



## Journal of the Indiana Academy of the Social Sciences

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Volume 19

Article 10

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December 2016

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### Recommended Citation

Pollak, Micah (2016) "Socioeconomic and Demographic Trends of Northwest Indiana since 1970," *Journal of the Indiana Academy of the Social Sciences*: Vol. 19 , Article 10.

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## *Socioeconomic and Demographic Trends of Northwest Indiana since 1970\**

MICAH POLLAK  
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### **ABSTRACT**

Northwest Indiana is a region with a storied economic past. Once one of the dominant steel and manufacturing powerhouses of the United States, the region began a decline in the 1970s similar to that of other Rust Belt regions in the United States. Since the 1970s, the region has undergone dramatic change as it struggles to define itself for the 21st century. Despite these challenges, the socioeconomic and demographic characteristics and trends, when viewed at the regional level, appear quite typical for the United States. The representative nature of Northwest Indiana at this level conceals vast differences between cities within the region, however. In this paper, I analyze the broad socioeconomic and demographic changes in Northwest Indiana at the city level since the 1970s. I find significant variation between cities within the region in terms of trends in population, income, age, education, race, ethnicity, and poverty. The former urban core of the region still faces significant challenges, while some of the surrounding cities and towns have been extremely successful and are developing more quickly than the State of Indiana and the nation overall.

**KEY WORDS** Northwest Indiana; Rust-Belt Economics; Gary, Indiana

*Gary is a misnomer. The new steel capital on the southern lip of Lake Michigan ... should have been christened Economy, Indiana.*

—Will H. Moore (1909:23)

In 1909, Will H. Moore, a Chicago real-estate man, wrote that the conditions in Gary, Indiana, foretold the coming of a “second Pittsburgh—but smokeless, clean and attractive” (Moore 1909:7). He had no idea how prescient his claim would be, as Gary would follow both the meteoric rise and then tumbling decline of other major manufacturing cities in the United States. Unfortunately for the city of Gary, another claim of Will H. Moore did not hold true: “that if for any period through lessened

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demand the United States Steel Co.'s production should fall off one-half, all of the steel they make will be made at Gary, and all their other still mills in the country closed down until demand increases" (Moore 1909:7). Although the decline of Gary is tragic, the implications go well beyond the city limits. Perhaps the saying ought to be "As Gary goes, so goes Northwest Indiana." Despite the significant economic changes in Northwest Indiana since the 1970s, looking at the area from a regional level shows socioeconomic and demographic trends that are very similar to those of the state and the nation. By digging deeper and looking at Northwest Indiana from the scale of individual cities, however, we see dramatically different trends emerge.

Northwest Indiana has been an important economic center of Indiana and the Midwest for more than a century. The rise of the region as a steel and manufacturing powerhouse began in the early 1900s with the construction of the United States Steel Company's Gary Works, which at the time, according to Will H. Moore, was "the largest enterprise of the human race in all history" and represented "seven-eighths of the total capacity of all of the United States Steel Co.'s other mills in the United State put together" (Moore 1909:7). As steel production grew, workers flocked to the region to take advantage of stable, high-paying jobs. Between 1920 and 1960, the percent of the State of Indiana's population living in Lake County doubled from 5.5 percent to 11 percent and the population of the urban core cities in Lake County (Gary, Hammond, East Chicago) almost tripled, going from 127,349 to 347,687. At its economic peak in 1960, occupying only 1.7 percent of the land area of Indiana, Lake County was home to 11 percent of the state's population and generated 11.8 percent of income in the state.

Although today, Northwest Indiana is not the world economic force it once was, it remains important to both Indiana and the Midwest. In 2014, Lake County was home to 7.5 percent of the state's population and generated 7.3 percent of the income in Indiana. The Gary Works remains U.S. Steel's largest domestic facility, and in 2014, the Great Lakes region was responsible for about 40 percent of all steel produced in the United States, much of which was produced in Northwest Indiana (American Iron and Steel Institute 2014). In addition, Northwest Indiana remains a major transportation hub for the Midwest, with major international ports at Indiana and Burns Harbors, an international airport in Gary, three Class I railroads, multiple major interstates, and convenient access to the greater Chicago area.

The economic forces behind the sudden economic decline of the urban manufacturing core of Northwest Indiana are similar to those behind the collapse of other Rust Belt cities, such as Detroit, Youngstown, Flint, and Cleveland. Despite the economic importance of the Rust Belt region in the United States in the 1960s and 1970s, there is surprisingly little economic research on the decline of these regions. In general, the decline of these urban areas was primarily due to the overreliance on a single industry. High (2015) provides an overview of the economic and cultural factors leading up to the decline of North American manufacturing, with special focus on the steel industry. The traditional argument in the case of the steel industry is based on a combination of decreased competitiveness and increased pressure from international competition. Yoon (2013) argues that the decline of Rust Belt cities can be attributed in part to rapid technological change in manufacturing. Alder, Lagakos, and Ohanian (2014)

construct a general equilibrium model that explains roughly half of the decline in manufacturing employment for the Great Lakes Rust Belt region by declines in investment and productivity.

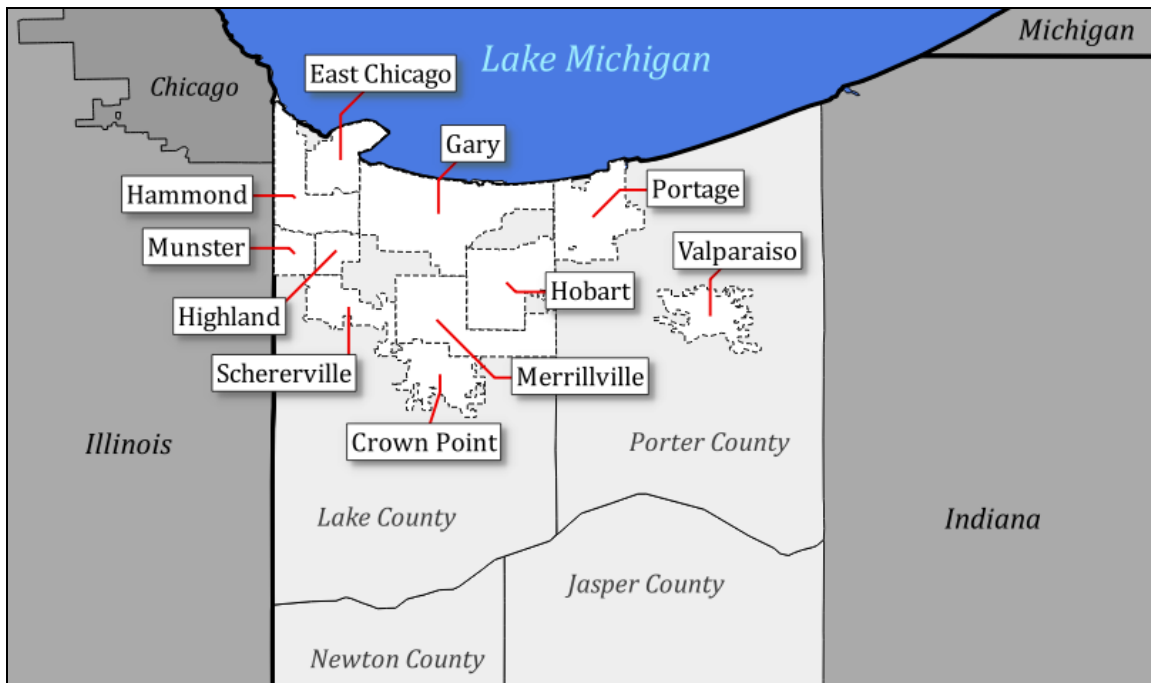
Although limited research focuses on the economics of the collapse, even less focuses on Rust Belt regions in the long term after the collapse. The two notable exceptions are Blanchard et al. (1992) and Feyrer et al. (2007), which look at the long-term consequences of the collapse in the manufacturing, steel, and automobile industries. Both of these works focus on broadly aggregated Rust Belt regions, however; the first focuses on data at the state level, and the second focuses primarily on counties and major statistical areas. Although Feyrer et al. do focus some on the city level, their data do not include the Rust Belt cities of Northwest Indiana. In addition, although focusing on the county level may be reasonable for a city such as Detroit, which in 1960 contained 63 percent of the county's population, it is less reasonable for a city such as Gary, which in 1960 contained only 35 percent of its county's population.

