Northwest Indiana
WORKFORCE
BOARD

2016 NORTHWEST INDIANA

STATE OF THE WORKFORCE AND ECONOMIC INDICATORS REPORT

A MESSAGE FROM THE CHAIR

The Northwest Indiana Workforce Board is pleased to share the findings for this 2016 State of the Workforce Report, and we are especially fortunate to include the Northwest Indiana Economic Indicators data as presented by The Northwest Indiana Forum.

This year's compiled report reflects the work of several organizations and individuals. It provides comparisons and progress made in our region and identifies those moments that prompt us to pause and reflect. For it is with the use of good data and analysis that we can critique the workforce, economy, and the community at large, all with the intent to build a solid and progressive workforce that contributes to a competitive economy and a promising quality of life in Northwest Indiana.

Sincerely,
George Douglas
Chairman of the Board
Northwest Indiana Workforce Board

Northwest Indiana WORKFORCE BOARD

The Northwest Indiana Workforce Board acknowledges the following organizations and individuals who contributed toward the compilation and completion of this 2016 State of the Workforce and Economic Indicators Report:

Our partner & contributor for the State of the Workforce & Economic Indicators Report and event:

NORTHWEST INDIANA FORUM

Special thanks to Heather Ennis, the NW Indiana Forum board and staff.

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ABOUT YOUR NORTHWEST INDIANA WORKFORCE BOARD

The Northwest Indiana Workforce Board (NWIWB) is comprised of business, education, labor, community, and economic development leaders responsible for the strategic vision of workforce development and governance of the one-stop system in Northwest Indiana. They are responsible for sector strategies and linkages with employers, managing connections to key resources in the workforce and education arena, and supporting efforts on programs and services which plant and nurture the seed of entrepreneurship.

The Board has its finger on the pulse, working together with economic developers, employers, and economists, to determine current and future skill needs in our region.

Mission: To mobilize and integrate the leadership, services, and resources of the community to support workforce development.

Vision: A Northwest Indiana workforce that is highly skilled, motivated and diverse, earning sustainable or higher wages and actively engaged in skill advancement and lifelong learning.

Core Goals

- Increase skills of current workforce to align with economic development strategies and key industry clusters
- Improve employer access to qualified workers and awareness of training resources
- Insure youth in Northwest Indiana are positioned for continued education/learning and workforce success
- Encourage and support an entrepreneurial spirit
- Assure compliance and efficient operations of a workforce development system

The NWIWB proudly represents the following counties: Jasper, Lake, La Porte, Newton, Porter, Pulaski, and Starke.

NORTHWEST INDIANA WORKFORCE BOARD

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- Kyle Conrad – Newton County
- Kendell Culp – Jasper County
- Vidya Kora – La Porte County
- Kathy Norem – Starke County
- Laura Shurr Blaney – Porter County
- Mike Tiede – Pulaski County

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For an electronic version of this report and/or a closer look at its graphs and charts, visit www.innovativeworkforce.com.

INTRODUCTION

The prior State of the Workforce Report published in 2014 primarily focused on the industry sectors important to the region, the possibility of a jobless recovery, and measured how Northwest Indiana was recovering from the recession. Now that the workers, employers, and residents of the region are farther removed from that economic shock, this report addresses the extent to which the region has recovered.

Inside the 2016 report, you will find a snapshot of the Northwest Indiana demographics of the population, the labor force, and highlights of education levels to help gauge current trends in regional skill development. The report provides insights into the readiness of the Northwest Indiana workforce to meet the skill needs of the region's employers.

This year we included information from the Regional Economic Indicators report. In particular, the section on Gross Regional Product (GRP) allows us to see how the Northwest Indiana economy is faring; is our economy growing or lagging. Used in prior Economic Indicator Reports, GRP and the Regional Economic Indicators serve as a sort of measurement stick year over year for how we are growing our wages and goods and services. It points us to what we need to grow economically to create and sustain a vibrant and thriving Northwest Indiana.

Northwest Indiana is defined as the seven counties of Jasper, Lake, LaPorte, Newton, Porter, Pulaski, and Starke. Throughout the report, you will find a variety of date ranges and data points. While on the surface this may create some confusion, it is important to remember that certain data sets have date range limitations due to when data is reported, collected, analyzed, and released for public consumption. What is most important is the opportunity to review and reflect on trends from a higher level. By using trend analysis and reflection, as partners, we can convene and start conversations which ignite creative solutions.

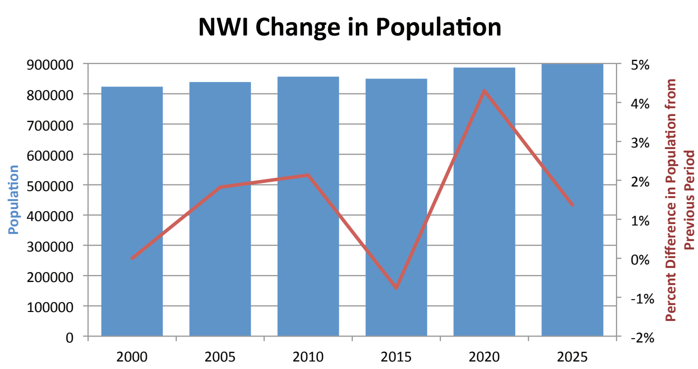
THE DEMOGRAPHICS OF NORTHWEST INDIANA

To better understand Northwest Indiana's workforce, we start with an exploration of the region's population by breaking it into three main groups — total population, age, and race. By analyzing the trends in this data, we can learn more about what is happening in the region which directly affects the workforce. For added context, regional data will be compared to the State of Indiana and occasionally, the nation, to ultimately help us better understand the state of Northwest Indiana's workforce.

Northwest Indiana population decreasing since 2010, though projected to grow through 2020

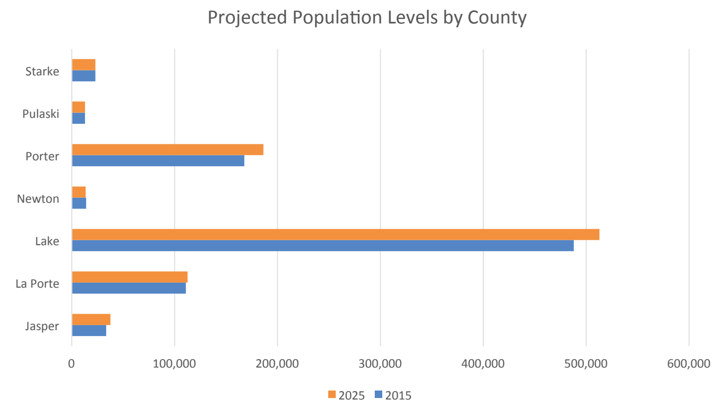
Since 2000, the total population of Northwest Indiana has grown 3.2 percent from 823,388 to 849,762 in 2015. However, all that growth occurred between 2000 and 2010, with the population declining between 2010 and 2015 by 6,540 people (or 0.8 percent).

The chart below shows the region's population between 2000 and 2015 (represented by the bars), along with projections by the US Census Bureau for 2020 and 2025. Using 2000 as a base year, the percent change in the population from the previous year is indicated by the line.



Source: US Census Bureau

At the county level, only two counties in Northwest Indiana saw notable growth between 2000 and 2015: Porter County reported 14.2 percent growth (20,890 people) and Jasper County saw growth of 11.4 percent (3,427). Pulaski County saw the greatest percentage decrease during this period, reporting a loss of 6.3 percent (866 people), and Starke County reported a loss of 598 people (2.5 percent). The remaining three counties, Lake, LaPorte, and Newton, saw little growth from 2000 to 2015. The chart below illustrates the population distribution across Northwest Indiana based on 2015 population data.



Source: US Census Bureau

> **"We need to make our region a desirable place to live, work, and play for the next generation."**

As shown above, the US Census Bureau does forecast population growth in the region from 2015 to 2025. Based on the data provided, it appears much of this growth will come from two counties: Lake and Porter. Lake County is expected to grow 5.1 percent (about 25,000 people) from 2015 to 2025; Porter County should see a larger percentage growth, 11.05 percent, which equates to about 18,500 people. Jasper County is predicted to add around 4,000 people (12.2 percent) during the same period. LaPorte, Newton, Pulaski, and Starke counties are not projected to grow or shrink significantly during this period with most of the growth coming from the aforementioned counties.

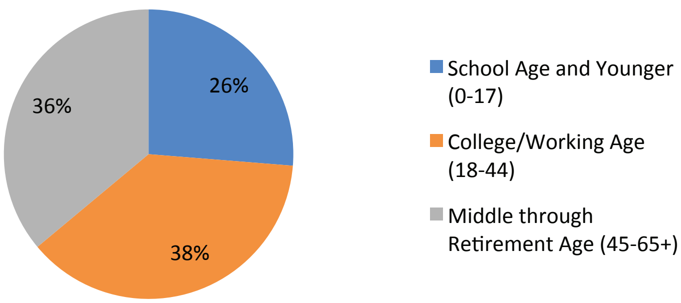
From 2000 to 2015, Northwest Indiana population growth lagged both state and nation significantly

From 2000 to 2015, Northwest Indiana saw total population growth of 3.2 percent; during the same period, the State of Indiana reported growth of 8.9 percent, and the United States grew 14.2 percent. Although Indiana and the US saw a period of relatively slower growth from 2010 to 2015, growth remained positive (2.1 percent and 4.1 percent, respectively); this contrasts with Northwest Indiana which saw population shrinkage of 6,540 people (0.8 percent). Even the US Census Bureau's projected growth rate of 5.7 percent for the region from 2015-2025, Northwest Indiana cannot match the historical growth rate of Indiana.

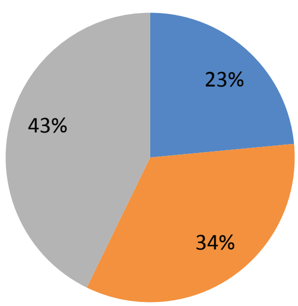
Northwest Indiana shifting to older age group

As noted in the previous State of the Workforce 2014 report, the age of the region's population may be a contributing factor to its slow growth. In 2000, 26 percent of Northwest Indiana's population was school age and younger (0-17 years old), 38 percent were aged 18 to 44 years, and 36 percent were aged 45 and over. In 2015, the age of the region's population has increased — 23 percent of the population is school age and younger, 34 percent are aged 18 to 44 years, and 43 percent are 45 years old and older.

NORTHWEST INDIANA 2000



NORTHWEST INDIANA 2015



Source: US Census Bureau

The most notable change comes from the growth of the population age 45 and over which grew seven percentage points over 15 years, while the percentage of the population between 18 and 44 shrank by four percentage points. The group school age and younger declined by three percentage points over the same period. This is important to note since the part of the population aged 45 years and over are unlikely to produce more children and grow the population. Indeed, with a mild growth rate of 3.2 percent for the region from 2000 to 2015, it appears the population is merely getting older without producing or attracting a significant number of younger residents.

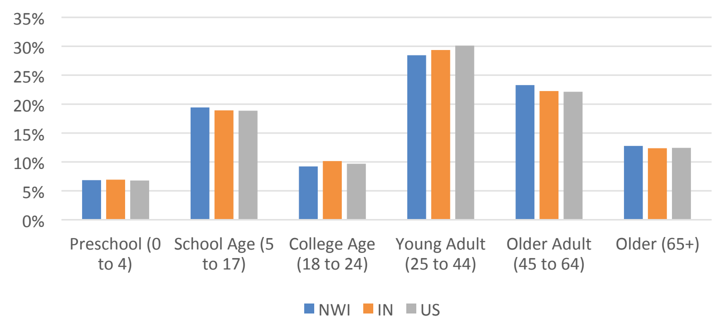
Northwest Indiana's shift to an older age group similar to trend in state and nation

However, an aging population is not unique to Northwest Indiana — from 2000 to 2015, both Indiana and the United States have also seen an increase in older residents.

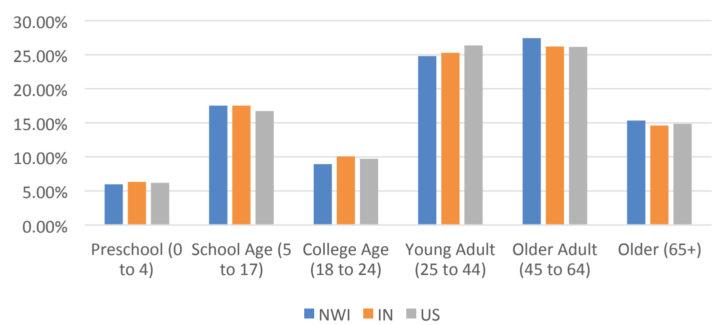
In 2000, Indiana's population was approximately 26 percent 0 to 17 years old, 40 percent 18 to 44 years old, and 35 percent 45 years and older. In 2015, the state reported 24 percent of residents were 0 to 17 years old, 35 percent were ages 18 to 44, and 41 percent was age 45 or older. Residents in the age 45 and over group saw an increase of 6 percentage points while the youngest cohort shrunk by two percentage points and the middle group decreased five percentage points. This change occurred while the state saw total population growth of 8.9 percent.

The United States saw a change in the age of its population similar to Indiana — residents age 45 and over-represented 35 percent of the population in 2000 and 41 percent in 2015. During the same time, school age and younger residents decreased from 26 percent in 2000 to 23 percent in 2015 while college and working age residents decreased from 40 percent of the population to 36 percent on 2015. Again, these changes occurred during a time where the population of the country grew 14.2 percent.

Percentage of Population by Age Group - 2000



Percentage of Population by Age Group - 2015



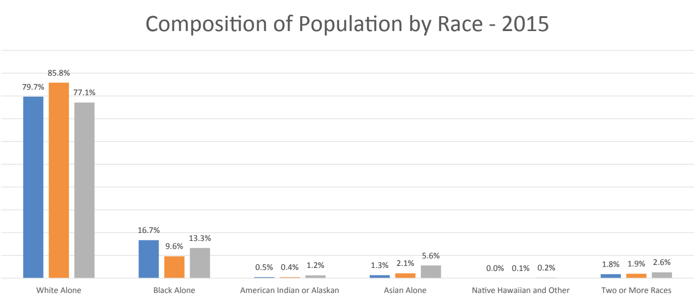
Source: US Census Bureau

Although Northwest Indiana is older relative to the state and nation with more of the population over 45, the occurrence of near identical shifts at each geographic level indicates an aging population is a challenge that exists beyond the region.

