

## Economic Report for LaPorte and Porter Counties

*This issue of ECON TRENDS compares information and statistical data about retail sales, buying power, retail and service sector employment, overall unemployment rates and employment outlook survey between neighboring LaPorte and Porter counties, the state, and the nation.*

### Retail Growth Continues in Local Counties

With extremely low inflation and unemployment rates, the local retail economy continues to prosper. Porter County continues to post retail sales gains that are well above national and state levels, and additional development in the retail sector is likely to cause more growth for that county in the coming year.

Meanwhile, data on retail sales in LaPorte County indicate 1997 growth in retail sales that is lower than the national and state averages, while still growing at a healthy pace.

In 1997, total retail sales in LaPorte County increased by 2.4 percent, while Porter County posted a gain of 5.7 percent. This compares to an increase for the state of 3 percent while the nation realized growth of 3.3 percent.

In 1996, total retail sales increased by 3 percent in LaPorte County and by 7.1 percent in Porter County. Of the two counties, only Porter managed to outpace the state's growth of 3.5 percent for that year, and also stayed ahead of the nation's 4.7 percent gain.

While these figures have not been adjusted for inflation, the 1997 inflation rate calculated from the consumer prices of all items was only 2.3 percent. Table 1 and Figure 1 summarize countywide retail sales by categories, from 1990 to 1997 in both LaPorte and Porter counties. The row labeled Others in Table 1 is significant because it is comprised of figures from several categories, including the many apparel and

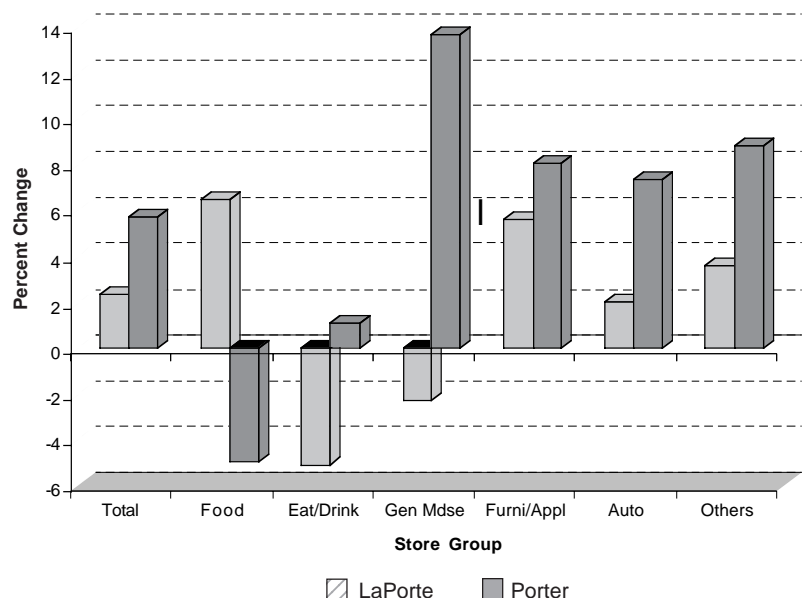


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(Table 1)  
**RETAIL SALES IN THOUSANDS**  
LaPorte and Porter Counties

	1990	1991	1992	1993	1994	1995	1996	1997
<b>LAPORTE COUNTY</b>								
Total	625,710	671,303	696,637	770,449	925,268	978,316	1,007,280	1,031,027
Food	124,150	126,383	124,452	132,065	148,385	145,391	153,731	163,786
Eat/Drink	51,705	60,239	67,952	77,079	87,434	92,127	94,863	90,039
Gen Mdse	77,764	90,845	101,946	112,642	109,967	110,418	113,045	110,493
Furn/Appl	30,741	28,154	29,674	31,948	47,891	59,144	52,836	55,796
Automotive	144,627	146,962	155,646	186,639	196,365	212,690	215,934	220,428
Drug	33,023	40,062	41,174	43,474	45,623	*	*	*
Others	163,700	178,658	175,793	186,602	289,603	358,546	376,871	390,485
<b>PORTER COUNTY</b>								
Total	652,694	723,638	783,702	885,210	982,371	1,070,716	1,146,933	1,212,763
Food	150,090	160,522	174,050	191,846	186,970	187,078	205,880	195,635
Eat/Drink	61,673	72,058	83,375	96,009	105,450	105,598	113,170	114,377
Gen Mdse	57,541	67,412	77,525	86,134	93,535	132,345	131,208	149,211
Furn/Appl	21,927	22,387	26,367	31,323	36,284	34,989	38,175	41,264
Auto	133,763	144,818	169,422	206,356	259,908	280,522	308,146	330,951
Drug	33,192	40,382	42,760	45,389	52,076	*	*	*
Others	194,508	216,059	210,203	228,153	248,148	330,184	350,354	381,325

