

2014

Manufacturing and Logistics Report

About Conexus Indiana

Conexus Indiana is a private sector-led initiative focused on the advanced manufacturing and logistics sectors—two industries that combined employ more than one of every five Hoosiers. Conexus Indiana is focused on making Indiana a global manufacturing and logistics leader by strengthening the state's human capital, building industry partnerships to capitalize on new opportunities and address key challenges, and promoting a better understanding of the importance of these industries to our economic future.

Conexus Indiana's most urgent mission is building tomorrow's manufacturing and logistics workforce, preparing Hoosiers to take advantage of high-tech careers in these exciting fields. Conexus Indiana is also focused on developing a unified strategy to enhance logistics capabilities, linking manufacturers with in-state suppliers to streamline supply chains and spur investment in Indiana, and undertaking other strategic projects that will help the manufacturing and logistics sectors thrive here at the Crossroads of America.

Conexus Indiana

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About Ball State CBER

The Center for Business and Economic Research (CBER) is an economic policy and forecasting research center at Ball State University. CBER research includes public finance, regional economics, manufacturing, transportation, and energy sector studies.

CBER produces the CBER Data Center—a suite of web-based data tools—available online at www.cberdata.org.

In addition to research and data delivery, CBER serves as a business forecasting authority in Indiana—holding the annual Indiana Economic Outlook and quarterly meetings of the Ball State University Business Roundtable.

Center for Business and Economic Research

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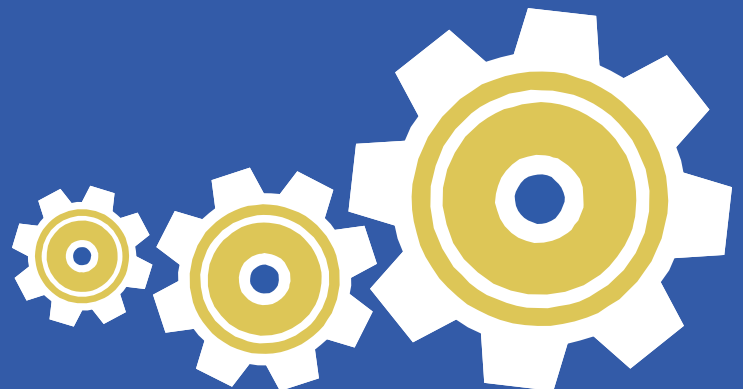
The 2014 Manufacturing and Logistics Report shows how Indiana ranks among its peers in several areas of the economy that underlie the success of manufacturing and logistics.

These specific measures include the health of the manufacturing and logistics industries, the state of human capital, the cost of worker benefits, diversification of the industries, state-level productivity and innovation, expected fiscal liability, the state tax climate, and global reach.

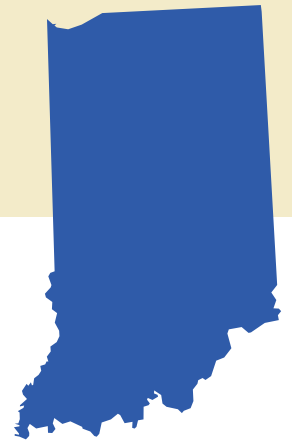
About the Grades

The categories in this report were chosen as those most likely to be considered by site selection experts for manufacturing and logistics firms, and by the prevailing economic research on growth.

Each category included multiple variables for each state that were aggregated and then ranked 1st through 50th, with 1st being the most desirable. Within each category, the lowest aggregate score assigned provided the overall rank. Grades were assigned A through F using a normal distribution of grades commonly known as a bell curve. Plus and minus scores were not assigned to A or F grades.



State Profile for Indiana



State Overview

Indiana was ranked 3rd in terms of its recovery after the Great Recession, which may be due in part to the high productivity* of its advanced manufacturing firms. The state boasts six consecutive years of A-level performance in manufacturing industry health and four years of earned A's in logistics industry health. Indiana also delivered grade A performances in the categories of tax climate and global reach.

Though scores remain in the C range, the state fares better than its neighbors in terms of expected fiscal liability and worker benefit costs. Performances in the sector diversification and productivity and innovation categories remain lackluster and are areas for improvement.

Indiana continues to struggle with human capital as the baby boomer generation (16.8 percent of the state manufacturing workforce) nears retirement age. The issues associated with this shift in the workforce are discussed in the companion piece "Manufacturing and Labor Market Frictions," available online at <http://conexus.cberdata.org>.

* The June 2013 report "Manufacturing Productivity Through the Great Recession" can be found online at <http://projects.cberdata.org>.

2014 Report Card for Indiana and Its Neighbors

Category	Indiana	Compared to Last Year	Illinois	Iowa	Kentucky	Michigan	Ohio
Manufacturing Industry Health	A	same	C	A	B	A	B+
Logistics Industry Health	A	same	A	B	B+	B-	A
Human Capital	C-	better	C	B	D	D	C
Worker Benefit Costs	C	better	C	C	D	C+	C
Tax Climate	A	same	D-	F	C-	B	C
Expected Fiscal Liability Gap	C	worse	F	C	F	D+	C
Global Reach	A	same	C+	C	A	B	A
Sector Diversification	C	same	C	C-	C+	F	C+
Productivity & Innovation	C+	same	A	C-	D	C	C

More Online

Visit the Manufacturing and Logistics Report website to find the state performance history in each category since 2009, a detailed national report, and an archive of past Conexus Indiana Manufacturing and Logistics Reports: <http://conexus.cberdata.org>