

Regional Effects of the Great Recession

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THE FEDERAL RESERVE BANK OF RICHMOND

RICHMOND ■ BALTIMORE ■ CHARLOTTE



Overview

- National Economic Trends
 - The recession and recovery in perspective
 - Contributing factors



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- National Economic Trends
 - The recession and recovery in perspective
 - Contributing factors
- Regional Economic Trends
 - Labor market performance
 - Implications for other sectors



Fifth District is Roughly 10% of U.S. Economy

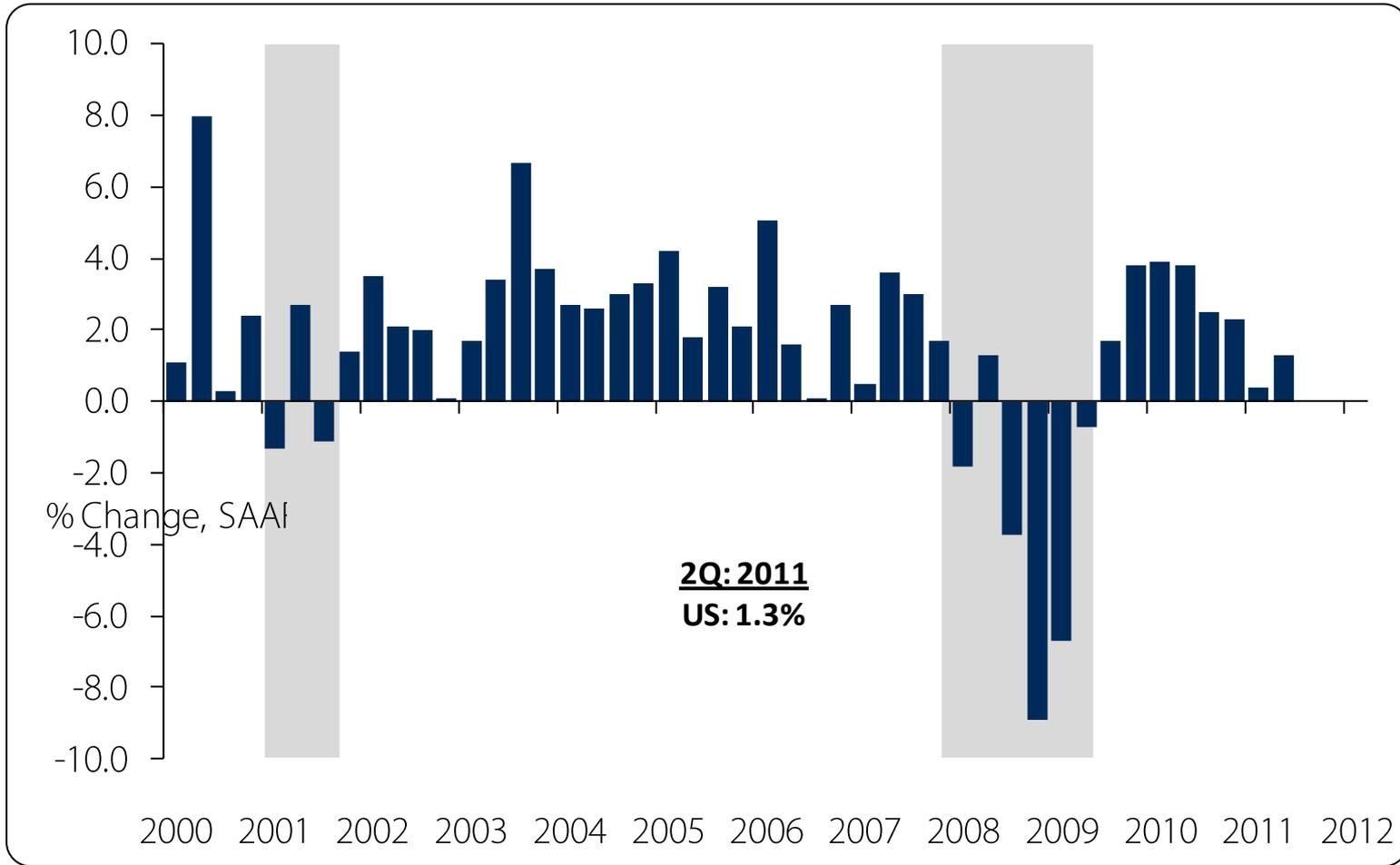




National Economic Trends

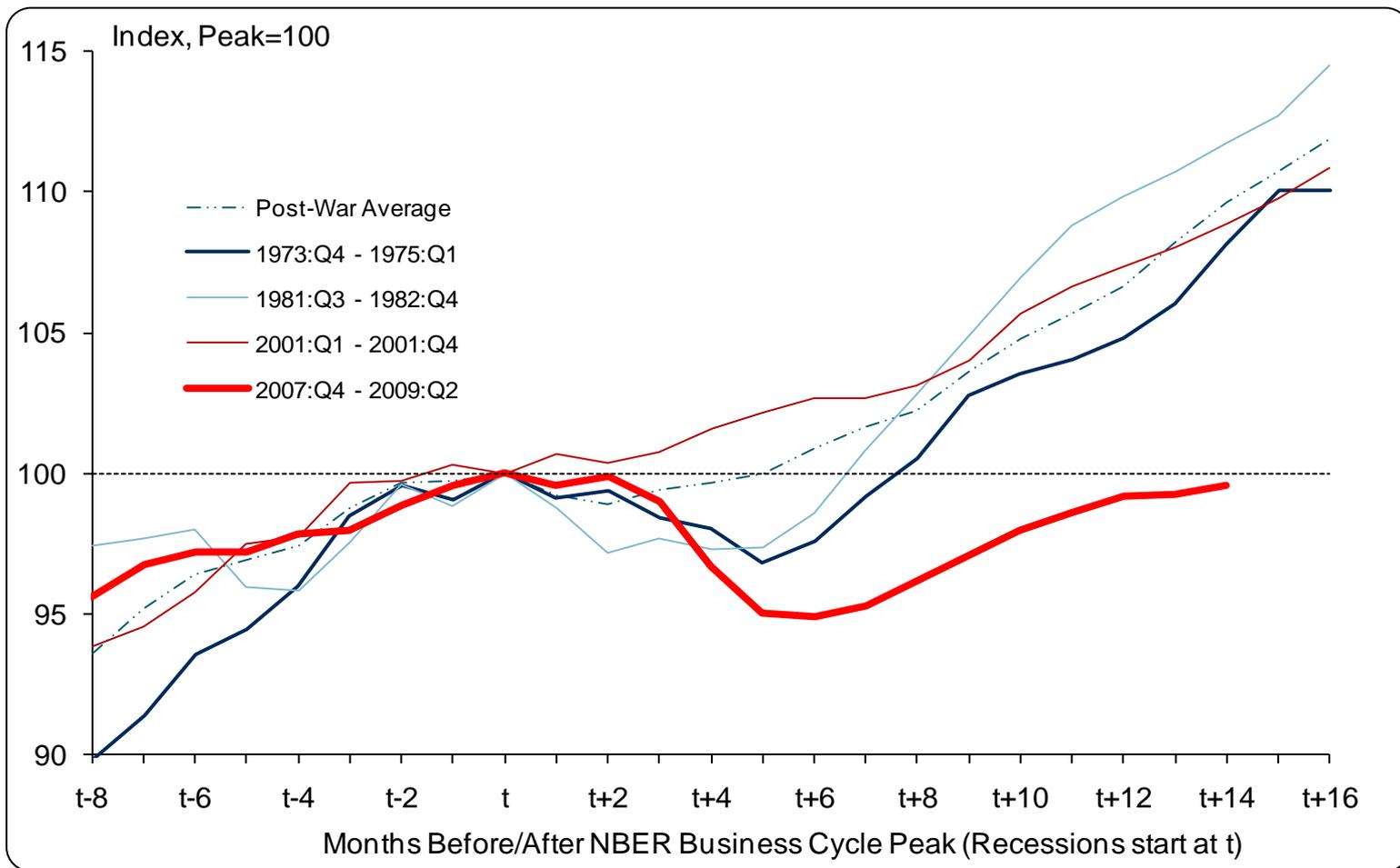


Quarterly Gross Domestic Product



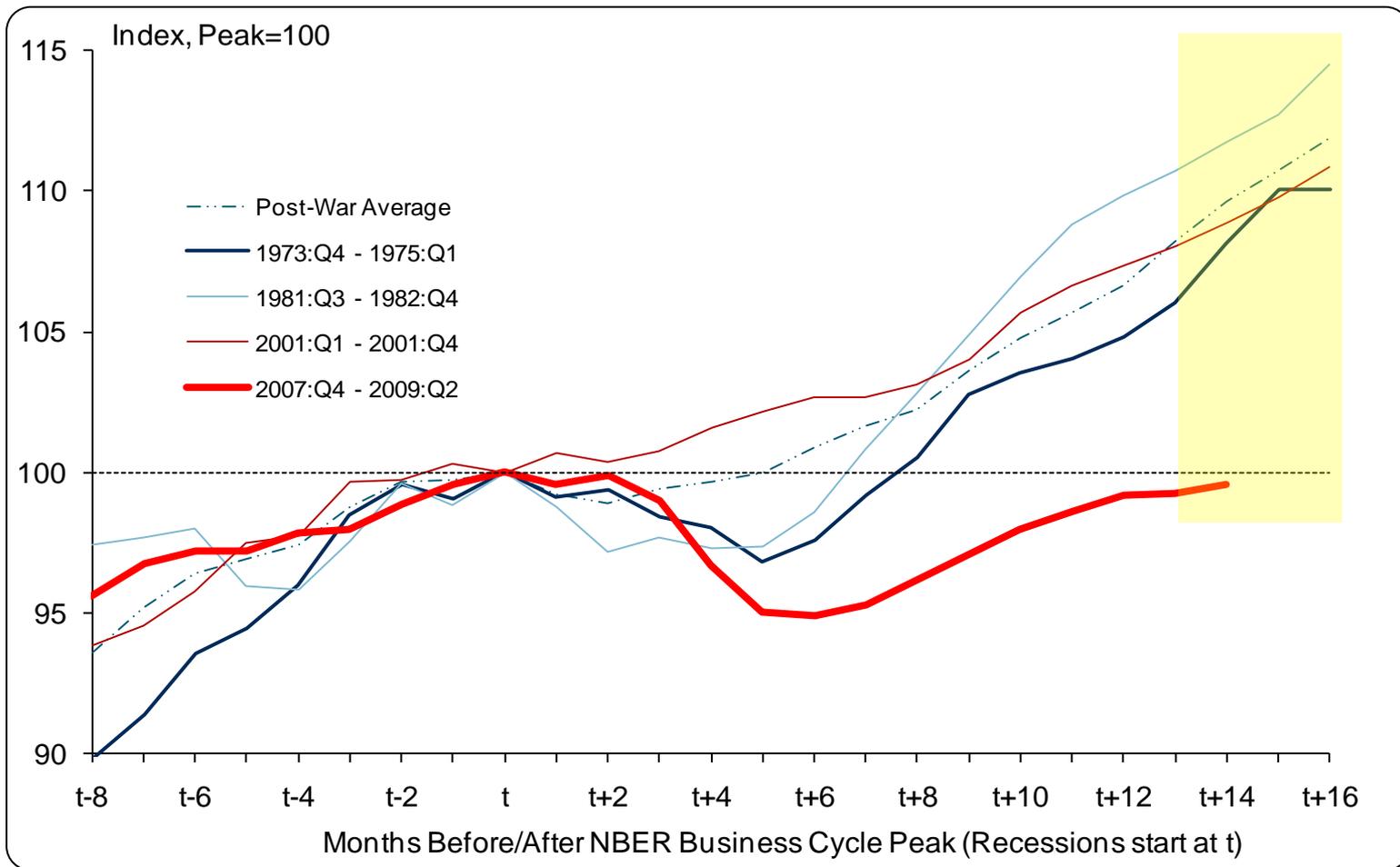
Source: Bureau of Economic Analysis/Haver Analytics

Gross Domestic Product Over Past Recessions



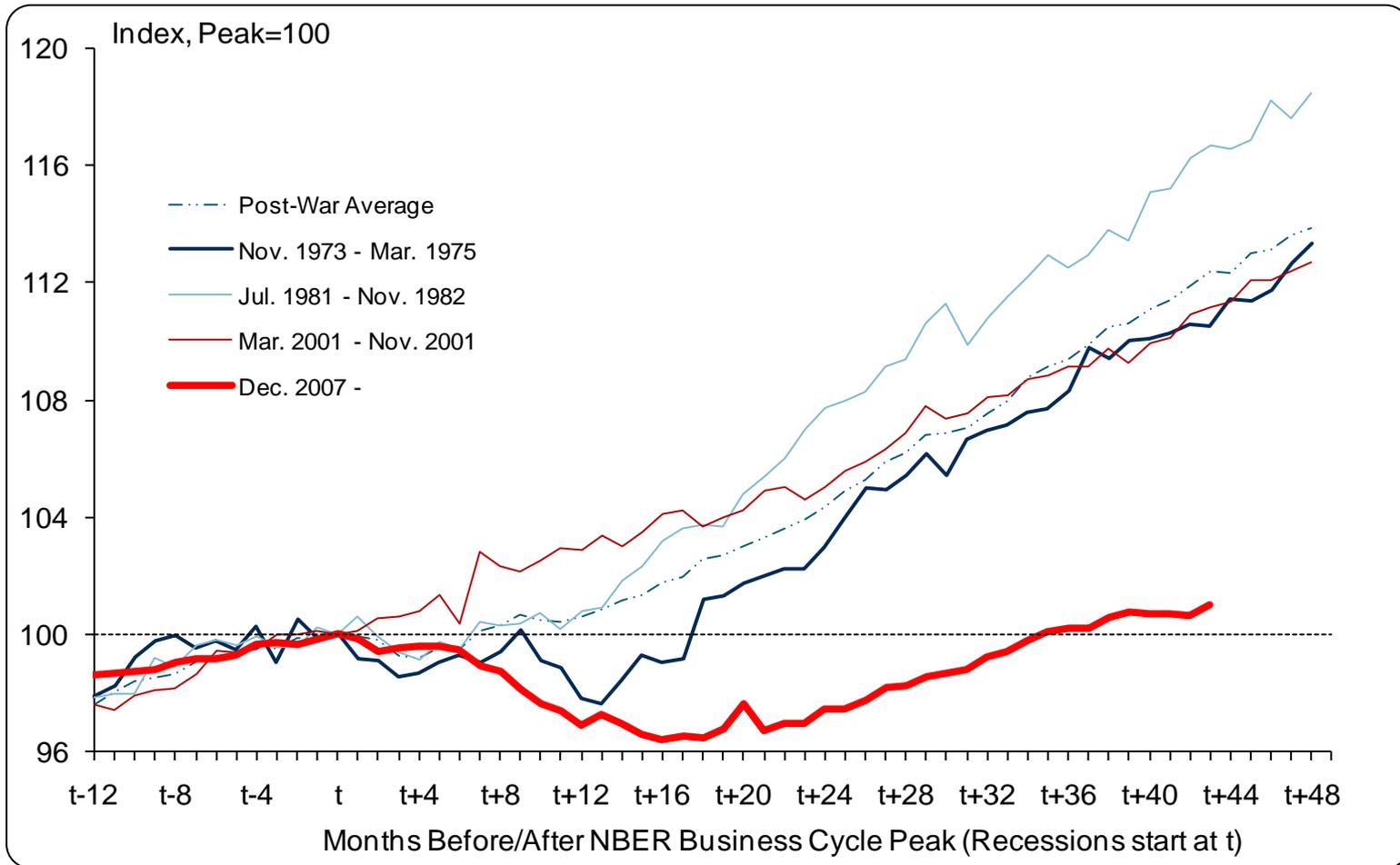
Source: Bureau of Economic Analysis/Haver Analytics

Gross Domestic Product Over Past Recessions



Source: Bureau of Economic Analysis/Haver Analytics

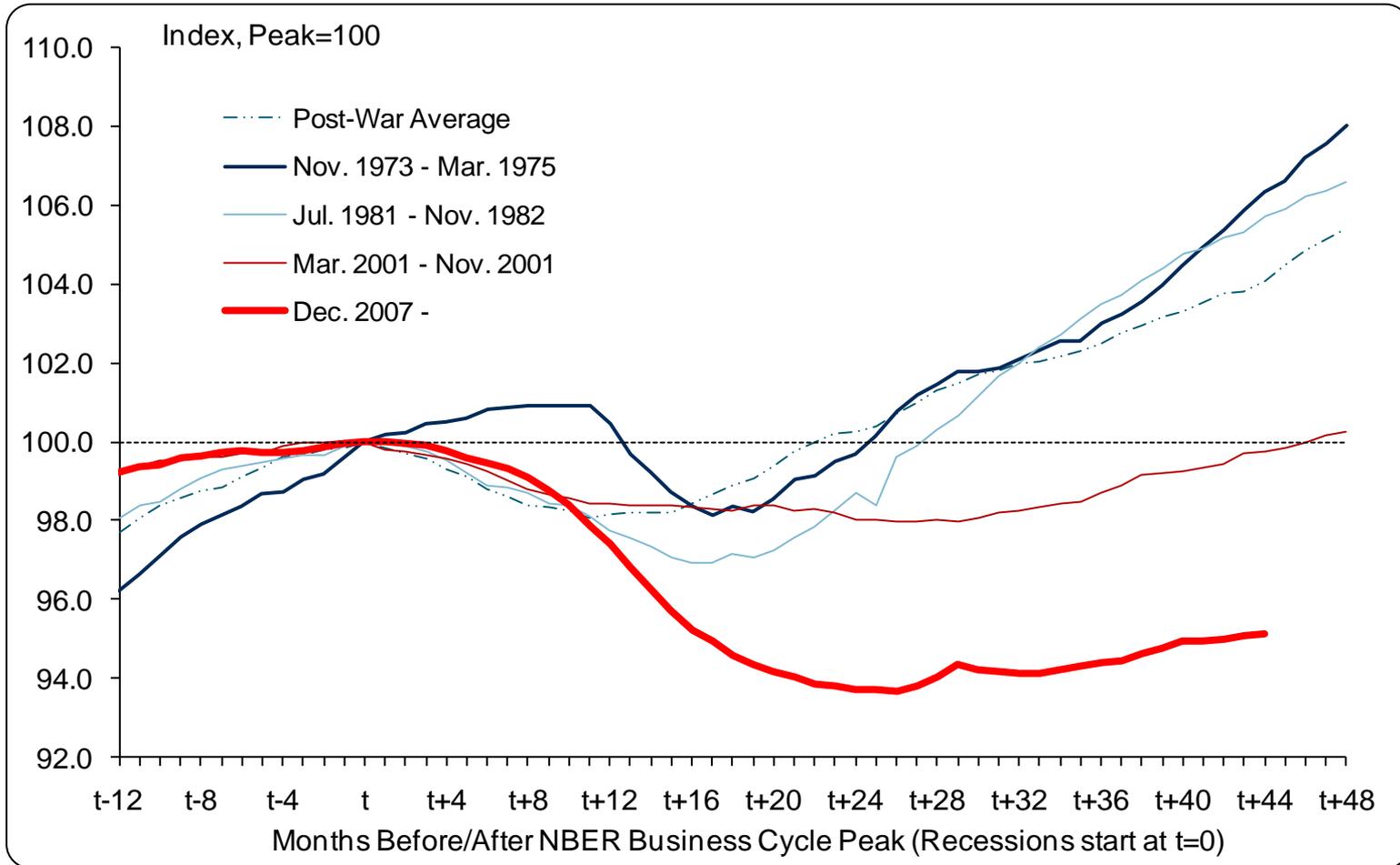
Personal Consumption Expenditures Over Past Recessions



