Economic Briefing

Hosted by the

Greater LaPorte and Michigan City Area
Chambers of Commerce

and

Purdue University North Central
College of Business

November 10, 2009

PURDUE
UNIVERSITY
NORTH CENTRAL

FOCAL POINT
Business Conditions in Northwest Indiana

Presented by: Dr. Daniel Rutledge

Associate Professor of Business

Purdue University North Central

November 10, 2009

PURDUE
UNIVERSITY
NORTH CENTRAL

Analysis Based On…

Opinions of Local Business People…
Challenges and Outlook

LaPorte and Michigan City Area

Chamber Members

PURDUE UNIVERSITY NORTH CENTRAL

FOCAL POINT

Responses.... *n* = 90 (6.9% Response Rate)

Profile....

- Orientation.... Profit = 84% Non-Profit = 16%
- Size (employees).... Average = 59
- Longevity.... Years in Business = 34

Business Sector....

Goods Producing = 34%
(manufacturing, construction)

For-Profit Services = 29%
(retailing, services, health care, transportation)

Non-Profit/Other = 37%
(education, government, non-profits)

PURDUE UNIVERSITY NORTH CENTRAL

Q.1 How Has Your Company Been Impacted Over *Past* 12 Months?

Getting Worse **Holding** **Getting Better**

1 - - 2 - - 3 - - 4 - - 5 - - 6 - - 7 - - 8 - - 9

	April 2009	Nov. 2009	Change
Marketing = (Q2+Q7)	4.36	4.48	+.12
Operations = (Q3+Q6+Q10)	4.18	4.15	-.03
Finance = (Q4+Q5+Q8)	4.46	4.35	-.11
Human Resources = (Q1+Q9)	4.75	4.70	-.05

No significant changes noted

PURDUE UNIVERSITY NORTH CENTRAL

Q.2 Two Important Factors Anticipated Over *Next* 12 Months?

	April 2009	Nov. 2009	Change
Controlling Costs of Business	= 52%	= 46%	- 6%
Finding/Keeping Competent Employees	= 15%	= 20%	+ 5%
Reaching Sales/Revenue Targets*	= 70%	= 68%	- 2%
Finding New Business Opportunities	= 42%	= 38%	- 4%
Financial Health and Obtaining Capital	= 8%	= 10%	+ 2%
Health Care	= 9%	= 10%	+ 1%
Other Concerns Not Listed	= 3%	= 6%	+ 3%

Q.3 Business Optimism Score - Prospects Over *Next* 12 Months
(all three Chambers of Commerce)

Pessimistic Optimistic
1 - 2 - 3 - 4 - 5 - 6 - 7 - 8 - 9

Spring 2006 = 7.15
Fall 2006 = 6.31
Spring 2007 = 6.84
Fall 2007 = 6.43
Spring 2008 = 6.49
Fall 2008 = 5.81*
Spring 2009 = 5.95
Fall 2009= 5.80

By Sector....

	April 2009	Nov. 2009	Change
Goods Producing =	5.65	5.52	- .13
For-Profit Services =	6.29	5.32	- .97*
Non-Profits =	5.61	6.39	+.78*