Although Barnes (2012) and O'Hara (2011) both discuss Northwest Indiana and some of the other cities in the region, their focus is primarily on the city of Gary. In this paper, I focus on the socioeconomic and demographic changes that occurred in the years after the decline of US manufacturing in the 1960s and 1970s within the region of Northwest Indiana at the city level. I demonstrate that the aggregate trends observed at the regional level for Northwest Indiana do not accurately reflect trends at the city level. When viewed at a regional level, Northwest Indiana appears to be fairly representative of the United States in terms of levels and trends in income, education, age, race, ethnicity, and poverty rates; however, when we look more closely at the city level, broad disparity in these variables emerges. To the best of my knowledge, this paper is the first to characterize and analyze the socioeconomic and demographic trends since 1970 within the region of Northwest Indiana and specifically among and between all the major cities and city groups in the region.

## **BACKGROUND INFORMATION**

The focus of this paper is on the major socioeconomic and demographic trends in Northwest Indiana at the city level. Although the exact definition of the term "Northwest Indiana" varies, for the purposes of this paper, and unless specified otherwise, the term will refer to the four counties in the geographic northwest of Indiana, or the counties of Lake, Newton, Porter, and Jasper. This definition is also chosen to be consistent with the Bureau of Labor Statistics' definition of the Gary Metropolitan Area. In addition, I use the term "regional level" to refer to data aggregated for this Northwest Indiana region. The main sources of data are the US Decennial Census of Population and Housing for years before 2000, and the US Census Annual Community Survey for years after 2000.

In 2014, Northwest Indiana had 11 major cities with populations over 20,000. These 11 cities account for more than 60 percent of the population in Northwest Indiana. For this analysis, I focus primarily on these 11 major cities, comparing both across them, as well as with the Northwest Indiana region, the state and nation. Figure 1 provides a map of Northwest Indiana showing the locations of these 11 cities.

**Figure 1. Northwest Indiana and Major Cities**

Source: U.S. Bureau of the Census Geographic Cartographic Boundary Files.

Between 1900 and 1970, the population of Northwest Indiana grew twice as fast as that of the nation and three times as fast as that of the State of Indiana. After 1970, the population growth of Northwest Indiana abruptly stopped. From 1970 to 2014, the population of the United States grew by more than 110 million (54.5 percent, or 1 percent per annum) while the population of Indiana grew by more than 1.3 million (25.9 percent, or 0.5 percent per annum). During this same period, the population of Northwest Indiana remained relatively stagnant, adding only 40,000 people (6.2 percent growth, 0.1 percent per annum). Although at the regional level, population remained relatively unchanged, within the major cities of Northwest Indiana, the population changes were dramatic. Table 1 shows the population change between 1970 and 2014 for the 11 major cities in Northwest Indiana, as well for the county level, for Indiana and for the United States.

The precipitous decline following the 1970 peak of the American steel industry led to a mass exodus of people from the traditional urban and manufacturing core cities in Northwest Indiana. The city of Gary was the hardest hit, losing half of its population in fewer than 40 years. East Chicago and Hammond also suffered, losing 37.5 percent and 26.2 percent of their populations, respectively, between 1970 and 2014. Despite this staggering decline in population, however, many did not move far. The declines in population in the urban core were offset by strong population growth in neighboring cities. Much of the population growth in these cities during this time was driven by manufacturing workers relocating from the urban core cities (Barnes 2012; O'Hara 2011). While more than 140,000 people left the three cities of Gary, East Chicago, and

Hammond between 1970 and 2014, the remaining eight major cities in the region added more than 100,000 people. (For complete data on population in Northwest Indiana cities and counties between 1970 and 2014, see Table A1.)

**Table 1. Population Changes for Northwest Indiana Cities, 1970–2014**

<b>County/City</b>	<b>1970</b>	<b>2014</b>	<b>% Change</b>	<b>Annualized Growth Rate</b>
<i>Lake County</i>	546,253	493,140	-9.7	-0.2%
Schererville	3,663	29,082	693.9	4.8%
Crown Point	10,931	28,259	158.5	2.2%
Merrillville	15,918	35,262	121.5	1.8%
Munster	16,514	23,325	41.2	0.8%
Hobart	21,485	29,136	35.6	0.7%
Highland	24,947	23,429	-6.1	-0.1%
Hammond	107,790	79,585	-26.2	-0.7%
East Chicago	46,982	29,387	-37.5	-1.1%
Gary	175,022	79,165	-54.8	-1.8%
<i>Porter County</i>	87,114	165,819	90.3	1.5%
Portage	19,127	37,008	93.5	1.5%
Valparaiso	20,020	31,745	58.6	1.1%
<i>Newton County</i>	11,606	14,140	21.8	0.4%
<i>Jasper County</i>	20,429	33,443	63.7	1.1%
<i>NWI Combined Counties (Lake, Porter, Newton &amp; Jasper)</i>	665,402	706,542	6.2	0.1%
Indiana	5,195,392	6,542,411	25.9	0.5%
United States	203,302,031	314,107,084	54.5	1.0%

*Note:* NWI = Northwest Indiana.

*Sources:* U.S. Bureau of the Census (1970, 1980, 1990, 2000, 2010, 2014).

The 11 major cities in Northwest Indiana today can be roughly categorized into four groups based on median household income and location. These groups also share many socioeconomic and demographic similarities. To aid discussion, I focus on the four city groups shown in Table 2 wherever possible and highlight whenever there is a significant deviation by a city within a group.

Although these city groups are based on income and county, there is another way to interpret their groupings. Group 1 represents the traditional urban core of Lake County, heavily focused on steel production and manufacturing. The three cities in this group

were also the three largest cities in the region for most of the 20th century. Group 2 represents cities immediately neighboring group 1 that primarily served as bedroom communities for workers in the urban core. Group 3 represents a mix of traditionally rural towns and suburban cities, all one degree farther away from the urban core and even less directly involved with manufacturing. Finally, group 4 represents the two major cities to the east in Porter County.

**Table 2. Northwest Indiana Major City Groupings**

	<b>City</b>	<b>Median Household Income (2014)</b>	<b>County</b>
<b>Group 1</b>	Gary	\$27,458	Lake
	East Chicago	27,215	Lake
	Hammond	39,771	Lake
<b>Group 2</b>	Merrillville	49,711	Lake
	Hobart	55,840	Lake
	Highland	62,738	Lake
<b>Group 3</b>	Crown Point	64,250	Lake
	Schererville	69,011	Lake
	Munster	72,532	Lake
<b>Group 4</b>	Portage	51,180	Porter
	Valparaiso	49,656	Porter

*Source:* U.S. Bureau of the Census (2014).

