

ECONOMICS MADE EASY



A Journalism Workshop

Assessing the Regional Economy

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Assessing the Regional Economy

- Interest in regional economic conditions has grown.
 - Businesses want to be better informed of economic conditions and business prospects.
 - Households are looking for places to live with strong income, good schools and healthy labor market.
 - Policymakers seek more information to gauge policy needs as well the impact of existing policies.
- Clearly, during the recession and this uncertain recovery the interest in regional economic conditions continues to be very high.





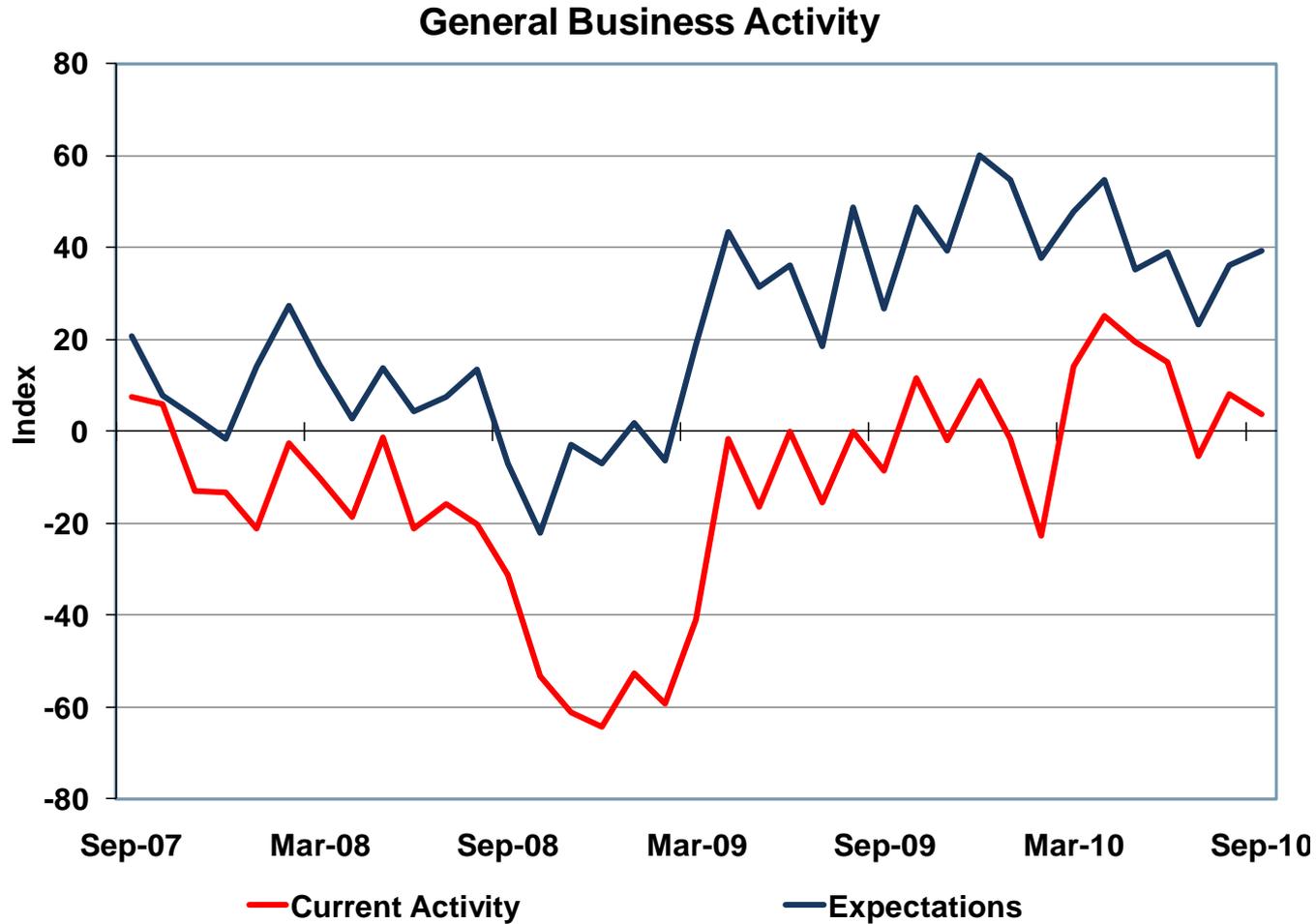
Assessing the Regional Economy

- However there are certain limitations:
 - Data coverage
 - Data time lag
 - Volatility of the data
- As a consequence, we survey data and poll business contacts within the region.
 - Maryland Survey of Business Conditions
 - Fifth District Surveys of Manufacturing and Service Sector
 - NFIB Survey of Small Businesses
 - Beige Book
 - Contacts





Business Activity



Source: Federal Reserve Bank of Richmond



Maryland Business Survey

Business Activity Indexes

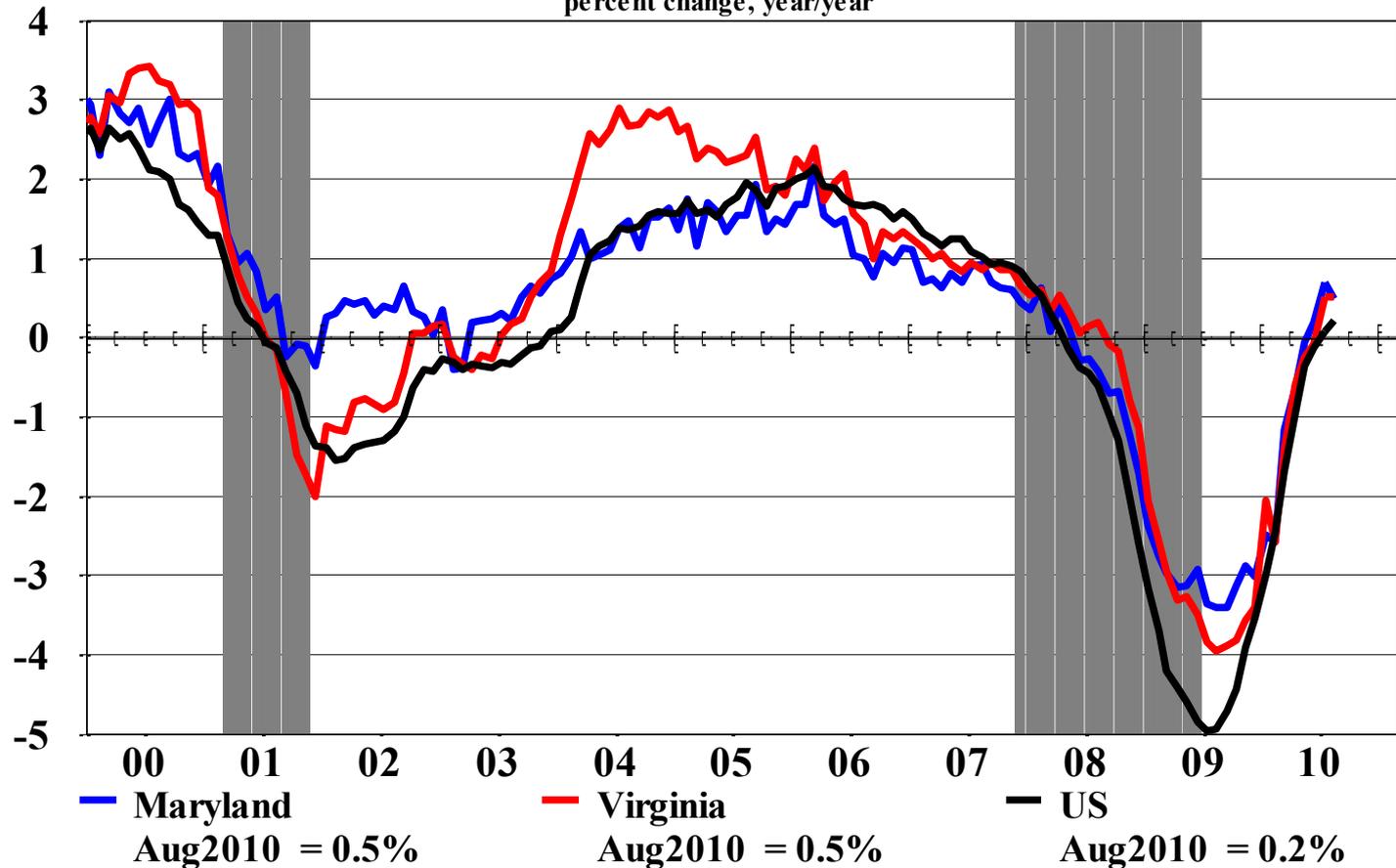
General Business Assessment	Current Conditions			Expectations		
	Sep-10	Aug-10	Jul-10	Sep-10	Aug-10	Jul-10
In the Nation	-8	-13	-12	30	23	8
In the State	-2	-2	-12	36	20	7
At your Company	4	8	-5	39	36	23
Company Conditions						
Sales	4	4	-5	41	34	26
Number of Employees	2	4	0	18	24	14
Weekly Hours	2	-10	-3	12	13	7
Prices Received	-9	-16	-13	12	13	-1
Product Inventories	8	-9	0	3	-14	-6
Customer Traffic or Inquiries	9	6	0	46	26	15
Investment in New Equipment/Software	-2	-6	1	12	17	1

