

August: 3.6% Jobless Rate for Iowa; 7.6% for U.S.

Iowa Labor Market Information				
(Thousands of Workers)	August 1991	August 1992	Diff.	Percent Diff.
Resident Labor Force	1,516.5	1,540.5	24.0	1.6%
Resident Employment	1,447.4	1,484.8	37.4	2.6%
Resident Unemployed	69.1	55.7	-13.4	-19.4%
Unemployment Rate	4.6%	3.6%		
Non-Farm Wage & Salary Jobs	1,231.6	1,231.2	-0.4	0.0%
Goods Producing	286.8	282.6	-4.2	-1.5%
Construction	52.7	50.2	-2.5	-4.7%
Manufacturing	231.8	230.1	-1.7	-0.7%
Durable Goods	128.3	127.1	-1.2	-0.9%
Fabricated Metals	17.4	17.1	-0.3	-1.7%
Industrial Machinery	39.0	38.1	-0.9	-2.3%
Farm & Garden	14.6	13.5	-1.1	-7.5%
Constr. & Related	8.2	9.0	0.8	9.8%
Electronic Equipment	16.3	16.1	-0.2	-1.2%
Transportation Equip.	11.0	11.2	0.2	1.8%
Instruments & Related	11.9	11.1	-0.8	-6.7%
Non-Durable Goods	103.5	103.0	-0.5	-0.5%
Food Products	50.2	50.3	0.1	0.2%
Meat Products	26.3	26.6	0.3	1.1%
Grain Mill Products	10.3	10.1	-0.2	-1.9%
Printing & Publishing	19.8	19.4	-0.4	-2.0%
Rubber & Plastics	14.0	13.7	-0.3	-2.1%
Service Producing	944.8	948.6	3.8	0.4%
Transp. & Public Utilities	55.8	55.0	-0.8	-1.4%
Wholesale & Retail Trade	317.9	319.4	1.5	0.5%
Finance, Insur. & Real Est.	72.9	74.4	1.5	2.1%
Insurance	32.5	33.2	0.7	2.2%
Services	295.2	298.8	3.6	1.2%
Business Services	39.8	40.6	0.8	2.0%
Health Services	100.6	103.3	2.7	2.7%
Government	203.0	201.0	-2.0	-1.0%

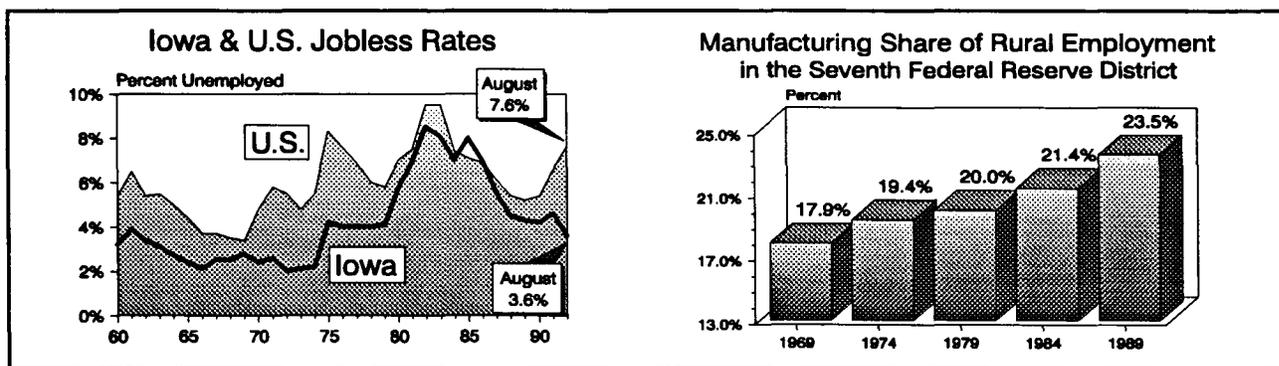
Source: Iowa Department of Employment Services

Iowa Department of Employment Services officials reported another sharp drop in the state jobless rate from 4.2% in July to 3.6% in August. According to DES director Cynthia Eisenhauer, "several favorable short-term developments helped to ease unemployment conditions in the state." The reopening of schools reduced the number of new job seekers. Monthly employment gains occurred in lumber and furniture, primary metals, and electronic equipment. For the year the strongest gains occurred in the services sector.

