RESEARCH & POLICY

INSIGHTS

Indiana's Economic and Workforce Regions: Economic Development Trends

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INTRODUCTION

Governor Braun confirmed in 2025 the 15 READI regions[1] as Indiana's official economic and workforce planning framework. This confirmation was based on a study completed by the Indiana Business Research Center looking at labor force and commute sheds, particularly the proportion of residents employed within the same region. Now, other state agencies, such as the Department of Workforce Development, are planning to realign their existing regions. In other words, READI regions have become the official footprint for state-level regional development efforts.

For this reason, the Purdue Center for Regional Development (PCRD), analyzed specific macro indicators of these regions to provide a much-needed socioeconomic and demographic context. These can also serve as a baseline as stakeholders continue their READI work while additional state agencies align their efforts.

The first report looked at six demographic variables. The second report looked at eight variables related to educational attainment and the workforce. This report focuses on eight variables related to economic development.

Often, the larger socioeconomic and demographic context as well as trends over time are overlooked as policies and/or programs are drafted, implemented, and evaluated. While policymaking takes into consideration data and impacts, these tend to look at one point in time and/or focus on specific areas, overlooking the broader context and trends under which they take place.

The objective of this number-crunching is to better describe the regional socioeconomic and demographic landscape as well as better contextualize and help interpret progress and impact, or lack thereof, of regional development efforts.

Figure 1 shows a map of the regions, including the number of counties per region (in parenthesis). The largest region by number of counties is northeast with 11, followed by Indiana Uplands with 10, and Central Indiana with nine counties. The smallest region is a three-way tie between Accelerate Rural Indiana, South Bend-Elkhart, and South Central with three counties each.

FIGURE 1. Indiana's Economic and Workforce Regions

Source: IEDC

[1] Regional Economic Acceleration and Development Initiative, https://indianareadi.com/.

DATA & METHODS

County-level data were aggregated to the regional level, while state and national data were included for comparison purposes. Descriptive analyses were completed. Two points in time (years) were used to identify trends[2]. Most data were obtained from the 5-Year American Community Survey (ACS)[3], the Bureau of Economic Analysis, the Federal Communications Commission, and County Business Patterns, to name a few.

Most of the data was for the 2014-2024 period, the latest available from the American Community Survey. However, due to data availability, some variables spanned a different period. Years analyzed are clearly noted for the reader.

RESULTS

This report analyzed eight variables related to economic development: the number of workers age 16 and older as a proxy for jobs[4]; share of workers employed by industry and occupation; share of workers by type, entrepreneurship efficiency, establishments by type, county/regional gross domestic product (GDP), and job productivity (GDP per worker).

Between 2014 and 2024, the number of workers aged 16 or older increased across all regions, the state, and the nation. The state gained a little more than 317,610 workers, going from 2.94 million in 2014 to 3.26 million in 2024. More than half (56 percent) of this gain took place in the Central Indiana region.

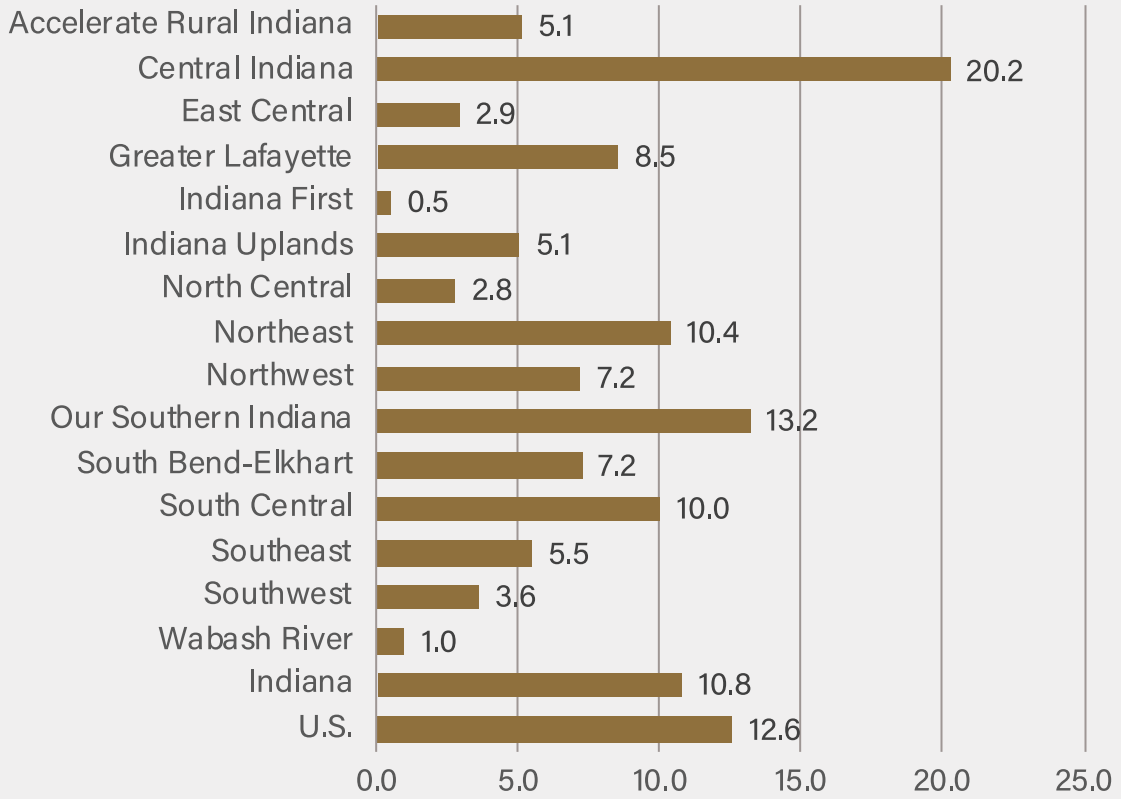
Figure 2 shows the percentage change of workers aged 16 and older between 2014 and 2024. The Central Indiana region had the largest percentage increase, with slightly more than 20 percent, followed by Our Southern Indiana region. The Indiana First and Wabash River regions had the lowest increase.

[2] Most of the variables were analyzed using the 2014 to 2024 period. Different periods utilized, due to data availability, are clearly noted.

[3] This dataset is based on surveys and therefore has a margin of error. We do not consider the MOE when interpreting results because the objective is purely descriptive. Also, county-level data is aggregated to larger regional data, which typically reduces the MOE. However, any percentage change results of one percentage point or lower may indicate no change. Data is based on place of residence.

[4] American Community Survey data (sample-based) is used instead of Bureau of Economic Analysis data because it allows to dissect this group by industries AND occupations.

FIGURE 2. 2014-2024 Percentage Change Workers Aged 16 or Older



Source: 5-Year American Community Survey

Next, we looked at industry and occupations. Discerning between these two groups provides a more robust understanding of economic development in any given region. Industries focus on what businesses produce and can include multiple occupations. Occupations, on the other hand, capture what workers do regardless of industry.

Further, we grouped industries and occupations into three groups: blue-collar, white-collar, and service workers. These groups provide a more nuanced understanding of jobs (workers) in a particular region. Typically, blue-collar workers do manual labor or skilled trades in factories, construction sites, warehouses, etc. White-collar workers are typically associated with knowledge-based, managerial, administrative, or professional work taking place in offices, corporate settings, etc.

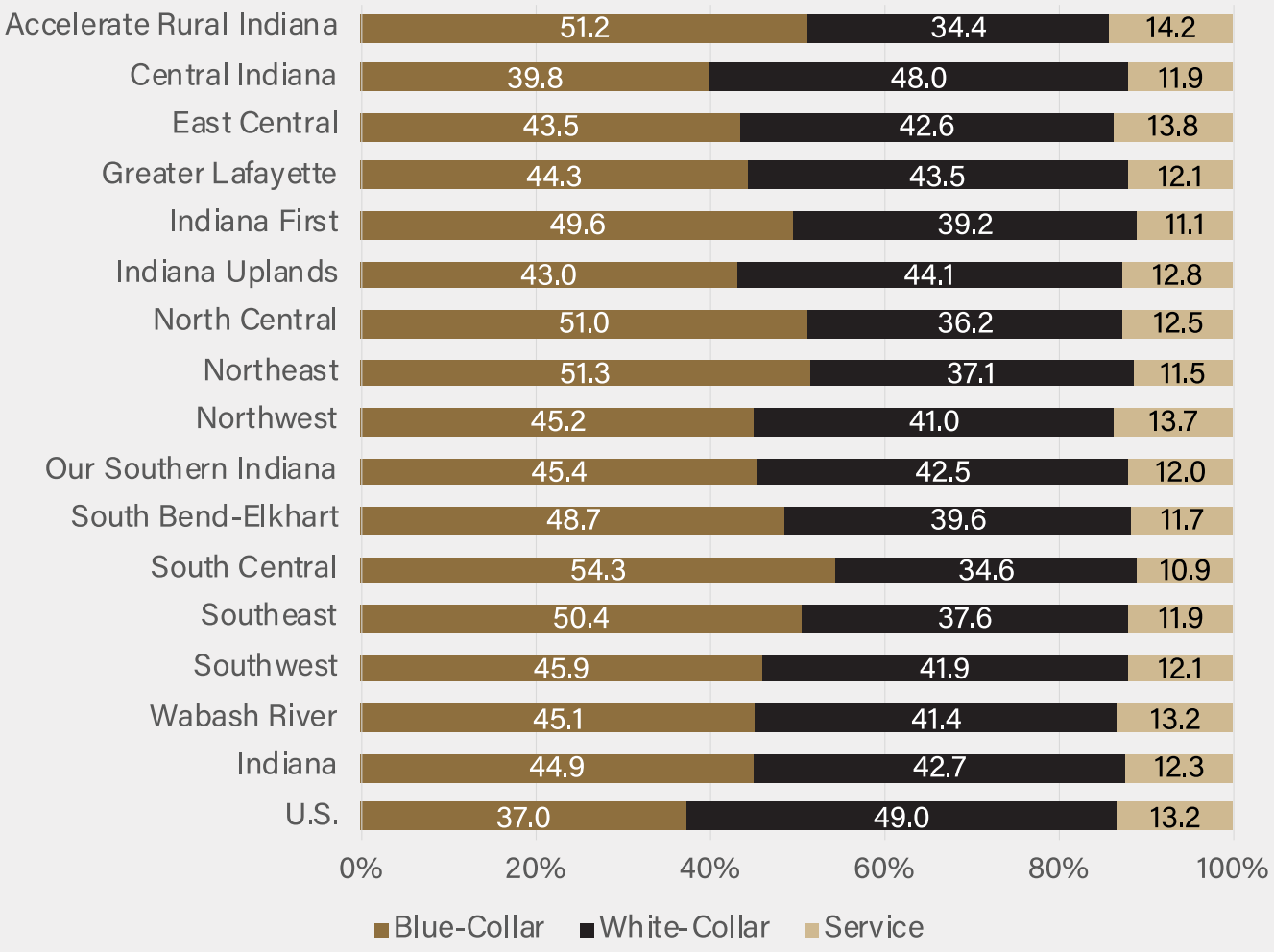
Blue-collar industries[5] included agriculture, forestry, fishing and hunting, mining, construction, manufacturing, wholesale trade, retail trade, transportation and warehousing, and utilities. White-collar included information, FIRE (finance, insurance, and real estate and rental and leasing), professional, scientific, management and administrative, and waste management services, educational services, health care and social assistance, and public administration. Service industries included arts, entertainment, and recreation, and accommodations and food services, and other services (excluding public administration).

