

# The Outlook for the Indiana Economy

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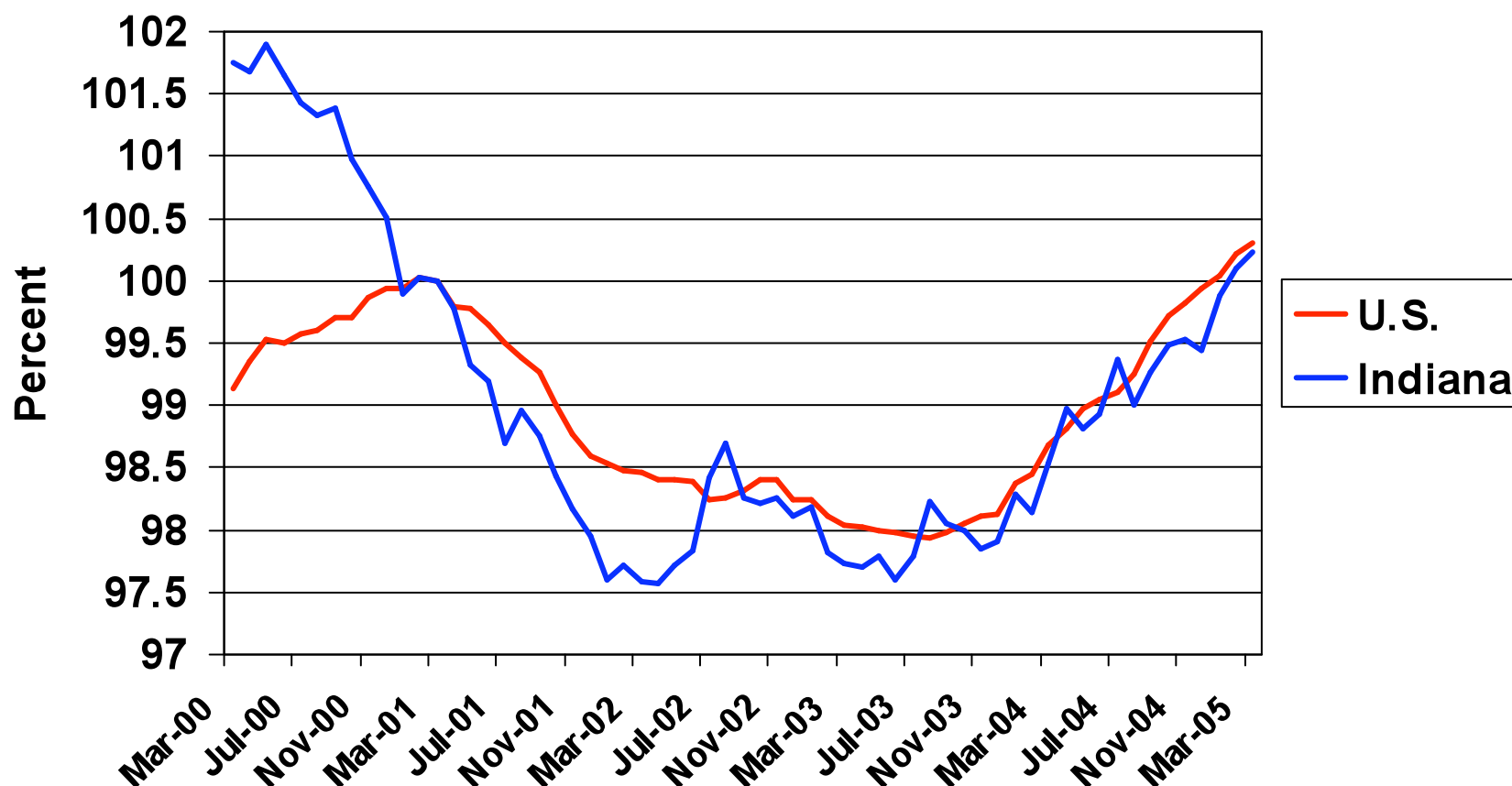
Ball State University

# Our Economic Future

- Most recent performance of state economy is quite heartening
- Our fate will always be linked to the health of the U.S. economy
- Long-term challenges remain difficult
- Indianapolis and the rest of the state are quite different

