

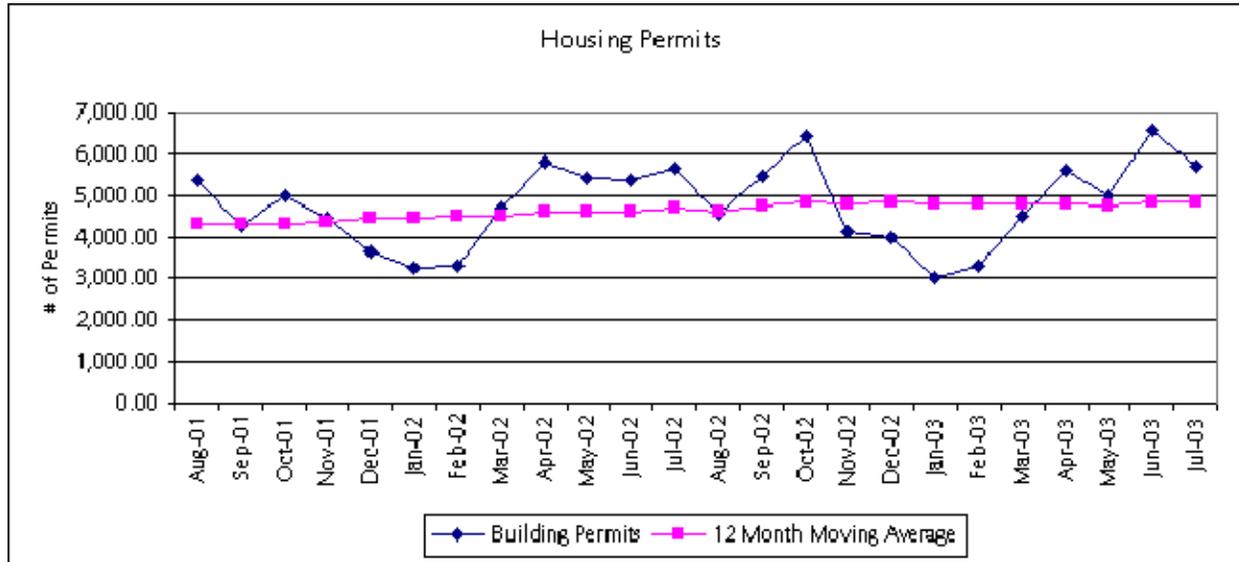
# Barometers of Illinois Economic Activity

Oct 01, 2003

**Leading Indicators: Measurements of the economy that will signal events.**

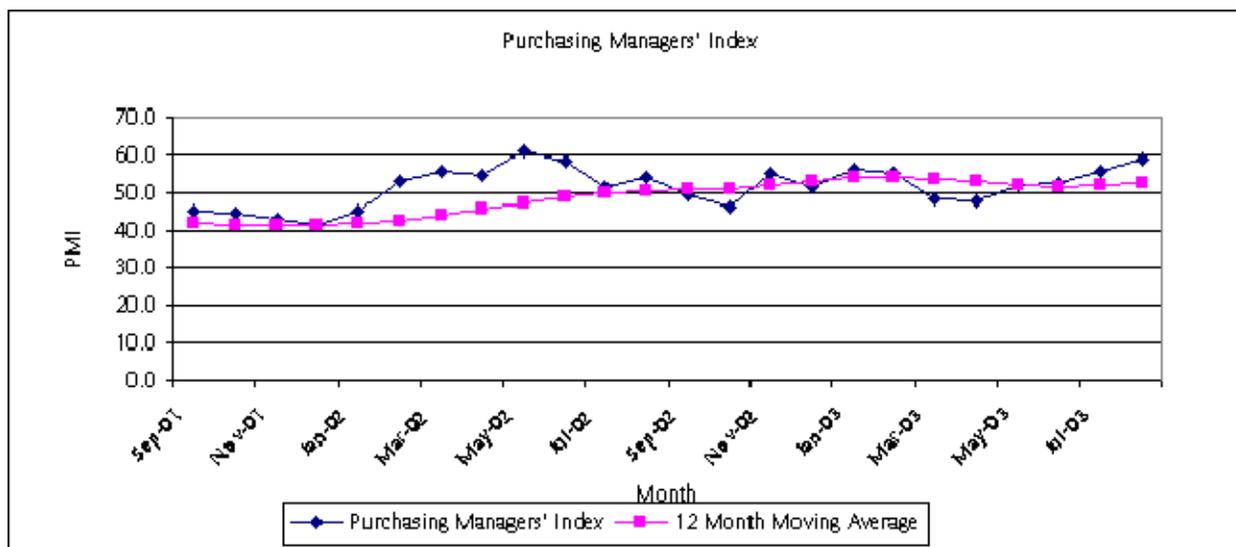
## Building Permits for Housing

The number of housing permits in September decreased slightly to 5,878 from the August level of 5,936. This month-to-month fluctuation in housing permits has been repeating since March of this year. The sharp spike of 6,576 permits in June of this year has helped maintain an upward trending 12-month moving average although that is expected to level off as the winter months usually dictate a decline in construction. The 3rd quarter of 2003 posted a 2.1 percent gain over the 2nd quarter of 2003. The 3rd quarter of 2003 also showed a significant gain over the same quarter of 2002 at 11.9 percent. On an annual basis, building permits for housing gained 8.3 percent over 2001.



