A COMPARATIVE ASSESSMENT OF THE FORT WAYNE METROPOLITAN AREA ECONOMY
2001-2016

MAY, 2017

PREPARED FOR THE ALLEN COUNTY BOARD OF COMMISSIONERS

PREPARED BY THE COMMUNITY RESEARCH INSTITUTE AT IPFW
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# A COMPARATIVE ASSESSMENT OF THE FORT WAYNE METROPOLITAN AREA ECONOMY 2001-2016

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INTRODUCTION

In 2006 the Community Research Institute at IPFW released a report examining employment and wages in Allen County and the Fort Wayne Metropolitan Statistical Area (MSA). A key feature of that report was a comparison of the local economic performance with fourteen other Midwestern metropolitan areas. All but the Indianapolis area were communities of similar size to the Fort Wayne MSA. This study provides a more comprehensive review of the local economic performance, generally between 2001 and 2015. The analysis is provided primarily through comparison with twelve of the fourteen metropolitan areas that were utilized in the 2006 study.

Much has changed in the Fort Wayne metropolitan area economy since that 2006 report. We have experienced the Great Recession and a generally strong recovery in its aftermath. The economies of the twelve comparison communities also have been subjected to the impacts of recession and recovery. Where possible, this report will attempt to illustrate how the economies these respective metropolitan areas have fared in the pre-recession (2001-2007) period, during the Great Recession (2007-2009), and in the post-recession period to date (in most cases 2009-2015).

Presented below are brief descriptions of the thirteen metropolitan regions, including the Fort Wayne MSA, examined in this analysis:

The Dayton, Ohio Metropolitan Statistical Area includes Greene, Miami and Montgomery counties, all in Ohio. The core county is Montgomery, which has 66% of the MSA population and 68% of the MSA employment (by place of work). The MSA is a part of the Dayton-Springfield-Sidney, Ohio Combined Statistical Area. Montgomery County contains 49% of the CSA population and 53% of the CSA employment.

The Des Moines – West Des Moines, Iowa Metropolitan Statistical Area includes Dallas, Guthrie, Madison, Polk and Warren counties, all in Iowa. The core county is Polk, which has 86% of the MSA population and 92% of the MSA employment (by place of work). The MSA is a part of the Des Moines-Ames-West Des Moines, Iowa Combined Statistical Area. Polk County contains 60% of the CSA population and 66% of the CSA employment.

The Evansville, Indiana-Kentucky Metropolitan Statistical Area includes Posey, Vanderburgh and Warrick counties in Indiana and Henderson County in Kentucky. The core county is Vanderburgh,

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1 “Observations on Employment and Pay in 15 Core Counties and 15 MSAs in the Midwest from 2001-2005 with Special Emphasis on the Fort Wayne MSA and Allen County Economies”; Community Research Institute at IPFW; September, 2006

A COMPARATIVE ASSESSMENT OF THE FORT WAYNE METRO AREA ECONOMY
which contains 58% of the MSA population and 68% of the MSA employment (by place of work). The MSA is not a part of a Combined Statistical Area.

The Fort Wayne Metropolitan Statistical Area includes Allen, Whitley and Wells counties, all in Indiana. The core county is Allen, which contains 86% of the MSA population and 88% of the MSA employment (by place of work). The MSA is a part of the Fort Wayne-Huntington-Auburn Combined Statistical Area. Allen County contains 59% of the CSA population and 62% of the CSA employment.

The Grand Rapids – Wyoming, Michigan Metropolitan Statistical Area includes Barry, Kent, Montcalm and Ottawa counties, all in Michigan. The core county is Kent, which contains 61% of the MSA population and 70% of the MSA employment (by place of work). The MSA is a part of the Grand Rapids-Wyoming-Muskegon, Michigan Combined Statistical Area. Kent County contains 44% of the CSA population and 55% of the CSA employment.

The Indianapolis – Carmel – Anderson, Indiana Metropolitan Statistical Area includes Boone, Brown, Hamilton, Hendricks, Johnson, Madison, Marion, Morgan, Putnam and Shelby counties, all in Indiana. The core county is Marion, which contains 53% of the MSA population and 63% of the MSA employment (by place of work). The MSA is a part of the Indianapolis-Carmel-Muncie, IN Combined Statistical Area. Marion County contains 40% of the CSA population and 49% of the CSA employment.

The Kalamazoo – Portage, Michigan Metropolitan Statistical Area includes Kalamazoo and VanBuren counties, both in Michigan. The core county is Kalamazoo, which contains 78% of the MSA population and 83% of the MSA employment (by place of work). The MSA is a part of the Kalamazoo-Battle Creek-Portage, Michigan Combined Statistical Area. Kalamazoo County contains 49% of the CSA population and 53% of the CSA employment.

The Lexington – Fayette, Kentucky Metropolitan Statistical Area includes Bourbon, Clark, Fayette, Jessamine, Scott and Woodford counties, all in Kentucky. The core county is Fayette, which contains 63% of the MSA population and 71% of the MSA employment (by place of work). The MSA is a part of the Lexington-Fayette-Richmond-Frankfort, Kentucky Combined Statistical Area. Fayette County contains 43% of the CSA population and 52% of the CSA employment.

The Madison, Wisconsin Metropolitan Statistical Area includes Columbia, Dane, Green and Iowa counties, all in Wisconsin. The core county is Dane, which contains 82% of the MSA population and 90% of the MSA employment. The MSA is a part of the Madison-Janesville-Beloit, Wisconsin Combined Statistical Area. Dane County contains 60% of the CSA population and 67% of the CSA employment.

The Peoria, Illinois Metropolitan Statistical Area includes Marshall, Peoria, Stark, Tazwell and Woodford counties, all in Illinois. The core county is Peoria, which contains 49% of the MSA population and 56% of the MSA employment (by place of work). The MSA is a part of the Peoria-
Canton, Illinois Combined Statistical Area. Peoria County contains 45% of the CSA population and 53% of the CSA employment.

The Rockford, Illinois Metropolitan Statistical Area includes Boone and Winnebago counties, both in Illinois. The core county is Winnebago, which contains 84% of the MSA population and 88% of the MSA employment (by place of work). The MSA is a part of the Rockford-Freeport-Rochelle, Illinois Combined Statistical Area. Winnebago County contains 66% of the CSA population and 70% of the CSA employment.

The South Bend – Mishawaka, Indiana-Michigan Metropolitan Statistical Area includes St. Joseph County in Indiana and Cass County in Michigan. The core county is St. Joseph, which contains 84% of the MSA population and 92% of the MSA employment (by place of work). The MSA is a part of the South Bend-Elkhart-Mishawaka, Indiana-Michigan Combined Statistical Area. St. Joseph County contains 37% of the CSA population and 36% of the CSA employment.

