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UTAH TECHNOLOGY FINANCE CORPORATION: ECONOMIC DEVELOPMENT POLICY AND ECONOMIC IMPACTS

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Utah Technology Finance Corporation and Economic Development Policy

The creation of Utah Technology Finance Corporation in 1985 was a significant departure in the state's economic development policy.[1] Prior to that time, the primary economic development strategy had been the recruitment of out-of-state companies to Utah by aggressively marketing the comparatively low production and operating costs in the state. Target industry studies were produced to demonstrate Utah's cost advantage vis a vis other western states while expanded and new economic development initiatives such as industrial revenue bonds, custom-fit employment training and local tax concessions were used to entice out-of-state companies to consider Utah as a site for expansion.

By the mid-1980s, a more comprehensive economic development strategy began to emerge, which included a much greater emphasis on programs aimed at local business expansion and retention. This shift in strategy gave the state a new and unaccustomed entrepreneurial role in economic development. At times, the state would now become a partner and risk-taker with private industry and economic development policy would focus on stimulating the expansion and formation of businesses rather than recruitment of out-of-state companies.

The groundwork for a more local and entrepreneurial approach to economic development was laid by several studies in the late 1970s and early 1980s. The most influential of these was *The Job Generation Process* by David Birch published in 1979. Birch's study was based on data collected by the Dun and Bradstreet Corporation that pertained to the histories of 5.6 million businesses between 1969 and 1976. From these data Birch was able to trace changes in location and employ-

ment. Two major conclusions of the study were important to the creation of the UTFC. One is that very little job growth or loss in any particular location can be attributed to the in-or out-migration of businesses. What is important in determining employment change for a state or county is the local ratio of business start-ups to failures and expansion to contractions. The second is that small businesses contribute disproportionately to job creation. This conclusion was incorporated in one of the "legislative declarations" preceding the UTFC enabling act:

> "small and emerging businesses create new employment opportunities at a substantially greater rate than large and mature businesses"[2]

Although there was considerable controversy surrounding Birch's conclusions, the impact on economic development policy was widespread.[3] Utah policymakers often cite 80 percent as the share of all new jobs, in any given year, created by expansion or formation of local businesses. The lesson drawn by economic development officials from Birch was *job generation begins at home.* Therefore, the most effective economic development efforts were those that helped local businesses expand and encouraged potential entrepreneurs to establish new companies. Like most states at the time, Utah broadened its economic development programs beyond merely recruiting new firms. By the mid-1980s a number of programs to assist existing Utah businesses and encourage the formation of new businesses were initiated. The most important of these were: federal procurement assistance, business finance, business expansion and retention, international development, industrial assistance fund, Centers for Excellence and the Utah Technology Finance Corporation.

Of all the new economic development programs, UTFC represented the most radical departure from previous policy. The others were more of an expansion in approach or variation on the familiar economic development theme of job creation and stability. For example, the international program sought to enhance job growth by assisting Utah businesses with the complexities and opportunities of the export business. The Centers for Excellence program sought to create job opportunities through technology transfer from a University to the private sector. The business expansion and retention program sought to expand or stabilize employment conditions for local companies with assistance over a wide range of problems, from work force issues to the intervention in local planning and zoning conflicts.

In contrast, UTFC represented a whole new paradigm, the state would actually intervene in capital markets by providing seed money to start-up high technology companies. The justification for public intervention was the difficulty "garage start-ups" had in raising money in the established capital markets. Commercial banks, stock exchanges, and the bond market were essentially closed to an entrepreneur with only an idea and perhaps a prototype. A state role was justified to remedy this market failure, as noted by another legislative declaration given at the time UTFC was created.

> "available sources of assistance and capital in this state are inadequate to assure necessary development of small and emerging businesses involved in innovation and high technology".[4]

What made UTFC a radical shift in policy was not simply the intervention into capital markets but that the state would now make grants and non-collateralized loans to high risk start-up companies. Thus, the state entered a financial arena that not only conventional financial institutions but most venture capitalists shunned. The state of Utah had become a financier on a high-risk frontier. In addition to the element of high risk, the creation of the UTFC was also uniquely entrepreneurial in another important way: the long period between investment and payoff. To support research and development that may or may not lead to a product that may or may not capture a viable market share is an uncertain endeavor and requires a great deal of patience. The entrepreneurial timetable is considerably longer than the political timetable but it is the political timetable that will determine the success or failure of UTFC.

UTFC and the Utah Economy

Although the economic payoffs from UTFC's activities are still well in the future, political pressure has required the corporation to demonstrate its impact on the Utah economy. UTFC contracted with the Bureau of Economic and

Business Research (BEBR) at the David Eccles School of Business, University of Utah to estimate: (1) the economic impact of UTFC on the Utah economy in 1996, and (2) UTFC's role in closing the capital gap for emerging high technology and innovative companies.

Economic Impacts - The economic impact analysis of the Bureau of Economic and Business Research study was limited to the activities of UTFC between 1992 and 1996. Although UTFC began assisting high technology companies in Utah in 1987 the economic impacts, for the first five years of UTFC's operations, were negligible. The impacts were limited first by the nature of UTFC's assistance—small grants of $5,000 to $50,000—and second by the type of companies receiving assistance, often one- or two-person operations whose survival depended solely on financial assistance from UTFC. These companies were in the very early stages of R&D or prototype development and few of them had any sales revenue to speak of. The UTFC portfolio was very high risk, consequently over 40 percent of these companies eventually failed. This high fatality rate, combined with low levels of sales revenue and employment, significantly reduced the economic impact of UTFC programs during the 1987 to 1991 period.

In 1992 UTFC changed its lending strategy. Rather than provide grants to high-risk, start-up companies UTFC began making partially collateralized loans to lower-risk companies. These companies were generally in the early- to expansion-stages of development with some sales and employment histories and much lower fatality rates, hence the economic impacts were much greater.

The shift in 1992 to a lower risk portfolio was due in part to the more conservative lending philosophy of UTFC's new director as well as recommendations from the Utah Legislature's Joint Subcommittee on Economic Development. Using a new set of lending criteria UTFC provided financial assistance to over 187 companies between 1992 and 1996. It was not feasible to survey all 187 companies therefore only those with ten or more employees were surveyed. Coincidentally, by limiting the survey to ten or more employees, the sample became almost identical to the 50 largest companies that received UTFC assistance between 1992 and 1996.

The first step in estimating the economic impact was to determine the marginal or incremental difference UTFC programs made to those firms receiving assistance. Unfortunately, there are no state or local data sources or company records that would provide the statistical basis for calculating the impact. The only source of impact estimates is the judgment of a company's principal officers. Therefore, a principal officer of each firm was asked "would your company have had the same number of employees in 1996 if you had not received UTFC assistance?". If the officer answered that they would have had "fewer employees," then he or she was asked to estimate "by how many?". These questions were intended to elicit, from those closest to a company's operations, their judgment about the incremental difference UTFC assistance has made to the company's employment levels.

In order to complete the economic impact analysis each firm was also surveyed regarding: (1) loan history with UTFC, (2) availability of other sources of financing, (3) sales revenues in 1996, (4) percent of sales revenues generated by out-of-state sales, (5) total full-time Utah employment in 1996, (6) total wages paid to Utah employees in 1996, (7) any marketing, accounting or management assistance received from UTFC, and (8) uses of UTFC funds. Over 90 percent of the firms that met the qualifying conditions of ten or more employees were surveyed either in-person or by telephone.

Total economic impacts are comprised of direct and indirect economic impacts. The number of employees and income that business owners attributed to UTFC funding is the direct employment and income impact. As these "direct" employees spent their income, an additional round of employment and wage impacts was generated, which is the indirect impact.

