

# District Economic

BY ROBERT LACY

**Economic growth accelerated in the Fifth District in the third quarter of 2003. Sales growth was faster at the District's retail and services establishments and housing activity remained stalwart, despite rising mortgage interest rates during much of the quarter. But not all economic data were so encouraging: Employment numbers continued to disappoint and manufacturing output drifted lower.**

## Did You Know...

There are 1.2 million recreational boats in the Fifth District—382,072 in South Carolina alone, according to the National Marine Manufacturers Association. On a per capita basis, the Palmetto State ranks 5th in the country in boat ownership. Its 187 miles of Atlantic Ocean shoreline and large and plentiful manmade lakes provide ample opportunity to get out on the water.

Economic growth in the Fifth District picked up in the third quarter of 2003. The sluggish expansion of spring gave way to solid economic growth by July. District retailers and services providers in particular reported much higher revenues during the period. Hurricane Isabel, which swept through the District in September, disrupted retail and services businesses in some areas but fortunately had few long-lasting impacts on the region's economy.

A few clouds lingered, however, in this generally brighter economic picture. Most notably, the Fifth District's manufacturing sector remained in the doldrums. And, while sales at most District businesses rose at a brisk pace, many employers were very cautious in hiring. We still await a turn in employment numbers that would confirm the District's economy is on solid footing.

## Services and Retail Busting Out

The District's broad services sector expanded at a rapid pace in the third quarter. Retailers said revenues grew much more quickly—the sales index from our survey of retailers showed the largest average quarterly gain in three years. Services businesses generally reported relatively strong sales as well, likely boosted by higher disposable income from federal tax cuts.

District realtors tell us that home sales remained strong in the third quarter, despite a modest rise in mortgage interest rates in July and August. In fact, several realtors said the

uptick in interest rates had spurred home sales in recent months as fence sitters committed to home purchases in anticipation of further rate hikes. By the end of the third quarter, mortgage rates had edged lower, and realtors were continuing to report robust home sales with 30-year mortgage rates generally below 6 percent.

## Manufacturing Drifts

The District's manufacturing sector contracted modestly in the third quarter, in large part because of the ongoing decline of the textiles and apparel industry in the region. Manufacturing shipments and new orders moved lower and employment in the sector shrank.

Hurricane Isabel caused some manufacturing operations to shut down for a few days, but there were relatively few long-term economic consequences from the storm. Lumber mill operators reported some of the most extensive disruptions—those with timber holdings said that timber supplies would be lower for some time to come because of extensive wind damage.

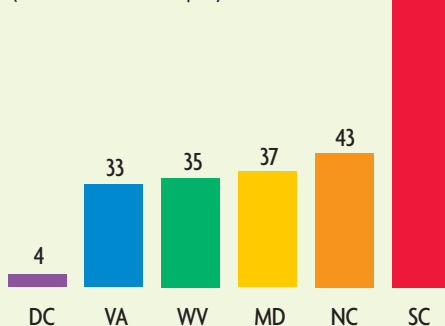
## You Hiring Yet?

Although many business contacts tell us their sales are improving, relatively few say they have stepped up hiring. Overall payroll employment in the District fell by 0.2 percent in the third quarter compared to a year ago. Jobs in the beleaguered manufacturing sector have declined by 4.8 percent over the last year. But employment gains were reported in the District's broad services-providing sector—jobs there were up 0.4 percent in the third quarter.

## Personal Income Growth Modest

Personal income in Fifth District states rose a modest 3.2 percent in the second quarter of 2003. Substantial differences in earnings growth were recorded by sector, however. Earnings in the retail sector, for example, grew by only 1.2 percent while those in manufacturing declined by 1.2 percent. In contrast, earnings in the District's flourishing health care industry rose by 7.0 percent during the second quarter of 2003.

