

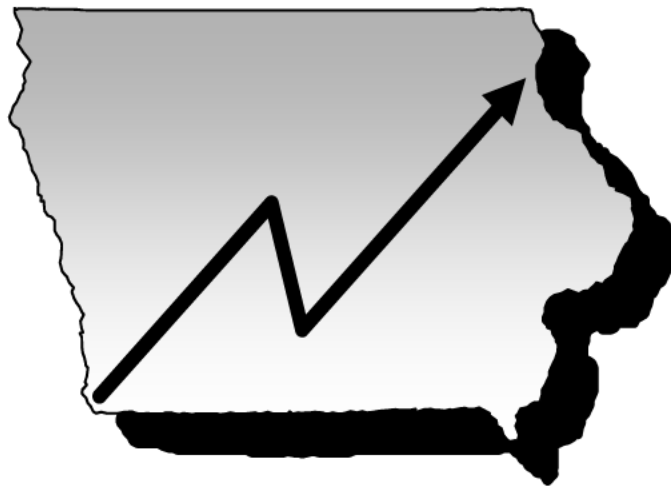


# IOWA ECONOMIC FORECAST

*The Institute for Economic Research*

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*December 2011*  
*Forecast: 2011:III-2013:IV*

## *Forecast Summary — December 2011*

The consensus forecast published in the Blue Chip Economic Indicators (December 10th, 2011) is for **real GDP** growth of 1.7% in 2011 (unchanged from October 2011) and for 2.2% growth in 2012 (up from 2.0% in October.) The Blue Chip consensus forecast is for a 2011 **unemployment rate** of 9.0% (down from 9.1% in October) and a 2012 unemployment rate of 8.8% (down from 9.0% in October.) The **Consumer Price Index** is predicted to increase by 3.2% in 2011 (unchanged from October) and by 2.1% in 2012 (down from 2.2% in October.) The **GDP Deflator** is predicted to increase by 2.2% in 2011 (up from 2.1% October) and by 1.9% in 2012 (up from 1.8% in October.)

The Institute for Economic Research income forecasts are based on data through the second quarter of 2011 for the state and the third quarter of 2011 for the nation. **Personal Income in Iowa** is expected to grow by 6.3% in 2011 (down from 6.4% in October,) 2.5% in 2012 (down from 2.9% in October,) and 2.4% in 2013. The forecast for **Real Personal Income** growth (personal income growth adjusted for inflation) is 4.1% in 2011 (down from 4.2% in October,) 0.6% in 2012 (down from 0.8% in October,) and 1.3% in 2013 (down from 1.5% October.)

Our **employment growth** forecast for 2011 (based on data through October 2011 for the state and September 2011 for the nation) is 0.9% (down from 1.1% in October), and for 2012, the employment growth forecast is 1.0% (down from 1.4% in October).

## *National Forecast*

**Table 1: Annual Indicators of the National Economy**

2009	2010	2011	2012
<b>Annualized Growth Rates:</b>			
Real GDP			
-3.5	3.0	1.7	2.2
GDP Deflator			
1.1	1.2	2.2	1.9
Consumer Price Index			
-0.4	1.6	3.2	2.1
Industrial Production			
-11.2	5.3	4.0	3.0
Disposable Personal Income			
-2.3	1.8	1.1	1.3
<b>Average For Year:</b>			
Unemployment Rate			
9.3	9.6	9.0	8.8
90 Day U.S. Treasury Bill Rate			
0.2	0.1	0.1	0.1
10 Year Treasury Note			
3.2	3.2	2.8	2.4

Source: Blue Chip Economic Indicators, Sedona, Arizona, February 10, 2010.

**Table 2: Quarterly Indicators of the National Economy**

(Percent)

10:1	10:2	10:3	10:4	11:1	11:2	11:3	11:4	12:1	12:2	12:3	12:4
<b><u>Annualized Growth Rates:</u></b>											
Real GDP											
3.9	3.8	2.5	2.3	0.4	1.3	2.0	2.7	1.9	2.1	2.3	2.6
GDP Deflator											
1.5	1.5	1.4	1.9	2.5	2.5	2.5	1.7	1.8	1.7	1.8	1.7
Consumer Price Index											
1.3	-0.5	1.4	2.6	5.2	4.1	3.1	1.6	1.9	1.9	2.2	2.1
Producer Prices											
7.4	0.3	1.1	6.5	12.4	7.1	2.0	1.3	1.5	1.6	1.7	2.0
Industrial Production											
8.1	7.1	6.7	3.1	4.8	0.6	5.2	3.3	2.6	2.7	3.0	3.1
Disposable Personal Income											
4.9	5.6	2.3	1.5	1.2	-0.5	-2.1	1.8	1.4	2.1	2.0	2.5
<b><u>Average For Quarter:</u></b>											
Unemployment Rate											
9.7	9.7	9.6	9.6	8.9	9.1	9.1	8.8	8.8	8.8	8.7	8.6
90 Day U.S. Treasury Bill Rate											
0.1	0.2	0.2	0.1	0.1	0.1	0.0	0.0	0.1	0.1	0.1	0.1
10 Year Treasury Note											
3.7	3.5	2.8	2.9	3.5	3.2	2.4	2.1	2.1	2.3	2.4	2.6

Source: Blue Chip Economic Indicators, Sedona, Arizona, February 10, 2010.

## *Iowa Income and Employment Forecast*

**Table 3: Annual Iowa Income**

(Billions of Current Dollars)

	2008	2009	2010	2011	2012	2013
<b>Personal Income</b>						
Level	115.58	112.44	116.15	123.51	126.65	129.73
RMSE	NA	NA	NA	2.54	6.45	6.81
%CHA	7.52	-2.71	3.30	6.34	2.54	2.43
<b>Wage and Salary Disbursements</b>						
Level	57.66	56.32	57.51	59.35	60.82	61.89
RMSE	NA	NA	NA	1.03	3.14	5.13
%CHA	3.46	-2.32	2.11	3.19	2.48	1.76
<b>Property Income</b>						
Level	21.12	18.23	18.63	19.77	20.45	20.85
RMSE	NA	NA	NA	1.17	3.56	4.09
%CHA	11.91	-13.67	2.17	6.11	3.44	1.98
<b>Transfers</b>						
Level	18.03	20.36	21.38	22.12	23.45	24.77
RMSE	NA	NA	NA	0.78	1.61	1.97
%CHA	9.17	12.93	5.01	3.47	6.01	5.61
<b>Farm Income</b>						
Level	6.04	4.93	5.15	7.40	6.99	7.23
RMSE	NA	NA	NA	1.23	1.33	1.40
%CHA	49.59	-18.32	4.44	43.55	-5.51	3.46

"RMSE" denotes the historical error (actually, the root-mean-squared error) of the forecast, at that horizon.

"%CHA" denotes annual rate of change.

**Table 4: Quarterly Iowa Income**

(Billions of Current Dollars)

	08:1	08:2	08:3	08:4	09:1	09:2	09:3	09:4	10:1	10:2	10:3	10:4
<b>Personal Income</b>												
Level	115.79	115.99	115.57	114.97	112.36	112.62	112.41	112.38	113.27	115.14	117.62	118.57
RMSE	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA
%Y-Y	10.33	8.39	7.42	4.09	-2.97	-2.90	-2.73	-2.26	0.82	2.24	4.63	5.51
%Q-Q(SA)	11.67	8.96	6.58	3.11	-2.20	-2.56	-2.26	-2.37	-1.35	0.87	4.27	4.79
<b>Wage and Salary Disbursements</b>												
Level	57.52	57.39	57.97	57.75	56.68	56.29	56.22	56.09	56.59	57.46	57.92	58.08
RMSE	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA
%Y-Y	5.09	3.36	4.00	1.45	-1.47	-1.92	-3.03	-2.87	-0.15	2.08	3.02	3.54
%Q-Q(SA)	5.17	3.41	3.59	1.57	-1.90	-2.79	-2.89	-2.90	-1.19	1.38	2.43	2.53
<b>Property Income</b>												
Level	20.90	21.28	21.55	20.75	19.23	18.20	17.74	17.77	18.36	18.64	18.67	18.84
RMSE	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA
%Y-Y	17.33	13.62	11.84	5.47	-8.01	-14.48	-17.69	-14.35	-4.51	2.45	5.28	6.01
%Q-Q(SA)	19.33	15.46	12.50	2.99	-7.65	-14.60	-16.64	-14.36	-6.59	-1.97	-0.02	1.87
<b>Transfers</b>												
Level	17.32	18.41	18.01	18.38	19.38	20.79	20.63	20.65	21.11	21.13	21.41	21.87
RMSE	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA
%Y-Y	4.93	12.67	9.47	9.66	11.88	12.91	14.54	12.35	8.93	1.64	3.81	5.93
%Q-Q(SA)	6.30	13.02	8.21	8.47	10.90	16.93	14.43	10.81	7.70	3.10	5.28	6.76
<b>Farm Income</b>												
Level	7.44	6.19	5.18	5.35	4.61	4.90	5.19	5.04	3.99	4.42	6.10	6.11
RMSE	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA
%Y-Y	116.00	52.98	33.47	11.95	-38.10	-20.92	0.19	-5.70	-13.40	-9.86	17.61	21.07
%Q-Q(SA)	179.68	53.65	14.12	4.29	-23.92	-14.89	1.48	-5.58	-30.25	-19.07	38.84	32.85

"RMSE" denotes the historical error (actually, the root-mean-squared error) of the forecast, at that horizon.

"%Y-Y" indicates percentage change from previous year's value.

"%Q-Q(SA)" indicates percentage change from previous quarter, at annual rates, seasonally adjusted.

