

NORTHEAST INDIANA Manufacturing Study

2013

Manufacturing is Northeast Indiana's largest sector, involving nearly 34,000 jobs in 2013 that pay an average annual wage of \$48,169. This exceeds the region's overall average annual wage by about 31 percent. Our foundation in manufacturing remains strong. The good jobs provided by this sector are critical for our residents and our economy.

However, the manufacturing sector has undergone significant restructuring in the last four decades. In 1969, one in three members of Northeast Indiana's workforce was employed in manufacturing. By 2012, manufacturing employed approximately one in every six workers.

In July 2013, the Community Research Institute at IPFW completed an in-depth examination of the Northeast Indiana manufacturing sector for the Northeast Indiana Regional Partnership to identify the key components of "advanced manufacturing" in the region. This summary provides a highlight of key findings.

Since 2002, there have been three distinct phases in manufacturing employment in Northeast Indiana:

- **2002–2007: A Period of Steady Decline**—Average annual loss of 1,500 jobs
- **2007–2009: A Period of Dramatic Decline**—Average annual loss of 9,700 jobs
- **2009–2012: A Period of Strong Recovery**—Average annual gain of 2,850 jobs

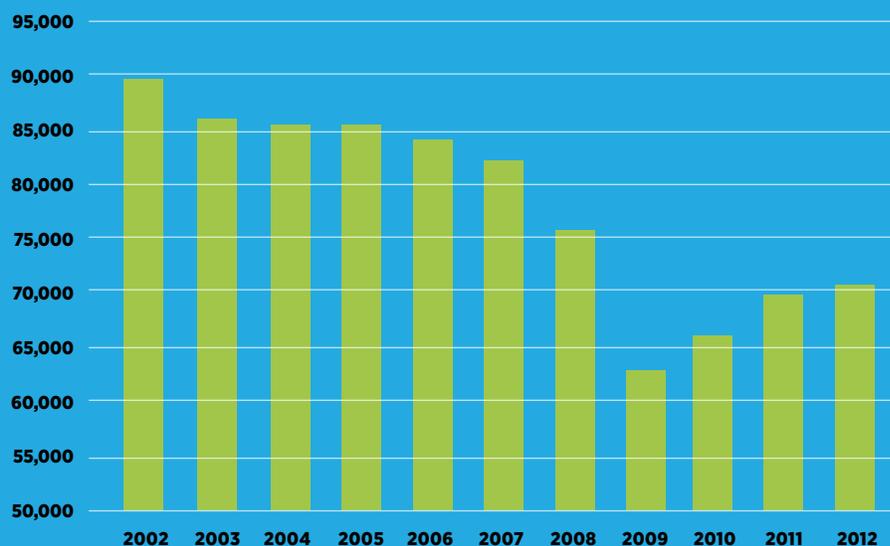
CRITICAL OCCUPATIONS

Manufacturing is Northeast Indiana's largest sector, involving 70,110 (or 22.2%) of the region's 315,703 jobs.*

On average, these jobs pay \$48,169, nearly \$12,000 more than the region's overall average annual wage. With bonuses, retirement plans, and other benefits, average annual earnings reach \$60,721.

* Q3 2013 estimates

Annual Employment in the Manufacturing Sector in Northeast Indiana



Given national dynamics and the mix of industries within the region, steeper job losses were expected in manufacturing than what actually occurred. The region has bucked national trends and created jobs in manufacturing in every single year between 2009 and 2013. In Northeast Indiana, manufacturing has expanded by 16% in that time frame, adding 9,819 jobs.

Industry Clusters

Due to the high concentration of jobs in the region, advanced manufacturing is one of the six industry clusters of the Northeast Indiana Regional Partnership. Additional industry clusters include defense/aerospace, food processing, insurance, medical devices and logistics. The presence of strong clusters encourages competitiveness, innovation and growth. As a result, a support framework is created for business expansion, fulfillment of industry needs, new business formation and new business attraction.

Advanced Manufacturing

Not all manufacturing jobs are created equal. Conventional thinking suggests that regions should concentrate efforts on supporting the “advanced” portions of its manufacturing base. Advanced manufacturing companies tend to have higher wage levels, utilize a higher skilled segment of the workforce, invest in technology upgrades and utilize computer aided design, and are less footloose in moving locations. It is estimated that 56.4 percent of the region’s manufacturing jobs (2012) are in advanced manufacturing subsectors.

	2012 Northeast Indiana Employment	Sample Employers	Average annual earnings*	Location quotient**
Motor Vehicles	15,740	GM, Michelin / BFGoodrich	\$69,969	8.29
Steel, Metalworking and Machine Tools	10,305	Therma-Tru, Steel Dynamics, Ambassador Steel, Busche, Fort Wayne Metals Research, Ford Meter Box, C&A Tool, Ward, Nucor	\$63,969	4.13
Technical Engineering	6,232	Raytheon Systems, Team Quality, General Dynamics C4 Systems, iRely (Summit Software), TrustBearer Labs	\$54,406	0.40
Computers, Electronics and Precision Instruments	6,213	BAE, ITT, UT Electronic Controls, Ultra-Electronics/ USSI, EMF, Pyromation, Stuart Manufacturing	\$79,735	2.40
Engines	3,827	Bluffton Motor Works, Franklin Electric, Tuthill	\$58,053	2.38
Cable and Wiring	2,168	Superior Essex, Rea Magnet, Riverside	\$61,574	4.10
Industrial Machinery	1,390	Vestil, Tuthill, Deister Machine, Flint & Walling, PHD, Shuttleworth	\$60,265	1.79
Medical Instruments	1,169	Ultrex / Symmetry Medical, Micropulse, Nemcomed, C&A Tool	\$58,979	1.23
Chemical, Pharmaceutical and Fertilizer	883	Poet Biorefining, Annie Oakley Perfumery	\$68,507	0.61

* Earnings are inclusive of average annual wages plus benefits, such as retirement plan contributions, bonuses, etc.

** A location quotient equal to 1.0 suggests local industry concentration that is equal to the average American community. Higher location quotients mean greater local concentration.



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