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## Hoosiers without Banks: Differences by Race, Income and Metro Area

While most Hoosiers have checking or savings accounts and use banks and credit unions for typical financial services, almost a quarter of households do not have a member with a bank account or still rely on alternative financial establishments for check-cashing services and loans.

The fact that many Americans—particularly minorities—continue to use a host of alternative financial services including store-front establishments and pawn shops is a cause of concern to many government officials as well as consumer protection advocates.

This article looks at the “unbanked” and “underbanked” populations in Indiana, paying attention to differences based on race/ethnicity and income. This report follows the nationwide findings presented in the FDIC’s National Survey of Unbanked and Underbanked Households by providing a more detailed analysis of Indiana’s metropolitan regions. Data come from the special January 2009 supplement of the U.S. Census Bureau’s Current Population Survey (CPS) commissioned by the FDIC.<sup>1</sup>

### Unbanked and Underbanked Households

Unbanked households do not have any members who have a checking or savings account. Underbanked households, on the other hand, have a member with a checking or savings account but still use institutions other than banks for their important financial transactions. Such transactions include receiving a refund anticipation loan within the past five years or the use of at least one of the following over the past two years: money orders, check-cashing services, payday loans, rent-to-own agreements or pawn shop transactions.

The FDIC survey estimated that more than 30 million (over a quarter of U.S. households) were either unbanked (9.1 million, or 7.7 percent) or underbanked (21.3 million, 17.9 percent). The percentage of Indiana households with low reliance on banking services was comparable to national statistics with 180,000 households unbanked (7.4 percent) and another 410,000 (16.8 percent) that

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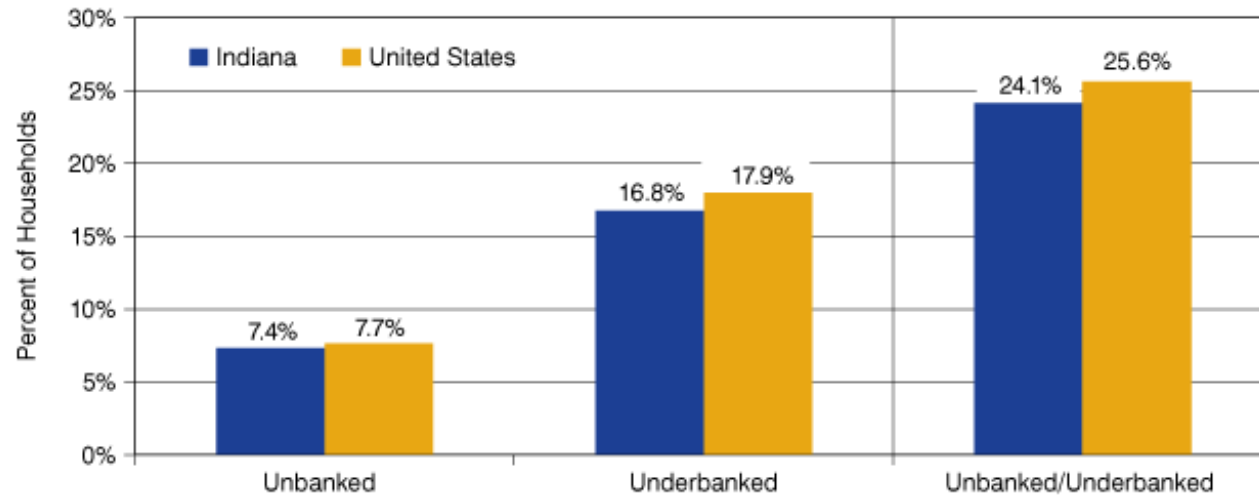
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were underbanked (see Figure 1).

**Figure 1: Unbanked and Underbanked Households in Indiana and the United States, 2009**



Source: IBRC, using data from the FDIC National Survey of Unbanked and Underbanked Households, 2009

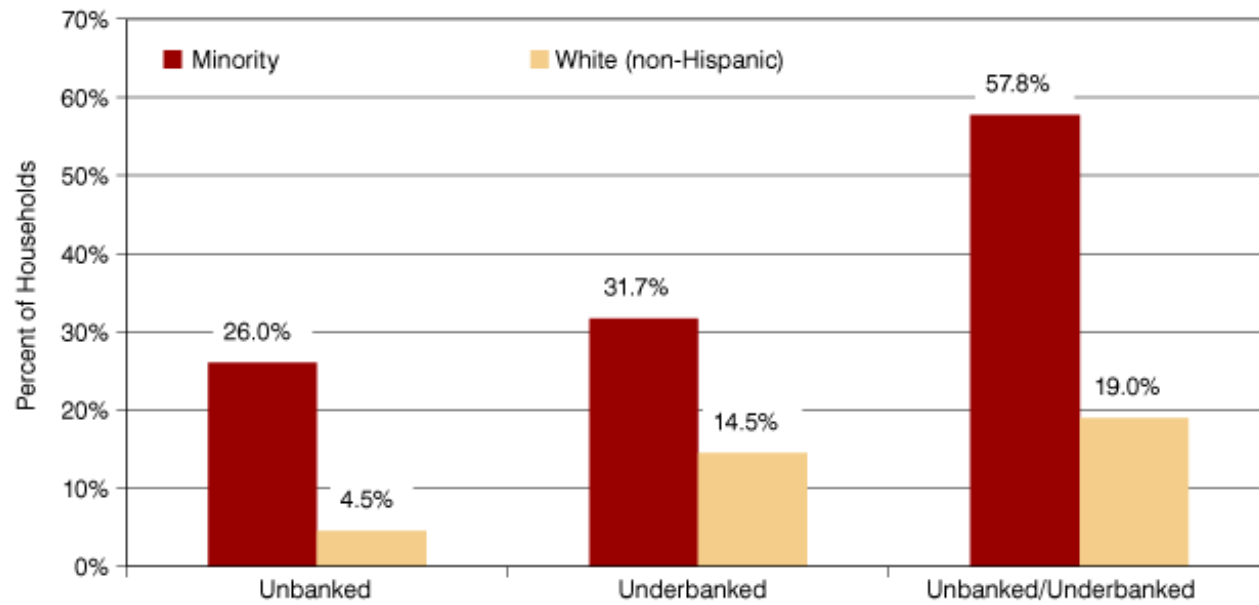
Nationally, 66 percent of unbanked households used non-bank institutions for money order, check-cashing, rent-to-own, payday loan and pawn shop services or at least one refund anticipation loan, while 25 percent reported not using any of these services.

Although underbanked households had banking accounts, 81.1 percent were likely to use non-bank institutions for money orders and 30 percent for check-cashing services.

### Indiana's Unbanked and Underbanked by Race, Ethnicity and Household Income

Similar to national trends, the survey also revealed that minority households<sup>2</sup> in Indiana were more likely to be unbanked than white non-Hispanic households. Figure 2 shows that while only 4.5 percent of white households were unbanked, 26 percent of all minority households had no members with a checking or savings account. Nationally, the FDIC report found that 21.7 percent of black households and 19.3 percent of non-black Hispanic households were unbanked compared to only 3.5 percent of Asian households and 3.3 percent of white households.

**Figure 2: Unbanked and Underbanked Households in Indiana by Race and Ethnicity**



Source: IBRC, using data from the U.S. Census Bureau Current Population Survey (CPS)

Similar racial patterns also held for the underbanked population. Even among households that had at least one member with a bank account, Indiana's minority households were far more likely than white households to rely on non-bank services, 31.7 percent compared to 14.5 percent. Nationally, 31.6 percent of black households and 24 percent of Hispanic households were underbanked while Asian households (7.2 percent) were least likely to be underbanked followed by white households (14.9 percent).<sup>3</sup>

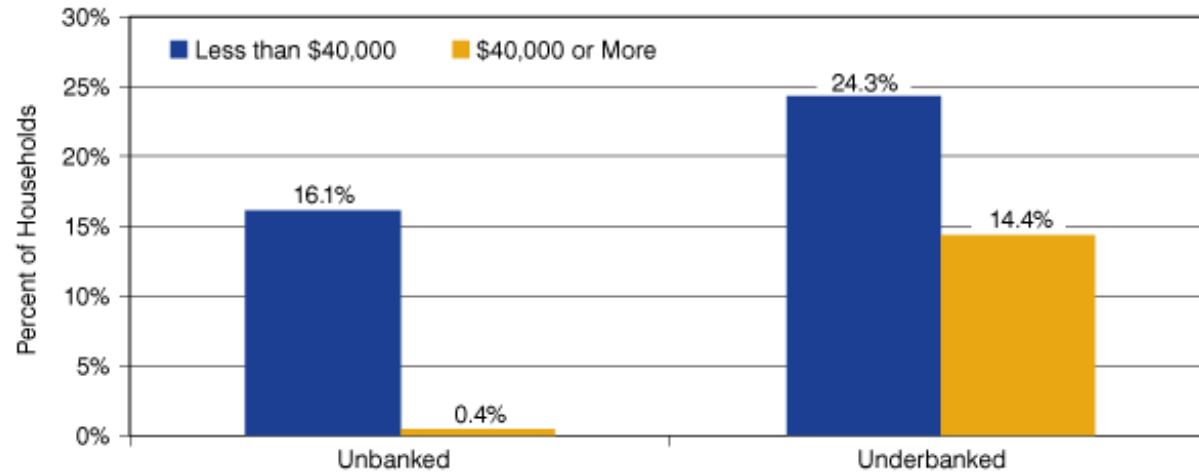
Considering both unbanked and underbanked households in Indiana, Figure 2 shows that well over half of all minority households (57.8 percent) partly or completely relied on financial services from non-bank institutions, compared to only 19 percent of white households.

The income distribution patterns for unbanked and underbanked households in Indiana followed an expected pattern. For example, almost no Hoosier households earning \$40,000 or more were without a bank account, while 16.1 percent of the lower-income households were unbanked. Additionally, almost a quarter of lower-income households in Indiana were underbanked compared to only 14.4 percent of households earning over \$40,000 (see Figure 3).