The estimated economic impact on the Utah economy of those companies with ten or more employees that have received UTFC assistance between 1992 and 1996 is shown in Table 1.

The economic impact of the UTFC program, like similar programs in other states, is relatively

Table 1 Economic Impact of Selected UTFC Companies 1996			
	Direct Impact	Indirect Impact	Total Impact
Employment	305	170	475
Income	$8.6 million	$3.3 million	$11.9 million
Total State Fiscal Impact*			$964,000

* state sales and personal income tax

modest. This is due in large part to the size of the UTFC program. The annual funding level of 1 to 2 million dollars and a maximum per loan amount, in most cases, of $175,000, limits the likelihood that UTFC programs will have significant economic impacts on the aggregate performance of the state's economy. But to say this is not to suggest UTFC programs are trivial. UTFC programs can and have had significant localized and additive impacts: localized impacts for a particular firm or on a particular community, additive impacts, as part of an array of relatively small federal, state and local economic development programs, which combine and accumulate to have measurable impacts on the aggregate economy over the long term.

UTFC and the Capital Gap for Small High Technology Companies

At the time UTFC was created many entrepreneurs, owners of small business and public officials believed there was a capital gap in Utah for small technology companies. Commercial bankers, it was felt, had little experience with high technology products and markets, therefore, they were reluctant to make loans to these type of companies. And making matters worse, venture capitalists were not interested in Utah companies because the state's geographic location was inconvenient and too costly in terms of time and transportation. Although the evidence for a capital gap was largely anecdotal, the legislature created the UTFC as a partial remedy for the perceived imperfections of Utah's capital markets.

Financial Assistance Provided by UTFC and Sources of Funding - Like any financial organization that lends money, UTFC, in any given year, has loans under management, makes new loans and receives loan payoffs. To give some idea of recent annual levels of activity, data for 1996 were provided by UTFC. These data show the corporation had $7.9 million in loans under management and made $6.1 million in new loans in 1996.

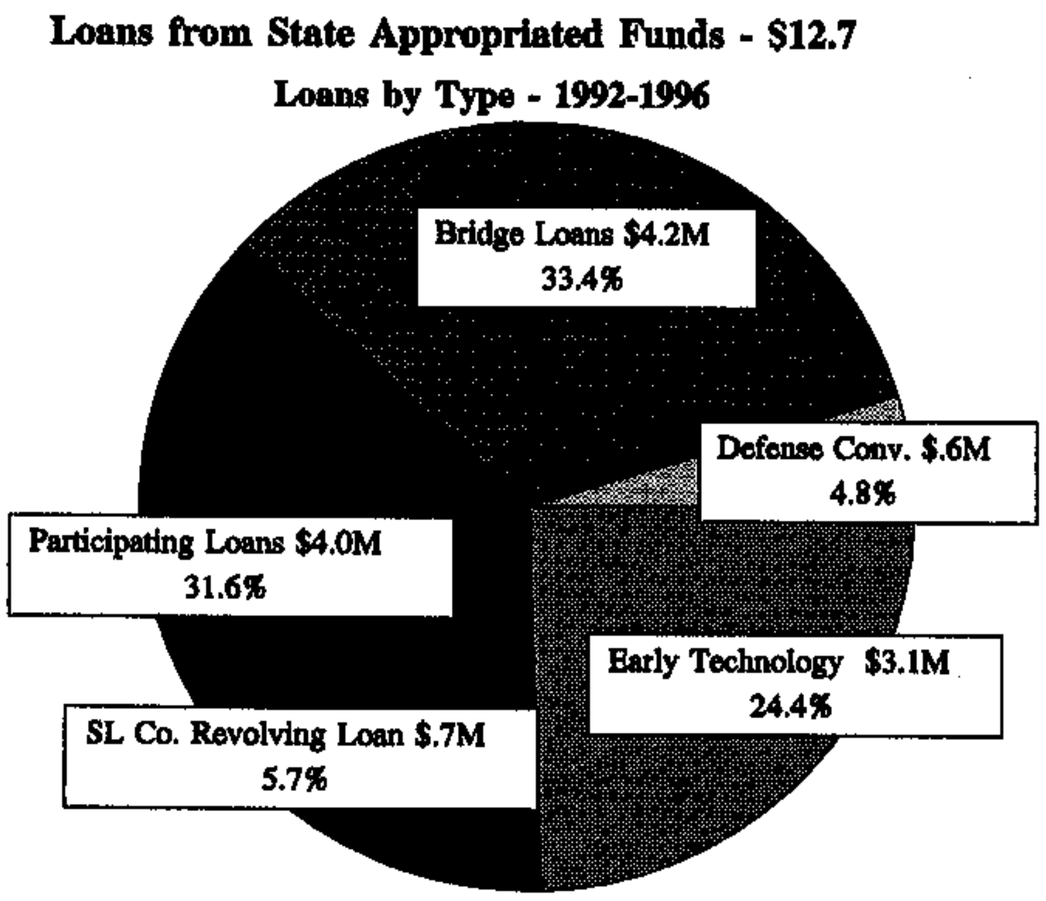
Since its creation in 1985, UTFC has been a source of nearly $27 million in capital for Utah's small high-tech and innovative companies. Most of this $27 million has come from state appropriated funds. UTFC has received $20.5 million in state appropriations since 1985, which has been used to fund loans as well as cover the administrative costs of the corporation. Additional loanable funds have come from federal government programs, which have added significantly to UTFC's impact on the capital gap.

In UTFC's first five years of lending activity the corporation awarded $4 million in grants to slightly more than 100 small high-tech start-up companies. During the next five years, 1992 through 1996, UTFC's level of assistance increased sharply, rising by nearly five times to $19 million in loans made to 187 companies. These companies received a total of 243 loans with an average value of $78,000. Many companies received more than one loan, including Circuit Technologies, which ranks first in the number of loans and total value of loans received. From 1992 through 1996, Circuit Technologies received eight loans, totaling $1.25 million.

Of the $19 million in assistance provided between 1992 and 1996 by UTFC, 67 percent, or $12.7 million, was funded by state appropriations, while the remaining 33 percent, or $6.3 million was federal matching or pass-through funds.

State-appropriated funds have been primarily used for three types of loans: bridge loans, participating loans and early technology loans. Of the $12.7 million in loans made from state appropriated funds, 33.4 percent were bridge loans, 31.6 percent were participating loans and 24.4 percent were early technology loans (Chart 1).

Chart 1



Bridge loans fund production guaranteed by purchase orders. The terms of a bridge loan are 30 days to 120 days with loan amounts as high as $175,000. Participation loans combine funds from Utah banks and UTFC into a single loan. UTFC participation in such a loan is up to $150,000 and the length of the loan can be as much as five years. Early technology loans provide up to $75,000 for research and development and a maximum of $150,000 for commercialization of technology. Early technology loans have a loan term of up to five years. A Phase II early technology loan has a limit of $250,000.