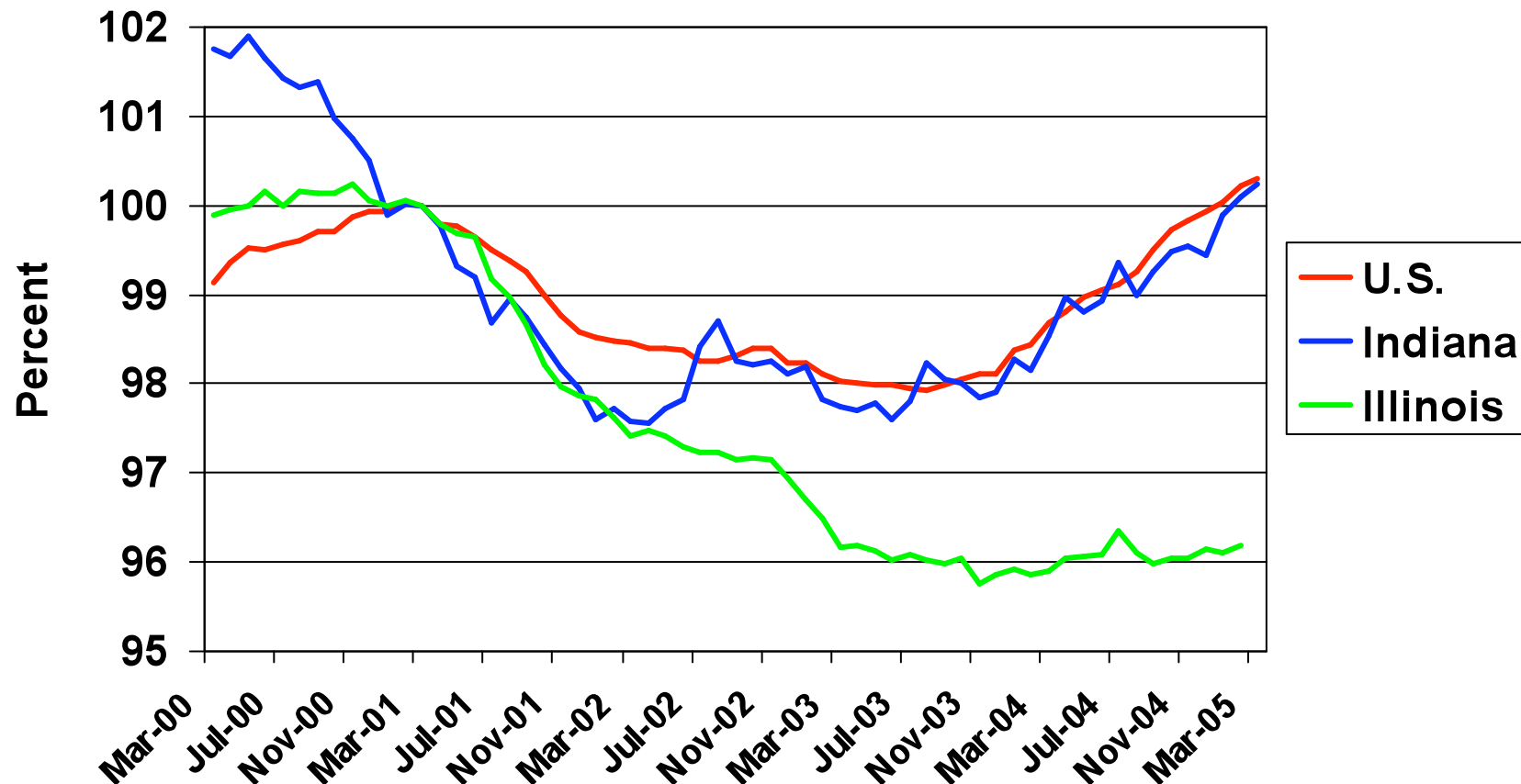
# Employment Has Rebounded

U.S. and Indiana Employment as Pct. Of March 2001



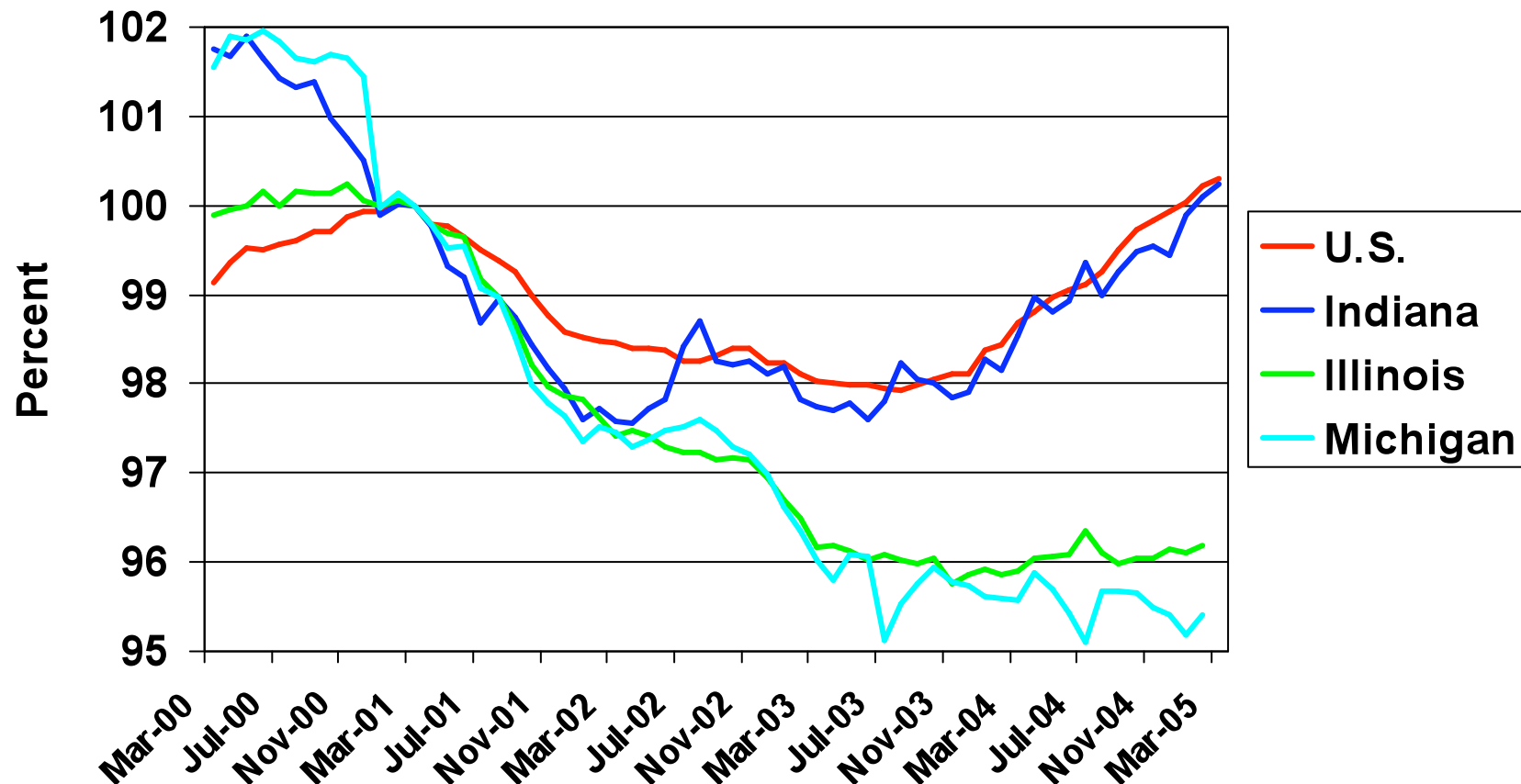