The FDIC survey revealed that 71.2 percent of all unbanked households nationally earned less than \$30,000 per year. However, underbanked households cut across several income levels: 35.7 percent were lower-income households (earning less than \$30,000); 24.2 percent were middle-income households (earning between \$30,000 and \$50,000) and 40.2 percent were higher-

income households (earning more than \$50,000).<sup>4</sup>

**Figure 3: Unbanked and Underbanked Households in Indiana by Household Income**

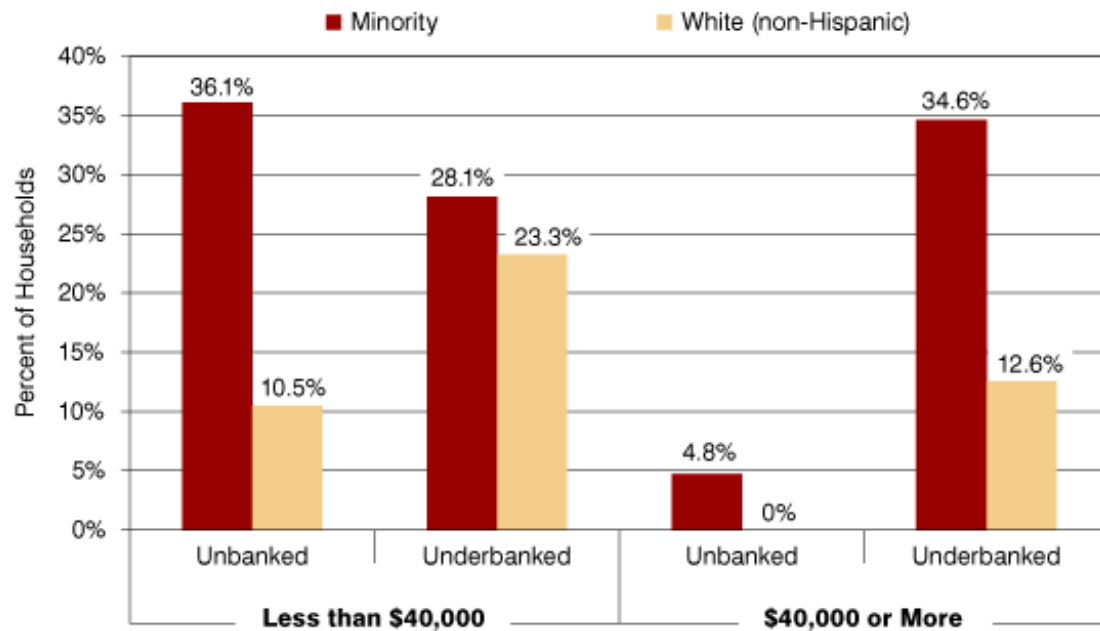


Source: IBRC, using data from the U.S. Census Bureau Current Population Survey (CPS)

Jointly considering race and income status, we see that minority households in Indiana are still more likely to be unbanked or underbanked than white households even when we account for differences in income (see Figure 4). For households earning less than \$40,000, roughly the same proportion of minority (28.1 percent) and white (23.3 percent) households are underbanked, but 36.1 percent of minority households are unbanked compared to only 10.5 percent of similar white households.

Among households earning \$40,000 or more, there are still almost 5 percent of minority households that are unbanked while all white households in this income group report having a checking or savings account. More surprising is that over a third of higher-income minority households still rely on the use of non-bank financial services while only 12.6 percent of similar white households do.

**Figure 4: Unbanked and Underbanked Households in Indiana by Household Income and Race/Ethnicity**

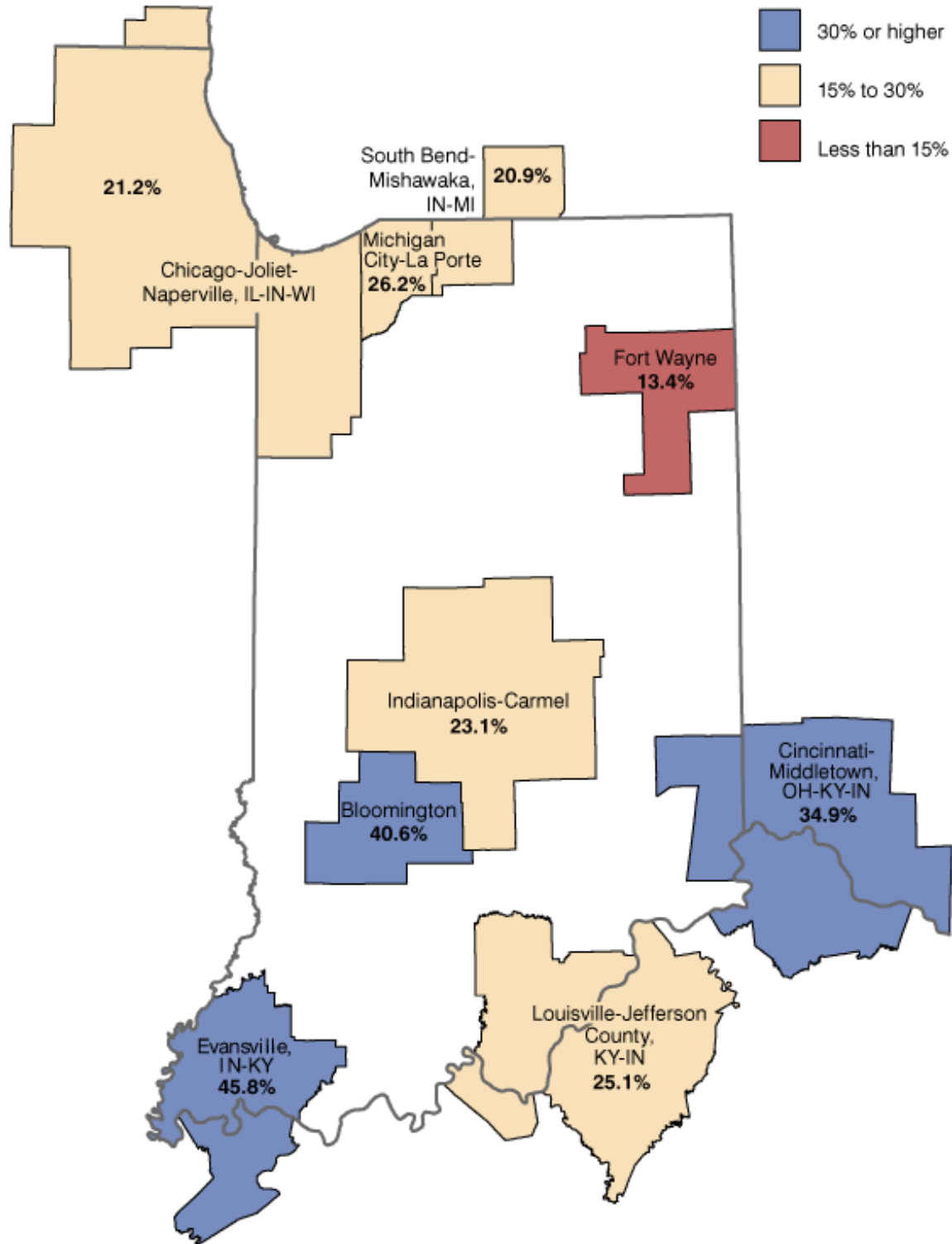


Source: IBRC, using data from the U.S. Census Bureau Current Population Survey (CPS)

## Unbanked and Underbanked across Indiana’s Metropolitan Areas

While the overall percentage of unbanked and underbanked households in Indiana is 24.1 percent, there were differences in the metropolitan statistical areas (MSAs) across the state (see Figure 5).<sup>5</sup> Notably, Fort Wayne had the lowest concentration of households lacking financial services from traditional banking institutions at 13.4 percent, well below the statewide percentage of 24.1 percent. On the other extreme are three MSAs—Bloomington, Cincinnati-Middletown and Evansville in which over a third of households were either unbanked or underbanked.

**Figure 5: Unbanked/Underbanked as a Percent of All Households for Selected MSAs**



Source: IBRC, using data from the U.S. Census Bureau Current Population Survey (CPS)

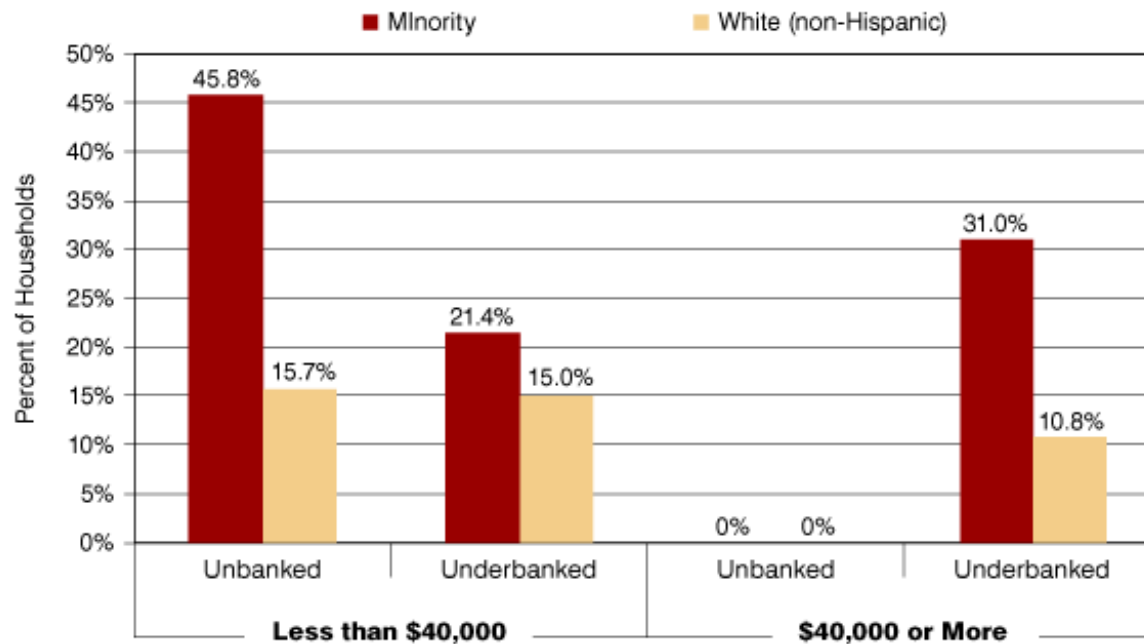
The sample size was large enough in the Indianapolis-Carmel MSA to allow a closer inspection of the data. There are fewer underbanked households (12.5 percent) in this region compared to the state average (16.8 percent), but the percentage of unbanked households in the MSA (10.5 percent) is slightly higher than the state average (7.4 percent).

Figure 6 shows particularly large differences within the unbanked population when we consider race/ethnicity and income level in the Indianapolis-Carmel MSA. Looking at just those households earning less than \$40,000 in the region, 45.8 percent of minority households were unbanked compared to 15.7 percent of white households.

Since an additional 21.4 percent of lower-income minority households are underbanked, these results illustrate that over two-thirds of these households in the Indianapolis-Carmel MSA rely partly or fully on non-bank institutions for their financial needs.

Interestingly, even 31 percent of minority households that earn \$40,000 or more are underbanked—indicating that they still rely on alternative financial service providers even though they do have bank accounts.

**Figure 6: Unbanked and Underbanked Households in the Indianapolis-Carmel MSA by Household Income and Race/Ethnicity**



Source: IBRC, using data from the U.S. Census Bureau Current Population Survey (CPS)

## Importance of Access to Banking Services

The number of households lacking bank accounts and the widespread use of institutions other than banks or credit unions for services such as check cashing and money orders is troubling to economic developers. Economists such as Sherrie Rhine and colleagues argue that broader participation in mainstream financial markets can rejuvenate communities and make them more resilient against economic downturns and better able to take advantage of economic growth. At an individual level, banking can also facilitate asset building and wealth creation, which is key for retirement or coping with unforeseen financial circumstances.<sup>6</sup>

The FDIC report finds that “the perceived convenience of [alternative financial services] providers and not having enough money to feel an account was needed” were key reasons cited by unbanked and underbanked households for their lack of full participation in the banking system. The fact that racial and ethnic minorities and lower income households are far more likely to be unbanked and underbanked suggests that substantial barriers exist and important measures are needed to ensure that these populations gain better access to secure financial services at banks and credit unions.

