The Economic Impact of the Black Community in East Central Indiana

OCTOBER 1999

Sponsored by:

Chest

American National Bank
Muncie Newspapers, Inc.

Bureau of Business Research Ball State University Muncie, IN

The Economic Impact of the Black Community in East Central Indiana

Executive Summary

This is an analysis of the economic contributions of a segment of the population of East Central Indiana: the African-American community. The information in this report can be viewed as a "report card," updating a similar study performed by the Bureau in 1989. Since the time that study was performed, additional data on the economic status of the black community locally and nationally have become available.

The African-American community is a significant part of the population, labor force, and customer base of East Central Indiana. In the ten years since the original study, the economy has grown, and some of the trends observed in that study have become more pronounced. Our main findings are:

- African-Americans comprise 6.7% of the population of Delaware County and 5.8% of the population of East Central Indiana. Their population is increasing faster than other racial segments of the population in both areas.
- African-Americans are a smaller segment of the work force in Indiana than in the Midwest or the U.S. They have lower labor force participation rates in Indiana than elsewhere. Their unemployment rates in Indiana are higher than other racial or ethnic groups in Indiana but are lower than African-American unemployment rates in the Midwest or in the U.S.
- The average incomes of black families and households in East Central Indiana in 1989 were, on the average, around 65% of the incomes of families and households of other races. Since 1979, African-American incomes in East Central Indiana, as well as elsewhere, have been growing less rapidly than the incomes of other racial or ethnic groups.
- In 1997, African-American consumers accounted for around \$59 million of retail sales in Delaware County and around \$158 million of retail sales in East Central Indiana. African-American consumer spending of \$158 million in East Central Indiana supports around 4,250 jobs, \$444 million of personal income, and a population of 6,000 persons.

This report was prepared by the Bureau of Business Research, Ball State University, with funding provided by American National Bank and Muncie Newspapers, Inc. The report draws on data from the 1990 census, *Employment and Earnings*, Sales & Marketing Management, the Current Population Survey, and an econometric model of East Central Indiana.

The Economic Impact of the Black Community in East Central Indiana

1. Introduction

In an advanced economy, the contributions made by individuals and groups of individuals often go unnoticed. Most of us work, spend, and raise our families without an appreciation of how our lifestyles may be supported, directly or indirectly, by the spending and the efforts of others. The interactions of people, businesses, and their governments in a regional economy are surprisingly complex. That complexity ultimately brings us prosperity, but sometimes makes us lose sight of the individual pieces that make up the whole economic pie.

This study is an attempt to highlight and measure the economic contributions made by one sub-group of our regional economy, the African-American population. In their simultaneous roles as consumers, workers, and taxpayers, the black community makes a contribution to the East Central Indiana economy that goes beyond their numbers. As the results below will demonstrate, their spending supports jobs throughout the region.

Using data from both public and private sources, we have constructed an economic profile of the African-American community in the eight counties that comprise the East Central Indiana region. We have also used an economic simulation model to analyze how the economy would change if the spending by black consumers in our economy were not present. Our primary finding is that the African-American community makes a significant impact on the economic well-being of all households and businesses in East Central Indiana.

Organization of the Study

This report begins with an update and extension of a similar report produced by the Bureau of Business Research in March 1989, entitled "A Snapshot of the Economic Impact Muncie's Black Community Has on Delaware County Commerce." The 1989 study utilized the most recent data available at that time, drawing heavily from the 1980 decennial Census, and from other, more current, data sources.

In the section that follows, we bring these results forward in time. Population attributes that draw on the Census are now computed from the 1990 results, with differences and trends from earlier years noted. Moreover, we also take advantage of more currently available data sources, including national data from the Bureau of Labor Statistics and

local data from Sales & Marketing Management magazine.

An additional source of information at the state and local level is the Current Population Survey, carried out monthly by the Bureau of the Census on behalf of the Bureau of Labor Statistics. In particular, the March survey contains an extended questionnaire covering income and demographic characteristics, as well as labor force status, and offers the potential of bringing demographic information closer to the present than the most recent census. The third section of this results taps into this new data resource and presents results on the labor force participation profile of blacks.

Unfortunately, the survey is based on a small sample of households and is not usable at the county level. Data have been drawn from the March Current Population Survey for the 1990s for the state of Indiana and the Midwest to provide a somewhat more current picture of African-Americans in the state. Those results, together with the baseline information from the decennial Census, form the basis for the income comparisons we present in the fourth section.

The fifth section presents the results of a dynamic simulation of what the East Central Indiana economy might look like in the absence of the spending of the black community. Using a dynamic input-output model of the regional economy purchased from Regional Economic Models, Inc., we were able to trace the spending flows to comprehensively estimate how the economy might look without the important contributions of African-Americans. We end the report with a summary of its main conclusions.

2. The Population of African-Americans in East Central Indiana

In the decades before 1950, individuals and families of African-American origin streamed north in search of economic opportunity in the developing industrial centers of the Midwest. The economic opportunity consisted of factory jobs, which tended to be concentrated either in large metropolitan areas or in centers of specific industries. In Indiana, the main industries were automobile manufacturing and steel production. This pattern of opportunity, and hence of migration, still can be seen in today's population figures.

African-Americans are a smaller proportion of the population of Indiana than they are of the U.S. population in general, as can be seen from Table 2.1 and Figure 2.1, where population data for Indiana, metropolitan areas in Indiana, East Central Indiana, and the U.S. estimates are shown for the years 1990 and 1997. During this eight year period, the black population has grown proportionately in every geographic area shown, but with the

exception of the Gary-Hammond and Indianapolis MSAs, the fraction trails the U.S. average. Within Indiana, the concentration of African-Americans in the major cities substantially varies, from a low of 1.8 percent in the Lafayette MSA, to more than 20 percent in Lake and Hammond counties in the northwest corner of the state.

