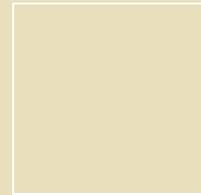


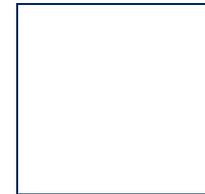
Economic Outlook



Community Investing:
Understanding CRA and Community Development
January 17, 2013



Ann Battle Macheras
Vice President, Regional Research
Research Department



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Overview

- National Economic Trends
 - Gross Domestic Product
 - Labor Market Indicators
 - Household Spending and Income
 - Housing
- Virginia Economic Trends
 - Labor Market Indicators
 - Industry Trends
 - Housing Market
- Looking Ahead





National Economic Trends

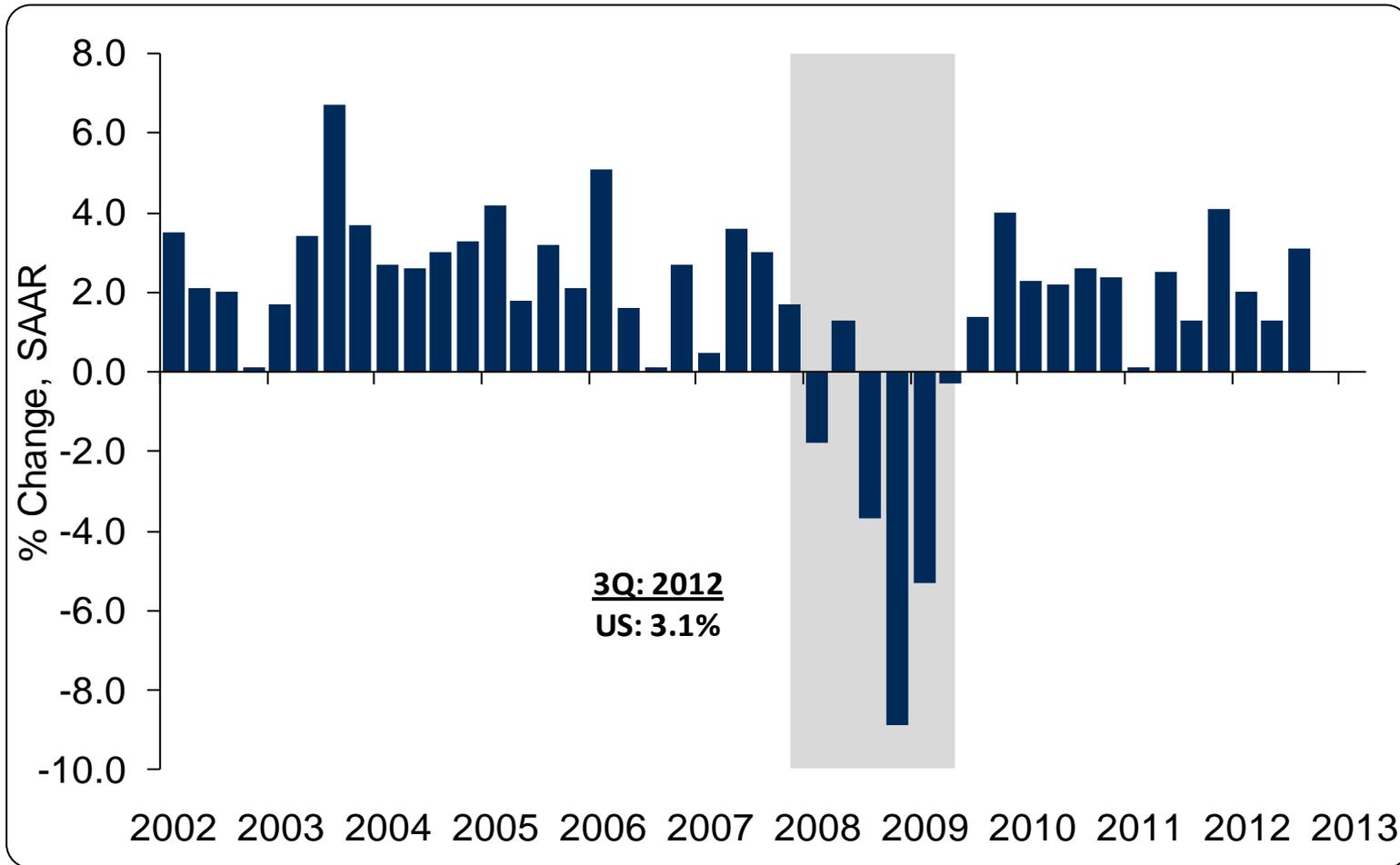


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U.S. Gross Domestic Product

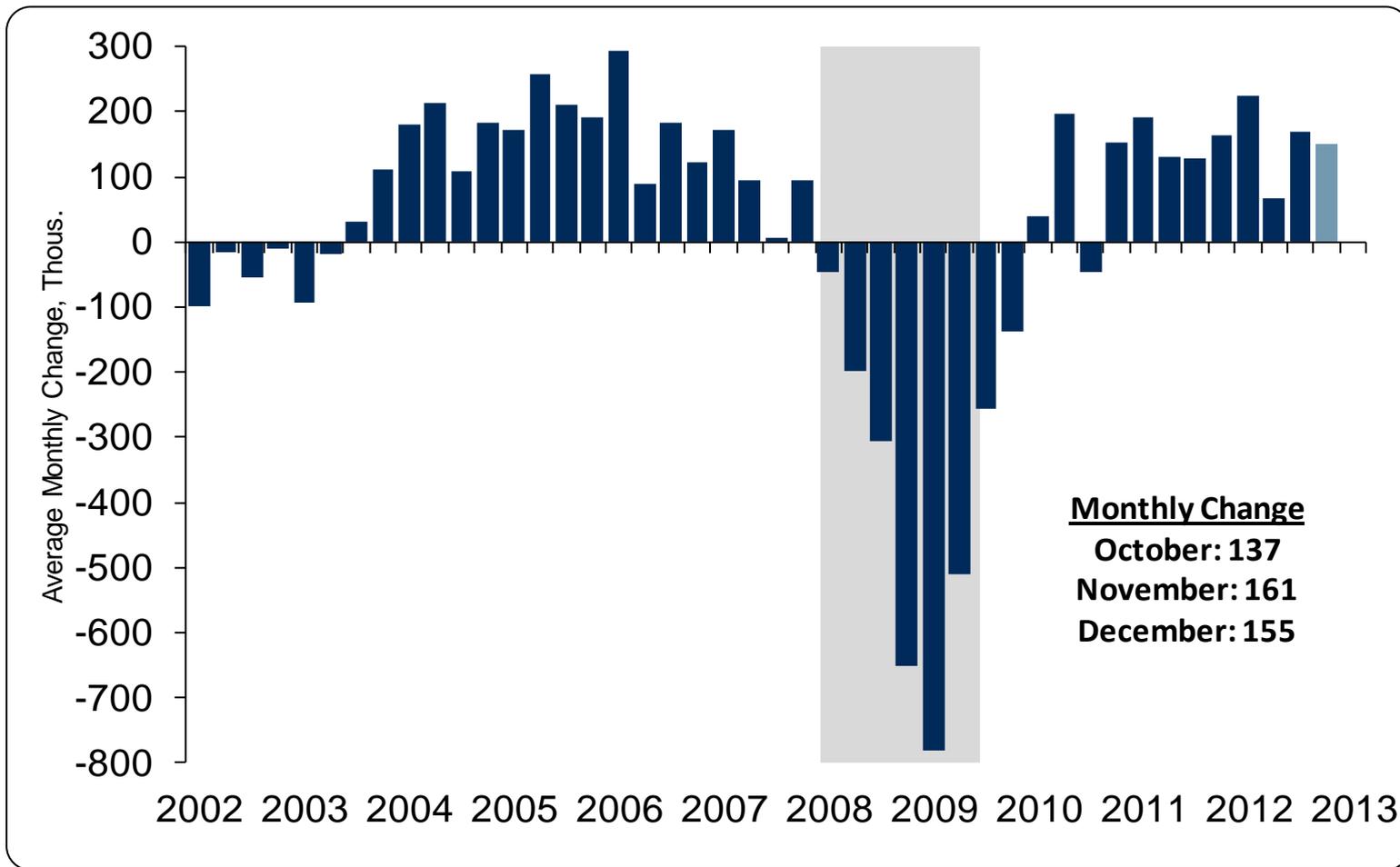
Percent Change, Seasonally Adjusted Annual Rate



