Wayne County and Surrounding Counties
Outlook 2013

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Introduction

Wayne County is at an intersection to redefine itself after a large-scale loss on its historically dominant manufacturing jobs in recent years. The overall economy in Wayne County continues to recover after the Great Recession, however, at a much slower pace than the state and other counties. There are several big problems hanging over our region: high unemployment, declining and aging population, tepid housing market and the shortage of skilled workers. The main question Wayne County faces today is not just how to recover from the recession, but how to reshape its economic structure and revitalize its economy and community.

This article provides an overview of Wayne County and surrounding counties in regard to recent economic performance and an outlook for 2013. The surrounding counties are Fayette, Franklin, Henry, Randolph, Rush and Union. This article mainly focuses on Wayne County, but also analyzes some key economic indicators for surrounding counties.

Total Personal Income

Since the regional Gross Domestic Product (GDP) data is unavailable for Wayne County and surrounding counties, we used the Total Personal Income (TPI)\(^1\), as an approximation for GDP, to measure the overall economic activity in our region. The regional total TPI bounced back in 2010 after the 2009 slump (See Figure 1). Our region had a TPI of $6,487,869,000 in 2010 and accounted for 2.94% of the state total. Compared to 2000, the TPI of our region was $5,433,294,000 and accounted for 3.25% of the state total. At the county level, Wayne still has the largest share of TPI in our regional economy, but its share fell from 32% in 2000 to 31% in 2010 (See Figure 2). Fayette and Henry declined in their economic weights, while Franklin, Randolph and Union gained more shares in the regional economy, but Rush remained the same.

\(^1\) Total Personal Income includes net earnings by place of residence; dividends, interest, and rent; and personal current transfer receipts received by residents in the area.
Per capita personal income (PCPI) had gradually improved in the past decade (See Figure 3). In 2010, the regional PCPI was $31,049, about 91 percent of the state average, $33,981, and 78 percent of the national average, $39,937. Wayne County had a PCPI of $28,916 in 2010. This PCPI ranked 74th in the state and was 85 percent of the state average and 72 percent of the national average. The 2010 PCPI reflected an increase of 0.1 percent from 2009. The 2009-2010 state change was 2.0 percent and the national change was 2.8 percent. In 2000 the PCPI of Wayne County was $24,442 and ranked 46th in the state. The 2000-2010 annual growth rate of PCPI was 1.7 percent. The annual growth rate for the state was 2.2 percent and for the nation was 2.8 percent².

² Bureau of Economic Analysis, Regional Fact Sheets
Interestingly, the surrounding counties’ PCPIs fall into two distinct groups (see Figure 4). Fayette County and Henry County have the same downward trend on their PCPIs as a percent of the national average as Wayne County does. In contrast, Franklin, Randolph, Rush and Union have a notable uptick on their PCPIs in terms of a percent of the national average since 2007. This outcome echoes the percentage changes of regional TPI shown in Figure 2.

Figure 3: Per Capita Incomes for Wayne County and Region, 2000 to 2010

![Graph showing per capita incomes for Wayne County and region, 2000 to 2010.]

Source: Bureau of Economic Analysis’s Regional Fact Sheets
Note: The region data is calculated by taking the average PCPIs of all seven counties.

Population

Just like other rural areas in the Midwest, Wayne County has been experiencing a sustainable population decline, and the spiral down trend will continue in the foreseeable future (See Table 1). The population in 2011 was 68,843, which was 4.60% lower than that in 1990. The projected population in 2030, according to Indiana Business Research Center (IBRC), is 65,321, down 9.22% from 1990. The surrounding counties’ population will follow the same path as that of Wayne County except Franklin and Union. Both Franklin and Union have had a steady increase in their population since 1990, and this upward trend is projected to continue.

Figure 4: Per Capita Income as a Percent of the United States

![Graph showing per capita income as a percent of the United States, 2000 to 2010.]

Source: Bureau of Economic Analysis’s Regional Fact Sheets
Table 1: Population Over Time and Projections for Wayne County

<table>
<thead>
<tr>
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<th></th>
<th></th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td>Total Population</td>
<td>71,951</td>
<td>72,019</td>
<td>70,513</td>
<td>68,551</td>
<td>68,110</td>
<td>67,142</td>
<td>66,250</td>
<td>65,321</td>
<td></td>
</tr>
<tr>
<td>Change Since 1990</td>
<td>68</td>
<td>-1,438</td>
<td>-3,400</td>
<td>-3,308</td>
<td>-3,841</td>
<td>-4,809</td>
<td>-5,701</td>
<td>-6,630</td>
<td></td>
</tr>
<tr>
<td>Pct. Change Since 1990</td>
<td>0.10%</td>
<td>-2.00%</td>
<td>-4.70%</td>
<td>-4.60%</td>
<td>-5.34%</td>
<td>-6.68%</td>
<td>-7.92%</td>
<td>-9.22%</td>
<td></td>
</tr>
</tbody>
</table>

Source: US Census Bureau & IBRC
Note: Data for 2015 to 2030 are projections by IBRC

The age makeup of Wayne County’s population has also changed in the past decade. The median age was 37.8 in 2000, 39.5 in 2005, and 40.5 in 2011. The largest population group by age was young adults (25 to 44) in 2000, about 27%, while it was older adults (45 to 64) in 2011, about 28% (See Figure 5). This trend shows that the population in Wayne County is aging, which has implications for economic growth. Compared to other six neighboring counties, Wayne County had the lowest median age in 2011, and Henry County had the highest median age of 41.8. At the same time, our region’s median age of 41 was much higher than the state median age, 37.1, and the national median age, 37.3.

