Iowa Economic Trends

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July, 1992

More Workers Than Ever - But Also More Work Seekers

In May, 4,300 more Iowans had jobs than one year ago. More Iowans were working in payroll jobs in May than in any month in the past. That would normally be great news. However, new graduates, new entrants and re-entrants in the workforce added 8,300 to the list of job seekers. The result was a slight increase in the monthly jobless rate to 5.1% from a back-revised 4.9% for April.

"Slow growth in the state's industrial sector means that it will take longer to absorb this year's supply of graduates," according to Cynthia Eisenhauer, director of the Department of Employment Services. Iowa's 5.1% compares well with the national average for May of 7.5%.

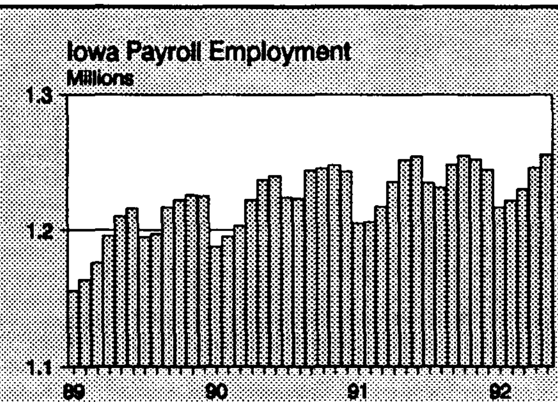
During the month, manufacturing firms in Iowa reported a one hour increase in the length of the average workweek from 40.4 to 41.4 hours. Historically, overtime rates this high just precede an upturn in factory employment levels.

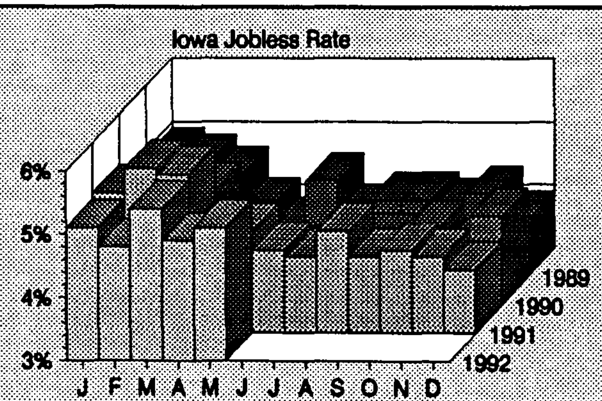
For more information contact Employment Service economist Ann Wagner at (515)281-8182.

Iowa Labor Market Information

(Thousands of Workers)	May 1991	May 1992	Diff.	Percent Diff.
Resident Labor Force	1,524.1	1,536.8	12.7	0.8%
Resident Employment	1,453.9	1,458.2	4.3	0.3%
Resident Unemployed	70.2	78.5	8.3	11.8%
Unemployment Rate	4.6%	5.1%		
Non-Farm Wage & Salary Jobs	1,252.0	1,256.2	4.2	0.3%
Construction	47.5	46.4	-1.1	-2.3%
Manufacturing	234.0	228.8	-5.2	-2.2%
Durable Goods	129.2	128.0	-1.2	-0.9%
Fabricated Metals	17.3	17.1	-0.2	-1.2%
Industrial Machinery	41.5	39.6	-1.9	-4.6%
Farm & Garden	14.8	14.3	-0.5	-3.4%
Constr. & Related	10.5	9.9	-0.6	-5.7%
Electronic Equipment	16.0	16.4	0.4	2.5%
Transportation Equip.	10.9	10.8	-0.1	-0.9%
Instruments & Related	11.8	11.4	-0.4	-3.4%
Non-Durable Goods	104.8	100.8	-4.0	-3.8%
Food Products	49.5	48.2	-1.3	-2.6%
Meat Products	26.4	25.0	-1.4	-5.3%
Grain Mill Products	9.9	10.1	0.2	2.0%
Printing & Publishing	22.0	19.4	-2.6	-11.8%
Rubber & Plastics	14.1	13.7	-0.4	-2.8%
Transp. & Public Utilities	55.5	55.1	-0.4	-0.7%
Wholesale & Retail Trade	314.7	317.8	3.1	1.0%
Finance, Insur. & Real Est.	71.6	73.1	1.5	2.1%
Insurance	31.8	32.4	0.6	1.9%
Services	299.5	305.3	5.8	1.9%
Business Services	38.8	40.4	1.6	4.1%
Health Services	99.2	102.0	2.8	2.8%
Government	227.0	227.5	0.5	0.2%