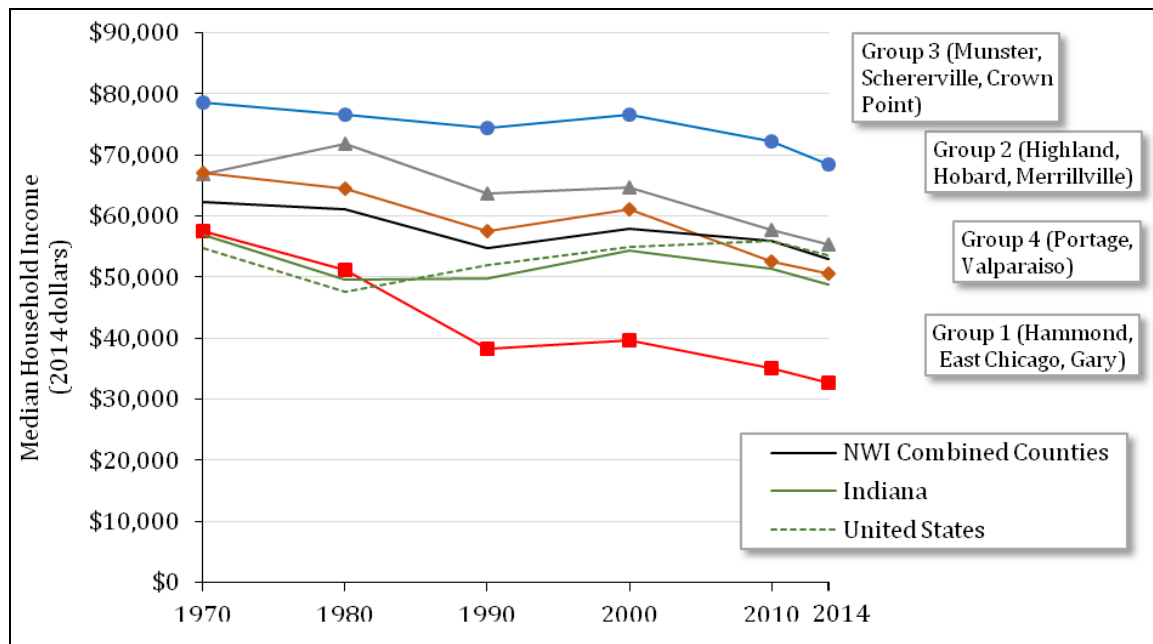
**CITY-LEVEL TRENDS AND ANALYSIS**

Between 1970 and 2014 at the regional level, Northwest Indiana appeared relatively typical compared to the State of Indiana and the United States overall. Socioeconomic and demographic variables such as median household income, median age, race, and ethnicity in Northwest Indiana tracked fairly closely with those in the state and nation. Aggregation at the regional level conceals significantly different trends within Northwest Indiana at the city (and city group) level, however.

One area in which the trend at the regional level conceals changes at the city level is in median household income. Figure 2 shows the real median household income between 1970 and 2014 for the four city groups in Northwest Indiana. In 1970, median household income in the urban core (group 1) was similar to the state and national median household incomes. As the steel industry continued to struggle, median household income in these cities fell significantly below the national average. In 2014, the median household income for the cities of Gary and East Chicago was \$26,000 less

than, or approximately half of, the national average. Hammond did not fall as far, with median household income dropping to only 75 percent of the national average.

**Figure 2. Northwest Indiana Median Household Income, 1970–2014**



Note: NWI = Northwest Indiana.

Source: U.S. Bureau of the Census (1970, 1980, 1990, 2000, 2014).

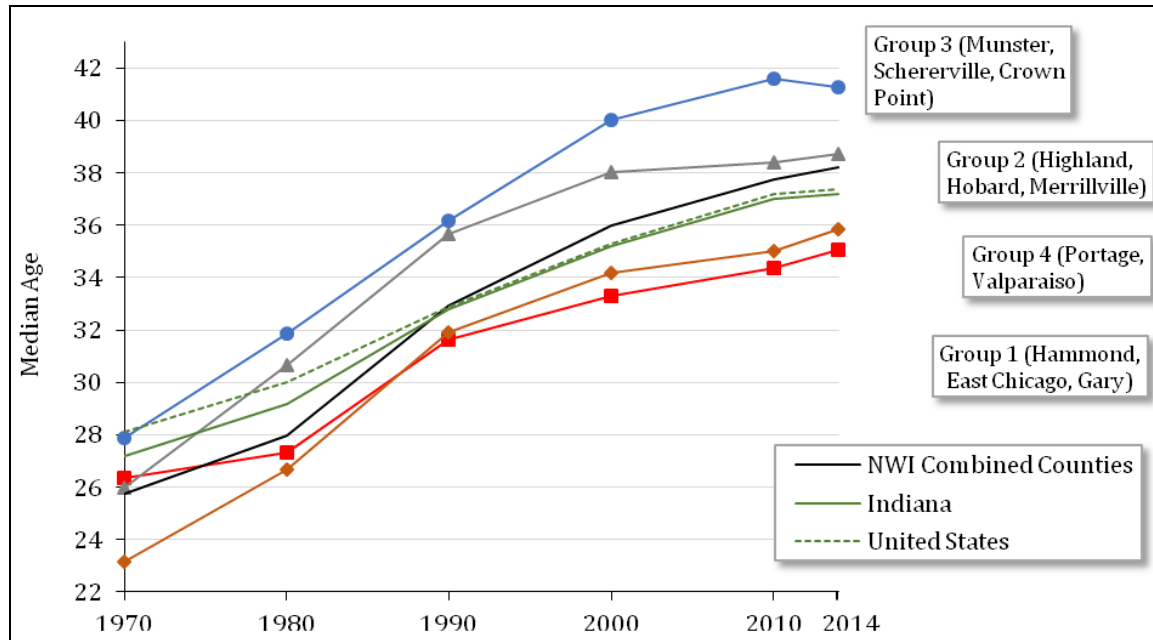
While historically, the other city groups (groups 2, 3, and 4) were well above the state and national median for household income, the difference for most has shrunk over time. Only the cities in group 3 (as well as Highland in group 2) remain significantly above the state and national median for household income. For the cities in group 3, the median household income has consistently remained at least 20–30 percent higher than the national median since 1970. These trends at the city level can be explained by older, more affluent households with higher life-cycle earnings leaving the urban core cities and relocating to the other cities in Northwest Indiana. (For complete data on median household income in Northwest Indiana cities and counties between 1970 and 2014, see Table A2.)

The median age for the population of Northwest Indiana has also closely followed the trend at the state and national levels; however, similar to income, the difference in median age across cities in the region has been widening. Figure 3 shows the median age by city group between 1970 and 2014. Since 1990, the more affluent city groups 2 and 3 have been well above the state and national median age while groups 1 and 4 have fallen further below. Since 1970, the median age for group 1 cities has gone from 1.7 years younger than the nation to 2.3 years younger, while the median age for groups 2 and 3



has grown older relative to the nation. The median age of group 2 went from 2.8 years younger than the nation to 1.3 years older. Group 3 went from 0.3 years older to 3.9 years older, and group 4 went from 4.9 years younger to 1.5 years younger. (For complete data on median age in Northwest Indiana cities and counties between 1970 and 2014, see Table A3.)

