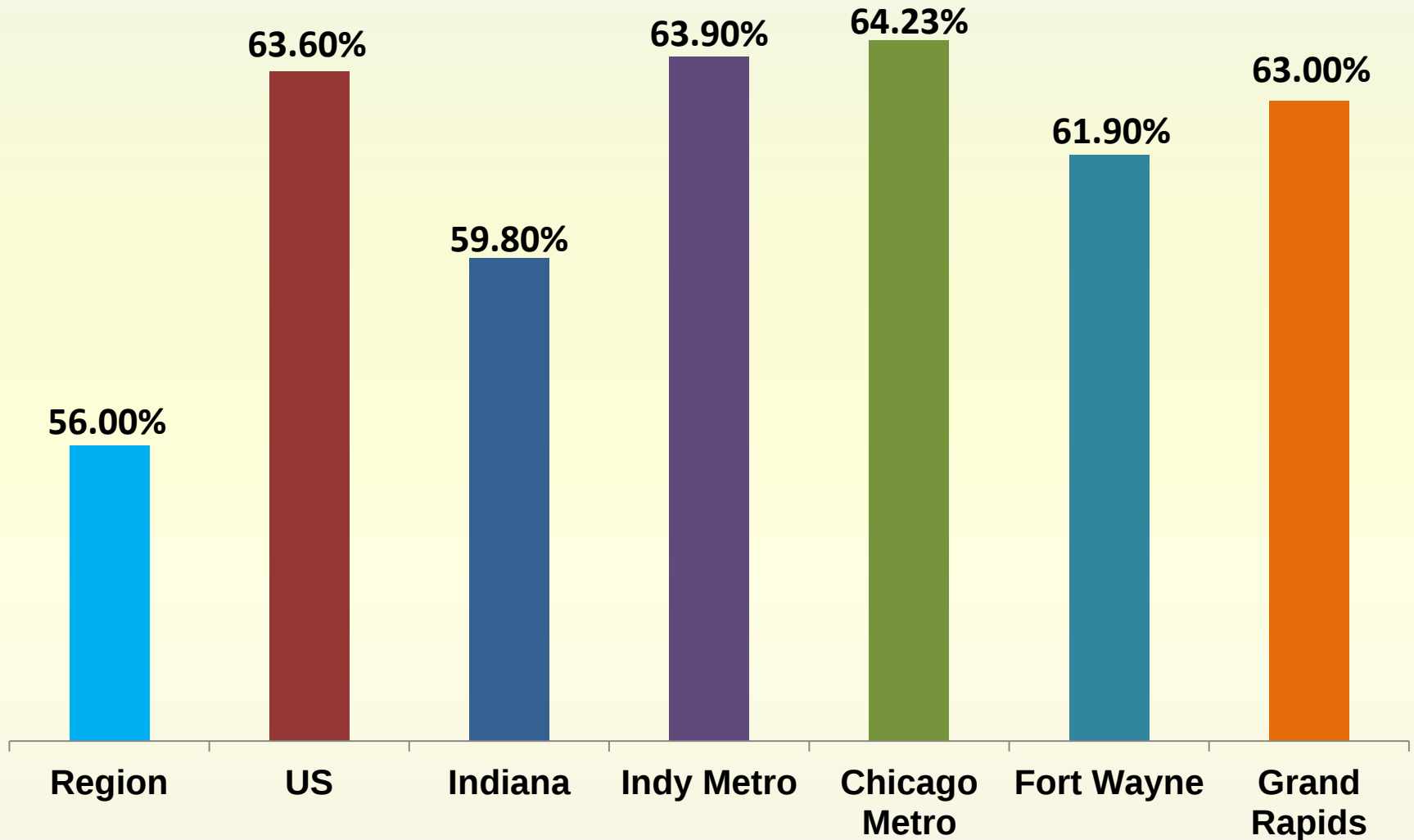
Employment and Wages by 12 Largest Industries in NWI, 2012