The Toledo, Ohio Metropolitan Statistical Area includes Fulton, Lucas and Wood counties, all in Ohio. The core county is Lucas, which contains 72% of the MSA population and 71% of the MSA employment (by place of work). The MSA is a part of the Toledo-Port Clinton, Ohio Combined Statistical Area. Lucas County contains 67% of the CSA population and 67% of the CSA employment.
THE LEGACY OF AN HISTORIC CONCENTRATION OF EMPLOYMENT IN MANUFACTURING

In 2012, William Testa and Norman Wang of the Federal Reserve Bank of Chicago issued a commentary examining the potential relationship between the concentration of manufacturing employment in a metropolitan area in 1969 and its subsequent growth in both jobs and per capita personal income. That potential relationship was the impetuous for the Industrial Cities Initiative by the Chicago Federal Reserve Bank. Fort Wayne was one of the ten initial cities to be examined in this study which focused on the stories of the ten communities and how they responded to the challenges facing historically industrial cities in a very changing national and global economy.

The reader might be well served to keep the premise that the long-term economic prosperity of and given metropolitan area may, to some degree, be inversely related to concentration of manufacturing employment in the respective area in 1969 (the earliest year for which have comparable data). As is illustrated in Figure 1, 32 percent of total employment in the Fort Wayne Metropolitan Statistical Area (MSA) was in the manufacturing sector. Of the twelve comparison communities included in this study, only four had a higher concentration of manufacturing employment in 1969. Several of those communities appear to lag the other comparison communities on several measures of economic prosperity in subsequent years. Conversely, two of the communities which appeared to have been more successful economically, Des Moines and Madison, had only a very modest manufacturing presence in the late 1960s.

Figure 1

2 “Manufacturing as Midwest Destiny” by Bill Testa and Norman Wang; Federal Reserve Bank of Chicago; February 3, 2012.

A COMPARATIVE ASSESSMENT OF THE FORT WAYNE METRO AREA ECONOMY
A COMPARATIVE ASSESSMENT OF THE FORT WAYNE METRO AREA ECONOMY

Source: Bureau of Economic Analysis

MANUFACTURING AS A PERCENTAGE OF TOTAL EMPLOYMENT IN 1969 FOR SELECTED METROPOLITAN AREAS

DEMographics

A COMPARATIVE ASSESSMENT OF THE FORT WAYNE METRO AREA ECONOMY
The Fort Wayne MSA ranks as the eighth largest of the thirteen metropolitan areas included in this comparative study. The 36,240 population growth in the Fort Wayne MSA between 2001 and 2015 ranked as the sixth largest among the thirteen MSAs over this period. This was a 9.2 percent increase in population over the period, also ranking as the sixth largest percentage increase among the selected metropolitan areas. Over the same time period, the growth in population for all U.S. metropolitan areas was 14.6 percent.

Figure 2

2015 POPULATION FOR SELECTED METROPOLITAN AREAS

Source: Bureau of Economic Analysis
Figure 3

2001 - 2015 POPULATION CHANGE
FOR SELECTED METROPOLITAN AREAS

Source: Bureau of Economic Analysis
Figure 4

PERCENTAGE CHANGE IN POPULATION BETWEEN 2001 AND 2015 FOR SELECTED METROPOLITAN AREAS

Source: Bureau of Economic Analysis

EMERGING WORKFORCE

A COMPARATIVE ASSESSMENT OF THE FORT WAYNE METRO AREA ECONOMY
The Fort Wayne MSA had the third smallest proportion of its 2015 population among the thirteen selected metro areas in the critical 20 to 34 age cohort, the emerging workforce for each metropolitan area.

Figure 5

PERCENTAGE OF THE 2015 TOTAL POPULATION BETWEEN THE AGES OF 20 AND 34 FOR SELECTED METROPOLITAN AREAS

Source: American Community Survey

EDUCATIONAL ATTAINMENT

A COMPARATIVE ASSESSMENT OF THE FORT WAYNE METRO AREA ECONOMY
In 2012, the 34.2 percent of the adult population in the Fort Wayne MSA had an Associates or higher degree, ranking as the seventh highest among the thirteen selected metro areas. When examining on those adults with a Bachelor’s degree or higher, 24.8 percent of the Fort Wayne metro residents reached this level of educational attainment – the fifth lowest of the selected metropolitan areas.

Figure 6

EDUCATIONAL ATTAINMENT IN 2012 FOR SELECTED METROPOLITAN AREAS

Source: American Community Survey
Between 2010 and 2013, the Fort Wayne metropolitan area experienced net out migration of 535 individuals. It was one of five selected metro areas to experience a net out migration over this period. Between 2000 and 2016, net domestic migration from the Fort Wayne metro area totaled -12,113 individuals. Over the same period, net international migration totaled 12,558 individuals – for an overall net in-migration of 475.\(^4\)

**Figure 7**

![Net Migration Between 2010 and 2013 for Selected Metropolitan Areas](image)

Source: Governing Data

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**GROSS DOMESTIC PRODUCT**

\(^4\) Source: Stats Indiana Components of Population Change Over Time

A COMPARATIVE ASSESSMENT OF THE FORT WAYNE METRO AREA ECONOMY
In 2015, the Fort Wayne metropolitan area had a $21.28 billion Gross Domestic Product. This ranked the Fort Wayne area as the eighth largest economy among the thirteen metro areas selected for this study. Between 2001 and 2015, the 47.4 percent growth in the Fort Wayne metro area’s GDP was the third lowest among the selected communities. This was one-half the rate of GDP growth experienced by the Des Moines metro area.

**Figure 8**

**GROSS DOMESTIC PRODUCT IN 2015 FOR SELECTED METROPOLITAN AREAS (IN $MILLIONS)**

Source: Bureau of Economic Analysis

**Figure 9**

A COMPARATIVE ASSESSMENT OF THE FORT WAYNE METRO AREA ECONOMY
PERCENTAGE CHANGE IN GROSS DOMESTIC PRODUCT BETWEEN 2001 AND 2015 FOR SELECTED METROPOLITAN AREAS

Source: Bureau of Economic Analysis
When examining the GDP growth in just the pre-recession period between 2001 and 2007, the Fort Wayne metro area’s growth of 23 percent ranked as the fourth lowest among the thirteen metros.

Figure 10

PERCENTAGE CHANGE IN GROSS DOMESTIC PRODUCT BETWEEN 2001 AND 2007 FOR SELECTED METROPOLITAN AREAS

Source: Bureau of Economic Analysis
During the Great Recession period of 2007 – 2009, eight of the thirteen selected metropolitan areas experienced a decline in their Gross Domestic Product. The Fort Wayne metro saw a 5.4 percent drop in its GDP. This was the fifth steepest loss of the thirteen selected metropolitan areas.

Figure 11

PERCENTAGE CHANGE IN GROSS DOMESTIC PRODUCT BETWEEN 2007 AND 2009 FOR SELECTED METROPOLITAN AREAS

Source: Bureau of Economic Analysis
From the perspective of Gross Domestic Product growth, the Fort Wayne MSA has fared relatively better since the end of the Great Recession, with a 26.7 percent growth between 2009 and 2015. This surpassed the aggregate GDP growth rate for all U.S. metropolitan areas (24.9%).

