Iowa Economic Trends
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Contact: Harvey Siegelman, State Economist
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Another Workforce Record in June; Jobless Rate Down Slightly

Iowa Labor Market Information

(Thousands of Workers)	June 1991	June 1992	Diff.	Percent Diff.
Resident Labor Force	1,518.2	1,545.0	26.8	1.8%
Resident Employment	1,453.1	1,467.6	14.5	1.0%
Resident Unemployed	65.1	77.3	12.2	18.7%
Unemployment Rate	4.3%	5.0%		
Non-Farm Wage & Salary Jobs	1,254.6	1,255.6	1.0	0.1%
Goods Producing	288.0	282.8	-5.2	-1.8%
Construction	50.8	48.9	-1.9	-3.7%
Manufacturing	235.0	231.5	-3.5	-1.5%
Durable Goods	129.0	128.9	-0.1	-0.1%
Fabricated Metals	17.2	17.3	0.1	0.6%
Industrial Machinery	40.2	39.6	-0.6	-1.5%
Farm & Garden	14.8	14.3	-0.5	-3.4%
Constr. & Related	9.1	9.9	0.8	8.8%
Electronic Equipment	16.4	16.3	-0.1	-0.6%
Transportation Equip.	11.0	11.0	0.0	0.0%
Instruments & Related	11.8	11.3	-0.5	-4.2%
Non-Durable Goods	106.0	102.6	-3.4	-3.2%
Food Products	50.4	49.6	-0.8	-1.6%
Meat Products	26.9	26.1	-0.8	-3.0%
Grain Mill Products	10.2	10.1	-0.1	-1.0%
Printing & Publishing	22.0	19.4	-2.6	-11.8%
Rubber & Plastics	14.1	13.9	-0.2	-1.4%
Service Producing	966.6	972.8	6.2	0.6%
Transp. & Public Utilities	55.9	55.4	-0.5	-0.9%
Wholesale & Retail Trade	317.2	319.5	2.3	0.7%
Finance, Insur. & Real Est.	72.8	74.2	1.4	1.9%
Insurance	32.5	33.1	0.6	1.8%
Services	297.3	301.1	3.8	1.3%
Business Services	39.8	40.5	0.7	1.8%
Health Services	100.2	102.9	2.7	2.7%
Government	223.4	222.6	-0.8	-0.4%

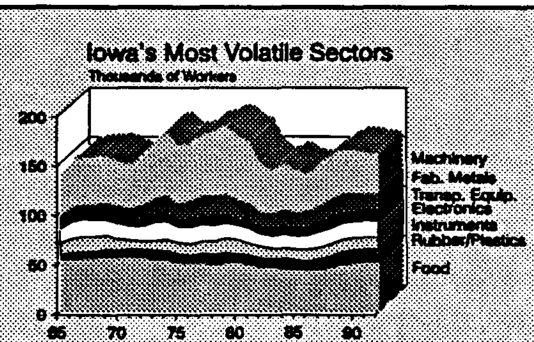
Source: Iowa Department of Employment Services

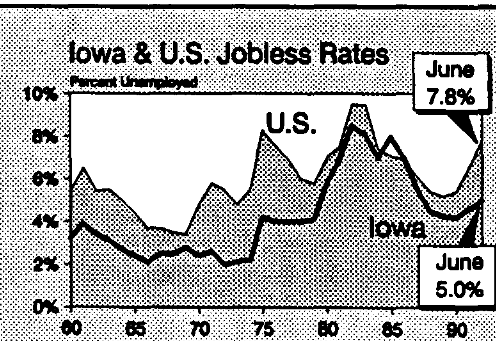
The Iowa workforce set a record in June at 1,467,600. Resident employment dropped to 77,300 in June from 79,500 in May, bringing the jobless rate down from 5.2% to 5.0%. The rate in June, 1991 was 4.3%. For the nation, the jobless rate rose to 7.8% in June from 7.5% in May and 6.9% in June, 1991.

The increasing spread between Iowa's jobless rate and the national rate can be seen in the bottom right-hand chart. Also evident in that chart is Iowa's 'double-dip' recession in the 1980's. Our jobless rate peaked in 1983 and again in 1985. It was that second recessionary 'dip' that made Iowa different from all but the most industrialized states. The effect can be seen in the employment drop in Iowa's most volatile manufacturing sectors. The bottom left-hand chart shows the ups and downs of the machinery industry and the post-recession growth in food and electronics.