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

"Manufacturing is undergoing a transition," according to a study by Chicago Fed economist William Testa. Growth of manufacturing jobs in the rural counties of the Fed's seventh district has far outstripped factory job growth in the metropolitan areas. The resulting "decentralization of manufacturing to rural areas", according to Testa, "has tended to create enough jobs to replace those lost in the natural resource and agricultural sectors." As a result of this trend, Testa concludes that rural and metro area percapita income will continue to converge.

For the details and the reasons call or write for a copy of "Trends and Prospects for Rural Manufacturing" to William Testa, Federal Reserve Bank of Chicago, P.O. Box 834, Chicago, IL 60690-0834, (312) 322-5791.



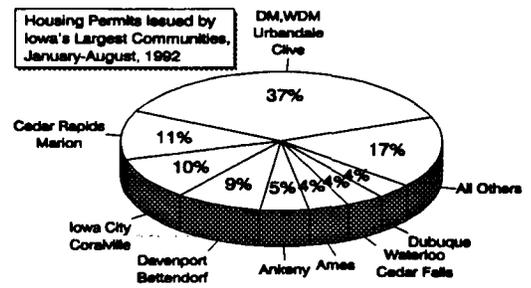
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August Housing Permits Up 48%; Year-to-Date Up 37%

The growth was nearly everywhere. Big monthly and year-to-date increases occurred in Ames, Ankeny, Burlington, Carroll, Waterloo-Cedar Falls, Cedar Rapids-Marion, Clinton, Iowa City-Coralville, Dubuque, Fairfield, Ft. Dodge, Keokuk, Oskaloosa, Sioux City, Spencer, Storm Lake, the Des Moines suburbs, Washington, and Waterloo.

Last month it appeared as if the housing boomlet was beginning to slow down, but not so. Low mortgage rates have driven Iowa's housing market to date. The outlook for mortgage rates: gradually rising to 8.65% by 1993:2 and 8.97 by 1994:1.