Source: Bureau of Economic Analysis/Haver Analytics

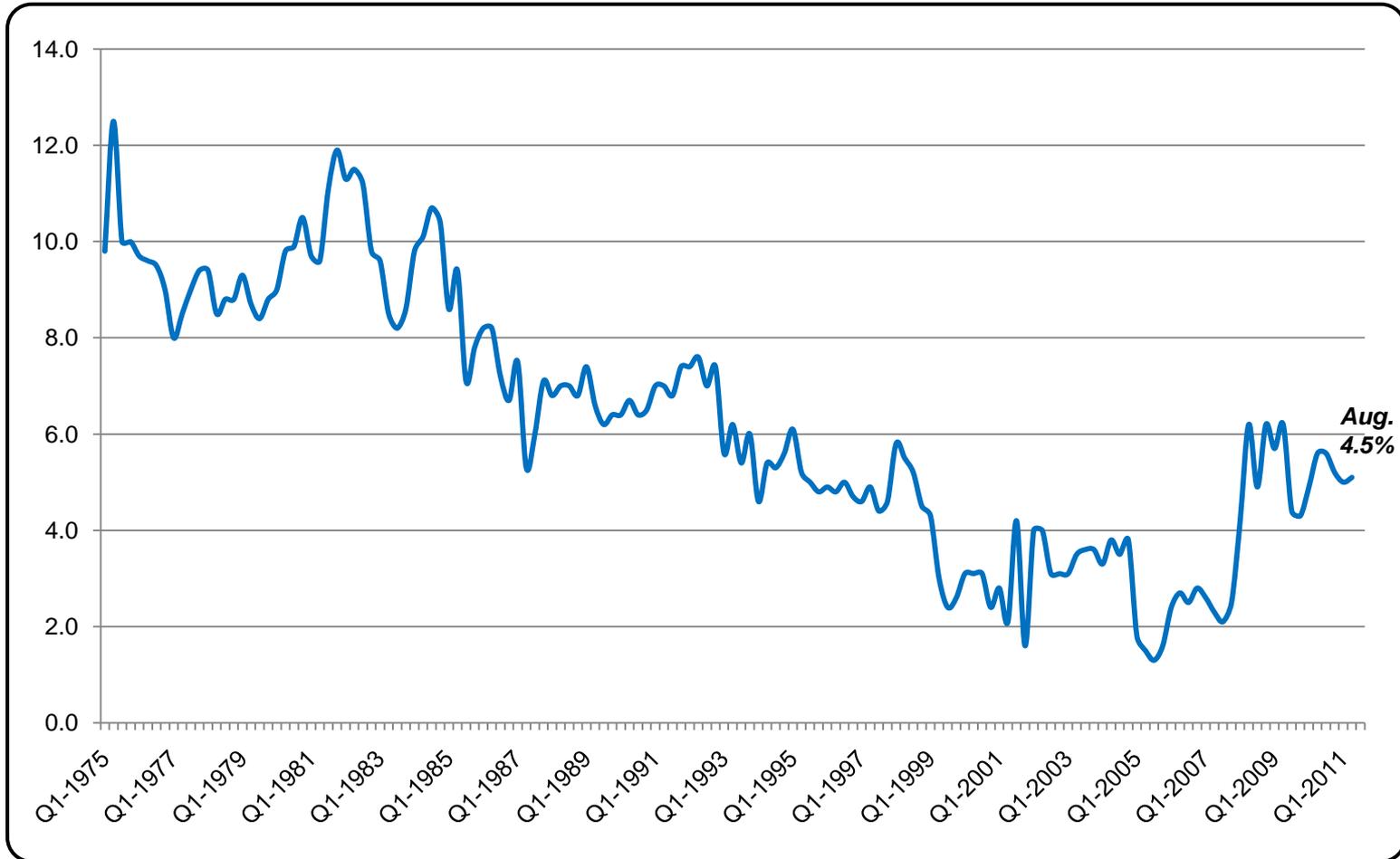


Total Nonfarm Payroll Employment Over Past Recessions



Source: Bureau of Labor Statistics/Haver Analytics

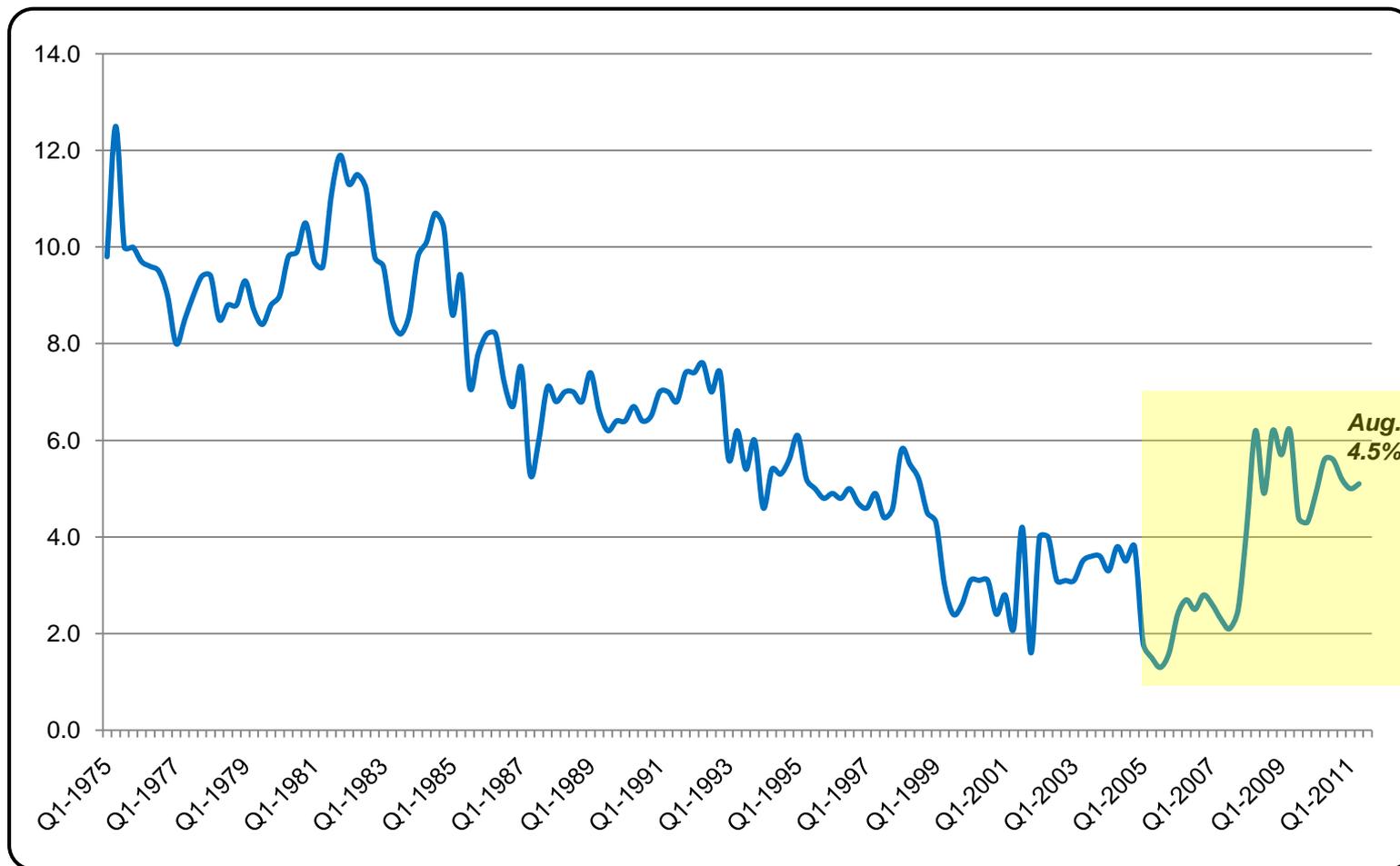
Personal Savings Rate (Percentage of Disposable Income)



Source: Bureau of Economic Analysis/Haver Analytics

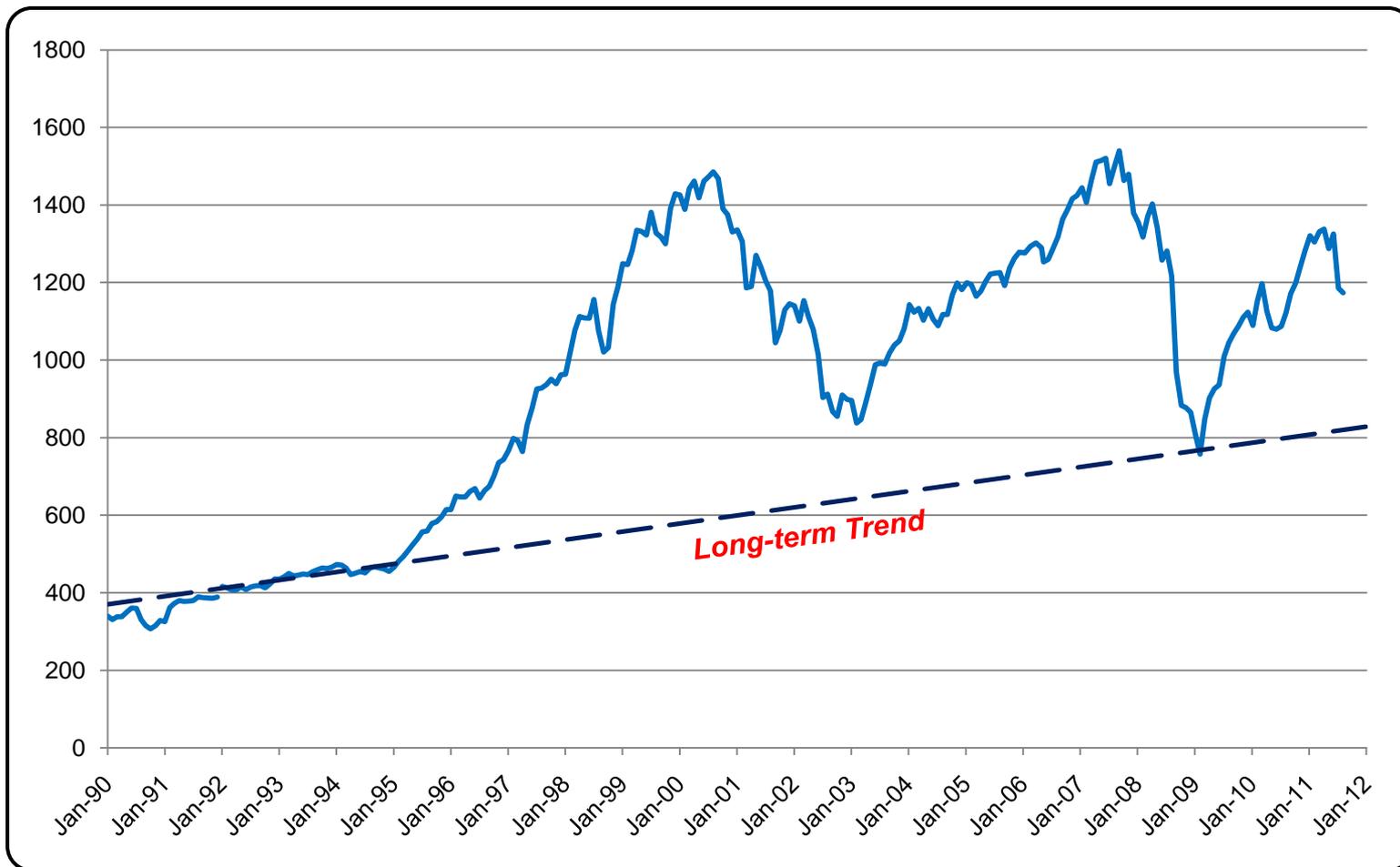


Personal Savings Rate (Percentage of Disposable Income)



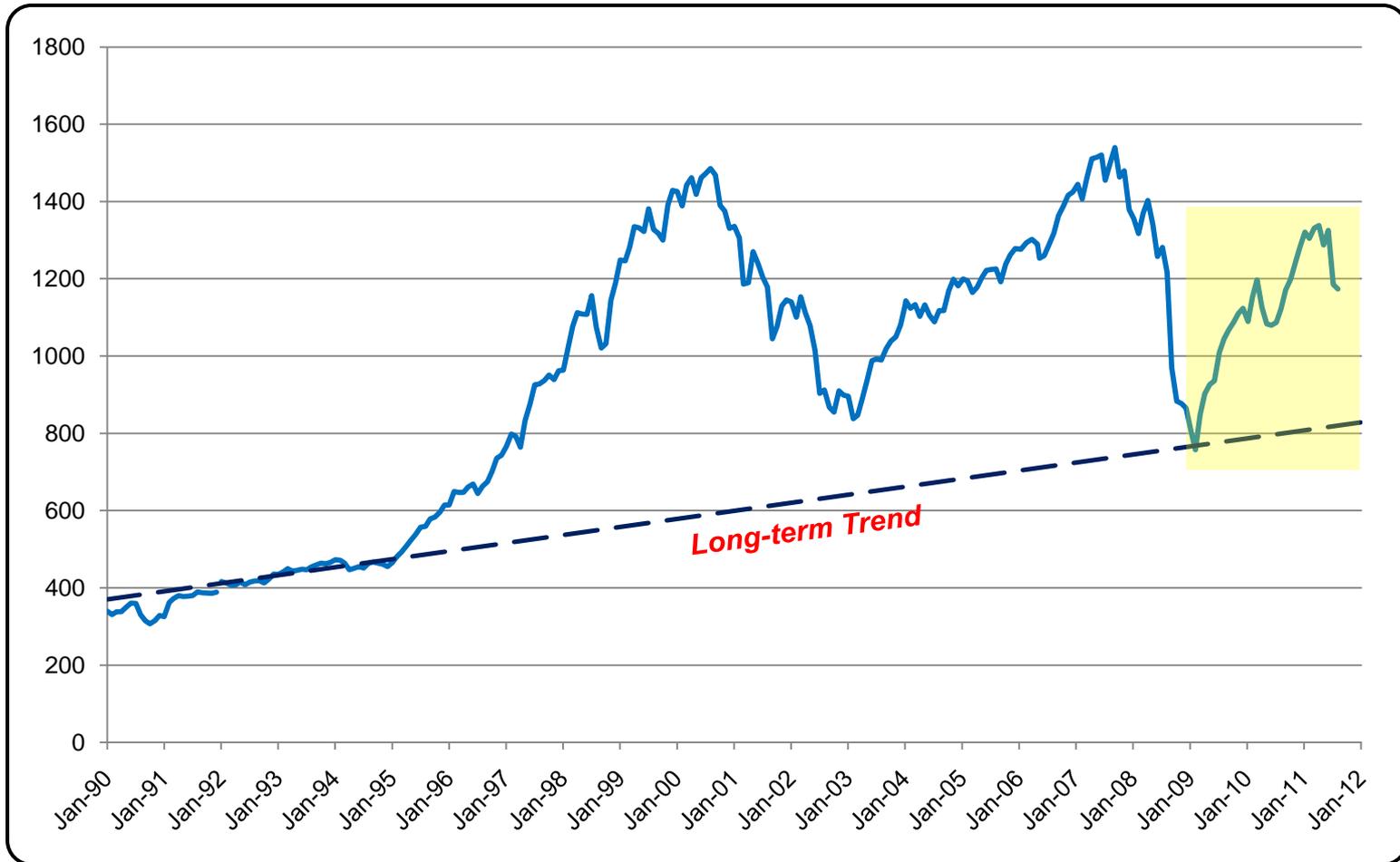
Source: Bureau of Economic Analysis/Haver Analytics