Manufacturing Employment: 2004 to 2012



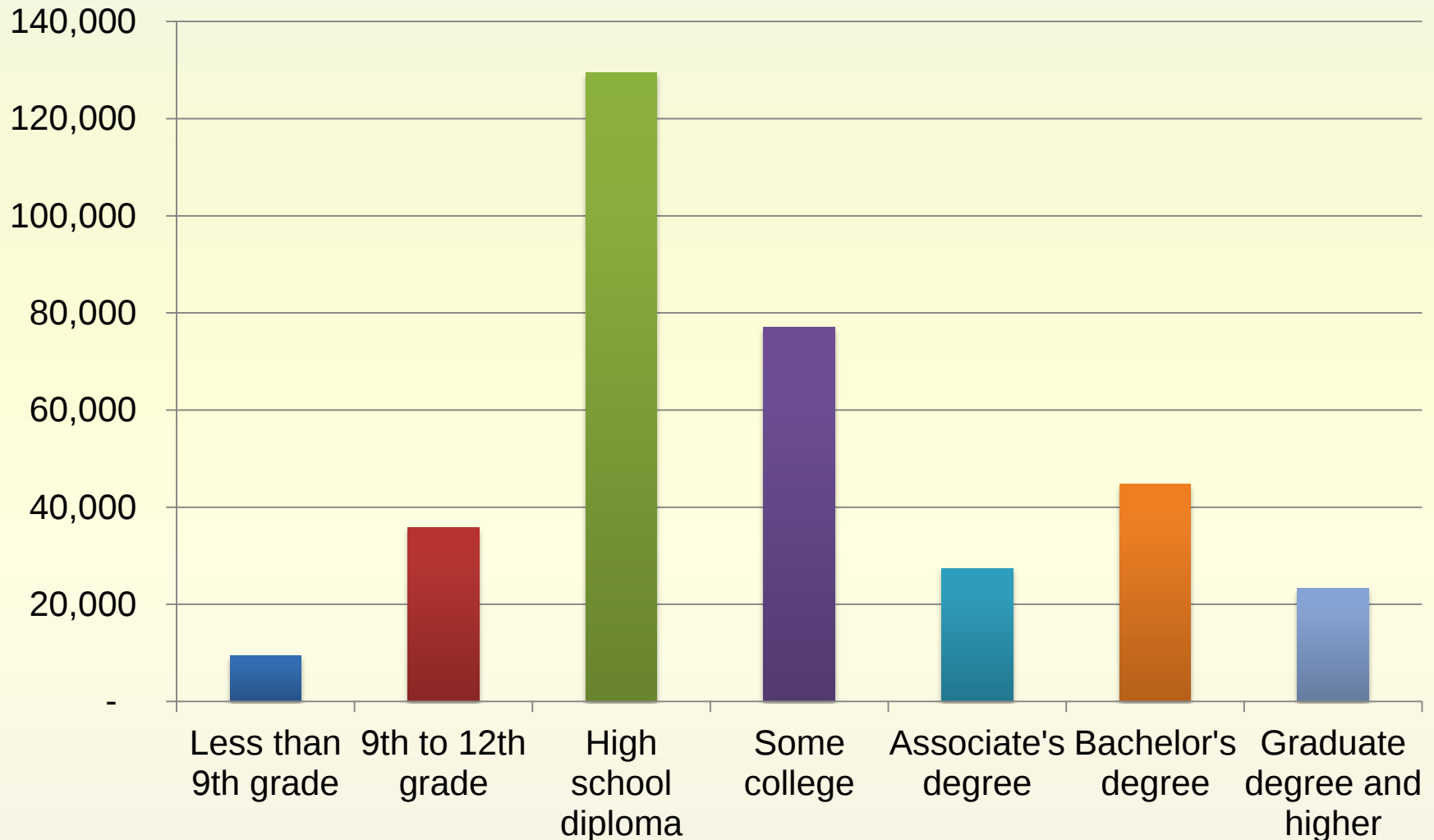
Labor Force Participation Rates



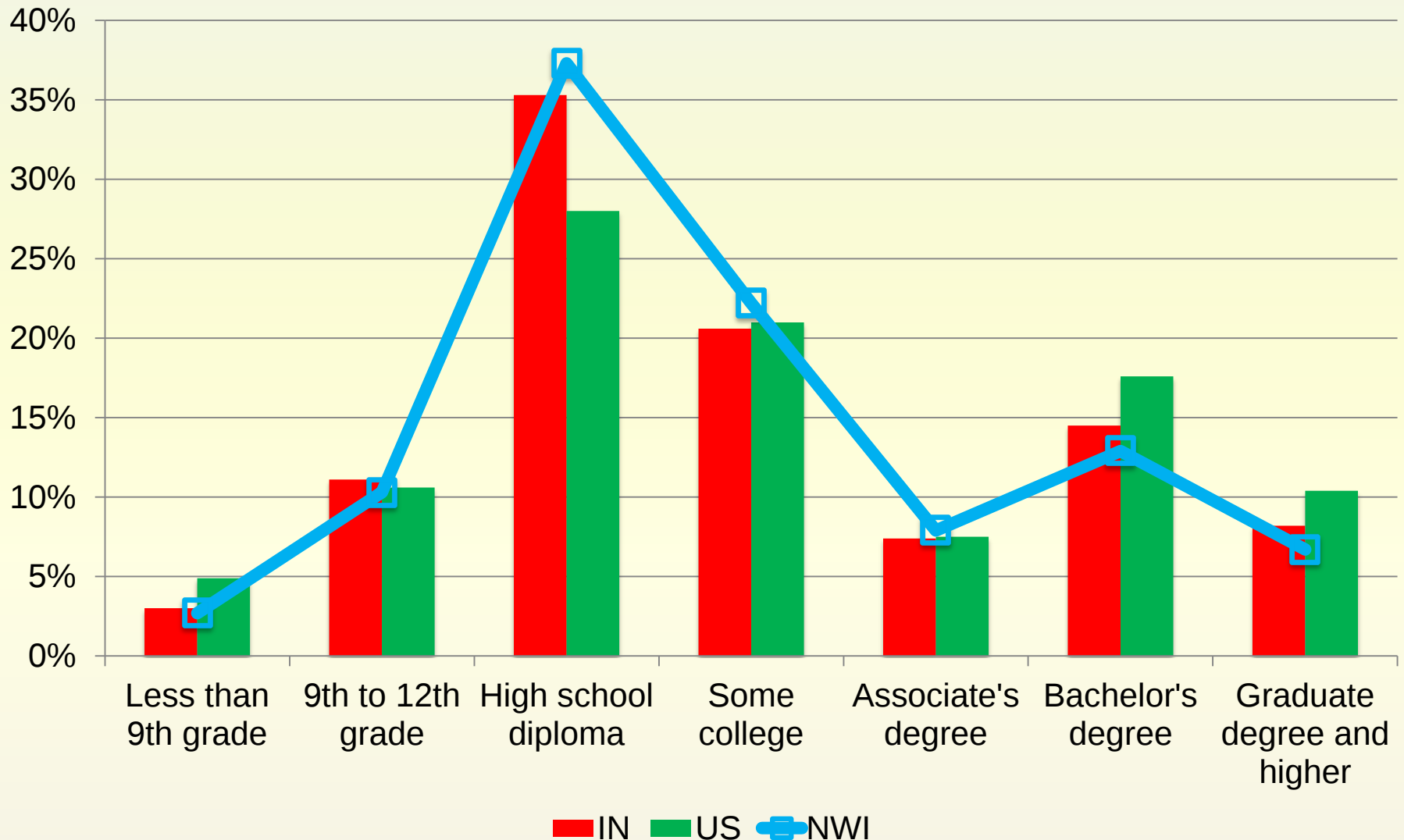
What did labor force slides answer?

INDICATOR	Last Summit	Today
AVERAGE COMPENSATION Per JOB	48,226	48,276
LABOR FORCE PARTICIPATION	56.8%	56%

Regional Educational Attainment



Educational Attainment by Percentage of Labor Force



What do....

Registered Nurses

Commercial Pilots

Radiologic Technologists and Technicians

Electrical and Electronics Repairer

Operating Engineers

Dental Hygienists

All have in common?

They are all growing occupational fields that require a certificate or associate degree.