The Utah State Legislature was clear about what type of small businesses were to receive these loans from UTFC. Furthermore the assistance should not be limited to small businesses in the metropolitan area but to businesses "throughout Utah". UTFC was to:

> "take all action necessary or desirable to encourage and assist in the research, development, promotion, and growth of emerging and developing technological and innovative small businesses throughout Utah."[5]

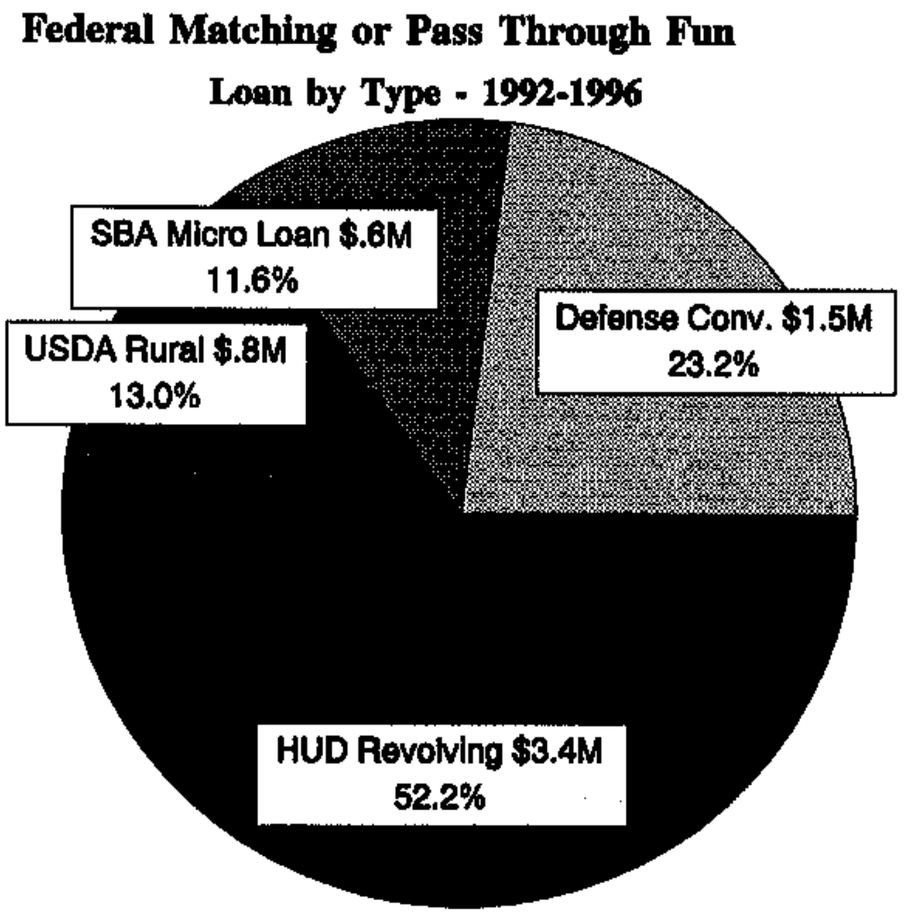
As mandated by the legislature, UTFC has given financial assistance to businesses "throughout Utah". Of the $19 million in loans (state and federal sources) between 1992 and 1996, small businesses in the metropolitan area received $13.7 million in UTFC loans and businesses in non-metropolitan areas have received $5.3 million. The non-metropolitan loans represent 28 percent of the total value of loans made by UTFC for the period.

As also mandated by the legislature, UTFC has targeted for assistance "technological and innovative small businesses", particularly those in computer programing, data processing and electronics. During the 1992 through 1996 period, $6.2 million or 32 percent of the $19 million in UTFC loans were to computer programming and data processing companies. Electronics companies received $2.7 million or 14.2 percent of UTFC's loans. The remaining loans were spread among different types of basic industries, i.e., companies that sell their products or services outside of Utah. It is estimated that 90 percent of UTFC loans were made to companies in basic industries, which is very important to the economic impact analysis. Only basic industries create economic impacts. Basic industries generate an infusion of funds from a source outside the state economy. This infusion of external funds pays for augmented production which, in turn, generates higher levels of employment and income for the state's economy.

UTFC's Role as Intermediary - State appropriations are not the only source of funds for UTFC. The corporation has played a very important and expanding role as a financial and administrative intermediary for several federal programs. The SBA, EDA, HUD and USDA all have programs to assist small businesses in Utah but each agency needs a local, nonprofit organization with lending

experience to administer their program. UTFC is the largest such organization in Utah, thus making UTFC an ideal financial intermediary for these federal loan programs. Since 1992, $6.45 million in funds have become available to small technology companies in Utah through federal programs with UTFC acting as the intermediary. Slightly more than half of these federal funds have been through the HUD revolving loan fund (Chart 2).

Chart 2



Without UTFC and its expertise, it is very likely that the SBA Micro Loan program, EDA's Defense Conversion Loans, HUD's revolving loans and USDA's rural loan program would not be present in Utah and the state's small technology companies would have $6.45 million less in funding.

These programs are all revolving loan funds over which UTFC has complete control. Because they are revolving funds the impacts continue to expand over time as existing loans are paid off and funds are again loaned out to other small businesses creating yet another round of employment and income impacts.

In addition to the federal government programs, UTFC is also involved with two local government organizations to assist small business. These are the Salt Lake County revolving loan fund and the Five County revolving loan fund. These local programs differ from the federal programs in that UTFC's role is limited to loan origination and portfolio management. In effect, UTFC acts as an administrator not as a lending agency. Both of these funds are relatively small, the Salt Lake County fund has about $2.0 million and the Five County fund about $1.0 million. The source of these funds is HUD Community Development Block Grants (CBDG). HUD requires that the loans from CDBG monies be primarily targeted to create jobs for low- to moderate-income individuals.

In summary, UTFC has developed public partnerships with a number of federal, state and local government agencies as well as private partnerships with banks and venture capitalists. These partnerships have substantially increased the financial impact of UTFC programs on Utah's capital gap. Public officials associated with these federal and county programs all expressed strong support for UTFC's role and participation in their respective programs. Beyond these partnerships UTFC has also helped to reduce the capital gap by acting as a facilitator between the banks and small business community. Through this role UTFC has helped improve the financial communities' familiarity and understanding of high technology markets.

Measuring UTFC's Impact on the Capital Gap - The total impact of UTFC loans on the availability of capital for small high tech companies in Utah is difficult to measure because of possible substitution effects. For example, without UTFC is there substitute state funding for small high tech companies? Are banks and companies using UTFC funding as a substitute for financing that would otherwise occur? If substitution is present then there is no net gain in reducing the capital gap for small business. UTFC financing is simply being substituted for financing that could have otherwise been secured.

In the case of the state there appears to be little or no substitution effect. UTFC is the only organization receiving state funds for loans to small local businesses. Therefore, lower bound of the impact of the UTFC on capital availability has been at least the total value of loans made by UTFC's since 1987—$27 million.

Substitution effects, however, become more likely as the analysis moves to the behavior of banks and the UTFC. It is argued that UTFC's willingness to make a loan to a company encourages banks to loan more money to a particular company than they would otherwise. In such a case the availability of capital for that specific company may be enhanced but whether this represents an increase in the general availability of capital for all local small businesses is much less clear. For the bank, it is likely that loan participation with UTFC may be a substitute for making a similar loan to another local small business. In other words, the bank may have used those funds loaned to a UTFC company to make other commercial loans to small companies. Thus the availability of capital supplied by banks to the small high tech sector may not be augmented by the presence of UTFC but rather spread differently among Utah companies.

The substitution effect must also be considered on an individual firm basis. The survey of companies receiving UTFC funds revealed a wide range of sentiment regarding the financial assistance provided by UTFC. Most of the 50 companies interviewed recognized that UTFC's assistance did contribute to the growth and financial stability of their company but few acknowledged that UTFC was the difference between success and failure. For most companies UTFC funding is only one of several sources of financing. Therefore, it becomes very difficult to disentangle or isolate the contribution made by UTFC's financial assistance vis a vis other sources of financing. Only eight of the 50 companies surveyed traced their survival and success solely to the financial assistance provided by UTFC. Twelve companies felt that the UTFC made no difference in the success or the long-term growth path of their company. Officers of these companies believe they could have found a substitute for UTFC funding, either through bank or private financing.