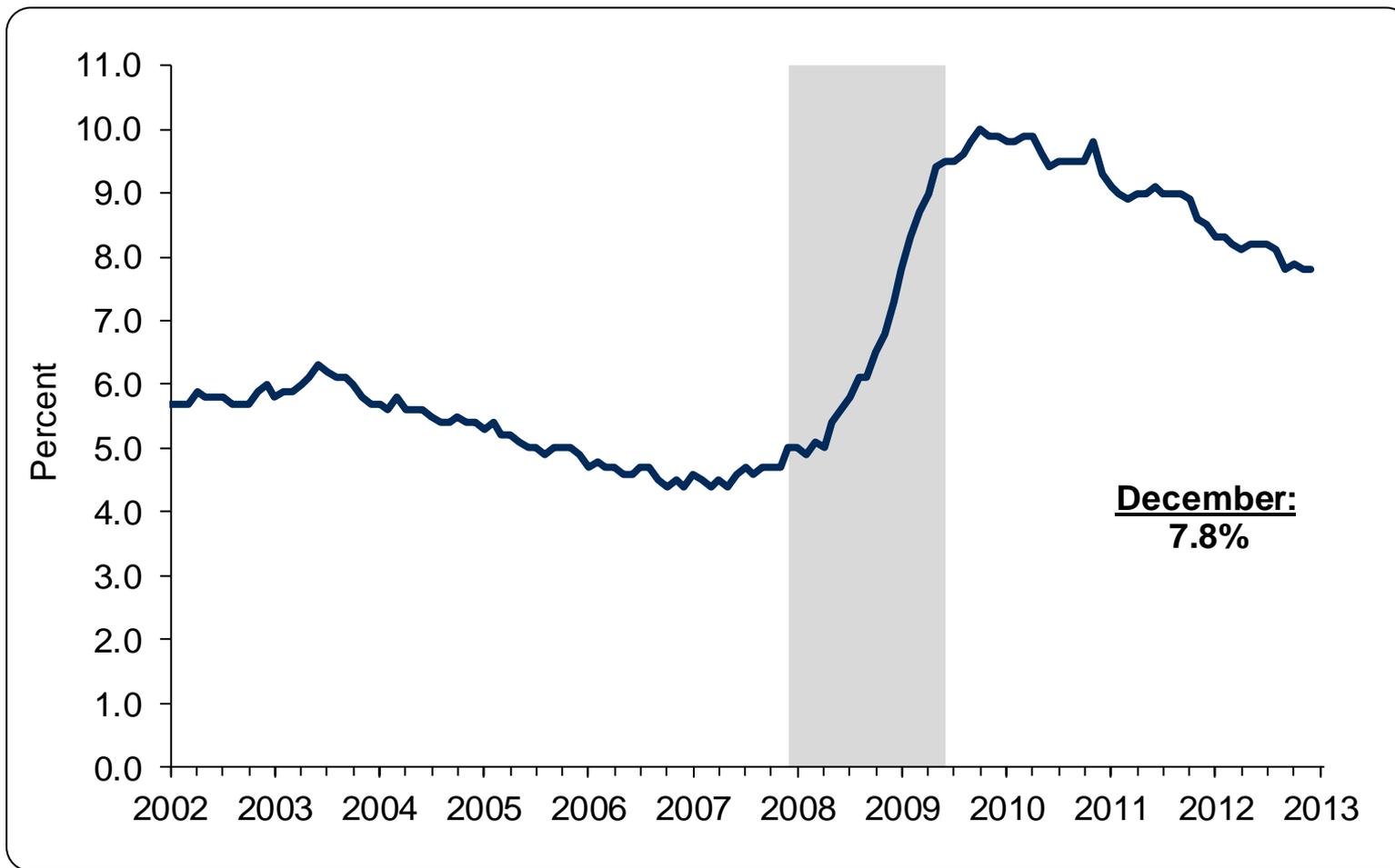


Nonfarm Payroll Employment

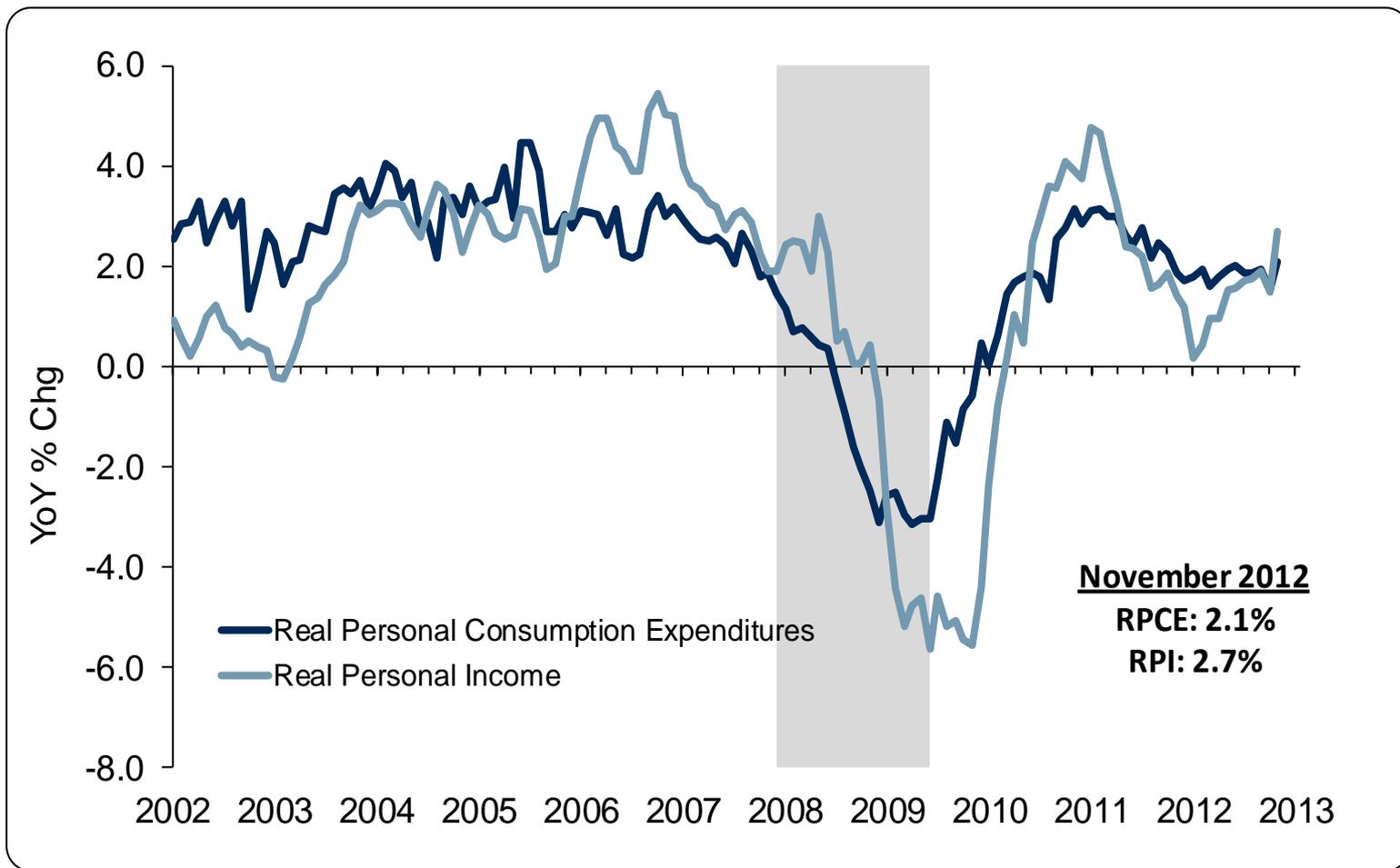
Average Monthly Change