(Figure 1)  
**RETAIL SALES GROWTH BY CATEGORY**  
1996-1997

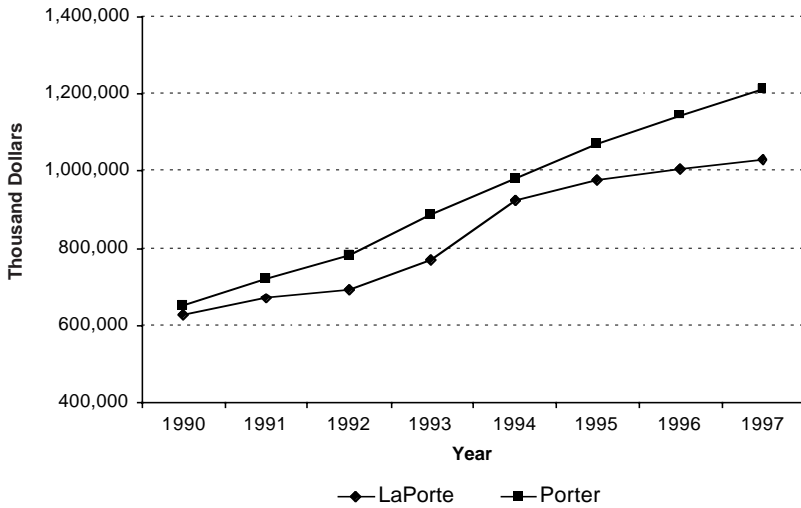


Source: Sales & Marketing Management 1991-98 Survey of Buying Power  
\* Drug is included in Others.

# RETAIL GROWTH

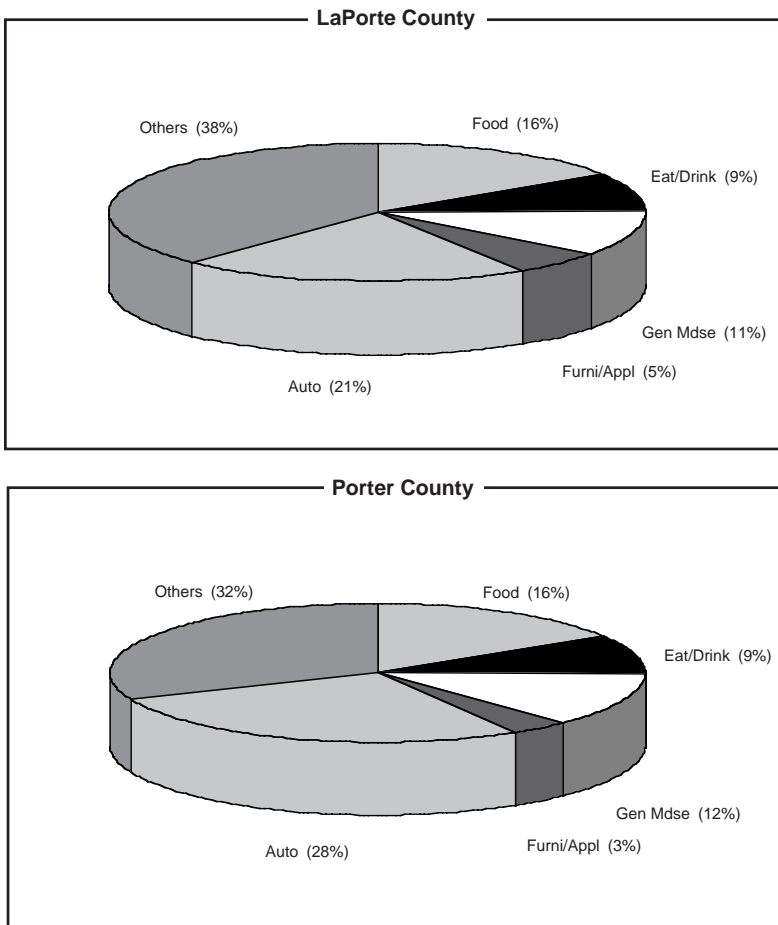
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(Figure 2)  
**RETAIL SALES TRENDS**  
 LaPorte and Porter Counties



Source: Sales & Marketing Management 1991-98 Survey of Buying Power

(Figure 3)  
**RETAIL SALES BY CATEGORY**  
 1997



Source: Sales & Marketing Management 1991-98 Survey of Buying Power

accessory stores found in Prime Outlets (formerly known as Lighthouse Place) and other shopping areas. Since 1995, the Drug category has been included in Others.

Figure 2 exhibits the trend of retail sales from 1990 to 1997. Porter County has consistently outperformed LaPorte County as well as the state and the nation. Beginning in 1994, retail sales grew at a decreasing rate in both counties, as well as in the state and the nation. The 1997 growth figures show the latest installment in this growth trend: from 1989 to 1997 the average annual growth rate in retail sales for LaPorte and Porter counties was 6.7 and 8.4 percent, respectively. These gains outpaced Indiana's growth of 5.4 percent and the national figure of 5.0 percent. It must again be noted that these figures have not been adjusted for inflation and the annualized inflation rate over that period was 3.5 percent.