### Notes

1. More information about the survey methodology is available in the full FDIC report available at [www.fdic.gov/householdsurvey/](http://www.fdic.gov/householdsurvey/). For this study, CPS data were obtained through the National Bureau of Economic Research which maintains an extensive database of official federal data at [www.nber.org/data/](http://www.nber.org/data/).
2. Minority households have a male or female head of household who identified his or her race as all or partly black, Asian, American Indian/Alaskan Native, or Hawaiian/Pacific Islander or indicated Hispanic ethnicity. White households are headed by a man or a woman who indicated his/her race as “white only.”
3. Details of the national survey are in the FDIC report.
4. Calculations here are based on appendix tables of the FDIC report.
5. Not all differences were statistically significant. Data were only available for 10 of the 16 MSAs that include Indiana residents, excluding Columbus, Elkhart-Goshen, Kokomo, Lafayette, Muncie and Terre Haute. Results for the Anderson MSA were also excluded due to a lack of statistically significant results.
6. Sherrie L. W. Rhine, William H. Greene and Maude Toussaint-Comeau, “The Importance of Check-Cashing Businesses to the Unbanked: Racial/Ethnic Differences,” *The Review of Economics and Statistics* (2006).

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## Most Popular Tax Deductions in Indiana

As Indiana taxpayers, we all want them: deductions and exemptions. In other words, we are searching for ways to either make our refunds bigger or what we owe smaller. This article highlights the most popular and the biggest payout deductions and exemptions for Indiana income taxes (IT-40) in 2007 (the most recent data available at the time of writing).<sup>1</sup>

### Most Claimed

There were 25 exemptions and deductions available to Hoosiers paying income taxes (see Table 1).

**Table 1: Indiana's 25 Deduction and Exemption Descriptions**

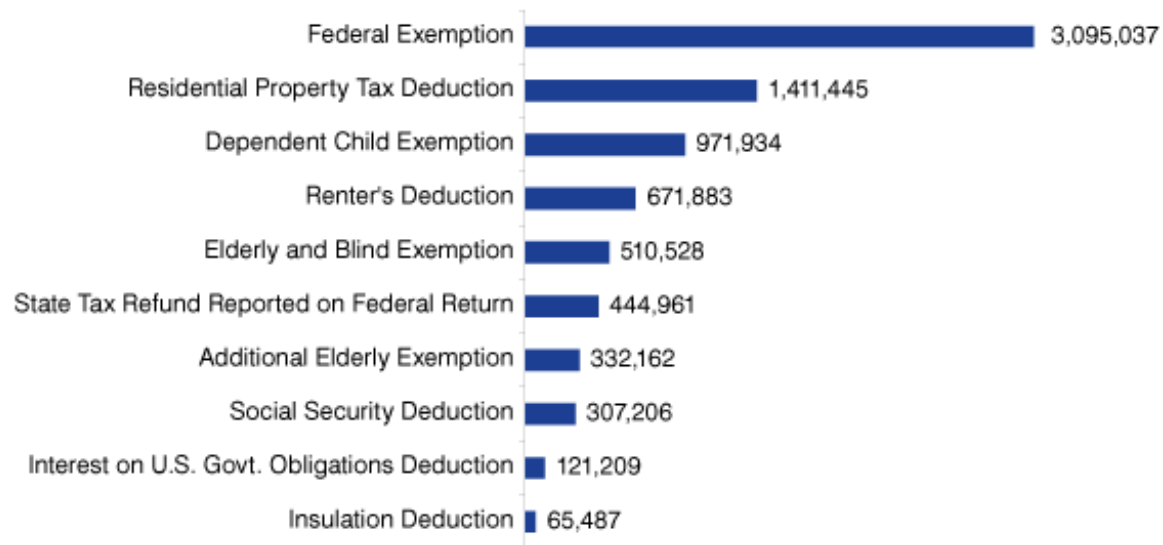
Exemption/Deduction	Description
Federal Exemption	Taxpayers are allowed a \$1,000 exemption on their Indiana tax return for each exemption claimed on the individual's federal return.
Civil Service Annuity Deduction	If a taxpayer's federal adjusted gross income includes federal civil service annuity payments, a deduction may be taken if the taxpayer is at least 62 years of age by December 31st of the tax year. The deduction is equal to the remainder of: (1) the lesser of annuity payments received or \$2,000; minus (2) the total amount of social security benefits and railroad retirement benefits received by the individual during the taxable year. Taxpayers filing joint returns may supplement \$4,000 in the calculation of Step (1) if both spouses qualify for the deduction.
Dependent Child Exemption	An additional \$1,500 exemption is allowed for each dependent child.
Disability Retirement Deduction	A taxpayer must meet certain disability qualifications to claim this deduction. This deduction is limited to a maximum of \$5,200 per qualifying individual.
Elderly and Blind Exemption	An additional \$1,000 exemption may be taken for certain individuals and their spouses who are either older than age 65 or legally blind.
Additional Elderly Exemption	An additional \$500 exemption is available for the head of household and/or spouse who are age 65 or older and have a federal adjusted gross income that is less than \$40,000.
Airport Development Zone Employee Deduction	Certain areas within Indiana have been designated as airport development or enterprise zones. A taxpayer must live in an airport development/enterprise zone and work for a qualified employer in that zone in order to be eligible for these deductions. The amount of the deduction is the lesser of one-half (½) of the earned income shown on Form IT-40 QEC (provided by an employer) or \$7,500.
Enterprise Zone Employee Deduction	

Human Services Deduction	A taxpayer who is a Medicaid recipient living in a hospital, skilled nursing facility, intermediate care facility, or another qualified home or facility may be eligible for this deduction.
IN Partnership Long-Term Care Policy Deduction	A deduction is available for the amount of premiums paid during the tax year for Indiana Partnership long-term care insurance.
Indiana Lottery Winnings Deduction	The first \$1,200 of prize money received from a winning lottery ticket is exempt from the adjusted gross income tax.
Indiana Net Operating Loss Deduction	A taxpayer may take a deduction for the Indiana portion of the total federal net operating loss deduction that is carried forward or carried back from previous years.
Insulation Deduction	A taxpayer may claim a deduction of up to \$1,000 for upgrading (not replacing) insulating items on their principal place of residence. Insulation includes weather stripping, double pane windows, storm doors, and storm windows.
Interest on U.S. Govt. Obligations Deduction	A deduction may be taken by a taxpayer if the taxpayer receives certain interest income from a direct obligation of the U.S. Government. The deduction may only be claimed for interest income included in an individual's federal adjusted income.
Law Enforcement Reward Deduction	A taxpayer may claim a deduction no greater than \$1,000 for certain income related to receiving a law enforcement reward. The income must have been reported as "other income" on the taxpayer's federal income tax form.
Medical Savings Account Deduction	A taxpayer may be eligible for a deduction if the taxpayer's employer deposited funds in certain medical care savings accounts on behalf of the taxpayer. The amount of the deduction is equal to the amount of money deposited by an employer in the medical care savings accounts.
Military Service Deduction	If a taxpayer's federal adjusted gross income includes active or reserve military pay received, the taxpayer may take a deduction of up to \$2,000. Taxpayers filing joint returns may deduct up to \$4,000 if both spouses qualify for the deduction. Certain retired military personnel or the surviving spouses of retired military personnel may also take this deduction.
Non-Indiana Locality Earnings Deduction	A taxpayer may deduct up to \$2,000 for income subject to local taxes in another state. Taxpayers filing joint returns may deduct up to \$4,000 if both spouses qualify for the deduction.
Railroad Retirement Benefits Deduction	A deduction may be taken for railroad retirement benefits that are issued by the United States Railroad Retirement Board.
Recovery of Deductions	Generally, Indiana does not allow taxpayers to claim itemized deductions from the federal income tax form. However, if a taxpayer reported recovered itemized deductions as "other income" on the federal form, that amount may be claimed as a deduction.
Renter's Deduction	A deduction of up to \$2,500 may be taken for rent paid on an individual's principal place of residence, if the place rented was subject to Indiana property tax.
Residential Property Tax Deduction	Taxpayers are eligible to take a deduction of up to \$2,500 for Indiana property taxes paid during a tax year on the individual's principal place of residence.
Social Security Income Deduction	A taxpayer may claim a deduction for Social Security income.
State Tax Refund Reported on Federal Return	A taxpayer may claim a deduction for the state tax refund amount reported on the individual's federal income tax form.
Unemployment Compensation Deduction	A taxpayer may be eligible for this deduction if the taxpayer reported unemployment compensation on their federal income tax return.

Source: Indiana State Budget Agency Tax and Revenue Division

The 10 most popular ones can be seen in Figure 1. By far the most popular was the federal exemption, with more than 3 million Hoosiers claiming that exemption.

**Figure 1: Most Popular Tax Exemptions and Deductions in Indiana, 2007**

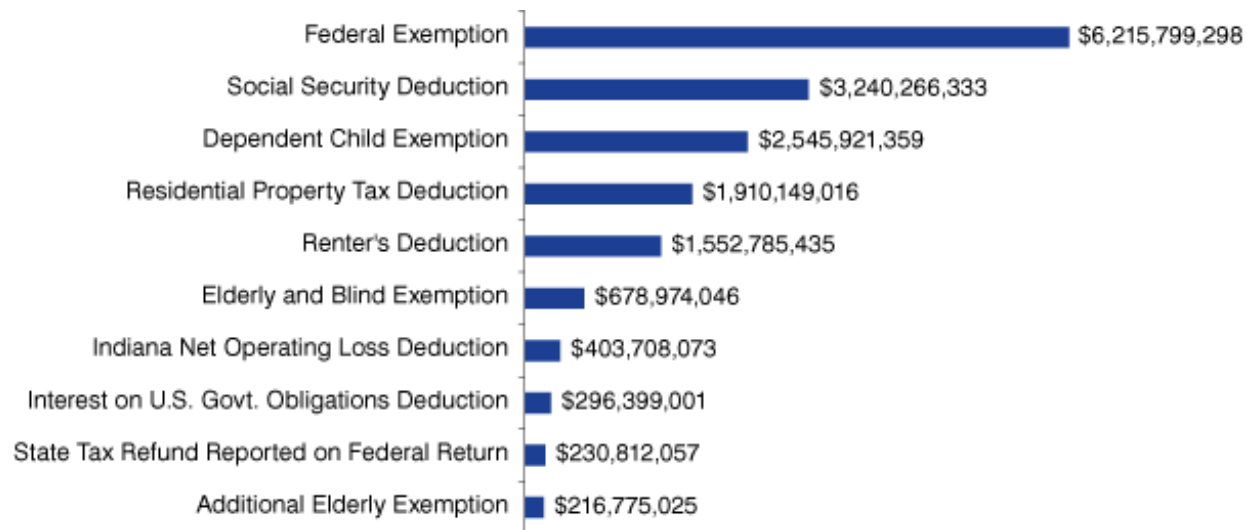


Source: IBRC, using Indiana State Budget Agency Tax and Revenue Division data

### Biggest Dollar Amount

Do the most claimed necessarily mean the biggest dollar amounts in deductions? No, but in most cases they are very close when looking at the total payout for all of Indiana. Figure 2 shows the 10 biggest dollar payout exemptions and deductions for all Hoosiers. All but one (Indiana net operating loss deduction) are on the most claimed list, though not in the same order.

