

# Economic Outlook: U.S. and Maryland

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Regional Economist  
Research Department

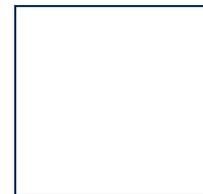
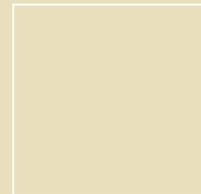
**Chesapeake Chapter of the Risk Management Association**

May 25, 2011



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# Modest Recovery Continues Despite Headwinds

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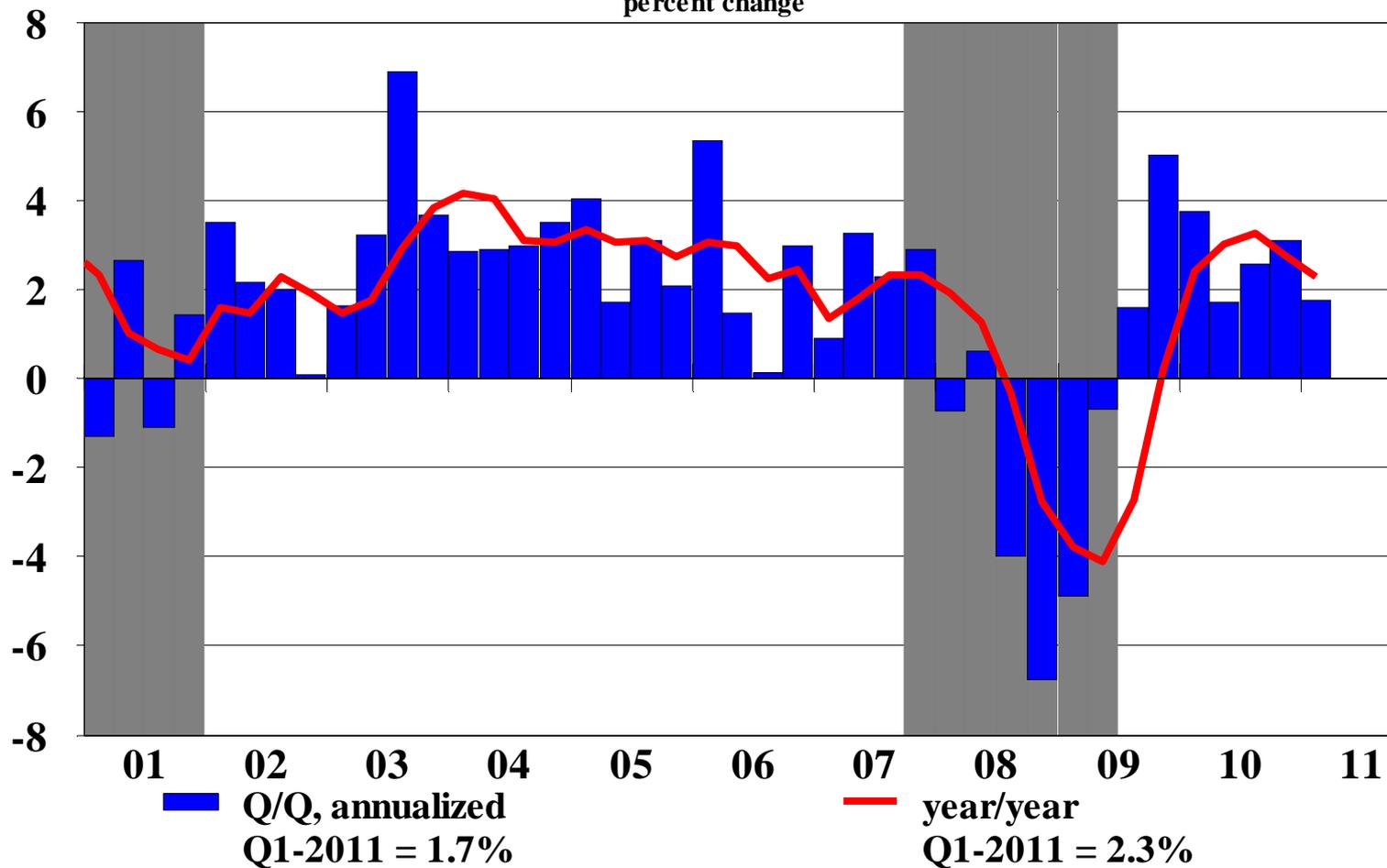
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- Monetary policy remains accommodative
  - QE2 to be completed at the end of June
- Risks/headwinds: commodity prices, fiscal issues, residential, uncertainty





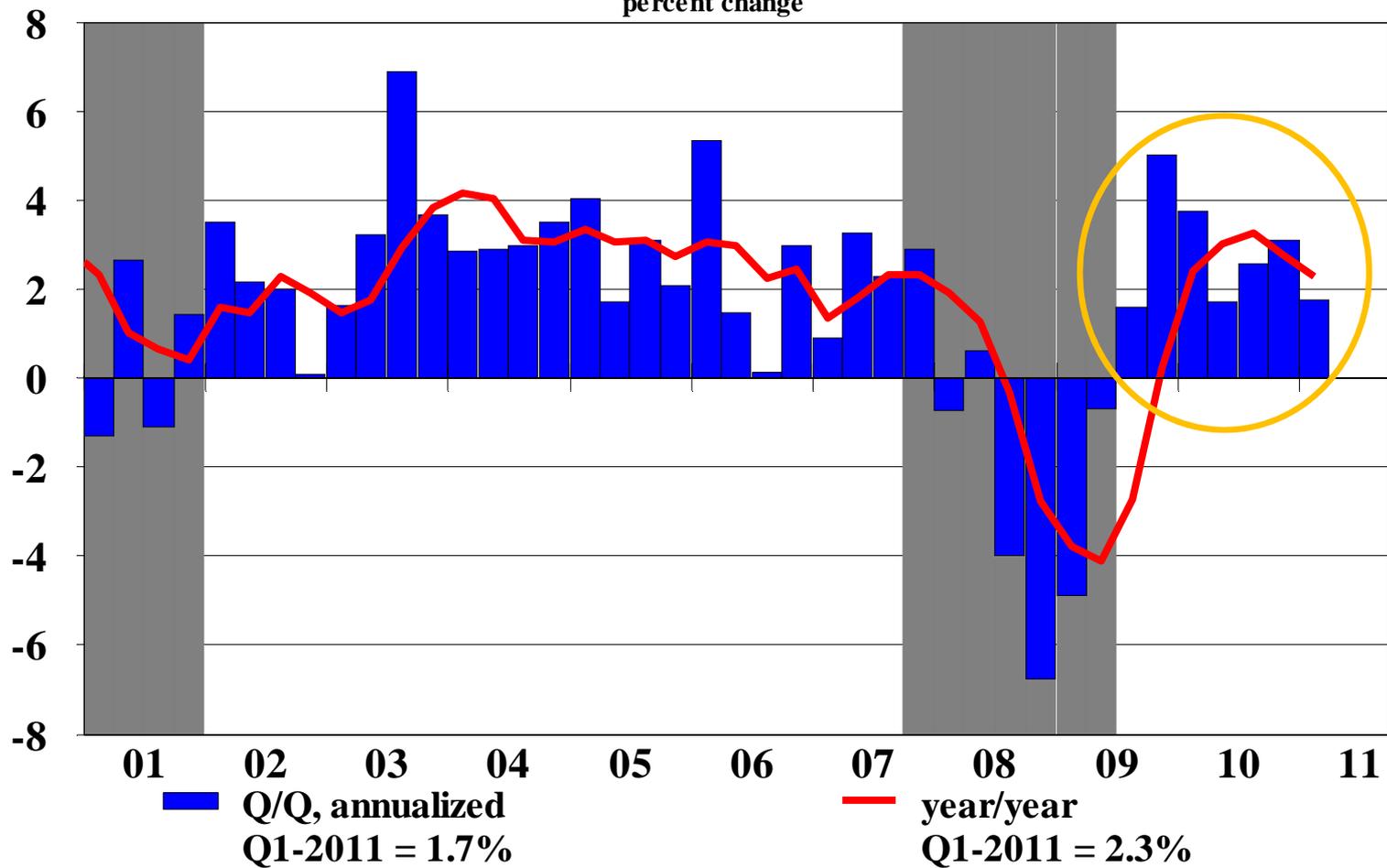
# Moderate Recovery Despite Headwinds

## Real GDP Growth percent change



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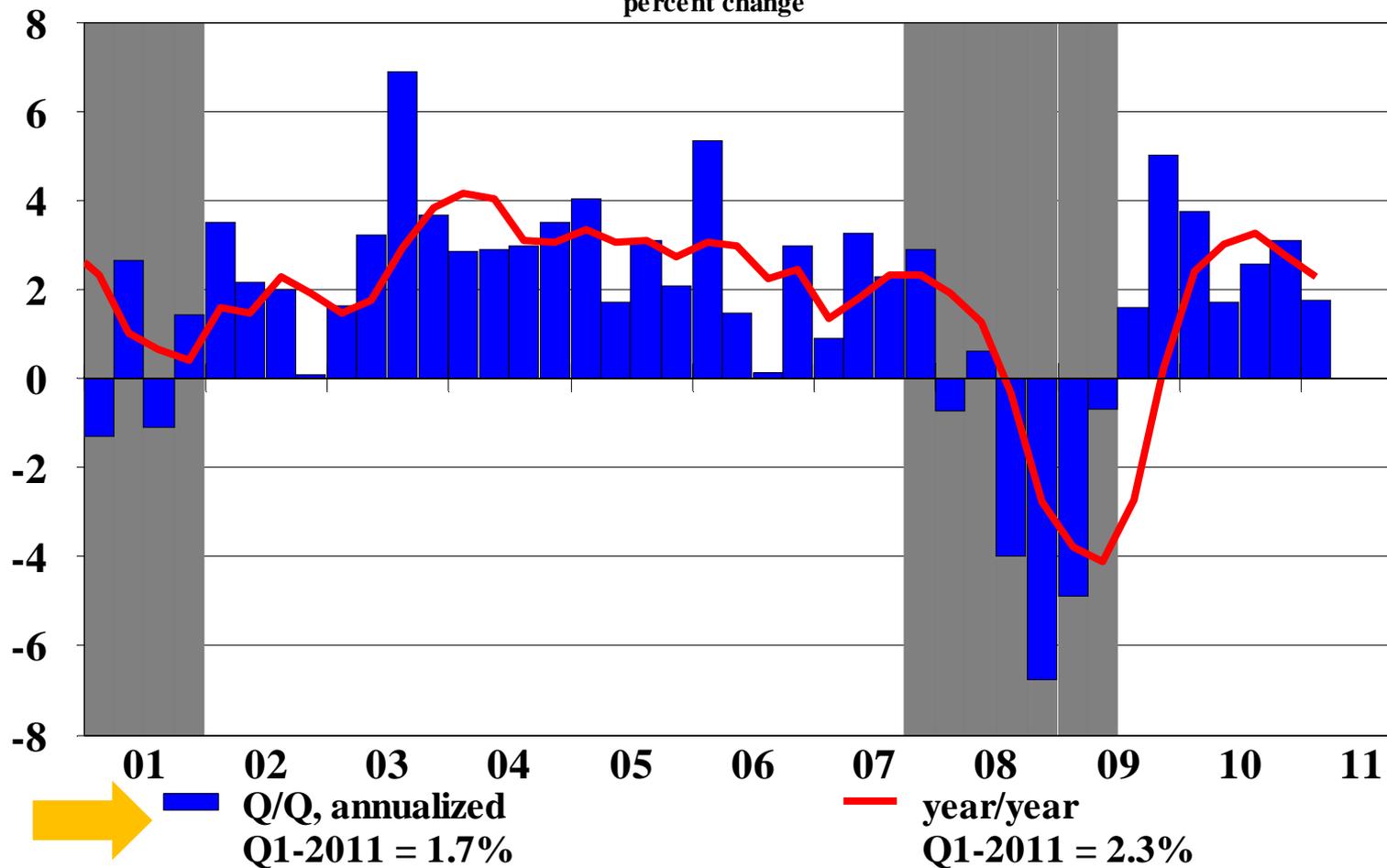
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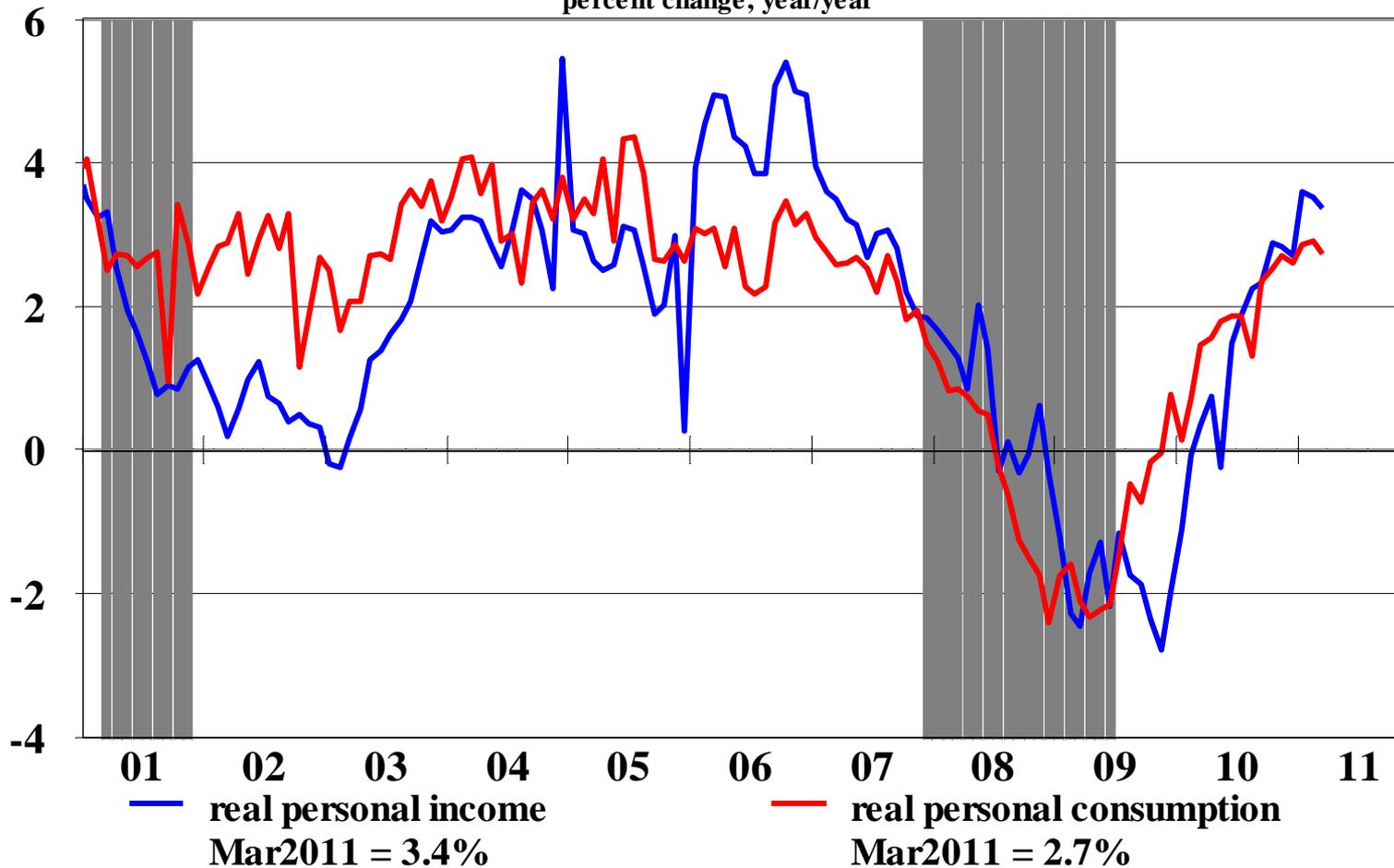
## Real GDP Growth percent change