[5] The ACS compiles data for 14 industries. Armed forces were not included in any group.

Figure 3 shows the share of workers aged 16 or older employed in white-collar, blue-collar, and service industries as of 2024. The share employed in service industries remained roughly between 11 and 14 percent. The Central Indiana region had the highest share (48 percent) employed in white-collar industries, slightly below the U.S. average of 49 percent and higher than the state average of 42.7 percent. The Accelerate Rural Indiana region had the lowest share (34.4 percent). The South Central region had the highest share employed in blue-collar industries with 54.3 percent. Indiana had a higher share of those employed in blue-collar industries compared to the country.

The share of those employed in blue-collar industries declined the most between 2014 and 2024 in the Accelerate Rural Indiana region, from 54.4 percent to 51.2 percent (not shown). Regarding white-collar industry jobs, the Indiana First region had the largest increase between 2014 and 2024, from 35.4 percent in 2014 to 39.2 percent in 2024 (not shown).

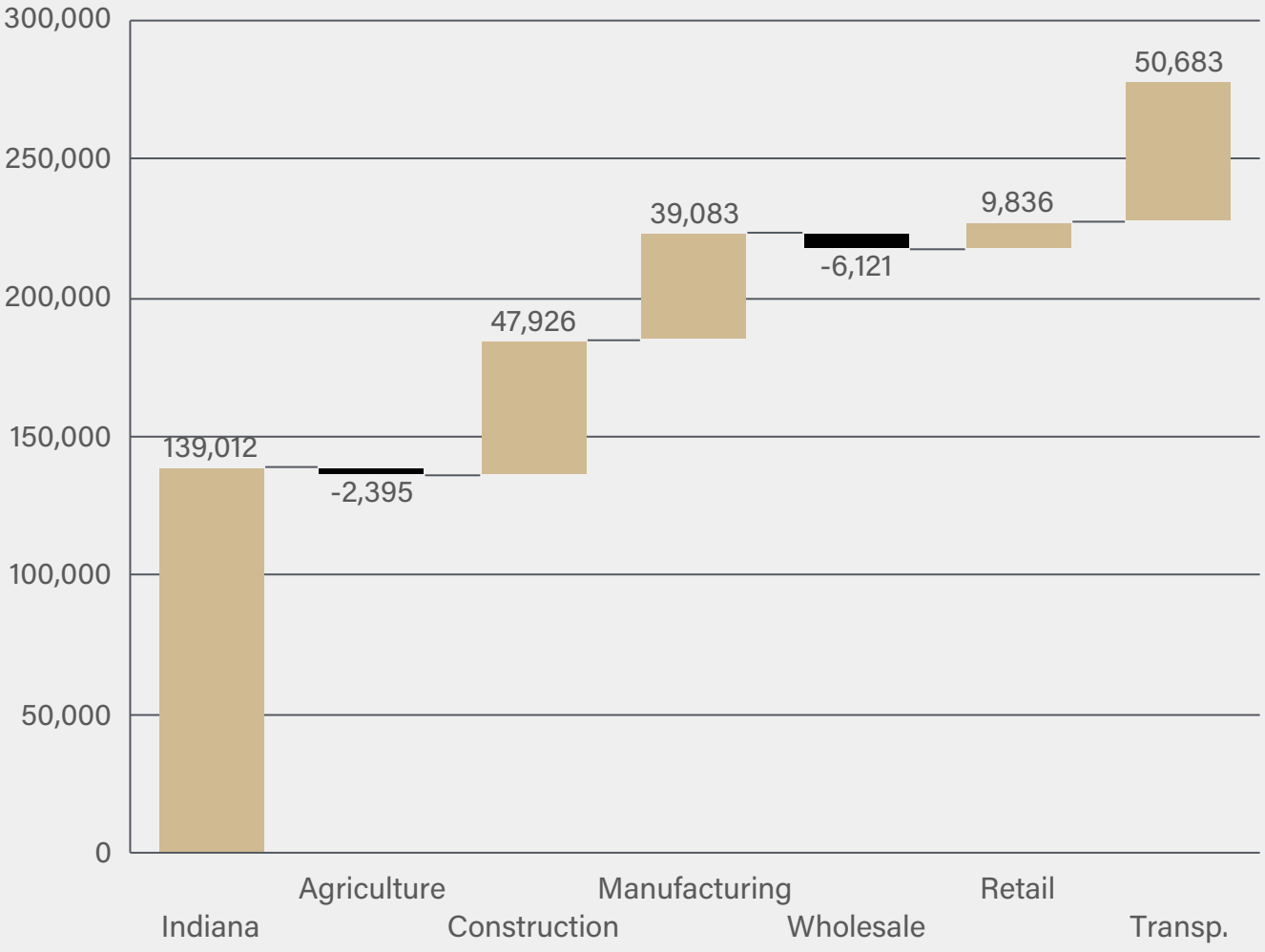
FIGURE 3. 2024 Share of Workers Aged 16 or Older by Industry Group



Source: 5-Year American Community Survey

Figure 4 shows a waterfall chart outlining the increase or decrease in Indiana in the number of workers aged 16 or older in each of the blue-collar industries included. Overall, the state gained a little more than 139,000 workers in blue-collar industries between 2014 and 2024. The largest contributor was the transportation, warehousing, and utilities industry with more than 50,000 workers, followed by construction with close to 48,000 workers. Wholesale and agriculture declined by 6,000 and almost 2,400 workers, respectively.

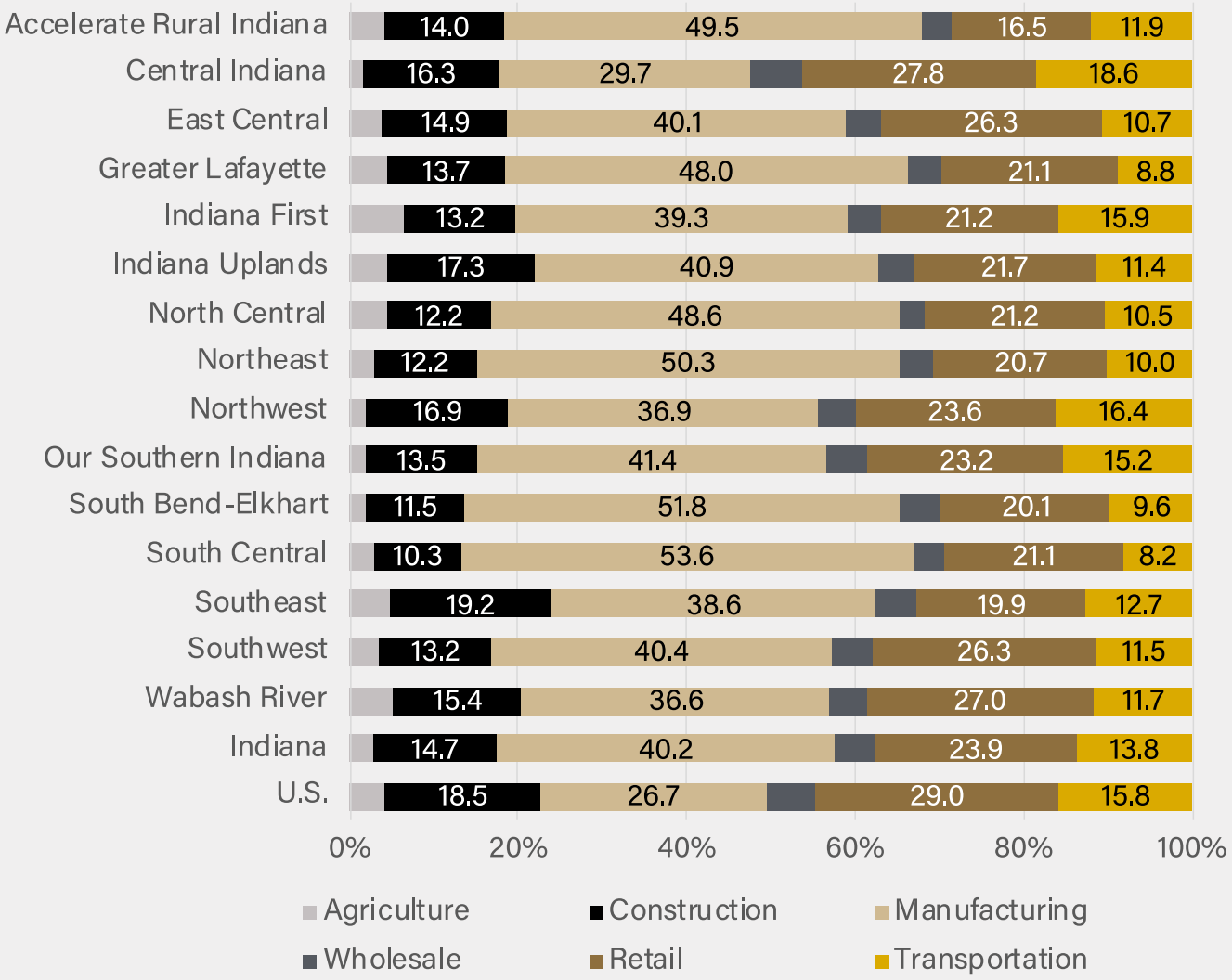
FIGURE 4. 2014-2024 Indiana Blue-Collar Industries Change



Source: 5-Year American Community Survey

Figures 5 & 6 provide a 2024 breakdown of industry jobs in the blue-collar and white-collar groups by region. Figure 4 shows that manufacturing had the largest share of blue-collar industry jobs across all regions. The state's manufacturing share of blue-collar jobs was almost 14 percentage points higher compared to the U.S. (26.7 percent versus 40.2 percent). Three regions in Indiana had a 50 percent or higher share of blue-collar industry jobs in manufacturing: Northeast, South Bend-Elkhart, and South Central.

