

Indiana University Public Policy Institute

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Indiana, along with other states, faces major changes in the economic landscape. People naturally seek to address the immediate problems, but there is also a need to look into the future, to be more proactive in shaping Indiana's future. PPI has undertaken a process to develop policy recommendations for Indiana's future based on conditions in Indiana called *Policy Choices for Indiana's Future*. The primary audience includes major decision makers in Indiana in the public, private, and nonprofit sectors.

The project is focusing on current and future economic conditions in Indiana within the broader context of the Midwest, and includes three commissions, each given the task of addressing a key area for the future of Indiana: *State and Local Tax Policy*, *Education and Workforce Development*, and *Energy and the Environment*. For the purposes of this project the Midwest region is defined as Illinois, Indiana, Iowa, Michigan, Minnesota, Ohio, and Wisconsin.

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Policy Choices for Indiana's Future: Defining the Midwest Comparison Region

This paper presents definitions of the Midwest region with a recommendation for the definition to use for comparative purposes for the *Policy Choices for Indiana's Future* project. The purpose is to define an area that makes the most sense for comparative statistical purposes, and as a region that could potentially act collectively to address challenges and opportunities. Because one objective is the collection and presentation of a range of statistical data, the regional definition will be composed of entire states.

Note on Methodology

A *functional or nodal* region is determined as consisting of those areas influenced by and having high levels of interaction with a dominant center, for example, Indianapolis for a central Indiana region. The subparts of such a region are necessarily not homogeneous, as the dominant central area will be very different from peripheral areas. The Midwest region being defined for this project can be characterized as a *formal or homogeneous* region. That is, areas are selected for inclusion in the region based on their similarity to one another.

For the definition of a functional region, the collection of multiple regional definitions makes sense. Each regional definition reflects a different form of interaction or influence, ranging from broadcast media markets to the Bureau of Economic Analysis areas based on economic integration. Each regional definition provides an additional piece of evidence useful in making the final regional determination.

For the definition of a homogeneous region, such as the current Midwest regional definition, the assembly of multiple regional definitions is less useful. Presumably each definition reflects a judgment that the included areas share characteristics warranting their consideration as a formal region. However, the choice of characteristics considered and how they were weighted in making the regional decision are often not made explicit. And there is no reason to presume that any of the regional definitions examined focused on those regional characteristics most relevant to the current context. Therefore, the formulation of the definition of the Midwest presented here will proceed by considering states for inclusion in the Midwest region based upon their similarity to Indiana with respect to characteristics considered to be most relevant to this project.

The Idea of the Middle West

James Shortridge (1989) is the leading scholar addressing the idea and meaning of the Middle West. He asserts that most writers define the Middle West as consisting of the 12 states extending from Ohio to Kansas and North Dakota (Shortridge, 1989, p. 3). This view of the Middle West is presented in Figure 1. Shortridge presents a variety of evidence that supports this area as being the generally accepted idea of the Middle West. This evidence ranges from surveys of college students regarding the extent of the Middle West (from students originally from and attending institutions both in the Middle West and outside) to the use of the term "Midwest" in business names in various areas.



At the same time, Shortridge also acknowledges that the terms Middle West and Midwest are often used to describe areas encompassing portions of this 12-state area and also including areas outside as well. As evidence, he provides examples of descriptions of the Middle West as varied as to encompass only areas east of the Mississippi River to only areas west of the Mississippi (Shortridge, 1989, pp. 3-5).

Figure 1. The broad, 12-state view of the Middle West.



As to the extent of the Middle West, Shortridge (1989, p. 10) states that Kentucky “is rarely associated with the region,” instead being generally considered to be a part of the (upper) South. Likewise, neither outsiders nor residents of Pennsylvania considered even portions of this state to be a part of the Middle West (Shortridge, 1989, p. 89). Adjacent portions of states bordering the remainder of the 12-state region are sometimes considered to be Middle Western, but these areas will not be relevant to our purposes here.

This 12-state region identified by Shortridge as the Middle West will be taken as the starting point for the definition of the Midwest for the Policy Choices project. Only states within this area will be considered as candidates for inclusion.

Midwest Core States

Most would agree that the five states of Wisconsin, Michigan, Illinois, Indiana, and Ohio should be included in any definition of the Midwest. These states, shown in Figure 2, will be considered to be the minimum core of the Midwest definition.

While the inclusion of these five states in any definition of the Midwest region may seem obvious and self-evident, it will be useful to briefly discuss the basis for this choice. Understanding the factors underlying this choice of the core states will be important for the later consideration of other states for inclusion.

