# INDIANA ECONOMIC ANALYSIS REPORT

INDIANA
DEPARTMENT OF
WORKFORCE
DEVELOPMENT

**Fred Payne, Commissioner** **October 2020**

**Acknowledgements**

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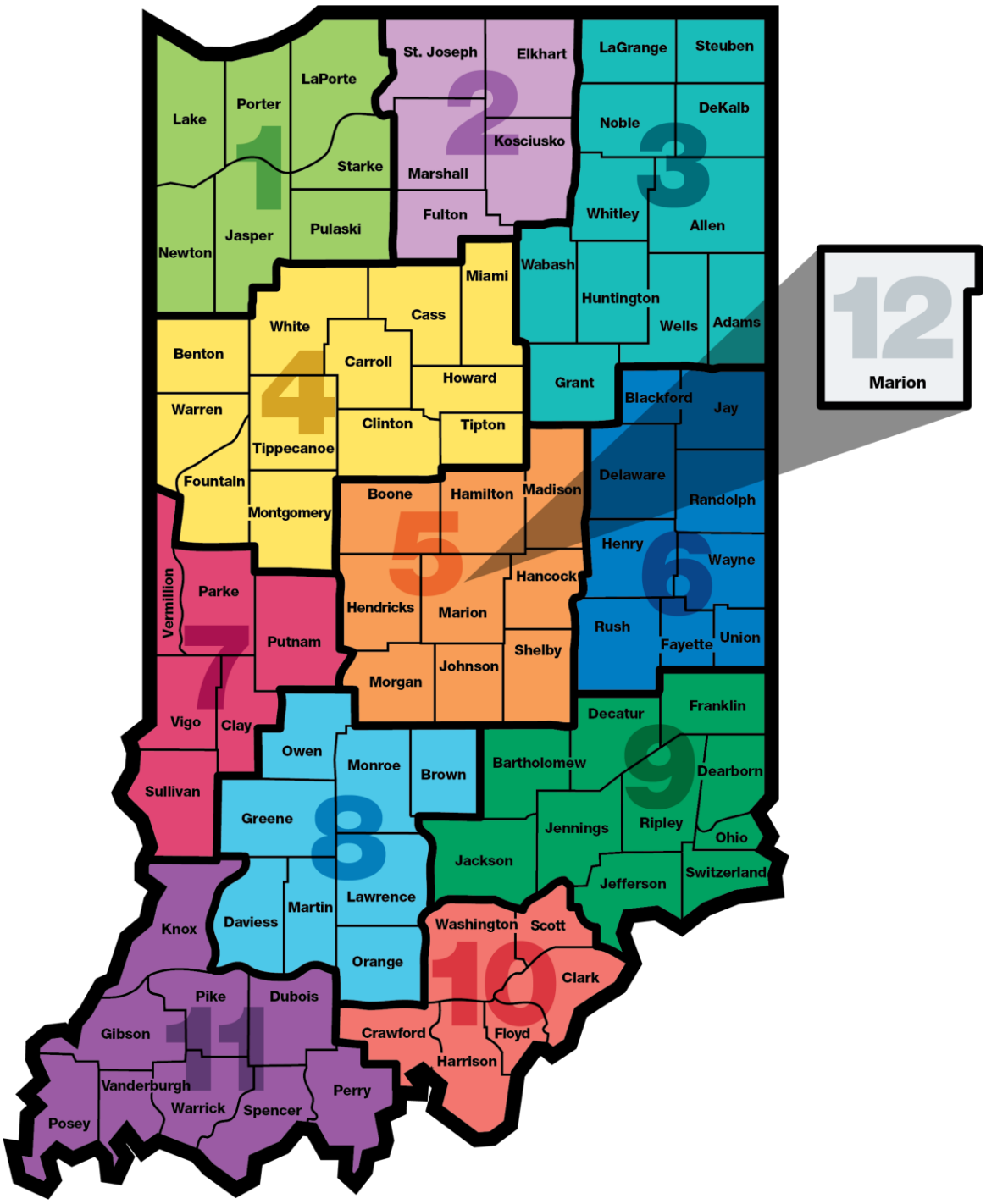
# Economic Growth Regions

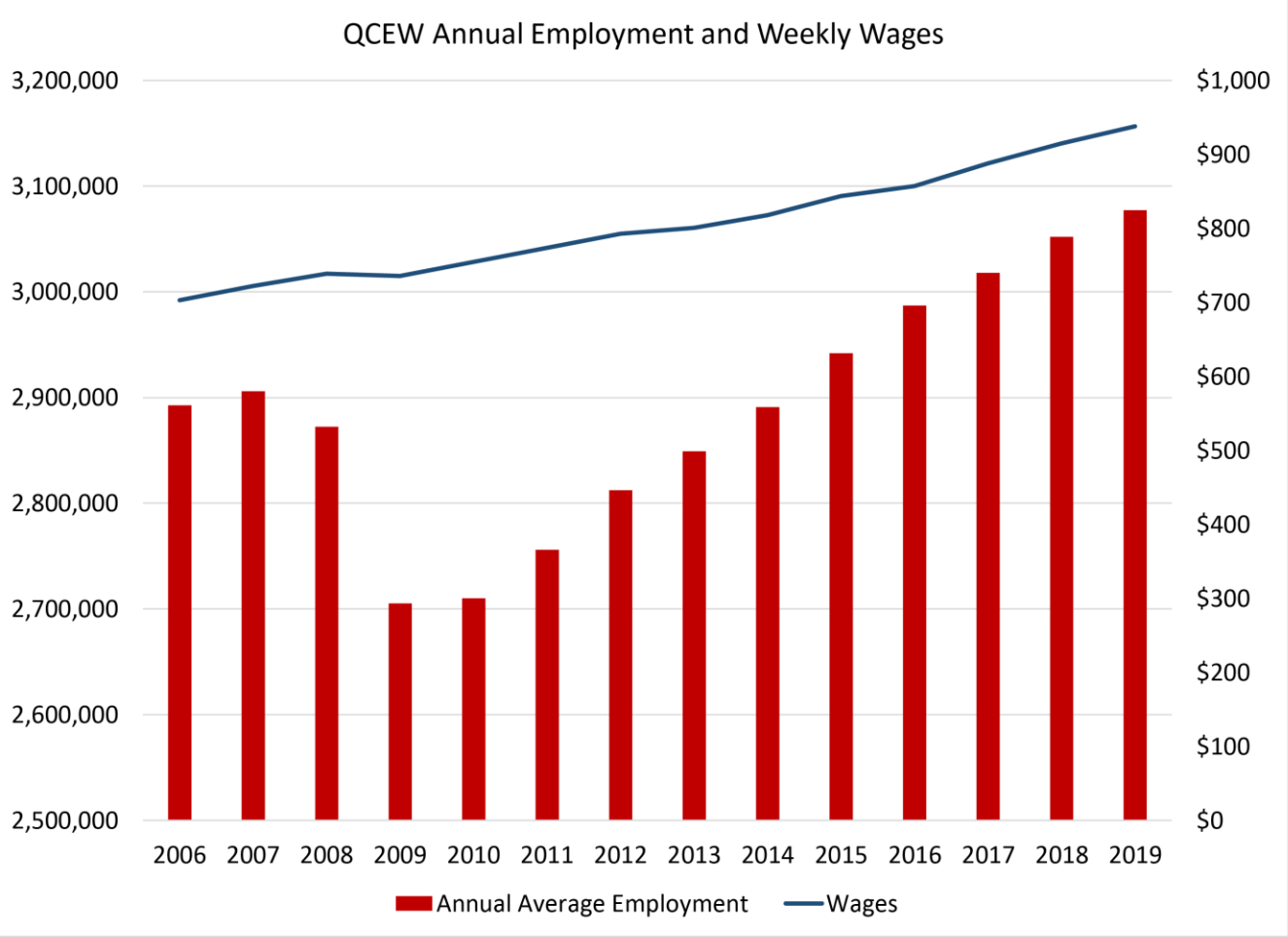


# 2019 Indiana Employment in Brief

Indiana has seen steady employment recovery following the Great Recession. The 2019 average annual employment level was 2,684,878 for private employment and 3,077,240 for all industries. Private employment has grown by 16.9% since the depths of the 2009 recession. This is also the high point for both private and total employment.

Average weekly wages have risen to $938 for all Industries. The following charts summarize Indiana's 2019 Employment from the Quarterly Census of Employment and Wages (QCEW) program.

**Figure 1. QCEW Annual Employment and Weekly Wages**




Source: *IDWD Quarterly Census of Employment and Wages*

# Table of Contents

# Section A: Economic Analysis

## 2020 COVID-19 Economic Crisis

Indiana's economy was very stable with low unemployment until the March 2020 shutdown due to the COVID-19 pandemic. This resulted in April 2020 showing historic drops in jobs and increases in unemployment.

**Summary of COVID-19 Economic Crisis**

- Indiana had over 640,000 Initial Claims filed from March 14th through May 2nd 2020.
- For comparison the Great Recession took from Nov 1st 2008 through July 4th 2009 to get over 640,000 Initial Claims filed (36 weeks).
- Total Private Employment was under 2,340,000 level last in October 2009 (2,337,300).
- Manufacturing last was under 449,700 jobs was July 2010 (449,400).
- The Labor Force was last below 3,238,000 in August 2014 (3,231,964).
- The last time Labor Force Employment was at the current level was November 1992 (2,691,292).
- The highest Unemployment Rate from 1976- present was December 1982 (12.6%).
- The most unemployed Labor Force was in February 2010 (348,823).

**Current Employment Statistics and Labor Force for Program Year July 2019 to June 2020**

In early 2020 the worldwide COVID-19 pandemic caused nations all over the world to shut down for weeks and months at a time. This brought sudden and historic changes to the Indiana economy. Current Employment Statistics (CES) and Local Area Unemployment Statistics (LAUS) indicate unprecedented drops in private sector employment and falling employment in April of 2020.

Indiana's labor force fell 51,048 from March 2020 to April 2020. The unemployment rate soared from 3.0% in March to 17.5% in April 2020. Despite this, for the program year of July 2019 to June 2020 the labor force is up 17,594.

In April 2020 Indiana lost 403,500 total non-farm jobs and 382,700 private sector jobs. Leisure and Hospitality lost 116,300 jobs, Manufacturing lost 77,600 jobs and Private Educational & Health Services lost 55,100 jobs from March to April of 2020.

From July 2019 to June 2020 Indiana's Total Non-Farm employment lost and the private sector employment lost 167,500 jobs. From July 2019 to June 2020 Indiana is down 44,200 jobs in Leisure and Hospitality, 40,200 jobs in Manufacturing and 28,100 jobs Private Educational & Health Services.

**Figure 2. Number of Jobs by Supersector**

| Supersector | July 2019 | March 2020 | April 2020 | May 2020 | June 2020 | March 2020 to April 2020 Chg | April 2020 to June 2020 Change | Jul 19 to June 20 |
|---|---|---|---|---|---|---|---|---|
| Private Educational & Health Services | 482.9 | 485.1 | 430.0 | 439.7 | 454.8 | -55.1 | 24.8 | -28.1 |
| Manufacturing | 536.2 | 527.9 | 450.3 | 469.7 | 496.0 | -77.6 | 45.7 | -40.2 |
| Professional & Business Services | 344.1 | 342.0 | 305.1 | 308.0 | 324.7 | -36.9 | 19.6 | -19.4 |
| Financial Activities | 141.2 | 141.6 | 138.8 | 138.3 | 138.5 | -2.8 | -0.3 | -2.7 |
| Construction | 144.4 | 149.1 | 134.8 | 142.7 | 146.2 | -14.3 | 11.4 | 1.8 |
| Leisure and Hospitality | 312.8 | 302.7 | 186.4 | 222.8 | 268.6 | -116.3 | 82.2 | -44.2 |
| Trade, Transportation & Utilities | 598.2 | 598.9 | 553.7 | 561.4 | 577.1 | -45.2 | 23.4 | -21.1 |
| All Other | 168.7 | 168.1 | 133.6 | 140.9 | 155.1 | -34.5 | 21.5 | -13.6 |
| | | | | | | | | |
| Total Private | 2728.5 | 2,715.4 | 2,332.7 | 2,423.5 | 2,561.0 | -382.7 | 228.3 | -167.5 |
| Government (Includes Public Schools & Hospitals) | 428 | 431.8 | 411.0 | 407.7 | 407.6 | -20.8 | -3.4 | -20.4 |
| Total Nonfarm | 3156.5 | 3,147.2 | 2,743.7 | 2,831.2 | 2,968.6 | -403.5 | 224.9 | -187.9 |

Source: *Current Employment Statistics June 2020*

**Summary: Current Employment Statistics and Labor Force Over the Year 2019 Annual Averages**

2019 estimates from the Current Employment Statistics (CES) and Local Area Unemployment Statistics (LAUS) indicate growing private sector employment and falling unemployment. Indiana's labor force has lost 11,388 from January 2019 to January 2020. The Labor Force has gained 53,484 since January 2016. Indiana's January 2020 annual labor force stands at 3,392,922.