# Indiana Outpacing Midwest

Employment as Pct. Of March 2001



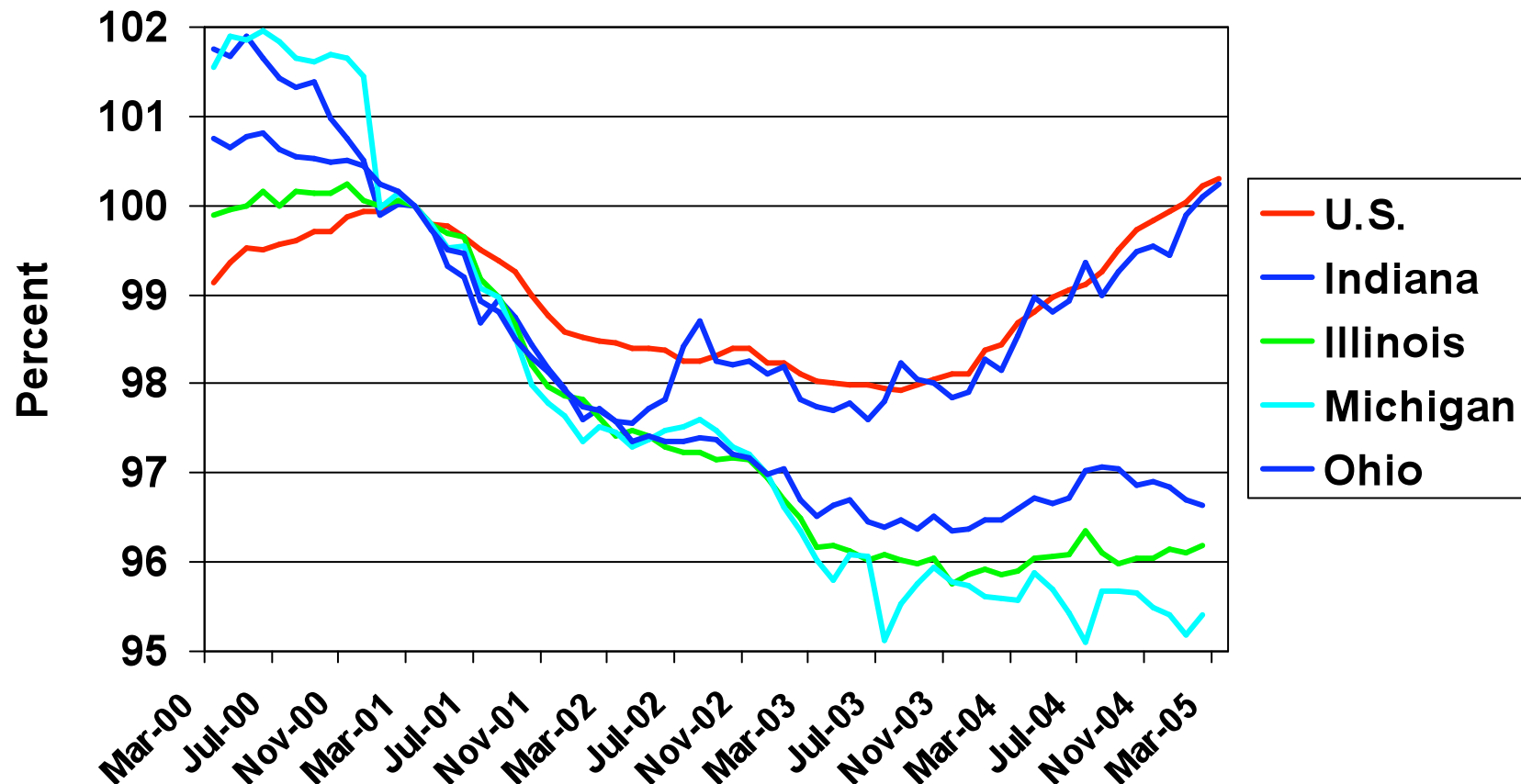
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