

## Economic Report for LaPorte and Porter Counties

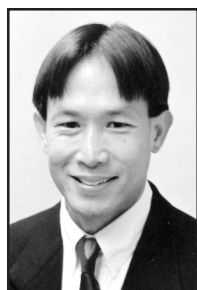
*This issue of ECON TRENDS contains information and statistical data about LaPorte and Porter counties' manufacturing sectors including growth, employment, earnings, sales, and business distribution; and the unemployment trends.*

### Manufacturing Facilities have Grown

The number of manufacturing facilities that employ more than 10 employees has grown. The data in Table 1 and 2 are inferred from information published in the Indiana Business Directory. Data in Table 1 show only the number of manufacturers employing ten or more employees. In 2000, about 29.7 and 30.1 percent of manufacturers in LaPorte and Porter counties, respectively, employed fewer than 10. Approximately 57.4 percent in LaPorte County and 55.8 percent in Porter County employed between 10 and 99 employees. Only 12.9 percent of manufacturers in LaPorte County and 13.3 in Porter County employed 100 or more workers.

In 1998, about 31 and 27 percent of manufacturers in LaPorte and Porter counties, respectively, employed fewer than 10, while 54 percent in LaPorte County and 58.6 percent in Porter County employed between 10 to 99 employees. Only 15 and 14.6 percent of manufacturers in LaPorte and Porter counties, respectively, employed 100 or more workers.

In 1998 the majority of manufacturers (about 57 percent in LaPorte County and 52 percent in Porter County) that employed 10 or more generated between 2.5 and 20 million dollars each in sales volume. Table 2 indicates that in 2000 the majority



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(Table 1)  
**NUMBER OF MANUFACTURERS BY EMPLOYEE SIZE**  
(LaPorte and Porter Counties)

Year	2000						
	10-19	20-49	50-99	100-249	250-499	500-999	1,000-4,999
<b>LaPorte County</b>							
Hanna	1						
Kingsbury	3	7	3	2			
Kingsford Heights	2						
LaPorte	26	16	17	6	3	2	
Michigan City	24	25	14	15	1	1	2
Rolling Prairie	2			1			
Union Mills							
Wanatah		1					
Westville	2						
<b>Total</b>	<b>60</b>	<b>49</b>	<b>34</b>	<b>23</b>	<b>4</b>	<b>3</b>	<b>2</b>
<b>Porter County</b>							
Burns Harbor	1	1	1	1			1
Chesterton	12	5	3	2			
Hebron	4						
Kouts	1	2		1			
Portage	7	7	6	9	1		1
Porter	2			1			
Valparaiso	24	18	7	5	4		
<b>Total</b>	<b>51</b>	<b>33</b>	<b>17</b>	<b>19</b>	<b>5</b>	<b>0</b>	<b>2</b>

(Table 2)  
**NUMBER OF MANUFACTURERS BY SALES VOLUME**  
(LaPorte and Porter Counties)

Year	2000								
	.5-1	1-2.5	2.5-5	5-10	10-20	20-50	50-100	100-500	Over 500
<b>LaPorte County</b>									
Hanna		1							
Kingsbury		2	3	3	4	3			
Kingsford Heights			1	1					
LaPorte		15	9	19	10	8	5	4	
Michigan City	1	15	14	16	14	14	5		1
Rolling Prairie		2							
Union Mills									
Wanatah						1			
Westville	1		1						
<b>Total</b>	<b>2</b>	<b>35</b>	<b>28</b>	<b>39</b>	<b>28</b>	<b>26</b>	<b>10</b>	<b>4</b>	<b>1</b>
<b>Porter County</b>									
Burns Harbor		1			1	2			
Chesterton		2	9	6	2	2		1	
Hebron		3		1					
Kouts			1	1	1	1			
Portage		4	3	5	5	7	5	1	
Porter			1	1				1	
Valparaiso	1	19	11	6	8	7	3	3	
<b>Total</b>	<b>1</b>	<b>29</b>	<b>25</b>	<b>20</b>	<b>17</b>	<b>19</b>	<b>8</b>	<b>6</b>	<b>0</b>

Source for Tables 1 and 2: Indiana Business Directory 2000-2001

# MANUFACTURING

*continued from page 1*

(Table 3)  
**MANUFACTURING FACILITIES**  
 (LaPorte and Porter Counties)