**Table 4: Quarterly Iowa Income**

(Billions of Current Dollars)

	11:1	11:2	11:3	11:4	12:1	12:2	12:3	12:4	13:1	13:2	13:3	13:4
<b>Personal Income</b>												
Level	121.54	123.40	124.11	125.00	125.66	126.29	126.89	127.77	128.54	129.32	130.04	131.01
RMSE	NA	NA	1.50	2.54	3.36	4.36	5.46	6.45	6.99	7.56	7.72	6.81
%Y-Y	7.30	7.17	5.52	5.42	3.39	2.34	2.24	2.22	2.29	2.40	2.48	2.54
%Q-Q(SA)	6.84	7.14	6.47	5.81	4.23	3.08	2.74	2.70	2.14	1.85	2.07	2.40
<b>Wage and Salary Disbursements</b>												
Level	58.45	59.27	59.64	60.03	60.36	60.69	60.98	61.26	61.51	61.78	62.02	62.27
RMSE	NA	NA	0.57	1.03	1.49	2.06	2.65	3.14	3.61	4.14	4.60	5.13
%Y-Y	3.28	3.16	2.98	3.37	3.27	2.39	2.24	2.05	1.90	1.80	1.71	1.64
%Q-Q(SA)	2.80	3.86	3.82	3.85	3.47	2.87	2.56	2.39	2.07	1.69	1.56	1.56
<b>Property Income</b>												
Level	19.34	19.64	19.93	20.17	20.25	20.39	20.51	20.64	20.68	20.79	20.91	21.04
RMSE	NA	NA	0.55	1.17	1.85	2.52	3.10	3.56	4.01	4.39	4.38	4.09
%Y-Y	5.30	5.33	6.75	7.05	4.74	3.81	2.89	2.38	2.10	1.97	1.93	1.93
%Q-Q(SA)	5.85	7.34	8.37	8.01	6.31	5.20	4.38	3.56	2.38	1.91	1.80	1.76
<b>Transfers</b>												
Level	21.76	21.92	22.24	22.57	22.96	23.32	23.60	23.92	24.31	24.65	24.91	25.21
RMSE	NA	NA	0.53	0.78	0.90	1.10	1.37	1.61	1.91	2.15	1.86	1.97
%Y-Y	3.10	3.72	3.86	3.20	5.53	6.40	6.15	5.97	5.86	5.70	5.53	5.38
%Q-Q(SA)	2.30	0.59	3.21	4.44	4.55	4.32	5.88	6.33	5.97	5.25	5.94	5.98
<b>Farm Income</b>												
Level	7.21	7.70	7.37	7.30	7.17	6.95	6.85	6.99	7.10	7.14	7.22	7.46
RMSE	NA	NA	0.88	1.23	1.35	1.45	1.38	1.33	1.41	1.56	1.42	1.40
%Y-Y	80.79	74.41	20.91	19.53	-0.62	-9.75	-7.07	-4.27	-0.87	2.74	5.31	6.79
%Q-Q(SA)	60.49	55.15	27.64	17.19	5.61	-3.00	-6.04	-3.40	-2.53	-1.76	0.36	5.03

"RMSE" denotes the historical error (actually, the root-mean-squared error) of the forecast, at that horizon.

"% Y-Y" indicates percentage change from previous year's value.

"%Q-Q(SA)" indicates percentage change from previous quarter, at annual rates, seasonally adjusted.

**Table 5: Annual Iowa Real Income**

(Billions of 2005 Dollars)

	2008	2009	2010	2011	2012	2013
<b>Real Personal Income</b>						
Level	106.44	102.47	104.65	108.96	109.56	111.01
RMSE	NA	NA	NA	2.22	4.23	2.77
%CHA	5.19	-3.73	2.12	4.12	0.55	1.32
<b>Real Wage and Salary Disbursements</b>						
Level	53.10	51.33	51.82	52.44	53.26	54.11
RMSE	NA	NA	NA	0.80	2.19	3.79
%CHA	1.21	-3.34	0.95	1.21	1.56	1.59
<b>Real Property Income</b>						
Level	19.45	16.62	16.78	17.46	17.92	18.35
RMSE	NA	NA	NA	0.97	2.54	2.80
%CHA	9.50	-14.56	1.01	4.04	2.59	2.45
<b>Real Transfer Payments</b>						
Level	16.60	18.55	19.26	19.47	20.12	20.75
RMSE	NA	NA	NA	0.68	1.34	2.08
%CHA	6.79	11.76	3.82	1.10	3.32	3.14
<b>Real Farm Income</b>						
Level	5.57	4.50	4.64	6.49	5.52	5.11
RMSE	NA	NA	NA	1.39	2.01	2.52
%CHA	46.56	-19.24	3.18	39.91	-14.95	-7.49

"RMSE" denotes the historical error (actually, the root-mean-squared error) of the forecast, at that horizon.

"%CHA" denotes annual rate of change.

**Table 6: Quarterly Iowa Real Income**

(Billions of 2005 Dollars)

	08:1	08:2	08:3	08:4	09:1	09:2	09:3	09:4	10:1	10:2	10:3	10:4
<b>Real Personal Income</b>												
Level	107.62	107.09	105.87	105.19	102.41	102.76	102.51	102.21	102.64	103.92	105.82	106.21
RMSE	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA
%Y-Y	8.06	6.19	4.75	1.86	-4.85	-4.05	-3.17	-2.83	0.23	1.13	3.22	3.91
%Q-Q(SA)	9.42	6.67	3.99	1.04	-3.82	-3.43	-2.69	-2.92	-1.91	0.00	3.22	3.36
<b>Real Wage and Salary Disbursements</b>												
Level	53.47	52.99	53.11	52.84	51.66	51.36	51.27	51.02	51.28	51.86	52.11	52.02
RMSE	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA
%Y-Y	2.93	1.26	1.42	-0.72	-3.37	-3.07	-3.46	-3.44	-0.73	0.97	1.63	1.96
%Q-Q(SA)	3.03	1.23	1.08	-0.46	-3.50	-3.64	-3.31	-3.44	-1.75	0.50	1.40	1.13
<b>Real Property Income</b>												
Level	19.43	19.65	19.74	18.98	17.53	16.60	16.17	16.16	16.64	16.83	16.80	16.87
RMSE	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA
%Y-Y	14.92	11.30	9.06	3.21	-9.80	-15.48	-18.07	-14.85	-5.06	1.34	3.86	4.40
%Q-Q(SA)	16.93	13.03	9.76	0.91	-9.21	-15.45	-17.08	-14.84	-7.07	-2.75	-0.99	0.50
<b>Real Transfer Payments</b>												
Level	16.10	17.00	16.50	16.81	17.66	18.97	18.81	18.78	19.12	19.07	19.26	19.59
RMSE	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA
%Y-Y	2.78	10.38	6.75	7.31	9.71	11.58	14.03	11.69	8.30	0.54	2.41	4.32
%Q-Q(SA)	4.14	10.66	5.59	6.31	9.13	16.00	13.98	10.18	7.04	2.17	4.19	5.30
<b>Real Farm Income</b>												
Level	6.91	5.72	4.74	4.89	4.20	4.47	4.73	4.59	3.61	3.98	5.49	5.47
RMSE	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA
%Y-Y	111.56	49.86	30.16	9.55	-39.30	-21.86	-0.26	-6.25	-13.90	-10.84	16.02	19.23
%Q-Q(SA)	175.72	51.21	12.36	2.75	-25.19	-15.85	1.15	-6.19	-30.99	-20.14	37.44	31.02

"RMSE" denotes the historical error (actually, the root-mean-squared error) of the forecast, at that horizon.

"%Y-Y" indicates percentage change from previous year's value.

"%Q-Q(SA)" indicates percentage change from previous quarter, at annual rates, seasonally adjusted.

**Table 6: Quarterly Iowa Real Income**

(Billions of 2005 Dollars)

	11:1	11:2	11:3	11:4	12:1	12:2	12:3	12:4	13:1	13:2	13:3	13:4
<b>Real Personal Income</b>												
Level	108.13	109.09	109.15	109.48	109.32	109.32	109.51	110.12	110.34	110.67	111.12	111.91
RMSE	NA	NA	1.41	2.22	2.74	3.28	3.81	4.23	4.24	4.32	4.00	2.77
%Y-Y	5.35	4.97	3.15	3.08	1.10	0.21	0.33	0.58	0.93	1.23	1.47	1.63
%Q-Q(SA)	5.02	4.89	4.08	3.42	1.83	0.74	0.67	1.00	0.73	0.61	1.04	1.61
<b>Real Wage and Salary Disbursements</b>												
Level	52.00	52.40	52.59	52.79	52.94	53.16	53.37	53.59	53.75	54.00	54.23	54.46
RMSE	NA	NA	0.48	0.80	1.07	1.44	1.84	2.19	2.52	2.92	3.35	3.79
%Y-Y	1.40	1.04	0.93	1.48	1.80	1.46	1.49	1.51	1.54	1.58	1.61	1.62
%Q-Q(SA)	1.05	1.69	1.80	1.96	1.98	1.77	1.73	1.77	1.77	1.63	1.62	1.67
<b>Real Property Income</b>												
Level	17.20	17.36	17.56	17.73	17.73	17.83	17.97	18.13	18.14	18.26	18.42	18.59
RMSE	NA	NA	0.48	0.97	1.46	1.93	2.29	2.54	2.76	2.91	2.89	2.80
%Y-Y	3.39	3.17	4.52	5.09	3.08	2.72	2.34	2.25	2.32	2.42	2.51	2.55
%Q-Q(SA)	4.05	5.09	6.14	6.05	4.61	3.95	3.75	3.48	2.62	2.42	2.59	2.68
<b>Real Transfer Payments</b>												
Level	19.36	19.37	19.50	19.66	19.89	20.07	20.19	20.33	20.54	20.71	20.81	20.94
RMSE	NA	NA	0.46	0.68	0.80	0.95	1.14	1.34	1.58	1.80	1.96	2.08
%Y-Y	1.23	1.59	1.24	0.36	2.73	3.61	3.54	3.39	3.29	3.19	3.09	3.01
%Q-Q(SA)	0.57	-1.50	0.54	1.42	1.69	1.48	3.02	3.40	3.26	2.67	3.46	3.49
<b>Real Farm Income</b>												
Level	6.41	6.81	6.44	6.30	5.95	5.50	5.27	5.36	5.26	5.03	4.96	5.17
RMSE	NA	NA	0.92	1.39	1.64	1.91	2.02	2.01	2.13	2.33	2.39	2.52
%Y-Y	77.51	70.82	17.31	15.21	-7.26	-19.18	-18.16	-14.92	-11.64	-8.54	-5.77	-3.51
%Q-Q(SA)	57.40	51.84	24.08	13.20	-1.62	-13.24	-17.20	-13.55	-13.81	-15.19	-12.99	-5.53

"RMSE" denotes the historical error (actually, the root-mean-squared error) of the forecast, at that horizon.

"%Y-Y" indicates percentage change from previous year's value.

"%Q-Q(SA)" indicates percentage change from previous quarter, at annual rates, seasonally adjusted.

**Table 7: Annual Iowa Employment**

(Thousands)

	2008	2009	2010	2011	2012	2013
<b>Nonfarm Employment</b>						
Level	1524.39	1479.05	1469.23	1483.03	1498.03	1509.80
RMSE	NA	NA	NA	NA	20.17	42.95
%CHA	0.35	-2.97	-0.66	0.94	1.01	0.79
<b>Durable Goods Manufacturing</b>						
Level	138.42	117.03	115.70	119.26	123.91	126.25
RMSE	NA	NA	NA	NA	9.08	16.19
%CHA	-2.14	-15.45	-1.14	3.08	3.90	1.89
<b>Non-Durable Goods Manufacturing</b>						
Level	88.97	85.74	84.44	85.61	85.76	84.95
RMSE	NA	NA	NA	NA	2.29	3.26
%CHA	0.88	-3.62	-1.52	1.38	0.18	-0.95
<b>Services</b>						
Level	446.56	444.28	447.43	456.13	462.80	465.52
RMSE	NA	NA	NA	NA	7.71	14.53
%CHA	0.79	-0.51	0.71	1.95	1.46	0.59
<b>Wholesale Trade</b>						
Level	68.68	66.79	66.58	67.53	67.89	68.08
RMSE	NA	NA	NA	NA	0.93	1.49
%CHA	1.13	-2.75	-0.31	1.41	0.54	0.27
<b>Retail Trade</b>						
Level	178.25	175.22	173.19	173.79	172.63	172.50
RMSE	NA	NA	NA	NA	2.05	4.27
%CHA	-0.31	-1.70	-1.16	0.35	-0.67	-0.08
<b>Iowa Population</b>						
Level	2995.69	3009.40	3022.09	3036.31	3051.38	3065.48
RMSE	NA	NA	8.05	15.80	25.47	32.80
%CHA	0.50	0.46	0.42	0.47	0.50	0.46

"RMSE" denotes the historical error (actually, the root-mean-squared error) of the forecast, at that horizon.