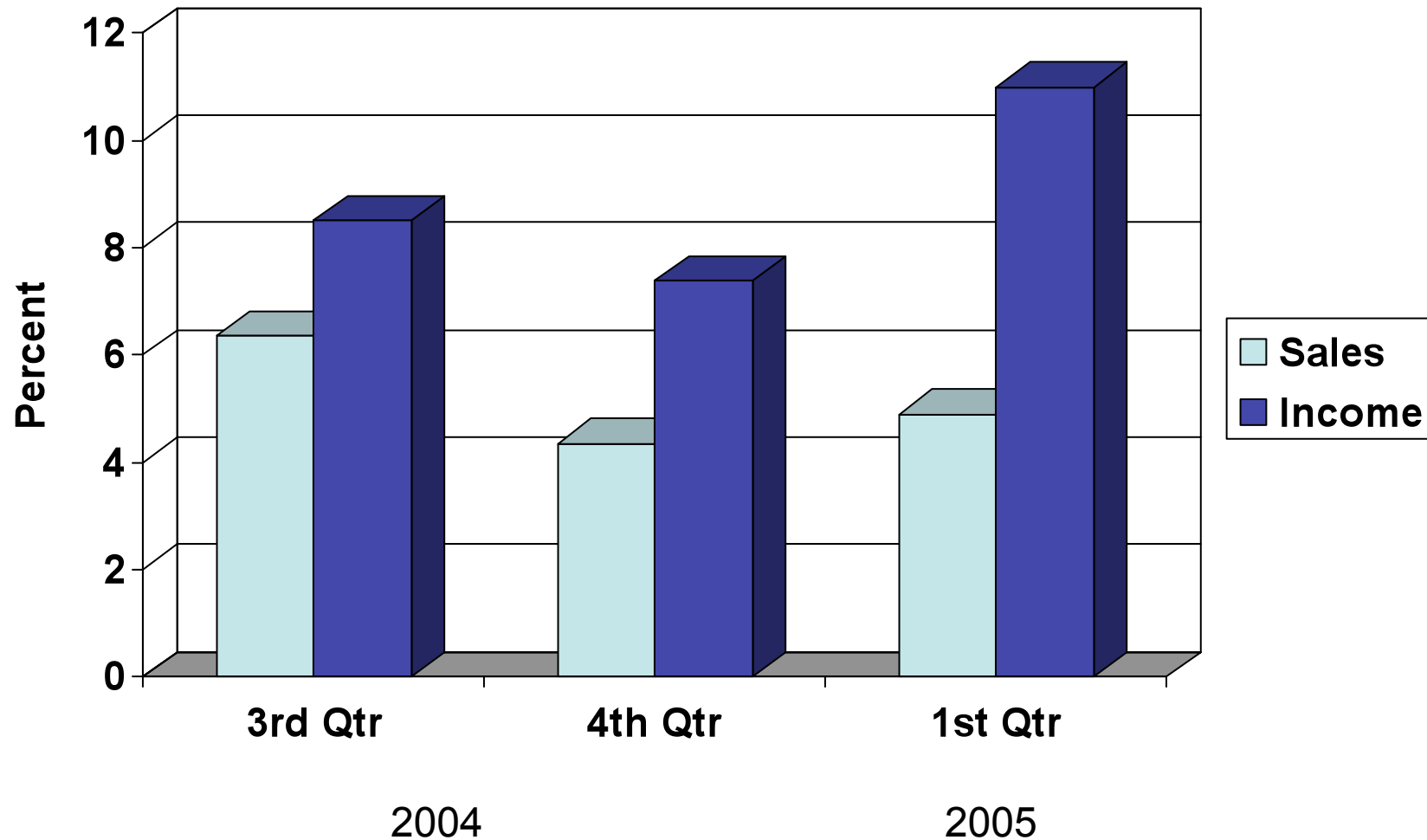
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Employment as Pct. Of March 2001

