

QUARTERLY ECONOMIC REPORT

A Statistical Snapshot Of The
Mason City Regional Economy

The MCEDC QER:
February 2004

www.masoncityedc.com



What's News

- ▶ Mason City unemployment remains lower than similar Iowa cities. Page 2.
- ▶ Passenger traffic at Mason City Municipal Airport for December 2003 up 20.2% from December 2002. Page 4
- ▶ Visit www.masoncityedc.com for the latest demographics and community information today on the Mason City area.
- ▶ For available sites and building information in Cerro Gordo County, log on to www.ncigp.com, site of the new partnership between the Mason City & Clear Lake E.D.C.'s.

Major QER Contents

- ▶ Cost of Living, Page 1
- ▶ Workforce Characteristics, Page 1 and 2
- ▶ State of Iowa and the Nation - Economic Statistics, Page 2
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Cost of Living Index

American Chamber of Commerce Researchers Association (Fourth Quarter 2003) reports: Grocery Items, Housing, Utilities, Transportation, Health Care, and Misc. Goods and Services for Mason City all remain below the national average. See how Mason City ranks with neighboring communities below.

Community Cost Comparison Matrix

Urban Area	100% CI	16% G	28% H	8% U	10% T	5% HC	33% MG
Mason City	89.5	86.3	86.0	91.2	91.0	86.4	93.2
Ames	99.3	93.1	103.7	95.0	98.5	97.1	99.8
Cedar Rapids	94.0	91.6	83.2	101.7	96.6	92.4	101.5
Davenport-Moline-Rock Island IA-IL	95.2	93.7	89.6	104.7	94.9	92.9	98.3
Des Moines	94.9	88.9	94.2	99.0	94.2	91.1	97.3
Rochester, MN	98.4	93.1	92.9	106.1	93.3	113.7	102.7
Sioux Falls, SD	93.8	90.5	83.2	110.9	92.5	95.4	99.6
St. Cloud, MN	99.2	100.1	95.3	103.9	96.4	102.1	101.3
Omaha, NE	91.4	90.6	84.7	104.5	96.8	96.2	91.4

American Chamber of Commerce Researchers Associations (ACCRA)
Cost of Living Index – Fourth Quarter 2003

Community Cost Comparison Matrix Area Key:
CI = Composite; G = Grocery's; T = Transport; H = Housing; HC = Health Care;
U = Utilities; MG = Misc. Goods

2003—Region at a Glance

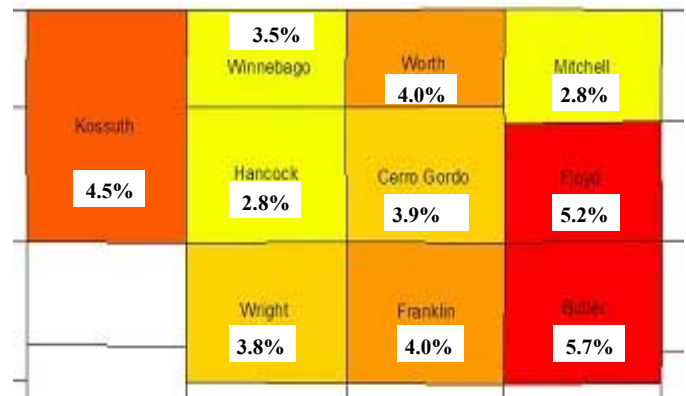
The North Iowa region saw a variety of fluctuation in unemployment rates for the year ending December 31, 2003. Five counties in North Iowa saw their rates climb, three saw their rates fall, and two remained constant with the average they finished 2002 with. The statewide rate for 2003 was 4.3% and seven counties in our region saw their rates finish the year less than the statewide average.

For 2003, Iowa Workforce Development reports the big winner in our region was Worth County, which saw their rate fall .5%, followed by Mitchell, which dropped .3%, followed by Cerro Gordo, which dropped .2%. The county that saw the largest rate climb was Kossuth County up .8% to 4.5% in 2003, from 3.7% in 2002. There was a 3-way tie for the second largest climb where Butler (5.7%), Hancock (2.8%), and Winnebago (3.5%) rates went up .5% respectively.

The remaining two counties, Floyd and Wright, remained constant at unemployment rates of 5.2% for Floyd and 3.8% for Wright.

There are a variety of reasons for the fluctuation in unemployment rate from one county to another, however, all counties were below the national average for 2003 as the U.S. unemployment rate climbed to 5.8%.