**Figure 3. Northwest Indiana Median Age, 1970–2014**



*Note:* NWI = Northwest Indiana.

*Sources:* U.S. Bureau of the Census (1970, 1980, 1990, 2000, 2014).

Relative changes to the median age of a city’s population do not always have an immediately obvious economic interpretation and may be positive or negative depending on what drives the change. For example, a decrease in the median population age may be beneficial and may signal potential for strong future growth if it is driven by an inflow of younger, well-educated individuals, or it can be a symptom of economic decline if it reflects the moving away of older, more affluent households. Likewise, an aging population could be a symptom of economic decline in the long term if there are not sufficient young households to maintain the city population, or it could reflect the establishment of a more stable and wealthier community if caused by the inflow of older, higher-income households and individuals.

When combined with changes in median household income (Figure 2) and the level of education (Figure 4), the decrease in median age for the urban core cities and the increase in median age for the other cities shows a clear picture of intercity relocation in the region. Beginning in 1970, the decline of the steel industry drove older, more affluent

households away from the urban core and into the other city groups. Those that remained in the urban core were, on average, younger, less well-educated, lower-income, and generally less mobile. While these trends in median household income and median age are visible when viewed at the city level, they offset each other and disappear when aggregated to the regional level. There are trends in some other socioeconomic and demographic characteristics that are significant enough to be visible at the regional level, however. These trends exhibit even greater variation when viewed at the city and city-group levels.

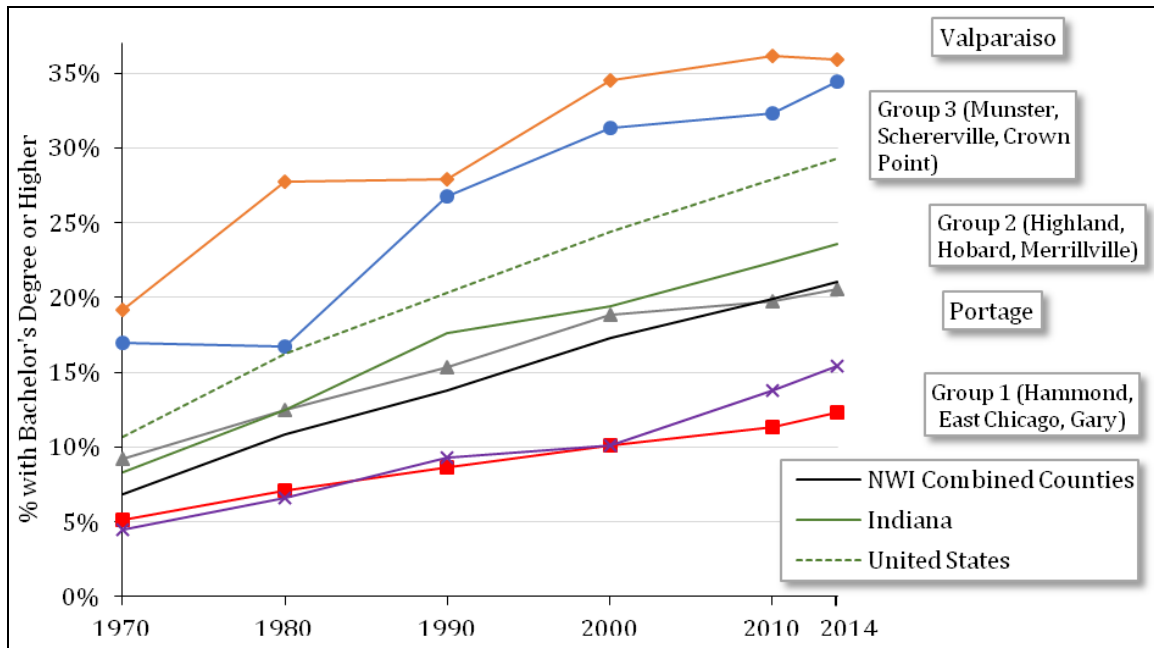
One of the best predictors of lifetime earnings is education level. The median lifetime earnings for a worker with a bachelor's degree are 74 percent higher than for a worker with only a high school diploma, and 133 percent higher than for a worker with no high school diploma (Carnevale, Rose, and Cheah 2011). As a result, trends in education are likely to be closely related to trends in household income. Figure 4 shows the percent of the college-aged population (those 25 years and older) with a bachelor's degree or higher by city group. Because the city of Valparaiso differs significantly from Portage, the figure breaks group 4 into the two individual cities. Unlike median household income and median age, the education level in Northwest Indiana is noticeably different than that of the state and nation. In 1970, the percent of the college-aged population in Northwest Indiana with at least a bachelor's degree was 6.8 percent compared to Indiana's 8.3 percent (18 percent lower) and the nation's 10.7 percent (35.9 percent lower). Since then, Northwest Indiana has seen growth in college education but still remains well behind the state and the nation. In 2014, the percent of the college-aged population in Northwest Indiana with at least a bachelor's degree was up to 21.1 percent, compared to Indiana at 23.6 percent and the nation at 29.3 percent. (For complete data on percent of population in Northwest Indiana cities and counties with at least a bachelor's degree between 1970 and 2014, see Table A4.)

Viewed from a regional level, Northwest Indiana appears to be behind the state and the nation in terms of college education, but still roughly keeping pace. The story is different for the cities within the region, however. In the group 1 cities, the college education rate has increased from 5.1 percent in 1970 (38 percent below the state and 52 percent below the nation) to only 12.3 percent in 2014 (48 percent below the state and 58 percent below the nation). Within group 1, the college education rates in 2014 were 7.5 percent in East Chicago, 13.1 percent in Gary, and 13.2 percent in Hammond. In 2014, all of the cities in group 3, along with the city of Valparaiso,<sup>1</sup> had an education rate significantly higher than that for the state and the nation, while the remaining seven cities had an education rate significantly lower than that of both the state and the nation. Although the percentage of the population that is college-educated has been increasing in the urban core cities, it has not been increasing fast enough to keep up with expansion of education in the state and nation.

At the regional level, the race and ethnicity demographics for Northwest Indiana appear quite typical for the United States. In 2014, Northwest Indiana was 71 percent white, 18 percent black, and 15 percent Hispanic or Latino, compared to the national average of 74 percent white, 13 percent black, and 17 percent Hispanic or Latino. For the most part, between 1970 and 2014, regional racial and ethnicity demographics followed

national trends quite closely. Race and ethnicity at the city level differs dramatically from the aggregate for the region, however. Figures 5 and 6 show the racial and ethnicity trends for Northwest Indiana.