Source: Federal Reserve Bank of Richmond

Labor Market

Payroll Employment Growth

percent change, year/year

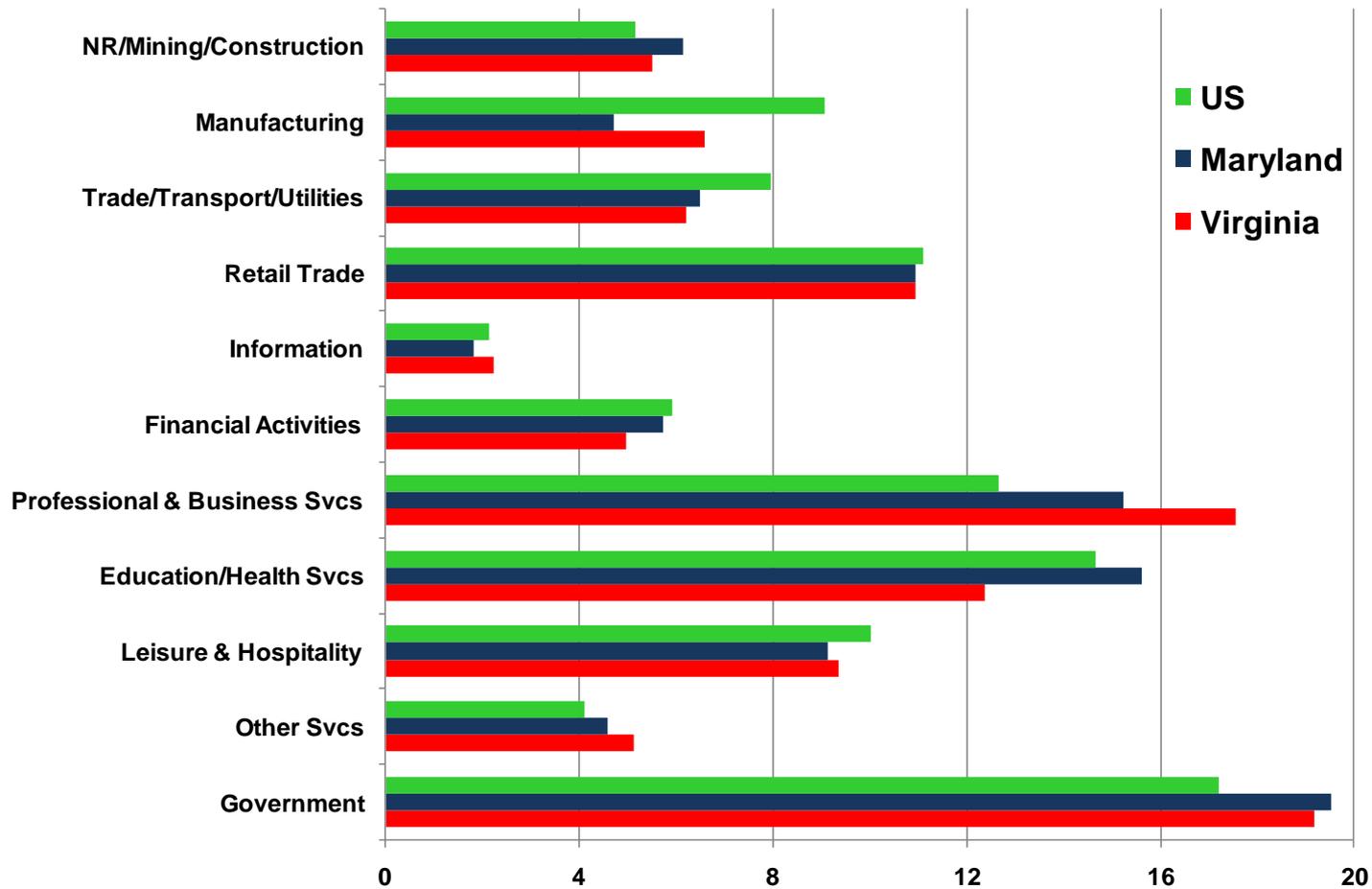


Source: Bureau of Labor Statistics/Haver Analytics



Labor Market

Industry Structure



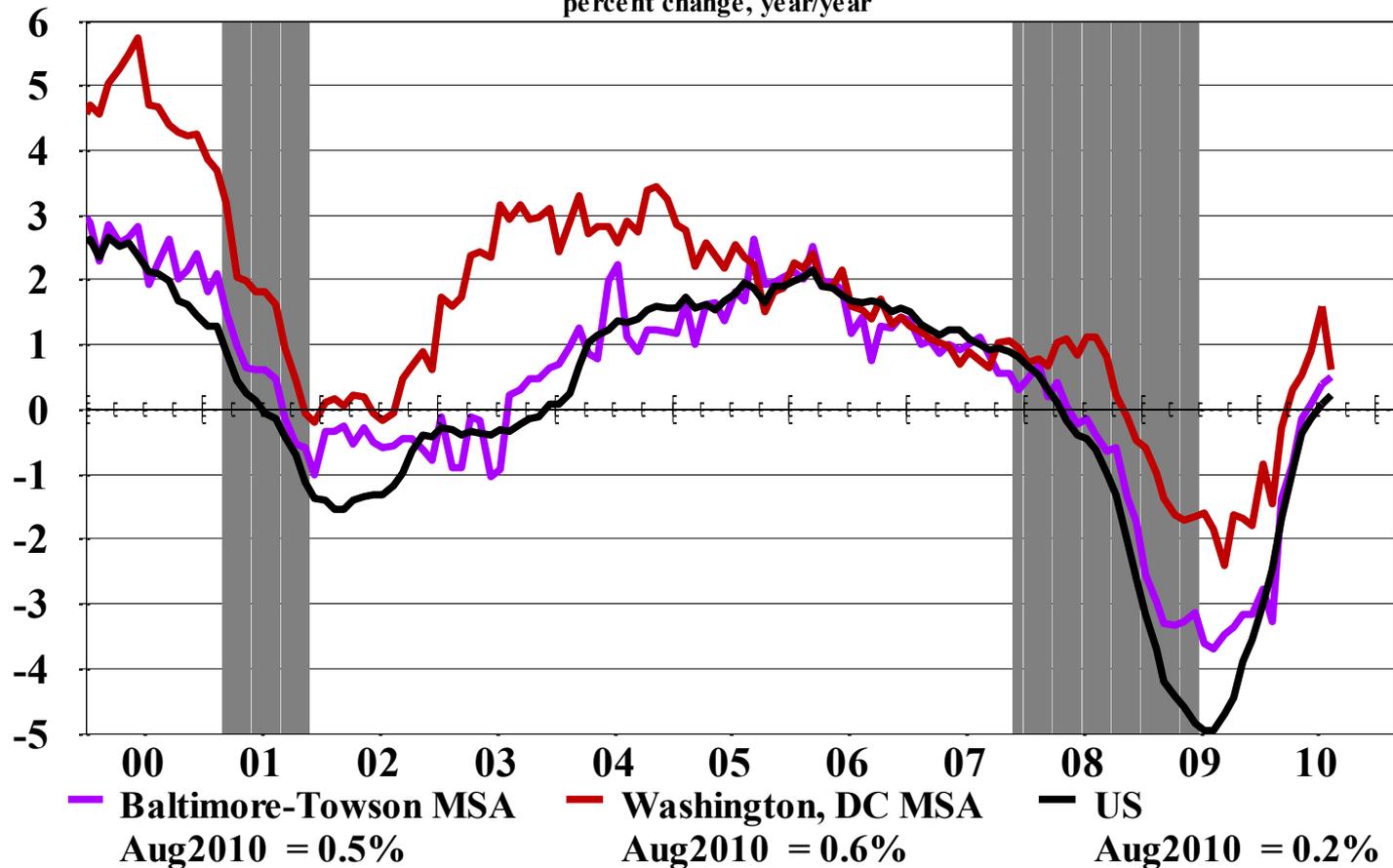
