Iowa Economic Trends
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Contact: Harvey Siegelman, State Economist
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Iowa Jobless Rate Up a Smidgen to 3.8% in September; U.S. at 7.5%

Iowa Department of Employment Services officials reported a small increase in the September jobless to 3.8% from the 3.6% August estimate. This follows three consecutive months of decline. In September, 1991 the state's jobless rate was 4.2%. The U.S. jobless rate dropped slightly in September to 7.5%.

"While the number of unemployed persons collecting unemployment benefits dropped in September, the number of new entrants into the labor force was up," said DES director Cynthia Eisenhauer.

Nonfarm employment rose 16,800 in September, largely due to the return of faculty and staff for the beginning of the fall semester in public and private schools. This was somewhat offset by the normal seasonal reductions that occurred in amusement and recreation jobs.

Employment in the goods producing sectors continues to be flat, poised to respond to that much-heralded national recovery. Durable goods manufacturers lost 1,500 jobs over the year through layoffs or plant closings in industrial machinery, primary and fabricated metals and instruments. This was more than offset by the growth of 7,200 jobs in the service producing sectors.

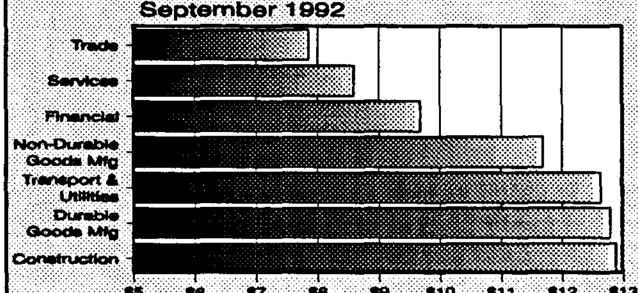
For more detailed labor market information contact Employment Services economist Ann Wagner at (515)281-8182.

Iowa Labor Market Information

(Thousands of Workers)	September 1991	September 1992	Diff.	Percent Diff.
Resident Labor Force	1,497.7	1,527.6	29.9	2.0%
Resident Employment	1,434.4	1,469.3	34.9	2.4%
Resident Unemployed	63.3	58.3	-5.0	-7.9%
Unemployment Rate	4.2%	3.8%		
Non-Farm Wage & Salary Jobs	1,248.4	1,251.8	3.4	0.3%
Goods Producing	286.6	282.8	-3.8	-1.3%
Construction	51.6	49.1	-2.5	-4.8%
Manufacturing	232.8	231.4	-1.4	-0.6%
Durable Goods	129.8	128.3	-1.5	-1.2%
Lumber, Wood & Furniture	13.0	14.1	1.1	8.5%
Fabricated Metals	17.4	17.1	-0.3	-1.7%
Industrial Machinery	40.8	39.3	-1.5	-3.7%
Farm & Garden	14.4	14.2	-0.2	-1.4%
Constr. & Related	10.3	9.4	-0.9	-8.7%
Electronic Equipment	16.3	16.2	-0.1	-0.6%
Transportation Equip.	11.0	11.1	0.1	0.9%
Instruments & Related	11.9	11.2	-0.7	-5.9%
Non-Durable Goods	103.0	103.1	0.1	0.1%
Food Products	49.7	50.2	0.5	1.0%
Meat Products	26.2	26.6	0.4	1.5%
Grain Mill Products	10.2	10.0	-0.2	-2.0%
Bakery Products	2.8	2.8	0.0	0.0%
Printing & Publishing	19.8	19.5	-0.3	-1.5%
Chemicals	7.1	7.2	0.1	1.4%
Rubber & Plastics	14.1	13.8	-0.3	-2.1%
Service Producing	961.8	969.0	7.2	0.7%
Transp. & Public Utilities	55.3	54.7	-0.6	-1.1%
Wholesale & Retail Trade	316.1	318.0	1.9	0.6%
Finance, Insur. & Real Est.	72.1	73.7	1.6	2.2%
Insurance	32.2	32.9	0.7	2.2%
Services	302.0	305.5	3.5	1.2%
Business Services	40.0	41.0	1.0	2.5%
Health Services	100.5	103.3	2.8	2.8%
Government	216.3	217.1	0.8	0.4%