**Figure 4. Percent of Northwest Indiana Population with Bachelor’s Degrees or Higher**

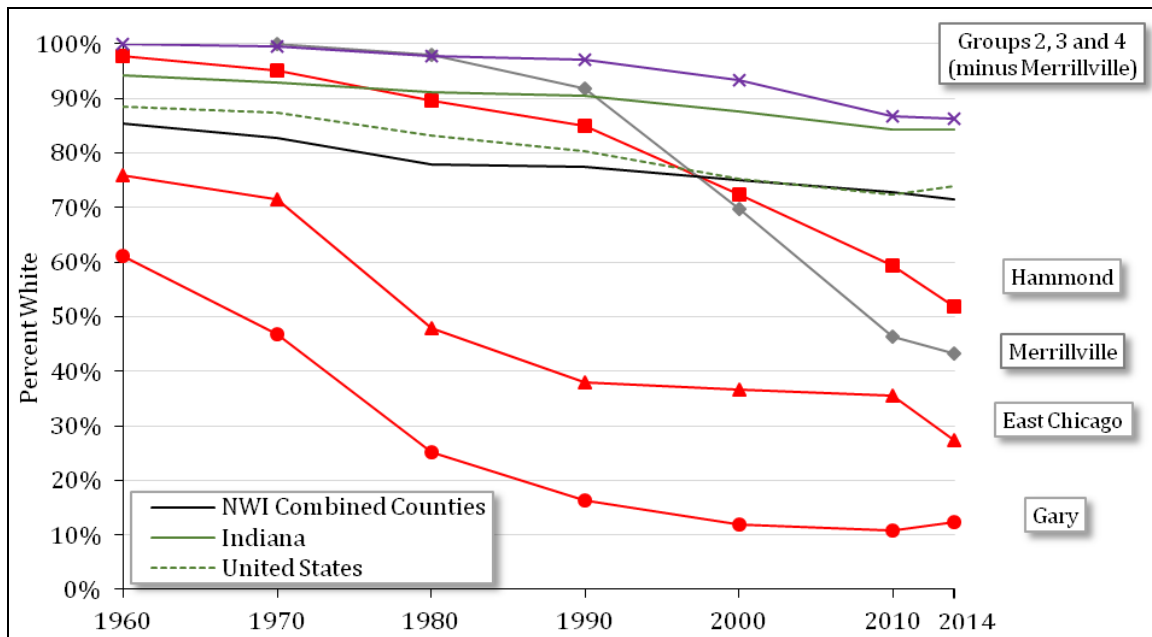


Note: NWI = Northwest Indiana.

Sources: U.S. Bureau of the Census (1970, 1980, 1990, 2000, 2010, 2014).

One of the fundamental stories behind the social and economic change in Northwest Indiana is the racial component of the mass exodus of population from Gary in the 1960s and later. O’Hara (2011) and Barnes (2012) discuss the social and economic reasons behind this mass outmigration from the city, including the decline of the steel industry as well as racism and backlash after the election of one of the nation’s first black mayors, Richard G. Hatcher. According to Barnes (2012), during this time, there was a migration out of the city by whites to cities such as Merrillville and Portage. This type of race-based outmigration also occurred in other urban manufacturing areas such as Detroit. A more detailed economic analysis of this type of trend in other U.S. cities can be found in Frey (1980). Evidence of this trend also can be seen in the census data. Figure 5 shows the white percentage of the population for cities in Northwest Indiana between 1960 and 2014. The most striking trend is for Gary, which went from 61 percent white in 1960 to 16 percent white only 30 years later.

**Figure 5. Northwest Indiana City Racial Composition, Percent White**

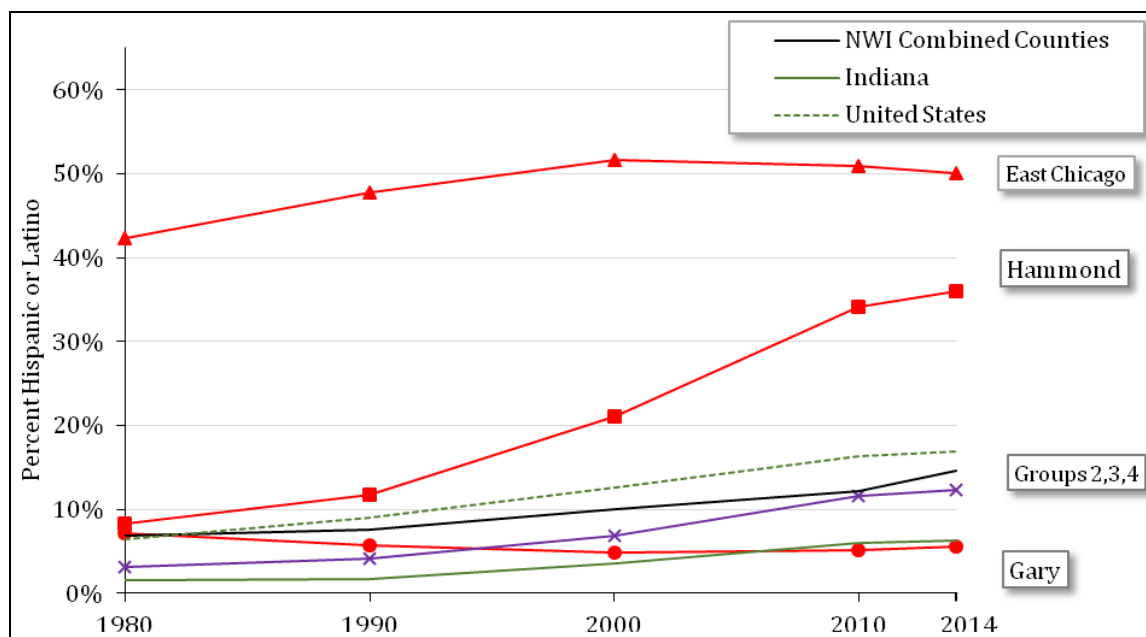


Note: NWI = Northwest Indiana.

Sources: U.S. Bureau of the Census (1960, 1970, 1980, 1990, 2000, 2010, 2014).

Gary was not the only urban core city that experienced a widespread outmigration by race, as East Chicago and Hammond also saw a significant decrease in the percentage of their white population. East Chicago went from 76 percent white in 1960 to 27 percent white in 2014, while Hammond went from 98 percent white to 52 percent white. Occurring later, the neighboring city of Merrillville also went from 98 percent white in 1980 to 43 percent white in 2014. All four of these cities experienced an almost 50 percentage point reduction in their white population over fifty years or less. While the percentage of the population that is white in Gary remains extremely low, it increased in 2014 for the first time since the city’s founding. The other seven cities have been relatively homogenous in terms of racial composition since 1970, decreasing from 100 percent white in 1960 to an average of 86 percent white, with no two cities ever differing by more than a few percentage points. (For more complete data on race in Northwest Indiana cities and counties between 1960 and 2014, see Table A5.)

If the racial changes in the urban core cities can be thought of as the major racial trend in the region, then the changes in the Hispanic and Latino population in East Chicago and Hammond represent the major ethnicity trend. Like racial composition, the ethnic composition of Northwest Indiana at the regional level is similar to that of the United States; however, ethnicity is significantly different for some individual cities in the region. Figure 6 shows the percent of the population of Hispanic or Latino descent by city group between 1980 and 2014.

**Figure 6. Northwest Indiana City Ethnicity, Percent Hispanic or Latino**

Note: NWI = Northwest Indiana.