*** Significant difference**

Summary… La Porte & Michigan City Area Chamber Members

1. Past 6 months – Each Functional Area

   Below Median = 5.00, Slight decline

2. Next 12 months Concerns

   = Less: Controlling Costs
   = More: Keeping Competent Employees

3. Business Optimism Score at 5.80

   = Slight decline vs. Spring 2009

4. Members remain positive about meeting challenges

PURDUE UNIVERSITY NORTH CENTRAL

Short Term Economic Outlook for The National and Regional Economy

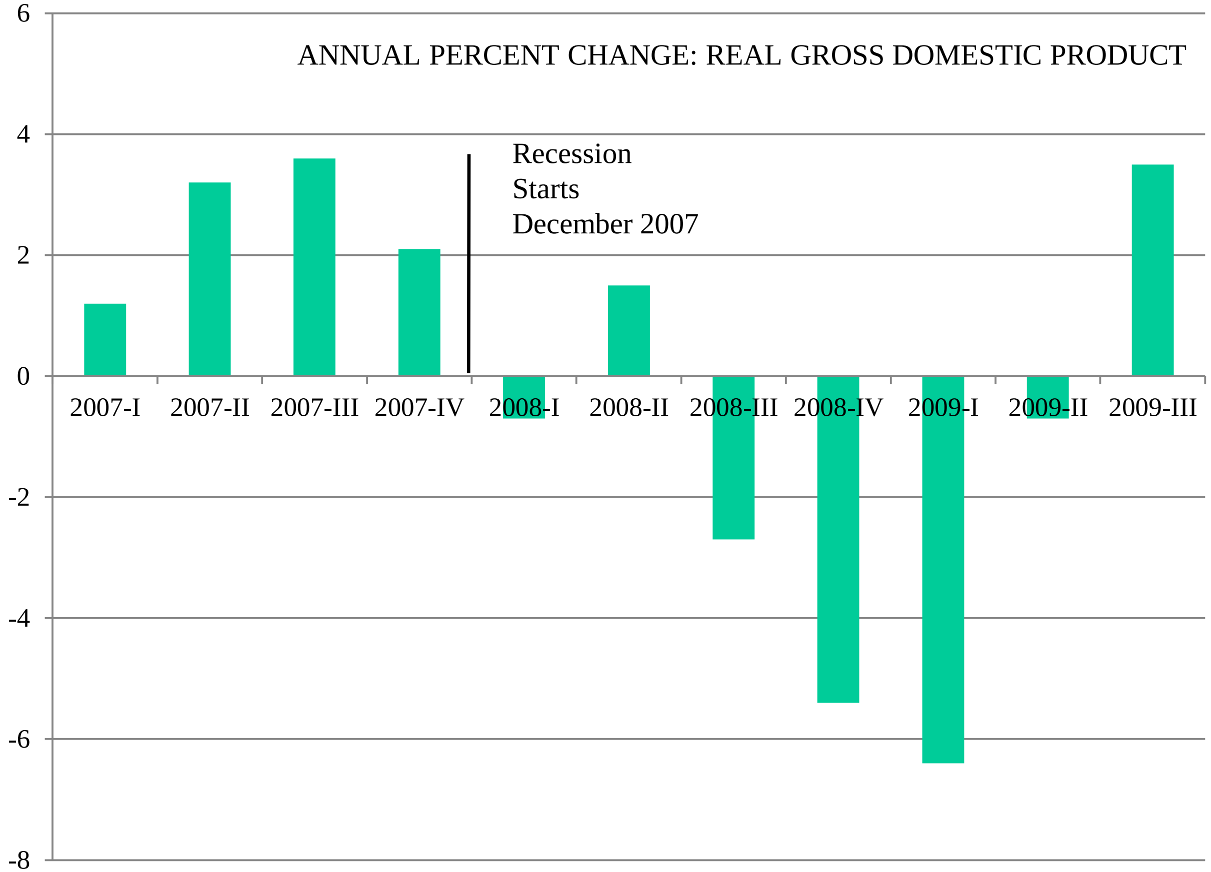
Presented by: Dr. Derek Bjonback

Associate Professor of Business

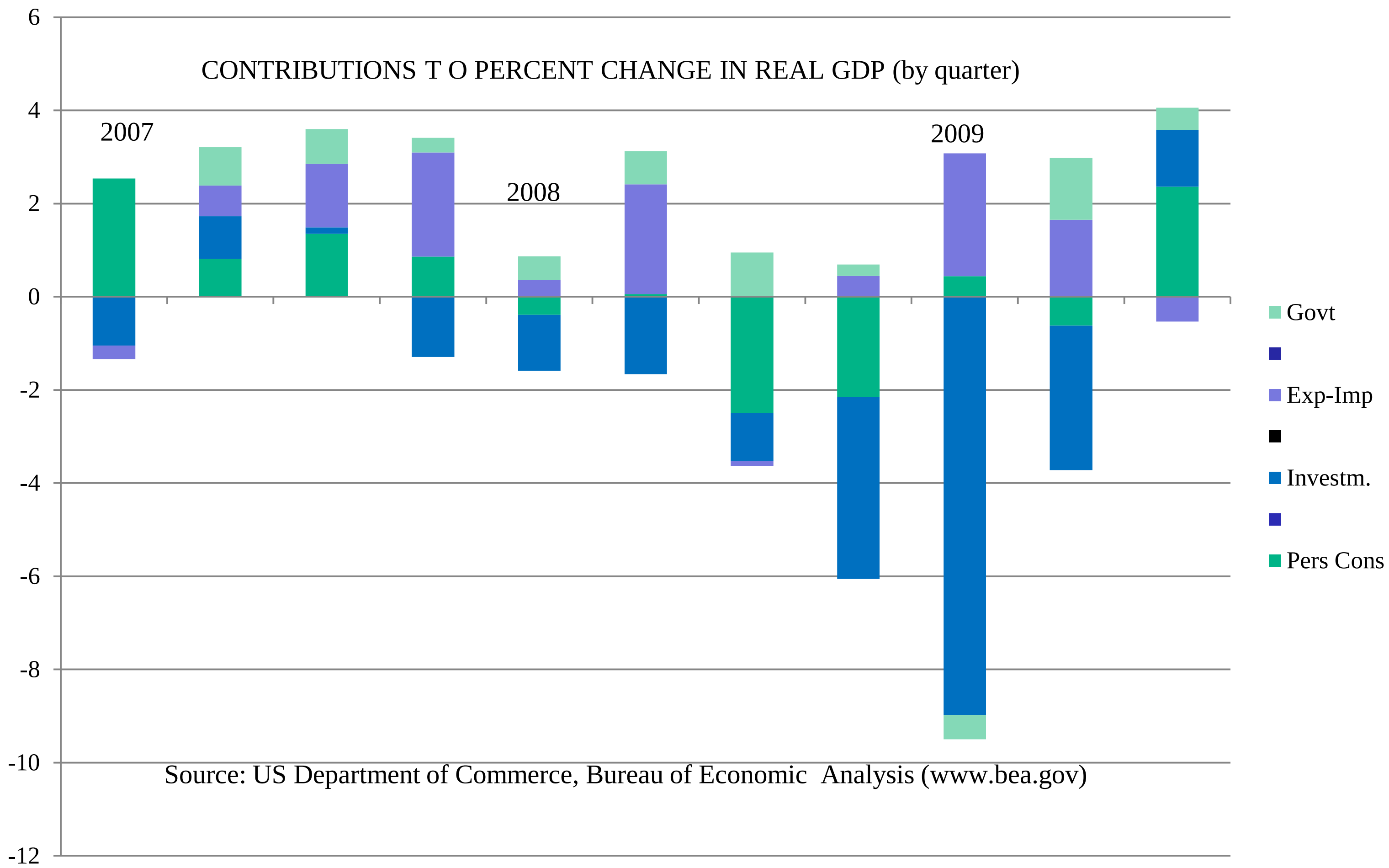
Purdue University North Central

November 10, 2009

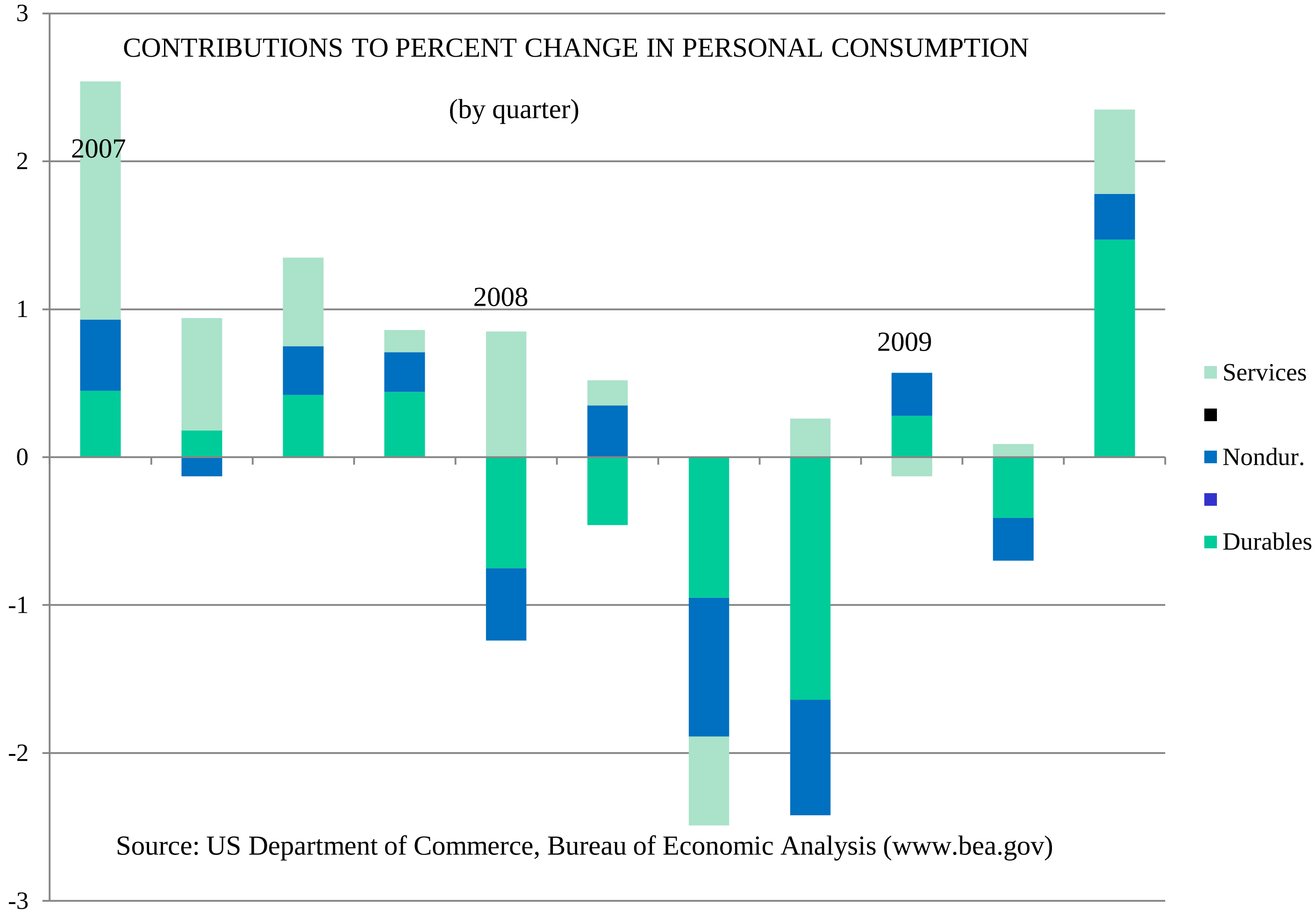
PURDUE UNIVERSITY NORTH CENTRAL



PURDUE UNIVERSITY NORTH CENTRAL

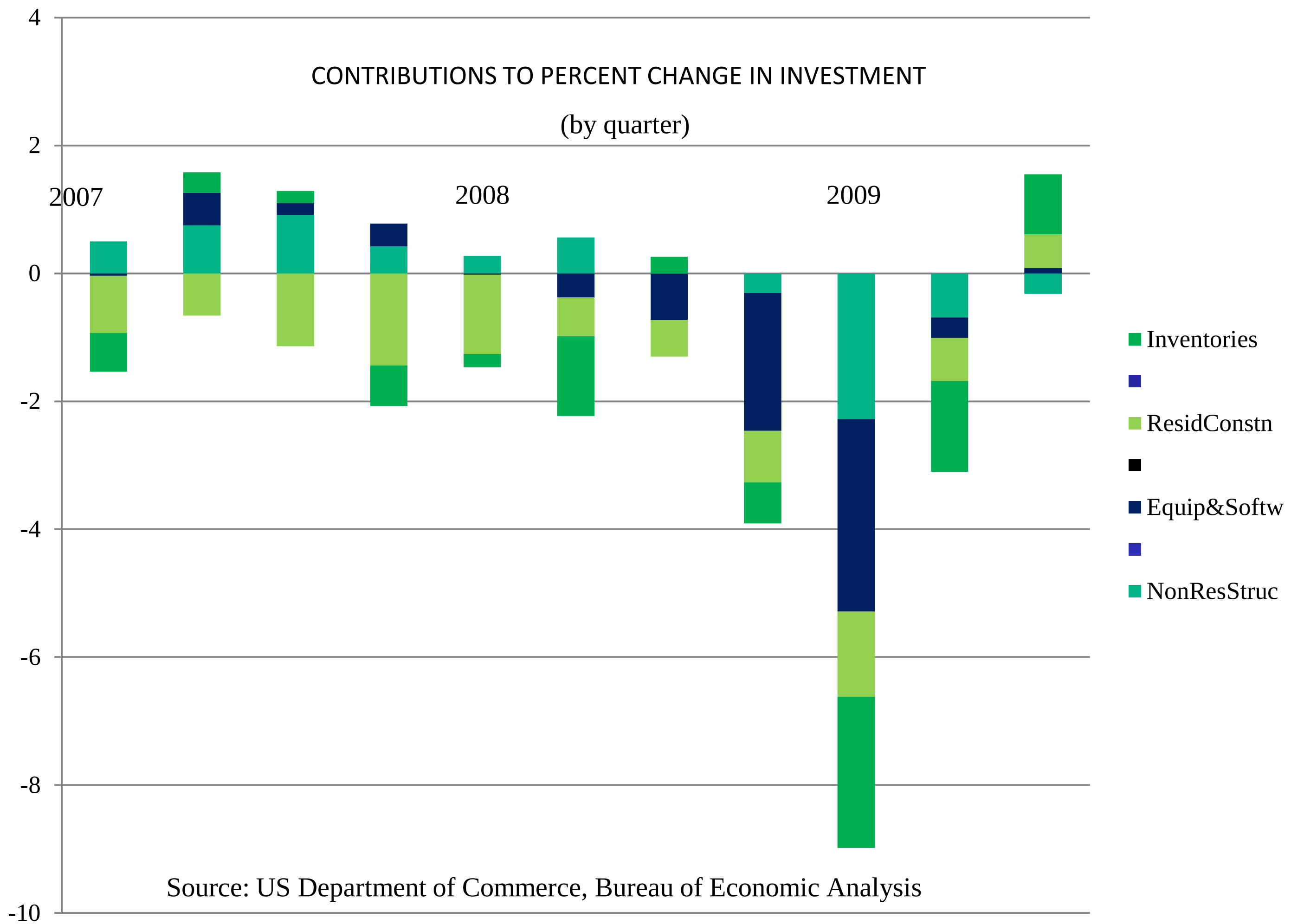

CONTRIBUTIONS T O PERCENT CHANGE IN REAL GDP (by quarter)
6
4
2
0
-2
-4
-6
-8
-10
-12
2007
2008
2009
Govt
Exp-Imp
Investm.
Pers Cons
Source: US Department of Commerce, Bureau of Economic Analysis (www.bea.gov)

