

The image features a map of Indiana in the background, showing major cities like Indianapolis, Carmel, and Noblesville. In the foreground, a semi-truck is visible, partially obscured by a dark blue overlay. The scene is set against a sunset or sunrise sky, with the truck's headlights and taillights glowing. The text is overlaid on the dark blue area.

Economic Impact of the  
**SHEIN Warehouse**  
Operations in  
**Whitestown, Indiana**

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# Dear Readers,

As I celebrate one year with SHEIN, it gives me great pleasure to release the findings and forecast of Kyle Anderson, Ph.D., an economist at Indiana University's Kelley School of Business, of the economic impact of SHEIN's Whitestown, Indiana operations.

When we made the decision to open in Indiana, what would be SHEIN's largest U.S. facility to date, I knew we had selected the right location for our company's first central U.S. hub. In my twenty-five-year career, I have overseen more than 4.6 million square feet of operations for some of the world's leading retail brands. In those same twenty-five years, I have also witnessed a tremendous amount of transformation. Modern equipment has increased agility and improved safety, and advanced technology has enabled global supply chains to become more interconnected. These benefits will all be realized at SHEIN Whitestown in a beautiful space that will serve as a model for other facilities to come.

The successful opening of any operation requires not only competitive wages, but also competitive benefits, and a physical space that goes above and beyond to meet employee needs. A state-of-the-art gym, daily meal stipend, and separate serenity and mother's rooms are among those features which we'll have at SHEIN Whitestown. I am proud of our employee offering, which also includes wages that are above the statewide average and 90% employer paid healthcare premiums. These offerings have allowed us to attract a rapidly growing team of employees, notwithstanding a period of economic uncertainty.

I not only want to thank the commitment of our talented internal team, but also our Indiana partners that have helped us along the way. We could not have advanced the operation and while continuing to meet our timeline without the help of Compass Construction Group, Curran Architecture, JLL, OMNI Electric, Ferrer Mechanical, Taylored Systems, RDS Office Furniture, Acorn Distributors, Material Handling Exchange, and Partners Personnel.

To the state of Indiana – thank you for welcoming SHEIN and allowing us to call Whitestown home. And to the SHEIN Whitestown team, now 700 strong and counting – I am looking forward to great things ahead.



**Chuck Cornwell**

General Manager, SHEIN Whitestown Facility



## **SHEIN in Indiana:**

**\$175 million**  
*annual economic value*

**1,700 new jobs**  
*in Central Indiana*

## **Executive Summary**

The purpose of this study is to provide a preliminary measure of the economic impact of the SHEIN warehouse facility located in Whitestown, Indiana. The facility is presently being expanded with a **ribbon-cutting planned in 2023.**

Boone County, Indiana, where the facility is located, has a gross domestic product (GDP) contribution estimated to be **\$3.9 billion in 2020** and is growing at a rate of **8% per year.** Based on employment and investment projections, the facility will generate a total economic value added of **\$175 million per year** once fully operational.

Planned employment will be **over 1,000 full-time workers** in the first year, growing to **over 1,400** in the next few years. The total economic impact will be the creation of **more than 1,700 new jobs** in the Central Indiana region.

Based on estimates of growth at the facility and RIMS II economic analysis of multipliers for the warehouse and storage industry based on employment, direct employment is anticipated to increase to 1,415 employees by the end of 2025, the total employment impact in the region would increase to 2,277 by 2025, and the Final Demand Value Added to over \$230 million per year.

# Introduction

In this study, we measure the economic impact of the SHEIN warehousing facilities and business activities on the **economy of Boone County, Indiana**, as well as the surrounding counties.

SHEIN is a global e-commerce retailer with centers of operation around the world. In 2022, it opened a **return center and warehouse facility in Whitestown, Indiana**. The primary purpose of the facility is to receive merchandise via truck delivery, process returns, sort merchandise and redistribute products to consumers.

