

INDIANA
**Economic
OUTLOOK**
2012

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Steve Smith

*BSU Business Roundtable Chair &
CEO, Midwest Metal Products Co., Inc.*

\$300 Million
in Casino & Lottery Revenue
was designated by
the State of Indiana
to Public Education...

\$300 Million
in Public Education Cuts
Were Made

Property Tax Cap Credits Early Estimates

2 – 6%

Tax Cap Credits by County, 2010 and 2011

County	2010 Tax Cap Credits	2011 Tax Cap Credits	Change	2010 Pct. Of Levy	2011 Pct. Of Levy	Change
1 Adams	1,110,145	1,303,736	193,590	3.8%	4.4%	0.6%
2 Allen	24,631,711	34,994,690	10,362,978	7.0%	9.7%	2.8%
3 Bartholomew	3,438,788	3,279,377	-159,410	4.1%	3.8%	-0.3%
4 Benton	273,469	284,685	11,216	2.5%	2.6%	0.1%
5 Blackford	1,555,292	1,425,467	-129,826	14.4%	13.2%	-1.1%
6 Boone	2,621,757	4,036,629	1,414,872	3.6%	5.4%	1.8%
7 Brown	139	8,667	8,528	0.0%	0.1%	0.1%
8 Carroll	891,964	748,757	-143,207	5.1%	4.6%	-0.5%
9 Cass	5,915,537	3,597,347	-2,318,190	16.9%	10.4%	-6.5%
10 Clark	3,349,106	5,127,478	1,778,372	3.3%	4.7%	1.4%
11 Clay	2,452	17,558	15,105	0.0%	0.1%	0.1%
12 Clinton	2,244,586	3,307,806	1,063,220	7.9%	10.9%	3.1%
13 Crawford	967,247	1,233,792	266,545	12.0%	14.6%	2.6%
14 Daviess	2,679,883	3,339,160	659,277	10.3%	12.3%	2.0%
15 Dearborn	636,873	475,095	-161,777	1.4%	1.1%	-0.3%
16 Decatur	298,506	382,015	83,508	1.4%	1.7%	0.3%
17 DeKalb	609,930	876,295	266,365	1.6%	2.1%	0.5%
18 Delaware	25,474,251	28,854,152	3,379,900	22.6%	25.1%	2.5%
19 Dubois	921,577	1,335,616	414,039	2.3%	3.1%	0.8%
20 Elkhart	14,952,499	20,984,244	6,031,745	6.9%	9.7%	2.8%
21 Fayette	3,121,304	3,983,412	862,108	14.4%	18.1%	3.7%
22 Floyd	1,156,656	1,911,329	754,673	1.9%	3.0%	1.0%
23 Fountain	363,576	313,519	-50,057	2.8%	2.5%	-0.3%
24 Franklin	3,054	18,185	15,131	0.0%	0.1%	0.1%
25 Fulton	64,563	85,459	20,897	0.4%	0.5%	0.1%
26 Gibson	1,573,746	1,010,350	-563,396	3.7%	2.5%	-1.2%
27 Grant	1,381,212	2,274,092	892,880	2.3%	3.8%	1.4%
28 Greene	1,464,857	1,818,975	354,118	7.7%	9.1%	1.4%
29 Hamilton	14,895,060	22,118,937	7,223,877	3.9%	5.2%	1.3%
30 Hancock	5,062,615	5,269,505	206,890	7.7%	7.6%	-0.1%
31 Harrison	99,320	32,328	-66,992	0.5%	0.2%	-0.3%
32 Hendricks	10,636,378	19,479,806	8,843,428	5.7%	9.9%	4.3%
33 Henry	4,020,809	4,871,769	850,960	10.7%	12.9%	2.1%
34 Howard	4,447,869	7,897,508	3,449,638	4.7%	8.3%	3.7%
35 Huntington	3,842,559	4,653,791	811,232	11.8%	13.7%	1.9%
36 Jackson	260,567	630,276	369,709	0.8%	1.8%	1.0%
37 Jasper	11	3,544	3,534	0.0%	0.0%	0.0%
38 Jay	480,956	569,990	89,035	2.5%	2.9%	0.4%
39 Jefferson	798,824	1,257,911	459,087	3.0%	4.6%	1.5%
40 Jennings	644,114	741,615	97,502	3.3%	3.9%	0.5%
41 Johnson	10,295,916	11,945,653	1,649,738	7.6%	8.7%	1.1%
42 Knox	5,253,582	7,256,309	2,002,726	15.9%	19.4%	3.6%
43 Kosciusko	891,463	858,811	-32,652	1.3%	1.2%	-0.1%
44 LaGrange	139,935	227,701	87,766	0.5%	0.9%	0.3%
45 Lake	101,084,193	114,333,700	13,249,507	13.4%	16.7%	3.3%
46 LaPorte						

