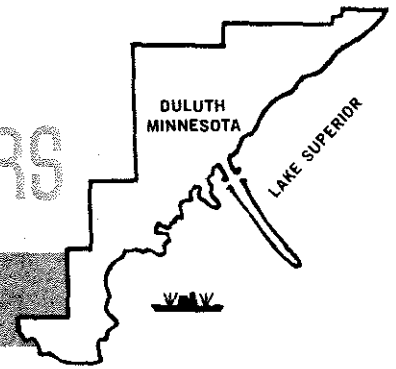


DULUTH BUSINESS INDICATORS

**BUREAU OF BUSINESS
AND ECONOMIC RESEARCH**

**UNIVERSITY OF MINNESOTA
DULUTH**



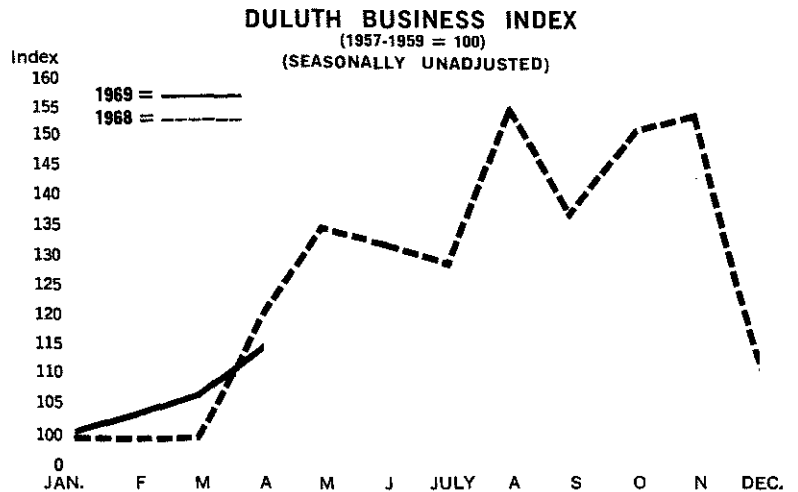
VOL. 7

APRIL, 1969

NO. 4

Highlights

- April Business Level Below Year Ago*
- Employment Total at High Level*
- Unemployment Rate Down*
- Retail Sales to Date Up 4% Over 1968*
- Worker Earnings Average \$117.26*



ECONOMIC CONDITIONS

Although the local economy rose seasonally between March and April at the normal rate, the overall level of business activity in April did not equal the level of the same month of 1968. In April, the unadjusted Duluth Business Index (1957-1959=100) was 115 which is six index points or 5% below the April, 1968 index figure of 121.

In the April, 1968-1969 comparison, it was noted that five of the 15 components were below their respective year ago levels. Since these five components account for nearly one-half of the total weight of the index their declines from a year ago heavily influenced the drop in the index from last year.

The number of freight carloadings dropped nine points from their year ago level. Flood conditions in April temporarily curtailed the movement of rail shipments this spring. In addition, the supply of rail cars this year appears to be more stringent than a year ago.

Bank debits were down from April by 11 points. The value of building permits issued and under construction (1957-1959 dollars) was 16 points below last year. A decline was noted in the number of permits issued for one-family dwellings and non-residential buildings. Postal receipts were up this year and are at their highest level for any April on record. The number of telephones continued their year-to-year average increase in April.

Consumption of electric power, commercial and industrial, advanced nine points over the year with the bulk of the increment in the industrial sector. It was noted that during the same 12-month comparison manufacturing employment rose by 2.5% which correlates with the upward trend in industrial electric power consumption.

