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A publication of the Indiana Business Research Center at IU's Kelley School of Business

Indiana's Ag Economy

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A drive into Indiana's countryside quickly reveals fields of row crops, pastures filled with livestock, and farms with barns and equipment scattered about. Along the journey, one would likely pass several forests of tall, towering trees. All of this and more encompasses Indiana's agriculture industry. Visually, it's easy to see and appreciate the state's rich agricultural heritage, but understanding the industry of agriculture and its economic impact is more challenging.

The agriculture industry involves more than production agriculture, such as raising livestock or growing crops. It also includes manufacturing, wholesale, storage, support services, tourism and retail operations. Agriculture is entwined in every aspect of our lives through the basic essentials of food, clothing and shelter. This article highlights the findings of the Indiana Business Research Center's (IBRC) recent economic impact study on Indiana's agriculture industry[1] to inform readers about the current state of the state's agriculture economy.

Why an Economic Impact Study?

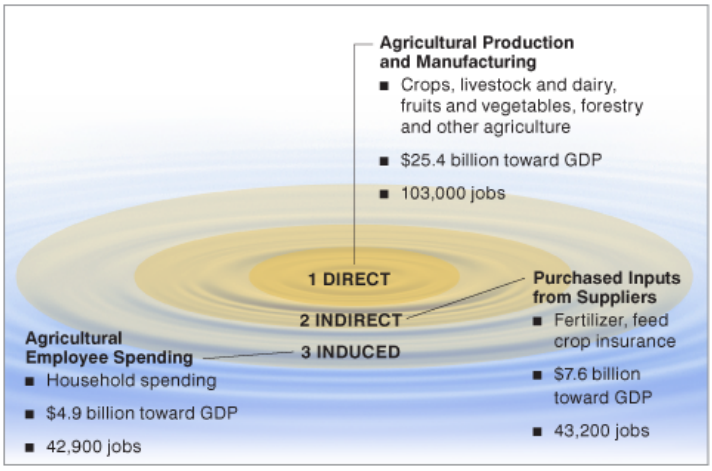
Prior to the *Agriculture's Bounty* report, agricultural agencies used a compilation of statistics from reputable agencies or independent research groups to describe the economic presence of the state's agriculture industry.[2] This provided a disjointed picture of the overall agriculture economy. The Indiana Soybean Alliance (ISA) asked the IBRC to create a digestible and comprehensive account of the economic impact the agriculture industry has upon the state using data from the U.S. Department of Agriculture's (USDA) National Agriculture Statistics Service (NASS).

The Ripple Effect

It is estimated that Indiana's agriculture industry contributed $37.9 billion in economic output and supported nearly 190,000 Hoosier jobs in 2011 (see **Figure 1**).

- The production of crops, livestock and wood products as well as the manufacture of processed agricultural goods (otherwise known as the direct effect) comprised the largest share of the economic output. Ripple 1: $25.4 billion and 103,000 jobs.
- Similar to the phenomenon of dropping a pebble into a pool of water, the agriculture production and manufacturing activity caused a ripple effect of economic activity across the state. The second ripple (indirect effect) includes the purchased inputs from suppliers that sustain farms and agricultural manufacturing businesses, such as the purchase of seed, feed, fertilizers, crop insurance and equipment. Ripple 2: $7.6 billion in economic output and 43,200 jobs.
- The third ripple (induced effect) captures the household spending of employees working at farms or other agricultural firms represented in the initial and secondary ripple effects. Ripple 3: $4.9 billion in economic output and 42,900 jobs.

Figure 1: Economic Ripple Effect of Indiana Agriculture and Forestry, 2011



Source: IBRC, using WISER Trade and NASS data from the USDA

Another measure of overall economic impact is the use of a multiplier. A multiplier is defined to be a measure of the magnitude of the economic response in a particular geographic region associated with a change in the direct effects. For the agricultural production and manufacturing industry, the multiplier was 1.49, meaning that every dollar of output supported $0.49 in additional economic activity within the state (see **Table 1**). In terms of employment, the multiplier (ratio of total employment effects to direct employment) was 1.84. This means that for every 100 jobs directly related to Indiana agriculture and manufacturing industries, another 84 jobs were supported in the state.

Table 1: The Economic Contributions of Agriculture and Forestry to Indiana's Economy, 2011

	Direct Effects	Indirect Effects	Induced Effects	Total	Multiplier
Total Output (in millions)					
All Agriculture and Forestry	$25,401	$7,581	$4,911	$37,893	1.49
Production	$12,247	$4,293	$3,002	$19,542	1.60
Processing and Manufacturing	$13,154	$3,288	$1,909	$18,351	1.40
Value Added (in millions)					
All Agriculture and Forestry	$5,661	$4,189	$2,987	$12,837	2.27
Production	$3,935	$2,243	$1,827	$8,005	2.03
Processing and Manufacturing	$1,725	$1,947	$1,160	$4,832	2.80
Employment					
All Agriculture and Forestry	102,700	43,200	42,900	188,800	1.84
Production	82,000	20,100	24,800	126,900	1.55
Processing and Manufacturing	20,700	23,100	18,100	61,900	2.99

Source: IBRC, using data from the USDA and the IMPLAN economic modeling software

Value Added

While the economic output numbers are impressive, keep in mind that these numbers do not account for the expenditures associated with creating these outputs. Value added (otherwise known as GDP) is the difference between an industry's total output and the cost of its production inputs. It consists of four components: employee compensation, proprietor income, other property tax and indirect business tax.

Indiana's agriculture and forestry-related establishments combined to generate an estimated $5.7 billion in direct value added (see **Table 1**). This activity sparked an additional $7.2 billion in indirect and induced effects throughout the state to bring the industry's total value added impact to nearly $13 billion. Compared to the state's total value added (GDP) of $267 billion, the combined effects of agriculture and forestry accounted for nearly 5 percent of Indiana's GDP in 2011.

Which Agriculture Industries Have the Most Impact?

The logical next question is, which agriculture industries contributed most to these economic impact numbers? **Table 2** outlines the top five industries in both employment and contribution to the state's GDP (value-added).[3] As anticipated, grain farming,

oilseed farming, and hogs and other animal production garnered the top three places. This is due, in part, to these industries having the top three production values in 2011. Rounding out the top five were wet corn milling and animal processing (except poultry).

Together, the top five industries were responsible for supporting approximately 67 percent of additional employment and 63 percent of the total value added to the state's GDP. Wet corn milling had the largest multiplier of all the agriculture and forestry industries in both employment and value added at 10.35 and 4.0, respectively. Recognizing that wet corn milling includes the production of corn starch, high fructose corn syrup, animal feed and ethanol—most of which are ingredients in other manufactured items—it makes sense that it has such an impressive ripple effect.