In the June employment report, manufacturing jobs were up 2,600 from May and down 3,500 from June, 1991. The average weekly earnings in private sector jobs in Iowa this June were $323.23, up 1.6% from the $318.15 level in June, 1991.

For more information contact Employment Services economist Ann Wagner at (515)281-8182.





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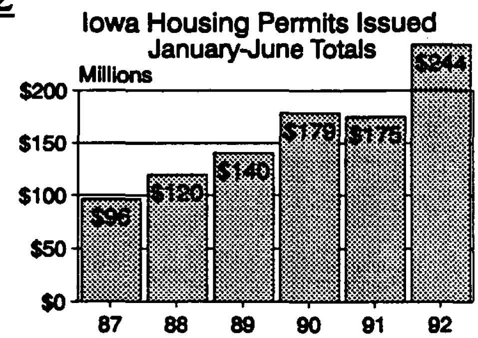
Housing Permits Up 39% for First Half of '92

While housing activity was softening across the country, Iowa builders took advantage of falling interest rates. The value of permits issued by the building departments of Iowa's largest communities ended the first six months of 1992 up 39% compared to the same period in 1991. The big growth leaders included Storm Lake, Urbandale, Marion, Fairfield, Charles City, Pella and Altoona. Each saw increases of at least 25% over the same period in 1991.

In the early months of the housing recovery, most of the growth was occurring in the major metro areas. Communities in the middle size category are now beginning to see the same growth.



Value of Housing Permits - Thousands of Dollars

	Month of June						January - June Totals						
City	1987	1988	1989	1990	1991	1992	1987	1988	1989	1990	1991	1992	Percent Change 1991-1992
Altoona	265	110	526	85	349	638	811	565	1,871	956	1,031	2,311	124%
Ames	2,215	509	761	988	2,072	1,396	4,211	3,133	3,740	3,914	6,786	10,305	52%
Ankeny	424	961	1,492	1,305	1,660	2,238	2,626	5,038	7,348	11,372	10,823	12,327	14%
Atlantic	0	0	95	0	0	0	0	100	210	255	486	0	-100%
Bettendorf	1,479	1,999	1,946	2,521	1,937	2,078	5,033	6,229	9,685	12,853	11,593	12,217	5%
Boone	0	0	182	0	323	58	148	172	337	285	1,046	910	-13%
Burlington	0	40	195	281	113	331	483	470	642	1,346	1,262	1,018	-19%
Carroll	59	0	194	714	280	278	890	385	684	2,036	1,946	1,712	-12%
Cedar Falls	137	777	432	3,068	773	1,109	628	2,114	2,977	6,087	3,526	7,354	109%
Cedar Rapids	3,534	1,640	6,490	1,221	3,406	4,608	8,991	6,559	14,903	8,628	15,744	17,815	13%
Charles City	0	0	0	43	0	0	0	0	35	123	0	333	Huge
Clear Lake	0	200	400	100	100	0	400	500	800	1,000	300	745	148%
Clinton	28	0	85	50	160	271	206	480	1,068	1,282	932	1,278	37%
Clive	79	0	2,090	1,444	1,898	3,340	788	465	4,854	11,540	14,313	27,836	94%
Coralville	245	385	447	490	575	1,155	1,904	1,079	2,390	3,625	5,860	7,280	24%
Council Bluffs	661	594	193	193	325	600	2,209	3,191	1,811	2,343	2,524	2,808	11%
Creston	0	0	451	0	0	0	470	108	451	0	983	125	-87%
Davenport	1,079	880	193	1,129	1,685	3,409	2,793	5,267	8,671	8,750	7,054	9,961	41%
Decorah	485	0	0	375	432	361	1,181	797	557	1,181	1,177	2,466	110%
Des Moines	497	7,853	3,825	1,873	3,543	2,758	3,134	14,805	14,264	15,455	15,627	17,700	13%
Dubuque	491	1,212	1,434	1,314	723	1,555	3,750	4,879	4,521	7,584	5,440	9,389	73%
Fairfield	0	80	0	0	286	220	519	295	670	340	529	1,238	134%
Fort Dodge	75	203	135	296	0	140	497	1,062	1,057	779	1,060	1,074	1%
Fort Madison	0	0	0	80	0	0	0	0	40	80	200	66	-67%
Indianola	106	145	0	625	1,713	89	1,903	1,523	731	2,484	3,048	2,585	-15%
Iowa City	893	1,530	1,960	2,265	1,235	3,050	5,189	7,426	12,866	12,658	12,234	18,584	52%
Keokuk	26	20	0	0	124	50	76	20	0	160	186	172	-7%
Knoxville	39	0	112	70	0	200	154	142	245	617	529	508	-4%
LeMars	421	282	208	183	212	330	758	604	640	838	1,011	988	-2%
Marion	412	410	718	885	277	1,845	2,491	2,497	2,540	3,030	2,715	7,011	158%