Tax Cap Credits by County, 2010 and 2011

County	2010 Tax Cap Credits	2011 Tax Cap Credits	Change	2010 Pct. Of Levy	2011 Pct. Of Levy	Change
47 Lawrence	2,810,294	2,718,904	-91,390	7.8%	7.7%	-0.2%
48 Madison	29,026,487	32,403,049	3,376,562	22.9%	24.5%	1.6%
49 Marion	79,244,942	134,624,752	55,379,810	7.9%	12.7%	4.8%
50 Marshall	769,587	830,452	60,865	1.9%	2.0%	0.1%
51 Martin	163,836	255,870	92,034	2.8%	4.3%	1.4%
52 Miami	2,089,488	1,851,774	-237,713	8.7%	8.2%	-0.6%
53 Monroe	174,392	505,961	331,570	0.2%	0.4%	0.3%
54 Montgomery	2,713,556	3,289,554	575,998	6.7%	7.6%	0.9%
55 Morgan	29,117	46,689	17,573	0.1%	0.1%	0.0%
56 Newton	332,195	362,132	29,937	2.2%	2.4%	0.2%
57 Noble	507,372	1,509,753	1,002,381	1.3%	3.7%	2.4%
58 Ohio	136	1,051	915	0.0%	0.0%	0.0%
59 Orange	32,685	22,895	-9,789	0.3%	0.2%	-0.1%
60 Owen	250,187	387,494	137,307	1.9%	2.9%	1.0%
61 Parke	66,061	35,251	-30,810	0.6%	0.3%	-0.3%
62 Perry	1,200,399	1,133,920	-66,479	8.3%	7.9%	-0.4%
63 Pike	357,720	476,667	118,947	2.7%	3.4%	0.7%
64 Porter	3,826,272	7,910,037	4,083,765	2.1%	4.1%	2.1%
65 Posey	646,573	524,394	-122,179	2.2%	1.8%	-0.4%
66 Pulaski	5,888	12,310	6,422	0.1%	0.1%	0.1%
67 Putnam	329,299	298,490	-30,809	1.2%	1.1%	-0.2%
68 Randolph	2,490,612	2,803,393	312,781	11.6%	13.1%	1.4%
69 Ripley	8,911	14,234	5,324	0.1%	0.1%	0.0%
70 Rush	1,551,770	1,510,552	-41,218	9.6%	9.6%	0.0%
71 St. Joseph	35,578,971	45,269,912	9,690,941	10.7%	13.2%	2.5%
72 Scott	678,081	1,084,067	405,986	4.0%	6.2%	2.2%
73 Shelby	1,232,389	1,202,080	-30,309	2.8%	2.9%	0.1%
74 Spencer	72,262	84,543	12,282	0.3%	0.4%	0.0%
75 Starke	354,243	425,552	71,309	2.0%	2.5%	0.4%
76 Steuben	15,082	67,697	52,614	0.0%	0.2%	0.2%
77 Sullivan	689,893	714,184	24,291	3.8%	3.8%	0.0%
78 Switzerland	9,979	8,273	-1,706	0.2%	0.1%	0.0%
79 Tippecanoe	4,332,109	5,995,744	1,663,635	2.8%	3.8%	1.0%
80 Tipton	401,099	808,195	407,096	2.7%	5.2%	2.5%
81 Union	353,189	533,328	180,139	5.3%	7.9%	2.6%
82 Vanderburgh	6,239,348	8,132,815	1,893,468	3.7%	4.5%	0.9%
83 Vermillion	593,225	895,388	302,164	3.9%	5.8%	2.0%
84 Vigo	15,064,227	13,922,610	-1,141,617	14.6%	13.3%	-1.3%
85 Wabash	60,578	169,676	109,098	0.3%	0.7%	0.5%
86 Warren	17,904	20,140	2,236	0.2%	0.3%	0.0%
87 Warrick	909,526	619,081	-290,445	1.9%	1.3%	-0.6%
88 Washington	857,402	1,126,976	269,574	4.8%	6.0%	1.2%
89 Wayne	5,486,825	5,580,886	94,061	8.5%	8.8%	0.3%
90 Wells	74,212	56,391	-17,821	0.4%	0.3%	-0.1%
91 White	233,592	374,794	141,202	1.0%	1.5%	0.5%
92 Whitley	230,047	348,376	118,329	1.0%	1.4%	0.4%
INDIANA TOTAL	466,670,811	610,147,328	143,476,518	7.2%	9.2%	2.0%