**Recreational Boats**  
(Per Thousand People)



# Developments

## Nonfarm Employment Third Quarter 2003

	Employment (Thousands)	% Change (Year Ago)
DC	661	-0.6
MD	2,486	0.9
NC	3,826	-0.3
SC	1,774	-1.9
VA	3,502	0.2
WV	730	-0.2
5th District	12,981	-0.2
US	129,838	-0.3

## Unemployment Rate Percent

	3rd Qtr. 2003	3rd Qtr. 2002
DC	6.6	6.3
MD	4.4	4.3
NC	6.5	6.7
SC	6.5	5.8
VA	3.8	4.0
WV	6.4	6.2
5th District	5.3	5.3
US	6.1	5.8

## Personal Income Second Quarter 2003

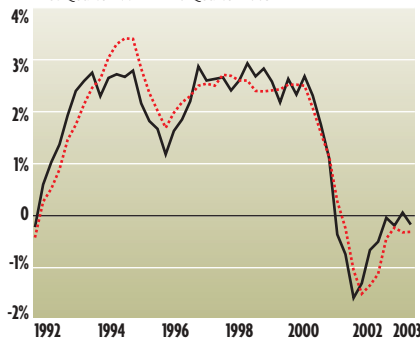
	Income (\$ billions)	% Change (Year Ago)
DC	25.3	2.4
MD	201.9	2.6
NC	237.3	3.7
SC	107.8	3.5
VA	246.1	3.3
WV	43.6	2.7
5th District	862.0	3.2
US	9,156.0	2.7

— Fifth District

- - - - - United States

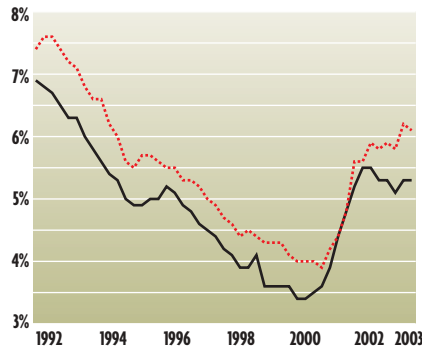
### Nonfarm Employment Change From Prior Year

First Quarter 1992 - Third Quarter 2003



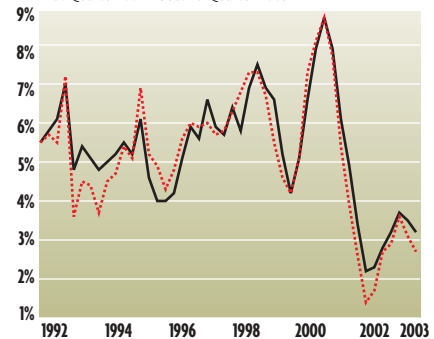
### Unemployment Rate

First Quarter 1992 - Third Quarter 2003



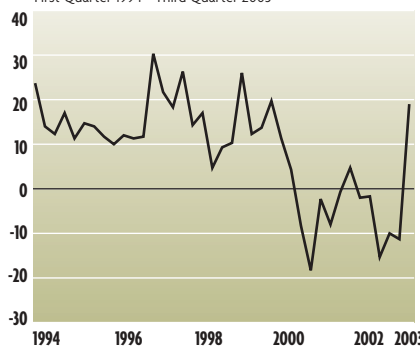
### Personal Income Change From Prior Year

First Quarter 1992 - Second Quarter 2003



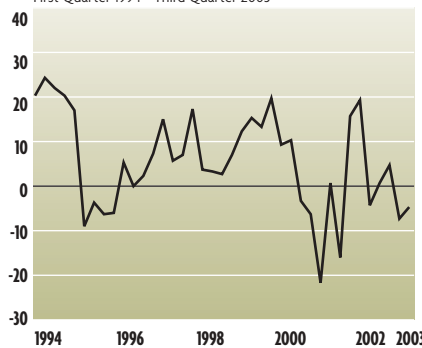
### FRB—Richmond Services Revenues Index

First Quarter 1994 - Third Quarter 2003



### FRB—Richmond Manufacturing Shipments Index

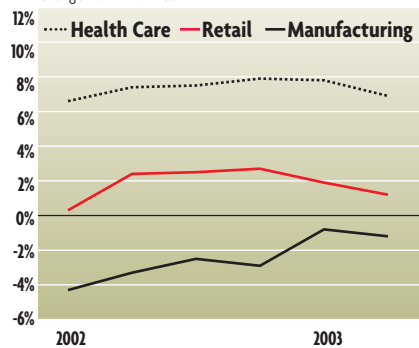
First Quarter 1994 - Third Quarter 2003



### Earnings by Selected Industry

Fifth District

Change From Prior Year



#### NOTES:

- 1) All data series are seasonally adjusted.
- 2) FRB-Richmond survey indexes are diffusion indexes. Positive numbers represent expansion, negative numbers contraction.
- 3) State nonfarm employment estimates are based on surveys of establishments. These employment figures differ from those used to calculate state unemployment rates.