And they all make more than:

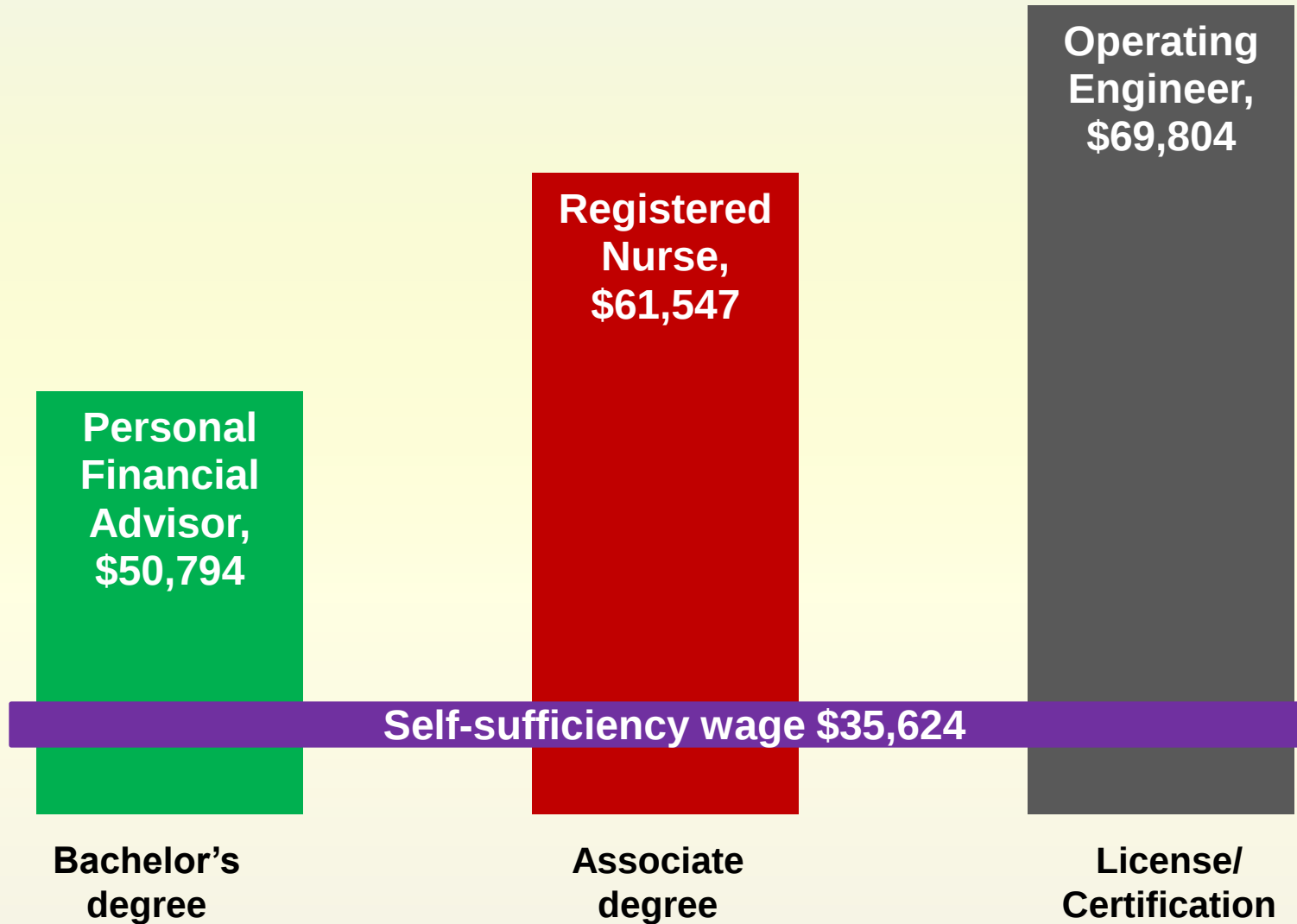
Personal Financial Advisors

Securities, Commodities, and Financial Services Sales Agents

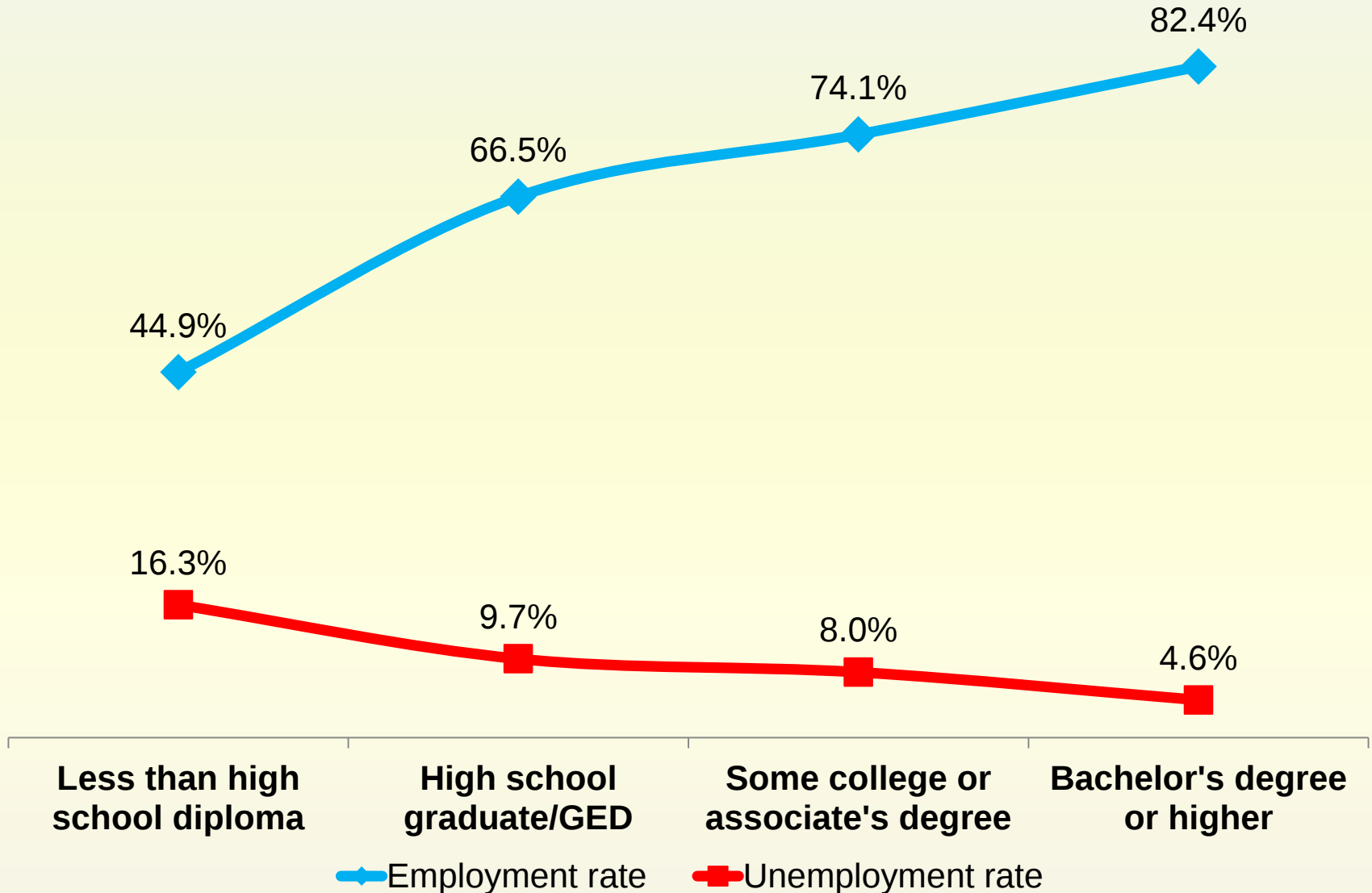
Market Research Analysts and Marketing Specialists

All of which require a bachelor's degree.

Occupation matters



Impact of Education on Employment



What did education slides tell us?

EDUCATION	Last Summit	Today
No H.S. Diploma	14%	13.0%
High School	39%	37%
SOME COLLEGE, OR CERTIFICATE	29%	30%
Bachelor's	12%	13%

Overall findings about our Region

Region Indicator Scorecard

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EDUCATION		
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Some College or Certificate	29%	30%
Bachelor's Degree	12%	13%

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