Figure 12

PERCENTAGE CHANGE IN GROSS DOMESTIC PRODUCT BETWEEN 2009 AND 2015 FOR SELECTED METROPOLITAN AREAS

Source: Bureau of Economic Analysis
The Fort Wayne area is known for its manufacturing economy and the Gross Domestic Product data continue to bear this out. In 2015, 23.5 percent of the Fort Wayne MSA’s GDP came from the manufacturing sector, ranking as the sixth highest concentration from that sector among the thirteen metro areas. The percentage of the Fort Wayne metro area’s Gross Domestic Product derived from the manufacturing sector actually increased from 22.5 percent in 2001 to 23.5 percent in 2015.

**Figure 13**

MANUFACTURING GROSS DOMESTIC PRODUCT AS A PERCENTAGE OF TOTAL GROSS DOMESTIC PRODUCT FOR SELECTED METROPOLITAN AREAS

Source: Bureau of Economic Analysis
VALUE OF EXPORTS
The value of goods and services exported from the Fort Wayne metro area was approximately $1.3 billion in 2005, dropped to approximately $1.1 billion during the recession (2010) and rebounded to approximately $1.5 billion in 2015. The Fort Wayne and Dayton metro areas were the only two of the thirteen selected areas to experience an actual decline in the value of exports between 2005 and 2010.

Figure 14

VALUE OF GOODS EXPORTED FROM SELECTED METROPOLITAN AREAS TO OUTSIDE OF THE UNITED STATES

Source: U.S. International Trade Administration
In 2015, exports represented 7.2 percent of the total Gross Domestic Product in the Fort Wayne metro area. This was the third lowest percentage of the selected metro areas, above only the service sector dominated economies of the Des Moines and Madison metro areas. By comparison, in the Peoria MSA (dominated by the heavy machinery production industry) nearly one-half of its total GDP value was exported outside the United States.

Figure 15

VALUE OF EXPORTS AS A PERCENTAGE OF TOTAL GROSS DOMESTIC PRODUCT FOR SELECTED METROPOLITAN AREAS

Source: U.S. International Trade Administration
EMPLOYMENT
When measured by total employment in 2015, the Fort Wayne metropolitan area ranked as the eighth largest among the selected thirteen metro areas. Average annual employment in 2015 in the Fort Wayne MSA was just below 221,000.

Figure 16

2015 TOTAL EMPLOYMENT
FOR SELECTED METROPOLITAN AREAS

Source: Bureau of Economic Analysis
For the entire 2001-2015 period, the Fort Wayne metro area experienced a modest 3.7 percent increase in total employment, ranking as the sixth highest rate of growth among the thirteen selected metro areas. The Des Moines metropolitan area experienced six times the rate of employment growth over this period than did the Fort Wayne MSA. Four of the selected metro areas actually experienced an employment decline over this period.

Figure 17

PERCENTAGE CHANGE IN EMPLOYMENT BETWEEN 2001 AND 2015 FOR SELECTED METROPOLITAN AREAS

Source: Bureau of Economic Analysis
In the pre-recession period between 2001 and 2007, the Fort Wayne MSA experienced only the slightest of employment growth (0.5 percent). In the same period, half of our selected metro comparison areas actually experienced a decline in employment, although Lexington, Madison and Des Moines all experienced an employment growth rate in excess of the aggregate growth experienced by all U.S. metropolitan areas.

Figure 18

PERCENTAGE CHANGE IN TOTAL EMPLOYMENT BETWEEN 2001 AND 2007 FOR SELECTED METROPOLITAN AREAS

Source: Bureau of Economic Analysis
From an employment perspective, the Great Recession hit all of our selected metropolitan areas. Each experienced a decline in employment between 2007 and 2009, as did the aggregate of all U.S. metropolitan areas. Of course, the pain was not equally felt. While Rockford lost approximately 10 percent of its employment, Des Moines experienced an slightly more than a 1 percent decline. The Fort Wayne metro area lost 6.8 percent of total employment over this period.

**Figure 19**

<table>
<thead>
<tr>
<th>Metropolitan Area</th>
<th>Percentage Change in Total Employment</th>
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<tr>
<td>Rockford</td>
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<td>Des Moines</td>
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</tr>
</tbody>
</table>

Source: Bureau of Economic Analysis
In the 2009-2015 “post-recession” period, all thirteen of the selected metropolitan areas experienced growth in employment, but it was certainly not uniform. While the Peoria metro area had a less than 1 percent increase in total employment, the Grand Rapids MSA experienced a nearly 20 percent growth. The Fort Wayne metro area’s employment grew over the period by 6.1 percent.

Figure 20

<table>
<thead>
<tr>
<th>Percentage Change in Total Employment Between 2009 and 2015 for Selected Metropolitan Areas</th>
</tr>
</thead>
<tbody>
<tr>
<td>Peoria</td>
</tr>
<tr>
<td>0.0%</td>
</tr>
</tbody>
</table>

Source: Bureau of Economic Analysis
Through 2015, only five of the thirteen selected metropolitan areas had regained or exceeded their peak pre-recession average annual employment. The Fort Wayne MSA’s 2015 average annual employment was 98.2 percent of its peak pre-recession employment (experienced in 2006).

**Figure 21**

*2015 AVERAGE ANNUAL EMPLOYMENT COMPARED TO PRE-RECESSION PEAK AVERAGE ANNUAL EMPLOYMENT FOR SELECTED METROPOLITAN AREAS*

Source: Bureau of Labor Statistics QCEW Data
Not surprisingly, the percentage of total employment engaged in the manufacturing sector declined between 2001 and 2015 in each of the thirteen selected metropolitan areas. Six of the thirteen had at least 15 percent of their employment engaged in manufacturing in 2001. By 2015, only Grand Rapids and Rockford had at least that portion of their employment still engaged in manufacturing.

In 2001, 16.1 percent of the Fort Wayne MSA’s total employment was directly engaged in the manufacturing sector. At that time, the manufacturing sector accounted for 22.5 percent of the region’s Gross Domestic Product. By 2015, the percentage of the Fort Wayne MSA’s employment engaged in manufacturing had dropped to 13.6 percent, while the proportion of Gross Domestic Project being generated by the manufacturing sector increased to 23.5 percent.

Figure 22

MANUFACTURING EMPLOYMENT AS A PERCENTAGE OF TOTAL EMPLOYMENT IN 2001 AND 2015

Source: Bureau of Economic Analysis
LABOR FORCE
Between 2001 and 2015, only seven of the thirteen selected metropolitan areas experienced an increase in their labor force, including the Fort Wayne MSA. However, while the Indianapolis MSA’s labor force grew by nearly 112,000 individuals over that period, the Fort Wayne MSA’s labor force grew by a much more modest 3,014. That growth represented a substantial 21 percent increase in the Indianapolis metro area labor force while the Fort Wayne region’s growth was growing by a marginal 1.6 percent.

Figure 23

![Change in Labor Force Between 2001 and 2015 for Selected Metropolitan Areas](source: Bureau of Labor Statistics LAUS Data)
Figure 24

PERCENTAGE CHANGE IN LABOR FORCE BETWEEN 2001 AND 2015 FOR SELECTED METROPOLITAN AREAS

Source: Bureau of Labor Statistics LAUS Data
LABOR FORCE PARTICIPATION
Two of the thirteen selected metropolitan areas had a 2015 labor force participation rate in excess of 72 percent, compared with a national rate of 63.1 percent. Of the selected metro areas, only the Dayton area had a labor force participation rate less than the national rate. The Fort Wayne MSA’s labor force participation rate of 66 percent ranked as the sixth highest among the selected metro areas.