# Income and Consumption Improving

## Real Personal Income and Real Consumption

percent change, year/year

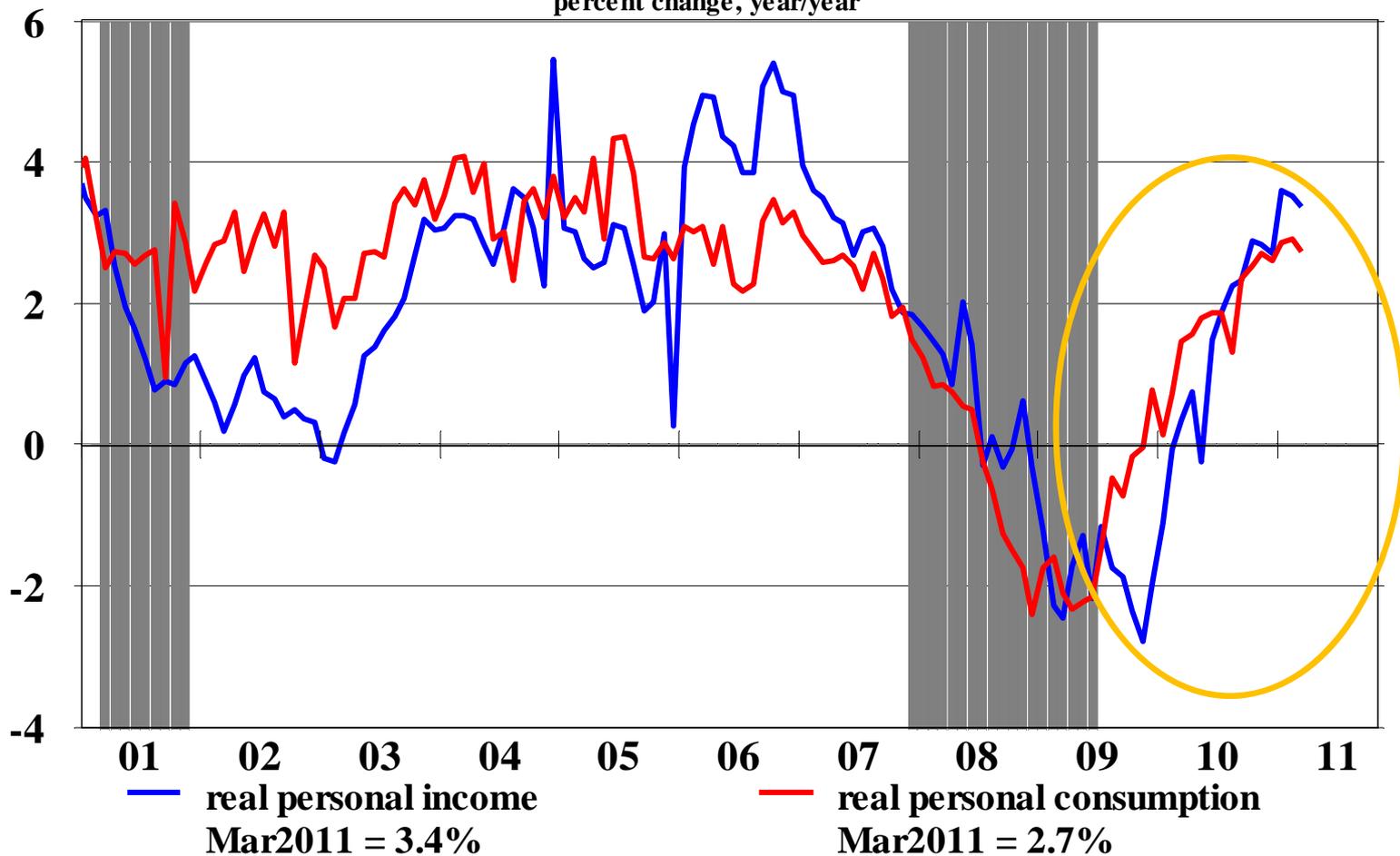




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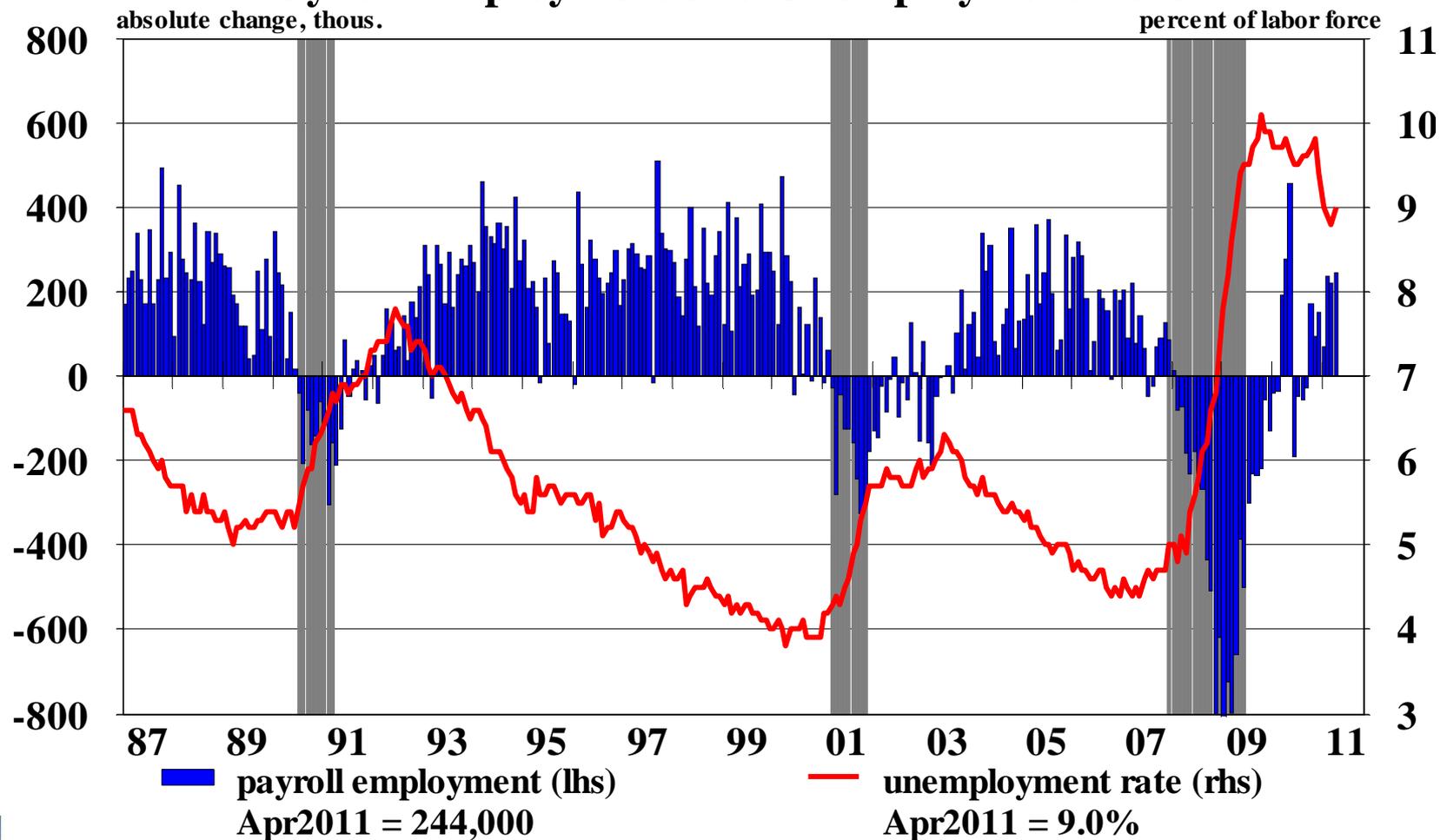
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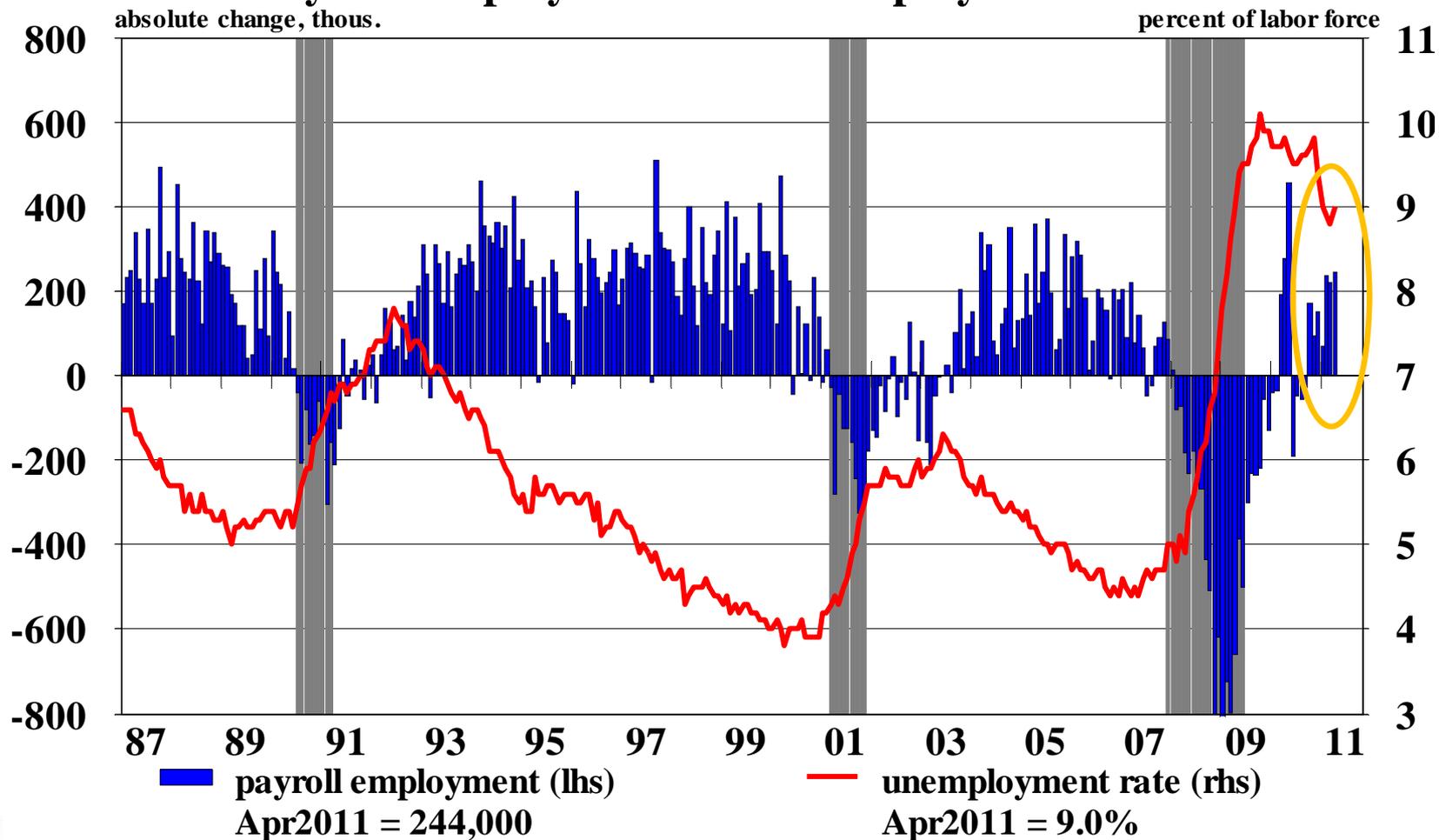
# Stronger Job Growth in 2011

## Payroll Employment and Unemployment Rate



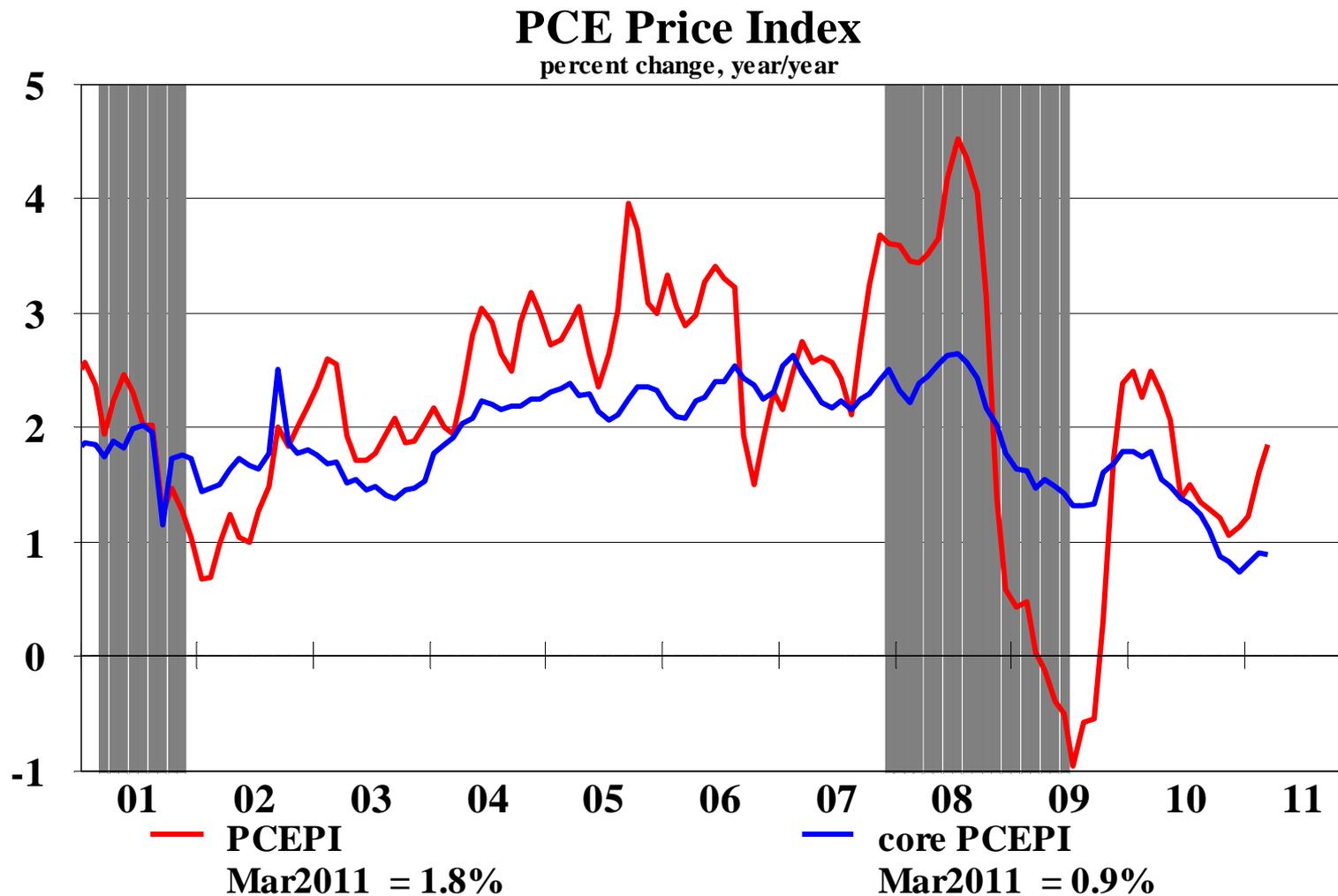
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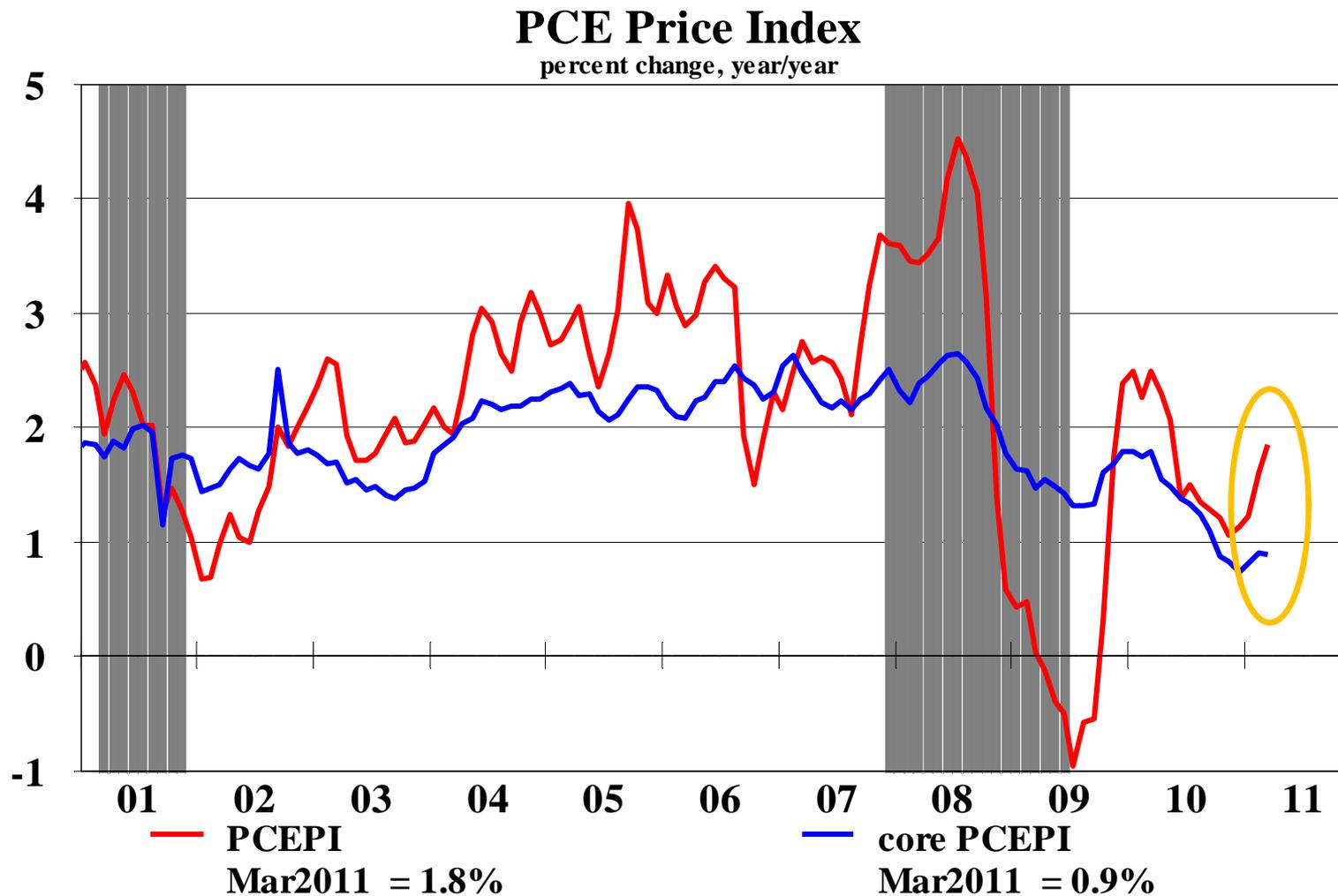


