

# Economic Information

*This page intentionally left blank.*



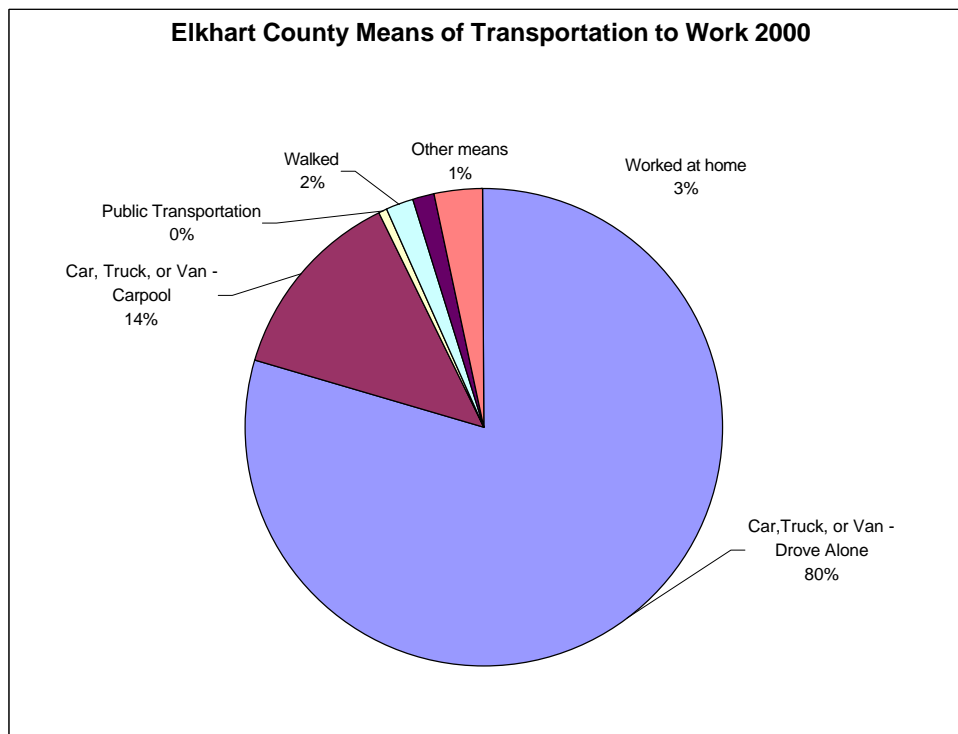
## Transportation and Commuting

Transportation to work and commuting patterns illustrate movement of workers. The types of transportation that workers use and the counties between which they are moving can be used to determine the most appropriate routes and types of transportation systems for moving workers within the county.

### Transportation to Work

In Elkhart County, 80 percent of workers over age 16 drove a car, truck, or van alone to work in 2000, and 14 percent carpooled in one of those vehicles. In the region, the methods of transportation were similar with 80 percent driving alone and 12 percent carpooling. Roughly three percent of workers in the county and the region worked at home. In the region, LaGrange County had the lowest percentage of people driving alone to work (60.3%), the highest percentage of people carpooling (24.6%), and the highest percentage of people using other means of transportation and working at home. The other means of transportation could be the buggies Amish and some Mennonite workers use as transportation. The local Amish and Mennonite communities could also explain a higher percentage of people working at home.

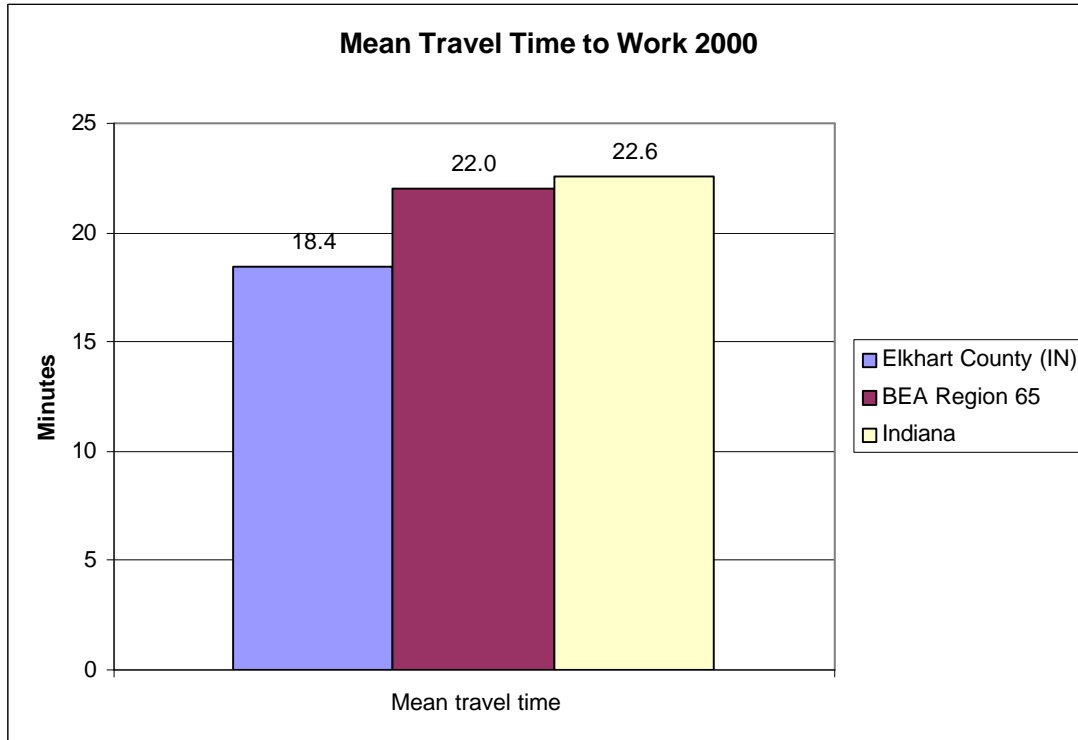
Workers in Elkhart County spend less time getting to work than their counterparts in the region or the state. The average (mean) travel time for Elkhart County was 18.4 minutes, compared to 22 minutes for the region, and 22.6 minutes in the state as a whole.



Source: Census of Population and Housing, Bureau of the Census, US Department of Commerce

# The Horizon Project

---



Source: *Census of Population and Housing, Bureau of the Census, US Department of Commerce*

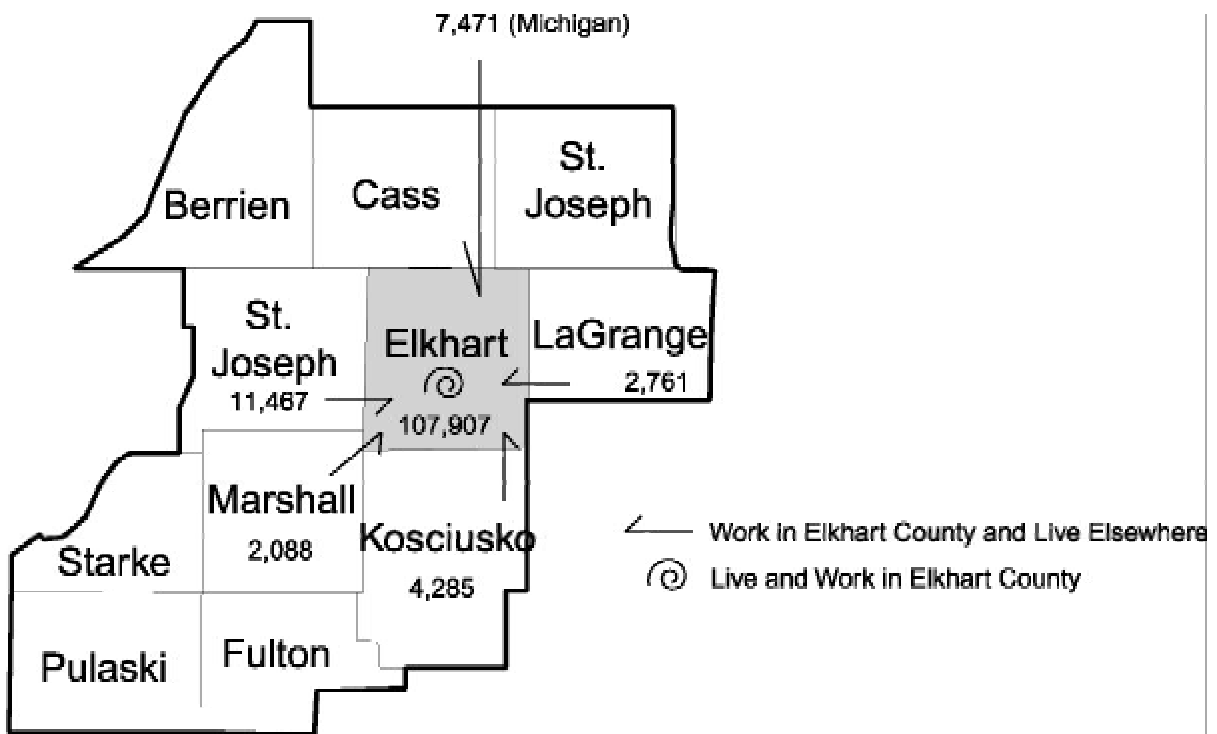
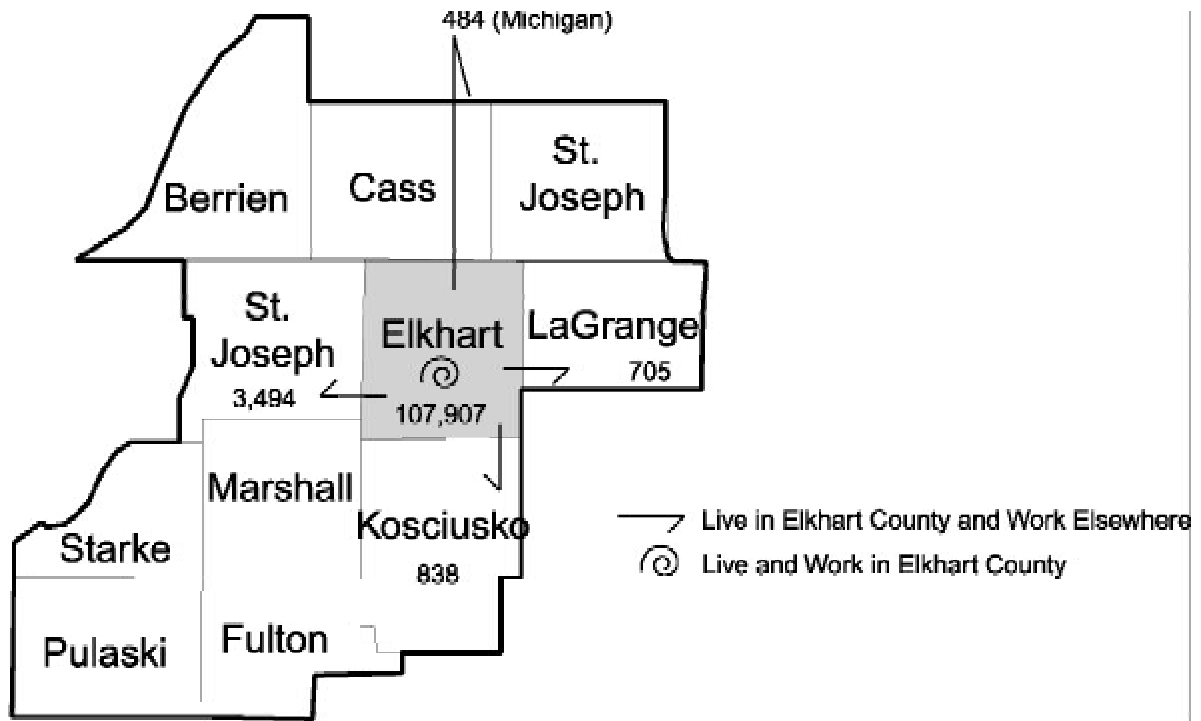
## Commuting

Commuting patterns are measured in terms of movement of the labor force and work force. The labor force is the number of people living in Elkhart County who work, regardless of where they work. In 2000, the Elkhart County labor force was 114,887. The work force is the number of people who work in Elkhart County, regardless of where they live. In 2000, the county work force was 139,048. Elkhart County is a net importer of workers. Since 139,048 people work in the county and only 114,887 workers live in the county, the county gains 24,161 workers.

