

# Manufacturing & Logistics Report Card

## About Conexus Indiana

Conexus Indiana is a private sector-led initiative focused on the advanced manufacturing and logistics sectors—two industries that combined employ more than one of every five Hoosiers. Conexus Indiana is focused on making Indiana a global manufacturing and logistics leader by strengthening the state's human capital, building industry partnerships to capitalize on new opportunities and address key challenges, and promoting a better understanding of the importance of these industries to our economic future.

Conexus Indiana's most urgent mission is building tomorrow's manufacturing and logistics workforce, preparing Hoosiers to take advantage of high-tech careers in these exciting fields. Conexus Indiana is also focused on developing a unified strategy to enhance logistics capabilities, linking manufacturers with in-state suppliers to streamline supply chains and spur investment in Indiana, and undertaking other strategic projects that will help the manufacturing and logistics sectors thrive here at the Crossroads of America.

### Conexus Indiana

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## About Ball State CBER

The Center for Business and Economic Research (CBER) is an economic policy and forecasting research center at Ball State University. CBER research includes public finance, regional economics, manufacturing, transportation, and energy sector studies.

CBER produces the CBER Data Center—a suite of web-based data tools—available online at [www.cberdata.org](http://www.cberdata.org).

In addition to research and data delivery, CBER serves as a business forecasting authority in Indiana—holding the annual Indiana Economic Outlook and quarterly meetings of the Ball State University Business Roundtable.

### Center for Business and Economic Research

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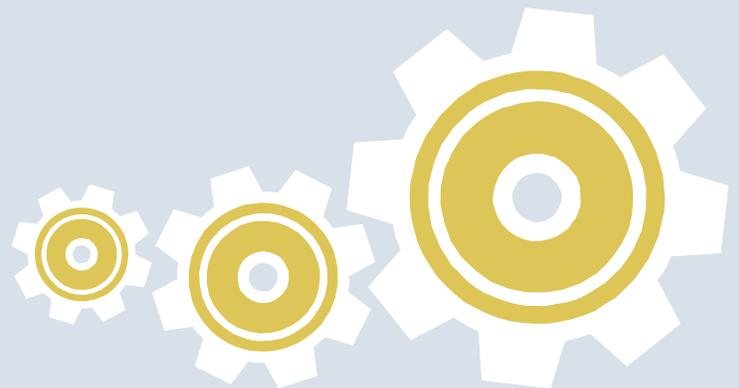
The 2015 Manufacturing & Logistics Report Card shows how Indiana ranks among its peers in several areas of the economy that underlie the success of manufacturing and logistics.

These specific measures include the health of the manufacturing and logistics industries, the state of human capital, the cost of worker benefits, diversification of the industries, state-level productivity and innovation, expected fiscal liability, the state tax climate, and global reach.

## About the Grades

The categories in this report were chosen as those most likely to be considered by site selection experts for manufacturing and logistics firms, and by the prevailing research on economic growth.

Each category included multiple variables for each state that were aggregated and then ranked 1st through 50th, with 1st being the most desirable. Within each category, the lowest aggregate score assigned provided the overall rank. Grades were assigned A through F using a normal distribution of grades commonly known as a bell curve. Plus and minus scores were not assigned to A or F grades.



# State Profile for Indiana



## State Overview

As the recovery returns business activity to pre-recession levels across the nation, Indiana maintains its “Grade A” position in manufacturing and enjoys sustained or improved performance in nearly every category that supports the manufacturing industry. Logistics—the transport and storage of materials and goods—continues impressive growth at the state and national level. Indiana holds an A in logistics, as well as global reach.

Indiana strives to be the most business competitive state in the Midwest, maintaining its high grade in tax climate and improving its score in expected fiscal liability. Human capital, a key component in business attraction, has also improved in Indiana. This is led by improvements in the high school graduation rate. Indiana’s surge in community college enrollment during the Great Recession continues to impact this score, as graduation rates among Hoosier community college students remains low. The sole area of decline in Indiana is in worker benefit costs. This is due to more rapid increases in health care expenditures, most likely linked to an aging, less healthy workforce. These topics are likely for future debate and policy development in the Indiana General Assembly.

The manufacturing industry contains, relies on, and supports numerous subsectors that impact nearly every area of the economy, ranging from biosciences to communications. Indiana benefits from business operations and employment in a diverse range of sectors, experiencing average yet steady performance. Business innovation and productivity round out the list with Hoosier performance earning an improved grade of B-.

How does increased productivity affect manufacturing earnings and employment? View our findings in the companion report “The Myth and the Reality of Manufacturing in America” available at <http://conexus.cberdata.org>.

## 2015 Report Card for Indiana and Nearby States

Category	Indiana	Compared to Last Year	Illinois	Kentucky	Michigan	Ohio	Wisconsin
Manufacturing Industry Health	A	same	C	B+	A	B	B+
Logistics Industry Health	A	same	A	B	C	A	B
Human Capital	C	better	C	D	D	C-	B+
Worker Benefit Costs	D+	worse	C	D	C+	C	D
Tax Climate	A	same	D-	C	C+	C	D+
Expected Fiscal Liability Gap	B-	better	F	F	D+	C	C+
Global Reach	A	same	C+	A	B	A	C
Sector Diversification	C	same	C+	C	D-	C+	B
Productivity & Innovation	B-	better	B	C	A	B	C+

## More Online

Visit the Manufacturing & Logistics Report Card website to view the performance history for each state and category since 2009 and an archive of past reports, including companion pieces with insight into the manufacturing industry: <http://conexus.cberdata.org>