



# Economic Trends

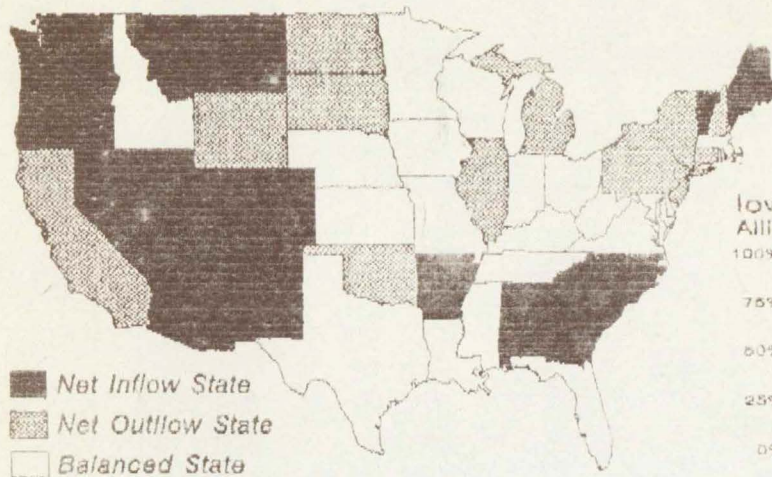
## Iowa

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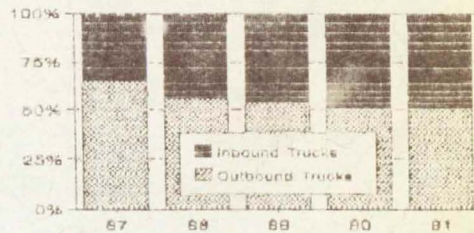
## Iowa's In-Migration Equals Out-Migration, Again in 1991

According to a survey of Allied Van Lines, trucks with inbound families matched those moving families out of Iowa again in 1991. But as recently as 1987, 65% of the trucks were outbound. Even in 1988, with a strengthening economy in Iowa, 56% of the trucks were outbound. The in-migration lag during a recovery is apparently much longer than the out-migration lag during a recession. Current net outbound states include California, Illinois, Michigan and the New England states.



For more information, contact Paula Riebe, Allied Van Lines, Chicago, (708)717-3627. The report is called the "Allied Van Lines Magnet State Report" and was released January 22, 1992.

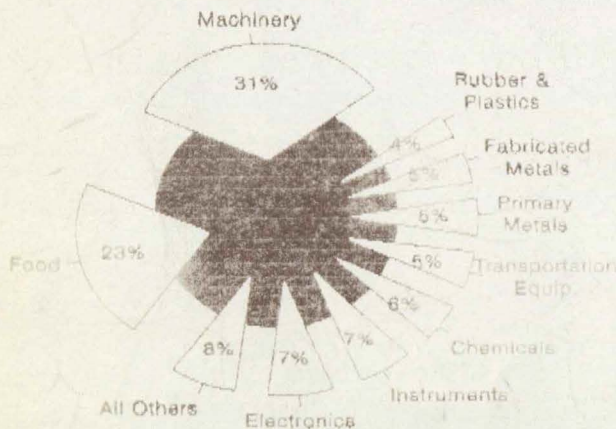
### Iowa Relocation Trends Allied Van Lines Shipments



## Iowa Factory Exports Down Slightly from 1990 Peak

Iowa's factory exports for the first three quarters of 1991 were down by a projected annual rate of 5.7%. A combination of factors were at play. The Gulf War during the first quarter disrupted export shipping. The economic revolution in Eastern Europe substantially reduced their purchases. And the depressed Canadian and British economies, generally among the major purchasers of Iowa's factory goods, contributed to the decline. Declines were greatest for machinery (-16%) and food products (-11%). The biggest gains were in electronics (+6%) and instruments (+22%) exports.

