



# The Northwest Indiana COINCIDENT INDEX

## March & April 2014 Release

In April the Northwest Indiana Coincident Index rose 0.7 points from 136.8 to 137.5. This growth follows a similar 0.6 point increase during March. The improvement in the index over the last two months is primarily due to the regional economy recovering following the unusually severe weather conditions during January and February that slowed growth. The forecast for the index and the regional economy over the next six months remains optimistic with growth of about 1-2%.

During March and April almost every component of the index improved. The most significant improvement was in employment, which surged with 7,000 new jobs added in the region (2.7% increase, not seasonally adjusted). Besides the employment gains, U.S. retail sales grew by \$7 billion (1.6% increase) and average manufacturing hours per week rose by about half an hour (1% increase).

In March and April all leading economic indicators also showed improvement. The ISM Manufacturing Index rose 1.7 points (3.2% increase), the Dow Jones Transportation Index rose 160 points (2.2% increase), U.S. Leading Indicators

### Leading Economic Indicators

(during March and April 2014)

Manufacturing Index	↑ 3.2%
Housing Market Index	0%
Transportation Index	↑ 2.2%
U.S. Leading Index	↑ 1.4%
Interest rate spread	↑ 1.5

rose 1.4 points (1.4% increase). In addition, in one of the few instances since 2007, the interest rate spread remained positive and stable. A positive and stable interest rate spread may reflect a sustained rise in long-term interest rates as a result of tighter monetary policy from the Federal Reserve.

In both March and April the economy in Northwest Indiana grew faster than the State of Indiana and the nation as a whole. Since February the NWI economy grew by 0.95% while the economy of the state of Indiana grew by 0.71% and the national economy grew by 0.57%. While most of this growth is attributable to gains in employment in region, we have not yet fully recovered all of the jobs lost in the last recession.

In the last two months the region experienced moderate growth and the leading indicators continue to be promising. As a result, we expect to see positive economic growth over the next six months.

## What is the NWI Coincident Index?

The Northwest Indiana Coincident Index measures the current pulse of the economy in Northwest Indiana and forecasts future growth for the region. The Coincident index is modeled after State and National coincident indices published by the Federal Reserve Bank of Philadelphia. For additional information about the NWI Coincident Index please visit <http://www.nwiindex.com>

*The views expressed in this report are those solely of the authors and do not reflect the official views of the School of Business and Economics or Indiana University Northwest*

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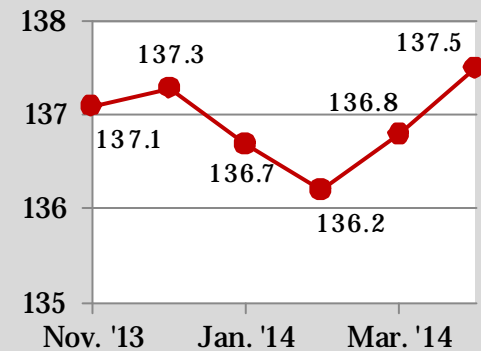
**137.5**  
(+0.7)

Index  
Value  
(change)

**Weak Growth**  
(+1-2%)

Six month  
Forecast

### Previous six months



## Questions & Comments?

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