Nearly 94 percent of the labor force and 77.6 percent of the workforce lived and worked in Elkhart County. 22.4 percent of the workforce in 2000 lived outside of Elkhart County, but worked in the county.

The top five counties importing workers to Elkhart County are: St. Joseph County, Indiana (8.2% of the workforce), the State of Michigan (5.4%), Kosciusko County (3.1%), LaGrange County (2.0%), and Marshall County (1.5%). Noble County also sends a significant number of workers into Elkhart County, 1,243 in 2000.

The top five counties that Elkhart County sends workers to are: St. Joseph County, Indiana (3.0% of labor force), Kosciusko County (0.7%), LaGrange County (0.6%), the State of Michigan (0.4%), and other states (0.4%). A total of 5.2 percent of the county labor force works in these five geographic areas. An additional 250 workers left Elkhart County for work in Noble County in 2000.



Source: Center for Economic and Community Development, Ball State University

## **The Horizon Project**

---

### **Public Transportation**

Public transportation systems are available in Elkhart County. The Heart City Rider program is a demand-response system serving Elkhart 24 hours per day, seven days a week. The busses are wheelchair accessible. The system operates with a user subsidy. Goshen Transit Services also operates a similar program.

Public bus service is provided through a coordinated two-route system administered by MACOG. Concord Township funds the Concord BUS route that operates on the east side of Elkhart. "The BUS" route runs between Goshen and Elkhart to connect both cities. The BUS system is wheelchair accessible.

### **Rail**

Amtrak stops at Elkhart and Nappanee. The "Capital Limited" route between Chicago and Washington DC has a stop in Elkhart. The "Lake Shore Limited" line that runs between Chicago and New York City stops in Elkhart as well. The "Three Rivers" line that runs between Chicago, Philadelphia, and New York City services Nappanee.

### **Air**

The Elkhart Municipal Airport and the Goshen Municipal Airport have general aviation and freight movement capabilities. The Nappanee Municipal Airport has general aviation services.



---

## Utilities and Telecommunications

---

Utility and telecommunication infrastructure can be an important component of attracting and retaining businesses in a community.

### Utilities

The Northern Indiana Public Service Corporation, or NIPSCO, provides electrical services to the majority of Elkhart County. The northwest corner of the county is serviced by American Electric Power (AEP), who also operates a hydroelectric dam on the St. Joseph River. AEP has 44,500 customers in Elkhart, 420 of them are large users. NIPSCO also provides natural gas service for the county.

Each of the municipalities operates a water utility. The Elkhart Water Works has 16,976 customers and an average daily consumption of 9.3 million gallons. The city has 27 production wells. Nappanee has three production wells for their municipal water company. Millersburg, Wakarusa, Bristol, and Middlebury each have two production wells.

Elkhart Sewer operates 216.8 miles of sewer with 26 million gallons of treatment plant capacity per day. There are 13,838 service connections in Elkhart. Goshen has capacity for five MGD of treatment. Nappanee has a treatment capacity of 1.5 million gallons per day (MGD). Wakarusa has a treatment capacity of 600,000 gallons per day and Middlebury has treatment capacity for 700,000 gallons per day.

There are three landfills in Elkhart County. One of the landfills is a Construction/ Demolition Debris (CDD) landfill located on CR 45. The other two landfills are municipal solid waste (MSW) landfills. Each of these landfills accepts some out-of-state waste.

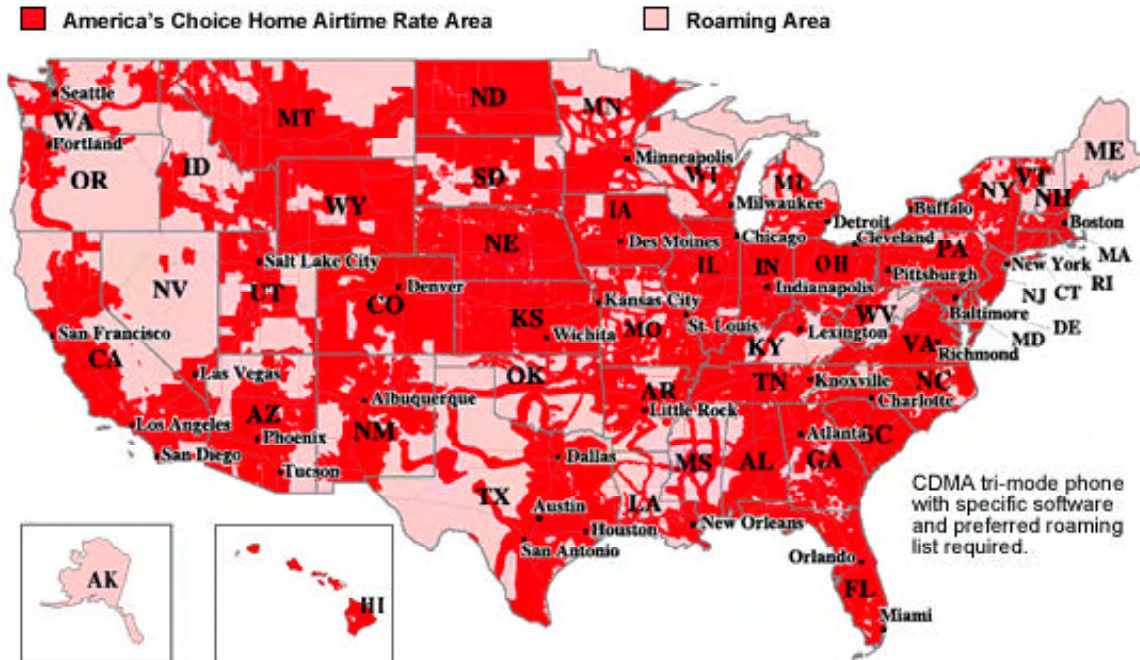
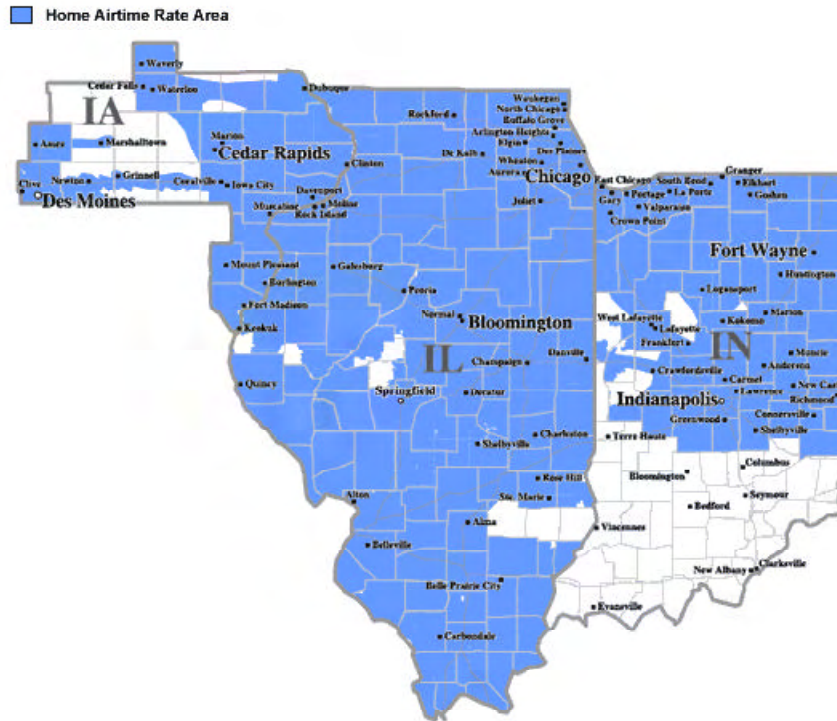
### Telecommunications

Telecommunications infrastructure has become an increasingly important component of economic development. It is important to have high-speed, or broadband, Internet service available and be part of the cellular phone infrastructure to attract and retain certain businesses and residents.

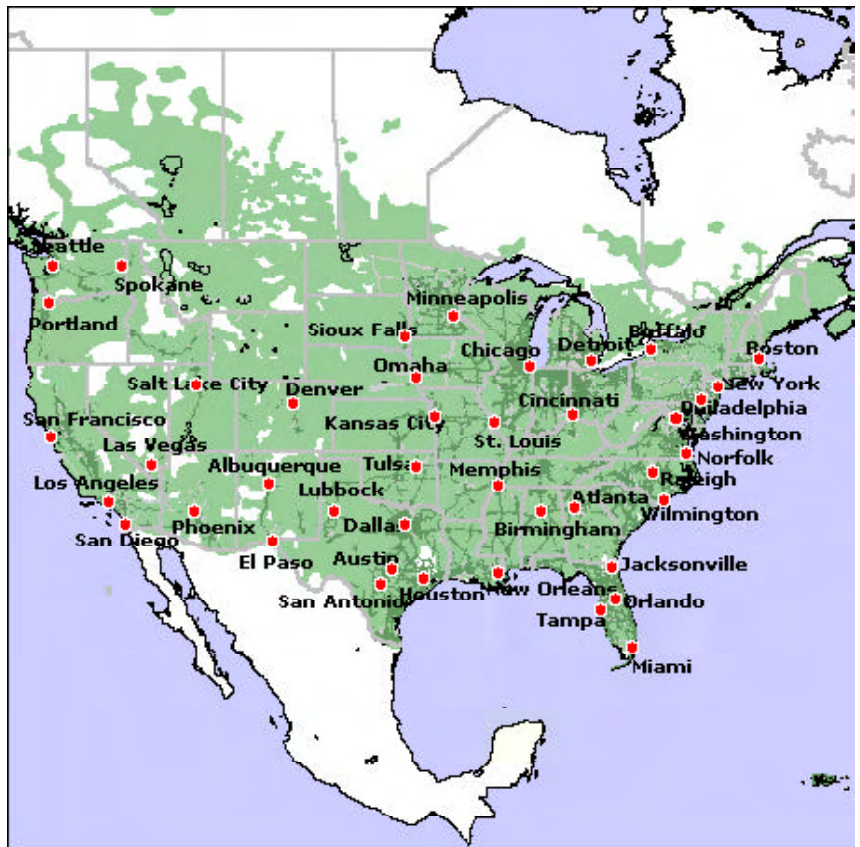
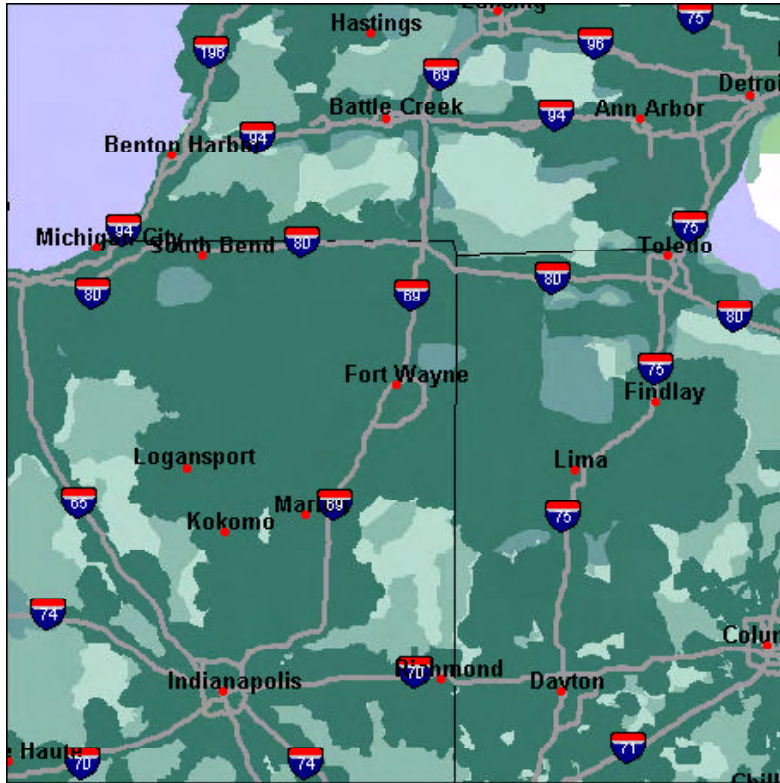
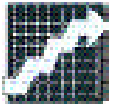
Ameritech is the local carrier for home and businesses. Verizon (formerly GTE) is a local, interstate, wireless, and Internet service provider for home and business. Verizon has an Internet hub in South Bend that services north central Indiana. Sprint is an interstate, wireless, and internet provider that also serves the area.