Year	92	93	94	95	96	97	98	99	00	01
<b>LaPorte County</b>										
Hanna	3	3	3	3	3	3	3	3	3	3
Kingsbury	19	19	19	18	17	17	18	20	20	18
Kingsford Heights	1	1	1	2	2	2	3	3	3	3
LaCrosse	2	2	2	1	1	1	1	3	3	3
LaPorte	88	92	101	100	97	95	94	96	97	92
Michigan City	100	97	100	98	101	104	100	100	99	100
Mill Creek	2	2	2	2	2	2	1	2	2	1
Rolling Prairie	4	4	6	6	6	5	6	5	3	3
Union Mills					1	2	2	2	2	2
Wanatah	4	3	4	5	5	5	5	5	5	4
Westville	4	5	5	5	6	6	6	6	6	6
Total	227	228	243	240	241	242	239	245	243	235
Percent Change	-2.16	0.44	6.58	-1.23	0.42	0.41	-1.24	2.51	-0.82	-3.29
<b>Porter County</b>										
Beverly Shores	1	1	1	1				1	1	1
Burns Harbor				1	2	4	4	8	10	9
Chesterton	29	29	30	31	31	30	28	27	25	25
Hebron	8	7	7	7	7	8	6	6	7	5
Kouts	9	6	6	6	6	6	6	5	5	5
Portage	29	29	32	33	36	36	35	35	37	36
Porter	4	4	4	4	3	3	3	3	2	2
Valparaiso	78	80	84	79	85	86	87	94	95	97
Total	158	156	164	162	170	173	169	179	182	180
Percent Change	-3.07	-1.27	5.13	-1.22	4.94	1.76	-2.31	5.92	1.68	-1.10

Source: Indiana Manufacturers Directory 2001

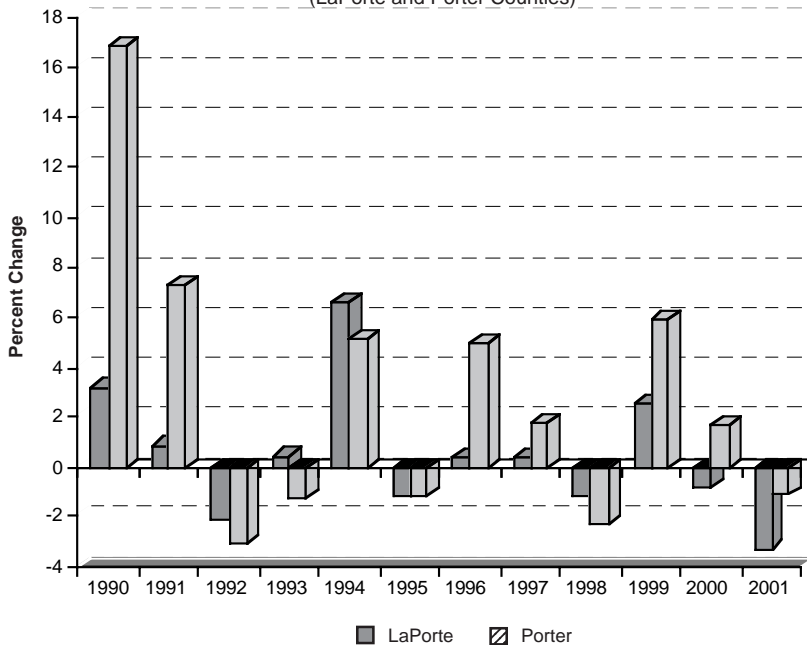
of manufacturers (about 54.9 percent in LaPorte County and 62 percent in Porter County) that employed 10 or more generated between 2.5 and 20 million each in sales volume. From 1998 to 2000, there was a significant increase in the number of manufacturers that generated sales volume above \$2.5 million in LaPorte County (from 117 to 136) and Porter County (from 76 to 95).

Table 3 shows historical data of the number of manufacturing facilities from 1992 to 2001. Manufacturers tend to locate in a few large cities where there is easy access to major highways and other services and amenities. Table 3 data, which were derived from Indiana Manufacturers Directory, shows the total number of manufacturing facilities regardless of size while data in Table 1 show only the number of manufacturers employing ten or more employees. In 2001, about 81.7 percent of LaPorte County manufacturing is concentrated in Michigan City and in the city of LaPorte. In Porter County, about 87.8 percent is located in Valparaiso, Chesterton and Portage. The annual growth rate of manufacturing facilities in LaPorte County peaked at 6.6 percent in 1994 and dropped to -3.29 percent in 2001 (Figure 1). For Porter County the growth rate peaked at a high of 16.92 percent in 1990 and declined to -1.1 percent in 2001. The average annual growth rates from 1990 to 2001 are 0.5 and 2.9 percent in LaPorte and Porter counties, respectively. However, LaPorte County saw the highest number of manufacturing facilities at 245 in 1999 and Porter County at 182 in 2000.