Source: Iowa Department of Employment Services





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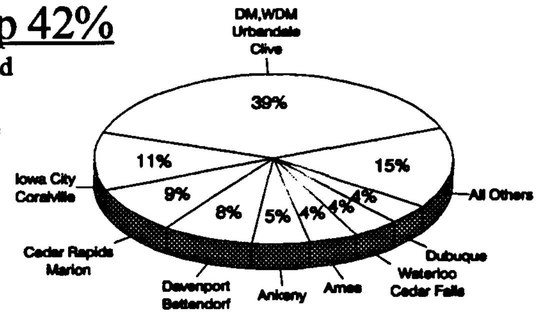
Postmaster: Address corrections are requested.

May Housing Permits Up 12.6%, Y-to-D up 42%

The value of housing permits issued in May set a record for the month and brought the year-to-date total up 42% above the same five month period in 1991. The largest slice of the pie is attributable to Des Moines and the surrounding suburbs. The next largest growth area in the state was Iowa City-Coralville.



Housing permit statistics are collected by IDED each month from the building departments of most of the cities with population above 7,000.

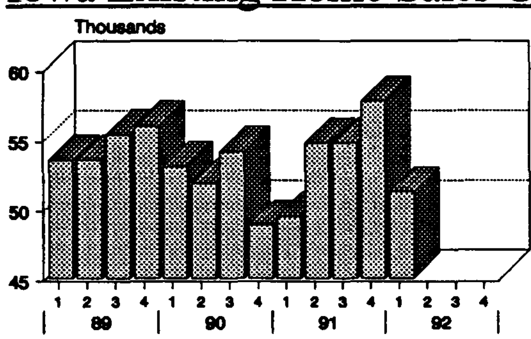
Value of Housing Permits - Thousands of Dollars

	Month of May						January - May Totals						
City	1987	1988	1989	1990	1991	1992	1987	1988	1989	1990	1991	1992	Percent Change 1991-1992
Altoona	197	362	935	336	354	861	545	456	1,345	871	683	1,673	145%
Ames	145	920	509	683	943	2,421	1,996	2,624	2,978	2,926	4,714	8,909	89%
Ankeny	707	1,516	1,925	1,207	3,286	1,355	2,202	4,076	5,856	10,067	9,163	10,089	10%
Atlantic	0	0	0	170	165	0	0	100	115	255	486	0	-100%
Bettendorf	700	1,349	2,202	2,549	2,540	2,036	3,554	4,230	7,740	10,332	9,656	10,139	5%
Boone	68	172	95	285	443	435	148	172	155	285	723	852	18%
Burlington	190	430	125	125	220	97	483	430	447	1,065	1,149	687	-40%
Carroll	146	312	0	487	516	310	831	385	490	1,322	1,666	1,434	-14%
Cedar Falls	120	634	763	800	829	908	490	1,337	2,545	3,019	2,753	6,245	127%
Cedar Rapids	1,511	1,602	1,670	2,369	2,888	2,769	5,457	4,920	8,413	7,407	12,338	13,207	7%
Charles City	0	0	0	0	0	113	0	0	35	80	0	333	Huge
Clear Lake	200	100	100	400	100	75	400	300	400	900	200	745	273%
Clinton	65	60	480	100	422	180	178	480	983	1,232	772	1,007	30%
Clive	263	89	441	2,097	2,786	2,391	709	465	2,764	10,096	12,415	24,496	97%
Coralville	135	119	502	560	2,871	972	1,659	694	1,943	3,135	5,285	6,125	16%
Council Bluffs	310	675	339	652	717	921	1,548	2,597	1,618	2,150	2,199	2,208	0%
Creston	440	0	0	0	0	60	470	108	0	0	983	125	-87%
Davenport	340	1,249	1,201	1,511	1,574	1,203	1,713	4,387	8,478	7,621	5,369	6,552	22%
Decorah	466	646	175	211	180	875	696	797	557	806	745	2,105	183%
Des Moines	530	1,815	1,796	3,201	4,189	3,926	2,637	6,953	10,439	13,582	12,084	14,942	24%
Dubuque	1,211	816	660	2,837	521	2,493	3,259	3,666	3,087	6,270	4,718	7,834	66%
Fairfield	144	0	0	0	46	760	519	215	670	340	243	1,702	602%
Fort Dodge	70	247	269	110	719	118	422	859	922	483	1,060	934	-12%
Fort Madison	0	0	0	0	0	0	0	0	40	0	200	66	-67%
Indianola	212	231	407	531	327	745	1,797	1,378	731	1,859	1,335	2,496	87%
Iowa City	1,564	1,831	2,390	1,873	4,591	2,127	4,297	5,896	10,906	10,393	10,999	15,534	41%
Keokuk	0	0	0	160	0	0	50	0	0	160	62	122	97%
Knoxville	0	0	0	185	0	190	115	142	133	547	529	308	-42%
LeMars	0	150	282	145	318	305	337	322	432	655	799	658	-18%
Marion	965	629	339	754	602	893	2,079	2,086	1,822	2,145	2,438	5,166	112%