Also important to LaPorte County, of course, is the growing popularity of Prime Outlets - the factory outlet center in Michigan City - which brings in many visitors and their dollars from out of the county and state. Prime Outlets is a national chain that acquired Lighthouse Place from Horizon Group, Inc., of Norton Shores, Michigan, in June 1998. The merger resulted in assets totaling \$973 million. The dramatic increase between 1993 and 1994 shown in Table 1's Others category for LaPorte County surely reflects the center's impact. That figure should continue to grow when 1998's figures become available. The local Prime Outlets is one of the top factory outlet centers in both the Midwest and the United States.

Furthermore, since a large number of Prime Outlet's shoppers are from out of county and out of state, a number of these visitors spend money in other local retail and service businesses such as restaurants as well, which may account for the significant recent growth in LaPorte County's Food category in Table 1.

Despite the business that Prime Outlets brings to Michigan City, Porter County still surpassed LaPorte County in total retail sales, as indicated in Figure 2. This can be attributed to a larger population and a higher Effective Buying Income (EBI).

Figure 1 shows that from 1996 to 1997, Porter County gained 13.7 percent in General Merchandise and 8.1 percent in Furniture and Appliances, while LaPorte County reflected its largest gain (6.5 percent) in the category of Food followed closely by 5.6 percent gain in Furniture and Appliances. As consumers gain confidence about the economy, they buy more big-ticket items. During this period LaPorte County experienced a decline in Eating and Drinking Places (5.1 percent) and the General Merchandise group (2.3 percent), a category that includes any establishment that sells a number of lines of merchandise such as dry goods, house wares, hardware, home furnishings and accessories. Department stores, limited-price variety stores and miscellaneous general merchandise stores are also included in this group. Porter County experienced its decline

## RETAIL GROWTH

*continued from page 2*

in the Food category (5 percent) during this period. Nonetheless, food is non-cyclical product that tends to have low growth but remain stable in sales volume.

What contributes to the total retail sales? As we see the growing number of large general merchandise stores in both counties, we may assume that the largest proportion of total retail sales comes from this General Merchandise category. However, Figure 3 shows that of all the leading categories in 1997, the Other and Automotive categories constitute the largest share of the total retail sales in both LaPorte and Porter counties. The Eating & Drinking Places and Furniture and Appliances categories accounted for the smallest proportion of sales in both counties.

## Crucial Factors in the Growth of Retail Sales and Services

Population and buying power are two of the major factors that determine the total value of retail sales and services. According to U.S. Bureau of Economic Analysis estimates, population will continue to grow slowly and steadily in both LaPorte and Porter counties. The Bureau estimates that from the year 2000 to 2040, population growth will average 2.07 and 3.22 percent in LaPorte and Porter counties (respectively) in each five-year period.

Meanwhile, the American population is aging as a result of an increase in life expectancy and a decline in the birth rate. Early middle-agers represented the fastest growing market during the 1980s, and the relative size of the middle-aged market continues to expand as late baby boomers enter middle age.

From the beginning of 1995 to 1998, the total population in LaPorte and Porter counties grew by 0.2 and 3.5 percent, respectively. Table 2 shows the percent of population by age group. The proportion of population above 34 years of age was on the rise for the past four years. Population growth and changes in consumer age composition will continue to have profound implications on merchandising. Certainly, this creates new market opportunities that require continuous and innovative adjustments.

## Buying Power Stronger in Porter County

The relative wealth of Porter County residents is substantially higher than that of their neighbors in LaPorte County, and the gap is widening. Effective buying income (EBI) is a measure of money income minus personal tax and non-tax payments. Money income is a measurement of income developed exclusively by Sales & Marketing Management. Data from Sales and Marketing Management are estimates for each year. It is the aggregate of salaries and wages, net farm and non-farm income, interest,

(Table 2)  
**POPULATION BY AGE GROUP**  
LaPorte and Porter Counties

County	Total (,000)	Median Age	% Population by Age Group				Households (,000)
			18-24	25-34	35-49	+50	
1/1/95 LaPorte Porter	109.7 139.2	35.5 33.9	8.5 9.5	15.1 14.2	23.5 25.6	27.3 22.9	39.5 49
1/1/96 LaPorte Porter	110 140.9		8.1 9.1	14.8 13.8	24.2 26.1	27.4 23.1	39.8 49.9
1/1/97 LaPorte Porter	110.2 142.8		7.9 8.8	14.6 13.7	24.2 26.2	27.8 23.5	40 50.8
1/1/98 LaPorte Porter	109.9 144		7.6 8.4	13.6 13.4	23.7 26.5	28.3 23.9	40.1 51.7

