

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.

Historical Overview. The baseline 100 value of the ILII is associated with the years from 1999 to 2001. The ILII started dropping six months before the declared start date of the U.S. recession that took place in 2001, 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 recession that began in December 2007.

Current Status. The Index decreased to 108.2 in October 2018 from 108.4 the previous month. Four of the eight components contributed positively to the Index, as outlined in **Table 1**.

The six-month (May to October) diffusion index decreased to 37.5 in October. The diffusion index measures the proportion of the eight components that rose during the most recent half-year, based on actual changes. Three of the eight indicators experienced an increase of greater than 0.05% over the six months. These indicators were average weekly unemployment claims, diesel fuel consumption, and the new orders index.

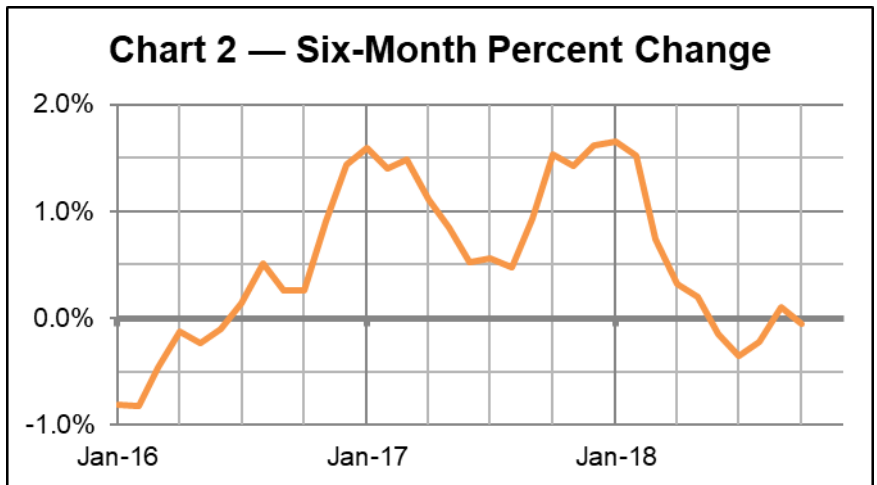
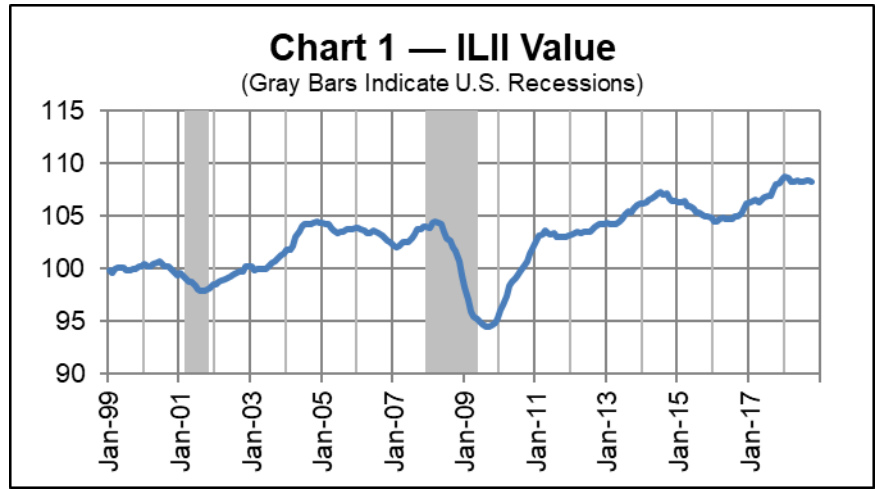


Table 1 — Monthly Change of ILII Components

	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
May-18	Negative	Positive	Positive	Positive	Neutral	Negative	Positive	Negative
Jun-18	Negative	Negative	Negative	Negative	Negative	Positive	Positive	Positive
Jul-18	Negative	Positive	Negative	Positive	Negative	Positive	Positive	Negative
Aug-18	Negative	Negative	Positive	Positive	Negative	Positive	Positive	Positive
Sep-18	Negative	Negative	Positive	Positive	Positive	Positive	Negative	Positive
Oct-18	Negative	Positive	Negative	Positive	Positive	Positive	Negative	Negative

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.