Source: Iowa Department of Employment Services

Average Hourly Earnings in Iowa Jobs, September 1992



Average Hourly Earnings

	Iowa	U.S.
Trade	$7.85	$8.05
Services	$8.59	$10.45
Financial	$9.68	$10.85
Non-Durable Goods Mfg	$11.69	$10.69
Transport & Utilities	$12.64	$13.51
Durable Goods Mfg	$12.79	$12.05
Construction	$12.89	$14.16

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Housing Permits Soften in September; *See article on p. 3*

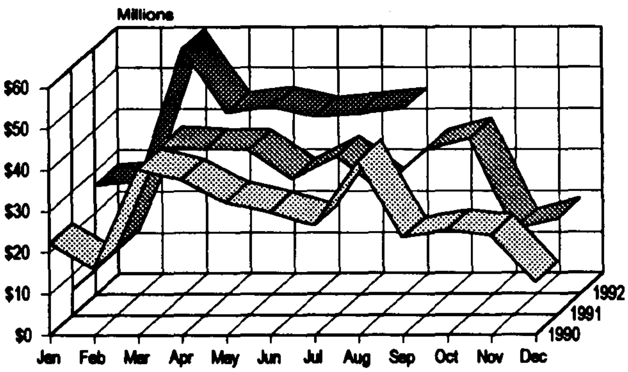
Value of New Housing Permits - Thousands of Dollars