"%CHA" denotes annual rate of change.

**Table 8: Quarterly Iowa Employment**

(Thousands)

	08:1	08:2	08:3	08:4	09:1	09:2	09:3	09:4	10:1	10:2	10:3	10:4
<b>Nonfarm Employment</b>												
Level	1501.87	1540.30	1521.50	1533.90	1472.23	1493.30	1467.00	1483.67	1439.80	1485.23	1461.73	1490.17
RMSE	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA
%Y-Y	0.92	0.58	0.39	-0.47	-1.97	-3.05	-3.58	-3.27	-2.20	-0.54	-0.36	0.44
%Q-Q(SA)	0.88	0.38	0.16	-0.65	-2.25	-3.48	-3.68	-3.18	-2.46	-1.03	-0.98	0.13
<b>Durable Goods Manufacturing</b>												
Level	139.97	140.20	139.10	134.40	123.53	117.30	114.40	112.90	112.37	115.67	117.77	117.00
RMSE	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA
%Y-Y	-0.12	-0.78	-2.55	-5.11	-11.74	-16.33	-17.76	-16.00	-9.04	-1.39	2.94	3.63
%Q-Q(SA)	-0.67	-2.21	-3.14	-5.64	-12.57	-17.48	-17.85	-14.99	-9.45	-3.42	0.76	1.93
<b>Non-Durable Goods Manufacturing</b>												
Level	88.83	89.33	89.07	88.63	86.37	85.40	85.67	85.53	84.73	84.30	84.07	84.67
RMSE	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA
%Y-Y	1.80	1.82	0.53	-0.60	-2.78	-4.40	-3.82	-3.50	-1.89	-1.29	-1.87	-1.01
%Q-Q(SA)	1.81	1.47	0.16	-0.68	-2.66	-4.37	-3.85	-3.27	-2.12	-2.41	-2.68	-1.26
<b>Services</b>												
Level	439.17	449.63	445.40	452.03	438.93	446.17	441.40	450.63	439.60	449.93	444.37	455.80
RMSE	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA
%Y-Y	1.28	0.87	0.72	0.32	-0.05	-0.77	-0.90	-0.31	0.15	0.84	0.67	1.15
%Q-Q(SA)	1.16	0.89	0.65	0.34	-0.39	-1.15	-1.11	-0.24	0.06	0.42	0.16	1.25
<b>Wholesale Trade</b>												
Level	67.43	69.37	69.17	68.77	66.13	67.57	66.77	66.70	64.67	66.97	66.27	68.43
RMSE	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA
%Y-Y	1.86	1.61	1.07	0.00	-1.93	-2.59	-3.47	-3.01	-2.22	-0.89	-0.75	2.60
%Q-Q(SA)	2.03	1.70	0.15	0.26	-1.76	-2.40	-3.99	-2.68	-2.55	-0.98	-1.94	3.06
<b>Retail Trade</b>												
Level	176.30	178.13	178.00	180.57	173.33	175.67	175.53	176.33	170.17	175.00	173.27	174.33
RMSE	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA
%Y-Y	-0.02	-0.54	-0.13	-0.53	-1.68	-1.38	-1.39	-2.34	-1.83	-0.38	-1.29	-1.13
%Q-Q(SA)	0.24	-0.37	-0.20	-1.25	-1.47	-1.38	-1.06	-2.80	-2.13	-0.11	-0.92	-2.09
<b>Iowa Population</b>												
Level	2990.25	2994.00	2997.50	3001.00	3004.50	3007.90	3011.09	3014.11	3017.20	3020.36	3023.68	3027.12
RMSE	0.00	0.00	0.00	0.00	0.00	0.51	1.21	2.14	3.34	4.76	6.37	8.05
%Y-Y	0.50	0.50	0.49	0.49	0.48	0.46	0.45	0.44	0.42	0.41	0.42	0.43
%Q-Q(SA)	0.52	0.52	0.50	0.48	0.48	0.47	0.45	0.43	0.41	0.41	0.41	0.42

"RMSE" denotes the historical error (actually, the root-mean-squared error) of the forecast, at that horizon.

"%Y-Y" indicates percentage change from previous year's value.

"%Q-Q(SA)" indicates percentage change from previous quarter, at annual rates, seasonally adjusted.

**Table 8: Quarterly Iowa Employment**

(Thousands)

	11:1	11:2	11:3	11:4	12:1	12:2	12:3	12:4	13:1	13:2	13:3	13:4
<b>Nonfarm Employment</b>												
Level	1452.87	1494.40	1480.07	1504.80	1469.04	1507.64	1499.48	1515.94	1483.52	1518.73	1511.53	1525.42
RMSE	NA	NA	NA	NA	7.35	8.78	15.22	20.17	27.92	33.04	38.28	42.95
%Y-Y	0.91	0.62	1.25	0.98	1.11	0.89	1.31	0.74	0.99	0.74	0.80	0.63
%Q-Q(SA)	0.83	1.06	1.37	1.36	1.64	1.21	1.74	0.87	1.31	0.67	1.18	0.38
<b>Durable Goods Manufacturing</b>												
Level	115.43	119.23	120.70	119.73	118.48	120.34	120.07	118.65	116.78	117.92	116.93	114.81
RMSE	NA	NA	NA	2.36	4.90	7.39	9.77	11.92	13.75	15.31	16.72	17.98
%Y-Y	2.73	3.08	2.49	2.34	2.64	0.93	-0.52	-0.90	-1.44	-2.01	-2.61	-3.24
%Q-Q(SA)	2.67	5.20	5.30	4.18	3.74	2.56	0.60	-0.47	-0.96	-1.82	-3.23	-4.02
<b>Non-Durable Goods Manufacturing</b>												
Level	83.30	84.93	86.80	87.40	84.74	85.19	86.61	86.51	83.92	84.44	85.79	85.62
RMSE	NA	NA	NA	NA	1.12	1.79	2.05	2.29	2.60	2.87	3.07	3.26
%Y-Y	-1.69	0.75	3.25	3.23	1.73	0.31	-0.22	-1.02	-0.97	-0.88	-0.94	-1.03
%Q-Q(SA)	-1.37	1.23	3.59	3.79	0.88	0.32	1.10	0.40	-1.36	-1.42	-0.57	-0.79
<b>Services</b>												
Level	446.80	457.17	455.07	465.50	458.26	464.66	461.82	466.45	460.61	466.84	465.08	469.53
RMSE	NA	NA	NA	NA	3.79	4.53	6.85	7.71	9.76	11.07	13.14	14.53
%Y-Y	1.64	1.61	2.41	2.13	2.57	1.64	1.48	0.20	0.51	0.47	0.71	0.66
%Q-Q(SA)	1.88	1.84	2.28	2.39	3.09	1.64	1.60	0.11	1.19	0.35	0.87	-0.11
<b>Wholesale Trade</b>												
Level	65.90	69.30	66.90	68.00	66.62	68.27	68.62	68.05	66.88	68.41	68.85	68.17
RMSE	NA	NA	NA	NA	1.11	0.74	1.22	0.93	1.45	1.29	1.68	1.49
%Y-Y	1.91	3.48	0.96	-0.63	1.10	-1.48	2.58	0.07	0.38	0.21	0.33	0.18
%Q-Q(SA)	1.73	4.16	-0.57	0.58	1.64	0.27	1.91	-0.38	0.82	-0.31	1.19	-0.58
<b>Retail Trade</b>												
Level	171.33	174.57	174.47	174.80	168.65	172.99	173.57	175.32	168.81	172.77	173.33	175.09
RMSE	NA	NA	NA	NA	1.45	2.01	1.78	2.05	2.84	3.45	3.62	4.27
%Y-Y	0.69	-0.25	0.69	0.27	-1.57	-0.90	-0.51	0.30	0.09	-0.13	-0.14	-0.13
%Q-Q(SA)	0.48	0.67	1.01	-0.78	-1.37	-0.39	0.47	0.20	-0.60	-0.26	0.34	0.15
<b>Iowa Population</b>												
Level	3030.73	3034.42	3038.16	3041.92	3045.75	3049.55	3053.29	3056.95	3060.52	3063.95	3067.19	3070.27
RMSE	9.83	11.64	13.69	15.80	18.27	20.64	23.29	25.47	27.22	29.28	31.43	32.80
%Y-Y	0.45	0.47	0.48	0.49	0.50	0.50	0.50	0.49	0.48	0.47	0.46	0.44
%Q-Q(SA)	0.44	0.46	0.47	0.49	0.50	0.50	0.51	0.50	0.49	0.48	0.46	0.44

"RMSE" denotes the historical error (actually, the root-mean-squared error) of the forecast, at that horizon.

"%Y-Y" indicates percentage change from previous year's value.

"%Q-Q(SA)" indicates percentage change from previous quarter, at annual rates, seasonally adjusted.