Short Term Economic Outlook for the National & Regional Economy

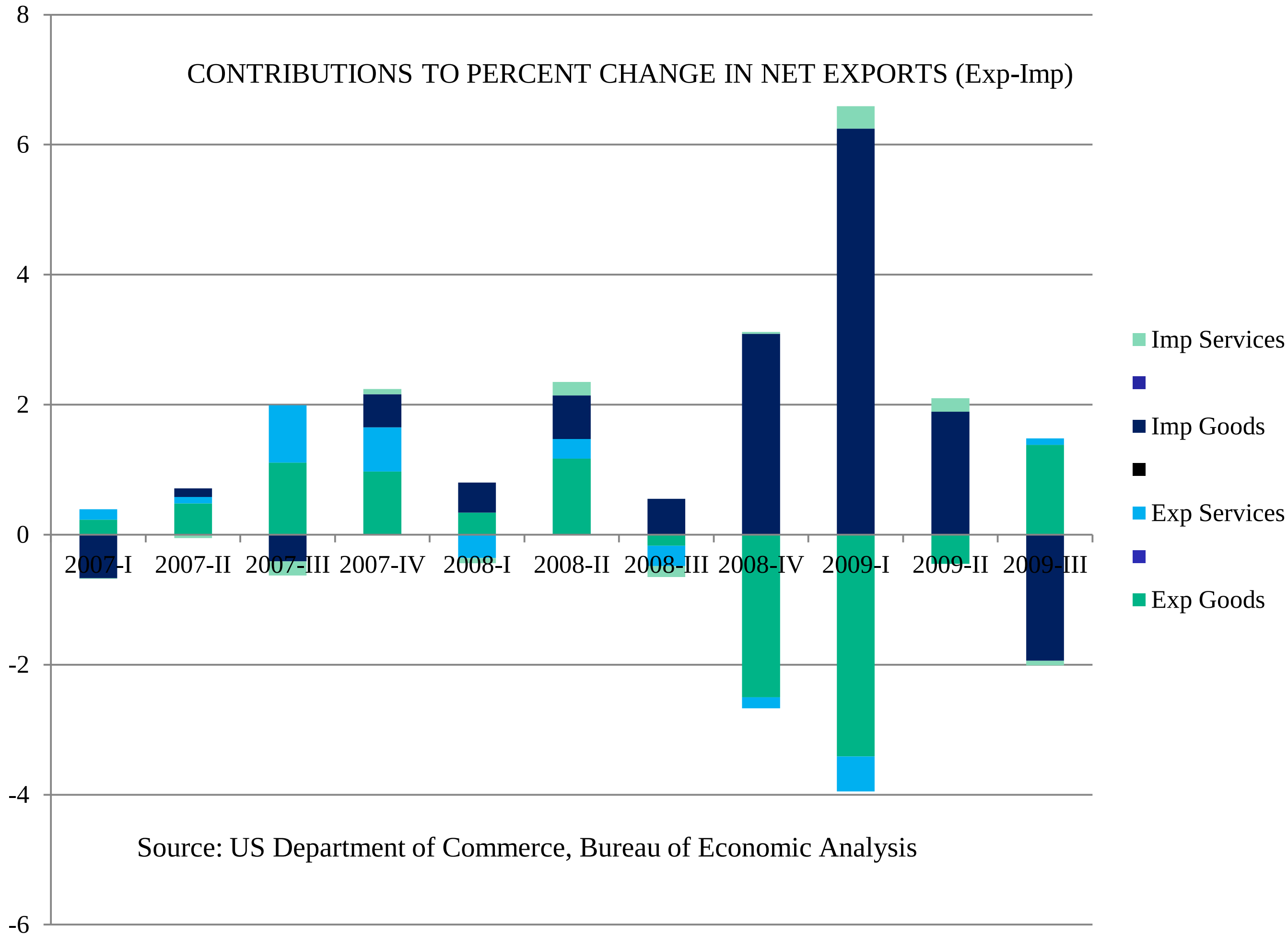


PURDUE
UNIVERSITY
NORTH CENTRAL

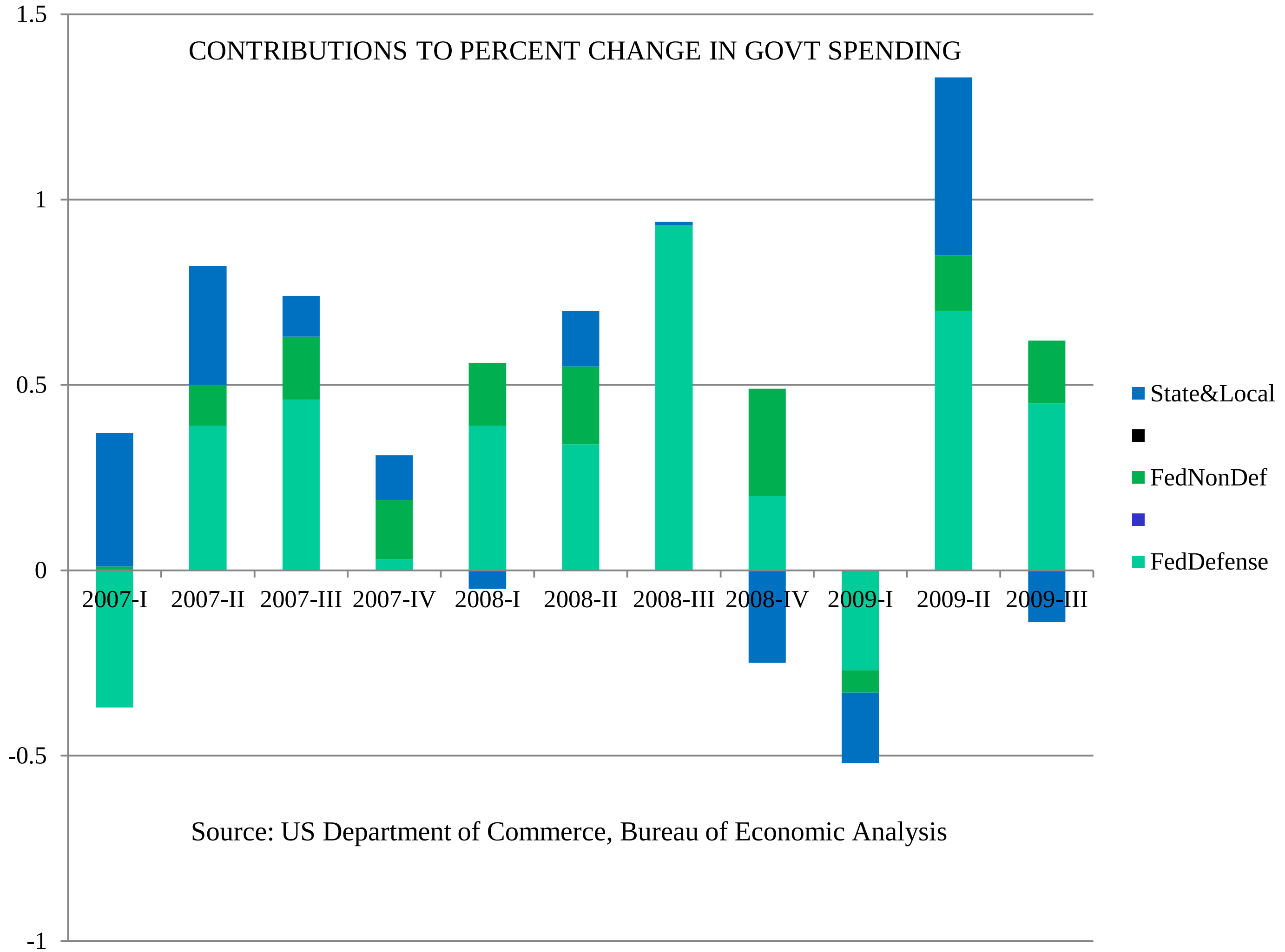
Short Term Economic Outlook for the National & Regional Economy