Continued on the next page

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	78	100	295	258	71	237	192	203	1,713	779	686	514	-25%
Mason City	142	352	1,905	402	285	1,251	641	995	2,503	1,144	1,418	1,934	36%
Mount Pleasant	224	215	42	408	146	130	378	914	317	765	1,196	628	-48%
Muscatine	98	190	119	474	294	355	280	588	742	1,011	842	2,073	146%
Newton	226	351	135	77	106	679	484	795	647	1,798	9,708	1,473	-85%
Oskaloosa	54	151	568	48	423	355	409	203	842	263	849	1,165	37%
Ottumwa	0	0	158	90	580	50	327	28	348	336	863	390	-55%
Pella	225	445	288	390	80	318	1,060	765	894	1,549	370	1,394	277%
Sioux City	364	163	516	442	315	790	554	676	1,055	1,973	1,475	1,851	25%
Spencer	85	0	0	210	0	105	85	55	87	2,549	420	519	24%
Storm Lake	0	0	35	0	0	318	68	101	35	129	163	403	148%
Urbandale	2,277	1,679	1,156	1,547	1,790	3,606	9,607	6,229	4,438	7,525	6,530	19,142	193%
Washington	0	302	60	100	158	274	0	377	548	347	415	729	76%
Waterloo	0	0	3,787	667	426	409	0	699	4,696	2,552	1,112	2,259	103%
Waverly	278	0	140	434	291	410	886	85	453	976	1,541	888	-42%
Webster City	370	128	514	0	45	0	496	574	514	0	133	0	-100%
West Des Moines	6,470	6,034	2,490	2,328	2,757	6,968	21,713	19,701	11,351	25,000	9,037	20,929	132%
TOTAL	21,588	26,062	29,813	32,211	39,913	44,933	75,769	83,062	107,230	148,697	142,522	202,121	42%

Iowa Existing Home Sales Up in 1st Qtr.; Still Below Late '91 Levels



51,200 houses, apartment units, condos and co-ops were sold in Iowa during the first quarter of 1992. While that was up 3.6% compared with the same quarter in 1991, it was a light showing compared to the aggressive activity in the final quarters of 1991. For the nation the sales of existing homes was up 11.2% for the quarter, compared to the same quarter in 1991. Sales were up in Cedar Rapids (19%) and Des Moines (12%) and down in Waterloo (-3%), according to the May issue of Home Sales, a report from the National Association of Realtors (NAR).