Value of Housing Permits - Thousands of Dollars

City	Month of August						January - August Totals						Percent Change 1991-1992
	1987	1988	1989	1990	1991	1992	1987	1988	1989	1990	1991	1992	
Altoona	518	159	268	391	391	924	1,932	948	2,139	1,810	2,452	4,067	66%
Ames	481	655	345	5,461	354	1,910	4,990	3,980	4,627	9,503	9,056	13,455	49%
Ankeny	512	1,228	1,696	1,453	999	2,463	4,161	7,053	11,355	14,023	13,225	15,668	18%
Atlantic	0	0	0	0	100	0	0	100	210	435	761	0	-100%
Bettendorf	1,192	1,669	1,417	2,578	2,968	2,522	6,988	9,955	13,833	17,348	17,418	16,389	-6%
Boone	0	196	144	0	0	223	185	848	521	456	1,186	1,273	7%
Burlington	65	80	212	320	0	252	724	750	1,039	1,820	1,262	1,416	12%
Carroll	0	66	281	183	283	1,010	960	665	1,119	2,437	2,229	3,406	53%
Cedar Falls	62	197	1,535	859	673	669	914	4,304	4,772	7,795	5,115	8,808	72%
Cedar Rapids	1,677	3,410	2,884	2,464	2,890	5,665	12,537	11,591	20,604	13,014	22,633	27,734	23%
Charles City	0	0	0	450	0	0	0	0	35	573	0	333	Huge
Clear Lake	300	300	0	200	100	200	1,200	900	1,000	1,400	500	1,020	104%
Clinton	0	0	0	215	180	797	206	600	1,143	1,832	1,112	2,075	87%
Clive	98	0	964	1,545	1,922	3,583	886	465	6,423	14,735	19,563	32,750	67%
Coralville	128	212	300	392	514	1,298	2,246	1,603	3,169	4,803	7,968	9,639	21%
Council Bluffs	453	621	315	816	991	357	2,876	5,297	2,512	3,159	4,035	4,039	0%
Creston	147	50	0	40	118	102	617	158	451	40	1,101	227	-79%
Davenport	1,021	1,524	1,081	1,413	688	2,138	4,199	7,420	10,754	11,216	9,148	12,769	40%
Decorah	110	279	472	385	314	320	1,291	1,286	1,239	1,631	1,650	3,041	84%
Des Moines	578	1,315	2,012	4,932	4,291	1,819	4,464	17,175	18,196	23,564	22,005	21,652	-2%
Dubuque	809	548	469	1,793	760	1,495	5,415	6,325	5,816	10,421	7,435	12,213	64%
Fairfield	225	44	18	65	0	85	744	339	1,041	635	914	1,323	45%
Fort Dodge	233	190	285	405	61	618	810	1,418	1,504	1,434	1,121	1,901	70%
Fort Madison	0	0	0	0	0	50	0	0	40	130	200	116	-42%
Indianola	70	389	325	5,047	500	116	2,623	2,042	1,217	8,785	4,054	3,740	-8%
Iowa City	664	1,512	1,375	1,596	1,210	2,445	6,525	10,805	16,355	16,103	15,475	24,087	56%
Keokuk	0	0	0	149	0	231	76	20	0	309	186	467	152%
Knoxville	225	60	213	50	0	60	379	248	571	666	636	568	-11%
LeMars	119	299	201	165	331	172	1,297	1,153	959	1,178	1,777	1,425	-20%
Marion	404	446	560	322	1,612	1,956	3,193	3,151	4,250	3,717	5,424	9,450	74%

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Value of Housing Permits - Thousands of Dollars (Continued)

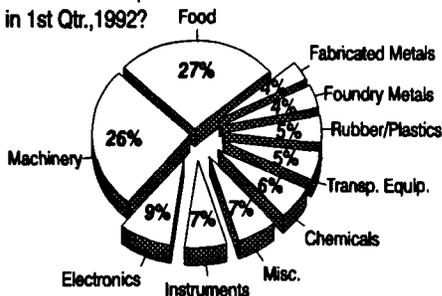
City	Month of August						January - August Totals						Percent Change 1991-1992
	1987	1988	1989	1990	1991	1992	1987	1988	1989	1990	1991	1992	
Marshalltown	0	428	184	289	199	219	249	5,633	1,963	1,361	1,875	1,168	-38%
Mason City	235	182	254	744	626	287	1,161	1,779	3,312	2,521	2,564	2,722	6%
Mount Pleasant	124	250	74	197	227	145	716	1,397	566	1,208	1,813	1,015	-44%
Muscatine	0	232	279	463	318	313	784	1,169	1,240	2,003	1,757	3,110	77%
Newton	240	327	682	100	54	120	929	1,876	2,558	2,301	10,454	2,336	-78%
Oskaloosa	0	63	0	185	0	231	479	310	1,476	921	1,081	1,541	43%
Ottumwa	0	225	0	139	0	75	358	253	728	850	1,020	730	-28%
Pella	95	132	105	120	308	80	1,427	1,274	1,594	1,934	1,098	1,969	79%
Sioux City	117	301	651	447	416	1,573	949	1,666	2,054	2,914	2,635	5,649	114%
Spencer	0	0	240	79	57	230	85	55	327	2,752	631	914	45%
Storm Lake	0	0	30	0	0	115	68	701	325	456	239	676	182%
Urbandale	975	1,240	1,252	1,746	2,198	2,605	13,493	11,093	8,751	13,090	12,675	26,830	112%
Washington	0	0	75	233	205	289	91	871	743	899	810	1,268	57%
Waterloo	0	281	126	78	554	777	234	1,415	6,064	3,228	3,050	3,996	31%
Waverly	0	0	0	495	297	141	886	133	966	1,878	2,286	1,867	-18%
Webster City	55	182	180	0	90	0	671	810	764	86	418	120	-71%
West Des Moines	4,003	5,928	3,426	3,242	2,625	4,281	33,768	35,498	19,755	34,119	19,998	43,134	116%
TOTAL	15,934	25,219	24,930	42,247	30,426	44,960	128,781	166,534	190,078	247,492	244,042	334,094	37%