Figure 25

Source: American Community Survey
UNEMPLOYMENT RATES

The average annual Unemployment Rates for 2016 among the thirteen selected metropolitan areas ranged from as high as 6.6 percent in the Rockford MSA to a low of 3.0 percent in the Madison MSA. The 2016 average annual rate for the Fort Wayne MSA was 4.2 percent, tied for sixth lowest among the compared metro areas.

Figure 26

Source: Bureau of Labor Statistics LAUS Data

---

5 The Local Area Unemployment Statistics (LAUS) data for 2016 was revised by the Bureau of Labor Statistics on April 21, 2017.
The 2016 unemployment rates were a dramatic change from those experienced by each of the selected metropolitan areas during the Great Recession. The Rockford MSA reached a high of 17.3 percent in January, 2009. The Fort Wayne MSA peak unemployment rate occurred in February, 2010 at 12.3 percent.

Figure 27

PEAK UNEMPLOYMENT RATE DURING THE GREAT RECESSION FOR SELECTED METROPOLITAN AREAS

Source: Bureau of Labor Statistics LAUS Data
REGIONAL PRICE PARITIES (COST OF LIVING)
The cost of living varies somewhat from one metropolitan area to another, even among midsized Midwestern communities. In the past this was somewhat difficult to track as not all communities participated in a common data base of cost-of-living indicators. In 2013, the U.S. Bureau of Economic Analysis began issuing “regional price parity” numbers for each metropolitan area in the country. These parities provide “a measure of differences in price levels across each state and region relative to the national price level”. These parities are a useful tool for measuring the relative cost of living between various different metropolitan areas. The most recent “regional price parities” available for the selected metropolitan areas are for 2014.

In 2014, the regional price parities for the Fort Wayne metropolitan area was 90.7 percent of the “average” price of goods and services across the United States. This was a drop from the 2008 parity of 92.3 percent. In 2014, the Fort Wayne metropolitan area had a slightly higher “cost of living” than only two of the selected metropolitan areas – Toledo and South Bend. Of the thirteen selected areas, the Kalamazoo MSA had the parity most closely resembling the national average at 97.8 percent in 2008 and 99.0 percent in 2014. With a Y-axis range of parity from 0 to 100.0 in Figure 28 we see that there are only modest differences in regional price parity among the thirteen selected metropolitan areas.
Figure 28

2008 AND 2014 REGIONAL PRICE PARITIES
FOR SELECTED METROPOLITAN AREAS
(100.0 IS NATIONAL AVERAGE)

Source: Bureau of Economic Analysis
When the Y-axis is reduced in range between a parity of 80.0 to 100.0 in Figure 29, we can more clearly illustrate the differences among the thirteen metro areas.

Figure 29

2014 REGIONAL PRICE PARITIES FOR SELECTED METROPOLITAN AREAS (100.0 IS NATIONAL AVERAGE)

Source: Bureau of Economic Analysis

The Bureau of Economic Analysis provides a breakout of their regional price parities for each metropolitan area – parity of goods, one for rent and one for all other services. As is illustrated in Figure 30, rental housing is the one component that significantly influences the relative cost of living in our area.

Figure 30

COMPONENTS OF THE FORT WAYNE MSA REGIONAL PRICE PARITY INDEX

<table>
<thead>
<tr>
<th>FORT WAYNE MSA</th>
<th>ALL ITEMS</th>
<th>GOODS</th>
<th>SERVICES-RENT</th>
<th>SERVICES-OTHER</th>
</tr>
</thead>
<tbody>
<tr>
<td>2008</td>
<td>92.3</td>
<td>96.4</td>
<td>76.3</td>
<td>95.7</td>
</tr>
<tr>
<td>2014</td>
<td>90.7</td>
<td>97.8</td>
<td>69.9</td>
<td>94.4</td>
</tr>
</tbody>
</table>

Source: Bureau of Economic Analysis

A COMPARATIVE ASSESSMENT OF THE FORT WAYNE METRO AREA ECONOMY
TOTAL PERSONAL INCOME
Total personal income and per capita personal income are generally considered to be among the most frequently used and most important indicators of a given community’s economic well-being. The Bureau of Economic Analysis defines personal income as “the income received by, or on behalf of, all persons from all sources: from participation as laborers in production, from owning a home or unincorporated business, from the ownership of financial assets, and from government and business in the form of transfer receipts. It includes income from domestic sources as well as from the rest of the world.”

As is illustrated in Figure 31, the total personal income for all residents of the Fort Wayne Metropolitan Area in 2015 was $17,666,381,000. Based on this measure, the Fort Wayne MSA ranked as the eighth largest among the selected thirteen metro areas.

Figure 31

TOTAL PERSONAL INCOME IN 2015 FOR SELECTED METROPOLITAN AREAS

Source: Bureau of Economic Analysis
Between 2001 and 2015, total personal income in the Fort Wayne metropolitan area grew by 53.3 percent. This compared with the aggregate growth in total personal income for all U.S. metros of 73.1 percent. Among the selected thirteen metro areas included in this study, the Des Moines MSA experienced an 89.0 percent increase over the period. Conversely, Dayton experienced significantly less growth at 40.4 percent.

Figure 32

PERCENTAGE CHANGE IN TOTAL PERSONAL INCOME BETWEEN 2001 AND 2015 FOR SELECTED METROPOLITAN AREAS

Source: Bureau of Economic Analysis
In the “pre-recession” period between 2001 and 2007, the Fort Wayne MSA experienced a 23.1 percent growth in total personal income, tied with Grand Rapids and South Bend for the seventh-largest percentage increase over the period. By comparison, the aggregate growth for all U.S. metro areas was 34.1 percent. Of the selected metro areas, only Des Moines exceed the U.S. metro aggregate rate in the “pre-recession” period.

Figure 33

PERCENTAGE CHANGE IN TOTAL PERSONAL INCOME BETWEEN 2001 AND 2007 FOR SELECTED METROPOLITAN AREAS

Source: Bureau of Economic Analysis
Total personal income in the Fort Wayne metropolitan area suffered during the “Great Recession” years of 2007 through 2009. The 2.2 percent decline in total personal income experienced in the Fort Wayne MSA was third most severe of the selected metro areas. The aggregate change in total personal income for all U.S. metropolitan areas during these years was a very slight gain of 0.2 percent. Interestingly, five of the thirteen selected metro areas actually exceed the U.S. metro area aggregate, led by Indianapolis with a 5.5 percent growth in the midst of the Great Recession.