It should be noted that manufacturing as discussed here refers not only to large companies employing hundreds of workers, but also to the small operations that employ two, five or ten people, as well as all the employers in between. In 2000, manufacturing accounted for 24 percent of those employed in LaPorte County and 21.8 percent in Porter County. Service industry employees account for 26 percent of the LaPorte County employment picture and 23 percent in Porter County. Retail employment accounts for 19 percent of LaPorte County employees and 20 percent in Porter County. Those percentages vary only slightly from earlier years. For example, the 1999 manufacturing employment as a percentage of total employment in LaPorte County was 24.4 percent, compared to 22.2 percent in Porter County.

According to the statewide ranking of manufacturing employment published by the Harris Indiana Industrial Directory, between 2000 and 2001, LaPorte County dropped from fifteenth to sixteenth place among the state's 92 counties, while Porter

(Figure 1)  
**GROWTH OF MANUFACTURING FACILITIES**  
 (LaPorte and Porter Counties)



Source: Indiana Manufacturers Directory 2001

(Table 4)  
**1998-2000**  
**MANUFACTURING EMPLOYMENT AND WAGE**  
(LaPorte and Porter Counties)

Sic Group	Manufacturing Employment					Manufacturing Wage						
	LaPorte 1998	LaPorte 2000	% Chge 1998-00	Porter 1998	Porter 2000	% Chge 1998-00	LaPorte 1998	LaPorte 2000	% Chge 1998-00	Porter 1998	Porter 2000	% Chge 1998-00
Food & Kindred Products	488	702	43.85	154			29,763	28,970	-2.66	49,872		
Apparel & Other Textile Products	477	426	-10.26	83	100	20.48	26,140	27,482	5.13	14,735	17,637	19.69
Lumber & Wood Products, except Furniture	267	294	10.11	67	53	-20.90	26,058	25,648	-1.57	16,934	20,445	20.73
Furniture & Fixtures	176	179	1.70	12	12	0.00	31,472	31,390	-0.26	26,669	25,759	-3.41
Paper and Allied Products	394	235	-40.36				30,725	31,101	1.22			
Printing, Publishing and Allied Products	718	756	5.29	450	446	-0.89	26,746	28,797	7.67	40,460	39,506	-2.36
Chemicals & Allied Products	404	409	1.24	164	132	-19.51	37,753	40,497	7.27	61,143	56,293	-7.93
Rubber & misc. plastics products	826	815	-1.33	351	394	12.25	27,964	27,814	-0.54	39,980	41,051	2.68
Stone, clay, glass, & concrete products	117	157	34.19	367	370	0.82	27,883	26,314	-5.63	47,552	49,238	3.55
Primary metal industries	1,734	1,617	-6.75	8,096	7,929	-2.06	36,963	38,199	3.34	60,347	57,343	-4.98
Fabricated metal products, except machinery & transp. equipment	1,695	1,776	4.78	869	880	1.27	38,909	42,158	8.35	42,087	45,871	8.99
Machinery, except electrical	1,991	1,921	-3.52	1,112	968	-12.95	37,222	41,591	11.74	44,857	45,670	1.81
Electrical & electronic machinery, equip. & supplies (except computer equip.)	531	526	-0.94	201	101	-49.75	35,681	38,867	8.93	27,561	28,159	2.17
Transportation equipment	1,222	1,116	-8.67		235		35,016	36,841	5.21		30,746	
Measuring & controlling instruments; photo. & medical goods; watches & clocks	325	291	-10.46	45	41	-8.89	36,206	38,396	6.05	37,567	30,093	-19.90
Misc. mfg industries				95	102	7.37				29,161	36,044	23.60

Source: Indiana Department of Workforce Development

County moved up from thirteenth to twelfth place in 2000.

Although the retail and service industries are growing at a strong pace, manufacturing remains the prominent industry of both LaPorte and Porter counties in terms of numbers employed. Manufacturing produces most of the durable and non-durable goods found in everyday life. Its processes and products are often more notable than those of other industries because of the nature of the resources and their operation. Above all, manufacturing employment typically offers higher wages and better benefits.