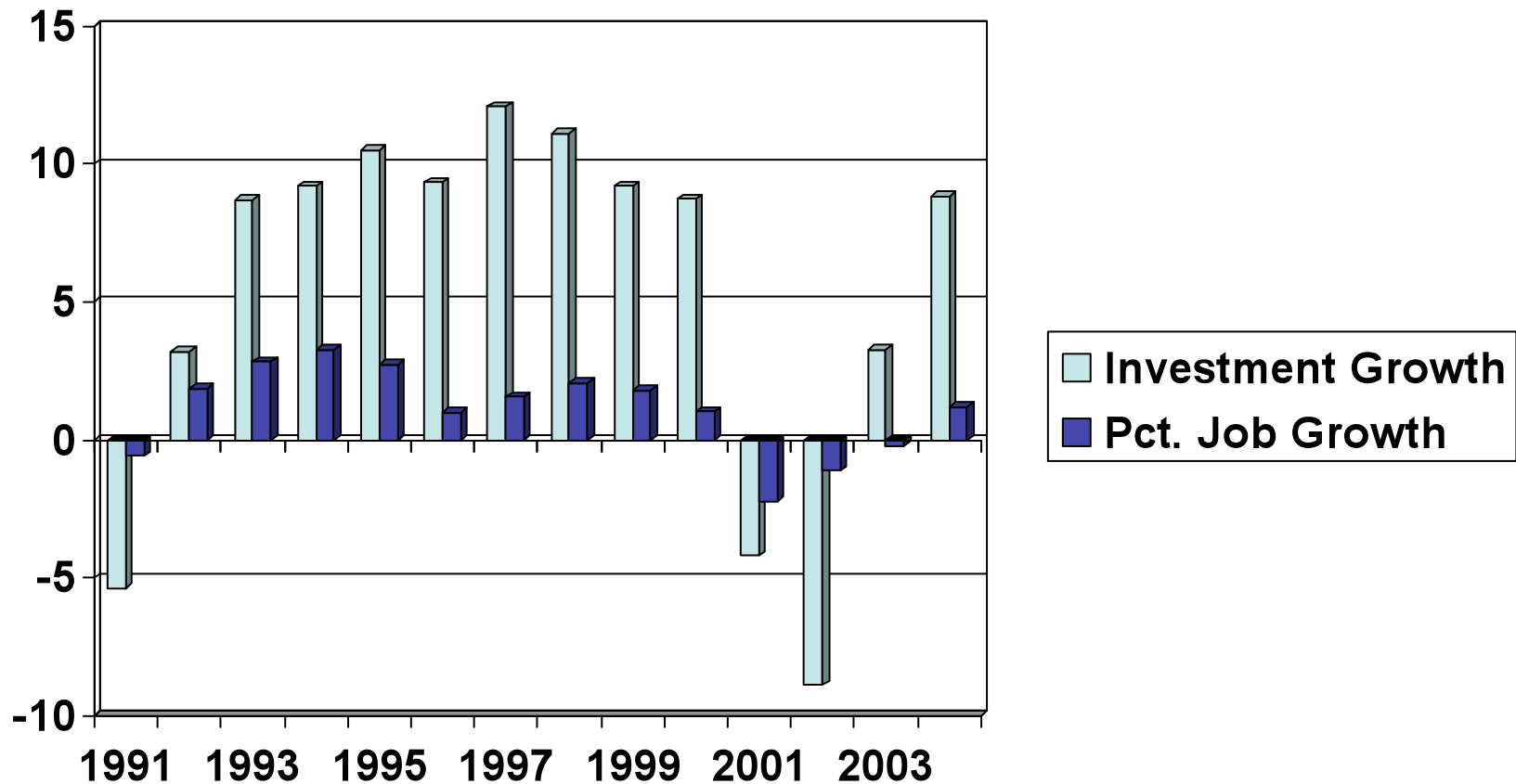


# State Tax Revenues Growing Sharply

Percent Change over Year-Ago Revenues



# Strong U.S. Business Spending is the Reason Why





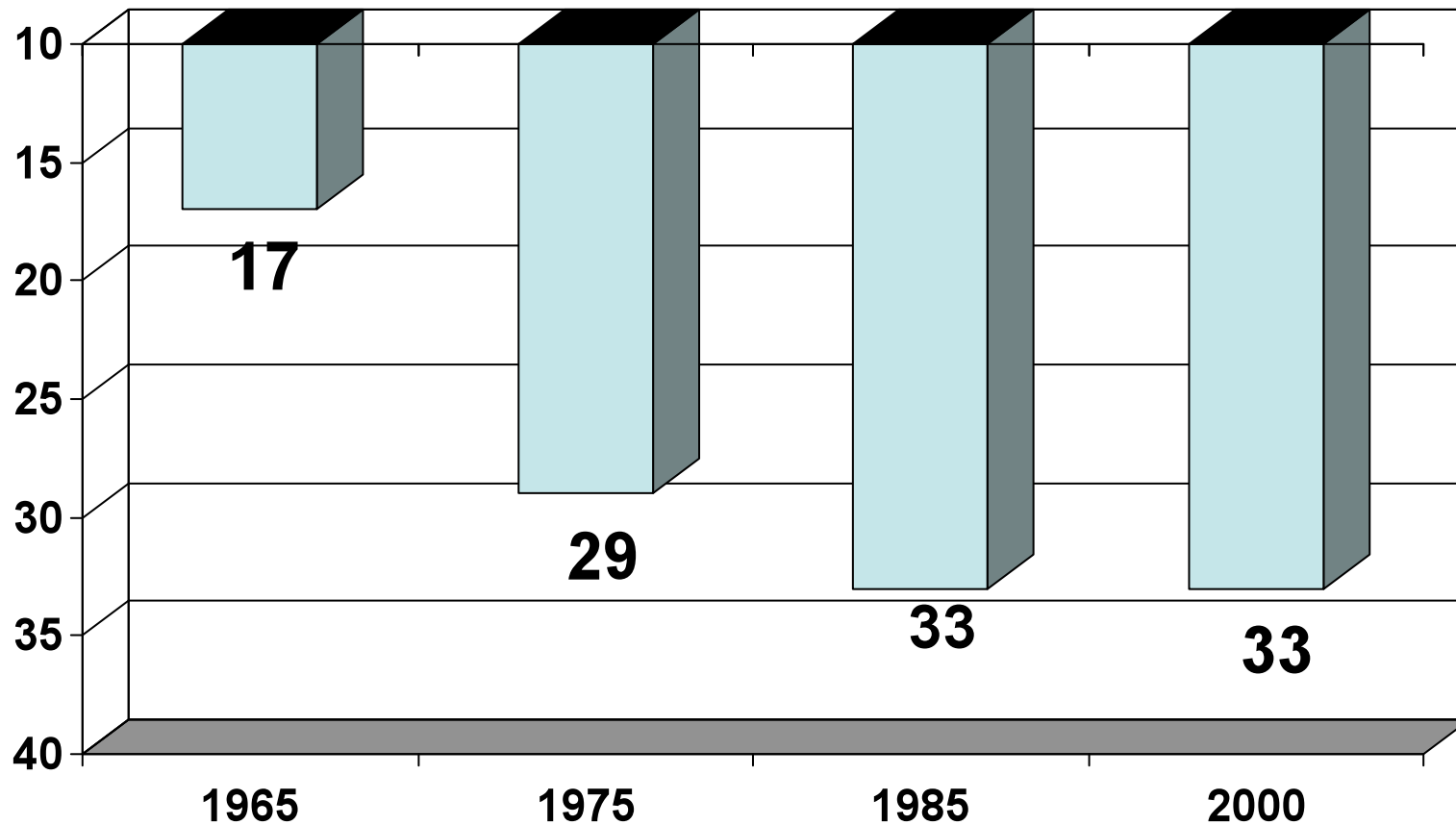
# The Outlook for 2005

- Continued job growth – 2 % or 60,000 net new jobs
