June 2014 Release

In June the Northwest Indiana Coincident Index rose 0.4 points from 138.4 (revised up from 138.2) to 138.8. This growth continues a trend of expansion and recovery consistent with the national economy. The forecast for economic growth over the next six months remains optimistic with moderate growth of about 1-2%.

During June every component of the index either remained stable or improved slightly. Steel production saw a slight increase of 0.4% but overall has remained at a relatively stable level since the start of 2013. U.S. Retail Sales also rose slightly (up 0.25%). Average manufacturing hours worked remained steady at its record high level of 42.1 hours per week.

Employment in the region continues to expand slowly. In June, 800 new jobs were added in Northwest Indiana (0.29% growth). In the last year employment has expanded in ten out of the twelve months, creating 8,500 new jobs. While consistent job growth is a positive sign for the region, the area has still only recovered about two thirds of the 34,000 jobs lost during the Great Recession of 2008.

In June the leading economic indicators were mostly positive. The Dow-Jones Transportation Index continued its strong growth with an increase of 261 points (3.4% growth). In the last twelve months the transportation index has risen by more than 27%. As a major transportation hub for the Midwest, growth in the transportation industry is a positive sign for the region. The Housing Market Index improved significantly with an increase of 4 points, but still remains 14% below its recent high of 57 in December of 2013.

The ISM Manufacturing Index fell slightly by 0.1 points (a 0.18% decrease). The U.S. Leading Indicators, an index used to predict the direction of the economy's movements in the months to come, rose 0.3 points to 102.2, the highest level it has been since November 2007. For the fourth month in a row the interest rate spread has remained positive and relatively stable, which suggests federal reserve’s bond buying program is continuing on target.

In June the economy of Northwest Indiana grew 0.29% which was similar to the nation as a whole (0.31% growth) but slower than the State of Indiana (0.5% growth). Since March 2014 the region has experienced moderate growth and the leading indicators continue to be promising. As a result, we expect to continue to see moderate positive 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

Questions & Comments?

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