SPRINGFIELD, ILLINOIS
REVIEW OF BUSINESS AND ECONOMIC CONDITIONS

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SPRINGFIELD-ILLINOIS-REVIEW OF BUSINESS AND ECONOMIC CONDITIONS
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The Business Outlook

Economic activity in the Springfield market should move upward in the final six months of 1961. This expectation is based on indications of a rising demand for farm and other heavy equipment; the higher level of planned commercial construction; and, a gradual improvement in final demand for consumer goods, particularly durables.

March construction volume, as measured by the dollar volume of new building permits, declined from the level of the preceding month. However, the February figures included a $978,000 State Museum building and a $150,000 permit for the Salvation Army building.

Construction is scheduled to start immediately on a new 2.7 million-dollar building for the Internal Revenue Service. This facility will include 30,000 square feet of storage space and 81,000 square feet of working area for the 375 government employes who will occupy the building.

The Franklin Life Insurance Co. is planning a new 13-story office building in the downtown area and Illinois Bell Telephone Co. has begun construction on a $1,500,000 dial system switching building which is scheduled for occupancy and use by October of this year.

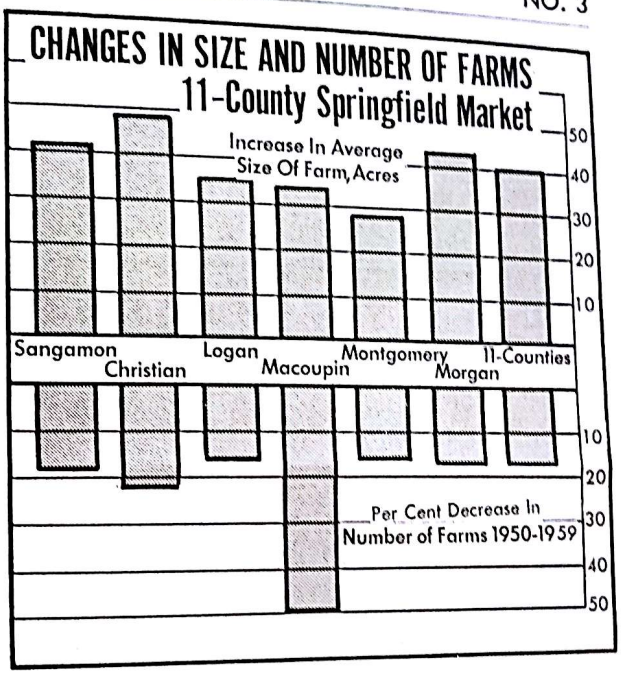
The Springfield Planning Commission staff is working on a comprehensive rejuvenation and revitalization program for a 65-block area to permit downtown Springfield to compete more vigorously with other metropolitan centers and shopping areas.

Included in the plan are a depressed expressway to alleviate traffic congestion; 10 multi-story parking garages; a shopping plaza and an extensive landscaping program for the downtown area. This proposal, combined with an urban renewal program which is moving ahead with federal assistance, would do much to improve Springfield's position as a major regional shopping center.

Population Distribution

Changes in the distribution of the population by age group in the United States have been documented by the Census Bureau and other agencies for some years. Results of the 1960 census have confirmed the assumption that the increase in the younger and older age groups has far surpassed the gain in the number of persons in the working (18 to 64) years age group.

Total population in the United States increased 18.5 per cent between 1950 and 1960. The number of persons under 18 years of age increased at double this rate with a gain of 36.7 per cent. The largest increase



was in the 10 to 14 years age group (the post-war babies) which gained 50.2 per cent. The number of children under five years of age increased 25.1 per cent. The number of persons 65 years and older increased 34.7 per cent, led by a gain of 60.8 per cent in the number of persons 85 years and older.

The low birth rates of the depression years are responsible for the small gain of 7.0 per cent in the number of persons 18 to 64 years of age. The number of persons in the 20 to 24 age group declined 9.0 per cent; in the 25 to 29 age group, 14.5 per cent, and in the 30 to 34 age group, 1.7 per cent.

Changes in the age distribution of the population in the state of Illinois and in the 11-county Springfield market area have followed the general national trends. However, the State of Illinois, and especially the Springfield market area, is a prime agricultural area. The 50 per cent decline in the agricultural labor force in the United States during the past 20 years has had a strong effect on the population in farm areas. More persons in the 18 to 64 year age groups have had to leave the farm areas to find other occupations. Thus, the general national decline in the working age group has been compounded in agricultural areas.

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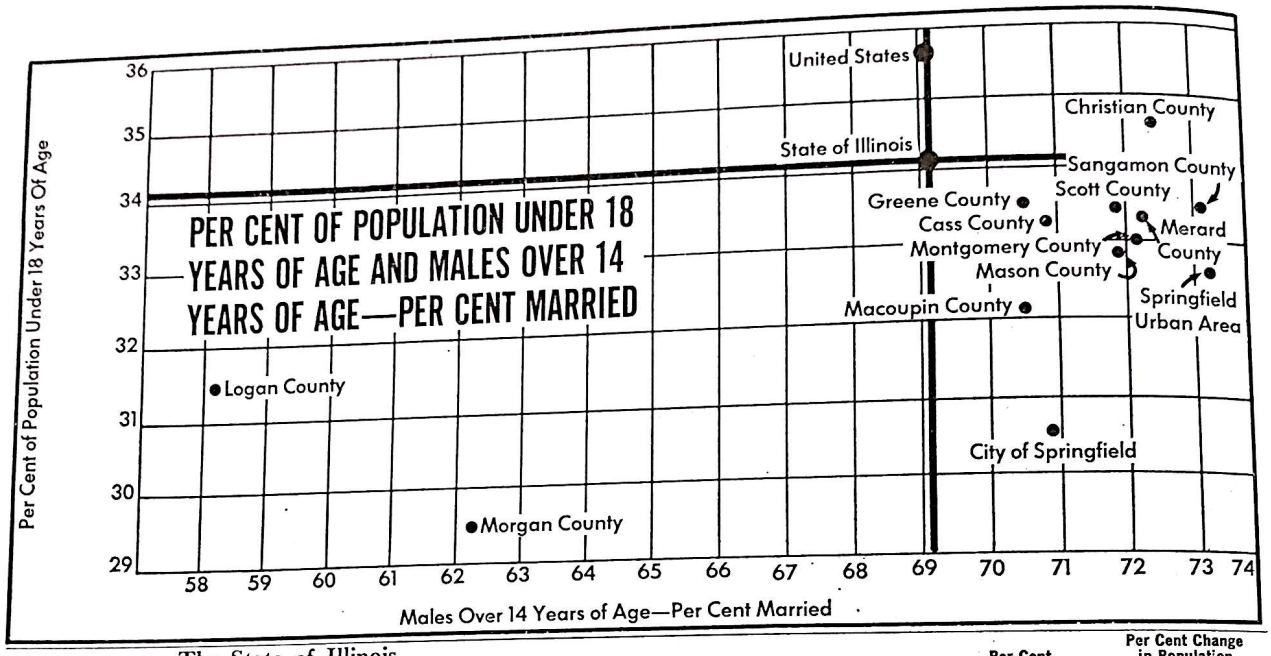

The State of Illinois

Compared with the United States, the State of Illinois has a larger percentage of its total population in the older age group and in the 18 to 64 year age groups; hence, a correspondingly lower percentage of Illinois' total population is under 18 years of age. If the trends of the last decade continue, however, there will most likely be a reversal of this pattern by 1970.

Illinois had a much larger increase in the number of children under 18 years of age, compared with the increase in total population, than did the United States. Of the 1,368,982 persons added to Illinois population in the last 10 years, more than 75 per cent was under 18 years of age. In the United States, 60 per cent of the 28 million additional persons were under 18 years of age. The gain in the 65 and over age groups was about the same in both Illinois and the nation, with slightly over 15 per cent of the total number of increased population coming from the older age group.

The increase in the number of persons in the 18 to 64 age groups, however, was very small in the State of Illinois when compared to the increase in total population. Only 8.6 per cent of the 1.37 million persons added to the population were between 18 and 64 years of age. In the United States, 23.2 per cent of the national population increase came from this age group.

Greater Springfield Market

The conclusion that the lower increase in the 18 to 64 age group in Illinois is due to out-migration from agricultural areas is further substantiated by comparing the population changes in the 11-counties of the Springfield market area. Of the 11 counties, only three, Sangamon, Morgan and Logan, showed an increase in population between 1950 and 1960. These three counties have a larger per cent of urban population, are more industrialized and have a higher ratio of population to farms than the other eight counties in the Springfield market area.

	Per Cent Urban	Per Cent Change in Population 1950-1960
Sangamon	76.0	+11.5
Morgan	59.3	+ 2.8
Logan	50.2	+ 9.7

The other eight counties, all of which are less than 45 per cent urban, showed a decline in total population between 1950 and 1960. The number of persons between 18 and 64 years of age declined between 9 and 18 per cent in the eight counties. In the three more industrial counties, the change in the number of persons 18 to 64 years of age ranged from a decline of 5.8 per cent in Morgan County to a gain of 1.2 per cent in Logan County.

In all of the counties in the Springfield market area the number of persons 65 and older increased. The extent of this increase, in most cases, was correlated with the extent of change in the total population. Those counties with the sharpest decline in total population tended to have a correspondingly lower percentage increase in the number of persons 65 years and older.

With the exception of Greene and Scott counties, the number of persons under 18 years of age also increased in the Springfield market area. Again, the amount of increase in this age group was correlated with the degree of change in total population.

The distribution of the population by age group in the 11 counties in the Springfield market falls into a definite pattern compared with the age distribution of the population in the State of Illinois. With a few exceptions, these counties have a lower per cent of the total population under 18 years of age; a higher per cent of the total population 65 years and older, and a lower percentage of the total population in the 18 to 64 age bracket. The exceptions are Christian County, with a higher percentage of its total population in the younger age group, compared with the state, and Logan County with a higher per cent of its total population in the 18 to 64 age group. However, Logan County has a high institutional population.

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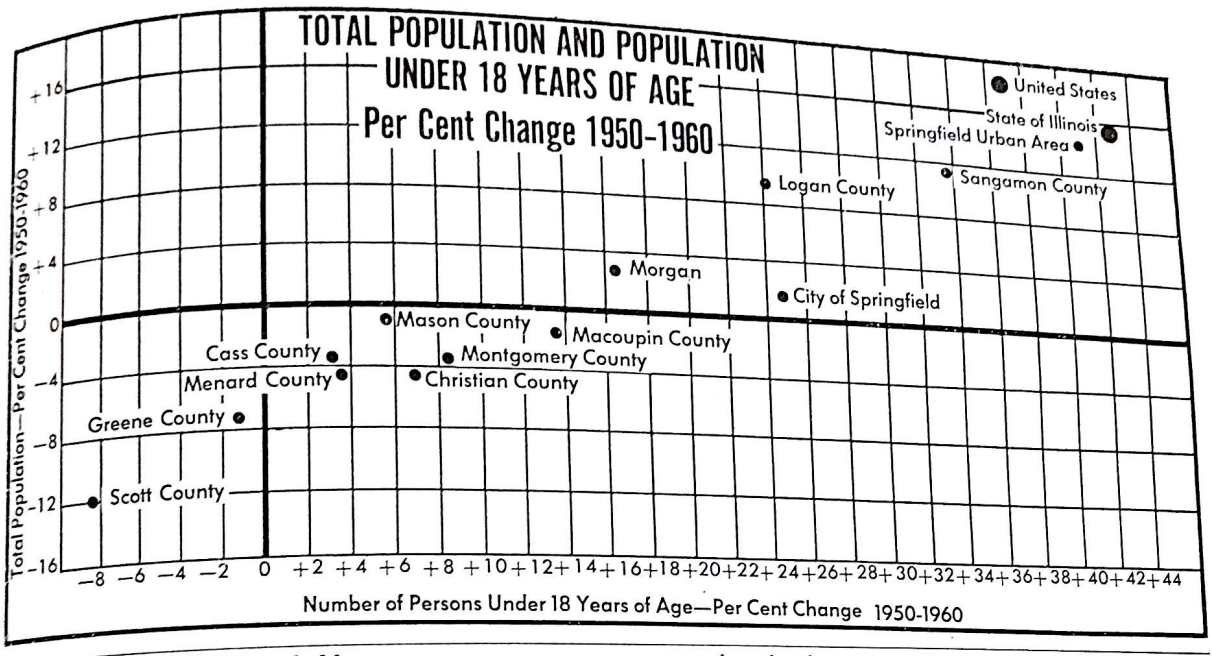

Households

The number of households in the United States has increased faster than the population**. Between 1950 and 1960, the number of households increased 25.1 per cent while the total population increased 18.9 per cent. The number of persons living in households increased 20.2 per cent while the number of persons living in group quarters declined 13.6 per cent. The number of institutional inmates, however, increased 21.8 per cent. The average number of persons per household declined from 3.42 in 1950 to 3.29 in 1960.

In the State of Illinois the number of households has also increased faster than the population. There are 21.6 more households in Illinois than in 1950; population in households has increased 18.3 per cent and population in groups quarters has declined 30.6 per cent. Population per household has also declined, from 3.27 persons in 1950 to 3.18 persons in 1960.

In those counties in the Springfield market where the population has increased, the number of households has increased even more. In counties in which the population declined, the number of households increased slightly or declined less than the population. As in the state and the nation, the population per household has declined in all the 11 counties.

All of the 11 counties in the Springfield market have fewer persons per household than the State. These counties also have a lower percent of the total population residing in the group quarters. The exceptions are Logan and Morgan counties which have a high institutional population.

**Living quarters consisting of one room with direct access, but without separate cooking facilities, qualify as a housing unit in 1960, but generally did not qualify as a dwelling unit in the 1950 census. The Census Bureau notes that this change probably had a significant effect on the comparability of household statistics for metropolitan areas where many persons live alone in single rooms.

1960 Census of Housing

	Sangamon County	City of Springfield
All Housing Units	50,011	30,093
Occupied	47,514	28,752
Owner Occupied	31,354	16,797
Renter Occupied	16,160	11,955
Vacant	2,497	1,341

Sangamon County and the Springfield Urban Area

The highest population gains in the 11-county Springfield market area occurred in the Springfield urban area. Total population in the urban area increased 14.4 per cent between 1950 and 1960. The largest gains were in the portion of the area outside of the Springfield city limits, where the population increased 78.7 per cent between 1950 and 1960. In this area, 38.9 per cent of the population is under 18 years of age and only 6.3 per cent is 65 years and older. The number of persons in the 18 to 64 year age group has increased 63.1 per cent since 1950.

The city of Springfield suffered a decline of 11.0 per cent in the number of persons in the 18 to 64 age group, and gained 28.4 per cent in the number of persons 65 years and older. The city of Springfield has a higher percentage of persons in the older age group than the remainder of the urban area and the county.

In Sangamon County and the Springfield urban area a lower percentage of women over 14 years of age are married compared with the State of Illinois. This is an expected characteristic of an urban area. However, the percentage of married males in the county and urban area is higher than in the State of Illinois.

The largest gain in the number of households also occurred in the Springfield urban area. There are fewer persons per household in the urban area than in other parts of the 11-county market.

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Table I

	Number of Households			Population per Household		Per Cent of Total Population in Group Quarters 1960
	1950	1960	Per Cent Change	1950	1960	
State of Illinois	2,536,905	3,084,738	19.3	3.27	3.18	2.6
Sangamon County	40,830	47,514	16.4	3.12	3.03	1.8
Springfield Urban Area	30,768	37,047	20.4	3.07	2.95	1.8
City of Springfield	26,077	28,752	10.8	2.94	2.83	2.2
Cass County	4,732	4,756	0.5	3.16	3.03	0.9
Christian County	12,003	11,928	−0.6	3.19	3.09	0.8
Greene County	5,910	5,668	−4.1	3.17	3.04	1.3
Logan County	8,000	9,096	13.7	3.15	3.04	17.8
Macoupin County	14,187	14,186	—	3.07	3.01	1.9
Mason County	4,936	5,044	2.2	3.10	2.99	0.6
Menard County	3,012	2,978	−1.1	3.17	3.07	1.2
Montgomery County	10,523	10,398	−1.2	3.06	2.98	0.9
Morgan County	9,704	10,481	8.0	3.10	2.97	14.9
Scott County	2,311	2,087	−9.7	3.13	3.04	0.6

Table II
Population by Age Group
Per Cent Change 1950 to 1960
(Preliminary)

	Total	Under 18	18 to 64	65 and Over
State of Illinois	15.7	42.8	2.1	29.2
Sangamon County	11.5	33.9	−1.4	28.7
Springfield Urban Area	14.4	41.0	0.2	35.2
City of Springfield	2.0	24.7	−11.0	28.4
Cass County	−3.7	3.2	−11.9	17.0
Christian County	−4.1	6.9	−13.7	14.0
Greene County	−7.4	−1.3	−15.8	12.9
Logan County	9.7	24.1	1.2	22.4
Macoupin County	−1.6	13.5	−13.0	16.4
Mason County	−0.9	5.8	−9.1	23.2
Menard County	−4.1	3.8	−12.0	11.2
Montgomery County	−3.7	8.1	−12.6	6.7
Morgan County	2.8	16.3	−5.8	14.3
Scott County	−12.0	−8.3	−17.7	3.6
United States	18.5	36.7	7.0	34.7

Table III
Persons 14 Years and Older
Per Cent Married

	Males		Females	
	1950	1960	1950	1960
State of Illinois	67.6	69.2	65.6	65.6
Sangamon County	70.2	73.1	63.3	62.8
Springfield Urban Area	70.7	73.3	61.6	60.9
City of Springfield	69.6	70.9	59.4	57.0
Cass County	68.5	70.9	65.9	65.8
Christian County	70.5	72.4	69.0	67.7
Greene County	68.8	70.6	67.2	66.7
Logan County	56.0	58.2	56.6	56.2
Macoupin County	67.9	70.5	68.6	66.9
Mason County	69.4	71.9	69.3	67.9
Menard County	70.0	72.4	69.3	68.5
Montgomery	69.1	72.1	67.7	67.0
Morgan County	62.0	62.3	56.8	57.4
Scott County	68.6	71.9	66.9	68.2
United States	67.4	69.1	65.8	65.9

Table IV
Age Groups 1950 and 1960

	Per Cent of Total Population					
	Under 18		13 to 64		65 and over	
	1950	1960	1950	1960	1950	1960
State of Illinois	27.6	34.1	63.7	56.2	8.6	9.7
Sangamon County	27.9	33.5	62.2	55.1	9.9	11.4
Springfield Urban Area	26.5	32.7	63.9	56.0	9.6	11.3
City of Springfield	25.0	30.6	64.6	56.4	10.3	13.0
Cass County	31.0	33.2	56.4	51.6	12.6	15.3
Christian County	31.1	34.7	57.5	51.8	11.3	13.5
Greene County	31.4	33.5	55.2	50.2	13.4	16.3
Logan County	27.8	31.5	61.8	56.9	10.4	11.6
Macoupin County	27.8	32.1	58.3	51.5	13.9	16.4
Mason County	30.8	32.9	58.0	53.2	11.2	13.9
Menard County	30.8	33.3	56.0	51.4	13.2	15.3
Montgomery County	29.4	33.0	56.2	51.0	14.4	16.0
Morgan County	26.0	29.4	59.8	54.8	14.2	15.8
Scott County	32.1	33.4	55.2	51.6	12.8	15.0
United States	31.0	35.8	60.9	55.0	8.1	9.2

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SPRINGFIELD-ILLINOIS-REVIEW OF BUSINESS AND ECONOMIC CONDITIONS

VOL. IX APRIL - JUNE, 1969 NO. 2

BUSINESS CONDITIONS

Construction Generally Strong in Springfield

Total building permits issued in Springfield during the first five months of this year were valued at over $9 million. This represents a 24 percent growth over the first five months of 1968. In spite of the overall growth, commercial construction fell about 13 percent during the same period. This drop was caused by the unusually high value of permits issued during January 1968. A glance at the table on page 4 of this bulletin will show that during March, April and May commercial construction was about 54% above March through May last year.

Residential construction for the first five months of 1969 was 42 percent above the value of last year's permits over the same period. The average value of residences built during the first five months of 1968 was $21,000; this year's average for the same period is $33,000. Although the number of residential permits issued so far this year is about 10 percent under the number issued during the first five months of 1968, the average value of the homes being constructed has increased by over 57 percent.

Employment Follows Annual Trend

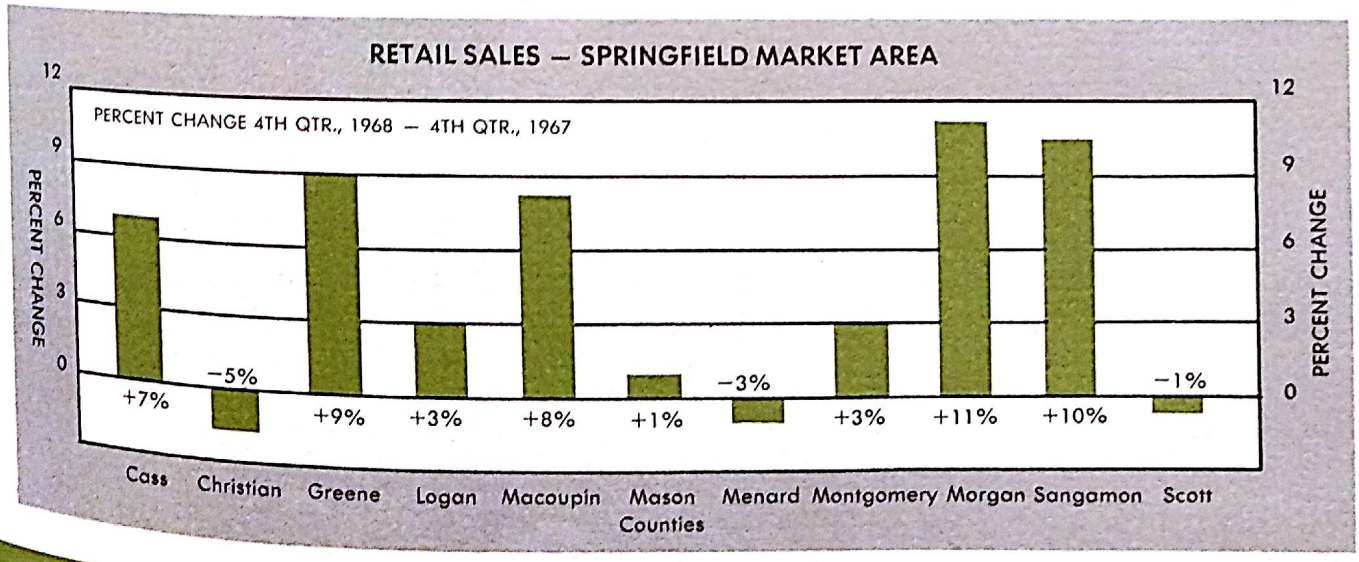
Employment increased by about 1600 between March and May. Since the total labor force increased less than this amount, the unemployment rate dropped from 3.5 to 2.7 percent of the work force. The most vigorous activity occurred in non-manufacturing which makes up about 74 percent of total employment in Sangamon County. This sector should continue to be vigorous as the State Fair adds some 8,000 people to the work force in August. The effect of recent cutbacks at Pillsbury has been cancelled by hiring at Allis-Chalmers. Further increases in manufacturing employment are expected over the next few months.

Retail Sales are the Highest Ever

The article on pages 2 and 3 analyzes 1968 annual retail sales for the Springfield Market Area* without considering quarter to quarter changes. A look at taxable retail sales for the fourth quarter of 1968 shows some strong signs. Sales in this period totaled $191.4 million in the 11 counties for a 6 percent gain over last year. This is the largest amount ever recorded in the Springfield Market Area.

Total taxable retail sales in the City of Springfield grew by over 8 percent between the fourth quarter of 1967 and the fourth quarter of 1968. General Merchandise Sales in the 11 counties reached $27.6 million with the City of Springfield accounting for about 60 percent. Department Store Sales account for about two-thirds of this category.

*Springfield is the largest city and principal retail and wholesale center of an eleven-county market in central Illinois. The market is comprised of the following counties: Cass, Christian, Green, Logan, Macoupin, Mason, Menard, Montgomery, Morgan, Sangamon and Scott. The market is served by two Copley Newspapers: *The Illinois State Journal* and the *Illinois State Register*.



ANALYSIS OF RETAIL SALES

Retail sales in the Springfield market showed moderate gains in 1968. The total market area had a sales increase of 5.7 percent. Leading counties in sales were Morgan County with a 10.4 percent increase and Sangamon County with a 7.4 percent increase. These were the only counties to have a sales increase exceeding that of the market area as a whole. These same counties were able to surpass their yearly rates of change for the 1963-68 period and the 1963-68 yearly rate of change for the total market area.

Only Greene and Christian Counties registered gains of less than 2 percent. Christian County experienced a decline in sales from $58.4 million in 1967 to $57.8 million in 1968 for a sales decrease of 1.1 percent. In this respect it was the only county to sustain a decrease in sales from the prior period. Christian County also showed the greatest percentage variance from the yearly rate of change for the 1963-68 period. Accounting for the decrease in retail sales were declines of 1.0 percent in the eating and drinking group, 19.7 percent in the lumber, building and hardware group and 3.6 percent in the miscellaneous retail stores and wholesalers group. This latter group has had a negative yearly rate of change for the 1963-68 period.

Accounting for the 1968 retail sales growth of Morgan and Sangamon Counties was the fact that Morgan County increased sales in all groups except miscellaneous retail stores and wholesalers and Sangamon County increased sales in all groups. Morgan County, while showing a greater percentage increase than Sangamon County (10.4% to 7.4%) also has shown a greater range of flucuation between individual business groups. In Morgan County the automotive and filling station group increased from $15.7 million in 1967 to $18.6 million in 1968 for a gain of 18.4 percent. During the same period the miscellaneous retail stores and wholesalers group decreased from $7.3 million to $7.2 million for a decline of 1.0 percent. Sangamon County's greatest increase was 11.6 percent in the general merchandise group and the least amount of increase was 2.0 percent in the furniture and home furnishings group. Sales were $45.8 million and $12.3 million in 1967 for the respective groups and $51.1 million and $12.5 million in 1968.

When examing the statistics for Sangamon County consideration must be given to the impact of the City of Springfield. In 1967 retail sales in Springfield were 79.8 percent of the retail sales for Sangamon County.

SPRINGFIELD MARKET AREA
Percent Change in Retail Sales (1968, 1967 & 1963)

	Business Classification							
	General Merchandise		Food, Groceries & Related Items		Eating & Drinking Places		Apparel & Accessories	
	% Change 1967-68	Yearly Rate of Change 1963-68	% Change 1967-68	Yearly Rate of Change 1963-68	% Change 1967-68	Yearly Rate of Change 1963-68	% Change 1967-68	Yearly Rate of Change 1963-68
Springfield	+12.0%	+8.8	+ 5.6	+4.6	+ 5.0	+6.2	+ 4.4	+2.8
Counties								
Cass	+20.9	+7.5	+ 2.9	+2.7	+ 4.6	+3.6	+ 1.1	+1.9
Christian	+ 3.9	+6.5	+ 5.8	+4.6	− 1.0	+2.5	+ 3.9	+3.8
Greene	− 3.2	+1.5	+ 2.8	+4.0	+ 9.4	+2.8	+18.9	+6.7
Logan	− 8.6	+4.5	+10.8	+3.7	+ 5.2	+4.0	+ 3.0	+4.2
Macoupin	+12.3	+4.5	+ 5.1	+5.5	+ 2.4	+3.9	+ 4.2	+5.9
Mason	+12.9	+6.5	+ 6.1	+6.3	+ 3.4	+3.6	+ 1.6	−0.2
Menard	+ 6.7	+4.9	+ 2.6	+3.7	+12.2	+0.7	+ 3.2	+4.5
Montgomery	+40.0	+6.2	+ 3.3	+2.9	+ 5.1	+7.2	+ 3.2	+4.6
Morgan	+17.3	+9.1	+ 8.8	+6.1	+10.0	+6.5	+ 1.2	+2.9
Sangamon	+11.6	+8.7	+ 7.9	+4.8	+ 2.5	+4.6	+ 5.2	+3.1
Scott	− 0.3	+1.6	+ 1.2	+1.7	−10.4	−2.5	+21.7	+2.4
Total Counties	+12.7	+7.7	+ 6.7	+4.6	+ 3.5	+4.5	+ 4.5	+3.5

Source: Based on data from the Illinois Department of Revenue

A slight decrease occurred in 1968 when Springfield's share of the Sangamon market slipped to 79.6 percent. However, this was still higher than the 78.1 percent share in 1963. Not only does Springfield account for the greatest portion of the Sangamon market, it is also increasing that portion.

An examination of the figures in the lumber, building and hardware group shows decreased sales in 1968 for nine of the 11 counties as compared to 1967 sales.

Declines in sales ranged from −0.1 percent for Scott County to −19.7 percent for Christian County. Only Sangamon and Morgan Counties were able to withstand the general decline. The large absolute increase on dollar value for Sangamon County in 1968 ($3.2 million) held the decline to 1.6 percent for the total market area. The dollar value of this decline in sales for the total market area was $1.6 million.

The percentage increases or decreases in all areas of retail sales activity do not present an accurate picture. Consideration must be given to the fact that the United States is afflicted by an inflationary fever. During 1968 the Consumer Price Index, which reflects the cost of living, has risen by 4.3 percent. Dollar figures reflecting sales are a composite of increased unit volume of sales and price increases per units sold. Consequently some gains in sales shown by percentage increases are not as impressive as they seem at first glance. In some instances sales gains are merely brought about by the inflationary trend.

SPRINGFIELD MARKET
Retail Sales in 1968

Cities	1968 (000)	Yearly Rate of Change 1968-67	Yearly Rate of Change 1968-63
Springfield	$251,634	+ 7.1%	+5.7%
COUNTIES			
Cass	22,656	+ 4.2	+4.0
Christian	57,785	− 1.1	+3.1
Greene	20,806	+ 1.8	+3.5
Logan	50,692	+ 2.3	+5.0
Macoupin	57,875	+ 4.5	+4.8
Mason	26,832	+ 2.8	+4.3
Menard.	13,637	+ 2.7	+3.9
Montgomery	50,938	+ 4.6	+4.8
Morgan	67,824	+10.4	+6.7
Sangamon	316,233	+ 7.4	+5.3
Scott	8,039	+ 4.0	+2.9
Total Counties	$693,316	+ 5.7%	+4.9%

Source: Based on data from Illinois Department of Revenue.

SPRINGFIELD MARKET AREA
Percent Change in Retail Sales (1968, 1967 & 1963)

Business Classification								
Furniture & Home Furnishings		Lumber, Bldg., & Hardware		Automotive & Filling Stations		Misc. Retail Stores & Wholesalers		
% Change 1967-68	Yearly Rate of Change 1963-68	% Change 1967-68	Yearly Rate of Change 1963-68	% Change 1967-68	Yearly Rate of Change 1963-68	% Change 1967-68	Yearly Rate of Change 1963-68	
+ 3.7%	+ 4.7	+ 9.1%	+ 0.4	+ 3.2%	+7.6	+ 9.8%	+ 6.0	Springfield
								Counties
+ 0.6	+10.3	− 6.8	+ 4.1	+ 7.5	+2.5	+ 6.9	+ 7.5	Cass
+ 2.7	+ 5.5	−19.7	+ 1.1	+ 2.2	+2.6	− 3.6	− 1.2	Christian
+13.2	+12.6	−11.5	+ 3.0	+ 4.2	+1.5	+ 0.7	+ 3.0	Greene
+ 8.2	+ 9.4	− 1.2	+ 0.6	+ 8.5	+6.9	−15.2	+ 9.3	Logan
+ 1.7	+ 6.7	− 6.8	+ 4.4	+10.0	+5.0	− 0.8	+ 3.4	Macoupin
+ 3.4	+ 8.2	− 3.2	+ 4.7	+ 3.2	+2.3	+ 2.1	+ 3.1	Mason
−25.3	− 1.0	−10.0	+ 1.0	+ 6.4	+0.3	+ 1.4	+22.0	Menard
− 0.8	+ 6.7	− 8.9	+ 5.4	+ 7.9	+3.8	+ 3.6	+ 6.2	Montgomery
+ 7.7	+20.0	+ 0.7	+ 6.5	+18.4	+5.4	− 1.0	+ 5.3	Morgan
+ 2.0	+ 5.2	+ 8.2	+ 2.4	+ 5.6	+5.5	+ 9.1	+ 6.3	Sangamon
−12.4	− 4.5	− 0.1	+11.5	+ 9.1	+ .6	+49.0	+ 7.5	Scott
+ 2.8	+ 7.5	− 1.6	+ 3.1	+ 7.4	+4,7	+ 3.3	+ 5.9	Total Counties

Source: Based on data from the Illinois Department of Revenue

Technological

SIGNIFICANT REGIONAL NEWS

Robert Hall Co. May Return to Springfield

The Robert Hall Company is expected to announce plans for construction of a new retail clothing store in Springfield. A site, located east of the K-Mart shopping center on the east side of Springfield has been selected for an 8,400 square foot building. The firm operated a store in the downtown area until about 10 years ago. The proposed store would be part of a regional expansion program in which the company plans to build 30 stores in the next 18 months.

Allis-Chalmers Continues Expansion and Modernization

Work is underway to expand the Allis-Chalmers Manufacturing Company's plant to accommodate new division offices and production facilities. The construction machinery division headquarters were recently moved here from Milwaukee. Approximately $2.5 million is being spent to provide about 60,000 square feet of additional manufacturing space and to renovate the office building.

The Springfield plant should be capable of producing earth-moving scrapers by November 1, of this year. Plans are continuing to be developed to accommodate the production capabilities necessary for production of a new vehicle billed as "the world's largest crawler." Construction of the 66 ton crawler should begin in 1970. In line with these plans, 115 hourly employes were added to the Allis-Chalmers work force in April and more are to be added as the expansion plans progress.

Springfield's Medical Facilities are Increasing

Plans for a $2.2 million extended care medical facility in Springfield have been announced by Medicenter of America, Inc. The 200-bed five-story facility will be constructed just north of St. John's Hospital, northeast of the downtown area.

Medicenter, a firm based in Memphis, Tenn., has 65 such extended care units in cities around the nation. Construction is proposed to begin this summer.

More Money Available for Sangamon State University

The Illinois General Assembly approved an appropriation of $2.5 million from General Revenue for operations and construction of Sangamon State University, which will be located on the south side of Springfield. Also approved was a $10 million expenditure by the Illinois Building Authority for construction at the permanent campus. The university is expected to open in 1970 in temporary quarters. The appropriations were for the fiscal year ending June 30, 1970.

Revenue Operations Lift Springfield Employment

The Illinois Department of Revenue has indicated it plans to locate offices in Springfield for collection of the newly imposed income tax in the state. Employment by that new section is expected to climb to 500 within a few months, with an additional 250 employed during the busy season for tax return filings. Ultimately total employment is expected to exceed 1,000 persons.

The Department has indicated it will use a former Allis-Chalmers Manufacturing Co. plant facility as a temporary location and hopes to have a new building in Springfield built to its specifications to handle all Revenue operations in the future.

Construction in the City of Springfield

The following are brief sketches of some of the more important construction developments in Springfield.

1. The first portion of a $1.9 million apartment complex is now under construction. The opening phase of this project calls for eight 4-unit apartment buildings. The total project will include 188 units, on 10 acres, a swimming pool, tennis courts, and a laundromat. This apartment project, to be called Spencer Garden, will be Springfield's largest apartment development. In the same area, southwest of downtown, is the city's second largest apartment development. Only partially completed at the present time, this complex will have 178 units. Another large development with 108 units is planned for an area directly west of downtown.

2. Construction on the $249,000 addition to the Capitol Airport is almost completed. The terminal building addition will include a restaurant and cocktail lounge, room for radar equipment and additional office space that has been leased.

3. A building permit has been issued to Ponderosa Systems, Inc. to construct a restaurant on South Grand Avenue. The one story building will occupy 5,000 square feet and is estimated to cost $120,000.

MAJOR BUSINESS INDICATORS — SPRINGFIELD MARKET AREA
PERCENTAGE CHANGE:
MOST RECENT QUARTER, 1969, FROM SAME PERIOD, 1968

Indicator	Springfield SMSA*	Eleven County Springfield Market Area
Retail Sales		
(4th Qtr., 1968 - 4th Qtr., 1967)	+ 8.3%	+ 6.4%
Department Store Sales	+ .8	N.A.
Bank Debits	+ 5.0	N.A.
Employment		
Manufacturing	− 5.2	N.A.
Non-Manufacturing	+ 2.4	N.A.
Total	+ 2.5	N.A.
Value of New Building Permits		
(City of Springfield)		
Business	+54	N.A.
Residential	+49	N.A.
Total	+35	N.A.
Prices Received by Farmers		
(West-Southwest Reporting District)		
Corn		+ 9.9
Wheat		−11.3
Soybeans		0.0
Oats		− 6.4
Hogs		+11.4
Beef Cattle		+12.2
Eggs		+18.7
Ratio of Prices Received to Prices Paid by Farmers		
(Interest, Taxes and Wages Rates)		+ 3.0

*Springfield Standard Metropolitan Statistical Area includes all of Sangamon County.

Note: Data which were used in developing these indicators were obtained from various Federal, State, and Local sources and can be supplied by Copley International Corporation on request.

Springfield, Ill. - Business Conditions

Illinois State Journal
ILLINOIS STATE REGISTER

SPRINGFIELD-ILLINOIS-REVIEW OF BUSINESS AND ECONOMIC CONDITIONS

VOL. IX JULY-SEPTEMBER, 1969 NO. 3

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BUSINESS CONDITIONS

Expansion May Be Slowing

Economic activity showed considerable strength across the nation as the second quarter rolled to a close. There were, however, scattered signs that the expansion was slowing down slightly. The rise in employment began to taper and the unemployment rate edged up for the second month in succession. Most other indicators though, still reflected the economy's strength. Personal income rose by $6 billion in June compared to roughly $4.8 billion in both April and May. The gain was due to a combination of increased employment, longer average work week, and increased hourly earnings. It is expected that the personal income will continue its rise at least through the third quarter since the aforementioned conditions are likely to be present.