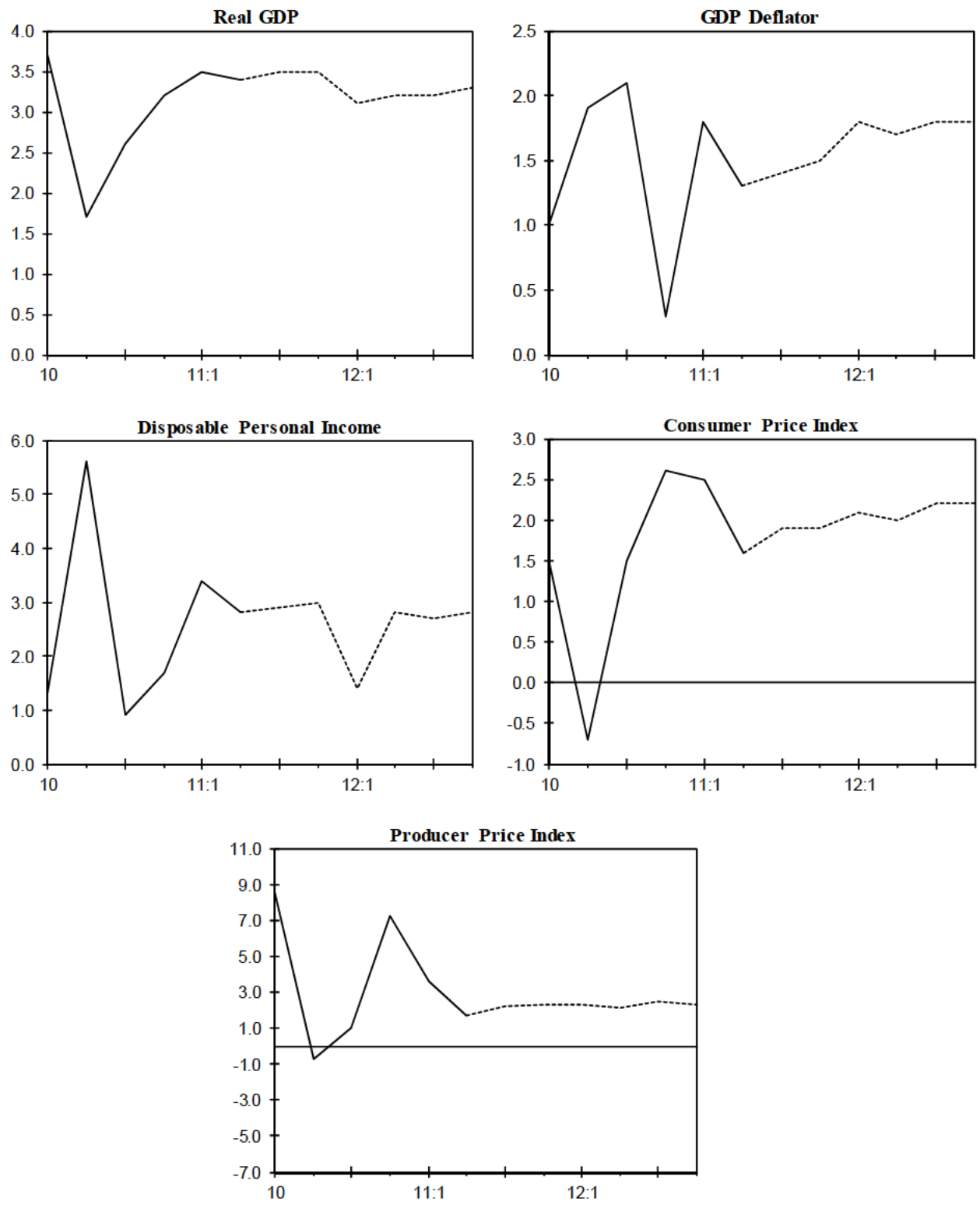


Figure 1a: Blue Chip Consensus Forecasts of Growth Rates of National Economic Variables

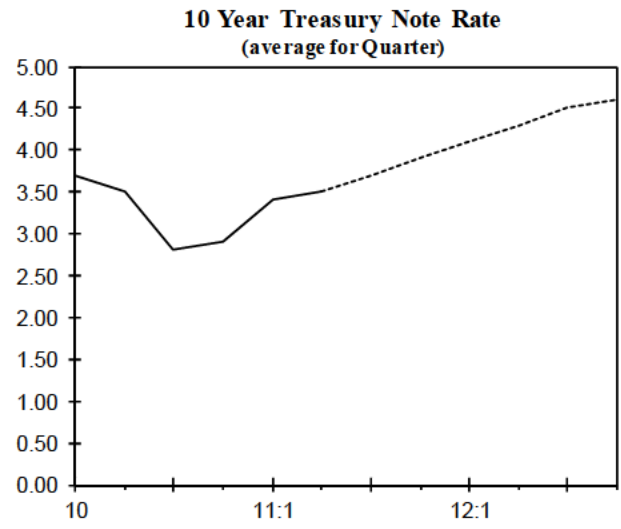
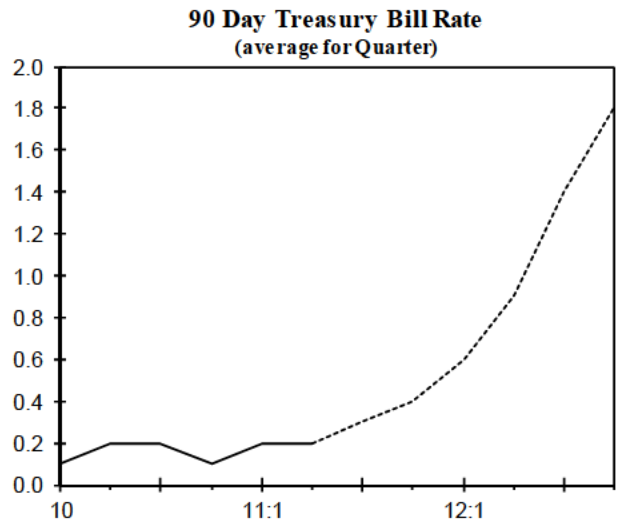
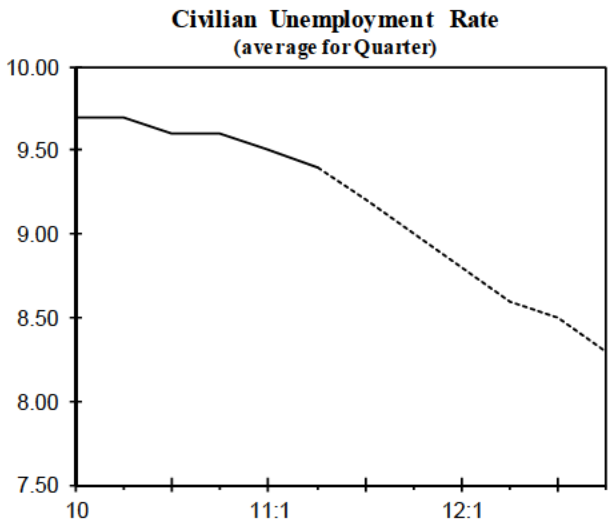


Figure 1b: Blue Chip Consensus Forecasts of National Economic Variables

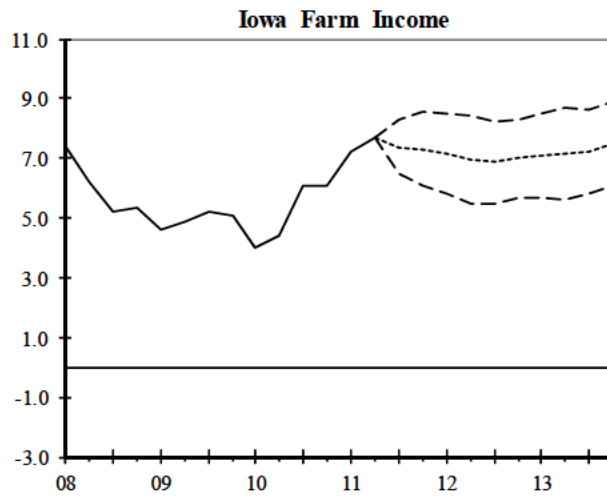
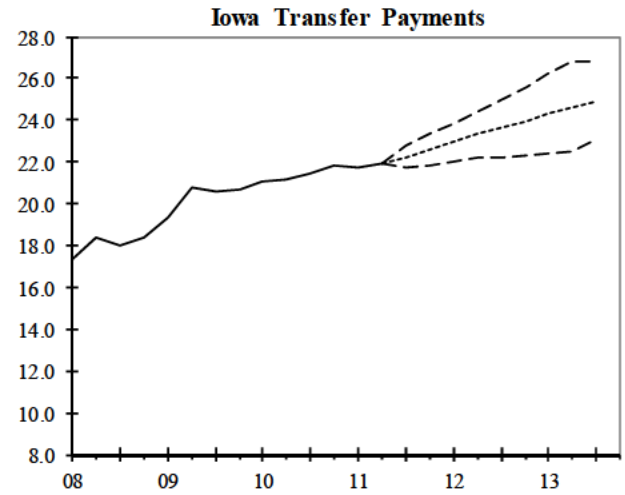
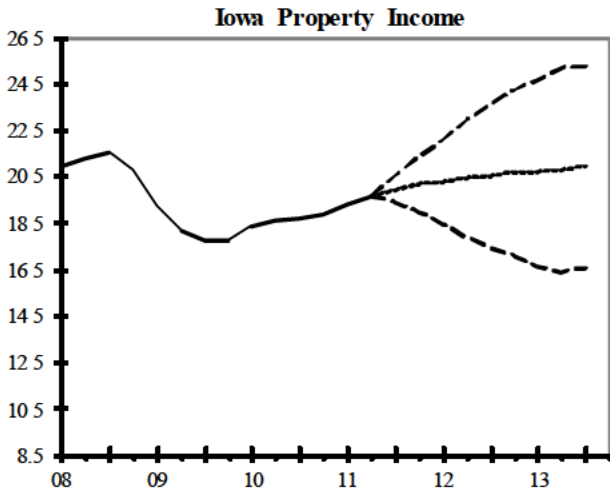
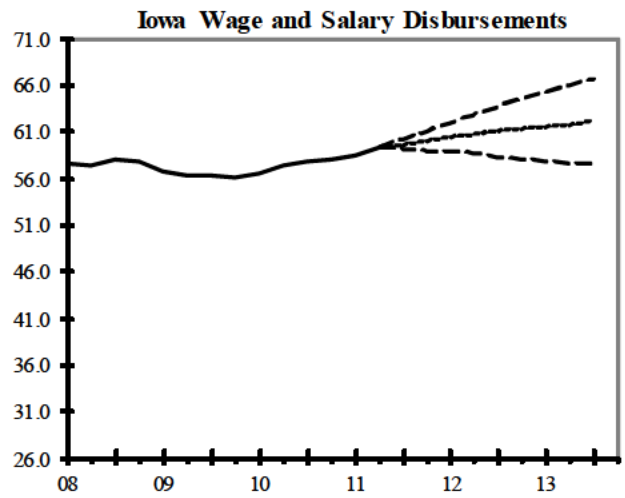
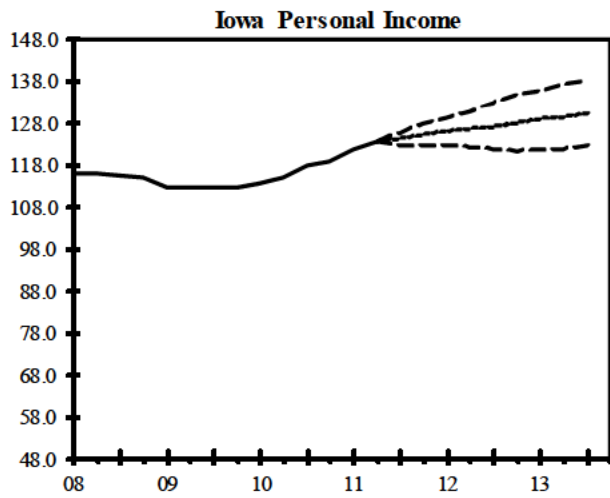


Figure 2: IER Forecasts-- Iowa and National Nominal Income  
 Note: mean forecasts are surrounded by (symmetric) 2/3 probability bands.