Figure 34

PERCENTAGE CHANGE IN TOTAL PERSONAL INCOME BETWEEN 2007 AND 2009 FOR SELECTED METROPOLITAN AREAS

Source: Bureau of Economic Analysis
The Fort Wayne MSA faired significantly better in terms of total personal income growth in the “post-recession” period of 2009 through 2015. It experienced a 27.3 percent increase which ranked as the sixth highest among the selected metro areas and was only slightly behind the aggregate increase for all U.S. metros (28.8 percent). Grand Rapids led the selected metro areas with a very robust 38.8 percent increase.

Figure 35

PERCENTAGE CHANGE IN TOTAL PERSONAL INCOME BETWEEN 2009 AND 2015 FOR SELECTED METROPOLITAN AREAS

Source: Bureau of Economic Analysis
PER CAPITA PERSONAL INCOME
One of the critical issues for the past three decades has been the relatively slow pace of growth in per capita personal income in the Fort Wayne area, particularly in comparison to other metropolitan portions of the United States. This issue was perhaps first raised locally by Dr. Tom Guthrie, the first director of the Community Research Institute back in the late 1980s. Per capita personal income is generally regarded as the single best indicator of the economic condition of the residents of a given community. It certainly does not tell the entire economic picture, but is a good indicator of residents’ ability to meet basic needs and contribute to the growth of a given community’s quality of place.
In 2015, the most recent year for which data is available, the per capita personal income in the Fort Wayne MSA was $41,102. This ranked as the second lowest among the selected metro areas and compared with the $49,827 aggregate level for all U.S. metropolitan areas.

Figure 36

PER CAPITA PERSONAL INCOME IN 2015 FOR SELECTED METROPOLITAN AREAS

Source: Bureau of Economic Analysis
The per capita personal income in the Fort Wayne MSA was 82.5 percent of the aggregate for all U.S. metro areas. This was a decline from 97.3 percent in 1977 and a more recent decline from 97.2 percent in 1994.

Figure 37

FORT WAYNE METROPOLITAN AREA ANNUAL PER CAPITA PERSONAL INCOME AS A PERCENTAGE OF PER CAPITA PERSONAL INCOME FOR ALL U.S. METROPOLITAN AREAS

Source: Bureau of Economic Analysis
Figure 38

2015 PER CAPITA PERSONAL INCOME AS A PERCENTAGE OF THE PER CAPITA PERSONAL INCOME FOR ALL METROPOLITAN AREAS IN THE UNITED STATES

Source: Bureau of Economic Analysis
Per capital personal income in the Fort Wayne MSA grew by 40.4 percent between 2001 and 2015. This was tied with Lexington as the slowest rate of growth over this period among the thirteen comparison communities. Among these selected metro areas, only Peoria exceeded the 51.0 percent growth experienced across all U.S. metropolitan areas between 2001 and 2015.

Figure 39

PERCENTAGE CHANGE IN PER CAPITA PERSONAL INCOME BETWEEN 2001 AND 2015 FOR SELECTED METROPOLITAN AREAS

Source: Bureau of Economic Analysis
In the “pre-recession’ period of 2001 through 2007, per capita personal income in the Fort Wayne MSA grew by 18.1 percent, the fifth lowest among the selected metro areas. The aggregate growth among all U.S. metro areas was 26.2 percent, with only the selected MSAs of Des Moines and Peoria exceeded this rate of growth in per capita personal income between 2001 and 2007.

Figure 40

PERCENTAGE CHANGE IN PER CAPITA PERSONAL INCOME BETWEEN 2001 AND 2007 FOR SELECTED METROPOLITAN AREAS

Source: Bureau of Economic Analysis
During the “Great Recession” years of 2007 through 2009, per capita personal income in the Fort Wayne MSA declined by 3.2 percent and was one of nine of the selected metropolitan areas to experience an actual decline. By comparison, the decline in per capita personal income experienced by the aggregate of all U.S. metropolitan areas was 1.8 percent. Interestingly, the Kalamazoo, Peoria, Indianapolis and Evansville MSAs all managed to grow per capita personal income during this difficult period.

**Figure 41**

**PERCENTAGE CHANGE IN PER CAPITA PERSONAL INCOME BETWEEN 2007 AND 2009 FOR SELECTED METROPOLITAN AREAS**

Source: Bureau of Economic Analysis
One of the most encouraging pieces of information included in this report is the significant growth in per capita personal income experienced in the Fort Wayne MSA since the end of the recession (the 2009-2015 period). The 22.8 percent growth was the fourth largest increase for the period among the selected metro areas and exceeded the 21.9 percent rate of growth for the aggregate of all U.S. metropolitan areas.

**Figure 42**

**PERCENTAGE CHANGE IN PER CAPITA PERSONAL INCOME BETWEEN 2009 AND 2015 FOR SELECTED METROPOLITAN AREAS**

Source: Bureau of Economic Analysis
After adjusting for inflation, the 2015 per capita personal income for the Fort Wayne MSA was $31,678 (expressed in 2001 dollars). This compared with the actual 2001 per capita personal income of $29,283. Thus real per capita personal income grew by $2,395 between 2001 and 2015.

By comparison real per capita personal income in the Madison MSA grew by $4,737 over the same period. The real per capita personal income gap between the Fort Wayne and Madison MSAs was $6,328 in 2001 and had grown to $8,670 in 2015 (expressed in 2001 dollars). The Madison MSA had the highest per capita personal income of the thirteen selected metropolitan areas in 2015.

Figure 43

INFLATION ADJUSTED PER CAPITA PERSONAL INCOME 2001 - 2015 FOR THE FORT WAYNE AND MADISON METROPOLITAN AREAS (EXPRESSED IN 2001 DOLLARS)
The Bureau of Economic Analysis breaks down total personal income in each metropolitan area into three key components: earnings by place of residence; unearned income (dividends, interest and rents); and transfer payments.\textsuperscript{6} While earnings usually comprise 60 to 70 percent of total personal income, this percentage does vary among individual areas. The percentage of personal income of all U.S. metropolitan areas taken in aggregate in 2015 was 64.7 percent from earnings; 19.0 percent from unearned income; and 16.3 percent from transfer payments. The highest percentage of personal income derived from earnings was 69.8 percent in the Des Moines metro area and 69.7 percent in the Indianapolis metro area. By comparison, the percentage in the Fort Wayne area was 64.3 percent.

\textbf{Figure 44}

\begin{figure}[h]
\centering
\includegraphics[width=\textwidth]{figure44}
\caption{Percentage of Total Personal Income Derived from Key Components in 2015 for Selected Metropolitan Areas}
\end{figure}

Source: Bureau of Economic Analysis

\textsuperscript{6} Transfer payments include Social Security benefits, medical benefits, veterans’ benefits, unemployment insurance benefits, business liability payments for personal injury and corporate gifts to non-profit institutions.
An examination of the relationship between the percentage of personal income derived from earnings in a given metropolitan area and that area’s per capita personal income appears to be relatively strong. Of the three selected metropolitan areas included in this study that have a percentage of total personal income derived from earnings higher than 68 percent, these three areas also have the three highest per capita personal incomes of all the selected communities (Indianapolis, Des Moines and Madison).