For a comparative matrix of total labor force, total unemployed, unemployment rates, and total employed see page 2, column 1 for details.



2003 Year End Unemployment Rates

Continued on Page 2 (Column 1)

North Iowa Regional Employment Statistics 2003

	<i>Labor Force</i>	<i>Total Unemp..</i>	<i>Unemp. %</i>	<i>Total Emp.</i>
Butler	7,260	420	5.7	6,840
Cerro Gordo	27,370	1080	3.9	26,290
Floyd	8,140	420	5.2	7,720
Franklin	5,820	230	4.0	5,590
Hancock	7,460	210	2.8	7,250
Kossuth	8,820	390	4.5	8,430
Mitchell	5,830	160	2.8	5,670
Winnebago	6,330	220	3.5	6,110
Worth	4,340	170	4.0	4,170
Wright	7,480	280	3.8	7,200
Total	88,850	3,580	4.02	85,270

www.iowaworkforce.org

**Iowa Communities Unemployment Rate Comparisons
2002 YTD, October 2003, and 2003 YTD**

Below, is Mason City’s 2002 YTD, October 2003, and 2003 YTD unemployment rate compared to similar size cities in the State of Iowa. Written summary on page 3, column 2.

	YTD 2002	October 2003	2003 YTD
Ames	3.1	3.0	3.2
Ankeny	1.9	1.7	2.0
Bettendorf	3.1	2.9	3.0
Burlington	6.9	6.1	7.3
Cedar Falls	3.6	4.3	4.1
Cedar Rapids	4.7	4.2	4.7
Clinton	6.6	5.5	6.3
Council Bluffs	3.9	5.5	5.7
Davenport	5.1	4.9	5.1
Des Moines	4.5	4.2	4.7
Dubuque	4.2	3.4	4.3
Fort Dodge	4.2	4.1	4.5
Iowa City	3.2	3.4	3.4
Marion	3.0	2.7	3.0
Marshalltown	4.0	5.3	5.3
Mason City	4.1	3.2	3.9
Ottumwa	6.5	5.2	6.3
Sioux City	4.4	5.1	5.2
Urbandale	1.9	2.4	2.1
Waterloo	5.2	6.2	5.8
West Des Moines	2.5	2.4	2.7
Average	4.1	4.1	4.4

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**State of Iowa -
Economic Statistics in Brief**

Unemployment Claims

Unemployment Insurance Claims increased from December 2002 (11,672) to December 2003 (14,529). In one month alone, November to December, the final number of claims increased by 728.

In the month of December, \$35,728,019 was paid out in unemployment insurance claims. This is an increase from December of 2002, which was \$29,839,423.

Employment Situation

The estimate of unemployed persons in Iowa in December 2003 increased to 71,200, compared to 69,800 in December 2002.

The unemployment rate for December 2003 increased to 4.3%, when compared to the 4.2 percent rate for December 2002. Furthermore, the number who are employed has decreased to 1,562,000 in December 2003 down from 1,607,300 in December of 2002.

Quick Glance

	<i>Period</i>	<i>Value</i>
Motor Vehicle Sales	September 2002-2003	▲ .87%
Housing Permits	Sept.—Oct. 2003	▼ -1.0%
Existing Home Sales	3rd Qtr. 2003	▲ 3.8%
Factory Jobs	Nov.—Dec. 2003	▼ 800
Weekly Wage Growth	Nov.—Dec. 2003	▼ 2.8%
Exports of Goods	3rd Qtr. 2003	▲ 8.0%

Iowa Workforce Development News and Trends - Latest Available Statistics, December 2003

**The Nation -
Economic Statistics in Brief**

Quick Glance

	<i>Period</i>	<i>Value</i>
Real GDP	Third Quarter 2003	▼ -0.2%
Unemployment Rate	December 2003	▼ -5.7%
Producer Price Index	December 2003	▲ 0.3%
Employment Cost Index	3rd Quarter 2003	▲ 1.0%
Productivity	3rd Quarter 2003	▲ 9.4 %
U.S Import Price Index	December 2003	▲ 0.2%

U.S. Department of Labor, Bureau of Labor Statistics and Bureau of Economic Analysis

Consumer Price Index for Nation and Region

According to the Bureau of Labor Statistics of the U.S. Department of Labor, the Consumer Price Index for All Urban Consumers (CPI-U) increased 0.3 percent in December, before seasonal adjustment. The December 2003 level of 184.3 was 1.9 percent higher than in December 2002.

