

Industrial devolution changes where Hoosiers work

By Ted Evanoff

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For the first time since before the Civil War and perhaps ever, more people in Indiana **work** in government than in all the factories in the state.

Rocked by layoffs, imports and automation, workers in Indiana plants numbered 430,800 in January, while government at all levels, including schools and publicly owned hospitals, employed 442,800 workers.

Factory **jobs** most likely will exceed government's again as the economy recovers and more auto production leads to recalls of idled workers.

But for now, the eclipse of the industrial base marks a remarkable chapter for this Rust Belt state. Indiana remains the state with the largest share of its labor force in manufacturing, although that factory

force clearly has shrunk.

"The fact that you have more workers in government than manufacturing is alarming and really emphasizes the need to develop more jobs in the private sector so the economy can sustain itself for the long haul," said John Ketzenberger, president of the Indiana Fiscal Policy Institute, a nonpartisan think tank in Indianapolis.

Government for now is the No. 2 employer in the state, trailing retailers.

Manufacturing, which **accounts** for about 16 percent of the work force, is No. 3 and considered crucial to underpinning the tax base.

Factories pay the highest wages of any sector of the Indiana economy, about \$71,000 per job. While **health care** is growing, wages average about \$44,400 per year, including doctors, nurses and medical technicians.

Today's trend isn't so much a matter of government employment shooting up as industrial jobs vanishing.

In the last decade, factories have shed

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about 240,000 jobs -- a third of the industrial base, including 40,000 lost in the last year, according to labor market data in a report released Wednesday by the U.S. Bureau of Labor Statistics.

During those same years, government added about 40,000 jobs, partly due to the increase in schools and city services related to the state's 4.9 percent rise in population in the last decade.

Experts contacted Wednesday were not quite sure when government last surpassed manufacturing in employment but suggest it probably happened before the Civil War.

The war created an industrial boom, and by 1870 the census showed 58,852 manufacturing workers in Indiana. Historians are almost certain this number was greater than the number of government employees at the time.

Manufacturing jobs then continued to grow and had almost tripled by 1900 after natural gas finds ushered in the state's heavy industrialization.

"There's no way government was bigger than manufacturing in 1900," said Indiana **University** historian James Madison. "At all levels, government did very little in 1900 or even before then. When the state capital moved from Corydon to Indianapolis (in 1825), the treasurer could put all of the state's records in one wagon. Change didn't come until the early 20th-century progressive era."

Government exceeding manufacturing in employment is "a significant development today," Madison said. "I would push this to say this may be the first time this has ever happened."

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