Construction contracts are down across the nation due to the tight money situation. The annual rate of private housing starts is down to about 1.45 million units. This is somewhat below the 1.6 million unit level that was anticipated for 1969. As the tightness of credit continues it is likely that further declines in construction will take place. The article on pages 2 and 3 examines construction activity in Springfield.

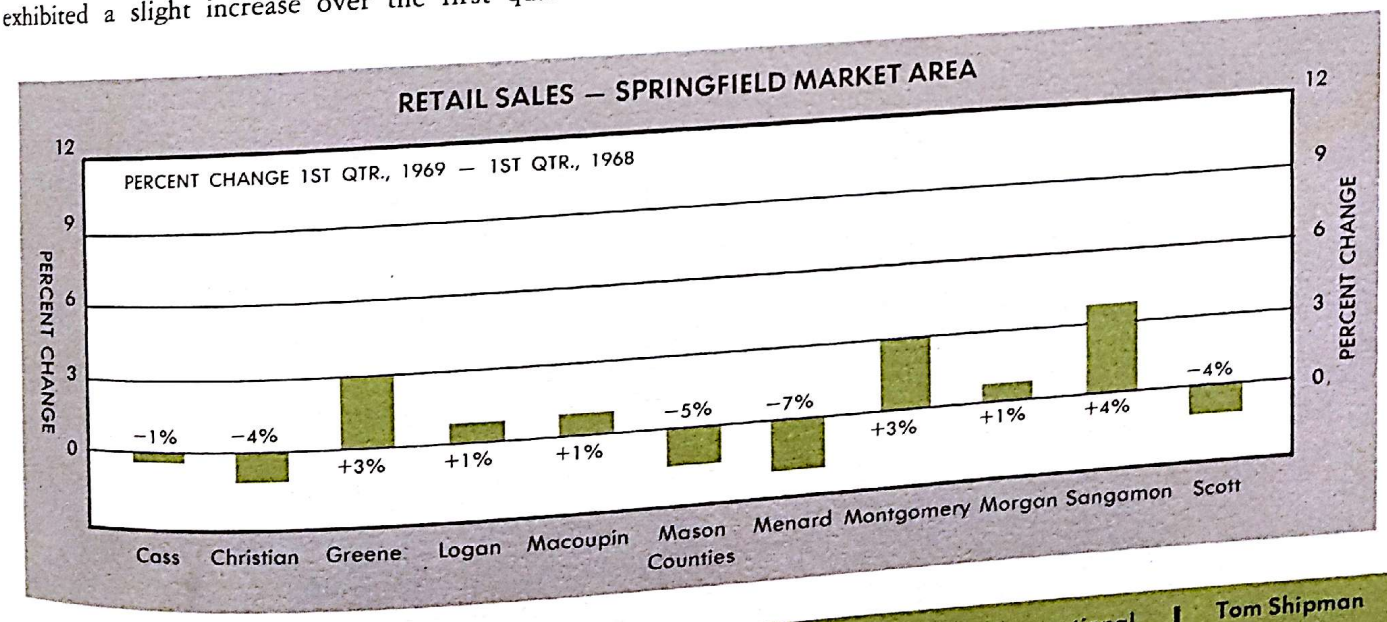
Retail Sales Stable During First Quarter

Taxable retail sales for the Springfield Market Area* exhibited a slight increase over the first quarter of 1968. The State of Illinois Department of Revenue reported that the 11 county area had retail sales of $152.8 million for January-March of 1969, up 1.4 percent over 1968. Springfield retail sales totaled $56.6 for the period, up 2.9 percent over last year.

First quarter General Merchandise Sales in the City of Springfield were even with the 1968 level of $9.97 million. Department store sales accounted for 78 percent of this category during the first quarter. Food sales were also slow with sales of $11.6 million for a 3 percent rise over last year's level.

It is interesting to note that Springfield's share of total taxable retail sales in the 11 county area has been increasing slightly over the past several years. During the first quarter of 1969 Springfield's share of sales in Eating and Drinking Establishments, Apparel and Accessory Stores, Furniture, Household, and Appliances, and Lumber, Building and Hardware Stores has increased by an average of 2 percent over 1968's first quarter. This is an indication of strength in Springfield's retail business community.

*Springfield is the largest city and principal retail and wholesale center of an eleven-county market in central Illinois. The market is comprised of the following counties: Cass, Christian, Green, Logan, Macoupin, Mason, Menard, Montgomery, Morgan, Sangamon and Scott. The market is served by two Copley Newspapers: *The Illinois State Journal* and the *Illinois State Register*.



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CONSTRUCTION IN SPRINGFIELD

There are, to be sure, many factors that influence construction work. These factors can, at times, work against each other or they can affect residential, commercial and other building categories in different ways. Among the forces that influence construction are: interest rates, money supply, construction wage rates and material costs, buyer's income and prospects for salary increases, general business conditions, and the cost of obtaining construction sites.

Generally, the present tight money conditions and high interest rates have begun to slow construction activity across the nation. Most of the recent increases in the value of new construction contracts can be attributed to rising costs rather than to increased construction activity. Also many companies that may have anticipated expansion a year ago now find that they are not operating at capacity and that they do not need to expand into new facilities.

In spite of the national trend in construction, building activity in Springfield is moving along at a healthy pace. According to building permit data published by the City of Springfield's Department of Public Health and Safety, the 603 building permits issued through July 31, 1969, represent $15.8 million of construction work. This is $4.2 million above last year's figure for the comparable period. If the present rate continues through December it is likely that the total value of permits issued during 1969 could reach a record $26.0 million.

Springfield Shows Gains

There are several reasons why construction in Springfield seems to be moving contrary to the national trend. First, many of the projects underway are of a long range nature. Sangamon State University and Lincoln Land Community College, and the improvement plan at St. John's Hospital, for example, all represent commitments that transcend the short term changes in the economy. Second, many private buyers are committing themselves now because they anticipate even higher prices looming ahead. Finally, as pointed out in previous articles, Springfield's stable mixed economy is not always influenced by current national market conditions.

The accompanying tables indicate the number and value of building permits issued in Springfield during the first two quarters of 1969, and all four quarters of 1968, 1966, and 1964. The table along the bottom indicates how the total value of permits is divided between residential and commercial permits.

The value of all building permits issued in the first half of 1969 is 45 percent over the 1968 level. New residential building permits have grown in value by almost 66 percent while the value of commercial permits has fallen by 20 percent when compared to the first half of 1968.

Trend Toward Apartment Living

Some of the growth in residential permit value can be attributed to apartment construction. Across the nation the trend toward apartment living has been extremely strong. Rental housing units made up 40 percent of all housing starts in 1968, which was almost double the 1960 proportion. The increased construction of apartments in Springfield could account for the fact that the average value of residential permits has jumped from $21,500 in the 2nd quarter of 1968 to $41,000 for April through June, 1969.

Table VI
Distribution of Permit Value by Source

	1964					1966				
	Quarters					Quarters				
Type of Permit	1st	2nd	3rd	4th	Year	1st	2nd	3rd	4th	Year
New Residential	43.0%	91.4%	38.4%	45.0%	50.0%	19.8%	41.7%	60.6%	58.4%	34.7%
New Commercial	45.5	3.3	47.5	15.2	32.0	33.4	31.7	23.2	24.5	30.9
All Other Permits	11.5	5.3	14.1	39.8	18.0	46.8	26.6	16.2	17.1	34.4
Total Value of Permits	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%

	1968					1969			
	Quarters					Quarters			
Type of Permit	1st	2nd	3rd	4th	Year	1st	2nd	3rd	4th
New Residential	57.7%	41.8%	70.8%	44.6%	50.5%	67.6%	49.9%	N.A.	—
New Commercial	29.9	23.3	12.2	42.1	29.6	6.4	17.0	N.A.	—
All Other Permits	12.4	34.9	17.0	13.3	19.9	26.0	33.1	N.A.	—
Total Value of Permits	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%		

Source: City of Springfield Department of Public Health and Safety

Table I
City of Springfield
All Building Permits Issued

Period	1964 Value (000)	1964 No.	1966 Value (000)	1966 No.	1968 Value (000)	1968 No.	1969 Value (000)	1969 No.
1st Quarter	$ 3,462.3	148	$12,413.4	228	$ 3,687.6	168	$ 3,735.7	172
2nd Quarter	2,864.2	256	7,524.5	314	6,167.6	315	10,585.5	307
3rd Quarter	6,479.9	278	2,476.6	180	3,637.6	229	N.A.	N.A.
4th Quarter	3,878.0	207	2,858.5	168	8,091.6	289	—	—
Total	$16,684.4	889	$25,273.0	890	$21,584.4	1001	—	—

Table II
New Residential Permits Issued

Period	1964 Value (000)	1964 No.	1966 Value (000)	1966 No.	1968 Value (000)	1968 No.	1969 Value (000)	1969 No.
1st Quarter	$ 1,488.4	85	$ 2,457.9	154	$ 2,128.5	92	$ 2,524.5	85
2nd Quarter	2,618.4	141	3,139.3	172	2,578.6	120	5,280.9	129
3rd Quarter	2,487.9	137	1,501.3	77	2,576.5	99	N.A.	N.A.
4th Quarter	1,743.6	111	1,668.5	73	3,607.5	117	—	—
Total	$ 8,338.3	474	$ 8,767.0	476	$10,891.1	428	—	—

Table III
New Commercial Permits Issued

Period	1964 Value (000)	1964 No.	1966 Value (000)	1966 No.	1968 Value (000)	1968 No.	1969 Value (000)	1969 No.
1st Quarter	$ 1,577.3	9	$ 4,149.6	12	$ 1,102.7	6	$ 242.0	6
2nd Quarter	94.0	6	2,383.9	23	1,434.5	20	1,797.0	15
3rd Quarter	3,076.5	16	573.6	8	442.3	6	N.A.	N.A.
4th Quarter	590.8	8	701.0	5	3,404.0	18	—	—
Total	$ 5,338.6	39	$ 7,808.1	48	$ 6,383.5	50	—	—

Source: City of Springfield, Department of Public Health and Safety

Several Public Housing Projects Underway

The Springfield Housing Authority's first turnkey project has now been approved by HUD. Construction is to start immediately, and the first of 76 units are expected to be ready for occupancy by next spring. HUD approved a 1.5 million dollar federal contribution for the work.

Bids for two additional public housing projects also have been called for; both also turnkey projects that have received HUD approval. One is a 151-unit high rise for elderly residents; the other another 76 units of low income housing that will be scattered in all four quadrants of the City.

Under the turnkey method, private developers chosen by bid arrange for financing, design and construction and they sell the units to the Housing Authority. The federal government, through its grants, guarantees to pay the bill upon completion.

Modular Home Plant to Locate Near Springfield

Martin Modules, Inc., is building a 46,000 square-foot plant for production line construction of modular homes. The plant is expected to begin operations by January, 1970. Initially from 80 to 100 people will be employed along the plant's two production lines. The plant will turn out 12-foot wide modules of varying lengths at the rate of one per hour. The model that is expected to be the most popular is the two-module home with 1,000 square feet of floor space. This model will sell for about $10,000 F.O.B. Chatham, Illinois. Martin Modules plans to ship the modules in a completely finished condition. This can include wall-to-wall carpeting, appliances, and furniture.

New National Bank Planned for Springfield

The first nationally chartered bank to be organized in Springfield in 90 years will open for business next May. The planned single story brick structure which will include drive-in facilities is to be located on Cook Street across from the new post office building. The Peoples National Bank will also be the first bank in the State of Illinois outside of the City of Chicago to have black officers.

Plans Advance for Lincoln Land Community College and Sangamon State University

The Lincoln Land Community College Board recently approved design plans for the campus. Final plans for the first of four phases are scheduled to be finished on December 1. The first phase of construction will cost more than 3.0 million dollars and is scheduled for completion in the fall of 1971.

A 2.6 million dollar appropriation to begin construction and temporary operations of Sangamon State University, planned new senior college in Springfield, have now been signed into law along with legislation officially creating and naming the university. Present plans call for opening the university in temporary quarters, on its permanent campus at the south edge of the city, by the fall of 1970.

Construction in the City of Springfield

Following are some brief sketches of recent construction and renewal activities in Springfield.

1. Lincoln Land Development Company received approval on a request for zoning reclassification of some property along Washington and Chatham Road. The area is now zoned as a uniform community shopping district. This change permits construction of a shopping center on the land. Included in the shopping center plan are a restaurant, gasoline station, grocery store and several variety stores. No completion data has been set.

2. The State has bought a building from the Allis-Chalmers Manufacturing Company at Eleventh and Ash Streets, for use by the State Department of Revenue as a collection and bookkeeping center for the new State income tax. The State paid $900,000 for 150,000 square feet, most of the Allis-Chalmers building. Remodeling, to fit the requirements of the income tax division, is now scheduled for completion in November — at a cost in excess of $800,000. The site is to be temporary, however; State officials have stated their intention to have an entirely new structure built for the whole department and ready for occupancy within three years. As of October, 314 persons were employed in the income tax collection quarters.

MAJOR BUSINESS INDICATORS — SPRINGFIELD MARKET AREA PERCENTAGE CHANGE: MOST RECENT QUARTER, 1969, FROM SAME PERIOD, 1968

Indicator	Springfield SMSA*	Eleven County Springfield Market Area
Retail Sales (1st Qtr., 1969 - 1st Qtr., 1968)	+ 2.9%	+ 1.4%
Department Store Sales	+ 4.4	N.A.
Bank Debits	+ 6.8	N.A.
Employment		
Manufacturing	− 5.9	N.A.
Non-Manufacturing	+ 2.6	N.A.
Total	+ 1.8	N.A.
Value of New Building Permits (City of Springfield)		
Business	+31.8	N.A.
Residential	+21.8	N.A.
Total	+48.4	N.A.
Prices Received by Farmers (West-Southwest Reporting District)		
Corn	—	+20.0
Wheat	—	+ 3.5
Soybeans	—	0.0
Oats	—	− 4.1
Hogs	—	+27.6
Beef Cattle	—	+19.5
Eggs	—	+10.0
Ratio of Prices Received to Prices Paid by Farmers (Interest, Taxes and Wages Rates)	—	+ 9.6

*Springfield Standard Metropolitan Statistical Area includes all of Sangamon County.

Note: Data which were used in developing these indicators were obtained from various Federal, State, and Local sources and can be supplied by Copley International Corportion on request.

Springfield 200 -- Business conditions

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Illinois State Journal
ILLINOIS STATE REGISTER

SPRINGFIELD-ILLINOIS-REVIEW OF BUSINESS AND ECONOMIC CONDITIONS

VOL. IX OCTOBER-DECEMBER, 1969 NO. 4

BUSINESS CONDITIONS

Business Activity

Business activity on the national level has begun to show signs of slackening. Non-agricultural employment in November showed little change on a seasonally adjusted basis. Offsetting gains made in contract construction, State and local government and trade was a decrease in durable goods manufacturing. Even considering the strike at General Electric which was responsible for most of the decline, non-agricultural employment showed a smaller increase in November than in October. Key indicators such as employment and personal income are recording smaller monthly gains while housing starts and industrial production continue to decline.

A survey by the U.S. Department of Commerce shows that manufacturers expect larger inventory increases in the fourth quarter coupled with a slower rate of sales expansion. The moderation in sales growth is expected to continue in early 1970.

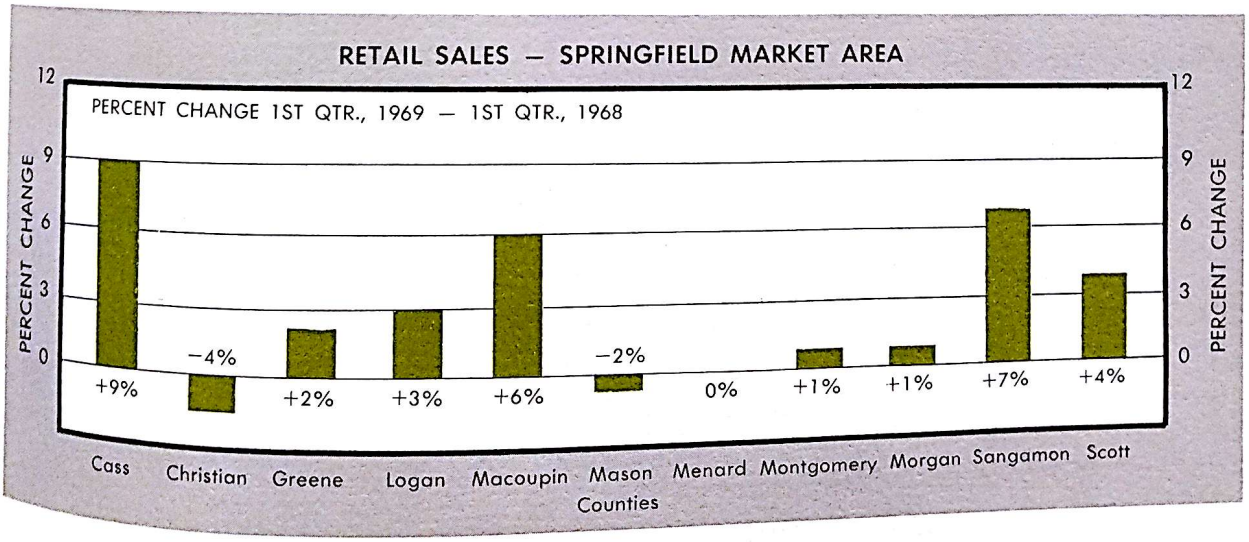
Retail Sales Increase

Taxable retail sales in the second quarter of 1969 showed a 3.7 percent over the same period in 1968. Sales were $182.8 million compared to $176.2 million in 1968 and $152.8 million in the January-March period of 1969.

Seven of the 11 counties registered gains in the second quarter of 1969 as compared to the same quarter in 1968. Of the seven counties, Greene, Logan, Macoupin, Montgomery, Morgan and Sangamon continued the upward trend established in the first quarter of 1969 as compared to that quarter in 1968. Cass and Scott counties reversed decreases that occurred in the first quarter. Cass County had shown a one percent decline in the first quarter but was able to show a nine percent increase in the second quarter compared to the same periods in 1968. Scott County changed from a four percent decrease to a four percent increase. Christian, Mason and Menard counties continued the downward movement in the second quarter that was established in the first quarter.

Sangamon County accounted for 46 percent of the retail sales in the Springfield Market Area.* The City of Springfield accounted for 78 percent of sales in Sangamon County and 36 percent of sales in the total market area.

*Springfield is the largest city and principal retail and wholesale center of an eleven-county market in central Illinois. The market is comprised of the following counties: Cass, Christian, Green, Logan, Macoupin, Mason, Menard. Montgomery, Morgan, Sangamon and Scott. The market is served by two Copley Newspapers: *The Illinois State Journal* and the *Illinois State Register*.



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Don V. Hansen
Economist

Technological

AGRICULTURE IN THE 11-COUNTY REGION

Agriculture is an important segment of the Illinois economy and the Springfield Market Area is a significant contributor to the State's agricultural production. Income derived from the sale of agricultural products allows farm families to purchase needed goods and services thereby providing support to other segments of the economy. In addition, the processing of farm products creates further employment and income.

Farm Income

Farm income has been steadily rising. An examination of Table 1 shows that between 1959 and 1967 the average net income per farm has risen 87.9 percent. This is approximately an 8.2 percent annual increase.

In determining realized gross farm income, consideration was given to the value of farm products raised for home consumption and to the rental value of farm dwellings. Realized gross average income per farm has risen from $12,869 in 1959 to $20,698 in 1967 for a gain of approximately 60.8 percent. This is an annual rate of approximately 6.1 percent.

Net farm income has risen at a faster rate than gross income. One of the factors contributing to the more rapid increase in net farm income has been economies of scale resulting from larger farms. In 1959 the number of farms in Illinois was 164,000 comprising 30,900,000 acres. The average farm size was 188 acres. In 1969 there were 129,000 farms totaling 29,700,000 acres and average farm size was up to 230 acres. This increase in average farm size has allowed more efficient use of men and equipment to produce greater amounts of agricultural products.

Efficiency of operation is reflected in decreased farm production expenses. In 1959 such expenses were 76.2 percent of realized gross farm income while in 1967 they had decreased to 74.5 percent.

County Agricultural Production

Tables II and III reflect the dollar value of selected agricultural products as a percentage of Illinois production. Of the 11 counties Sangamon leads in soybean and corn production, Logan in oat production, Macoupin in wheat and cattle, and Green and Macoupin in hogs. Scott County is the lowest producer of five of the seven agricultural products selected.

It is interesting to note that despite the fact that Sangamon County is the most urbanized county in the 11-county trading area, it is a leading producer of agricultural products. Total production of the selected products in Sangamon County was 11.2 percent of Illinois production. Only Macoupin County was able to exceed this figure. On the other end of the spectrum Scott County was only able to account for 3.7 percent of Illinois production.

Farm output of the selected products within the 11-county area is a significant portion of Illinois production. The exception to this is oat production which is only 4.1 percent. The greatest contribution by the 11-county area is in wheat and soybeans.

Of the 11 counties only Green, Macoupin, Montgomery and Morgan were able to increase the volume of soybean production over the previous year. None of the counties were able to increase corn production. Macoupin and Scott Counties were unable to increase the output of oats while Green was the only county able to increase wheat production.

Agriculture will continue to play a leading role in the economy of the 11-county region despite the fact that it is the slowest growing sector of the economy as measured by such indicators as employment, value of output and unit volume of output.

National Position

A glance at Table III indicates the ranking of Illinois in agriculture. Cash receipts show that the State ranks in the top five among the states. The leading crops are corn and soybeans. In livestock and poultry production Illinois is in the lower ranks.

Table 4
ELEVEN COUNTY AGRICULTURAL PRODUCTION (1968)

Crops (000 bushels)	Cass	Christian	Green	Logan	Macoupin
Soybeans (for beans)	1487.9	4418.3	2079.6	3596.4	4054.9
Corn (for grain)	6062.9	16064.6	7240.7	16673.3	11302.2
Oats	91.7	132.5	56.1	719.5	115.0
Wheat	638.3	1291.5	865.2	576.9	1480.4
($mil.)					
Soybeans (for beans)	$3.6	$10.8	$5.1	$8.9	$9.9
Corn (for grain)	6.4	16.9	7.6	17.7	11.9
Oats	.06	.09	.04	0.4	.08
Wheat	0.8	1.6	1.1	0.7	1.8
Livestock Inventory Dec. 31, 1968 ($million)					
All Cattle	$2.9	$3.8	$7.0	$4.2	$9.4
Hogs	2.0	1.8	4.4	1.7	4.4
Stock Sheep	.02	.04	.03	.06	0.1

Table 1
ILLINOIS FARM INCOME, 1959-1967

Year	Realized Gross Farm Income ($mil)	Total Net Income All Farms ($mil)	Average Net Income Per Farm ($)
1959	$2110.5	$564.2	$3440
1960	2152.9	572.8	3602
1961	2301.9	713.6	4604
1962	2474.8	741.4	4910
1963	2505.0	755.0	5101
1964	2508.9	625.7	4345
1965	2594.6	896.5	6404
1966	3046.5	934.3	6870
1967	2752.8	859.7	6464

Table 2
PERCENTAGE OF 1968 ILLINOIS AGRICULTURE
(dollar value of selected commodities)

County	Soybeans (for Beans)	Corn (for Grain)	Oats	Wheat	Livestock Inventory Value: All Cattle*	Hogs	Stock Sheep	Total
Cass	0.7%	0.6%	0.2%	1.2%	0.5%	0.9%	0.4%	4.5%
Christian	2.3	1.8	0.3	2.5	0.7	0.8	0.6	9.0
Green	1.0	0.8	0.1	1.7	1.3	1.9	0.5	7.3
Logan	1.8	1.9	1.5	1.1	0.8	0.7	1.1	8.9
Macoupin	2.0	1.2	0.2	2.9	1.7	1.9	2.1	12.0
Mason	1.0	0.9	0.3	1.9	0.4	0.3	0.3	5.1
Menard	0.9	0.8	0.2	0.9	0.5	0.6	0.6	4.5
Montgomery	1.7	1.1	0.4	2.2	1.2	1.0	1.2	8.8
Morgan	1.4	1.1	0.3	1.7	1.1	1.7	1.7	9.0
Sangamon	2.4	2.1	0.5	2.0	1.1	1.4	1.7	11.2
Scott	0.5	0.5	0.1	0.9	0.4	0.8	0.5	3.7
Total	15.7%	12.8%	4.1%	19.0%	9.7%	12.0%	10.7%	

*Includes milk cows

Table 3
ILLINOIS' POSITION IN THE NATION'S AGRICULTURE, 1968

Commodity Group or Commodity	Unit	U.S. Total (millions)	Illinois Total (millions)	Illinois as % of U.S.	Illinois' Rank Among States
Cash Receipts From Farm Mktgs.					
Crops	Dollars	18,424.6	1,330.0	7.2	2
Livestock	Dollars	25,640.6	1,261.5	4.9	5
Total	Dollars	44,065.2	2,591.5	5.9	4
Major Crops					
Soybeans	Bushels	1,079.7	204.4	18.9	1
Corn	Bushels	4,374.8	901.6	20.6	2
Oats	Bushels	929.5	49.9	5.4	6
Wheat	Bushels	1,570.4	53.1	3.4	10
Livestock & Poultry					
Cattle on farms	Head	108.8	3.4	3.1	11
Fed cattle mktd	Head	23.0	1.3	5.7	7
Pigs saved	Head	94.5	11.7	12.4	2
Sheep on farms	Head	21.1	0.4	1.8	17
Chicken on farms	Head	424.6	11.1	2.6	15
Milk production	Pounds	117,281.0	3,109.0	2.7	9
Egg production	Number	69,326.0	1,856.0	2.7	15

[1] 32 states

Source: *Illinois Agricultural Statistics*, 1969

Table 4
ELEVEN COUNTY AGRICULTURAL PRODUCTION (1968)

Crops (000 bushels)	Mason	Menard	Montgomery	Morgan	Sangamon	Scott
Soybeans (for beans)	2054.8	1780.3	3527.2	2855.6	4898.4	1057.1
Corn (for grain)	8291.3	7321.5	9742.5	10237.0	18983.5	4240.8
Oats	154.7	80.7	192.8	139.4	245.9	29.4
Wheat	974.4	459.5	1155.5	898.7	1007.0	459.9
($mil.)						
Soybeans (for beans)	$5.1	$4.4	$8.6	$7.0	$11.9	$2.6
Corn (for grain)	8.8	7.8	10.3	10.8	20.0	4.5
Oats	0.1	49.7	0.1	.09	0.2	.02
Wheat	1.2	0.6	1.4	1.1	1.2	0.6
Livestock Inventory Dec. 31, 1968 ($million)						
All Cattle	$2.3	$2.4	$6.7	$6.0	$5.7	$2.2
Hogs	0.7	1.5	2.3	3.8	3.2	1.7
Stock Sheep	.02	.03	.07	0.1	.09	.03

Lincoln Land Community College

Design development for the first phase of the College's permanent campus has been completed. Contractors should be able to bid on this phase by January 15, 1970. However, before this can occur, a freeze on State funds for this phase must be removed.

The first phase will provide automotive mechanic and agriculture work areas, a portion of the library, a paramedical laboratory and some science facilities. Additional work will include parking spaces for 455 cars and partial excavation of the small lake located on the north side of the campus. Occupancy of the facilities is to take place in the fall of 1971.

The second phase of the development program will be ready for bids by June 30, 1970. This phase will complete the science and library facilities located in the first major building of the campus, and begin construction of the second of three main buildings. Administrative offices and classrooms will be included in this phase. Dining facilities and a student union will be left for the third place.

A gymnasium will also be built during this phase and additional parking space provided.

A theatre and two smaller gymnasiums will be the major effort of the third phase and work on the lake will also be done at this stage. By 1975 the final phase will complete the $18 million campus. Completion of the lake, parking lot and any additional facilities will occur at this time.

Lincoln Land is trying for a $1 million federal grant that would enable it to include part of the phase three construction in phase two. The grant would permit the construction of dining facilities, the student union, and a walkway to the gymnasium-theatre complex in the second phase.

Sangamon State University

A curriculum for Sangamon State University's first year was expected to be approved by the State Board of Higher Education by January 6.

The first curriculum will offer degrees in elementary and secondary education, business administration, accounting, marketing, government, economics, history, mathematics, psychology, and related fields.

Master's degrees will be offered in public, business, and educational administration, biological sciences, economics, English, government, mathematics, psychology, and sociology.

SSU will open in the fall of 1970 with 500 students in temporary quarters. The first permanent buildings are expected to be ready by the fall of 1971.

By 1972, the university plans to have 80 faculty members teaching in some 30 separate fields. An enrollment of 18,000 is expected by 1982.

Construction in the City of Springfield

Construction in Springfield set a new yearly record as building permits issued in October raised the value year to date figures to $32.7 million. The previous yearly record was set in 1963 when permits for $25 million were issued. Included in the $14.1 million October figures were the $5.9 million Horace Mann office building, the $6 million V. Y. Dallman power plant addition and a $1.3 million turbine powered generating station to be located on the near northeast side.

Sitework for a new J. C. Penney shopping complex is expected to begin soon. The site is located at the intersection of Bypass 66 and South Grand Avenue. Buildings are scheduled to be ready by 1971. The store, consisting of 181,828 square feet, will provide a supermarket, beauty salon and beauty department, prescription pharmacy, pet shop, garden center and a broad selection of Penney's private brand products. Attached to the store will be an auto center supplying auto accessories, complete repair service and gasoline.

Plans for an $8 million Civic Center Complex are expected to be announced early in the new year.

Architectural sketches for a $12 million two-building center were displayed in 1969, but the estimated cost exceeded the bonding power of the public agency in charge of its construction. The plans were returned to the architect for modification to stay within the $8 million figure.

County Budget

The Sangamon County Board of Supervisors approved a $4.6 million budget for the 1970 fiscal year. The budget represented an increase of about $370,000, but at the same time the supervisors reduced property taxes by about $300,000. The tax reduction was made possible because of the revenue produced by the state income tax. The major fund increases were in the tuberculosis fund, the jail and jail accounts fund, the courts ward fund, and the Illinois Municipal Retirement Fund.

MAJOR BUSINESS INDICATORS — SPRINGFIELD MARKET AREA PERCENTAGE CHANGE: MOST RECENT QUARTER, 1969, FROM SAME PERIOD, 1968

Indicator	Springfield SMSA*	Eleven County Springfield Market Area
Retail Sales (2nd Qtr., 1969 - 2nd Qtr., 1968)	+ 6.0%	+ 3.8%
Department Store Sales	+ 2.6	N.A.
Bank Debits	+ 11.6	N.A.
Employment		
Manufacturing	+ 2.4	N.A.
Non-Manufacturing	+ 7.0	N.A.
Total	+ 2.6	N.A.
Value of New Building Permits (City of Springfield)		
Business	+382.3	N.A.
Residential	− 3.6	N.A.
Total	+287.0	N.A.
Prices Received by Farmers (West-Southwest Reporting District)		
Corn		+24.7
Wheat		0.0
Soybeans		− 2.9
Oats		− 1.6
Hogs		+33.5
Beef Cattle		+11.2
Eggs		+ 3.0
Ratio of Prices Received to Prices Paid by Farmers (Interest, Taxes and Wages Rates)		+ 9.0

*Springfield Standard Metropolitan Statistical Area includes all of Sangamon County.

Note: Data which were used in developing these indicators were obtained from various Federal, State, and Local sources and can be supplied by Copley International Corporation on request.

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SPRINGFIELD-ILLINOIS-REVIEW OF BUSINESS AND ECONOMIC CONDITIONS

VOL. X JANUARY-MARCH, 1970 NO. 1

BUSINESS CONDITIONS

National Labor Force and Employment Trends in the 1970's

The U. S. Department of Labor forsees significant changes in the labor force during the 1970's. If their forecast is correct, the labor force will reach approximately 100 million men and women who will be younger and better educated than the present working force. The estimated 22 percent increase in the labor force will include more Negroes, more women, more managers and more part time workers.

Youth and educational level will distinguish the 1970's labor force. Half of the growth in the labor force will be workers between ages 25 and 34. Seventy percent of all workers will have finished high school, as opposed to 60 percent in 1968. As educational levels increase, the percent of teenage workers will taper off. Half of all adult Negroes in the labor force will have the equivalent of a high school education, compared with just under 40 percent in 1968.

The Labor Department estimates 48 million jobs will become available between 1968 and 1980. About 28 million will be in white-collar occupations, 11 million in blue-collar work, nine million in services, and only about 300,000 in agriculture. Employment in agriculture and mining will continue to decline. Instead of the existing shortage of qualified teachers, there will be a surplus.

An increase in the number of new marriages will create a greater demand for durable goods. Nevertheless, the growth of the service industries will continue to outstrip the gains of the goods-producing industries.

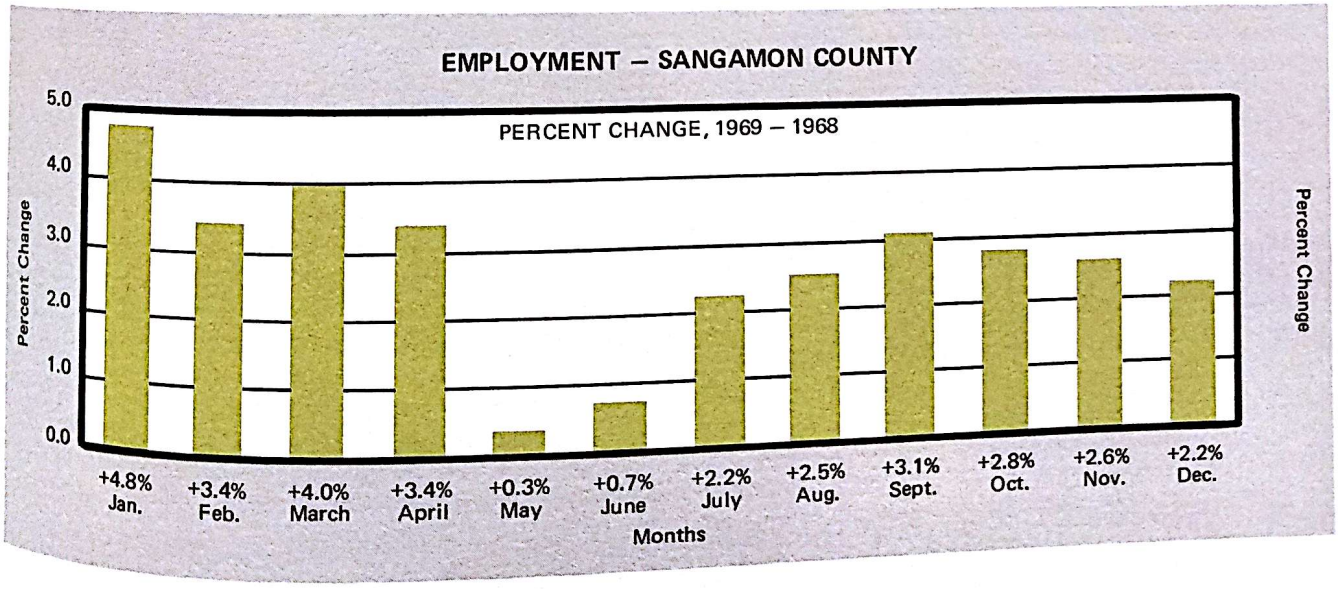
Sangamon County Employment

Average monthly employment in Sangamon County increased from approximately 70,179 in 1968 to 72,040 in 1969. This represents an increase of 2.7 percent. An examination of the manufacturing and non-manufacturing sectors reveals average manufacturing employment decreasing from 10,021 to 9,975 while non-manufacturing employment increased from 50,188 to 52,658, or a 0.5 percent decrease and a 4.9 percent increase respectively.

Each month of 1969 showed an employment increase over the same month in 1968. The first four months of 1969 represented significant gains, but growth almost came to a standstill during the months of May and June. During the remainder of the year employment growth rates ranged between 2.2 percent and 3.1 percent.

Unemployment rates during 1969 indicated an extremely tight labor market. The annual unemployment rate was 3.1 percent which was lower than the 3.5 percent national rate.

Demand for workers in Springfield continued to exist in the professional, managerial, and clerical fields. Engineers, accountants, nurses, stenographers and typists remained in short supply.



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Don V. Hansen
Economist

POLLUTION: A GROWING URBAN PROBLEM

The increased attention given to problems of environmental pollution during the past several years has made several facts clear. Pollution is increasing in most urban areas; it detracts from physical, psychological and economic well being and it is a very tenacious problem with which to deal. Both government and business will be more deeply involved in pollution control efforts in the near future. Some authorities feel that crises could occur very soon in some of the more seriously blighted areas. The following article presents a discussion of how the price system, the cornerstone of a free enterprise economy, might be extended to include and thereby control pollution in an efficient manner.

POLLUTION CONTROL AND THE PRICE SYSTEM[1]

Before discussing the question of pollution directly, several basic ideas from economic thought need to be recalled. The first concerns the concept of "marginalism" as a guide to making rational decisions. Its simple logic merely says that to derive the maximum net gain from any activity, it should be operated up to the point where the marginal (incremental, extra) benefit to be gained from any further action just equals the marginal costs of such action. Below this point, an extra step would yield more than it cost; above it, less.

With regard to pollution, this means finding and proceeding to that level of abatement where the costs of further action begin to exceed the benefits. One immediate conclusion that springs from this principle is that such action as demanding a ten percent reduction in pollution from all sources will be inefficient and wasteful of resources. Clearly, where it is less costly to reduce, greater reduction should occur. In a truly efficient control program, the amount of pollution abated per marginal dollar spent should be the same everywhere. If not, it would pay to switch expenditures from over-used controls to under-used ones, thereby attaining an overall net gain in abatement at the same cost.

