

FIFTH DISTRICT

October Summary

Recent economic conditions in the Fifth Federal Reserve District were mixed across sectors and states. On the whole, labor markets remained weak, housing activity was mixed, and business conditions improved modestly.

Labor Markets: Fifth District payroll employment contracted 0.2 percent (29,400 jobs) in August for a second straight month of decline. The losses were widespread, with only a few sectors expanding payrolls. Over the year, employment in the District expanded 0.7 percent (99,900 jobs)—the weakest year-over-year growth since September 2010. Meanwhile, the household unemployment rate edged up 0.1 percentage point to 8.0 percent for a third straight monthly increase, remaining only slightly below the U.S. unemployment rate of 8.1 percent.

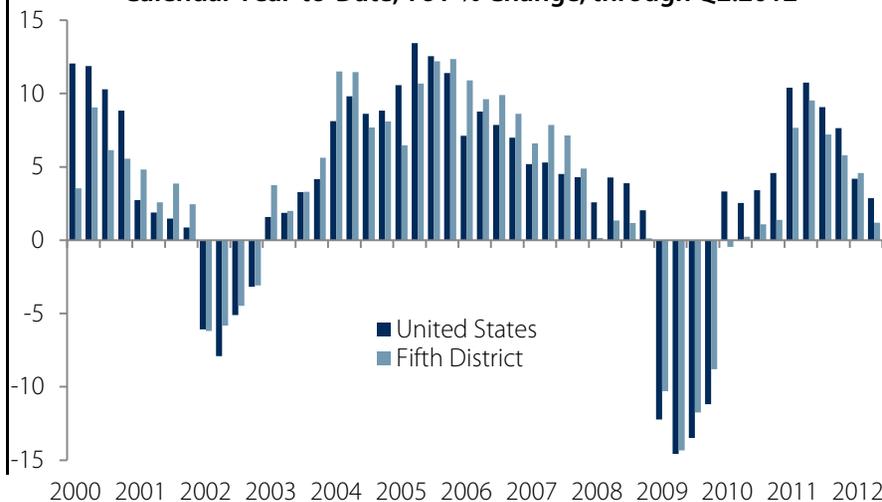
Business Conditions: Conditions for Fifth District businesses generally improved in September, according to our most recent surveys. The composite index for manufacturing moved above the zero mark in September after spending three months in negative territory. Two of its three component indexes—shipments and new orders—improved notably, with new orders turning positive after being negative for four months. The third component index, employment, remained slightly below zero. Meanwhile, reports from the service sector also indicated improved, albeit still somewhat sluggish, conditions. The index for services firm revenues moved back up to positive territory and the retail revenues index remained at slightly above zero. The index for employment in the overall service sector declined a bit, but remained close to zero. Our survey measure of prices indicated little change in price growth from August, although growth in raw materials prices accelerated slightly and growth in finished goods prices, services firm prices, and retail prices slowed a bit.

Housing Markets: The number of residential permits issued in the Fifth District was down 7.1 percent in August, although new permit levels were 14.4 percent above the levels in August 2011. District housing starts were also down 11.5 percent in August, though they too rose in the year (7.6 percent). Meanwhile, the Fifth District marked a sixth straight month of house price growth. According to CoreLogic Information Solutions, home values in the District as a whole appreciated 1.3 percent in July and 3.4 percent since July 2011, with every Fifth District state and the District of Columbia posting monthly and year-over-year house price growth.

A Closer Look at... State Tax Collections

- State Tax Collections in Q2-2012:** \$21,767,651
- Year-to-Date State Tax Collections in Q2-2012:** \$38,300,499,000
- Change from Q2-2011:** 1.2 percent (\$449,722,000)
- State Tax Collections in 2011:** \$73,969,567,000
- Change from 2010:** 5.8 percent (\$4,055,880,000)
- Largest Year-over-Year (Year-to-Date) Increase:** 12.3 percent in Q4:2005
- Largest Year-over-Year (Year-to-Date) Decrease:** -14.3 percent in Q2:2009
- Largest Sources of Tax Collections (2011):**
 - Individual Income Tax--43.5 percent
 - General Sales Tax--24.6 percent
 - Motor Fuels Sales Tax--5.7 percent