Standard & Poor's 500 Composite Index



Source: Standard & Poor's/Haver Analytics

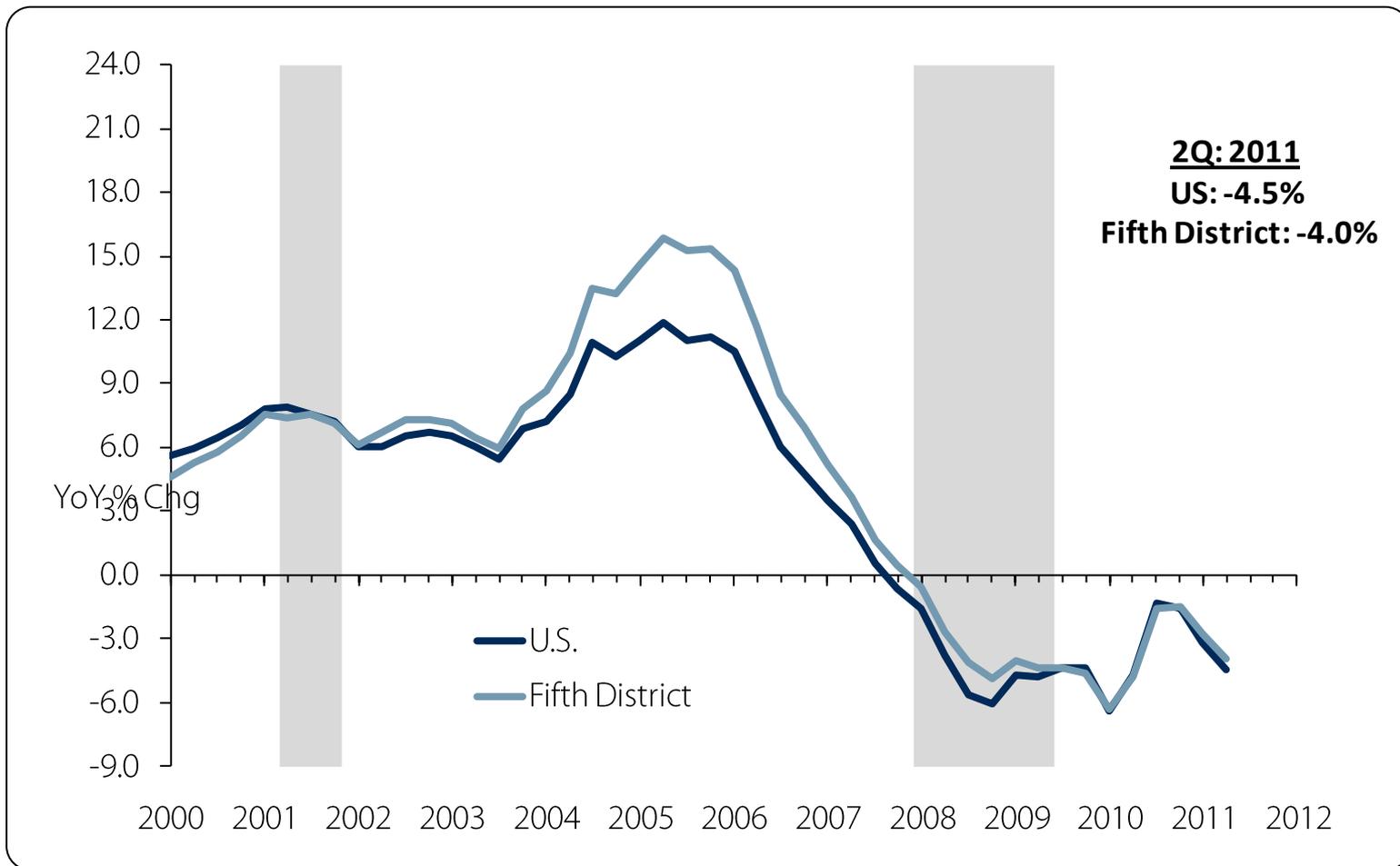
Standard & Poor's 500 Composite Index



Source: Standard & Poor's/Haver Analytics

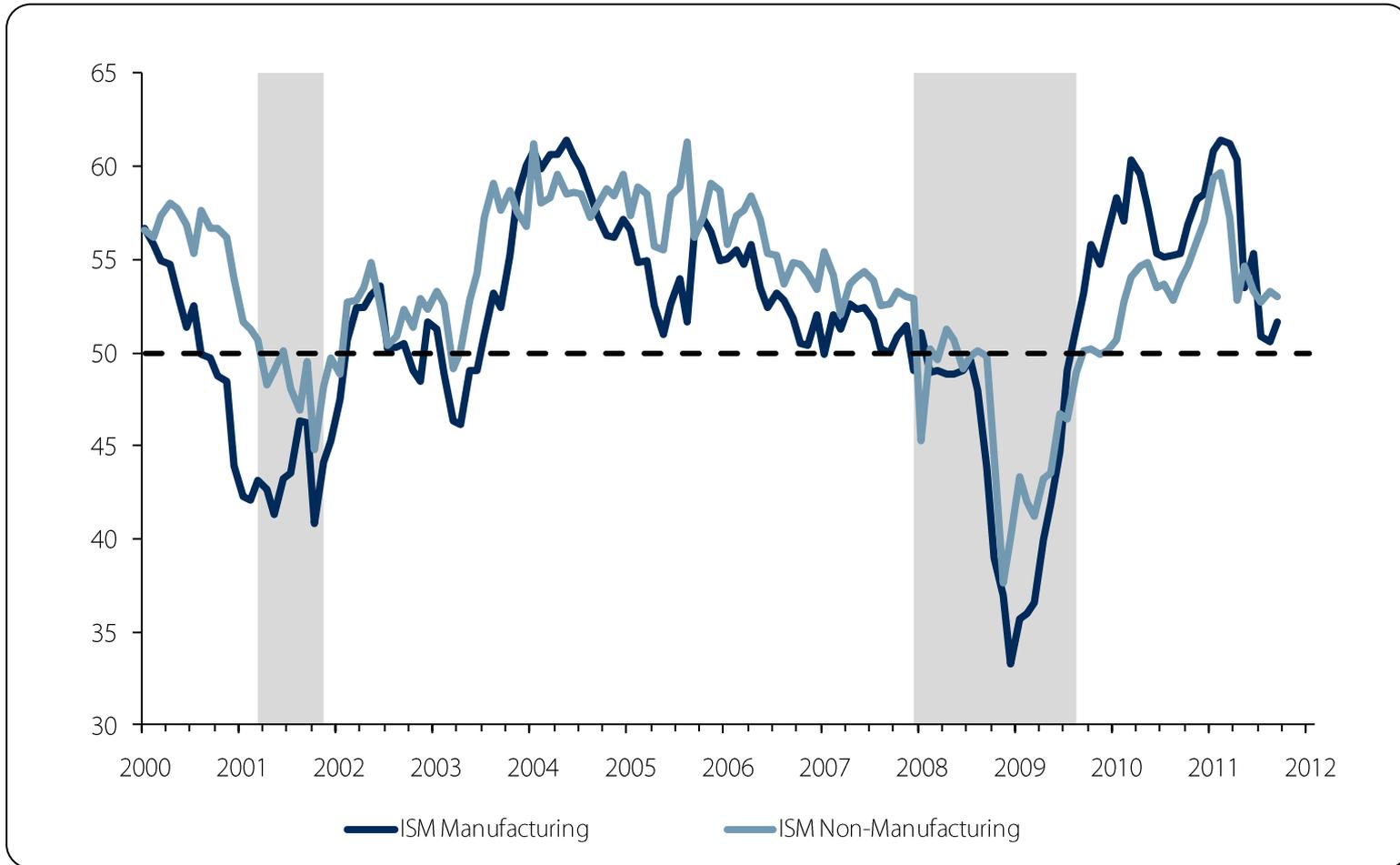


House Price Index



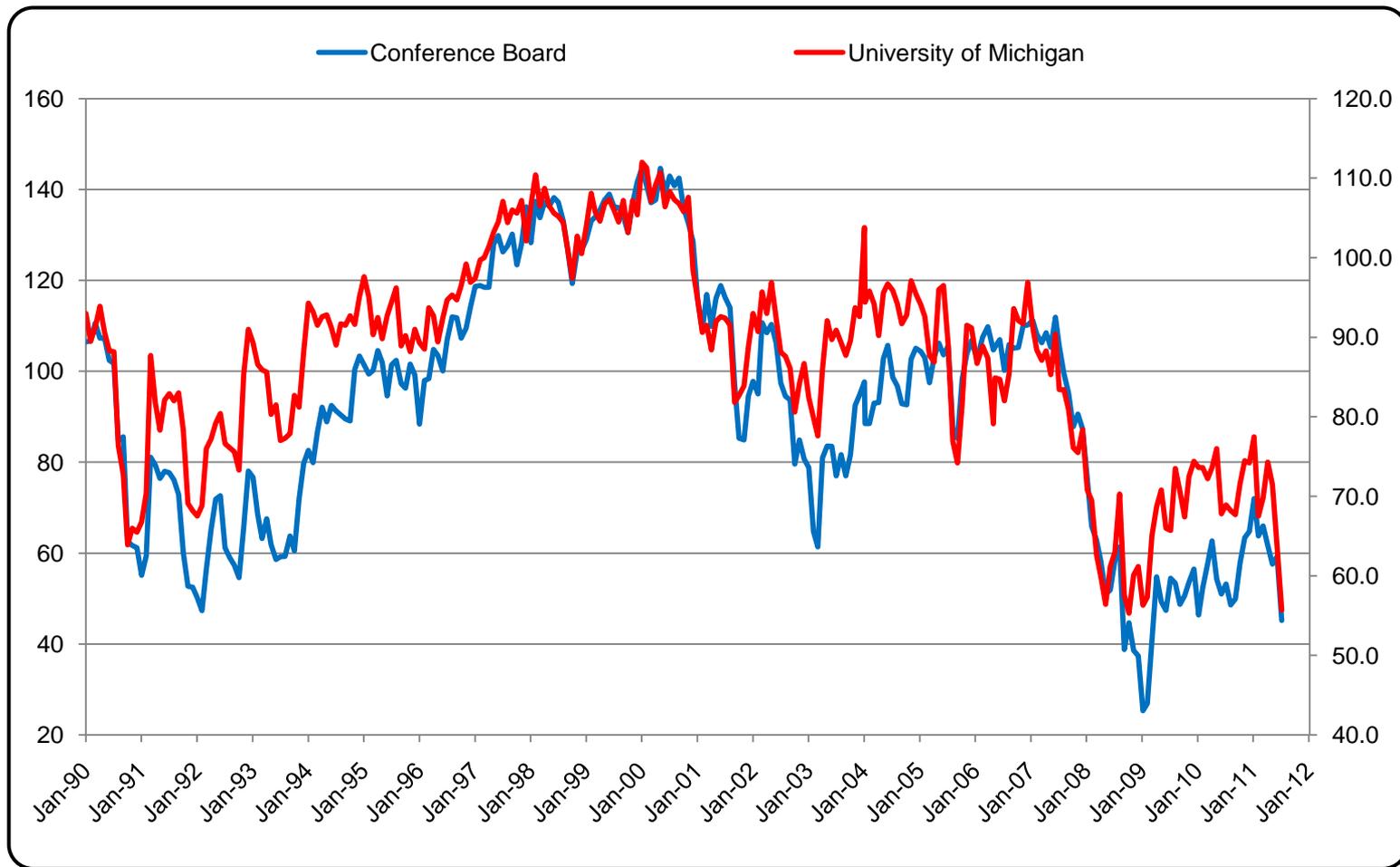
Source: Federal Housing Finance Agency/Haver Analytics