The second concept concerns the difference between "private" costs and "social" costs, and how the free enterprise system leads to what is called an "efficient" state of the economy. In competitive markets, where Adam Smith's famous "invisible hand" of competition can operate, the price system provides the signals and incentives to coordinate the private, goal-seeking activities of millions of individuals with the production opportunities made available by the amount and quality of society's resources (land, labor, capital, and technology). Firms, to stay in business, must produce competitively. This requires (1) comparing the values (prices) of alternative outputs and production levels with the values (costs) of all available inputs; (2) weighing relative productivities in the light of technology and managerial expertise; and (3) applying the marginality principle to obtain the greatest return on invested efforts.

Consumers, on the other hand, weight the relative prices of all the goods on the market and buy the most satisfying mixture commensurate with their incomes. The more desirable a good to more people, the more it will be demanded. The end result of this consumer-firm reaction is that each good will be produced in quantities that reflect and reconcile consumers' tastes with society's production opportunities. In addition, it will automatically lead to what is called a socially "efficient" state of the economy. By efficient is meant that it is no longer possible for anyone to be made better off without making someone else worse off. Moreover, the system is self-regulating and self-policing. Everyone is free to act in his own behalf and self-interest provides incentive. Direct, central control is not needed; an efficient state is reached simply by all parties knowing all the costs of all the activities involved.

Market Imperfections

But this state is not reached and decisions are not socially efficient unless each firm must compensate somebody for every cost imposed by its production. This is usually the case, brought on by competition. A producer is forced, for example, to pay his employes a competitive wage equal to what an alternative producer would pay them, which is the value of what they would produce for him, which is the social cost of labor. Here, private and social costs are equated. But if a producer disposes of his wastes in a manner that affects others, yet pays nothing for this disposal, private and social costs will not be equated and private profit-maximizing decisions will not be socially efficient.

Buyers of the product will make decisions based on market prices that do not reflect the true social-costs of the products. The prices will be too low and result in over-production, a non-optimal, inefficient state. It is this divergence between private and social costs that forms the fundamental reason for pollution. It can occur at any time and under any economic system whenever all costs are not taken into account.

Possible Approach

A study of the ideas expressed above suggest a three-step approach to a rational control of pollution. First, estimate the benefits of reducing pollution to various levels. Second, estimate the costs of such reductions. Third, set up a method of maintaining that control system which reduces pollution to that level where the costs of further abatement would begin to exceed the benefits. (The question of who should pay the costs is not explored here.) Actually, these steps may be interdependent, but for illustration, may be viewed separtely.

Consider first the problem of measuring the benefits of abatement. These are whatever costs are saved when pollution levels drop. Some direct costs are not too difficult to estimate, such as extra painting or laundry due to dirtier air. But indirect, subjective costs — slowly disappearing mountain views, turbid and poisoned water, gradually blackening lungs — defy precise valuation.

[1] Adapted from an address by Dr. L. E. Ruff, Department of Economics, University of California, San Diego.

No market exists, or doubtfully ever could exist, for these goods to compel people to consciously evaluate and express their preferences. That is, the process of deciding the trade off between more powerful cars or less smog is no different from deciding between more room or less rent. But the absence of a market for cleaner air makes it impossible for individuals to actually do this and thereby reveal what it is worth to them. Instead, politicians now argue over what the people "really" want.

Indirect methods for valuation have been suggested, however, such as inferences from other prices. Just as the value of an ocean view can be inferred from real estate prices, so might property in non-polluted areas carry higher prices, everything else equal. Another suggestion is to conduct polls asking people how much they feel pollution costs them. Unfortunately, though, truthful responses cannot be guaranteed. Those fearing they will have to pay the amount they cite will probably understate, and those expecting full compensation may overstate. Furthermore, those living nearer polluted areas would probably be willing to pay more, which should be taken into account. At any rate, the task of measuring the true benefits of abatement should be undertaken, even if only crude approximations are possible at first. Research and improvements can be made along the way. But to assume the benefits are infinite, as many do, is as wrong as assuming they are nil.

The second step, estimating the actual costs of abating pollution to various levels, would appear necessary in order to compare these with the benefits and decide the optimal level of abatement. The abatement costs, incidentally, are what are saved when pollution is allowed to continue and are, therefore, the benefits of pollution. If a Pollution Control Board (PCB) were set up to do this, it would probably begin by estimating, for each source, the cost of reducing pollution 10 percent, 20 percent, etc. But the practical difficulties of doing this are staggering.

The PCB would have to know as much about each plant as the operators themselves, and technological change could quickly outmode control devices. Moreover, muzzling existing plants and autos is not the only control method; plants can move, or switch processes, or even products. Indeed, the PCB could never begin to know the infinite variety of control patterns. Furthermore, the problem of enforcement becomes formidable. The most popular method in our bureaucratic times is simply direct regulation: specify controls and force each firm to obey. The shortcomings are many. Plants and drivers have little incentive to install or maintain devices, so constant inspection is needed.

Once they conform, they are no longer liable for what happens, and have no incentive for finding better controls. In addition, the necessary bureaucracies needed for direct regulation have seldom been known for their vigor or innovation. Another approach might be to establish maximum "acceptable levels" of pollution from each source, letting it find the cheapest control. But to be efficient, "acceptability" should reflect relative abatement costs, and the plants' own estimates could hardly be objective. Negotiating the levels might lead to political pull complications; even without this, if cheaper control methods meant tighter regulation, incentive to develop new techniques would wither. A third approach, subsidies, would require knowing which controls to subsidize for efficiency, and also be subject to all the other ills.

Automatic System Needed

Clearly, what is needed is a self-regulating system which would () automatically adapt to changes, (2) provide incentives for better control, (3) allow plants to decide what is best for them, (4) reduce the need for detailed control, and yet (5) yield an efficient solution — a tall order by any standards. But if each type of pollution carried a price just like other production costs, many of these goals might be achieved. Such prices would differ from market transaction prices only in that the PCB would set them instead of demand-supply forces and authorities would force payment. Otherwise, they would serve all the functions of ordinary prices and lead to efficiency, provided the prices have been set properly to reflect the true marginal social costs.

Of course, the PCB would still function to monitor pollutant outputs, collect fees, and conduct pollution research including methods to determine the correct prices. But it would have to do these things under any other system as well, and much, much more. Extremely dangerous pollutants would still have to be outlawed (jail would constitute a very high price). But other types would each carry a per unit price, varying with quality, location, and perhaps season. Everyone would be subject to the same prices and could adjust however he wished. The PCB would not negotiate, threaten, or grant favors. Since lower pollutant output would lower the bill from the PCB, there would be a constant incentive for improvements.

Pertinent Example

In California, smog offers the possibility for a pilot study. Engineering tests to determine the average smog pollutant output of different makes of cars, gasolines, and industrial processes could be made. A first set of prices (varying with the quality of pollutant and geographic locations, but the same for any producer of the same pollutant in the same location) could be instituted, based on a first approximation to the true social costs. If observed results appeared unsatisfactory or unrealistic, the price list could be revised, and further experimentation made.

Perhaps referendums might be held, with each side trying to convince the electorate what the "true" costs are, similar to the way flouridation is handled. The current smog device law for cars is hardly ideal. It forces a person to install a specified device, no more, no less; little wonder drivers have no incentive to maintain them properly. Under the price system, each person would have incentive to lower his pollution in order to lower his bill (computed on the basis of the engineering tests and price list). But each would have the freedom of deciding what is best under his particular circumstances.

Technological

City Expansion

Action is expected in the near future regarding the annexation of 418 acres of land between the Sangamon River and the fairgrounds. This land is in the vicinity of Riverside Park. Annexing this land may be the beginning of further additions of land which are contiguous to the Riverside Park area.

Sangamon State University

Bids on erection of temporary buildings for the University were opened in mid-February. Apparent low bids will be submitted in March to the Board of Regents for approval. These temporary structures will be located in a manner that will allow such permanent construction as parking lots, sewers, and utility lines to be built and used in connection with them.

The completion of a portion of the permanent library building by the beginning of the 1971-72 school year is being studied. This would limit the need for additional temporary structures.

Planning funds for the University have been released by the governor's office. As a result of this action, the planning of the campus has become an Illinois Building Authority project which is the first step in releasing the $10 million authorized to finance campus construction this year. The release of this project and several other junior college and university projects indicates that construction for educational institutions will have high priority.

Highway Construction

State Highway District 6 has been allocated $65 million in construction funds for projects during 1970. In 1969 District 6, with an allocation of $21 million, was in 10th place among the ten highway districts as compared to 4th place and a $65 million allocation this year. A major portion of the funds, $27.5 million, will be used in a 26 mile extension of Interstate 55 between Chatham Road south of Springfield to Route 108.

Finances for the $575 million Illinois road improvement program, of which District 6 is a part, will come from various sources. The State will finance the program from $184.8 million in highway user revenues and $148 million in bond issues. The federal Government will provide $232.3 million and local sources an additional $9.7 million.

Airport Expansion

A key to expansion and modernization of Capitol Airport over the next two decades will be federal funding. Under a revised master plan the present airport will increase in size from 1,350 acres to 3,000 acres at a total estimated cost of $2.5 million. Planned future projects include extension and strengthening of existing runways, construction of a new parallel runway up to 13,000 feet in length, establishment of an airport based fire fighting unit and installation of radar facilities.

Building Activity

In November the Springfield Housing Authority received bids from 21 firms for construction of a 151 unit highrise apartment building for elderly residents and 76 low income family housing units. At that time the apparent low bidder on the highrise was Lippman Associates of Indianapolis, Indiana and the low bidder for the 76 family units was Becker Bros. Inc. and William Bibo of Peoria. Their bids were $2.0 million and $1.2 million respectively. However, after several weeks of deliberation and discussion a Lansing, Michigan firm, Alco-Universal Inc., has been recommended by the Springfield Housing Authority to construct both projects. Selecting a site for the highrise convenient to such things as stores was an important factor in chosing Alco-Universal Inc. Also the company's bid on construction alone, excluding land costs, was the lowest for the family housing units. Approval of the bids must now be obtained from the Chicago office of the Department of Housing and Urban Development.

The Welles Department Store chain is scheduled to begin construction by mid-March on a large store at the intersection of Chatham Road and Wabash Avenue. A 70,000 square foot department store will be the focal point of a planned shopping center. A variety of name brand merchandise will be sold at discount prices by the store. The property was rezoned from single family residences to general business use and annexed to the City late in January.

Franklin-Cress Construction Company submitted the low bid for construction of the City's new parking ramp at 4th Street and Capitol Avenue. Their low bid was $809,000. Completion of the project is planned for late November, 1970. Plans for possible further commercial development above the parking structure collapsed after almost two months of negotiations with one bidder for the air rights. However, there will still be provisions for another two levels of parking which may be added as needed in the future.

MAJOR BUSINESS INDICATORS — SPRINGFIELD MARKET AREA PERCENTAGE CHANGE: MOST RECENT QUARTER, 1969, FROM SAME PERIOD, 1968

Indicator	Springfield SMSA*	Eleven County Springfield Market Area
Retail Sales (3rd Qtr., 1969 - 3rd Qtr., 1968)	N.A.	N.A.
Department Store Sales	+ 2.9%	N.A.
Bank Debits	+ 9.2	N.A.
Employment		
Manufacturing	+ 4.1	N.A.
Non-Manufacturing	+ 6.9	N.A.
Total	+ 2.8	N.A.
Value of New Building Permits (City of Springfield)		
Business	+357.4	N.A.
Residential	— 6.5	N.A.
Total	+143.4	N.A.
Prices Received by Farmers (West-Southwest Reporting District)		
Corn		+11.0%
Wheat		0.0
Soybeans		— 5.2
Oats		— 4.8
Hogs		+32.7
Beef Cattle		+ 8.8
Eggs		+20.6
Ratio of Prices Received to Prices Paid by Farmers (Interest, Taxes and Wages Rates)		+ 7.5

*Springfield Standard Metropolitan Statistical Area includes all of Sangamon County.

Note: Data which were used in developing these indicators were obtained from various Federal, State, and Local sources and can be supplied by Copley International Corporation on request.

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SPRINGFIELD-ILLINOIS-REVIEW OF BUSINESS AND ECONOMIC CONDITIONS

VOL. X APRIL – JUNE, 1970 NO. 2

BUSINESS CONDITIONS

National Economic Slowdown

The behavior of various economic indicators during this quarter reflect the slowdown in general business activity. Capital expenditure plans by businessmen have been revised downward. Currently, businessmen plan to invest $81.5 billion in new plant and equipment this year which is a 7.8 percent increase over 1969. However, three months ago estimates indicated investment plans of $82.9 billion. Construction spending in April declined 1.3 percent from the previous month. April construction outlays were at a seasonally adjusted annual rate of $89.1 billion down from the March level of $90.3 billion. In line with the slowdown in expenditures, unemployment rose to 5.0 percent in May from 4.8 percent in April. This is the first time unemployment has reached the 5.0 percent level in over five years.

State Industrial Expansion

1969 is expected to be the second best year ever for industrial development in Illinois. Announcements of new plants and plant expansion projects are expected to total 600 for the year. This estimate is based on the number of projects announced through mid-November and a projection for the remainder of the year. Through November 15, a total of 544 projects, 155 proposed new plants and 389 planned expansions of existing facilities have been announced.

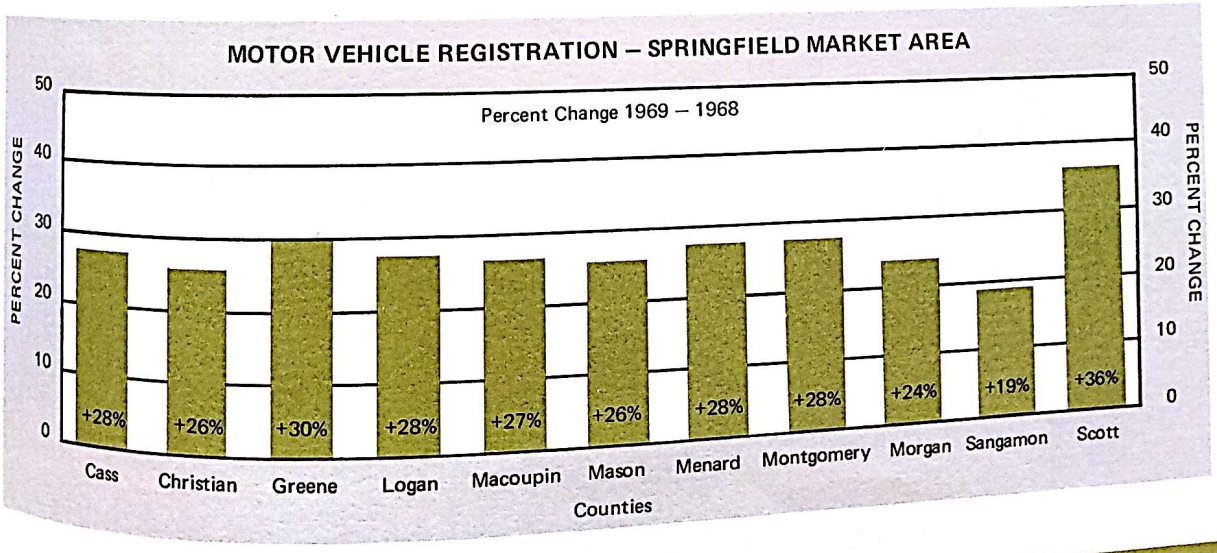
Proposed new plants are located in all sections of the State with the largest concentration in Cook County. Several of the proposed new plants and plant expansions are in the multi-million dollar category.

Motor Vehicle Registrations in the Springfield Market Area*

The Springfield Market area registered significant gains in the number of total motor vehicles registered in 1969 as compared to 1968. Total vehicles registered in 1969 were 298,693 compared to 240,753 in 1968 for a gain of 24 percent.

Motor vehicles are classified into six categories. They are: (1) passenger cars, (2) taxis and ambulances, (3) trucks and buses, (4) trailers and semi-trailers, (5) motorcycles and bikes and (6) vehicles registered to dealers and vehicles in transit. Of the six categories, passenger cars comprised 60 percent and 73 percent of total vehicles in 1969 and 1968 respectively. Passenger vehicle registration increased by only one percent over 1968, while large registration gains took place in the truck-bus and in transit- vehicles registered to dealer categories.

*Springfield is the largest city and principal retail and wholesale center of an eleven-county market in central Illinois. The market is comprised of the following counties: Cass, Christian, Green, Logan, Macoupin, Mason, Menard, Montgomery, Morgan, Sangamon and Scott. The market is served by two Copley Newspapers: *The Illinois State Journal* and the *Illinois State Register*.



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Technological

As tight labor market conditions prevailed during the late 1960s, increasing numbers of married women entered the labor force. Multi-worker families became more prevelant as the proportion of families in which both the husband and another family member worked rose to 52 percent in March, 1969, as compared to 43 percent in 1960 (Table I). The other family member worker was far more likely to be the wife than a son or daughter. The proportion of multi-worker families among blacks is 11 percent higher than among whites. This apparently indicates the greater need for the earnings of more than one worker among the black families.

Young Working Wives Increase

In the 1940s, approximately 12.2 percent of working wives were under age 35. The proportion of working wives has steadily increased since that time and now stands at about 39.3 percent. Between 1960 and 1969 the number of wives in the labor force under 35 has significantly increased and at a much more rapid pace than the number of working wives 35 and over. Wives who were 20 to 24 years of age made the largest contribution to the labor force during the 1960s. A major part of this contribution occurred between 1968 and 1969. Since 1960, the population of wives in these ages had grown by about 29 percent while those in the labor force had more than doubled to 2.2 million.

Over the decade, the labor force participation rate rose to 72 percent from 63 percent for childless wives 20 to 24 years old. Even more strikingly, the rate increased from 18 percent to 33 percent for wives with children under age six. Many young married women perhaps have just taken advantage of the tight labor market and the resulting opportunity to earn money and bolster the income of their young husbands.

Some people are inclined to explain the increase in young childless wives in the population and work force solely in terms of the recent development of new contraceptive methods. However, a more relevant explanation of this phenomena must include the reasons why married couples decide to use any form of birth control.

Young couples today, as in the past, may choose to delay having children so they may achieve greater mobility, either socially or at work, or they may not feel psychologically ready for childbearing. Also, young couples may prefer to postpone starting their families or to limit the number of children they have because there is the feeling that children are liabilities in attaining a particular standard of living.

Regardless of the presence of school age or preschool age children, labor participation rates for wives have risen in recent years. This trend is illustrated in Chart I.

TABLE I

EMPLOYMENT STATUS OF FAMILY HEAD AND LABOR FORCE STATUS OF OTHER FAMILY MEMBERS

(March, 1969)

Labor Force Status and Relationship to Head	Total	White	Negro and Other Races
Head Employed			
Number of families (000)	37,523	34,588	2,935
Percent distribution	100.0	100.0	100.0
Other family member in labor force	51.8	50.9	61.7
Wife only	33.4	32.4	44.9
Wife and other member	8.9	8.9	8.9
Other member only	9.5	9.6	7.9
Neither wife nor other member in labor force	48.2	49.1	38.3
Head Unemployed			
Number of families (000)	621	537	84
Percent distribution	100.0	100.0	100.0
Other family member in labor force	51.7	49.0	68.6
Wife only	36.2	34.1	49.4
Wife and other member	8.3	7.7	7.2
Neither wife nor other member in labor force	48.3	50.9	31.3

Source: "Marital and Family Characteristics of the U. S. Labor Force," *Monthly Labor Review*, May, 1970, U. S. Department of Labor.

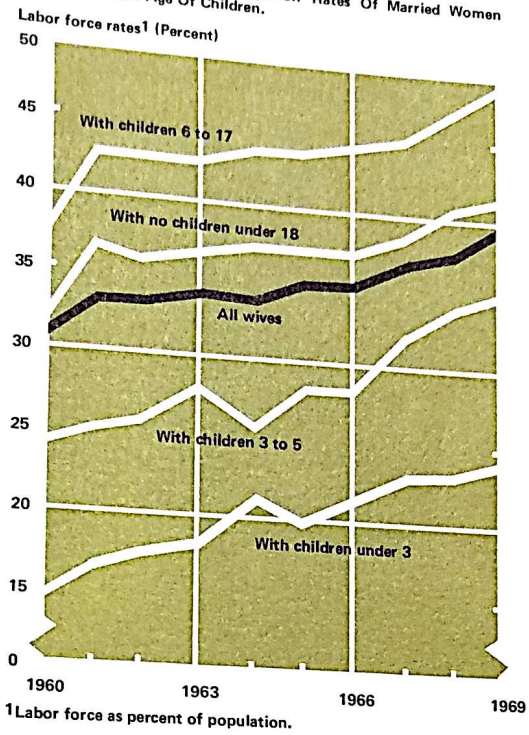
About 25 percent of all wives with some children under age 3 were in the labor force. The proportion rises to about 33 percent for wives with children old enough to be in school. The labor force rate among wives with no children under 18 was lower than that of wives with school age children, because of their age composition. Half of them were at least 55 years old.

Education

Educational attainment as measured by years of schooling completed has a distinct influence on the labor force rate of wives. As a rule, the more education, the higher rate of labor force participation. An examination of Table 2 illustrates this fact. The overall rate for wives who were not high school graduates was 33 percent in March, 1969, compared with 43 percent for graduates and 45 percent for those with one year of college or more.

Education seems to have a direct relationship with the type of occupations in which women are employed. In March, 1969, of all wives age 18 and over who were high school graduates and those who had some college training but no degree, over 70 percent were employed in white collar occupations. Nearly 50 percent of the wives who were high school graduates and wives with less than four years of college were in clerical positions. In comparison, 83 percent of college graduates were employed in professional and technical occupations.

Chart 1. Labor Force Participation Rates Of Married Women By Presence And Age Of Children.



1Labor force as percent of population.

TABLE 2

LABOR FORCE PARTICIPATION RATES[1] OF MARRIED WOMEN BY EDUCATION AND PRESENCE OF CHILDREN

(March, 1969)

		Years of School Completed				
		High School			College	
	All Wives	Less Than 4 Years	4 Years	1 Year	1 to 3 Years	4 Years or More
No Children Under 18	41.0%	28.9%	50.2%	54.0%	47.9%	61.6%
Children 6 to 17 Years, Only	48.6	46.7	49.5	49.7	44.5	56.5
Children Under 6 Years	28.5	26.6	29.0	30.1	28.7	31.9

[1] Labor Force as percent of population

Source: "Marital and Family Characteristics of the U. S. Labor Force," *Monthly Labor Review*, May, 1970, U. S. Department of Labor.

Technological

SIGNIFICANT REGIONAL NEWS

Sangamon State University

Construction is under way on the interim campus of Sangamon State University near Lake Springfield south of the city. This temporary campus will consist of 10 steel modular buildings which are being erected by the Raymur School Corp. of Galva, Ill. at a total cost slightly above $200,000. The structures are designed so they can continue to be utilized in some manner of the permanent campus, which will be built near the interim campus site during the next decade.

Enrollment in the new university was cut off in early June after it had reached the equivalent of 500 full-time students, the maximum for first year operations, which start September 22, 1971. Of approximately 45 faculty members anticipated for the first year, 28 already have been employed.

Lincoln Land Community College

Building of the permanent campus of Lincoln Land Community College has begun on the site just south of the Sangamon State University campus. Included in this $2.6 million first phase of campus construction is a portion of the library, vocational-technical work rooms, general classrooms, a central utility plant and faculty offices. Riley Construction Co. is general contractor for this project, scheduled for completion by September, 1971.

Classes will continue to be held on Lincoln Land's temporary campus, where three more interim buildings are being added for use in the next school year. In future years, the temporary campus is expected to be phased out gradually as permanent facilities are constructed.

Old Capitol Plazas

Work on the old Capitol plazas is under way with completion scheduled around September 1. The $520,000 in bonds to finance the project have been sold. Franklin Cress Construction Co. is building the plazas.

In addition to the plazas, agreement has been reached among affected property owners to construct tunnels extending east and west, adjacent to the building line on both Washington and Adams Streets between 5th and 6th Streets. The tunnels, which are being constructed in connection with the plaza work, will provide direct access from the underground parking to buildings located on both the north and south sides of the square.

Additional Low Rent Housing

Construction was scheduled to start about July 1 on 76 units of low income family housing at 23rd Street and Rochester Road for the Springfield Housing Authority. The work is being done by Alco-Universal, Inc. of Lansing, Mich. The $1.4 million project consists of 38 duplex dwellings and a community building.

The same firm is being retained by the Authority to construct another 76 units on scattered sites in Springfield. These will be one-story factory-built modular homes which will have from three to five bedrooms. Occupants will be given the option of renting these homes or buying them.

An SHA proposal to construct a 10-story high-rise apartment building for the elderly near 8th Street and North Grand Avenue has been approved by the Chicago office of the Department of Housing and Urban Development. Alco-Universal also would be contractor for this 151-unit building. Funding for this project is expected to be approved early in the 1971 fiscal year.

The SHA also has approved an application for an additional 400 units of low-rent housing. The application did not specify whether family units or units for elderly individuals are requested, but board members expressed hopes of getting 200 of each. If the application is approved by HUD, specific building plans and fund requests can be submitted to that agency by the SHA for approval.

A $2 million modernization of the Authority's 30 year old housing complex on the near east side was approved in March by HUD. The modernization program will include a new plumbing system, new indoor electrical system, outdoor lighting, enlargement and upgrading of playgrounds and extensive remodeling of buildings. The project is expected to take at least three years, and progress will depend on availability of funds.

Modular Home Plant Opens

The first modular homes, factory-built structures complete with appliances and ready to be set up on foundations, have begun rolling off the assembly line of the Martin Modules plant at Chatham, southern suburb of Springfield.

Thirty homes are expected to come off the line by the end of July and by the end of September the plant is expected to be at full production of about 50 homes a month and employment of 115 people.

First Investors of Illinois, Inc., which owns the Martin Modules Co., also has acquired the Metro Structures Co. which manufactures modular metal structures, and has moved the Metro plant to Chatham. The company is now prepared to provide modular construction of entire villages. A bid has been submitted on an East St. Louis project of single and multi-family dwellings and a shopping center. The company has also applied for a federal Housing and Urban Renewal study grant to engineer low-cost housing and housing subdivisions.

MAJOR BUSINESS INDICATORS — SPRINGFIELD MARKET AREA
PERCENTAGE CHANGE:
MOST RECENT QUARTER 1969, FROM SAME PERIOD, 1968

Indicator	Springfield SMSA*	Eleven County Springfield Market Area
Retail Sales (4th Qtr., 1969 — 4th Qtr., 1968)	N.A.	N.A.
Department Store Sales	+ 3.0%	N.A.
Bank Debits	+ 21.9	N.A.
Employment		
Manufacturing	+ 6.4	N.A.
Non-Manufacturing	+ 7.5	N.A.
Total	+ 3.1	N.A.
Value of New Building Permits (City of Springfield)		
Business	+1702.2	N.A.
Residential	— 49.8	N.A.
Total	+ 34.8	N.A.
Prices Received by Farmers (West-Southwest Reporting District)		
Corn		+ 6.0%
Wheat		+10.0
Soybeans		— 2.6
Oats		— 5.3
Hogs		+30.1
Beef Cattle		+11.2
Eggs		+13.7
Ratio of Prices Received to Prices Paid by Farmers (Interest, Taxes and Wages Rates)		+ 4.8

*Springfield standard metropolitan statistical area includes all of Sangamon County.

Note: Data which were used in developing these indicators were obtained from various Federal, State, and Local sources and can be supplied by Copley International Corporation on request.

Springfield 200 -- Business conditions

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Illinois State Journal
ILLINOIS STATE REGISTER

SPRINGFIELD-ILLINOIS-REVIEW OF BUSINESS AND ECONOMIC CONDITIONS

VOL. X JULY – SEPTEMBER, 1970 NO. 3

BUSINESS CONDITIONS

In spite of the national economic slowdown, business expansion in the State of Illinois during the month of June was only moderately below the seasonal projection. The civilian work force reached a record high of 5,182,000 workers, due largely to the substantial influx of student workers into the labor market. The June unemployment rate was 4.3 percent, significantly higher than the year-ago rate of 3.0 percent.

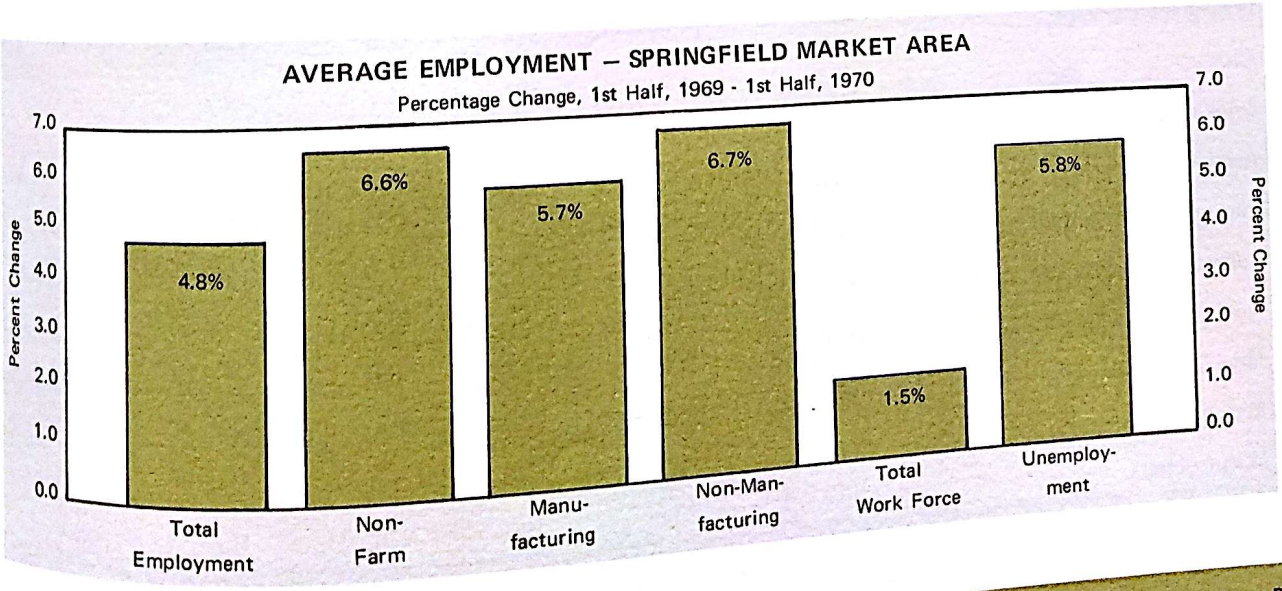
Total nonfarm employment during June was up 56,000 from the May level. Although employment gains were registered in nearly all major industries, nonfarm payrolls in the aggregate were substantially below the year-ago level. The durable goods component of manufacturing employment sustained the heaviest loss, down 48,600. The fabricated metal products and machinery industries were particularly hard hit. On the other hand, non-manufacturing employment was up 23,600 over the year-ago level, with the largest gains compiled in the services and miscellaneous group and in government. The heaviest losses occurred in the transportation-public utilities group where the truck strike directly affected 32,000 workers.

Regional Employment

Due to the employment structure of the local economy, the Springfield area was relatively better off than other areas in the State in terms of employment. The work force continued its upward spiral during the first half of 1970, registering a 1.5 percent gain over the comparable period last year. Average total employment grew 4.8 percent. The non-manufacturing component of total nonfarm employment grew 6.7 percent; manufacturing employment was up 5.7 percent. Employment is expected to continue to grow through the third quarter and then drop substantially reflecting the return of student workers to the classroom. While average unemployment was 5.8 percent above the year-ago rate, the June unemployment rate of 3.8 percent compares favorably with the related statewide rate of 4.3 percent. With electrical machinery and non-electrical machinery industries forecasting slight employment gains through September, the unemployment rate is expected to fall below 3.0 percent for the balance of the year.

Construction Activity Shows Increase

A modest increase in construction activity occurred in the City of Springfield during the first seven months of 1970. The combined value of residential and commercial permits issued during the year registered a gain of $2.1 million or 13.1 percent when compared to the same seven-month period in 1969. This represents a change from $15.8 million in 1969 to $17.9 million in 1970. However, an examination of construction data reveals a $1.6 million decline in the value of residential permits issued from $8.4 million last year to $6.8 million in 1970. The value of commercial permits issued on the other hand increased substantially from $2.2 million in 1969 to $8.3 million this year. However, with new money flowing into the mortgage lending institutions, homebuilding should be on the upswing.



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James P. Bane
Economist

Technological

TRENDS IN RETAIL SALES: SANGAMON COUNTY

Retail sales were strong throughout the United States during 1968, a reflection of rising prices and continued expansion in the national economy. Total annual sales of all retail stores were estimated at $339.8 billion, 8.3 percent above the $313.8 billion figure for 1967. Sales of nondurable goods stores increased 10 percent over comparable data for 1967, while sales of durables increased seven percent. All major kind-of-business groups enjoyed substantial percent increases over 1967 sales volumes. In the nondurable goods category, the largest increments were registered in general merchandise, up nine percent; in eating and drinking places, up eight percent; and in food and apparel, each up six percent. In the durable goods category, the largest gains were established in the automotive group, up 12 percent; in the furniture group, up eight percent; and in the lumber, building, hardware and farm equipment group, up six percent.

The adjoining tables analyze 1968 retail sales for Sangamon County and for the City of Springfield on a total, per outlet, and per capita basis. In studying these statistics, bear in mind that: (1) changes in total sales result from changes in the number of people shopping in a city or county and/or the amount purchased per person; and (2) changes in sales per outlet arise from changes in total sales and/or the number of retail outlets.

$2,278 Per Capita in Sangamon County

When computed on a per capita basis, total retail sales in Sangamon County in 1968 averaged $2,278. Since 1960 this amount represents an increase of 59.4 percent. If inflation is taken into account by converting 1968 sales to 1960 dollars, the real increase is 35.6 percent. The per capita figures were determined by dividing total sales within the county/city by the total number of people residing therein. Consequently, the per capita statistic ignores the fact that many shoppers will commute from outlying communities to take advantage of particular stores or shopping centers in a given geographical area.

General merchandise, food, and automotive outlets continued to generate the largest sales volumes in Sangamon County whether computed on a total, per outlet, or per capita basis. In 1960, combined sales for these groupings accounted for 47.8 percent of total retail sales; in 1968, 50.5 percent. Much of this gain was captured by general merchandise stores. By receiving $324 of the $2,278 spent per capita in 1968, they increased their share of the retail dollar from 9.5 percent in 1960, to 14.2 percent in 1968.

1968 TAXABLE RETAIL SALES SANGAMON COUNTY

Type of Outlet	1968 Retail Sales			Average Annual Growth Since 1960		
	Total (million)	Per Outlet (000)	Per Capita	Total	Per Outlet	Per Capita
Total All Outlets	$360.0	$140.0	$2,278	7.0%	6.0%	6.0%
General Merchandise	51.1	19.9	324	12.5	11.4	11.6
Food	62.2	24.2	394	4.2	3.2	3.3
Drinking & Eating Places	29.5	11.5	187			
Apparel	13.4	5.2	85	– 1.5	– 2.4	– 2.5
Furniture, H. H. & Radio	12.5	4.9	80	1.3	0.5	0.8
Lumber, Building & Hardware	42.0	16.3	265	12.7	11.6	11.6
Automotive & Filling Stations	68.4	26.6	433	8.6	7.6	7.5
Misc. Retail & Wholesale Stores	36.8	14.3	233	N.A.	N.A.	N.A.
Miscellaneous	13.0	5.0	82	– 1.4	– 2.4	– 2.3
Manufacturers	30.7	12.0	195	N.A.	N.A.	N.A.

Source: Data based on Retailers' Occupation Tax and Use Tax Reports published by Department of Revenue, State of Illinois, 1960-68

This gain resulted from a very substantial 12.5 percent average annual growth rate in general merchandise sales, compared to a 7.0 percent growth rate for all retail sales.

City Sales

Per capita retail sales in the City of Springfield averaged $3,164. In current dollars this figure represents a 63.9 percent increase over 1960 per capita sales. In terms of constant 1960 dollars (to account for price inflation), this figure reduces to a 39.4 percent real increase in per capita sales. City trends are very similar to those for the County. In 1960 the general merchandise, food, and automotive groups accounted for 47.4 percent of total retail sales, whereas in 1968 their share has grown to 51.6 percent. By capturing $549 of the $3,164 spent per capita in 1968, general merchandise stores increased their share of retail sales from 11.4 percent in 1960 to 17.3 percent in 1968. This gain can be attributed to the healthy 13.2 percent average annual growth in general merchandise sales, compared to a 7.5 percent growth rate for all retail store sales. Other kind-of-business groups which increased their relative share of the retail dollar were: lumber, building, and hardware, up 2.1 percent; and automobile and filling stations, up 3.1 percent.

COMPARATIVE GROWTH INDEX OF TOTAL RETAIL SALES

1960 = 100.0

	Springfield	Sangamon County	Illinois	U. S.
1968	252.1	243.6	243.0	154.7
1967	209.0	202.5	205.6	142.8
1966	185.1	181.1	181.7	138.1
1965	166.1	166.0	168.7	129.3
1964	159.3	157.0	152.8	119.2
1963	149.7	148.2	141.9	112.3
1962	141.0	142.0	130.1	107.2
1961	112.6	112.8	110.5	99.7
1960	100.0	100.0	100.0	100.0

Source: Bureau of the Census, *Current Retail Trade Reports*, 1960 – 68.

1968 TAXABLE RETAIL SALES SPRINGFIELD

	1968 Retail Sales			Average Annual Growth Since 1960		
Type of Outlet	Total (million)	Per Outlet (000)	Per Capita	Total	Per Outlet	Per Capita

SIGNIFICANT REGIONAL NEWS

Construction Underway

Laborers' Home Development, a retirement housing complex for middle-income families, is currently under construction in the village of South Jacksonville. The development is sponsored by a non-profit venture of the Laborers' International Union.

When completed the community will provide homes for 134 families, with another 120 units in the planning stage. It is located on the south side of West Vandalia Road and will cost about $1.8 million. One-bedroom units will rent for $94 per month, and two-bedroom units for $115 per month. All prices include the cost of utilities. No age or financial restrictions are placed on the residents.