The percentage of blacks in the seven county East Central region of Indiana was 5.8 in 1997, up slightly from the 5.2 percent estimate derived from the decennial census taken in 1990. Of the total population of just over a half million, a bit less than 30 thousand are black.

While Muncie / Anderson arc long-standing areas of concentration for automobile parts manufacturing, they are smaller population areas with a noticeable rural component. Surrounding counties to Delaware and Madison counties enhances the rural, agricultural character of the East Central Indiana region. Thus the concentration of African-Americans in Delaware County and East Central Indiana is less than both the average for the state of Indiana and the national average. The situation in East Central Indiana can be contrasted with Indianapolis or the Gary-Hammond area, where African-Americans are more heavily concentrated than the national average.

It is also clear from the table that the average proportion for the state as a whole is subject to substantial variation between different parts of the state. The proportion of blacks tends to be higher in more populous areas and in areas of greater or earlier industrialization than it is in other areas. It also seems clear that, in concordance with the national trend, African-Americans are becoming a larger proportion of the population in all areas of the state, including East Central Indiana, a trend that is likely to continue.

The implications of this trend for the future can be seen in Table 2.2, where we show the results of a simulation of the East Central Indiana population by race, using an econometric model. The projection indicates that African-Americans could account for as much as 6.2% of the population of East Central Indiana by the year 2005, an increase from 5.8% in 1997.

Conclusions

Using data from the decennial Census, the Current Population Survey, as well as from an econometric simulation we have found that:

• The concentration of African-Americans in the general population is lower in the state of Indiana than the national average;

- Indianapolis and Gary-Hammond metropolitan areas have the highest proportion off black residents in the state;
- The black percentage of the East Central Indiana population, standing at 5.8 percent in the year 1997, has risen slightly in the last eight years;
- This trend is expected to continue in the coming years, with about 6.2 percent of the year 2005 East Central Indiana population expected to be composed of African-Americans.

3. Labor Force Characteristics of African-Americans

We now turn to an examination of the labor force characteristics of the African-American community. This includes a comparison of the labor force participation rate, rates of unemployment, earnings, and occupational composition of blacks and the general population. Since much of these data are not available at the county level, we will rely primarily on state and national data in this section.

Blacks do have a slightly lower attachment to the labor force, and slightly higher unemployment rates, than the general population, as can be seen from Table 3.1, which shows employment status, by major race, for the U.S., the Midwest, and Indiana for the year 1996. The middle column of the table shows that differences between the participation rates of African-Americans exist in all geographic regions, but are the most pronounced in the Midwest and Indiana.

Only fractionally more than 60 percent of the black adult population was in the labor force in Indiana in 1996, compared to a 62.7 percent share in the Midwest region and a 66.5 percent participation rate in the nation as a whole. In the white population, on the other hand, participation rates were somewhat higher in the Midwest and Indiana. These circumstances lead to a significantly higher gap between white and black labor force attachment – between 8 and 9 percentage points – in Indiana and neighboring states than the approximately 3 percent gap found nationwide.

On the other hand, the tighter overall labor market conditions in Indiana have helped pull all unemployment rates – including those for African-Americans – below the national and regional averages. The 1996 data show that the 8.9 percent black unemployment rate for the state was significantly lower than either the 11.2 percent Midwest average or the 10.5 percent U.S. rate for that year. In all areas, however, the black unemployment rate

remains more than double the rate for the white population.

At the national level, this matter can be pursued a bit further. The differences in labor force participation rates between racial groups have remained stable for the last ten years, as shown in Table 3.2. The gap between whites and blacks was 1.1 percentage points in 1988, and widened only slightly to 1.8 percentage points ten years later.

Table 3.2 gives a comparison between other selected labor force characteristics for the United States as well. The most recently available data are compared to the same data from one decade ago. While union affiliation has fallen over the last decade generally, a greater proportion of African-Americans than of whites or Hispanics continues to be represented by unions. Blacks tend to have lower labor force participation rates than whites or Hispanics, higher rates of unemployment than whites or Hispanics, and to be unemployed for longer periods of time when they are laid off. A black wage earner earns less than a white wage earner but more than an Hispanic wage earner.

African-American workers are an increasing segment of the American work force. In 1988, they were 10.1% of all employees. By 1998, this proportion had grown to 11.1% of all employees. Black employees represent an increasing proportion of the employees in most occupations and industries nationally, as can be seen from Table 3.3. While they are an increasing proportion of the workers in all industries, African-Americans are most heavily concentrated in administrative support, service, factory, and transportation occupations.

With a few exceptions, those proportions are smaller for the Indiana labor force, owing to the lower concentration of African-Americans in the state, as can be seen from Table 3.4. Nonetheless, many of the same occupational categories remain important. Ranked highest in the state in their employment of blacks were the Machine operators, helpers and handlers and service occupations, each of which was also ranked highly nationally. On the other hand, the Technicians and Precision, Craft and Repair occupations, which were also important in the national labor force, have a comparatively smaller black presence here.

Finally, we can provide some additional insights by analyzing employment among the major industries. In the national economy, African-Americans are relatively more numerous in both the Public Administration and Transportation, Communications, and Public Utilities industry categories. In each case they comprised more than 15 percent of the workforce, as can be seen from Table 3.5. In contrast, the black proportion of the labor force in agriculture, mining, and construction industries nationally was quite low when compared to their overall presence in the labor force.

The presence of blacks in industries in the Midwest and Indiana, shown in Table 3.6, is quite different. The most significant concentration of blacks in Indiana industries is in the Services industry, the largest overall employer in the state. The largest concentration of African-Americans is in the Finance, Insurance and Real Estate industry, but these companies are relatively small as contributors to the aggregate pie.

