

The State of the Indiana Economy

- In a 2-year period from 2000-2002, Indiana lost about 4 percent of its jobs, compared with a loss of only 0.9 percent nationwide.
- Indiana's job loss was seven times worse than the national average
- Job totals in manufacturing sector now at lowest level since early 1980's

The State of the Indiana Economy

- State employment peak occurred in May 2000 with 3.013 million jobs
- In May 2002, state employment stood at 2.891 million jobs, a loss of 122,300 or 4.1 percent.

The State of the Indiana Economy

- Manufacturing jobs probably lost forever.
- In today's global economy, manufacturing gravitates to lowest labor costs and availability.
- China, India, other parts of Asia and Mexico all have much lower labor costs than Indiana and the nation.

The State of the Indiana Economy

- Most of Indiana's job loss has been in the manufacturing sector.
- Other sectors lagging:
Real Estate, Finance, Insurance, Retail Trade, Services sectors have not kept pace with the nation.
- We're in the midst of a deep and systemic economic decline and restructuring.

The State of The Indiana Economy

Indiana Job Loss Other Sectors, Jan 00 – Oct 02

Construction/Mining	-6.9%
Transportation/Public Utilities	-5.6%
Wholesale Trade	-5.7%
Retail Trade	-3.2%
Finance, Insurance, Real Estate	-1.1
Services	+1.2%
Fed, State, Local Government	+1.4

Source: Indiana Business Research Center, Outlook 2003

The State of the Indiana Economy

Productivity Gains and Labor Efficiency have also worked to constrain job growth in Indiana and the nation.

Productivity Growth

1.4%	1980-1995
2.6%	1996-2002
3.1%	4/2001 to Present

What Can Be Done?

- Educational System must play a key role in helping Indiana recover from these structural economic changes.
- Hoosiers must do a better job preparing for the skills needed for the new jobs in the 21st Century

What Can Be Done?

Job Skills for the New Indiana Economy

*Knowledge-based,
information-oriented,
technology saturated*

Job Skills Needed for Indiana's New Economy

Strong Quantitative & Analytical Reasoning Skills

Accounting, Financial Management, Strategic Planning, Production Management, Statistical Quality Control, Operations Research, Cost-Benefit Analysis, Market Research, Program Evaluation, Performance Measurement

Where We Fall Short

60 percent of the 30 fastest growing occupations in the country require an associates degree.

Where We Fall Short

Student Achievement/Academic Preparation Still Lags:

– 8th Graders Scoring “proficient” on national assessments still lag the nation in math and science.

- Source: Measuring Up 2002, State Profiles

Where We Fall Short

**College Participation Rates Still Lag,
among both young and working age
adults:**

- HS Freshman Enrolling In College
w/in 4 years: 43% (54% In Top States)
- 25-49 Year Olds Enrolled in Post-Sec
Education: 2.9% (5.4% In Top States)

Where We Fall Short

College Persistence Rates Still Lag:

1st Year Community College students
returning their 2nd year:

– 46% in Indiana (63% Top States)

Freshman at 4-Year colleges/universities
returning their 2nd year:

- 77% in Indiana (83% Top States)

Source: Measuring Up 2002, State Profiles

What Can We Do: The State of Indiana

- State Must Facilitate Closer Connections between K-12 and Higher Education, and the workforce.

What Can We Do: The State of Indiana

Other Policy Issues

- Strengthen ISTEP
- Align academic expectations
- Graduate more students from high school and post secondary
- Create a “true” community college; with workforce development mission.

What Can We Do: Indiana Communities

- Know Strengths & Weaknesses of Local School Districts
- Know What the High Demand Jobs Are & the Skills Required to Obtain Them
- Support New Models which lead to post secondary completion



Ivy Tech State College: Indiana's Engine of Workforce Development

- Now Serving 100,000 Students on 23 campuses statewide
- More than 16,000 Students in Central Indiana region.
- Fastest growing college and second largest in Indiana.

IVY TECH STATE COLLEGE



YOUR COMMUNITY
COLLEGE