

Local Economic Indicators Project

JACKSONVILLE, FLORIDA



- LEIP was initiated in 2001 based on a recommendation and financial support from Don Wiggins of Heritage Capital and Business Valuations, Inc.
- It is designed to provide local economic data for businesses, government agencies, and educational institutions in the Northeast Florida Region
- It provides monthly data on consumer prices, a leading economic indicator, a stock price index, and seasonally adjusted unemployment rates for the 5 county MSA
- The data are reported in the *Florida Times-Union* when the synonymous national and statewide data are released each month

LEIP has a website!

The LEIP website includes:

- The basic LEIP data
 - The LEIPLINE: Quarterly articles containing more in-depth discussions based on statistical analysis relative to the data implications
 - Other Economic Data Sources
 - Business Data Sources
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Our Website is found at
www.leipjax.org

**LEIPJAX.ORG is a ONE-STOP SHOP for
business and economic data for:**

**Business Leaders
Government Officials
University Faculty
And Students of all ages**

The Mechanics of LEIP Unemployment

- We take the local not-seasonally adjusted data from the State of Florida Department of Workforce Innovation for the Jacksonville MSA and seasonally adjust it.
- We employ a Ratio to Trend analysis that adjusts each month to deseasonalize the unemployment rate.

I no longer have to guess what the seasonal implications are when reporters ask what the newest unemployment numbers mean.

The Stock Price Index

- There are sixty-two companies in the data set, matching the Bloomberg list of local stocks.
- We create two separate indices that businesses can consult, one for Local Presence companies and one for Local Headquarters companies.
- The Index numbers are calculating employing a Fisher Ideal procedure.
- The index numbers are then converted to the magnitude of the Dow Jones Industrial Average for comparisons in a format that business leaders are used to employing.
- These values are only reported on our website due to the contract between Bloomberg and the *Florida Times-Union*.
- Despite the limited distribution, a number of local business and government leaders have notified me that they consult these numbers at the beginning of each month.

Companies in Stock Index

- Time Warner Inc (AOL) www.TimeWarner.com
- AT & T Inc. www.att.sbc.com
- Aetna Inc New www.aetna.com
- The Allstate Corporation www.allstate.com
- Alltel Corporation www.alltel.com
- American Express Company www.americanexpress.com
- American International Group Inc www.aigcorporation.com
- AmSouth Bancorporation www.amsouth.com
- Anheuser – Busch Companies, Inc www.anheuser-busch.com
- Arnold Industries www.arnoldindustries.com
- Auto Nation Inc www.autonation.com
- Bell South Corporation www.bellsouth.com
- Bank of America Corporation www.bankofamerican.com
- CSX Corporation www.csx.com
- Cendant Corp www.cendant.com
- Centex Corporation www.centex.com
- Citigroup, Inc. www.citigroup.com
- Convergys Corp www.convergys.com
- Compass Bancshares Inc www.compassweb.com
- Medifast, Inc www.medifast1.com
- GATX Corporation www.gatx.com
- HCA Inc www.hcahealthcare.com
- The Home Depot, Inc www.homedepot.com
- Humana, Inc www.humana.com
- International Business Machines www.ibm.com
- Johnson & Johnson www.jnj.com
- CRT Properties Inc. (Koger – Equity) www.crtproperties.com

