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Indianapolis and the ring: The changing nature of commuting workers

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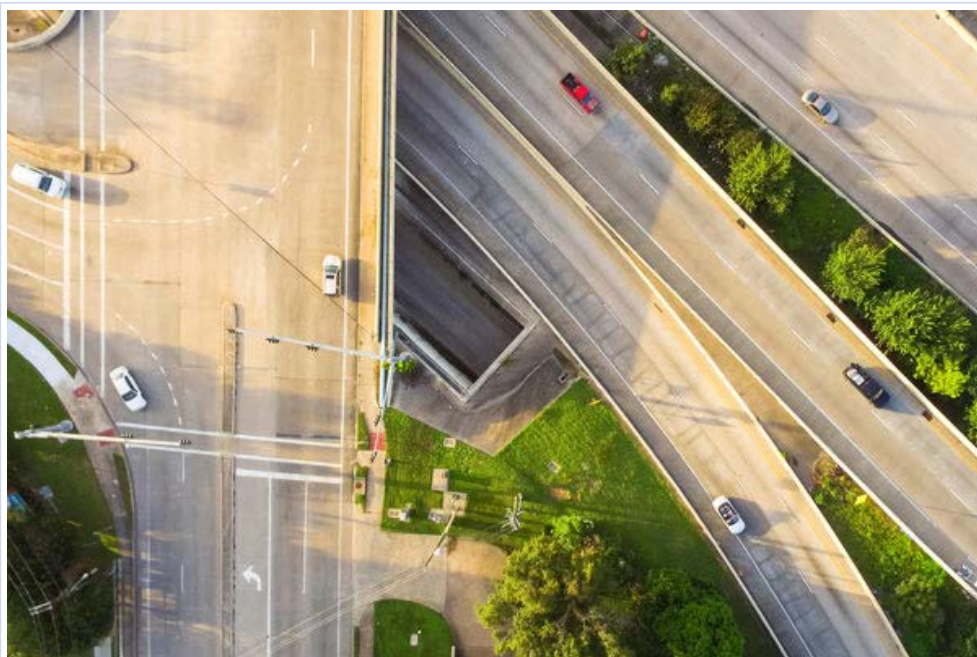
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While Indianapolis is still the state's largest employment hub, many of the surrounding counties have grown into self-sustaining employment centers, lessening the need to commute.

Marion County represents a major point of employment concentration for Indiana, with nearly 600,000 payroll jobs in the latter part of 2016. It is also the most populous county in the state, with more than 940,000 people estimated for 2016—making it the 52nd-largest county in the nation.

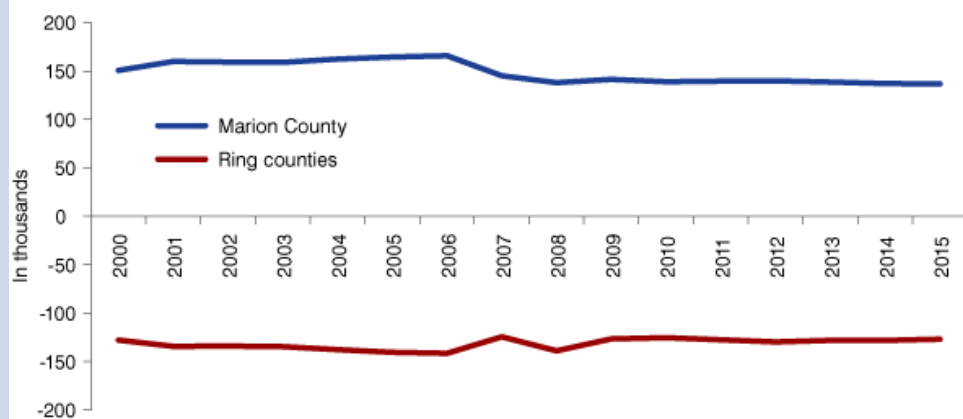
As Indianapolis (Marion County) has grown, the surrounding counties have also grown. The so-called "ring" counties include Boone, Hamilton, Madison, Hancock, Shelby, Johnson, Morgan and Hendricks. These ring counties have been exporters of commuters, while Marion has been the primary importer of workers. While this continues today, the critical mass of people in the surrounding areas has grown large enough to begin self-sustaining economic growth within their home counties. Recent job growth in the suburbs has outpaced that of Indianapolis.