Fifth District State Tax Collections
Calendar Year-to-Date, YoY % Change, through Q2:2012



SNAPSHOT

A MONTHLY UPDATE OF THE FIFTH DISTRICT ECONOMY

October 2012

FEDERAL RESERVE BANK OF RICHMOND

FIFTH DISTRICT

Labor Market Conditions

Payroll Employment (SA)	Period	Level (000s)	MoM % Change	YoY % Change
United States - Total	August	133,300.0	0.07	1.37
Fifth District - Total	August	13,558.4	-0.22	0.74
Logging, Mining, and Construction	August	662.8	-0.94	-1.87
Manufacturing	August	1,045.6	-0.48	-0.10
Trade, Transportation, and Utilities	August	2,327.3	-0.23	0.64
Information	August	239.1	0.17	2.88
Financial Activities	August	685.9	-0.15	1.00
Professional and Business Services	August	2,039.1	-0.26	1.43
Education and Health Services	August	1,928.5	-0.15	2.11
Leisure and Hospitality	August	1,336.5	-0.55	0.74
Other Services	August	656.4	0.47	1.00
Government	August	2,637.2	0.02	0.01

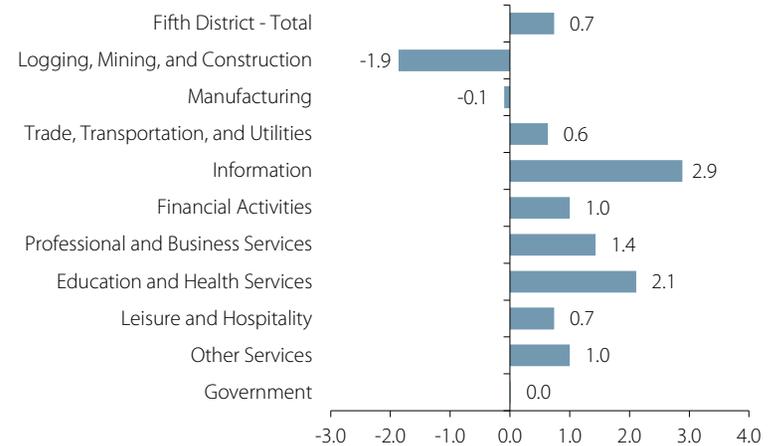
Unemployment Rate (SA)	August 12	July 12	August 11
United States	8.1	8.3	9.1
Fifth District	8.0	7.9	8.6

Civilian Labor Force (SA)	Period	Level (000s)	MoM % Change	YoY % Change
United States	August	154,645	-0.24	0.63
Fifth District	August	15,325	-0.22	-0.07

Initial Unemployment Claims (NSA)	Period	Level	MoM % Change	YoY % Change
United States	August	1,368,004	-18.97	-14.08
Fifth District	August	128,338	-16.84	-8.36

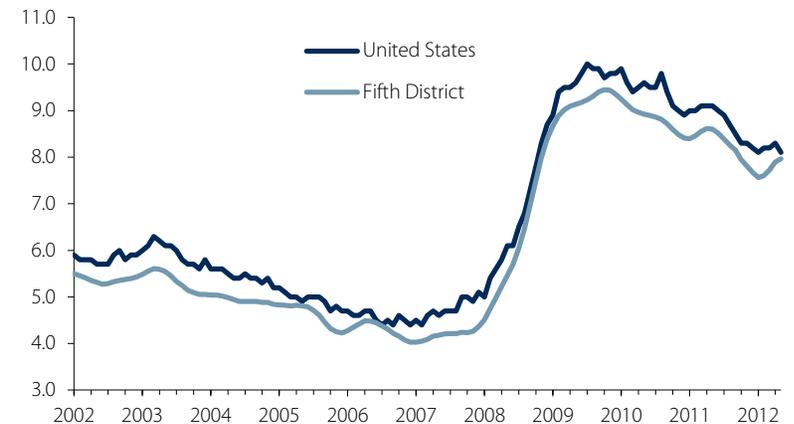
Fifth District Payroll Employment Performance