Racial composition of Northwest Indiana largely unchanged since 2000

Regarding distinct racial categories, Northwest Indiana in 2015 remains essentially unchanged from 2000. As shown in the next chart, 79.5 percent of the population of the region identifies as White Alone; this represents a decrease of 1.6 percentage points from 2000 which reported 81.3 percent of the population as White Alone. The second largest racial group in 2015 is Black Alone at 16.7 percent which remains unchanged from 2000.

The slight shift in racial proportions for the region is due to relatively large gains in the Two or More Races category (1.8 percent of the population in 2015; 0.9 percent in 2000) and Asian Alone (1.3 percent of the population in 2015; 0.8 percent in 2000). Although these racial categories are still small percentages, the growth in both groups is noteworthy since the two populations have nearly doubled over the last 15 years.



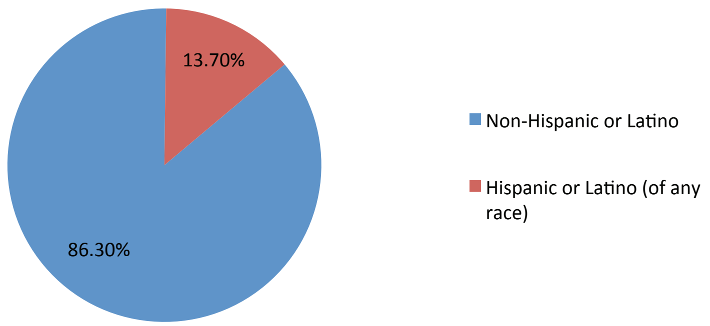
Source: US Census Bureau

Comparing Northwest Indiana to the state and nation, the region's shift in racial proportions is representative of changes at the state level.

Indiana almost perfectly matched the regional growth seen in the Asian Alone and Two or More Races categories during the same period, with Asian Alone growing from 1.0 percent of the state's population in 2000 to 2.1 percent in 2015; similarly, residents identifying as Two or More Races grew from 0.9 percent in 2000 to 1.9 percent in 2015.

Comparing Northwest Indiana to the United States shows a similar situation. Although the nation is more diverse than the region, the percentage of the population identifying as Asian Alone and Two or More Races did see significant growth from 2000 to 2015. In 2000, 3.6 percent of the nation's population was Asian Alone; in 2015, this proportion increased 1.8 percentage points to 5.6 percent. In 2000, residents who were Two or More Races represented 1.4 percent of the population, and this proportion increased to 2.6 percent in 2015. Growth in these categories (and other minority racial groups) was accompanied by a decrease in the proportion of residents identifying as White Alone. In 2015, 77.1 percent of the country was White Alone which is a decline of 3.9 percentage points from the composition of the population reported in 2000.

One category not reflected above are the number of people who are ethnically Hispanic or Latino. Since 2000, Northwest Indiana has moved from 8.8 percent of the population identifying as Hispanic or Latino to 13.7 percent in 2015. This compares to the State of Indiana which reported 6.7 percent of its total population was Hispanic or Latino in 2015. For further comparison, at the national level, 17.6 percent of the population are Hispanic or Latino. This further points to the growing diverse population we have in Northwest Indiana.



Source: US Census Bureau

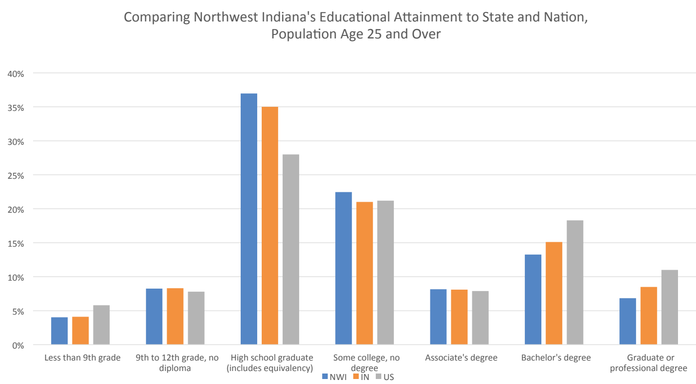
Northwest Indiana's population growth lags the state and national rates as a result of an aging population having fewer children and an in-migration rate that does not counterbalance that.

PREPARING THE NORTHWEST INDIANA WORKFORCE: EDUCATION

Northwest Indiana behind in Bachelor's and above attainment

Educational attainment is measured according to the highest level of formal education someone has earned. Conventional measures look at the population aged 25 years and older, but a separate look at educational attainment for residents ages 18 to 24 has been included as well.

As the chart below illustrates, 49.2 percent of people living in Northwest Indiana have a high school diploma or lower as their highest level of education, while 28.3 percent have an Associate degree or higher. This matches the state and nation regarding Associate degree attainment, but Northwest Indiana falls behind when it comes to the percentage of the population that earned a Bachelor’s degree or a Graduate degree and above.



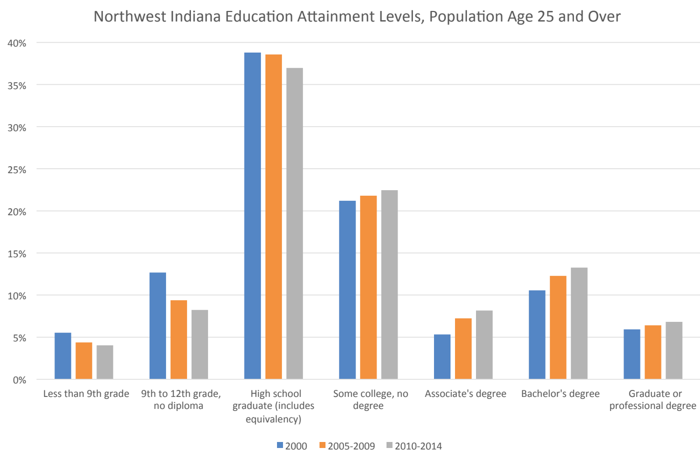
Source: US Census Bureau

Northwest Indiana trails Indiana by 1.8 percentage points at the Bachelor level (13.3 percent compared to 15.1 percent) and 1.7 percentage points at the Graduate and above level (6.8 percent compared to 8.5 percent). The region is also behind the nation by five percentage points at the Bachelor level (18.3 percent for the US compared to 13.3 percent for the region) and by 4.2 percentage points (11 percent compared to 6.8 percent) at the Graduate and above level.

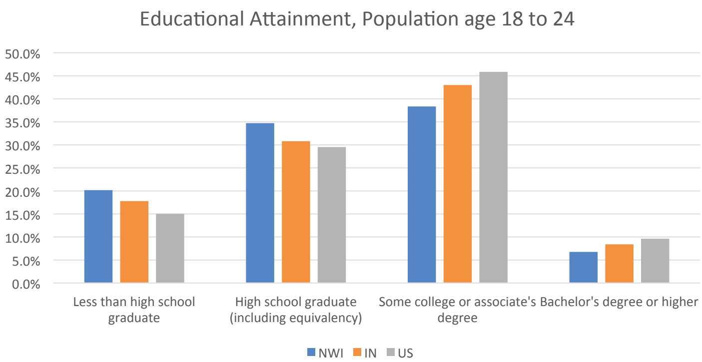
> **“By having existing workers continue to upskill, the worker remains competitive and the employer is ensured a reliable pipeline of talent.”**

Northwest Indiana educational attainment trending upward since 2000

Despite trailing the state and nation in attainment percentages, the Northwest Indiana regional educational attainment since 2000 has a positive trend. The chart below shows attainment levels in 2000, 2005 - 2009, and 2010 - 2014. In 2000, only 21.8 percent of the region over the age of 25 earned an Associate degree or higher; the most recent US Census estimate reports an increase to 36.4 percent (an increase of 14.6 percentage points).



Source: US Census Bureau



Source: US Census Bureau ACS 2010-2014

Northwest Indiana also trails state and nation for younger age group

Similar to the trends noted in the post-secondary attainment levels of the population age 25 and over, Northwest Indiana trails the state and nation in educational achievement for 18 to 24-year-olds as well. A majority of residents in the region age 18 to 24 (54.9 percent) note their highest level of education is a high school diploma or less compared to 48.6 percent at the state level and 44.5 percent at the national level. While this is ahead of the State and Nation, we still need to focus our efforts on moving high school students into post-secondary if we are to have a skilled and 21st century workforce.

The proportion of the population ages 18 to 24 with Some College or Associate Degree in Northwest Indiana is 38.3 percent, and 6.8 percent have a Bachelor degree or higher. This, again, compares unfavorably to the state and nation: for the same population, Indiana reports 43.0 percent have Some College or Associate degree, and 8.4 percent have a Bachelor degree or higher, and the United States reports 45.9 percent have Some College or Associate degree and 9.6 percent have a Bachelor degree or higher.

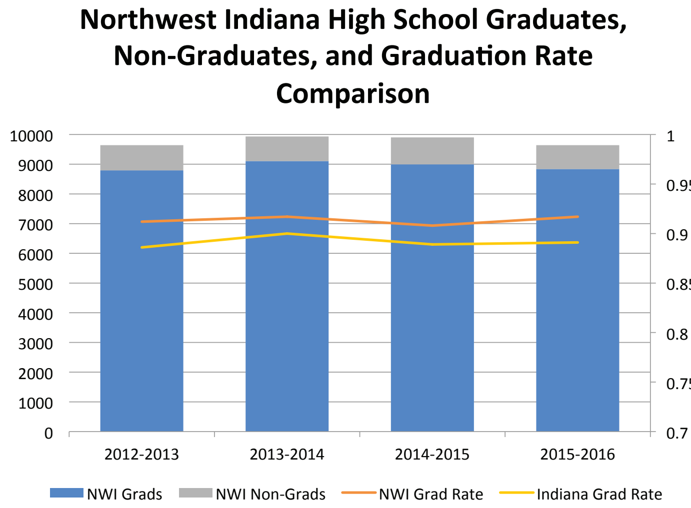
PREPARING THE WORKFORCE: EDUCATION INDICATORS

Northwest Indiana's economic future is tied directly to its ability to accelerate educational attainment levels and create a new culture of education in the region. READY NWI's partners in education, economic development, workforce development, and government are embarking on a 10-year mission of collaboration to achieve The Big Goal of "60% by 2025", which requires the current 39.7 percent of adults with higher education credentials to reach the 60 percent level projected to be needed by the region's employers.

To meet the goal, READY NWI focuses on key stages of development of the student talent pipeline (middle school to high school, high school to college, and college to jobs in our region). However, this goal cannot be reached without adults in the workforce also acquiring new skills and credentials. During the next ten years, READY NWI is committed to an annual review of progress across core indicators that are shown below. Key metrics to monitor are: high school graduation rates, college remediation trends, college and university enrollment, and college and university awards.

Northwest Indiana continues performing ahead of the state and trending upward

Northwest Indiana high school graduation rates have shown marked progress since 2010, moving from a level below the state average reported in the 2009-2010 school year to above the state average starting with the 2012-2013 school year. This is particularly noteworthy as the State of Indiana already reports one of the highest overall graduation rates in the nation at 89 percent.

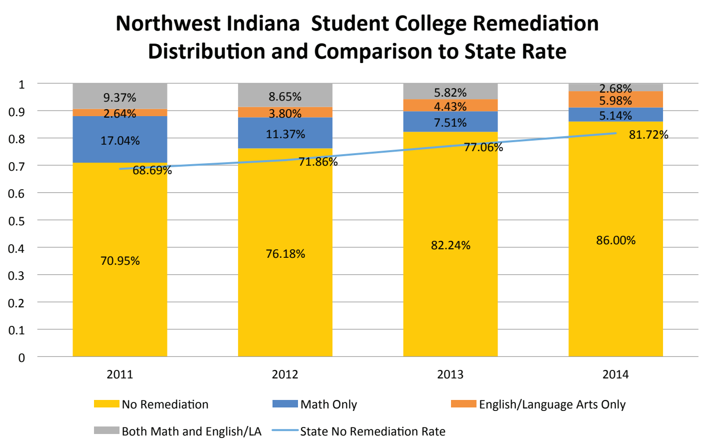


Source: Indiana Department of Education

In the 2015-2016 school year, the region had a graduation rate of 91.7 percent which was 2.6 percentage points higher than the state's graduation rate of 89.1 percent. Prior years were closer to the Indiana graduation rate, especially in the 2013-2014 school year which saw the region exceed the state by 1.7 percentage points.

Northwest Indiana students more prepared compared to the state rates and are trending well, though English/language arts sees a growing gap

Based on trends in the remediation rate, it appears Northwest Indiana high school graduates are entering colleges better prepared than ever. 2014 reports from Indiana's public colleges indicate that 86.0 percent of Northwest Indiana students who entered college did so without a need for remediation in either math or English/language arts.

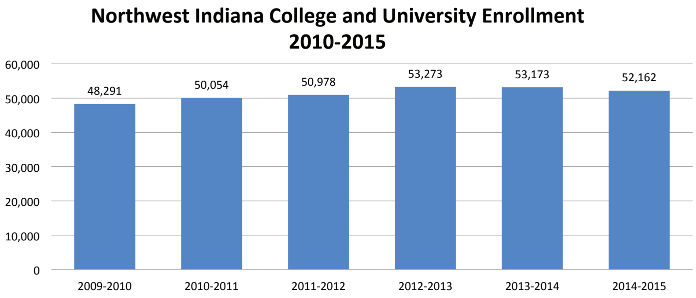


Source: Indiana Department of Education

Similar to the high school graduation rates, the region has reported a lower remediation rate than the state from 2011 to 2014, with the most recent school year data revealing a difference of 4.3 percentage points (the region had a non- remediation rate of 86.0 percent compared to the state's rate of 81.7 percent).

College and University Enrollment – Enrollment has seen an upward trend that may now be faltering

Northwest Indiana colleges saw a 6-year high for enrollment in the 2012-2013 school year with 53,273 students signing up for classes (an increase of 4.5 percent over the prior year). The 2013-2014 school year saw similar enrollment levels with 53,173 students, but the 2014-2015 school year saw a small decline of 1.9 percent to 52,162 students.