Loss in Taxes

Full-Day Kindergarten

State Funding Formula 50%

State Grant 20%

70%

AP Exam Participation

	Biology	Calculus	Chemistry	Language & Comp	Literature & Comp	Environmenta I Science	Micro Econ	Macro Econ	Government	Spanish	Statistics	US History	Psychology	TOTAL	
2001-02	7	2	2	15	1							6		33	
2002-03	6	3	3	21	5				2			8		48	
2003-04	6	1	7	28	3				3			15		63	
2004-05	12	17	16	44	32				12			44		177	
2005-06	20	23	22	43	48				16			52		224	*
2006-07	10	22	14	46	50				16			51		209	
2007-08	11	14		52	38		9	9	9			52		194	
2008-09	8	14	15	59	23		9	9	12		20	39		208	
2009-10	10	18	8	65	66	14	12	9	15	13	17	68		315	
2010-11	12	23	8	38	73	26	14	14	12	12	19	86	47	384	
2011-12	17	23	20	36	103	23	15	16	16	0	17	89	37	412	
* mandatory															

Yorktown High School

Four Star School

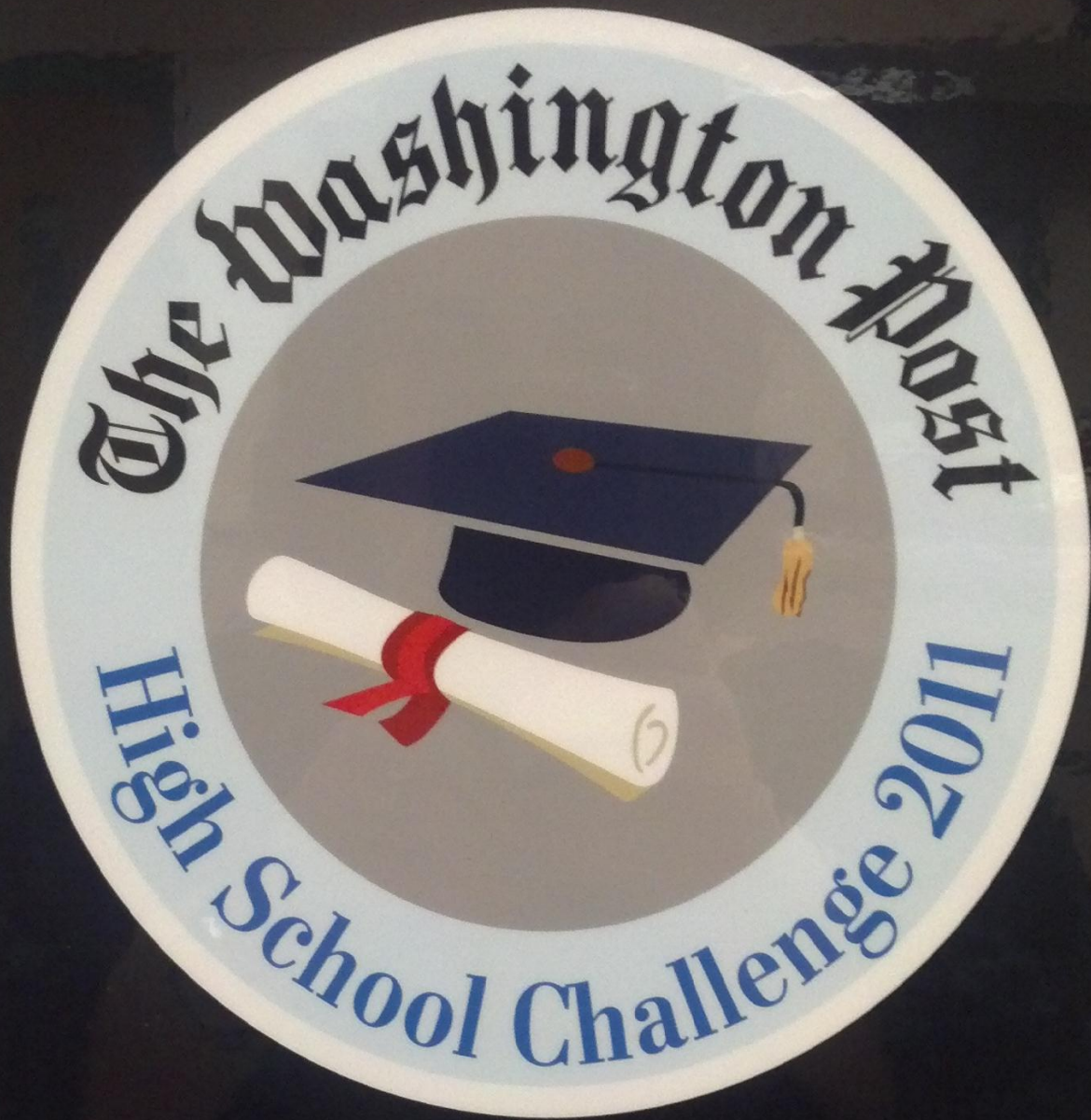


2009-10



**National Average for Students
Scoring 3, 4, or 5 on the AP Exam
is approximately 11%**

**In 2010, Yorktown High School
had 31% of the students score
a 3, 4, or 5 on the AP Exam.**

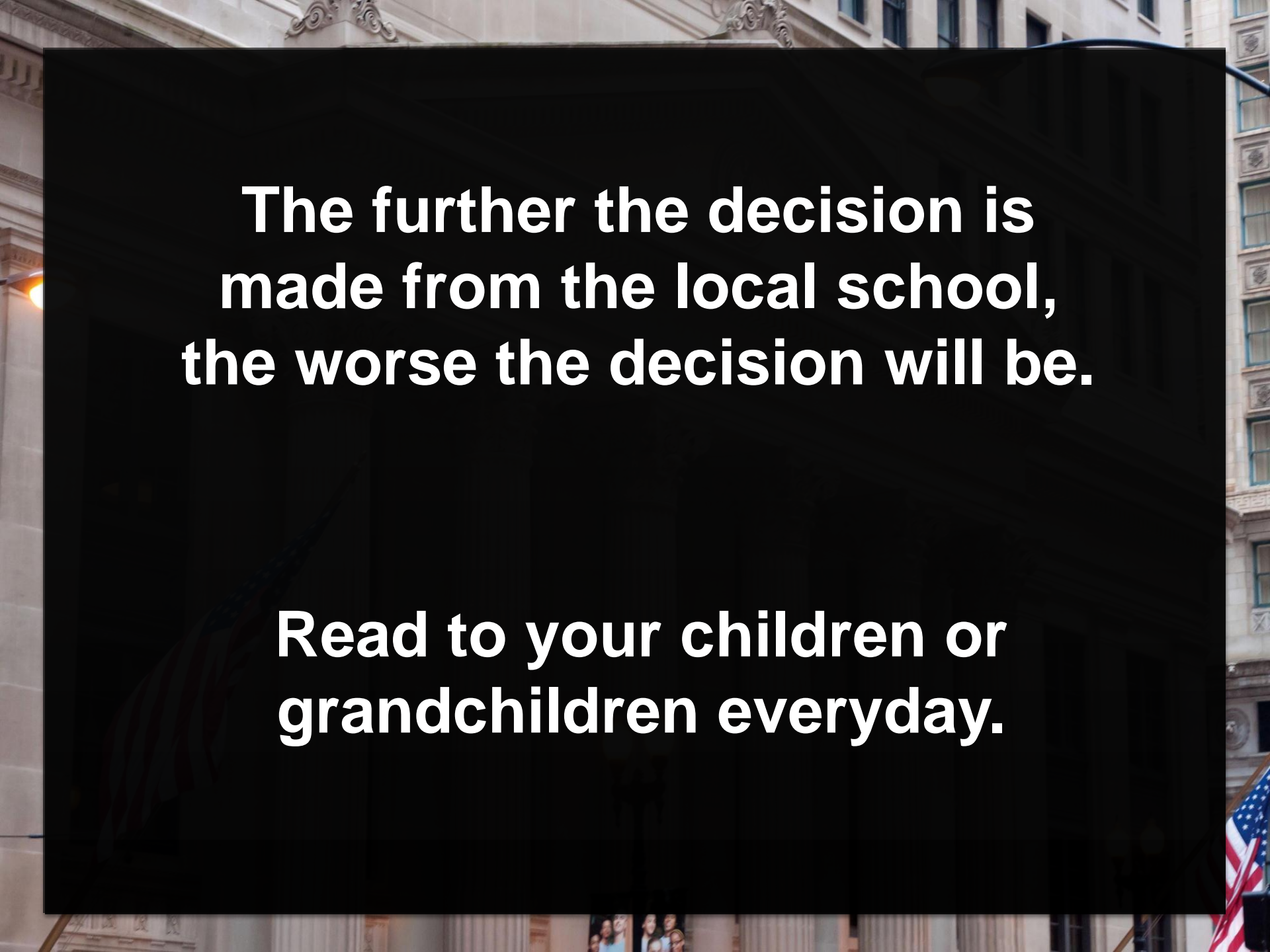


**In 2011,
with 69 more students
taking the AP test