## Porter County Maintains Lead in Average Earnings

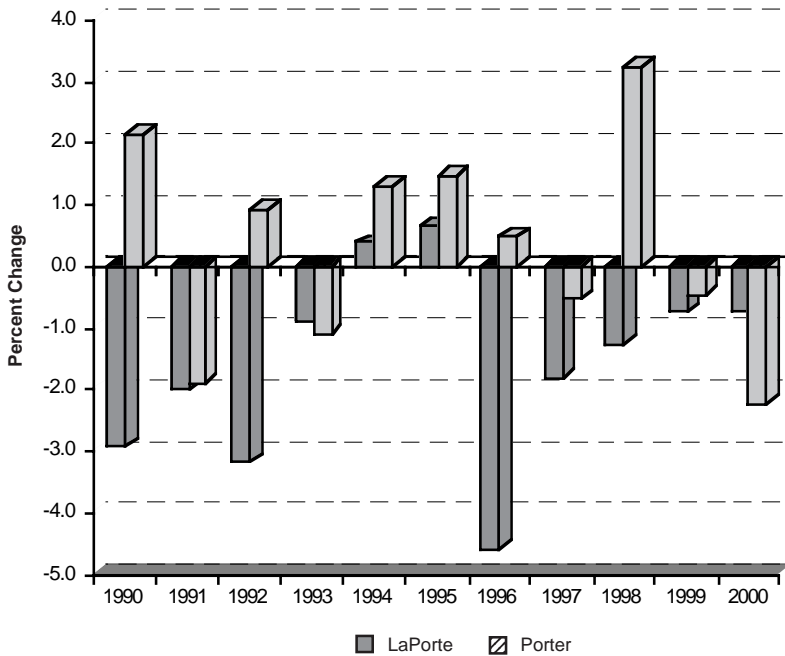
Although the average earnings in manufacturing in LaPorte County grew in past years, workers in 8 out of 15 manufacturing categories continued to earn less than their peers in neighboring Porter County (Table 4). In 2000, the top average earnings in Porter County was \$57,343 (a 5 percent decline from 1998) in Primary Metal Industries while it was \$38,199 (a 3.34 percent increase from 1998) in LaPorte County. The top average earnings for manufacturing employees in LaPorte County was \$42,158 (an 8.4 percent increase from 1998) in Fabricated Metal Products (except Machinery and

Transportation Equipment) while it was \$45,871 (a 9 percent increase from 1998) in Porter County. The lowest average earnings in manufacturing in LaPorte County was \$25,648 (a 1.6 percent decline from 1998) in Lumber & Wood Products (except Furniture) while it was \$20,445 (a 20.7 percent increase from 1998) in Porter County. Porter County experienced the lowest average earnings in Apparel & Other Textile Products at \$17,637 (a 19.7 percent increase from 1998) compared to \$27,482 (a 5.1 percent increase from 1998) in LaPorte County.

Illustration of the change in manufacturing employment is seen in Figure 2. Overall in the last 10 years, the average annual growth rates are -1.5 percent in LaPorte County and 0.3 percent in Porter County. Last year, LaPorte County experienced a decline of 0.7 percent while it was -2.2 percent in Porter County. LaPorte County manufacturing employment peaked at 13,499 in 1989, then declined steadily. It appeared to level off in 1994 then dropped again at a slower rate from 1996. In 2000, 11,368 people were employed in manufacturing in LaPorte County while 12,001 were working in Porter County facilities.

Over the past decade Porter County actually showed a gain of 145 manufacturing jobs but its negligible growth of 1.2 percent didn't keep pace with the total employment increase of 22.3 percent or just over 10,000 jobs. LaPorte County lost 1,739 manufacturing jobs, a drop of 13.3 percent, while its total employment rose by 9.7 percent (4,200 jobs). Bruce F. Bendull, labor market analyst for the Indiana Department of Workforce Development, said "Over the last three years total manufacturing employment loss in Porter County was 330 jobs while LaPorte County lost 163 jobs." Based on early observations, added Bendull, "Year 2001 promises to steepen the trend of production job losses."

(Figure 2)  
**GROWTH OF MANUFACTURING EMPLOYMENT**  
(LaPorte and Porter Counties)



Source: Indiana Department of Employment and Services

## Payroll-Employment Share Ratio

Employment alone may not render a clear picture. In general, manufacturing wages are higher than wages in other industries. Manufacturing workers in LaPorte and Porter counties generated about 31.8 and 36.5 percent, respectively, of total payroll in 2000. Furthermore, manufacturing workers in LaPorte and Porter counties accounted for about 24 and 21.8 percent of total employment. Therefore, the ratio of payroll to employment share in LaPorte and Porter counties were 1.33 and 1.67, respectively. In 1998, the proportions of payroll contributed by manufacturing workers in LaPorte and Porter counties were 33.2 and 39.5 percent, respectively. However, the shares of total employment have declined from 24.6 percent in LaPorte County and 22.6 percent in Porter County. These imply that payroll to employment share ratios in LaPorte and Porter counties were then 1.4 and 1.8, respectively.