# Inflation Higher Due to Jump in Food & Energy Prices





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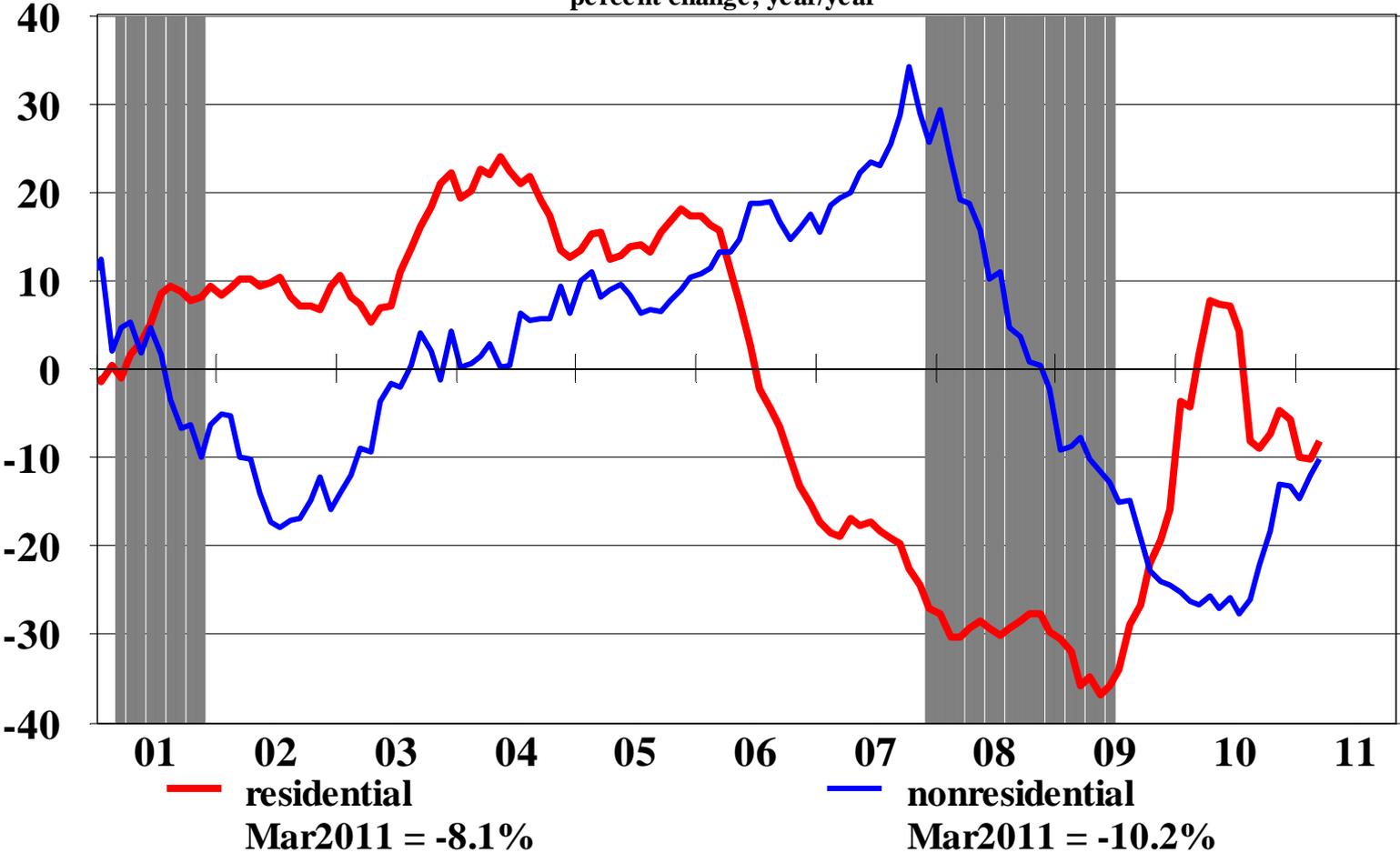




# Construction Sector Continues to Decline

## Construction Spending

percent change, year/year

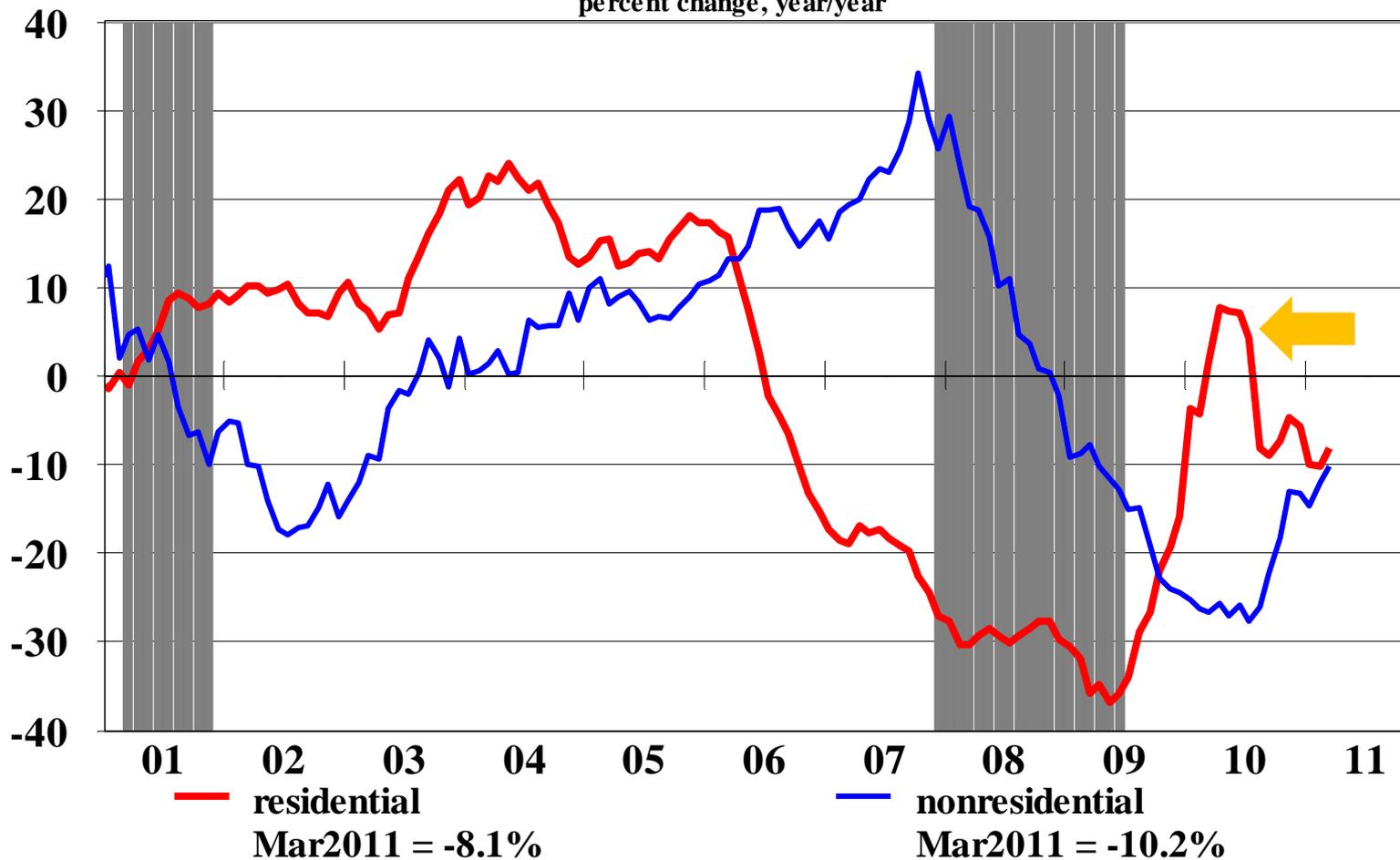




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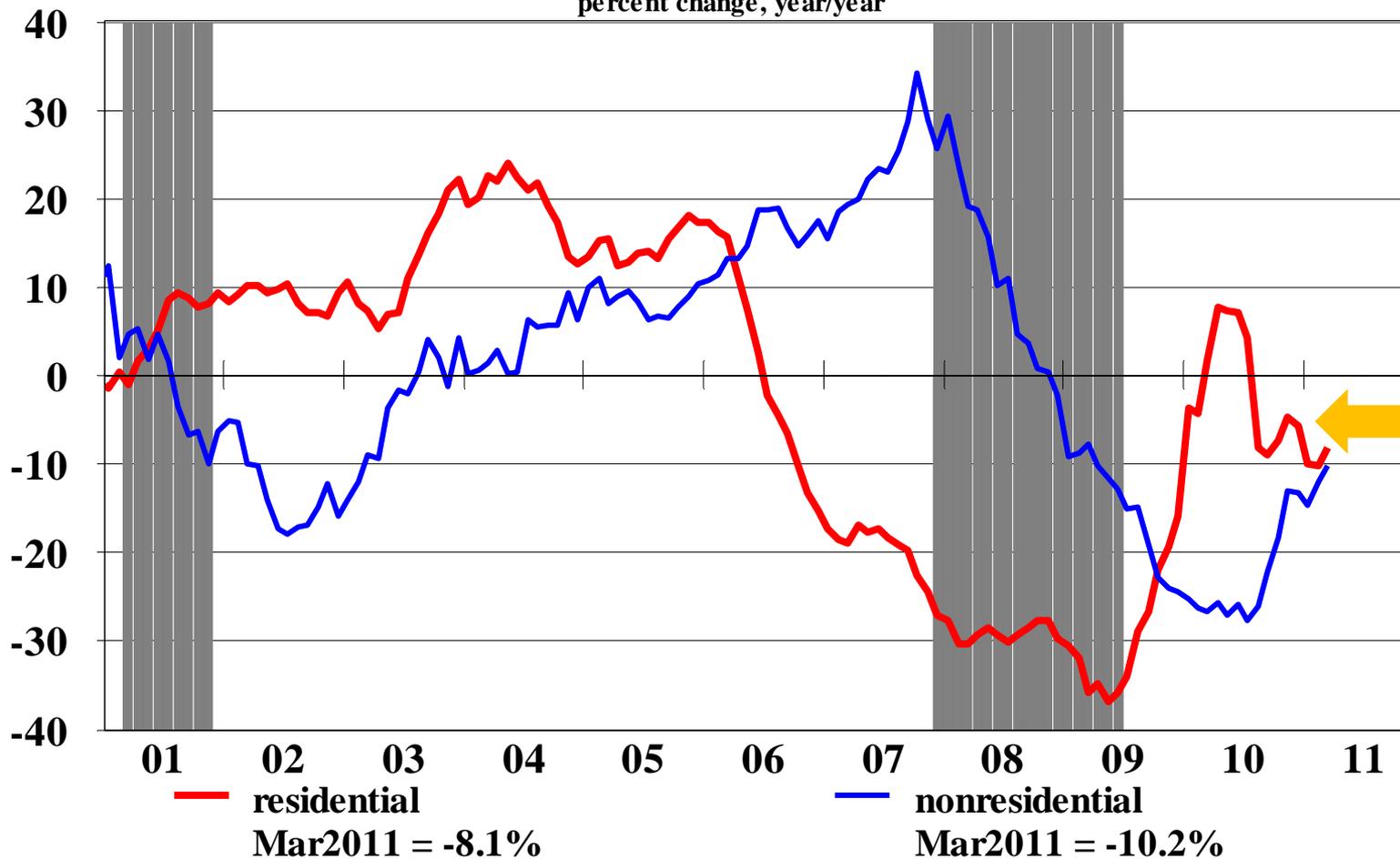




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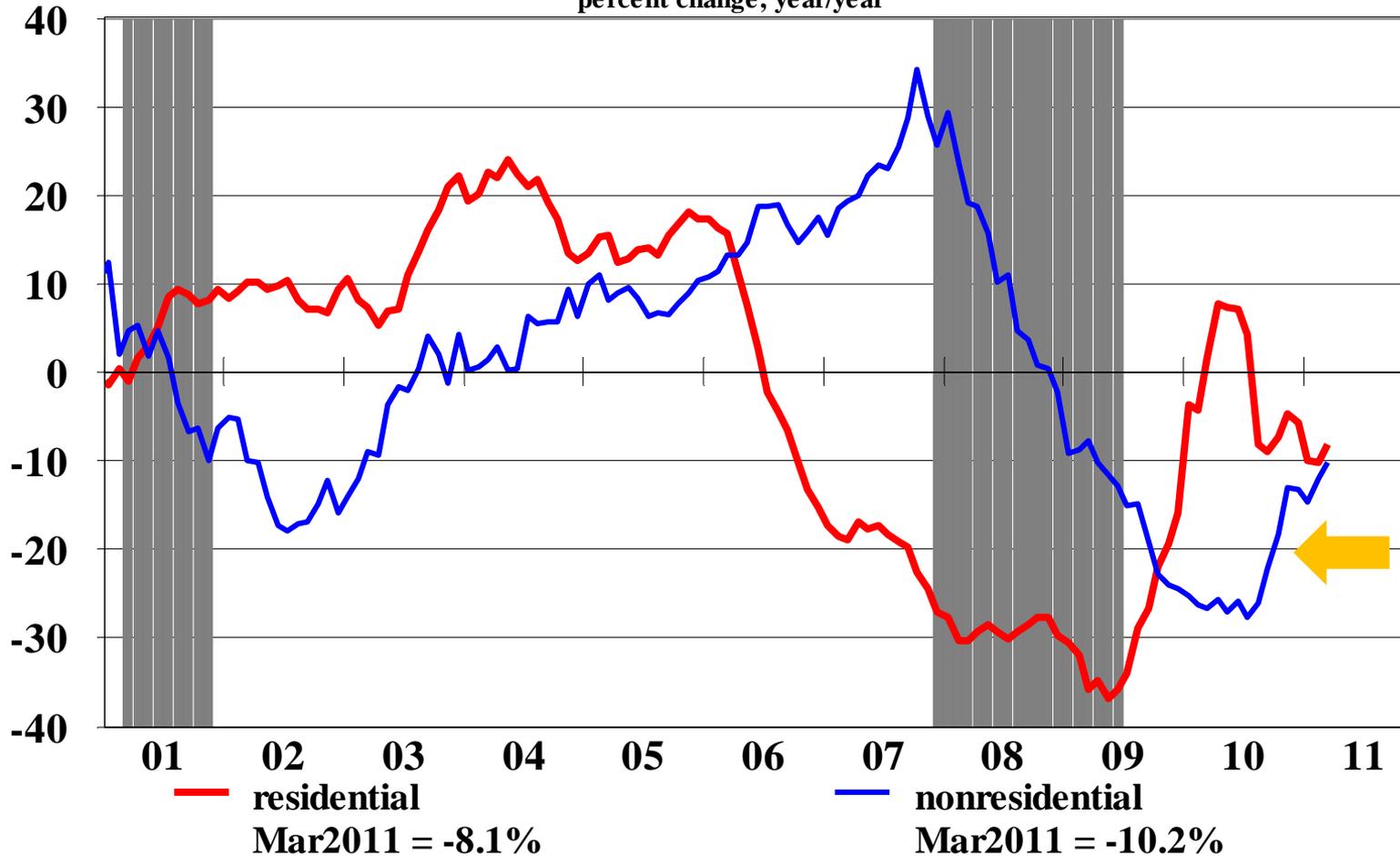