Conclusions

From a comparison of the information available for the state, regional and national labor force, we have seen that:

- Blacks are a growing component of the overall national labor force, accounting for 11.1 percent of all jobs in 1998.
- The labor force attachment of African-Americans is lower than that of whites, especially in Indiana.
- Unemployment rates of blacks are roughly double those of the white population in the state, the region, and the nation.
- Nationally, black wage earners earn less than white wage earners, but more than Hispanic earners.
- Compared to the nation, fewer African-Americans in Indiana are employed in Technicians and Administrative Support occupations.

4. African-American Incomes

Income is the most comprehensive measure of economic well-being that is available at the regional level. Unfortunately, the most thorough measurement of income takes place only during the decennial census, the most recent of which is now ten years old. In this section we augment the census figures with less thorough, but more timely, data from the Consumer Population Survey and from our own economic simulation.

When comparing areas of different size, it is useful to present income statistics on a per capita basis, with separate concepts representing different aspects of the problem of measuring relative prosperity. Family income reflects the reality that many of us live together in cohesive economic units. Household income adds to this the unrelated individuals who live separately. Finally, per capita income simply counts heads, and thus

yields the lowest estimate of the three.

Income Comparisons Using Census Data

The comparison we are able to provide using the Census data alone is shown in Table 4.1 for East Central Indiana, the Indianapolis Metropolitan Area (MSA), Indiana and the United States, for the years 1979 and 1989. A striking conclusion is easily seen. Regardless of the geographic area considered or the type of income measured, the incomes of African-Americans, already low compared to the rest of the population, grew less rapidly than those of other segments of the population during the 1980s.

For example, the median income of an African-American family in the U.S. (\$12,598) was 63.3% of the family income of all races in 1979, and grew by more than 60 percent in the subsequent ten year period. However, other racial groups' income grew even faster, so that the black family income in 1989 represented only 57.4 percent of the total in that year.

In an absolute sense, the income of African-Americans has risen significantly. But in a relative sense, the gap between their incomes and those of other races, primarily whites, widened in the 1980's.

On the other hand, the gap between African-American incomes and those of whites is narrower in Indiana than it is nationwide. The median family income of blacks was 69.8 percent of all races statewide in 1989, a mark that was more than 12 percentage points better than the nation. The comparable figure for East Central Indiana, 65.4 percent, was not as good as the overall state, but still surpassed the U.S. level handily.

Indeed, the median income of African-American families in all of the Indiana regions shown in Table 4.1 is higher than the national average of \$20,209, although here in East Central Indiana the difference is small.

For other income concepts, however, this is not the case. Household income for local African-Americans was \$16,209 in 1989, almost two thousand dollars less than the U.S. level. Finally, the per capita income of blacks in East Central Indiana trails Indianapolis, the state of Indiana, and the nation as a whole.

The final story told by Table 4.1 has to do with the relative betterment of African-Americans within East Central Indiana and without. For all of the income concepts shown in the Table, the progress of blacks (and whites, for that matter) has been markedly slower here. For example, while black families nationwide saw a 60 percent rise in their median income, the growth in East Central Indiana was only 33 percent.

This outcome is probably accounted for by the widespread industrial disruptions that occurred in area manufacturing in the 1980's, resulting in the elimination of a significant number of high paying jobs that employed African-Americans and whites alike. As can be seen from the Table, income growth in other parts of the state was not as significantly affected.

Income Growth in the 1990's

We have extended these comparisons into the current decade using data from the Consumer Population Survey and our simulation model of the regional economy. Because the latter is too small to be used for a reliable estimate of African-American incomes of an area the size of Indiana, much less regions within it, we have had to construct our own estimate. We did this by applying a black-to-total income ratio derived from the entire Midwest region to the income forecast produced by the simulation model.

The comparisons using this method for per capita income for the United States and East Central Indiana show much the same outcomes in the 1990's as from the Census data of the previous sub-section, as can be seen from Figure 4.2. Whereas black incomes actually were higher locally in 1979, the U.S. growth in the subsequent two decades has reversed that outcome, and produced a gap between the region and the nation that has grown to about 40 percent.

Conclusions

A comparison of income concepts for East Central Indiana, the United States, and other regions of the state reveals that:

- The gap between the incomes of African-Americans and whites, while smaller in Indiana, has widened since 1979.
- The growth in income of all racial groups in East Central Indiana has lagged the nation significantly.
- Until recent years, African-American incomes locally had been near par with that of blacks nationwide.

5. Consumption Spending of African-Americans

The demographic and economic information already assembled can be combined with aggregate data on retail trade in Muncie and East Central Indiana to estimate the share of

retail trade attributable to African-Americans. In the tables that follow, the data for African-Americans are constructed from the data reported in the *Survey of Buying Power*. For income estimates, proportions calculated based on 1989 income from census reports were preferred over the more recent estimates as being more reliable and locally specific.

Table 5.1 presents estimates of retail sales in 1997 in Delaware County attributable to African-Americans. The original 1987 estimates are included for comparison. The table estimates that the 1997 effective buying income of African-Americans in the Muncie area was around \$90 million and that total retail sales attributable to black consumers was around \$59 million, in both cases a 47% increase over the same quantities in 1987. Table 5.2 extends the estimates to East Central Indiana using the same methodology. It indicates that in 1997 African-American consumers had an effective buying income of \$263 million and spent around \$158 million on consumer goods.

One can reasonably ask what a figure such as \$158 million of retail sales means. The remainder of this section translates this sort into types of impact, such as the number of jobs supported by that amount of spending. The methodology to be used to accomplish this translation is that of economic impact analysis.

The Bureau of Business Research has an econometric (mathematical) model of the economy of Delaware and surrounding counties prepared by Regional Economic Models, Inc. of Amherst, Massachusetts that "knows" the structure of the economy of East Central Indiana. We can ask (hypothetical) questions of this model and observe the answers it produces. This approach is one form of economic impact analysis. In this version of impact analysis one simulates a model of an economy twice. The first time one simply allows the model to run, so as to produce a forecast of the future that can be used as a control for comparison. The second time one adjusts one or more variables in the model and allows it to produce another forecast. Any differences between the two forecasts are attributed to the change(s) that have been made.