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Value of Housing Permits - Thousands of Dollars (Continued)													
	Month of May						January - May Totals						
City	1987	1988	1989	1990	1991	1992	1987	1988	1989	1990	1991	1992	Percent Change 1991-1992
Marshalltown	0	5,002	66	134	710	185	192	5,205	1,779	913	1,395	699	-50%
Mason City	70	311	189	523	261	435	711	1,306	2,693	1,667	1,679	2,369	41%
Mount Pleasant	156	35	0	0	185	142	534	949	317	765	1,381	770	-44%
Muscatine	388	50	164	162	565	214	669	638	906	1,173	1,407	2,287	63%
Newton	0	463	1,143	289	241	538	484	1,257	1,790	2,087	9,949	2,011	-80%
Oskaloosa	0	0	634	196	182	125	409	203	1,476	459	1,031	1,290	25%
Ottumwa	0	0	195	375	157	205	327	28	543	711	1,020	595	-42%
Pella	215	90	595	85	420	412	1,275	855	1,489	1,634	790	1,806	129%
Sioux City	182	555	146	270	460	1,159	735	1,231	1,201	2,242	1,935	3,074	59%
Spencer	0	0	0	90	80	50	85	55	87	2,639	500	569	14%
Storm Lake	0	600	0	327	0	158	68	701	35	456	163	561	245%
Urbandale	1,736	2,511	1,498	1,695	1,918	2,902	11,343	8,740	5,936	9,220	8,449	22,044	161%
Washington	51	450	44	195	17	165	51	827	592	542	432	894	107%
Waterloo	191	106	378	205	685	508	191	805	5,074	2,757	1,797	2,767	54%
Waverly	0	0	305	315	447	612	886	85	758	1,291	1,989	1,500	-25%
Webster City	38	8	0	0	95	120	534	582	514	0	228	120	-47%
West Des Moines	3,916	6,405	3,170	3,459	2,164	2,846	25,629	26,106	14,521	28,459	11,201	23,775	112%
TOTAL	20,591	36,416	33,091	29,916	32,786	42,245	96,360	119,478	140,320	178,613	175,309	243,746	39%

Raw Data Exposed: Des Moines' Secrets Finally Revealed

For the first time, in full detail, uncensored, all of the Des Moines economic information a business leader could ever need has been included in one publication. Did you know that 34% of Des Moines' population is between the ages of 25 and 44? Or that the effective buying income in Des Moines' market area exceeds $12 billion? Or that last year the vacancy rate for commercial buildings in Des Moines was 18.5%? Or that the median home price was $69,091?

These facts and thousands more can be found in the Greater Des Moines Area Economic Review. The source of this compendium of business intelligence is the Greater Des Moines Chamber of Commerce Federation. At $25 a copy it makes a great stocking stuffer for the hard-to-fit business planner. To order an unexpurgated copy, contact Chamber research manager Shirley Mendenhall, 601 Locust, Suite 100, Des Moines, IA 50309, (515)286-4947.

D&B: Iowa Business Failures Rise in 1992

After several years in which the number of business failures in Iowa had been falling, the trend appears to be turning. In a report released by Dun & Bradstreet, 354 businesses failed in Iowa during the first five months of 1992 compared to 109 for the same period in 1991 and 228 in 1990. For the nation, failures rose 15.9% during this period. Only Hawaii exceeded Iowa in the percentage increase. Just last year, both Iowa and Hawaii had very few business failures and had experienced a decline at a time when every other state saw an increase.