(Table 5)  
**MANUFACTURING STATISTICS BY MAJOR STANDARD INDUSTRIAL CLASSIFICATION**  
(LaPorte and Porter Counties)

SIC Group	Establishments						Employees					
	LaPorte		% Chge.	Porter		% Chge.	LaPorte		% Chge.	Porter		% Chge.
	1998	2000	1998-00	1998	2000	1998-00	1998	2000	1998-00	1998	2000	1998-00
Mining & Quarrying	1	1	0.0	2	2	0.0	5	6	20.0	354	344	-2.8
Food & Kindred Products	5	8	60.0	8	9	12.5	317	631	99.1	421	149	-64.6
Textile Mill Products	0	0		0	0		0	0				
Apparel & Textile Prdts From Fabrics	3	5	66.7	4	4	0.0	509	414	-18.7	70	72	2.9
Lumber & Wood Prdts Exc Furniture	12	15	25.0	5	5	0.0	235	321	36.6	30	62	106.7
Furniture & Fixtures	4	3	-25.5	0	2		238	155	-34.9	0	4	
Paper & Allied Products	9	9	0.0	0	1		464	358	-22.8	0	150	
Printing, Publishing & Allied Inds	29	26	-10.3	22	25	13.6	578	543	-6.1	431	449	4.2
Chemicals & Allied Products	18	18	0.0	9	11	22.2	609	581	-4.6	257	284	10.5
Petroleum Refining & Related Inds	1	3	200.0	1	2	100.0	17	185	988.2	5	75	1,400.0
Rubber & Misc Plastics Prdts	11	12	9.1	5	6	20.0	575	640	11.3	166	186	12.0
Leather And Leather Products	0	0		1	1	0.0	0	0		2	2	0.0
Stone, Clay, Glass & Concrete Prdts	9	10	11.1	3	5	66.7	305	326	6.9	125	310	148.0
Primary Metal Inds	11	8	-27.3	13	12	-7.7	1,664	1,613	-3.1	8,504	8,666	1.9
Fabricated Metal Prdts, Exc Mchry & Transport Eqpt	38	43	13.3	18	22	22.2	2,565	2,632	2.6	1,165	1,299	11.5
Machinery, Except Electrical	44	47	6.8	30	28	-6.7	2,047	1,936	-5.4	1,537	1,488	-3.2
Electrical & Electronic Mchry, Eqpt & Splys	13	12	-7.7	4	6	50.0	718	561	-21.9	40	74	85.0
Transportation Eqpt	3	4	33.3	5	6	20.0	806	708	-12.2	181	282	55.8
Meas, Analyzing & Controlling Instruments	8	8	0.0	4	5	25.0	384	487	26.8	174	161	-7.5
Misc Manufacturing Inds	7	10	42.9	8	9	12.5	147	256	74.1	69	78	13.0
Wholesale Trade-Durable Goods	0	0		5	5	0.0	0			251	258	2.8
Business Services	4	3	-25.0	5	9	80.0	140	90	-35.7	509	561	10.2
Automotive Repair Services & Parking					1						4	
Miscellaneous Repair Services	3	0	-100.0	4	3	-75.0	28	36	28.6	26	23	-11.5
Social Services	1	3	200.0	1	1	0	58	65	12.1	219	250	14.2
Engineering, Research, Mgmt & Related Services	0	1		0	1		0	0		0	50	
Total	234	249	6.4	157	181	15.3	12,409	12,544	1.1	14,536	15,281	5.1

Source: Harris Indiana Industrial Directory 1998-2001

## Where Were These Employees Working?

Table 5 shows that in 2000, the largest number of LaPorte and Porter County manufacturers were primarily in the Standard Industrial Classification (SIC) categories of Machinery Except Electrical, and Fabricated Metal Products Except Machinery & Transportation Equipment.

The top three manufacturing employment classifications in Porter County are Primary Metal Industry, Machinery Except Electrical, and Fabricated Metal Products Except Machinery & Transportation Equipment. The percentage of the total manufacturing employment in these categories are 56.7, 9.7 and 8.5 percent, respectively.