One way to assess the impact of people or business that are already in a region, and thus are included in an existing model of that region, is to find ways to remove them without any replacement. Any forecast differences are then due to the removal of those people or businesses, or to the removal of (or change in) some aspect of their economic behavior.

Returning to the interpretive question posed above, what impact do black consumers have on the economy of East Central Indiana? We formulated the question as follows. Remove an appropriate quantity of personal consumption expenditures from the regional economy permanently and see what happens. Do not impose any other restrictions on the simulation of the model.

Table 5.3 presents selected results from a simulation in which personal consumption

expenditures were permanently reduced by 3.6%, the ratio of African-American retail sales to total retail sales in Table 5.2. The table gives estimates of both a short-term, immediate effect and a long-term effect that allows the regional economy to settle into a new pattern in response to the "shock" it has received. The table gives the amount by which each quantity would be reduced, in relation to the control forecast, if there were a 3.6% permanent reduction in personal consumption expenditures in 1999.

The interpretation of Table 5.3 is roughly the following. The consumption spending of African-Americans in the eight counties that comprise East Central Indiana support around 4,250 jobs in the region that generate around \$444 million of income for those job holders, providing support to around 6,000 persons in the population of East Central Indiana. A short-term cessation of that spending would have more extreme employment consequences temporarily.

Conclusions

An analysis of retail trade flows in the East Central Indiana region reveals that:

- Black consumers in East Central Indiana accounted for about \$158 million in the region's retail sales in 1997, a 47 percent increase over the same figure ten years earlier.
- That spending directly and indirectly supports 4,250 jobs and \$444 million in income for the local economy, and leads to 6,000 more people living in the region than would occur if that spending did not exist.

6. Summary and Conclusions

This study has examined the economic progress of the African-American population of East Central Indiana, and has attempted to quantify the economic contribution the spending of that population makes to the overall community. As this study follows an earlier work devoted to a similar topic, it is natural to ask: how has the black population fared economically since that time?

The conclusion of this study is that there have been accomplishments, but that several important challenges remain. In an absolute sense, the economic vitality of the black community in East Central Indiana has improved since the time of the last study. Income, spending, and population have all increased, and unemployment is down.

Relative to the majority population, and relative to the progress made by African-Americans nationwide, however, the comparisons to ten years ago are not as favorable.

The black unemployment rate remains stubbornly higher for blacks, and the labor force participation rates lower, despite the generally tighter overall labor market conditions experienced in recent years. What is more, the gap between incomes of African-American families and that of all races has actually widened slightly in the 1990's.

Finding a way to address these challenges should foremost in all of our minds as we approach the next century.

Bureau of Business Research

7. References

- Bureau of Business Research, College of Business, Ball State University, "A Snapshot of the Economic Impact Muncie's Black Community Has on Delaware County Commerce" (March 1989).
- Current Population Survey, March 19xx {machine-readable data file}, conducted by the Bureau of the Census for the Bureau of Labor Statistics (Washington: Bureau of the Census [producer and distributor], 1990-1998).
- Regional Economic Models, Inc., REMI Policy Insight, computer software program, Version 1.1 (Amherst, MA: Regional Economic Models, Inc., 1999).
- Sales & Marketing Management, Survey of Buying Power and Media Markets . supplementary issue (August 1998).
- U.S. Department of Commerce, Economics and Statistics Administration, Bureau of the Census, 1990 Census of Population: Social and Economic Characteristics, Indiana, 1990 CP-2-16 (September 1993).
- U.S. Department of Commerce, Economics and Statistics Administration, Bureau of the Census, 1990 Census of Population: Social and Economic Characteristics, Metropolitan Areas, 1990 CP-2-1B, Sections 1,2,5 (September 1993).
- U.S. Department of Commerce, Economics and Statistics Administration, Bureau of the Census, "Estimates of the population of counties by race and Hispanic origin: July 1, 1997, Indiana," consistent with data released in PE-64, PE-65, PPL-110, PPL-111, and PPL-112, published September 4, 1998, http://www.census.gov/population/estimates/county/crh/crhin97.txt.
- U.S. Department of Commerce, Economics and Statistics Administration, Bureau of the Census, "Historical Income and Poverty Tables," Tables H6, H6A, H6B, F6, F6A, F6B, P6, P6A, P6B, published May 25, 1999, http://www.census.gov/hhes/income/histinc.
- U.S. Department of Labor, Bureau of Labor Statistics, Employment and Earnings, Vol. 36, No. 1 (January 1989).

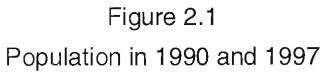
- U.S. Department of Labor, Bureau of Labor Statistics, *Employment and Earnings*, Vol. 46, No. 1 (January 1999).
- U.S. Department of Labor, Bureau of Labor Statistics, Geographic Profile of Employment and Unemployment (1996).

Table 2.1
African-American Population in Indiana Metropolitan Areas,
1990 and 1997

	1990	Population	<u> </u>	199	7 Populatio	n
Metropolitan Area INDIANA	Total 5,544,156	Biack 434,307	% Black 7.8	Total 5,864,108	Black 483,558	% Black 8.2
Bloomingtoπ	108,978	2,855	2.6	116,653	3,387	2.9
Elkhart	156,198	7,125	4.6	170,725	8,642	5.1
Evansville	235,946	13,092	5.5	244,308	14,674	6.0
Fort Wayne	456,281	30,736	6,7	477,536	35,314	7.4
Gary-Hammond	604,526	117,988	19.5	623,423	126,548	20.3
Indianapolis	1,380,491	182,821	13.2	1,503,468	204,892	13.6
Kokomo	96,946	4,421	4.6	99,981	5,166	5.2
Lafayette	161,572	2,709	1.7	171,539	3,125	1.8
Милсіе	119,659	7,214	6.0	117,625	7,918	6.7
New Albany	203,059	7,514	3.7	221,494	9,056	4.1
South Bend	247,052	24,329	9.8	258,056	27,827	10.8
Terre Haute	147,585	6,074	4.1	148,468	6,420	4.3
East Central Indiaπa	507,314	26,599	5.2	506,142	29,471	5.8
United States	248,765,000	30,511,000	12.2	267,744,000	33,973,000	12.7

Source: Bureau of the Census, "Estimates of the population of counties by race and Hispanic origin: July 1, 1997, Indiana," consistent with data released in PE-64, PE-65, PPL-110, PPL-111, and PPL-112, published September 4, 1998, http://www.census.gov/population/estimates/county/crh/crhin97.txt.

