

LAGRANGE COUNTY



Economic Development Plan Research

April 20, 2011

Strategic Development Group
in partnership with Hannum, Wagle & Cline

2

Planning Process Overview



Planning Process

- Phase I: Project Startup
- Phase II: Research on Economy and Site Review
- Phase III: Research through Public Input
- Phase IV: Goals, Objectives, and Action Plans
- Phase V: Final Report

Phase II: Research on Economy & Site Assessment

- Research and analyze demographic information and economic trends
- Compile a peer community statistical profile
- Review current industrial sites
- Analyze regional business clusters focusing on I-69 and I-80/90 corridor communities

Phase III: Research through Public Input

- Conduct:
 - ▣ 25 key informant interviews
 - ▣ 5 focus groups
 - ▣ Public meeting
 - ▣ Half-day Economic Summit
- Compile:
 - ▣ Public questionnaire responses
 - ▣ SWOT profile

Phase IV: Goals, Objectives, and Action Plans

- Goals are broad statements of what a given plan hopes to achieve for the community
- Objectives identify priority, medium- and long-term activities toward accomplishing the community's vision and goals
- Action plans provide discrete tasks, timeframe, and responsible agencies for completing objectives
- Best practices research informs action plans for the completion of key objectives

7

Demographic & Peer Community Analysis



Trend Analysis

- There are a variety of statistical indicators that measure prosperity and successful economic development. Based on work over many years, we have observed that communities prospering in the new economy have positive trends in the following four areas:
 - ▣ Changes in population
 - ▣ Changes in educational attainment
 - ▣ Changes in wealth
 - ▣ Changes in employment

Trend Analysis

- LaGrange County's demographic and economic trends in these four areas show a community with mixed indicators.
- An influencing demographic is the high concentration of Amish residents, which comprises approximately 17% of the county's total population.
- This population has a measurable impact on the community's key indices: population, education, income, and employment trends.

Trend Analysis

- The county's population growth has surpassed the state and peers since 1970.
- The county has a lower median age than the state.
- The county ranked last in per capita income among Indiana's counties in 2008.
- Unemployment rates have been consistently lower than the state and peer average.
- The county's educational attainment levels have not been competitive with the state and peers.

Peer Communities

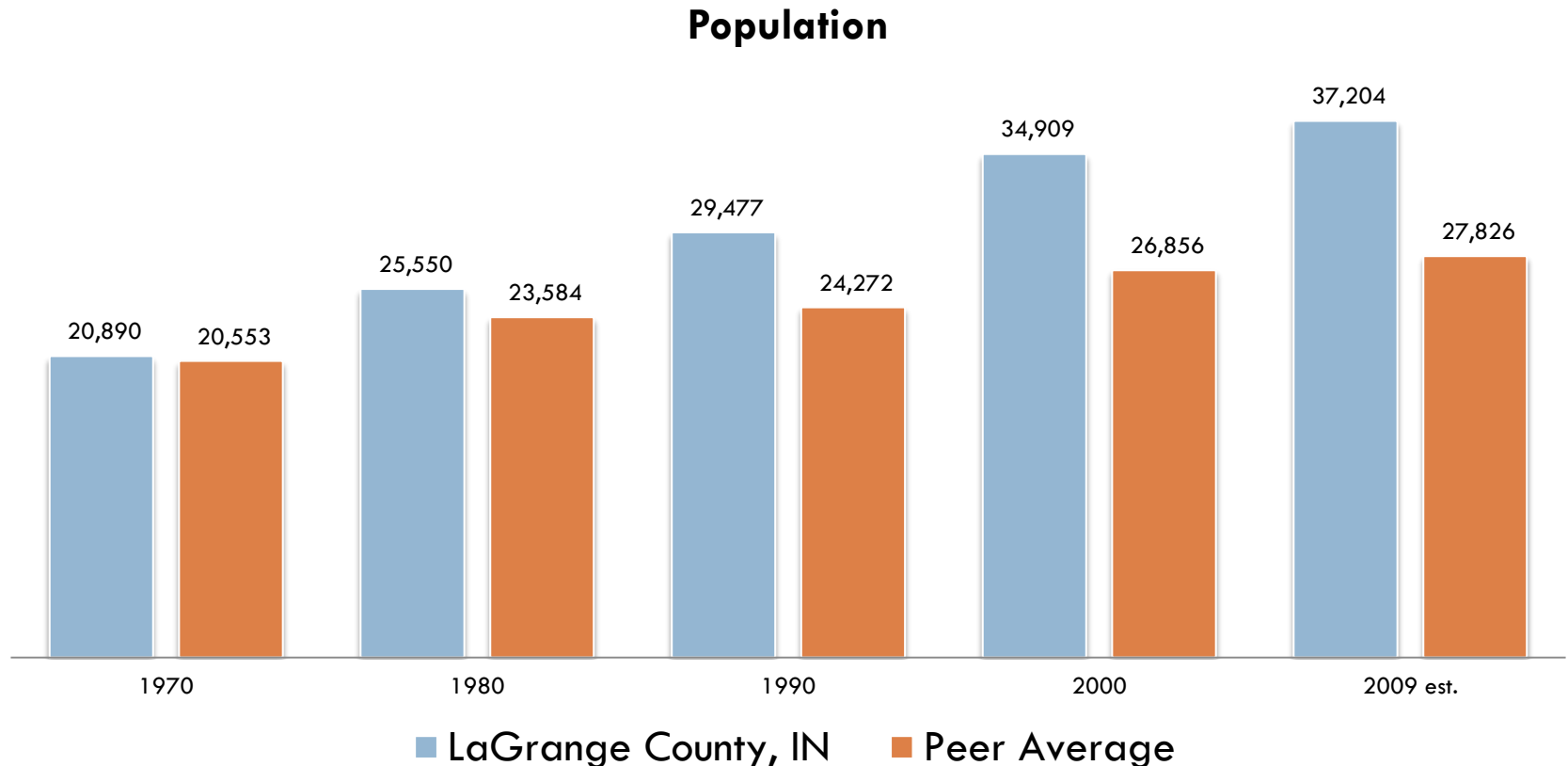
- The ten peer communities were primarily selected based on similar **population** numbers in 1970, but **location** and **transportation assets** also played a role in selection.
- Four communities are located within an hour of metro areas, and nine have U.S. highways in their boundaries.
- Another factor that influenced the selection of peer communities was the presence of a sizeable Amish population.