Figure 2. The five core states of the Midwest



Historically, the five states made up the old Northwest Territory and were first settled by white inhabitants and became states in the first half of the 19th century. In addition to being a part of the Midwest, these states are adjacent to the Great Lakes and are often referred to as the Great Lakes states. (Pennsylvania and New York are far less likely to be considered as Great Lakes states, though also adjacent.)

The heart of the five-state area consists of flat, highly productive agricultural land with relatively similar types of agriculture and rural settlement. Corn and hogs are the major agricultural products. (The southernmost portions of the region along the Ohio River and the northern forested areas of Wisconsin and Michigan are distinctive.)

This region is the westernmost portion of the great manufacturing belt that developed in the latter part of the 19th century and that extends east into Pennsylvania and New York. This area formed the core of the nation’s manufacturing economy during the first part of the 20th century. Of course, with the decline in the importance of manufacturing, this is also the area now less-flatteringly referred to as the Rustbelt.

The five-state area is highly urbanized. Each state includes at least one large metropolitan area along with numerous smaller metropolitan areas. Chicago is clearly the dominant urban center within this region.

Selecting Additional States

The identification of the five core Midwestern states sets the basis for the final identification of the Midwest region for the Policy Choices project. Returning to Shortridge’s 12-state Middle West, the states can now be placed into three groupings: the five core Midwest states described above; the three adjacent states of Minnesota, Iowa, and Missouri; and the four westernmost states of North Dakota, South Dakota, Nebraska, and Kansas. These groups are shown in Figure 3, with the core states darkest, the westernmost states lightest, and the three intermediate states an intermediate color.



Figure 3. Consideration of additional states for the Midwest



This consideration of the potential addition of states to the five core states for the Midwest definition begins with the four states farthest west. North Dakota, South Dakota, Nebraska, and Kansas, in addition to being considered parts of the Middle West, are also considered to be the heart of the Great Plains. Climate and agriculture are distinctly different from the states to the east. Dominant agricultural production is cattle and wheat, as opposed to corn and hogs, and average farm sizes are much greater than in the other Middle Western states. Employment in manufacturing is lower, except for Kansas. Population densities are far lower than in the states to the east. These states lack major metropolitan areas (except for the portion of the Kansas City area that lies within Kansas) and levels of urban population tend to be lower. A few basic measures comparing the 12 states are shown in Table 1. For these reasons, it seems relatively easy to reach the decision that these states should not be considered within the Midwest region as defined for the Policy Choices project.

This leaves, of course, the three intermediate states of Minnesota, Iowa, and Missouri that are adjacent to the core states of Wisconsin and Illinois. Starting with Minnesota, Minneapolis-St. Paul is one of the major metropolitan areas of the Midwest. It is nearly always considered in comparisons of the performance of Midwestern metropolitan areas with Indianapolis. This reason alone provides strong justification for inclusion of Minnesota in the Midwest comparison region. The population density of Minnesota, while below that of the five core states, is well above the four Great Plains states. The percentage of the population urban and in Metropolitan and Micropolitan Statistical Areas is similar to Wisconsin. Agriculture, at least in the southern and southeastern parts of the state is similar to the core states, with corn and hog production predominating and farm sizes closer to the states to the east. Employment in manufacturing is somewhat lower than in the core Midwest states, but is not unimportant. Minnesota should be included in the Midwest comparison region.

Iowa comes next. In terms of terrain and agricultural production, Iowa is part of the corn belt extending east to Ohio. Corn and hogs are the dominant agricultural products, as in the states to the east. Given any concern relating to agricultural activities, including the future of corn-based ethanol production, it would be important to include Iowa within the Midwest comparison region. Urban settlement patterns in Iowa are, however, distinctively different from the core Midwest states. Iowa does not have a large metropolitan area. The percentages of the population urban and in Metropolitan or Micropolitan Statistical Areas are significantly lower than all of the states in the Middle West with the exception of North and South Dakota. But despite the more rural nature of Iowa, the percentage of the population employed in manufacturing is comparable to the numbers of the states in the core region and exceeds all of the other non-core states. This substantial manufacturing employment in a state with a population residing in smaller urban areas and in rural areas has some parallel with the manufacturing employment scattered in smaller cities and towns in Indiana. For all of these reasons, Iowa should be included in the Midwest comparison region.