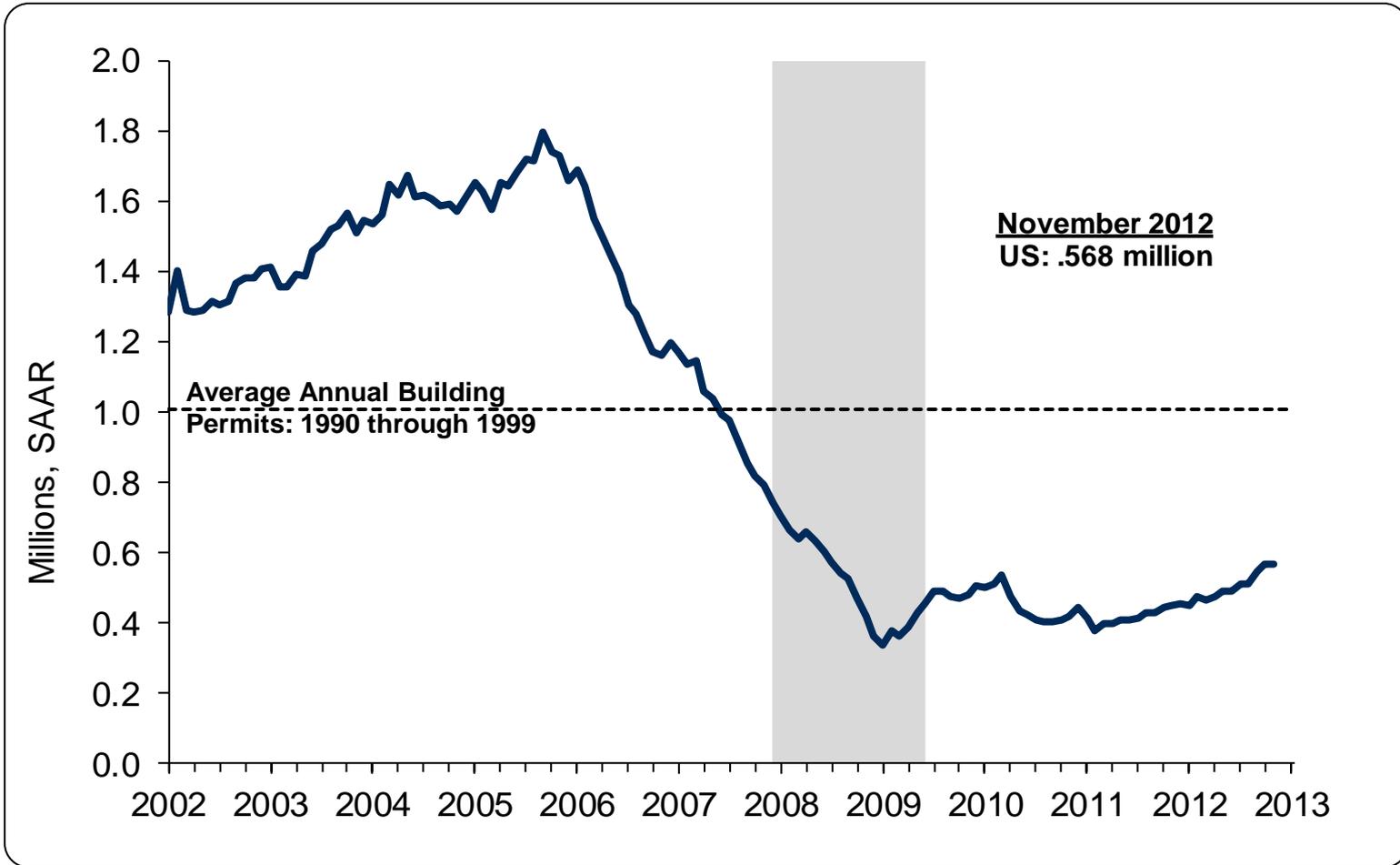
Unemployment Rate



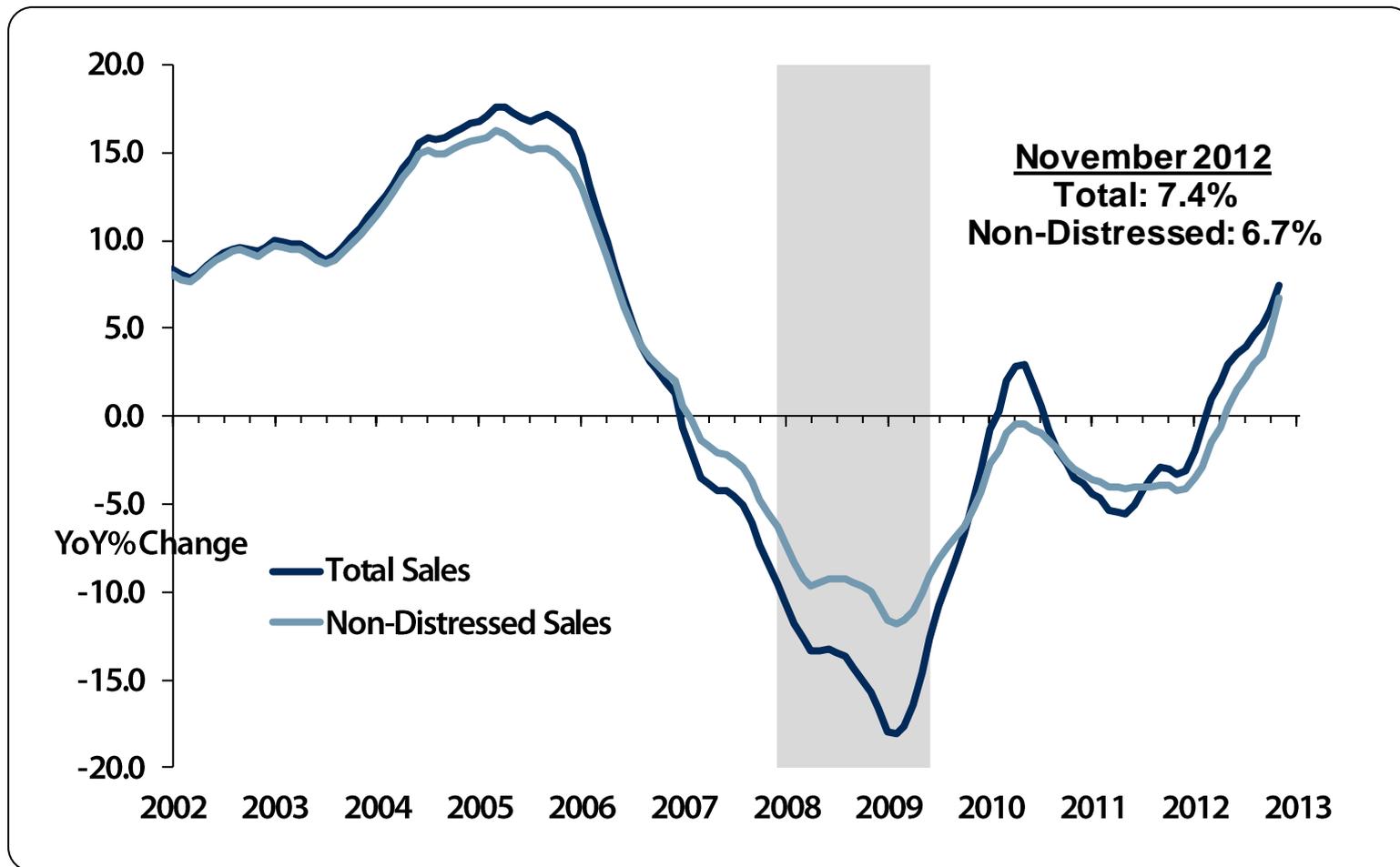