Peer Communities

Peer Communities								
County	Rurality Index 2000	Amish Pop. 2000	Nearest Metro	Size of Metro 2009	Miles to Metro	Minutes to Metro	Inter-state	U.S. HW
LaGrange County, IN	.536	5,994	South Bend, IN	104,215	65	57	Yes	Yes
Washington County, IA	.504	621	Iowa City, IA	69,086	29	48	No	Yes
Douglas County, IL	.489	1,449	Champaign, IL	80,286	27	37	Yes	Yes
Washington County, IN	.533	232	Louisville, KY	256,231	47	67	No	Yes
Laclede County, MO	.509		Springfield, MO	157,630	62	77	Yes	Yes
Hocking County, OH	.511		Columbus, OH	769,332	52	61	No	Yes
Fayette County, IL	.544		St. Louis, MO	356,587	82	103	Yes	Yes
Ripley County, IN	.540		Cincinnati, OH	333,012	52	69	Yes	Yes
Morrow County, OH	.538		Columbus, OH	769,332	40	45	Yes	Yes
Buchanan County, IA	.513	420	Waterloo, IA	66,761	24	30	Yes	Yes
Holmes County, OH	.551	7,989	Canton, OH	78,379	38	56	No	Yes

Population

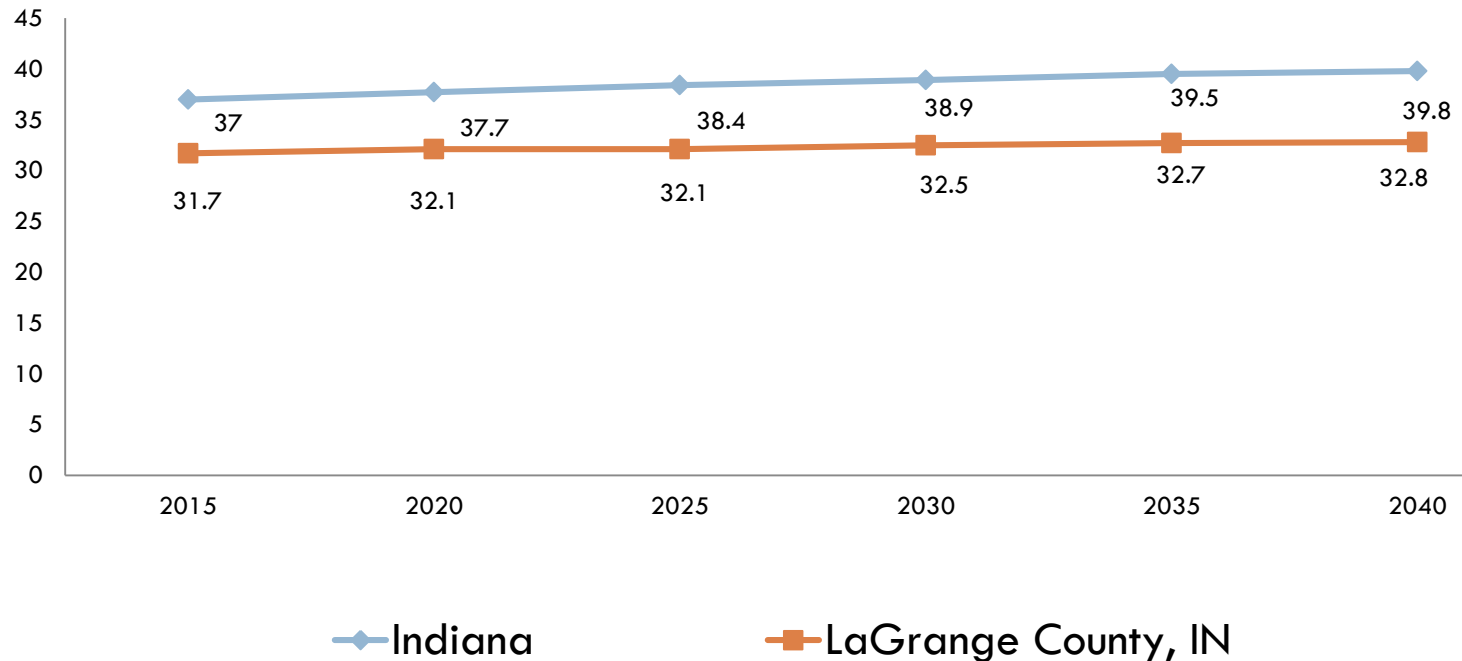
Since 1970, LaGrange County's population growth has surpassed the state and peer communities. The growing population is a good indicator for the county.



Population

LaGrange County's population is aging at a slower rate than the state as a whole. The county's median age remains consistently 5-7 years lower than the state average.

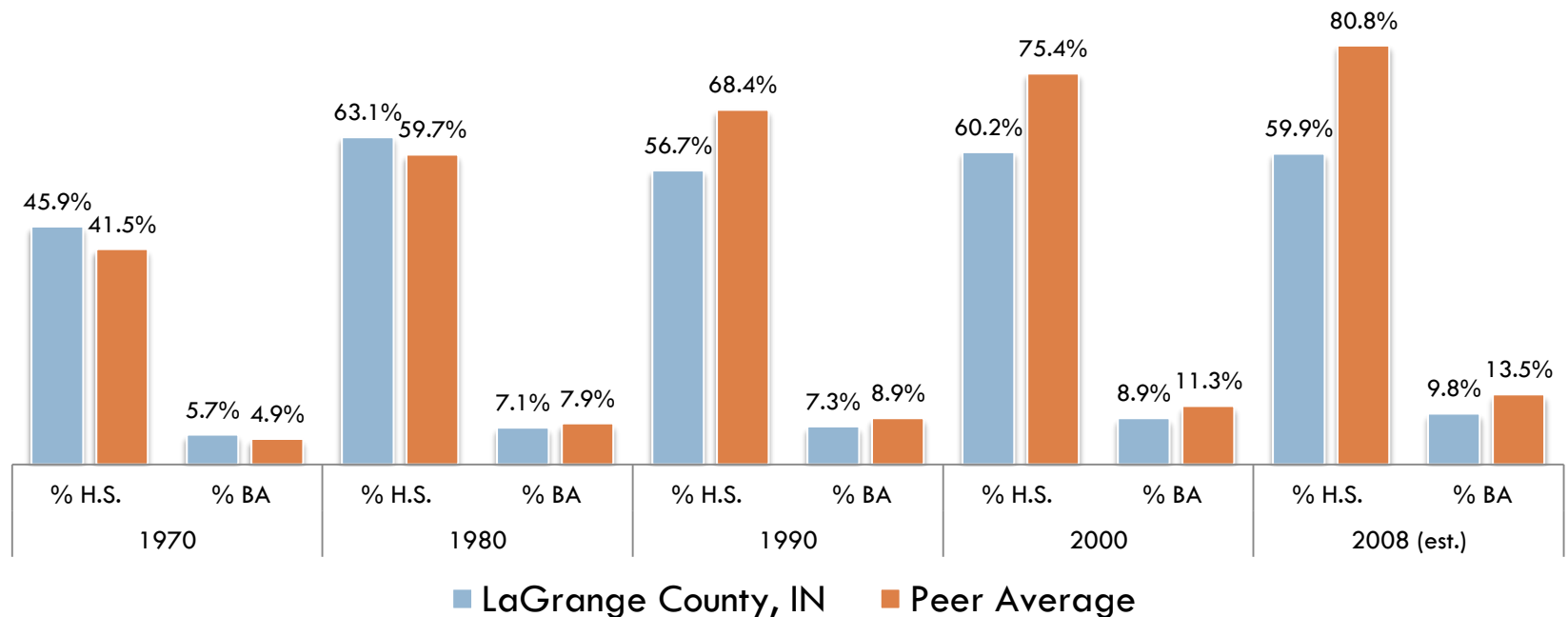
Median Age Over Time



Education

LaGrange County has had trouble keeping up with the state and its peer communities when it comes to percent of population with a high school diploma or higher. In addition, the county has lost ground with adults who have a bachelor's degree or higher.