Barring any unforeseen delays, the first units will be ready for occupancy this fall and the balance will be completed by June, 1971. There will be 90 one-bedroom and 44 two-bedroom apartments built in single and two-story duplex arrangements. The facility will also include a community building of about 2,200 square feet. A separate nursing home is also in the planning stages.

State Legislative Appropriation

Legislation appropriating $75,000 for the Oakley Reservoir and Sangamon River project was recently signed into law by the Governor. The $75,000 is to be used to provide for flood relief and conservation of low water flows in Illinois waterways. The original bill stated that the Corps of Engineers has funds available to purchase right-of-way at the Oakley Dam site but is unable to do so until local cooperation requirements have been met. The new law meets the necessary requirements and right-of-way acquisition may now proceed.

Repair Funds Made Available

The Governor recently released $502,000 for repair, alteration, and rehabilitation of several State buildings in Springfield. The funds were acquired from an appropriation of $957,000 allocated by the 76th General Assembly to the Secretary of State for use during the current fiscal year ending June 30, 1971. An itemized list of work to be done includes:

- Capitol – replace all venetian blinds throughout the capitol group of buildings. ($10,000)
- State Office Building – patch and repaint all interior and exterior walls; wash, clean, and treat window casings; reset loose marble in corridors, etc. ($180,000)
- Centennial Building – remove skylights in the Annex and replace flashing at parapet walls; replace exterior doors in the Centennial and Annex buildings; and remodel the basement of the Annex for additional office space. ($85,000)
- Archives Building – replace fire alarm system and install new wiring and fire prevention devices. ($25,000)
- Power Plant – repair stokers and repair and replace traps in tunnels throughout the complex. ($32,000)
- Buildings in general – funds for surveys, inspections, tests, reports, architectural plans and feasibility studies on future projects. ($100,000)
- Grounds in general – repair parking lots. ($70,000)

School Board Okays Budget

A $23.3 million budget for the 1970 – 71 school year was recently approved in a special session of the Springfield Board of Education. The new budget represents an increase of $2.2 million over last year's budget. Major items include:

Education Fund – $19.3 million to cover the salaries of professional personnel; the cost of supplies, including books, periodicals and newspapers, and audio-visual materials; the cost of athletic programs; and the costs of the school lunch and adult education programs.

Building Fund – $1.9 million to cover maintenance salaries and expenses as well as building and equipment rental and capital improvements.

Transportation Fund – $287,000 to cover the expenses of bussing, field trips, and special trips to athletic events, etc.

The board also approved a tax levy calling for $7.7 million for education, $1.9 million for building purposes, $.5 million for the Illinois Municipal Retirement Fund, and $235,000 for transportation.

State Aid to Springfield Schools

Springfield schools will receive about $1.75 million more in State aid from the new school aid formula approved by the General Assembly. The $717.4 million appropriation voted by the legislators translates into an increase of $49.7 million for southern Illinois school districts.

District 186 received $6.4 million from the State in the last school year. Based on the new formula, the district anticipates receiving $8.23 million during the coming year.

MAJOR BUSINESS INDICATORS – SPRINGFIELD MARKET AREA
PERCENTAGE CHANGE:
MOST RECENT QUARTER, 1970, FROM SAME PERIOD, 1969

Indicator	Springfield SMSA*	Eleven County Springfield Market Area
Retail Sales (1st Qtr., 1970 – 1st Qtr., 1969)	N.A.	N.A.
Department Store Sales	+ 8.2%	N.A.
Bank Debits	+ 17.1	N.A.
Employment		
Manufacturing	+ 6.4	N.A.
Non-Manufacturing	+ 7.5	N.A.
Total	+ 3.1	N.A.
Value of New Building Permits (City of Springfield)		
Business	$+ 693	N.A.
Residential	–1091	N.A.
Total	– 67	N.A.
Prices Received by Farmers (West-Southwest Reporting District)		
Corn		+ 7.1%
Wheat		+ 6.6
Soybeans		– 3.7
Oats		– 6.7
Hogs		+35.3
Beef Cattle		+10.1
Eggs		+22.0
Ratio of Prices Received to Prices Paid by Farmers (Interest, Taxes and Wages Rates)		– 5.3

*Springfield standard metropolitan statistical area includes all of Sangamon County.

Note: Data which were used in developing these indicators were obtained from various Federal, State, and Local sources and can be supplied by Copley International Corporation on request.

Illinois State Journal
ILLINOIS STATE REGISTER

SPRINGFIELD-ILLINOIS-REVIEW OF BUSINESS AND ECONOMIC CONDITIONS

VOL. X OCTOBER – DECEMBER 1970 NO. 4

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BUSINESS CONDITIONS

According to recently published employment data covering the July-September period, conditions in the Illinois labor market are markedly improved due largely to the settlement of the prolonged Chicago area trucking strike. The sizeable employment gains which accompanied the settlement substantially offset seasonal declines in retail trade and educational activities. Figures for August peg the civilian labor force at 5,151,900. State unemployment figures show a decline of 31,000 in the number of jobless individuals to a level of 193,000 – largely due to the recall of workers temporarily laid off as a result of the trucking dispute, and to the exodus from the market of student job-seekers. As a result, the unemployment rate was reduced from 4.3 percent in June to 3.7 percent in August, still considerably higher than the year-ago figure of 2.9 percent.

Total nonfarm employment during the month of August was only slightly below the year-ago level. Non-manufacturing employment rose to 3,052,000, up 54,000 from last year. The largest increment, as expected, occurred in transportation and public utilities, up 33,000 from June. Other sizeable gains were recorded in contract construction (+11,600); finance, insurance, and real estate (+2,000); and services and miscellaneous (+2,700). Two major categories sustained losses. These were government, down 18,800, and retail trade, off 6,300.

Manufacturing employment during August hovered close to the June level. Employment gains of 4,000 in the non-durables component were more than offset by cutbacks of 6,200 in the durables category. Significant advances were limited to electrical equipment and supplies (+5,400); food and kindred products (+2,300); and rubber and miscellaneous plastics (+1,500).

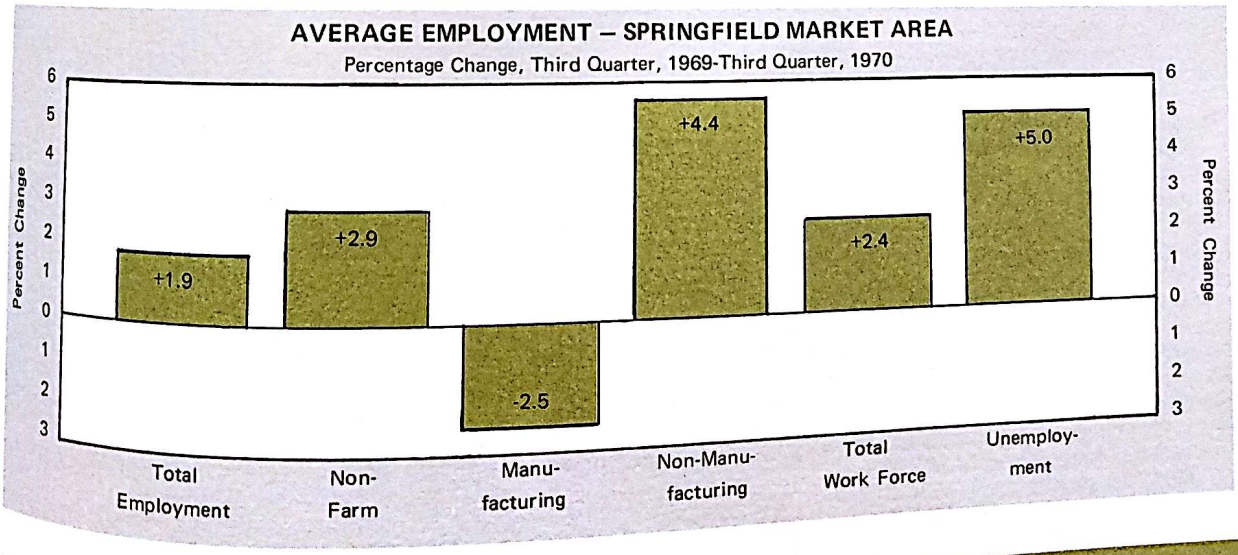
Springfield Employment

The total work force in the Springfield area averaged 80,183 for the July-September period, 1.9 percent above the year-ago figure. Unemployment averaged 2,230 or 2.3 percent of the labor force. This represented a deviation from a trend established in past years. The bulk of these unemployed individuals were on temporary layoff due to secondary effects of labor-management disputes in other parts of the State.

Total nonfarm employment increased by 300 during the 3-month period. Modest recovery occurred in the manufacturing sector where 75 additional workers were hired to assist in meeting the increased demand for non-electrical machinery products. This increment coupled with a slight advance of 50 in food products in response to advance sales more than offset seasonal declines in stone-clay-glass.

Non-manufacturing employment grew by 225 during August and September to reach a total of 56,125. Among the leaders were: contract construction (+250); government (+200); and transportation-communication-utilities (+75). Seasonal declines were registered in retail trade and services.

Modest employment gains are forecast for the first quarter of 1971, particularly in durable goods. In the non-manufacturing sector, employment gains are expected in communication-public utilities, trade, services, and finance-insurance-real estate stemming from steady and substantial improvement in construction activity.



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James P. Bane
Economist

ECONOMIC PROJECTION, 1971

	1970 III	1970 IV	1970 Year	1971 I	1971 II	1971 III	1971 IV	1971 Year	Change 1970-71
GNP[1]									
Current Prices (bil.)	$985.5	$995.0	$977.8	$1013	$1034	$1047	$1063	$1039.3	6.3%
1958 Prices (bil)	$727.4	$726.5	$925.6	$ 733	$ 741	$ 744	$ 748	$ 741.5	2.2%
Unemployment Rate (%)	5.2	5.8	5.0	5.6	5.4	5.3	5.1	5.4	
Inflation Rate[2] (%)									
GNP Deflator	4.5	4.1	4.8	4.0	3.9	3.4	3.4	3.7	
CPI	5.2	5.3	5.3	5.3	5.2	4.8	4.8	5.0	
Prime Int. Rate (%)	7.5	7.0	—	7.0	6.5	6.5	6.5		
Private Housing Starts[1] (000)	1,511	1,500	1,390	1,550	1,600	1,600	1,550	1,575	13.3%
Mobile Homes[1]	422	430	400	430	430	435	440	431	8.5%
Passenger Car Sales (mil)	9.0	8.2	8.8	9.0	9.6	9.3	9.3	9.3	5.7%
Retail Sales[1] (bil)	$ 369	$ 372	$ 366	$ 376	$ 381	$ 385	$ 389	$ 383	4.6%
Corporate Profits (bil)	$ 79	$ 77	$ 77.5	$ 80	$ 83	$ 83	$ 84	$ 82.5	6.5%
Federal Surplus of Deficit (–) (bil)	$ 11.2	$ 10.0	$ 9.3	$ 8.0	$ 8.0	$ 16.0	$ 16.0	$ 12.0	

[1]Quarterly Totals at annual rate.
[2]Quarter-to-quarter changes at annual rate.

THE ECONOMIC OUTLOOK FOR 1971

Forecasting economic conditions with a reasonable degree of precision is a task often difficult to accept with grace. But for those of us in the economics profession it is an unescapable occupational hazard. Furthermore, it is a great responsibility, one which we do not take lightly. Realizing the increasing importance of economic forecasting as it relates to business planning, our forecast for the national economy is presented below in an abridged form. Substantially, it depicts 1971 as a year of recovery from the policy-induced recession of 1970.

The Nation: A Review of the 1960's

Before looking at 1971, a brief review of the national experience over the past 10-year period will provide a helpful perspective. September, 1969, marked the end of the longest expansionary phase in the history of the U. S. economy: 102 months of consecutive increases in real GNP (adjusted for inflation) except for the first quarter of 1967. The longest previous peacetime expansion took place from 1933 to 1937, a period of 50 months. The longest wartime expansion lasted from mid-1938 to the beginning of 1945, about 80 months in length. In the 16 business cycles that have been recorded since 1892 when the statistics were initiated, the average duration prior to 1961 was 33 months on the upside, 14 months on the downside.

Thus, the expansionary period of the 1960's was undoubtedly the longest we have enjoyed. It was not, however, the strongest. In fact, in terms of the *rate* of growth, it was only about average in strength compared to the three previous post war expansions (1949-53, 1954-57, 1958-60). The average gain per month in real GNP during the 1960's was about half of one percent (.51%). In the three earlier expansions the gains were .61 percent, .34 percent, and .50 percent respectively. What these figures indicate is that the remarkable economic growth of the 1960's – a 35 percent increase in per capita GNP, a 70 percent increase in industrial production, a 60 percent increase in retail sales, etc. – was the direct consequence of a moderate but steady advance sustained over a long period of time.

The Nation: 1971

Forecasting economic conditions for 1971 is complicated by several factors. At this writing no concrete figures are available for the fourth quarter. Consequently, our projections are based on estimates for the closing months of 1970. A further complication results from the fact that the GM strike initiated a series of negative shocks whose effects on the economy are as yet unknown. Finally, government policy is one of the most influential forces shaping the course of economic events. Unfortunately, we can only make reasonable assumptions concerning the direction of fiscal and monetary policy. Social and/or political pressures may force the Administration to assume a more expansionary posture in its economic policies. These qualifications notwithstanding, our economic forecast for 1971 is presented here.

The national economy will recover from its current slump and enjoy sustained economic growth through the year, although the first half could be more productive than the sec-

ond. The principal forces behind this recovery will be the following:

(1) Catch up production by General Motors during the first quarter of 1971.
(2) Stockpiling of steel in anticipation of a strike (current union contracts for steel workers expire in August)
(3) A mild recovery of the housing market
(4) Increased consumer spending
(5) A continued shift in government policy away from inflation control toward an improved employment situation

GNP will average nearly $1,040 billion for the year, reflecting a gain of $63 billion or 6.3 percent over 1970. Real GNP will rise by 3.1 percent or $21 billion as inflation continues at a rate of 3.7 – 4.0 percent.

Unemployment will average 5.4 percent over the year, although it should decline gradually to nearly five percent by the end of the year. Interest rates should decline somewhat during the year as the money supply continues to expand, but any decline will be slight – down to 6.5 percent, or perhaps 6.25 percent at most for the prime rate. High interest rates may be expected to continue through the decade of the 70's; a downward shift in the age distribution of the population will create a relatively larger proportion of net borrowers over savers causing the price of money to remain high.

Individual Sectors

Consumer Spending. Rising consumer confidence, a large pent-up demand for goods and services, a high rate of savings accumulation, a rising after-tax income, and lower interest rates – these are the main factors which will support substantial increases in consumer spending and in so doing provide the major stimulus for economic recovery during 1971. Durable goods spending should be particularly strong. Passenger car sales should improve to 9.3 million units, up 5.7 percent from the 1970 total of 8.8 million units, but still down from the 9.6 million levels of 1968 and 1969. Postponement of sales from late 1970 to 1971 due to the labor strike and the low level of auto inventories at retail outlets at the close of 1970 are the contributing factors in this rise.

Other consumer durables should also experience a mild upsurge of about 10 – 12 percent as expectations regarding the economy improve. The recovery of the housing industry should also add impetus to the durables market as new homeowners begin furnishing their dwellings.

Non-durables spending should continue its steady growth upward at about 6.8 percent a year, four percent of which will be due to price inflation.

Consumer spending on services in 1971 will exceed total expenditures on non-durable goods for the first time in history. The service component of aggregate consumer spending has been growing rapidly in recent years and sustained the smallest contraction during the recession of 1970. Consumer expenditures on services in 1971 will increase 10.1 percent over the 1970 level of about $260 billion.

The Business Sector. As a consequence of the depressed state of business activity during 1970, business inventories are severely depleted as the new year begins. Improved sales in general and a high rate of accumulation of steel products in anticipation of a possible labor strike in August should lead to inventory accumulation early in 1971. However, as the steel inventories are used up, the rate of inventory accumulation will drop in the second half.

New plant and equipment spending should be sluggish since capacity utilization levels remain low as a result of both the current slowdown and a high rate of expansion from 1966 through 1969. The primary reason for increased capital spending is the urgent need to stabilize per unit production costs through the use of highly automated equipment since labor costs have been rising at phenomenal rates in recent years.

Corporate profits should improve in 1971, from $77 to $82.5 billion. While any improvement will be welcomed with open arms, this increase is still below the $88.7 billion and $91.2 billion garnered in 1968 and 1969. The mild surge in corporate profits will be generated both by the economic recovery itself and by the economies of operation that were initiated by corporations in 1970.

Residential housing should experience a mild recovery during 1971 due primarily to falling interest rates on mortgages. These will decline from their current levels of nearly 8.5 percent to 7.5 percent. Private housing starts should climb from 1,390,000 in 1970 to 1,575,000 in 1971, with mobile homes increasing from 400,000 to 434,000. Though this anticipated performance makes housing one of the brightest prospects for 1971, no major boom in this industry is expected until 1974 (based on birth rate characteristics of the 1940's and early 50's). Perennial problems continue to thwart its progress – antiquated building codes, restrictive union practices, vested interests on all sides, etc. – and will probably do so for some time in the foreseeable future.

Prices and Unemployment

These two economic variables are so interrelated in behavior that they should be considered in conjunction with each other. According to conventional economic theory, inflation and unemployment tend to move in opposite directions, particularly when the economy is at or near "full employment," a term generally taken to mean an unemployment rate of four percent. This inverse relationship has been confirmed by historical evidence; low unemployment rates have usually been associated with high inflation rates.

A number of factors explain this phenomenon including: union behavior, expectations, government regulations, etc. Each of these can give rise to a new set of problems which are familiar under such names as cost-push inflation, the wage-price spiral, and so forth. Eventually, all lead to the tradeoff between inflation and unemployment. In the U. S., this trade-off has been estimated as follows:

Unemployment	*Inflation*
Below 3%	Above 6%
3 – 4%	6 – 5%
4 – 5%	5 – 3%
5 – 6%	3 – 2%
Over 6%	Below 2%

Delays in reaction times and other distorting influences will affect this correlation, of course, but these provide ballpark estimates of numbers that can be expected. Since modern government policy makers have more or less committed themselves to "reasonable" full employment, say 4 – 5 percent, inflation can be expected to stay within the 3 – 5 percent range for the foreseeable future, with only occasional dips above or below these limits. In 1971, an unemployment rate averaging 5.4 percent should lead to an inflation rate of slightly under four percent. While this seems high by the rates indicated above, the stubborn nature of the current inflation (which has been building momentum since 1965) appears to warrant this pessimism.

Technological

SIGNIFICANT REGIONAL NEWS

Sangamon State University

According to a recent report issued by the Division of Planning and Development of Sangamon State University, enrollment at the college will increase to an estimated 1,200 full-time equivalent students by the fall of 1971 – a doubling of current figures.

The institution is presently operating in interim facilities. Phase I of the permanent facilities will not be completed until the fall of 1973. In response to the projected enrollment increases, developers are now planning additional interim facilities consisting of a large building containing science labs, classrooms, and office space. The proposed building will augment four existing buildings consisting of a library, an academic building, a student services building, and an administration building. As enrollment is expected to swell to 2,000 full-time equivalent students by fall, 1972, planners have yet to resolve interim space requirements. It may be necessary to build a third interim phase.

Long-range plans for the university project enrollment to expand at a rate of 1,000 students per year from 1973 through 1983. Enrollment in 1983 should be roughly 12,000. However, existing long-range planning is tentative in that the Board of Higher Education has been discussing the possibility of experimenting with a "flexi-university" concept which could affect the school. Under this plan educational institutions would be built around a central core of permanent buildings, with interim buildings, such as Sangamon State now has, located on the perimeters to accommodate smaller programs. Large programs such as science would be located in the permanent buildings. One of the inherent advantages of the concept lies in the fact that interim buildings are easily modified for changing programs, whereas the cost of remodeling permanent facilities is quite expensive.

City Housing Project

The Springfield Housing Authority board is hopeful that construction of 76 single family dwellings in several sectors of the City and a highrise apartment building on the north side will begin soon. Alco Universal Inc., developer for the project, applied for a building permit during December to construct the first of the 76 homes for low income families at 2191 E. Ash Street. The project has been temporarily stalled when Alco encountered problems in acquiring land for some of the homes. However, most of these problems have been ironed out, and construction will be allowed to proceed.

The U. S. Department of Housing and Urban Development approved a contract for construction of a 151-unit highrise planned at 8th Street and North Grand Avenue for elderly residents. HUD had temporarily halted progress on the project until Alco could start work on the 76-unit home development. Alco is the developer of both projects.

Illinois Bell Plans New Addition

Illinois Bell Telephone Company will build a four-story addition to its central office building at 625 South Sixth Street. The new 24,240 square foot facility will be located north of the present building and will accommodate expansion of the central office. Construction cost is estimated at $1,120,000. The new building is scheduled for completion late this year.

Street Lighting Project

According to William Porter, superintendent of City Water Light & Power's electric division, work on the four-year old lighting project should be completed by March 1, 1971. Certain areas annexed to the City after the street lighting bond issue of 1966 are not covered by the program.

The City has been asked to participate with the State in lighting Stevenson Drive. The State has offered to supply ornamental cement standards worth $18,000 for installation of lights along Stevenson Drive between Sixth Street and I-55 interchange if CWLP will install and maintain the lighting. The State would pay for electricity used for the portion of lights that would be outside the City limits. Total cost to the City would be about $40,000.

Some question exists, however, with respect to the City's right to participate in such a project since portions of Stevenson Drive are not in the City limit.

In other business, the City council indicated its approval of a proposal by CWLP to purchase a 53-acre tract owned by Harvey Beam and others for use in construction of Lake Springfield II. Negotiated purchase price is $60,418, about five percent above appraised value.

Medical School Program

Representatives for Springfield's two hospitals and Southern Illinois University School of Medicine recently signed agreements initiating a new medical school program. The program will be a joint venture of St. John's and Memorial Hospitals and S.I.U.

The plan calls for the medical students to use the two Springfield hospitals which will result in a large tax savings. Students attending the S.I.U. medical school will spend one year at the university's Carbondale campus and two years in Springfield. The agreement calls for the university to be responsible for education and the hospital for the daily care of patients.

The initial class will begin in Carbondale in 1972 and transfer to Springfield in 1973.

MAJOR BUSINESS INDICATORS – SPRINGFIELD MARKET AREA
PERCENTAGE CHANGE:
MOST RECENT QUARTER, 1970, FROM SAME PERIOD, 1969

Indicator	Springfield SMSA*	Eleven County Springfield Market Area
Retail Sales (3rd Qtr., 1970 – 3rd Qtr., 1969)	N.A.	N.A.
Department Store Sales	+ 7.8%	N.A.
Bank Debits	+ 8.0	N.A.
Employment		
Manufacturing	– 2.5	N.A.
Non-Manufacturing	+ 4.2	N.A
Total	+ 1.9	N.A.
Value of New Building Permits (City of Springfield)	$(000)	
Business	+ 75.3	N.A.
Residential	– 837.8	N.A.
Total	510.3	N.A.
Prices Received by Farmers (West-Southwest Reporting District)		
Corn		+ 13.9
Wheat		+ 17.1
Soybeans		+ 10.8
Oats		+ 7.6
Hogs		– 13.9
Beef Cattle		+ 3.1
Eggs		– 4.0
Ratio of Prices Received to Prices Paid by Farmers (Interest, Taxes and Wages Rates)		– 3.6

Springfield Ill. -- Business Conditions

Illinois State Journal
ILLINOIS STATE REGISTER

SPRINGFIELD-ILLINOIS-REVIEW OF BUSINESS AND ECONOMIC CONDITIONS

VOL. XI JANUARY – MARCH 1971 NO. 1

BUSINESS CONDITIONS

Although the national economy is in the midst of a modest upturn (first quarter GNP was $4 to $5 million above the consensus figure established by private economists), it still appears doubtful that the strength of the recovery which began in the fourth quarter of last year is sufficient to attain the Administration's forecast of a $1,065 million gross national product for the year. The inadequacy of the present rate of economic recovery to achieve "target" GNP is attributed to the fact that businessmen and consumers continue to exhibit caution in day-to-day spending decisions. These attitudes will probably persist until more substantive evidence of a full-fledged recovery becomes apparent. It is noteworthy, however, that recent surveys of consumer confidence indicate that people are slowly becoming more optimistic. However, should the economy continue to lag behind the Administration's expectations, economic policy-makers will probably resort to various tax measures to bolster the recovery. The fiscal tools most frequently mentioned for possible implementation in the near future include the reinstatement of the investment tax credit and/or early provision for tax cuts originally scheduled for 1972 and 1973.

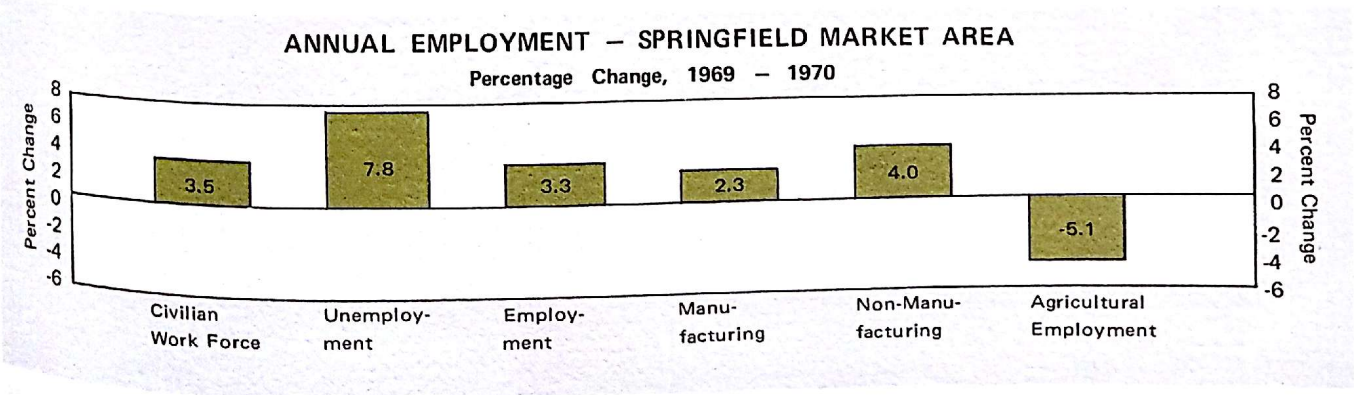
Annual Growth Impressive

The record of employment growth in the Springfield area during 1970 was quite impressive. According to recently published labor statistics there were 2,600 more employed workers in January, 1971, than there were in January, 1970. The total employment figure of 76,400 was the highest ever recorded for the month of January. Annual employment in the manufacturing sector grew by 2.25 percent from 9,975 in 1969 to 10,200 in 1970. A larger growth rate, however, occurred in the nonmanufacturing sector where employment increased by almost 4 percent from 56,475 to 58,725. The employment groups chiefly responsible for this growth were: government (+1925); finance-insurance-real estate (+400); and services (+425).

Substantial Seasonal Decline

The normal midwinter decline in employment was somewhat exaggerated this year due to national economic conditions. During the 60-day period ending in mid-January, total employment dropped from 78,850 to 76,400 causing the unemployment rate to rise from 2.9 percent of the work force in November to 3.7 percent in January. In January, 1970, the comparable figure was 3.4 percent. Nevertheless, the overall employment situation in the Springfield area is considerably more favorable when evaluated within the context of the national and State setting where the respective unemployment rates are substantially higher.

In terms of the immediate future, the State employment service expects wage and salary employment to expand through the spring months. Although manufacturing employment is forecasted to remain stable, nonmanufacturing construction activity will record moderate advances. Gains are also projected for transportation-communications-utilities and for finance-insurance-real estate.



SECOND HOMES: A SUMMARY

Second homes have become a larger factor in the overall housing market in recent years, and demand for reliable data on this type of shelter has grown accordingly. A recent publication from the Bureau of the Census provides the first complete survey of second home ownership in the United States.

The statistics on second homes in this report which were gathered in April, 1967, are broken down only to the regional level (as shown in the accompanying tables). However, the Bureau of the Census is planning to collect data on second homes in the 1970 Census of Housing, and this information will be made available for counties, Standard Metropolitan Statistical Areas, and other urbanized areas.

Highlights of the national second home survey are presented below. This data will provide good background information for use with the local statistics which will become available as part of the 1970 Census.

Volume of Second Homes

In relation to the overall housing market, second homes still constitute a relatively small portion of the total. In 1967 about 1.7 million of the 58.8 million households in the United States had second homes which were reserved the year round for their own use. Information concerning construction dates of housing units being utilized for second homes shows that during the 1960's second homes were constructed at an annual rate of 55,000 units per year. The average annual rate of total home construction during the 1960's was approximately 1.4 million. These figures indicate that second home construction constitutes about four percent of total housing additions at the present time.

However, the number of second homes has been increasing steadily and this growth is expected to continue in the 1970's. Compared to the annual construction rate of 55,000 in the 1960's, the annual rate of second home additions was 40,000 in the 1950's and only 20,000 in the 1940's.

One interesting aspect of this utilization of new housing is the degree to which it reduces the effective addition to total new housing supply. The nation's housing situation is viewed as critical by some experts, with needs far exceeding the current level of building. If second homes do in fact increase their share of total new housing supply it could cause concern in some quarters. The anomaly, of course, would be in regards to the growing number of people able to maintain two homes, while many others lack the economic wherewithal to support even one adequate dwelling place.

Regional Differences

In the South, where a higher percentage (39 percent of total) of second homes were built in recent years, the average value of units is $9,700. The Northwest region has the second highest median value at $7,800 while the West and North Central areas follow with median values

[1] Second Homes in the United States, Current Housing Reports, Series H-121, No. 16. U.S. Department of Commerce, Bureau of the Census, U.S. Department of Agriculture, Forest Service.

Definition of Second Homes: A second home is a residence other than the one where the household usually lives, which was owned or rented by the household for the entire year. The homes must have been reserved for the occasional use of the owner during the entire year. Included are homes in exclusive possession of a household and also those shared with co-owners or co-renters. Not included are homes located outside the United States, homes used for income and investment purposes only, trailers, tents, and the like.

CHARACTERISTICS OF SECOND HOMES
Percent Distribution of Selected Characteristics by Region, 1967

	Location of Second Home			
	Northeast Region	North Central Region	South Region	West Region
Owned second homes	542,000	474,000	245,000	235,000
Total percent	100.0	100.0	100.0	100.0
TYPE				
Single-family home	33.6	28.1	40.4	35.4
Vacation cottage	60.9	64.2	49.4	45.6
Other	5.5	7.7	10.2	19.9
ROOMS				
1 and 2 rooms	14.5	18.3	9.7	27.2
2 and 4 rooms	40.2	52.4	42.5	51.3
5 rooms or more	45.3	29.3	47.8	21.5
Median number of rooms	4.3	3.7	4.4	3.4
YEAR BUILT				
1960 or later	20.3	25.2	39.3	27.8
1950 to 1959	26.0	18.9	29.1	34.8
1949 or earlier	53.7	55.9	31.6	37.4
VALUE OF PROPERTY				
Less than $5,000	33.0	35.7	18.2	33.3
$5,000 to $9,999	30.1	36.2	34.1	35.2
$10,000 to $14,999	9.6	13.9	31.2	6.8
$15,000 to $19,000	7.5	9.2	12.3	6.0
$20,000 or more	19.8	5.0	4.2	18.7
Median value	$7,800	$7,000	$9,700	$7,400

Source: Second Homes in the United States, Current Housing Reports, Series H-121, No. 16, U.S. Department of Commerce; U.S. Department of Agriculture.

of $7,400 and $7,000 respectively. Size variation in second homes, in terms of number of rooms, is not too great among the four major regions of the United States. The largest homes are in the South, where the average number of rooms in second homes is 4.4, while the West has the smallest with an average of 3.4 rooms. In between these two extremes are the Northeast and North Central regions where the average number of rooms in second homes is 4.3 and 3.7 respectively.

In terms of facilities, second homes located in the South and West are more likely to have inside plumbing than those located in the Northeast and North Central Regions. On the other hand, second homes that have electricity were found in about the same proportion in each region. There was no noticeable regional difference in the percentages for homes with central heat systems.

Second homes located in the Northeast are closer to the owners' primary home than those located in the other regions. Forty percent of the second homes in the Northeast are less than 50 miles from the primary home as compared to 25 percent in the North Central and South regions and 20 percent in the West.

Owner Characteristics

A majority of second homes are owned by husband-wife families, about a third of whom have children under 15 years of age in the household. About 21 percent of the heads of households owning second homes are 65 years of age and over. The comparable figure for all U.S. household heads in this age class is 19 percent. About 71 percent of second home owners fall into the 35 to 64 year age group although this age group accounts for only 57 percent of all household heads in the country. In regards to younger households, only eight percent of households headed by people under 35 own second homes although this age group represents 24 percent of all households.

As would be expected, households with second homes have higher incomes than those without second homes. The median income for all households with second homes is $9,600 and for those without second homes it is only $5,900. One half of all second homes are owned by households with annual income of $10,000 or more. The structures owned by these households are on the average larger than those owned by lower income households – about three-fourths of them have at least four rooms. In contrast, second homes owned by households with incomes of less than $5,000 (20 percent of total) have an average size of 3.4 rooms and an average value of $5,100.

Use Patterns

Nine out of ten second homes that have been owned a year or longer had been occupied by their owners at least once during the year preceding the survey. About seven percent of the households who used their second home during the past year also rented them to other households for a total period of less than six months.

About half the second homes that had been owned for a year or longer were used by their owners, a total of 30 to 90 days during the previous year. Approximately a quarter were used for less than 30 days, and only a few were used for more than 180 days.

About 60 percent of the second homes that were occupied by their owners last year were used mainly on a seasonal basis. The remaining 40 percent were used occasionally throughout the year. Seasonal use is concentrated during the summer months. However, one quarter of those used seasonally are used on occasion during two or three seasons of the year.

There is a noticeable regional variation in the pattern of second home use. In the South and West, for example, more second homes are used occasionally throughout the year than in the Northeast and North Central regions where seasonal use is more common.

OCCUPANCY PATTERNS OF SECOND HOMES

Percent Distribution of Occupancy Characteristics by Region, 1967

	Location of Second Home			
	Northeast Region	North Central Region	South Region	West Region
OCCUPANCY PATTERN LAST YEAR				
Total owned second homes	100.0	100.0	100.0	100.0
Occupied by owner's household	92.4	94.0	83.1	96.1
Not occupied by owner's household	7.6	6.0	16.9	3.9
OCCUPIED BY OWNERS LAST YEAR				
Occasionally throughout year	100.0	100.0	100.0	100.0
Certain seasons only	29.3	31.7	58.9	5
	70.7	68.3	41.1	42.5
DURATION OF OCCUPANCY LAST YEAR				
Occupied by owners, total	100.0	100.0	100.0	100.0
Less than 30 days	23.7	31.4	36.1	26.1
30 up to 60 days	26.8	29.2	18.8	42.5
60 up to 90 days	24.3	16.5	9.4	13.3
90 up to 180 days	18.7	21.0	20.9	16.1
180 days or longer	6.5	1.9	14.8	2.0
Median number of days	59	49	52	47
RENT STATUS LAST YEAR				
Occupied by owners, total	100.0	100.0	100.0	100.0
Rented to other households	9.7	7.1	4.6	2.0
Not rented to other households	90.3	92.9	95.4	98.0

Source: Second Homes in the United States, Current Housing Reports, Series H-121, No. 16, U.S. Department of Commerce; U.S. Department of Agriculture.

Technological

Final Census Reports

According to the final count on the 1970 Census of Illinois compiled by the Bureau of the Census, Springfield's population currently stands at 91,753. This figure represents a 10.2 percent increase over the 83,271 population count for 1960.

The Bureau also reported that the State's population increased by 10.2 percent between 1960 and 1970 and presently stands at 11,113,976 as of April 1, 1970.Figures for some other major Illinois cities (1970 figures first, 1960 figures second, and percentage of increase-minus sign denotes decrease) are provided here: Alton – 39,700, 43,047, -7.8; Arlington Heights – 64,884, 27,878, 132.7; Aurora – 74,182, 63,715, 16.4; Belleville – 41,699, 37,264, 11.9; Belvidere – 14,061, 11,223, 25.3; Benton – 6,833, 7,023, -2.7; Bloomington – 39,992, 36,271, 10.3; Cairo – 6,277, 9,348, -32.9; Canton – 14,217, 13,588, 4.6.

Carbondale – 22,816, 14,670, 55.5; Carmi – 6,033, 6,152, -1.9; Centralia – 15,217, 13,904, 9.4; Champaign – 56,532, 49,583, 14.0; Chicago – 3,366,957, 3,550,404, -5.2; Chicago Heights – 40,900, 34,331, 19.1; Columbia – 4,188, 3,174, 31.9; Crystal Lake – 14,541, 8,314, 74.9; Danville – 42,570, 41,856, 1.7.

Decatur – 90,397, 78,004, 15.9; Dekalb – 32,949, 18,486, 78.2; Dixon – 18,147, 19,565, -7.2; East St. Louis – 69,996, 81,712, -14.3; Edwardsville – 11,070, 9,996, 10.7; Elgin – 55,691, 49,447, 12.6; Evanston – 79,808, 79,283, 0.7; Fairfield – 5,897, 6,362, -7.3; Freeport – 27,736, 26,628, 4.2; Galesburg – 36,290, 37,243, -2.6.

Harvard – 5,177, 4,248, 21.9; Harvey – 34,636, 29,071, 19.1; Highland – 5,981, 4,943, 21.0; Jacksonville – 20,553, 21,690, -5.2; Joliet – 80,378, 66,780, 20.4; Kankakee – 30,944, 27,666, 11.8; Kewanee – 15,762, 16,324, -3.4; LaSalle – 10,736, 11,897, -9.8; Lincoln – 17,582, 16,890, 4.1; Litchfield – 7,190, 7,330, -1.9.