Source: Sales & Marketing Management 1995-98 Survey of Buying Power

(Table 3)  
**EFFECTIVE BUYING INCOME (EBI)**  
LaPorte and Porter Counties

Year	Total EBI (,000)	% Change	Median EBI	% Change	% Households by EBI Group			
					\$10,000- \$19,999	\$20,000- \$34,999	\$35,000- \$49,999	\$50,000 & over
<b>LaPorte County</b>								
1988	1,079,966		23,391		23.7	31.4	17.2	9.1
1989	1,146,540	6.2	24,632	5.3	22.6	30.7	18.8	10.6
1990	1,230,323	7.3	25,946	5.3	21.7	29.8	19.9	12.5
1991	1,431,170	16.3	30,184	16.3	18.9	27.6	20.8	20.7
1992	1,501,269	4.9	31,292	3.7	18.4	26.5	20.9	22.7
1993	1,613,089	7.4	33,276	6.3	17.3	24.7	20.9	26.4
1994	1,690,679	4.8	34,884	4.8	16.3	23.8	20.5	29.4
1995	1,553,699		31,135		30.4	25.8	19.9	23.9
*1996	1,623,191	4.5	32,398	4.1	28.9	25.1	19.8	26.2
1997	1,683,021	3.7	33,420	3.2	27.9	24.5	19.7	27.9
<b>Porter County</b>								
1988	1,528,373		30,050		17.3	32.6	23.9	14.3
1989	1,671,556	9.4	32,498	8.1	16	28.7	26.7	17.9
1990	1,754,554	5.0	33,371	2.7	15.7	27.7	27.3	19.1
1991	1,869,361	6.5	36,586	9.6	14.8	24.2	24.4	28.1
1992	1,975,468	5.7	37,626	2.8	14.5	23.3	23.6	30.4
1993	2,146,746	8.7	40,041	6.4	13.5	21.5	22.5	34.8
1994	2,298,996	7.1	42,250	5.5	12.4	20.4	21.3	38.8
1995	2,321,129		41,409		20.4	20.9	20.5	38.2
*1996	2,465,772	6.2	43,205	4.3	19.3	20.1	19.6	41
1997	2,633,860	6.8	45,207	4.6	18.3	19.3	18.7	43.7

Source: 1989-98 Survey of Buying Power, Sales and Marketing Management

\* Note: The EBI prior to 1996 were based on "Personal Income" rather than "Money Income." It is not directly comparable with the EBI prior to 1996.

dividends, net rental and royalty income, Social Security and railroad retirement income, disability income, public assistance income, unemployment compensation, Veterans Administration payments, alimony and child support, military family allotments, net winnings from gambling, and other periodic income. The EBI prior to 1996 was based on "Personal Income" rather than "Money Income." Hence, it is not directly comparable with the 1996 EBI.

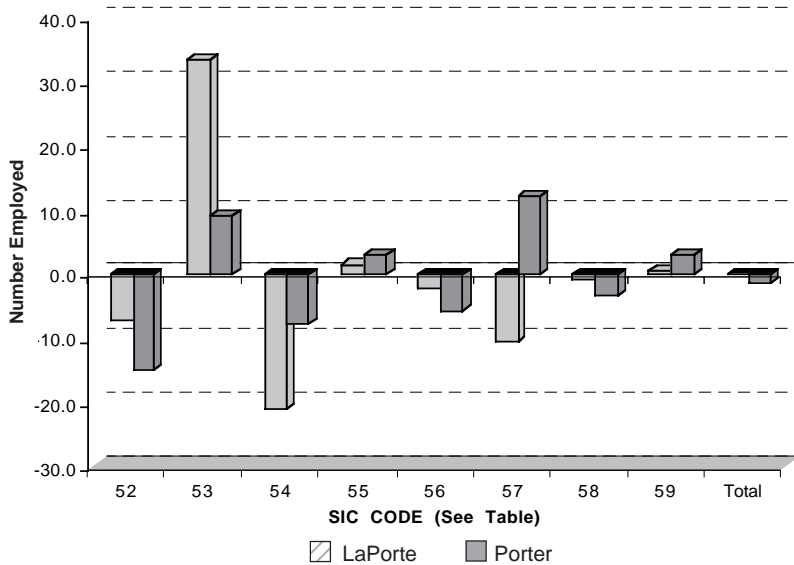
EBI is income that is available for consumption and savings. The EBI indicates an ability to buy, which is quite important to know for