Figure 45

**The Relationship Between 2015 Per Capita Personal Income and the Percentage of Total Personal Income Derived from Earnings**

Source: Bureau of Economic Analysis
There also appears to be an inverse correlation between per capita personal income and the percentage of total personal income in a given area that is derived from transfer payments. The four selected metropolitan areas with the lowest percentage of personal income derived from transfer payments also have the highest 2015 per capita personal incomes. Again, the Indianapolis, Des Moines and Madison economies stand out in this comparison.

**Figure 46**

*The Relationship between 2015 Per Capita Personal Income and the Percentage of Total Personal Income Derived from Transfer Payments*

Source: Bureau of Economic Analysis
MEDIAN HOUSEHOLD INCOME

Another commonly used metric for measuring the economic well-being of individuals in a given community is median household income. In 1999 the Median Household Income for the Fort Wayne Metropolitan Area was $42,817. This ranked seventh among the thirteen selected metro areas.

Figure 47

Source: 2000 Census, Summary File 3
The 2015 median household income for the Fort Wayne MSA was $49,901. This ranked eighth among the thirteen selected metro areas, somewhat better than the tenth-place ranking based on per capita personal income. By comparison, median household income in the United States was $56,516.

Figure 48

MEDIAN HOUSEHOLD INCOME IN 2015 FOR SELECTED METROPOLITAN AREAS

Source: American Community Survey
Between 1999 and 2015, the Fort Wayne MSA lost one rank among the thirteen selected metro areas, being surpassed by the Lexington MSA. Also between 1999 and 2015, the Median Household Income in the Fort Wayne MSA increased by $7,084 (unadjusted for inflation). Among the thirteen selected metro areas, the Fort Wayne MSA ranked eighth in actual growth of Median Household Income. By comparison, the Des Moines MSA Median Household Income increased by $15,193 over the same period – more than double the Fort Wayne MSA increase.

Figure 49

![Change in Median Household Income between 1999 and 2015 for selected metropolitan areas](image)

Source: 2000 Census, Summary File 3 and the American Community Survey
WAGES
Of all the indicators utilized in this study, the relatively low average weekly wages of workers in the Fort Wayne metropolitan area is perhaps the most disconcerting. In 2015 the average annual pay for workers in the Fort Wayne metro area was $41,936. The local metro area ranked next to lowest of all thirteen selected communities and was 77 percent of the average annual pay for the composite of all U.S. metropolitan areas.

Figure 50

2015 AVERAGE ANNUAL PAY FOR SELECTED METROPOLITAN AREAS

Source: Bureau of Labor Statistics Quarterly Census of Employment and Wages
The Fort Wayne metro area has lost ranking among the thirteen selected communities since 2001 when it ranked as the fourth lowest with average annual pay of $32,168. At the time, that was 85 percent of the average annual pay for all U.S. metro areas combined. Thus, the local area has both lost in relative position among the selected metro areas and as a percentage of average annual wage for all U.S. metro areas taken in aggregate.

Figure 51

2001 AVERAGE ANNUAL PAY FOR SELECTED METROPOLITAN AREAS

Source: Bureau of Labor Statistics Quarterly Census of Employment and Wages
The actual increase in average annual pay between 2001 and 2015 for the Fort Wayne metropolitan area was $9,768. This was the smallest gain for all the selected metropolitan areas and trailed the gain among all U.S. metro areas by $6,899.

Figure 52

CHANGE IN AVERAGE ANNUAL PAY BETWEEN 2001 AND 2015 FOR SELECTED METROPOLITAN AREAS

Source: Bureau of Labor Statistics Quarterly Census of Employment and Wages
The Fort Wayne MSA fared relatively better when examining wages from the private manufacturing sector, ranking tenth among the thirteen selected metropolitan areas. The 2015 average annual pay for the manufacturing sector in the Fort Wayne MSA was $56,441. However, this was only 57 percent of the average weekly wage in manufacturing in the top-ranked Peoria metro area.

**Figure 53**

![Bar chart showing 2015 average annual pay in manufacturing for selected metropolitan areas](chart.png)

Source: Bureau of Labor Statistics Quarterly Census of Employment and Wages
The gain in average annual pay in the manufacturing sector between 2001 and 2015 lagged all but two of the comparison metropolitan areas. The 2001 to 2015 gain in manufacturing pay in the Fort Wayne area was $13,756, compared to a gain of $21,753 in the Kalamazoo metro area and an astonishing gain of $46,417 in the Peoria metropolitan area.

Figure 54

**INCREASE IN THE AVERAGE ANNUAL PAY BETWEEN 2001 AND 2015 IN THE MANUFACTURING SECTOR FOR SELECTED METROPOLITAN AREAS**

Source: Bureau of Labor Statistics Quarterly Census of Employment and Wages
Wages in the Business and Professional Service sector in the Fort Wayne MSA, a sector viewed as critical for metropolitan areas advancing their respective economies, also lagged all but one of the selected metro areas. In 2015, the average annual pay in this sector in the Fort Wayne MSA was $37,302. That was 56 percent of the Business and Professional Service sector average annual pay in the Peoria metro area.

Figure 55

![2015 Average Annual Pay for the Business and Professional Services Sector for Selected Metropolitan Areas](source)

Source: Bureau of Labor Statistics Quarterly Census of Employment and Wages
The Fort Wayne metropolitan area experienced the smallest gain in average annual pay in the Business and Professional Services sector among the thirteen comparison communities. The $4,483 increase in average annual pay in the Fort Wayne area was just under one-half of the gain experienced in the next lowest ranking community, Grand Rapids (an $8,607 gain). The Fort Wayne pay gain in this category was 14 percent of that experienced in Peoria.

Figure 56

INCREASE IN AVERAGE ANNUAL PAY BETWEEN 2001 AND 2015 IN THE BUSINESS AND PROFESSIONAL SERVICES SECTOR FOR SELECTED METROPOLITAN AREAS

Source: Bureau of Labor Statistics Quarterly Census of Employment and Wages
In the third quarter of 2016, the average weekly wage in the Fort Wayne MSA was $823, ranking last among the thirteen selected metro areas. It was 81 percent of the average weekly wage in the Des Moines MSA, which ranked the highest among the selected metro areas. By comparison, the average weekly wage for all U.S. metropolitan areas combined in the third quarter of 2016 was $1,053.

Figure 57

![Average Weekly Wage for the Third Quarter, 2016 for Total Employment for Selected Metropolitan Areas]

Source: Bureau of Labor Statistics Quarterly Census of Employment and Wages
When adjusting average annual pay for the Fort Wayne MSA for inflation, real wages grew from $35,641 in 2006 to $36,190 in 2015 (as expressed in 2006 dollars). By comparison, real wages in the Des Moines MSA grew from $41,358 in 2006 to $45,021 in 2015 (as expressed in 2006 dollars). The gap between the Fort Wayne and Des Moines MSAs, expressed in 2006 dollars, was $5,717 in 2006 and had grown to $7,114 in 2015. The Des Moines MSA had the highest average weekly wage for the third quarter, 2016 of all thirteen selected metro areas.