This report estimates the anticipated annual economic impact of the facility. The economic benefit comes in the form of **capital investment, increased employment** (over 1,000 employees anticipated by the end of 2022), **purchase of goods and services** related to the operations, and the **downstream economic benefits** associated with the operations.



## Boone County, Indiana

The facility is in **Whitestown, Indiana**, located in Boone County in the Indianapolis–Carmel–Anderson metropolitan area. The population of Boone County is **more than 73,000**, and it is located northwest of Marion County, which encompasses the city of Indianapolis. Whitestown is located surrounding Interstate 65, a main thoroughfare in the “Crossroads of America,” and a connecting highway between Indianapolis and Chicago. As a result, **more than 30%** of jobs in the county are in the **Transportation and Warehousing** sector.

As of Q1 2021, there were **11,691 workers** in Boone County working in the Transportation and Warehousing<sup>1</sup> sectors. The average weekly wage was \$774, representing total annual wages in excess of \$470 million. By comparison, as of Q1 2016, there were 2,377 workers in that sector in Boone County, representing annual wages of less than \$80 million. Growth in the Transportation and Warehousing sector has **fueled significant growth for both Whitestown and the Boone County area.** *(See Appendix C for more detailed data about Boone County’s population and demographics.)*

SHEIN’s employment level of **more than 1,000 warehouse workers in 2022** will have a substantial impact on the size of the economy in the city and county. Average weekly wages for warehouse employees of \$787 are **in line with (or slightly above) the average wage** for the industry in Boone County.





SHEIN Whitestown employees earn **benefits that exceed the national average** for all workers, and specifically when compared to workers in the transportation and warehouse industries. The national median cost of benefits is \$8.48 per hour<sup>2</sup>. While we do not explicitly calculate the economic costs for SHEIN workers since some of these come through a third party, it is **likely this value exceeds the national average**.

SHEIN pays **90% of the premium** for health, dental, and vision insurance for its workers. Providing highly subsidized health insurance is beneficial for local healthcare providers, and has the potential to improve health outcomes among the population. In Indiana, the **uninsured rate is 9.1%** among households with at least one employed person<sup>3</sup>. This number is **higher in the transportation and warehousing industries**.

SHEIN's facility is a major piece that is driving economic growth in Boone County that extends well beyond the Transportation and Warehousing industry. In January 2022, Kittle Property Group announced a **\$54**

**million affordable housing project** in Whitestown that will create 264 housing units<sup>4</sup>. The focus for the development will be to create housing for "those working in distribution centers" such as the SHEIN facility. Construction began in early 2022 and is anticipated to be completed by October 2022, coinciding with growth in the SHEIN facility. The Bureau of Economic Analysis estimated the **GDP contribution from Boone County to be \$3.9 billion** in 2020, which is the most recent year for which data are available. Due to significant development and growth in the region, that figure is likely to be \$4.4 billion by 2022. As GDP is a measure of final goods and services, the SHEIN facility won't directly add to that number. However, the economic activity and spending associated with the facility will likely make a **significant impact** on the figure.

The employed population of Boone County is 37,720 as of 2021. SHEIN's facility opening in 2022 will **directly increase that by more than 2.5%**<sup>5</sup>.

<sup>2</sup>Bureau of Labor Statistics, June 2022. <https://www.bls.gov/news.release/pdf/ecec.pdf>

<sup>3</sup>KFF Current Population Survey <https://www.kff.org/state-category/health-coverage-uninsured/>

<sup>4</sup>"Kittle to develop \$54m workforce-housing project in fast-growing Whitestown", *Indianapolis Business Journal*, Jan. 25, 2022.

<sup>5</sup>The actual number will be smaller due to some workers living outside of Boone County. However, the impact is still quite large, but spread out across a broader geographic area.

## Economic Impact


The overall economic impact of the warehouse facility is measured in terms of new jobs created and the estimated contribution to final demand. This report focuses on the projected ongoing operations of the facility once it reaches full volume.