For the first five months of 1992, each state in the region saw increases except for South Dakota. "As a result of continued economic weakness, balance sheets still reflect stress and business failures remain at very high levels," said Joseph W. Duncan, vice president, corporate economist and chief statistician for Dun & Bradstreet. "While the overall economy has begun to show modest improvements, for many financially troubled firms this growth is too little too late." For information, contact Reid Gearhart at D&B, (212)593-6727.

Welcome, Thank you, or Please: **If this is your first issue of Trends, Welcome. If you have sent us a check to help cover the costs of publishing this newsletter, Thank you. If you want to assure an uninterrupted flow of these monthly Trends, Please, we seek your contributions. For a one year subscription, send a check for $25 made out to "State of Iowa" and mailed to "Economic Trends," Iowa Department of Economic Development, 200 East Grand Avenue, Des Moines, IA 50309.**

1st Qtr. Iowa Personal Income Up 4.7%, U.S. Up 4.1%

The total income of all Iowans from all sources grew by 3.2% from the 4th quarter of 1991 and 4.7% from the same quarter a year earlier. During this time, the total personal income for the nation grew by 1.3% for the quarter and 4.1% for the year.

Income from durable goods manufacturing fell for the year in Iowa and showed minimal growth elsewhere in the nation. Farm income is the erratic component in Iowa, but less so than in the past. During the first quarter, farm income was the big growth leader in Iowa, followed by the financial and construction sectors.

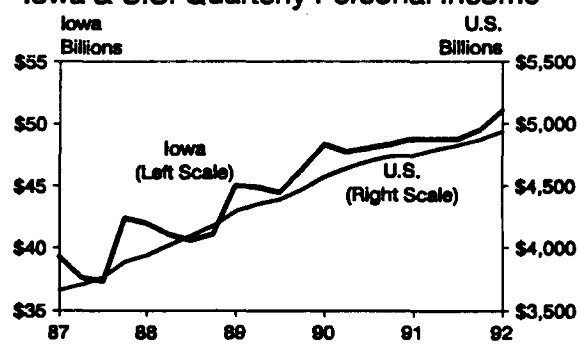
Personal income includes income from all sources, including earned income and dividends, interest, rent and government transfer payments. In Iowa the largest category of transfers is from social security payments. The U.S. Department of Commerce publishes these estimates quarterly, and frequently back-revises the data for the previous several years. The information will be published by the Commerce Department in a future issue of their monthly Survey of Current Business.

Iowa Quarterly Personal Income

(Millions of Dollars)	1991 I Q	1991 II Q	1991 III Q	1991 IV Q	1992 I Q	Percent Difference 92:IV-91:I	91:I-92:I
Total Personal Income	48,785	48,724	48,711	49,485	51,059	4.7%	3.2%
Non-Farm Income	46,310	46,780	47,146	47,592	48,402	4.5%	1.7%
Farm Income	2,475	1,944	1,565	1,893	2,658	7.4%	40.4%
Dividends, Int. & Rent	9,048	8,994	8,935	8,935	8,866	-2.0%	-0.8%
Transfer Payments	7,780	7,890	8,028	8,219	8,569	10.1%	4.3%
Wages And Salaries	24,806	25,091	25,271	25,454	25,854	4.2%	1.6%
Fringe Benefits	2,526	2,569	2,595	2,629	2,689	6.5%	2.3%
Farm Income	2,221	1,684	1,302	1,624	2,384	7.3%	46.8%
Small Business Profits	4,399	4,507	4,606	4,662	4,805	9.2%	3.1%
Non-Farm Earnings	31,476	31,908	32,208	32,477	33,074	5.1%	1.8%
Construction	1,544	1,574	1,664	1,662	1,750	13.3%	5.3%
Manufacturing	7,119	7,172	7,139	7,242	7,230	1.6%	-0.2%
Non-Durable Mfg	2,882	2,912	2,877	2,921	2,983	3.5%	2.1%
Durable Mfg.	4,237	4,260	4,262	4,320	4,247	0.2%	-1.7%
Transp. & Public Ut	2,100	2,137	2,135	2,155	2,193	4.4%	1.8%
Trade	5,390	5,457	5,449	5,541	5,692	5.6%	2.7%
Finance, Insur.,& R.E.	2,145	2,185	2,222	2,217	2,341	9.1%	5.6%
Services	7,581	7,738	7,934	7,988	8,141	7.4%	1.9%
Government	5,208	5,254	5,236	5,275	5,320	2.2%	0.9%