LaPorte County manufacturing employment is more broadly based than that of Porter County, though the top three employing groups were the same as Porter County's biggest three. The largest manufacturing employment (about 21 percent of the total) was in Fabricated Metal Products Except Machinery & Transportation Equipment. The next two groups, Machinery Except Electrical, and Primary Metal Industry each employed about 15.4 and 12.9 percent of the total respectively. Following the top three was Transportation Equipment which employed about 5.6 percent of the total. The remaining categories of LaPorte County's manufacturing employment each employed about 5 percent or less of the total.

Employment loss during the last two years in LaPorte County's manufacturing sector was largely in the categories of Business Services (-35.7 percent) and Furniture and Fixture (-34.9 percent). The county gained employment mainly in Petroleum Refining and Related Industries (an increase of 17 to 185, or 988 percent) and Food and Kindred Products (99.1 percent). Porter County experienced a significant decline in the areas of Food and Kindred Products (-64.6 percent) and Miscellaneous Repair Services (-11.5 percent). Significant gains occurred in Petroleum Refining and Related Industries (an increase of 5 to 75, or 1,400 percent) and Stone, Clay, Glass & Concrete Products (148 percent). Overall, out of twenty-six major SIC groups, LaPorte County experienced employment declines in ten groups as compared with five groups in Porter County from 1998 to 2000.

Area	Local	Regional	National	Inter-national	N/A
<b>LaPorte County</b>					
<b>1997</b>					
Hanna	2			1	
Kingsbury		5	7	4	
Kingsford Heights	1			1	
LaCrosse	1				
LaPorte	20	21	29	22	
Michigan City	19	22	29	30	
Mill Creek	1	1			
Rolling Prairie		2	2	1	
Union Mills			1		
Wanatah		2	2	1	
Westville	3	2	1		
Total	47	55	71	60	
<b>1999</b>					
Hanna	2			1	
Kingsbury	2	5	7	5	1
Kingsford Heights	1			1	1
LaCrosse	2	1			
LaPorte	19	18	30	26	3
Michigan City	17	20	30	29	4
Mill Creek	2				
Rolling Prairie		2	1	2	
Union Mills			1		1
Wanatah		2	2	1	
Westville	3	2	1		
Total	48	50	72	65	10
<b>2001</b>					
Hanna	2			1	
Kingsbury	3	5	5	5	
Kingsford Heights	1			2	
LaCrosse	2	1			
LaPorte	17	18	34	23	
Michigan City	19	19	31	31	
Mill Creek	1				
Rolling Prairie		2		1	
Union Mills			1		
Wanatah		2	2	1	
Westville	3	2	1		
Total	48	49	73	64	
% Change 1999-01	0.00	-2.00	1.39	-1.54	
% of Total	20.51	20.94	31.20	27.35	
<b>Porter County</b>					
<b>1997</b>					
Beverly Shores					
Burns Harbor			1	2	
Chesterton	7	12	3	8	
Hebron	3	3	1	1	
Kouts	3	1	1	1	
Portage	7	16	10	3	
Porter	1		1	1	
Valparaiso	22	23	16	23	
Total	43	55	33	39	
<b>1999</b>					
Beverly Shores				1	
Burns Harbor	1	1	3	2	1
Chesterton	7	12	2	6	
Hebron	3	2	1		
Kouts	1	2	1	1	
Portage	4	15	11	5	
Porter	1		2		
Valparaiso	22	22	21	25	9
Total	39	54	41	40	10
<b>2001</b>					
Beverly Shores				1	
Burns Harbor	2	1	4	2	
Chesterton	7	10	3	5	
Hebron	3	1		1	
Kouts	1	2	1	1	
Portage	5	15	11	5	
Porter			2		
Valparaiso	26	23	22	26	
Total	44	52	43	41	
% Change 1999-01	12.82	-3.70	4.88	2.50	
% of Total	18.80	22.22	18.38	17.52	

Source: Indiana Manufacturers Directory 1997-2001

(Table 7)  
**Number of Manufactures by  
Type of Foreign Trade**  
(LaPorte and Porter Counties)

Area	1999			2001		
	Import/ Export	Import	Export	Import/ Export	Import	Export
<b>LaPorte County</b>						
Hanna			1			1
Kingsbury	1	1	3	1	1	5
Kingsford Heights						
LaCrosse						
LaPorte	10		21	11		21
Michigan City	12	3	24	13	2	29
Mill Creek			1			
Rolling Prairie			1			
Union Mills						1
Wanatah	1			1		1
Westville						
Total	24	4	51	26	3	58
<b>Porter County</b>						
Beverly Shores			3		1	1
Chesterton	1		3	1		4
Hebron						
Kouts	1		1	2		1
Portage	5	4	4	6	4	3
Porter						
Valparaiso	9	3	15	9	2	12
Total	16	7	26	18	7	21