MCI/Worldcom is an interstate carrier for home and business that also provides Internet services. They have a high-speed voice and data network that travels through part of north central Indiana. AT&T is an interstate carrier for home and business with digital cable and Internet services. Personal Reach Service (fax, phone, and pager with one number) is available to Elkhart County businesses.

# The Horizon Project



Source: Verizon Wireless



Source: Sprint

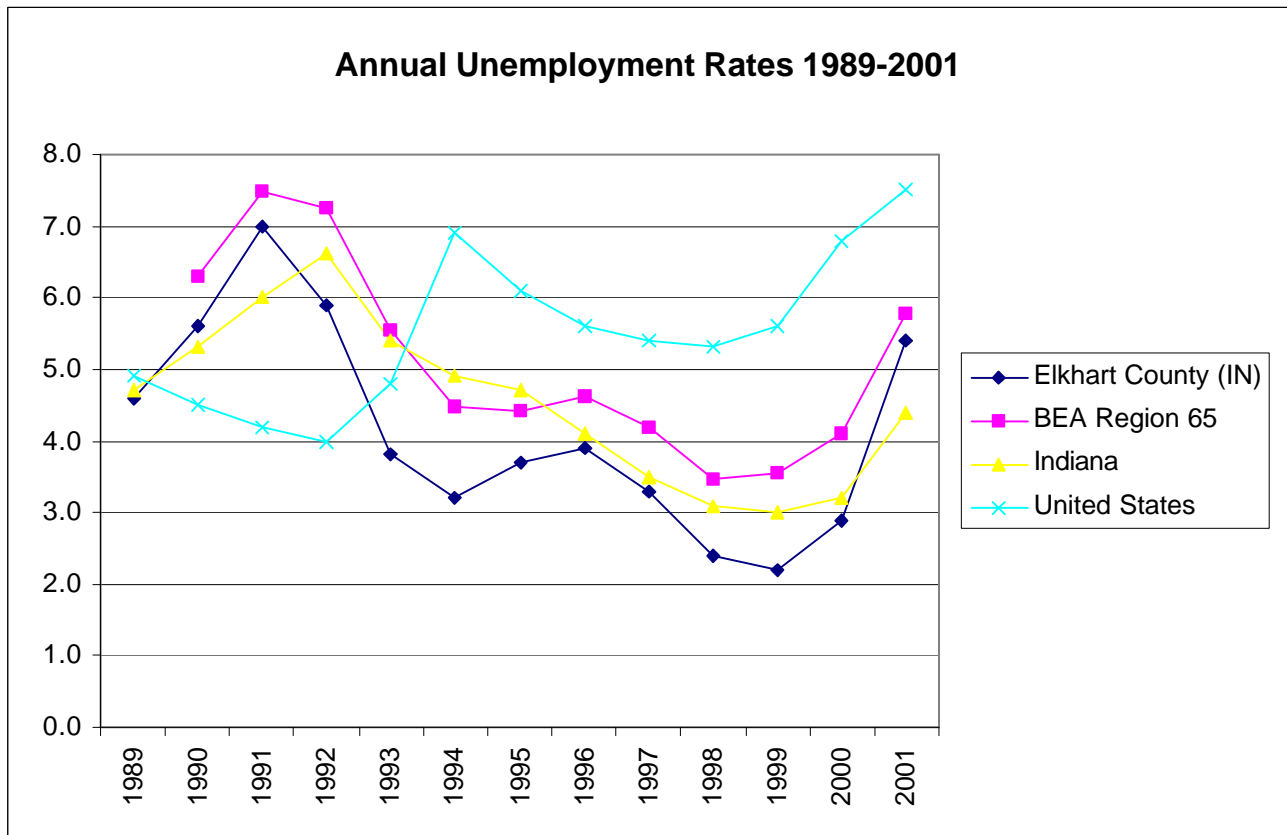
# The Horizon Project

## Unemployment

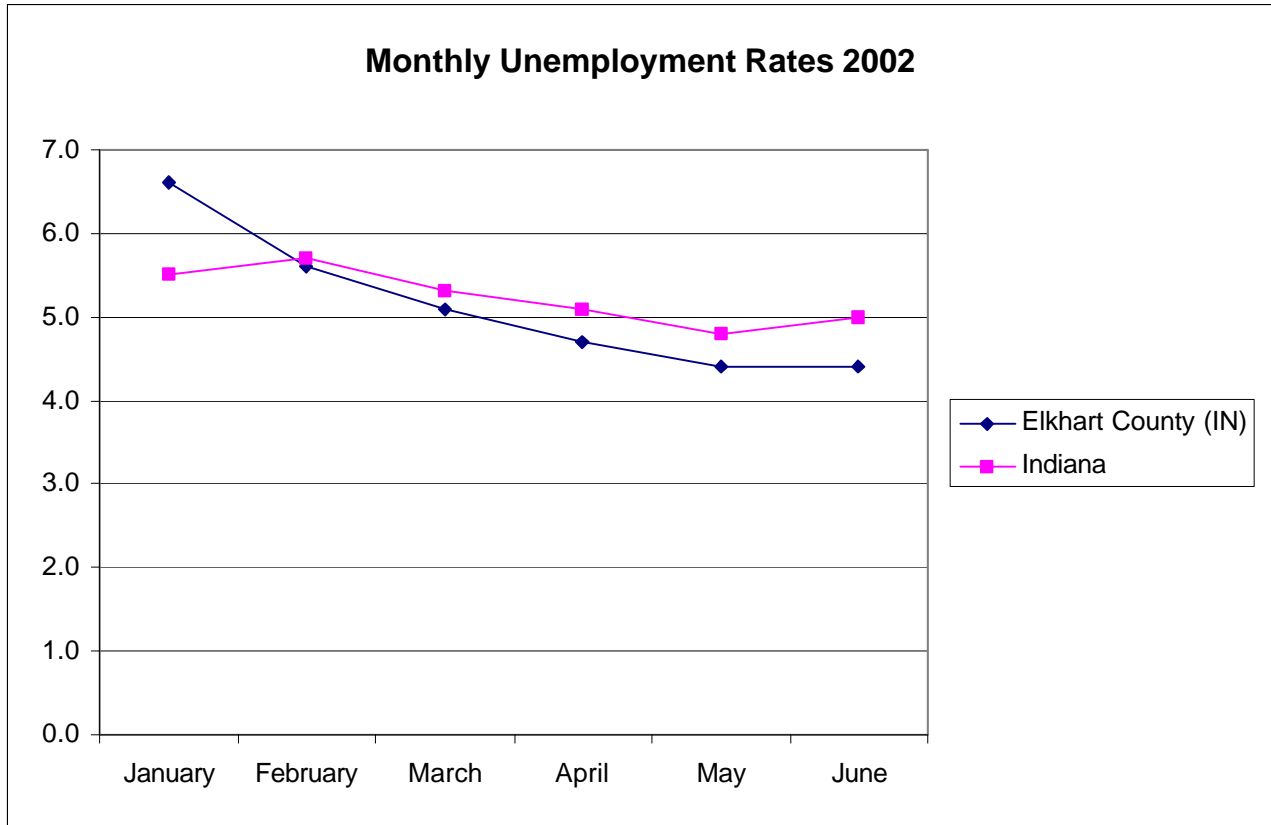
Unemployment in Elkhart County was on a downward trend following the recession of the early 1990s, until 2001. Unemployment in the county reached a low of 2.2 percent in 1999. Higher unemployment in 2001 and early 2002 was related to the nationwide economic downturn. Elkhart County businesses may have been affected by the terrorist attacks of September 11, 2001 as unemployment rose more than one percent between September and October of that year. Unemployment has been declining since January 2002 (6.6 percent) and reached 4.4 percent in June, 2002.

During the middle and late 1990s, the region experienced unemployment in the 3.2 percent to 5.5 percent range. This was higher than the rates experienced by the county or the state.

Statewide unemployment peaked in 2001, at 7.5 percent. This was higher than the average annual rate for the recession in the early 1990s. Unemployment statewide has been decreasing since February 2002, reaching five percent in June.



Source: STATS Indiana, Indiana Business Research Center, Indiana University and Local Area Unemployment Statistics, Bureau of Labor Statistics, US Department of Labor

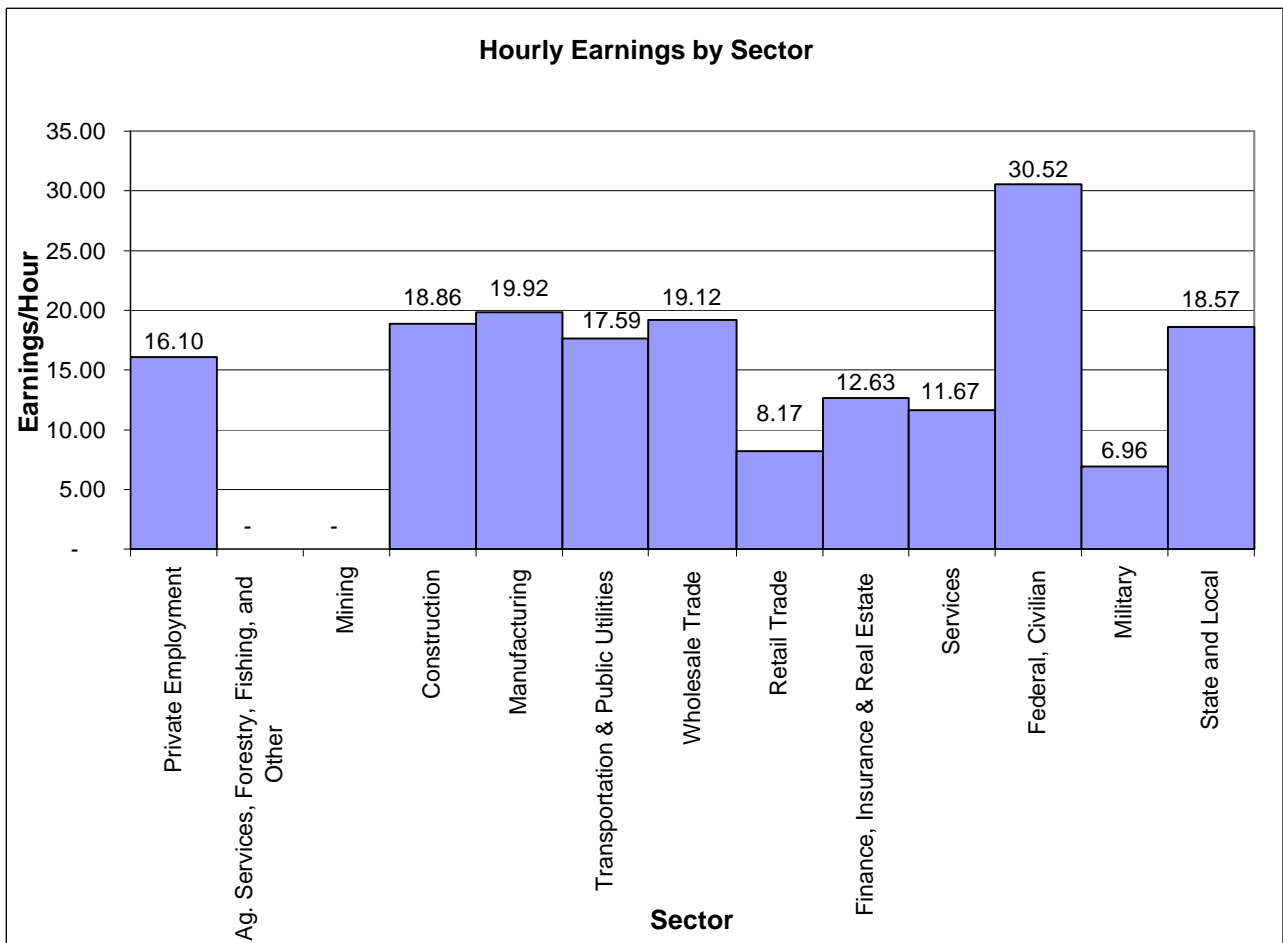


Source: STATS Indiana, Indiana Business Research Center, Indiana University and Local Area Unemployment Statistics, Bureau of Labor Statistics, US Department of Labor

# The Horizon Project

## Industry Earnings

Average per worker earnings are largely dependent on the sector in which workers are employed. Of all private employment sectors, manufacturing had the highest average earnings levels. Manufacturing averaged \$19.92 an hour. It was surpassed only by federal civilian employee earnings, although their employment accounts for a very small percentage of total employment in the county. Overall private employment earnings in Elkhart County were 101.3 and 104.8 percent of the state and region respectively, but were only 90.8 percent of the national earnings average. Overall manufacturing accounted for 56.2 percent of the total earnings in the county, compared to approximately 30 percent statewide and 20 percent nationally.