ISM Purchasing Managers Index



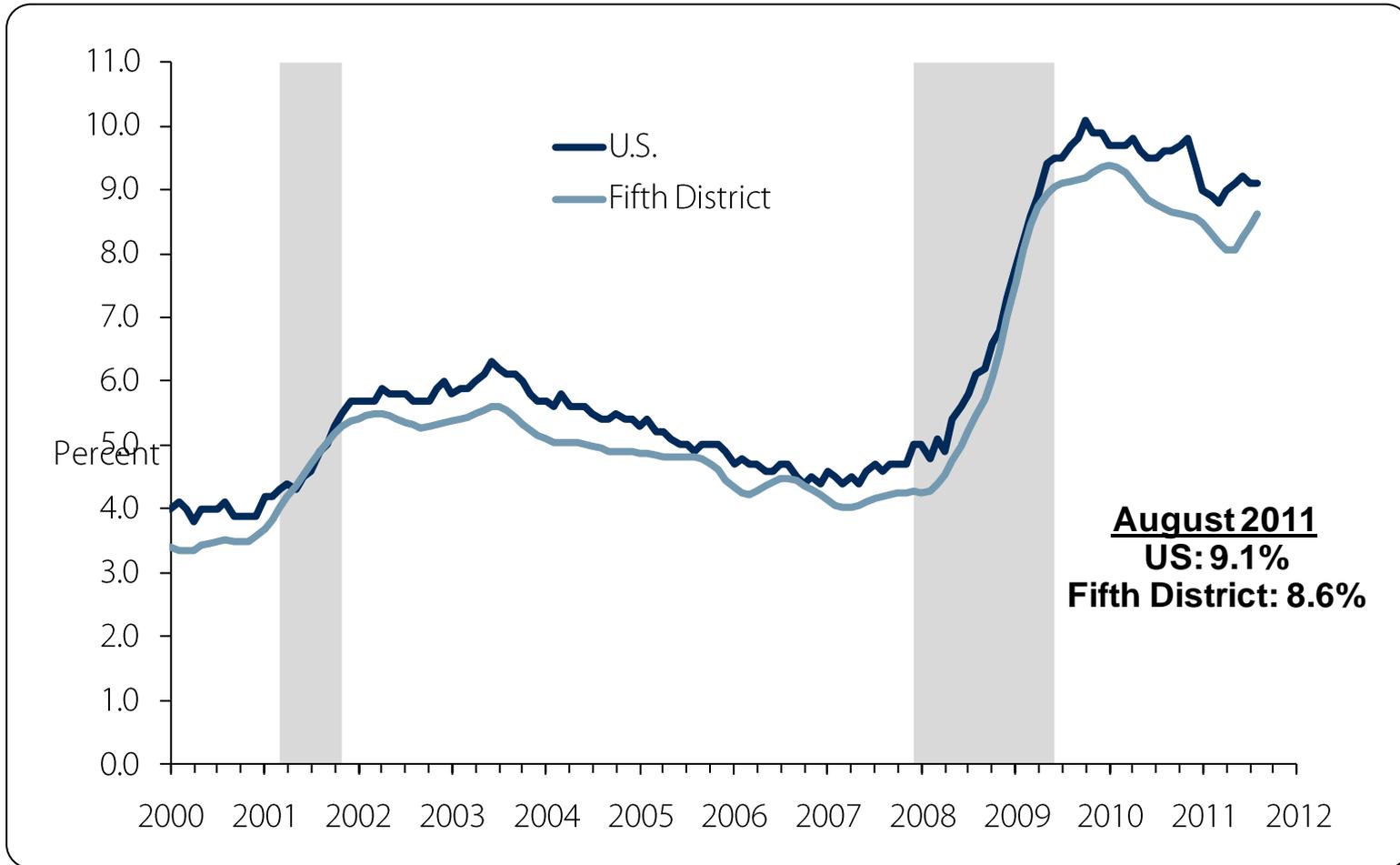
Source: Institute of Supply Managers

Consumer Confidence



Source: Conference Board/University of Michigan/Haver Analytics

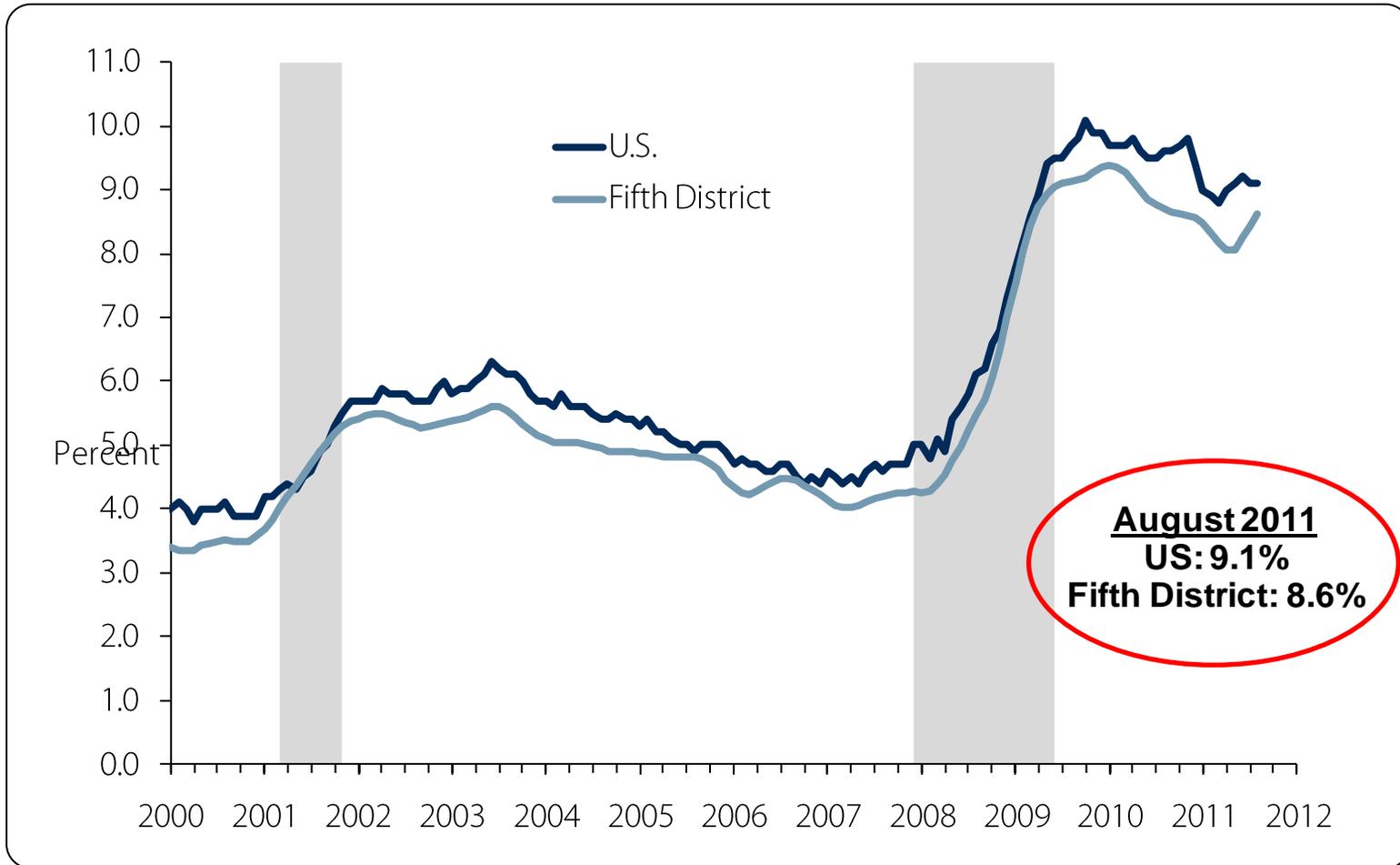
Unemployment Rate



Source: Bureau of Labor Statistics/Haver Analytics



Unemployment Rate



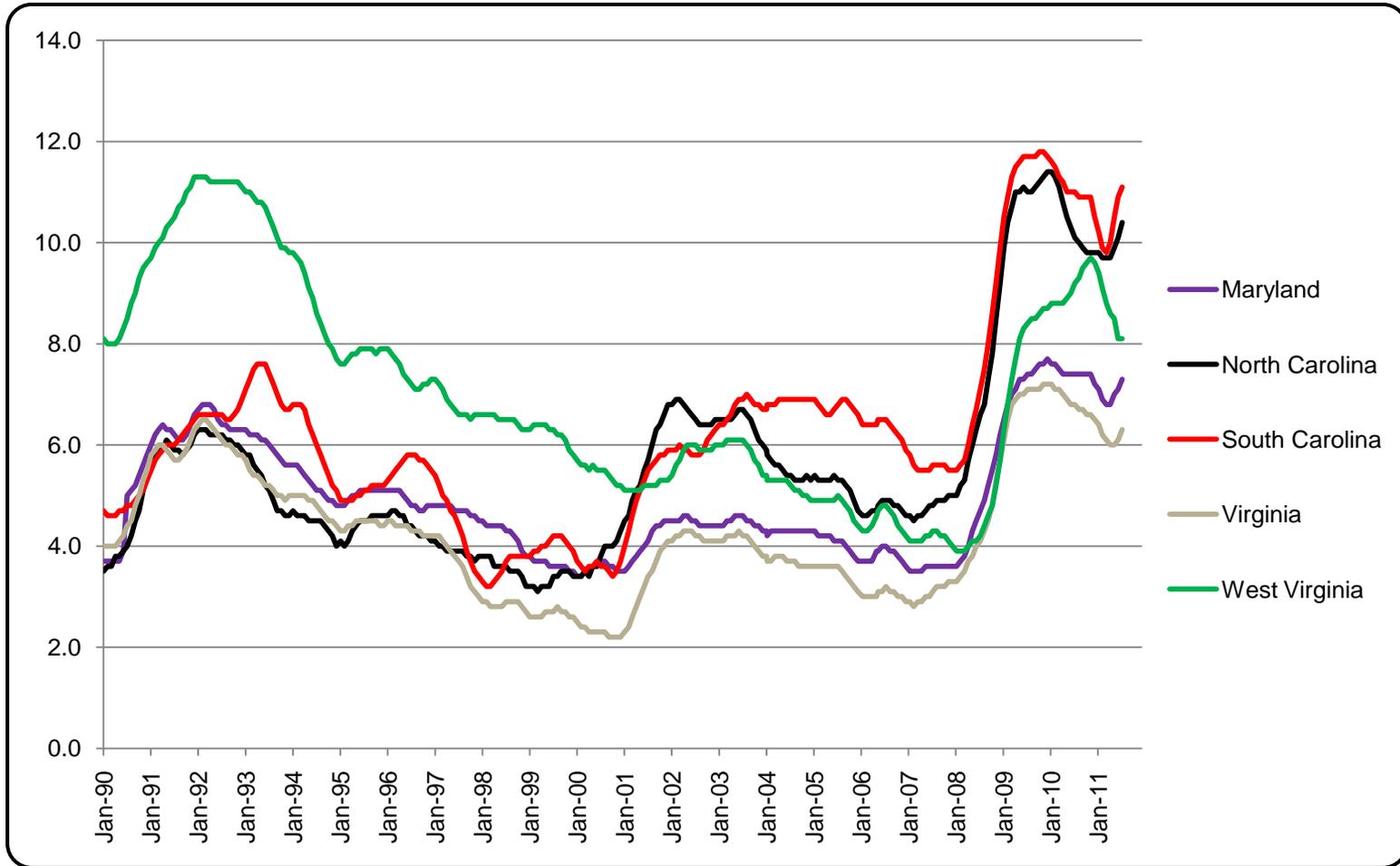
Source: Bureau of Labor Statistics/Haver Analytics



Regional Economic Trends



Unemployment Rate by State

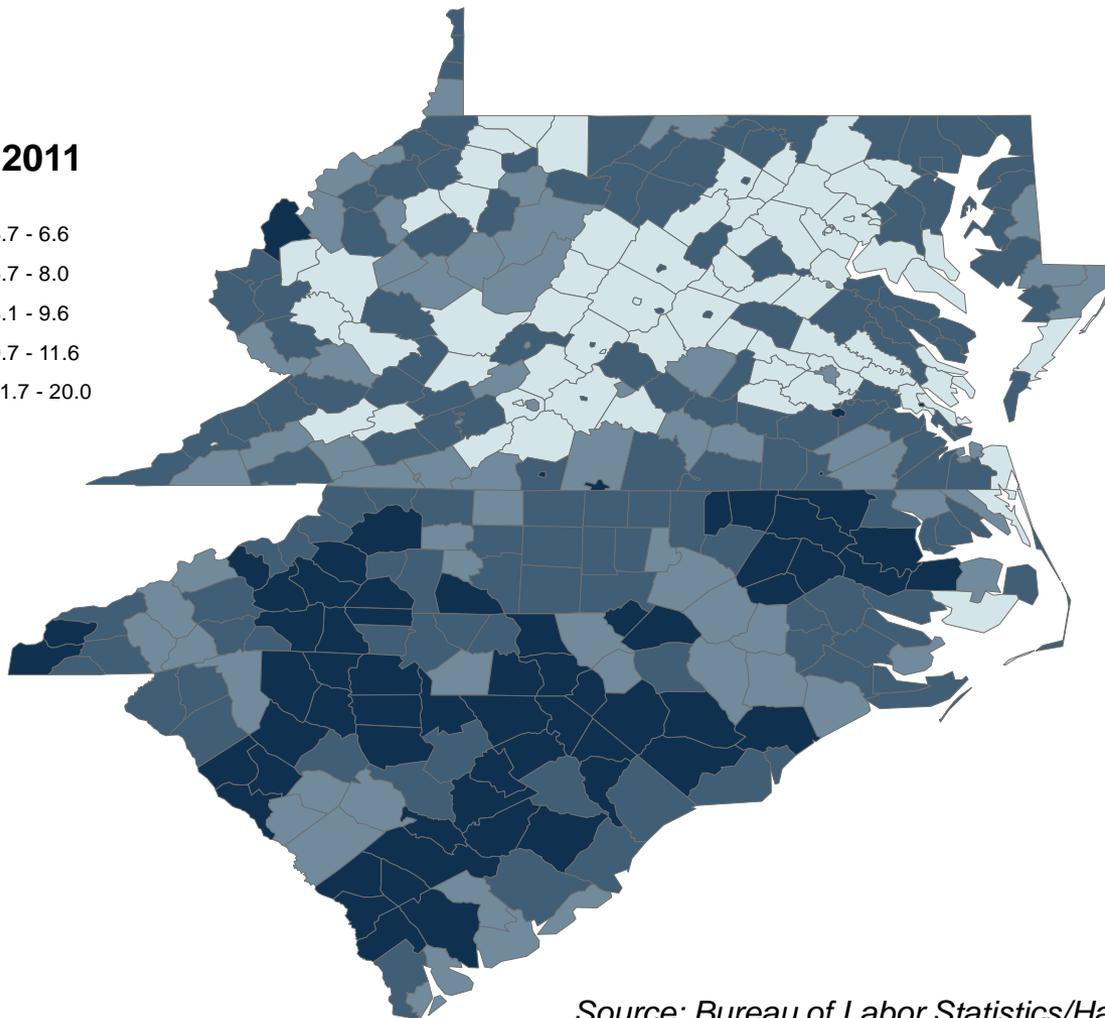
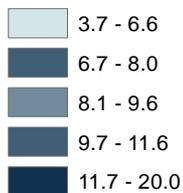


Source: Bureau of Labor Statistics/Haver Analytics



Unemployment Rate by County

July 2011

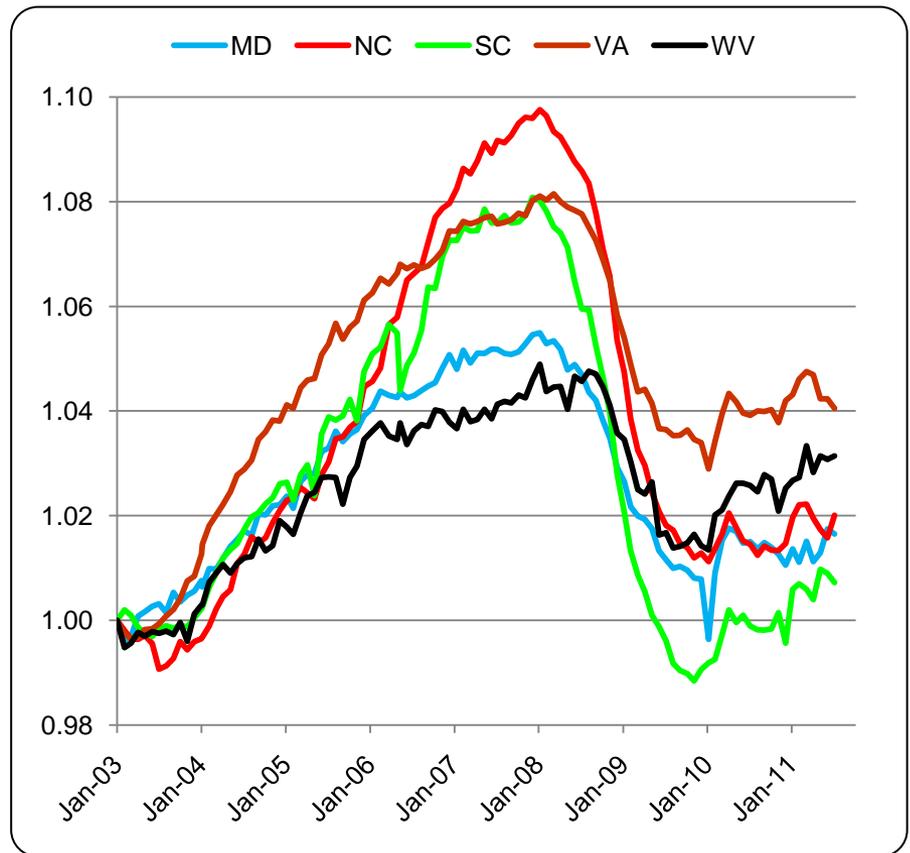
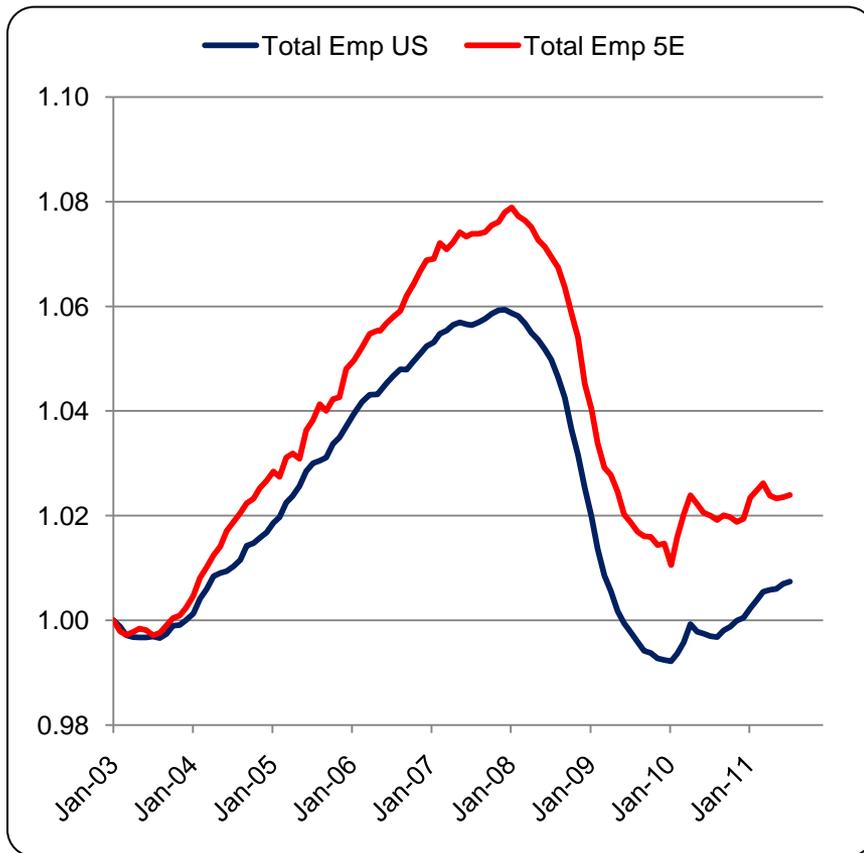


Source: Bureau of Labor Statistics/Haver Analytics





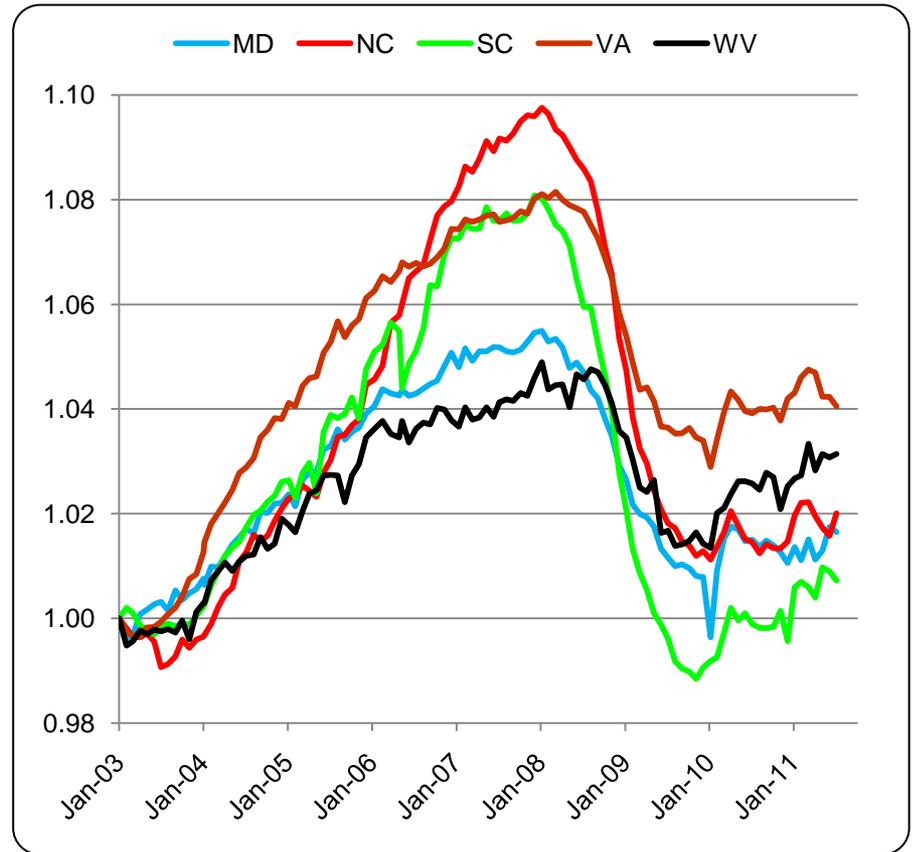
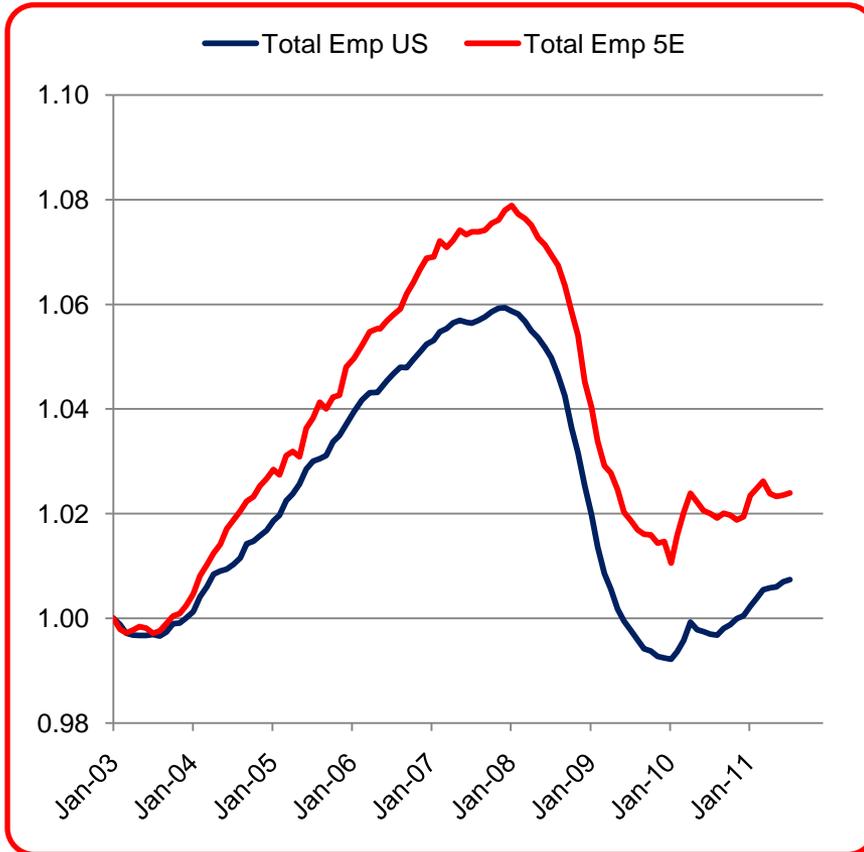
Total Employment Index Through August 2011 (January 2003 = 100)