## Operations

The warehouse facility began initial operations in the second quarter of 2022 and is estimated to scale quickly. An estimated **1,077 full-time** employees are anticipated to be working by the end of 2022, many of whom will be in warehouse-related roles, with others in managerial, supervisory, maintenance and other positions.

The average hourly wage is estimated to be **around \$19.68**, which is **more than double the minimum wage** of \$7.25 an hour in Indiana<sup>6</sup>. By the end of 2022, annual payroll is estimated at just over **\$44 million**. Additionally, an estimated annual budget of **\$20 million** has been allocated by SHEIN for vendor payments for goods and services in support of the operations.

This analysis uses the Regional Input-Output Modeling System (RIMS II) economic analysis of multipliers<sup>7</sup> for the warehouse and storage industry based on employment. Our first step in the calculation is to estimate the total employment impact of the facility. SHEIN will **employ 1,077 employees**, with total **expenditures of \$64 million by the end of 2022**. Since the SHEIN facility is not responsible for garment production, steps must be taken to estimate the total value output of both the facility and subsequent effects. Total employment effects of the facility are estimated to be **1,733 total employees** based on an employment multiplier of 1.61. Therefore, **each job created by SHEIN leads to an additional 0.61 jobs per employee** created through indirect and induced effects. Indirect effects reflect the spending by suppliers and business partners, and induced effects



Total estimated  
employment effects  
of the SHEIN  
Whitestown facility:  
**1,733**  
**Employees**

<sup>6</sup>Indiana Minimum Wage for 2021, 2022. <https://www.minimum-wage.org/indiana>

<sup>7</sup>A multiplier is the term for the total economic effect divided by the direct effect. See Appendix A for more discussion on the terms and calculations.



Based on total employment creation, calculations can be made for final demand. According to U.S. Bureau of Economic Analysis (BEA) calculations, every **8.42 employees in the warehousing and storage industry leads to a \$1 million increase** in final output (combining again both direct and indirect effects).

By taking 1,733 employees and dividing by 8.42, we calculate an estimated increase in Final Demand of **\$205 million**. However, this represents the total, and does not calculate the “leakage” of economic activity that happens outside of the geographic area. To calculate the impact on our geographic area, we multiply by the Final Demand multiplier of 0.8516 to get a Final Demand Value Added **\$175.2 million per year**.

## Growth Projections

Based on estimates of growth at the facility, direct employment is anticipated to increase from 1,077

Category	Direct	Indirect & Induced	Total	Multiplier
Employment ( <i>Full-Time Jobs</i> )	1,077	656	1,733	1.61
Final Demand Value Added ( <i>\$ Thousand</i> )	64,100	111,100	175,200	1.81

## Final Demand Value Added: \$175.2 million per year

To put this in perspective, the economic impact to central Indiana of hosting:



The entire 2021 NCAA D1 Men's Basketball Tournament

**\$46.5 million**  
(estimated)<sup>8</sup>



Gen Con national gaming convention

**\$57.4 million**  
(estimated)<sup>9</sup>

to **1,415 employees** by the end of 2025. Using the same calculations as above, this would increase the total employment impact in the region to **2,277 by 2025**, and the Final Demand Value Added to over **\$230 million per year by 2025**.

<sup>8</sup>March Madness Brings Big Impact to Central Indiana' Inside Indiana Business, <https://www.insideindianabusiness.com/articles/march-madness-brings-big-impact-to-central-indiana#:~:text=During%20its%20State%20of%20Sports,including%20Bloomington%20and%20West%20Lafayette>.

<sup>9</sup>Gen Con brings \$57M to Indianapolis economy' WTHR, <https://www.wthr.com/article/news/local/gen-con-2022-indianapolis-57-million-dollars-50-thousand-gaming/53f-7d94caef-d299-4426-9ef2-db9b6d9b-da2d>.

