Opening Remarks

Richard Gill
Co-Owner of Gill Brothers Furniture and Chair of the Ball State Business Roundtable
Lunch

Please wait until your table is released.
2019 Forecast

Michael J. Hicks, PhD
Director and George & Frances Ball Distinguished Professor
## Forecast GDP in USA and Midwest

<table>
<thead>
<tr>
<th></th>
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<tbody>
<tr>
<td>USA</td>
<td>2.5%</td>
<td>2.2%</td>
<td>2.2%</td>
<td>3.2%</td>
<td>1.8%</td>
<td>1.8%</td>
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<tr>
<td>Illinois</td>
<td>0.6%</td>
<td>0.4%</td>
<td>0.8%</td>
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<td>1.0%</td>
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<td>0.4%</td>
<td>0.1%</td>
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<tr>
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<td>1.1%</td>
<td>1.1%</td>
<td>1.4%</td>
<td>1.6%</td>
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<td>1.6%</td>
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<td>1.0%</td>
<td>2.0%</td>
<td>1.8%</td>
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<tr>
<td>Wisconsin</td>
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<td>1.9%</td>
<td>2.8%</td>
<td>1.7%</td>
<td>1.7%</td>
<td>1.8%</td>
<td>1.9%</td>
</tr>
</tbody>
</table>
US Manufacturing Growth, 1988-2017

Mfg Productivity

Mfg Employment
US Housing Starts, 1978-2018

Housing Starts

Jan 1978

Jan 1980

Jan 1985

Jan 1990

Jan 1995

Jan 2000

Jan 2005

Jan 2010

Jan 2015

Sep 2018
Forecast for US Housing Starts

Housing Starts:
- Nov 2018 (most current data)

Forecast with No Increase:
- Jan 2016 to Jan 2017

Forecast with Two Increases:
- Jan 2018 to Jan 2019 to Jan 2020
- Jan 2020 to Dec 2020
# Estimated Cost of New Tariffs

<table>
<thead>
<tr>
<th>Tariff</th>
<th>List 1</th>
<th>2018</th>
<th>List 2</th>
<th>2019</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>Value of Affected Imports (Billions)</td>
<td>Tariff Rate</td>
<td>Additional Cost Burden (Billions)</td>
<td>Value of Affected Imports (Billions)</td>
</tr>
<tr>
<td>Section 232, Steel</td>
<td>$23.40</td>
<td>25%</td>
<td>$5.80</td>
<td>$23.40</td>
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<tr>
<td>Section 232, Aluminum</td>
<td>$16.60</td>
<td>10%</td>
<td>$1.70</td>
<td>$8.30</td>
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<tr>
<td>Section 301, Pt 1</td>
<td>$32.30</td>
<td>25%</td>
<td>$8.10</td>
<td>$16.15</td>
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<tr>
<td>Section 301, Pt 2</td>
<td>$13.70</td>
<td>25%</td>
<td>$3.40</td>
<td>$6.85</td>
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<tr>
<td>Section 301, Pt 3</td>
<td>$159.30</td>
<td>25%</td>
<td>$39.30</td>
<td>$79.65</td>
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<tr>
<td>Total</td>
<td>$245.30</td>
<td>…</td>
<td>$58.80</td>
<td>$134.35</td>
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</tbody>
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## Tax Cut and Jobs Act Estimated Effects on GDP

<table>
<thead>
<tr>
<th>Source</th>
<th>GDP Effect as Percent Change</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>2018-2020</td>
</tr>
<tr>
<td>Barro and Furman</td>
<td>…</td>
</tr>
<tr>
<td>Congressional Budget Office</td>
<td>0.6</td>
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<tr>
<td>Hicks</td>
<td>0.4</td>
</tr>
<tr>
<td>International Monetary Fund</td>
<td>0.8</td>
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<tr>
<td>Moody’s</td>
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<tr>
<td>Penn-Wharton Budget Model</td>
<td>…</td>
</tr>
<tr>
<td>Tax Policy Center</td>
<td>0.7</td>
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# Net Effects of TCJA and Tariffs (Trade War)

<table>
<thead>
<tr>
<th></th>
<th>TCJA</th>
<th>Tariffs</th>
<th>Net Effect</th>
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</thead>
<tbody>
<tr>
<td><strong>GDP</strong></td>
<td>0.4% to 0.7%</td>
<td>-0.59%</td>
<td>-0.19% to 0.11%</td>
</tr>
<tr>
<td><strong>GDP (Billions)</strong></td>
<td>$100.56 to $175.99</td>
<td>-$148.33</td>
<td>-$48 to $28</td>
</tr>
<tr>
<td><strong>Employment</strong></td>
<td>310,000 to 542,000</td>
<td>-459,000</td>
<td>-149,000 to 83,000</td>
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</tbody>
</table>
RV Shipments, 1982-2017

The graph shows the percentage change in RV shipments from 1982 to 2017. The data points indicate fluctuations in shipment rates over the years, with some years showing significant increases and decreases.
## US and Midwest Forecast