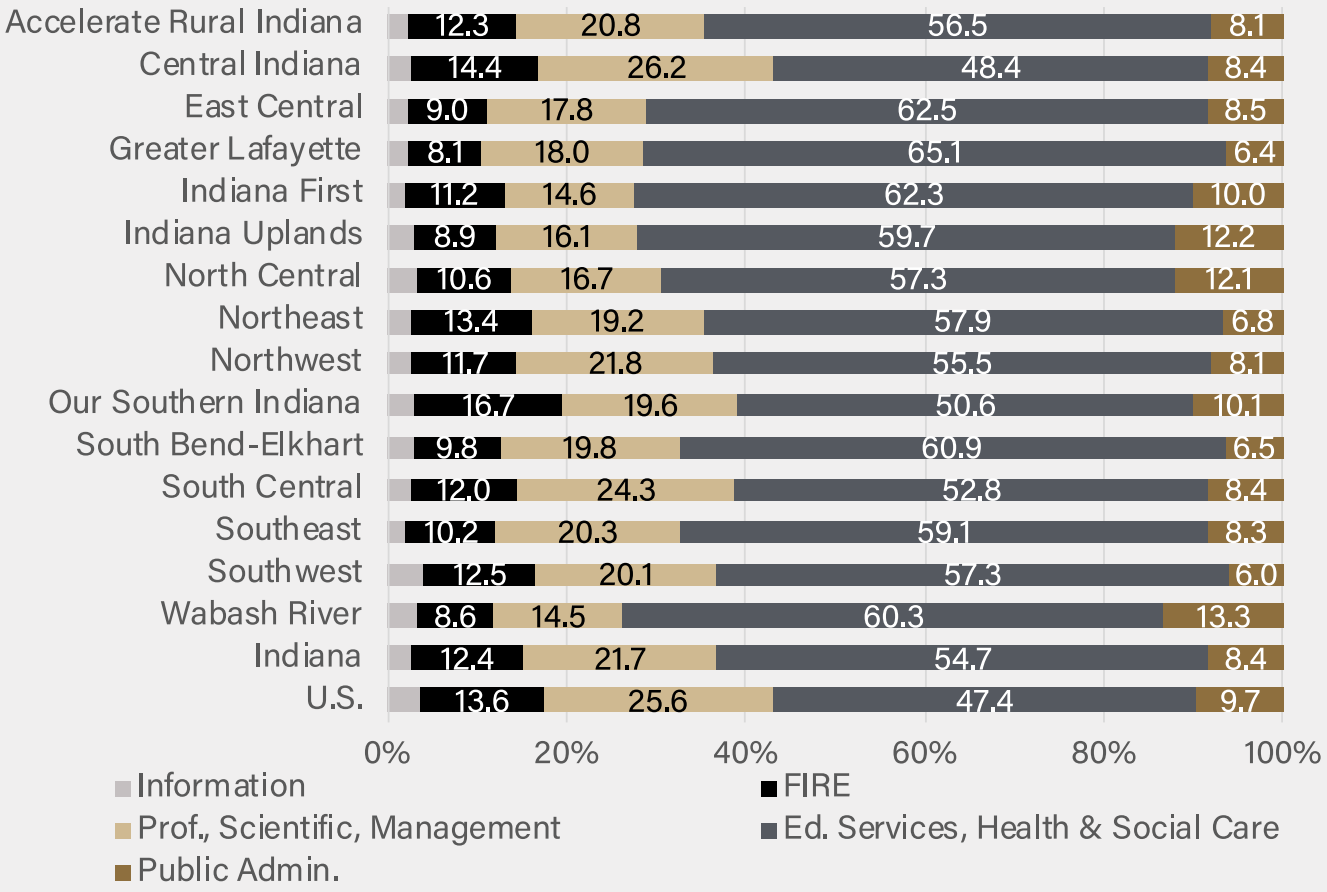
FIGURE 5. 2024 Share of Blue-Collar Jobs by Industry



Source: 5-Year American Community Survey

Regarding white-collar industry jobs, **Figure 6** shows that educational services and health and social care workers had the highest share among white-collar jobs across all regions. The share in Indiana was seven percentage points higher compared to the nation in this industry. Five regions in the state had a share of 60 percent or higher: East Central, Greater Lafayette, Indiana First, South Bend-Elkhart, and Wabash River. The second largest group was professional, scientific, and management and administrative and waste management services. Indiana's share was slightly lower compared to the nation for this industry.

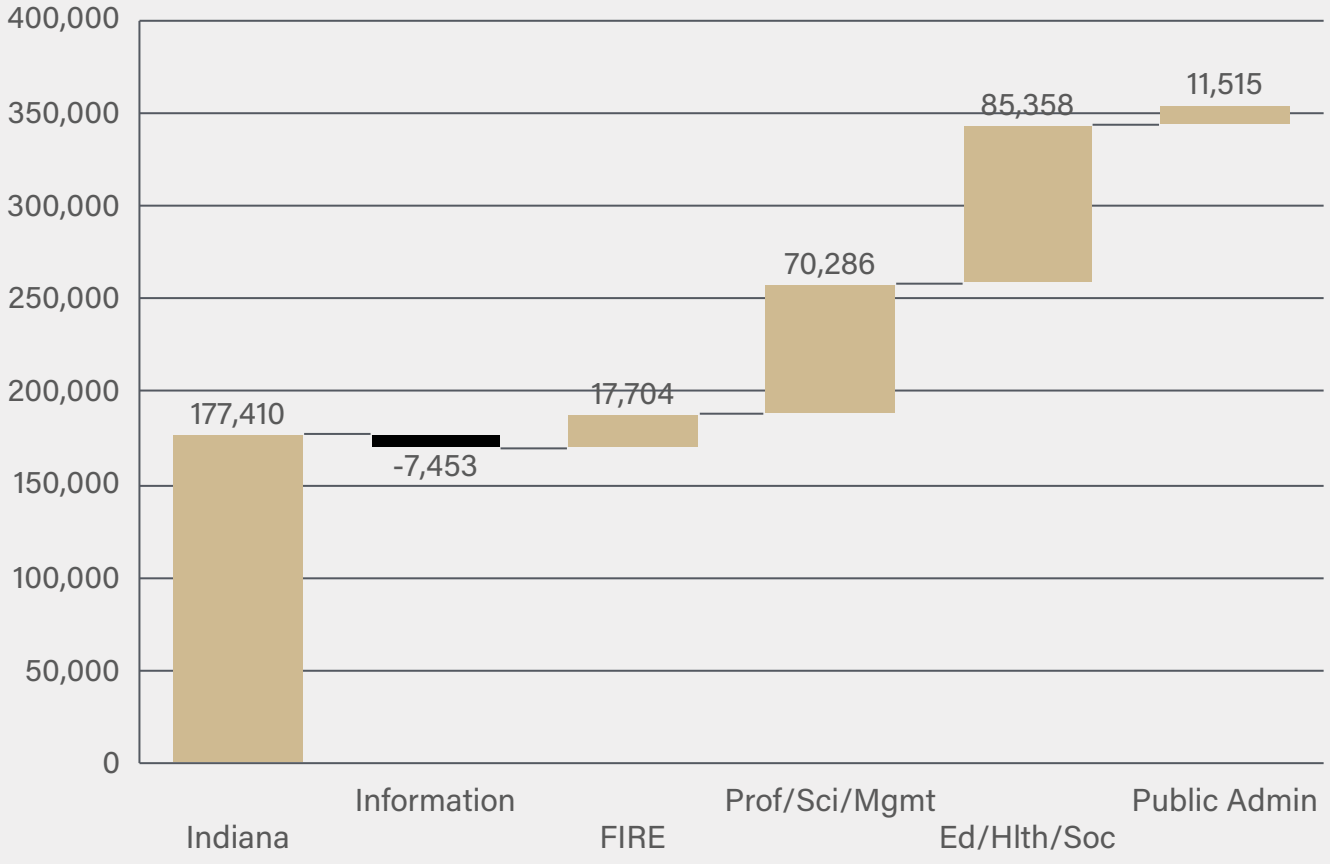
FIGURE 6. 2024 Share of White-Collar Jobs by Industry



Source: 5-Year American Community Survey

Figure 7 shows a waterfall chart outlining the increase or decrease in Indiana in the number of workers aged 16 or older in each of the white-collar industries included. Overall, the state gained a little more than 177,400 workers in white-collar industries between 2014 and 2024. The largest contributor was the educational services, health care, and social assistance industry with more than 85,300 workers, followed by the professional, scientific, and management and administrative and waste management services industry with a little more than 70,200 workers. The information industry lost 7,400 jobs during this period.

