



National and Virginia Economic Outlook

Association of Electric Cooperatives
September 29, 2015



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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

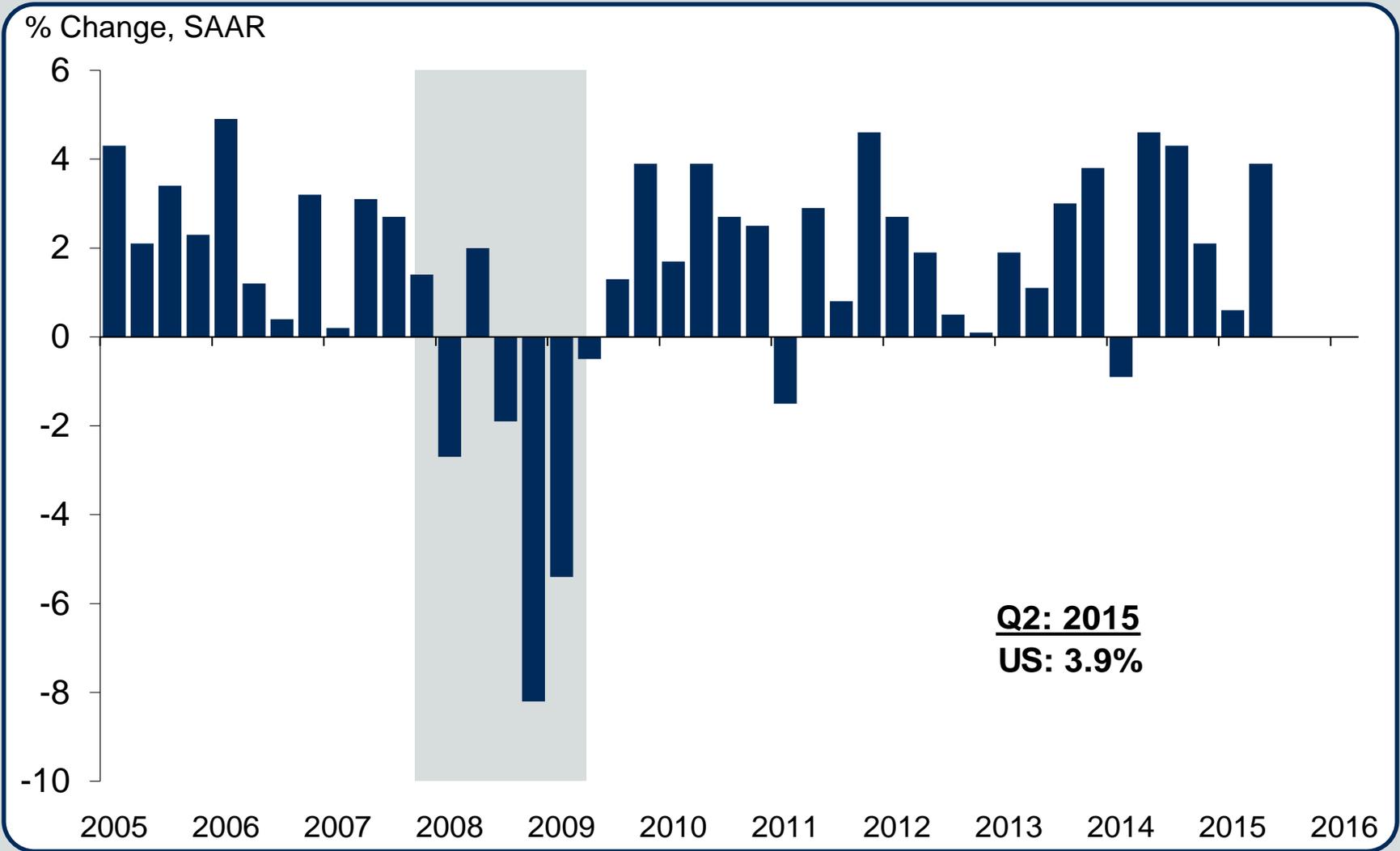
- **National Economic Trends**
 - Gross Domestic Product
 - Household Spending and Income
 - Labor Market Indicators
 - Housing