Personal Income and Expenditures



Building Permits—Single Family Homes



National House Prices





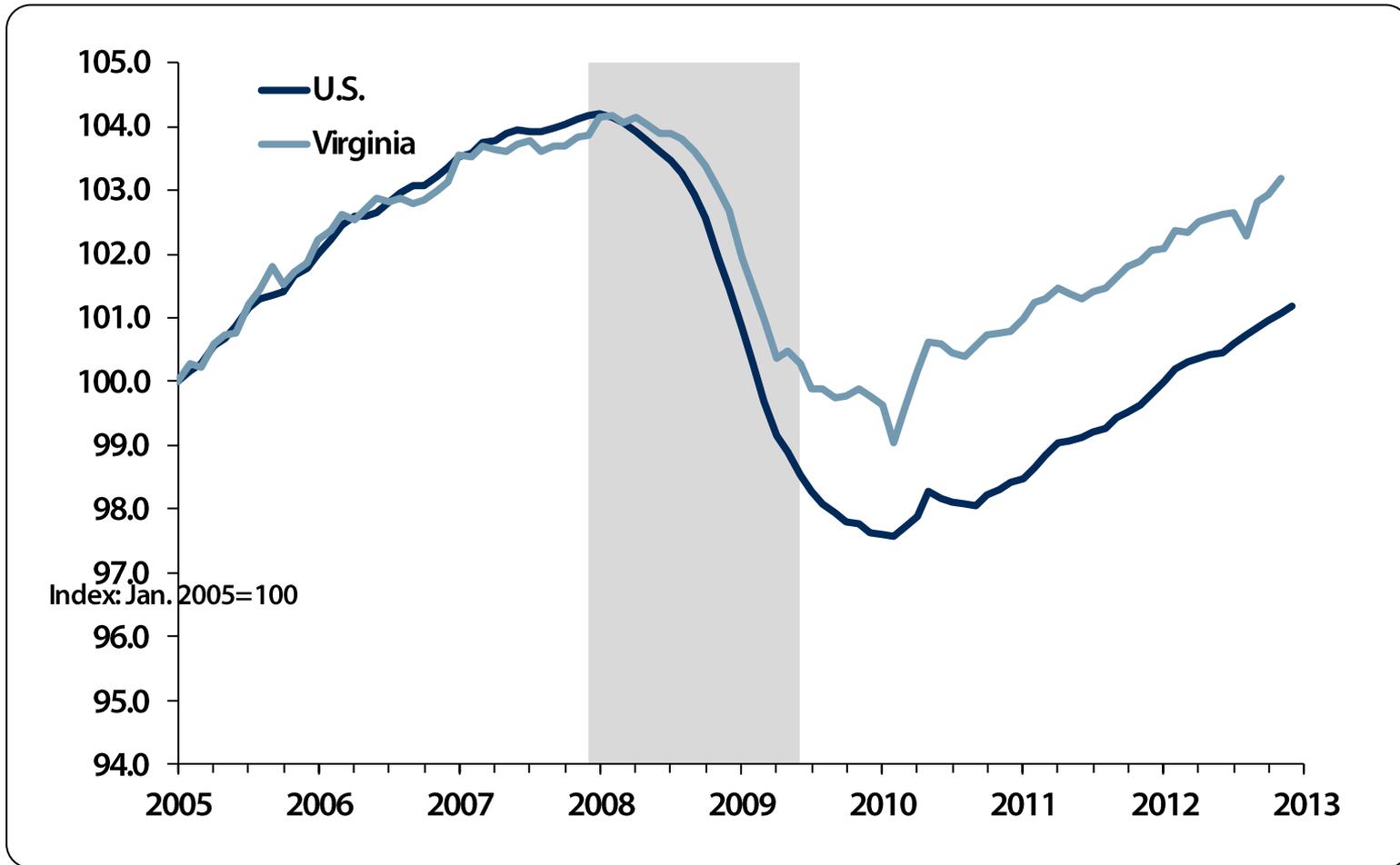