### What Do Iowa Factories Export?



### To Whom Do Iowa Factories Export?

(Millions of Dollars)	1989 Annual	1990 Annual	1991: Qtrs 1-3	1990 Top Customer	1991 Top Customer	Projected Change 1990-91
All Countries	2,469	2,578	1,819			6%
Canada	808	899	544	1	1	-19%
Japan	481	529	312	2	2	-21%
West Germany	93	111	112	4	3	34%
France	94	96	106	6	4	47%
U.K. & N. Ireland	110	121	95	3	5	4%
Netherlands	113	109	92	5	6	13%
Mexico	100	80	71	7	7	19%
South Korea	60	32	62	13	8	159%
Taiwan	49	54	37	9	9	-9%
Belgium	68	52	35	10	10	-10%
Italy	45	48	32	11	11	-9%
Australia	108	76	31	8	12	-46%
Brazil	14	48	25	12	13	-30%
Spain	43	31	24	14	14	3%
Singapore	22	27	19	15	15	-7%
Israel	4	16	18	17	16	45%
Venezuela	17	9	16	23	17	111%
Saudi Arabia	22	18	14	16	18	-7%

Source: U.S. Census Bureau

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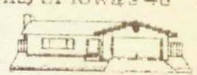
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## January Housing Permits Jump to All-Time High

In January, Iowa builders and developers were issued permits for future construction valued at more than \$26.4 million. The combination of mild weather and moderate interest rates combined to create a record level of permits issued by Iowa's 46 largest communities. Last January was characterized by war-fears and the general loss of consumer confidence in the economy. The January, 1991

numbers reflected the depressed market by falling 75% below year-earlier levels. In January 1992, Iowa housing activity was a whole 'nother ball game.

Each month the Iowa Department of Economic Development surveys the city building departments of Iowa's 48 largest communities.



Value of Housing Permits Issued - Thousands of Dollars

City	Month of January						Annual Total				
	1987	1988	1989	1990	1991	1992	1987	1988	1989	1990	1991
*Altoona	0	0	80	101	0	118	2,494	1,189	3,839	2,847	3,490
Ames	69	0	313	48	98	439	7,146	6,082	6,656	12,341	14,733
Ankeny	111	0	1,291	484	93	1,449	8,056	11,648	13,978	17,264	18,587
*Atlantic	0	0	0	0	0	0	0	100	430	661	836
Bettendorf	156	63	761	1,593	282	1,042	11,476	20,074	20,088	26,341	26,066
Boone	0	0	0	0	0	80	1,521	1,128	1,154	1,179	1,827
Burlington	100	0	0	0	0	0	949	1,245	1,830	2,446	3,789
Carroll	0	0	0	0	0	0	4,298	874	2,142	4,266	3,497
Cedar Falls	0	0	285	346	79	2,016	1,426	6,179	7,494	9,919	10,553
Cedar Rapids	528	272	658	0	527	1,506	20,697	19,230	29,603	615	33,336
*Charles City	0	0	0	702	0	0	0	0	35	17,832	87
*Clear Lake	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA
Clinton	0	0	0	0	0	0	236	640	1,682	2,511	2,005
*Clive	74	0	1,160	2,253	423	3,553	1,148	6,973	11,863	19,895	28,802
*Coralville	274	0	100	317	175	736	3,340	2,826	4,811	7,484	12,511
Council Bluffs	141	554	0	0	0	242	4,793	6,830	5,000	6,199	5,632
*Creston	0	0	0	0	0	0	617	158	604	135	1,166
Davenport	85	566	623	638	289	185	7,389	10,877	15,254	14,721	15,209
Decorah	0	0	0	0	63	70	1,600	2,093	2,131	2,253	2,355
Des Moines	267	294	1,134	2,799	337	2,783	11,051	24,152	27,048	31,371	31,976
Dubuque	416	51	566	614	715	1,265	7,897	9,430	9,657	14,750	11,959
Fairfield	0	0	0	100	0	99	2,178	775	1,816	835	1,354
Fort Dodge	0	0	0	0	0	0	1,114	1,786	2,150	1,834	2,462
Fort Madison	0	0	40	0	0	0	45	390	40	150	266
*Grinnell	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA
Indianola	959	0	0	0	220	170	3,629	2,767	1,747	11,399	5,724
Iowa City	170	184	949	1,011	789	1,587	9,887	16,988	26,936	22,627	21,742
Keokuk	0	0	0	0	0	0	151	120	0	321	643
*Knoxville	0	0	50	82	0	0	754	411	779	861	820
*LeMars	0	0	0	0	0	58	1,934	2,249	1,557	1,910	2,534
Marion	0	72	135	89	123	173	4,511	5,153	7,114	5,798	7,948
Marshalltown	0	103	65	0	73	0	660	6,091	2,229	1,968	2,303