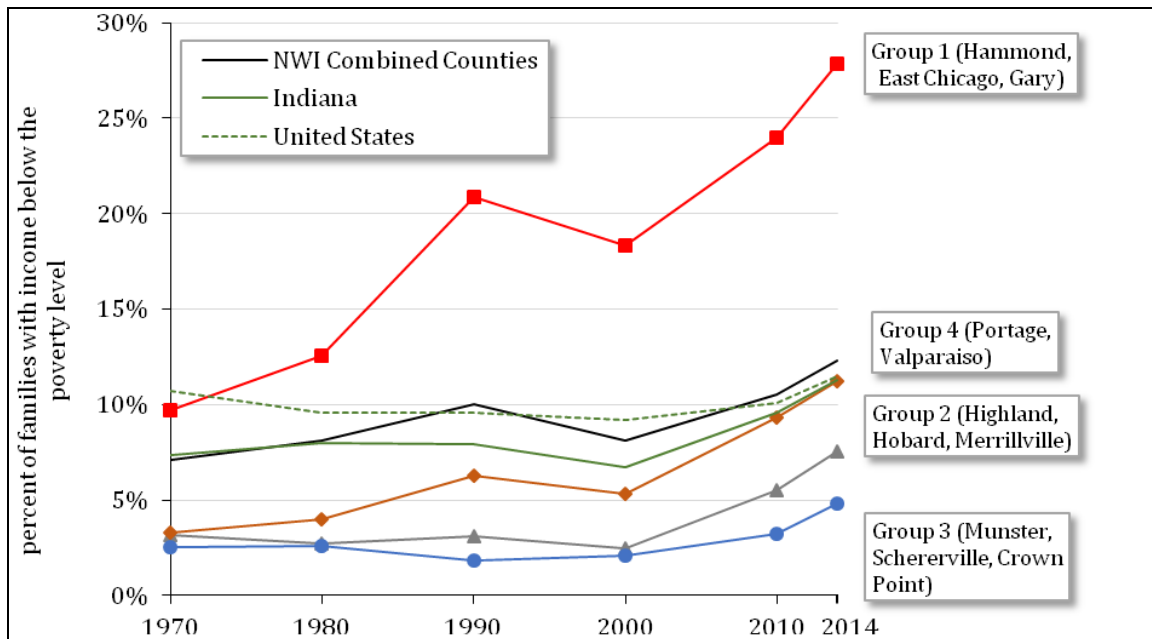
Sources: U.S. Bureau of the Census (1980, 1990, 2000, 2010, 2014).

Since at least 1980, East Chicago has been home to a much larger Hispanic and Latino population than the national average, and since 2000, the city has been majority Hispanic and Latino (50 percent in 2014). In Hammond, the population was 8 percent Hispanic or Latino in 1980, which was close to the national average. This rate began increasing in 1990, and by 2014, more than 36 percent of the population in Hammond identified as Hispanic or Latino. In contrast to these two urban core cities, Gary has the lowest percentage of population that is Hispanic or Latino, at 6 percent in 2014. The remaining eight cities in groups 2, 3, and 4 had a proportion of Hispanic and Latino population that in 2014 ranged from 7 to 17 percent and averaged 12.3 percent, which was well below the national average of 17 percent. (For more complete data on ethnicity in Northwest Indiana cities and counties between 1980 and 2014, see Table A6.)

One final important socioeconomic variable is the number of families living below the poverty rate. The definition of poverty level is determined in the census by a poverty threshold that has varied over time and is based on family size and composition. For example, in 2014, the poverty threshold for a family of two adults and two children was \$24,008. Like many of the other characteristics mentioned so far, the poverty rate for Northwest Indiana as a region has followed closely the level and trend of state and national poverty rates. In 2014, the poverty rate for Northwest Indiana was 12.3 percent, compared to 11.5 percent for the United States and 11.3 percent for the State of Indiana. Within the city groups of Northwest Indiana, however, there is considerable disparity.

Figure 7 shows the poverty rates of the city groups from 1970 to 2014. Not surprisingly, there is a strong inverse correlation between the poverty rates shown in this figure and median household income shown in Figure 2.

**Figure 7. Northwest Indiana Poverty Rates**



*Note:* NWI = Northwest Indiana.

*Sources:* U.S. Bureau of the Census (1970, 1980, 1990, 2000, 2010, 2014).

Consistent with their low median household income, the urban core cities in group 1 have the highest poverty rate in Northwest Indiana, with a rate of 34 percent in East Chicago, 33 percent in Gary, and 20 percent in Hammond. The poverty rate in East Chicago and Hammond has been in the double digits since 1990, while in Gary, it has been in the double digits since 1970. In 1970, the cities in group 4 had poverty rates well below the national level but have since seen poverty rise. In 2014, Portage had a poverty rate of 11.9 percent and Valparaiso had a poverty rate of 10.5 percent, both close to the national average of 11.5 percent. The other two city groups, groups 2 and 3, have consistently maintained poverty rates well below the national average. (For complete data on poverty rates in Northwest Indiana cities and counties between 1970 and 2014, see Table A7.)

## CONCLUSIONS

To an outsider, Northwest Indiana might look fairly representative of the United States. In 2014, the median household income was within 1 percent of the national median household

income and median age was within one year of both the state and national median ages. The percentage of the population with at least a bachelor's degree was also close to that of the national average. The racial and ethnic diversity of the region was similar to that of the nation, with 71 percent of the population white, 18 percent black, and 15 percent Hispanic or Latino (compared to the U.S. national averages of 74 percent, 13 percent, and 17 percent, respectively). The poverty rate in Northwest Indiana was lower, but similar to, the national rate. In addition, all of these socioeconomic and demographic characteristics have tracked fairly close to their national counterparts going back to 1970. The representative nature of Northwest Indiana at the regional level conceals wide differences in the characteristics and trends of the cities within the region, however.

At the city level, there is a strong dichotomy between the traditional urban core cities and those less closely tied to the steel industry. The urban core still accounts for 40 percent of the population in the region but has seen sharp declines in population. Gary and East Chicago, the largest and third largest city in the region for most of the 20th century, have both lost more than 50 percent of their populations since 1970. Over the same time, the median household income in these cities has fallen to half the national median. Although not quite as extreme, in Hammond, the population has declined by 29 percent and income by 36 percent since 1970. The population that remains in these cities is younger and less well-educated. In addition, 36 percent of Hammond's population is Hispanic or Latino, as is 50 percent of East Chicago's. Gary is 83 percent black and is one of the largest minority-majority cities in the United States, surpassed only by Detroit. Finally, the poverty rate in these urban core cities has steadily climbed since 1970 and in 2014 was two to three times the national rate, with one of every three people in Gary and East Chicago below the poverty threshold.

In contrast to the urban core cities, the larger traditionally rural towns and suburban cities in Northwest Indiana that are farther away from the urban core have prospered, in part because of the population migration out of the urban core. Those that could afford to relocate were older, wealthier, and better-educated households and families. As a result, since 1970, cities such as Munster, Schererville, and Crown Point saw their population, median household income, and education rates all grow significantly faster than those of the state and nation.

Positioned between these two groups (both geographically and economically) are the remaining major cities in Northwest Indiana. These cities have also seen their populations grow from their proximity to the urban core cities but have not benefited to the same extent. Median household income for these cities, which was 20–30 percent higher than the national median in 1970, has fallen to be on par with the nation. Although the percentage of the population with a college degree has increased by 19 points nationwide since 1970, in these cities (with the exception of Valparaiso), it increased by only half as much. Over the same time, poverty rates, which are still below the national average, have been increasing faster than for the state and the nation.