#### SOURCES:

- Income: Bureau of Economic Analysis, U.S. Department of Commerce, <http://www.bea.doc.gov>  
 Unemployment rate: LAUS Program, Bureau of Labor Statistics, U.S. Department of Labor, <http://stats.bls.gov>  
 Employment: CES Survey, Bureau of Labor Statistics, U.S. Department of Labor, <http://stats.bls.gov>

For more information, contact Robert Lacy at 804-697-8703 or e-mail [Robert.Lacy@rich.frb.org](mailto:Robert.Lacy@rich.frb.org).



# DISTRICT OF COLUMBIA

BY ANDREA HOLLAND

Recent economic data for the District of Columbia have been mixed. Indicators of household activity were positive across the board, but business conditions have yet to perk up.

Payroll employment numbers nosed down again in the third quarter, but losses were largely seasonal. The number of job seekers rose for the third straight quarter and the number of unemployed persons declined 8.0 percent — pushing the jobless rate down by 0.2 percentage points. Additional support for a firmer labor market was found in the Richmond Fed's October Beige Book entry. Executive search firms in the Washington area reported an increase in demand for their services.

Income measures also improved in Washington recently. Second quarter personal income growth was 0.6 percent higher than in the second quarter of 2002, marking the sixth consecutive quarter of expansion. Of the industries posting income gains, the largest increases were recorded in construction.

But gains in construction earnings may slow going forward — third quarter new housing permits were significantly weaker over the year and over the quarter, suggesting the possibility of cooling in housing construction. The market for existing homes, however, continued to forge ahead in the third quarter. Despite rising interest rates, existing home sales outpaced levels recorded a year ago by 19.9 percent.

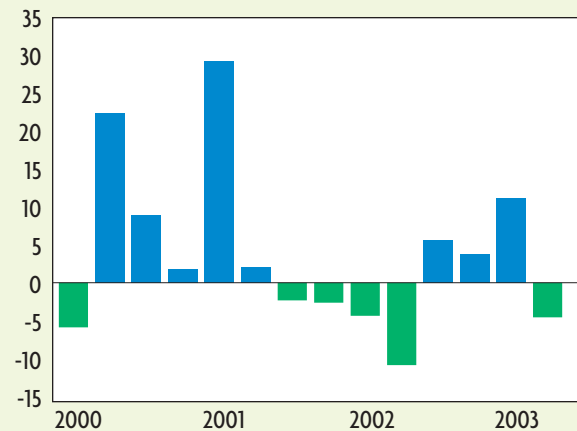
While housing remains relatively strong, measures of commercial real estate remained subdued. Office vacancy rates edged 0.4 percent higher in the third quarter to reach 10.8 percent. Even so, the amount of vacant space in the District of Columbia remains six percentage points below the national rate.

Venture capital investment was significantly lower in the third quarter than in the second quarter. But part of the drop may be because second quarter inflows were unusually high. New funding totaled \$3.6 million and is slotted for the opening of a healthcare services firm.

Turning to fiscal conditions, total tax collections in the second quarter were 4.5 percent lower than a year earlier, but came on the heels of three consecutive quarters of growth. Losses were recorded in both personal income and sales tax collections, while corporate tax revenues continued to rise.

## DC Total Tax Collections

Percent Change From Prior Year



SOURCE: U.S. Census Bureau

	Percent Change at Annual Rate From		
	3rd Qtr 2003	2nd Qtr 2003	3rd Qtr 2002
Nonfarm Employment	660.9	-1.1	-0.6
Manufacturing, NSA	2.8	0.0	-8.7
Professional/Business Services	141.2	0.5	0.7
Information	25.7	-2.0	1.0
Civilian Labor Force	310.3	3.6	2.5
	3rd Qtr 2003	2nd Qtr 2003	3rd Qtr 2002
Unemployment Rate	6.6	6.8	6.3
Building Permits, NSA	182	539	1,045
Home Sales	16.3	14.7	13.6