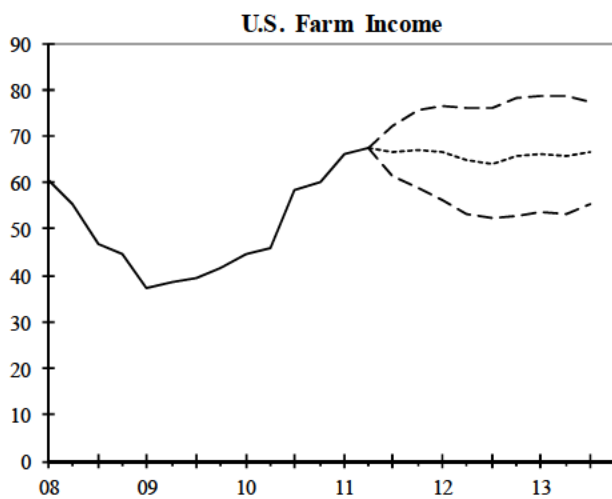
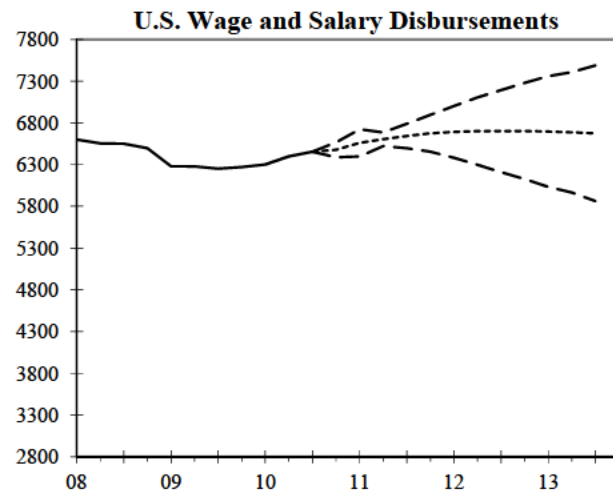
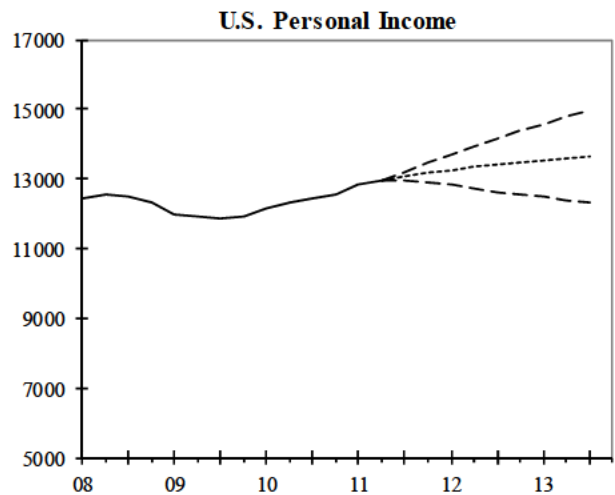
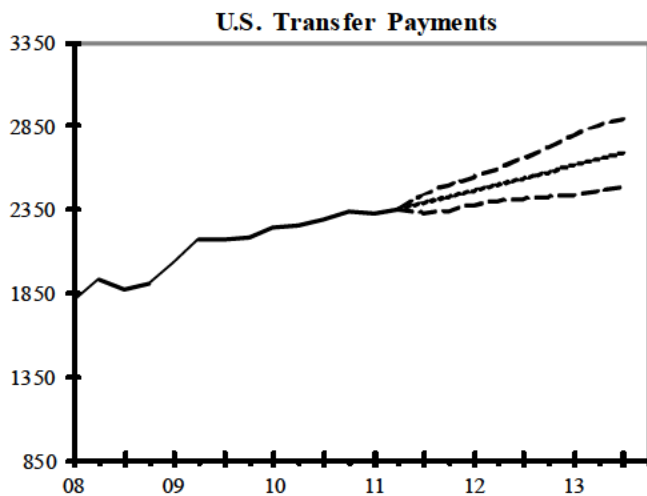
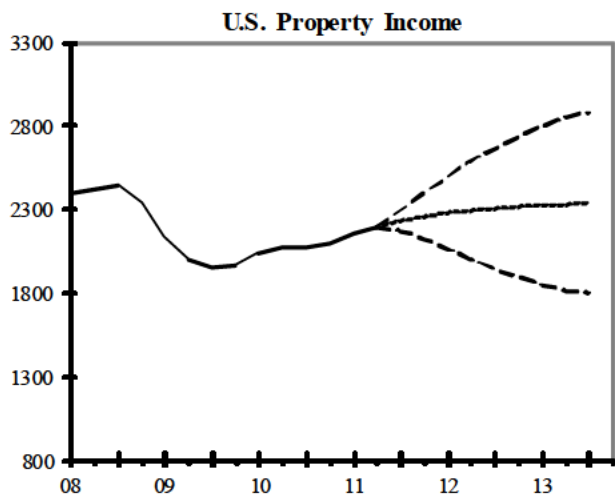


Figure 2: IER Forecasts-- Iowa and National Nominal Income  
 Note: mean forecasts are surrounded by (symmetric) 2/3 probability bands.