Macomb – 19,643, 12,135, 61.9; Mattoon – 19,681, 19,088, 3.1; Metropolis – 6,940, 7,339, -5.4; Moline – 46,237, 42,705, 8.3; Monmouth – 11,022, 10,372, 6.3; Morris – 8,194, 7,935, 3.3; Mount Carmel – 8,096, 8,594, -5.8; Mount Vernon – 15,980, 15,566, 2.7; Normal – 26,396, 13,357, 97.6; Olney – 8,974, 8,780, 2.2.

Ottawa – 18,716, 19,408, -3.6; Paris – 9,971, 9,823, 1.5; Pekin – 31,375, 28,146, 11.5; Peoria – 126,963, 103,162, 23.1; Pontiac – 9,031, 8,435, 7.1; Quincy – 45,288, 43,793, 3.4; Rantoul – 25,562, 22,116, 15.6; Robinson – 7,178, 7,226, -0.7; Rockford – 147,370, 126,706, 16.3.

Rock Island – 50,166, 51,863, -3.3; Salem – 6,187, 6,165, 0.4; Savanna – 4,942, 4,950, -0.2; Shelbyville – 4,597, 4,821, -4.6; Sterling – 16,113, 15,688, 2.7; Streator – 15,600, 16,868, -7.5; Taylorville – 10,644, 8,801, 20.9; Urbana – 32,800, 27,294, 20.2.

Vandalia – 5,160, 5,537, -6.8; Waukegan – 65,269, 55,719, 17.1; Woodstock – 10,226, 8,897, 14.9.

Township Tax Rates Higher

The 1970 tax rates for all townships in Sangamon County were recently announced by Ernest Ostermier, Sangamon County Clerk. Most rates show an increase, due mainly to the loss of assessed valuation through exemption of personal property, and because of increases in many school district and fire district levies. The new tax rates will be computed on 1970 tax bills, payable in 1971.

Capital Township (City of Springfield) showed a rate increase of 30 cents per $100; and Springfield Township increased 19.5 cents per $100. The Capital Township rate for 1970 will be $5.0463 per $100 assessed valuation as compared to $4.7408 in 1969, an increase of 30.45 cents. The various taxing bodies that make up the Capital rate include: County, 29.5 cents, down 1.3 cents; township fund, 16.6, up 1.4; corporation tax, $1.23, up 10.7; School District 186, $2.52, up 86; Lincoln Land Community College, 19 cents, up 3.5; Airport Authority, 10.6, up 2.2; Park District, 25.9, up 2.4; Sanitary District, 16.2, up .12 of a cent; Auditorium authority, 5 cents, up .09 of a cent; and Mass Transit remained the same at 5 cents.

Woodside showed a 39.7 cent increase per $100 assessed valuation because of the increases listed for Capital (except the township and corporation fund) plus an increase of 17.2 cents in the township levy. That fund was not levied in Woodside last year and had to be reinstated for the 1970 tax bills. The Woodside fire district fund also increased from 25 cents to 30 cents.

The legislature gave permission to townships to raise more money for fire protection and Woodside, who gets service from Springfield, had to levy the additional 5 cents to satisfy Springfield's demands.

The Woodside rate now stands at $4.43 per $100 as compared to $4.03 in 1969.

The Springfield Township rate jumped from $4.32 in 1969 to $4.52 in 1970 due to increases in the fire district fund and the township fund, along with the increases listed in Capital Township.

MAJOR BUSINESS INDICATORS-SPRINGFIELD MARKET AREA PERCENTAGE CHANGE: MOST RECENT QUARTER 1970, FROM SAME PERIOD, 1969

Indicator	Springfield SMSA*	Eleven County Springfield Market Area
Retail Sales		
Annual, 1969 – Annual, 1968	4.7 %	3.7 %
Department Store Sales	N.A.	N.A.
Bank Debits	10.3	N.A.
Employment		
Manufacturing	1.7	N.A.
Non-Manufacturing	10.8	N.A.
Total	4.3	N.A.
Value of New Building Permits		
(City of Springfield)	$(000)	
Business	–13,703	N.A.
Residential	+ 1,620	N.A.
Total	–12,336	N.A.
Prices Received by Farmers		
(West-Southwest Reporting District)		
Corn		+23.6 %
Wheat		+20.2
Soybeans		+23.5
Oats		+18.4
Hogs		–34.4
Beef Cattle		+ .1
Eggs		–25.4
Ratio of Prices Received to Prices Paid by Farmers		
(Interest, Taxes and Wages Rates)		– 7.8

*Springfield Standard Metropolitan Statistical Area includes all of Sangamon County.

Note: Data which were used in developing these indicators were obtained from various Federal, State, and Local sources and can be supplied by Copley International Corporation on request.

Springfield, Ill. -- Business Conditions

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SPRINGFIELD-ILLINOIS-REVIEW OF BUSINESS AND ECONOMIC CONDITIONS

VOL. XI APRIL — JUNE 1971 NO. 2

BUSINESS CONDITIONS

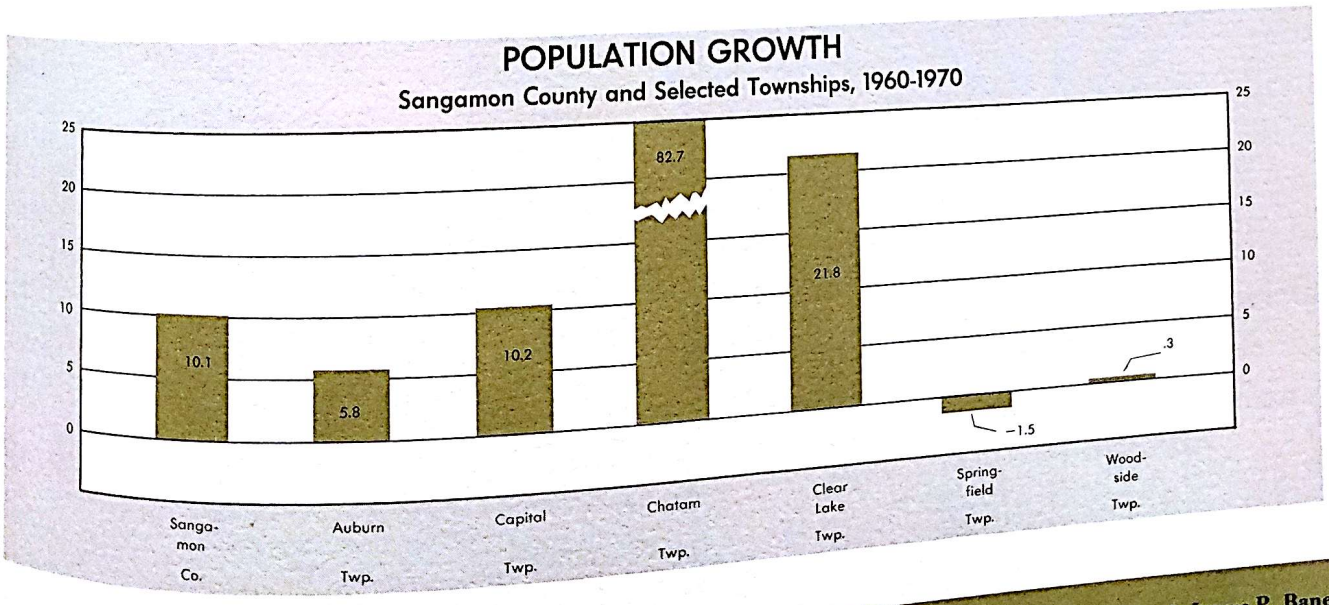
Slow Upward Movement

The mild economic upturn which commenced during the third quarter of last year continued through April, though the ameliorative trend was accompanied by a considerable degree of uncertainty. First quarter GNP figures reflect a $30.8 billion rise in total spending, most of which was directly related to the rebound of the auto sector from the disruptive influences of the recent GM strike. Among the economic sectors generally referred to as cyclically sensitive, only residential construction — stimulated by falling mortgage interest rates, increased availability of funds from savings institutions and continued federal support — has shown significant improvement during the past few months. Consumer spending increased at a 7 percent annual rate between II (70) and I (71). However, a more reliable indicator of cyclical fluctuations, consumer durables spending, has not recovered strongly from its 1969-70 slump.

Spending on inventory and on plant and equipment, which is an extremely vital component in the expansionary phase of the business cycle, has remained obstinately sluggish. Without marked improvement here the current recovery cannot gather much momentum. More disturbing is the fact that reliable surveys have recorded a downward revision in capital spending plans for the remainder of the year. Whether or not this trend materializes, more favorable developments may be in the offing a little further down the road. According to the Conference Board, advanced estimates suggest a modest rise in capital appropriations during second quarter. Changes in capital appropriations are normally translatable into spending within six to twelve months. Nevertheless, should the current situation with respect to business spending persist, reinstatement of the 7 percent investment tax credit becomes ever more likely.

Population Growth

The tabular presentation below shows population growth in Sangamon County and selected townships therein, and is based upon published data from the 1970 U.S. Census. The official population count for Illinois as of April 1, 1970 was 11,113,976. This represents an increase of 1,032,818, or 10.2 percent from the 10,081,158 inhabitants of the state in 1960. As the table indicates, the rate of population growth in Sangamon County and in Springfield is roughly comparable to the statewide average.



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James P. Bane
Economist

ADVANCE 1970 CENSUS DATA

The tables below present 1970 U.S. Census statistics on housing and demographic characteristics for the state, the eleven-county market in central Illinois and Springfield. Because of the rather large amount of data released, the presentation has been limited to those items most relevant to businessmen interested in the regional economy. To make this information as useful as possible, actual counts rather than percentage distributions are provided. It is hoped that this format will enhance the document's use as a handy reference source.

A glance at Table 1 reveals the fact that in terms of population growth the experience of Springfield and Sangamon County was very similar to that of the state. All three areas grew at about the same rate. Note also that the population of Springfield and Sangamon County is younger than the statewide average. Furthermore, in each case households have increased faster than population; this was also true of the state. This trend is explained by the phenomenon of declining birthrates and rapid household formation (post WWII baby boom marriages).

Two major limitations are associated with advance series. First, data are available only for places having a population of 10,000 or more. Second, only those items which all persons interviewed had to answer are tabulated in the advance publication. The first limitation means that data on the region's unincorporated areas have not been published yet. The second limitation means that no information on incomes and occupations is available at this time. However, since housing value and income are closely related, the distribution of home values indicates the relative affluency of different areas.

While the data here are called advanced, they are still final. The final reports to be published later this year

POPULATION GROWTH IN ELEVEN-COUNTY

	Illinois	Cass	Christian	Green	Logan
Population: 1970	11,113,976	14,219	35,948	17,014	33,538
1960	10,081,158	14,539	37,207	17,460	33,656
Percent Change	10.2	−2.2	−3.4	−2.5	−.4
Households: 1970	3,502,138	4,832	12,108	5,783	10,099
1960	3,084,738	4,756	11,928	5,668	9,096
Percent Change	13.5	1.6	1.5	2.0	11.0
Age Distribution					
0-6	1,362,542	1,671	4,233	1,922	3,315
7-13	1,587,611	1,903	4,984	2,367	4,471
14-17	845,470	1,068	2,797	1,407	2,528
18-20	561,598	511	1,308	568	2,115
21-24	667,715	699	1,626	694	1,910
25-34	1,383,864	1,582	3,822	1,697	4,168
35-44	1,268,932	1,501	3,813	1,690	3,743
45-54	1,296,554	1,576	4,191	1,989	3,762
55-64	1,046,036	1,520	3,916	1,849	3,370
65 & over	1,093,654	2,188	5,258	2,831	4,156
Average (Median) Age	32.8	32.2	32.1	33.2	30.2
Number of Males	5,391,836	6,772	17,293	8,183	16,600
Number of Females	5,722,140	7,447	18,655	8,831	16,938

and throughout 1972 will contain the same numbers printed here. However, these reports will provide useful cross tabulations and other more detailed data. Printed information on incomes and occupations is tentatively scheduled for publication by May, 1972. However, delivered data has been running about three-five months behind schedule, so the above data must be considered optimistic.

In addition to printed reports, the Census Bureau also sells computer summary tapes and microfilm versions of these summary tapes. Data in these forms are made available several months before the printed reports. Five different summary tapes or "counts" on the 1970 Census of Population and Housing are currently planned. The first three counts will contain data only on the 100 percent item (those questions everybody answered). First count for Illinois is now available and gives data by counties, places, block groups, and enumeration districts. The second count will summarize data by census tract and should be available shortly. Block data makes up the third count. Information collected on a sample basis, e.g., income, occupation, place of work, ownership of major appliances, etc. will make up the fourth count. This information for Illinois should be released sometime during second quarter of next year. Fifth count will be a tabulation of data by zip codes. Tentatively this count will not be released in printed form.

Further information on the Census Bureau's data release program can be obtained from the local Department of Commerce Field Office. Order forms for the final reports may also be obtained here. Those interested in purchasing computer tapes or microfilm should write to the Census Bureau in Washington, D.C. To facilitate more rapid and wider dissemination of census data, the Census Bureau has recognized a number of "Census Tape Processing Centers." These centers are private firms and universities which are purchasing summary tapes and for a fee will copy these tapes or make special tabulations. Lists of such firms in the Chicago area can also be obtained at the Department of Commerce Field Office.

MARKET IN CENTRAL ILLINOIS: 1960-1970

Macoupin	Mason	Menard	Montgomery	Morgan	Sangamon	Scott	Springfield
44,557	16,161	9,685	30,260	36,174	161,335	6,096	91,753
43,524	15,193	9,248	31,244	36,571	146,539	6,377	83,271
2.4	6.4	4.7	−3.1	−1.8	10.1	4.4	10.2
14,920	5,637	3,252	10,362	11,368	54,374	2,070	32,616
14,186	5,044	2,978	10,398	10,481	47,514	2,087	28,752
5.2	11.7	9.2	−.3	8.5	14.4	−.8	13.4
4,883	1,930	1,131	3,420	3,788	19,371	627	10,680
6,008	2,055	1,328	4,248	4,581	22,780	895	12,071
3,418	1,162	762	2,362	2,663	12,169	456	6,464
1,896	559	297	1,007	2,479	6,890	234	4,169
2,069	794	444	1,272	2,109	8,675	229	5,317
4,377	1,752	1,046	2,960	3,948	19,164	598	10 688
4,581	1,676	1,037	3,080	3,655	17,651	638	9,342
5,281	1,833	1,122	3,658	3,990	18,919	709	10,644
4,756	1,917	999	3,393	3,733	16,898	724	10,158
7,288	2,483	1,519	4,860	5,228	18,818	986	12,220
33.2	33.1	32.6	33.6	30.6	30.1	35.1	31.0
21,283	7,805	4,685	14,378	17,244	75,541	2,943	41,492
23,274	8,356	5,000	15,882	18,930	85,794	3,153	50,261

Techaological

HOUSING CHARACTERISTICS IN ELEVEN COUNTY MARKET IN CENTRAL ILLINOIS: APRIL 1, 1970

	Illinois	Cass	Christian	Green	Logan	Macoupin	Mason	Menard	Montgomery	Morgan	Sangamon	Scott	Springfield
Total Housing Units													
Owner Occupied	2,081,101	3,500	8,858	4,111	6,568	11,723	4,044	2,290	7,894	7,588	36,148	1,429	19,304
Renter Occupied	1,421,037	1,332	3,250	1,672	3,531	3,197	1,593	962	2,468	3,780	18,226	641	13,312
Vacant	190,777	373	806	634	584	1,369	677	359	1,019	755	2,557	384	1,734
For Sale	21,049	46	120	75	78	150	48	14	147	124	359	44	235
For Rent	99,451	85	269	131	200	251	106	108	230	185	1,254	55	1,074
Other	70,277	242	417	428	306	968	523	237	642	446	944	285	434
Average Room Size	4.9	5.1	4.9	5.1	5.1	5.0	4.9	5.0	5.1	4.8	4.7	5.1	4.5
Single Family Units	2,196,523	4,379	11,657	5,791	9,107	14,822	5,475	3,181	10,353	9,347	42,873	2,236	22,755
Multiple Family Units	1,431,351	472	884	448	1,122	967	391	305	665	2,189	12,317	158	11,287
Mobile Homes	65,041	354	373	178	454	500	448	125	363	587	1,741	60	317
Rent Specified By Renter													
Under $80	361,121	713	1,613	882	1,408	1,683	795	435	1,421	1,821	7,456	294	5,932
$ 80 - $ 99	212,951	70	239	37	491	204	84	41	102	542	3,430	17	2,796
$100 - $119	213,985	19	162	10	269	62	44	20	54	269	1,862	1	1,414
$120 - $149	261,046	19	64	2	141	33	7	22	26	235	1,842	—	1,379
$150 - $199	180,571	2	26	—	52	4	2	1	4	93	1,257	1	972
$200+	73,209	—	2	—	3	3	—	2	—	11	385	—	309
Average (Median) Rent	$ 107	$ 61	$ 62	$ 48	$ 74	$ 54	$ 56	$ 58	$ 53	$ 72	$ 84	$ 49	$ 83
Home Value Specified By Owner													
Under $10,000	252,261	1,368	3,775	1,693	1,628	5,242	1,409	713	3,529	1,636	7,173	510	3,803
$10,000 - $14,999	261,656	592	814	638	1,347	2,064	733	400	1,162	1,318	7,938	210	4,683
$15,000 - $19,999	327,289	320	872	372	1,026	1,016	438	284	632	1,157	6,336	134	3,627
$20,000 - $24,999	291,234	181	394	148	602	442	236	159	287	730	3,873	59	2,089
$25,000 - $34,999	310,336	107	253	74	436	295	119	110	202	558	3,661	20	2,128
$35,000 - $49,999	149,062	27	98	11	149	107	43	53	67	245	1,663	11	976
$50,000+	69,405	3	27	2	41	28	10	16	23	85	646	6	290
Average Value	$ 19,800	$9,600	$9,700	$8,900	$13,700	$9,100	$10,600	$11,900	$8,700	$14,700	$15,400	$9,400	$15,400

Springfield, Ill. -- Business Conditions

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SPRINGFIELD-ILLINOIS-REVIEW OF BUSINESS AND ECONOMIC CONDITIONS

VOL. XIII JANUARY-MARCH, 1973 NO. 1

BUSINESS CONDITIONS

Now that final 1972 economic indicators and the forecasts are in, the optimism of most economists has simmered to a wait-and-see mood. There is no longer any doubt about the nation's economic recovery. The question now is how fast a recovery is safe without triggering off runaway prices.

Price Tag Problems

One inflationary pressure economists will be watching is the wage bargaining due this year for major labor organizations. Adding to the uncertainty about these negotiations are the untested wage and price controls of Phase III. Another pressure on prices is the recent devaluation of the dollar. The effects of this devaluation on domestic as well as imported goods are still not completely clear. The 1971 devaluation had an almost negligible impact on import prices because importers chose to absorb the costs rather than lose hard won market shares.

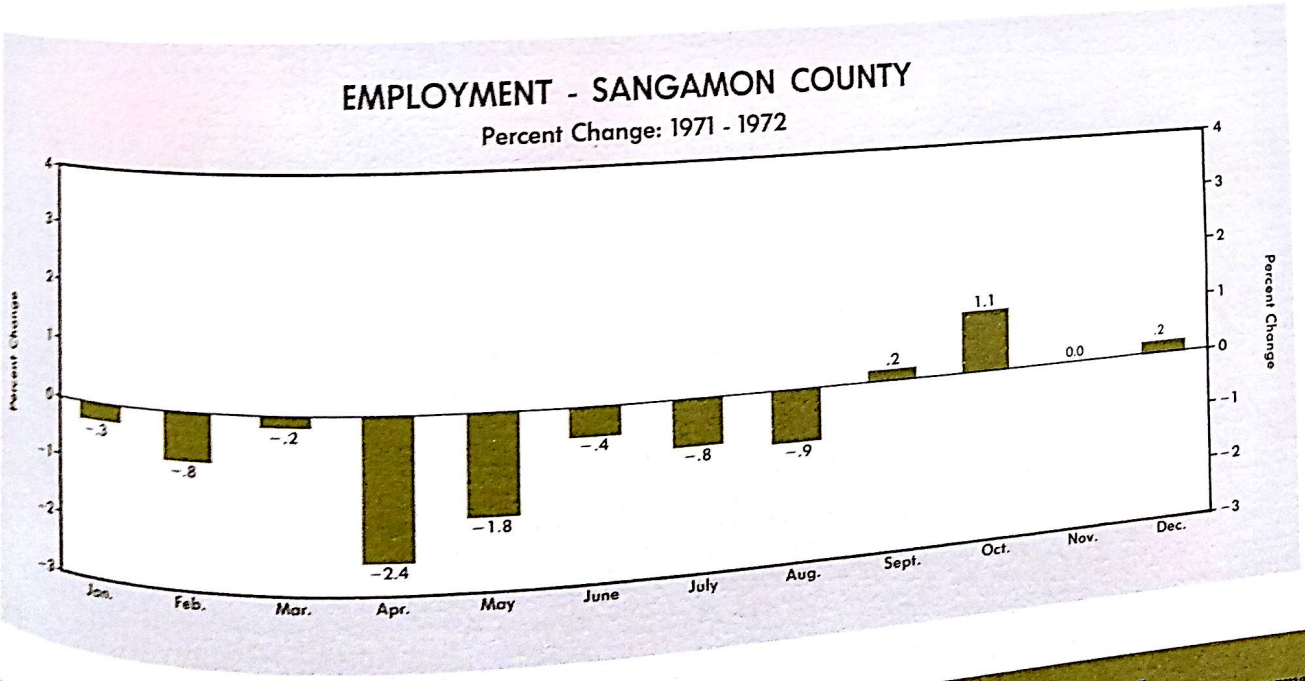
What is known is that prices are still climbing although at a slowing pace. In the Springfield area prices rose about 2.2 percent during 1972, versus a 1971 rise of 3.7 percent. Unfortunately, food costs, especially for meat, poultry, and fish, are still soaring. For these three food items around Springfield, prices climbed 10.1 percent between October, 1972, and October, 1971, while total food costs rose 4.3 percent.

The Building Boom

Rising prices, however, have not dampened the economic growth in the nation or in the Springfield area. A particularly bright spot in the local economic picture has been the building activity. Construction during 1972 reached a total value of $68 million, a 19 percent increase over the record figure of 1971. The value of commercial permits was over three times greater last year, increasing from $8.7 million in 1971 to $28.2 million. Meanwhile, residential building topped commercial construction with a total of $37.9 million in permits, for a 46.4 percent increase.

Employment

The slow rate of employment growth in the Springfield area has been somewhat disappointing in view of the surging economy. However, an encouraging sign is that employment in September finally surpassed 1971's levels. Furthermore, both the manufacturing and nonmanufacturing employment sectors are contributing to this positive trend. While factory payrolls during 1972 were still somewhat below year-earlier figures, they did show some month-to-month gains. And nonfactory employment has been above 1971 levels since June.



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Peggy Zimmerman
Paul Weddell

DISCOUNT STORES TODAY*

From its humble beginnings in warehouses, the discount store has emerged as the leading retailer for general merchandise. The discount shopper must no longer wade through aisles of disarranged merchandise. Today's discount store is attractive both in store appearance and in merchandise presentation. Indeed, many such stores prefer to be called "discount department stores." Whether referred to as a low margin retailer, a mass merchandising store, or a self-service department store, the discounter has clearly made a significant impact on the retail scene.

Phenomenal growth during the sixties enabled the discount industry to post sales of $22.2 billion during 1969, eleven times the $2 billion recorded at the beginning of that decade. And sales have continued to increase into the seventies. By the end of 1971, sales reached an estimated $26.6 billion, up 20 percent since 1969.

Discount stores continue to be the top general merchandise retailer in the nation. They accounted for 16.7 percent of the $123 billion in sales (excluding food sales) made by major retail outlets in 1971. Even when grocery operations are subtracted, discount stores lead department stores in sales volume.

1971 Sales by Type of Store

Type of Store	Sales (billions)
Super Markets	$66.7
Discount Stores	26.6
less Grocery	20.6
Department Stores	17.5
Grocery Stores	12.3
Drug & Proprietary Stores	13.7
Dry Goods & General Merchandise Stores	8.9
Furniture Stores	8.3
Women's Ready-to-Wear Stores	7.0
Tire, Battery and Accessory Dealers	6.4
Building Materials, Paint, Plumbing and Electrical Stores	6.1

Much of the industry's sales growth has been due to the annual addition of new stores. The number of stores by 1969 had increased three and one-half times since 1960 to reach a total of 4,635. During 1971 alone, 450 new stores were opened. Balanced against closings, there was a net gain of 423 new units.

Discount Industry Growth

	Stores (no.)	Sales (billions)
1960	1,329	$ 2.0
1963	2,730	9.3
1966	3,053	15.0
1969	4,635	22.2
1970	5,058	24.4
1971	5,481	26.6

The Average Store

To handle expanded merchandise lines, discount stores have continued to grow in size. The average store grew from 38,400 square feet and $1,480,000 in sales in 1960 to 71,100 square feet and $4,790,000 in sales by the end of that decade. In 1971, these figures rose to 72,300 square feet and $4,847,000.

However, during that same year, the ever-increasing size and volume of the discount store started to level off. For example, the average size of **new** stores declined from the previous year's level, from 79,800 square feet to 75,400 square feet. And although the average square footage and sales volume for all discount stores did show some growth, the increase was relatively smaller than that recorded in earlier years.

Any discussion of size and sales volume should point out that averages for discount stores are somewhat misleading because some stores (38%) also have food operations. The general merchandise section of discount stores averaged 65,100 square feet in 1971 while grocery facilities took up 18,700 square feet. But even by itself the average general merchandise square footage still only increased .5 percent.

Merchandise Lines

Since discount stores are classified as general merchandise stores, it is easier to mention what merchandise groups are not typically carried by discounters. Nationwide only about one-fourth of the discount stores have pharmacies, although this proportion has been slowly increasing. Furthermore, slightly over half of these stores lease the pharmacy department to some person or company. Approximately one-third of the discounters have auto service, furniture, alcoholic beverages, and super market departments. And just under two-thirds of the stores carry major appliances, hard floor covering, magazines, and rugs and carpets. The super market, pharmacy, and alcoholic beverages sections are the most frequently leased.

Ranked on a dollar volume basis without food sales, the three clothing departments — women's and girls', men's and boys', children's and infants' wear — occupy the top three spots in discount stores, accounting for 33 percent of total sales. In terms of square footage, these clothing sections take up 40 percent of total floor space. As the table below indicates, there is a close relationship between a department's ranking in sales and in floor space. Indeed, the top 11 departments account for 75.5 percent of sales and 77.8 percent of floor space.

Distribution of Sales and Floor Space*

Department	Percent of Sales	Percent of Sales Area
Women's and Girls' Wear	14.2%	16.6%
Men's and Boys' Wear	10.1	12.0
Children's and Infants' Wear	8.2	11.3
Auto Accessories	7.0	6.5
Housewares	6.6	5.7
Drugs and Toiletries	6.2	4.8
Linens and Domestics	5.4	4.6
Toys	4.7	4.5
Sporting Goods	4.5	4.5
Shoes	4.3	4.1
Major Appliances	4.3	3.2
ALL OTHER	24.5	22.2

*Excluding grocery departments

*All national statistical data are courtesy of *The Discount Merchandiser*, the industry's trade magazine. Unfortunately, no governmental unit collects data just on discount stores. *The Discount Merchandiser* has sought to fill this information gap by conducting annual censuses of discount stores since 1960.

Today the discount industry ranks as the number one retailer of toys, sporting goods, housewares, and children's and infants' wear. It is the second largest retailer of auto accessories, hardware, paint and garden supplies, and linens and domestics. In six merchandise lines, discount stores have over one-fourth of total U.S. retail sales – camera and photo (47.3%), children's and infants' wear (42.3%), millinery and wigs (41.1%), toys (28.1%), housewares (27.9%), and sporting goods (26.6%).

The Discount Shopper

Discount stores continue to attract more and more shoppers. By 1971, 78 percent of all shoppers visited discount stores, compared to 70 percent in 1969 and 63 percent in 1967. As the industry gained a greater share of the nation's shoppers, the image of the typical discount shopper changed. At one time the discount patron tended to be from a large family and to have a lower than average income. Today he makes between $10,000 and $15,000 a year and comes from a family with two or less children. In fact, 40 percent of all discount shoppers in 1971, versus 28 percent just two years earlier, either were single or were married without children.

As the 78 percent who are discount shoppers might indicate, the nation's consumers tend to be bargain hunters. Just over half of all shoppers visit two or more discount stores; one-fourth patronize only one discount store. In addition, while half the shoppers travel five miles or less to a discount store and are weekly visitors, over one-third are willing to go between 5 and 20 miles. Just under one-third discount shop every 2 to 4 weeks. With each trip, the discount shopper makes an average of 3.7 purchases and visits 3.2 different departments.

Illinois' Discount Industry

Illinois ranked fourth among the six leading states that together accounted for 48 percent of 1971's total discount store volume. Excluding food, Illinois' average sales volume of $3,841,000 per discount store was higher than the U.S. average of $3,752,000. Although the average square footage of strictly general merchandise discounters in the state (57,500 sq. ft.) was lower than the national figure (65,100 sq. ft.), Illinois had higher sales per square foot, $66.75 vs. $57.59.

			Sales*	
	Square Footage (000 sq. ft.)	Stores (no.)	$000	% to Total
New York	37,400	416	$3,122,000	11.8%
California	37,100	463	3,031,000	11.4
Ohio	28,400	408	1,939,000	7.3
Illinois	20,200	307	1,562,000	5.9
Pennsylvania	20,100	284	1,559,000	5.9
Texas	22,000	366	1,522,000	5.7
Total U.S.	396,400	5,481	26,566,000	100.0

* Includes super market volume

Springfield's Discount Department Stores

All the discount department stores in the Springfield area have been in operation since the mid-sixties. The newest arrival is the Woolco store, which opened in 1966. The three firms representing the general merchandise discount industry in Springfield – K-Mart (S. S. Kresge), Woolco (F. W. Woolworth), and Zayre – are among the nation's ten leading companies in sales.

The average discount department store square footage for the Springfield area is 85,500, well above that for the state (57,537 sq. ft.) and for the nation (65,141 sq. ft.). Woolco is the largest with 132,000 square feet. However, the combined square footage of the two K-Mart stores is comparable.

	First Opened	Square Feet
K-Mart - 419 East Adams	1964	28,000
K-Mart Plaza - 3250 Clear Lake Ave.	1963	110,000
Woolco - 2115 South MacArthur	1966	132,000
Zayre - 3001 South 31st	1964	72,000

The Discounter's Future

Most discounters feel the seventies will be another decade of tremendous growth for their industry. Sales growth from $2 billion in 1960 to $22 billion in 1969 certainly fosters this belief. According to conservative projections by the industry's trade magazine, sales for the discount industry could reach $35.6 billion by 1975 and $46.7 billion by 1980. As in the past, much of this growth is expected to be accomplished by the opening of new stores.

As the number of discount stores has continued to increase, the ratio of households to stores has declined. In 1969 there was one store for every 13,400 households in the country, as opposed to a 1960 ratio of 39,600 households per store. By 1971, each store accommodated 11,570 households. *The Discount Merchandiser* estimates that the final ratio may be around 8,000 households per store. By that estimate, the industry still has room for growth.

However, some nonindustry sources feel the discount industry has already reached maturity and is beginning to experience the effects of over-building. These sources point to such areas as Baton Rouge and Cleveland where discount stores, especially new stores, are facing intense competition from other discounters as well as department stores. In addition, some large chain firms are having difficulty managing their many stores over long distances.

These pressures apparently have not yet been felt to any extent by Illinois' discounters. With a households-per-store ratio of 11,407 as of 1971, Illinois can expect further expansion of its discount industry. *The Discount Merchandiser* projects that by 1975 the number of discount stores in Illinois will increase to 382 with sales reaching almost $2 billion. The 1980 forecasts are for 483 stores and $2.6 billion in sales. Also by 1980 the state's household-per-store ratio could be as low as 8,100, which would be very close to the 8,000 figure estimated by *The Discount Merchandiser* to be the saturation level. Hence, the discount industry in Illinois should continue to grow throughout the rest of this decade, although it most likely will not match the growth rate of the sixties.

Technological

SIGNIFICANT REGIONAL NEWS

A New Community

The Roosevelt National Development Co. has announced plans for a new 220-acre community to be located just west of Sangamon State University and Lincoln Land Community College. The proposed $50 million development will include both single and multiple housing units, housing for students and for the elderly, an office building area, a shopping center, recreational areas, and land for school, church, and medical facilities. The first phase of construction is scheduled to begin this spring at a cost of $12 million. When completed in 1978, the community will have a population of more than 12,000 people.

Other Residential Building

The shortage of student housing in Springfield may be further alleviated by a proposed 25-acre apartment community to be called Varsity Court. Located next to SSU, the 388 apartment units will be available to anyone but will be most convenient for students. Plans by the developers, Leonard Sapp Realtors, also provide for a 60,000 square foot shopping mall and a community center with a pool and two small lakes.

Two other apartment complexes have been recently proposed for Springfield. One planned by the Southwest Development Co. for a 10-acre site east of the Westchester subdivision will have 110 units, including units designed for the elderly. This $3.2 million complex will eventually house over 400 residents. Meanwhile, the Illinois Architectural and Mechanics Systems has applied for a building permit for a $580,000 apartment complex to be called Old Towne Apartments. It will be located at 1875 West Jefferson Street and will have 116 dwelling units.

The Springfield City Council has voted to continue with plans to build a second lake. Lake Springfield II is projected to provide 16 million gallons per day of additional supply and would enable the community to have adequate water to beyond the year 2000. Acquisition of land for the lake has been resumed, and the timetable calls for the lake to be put in service by 1980. Land acquisition of the needed 6,500 acres had been halted last year when a controversy arose over the need for the second lake. The City Council voted to continue with the project after a new study by Burns & McDonnell Engineers of Kansas City, Mo., confirmed a 1965 recommendation that the second lake was the best method of meeting the city's future water needs.

Other Construction Activity

The Springfield Metropolitan Exposition and Auditorium Authority board has accepted Lincoln Land Development's commercial proposal for the city's future civic center, and lease agreements are being prepared. The firm's plan includes a 400-room high-rise Hilton Hotel and a two-level shopping mall connecting with the convention hall. The commercial facilities will be built over a 750-car underground parking ramp.

The City of Springfield may also have a new Royal Inns of America motel complex. The seven-story motel would be built north of the Holiday Inn East on South 31st Street. In addition to the 100-room hotel, the plans call for a restaurant and cocktail lounge, banquet and meeting rooms, a cabana, swimming and therapy pools and parking areas at a total cost of $1.8 million. Zoning for the motel was granted by the City Council in March.

A commercial project which is already underway is a $1.85 million office building being built by the Illinois Associate of Real Estate Boards at South 31st Street and Stevenson Drive. The four-story, 46,000 square foot building is expected to be finished in the fall of 1973.

Industrial News

Two leases on a total of 162,000 square feet of space in the Springfield area have been acquired by Mobil Plastics, a division of Mobil Chemical of the Mobil Oil Co. The space will be used for warehousing and volume distribution of packaging materials manufactured at the company's Jacksonville plant. A 122,000 square foot warehouse in Springfield's Witt-Arm Industrial Park will handle all the distribution. The other 40,000 square feet are located in a building in nearby Chatham.

School Notes

Educational institutions in Springfield will be receiving $19 million from the State of Illinois during 1973 for various construction projects. Sangamon State University plans to use its share to start a $2.35 million power plant and a $8.48 million public affairs center. Figuring in for $7.17 million of the State funds is the second phase of Southern Illinois University's medical school. Construction of this phase is scheduled to begin before mid-year.

MAJOR BUSINESS INDICATORS — SPRINGFIELD MARKET AREA
PERCENT CHANGE: MONTH/QUARTER INDICATED 1972, FROM SAME PERIOD 1971

Indicator	Springfield S.M.S.A.*	State
Total Retail Sales (Oct.)	—	5.6
Taxable Retail Sales (3rd Quarter)	11.6	16.1
Department Store Sales (Oct.)	23.6	13.1
Bank Deposits (4th Quarter)	3.0	5.3
Bank Debits (4th Quarter)	31.3	22.5
Dollar Change in New Building Permits (000)		
Residential (4th Quarter)	$3598	–
Commercial (4th Quarter)	−$ 284	–
Total (4th Quarter)	$3004	–
Consumer Prices (Dec.)	—	2.7
Employment		
Manufacturing (Oct.)	−4.4	2.2
Non-Manufacturing (Oct.)	2.0	.9
Electric Power Consumption (Nov.)	17.1	10.2

*Springfield S.M.S.A. includes all of Sangamon County.

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SPRINGFIELD-ILLINOIS-REVIEW OF BUSINESS AND ECONOMIC CONDITIONS

Vol. XIII April-June 1973 No. 2

BUSINESS CONDITIONS

The economic boom continues being buttressed by employment gains, increasing business outlays for plant and equipment, and unabated activities in building and consumer spending. However, with the labor force tightening up and some industries operating beyond or near capacity levels, a general slowdown seems inevitable. Hopefully, it will be a gradual deceleration. Meanwhile, the price front, where everyone would like to see some slowing down, still bears bad news — the latest being a 0.6 percent jump in the cost of living during May. It is too early at this point to measure the effectiveness of the President's latest price freeze.