Continued on the next page

Value of Housing Permits Issued - Thousands of Dollars (Cont'd)

City	Month of January						Annual Total				
	1987	1988	1989	1990	1991	1992	1987	1988	1989	1990	1991
Mason City	0	58	65	0	0	0	1,594	2,646	4,376	4,046	3,672
Mount Pleasant	74	119	87	0	0	201	1,446	2,333	960	1,743	2,358
Muscatine	0	43	0	175	0	173	971	1,569	1,876	2,988	2,641
Newton	0	272	0	0	0	399	1,839	3,286	5,422	3,091	11,069
Oskaloosa	0	0	0	0	0	230	876	470	1,803	1,385	1,532
Ottumwa	0	0	60	0	0	280	958	308	756	922	1,484
*Pella	155	0	0	0	0	205	1,902	2,374	2,369	2,199	3,008
Sioux City	0	0	0	123	33	82	1,507	2,263	3,551	3,917	4,902
Spencer	0	0	0	0	195	0	85	348	1,043	3,080	1,244
*Storm Lake	0	0	0	0	0	0	68	801	458	856	593
Urbandale	557	145	308	749	441	4,453	16,030	15,147	12,460	16,384	24,074
*Washington	0	0	276	0	0	52	249	977	933	1,155	1,509
Waterloo	0	0	0	214	0	90	474	2,136	6,644	4,085	4,864
*Waverly	0	0	0	200	748	90	1,065	1,195	1,679	2,810	3,210
*Webster City	0	0	0	0	0	0	671	1,304	836	166	519
West Des Moines	2,273	1,191	2,714	9,383	459	2,593	56,605	57,948	42,491	40,133	28,637
TOTAL	6,408	3,988	11,720	22,019	6,161	26,418	207,332	263,562	297,324	331,670	369,529

\* denotes communities added to the survey beginning with this report. Clear Lake and Grinnell will be added beginning with the next report.

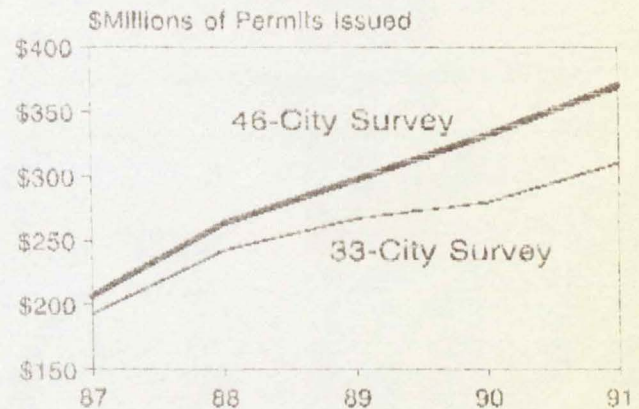
## Housing Permit Survey - Now Bigger and Better

Since 1984, IDED has surveyed the building departments of Iowa's 33 largest communities each month. While many would be satisfied with this effort, we were not. So, beginning this month we offer the new and improved version. Our survey includes 46 communities this month with two more to be added next month (actually Clear Lake and Grinnell just missed this month's publication deadline).

The survey includes every community in the state with at least a population of 7,000. In order to compare apples to apples for past performance, we asked each city building department to provide us with monthly historical data back to 1987. The table on page 2 and continued above shows the annual totals for those years.

When the 1991 numbers were published for the 33 communities, we were delighted to report that in Iowa housing activity was up 10.8% during a year when the national housing market, down 14.3%, was truly in the pits.