Year-over-Year Percent Change through August 2012



Fifth District Unemployment Rate

Through August 2012



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Business Conditions

Manufacturing Survey (SA)	September 12	August 12	September 11
Composite Index	4	-9	-2
Shipments	9	1	2
New Orders	7	-20	-10
Number of Employees	-5	-5	5
Expected Shipments - Six Months	20	17	27
Raw Materials Prices (SAAR)	1.42	1.32	3.24
Finished Goods Prices (SAAR)	0.44	0.51	1.79

Service Sector Survey (SA)	September 12	August 12	September 11
Service Sector Employment	-2	4	-2
Services Firms Revenues	12	-6	1
Retail Revenues	3	3	-7
Big-Ticket Sales	-3	-16	-35
Expected Retail Demand - Six Months	5	1	-20
Services Firm Prices	0.99	1.02	0.68
Retail Prices	1.29	1.70	1.68

District Imports	Period	Level (\$mil)	MoM % Change	YoY % Change
Baltimore, Maryland	July	2,816.85	10.3	8.5
Wilmington, North Carolina	July	707.37	1.4	-2.5
Charleston, South Carolina	July	3,389.45	3.8	7.6
Norfolk, Virginia	July	3,137.11	6.7	14.4

District Exports	Period	Level (\$mil)	MoM % Change	YoY % Change
Baltimore, Maryland	July	1,586.58	-22.9	-0.8
Wilmington, North Carolina	July	462.36	-20.8	9.4
Charleston, South Carolina	July	1,616.79	-20.7	-2.9
Norfolk, Virginia	July	2,090.79	-5.2	8.9

Composite Manufacturing Index
3-Month Moving Average through September 2012



Norfolk Port District Exports
Year-over-Year Percent Change through July 2012



SNAPSHOT

A MONTHLY UPDATE OF THE FIFTH DISTRICT ECONOMY

October 2012

FEDERAL RESERVE BANK OF RICHMOND

FIFTH DISTRICT

Household Conditions

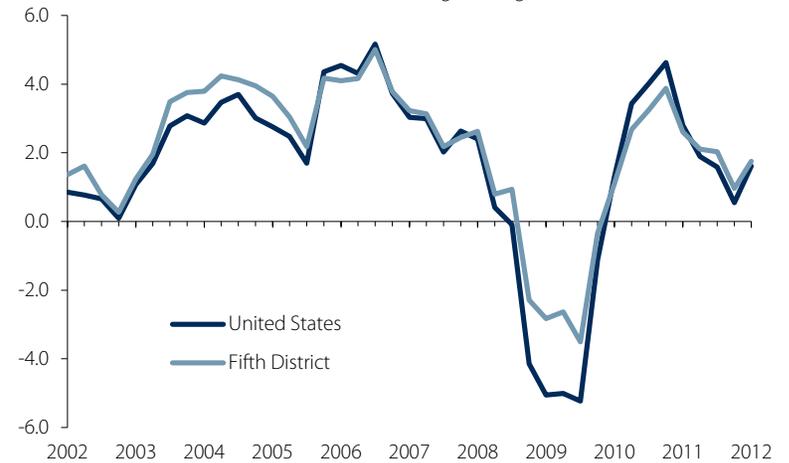
Real Personal Income (SA)	Period	Level (\$mil)	QoQ % Change	YoY % Change
United States	Q2:12	11,574,853	0.83	1.61
Fifth District	Q2:12	1,145,462	0.81	1.76
Non-Business Bankruptcies	Period	Level	QoQ % Change	YoY % Change
United States	Q2:12	315,319	1.07	-14.55
Fifth District	Q2:12	21,961	-4.43	-10.77

FIFTH DISTRICT

Real Estate Conditions

Total Private Building Permits (NSA)	Period	Level	MoM % Change	YoY % Change
United States	August	77,745	7.90	27.57
Fifth District	August	9,626	-7.08	14.36
Total Private Housing Starts (SAAR)	Period	Level (000s)	MoM % Change	YoY % Change
United States	August	750	2.32	29.09
Fifth District	August	90	-11.45	7.55
House Price Index (2000=100)	Period	Level	MoM % Change	YoY % Change
United States	July	146	1.26	3.79
Fifth District	July	170	1.30	3.38

Fifth District Real Personal Income
Year-over-Year Percent Change through Q2:12



Fifth District Building Permits
Year-over-Year Percent Change through August 2012

