

## Roundabout November 7, 2024

### This week's celebration of service



Please join us in the Frangipani Room or on Zoom on Tuesday, Nov. 12, when fellow Rotarian Rev. Forrest Gilmore of Beacon will talk about our community's battle to address extreme poverty and homelessness. He will describe Beacon's plans to build a 45,000-square-foot, two-story housing and service center on the old Weddle Brothers Construction property on West Third Street. The center will bring together Beacon's programs of shelter, resource center, and housing, with a special emphasis on community partnerships to improve the quality of care available to people experiencing extreme poverty in our community.

Forrest is executive director of Beacon Inc., a solutions-driven organization for people experiencing extreme poverty in Bloomington. A compassionate 501(c)(3) organization, it provides support services to reduce hunger, poverty, and homelessness. The Beacon team strives to recognize every person's fundamental right to sustenance, a safe home, healthcare, and meaningful work.

About 350 people, including families with children, experience homelessness on any given day in Bloomington and Monroe County.

These challenges require a bold and innovative approach with community collaborations building on each other.

## News of the week



Photo by Darbi Haug

**Rotary Toast.** The 10th annual Rotary Toast at Ivy Tech's Shreve Hall, on Nov. 1 attracted 290 people to honor Doug Bauder for his 25 years of pioneering leadership at the IU LGBTQ Cultural Center. The toast raised money for Doug's charity, the Quarryland Men's Chorus, and for the three local Rotary clubs' ongoing community service projects.

Sylvia McNair, retired Jacobs School professor and Grammy Award winner, was the emcee. She also performed with the chorus, which was founded in 2002 and is now an established, respected partner in the region's art scene. Marty Siegel, Doug's husband of 33 years, gave a moving tribute to Doug's selfless service on campus and the community. Also toasting Doug were faculty, staff, and students, as well as last year's toastee, the Hon. Stephen Galvin. Doug concluded the program with an informative, moving, sometimes humorous history of LGBTQ life in our welcoming community.

Our next Toast is November 7, 2025. If you are interested in serving on the toast committee, please contact Jim Bright.



**Teachers Warehouse Fundraiser.** On Friday, Nov. 6, Spencer resident Steve Withem fired up his smoker to sell pork burgers, with three-quarters of the proceeds benefiting Teachers Warehouse. Willing helpers and customers included, from left, Marty and **Marilyn Wood**, **Sara Laughlin**, Anne Bright, and Jean Tarquinio.

### This week's program: Futurecast



In lieu of our regular program, our club joined the Bloomington Chamber of Commerce and the IU Kelley School of Business to sponsor Futurecast, a program where experts have been sharing the global, national, and regional business outlook for 50 years. Bloomington Rotary Club President **Traci Jovanovic** gave a brief overview of Rotary's mission to provide service to others and advance peace through fellowship.

**Stacy Bruce**, a member of both the club and the Chamber of Commerce, gave the reflection. She noted that this event is at the intersection of university, city, and local business. IU is often a source of inspiration and innovation. The City provides a foundation of inclusivity and supports growth opportunities where people of all backgrounds can come together. The Chamber collaborates to grow business by creating opportunities and providing support. Rotary is committed to service, integrity, diversity, fellowship, and leadership, in ways both profound and practical. Our community is bound by purpose.

Eric Spoonmore, executive director of the Bloomington Chamber of Commerce, thanked the event's sponsors. He noted that Bloomington is so fortunate to have a world-class business school at IU Kelley and excellent workforce development programs at Ivy Tech Bloomington.

Moderator Rebecca Slotegraaf, associate dean for research at IU Kelley School of Business, introduced the panel.

Andrew Butters, professor of business economics, Kelley School, summarized the national and international business outlook for 2025. Last year, he recalled, he was “subjectively optimistic,” projecting growth of 2.7%, monthly job creation of 203,000, and an unemployment rate of 4.3%. Results have been much better than predicted. Inflation this quarter is 2.4%. The Federal Reserve lowered interest in September and is expected to lower another quarter point today. But the numbers don’t seem to reflect what people are feeling. The past couple of years of inflation are still taking their toll. With job growth moderating to around 100,000, unemployment below 5%, GDP growth predicted at 2%, and inflation around 2%, his outlook was positive for 2025. Butters also enumerated risks: geopolitical issues, the new U.S. administration, and the fiscal situation with substantial deficit and debt.

Russell Rhoads, professor of finance, Kelley School, summed up the outlook for financial markets. He noted that 2023 and 2024 were very good for equity markets, but 2025 could prove more challenging. He expects slower growth and is concerned about 2025 inflation. Equity valuation remains pretty high and could result in a market sell-off. He anticipates interest rates will go to 3.8% by the end of year, also impacting equity markets. He outlined geopolitical risks. China is a big concern. It tried a stimulus, but issues remain with its housing market. China is one of biggest holders of U.S. debt, so if it has to sell off, that might impact our funds rate. Markets have been very volatile in the last months, but seem to have returned to normal over the past couple of days. He is not concerned about a bear market in 2025. The conclusion of the election season reduces volatility and risks in the equity market. Rhoads concluded by saying he thinks 2025 will be an average year for equity markets. He noted that, between the election and inauguration, small-cap stocks in the past have outperformed the Russell and the S & P. He cautioned not to get caught up in the small-cap momentum

Phil Powell, professor of business economics and executive director of the Indiana Business Research Center, gave the local forecast. Like Butters and Rhoads, he predicted an “opportunity-filled economy” that will be back to normal at the national level. What about Indiana and Bloomington? Thanks to Indiana’s manufacturing economy, he expects the state to grow 2.9%, outpacing national growth of 2.1%. Unemployment will end the next year at 3.5%.