By expanding the survey to include the next 13 communities ranked by size, we expected to see a lower rate of growth. Such was not the case, thanks to the very strong markets in Clive and Coralville and the substantial growth in Pella. In 1991, the value of housing permits issued by Iowa's 46 largest communities was up 11.4%.



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### Blue Chip Consensus: 'Subdued Recovery and Low Inflation'

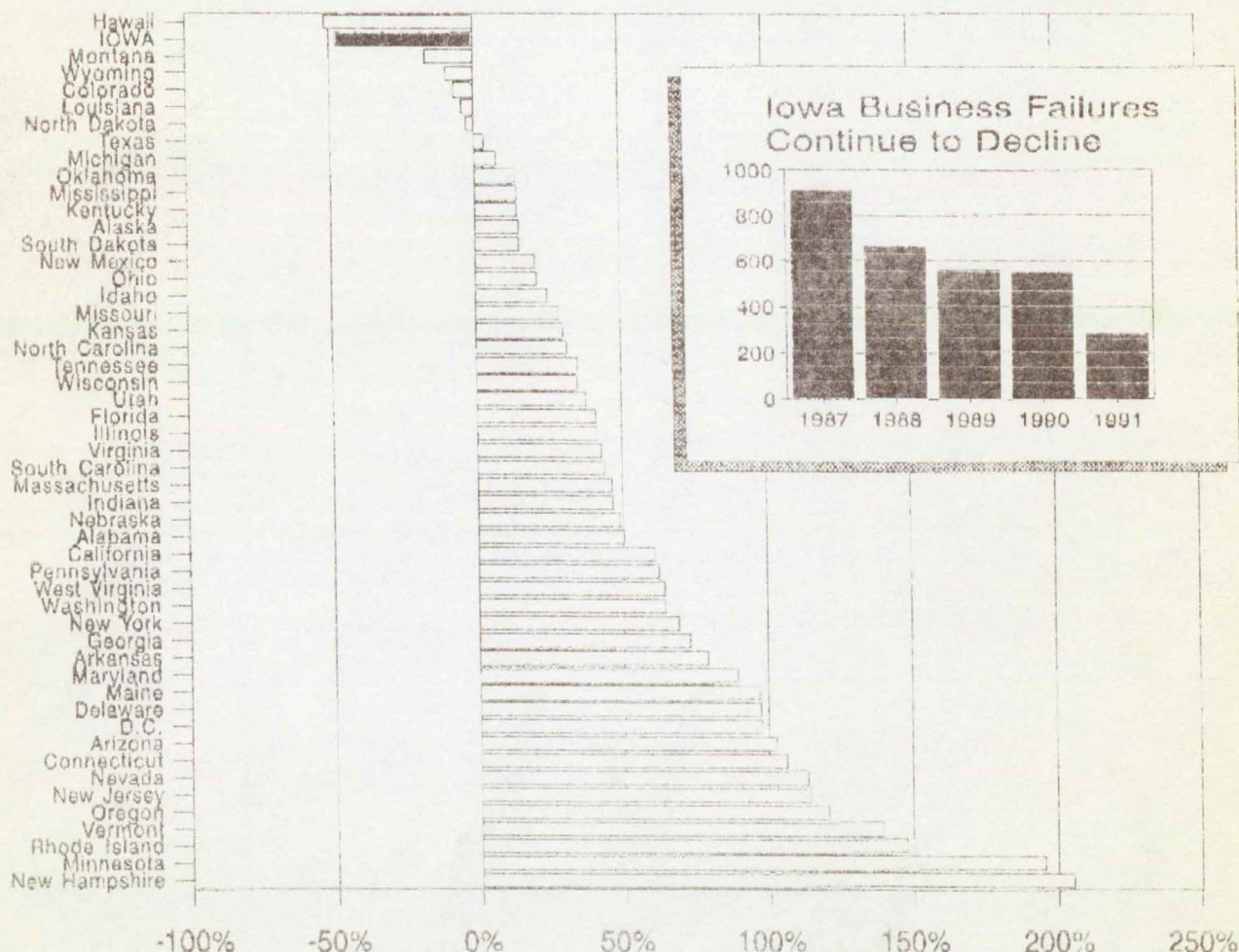
The consensus of 50 business economists surveyed in the February Blue Chip Economic Indicators was for slow growth ahead in 1992. The outlook for 1992 real GDP growth was 1.6%, following a 0.7% decline in 1991. The 1993 outlook, at 3.2%, is well below the 6% annual levels experienced during previous post-WWII recoveries.