PURDUE UNIVERSITY NORTH CENTRAL

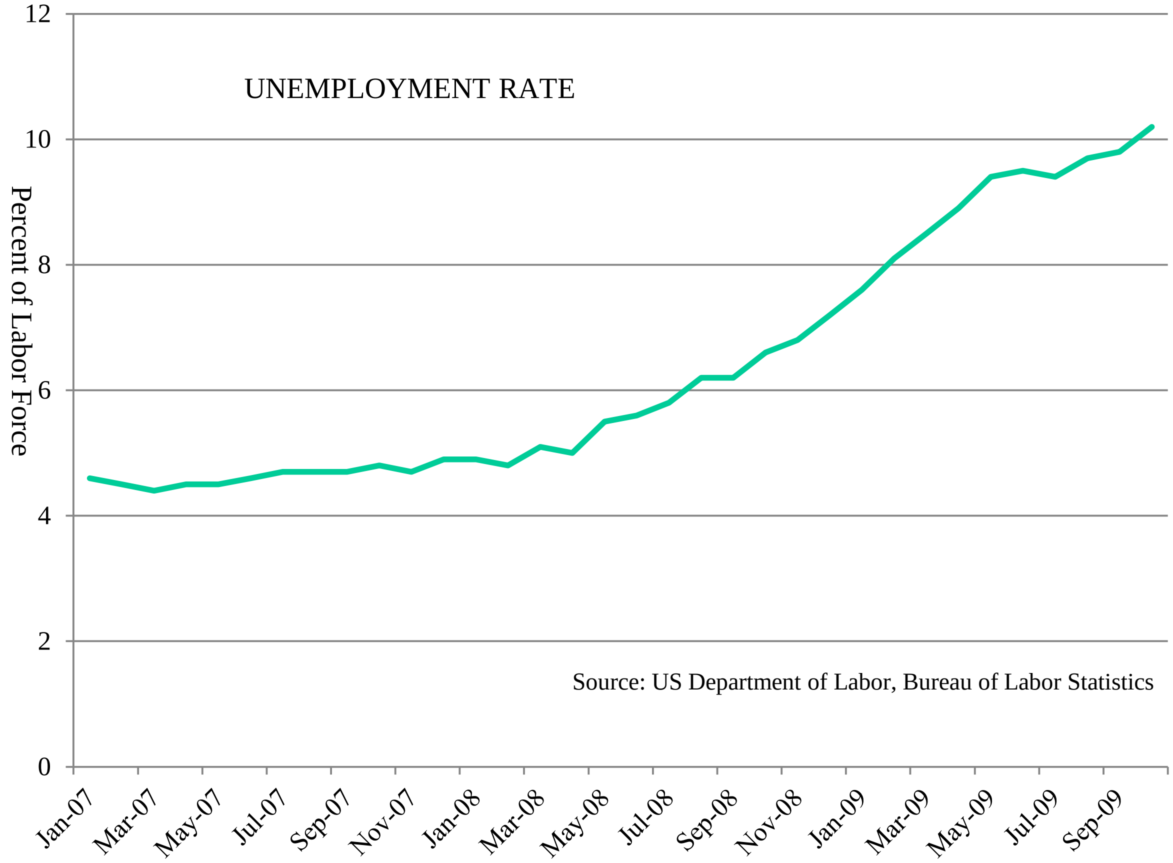


PURDUE UNIVERSITY NORTH CENTRAL



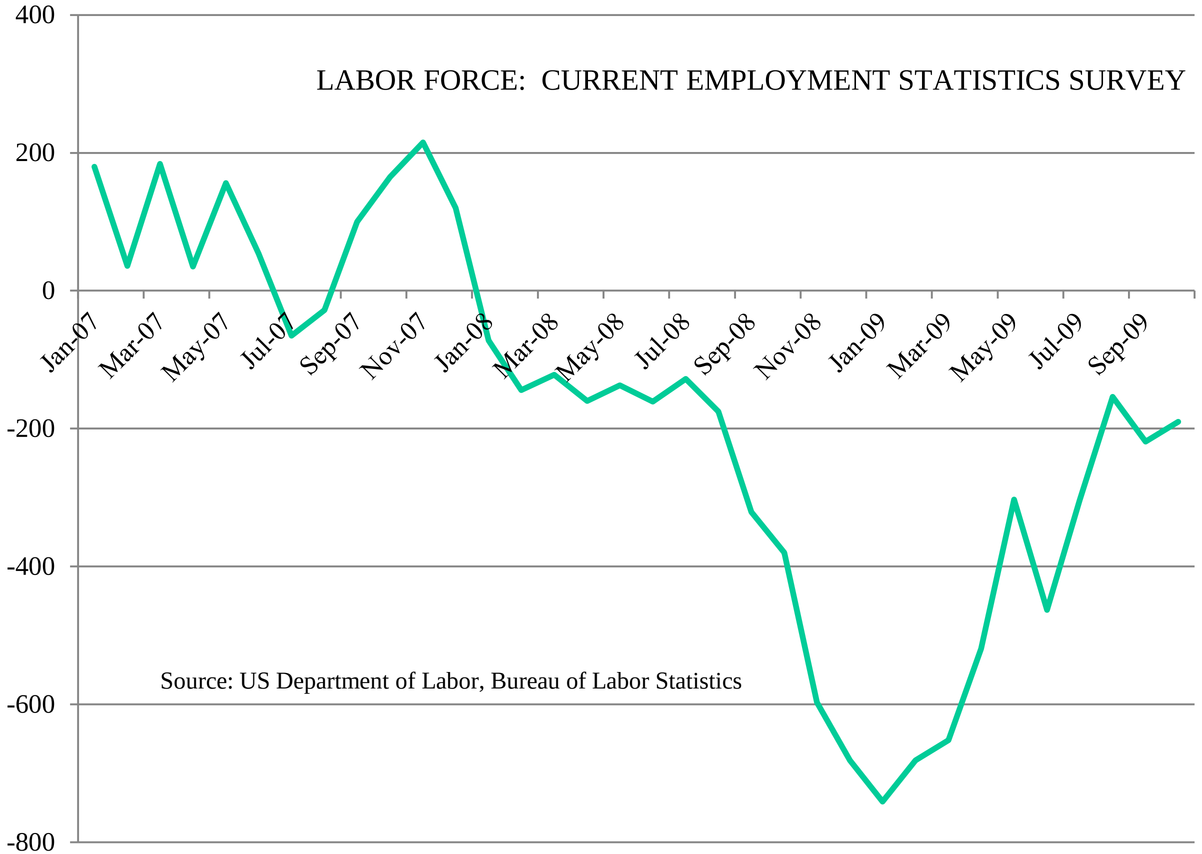
PURDUE UNIVERSITY NORTH CENTRAL

Short Term Economic Outlook for the National & Regional Economy



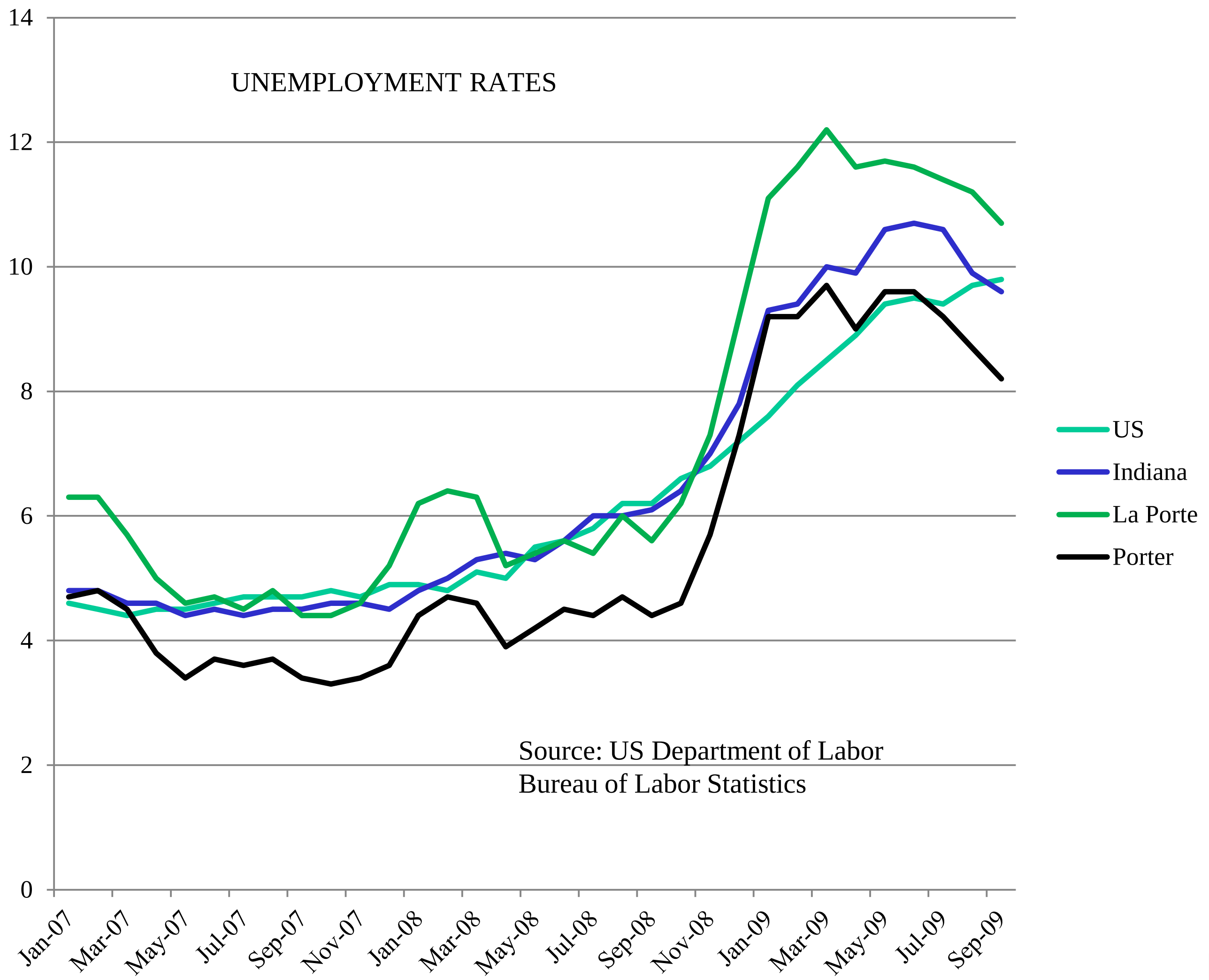
PURDUE UNIVERSITY NORTH CENTRAL

Short Term Economic Outlook for the National & Regional Economy