Figure 5: Population by Age for Wayne County, 2000, 2005, and 2011

Source: US Census Bureau & STATS Indiana

3 Source: US Census Bureau; Median age calculated by the IBRC and by author.
Labor Market

The overall unemployment rate has slowly trended down since 2010 in this area (See Figure 6). The regional unemployment rate for September 2012 was 8.3%. Although the regional unemployment rate is on a downward trend, it is still higher than the national rate of 7.8% and the state rate of 8.2%. Among all seven counties, the unemployment rates of Fayette, Henry, Randolph and Wayne are above the state and national levels. However, Franklin, Rush and Union have unemployment rates lower than the state and national rates.

Figure 6: Unemployment Rates, January 2005 to September 2012

Source: Indiana Department of Workforce Development, Local Area Unemployment Statistics (LAUS)
Note: The region data is calculated by taking the average unemployment rates of all seven counties.

The downward trend in unemployment rate does not tell the whole story about the regional labor market. The data on the labor force and employment for all seven counties actually may raise some eyebrows. The labor force and employment have both seen a substantial decrease, particularly since May 2012 (See Figure 7). Before May 2012, the labor force stayed around 99,000 with employment around 89,000, but in August 2012, the labor force slumped to 96,281 with employment of 87,344. This suggests that the local labor market is weakening with fewer available jobs; so job seekers continuously drop out of the labor market or move out of the area.
Figure 7: Labor Force and Employment for the Region, January 2011 to August 2012

The employment pattern, too, has been shifting in our region. Total non-farm jobs were 64,114 in 2011, about an 11% slide since 2007 (See Table 2). The top five local employment sectors are: government, manufacturing, health care and social assistance, retail trade, and accommodation and food service. Manufacturing used to be the largest employment source in this area, but its weight in overall employment has seen a gradual decline, from 21% in 2007 to 18% in 2011. Most sectors experienced job cuts in the past five years with the exception of health care and social assistance. There has been a steady increase in employment in health care and social assistance over the years in our region. We can anticipate this economic sector will keep growing in the future and will become the largest source of employment in this region, if it is not already.

Table 2: Employment by Sector for the Region, 2007 to 2011

<table>
<thead>
<tr>
<th>Sector</th>
<th>2007</th>
<th>2008</th>
<th>2009</th>
<th>2010</th>
<th>2011</th>
<th>5 yr. change</th>
<th>5 yr. % change</th>
</tr>
</thead>
<tbody>
<tr>
<td>Total Employment</td>
<td>72,125</td>
<td>70,093</td>
<td>65,211</td>
<td>63,369</td>
<td>64,114</td>
<td>-8,011</td>
<td>-11.11%</td>
</tr>
<tr>
<td>Manufacturing</td>
<td>15,502</td>
<td>14,051</td>
<td>11,783</td>
<td>11,550</td>
<td>11,854</td>
<td>-3,648</td>
<td>-23.53%</td>
</tr>
<tr>
<td>Retail Trade</td>
<td>8,902</td>
<td>8,665</td>
<td>8,207</td>
<td>8,088</td>
<td>8,146</td>
<td>-756</td>
<td>-8.49%</td>
</tr>
<tr>
<td>Health Care and Social Assistance</td>
<td>8,617</td>
<td>8,530</td>
<td>8,806</td>
<td>9,067</td>
<td>9,535</td>
<td>918</td>
<td>10.65%</td>
</tr>
<tr>
<td>Accommodation and Food Service</td>
<td>5,657</td>
<td>5,955</td>
<td>5,795</td>
<td>5,532</td>
<td>5,657</td>
<td>0</td>
<td>0.00%</td>
</tr>
<tr>
<td>Federal, State, &amp; Local Govt.</td>
<td>13,307</td>
<td>13,294</td>
<td>13,117</td>
<td>12,697</td>
<td>12,380</td>
<td>-927</td>
<td>-6.96%</td>
</tr>
</tbody>
</table>

Source: Using Indiana Department of Workforce Development data aggregated by author
Earnings

In contrast to the weakening labor market, our region sees a positive change in the average annual income for most industries. In 2011, the average annual earning of all industry was $30,703 (See Table 3), a 1.81% increase from 2007; however, it is about 23% lower than the state average. Although the manufacturing sector still has the highest wage in this region, comparatively its average annual earning dropped by about 2% in the past 5 years. We anticipate the average income will keep a steady growth under the current economic circumstances, and the earning disparity between our region and the state average will persist for a long time.