Virginia Economic Trends



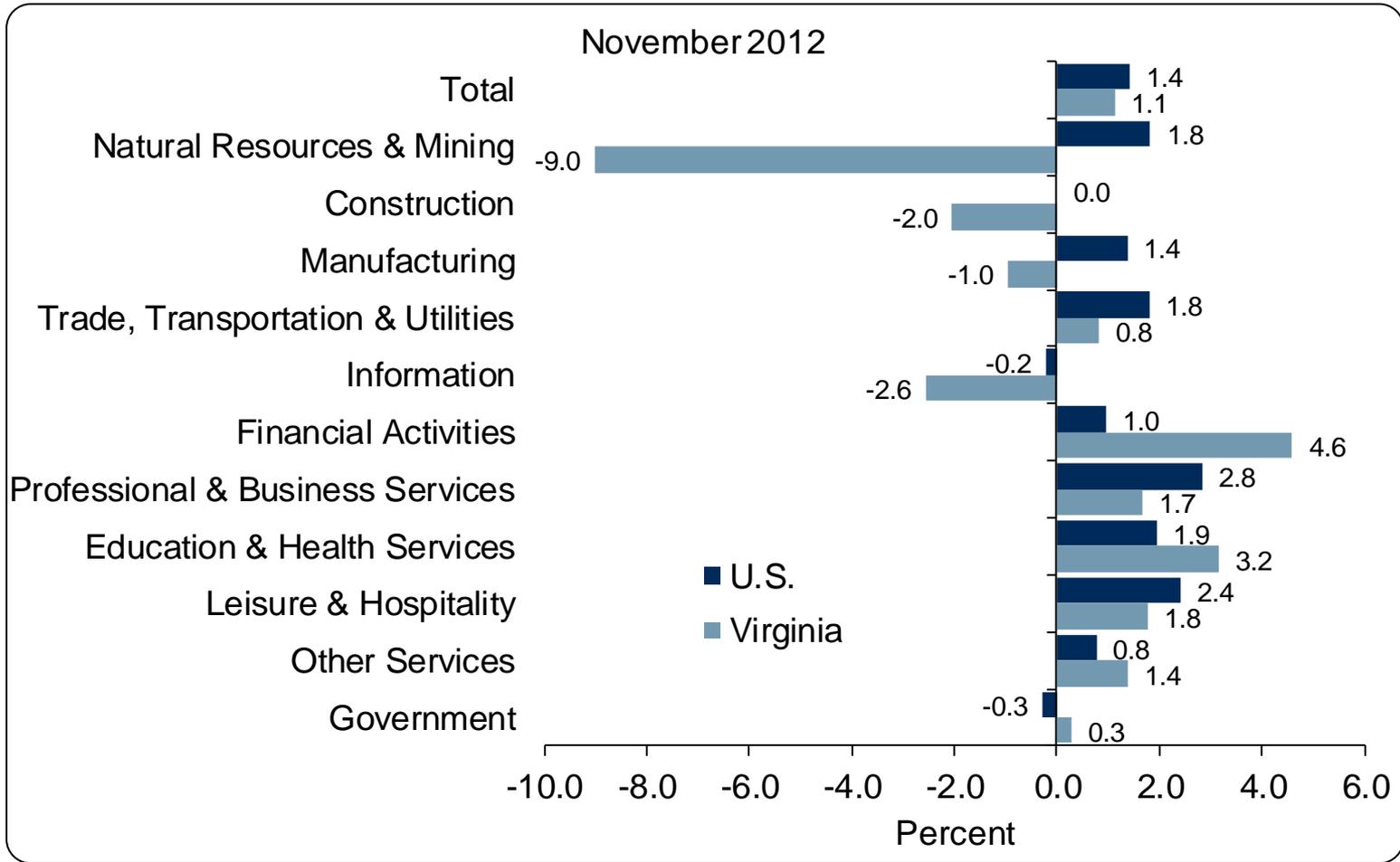
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Employment