City	Month of September 1987	1988	1989	1990	1991	1992	January - September Year to Date 1987	1988	1989	1990	1991	1992	Percent Change 91-92
Altoona	393	170	954	234	234	1,609	2,325	1,118	3,093	2,044	2,687	5,676	111%
Ames	703	431	175	699	2,828	1,689	5,692	4,411	4,802	10,202	11,884	15,144	27%
Ankeny	1,738	578	505	1,199	1,472	920	5,899	7,631	11,859	15,223	14,697	16,588	13%
Atlantic	0	0	80	123	0	0	0	100	290	558	761	0	-100%
Bettendorf	1,653	1,863	2,137	3,127	3,530	1,530	8,641	11,818	15,970	20,475	20,948	17,919	-14%
Boone	470	0	0	375	352	0	655	848	521	831	1,538	1,273	-17%
Burlington	150	0	450	251	70	88	874	750	1,489	2,071	1,332	1,504	13%
Carroll	110	0	80	159	125	576	1,070	665	1,199	2,596	2,355	3,982	69%
Cedar Falls	0	922	890	530	721	639	914	5,226	5,662	8,325	5,836	9,447	62%
Cedar Rapids	1,373	1,940	2,721	2,277	5,383	4,987	13,909	13,531	23,325	15,291	28,015	32,721	17%
Charles City	0	0	0	0	87	146	0	0	35	573	87	479	453%
Clear Lake	100	0	100	100	0	160	1,300	900	1,100	1,500	500	1,180	136%
Clinton	0	0	170	215	438	447	206	600	1,313	2,047	1,550	2,522	63%
Clive	188	123	442	1,562	2,296	3,332	1,073	588	6,865	16,298	21,859	36,082	65%
Coralville	366	241	60	576	1,535	717	2,612	1,844	3,229	5,379	9,503	10,356	9%
Council Bluffs	811	202	252	305	532	596	3,687	5,499	2,764	3,465	4,568	4,635	1%
Creston	0	0	0	0	65	0	617	158	451	40	1,166	227	-81%
Davenport	1,199	1,293	1,256	815	1,302	1,410	5,398	8,713	12,009	12,030	10,450	14,179	36%
Decorah	149	237	367	75	350	345	1,440	1,523	1,606	1,706	2,000	3,386	69%
Des Moines	441	1,901	2,078	2,177	2,753	4,258	4,904	19,076	20,275	25,741	24,758	25,910	5%
Dubuque	762	703	662	990	1,290	1,730	6,177	7,028	6,477	11,411	8,725	13,943	60%
Fairfield	318	206	180	0	0	55	1,062	545	1,221	635	914	1,378	51%
Fort Dodge	165	219	120	100	163	528	975	1,637	1,624	1,534	1,283	2,429	89%
Fort Madison	0	0	0	0	0	0	0	0	40	130	200	116	-42%
Indianola	400	148	242	1,024	491	851	3,023	2,191	1,458	9,809	4,545	4,591	1%
Iowa City	855	1,803	3,401	1,214	2,014	1,553	7,380	12,609	19,755	17,317	17,489	25,640	47%
Keokuk	75	100	0	0	99	40	151	120	0	309	285	507	78%
Knoxville	152	0	70	0	65	280	531	248	641	666	701	848	21%
LeMars	151	879	207	155	217	485	1,448	2,032	1,166	1,333	1,994	1,910	-4%
Marion	480	873	1,161	1,006	682	1,317	3,672	4,024	5,410	4,723	6,107	10,767	76%
Marshalltown	113	234	0	350	70	46	362	5,867	1,963	1,711	1,945	1,214	-38%
Mason City	60	125	267	132	41	507	1,221	1,904	3,579	2,652	2,605	3,229	24%
Mount Pleasant	158	187	118	145	232	240	874	1,584	684	1,353	2,045	1,255	-39%
Muscatine	62	296	399	135	45	0	846	1,466	1,640	2,138	1,802	3,110	73%
Newton	662	663	1,123	271	247	462	1,590	2,539	3,681	2,571	10,701	2,798	-74%
Oskaloosa	266	160	0	179	48	150	745	470	1,476	1,100	1,129	1,691	50%
Ottumwa	0	0	0	72	85	0	358	253	728	922	1,105	730	-34%
Pella	140	220	90	0	275	592	1,567	1,494	1,684	1,934	1,373	2,561	87%
Sioux City	125	179	240	319	698	984	1,074	1,846	2,294	3,233	3,333	6,633	99%
Spencer	0	60	180	192	390	49	85	115	507	2,944	1,021	963	-6%
Storm Lake	0	0	27	40	104	178	68	701	352	496	343	854	149%
Urbandale	839	727	1,195	663	3,837	1,642	14,332	11,821	9,945	13,754	16,513	28,472	72%
Washington	23	34	0	0	233	143	114	905	743	899	1,043	1,411	35%
Waterloo	115	221	58	606	1,198	302	349	1,636	6,122	3,833	4,248	4,298	1%
Waverly	0	0	295	142	324	405	886	133	1,261	2,020	2,610	2,272	-13%
Webster City	0	374	0	0	0	151	671	1,184	764	86	418	271	-35%
West Des Moines	6,099	3,305	4,020	1,154	2,881	1,959	39,867	38,802	23,775	35,274	22,879	45,093	97%
TOTAL	21,861	21,618	26,769	23,687	39,804	38,096	150,642	188,152	216,848	271,180	283,846	372,190	31%

Welcome, Thank you, or Please: If this is your first issue of Trends, *welcome*. We hope that you find the information useful. If you are already a subscriber, we *thank you*. If you wish to receive a copy each month and are not yet a subscriber, *please* send your $25 check for 12 issues. Make the check payable to "State of Iowa" and mail it to "Economic Trends," Iowa Department of Economic Development, 200 East Grand Avenue, Des Moines, IA 50309. Be assured of the latest Iowa economic trends and forecasts, all in a concise format.