Source: Bureau of Labor Statistics/Haver Analytics

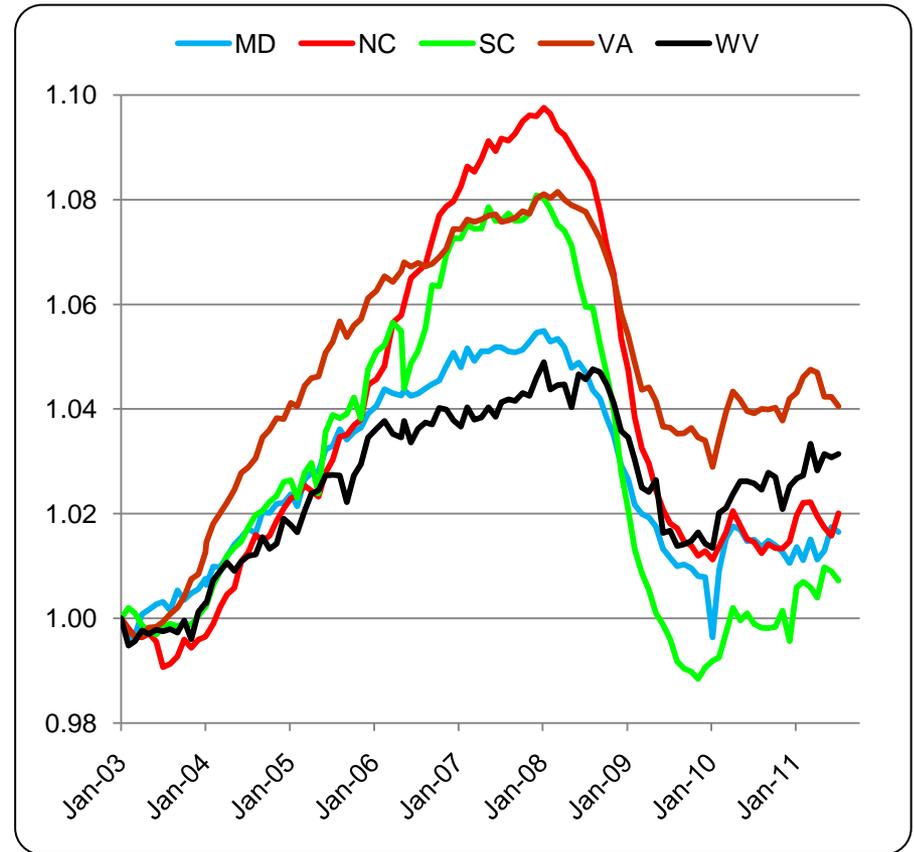
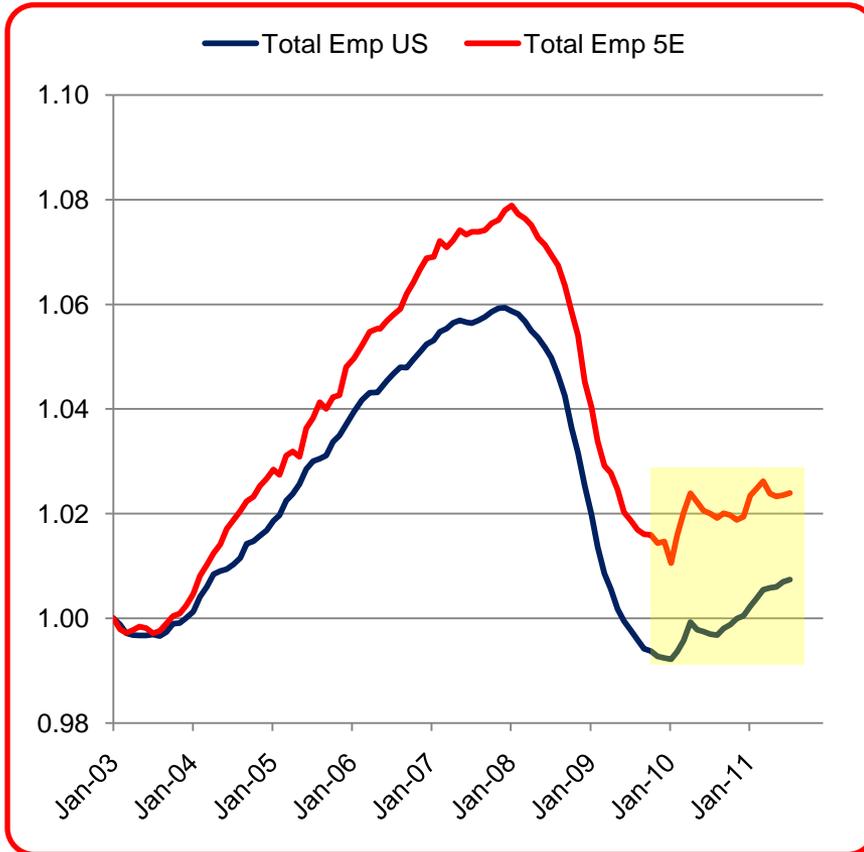


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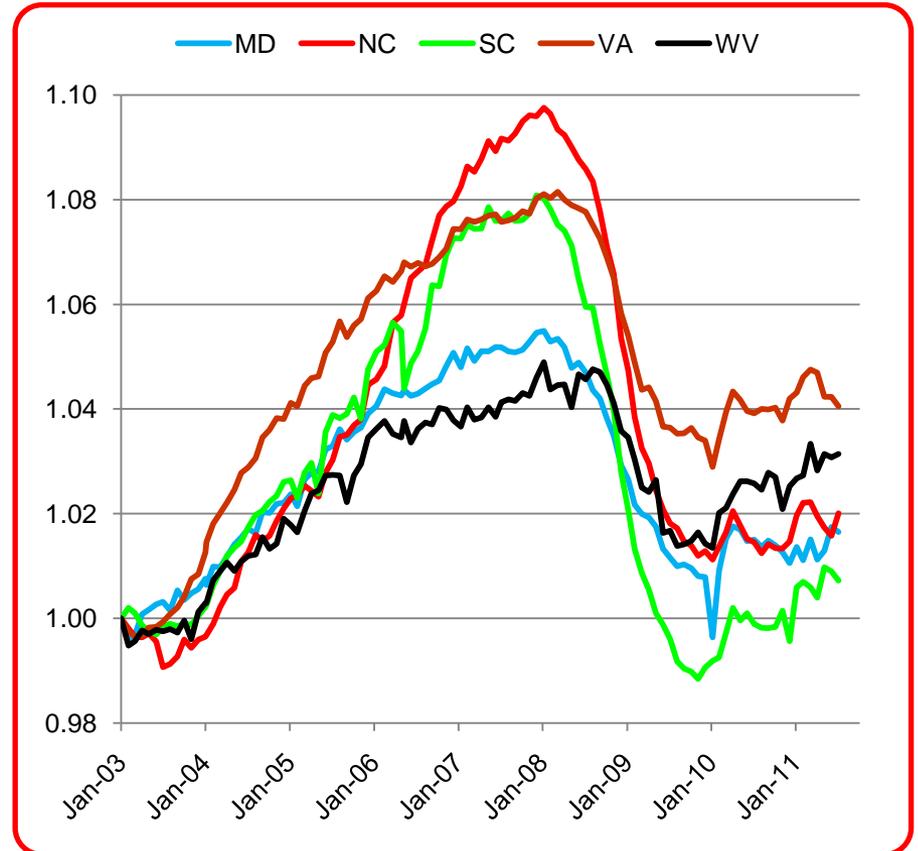
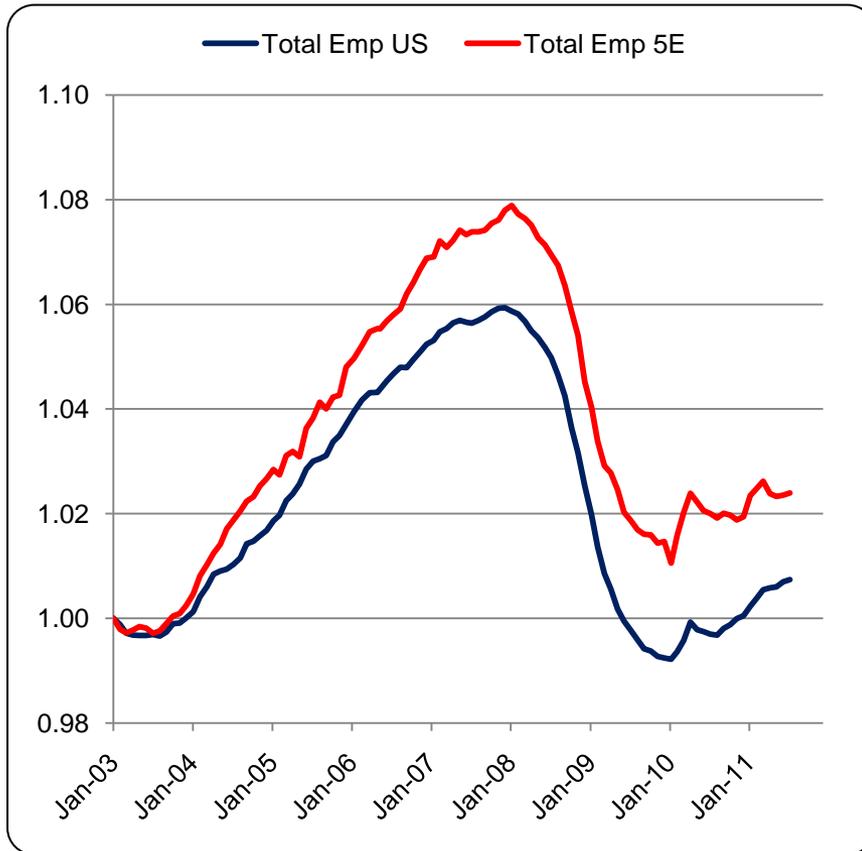
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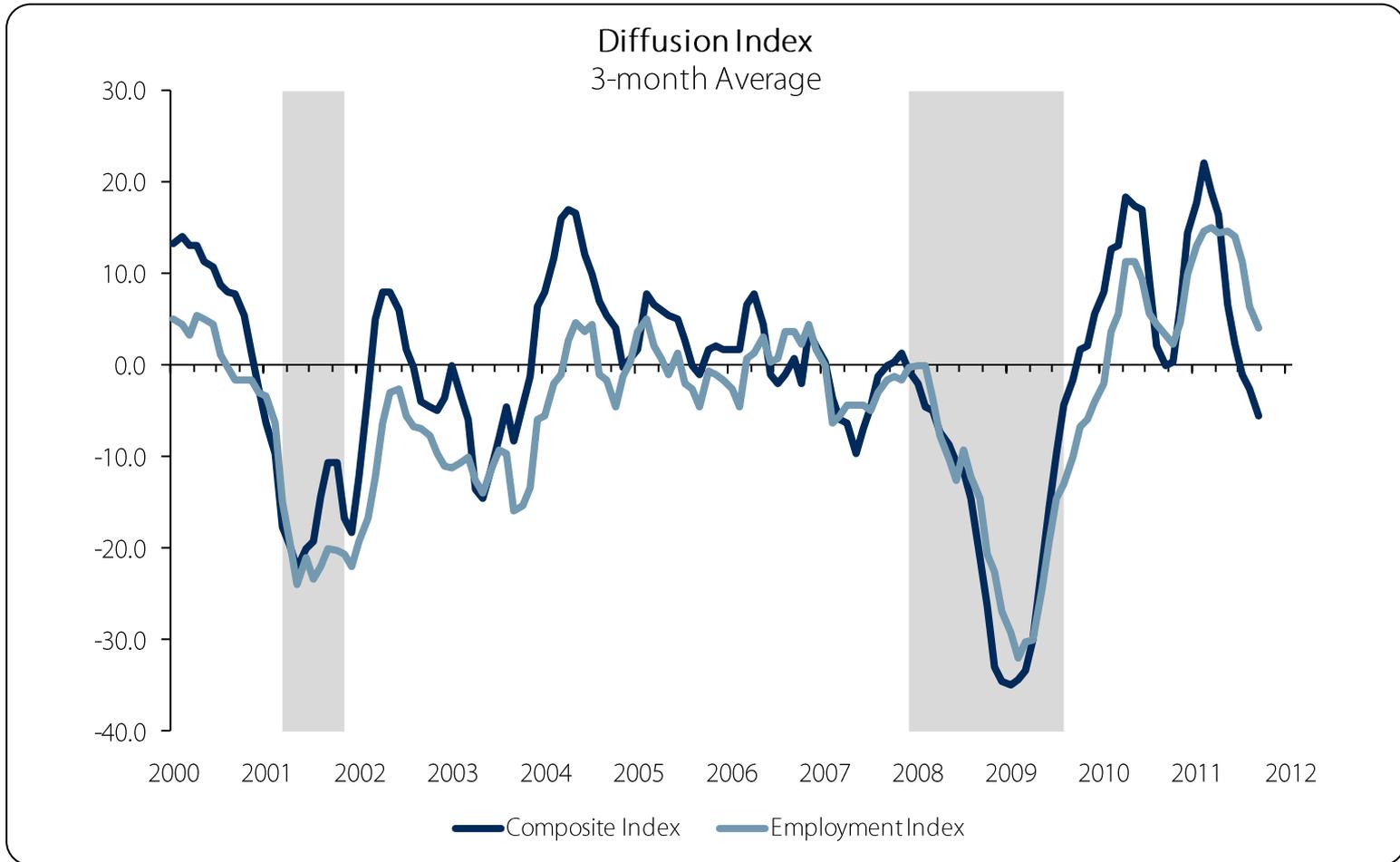
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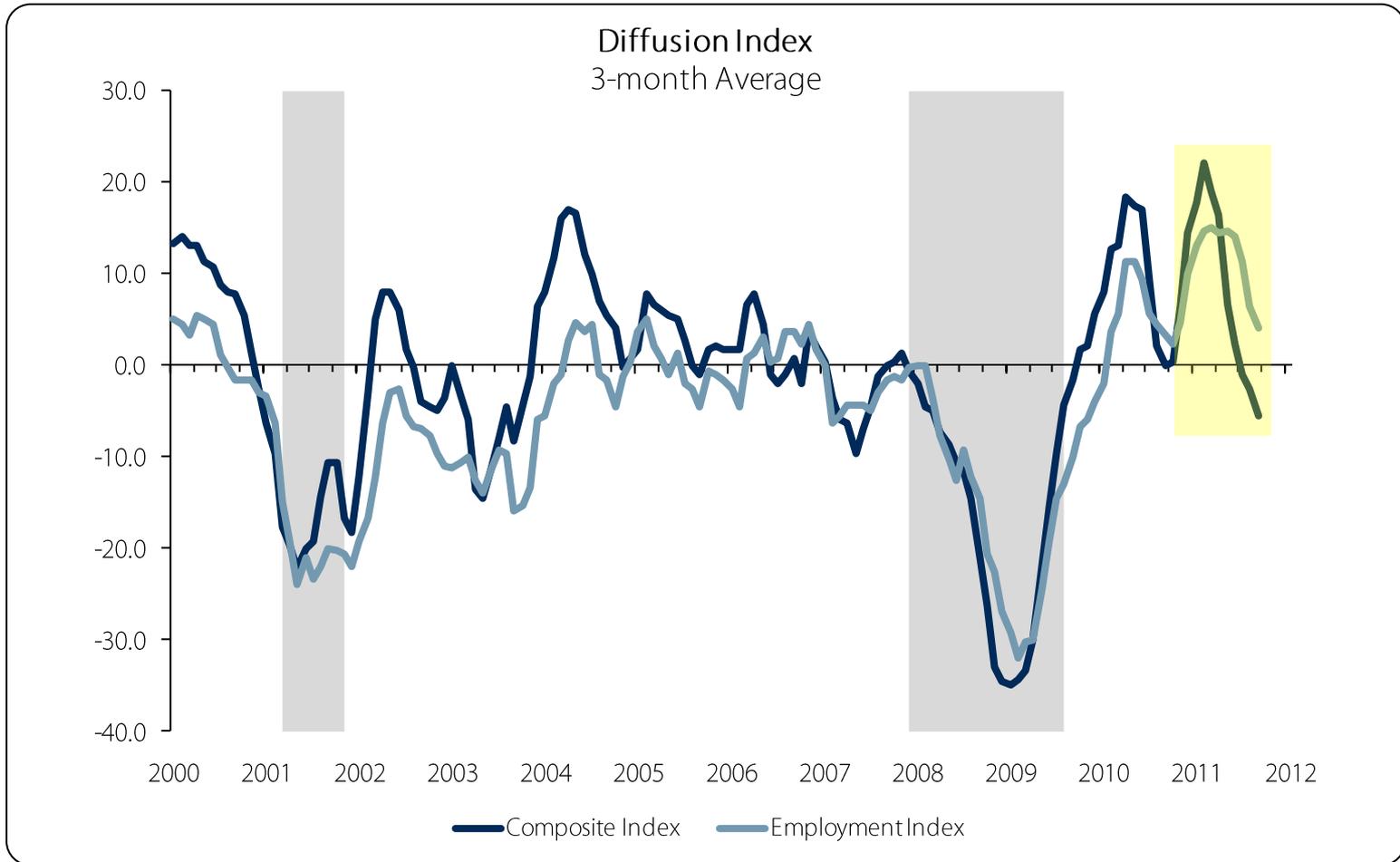
Fifth District Survey of Manufacturing Activity