- **Regional Economic Trends**
 - Measures of Economic Activity
 - Labor Market Indicators
 - Industry Trends
 - Housing Market

National Economic Trends

U.S. Gross Domestic Product

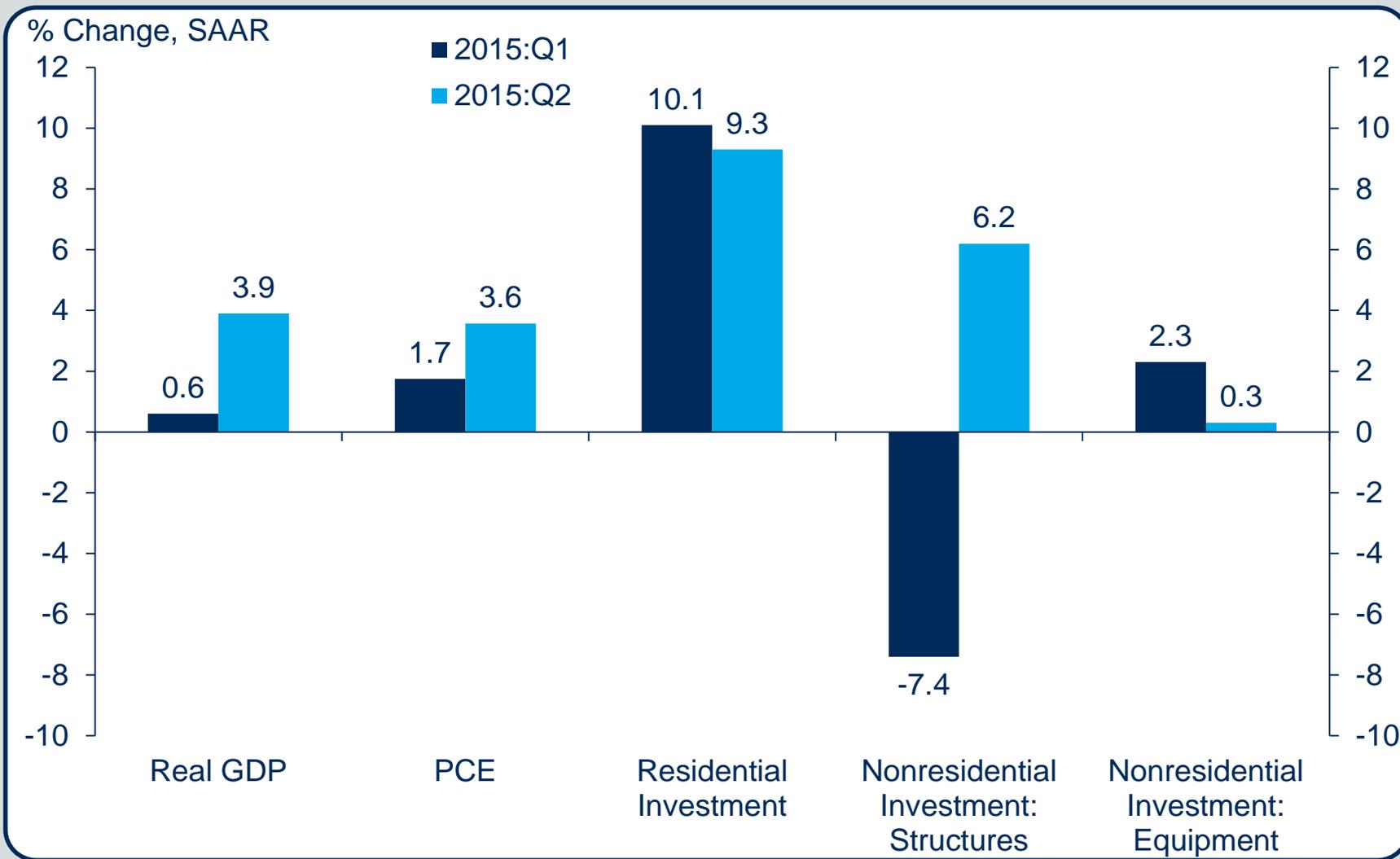
Percent Change, Seasonally Adjusted Annual Rate