From January 2019 to January 2020 Indiana's Total Non-Farm employment lost 7,900 and the private sector employment lost 7,400 jobs. Key growth sectors over the past year include Private Educational and Health services which gained 7,000, and Construction which gained 2,000 over the year. Manufacturing lost 10,400 jobs from January 2019 to January 2020.

**Figure 3. Indiana Employment Change**

| IN Employment Change Over the Month, Year-to-Date and Over the Year (seasonally adjusted) | | | | | | |
|---|---|---|---|---|---|---|
| **Industry** | **January 2019** | **December 2019** | **January 2020** | **Month Change** | **Y-to-D Change** | **Y-to-Y Change** |
| Private Educational & Health Services | 479.7 | 484.1 | 486.7 | 2.6 | 2.6 | 7.0 |
| *.....Private Educational Services* | 65.5 | 63.2 | 64.9 | 1.7 | 1.7 | -0.6 |
| *.....Health Care & Social Assistance* | 414.2 | 420.9 | 421.8 | 0.9 | 0.9 | 7.6 |
| Manufacturing | 545.1 | 539.5 | 534.7 | -4.8 | -4.8 | -10.4 |
| Professional & Business Services | 344.9 | 343.1 | 343.9 | 0.8 | 0.8 | -1.0 |
| Financial Activities | 140.7 | 141.1 | 142.0 | 0.9 | 0.9 | 1.3 |
| Construction | 147.6 | 148.0 | 149.6 | 1.6 | 1.6 | 2.0 |
| Leisure and Hospitality | 317.4 | 309.6 | 312.8 | 3.2 | 3.2 | -4.6 |
| Trade, Transportation & Utilities | 603.9 | 598.9 | 602.5 | 3.6 | 3.6 | -1.4 |
| *.....Trade* | 443.9 | 437.8 | 441.9 | 4.1 | 4.1 | -2.0 |
| *.....Transportation, Warehousing & Utilities* | 160.0 | 161.1 | 160.6 | -0.5 | -0.5 | 0.6 |
| All Other | 170.0 | 169.2 | 169.7 | 0.5 | 0.5 | -0.3 |
| | | | | | | |
| Total Private | 2,749.3 | 2,733.5 | 2,741.9 | 8.4 | 8.4 | -7.4 |
| Government (Includes Public Schools & Hospitals) | 429.9 | 429.5 | 429.4 | -0.1 | -0.1 | -0.5 |
| Total Nonfarm | 3,179.2 | 3,163.0 | 3,171.3 | 8.3 | 8.3 | -7.9 |
| | | | | | | |
| United States Total Private | 127,628.0 | 129,319.0 | 129,541.0 | 222.0 | 222.0 | 1,913.0 |

Source: *Current Employment Statistics January 2020*

## *A1: 2019 Annual Employment and Wages*

**Figure 4. Employment, Firms and Wages by Industry**

| Indiana Employment, Firms and Wages by Industry 2019 | | | | |
|---|---|---|---|---|
| Industries | Units | Employment | Total Annual Wages | Annual wages per Job |
| Total | **168,882** | **3,077,241** | **$150,170,340,753** | 48,800 |
| Manufacturing | 9,084 | 541,152 | $34,267,630,151 | 63,323 |
| Health Care and Social Services | 14,431 | 447,034 | $22,703,723,560 | 50,787 |
| Retail Trade | 20,362 | 317,084 | $9,172,355,399 | 28,927 |
| Accommodation and Food Services | 13,490 | 271,916 | $4,668,881,197 | 17,170 |
| Educational Services | 3,260 | 250,994 | $10,830,616,016 | 43,151 |
| Admin, Support, Waste | 9,892 | 190,042 | $6,487,992,880 | 34,140 |
| Transportation & Warehousing | 6,830 | 158,136 | $7,584,928,370 | 47,965 |
| Construction | 15,226 | 145,911 | $8,757,398,348 | 60,019 |
| Public Administration | 2,837 | 130,073 | $6,555,587,112 | 50,399 |
| Wholesale Trade | 13,381 | 123,429 | $8,555,257,420 | 69,313 |
| Professional, Scientific, Technical | 19,090 | 123,253 | $8,726,688,455 | 70,803 |
| Finance and Insurance | 10,240 | 98,998 | $7,434,274,851 | 75,095 |
| Other Services (Except Public Administration) | 12,932 | 89,552 | $3,024,151,777 | 33,770 |
| Arts, Entertainment, and Recreation | 2,348 | 44,552 | $1,566,111,991 | 35,152 |
| Real Estate and Rental and Leasing | 6,775 | 37,887 | $1,768,419,785 | 46,676 |
| Information | 2,553 | 35,028 | $1,946,677,968 | 55,575 |
| Management of Companies and Enterprises | 1,253 | 34,852 | $3,523,833,535 | 101,109 |
| Utilities | 532 | 15,742 | $1,513,544,667 | 96,147 |
| Agriculture, Forestry, Fishing and Hunting | 1,938 | 15,687 | $636,810,340 | 40,595 |
| Mining | 316 | 5,788 | $442,145,590 | 76,390 |

Source: *Quarterly Census of Employment and Wages*

**Figure 5. Major Industries, Composition**

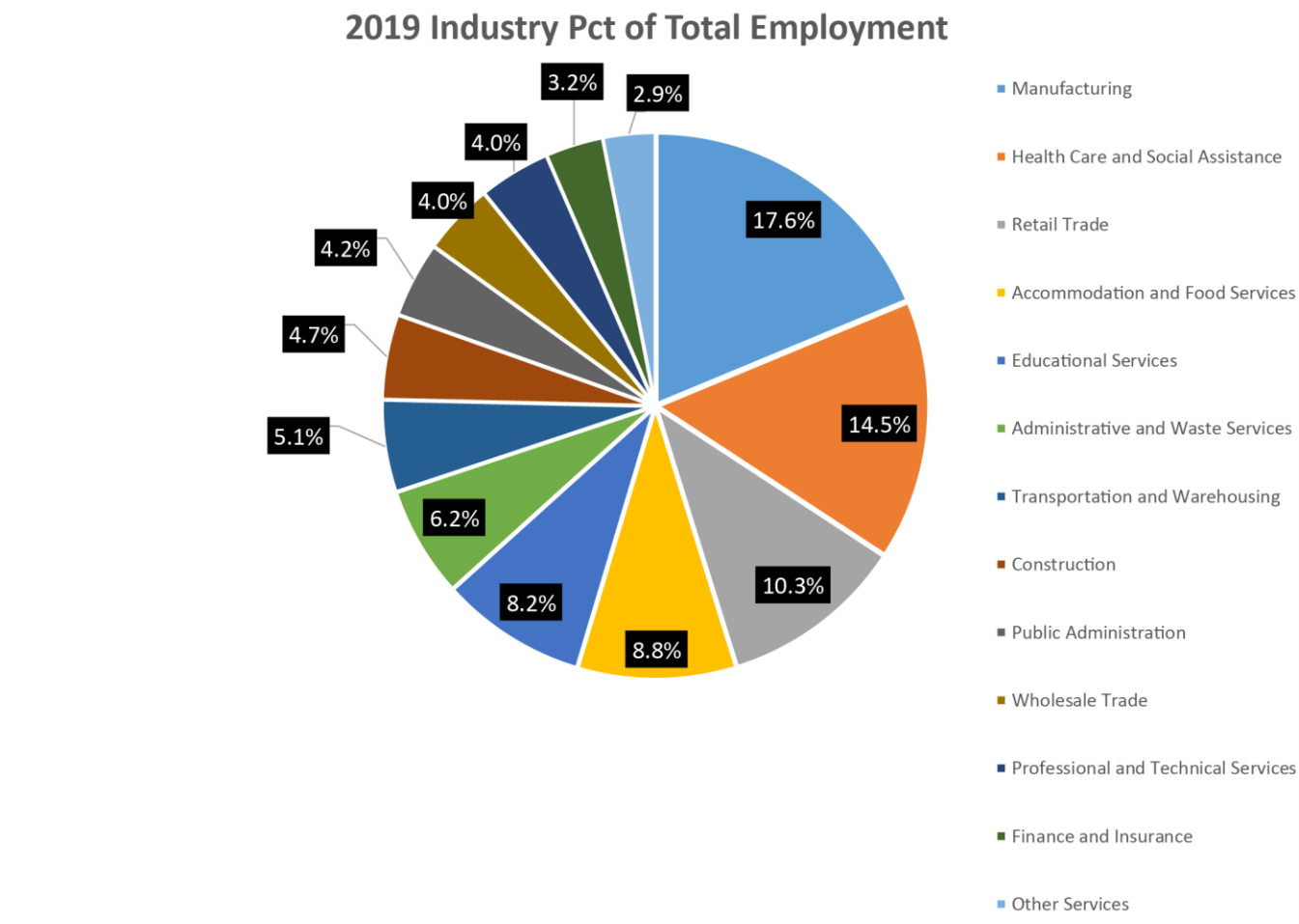


**Figure 6. Indiana Statewide Employment Change**

| INDIANA ANNUAL AVERAGE EMPLOYMENT BY INDUSTRY<br>Sorted by Total Employment gains from 2014 to 2019 | | | | |
|---|---|---|---|---|
| **Industry** | **2014** | **2019** | **Change** | **% Change** |
| **Total** | **2,890,877** | **3,077,241** | 186,364 | 6.4% |
| Health Care and Social Services | 404,035 | 447,034 | 42,999 | 10.6% |
| Manufacturing | 507,198 | 541,152 | 33,954 | 6.7% |
| Transportation & Warehousing | 134,064 | 158,136 | 24,072 | 18.0% |
| Construction | 123,090 | 145,911 | 22,821 | 18.5% |
| Accommodation and Food Services | 254,683 | 271,916 | 17,233 | 6.8% |
| Professional, Scientific, Technical | 106,042 | 123,253 | 17,211 | 16.2% |
| Other Services (Except Public Administration) | 83,349 | 89,552 | 6,203 | 7.4% |
| Finance and Insurance | 93,285 | 98,998 | 5,713 | 6.1% |
| Wholesale Trade | 117,809 | 123,429 | 5,620 | 4.8% |
| Admin, Support, Waste | 184,642 | 190,042 | 5,400 | 2.9% |
| Public Administration | 125,677 | 130,073 | 4,396 | 3.5% |
| Real Estate and Rental and Leasing | 34,044 | 37,887 | 3,843 | 11.3% |
| Arts, Entertainment, and Recreation | 41,663 | 44,552 | 2,889 | 6.9% |
| Management of Companies and Enterprises | 32,133 | 34,852 | 2,719 | 8.5% |
| Agriculture, Forestry, Fishing and Hunting | 14,591 | 15,687 | 1,096 | 7.5% |
| Educational Services | 250,476 | 250,994 | 518 | 0.2% |
| Utilities | 16,051 | 15,742 | -309 | -1.9% |
| Mining | 6,893 | 5,788 | -1,105 | -16.0% |
| Retail Trade | 319,142 | 317,084 | -2,058 | -0.6% |
| Information | 41,965 | 35,028 | -6,937 | -16.5% |

Source: *Indiana Quarterly Census of Employment and Wages (Public and Private)*

## *2019 Annual Industry Overview*

From 2014 to 2019 total employment grew by 186,334 jobs (6.4%) overall for all industries, including both public and private employment. This is measured from the Quarterly Census of Employment and Wages, annual average employer reported data. This is the most recent full year of data at the time of this report. QCEW is the best measure of true employment levels, from which other surveys (such as the CES cited in the introduction) are benchmarked annually.

Over the most recent five year period of recovery over half (66%) of the 186,334 increase in jobs was in four sectors in Indiana. Health Care and Social Services increased by 42,969 jobs or 10.6% since 2014. Manufacturing grew by 33,954, Transportation and Warehousing gained 24,072 jobs and Construction added 22,821 jobs from 2014-2019.