15



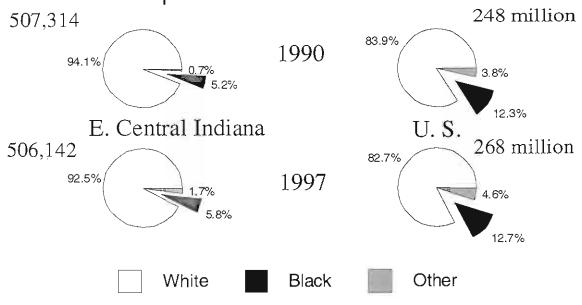


Table 2.2 **Projection of African-American Population** in East Central Indiana, 1998-2005

Population by Race				
Year	Total	White	Black	% Black of Total
1997	506,142	468,359	29,471	5.8%
1998	505,464	467,309	29,654	5.9%
1999	504,819	466,284	29,844	5.9%
2000	504,446	465,507	30,051	6.0%
2001	504,807	465,409	30,299	6.0%
2002	506,135	466,233	30,579	6.0%
2003	507,624	467,201	30,873	6.1%
2004	509,091	468,132	31,178	6.1%
2005	510,638	469,115	31,502	6.2%

Source: Bureau of Business Research, Ball State University Shading indicates data that have been forecasted.

East Central Indiana includes Blackford, Delaware, Grant, Henry, Jay, Madison, Randolph, and Wayne counties.

Table 3.1
Employment Status of the Civilian Noninstitutional Population, 1996

Area	Population Group	Civilian Noninstitutional Population	Civilian Labor	Force	Unemployn	nent
71100	p			Participation	•	
			Number	Rate	Number	Rate
United States	Total	200,591,000	133,943,000	66.8%	7,236,000	5.4%
	White	168,317,000	113,108,000	67.2%	5,300,000	4.7%
	Black	23.604,000	15,134,000	64.1%	1,592,000	10.5%
	Hispanic	19,213,000	12,774,000	66.5%	1,132,000	8.9%
Midwest	Total	46,873,000	32,628,000	69.6%	1,471,000	4.5%
	White	41,582,000	29,267,000	70.4%	1,134,000	3.9%
	Black	4,270,000	2,677,000	62.7%	299,000	11.2%
	Hispanic	1,352,000	955,000	70.6%	76,000	8.0%
Indiana	Total	4,440,000	3,072,000	69.2%	127,000	4.1%
	White	4,068,000	2,840,000	69.8%	107,000	3.8%
	Black	320,000	194,000	60.6%	17,000	8.9%
	Hispanic	NA	NA	NA	NA	NA

Source: U. S. Department of Labor, Bureau of Labor Statistics, Geographic Profile of Employment and Unemployment (1996).

The census Midwest Region includes Illinois, Indiana, Iowa, Kansas, Michigan, Minnesota, Missouri, Nebraska, North Dakota, Ohio, South Dakota, and Wisconsin.

18

Table 3.2 U.S. Employment by Race, 1988 and 1998

Type of Data	Whit	е	Black		Hispanic	
	1988	1998	1988	1998	1988	1998
Labor Force Participation Rate	66.2%	67.3%	63.8%	65.6%	*****	67.9%
NAME OF THE PARTY OF						491) 1111 1111
Union Affiliation						
Members of unions	16.0%	13.5%	22.9%	17.7%	16.0%	11.9%
Represented by unions	18.1%	14.8%	25.9%	19.7%	17.7%	13.2%
Unemployment Rate					- 11 -	W.
All ages	4.7%	3.9%	11.7%	8.9%	8.2%	7.2%
Age 16-19	13.1%	12.6%	32.4%	27.6%	22.0%	21.3%
Age 20-24	7.1%	6.5%	19.6%	16.8%	9.8%	9.4%
Age 25-54	3.9%	3.0%	9.2%	6.7%	6.5%	5.5%
Age 65 and over	2.8%	2.9%	5.0%	5.6%	5.8%	6.4%
Average duration of unemployment (weeks)	12.9	13.1	15.4	18.4	11.2	14.3
Madian Washiy Engines of Sull Time Wass and	Calory Farmana				7.15	
Median Weekly Earnings of Full-Time Wage and						
Full-time wage and salary earners	\$394	\$545	\$314	\$426	\$290	\$370

Sources:

U.S. Department of Labor, Bureau of Labor Statistics, *Employment and Earnings*, Vol. 36, No. 1 (January 1989). U.S. Department of Labor, Bureau of Labor Statistics, *Employment and Earnings*, Vol. 46, No. 1 (January 1999).