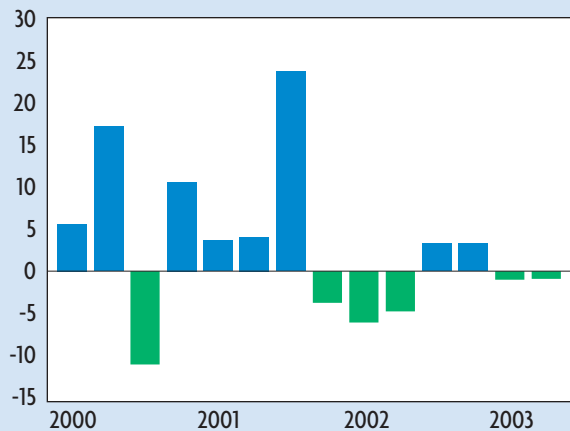
NOTES: Nonfarm Employment, thousands of jobs, seasonally adjusted (SA); Bureau of Labor Statistics (BLS)/Haver Analytics  
Manufacturing, thousands of jobs, not seasonally adjusted (NSA); BLS/Haver Analytics  
Professional/Business Services, thousands of jobs, SA; BLS/Haver Analytics  
Information, thousands of jobs, SA; BLS/Haver Analytics  
Civilian Labor Force, thousands of persons, SA; BLS/Haver Analytics  
Unemployment Rate, percent, SA; BLS/Haver Analytics  
Building Permits, number of permits, NSA; U.S. Census Bureau/Haver Analytics  
Home Sales, thousands of units, SA; National Association of Realtors®



BY ANDREA HOLLAND

## MD Total Tax Collections

Percent Change From Prior Year



SOURCE: U.S. Census Bureau

The latest data suggest continuing pockets of weakness within Maryland's households and firms. Labor market activity and fiscal conditions in Maryland remain the weakest links.

In the third quarter, Maryland firms trimmed payrolls by 1.1 percent. Employment losses reached across most sectors, with only the leisure and hospitality industry recording job gains. Third quarter household data also suggested generally flat labor market conditions. The number of labor force participants decreased for the first time since 2000, but the number of unemployed persons declined as well, keeping the jobless rate unchanged at 4.4 percent.

But recent anecdotal information has been more upbeat. According to the Richmond Fed's October Beige Book entry, a contact at a Baltimore financial services firm reported that customer demand was strong enough to warrant an increase in hiring in the third quarter. Also in the report, a temporary employment agency in Hagerstown noted an upturn in demand for workers.

Venture capital investment activity in Maryland steadied in the third quarter. By stage of investment, expansion funding accounted for half of total inflows, while startup funding accounted for nearly a quarter. Montgomery County received the most funds, followed closely by Prince George's County. Internet-related technology accounted for more than one-third of total investment.

The news is mixed on the state's fiscal situation. Despite an uptick in the formation of new firms, corporate and sales tax collections did not rise enough to offset large losses in personal income tax collections in the second quarter.

In contrast to weaker individual income collections, second quarter personal income growth was 0.8 percent higher than 12 months before. Earnings were higher in most sectors, but manufacturing and information sector earnings softened.

The news in real estate was generally positive. Third quarter existing home sales broke a new record in Maryland, rising 13.3 percent over the year. But in contrast, building permits were below levels recorded a year ago. Baltimore's commercial real estate market seems to have stabilized. The vacancy rate has held steady at 14.7 percent since the beginning of 2003.

	Percent Change at Annual Rate From		
	3rd Qtr 2003	2nd Qtr 2003	3rd Qtr 2002
Nonfarm Employment	2,486.4	-1.1	0.9
Manufacturing	152.3	-3.8	-2.0
Professional/Business Services	363.0	-3.5	0.8
Information	50.5	-3.1	-3.6
Civilian Labor Force	2,922.5	-1.5	0.7
	3rd Qtr 2003	2nd Qtr 2003	3rd Qtr 2002
Unemployment Rate	4.4	4.4	4.3
Building Permits, NSA	6,602	8,849	7,289
Home Sales	140.7	124.3	124.2