Source: Bureau of Labor Statistics/Haver Analytics



Labor Market

Payroll Employment Growth

percent change, year/year

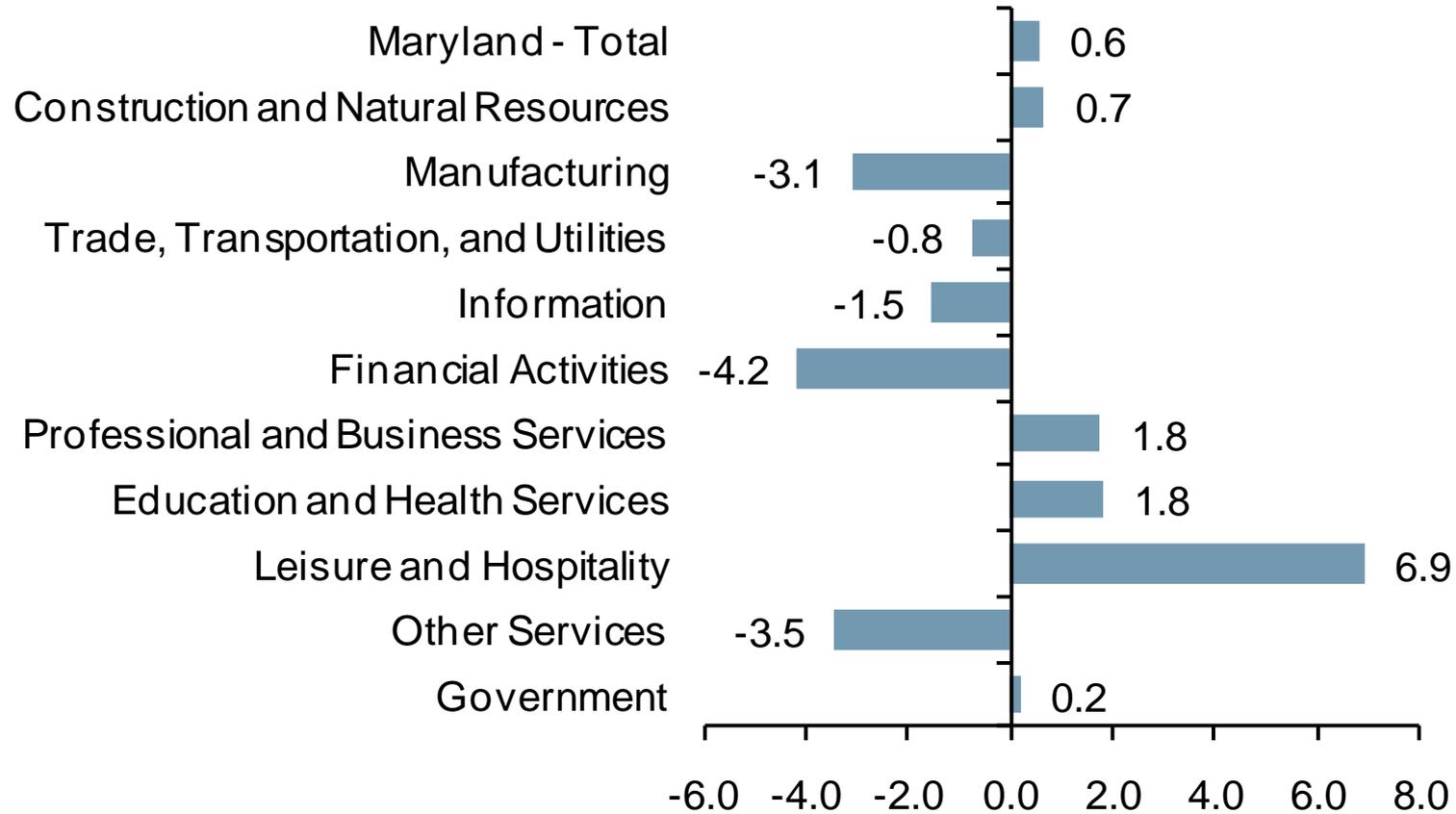


Source: Bureau of Labor Statistics/Haver Analytics



Labor Market

Maryland Payroll Employment Performance Year-over-Year Percent Change through August 2010