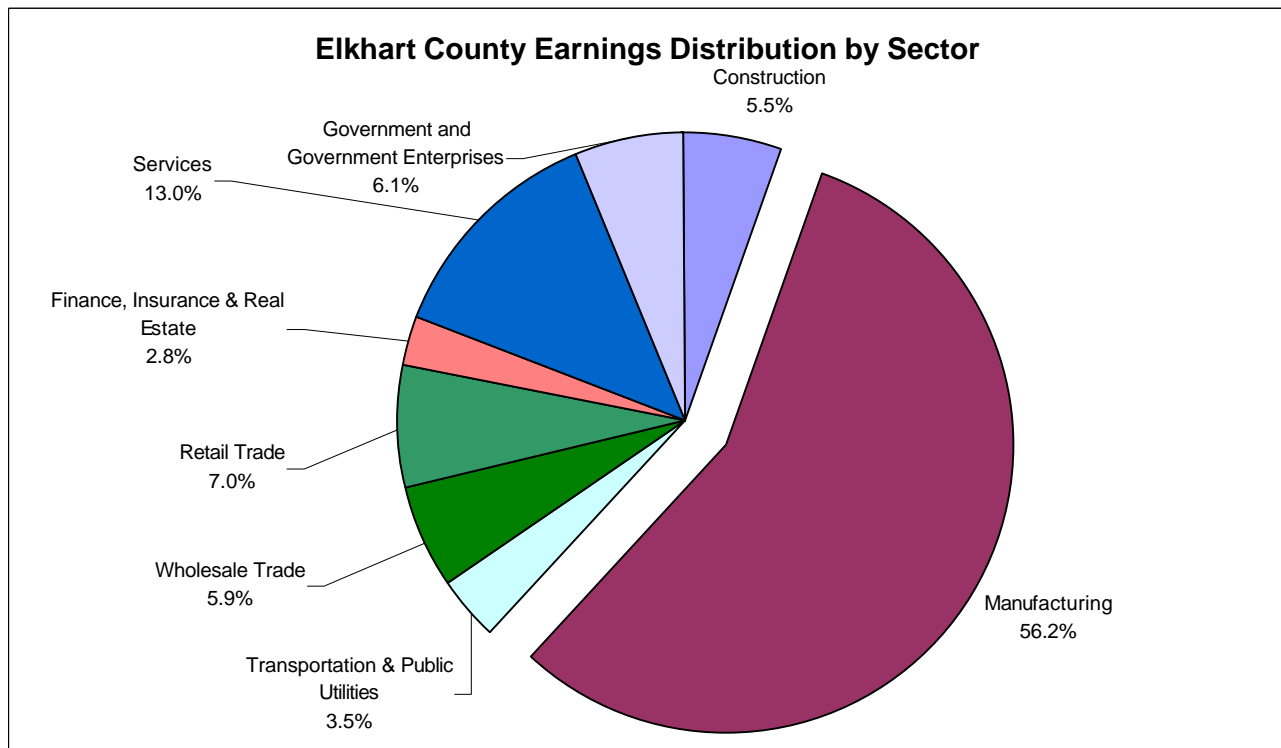


Source: Regional Economic Information System, Bureau of Economic Analysis, US Department of Commerce



Elkhart County Hourly Earnings (As percent)			
	of the U.S.	of Indiana	of the Region
Private Employment	90.8	101.3	104.8
Construction	101.4	105.7	107.0
Manufacturing	80.9	82.0	92.9
Transportation & Public Utilities	70.6	87.7	85.7
Wholesale Trade	78.2	89.9	100.8
Retail Trade	83.5	98.9	103.9
Finance, Insurance & Real Estate	61.0	81.6	104.2
Services	70.9	88.3	93.9
Federal, Civilian	90.7	96.4	98.9
Military	38.5	83.8	92.2
State and Local Govt	96.4	106.8	107.3

SOURCE: Regional Economic Information Service, Bureau of Economic Analysis, U.S. Dept. of Commerce



Source: Regional Economic Information System, Bureau of Economic Analysis, US Department of Commerce

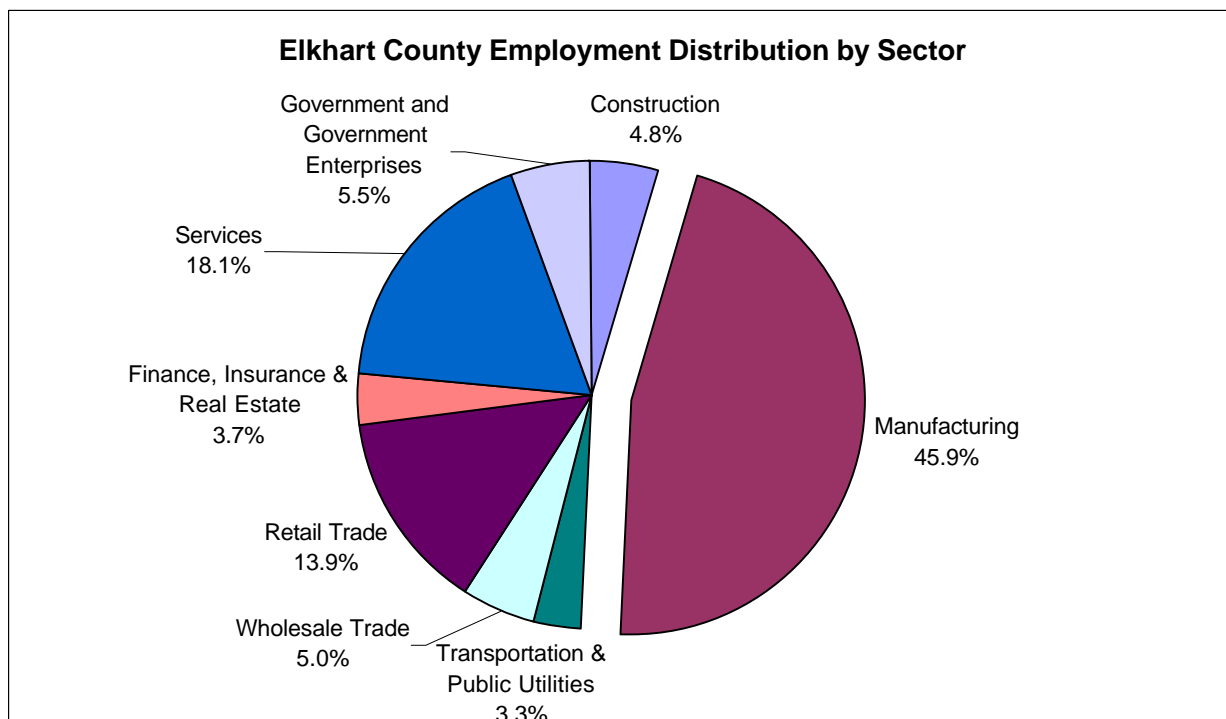
# The Horizon Project

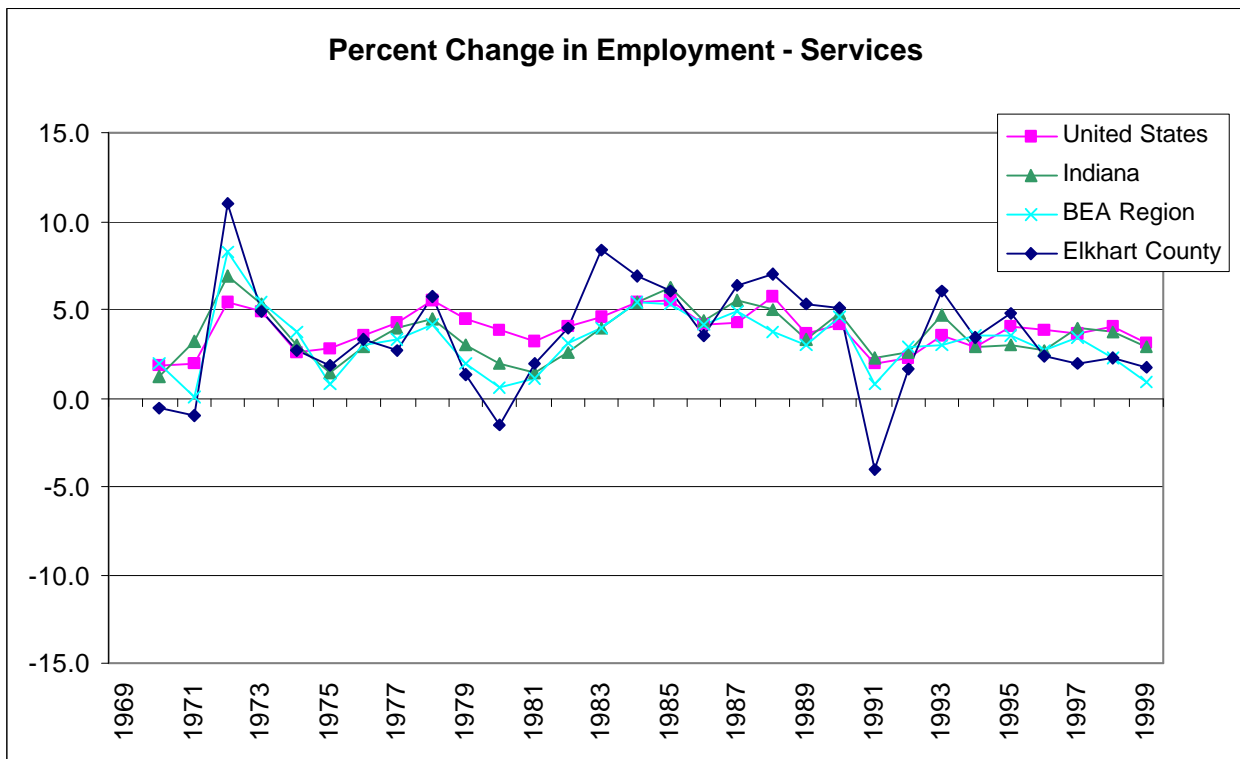
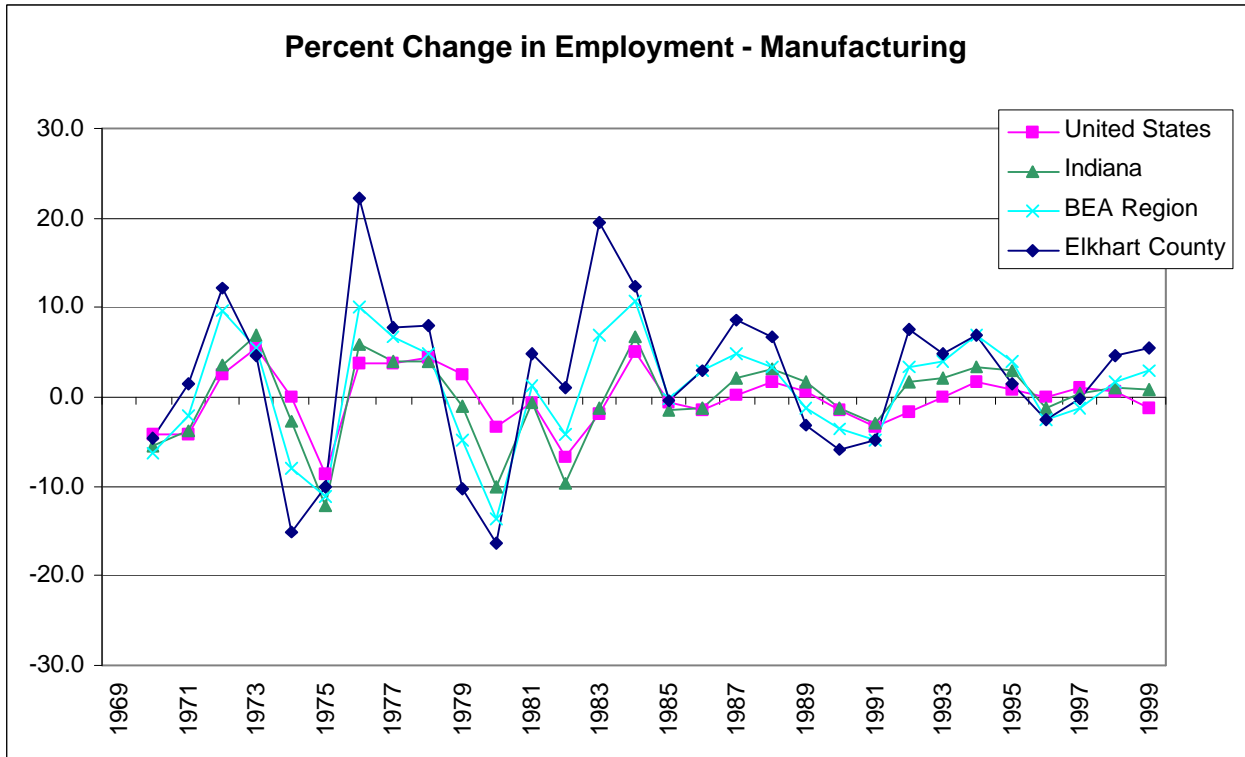
## Employment by Industry

Total private employment within the county has grown 21.0 percent since 1989. This outpaced the growth of the region (19.3 percent) but fell behind that of the state and nation. Increases in construction and manufacturing employment have led growth within the county. Although the service sector employment increased by 27.9 percent between 1989 – 1999, it still fell behind increases in the nation, state and region. Future expansion of the economic base depends heavily upon expansion of the business support services found in the service sector.

