The views and opinions expressed herein are those of the author. They do not represent an official position of the Federal Reserve Bank of Richmond or the Federal Reserve System.
Overview

• National Economic Trends
  – Gross Domestic Product
  – Household Spending and Income
  – Labor Market Indicators
  – Housing

• Regional Economic Trends
  – Measures of Economic Activity
  – Labor Market Indicators
  – Industry Trends
  – Housing Market
National Economic Trends
U.S. Gross Domestic Product
Percent Change, Seasonally Adjusted Annual Rate

% Change, SAAR

Q2: 2015
US: 3.9%

Source: Bureau of Economic Analysis/Haver Analytics
Real Gross Domestic Product – Components
2015Q2 versus 2015Q1, Percent Change, Seasonally Adjusted Annual Rate

Source: Bureau of Economic Analysis/Haver Analytics
Personal Income and Expenditures

July 2015:
RPCE: 3.2%
RPI: 4.0%

Source: Bureau of Economic Analysis/Haver Analytics
Nonfarm Payroll Employment
Average Monthly Change

Source: Bureau of Labor Statistics/Haver Analytics
Unemployment Rate

August 2015: US: 5.1%

Source: Bureau of Labor Statistics/Haver Analytics
Labor Force Participation Rate

August 2015: US: 62.6%
Average Hourly Earnings

Source: Bureau of Labor Statistics/Haver Analytics

August: 2.2%
Balance of International Trade

Source: Bureau of Economic Analysis/Haver Analytics
Exchange Value of the Dollar

Source: Bureau of Economic Analysis/Haver Analytics
Residential Fixed Investment

Source: Bureau of Economic Analysis/Haver Analytics

% Change, SAAR

2Q:2015
7.8%

Home Sales: United States

Source: National Association of Realtors/Haver Analytics
Private Single-family Housing Starts & Permits

August 2015
Permits: .699 million
Starts: .739 million

90's Average Permits: 1.010
90's Average Starts: 1.105

Source: U.S. Census Bureau/Haver Analytics
Private Multi-family Housing Starts & Permits

August 2015
Permit: .471 million
Starts: .437 million

90's Average Permits: 0.313
90's Average Starts: 0.298

Source: U.S. Census Bureau/Haver Analytics
National House Prices

July 2015:
Total: 6.9%
Non-Distressed: 6.7%

Source: CoreLogic Information Solutions, Inc.
Regional Economic Trends
Economic Activity in the Fifth District Manufacturing Sector

Richmond Manufacturing Survey and ISM Manufacturing Survey

Source: The Federal Reserve Bank of Richmond/Institute of Supply Management
Economic Activity in the Fifth District
Service Sector

Richmond Service Sector Survey and ISM Nonmanufacturing Survey

Source: The Federal Reserve Bank of Richmond/Institute of Supply Management
Payroll Employment

August 2015
US: 2.1%
VA: 1.1%
MD: 2.0%
DE: 1.3%

Source: Bureau of Labor Statistics/Haver Analytics
Total Nonfarm Payroll Employment
Through August 2015, SA

Index: Dec. 2007 = 100

Source: Bureau of Labor Statistics/Haver Analytics
Virginia Industry Growth

August 2015

Year-over-Year % Change (SA)

Total
Natural Resources & Mining
Construction
Manufacturing
Trade, Transportation & Utilities
Information
Financial Activities
Professional & Business Services
Education & Health Services
Leisure & Hospitality
Other Services
Government

U.S.
Virginia

Source: Bureau of Labor Statistics/Haver Analytics
Virginia Industry Structure

2014

- Natural Resources & Mining: U.S. 0.6%, Virginia 0.3%
- Construction: U.S. 4.4%, Virginia 4.7%
- Manufacturing: U.S. 8.8%, Virginia 6.1%
- Trade, Transportation & Utilities: U.S. 19.0%, Virginia 17.0%
- Information: U.S. 2.0%, Virginia 1.9%
- Financial Activities: U.S. 5.7%, Virginia 5.1%
- Professional & Business Services: U.S. 13.7%, Virginia 18.0%
- Education & Health Services: U.S. 15.4%, Virginia 13.2%
- Leisure & Hospitality: U.S. 10.6%, Virginia 9.8%
- Other Services: U.S. 4.0%, Virginia 5.2%
- Government: U.S. 15.7%, Virginia 18.7%

Source: Bureau of Labor Statistics/Haver Analytics
Maryland Industry Growth

August 2015

Source: Bureau of Labor Statistics/Haver Analytics
Maryland Industry Structure

![Bar chart showing employment share (percent) for different industries in 2014 for the U.S. and Maryland.](chart)

