



SNAPSHOT

A MONTHLY UPDATE OF THE FIFTH DISTRICT ECONOMY

FEBRUARY 2012

FEDERAL RESERVE BANK OF RICHMOND

MARYLAND

February Summary

Recent reports on the Maryland economy were generally positive, with some labor market expansion and encouraging signs in residential real estate.

Labor Markets: Firms in Maryland added 3,100 jobs (0.1 percent) to the economy in December for the fourth straight month of increase. The primary source of job growth in December was the government sector, which added 4,300 jobs. In particular, local government employment rose 1.2 percent (3,000 jobs) in the month. Nonetheless, of the 1.0 percent (25,200 job) year-over-year growth, only a small share of it (3,200 jobs) came from the government sector. The payroll improvement since December 2010 was concentrated in professional and business services and education and health services. Metro-level employment conditions in Maryland were mixed.

Household Conditions: The Maryland unemployment rate edged down 0.2 percentage point to 6.7 percent in December—its lowest mark since February 2009. In less positive news, third quarter real personal income fell 0.3 percent for the first decline since the fourth quarter of 2009. Nonetheless, income rose 1.2 percent since the third quarter of 2010. Meanwhile, the share of Maryland mortgages with payments more than 90 days past due edged up 0.2 percentage point to 4.8 percent in the third quarter. The increase reflected a rise of 0.2 percentage point to 3.2 percent in the prime 90+ day delinquency rate (as well as increases in delinquency among FHA and VA loans), while the subprime rate dropped 0.5 percentage point to 14.8 percent.

Housing Markets: The number of new residential permits in Maryland in December was at its highest level since March 2010—double the November level and more than double the number issued in December 2010. Housing starts were also up in December and up over the year. In the third quarter, existing home sales were down 7.4 percent, but they rose 10.0 percent over the preceding year. For the first time since the third quarter of 2010, home values appreciated (1.7 percent) in the third quarter, although home prices still declined on a year-over-year basis (4.5 percent). At the metro level, conditions were slightly more downbeat as residential permitting activity expanded only in the Baltimore MSA and home values continued to depreciate across Maryland's metro areas on a year-over-year basis.

A Closer Look at... Exports

Total Maryland Exports in 2010: \$10,168,425,000

Top Importers of Maryland Goods and Services in 2010:

Canada: \$1,585,922,000 (15.6 percent)

Netherlands: \$676,738,000 (6.7 percent)

China: \$571,214,000 (5.6 percent)

Saudi Arabia: \$499,537,000 (4.9 percent)

Mexico: \$488,303,000 (4.8 percent)

South Korea: \$480,513,000 (4.7 percent)

Egypt: \$427,676,000 (4.2 percent)

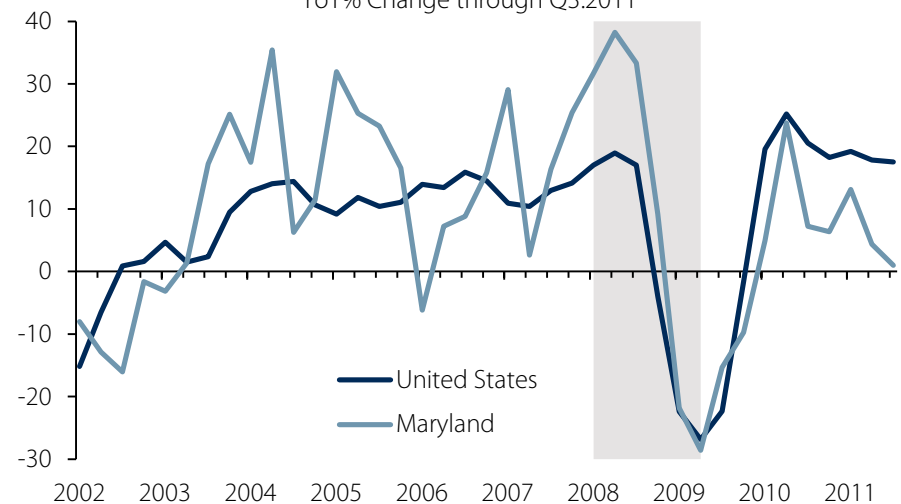
Japan: \$400,130,000 (3.9 percent)