<table>
<thead>
<tr>
<th></th>
<th>2019 Q1</th>
<th>2019 Q2</th>
<th>2019 Q3</th>
<th>2019 Q4</th>
<th>2019</th>
</tr>
</thead>
<tbody>
<tr>
<td>USA</td>
<td>2.8%</td>
<td>2.4%</td>
<td>2.1%</td>
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<td>1.3%</td>
<td>1.7%</td>
</tr>
</tbody>
</table>
Indiana Manufacturing Employment

IN Mfg Employment


-3.0% | -2.5% | -2.0% | -1.5% | -1.0% | -0.5% | 0% | 0.5% | 1.0% | 1.5% | 2.0% | 2.5% | 3.0%
Indiana Real Monthly Earnings by Education Level

- Monthly w/ Bachelor’s
- Monthly w/ Associate’s
- Monthly w/ High School Diploma
- Monthly w/ Less Than HS

Time periods included:
- 1998 Q2
- 2000 Q1
- 2005 Q1
- 2010 Q1
- 2015 Q1
- 2017 Q3
East Central Indiana Population, 1970-2050

ECI Population

Forecasted

0 50,000 100,000 150,000 200,000 250,000 300,000

'70 '75 '80 '85 '90 '95 '00 '05 '10 '15 '20 '25 '30 '35 '40 '45 '50
ECI Cumulative Employment Change by Education Level

- Monthly w/ Bachelor’s
- Monthly w/ Associate’s
- Monthly w/ High School Diploma
- Monthly w/ Less Than HS

Yearly Q1:
- 2000 Q1
- 2005 Q1
- 2010 Q1
- 2015 Q1
- 2017 Q3

Quarterly Q2:
- 1998 Q2
Summary

• TCJA was a stimulus to consumption, not investment, so is transitory.

• Tariffs offset the TCJA effects, more than doubling expected in March will more than offset benefits of TCJA.

• Federal Reserve will continue to tighten to prevent more rapid inflation.

• Broad formal and informal indicators signal a slowdown of economic activity in 2019.

• This is a policy induced cycle of risk.

• ECI is more insulated to a business cycle than in past decades, but faces deeper structural problems.
Keynote Presentation

Jennifer McCormick
State Superintendent of Public Instruction
The Role of Education in Developing Indiana’s Workforce and Economy

December 12, 2018

Dr. Jennifer McCormick
State Superintendent of Public Instruction

Working Together for Student Success
This is Us

- Migrant: 2,101 (<1%)
- English Learners: 5%
- Languages Spoken: 291
- Total Students: 1.2 Million
- Free & Reduced: 48%
- Special Education: 15%
- High Ability: 13%

Districts

<table>
<thead>
<tr>
<th>District</th>
<th>Students</th>
</tr>
</thead>
<tbody>
<tr>
<td>Urban</td>
<td>26%</td>
</tr>
<tr>
<td>Sub/Town</td>
<td>38%</td>
</tr>
<tr>
<td>Rural</td>
<td>36%</td>
</tr>
</tbody>
</table>
## This is Us - Indiana Students

<table>
<thead>
<tr>
<th>Ethnicity</th>
<th>Graduation Rate (SY 17-18)</th>
<th>ISTEP+ Grade 10 Pass Rate (ELA &amp; Math)</th>
<th>AP Participation/Pass Rate</th>
</tr>
</thead>
<tbody>
<tr>
<td>White</td>
<td>89.4%</td>
<td>39.2%</td>
<td>74.3% 21.1%</td>
</tr>
<tr>
<td>Black</td>
<td>77.9%</td>
<td>11.9%</td>
<td>5.2% 5.4%</td>
</tr>
<tr>
<td>Hispanic</td>
<td>83.3%</td>
<td>18.8%</td>
<td>9.2% 12.1%</td>
</tr>
<tr>
<td>Multiracial</td>
<td>84.1%</td>
<td>28.4%</td>
<td>3.7% 16.4%</td>
</tr>
<tr>
<td>Asian</td>
<td>88%</td>
<td>53.5%</td>
<td>3.3% 45.3%</td>
</tr>
<tr>
<td>American Indian, Native Hawaiian, Other Pacific Islander</td>
<td>83.3%</td>
<td>18.2%</td>
<td>0.3% 10.7%</td>
</tr>
</tbody>
</table>
This is Us - Indiana Teachers

- 78,000 Indiana Teachers
- Largest Increase Since 2010: 2,000
- 35% Leave Profession Years 1-5
- Teacher Prep Programs: 41 Traditional, 4 T-2-T

Years of Experience:
- 0-5 years
- 6-10 years
- 11-15 years
- 16-20 years
- 20+ years
This is Us - Indiana Schools

- **Districts**
  - 2018: 289
  - 2012: 295
  - Change: -2.1%

- **Traditional Public Schools**
  - 2018: 1,757
  - 2012: 1,873
  - Change: -6.2%