An increased demand for grain this year is evidenced by the fact that for the year-to-date the volume of grain handled has averaged 27% higher than for the correspond-

INDEX HIGHLIGHTS

TIME PERIOD	DULUTH INDEX
April 1969	115
March 1969	106
March-April Change	+9
Normal Seasonal Change March to April	+10
April 1968	121
Change, April 1968 to April 1969	-6
Seasonally Adjusted Index April 1969	136
Seasonally Adjusted Index April 1968	142

DULUTH LABOR MARKET

	APRIL 1969	APRIL 1968	% Change
Labor Force	49,600	48,000	+3
Unemployment	2,100	2,200	-5
Rate	4.2%	4.6%	xxx
Total Employment	47,500	45,800	+4
Wage & Salary	43,900	42,300	+4
Manufacturing	8,700	8,500	+2
Nonmanufacturing	35,200	33,800	+4
Job Openings Received During Month	863	1,008	-14
Persons Claiming Unemploy- ment Benefits	1,099	929	+18
Average Weekly Earnings— Mfg. Only	\$117.26	\$124.50	-6

NOTE: Employment totals may not add up due to rounding.
Source: Minnesota State Employment Service.

RETAIL TRADE INDEX

UNADJUSTED
1957-1959 = 100

	3 Yr. April Aver. 1966-68	Apr. 1969	Apr. 1968 #	Apr. '68- Apr. '69 % Change
Total	127	132	131	+1
General Merchandise	136	145	148	-2
Apparel Stores	129	129	120	+8
Grocery Stores	N.A.*	109	100	+9

* Not available
Revised

	1969	1968	% Change
Index Average Year-To-Date (Total)	122	117	+4

ing months of 1968. In April, the continued heavy movement of grain to the Gulf and East coasts ports was reflected in the 29 point increase over a year ago. In a study made of the January-April grain movement during the past four years, it is interesting to note that the percentage of the total volume of grain receipts handled by truck has risen from 33% in 1966 to 47% in 1969 while the ratio of rail grain receipts has dipped accordingly.

A temporary delay in gearing up for the iron ore shipping season was mainly responsible for the sharp decline noted in comparing April iron ore shipments with last year. Tonnage of general and bulk lake cargo, other than grain, set a new high for the month of April, the opening month of shipping in 1969. Substantial gains this year were noted in general cargo exports and in exports of grain by-products.

A sizeable gain in the Duluth employment level over a year ago presents strong evidence of a continuing healthy economy. In April of this year there were a total of 47,500 persons employed which is up by 1,700 persons over last year. Manufacturing was up 200 workers chiefly reflecting gains in food processing. In nonmanufacturing, retail trade, service industries and government recorded the most substantial gains over 1968.

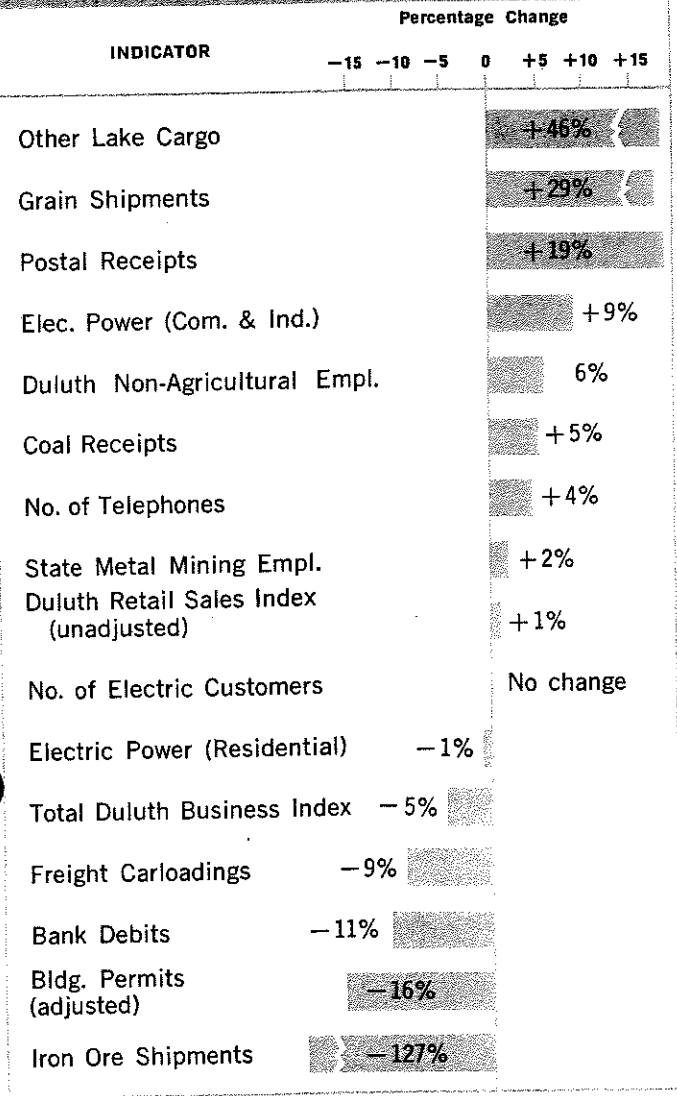
The rate of unemployment in April was 4.2% compared to 4.6% a year ago. There was a slight numerical rise in the number of persons receiving unemployment benefits over 12 months ago, however, this increase is mostly because of between job movements in seasonal industries such as construction. The number of job openings received during the month of April by the Employment Service offices was 145 less than the same month last year. Declines in openings received compared to a year ago were noted particularly in jobs for clerical, domestic, food processing and construction labor workers. The average weekly earnings of production workers in manufacturing was \$117.26 in April compared to \$124.50 a year previous. The drop in weekly earnings reflects the greater amount of overtime hours worked last year in April.