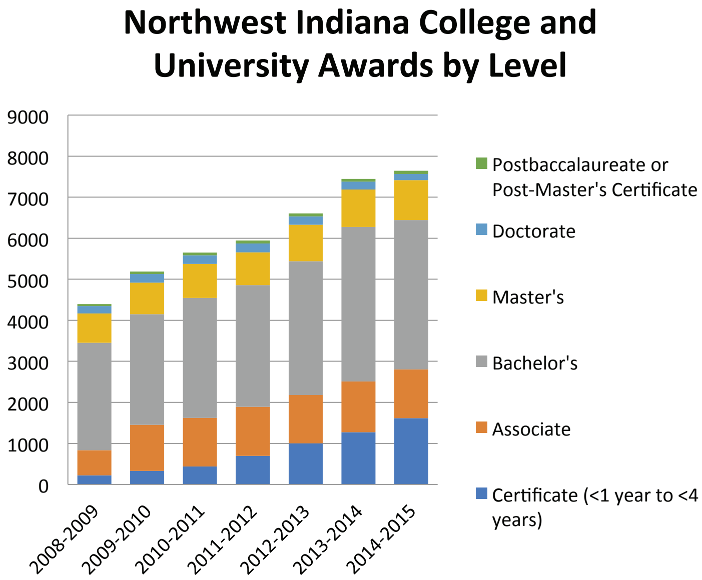


Source: IPEDS Data Center

Overall, the enrollment trend has been positive steady increases have occurred over four years for the region's eight colleges and universities. It went from a 6-year low of 48,291 reported in the 2009-2010 school year to 52,162 reported in the 2014-2015 school year, though that last two years did break the trend with decreases in enrollment.

Northwest Indiana colleges and universities continue upward trend in awards, largely thanks to certificate production

The 2014-2015 school year resulted in 7,642 completions, an all-time high for Northwest Indiana. Of the 7,642 awards, 47.6 percent were Bachelor's degrees, 21.2 percent were certificates,15.5 percent were Associate degrees, 12.7 percent were Master's degrees, and the remaining 2.9 percent were doctorate degrees and post-Master's certificates. Since the 2008-2009 school year, the number of certificates being awarded has increased 621.4 percent from 224 to 1,616 over seven years.



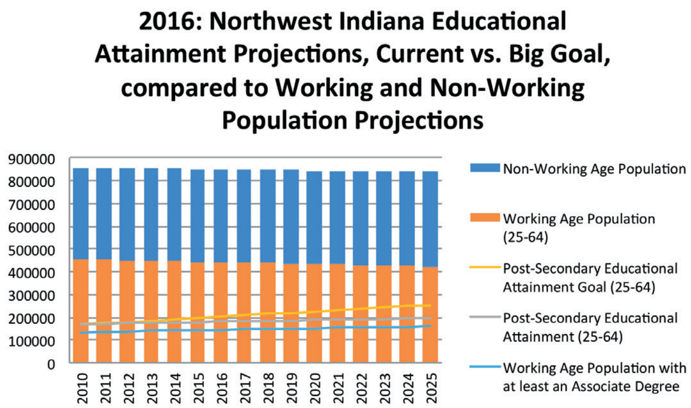
Source: IPEDS Data Center

Other awards reporting significant growth over the last seven years include Associate degrees (94.3 percent increase), Post-Master's Certificate (59.2 percent increase), and Bachelor's degrees (39.1 percent increase). The only post-secondary award that saw a decline over that period were doctorate degrees which decreased 19.2 percent (182 awarded in 2009 compared to 147 awarded in 2015).

A note on St. Joseph's College: St. Joseph's College had an important role in providing quality postsecondary education and attracting students to the region. With the closure of the main campus in 2017, most of the 1,300 students enrolled in classes will have to continue education elsewhere. For an idea of how St. Joseph's College contributed to the number of awards given, in the 2014 school year, it awarded 243 degrees which constitutes 3.2 percent of total degrees awarded in the region for that year.

EDUCATION INDICATORS — BIG GOAL 2025

By 2025, more than 60 percent of jobs in the United States will require a postsecondary degree or high-quality credential. To meet that need, the goal of READY NWI is to work with schools, colleges and universities, and employers to grow the pipeline of talent to meet the education and skill needs of employers in the coming years.



Source: US Census Bureau, IPEDS Data Center, Hoosiers by the Numbers

Maintaining a highly-skilled talent pool in Northwest Indiana is a challenge that must account for several factors, including: slow population growth and projected decline in prime-age workers, percent of labor force with relevant credentials, and replacement of Baby Boomers who will be leaving the workforce from now through 2025.

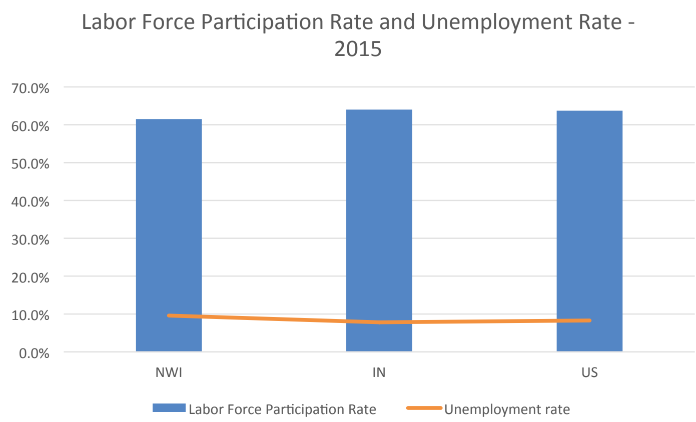
The chart shows the current postsecondary educational attainment levels of the population ages 25 to 64, the postsecondary education attainment goal level, the number of working-age adults with at least an Associate degree, and the composition of the population (working age and non-working age). Based on 2015 population estimates and educational attainment levels from the US Census, 39.7 percent of the population aged 25-64 (176,579 people) has a postsecondary credential. This compares favorably to the educational attainment percentage reported in 2014 of 39.4 percent. Still despite many successes and positive trends in education in Northwest Indiana, to reach the Big Goal by 2025 the pace must accelerate, and a greater portion of the population must attain high-quality credentials in the coming years. Adult learners must be among those receiving further education if Northwest Indiana is to achieve that goal.

THE WORKFORCE OF NORTHWEST INDIANA

Northwest Indiana labor force participation down, slightly trails state and nation

The labor force participation rate reports the percentage of the population age 16 and over who are employed or unemployed but looking for work. Based on 5-year estimates from the US Census Bureau, Northwest Indiana's labor force participation rate moved from 63.3 percent in 2000 to 63.9 percent in 2009 to 61.8 percent in 2014.

For the periods analyzed in the below chart, the region has trailed the state and nation in labor force participation by a small amount (2.3 percentage points lower than the state and 2.1 percentage points lower than the nation based on the most current data).



Source: US Census Bureau

Historically, Starke County has reported a lower participation rate than the region, while Jasper, Newton, and Porter counties usually report strong labor force participation rates which generally exceed the state and national rates. However, based on the 2010-2014 period data, all counties saw significant drops in labor force participation. LaPorte, Pulaski, and Starke all fell below 60 percent participation, and Porter County, the county with the highest participation rate, decreased to match the state's participation rate when it has historically been above it.

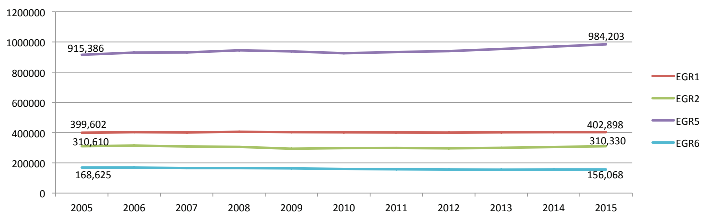
"Teenagers have low employment rate—work ethics not being learned on the job."

Overall, there has been a decline in labor force participation at the local, regional, state, and national levels. Although locally the labor force participation rate is not too far off in real terms, these metrics and trends bear continued monitoring.

Northwest Indiana labor force essentially flat for ten years

The size of the labor force of Northwest Indiana has remained relatively flat since 2005. The labor force peaked in 2008 at 405,659 people, but most years hover around 400,000 and have increased by approximately 3,300 people from 2005 to 2015 to 402,898. This means that over ten years, the region has added only 3,296 workers, or 0.8 percent, which is not significant growth.

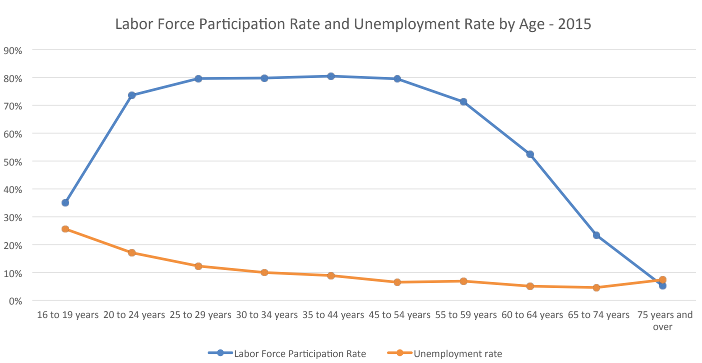
To put this in context, out of Indiana's ten other economic growth regions (EGR), four are similarly stagnant, three are significantly lower, and three are showing meaningful growth. Chief among the high-growth regions is EGR 5 (the area surrounding Indianapolis), which reported 915,386 people in 2005 and gained 68,817 by 2015, a 7.5 percent increase over the ten-year period. The chart below compares Northwest Indiana (EGR 1), North Central Indiana (EGR 2), the outer Indianapolis region (EGR 5), and Eastern Indiana (EGR 6); EGRs 2 and 6 are similar to the region in terms of growth, and EGR 5 is the fastest growing region in the state.



Source: Hoosiers by the Numbers

Northwest Indiana labor force largely matches population age

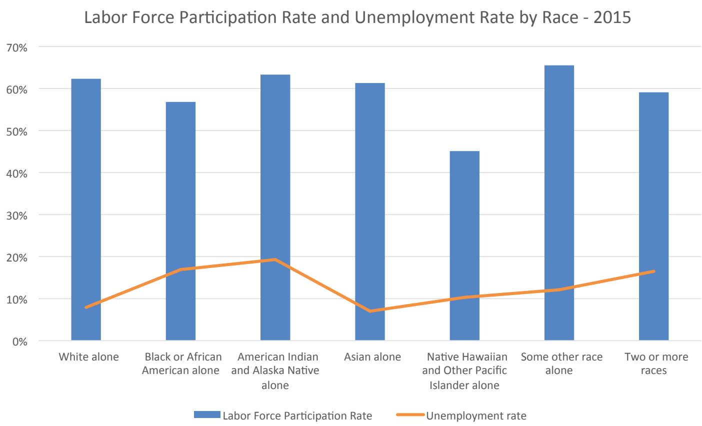
Based on the latest data from the US Census Bureau, 45 percent of the Northwest Indiana labor force is age 45 and older; this should not be surprising since 43 percent of the Northwest Indiana population is age 45 years or older.



Source: US Census Bureau

The unemployment line on the chart illustrates an interesting trend: as a worker ages, his or her likelihood of being employed rises and, in response, his or her chance of being unemployed falls as evidence by a declining unemployment rate as the age brackets progress. This behavior is true for all age brackets except the last – workers age 75 years and over – as many choose to leave the labor force to retire.

Another story shown in the chart is the decline in labor force participation as workers age, with fewer people age 55 and over participating in the labor force as many are retired and thus not considered part of the labor force. People in these age brackets who participate in the labor force are generally able to find work, and this holds true even into the highest age bracket: most of the folks age 75 and over and in the labor force are employed (around 93 percent).



Source: US Census Bureau

Disparity does exist among racial groups in the officially reported labor market participation rates. However, with a continuing movement toward "gig economy" and unreported cash jobs, the official data may not fully capture all of the region's economic activity.

Northwest Indiana remains a net exporter of workers, primarily to Illinois

Based on 2014 Indiana tax return data provided by STATS Indiana, approximately 79.8 percent of workers who work in Northwest Indiana

Percentage of Individuals Employed in their County of Residence

Live and Work in this County															
Year	Lake	% Working Residents with Local Jobs	Porter	% Working Residents with Local Jobs	La Porte	% Working Residents with Local Jobs	Starke	% Working Residents with Local Jobs	Newton	% Working Residents with Local Jobs	Pulaski	% Working Residents with Local Jobs	Jasper	% Working Residents with Local Jobs	NWI	% Working Residents with Local Jobs
2007	252,108	82.6%	77,127	71.7%	61,035	86.1%	10,222	68.4%	6,466	66.2%	7,108	78.7%	16,540	75.4%	430,611	79.8%
2008	238,912	79.8%	74,128	68.9%	58,363	83.2%	9,525	64.7%	6,110	63.5%	6,876	77.4%	16,043	73.8%	409,961	77.0%
2009	244,291	82.3%	76,079	71.5%	58,262	85.4%	9,726	67.7%	6,177	66.0%	6,830	79.5%	16,107	75.0%	417,477	79.5%
2010	242,032	82.5%	75,859	71.6%	57,910	85.5%	9,713	68.1%	6,215	66.4%	6,704	79.1%	16,019	75.0%	414,457	79.6%
2011	240,663	82.1%	77,331	72.0%	57,861	85.2%	9,641	67.6%	6,171	66.2%	6,624	79.0%	16,054	74.7%	414,350	79.3%
2012	241,489	81.7%	78,406	72.1%	58,395	85.0%	9,585	67.4%	6,116	65.5%	6,623	79.1%	16,330	75.2%	416,949	79.2%
2013	242,527	81.7%	79,420	72.4%	57,917	84.8%	9,525	67.4%	6,109	65.3%	6,529	78.8%	16,358	75.6%	418,390	79.2%
2014	241,769	82.6%	81,490	73.0%	58,678	85.0%	9,598	67.6%	6,166	65.7%	6,590	79.1%	16,522	76.3%	420,818	79.8%

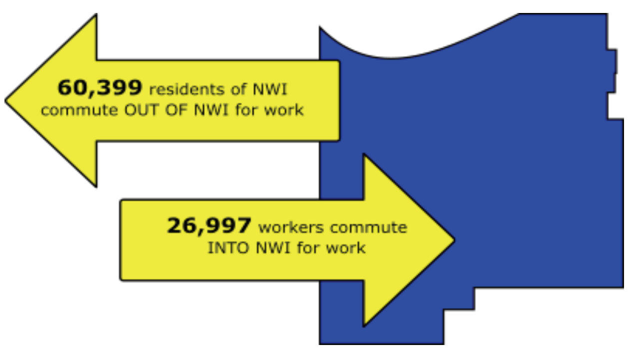
Source: Hoosiers by the Numbers

also live in Northwest Indiana; put another way, nearly 80 percent of the region's workers are employed locally. This is the highest local commuting percentage reported since 2007 which published a matching 79.8 percent of Northwest Indiana workers staying local.

Looking at the commuting patterns at the county level, LaPorte County reported the highest rate of workers staying local with 85.0 percent of LaPorte County workers working in the county. On the other end of the spectrum, Newton County had the smallest percentage of workers employed locally with 65.7 percent. Commuting trends have remained consistent since 2007 with Porter County growing its local commuting percentage from 71.7 percent in 2007 to 73.0 percent in 2014.