(Table 4)  
**RETAIL TRADE EMPLOYMENT**  
 LaPorte and Porter Counties

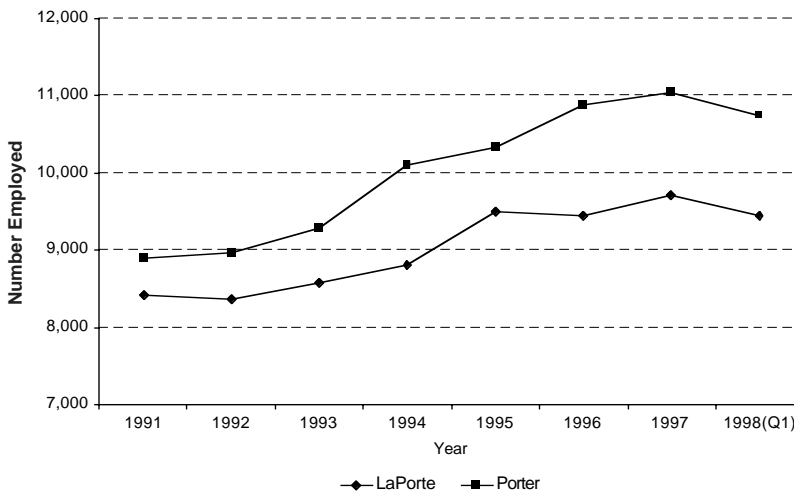
SIC	Retail Trade	1996		1997		1st Quarter 1998		Change 1996-98 1st Quarter	
		L	P	L	P	L	P	L	P
52	Building materials, hardware, and mobile home dealers	546	661	549	698	507	562	-39	-99
53	General merchandise stores	1,124	1,227	1,387	1,352	1,500	1,340	376	113
54	Food stores	1,316	1,556	1,144	1,526	1,040	1,436	-276	-120
55	Automotive dealers and gasoline service stations	1,036	1,507	1,089	1,476	1,051	1,553	15	46
56	Apparel and accessory stores	810	143	846	147	793	135	-17	-8
57	Home furniture, furnishings, and equipment stores	389	263	366	277	349	295	-40	32
58	Eating and drinking places	3,297	4,467	3,397	4,492	3,269	4,321	-28	-146
59	Miscellaneous retail	928	1,069	936	1,076	932	1,101	4	32
	Retail Trade Totals	9,446	10,893	9,714	11,044	9,441	10,743	-5	-150

Source: Indiana Department of Workforce Development  
 SIC = Standard Industrial Classification

(Figure 4)  
**RETAIL TRADE EMPLOYMENT BY CATEGORY**  
 1996-1998 (First Quarter)



(Figure 5)  
**RETAIL TRADE EMPLOYMENT TRENDS**  
 1996-1998 (First Quarter)



## BUYING POWER

*continued from page 3*

business planning and marketing purposes. While Table 3 clearly presents the EBI differential among the residents of LaPorte and Porter counties, that gap has actually widened under the new standards used to calculate the EBI.

LaPorte County's median EBI was about 78 percent of Porter's in 1988. By 1994, this relative median EBI gap closed to about 83 percent. In comparison with the nation's and state's median EBI in 1994 (\$35,790 and \$37,070 respectively), LaPorte County (\$34,884) was lower than both the state and nation while Porter County showed a much higher EBI (\$42,250).

In comparison with the new method of measuring the nation's and state's median EBI in 1997 (\$34,618 and \$35,246 respectively), LaPorte County (\$33,420) was lower than both, while Porter County showed a much higher EBI (\$45,207). LaPorte County's median EBI was about 74 percent of Porter's in 1997. Again, the 1997 EBI is not comparable to EBI prior to 1995.

From 1995 to 1997, the average annual growth of median EBI in LaPorte and Porter counties were at 3.7 and 4.5 percent, respectively. This compares to the state's annualized growth of 3.9 percent and the nation's growth of 3.7 percent. During this period, Porter County's total EBI growth averaged 6.5 percent, which easily outpaced LaPorte County (4.1 percent), the state of Indiana (5 percent) and the nation (5.4 percent). This just shows that the EBI for the top incomes outpaced the growth of the EBI at median income levels.

Table 3 also shows that there are many more households in Porter County in the higher income bracket than there are in LaPorte County. In 1996 about 60.6 percent of Porter County households had EBI of over \$35,000, compared to 46 percent in LaPorte County. In 1997, this rose to about 47.6 percent of LaPorte County households having EBI of over \$35,000, compared to 62.4 percent in Porter County. While these figures have not been adjusted for inflation, the trend seems clear. The increase in relatively affluent households will stimulate retail sales of top-of-the-line big-ticket items such as automobiles and home furnishings.

## Employment Growth in Retail, Service Sector

Although area manufacturing employment still commands the highest share of total employment, retail and service industry employment has grown in both LaPorte and Porter counties. Although jobs have steadily shifted from manufacturing into these sectors over the past decade, this year shows a slight decrease in total retail jobs.

The right-hand column in Table 4 shows a decline of retail trade employment in LaPorte County of 0.1 percent (5 jobs), while Porter County dropped

# EMPLOYMENT

*continued from page 4*

1.4 percent (150 jobs) from 1996 to the first quarter of 1998. It should be noted here that data for the first quarter of 1998 is subject to statistical adjustment in the future. Of eight Standard Industrial Classification (SIC) retail codes listed, five in LaPorte County and four in Porter County indicated a decline in employment during this period.

Figure 4 clearly shows that the largest percentage reduction of retail trade employment in Porter County was in the Building Materials, Hardware and Mobile Home Dealers (-15 percent), but this category represented only 5.2 percent of the total retail employment in the first quarter of 1998. In contrast, the largest drop in LaPorte County was in Food Stores (-21 percent).

Porter County gained most of its retail trade employment in the Home Furniture, Furnishings and Equipment Stores (12.2 percent) while LaPorte County gained most in General Merchandise Stores (33.5 percent) during the period from 1996 to the first quarter of 1998.