Housing Permits Soften in September; Still Up 31% for Year-to-Date

Value of Housing Permits Issued



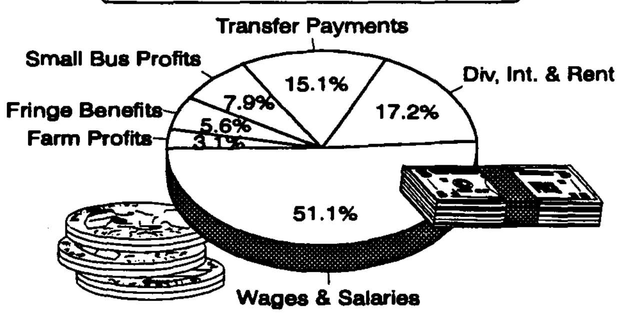
The housing boom in Iowa may finally be topping off - but, what a topping off. Three-quarters of the way through the year, the value of permits issued by the 47 largest communities is 31% above the same period in 1991.

In four communities (Altoona, Charles City, Clear Lake and Storm Lake) the housing permits issued during the first nine months of 1992 more than doubled the same period in 1991. In another sixteen communities the growth rate exceeded 150%.

Each month, IDED staff survey the building departments of 47 communities in Iowa - nearly every community with a population of 7,000 or more residents.

Second Quarter Personal Income 4.6% Above 1991 Level

Sources of Iowa's Personal Income, 1992:2nd Qtr.



Led by wages and small business profits, Iowa second quarter personal income estimates were up 4.6% compared to the same quarter in 1991. The 0.9% drop from first quarter 1992 was the result of normal seasonal patterns of income flow - the state estimates are not seasonally adjusted.

Dividend, interest and rent income showed negligible growth for the year - no surprise to anyone watching current interest rates. The outlook for the rest of the year should be little different. The industry disaggregation showed strongest gains in construction and services, weakest in durable goods manufacturing.

Iowa Quarterly Personal Income Estimates

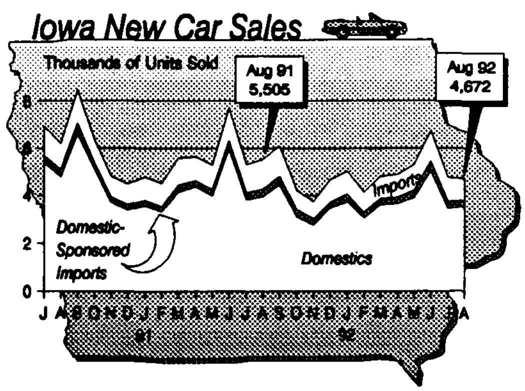
	1991			1992		Percent Change from	
Millions of Dollars	II Q	III Q	IV Q	I Q	II Q	Last Qtr	Last Year
Total Personal Income	48,221	47,762	49,121	50,913	50,457	-0.9%	4.6%
Non-Farm TPI	46,193	46,644	47,146	48,101	48,525	0.9%	5.0%
Farm TPI	2,028	1,118	1,975	2,812	1,932	-31.3%	-4.7%
Total Earned Income	31,579	30,930	32,074	33,625	32,971	-1.9%	4.4%
Total Unearned Income	16,642	16,832	17,047	17,287	17,486	1.2%	5.1%
Dividends, Int. & Rent	8,885	8,926	8,958	8,845	8,905	0.7%	0.2%
Transfer Payments	7,757	7,906	8,089	8,442	8,581	1.6%	10.6%
Total Wages And Salaries	25,205	25,366	25,606	26,200	26,351	0.6%	4.5%
Fringe Benefits	2,762	2,787	2,833	2,874	2,901	0.9%	5.0%
Farm Profits	1,742	836	1,693	2,525	1,642	-35.0%	-5.7%
Small Business Profits	3,766	3,852	3,876	4,013	4,076	1.6%	8.2%
Construction	1,580	1,657	1,661	1,800	1,787	-0.7%	13.1%
Manufacturing	7,274	7,203	7,285	7,361	7,416	0.7%	2.0%
Non-Durable Mfg	2,960	2,945	2,989	3,075	3,093	0.6%	4.5%
Durable Mfg	4,314	4,257	4,296	4,286	4,323	0.9%	0.2%
Transp. & Public Utilities	2,001	2,019	2,028	2,019	2,032	0.6%	1.5%
Trade, Wholesale & Retail	5,616	5,651	5,774	5,892	5,886	-0.1%	4.8%
Finance, Insur.,& Real Est.	1,920	1,936	1,927	2,013	2,018	0.2%	5.1%
Services	7,348	7,521	7,605	7,882	7,982	1.3%	8.6%
Government	5,351	5,362	5,392	5,475	5,554	1.4%	3.8%