It is important to understand the commuting patterns of workers. The term "net commuter imports" is calculated as the sum of workers coming into a county to work minus the workers being exported to work in other counties.

Marion County has a positive net commuter import. It imports more workers from the surrounding

counties than it exports. The surrounding ring counties still have negative net commuter imports. They export more workers (primarily to Marion County) than they bring in. This relationship has held relatively stable in raw number terms since 2000 (see **Figure 1**).

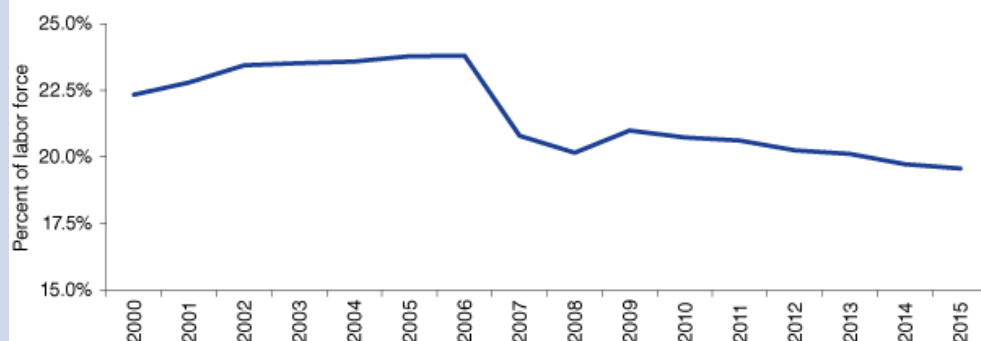
Figure 1: Net commuter imports



Source: STATS Indiana Commuting Profiles, using Indiana Department of Revenue data

However, when you compute net commuter imports as a percentage of the implied labor force, one witnesses interesting changes.¹ In Marion County, the percent of jobs filled by those commuting into the county are gradually declining (see **Figure 2**). While Marion County is still a net importer of commuters, new jobs are increasingly filled by those within the county.

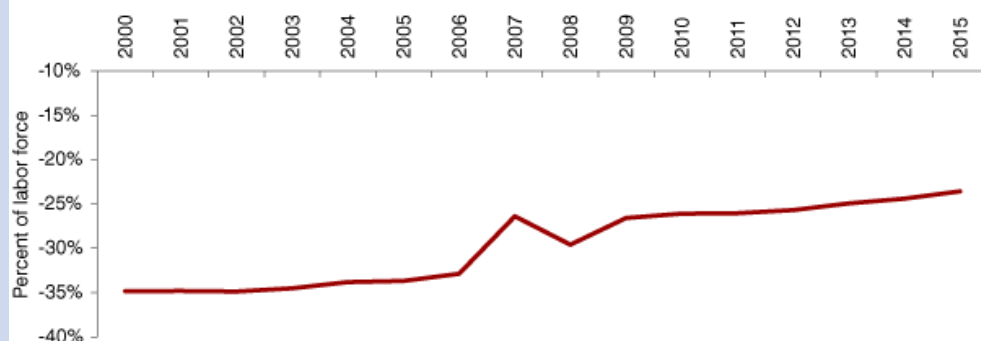
Figure 2: Marion County net commuter import as a percent of the labor force



Source: STATS Indiana Commuting Profiles, using Indiana Department of Revenue data

In the ring counties, new jobs are often being filled by those living in the same county. While still a net exporter of commuters, the ring counties are increasingly exporting fewer of their workers (see **Figure 3**). In the past, many of these workers commuted to Indianapolis/Marion County.