Education Attainment

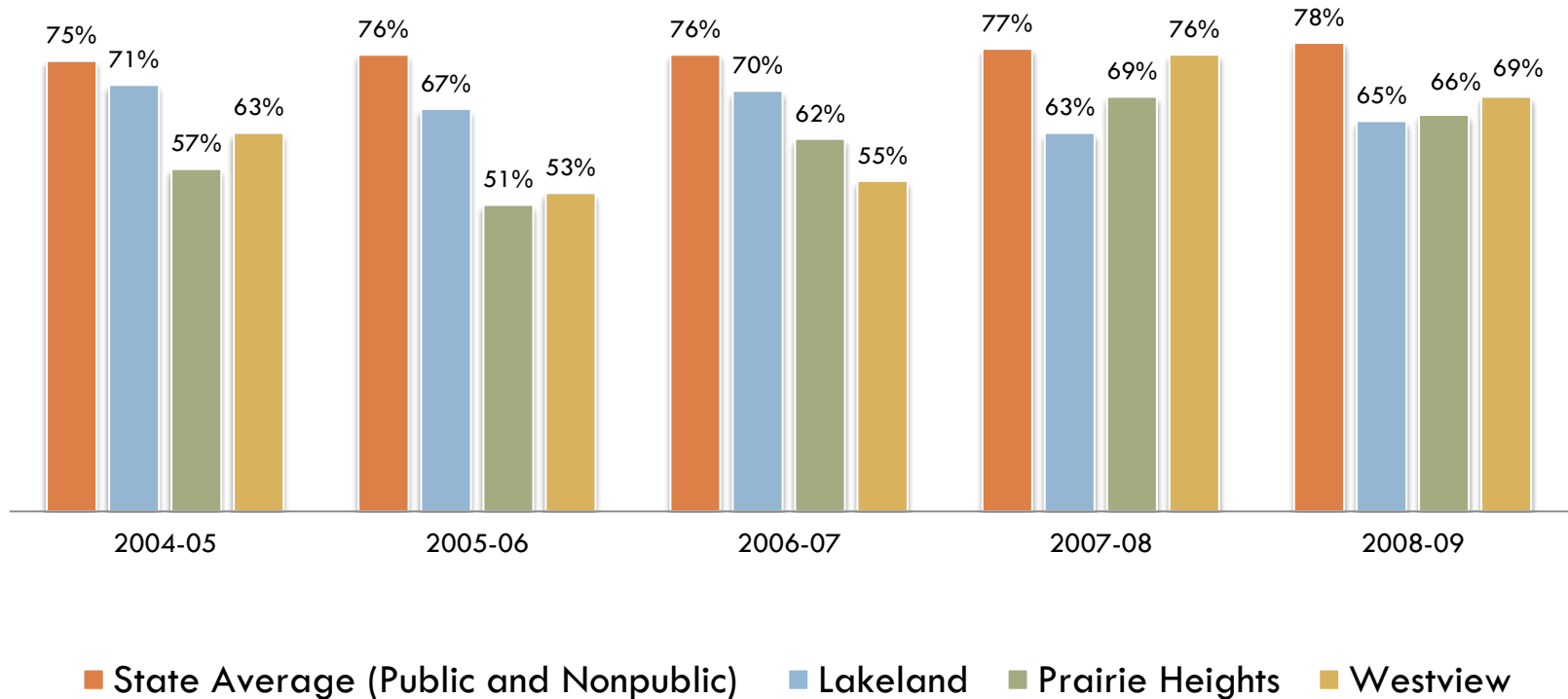


Education

- The communities in LaGrange County tend to be below par with the state in terms of adults with H.S. diplomas.
- Recent data from IDE indicates that LaGrange County outperforms the state in terms of H.S. graduation rates.
- More than half of LaGrange County's H.S. graduates indicated that they plan to attend post-secondary education.
- But the percent of students pursuing college lagged the state.

Education

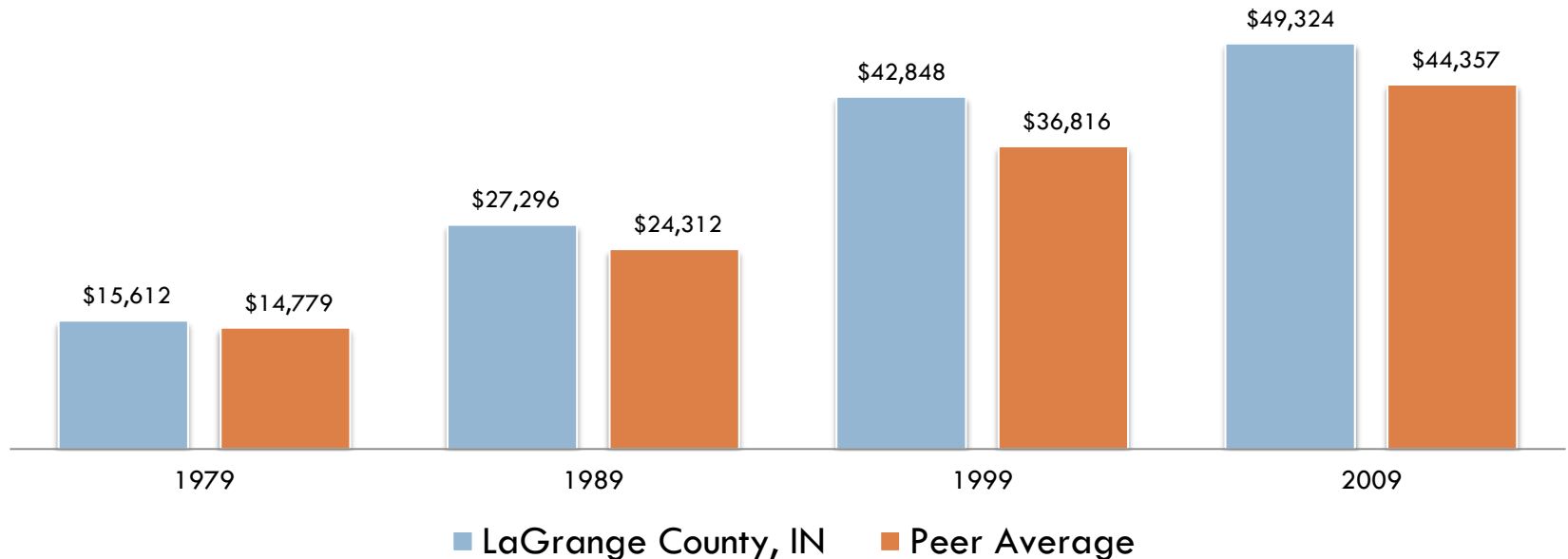
% of Graduates Pursuing College Education



Wealth Creation

LaGrange County gained ground amongst its peer group in terms of median household income (MHHI). Income has risen faster in LaGrange County than in the state – LaGrange County’s MHHI increased 216% between 1979 and 2009, while Indiana’s grew 170%.