The Consumer Price Index for Urban Wage Earners and Clerical Workers (CPI-W) rose 0.3 percent in December, prior to seasonal adjustment. The December level of 180.2 was 1.6 percent higher than in December 2002.

See tables below for details.

CPI's-For all Urban Consumers

	November 2003	December 2003	Percentage Change from December 2002
U.S. City Average	184.5	184.3	1.9
Midwest Urban	178.9	178.4	1.7
Size A - More than 1,500,000	181.4	180.9	1.7
Size B/C - 50,000 to 1,500,000	113.6	113.3	1.7
Size D - Nonmetropolitan (less than 50,000)	171.4	171.5	1.2
	November 2003	December 2003	Percentage Change from December 2002
All Items	180.2	179.9	1.6
Food and Beverages	182.4	183.6	3.7
Housing	180.9	181.0	2.3
Apparel	122.6	118.7	-1.8
Transportation	153.6	152.5	-0.3
Medical Care	300.1	301.4	3.7
Recreation	105.6	105.5	0.8
Education and Communication	109.6	109.7	0.8
Other Goods and Services	307.7	308.1	1.0

CPI's-Urban Wage Earners and Clerical Workers

	November 2003	December 2003	Percentage Change from December 2002
U.S. City Average	180.2	179.9	1.6
Midwest Urban	173.9	173.4	1.4
Size A - More than 1,500,000	175.7	175.1	1.6
Size B/C - 50,000 to 1,500,000	112.7	112.4	1.3
Size D - Nonmetropolitan (less than 50,000)	169.1	169.1	1.1
	November 2003	December 2003	Percentage Change from December 2002
All Items	180.1	180.4	2.2
Food and Beverages	182.7	183.7	2.2
Housing	181.2	181.7	2.7
Apparel	120.2	119.9	-2.5
Transportation	153.2	152.8	3.0
Medical Care	300.7	302.5	4.1
Recreation	105.8	105.7	0.9
Education and Communication	109.2	109.5	1.3
Other Goods and Services	307.7	308.1	1.7

Building Permits for the City of Mason City

Important Note From the Building Inspections Division

It is important to note the number for commercial and industrial buildings may be skewed, since a building permit may be issued for a particular project one month (Phase I), but finished in the next month (Phase II) with additional modifications and permits. In other words, numbers for commercial and industrial buildings can frequently be reported more than once due to multiple permits and inspections.

The tables below display the Number of New Building Permits and Valuations of New Building Permits for single-family dwellings, commercial, and industrial buildings for the month of January and

Number of New Building Permits

	New Dwellings, Single Family	New Commercial Buildings	New Industrial Buildings
YTD Fiscal Year	23	13	0
June 2000	42	17	4
June 1995	47	16	1
June 1990	47	7	3

Fiscal Year (July 2003—June 2004)

City of Mason City's Building Inspection Division - January 2004 (Latest Data Available)

Valuation of New Building Permits

	New Dwellings, Single Family	New Commercial Buildings	New Industrial Buildings
Valuation for January-2004	\$0.00	\$90,600.00	\$0.00
YTD Fiscal Year	\$4,160,024.00	\$2,200,216.00	\$0.00
June 30, 2000	\$6,821,088.00	\$11,061,600.80	\$1,438,336.00
June 30, 1995	\$4,037,229.76	\$2,392,226.00	\$1,100,000.00
June 30, 1990	\$3,331,523.00	\$10,198,036.00	\$360,554.00

Fiscal Year (July 2003—June 2004)

City of Mason City's Building Inspection Division - January 2004 (Latest Data Available)

Workforce Characteristics (cont.)

Comparing Iowa's major cities, Mason City's unemployment rate of 3.5%, is significantly lower than Iowa's 2003 rate of 4.3%. It is also .4% less than the Cerro Gordo County average of 3.9%.

10 Iowa cities have rates above the Iowa average of 4.3%. Burlington leads the way 3% higher than the average with an alarming rate of 7.3%, followed by Clinton and Ottumwa with a matching rate of 6.3%. Waterloo sits at 5.8%, Council Bluffs at 5.7%, Marshalltown at 5.3%, Sioux City at 5.2%, Davenport at 5.1%, Cedar Rapids at 4.7%, rounded out by Fort Dodge at .2% above the state average at 4.5%.