Table 2: Agriculture and Forestry's Contribution to Indiana Employment and Value Added, Top 5 Industries, 2011

	Direct Effect	Ripple Effects*	Total	Multiplier
Grain Farming				
Employment	37,170	17,680	54,850	1.48
Value Added (in millions)	$1,182	$2,030	$3,212	2.72
Oilseed Farming				
Employment	17,190	12,110	29,300	1.70
Value Added (in millions)	$1,184	$920	$2,104	1.78
Hogs and Other Animal Production#				
Employment	13,730	3,200	16,930	1.23
Value Added (in millions)	$537	$245	$782	1.46
Wet Corn Milling				
Employment	1,270	11,880	13,150	10.35
Value Added (in millions)	$314	$942	$1,257	4.00
Animal Processing (Except Poultry)				
Employment	5,910	7,040	12,950	2.19
Value Added (in millions)	$269	$494	$763	2.84
Total (All Agriculture and Forestry Industries)				
Employment	102,760	86,130	188,890	1.84
Value Added (in millions)	$5,661	$7,176	$12,837	2.27

* Ripple effects refer to both indirect and induced effects.
# "Other animal production" refers to sheep, goats, aquaculture, etc. Cattle and poultry production are separate industries.
Source: IBRC, using data from the USDA and the IMPLAN economic modeling software

How Do These Results Compare to Past Statistics?

A common question received after the report was released was, "how do these results compare to past reports—is Indiana agriculture growing?" Unfortunately, there is not another agriculture economic impact study that allows us to directly compare past numbers with these data. And if one looks at the data that are available, methodology differences alter which industries are considered agriculture and forestry—which can greatly skew the numbers.

However, with this in mind, the Indiana State Department of Agriculture had several talking points they utilized during Governor Daniel's first administration that can be used as a reference point. It was stated that approximately $25 billion was added to Indiana's economy from farm, food and forestry products—this report shows $37.9 billion, a 52 percent difference.

A 2005 report by BioCrossroads estimated that agriculture had a $10 billion multiplier effect on local economies (determined by multiplying the multiplier with the 2003 wages by agriculture industry). It implied that for every dollar in direct wages and income from farm, food and forestry workers, more than 2.5 times that amount flowed back into the local economy.[4] The current report did not attach wages to the multiplier effects, so a comparison cannot be made.

Based on the few comparison points, one would argue that the state's agriculture and forestry industry has increased its economic footprint since the mid-2000s. A cynic may retort that the increase is due to high commodity prices—hence the economic impact numbers are inflated. While it is true that the prices received for commodity goods have dramatically increased in the past decade

and that farmers have enjoyed particularly good prices in the past two years alone, the expenditures associated with producing the commodities to garner those prices have increased dramatically as well.[5]

Despite the increase in commodity prices, production of raw agricultural products has not increased unilaterally across all categories. Production quantities actually decreased in the past five years (2006-2011) for several commodities, such as soybeans and cattle and calves (16.2 percent and 22.6 percent, respectively). Soybean production declined due to fewer acres planted (however, corn production dropped slightly as well 1.4 percent) and drops in yield due to persistent plant and pest diseases. Cattle production numbers have declined due to soft demand, higher feed prices and drops in number of cattle raised.

On the other hand, pork production has seen a strong increase (18.2 percent) as well as other animal production (45.9 percent), which primarily covers aquaculture. Pork production has enjoyed strong state support with its initiative to increase pork production. The aquaculture industry has grown rapidly in the past five years, thanks in part to strong expansions at Bell Aquaculture in southern Indiana.

Summary

As Hoosiers continue on their countryside journey, hopefully they will also realize the great economic contribution that Indiana agriculture brings to the state. It is understandable why Indiana's agricultural industries have been encouraged to expand in the past decade—with $37.9 billion in total economic output, leading to approximately $13 billion in value added to the state's GDP while supporting approximately 190,000 jobs. The state's agriculture and forestry industry future is very bright, and it continues to have strong support from the new governor. Opportunities have been identified on how to leverage the state's agriculture expertise for additional future economic growth.[6]

In the meantime, agriculture production will maintain its ebb and flow despite potential setbacks due to weather conditions or forecasted commodity price drops. Agricultural technology will continue to change the productivity levels of raw commodity products such as increased crop yields and better livestock genetics. Our forests will continue to be re-populated to maintain sustainable logging practices. And Hoosiers who farm or don't farm will remain in awe of the acres upon acres of our agricultural bounty.

Notes

1. Indiana Business Research Center, "Agriculture's Bounty: The Economic Contribution of Agriculture," May 2013, **www.ibrc.indiana.edu/studies/AgriculturesBounty.pdf**.
2. Examples of these agencies and research groups include but are not limited to: U.S. Census Bureau; USDA's National Agricultural Statistics Service, Economic Research Service and Forest Service; BioCrossroad's 2005 and 2012 agriculture reports; Indiana's Hardwood Association; and Purdue University's College of Agriculture.
3. The report outlines the top 15 in each category separately. For the sake of brevity, the top five were chosen for this article.
4. BioCrossroads, "Find Out What We're Made Of: A Strategic Plan for Indiana's Agricultural Economy 2005," January 2005, **www.biointellex.com/Reports/Ag-Innovation**.
5. Since January 2003, the prices received for all crops have increased by 123.5 percent, by 75 percent for livestock products and by 103 percent for all agricultural products.
6. Examples of these opportunities include Governor Pence's initiative to create a Food and Agriculture Innovation Corridor that piggybacks on the 2012 BioCrossroads report identifying ways that Indiana could leverage the agricultural research and expertise into innovative collaborations.

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Per Capita Income Recovery: Indiana Counties

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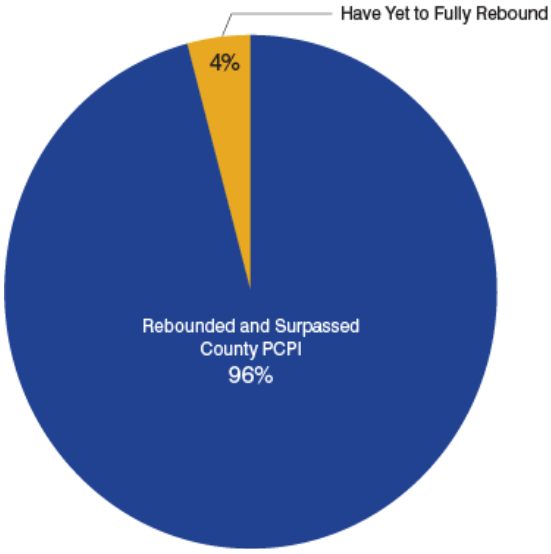
By 2011, 96 percent of Indiana counties had not only returned to their 2008 per capita personal income (PCPI) levels, they had surpassed them. The positive county growth percentages ranged from 0.04 percent to 13.6 percent. Four counties proved particularly resilient during the recession and the generally slow recovery and posted year-over-year growth in PCPI from 2008 to 2011 (see **Figure 1**).