The Buying Mood

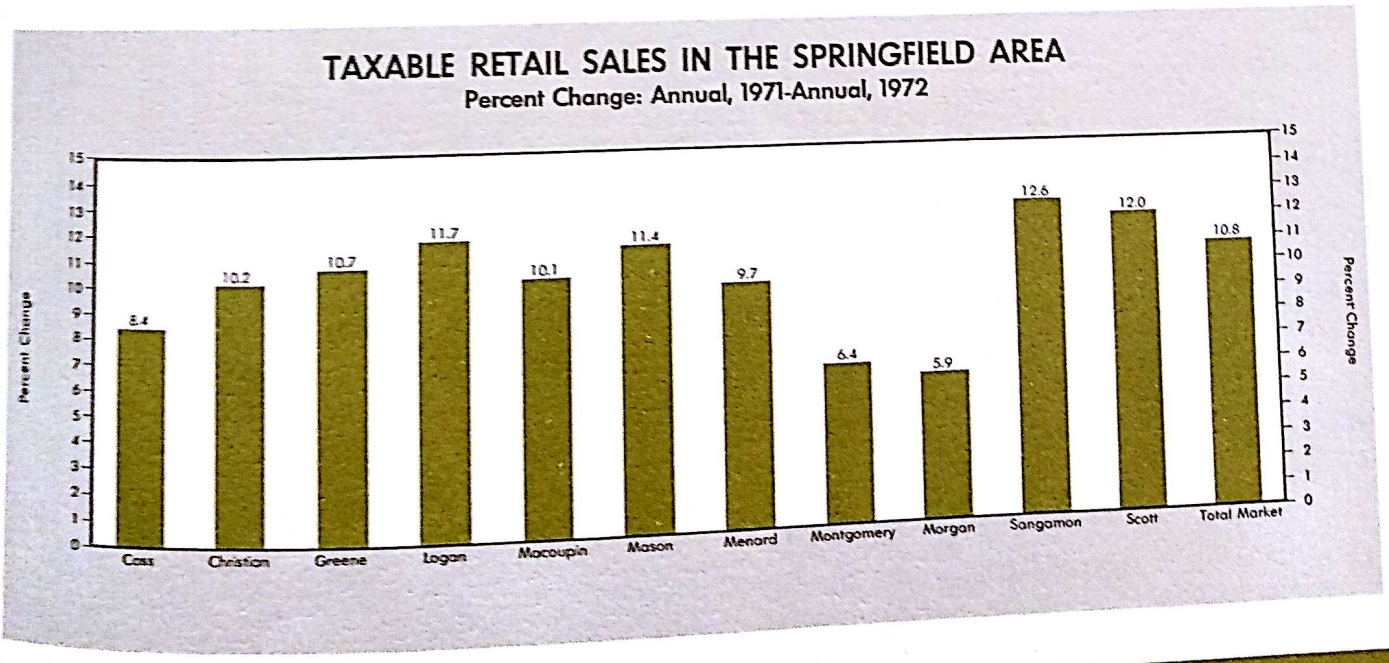
Whether it's panic buying against future price increases or the encouragement of rising personal incomes, the consumer spending spree rushes on. In the Springfield 11-county market area, retail sales in 1972 were up 10.8 percent over 1971 levels (see graph below). Total taxable sales in the market area last year amounted to $954 million. Accounting for half those sales, Sangamon County (Springfield SMSA) increased its retail trade from $419 million in 1971 to $472 million in 1972 for a 12.6 percent gain. The city of Springfield enjoyed a 16.6 percent increase in sales, reaching $389 million last year, compared to $334 million for the year before.

Construction Trends

Nationally the expected decline in construction has yet to materialize, although April figures did give some hint of a downturn from the 2-year upward trend. The outlook is for a slowing in home building but heavy nonresidential construction. Contrary to the national trend, Springfield experienced a sharp increase in the value of new construction in April, following a steady decline since the beginning of the year. New construction permits were valued at $5.3 million in April, a $4.5 million gain over the March figure. Also, both residential and nonresidential building contributed to this upswing. Permits for home construction were valued at $2,245,000 in April versus $760,000 in March, while commercial permits rose to $3,023,000 from $85,000.

Employment News

The slow rate of employment growth in the Springfield area during 1972 has picked up so far this year, and the forecast is for continued expansion at least through June. First quarter nonfarm wage and salary payrolls averaged 2.8 percent higher than year-earlier levels. Government and the finance, insurance, and real estate business sectors have been the major impetus behind this improved employment picture. Further input is expected from advances in construction, trade, and service payrolls. Meanwhile, unemployment is maintaining its relatively low level in the Springfield area. The area's March rate of 3.3 percent was considerably lower than the comparable national and Illinois rates of 5.2 and 3.8 percent, respectively.



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Peggy Zimmerman

SPRINGFIELD'S TOURIST AND CONVENTION INDUSTRY

The city of Springfield annually attracts about one million tourists and over 160,000 conventioneers. Each year these visitors add over $20 million to the city's economy, amounting to 10 percent of Springfield's total retail sales. In terms of total economic impact, which equals the direct dollars spent multiplied by the average number of times a dollar turns over in the community, this mounts up to perhaps over $50 million. Also, the tourist and convention industry helps support some 13,000 tourist-related jobs in services and retail trade in the Springfield SMSA. It is evident that the hosting of conventioneers, vacationers, and sightseers is an important industry in this historic capital city.

Trends in the Visitor Industry

The number of visitors to Springfield has grown significantly in the past two decades. Last year two to three times more people visited the various Lincoln shrines than in 1950. As seen in the table below, there was generally a greater increase in tourist activity during the Fifties than between 1960 and 1970. For example, the 1950-1960 percent increase in the number of Lincoln Home visitors was 125.2 percent, compared to a 1960-1970 increase of 15.2 percent. Of all Springfield's historic and State attractions, Lincoln's Home and Tomb have had the most continuous increases in tourist volume.

In 1972, 531 conventions were held in Springfield, for an increase of 372 over the 1950 figure of 159; attendance was 131,480 persons higher. The convention business has had a fairly steady growth pattern during the past two decades, although it also experienced a slower rate in the 1960's than in the 1950's. Both tourist and convention trade should greatly benefit from the various projects proposed to develop Springfield's visitor resources (see end of this article).

In addition to the attractions in the immediate Springfield area, 30,000 acres of public recreation facilities are available in the 11-county market region. These parks and conservation areas provide outdoor recreation activities for hundreds of thousands of people each year (not including the 2 million plus visits by residents of the area). Also, the camping facilities in these parks offer an economical way for families to visit the many points of interest throughout the 11 counties. As camping continues to grow more popular as an inexpensive means of traveling and sightseeing, these parks and other open land spaces are becoming increasingly valuable to the area's tourist industry.

The Economics of Tourism

The major expenditures by a tourist go toward gasoline and auto service, lodging, food, and recreation and amusement. According to a study of Illinois' tourist industry, outlays for the latter three expenses account for half the tourist's budget. In turn, a third of the combined sales of hotels, motels, eating and drinking places, and firms involved in recreation items and services is derived from tourist trade. Lodging businesses, which are

VISITORS AND VISITOR FACILITIES IN SPRINGFIELD

	1950	1960	1970	1972	Percent Change 1950-1960	Percent Change 1960-1970
Conventions						
Number	159	319	516	531	100.6%	61.8%
Attendance	52,995	165,977	219,345	184,475	213.2	32.2
Visitors						
Lincoln's Home	251,774	566,989	653,060	667,298	125.2	15.2
Lincoln's Tomb	325,119	574,329	703,176	623,882	76.7	22.4
New Salem	226,488	986,104	988,215	872,063	335.4	0.2
Old State Capitol	–	–	268,783	259,428	–	–
State Capitol	190,000	430,500	211,000	450,000	126.6	–51.0
State Museum	250,000	606,496	337,987	324,145	142.6	–44.3
State Fair	971,000	971,246	940,709	667,410	0.0	– 3.1
Visitor Facilities						
Hotel/Motel Rooms	1,400	1,860	2,431	3,119	32.9	30.7
City Parks						
Number	11	14	23	24	27.3	64.3
Acreage	911	936	1,318	1,323	2.7	40.8

of course especially dependent on this trade, receive three-fourths of their receipts from tourist spending.

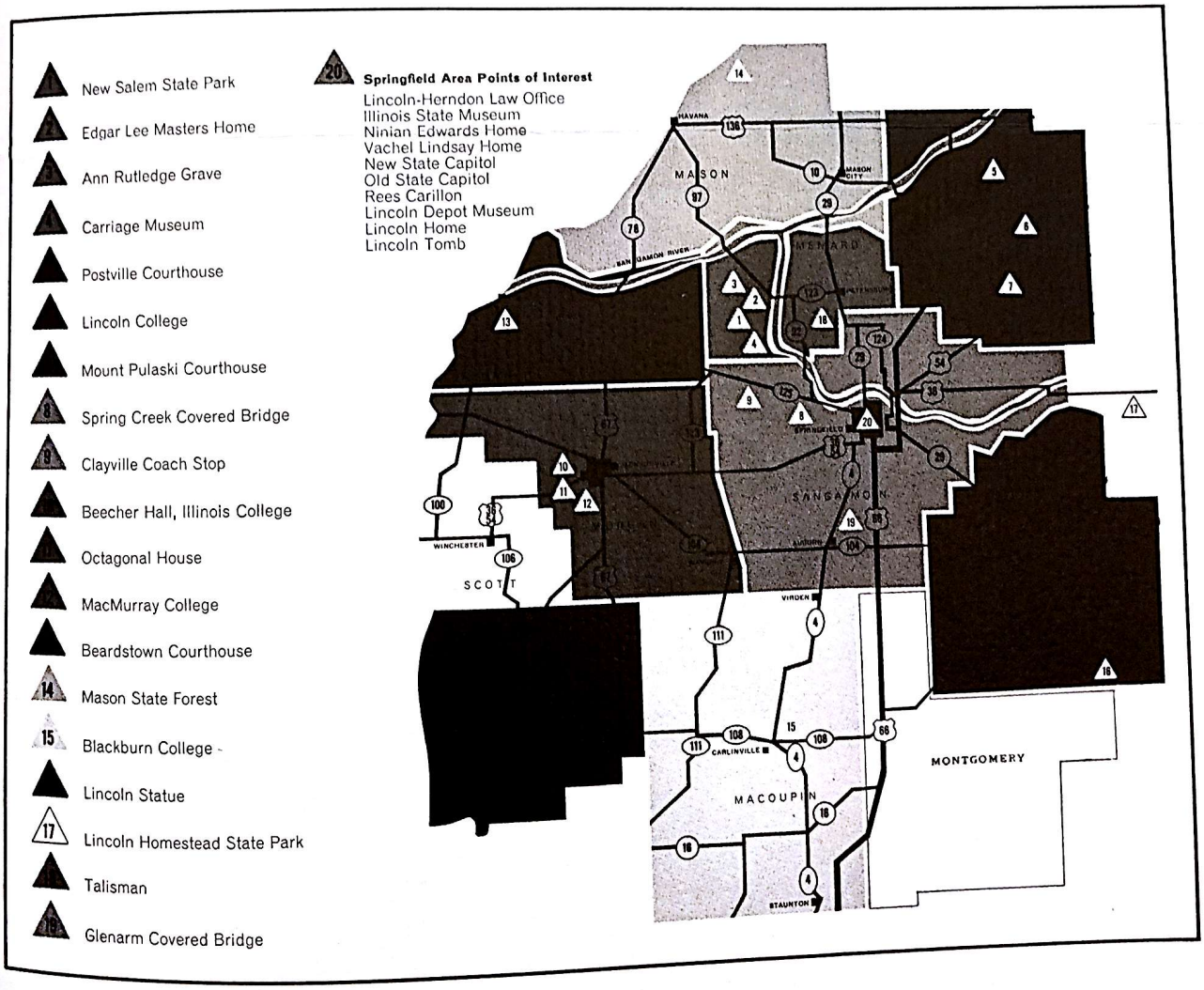
In addition to generating some $20 million in direct revenue each year, Springfield's tourist industry affects about one-fifth of the area's labor force. About 9,400 persons work in tourism-related retail trade, such as general merchandise, food, auto dealers and service stations, eating and drinking, apparel and accessories. Of course, only part of this retail trade involves transactions with visitors. Another 3,200 persons are employed in such services as lodging, personal services, auto repair, and entertainment and recreation, which are even more dependent on tourist spending than is retail trade.

Visitor Facilities in Springfield

The Land of Lincoln is one of the nation's most popular sightseeing areas. Also, because of its central location, the city of Springfield is an ideal place to hold conventions and trade exhibit shows. To accommodate the growing number of visitors over the past 20 years, Springfield has greatly expanded its visitor facilities as seen in the adjacent table. The city also maintains 4 public golf courses, 19 tennis courts, and 3 public pools. Lake Springfield with 57 miles of shoreline and the 350-acre Riverside Park offer additional recreational opportunities for both visitors and residents. Some of the city's attractions and other points of interest in the 11-county area are identified on the map below.

A quick comparison of the percentage changes in the number of visitors to the percentage changes in the number of facilities roughly indicates that the increase in visitors has somewhat outpaced the expansion of visitor resources. However, several major developments now being planned should greatly enhance Springfield's ability to meet the growing demand for tourist services and facilities. The new downtown civic complex will significantly increase the inventory of lodging, banquet, meeting, and other convention facilities. The complex will include a 400-room high-rise Hilton Hotel, convention hall, shopping mall, theater, and room for sporting as well as cultural events. Also, the 30-story Forum XXX Ramada will provide over 200 rooms plus 32,000 square feet of convention space and two stories of restaurant facilities. And adding further impact on the downtown area will be a proposed $8 million national park designed to cover a 4-block area around Lincoln's Home. The National Park Service estimates that once the park is completed it will attract three to five times as many visitors.

The visitor and convention industry across the nation is continually being stimulated by rising personal incomes, increased leisure time, and an expanding business economy. In the Springfield area, this "industry without smokestacks" promises to remain an important and growing part of the community's economy.



SIGNIFICANT REGIONAL NEWS

Banking News

Total assets of Springfield's banks reached $704 million as of December 31, 1972, up $80 million from 1971's total. With this increase, Springfield continues to hold a major share of the combined bank assets of the three central Illinois cities. The banks in Peoria at the end of last year held $626 million in assets, while the Decatur banks held $392 million. Springfield has maintained its central Illinois banking lead since 1967, even though Peoria is one and a third times the size of Springfield in population. This growth of the city's financial institutions is indicative of the area's steady expansion, sound employment base, and healthy business economy.

Current banking activities include the March ground breaking ceremonies at 4th Street and S. Grand Avenue for the new Capitol Bank and Trust Company motor bank. Other facilities scheduled for completion this year are the 3-level Town and Country Bank Plaza, the addition to the First National Bank, and the new Illinois National Bank building.

Road Work Ahead

Road construction plans for the Springfield area were recently revealed by the County and the State. Nearly $1 million in highway construction contracts has been approved by the Sangamon County Board. The biggest contract of over $800,000 has been awarded to Sangamo Construction Co. for completion of the Chatham Road project. Also, Governor Dan Walker announced a $495-million State highway program for 361 miles of freeway construction. Included in this plan is the 98.9-mile Central Illinois Expressway between Springfield and Quincy. The Springfield to Jacksonville section will be a modern 4-lane expressway and will cost $44.6 million. Construction of the 2-lane link between Jacksonville and Quincy will amount to $87.9 million. Land will be acquired for eventual conversion of this segment to a 4-lane freeway.

Other Construction News

Ground was broken this past March for the new Citizens Savings and Loan Association building near 4th and Adams Streets. Also in March John B. Clark Realtor was issued a building permit for a new 2-story commercial building at 2730 S. MacArthur Blvd. Earlier this year Ace Hardware announced plans for a new retail outlet and warehouse in the Springfield area. The 44,000 square foot retail facility will be located on Wabash Ave., and the office-warehouse complex of 41,000 square feet will be built at U. S. Route 36 and the West Bypass. About 50 additional jobs will be available when the two facilities open.

MAJOR BUSINESS INDICATORS — SPRINGFIELD MARKET AREA
PERCENT CHANGE: MONTH/QUARTER INDICATED 1973, FROM SAME PERIOD 1972

Indicator	Springfield S.M.S.A.*	State
Total Retail Sales (Jan.)	–	13.3
Taxable Retail Sales (4th Quarter, 1971-1972)	10.6	5.2
Department Store Sales (Jan.)	35.0	11.6
Bank Deposits (1st Quarter)	– .4	5.8
Bank Debits (1st Quarter)	23.2	35.1
Dollar Change in New Building Permits (000)		
Residential (1st Quarter)	–$ 1,021	–
Commercial (1st Quarter)	–$14,840	–
Total (1st Quarter)	–$16,542	–
Consumer Prices (Feb.)	–	–
Employment		
Manufacturing (Feb.)	3.3	3.8
Non-Manufacturing (Feb.)	3.4	.2
Electric Power Consumption (Feb.)	.7	5.3

*Springfield S.M.S.A. includes all of Sangamon County.

Springfield, Ill. -- Business Conditions

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SPRINGFIELD-ILLINOIS-REVIEW OF BUSINESS AND ECONOMIC CONDITIONS

VOL. XIII JULY-SEPTEMBER 1973 NO. 3

BUSINESS CONDITIONS

With the strongest post-World War II economic boom expected to peak out soon, concern has grown over a possible 1974 recession. One recessionary threat is the continual rise in prices. Also, an economic slowdown that is too rapid could brew trouble. A close look at inflationary trends is taken in the center article of this bulletin. On the economic front both positive and negative forces are at work. On the plus side is a strong capital spending trend and inventory buildup. On the negative side consumer spending seems destined for a skid, and the credit squeeze could adversely affect business activity in general and housing construction in particular. Businessmen and forecasters are looking for the first signs of an economic slowdown — expected by some to appear before the year is out. Meanwhile, the mainstays of the current boom — business and consumer spending — are still holding their own.

Retail Sales

First quarter this year was another hefty three months for retail sales. In the Springfield SMSA, taxable retail sales were up 14.5 percent from first quarter of last year. This gain was equal to the 1971-1972 second quarter increase of 14.6 percent — the largest annual increase for a quarter period last year. Taxable retail sales in the city of Springfield amounted to $93 million during first quarter for a 12.7 percent rise over the 1972 figure.

These relatively high percentage gains indicate that at least through the first three months of this year consumer spending had not yet broken its momentum. However, department store sales during May in the Springfield area hint at a possible slowdown. While April sales registered an annual increase of 8.6 percent, May sales were down 2.4 percent from a year earlier. Of course, sales for one month are hardly enough evidence on which to base any predictions. A better feel for the consumer's current mood will have to wait until more recent and complete data become available.

Housing Construction

Contrary to expectations, housing starts were still going strong during first quarter this year. However, second quarter in the Springfield area finally rounded out to a drop in housing construction. Residential permits were valued at $6 million below the 1972 second quarter figure. Once again, however, one must be cautious in drawing any conclusions, especially when making comparisons to the heavy construction year of 1972. The latest word nationally on housing activity from Federal Reserve Chairman Arthur Burns is that a downturn in housing construction is still anticipated, although it should be more moderate than the 1966 and 1969 declines.

THE CONSUMER PRICE ...

Consumer prices in the Springfield area rose between 5 and 6 percent for the 12-month period of mid-1972 to mid-1973. However, this gain was not uniform throughout the period. During the last half of 1972 prices increased only 1.5 percent. In contrast, through the first six months of this year, prices rose an unnerving 4 percent under the loose wage and price controls of Phase 3.

These percentage increases are based on the Consumer Price Indexes for Chicago, St. Louis, and the U.S. city average. Although there is no Consumer Price Index (CPI) specifically for Springfield, the indexes for nearby cities and the U.S. city average provide a good indication of the cost trends in Springfield.

Actually, over the long term, price fluctuations differ very little among areas. This is demonstrated in Table 1. To facilitate comparisons of inflationary trends among the areas, compound percentage rates of growth are given for each time period instead of simple percentage increases. For example, between 1960 and 1965 the U.S. city average, the Chicago, and the St. Louis indexes rose 6.5, 4.4, and 7.3 percent, respectively. However, in terms of average annual growth these three areas experienced similar rates of inflation — 1.3, 0.9, and 1.4 percent, respectively.

TABLE 1 — CONSUMER PRICE INDEX
AVERAGE ANNUAL PERCENT CHANGE

	United States	Chicago	St. Louis
1950-1955	2.2%	2.6%	2.5%
1955-1960	2.0	2.0	1.9
1960-1965	1.3	.9	1.4
1965-1970	4.2	4.2	4.1
1970-1972	3.8	3.4	3.1
1950-1970	2.4	2.4	2.5

Source: Bureau of Labor Statistics.

Differences of only .1 percent a year show up when a twenty year time span is used. The point is that the incidence of inflation is fairly uniform among different areas. Thus, what is happening to prices in Chicago and St. Louis is quite likely also happening in Springfield.

Trends in Prices

The increased rate of inflation just prior to the latest price freeze is evidenced in Table 2. The 5 to 6 percent 12-month increase for all items between June 1972 and June 1973 represents a stepped-up pace from the 1965 to 1972 annual rate of 4 percent. It is clear that food prices have, in large part, been responsible for this higher growth rate. Grocery bills have increased a staggering 14 percent from a year ago. The Agriculture Department has estimated a 20 percent rise in food prices this year over last year. As of June, the price index for meat, poultry, and fish had already increased more than 23 percent over its year-earlier level.

On the brighter side, prices on most non-food items between June 1972 and June 1973 showed a slower annual rate of increase than during the 1965-1972 period. Transportation costs, however, were the exception, expanding to a 4 percent yearly growth rate, compared to a 1965-1972 annual rate of between 3.2 and 3.6 percent. This picked-up rate in transportation costs principally reflects the higher gasoline prices incurred earlier this year.

Definition and Uses of the CPI

With the Consumer Price Index now making headlines, the average citizen has become more aware of this cost-of-living indicator without perhaps understanding exactly what it measures and how it can be used. In the monthly publication of the Consumer Price Index, the U.S. Bureau of Labor Statistics gives this brief explanation of the CPI:

TABLE 2 — RATE OF CHANGE IN THE CONSUMER PRICE INDEX
(1967 = 100)

"The Consumer Price Index measures average changes in prices of goods and services usually bought by urban wage earners and clerical workers. It is based on prices of about 400 items which were selected to represent the movement of prices of all goods and services purchased by wage earners and clerical workers. Prices for these items are obtained in urban portions of 39 major statistical areas and 17 smaller cities, which were chosen to represent all urban places in the United States. They are collected from about 18,000 establishments — grocery and department stores, hospitals, filling stations, and other types of stores and service establishments. ...."

It is important to remember that the indexes depict only price **changes** and do not reflect absolute values or actual expenditures by a family.

The Consumer Price Index is very useful as a guide to family budgeting and as an aid to understanding what is happening to family finances. In many types of legal agreements which run for a substantial number of years the possible future deterioration of the value of the dollar presents a serious problem. The generally used technique for solving this problem, and one which is being applied to an increasing variety of situations, is to tie escalation of payments into increases in the Consumer Price Index. Some of the major areas where the Index is used for escalation purposes are in wage contracts, leases, wills, trusts, alimony, and welfare benefits. The Index is also widely used as a general indicator of inflationary or deflationary trends in the economy.

The differences in the purchasing power of the dollar between time periods can be determined through the use of the Consumer Price Index. The purchasing power of the dollar rises or falls in inverse relationship to price changes. To determine what the purchasing power of the dollar is for a given year, say 1972, the index for that year must be divided into the index of the base period, which will always be 100. Currently the base period is the year 1967. Thus, the 1972 city average CPI of 125.3 means that the purchasing power of the dollar in 1972, compared to 1967, was $ .798 or 100 ÷ 125.3. In other words, we were getting 20 cents less for a dollar in 1972 than we were getting in 1967.

The CPI and Economic Policies

The graph on Page 1 of this bulletin demonstrates the effects on the CPI of the various phases of the Administration's wage-price control program. Phase 1 and the first wage and price freeze temporarily, albeit artificially, slowed down the rate of rising prices. This slowing process was then carried through 1972 with Phase 2 and its emphasis on wage controls to combat the cost-push nature of the 1970-71 inflationary movement. This second phase proved effective and managed to keep the CPI down to only a 3.3 percent increase during 1972. However, the ill-timed Phase 3 was disastrous, as can be seen in the sudden upswing in the CPI between January and June of this year. During Phase 3 the rise in living costs picked up speed to an annual rate of 12 percent and more. The economists' diagnoses of the failure of Phase 3 include the overheated economy and the upward spurt of wholesale prices at the end of 1972 and the transition from a cost-push to a demand-pull inflationary trend buttressed by rapidly rising incomes. Many economists express doubt that even a continuation of Phase 2 into the first half of 1973 could have successfully dealt with the growing demand pressures.

The latest freeze once again momentarily held prices in limbo. The July index registered only a .2 percent monthly gain for a low annual rate of growth of less than 3 percent. With the inception of Phase 4 the question now is how long, if ever, until the economy can safely move out from under controls and back into the self-regulating market system. Some economists conjecture that controls to some extent have become a necessary part of our economic system. However, others feel that if the economy's expansion tones down sufficiently, Phase 4 controls may be eventually phased out.

TABLE 2 — RATE OF CHANGE IN THE CONSUMER PRICE INDEX (1967 = 100)

Chicago			St. Louis			
June 1972 Index	Percent Change From June 1972	1965-1972 Average Annual Percent Change	June 1973 Index	June 1972 Index	Percent Change From June 1972	1965-1972 Average Annual Percent Change
124.2	6.0%	4.0%	128.1	121.9	5.1%	3.8%
123.9	14.1	4.0	138.7	122.0	13.7	3.9
124.3	3.1	4.0	123.8	121.8	1.6	3.7
119.1	5.6	3.6	120.8	119.5	1.1	3.6
123.7	4.0	3.6	125.5	120.6	4.1	3.6
127.5	2.7	4.5	127.0	123.7	2.7	4.1

Westroads Mall

Construction will begin this fall on the new Westroads shopping mall to be located at the northeast corner of U.S. 36 and the proposed west bypass. The mall will have one million sq. ft. of floor space and will occupy an 80-acre site. The principal tenants of the mall will be Myers Brothers (100,000 sq. ft.), Famous Barr (140,000 sq. ft.), and Montgomery Ward (150,000 sq. ft.). Sears is expected to be the fourth major retailer, accounting for 160,000 sq. ft.

Westroads Mall, when completed in August, 1975, will be the largest enclosed shopping center in downstate Illinois. Drawing from a 40-mile radius trade area, plus Jacksonville and Decatur, the center should generate an estimated $60 million in sales each year and create some 3,500 new jobs. Also, next to the 80-acre site, a separate convenience center will be built. This center will have a supermarket, theatre, and additional service shops.

East Side Urban Renewal Program

After 14 years of frustration, the city's east side urban renewal project is finally underway. The 12-month Neighborhood Development Program officially started on July 1 with the approval of a $3 million federal grant. The city's share will total $1.4 million. However, the new library may be able to be used as a non-cash credit toward the project. Meanwhile, the City Council recently approved the new Lincoln Library site, which covers the present library site and the municipal parking lot east of the library.

The urban renewal area is a 59-acre tract bounded by 10th Street, 19th Street, Madison Street, and the alley between Capitol Avenue and Jackson Street. About 2,300 people live within the area. Only 125 of the 500 parcels will be acquired during the 12-month period, but administrators of the project anticipate getting an extension. So far 20 parcels have been set aside for the Springfield Housing Authority and 8 for the Springfield Housing Development Corp., a not-for-profit corporation which will use $1 million in funds from local banks and savings and loan companies to build 50 units of housing. Most of the remaining parcels will be used for the relocation of Rt. 125 and 97 around the project and the construction of an earth mound to shield the residents from noise from the relocated highway.

A neighborhood facilities center, which falls within the NDP area but is a separate project, has also been federally funded to the amount of $637,365. The city budget has appropriated $250,000 to the project. The facility will provide health, recreation, education, employment and community services for the city's east side residents.

Railroad Relocation

Another major project recently gaining federal approval is the railroad relocation plan. The House has approved $20 million of expenditures over the next three years from the Highway Trust Fund. The relocation plan provides for the elimination of more than 100 railroad crossings and the construction of a new passenger depot next to the proposed new corridor along the east side of the city. While federal participation was authorized, the actual approrpriation of funds has not been made. Governor Dan Walker vetoed a State appropriation for the project on grounds that the money would not be needed this year, but he said he favors State participation and approved $21,200 appropriation for continuation of the Railroad Relocation Authority. Distribution of the federal funds is on a 70-30 matching basis. The entire cost of the project has been estimated at $36 million.

News in Chatham

Air Conditioning and Refrigeration Components, a branch of the Henry Value Co. of Chicago, has taken over the idle Martin Modules plant at Chatham and will employ about 30 persons in making refrigerator parts. The village of Chatham sold $550,000 in industrial development bonds to make improvements needed in the building, the first use of industrial development bonds in Sangamon County and only the second use in the State.

MAJOR BUSINESS INDICATORS — SPRINGFIELD MARKET AREA
PERCENT CHANGE: MONTH/QUARTER INDICATED 1973, FROM SAME PERIOD 1972

Indicator	Springfield S.M.S.A.*	State
Total Retail Sales (Apr.)	—	10.5
Taxable Retail Sales (1st Quarter)	14.5	12.0
Department Store Sales (Apr.)	8.6	19.0
Bank Deposits (2nd Quarter)	− 1.9	6.8
Bank Debits (2nd Quarter)	9.2	29.4
Dollar Change in New Building Permits (000)		
Residential (2nd Quarter)	−$ 6,023	—
Commercial (2nd Quarter)	−$ 4,443	—
Total (2nd Quarter)	−$10,347	—
Consumer Prices (June)	—	5.6
Employment		
Manufacturing (May)	− 2.7	3.7
Non-Manufacturing (May)	2.2	.7
Electric Power Consumption (May)	− 8.0	7.9

*Springfield S.M.S.A. includes all of Sangamon County.

Springfield, Ill. -- Business Conditions

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SPRINGFIELD-ILLINOIS-REVIEW OF BUSINESS AND ECONOMIC CONDITIONS
OCTOBER-DECEMBER 1973
VOL. XIII NO. 4

BUSINESS CONDITIONS

The uncertain impact of the energy shortage has closed 1973 on a note of economic uncertainty. Forecasts for 1974 range from a full recession to little or no change from 1973. Most economists at this point are predicting an economic slowdown which will not be extended or very severe and which will turn upward before the end of 1974.

Some softening of the economy has already been noted. Industrial production has been lethargic since July, primarily due to supply problems rather than a falling off of demand. Home building is on the decline. In Springfield the monthly value of new residential construction has been below year-earlier levels every month since May, except for August and November. However, nonresidential construction is still strong and has somewhat cushioned the home building slump.

The biggest concern for the new year is inflation, which has been exacerbated by the fuel shortage. At least a five percent rise in the cost of living is in store for 1974. And this increase could jump to eight percent or more if fuel prices boost inflation by three percent as suggested by Herbert Stein, chairman of the Council of Economic Advisers.

Consumer Spending

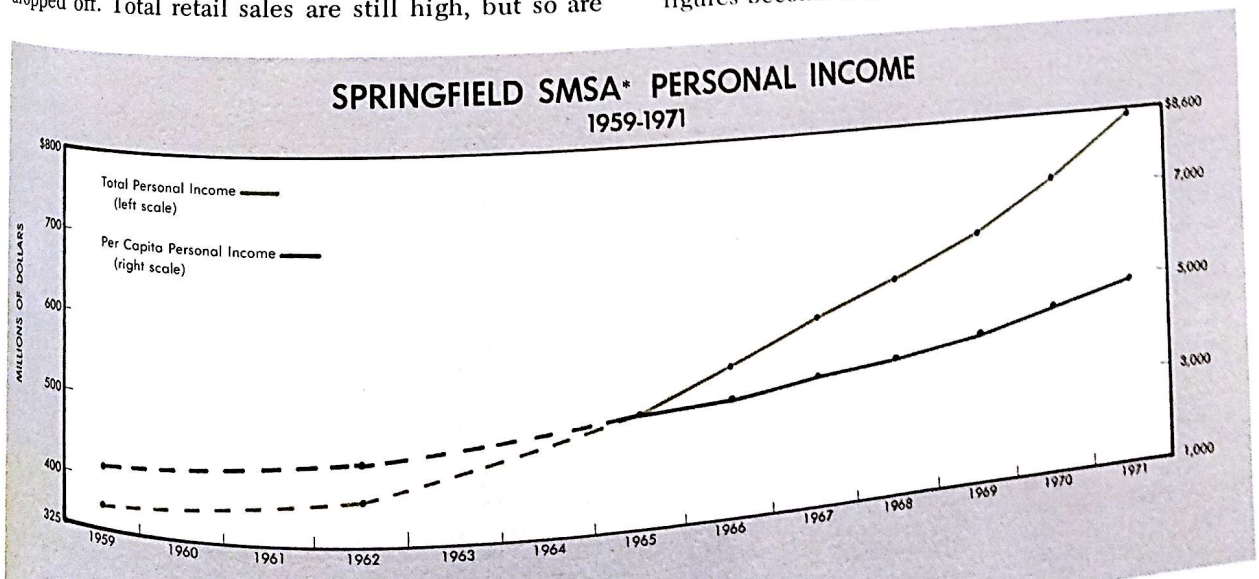
Consumer spending, one of the major forces behind the recent economic boom, is also beginning to show signs of slowing down. Car sales in particular have dropped off. Total retail sales are still high, but so are prices. Consequently, on the national level the physical volume of sales is declining.

In the Springfield area, second quarter retail sales in 1973 were still 11.3 percent higher than in 1972. However, this is a drop from the first quarter annual rise of 14.5 percent. Furthermore, September department store sales in the area fell below the previous year's figure by .6 percent. Hit by continually rising prices, an energy crisis, and talks of a recession, the consumer is expected to curtail his buying at least for the time being.

Business Outlays and Employment Up

The slowdown in final demand, however, should not affect the strong capital spending planned for 1974. Business outlays are expected to be heavy to alleviate pressures on existing capacities. Nationally business spending is projected to increase 14 percent in 1974.

Another strong factor in the economy has been the continual rise in employment. According to the latest figures available, employment was still on the upswing as of October. Sangamon County's nonfarm employment in September was 1,125 above the September 1972 count. Most of the employment growth is attributable to the nonmanufacturing sector. Factory payrolls have declined almost steadily since the beginning of 1973. However, the September and preliminary October figures show an upward turn in manufacturing employment. What impact the energy crisis has had on local employment won't be known in detail until the November and December figures become available.



Source: *Survey of Current Business*, May 1973
*Springfield Standard Metropolitan Statistical Area includes all of Sangamon County

The Springfield-Illinois State Journal and the Illinois State Register by Copley Newspapers organization. For subscriptions, Springfield, Illinois 62705.

Peggy Zimmerman

SPRINGFIELD PERSONAL INCOME

Personal Income Growth

Between 1966 and 1971, personal income in the Springfield Standard Metropolitan Statistical Area (SMSA) increased 53.1 percent. This was an annual average growth rate of 8.9 percent. Per capita income in the SMSA meanwhile expanded an average 8.5 percent annually, outpacing all other Illinois SMSA's and the national rate of 7 percent. Springfield's personal income growth is relatively high especially in view of the fact that nearly 30 percent of Springfield's nonfarm workers are employed in government where salaries are normally more stable than in other industries.

Personal income data are useful for analyzing the purchasing power of an area. Also, the per capita figure is a good indicator of an area's living standards and welfare. Personal income statistics are compiled by the Bureau of Economic Analysis of the U.S. Department of Commerce. Data for the regional comparison table below and for the graph on Page 1 are taken from the May 1973 issue of the *Survey of Current Business*, while the remaining tables are based on revised unpublished computer printouts. Because of the revisions in these more recent printouts, some figures in the first table may differ from the comparable figures in the rest of the tables.

Although containing some unrevised data, the following table is useful for comparing incomes and changes in incomes among the various areas. In the State of Illinois, Springfield's 1966-1971 personal income growth of 53.1 percent was second only to Bloomington-Normal's 56.8 percent increase. Only five of the 49 SMSA's in the Great Lakes Region had greater total personal income gains than Springfield. Also, the Springfield per capita figure of $4,932 in 1971 was one of the highest in the Great Lakes Region and was 18 percent higher than the national average of $4,157. Of the 250 plus SMSA's in the United States, Springfield ranked fifteenth in per capita income in 1971.

The graph on Page 1 shows the movement of the Springfield SMSA total personal income and per capita income over a 12-year period. The accelerated growth rate in the later 1960's is noted by the greater slope of both lines after 1966. Total personal income generally increases at a faster pace than per capita income since population growth is also reflected in the total income figure.

PERSONAL INCOME 1971
Selected SMSA's in Great Lakes Region

	Total (000,000)	Percent Change 1966-71	Per Capita	Percent Change 1966-71
Bloomington-Normal, Ill.	$ 447	56.8%	$4,253	46.0%
Champaign-Urbana, Ill.	663	42.9	4,018	34.3
Chicago, Ill.	36,503	39.4	5,191	34.3
Cleveland, Ohio	9,801	33.6	4,709	30.5
Davenport-Rock Island-Moline, Iowa-Ill.	1,599	37.6	4,364	29.1
Decatur, Ill.	593	45.7	4,720	44.6
Detroit, Mich.	21,233	38.6	4,991	33.9
Milwaukee, Wis.	6,628	36.3	4,682	31.5
Muncie, Ind.	490	35.0	3,754	25.6
Peoria, Ill.	1,607	44.1	4,662	38.9
Rockford, Ill.	1,217	32.4	4,423	23.4
SPRINGFIELD, ILL.	799	53.1	4,932	50.4
Terre Haute, Ind.	629	44.3	3,551	37.6
United States	857,085	47.6	4,157	40.0

Source: *Survey of Current Business*, May 1973

Types of Income

In the table below two different breakdowns of personal income are given, one by type of income and the other by the industry source of the earnings. Total earnings do not equal total personal income since property income

SPRINGFIELD SMSA PERSONAL INCOME AND EARNINGS
(Thousands of Dollars)

	1950	1959	1965	1971
TOTAL PERSONAL INCOME	$231,132	$361,913	$529,888	$868,320
Total Wage & Salary Disbursements	144,803	236,418	346,407	587,293
Other Labor Income	3,438	8,615	14,356	29,039
Proprietors' Income	41,383	50,224	64,113	69,892
Farm Proprietors' Income	19,357	14,341	24,020	25,861
Nonfarm Proprietors' Income	22,026	35,883	40,093	44,031
Property Income	31,015	48,726	83,053	133,839
Transfer Payments	13,112	25,757	35,316	80,530
Less: Personal Contributions to Soc. Ins.	2,619	7,827	13,357	32,273
TOTAL EARNINGS	189,624	295,257	424,876	686,224
Farm Earnings	22,181	17,169	26,603	28,907
Manufacturing	38,270	66,396	80,090	108,583
Mining	1,336	453	3,483	606
Contract Construction	11,558	19,449	27,956	54,416
Trans., Comm., Public Utilities	22,034	21,749	38,481	65,218
Wholesale & Retail Trade	35,788	53,161	69,226	104,345
Finance, Ins., Real Estate	9,627	23,532	31,688	50,014
Services	21,006	38,956	55,547	96,754
Government Earnings	27,319	53,592	90,860	176,298
Federal	7,099	10,560	14,500	23,517
State & Local	20,220	43,032	76,360	152,781
Other	505	800	942	1,083

Source: Bureau of Economic Analysis

and transfer payments are not included in the earnings figures.