### Industries showing the highest employment increases from 2014 to 2019

**Health Care and Social Assistance**

Health care and social assistance facilities have grown by 10.6% in the last 5 years with an increase of 42,969 jobs. This sector growth includes physicians' offices, hospitals, and a wide range of providers. Wages in this industry increased by 17.7% in 2019 to an average weekly wage of $976.

**Manufacturing**

Indiana manufacturers grew employment by 33,954 over this time frame. Manufacturing remains the largest increase in the recovery of total jobs of all industries. Manufacturing had a growth rate of 6.7% as an industry for Indiana and pays wages greater than average, with average weekly wages of $1,217 during 2019.

**Transportation and Warehousing**

Transportation and Warehousing has grown by 24,072 from 2014-2019. This industry has also been a target for economic development for several years. This industry grew by 18.0% during this five year period. The average weekly wages for Transportation and Warehousing were at $922 for 2019.

**Construction**

The Construction industry grew by 22,821 or 18.5% between 2014 and 2019. This sector grew slowing early in the economic recovery but has gained momentum in recent years. The average weekly wages for this industry are at $1,154 for 2019.

**Accommodation and Food Services**

The Accommodation and Food service industries have grown at a rate of 6.8% since 2014, adding 17,233 jobs. While many of these jobs are lower or middle wage jobs, growth in these industries indicates growth in consumer spending and confidence and may indicate positive economic trends for the state. This industry includes many part time workers, and average weekly wages were just $330 during 2019.

**Professional and Technical Services**

Professional and Technical Services has shown healthy growth from 2014 to 2019. This is an industry that will be key to Indiana's future. Among the industries this sector contains are Legal Services, Architectural and Engineering, Research and Development and Computer Systems Design and Related Services. Many of these areas have been the focus of Indiana economic development. The sector has grown 17,211 jobs at a 16.2% gain over the past five years. The average weekly wages for 2018 for this sector are above the state average at $1,177.

**Other Services (Except Public Administration)**

This industry has grown by 6,203 over 2014-2019 at a rate of 7.4%. This industry includes Repair and Maintenance, Personal and Laundry Services, Religious, Grant Making, Civic, Professional & Similar Organizations and Private Households. Wages for these industries vary widely, and the weekly averages may include part time workers. During 2019 the average weekly wage for this industry sector was $561.

## Industries showing decline from 2014 to 2019

The following industries are among those that have shown employment declines over the time frame from 2014 to 2019. This is based on the annual average estimates from QCEW, and includes public and private jobs.

**Utilities**

Utilities is one of the smaller industries in Indiana. From 2014-2019 the sector declined by 309 jobs and a -1.9%. Utilities are also one of the higher paying industries and had a weekly wage of $1,615 in 2019.

**Mining**

Mining is the smallest industrial sector in Indiana. Over the 2014 to 2019 time frame this industry lost 1,105 jobs or a loss of -16.0% of its total. Mining does have a very high weekly average wage of $1,333.

**Retail Trade**

Retail Trade is the third largest industry in Indiana in terms of total employment. Pressures from online competitors have caused a decline in the Retail employment. From 2014-2019 employment fell by 2,058 for a decline of -0.6%. Retail is also one of the lower paying industries with an average weekly pay of $483.

**Information**

The information sector lost 6,937 jobs at a rate of 16.5% decline from 2014 to 2019. This sector includes publishing, telecommunications, and internet broadcasting which all saw moderate declines over these years. Average weekly wages were above the state average, at $956 during 2019.

## *Wages*

Average annual/weekly wages are affected by the ratio of full-time to part-time workers as well as the number of individuals in high-paying vs. low-paying occupations. Table 2 on the next page shows the historical annual averages from 2005-2019 with 2019 showing a 2.5% increase from 2018.

Table 2a shows percentage growth of wage changes over the last five years (2014-2019). Over this time several sectors experienced a more dramatic percentage change while other sectors were modest in their increase. The highest increases were Administrative, Support and Waste Management and Remediation Services and Accommodation and Food Services both increasing by 20.5%. Other industries with healthy wage increases included Finance and Insurance at 18.2% Arts, Entertainment and Recreation at 16.8%.

The slowest percentage wage increases from 2014-2019 were in Information (11.7%), Mining (10.2%), and Manufacturing (9.8%).

**Figure 7. Indiana Total Weekly Wages**

| Year | Employment | Average Weekly Wage | % Chg |
|---|---|---|---|
| 2005 | 2,873,795 | $681 | 2.1% |
| 2006 | 2,892,419 | $703 | 3.2% |
| 2007 | 2,905,725 | $722 | 2.7% |
| 2008 | 2,872,442 | $739 | 2.4% |
| 2009 | 2,705,331 | $736 | -0.4% |
| 2010 | 2,709,831 | $755 | 2.6% |
| 2011 | 2,755,826 | $774 | 2.5% |
| 2012 | 2,812,347 | $793 | 2.5% |
| 2013 | 2,849,311 | $801 | 1.0% |
| 2014 | 2,890,758 | $818 | 2.1% |
| 2015 | 2,941,991 | $844 | 3.2% |
| 2016 | 2,987,091 | $857 | 1.5% |
| 2017 | 3,017,933 | $888 | 3.6% |
| 2018 | 3,052,308 | $915 | 3.1% |
| 2019 | 3,077,240 | $938 | 2.5% |

Source: *DWD Quarterly Census of Employment and Wages, data not seasonally adjusted*

**Figure 8. Indiana Average Weekly Wages by Industry**

| 2019 INDIANA AVERAGE WEEKLY WAGES BY INDUSTRY (comparison to 2014 & 2019) | | | | | |
|---|---|---|---|---|---|
| NAICS Code | 2014 | 2018 | 2019 | % Change from 2014 | % Change from 2018 |
| Indiana State Totals | $818.31 | $915.03 | $938.47 | 14.7% | 2.6% |
| Agriculture, Forestry, Fishing and Hunting | $688.85 | $771.32 | $780.67 | 13.3% | 1.2% |
| Mining | $1,333.33 | $1,355.24 | $1,469.04 | 10.2% | 8.4% |
| Utilities | $1,615.36 | $1,788.74 | $1,848.98 | 14.5% | 3.4% |
| Construction | $1,009.62 | $1,123.13 | $1,154.21 | 14.3% | 2.8% |
| Manufacturing | $1,108.97 | $1,205.67 | $1,217.76 | 9.8% | 1.0% |
| Wholesale Trade | $1,159.33 | $1,315.96 | $1,332.95 | 15.0% | 1.3% |
| Retail Trade | $482.52 | $538.48 | $556.29 | 15.3% | 3.3% |
| Transportation & Warehousing | $819.57 | $901.90 | $922.40 | 12.5% | 2.3% |
| Information | $956.46 | $1,035.96 | $1,068.75 | 11.7% | 3.2% |
| Finance and Insurance | $1,221.61 | $1,390.94 | $1,444.14 | 18.2% | 3.8% |
| Real Estate and Rental and Leasing | $770.22 | $874.36 | $897.62 | 16.5% | 2.7% |
| Professional, Scientific, Technical | $1,177.28 | $1,340.22 | $1,361.60 | 15.7% | 1.6% |
| Management of Companies and Enterprises | $1,689.29 | $1,922.44 | $1,944.39 | 15.1% | 1.1% |
| Admin, Support, Waste | $544.76 | $634.81 | $656.53 | 20.5% | 3.4% |
| Educational Services | $736.87 | $811.66 | $829.82 | 12.6% | 2.2% |
| Health Care and Social Services | $847.34 | $944.78 | $976.68 | 15.3% | 3.4% |
| Arts, Entertainment, and Recreation | $578.60 | $646.51 | $676.01 | 16.8% | 4.6% |
| Accommodation and Food Services | $274.07 | $319.87 | $330.20 | 20.5% | 3.2% |
| Other Services (Except Public Administration) | $561.32 | $633.22 | $649.42 | 15.7% | 2.6% |
| Public Administration | $840.37 | $924.92 | $969.22 | 15.3% | 4.8% |

Source: *DWD Quarterly Census of Employment and Wages*

## *A2: Analysis - INDemand Jobs*

**INDIANA CAREER READY** is an Indiana Department of Workforce Development website that focuses on high-demand, high-wage jobs for today and tomorrow. The INDemand focus will help ensure a long and rewarding career. The demand indicator used is based on a methodology that ranks all Indiana jobs based on future growth and wages. Whether you are searching for your first job, changing jobs, re-entering the workforce, or planning a career change make the INDemand Jobs page the cornerstone of your efforts.

**Updated Methodology**

Indiana has established an occupational demand ranking system designated by "Flames." An occupation will be assigned between 1 and 5 Flames, depending on how "in demand" that occupation is in Indiana. The methodology for the occupational demand ranking system is detailed below.

Each occupation in Indiana is designated a 1-10 score in 5 categories: Total Openings (x2), Growth Openings, Percentage Change, Real Time Labor Market Information, and Wages for both Short Term and Long Term outlook using 2019-2021 Short Term Projections and 2018-2028 Long Term Projections and Bureau of Labor Statistics wage estimates. The scoring method is determined by deciles or, in other words, a percentile system ranging from the 90$^{th}$ percentile and above, down to the 10$^{th}$ percentile and below. The averaged total for each occupation is then divided by 2 to produce an Indiana Demand Ranking in both outlooks. Lastly, both the short term and long term outlook Indiana Demand Ranking scores for each occupation are averaged to calculate the occupation's final rating.

- 5 Categories for Short Term and Long Term Outlook
  - Total Job Openings x2 (Projected total openings, includes growth and separations)
  - Growth Openings (Occupational growth openings)
  - Percentage Change (Occupational percentage change from base year to projected year)
  - Real time labor market information (Job posting data)
  - Wages (OES Wage Estimates)

**Figure 9. Five Flame INDemand Jobs**

| SOC Code | SOC Title | Final Score | Flames |
|---|---|---|---|
| 11-1021 | General and Operations Managers | 5 |  |
| 11-3031 | Financial Managers | 5 |  |
| 11-9021 | Construction Managers | 5 |  |
| 11-9111 | Medical and Health Services Managers | 5 |  |
| 13-1111 | Management Analysts | 5 |  |
| 13-1161 | Market Research Analysts and Marketing Specialists | 5 |  |
| 13-2011 | Accountants and Auditors | 5 |  |
| 15-1121 | Computer Systems Analysts | 5 |  |
| 15-1132 | Software Developers, Applications | 5 |  |
| 25-1011 | Business Teachers, Postsecondary | 5 |  |
| 25-1071 | Health Specialties Teachers, Postsecondary | 5 |  |

| | | | |
|---|---|---|---|
| 29-1123 | Physical Therapists | 5 |  |
| 29-1141 | Registered Nurses | 5 |  |
| 29-1171 | Nurse Practitioners | 5 |  |
| 31-9092 | Medical Assistants | 5 |  |
| 41-3021 | Insurance Sales Agents | 5 |  |
| 43-6013 | Medical Secretaries | 5 |  |
| 47-1011 | First-Line Supervisors of Construction Trades and Extraction Workers | 5 |  |
| 47-2111 | Electricians | 5 |  |
| 47-2152 | Plumbers, Pipefitters, and Steamfitters | 5 |  |

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# What is covered employment?

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*Administrative data collected through the UI Program provides important information about our economy.*

Economic data sets measuring employment and wages are key indicators for analyzing labor market and industry trends. How do we know how many people are working within a geographic region or within a specific industry? Are wages growing or declining? How quickly do people find employment after receiving a degree or completing training, and how much do they make? One avenue for obtaining employment and wage data for research is aggregated Unemployment Insurance (UI) Program records. Unemployment insurance is also known as unemployment compensation.

The Indiana Department of Workforce Development (IN DWD), along with all partner workforce agencies of the states, territories and federal civilian employers, collects covered employment data from employers through the UI Program. UI Program wage and employment records represent about 95 percent of all jobs in the country.[1] Unlike survey-based data sets, which use a sample of the population to extrapolate to a whole, UI Program employment and wage data are collected from employers who are required to report, on a quarterly basis, this information to the state workforce agency for UI Program administration purposes.[2]

**Covered vs. non-covered employment**

Covered employment, for UI Program purposes, is work that is covered by UI benefits when a worker becomes unemployed. The wages and other compensation paid by an employer to an employee working or providing services in covered employment is subject to tax, and tax contributions are deposited in the state's UI Trust Fund. If an employee becomes unemployed due to no fault of their own and is determined to be eligible for unemployment benefits, money is withdrawn from the UI Trust Fund to pay benefits to the unemployed person. All wages and compensation paid to employees for covered employment must be reported to the state workforce agency. This may include bonuses, stock options, profit distributions, the cash value of meals and lodging, and other gratuities—in addition to traditional hourly or salaried wages.