Figure 1: Relative Status of Per Capita Personal Income, 2008 (Recession) to 2011 (Recovery)



Source: Indiana Department of Workforce Development, using Bureau of Economic Analysis data

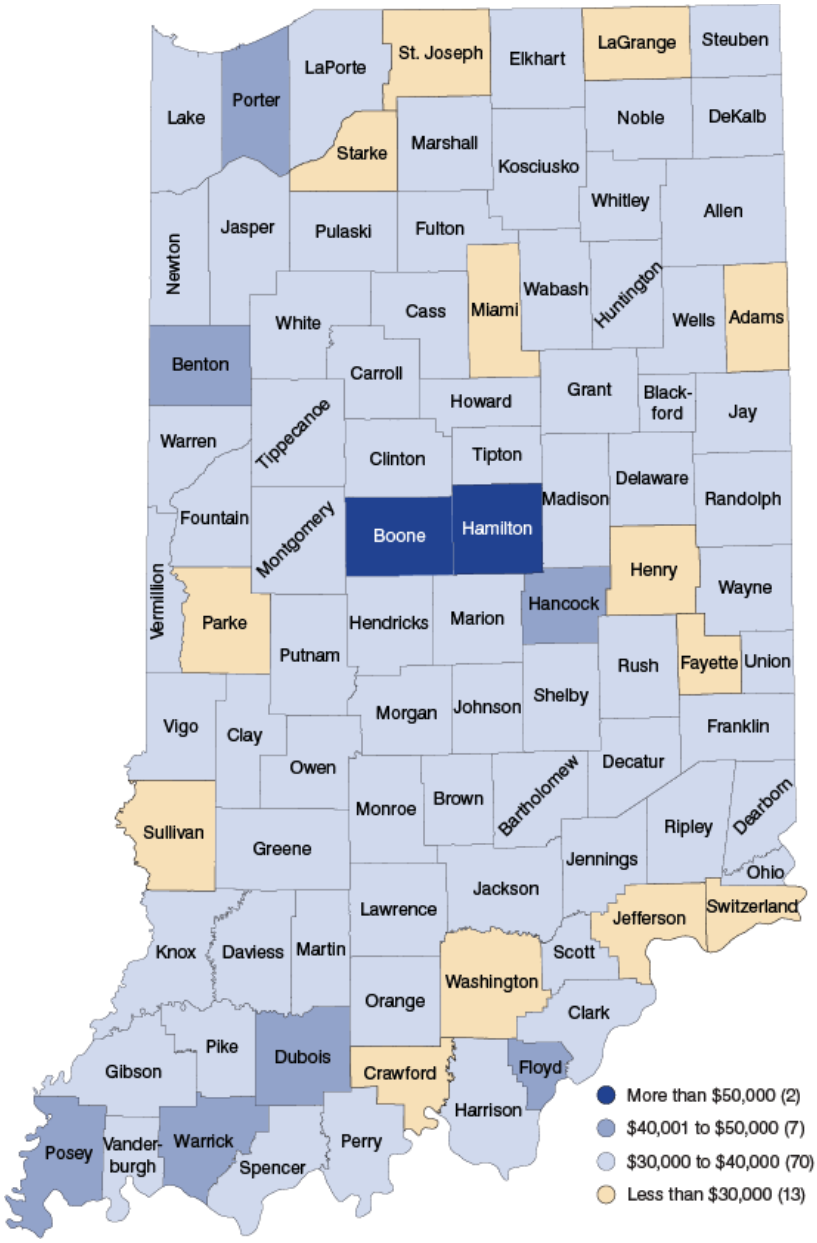
To better understand Indiana county income dynamics, a time series analysis was conducted using PCPI levels from 1990 to 2011, using Bureau of Economic Analysis (BEA) data from the Hoosiers by the Numbers website (**www.hoosierdata.in.gov**).

Using nominal dollars, PCPI was ranked based on three criteria:

1. 2011 PCPI
2. Total Percent Growth in PCPI from 1990 to 2011
3. Average Annual Percent Growth in PCPI from 1990 to 2011[1]

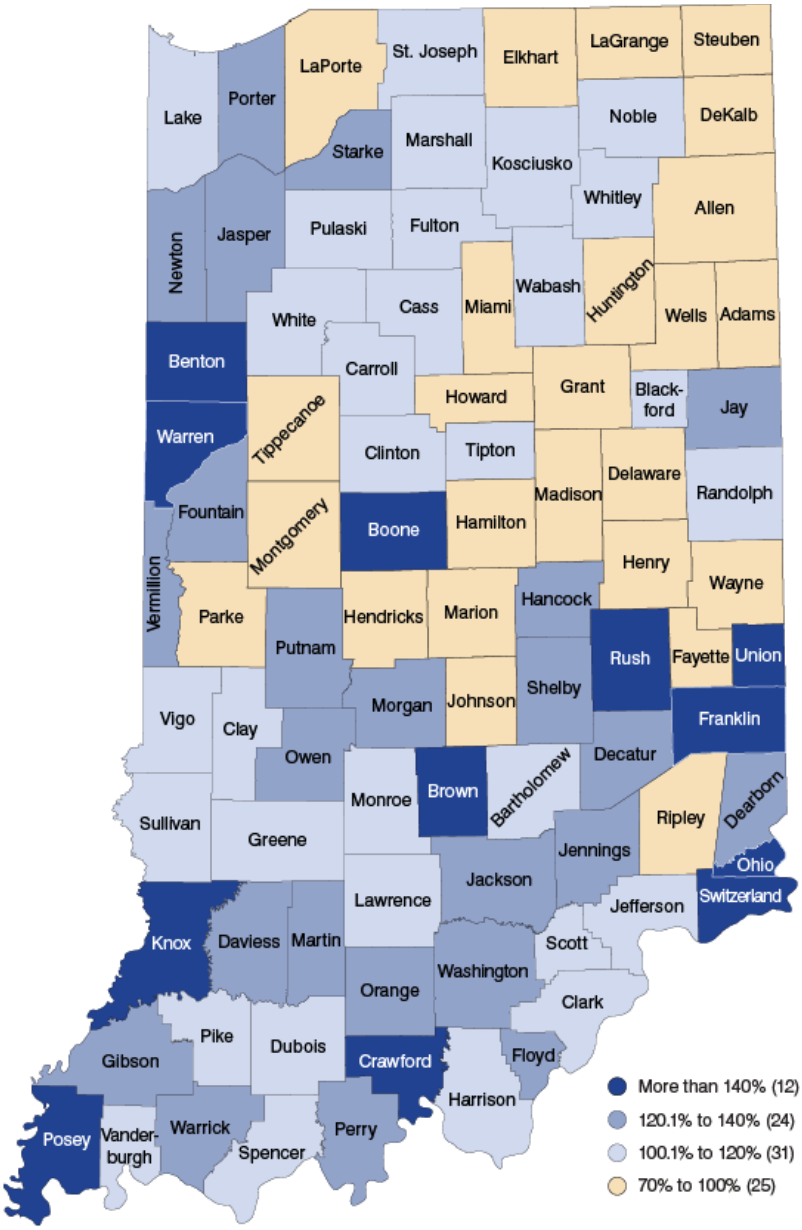
Figures 2 through **4** illustrate these data and you can also **download the spreadsheet**.