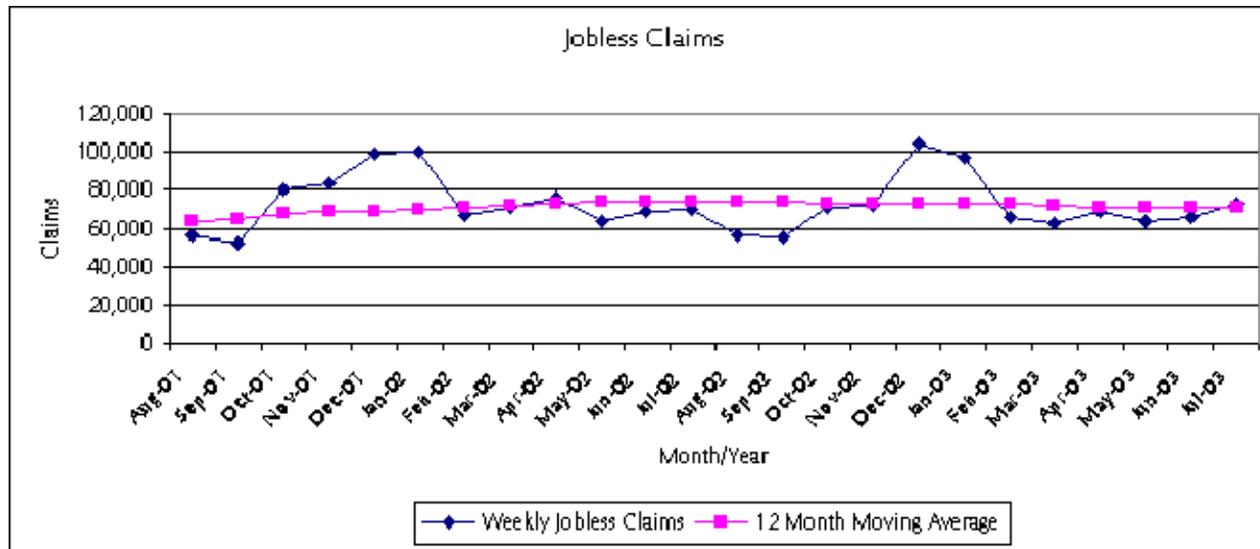
## Purchasing Managers' Index

The Purchasing Managers' Index, after suffering a substantial setback reading in September of 51.2, rebounded in October by posting a reading of 55.0. This indicator has remained in expansionary territory with a reading over 50 since May 2003. The 12-month moving average has been signaling an upward trend since June 2003. The US Purchasing Managers' Index has been in expansionary territory since July 2003. The latest October reading posted a 57.0 and showed a significant gain over September's reading of 53.7. The 12-month moving average has been teetering slightly over 50, the expansionary reading since March of 2003 however, the October reading helped move the 12-month moving average over 51.5.



### Initial Jobless Claims

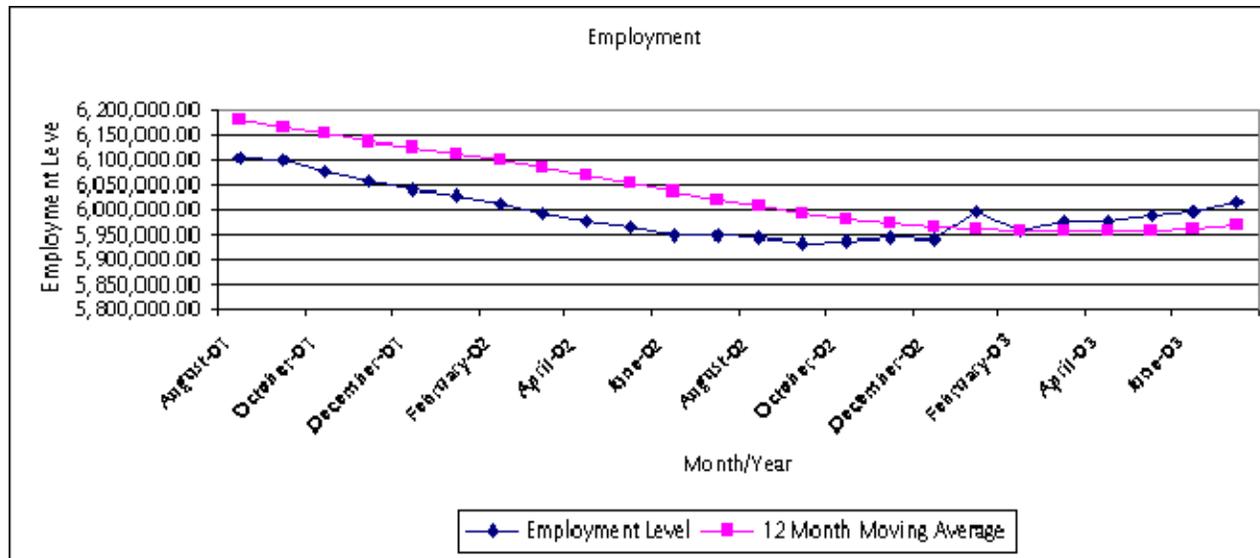
Jobless claims for Illinois have been bouncing around in recent months trying to get a firm hold in the recovery. Illinois jobless claims for August are up almost 10 percent from the same month 2002. The 12-month moving average had been declining since December 2002, but started an upward trend in July and August. Illinois claims for the 3rd quarter of 2003 showed 7 percent increase from the same period of 2002. Compared to the 2nd quarter of 2003, claims are down 2.4 percent for the third quarter. The year-end total for 2002 showed Illinois jobless claims were up six percent over 2001.