Source: Harris Indiana Industrial Directory 1999-2001

According to the 1998 Harris Indiana Industrial Directory, LaPorte County ranked eighth in the number of manufacturing establishments while Porter County ranked eighteenth, respectively, among the 92 counties in the state of Indiana. Two years later, LaPorte County moved up to seventh while Porter County climbed to thirteenth. The leaders in northern Indiana were Elkhart and St. Joseph counties, followed by Lake County.

## Increasing Expansion Into Global Marketplace

In today's economy, international business may represent a substantial share of a firm's profits and sales volume. Firms that trade internationally can benefit from the economies of scale which simply means that they can spread costs over larger sales volume, and thereby enhance profits. The export volume can also increase if the dollar declines in value relative to other currencies, therefore making American products cheaper. An international market sometimes helps to stabilize the sale of cyclical products which are prone to seasonal variations in the domestic markets.

Table 6 shows that in 2000, 64 manufacturers (27.4 percent) in LaPorte County and 41 manufacturers (22.8 percent) in Porter County distributed their products in the global market. Seventy-three manufacturers from LaPorte County (31.2 percent) and 43 from Porter County (23.9 percent) distributed at the national level. In 1999, 65 manufacturers (28 percent) in LaPorte County and 40 manufacturers (23 percent) in Porter County distributed their products at the international level. Seventy two manufacturers from LaPorte County (31 percent) and 41 from Porter County (24 percent) distributed at the national level. The number of manufacturers that deal internationally dropped by 1.5 percent in LaPorte County but increased by 2.5 percent in Porter County from 1999 to 2001. In 2001, the proportion of manufacturers that distributed regionally was greater in Porter County (28.9 percent) than in LaPorte County (20.9 percent). The percentage of local distribution was 20.5 and 24.4 percent in LaPorte and Porter counties, respectively.

International trade is not a one way street.

(Table 8)  
**NUMBER OF EXPORTING MANUFACTURERS BY  
MAJOR STANDARD INDUSTRIAL CLASSIFICATION**

SIC Group	LaPorte			Porter		
	1997	1999	2001	1997	1999	2001
Mining & Quarrying						
Food & Kindred Products				2	2	1
Textile Mill Products	2	2	2			
Apparel & Textile Prdts From Fabrics	3	2	4			
Lumber & Wood Prdts Exc Furniture	1	2	2	1	1	1
Furniture & Fixtures	1	1				
Paper & Allied Products	3	3	3	1	1	1
Printing, Publishing & Allied Inds		1	1	4	4	5
Chemicals & Allied Products	3	4	3	4	5	5
Petroleum Refining & Related Inds	1	1	1	1	1	1
Rubber & Misc Plastics Prdts	6	5	3	2	2	2
Stone, Clay, Glass & Concrete Prdts	1	1	1	1	2	3
Primary Metal Inds	6	5	5	4	4	4
Fabricated Metal Prdts, Exc Mchry & Transport Eqpt	13	15	10	3	1	4
Machinery, Except Electrical	17	19	18	9	9	9
Electrical & Electronic Mchry, Eqpt & Splys	7	7	7	7	6	4
Transportation Eqpt	2	3	3			1
Meas, Analyzing & Controlling Instruments	5	4	4	2	2	2
Misc Manufacturing Inds						
Business Services						
Miscellaneous Repair Services						
Social Services						
Total	71	75	67	40	40	43

