INSIDE INDIANA BUSINESS WITH GERRY DICK

Innovate or Perish: On economic and environmental health, the same rule applies

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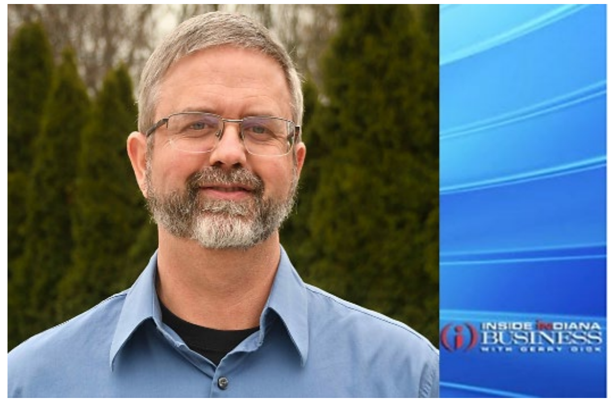

PERSPECTIVES

For decades, policy debates around environmental protection and economic growth in Indiana and across the nation have been characterized by a "zero sum" philosophy; most of us have been trained to think that supporting one is tantamount to opposing the other. But a growing body of evidence proves the truth is just the opposite: the health of Indiana's environment has never been more closely intertwined with the health of the state's economy.

Two major factors underlie this reality: Indiana's increasingly robust clean energy sector, and the relationship between the health of the Hoosier workforce and our state's natural environment. Unfortunately, a raft of recent actions at the federal and state levels threaten to undermine the health of Indiana's environment and, by extension, the health of our economy and our people.

Throughout 2023 and 2024, Indiana's clean energy industry, including clean vehicle manufacturing, added jobs at twice the rate of our state's economy overall, according to data collected for the 2024 U.S. Energy Employment Report. In addition, the DOE data indicates that more than 70% of Indiana's clean energy businesses employ fewer than 20 people.

But Indiana's clean energy industry is doing more than fueling job growth in the state. It's also fueling wage growth, helping Hoosiers provide a better standard of living for their families. Data from ZipRecruiter lists the average pay for "Renewable Energy" job in Indiana at $26.58/hour, while the average pay for Indiana coal plant operators is listed at $21/hour, and natural gas plant operators at $21.28/hour.

Much of this growth was supported by the grants, loans, and tax credits made available through the 2022 Inflation Reduction Act (IRA), which led directly to $8.3B in private sector investments in manufacturing across Indiana. Another $160B of new private sector investment in Indiana was forecast over the next decade based on the law's advanced energy tax credits. Researchers have predicted that leaving those tax credits in place through 2032 would generate more than $300M in annual household income for Hoosiers, create $59.3M in local, state and federal tax revenue, and add more than a half-billion dollars of economic value to Indiana's annual Gross State Product.

To be clear, the grants, loans, and advanced energy tax credits authorized by IRA are the same ones under threat by the federal budget bill currently being pushed forward by House Republicans.

Unfortunately, Indiana Governor Mike Braun has issued several executive orders of his own in recent months that roll back protections for Indiana's environment. In March, Braun issued orders directing state agencies to adhere to federal minimums on environmental regulations. In April, he directed state energy regulators to assess every coal plant in the state and consider extending its life – despite the lower wages paid to coal workers and decades of data documenting the negative impact burning coal has on the quality of Hoosiers' air, water, and health.

These steps are being taken while the U.S. News & World Report currently ranks Indiana 50th out of 50 states on the "Natural Environment" measure of its annual "Best-Of" state rankings. The last-place finish is due, in part, to Indiana's low marks for air and water quality, with the state's air quality rated "unhealthy" nearly half the days of every year and a higher rate of drinking water violations than the national average. But the real drag on Indiana's ranking is our worst-in-the-nation grade for total toxic chemical pollution. The EPA calculates 2,846 lbs. of industrial toxins are released over every square mile in Indiana, exposing Hoosiers to more than 3 times the pollutants than the average American. The leading contributors to all this pollution? Indiana's coal-fired power plants, which release levels of arsenic, lead, and mercury into our environment known to cause stroke, cancer, heart problems, and asthma – leading, of course, to higher healthcare costs for Hoosier workers and their employers.

In 2025, environmental health and economic growth are no longer an either/or choice, if they ever were. The real choice Indiana faces is between a future in which it plays a leadership role in the next generation of energy and technology innovations, allowing a healthy and vibrant environment, workforce, and economy to flourish; or a future in which it clings to last-generation technologies, throttling the growth of its economy and undermining the health of its people and places.