Table 3: Average Annual Earnings by Industry for the Region, 2007 and 2011

<table>
<thead>
<tr>
<th>Industry</th>
<th>2007</th>
<th>2011</th>
<th>5 yr. change</th>
<th>5 yr. % change</th>
<th>2011 State average</th>
<th>% of State</th>
</tr>
</thead>
<tbody>
<tr>
<td>All Industry</td>
<td>$30,156</td>
<td>$30,703</td>
<td>$547</td>
<td>1.81%</td>
<td>$39,969</td>
<td>76.82%</td>
</tr>
<tr>
<td>Manufacturing</td>
<td>$45,185</td>
<td>$44,322</td>
<td>($863)</td>
<td>-1.91%</td>
<td>$55,401</td>
<td>80.00%</td>
</tr>
<tr>
<td>Retail Trade</td>
<td>$19,241</td>
<td>$20,364</td>
<td>$1,123</td>
<td>5.84%</td>
<td>$23,442</td>
<td>86.87%</td>
</tr>
<tr>
<td>Health Care &amp; Social Assist.</td>
<td>$28,564</td>
<td>$29,805</td>
<td>$1,242</td>
<td>4.35%</td>
<td>$40,838</td>
<td>72.98%</td>
</tr>
<tr>
<td>Accom. &amp; Food Svcs.</td>
<td>$10,310</td>
<td>$11,535</td>
<td>$1,224</td>
<td>11.87%</td>
<td>$13,528</td>
<td>85.26%</td>
</tr>
<tr>
<td>Fed.l, State &amp; Local Govt.</td>
<td>$29,669</td>
<td>$31,573</td>
<td>$1,905</td>
<td>6.42%</td>
<td>$40,086</td>
<td>78.76%</td>
</tr>
</tbody>
</table>

Source: Using Indiana Department of Workforce Development data aggregated by author

Housing

The local housing market reveals mixed information. Building permits were way off the peak of 211 in 2004. However, there was a surprising jump in 2010 to 149 permits from 29 in 2009 (See Figure 8), then followed by a disappointing drop in 2011 to 33 permits. There were 503 house sales in Wayne County in 2012 (through October 1)—an increase of 56 sales relative to 2011 (See Figure 9). Furthermore, the average sale price of $91,465 represents a 10% increase over 2011. Even with the exciting news of increased home sales, there is a longer waiting period to dispose of remaining houses for sale. The average number of market days is 155, up from 128 days in 2005. Surely, the housing market, which has experienced the adverse effects of the 2008 financial crisis, is moving toward the bright side of full recovery.
Figure 8: Wayne County Building Permits, 2000 to 2011

Source: STATS Indiana, using U.S. Census Bureau data

Figure 9: Housing Sales Details for Wayne County, 2005 to 2012

Source: Paragon - Wayne County MLS Service
Note: The 2012 data is from January to October 1, 2012
Business/Investment Activity for 2012

In 2012, the Economic Development Corporation (EDC) of Wayne County has done an excellent job to partner with existing companies to expand their production lines, as well as to attract new investments. The EDC closed eight projects in 2012 that generated $39.5 million in new private investments. Those projects created or retained about 458 jobs. The new projects invested in by the EDC through 2012 are:

- Golden Engineering, Inc. purchased new manufacturing equipment to add new product lines.
- Silgan White Cap purchased new equipment and provided training for employees using the equipment to increase technological advantage.
- Hill’s Pet Nutrition trained its employees and will create 12 new jobs by 2013.
- Transilwrap Company added new equipment that will lead to new technology and jobs.
- Suncall America, Inc. expanded its operation for its new automotive orders. It will create 10 new jobs.
- Berry Plastics Corporation created 10 new jobs and invested $4.4 million in a new project.
- B & F Plastics, Inc. added a new product line and created 8 new full-time jobs.
- Sugar Creek Packing Company announced the relocation to Wayne County. The new business will create 400 jobs and install five cooking lines by 2016.

Outlook

We are living in a globalized world. The global economy has much more impact on the regional economy today than 20 years ago. “The ongoing European debt crisis could weigh on the world economy for years, forcing policy makers to rethink their approaches to restoring growth and boosting job creation,”4 said the World Bank’s new chief economist, Mr. Kaushik Basu. The sluggish global economic growth will impact the U.S. economy, which, in turn, will impact the regional economy given their interdependence. Furthermore, many businesses are waiting for clearer economic policies to be defined by the outcome of the general election. In summary, due to the policy uncertainty in the global and national economies, the outlook for the regional economy in 2013 is mixed. Overall, we expect moderate economic growth; however, in some sectors, such as health care and social assistance, we might see faster growth.