Among the retail groups, food and food services account for a major portion of retail employment. In the first quarter of 1998, the Eating and Drinking Places category had the largest share (35 percent in LaPorte County and 40 percent in Porter County), while the share for the Food Stores category was 11 percent in LaPorte County and 13 percent in Porter County.

Figure 5 shows the trends of average annual growth in retail trade employment from 1991 to the first quarter of 1998. From 1991, Porter County yearly average (2.8 percent) has outpaced LaPorte County (1.7 percent).

Table 5 shows the number of retail trade employers has decreased slightly in each county from 1996 through the first quarter of 1998. LaPorte County now has 666 retail employers and Porter has 634. The largest number of retail employers was Eating and Drinking Places.

Figure 6 shows that from 1996 to the first quarter of 1998, the largest growth in number of retail trade employers in LaPorte and Porter counties was in General Merchandise Stores at 18.8 and 8.3 percent, respectively. The largest decline in LaPorte County was in Home Furniture, Furnishings and Equipment Stores (four fewer), while Apparel and Accessory Stores led the slowdown in Porter County (also four fewer).

## Retail Trade Earnings

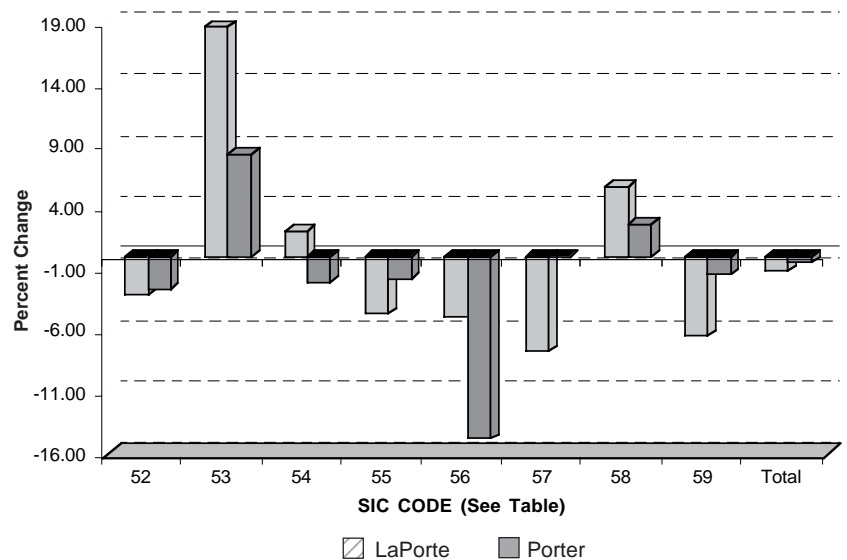
Of retail jobs in the two counties, LaPorte's retail workers in 1995 averaged \$11,788 and Porter's \$12,608 annually. In 1997, the average earnings increased to \$12,803 in LaPorte County and \$13,367 in Porter County. These figures represent an increase of 8.6 and 6 percent in LaPorte and Porter counties, respectively. Less than full-time employment explains the low wages in retail trades for many employees.

(Table 5)  
**RETAIL TRADE EMPLOYERS**  
LaPorte and Porter Counties

SIC	Retail Trade	1996		1997		1st Quarter 1998		Change 1996-98	
		L	P	L	P	L	P	L	P
52	Building materials, hardware & mobile home dealers	33	39	32	41	32	38	-1	-1
53	General merchandise stores	16	12	19	13	19	13	3	1
54	Food stores	46	48	50	49	47	47	1	-1
55	Auto dealers and gas service stations	110	113	110	112	105	111	-5	-2
56	Apparel & accessory stores	84	27	79	26	80	23	-4	-4
57	Home furniture, furnishings, & equipment stores	52	42	51	44	48	42	-4	0
58	Eating & drinking places	192	219	197	223	203	225	11	6
59	Miscellaneous retail	141	137	141	133	132	135	-9	-2
	<b>Retail Trade Totals</b>	<b>674</b>	<b>637</b>	<b>679</b>	<b>641</b>	<b>666</b>	<b>634</b>	<b>-8</b>	<b>-3</b>

Source: Indiana Department of Workforce Development  
SIC = Standard Industrial Classification

(Figure 6)  
**RETAIL TRADE EMPLOYERS BY CATEGORY**  
1996-1998 (First Quarter)



Source: Indiana Department of Workforce Development

## Steady Growth in Service Industry

The service industry shows steady growth in both counties during 1996, 1997, and first quarter 1998. Table 6 indicates an 8 percent (1,019 jobs) growth in LaPorte County and a 6.7 percent (1,106 jobs) growth in Porter County during this period. Of 15 service categories, five declined in each county. In the first quarter of 1998, Health Services represented the highest share of employment (35.6 percent or 4,893 jobs) with Educational Services (about 25.9 percent or 3,554 jobs) second in LaPorte County. The highest share in Porter County was in Educational Services (about 34.5 percent or 6,102 jobs) followed by Health Services (26 percent or 4,601 jobs).