Substitution effects limit the contribution of the UTFC in reducing the capital gap to the initial $27 million in loans. But the impact of UTFC funds on the capital gap is not a one-time event. The $27 million in additional capital represents a permanent augmentation in capital availability for small high technology companies, albeit, a modest contribution given the capital needs of small business. Nevertheless, the economic impact continues to expand as UTFC's loan are paid off and the proceeds loaned to other small technology companies creating yet another round of employment and income.

Conclusions

The UTFC , as an economic development tool, has come under greater pressure than any other economic development program to demonstrate its *net* economic impact and justify its state appropriation.

UTFC has been held to a different standard of performance because it represents such a radical departure from traditional economic development programs. UTFC introduced the state to the role of financier for high-risk companies. Rather than the traditional kinds of economic development decisions regarding recruiting companies or marketing the state, UTFC must make decisions about investing state tax dollars in small high-risk companies pursuing new technologies, products and markets. The business of giving grants or making loans to fledgling companies inevitably draws scrutiny and criticism from politicians, economic development officials and bankers, not to mention complaints from companies denied UTFC funds or disgruntled about the amount, terms and conditions of the assistance they have received.

The political and financial risks now associated with UTFC were not fully anticipated in 1985. The state legislature believed that the financial risks were worth it, given the growth potential of technology companies. However, early on these risks proved to be unacceptably high, as failure rates of assisted companies climbed to over 30 percent. To improve the risk-reward ratio UTFC abandoned its policy of giving grants to "garage start-ups" and adopted a policy in 1992, of making secured loans to lower risk companies; companies that had some sale revenues and were beyond the prototype stage. Since then the financial risks of UTFC operations have dropped significantly, but the political risks have risen.

The political climate in 1985, compared to 1998, was much friendlier toward UTFC. There was a greater acceptance of government participation and intervention in the "market system" and

economic adversity had made policymakers more willing to innovate. The state economy was reeling from the combined effects of a national recession, the energy bust, four or five years of sluggish employment growth and rising levels of net out-migration. This economic distress both made bankers more apprehensive and cautious in their lending requirements and made politicians more tolerant of policy innovation and intervention. If bankers failed to see the growth potential of small high-tech companies then the state would intervene in the local capital markets by way of the UTFC.

But times have changed. A number of factors have converged creating a much less hospitable environment for UTFC. There is now widespread mistrust of government intervention at any level, for any purpose. Free market ideologues are questioning the fundamental rationale underlying the creation of UTFC whereas pragmatic legislators wonder if "this noble experiment" will ever pay off. In addition, conditions of the capital market have improved as banks have become more comfortable with new technologies and more aggressive in their lending practices. And finally, the recent economic prosperity of the state has taken some of the allure off the "employment growth potential" associated with the creation and need for a UTFC.

In this difficult political and economic environment UTFC continues as a source of capital to promising small technology companies. These companies create new jobs and income some of which is attributable to UTFC's assistance. The Bureau of Economic and Business Research estimates that, due to UTFC, the Utah economy had 475 more jobs and $11.9 million more in income in 1996 than otherwise would have been the case. This higher level of income also generated a net increase in sales and personal income taxes of nearly $1 million. Thus, the $27 million in capital that UTFC provided to small high technology companies has created new jobs and income for the state but has not produced another Novell or WordPerfect. Without economic impacts of this sort of magnitude UTFC will continue to be a political target and its survival as a quasi-state organization very much in doubt. It was the political and economic environment that spawned UTFC in 1985 and ultimately it will be the political and economic environment of the late 1990s that will determine whether UTFC continues as a quasi-state organization, becomes a private corporation or survives only as a memory of a bold economic development experiment.

Notes

[1]Economic development policy refers to those efforts by government to encourage new business investment in a particular state, county or city with the goal of directly creating or retaining jobs and income and enhancing and diversifying the tax base.

[2]*Utah Session Laws,* 1985, 63-60-3 (c), Legislative declarations.

[3]The Birch study attributed almost all job growth to internal job generation. This bold conclusion provoked other studies, which in general found that Birch had been too optimistic. Nevertheless, these studies did confirm that most job generation was from expansion of existing firms and formation of new firms. Despite the controversy over Birch's methodology his conclusion became nearly universally accepted by the economic development community.

[4]*Utah Session Laws,* 1985 63-60-3 (d), Legislative declaration.

[5]*Utah Session Laws* 1985 63-60-4 (a)

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Utah Business Statistics

UTAH DATA	Sept. 1996	Sept. 1997	% Change from Year Ago	12-Month Average This Year	12-Month Average Last Year	12-Month Average % Change
Total Personal Income (seas. adj. at ann. rates, mil. of dol., qtly.)	39,697	42,477	7.0	41,589	38,445	8.2
New Corporations (no.)	611	NA	NA	747	719	3.9
New Car, Truck, and Motor Home Sales (no.)	6,868	6,792	(1.1)	6,908	6,752	2.3
Agriculture						
Average Prices Received by Farmers (dol.)						
Lambs (cwt.)	88.00	86.00	(2.3)	90.88	84.94	7.0
Milk, All (cwt.) [1]	15.60	12.40	(20.5)	12.61	13.81	-8.7
Barley (per bushel)	3.08	2.26	(26.6)	2.59	3.30	-21.4
Alfalfa Hay, Baled (per ton) [2]	68.00	84.00	23.5	84.42	64.74	30.4
Commercial Red Meat Production (thous. of lbs.)	33,600	37,300	11.0	33,622	34,798	-3.4
Construction						
Total Permit Construction (thous. of dol.)	315,475.7	369,046.8	17.0	273,561.5	294,826.9	-7.2
Residential	176,047.7	194,909.8	10.7	159,716.3	179,433.7	-11.0
Nonresidential	80,575.8	129,112.6	60.2	81,034.6	79,990.0	1.3
Additions, Alterations, and Repairs	58,852.2	45,024.4	(23.5)	35,310.6	35,403.2	-0.3
New Dwelling Units (no.)	1,963	2,091	6.5	1,694	2,028	-16.5
Employment [3]						
Civilian Labor Force (thous.)	1,015.3	1,064.9	4.9	1,037.4	995.0	4.3
Employed	980.8	1,035.4	5.6	1,004.5	961.7	4.5
Unemployed	34.5	29.5	(14.5)	32.9	33.3	-1.3
Percent of Labor Force	3.4	2.8	(17.6)	3.1	3.4	-7.0
Nonagricultural Jobs (thous.)	970.1	1,011.5	4.3	980.8	944.4	3.9
Mining	8.1	8.3	2.5	8.0	7.9	0.2
Contract Construction	64.4	70.4	9.3	63.2	60.1	5.3
Manufacturing	130.0	132.6	2.0	131.0	128.5	2.0
Transportation, Communications, and Utilities	54.8	57.3	4.6	55.6	53.1	4.9
Wholesale Trade	48.6	50.9	4.7	49.6	47.7	4.1
Retail Trade	184.6	190.5	3.2	187.7	180.2	4.2
Finance, Insurance, and Real Estate	50.8	52.1	2.6	51.6	50.0	3.3
Services [4]	263.6	280.0	6.2	268.2	250.6	7.0
Federal Government	30.5	29.9	(2.0)	30.3	31.4	-3.5
State Government [5]	49.3	50.8	3.0	52.9	51.6	2.5
Local Government [5]	85.1	88.7	4.2	85.7	83.0	3.4
Average Weekly Hours						
Mining	46.6	43.8	(6.0)	44.3	45.2	-2.0
Manufacturing	41.1	40.7	(1.0)	40.3	40.1	0.3
Wholesale Trade	37.6	37.8	0.5	37.2	36.4	2.0
Retail Trade	28.2	28.2	0.0	27.9	28.2	-1.2
Amount of Unemployment Compensation (thous. of dol.)	4,677.7	5,297.9	13.3	5,843.3	5,716.1	2.2
Finance (qtly.)						
Total State and National Chartered In-State Banks	34	33	(2.9)	34	33	3.8
Total Assets (mil. of dol.)	21,672.1	23,516.3	8.5	22,751.6	19,127.1	18.9
Total Liabilities (mil. of dol.)	19,919.9	21,675.6	8.8	20,955.2	17,557.8	19.3
Total Equity Capital (mil. of dol.)	1,752.2	1,840.7	5.1	1,846.4	1,569.3	17.7
Capital to Assets [6]	9.07	8.67	(4.4)	9.02	9.24	-2.5
Loan Loss Reserve Ratio	1.55	1.35	(12.9)	1.44	1.68	-14.0
Loans to Assets	63.28	62.32	(1.5)	62.36	62.10	0.4
Temporary Investment Ratio	10.78	11.51	6.8	11.47	12.40	-7.5
Return on Assets	0.34	1.08	217.6	0.28	0.35	-18.7
Production						
Crude Oil (thous. of bbls.)	1,634.0	1,592.3	(2.6)	1,598.7	1,626.8	-1.7
Natural Gas (mil. of cu. ft.)	22,980.7	23,171.0	0.8	22,527.6	24,459.7	-7.9
Coal (thous. short tons)	2,134	1,949	(8.7)	2,380.9	2,279.1	4.5
Crude Oil to Refineries, Barrels Received (thous. of bbls.)	3,888	4,076	4.8	3,961.4	3,824.0	3.6
Travel/Tourism						
Air Passengers (total no. on and off, S.L. Int'l. Airport)	1,765,709	1,636,036	(7.3)	1,722,354	1,712,286	0.6
Highway Traffic Count Across State Lines (both directions)	64,433	66,320	2.9	60,017	57,529	4.3
Visits to State and National Parks and Monuments	2,122,895	1,986,486	(6.4)	1,392,196	1,444,323	-3.6
Utilities						
Natural Gas Customers (residential and commercial)	596,178	620,340	4.1	616,095	589,309	4.5
Natural Gas Customers (industrial)	767	944	23.1	862	695	24.1
Telephone Lines in Service (U.S. West, residential access)	668,850	706,310	5.6	691,436	NA	NA
Telephone Lines in Service (U.S. West, business & public access)	309,359	332,456	7.5	320,872	NA	NA