**Figure 2: Top 10 Overall Tax Exemption and Deduction Payouts in Indiana, 2007**



Source: IBRC, using Indiana State Budget Agency Tax and Revenue Division data

The federal exemption was not only the most claimed, but also had the largest payout. The federal exemption resulted in Hoosiers having to pay in \$6.2 billion less in Indiana taxes than they would have otherwise had to pay. The Social Security income deduction (saving Hoosiers \$3.2 billion in taxes) was second for payout amount and the eighth most popular deduction.

If we look at the exemptions and deductions with the highest average amount per return, we come up with a completely different set of deductions than the most popular or the biggest overall payment (see Table 2). In fact, only two of the deductions that appeared on the most popular list (Figure 1) also showed up in the highest average amount per return. Those included the Social Security deduction (\$10,548 average deduction per return) and the dependent child exemption (\$2,619 average exemption per return). It is not too surprising, however, to find that the more specific the deduction, the bigger the individual payout.

**Table 2: Top 10 Exemptions and Deductions in Indiana by Average Amount per Return, 2007**

Exemptions and Deductions	Number Filed	Average Exemption/Deduction Amount per Return
Indiana Net Operating Loss Deduction	6,900	\$58,508
Human Services Deduction	975	\$13,982
Railroad Retirement Benefits Deduction	8,924	\$11,869
Social Security Income Deduction	307,206	\$10,548
Indiana Lottery Winnings Deduction	4,379	\$7,014
Enterprise Zone Employee Deduction	3,982	\$6,561
Airport Development Zone Employee Deduction	38	\$6,317

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Disability Retirement Deduction	2,141	\$4,529
Unemployment Compensation Deduction	47,658	\$2,954
Dependent Child Exemption	971,934	\$2,619

Source: IBRC, using Indiana State Budget Agency Tax and Revenue Division data  
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See more articles than deductions while deductions aim at reducing the tax burden for certain economic activities (such as renting an apartment or owning a home). Both exemptions and deductions reduce the amount taxpayers pay into the state or increase the amount taxpayers receive as a refund. These data are available from the Indiana State Budget Agency at [www.ai.org/sba/file/Individual\\_Income\\_Tax\\_Deductions\\_and\\_Exemptions\\_-\\_June\\_2010.pdf](http://www.ai.org/sba/file/Individual_Income_Tax_Deductions_and_Exemptions_-_June_2010.pdf).

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## Uneven Population Growth Means Significant Changes Ahead for Indiana's Legislative Districts

Indiana's population grew 6.6 percent between 2000 and 2010, but the growth was not evenly spread throughout the state's legislative districts. Because the law requires districts to be of roughly equal population, districts are likely to see changes to their boundaries during the current round of redistricting.<sup>1</sup> This analysis highlights the population shifts between 2000 and 2010 and shows which congressional and Indiana General Assembly districts will need to grow or shrink geographically to meet the equal population criteria.

### Congressional Districts

Indiana has nine congressional districts and each one should contain 720,422 people as of the 2010 Census (this is up from the equilibrium point of 675,609 after Census 2000). As Figure 1 shows, four districts now have too many people, while five have too few residents.

**Figure 1: Congressional District Population Relative to the Equilibrium Point of 720,422 Residents, 2010**

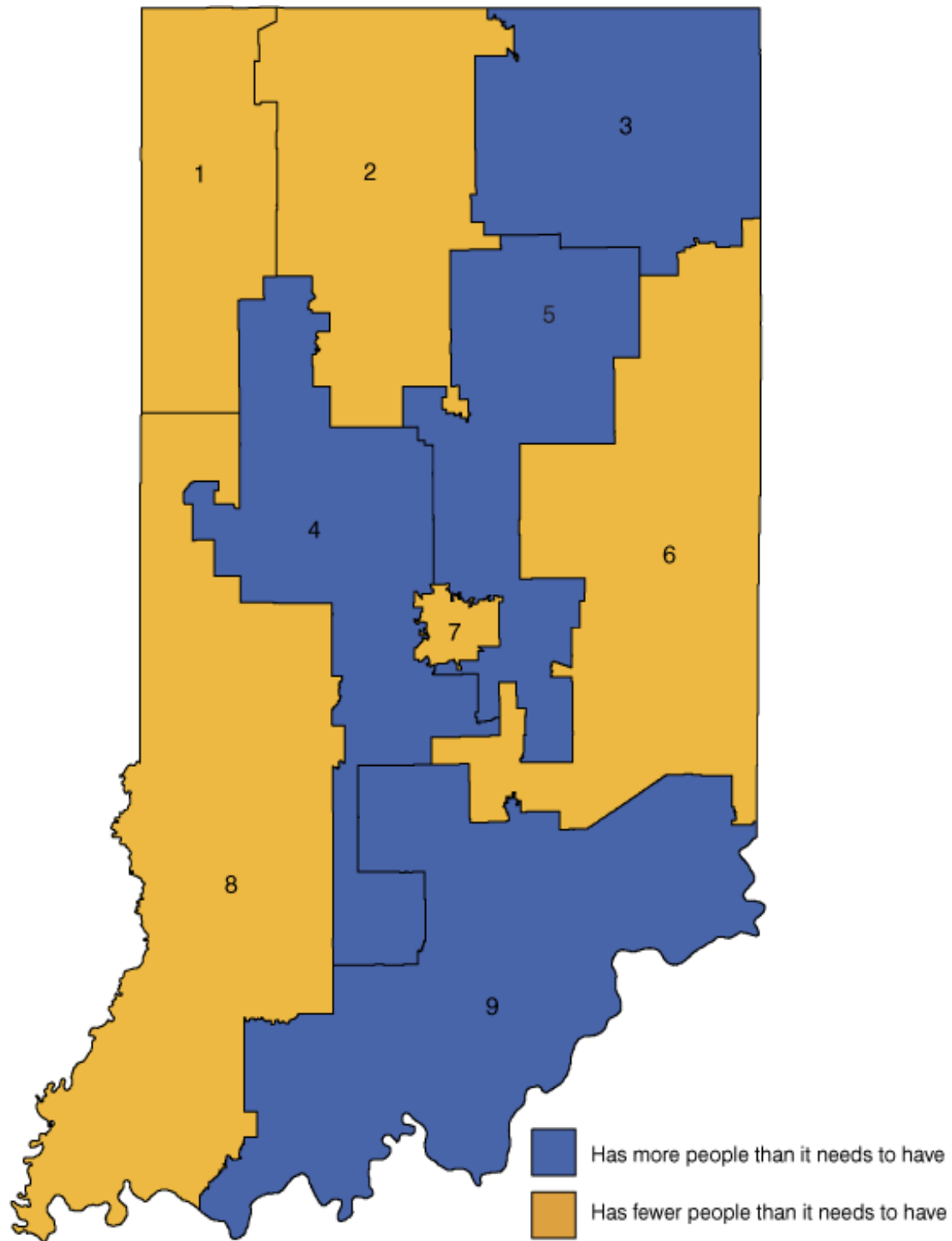
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Source: IBRC, using U.S. Census Bureau data

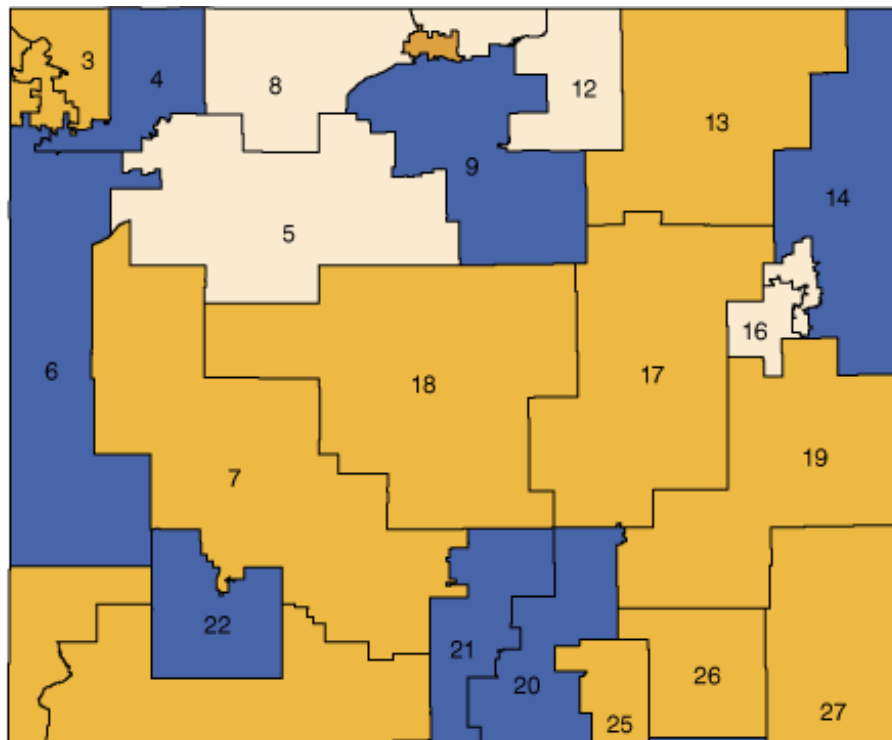
Congressional District 5 experienced the largest population change when looking at both numeric change (+133,530 residents) and percentage change (19.8 percent). It now exceeds the target equilibrium population by nearly 89,000 people.