The big winners are all Des Moines metro communities with Ankeny at 2.0%, Urbandale at 2.1%, and West Des Moines at 2.7%. Ironically, Des Moines had a rate of 4.7%, which is .3% higher than the statewide average. The Iowa statewide rate climbed .2% from 4.1%

► **Mason City Municipal Airport**
Commercial Air Fare Comparison

		Sioux City	Fort Dodge	Omaha	Des Moines	Minneapolis	Mason City	Waterloo	Cedar Rapids	Dubuque
Atlanta ATL	Leisure	212	193	212	193	218	193	197	197	242
	Business	782	560	448	418	218	520	924	924	344
	Walk-Up	1,154	1,108	1,138	708	438	1,108	1,228	1,228	484
Chicago/O'Hare ORD	Leisure	226	178	78	176	172	178	177	176	198
	Business	466	178	208	176	172	178	528	176	198
	Walk-Up	650	178	294	176	172	178	704	176	198
Dallas/Fort Worth DFW	Leisure	228	222	78	222	178	222	211	211	240
	Business	952	787	78	262	178	787	750	211	240
	Walk-Up	1,266	1,264	342	262	178	1,264	1,190	211	240
Denver DEN	Leisure	273	289	193	141	158	289	317	277	272
	Business	378	434	193	141	222	434	480	277	454
	Walk-Up	650	714	288	141	288	714	788	277	768
Las Vegas LAS	Leisure	272	248	198	158	154	248	290	278	288
	Business	272	248	198	158	154	248	290	278	288
	Walk-Up	1,382	256	238	256	248	256	1,094	278	288
Los Angeles LAX	Leisure	289	268	198	218	174	268	268	268	288
	Business	616	268	198	218	174	268	268	268	288
	Walk-Up	1,094	548	238	268	174	548	328	278	288
N.Y. City LGA	Leisure	254	268	254	255	189	268	218	218	256
	Business	732	268	458	255	189	268	218	218	256
	Walk-Up	1,120	268	608	255	258	268	218	218	256
Orlando MCO	Leisure	276	224	198	178	189	218	224	224	276
	Business	805	224	198	178	189	218	224	224	276
	Walk-Up	1,596	227	598	217	224	227	358	224	276
Phoenix PHX	Leisure	267	238	158	158	133	238	268	268	248
	Business	830	238	158	158	174	238	268	268	248
	Walk-Up	1,650	238	178	198	174	238	288	278	248
San Francisco SFO	Leisure	283	268	270	268	218	268	268	268	298
	Business	800	268	270	268	218	268	268	268	298
	Walk-Up	1,078	268	278	268	248	268	288	268	298
Seattle SEA	Leisure	338	238	198	198	174	238	268	268	288
	Business	656	238	198	198	174	238	268	268	288
	Walk-Up	1,060	608	258	238	174	608	318	278	288
Washington DCA	Leisure	228	188	228	178	198	188	208	218	228
	Business	580	188	378	178	266	188	208	218	228
	Walk-Up	950	188	608	178	288	188	208	218	228
Average	Leisure	262	235	189	195	180	235	243	239	260
	Business	656	325	249	217	194	321	391	300	284
	Walk-Up	1,138	489	422	264	239	489	584	328	322

Municipal Airport Traffic
(Enplaned/Deplaned)

According to figures released by Pam Osgood, Interim Airport Manager of the Mason City Municipal Airport, enplaned passenger traffic increased 3.6% for 2003 when compared to 2002 figures. In 2002 the Mason City Airport saw 13,961 passengers depart MCW, versus 2003, which saw 14,464.

The Mason City Airport also saw a moderate increase of 1.57% in total traffic in calendar year 2003. Total enplanements and deplanements were 28,225 in 2002 compared to 28,668 in 2003.

In December 2003 alone, 2,815 people boarded or stepped off a flight at MCW, compared to 2,342 the previous year. This is an incredible increase of 20.2%, which is great news for the Mason City Municipal Airport as well as carrier, Northwest Airlinck.

Contact Information



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For additional labor statistics; existing industry reports; available property and building listings; PDF files of our newsletter - To-Date, this edition of the Quarterly Economic Report as well as previous editions, visit the MCEDC at www.masoncityedc.com.

Sources of Information:

- American Chamber of Commerce Researchers Association
- Bureau of Labor Statistics of the U.S. Department of Labor
- City of Mason City's Inspection Services Division
- Iowa Department of Transportation—Office of Aviation
- Iowa Workforce Development
- Mason City Convention and Visitor's Bureau
- Mason City Municipal Airport
- NASDAQ
- U.S. Census Bureau