Source: Federal Reserve Bank of Richmond



Fifth District Survey of Manufacturing Activity

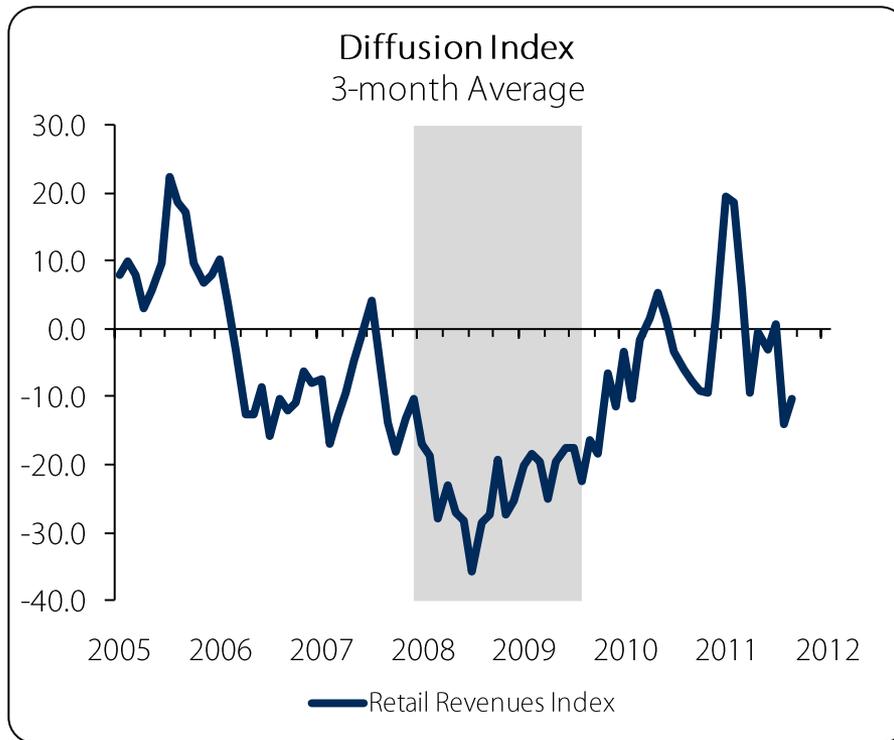


Source: Federal Reserve Bank of Richmond

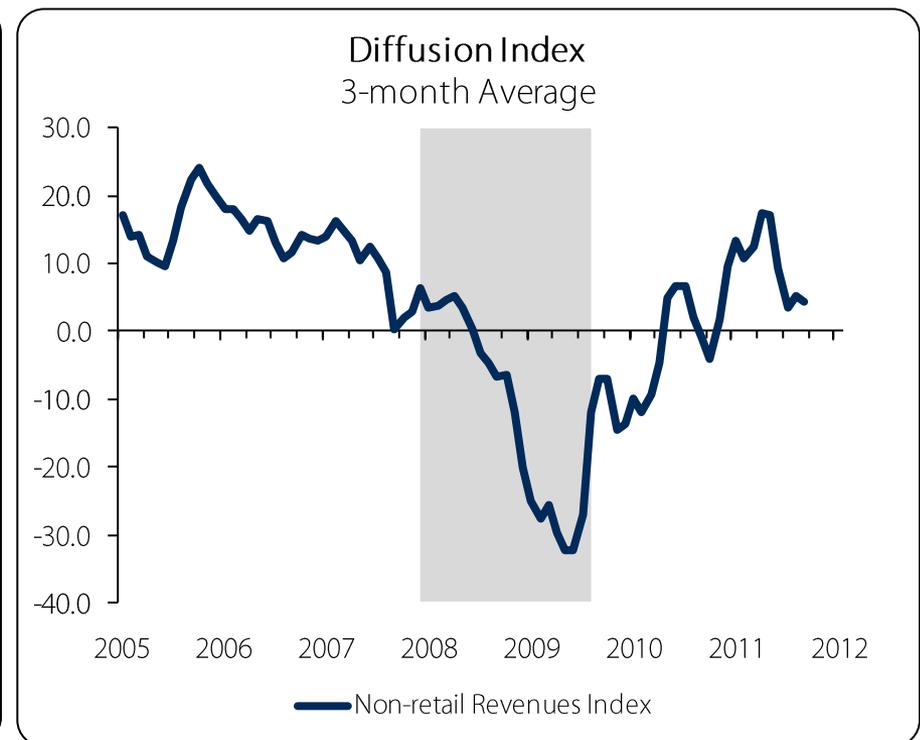


Fifth District Survey of Service Sector Activity

Retail



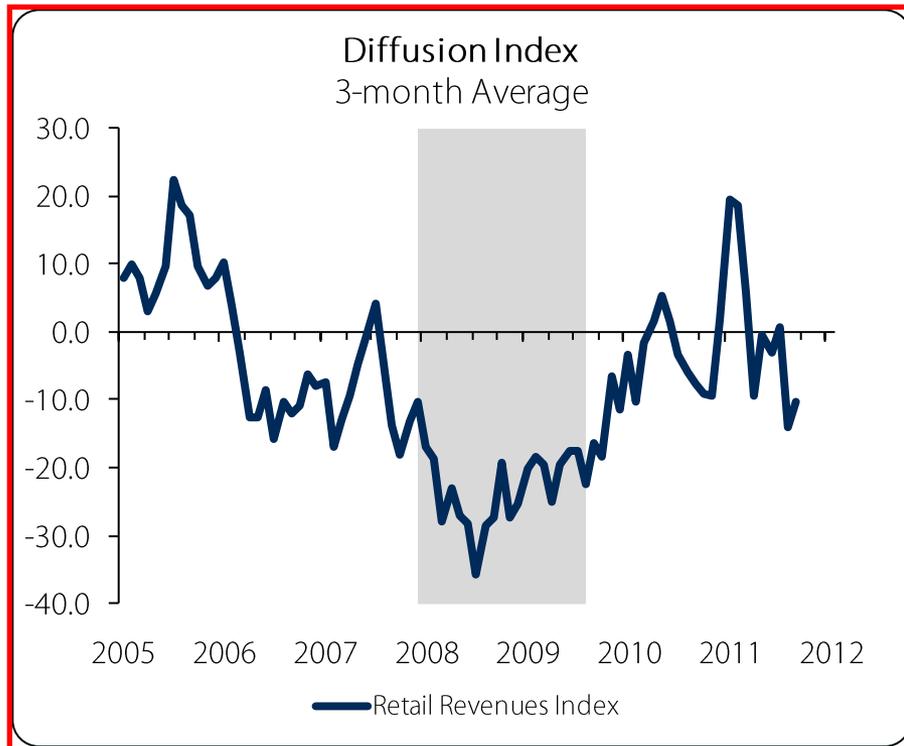
Non-Retail



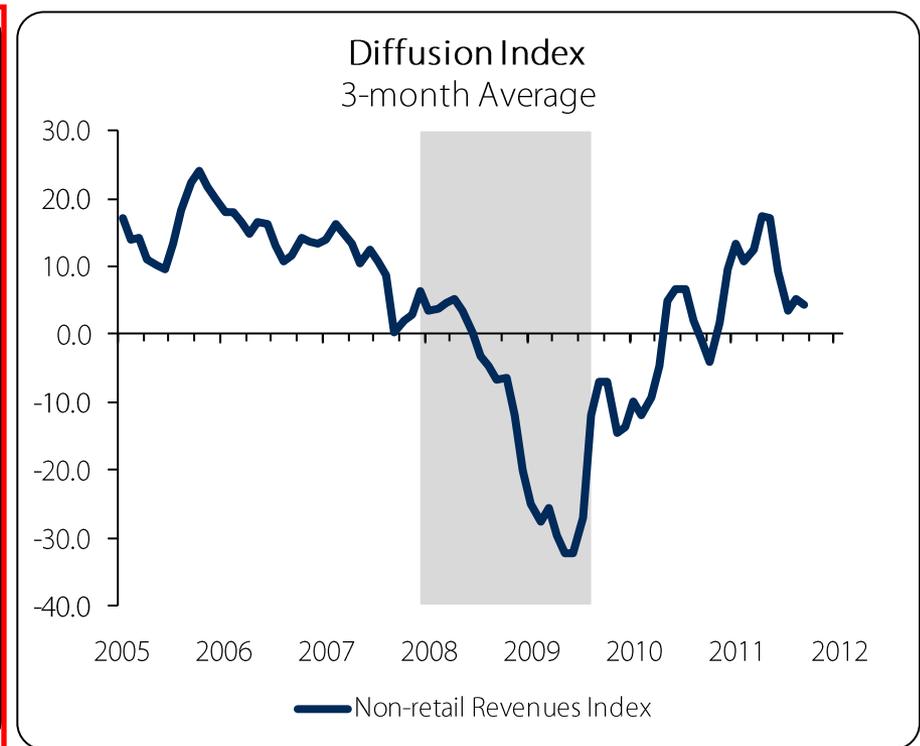
Source: Federal Reserve Bank of Richmond

Fifth District Survey of Service Sector Activity

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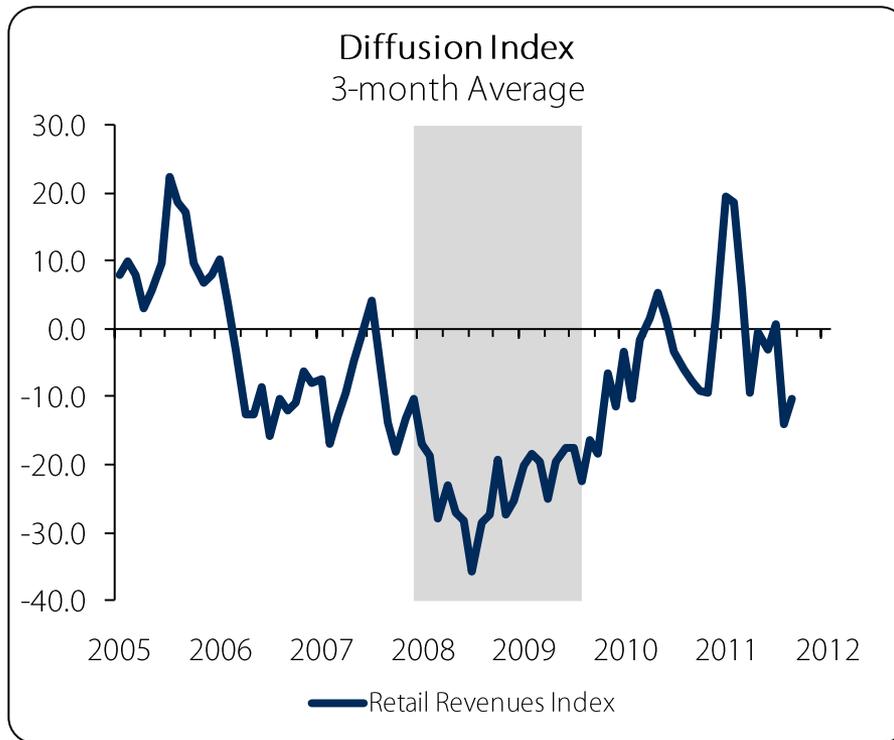
Non-Retail



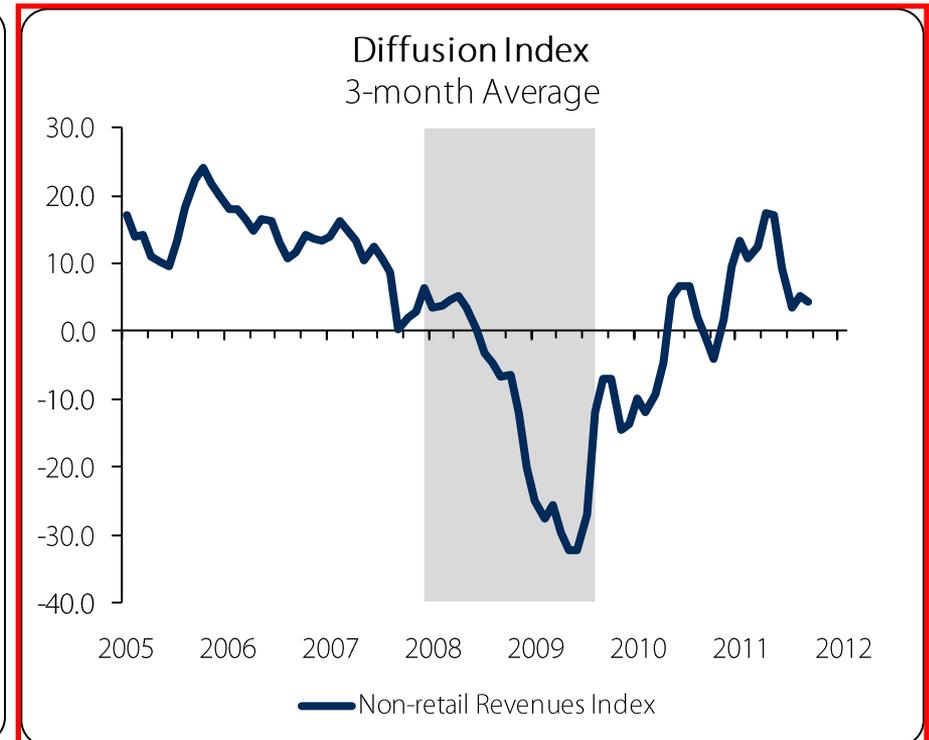
Source: Federal Reserve Bank of Richmond

Fifth District Survey of Service Sector Activity

Retail

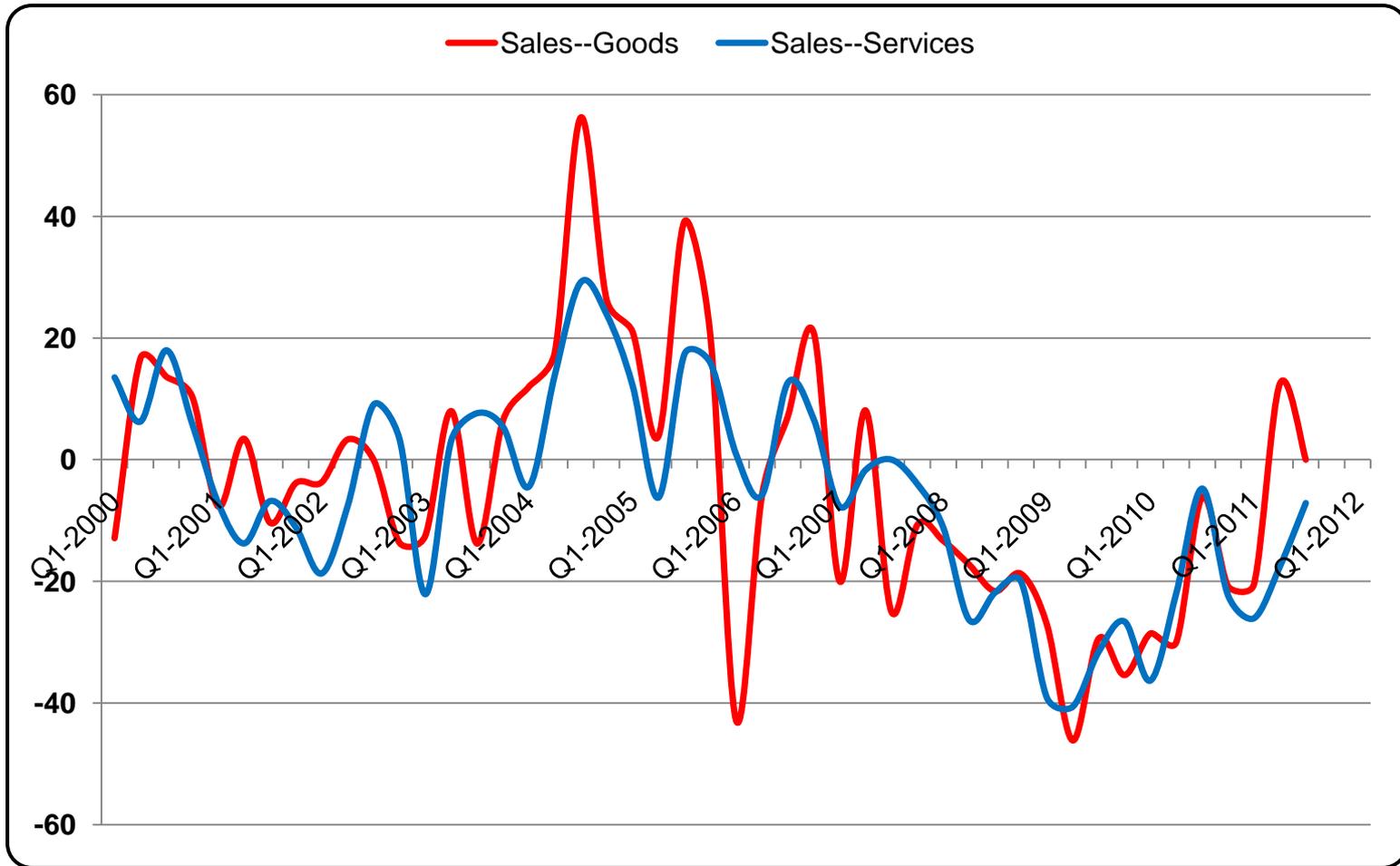


Non-Retail



Source: Federal Reserve Bank of Richmond

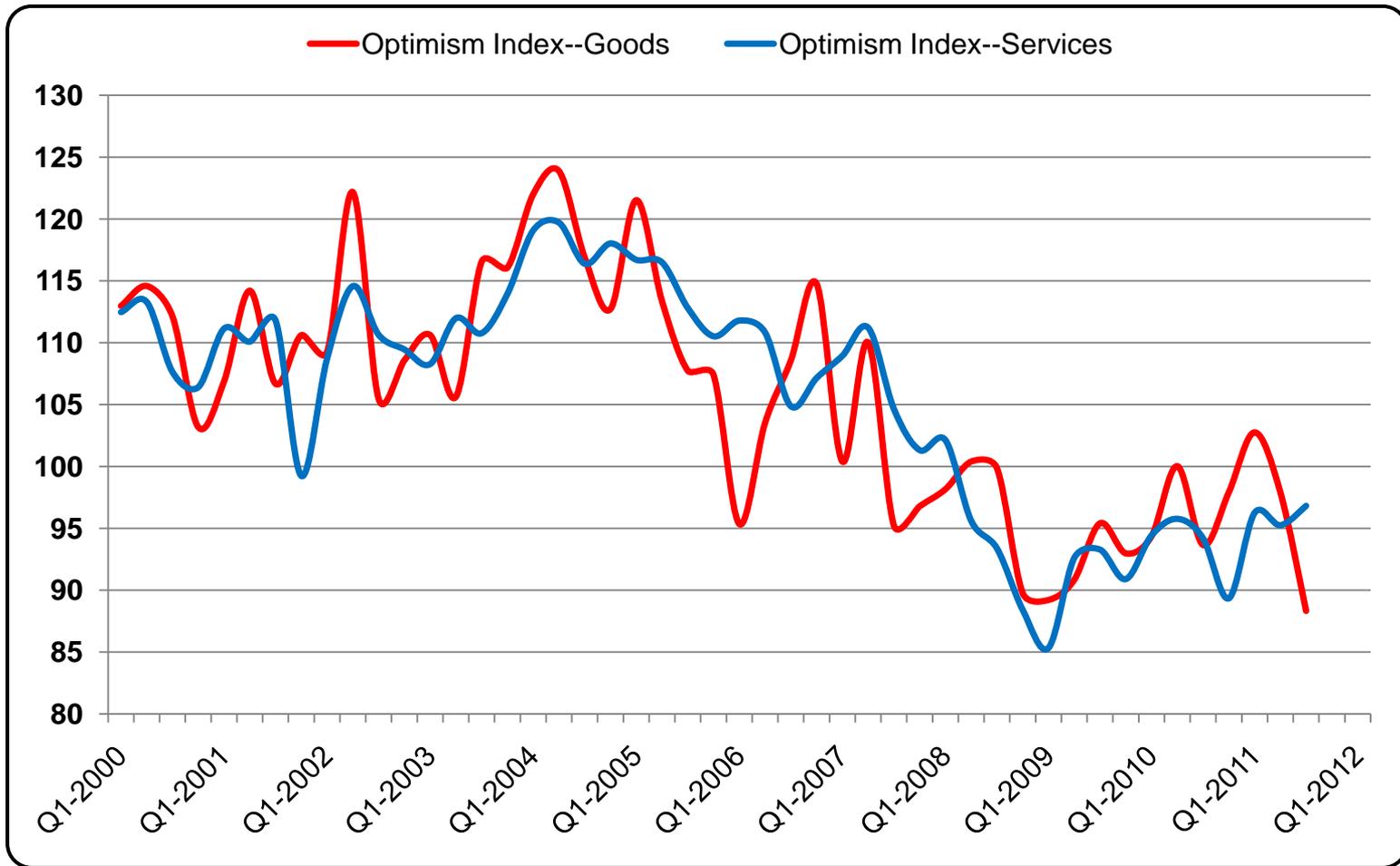
Small Business in the Fifth District - Sales