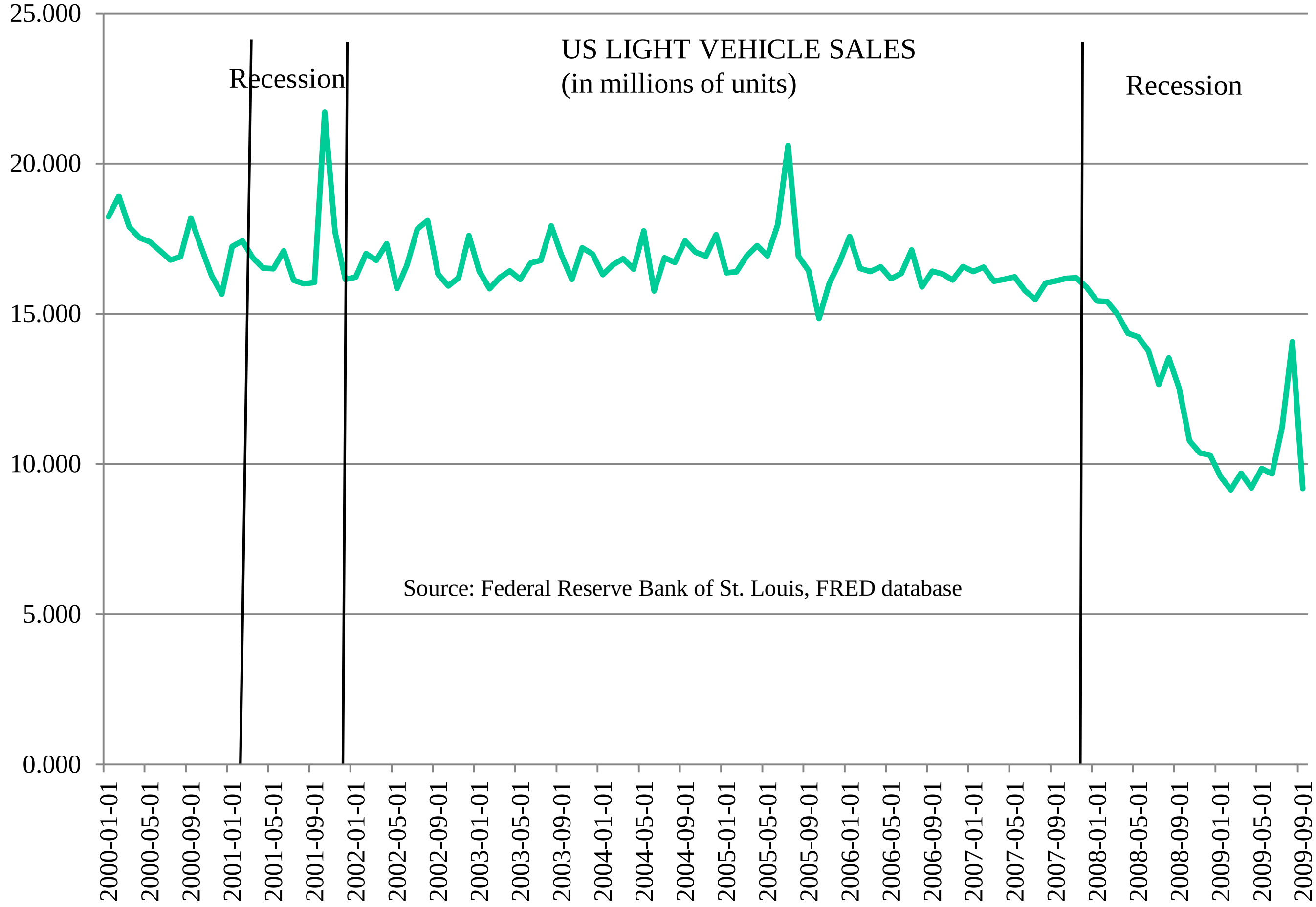
PURDUE UNIVERSITY NORTH CENTRAL

Short Term Economic Outlook for the National & Regional Economy



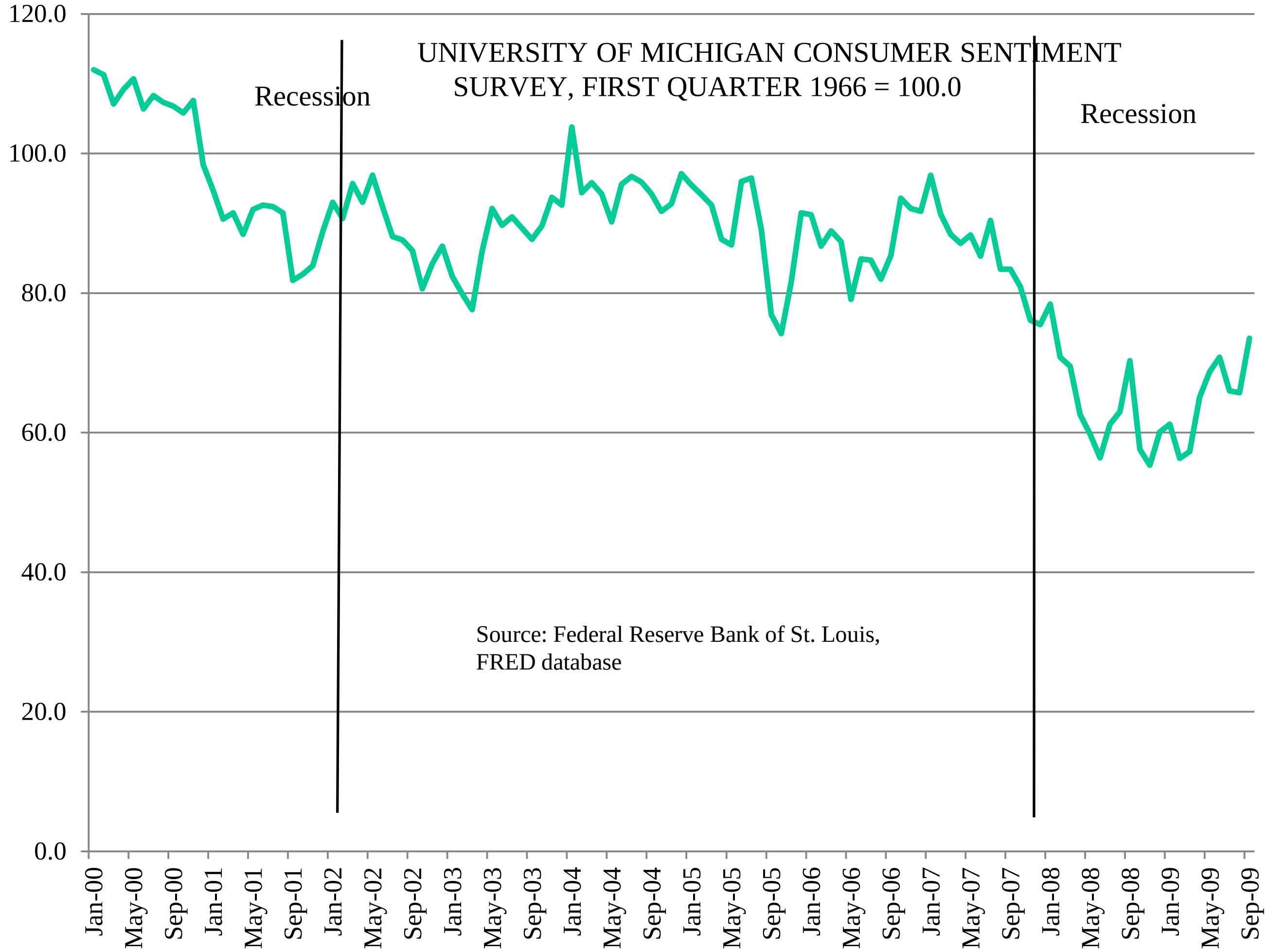
PURDUE UNIVERSITY NORTH CENTRAL

Short Term Economic Outlook for the National & Regional Economy

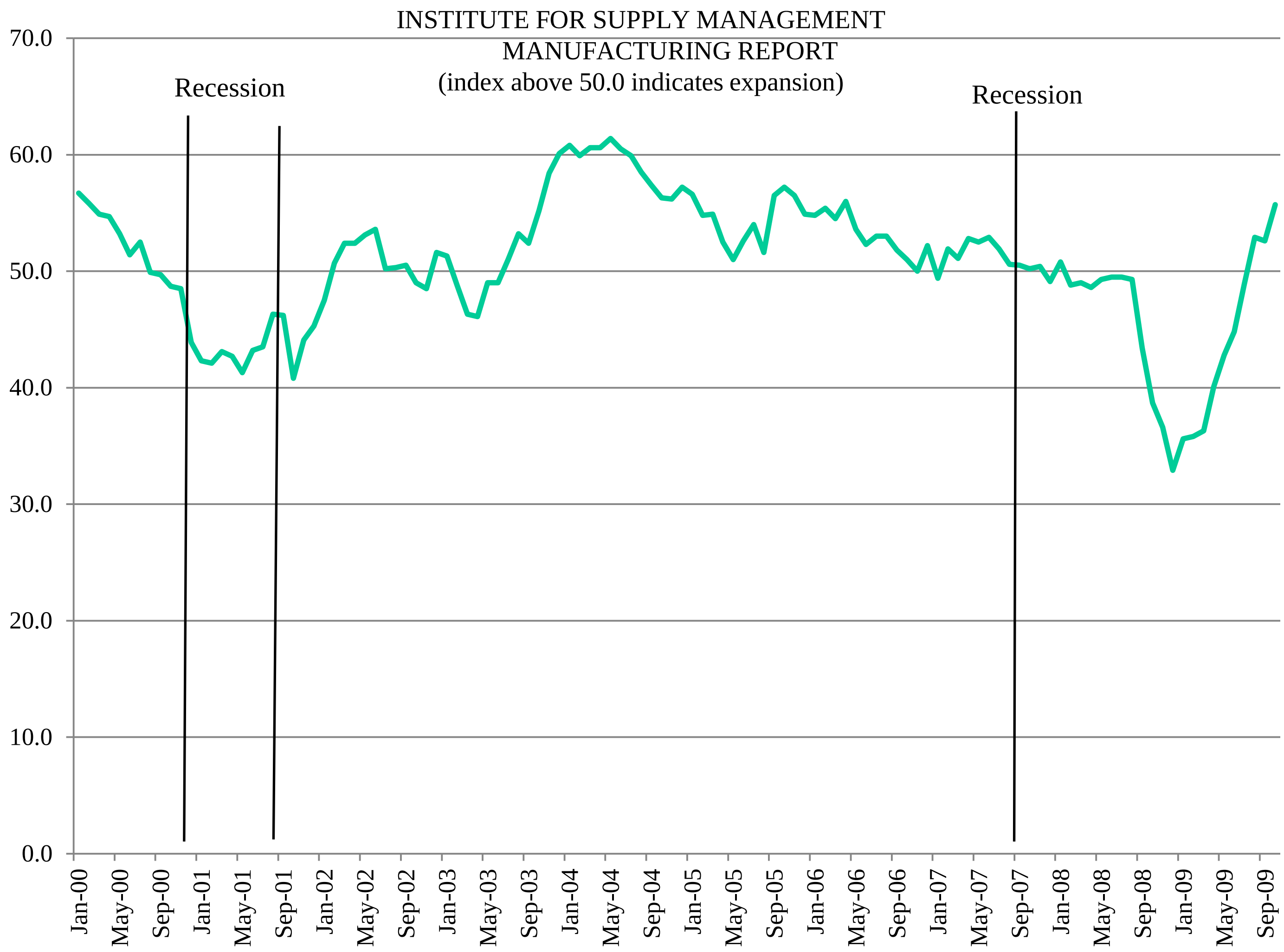


PURDUE UNIVERSITY NORTH CENTRAL

Short Term Economic Outlook for the National & Regional Economy