## *Likely Growth in Personal Income*

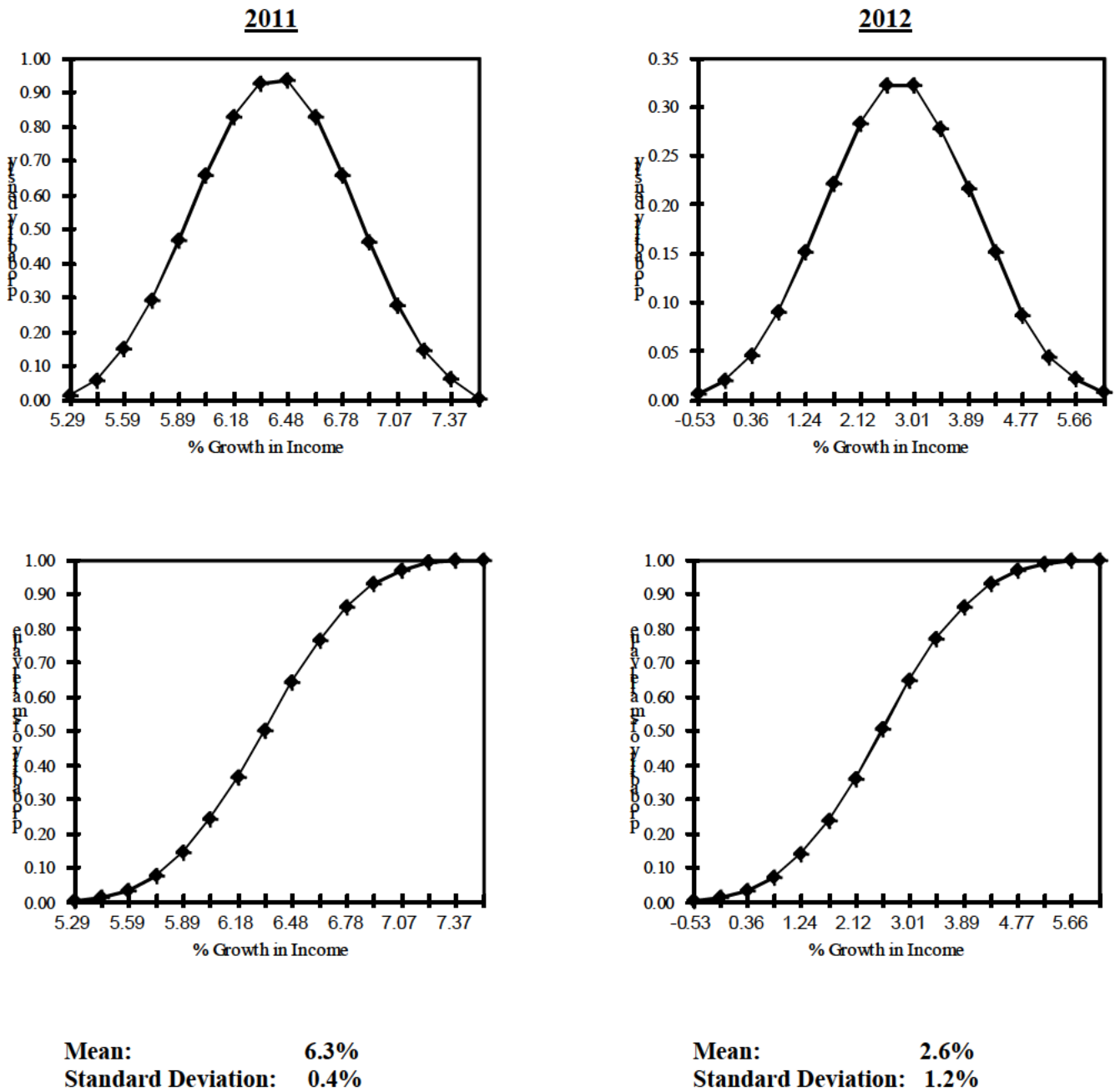


Figure 3: Likely Growth in Iowa Personal Income

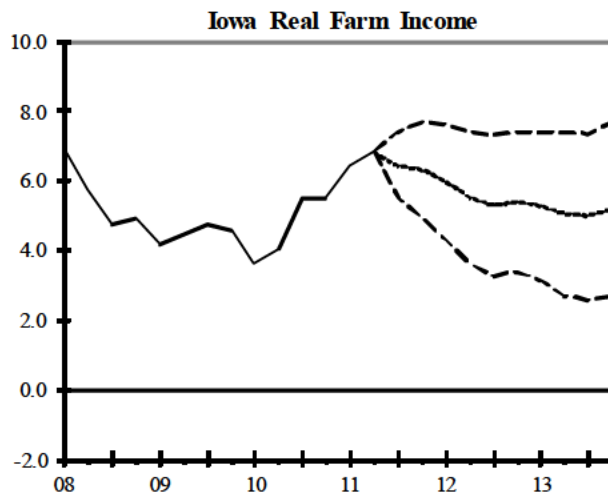
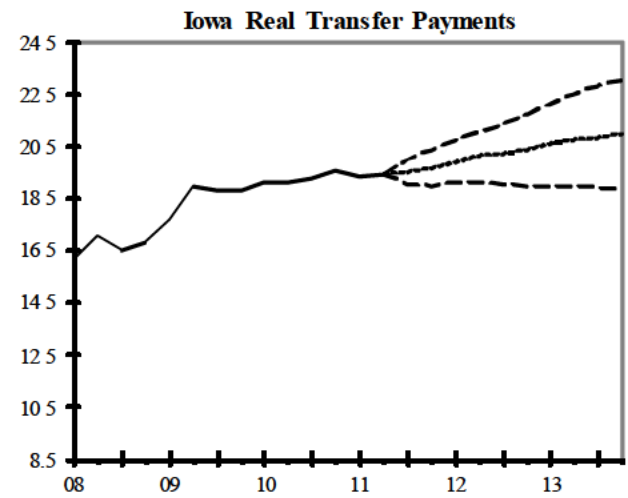
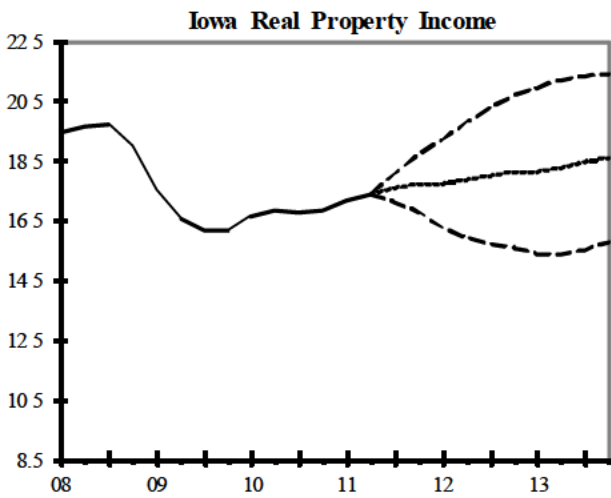
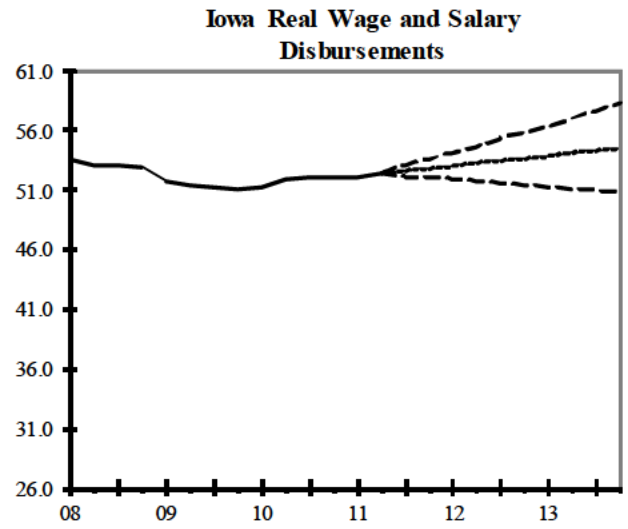
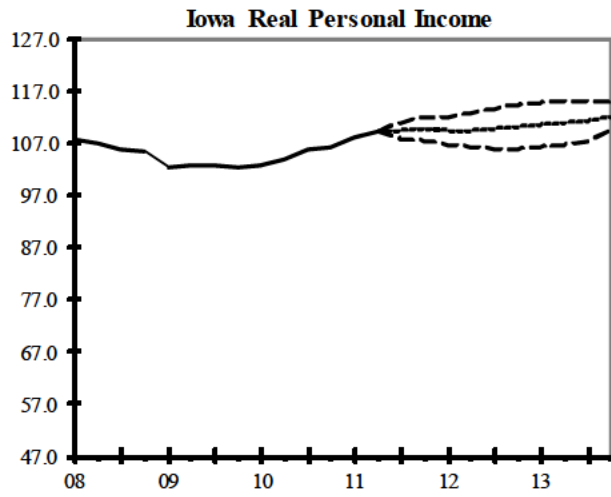


Figure 4: IER Forecasts-- Iowa and National Real Income  
 Note: mean forecasts are surrounded by (symmetric) 2/3 probability bands.

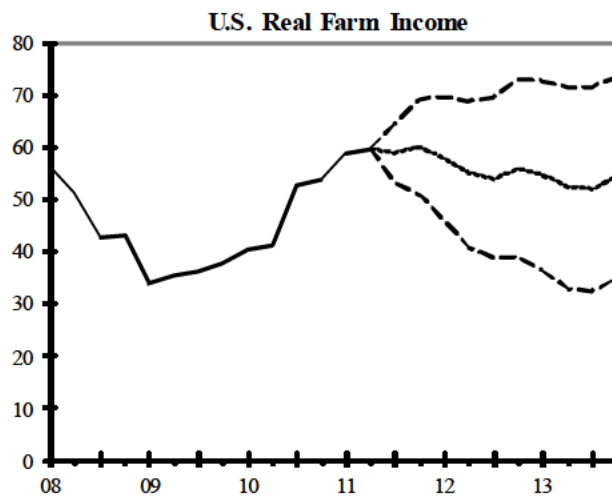
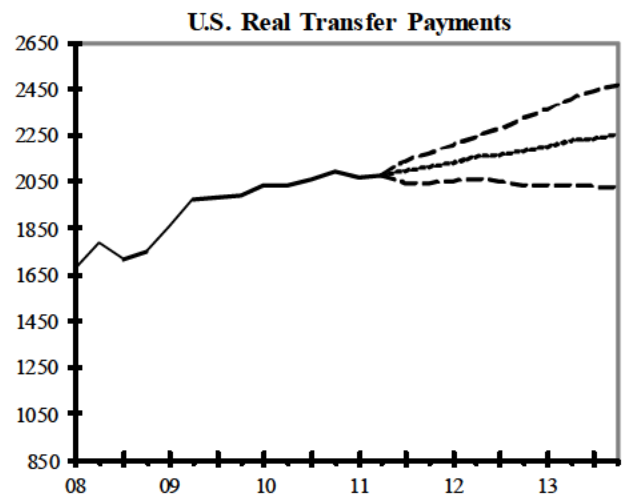
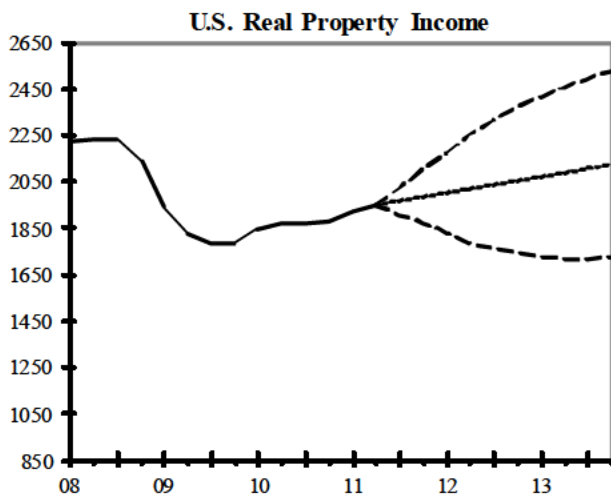
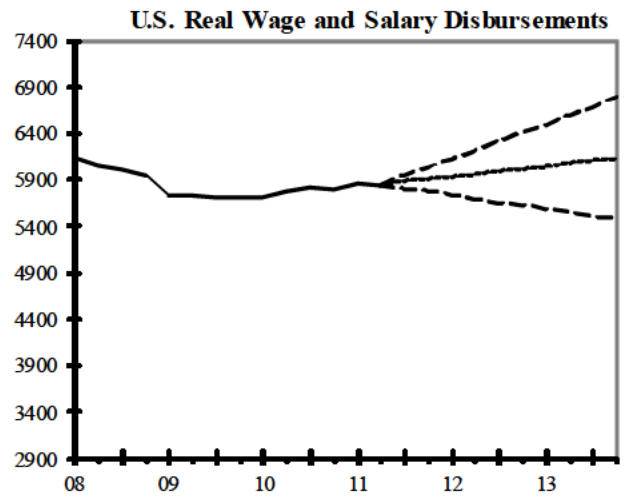
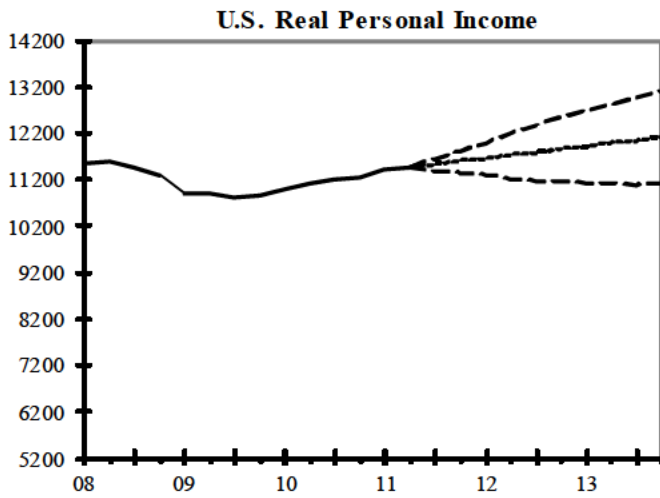


Figure 4: IER Forecasts-- Iowa and National Real Income  
 Note: mean forecasts are surrounded by (symmetric) 2/3 probability bands.