Employers who are liable for UI premiums in the state of Indiana include:

- **Regular business entities who pay $1 or more in remuneration to a covered worker**, when not an agricultural business, a nonprofit or an employer of a household domestic worker. Nonprofits, agricultural businesses and domestic worker employers may still have liability; however, they do not become an employer with the first $1 in wages paid. (Indiana Code § 22-4-7-1, et seq.).
- **Partial or complete acquirers.** Employers who have acquired all or part of the assets, including the workforce, of an organization, trade or business, resulting in a continuation of the same or similar trade or business are immediately liable in Indiana. (Indiana Code § 22-4-7-2(a) & (b)).
- **Federal Unemployment Tax Act (FUTA) liable entities.** If an employer is liable in another state and employs workers in Indiana, the employer is also liable in Indiana. (Indiana Code § 22-4-7-2(f)).

- **Exempt entities that elect to be subject to the requirements of the Unemployment Insurance Program.** An employer can elect to be subject to the requirements of the Unemployment Tax Act even if otherwise excluded. Certain limitations apply. (Indiana Code § 22-4-7-2(d)).
- **Agricultural entities** that pay $20,000 or more in wages in a calendar quarter or have 10 or more agricultural employees for some part of a day for at least 20 weeks during a calendar year. (Indiana Code § 22-4-7-2(e)).
- **Government employers,** including any state, municipality, Native American Tribe or similar entity, are liable for UI premiums with some exceptions. (Indiana Code § 22-4-7-2(g)).
- **Nonprofit entities** that are recognized 501(c) (3) organizations that employ four or more individuals in at least 20 different weeks of the calendar year. (Indiana Code § 22-4-7-2(h)).
- **Households and certain fraternal organizations employing domestic help** that pay cash wages of $1,000 or more in a calendar quarter. (Indiana Code § 22-4-7-2(i)).
- **Professional employer organizations** are employers for all purposes under the Act when properly identified and registered. (Indiana Code § 22-4-6.5, et seq.).

These are some types of employment that are excluded from state UI reporting requirements; therefore, no data are present in state UI wage and employment records for the following:

- Sole proprietors and partners in a partnership
- Members of the clergy
- Members of the U.S. armed forces
- Government workers who are judges, legislators, elected officials, temporary or emergency-basis government workers, and those in designated advisory, non-tenured, policymaking positions
- Students working for a school that they are attending
- Railroad workers covered under the Railroad Unemployment Act
- Agricultural, nonprofit and domestic workers where the employer does not have liability in Indiana as described above

**Research and analysis use**

Quarterly Census of Employment and Wages (QCEW)

The U.S. Bureau of Labor Statistics' QCEW program publishes quarterly counts of employment and wages reported by employers through the UI Program. These data are published in aggregate at the industry level, without revealing company-specific or personally identifiable information, at the county, metropolitan statistical area, state and national levels. QCEW essentially cleans and analyzes UI administrative data at the micro-level for macro-level usage within a shared data framework system for all states. The data series includes ownership, number of units, average number of workers, total wages and calculated average weekly wage by location of employment.

QCEW data are considered foundational for labor market information and feed numerous programmatic applications, for both analytical and sampling use, such as economic forecasting, industry and occupational projections programs, Local Area Unemployment Statistics, Current Employment Statistics, Occupational Employment Statistics, and the Job Openings and Labor Turnover Survey, among others.

Longitudinal Employer-Household Dynamics

UI and QCEW data are shared with the U.S. Census Bureau under a national partnership with the states, District of Columbia, Puerto Rico and the U.S. Virgin Islands. Additional data sets are combined at the record level with Census data and surveys for insight into both employers and employees. From these data, the program creates statistics on employment, earnings and job flows at detailed levels of geography and industry for different demographic groups to be used by state and local authorities.

The popular On the Map and On the Map for Emergency Management LEHD mapping tools use these data to provide responsive data visualizations and reports for decision makers. Commuting patterns, worker demographics, job counts and wage data—all available with distance radius mapping—are just a few of the possible data sets available within On the Map using state-shared administrative UI data as an input.

In beta version as of fourth quarter 2018, the Post-Secondary Employment Outcomes (PSEO) program will harness the same state records matched with participating state-level public institution completion data to determine wage and employment outcomes over time for specific courses of study—all while protecting individual student records. For example, PSEO data can tell us that students graduating in the 2004-2006 cohort from the University of Colorado-Boulder in aerospace, aeronautical and astronautical engineering made on average $64,706 in the first year post-graduation and $102,242 10 years after graduating.

Statistical sampling and benchmarking

U.S. Bureau of Labor Statistics programs like Local Area Unemployment Statistics, Current Employment Statistics, Occupation Employment Statistics, Occupation Projections, and Occupational Safety and Health Statistics use this foundational data as a reference for benchmarking and sampling. In cases where specific areas are underrepresented due to UI tax liability, additional data sets are added to the universe of data to offset gaps in employment with UI reporting.

Workforce, training and higher education research

In addition to statistical use, federally protected UI administrative data can be used in accordance with federal regulations to help determine training and education outcomes by industry, employment gain and retention, and wages over time. Research projects are legally evaluated on a case-by-case basis to determine proper use, and security standards must be met.

**Conclusion**

As our reliance on data-driven policymaking to ensure workforce alignment increases, improved access to direct data from employers at the employee level becomes more imperative. At the same time, there is a need to reduce employer burden from information requests. By leveraging covered employment data within administrative record collection to provide optimal value, key research on our economy can be undertaken for the benefit of economists, social scientists, job seekers, policymakers, employers, employees, economic developers, and education and training providers.

**Additional information**

- IN DWD, Unemployment for Employers: www.in.gov/dwd/2614.htm
- U.S. Census Bureau, Longitudinal Employer-Household Dynamics: https://lehd.ces.census.gov/
- Hoosiers by the Numbers, Quarterly Census of Employment and Wages: www.hoosierdata.in.gov/nav.asp?id=234
- IN DWD, Employer Handbook: https://www.in.gov/dwd/files/Employer_Handbook.pdf

**Notes**

1. For statistical purposes, federal data sets are used to supplement gaps in state UI covered employment. "QCEW Overview," *U.S. Bureau of Labor Statistics*, July 18, 2018, www.bls.gov/cew/cewover.htm.
2. States and territories may require reporting on a schedule other than quarterly.

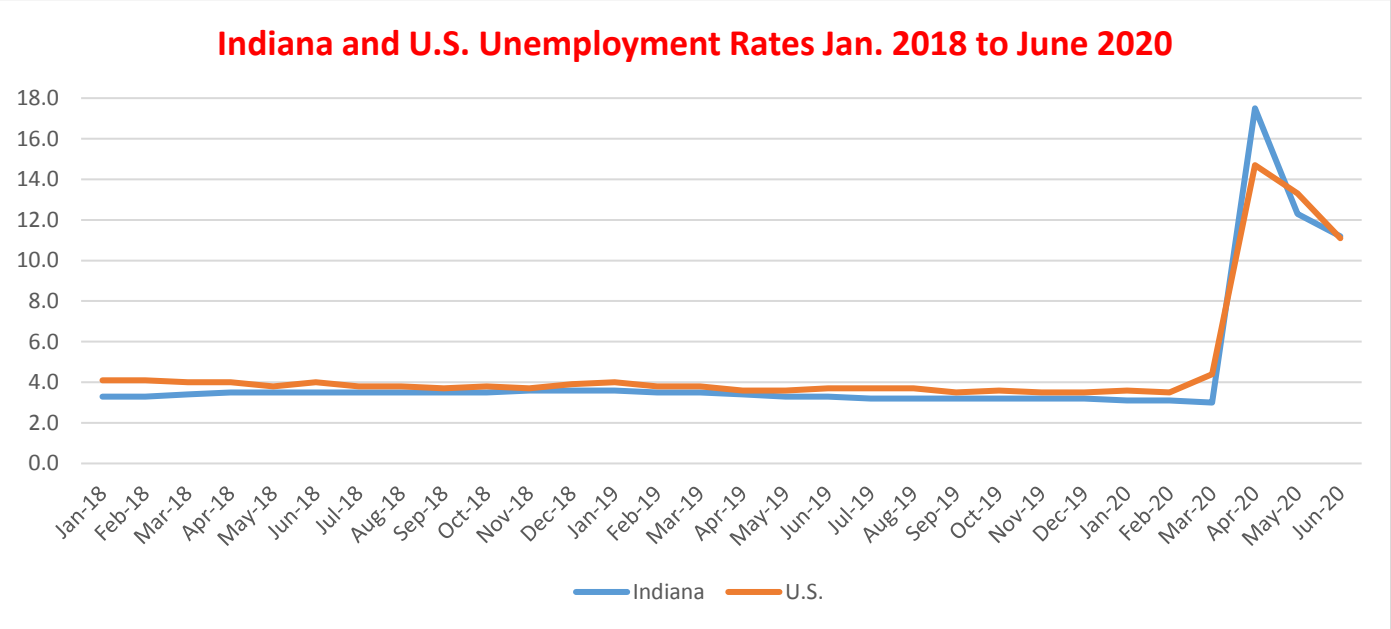
# Section B: Workforce Analysis

## *B1: Labor Force*

**Unemployment and the Pandemic**

Indiana's unemployment rate dropped from a 10 year peak of 10.4% in 2010, to 3.3% annually in 2019. The Labor Force and low unemployment rate was stable for Indiana in 2019. That would abruptly change in the first half of 2020. The pandemic of COVID-19 caused many parts of the world to shut down for weeks and even months at a time. Indiana was locked down from March 16th to mid-May 2020. This resulted in a massive historic increase in unemployment along with a sudden drop in the labor force. The Unemployment Rate topped out at 17.5% in April 2020. By June 2020 the rate had leveled off to a still unusually high 11.1%.

**Figure 10. Indiana and U.S. Unemployment Rates**



At the start of the lockdown the Labor Force fell dramatically but recovered to near pre-pandemic levels by June 2020.