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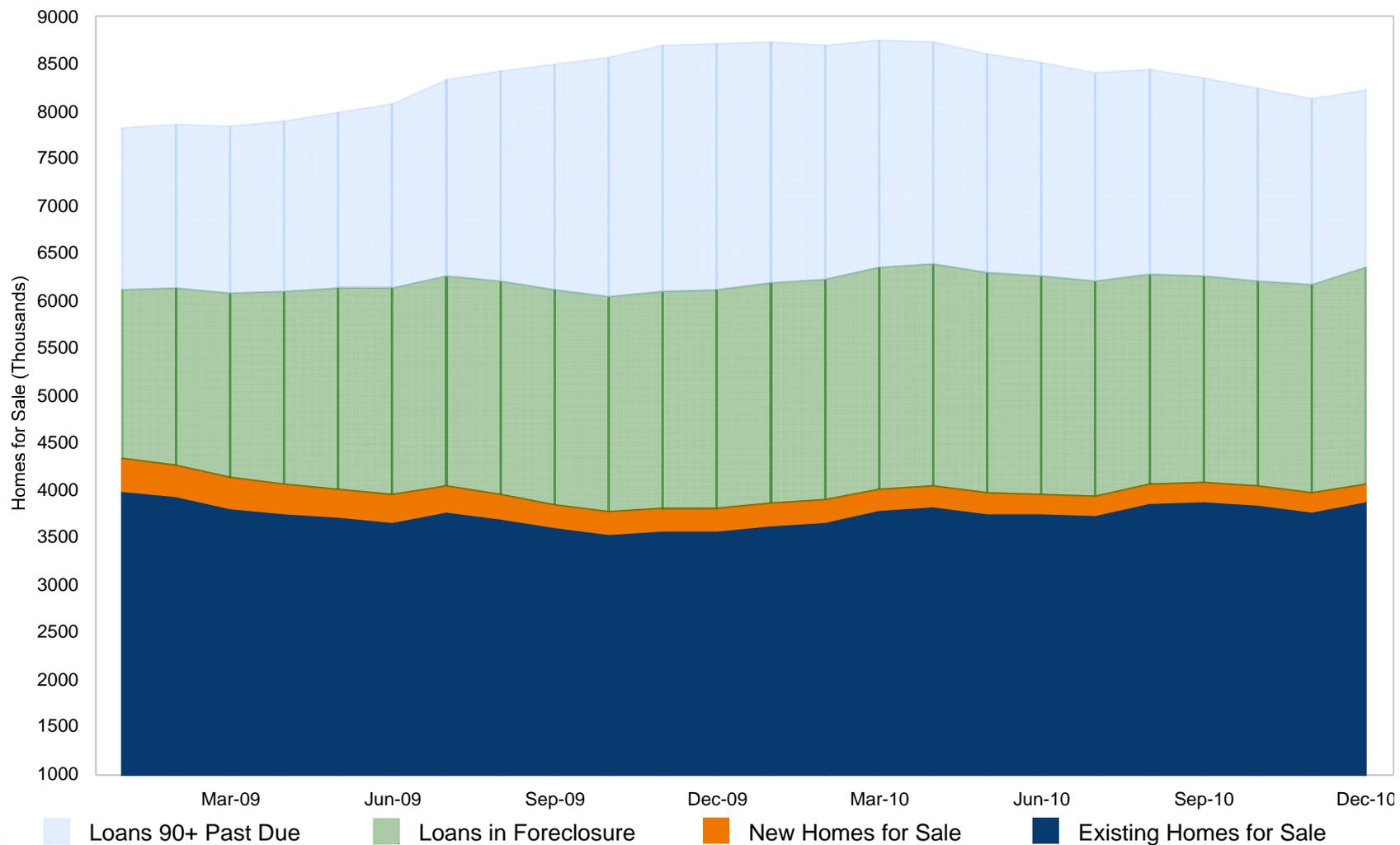
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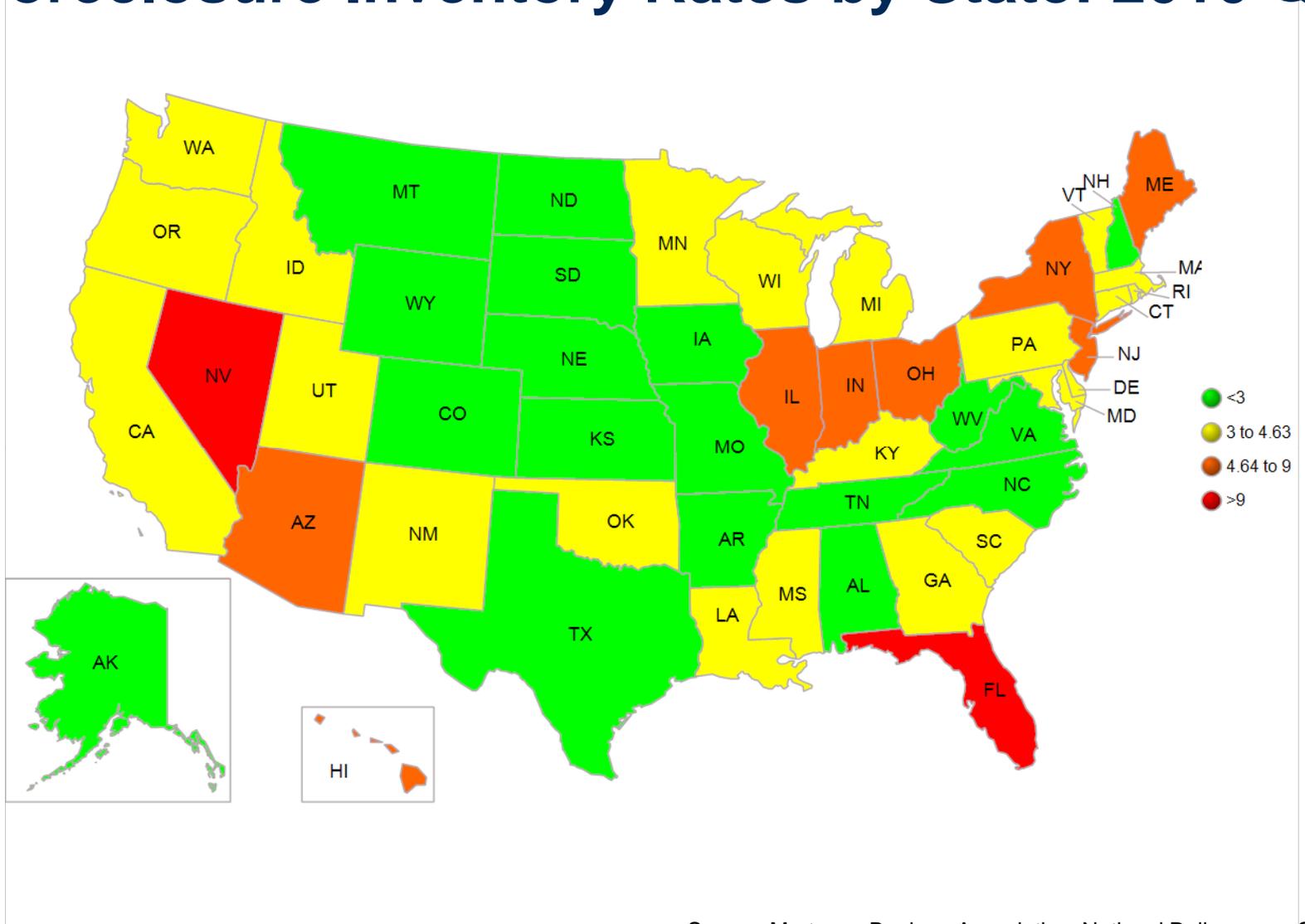




# Inventory of Homes for Sale + Shadow Inventory



# Foreclosure Inventory Rates by State: 2010 Q4

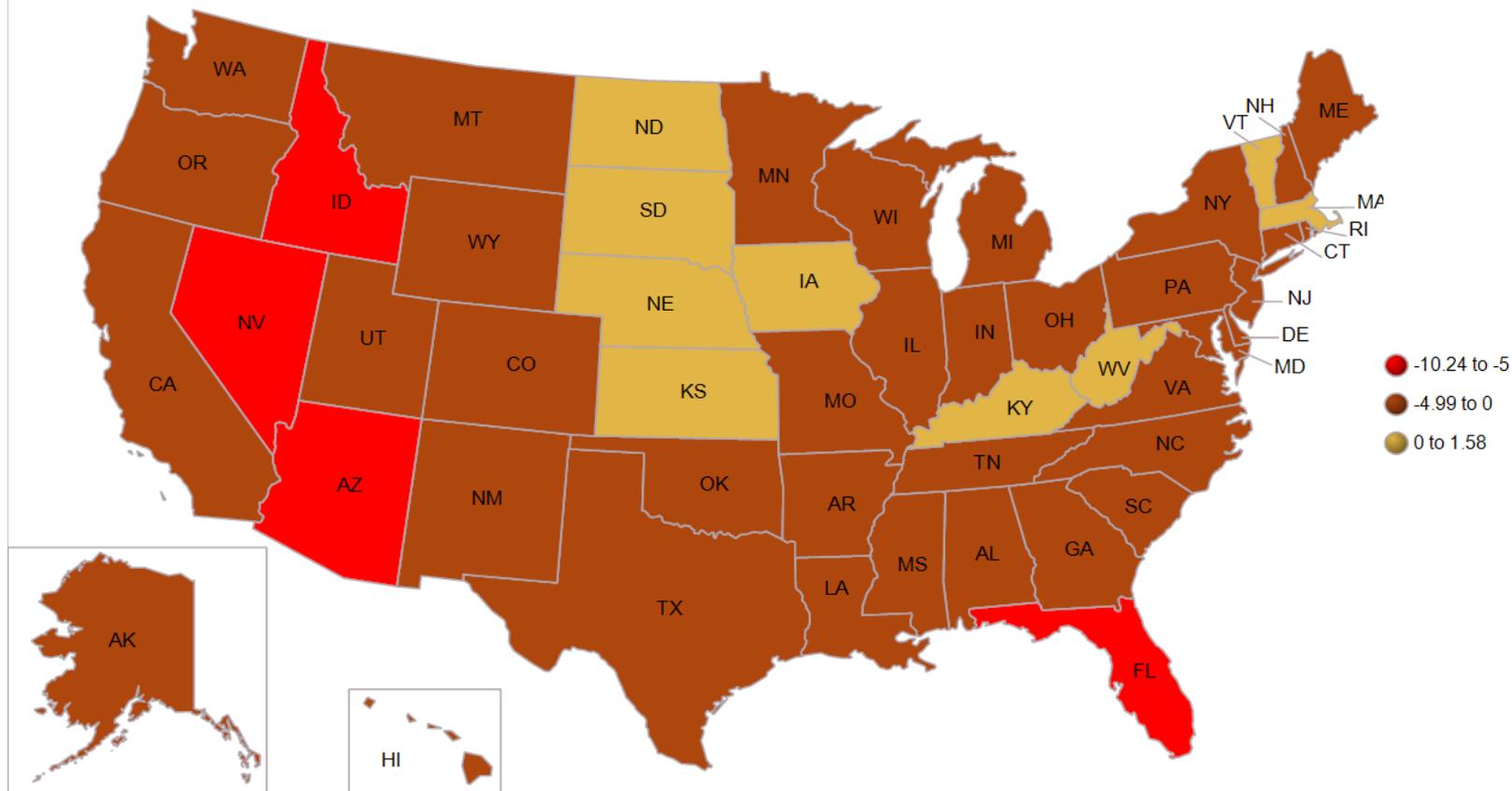


Source: Mortgage Bankers Association, National Delinquency Survey Data



# State-Level Home Price Growth: 2010 Q4

## Year/Year Change



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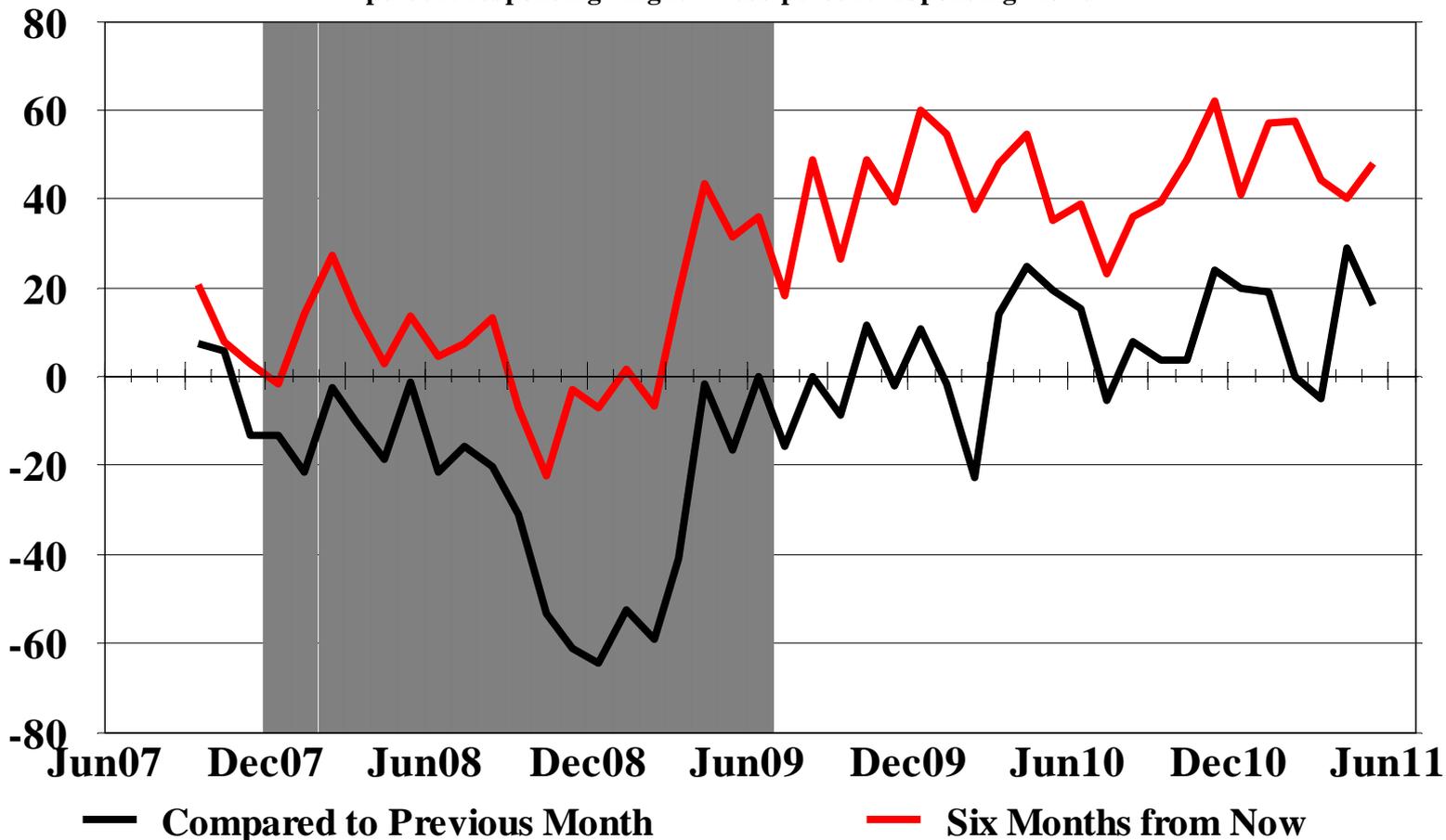
Source: Mortgage Bankers Association/FHFA All Transactions Index



# Business Activity Uneven So Far in 2011

## Maryland Business Activity Index

percent responding "higher" less percent responding "lower"