Employment Change 1989 - 1999				
	Elkhart County	U.S.	Indiana	Region
Private Employment	21.0	22.1	23.3	19.3
Ag. Services, Forestry, Fishing, and Other	N/A	49.1	52.3	N/A
Mining	N/A	-25.4	-22.9	N/A
Construction	37.8	26.9	33.0	25.6
Manufacturing	17.6	-3.7	7.1	10.7
Transportation & Public Utilities	1.3	25.3	15.6	3.8
Wholesale Trade	21.1	11.3	16.3	16.3
Retail Trade	27.0	18.6	21.1	18.2
Finance, Insurance & Real Estate	9.2	21.7	30.3	19.2
Services	27.9	39.0	39.1	31.2
Federal, Civilian	-13.0	-11.1	-14.0	-4.2
Military	-20.6	-26.2	-34.6	-27.9
State and Local Govt	29.7	17.5	16.1	18.7

SOURCE: Regional Economic Information Service, Bureau of Economic Analysis, U.S. Dept. of Commerce





Source: Regional Economic Information System, Bureau of Economic Analysis, US Department of Commerce

## The Horizon Project

---

### **Identification of the Local Economic Base and Industry Specialization**

---

Industries that account for the largest share of earnings or employment do not necessarily represent those that are the underpinnings of the local economy. Those industries that are most crucial for growth are those that produce goods and services that are exported outside of the local economy. These industries are known as the economy's "economic base" or "export base" and are often referred to as "basic" industries. The export of goods and services generates an inflow of cash into the economy. This is the fuel that makes the economy work.

The analysis of the export base of the economy will identify those sectors of the economy that are "basic", and those in which there is sufficient specialization that substitution of imports by local goods and services might be successful.

### **Competitive Strength Analysis**

Competitive strength analysis helps to group industries for further strategic planning purposes based upon two criteria: 1.) their relative concentration in the local economy and 2.) their recent growth performance. To accomplish this goal, we use shift-share performance and location quotient analysis to assess concentration and growth. A location quotient (LQ) is simply a ratio that compares the percentage of employment in a particular industry in a local economy to the percentage of employment the same industry constitutes in the national economy. A location quotient of 1.0 would indicate that the share of employment in a particular industry of the local economy is exactly the same as the share of employment in the same industry nationally. If the location quotient is greater than one, the local share of employment in a particular industry exceeds the national share of employment in the same industry. If it is less than one, the local share of employment in an industry is less than the national share.

This analysis is important as these ratios also indicate a coefficient of specialization for an industry. Since industries with a location quotient of more than one indicate a high level of production of a specific good or service, it can be surmised that these industries would export goods or services outside of the local economy. These industries would be assigned to the economic base of the community as the exportation of goods or services results in inflows of funds into the economy.

Shift-share analysis is a method of analyzing differences between growth in a local economy and growth in the national economy. It is a way to isolate the effect of local influences on growth from effects that operate industry-wide or at the national level. Shift-share analysis is especially useful for noting variation in the local effect across industries that may signal strengths and weaknesses of the local economy. It is also used to identify the contributions of an area's underlying industrial structure or "industrial mix" to local economic growth overall.

Shift-share analysis divides local employment growth into three components, a national share reflecting growth of the national economy; an industrial mix that reflects industry-specific factors; and local factors, which reflect local influences on industry performance. These three factors when added together reflect the observed changes in local employment.



## Methodology

For the purpose of this study, the following scales were used in the assignment of industries to the economic base of Elkhart County:

- 0.0 – 1.19  
No local specialization, potential import substitution opportunities
- 1.20 and above  
Likely export base employers

This scale is not absolute. Local knowledge of industries was used where possible to discern local base employers even if their location quotient score may not meet threshold requirements.

Using a screening method that measures a combination of minimum wage (higher than \$12.00 per hour) and employment standards (more than 150 employees), specialization of the industry, local growth, and national trends, the competitive strength analysis will classify industries based upon the following categories:

- Strong performers (industries that are growing locally and exceeding growth elsewhere)
- Lagging performers (industries that are growing locally but at a slower rate than elsewhere)
- Constrained performers (industries that are declining locally but not so rapidly as elsewhere)
- Poor performers (industries that are declining locally in both absolute and relative terms)

The competitive strength analysis focuses on two segments of the economy, the manufacturing sector and producer services.

## Industry Performance

The industry growth analysis focuses on three segments of the economy, the manufacturing sector, producer services, and tourism. Producer services are classified as those industries that mainly serve in a support role for the major manufacturers. Tourism are those industries that have the ability to serve a visiting population. These services include transportation, lodging, recreation, and retail activities.

The business cycle from 1989 – 1999 was a period of overall employment growth for the nation, although manufacturing employment decreased national during this period by 3.7 percent. During this same time period manufacturing productivity increased dramatically. This employment decrease was due to loss of manufacturing employment to off-shore operations as well as the increasing substitution of capital for labor in domestic manufacturing operations.

However, during this same time period, manufacturing in Indiana was running counter to the nation. Employment in manufacturing increased by 7.1 percent statewide with Elkhart County leading the state and region with an employment increase of 17.6 percent. Closer examination of manufacturing shows that most of the county's largest industries gained significant employment during this time period. These include Motor Vehicle and Transportation Equipment (SIC 371) which grew by 27.4 percent to 13,180 employees, Miscellaneous Transportation Equipment (SIC 379) which grew by 56.8 percent to 8,655 employees, Wood Buildings and Mobile Homes (SIC 245) which grew by 42.1 percent to 6,134 jobs, and Fabricated Structural Metal Products (SIC 344) which grew by 76.1

# The Horizon Project

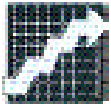
percent to 3,842 employees.

Most manufacturing sectors that lost employment during this time period also saw decreasing employment nationwide. Large industry declines during this time period included Drugs (SIC 283) which decreased by 62.9 percent to 1,247 employees (which ran counter to an increase nationwide) and Laboratory Apparatus and Analytical, Optical, Measuring and Miscellaneous Equipment (SIC 382) which decreased 38.0 percent to 751 employees.

Overall, producer services gained employment in Elkhart County during the 1989 – 1999 period. Producer services employment, which includes transportation, wholesale trade, retail trade, FIRE (Finance, Insurance and Real Estate), and services increased by 18.2 percent during this time period. Of that growth, Transportation and Public Utilities, Finance, Insurance and Real Estate and Services lagged behind national growth while the remainder of the producer sectors outpaced national growth.

Industries that account for the largest share of earnings or employment do not necessarily represent those that are the underpinnings of the local economy. Those industries that are most crucial for growth are those that produce goods and services that are exported outside of the local economy. These industries are known as the economy's "economic base" or "export base" and are often referred to as "basic" industries and are included in the analysis below.

STRONG PERFORMER - CURRENT STRENGTHS - GOOD NATIONAL INDUSTRY PERFORMANCE											
Industries that are growing locally and exceeding growth elsewhere											
SIC	Industry	Local Employment 1989	Local Employment 1999	Average Wage Rate 1989	Average Wage Rate 1999	Industry Mix Percent	Industry Mix Absolute Change	Local Factors Percent	Local Factors Absolute Change	Location Quotient Employment	Location Quotient Earnings
3792	Travel Trailers and Campers	4,917	7,859	15.49	20.33	14.9	732	25.1	1233	303.7271	419.3067
3499	Fabricated Metal Products, Not Elsewhere Classified	349	1,022	10.92	14.58	27.9	98	145.0	506	13.0026	12.2766
5211	Lumber and Other Building Materials Dealers	271	832	12.13	12.94	17.5	47	169.7	460	1.2782	1.3757
3444	Sheet Metal Work	400	775	16.59	17.50	11.7	47	62.2	249	5.7524	6.3220
3715	Truck Trailers	50	645	11.00	18.69	25.1	13	1145.0	572	14.0128	18.9794
3498	Fabricated Pipe and Pipe Fittings	414	532	20.00	17.80	7.0	29	1.7	7	16.5353	19.1138
3084	Plastics Pipe	169	356	18.41	19.56	13.8	23	77.0	130	15.9969	20.5992
1794	Excavation Work	149	352	14.67	19.42	21.1	31	95.3	142	1.8934	2.4002
5521	Motor Vehicle Dealers (Used Only)	99	260	13.88	15.02	43.4	43	99.3	98	2.3568	2.6259
5561	Recreational Vehicle Dealers	134	199	15.50	16.02	27.0	36	1.6	2	6.0308	6.3518
2448	Wood Pallets and Skids	36	189	7.75	14.15	24.5	9	380.6	137	3.8687	5.6035
5033	Roofing, Siding, and Insulation Materials	43	179	15.35	16.40	20.0	9	276.4	119	4.3440	3.7528
2439	Structural Wood Members, Not Elsewhere Classified	22	155	10.13	15.94	41.2	9	543.5	120	3.0962	3.7492