**Figure 11. Indiana Labor Force**

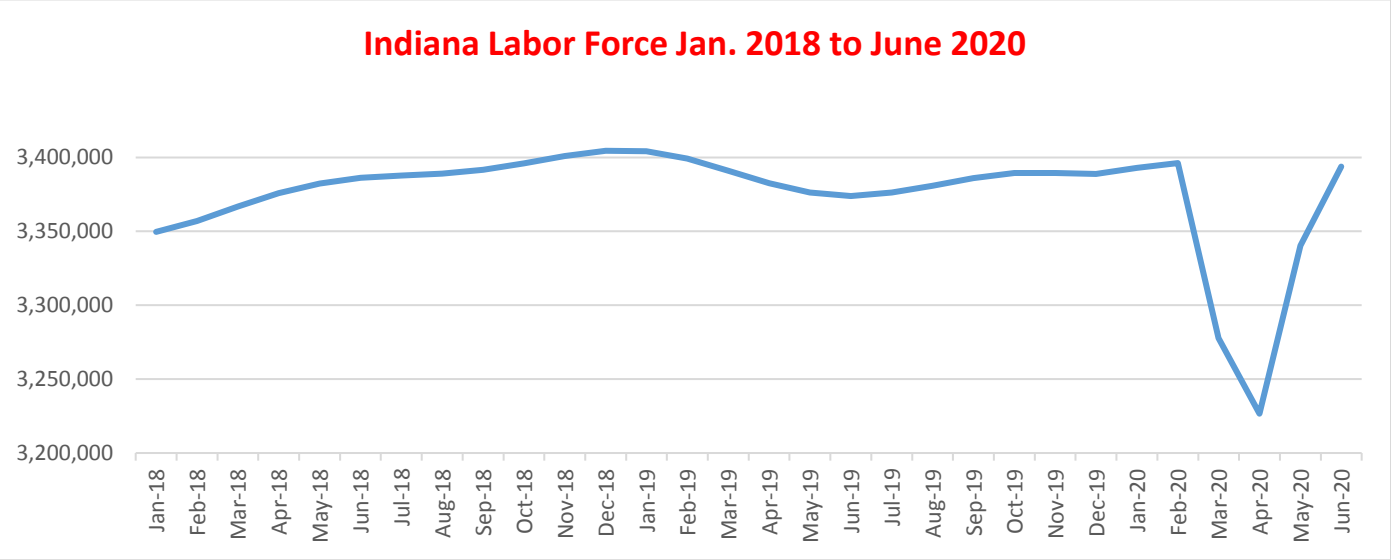



**Figure 12. Indiana Labor Force and Unemployment, NSA 2000-2019 Annual Averages**

| INDIANA LABOR FORCE AND UNEMPLOYMENT Non-seasonally Adusted 2000-2019 | | | | |
|---|---|---|---|---|
| Year | Labor Force | Employment | Unemployment | Unemployment Rate |
| 2000 | 3,126,379 | 3,029,073 | 97,306 | 3.1 |
| 2001 | 3,140,899 | 3,007,507 | 133,392 | 4.2 |
| 2002 | 3,171,168 | 3,006,811 | 164,357 | 5.2 |
| 2003 | 3,182,988 | 3,014,655 | 168,333 | 5.3 |
| 2004 | 3,167,797 | 2,998,068 | 169,729 | 5.4 |
| 2005 | 3,205,436 | 3,029,959 | 175,477 | 5.5 |
| 2006 | 3,235,110 | 3,072,113 | 162,997 | 5 |
| 2007 | 3,207,687 | 3,061,042 | 146,645 | 4.6 |
| 2008 | 3,232,097 | 3,041,828 | 190,269 | 5.9 |
| 2009 | 3,193,989 | 2,864,985 | 329,004 | 10.3 |
| 2010 | 3,175,192 | 2,845,608 | 329,584 | 10.4 |
| 2011 | 3,181,991 | 2,891,945 | 290,046 | 9.1 |
| 2012 | 3,169,835 | 2,905,549 | 264,286 | 8.3 |
| 2013 | 3,188,406 | 2,944,275 | 244,131 | 7.7 |
| 2014 | 3,224,772 | 3,032,497 | 192,275 | 6 |
| 2015 | 3,266,753 | 3,108,735 | 158,018 | 4.8 |
| 2016 | 3,328,373 | 3,181,085 | 147,288 | 4.4 |
| 2017 | 3,334,433 | 3,215,427 | 119,006 | 3.6 |
| 2018 | 3,381,609 | 3,263,751 | 117,858 | 3.5 |
| 2019 | 3,387,366 | 3,275,056 | 112,310 | 3.3 |

Source: *Local Area Unemployment Statistics (LAUS), Non-Seasonally Adjusted*

**Figure 13. Indiana & U.S. Labor Force**

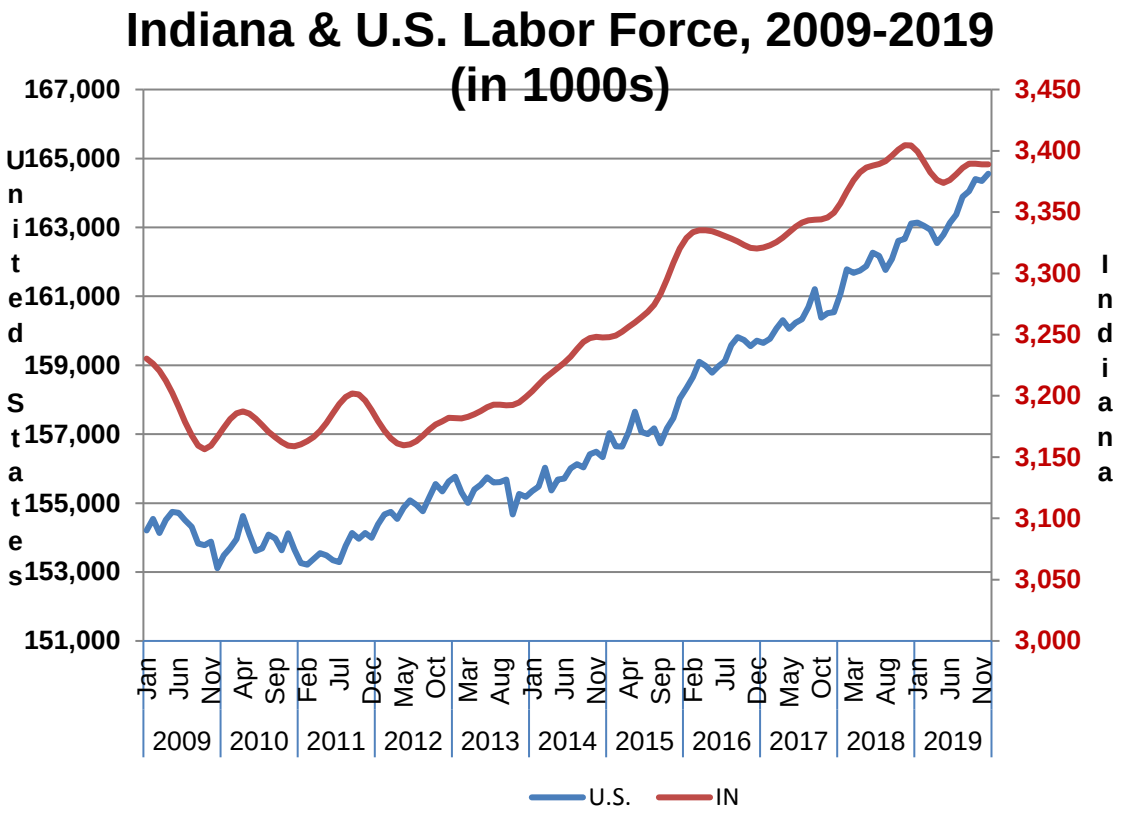



**Figure 14. Indiana Regional Labor Force Data**

| INDIANA ECONOMIC GROWTH REGIONS (EGRs), LABOR FORCE AND UNEMPLOYMENT (N.S.A.), 2019 | | | | |
|---|---|---|---|---|
| EGR | Labor Force | Employment | Unemployed | Unemployment Rate |
| EGR 1 | 408,079 | 389,885 | 18,194 | 4.5% |
| EGR 2 | 324,965 | 314,328 | 10,637 | 3.3% |
| EGR 3 | 389,102 | 377,093 | 12,009 | 3.1% |
| EGR 4 | 255,713 | 247,569 | 8,144 | 3.2% |
| EGR 5 | 554,625 | 539,239 | 15,386 | 2.8% |
| EGR 6 | 154,215 | 148,604 | 5,611 | 3.6% |
| EGR 7 | 100,086 | 95,997 | 4,089 | 4.1% |
| EGR 8 | 153,281 | 148,129 | 5,152 | 3.4% |
| EGR 9 | 171,649 | 166,463 | 5,186 | 3.0% |
| EGR 10 | 153,320 | 148,246 | 5,074 | 3.3% |
| EGR 11 | 229,363 | 222,651 | 6,712 | 2.9% |
| EGR 12 | 492967 | 476851 | 16116 | 3.3% |

Source: *DWD, Local Area Unemployment Statistics (LAUS) Region 5 EGR data in this publication includes Marion County, Region 12*

## Unemployment Rates

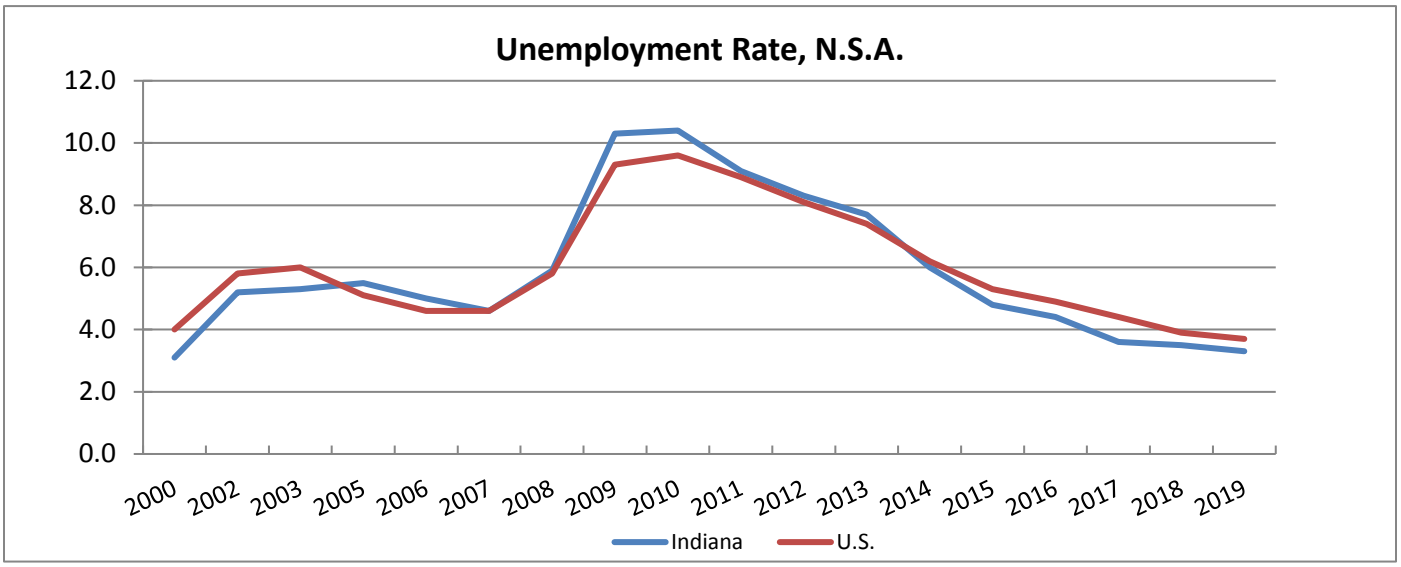
Over the decade from 1999 to 2004, Indiana's unemployment rate was below the national average. Although a national recession was a contributor to a rate climb beginning in 2001, the Hoosier state still managed to stay below the nation for the next four years. The unemployment rate went above the national average in 2005-2006. During the Great Recession Indiana was above the national rate much of the time. Since 2014 has been Indiana below the US rate. Table 5 and chart 5 on the next page illustrate how Indiana's unemployment rate has compared to the nation as a whole over this time frame.

Unemployment rates continued to fall statewide in 2019, with the lowest unemployment levels in Economic Growth Region 5 at 2.8% and Region 3 was at 3.1% unemployment.

**Figure 15. Indiana Unemployment Rates, Non-Seasonally Adjusted (Annual Averages of Monthly Data)**

| 2019 INDIANA UNEMPLOYMENT RATES, NON-SEASONALLY ADJUSTED (ANNUAL AVERAGES OF MONTHLY DATA) | | |
|---|---|---|
| **Year** | Indiana | U.S. |
| **1999** | 3.0 | 4.2 |
| **2000** | 3.1 | 4.0 |
| **2001** | 4.2 | 4.7 |
| **2002** | 5.2 | 5.8 |
| **2003** | 5.3 | 6.0 |
| **2004** | 5.4 | 5.5 |
| **2005** | 5.5 | 5.1 |
| **2006** | 5.0 | 4.6 |
| **2007** | 4.6 | 4.6 |
| **2008** | 5.9 | 5.8 |
| **2009** | 10.3 | 9.3 |
| **2010** | 10.4 | 9.6 |
| **2011** | 9.1 | 8.9 |
| **2012** | 8.3 | 8.1 |
| **2013** | 7.7 | 7.4 |
| **2014** | 6.0 | 6.2 |
| **2015** | 4.8 | 5.3 |
| **2016** | 4.4 | 4.9 |
| **2017** | 3.6 | 4.4 |
| **2018** | 3.5 | 3.9 |
| **2019** | 3.3 | 3.7 |