Figure 58

INFLATION ADJUSTED AVERAGE ANNUAL PAY FOR THE FORT WAYNE AND DES MOINES METROPOLITAN AREAS

Source: Bureau of Labor Statistics Quarterly Census of Employment and Wages and the Bureau of Economic Analysis Midwest Urban Consumer Price Index
POVERTY RATES
In 2015, the Fort Wayne metropolitan area had the sixth lowest percent of residents (15.0 percent) with incomes below the federal poverty level among the thirteen selected metro areas. There was a fairly significant range for poverty rates among the selected metro areas, with the Des Moines MSA at the low end (11.4 percent) and Toledo at the high end (19.0 percent).

Figure 59

PERCENTAGE OF ALL RESIDENTS BELOW THE POVERTY LEVEL IN 2015 FOR SELECTED METROPOLITAN AREAS

Source: American Community Survey
Conventional wisdom would suggest that poverty rates would have increased during the Great Recession and then would begin to fall, particularly after 2012. However, of the thirteen metro areas studied, the poverty rate fell between 2009 and 2012 in only four MSAs. In fact, the poverty rate either grew or stayed at the same level between 2012 and 2015 in seven of the thirteen metropolitan areas. The Fort Wayne MSA poverty rate was the third lowest among the group in 2006 at 10.7 percent. It reached 15.1 percent in 2012 and has remained at approximately the level in 2015.

Figure 60


Source: American Community Survey
The Fort Wayne area has frequently been noted for its relatively low cost of housing. The Fort Wayne MSA median housing value for 2015 of $123,400 ranked as the third lowest of the thirteen selected metropolitan areas. By comparison, the 2015 median housing value for the Madison MSA was $228,500, almost double the median value in the Fort Wayne MSA.

Source: American Community Survey
In terms of median housing values, the selected metropolitan areas did not recover uniformly from the downtown in values associated with the Great Recession. Three of the selected metro areas lost value between 2010 and 2015. Others regained substantial value. The Fort Wayne MSA experienced a $9,900 increase in median value between 2010 and 2015, the fifth highest value increase over the period.

Figure 62

CHANGE IN MEDIAN HOUSING VALUE BETWEEN 2010 AND 2015 FOR SELECTED METROPOLITAN AREAS

Source: American Community Survey
POLICOM RANKINGS
There are several national economic development and data analysis organizations which annually rank communities on a variety of economic characteristics. One of those is the Policom Corporation which makes publically available their “Annual Economic Strength Rankings” of all metropolitan areas in the United States. The variables that Policom includes in their 2016 rankings are outlined in their annual publication. Data from 1995 through 2014 was used to compile the 2016 rankings.

In 2016, the Fort Wayne metropolitan area ranked 222nd out of 381 metropolitan areas. This was an improvement of 40 places compared with the 2015 ranking. As illustrated in Figure 63, the Des Moines metropolitan area had the strongest rating of the thirteen metro areas included in this study (14th) and South Bend had the weakest rating (305).

Figure 63

Source: POLICOM

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A COMPARATIVE ASSESSMENT OF THE FORT WAYNE METRO AREA ECONOMY
Figure 64

POLICOM ECONOMIC STRENGTH RANKINGS FOR SELECTED METROPOLITAN AREAS FROM 2007 THROUGH 2016

Source: POLICOM
MILKEN BEST PERFORMING CITIES

The Milken Institute’s Center for Jobs and Human Capital annually releases a ranking of its “Best Performing Cities” among the 200 largest metropolitan areas in the United States. This ranking is based on two measures of job growth, two measures of wage growth and four measures related to the high tech sector in each respective metro area. In 2016, the Fort Wayne MSA ranked 115th out of the 200 larger metro areas. This was up 42 places from its 2015 ranking. The Fort Wayne area ranked eighth out of the thirteen metropolitan areas profiled in this study. Six of our selected metropolitan areas experienced an improvement in ranking between 2015 and 2016 while six experienced a decline. The Peoria metro area remained as the 197th ranked MSA in both years.

The report that contains the 2016 rankings noted “… metros with competitive advantages in professional and technical services are experiencing the most robust advances. This includes a broad array of technology services sectors, such as scientific research and development; architecture and engineering; computer systems design and related services; specialized design; and technical consulting. Metros with a high concentration of these tech services and strong climates for entrepreneurship are among the leaders in our 2016 Best-Performing Cities.” It should be noted that between 2009 and 2015, the Fort Wayne MSA lost 533 jobs in the Professional, Scientific and Technical Services sector.

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8 “2016 Best-Performing Cities: Where America’s jobs are created and sustained”; Milken Institute’s Center for Jobs and Human Capital; Ross DeVol, Joe Lee and Minoli Ratnatunga; December, 2016.
9 Ibid. p. 1.
Figure 65

MILKEN INSTITUTE'S 2016 BEST PERFORMING CITIES RANKING FOR SELECTED METROPOLITAN AREAS

<table>
<thead>
<tr>
<th>City</th>
<th>2016 Rank</th>
<th>2015 to 2016 Change in Rank</th>
</tr>
</thead>
<tbody>
<tr>
<td>Grand Rapids</td>
<td>22</td>
<td>0</td>
</tr>
<tr>
<td>Des Moines</td>
<td>62</td>
<td>-100</td>
</tr>
<tr>
<td>Madison</td>
<td>76</td>
<td>0</td>
</tr>
<tr>
<td>Indianapolis</td>
<td>87</td>
<td>0</td>
</tr>
<tr>
<td>Lexington</td>
<td>95</td>
<td>0</td>
</tr>
<tr>
<td>Toledo</td>
<td>99</td>
<td>0</td>
</tr>
<tr>
<td>Kalamazoo</td>
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<td>Fort Wayne</td>
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<td>0</td>
</tr>
<tr>
<td>Peoria</td>
<td>197</td>
<td>0</td>
</tr>
</tbody>
</table>

Source: Milken Institute’s Center for Jobs and Human Capital
SUMMARY OBSERVATIONS

The following observations are intended to highlight some of the more significant comparisons and trends gleaned from the previously provided information. Conclusions presented herein are those of the author and do not necessarily reflect those of the project sponsor.

The Fort Wayne metropolitan area has traditional been and continues to be considered a manufacturing-based economy. In 1969, employment in the manufacturing sector in the Fort Wayne area represented 32 percent of all employment. That was the fifth highest concentration among the thirteen selected cities. Like nearly all areas in the United States, the Fort Wayne MSA’s concentration of total employment arising from the manufacturing sector has been steadily declining. Yet, as of 2015, 13.6 percent of the Fort Wayne MSA’s total employment is in the manufacturing sector. This is the third highest concentration among the selected metropolitan areas included in this study.

As a further indication of our continuing reliance on manufacturing, the Milken Institute’s recent study Regional Performance Over Time: Thriving and Reviving Amid Economic Challenges places the Fort Wayne metropolitan area in the “Traditional Manufacturing” typology among the fourteen potential categories. It also places the Dayton, Evansville, Grand Rapids, Kalamazoo, Peoria, Rockford, South Bend and Toledo metro areas in the same category. Only Des Moines and Indianapolis in the “Rejuvenated Regions” category and Lexington and Madison in the “Diverse Service Economies” category are not considered as “Traditional Manufacturing” metro areas among the comparison communities.10

This author concurs with the premise suggested by the economists from the Chicago Federal Reserve Bank that the strong historical industry concentration in manufacturing has, from the early 1970s, and continues to influence our relative economic outcomes.