**STRONG PERFORMER - CURRENT STRENGTHS - POOR NATIONAL INDUSTRY PERFORMANCE**

Industries that are grow ing locally and exceeding growth elsewhere

SIC	Industry	Local Employment 1989	Local Employment 1999	Average Wage Rate 1989	Average Wage Rate 1999	Industry Mix Percent	Industry Mix Absolute Change	Local Factors Percent	Local Factors Absolute Change	Location Quotient Employment	Location Quotient Earnings
3716	Motor Homes	7,002	7,885	15.82	20.18	-10.1	(707)	2.8	197	326.9251	423.3097
3713	Truck and Bus Bodies	1,314	2,707	16.40	17.20	-6.1	(80)	92.2	1212	53.1984	56.0127
3442	Metal Doors, Sash, Frames, Molding, and Trim	1,169	2,462	12.77	12.42	-7.6	(88)	98.3	1149	26.8265	24.2663
3089	Plastics Products, Not Elsew here Classified	1,264	2,301	11.77	14.03	-1.6	(20)	63.7	806	4.7458	4.6192
2431	Millw ork	913	1,588	12.02	14.48	-5.1	(47)	59.2	540	11.8525	12.5124
2542	Lockers, Except Wood	615	1,134	13.71	16.42	-10.0	(62)	74.6	459	26.8527	30.2813
5013	Motor Vehicle Supplies and New Parts	686	1,015	16.18	16.29	-13.2	(91)	41.3	283	3.3044	3.3012
3732	Boat Building and Repairing	913	938	13.87	16.28	-23.5	(215)	6.3	58	13.3919	16.5208
3676	Electronic Resistors	440	732	19.44	26.36	-46.8	(206)	93.3	411	75.8111	135.8389
5084	Industrial Machinery and Equipment	272	722	18.72	16.83	-23.9	(65)	169.4	461	1.9907	1.4955
5031	Lumber, Plyw ood, Millw ork, and Wood Panels	485	678	16.96	21.63	-4.5	(22)	24.4	118	4.5391	5.2546
3451	Screw Machine Products	207	665	16.38	25.48	-8.0	(17)	209.4	433	11.6200	18.2632
3651	Household Audio and Video Equipment	525	562	14.05	16.82	-36.9	(194)	24.0	126	9.7475	8.2406
3365	Aluminum Foundries	339	497	15.34	20.24	-18.1	(61)	44.9	152	17.5792	23.1915
3679	Electronic Components, Not Elsewhere Classified	437	459	9.23	12.45	-20.8	(91)	5.9	26	2.8181	1.8092
3469	Metal Stampings, Not Elsewhere Classified	378	440	12.86	14.00	-10.2	(39)	6.7	25	4.5984	3.8159
2452	Prefabricated Wood Buildings and Components	249	424	14.59	17.78	-7.2	(18)	57.6	143	16.2623	20.7381
5063	and Construction Materials	230	406	19.13	18.82	-3.6	(8)	60.3	139	1.6441	1.4497
3082	Unsupported Plastics Profile Shapes	306	405	16.65	17.18	-32.7	(100)	45.2	138	14.8434	15.2657
2521	Wood Office Furniture	94	383	15.69	15.54	-24.9	(23)	312.4	294	10.7083	11.5069
3231	Glass Products, Made Of Purchased Glass	242	331	11.39	14.62	-8.5	(20)	25.3	61	4.7793	4.1275
3465	Automotive Stampings	61	293	15.57	21.13	-7.5	(5)	368.0	224	2.2678	2.1750
3569	Elsewhere Classified	98	285	18.40	19.18	-12.9	(13)	183.9	180	6.2832	5.9518
5051	Metals Service Centers and Offices	164	255	17.83	19.52	-11.4	(19)	47.0	77	1.5742	1.4774
3823	Control Of Process Variables; and Related Products	65	246	16.23	14.37	-14.7	(10)	273.3	178	3.3598	2.0919
3471	Coloring	202	244	16.06	16.90	-8.2	(16)	9.1	18	2.6439	3.1162
3273	Ready-mixed Concrete	145	234	23.95	22.52	-1.4	(2)	42.8	62	1.8551	2.3777
3625	Relays and Industrial Controls	70	232	14.02	13.44	-40.0	(28)	251.5	176	3.9546	2.3461
2026	Fluid Milk	143	228	17.02	16.83	-38.7	(55)	78.2	112	3.5159	3.2284
2891	Adhesives and Sealants	59	201	13.46	21.51	-9.6	(6)	230.4	136	7.1389	6.9094
4932	Gas and Other Services Combined	139	180	28.50	26.74	-25.6	(36)	35.2	49	5.9979	5.4030
5093	Scrap and Waste Materials	79	180	14.59	16.22	-17.4	(14)	125.4	99	1.4643	1.6836
5131	Piece Goods, Notions, and Other Dry Good	84	169	13.76	13.91	-27.1	(23)	108.4	91	3.1165	2.0552

# The Horizon Project

## LAGGING PERFORMER - HIGH PRIORITY RETENTION TARGETS

Industries that are growing locally but at a slower rate than elsewhere

SIC	Industry	Local Employment 1989	Local Employment 1999	Average Wage Rate 1989	Average Wage Rate 1999	Industry Mix Percent	Industry Mix Absolute Change	Local Factors Percent	Local Factors Absolute Change	Location Quotient Employment	Location Quotient Earnings
2451	Mobile Homes	4,068	5,710	17.89	20.17	62.4	2540	-42.0	(1707)	68.7909	97.6191
3931	Musical Instruments	1,265	1,390	16.03	18.90	8.2	104	-18.2	(230)	79.3067	103.9632
3061	Goods	1,174	1,184	15.68	15.74	-4.1	(49)	-14.9	(175)	19.3937	19.7191
3799	Transportation Equipment, Not Elsewhere Classified	602	796	15.69	16.77	93.7	564	-81.4	(490)	24.3619	29.7952
3544	and Industrial Molds	611	643	18.89	19.98	-11.6	(71)	-3.1	(19)	3.7318	3.7019
1623	Power Line	420	483	20.74	25.56	-1.0	(4)	-3.9	(16)	1.6852	2.4552
5072	Hardware	369	384	17.30	17.79	-4.3	(16)	-11.5	(42)	3.1480	3.1638
3053	Gaskets, Packing, and Sealing Devices	328	337	13.07	17.38	9.6	32	-26.8	(88)	7.2215	7.5688
2522	Office Furniture, Except Wood	185	191	15.13	16.88	-7.0	(13)	-9.6	(18)	4.3913	3.9567
3317	Steel Pipe and Tubes	179	190	18.69	22.49	-3.7	(7)	-10.0	(18)	6.0401	7.2357

## CONSTRAINED PERFORMER - PROSPECTS LIMITED DUE TO EXTERNAL TRENDS

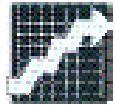
Industries that are declining locally but not so rapidly as elsewhere

SIC	Industry	Local Employment 1989	Local Employment 1999	Average Wage Rate 1989	Average Wage Rate 1999	Industry Mix Percent	Industry Mix Absolute Change	Local Factors Percent	Local Factors Absolute Change	Location Quotient Employment	Location Quotient Earnings
5147	Meats and Meat Products	203	188	15.43	18.04	-29.0	(59)	1.7	3	3.0498	3.4625

## POOR PERFORMER - PROSPECTS LIMITED DUE TO LOCAL WEAKNESSES

Industries that are declining locally in both absolute and relative terms

SIC	Industry	Local Employment 1989	Local Employment 1999	Average Wage Rate 1989	Average Wage Rate 1999	Industry Mix Percent	Industry Mix Absolute Change	Local Factors Percent	Local Factors Absolute Change	Location Quotient Employment	Location Quotient Earnings
3714	Motor Vehicle Parts and Accessories	1,982	1,940	13.65	18.00	15.4	305	-37.4	(741)	3.2810	2.7171
2834	Pharmaceutical Preparations	3,362	1,231	27.37	36.96	1.6	55	-84.9	(2854)	4.9403	5.0530
3086	Plastics Foam Products	1,416	1,218	11.95	14.18	3.0	43	-36.9	(522)	18.0303	17.0914
2531	Public Building and Related Furniture	1,411	1,165	10.65	12.60	35.5	501	-72.8	(1028)	20.8573	16.0455
2434	Wood Kitchen Cabinets	1,860	1,010	12.92	14.11	11.5	214	-77.1	(1434)	9.8406	11.2475
3822	Automatic Controls For Regulating Residential and Commercial Environments and Appliances	1,143	495	14.87	16.13	-42.9	(491)	-33.7	(385)	11.8206	9.4868
7532	Top, Body, and Upholstery Repair Shops and Paint Shops	427	327	14.11	16.61	10.6	45	-53.9	(230)	1.4403	1.7730
2013	Sausages and Other Prepared Meat Products	555	326	15.97	15.02	1.5	9	-62.7	(348)	2.9762	3.1359
3443	Fabricated Plate Work (Boiler Shops)	344	318	13.96	17.36	-23.6	(81)	-3.8	(13)	2.8548	2.8052
3613	Switchgear and Switchboard Apparatus	329	295	15.05	14.48	-27.2	(89)	-3.0	(10)	6.0527	3.8623
3523	Farm Machinery and Equipment	444	283	13.24	14.57	-27.8	(124)	-28.3	(126)	3.6924	2.8502
2541	Wood Office and Store Fixtures, Partitions, Shelving, and Lockers	321	277	13.55	15.46	-4.9	(16)	-28.7	(92)	5.1828	5.5428
3429	Hardware, Not Elsewhere Classified	427	273	11.52	15.47	-34.3	(146)	-21.7	(93)	3.8527	3.7079
2515	Mattresses, Foundations, and Convertible Beds	253	214	11.76	13.59	1.5	4	-36.8	(93)	5.6501	5.5015
3589	Service Industry Machinery, Not Elsewhere Classified	249	199	12.84	17.57	5.3	13	-45.3	(113)	4.0758	3.9851
5074	Plumbing and Heating Equipment and Supplies (Hydronics)	232	199	17.02	19.25	-17.2	(40)	-16.9	(39)	1.5139	1.5757
3354	Aluminum Extruded Products	203	178	17.36	17.20	-7.6	(15)	-24.6	(50)	4.7630	3.9890
5083	Farm and Garden Machinery and Equipment	154	154	12.04	13.20	-16.2	(25)	-3.7	(6)	1.2027	1.0686



Industries that are not current specializations, those industries that serve the local population, are examined below. These industries can be important because to the degree that an area is not meeting its own demand for consumer goods or production inputs, there are income “leakages” and fewer dollars circulating within the local economy. Import substitution may be a useful strategy for building the local service sector.

STRONG PERFORMER - EMERGING STRENGTHS - GOOD NATIONAL INDUSTRY PERFORMANCE												
Industries that have experienced growth locally and are gaining share of employment, but not currently local specializations.												
SIC	Industry	Local Employment 1989	Local Employment 1999	Average Wage Rate 1989	Average Wage Rate 1999	Industry Mix Percent	Industry Mix Absolute Change	Local Factors Percent	Local Factors Absolute Change	Location Quotient Employment	Location Quotient Earnings	
8011	Offices and Clinics Of Doctors Of Medicine	642	1,316	17.07	19.98	26.6	171	58.5	375	0.6563	0.5098	
7389	Business Services, Not Elsewhere Classified	444	1,058	12.40	13.98	49.5	220	68.9	306	0.9361	1.0517	
8721	Accounting, Auditing, and Bookkeeping Services	155	459	14.42	17.77	3.5	5	172.8	268	0.6593	0.5591	
8021	Offices and Clinics Of Dentists	264	399	10.93	14.44	12.9	34	18.3	48	0.5610	0.5416	
8082	Home Health Care Services	104	300	8.37	13.07	137.5	143	31.1	32	0.4457	0.6690	
1799	Special Trade Contractors, Not Elsewhere Classified	35	184	9.47	14.89	18.3	6	387.5	136	0.6200	0.6511	
8093	Classified	117	174	13.45	12.25	23.3	27	5.6	7	0.7558	0.7118	

STRONG PERFORMER - EMERGING STRENGTHS - POOR NATIONAL INDUSTRY PERFORMANCE												
Industries that have experienced growth locally and are gaining share of employment, but not currently local specializations.												
SIC	Industry	Local Employment 1989	Local Employment 1999	Average Wage Rate 1989	Average Wage Rate 1999	Industry Mix Percent	Industry Mix Absolute Change	Local Factors Percent	Local Factors Absolute Change	Location Quotient Employment	Location Quotient Earnings	
8062	General Medical and Surgical Hospitals	1,808	2,373	13.16	15.99	-2.2	(39)	13.5	245	0.6095	0.6347	
1520	General Building Contractors-residential	563	973	13.90	14.82	-4.8	(27)	57.8	325	1.1777	1.1932	
1540	General Building Contractors-Nonresidential	410	564	16.84	20.67	-11.5	(47)	29.2	120	0.8143	0.8713	
8221	Colleges, Universities, and Professional Schools	225	335	12.68	13.51	-1.8	(4)	30.8	69	0.3638	0.3008	
5531	Auto and Home Supply Stores	262	332	12.00	12.04	-0.8	(2)	7.6	20	0.7674	0.8274	
7699	Classified	116	231	9.94	14.50	-13.3	(15)	92.5	107	1.1864	1.1883	
1761	Roofing, Siding, and Sheet Metal Work	145	205	13.60	12.65	-0.6	(1)	22.1	32	0.7849	0.7547	
1611	Highways	115	177	22.68	32.89	-2.7	(3)	36.7	42	0.6179	1.0832	
2653	Corrugated and Solid Fiber Boxes	82	167	14.81	19.12	-7.7	(6)	91.5	75	1.1660	1.2060	
5712	Furniture Stores	124	163	10.55	12.56	-8.7	(11)	20.3	25	0.4807	0.4927	