Figure 2: Indiana County Per Capita Personal Income, 2011



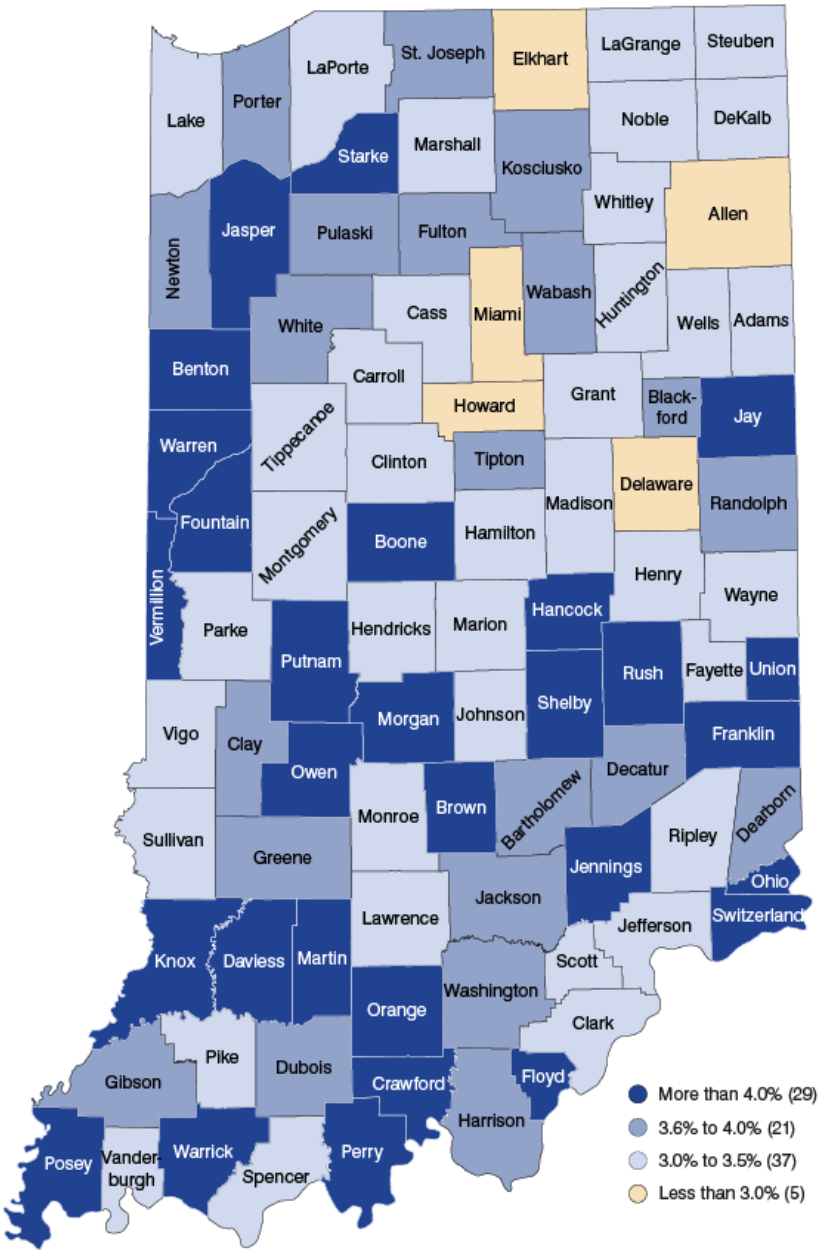
Source: Indiana Department of Workforce Development, using Bureau of Economic Analysis data

Figure 3: Per Capita Personal Income Total Percent Growth, 1990 to 2011



Source: Indiana Department of Workforce Development using Bureau of Economic Analysis data

Figure 4: Average of Annual Percent Growth in Per Capita Personal Income, 1990 to 2011



Source: Indiana Department of Workforce Development, using Bureau of Economic Analysis data

The latter two criteria tended to favor less populated counties. As two of the three criteria are based on growth rates, smaller counties can be influenced by events which would not significantly influence a large county. For example, the addition of a major factory in a rural county will have a much larger impact on PCPI than if the same factory was to locate in a heavily populated county. Heavily populated counties tend to exhibit increased stability with respect to PCPI growth rates. For this reason (and others), the results are not intended as a qualitative assessment of the counties.

The positive trend in PCPI growth appears to be strengthening. From 2010 to 2011, 99 percent of counties experienced growth in their per capita incomes. National events notwithstanding, county PCPI has stabilized since the recession and is showing growth in Indiana.

Notes

1. The percent change for each year from 1990 to 2011 was calculated for each county. These yearly growth rates for the county were then averaged. The purpose of this category was to somewhat discount income variation. A county could have had only a few excellent years of growth followed by many years of lackluster growth, so this category places weight on consistently growing counties.

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Exploring Hoosier Minority Groups: Indiana's Hispanic Population

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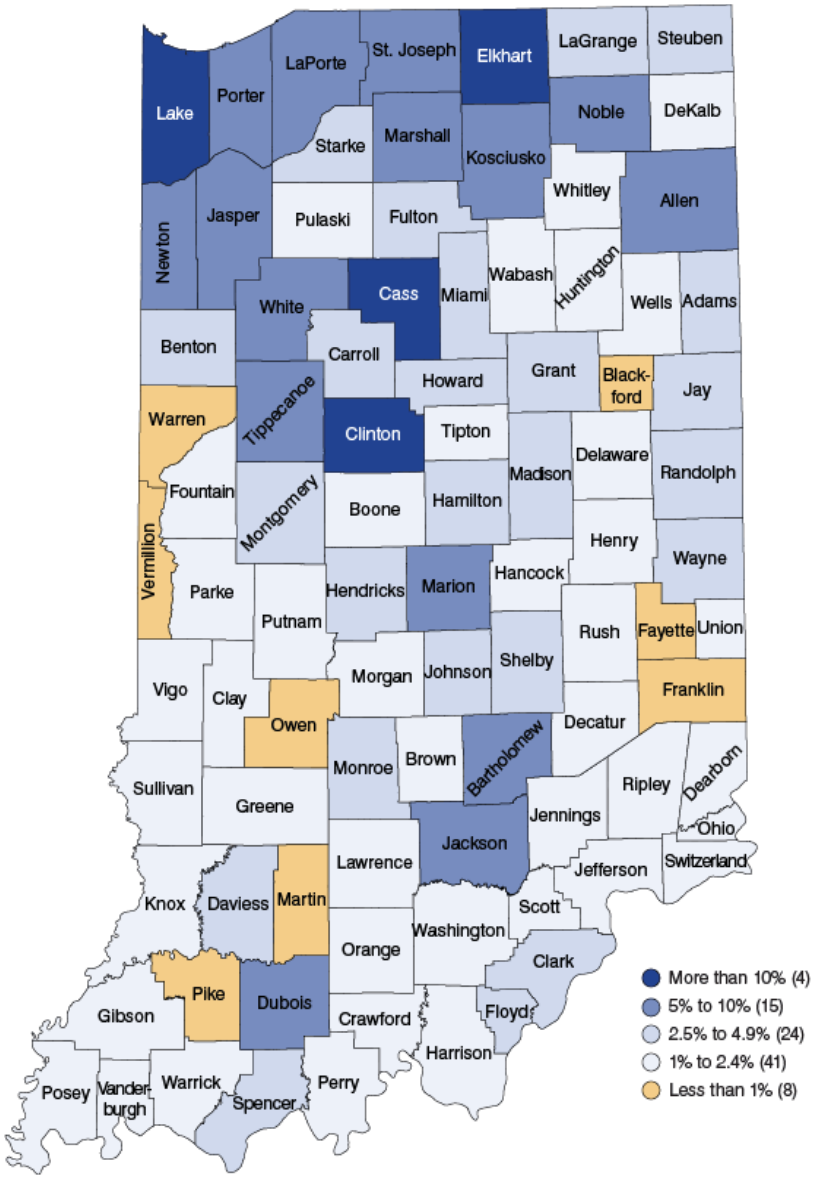
Indiana's population has become increasingly diverse in terms of race and origin. Results from the latest census count for 2010 provide us with a rich set of information from which to gain insight into our population diversity. This article is the second of four *InContext* articles to provide demographic snapshots of our minority population. Hispanics comprised 6.0 percent of Indiana's population in 2010 and will be the focus of our second snapshot. (**View the first article on Indiana's black population here**.) The overview that follows focuses on population, household formation, income and education.