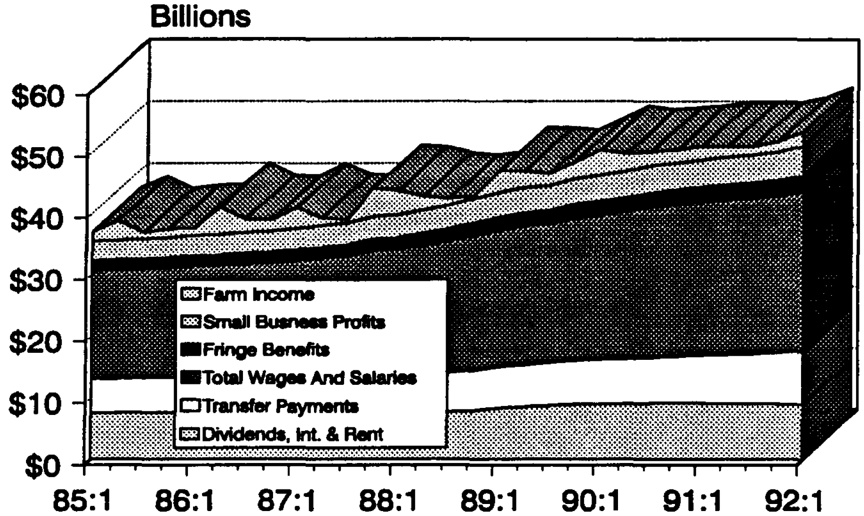
Source: U.S. Department of Commerce, Bureau of Economic Analysis

Iowa & U.S. Quarterly Personal Income



Iowa Quarterly Personal Income

Billions



Source: U.S. Department of Commerce, Bureau of Economic Analysis

Farm Income is the erratic component in Iowa but less so than in the past

Lower Hog Prices Expected in Second Half of 1992

According to Mike Singer, an economist at the Federal Reserve Bank of Chicago: "Several elements point to lower hog prices during the second half of this year and on into next year. First, the expected year-over-year production gains will likely pressure hog prices."

"Second, there is typically a seasonal increase in slaughter during the summer and fall quarters which contributes to lower prices." And he added, "Competition from ample supplies of beef and poultry will also help keep a lid on hog prices."

To be added to the mailing list for the FRB Chicago Agricultural Letter write Federal Reserve Bank of Chicago, Public Information Center, P.O. Box 834, Chicago, IL 60690-0834.

Selected U.S. Agricultural Economic Indicators

Indicator	Measure	Period	Value	%Ch Yr Ago	%Ch 2Yr Ago
Receipts from Livestock Marketings	Mil. Dol.	February	6,804	3	-1
Receipts from Crop Marketings	Mil. Dol.	February	4,722	2	1
Corn Exports	Mil. Bu.	April	142	80	81
Soybean Exports	Mil. Bu.	February	68	2	-9
Tractor Sales, 40 to 100 HP	Units	May	3,027	-27	-25
Tractor Sales, 100+ HP	Units	May	1,062	-57	-50
Combines	Units	May	205	-84	-75

Source: Federal Reserve Bank of Chicago, Agricultural Letter, July 1992

U.S. Outlook: Growth Flat, Inflation Moderate, Exports Soft

According to the analysts at DRI/McGraw-Hill, inflation-adjusted growth is expected to be sub-par for 1992 but pick up slightly in 1993 and 1994. DRI's outlook is more dour for this year and optimistic for next compared to the consensus of business economists. The 50 economists surveyed each month by Blue Chip Economic Indicators expected real GDP growth in 1992 to be 2.1% and in 1993 to be 3.0%.

Key inflation measures are expected to be moderate during the next two years. Annual wholesale price rises are expected to be less than 3.0% and DRI expects annual retail prices growth of 3.2%.

