



## Peoria-Pekin MSA Business Index Up Again In First Quarter 2014

The quarterly business and economic indicator Summary Index for the Peoria-Pekin Metropolitan Statistical Area (MSA; Peoria, Tazewell, Woodford, Stark and Marshall counties) rose for a second consecutive quarter, with a 0.5% increase since the fourth quarter of 2013, reaching 96.7 in the first quarter of 2014.

The Center for Business and Economic Research (CBER) reviews over 30 diverse business indicators in its quarterly assessments. The CBER computes its quarterly Summary Index of key local business and economic indicators for the Peoria-Pekin MSA to reflect business activity in the MSA on a seasonally adjusted basis, with an index score of 100 corresponding to the local business conditions found locally in the first quarter of 2000, following the national economic expansion of the previous decade. The present national economic expansion began after the national recession of December 2007-June 2009. Impact of the national recession was evident locally in the Summary Index that reached its cyclical low of 93.2 in the fourth quarter of 2009.

The CBER is housed in the Foster College of Business of Bradley University and has compiled a local business and economic data base since 1991. The *Peoria Journal Star* funds maintenance of this business indicator database. Data reported are adjusted for normal seasonal variation, other than sales figures of Peoria-Pekin MSA retail sales and Peoria-Pekin MSA number homes sold.

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## **Background**

All business indicator data reported are adjusted for normal seasonal variation, other than quarterly retail sales and number of homes sold. The CBER relies on SPSS for seasonal adjustment. The seasonal adjustment procedure removes the impact of seasonal components, i.e., the predictable seasonal variations of the data, so that any underlying trend in the data series can be discerned.

The "Summary Peoria-Pekin MSA Index" consists of the average of 14 key standardized, seasonally adjusted economic indicators. Indicators are standardized using a z transformation. A value of 100 corresponds to the Index value in the first quarter of 2000.

The "Single Family Building Permits" Index includes seasonally adjusted activity authorized by local building permits issued by the City of Peoria, Marshall County, Peoria County, Stark County, Tazewell County and Woodford County. The building permit activity authorized by these six governments in 2000 reflected over 80% of the nearly 1000 single family building permits issued by all governments in the five county MSA during the base year of 2000.

The "Job Opening Index" reflects help wanted postings, with an Index value of 100 corresponding to the average quarter's number of five-county help wanted postings in 2000.

The "New Unemployment Claims Index" refers to the seasonally adjusted number of new weekly unemployment claims in the five-county Peoria-Pekin MSA, with an Index value of 100 reflecting the average weekly number of new unemployment claims in 2000.

The Inflation Adjusted Retail Sales Index reflects retail spending in the Peoria-Pekin MSA, adjusted for inflation and for normal seasonal variation in retail sales. A score of 100 represents the inflation adjusted, seasonally adjusted retail sales during the first quarter of 2000.

The CBER's five-county seasonally adjusted Index of available homes for sale is computed relative to the score of 100 in the base year of 2000. The CBER's estimate of the seasonally adjusted Index of Price of Homes Sold is computed relative to a score of 100 in the base year of 2000.

US government statistics compiled with seasonal adjustment include Illinois and US unemployment rates, the average number of hours worked/week by production and non-supervisory workers, average number of hours of overtime worked/week in durable manufacturing, the Midwest Urban Consumer Price Index (CPI; computed monthly for the Midwest region by the Bureau of Labor Statistics), the "Value of U.S. Dollar Index," and the Gross Domestic Product.