## *Likely Growth in Real Personal Income*

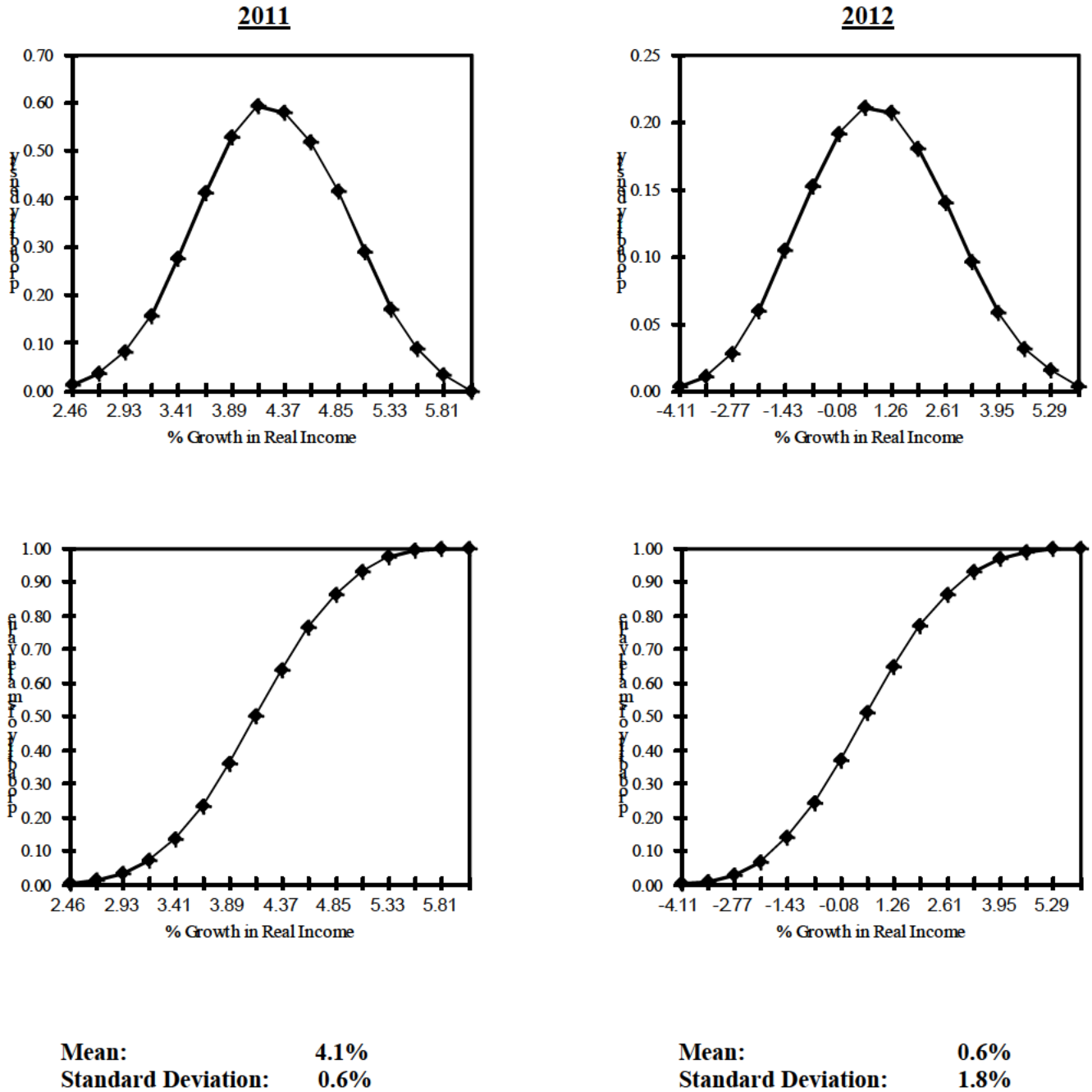


Figure 5: Likely Growth in Iowa Real Personal Income

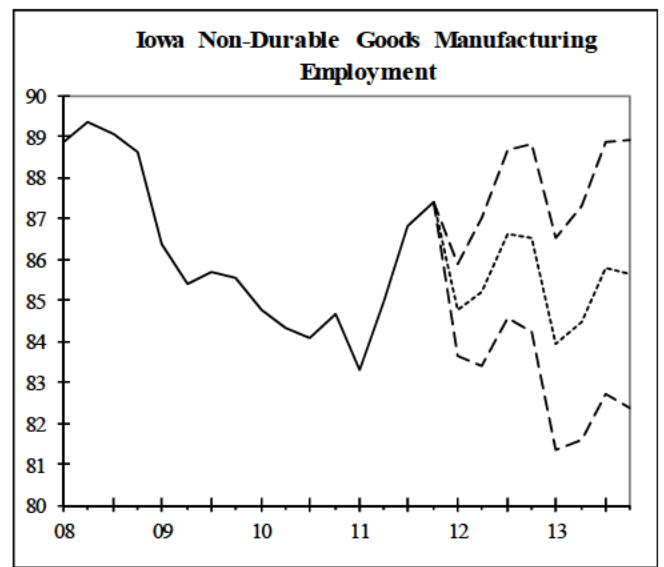
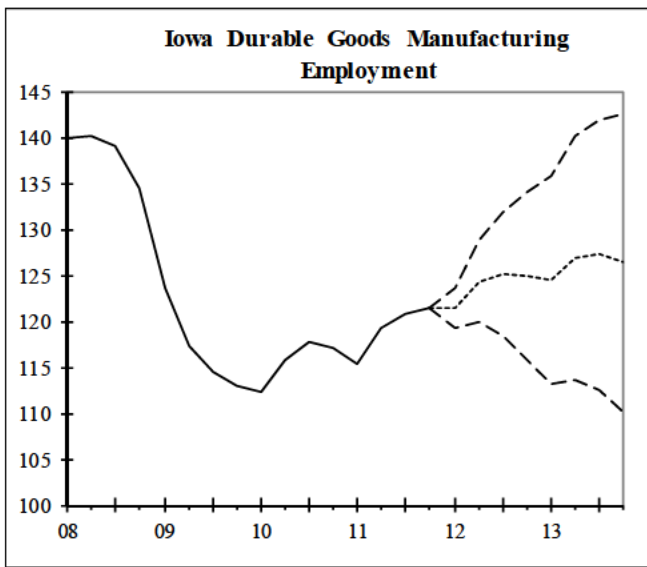
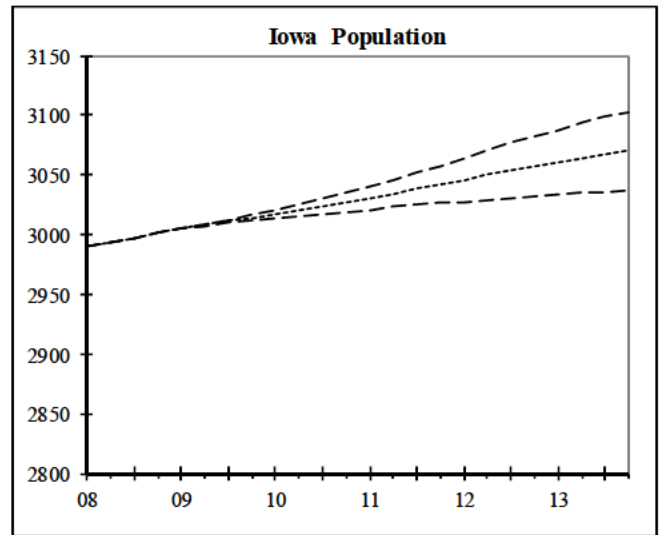


Figure 6: IER Forecasts--Iowa and National Employment  
 Note: mean forecasts are surrounded by (symmetric) 2/3 probability bands.

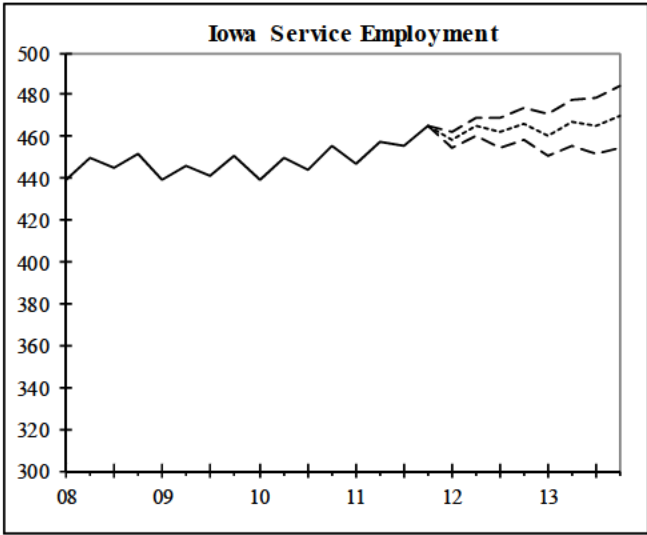
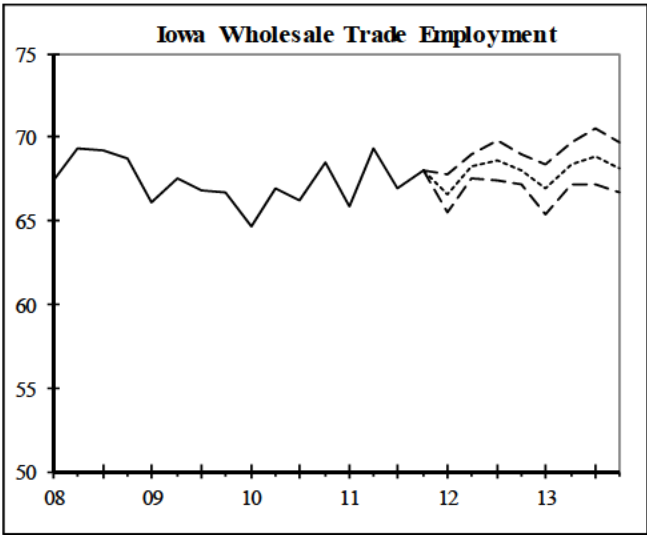


Figure 6: IER Forecasts--Iowa and National Employment  
 Note: mean forecasts are surrounded by (symmetric) 2/3 probability bands.

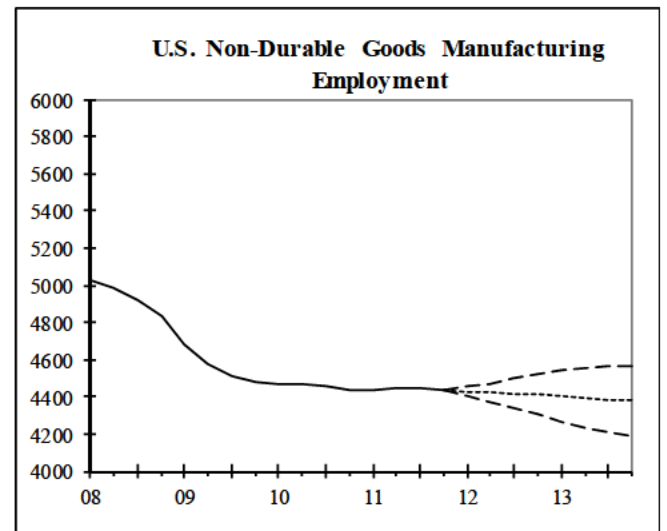
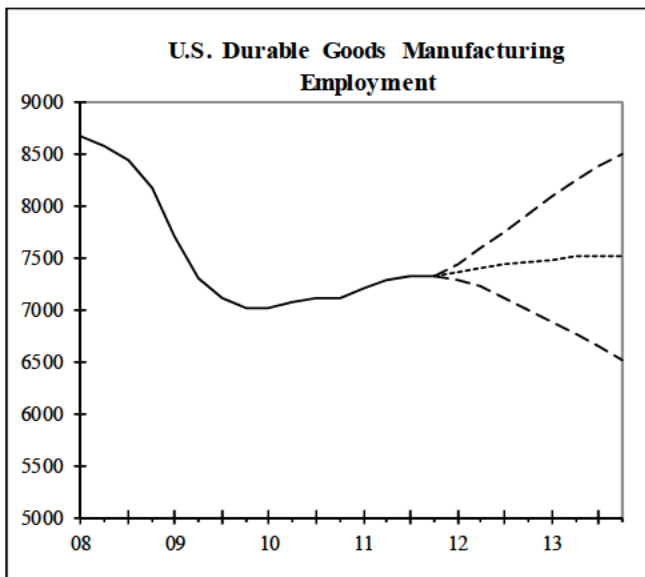
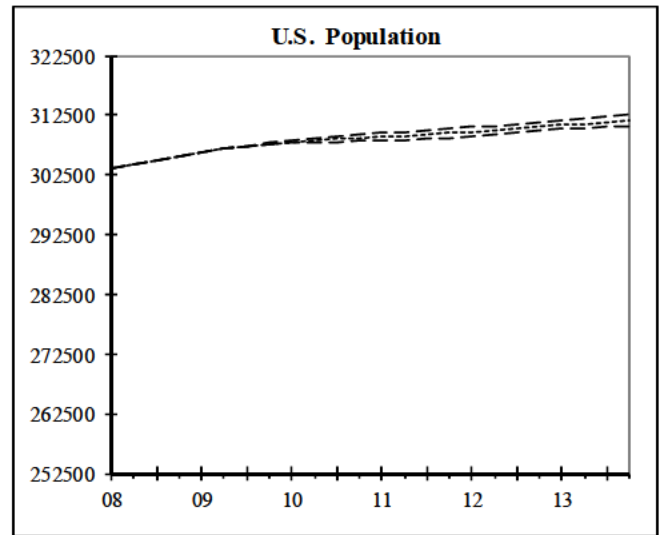
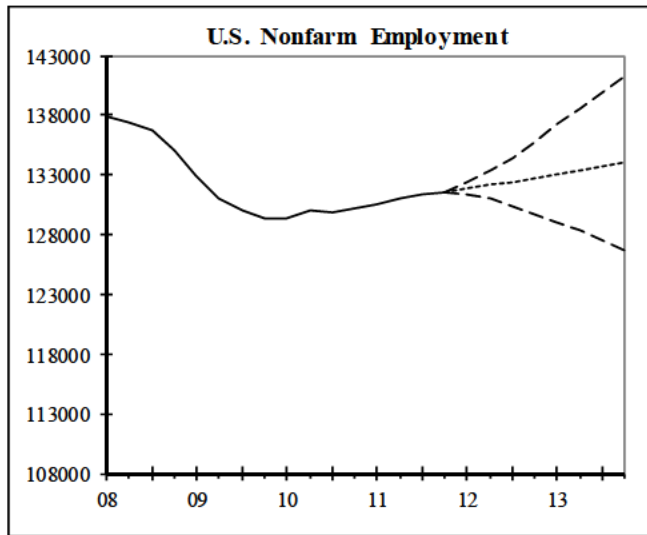