Iowa Factory Exports Up 4.9% for Quarter; Up 7.6% for Year

Following a sluggish 1991, Iowa factory exports saw big gains in the first quarter of 1992. Furniture, rubber and plastics goods, fabricated metal products, electronics and instruments all saw big increases compared to 1991 levels.

State estimates of exports are reported quarterly by the Census Bureau and the Massachusetts Institute for Social and Economic Research (MISER).

What Products Did Iowa Factories Export in 1st Qtr., 1992?



Source: MISER and Census Bureau

Iowa Manufactured Exports, Millions of Dollars

Industry	91:1	91:2	91:3	91:4	92:1	Percent Change	
						Last Qtr.	Last Yr.
Food	153.8	136.5	119.6	137.2	171.1	24.7%	11.2%
Textiles	1.1	0.6	1.1	1.1	1.4	28.5%	34.5%
Apparel	2.3	2.5	3.2	3.7	2.1	-43.0%	-7.2%
Wood Products	4.0	7.9	6.5	5.2	4.6	-11.7%	15.1%
Furniture	4.6	5.2	5.7	8.0	8.5	6.6%	83.8%
Paper Products	4.7	5.5	4.6	4.1	4.7	14.3%	0.8%
Printing	9.4	9.7	13.3	11.2	7.3	-35.1%	-22.9%
Chemicals	40.4	30.6	32.0	37.7	40.8	8.3%	1.1%
Petroleum	0.1	0.2	0.1	0.1	0.0	-59.9%	-38.0%
Rubber/Plastics	20.6	22.3	21.2	23.4	30.8	31.7%	49.7%
Leather	0.5	0.2	0.9	0.1	0.2	74.2%	-52.0%
Stone/Clay/Glass	0.8	0.9	1.3	1.1	1.3	19.2%	71.2%
Primary Metals	29.5	32.8	33.8	36.1	28.2	-21.9%	-4.5%
Fabricated Metals	18.1	26.0	37.9	22.3	23.0	3.5%	27.5%
Machinery	184.2	199.6	187.2	175.9	167.0	-5.1%	-9.3%
Electronics	43.8	42.8	49.8	48.4	55.5	14.6%	26.8%
Transp. Equipment	30.0	34.5	34.1	34.6	33.9	-1.9%	13.1%
Instruments	33.5	40.0	47.4	39.4	43.0	9.3%	28.4%
Misc.	10.3	18.0	16.6	17.0	13.0	-23.8%	26.3%
Total	591.6	615.5	616.3	606.7	636.6	4.9%	7.6%

Source: MISER, compiled by IDEED staff

Mortgage Rates Expected to Stay Down Through Late-93

If you have delayed refinancing that 10.5% mortgage don't fret. According to the Blue Chip consensus of economists at major bond brokerage firms, the rates are expected to stay in the low 8% range through the third quarter of 1993. The good news: you still have time. The bad news: the rates are likely to remain low for good reason. These economists and apparently Federal Reserve economists believe that the U.S. recovery is stalled and will remain flat for some time.

The Blue Chip panel of business economists, another group surveyed in September, lowered their consensus for 1992 real GDP growth to 1.8% and their outlook for 1993 to 2.7%. Only one month before, this same panel expected a growth rate of 2.9% for 1993. DRI/McGraw-Hill economists are currently expecting a 1.7% growth rate in 1992 with a more upbeat 3.1% expected for 1993.