Table 1. Basic Comparison Statistics for States in the Middle West

	Pop 2000 (000)	Pop Density 2000 (sq mi)	Percent Pop Urban 2000	Percent Metro/Micro Area 2000	Average Size of Farms 2002	Percent Mfg Emp 2005
Illinois	12,420	223.4	87.8	95.0	374	9.6
Indiana	6,081	169.5	70.8	94.0	250	15.9
Michigan	9,938	175.0	74.7	92.1	190	12.7
Ohio	11,353	277.3	77.4	95.6	187	12.3
Wisconsin	5,364	98.8	68.3	85.8	204	14.8
Iowa	2,926	52.4	61.1	71.4	350	12.0
Minnesota	4,919	61.8	70.9	86.7	340	10.4
Missouri	5,597	81.2	69.4	85.9	280	9.0
Kansas	2,689	32.9	71.4	83.6	733	10.4
Nebraska	1,578	22.2	69.8	84.9	930	8.6
North Dakota	642	9.3	55.9	67.8	1,283	5.8
South Dakota	755	9.9	51.9	69.8	1,380	7.8

Sources: U.S. Bureau of the Census (2006, 2008)



Missouri presents the greatest challenge. To begin with, Missouri is a border state, not clearly a part of the North or the South. Portions of the state include the Ozarks, certainly not Midwestern in terms of characteristics. Cattle represent the top agricultural commodity in the state, though corn and soybeans are second and third (U.S. Census Bureau 2006, Table A-52). The percentage employed in manufacturing is lower than in any of the five core states or in Minnesota or Iowa, but it is not that much less than Illinois. Missouri includes two major metropolitan areas, St. Louis and Kansas City that are often (though not always) included in comparisons of Midwestern metropolitan areas. Everything suggests that Missouri is on the cusp with respect to inclusion in the Midwest comparison region. Based upon the partially southern nature of the state, combined with a desire to have the definition of the Midwest comparison region smaller and more focused rather than more inclusive, Missouri is *not* included in the Midwest comparison region.

Figure 4. The proposed definition of the Midwest for the Policy Choices project



Observations on the Final Definition

The final recommended Midwest region for comparison for the Policy Choices project is shown above in Figure 4. It consists of the five core Great Lakes states—Wisconsin, Michigan, Illinois, Indiana, and Ohio—along with the two additional states of Minnesota and Iowa.

This region will be compared with several other regional definitions. This is not necessarily intended to serve as support or justification for the selection of states to be included in the regional definition. Rather,

the purpose is to simply compare the specified region with others.

The Census divides the United States into four regions for statistical purposes. The North Central Region coincides with the broader definition of the Middle West offered by Shortridge. The Census further subdivides these regions into nine divisions. The North Central region consists of the East North Central and the West North Central Divisions. The East North Central Division includes the five core Midwestern states east of the Mississippi River. The West North Central Division is made up of the seven states west of the Mississippi. The designated Midwest region includes all of the East North Central Division and two states from the West North Central Division.

The Office of Management and Budget has established standard federal regions that are used by numbers of federal agencies. Region 5 includes Minnesota, Wisconsin, Michigan, Illinois, Indiana, and Ohio. It therefore coincides with the Midwest comparison region with the exception of Iowa.

With Federal Reserve Banks in Cleveland, Chicago, St. Louis, Minneapolis, and Kansas City, the Federal Reserve Bank regions obviously divide up the Midwest. These regions do not follow state lines. The Chicago Federal Reserve Bank region is the core of the Midwest region. It includes much of Illinois, Indiana, Michigan, and Wisconsin, and all of Iowa.

The designated Midwest region is home to the original Big 10 universities. The public universities in these states have achieved a degree of prominence and a reputation that sets them above most public universities in the rest of the nation. They represent a distinctive positive asset for this region and might collectively serve as a force for regional regeneration.

Finally, Richard Longworth's book, *Caught in the Middle* (2008), addresses the problems faced by America's heartland and efforts to deal with those problems. It is relevant to the Policy Choices project for several reasons. The work focuses on the same types of public policy issues that are the subject of the Policy Choices project. Longworth's definition of the Midwest in this book is similar to the proposed definition for the Policy Choices project, encompassing largely the same seven states. He does not follow state lines in defining his version of the Midwest. Longworth excludes the southern parts of Ohio, Indiana, and Illinois, and includes the northern portion of Missouri and the easternmost parts of Nebraska. The definition of the Midwest proposed for the Policy Choices project is as close as one can come to Longworth's definition using state boundaries.

Resources

Longworth, R. C. (2008). *Caught in the middle: America's heartland in the Age of Globalism*. New York: Bloomsbury.

Shortridge, J. R. (1989). *The Middle West: Its meaning in American culture*. Lawrence, KS: The University Press of Kansas.

U.S. Census Bureau. (2006). *State and metropolitan area data book: 2006* (6th edition). Washington, DC.

U.S. Census Bureau. (2008). *County and city data book: 2007* (14th edition). Washington, DC.