FIGURE 7. 2014-2024 Indiana White-Collar Industries Change

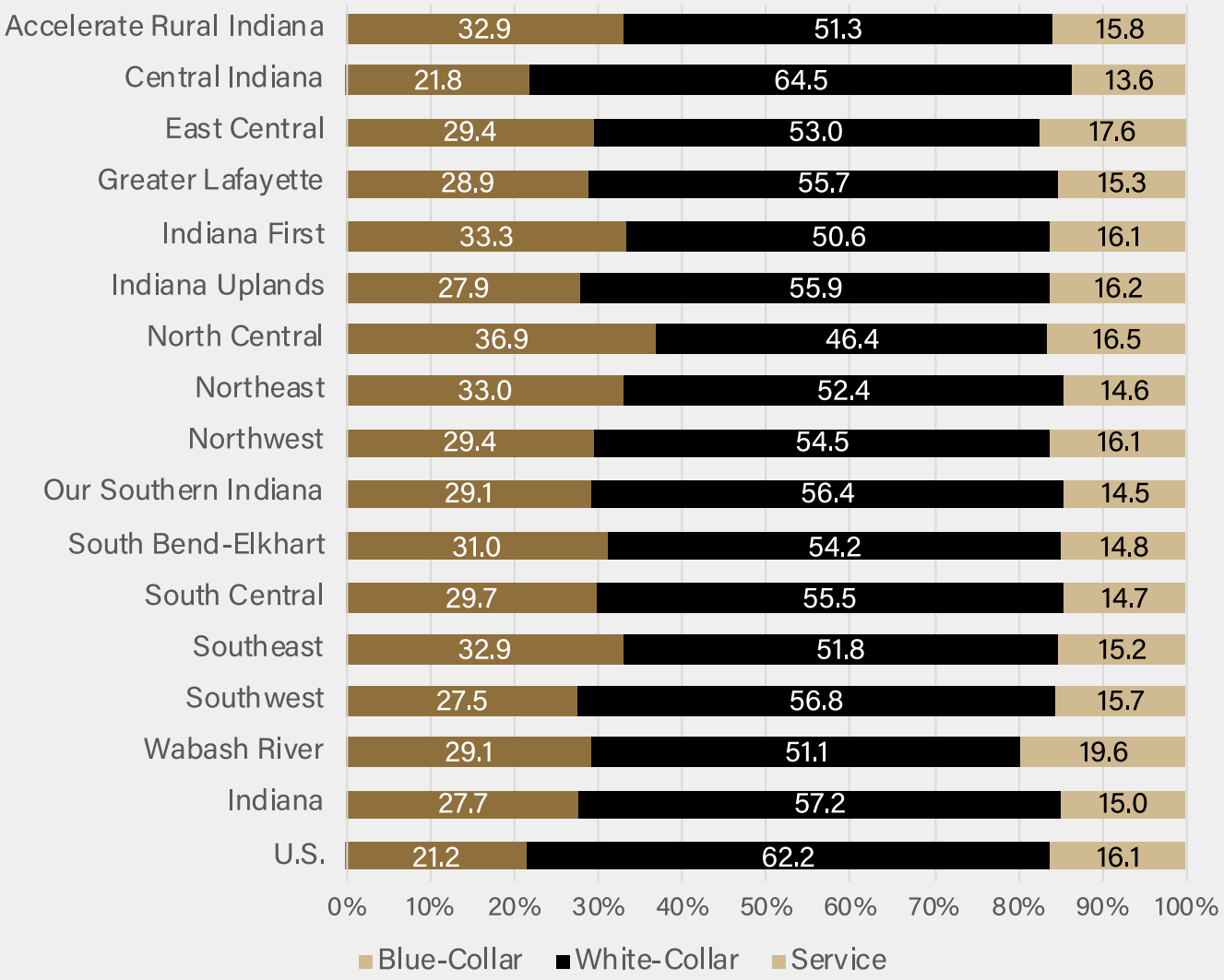


Source: 5-Year American Community Survey

Regarding occupations, these were also grouped into blue-collar, white-collar, and service occupations[6]. The American Community Survey gathers data on six occupations. Management, business, science, and arts, as well as sales and office occupations, were grouped into white-collar. Natural resources, construction and maintenance, production, transportation, and material moving occupations were grouped into blue-collar. Service occupations were left as service.

Figure 8 shows the share of workers in blue-collar, white-collar, and service occupations as of 2024. The largest share across regions was in white-collar occupations. The state's share was 57.2 percent, below the national share of 62.2 percent. The North Central region had the highest share of blue-collar workers in the state, with close to 37 percent, followed by the Indiana First region.

FIGURE 8. 2024 Share of Workers Aged 16 or Older by Occupation Group



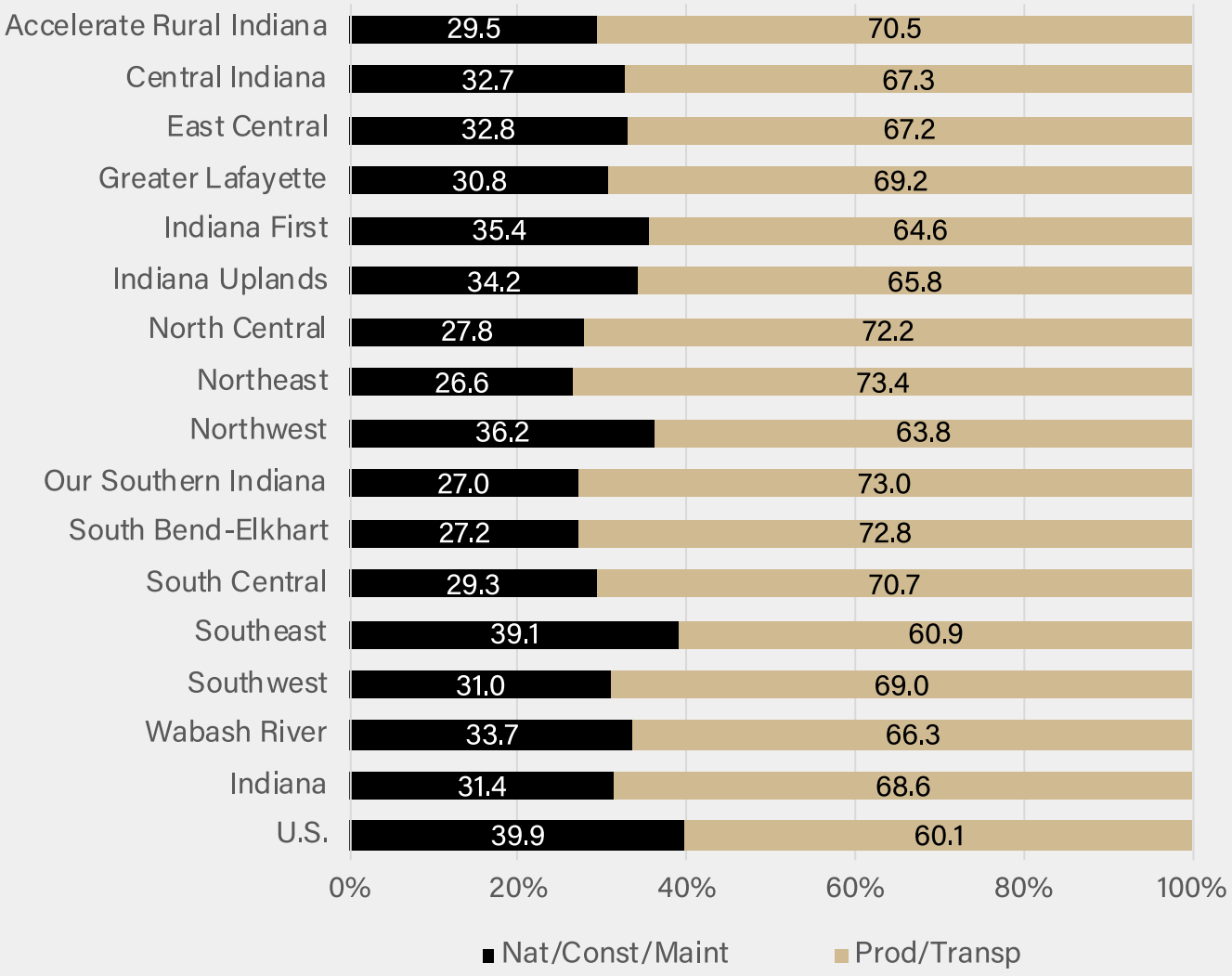
Source: 5-Year American Community Survey

[6] Military specific occupations were not included in any group.

Most workers in blue-collar occupations were employed in the production, transportation, and material moving occupations across regions, as shown in **Figure 9**. Close to three-quarters of blue-collar workers worked in this occupation in the Northeast region, with 73.4 percent. The Southeast region had the lowest share with 60.9 percent.

Between 2014 and 2024, the share of natural resources, construction, and maintenance occupations increased in nine of the fifteen regions, while the share of production, transportation, and material moving occupations increased in six (not shown).