- Expansion eases as U.S. business spending growth tails off
- Not all parts of the state will share in growth
- Long term challenges remain

# The Indiana Way

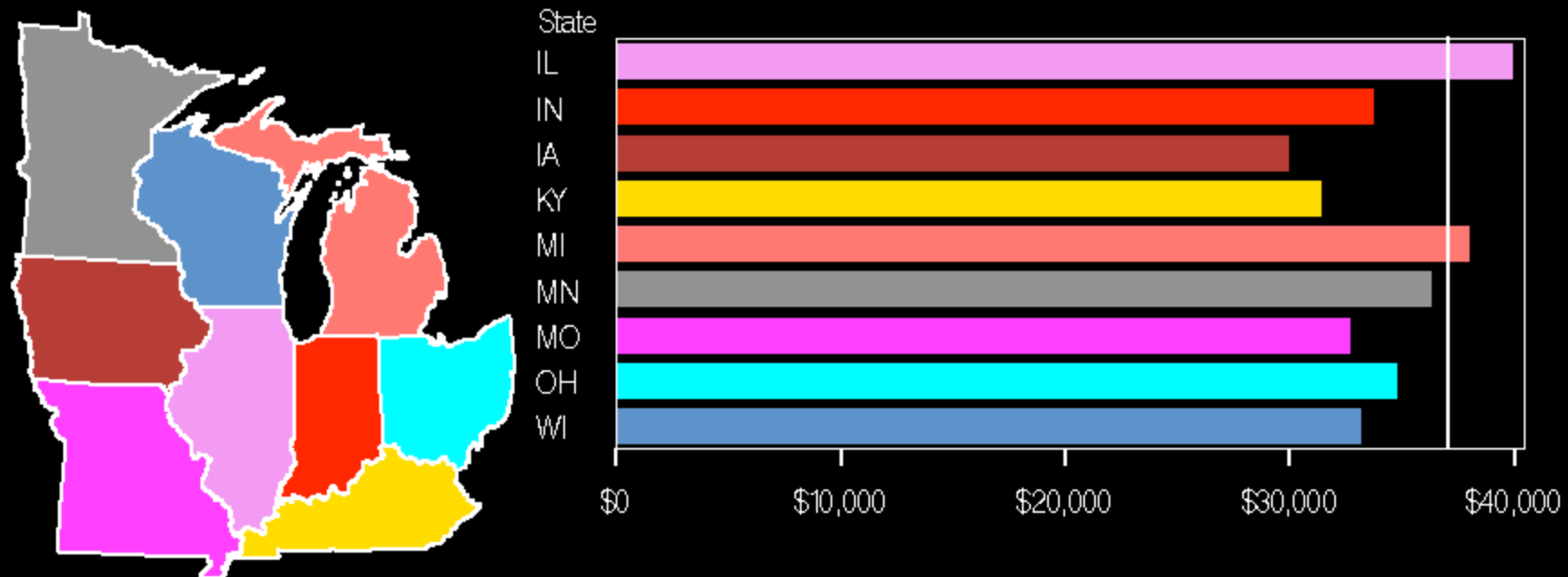
- Like other Midwest States, our economy emphasizes production and does not emphasize educational credentials
- We are less diversified, less educated, and less well paid than our neighbors
- The economy outside Indianapolis is performing much worse
- What's missing in the economy here?