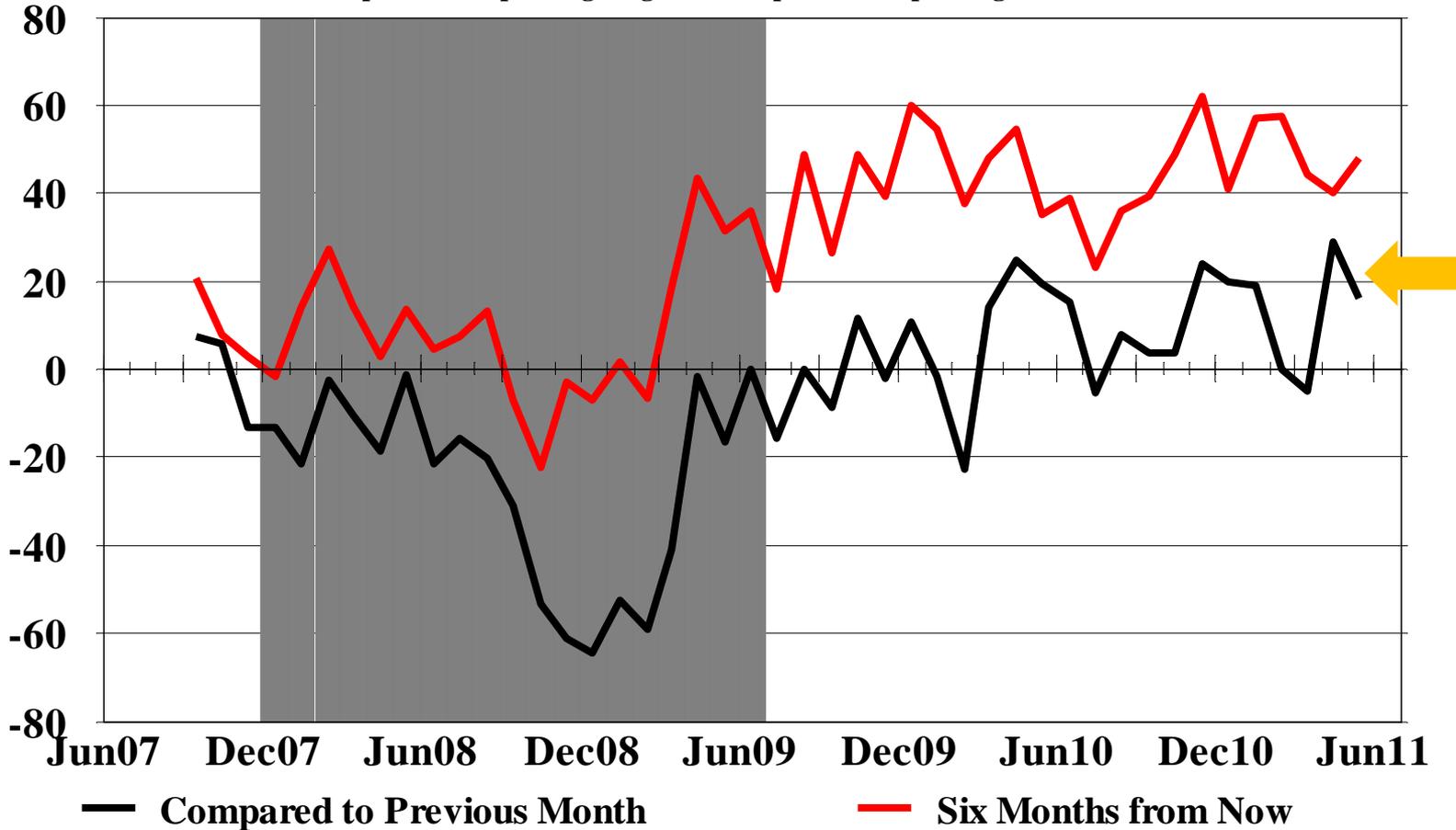




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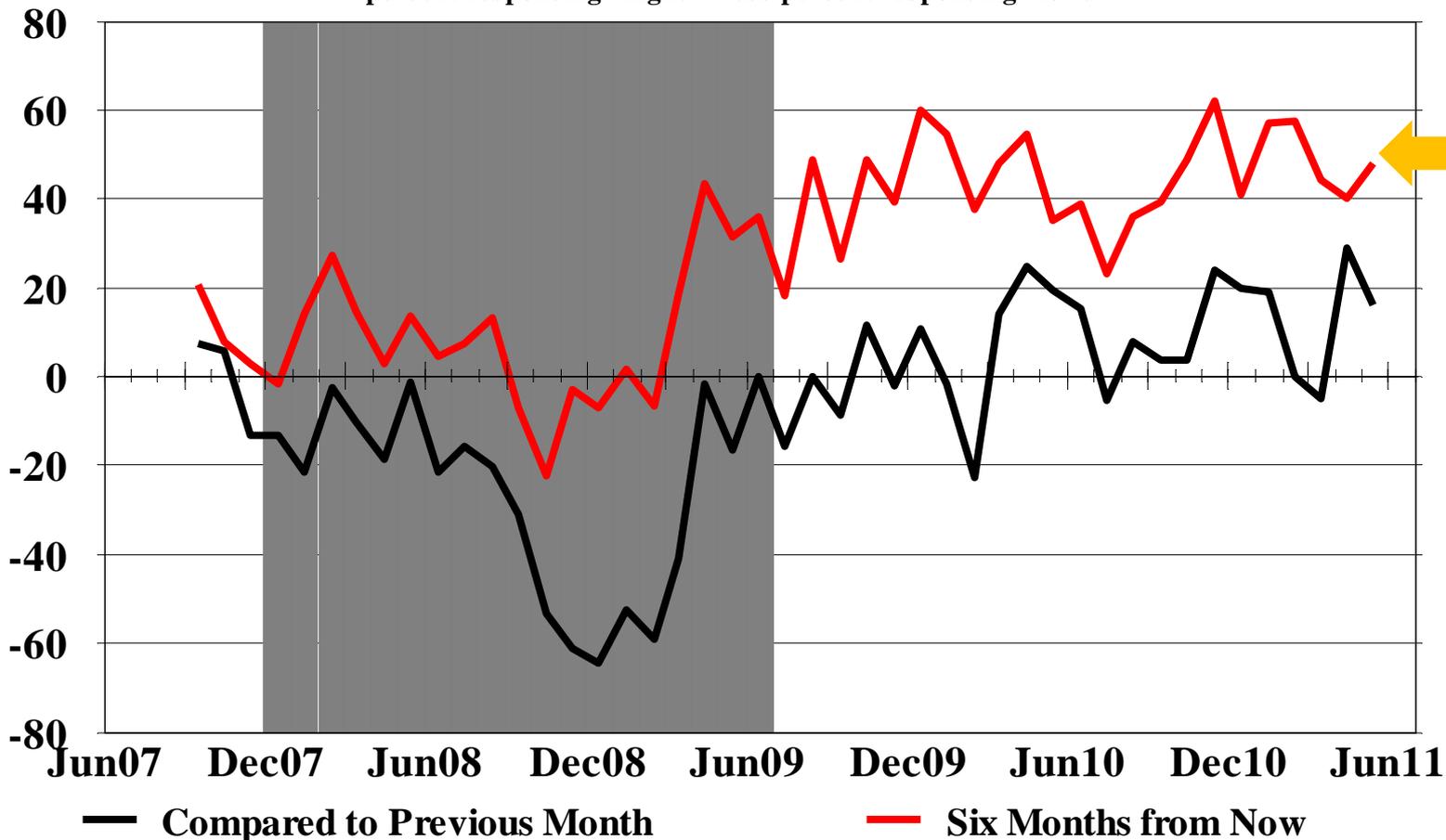




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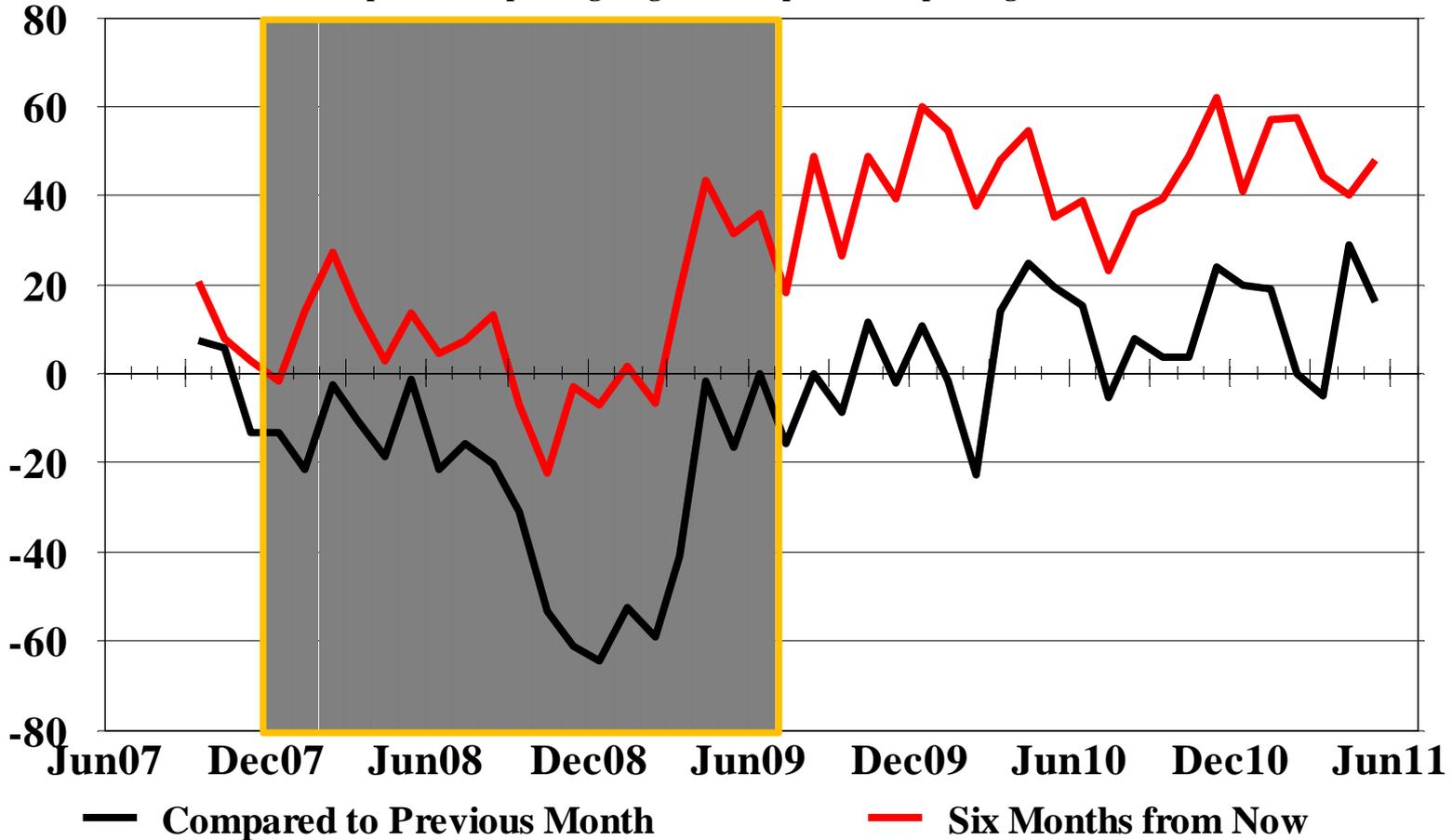




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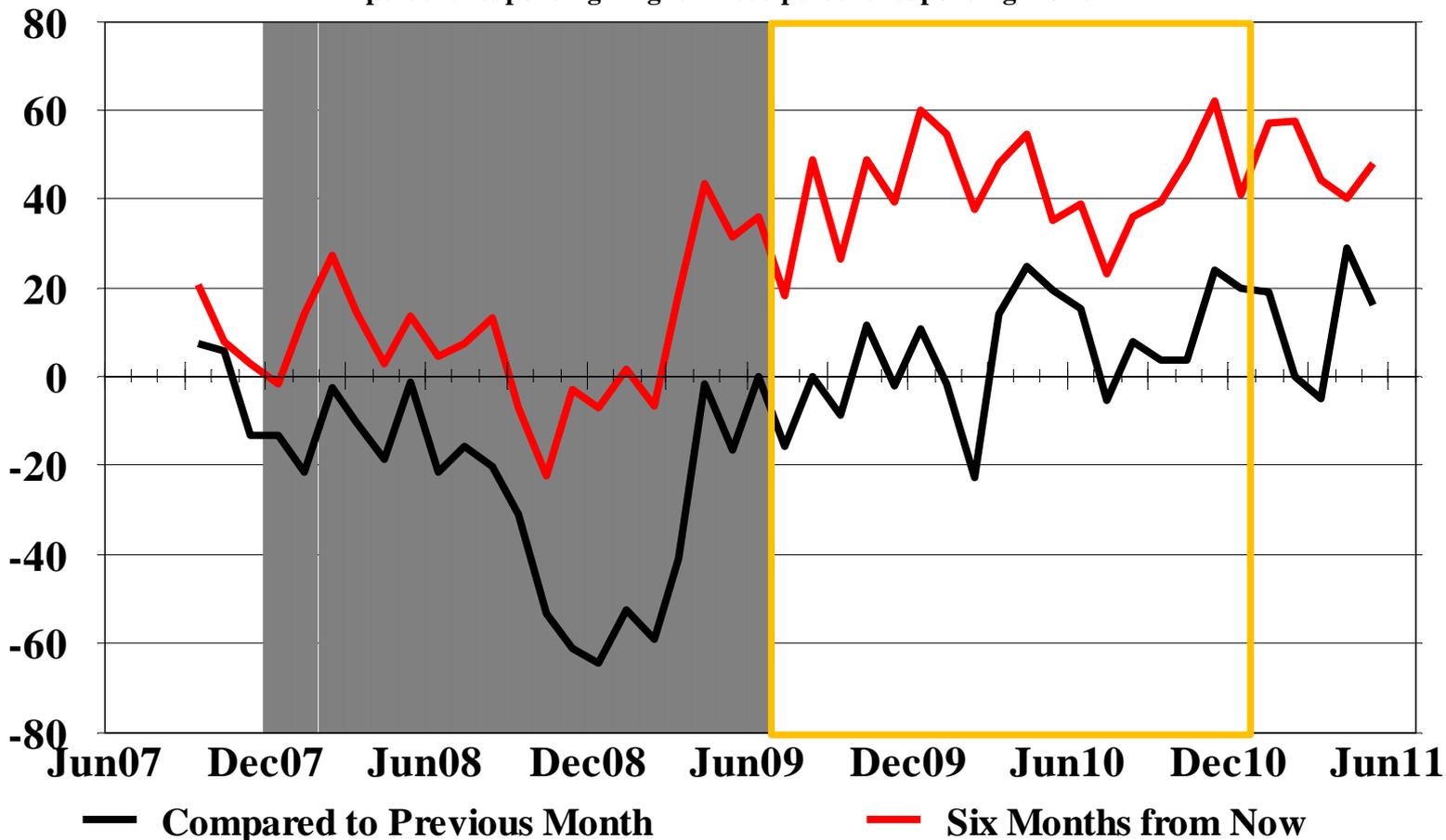




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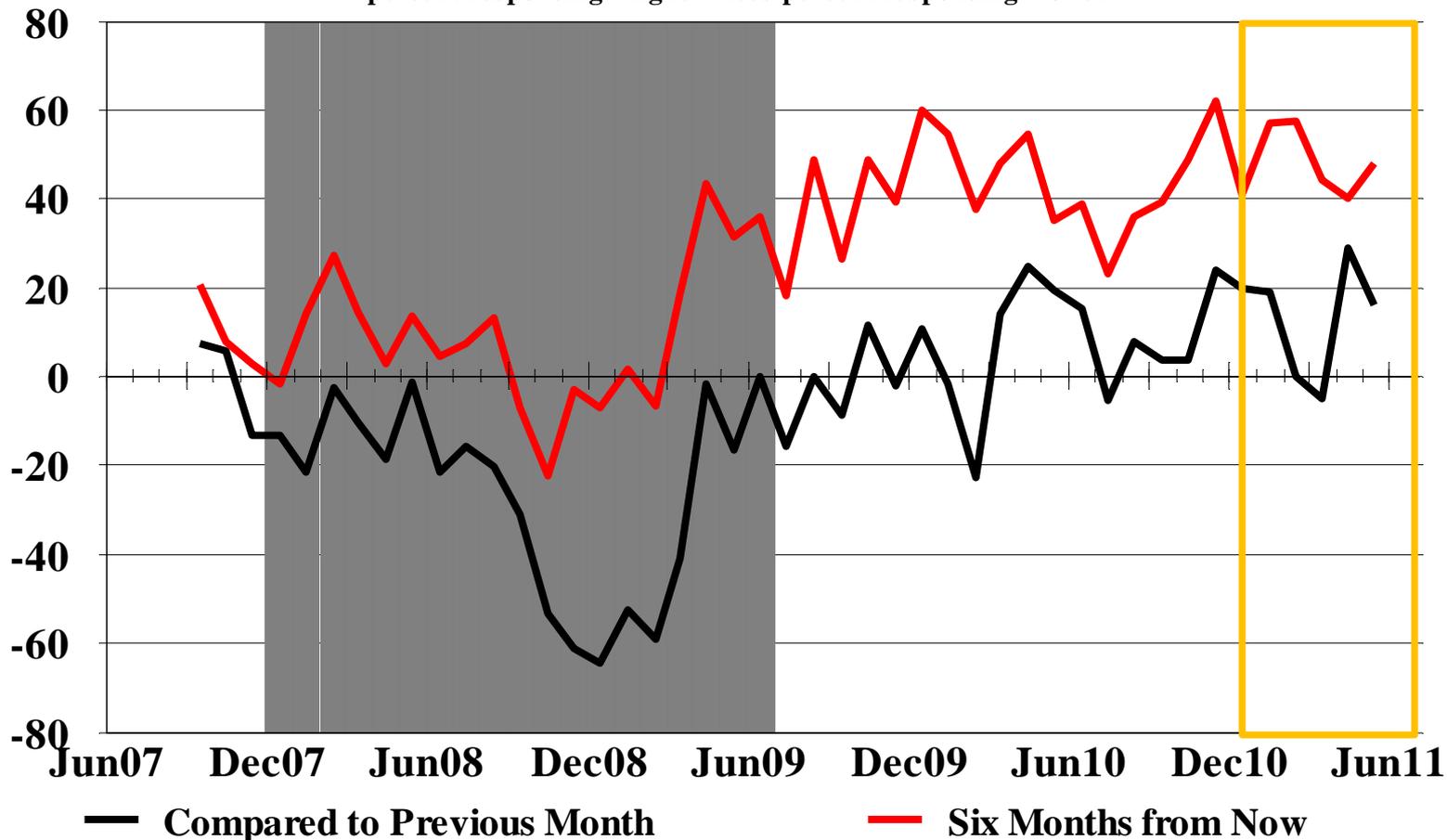