Source: National Federation of Independent Business/Federal Reserve Bank of Richmond



Small Business in the Fifth District - Optimism



Source: National Federation of Independent Business/Federal Reserve Bank of Richmond



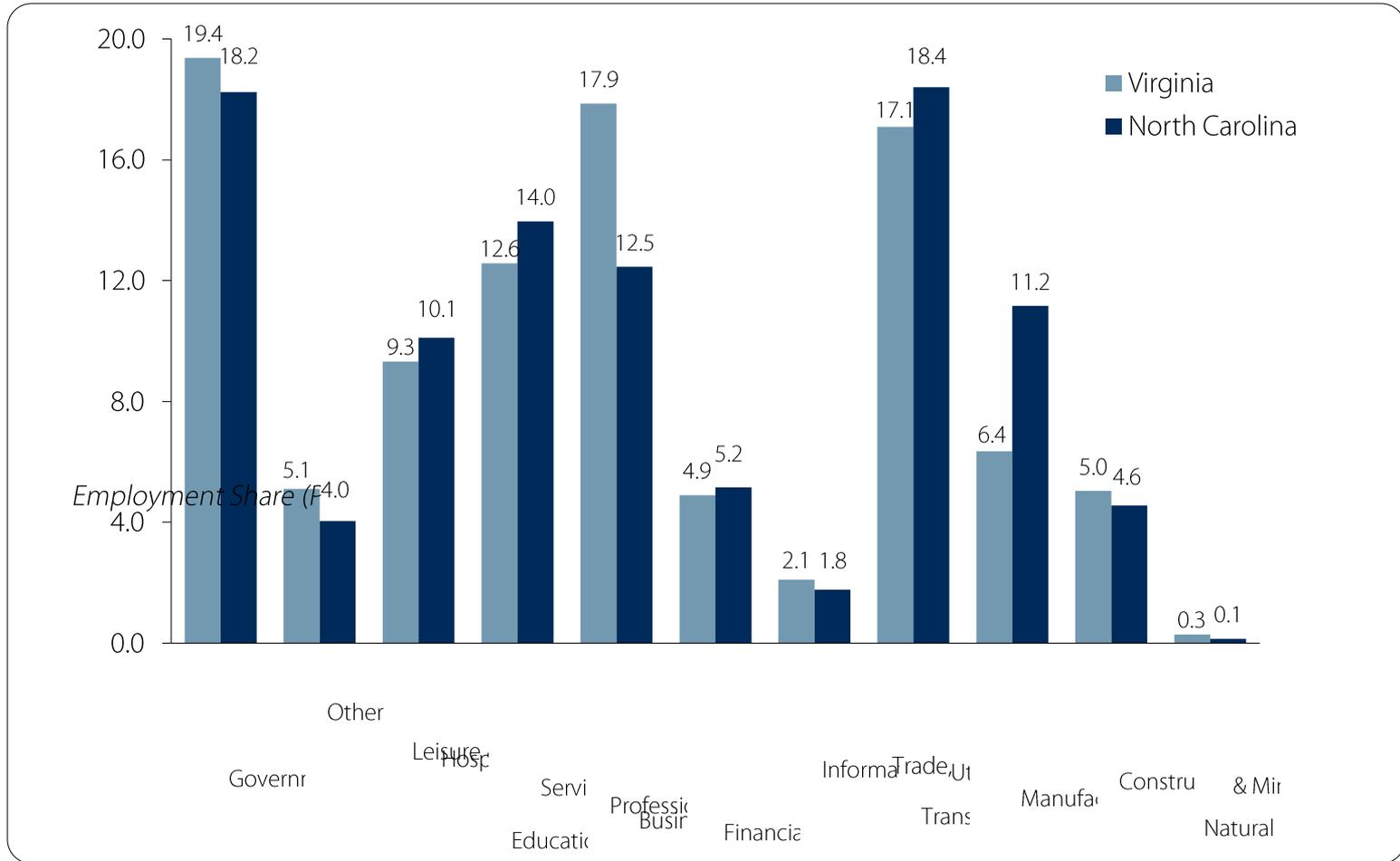
Small Business in the Fifth District - Hiring Plans



Source: National Federation of Independent Business/Federal Reserve Bank of Richmond

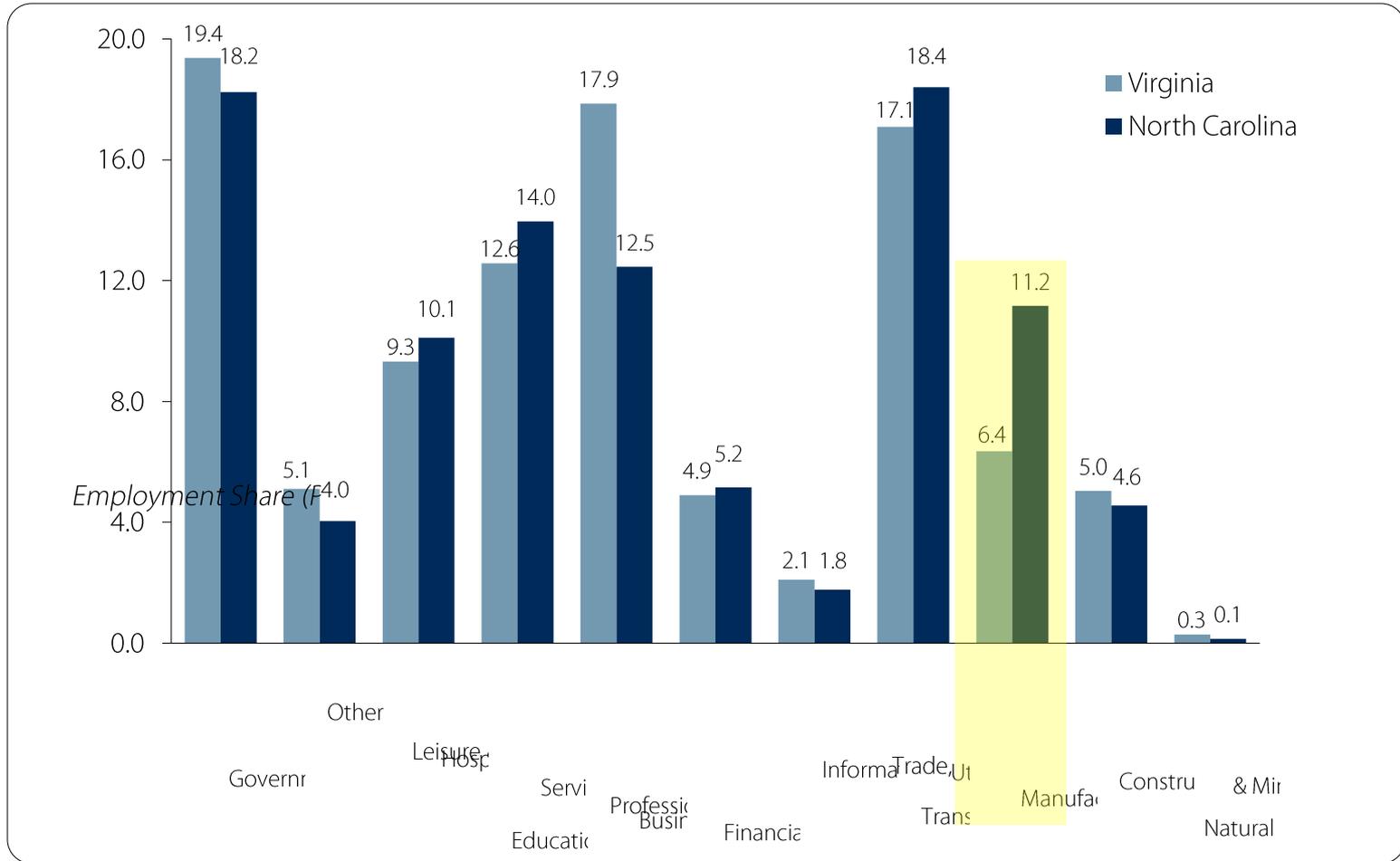


Industrial Structure in VA vs. NC (2010)



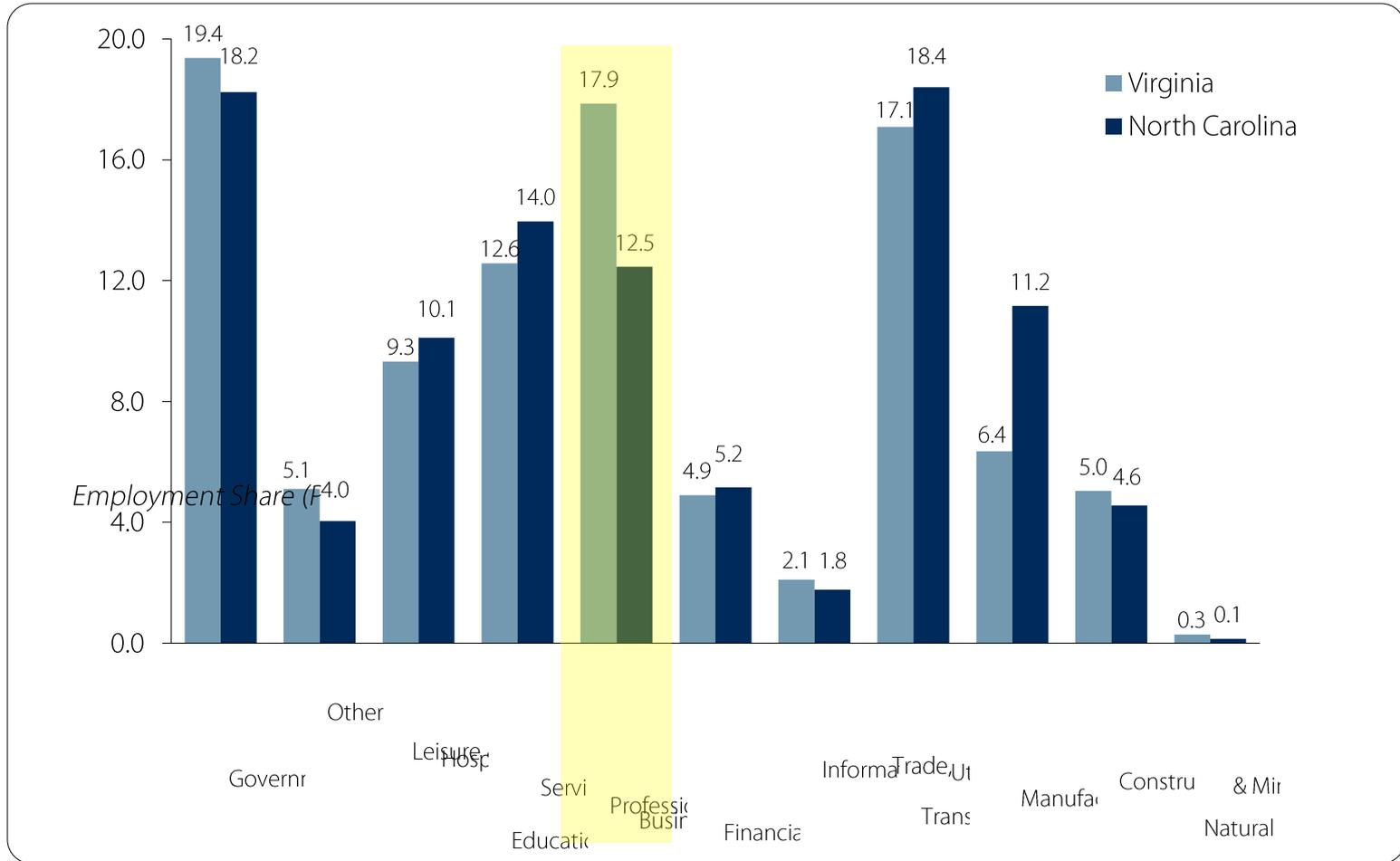
Source: Bureau of Labor Statistics/Haver Analytics

Industrial Structure in VA vs. NC (2010)



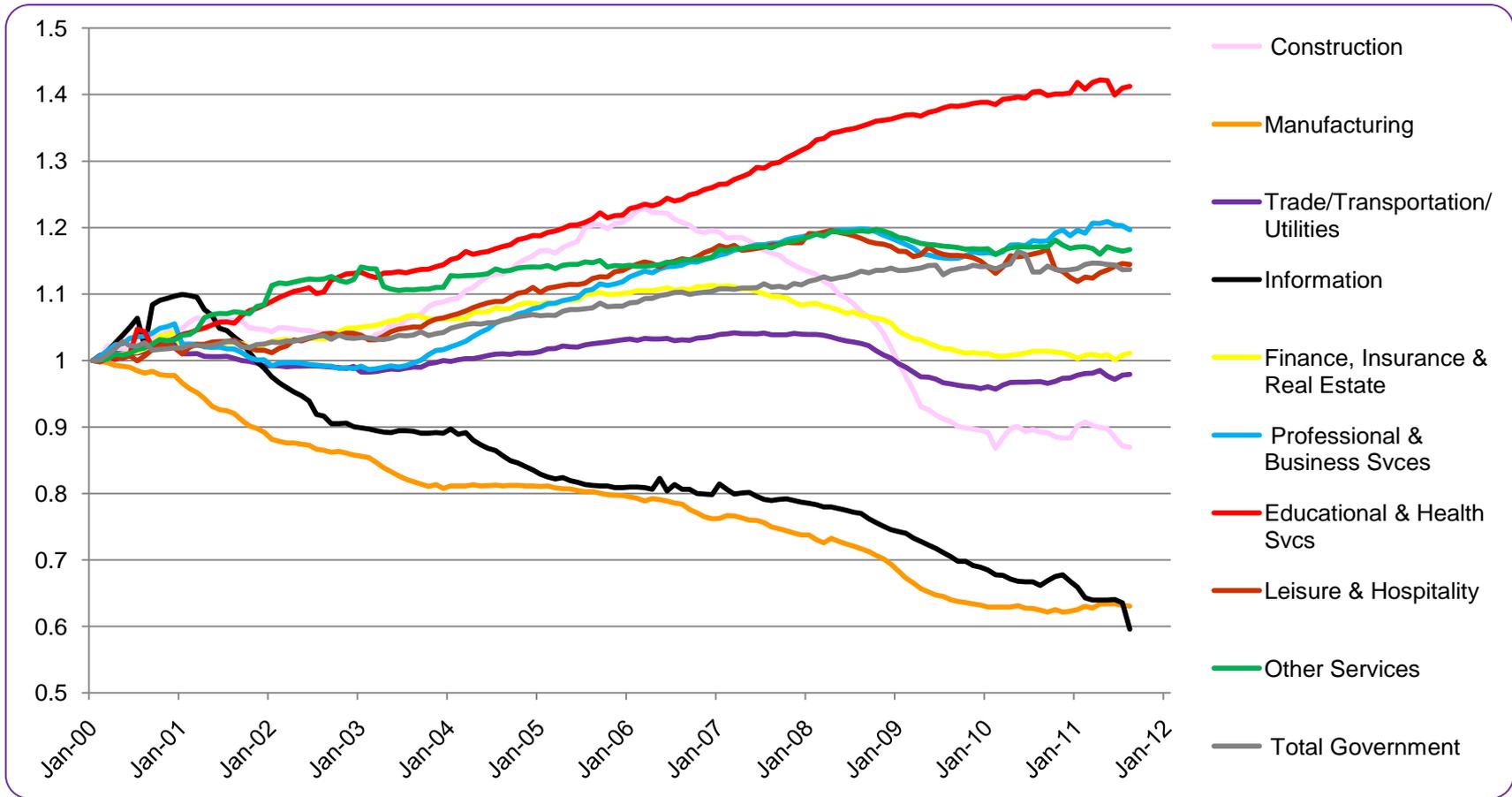
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Industrial Structure in VA vs. NC (2010)



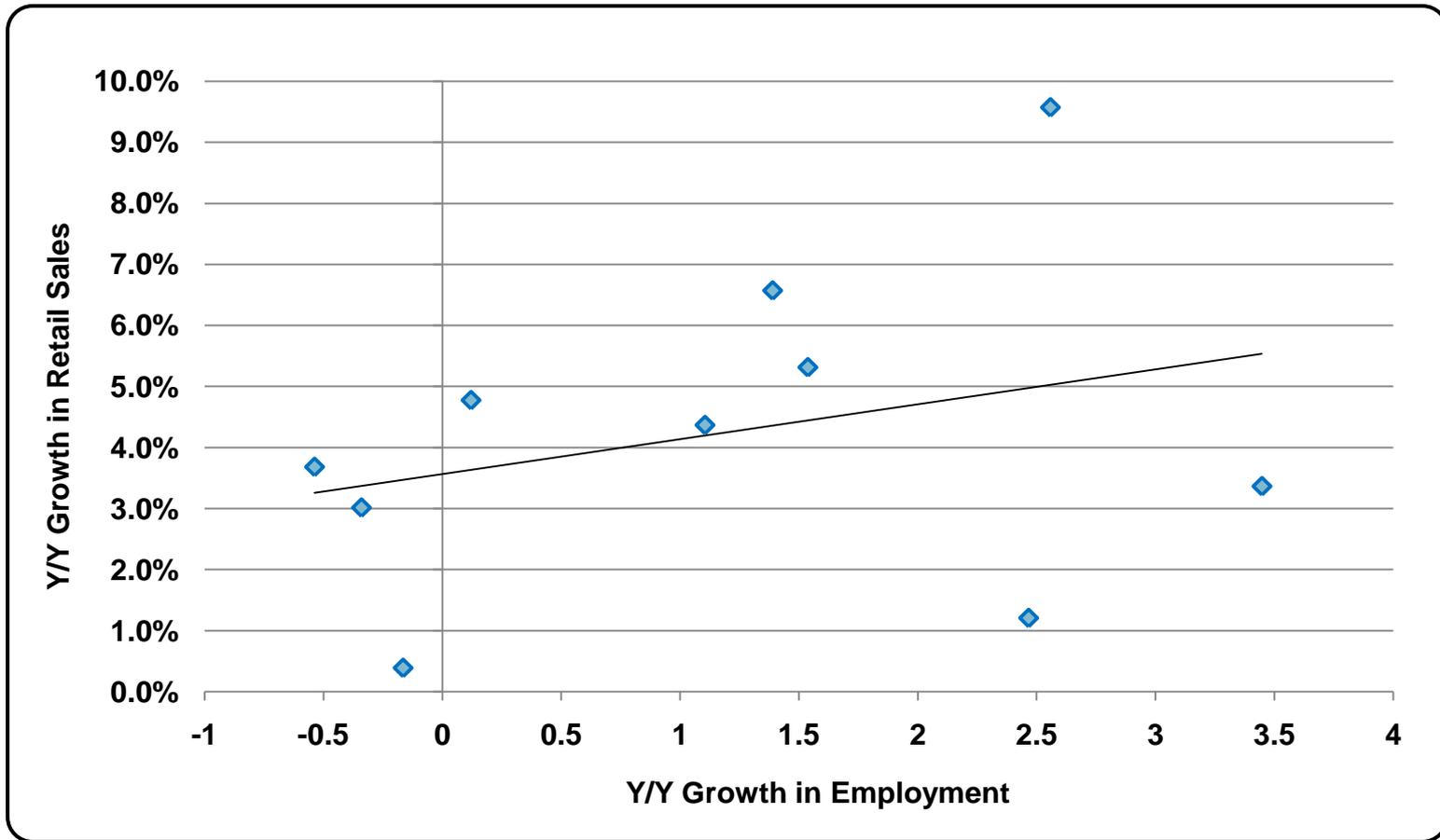
Source: Bureau of Labor Statistics/Haver Analytics