Most of the 60,400 workers who live in Northwest Indiana but work outside the region predominately travel to work in Illinois. Based on 2014 tax return information, approximately 41,443 (68.6 percent) workers travel to Illinois, 9,133 (15.1 percent) travel to another state that is not Illinois, and 9,823 (16.3 percent) travel to another part of Indiana for work.

2014 Commuting Patterns



Source: Hoosiers by the Numbers

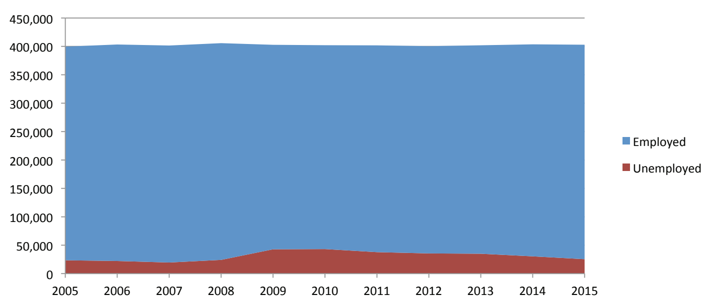
Northwest Indiana does not just export workers, it imports them as well – in 2014, approximately 26,997 people entered the region from other areas for work. Around 62.3 percent of those workers (16,829 people) commute from Illinois, 20.0 percent commute from another state that is not Illinois (5,401 people), and 17.7 percent commute into Northwest Indiana from another part of Indiana (4,767 people).

LABOR FORCE PARTICIPATION: UNEMPLOYMENT TRENDS

Unemployment

While the unemployment rate is useful for tracking trends, it is also useful to look at absolute numbers of employed and unemployed persons. For those persons seeking employment the chart below illustrates the number of employed vs. unemployed workers over the past decade. Not surprisingly there is a mid-decade surge in unemployed persons followed by a gradual recovery approaching the earlier level for the region.

Northwest Indiana Employed and Unemployed Workers

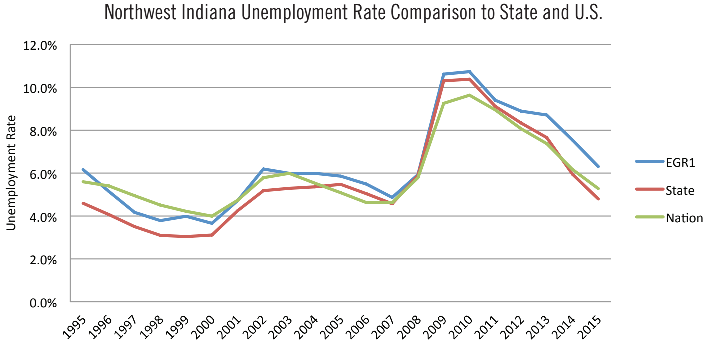


Source: Hoosiers by the Numbers

Northwest Indiana unemployment high, but has historically trended higher than other regions and is currently near its own "normal"

In 2015, Northwest Indiana reported an annualized unemployment rate of 6.3 percent compared to the state's unemployment rate of 4.8 percent and the nation's 5.3 percent. The region has maintained a higher unemployment rate than the State of Indiana since at least 1995, and a higher unemployment rate than the nation since 2001. The accompanying chart shows this trend over the last twenty years.

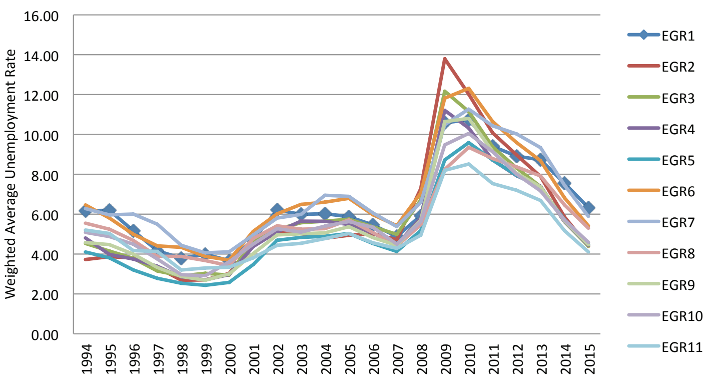
Northwest Indiana Unemployment Rate Comparison to State and U.S.



Source: Hoosiers by the Numbers

Comparing the unemployment rate of the region to the ten other Economic Growth Regions (EGRs) of Indiana shows that Northwest Indiana (EGR 1) is one of the top three regions with the highest unemployment based on the 2015 average unemployment rate. This is concerning for one primary reason: during the recovery period since the Great Recession, every region has improved and now reports a lower unemployment rate than in 2005 except for Northwest Indiana, which is 0.4 percentage points above 2005's unemployment rate of 5.9 percent. Since 2014 Northwest Indiana has seen the highest unemployment rate of all regions in the state. The chart below shows unemployment rate trends by EGR over the last twenty years.

Unemployed Rate of 11 Indiana Region



Source: Hoosiers by the Numbers

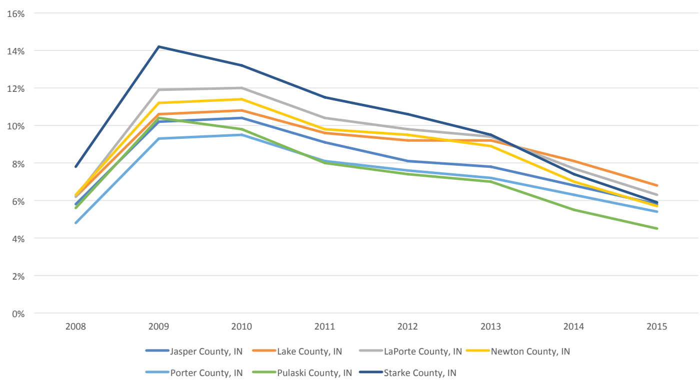
Tempering that outcome is another trend revealed in the charts: based on the data shown, Northwest Indiana seems to gravitate toward a 6.2 percent unemployment rate through economic prosperity (1996 to 2001) and economic contractions (2008 to 2015). While that level of unemployment does not sound healthy on its own, seeing the region return to "normal" near 6 percent in the wake of the Great Recession without ever reaching the high unemployment many other regions experienced. Overall, this is good news for the region's labor force.

Unemployment by County

Of the seven counties comprising Northwest Indiana, Starke County has reported the highest unemployment rate which peaked in 2009 at 14.2 percent (the next highest was LaPorte County at 11.9 percent). Since 2012, Starke has improved from an unemployment rate of 10.6 percent to 5.9 percent in 2015.

While Starke County saw the largest reduction in the unemployment rate from 2012 to 2015, other counties in the region made strides to reduce unemployment. In 2015, Pulaski County reported the lowest in Northwest Indiana with an unemployment rate of 4.5 percent; since 2012, the county trimmed 1.5 percentage points off its unemployment rate while maintaining the size of the labor force. Similarly, LaPorte County reported an unemployment rate of 9.8 percent in 2012 which fell to 6.3 percent in 2015. Porter County saw the smallest decrease between 2012 and 2015 (2.2 percentage points) decreasing from 7.6 percent to 5.4 percent, and the county usually has the second lowest unemployment rate of the region.

Unemployment Rate by County by Year



Source: Hoosiers by the Numbers

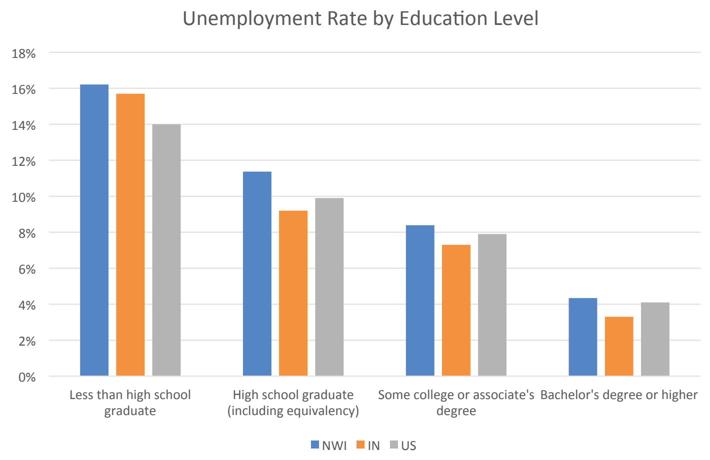
The unemployment rate of Lake County is heavily influenced by Gary, Hammond, East Chicago, and Lake Station, all of which reported higher than average unemployment rates in 2015. Gary reported an annual average unemployment rate of 9.8 percent, Hammond reported 7.0 percent, East Chicago reported 9.0 percent, and Lake Station reported 11.2 percent; combined, the unemployed workers in these cities and towns represent 42.5 percent of all unemployed workers in Lake County.

One thing is certain; we must find creative solutions to change the trajectory of high unemployment in pockets of our region. The "one size fits all" approach is not yielding the results needed. One consideration may be the regional transportation system. Implementing this across the region could allow access to broader labor market opportunities which could potentially move the dial on the region's unemployment rate.

Greater educational attainment leads to greater likelihood of employment

Education affects employability. While this may seem like a foregone conclusion, it is especially important to remember when analyzing the regional unemployment rate.

This has a pronounced effect on Northwest Indiana job seekers without a certification or college degree — based on the latest US Census Bureau data, the unemployment rate for workers with less than a high school diploma is 16.2 percent, and those with a high school diploma have an 11.4 percent unemployment rate. Workers with Some College or Associate Degree or a Bachelor degree or higher experience unemployment rates of 8.4 percent and 4.3 percent respectively.

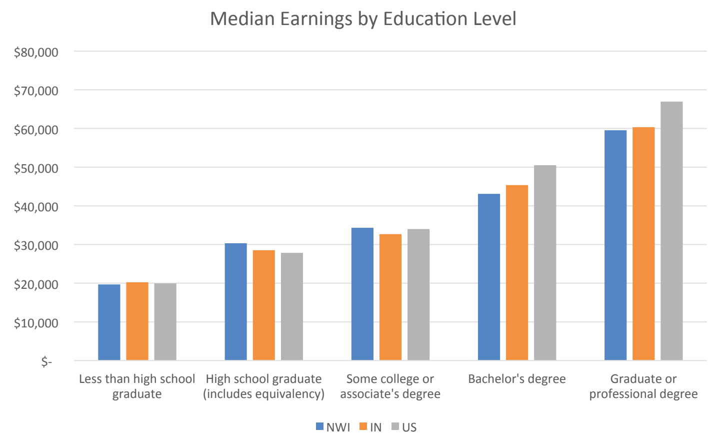


Source: US Census Bureau

The State of Indiana reports a lower unemployment rate than the region and nation for workers with a high school diploma (or equivalent) and above. The state reported an unemployment rate of 9.2 percent on high school graduates (compared to 11.4 percent for the region and 9.9 percent for the nation), a rate of 7.3 percent for workers with Some College or Associate degree (compared to 8.4 percent for the region and 7.9 percent for the nation), and an unemployment rate of 3.3 percent for workers with a Bachelor degree or above (compared to 4.3 percent for the region and 4.1 percent for the nation).

The Impact of Education on Potential Earnings – greater educational attainment leads to the potential of greater earnings due to an enhanced skill set

Similar to the unemployment rate, a common trend across the country is demonstrated within Northwest Indiana: the higher one's level of educational attainment, the greater the median earnings. A particularly striking example of this effect is shown below: based on the latest US Census Bureau data, graduating from high school (or earning a GED) increases median earnings by $10,000 per year.



Source: US Census Bureau

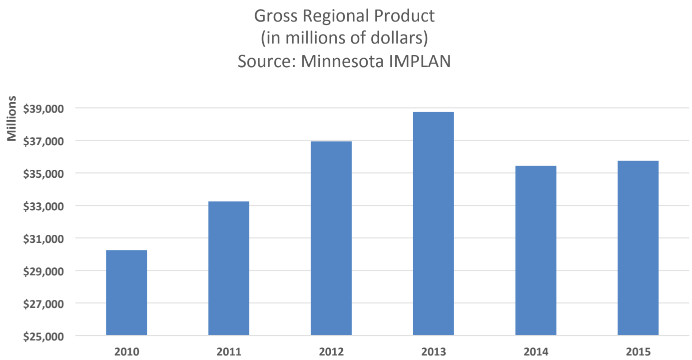
The data reveals Northwest Indiana workers with a high school diploma and with Some College or an Associate degree have higher average earnings compared to the average earnings reported by the state and nation for the same education categories. This is likely an effect of the steel mills located in Northwest Indiana and the wages earned by long-distance truck drivers with neither occupation generally requiring workers to possess a level of education beyond an Associate degree as classified by the above educational categories. This may explain, in part, the higher proportion of the region's workforce with a high school diploma or Some College or Associate degree relative to the state and nation. Based on the median earnings for higher levels of educational attainment within the region, it appears workers with a Bachelor degree or higher may receive higher wages outside of the region.

REGIONAL ECONOMIC INDICATORS AND GROSS REGIONAL PRODUCT (GRP)

The most widely accepted way to measure the size of an economy is to value its economic activity, or Gross Regional Product (GRP). Similar to Gross Domestic Product, a measure commonly used when comparing the size of national economies, GRP measures consumer spending, investment by businesses, government spending, and net exports, and is more commonly defined as the total market value of all goods and services produced within a given region in a given period of time.

Once rising, regional GRP waned in 2014 but is now slowly recovering

The GRP of Northwest Indiana was $30.2 billion in 2010 according to data from the Minnesota IMPLAN Group, Inc., and reached a high in 2013 of $38.7 billion. While the regional economy has seen growth since 2010, it has not been in the form of year-over-year growth. Relative to 2013, 2014 reported a disappointing GRP of $35.4 billion, the lowest GRP since 2011 and a decrease of 8.5 percent from the prior year. The most recent IMPLAN data reveals a GRP of $35.8 billion, a 0.9 percent increase over 2014.