Population

389,707 Hoosiers reported their ethnicity as Hispanic or Latino in 2010. At the county level, Hispanics comprise anywhere from 0.7 percent (Martin County) to 16.7 percent (Lake County) of the total population (see **Figure 1**).

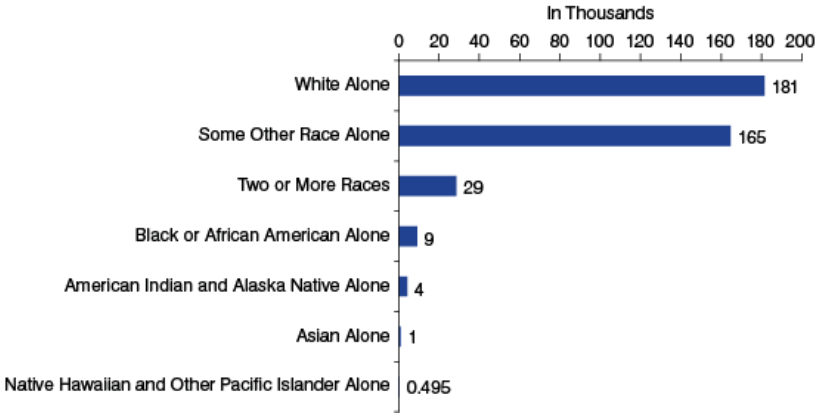
Figure 1: Hispanics as a Percent of Total Population, 2010



Source: IBRC, using Census 2010 data

The Census Bureau considers the Hispanic/Latino classification to be an ethnicity, not a race. That means one can be a white Hispanic, a black Hispanic, etc. **Figure 2** shows the racial breakdown of the state's Hispanic population.

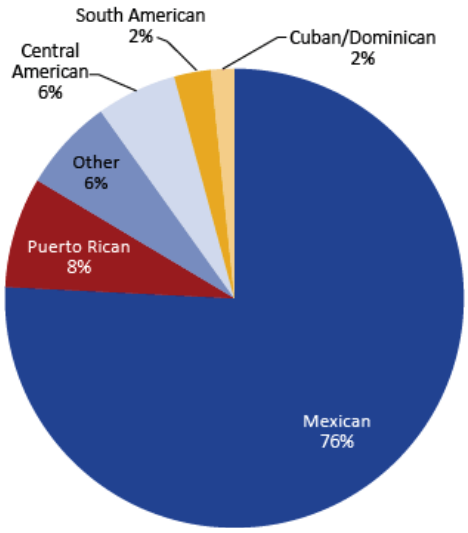
Figure 2: Indiana Hispanic Population by Race, 2010



Source: IBRC, using Census 2010 data

Figure 3 shows that 76 percent of Indiana's Hispanic population is Mexican, followed distantly by Puerto Ricans at 8 percent.

Figure 3: Indiana Hispanic Population by Type, 2010

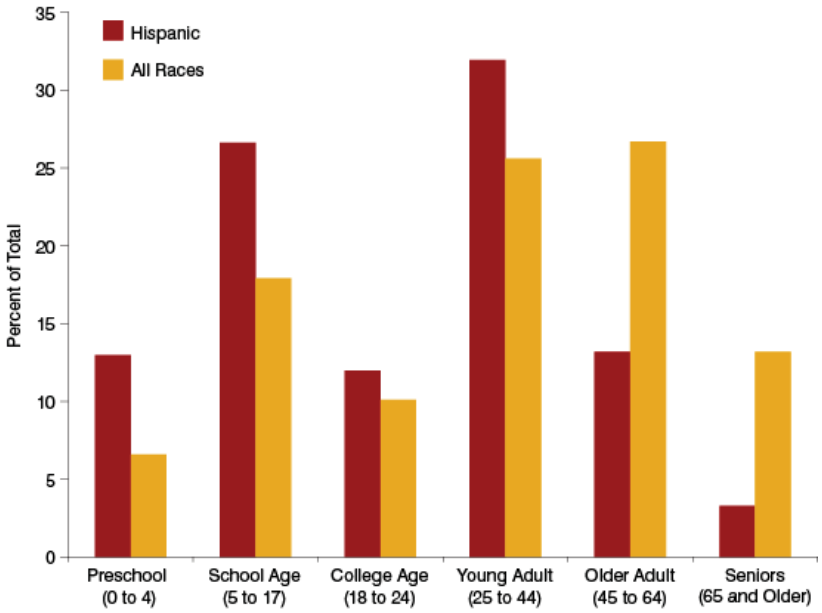


Note: Central American excludes Mexican.
Source: IBRC, using Census 2010 data

Since 2000, Indiana's Hispanic population has grown by nearly 82 percent—an increase of 175,171 people. This growth ranged from 20.1 percent in LaGrange and Greene counties to more than 270 percent in Hendricks and Union counties. In fact, 28 counties saw their Hispanic population increase by more than 100 percent.

In addition, the Hispanic population is significantly younger than the state's population overall (see **Figure 4**). The median age for Hispanics is 24.1 years, compared to 37.1 for the overall population.

Figure 4: Indiana Age Distribution, 2010

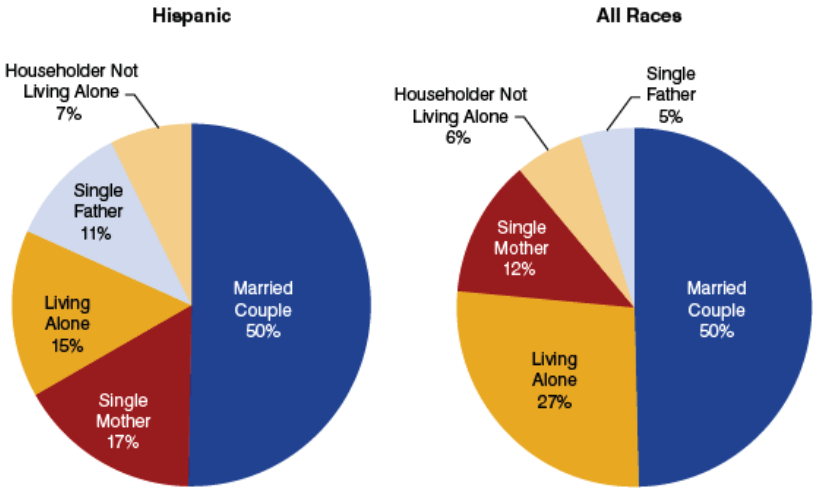


Source: IBRC, using Census 2010 data

Households

Census 2010 reports 99,136 Hispanic households in the state. (When it comes to ethnicity at the household level, the household is characterized based on the ethnicity of the primary householder.) Half of all Hispanic households were comprised of married couples, similar to the overall population, while fewer Hispanics live alone (see **Figure 5**).