**Current Indicator: Measures where the economy is now.**

**Employment**

The actual number of people employed fell slightly in August to slightly less than 6 million, down from July. The 12-month moving average for employment reached its peak in December of 2000, but made a sharp downward turn through March. Since April the twelve-month moving average has been expanding indicating an upward trend in people returning to employment. The Illinois employment level grew from the 3rd quarter of 2003 over the same quarter 2002 by 1 percent.

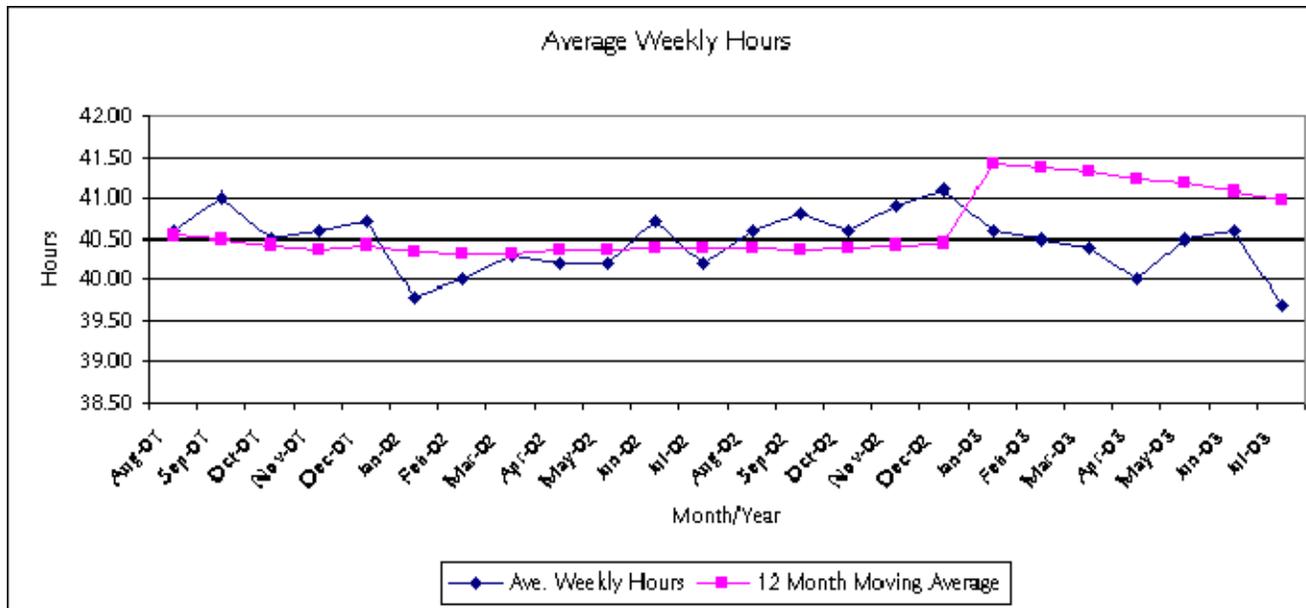


**Lagging Indicator: Measurements of the economy that will follow an event.**

**Average Weekly Hours of Manufacturing Production Workers**

Weekly hours grew slightly in August to a 40.3 reading, over July’s reading of 39.6. The 12-month moving average declined slightly to 40.9, and has been trending downward since a high point in January of 2003. The 3rd quarter of 2003 posted a reading of 40.3 versus a 2nd quarter 2003 reading of 40.4. The US reading has remained steady at 40.2 for the first three quarters of this year.

Healthcare



Source- The Department of Commerce and Economic Opportunity <http://www2.illinoisbiz.biz/bus/research/econ/indicators/barometers.asp>