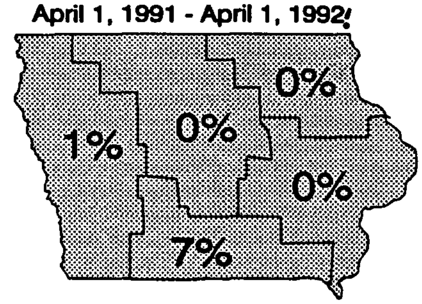
For subscription information or more details contact the NAR at (202)383-1110.

Iowa Farmland Values Up 1% Since 1991

Agricultural bankers surveyed by the Chicago Federal Reserve Bank say that the value of Iowa farmland has increased by 1% since April 1, 1991. South central counties experienced the greatest improvement. About two-thirds of the state showed no change over the period. According to the Fed report, "the sluggish rise in farmland values over the past year was also evident in cash rental rates for farmland." Survey results showed that while loan demand has been rising, banks reported ample liquidity and "a desire to expand their portfolio."

For more details contact the Public Information Center, Federal Reserve Bank of Chicago, (312)322-5111, and ask for Agricultural Letter number 1828.

Change in Value of Farmland April 1, 1991 - April 1, 1992



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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.

No Surprises: Slow Growth Outlook Forecast by Council

The Iowa Economic Forecasting Council and the University of Iowa Institute for Economic Research revised their quarterly outlook for the state's economy - but only minimally. The current outlook for both the nation and the state is for very slow income growth for this year and for the next two years. After adjustment for inflation, real Iowa personal income is expected to grow 2.4% in 1992, 2.5% in 1993 and 2.3% in 1994.

For more information or a copy of the report contact Professor Charles Whiteman, Director, University of Iowa, Institute for Economic Research, (319)335-0834.

Iowa Economic Forecast

Indicator	1991	1992	1993	1994
Personal Income (mil.)	$48.9	$51.3	$54.4	$58.2
Percent Change Year Ago	*1.7%*	*4.8%*	*6.1%*	*6.9%*
Wages & Salaries (mil.)	$25.2	$26.2	$27.8	$29.8
Percent Change Year Ago	*4.4%*	*4.0%*	*6.4%*	*6.9%*
Property Income (mil.)	$9.0	$8.9	$9.4	$10.2
Percent Change Year Ago	*-0.1%*	*-1.2%*	*5.5%*	*9.1%*
Transfers (mil.)	$8.0	$8.8	$9.5	$10.3
Percent Change Year Ago	*9.0%*	*10.5%*	*8.0%*	*7.8%*
Farm Income (mil.)	$2.0	$2.1	$1.8	$1.6
Percent Change Year Ago	*-36.3%*	*8.1%*	*-17.0%*	*7.9%*
Payroll Employment (000's)	1,233.4	1,254.2	1,294.6	1,338.5
Percent Change Year Ago	*0.8%*	*1.7%*	*3.2%*	*3.4%*
Durable Goods Mfg. (000's)	128.8	128.9	139.0	150.2
Percent Change Year Ago	*-3.0%*	*0.1%*	*7.8%*	*8.1%*
Non-Durable Goods Mfg. (000's)	103.5	103.0	105.2	107.6
Percent Change Year Ago	*-0.2%*	*-0.5%*	*2.2%*	*2.3%*
Services (000's)	297.4	302.8	309.6	316.2
Percent Change Year Ago	*3.1%*	*1.8%*	*2.2%*	*2.1%*

Source: University of Iowa, Institute for Economic Research

Iowa Metro Cities Rank High in Concentration of Business Services

Out of 325 metropolitan areas across the nation, Cedar Rapids ranks 6th in the concentration of its workforce in the advertising industry. Waterloo-Cedar Falls ranks 43rd. In the concentration of information processing, Des Moines ranks 17th and Cedar Rapids ranks 41st.

Des Moines also ranks high among cities providing a home to consumer credit reporting and accounting firms.

Communities with strong business service support industries can better recruit other new businesses that require these services. The movement from the major metro areas to the smaller metro areas is evident throughout the Midwest, according to a study by Chicago Federal Reserve regional economist William Testa. The study, "Producer Services: Trends and Prospects for the Seventh District," was published in the May/June issue of <u>Economic Perspectives</u>.