Blue Chip Financial Forecasts						
Indicator	1992			1993		
	Qtr 2	Qtr 3	Qtr 4	Qtr 1	Qtr 2	Qtr 3
Prime Rate	6.5	6.0	6.0	6.1	6.4	6.7
Federal Funds Rate	4.0	3.3	3.2	3.4	3.9	4.1
3-Month T-Bill Yield	4.0	3.2	3.2	3.5	3.8	4.1
1-Year T-Bill Yield	4.4	3.6	3.6	3.8	4.2	4.4
10-Year T-Note Yield	7.3	6.7	6.7	6.8	7.0	7.1
30-Year T-Note Yield	7.8	7.5	7.4	7.5	7.6	7.7
Home Mortgage Rate	8.7	8.1	8.1	8.2	8.3	8.4
Trade-Weighted Dollar	83.6	82.2	82.5	84.4	86.1	87.4

Source: Blue Chip Financial Forecasts, Capitol Publications, Inc.

Iowa Farmland Values Up 1%; Farm Borrowing Up Too

In the latest quarterly survey of agricultural bankers, farmland values show a modest but steady increase of 1% in Iowa and much of the Seventh Federal Reserve District. Weak farm earnings during the past two years have resulted in the sluggish demand for farmland. According to Chicago Fed economist Gary Benjamin, "the belief that federal government subsidies to U.S. agriculture will be scaled back as part of the effort to reduce federal deficits has also had a tempering influence on land values."

farm operating loans and on feeder cattle loans averaged about 9.5%. The Iowa banks that responded to the Chicago Fed's survey had the sharpest growth in their farm portfolio. The Iowa banks reported farm loans were up by 40% from four years earlier. This has been offset somewhat by the decline in farm loans held by all other lenders. Today 36% of all outstanding farm debt is held by banks, compared to 21% a decade ago.

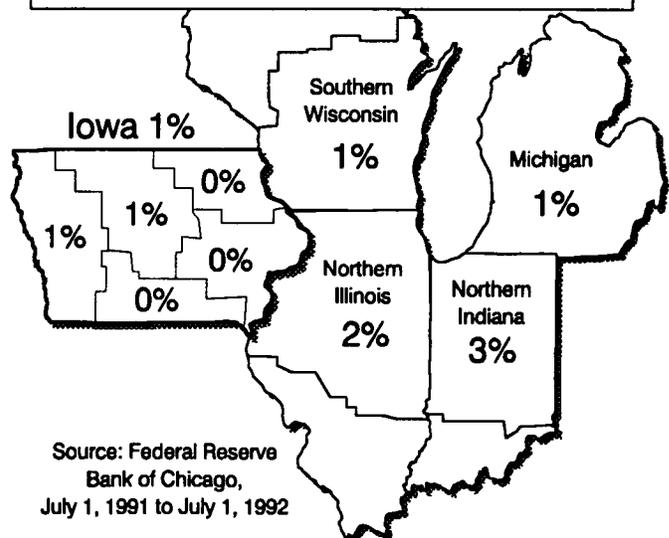
Falling interest rates could strengthen farmland values in the near-term. During the spring quarter, interest rates charged on

The survey was reported in the FRB Chicago Agriculture Letter. To subscribe contact the Federal Reserve Bank of Chicago, Public Information Center, P.O. Box 834, Chicago, IL 60690-0834 or call (312)322-5111.

Credit Conditions at Seventh District Agricultural Banks			
Year Quarter	Average loan-to-deposit ratio	Interest rates on farm	
		operating loans	real estate
89 Q1	53.8%	12.54%	11.70%
89 Q2	55.9%	12.42%	11.55%
89 Q3	57.1%	12.19%	11.34%
89 Q4	55.8%	12.05%	11.15%
90 Q1	55.2%	11.93%	11.08%
90 Q2	56.5%	11.95%	11.09%
90 Q3	57.0%	11.94%	11.08%
90 Q4	56.9%	11.82%	10.94%
91 Q1	56.5%	11.40%	10.57%
91 Q2	58.1%	11.19%	10.43%
91 Q3	58.5%	10.88%	10.15%
91 Q4	57.4%	10.06%	9.39%
92 Q1	57.3%	9.77%	9.19%
92 Q2	58.1%	9.57%	8.99%