The state metal mining employment index was up over last year, however, the numerical change amounted to only 200 workers.

The April unadjusted retail sales index for Duluth recorded a 1% gain over last year's April volume. Only 18 of the 33 firms in the sample reported gains over their year ago figures. Nationally, the preliminary retail sales figures for April indicate a gain of 4% over last year. Locally, while general merchandise stores are 2% under a year ago, apparel stores hiked their margin by 8% and grocery stores are up 9% in this same over-the-year comparison. For the year-to-date, however, overall retail sales in Duluth are up 4% above the similar period of 1968. It should be noted,

PERCENTAGE CHANGE IN 15 INDIVIDUAL BUSINESS INDICATORS FOR THE CITY OF DULUTH

April 1969 Compared to April 1968



however, the Consumer Price Index, indicates inflation alone would result in a 5% increase in dollar volume.

April business activity showed an improvement of 9 index points over March which is about the normal rate of increase for this period. The seasonal reopening of lake navigation affecting coal, grain, iron ore shipments and general lake cargo, other than grain, were the major influences affecting the March-April business upturn.

Freight carloadings showed a decline from March primarily due to the discontinuance of the all-rail shipments of grain when the lake shipping resumed. The value of building permits issued and under construction (1957-1959 dollars) dropped in April from March notably in the fewer number of permits for one-family dwellings.

Upon the spring resumption of lake shipping in April, coal, grain, iron ore shipments and general and bulk lake traffic, except grain, all showed normal spring upswings in activity although levels attained in April varied from a year ago. April retail sales recorded about a 1% gain over March or slightly less than the 1.6% average of the last three years.

Employment levels in Duluth advanced at the normal March-April pace of recent years. The bulk of the gain was in the usual seasonal industries of retail trade, construction, and transportation.

Even though the April measurement of Duluth business activity did not equal the year ago level, the average for the first four months of 1969 was 4% higher than for the corresponding months of last year. At the National level, the U. S. Index of Industrial Production (seasonally unadjusted, 1957 - 59 = 100) measured no change between March and April. From January to April of 1969, the Industrial Production Index (unadjusted) moved from 169 to 172 for a gain of 1.8%.