Exports are expected to grow at about 4.8% each year, about 2/3 of the rate of growth experienced in the 1990-91 period.

Investment in office equipment, computers, and residential construction is expect to show substantial growth during the next two years, but forget about any spurt in commercial construction until 1994.

DRI/McGraw-Hill's U.S. Economic Outlook

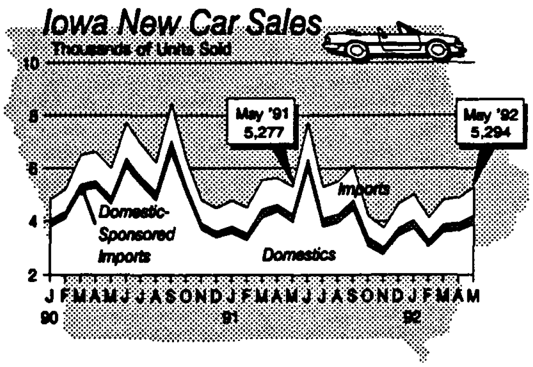
Indicator	Measure	90	91	92	93	94
Gross domestic product (GDP)	Growth, $1987	1.0	-0.7	1.9	2.6	3.1
Industrial production	% Change	1.0	-1.9	1.4	3.4	4.5
Capacity utilization of factories	%	82.3	78.2	78.2	79.8	81.1
Unemployment rate	%	5.5	6.8	7.5	7.0	6.2
Gross domestic product deflator	% Change	4.1	3.7	2.5	2.7	2.7
State & local gov't purchases GDP deflator	% Change	3.9	3.2	2.2	3.3	3.2
Consumer price index	% Change	5.4	4.2	3.2	3.2	3.2
Producer price index	% Change	5.0	2.1	1.3	2.6	3.0
Investment in office & computer equip.	% Change	11.3	15.3	25.7	14.4	15.3
Investment in commercial buildings	% Change	1.2	-16.1	-10.3	-4.7	12.2
Investment in residential buildings	% Change	-8.7	-10.4	9.0	6.4	7.7
U.S. Dollar exchange rate	% Change	-5.2	-1.1	-1.7	2.9	1.0
Exports of merchandise	% Change	7.7	6.4	5.8	4.7	4.8
Prime rate of interest	%	10.0	8.5	6.3	6.4	7.3
Federal funds rate	%	8.1	5.7	3.6	4.1	5.3
1-year T-bill rate	%	7.5	5.4	3.5	4.1	5.0
10-year gov't bond yield	%	8.4	8.1	7.3	7.6	7.9

Source: DRI/McGraw-Hill United States Executive Report, July 1992

Iowa New Car Sales Down 6%, Domestic Imports Up 13%

While the sales of U.S. carmakers' domestic-made cars are down 6% in Iowa, their relabeled imports (called 'domestic-sponsored imports') have been selling like hotcakes.

Foreign carmakers have also seen their Iowa sales fall 6% during the past year. The key to increased sales may be to have all of the U.S. carmakers relabel and sell only foreign-made cars. These could compete with the foreign carmakers' U.S.-assembled, foreign-labeled products. Confusing enough for you?



January-May New Car Sales in Iowa				
Manufacturer	1991	1992	Difference 1991-92	Percent Difference 1991-92
Chrysler total	2,179	2,248	69	3%
Chrysler domestics	1,972	2,014	42	2%
Chrysler imports*	207	234	27	13%
Ford total	6,130	5,553	-577	-9%
Ford domestics	5,745	5,221	-524	-9%
Ford imports*	385	332	-53	-14%
GM total	12,278	11,496	-782	-6%
GM domestics	11,612	10,646	-966	-8%
GM imports*	666	850	184	28%
U.S. Carmakers total	20,587	19,297	-1,290	-6%
total domestics	19,329	17,881	-1,448	-7%
total imports*	1,258	1,416	158	13%
Honda	1,606	1,357	-249	-16%
Mazda	493	531	38	8%
Nissan	637	578	-59	-9%
Toyota	1,265	1,272	7	1%
All Others	1,121	1,067	-54	-5%
Foreign Carmakers total	5,122	4,805	-317	-6%
Total Sales	25,709	24,102	-1,607	-6%

Source: R. L. Polk Co. **Imports (U.S. labeled, foreign made)*

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