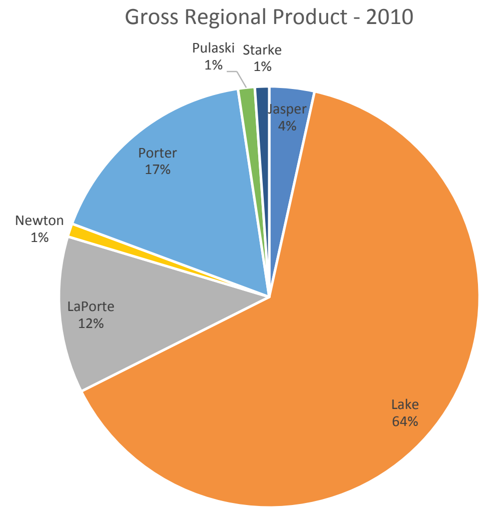


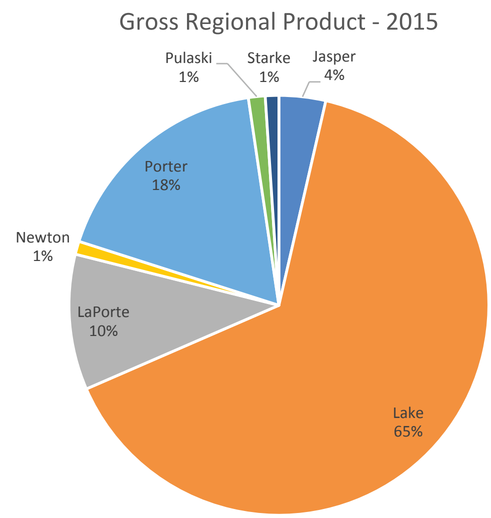
The reason for the decline from 2013 to 2014 and relative stagnation from 2014 to 2015 is noteworthy and perhaps best explained when looking at GRP by county.

GRP — Output by County

In 2010, the GRP of Northwest Indiana was $30.2 billion. Of the total GRP, 64.1 percent of the region's GRP came from Lake County which reported total output of $19.4 billion, Porter County reported total output of $5.1 billion (17.0 percent), LaPorte County reported $3.6 billion (12.0 percent), Jasper County saw output of $1.0 billion (3.5 percent), Pulaski County had total output of $0.39 billion (1.3 percent), Stark County contributed $0.33 billion (1.1 percent), and Newton County reported economic output of $0.31 billion (1.0 percent).

> **"Manufacturing produces most goods and services while health care produces more jobs."**





Source: Minnesota IMPLAN

The $3.3 billion, 8.5 percent decline in GRP from 2013 to 2014 was largely due to an economic contraction in four of the seven counties. Lake County saw economic output decrease 12.6 percent from the prior year, Starke County's output decreased 5.7 percent, LaPorte County saw a decrease of 2.6 percent, Pulaski County declined 1.0 percent, and the remaining three counties saw marginal growth or stagnation.

In 2015, the GRP of Northwest Indiana was $35.8 billion and, again, it was led by the Lake County economy. In 2015, the percentage of GRP by county was: Lake County, 64.9 percent; Porter County, 17.7 percent; LaPorte County, 10.4 percent; Jasper County, 3.6 percent; Pulaski County, 1.3 percent; Starke County, 1.0 percent; and Newton County, 1.0 percent.

From 2010 to 2015, all seven counties reported growth. The economy of Porter County saw the highest percentage growth, increasing 23.6 percent ($1,212 million); Jasper County grew 22.6 percent ($237 million); Lake County grew 19.6 percent ($3,799 million); Pulaski County increased 19.0 percent ($74 million), Newton County grew 16.9 percent ($52 million), and LaPorte County are 2.5 percent ($92 million).

Northwest Indiana GRP has about the same value as 6% of the Chicago MSA

Due to its proximity to Chicago, Northwest Indiana is often seen as an extension of the Chicago Metropolitan Area; this is partially true since Lake County is included in most definitions of the Chicago Metropolitan Statistical Area (MSA). This is the area economists define as “Chicago” for analytical purposes. For the purposes of this section, Lake County has been removed from the Chicago MSA to create a simpler comparison of the region’s output relative to Chicago.

Based on preliminary 2016 GRP figures from Minnesota IMPLAN, the Chicago MSA reported a Gross Regional Product of $553,129,290,663, or $553 billion. Using NORTHWEST INDIANA’s 2016 GRP of $33.7 billion, the regional output of Northwest Indiana is just 6.09 percent compared to the Chicago MSA GRP.

Now that the size of the economies of Northwest Indiana and Chicago have been compared, how does productivity compare? In the context of GRP, the most logical way to measure productivity is to compare the economic output (or GRP) per job. The Minnesota IMPLAN data includes a preliminary average of 2016 jobs in both the Chicago MSA and Northwest Indiana; dividing the GRP of each region by its average number of jobs results in $120,380 of GRP per job in the Chicago MSA and $98,510 of GRP per job in Northwest Indiana. As GRP measures the market value of goods and services, some of the difference between these values may be attributed to the generally higher cost of goods and services in the Chicago MSA compared to Northwest Indiana.

Jobs and GRP for Northwest Indiana and Chicago

	Chicago Metro	NWI	% of Chicago Metro
Population (2016)	9,088,836	849,725	9.35%
Jobs (2016)	4,594,784	342,078	7.44%
GRP (2016)	$553,120,290,663	$33,698,211,395	6.09%
GRP per job	$120,380	$98,510	

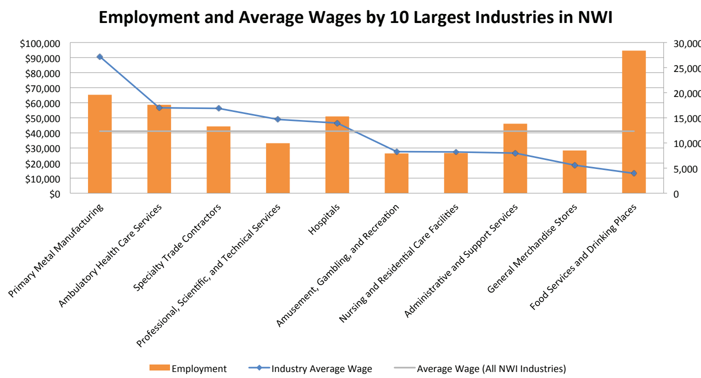
Source: Minnesota IMPLAN

Composition of the Regional Economy: Top Industries

The top ten industry subsectors in Northwest Indiana in terms of employment or number of jobs (excluding government) are:

- Food services and drinking places (28,380 jobs)
- Primary metal manufacturing (19,601 jobs)
- Ambulatory health care services (17,600 jobs)
- Hospitals (15,283 jobs)
- General merchandise services (13,834 jobs)
- Specialty trade contractors (13,296 jobs)
- Professional, scientific, and technical services (9,951 jobs)
- Administrative and support services (8,505 jobs)
- Amusement, gambling, and recreation industries (7,925 jobs)
- Nursing and residential care facilities (7,982 jobs)

The above list is a logical reflection of the companies in the area with no surprises: it predominantly features health care professions (a byproduct of the aging regional population, but also similar to the national industry trend), food service jobs, steel workers, and tradespeople; combined, these industries employ approximately 40% of the region’s workers.



Note: Excludes government. Average wage across all industries includes all industries not just top 10 and is a weighted average

Source: EMSI

The above chart reports the number of people employed in each industry, the average wage for each industry, and the average wage for all industries in Northwest Indiana. Based on the chart, half of the largest industries pay a wage above the average while the other half do not.

Another way to look at the contributions made by the top industries to the regional economy is to analyze average earnings. Earnings differ from wages in that wages usually represent the salary paid to a worker by an employer, while earnings is a broader category that represents income before taxes, overtime pay, commissions, tips, and other income paid to workers. Based on this metric, the top twelve industries by average earnings are shown below.

Average Earnings for Northwest Indiana's Top 12 Industries

NAICS	Industry	Avg. Earnings (2016)
22	Utilities	$122,037
55	Management of Companies and Enterprises	$110,106
21	Mining, Quarrying, and Oil and Gas Extraction	$83,652
52	Finance and Insurance	$78,211
42	Wholesale Trade	$73,442
31	Manufacturing	$72,817
54	Professional, Scientific, and Technical Services	$72,518
51	Information	$68,610
23	Construction	$57,647
62	Health Care and Social Assistance	$54,422
90	Government	$54,129
48	Transportation and Warehousing	$53,185

Source: EMSI

Due to the broader scope of earnings, the average earnings per industry generally exceeds the average wage. However, the difference between average earnings and average wages becomes more apparent when the industry rankings are compared. The top two industries for average earnings and average wages are identical, but that is where the similarities end – Manufacturing, for example, reports the third highest average wages but is number six on the ranking for average earnings.

Composition of the Regional Economy: Industries by Employment

The Northwest Indiana economy is larger than ten industries, however, and the full scope merits analysis. For the simplicity of presentation and discussion, industries have been scaled back to broader NAICS codes. The following chart illustrates a sampling of 2015 regional jobs and regional average wages. For full transparency, government jobs have been included, but it should be noted that it includes all those directly employed by a branch of the federal, state, or local government such as police officers, public school employees, and firefighters.

Sample of Northwest Indiana Industries by Job with Wage

NAICS Code	Industry Sector Name	2015 Jobs	Average Wage
11	Crop and Animal Production	4,166	$ 36,247
21	Mining, Quarrying, and Oil and Gas Extraction	153	$ 64,249
22	Utilities	2,470	$ 105,250
23	Construction	20,302	$ 58,528
31	Manufacturing	46,630	$ 71,187
42	Wholesale Trade	10,313	$ 58,143
44	Retail Trade	41,144	$ 24,416
48	Transportation and Warehousing	15,575	$ 53,849
51	Information	2,442	$ 42,188
52	Finance and Insurance	7,123	$ 51,981
53	Real Estate and Rental and Leasing	3,857	$ 32,589
54	Professional, Scientific, and Technical Services	9,739	$ 49,452
55	Management of Companies and Enterprises	2,389	$ 90,508
56	Administrative and Support and Waste Management and Remediation Services	15,499	$ 29,403
61	Educational Services	7,200	$ 27,310
62	Health Care and Social Assistance	48,020	$ 44,511
71	Arts, Entertainment, and Recreation	8,652	$ 26,669
72	Accommodation and Food Services	30,507	$ 13,780
81	Other Services (except Public Administration)	18,835	$ 22,504
90	Government	46,849	$ 34,697
**	All Others	8	N/A
	Total Region Jobs/Weighted Average Regional Wage	**341,871**	**$41,416**

Source: EMSI

Compared to Indiana, it appears the region has a higher percentage of workers employed in Health Care and Social Assistance (13.8 percent of Northwest Indiana workers compared to 12.1 percent of Indiana workers), Construction (6.11 percent of Northwest Indiana workers compared to 5.0 percent of Indiana workers), and Retail Trade (11.9 percent of Northwest Indiana workers compared to 10.3 percent of Indiana workers).

Relative to the state, Northwest Indiana also has a slightly lower percentage of workers employed in Manufacturing (13.6 percent of Northwest Indiana workers compared to 16.0 percent of Indiana workers), Administrative and Support and Waste Management (4.5 percent of Northwest Indiana workers compared to 6.2 percent of Indiana workers), and Professional, Scientific, and Technical Services (2.9 percent of Northwest Indiana workers compared to 3.8 percent of Indiana workers).

Northwest Indiana Key Industries and Projected Growth

NAICS	Industry Description	2015 Jobs	Job Growth 2015-2025	GRP Contribution in 2013
62	Health Care and Social Assistance	48,480	20.7%	7%
90	Government	47,982	3.4%	7%
31	Manufacturing	46,885	1.2%	35%
44	Retail Trade	41,409	5.6%	5%
72	Accommodation and Food Services	30,918	9.1%	2%
23	Construction	19,647	9.5%	7%
48	Transportation and Warehousing	16,859	8.9%	4%
56	Administrative and Support and Waste Management and Remediation Services	15,906	12.3%	2%
42	Wholesale Trade	10,374	4.4%	4%
54	Professional, Scientific, and Technical Services	10,254	15.8%	2%
***	All Others	57,622	7.0%	25%

Source: EMSI

Shown in the previous chart are key industries in Northwest Indiana, their current employment levels and expected growth from 2015 to 2025. Some industries are large with modest expected growth, while others are small but expected to grow rapidly. A familiar industry fitting in the former category is manufacturing, which serves as a large, important pillar of the regional economy. The chart shows marginal (1.2 percent) growth over ten years and it is an industry expected to see its needs for a typical worker change. Keep in mind, the growth rates above do not account for the job openings due to retiring workers and general turnover.

According to a January 30, 2017 article by Jeffrey J. Selingo of the New York Times, manufacturing employees of the future will need computer skills as well as the ability to read, write, and understand mathematics at a ninth-grade level; while this may seem basic, it is a requirement fewer than 15 percent of Siemens Energy applicants in North Carolina were able to clear.

The North Carolina narrative is an alarm we must heed. It stands as a reminder of the importance of preparing our workforce for the technology of the jobs of the future now. We cannot wait until those jobs arrive and then start preparing; that will be too late. To stay current, we must explore cutting edge technology that is occupation and industry specific, assist in developing our existing Northwest Indiana companies with technology investments, upskill our existing workers, and attract the manufacturing jobs of the future while we prepare students in cutting edge technologies. We must address all of these at the same time if we are to be ready.

GRP – Exports and Imports – Northwest Indiana saw expanding trade deficit in recent years

Exports and imports measure the value of goods and services sent out of the economy (export) or brought in (import). Parties receiving the region's exports sell them on the market, and the sale of these goods is added to the GRP. Although imports reduce GRP by affecting the value of net exports, they can be beneficial to consumers by leveraging the specialties of other regions to bring lower cost goods to Northwest Indiana residents. The difference between exports and imports is commonly referred to as a trade surplus (if imports exceed exports) or trade deficit (if exports exceed imports).

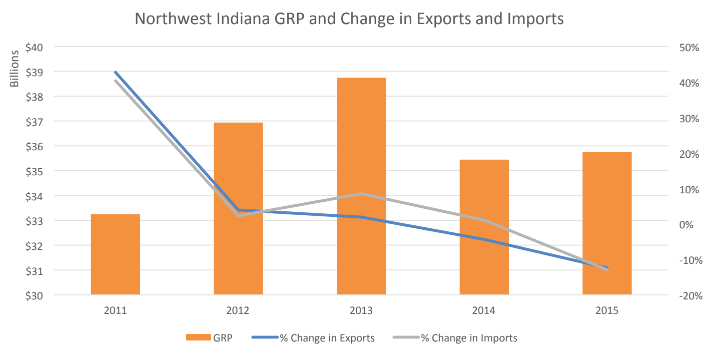
Exports and Imports

	2010	2011	2012	2013	2014	2015
Exports	$35,636,929,780	$50,863,445,807	$52,849,432,686	$53,863,254,895	$51,495,538,379	$45,104,973,582
Imports	$36,842,946,254	$51,704,114,866	$52,872,836,633	$57,362,022,373	$57,957,186,393	$50,462,295,155
Trade Surplus/ (Deficit)	($1,206,016,474)	($840,669,059)	($23,403,947)	($3,498,767,478)	($6,461,648,014)	($5,357,321,573)

Source: Minnesota IMPLAN

Total exports for Northwest Indiana in 2015 were $45 billion which means the exported goods were purchased for $45 billion by other regions across the world. At the same time, the region imported goods worth $50 billion, leading to a trade deficit of $5 billion. This compares to $51 billion of exports and $58 billion of imports reported the prior year. In the five years analyzed above, 2014 reported the largest trade deficit of the five years analyzed with a $6 billion difference between exports and imports. In 2012, exports and imports were nearly equal with a relatively small trade deficit of $23 million.