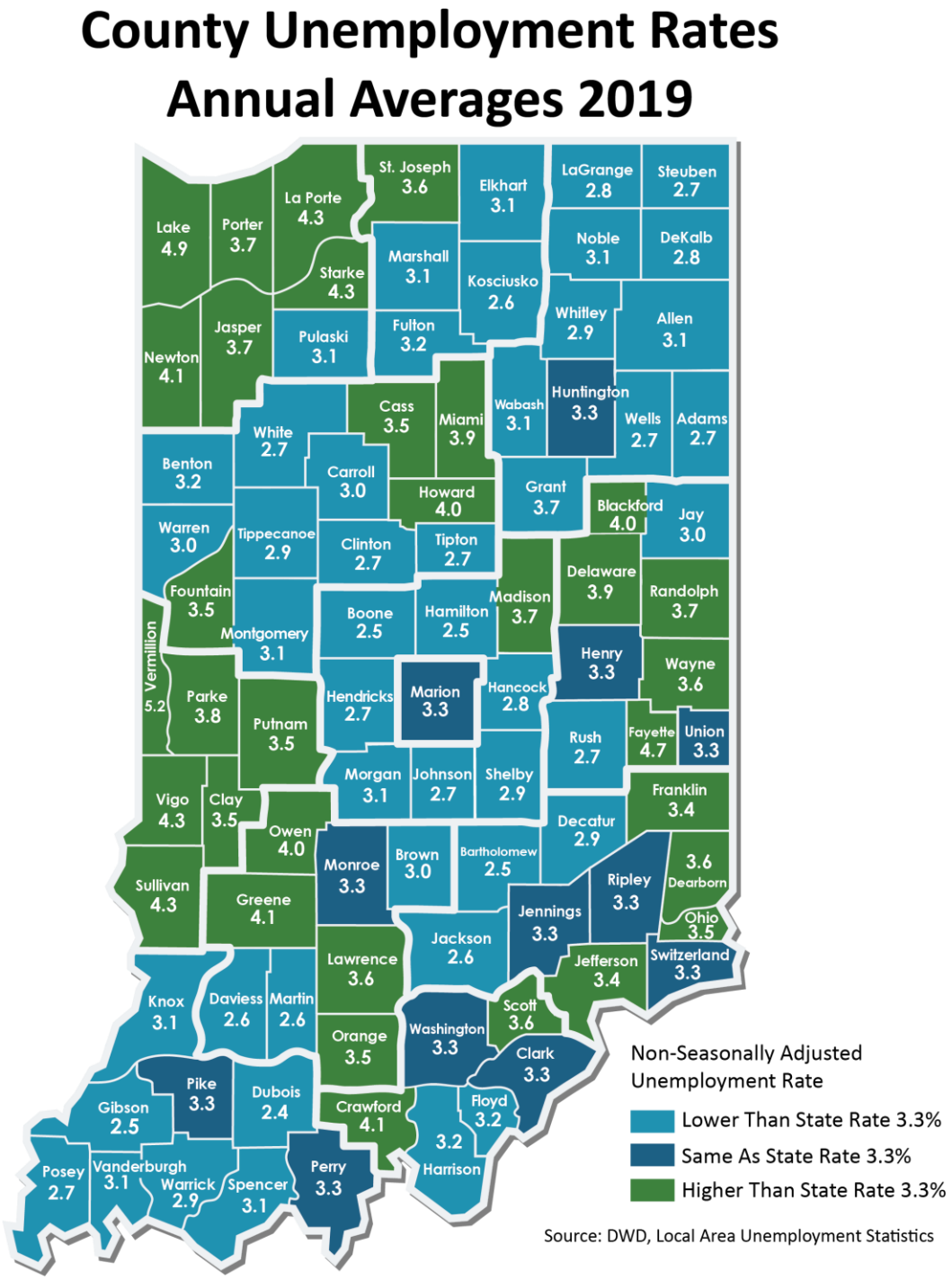
**Figure 16. Unemployment Rate, Non-Seasonally Adjusted**




2018 showed gains of 44,910 annually in Labor Force over 2017. Since the trough of July 2009, the Labor Force has increased 201,300.

The map below illustrates the variances in unemployment rates across the state. Despite the increased labor force, areas of the state with unemployment rates below 4.0% are beginning to suffer from labor shortages as employers compete for qualified workers.

**Figure 17. County Unemployment Rates - Annual Averages 2019**



**Unemployment Claims Data**

The 2020 COVID-19 lockdown had historic impacts on the levels of claims filed and benefits paid out. The following two charts demonstrate how this event far exceeded the Great Recession of 2008.

**Figure 18. State Benefits Paid**

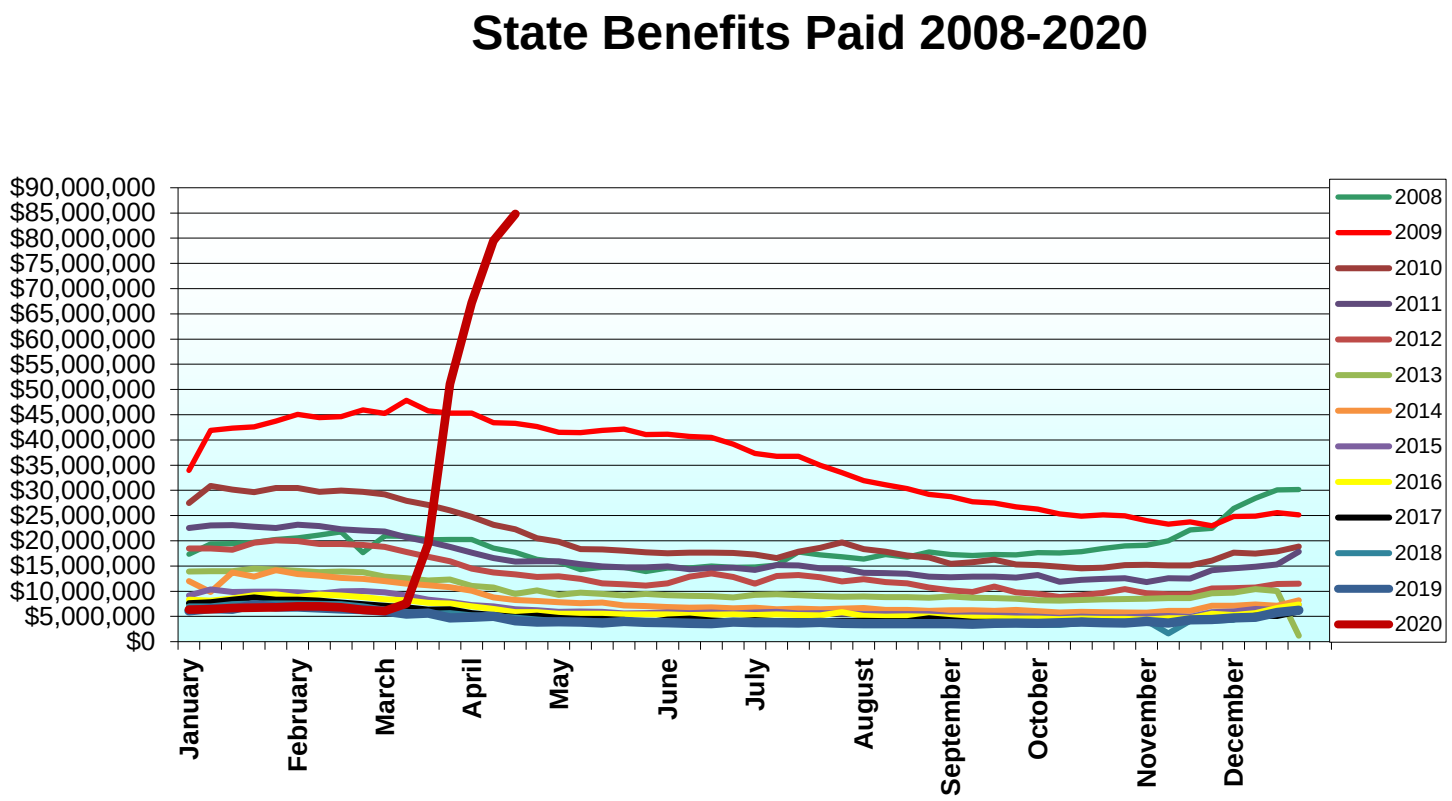
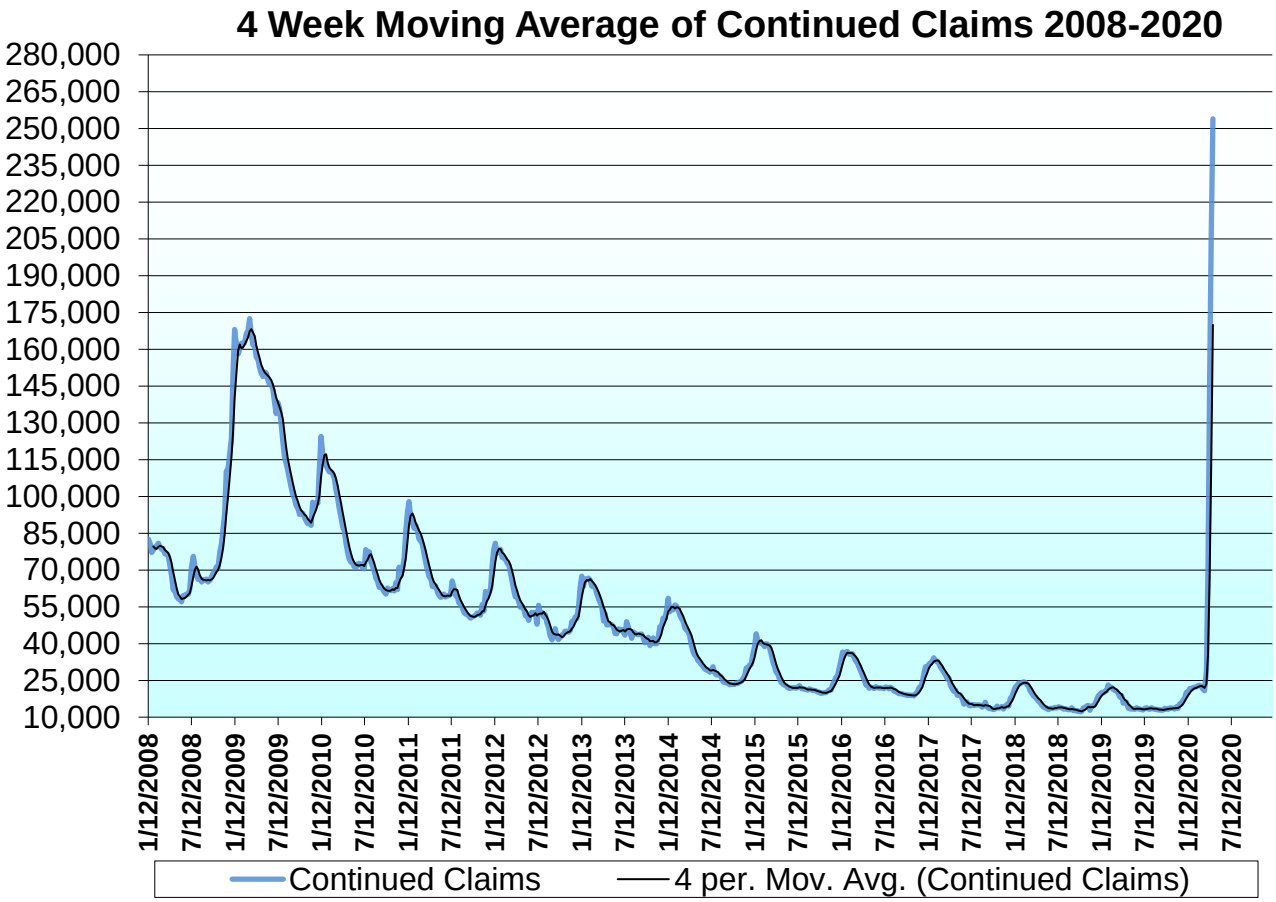


**Figure 19. Four Week Moving Average of Continued Claims**



**Annual 2019 Unemployment Claims by Industry**

The manufacturing and construction industries have historically have been leading industries with unemployment claims. This is still true but in the post-recession era construction has passed. From 2010-2019 Construction accounted for 29% of claims compared to Manufacturing at 28%. In 2019 Manufacturing and Construction each made up 31% of all claims.