The good news, inflation is expected to stay in the mid-3% range at least through 1993. The above-6% jobless rate is one of the reasons. With little or no wage pressure and with a Fed committed to monetary restraint, inflation may no longer be a factor in long-term business planning.

Blue Chip Economic Indicators - CONSENSUS Forecast									
Variable Name	History 1991:4	1992:1	1992:2	1992:3	1992:4	1993:1	1993:2	1993:3	1993:4
Real GDP (Ann. Rates)	0.3%	0.5%	2.2%	3.1%	3.3%	3.3%	3.2%	3.1%	2.9%
CPI (Ann. Rates)	3.0%	3.3%	3.2%	3.3%	3.5%	3.6%	3.7%	3.7%	3.9%
GDP Deflator (Ann. Rates)	1.7%	2.9%	2.8%	2.9%	3.1%	3.3%	3.2%	3.3%	3.3%
Prime Rate	7.6%	6.5%	6.3%	6.3%	6.5%	7.0%	7.3%	7.6%	7.8%
3 Mo. T-Bill Rate	4.6%	3.8%	3.8%	4.0%	4.3%	4.6%	4.8%	5.1%	5.2%
U.S. Jobless Rate	7.0%	7.1%	7.0%	6.9%	6.8%	6.6%	6.4%	6.3%	6.2%

Source: Blue Chip Economic Indicators, February 10, 1992

### D&B: 1991 U.S. Business Failures Up 44% - Iowa Business Failures Down 47%



Source: Dun & Bradstreet Corporation

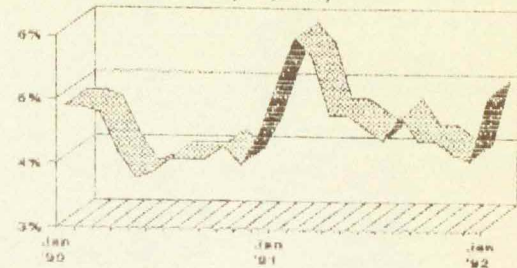
## Durable Goods Weakness and Seasonal Factors Up Jobless Rate

Post-Christmas retail layoffs and less-severe-than-normal construction layoffs combined with a capital goods slump to raise Iowa's jobless rate in January to 5%. Historically, the January rate is about 0.8%-1.2% higher than the December level. The mild January weather enabled more than the normal amount of construction activity during the month. Even with 3,900 fewer construction laborers working than in December, construction employment was up 2,100 from last January.

Manufacturing declines of 3,400 jobs in the construction machinery manufacturing plants accounted for nearly half of the total declines in factory jobs.

For more details, contact Ann Wagner at the Iowa Department of Employment Services, (515)281-8182. Employment reports are also available on a computer bulletin board. If you have a modem call (515)281-3472. There is no charge for this service.

Iowa Jobless Rates  
(Not Seasonally-Adjusted)



