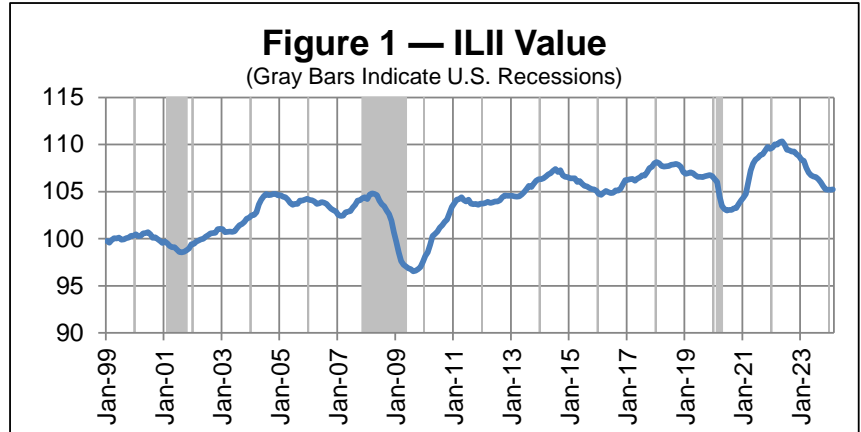


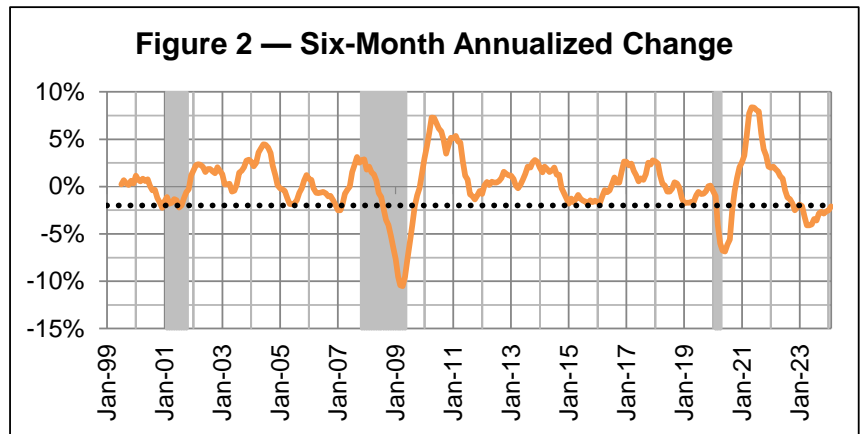
IOWA DEPARTMENT OF REVENUE — IOWA LEADING INDICATORS INDEX

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 105.2 for February 2024, compared to 105.2 in January 2024 and 108.3 in February 2023. Five of the eight ILII components contributed positively to the Index month over month for February 2024, as outlined in Figure 3.



The six-month diffusion index (September through February) increased from 25.0 in January 2024 to 37.5 in February 2024. The diffusion index measures the proportion of the eight components that rose during the most recent six months, based on actual changes. In February 2024, average manufacturing hours, the Iowa stock market index, and the national yield spread 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
Feb-23	Negative	Positive	Negative	Negative	Positive	Negative	Positive	Negative
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