Despite its nationally representative appearance at the regional level, Northwest Indiana features profoundly different socioeconomic and demographic trends within the region among its major cities. These differences, which are visible only at the city level or finer, illustrate the challenges the region faces in developing a healthy and sustainable

economy in the future. Understanding the past trends is the first step toward reversing the negative ones. Any successful strategy to grow the economy of Northwest Indiana as a whole must acknowledge and take into consideration these historical trends in order to provide a comprehensive plan for economic growth in Northwest Indiana.

## ENDNOTE

1. Valparaiso is home to Valparaiso University, a major private residential university, which likely explains why the college education rate is much higher than in Portage despite their similar socioeconomic and demographic characteristics.

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## APPENDIX

Many of the data referenced in this paper are not available in a fully digitalized and convenient form, as the U.S. Decennial Census was not fully digitalized until 1990. This appendix includes the compiled data tables underlying the earlier figures for the reader's reference.

**Table A1. Population in Northwest Indiana Cities and Counties, 1970–2014**

City/County	1970	1980	1990	2000	2010	2014
<i>Lake County</i>	546,253	522,965	475,594	484,564	496,005	493,140
Hammond	107,983	93,714	84,236	83,048	80,830	79,585
East Chicago	46,982	39,786	33,892	32,414	29,698	29,387
Gary	175,415	151,968	116,646	102,746	80,195	79,165
Highland	24,947	25,935	23,696	23,546	23,727	23,429
Hobart	21,485	22,987	21,822	25,363	29,059	29,136
Merrillville	15,918	27,677	27,257	30,560	35,246	35,262
Munster	16,514	20,671	19,949	21,511	23,603	23,325
Schererville	3,663	13,209	20,155	24,851	29,243	29,082
Crown Point	10,931	16,455	17,728	19,806	27,317	28,259
<i>Porter County</i>	87,114	119,816	128,932	146,798	164,343	165,819
Portage	19,127	27,409	29,062	33,496	36,828	37,008
Valparaiso	20,020	22,247	24,414	27,428	31,730	31,745
<i>Newton County</i>	11,606	14,844	13,551	14,566	14,244	14,140
<i>Jasper County</i>	20,429	26,138	24,960	30,043	33,478	33,443
<i>Indiana</i>	5,195,392	5,490,224	5,544,159	6,080,485	6,483,802	6,542,411
<i>United States</i>	203,302,031	226,545,805	248,709,873	281,421,906	308,745,538	314,107,084
<b>Combined Cities &amp; Counties</b>						
Group 1	330,380	285,468	234,774	218,208	190,723	188,137
Group 2	46,432	76,599	72,775	79,469	88,032	87,827
Group 3	31,108	50,335	57,832	66,168	80,163	80,666
Group 4	39,147	49,656	53,476	60,924	68,558	68,753
NWI Combined Counties	578,288	683,763	643,037	675,971	708,070	706,542

Note: NWI = Northwest Indiana.

Source: U.S. Bureau of the Census (1970, 1980, 1990, 2000, 2010, 2014).

**Table A2. Median Household Income in Northwest Indiana Cities and Counties, 1970–2014 (in 2014 Dollars)**

<b>City/County</b>	<b>1970</b>	<b>1980</b>	<b>1990</b>	<b>2000</b>	<b>2010</b>	<b>2014</b>
<i>Lake County</i>	\$62,231	\$60,107	\$52,599	\$54,654	\$52,483	\$49,617
Hammond	62,151	56,304	46,454	46,421	41,513	39,771
East Chicago	52,508	48,465	33,508	34,675	31,237	27,215
Gary	55,992	48,620	33,506	35,566	29,995	27,458
Highland	72,837	75,693	68,147	67,025	62,569	62,738
Hobart	68,726	66,824	59,793	62,402	58,492	55,840
Merrillville	54,669	72,006	62,590	64,736	53,627	49,711
Munster	86,152	88,119	83,779	82,634	75,651	72,532
Schererville	70,642	69,157	73,713	77,408	72,599	69,011
Crown Point	69,461	67,898	64,868	69,105	68,795	64,250
<i>Porter County</i>	66,205	68,271	64,182	69,381	65,588	62,818
Portage	67,916	69,351	59,901	62,064	53,819	51,180
Valparaiso	66,034	58,256	54,609	59,842	51,016	49,656
<i>Newton County</i>	50,347	50,874	49,463	53,498	54,635	49,769
<i>Jasper County</i>	50,050	53,063	49,328	56,666	59,345	56,214
<i>Indiana</i>	56,853	49,599	49,761	54,312	51,378	48,737
<i>United States</i>	54,686	47,508	51,937	54,870	55,920	53,482
<b>Combined Cities &amp; Counties (weighted average by population)</b>						
Group 1	57,510	51,121	38,152	39,565	35,070	32,629
Group 2	70,935	71,699	63,561	64,670	57,643	55,219
Group 3	78,461	76,533	74,474	76,622	72,201	68,361
Group 4	66,954	64,380	57,485	61,063	52,522	50,476
NWI Combined Counties	61,562	61,068	54,728	57,917	55,892	53,030

*Note:* NWI = Northwest Indiana.

*Sources:* U.S. Bureau of the Census (1970, 1980, 1990, 2000, 2010, 2014).

**Table A3. Median Age (Years) in Northwest Indiana Cities and Counties, 1970–2014**

<b>City/County</b>	<b>1970</b>	<b>1980</b>	<b>1990</b>	<b>2000</b>	<b>2010</b>	<b>2014</b>
<i>Lake County</i>	26.0	28.2	33.0	35.9	37.4	37.8
Hammond	27.7	29.4	32.6	33.9	33.3	34.2
East Chicago	27.7	27.6	30.7	30.8	30.9	29.8
Gary	25.2	26.0	31.2	33.6	36.7	37.9
Highland	24.7	30.2	35.7	39.8	41.5	42.0
Hobart	26.0	29.8	34.9	37.7	38.0	38.9
Merrillville	27.9	31.8	36.2	37.0	36.7	36.4
Munster	29.3	35.3	40.4	42.9	44.8	44.3
Schererville	23.9	26.5	32.4	37.2	40.9	40.5
Crown Point	27.1	31.9	35.7	40.5	39.6	39.6
<i>Porter County</i>	24.1	27.2	32.8	36.3	38.4	39.0
Portage	22.7	27.3	32.7	35.4	36.4	37.9
Valparaiso	23.6	25.9	31.0	32.7	33.4	33.5
<i>Newton County</i>	29.5	29.1	33.7	37.3	42.4	42.9
<i>Jasper County</i>	24.5	27.0	32.0	35.0	38.0	38.7
<i>Indiana</i>	27.2	29.2	32.8	35.2	37.0	37.2
<i>United States</i>	28.1	30.0	32.9	35.3	37.2	37.4
<b>Combined Cities &amp; Counties (weighted average by population)</b>						
Group 1	26.4	27.3	31.6	33.3	34.4	35.1
Group 2	25.3	30.7	35.6	38.1	38.4	38.7
Group 3	28.4	31.9	36.2	40.0	41.6	41.3
Group 4	23.2	26.7	31.9	34.2	35.0	35.9
NWI Combined Counties	26.0	28.0	32.9	36.0	37.8	38.2

Note: NWI = Northwest Indiana.

Sources: U.S. Bureau of the Census (1970, 1980, 1990, 2000, 2010, 2014).