(a 23% increase from the prior year),
28.4% scored a 3, 4, or 5 on the test.**

	Passed	Tested	%
AP US Government	11	12	91.7
AP English Language Arts	32	38	84.2
AP Biology	10	12	83.3

Zero pay increase

**\$600 per teacher
contract signing bonus**



**The further the decision is
made from the local school,
the worse the decision will be.**

**Read to your children or
grandchildren everyday.**





Michael Hicks, PhD
Ball State Unviersity

2010 Forecast

	2010 : Q1	2010 : Q2	2010 : Q3	2010 : Q4
Employment	↑ 0.03%	↑ 0.24%	↑ 0.39%	↑ 0.60%
Labor Force	↓ -0.14%	↓ -0.10%	↓ -0.07%	↑ 0.01%
Personal Income	↑ 1.22%	↑ 1.38%	↑ 1.47%	↑ 0.81%
Manufacturing Income	↑ 1.24%	↑ 1.96%	↑ 2.41%	↑ 1.76%
Utilities Income	↑ 0.39%	↑ 0.21%	↑ 0.10%	↑ 0.48%
Construction Income	↑ 1.43%	↑ 2.05%	↑ 2.42%	↑ 1.66%
Wholesale Income	↑ 1.14%	↑ 1.46%	↑ 1.65%	↑ 1.27%
Retail Income	↑ 0.71%	↑ 0.90%	↑ 1.02%	↑ 0.61%
Finance & Insurance Income	↑ 1.04%	↑ 1.25%	↑ 1.36%	↑ 0.51%
Health Care Income	↑ 0.90%	↑ 0.91%	↑ 0.68%	↑ 0.59%
Information Income	↑ 1.20%	↑ 1.52%	↑ 1.72%	↑ 1.14%
Transportation Income	↑ 1.42%	↑ 1.89%	↑ 2.17%	↑ 1.85%

2011 Forecast Highlights