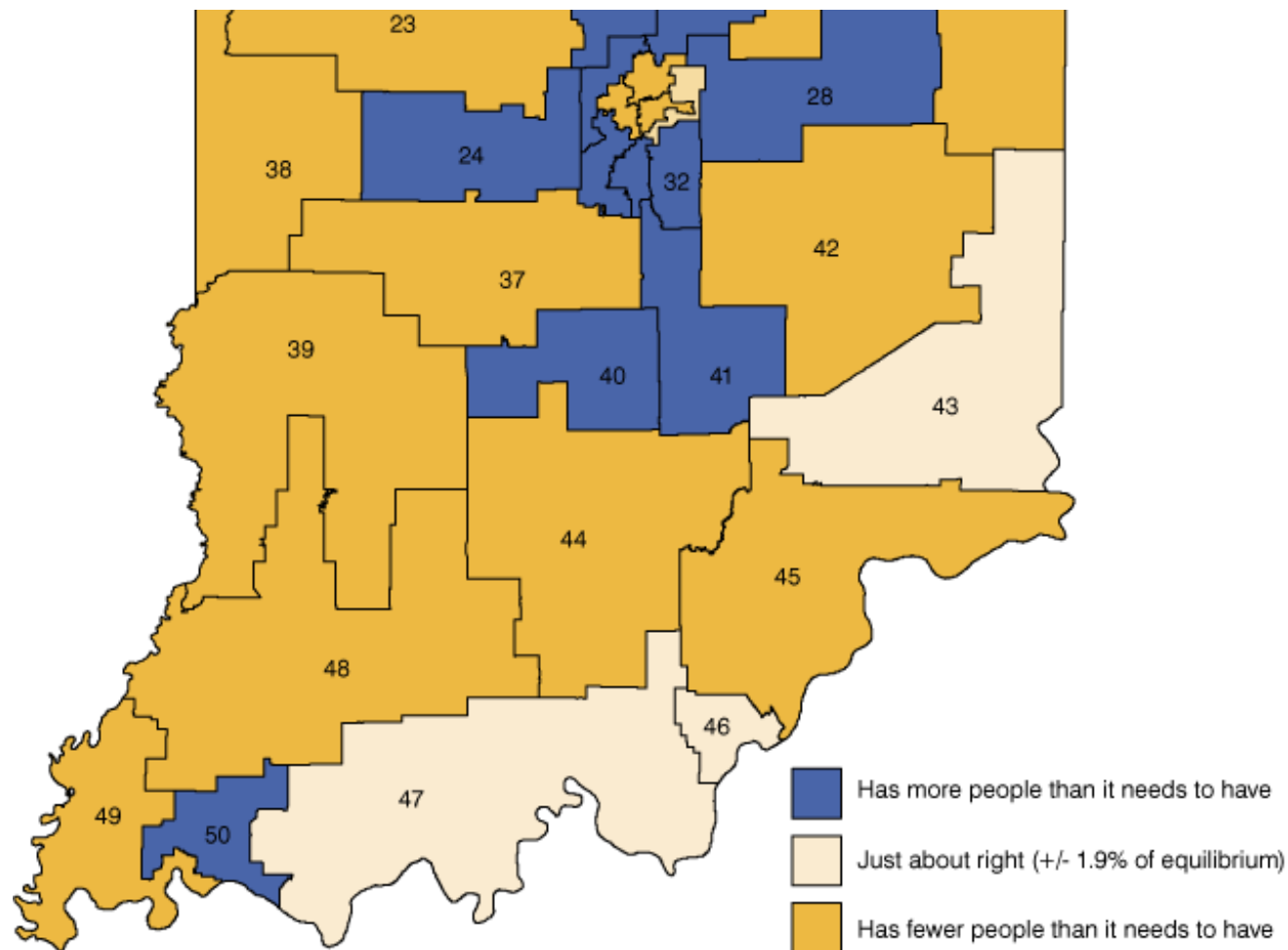
None of the congressional districts declined in population, but Congressional District 7 had the smallest growth (only 677 residents, or 0.1 percent). In order to reach the target equilibrium population, it would need about 44,000 more people.

## Indiana Senate Districts

The Indiana General Assembly has 50 senate districts and each one should contain 129,676 people as of the 2010 Census (this is up from the equilibrium point of 121,610 after Census 2000). As Figure 2 shows, 17 of the current districts have too many people, while 24 have too few residents (the remaining nine districts fall within 1.9 percent of the equilibrium population—that was the acceptable level of population variance after the 2000 census).

**Figure 2: Senate District Population Relative to the Equilibrium Point of 129,676 Residents, 2010**





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Source: IBRC, using U.S. Census Bureau data

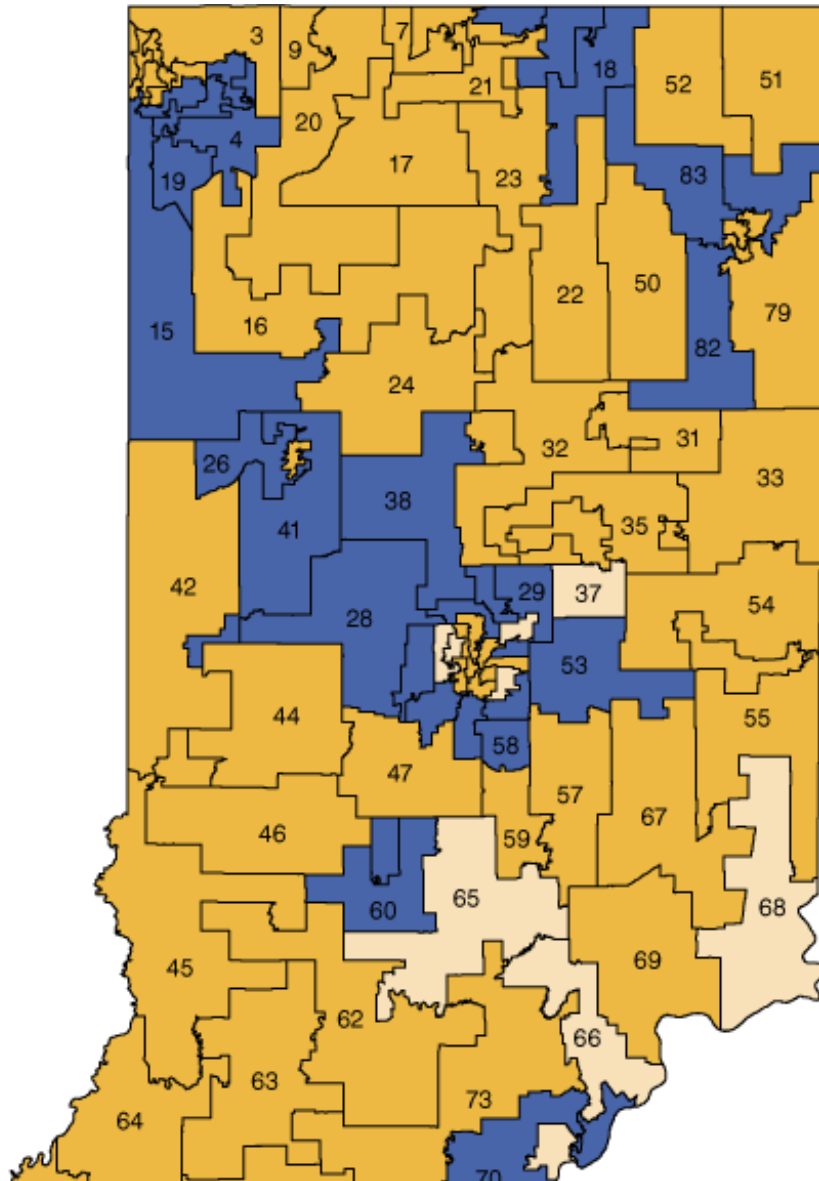
Looking at both ends of the spectrum, Senate District 28 (which includes Fishers, Fortville, Greenfield and New Castle) grew the most, increasing by 41.4 percent (+50,099 residents). It now exceeds the target equilibrium population by more than 41,000 people.

Twelve senate districts had a population decline between 2000 and 2010. Senate District 34 in Indianapolis experienced the largest decline (-17,011 residents, or -13.8 percent) in the state, followed closely by Senate District 3 (-16,302 residents, or -13.6 percent), which includes Gary, Lake Station and Hobart. In order to reach the target equilibrium population, both of these districts would need to add more than 23,000 people.

## Indiana House Districts

The Indiana General Assembly has 100 house districts and each one should contain 64,838 people as of the 2010 Census (this is up from the equilibrium point of 60,805 after Census 2000). As Figure 3 shows, 30 of the current districts have too many people, while 62 have too few residents (the remaining eight districts fall within 1 percent of the equilibrium population—that was the acceptable level of population variance after the 2000 census).

**Figure 3: House District Population Relative to the Equilibrium Point of 64,838 Residents, 2010**





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Source: IBRC, using U.S. Census Bureau data

House District 29 (which includes Noblesville and Fishers) grew the most, almost doubling at 94.5 percent (+57,524 residents). It now exceeds the target equilibrium population by more than 53,000 people.

Thirty house districts experienced population decline between 2000 and 2010. House District 14 (including Gary and Lake Station) experienced the largest decline (-11,872 residents, or -19.3 percent). In order to reach the target equilibrium population, this district would need to add more than 15,000 people.

## Summary

While the General Assembly is working during this legislative session to re-draw district boundaries, you can visit [STATS Indiana](#) for more analysis of how the current districts have changed since 2000 in the form of interactive maps, district profiles and data extracts.

## Notes

1. It wasn't until 1964 that the Supreme Court codified the "one person, one vote" principle, which requires that districts be of equal population. The *Wesberry v. Sanders* decision that year applied equal population requirements to congressional districts, while the *Reynolds v. Sims* case applied it to state legislatures.

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## Hoosiers Commuting Into Illinois for Work: Timing Ripe to Reverse the Flow?

More than 50,000 residents of Indiana commute to Illinois for work, based on data produced by the Indiana Department of Revenue and analyzed, mapped and available from the Indiana Business Research Center at Indiana University on an annual basis. That number is larger than the total population in some of our counties. Considering the recent ballooning of Illinois income and business taxes, the time seems ripe for Indiana to consider bringing those Illinois businesses closer to their workforce in Indiana.

The majority of Hoosiers who commute to Illinois for work are located in the northwest part of Indiana, but a fair number also live in Vigo, Vermillion, Vanderburgh and Posey counties in the western and southern parts of our state (see Table 1).

**Table 1: Indiana Workers Commuting to Illinois from Select Counties, 2008**

County	Workers Commuting into Illinois	Percent of County Labor Force
Lake County	43,925	14.8%
Porter County	7,010	6.6%
Vermillion County	804	7.2%
Vigo County	552	0.9%
Gibson County	158	0.7%
Vanderburgh County	133	0.1%

Source: IBRC, using Indiana Department of Revenue data

A far lower number of Illinois residents commute into northwest Indiana for work. This imbalance could be changed if businesses in Illinois that already employ a large number of Hoosiers re-located their business to Indiana or expanded into a new location in Indiana.

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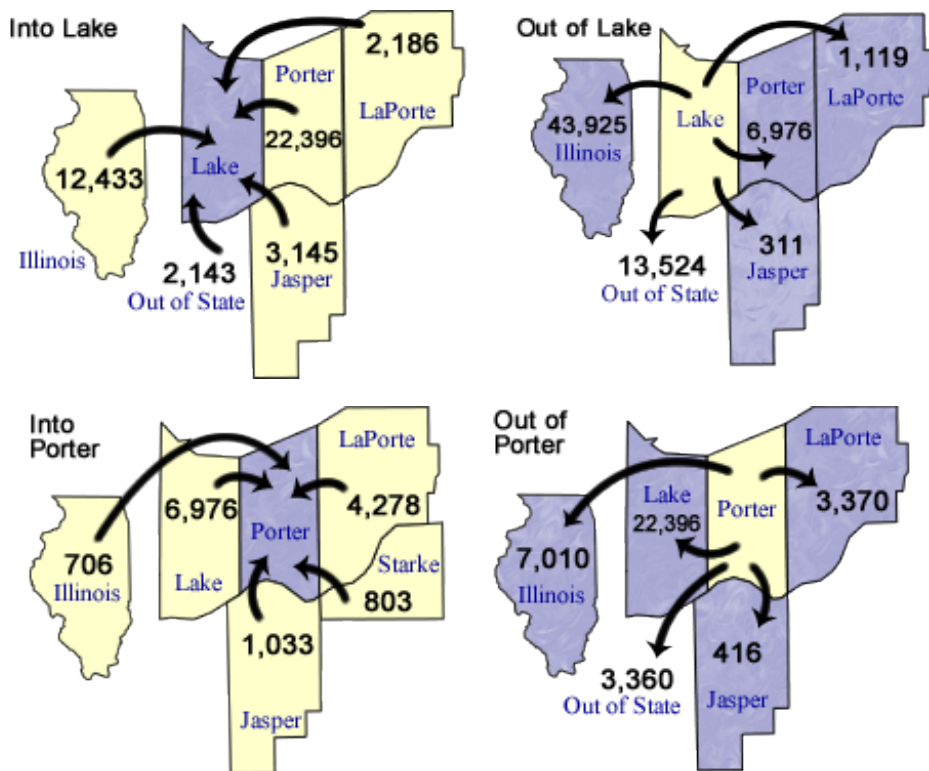
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Conversely, a large number of Illinois residents travel to Indiana for work in Vanderburgh, Gibson (think Toyota) and Vigo counties.