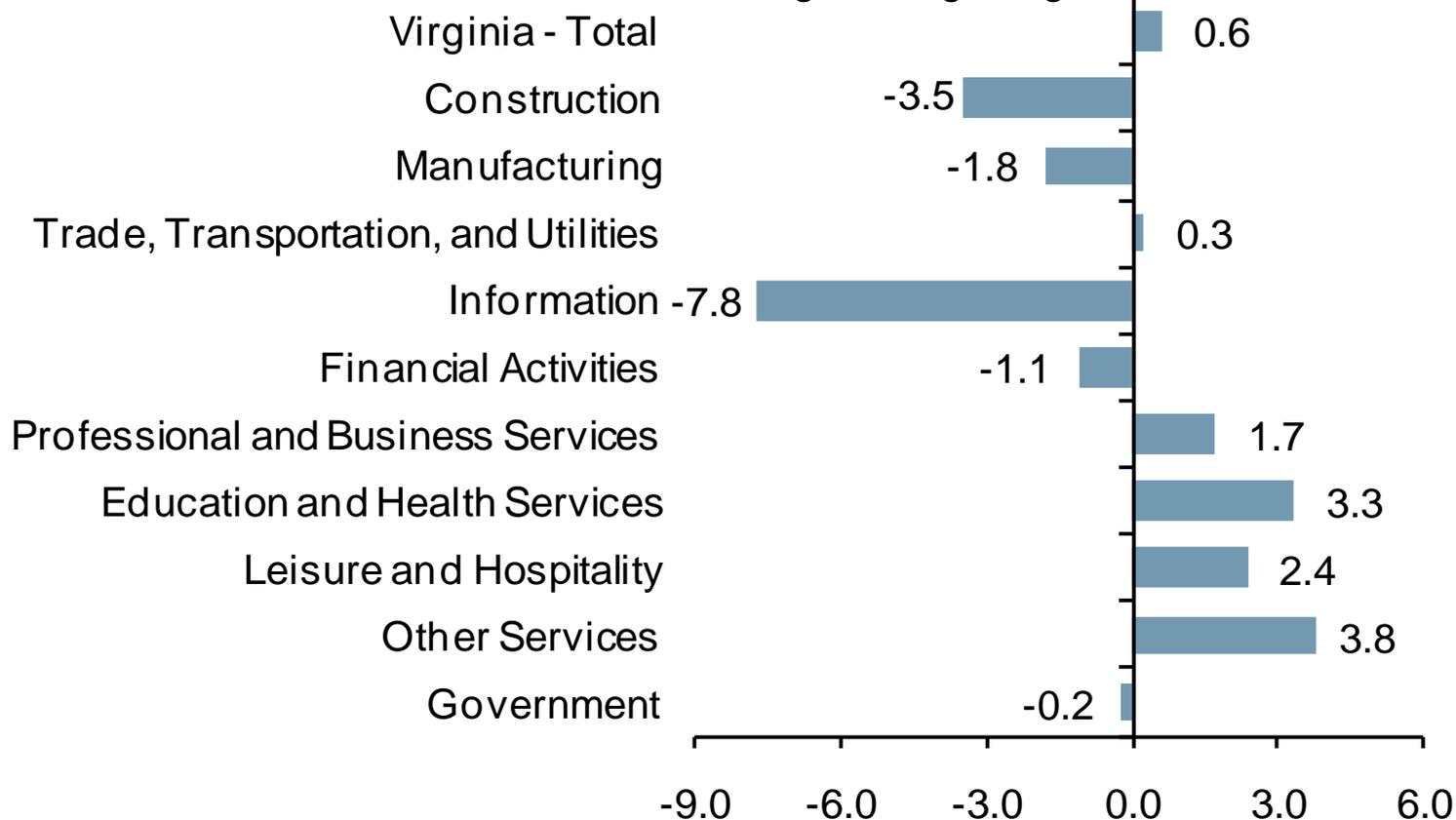
Source: Bureau of Labor Statistics/Haver Analytics