Figure 3: Net commuter import as a percent of the labor force in the ring counties

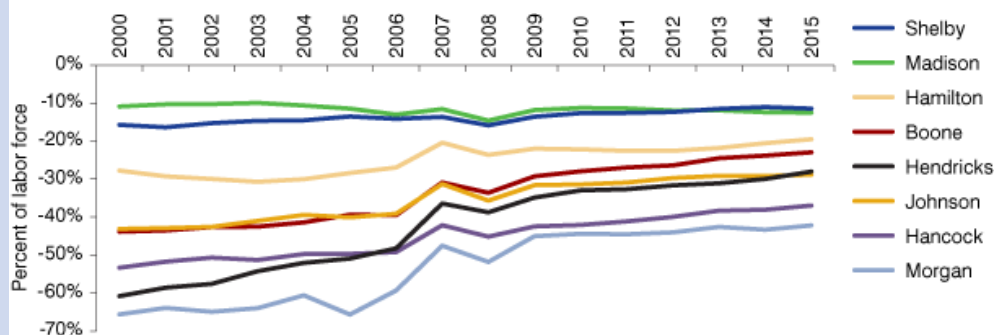


Source: STATS Indiana Commuting Profiles, using Indiana Department of Revenue data

The change is evident in most of the surrounding counties. With the exception of Madison County

(which was never a large commuter exporter), **Figure 4** shows that all of the ring counties are exporting an increasingly smaller portion of their labor force to work in other counties.

Figure 4: County-level net commuter imports as a percent of the labor force



Source: STATS Indiana Commuting Profiles, using Indiana Department of Revenue data

While highly reliant on each other for economic growth, these data indicate workers in and around Indianapolis are commuting less as a percentage of the overall labor force. Communities are increasingly becoming self-sufficient in terms of labor needs. Each new job created in Central Indiana reduces commuting as they are sourced locally. This new reality can have interesting logistical implications for businesses, as well as workforce development agencies.

Notes

1. All references to the labor force in this article refer to the implied labor force data, which is from the Indiana Department of Revenue data (collected via IT-40 tax forms). While providing guidance on the flows of workers, these implied labor force numbers are artificially inflated due to data collection limitations. When filling out the IT-40, retired persons, homemakers and unemployed individuals are instructed to record the county where they live as the county where they work as well, making the implied labor force larger than the true labor force.

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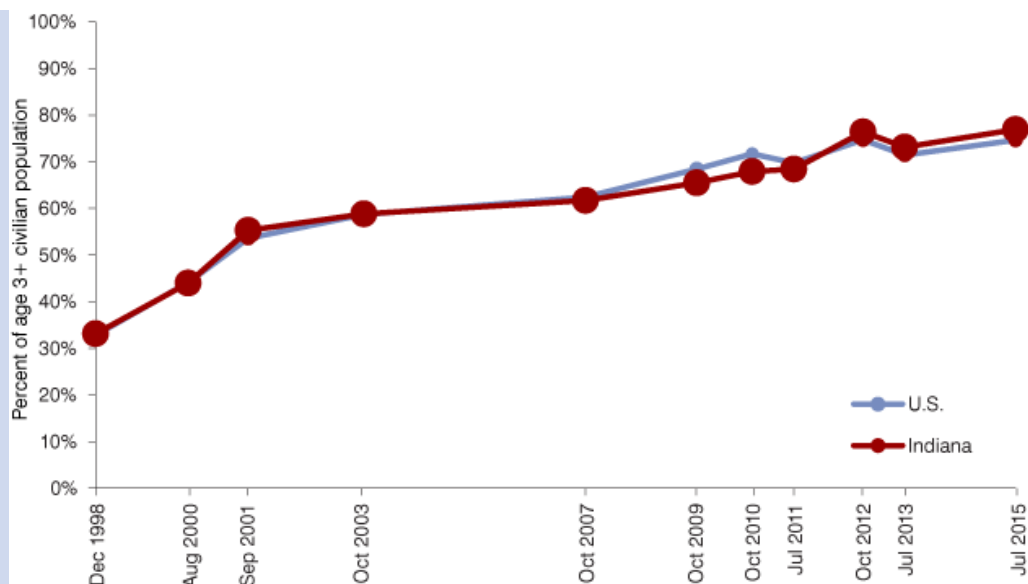


Over 1 million Hoosiers reported searching for a job online, and nearly 710,400 reported working remotely via the internet.

Internet connectivity has been cited as “a driver of innovation, helping entrepreneurs and businesses remain relevant and competitive in the information age.”¹ This article takes a brief look at some internet usage statistics from the National Telecommunications and Information Administration (NTIA) *Digital Nation* reports to explore how Indiana fares on a handful of measures that are relevant to the workplace.