Figure 5: Indiana Households by Type, 2010



Note: The single-mother category is "female householder, no husband present" and the single-father category is "male householder, no wife present."
Source: IBRC, using Census 2010 data

Forty-five percent of the Hispanic population lives in rented units, relative to 28 percent of the total population (see **Table 1**).

Table 1: Indiana Homeownership, 2010

	Hispanic	All Races
Owned with a Mortgage or a Loan	46%	57%
Owned Free and Clear	10%	16%
Renter Occupied	45%	28%

Note: These percentages are based on the population in occupied housing units.
Source: IBRC, using Census 2010 data

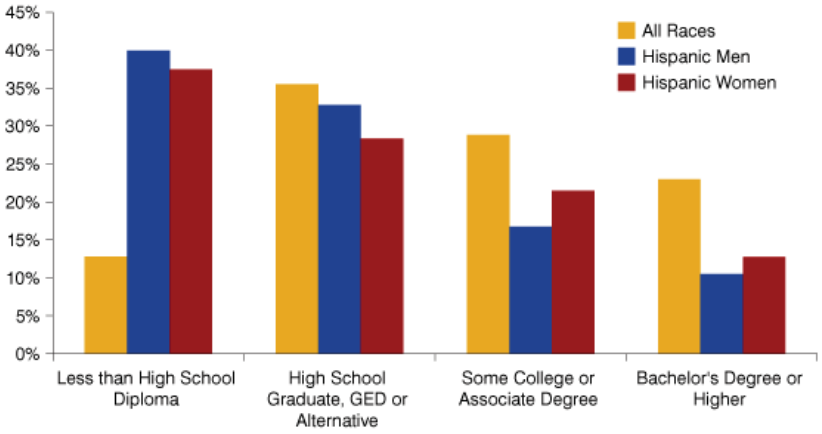
Income and Educational Attainment

Since Census 2010 did not collect any economic data, we must turn to the 2011 American Community Survey (ACS) for this information. Per capita income in 2011 was just $12,784 for Indiana's Hispanic population, compared to $23,524 for the overall population. Meanwhile, the median household income for Indiana's Hispanic households was $35,122—about $11,000 less than the median for all households in the state ($46,438).

The poverty rate was 34 percent for Indiana's Hispanics according to the ACS, compared to 16 percent for the overall population.

Figure 6 shows educational attainment for the Hispanic population broken down by gender. While 13 percent of the overall population lack a high school diploma or GED, those numbers surge to 40 percent for Hispanic men and 37 percent for Hispanic women.

Figure 6: Indiana's Adult Educational Attainment, 2011



Note: Educational attainment statistics are calculated for those age 25 and older.
Source: IBRC, using American Community Survey data

Learn More

To access more data about Indiana's Hispanic population, visit American FactFinder from the U.S. Census Bureau at **http://factfinder2.census.gov**, which contains data from both Census 2010 and the latest American Community Survey.

For a look into Indiana's other minority groups, visit other articles in this series:

- **Indiana's Black Population**
- Indiana's Asian Population—*Coming in the September-October Issue*
- Indiana's Native American Population—*Coming in the November-December Issue*

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The 2013 Metro Landscape for Indiana

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The first statistical grouping of counties was defined in 1950 in an effort to create comparable data across similarly populated areas throughout the nation. At that time, Indiana had eight standard metropolitan statistical areas (SMSAs) where at least one county in the SMSA was within the state's boundaries. In the 63 years since the original groupings, Indiana's population has grown and become increasingly concentrated, leaving us with 15 metro areas and 24 micro areas in 2013.

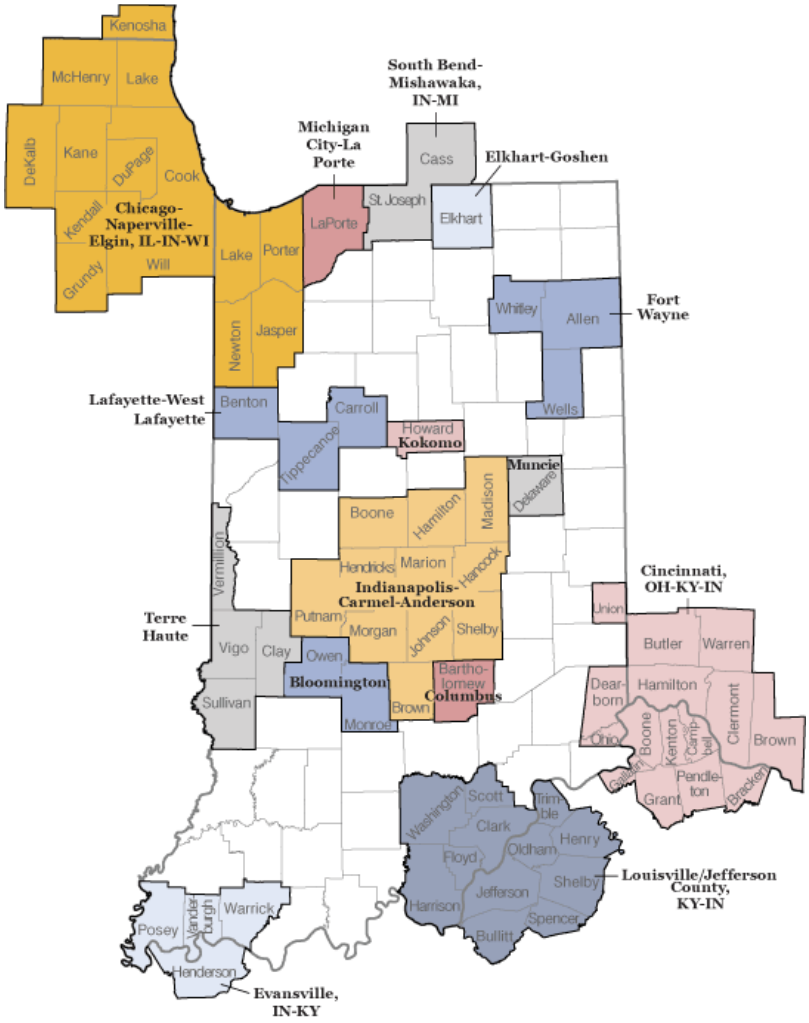
According to the most recent data available, 77.5 percent of Indiana's population lived in a metro while micros were 15.5 percent of the population in 2012. This means that only 7.1 percent of Indiana's population is not part of a statistical area.

Fifteen Metropolitan Areas

Metropolitan statistical areas are defined as including a core county with a population of at least 50,000 and any adjacent counties that are highly integrated socially or economically. County integration is determined by commuting ties.