## Northwest Indiana

Figure 1 shows the heavy commuting flows between Northwest Indiana and Illinois. According to older but still relevant Census 2000 data, the majority of Lake County, Indiana residents going to Illinois for work were headed for jobs in Cook County, Illinois.

**Figure 1: Commuting between Illinois and Northwest Indiana**



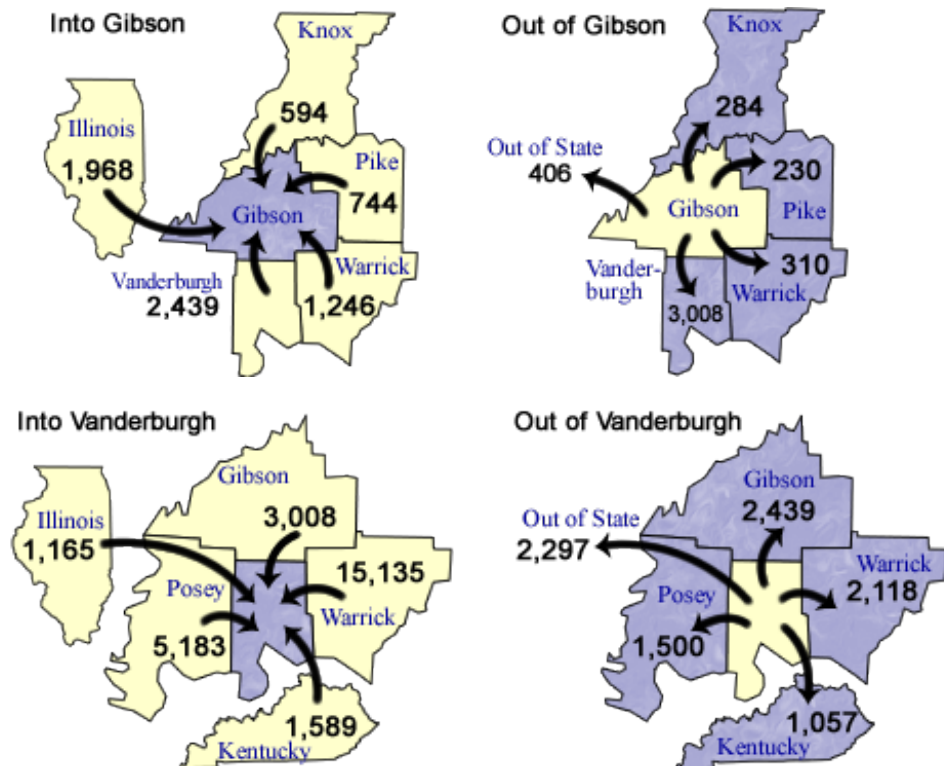
Source: IBRC, using Indiana Department of Revenue data

## Southwest Indiana

While commuting to and from Illinois and southwest Indiana is not as large as in the Chicago region, the commuting patterns are still significant and, in some ways, more evenly balanced (see Figure 2). Gibson County is a big draw for Illinois residents, most likely because of the Toyota plant and its suppliers in the region. Vanderburgh (Evansville) receives more workers from both Illinois and Kentucky than leave the county to work in those states.

**Figure 2: Commuting between Illinois and Southwest Indiana, 2008**



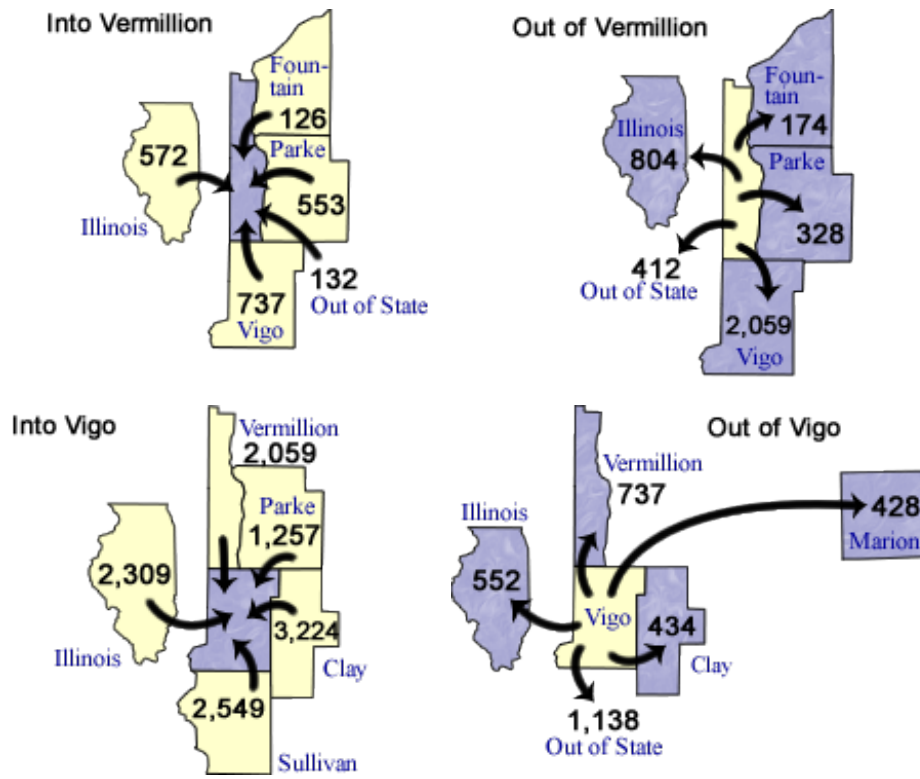


Source: IBRC, using Indiana Department of Revenue data

## Western Indiana

The music industry, in the form of Columbia and now Sony, has been a big draw to residents of Illinois. However, if we consider Vermillion County, to the north of Terre Haute, we see more Hoosiers crossing the border for work than Illinoisans. The total opposite is true of Vigo County, which continues to draw nearly four times the workers from Illinois than leave Indiana for jobs in that state (see Figure 3).

**Figure 3: Commuting between Illinois and Western Indiana, 2008**



Source: IBRC, using Indiana Department of Revenue data

Carol O. Rogers

Deputy Director and Executive Editor, Indiana Business Research Center, Indiana University Kelley School of Business

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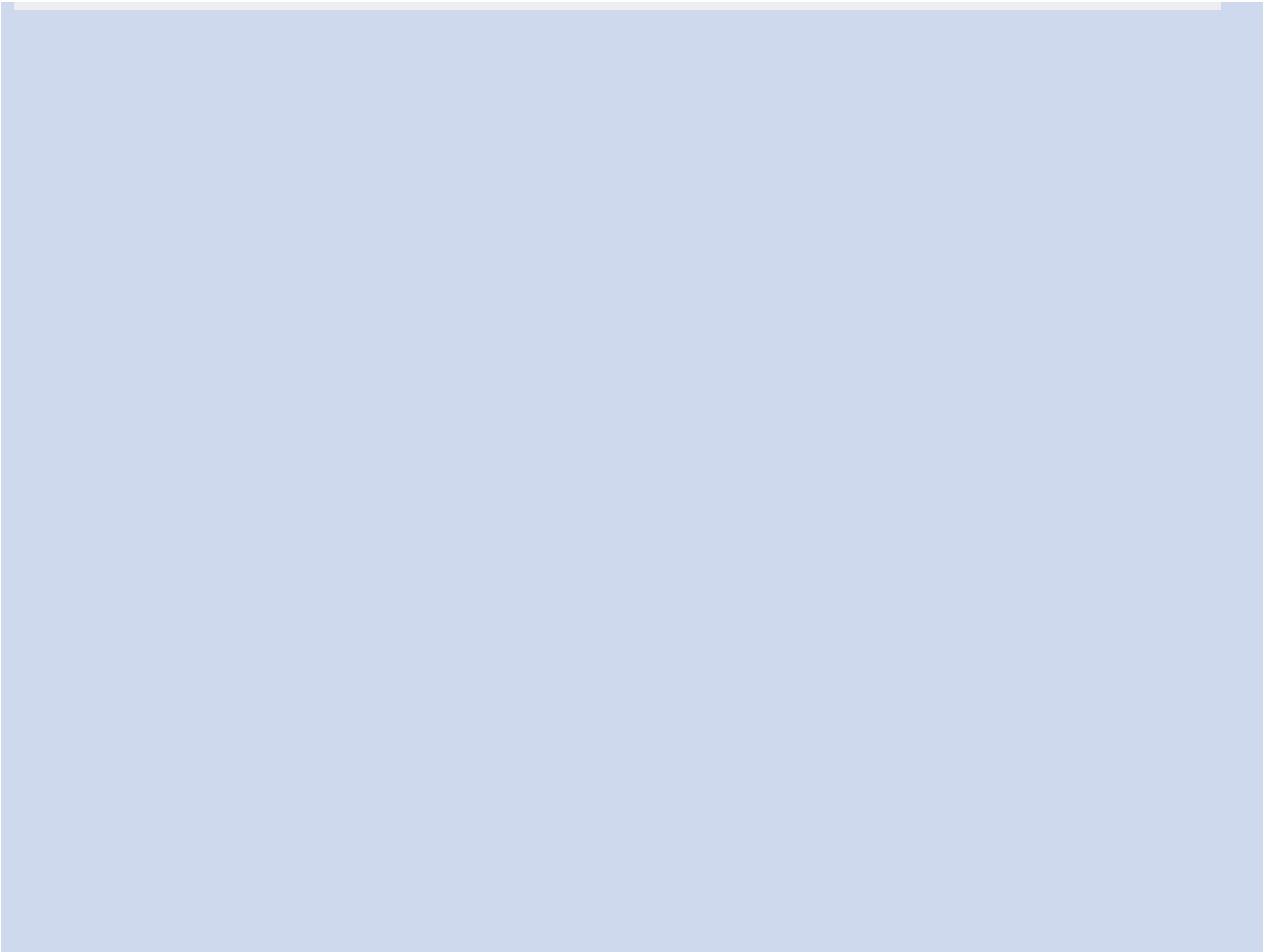
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## Southeastern Indiana: Realtors Region 6 Profile

Realtors Region 6 consists of 20 counties in the southeastern portion of the state and has a population of 671,602 as of 2009. Counties in this region include Bartholomew, Clark, Crawford, Dearborn, Decatur, Fayette, Floyd, Franklin, Harrison, Jackson, Jefferson, Jennings, Ohio, Orange, Ripley, Rush, Scott, Switzerland, Union and Washington (see Figure 1).