- Liberty Property Trust www.libertyproperty.com
- Medtronic, Inc www.medtronic.com
- Merrill Lynch & Co., Inc www.ml.com
- Michaels Stores, Inc www.michaels.com
- Northrop Grumman Corporation www.northgrumman.com
- Orthodontic CTR of Am no web page
- Altria Group Inc www.altria.com
- Shoe Carnival Inc www.shoecarnival.com
- Smurifit – Stone Container Corp www.smurifit.com
- South Trust Corporation www.southtrust.com
- Sprint Corp no web page
- Sun Trust Bank Inc. www.suntrust.com
- Unisys Corporation www.unisys.com
- Wachovia Corp www.wachovia.com
- Wal – Mart Stores, Inc www.walmart.com
- Wickes Lumber Co. no web page
- The Washington Post Company www.washpostco.com
- Armor Holding, Inc www.armorholdings.com
- CNB Florida Bancshares, Inc no web page
- FPIC Insurance Group, Inc www.fpic.com
- EACO Corp www.corporateinformation.com
- Florida East Coast Ind. Inc. www.moneycentral.msn.com
- Florida Rock Industries, Inc www.finance.yohoo.com
- First Choice Bankshares Inc www.moneycentral.msn.com
- Landstar System, Inc www.landstar.com
- MPS Group Inc www.mpsgroup.com
- PSS World Med Inc www.pssd.com
- Parker Vision Inc www.parkervision.com
- Patriot Transn Hldg Inc www.cbsmarketwatch.com
- Rayonier, Inc www.rayonier.com
- Regency Ctrs Corp www.cbsmarketwatch.com
- St. Joe Company www.joe.com
- Stein Mart Inc www.steinmart.com
- Trailer Bridge www.cbsmarketwatch.com

- Winn Dixie www.winndixie.com

The Leading Economic Indicator

- There are 11 indicators, five local, five national, and the statewide consumer confidence index.
- The weighting scheme for the 11 indicators roughly follows The Conference Board distribution for their ten indicators.
- There is significant volatility from one month to the next and from one reporting period to the next due to data revisions and forecasting.
- We tested the index statistically and it seems to predict about 50% accurately two months ahead.
- These values are reported on our website and in the *Times-Union*.

The Consumer Price Index

- There are 200 products in our market basket in the same categories as the BLS uses.
- The weights for the categories are the same as the BLS but the products are slanted towards Jacksonville – Budweiser beer, Maxwell House coffee, Paul Masson wine.
- My students collect data in 6 regions of the MSA every month and we spot check other areas of the MSA occasionally. The students transmit their data electronically and I place it in the EXCEL spreadsheet that calculates the implications.
- The spreadsheet is structured to calculate Laspeyres index numbers for the overall inflation rate both not-seasonally-adjusted and seasonally-adjusted, and core and non-core estimates.
- These values are reported on our website and in the *Times-Union* monthly.
- Periodically, I get the LEIP team together to reinforce collection guidelines, verify consistency of products, and to make sure that transitions when students enter and leave are consistent.

The LEIPLINE Reports

- Quarterly articles employing our primary data as well as other local economic data such as retail sales, employment data, etc.
- We have considered the role of gasoline prices, the impact of the 2005 Super Bowl, the local Phillips Curve, etc.
- The LEIPLINE is a way for my students to apply their econometric skills to real data and write reports for businesses and government.

We also provide Economic Data Pages

NATIONAL ECONOMIC DATA SOURCES

- <http://www.bls.gov/>
- <http://www.bea.gov/>
- <http://www.federalreserve.gov/>
- www.census.gov

FLORIDA ECONOMIC DATA SOURCES

- <http://www.florida-business-data.com/florida-economic-data.htm>
- <http://quickfacts.census.gov/qfd/>
- <http://www.census.gov/census2000/states/fl.html>
- <http://fred.labormarketinfo.com/>
- <http://stats.bls.gov/eag/eag.fl.htm>
- <http://www.stateofflorida.com/Portal/DesktopDefault.aspx?tabid=8>

JACKSONVILLE ECONOMIC DATA SOURCES

And Business Data Pages

NATIONAL BUSINESS DATA SOURCES

- <http://money.cnn.com/markets/IRC/index.html>
- <http://www.nasdaq.com/asp/econodayframe.asp?page=http://www.nasdaq.com/econoday/index.html>

FLORIDA BUSINESS DATA SOURCES

JACKSONVILLE BUSINESS DATA SOURCES

The Bottom Line

- LEIP is a benefit to local businesses
- A source of data for state and local government agencies
- A teaching and learning tool for the students and faculty involved
- And hopefully, based on this conference, a means by which the FED can glean local economic data in our region.