Table 3.3 Concentration of African-Americans by Occupation
United States, 1988 and 1998

Occupation	Total Emplo	yment	% Black of Employment	
	1988	1998	1988	1998
Executive, administrative, managerial	14,216,000	19,054,000	6.1%	7.2%
Professional specialty	14,974,000	19,883,000	6.7%	7.9%
Technicians	3,521,000	4,261,000	9.1%	10.4%
Sales occupations	13,747,000	15,850,000	6.1%	8.9%
Administrative support, including clerical	18,264,000	18,410,000	11.3%	13.1%
Service occupations	15,322,000	17,836,000	17.6%	17.6%
Farming, forestry, and fishing	3,437,000	3,502,000	6.6%	4.9%
Precision, craft, and repair occupations	13,664,000	14,411,000	7.5%	8.0%
Machine operators, inspectors, and assemblers	8,117,000	7,791,000	14.8%	15.4%
Transportation and material moving	4,831,000	5,363,000	14.9%	16.3%
Handlers, helpers, and laborers	4,866,000	5,102,000	15.5%	15.6%
All occupations	114,968,000	131,463,000	10.1%	11.1%

Sources:
U.S. Department of Labor, Bureau of Labor Statistics, Employment and Eamings, Vol. 36, No. 1 (January 1989), Table 22.
U.S. Department of Labor, Bureau of Labor Statistics, Employment and Eamings, Vol. 46, No. 1 (January 1999), Table 11.

Table 3.4
Concentration of African-Americans by Occupation
Midwest and Indiana, 1996

Occupation	Total Employment		% Black of Employment	
	Midwest	Indiana	Midwest	Indiana
Executive, administrative, managerial	4,050,000	339,000	5.6%	8.2%
Professional specialty	4,393,000	339,000	6.1%	4.1%
Technicians	935,000	85,000	5.9%	2.5%
Sales occupations	3,676,000	348,000	6.0%	3.3%
Administrative support, including clerical	4,424,000	415,000	9.2%	4.7%
Service occupations	4,081,000	356,000	12.3%	9.3%
Farming, forestry, and fishing	1,059,000	80,000	0.9%	0.4%
Precision, craft, and repair occupations	3,365,000	374,000	4.7%	3.2%
Machine operators, inspectors, and assemblers	2,399,000	312,000	10.7%	9.6%
Transportation and material moving	1,371,000	150,000	9.4%	7.7%
Handlers, helpers, and laborers	1,309,000	150,000	10.5%	9.6%
All occupations	31,156,000	2,945,000	7.6%	6.0%

Source: U. S. Department of Labor, Bureau of Labor Statistics, Geographic Profile of Employment and Unemployment (1996).

The census Midwest Region includes Illinois, Indiana, Iowa, Kansas, Michigan, Minnesota, Missoun, Nebraska, North Dakota, Ohio, South Dakota, and Wisconsin.

Bureau of Business Research 21

Table 3.5 Concentration of African-Americans by Industry United States, 1988 and 1998

Industry	Total Emp	Total Employment		% Black of Employment	
	1988	1998	1988	1998	
Agriculture	3,169,000	3,378,000	4.9%	4.1%	
Mining	753,000	620,000	3.9%	4.6%	
Construction	7,603,000	8,518,000	6.8%	6.4%	
Manufacturing	21,320,000	20,733,000	10.2%	10.5%	
Durable Goods	12,642,000	12,566,000	8.7%	9.1%	
Nondurable Goods	8,678,000	8,168,000	12.3%	12.8%	
Transportation, Communication, and Public Utilities	8,064,000	9,307,000	14.3%	15.1%	
Trade	23,663,000	27,203,000	7.8%	9.6%	
Wholesale	4,578,000	5,090,000	7.8%	7.4%	
Retail	19,085,000	22,113,000	8.3%	10.1%	
Finance, Insurance, and Real Estate	7,921,000	8,605,000	8.0%	10.5%	
Services	37,043,000	749,000	11.8%	12.2%	
Public Administration	5,432,000	47,212,000	14.4%	16.5%	
All industries	114,968,000	131,463,000	10.1%	11.1%	

Sources:

Bureau of Business Research

22

U.S. Department of Labor, Bureau of Labor Statistics, *Employment and Earnings*, Vol. 36, No. 1 (January 1989), Table 28. U.S. Department of Labor, Bureau of Labor Statistics, *Employment and Earnings*, Vol. 46, No. 1 (January 1999), Table 18.

Table 3.6
Concentration of African-Americans by Industry
Midwest and Indiana, 1996

Industry	Total Employment		% Black of Employment	
	Midwest	Indiana	Midwest	Indiana
Construction	1,391,000	124,000	3.3%	3.0%
Manufacturing	6,042,000	556,000	6.9%	5.9%
Durable Goods	4,028,000	411,000	7.4%	5.8%
Nondurable Goods	2,014,000	146,000	6.0%	6.1%
Transportation, Communication, and Public Utilities	1,582,000	127,000	10.6%	9.2%
Trade	6,114,000	485,000	6.5%	4.4%
Finance, Insurance, and Real Estate	154,388	131,000	7.5%	10.7%
Services	1,678,000	511,000	9.3%	8.4%
All industries	23,977,000	2,388,000	7.6%	6.2%

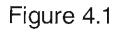
Source: U. S. Department of Labor, Bureau of Labor Statistics, Geographic Profile of Employment and Unemployment (1996).

The census Midwest Region includes Illinois, Indiana, Iowa, Kansas, Michigan, Minnesota, Missouri, Nebraska, North Dakota, Ohio, South Dakota, and Wisconsin.