2011 : Q1 2011 : Q2 2011 : Q3 2011 : Q4

Unemployment Rate
 Low Gas Price 8.9% 9.1% 8.8% 8.3%

High Gas Price 8.9% 9.2% 9.2% 9.3%

Personal Income
 Low Gas Price ↑ 1.2% ↑ 1.0% ↑ 1.1% ↑ 1.4%

High Gas Price ↑ 1.2% ↑ 0.7% ↑ 0.2% → 0.0%

Manufacturing Income
 Low Gas Price ↑ 2.0% ↓ -0.2% ↑ 1.7% ↓ -4.5%

High Gas Price ↑ 2.0% ↓ -0.5% ↑ 0.5% ↓ -4.6%

Finance & Insurance Income
 Low Gas Price ↑ 0.8% ↑ 2.5% ↓ -5.0% ↓ -6.0%

High Gas Price ↑ 0.8% ↓ -1.3% ↓ -6.7% ↓ -8.5%

2011 Selected Regional Forecast

		Low Gas Price	High Gas Price
Anderson	↑	4.1%	↑ 0.24%
Columbus	↑	3.6%	↑ 1.3%
Elkhart	↑	1.4%	↑ 0.3%
Fort Wayne	↑	4.3%	↑ 1.6%
Indianapolis	↑	1.9%	↑ 1.2%
Kokomo	↑	4.8%	↑ 1.4%
Muncie	↓	-0.8%	↓ -2.9%
Indiana	↑	1.2%	↑ 0.5%

Charles Evans

*Federal Reserve Bank
of Chicago*



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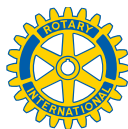
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BALL STATE UNIVERSITY
BUSINESS ROUNDTABLE



MUNCIE ROTARY CLUB – AND –
MUNCIE SUNRISE ROTARY CLUB



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C O N V E N T I O N C E N T E R
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