For a copy of the publication or for additional information contact Dr. Testa at the Chicago Fed, (312)322-5791.

Index of Employment Concentration in Business Service Industries
(Top ranked Midwest metro areas, 1987 data)

Advertising	Index	Rank	Accounting, Auditing, and Bookkeeping	Index	Rank
Chicago, IL	2.89	5	Madison, WI	1.66	11
Cedar Rapids, IA	*2.32*	*6*	Chicago, IL	1.50	16
Milwaukee, WI	1.99	9	*Des Moines, IA*	*1.41*	*25*
Peoria, IL	1.82	11	Milwaukee, WI	1.26	42
Detroit, MI	1.76	12	Aurora-Elgin, IL	1.20	54
Madison, WI	1.33	31	Kalamazoo, MI	1.12	67
Waterloo-Cedar Falls, IA	*1.20*	*43*	Indianapolis, IN	1.09	74
Kalamazoo, MI	1.19	45	Detroit, MI	1.04	83

Computer Programming and Data Processing	Index	Rank	Consumer Credit Reporting	Index	Rank
Ann Arbor, MI	2.44	16	*Des Moines, IA*	*1.87*	*21*
Des Moines, IA	*2.33*	*17*	Chicago, IL	1.61	38
Madison, WI	1.67	35	Milwaukee, WI	1.34	53
Cedar Rapids, IA	*1.51*	*41*	Indianapolis, IN	1.28	65
Chicago, IL	1.47	44	Ft. Wayne, IN	1.20	76
Janesville-Beloit, WI	1.16	59	Green Bay, WI	1.17	81
Champaign-Urbana, IL	1.06	67	Kankakee, IL	1.13	86
Milwaukee, WI	1.06	70	Champaign-Urbana, IL	1.09	94

Source: Federal Reserve Bank of Chicago

Iowa Industry Patterns Have Changed in Past 20 Years

A Chicago Federal Reserve study of industry concentration looked at the effect of changes in business service concentration among Midwest cities (see story on page 4). But, what has been happening over time to the industry concentration in our state? The table below provides some answers. It shows the ratio of the relative importance of an industry in Iowa to the relative importance of that same industry for the nation.

The criteria for determining relative importance was the portion of total earnings generated by each industry compared to total earnings from all earnings. Economists call that measure a location quotient. When a location quotient is above 1.0 it means that in Iowa that industry generates a larger share of our earnings each year than it does for the nation.

In 1990, farms generated nearly 5 times as large a share of our earnings as the national average. Food production was 2.8 times as important. Insurance was 30% more important. During the past 20 years, motor vehicles and parts, leather products, and apparel and primary metals have increased in importance, even though they represent small shares of the total industry mix.