Table 4.1 Income in 1979 and 1989

Area / Description	Median Fami	ly Income	Median Househ	old Income	Per Capita Income	
	1979	1989	1979	1989	1979	1989
East Central Indiana	_					
All Races	\$19,430	\$30,97 9	\$16,623	\$25,472	\$6,688	\$12,085
White	\$19,887	\$32,005	\$17,014	\$26,107	\$6,899	\$12,316
Black	\$15,150	\$20,249	\$12,915	\$16,209	\$4,876	\$8,291
% Black of White	75.9%	63.3%	75.9%	62.1%	70.7%	67.3%
% Black of All Races	78.0%	65.4%	77.7%	63.6%	72.9%	68.6%
Indianapolis Metropolitan Area				Weeklerin et al. 11		
All Races	\$21,750	\$37,590	\$18,674	\$31,655	\$7,758	\$15,159
White	\$22,485	\$39 ,593	\$19,510	\$33,371	\$8,186	\$16,148
Black	\$15,189	\$23,453	\$12,878	\$20,053	\$5,163	\$9,207
% Black of White	67.6%	59.2%	66.0%	60.1%	63.1%	57.0%
% Black of All Races	69.8%	62.4%	69.0%	63.3%	66.6%	60.7%
State of Indiana						20.00
All Races	\$20,535	\$40,096	\$17,582	\$28,797	\$7,142	\$13,149
White	\$20,805	\$40, 9 85	\$17,860	\$29,588	\$7,316	\$13,553
Black	\$15,964	\$27,996	\$13,589	\$19,101	\$5,233	\$8,739
% Black of White	76.7%	68.3%	76.9%	64.6%	71.5%	64.5%
% Black of All Races	77.7%	69.8%	77.3%	66.3%	73.3%	66.5%
Jnited States						
All Races	\$19,917	\$35,225	\$16,841	\$30,056	\$7 ,298	\$14,420
White	\$20,835	\$35,975	\$17,680	\$30,406	\$7,808	\$15,687
Black	\$12,598	\$20,209	\$10,943	\$18,083	\$4,545	\$8,859
% Black of White	60.5%	56.2%	61.9%	59.5%	58.2%	56.5%
% Black of All Races	63.3%	57.4%	65.0%	60.2%	62.3%	61.4%

U.S. Department of Commerce, Economics and Statistics Administration, Bureau of the Census, 1980 Census of Population: General Social and Economic Characteristics, Indiana, PC80-1-C16 (September 1993), Table 72.
U.S. Department of Commerce, Economics and Statistics Administration, Bureau of the Census, 1990 Census of Population: Social and Economic Characteristics, Metropolitan Areas, 1990 CP2-1B Sections 1,2,5 (September 1993).



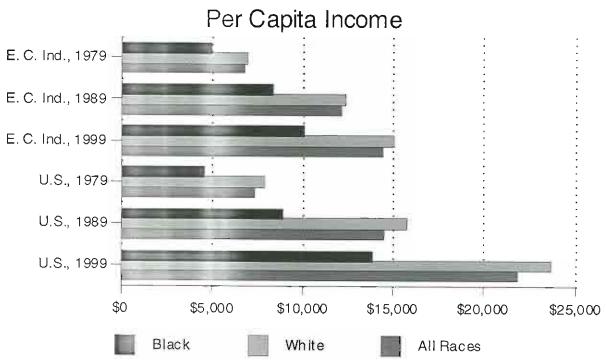


Figure 4.2

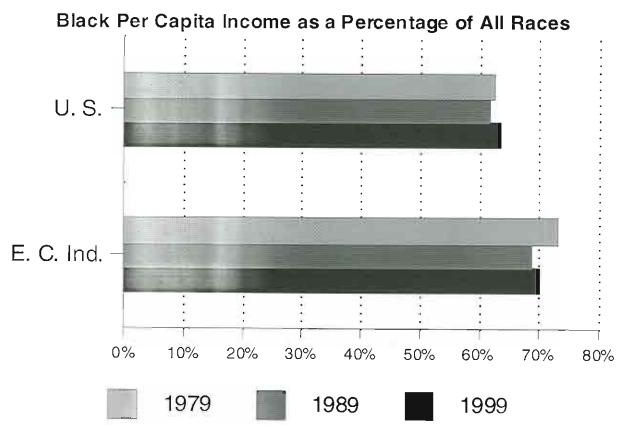


Table 5.1

African-American Consumer Spending
in the Muncie Metropolitan Area (Delaware County, IN),
1987 and 1997

	All Rad	ces	Black	
	1987	1997	1987	1997
Effective Buying Income:				
Effective Buying Income (1)	\$1,363,463,000	\$1,793,180,000	\$61,662,614	\$90,372,055
EBI per capita (2)	\$11,268	\$15,379	\$7,613	\$9,135
Average household EBI (3)	\$31,344	\$39,937	\$21,847	\$30,041
Median household EBI (4)	\$23,916	\$30,583	\$14,469	\$15,010
Total retail sales (7)	\$891,407,000	\$1,175,126,000	\$40,313,882	\$59,223,587
Per household retail sales (5)	\$20,492	\$26,172	\$14,235	\$16,096
Number of households (5)	43,500	44,900	2,832	3,008
Sales by Store Group:				
Food stores (6)	\$171,378,000	\$170.964,000	\$7,750,570	\$8,616,183
Eating and drinking establishments (6)	\$90,107,000	\$116,989,000	\$4,075,089	\$5,895,970
General merchandise (6)	\$100,512,000	\$201,683,000	\$4,545,655	\$10,164,349
Furniture / home appliances (6)	\$53,693,000	\$60,690,000	\$2,428,266	\$3,058,633
Automotive (6)	\$186,146,000	\$320,872,000	\$8,418,453	\$16,171,194
Drug stores (6)	\$43,707,000	\$50,346,000	\$1,976,649	\$2,537,320
Apparel and accessories (6)	\$34,421,000	\$29,296,000	\$1,556,690	\$1,476,449
Building materials and hardware (6)	\$53,526,000	\$51,726,000	\$2,420,713	\$2,606,869
Gasoline service stations (6)	\$104,897,000	\$92,956,000	\$4,743,967	\$4,684,764
Sales by Merchandise Line:				
Grocery and other food (6)	\$150,789,000	\$141,685,000	\$6,819,433	\$7,140,591
Drug and health / beauty aid (6)	\$38,340,000	\$71,307,000	\$1,733,927	\$3,593,705
Women's and girls' clothing (6)	\$40,669,000	\$56,967,000	\$1,839,256	\$2,871,003
Men's and boys' clothing (6)	\$22,374,000	\$30,380,000	\$1,011,864	\$1,531,081
Footwear (6)	\$12,821,000	\$15,718,000	\$579,830	\$792,150
Major household appliances (6)	\$10,381,000	\$16,462,000	\$469,481	\$829,646
Furniture / sleep equipment (6)	\$18,212,000	\$21,034,000	\$823,638	\$1,060,064

Dollar amounts are not adjusted for inflation.