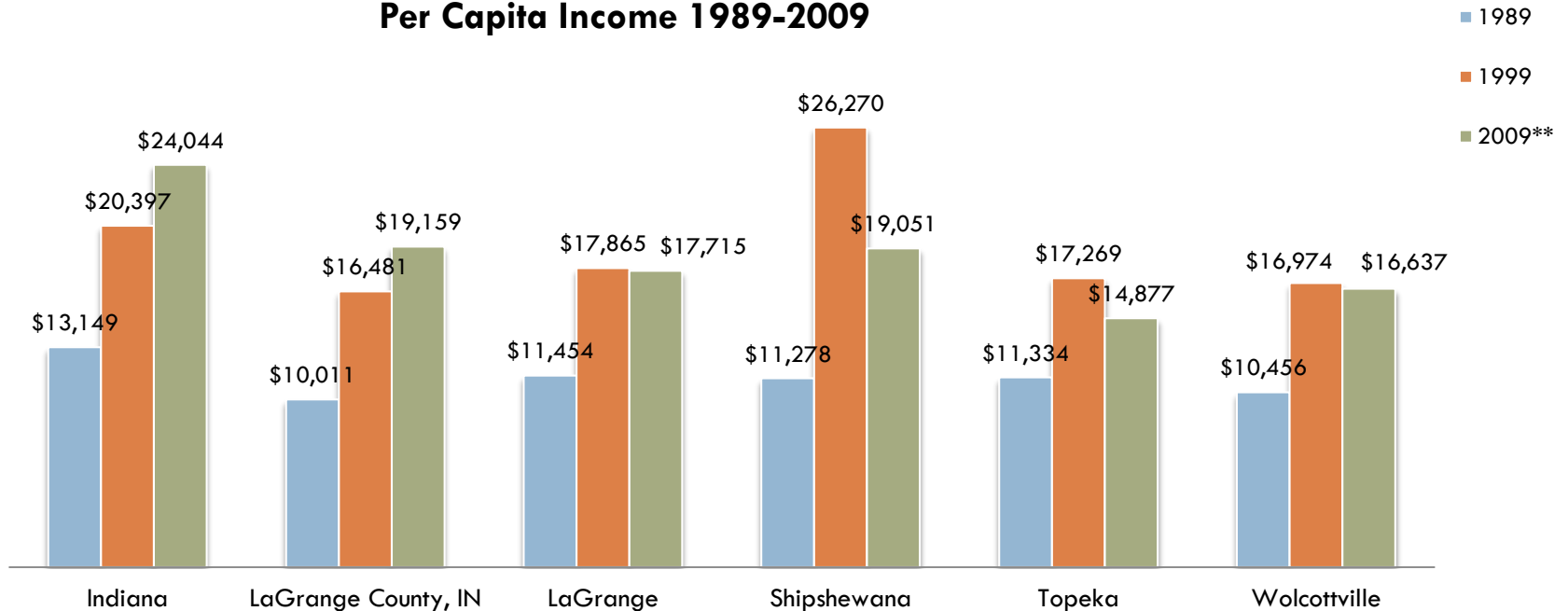
Median Household Income 1979-2009



Wealth Creation

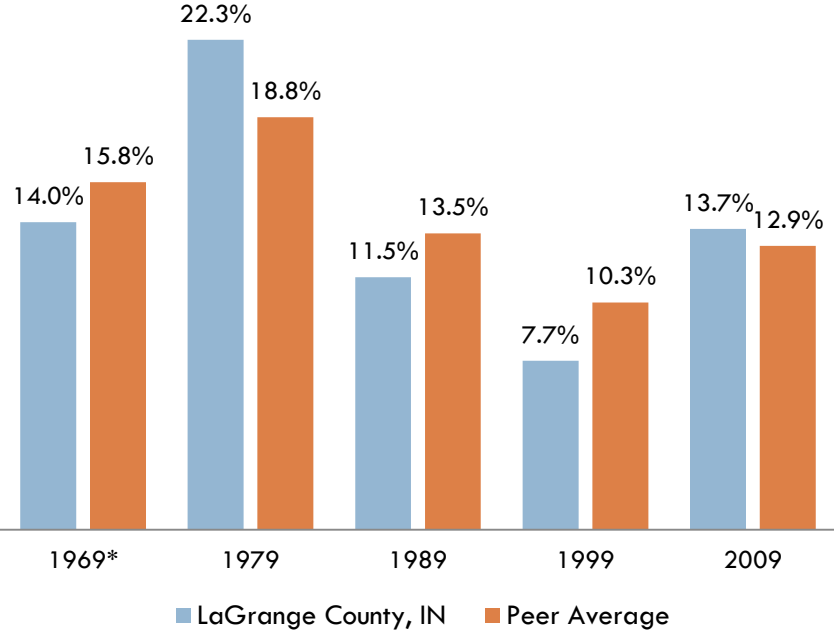
LaGrange County is dead last among Indiana's 92 counties in per capita income. This means that although the county's population has grown, the amount of wealth being generated relative to that population is very low. This disparity between household income and per capita income is due in large part to larger Amish households.