Growth in Virginia

Index: 2005=100

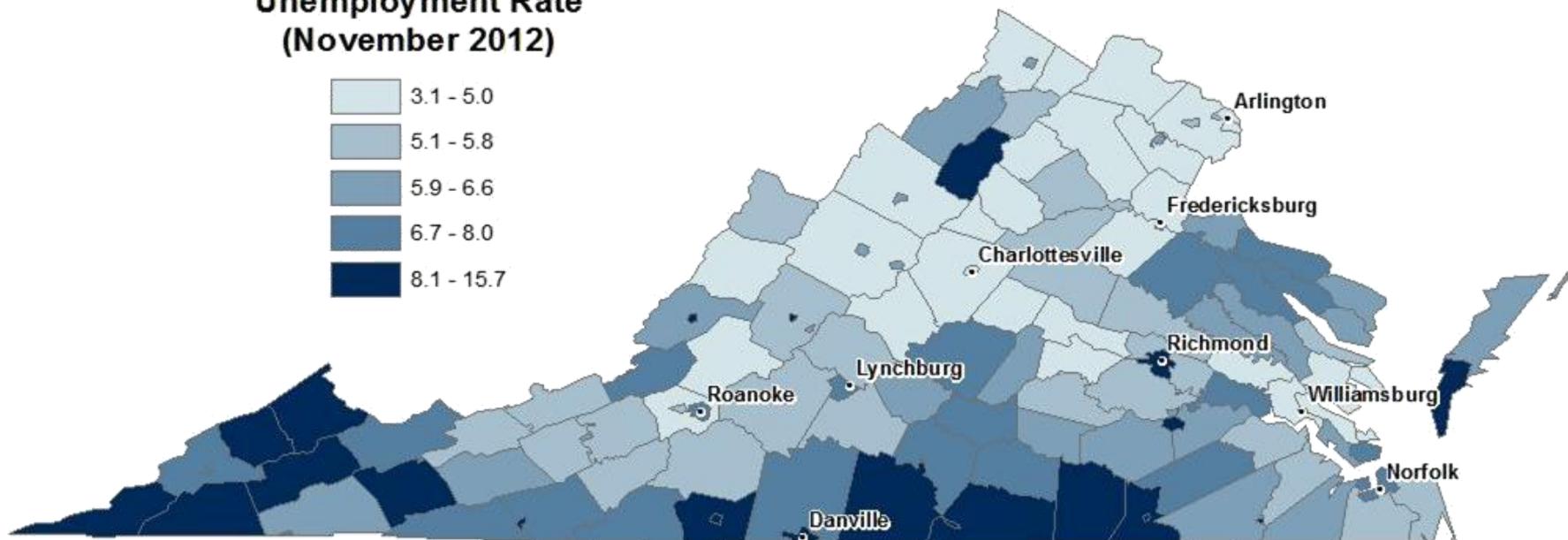
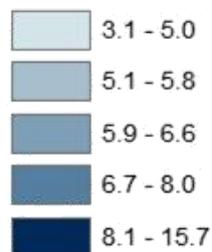