Utah Business Statistics

UTAH DATA	Sept. 1996	Sept. 1997	% Change from Year Ago	12-Month Average This Year	12-Month Average Last Year	12-Month Average % Change
Davis County						
Nonagricultural Employment (thous.)	74.9	79.4	6.0	76	72	5.5
Unemployment Rate (seasonally adjusted)	3.2	3.0	(6.3)	3	3	(6.1)
Authorized Permit Construction (thous. of dol.)	29,060.8	43,584.5	50.0	30,538	29,149	4.8
New Dwelling Units (no.)	262	201	(23.3)	221	223	(0.6)
New Car, Truck, and Motor Home Sales, Owner's County (no.)	492	495	0.6	421	450	(6.4)
Natural Gas Customers (residential and commercial)	63,304	65,953	4.2	65,246	62,523	4.4
Natural Gas Customers (industrial)	74	87	17.6	82	73	12.9
Telephone Lines in Service (U.S. West, residential access)	78,769	83,349	5.8	81,330	NA	NA
Telephone Lines in Service (U.S. West, business access)	22,410	24,457	9.1	23,268	NA	NA
Salt Lake County						
Nonagricultural Employment (thous.)	492.0	513.4	4.3	500	481	3.9
Unemployment Rate (seasonally adjusted)	3.0	2.7	(10.0)	3	3	(6.4)
Authorized Permit Construction (thous. of dol.)	93,299.3	111,165.7	19.1	99,041	123,205	(19.6)
New Dwelling Units (no.)	593	653	10.1	504	745	(32.3)
New Car, Truck, and Motor Home Sales, Owner's County (no.)	2,705	2,516	(7.0)	2,704	2,891	(6.5)
Natural Gas Customers (residential and commercial)	262,313	270,624	3.2	268,905	260,371	3.3
Natural Gas Customers (industrial)	343	434	26.5	395	299	32.0
Telephone Lines in Service (U.S. West, residential access)	308,354	324,193	5.1	318,025	NA	NA
Telephone Lines in Service (U.S. West, business access)	177,208	188,122	6.2	183,601	NA	NA
Utah County						
Nonagricultural Employment (thous.)	133.4	139.1	4.3	134	129	4.3
Unemployment Rate (seasonally adjusted)	3.1	2.5	(19.4)	3	3	(7.2)
Authorized Permit Construction (thous. of dol.)	98,271.4	87,110.5	(11.4)	50,272	50,588	(0.6)
New Dwelling Units (no.)	383	572	49.3	281	317	(11.3)
New Car, Truck, and Motor Home Sales, Owner's County (no.)	567	644	13.6	538	558	(3.6)
Natural Gas Customers (residential and commercial)	83,149	86,636	4.2	86,025	81,933	5.0
Natural Gas Customers (industrial)	110	123	11.8	116	102	14.4
Telephone Lines in Service (U.S. West, residential access)	93,305	88,548	(5.1)	95,698	NA	NA
Telephone Lines in Service (U.S. West, business access)	38,884	42,291	8.8	40,907	NA	NA
Weber County						
Nonagricultural Employment (thous.)	84.0	86.3	2.7	86	82	4.9
Unemployment Rate (seasonally adjusted)	4.3	4.2	(2.3)	4	4	(4.5)
Authorized Permit Construction (thous. of dol.)	16,625.9	23,187.1	39.5	22,117	17,710	24.9
New Dwelling Units (no.)	100	145	45.0	157	118	32.2
New Car, Truck, and Motor Home Sales, Owner's County (no.)	360	330	(8.3)	362	388	(6.5)
Natural Gas Customers (residential and commercial)	58,484	60,623	3.7	60,353	58,187	3.7
Natural Gas Customers (industrial)	86	94	9.3	90	83	7.4
Telephone Lines in Service (U.S. West, residential access)	58,289	60,629	4.0	59,737	NA	NA
Telephone Lines in Service (U.S. West, business access)	20,648	22,280	7.9	21,649	NA	NA

NA Not Available

[1] Before deductions for hauling and government withholding, but includes quality, quantity and other premiums. Excludes hauling subsidies

[2] Mid-month prices.

[3] Some figures are not strictly comparable due to reclassification.

[4] Includes services by nonprofit and religious organizations.

[5] Includes public schools and college institutions.

[6] Includes allowance for loan losses.

Sources:

Personal Income	U.S. Department of Commerce, Bureau of Economic Analysis.
New Corporations	Utah Department of Commerce, Division of Corporations and Commercial Code.
New Car and Truck Sales	Utah State Tax Commission, Economic and Statistics Unit, *Utah Care and Truck Sales.*
Agriculture	U.S. Department of Agriculture, Utah Agricultural Statistics Service, *Utah Agriculture*.
Construction Data	Bureau of Economic and Business Research, University of Utah, *Utah Construction Report*.
Employment Data	Utah Department of Employment Security, *Utah Labor Market Report*.
Finance Data	Utah Department of Financial Institutions.
Crude Oil Production	Utah Division of Oil, Gas and Mining, *Oil and Gas Production Report, and* Utah Office of Energy and Resource Planning.
Natural Gas Production	Utah Division of Oil, Gas and Mining, *Oil and Gas Production Report*.
Coal Production	U.S. Department of Energy, Energy Information Administration.
Air Passengers	SLC International Airport, Statistics Division, *Air Traffic Statistics and Activity Report*.
Highway Traffic Count	Utah Department of Transportation, *Automatic Traffic Recorder Data Report*.
Visits to State and National Parks and Monuments	U.S. Forest Service and Utah State Parks and Recreation Department.
Utilities Data	Cooperating Utility Companies.