Per Capita Income 1989-2009

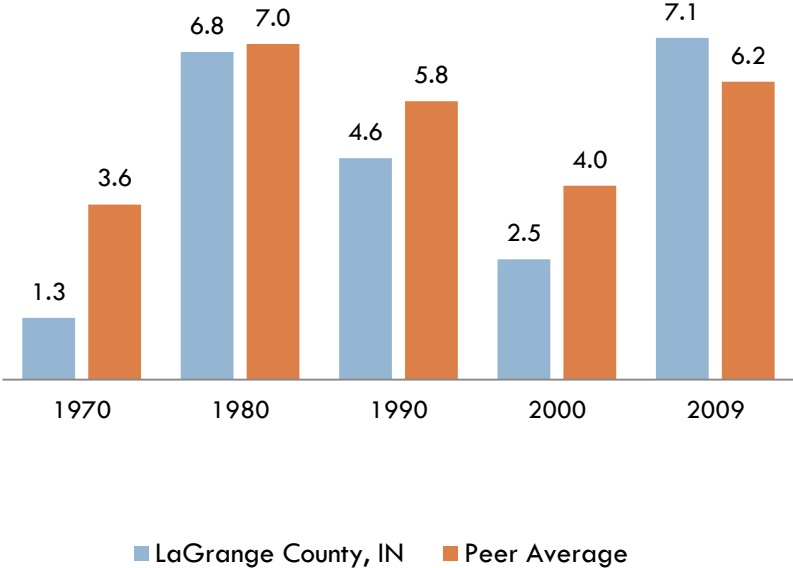


Poverty & Unemployment Rates

Poverty Rate 1969-2009



Unemployment Rate 1970-2009

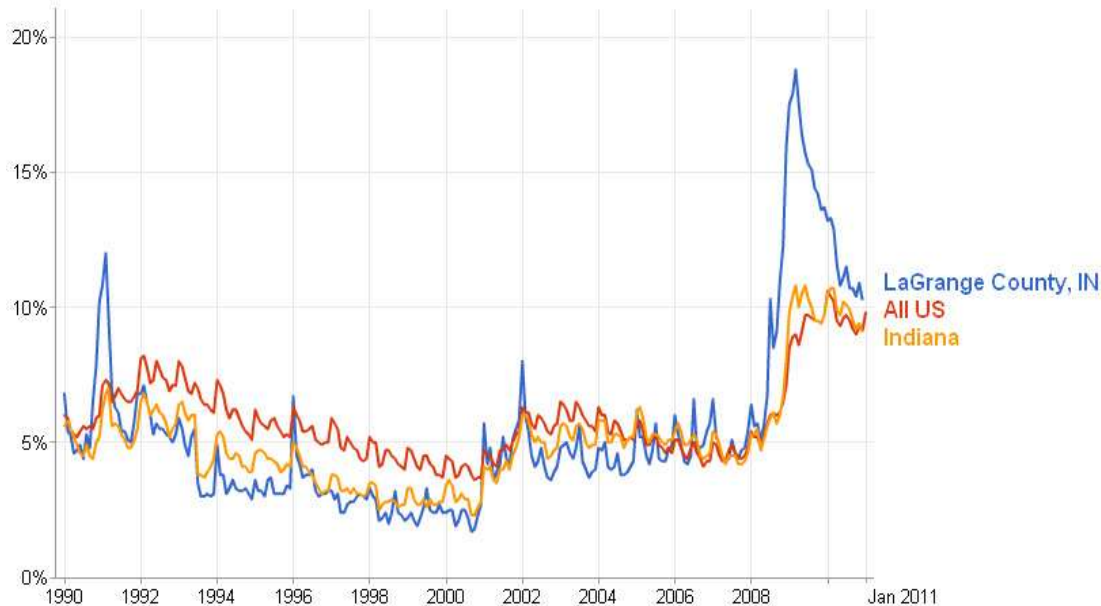


Unemployment Rates

A closer look at the last decade reveals a very volatile unemployment situation. The chart below documents sharp spikes during recession years. The most recent one in 2008 reached nearly 20%. Although these spikes appear extraordinarily short in duration, they are bound to cause dislocations and challenges for the workers, their families, and for the local economy.

Unemployment rate

The percent of the labor force that is unemployed, not seasonally adjusted. [More info »](#)



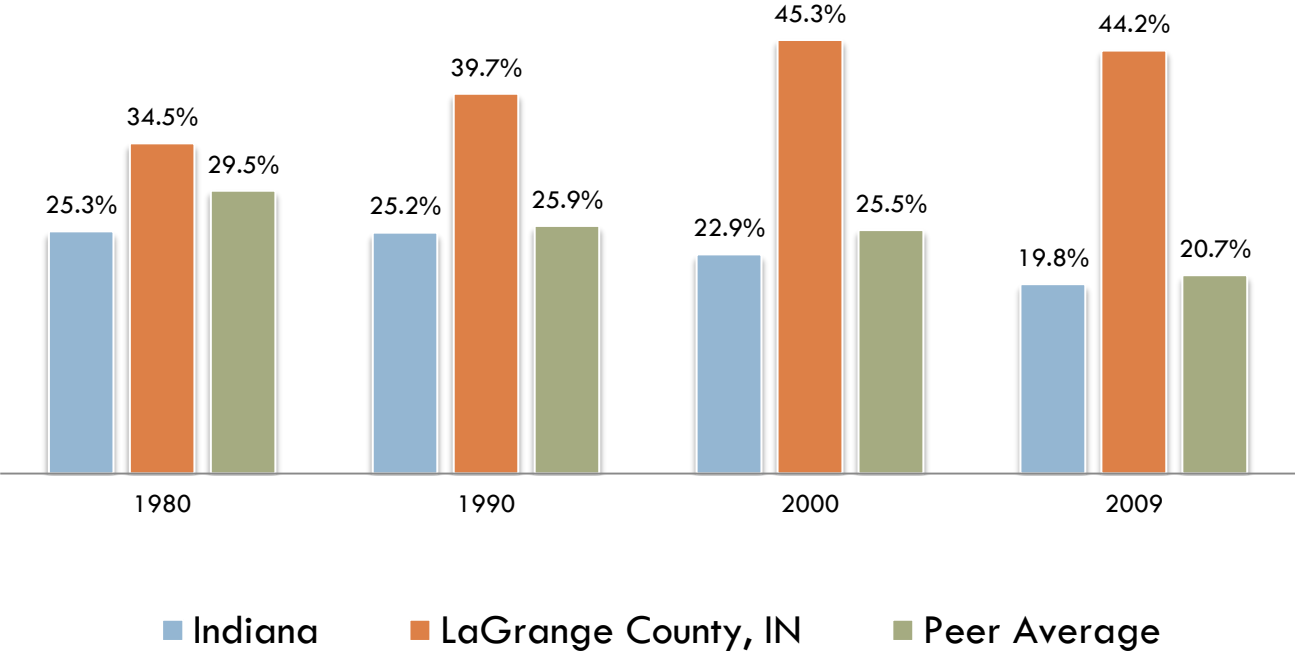
Data source: [U.S. Bureau of Labor Statistics](#) - Last updated February 10, 2011

Employment

- LaGrange County's biggest employment sector is manufacturing, which accounted for 32.4% of all employment in 2008.
- The county had a net loss of 2,725 jobs in its covered employment between 2004 and 2009.
- A majority of those losses – 2,350 – came from the manufacturing sector.