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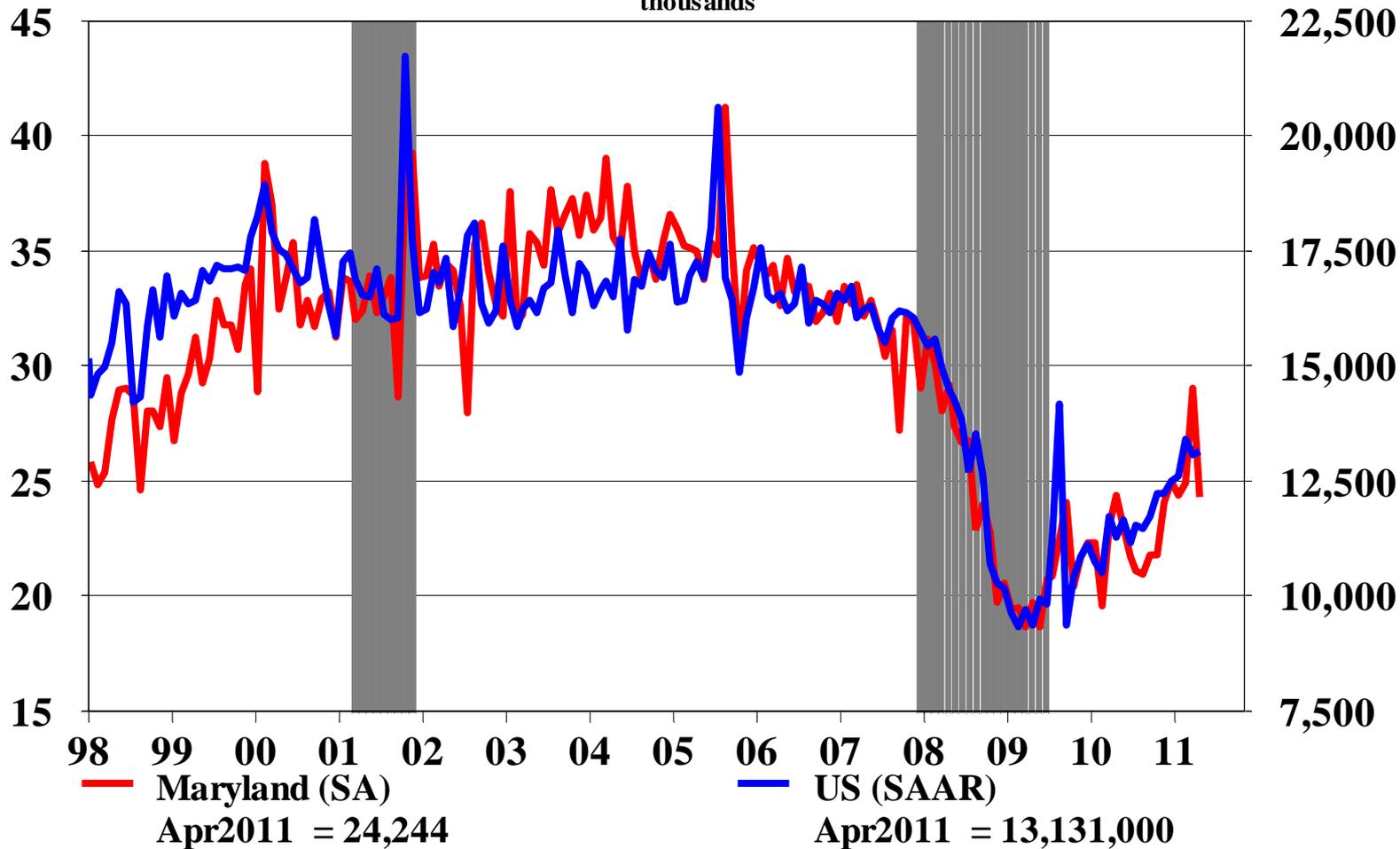
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# Auto Sales Gradually Improving