Twelve metros have the core county in Indiana (the county with a population of at least 50,000), while three metros have an out-of-state core county but include Indiana counties (see **Figure 1**).

Figure 1: Indiana's Metropolitan Statistical Areas, 2013



Note: The four Indiana counties in the Chicago metro area form the Gary Metropolitan Division.
Source: Indiana Business Research Center, using February 2013 definitions from the OMB

The Chicago-Naperville-Elgin metro is the largest metro with counties in Indiana, but most of its large population lives outside of Indiana (nearly 8.8 million of 9.5 million people). If we look solely at the metros contained in Indiana, the Indianapolis-Carmel-Anderson metro is unsurprisingly the largest (see **Table 1**).

Table 1: Indiana Metro Population, 2000 to 2010

Metropolitan Areas		Population		Change, 2000 to 2010	
Name	State(s)	April 1, 2000	April 1, 2010	Number	Percent
Chicago-Naperville-Elgin*	IL-IN-WI	9,098,316	9,461,105	362,789	4.0
Cincinnati*	OH-KY-IN	1,994,830	2,114,580	119,750	6.0
Indianapolis-Carmel-Anderson	IN	1,658,462	1,887,877	229,415	13.8
Louisville/Jefferson County*	KY-IN	1,121,109	1,235,708	114,599	10.2
Fort Wayne	IN	390,156	416,257	26,101	6.7
South Bend-Mishawaka*	IN-MI	316,663	319,224	2,561	0.8
Evansville*	IN-KY	296,195	311,552	15,357	5.2
Lafayette-West Lafayette	IN	178,541	201,789	23,248	13.0
Elkhart-Goshen	IN	182,791	197,559	14,768	8.1
Terre Haute	IN	170,943	172,425	1,482	0.9
Bloomington	IN	142,349	159,549	17,200	12.1
Muncie	IN	118,769	117,671	-1,098	-0.9
Michigan City-La Porte	IN	110,106	111,467	1,361	1.2

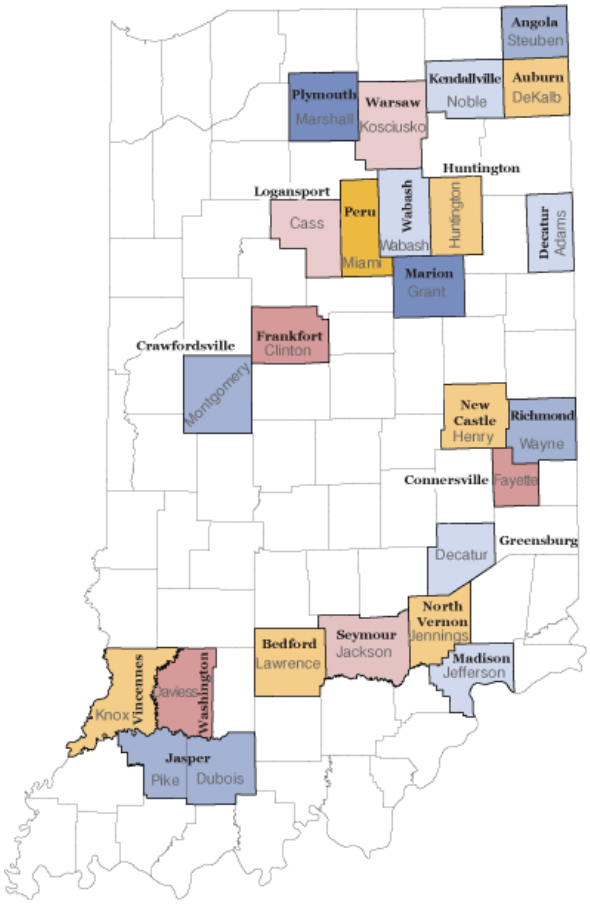
Kokomo	IN	84,964	82,752	-2,212	-2.6
Columbus	IN	71,435	76,794	5,359	7.5

*Metros with at least one county outside Indiana's boundaries
Source: Indiana Business Research Center, using Census Bureau data

Twenty-Four Micropolitan Areas

Micropolitan statistical areas are counties with a population of at least 10,000 but less than 50,000 and any adjacent counties integrated by commuting. In Indiana, the only difference between the 2009 metro definitions and the 2013 metro definitions is that Scott County is no longer a micro (because it is now included in the Louisville/Jefferson County metro delineation). The other 24 micros are the same in 2013 as they were in 2003, the last time the definitions received major revisions (see **Figure 2**).

Figure 2: Indiana's Micropolitan Statistical Areas, 2013



Source: Indiana Business Research Center, using February 2013 definitions from the OMB

One Metropolitan Division

In 2000, the term "Metropolitan Division" was introduced to divide metros that have a population core of at least 2.5 million.

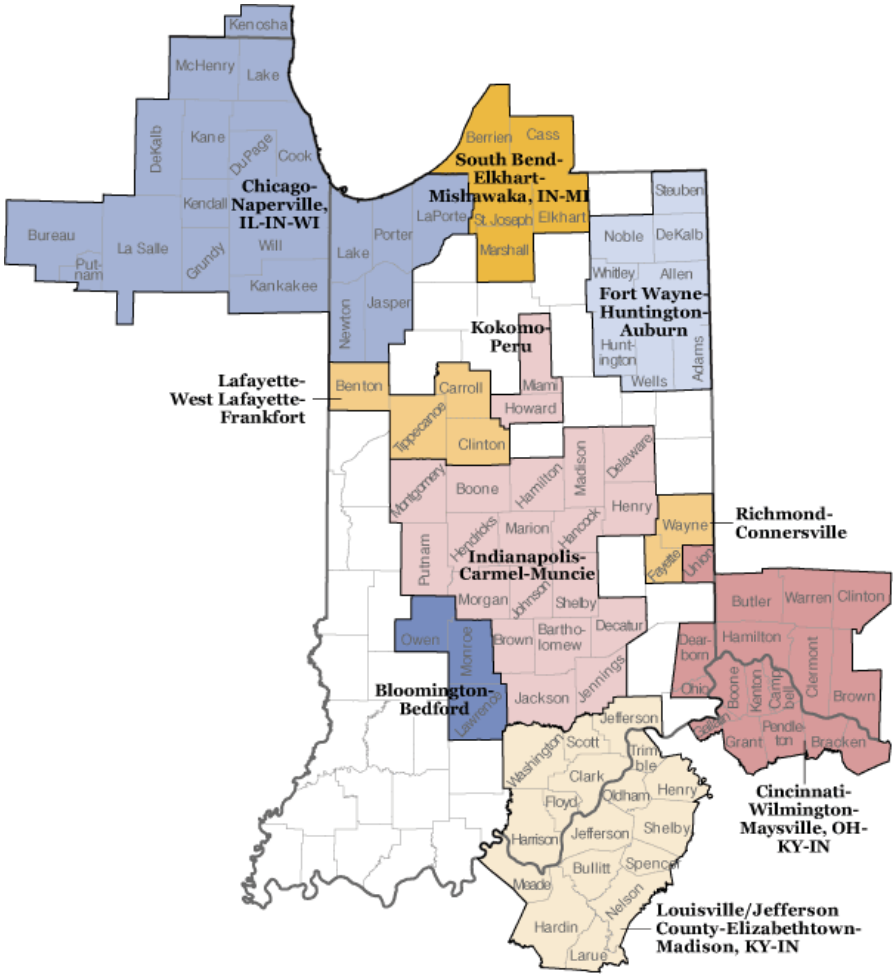
There is one metropolitan division in Indiana—the Gary metro division, which includes Jasper, Lake, Newton, and Porter counties in the northwest corner of Indiana. It is a division of the Chicago-Naperville-Elgin metro and contains slightly more than 700,000 people.