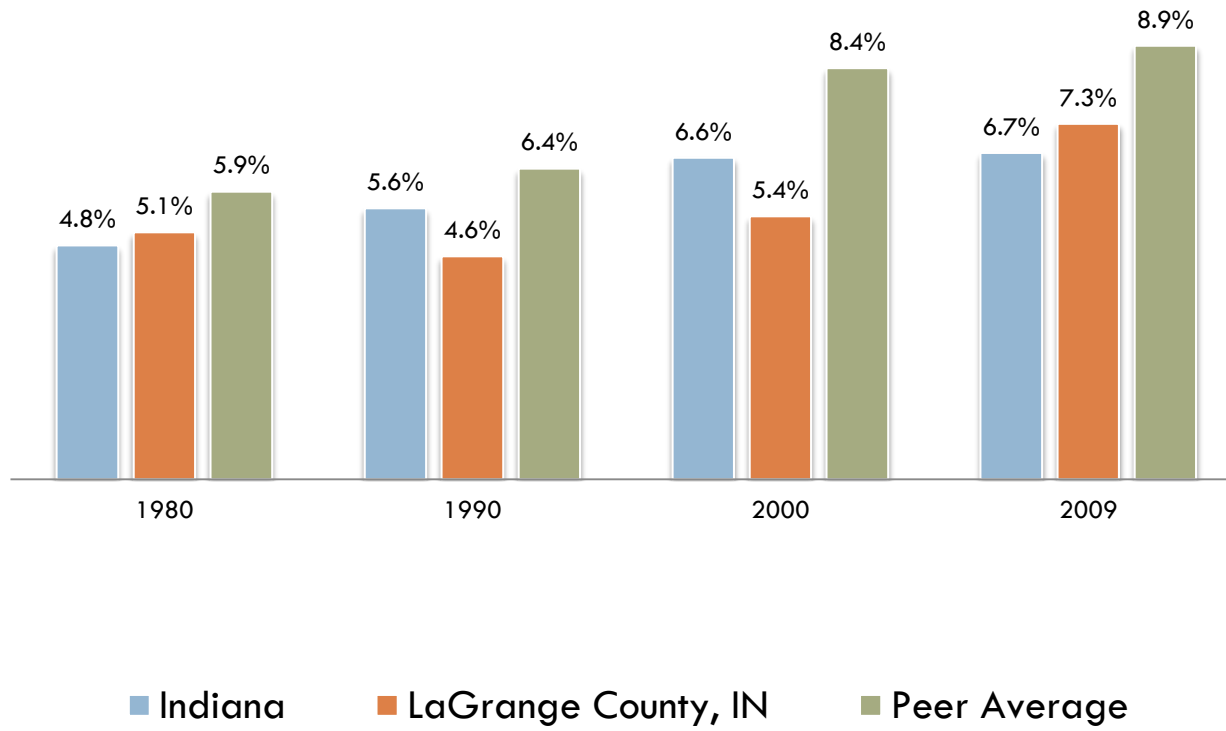
Manufacturing

% of Industry: Manufacturing



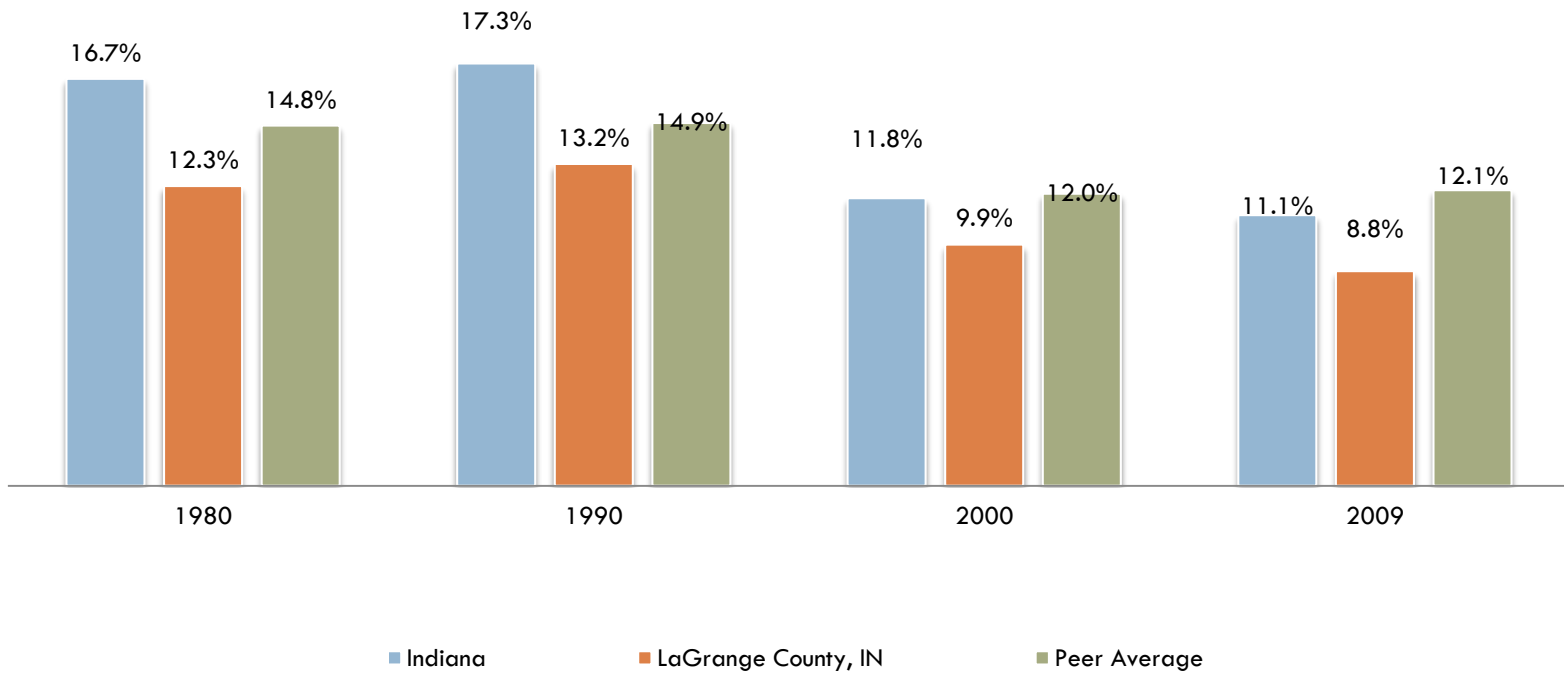
Construction

% of Industry: Construction



Retail Trade

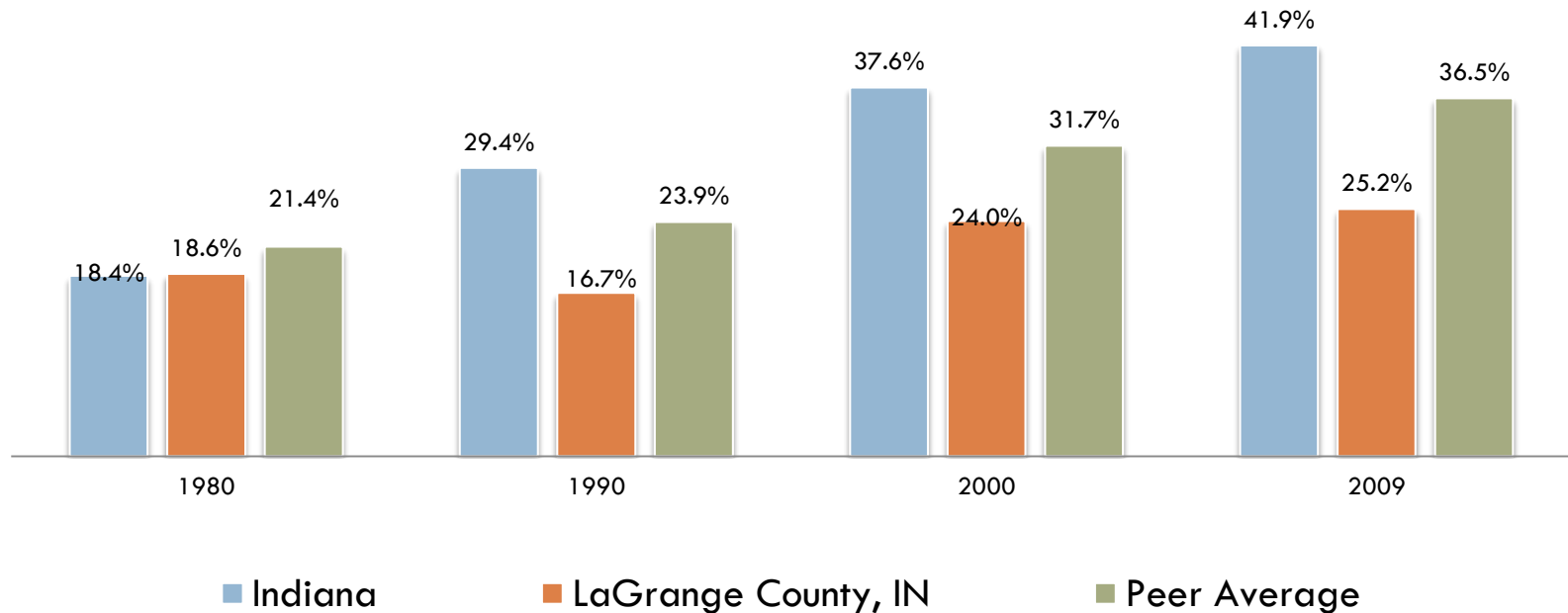
% of Industry: Retail Trade



Services

While still trailing both the state and peer average by a considerable amount, the Service sector is growing in LaGrange County.

% of Industry: Services



Agriculture

In 2009, the county ranked 71st in corn production (47,400 acres) and 73rd in soybean production (32,500 acres). The county ranked 2nd in the state for cattle and calves, broilers and other meat type chickens, and ducks livestock inventory in 2007.

(Source: USDA National Agricultural Statistics Service)