United Kingdom: \$385,426,000 (3.8 percent)

Germany: \$295,527,000 (2.9 percent)

Maryland Exports (U.S. Dollars)

YoY% Change through Q3:2011



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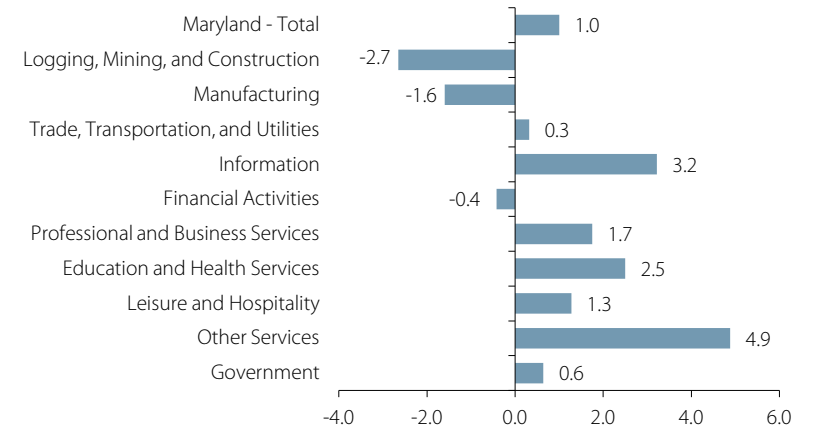
MARYLAND

Labor Market Conditions

Payroll Employment (SA)	Period	Level (000s)	MoM % Change	YoY % Change
United States - Total	December	131,900.0	0.15	1.26
Fifth District - Total	December	13,386.1	0.07	0.89
Maryland - Total	December	2,538.6	0.12	1.00
Logging, Mining, and Construction	December	139.5	-1.34	-2.65
Manufacturing	December	110.7	-0.18	-1.60
Trade, Transportation, and Utilities	December	441.8	-0.27	0.32
Information	December	44.9	0.45	3.22
Financial Activities	December	140.9	-0.21	-0.42
Professional and Business Services	December	395.4	-0.55	1.75
Education and Health Services	December	413.9	0.56	2.50
Leisure and Hospitality	December	230.1	1.01	1.28
Other Services	December	120.3	-0.17	4.88
Government	December	501.1	0.87	0.64
Baltimore-Towson MSA - Total	December	1,281.3	-0.13	1.35
Bethesda-Frederick Metro Div. - Total	December	561.1	-0.25	-1.01
Cumberland MSA - Total	December	40.9	0.00	2.51
Hagerstown MSA - Total	December	96.7	0.31	-0.31
Salisbury MSA - Total	December	53.1	1.14	1.53