It is worth noting that running a trade deficit – being a "net importer" – is not an inherently positive or negative thing. As the chart below illustrates, the region saw its highest GRP in 2013 which is when the trade deficit increased 14,850 percent over the prior year (an increase of $3.5 billion from a deficit of $23 million in 2012 to $3.5 billion in 2013). When the growth of the trade deficit slowed in 2014, so, too, did GRP.



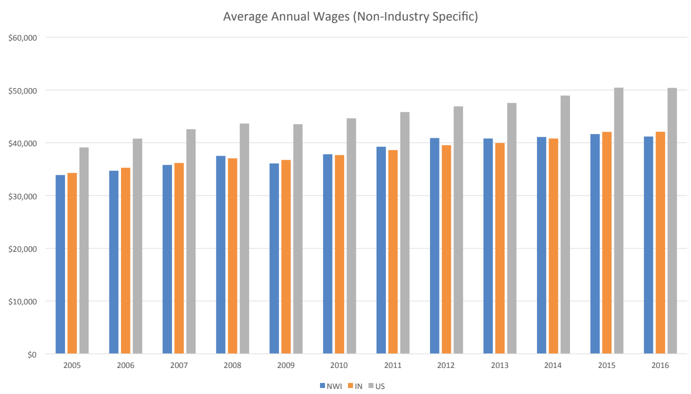
Source: Minnesota IMPLAN

Based on this data, it appears imports can be a valuable tool in generating economic activity by bringing new, affordable goods to consumers in Northwest Indiana. Exports are important as well, as it increases the productivity of the economy which encourages growth.

THE WAGES OF THE WORKFORCE: AVERAGE WAGES

Overall average wages for Northwest Indiana track with, but lag, both state and nation

Aggregate wages paid to workers is a primary means of gauging the health of an economy. For this section, average wages as defined by the Economic Modeling Specialists, Inc. (EMSI) Knowledge Base as: "Average Annual Wage, also called 'Wages, Salaries & Proprietor Earnings,' is the result of total industry earnings divided by same-year industry employment. Earnings are defined as labor-related personal income—that is, income from work. Income from stock dividends or interest, rents, Social Security and other non-work sources are not included."



Source: EMSI

Average wages for the region, state, and nation all show similar behavior — a period of growth from 2005 to 2008, a decline in 2009, growth from 2010 to 2012, a decline in 2013, growth in 2014 and 2015, and a slump in 2016. For Northwest Indiana, wages grew 10.7 percent from 2005 to 2008, declined 3.8 percent in 2009, grew 13.4 percent from 2009 to 2012, remained relatively stagnate in 2013, grew 2.1 percent from 2013 to 2015, and slightly decreased 1.1 percent in 2016.

Average wages for Northwest Indiana rose from $33,893 in 2005 to $41,200 in 2016, a 21.6 percent increase over 11 years. This compares to average wages in Indiana which rose from $34,280 in 2005 to $42,087 in 2016 (an increase of 22.8 percent over 11 years) and national average wages of $39,135 in 2005 which increased to $50,401 in 2016 (a 28.8 percent increase over 11 years).

Based on these comparisons, two things become clear: the average wage per job in Northwest Indiana is lower than the average wage in both Indiana and the United States, and the average wage per job in Northwest Indiana is also growing more slowly.

Generally, Northwest Indiana wages have been going up between 2010 and 2015

Since 2010, ten industries (as identified by 2-digit NAICS codes) have reported year-over-year wage growth, while the other ten have seen wages decrease at least for one year since 2010.

When comparing 2010 wages to 2015 wages, only one industry reported a decrease in wages over this five year period: Arts, Entertainment, and Recreation (a decline of 4.7 percent in wages from 2010 to 2015), and two industries — Construction and Government — reported wage growth below 2 percent which is effectively stagnant. The largest increases from 2010 to 2015 were seen in Utilities (29.4 percent increase), Crop and Animal Production (24.8 percent), Finance and Insurance (20.6 percent), Real Estate and Rental and Leasing (18.7 percent), and Management of Companies and Enterprises (16.2 percent).

Per Capita Personal Income trending upward in Northwest Indiana

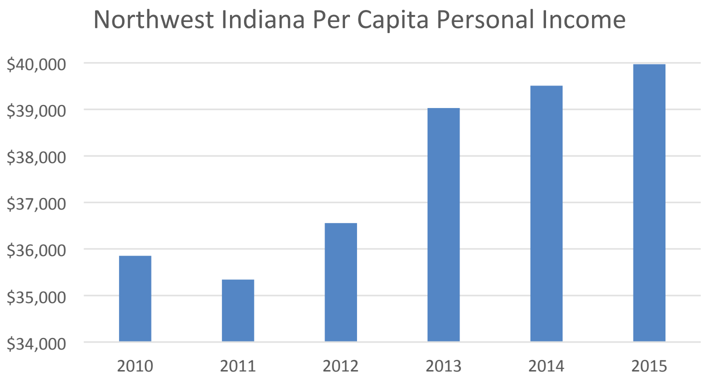
Per capita personal income is another popular measure of income. It differs from average wages in that it aggregates all income received by individuals in a given area – this includes wages from work, rental income, investment income, etc. – and divides it by the population of the area.

Industry Wages with Percentage Change

2-Digit NAICS	Industry	% change from 2010	2015 Wages	% change	2014 Wages	% change	2013 Wages	% change	2012 Wages	% change	2011 Wages	% change	2010 Wages
11	Crop and Animal Production	24.8%	$36,247	3.2%	$35,112	-0.3%	$35,208	12.6%	$31,278	2.2%	$30,607	5.4%	$29,047
21	Mining, Quarrying, and Oil and Gas Extraction	13.6%	$64,249	0.0%	$64,276	10.2%	$58,337	2.3%	$57,025	-8.0%	$61,961	9.6%	$56,552
22	Utilities	29.4%	$105,250	5.7%	$99,574	7.0%	$93,024	0.2%	$92,845	5.7%	$87,807	8.0%	$81,341
23	Construction	1.8%	$58,528	-1.9%	$59,664	-9.3%	$65,788	-4.4%	$68,841	8.8%	$63,261	10.0%	$57,493
31	Manufacturing	12.0%	$71,187	-0.1%	$71,232	2.4%	$69,540	-0.3%	$69,770	4.6%	$66,677	4.9%	$63,574
42	Wholesale Trade	13.6%	$58,143	0.3%	$57,963	1.6%	$57,027	1.8%	$56,012	5.6%	$53,050	3.6%	$51,192
44	Retail Trade	7.2%	$24,416	1.2%	$24,137	3.2%	$23,399	0.4%	$23,303	1.8%	$22,890	0.5%	$22,779
48	Transportation and Warehousing	16.0%	$53,849	4.2%	$51,702	3.6%	$49,919	1.0%	$49,427	6.2%	$46,556	0.3%	$46,419
51	Information	4.4%	$42,188	0.0%	$42,204	2.3%	$41,271	1.7%	$40,600	-5.0%	$42,726	5.7%	$40,414
52	Finance and Insurance	20.6%	$51,981	4.0%	$49,979	4.3%	$47,931	2.6%	$46,719	3.0%	$45,354	5.2%	$43,114
53	Real Estate and Rental and Leasing	18.7%	$32,589	3.4%	$31,506	4.0%	$30,299	3.9%	$29,165	2.9%	$28,331	3.2%	$27,465
54	Professional, Scientific, and Technical Services	11.4%	$49,452	1.1%	$48,901	0.3%	$48,740	6.5%	$45,763	1.2%	$45,222	1.9%	$44,402
55	Management of Companies and Enterprises	16.2%	$90,508	8.0%	$83,788	4.6%	$80,121	-9.1%	$88,141	9.7%	$80,325	3.2%	$77,861
56	Administrative and Support and Waste Management and Remediation Service	11.3%	$29,403	-1.0%	$29,689	-0.8%	$29,930	4.0%	$28,771	3.7%	$27,737	5.0%	$26,426
61	Educational Services	11.5%	$27,310	-0.9%	$27,556	1.1%	$27,254	3.0%	$26,453	6.8%	$24,763	1.1%	$24,495
62	Health Care and Social Assistance	10.0%	$44,511	1.7%	$43,775	1.7%	$43,052	2.7%	$41,924	2.9%	$40,743	0.7%	$40,448
71	Arts, Entertainment, and Recreation	-4.7%	$26,669	1.2%	$26,344	-2.2%	$26,932	1.2%	$26,618	-3.9%	$27,709	-0.9%	$27,972
72	Accommodation and Food Services	10.3%	$13,780	3.8%	$13,280	0.6%	$13,196	0.4%	$13,138	3.3%	$12,714	1.8%	$12,490
81	Other Services (except Public Administration)	11.4%	$22,504	0.7%	$22,343	1.2%	$22,082	4.1%	$21,205	1.6%	$20,867	3.3%	$20,203
90	Government	1.8%	$34,697	0.3%	$34,590	1.5%	$34,085	-0.7%	$34,324	0.6%	$34,108	0.1%	$34,087

Source: EMSI

In Northwest Indiana in 2015, total personal income was near $34 billion which, divided by the average population of 849,762, results in per capita personal income of $39,973. This is a 1.2 percent improvement over the prior year which reported per capita personal income of $39,510; this change was driven by a slight increase in total personal income and a slight reduction in regional population. The largest increase in the last five years was the change from 2012 to 2013 which saw growth of 6.8 percent driven by a $2 billion increase in total personal income.

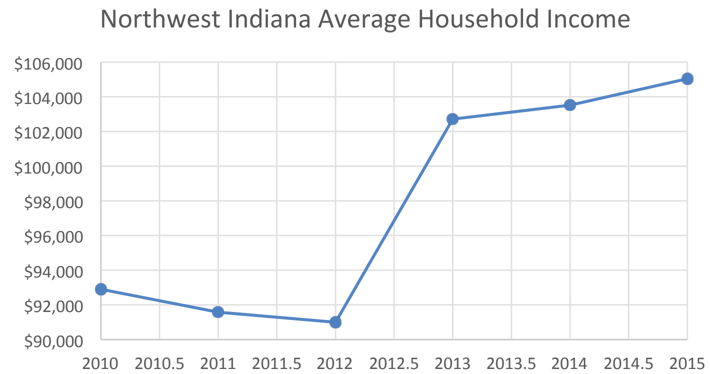


Source: Minnesota IMPLAN and Hoosiers by the Numbers

Average household income trending up in Northwest Indiana

Another way economists measure income is to look at average household income. This approach divides total personal income in the economy by the number of households in the economy. There are far fewer households in Northwest Indiana relative to individuals (about 323,384 in 2015), and the number has been decreasing year over year since 2010. Households, not to be confused with families, are generally defined by economists as a group of people who occupy a housing unit regardless of relationship.

Average household income for 2015 in Northwest Indiana was $105,037; this is an improvement of 1.5 percent over the prior year's result of $103,515. As with per capita personal income, 2013 saw a large jump over 2012, growing 12.9 percent because of increased personal income, and the overall growth trend is largely the same as seen with per capita personal income. Based on the average household income and per capita personal income for 2015, one household is equal to approximately 2.6 people which are consistent with prior years.



Source: Minnesota IMPLAN and US Census Bureau

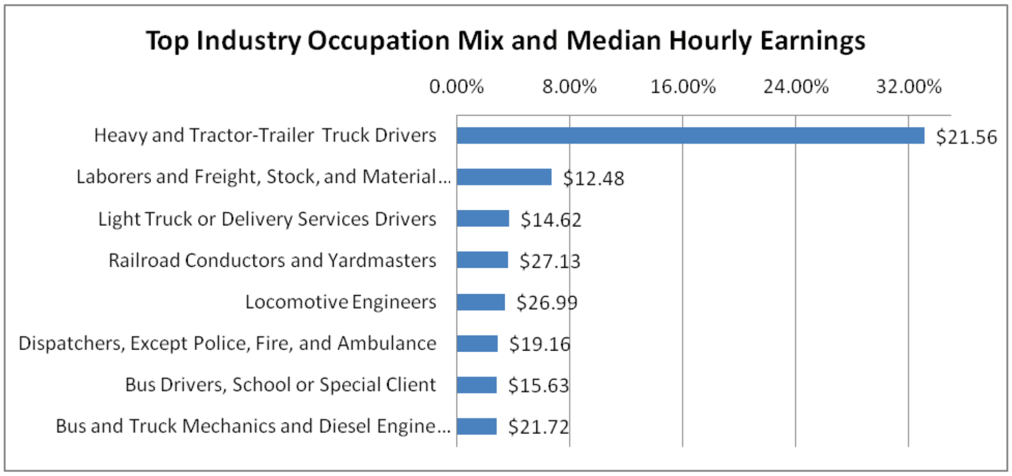
It is important to note that the average household income is a widely used indicator, but it is impacted by concentrations of income earners at high and low extremes. Thus, it is primarily useful in monitoring year-to-year trends.

The sector profiles that follow provide insights on specific occupations and wages within each major industry sector.