**Table A4. Percentage of College-Aged Population with at Least a Bachelor's Degree in Northwest Indiana Cities and Counties, 1970–2014 (Percent of Age 25+)**

<b>City/County</b>	<b>1970</b>	<b>1980</b>	<b>1990</b>	<b>2000</b>	<b>2010</b>	<b>2014</b>
<i>Lake County</i>	6.3	10.1	12.8	16.2	18.9	20.0
Hammond	5.1	7.0	9.2	11.3	12.1	13.2
East Chicago	3.6	5.5	6.6	7.1	8.6	7.5
Gary	5.6	7.6	8.8	10.1	11.6	13.1
Highland	9.9	14.4	18.9	22.1	25.0	27.0
Hobart	7.5	9.3	11.7	14.2	16.2	15.8
Merrillville	10.4	13.4	15.1	20.2	18.9	20.2
Munster	20.6	28.0	33.2	39.2	35.6	40.5
Schererville	8.1	11.2	25.3	29.5	31.7	32.8
Crown Point	13.9	15.7	20.9	25.0	30.1	31.3
<i>Porter County</i>	10.8	14.7	18.5	22.6	25.2	26.4
Portage	4.5	6.6	9.3	10.1	13.8	15.4
Valparaiso	19.2	27.7	27.9	34.5	36.2	35.9
<i>Newton County</i>	3.9	8.3	8.1	9.6	9.5	9.1
<i>Jasper County</i>	6.2	9.3	10.8	13.0	14.2	15.3
<i>Indiana</i>	8.3	12.5	17.6	19.4	22.4	23.6
<i>United States</i>	10.7	16.2	20.3	24.40	27.9	29.3
<b>Combined Cities &amp; Counties</b>						
Group 1	5.1	7.1	8.7	10.1	11.4	12.3
Group 2	9	13	15	19	20	21
Group 3	16.9	16.8	26.8	31.4	32.4	34.5
Group 4	11.8	15.8	17.5	20.8	23.6	24.5
NWI Combined Counties	6.8	10.8	13.8	17.3	19.9	21.1

Note: *NWI* = Northwest Indiana.

Sources: U.S. Bureau of the Census (1970, 1980, 1990, 2000, 2010, 2014).

**Table A5. Percentage of Population White in Northwest Indiana  
Cities and Counties, 1960–2014**

<b>City/County</b>	<b>1960</b>	<b>1970</b>	<b>1980</b>	<b>1990</b>	<b>2000</b>	<b>2010</b>	<b>2014</b>
<i>Lake County</i>	83	79	71	70	67	64	62
Hammond	98	95	89	85	72	59	52
East Chicago	76	72	48	38	37	35	27
Gary	61	47	25	16	12	11	12
Highland	100	100	99	98	94	89	84
Hobart	100	100	98	98	94	85	86
Merrillville	—	100	98	92	70	46	43
Munster	100	99	97	95	92	86	82
Schererville	100	100	98	96	91	87	85
Crown Point	100	99	98	97	95	88	86
<i>Porter County</i>	100	100	98	98	95	91	92
Portage	100	100	97	97	93	84	87
Valparaiso	100	99	98	98	94	90	91
<i>Newton County</i>	100	100	99	99	97	96	97
<i>Jasper County</i>	100	99	99	99	98	96	97
<i>Indiana</i>	94	93	91	91	87	84	84
<i>United States</i>	89	87	83	80	75	72	74
<b>Combined Cities &amp; Counties</b>							
Group 1	75	66	49	44	39	35	31
Group 2	100	100	98	96	85	71	68
Group 3	100	99	97	96	93	87	84
Group 4	100	100	98	97	93	86	89
NWI Combined Counties	85	83	78	78	75	73	71

Note: *NWI* = Northwest Indiana.

Sources: U.S. Bureau of the Census (1960, 1970, 1980, 1990, 2000, 2010, 2014).

**Table A6. Percentage of Population Hispanic or Latino in Northwest Indiana Cities and Counties, 1980–2014**

<b>City/County</b>	<b>1980</b>	<b>1990</b>	<b>2000</b>	<b>2010</b>	<b>2014</b>
<i>Lake County</i>	8	9	12	17	17
Hammond	8	12	21	34	36
East Chicago	42	48	52	51	50
Gary	7	6	5	5	6
Highland	3	4	7	13	15
Hobart	3	5	8	14	13
Merrillville	5	7	10	13	14
Munster	2	3	5	10	12
Schererville	3	4	6	11	12
Crown Point	2	2	4	8	7
<i>Porter County</i>	2	3	5	2	9
Portage	5	6	10	16	17
Valparaiso	1	1	3	7	8
<i>Newton County</i>	1	1	3	1	6
<i>Jasper County</i>	1	1	2	1	6
<i>Indiana</i>	1.6	1.8	3.5	6.0	6.3
<i>United States</i>	6.4	9.0	12.5	16.3	16.9
<b>Combined Cities &amp; Counties</b>					
Group 1	12.4	14.0	18.0	24.5	25.4
Group 2	3.6	5.3	8.2	13.2	13.9
Group 3	2.2	2.8	5.2	9.6	10.0
Group 4	3.3	4.1	7.0	12.1	13.0
NWI Combined Counties	6.9	7.6	10.0	12.2	14.6

Note: *NWI* = Northwest Indiana.

Sources: U.S. Bureau of the Census (1980, 1990, 2000, 2010, 2014).

**Table A7. Percentage of Families with Income below the Poverty Level  
in Northwest Indiana Cities and Counties, 1970–2014**

<b>City/County</b>	<b>1970</b>	<b>1980</b>	<b>1990</b>	<b>2000</b>	<b>2010</b>	<b>2014</b>
<i>Lake County</i>	7.4	9.2	11.7	9.7	12.2	14.2
Hammond	5.0	6.9	11.8	12.0	17.3	20.0
East Chicago	10.9	5.0	24.5	22.5	31.2	34.3
Gary	12.3	18.0	26.4	22.2	28.1	33.3
Highland	2.4	2.3	2.5	1.8	3.9	4.3
Hobart	4.7	3.5	3.9	2.9	4.0	7.6
Merrillville	2.2	2.5	2.9	2.6	7.8	9.7
Munster	1.9	2.5	0.7	2.8	1.8	6.9
Schererville	4.8	2.9	2.7	1.4	3.8	3.7
Crown Point	2.7	2.4	2.2	2.1	3.9	4.3
<i>Porter County</i>	4.5	3.8	4.6	3.9	6.6	8.2
Portage	3.1	4.6	7.3	5.8	9.7	11.9
Valparaiso	3.5	3.2	5.1	4.8	8.9	10.5
<i>Newton County</i>	9.0	7.2	6.5	4.8	4.8	7.9
<i>Jasper County</i>	8.5	6.2	7.2	4.6	7.7	6.2
<i>Indiana</i>	7.4	8.0	7.9	6.7	9.6	11.3
<i>United States</i>	10.7	9.6	9.6	9.2	10.1	11.5
<b>Combined Cities &amp; Counties (weighted average by population)</b>						
Group 1	9.7	12.5	20.9	18.4	24.0	27.8
Group 2	3.1	2.7	3.1	2.5	5.5	7.6
Group 3	2.5	2.6	1.9	2.1	3.2	4.8
Group 4	3.3	4.0	6.3	5.3	9.3	11.3
NWI Combined Counties	7.1	8.1	10.0	8.1	10.5	12.3

Note: *NWI* = Northwest Indiana.

Sources: U.S. Bureau of the Census (1970, 1980, 1990, 2000, 2010, 2014).