From the breakdown by type of income, growth trends and shifts in importance of the different income types can be noted. Transfer payments have been growing about twice as fast as total personal income. These payments increased 128 percent between 1965 and 1971, as compared with a 64 percent increase in total personal income. As a result, transfer payments have been assuming an increasing share of personal income, from just over 5 percent in 1950 to nearly 10 percent in 1971. Major increases in social insurance and welfare payments and large unemployment insurance benefits have been the main factors behind the growth in transfer payments.

Also, seen in the table below are the rising personal contributions to Social Security and other social insurances. These contributions expanded at an annual rate of 12.7 percent between 1950 and 1971. During the last six years of that period the average annual growth rate was 15.8 percent.

Personal income is defined by the Bureau of Economic Analysis as the current income of persons in an area from all sources before deduction of income and other personal taxes and after personal contributions to the various social insurance programs. Sources of income include wages and salaries and "other labor income" of which the major type is employer contributions to private pension and welfare funds. Other income sources are net incomes of owners of unincorporated businesses, property income such as rental income, dividends, and interest, and finally transfer payments which are "disbursements to persons for which no services are rendered currently, such as unemployment benefits, social security payments, and welfare and relief payments."

Earnings by Industry

The breakdown of earnings by industry is useful for assessing the relative importance of each industry to the area. For quick reference, the percentage distribution of earnings by industry is given in the following table. Since Springfield is the State's capitol and the site of several universities and colleges, it is not surprising to see government earnings contributing the greatest share to total earnings. Also noted in this table is the rising importance of the service industry to Springfield's economy.

SPRINGFIELD SMSA EARNINGS BY INDUSTRY
(Percent Distribution)

	1950	1959	1965	1971
TOTAL EARNINGS	100.0%	100.0%	100.0%	100.0%
Farm Earnings	11.7	5.8	6.3	4.2
Manufacturing	20.2	22.4	18.7	15.8
Mining	.7	.2	.8	.1
Contract Construction	6.1	6.6	6.6	7.9
Trans., Comm., Public Utilities	11.6	7.4	9.1	9.5
Wholesale and Retail Trade	18.9	18.0	16.3	15.2
Finance, Ins., Real Estate	5.1	8.0	7.5	7.3
Services	11.1	13.2	13.1	14.1
Government Earnings	14.4	18.2	21.4	25.7
Federal	3.7	3.6	3.4	3.4
State and Local	10.7	14.6	18.0	22.3
Other	.2	.2	.2	.2

Source: Bureau of Economic Analysis

Government Earnings. During the mid-sixties, government became the major industry source of earnings in the Springfield SMSA. In 1950 its proportion of 14.4 percent of total earnings trailed the manufacturing and trade industries' shares of 20.2 and 18.9 percent, respectively. By 1965, the share of government earnings increased to 21.4 percent of total earnings, while the manufacturing and trade percentages declined, respectively, to 18.7 and 16.3 percent.

Government earnings more than tripled between 1959 and 1971 for the largest percentage increase of all industries. However, this growth was not evenly paced throughout the 12-year time span. During the first six years of the period, government earnings expanded at an annual rate of around 9 percent, while during the latter six years the growth rate picked up to well over 11 percent. Part of the recent gains in government earnings can be attributed to increased state and local payrolls due to the opening of Sangamon State, Lincoln Land Community College, and the SIU School of Medicine.

Services. In 1971, services had increased their share of total earnings to 14.1 percent. This industry sector may well surpass both manufacturing and trade in its share of total earnings if these latter two industries continue their downward trend. Services such as laundries and beauty parlors, which function primarily by meeting local needs, do not add any new money to the area's economy. However, to the extent that they bring in outside money by accommodating the growing tourist and convention trade, services can be considered a basic industry. Hotels and amusement and recreation services, for example, operate largely as a basic industry.

After government earnings, services comprise Springfield's second fastest growing earnings sector. Its 1959-1971 annual growth rate was 7.9 percent, compared to a total earnings growth rate of 7.6 percent. As with government earnings, services experienced a faster growth rate during the last half of this 12-year period. Earnings from services grew nearly 10 percent a year from 1965 through 1971, compared to a 6 percent rate during the previous six years. In addition to the growing tourist trade, earnings in services have been boosted by the expansion of transfer payments which has resulted in larger expenditures by retirees on services.

As seen in the following table, the combined earnings from government and services account for nearly one-third of total personal income in the Springfield SMSA. Since 1950, government earnings have had a fairly steady increase in their share of the area's personal income. The share of services, on the other hand, remained in the 10 percent range until its sharp rise to 11 percent in 1970. The trend seems to be toward these two industries becoming increasingly important to the Springfield area.

EARNINGS IN GOVERNMENT AND SERVICES
(Percent of Personal Income)

	Personal Income (000)	Percent of Personal Income Government	Services
1929	$ 85,562	14.0%	10.4%
1940	87,618	20.4	10.0
1950	231,132	11.8	9.1
1959	361,913	14.8	10.8
1962	432,194	16.3	10.6
1965	529,888	17.2	10.5
1966	568,050	17.4	10.4
1967	624,616	18.2	10.7
1968	670,248	18.9	10.5
1969	718,042	19.4	10.4
1970	787,450	20.5	11.1
1971	868,320	20.3	11.1

Source: Bureau of Economic Analysis

SIGNIFICANT REGIONAL NEWS

Mrs. James S. Copley pressed the button starting the presses rolling at dedication ceremonies at the new Illinois State Journal and Illinois State Register production facility November 13, 1973.

The facility, Phase I of a two-stage, $5 million capital improvement program for the Copley Press in Springfield, has been called a "400-day miracle" by those closely associated with its construction. The new plant was constructed in less than 400 days and occupies the downtown block bounded by Monroe Street and Capitol Avenue, 9th Street and the Norfolk and Western Railroad tracks, one block east of the Sangamon County Building.

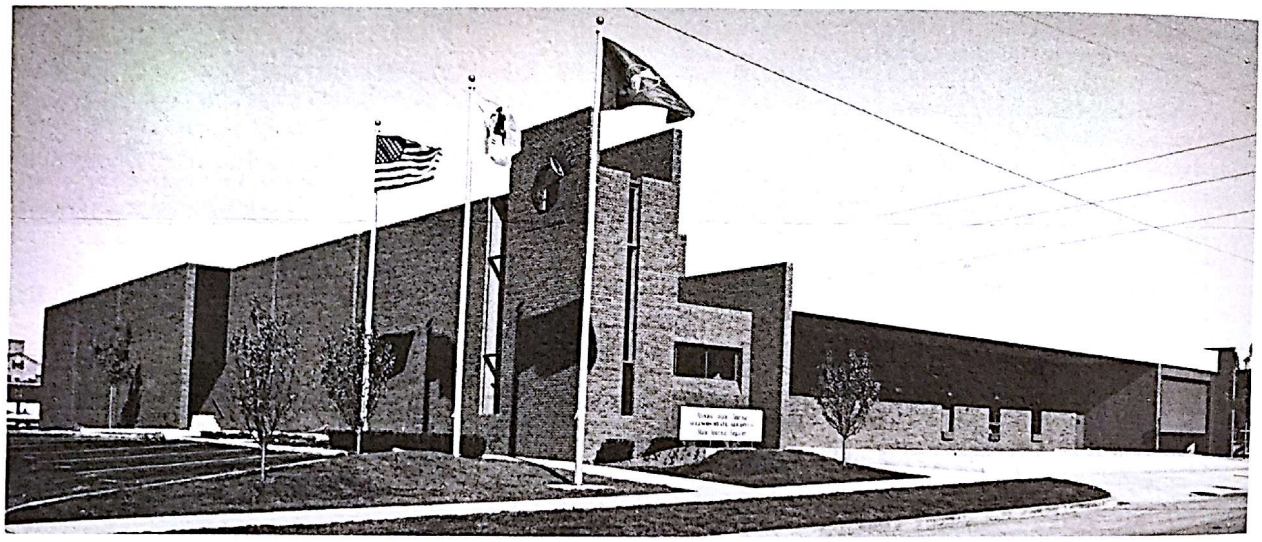
The selection of the site for the new 39,000 square foot building was particularly important to James S. Copley, the late Chairman of the corporation. Copley, who had a deep and abiding sense of the need for the preservation of American historical sites, wanted his newspapers to be closely identified with the historic Lincoln Depot on the northeast corner of the building site. The building was carefully designed to harmonize with the Lincoln Depot and is attractively landscaped to further enchance the site which is at the edge of the new Lincoln Home National Park.

The 12-unit Goss printing press in the new plant doubles the printing capacity of the old press in the Illinois State Journal-Register building on 6th Street, with 112 pages now possible in one press run. The press speed will ultimately be 48,000 papers an hour maximum, with "cruising speed" at about 40,000.

Two giant, fiberglass ink tanks, each with a capacity of about 2,000 gallons, constitute the storage area for the black ink, while a special ink mixing room for color inks is provided in another area of the building.

Equipment to expand the modernized mailroom was purchased and installed. The expanded equipment provides for two bundle-stacking lines complete with their own plastic-wrapping devices. There are presently four truck-loading positions, and the provision has been made for the addition of two more positions in the future.

In Phase II of the program, the present production building will be extended to house the composing and platemaking operations. Present plans call for the construction of a three-story office building to be built on the western portion of the site. The office space will house advertising, business and administrative departments as well as the newsroom and other editorial departments.



MAJOR BUSINESS INDICATORS — SPRINGFIELD MARKET AREA
PERCENT CHANGE: MONTH/QUARTER INDICATED 1973, FROM SAME PERIOD 1972

Indicator	Springfield S.M.S.A.*	State

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SPRINGFIELD-ILLINOIS-REVIEW OF BUSINESS AND ECONOMIC CONDITIONS

VOL. XIV JANUARY-MARCH 1974 NO. 1

BUILDING ACTIVITY

Last year's high level of building activity in Springfield has maintained the city's strong construction trend that began in 1969. The 1973 value of new building totaled $35.8 million. Although this total represents between a 30 and 50 percent drop from the previous two years, it should be noted that 1971 and 1972 were record construction years in Springfield. Actually, 1973 was the city's third most active building year in terms of new building valuation.

Both the residential and non-residential construction sectors have contributed to the heavy building activity of the past five years. In fact, construction last year was pretty evenly distributed between residential and non-residential building which had values of $16.3 million and $18.0 million, respectively.

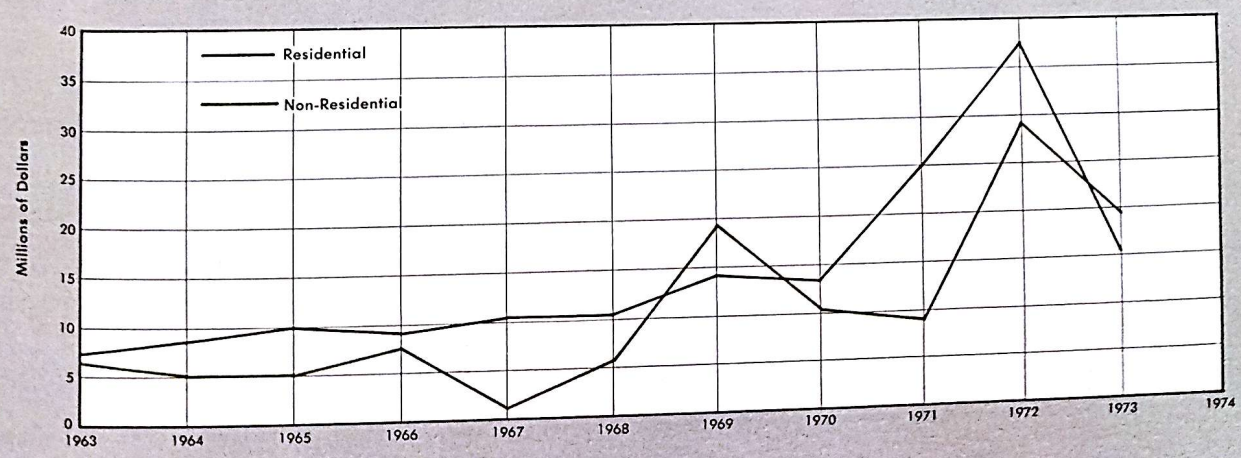
How Good a Year?

To the construction industry, 1973 was an up-and-down year. During the first half, building activity was strong, backed by a net inflow of almost $15 billion into the nation's savings and loan associations. However, by mid-year these inflows turned into outflows, mortgage money became scarce and interest rates soared, causing housing starts to skid. Strong non-residential construction in the form of commercial and industrial building helped to offset this housing slump somewhat.

The credit crunch and housing contraction of last year were felt locally as well as nationally. During the first six months of 1973, housing construction in Springfield was valued at $10.7 million. This value was cut in half to $5.5 million during the last half of the year. Even allowing for seasonal variations, this is a significant decline. The depressed mortgage activity was apparently felt in Springfield more last year than in 1970, a similar credit crunch year. In that year, about 500 residential building permits were issued, the highest number since the mid-sixties. In contrast, housing permits last year numbered only 286. The decline in residential construction should continue at least through the first and second quarters of 1974. In fact, during the first two months of this year, the volume of residential permits was down two-thirds and the value was down three-fourths compared to a year ago. However, if the recent strong savings inflow continues, mortgage activity and thus housing starts could pick up by spring.

In keeping with the fast pace of inflation, mortgage rates have once again shot up as seen in the accompanying table on home loan interest rates. Rates are expected to remain high because of high loan demand, but further increases do not seem too likely. There may even be a slight decline if the positive savings flow continues and mortgage money becomes more available. Indeed, in January interest rates on conventional home mortgages were relatively stable. Between May and December of 1973, loans for purchasing new homes increased an average of one-tenth of a percentage point each month.

BUILDING VALUATION: 1963 - 1973



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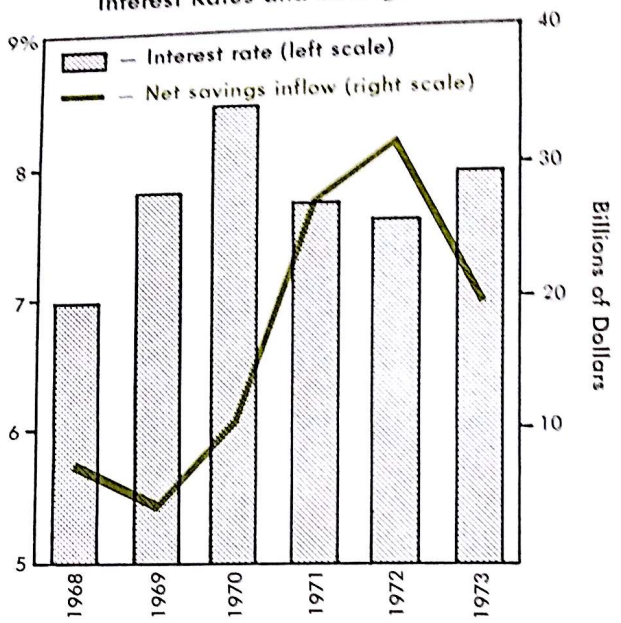
Peggy Zimmerm

However, the 1974 January rate increased to only 8.52 percent from the December effective rate of 8.49 percent. And for loans on previously occupied homes, the January interest rate rose only slightly to 8.64 percent, compared to December's figure of 8.61 percent. The graph below shows the level of home loan interest rates for purchasing new homes and the movement of net savings inflow in savings and loan associations over the past five years.

Interest Rates and Savings Flow



Source: Federal Home Loan Bank Board.

Construction Trends

As shown in the building valuation table below, construction in Springfield between 1963 and 1968 remained at nearly the same level each year, holding at about $20 million. But between 1968 and 1969 the value of new building doubled to $35.5 million. Similar sharp gains were repeated in 1971 and 1972. Inflation has affected these figures to some extent. However, compared to the pre-1969 annual figures, the 50 percent and up higher valuations beginning in 1969 indicate that Springfield has been on a high building plateau for the past five years.

The movement of the residential and non-residential construction sectors is demonstrated graphically on the front page of this bulletin. Both sectors have been on a variable but upward trend for the 10-year period with non-residential construction showing a more erratic behavior. The line on the graph representing non-resi-

National Average Home Loan Interest Rates*

	New Homes	Existing Homes
1965	5.81%	5.95%
1966	6.25	6.41
1967	6.46	6.52
1968	6.97	7.03
1969	7.80	7.82
1970	8.45	8.36
1971	7.74	7.67
1972	7.60	7.51
1973	7.95	8.01

*Includes fees and charges amortized over a 10-year period in addition to the contract interest rate.
Source: Federal Home Loan Bank Board.

NEW BUILDING VALUATION: 1963 - 1973 IN THOUSANDS

	Residential		Commercial			
	Value	% of Total	Value	% of Total	Other[1]	Total
1963	$ 7,732	32.4%	$ 6,558	27.4%	$9,610	$23,900
1964	8,338	53.6	5,339	34.3	1,884	15,561
1965	10,029	44.8	4,933	22.0	7,445	22,407
1966	8,767	37.9	7,808	33.8	6,543	23,118
1967	11,085	62.9	1,733	9.8	4,802	17,620
1968	10,941	61.5	6,383	35.9	463	17,787
1969	13,742	38.7	18,368	51.7	3,386	35,496
1970	13,124	49.9	10,951	41.6	2,225	26,300
1971	25,891	45.6	8,698	15.3	22,234[2]	56,823
1972	37,893	56.1	28,222	41.8	1,444	67,559
1973	16,266	45.4	18,058	50.4	1,532	35,856

[1] Includes churches, hospitals, garages, sheds and other miscellaneous permits.
[2] Includes a $21.5 million hospital addition.
Source: Department of Public Health and Safety, City of Springfield.

dential valuation reflects Springfield's 1969 sudden construction expansion discussed above. Although residential building did experience an upward spurt in 1969, the major gains in this sector did not occur until 1971 and 1972. It is apparent from the graph that both the residential and non-residential sectors contributed to the drop in total construction last year.

For most of the sixties, commercial and industrial construction ranged in value from $5 million to $8 million a year until its 1969 jump to $18.4 million. Since then, non-residential valuation has averaged $16.4 million, or $20 million excluding 1971's figure which was a comparatively low $8.7 million. The increased activity in this construction sector as of 1969 has raised its share of total building valuation from less than one-third to 40 and 50 percent, as seen in the table below.

Residential construction in the 1963-1970 period varied by no more than $2.8 million from year to year. However, this 7-year steady trend was finally broken in 1971 and 1972 when housing valuation had annual increases of $12.8 million and $12 million, respectively. The value of residential construction over the entire 10-year period has ranged from one-third to two-thirds of the total building figure. However, so far during the seventies, the housing sector's share has stabilized at about 50 percent.

Some of the growth in residential building can be attributed to an increase in the construction of multiple-unit structures. A shift toward apartments has been particularly pronounced since the later 1960's, both nationally and locally. In Springfield, multi-unit building permits have increased their share of residential permits from 5 percent and under to over 10 percent, as seen in the adjacent table. In terms of dollars, residential construction has been split 50-50 between single-family homes and multiple units in three out of the past four years.

New Housing Units in Springfield

	Multiples	Total	Percent Multiples
1961	19	356	5.3%
1962	0	418	0.0
1967	19	438	4.3
1968	33	453	7.3
1969	76	456	16.7
1970	55	545	10.1
1971	96	618	15.5
1972	88	717	12.3
1973	40	286	14.0

Source: Department of Public Health and Safety, City of Springfield.

Across the nation the trend toward apartments, duplexes, and condominiums has been extremely strong. This movement can be attributed to various changes in demographic characteristics and life styles, including a greater demand for housing requiring less maintenance by the occupants. Also contributing to this trend is the idea of the planned community. This concept has been gaining wider acceptance with its emphasis on balanced development providing a harmonious mix of single-family homes, multiple units, shopping centers, office buildings, industrial complexes, and open space. In addition, the soaring value of the dwindling amount of metropolitan land is causing developers to intensify their development of property. In Springfield, this shift toward multiples is also accentuated by the growing number of college and university students needing housing.

Finally, confronted by ever-increasing building costs, more and more people are in the market for multi-unit housing because it is generally less expensive than single-family homes. The movement of building costs over the past 14 years is given in the adjoining table. The second column of the table shows what a home costing $20,000 in 1960 would have cost to replace in later years. For example, a 1960 $20,000 home would have cost $33,175 to build in 1973.

As seen in this table, building inflation has not proceeded at a uniform pace in Springfield. From 1960 through 1967, the annual increase in the cost index was never more than 2.2 percentage points, and the average annual rate of growth was only 1.4 percent. However, since then, the pace of inflation has picked up to 7.8 percent a year. Last year's index of 150.4 was 9.5 percent above 1972's figure of 137.3.

The Outlook for 1974

Inflation, the public's savings mood, and uncertainties connected with the energy situation are just some of the major factors making this year's construction outlook especially difficult to predict. There are short supplies of petroleum-derived building materials, such as asphalt and shingles. And while supplies may increase with the dropping of price controls, construction costs will continue to rise. On the other hand, the need for housing still exists. In addition, investments in real estate holdings, such as a home, remain a good hedge against inflation.

A general slowdown in building is the outlook for the first half of 1974. However, the greater availability of mortgage money should cause the construction picture to brighten considerably by mid-year. In view of strong business capital spending plans, non-residential construction should experience little or no decline. Finally, an overall evaluation of this year's construction outlook should be qualified by the possible effects of the energy-related economic uncertainties and the weakening consumer confidence.

Building Cost Index
1967 = 100

	All Building	Equivalent 1960 $20,000 Home*
1960	90.7	$20,000
1961	92.1	20,300
1962	92.2	20,325
1963	93.3	20,575
1964	94.8	20,900
1965	96.2	21,200
1966	97.8	21,575
1967	100.0	22,050
1968	103.3	22,775
1969	108.6	23,950
1970	116.8	25,750
1971	127.9	28,200
1972	137.3	30,275
1973	150.4	33,175

*This column gives the approximate cost of replacing a 1960 $20,000 home at the given year's price levels.
Source: *Building Cost Calculator & Valuation Guide*, McGraw-Hill, Inc., 1973.

A Public Affairs Center At SSU

Governor Dan Walker recently announced the release of $8.4 million to build a public affairs center at Sangamon State University. Earlier, $157,000 in planning funds was released. The new facility will be the campus' second permanent building. The Norris L. Brookens Library, the first permanent building, is now under construction. The public affairs center will be located just west of the library. Construction is scheduled to begin this summer and should take 27 months to complete.

The building will house 25 to 30 percent of the classroom and office space needed for the permanent campus. It will also provide public affairs and conference space, instructional laboratories, mock legislative and agency hearing rooms, a 1,200 seat auditorium, a cafeteria and a small restaurant. The 158,000 square foot building, designed by the architectural firm of Ferry and Henderson, will be a 5-story "V" shaped structure with the auditorium at the open end.

Industrial News

The Illinois Bearing Company will be opening a fully stocked Servicenter in Springfield. The 6,000 square foot facility will be located at 2555 South Grand East, formerly site of the Springfield Paint Company. The Servicenter will stock a complete line of anti-friction bearings, bearing-related items, and power transmission equipment. The Illinois Bearing Company has been serving the central Illinois area from Decatur and Peoria.

Boss Manufacturing Company of Kewanee, Illinois, is planning to construct an 81,000 square foot distribution center at the Interstate Industrial Park at Sangamon Avenue and I-55. The center will be a centralized point for all Boss' variously located manufacturing plants, regional distribution centers, and sales offices. The facility will start out employing about 30 people. Plans have provided space for the center to double in size in the future. Boss Manufacturing Company produces work gloves, protective clothing, and industrial safety equipment products for consumers and industry.

Industrial Development Revenue Bonds

E. Hoke Smith, Vice President of Distribution for Boss, has cited the availability of industrial development revenue bonds as one of the reasons why the firm chose Springfield for the new center. Springfield is one of four home-rule cities in Illinois to have passed a local industrial development revenue bond ordinance. This legislation exempts buyers of the city-issued bonds from having to pay income tax on interest paid them; thus, the bonds can be sold at a lower interest rate than non-government bonds. The Springfield Industrial Development Council in its 1973 annual report credits the ordinance as a strong promotional factor for the city.

MAJOR BUSINESS INDICATORS — SPRINGFIELD MARKET AREA
PERCENT CHANGE: MONTH/QUARTER INDICATED 1973, FROM SAME PERIOD 1972

Indicator	Springfield S.M.S.A.*	State
Total Retail Sales (Oct.)	–	12.5
Taxable Retail Sales (3rd Quarter)	8.7	12.9
Department Store Sales (Oct.)	– 6.4	5.3
Bank Deposits (4th Quarter)	– 1.8	9.1
Bank Debits (4th Quarter)	15.1	38.6
Dollar Change in New Building Permits (000)		
Residential (4th Quarter)	–$ 8,621	–
Commercial (4th Quarter)	$ 675	–
Total (4th Quarter)	–$ 7,405	–
Consumer Prices (Dec.)	–	8.4
Employment		
Manufacturing (Nov.)	– 4.0	4.2
Non-Manufacturing (Nov.)	2.2	.7
Electric Power Consumption (Dec.)	– 3.2	– 1.8

*Springfield S.M.S.A. includes all of Sangamon County.

Springfield, Ill. - Business Conditions

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The State Journal-Register

SPRINGFIELD-ILLINOIS-REVIEW OF BUSINESS AND ECONOMIC CONDITIONS

VOL. XIV APRIL-JUNE, 1974 NO. 2

BUSINESS CONDITIONS

With the economy showing no clear-cut movement toward recovery or toward recession, economists remain divided in assessing its present state and future direction. One view is that with the lifting of the oil embargo business activity will spring back to its strong full-growth rate which characterized the period from late 1971 through mid-1973. On the other hand, some see the economy as being in a cyclical downturn which will be slow in coming around to full economic growth. Nevertheless, the threat of a full-scale recession in which declines are experienced in nearly all the economic sectors seems to be abating.

Plus Signs

In spite of general pessimistic rumblings, consumers and businessmen have made no appreciable cutbacks in spending. In the Springfield 11-county market area taxable retail sales during the fourth quarter of 1973 were up 12.2 percent from 1972's fourth quarter figure. The City of Springfield and Sangamon County had fourth quarter annual gains of 4.4 and 5.6 percent, respectively. The main article of this quarter's bulletin takes a detailed look at retail trends in the Springfield market area. It should also be pointed out that March and April national retail sales this year have been running at an 18 percent annual rate. Meanwhile, 1974 first quarter department store sales in Sangamon County were 2.3 percent above last year's figure. The outlook both locally and nationally is for further advances in retail sales particularly as auto sales continue to recover from their depressed levels caused by the gas shortage.

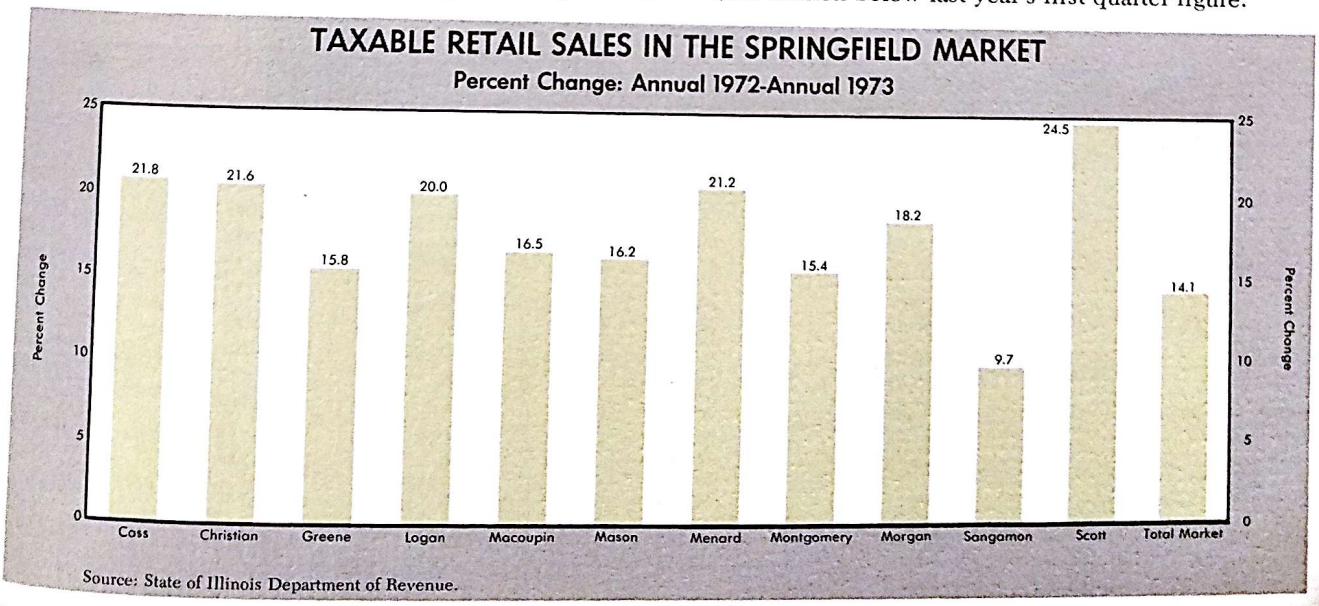
Employment can also be placed on the plus side of the ledger. Economists are beginning to revise downward their estimates of unemployment for the year. The peak U.S. unemployment rate is now projected to reach 5.5 percent compared to an earlier prediction of 6 percent. The unemployment rate in the Springfield area dropped from a March figure of 3.4 percent to 2.9 percent in April. In comparison, the national and Illinois State rates in April were 5.0 and 5.8 percent, respectively.

Notes of Caution

The rate of inflation finally eased somewhat in April. The Consumer Price Index rose 0.6 percent in April for the smallest monthly increase since last October. However, a persistent decline in the growth rate of prices is not foreseen in the near future. Prices for commodities less food in April were still up a steep 1.3 percent.

Another weak sector of the economy is the housing industry. Housing starts seemed to be reviving in February and March as money flowed into the home lending institutions. However, with the recent sharp climb in interest rates, disintermediation — the outflow of funds from thrift institutions for investment in the money market — is taking hold.

Locally, the value of residential building in Springfield increased each month during the first quarter this year. However, the total first quarter value of $1.7 million was $1.5 million below last year's first quarter figure.



Source: State of Illinois Department of Revenue.

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Peggy Zimmerm

TAXABLE SALES OF RETAIL STORES

The Springfield market area became a million dollar retail market for the first time in 1973. Retail stores compiled $1.1 billion in sales for the year, a 14.1 percent increase over the 1972 figure. In comparison, the State of Illinois experienced a 1972-1973 increase of 13 percent. Both the City of Springfield and Sangamon County posted record retail sales levels reaching $420 and $517 million, respectively.

Market Area Comparisons

Scott County led the 11-county market area with a 24.5 percent retail sales gain (see graph on front page). Cass, Christian and Menard Counties followed with the comparable increases of 21.8, 21.6, and 21.2 percent, respectively. Indeed, every county except Sangamon had sales gains of over 15 percent. Also of significance is the fact that each of the counties, with the exception once again of Sangamon, scored a larger retail sales gain last year than in 1972. Sangamon County's small gain compared to the other counties in the market area is in part due to the County's larger base figure. In other words, the opening of a major store will cause less of a percentage increase in Sangamon's $500 million retail market than, for example, in the smaller $30 million market of Cass County.

Sangamon County accounts for nearly 50 percent of the market area's total retail sales. Thus, it has a major impact on the area's retail trends as evidenced by the higher 1973 percentage increases in the market's 10 other counties compared to the average for the entire area. The City of Springfield itself accounts for over one-third of the sales in the 11-county market. The second largest county market share is under 10 percent and is held by Morgan County.

Distribution of Retail Sales

In the table below, taxable retail sales for the past two years have been broken down by category for the City of Springfield and for Sangamon County. The automotive and filling stations category constituted the largest portion of retail sales in both areas. This category of transactions amounted to about one-fourth of each of the area's total sales. The two categories of food and lumber, building, and hardware had the next largest shares with each accounting for just under one-fifth of all retail trade in the two locations. Furniture and home furnishings and apparel made up the smallest portions – about 4 percent each – of total sales. The 1973 distribution of sales remained relatively unchanged from the previous year's.

Sales by lumber, building and hardware goods stores

PERCENT CHANGE IN TAXABLE RETAIL SALES

	1970-71	1971-72	1972-73
City of Springfield	17.1%	16.6%	8.0%
Sangamon County	15.7	12.6	9.7
Cass County	4.5	8.4	21.8
Christian County	6.8	10.2	21.6
Greene County	5.3	10.7	15.8
Logan County	6.5	11.7	20.0
Macoupin County	8.2	10.1	16.5
Mason County	14.8	11.4	16.2
Menard County	4.0	9.7	21.2
Montgomery County	12.8	6.4	15.4
Morgan County	9.0	5.9	18.2
Scott County	8.4	12.0	24.5
Springfield Market Area	11.9	10.8	14.1
State of Illinois	10.8	8.3	13.0

Source: State of Illinois Department of Revenue.

TAXABLE RETAIL SALES, 1968 AND 1970-1973 (000)

	1968	1970	1971	1972	1973
City of Springfield	$251,634	$284,874	$333,652	$388,972	$420,294
Sangamon County	316,233	362,064	419,002	471,624	517,364
Cass County	22,656	23,210	24,252	26,291	32,013
Christian County	57,785	61,370	65,560	72,236	87,820
Greene County	20,806	21,929	23,092	25,570	29,616
Logan County	50,692	55,175	58,750	65,653	78,782
Macoupin County	57,875	65,555	70,960	78,151	91,018
Mason County	26,832	26,975	30,965	34,507	40,085
Menard County	13,637	14,960	15,565	17,070	20,681
Montgomery County	50,938	53,927	60,848	64,769	74,761
Morgan County	67,824	76,530	83,388	88,343	104,466
Scott County	8,039	8,020	8,690	9,729	12,110
Springfield 11-County Market Area	693,316	769,715	861,072	953,943	1,088,716
State of Illinois	18,879,142	20,455,495	22,657,843	24,537,477	27,717,766

Source: State of Illinois Department of Revenue.

showed the largest gain last year, averaging about 18 percent higher in the Springfield area. This gain was followed closely by the 15 to 17 percent increases recorded by the automotive and filling stations category. The lowest sales gains occurred in drinking and eating places. General merchandise was the only category which registered a loss in sales last year.

Growth in Retail Sales

In the following table the annual rates of retail sales growth are shown for the past three years. As can be seen, each year retail sales in the Springfield market area grew faster than sales in the State of Illinois. Last year 10 of the 11 counties in the market area outpaced the State in the rate of increase in sales, and 9 of the counties had greater gains in 1972. In contrast, only three of the market's counties surpassed the State's sales growth rate in 1971.

Part of the year-to-year fluctuations in the rate of change in the dollar volume of retail sales can be explained by changes in prices. Prices in 1973 rose 6.2 percent, compared to 3.3 percent in 1972. Thus, the lower 1972 percentage increases in retail sales reflect the slower rate of inflation resulting in part from the price controls that were in effect throughout that year. Likewise, the effects of Phase 3 during the first half of 1973, when living costs rose to an annual rate of 12 percent, can be seen in the 1973 increased growth rate of retail sales.

To determine what growth has taken place in the physical volume of merchandise sold, taxable retail sales have been adjusted for price changes in the table below. The annual real rate of sales growth in the Springfield market during the last three years of the 1968-1973 period outpaced the average for the entire period. This increased pace in retail sales reflected the strong economic growth between late 1971 and early 1973. The nation's general business slowdown in mid-1973 is seen in the lower real growth rates in both the City of Springfield and Sangamon County last year as compared to the 1970-1973 annual averages. However, the market area as a whole last year maintained its strong 1970's sales pace.

REAL GROWTH IN TAXABLE RETAIL SALES

		Average Annual Rate	
	1972-73	1968-73	1970-73
City of Springfield	1.7%	5.5%	8.8%
Sangamon County	3.3	5.1	7.7
Springfield Market Area	7.4	4.2	7.3

Source: State of Illinois Department of Revenue; U.S. Bureau of Labor Statistics.

By comparing the real percentage growth in this table with the unadjusted rates of change in the previous table, the impact of inflation on the dollar value of sales is clear. For example, the dollar volume of taxable retail sales in the Springfield market increased 14.1 percent last year. However, when adjusted for price increases, the gain falls to 7.4 percent. Nearly all of the City of Springfield's advance in retail sales last year was due to price rises, while over half of the sales increase in Sangamon County can be attributed to inflation.

Some softening in retail sales is expected in 1974 in response to the general slowdown in economic activity. This slowdown is reflected in first quarter national figures indicating a decline in output of 5.8 percent on an annual basis. However, rapidly rising prices, 10.8 percent for the first quarter nationally, will compensate for any loss in the dollar value of retail sales caused by a reduction in quantity of goods purchased. Furthermore, economists are in general agreement that considerable improvement in the economic situation should occur by mid-year. Thus, the Springfield market area should register another record year in retail sales in 1974.

TAXABLE RETAIL SALES BY CATEGORY, 1972 AND 1973 (000)

	City of Springfield			Sangamon County		
	1972	1973	1972-73 % Change	1972	1973	1972-73 % Change
General Merchandise	$60,210	$59,824	−0.6%	$63,089	$62,790	−0.5%
Food	65,520	71,519	9.2	81,864	91,775	12.1
Drinking and Eating Places	32,824	33,427	1.8	42,311	44,735	5.7
Apparel	16,611	18,282	10.0	17,173	18,809	9.5
Furniture and Home Furnishings	15,720	16,826	7.0	18,322	19,613	7.0
Automotive and Filling Stations	86,988	101,834	17.1	114,132	132,132	15.8
Lumber, Building, Hardware	61,898	72,981	17.9	77,354	91,594	18.4
Total	$388,972	$420,294	8.0	$471,624	$517,364	9.7

Source: State of Illinois Department of Revenue.