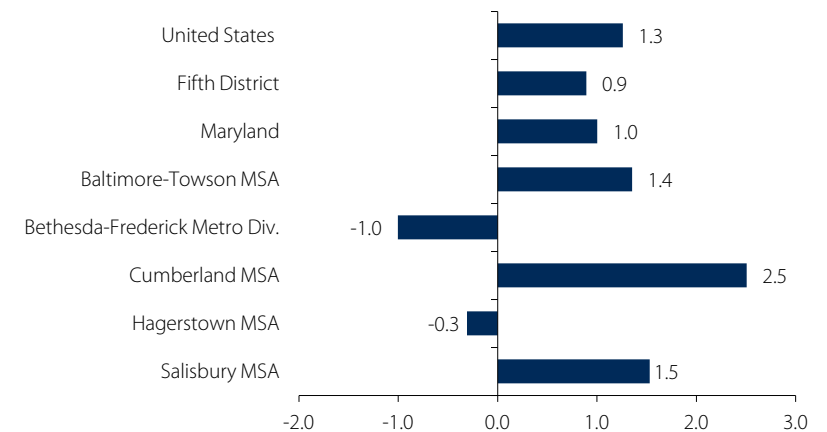
Maryland Payroll Employment Performance

Year-over-Year Percent Change through December 2011



Maryland Total Employment Performance

Year-over-Year Percent Change through December 2011



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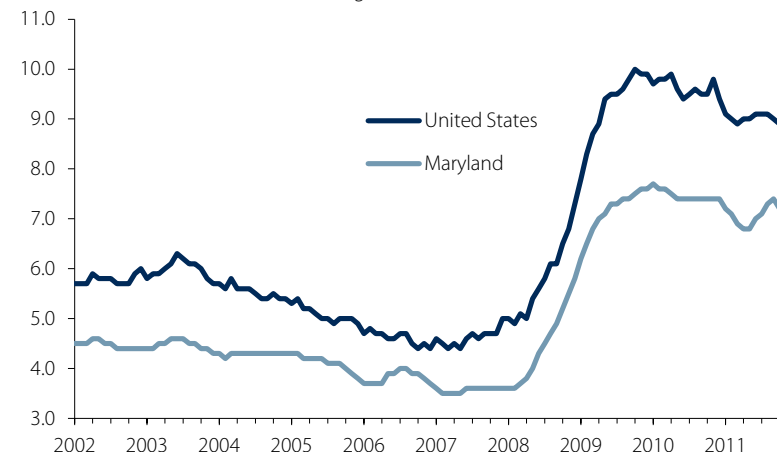
Labor Market Conditions

Unemployment Rate (SA)	December 11	November 11	December 10
United States	8.5	8.7	9.4
Fifth District	8.1	8.2	8.6
Maryland	6.7	6.9	7.4
Baltimore-Towson MSA	7.1	7.3	7.9
Bethesda-Frederick Metro Div.	5.2	5.3	5.7
Cumberland MSA	8.3	8.5	9.1
Hagerstown MSA	8.7	8.9	10.5
Salisbury MSA	8.5	8.8	9.0

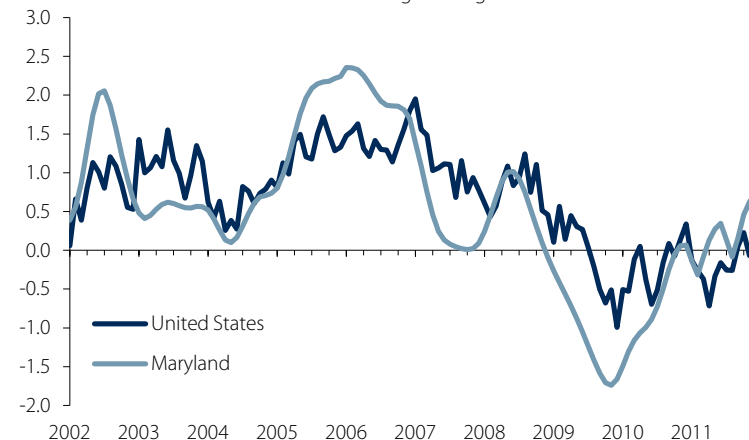
Civilian Labor Force (SA)	Period	Level (000s)	MoM % Change	YoY % Change
United States	December	153,887	-0.03	0.18
Fifth District	December	15,045	0.10	0.99
Maryland	December	3,001	0.11	0.72
Baltimore-Towson MSA	December	1,409	0.14	1.20
Bethesda-Frederick Metro Div.	December	639	0.05	0.03
Cumberland MSA	December	51	0.40	2.64
Hagerstown MSA	December	117	0.17	-1.85
Salisbury MSA	December	64	0.63	1.28

Initial Unemployment Claims (NSA)	Period	Level	MoM % Change	YoY % Change
United States	December	2,065,313	12.38	-13.23
Fifth District	December	176,560	9.90	-14.80
Maryland	December	33,852	15.96	-9.21