NATIONAL DATA	Sept. 1996	Sept. 1997	% Change from Year Ago	12-Month Average This Year	12-Month Average Last Year	12-Month Average % Change
U.S. Gross Domestic Product (seas. adj. at ann. rates, bil., qtly.)	7,676.0	8,124.3	5.8	7,971	7,533	5.8
Total Personal Income (seas. adj. at ann. rates, bil. of dol.)	6,541.9	6,935.5	6.0	6,780	6,655	1.9
Industrial Production Index (seasonally adjusted, 1992=100)	116.0	125.6	8.3	120	114	5.1
Capacity Utilization Rate (seasonally adjusted, percent)	83.1	82.7	(0.5)	83	83	0.1
Net Exports of Goods & Services (millions of dollars; seasonally adj.)	(10,888.0)	(10,996.0)	1.0	-9,259	-8,148	13.6
Exports of Goods & Services (millions of dollars; seasonally adj.)	70,435.0	78,104.0	10.9	76,066	69,181	10.0
Imports of Goods & Services (millions of dollars; seasonally adj.)	81,323.0	89,100.0	9.6	85,325	77,329	10.3
Composite Index of 11 Leading Indicators (1992=100)	102.5	104.3	1.8	103	102	1.7
Price Indexes						
Consumer Price Indexes (not seasonally adjusted, 1982-84=100)						
CPI-U (All Urban Consumers) All Items	157.8	161.2	2.2	160	156	2.7
CPI-U (All Urban Consumers) Food and Beverages	155.0	158.4	2.2	157	152	3.2
CPI-U (All Urban Consumers) Housing	153.9	157.7	2.5	156	152	2.7
CPI-U (All Urban Consumers) Transportation	143.2	144.3	0.8	144	142	1.9
CPI-U (All Urban Consumers) Medical Care	229.4	235.4	2.6	233	226	2.9
CPI-U (All Urban Consumers) Energy	111.7	113.9	2.0	112	108	3.4
Producer Price Index (not seasonally adjusted, 1982=100)						
Producer Price Index, All Finished Goods	128.0	131.8	3.0	132	130	1.5
GDP Implicit Price Deflator (seasonally adjusted, 1992=100, qtly.)	110.5	112.6	1.9	112	110	2.1
Corporate Profits (seas. adj. at ann. rates, bil., qtly.)						
Profits Before Taxes	679.1	753.4	10.9	715	665	7.6
Profits-Tax Liability	231.6	258.2	11.5	283	226	24.8
Profits After Taxes	447.5	495.2	10.7	493	439	12.4
Civilian Employment (seasonally adjusted)						
Labor Force (mil.)	134.3	136.4	1.6	136	133	1.8
Employment (mil.)	127.2	129.7	2.0	129	126	2.3
Unemployment Rate	5.2	4.9	(5.8)	5	5	(6.7)
Value of New Construction Put In Place						
Total Construction (seas. adj. at ann. rates, bil. of dol.)	572.3	605.7	5.8	596	558	6.7
Private Const.: Residential (seas. adj. at ann. rates, bil. of dol.)[b]	246.4	263.8	7.1	256	244	4.7
New Housing Units (seas. adj. at ann. rates, bil. of dol.)	176.2	186.7	6.0	182	173	5.2
Private Const.: Nonresidential (seas. adj. at ann. rates, bil. of dol.)	142.2	163.3	14.8	158	136	15.9
Interest Rates						
Federal Funds Rate	5.30	5.54	4.5	5	5	(0.1)
Discount Rate on New 91-Day Treasury Bills	5.15	4.97	(3.5)	5	5	(1.1)
Yield on Long-Term Treasury Bonds	7.13	6.54	(8.3)	7	7	1.4
Average Prime Rate Charged by Banks	8.25	8.50	3.0	8	8	(0.1)
Mortgage Rate (conventional 1st mortgage, new home, U.S. avg.)	7.77	7.43	(4.4)	8	7	2.6

NA Not Available

[b] Includes residential improvements, not shown separately.

Sources:

U.S. Gross Domestic Product	U.S. Department of Commerce, *Survey of Current Business.*
Total Personal Income	U.S. Department of Commerce, *Survey of Current Business.*
Industrial Production Index	Board of Governors of the Federal Reserve Systems, *Federal Reserve Bulletin*.
Capacity Utilization Rate	Board of Governors of the Federal Reserve Systems, *Federal Reserve Bulletin*.
Export/Import Data	U.S. Department of Commerce, *Survey of Current Business.*
Composite Index of 11 Leading Indicators	The Conference Board, Inc.
Consumer Price Indices	U.S. Department of Labor, Bureau of Labor Statistics, *Monthly Labor Review*.
Producer Price Index	U.S. Department of Labor, Bureau of Labor Statistics, *Monthly Labor Review*.
GDP Implicit Price Deflator	U.S. Department of Commerce, *Survey of Current Business.*
Corporate Profits	U.S. Department of Commerce, *Survey of Current Business.*
National Employment Data	U.S. Department of Labor, Bureau of Labor Statistics, *Monthly Labor Review*.
National Construction Data	U.S. Department of Commerce, Bureau of the Census, *Value of New Consturction Put in Place*.
Interest Rates	Board of Governors of the Federal Reserve Systems, *Federal Reserve Bulletin*.