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

Iowa New Car Sales Continue Slipping; Down 9% for Year-to-Date

Not so many years ago, the Russian newspaper, *Izvestia*, had the dubious task of reporting on an American soccer victory over the Russian team. Their headline read "Russian soccer team places second; American team ranks next-to-last."

With this same spirit we report that Iowa sales for foreign carmakers are down 11% for the year, U.S. carmaker sales fell less. During the first eight months of this year domestic-sponsored import sales in Iowa gained market share, rising from 5% to 6% of total sales.



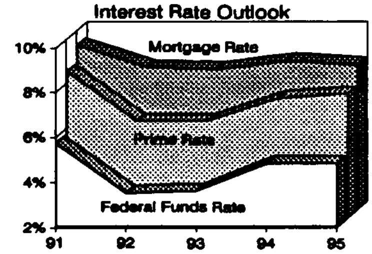
January-August New Car Sales in Iowa				
Manufacturer	1991	1992	Difference 1991-92	Percent Difference 1991-92
Chrysler total	3,774	3,639	-135	-4%
Chrysler domestics	3,413	3,283	-130	-4%
Chrysler DS imports	361	356	-5	-1%
Ford total	10,497	9,389	-1,108	-11%
Ford domestics	9,880	8,861	-1,019	-10%
Ford DS imports	617	528	-89	-14%
GM total	20,984	19,221	-1,763	-8%
GM domestics	19,741	17,690	-2,051	-10%
GM DS imports	1,243	1,531	288	23%
U.S. Carmakers total	35,255	32,249	-3,006	-9%
total domestics	33,034	29,834	-3,200	-10%
total DS imports	2,221	2,415	194	9%
Honda	2,741	2,265	-476	-17%
Mazda	767	863	96	13%
Nissan	1,188	1,052	-136	-11%
Toyota	2,358	2,061	-297	-13%
All Others	1,914	1,756	-158	-8%
Foreign Carmakers total	8,968	7,997	-971	-11%
Total Sales	44,223	40,246	-3,977	-9%
Percent Domestics	74.7%	74.1%	-0.6%	-0.8%
Percent DS Imports	5.0%	6.0%	1.0%	19.5%
Percent Imports	20.3%	19.9%	-0.4%	-2.0%

Source: R. L. Polk Co., compiled by IDED

Modest U.S. Interest Rates Expected Through 1995

The econometricians at DRI/McGraw-Hill expect mortgage rates to remain near current levels through 1995, even with an expected 1.2% increase in the prime rate. Slowly improving economic performance with little inflationary pressures is the apparent reason. U.S. exports are expected to increase 5-6% per year during this period. Midwestern industrial states, including Iowa, will benefit most from this growth.