Source: Indiana Manufacturers Directory 1997-2001

# OUTLOOK

*continued from page 6*

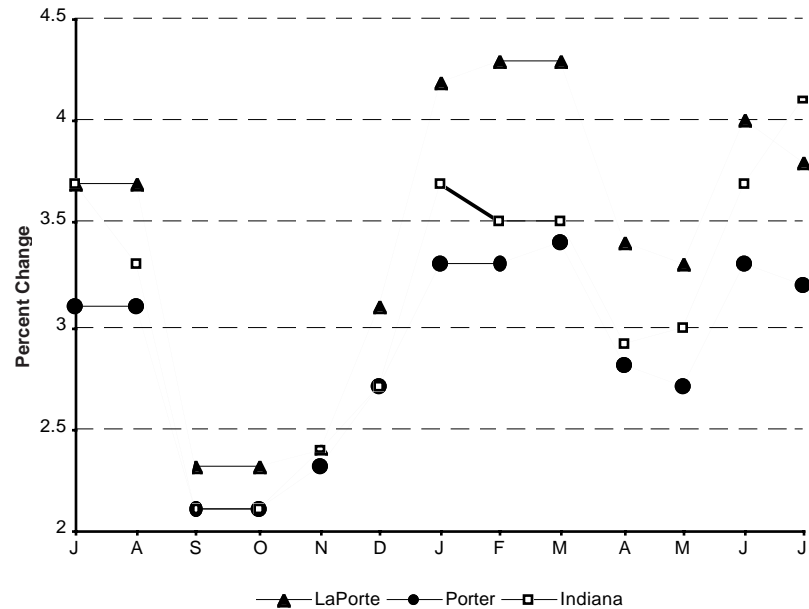
Typically, firms may choose to either export or import or do both as shown in Table 7. This table also shows foreign trade by cities in LaPorte and Porter counties. A majority of manufacturers in LaPorte (58 firms) and Porter (21 firms) counties indicate export only as their principal business. With highly competitive U.S. markets, many more firms may see a rewarding opportunity to sell their product overseas. When the product proves to be good, sales momentum will bring it back to the U.S. market. The leading companies in terms of exports are those that manufacture machinery and fabricated metal products. Twenty eight LaPorte County exporters and thirteen in Porter County fell into these categories (see Table 8).

## Outlook

Figure 3 provides the monthly unemployment picture. The latest figures available at press time show that in July the unemployment rates in both counties appear to be higher than the previous year. The rates tend to increase towards the winter months and peak during January and February. The unemployment rates for July of this year were 4.1, 3.8 (2,150 unemployed) and 3.2 (2,470 unemployed) percent for the State, LaPorte and Porter counties, respectively. However, these numbers will be revised in the future, so month to month figures should be viewed with caution.

The report from Bruce F. Bendull, labor market analyst for the Indiana Department of Workforce Development, indicates that Indiana's total new claims for this year exceeded that of last year through July by almost 58 percent. Each month of this year had higher new claims. The total for the first seven months went from 155,619 in 2000 to 245,252 for the same months this year, showing an additional 89,633 new claims. "Using new claims for unemployment benefits as an indicator of Indiana's economy, it can be seen that 2001 - at least through July - has not been a good year," said Bendull. LaPorte Unemployment Insurance Office, the office having records for claimants in LaPorte County, and some of Porter County, also shows year-to-date higher monthly new claims this year over 2000. Comparing January through July total new claims shows a 25 percent increase this year. Data from the Gary/Hammond offices, which serve parts of Porter County, show a similar trend of a 24.5 percent new claims increase over the same period last year. "Clearly the national economic slowdown

(Figure 3)  
UNEMPLOYMENT RATE  
2000-2001



Source: Indiana Department of Workforce Development

(Table 9)  
EMPLOYMENT OUTLOOK SURVEY  
for the Fourth Quarter of 2001

(All figures are percentages)					
Area	Increase	No Change	Decrease	Don't Know	Net (Inc.- Dec.)
LaPorte	7	76	17	0	-10
Michigan City	27	56	17	0	10
Valparaiso	13	70	17	0	-4
Indiana	20	63	13	4	7
National	24	60	11	5	13
Midwest	23	62	11	4	12

Source: Manpower, Inc.

has been felt in Northwest Indiana as well as the state," added Bendull.

Table 9 shows the percentage of employers in selected cities of LaPorte and Porter counties who plan to change or maintain the size of their workforce during the fourth quarter of 2001 as indicated by Manpower Inc.'s Employment Outlook Survey. The Employment Outlook Survey for October, November, and December indicates that 7 percent of LaPorte employers contacted will add people in that period, while 17 percent say they will use fewer workers. In Michigan City, 27 percent forecast hiring, while 17 percent will have fewer on the payroll. In Valparaiso, 13 percent say they will hire while 17 percent report that hiring will be down.

It is uncertain at this point how the recent terrorist attack will impact the national economy and, in turn, the local economy. Though the productive capacity is still intact, if the consumer confidence is jittery, it could lead the economy into a recession. Economic repercussion is certainly evident in the short run. In addition to the federal government spending for rescue and recovery efforts, a retaliation against terrorism, and the earlier tax rebate to stimulate the national economy, the well diversified U.S. economy may help to soften the long run effect.

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