Utah Business Statistics

UTAH DATA	October 1996	October 1997	% Change from Year Ago	12-Month Average This Year	12-Month Average Last Year	12-Month Average % Change
Total Personal Income (seas. adj. at ann. rates, mil. of dol., qtly.)	40,059	43,094	7.6	41,842	38,668	8.2
New Corporations (no.)	698	NA	NA	689	734	(6.2)
New Car, Truck, and Motor Home Sales (no.)	6,923	6,535	(5.6)	6,876	6,820	0.8
Agriculture						
Average Prices Received by Farmers (dol.)						
Lambs (cwt.)	82.00	86.00	4.9	91.22	85.86	6.2
Milk, All (cwt.) [1]	15.20	12.50	(17.8)	12.38	14.01	(11.6)
Barley (per bushel)	3.05	2.31	(24.3)	2.53	3.31	(23.6)
Alfalfa Hay, Baled (per ton) [2]	67.00	85.00	26.9	85.92	65.24	31.7
Commercial Red Meat Production (thous. of lbs.)	35,963	39,200	9.0	33,892	34,719	(2.4)
Construction						
Total Permit Construction (thous. of dol.)	300,013.6	447,213.2	49.1	285,828.2	293,561.2	(2.6)
Residential	175,600.4	180,593.6	2.8	160,132.4	178,480.0	(10.3)
Nonresidential	98,027.2	226,413.7	131.0	91,733.5	81,789.7	12.2
Additions, Alterations, and Repairs	26,386.0	39,845.9	51.0	36,432.3	33,291.6	9.4
New Dwelling Units (no.)	1,880	1,984	5.5	1,702	2,017	(15.6)
Employment [3]						
Civilian Labor Force (thous.)	1,015.9	1,068.7	5.2	1,041.8	998.2	4.4
Employed	982.0	1,037.4	5.6	1,009.2	964.7	4.6
Unemployed	33.9	31.4	(7.4)	32.7	33.5	(2.4)
Percent of Labor Force	3.3	2.9	(12.1)	3.1	3.4	(8.0)
Nonagricultural Jobs (thous.)	971.5	1,010.5	4.0	984.1	948.2	3.8
Mining	8.0	8.3	3.8	8.0	7.9	0.7
Contract Construction	63.5	68.8	8.3	63.7	60.4	5.5
Manufacturing	130.6	133.3	2.1	131.2	128.9	1.8
Transportation, Communications, and Utilities	54.8	57.3	4.6	55.9	53.3	4.8
Wholesale Trade	48.6	50.9	4.7	49.8	47.8	4.1
Retail Trade	184.4	189.8	2.9	188.1	180.9	4.0
Finance, Insurance, and Real Estate	50.8	52.3	3.0	51.7	50.1	3.2
Services [4]	261.5	276.3	5.7	269.4	252.1	6.9
Federal Government	30.2	29.1	(3.6)	30.2	31.3	(3.5)
State Government [5]	52.9	53.8	1.7	53.0	51.8	2.4
Local Government [5]	86.2	90.6	5.1	86.1	83.2	3.5
Average Weekly Hours						
Mining	43.4	43.2	(0.5)	44.3	45.2	(2.0)
Manufacturing	40.7	40.5	(0.5)	40.3	40.2	0.2
Wholesale Trade	37.1	36.6	(1.3)	37.1	36.4	1.9
Retail Trade	31.3	29.1	(7.0)	27.7	28.4	(2.6)
Amount of Unemployment Compensation (thous. of dol.)	3,878.5	4,162.3	7.3	5,867.0	5,686.2	3.2
Finance (qtly.)						
Total State and National Chartered In-State Banks	35	33	(5.7)	34	33	2.8
Total Assets (mil. of dol.)	22,518.2	24,225.4	7.6	22,893.8	19,593.5	16.8
Total Liabilities (mil. of dol.)	20,687.4	22,313.6	7.9	21,090.7	17,987.8	17.3
Total Equity Capital (mil. of dol.)	1,830.7	1,911.8	4.4	1,853.1	1,605.7	15.4
Capital to Assets [6]	9.05	8.74	(3.4)	8.99	9.22	(2.5)
Loan Loss Reserve Ratio	1.46	1.38	(5.5)	1.43	1.65	(12.9)
Loans to Assets	63.13	61.74	(2.2)	62.24	62.37	(0.2)
Temporary Investment Ratio	10.86	11.66	7.4	11.54	12.05	(4.2)
Return on Assets	0.35	1.48	322.9	0.38	0.35	6.4
Production						
Crude Oil (thous. of bbls.)	1,696.3	1,698.5	0.1	1,598.9	1,628.6	(1.8)
Natural Gas (mil. of cu. ft.)	23,541.3	24,242.7	3.0	22,586.0	24,532.6	(7.9)
Coal (thous. short tons)	2,501	2,218	(11.3)	2,357	2,298	2.6
Crude Oil to Refineries, Barrels Received (thous. of bbls.)	4,096	4,223	3.1	3,972	3,852	3.1
Travel/Tourism						
Air Passengers (total no. on and off, S.L. Int'l. Airport)	1,677,570	1,641,019	(2.2)	1,719,308	1,729,549	(0.6)
Highway Traffic Count Across State Lines (both directions)	55,901	60,131	7.6	60,369	57,520	5.0
Visits to State and National Parks and Monuments	1,309,177	1,287,621	(1.6)	1,390,400	1,447,222	(3.9)
Utilities						
Natural Gas Customers (residential and commercial)	598,379	622,265	4.0	618,086	591,337	4.5
Natural Gas Customers (industrial)	775	946	22.1	877	705	24.4
Telephone Lines in Service (U.S. West, residential access)	673,179	710,863	5.6	694,576	NA	NA
Telephone Lines in Service (U.S. West, business & public access)	312,045	332,844	6.7	322,605	NA	NA

Utah Business Statistics

UTAH DATA	October 1996	October 1997	% Change from Year Ago	12-Month Average This Year	12-Month Average Last Year	12-Month Average % Change
Davis County						
Nonagricultural Employment (thous.)	75.1	79.3	5.6	76.8	72.8	5.5
Unemployment Rate (seasonally adjusted)	2.9	3.0	3.4	2.9	3.1	(5.1)
Authorized Permit Construction (thous. of dol.)	32,195.0	38,795.0	20.5	31,088.1	28,941.6	7.4
New Dwelling Units (no.)	257	438	70.4	236	221	7.1
New Car, Truck, and Motor Home Sales, Owner's County (no.)	458	443	(3.3)	420	452	(7.1)
Natural Gas Customers (residential and commercial)	63,524	66,073	4.0	65,459	62,724	4.4
Natural Gas Customers (industrial)	75	86	14.7	83	73	13.6
Telephone Lines in Service (U.S. West, residential access)	79,118	83,717	5.8	81,713	NA	NA
Telephone Lines in Service (U.S. West, business access)	22,532	24,544	8.9	23,436	NA	NA
Salt Lake County						
Nonagricultural Employment (thous.)	494.0	514.1	4.1	502.1	483.3	3.9
Unemployment Rate (seasonally adjusted)	2.7	2.7	0.0	2.7	2.9	(5.5)
Authorized Permit Construction (thous. of dol.)	122,861.6	242,431.6	97.3	109,005.1	123,483.8	(11.7)
New Dwelling Units (no.)	680	504	(25.9)	489	754	(35.1)
New Car, Truck, and Motor Home Sales, Owner's County (no.)	2,694	2,493	(7.5)	2,687	2,881	(6.7)
Natural Gas Customers (residential and commercial)	262,672	270,943	3.1	269,594	260,974	3.3
Natural Gas Customers (industrial)	345	434	25.8	403	305	32.0
Telephone Lines in Service (U.S. West, residential access)	309,914	325,650	5.1	319,337	NA	NA
Telephone Lines in Service (U.S. West, business access)	178,572	187,715	5.1	184,363	NA	NA
Utah County						
Nonagricultural Employment (thous.)	134.0	138.7	3.5	134.6	129.2	4.2
Unemployment Rate (seasonally adjusted)	2.8	2.6	(7.1)	2.6	2.8	(7.8)
Authorized Permit Construction (thous. of dol.)	55,258.1	73,617.2	33.2	51,801.6	49,725.7	4.2
New Dwelling Units (no.)	238	289	21.4	285	307	(7.0)
New Car, Truck, and Motor Home Sales, Owner's County (no.)	602	576	(4.3)	536	563	(4.8)
Natural Gas Customers (residential and commercial)	83,241	86,961	4.5	86,335	82,255	5.0
Natural Gas Customers (industrial)	109	125	14.7	118	103	14.5
Telephone Lines in Service (U.S. West, residential access)	93,905	100,146	6.6	96,218	NA	NA
Telephone Lines in Service (U.S. West, business access)	39,265	42,656	8.6	41,190	NA	NA
Weber County						
Nonagricultural Employment (thous.)	84.3	86.4	2.5	86.2	82.4	4.6
Unemployment Rate (seasonally adjusted)	4.2	3.9	(7.1)	3.8	4.0	(4.8)
Authorized Permit Construction (thous. of dol.)	18,544.1	19,770.6	6.6	22,219.2	17,902.7	24.1
New Dwelling Units (no.)	138	107	(22.5)	154	120	28.4
New Car, Truck, and Motor Home Sales, Owner's County (no.)	418	329	(21.3)	355	392	(9.5)
Natural Gas Customers (residential and commercial)	58,848	61,072	3.8	60,538	58,342	3.8
Natural Gas Customers (industrial)	85	94	10.6	90	84	7.9
Telephone Lines in Service (U.S. West, residential access)	58,490	60,829	4.0	59,932	NA	NA
Telephone Lines in Service (U.S. West, business access)	20,830	22,355	7.3	21,777	NA	NA

[1] Before deductions for hauling and government withholding, but includes quality, quantity and other premiums. Excludes hauling subsidies

[2] Mid-month prices.