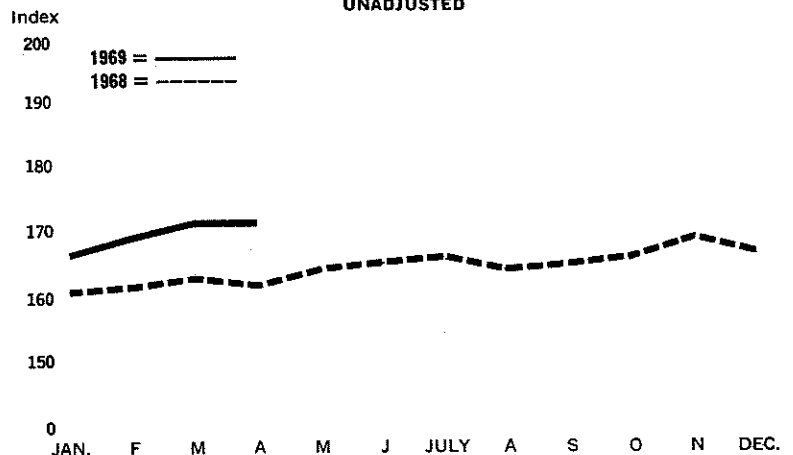
HIGHLIGHTS OF THE U. S. INDEX OF INDUSTRIAL PRODUCTION

April 1969 compared to April 1968

- Total Index up 6%**
- Consumer Goods Production up 5%**
- Manufacturing Production up 5%**
- Payrolls up (value) 10%**

U. S. INDEX OF INDUSTRIAL PRODUCTION

(1957 - 1959 = 100)
UNADJUSTED



Source: Federal Reserve Board of Governors

DULUTH BUSINESS INDICATORS¹

COMPONENT	INDEX NUMBERS (1957-1959 = 100)					ORIGINAL DATA			
	Apr. 1969	Mar. 1969	Apr. 1968	CHANGE		UNIT	Apr. 1969	Mar. 1969	Apr. 1968
				Apr. '68 to Apr. '69	Mar. '69 to Apr. '69				
Freight Carloadings	78	80	87	- 9	- 2	(Cars)	7,934	8,138	8,910
Bank Debits	132	143	142	- 11	- 10	(Dollars in '000's)	212,028	229,649	227,553
Building Permits ²	112	152	128	- 16	- 40	(Actual \$ Value)	1,959,292	537,015	941,366
Postal Receipts	187	179	168	+ 19	+ 8	(Dollars)	297,404	284,476	267,932
Number of Telephones	134	134	130	+ 4	0	(Units)	74,431	74,241	72,293
Electric Power (Commercial & Industrial)	161	155	152	+ 9	+ 6	(K.W.H. in '000's)	26,917	25,773	25,394
Electric Power (Residential)	196	202	197	- 1	- 6	(K.W.H. in '000's)	16,050	16,525	16,185
Number of Electric Customers	100	100	100	0	0		33,469	33,489	33,607
Grain Shipments	131	103	102	+ 29	+ 28	(Bushels in '000's)	32,326	25,323	25,014
Coal Receipts	32	0	27	+ 5	+ 32	(Short Tons in '000's)	107	0	88
Iron Ore Shipments	59	0	186	-127	+ 59	(Gross Tons in '000's)	532	0	1,632
Other Lake Cargo	154	0	108	+ 46	+154	(Short Tons)	30,955	0	21,667
Duluth Nonagricultural Empl.	106	103	100 ³	+ 6	+ 3	(Persons)	43,900	43,000	42,300 ³
Duluth Retail Sales Index	132	131	131	+ 1	+ 1		-----	-----	-----
State Metal Mining Empl.	82	81	80 ³	+ 2	+ 1	(Persons)	13,100	12,900	12,900 ³
OVERALL	115	106	121	- 6	+ 9				

1. Source of data:
Duluth Industrial Bureau, Federal Reserve Bank of Minneapolis, Building Inspector's Office of the City of Duluth, U. S. Post Office in Duluth, Minnesota Power & Light Company, Duluth Board of Trade, Corps of Engineers, U. S. Army, Lake Superior Area Office, American Iron Ore Association, Seaway Port Authority of Duluth, Minnesota Department of Employment Security and the Department of Economics, University of Minnesota, Duluth.
2. The Building Permits Index is adjusted to reflect the amount of construction occurring during the month.
3. Revised

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