Population growth in the Fort Wayne metro area between 2001 and 2015 (9.2%) has lagged behind the percentage growth for all U.S. metro areas (14.6%) but is exceeded by only five of the selected comparison communities. Of concern, however, is that the Fort Wayne MSAs has the third lowest percentage of its population concentrated in the Age 20-34 cohort among the selected communities, an indication of the difficulty this area has in retaining and attracting the emerging workforce. The Fort Wayne area is also one of only five of the selected metro areas to experience net out migration between 2010 and 2013. Were it not for international migration, this loss of potential workers would be even more critical.

The Fort Wayne metro area experienced the third lowest rate of growth in Gross Domestic Product between 2001 and 2015 among the thirteen selected metro areas. The percentage growth in GDP for the Fort Wayne area was well behind (approximately one-half that of the leaders in this group – Madison and Des Moines). The local GDP percentage growth exceeded that of only Dayton and Rockford over this period. On a positive note, GDP percentage growth

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in the Fort Wayne area fared better in the post-recession period (2009-2015), ranking sixth among the selected areas and above the rate of growth for all U.S. metro areas combined.

The proportion of GDP generated by the manufacturing sector in the Fort Wayne MSA actually grew between 2001 and 2015, from 22.5 percent of all area GDP to 23.5 percent. This trend of manufacturing increasing as a proportion of total GDP occurred in only five of the thirteen selected metro areas and was counter what was occurring in all U.S. MSAs taken in aggregate. This area continues to buck national trends with its ongoing reliance on the manufacturing sector to drive its economic growth. Exports play a somewhat smaller role in the Fort Wayne area economy compared to most of the other selected metros when using GDP as a measurement.

The longer-term picture for employment growth (2001-2015) in the Fort Wayne metro area substantially lagged that of all U.S. metropolitan areas taken as a group. Five of the selected communities (Grand Rapids, Indianapolis, Lexington, Madison and Des Moines) have more than twice the rate of employment growth than did the local area over this period. Some of the more specific employment observations include:

* weak employment growth in the pre-recession of period of 2001 to 2007, barely exceeding a no-growth level
* on both a relative and an actual basis, the local region’s employment totals were hammered by the recession (2007-2009), much like nearly all of the comparison metro areas
* post-recession (2009-2015) employment has been somewhat stronger in the Fort Wayne area, although still lagging the rate for the aggregate of all U.S. metropolitan areas
* as of 2015, the Fort Wayne metro area had nearly regained its number of employments compared with its pre-recession peak (98.2%).
* while the percentage of total employment directly engaged in the manufacturing sector continues to decline in the Fort Wayne metro area, it still has the third highest concentration among the thirteen selected communities (13.6% in 2015).

The Fort Wayne metropolitan area has experienced slow growth in it labor force between 2001 and 2015, adding only 3,000 individuals to the to the labor force over this period (1.5 percent growth over the period). The local labor force did not begin to grow in the post-recession period until 2014. Between 2011 and 2014, this region was primarily sustaining its growth in employment by pulling workers from the ranks of the unemployed rather than from growth in the total labor force.

The Fort Wayne region frequently touts its relatively low cost-of-living as a factor which, at least partially offsets the relatively low wage rates in the region. However, while the Bureau of Economic Analysis 2014 Regional Price Parity for the Fort Wayne metro area is among the lowest of the selected thirteen communities, it is still within ten percentage points of any of the selected MSAs in this study – a fairly tight range. For example, the is a much smaller gap in the
cost-of-living between the Fort Wayne and Des Moines regions (4.6%) than there is in average annual wages (24.4%).

The growth in total personal income in any given geographic area is a very meaningful indicator of its overall economic strength. Between 2001 and 2015 there was a twenty point lag in the percentage growth in total personal income in the Fort Wayne metro region compared with the aggregate growth rate for all U.S. metro areas. Compared with the other twelve selected comparison communities, the Fort Wayne area was the median (six fared better, six fared worse). Much like was the case with employment trends, the growth in total personal income in the local area was relatively weak in the pre-recession period (2001-2007); among the weakest during the recession (2007-2009); and relatively stronger in the post-recession period (2009-2015).

In 2001, five of the twelve comparison metro areas had an annual per capita personal income lower than the Fort Wayne MSA. By 2015, only three of the twelve were ranked lower in per capita personal income than the Fort Wayne area. In 2001 the Fort Wayne area’s per capita personal income was 88.8 percent of that for all U.S. metropolitan areas collectively. By 2010, that ratio had fallen to 81.8 percent and has only slightly improved in the subsequent years (82.5% in 2015). Percentage growth in per capita personal income between 2001 and 2015 in the Fort Wayne area ranked last among the thirteen comparison communities at 40.4 percent. More encouraging was the percentage growth in per capita personal income in the post-recession period (2009-2015) when the Fort Wayne area’s rate was exceeded by only Madison, south Bend and Grand Rapids – and exceeded the rate of growth for all U.S. metro areas taken as an aggregate.

The most disconcerting data point in this entire study is the Fort Wayne metro area’s average annual pay, as measured by the U.S. Bureau of Labor Statistics. Among the comparison regions, only the South Bend area had a lower average annual pay in 2015. The Fort Wayne metro area’s average annual pay in 2015 was $41,936. That for all U.S. metro areas taken collectively was $54,358. The average annual wage in the Fort Wayne area in 2001 was $32,168. After adjusting for inflation, the 2015 average annual wage in the local area was $31,934. The area average annual wage had, in real terms, actually fallen by $978. Perhaps even more disconcerting, the change in average annual pay in the Fort Wayne region between 2001 and 2015 was $9,768 and last among all comparison communities. The growth in average annual pay for all U.S. metro areas taken in aggregate was $16,667 over this period. Given that earnings represent nearly two-thirds of total personal income in the Fort Wayne metro area, it’s relatively position on average annual pay is also the key factor in the relatively low per capita personal income compared with the other selected communities.

Many mid-sized Midwestern communities, including the Fort Wayne metropolitan area, are known to have relatively lower housing costs than many other areas of the country. 2015 data from the American Community Survey places the Fort Wayne MSA as the third lowest among the comparison communities in median housing value. Several factors play into this ranking, including housing supply compared with demand and the relative earnings of potential buyers.
In summary, on many of the economic indicators included in this study, the Fort Wayne metro area ranks in the middle of the pack compared with the other selected Midwestern communities. The critical exceptions to this are per capita personal income and average annual pay – leaving considerable work to remain in retaining the Fort Wayne region as a truly economically competitive mid-sized Midwestern metropolitan area. The Des Moines and Madison metropolitan areas consistently led this group of Midwestern comparison communities on most of the indicators explored in this study. They are certainly well positioned to serve as examples that mid-sized Midwestern communities can and do success in the economy of the twenty-first century. Of note, both have economies that are much more diversified and far less reliant on manufacturing than many of the other communities included in this study.