**Figure 20. Indiana 2019 Claims by Industry**

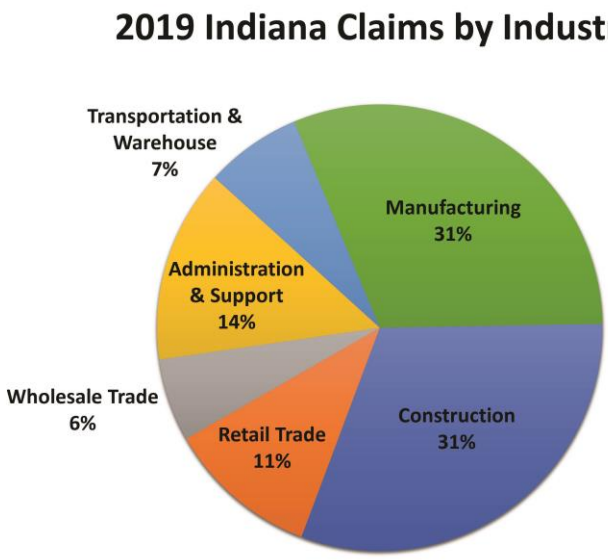
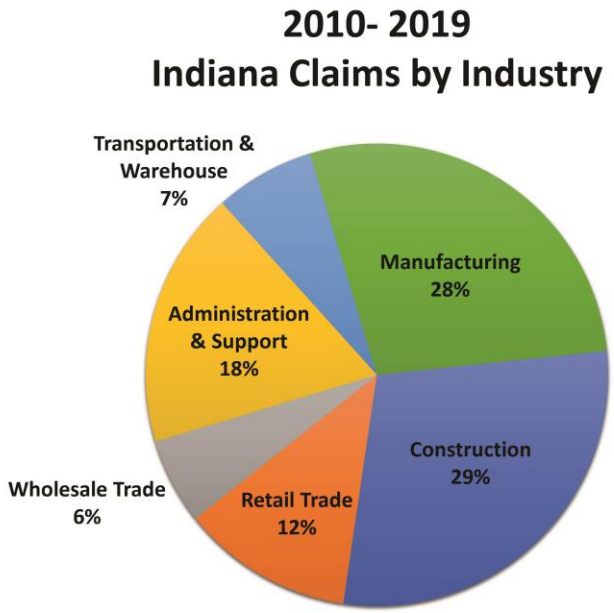



**Figure 21. Indiana 2010-2019 Claims by Industry**

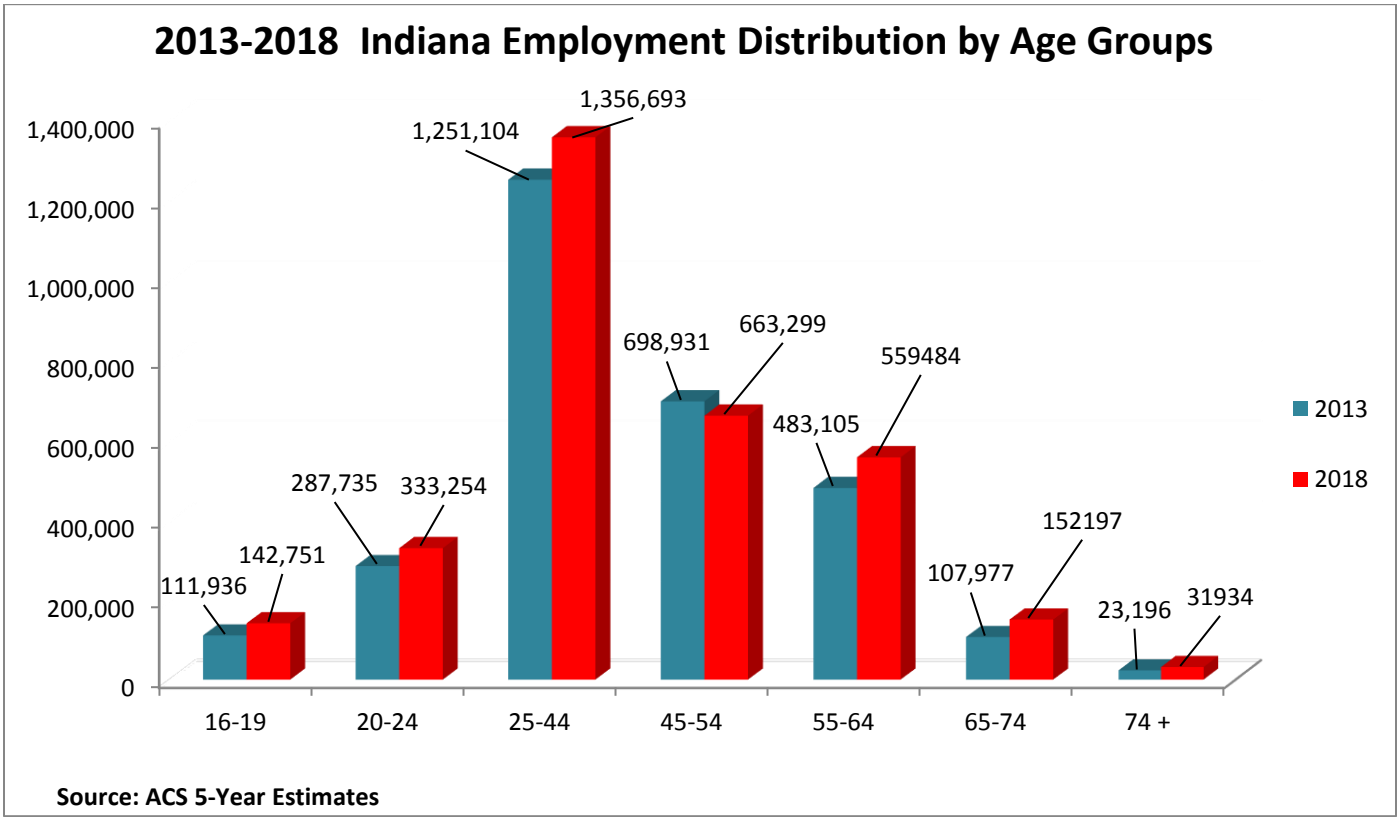


## *B2: Workforce and Industry Composition*

### Age Distribution of the Workforce

The age distribution of Indiana's workforce is shown in Figure 8. Between the 2013 and 2018 estimates of the age distribution, Indiana's workforce continued to grow older. The number of workers age 55 and older increased from 655,459 to 743,615. Workers under age 55 decreased from 2,628,559 million to 2,495,997.

**Figure 22. Indiana Employment Distribution by Groups**




**Source: ACS 5-Year Estimates**

**Figure 23. Race and Gender Distribution of the Labor Force**

| Population group | Civilian non-institutional population | Civilian labor force | | | | | |
|---|---|---|---|---|---|---|---|
| | | Total | Percent of population | Employed | | Unemployed | |
| | | | | Total | Percent of population | Total | Rate |
| Total | 5,246 | 3,388 | 64.6 | 3,272 | 62.4 | 116 | 3.4 |
| Men | 2,547 | 1,807 | 70.9 | 1,741 | 68.4 | 65 | 3.6 |
| Women | 2,699 | 1,582 | 58.6 | 1,531 | 56.7 | 51 | 3.2 |
| White | 4,502 | 2,903 | 64.5 | 2,812 | 62.5 | 91 | 3.2 |
| Men | 2,189 | 1,554 | 71.0 | 1,502 | 68.6 | 52 | 3.3 |
| Women | 2,313 | 1,350 | 58.4 | 1,310 | 56.6 | 40 | 2.9 |
| Black or African American | 495 | 318 | 64.1 | 299 | 60.4 | 18 | 5.8 |
| Men | 235 | 158 | 67.3 | 148 | 63.3 | 9 | 6.0 |
| Women | 261 | 160 | 61.3 | 151 | 57.9 | 9 | 5.6 |
| Hispanic or Latino ethnicity | 390 | 274 | 70.2 | 261 | 67.0 | 12 | 4.5 |
| Men | 205 | 174 | 84.9 | 168 | 81.9 | 6 | 3.5 |

*Source: CPS Annual Averages 2019*

*Please note some races and genders are omitted due to small sample size.*

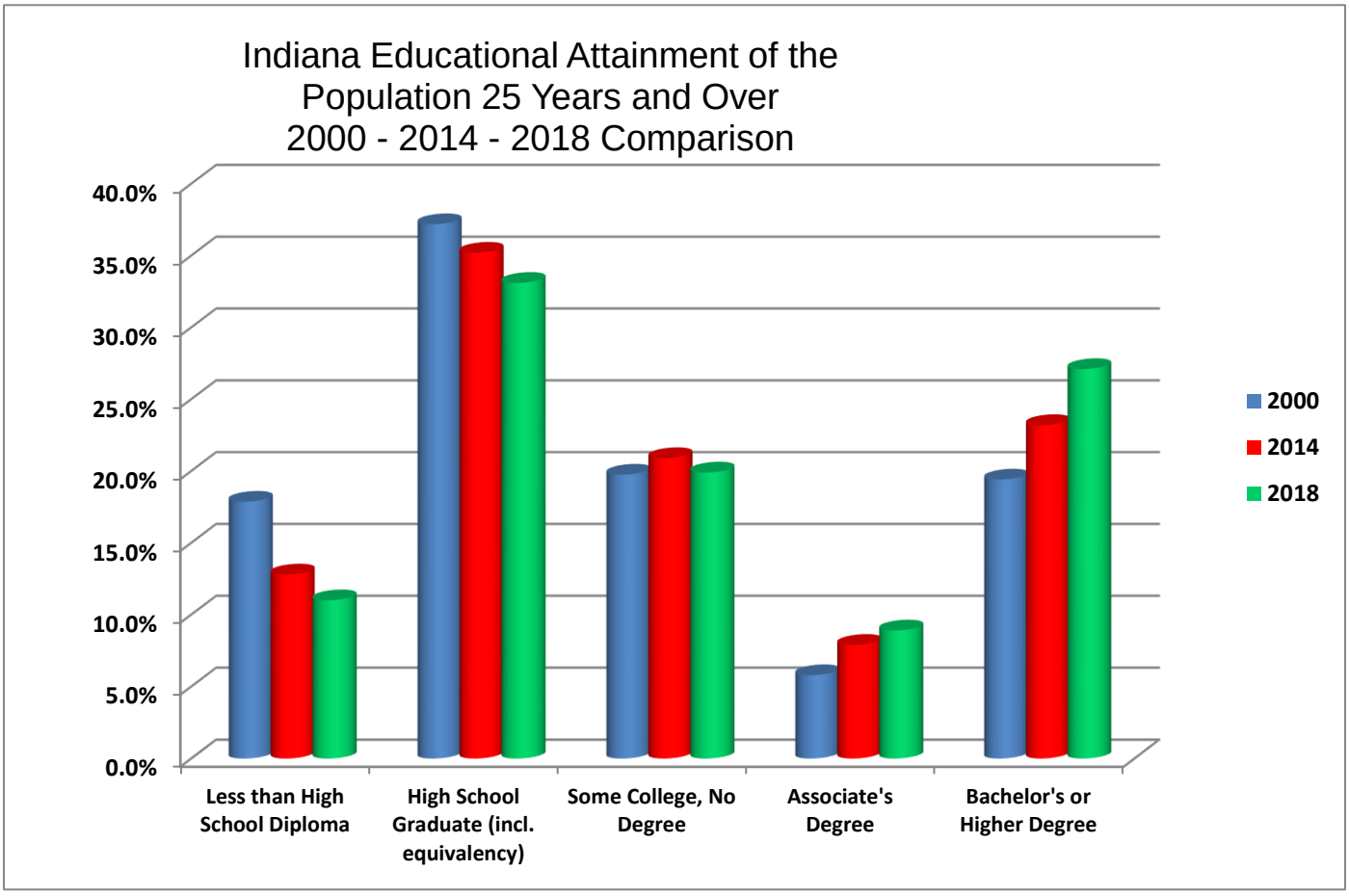
**Figure 24. Race and Gender Distribution: Labor Force Participation and Unemployment Rate**

| | Labor Force Participation Rate | | | Unemployment Rate NSA | | |
|---|---|---|---|---|---|---|
| | **2010** | **2015** | **2019** | **2010** | **2015** | **2019** |
| Total | 63.8 | 63.8 | 64.6 | 10.6 | 4.8 | 3.4 |
| Men | 70.1 | 69.4 | 70.9 | 11.4 | 4.8 | 3.6 |
| Women | 57.9 | 58.5 | 58.6 | 9.7 | 4.8 | 3.2 |
| White | 64.3 | 64.2 | 64.5 | 9.8 | 4.5 | 3.2 |
| Men | 70.9 | 70.1 | 71 | 10.8 | 4.7 | 3.3 |
| Women | 58 | 58.6 | 58.4 | 8.7 | 4.2 | 2.9 |
| Black or African American | 61.2 | 62.2 | 64.1 | 19.8 | 7 | 5.8 |
| Men | 63.9 | 63.5 | 67.3 | 18.9 | 6.8 | 6 |
| Women | 59 | 61.1 | 61.3 | 20.5 | 7.2 | 5.6 |
| Hispanic or Latino ethnicity | 72.3 | 73.2 | 70.2 | 15.3 | 5.6 | 4.5 |

## *B3: Education*

Rates of educational attainment continue to rise Indiana. Since 2000, the percent of the population 25 and older with at least a Bachelor's degree rose from 19.4% to 27.1% in 2018 as illustrated below. The percent of the population without a high school diploma fell from 17.9% in 2000 to 11.0% in 2018, but there are still significant portions of Indiana's population without a high school diploma. Certain areas of the state illustrate greater numbers at risk and in need of continued higher education programs.