LAGGING PERFORMER - PROSPECTS LIMITED DUE TO WEAK BASE AND DECLINING COMPETITIVENESS												
Industries that have experienced growth locally, but are not gaining competitiveness and are not local specializations												
SIC	Industry	Local Employment 1989	Local Employment 1999	Average Wage Rate 1989	Average Wage Rate 1999	Industry Mix Percent	Industry Mix Absolute Change	Local Factors Percent	Local Factors Absolute Change	Location Quotient Employment	Location Quotient Earnings	
4210	Trucking and Courier Services, Except Air	1,433	1,459	13.11	15.06	-10.9	(156)	-7.2	(103)	0.8495	0.8556	
5511	Motor Vehicle Dealers (New and Used)	704	740	17.85	19.82	-7.2	(51)	-7.6	(53)	0.6418	0.6762	
1711	Plumbing, Heating and Air-conditioning	355	466	14.67	17.27	15.1	53	-3.7	(13)	0.4926	0.5091	
1731	Electrical Work	332	464	17.70	19.15	25.6	85	-5.7	(19)	0.5474	0.5827	
7538	General Automotive Repair Shops	218	297	12.10	12.98	16.4	36	0.0	(0)	0.9721	1.0806	
8111	Legal Services	221	231	11.91	12.53	-8.6	(19)	-6.7	(15)	0.2175	0.1050	
1771	Concrete Work	121	174	11.92	14.28	23.9	29	0.0	(0)	0.5005	0.5034	

# The Horizon Project

CONSTRAINED PERFORMER - PROSPECTS LIMITED DUE TO WEAK BASE AND EXTERNAL TRENDS												
Industries that are not current specializations and have not experienced employment growth locally, but are gaining competitive share												
SIC	Industry	Local Employment 1989	Local Employment 1999	Average Wage Rate 1989	Average Wage Rate 1999	Industry Mix Percent	Industry Mix Absolute Change	Local Factors Percent	Local Factors Absolute Change	Location Quotient Employment	Location Quotient Earnings	
2711	Newspapers Publishing, Or Publishing and Printing	349	334	13.26	17.28	-27.1	(95)	2.9	10	0.7112	0.7772	

POOR PERFORMER - PROSPECTS LIMITED OVERALL												
Industries that are not local specializations, have not experienced growth locally, and are not gaining competitive share												
SIC	Industry	Local Employment 1989	Local Employment 1999	Average Wage Rate 1989	Average Wage Rate 1999	Industry Mix Percent	Industry Mix Absolute Change	Local Factors Percent	Local Factors Absolute Change	Location Quotient Employment	Location Quotient Earnings	
6022	State Commercial Banks	746	333	14.07	16.69	-32.1	(240)	-43.1	(322)	0.5350	0.4594	
6021	National Commercial Banks	637	311	15.41	19.57	-20.9	(133)	-50.2	(320)	0.3334	0.3441	
3599	Not Elsewhere Classified	324	273	15.16	14.62	2.1	7	-37.7	(122)	0.8809	0.7854	
2752	Commercial Printing, Lithographic	347	259	15.95	18.39	-15.0	(52)	-30.3	(105)	0.6430	0.6931	
4813	Telephone Communications, Except Radiotelephone	338	198	20.71	22.68	-14.8	(50)	-46.5	(157)	0.2094	0.1741	

Source: Analysis - Hudson Institute; Data - Minnesota Implan Group, Inc. (Using 1989, 1999 ES202 data from Bureau of Labor Statistics, U.S. Dept. of Labor)



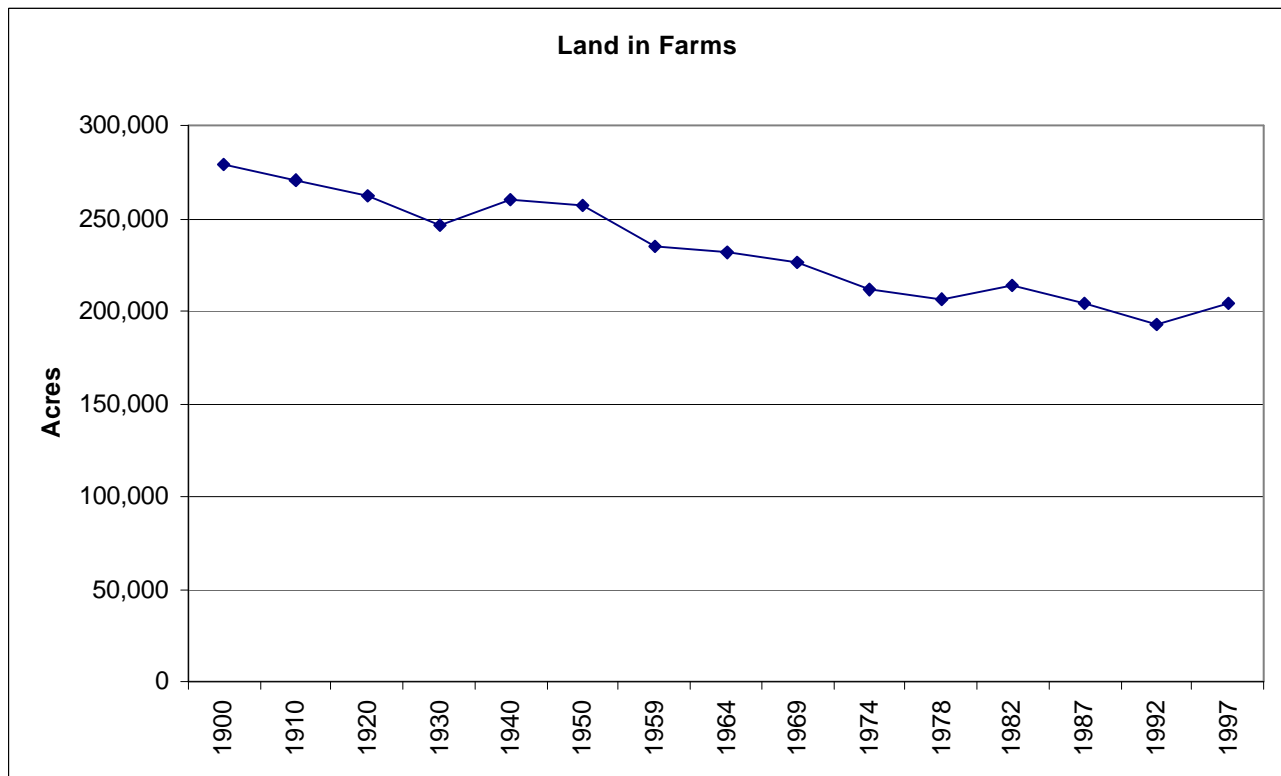
## Agriculture

The most current data available from the Census of Agriculture are 1997 data. The Census of Agriculture is completed every five years in years ending in 2 and 7. The 2002 Census of Agriculture was taken in March 2002 and the data will be available in 2003 or 2004. Whenever possible, more current data from the Indiana Agricultural Statistics Service has been used.

### Farms, Acreage, and Type

In 1997 there were 1,335 farms in operation, totaling 182,771 acres of land. The total land area for Elkhart County is 296,856 acres. The average farm in Elkhart County in 1997 was 131 acres. Statewide the average farm size was 261 acres.

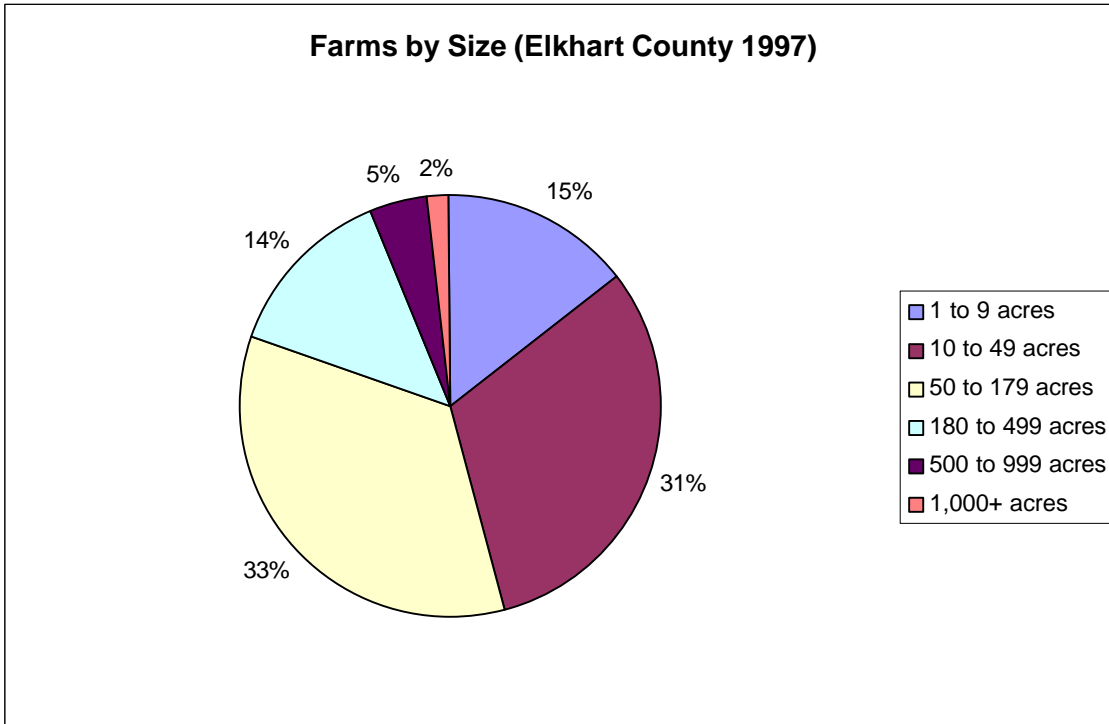
Elkhart County experienced a 31 percent loss of farmland between 1900 and 1992. There was a loss of 25 percent between 1950 and 1992. In 1930, 56.6 percent of the land in farms was harvested cropland. By 1992 the percentage in cropland had increased to 77.1 percent. Pasture land decreased from 26 percent of farmland in 1930 to 10.3 percent in 1992.



Source: Census of Agriculture, Bureau of the Census, US Department of Commerce

# The Horizon Project

---



Source: Census of Agriculture, Bureau of the Census, US Department of Commerce

## Characteristics

Elkhart County experienced a 14 percent decrease in the number of farms from 1987 to 1997. The county also experienced a decrease in the number of farms with full owners from 1987 to 1997. This loss was similar to the loss experienced by the state during the same period. In the county the number of part owners has remained fairly constant, while increasing at the state level.

Eighty two percent of the farm operators in Elkhart County lived on the farm they operated in 1997. This percentage is higher than the state average of 76 percent.

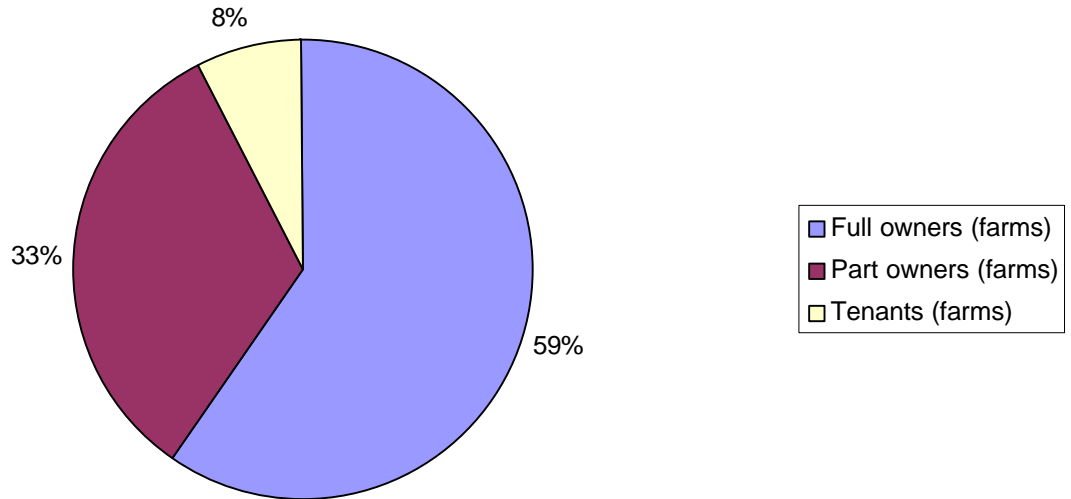
In Elkhart County nearly 65 percent of farm operators worked off-farm at least one day during 1996 according to the 1997 Census of Agriculture. More than 46 percent worked more than 200 days off farm in 1996. Farmers likely have to work off farm to supplement their income in order to make ends meet.