Since 2017, Indiana’s labor productivity has been going up faster than the country’s, a testament to the Next Level strategy from the Governor and legislature. Indiana is set up for momentum. Two things to watch:

- fiscal austerity at Statehouse, with COVID funding gone and \$1B overspent in Medicaid, and deficit reduction on the agenda at the federal level.
- Tariffs that could affect Indiana’s manufacturing exports, made with imported raw materials. Prices will go up as costs rise.

Bloomington has momentum, with a new convention center coming, creative housing initiatives, Lilly endowment funding through IU, acquisitions in life sciences, and an expanding microelectronics industry. But that can’t mask the bad news:

- Since 2019, state GDP growth has totaled 8.2%. Indianapolis is 10.2%, while Bloomington’s has been a sluggish 6.1%.
- Since 2017, the state has focused on labor force, growing faster than the nation. Nine of 12 Indiana metro areas beat the national average; Bloomington struggled at 1.7%, the lowest except for Michigan City. There are both quantity and quality problems in local workforce wages. A Bloomington worker earns on average \$1,037 a week, below both state and national averages. With 5% growth in the last year, there has been some catch-up. Labor force growth in Bloomington has been anemic. More college students and retirees are moving here, but the

core working age population of 18-45 is shrinking. Since 2018, the Bloomington Metro Area has added only 600 jobs. The region must focus on how to attract a dynamic workforce.

- Bloomington population is expected to shrink from now to 2030, while Kokomo, Muncie, and South Bend are growing.

Powell projected that in 2025 the Bloomington economy will grow 3%; unemployment will settle a half point below the national average; and housing prices will fall 12%.

Adam Gross, vice chancellor at Ivy Tech Community College, noted that Ivy Tech is the largest singly-accredited community college in the country, with 18 campuses statewide. The Bloomington campus serves Monroe County and six surrounding counties. Regional economic reports drive planning at Ivy Tech. Although the job market has grown in the last five years, its growth is slower than the national average. Labor participation is 59% in the service area, and there are 22,000 veterans. People are looking to move here from other places; 2,000 have moved from Marion County. The area has 110,000 retirees; Ivy Tech wants to find ways for them to support workforce and company growth. The local campus awarded 1,800 credentials last year; the majority of these graduates are local and will stay here. Ivy Tech is Indiana's largest training provider and wants to continue to grow.

Dr. Slotegraaf moderated the Q & A session.

Q: How can the city and county support attracting 25- to 45-year-old workers?

A: Powell. Curated density. College grads are less tolerant of commuting; they wish to live close to where they work. The Trades district is a good example of a mixed-use neighborhood.

Gross. Make students aware of opportunities that are available locally.

Q: What is biggest driver that separates Bloomington from faster-growing cities?

Powell. Double-down on trade industries, the fastest drivers of wealth creation. As for education, 60% of graduates say their first preference for works is at the place where they finish college. Attract life sciences and microelectronics companies that bring new tech to the table and enhance skills development for workers.

Q: What can we learn from other communities that are doing well?

A: Powell. It's not about resources but good leadership. Kokomo has been on an economic slide for two decades. Now their government cheerleaders and businesses are all telling the same story. They asked, "Who do we want to work here?" and have worked together to attract those people and businesses.

Q: What about trends in economy for those whose wages have been stagnant for some time and are in unskilled jobs? What is the future for them?

A: Butters: It's not difficult to figure out that you are worse off when it comes to the costs for rent, food, etc. The primary culprit is inflation. The rate of inflation is going down, but prices are still going up, albeit more slowly.

A Gross: We need to increase awareness of microelectronics and other technician jobs that require only a one-year certification for entry.

A: Powell: The ultimate measure of growth is job mobility. How can low-skilled residents have more opportunity? Hiring for skills is five times more predictive than education for success. To lift unskilled workers, build regional talent pipelines beginning in middle school through post-secondary credentials. Indiana is the national leader in apprenticeships. With public/private partnership, this region could build more advanced skills very early.

Q: Population growth has occurred more heavily among black and brown people. How can be more welcoming to diverse language and ethnic groups?

A: Butters: The communities thriving in the next 10 or 20 years will be those that are attractive to diverse workers.

A: Powell. IU is not where it needs to be, but the student population today is more diverse than the community. This region needs to find jobs for black and brown people and keep them in the community.

**Liz Irwin** closed the Futurecast luncheon by leading the participants in the Rotary Four-Way Test.

Reporter: Sara Laughlin