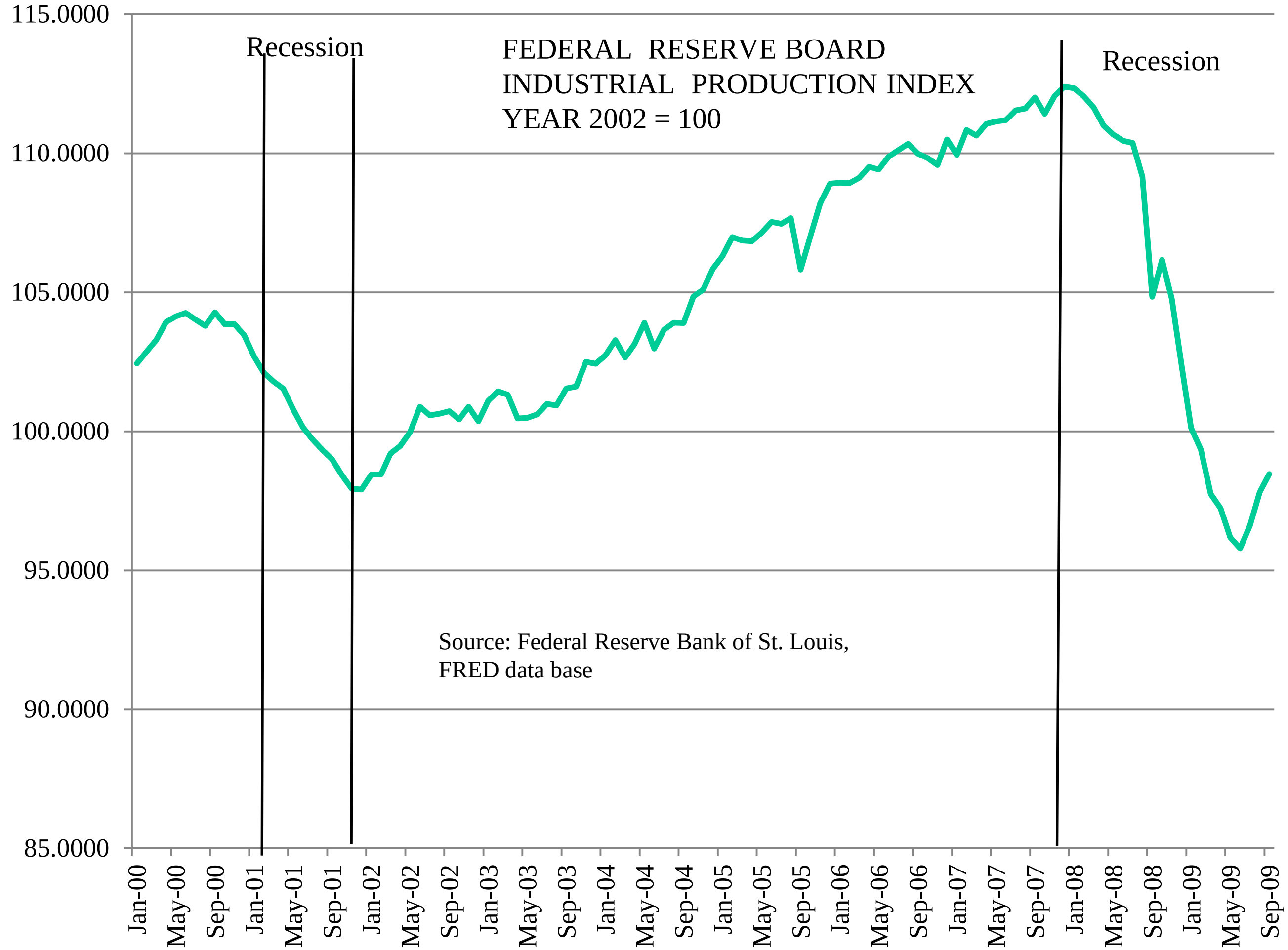


PURDUE UNIVERSITY NORTH CENTRAL



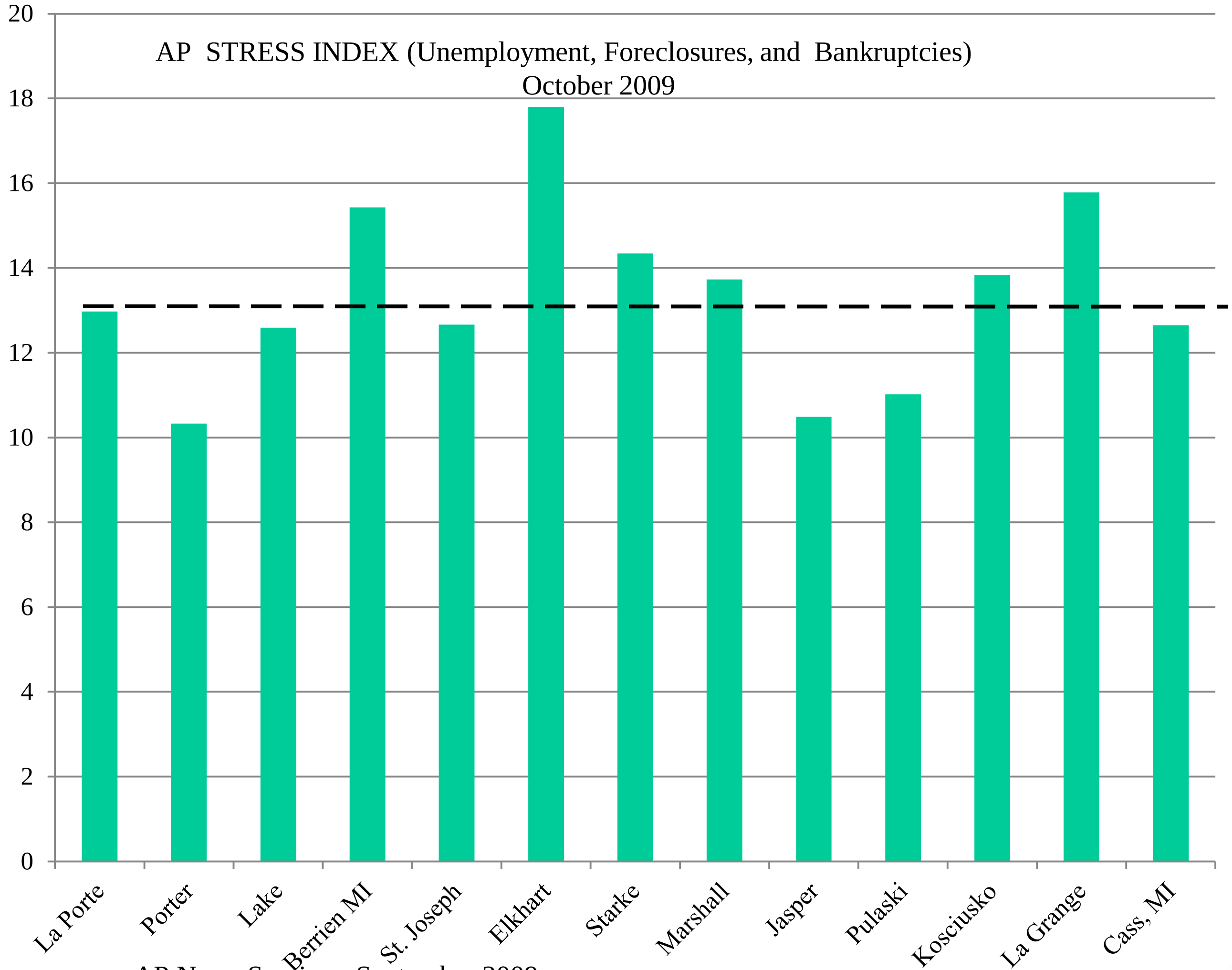
PURDUE UNIVERSITY NORTH CENTRAL

Short Term Economic Outlook for the National & Regional Economy



PURDUE UNIVERSITY NORTH CENTRAL

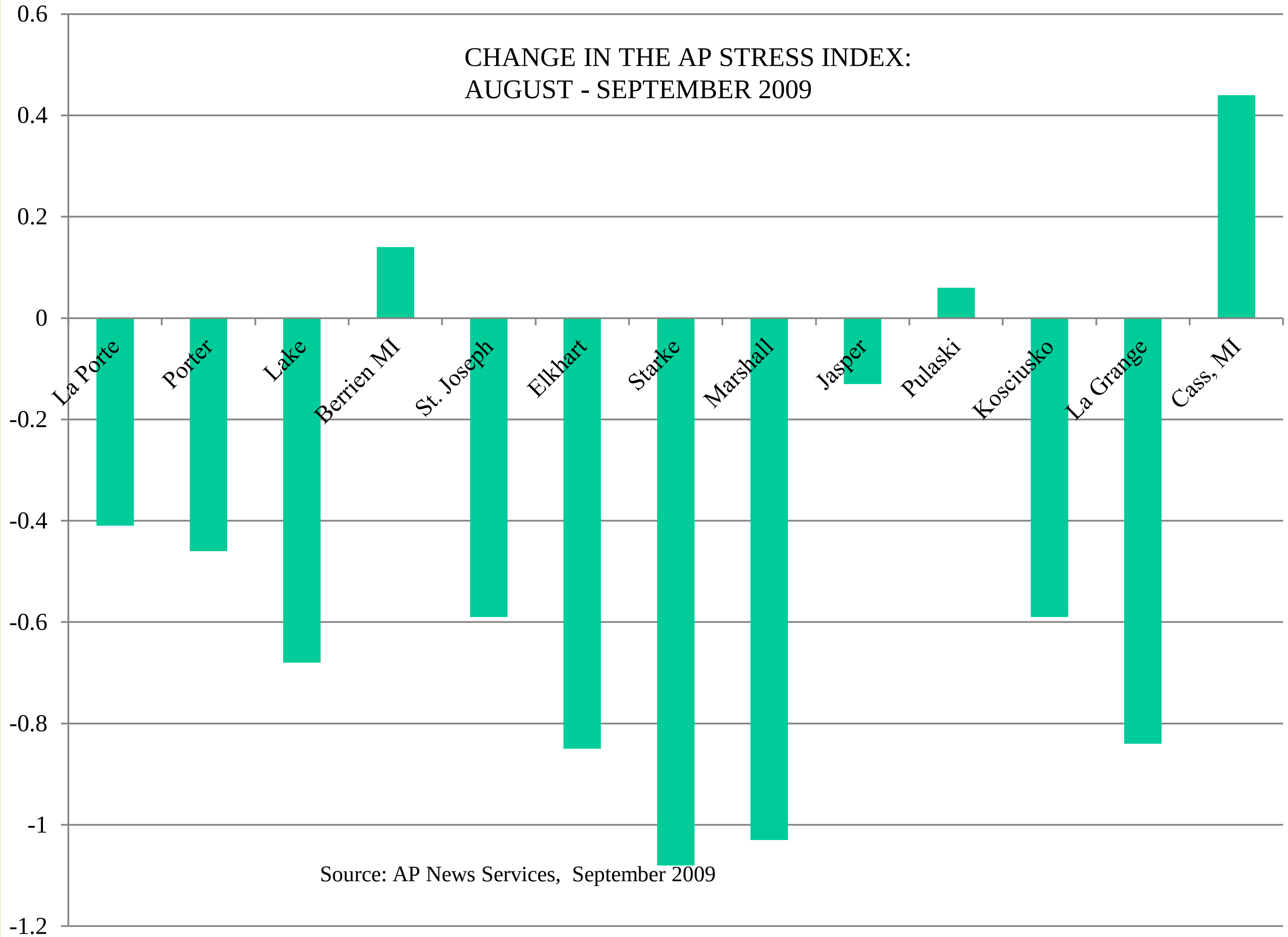
Short Term Economic Outlook for the National & Regional Economy