(Thousands of Workers)	January 1991	January 1992	Diff.	Percent Diff.
Resident Labor Force	1,492.5	1,530.0	37.5	2.5%
Resident Employment	1,414.2	1,460.1	45.9	3.2%
Resident Unemployed	78.3	76.5	-1.8	-2.3%
Unemployment Rate	5.2%	5.0%		
Non-Farm Wage & Salary Jobs	1,205.3	1,218.3	13.0	1.1%
Goods Producing	270.1	265.3	-4.8	-1.8%
Construction	36.1	38.2	2.1	5.8%
Manufacturing	232.4	225.3	-7.1	-3.1%
Durable Goods	129.3	124.0	-5.3	-4.1%
Fabricated Metals	17.5	16.9	-0.6	-3.4%
Industrial Machinery	42.8	37.0	-5.8	-13.6%
Farm & Garden	15.0	14.3	-0.7	-4.7%
Constr. & Related	10.7	7.3	-3.4	-31.8%
Electronic Equipment	15.8	16.2	0.4	2.5%
Transportation Equip.	10.6	10.8	0.2	1.9%
Instruments & Related	11.9	11.8	-0.1	-0.8%
Non-Durable Goods	103.1	101.3	-1.8	-1.7%
Food Products	48.2	48.6	0.4	0.8%
Meat Products	25.4	25.5	0.1	0.4%
Grain Mill Products	9.9	10.2	0.3	3.0%
Printing & Publishing	22.0	19.5	-2.5	-11.4%
Rubber & Plastics	13.9	13.9	0.0	0.0%
Service Producing	935.2	953.0	17.8	1.9%
Transp. & Public Utilities	54.3	55.0	0.7	1.3%
Wholesale & Retail Trade	303.8	308.2	4.4	1.4%
Finance, Insur. & Real Est.	70.5	72.7	2.2	3.1%
Insurance	31.4	32.5	1.1	3.5%
Services	287.0	295.9	8.9	3.1%
Business Services	37.9	39.7	1.8	4.7%
Health Services	97.6	101.5	3.9	4.0%
Government	219.6	221.2	1.6	0.7%

Source: Iowa Department of Employment Services

## December New Car Sales Reduce 1991 Losses - Slightly

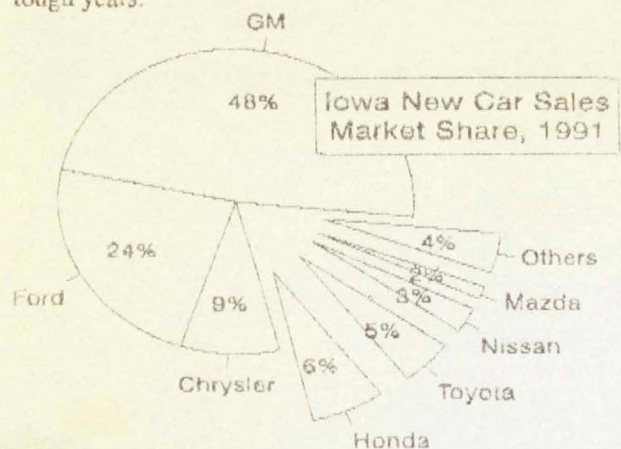
U.S. car-maker's Iowa sales were down 19.2% for the year in November. With December sales increases, they ended 1991 down 17.9%. Import sales also showed some slight improvement in December. New car sales in Iowa were down 15.1% or 11,156 units in 1991. For the nation, new car sales in 1991 were down 11.7%.

DRJ/Mc-Graw-Hill forecasts U.S. new car sales to return to 1987 levels (10.2 million units) by about the end of 1994. It appears that the car industry is in for a few more tough years.

Manufacturer	1990	1991	Diff	Percent Diff
Chrysler	6,999	5,410	-1,589	-22.7%
Ford	17,594	14,866	-2,728	-15.5%
GM	36,492	29,865	-6,627	-18.2%
Domestic-Sponsored Imports (DSI)	[3,276]	[3,409]	[+133]	[+4.1%]
U.S. Mfgs. (includes DSI's)	61,085	50,141	-10,944	-17.9%
Honda	4,054	3,943	-111	-2.7%
Mazda	1,010	1,040	+30	+3.0%
Nissan	2,097	1,614	-483	-23.0%
Toyota	2,993	3,320	+327	+10.9%
All Others	2,773	2,798	+25	+0.9%
Foreign Mfgs.*	12,927	12,715	-212	-1.6%
Total Sales	74,012	62,856	-11,156	-15.1%

Source: R. L. Folk Co.

\*Excludes U.S. domestic-sponsored imports



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