Source: Federal Reserve Bank of Chicago

Percent Change in Value of Farmland



Slow Population Growth Expected for Iowa in Next Two Decades

Iowa's population is expected to grow by about 0.3% per year for the next two decades. The under-20-year-old group is expected to shrink by 0.1% per year while the over 85ers are expected to grow at an annual rate of 3.7%, according to Washington-based demographics vendor Woods & Poole Economics, Inc. in their 1992 State Profile for Iowa.

During these next two decades Iowa's employment pool is expected to grow at a faster rate than the population base, indicating an increasing labor participation in the future. Also, inflation-adjusted personal income is expected to grow at a rate nearly seven times as great as the population growth rate.

This would indicate that Iowans twenty years from now will be

relatively wealthier than they are today — older, employed more and wealthier. (2 out of 3 ain't bad).

The Woods and Poole statistics are available for Iowa counties and MSAs. For more information contact Beth Henning at the State Census Data Center, (515)281-4350.

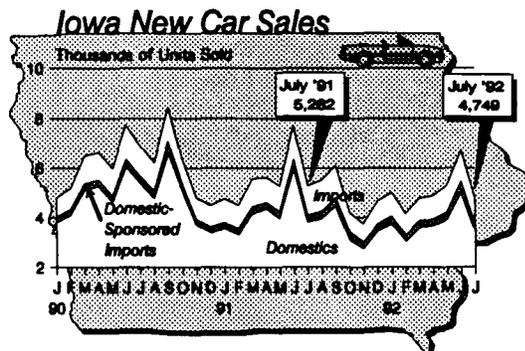
	1990	1995	2000	2010	Annual Average Change 1990-2010
Total Population (000's)	2,779.7	2,823.1	2,858.3	2,935.9	0.3%
Age 0-19	809.6	817.1	816.2	798.0	-0.1%
Age 20-64	1,544.2	1,556.0	1,582.5	1,642.0	0.3%
Age 65-74	227.1	230.3	216.8	236.4	0.2%
Age 75-84	144.1	156.4	169.5	164.7	0.7%
Age 85+	54.7	63.3	73.4	94.9	3.7%
Median Age (Years)	33.98	35.85	37.47	39.69	0.8%
Total Employment (000's)	1,614.1	1,671.6	1,719.7	1,807.3	0.6%
Farm Jobs	132.0	127.7	123.1	114.0	-0.7%
Factory Jobs	230.9	240.6	251.9	269.3	0.8%
Financial Jobs	109.9	113.2	115.7	120.7	0.5%
Service Jobs	407.9	429.3	460.7	500.0	1.1%
Wealth Index (US=100.0)	93.13	96.03	97.16	98.80	0.3%
Income Percapita	16,981	21,983	29,647	54,254	11.0%
Income Percapita, \$87 Dollars	14,805	15,781	17,343	20,832	2.0%
Household Income	43,029	54,310	70,962	121,480	9.1%
Household Income, \$87 Dollars	37,515	38,989	41,511	46,645	1.2%
Retail Sales (Mil. \$87 Dollars)	15,256.1	15,847.8	17,562.7	21,609.4	2.1%

Source: Woods & Poole Economics, Inc., 1992 State Profile

Iowa New Car Sales Down 8% at the Mid-Year; Lumina Tops List

Iowans appear to be holding back on their new car purchases. While new car sales for the nation are up - granted, a meager 1% - for the first half of the year, in Iowa sales remain down 8%.

The greatest percentage increases occurred for GM's domestic-sponsored imports, including the Chevy Metro and Storm and the Pontiac LeMans. The hottest selling cars in Iowa for the first half of the year were the Chevy Lumina (2,224), Chevy Cavalier (1,652), Buick LeSabre (1,350), Pontiac Grand Am (1,277), and Ford Tempo (1,077).