**Figure 25. Indiana Educational Attainment in 2000, 2014, and 2018**



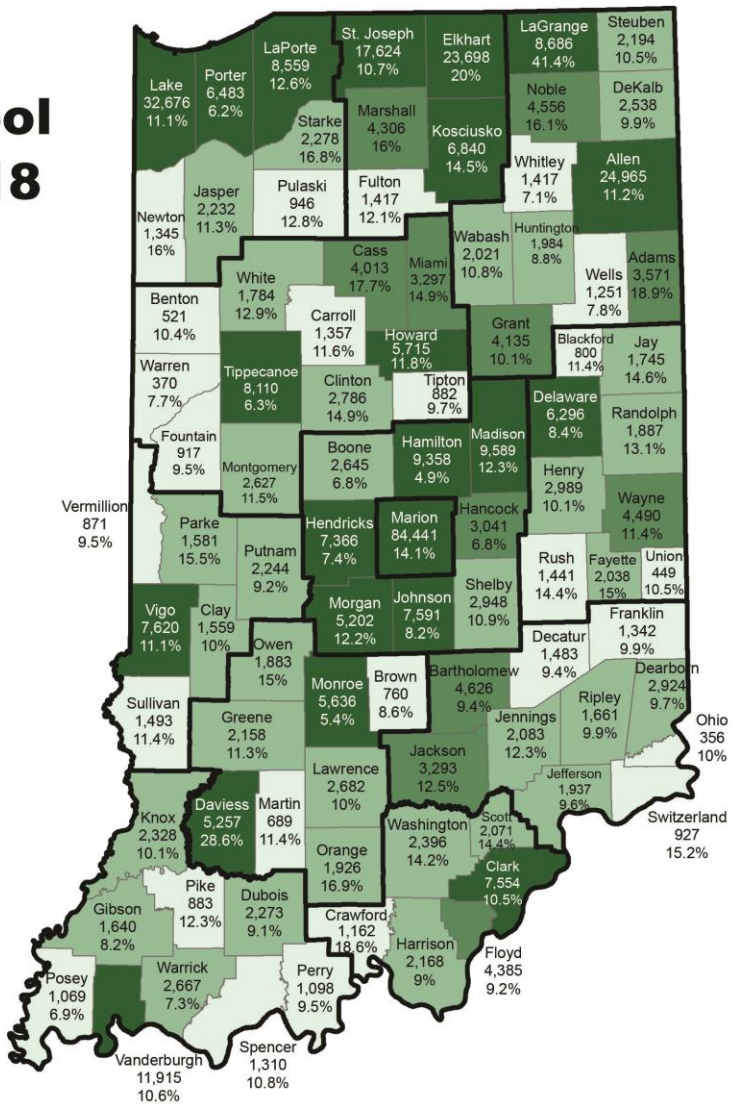
# Adults Age 18 to 64 without a High School Diploma or HSE, 2018

**Indiana = 454,327 adults**
**(11.2% of total age group)**

**Number of Adults**

- 356 - 1,500 (26)
- 1,501 - 3,000 (33)
- 3,001 - 5,000 (11)
- 5,001 - 84,441 (22)
- Economic Growth Region

*Labels also show the percent of adults in this age group without a high school diploma or high school equivalency (HSE).*




Map produced by the Indiana Business Research Center, using the American Community Survey 2014-2018 five-year estimates that were released by the U.S. Census Bureau in December 2019.

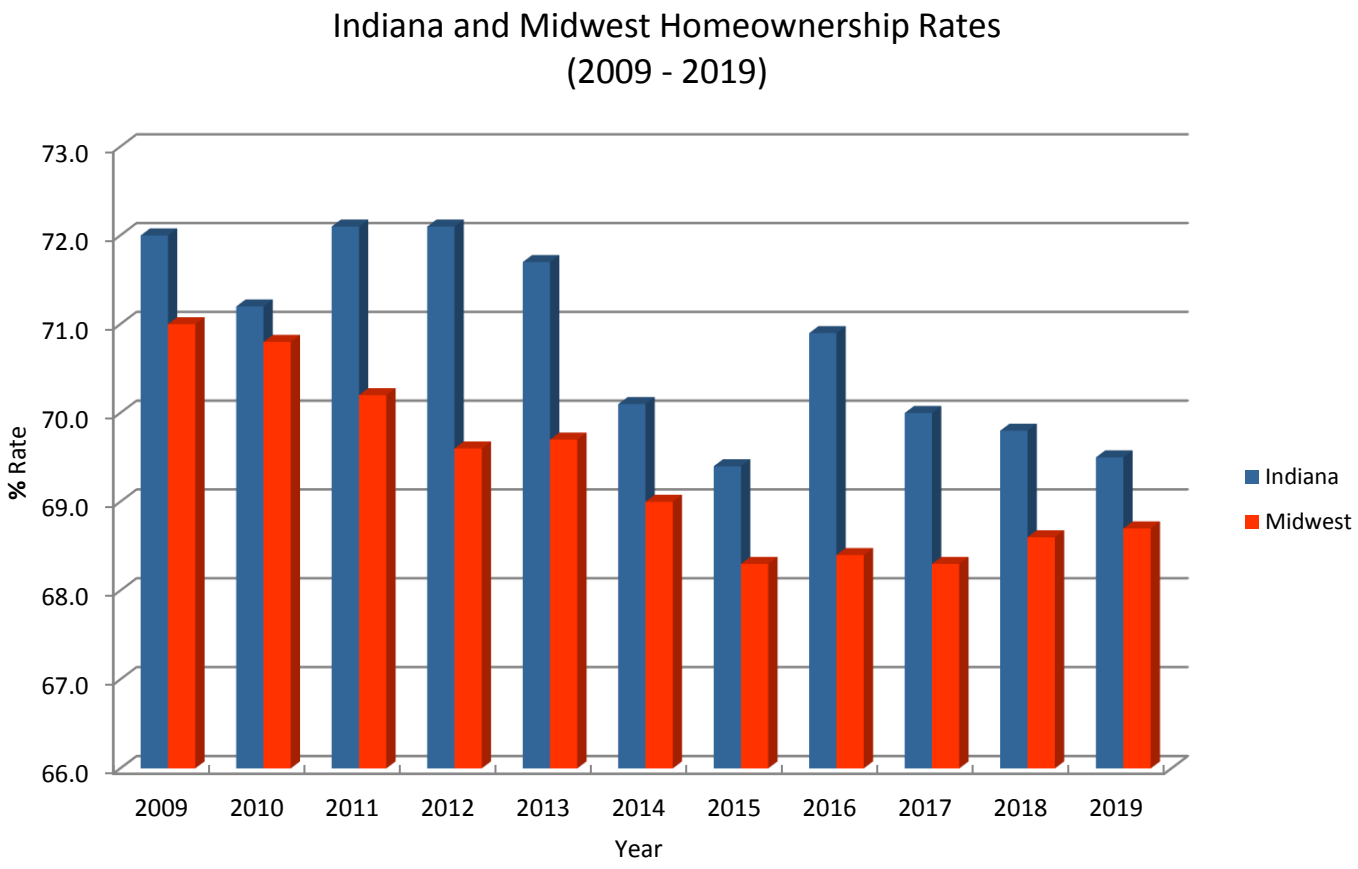
Source: *2010 Census and 2016, 2017 ACS 5-year estimates*

## *B4: Housing*

### Homeownership Rates

According to data from the U.S. Bureau of Census's Housing Vacancy Survey (HVS), from 2009 to 2019 Indiana maintained a higher percentage of homeownership in comparison to the Midwest region as a whole. Indiana showed declines in Homeownership from 2012-2015 but that has leveled off since 2016. There has been a slight dip in 2017 and 2018. In 2018, the state finished with a homeownership rate of 69.8% compared to the Midwest's 68.6%. For a year by year comparison, see Figure 7.

**Figure 26. Indiana and Midwest Homeownership Rates 2009-2019**



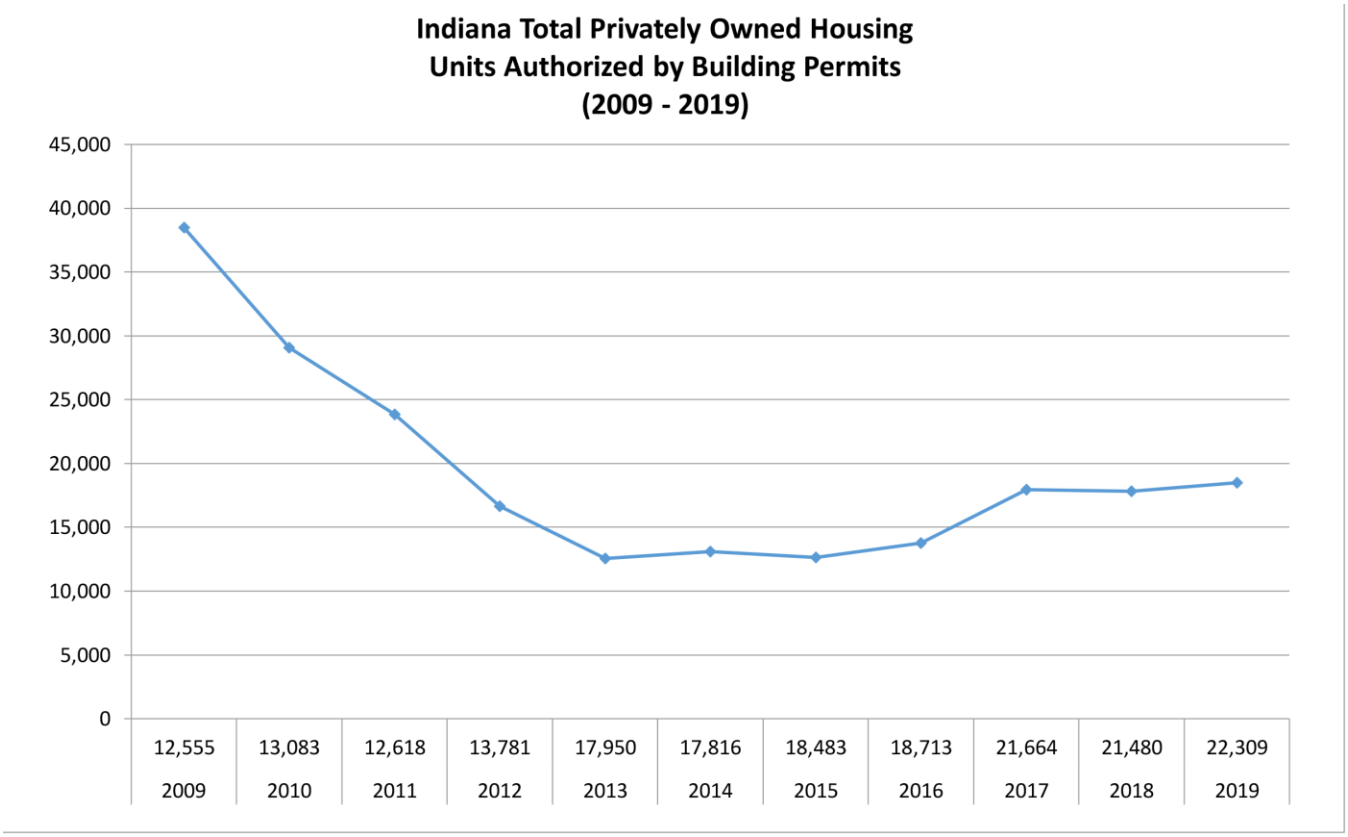

Source: *U.S. Bureau of Census, Housing Vacancy Survey (HVS)*

Midwest: *Illinois, Indiana, Michigan, Ohio, Wisconsin, Iowa, Kansas, Minnesota, Missouri, Nebraska, North Dakota, South Dakota*

## Housing Permits

Indiana number of home building permits increased in 2019. In 2019 there were 22,309 home building permits compared to 2018 with 21,480. As shown in Figure 8, the number of home building permits increased has been relatively flat but stable since 2013.

**Figure 27. Indiana Total Privately Owned Housing Units Authorized by Building Permits, 2009-2019**




Source: *U.S. Bureau of Census*