AP News Services, September 2009

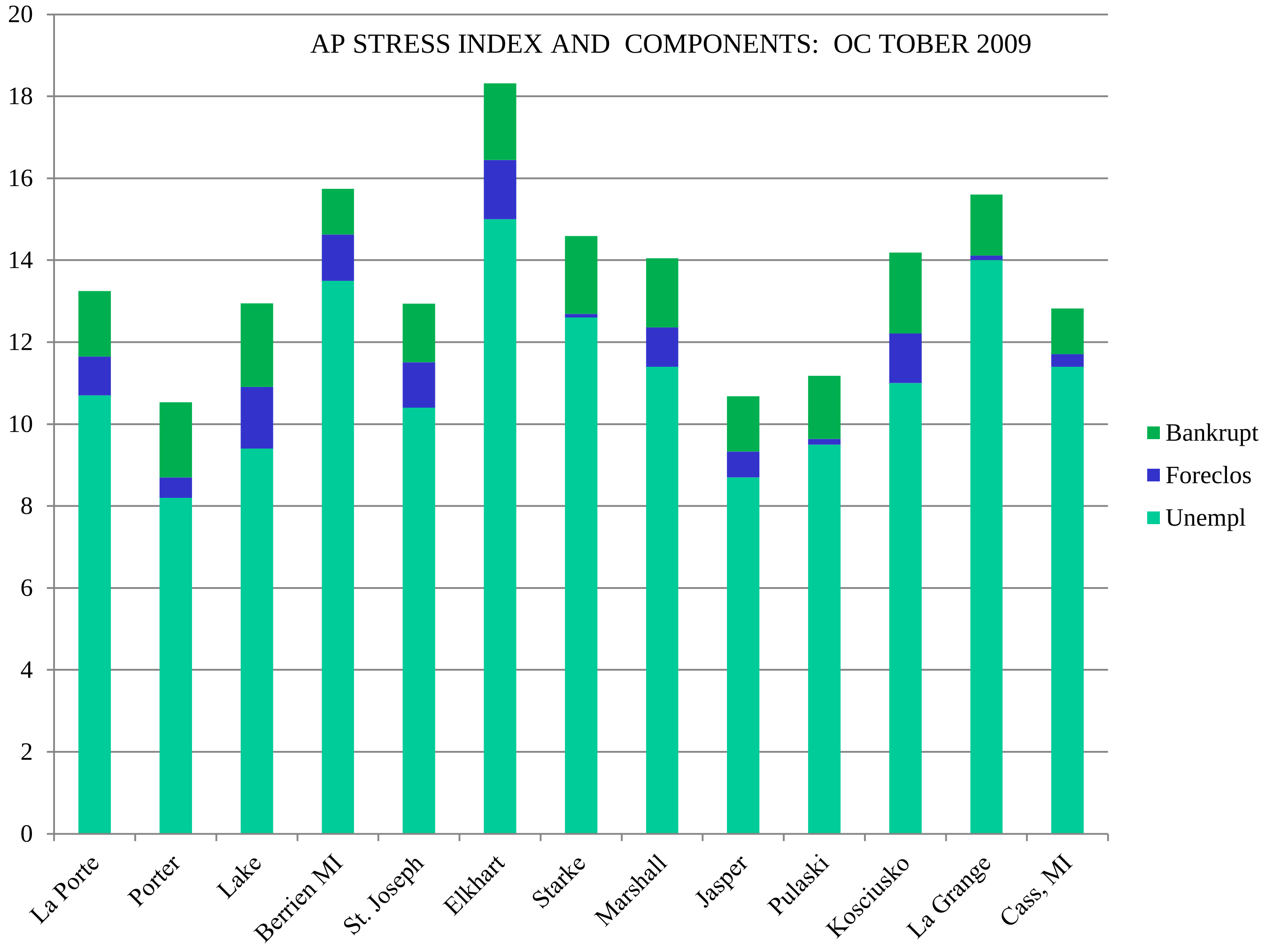
PURDUE UNIVERSITY NORTH CENTRAL

Short Term Economic Outlook for the National & Regional Economy



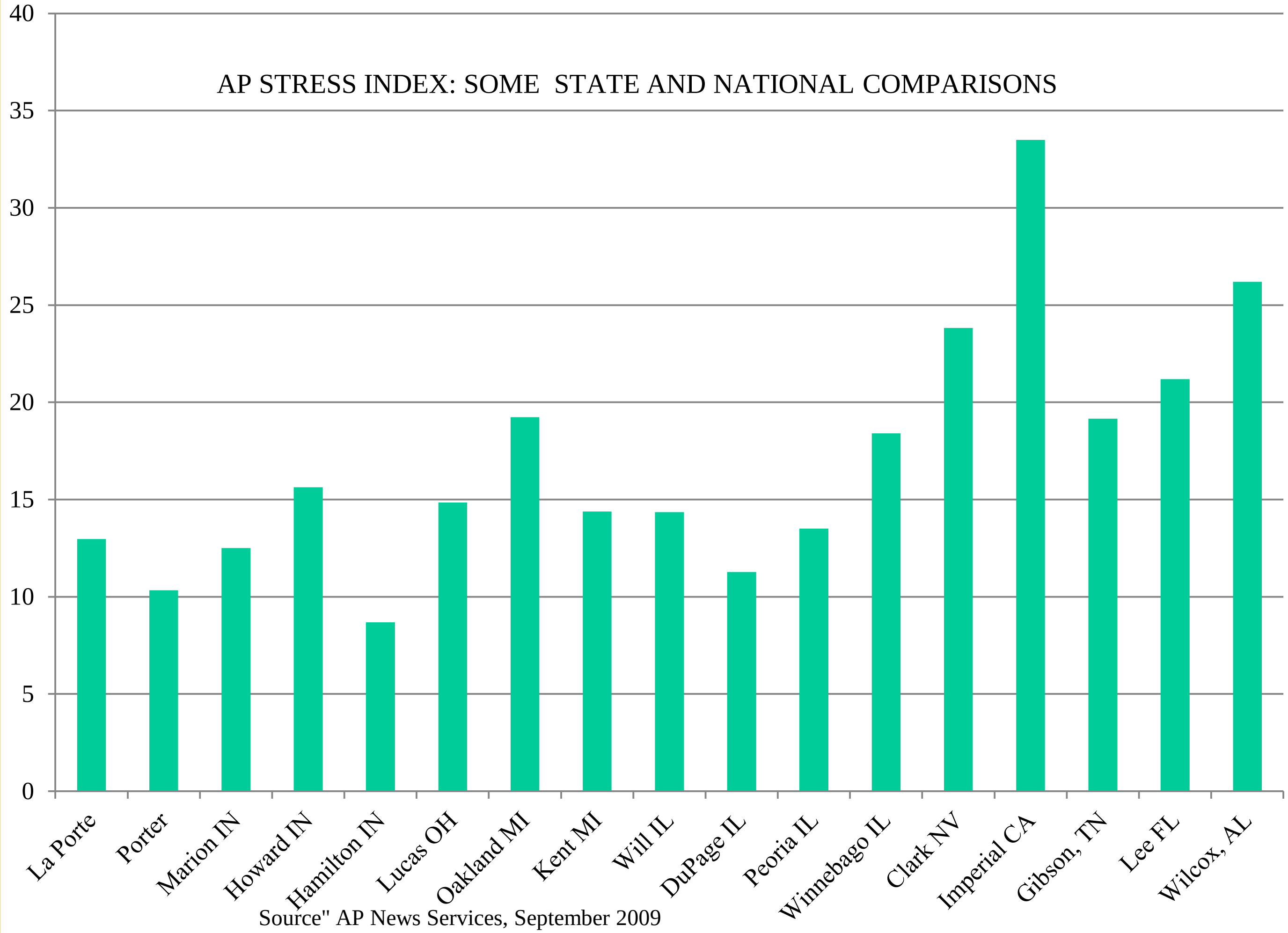
PURDUE UNIVERSITY NORTH CENTRAL

Short Term Economic Outlook for the National & Regional Economy



PURDUE UNIVERSITY NORTH CENTRAL

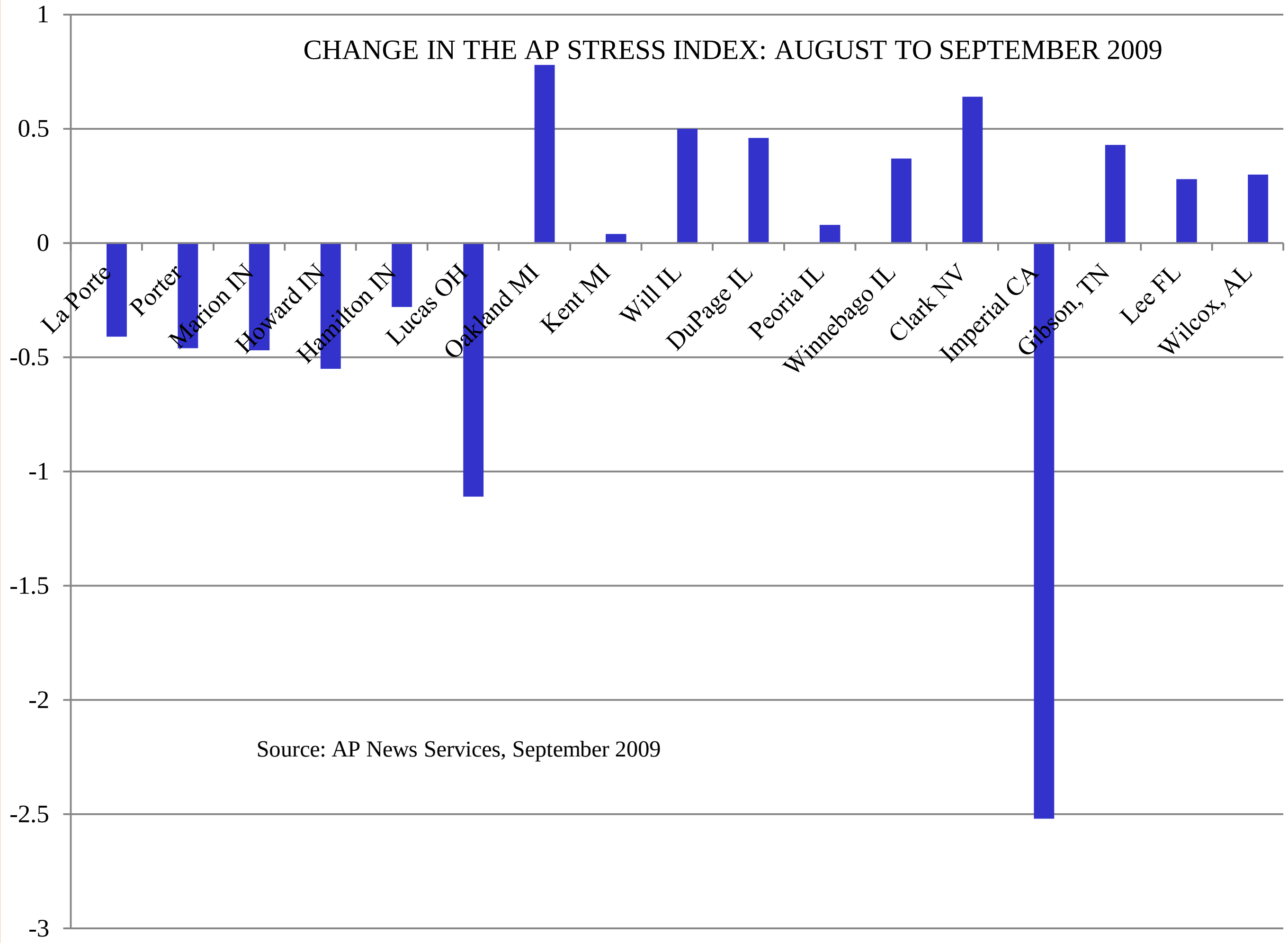
Short Term Economic Outlook for the National & Regional Economy