## Model Estimation and Potential Sources for Error

Economic impact studies require a number of estimations and approximations. For the purposes of this study, multipliers and processes are provided by the RIMS II. All calculations are done by the author. Where possible, conservative estimates were used.

### The following are areas of potential error or bias in the calculations:

- This report relies on forecasts of employment and spending prior to the facility being operational. As a result, the forecasted levels may deviate from the estimates herein. Given the low level of unemployment in Indiana, it is possible that hiring may be more difficult than anticipated, and that employment levels may not reach target levels due to economic conditions.
- Average wages were estimated based on market conditions. Tight labor markets and inflationary pressures could require higher wages than anticipated, meaning the economic impact could be greater in nominal terms.
- This model assumes that the majority of employees will live in Boone County or one of the surrounding counties. It is likely that at least some of the employees will come from a wider geographic area. Future analysis that includes employee demographic data will help provide a more accurate picture of the overall economic impact on the region.
- An assumption in RIMS models are that there are no supply constraints in the market. In these models, prices are considered fixed, so that additional economic activity does not lead to higher prices and/or wages. However, as of 2022, there are supply constraints in both the labor market (low unemployment) and in the transportation industry. SHEIN's facility will modestly contribute to these shortages with the planned hiring and demand for transportation services. However, SHEIN is still small relative to the size of the Boone County and surrounding area, so the price and/or wage effect is likely to be small.
- The model used in this research is a "final output" model. The SHEIN facility does not produce final goods or services, but rather supports a larger e-commerce operation. This report estimates the value-added of goods/services based on BEA estimates. This adds an additional layer of estimation in the process.

## Conclusion

The SHEIN warehouse facility in Whitestown, Indiana will directly create **more than 1,000 jobs in the first year**, and the total economic impact in the same time period will be the creation of **more than 1,700 new jobs** in the Central Indiana region.

The additional contribution to the Gross State Product of Indiana in the first year will be **approximately \$175 million per year** once fully operational. Further, planned growth will take this number **above \$200 million by the end of 2025**.

# Appendix A – Methodology

*This appendix gives an overview of the methodology of the survey and the estimates for the indirect economic effects of the activity.*

## Methodology

The initial analysis relies heavily on projected hiring/spending numbers provided by SHEIN. Actual numbers will vary based on the growth of the facility, the ability of the company to find and hire workers, and other factors.

## Economic Impact Measures

This analysis is based on the RIMS II multipliers produced by the Regional Product Division of the Bureau of Economic Analysis using 2012 Benchmark Input-Output (I-O) Table and 2020 regional data. Multipliers are for Boone County, Indiana, and include the surrounding counties.

The idea behind input-output modeling is that the inter-industry relationships within a region largely determine how that economy will respond to economic changes. In an I-O model, the increase in demand for a certain product or service causes a multiplier effect – layers of effect that come in a chain reaction.

Increased demand for a product affects the producer of the product, the producer's employees, the producer's suppliers, the supplier's employees, and so on, ultimately generating a total effect in the economy that is greater than the initial change in demand.

The ratio of that overall effect to the initial change is called a regional multiplier and can be expressed like this:

$$\frac{\text{Direct Effect} + \text{Indirect Effects} + \text{Induced Effects}}{\text{Direct Effect}} = \text{Multiplier}$$

Multipliers are industry and region specific. Each industry has a unique output multiplier, because each industry has a different pattern of purchases from firms inside and outside of the regional economy. (The output multiplier is in turn used to calculate income and employment multipliers.)

# Appendix A (Continued)

## Key Terms

**Direct Effects:** Refers to the increase in final demand or employment numbers in Indiana that can be attributed specifically to the SHEIN facility hiring workers and purchasing goods and services from vendors.

**Indirect Effects:** A measure of the change in dollars or employment caused when the SHEIN facility increases their purchases of goods and services from suppliers and, in turn, those suppliers purchase more inputs and so on throughout the economy. For example, SHEIN buys inputs from a supplier. Those suppliers buy electricity to power their plants, buy material inputs for their products, and employ people. These transactions are the indirect ripple effects associated with the facility operation's purchases.