Industry Sector Growth in Virginia



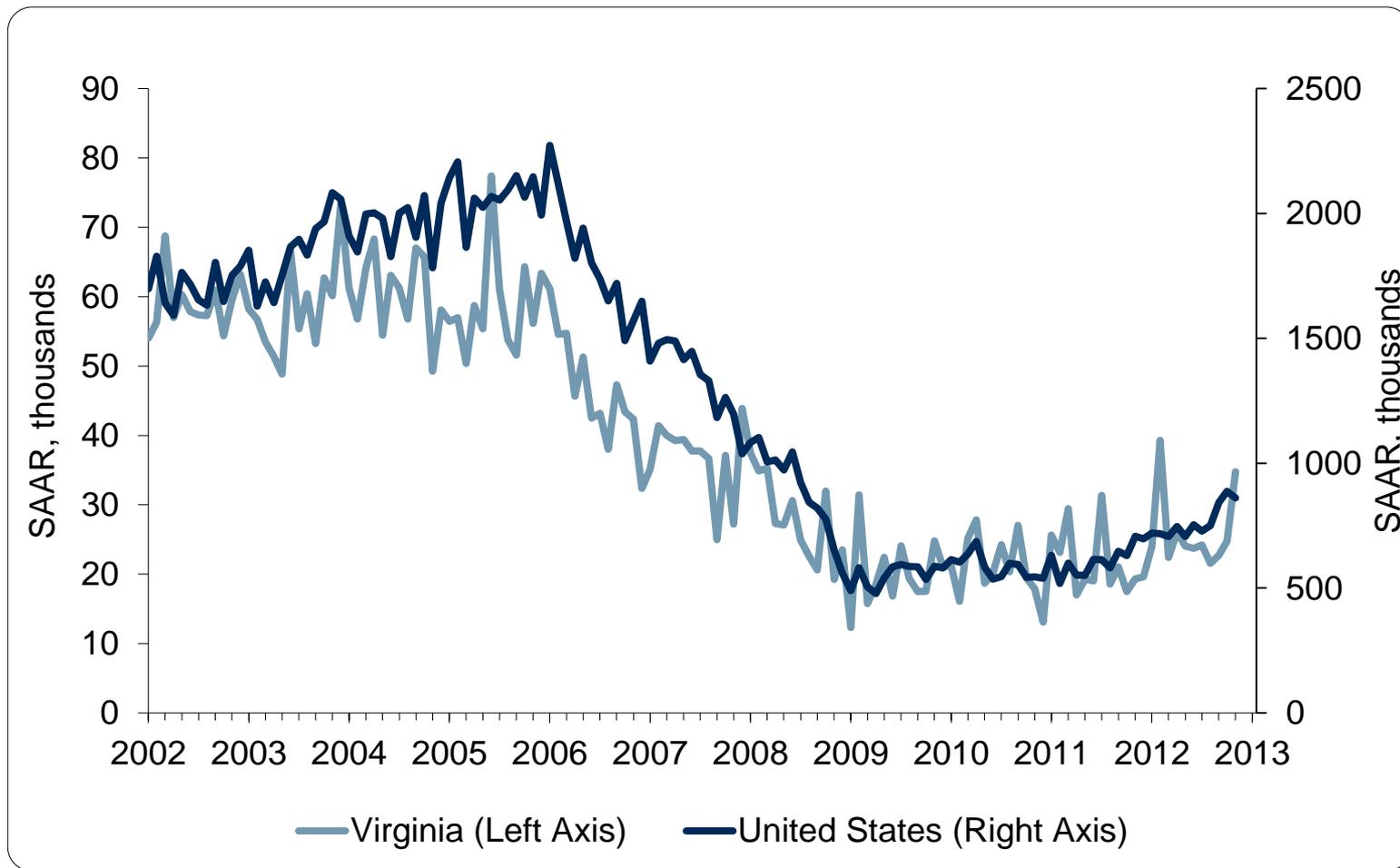
Unemployment (November 2012)

Unemployment Rate
(November 2012)