Maryland Unemployment Rate
Through December 2011



Maryland Labor Force
Year-over-Year Percent Change through December 2011



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Household Conditions

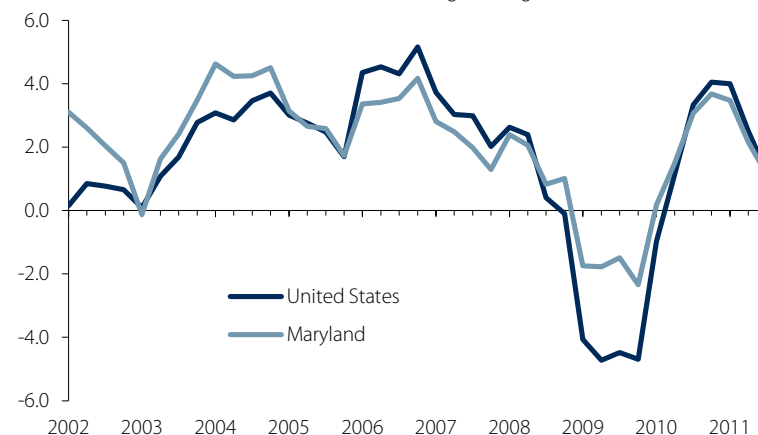
Real Personal Income (SA)	Period	Level (\$mil)	QoQ % Change	YoY % Change
United States	Q3:11	11,331,149	-0.43	1.22
Fifth District	Q3:11	1,118,907	-0.46	0.86
Maryland	Q3:11	259,987	-0.30	1.15

Median Family Income	Period	Level (000s)	QoQ % Change	YoY % Change
Baltimore-Towson MSA	2011	84.5	---	2.80
Bethesda-Frederick Metro Div.	2011	111.9	---	2.10
Cumberland MSA	2011	52.3	---	0.19
Hagerstown MSA	2011	65.0	---	-3.56
Salisbury MSA	2011	63.5	---	2.92

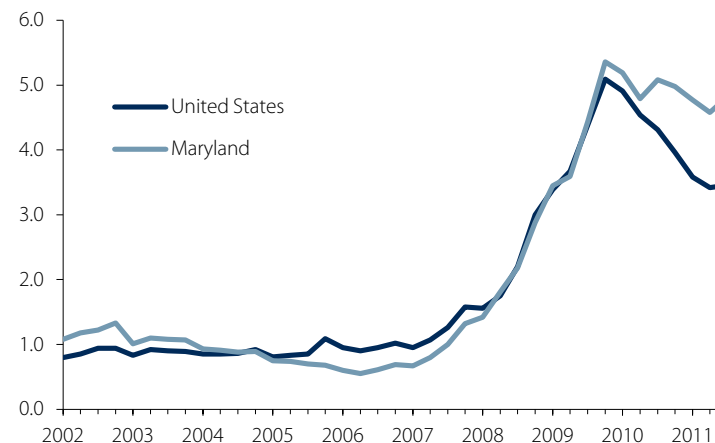
Non-Business Bankruptcies	Period	Level	QoQ % Change	YoY % Change
United States	Q3:11	336,930	-8.31	-15.43
Fifth District	Q3:11	22,697	-7.78	-16.89
Maryland	Q3:11	5,923	-13.46	-21.41

Mortgage Delinquencies (% 90+ Days Delinquent)	Q3:11	Q2:11	Q3:10
United States			
All Mortgages	3.46	3.42	4.31
Prime	2.17	2.21	2.97
Subprime	10.85	11.26	13.92
Maryland			
All Mortgages	4.82	4.58	5.08
Prime	3.20	3.05	3.48
Subprime	14.77	15.33	17.18

Maryland Real Personal Income
Year-over-Year Percent Change through Q3:11



Maryland Mortgage Delinquencies
Percent 90+ Days Delinquent through Q3:11



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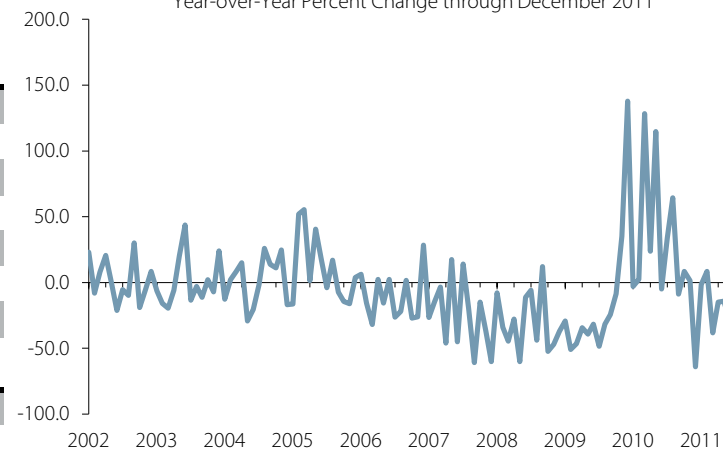
Real Estate Conditions