FIGURE 9. 2024 Share of Blue-Collar Jobs by Occupation

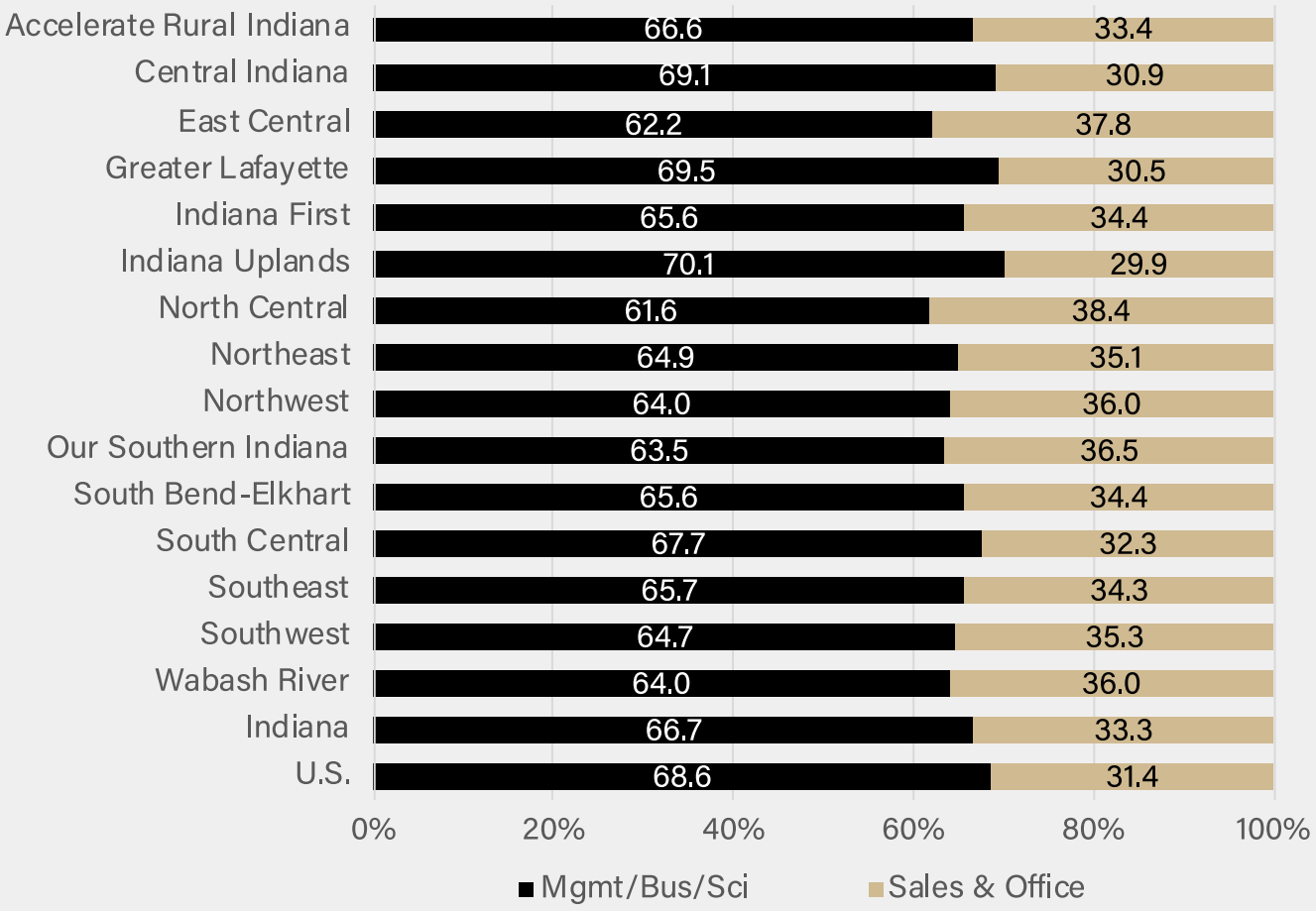


Source: 5-Year American Community Survey

Regarding the share of white-collar occupations, **Figure 10** shows that most workers worked in professional, scientific, and management, and administrative and waste management services. The Indiana Uplands region had the largest share of workers working in this white-collar occupation, with 70.1 percent. On the other hand, the North Central region had the highest share of workers working in sales and office occupations.

It is important to note that the share of those working in sales and office occupations declined across all regions, the state, and the nation between 2014 and 2024 (not shown). The largest decline among Indiana regions for this occupation took place in the Southeast region (11.3 percent), followed by the Indiana First region (11.1 percent). Overall, the state lost close to 75,000 workers in this occupation during this period.

FIGURE 10. 2024 Share of White-Collar Jobs by Occupation



Source: 5-Year American Community Survey

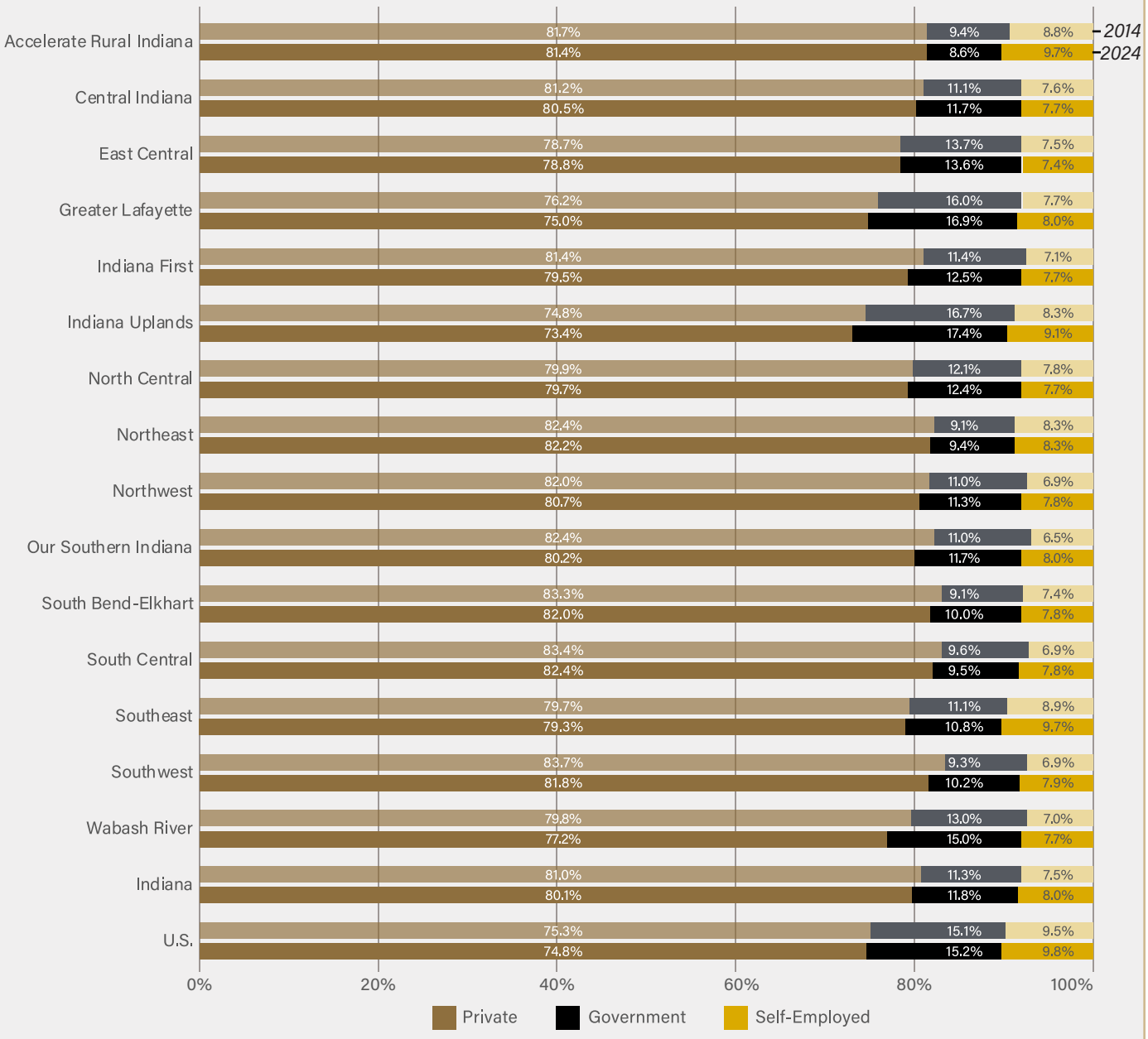
When all is said and done, the state gained close to 109,000 workers in blue-collar occupations, plus an additional 221,000 in white-collar occupations. However, all the white-collar gains took place in the management, business, science, and arts occupations, since the sales and office occupations lost 75,000 workers.

What about the type of workers? The ACS provides data to answer this question. **Figure 11** breaks down the share of workers aged 16 and older by type between 2014 and 2024. Darker colors refer to 2014, while lighter colors refer to 2024. Among all Indiana regions, the Indiana Uplands region had the highest share of those employed in government (including local, state, and federal), more than likely due to the naval base located in the region.

On the self-employed share, the Accelerate Rural Indiana and the Southeast regions had the highest share, slightly below the national average of 9.8 percent as of 2024. The share employed in private wage & salary profit and nonprofit jobs was at or above three-quarters in most regions, the state, and the nation.

The largest decrease in the share of workers in private wage & salaries jobs between 2014 and 2024 took place in the Wabash River region (2.7 percentage points), while the largest increase in the share employed in government jobs also took place in the Wabash River region (2 percentage points).