Figure 6: IER Forecasts--Iowa and National Employment  
 Note: mean forecasts are surrounded by (symmetric) 2/3 probability bands.

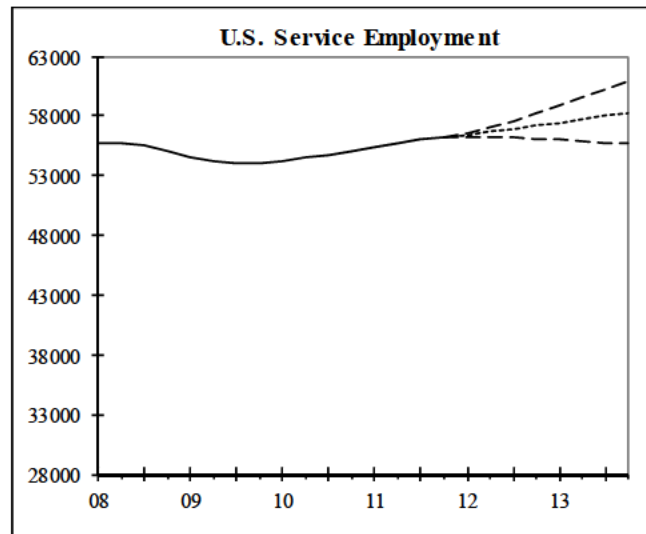
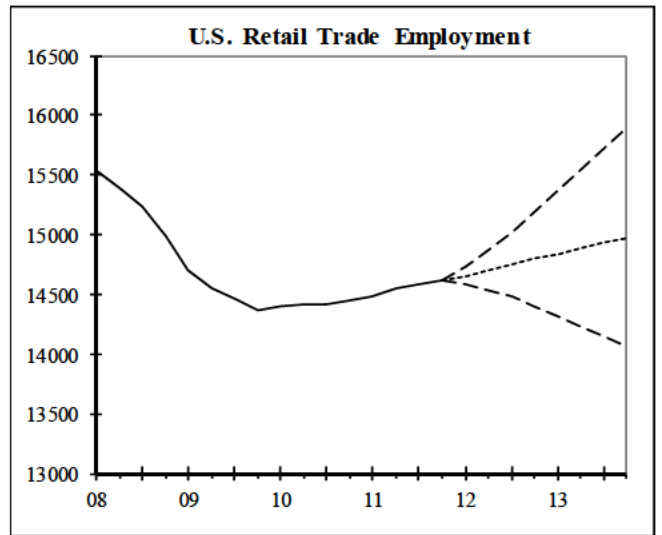
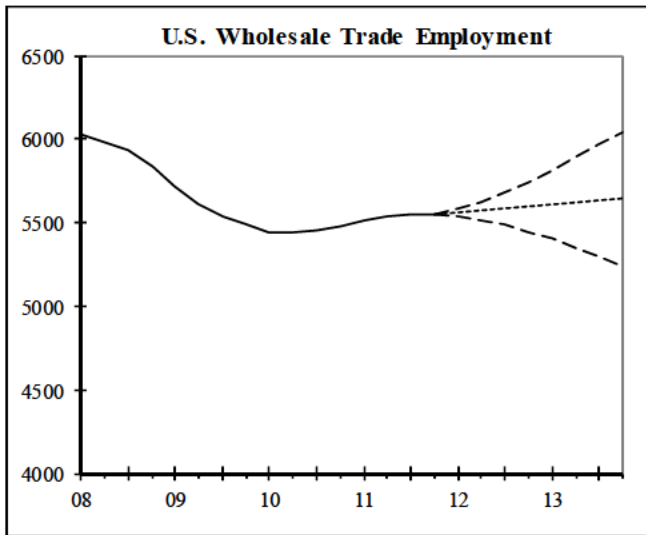
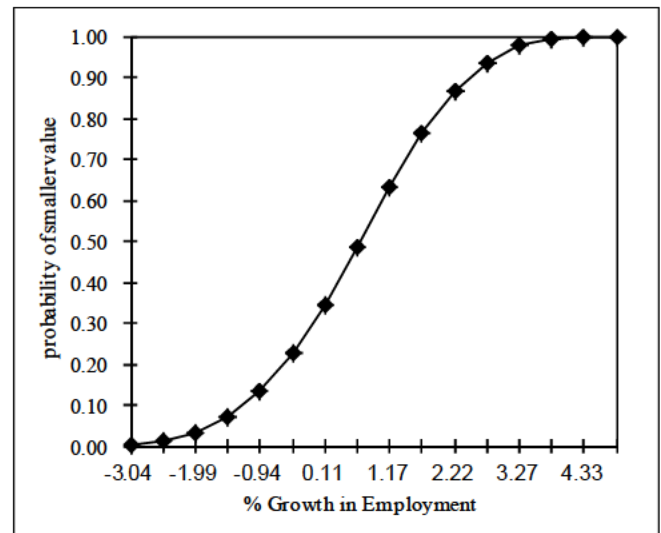
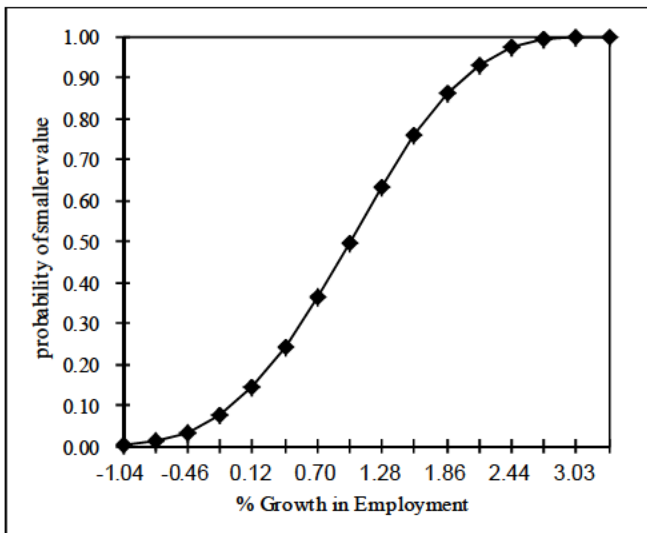
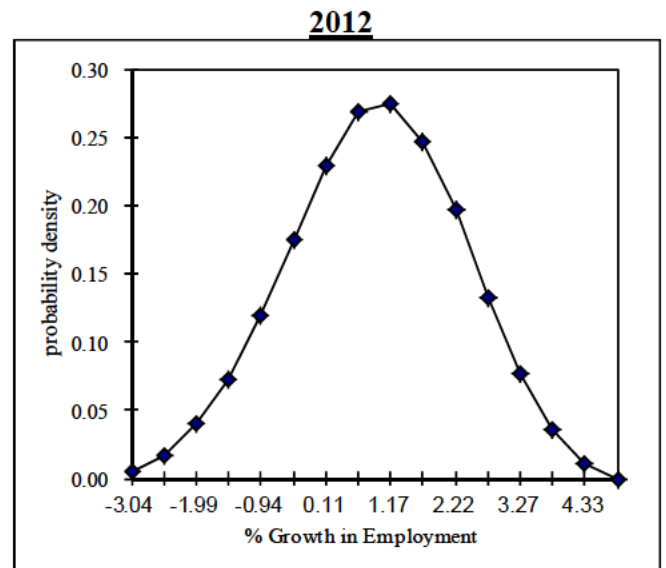
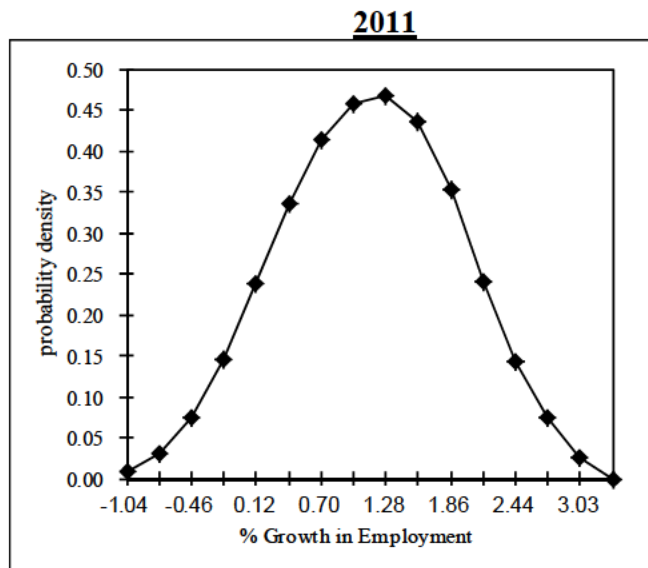


Figure 6: IER Forecasts--Iowa and National Employment  
 Note: mean forecasts are surrounded by (symmetric) 2/3 probability bands.

## *Likely Growth in Non Agricultural Employment*



**Mean: 1.0%**  
**Standard Deviation: 0.8%**

**Mean: 0.6%**  
**Standard Deviation: 1.4%**

Figure 7: Likely Growth in Iowa Nonagricultural Employment