Labor Market

Virginia Payroll Employment Performance

Year-over-Year Percent Change through August 2010

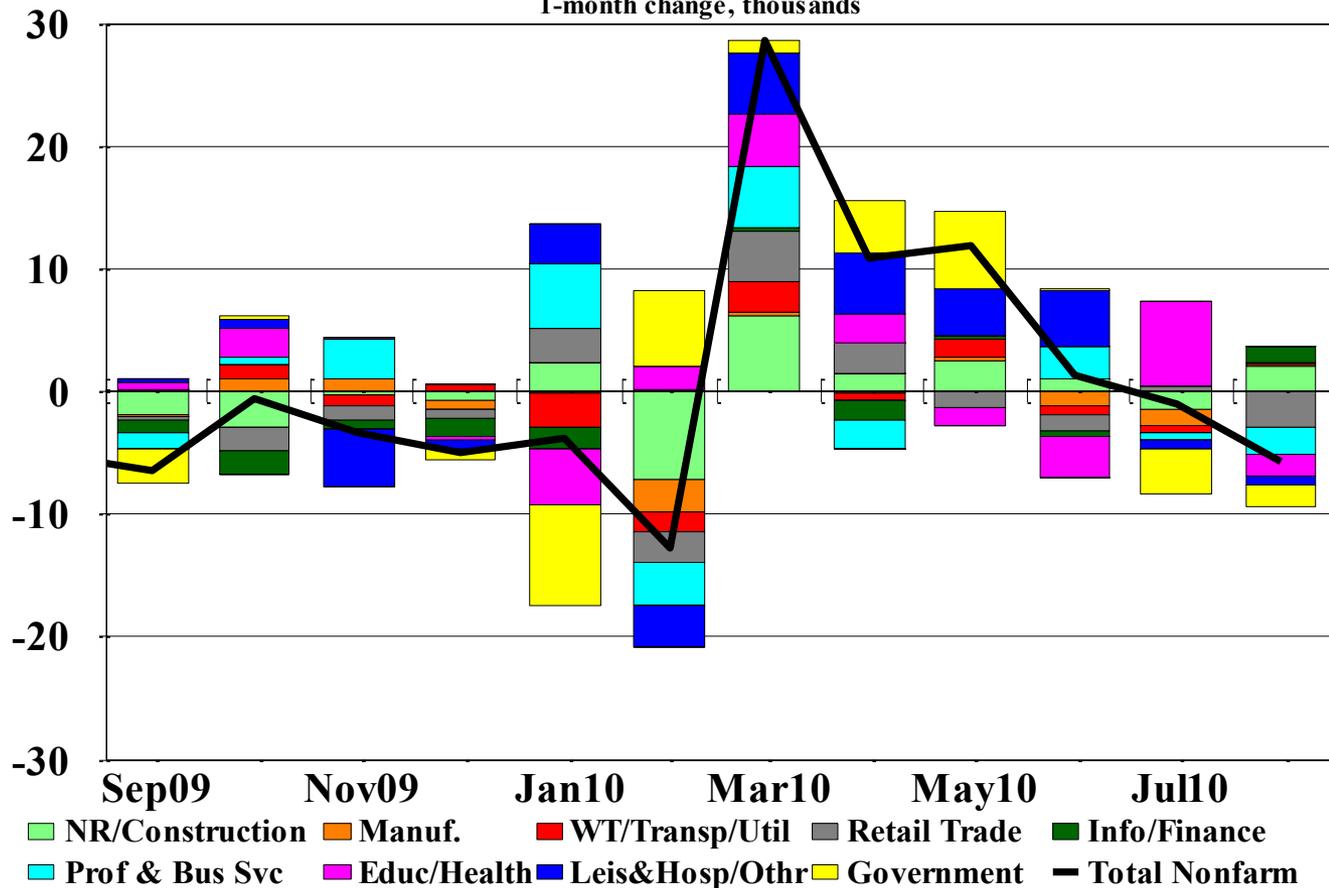


Source: Bureau of Labor Statistics/Haver Analytics

Labor Market

Maryland Payroll Employment

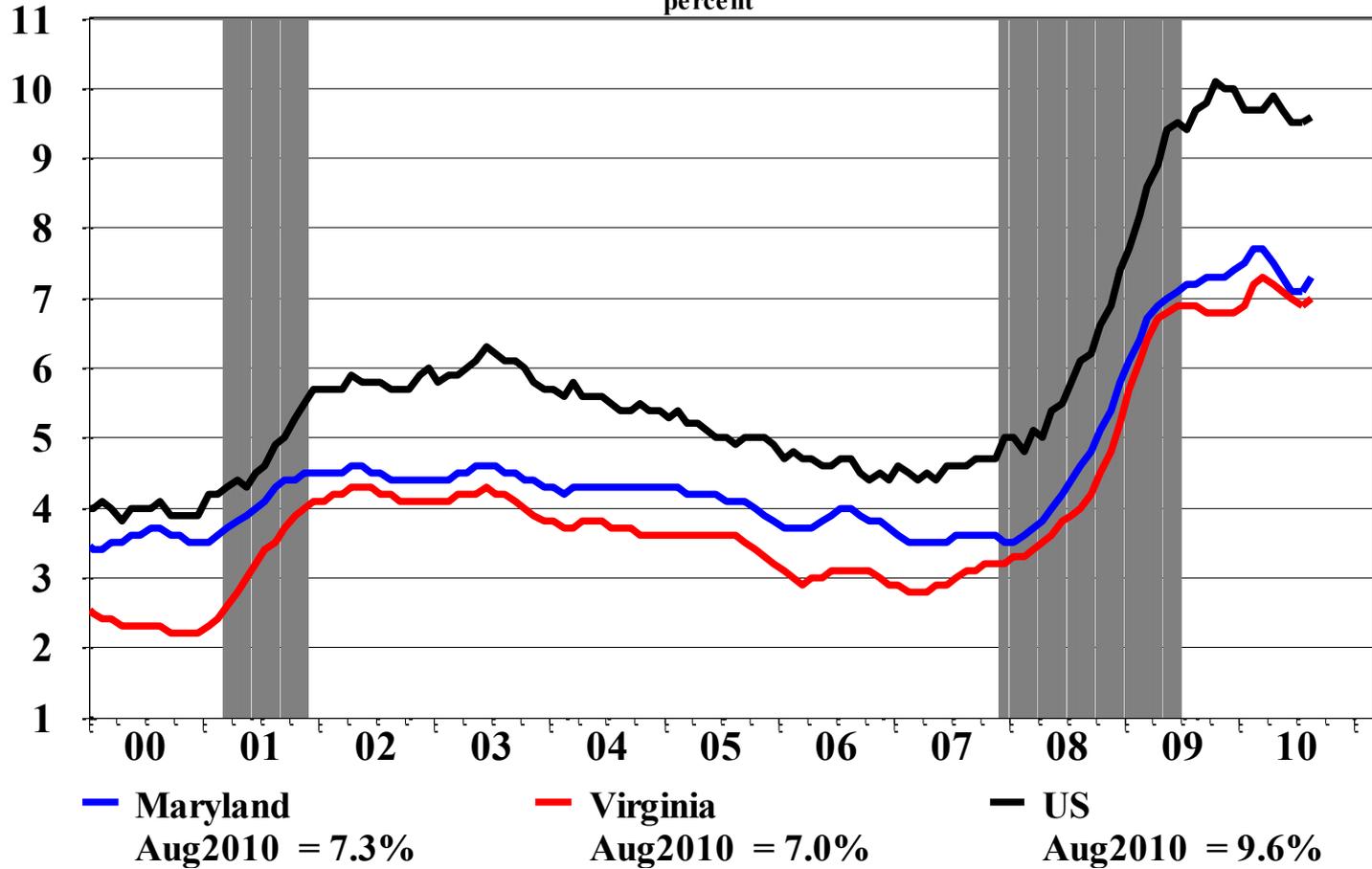
1-month change, thousands