- **Accredited Non-Pub Schools**
  - 2018: 338
  - 2012: 289
  - Change: +17%

- **Charter Schools**
  - 2018: 99
  - 2012: 65
  - Change: +52.3%

- **Total Schools**
  - 2018: 2,194
  - 2012: 2,227
  - Change: -1.5%
Enrollment Changes

Indiana Education Enrollment
157/289 (54%) Districts Declining Enrollment 2016-2018

Indiana Population
37/92 (40%) Counties Declining Populations 2016-2017

1hoosierdata.in.gov
School Enrollment: SY 17-18 – SY 18-19
Cowan Comm. Sch. Corp.: 811 ↓
Daleville Comm. Sch.: 961 ↑
Delaware Comm. Sch. Corp.: 2,647 ↓
Liberty-Perry Comm. Sch. Corp.: 1,193 ↓
Muncie Comm. Sch.: 5,264 ↑
Wes-Del Comm. Sch.: 877 ↓
Yorktown Comm. Sch.: 2,645 ↑
Excel Center - Muncie: N/A
Inspire Academy: 178 ↓
Burris Laboratory: 669 ↓
Indiana Academy for Sci., Math, & Hum.: 307 ↓
Delaware Christian Academy: 17 ↓
Heritage Hall Christian School: 191 ↑
Temple Christian Academy: N/A
Saint Lawrence School: 59 ↑ 9 (64%) ↓
Saint Mary School: 163 ↓ 5 (36%) ↑

Population
2016 - 115,483
2017 - 115,184

hoosierdata.in.gov
<table>
<thead>
<tr>
<th>School District</th>
<th>Voucher Financial Impact</th>
</tr>
</thead>
<tbody>
<tr>
<td>Delaware Community Schools (Delaware) 9</td>
<td>$378,527.77</td>
</tr>
<tr>
<td>Muncie Community Schools (Delaware) 191</td>
<td>$1,037,761.52</td>
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<tr>
<td>Yorktown Community Schools (Delaware) 26</td>
<td>$352,569.06</td>
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<tr>
<td>Northwest Allen (Allen)</td>
<td>$1,133,383.42</td>
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<tr>
<td>MSD Lawrence Schools (Marion)</td>
<td>$2,335,696.72</td>
</tr>
<tr>
<td>Brownstown Central (Jackson)</td>
<td>$225,562.07</td>
</tr>
<tr>
<td>New Albany (Floyd)</td>
<td>$1,679,836.13</td>
</tr>
<tr>
<td>Indianapolis Public Schools (Marion)</td>
<td>$6,352,256.19</td>
</tr>
<tr>
<td>Ft. Wayne (Allen)</td>
<td>$4,469,590.19</td>
</tr>
<tr>
<td>Evansville (Vanderburgh)</td>
<td>$3,383,577.74</td>
</tr>
</tbody>
</table>
IDOE Strategic Plan Goals

**Goal 1.** Indiana will increase overall *literacy* proficiency.

**Goal 2.** Indiana students will have greater access to quality *STEM* opportunities.

**Goal 3.** Indiana will increase the number of *college-and-career* ready graduates.
Goal 1. Indiana will increase overall literacy proficiency.

Available NOW
- Literacy Framework
- Assessment
- Literacy Training
- MTSS
  - Academics
  - SEL

Coming 2019
- Math Framework
- Science Framework
Goal 2. Indiana students will have greater access to quality **STEM** opportunities.

- **STEM Plan 2017-2018**
- **Certified 60 STEM Schools**
- **Robotics Teams**
  - 1,013 Elem
  - 440 MS
  - 168 HS
- **Cyber 27 Pilots**

- **eLearning 8,000 Teachers 2018**
- **Computer Science 750 Teachers 2018-2019**
- **STEM Acceleration Grants**
  - 2M
  - 60 Awarded
- **SCRIPT District CS Planning**
  - 38 Districts 2018-2019
IDOE Strategic Plan Goals
Department Efforts & Accomplishments

Goal 3.

Indiana will increase the number of **college-and-career** ready graduates.

**CTE Funding Biennium**
- CTE Funding
  - $2M State
  - $26 M Federal

**CTE SY 17-18**
- 70% HS Students Enrolled in Course
- 88% Grads CTE Participants

**Opportunities**
- Redefined Concentrator
- K-12 Employability Skills
- Summer Expansion Grants
- CareerWise
  - Swiss Model
  - RPM
  - Next Generation-Ford
- Educator Externships

@suptdmccormick  @EducateIN  Indiana Department of Education
Thank you!
Q&A

Please wait for the microphone so the audience can hear your question!

Event materials will be added this week at bsu.edu/cber/outlook
Thank you Table Sponsors!

- Ball State University Economics Department
- George and Frances Ball Foundation
- Muncie Central High School AP Economics Class
- Mutual Bank
- STAR Financial
- Whitingier & Co.
- Yorktown High School AP Economics Class
- Youth Opportunity Center
Special Thanks to our Event Sponsor

First Merchants
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