Interest Rate Outlook



U.S. Long-Term Economic Outlook						
Economic Indicator	Measure	91	92	93	94	95
Gross domestic product (GDP)	% Change, $87	-1.2	1.8	2.8	2.9	2.5
Industrial production	% Change	-1.9	1.4	4.3	3.8	2.5
Capacity utilization of factories	%	78.2	77.7	79.5	81.1	81.3
Unemployment rate	%	6.8	7.5	7.2	6.5	6.1
Gross domestic product deflator	% Change	4.0	2.5	2.5	2.9	2.8
State & local gov't purchases GDP deflator	% Change	3.1	2.0	3.1	2.8	2.5
Consumer price index	% Change	4.2	3.1	3.3	3.2	3.3
Producer price index	% Change	2.1	1.3	2.5	2.9	2.8
Investment in office & computer equip.	% Change	11.7	34.4	26.8	19.7	12.9
Investment in commercial buildings	% Change	-15.1	-8.8	-1.9	9.1	9.6
Investment in residential buildings	% Change	-12.6	11.7	9.4	8.4	5.7
Consumer Confidence Index	Index	0.776	0.756	0.846	0.911	0.926
Housing Starts	Mil. Units	1.015	1.198	1.299	1.392	1.432
U.S. Dollar exchange rate	% Change	-1.1	-2.6	0.2	3.0	-1.2
U.S. merchandise exports	% Change	5.8	5.4	4.9	5.9	5.9
Prime rate of interest	%	8.5	6.3	6.3	7.3	7.5
Federal funds rate	%	5.7	3.5	3.6	4.8	4.8
1-year T-bill rate	%	5.4	3.4	3.5	4.4	4.5
10-year gov't bond yield	%	8.1	7.6	7.3	7.5	7.3
Mortgage Rates - Conventional	%	9.3	8.3	8.2	8.6	8.4

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

ISU Demographers Provide 3/4th Inch of Vital Statistics

In 374 pages, two ISU demographers, Willis Goudy and Sandra Charvat Burke, provide the curious with more information about Iowa county statistics than ever before. The tables include trends and historical accounts of births, deaths, housing status, marriages, dissolutions, land values, vehicle registration, labor force, poverty rates, crime rates and income rates.

This book is a must for every business or governmental planner or policy maker. The price is a bargain $25 ($26.25 for those required to pay state sales tax - and you know who you are). Send your orders to Census Services, 320 East Hall, Iowa State University, Ames, IA 50011.

Chicago Fed Report: Farm Equipment Sales Sluggish

Despite lower interest rates, a slight increase in crop acreage, and a likely bumper harvest, sales of tractors and combines turned lower in 1991 and have continued the slump into 1992. According to Chicago Federal Reserve Bank economist Gary Benjamin, "the number of new tractors and combines sold to U.S. farmers through August of this year was off 18 percent from last year's pace and 24 percent below the level reached during the first eight months of 1990."

The Fed report offered several reasons for this downturn in equipment sales. In the short term, the "retreat in farm sector earnings" was viewed as a negative for sales. The latest USDA estimates indicate that net cash farm earnings fell 5% last year and is likely to see a comparable decline in 1992.

On the long term horizon, weaker federal farm price support programs, continuing changes in tillage practices and a move toward custom harvesting operations will likely reduce the demand for farm equipment.

This report was published in the FRB Chicago Agricultural Letter. To subscribe to this publication write to Federal Reserve Bank of Chicago, Public Information Center, P.O. Box 834, Chicago, IL 60690-0834, or call (312)322-5111. There is no charge for this subscription.

Selected Agricultural Economic Indicators

	Latest Period	Value	Percent Change from One Year Ago	Percent Change from Two Years Ago
Farm Machinery Sales (units)				
Tractors, 40-100 HP	August	2,474	6%	-9%
Tractors, 100+ HP	August	810	-20%	-28%
Combines	August	596	5%	18%
Receipts from Farm Marketings (mil. dol.)				
Crops	May	4,454	-12%	-10%
Livestock	May	7,179	5%	-2%
Government Payments	May	729	-32%	12%
Agricultural Exports (mil. dol.)				
Corn	June	148	40%	-27%
Soybeans	June	27	-25%	-22%

