



Indiana's Performance in 2016

Indiana maintained its A grade in manufacturing, with 2015 again being a record year for manufacturing production (inflation-adjusted). Indiana holds an A in global reach and tax climate that helps the state maintain its robust manufacturing sector. Indiana also saw improvement in productivity and innovation (B+ grade) relative to other states. State performance in the logistics industry is an A-.

Human capital continues to be average, with a grade of C for Indiana as graduation rates in community and technical colleges rebounded slightly from the drop after the Great Recession. Health care expenditures through relative higher premiums remain a major factor that contributes to lower grades in Indiana's worker benefit costs (D+ grade). The expected fiscal liability gap has been steady in Indiana with a B- grade, making it a business-friendly state.

The strength of the manufacturing industry can be attributed to the advancements in technology and innovation, which are evident in the advanced manufacturing sectors. Advanced manufacturing appears to be very diverse in Indiana, and hence these sectors could withstand cyclical changes better than most states. Over the past decade, job growth in the advanced manufacturing sectors is clustered around STEM and white collar-related occupations. The growth in advanced manufacturing can be compared with increases in human capital, which remains a concern for Indiana.

Which sectors are considered to be part of advanced manufacturing? How large is this industrial cluster and what kind of workforce does it require? We explore these topics in the 2016 companion report, *Advanced Manufacturing in the United States*, available at <http://conexus.cberdata.org>.



2016 Report Card for Indiana and Its Neighbors

Note: * The 2015 grades for Expected Fiscal Liability Gap have been adjusted. Please note the updated grades below and online at <http://conexus.cberdata.org>.

↗ Score improved from last year → Score same as last year ↘ Score declined from last year

State	Manufacturing Industry Health		Logistics Industry Health		Human Capital		Worker Benefit Costs		Tax Climate		Expected Fiscal Liability Gap*		Global Reach		Sector Diversification		Productivity and Innovation	
	2015	2016	2015	2016	2015	2016	2015	2016	2015	2016	2015*	2016	2015	2016	2015	2016	2015	2016
Indiana	A	→ A	A	↘ A-	C	→ C	D+	→ D+	A	→ A	B-	→ B-	A	→ A	C	→ C	B-	↗ B+
Neighboring States																		
Illinois	C	→ C	A	→ A	C	↗ C+	C	→ C	D-	↗ D	F	↗ D-	C+	→ C+	C+	→ C+	B	→ B
Kentucky	B+	↗ A	B	↗ B+	D	↗ D+	D	→ D	C	↘ C-	C	→ C	A	→ A	C	→ C	C	→ C
Michigan	A	→ A	C	→ C	D	→ D	C+	↗ B	C+	→ C+	C-	→ C-	B	→ B	D-	↘ F	A	↘ B
Ohio	B	→ B	A	→ A	C-	→ C-	C	→ C	C	→ C	C	↘ C-	A	→ A	C+	→ C+	B	→ B
Wisconsin	B+	→ B+	B	→ B	B+	→ B+	D	→ D	D+	↘ D	C	→ C	C	→ C	B	↘ B-	C+	↘ C