Measuring Diversification in the Iowa Economy

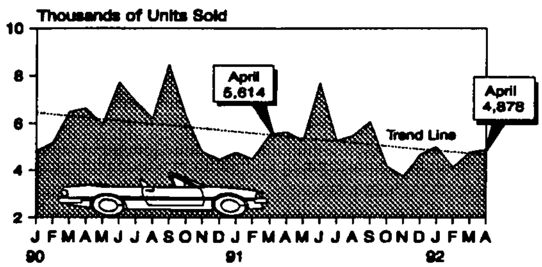
	Relative Importance of the Sector			Change in Relative Importance	
Sectors - 1.00 = as important in Iowa as in U.S.	1970	1980	1990	1970-1990	1980-1990
Farms	5.15	3.31	4.86	-6%	47%
Ag. Serv., Forestry, Fisheries, And Other	2.40	1.59	1.51	-37%	-5%
Mining	0.34	0.24	0.25	-28%	4%
Construction	0.96	1.02	0.80	-17%	-22%
Manufacturing	0.88	1.07	1.11	27%	5%
Nondurable Goods	1.00	1.08	1.16	16%	8%
Food And Kindred Products	2.78	2.91	2.83	2%	-3%
Apparel And Other Textile Products	0.22	0.27	0.46	112%	71%
Paper And Allied Products	0.36	0.40	0.61	68%	50%
Printing And Publishing	0.85	1.02	1.13	33%	11%
Chemicals And Allied Products	0.49	0.54	0.48	-2%	-11%
Rubber And Misc. Plastics Products	1.22	1.31	1.72	41%	32%
Leather And Leather Products	0.17	0.26	0.64	283%	149%
Durable Goods	0.80	1.06	1.09	35%	3%
Lumber And Wood Products	0.57	0.53	0.92	62%	72%
Furniture And Fixtures	0.82	0.97	1.53	86%	58%
Primary Metal Industries	0.47	0.65	1.06	124%	63%
Fabricated Metal Products	0.66	0.94	1.17	75%	24%
Machinery And Computer Equipment	1.71	2.55	2.05	20%	-19%
Motor Vehicles And Equipment	0.14	0.35	0.72	398%	106%
Transportation And Public Utilities	0.91	0.94	0.94	4%	0%
Trucking And Warehousing	1.41	1.47	1.53	8%	4%
Pipelines, Except Natural Gas	0.69	0.62	0.88	27%	42%
Communications	0.74	0.75	0.75	1%	0%
Wholesale Trade	0.89	1.15	1.03	15%	-11%
Retail Trade	1.10	1.02	0.98	-12%	-4%
Finance, Insurance, And Real Estate	0.84	0.91	0.84	0%	-7%
Security & Commodity Brokers And Services	0.28	0.36	0.27	-3%	-23%
Insurance Carriers	1.01	1.13	1.30	28%	14%
Insurance Agents, Brokers, And Services	1.15	1.30	1.31	13%	1%
Services	0.80	0.85	0.82	3%	-4%
Hotels And Other Lodging Places	0.68	0.55	0.45	-34%	-19%
Personal Services	0.98	1.12	1.23	25%	9%
Business Services	0.50	0.76	0.83	66%	10%
Amusement And Recreation Services	0.52	0.52	0.52	0%	0%
Health Services	0.96	1.02	0.99	3%	-3%
Educational Services	0.85	0.85	0.96	13%	14%
Museums, Botanical, Zoological Gardens	0.15	0.46	0.34	129%	-25%
Government And Government Enterprises	0.77	0.87	0.94	21%	8%
Federal, Civilian	0.49	0.52	0.62	26%	18%
Military	0.11	0.15	0.18	66%	25%
State And Local	1.04	1.08	1.12	8%	3%

Chrysler New Car Sales Up 8% in Iowa; Other Carmakers Still Down

Chrysler's Iowa new car sales were up 8% for the first four months of 1992, thanks to a 25% increase in the sales of Chrysler's imports.

Domestic import sales by the 'big three' U.S. carmakers were up 12% for the period, while domestic-made car sales were down 9%. Those imports which sell under a 'big three' label include the Plymouth/Dodge Colt, Dodge Stealth, Eagle Summit, Ford Festiva, Mercury Capri, Chevrolet Metro and Storm, and Pontiac LeMans. GM import sales were up 23% for the period, but Ford sales - domestics and imports - were down 13%.

Of the major foreign carmakers, only Mazda saw an increase in sales during the period.



January-April New Car Sales in Iowa

Manufacturer	1991	1992	Difference 1991-92	Percent Difference 1991-92
Chrysler total	1,651	1,776	125	8%
Chrysler domestics	1,493	1,578	85	6%
Chrysler imports*	158	198	40	25%
Ford total	4,927	4,301	-626	-13%
Ford domestics	4,622	4,037	-585	-13%
Ford imports*	305	264	-41	-13%
GM total	9,766	9,025	-741	-8%
GM domestics	9,246	8,384	-862	-9%
GM imports*	520	641	121	23%
U.S. Carmakers total	16,344	15,102	-1,242	-8%
Total domestics	15,361	13,999	-1,362	-9%
Total imports*	983	1,103	120	12%
Honda	1,294	1,060	-234	-18%
Mazda	411	434	23	6%
Nissan	504	447	-57	-11%
Toyota	1,000	937	-63	-6%
All Other Foreign Cars	879	828	-51	-6%
Foreign Carmakers Total	4,088	3,706	-382	-9%
Total Sales	20,432	18,808	-1,624	-8%

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

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