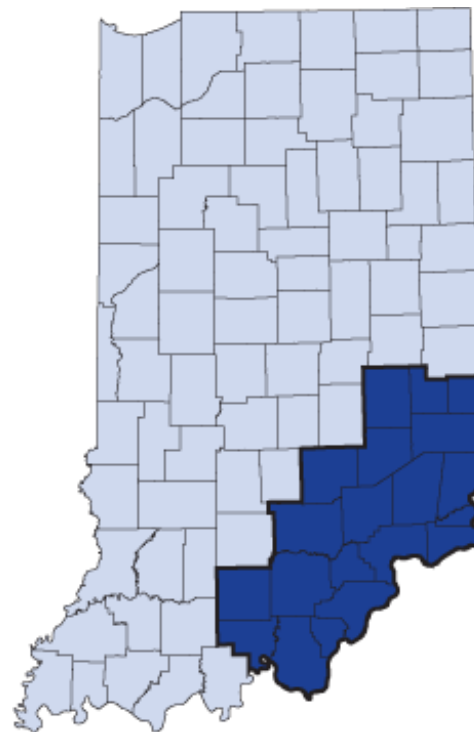
This region covers a significant land area of 6,676 square miles.

Converting that to population density, the region has 101 residents per square mile. That's higher than the national average of 88 people but much lower than the Indiana average of 179 people per square mile.

### Population

The largest city in Realtors Region 6 is Columbus, with a 2009 population of 40,308. The city of New Albany comes in a close second, with a population estimate of 37,517 (see Table 1).

**Figure 1: Southeastern Indiana: Realtors Region 6**



Source: IBRC, using the Indiana Association of Realtors definitions

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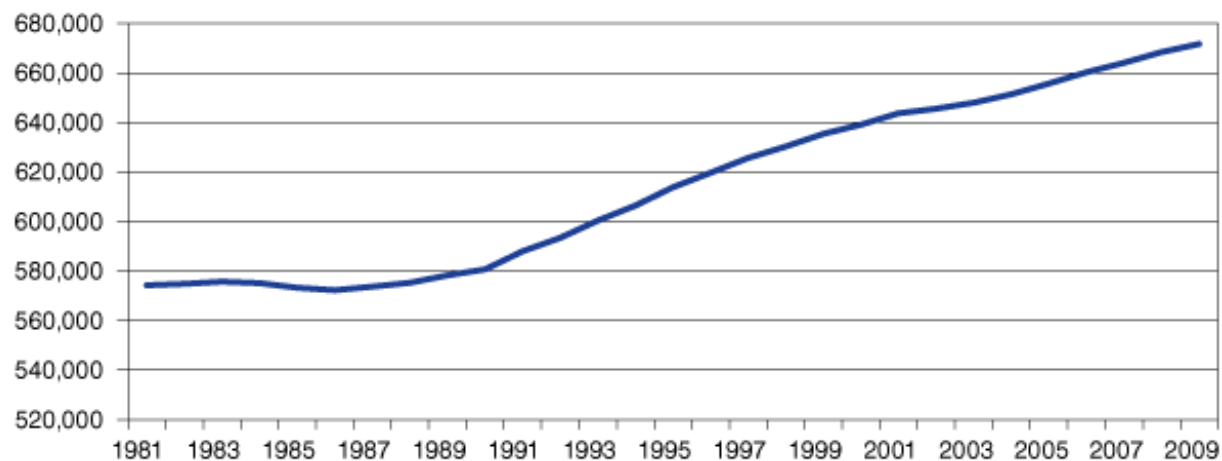
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**Table 1: Largest Cities in Region 6, 2009**

Name	Population	Percent of Region
Columbus	40,308	6.0%
New Albany	37,517	5.6%
Jeffersonville	32,981	4.9%
Clarksville	22,190	3.3%
Seymour	19,320	2.9%
Connersville	13,834	2.1%
Madison	12,882	1.9%
Greensburg	10,872	1.6%
Charlestown	7,473	1.1%
Salem	6,463	1.0%

Source: IBRC, using U.S. Census Bureau data

The region grew by nearly 32,500 people between Census 2000 and the latest estimate in 2009 (see Figure 2). The population in Realtors Region 6 is projected to continue its growth through 2015, by which time its population would be nearly 686,300 according to the official county population projections from the Indiana Business Research Center.

**Figure 2: Region 6 Population Levels, 1981 to 2009**

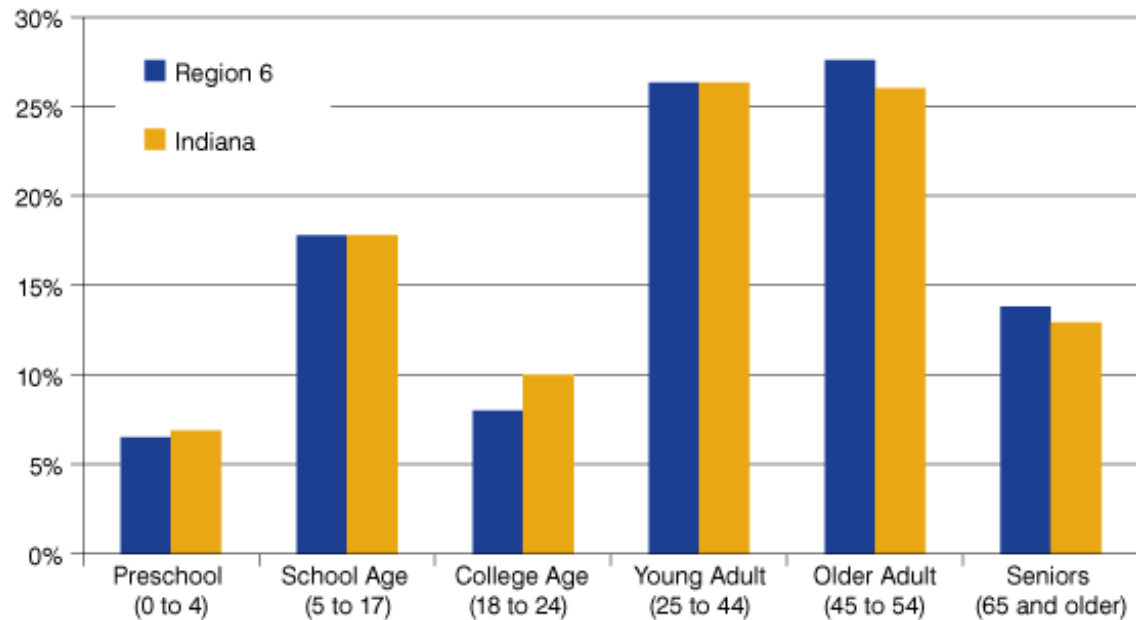
Source: IBRC, using U.S. Census Bureau data

This region has an age mix similar to the state's (see Figure 3). Two notable differences: college age, where Region 6 has a lower proportion than the state and older adults 45 to 64, which is a higher proportion compared to the state.

This is the sixth and final article in our coverage of Indiana's Realtors regions.

Housing is an important dimension of economic and community development in our state, so we are forging a partnership with the Indiana Association of Realtors to encourage understanding of the housing situation in Indiana.

For an overview of this article series and a map of all six regions, see the [first article in the series](#).

**Figure 3: Current Age Structure of Realtors Region 6, 2009**

Source: IBRC, using U.S. Census Bureau data

Realtors Region 6 notably gained in net domestic migration, with 391 more people moving into the region from elsewhere in Indiana and the United States than moving out. Region 6 ranks last among the six Realtors regions in net migration from other nations, with only 544 more people moving into the region from overseas or across borders between 2008 and 2009 than moving out. Increase to the population through what is termed natural increase (more births than deaths) was 2,273 people.

More than 95 percent of the population is white in Realtors Region 6, with only 2.6 percent black (compared to the state's 9.2 percent) and 0.9 percent Asian. Only 2.3 percent of the Region's population is Hispanic, a fairly large difference from Indiana's 5.5 percent.

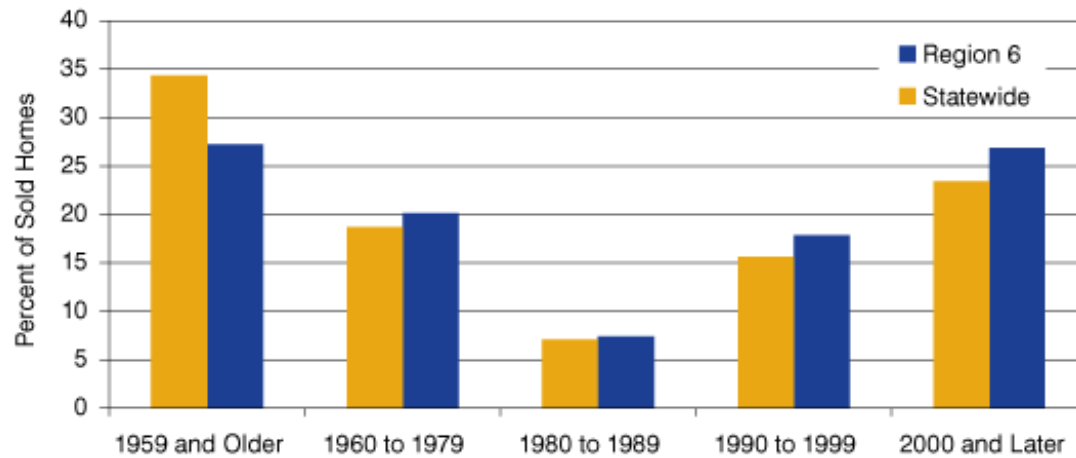
## Housing

The region has a total of 293,366 housing units (2009 estimate). The majority of those units (69.8 percent) were owner-occupied, according to Census 2000. Realtors Region 6 had a higher proportion of owner-occupied units than the state (65.9 percent).

More than half of households in the region were married couples (25.5 percent with children, 32.4 percent without). Of the remaining households, 8.5 percent were single-parent households and 23.4 percent were comprised of people who lived alone.

Using aggregated data from the Indiana Association of Realtors database, which includes Multiple Listing Service (MLS) data, we can look at recent home sales and a variety of characteristics of homes sold. In 2010, there were about 4,800 homes sold in Realtors Region 6. Homes sold in the region tended to be older, with the largest number of homes being built in 1959 or earlier (see Figure 4). Homes built more recently, however, are a close second in Realtors Region 6.