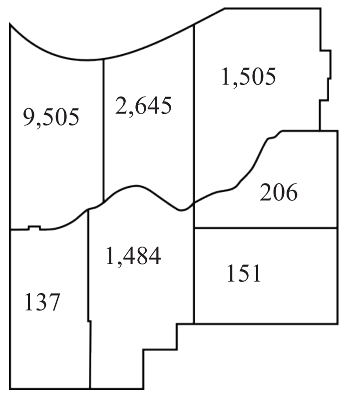
NWI BY THE INDUSTRY
TDL (Transportation, Distribution and Logistics)

Industry Stats:

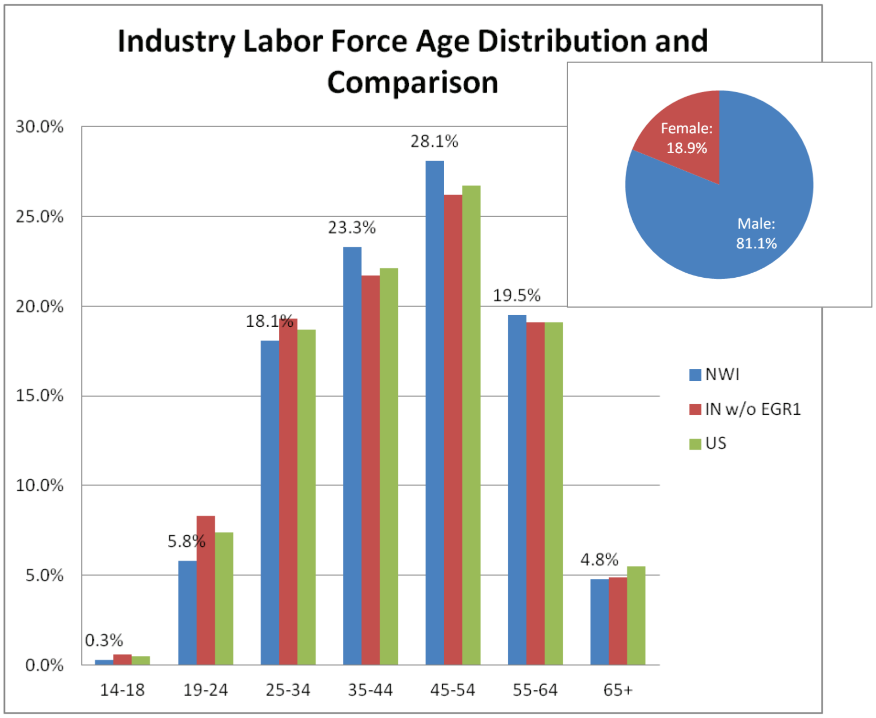
Industry Jobs:	Job Concentration	Industry Job Growth (2015-2025):	Industry Establishments:
16,859	34% Above National Average	8.9%	794



Industry Employment:



Top 5 industry occupations by job growth (2015-2025)			
Occupation title	**Jobs (2015)**	**Growth (2015-2025)**	**Median hourly earnings (2017)**
Taxi Drivers and Chauffeurs	275	32%	$12.09
Laborers and Freight, Stock, and Material Movers, Hand	3,989	7%	$12.48
Heavy and Tractor-Trailer Truck Drivers	7,100	3%	$21.56
Locomotive Engineers	496	-2%	$26.99
Railroad Conductors and Yardmasters	532	-2%	$27.13



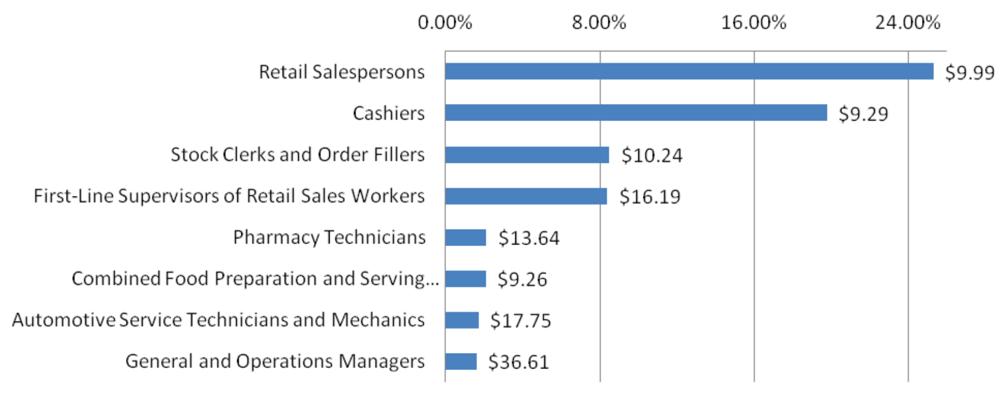
Source: EMSI 2016, 2017

NWI BY THE INDUSTRY
Retail

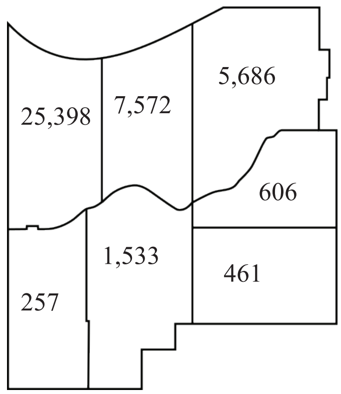
Industry Stats:

Industry Jobs:	Job Concentration	Industry Job Growth (2015-2025):	Industry Establishments:
41,409	17% Above National Average	5.6%	2554

Top Industry Occupation Mix and Median Hourly Earnings



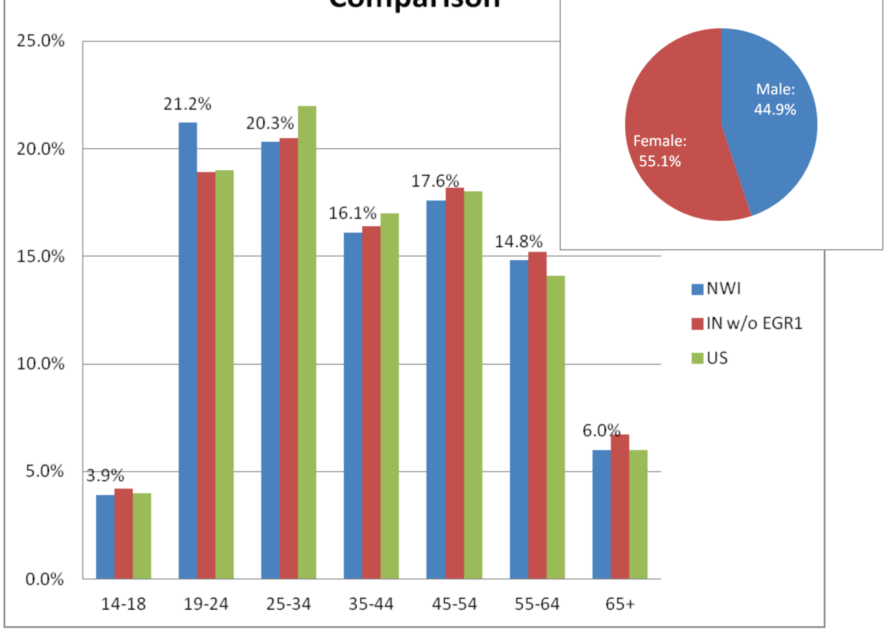
Industry Employment:



Top 5 industry occupations by job growth (2015-2025)			
Occupation title	**Job (2015)**	**Growth (2015-2025)**	**Median hourly earn-ings (2017)**
Retail Salespersons	10,813	11%	$9.99
Pharmacy Technicians	1,038	10%	$13.64
Automotive Service Technicians and Me-chanics	1,600	7%	$17.75
First-Line Supervisors of Retail Sales Workers	3,873	5%	$16.19
Stock Clerks and Order Fillers	5,375	8%	$10.24

Source: EMSI 2016, 2017

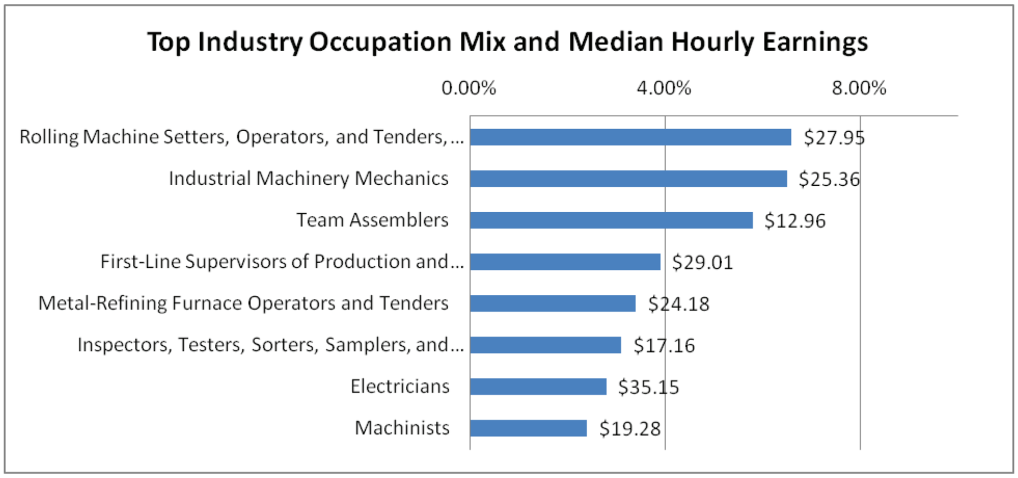
Industry Labor Force Age Distribution and Comparison

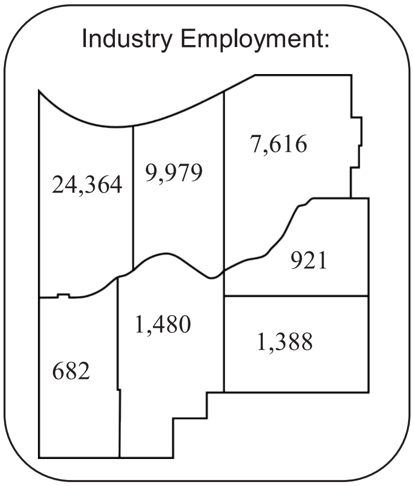


NWI BY THE INDUSTRY
Manufacturing

Industry Stats:

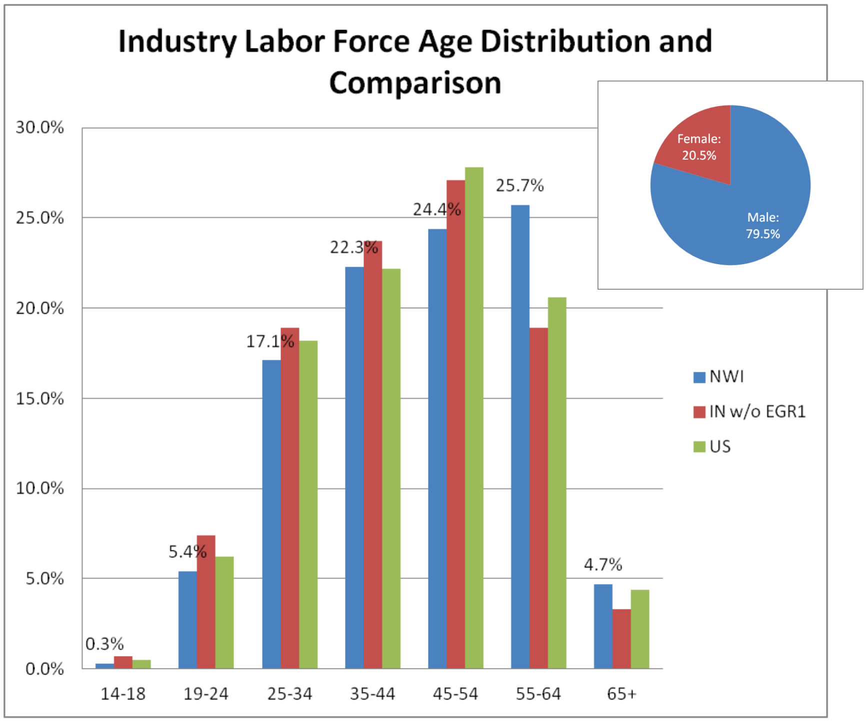
Industry Jobs:	Job Concentration	Industry Job Growth (2015-2025):	Industry Establishments:
46,885	70% Above National Average	1.2%	816





Top 5 industry occupations by job growth (2015-2025)

Occupation title	Jobs (2015)	Growth (2015-2025)	Median hourly earnings (2017)
Industrial Machinery Mechanics	4,081	11%	$25.36
Packaging and Filling Machine Operators and Tenders	774	8%	$14.21
Machinists	1,252	8%	$19.28
Welders, Cutters, Solderers, and Brazers	1,226	7%	$17.44
Team Assemblers	3,066	8%	$12.96

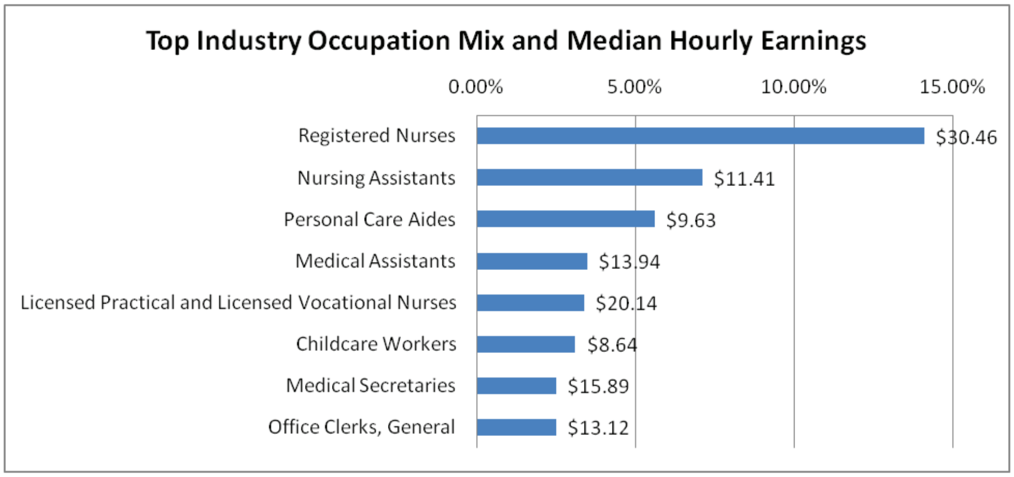


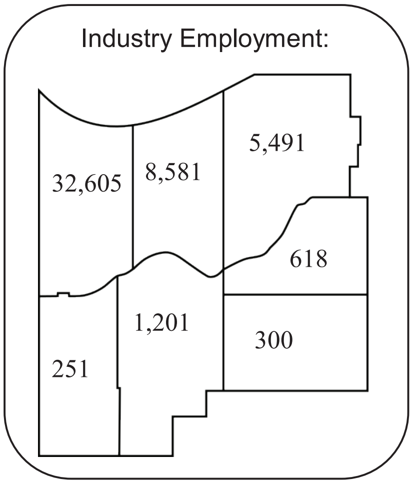
Source: EMSI 2016, 2017

NWI BY THE INDUSTRY
Healthcare

Industry Stats:

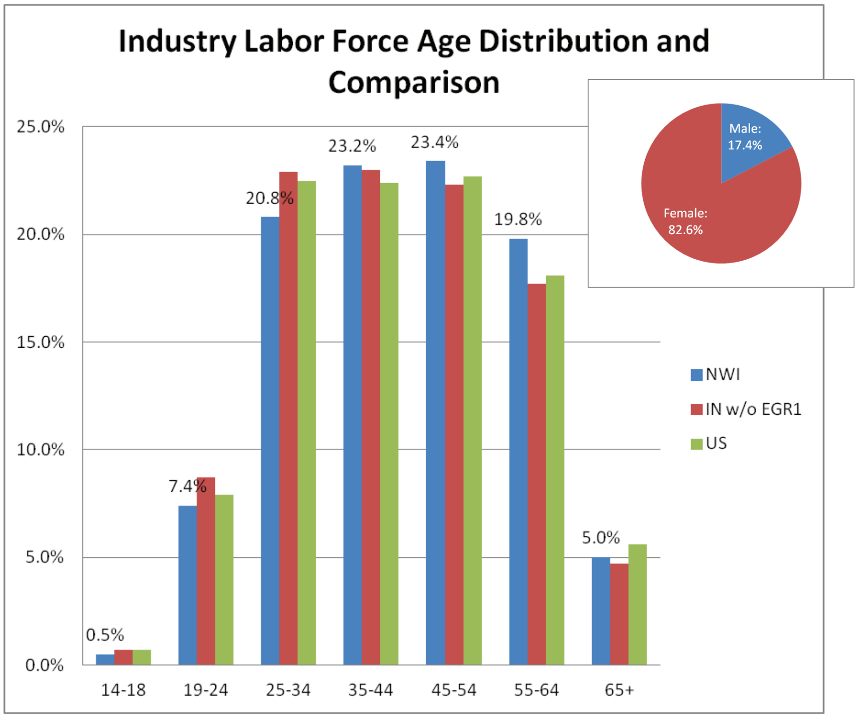
Industry Jobs:	Job Concentration	Industry Job Growth (2015-2025):	Industry Establishments:
48,480	15% Above National Average	20.7%	1839





Top 5 industry occupations by job growth (2015-2025)			
Occupation title	**Jobs (2015)**	**Growth (2015-2025)**	**Median hourly earnings (2017)**
Home Health Aides	1,360	33%	$11.26
Medical Assistants	2,054	24%	$13.94
Personal Care Aides	3,026	21%	$9.63
Registered Nurses	7,154	20%	$30.46
Nursing Assistants	3,722	16%	$11.41

Source: EMSI 2016, 2017

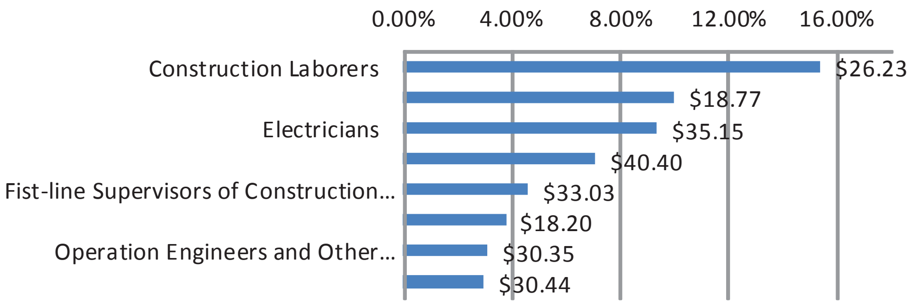


NWI BY THE INDUSTRY
Construction

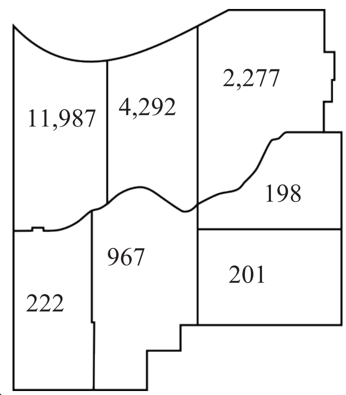
Industry Stats

Industry Jobs:	Job Concentration	Industry Job Growth (2015-2025):	Industry Establishments:
19,647	10% Above National Average	9.5%	1,714

Top Industry Occupation Mix and Median Hourly Earnings



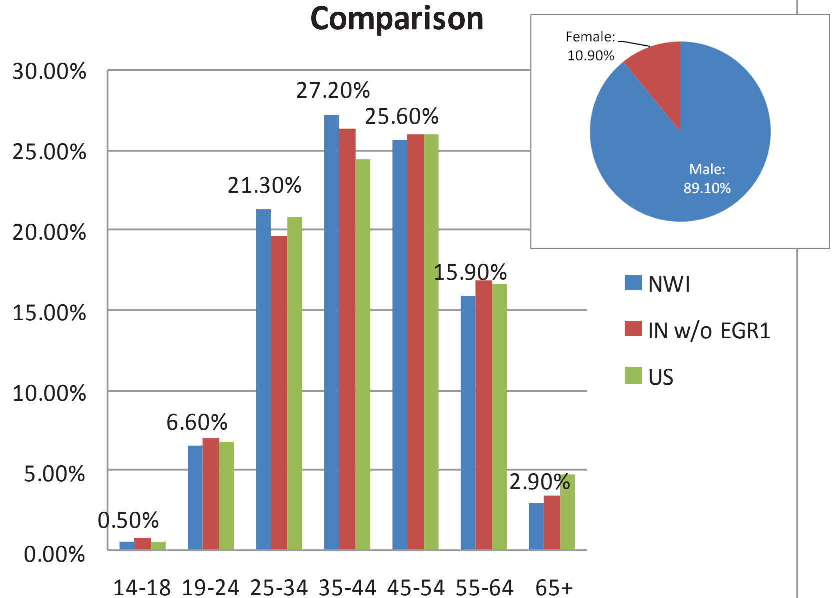
Industry Employment:



Top 5 industry occupations by job growth (2015-2025)			
Occupation title	**Jobs (2015)**	**Growth (2015-2025)**	**Median hourly earnings (2017)**
Heating, Air Conditioning, and Refrigeration Mechanics and Installers	481	10%	$16.17
Sheet Metal Workers	352	9%	$25.04
Brickmasons and Blockmasons	316	6%	$25.15
Painters, Construction and Maintenance	782	5%	$18.20
Structural Iron and Steel Workers	334	6%	$38.42

Source: EMSI 2016, 2017

Industry Labor Force Age Distribution and Comparison



CALL TO ACTION FOR NORTHWEST INDIANA WORKFORCE & ECONOMIC DEVELOPMENT PARTNERS

Northwest Indiana has unique opportunities and challenges related to growing jobs and growing talent as a region of its own and as part of the broader Chicagoland region. Long-term efforts must be focused on the quality of place and investing in cross-regional transportation systems as drivers of growth. These efforts will make Northwest Indiana more attractive to younger families and in turn, increase our population growth which ultimately grows our economy and stimulates GRP. At the same time, we must implement short-term initiatives that can help to ensure that we retain and train our existing workforce and the workforce that is emerging in our pipeline of students from our high schools and colleges. This is particularly critical as our employers are experiencing the effects of slow population growth, an aging workforce, accelerating Baby Boomer retirements, and rapidly changing skill demands tied to technology advancements.

We are at a critical moment for determining the future of our region. Actions taken now, or actions not taken by community and business leaders will determine whether the next decade is defined by stagnation or by the growth of jobs and skills needed to fill the jobs. Tough decisions must be made around what we will invest in. Our regional leaders must be firm in their convictions to implement solutions that will benefit the entire region. Also, we must grow new, young, diverse leaders who will take the baton and continue our regional growth efforts.

Increasingly, employers make decisions about expansion in the region or moving to the region based on their assessments of the quality of the workforce and our educational systems that will prepare that workforce. Fortunately, our partners in economic development, workforce development, education, and government are working together with a new sense of urgency to address these issues in innovative and thought provoking ways.

With an eye on the data combined with the relationships that have been built among regional partners, the following priorities are recommended for an action agenda for Northwest Indiana:

Action 1: Increase the number of high school and college students who are engaged in work-based learning experiences such as internships and summer jobs.

Employers consistently rank work ethic and “soft skills” as high if not higher than technical skills when hiring. National studies have also shown that employers often value work experiences over grade point averages when screening college graduates. Work skills are primarily learned through work experiences, which may take the form of part-time jobs, internships, community service, and co-op programs. Declining labor force participation rates for young workers continue to reduce the time that is spent acquiring these skills in real-life settings. The recent “First Jobs” series in The Times of Northwest Indiana shows the value of early work experiences of many prominent citizens of the region, even when such jobs are menial and not glamorous. Valuable lessons in teamwork, problem-solving, and responsibility for actions are learned in these early work experiences. Employers also benefit by finding talent in interns and part-time workers that are later hired for permanent, full-time positions. And the Northwest Indiana gains by keeping talented graduates in the region.

Action 2: Increase the number of current workers who obtain new post-high school credentials, and engage employers identifying career ladders to reward skills attainment.

Northwest Indiana’s workforce development partners have committed to The Big Goal that 60% of the adult workforce will hold relevant post-high school credentials by 2025. Our region has been fortunate to participate in a national network of regions with similar commitments sponsored by the Lumina Foundation. It has become apparent that the goal will not be met without a significant number of existing workers obtaining new credentials, including completion of college for a large number of our workers who started college but did not complete. The goal of 60% attainment was set to coincide with the estimate that approximately 60% of new jobs will require post-secondary credentials by 2025. The best way for existing workers to remain competitive in the workforce and for employers to ensure a reliable pipeline of talent is for existing workers to continue to “upskill” and for employers to reward workers who obtain new skills. State and federal training funds can be combined with funds already provided by many employers in the region to make training and education programs affordable for both the employer and the employee.

Action 3: Increase the number of regional employers who commit to a specific level of engagement with our K-12 schools, colleges and adult education and training centers to address skill needs.

Employers in our region have identified a number of skill gaps for specific occupations in each industry sector. The gaps often occur at a level that is sometimes described as “middle skills” – jobs that require specific high-level technical skills combined with work ethic, with credentials often below the college degree level. Employers are increasingly finding ways to partner with high schools and with career/technical education programs to promote these opportunities, recruit students, and work with students on post-high school career pathways that include additional credentials. Industry-specific credentials can be presented and packaged as an alternative route to college, not as the alternative to college, with credentials that are stackable toward higher levels of education and training. This alternative also has the advantage of greater affordability. The Northwest Indiana Workforce Board has created and championed an employer commitment form that gives employers a menu of options for engagement with educators as partners in meeting skill needs. The menu provides specific activities that enable all of our region's employers to partner with schools and workforce development centers at a level aligned with their current needs and resources.

Action 4: Ensure that all graduating high school seniors have a specific next step defined for the attainment of further credentials, and that follow-up occurs to determine results with modification of plans as needed.

There is no longer a choice for K-12 students between preparing for college and preparing for a career. Preparation for all students must include readiness for both. College-bound students, while seeking a traditional college experience for a number of reasons that include an ultimate career, should enter college with a full understanding of the career implications of their chosen fields of study. K-12 graduates who are not going directly to a traditional college experience will need to connect directly to a learning experience that includes the acquisition of additional work-relevant credentials. READY NWI team members have committed to connecting every high school K-12 graduate to a direct route to further credentials. In many cases, these credentials can be obtained via early college, dual credits, and other means while the students are still attending high school. In all cases, high school students and parents, with the assistance of high school counselors, should blend academic and career plans in ways that define immediate education and training steps following high school, and our college partners should work with students for a seamless transition of the career plans for entering students.

Action 5: Expand successful programs that work to prepare minority and first-generation college students for on-time degree attainment, including an emphasis on a wide array of counseling services to address academic and non-academic barriers for at-risk students as they enter and advance in college.

We are fortunate to have a more diverse talent pool in our region than other regions of Indiana. With the highest concentration of Hispanic/Latino and the second highest concentration of African-American population among regions, regional growth is dependent on our ability to advance all population segments in educational attainment and access to high-quality jobs. As our economy places an increased premium on higher skill and education levels, it is imperative that we provide clear and affordable pathways for all of our residents, with special emphasis on students who are the first in their families to attend college. The relationship between higher levels of education and lower unemployment rates is well established. Unfortunately higher educational attainment levels for Hispanic/Latino and African-American population segments lag behind the general population. Also troubling is data that point to a high number of minority students who have accumulated high levels of student debt without acquiring a degree or credential. We must work to close these achievement gaps to take full advantage of our talent assets in the region.

Action 6: Convene employers in multiple sectors to develop cross-sector training and education programs for information technology and customer service to support all industry sectors.

While continuing attention will be paid to engaging employers to meet needs on a sector-by-sector basis, our employers have identified a set of baseline skills and competencies that cut across all industry sectors and are widely viewed as gaps to be addressed in readiness for jobs. These include work ethic, customer service, communication, and digital skills. We must work to embed these baseline skills in all occupational programs, and also address remediation needs in tandem with occupational training, as studies have shown that stand-alone remediation results in higher dropout rates. In some cases, we must convene employers on an occupational basis rather than an industry sector basis to identify needs and address gaps. Beyond basic education and literacy, two prominent examples are information technology (IT) and customer service, as these occupations appear in all sectors with increasing importance. While many of our region's IT workers currently commute to jobs in Metro Chicago, these skills will be increasingly needed by employers in Northwest Indiana. A byproduct will also be the opportunity for economic developers to attract or help grow companies needing these skills, further diversifying our industry sectors. By engaging employers in multiple sectors, we build baseline skills to support all sectors and create a regional talent pool that attracts new business investment. At the same time, this offers more flexibility for employees to move among sectors in our region and as the economy evolves, while also providing high quality jobs, thus reducing the need for workers to commute outside of the region.

Action 7: Create an inventory of skills needed to fill the jobs of today and tomorrow.

As all community partners begin to further focus on industry sector demands by aligning their curricula, instruction, and opportunities for youth or adult learners, we need to act regionally. Providing consistency in instruction and delivery will be essential. As learners, whether from Whiting or Wheatfield, may commute to work in cities and towns throughout the region, we know the skill set needs within industries will typically remain the same. The employer community must be fully engaged in sharing skill set information so their needs are met. As workforce and education professionals continue engaging with employers in order to better understand and work toward meeting employer demands, being respectful of employer time is important. For the sake of avoiding replication and overload of employer requests, a critical action item will be to develop a solid and accessible inventory of skills needed for each industry. The inventory list will need to include: baseline skills which support all sectors in Northwest Indiana; anticipated skill sets for jobs that are in the early innovation stage; and jobs which we are on course to attract due the movement and progress being made in our region related to workforce, economic development, and transportation strategies.

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