Derivation of the "Black" 1997 column:

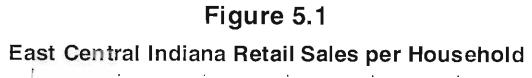
- (1) Average household income times the number of households.
- (2) Based on ratio of black to total per capita income in 1989.
- (3) Based on the ratio of mean black income to mean total income in 1989.
- (4) Based on the ratio of median black income to median total income in 1989.
- (5) The number of households was estimated as the proportion of blacks in the area times the total number of households.
- (6) Calculated as the ratio of the group to total retail sales times black retail sales.
- (7) Calculated assuming the same propensity to consume out of EBI as in the "All Races" column for 1997.

Sources:

Sales & Marketing Management, Survey of Buying Power, 1988.

Sales & Marketing Management, Survey of Buying Power and Media Markets, 1998.

Bureau of Business Research, College of Business, Ball State University, "A Snapshot of the Economic Impact Muncie's Black Community Has on Delaware County Commerce" (March 1989).



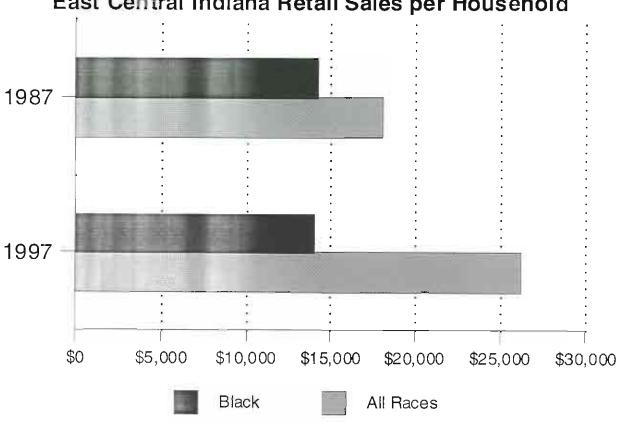


Table 5.2
1997 African-American Consumer Spending,
East Central Indiana

	All Races	Black
	1997	1997
Effective Buying Income:		
Effective Buying Income (1)	\$7,374,178,000	\$263,038,413
EBI per capita (2)	\$14,505	\$8,616
Average household EBI (3)	\$37,662	\$23,162
Median household E8I (4)	\$34,580	\$16,979
Total retail sales (7)	\$4,427,526,000	\$157,930,743
Per household retail sales	\$26,172	\$13,907
Number of households (5)	195,800	11,356
Sales by Store Group:		
Food stores (6)	\$652,002,000	\$23,257,043
Eating and drinking establishments (6)	\$441,912,000	\$15,763,090
General merchandise (6)	\$601,386,000	\$21,451,560
Furniture / home appliances (6)	\$212,063,000	\$7,564,330
Automotive (6)	\$1,324,884,000	\$47,258,879
Drug stores (6)	\$211,132,000	\$7,531,121
Apparel and accessories (6)	\$82,574,000	\$2,945,431
Building materials and hardware (6)	\$258,647,000	\$9,225,991
Gasoline service stations (6)	\$349,635,000	\$12,471,551
Sales by Merchandise Line:		
Grocery and other food (6)	\$563,839,000	\$20,112,251
Drug and health / beauty aid (6)	\$242,075,000	\$8,634,864
Women's and girls' clothing (6)	\$193,013,000	\$6,884,813
Men's and boys' clothing (6)	\$89,344,000	\$3,186,918
Footwear (6)	\$42,334,000	\$1,510,062
Major household appliances (6)	\$49,576,000	\$1,768,386
Furniture / sleep equipment (6)	\$77,664,000	\$2,770,291

Derivation of the "Black" column:

- (1) Average household income times the number of households.
- (2) Based on ratio of black to total per capita income in 1989.
- (3) Based on the ratio of mean black income to mean total income in 1989.
- (4) Based on the ratio of median black income to median total income in 1989.
- (5) The number of households was estimated as the proportion of blacks in the area times the total number of households.
- (6) Calculated as the ratio of the group to total retail sales times black retail sales.
- (7) Calculated assuming the same propensity to consume out of EBI as in the "All Races" column for 1997.

Source: Sales & Marketing Management, Survey of Buying Power and Media Markets, 1998. The second column uses information developed separately.



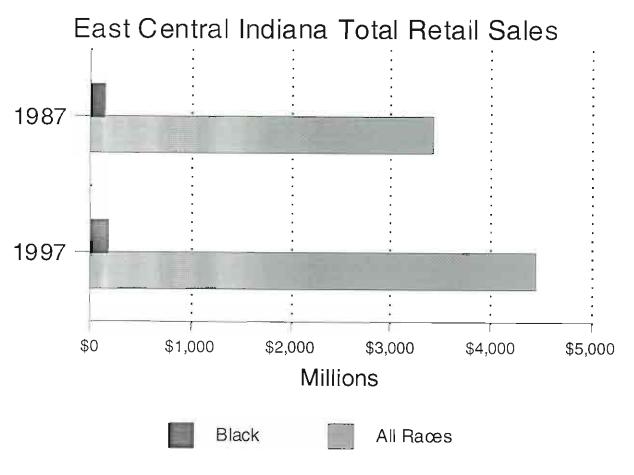


Table 5.3 Economic Impact of African-American Consumers on East Central Indiana

Economic Quantity	Short-Term Impact (One Year)	Long-Term Impact (35 Years)
Gross Regional Product Loss (1992 dollars)	\$210,100,000	\$180,100,000
Employment Loss (number of jobs)	6,489	4,247
Personal Income Loss (current dollars)	\$128,900,000	\$444,300,000
Population Loss (number of persons)	1,027	6,028

reduction in consumption expenditures in 1999.