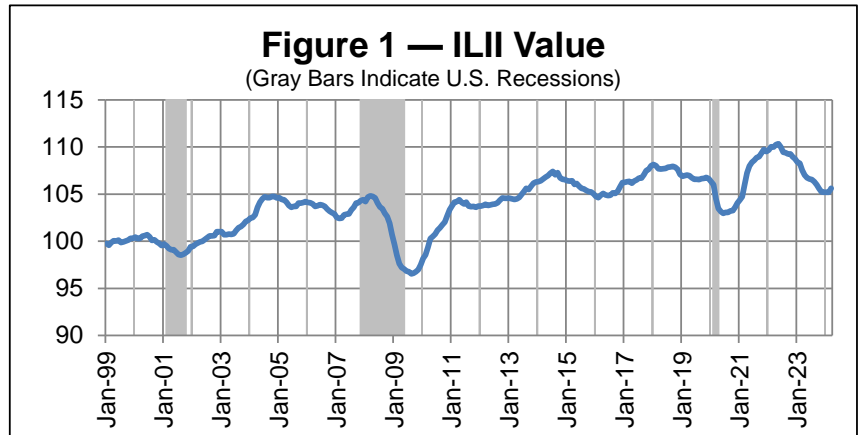


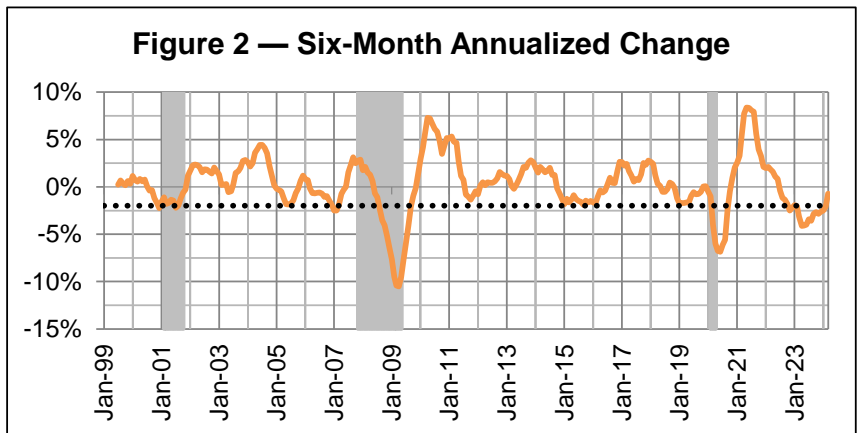
IOWA DEPARTMENT OF REVENUE — IOWA LEADING INDICATORS INDEX

Overview. The Iowa Leading Indicators Index (ILII) is based on eight economic indicators determined by the Iowa Department of Revenue to be significantly correlated to the immediate future direction of the Iowa economy. The two measurements that, when seen together, are considered a signal of a coming Iowa economic contraction are a six-month annualized change (Figure 2) in the Index below -2.0% (dotted black line) and a six-month diffusion index below 50.0.

Historical Overview. The baseline 100 value of the ILII is associated with 1999 through 2001. The ILII started dropping six months before the declared start date of the 2001 U.S. recession, demonstrating that Iowa businesses were changing behaviors prior to the national economy being impacted. However, the ILII did not start consistently decreasing until the sixth month of the U.S. recession that began in December 2007. The ILII began decreasing in December 2019, three months before the start of the February 2020 recession.



Current Status. The Index is currently at 105.6 for March 2024, compared to 105.2 in February 2024 and 107.5 in March 2023. Three of the eight ILII components contributed positively to the Index month over month for March 2024, as outlined in Figure 3.



The six-month diffusion index (October through March) decreased from 37.5 in February 2024 to 25.0 in March 2024. The diffusion index measures the proportion of the eight components that rose during the most recent six months, based on actual changes. In March 2024, average manufacturing hours and the Iowa stock market index were the only indicators that showed an increase of greater than 0.05% over the most recent six months.

More Data. Additional information can be found on the Legislative Services Agency’s [Economic Trends webpage](#), which includes links to source sites and the underlying data for each Economic Trends indicator.

Figure 3 — Monthly Change of ILII Components

| | Average Manufacturing Hours | Residential Building Permits | New Orders Index | Average Weekly Unemployment Claims | National Yield Spread | Diesel Fuel Consumption | Iowa Stock Market Index | Agricultural Futures Profits Index |
|--------|-----------------------------|------------------------------|------------------|------------------------------------|-----------------------|-------------------------|-------------------------|------------------------------------|
| Mar-23 | Negative | Negative | Negative | Negative | Negative | Negative | Negative | Negative |
| Apr-23 | Positive | Negative | Negative | Negative | Negative | Positive | Negative | Negative |
| May-23 | Negative | Positive | Negative | Negative | Negative | Negative | Negative | Negative |
| Jun-23 | Negative | Negative | Negative | Negative | Positive | Positive | Positive | Negative |
| Jul-23 | Positive | Negative | Negative | Negative | Positive | Negative | Positive | Negative |
| Aug-23 | Positive | Negative | Negative | Negative | Positive | Positive | Negative | Negative |
| Sep-23 | Positive | Negative | Positive | Negative | Positive | Negative | Negative | Negative |
| Oct-23 | Positive | Negative | Negative | Negative | Positive | Negative | Negative | Negative |
| Nov-23 | Positive | Negative | Negative | Negative | Negative | Negative | Positive | Negative |
| Dec-23 | Positive | Positive | Positive | Negative | Negative | Negative | Positive | Negative |
| Jan-24 | Negative | Positive | Positive | Negative | Positive | Positive | Positive | Negative |
| Feb-24 | Positive | Positive | Negative | Negative | Positive | Negative | Positive | Positive |
| Mar-24 | Positive | Negative | Negative | Negative | Negative | Positive | Positive | Negative |