LaGrange County, Indiana Agriculture Overview

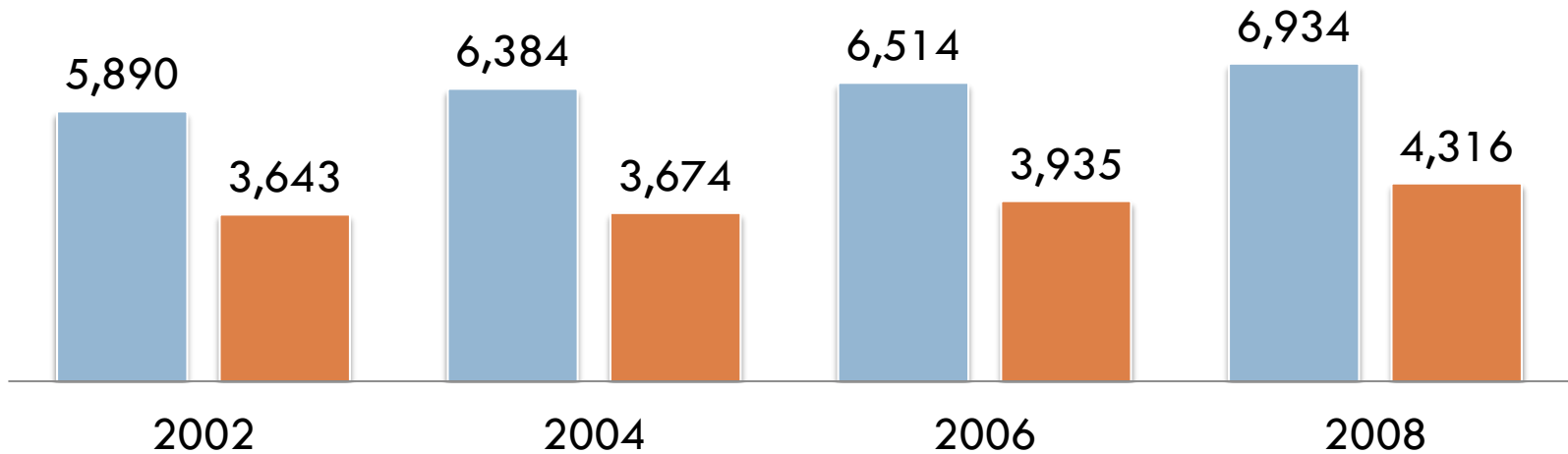
	2007	2002	% Change in County	% Change in State
Number of Farms	1,507	1,551	-3%	1%
Land in Farms (acres)	161,709	189,125	-14%	-2%
Average Size of Farm (acres)	107	122	-12%	-3%
Market Value of Products Sold	\$171,221,000	\$107,159,000	60%	73%
Average Per Farm	\$113,617	\$69,090	64%	71%
Government Payments	\$1,955,000	\$1,987,000	-2%	16%
Average Per Farm Receiving Payments	\$5,299	\$8,566	-38%	-13%

Source: 2007 Census of Agriculture

Commuting

LaGrange County consistently exports more workers than it brings in. In 2008, 16.1% (3,759 workers) of the county's resident labor force commuted to work in nearby Elkhart County.