# Indiana's Ranking Among States Per Capita Income



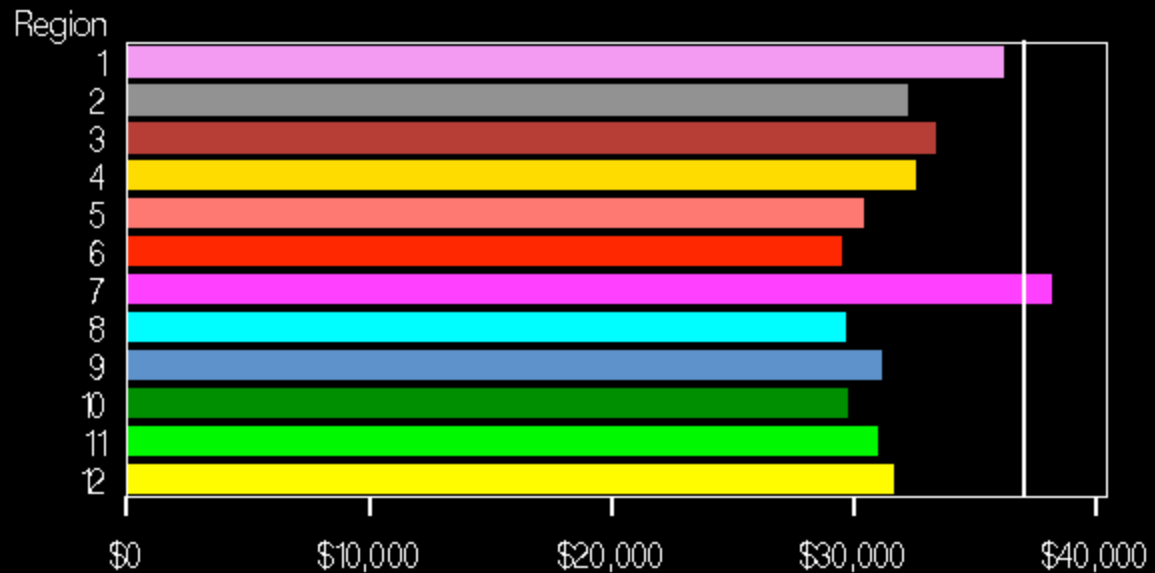
# Midwest States

## Earnings per Job, 1999



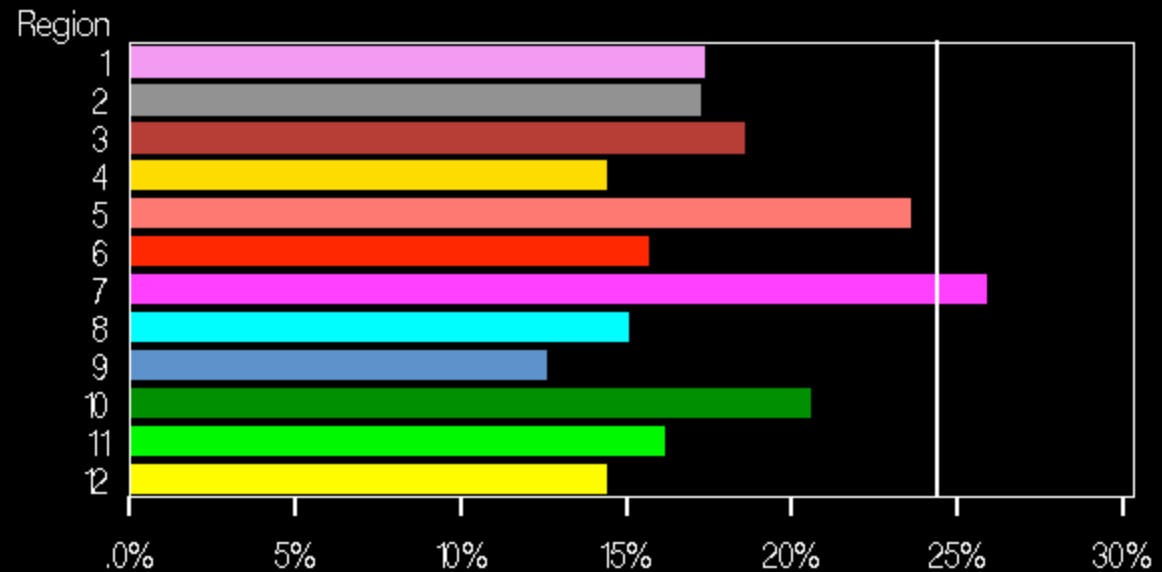
# Indiana Development Regions

## Earnings per Job, 1999



# Indiana Development Regions

## Pct. with BA or Grad Degree



# The Outlook for Indiana

- The state must find a way to tap into the diversified services economy if we are to regain our earnings ranking.
- Indianapolis is much farther along making this transition than the rest of the state.
- We must not lose sight of these important challenges just because the recession is behind us.