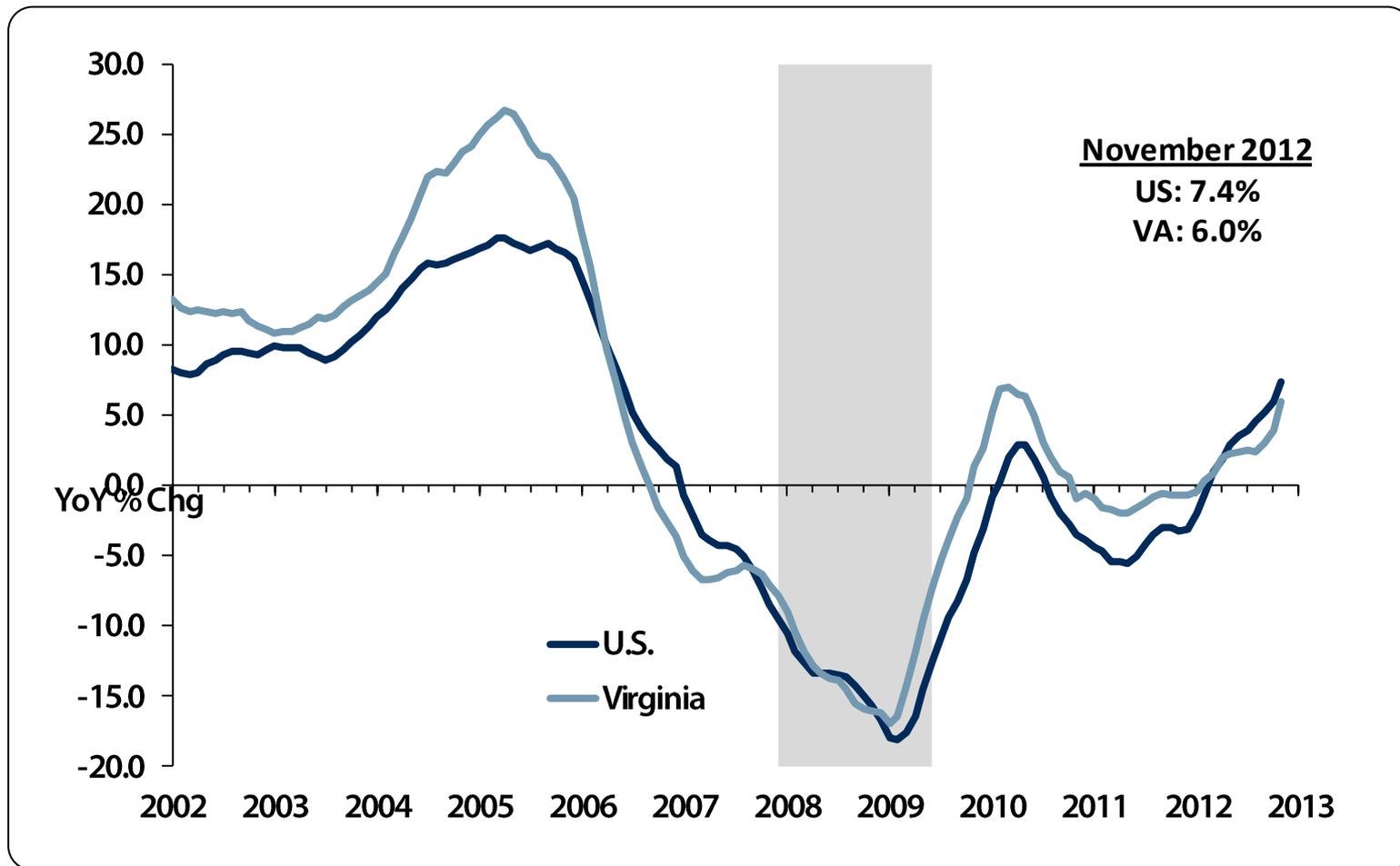


U.S. = 7.8%
VA = 5.6%

Housing Starts (Thous, SAAR)



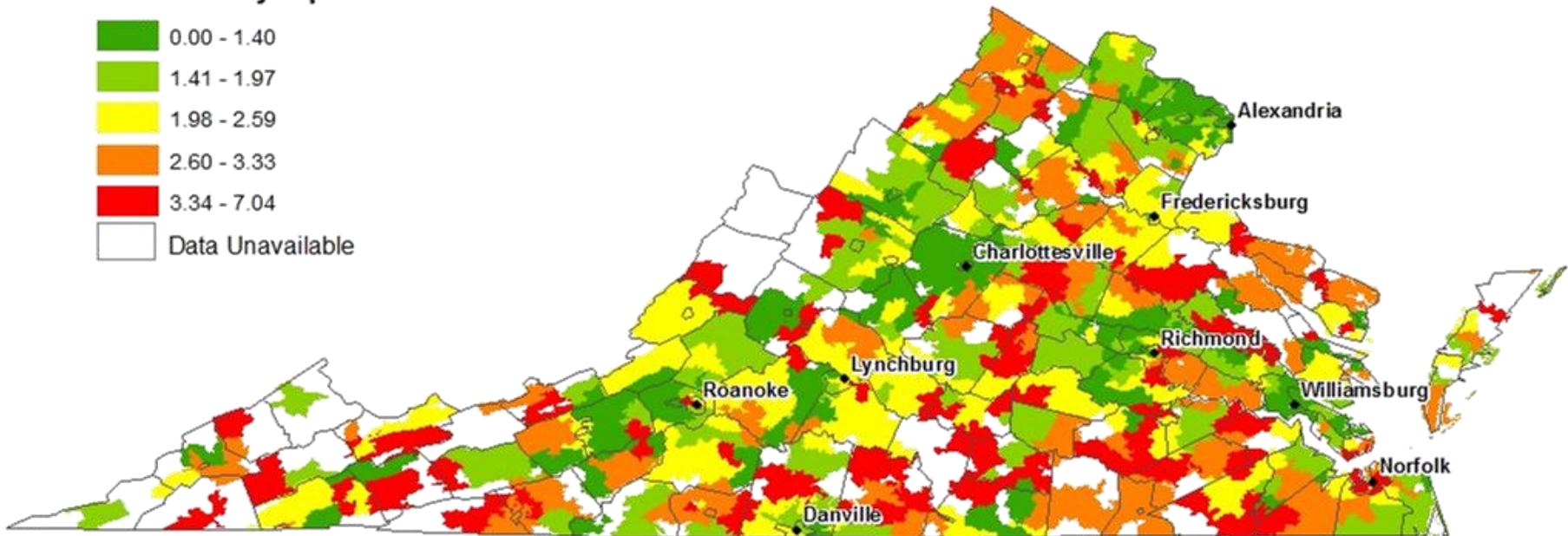
House Prices





Percentage of Owner-Occupied Total Loans in Foreclosure or REO: Virginia

Percent in Foreclosure or REO by Zip Code



Source: FRBR estimates using data from LPS (September 2012) and MBA (Q3:2012)



Looking Ahead



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Looking Ahead

- **Positives:**

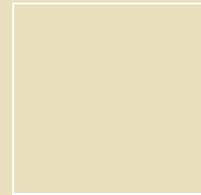
- Housing market recovery and spillovers for consumer confidence
- Job growth with (slowly) declining unemployment rate
- Some tax issues resolved, for consumers and businesses

- **Negatives:**

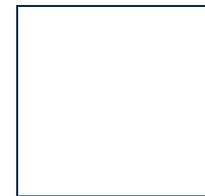
- Unresolved government spending issues – sequestration
- Debt ceiling (remember August 2011?)
- Uncertainty over implementation of health care reform (especially for small businesses)



Questions?



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