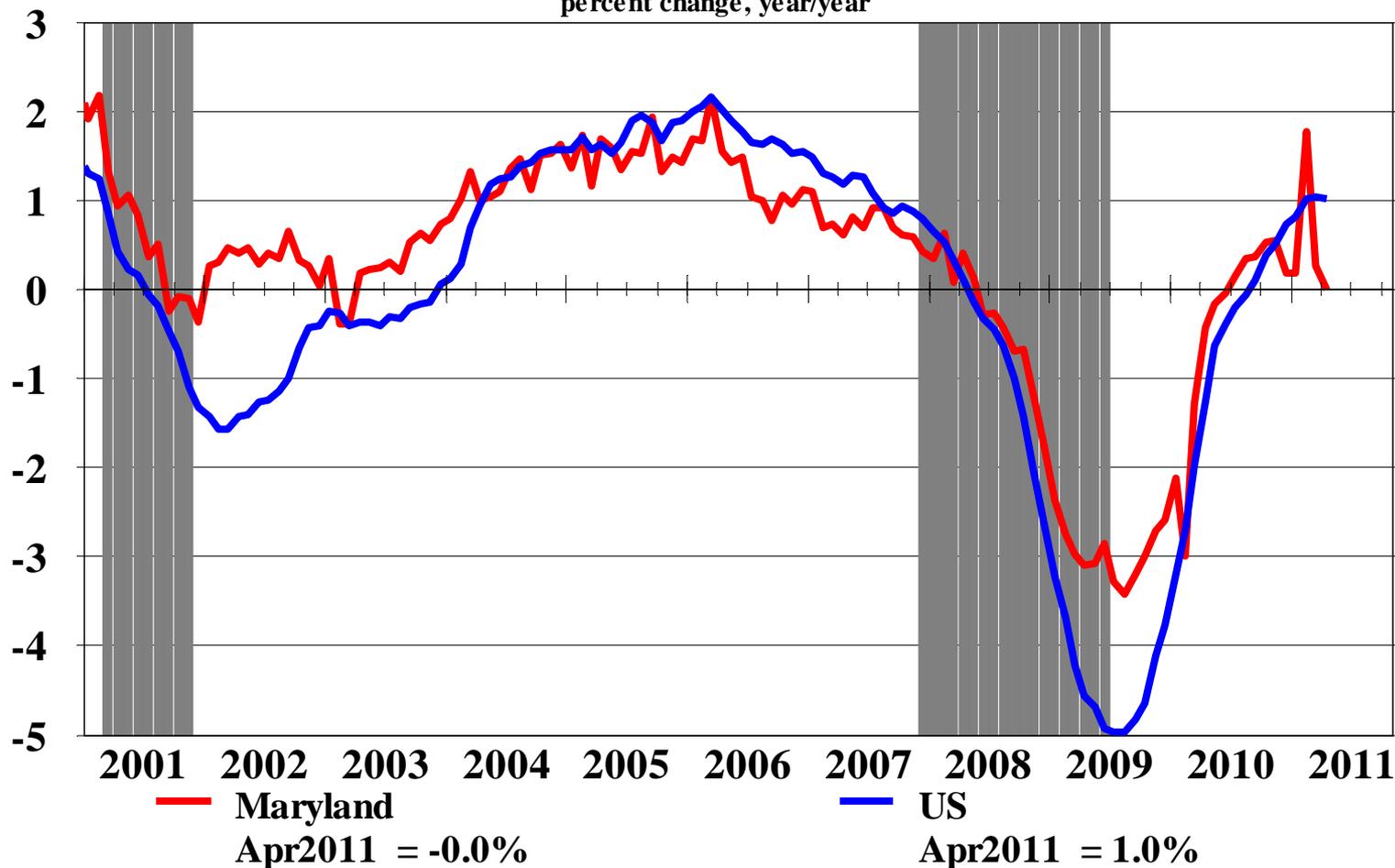
## New Vehicle Sales thousands



# Very Slow Recovery – Lost Jobs in 2011 2Q

## Payroll Employment Growth

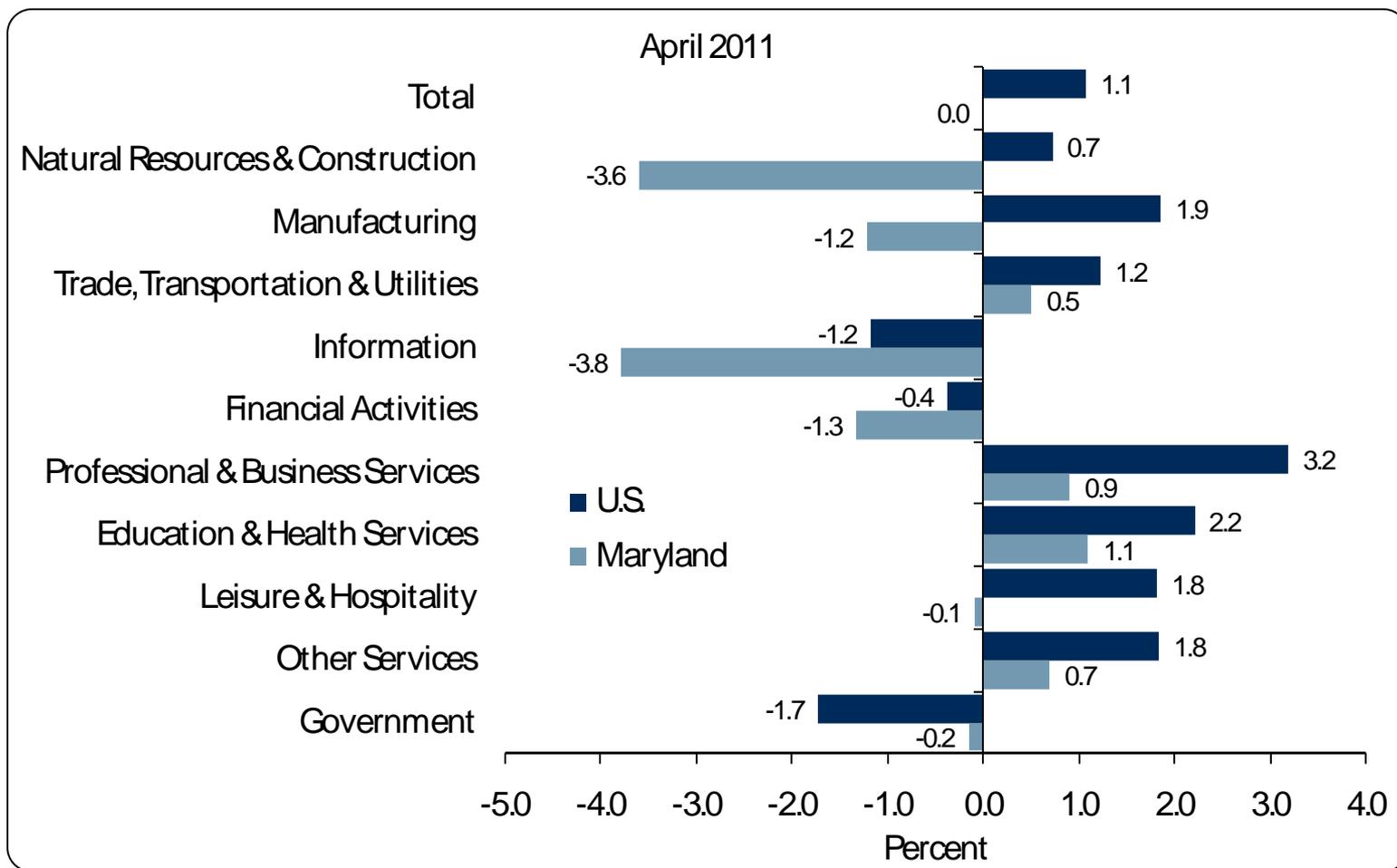
percent change, year/year





# Maryland Industry Growth

## Percent Change in Employment from a Year Ago



Source: Bureau of Labor Statistics/Haver Analytics

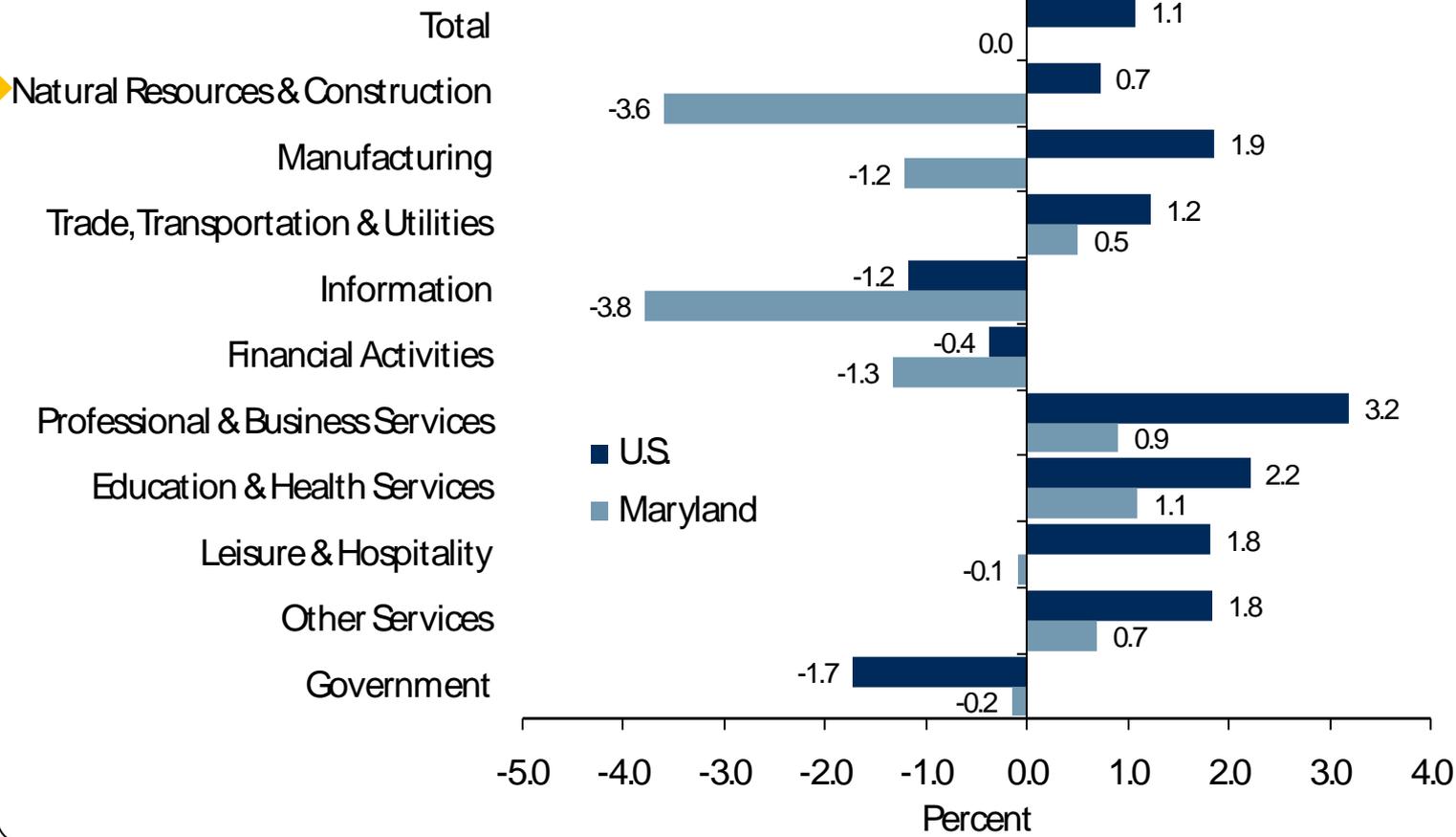




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April 2011



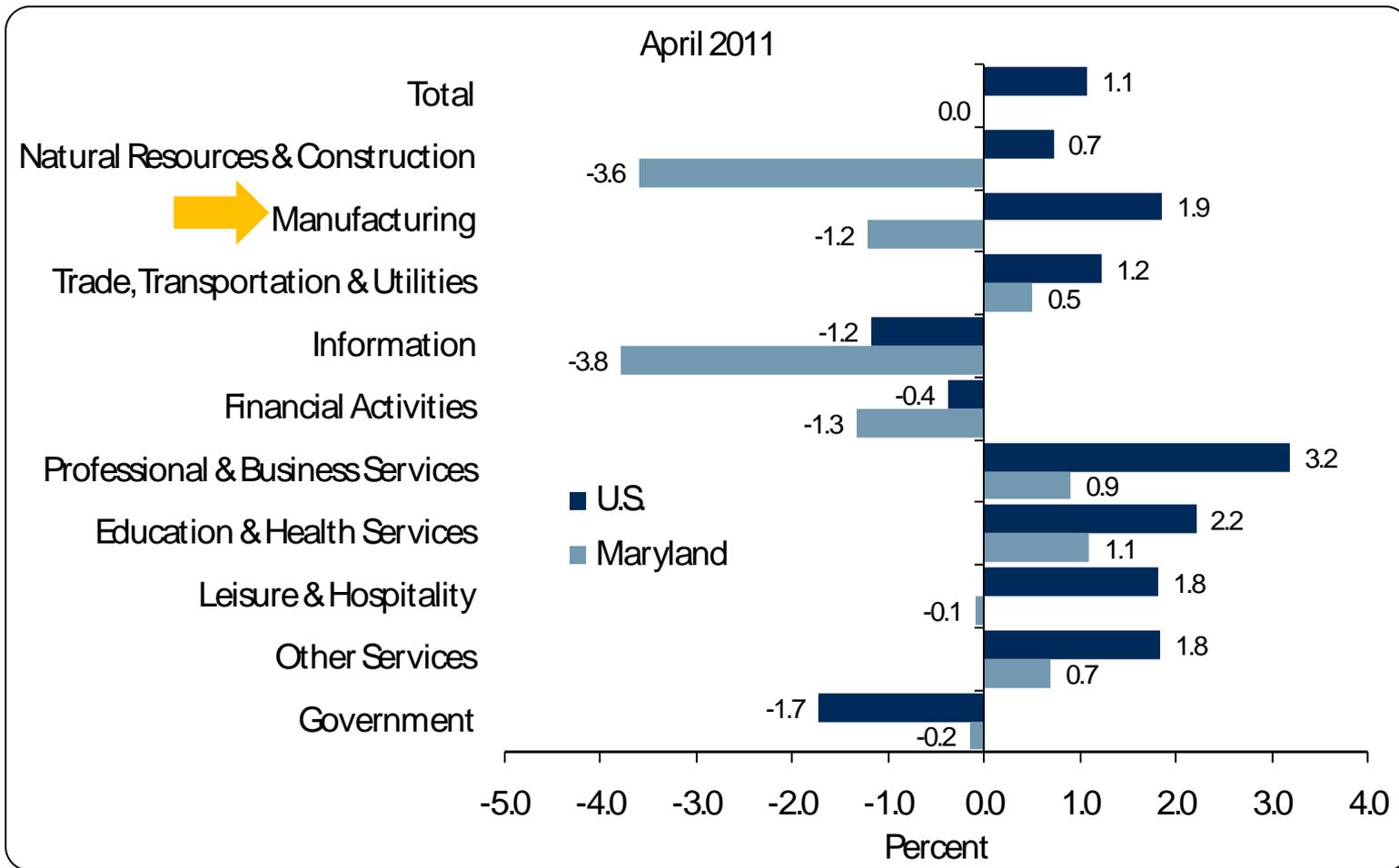
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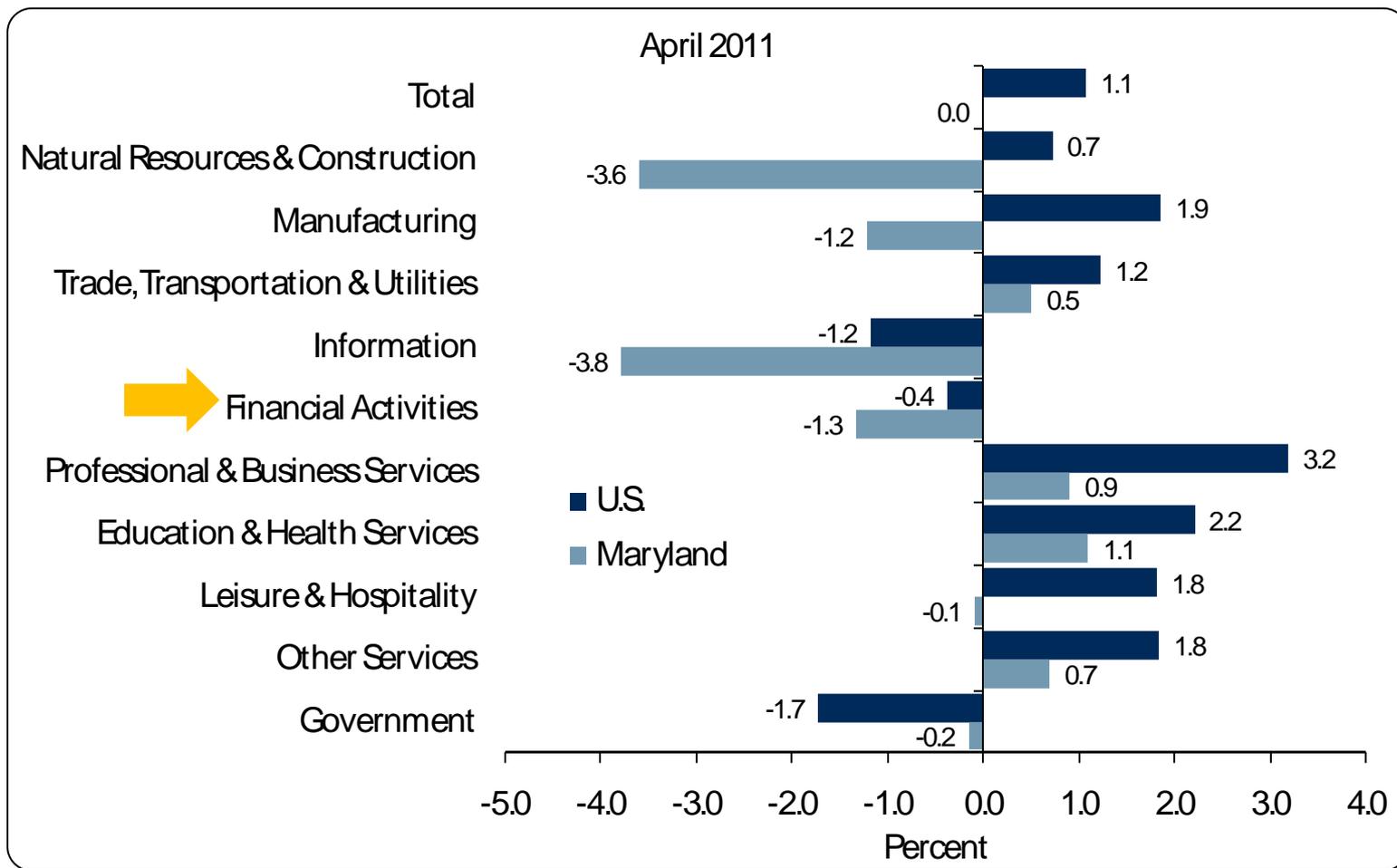
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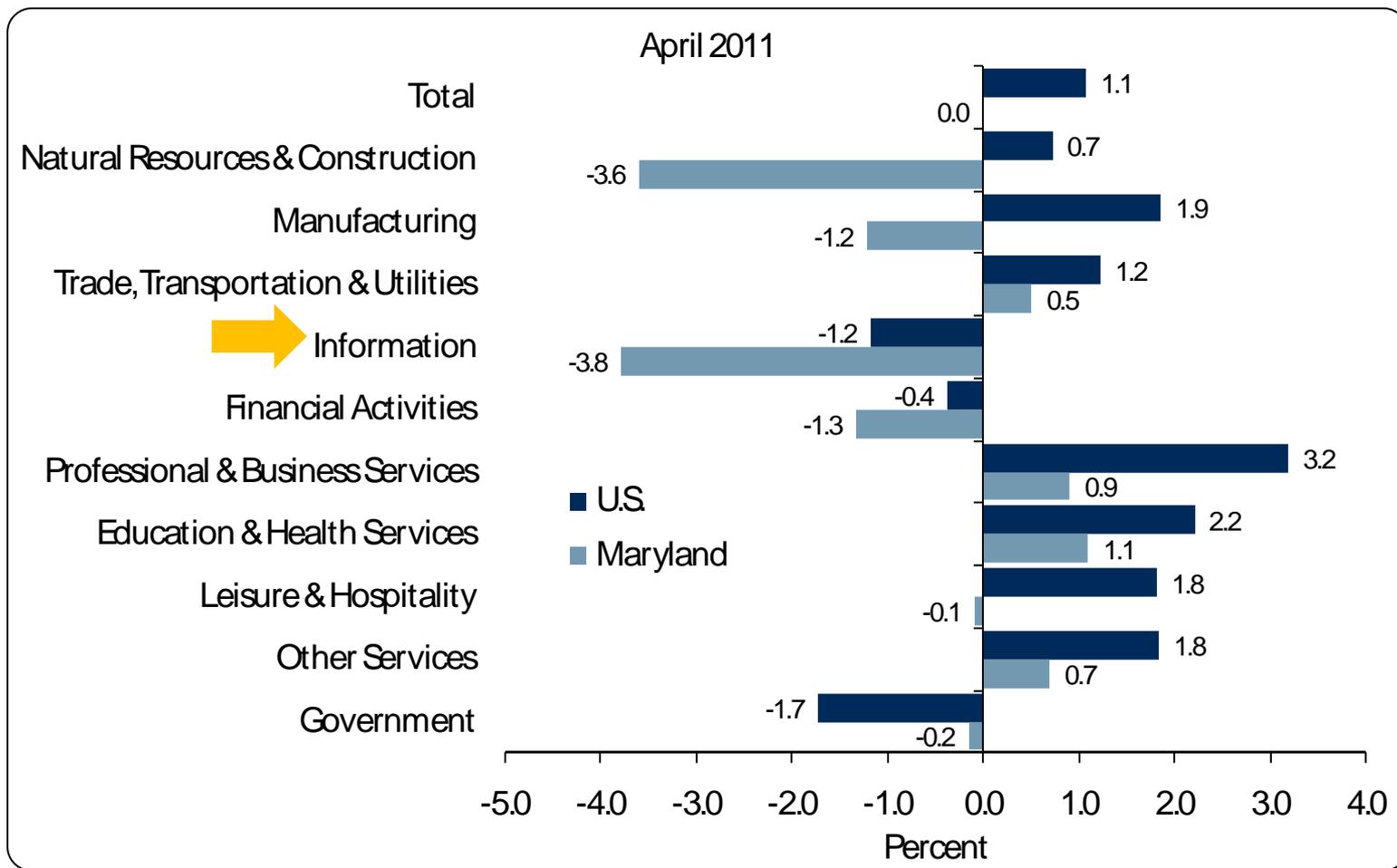
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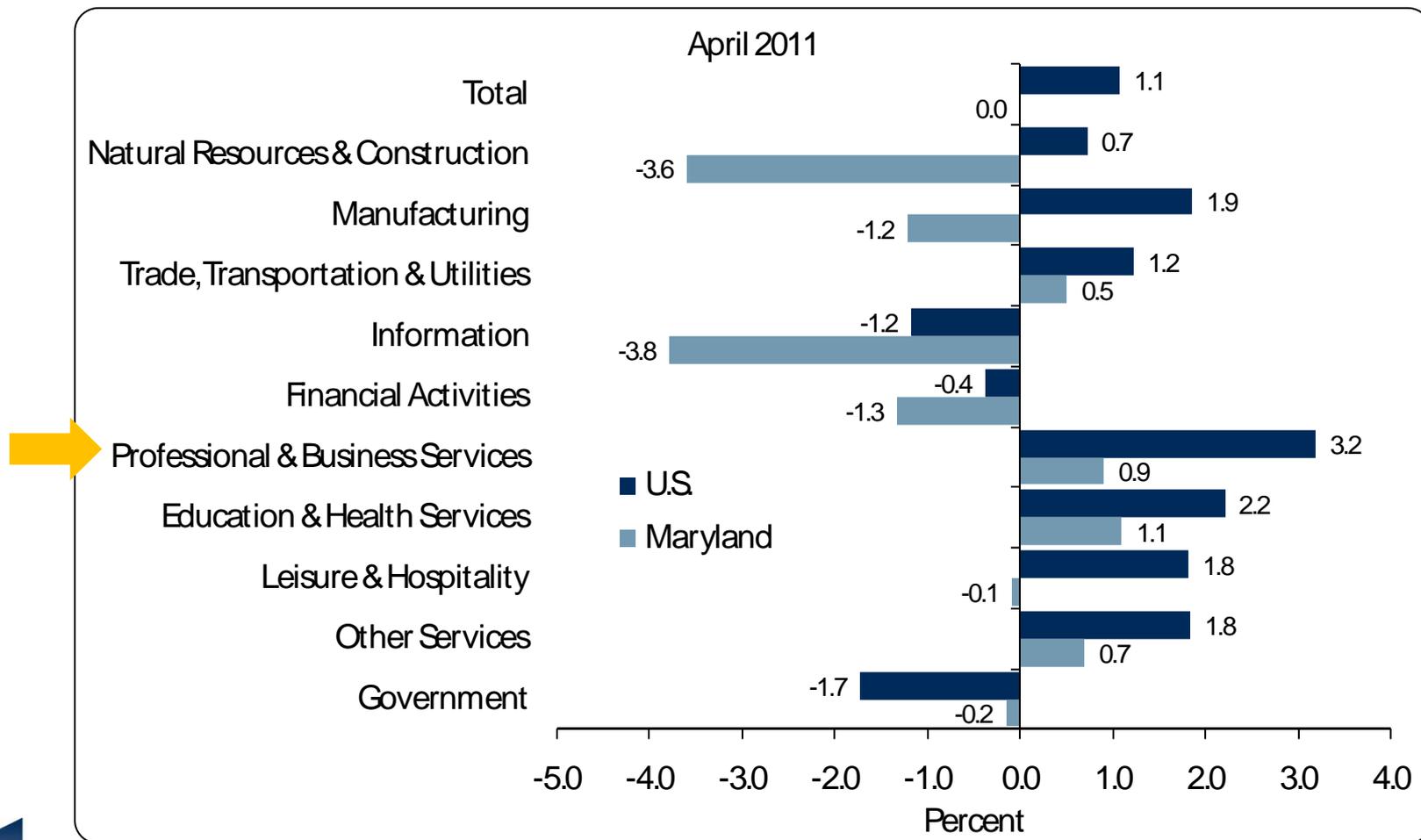
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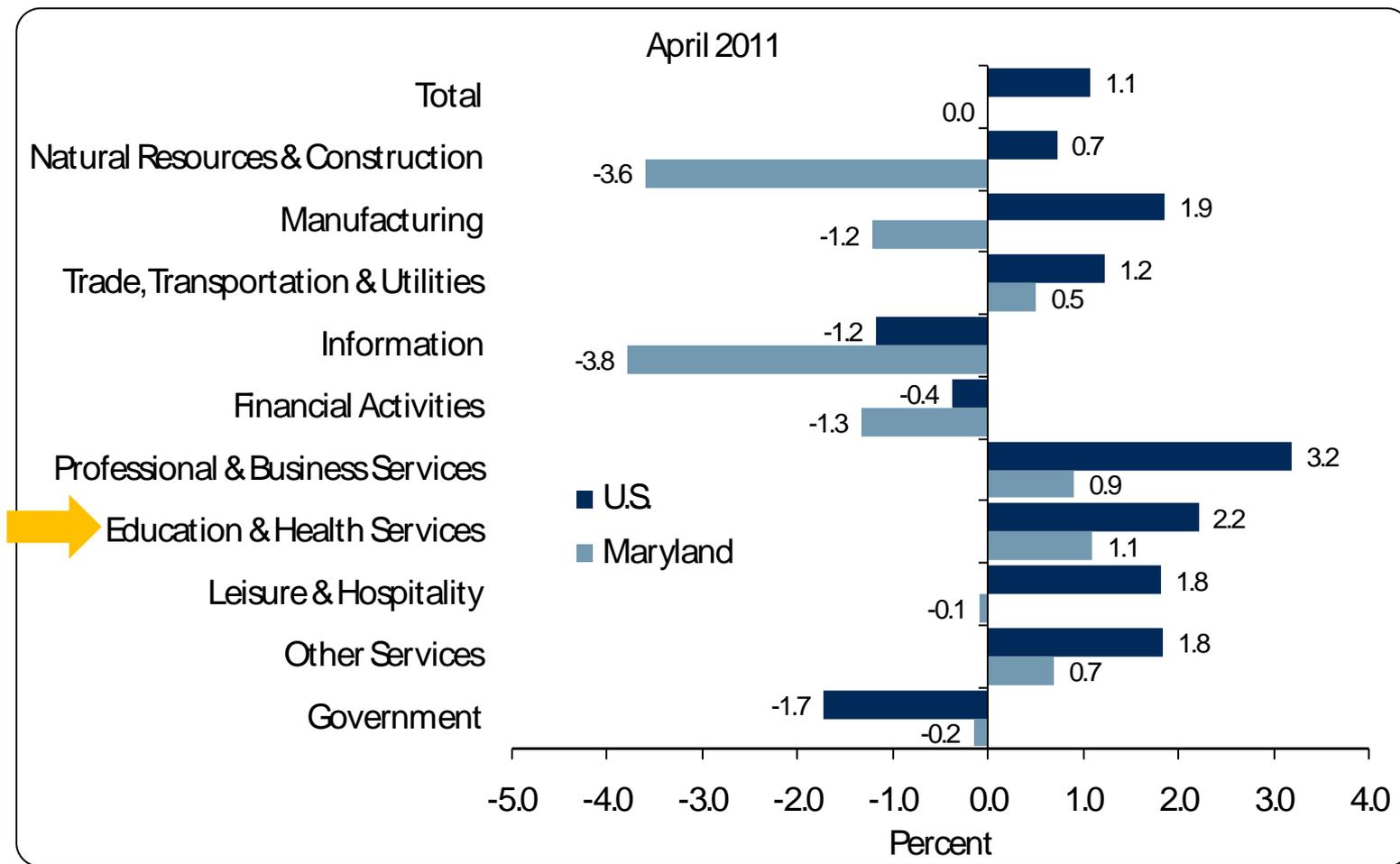
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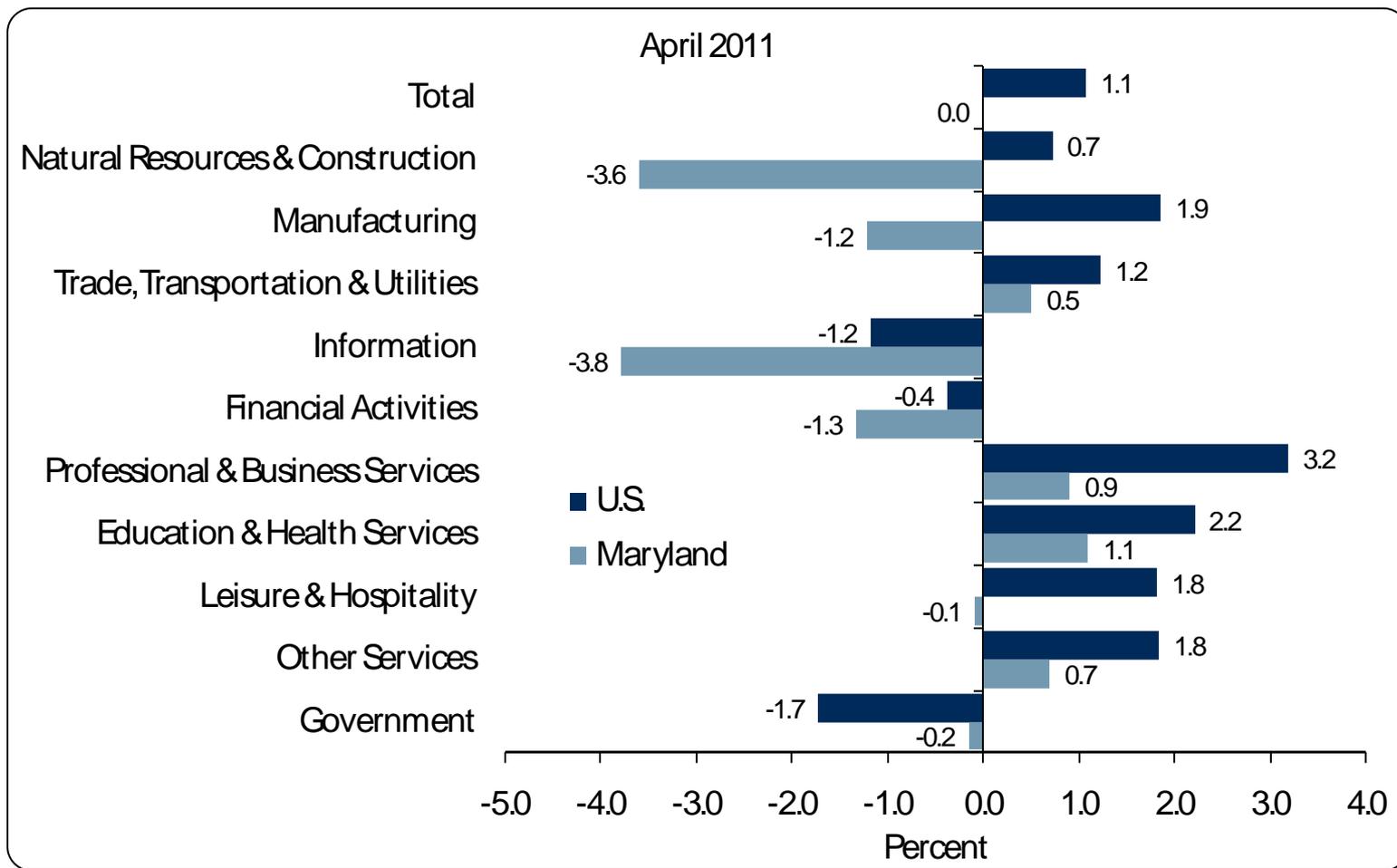