[3] Some figures are not strictly comparable due to reclassification.

[4] Includes services by nonprofit and religious organizations.

[5] Includes public schools and college institutions.

[6] Includes allowance for loan losses.

Sources:

Personal Income	U.S. Department of Commerce, Bureau of Economic Analysis.
New Corporations	Utah Department of Commerce, Division of Corporations and Commercial Code.
New Car and Truck Sales	Utah State Tax Commission, Economic and Statistics Unit, Utah Care and Truck Sales.
Agriculture	U.S. Department of Agriculture, Utah Agricultural Statistics Service, Utah Agriculture.
Construction Data	Bureau of Economic and Business Research, University of Utah, Utah Construction Report.
Employment Data	Utah Department of Employment Security, Utah Labor Market Report.
Finance Data	Utah Department of Financial Institutions.
Crude Oil Production	Utah Division of Oil, Gas and Mining, Oil and Gas Production Report, and Utah Office of Energy and Resource Planning.
Natural Gas Production	Utah Division of Oil, Gas and Mining, Oil and Gas Production Report.
Coal Production	U.S. Department of Energy, Energy Information Administration.
Air Passengers	SLC International Airport, Statistics Division, Air Traffic Statistics and Activity Report.
Highway Traffic Count	Utah Department of Transportation, Automatic Traffic Recorder Data Report.
Visits to State and National Parks and Monuments	U.S. Forest Service and Utah State Parks and Recreation Department.
Utilities Data	Cooperating Utility Companies.

NATIONAL DATA	October 1996	October 1997	% Change from Year Ago	12-Month Average This Year	12-Month Average Last Year	12-Month Average % Change
U.S. Gross Domestic Product (seas. adj. at ann. rates, bil., qtly.)	7,792.9	8,227.4	5.6	8,007.5	7,567.5	5.8
Total Personal Income (seas. adj. at ann. rates, bil. of dol.)	6,618.4	6,970.4	5.3	6,809.8	6,684.9	1.9
Industrial Production Index (seasonally adjusted, 1992=100)	116.2	126.5	8.9	120.8	114.4	5.6
Capacity Utilization Rate (seasonally adjusted, percent)	83.0	83.0	0.0	83.1	83.1	0.1
Net Exports of Goods & Services (millions of dollars; seasonally adj.)	(7,935.0)	(8,979.0)	13.2	(9,345.7)	(8,233.8)	13.5
Exports of Goods & Services (millions of dollars; seasonally adj.)	73,088.0	80,067.0	9.5	76,647.6	69,644.3	10.1
Imports of Goods & Services (millions of dollars; seasonally adj.)	81,023.0	89,046.0	9.9	85,993.3	77,878.1	10.4
Composite Index of 11 Leading Indicators (1992=100)	102.5	104.4	1.9	103.6	101.8	1.7
Price Indexes						
Consumer Price Indexes (not seasonally adjusted, 1982-84=100)						
CPI-U (All Urban Consumers) All Items	158.3	161.1	1.8	160.0	156.0	2.6
CPI-U (All Urban Consumers) Food and Beverages	155.8	158.7	1.9	157.3	152.7	3.1
CPI-U (All Urban Consumers) Housing	154.0	157.7	2.4	156.2	152.1	2.7
CPI-U (All Urban Consumers) Transportation	143.9	144.5	0.4	144.5	142.1	1.7
CPI-U (All Urban Consumers) Medical Care	230.1	235.8	2.5	233.6	227.1	2.9
CPI-U (All Urban Consumers) Energy	110.5	111.5	0.9	112.0	108.7	3.0
Producer Price Index (not seasonally adjusted, 1982=100)						
Producer Price Index, All Finished Goods	132.7	132.3	(0.3)	132.0	130.4	1.3
GDP Implicit Price Deflator (seasonally adjusted, 1992=100, qtly.)	111.1	113.0	1.8	112.0	109.8	2.0
Corporate Profits (seas. adj. at ann. rates, bil., qtly.)						
Profits Before Taxes	679.1	737.3	8.6	720.2	668.8	7.7
Profits-Tax Liability	231.6	253.6	9.5	284.4	227.7	24.9
Profits After Taxes	454.0	483.7	6.5	495.8	441.7	12.2
Civilian Employment (seasonally adjusted)						
Labor Force (mil.)	134.6	136.4	1.3	136.0	133.5	1.8
Employment (mil.)	127.6	129.9	1.8	129.1	126.3	2.3
Unemployment Rate	5.2	4.8	(7.7)	5.1	5.4	(6.9)
Value of New Construction Put In Place						
Total Construction (seas. adj. at ann. rates, bil. of dol.)	582.5	611.8	5.0	598.3	560.9	6.7
Private Const.: Residential (seas. adj. at ann. rates, bil. of dol.)[b]	246.9	265.7	7.6	257.1	244.7	5.1
New Housing Units (seas. adj. at ann. rates, bil. of dol.)	176.6	189.9	7.5	182.8	173.7	5.2
Private Const.: Nonresidential (seas. adj. at ann. rates, bil. of dol.)	150.2	162.0	7.9	159.0	137.7	15.5
Interest Rates						
Federal Funds Rate	5.24	5.50	5.0	5.43	5.37	1.1
Discount Rate on New 91-Day Treasury Bills	5.01	4.95	(1.2)	5.04	5.08	(0.8)
Yield on Long-Term Treasury Bonds	6.87	6.37	(7.3)	6.75	6.73	0.2
Average Prime Rate Charged by Banks	8.25	8.50	3.0	8.40	8.35	0.6
Mortgage Rate (conventional 1st mortgage, new home, U.S. avg.)	7.76	7.39	(4.8)	7.63	7.50	1.8

NA Not Available

[b] Includes residential improvements, not shown separately.

Sources:

U.S. Gross Domestic Product	U.S. Department of Commerce, *Survey of Current Business.*
Total Personal Income	U.S. Department of Commerce, *Survey of Current Business.*
Industrial Production Index	Board of Governors of the Federal Reserve Systems, *Federal Reserve Bulletin*.
Capacity Utilization Rate	Board of Governors of the Federal Reserve Systems, *Federal Reserve Bulletin*.
Export/Import Data	U.S. Department of Commerce, *Survey of Current Business.*
Composite Index of 11 Leading Indicators	The Conference Board, Inc.
Consumer Price Indices	U.S. Department of Labor, Bureau of Labor Statistics, *Monthly Labor Review*.
Producer Price Index	U.S. Department of Labor, Bureau of Labor Statistics, *Monthly Labor Review*.
GDP Implicit Price Deflator	U.S. Department of Commerce, *Survey of Current Business.*
Corporate Profits	U.S. Department of Commerce, *Survey of Current Business.*
National Employment Data	U.S. Department of Labor, Bureau of Labor Statistics, *Monthly Labor Review*.
National Construction Data	U.S. Department of Commerce, Bureau of the Census, *Value of New Consturction Put in Place*.
Interest Rates	Board of Governors of the Federal Reserve Systems, *Federal Reserve Bulletin*.

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