Source: Bureau of Labor Statistics/Haver Analytics

Labor Market

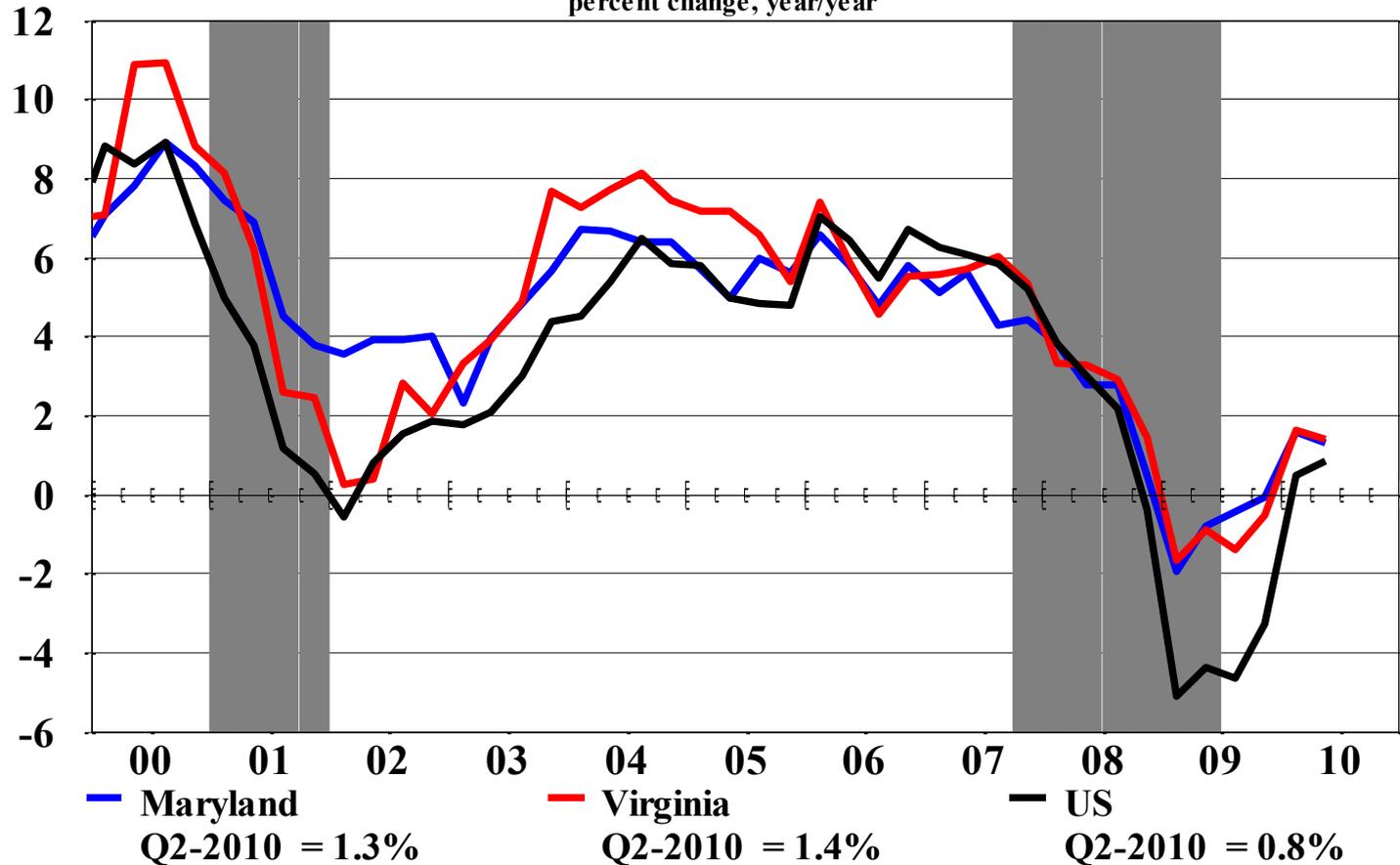
Unemployment Rate percent



Source: Bureau of Labor Statistics/Haver Analytics

Personal Income

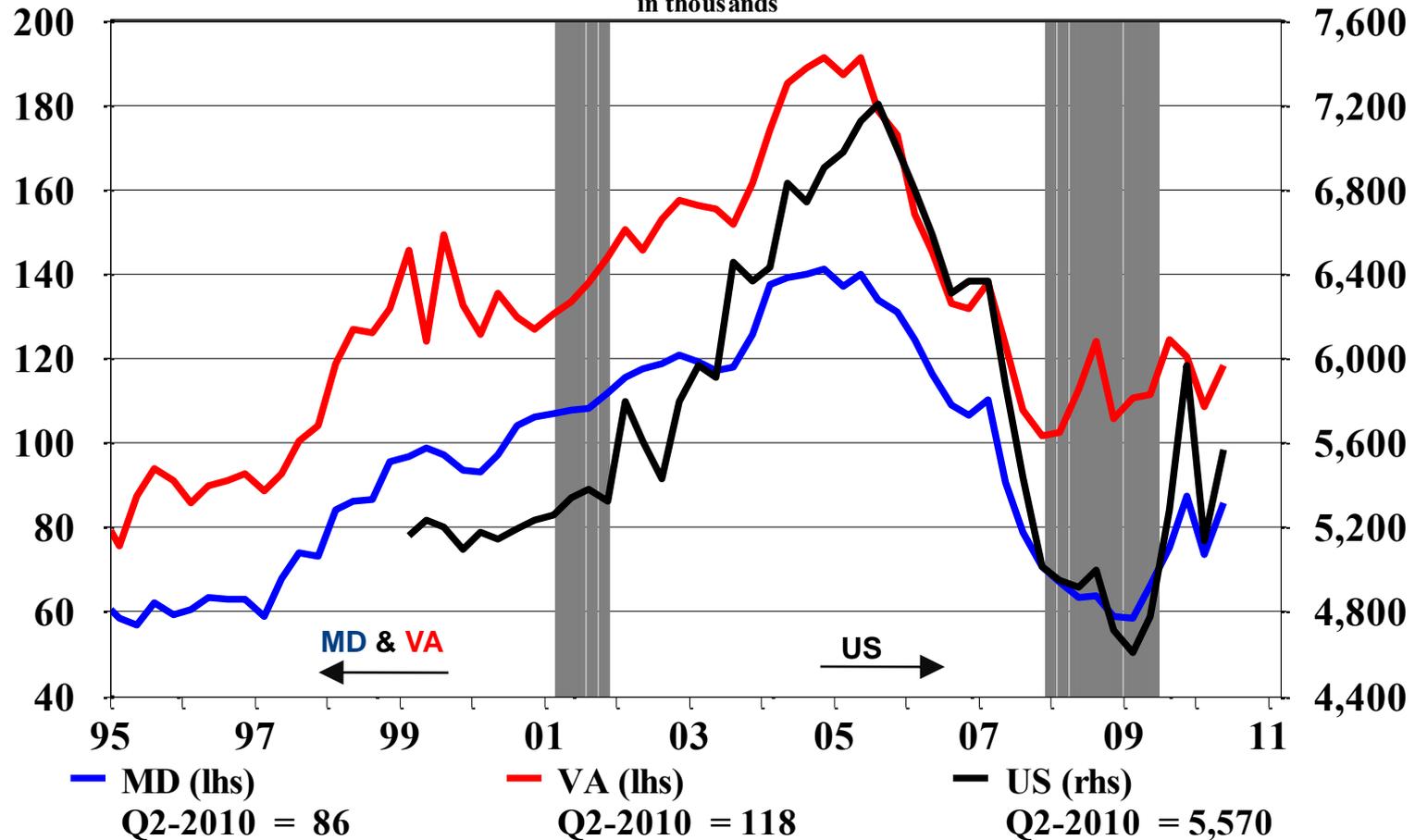
Wage & Salary Growth percent change, year/year