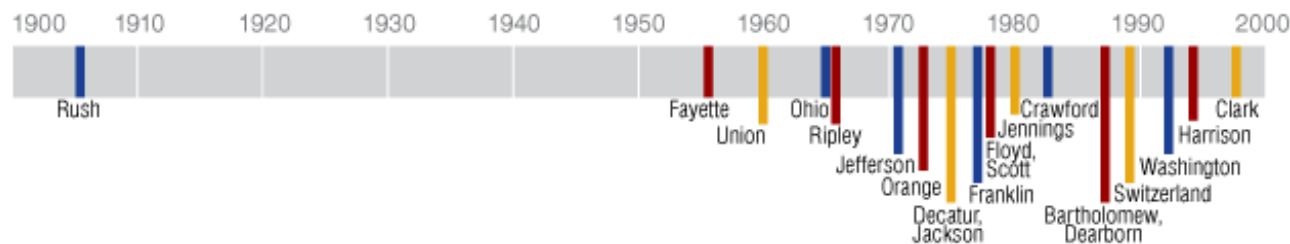
**Figure 4: Percent of Homes Sold in 2010 by Year Built**



Source: IBRC, using Indiana Association of Realtors data

Looking at individual counties in the region, there is a significant spread based on the median age of homes sold in 2010 (see Figure 5).

**Figure 5: Median Year Built for Homes Sold in 2010 by County in Realtors Region 6**

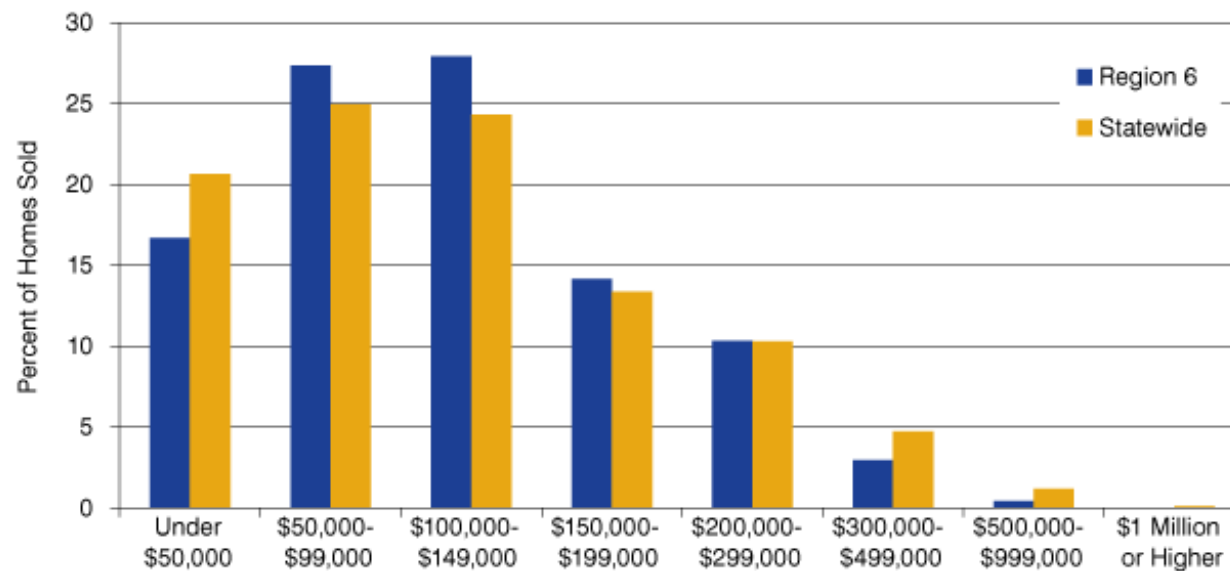


Source: IBRC, using Indiana Association of Realtors data

In 2010, nearly 72 percent of homes sold in Realtors Region 6 were priced under \$150,000, with no houses sold which were priced

at \$1 million or more. Using the state as a comparison, Region 6 had a higher proportion of homes priced between \$50,000 and \$199,000 (see Figure 6).

**Figure 6: Cost of Homes Sold Compared to the State, 2010**



Source: IBRC, using Indiana Association of Realtors data

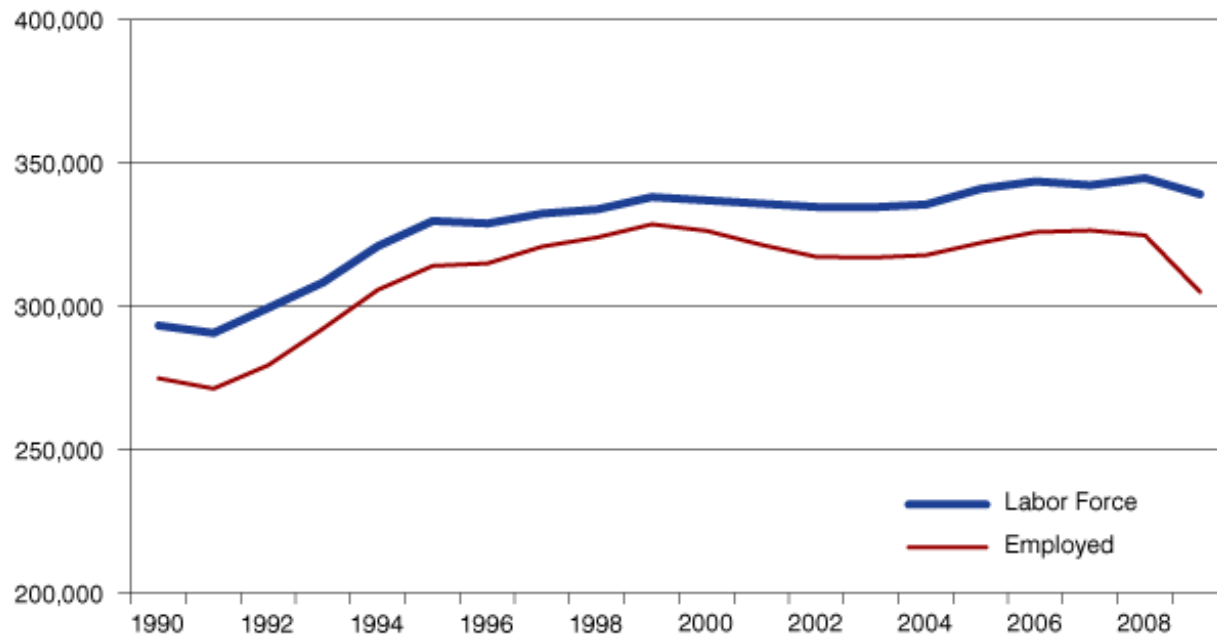
## Labor Force

As seen in Figure 7, more than 339,000 residents of the region are part of the labor force, with 305,080 people employed and the remaining 33,979 actively seeking work (i.e., unemployed), based on 2009 annual averages.

The December 2010 unemployment rate for the region was 9.4 percent, slightly higher than the state rate of 9.1 percent for that same month (figures are not seasonally adjusted). For a closer inspection of labor force numbers, be sure to visit Hoosiers by the Numbers at [www.hoosierdata.in.gov](http://www.hoosierdata.in.gov), the workforce data website of the Indiana Department of Workforce Development. These numbers are released monthly as preliminary estimates and are subsequently revised when the next month is released.

**Figure 7: Realtors Region 6 Resident Labor Force and Employment, 1990 to 2009**





Note: Data are not seasonally adjusted.

Source: IBRC, using Indiana Department of Workforce Development data

## Work

The vast majority of Region 6 residents work in private industry. The largest sectors include manufacturing, retail trade, and accommodation and food services (see Table 2).

**Table 2: Realtors Region 6 Jobs by Industry, 2009**

Industry	Jobs	Jobs LQ
Total	242,178	1.00
Manufacturing	51,186	2.30
Retail Trade	28,366	1.03
Accommodation and Food Services	20,646	0.93
Health Care and Social Services	17,986	0.52
Transportation and Warehousing	12,409	1.22
Construction	10,155	0.89
Public Administration	9,181	0.65
Admin. and Support and Waste Mgt. and Rem. Services	8,700	0.62
Finance and Insurance	6,738	0.65
Other Services(Except Public Administration)	6,117	0.72
Educational Services	5,858	0.24
Wholesale Trade	5,322	0.51

Professional, Scientific, and Technical Services	4,566	0.31
Arts, Entertainment, and Recreation	3,723	0.88
Management of Companies and Enterprises	2,865	0.91
Information	2,006	0.37
Real Estate and Rental and Leasing	1,898	0.45
Utilities	1,681	1.24
Mining	322	0.28
Agriculture, Forestry, Fishing and Hunting	304	0.14

Source: IBRC, using U.S. Bureau of Labor Statistics data

## Jobs by Industry Cluster

Clusters can be a valuable way to organize our thinking about industry mix in an area. The Purdue Center for Regional

Development has identified 17 industry clusters that give insight into the core industries and their supplier industries. The resulting data can help the region consider which are important or emerging clusters (see Table 3).

**Table 3: Realtors Region 6 Industry Clusters, 2009**

Description	Cluster Employment	Industry Cluster Employment LQ
Total All Industries	242,176	1.00
Manufacturing Supercluster	15,015	1.43
Biomedical/Biotechnical (Life Sciences)	7,648	0.87
Transportation and Logistics	6,719	0.97
Forest and Wood Products	6,265	1.60
Education and Knowledge Creation	5,959	0.25
Business and Financial Services	5,942	0.28
Transportation Equipment Manufacturing*	5,746	2.20
Chemicals and Chemical Based Products	4,732	1.23
Fabricated Metal Product Manufacturing*	4,398	1.78
Energy (Fossil and Renewable)	3,986	0.28
Advanced Materials	3,518	0.40
Machinery Manufacturing*	3,416	1.78
Agribusiness, Food Processing and Technology	2,915	0.50
Printing and Publishing	1,586	0.36
Defense and Security	1,475	0.12
Primary Metal Manufacturing*	1,347	1.97
Information Technology and Telecommunications	1,316	0.12
Arts, Entertainment, Recreation and Visitor Industries	1,288	0.13
Glass and Ceramics	633	0.75
Computer and Electronic Product Manufacturing*	58	0.03
Electrical Equipment, Appliance and Component Manufacturing*	53	0.08

Mining	31	0.09
Apparel and Textiles	20	0.01

\*These are subclusters within the manufacturing supercluster.

Source: IBRC, using U.S. Bureau of Labor Statistics and Purdue Center for Regional Development data

In using the table, it's worthwhile to consider the actual employment numbers shown and consider "how many" jobs comprise a particular cluster.

Another valuable measure is the location quotient (LQ) provided in the column next to the employment numbers. Anything over 1.0 means the region has what is considered export capacity—exporting to neighbors in another region, another state, across the nation or around the globe. The idea of producing "more than we need" indicates that those clusters are serving needs outside the region as well as within its borders. In short, having an LQ higher than 1.0 is good; if it is much higher, then the cluster can be considered substantial and is worth a closer look as part of an economic development strategy.

If clusters have piqued your interest, be sure to turn your browser to [www.statsamerica.org/innovation](http://www.statsamerica.org/innovation) to see these data in action for areas throughout Indiana and in comparison to the rest of the country.

## Time to Explore

We hope to have given you a fast trek through the numbers. We could go on, but then that might spoil your fun in going to [STATS Indiana's IN Depth Profiles](#) and learning more about this region or the whole host of regions we have available.

Carol O. Rogers

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