FIGURE 11. 2014 & 2024 Share of Workers by Type



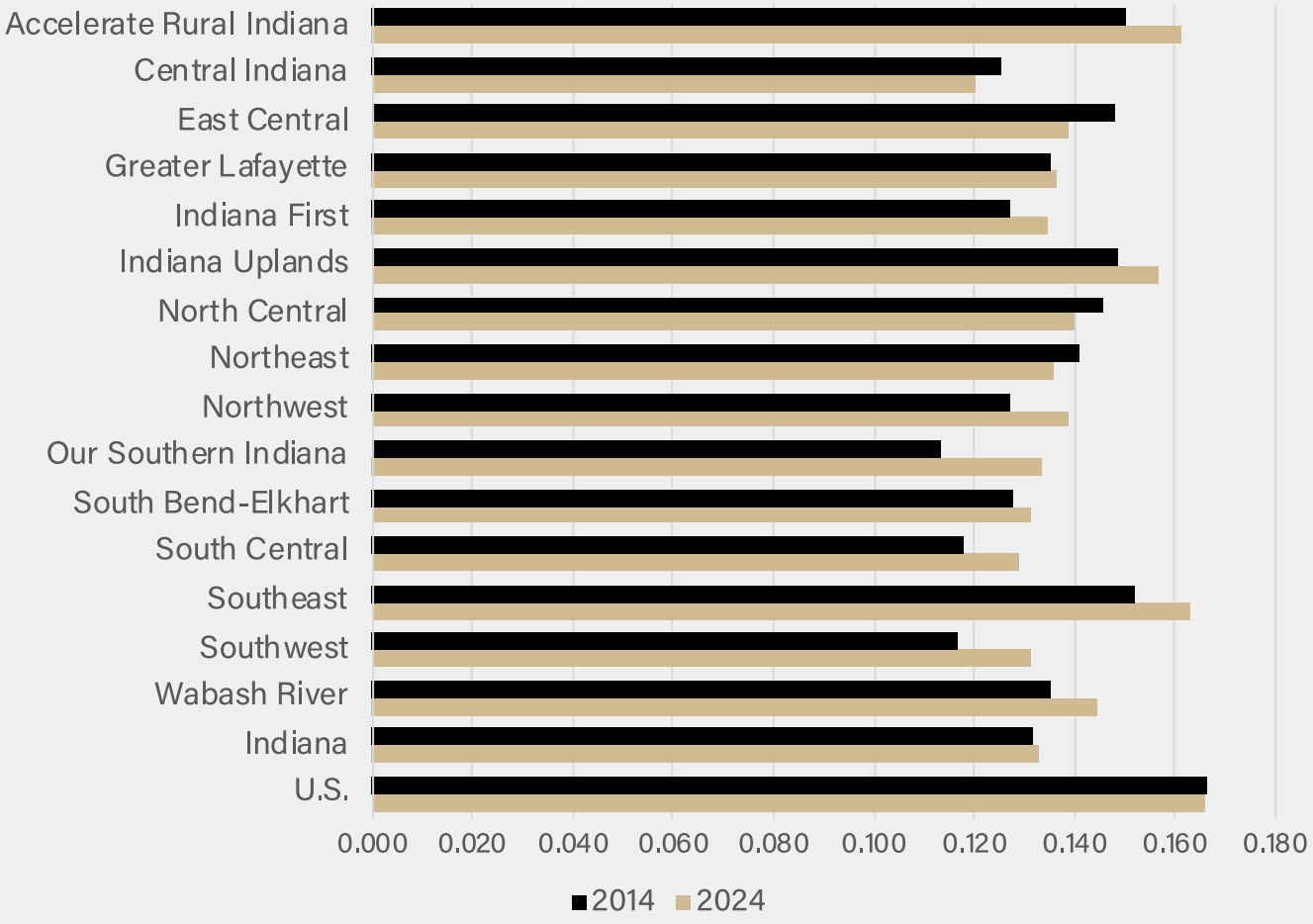
Source: 5-Year American Community Survey

Regarding government workers for the state overall, more than half were workers in local government, 27.3 percent in state government, and 17.4 percent in the federal government as of 2024 (not shown). Note that the share of workers in state government declined in all regions, the state, and the nation between 2014 and 2024 (not shown).

Shifting gears and continuing to paint a robust economic development landscape across Indiana and its Economic and Workforce regions, entrepreneurship efficiency (EE)[7] was analyzed in **Figure 12**. This metric better informs regions on how efficient their entrepreneurship pipelines are. Figure 12 showcases the entrepreneurship efficiency (EE) indicator. A higher number denotes a more efficient entrepreneurship pipeline, considering changes in workers and population aged 16 or older.

Consider that, for example, in the Southeast region between 2014 and 2024, the number of self-employed increased by about 770, from roughly 5,100 to 5,900, while workers aged 16 or older increased by about 3,100, from roughly 57,600 to 60,700. At the same time, the population aged 16 and older increased by about 3,300 residents, from about 98,400 to 101,800. When all is said and done, the EE was at about 0.163, the highest in the state.

FIGURE 12. Entrepreneurship Efficiency



Source: 5-Year American Community Survey; PCRD

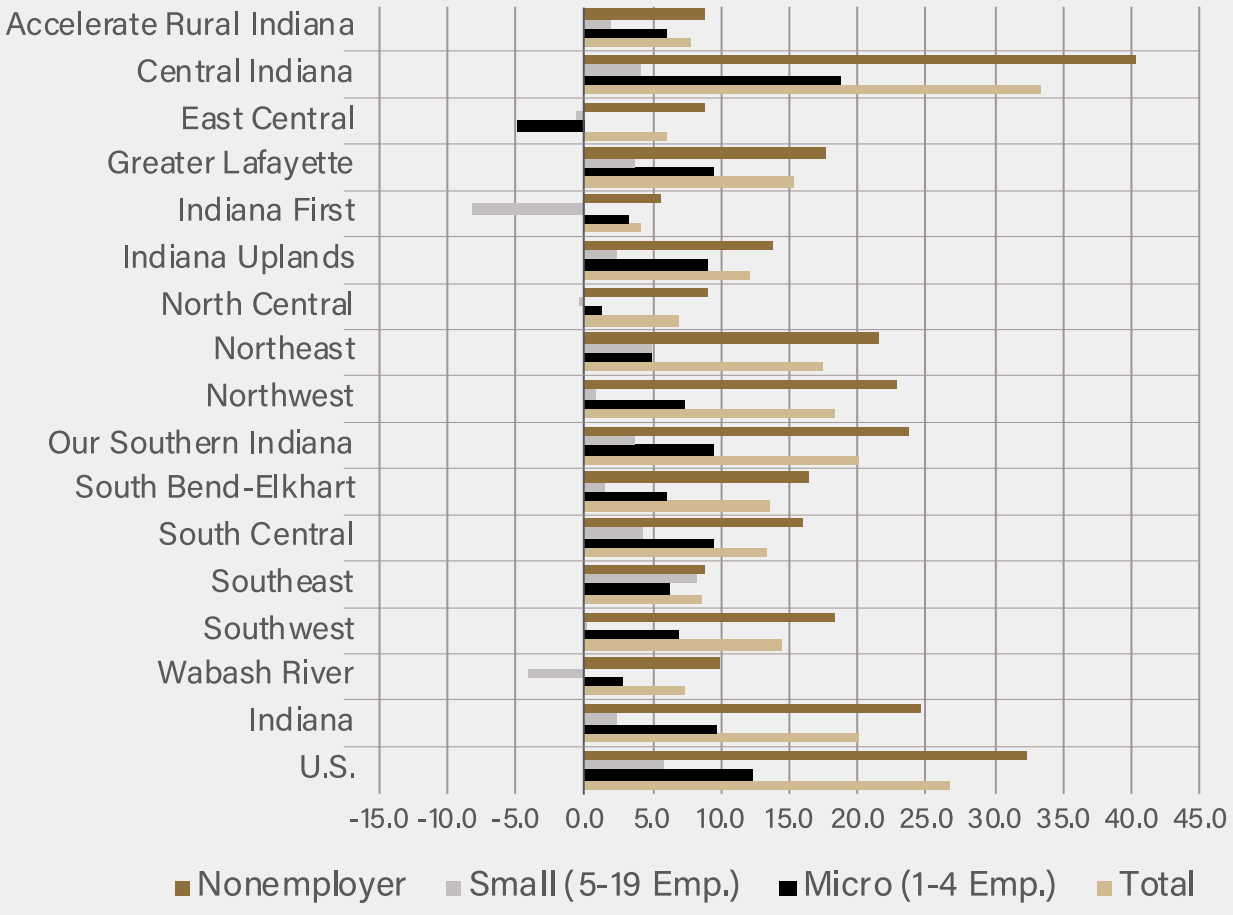
[7] PCRD - How Efficient Is Your Entrepreneur Pipeline?

The next indicator analyzed was establishments, obtained from the U.S. Census Bureau County Business Patterns and Nonemployer Statistics databases. As a reminder, the Census defines an establishment as a "single physical location at which business is conducted and/or services are provided." Note that the period was 2013 to 2023 due to data availability.

Figure 13 shows the percentage change in the number of establishments between 2013 and 2023 by type. Total establishments include both establishments with paid employees and establishments with no paid employees that are subject to federal income taxes and have receipts of $1,000 or more. Establishments with paid employees were grouped into micro businesses (1-4 employees) and small businesses (5-19 employees).

Total and nonemployer establishments increased between 2013 and 2023 across all regions, the state, and the nation. The Central Indiana region had the largest increase with 33.4 percent, followed by Our Southern Indiana region with 20 percent. Micro establishments increased in all but one region (East Central) while small establishments declined in four regions: Wabash River, North Central, Indiana First, and East Central. Nonemployer establishments accounted for all establishment growth in the East Central region. In raw numbers, total establishments increased by a little more than 107,500 in Indiana, of which close to 90 percent were nonemployer establishments.