Total Private Building Permits (NSA)	Period	Level	MoM % Change	YoY % Change
United States	December	49,939	-0.77	6.93
Fifth District	December	7,672	5.50	67.51
Maryland	December	1,555	99.87	159.60
Baltimore-Towson MSA	December	857	148.41	198.61
Cumberland MSA	December	3	-40.00	0.00
Hagerstown	December	33	-10.81	-13.16
Salisbury MSA	December	3	-57.14	-25.00

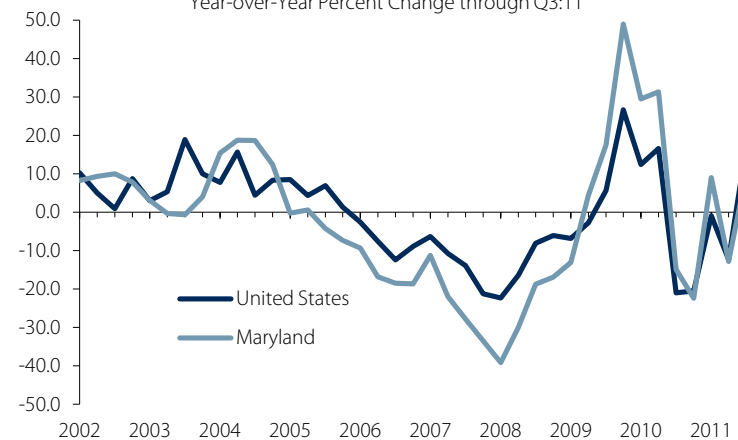
Total Private Housing Starts (SAAR)	Period	Level (000s)	MoM % Change	YoY % Change
United States	December	657.0	-4.09	24.90
Fifth District	December	95.0	-3.46	50.55
Maryland	December	95.0	-3.46	50.55

Total Existing Home Sales (SAAR)	Period	Level (000s)	QoQ % Change	YoY % Change
United States	Q3:11	4,880.0	-0.06	17.03
Fifth District	Q3:11	410.8	-2.19	12.00
Maryland	Q3:11	70.4	-7.37	10.00

Maryland Building Permits
Year-over-Year Percent Change through December 2011



Maryland Existing Home Sales
Year-over-Year Percent Change through Q3:11



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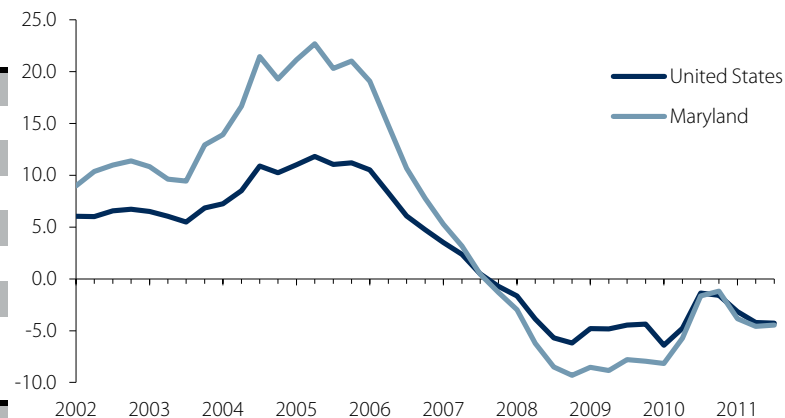
Real Estate Conditions

House Price Index (1980=100)	Period	Level	QoQ % Change	YoY % Change
United States	Q3:11	319	0.94	-4.28
Fifth District	Q3:11	363	0.84	-3.83
Maryland	Q3:11	416	1.71	-4.46
Baltimore-Towson MSA (1995=100)	Q3:11	204	1.09	-5.04
Bethesda-Frederick Metro Div. (1995=100)	Q3:11	213	1.67	-1.67
Cumberland MSA (1995=100)	Q3:11	166	-1.83	-4.07
Hagerstown MSA (1995=100)	Q3:11	164	6.07	-7.24
Salisbury MSA (1995=100)	Q3:11	169	-4.60	-12.65