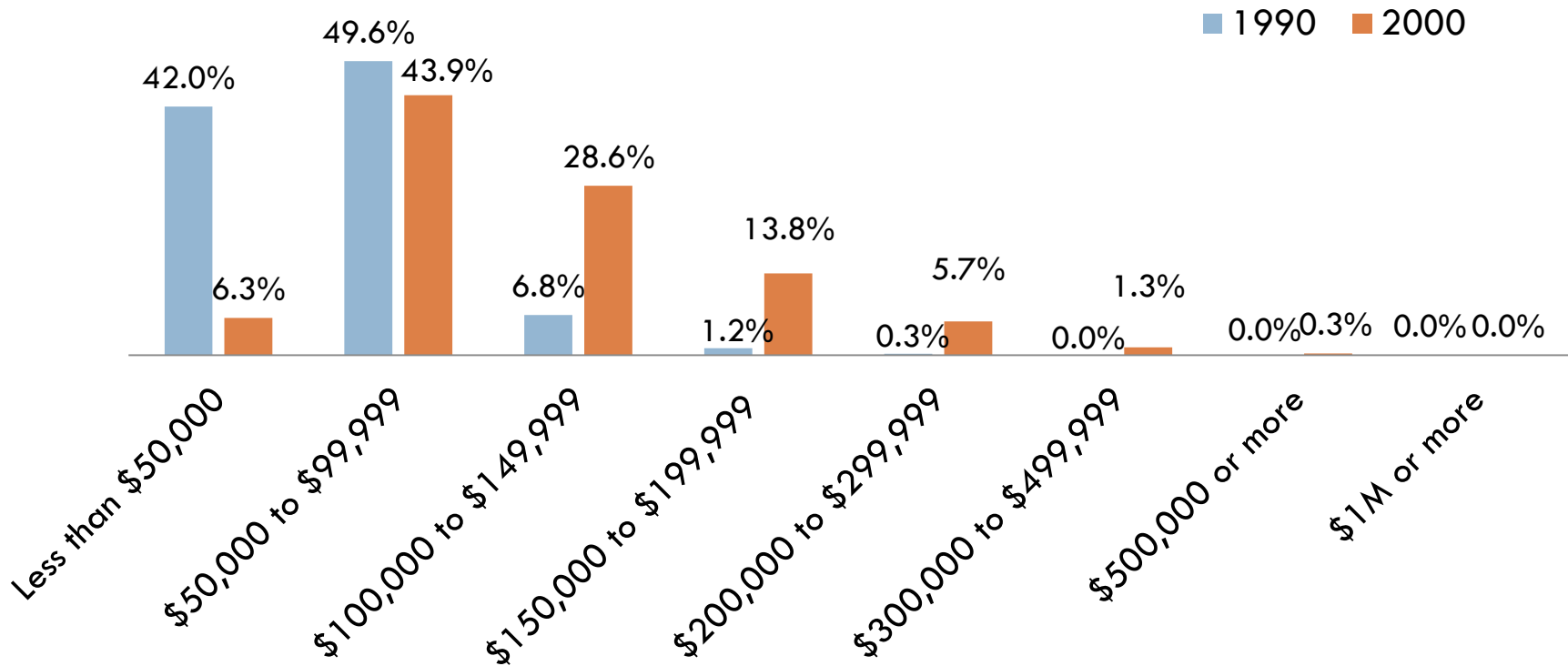
LaGrange County Commuting Trends



- Number of people who live in LaGrange County but work outside the county
- Number of people who live in another county (or state) but who work in LaGrange County

Housing

Distribution of Home Values 1990-2000*



Source: STATS Indiana; U.S. Census Bureau

*No homes greater than \$500,000

30

Regional Business Cluster Analysis



Location Quotient

- The *Location Quotient Technique* is a common economic analysis method to determine the value of a community's business clusters. We compare the regional economies in which LaGrange County participates to the national economy. The purpose is to identify basic employers, those establishments that are exporting goods out of the county or region and bringing capital back into the community.

Cluster Analysis

- A *business cluster* consists of a group of businesses in a defined geographic region which are interconnected through common suppliers, common needs in workforce or infrastructure, and related research or product interests.

Cluster Analysis

- In 2009, the following major employment clusters suffered significant job losses while maintaining high LQs: Transportation Equipment Mfg* (LQ=12.48), Fabricated Metal Product Mfg* (LQ=5.40), Primary Metal Mfg* (LQ=5.02), Forest and Wood Products (LQ=3.29), and Chemicals and Chemical-Based Products (LQ=3.19).
- * These sectors are grouped as subclusters within the Manufacturing supercluster which lost over 22,000 jobs between 2003 and 2009.

Cluster Analysis

- LaGrange County should consider supporting and promoting job creation within the manufacturing supercluster regardless of recent losses.
- LaGrange County also has opportunities to diversify by participating in clusters which experienced job growth within its region.

Cluster Analysis

Clusters which actually expanded between 2003 and 2009 in the LaGrange County Region included:

- Agribusiness, Food Processing & Technology
- Biomedical/Biotechnical (Life Sciences)
- Education & Knowledge Creation
- Machinery Mfg*
- Transportation & Logistics

Cluster Analysis

Analysis of the South Bend, Fort Wayne, and Grand Rapids MSAs indicate opportunities for job creation in the following growing clusters:

- Advanced Materials
- Agribusiness, Food Processing & Technology
- Arts, Entertainment, Recreation & Visitor Industries
- Biomedical/Biotechnical (Life Sciences)
- Computer & Electronic Product Mfg*
- Defense & Security

Cluster Analysis

MSA Clusters continued:

- Education & Knowledge Creation
- Fabricated Metal Product Mfg*
- Forest & Wood Products
- Information Technology & Telecommunications
- Transportation & Logistics

Cluster Analysis

Local economic development strategies should be:

- Addressing shared supply chain, workforce and infrastructure needs within each identified growth cluster.
- Taking advantage of supply chain, workforce, and infrastructure assets relative to each identified growth cluster.

39

Site Review



Site Review

- Assess present sites with a review of the status of thoroughfares and utilities through existing assessments, plans, maps, and field observations.
- Allen Jacobsen, Senior Engineer at Hannum, Wagle & Cline Engineering, is compiling this report.

41

Input Research



Input Research

- Public Meetings
 - 1 during input phase (April 20, 2011)
 - 1 after goals and action plans have been drafted (TBD)
- Interviews
 - 22 completed
- Public Questionnaire
 - 500 copies printed and distributed
 - ~120 submitted
 - Deadline May 6, 2011

Input Research

- Focus Groups (April 21, 2011)
 - Tourism-related Entrepreneurship
 - Education & Workforce Development
 - Major Employers
 - Small to Medium Sized Employers
 - Woodworking Industry/Amish Entrepreneurs
- Economic Summit
 - May 4, 2011

44

Planning Outcomes



Final Plan

- A long-term vision of the community's economic future
- A set of prioritized goals and objectives and a projected budget – income and expenses
- A plan with written text and appendices fully documenting the planning process, various sources and types of input, and expected actions and results
- Action plans showing process flows, responsibilities, time schedules, benchmarks, and costs
- Individuals task and organizational work plans for groups responsible for specific steps in action plans
- A schedule and process for plan revision and updating

46

Questions?



More Information

- Project Webpage
 - ▣ Summaries of steering committee meetings
 - ▣ Draft reports
 - ▣ **<http://www.sdg.us/lagrangecountyed.php>**

- Local Point of Contact
 - ▣ Keith Gillenwater, LaGrange County Economic Development Corporation
 - ▣ **<http://www.lagrangecountyedc.com>**

Contact Information

- Consulting Team
 - Thayr Richey, SDG President
 - trichey@sdg.us
 - Brian O'Neill, SDG Senior Project Manager
 - boneill@sdg.us
 - Catie Kosinski, SDG Project Manager
 - kosinski@sdg.us
 - Allen Jacobsen, HWC Senior Engineer
 - ajacobsen@hwcengineering.com
 - Dave Miller, Business Resources Company
 - dmiller@vancodedevelopment.com