Source: Federal Reserve Bank of Chicago

State Rankings in Agriculture, 1991

Category	Unit	1	2	3	4	5	6	7	8	9	10
Number of Farms	Farms	TX 131,000	MO 107,000	**Iowa 102,000**	KY 91,000	MN 88,000	TN 87,000	CA 84,000	IL 82,000	OH 80,000	WI 79,000
Cash Receipts from Far Marketings	Million Dollars	CA 18,859	TX 11,981	**Iowa 10,319**	NE 8,845	IL 7,938	MN 7,011	KS 6,995	FL 5,708	WI 5,706	IN 4,931
Fed Cattle Marketed	(000) Head	NE 4,990	TX 4,840	KS 4,180	CO 2,185	**Iowa 1,875**	CA 815	OK 800	ID 597	IL 520	SD 500
Value hogs	Million Dollars	**Iowa 1,021**	IL 394	MN 328	IN 314	NE 304	NC 231	MO 178	SD 138	OH 128	MI 94
All sheep and lambs	(000) Head	TX 2,140	CA 995	WY 850	CO 710	MT 688	SD 602	UT 488	NM 488	OR 433	**Iowa 345**
Corn for Grain Production	Million Bushels	**Iowa 1,427**	IL 1,177	NE 991	MN 720	IN 511	WI 381	OH 326	MI 253	SD 241	MO 213
Soybeans for Bean Production	Million Bushels	**Iowa 350**	IL 341	MN 195	IN 173	OH 136	MO 135	AR 90	NE 82	SD 58	MI 53
Net Farm Income	Million Dollars	CA 5,605	TX 3,061	FL 2,721	**Iowa 2,291**	NC 2,140	NE 2,140	MN 1,880	GA 1,471	AR 1,425	WA 1,378

Source: Iowa Agricultural Statistics

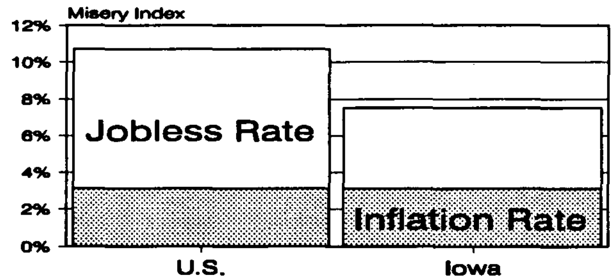
Sorry Incumbents, U.S. *Misery* Up; Iowa Less *Miserable* than the Rest

Economists have concocted a measure for voter dissatisfaction with the political incumbents called the misery index. It purports to aggregate into one number our society's two major economic woes: inflation and unemployment. It seems to be a good bellwhether. The party in power was ousted in every post-World War II presidential election that occurred in a year during which the index was rising.

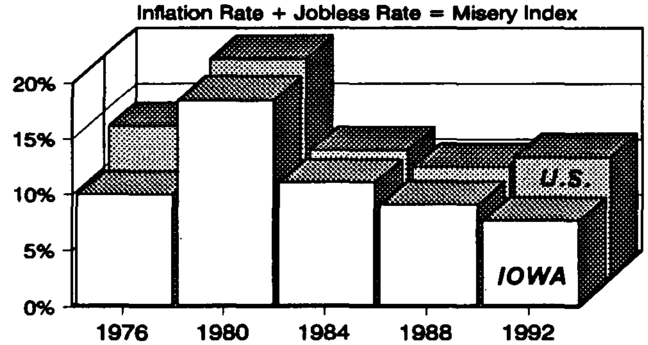
The 1992 index is up from 1988 and from 1991 levels. That should not bode well for incumbents. Iowa, on the other hand, does not appear to be as 'miserable' as the rest of the nation. Our index level is about 30% below that of the U.S. While Iowa's economic environment has exceeded the nation's during each of the past six presidential elections, this year the difference is greater than ever before.

The theory: voters across the nation will express their dissatisfaction with incumbents this year, but less than they did in 1980. And Iowa voters will express less dissatisfaction than voters elsewhere. By the time you read this we will all know whether the misery index is a keen indicator of the public mood or just more voodoo economics.

Iowa not as *miserable* as U.S. in 1992



Inflation Rate + Jobless Rate = Misery Index



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Iowa Department of Economic Development
200 East Grand Avenue
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