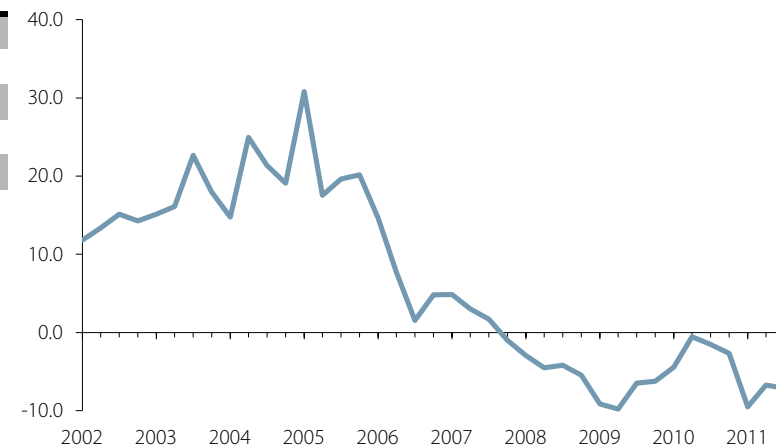
Median Home Sales Price - NAR (NSA)	Period	Level (\$000s)	QoQ % Change	YoY % Change
Baltimore-Towson MSA	Q3:11	239	1.75	-7.12
Cumberland MSA	Q3:11	98	9.16	-9.03
Hagerstown MSA	Q3:11	128	-8.13	-11.20

Median Home Sales Price - NAHB	Period	Level (\$000s)	QoQ % Change	YoY % Change
Baltimore-Towson MSA	Q3:11	242	7.56	0.83
Bethesda-Frederick Metro Div.	Q3:11	343	10.65	-2.56
Cumberland MSA	Q3:11	85	-11.46	-5.56
Hagerstown MSA	Q3:11	143	5.15	-7.14
Salisbury MSA	Q3:11	140	1.45	7.69

Maryland House Price Index (FHFA)
Year-over-Year Percent Change through Q3:11



Baltimore-Towson MSA Median Home Sales Price (NAR)
Year-over-Year Percent Change through Q3:11



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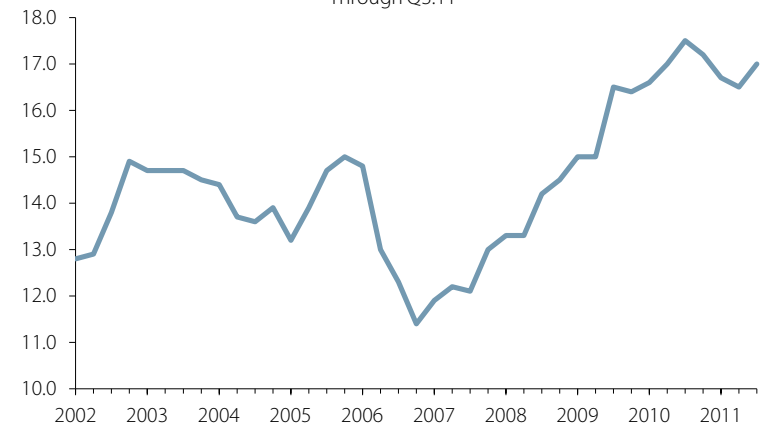
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Real Estate Conditions

Housing Opportunity Index (%)	Q3:11	Q2:11	Q3:10
Baltimore-Towson MSA	71.3	75.7	71.6
Bethesda-Frederick Metro Div.	69.7	72.7	64.8
Cumberland MSA	94.9	90.4	92.0
Hagerstown MSA	86.3	88.6	87.4
Salisbury MSA	87.4	85.0	93.6
Commercial Vacancy Rates (%)	Q3:11	Q2:11	Q3:10
Office Vacancies			
Baltimore-Towson MSA	17.0	16.5	17.5
Suburban Maryland (Washington, D.C. MSA)	14.8	15	14.3
Industrial Vacancies			
Baltimore-Towson MSA	17.4	17.8	19.0
Suburban Maryland (Washington, D.C. MSA)	17	16.8	16.4

Baltimore-Towson MSA Office Vacancy Rate

Through Q3:11



Baltimore-Towson MSA Industrial Vacancy Rate

Through Q3:11