Ten Combined Statistical Areas

There were eight combined statistical areas (CSAs) in Indiana with the 2009 definitions, but 10 with the new 2013 definitions (see **Figure 3**). CSAs are just what the name implies: metros and micros that are combined into a single region. How does the Office of Management and Budget (OMB) determine which counties make up a CSA? The answer is by looking at broader social and economic interactions (wholesaling, commodity distribution and weekend recreation activities). CSAs are defined to serve as a useful data set for regional authorities and the private sector, as they are the broader areas that give a better understanding of the

overall demographics in an economically and socially connected area.

Figure 3: Indiana's Combined Statistical Areas, 2013



Source: Indiana Business Research Center, using February 2013 definitions from the OMB

It is important to note that the OMB changed its standards and how they apply to the Census Bureau data, which resulted in more CSAs across the United States, not only in Indiana.

Comparing Apples to Apples

We know that comparing micros to micros and metros to metros is acceptable, but what about the trickier ones, like metros to metro divisions? Because the criteria used to determine the boundaries are different for metros and metro divisions, the OMB does not generally suggest ranking or directly comparing metros to metro divisions. However, since the divisions contain such large populations and often have similar patterns as metros, there are cases when using the metro division in comparison to metros is acceptable. For example, the Gary metro division is often compared to other metros in Indiana since it is such a small component of the larger Chicago region and its population is entirely contained in Indiana.

On the other hand, one should not compare CSAs to individual metros and micros because CSAs are groupings of metros and micros, which makes them incompatible for comparison.

How the New 2013 Definitions Affect Hoosiers

Metros change over time. For example, the Anderson metro is no longer a single-county metro. It has amalgamated with the Indianapolis-Carmel-Anderson delineation, indicating Madison County's close commuting ties with the Indianapolis area.

Five Indiana counties were either completely dropped or added from the metro/micro lists from 2009 to 2013 (see **Table 2**). Four of the five counties were dropped from metros. Union County was the only county added to a metro that was not included in the 2009 delineations.

Table 2: Counties Added or Dropped from Statistical Area Delineations, 2009 to 2013

County	Added to the 2013 Definition	Dropped from the 2013 Definition
Franklin		Cincinnati, OH-KY-IN Metro
Gibson		Evansville, IN-KY Metro
Greene		Bloomington Metro
Tipton		Kokomo Metro
Union	Cincinnati, OH-KY-IN Metro	

Source: Indiana Business Research Center

What does this mean for the areas now included and those counties that were dropped from the groupings? While the OMB advises against using these data specifically for nonstatistical purposes (i.e., funding and grants), the data are often used either directly or indirectly to determine funding for certain programs. Therefore, the counties now included in definitions may see access to certain program funds that were not previously available and vice versa.

Metros, micros and CSAs are not urban and rural classifications. The OMB states that the delineations it uses may contain both urban and rural settings and to refer to them as one or the other would be misleading. Therefore, if certain programs plan on using these data for funding based on urban and rural definitions, planners should look more closely in each area to determine whether or not to include specific counties or areas and not necessarily use the pre-defined statistical areas.

Learn More

For more on the OMB's standards, see **2010 Standards for Delineating Metropolitan and Micropolitan Statistical Areas**.

For a complete list of the nation's metros, micros and CSAs, see **Revised Delineations of Metropolitan Statistical Areas, Micropolitan Statistical Areas, and Combined Statistical Areas, and Guidance on Uses of the Delineations of These Areas**.

Notes

1. 2012 population estimates come from **STATS Indiana**: Numbers do not add to 100 percent due to rounding.

inContext

A publication of the Indiana Business Research Center at IU's Kelley School of Business

Gibson Is Gone (and So Is Webster)

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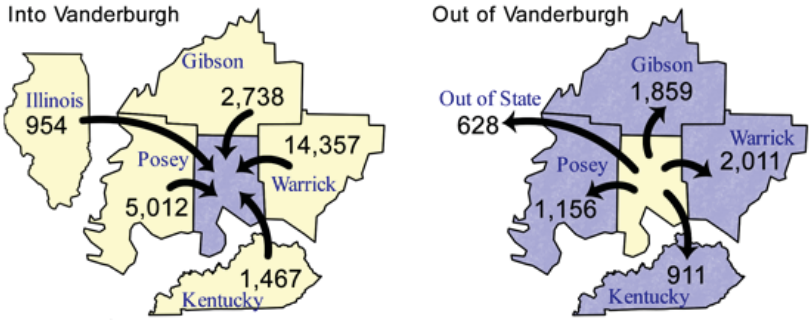
A statistical tragedy struck Indiana in February 2013. The revised delineations for metropolitan and micropolitan statistical areas were released by the federal Office of Management and Budget (OMB) and the Evansville metro area lost Gibson County (home to Toyota) and Webster County in Kentucky.

Why a tragedy? In market research and site locator circles, the metropolitan area is a primary focal point for them. Researching and comparing about 300 areas (compared to 3,100 counties) makes their work a bit easier. Whether this approach is good or bad will not be the subject here (although we would point these folks to the ***USA Counties in Profile*** where they can easily find comparable data for all counties nationwide).

Gibson and Webster counties should not have been removed from the Evansville metro area definition. Gibson County has become even more "integrated" (see **previous article**) in the fabric of the core city of Evansville and both Webster and Henderson counties in Kentucky have historical and current economic and social ties to Evansville.

The loss of Gibson County as part of the metropolitan area AND as a "crossover" county among the many micropolitan areas it is adjacent too, is the most egregious. Gibson County is home to one of the largest auto assemblers in the state and the beneficiary of the many suppliers that have located in Gibson and other nearby counties. Looking at our most recent commuting data, we can see the large volume of commuters shuffling between Gibson and Evansville's core county (see **Figure 1**).

Figure 1: Vanderburgh County's Top Five Commuting Relationships, 2011



Source: STATS Indiana Commuting Profile

Considering that commuting is a key consideration for OMB in its guidelines, we are left to wonder what information they used that caused them to shrink this metro area. Since the decennial census no longer yields commuting data, we will perhaps consider turning our attention in future articles to the pitfalls of using the American Community Survey five-year estimates to determine these important definitions.

We shouldn't take this. What we should and can do is let the OMB know that this is a mistake and that correcting it sooner rather than later is a necessary action.

You can submit your comments about this issue via this web form (OMB is part of the White House): **www.whitehouse.gov/contact/submit-questions-and-comments**.