Source" AP News Services, September 2009

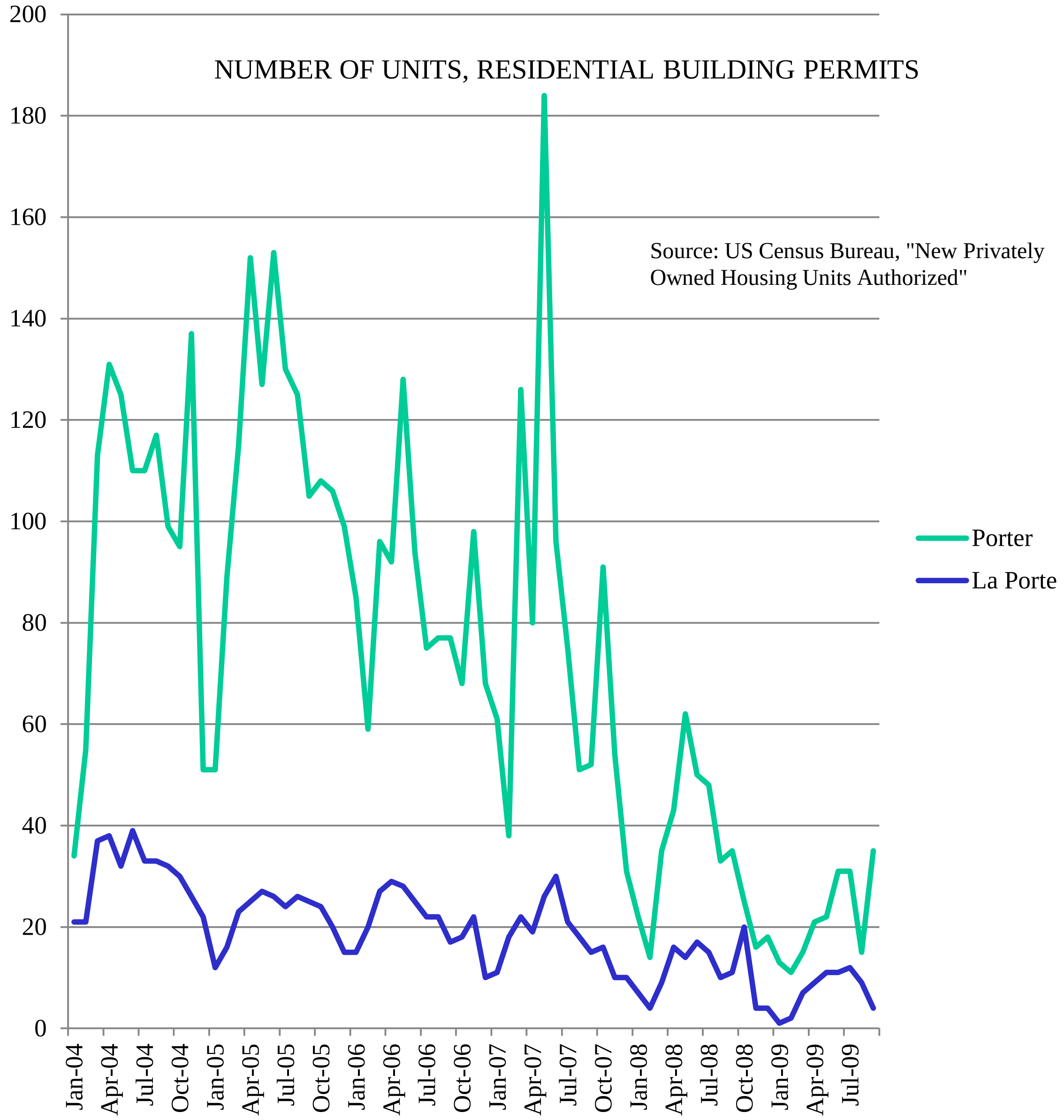
PURDUE UNIVERSITY NORTH CENTRAL

Short Term Economic Outlook for the National & Regional Economy

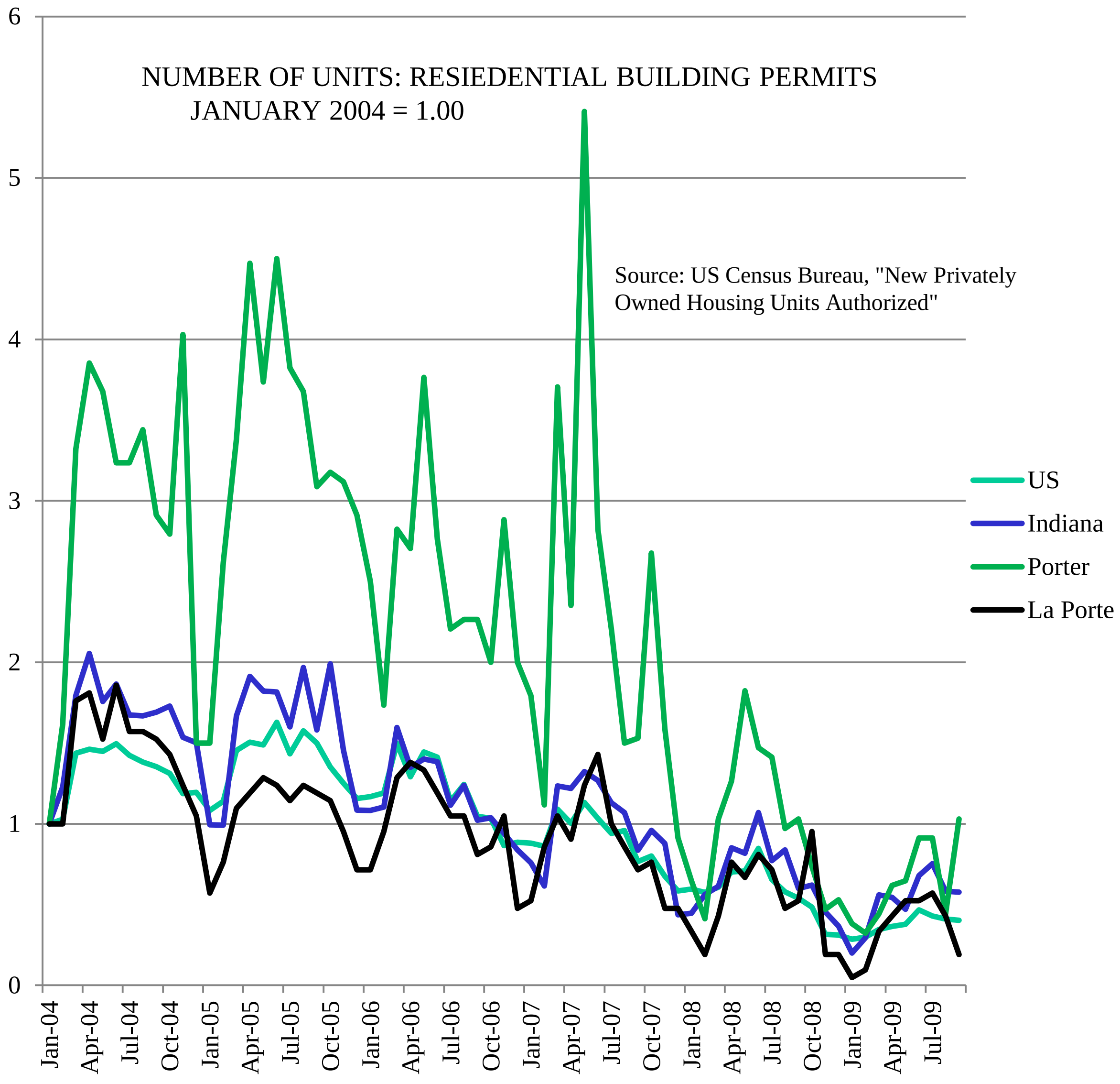


PURDUE UNIVERSITY NORTH CENTRAL

Short Term Economic Outlook for the National & Regional Economy



PURDUE
UNIVERSITY
NORTH CENTRAL



PURDUE UNIVERSITY NORTH CENTRAL

LAPORTE COUNTY ECONOMIC BASE "CLUSTERS": MANUFACTURING INDUSTRIES

Growth between 1998 and 2007

	Year	**Employment**	**Percent La Porte Growth**	**Percent US Growth**	**La Porte's Employment Competitive Advantage or Disadvantage**
Bakeries and Tortilla Manufacturing	2007	926	23.47	-26.38	176
	1998	750			
Plastics Product Manufacturing	2007	304	111.1	-14.07	160
	1998	144			
Commercial Lithographic Printing	2007	168	-11.11	-25.77	28
	1998	189			
Ferrous Metal Foundries	2007	1564	-10.63	-33.34	397
	1998	1750			
Fabricated Metal Product Manufacturing	2007	1100	-49.59	-13.78	-781
	1998	2182			
Machine Shops	2007	124	-64.57	-8.862	-195
	1998	350			
Coating, Engraving, Heat Treating, and Allied Activities	2007	192	-46.81	-13.77	-119
	1998	361			
Metal Valve Manufacturing	2007	152	-16.94	-19.5	5
	1998	183			
Air Purification Equipment Manufacturing	2007	405	131.4	-4.415	238
	1998	175			
Other General Purpose Machinery Manufacturing	2007	993	30.49	-16.31	356.1188353
(air compressors)	1998	761			

Source: US Census Bureau, "County Business Patterns"

LAPORTE COUNTY ECONOMIC BASE "CLUSTERS": CONSTRUCTION AND SERVICE INDUSTRIES

Growth between 1998 and 2007	Year	Employment	Percent La Porte Growth	Percent US Growth	La Porte's Employment Competitive Advantage or Disadvantage
General Freight Trucking, Long-Distance	2007	293	-44.92481203	11.73105105	-301
	1998	532			
Professional and Commercial Equipment and Supplies Merchant Wholesalers	2007	125	81.15942029	-2.919497117	58
	1998	69			
Industrial Machinery and Equipment Merchant Wholesalers	2007	399	10.83333333	-8.979367668	71
	1998	360			
Grocery and Related Product Wholesalers	2007	289	-26.83544304	-10.00428695	-66
	1998	395			
Commercial and Industrial Machinery and Equipment (except Automotive and Electronic)	2007	79	-42.75362319	4.320166712	-65
Repair and Maintenance	1998	138			
Heavy and Civil Engineering Construction	2007	494	263.2352941	26.43073226	322
	1998	136			

PORTER COUNTY ECONOMIC BASE "CLUSTERS": MANUFACTURING INDUSTRIES

Growth Between 1998 and 2007	Year	Employment	Percent Porter Cty Growth	Percent US Growth	Porter's Employment Competitive Advantage or Disadvantage
Plastics Products Manufacturing	2007	320	3.23	-14.07	54
	1998	310			
Machine Shops	2007	305	68.51	-8.89	140
	1998	181			
Coating, Engraving, Heat Treating & Allied Activities	2007	224	-10.40	-13.77	8
	1998	250			
Fabricated Metals Manufacturing	2007	1240	-19.95	-13.78	-95
	1998	1549			
Machinery Manufacturing	2007	587	16.93	-21.25	192
	1998	502			
Primary Metals Manufacturing	2007	5247	-35.62	-28.49	-581
	1998	8150			
Medical Equipment & Supplies Manufacturing	2007	82	256.52	7.78	57
	1998	23			

Source: US Census Bureau, County Business Patterns

PORTER COUNTY ECONOMIC BASE "CLUSTERS": CONSTRUCTION AND SERVICE INDUSTRIES

Growth Between 1998 and 2007	Year	Employment	Percent Porter Cty Growth	Percent US Growth	Porter's Employment Competitive Advantage or Disadvantage
Residential Building Construction	2007	772	59.18	31.52	134
	1998	485			
Heavy and Civil Engineering Construction	2007	355	-41.52	26.43	-412
	1998	607			
Electrical & Electronics Goods Merchant Wholesalers	2007	43	-52.22	-9.99	-38
	1998	90			
Industrial Machinery & Equipment Merchant Wholesalers	2007	143	55.43	-9.05	59
	1998	92			
Grocery & Related Product Wholesalers	2007	175	-41.67	-10.21	-94
	1998	300			
Petroleum & Petroleum Product Merchant Wholesalers	2007	176	49.15	-31.80	96
	1998	118			
General Freight Trucking, Long Distance	2007	736	90.67	11.73	305
	1998	386			
Specialized Freight Trucking	2007	587	35.88	-1.89	163
	1998	432			
Architectural, Engineering & Related Services	2007	518	36.32	22.49	53
	1998	380			
Computer Systems Design & Related Services	2007	123	-4.65	48.60	-69
	1998	129			
Environmental Consulting Services	2007	104	205.88	43.91	55
	1998	34			
Commercial & Industrial Machinery & Equipment Repair & Maintenance	2007	223	45.75	4.32	63
	1998	153			

Source: US Census Bureau, County Business Patterns

Regional Economic Development

Presented by: Professor Tony Sindone

Visiting Assistant Professor of Business

Purdue University North Central

November 10, 2009

PURDUE
UNIVERSITY
NORTH CENTRAL

Topics in Regional Economic Development

Identifying Industrial Clusters

Identifying Occupational Clusters

Infrastructure

Tax Structures

PURDUE UNIVERSITY NORTH CENTRAL

Industrial Clusters

Manufacturing

- Castings
- Packaging
- Compressors

Logistics

Healthcare

Occupational Skill Sets

Infrastructure:

Rail

Highways

Waterways

Air Transport

Tax Issues

Student Excellence Award
&
College of Business Announcements

Presented by: Dr. Alan Krabbenhoft

Dean, College of Business

Purdue University North Central

November 10, 2009

Marchele Rogers

- Organizational Leadership and Supervision.
- Anticipated December 2009 graduation.
- On 11/17 she will be one of the initial inductees into PNC's chapter of Sigma Beta Delta, the international business honor society.
- Lifelong learner with over 20 years of work experience in several industries.
- Currently employed by State of Indiana as Correctional Officer.
- Plans to use her PNC degree to help others.

PURDUE UNIVERSITY NORTH CENTRAL

CEDaR

- Center for Economic Development and Research - CEDaR
- CEDaR's mission is to foster the economic development of northwest Indiana and southwest Michigan by:
  1. offering educational opportunities related to economic development
  2. conducting research related to regional economic and public policy initiatives
  3. offering contract training services that support workforce development
  4. serving as a repository for regional reports and data.

PURDUE
UNIVERSITY
NORTH CENTRAL

Graduate Certificate in Economic Development

- Currently running a pilot of the Graduate Certificate program in connection with the Saturday MBA program.
- Starting Fall 2010, the three course sequence will re-launch with the courses to be offered during the week. Time/Day TBD.
- In Spring 2010 (January) we will be offering "Topics in Economic Development"

Economic Development Seminars

- CEDaR will begin to offer one evening seminars related to several of the following topics:
  - Tax Increment Financing (TIF)
  - Identifying & promoting business-resource clusters
  - Business Recruitment and Retention
  - Regional Competitive Advantages
  - Infrastructure

PURDUE
UNIVERSITY
NORTH CENTRAL