# GROWTH

*continued from page 5*

(Table 6)  
**SERVICE EMPLOYMENT**  
 LaPorte and Porter Counties

SIC	Retail Trade	1996		1997		1st Quarter 1998		Change 1996-98 1st Quarter	
		L	P	L	P	L	P	L	P
70	Hotels, rooming houses, camps & other lodging places	285	405	267	473	220	470	-65	65
72	Personal services	493	460	478	490	524	496	31	36
73	Business services	1,465	2,033	1,562	2,072	1,243	1,975	-222	-58
75	Auto repair, services and parking	315	525	320	521	322	516	7	-9
76	Misc repair services	133	156	137	194	151	139	18	-17
78	Motion pictures	134	128	175	159	220	215	86	87
79	Amusement & rec services	352	621	786	707	1,275	586	923	-35
80	Health services	4,847	4,522	4,806	4,595	4,893	4,601	46	79
81	Legal services	128	258	127	263	127	262	-1	4
82	Educational services	3,257	5,468	3,417	5,681	3,554	6,102	297	634
83	Social services	428	723	440	801	439	865	11	142
86	Membership organizations	569	697	449	796	431	798	-138	101
87	Engineering, accounting, research, mgnt & rlt'd svcs	281	565	283	605	292	638	11	73
88	Private households	30	45	36	54	46	51	16	6
89	Miscellaneous services	4	3	4	3	3	1	-1	-2
	<b>Service Industry Totals</b>	<b>12,721</b>	<b>16,609</b>	<b>13,287</b>	<b>17,414</b>	<b>13,740</b>	<b>17,715</b>	<b>1,019</b>	<b>1,106</b>

Source: Labor Market Information Services, Indiana Department of Workforce Development  
 SIC = Standard Industrial Classification

## Service Industry Earnings

The services industry, although very diverse, still had earnings averages near the bottom of the major industry groups. In 1995, LaPorte County's service jobs averaged \$19,923 and Porter's average was \$20,328. By 1997, the service sector's annual average earnings in LaPorte and Porter counties were \$21,622 and \$21,041, respectively. These figures represent an increase during the period of 8.5 and 3.5 percent in LaPorte and Porter respectively. While both retail and service employers traditionally provide fewer employee benefits than the manufacturing sector, service employers clearly provide better average earnings than those paid by area retailers.

## Outlook

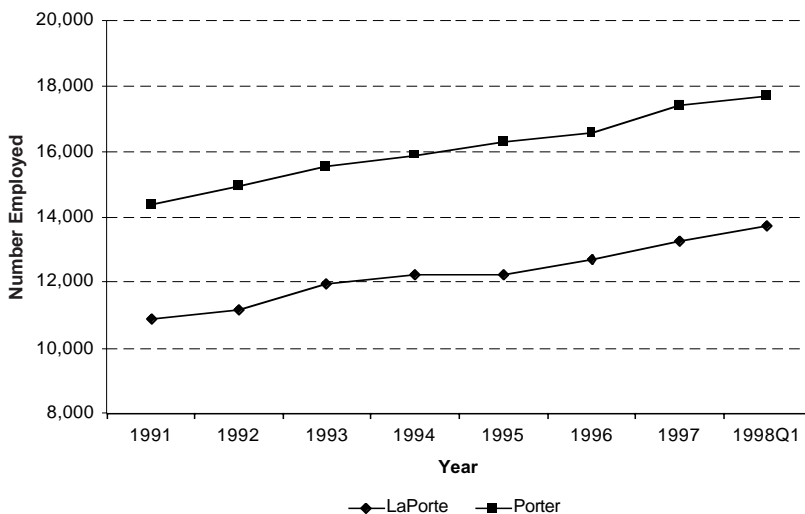
While jobs may be shifting from the manufacturing sector to retail and service, one thing seems abundantly clear - not many people are out of work. The preliminary unemployment rate for the nation in October 1998 (the latest figures available at press time) was 4.6 percent, while Indiana was only 2.8 percent. This means that only 77,500 workers in the state were unemployed. Porter County bested both numbers by posting a rate of 2.4 percent (1,760 workers), while LaPorte County employed all but 2.6 percent (1,410 workers).

Figure 8 shows the unemployment rate in LaPorte and Porter counties and in Indiana (not seasonally adjusted) from October 1997 to October 1998. Both counties, the state and the nation all saw a decline in the year's unemployment rates.

## Indicator of the Strength of Employment

The trend continues to improve. The latest report from Bruce F. Bendull, labor market analyst for the Indiana Department of Workforce Development, indicates that throughout the first three quarters of 1998, employment rates in LaPorte and Porter counties have continued lower. In LaPorte County, monthly unemployment rates from January through September were significantly lower than the same months in 1997 despite the low rates for that year. Porter County also had mostly lower rates for 1998

(Figure 7)  
**SERVICE EMPLOYMENT TRENDS**  
 1996-98 (1st Quarter)



Source: Indiana Department of Workforce Development

# OUTLOOK

than the already low rates of 1997. Averaging LaPorte County's 1998 monthly unemployment rates, through September, produces a 3.3 percent unemployment rate for this year. This was in line with the State of Indiana's 3.1 percent average rate. Porter County did somewhat better at a monthly average of 2.7 percent through the same period.