Source: National Association of Realtors/Haver Analytics

Housing Market

Existing Home Sales in thousands

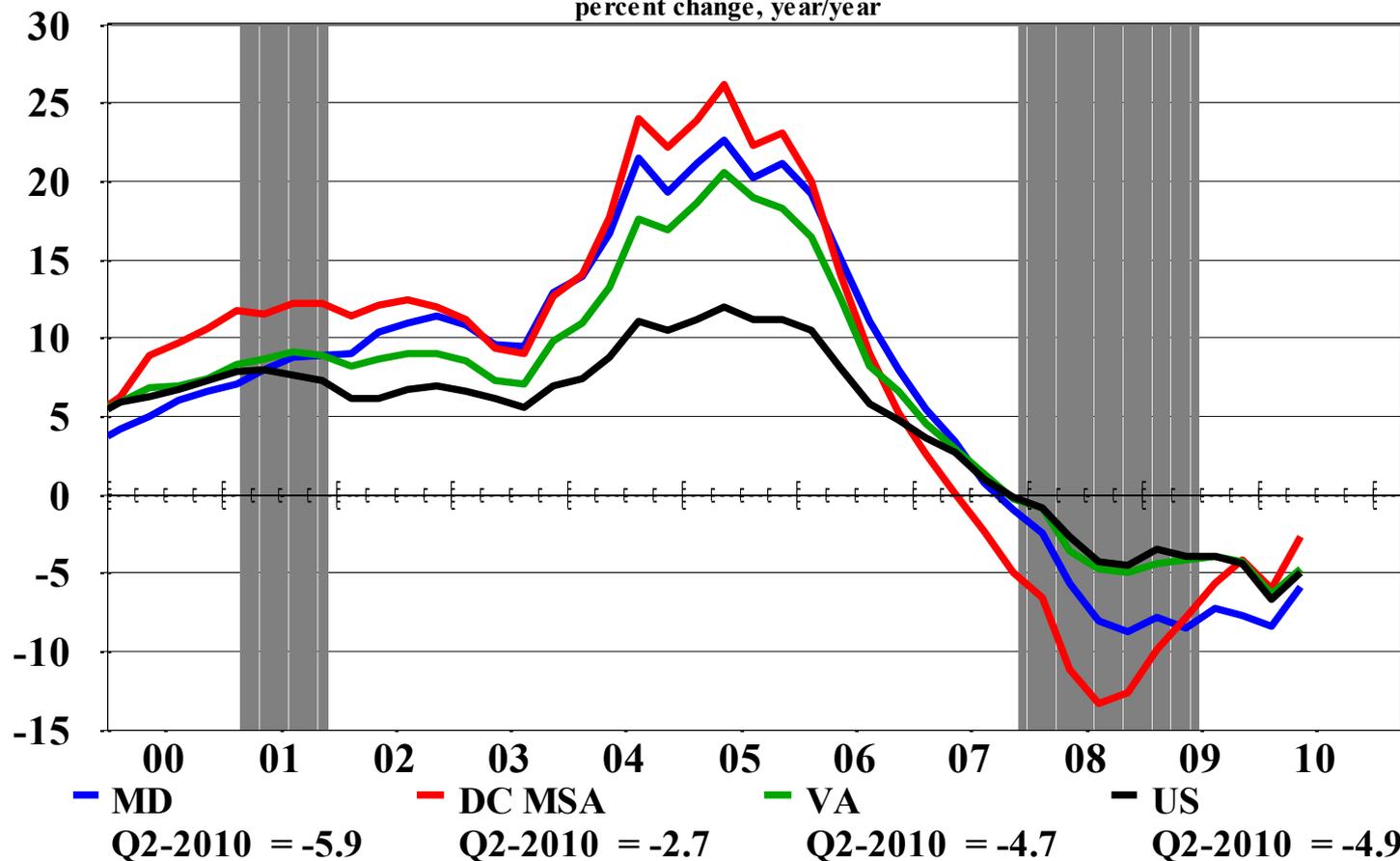


Source: National Association of Realtors/Haver Analytics

Housing Market

FHFA House Price Index

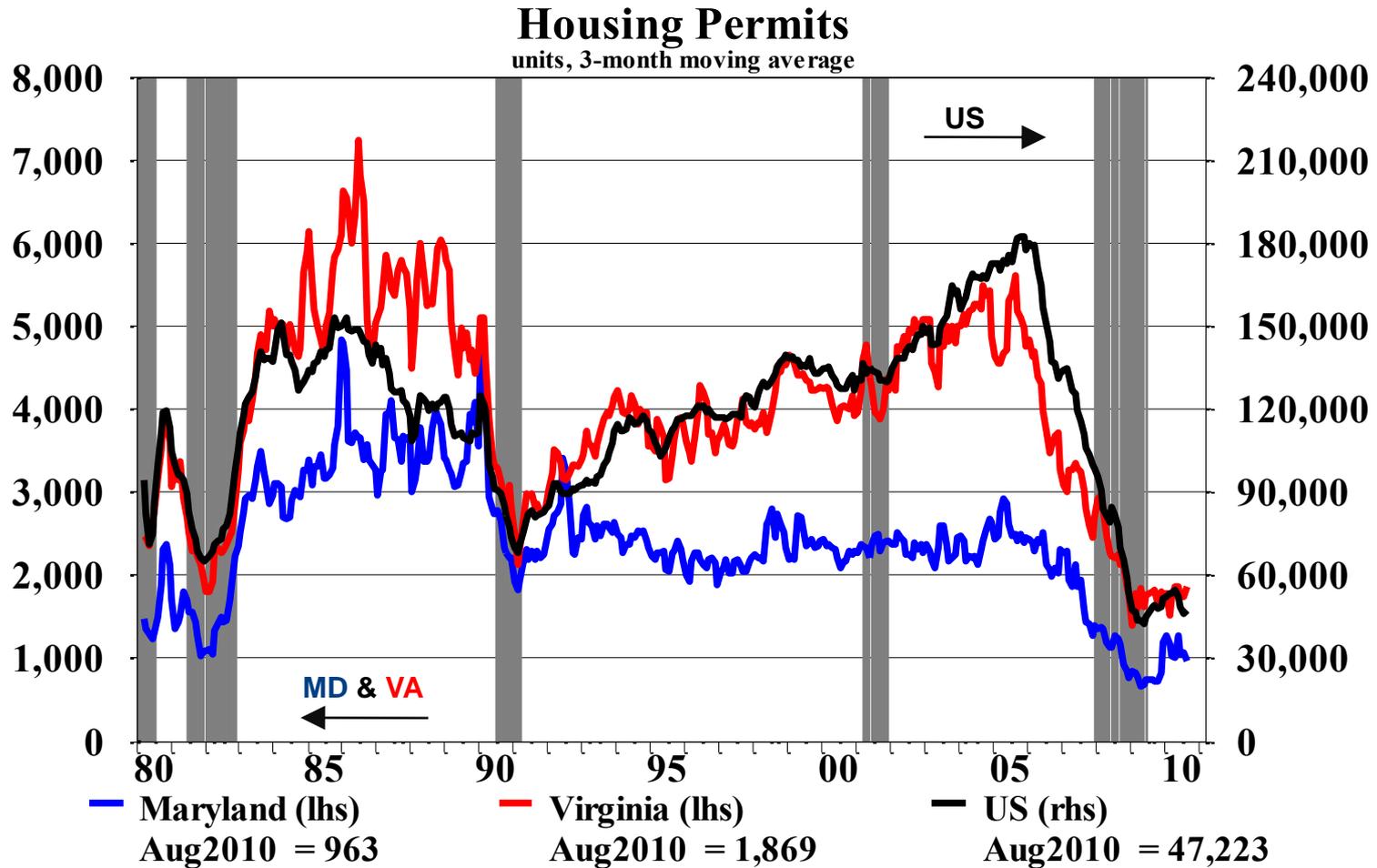
percent change, year/year



Source: FHFA/Haver Analytics



Housing Market

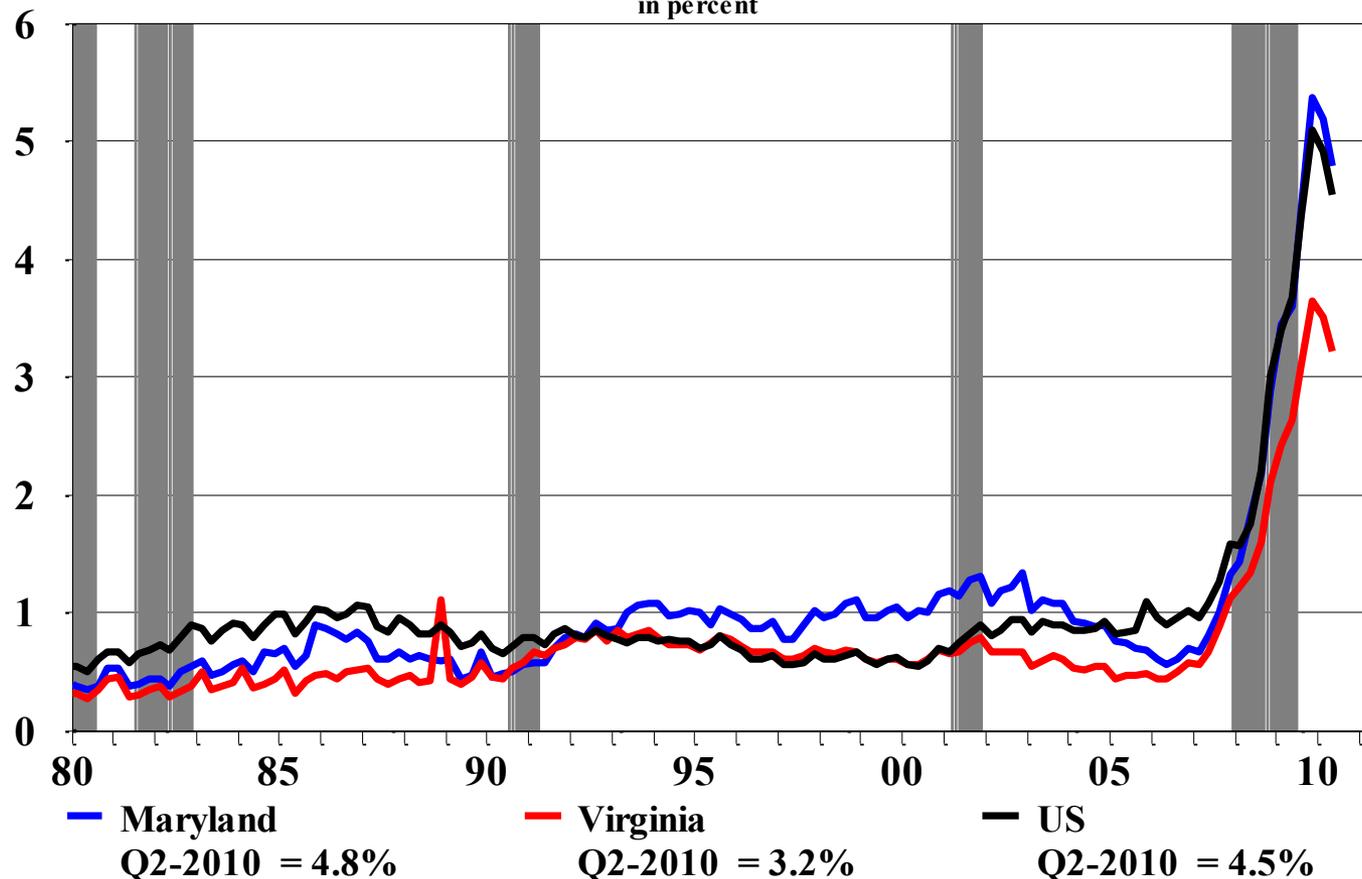


Source: Census Bureau/Haver Analytics



Housing Market

Mortgage Delinquencies: 90+ Days in percent



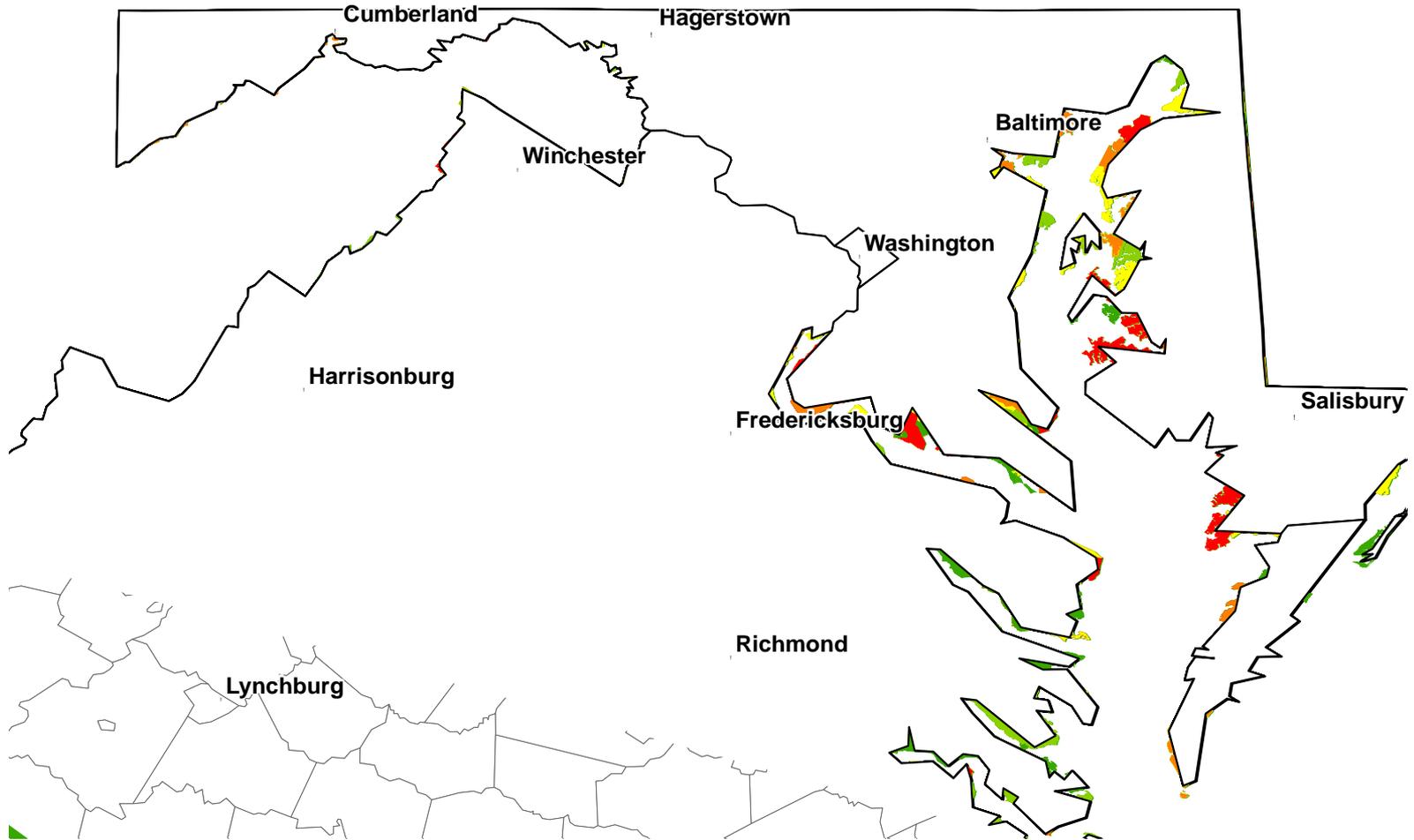
Source: Mortgage Bankers Association/Haver Analytics



Foreclosure in Maryland, DC, and Northern Virginia

October 2008

Percent in Foreclosure



Source: FRBR estimates using data from LPS Applied Analytics and MBA



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In Conclusion

- Economic outlook moderated over the summer.
 - Maryland, Virginia and the Washington area should continue to outperform the overall nation.
 - However, expectations are still for the recovery to continue, albeit at a moderate pace.
- A number of factors are restraining growth
 - Problems in real estate – residential and commercial
 - Survey and discussion with contacts indicate
 - Uncertainty from a variety of sources (regulatory, fiscal, financial markets)
 - Credit conditions remain tight in some markets
- Moderate economic growth will result in a weaker recovery in the labor market.



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