**Induced Effects:** These reflect the changes—whether in dollars or employment—that result from the household spending of SHEIN employees and those of their suppliers. Induced spending will increase or decrease as output changes along the economic supply chain. Those output changes also result in changes in household income and spending of suppliers' employees. Induced effects represent the change in overall economic output and employment resulting from such household spending changes.

**Total Effects:** The total of all economic effects is the size of the economic impact and is the sum of the direct, indirect, and induced effects.

**Multiplier:** The multiplier is the magnitude of the economic response in a particular geographic area associated with a change—either an increase or a decrease—in the direct effects.

**Final Demand Value Added:** The total value of income generated from production, including payments to labor, payments to government, and returns on investment. It is equivalent to gross domestic product.

## Appendix B – About the Author

**Kyle J. Anderson, Ph.D.** has been an economist at the Kelley School of Business at Indiana University since 2008. He earned an MBA (1996) and Ph.D. (2009) from the university. In addition to economic research, he is the faculty chair of the Kelley Evening MBA program.

### Kelley Evening MBA Program

Ranked number one in the nation for academic quality by Bloomberg Businessweek, the Kelley Evening MBA flexible part-time program combines online and on-campus instruction. Students can choose a general administration degree or specialize with one of four majors. The Evening MBA is a 24-month part-time program and is designed to be completed while students work full-time. Students can also customize their education to meet their specific career needs with Kelley's dual degree option.


The curriculum and classroom experiences in the Kelley Evening MBA Program are a blend of structure and flexibility, allowing students to gain a high-quality degree that leaves room for work and personal commitments. Students can complete a general administration degree or choose one of four majors: finance, management and entrepreneurship, marketing or supply chain management. Dual degrees are also available for combining students' MBA with one of six other graduate degrees.

## Appendix C – Overview for Boone County, Indiana

People & Income Overview (By Place of Residence)	Value	Rank in U.S.
Population (2021)	73,052	758
Growth (%) since 2021 Census	29%	68
Households (2020)	25,822	797
Labor Force (persons) (Ann. Avg. 2021)	36,964	616
Unemployment Rate (Ann. Avg. 2021)	2.1	2,718
Per Capita Personal Income (2020)	\$80,314	77
Median Household Income (2020)	\$92,302	90
Poverty Rate (2020)	5.2	3,088
High School Diploma or More: % of Adults 25+ (2020)	94.6%	208
Bachelor's Degree or More: % of Adults 25+ (2020)	50.8%	59

Industry Overview, 2021 (By Place of Work)	Value	Rank in U.S.
Covered Employment	37,720	596
Avg Wage per Job	\$50,352	843
Manufacturing: % of All Jobs in County	8.6%	1,624
Avg Wage per Job	\$55,3222	1,372
Transportation & Warehousing: % of All Jobs in County	30.5%	6
Avg Wage per Job	\$48,454	2,028
Healthcare, Social Assist.: % of All Jobs in County	8.1%	1,680
Avg Wage per Job	\$57,072	498
Finance and Insurance: % All Jobs in County	1.2%	2,472
Avg Wage per Job	\$97,665	214

This data come from StatsAmerica, a service of the Indiana Business Research Center at Indiana University's Kelley School of Business. This initiative is funded in part by the U.S. Commerce Department's Economic Development Administration. (Retrieved August 2022)

A blue-tinted photograph of a city street scene. In the foreground, the Columbus Circle monument is visible, featuring a large eagle sculpture and a base with inscriptions. In the background, several skyscrapers are visible, including the Freedom Tower (1 World Trade Center) with its distinctive spire. The sky is a uniform blue color.

# SHEIN

Learn more about SHEIN at [SHEINGroup.com](https://www.SHEINGroup.com)