Manufacturer	1991	1992	Difference 1991-92	Percent Difference 1991-92
Chrysler total	3,216	3,235	19	1%
Chrysler domestics	2,904	2,907	3	0%
Chrysler DS imports*	312	328	16	5%
Ford total	9,314	8,206	-1,108	-12%
Ford domestics	8,766	7,730	-1,036	-12%
Ford DS imports	548	476	-72	-13%
GM total	18,473	17,021	-1,452	-8%
GM domestics	17,426	15,685	-1,741	-10%
GM DS imports	1,047	1,336	289	28%
U.S. Carmakers total	31,003	28,462	-2,541	-8%
total domestics	29,096	26,322	-2,774	-10%
total DS imports	1,907	2,140	233	12%
Honda	2,345	1,998	-347	-15%
Mazda	672	768	96	14%
Nissan	1,010	913	-97	-10%
Toyota	2,018	1,848	-170	-8%
All Others	1,666	1,585	-81	-5%
Foreign Carmakers total	7,711	7,112	-599	-8%
Total Sales	38,714	35,574	-3,140	-8%
Percent Domestics	75.2%	74.0%	-1.2%	-1.5%
Percent DS Imports	4.9%	6.0%	1.1%	22.1%
Percent Imports	19.9%	20.0%	0.1%	0.4%

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

Iowa Economy Expected to Slow-Grow a Bit Faster Than U.S.

Iowa's economic outlook is for 3.0% real income growth in 1992; 2.6%, for 1993. Iowa payroll employment is expected to grow by better than 3% in each of 1993 and 1994. Slow growth, yes, but likely to outpace the nation for the next several years. That was the mid-September outlook of the Iowa Economic Forecasting Council and the University of Iowa's Institute for Economic Research.

The Institute prepares the forecasts, the Council members provide comments and the results are published quarterly. The Iowa Economic Forecast is available by subscription from the University of Iowa, Institute for Economic Research, Iowa City, IA 52242, or call Professor Charles Whiteman at (319)335-0834. Single issue copies are available for \$12.50. The annual subscription fee is \$50.

Iowa Economic Forecast				
Indicator	1991	1992	1993	1994
Personal Income (mil.)	\$48.9	\$51.6	\$54.6	\$58.1
Percent Change Year Ago	1.7%	5.3%	5.8%	6.3%
Real Personal Income (mil \$87)	\$41.6	\$42.8	\$43.9	\$45.0
Percent Change Year Ago	-2.2%	3.0%	2.6%	2.4%
Wages & Salaries (mil.)	\$25.2	\$26.4	\$28.0	\$29.9
Percent Change Year Ago	4.4%	4.8%	6.3%	6.8%
Property Income (mil.)	\$9.0	\$8.9	\$9.3	\$10.0
Percent Change Year Ago	-0.1%	-1.0%	4.8%	7.4%
Transfers (mil.)	\$8.0	\$8.8	\$9.6	\$10.4
Percent Change Year Ago	9.0%	10.8%	8.3%	8.3%
Farm Income (mil.)	\$2.0	\$2.3	\$2.0	\$1.8
Percent Change Year Ago	-36.3%	19.1%	-16.8%	-10.1%
Payroll Employment (000's)	1,233.4	1,253.7	1,297.0	1,344.1
Percent Change Year Ago	0.8%	1.7%	3.5%	3.6%
Durable Goods Mfg. (000's)	128.8	128.4	138.2	149.1
Percent Change Year Ago	-3.0%	-0.3%	7.7%	7.9%
Non-Durable Goods Mfg. (000's)	103.5	102.6	104.7	107.1
Percent Change Year Ago	-0.2%	-0.9%	2.0%	2.3%
Services (000's)	297.4	303.1	310.9	318.8
Percent Change Year Ago	3.1%	1.9%	2.6%	2.5%

Source: University of Iowa, Institute for Economic Research

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