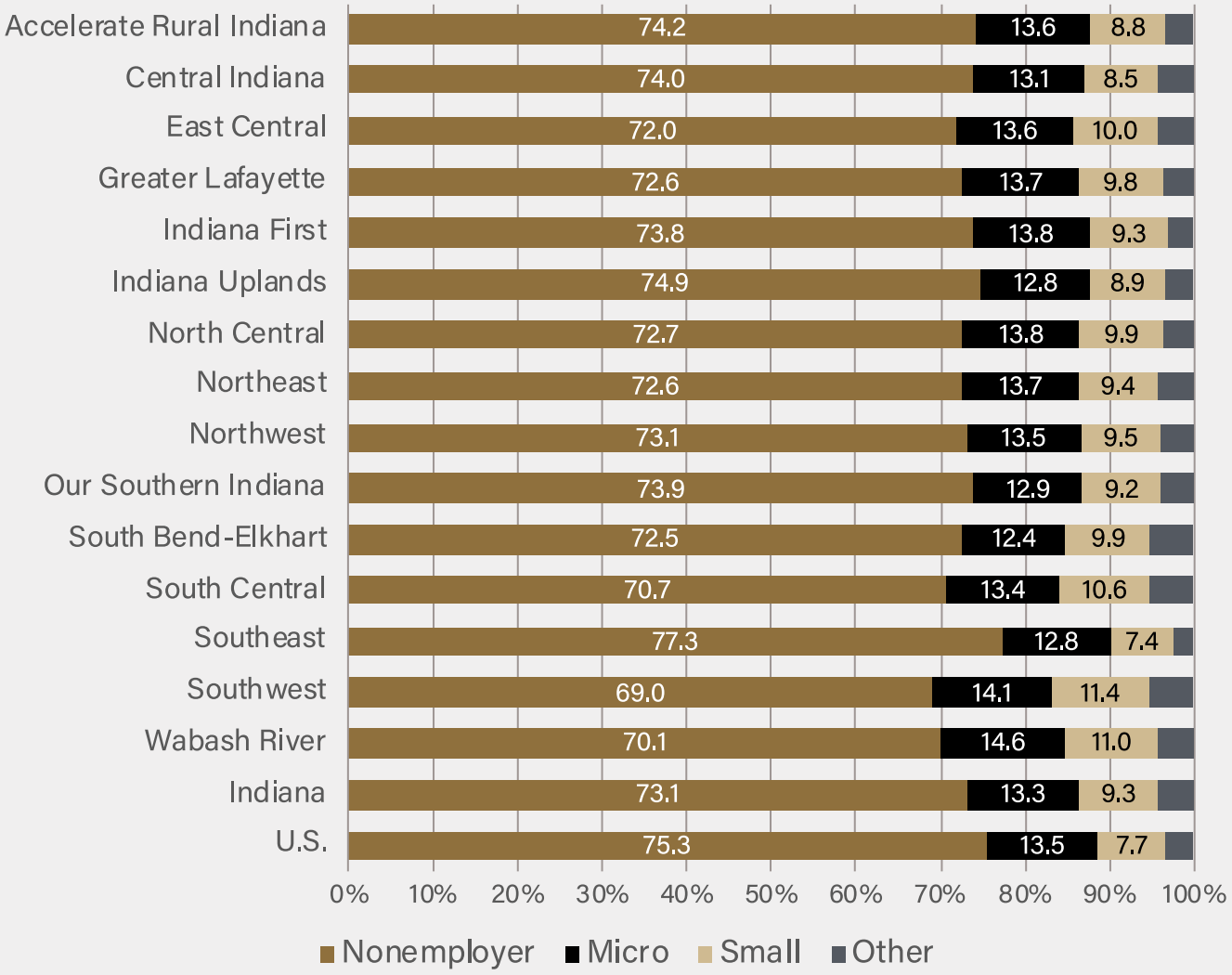
FIGURE 13. 2013-2023 Percentage Change in Establishment by Type



Source: U.S. Census Bureau County Business Patterns & Nonemployer Statistics

As of 2023, most establishments across regions, the state, and the nation were nonemployers. The Southeast had the highest share of nonemployer establishments, while the Southwest had the lowest. Recall that the Southeast region also had the highest entrepreneurship efficiency metric. In Indiana, micro establishments accounted for roughly 13 percent of establishments, while small ones accounted for less than 10 percent. All other establishments, or those with 20 employees or more, accounted for about four percent of establishments.

FIGURE 14. 2023 Share of Establishments by Type



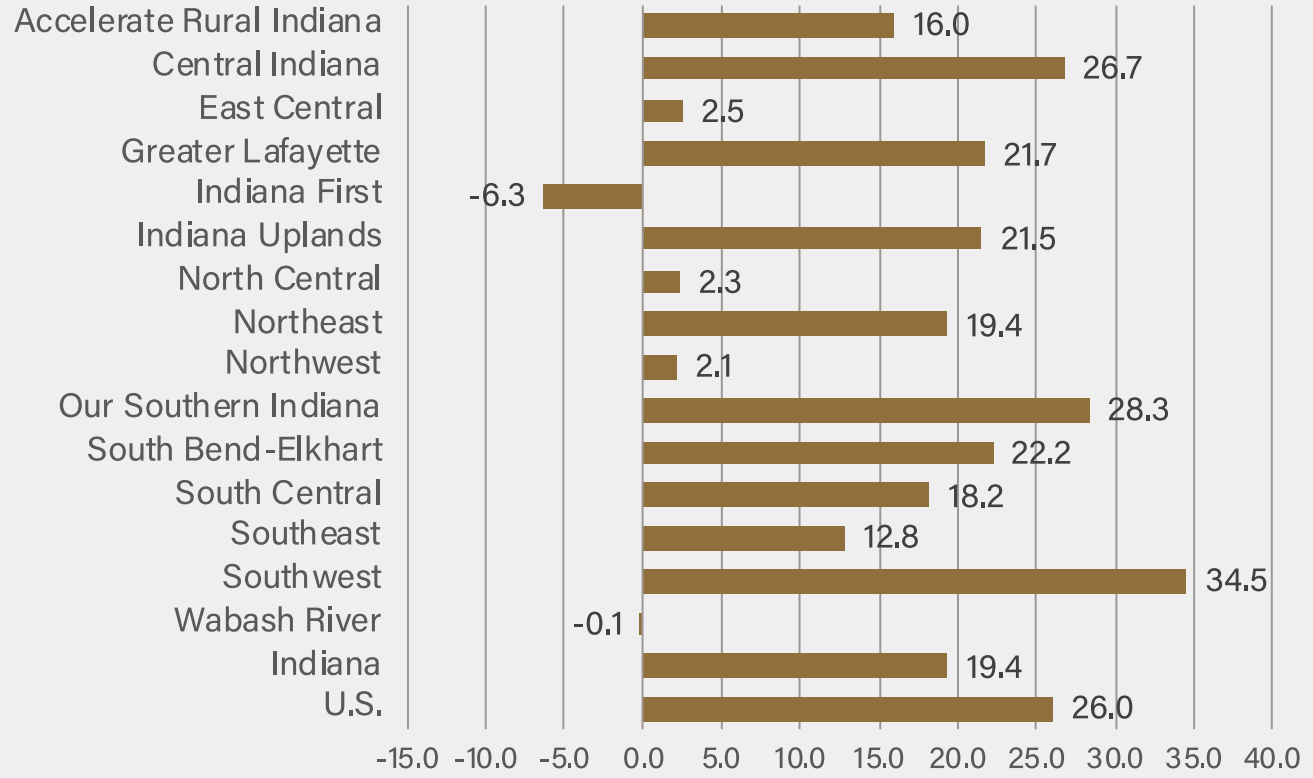
Source: U.S. Census Bureau County Business Patterns & Nonemployer Statistics

The last two variables analyzed to better understand the economic development landscape of Indiana regions are the county-level gross domestic product[8] and job productivity (GDP divided by number of workers). Lightcast data[9] was used for the total number of jobs, while GDP data was obtained from the Bureau of Economic Analysis (BEA). These numbers looked at the differences between 2014 and 2024[10].

Figure 15 shows the percentage change in gross domestic product between 2014 and 2024 and tells an interesting story. Remember, these are real dollars adjusted for inflation (2024 dollars). The GDP in 10 of the 15 regions increased by more than 10 percent, while increasing 20 percent or more in six regions. The GDP in the Wabash River region stayed the same while declining a little more than six percent in the Indiana First region.

Overall, the state's real GDP (aggregated from county-level statistics) increased from $435 billion in 2014 to almost $520 billion in 2024 (not shown). More than half (51.9 percent) of this $84 billion increase took place in the Central Indiana region (not shown). In other words, the Central Indiana region's GDP increased by $43.4 billion between 2014 and 2024, accounting for close to 40 percent of the state's GDP as of 2024. The Northeast region accounted for 11 percent of this increase, while the South Bend-Elkhart region placed third with 9.1 percent (not shown).

FIGURE 15. 2014-2024 Real GDP Change



Source: Bureau of Economic Analysis

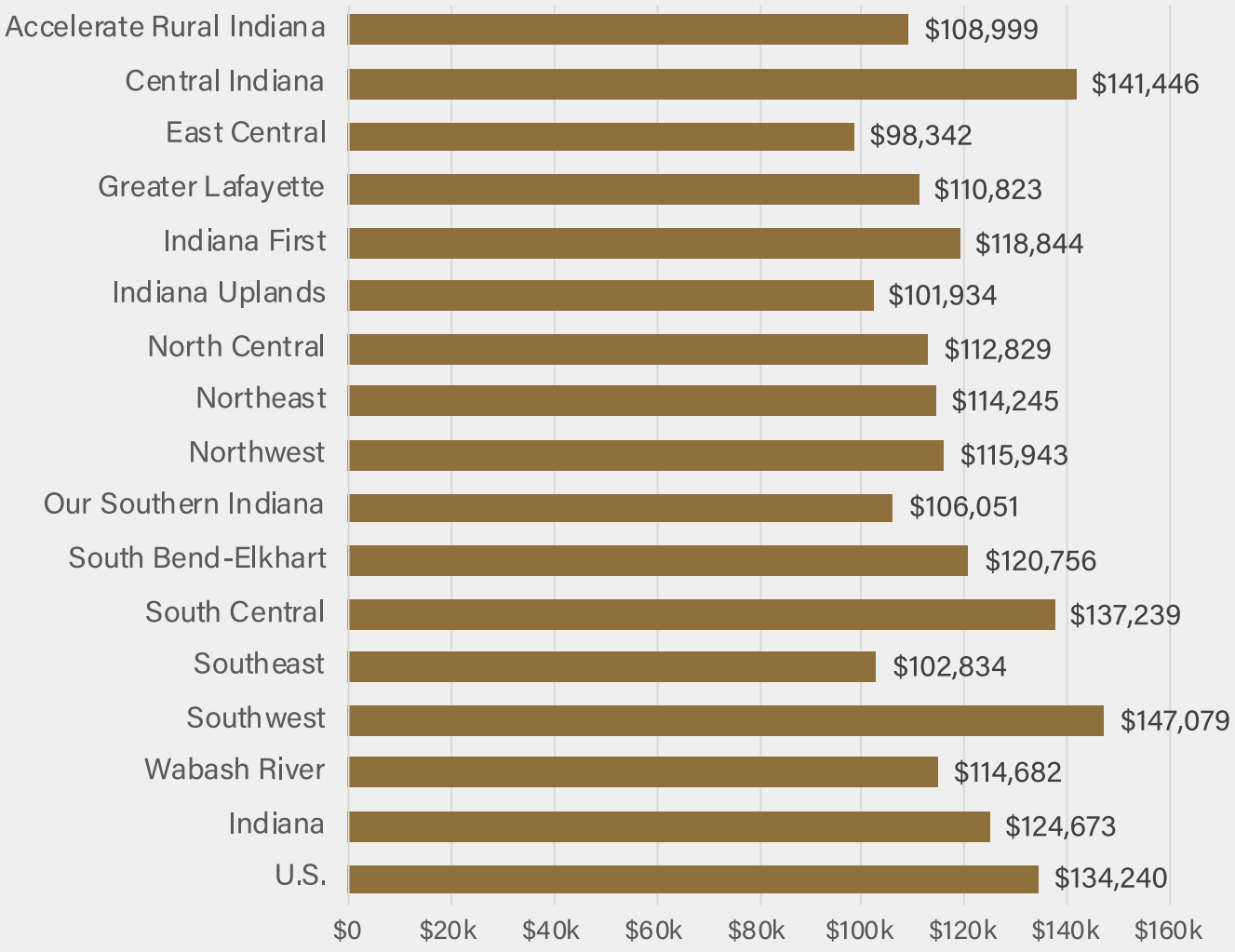
[8] Regional, state, and national GDP numbers were aggregated from county-level statistics. Amounts may differ from BEA state and national figures.