NOTES:  
 Nonfarm Employment, thousands of jobs, seasonally adjusted (SA); Bureau of Labor Statistics (BLS)/Haver Analytics  
 Manufacturing, thousands of jobs, SA; BLS/Haver Analytics  
 Professional/Business Services, thousands of jobs, SA; BLS/Haver Analytics  
 Information, thousands of jobs, SA; BLS/Haver Analytics  
 Civilian Labor Force, thousands of persons, SA; BLS/Haver Analytics  
 Unemployment Rate, percent, SA; BLS/Haver Analytics  
 Building Permits, number of permits, not seasonally adjusted (NSA); U.S. Census Bureau/Haver Analytics  
 Home Sales, thousands of units, SA; National Association of Realtors®



# NORTH CAROLINA

BY ANDREA HOLLAND

The most recent information suggests that household and business conditions in North Carolina are firming, but overall economic activity in the state continues to be held back by a weak labor market.

But job seekers in North Carolina may have reason for optimism. After declining continually throughout 2002, North Carolina's civilian labor force has grown steadily in 2003. The inflow of labor market participants continued in the third quarter, edging 0.5 percent higher. At the same time, the number of unemployed persons rose 7.2 percent—nudging the jobless rate up 0.1 percentage points to 6.5 percent.

Third quarter North Carolina payrolls fell by 1.6 percent. The decline follows two quarters of positive job growth. Factory employment was again battered in the state, declining an additional 7.9 percent.

Continued weakness in the manufacturing sector also has eroded factory earnings—the second quarter data decline was the tenth straight. But on a brighter note, earnings were higher in almost all other industry sectors, boosting North Carolina's total personal income.

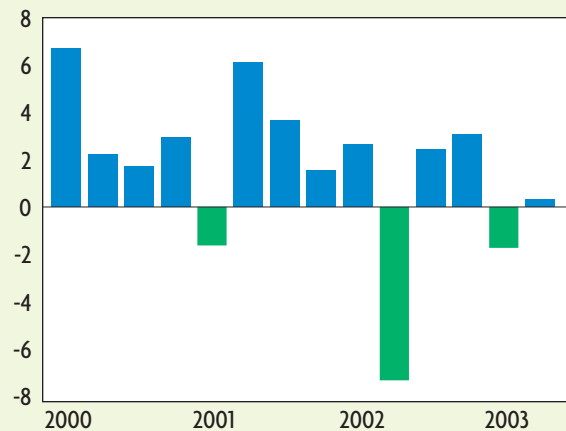
Despite rising personal incomes, hefty and ongoing losses in sales and personal income tax collections were recorded in the second quarter. Still, total tax collections advanced compared to the second quarter of 2002 thanks to strong corporate tax receipts.

Turning to real estate, existing home sales in the third quarter reached an all time high—coming in 26.7 percent above last year's level. In addition, new building permits were above the year-earlier level. But not all real estate news was rosy. Commercial real estate conditions continued to deteriorate in Charlotte. Vacancy rates shot up 0.6 percentage points in the third quarter, the largest quarter-to-quarter gain in the Fifth District.

In other business news, venture capital investment into North Carolina firms edged down slightly in the third quarter. Venture capital totaling \$99 million was infused into 14 companies statewide. Four biotechnology firms and one Internet-related technology firm received nearly 60 percent of the total inflows. By investment stage, expansion funding accounted for nearly 70 percent of all inflows, while the share of startup funding totaled only 6 percent. Counties receiving the most funding included Wake, Chatham, Durham, Mecklenburg, and Guilford.

## NC Total Tax Collections

Percent Change From Prior Year



SOURCE: U.S. Census Bureau

	Percent Change at Annual Rate From		
	3rd Qtr 2003	2nd Qtr 2003	3rd Qtr 2002
Nonfarm Employment	3,826.5	-1.6	-0.3
Manufacturing	603.7	-7.9	-5.3
Professional/Business Services	427.2	4.4	1.7
Information	79.7	3.6	-2.1
Civilian Labor Force	4,174.3	0.5	0.4
	3rd Qtr 2003	2nd Qtr 2003	3rd Qtr 2002
Unemployment Rate	6.5	6.4	6.7
Building Permits, NSA	20,761	20,776	20,092
Home Sales	314.0	266.8	247.9