- **Natural Resources & Construction**: 5.1% (U.S.), 5.8% (Maryland)
- **Manufacturing**: 3.9% (U.S.), 8.8% (Maryland)
- **Trade, Transportation & Utilities**: 17.4% (U.S.), 19.0% (Maryland)
- **Information**: 2.0% (U.S.), 1.4% (Maryland)
- **Financial Activities**: 5.7% (U.S.), 5.5% (Maryland)
- **Professional & Business Services**: 13.7% (U.S.), 16.2% (Maryland)
- **Education & Health Services**: 15.4% (U.S.), 16.3% (Maryland)
- **Leisure & Hospitality**: 10.6% (U.S.), 9.9% (Maryland)
- **Other Services**: 4.0% (U.S.), 4.3% (Maryland)
- **Government**: 15.7% (U.S.), 19.2% (Maryland)

**Source**: Bureau of Labor Statistics/Haver Analytics
Delaware Industry Structure

Source: Bureau of Labor Statistics/Haver Analytics
Professional & Business Services Employment

Index: Dec. 2007 = 100

- U.S.
- Virginia
- Maryland
- Delaware

Source: Bureau of Labor Statistics/Haver Analytics
August 2015
Federal Contract Spending (2014)

Total Contract Spending in FY14 ($Billion)

VA: $52.0
MD: $27.6
DC: $18.7
SC: $5.6
NC: $4.8
WV: $1.3

Total U.S.: $403,995,240,544
Fifth District: $110,035,170,240
Fifth District Share of Total Spending: 27.2%

Source: Federal Procurement Data System
Federal Contract Spending: Fifth District
Action Obligation in FY 2014 ($)

- 0 - 100,000
- 100,001 - 375,000
- 375,001 - 750,000
- 750,001 - 1,500,000
- 1,500,001 - 3,000,000
- 3,000,001 - 6,000,000
- 6,000,001 - 15,000,000
- 15,000,001 - 50,000,000
- 50,000,001 - 200,000,000
- 200,000,001 - 23,768,074,040

- Red: Military Installations
- Yellow: GSA Owned or Leased Properties

Note: Military Installations include installations for Army, Marine Corps, Navy, Air Force, Coast Guard, and Defense Logistics Agency.
Source: Federal Procurement Data System (FPDS); Department of Defense; U.S. General Services Administration.
MSA Payroll Employment Growth

Source: Bureau of Labor Statistics/Haver Analytics
August 2015

Bubble Size = Total Employment

3-month % Chg, ann

Source: Bureau of Labor Statistics/Haver Analytics
August 2015
Unemployment Rate

August 2015
US: 5.1%
VA: 4.5%
MD: 5.1%
DE: 4.9%

Source: Bureau of Labor Statistics/Haver Analytics
Unemployment in Fifth District Counties
July 2015

Unemployment Rate (July 2015)
- 2.9 - 5.0
- 5.1 - 5.9
- 6.0 - 6.7
- 6.8 - 8.2
- 8.3 - 14.6

Source: Bureau of Labor Statistics/Haver Analytics
Construction Employment
Through August 2015, SA

Index: Dec. 2007 = 100

- U.S.
- Virginia
- Maryland*
- Delaware*

Source: Bureau of Labor Statistics/Haver Analytics
*Natural Resources & Construction
Housing Starts

Source: Bank of Tokyo-Mitsubishi UFJ/Haver Analytics
Housing Starts

Maryland (Left Axis)
Delaware (Right Axis)

July 2015
Maryland: 15,920
Delaware: 5,800

Source: Bank of Tokyo-Mitsubishi UFJ/Haver Analytics
Single-Family Building Permits

Source: U.S. Census Bureau/Haver Analytics
Single-Family Building Permits

July 2015
MD: 11.1%
DE: 9.9%

Source: U.S. Census Bureau/Haver Analytics
Multi-Family Building Permits

July 2015
US: 50.3%
VA: -1.7%

Source: U.S. Census Bureau/Haver Analytics
Multi-Family Building Permits

YoY % Chg, 3-month average

July 2015
MD: -2.7%
DE: 43.7%

Source: U.S. Census Bureau/Haver Analytics
Virginia House Prices—CoreLogic HPI

Source: CoreLogic Information Solutions, Inc.
CoreLogic HPI


Source: CoreLogic Information Solutions, Inc.
Summary

- Economic growth has been steady, with improvement in Q2:2015, a large portion of which was increased consumer spending.
- Labor markets have tightened in the U.S. and the region, although wage growth has not kept up with other labor market indicators.
- Residential real estate continues to improve slowly, but construction activity is still at a low level compared to the 1990s.
- The traditional reliance of Virginia and Maryland on federal government spending has been a drag on economic growth in those states for the past few years.
The views and opinions expressed herein are those of the author. They do not represent an official position of the Federal Reserve Bank of Richmond or the Federal Reserve System.