The State Journal-Register

As of July 1, the Illinois State Journal and the Illinois State Register will be one newspaper, according to Publisher John P. Clarke. The new newspaper will be known as The State Journal-Register. The four morning and three afternoon editions currently being published will be continued. There will be no change in delivery schedules. Advertisements will begin in the morning editions and be continued in the afternoon editions.

"We will blend the best features of both the Journal and the Register in our new product and utilize in all editions staff work now divided between the two newspapers," the publisher said. "Each edition will be updated to report the latest news of local, state, national and international events. This will permit us to present our readers with a better newspaper and to do it more economically."

Edward H. Armstrong, editor of The Register for the last ten years, will be editor of The State Journal-Register. DeVan L. Shumway, who is currently editor of the Journal, will be associate editor. Patrick Coburn will be managing editor, the position he now holds with the Register.

Capitol Complex Proposal

A $69 million building program aimed at centralizing state offices and parking facilities in the Capitol Complex has been proposed by the Illinois Capitol Development Board. Included in the plans is the construction of an unspecified number of relatively small office buildings totaling 950,000 square feet in the State Captiol Complex. This part of the project would cost $45 million. The remaining $24 million would be allocated to the construction of parking lots which may be built underground.

Currently the State owns 1.5 million square feet of office space in Springfield and employs about 10,600 people in the City who are scattered in over 139 different locations in Sangamon County. The present State Office Building has 448,000 square feet.

Plans call for construction of half the complex at a cost of about $22.5 million to begin in 1976. The entire project is scheduled to be completed by 1978-79. The Capitol Development Board is now seeking a $1.5 million appropriation to be used for building site selection, land acquisition, and preliminary building designs.

State Fairgrounds Improvements

A $1 million building improvement project for the Illinois State Fairgrounds has been announced by Governor Dan Walker. A little over half the money will come from the State Fair Trust Fund and will be used for emergency maintenance and repairs for this year's fair. Improvements include painting existing buildings, repairing roofs, and repairing other facilities such as restrooms. About $480,000 will have to be secured in the form of appropriations to the Agriculture Premium Fund. These funds will go toward heating the cattle barns and the Coliseum, constructing new restrooms, and other improvements.

Construction News Around Town

The law firm, James Winning, Robert Cohen, Herman Bodewes, and John Narmont, has purchased the two Horace Mann Insurance Company buildings at 212 and 216 East Monroe Street and an adjacent garage on Capitol Avenue. The lawyers, in turn, sold the two office buildings to a small investor group but are keeping the garage lot to construct a new building. The structure will be two or three stories and have underground parking for about 100 cars. It will be built by the law firm and the Illinois Savings and Loan League.

Some $6.6 million in contracts have been awarded to four firms for the construction of the new Lincoln Library. The Public Building Commission awarded $4.8 million to Reilly Construction Co. for general work; $800,000 to Anderson Electric, Inc., for electric work; $300,000 to L & L, Inc., for ventilating; and $700,000 to Petersburg Plumbing and Heating Co. for heating, air conditioning and plumbing. The new library will be located on the site of the present Lincoln Library main branch. During the two-year construction period, the main branch will be located in the old J. C. Penney's store downtown.

MAJOR BUSINESS INDICATORS — SPRINGFIELD MARKET AREA
PERCENT CHANGE: MONTH/QUARTER INDICATED 1974, FROM SAME PERIOD 1973

Indicator	Springfield S.M.S.A.*	State
Total Retail Sales (March)	—	2.4
Taxable Retail Sales (4th Quarter - 1972-73)	5.6	12.8
Department Store Sales (March)	2.3	8.0
Bank Deposits (1st Quarter)	2.8	6.1
Bank Debits (1st Quarter)	22.8	28.2
Dollar Change in New Building Permits (000)		
Residential (1st Quarter)	−$1,460	—
Commercial (1st Quarter)	$ 681	—
Total (1st Quarter)	−$ 757	—
Employment		
Manufacturing (February)	−4.2	1.9
Non-Manufacturing (February)	0.7	0.9
Electric Power Consumption (February)	2.4	0.8

Springfield, Ill. -- Business Conditions

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The State Journal-Register

SPRINGFIELD-ILLINOIS-REVIEW OF BUSINESS AND ECONOMIC CONDITIONS

VOL. XIV JULY-SEPTEMBER, 1974 NO. 3

BUSINESS CONDITIONS

While showing signs of recovery from the stifling impact of the energy crunch, the national economy has been restrained by national policies designed to slow inflation. Revised national figures show the Gross National Product price indicator eased somewhat in the second quarter, rising at a rate of 9.6 percent annually, compared to the first quarter's 12.3 percent. The national economy recorded the second consecutive quarter of declining real output, with Gross National Product down only 0.8 percent in the second quarter compared to a 7.0 annual percentage decline a quarter earlier. While a two-quarter decline in real output is typically labelled a recession, areas of strength in the economy indicate that this designation is perhaps premature. Industrial production expanded an average of .4 percent during the second quarter. Capital spending and employment also remained strong and retail sales kept pace with the rate of inflation. Unemployment averaged 5.1 percent (seasonally adjusted) of the civilian labor force in the second quarter.

Business activity in the Springfield Market Area displayed both signs of strength and weakness. Electric power consumption was up by 7.0 percent compared to May of 1973. The unemployment rate stood at 3.3 percent (not seasonally adjusted) of the civilian work force in May. Total employment increased only slightly over May of 1973, though manufacturing employment was up 5.8 percent.

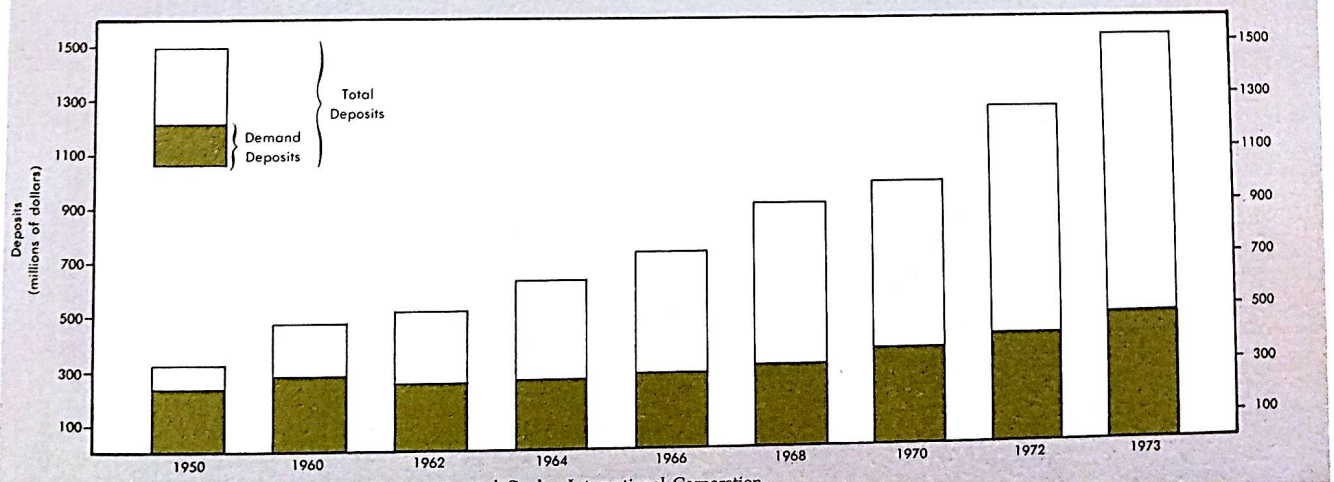
Bank debits within the Standard Metropolitan Statistical Area (SMSA) were an encouraging 17.1 percent over June a year ago. However, demand deposits were virtually unchanged. Department store sales declined in June compared to year-earlier figures. In response to continuing tight credit conditions for housing, residential building valuation remained depressed.

Reliance on fiscal and monetary restraint to decelerate inflation suggests a long period of slower growth in production and rising unemployment. The Federal Reserve Board policy of high interest rates and slow credit growth is suppressing both consumer and business spending to a level that severely limits the prospects for expansion in the local economy.

Personal Income

The Springfield Market Area ranked 17 out of 253 SMSA's in the nation in terms of per capita personal income in 1972. These are the latest figures for which such a breakdown is available and they indicate a $5,193 per person income for Springfield. The average for the entire United States was $4,492 per person for that year. The New York area stood highest at $6,102. The Chicago SMSA was 7th, with $5,551, and St. Louis was 49th, with $4,818.

BANK DEPOSITS IN THE SPRINGFIELD MARKET



Source: Federal Deposit Insurance Corporation and Copley International Corporation.

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Prepared by Larry D. Schell Economist

SPRINGFIELD'S FINANCIAL INSTITUTIONS

The financial industry in the Springfield market is composed of commercial banks, savings and loan associations (S & L's), life insurance companies, finance and investment companies, credit unions, and pension funds. These financial intermediaries serve as a link between borrowers and savers and help determine the cost and availability of alternative forms of credit. The lack of detailed data for the Springfield market permits an examination of only commercial banks and S & L's, which are the largest in terms of assets. Illinois in 1973 was third in the nation in total deposits held by commercial banks, with $49 billion, behind only New York and California.

TOTAL ASSETS OF FINANCIAL INTERMEDIARIES UNITED STATES (Billions of Dollars)

Financial Intermediary	1960	1965	1970	1973
Commercial Banks	$257.6	$377.3	$ 576.2	$835.7
Savings and Loan Associations	71.5	129.6	176.2	272.4
Life Insurance Companies	119.6	158.9	207.3	252.1
Mutual Savings Banks	40.6	58.2	79.0	106.7
Finance Companies	24.1	41.0	60.4	N.A.
Investment Companies	17.0	35.2	47.6	N.A.
Credit Unions	5.7	10.6	17.9	N.A.
Private Pension Funds	38.2	73.6	110.8	N.A.
State and Local Pension Funds	19.6	33.1	58.0	N.A.
TOTAL	$593.9	$917.5	$1,333.4	

N.A. – Not Available.
Source: United States Savings and Loan League, Federal Deposit Insurance Corporation.

With $18 billion in savings account deposits held by S & L's, Illinois was second in the nation, behind California. The city of Springfield has 12 commercial banks and seven S & L's. Bank deposits for the 104 commercial banks in the 11-county market area were $1.5 billion as of June 30, 1973. Growth in these deposits has averaged 7.0 percent for the past two decades.

Characteristics of the Springfield Market

Growth in Bank Deposits. Total deposits held by all commercial banks in the Springfield Market Area increased by $622 million between 1968 and 1973, a rise of 68.9 percent. The $1.5 billion in deposits represents 3.1 percent of total deposits held by commercial banks in Illinois in 1973, compared to 2.5 percent in 1950. These deposits have grown at an average long-term compound annual rate of 7.0 percent. However, in the last five years the pace of expansion accelerated to an annual rate of 11.1 percent.

The composition of deposits of commercial banks has altered substantially in recent years. Nationally and within the Springfield Market Area demand deposits held by individuals, partnerships and corporations have become a decreasing percentage of total deposits as savings and time deposits growth has been emphasized. Demand deposits in the market area represented 72.5 percent of total deposits in 1950, but only 31.0 percent in 1973. Nationally, demand deposits were 34.0 percent of total deposits in 1973.

Several factors account for the observed decline in demand deposit importance. The introduction and increasing use of credit cards reduces the need for large non-interest paying checking accounts. Consumers and businesses are better able to time the date of their expenditures. As a result of new regulations governing interest rate ceilings, a variety of certificates of deposit are now available to the small investor. With the recent high yields available to investors in the national credit market, commercial banks have actively promoted certificates of deposit. These factors have overshadowed the now almost universal use of checking accounts by individuals and businesses and the growth in population and income over time that would tend to increase demand deposits.

Competition for the Savings Dollar

Banks and savings and loan associations compete for the business and consumer savings dollar not only among themselves, but also with life insurance companies, credit unions, and pension funds. In addition, individuals

BANK DEPOSITS – SPRINGFIELD MARKET AREA – JUNE 30, 1973

	Banks 1968	Banks 1973	Total Deposits (000)	% Change 1968-1973	Savings and Time Deposits (000)	% Change 1968-1973	Demand Deposits (000)	% Change 1968-1973
Cass County	5	5	$ 45,775	68.0%	$21,233	130.8%	$19,824	44.3%
Christian County	10	9	123,146	70.7	67,011	84.2	37,718	48.1
Greene County	6	6	46,844	83.1	23,042	176.3	19,419	33.0
Logan County	14	13	99,938	75.7	52,846	99.6	49,817	109.2
Macoupin County	17	16	135,085	93.8	79,639	177.2	42,764	45.7
Mason County	6	6	60,584	69.1	33,642	93.4	20,625	39.4
Menard County	4	4	45,390	69.7	26,128	92.5	14,754	40.0
Montgomery	10	10	124,961	94.7	77,816	147.1	34,488	47.4
Morgan County	7	7	121,611	62.1	66,752	92.3	38,425	49.6
Sangamon County	22	19	699,597	60.5	407,755	71.9	185,978	58.5
Scott County	3	3	20,844	60.9	10,481	75.2	8,056	53.2
Springfield Market Area Total	104	98	$1,523,775	68.9%	$ 866,345	92.7%	$ 471,868	55.2%
Springfield SMSA*	26	23	744,987	61.1	433,883	73.0	200,732	56.9
Illinois	1,160	1,071	48,955,385	66.7	25,826,756	93.1	14,957,555	37.3

*The Springfield Standard Metropolitan Statistical Area is composed of Menard and Sangamon counties. Source: Federal Deposit Insurance Corporation.

SAVINGS DEPOSITS IN METROPOLITAN AREAS — ILLINOIS

SMSA	Insured Savings and Loan Associations December 31, 1973 Number	Total (000)	Per Capita	Per Office (000)	Commercial Banks June 30, 1973 Number	Total (000)	Per Capita	Per Office (000)
Bloomington-Normal	N.A.	N.A.	N.A.	N.A.	20	$ 128,697	$1,170	$ 6,435
Champaign-Urbana-Rantoul	7	$ 155,824	$ 970	$22,261	23	179,208	1,110	7,792
Chicago	241	12,771,426	1,800	52,993	356	19,280,509	2,720	54,159
Decatur	N.A.	N.A.	N.A.	N.A.	13	203,183	1,650	15,629
Peoria	19	760,701	2,155	40,037	45	441,488	1,250	9,811
Rockford	6	293,646	1,095	48,941	22	404,311	1,510	18,378
Springfield	7	193,678	1,105	27,668	26	433,883	2,480	16,688
Illinois	445	17,552,253	1,560	39,443	1,160	25,826,756	2,295	22,264

N.A.: Not available.
Source: Federal Deposit Insurance Corporation; Federal Home Loan Bank Board, and Copley International Corporation.

and businesses have access to the stock market and direct credit market instruments such as treasury bills and commercial paper. However, commercial banks and savings and loan associations dominate the savings market among depository institutions. While 53-57 percent of all Americans have a savings account at a commercial bank, only 22 percent have one at a S & L. Further, survey results indicate that approximately 40 percent of household heads have only a commercial bank savings account, but just 15 percent of household heads have only a S & L account.

Since the mid-1960's a variety of savings deposits have been offered savers as a result of legislation establishing a coordinated system of deposit rate ceilings for the major financial intermediaries. As a consequence of this and cyclical increases in interest rates on marketable securities, there has been a sharp expansion in the volume of savings in accounts earning a higher return than paid on regular passbook accounts. The proportion of savings earning higher than the regular rate increased from 10 to 51 percent for S & L's and from 37 to 59 percent for commercial banks in the United States between 1966 and 1973. For the Springfield Market Area, the gain was from 28 percent of total savings to 66 percent during the period.

Springfield. Only partial deposit data was available for Springfield's 19 commercial banks and S & L's. The Bank of Springfield was the only institution to apparently double its deposits in the last five years. Two banks and three S & L's have opened for business during this same period. One of these banks, Sangamon State Bank, has received a charter but has not yet acquired a location.

SPRINGFIELD BANKS AND SAVINGS AND LOAN ASSOCIATIONS December 31, 1973

Financial Institution	Total Deposits/ Savings Accounts (000)	% Change 1968-1973
Banks		
American State Bank	N.A.	N.A.
Bank of Springfield	$11,286	209.5%
Capital Bank & Trust	N.A.	N.A.
Chatham Community Bank	7,721[1]	N.A.
First National Bank	155,269	33.7
First State Bank	N.A.	*
Illinois National Bank	138,731	63.1
Land of Lincoln Bank	31,036[1]	N.A.
Peoples National Bank	N.A.	N.A.
Springfield Marine Bank	214,540	50.7
Sangamon State Bank	—	*
Town & Country Bank	21,811[1]	N.A.
Savings & Loan Associations		
American S&L	58,243	121.3
Citizen's S&L	21,811	*
First Federal S&L		
Germania Federal S&L	N.A.	*
Sangamon Home Savings Assn.	17,946[2]	69.9
Security Federal S&L	69,617	52.5
United S&L	10,106[3]	*

*Institution not in existence in 1968. N.A.: Not Available. 1.: As of June 30, 1974. 2.: As of August 31, 1973. 3.: As of March 31, 1974.

Conclusion

The growth in deposits in recent years in the Springfield Market Area has resulted in greater competition and expanded financial services for both businesses and consumers. Financial intermediaries obtain funds directly from individuals and businesses in exchange for debt or equity claims against themselves, such as demand deposits and certificates of deposit of commercial banks or savings accounts of S & L's. The funds so obtained are invested directly in credit market instruments, such as consumer and business loans, mortgages, U.S. Government securities, state and local government obligations, and corporate stocks and bonds. Thus, a financial intermediary functions as a dealer, "buying" funds from savers in exchange for its own indirect securities, and "selling" funds to borrowers in exchange for their primary securities. Intermediaries are the only important holder of mortgages, and they also purchase the bulk of new corporate bonds. About half the outstanding amount of both state and local government bonds and the federal debt are held by these institutions.

In the last five years, total deposits of commercial banks have grown faster than the long-term average. The demand deposit component has declined in relative importance. Commercial banks hold a majority of savings deposits among depository institutions, in metropolitan areas of Illinois, but S & L's deposits are larger on a per-office basis. The market area has improved somewhat its relative deposit position compared to other areas in the state over the past two decades.

Industrial Revenue Bonds Approved

The Springfield City Council recently approved the issuance of $450,000 in industrial revenue bonds to finance a new building for Evans Products Co. The firm, which sells building materials, plans to construct new quarters on Camp Butter Road, east of Interstate 55. The Evans bonds will be the second to be issued under the City's year-old industrial revenue bond procedure. This method of financing, which cannot be used for public improvement, became legal in Illinois only recently.

Because the City issues the bonds, they can be sold at the lower interest rates charged for tax-exempt municipal bonds. Under this method, the firm obtains 100 percent financing as the bonds can be used to purchase land and also construct and equip a building. The bonds will be paid off by the Evans Company on a lease basis. Even though the City issues the bonds, the property is on the tax rolls once it is completed.

Capital Airport Grant

A $1.7 million grant for construction of a new area of Capital Airport was accepted recently by the Board of Commissioners of the Springfield Airport Authority. The grant, which amounts to 75 percent of the cost of development, from the Federal Aviation Administration will be used for construction of the north quadrant of the airport. The remaining 25 percent of the cost will be financed equally by the State Division of Aeronautics and the airport authority.

A bid has already been awarded to Illinois Valley Asphalt Inc. of Bluffs to begin roadway construction. An entrance road and taxiway are planned for the area in addition to hangers and other buildings which would be leased to private concerns. The property, already owned by the airport authority, will be used for general, corporate, and private planes to compliment the commercial area of the airport.

First Quarter Taxable Retail Sales

Mixed gains in first quarter taxable retail sales were recorded in the 11 counties comprising the Springfield Market Area. While the entire market area registered a rise of 17.3 percent over first quarter statistics for 1973, individual counties ranged from a low of a 3.1 percent gain in Sangamon County to a high of 67.5 percent in Christian County. Virtually no change in the amount of retail sales occurred within the City of Springfield.

FIRST QUARTER TAXABLE RETAIL SALES
Springfield Market Area

County	(000)	% Change 1973-1974
Cass	7,558	7.4%
Christian	30,672	67.5
Greene	7,436	23.5
Logan	24,603	57.8
Macoupin	22,750	20.2
Mason	9,525	15.5
Menard	4,875	27.5
Montgomery	17,200	6.8
Morgan	27,600	26.4
Sangamon	117,525	3.1
Scott	2,850	14.5
Springfield Market	272,594	17.3
Springfield City	93,300	.1

Source: Illinois Department of Revenue.

MAJOR BUSINESS INDICATORS — SPRINGFIELD MARKET AREA
PERCENT CHANGE: MONTH/QUARTER INDICATED 1974, FROM SAME PERIOD 1973

Indicator	Springfield SMSA*	State
Total Retail Sales — June	—	5.0
Taxable Retail Sales — First Quarter (1973-1974)	3.6	11.5
Department Store Sales — June	−4.0	1.5
Bank Deposits — June	−0.1	2.7
Bank Debits — June	17.1	18.6
Dollar Change in New Building Permits (000)		
Residential — June	−$2,433	—
Total — June	−$2,802	—
Consumer Prices — June	—	10.6
Employment		
Manufacturing — May	5.8	.4
Non-Manufacturing — May	− .4	1.3
Electric Power Consumption — May	7.0	−2.3

*Springfield SMSA includes Sangamon and Menard Counties.
Note: Data which were used in developing these indicators were obtained from various Federal, State, and Local sources and can be supplied by Copley International Corporation on request.

Springfield, Ill -- Business Conditions

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BUSINESS CONDITIONS

By the close of 1974, demand for goods was beginning to soften considerably and inventories were growing. The shortages of parts and materials that industry faced at the beginning of the year had cleared up. Many commodities were in easy supply, and delivery times had appreciably shortened. The coal strike, combined with massive layoffs in the automobile industry, set off cutbacks in many related fields. As business equipment production declined, every sector of the economy showed signs of weakness. The Federal Reserve Bulletin's Index of Industrial Production dropped to 122.0, down from a November 1973 peak of 125.6, and the December figure is likely to be down sharply.

Springfield, however, with its broad employment base, is not as likely to feel the effects of this downturn as will many other areas of the country. In fact, employment was up in both manufacturing and non-manufacturing during the final quarter of 1974. Government and insurance, both stable employers and major influences on the Springfield labor market, helped to expand the work force.

Unemployment Higher than Normal

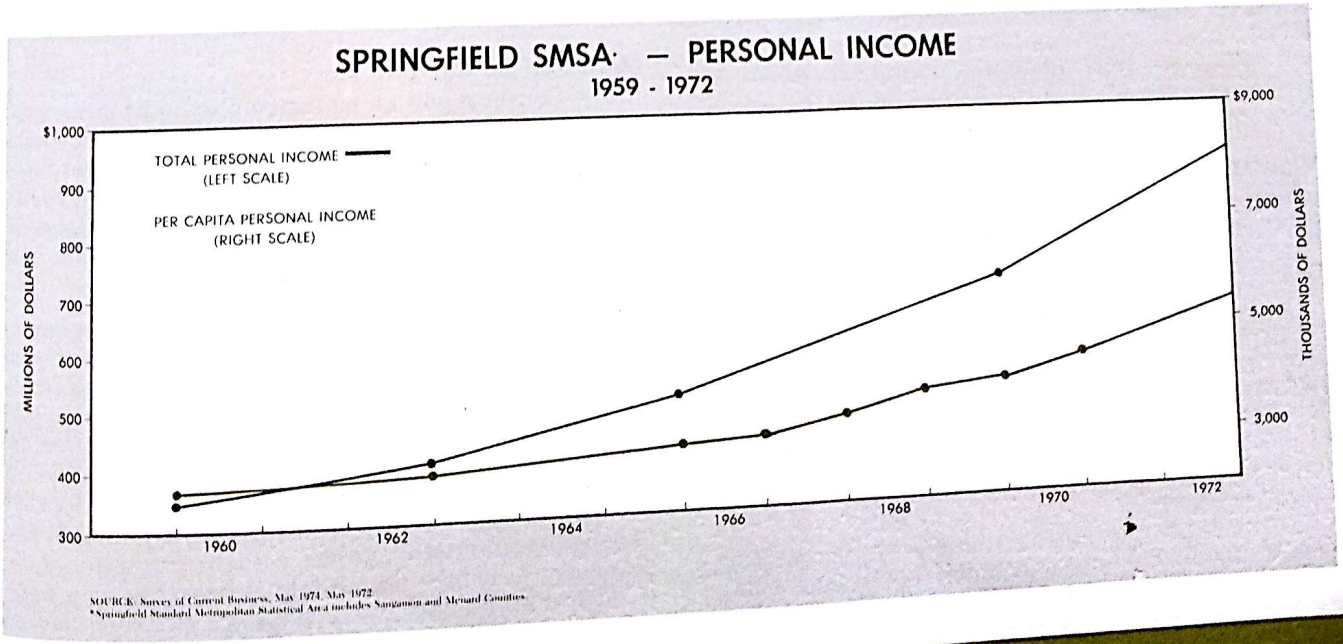
It is normal for joblessness to increase slightly during the final quarter. The November unemployment rate, the highest for any November in the past 10 years, is still quite tolerable at 3.8 percent. This level compares favorably with the state rate of 4.9 percent unemployed and the national level of over 7 percent. During the year the number of jobless increased by 700, but employment, also increased during this period by over 2,800.

Employment Outlook

The first quarter of 1975 should see some employment declines as seasonal losses in retail trade and construction are recorded. Springfield appears, however, to be somewhat insulated from any sharp employment dips. Thus, the labor market should remain strong.

Consumer Spending

Retail sales declined nationally in both current dollars and in the physical volume of goods moved during the second half of 1974. Auto sales led the downturn, but sales of household appliances and furnishings, closely tied to residential construction, also fell during the year. Even though Springfield is much stronger than most areas of the nation, there is little reason to expect significant retail sales gains above 1974 levels. As prices rose last year, real disposable income began to decline and this trend is continuing.



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Technological

POPULATION MIGRATION TO AND FROM SANGAMON COUNTY

The United States Bureau of the Census has recently released statistics on the movement of persons 5 years old and over between state economic areas during the period 1965 to 1970. The Census figures measure migration as the number of residents in a state economic area in 1970 who resided somewhere else as of April 1, 1965. A person who moved to Sangamon County after 1965 and who then migrated to another state economic area before the 1970 Census would not be counted as a migrant to the Springfield area. State economic areas are single counties or groups of counties which have similar economic and social characteristics. Originally delineated for the 1950 Census, the boundaries of these areas have been drawn in such a way that each state is subdivided into relatively few parts. Each part has certain significant characteristics which distinguish it from adjoining areas. Sangamon County is one of 510 state economic areas in the United States.

The flow of migrants between Sangamon County and other state economic areas can be used as a source of information about the forces which influence population movements to and from the County. Overall, these figures indicate that 21,000 people moved to Sangamon County from other U.S. economic areas between 1965 and 1970. The net impact of these new arrivals was offset, however, by an exodus of more than 22,000 residents. In spite of the fact that the population of Sangamon County has exhibited an annual growth rate of approximately 1 percent since 1960, the composition of the population has been quite dynamic.

Population Mobility

Table 1 illustrates the mobility of the population 5 years old and over between 1965 and 1970. Only 55 percent of all residents of Sangamon County in 1970 lived in the same house in 1965. Between 1965 and 1970, almost 27 percent of the population moved from one residence to another within the County. Over 8 percent moved into the County from another section of Illinois, and 6 percent moved to Sangamon County from another state.

Actual population migration to and from Sangamon County shows a tendency to be concentrated over short distances. Almost 60 percent of the people who established residences in Sangamon County between 1965 and 1970 came from other areas in Illinois. About 50 percent of those who left the County during the period chose another location in Illinois as their destination.

Migration Patterns

Migration between the remainder of Illinois and other states and Sangamon County is illustrated in Table 2. The states closest to Illinois – Michigan, Missouri, Indiana, Iowa, and Wisconsin – appear to account for most of the back-and-forth movement. The short distance between Sangamon County and these nearby states probably makes it easier for potential migrants to learn of opportunities in the area. The strong in-and-out migration between these neighboring states and Sangamon County suggests that a large percentage of these people are moving for economic reasons rather than to seek a change in climate.

During the 5-year period under study, Sangamon County experienced net population losses to many states. That is, more people left the County bound for other parts of the U.S. than came into the area. However, three of these states – California, Florida, and Colorado – accounted for 95 percent of the net out-migration. This trend for migration to these states is consistent with a national tendency to move to these states.

Table 1

MOBILITY OF THE SANGAMON COUNTY POPULATION

Population 5 Years Old and Older	Persons	Percent
Total Population – 1970	148,455	100.0%
Non-Movers – In Same House in 1965	81,936	55.2
Movers – In Different House in 1965	60,432	40.7
Different House in Sangamon County	39,466	26.6
Lived Elsewhere in Illinois	12,277	8.2
Lived in Another State	8,689	5.9
Former Residence Outside U.S. or Not Reported	6,087	4.1

Sangamon County experienced net in-migration from other sections of Illinois. With a pattern that parallels the migration between states, a major portion of the in-migration was from areas close to Sangamon County. The area directly to the west and southwest of the County accounted for a large portion of the net in-migration. The extreme northeastern portion of the state – Cook and the five surrounding counties – also accounted for a large amount of the net in-migration.

The greatest amount of movement, both in and out, occurred between Sangamon County and state economic area six which includes the counties directly to the east and northeast. Over 26 percent of all the migration between Sangamon County and other parts of Illinois occurred in this area. Approximately 3,300 people moved into Sangamon County from this area, and 3,000 people went the other way.

Migration By Age and Sex

The Census report on migration also broke down total population movement by age and sex. Table 3 illustrates the migration trends by these characteristics. Over three out of four of the net out-migrants were males. Males between 15 and 24 years old accounted for almost 30 percent of all males leaving the area. This outward flow was probably due to demands of the military.

Both males and females in the 25 to 29 age group showed a tendency to migrate to Sangamon County in greater numbers than any other age group. This is likely due to the prospects of employment in the Springfield area. Between ages 30 and 40, both sexes remain stable, with in-migration balanced against out-migration. A moderate amount of in-migration occurs with females between 45 and 65. Again, this is probably due to employment opportunities in the government sector of the economy. After age 65, people leaving the area again tended to outnumber the in-migrants as people moved to milder climates for retirement.

Table 2

MIGRATION BETWEEN STATE ECONOMIC AREAS AND SANGAMON COUNTY 1965 to 1970

	Inmigration	Outmigration	Net Migration		Inmigration	Outmigration	Net Migration
United States	20,966	22,491	−1,525	Missouri	1,156	1,195	− 39
Alabama	83	152	− 69	Montana	38	44	− 6
Alaska	24	33	− 9	Nebraska	72	83	− 11
Arizona	118	313	− 195	Nevada	47	77	− 30
Arkansas	189	180	+ 9	New Hampshire	—	50	− 50
California	741	1,425	− 684	New Jersey	219	212	+ 7
Colorado	148	441	− 293	New Mexico	71	76	− 5
Connecticut	14	32	− 18	New York	195	230	− 35
Delaware	—	8	− 8	North Carolina	39	103	− 64
District of Columbia	28	14	+ 14	North Dakota	34	15	+ 19
Florida	235	700	− 465	Ohio	504	371	+133
Georgia	214	45	+ 169	Oklahoma	76	97	− 21
Hawaii	55	57	− 2	Oregon	16	70	− 54
Idaho	25	—	+ 25	Pennsylvania	107	110	− 3
Illinois (remainder)	12,277	11,425	+ 852	Rhode Island	29	7	+ 22
Indiana	628	832	− 204	South Carolina	60	129	− 69
Iowa	314	414	− 100	South Dakota	24	8	+ 16
Kansas	206	263	− 57	Tennessee	186	302	−116
Kentucky	169	171	− 2	Texas	439	531	− 92
Louisiana	64	96	− 32	Utah	112	—	+112
Maine	35	23	+ 22	Vermont	14	—	+ 14
Maryland	77	13	+ 64	Virginia	141	231	− 90
Massachusetts	129	182	− 53	Washington	131	111	+ 20
Michigan	524	716	− 192	West Virginia	52	39	+ 13
Minnesota	293	380	− 87	Wisconsin	489	397	+ 92
Mississippi	119	59	+ 60	Wyoming	6	29	− 23

Source: U.S. Department of Commerce, Bureau of the Census.

Table 3

POPULATION MIGRATION BY AGE AND SEX, 1965-1970 SANGAMON COUNTY

	Population 5 Years Old And Over	5 to 9 Years	10 to 14 Years	15 to 19 Years	20 to 24 Years	25 to 29 Years	30 to 34 Years	35 to 39 Years	40 to 44 Years	45 to 54 Years	55 to 64 Years	65 Years And Over
Male	68,784	8,632	8,072	6,832	4,145	4,713	4,324	4,008	4,376	8,557	7,870	7,255
Inmigrants to the area	9,730	1,355	1,033	815	1,068	1,550	1,026	671	547	838	469	358
Outmigrants from the area	10,887	1,579	1,072	1,370	1,762	1,207	1,037	673	552	750	412	473
Female	79,671	8,028	7,845	7,437	6,053	5,269	4,772	4,384	4,839	9,874	9,604	11,566
Inmigrants to the area	11,236	1,325	1,117	943	2,007	1,626	941	595	554	843	720	565
Outmigrants from the area	11,604	1,447	989	1,130	2,299	1,571	976	739	437	706	582	728

Source: U.S. Department of Commerce, Bureau of the Census.

Income Per Person Is High in Springfield

Data released by the U.S. Department of Commerce indicate Springfield ranks 17th out of 253 metropolitan areas in terms of per capita income. This ranking is based on 1972 personal income figures. In that year income in the U.S. averaged $4,492 per person, while the Springfield area registered $5,193 per person.

Springfield's per capita income was the second highest in Illinois following Chicago. Between 1969 and 1972 personal income in Springfield rose over 9 percent per year compared with a 6.5 percent annual growth for Chicago. Government labor earnings were responsible for 19 percent of Springfield's personal income in 1972. Income from property (rents, dividends, and interest) was the second largest source, accounting for 15 percent of personal income. Manufacturing and retail-wholesale trade each contributed 12 percent to Springfield's total income.

Springfield, Reno, Nevada, and Anchorage, Alaska had the smallest populations of the top 25 areas. The average population of these 25 areas was 1.9 million, in contrast to Springfield's population of approximately 170,000. Though smaller than most other areas, Springfield's high per capita income ranks it as a quality consumer market.

Work Begun on White Oaks Shopping Center

Park Realty Company has taken out an $8 million building permit for a new two-level shopping center to be located on Wabash Avenue near the west bypass. The building permit is for the central part of the complex which will have space for 95 small shops. Four large department stores are scheduled for later construction on the perimeter of the shopping area. The planned department stores are Myers Brothers, Sears, Montgomery Ward, and Famous-Barr. Initial site excavation will include the digging of a 10-acre lake which will handle the run off of rainwater from the shopping center. Dirt from the lake excavation will be moved to the site to create a double level. Parking and access to the shops will be possible from both levels.

Tourist Business in 1975 Looks Promising

As of December 20, 1974, there were 204 conventions booked in Springfield for 1975. Total estimated attendance is put at 140,160. A 1973-74 survey by International Association of Convention and Visitors Bureaus showed that the average convention delegate spends $49.98 per day and stays 3.5 days. Projecting delegate total spending of $179.43 to the estimated 1975 convention attendance indicates that between $2.5 and $3.0 million will enter the Springfield economy through convention business this year. This is exclusive of the 600,000 to 700,000 tourists who visit Springfield annually to see the Lincoln shrines, the State Capitol, State Museum, and other historic sites.

SECOND QUARTER TAXABLE RETAIL SALES SPRINGFIELD MARKET AREA

County	(000)	% Change 1973-1974
Cass	$ 9,199	13.7%
Christian	25,630	12.1
Greene	8,753	16.5
Logan	25,822	37.4
Macoupin	27,668	14.7
Mason	12,266	21.3
Menard	6,351	15.5
Montgomery	21,364	12.3
Morgan	29,688	13.9
Sangamon	142,796	5.6
Scott	3,942	28.7
SPRINGFIELD MARKET	313,479	11.8
SPRINGFIELD CITY	114,049	5.2

Source: Illinois Department of Revenue.

MAJOR BUSINESS INDICATORS — SPRINGFIELD MARKET AREA
PERCENT CHANGE: MONTH/QUARTER INDICATED 1974, FROM SAME PERIOD 1973

Indicator	Springfield SMSA*	State of Illinois
TOTAL RETAIL SALES — THIRD QUARTER	—	12.4%
TAXABLE RETAIL SALES — SECOND QUARTER 1974	5.9%	10.1
DEPARTMENT STORE SALES — THIRD QUARTER 1974	6.0	9.3
BANK DEPOSITS — FOURTH QUARTER 1974	7.0	6.6
BANK DEBITS — FOURTH QUARTER 1974	24.9	11.5
DOLLAR CHANGE IN NEW BUILDING PERMITS (000)		
RESIDENTIAL — FOURTH QUARTER 1974	−$2,435	—
TOTAL — FOURTH QUARTER 1974	$2,469	—
CONSUMER PRICES — SEPTEMBER	—	10.6
EMPLOYMENT		
MANUFACTURING — THIRD QUARTER 1974	7.1	−0.7
NON-MANUFACTURING — THIRD QUARTER 1974	3.4	1.5
ELECTRIC POWER CONSUMPTION — THIRD QUARTER 1974	−3.4	−3.2

*SPRINGFIELD SMSA includes Sangamon and Menard Counties.

NOTE: Data used in developing these indicators were obtained from various federal, state, and local sources and can be supplied by Copley International Corporation on request.