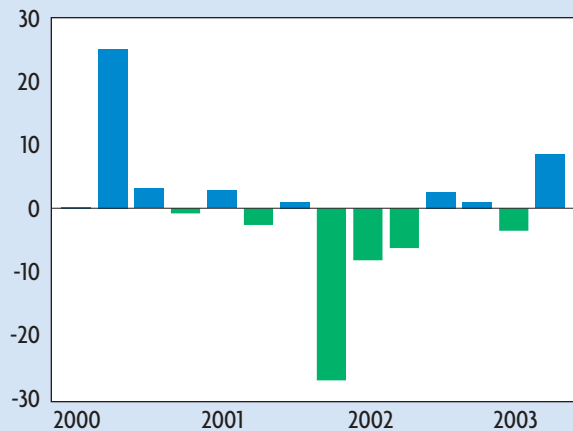
NOTES:  
 Nonfarm Employment, thousands of jobs, seasonally adjusted (SA); Bureau of Labor Statistics (BLS)/Haver Analytics  
 Manufacturing, thousands of jobs, SA; BLS/Haver Analytics  
 Professional/Business Services, thousands of jobs, SA; BLS/Haver Analytics  
 Information, thousands of jobs, SA; BLS/Haver Analytics  
 Civilian Labor Force, thousands of persons, SA; BLS/Haver Analytics  
 Unemployment Rate, percent, SA; BLS/Haver Analytics  
 Housing Permits, number of permits, not seasonally adjusted (NSA); U.S. Census Bureau/Haver Analytics  
 Home Sales, thousands of units, SA; National Association of Realtors®



BY ANDREA HOLLAND

## SC Total Tax Collections

Percent Change From Prior Year



SOURCE: U.S. Census Bureau

	Percent Change at Annual Rate From		
	3rd Qtr 2003	2nd Qtr 2003	3rd Qtr 2002
Nonfarm Employment	1,774.5	-3.3	-1.9
Manufacturing, NSA	273.8	-7.5	-6.2
Professional/Business Services, NSA	178.7	2.7	-2.8
Information, NSA	27.8	2.9	1.0
Civilian Labor Force	2,027.7	-0.1	2.8
	3rd Qtr 2003	2nd Qtr 2003	3rd Qtr 2002
Unemployment Rate	6.5	6.3	5.8
Housing Permits, NSA	9,703	9,471	7,930
Home Sales	155.3	132.6	122.1

**NOTES:**

Nonfarm Employment, thousands of jobs, seasonally adjusted (SA); Bureau of Labor Statistics (BLS)/Haver Analytics  
 Manufacturing, thousands of jobs, not seasonally adjusted (NSA); BLS/Haver Analytics  
 Professional/Business Services, thousands of jobs, NSA; BLS/Haver Analytics  
 Information, thousands of jobs, NSA; BLS/Haver Analytics  
 Civilian Labor Force, thousands of persons, SA; BLS/Haver Analytics  
 Unemployment Rate, percent, SA; BLS/Haver Analytics  
 Building Permits, number of permits, NSA; U.S. Census Bureau/Haver Analytics  
 Home Sales, thousands of units, SA; National Association of Realtors®

Prospects for a rebound in economic activity in South Carolina firms and households appear somewhat brighter, but labor market conditions must improve to ensure an upturn.

Nonfarm payrolls at South Carolina establishments continued their downward slide in the third quarter. Job numbers fell by an additional 3.3 percent, marking the third straight quarter of contraction. News was no brighter at South Carolina households. The civilian labor force backpedaled 0.1 percent and the number of unemployed persons rose 13.3 percent, kicking the jobless rate up 0.2 percentage points to reach 6.5 percent in the third quarter.

Outside of the labor market, however, indications of improvement were more apparent. At 1.7 percent, personal income growth in the 12 months leading up to the second quarter in South Carolina outpaced all but one Fifth District jurisdiction. In line with the solid expansion in personal income, earnings were also mostly positive, including a second straight uptick in factory earnings.

The news on real estate was all positive. The number of new building permits authorized outpaced levels recorded a year ago, and according to the Fifth District's October Beige Book entry a commercial realtor in Columbia was "cautiously optimistic" regarding activity for the remainder of the year. The best news, however, was that compared to last year, third quarter home sales were 27.2 percent higher—outpacing growth in each Fifth District jurisdiction and the nation.