[9] Based on QCEW Employees, Non-QCEW Employees, Self-Employed, and Extended Proprietors class of workers.

[10] 2014 data adjusted for inflation to 2024 dollars. The 2024 deflator was calculated (1.3215) averaging 2024 quarterly data from the BEA.

Regarding job productivity, **Figure 16** shows GDP per worker in 2024. Despite the Southwest region accounting for less than six percent of the state's GDP, it had the highest job productivity across Indiana regions, with a little more than $147,000 GDP per worker. The East Central region had the lowest productivity with a little more than $98,300 GDP per worker.

FIGURE 16. 2024 GDP per Worker



Source: Bureau of Economic Analysis; Lightcast

CONCLUSIONS[10]

To wrap up this Research and Policy Insights report, **Figure 17** below shows a dashboard with trends on all variables and all Indiana regions. Several observations emerge from this dashboard. Some regions show consistent strength across multiple indicators, where Central Indiana leads in worker growth and share of the state's GDP. Others show mixed signals. For example, Indiana First experienced the state's only GDP decline, yet its white-collar share of industries and occupations increased.

FIGURE 17. Selected Economic Development Variables Dashboard

Region	Worker Growth (%)	Occupation Type Ch. (%)	GDP Change (%)	% of IN GDP (2024)	Job Productivity (TH$; 2024)	Estab. Ch. (%)
Accel. Rural IN	5.1	Blue ↓ White ↑	16.0	1.1 (Lowest)	$108	MB ↑; SB ↑; NE ↑
Central Indiana	20.2 (Highest)	Blue ↑ White ↑	26.7	39.9 (Highest)	$141 (2nd Highest)	MB ↑; SB ↑; NE ↑
East Central	2.9	Blue ↑ White ↑	2.5	3.5	$98 (Lowest)	MB ↓; SB ↓; NE ↑
Greater Lafayette	8.5	Blue ↑ White ↑	21.7	3.9	$110	MB ↑; SB ↑; NE ↑
Indiana First	0.5 (Lowest)	Blue ↓ White ↑	-6.3 (Lowest)	1.4	$118	MB ↑; SB ↓; NE ↑
Indiana Uplands	5.1	Blue ↑ White ↑	21.5	4.3	$101 (2nd Lowest)	MB ↑; SB ↑; NE ↑
North Central	2.8	Blue ↑ White ↑	2.3	2.4	$112	MB ↑; SB ↓; NE ↑
Northeast	10.4	Blue ↑ White ↑	19.4	11.0 (2nd Highest)	$114	MB ↑; SB ↑; NE ↑
Northwest	7.2	Blue ↑ White ↑	2.1	9.8	$115	MB ↑; SB ↑; NE ↑
Our Southern IN	13.2 (2nd Highest)	Blue ↑ White ↑	28.3	3.2	$106	MB ↑; SB ↑; NE ↑
South Bend-Elk.	7.2	Blue ↑ White ↑	22.2	8.2	$120	MB ↑; SB ↑; NE ↑
South Central	10.0	Blue ↑ White ↑	18.2	2.7	$137	MB ↑; SB ↑; NE ↑
Southeast	5.5	Blue ↑ White ↑	12.8	1.1 (Lowest)	$102	MB ↑; SB ↑; NE ↑
Southwest	3.6	Blue ↑ White ↑	34.5 (Highest)	5.6	$147 (Highest)	MB ↑; SB ↑; NE ↑
Wabash River	1.0 (2nd Lowest)	Blue ↑ White ↔	-0.1	2.0	$114	MB ↑; SB ↓; NE ↑

Notes: Blue and White refer to collar workers by occupation; MB refers to micro businesses; SB refers to small businesses; NE refers to Nonemployers.

[10] This section was written almost entirely by Claude Opus 4.6. Authors uploaded the report and prompted AI for key insights and regional highlights considering all economic development variables analyzed. Authors reviewed, edited, and corrected minor errors before finalizing the section.

Indiana's economy grew meaningfully over the past decade, adding more than 317,000 workers and nearly $84 billion in real GDP between 2014 and 2024. However, those gains are extraordinarily concentrated. Central Indiana alone accounted for 56 percent of the state's new workers, more than half of its GDP growth, and led in establishment creation — reinforcing its position as the undisputed economic engine of the state. The Northeast, Northwest, and South Bend-Elkhart regions round out the top tier, collectively contributing another 29 percent of state GDP, meaning just four of the fifteen regions produce roughly 70 percent of Indiana's economic output.

The structure of Indiana's economy is shifting, though at different speeds across regions. Statewide, white-collar industries and occupations grew substantially — driven by education, healthcare, and professional services — while blue-collar employment also grew, led by transportation/warehousing and construction. Yet Indiana remains significantly more manufacturing-dependent than the nation, with manufacturing's share of blue-collar jobs running nearly 14 percentage points above the national average.

Three regions (Northeast, South Bend-Elkhart, and South Central) have manufacturing shares at or above 50 percent of blue-collar employment, making them particularly exposed to shifts in that sector. Meanwhile, sales and office occupations declined across every region, with the state losing 75,000 workers in that category — a structural shift likely tied to automation and digital transformation that policymakers should monitor closely.

The decline of 75,000 sales and office workers across every Indiana region over a single decade is not a cyclical downturn; it reflects a structural transformation in how routine cognitive work gets done. The fact that this decline was universal — hitting every single region, the state, and the nation — confirms it is driven by technological adoption patterns rather than by any one region's economic context. For Indiana's smaller and rural regions, this matters acutely: sales and office jobs have traditionally been accessible entry points into white-collar employment for workers without four-year degrees, meaning the erosion of this occupational category narrows one of the key ladders into higher-paying work.

The interaction between industries/occupations and blue/white-collar categories paints a divergence between where businesses are growing and what workers are doing. Indiana gained roughly 177,400 white-collar industry workers, but the occupational data shows that white-collar occupational gains were concentrated entirely in management, business, science, and arts — the higher-skill, higher-credential end of the spectrum.

In other words, white-collar industries are expanding, but the jobs being created within them increasingly demand advanced skills, while the more accessible white-collar roles (sales and office) are disappearing. Similarly, on the blue-collar side, the state added about 139,000 industry workers, with transportation/warehousing and construction leading. Yet occupationally, production and material-moving roles saw mixed trends across regions, while natural resources, construction, and maintenance occupations grew in nine of fifteen regions. This signals a compositional shift even within blue-collar work — away from repetitive factory-floor production and toward skilled trades, logistics coordination, and maintenance of increasingly complex equipment and systems.

Some of the most telling insights come from smaller and rural regions. The Indiana First region had both the lowest worker growth rate and a real GDP decline of more than six percent, making it arguably the most economically distressed region over the decade. In contrast, the Southeast region posted the state's highest entrepreneurship efficiency and the highest self-employment rate (tied with the Accelerate Rural Indiana region at 9.7 percent), suggesting that some smaller regions are finding entrepreneurial pathways to economic vitality. Our Southern Indiana region also showed encouraging momentum, ranking second in both worker growth rate and establishment growth.

Job productivity varies dramatically and doesn't always track with regional size. The Southwest region, despite contributing less than six percent of state GDP, posted the highest productivity at over $147,000 per worker, which is likely reflecting its concentration in energy and capital-intensive industries. East Central had the lowest at roughly $98,300 per worker, a gap of nearly $50,000 that signals significant differences in the types and quality of jobs across regions.

Small establishment trends appear to track closely with broader regional economic conditions. The four regions where small establishments (5–19 employees) declined—Wabash River, North Central, Indiana First, and East Central—are the same four regions showing the most consistent patterns across other indicators, including lower worker growth, GDP stagnation or decline, and, in East Central's case, the state's lowest job productivity. Because businesses in this size range are large enough to employ others but responsive enough to local conditions, their growth or contraction may reflect shifts in the regional business environment earlier or more clearly than aggregate indicators. These metrics warrant continued monitoring as READI regions track their progress.

Finally, the relationship between establishment growth and workforce expansion deserves attention. The state added more than 317,000 workers, but only roughly a little more than 11,450 new employer establishments. The roughly 96,000 new nonemployer establishments reflect a separate dynamic more closely aligned with self-employment trends. For regions where growth is concentrated among a smaller number of expanding employers, strategies that also support new firm formation may help build a broader and more resilient economic base over time.

The policy implications are nuanced: strategies that work for Central Indiana's diversified, white-collar-leaning economy will look very different from what's needed in manufacturing-heavy corridors like South Bend-Elkhart and South Central, or in regions like Wabash River and Indiana First that are struggling to grow at all. The statewide decline in sales and office occupations, the heavy reliance on education and healthcare as the dominant white-collar employer, and the wide productivity gap across regions all suggest that targeted, place-based economic development strategies — rather than one-size-fits-all approaches — will be essential for ensuring that Indiana's next decade of growth reaches all fifteen regions.

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