The average number of years a farm operator has been on the present farm was 18 years in Elkhart County in 1997. This is less time than the state average of 21 years on the present farm. 57 percent of Elkhart County farm operators had more than ten years on their present farm in 1997.

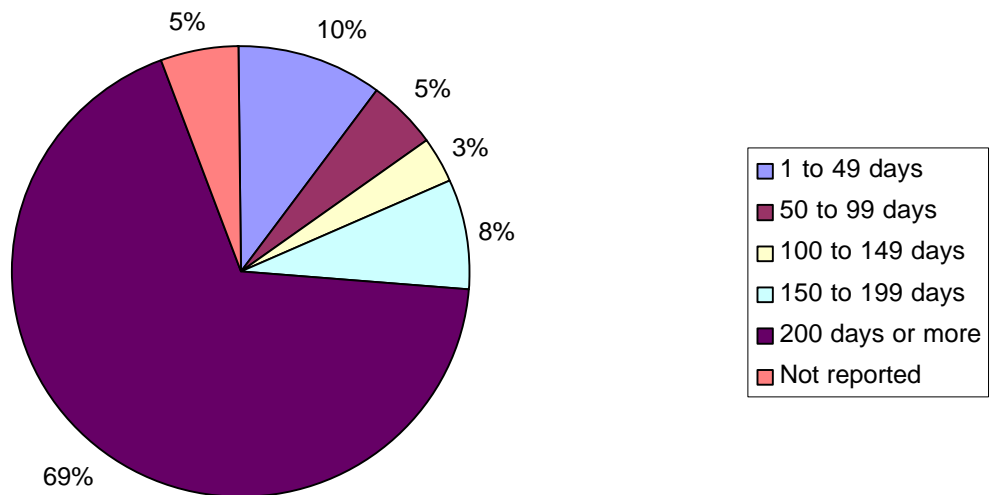
The average Elkhart County farm operator was 47 years old in 1997. Eight percent of farm operators were over 70 years old and only two percent were under age 25. Nearly 27 percent of farm operators were age 45 to 54. Farm operators in the county were predominately male, accounting for 98 percent of operators.



**Elkhart County Ownership by Percentage of Farms**



**Elkhart County Days Worked Off-Farm (1997)**



Source: Census of Agriculture, Bureau of the Census, US Department of Commerce

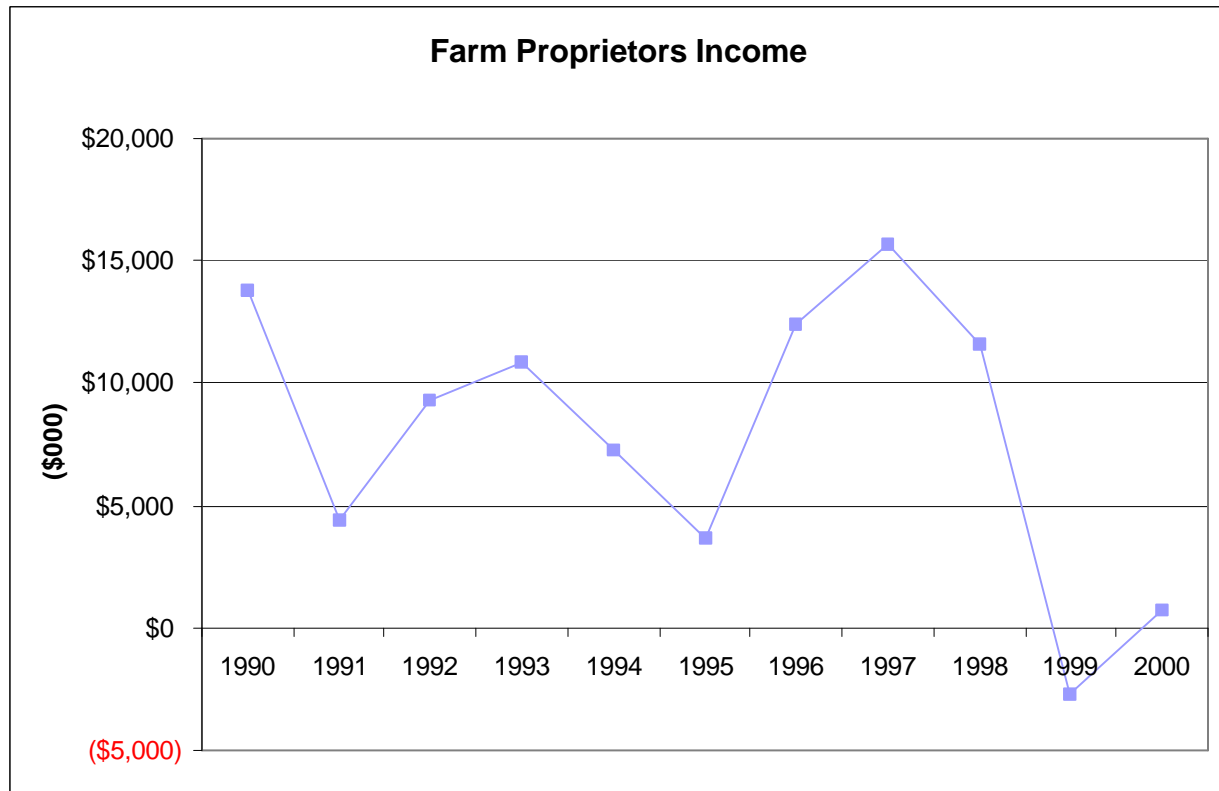
# The Horizon Project

---

## Employment and Income

According to the Bureau of Economic Analysis, there were 1,520 people employed as farm proprietors in 2000, a decline of 6.5 percent since 1990. A total of 1,856 people were considered farm employees, a decline of 5.8 percent from 1990 to 2000.

Farm proprietor income was about \$13,815,000 in 1990, and fell to \$726,000 in 2000. This value is not consistent over time and demonstrates the volatility of the farming business. Farm earnings in general fell from a total of \$17,439,000 in 1990 to \$5,284,000 in 2000. Declines were also experienced statewide.



Source: Bureau of Economic Analysis, US Department of Commerce



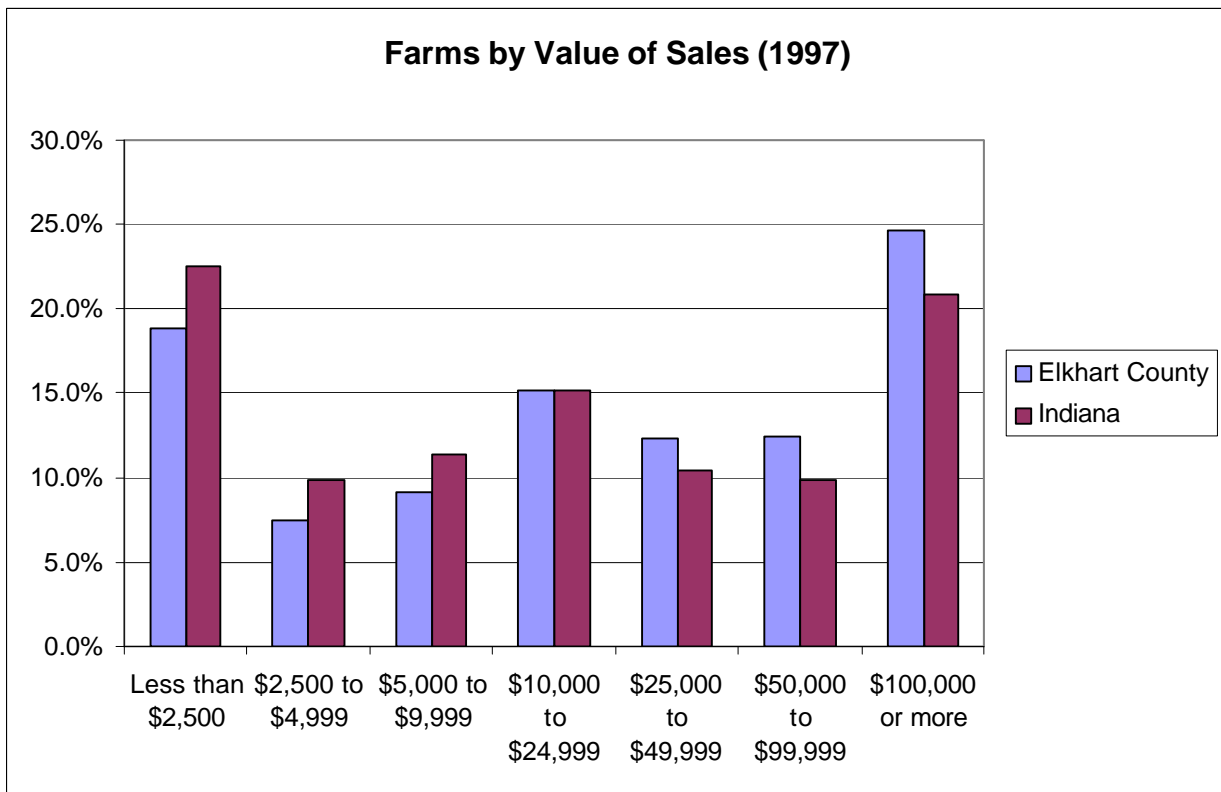
### Commodities

The top five commodities in Elkhart County in 1997 were dairy; poultry and poultry products; hogs and pigs; corn for grain; and, soybeans. The county ranked first in the state for dairy and sixth for poultry and poultry products.

The top five commodities in terms of livestock sold were ducks, geese, and other poultry; broilers and other meat chicken; hogs and pigs; layers, pullets, and pullet chicks; and, cattle and calves. The county was ranked first in the state in broilers and other meat chicken; second in ducks, geese, and other poultry; and, seventh in cattle and calves in the state.

The top five crop commodities were corn for grain; soybeans; hay; corn for silage; and, wheat. The county ranked first in the state for corn for silage and fourth in the state for hay.

In 1997, farms with value of sales over \$100,000 accounted for the largest share of farms in Elkhart County. Farms with sales over \$100,000 accounted for a greater percentage in Elkhart County (24.7 percent) than the state (20.8 percent). Farm sale values do not necessarily translate into farm income, expenses need to be factored in.



Source: Census of Agriculture, Bureau of the Census, US Department of Commerce

## The Horizon Project

---

### Expenses

Total farm production expenses were \$96,862,000 for the county in 1997. The average expenses per farm were \$76,556. This is a higher average expense than experienced statewide. Statewide the average expense was \$69,262. 35 percent of farm expenses in 1997 were for feed for livestock and poultry. This was the single largest expense category. Commercially mixed feeds were the second largest expense, accounting for another 25 percent of costs. These two expenses also accounted for the greatest shares of total expenses statewide. Farm production expenses grew 49 percent from 1989 to 1997 even though the number of farms fell. The average expenses per farm increased 73.9 percent during that same period. Statewide expenses rose 26.2 percent over the same period with average expenses rising 53.6 percent.

### Net Cash Return and Government Payments

The average net cash return to the farm was \$18,193 in 1997. Statewide the average net cash return was \$20,089. Seven hundred forty nine, or 56 percent of farms, had net gains in 1997. Average losses per farm were \$9,165 among those farms who reported losses.

Three hundred thirteen (25 percent) farms received government payments according to the 1997 Census of Agriculture. The average payment per farm was \$5,421.

Thirty-five farms received Conservation Reserve Funds in 1996. The average payment from these funds was \$1,165. Statewide 25,377 farms are receiving the Conservation Reserve funds. The average payment at the state level is \$16,093. The Conservation Reserve Program is a voluntary program for agricultural landowners. Through CRP, landowners can receive annual rental payments and cost-share assistance to establish long-term, resource conserving covers on eligible farmland. The Commodity Credit Corporation (CCC) makes annual rental payments based on the agriculture rental value of the land, and it provides cost-share assistance for up to 50 percent of the participant's costs in establishing approved conservation practices. Participants enroll in CRP contracts for 10 to 15 years.

Commodity Credit Corporation loans for the county totaled \$1,665,000 in 1996. The average loan in the county was \$42,690. Commodity Credit Corporation loans are a service of USDA. The Commodity Credit Corporation (CCC) is a wholly owned government corporation, created to:

- stabilize, support, and protect farm income and prices;
- maintain balanced and adequate supplies of agricultural commodities, including foods, feeds, and fibers; and
- assist in the orderly distribution of these commodities.