Nearly 77 percent of Hoosiers age 3 and older (over 4.8 million people) are estimated to have access to the internet, according to NTIA’s July 2015 survey—up from 68 percent in July 2011. Going back to 1998, Indiana’s change over time tracks almost identically to the U.S. overall (see **Figure 1**).

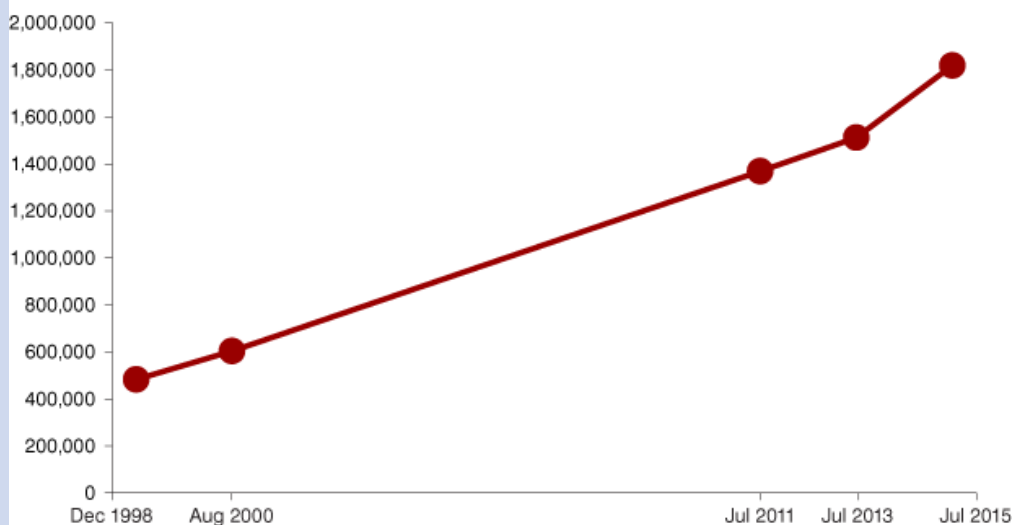
Figure 1: Internet use from any location



Source: National Telecommunications and Information Administration

Focusing on internet use at work, Indiana's numbers grew from 1.4 million people using the internet at work in 2011 to 1.8 million in 2015 (see **Figure 2**).²

Figure 2: Hoosiers who use the internet at work



Source: National Telecommunications and Information Administration

More than 3.6 million Hoosiers age 15 and older reported email usage in 2015. This is nearly 88 percent of the population age 15 and older who use the internet. This is slightly lower than the nation's 91 percent, though it is just outside the margin of error.

Meanwhile, 1.2 million Hoosiers reported participating in online video calls, voice calls or conferences in 2015. Over 1 million reported searching for a job online, and nearly 710,400 Hoosiers reported working remotely via the internet.

Table 1 shows how these online activities have become more common in the past couple of years.

Table 1: Online activities

	Share of Indiana population age 15+ who use the internet	
	July 2013	July 2015
Using email	77.5% (+/- 3.9%)	87.5% (+/- 2.8%)

Participating in online video or voice calls or conferences	n/a	29.7% (+/-4.6%)
Searching for a job online	16.0% (+/- 3.9%)	24.9% (+/- 4.3%)
Working remotely via the internet	14.6% (+/- 3.7%)	17.0% (+/- 3.2%)
Taking classes or participating in job training online	n/a	17.0% (+/- 3.1%)

Source: National Telecommunications and Information Administration

Learn more

To view more of Indiana's data and state-level maps for all of the metrics, visit the NTIA Data Explorer at <https://ntia.doc.gov/data/digital-nation-data-explorer>.

Notes

1. Indiana Business Research Center, "Driving Regional Innovation: The Innovation Index 2.0," August 2016, <http://statsamerica.org/ii2/reports/Driving-Regional-Innovation.pdf>, 32.
2. This is equivalent to 29 percent in 2015, up from 22 percent in 2011—not statistically different from the U.S. values of 28 percent and 24 percent, respectively. However, since the NTIA used the universe of age 3 and older for this measure, these proportions can be somewhat misleading.


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