South Carolina also surpassed other Fifth District states in certain fiscal indicators in the second quarter. Total tax collections were 8.4 percent higher from the second quarter of 2002 through the second quarter of 2003, easily exceeding collections in other Fifth District states. The overall gain occurred as large sales tax collections outweighed small losses in individual income and corporate tax collections.

Third quarter venture capital investment in South Carolina totaled \$26.1 million—the highest level recorded in two years. An expanding consumer product and services firm in Florence County received \$25 million, and another \$1.1 million helped finance the expansion of a financial services business in Richland County.



# VIRGINIA

BY ANDREA HOLLAND

The latest economic data suggest that indicators of household activity in Virginia may have turned a corner, but business conditions have yet to bounce back.

According to the Bureau of Labor Statistics (BLS) household survey, for the third quarter, Virginia's jobless rate fell to 3.8 percent—the lowest in the Fifth District. But business hiring in the state was less robust—the BLS establishment survey recorded slightly negative payroll activity in the third quarter.

In line with sluggish labor market conditions, venture capital activity declined again in the third quarter. In fact, Virginia inflows were the lowest on record since 1996. Twelve companies received funding, with six Internet technology-related business accounting for nearly half of all capital.

By investment stage, startup funding accounted for nearly 35 percent of all inflows, followed closely by later and early stage investment at 26 and 27 percent, respectively. Areas receiving funding included Fairfax County, Loudoun County, Manassas, and Norfolk.

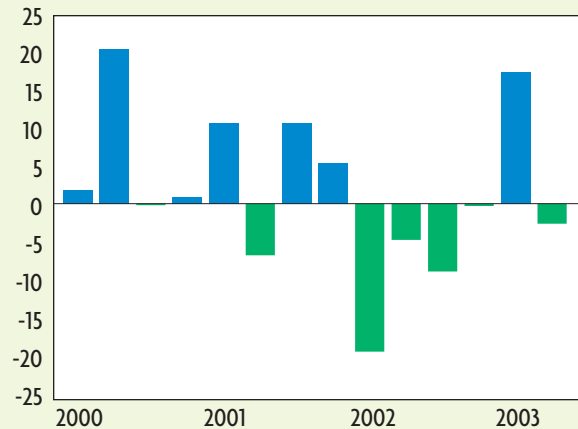
Fiscal conditions remain weak for Virginia's government. After posting strong gains in the first quarter, second quarter tax collections in Virginia contracted over the year. Losses in individual income and corporate collections could not offset small gains in sales tax collections.

Turning to households, second quarter personal income growth was 1.5 percent higher over the year, outpacing the national growth rate. Earnings expanded in all sectors, except manufacturing; transportation and warehousing; information; and arts, entertainment, and recreation. By industry, the largest expansion was recorded in finance and insurance, resulting partly from a booming real estate market.

The real estate sector posted strong gains. The number of existing homes sold in Virginia in the third quarter set a new record. Turning to commercial real estate conditions in Northern Virginia, although available office space still exceeded needed space in the third quarter, some signs of improvement emerged. Most notably, vacancy rates moved lower and net absorption inched higher compared to the second quarter.

## VA Total Tax Collections

Percent Change From Prior Year



SOURCE: U.S. Census Bureau

	Percent Change at Annual Rate From		
	3rd Qtr 2003	2nd Qtr 2003	3rd Qtr 2002
Nonfarm Employment	3,502.1	-0.3	0.2
Manufacturing	306.1	-4.5	-3.8
Professional/Business Services	550.8	0.8	0.8
Information	100.3	-1.8	-2.9
Civilian Labor Force	3,795.0	-0.1	1.6
	3rd Qtr 2003	2nd Qtr 2003	3rd Qtr 2002
Unemployment Rate	3.8	4.0	4.0
Housing Permits, NSA	14,230	15,801	15,038
Home Sales	180.1	170.6	156.5

NOTES:

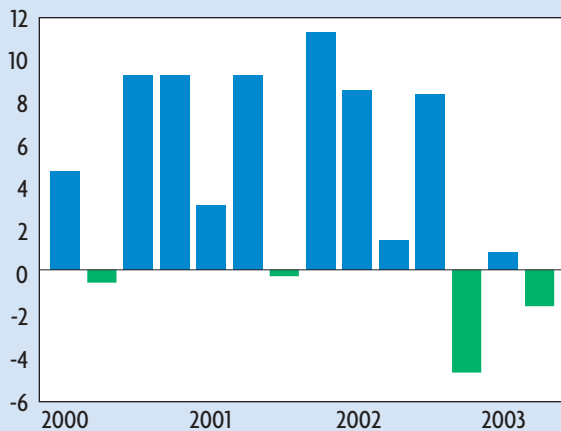
Nonfarm Employment, thousands of jobs, seasonally adjusted (SA); Bureau of Labor Statistics (BLS)/Haver Analytics  
 Manufacturing, thousands of jobs, SA; BLS/Haver Analytics  
 Professional/Business Services, thousands of jobs, SA; BLS/Haver Analytics  
 Information, thousands of jobs, SA; BLS/Haver Analytics  
 Civilian Labor Force, thousands of persons, SA; BLS/Haver Analytics  
 Unemployment Rate, percent, SA; BLS/Haver Analytics  
 Building Permits, number of permits, not seasonally adjusted (NSA); U.S. Census Bureau/Haver Analytics  
 Home Sales, thousands of units, SA; National Association of Realtors®



BY ANDREA HOLLAND

## WV Total Tax Collections

Percent Change From Prior Year



SOURCE: U.S. Census Bureau

	Percent Change at Annual Rate From		
	3rd Qtr 2003	2nd Qtr 2003	3rd Qtr 2002
Nonfarm Employment	730.3	-0.7	-0.2
Manufacturing	65.6	-2.6	-4.2
Professional/Business Services	58.8	-5.0	2.6
Information, NSA	12.8	-2.1	-3.5
Civilian Labor Force	805.5	1.0	0.6
	3rd Qtr 2003	2nd Qtr 2003	3rd Qtr 2002
Unemployment Rate	6.4	6.1	6.2
Building Permits, NSA	1,291	1,315	1,132
Home Sales	33.6	24.7	28.2

**NOTES:**

Nonfarm Employment, thousands of jobs, seasonally adjusted (SA); Bureau of Labor Statistics (BLS)/Haver Analytics  
 Manufacturing, thousands of jobs, SA; BLS/Haver Analytics  
 Professional/Business Services, thousands of jobs, SA; BLS/Haver Analytics  
 Information, thousands of jobs, not seasonally adjusted (NSA); BLS/Haver Analytics  
 Civilian Labor Force, thousands of persons, SA; BLS/Haver Analytics  
 Unemployment Rate, percent, SA; BLS/Haver Analytics  
 Building Permits, number of permits, NSA; U.S. Census Bureau/Haver Analytics  
 Home Sales, thousands of units, SA; National Association of Realtors®

Recent measures of household and firm activity in West Virginia suggest that the economic environment remains spotty, with payroll conditions continuing to constrain any significant gains in overall economic activity.

West Virginia payroll employment numbers retreated again in the third quarter. The number of unemployed persons at households shot up 24 percent, pushing the jobless rate up 0.3 percentage points to 6.4 percent—the highest quarterly unemployment rate since 1999.

Despite continued layoffs, income measures improved in the state. Second quarter personal income growth was 0.9 percent higher than in the second quarter of 2002. Over the year, earnings expanded in all industries, except for construction; manufacturing; wholesale trade; management of companies and enterprises; and administrative and waste services. The largest decline in earnings was recorded in the construction industry.

Looking ahead, construction earnings may not be poised for rapid improvement. Third quarter new building permits were lower than levels recorded the previous quarter as well as the same period last year. Sales of existing housing units, however, forged ahead in the third quarter, outpacing levels recorded a year ago by 19.1 percent.

In other economic news, third quarter venture capital investment matched second quarter levels in West Virginia. New funding totaled \$8 million, with all but \$0.6 million going toward the later stage expansion of an Internet technology firm in Berkeley County. The remaining inflows are slated to be evenly divided between two firms, one in Monongalia County and the other in Putnam County.

The state's fiscal condition remains weak. Total tax collections in the Mountain State during the second quarter were 9.2 percent lower than the year before. Individual and corporate tax receipts were both lower, while sales tax revenues continued to rise.

For more information regarding state summaries, call 804-697-8273 or e-mail [Andrea.Holland@rich.frb.org](mailto:Andrea.Holland@rich.frb.org).