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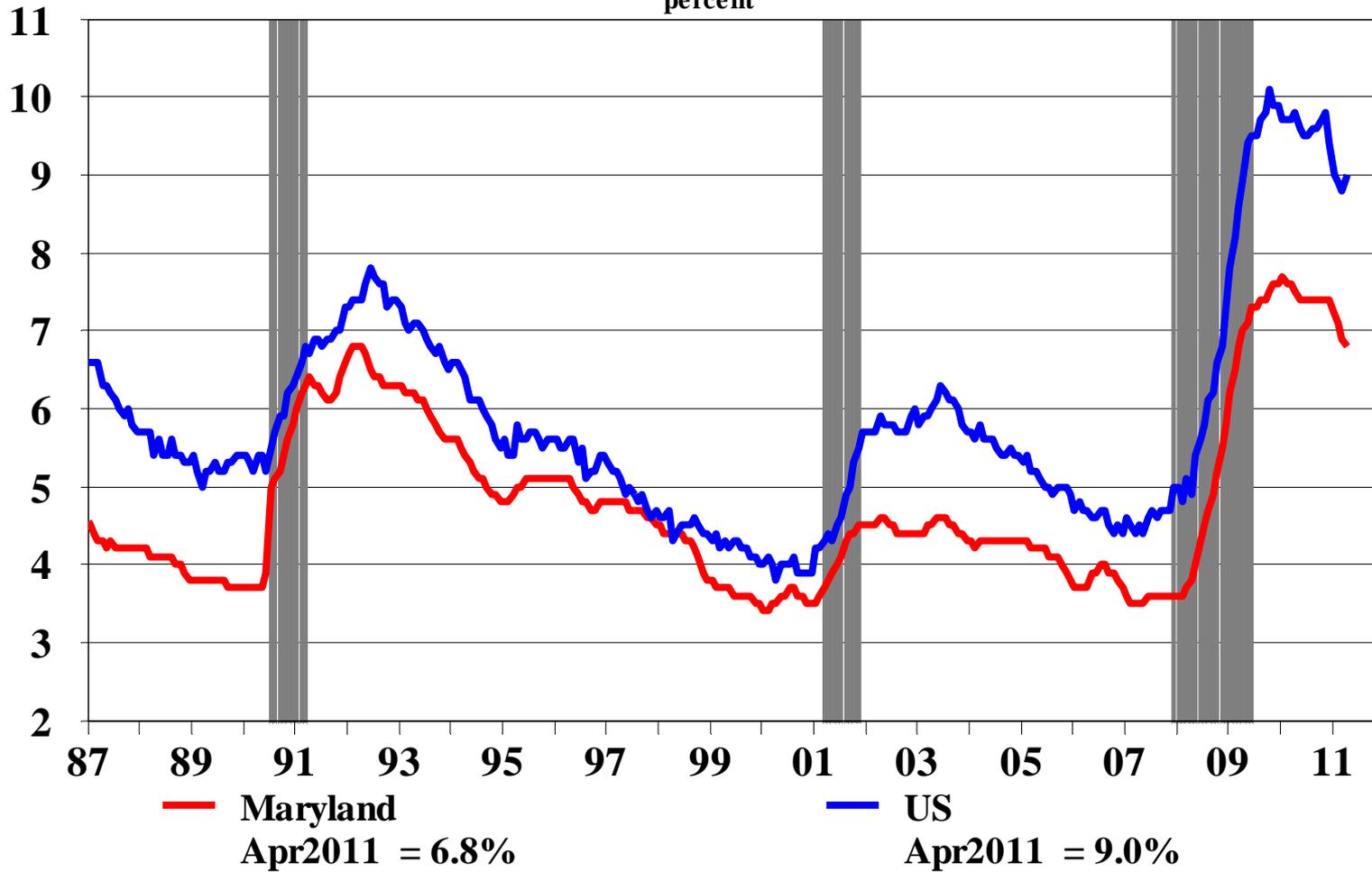
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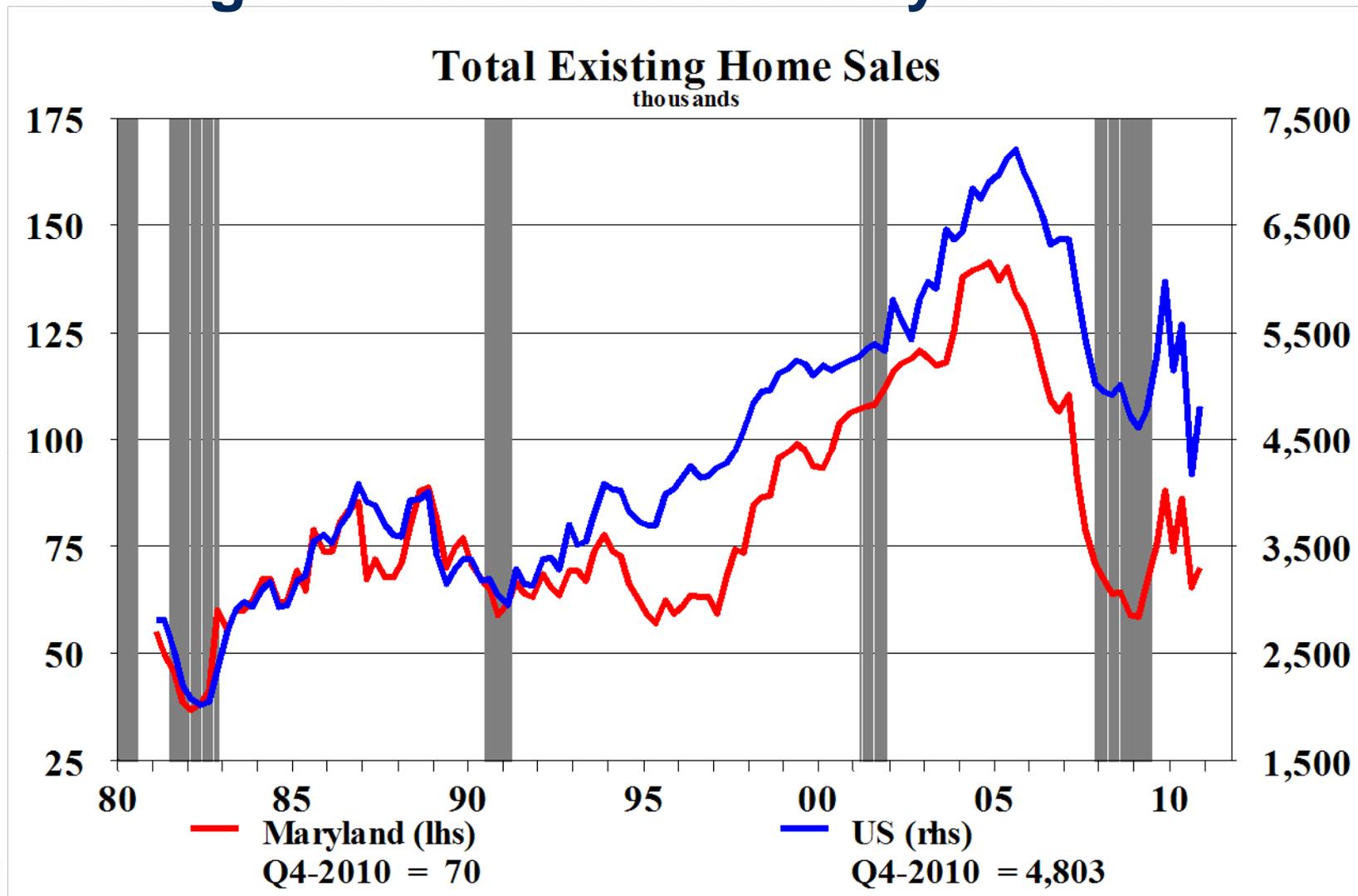
# Unemployment Slowly Edging Lower

## Unemployment Rate percent



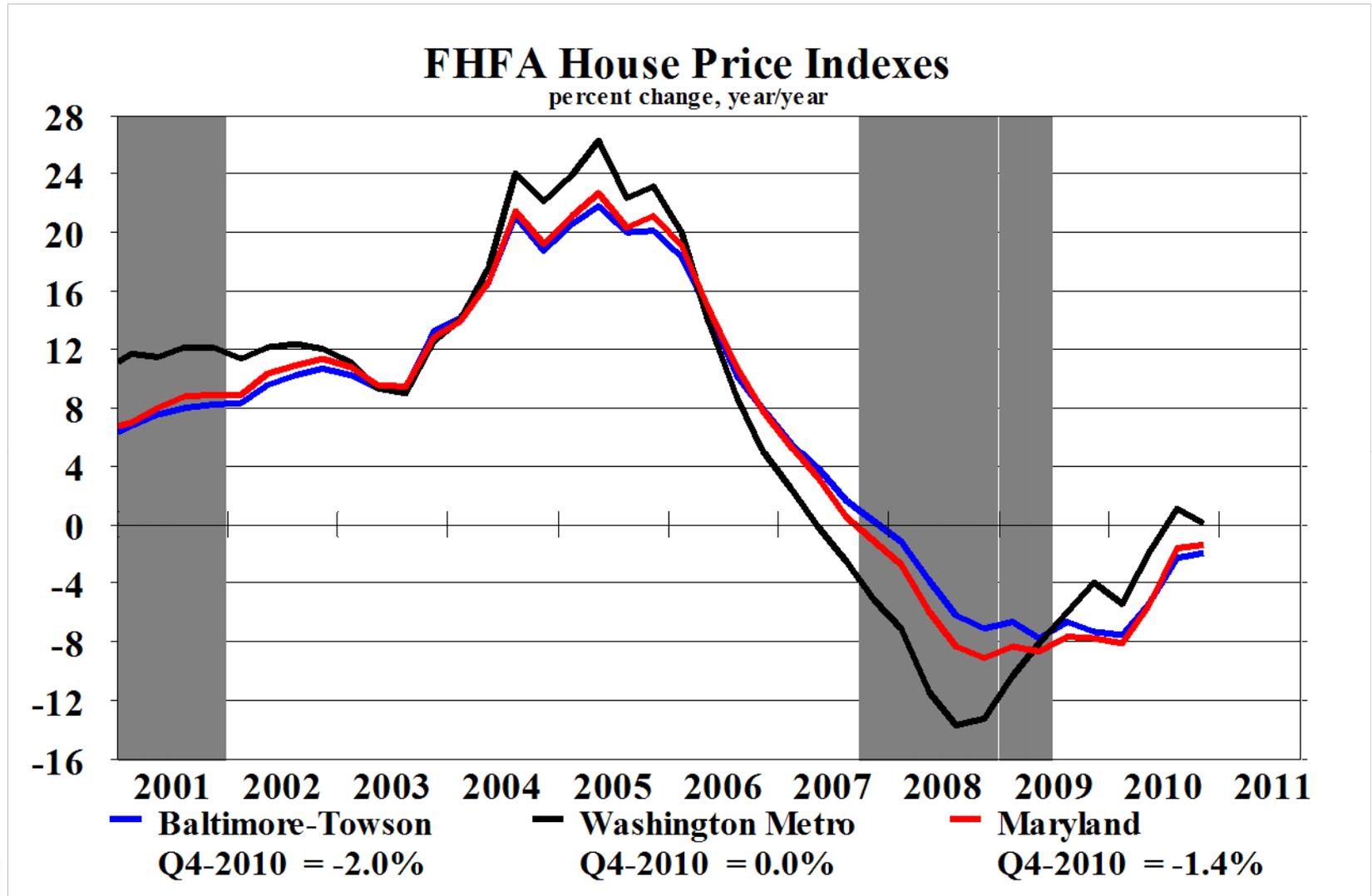


# Housing Demand Remains Very Weak





# Continued Weakness in Home Prices

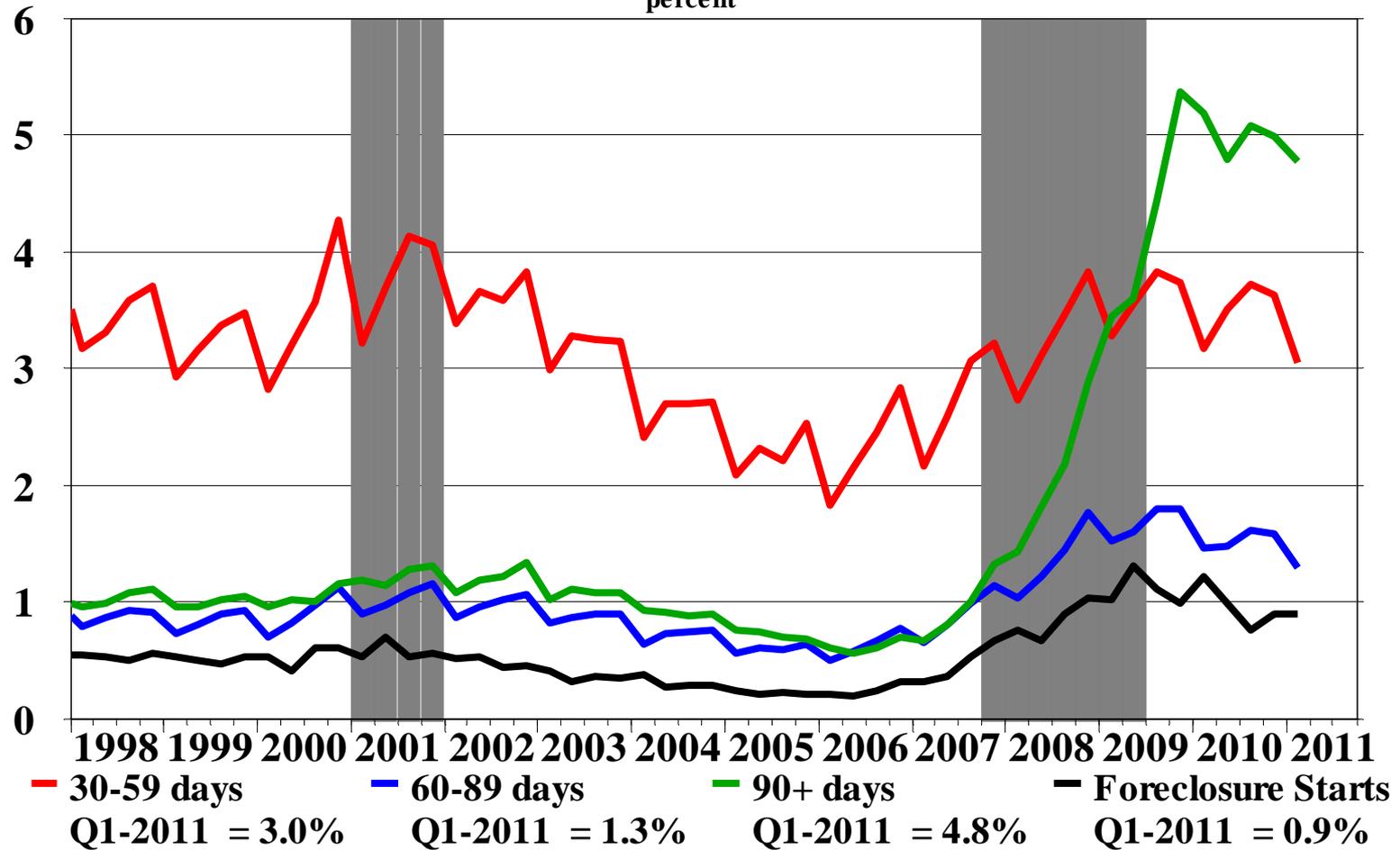




# Mortgage Market Conditions Remain Difficult

## Maryland Mortgage Delinquencies and Foreclosure Starts

percent





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- Monetary policy remains accommodative



The views expressed here are those of the author, and do not necessarily represent those of the Federal Reserve Bank of Richmond or the Federal Reserve System.



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