"These numbers show record low unemployment for each county and the State in 1998," said Bendull. "The average through September, though likely to move higher by the end of fourth quarter due to year-end colder weather, will probably come in close to but below the average rates of 1997." The 1997 unemployment rates for Indiana, LaPorte County and Porter County were 3.5, 4.0, and 3.0 respectively.

Another indicator of the strength of employment in the two-county area is the total of initial jobless benefit claims. According to Bendull, the numbers show fewer temporary layoffs and/or job losses this year than in the same period in 1997. The total of initial claims in the area's Department of Workforce Development claims offices was lower in each of the first three quarters of 1998 than in the same quarters in 1997. 1998's first quarter total of 3,245 initial claims was about 8 percent below first quarter of 1997, second quarter's 1,991 total was fully 15.6 percent lower than a year earlier, and the 2,156 of third quarter was 5 percent less than the same quarter in 1997.

A comparison of Porter with LaPorte County reveals a multi-year pattern of lower unemployment in Porter County. These latest figures continue a year to year trend that covers almost 11 years. This year-to-year trend also favors Porter County compared to the State of Indiana each year, with the exception of 1995 when the rates were the same (4.7 percent).

"Looking ahead to fourth quarter 1998 and the first two quarters of 1999, employment in LaPorte and Porter Counties should stay strong, with the usual seasonal variations," added Bendull. "Unemployment rates and initial jobless claims will likely continue to be better this year than last year in the fourth quarter. In the first several months of 1999, the area's employment numbers should remain solid, but they are unlikely to improve from previous year levels."

A few factors that may contribute to stable growth in the local economy in the short run are a higher consumer confidence index as reported by the Conference Board, cuts in interest rates by the Federal Reserve, low inflation and low oil prices. This anticipated strength should be reflected in high local retail revenue and employment levels, especially in December, with spillover effect to related industries.

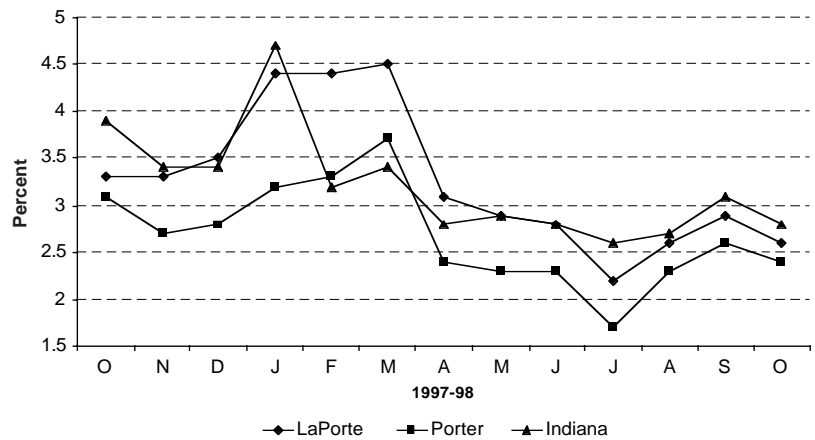
Though still anticipating a strong local economy because of these many positives, external shocks such as the economic crises in Asia, the U.S. military action in the Middle East, higher oil prices and stock market volatility makes for uncertainty and may hinder economic growth.

(Table 7)  
**EMPLOYMENT OUTLOOK SURVEY**  
(for the 1st Quarter 1999)

(All figures are percentages)					
	Increase	No Change	Decrease	Don't Know	Net (Inc.- Dec.)
LaPorte	30	61	6	3	24
Michigan City	20	54	23	3	-3
Valparaiso	13	87	0	0	13
Indiana	21	62	13	4	8
Midwest	23	63	11	3	12
National	23	63	10	4	13

Source: Manpower, Inc.

(Figure 8)  
**UNEMPLOYMENT RATE**



Source: Indiana Department of Workforce Development

## Employment Outlook

Recently, Manpower Inc. completed its quarterly Employment Outlook Survey. The survey is conducted as a public service of Manpower Inc. and its offices throughout the United States. The survey is a measurement of future employment plans for the permanent workforce, and more than 16,000 employers in 474 cities throughout the U.S. participated in the survey.

According to the survey, national hiring patterns established in past quarters will vary little except for some seasonal variations that create a marginally brighter picture, as 23 percent of firms say they will increase employment, 10 percent intend to decrease, 63 percent will remain unchanged, and 4 percent are not yet certain.

The Employment Outlook Survey for January, February, and March indicates that 30 percent of LaPorte employers contacted will add people in that period, while 6 percent say they will use fewer workers. In Michigan City, 20 percent forecast hiring, while 23 percent will have fewer on the payroll. In Valparaiso, 13 percent say they'll hire while none report that hiring will be down. So look out for another strong year in retailing and service, with low unemployment rates and increased sales. All signs indicate a rosy outlook for Porter and LaPorte counties.

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