Employment Trends in Virginia Industries (January 2000 = 1.0)



Source: Bureau of Labor Statistics/Haver Analytics

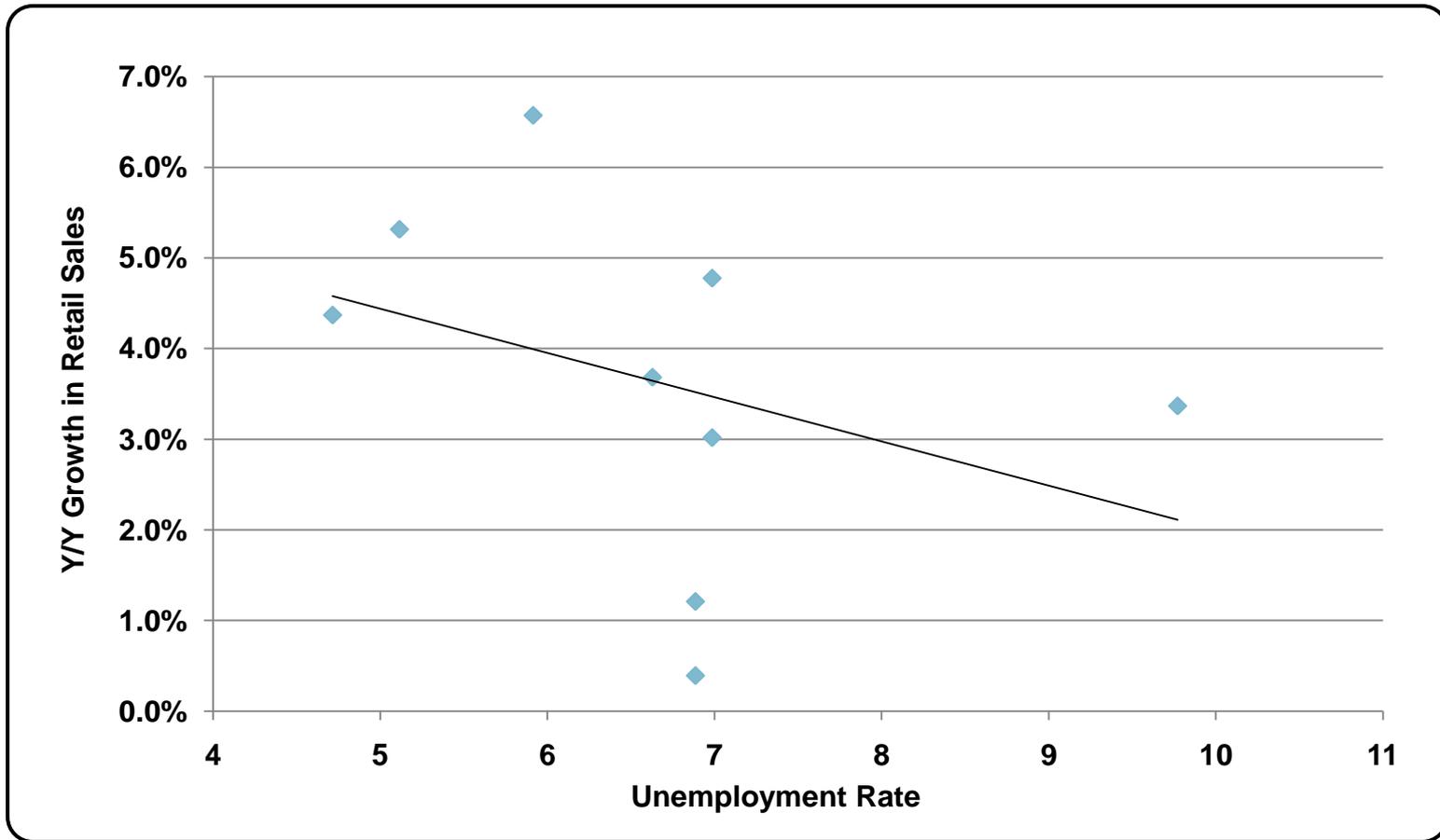
Retail Sales vs. Employment Growth by MSA in Virginia (2011 YTD)



Source: VA Department of Taxation/Weldon Cooper Center, Bureau of Labor Statistics/Haver Analytics



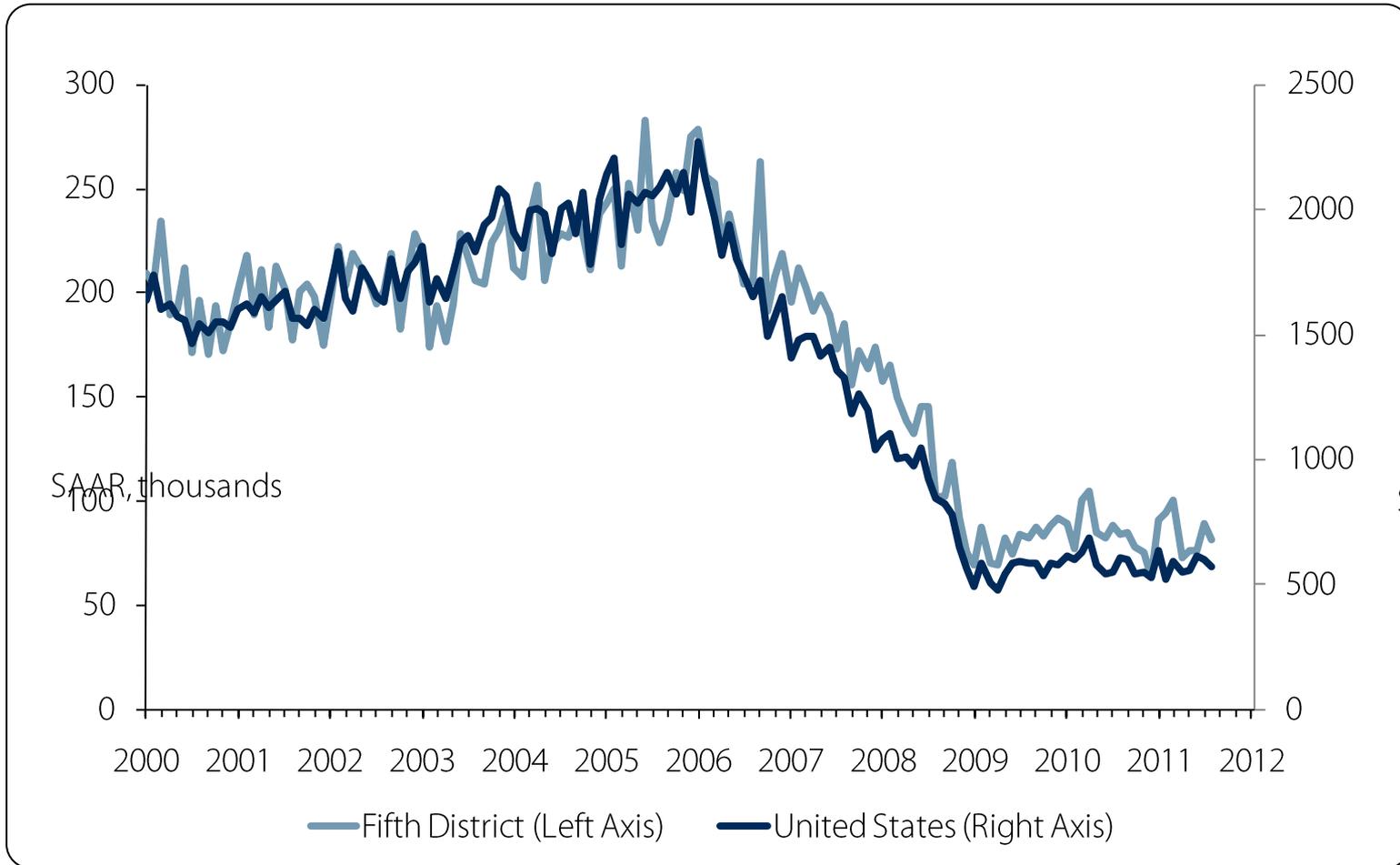
Retail Sales vs. Unemployment Rates by MSA in Virginia (2011 YTD)



Source: VA Department of Taxation/Weldon Cooper Center, Bureau of Labor Statistics/Haver Analytics

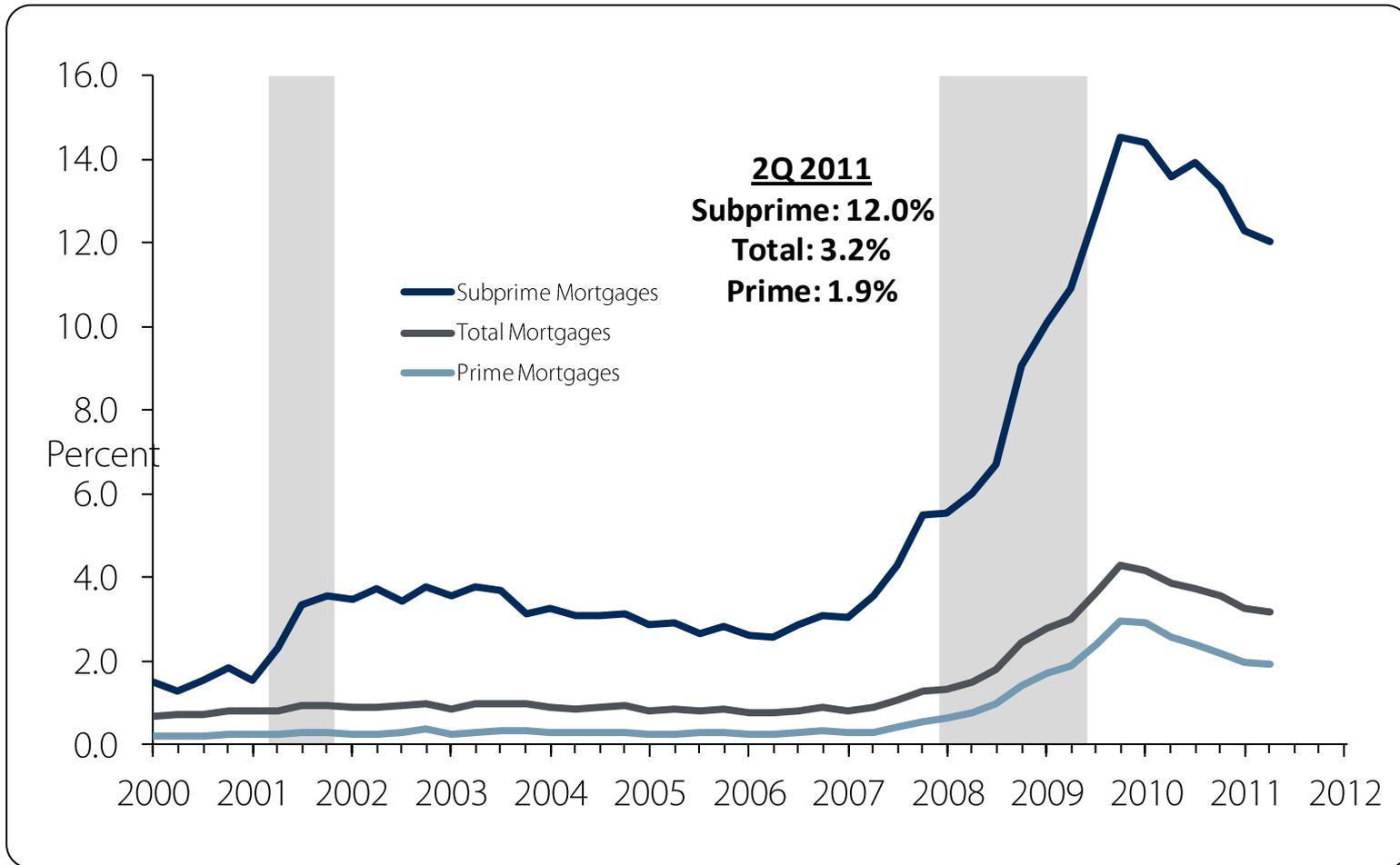


Housing Starts



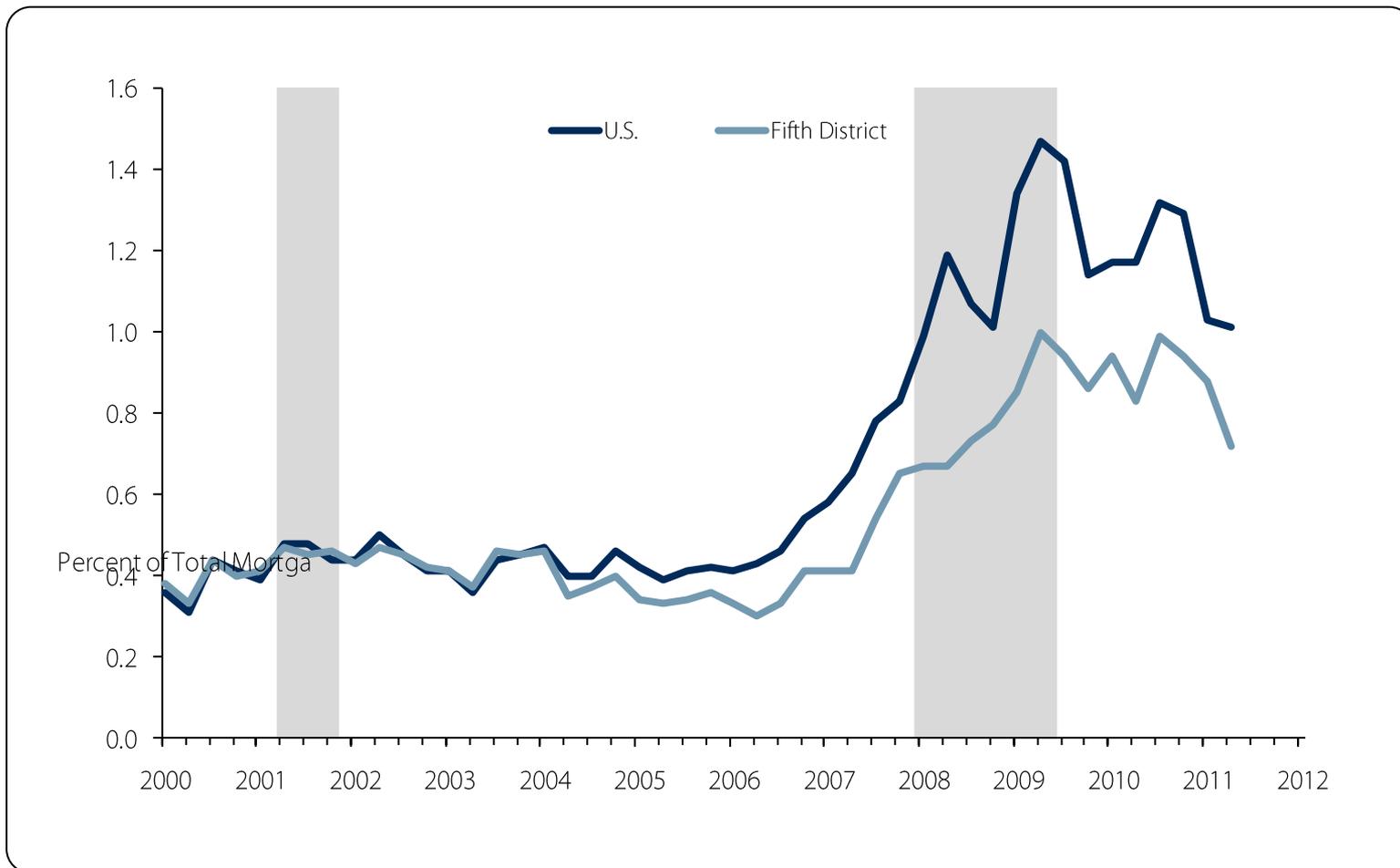
Source: Bureau of the Census/Haver Analytics

Mortgage Delinquency Rate (90+ days delinquent)



Source: Mortgage Bankers Association/Haver Analytics

Foreclosures Started



Source: Mortgage Bankers Association/Haver Analytics



Conclusions

- National Economic Recovery
 - Rising uncertainty is dampening the recovery
 - Still some upward momentum





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 - Mixed, but roughly keeping pace with the nation
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- National Economic Recovery
 - Rising uncertainty is dampening the recovery
 - Still some upward momentum
- Regional Economic Recovery
 - Mixed, but roughly keeping pace with the nation
 - Small businesses continue to struggle
- Regional Labor Market
 - Recovery will be slow
 - Spillover effects on housing and retail sales activity persist



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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