Source: Bureau of Economic Analysis/Haver Analytics

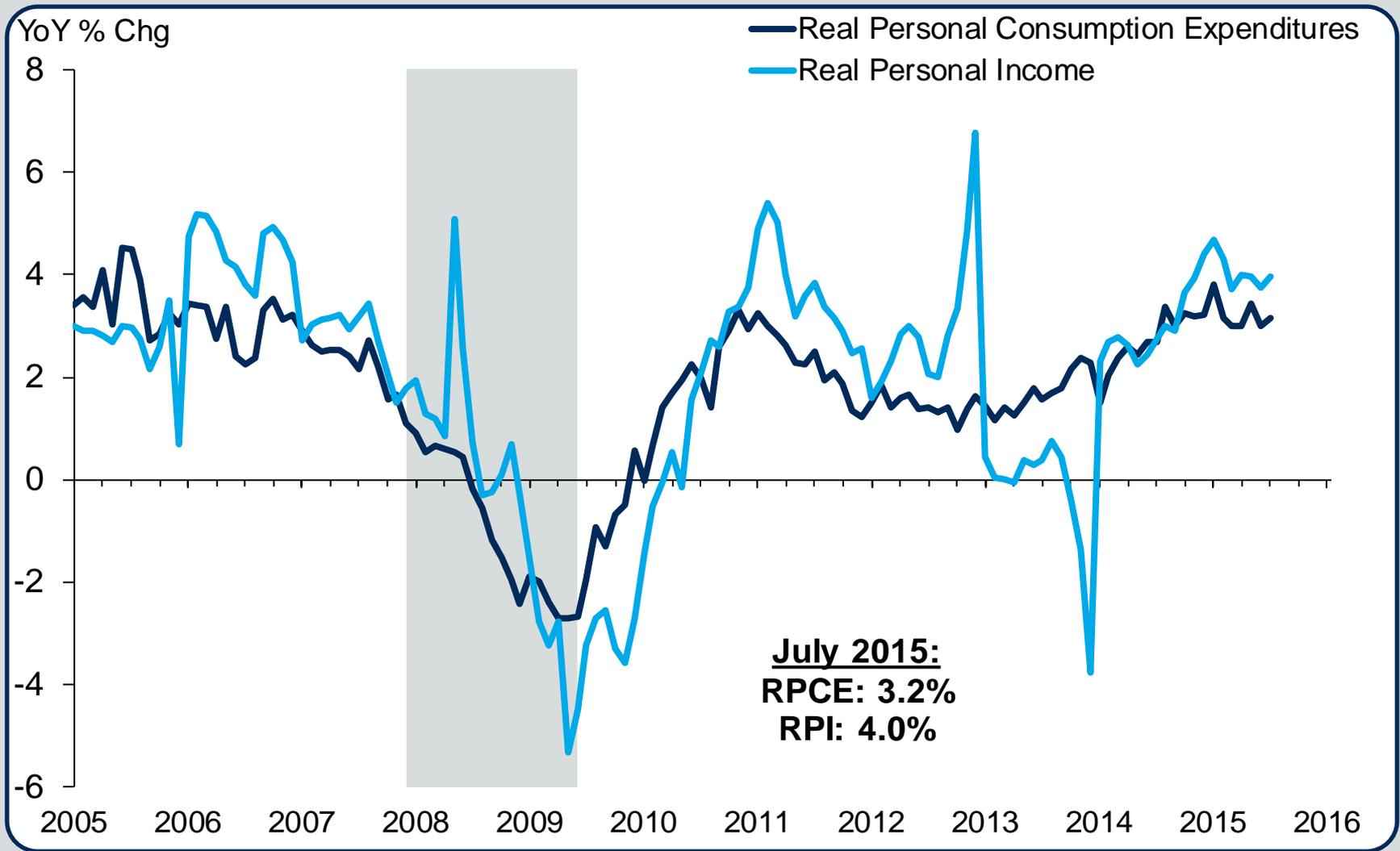
Real Gross Domestic Product – Components

2015Q2 versus 2015Q1, Percent Change, Seasonally Adjusted Annual Rate



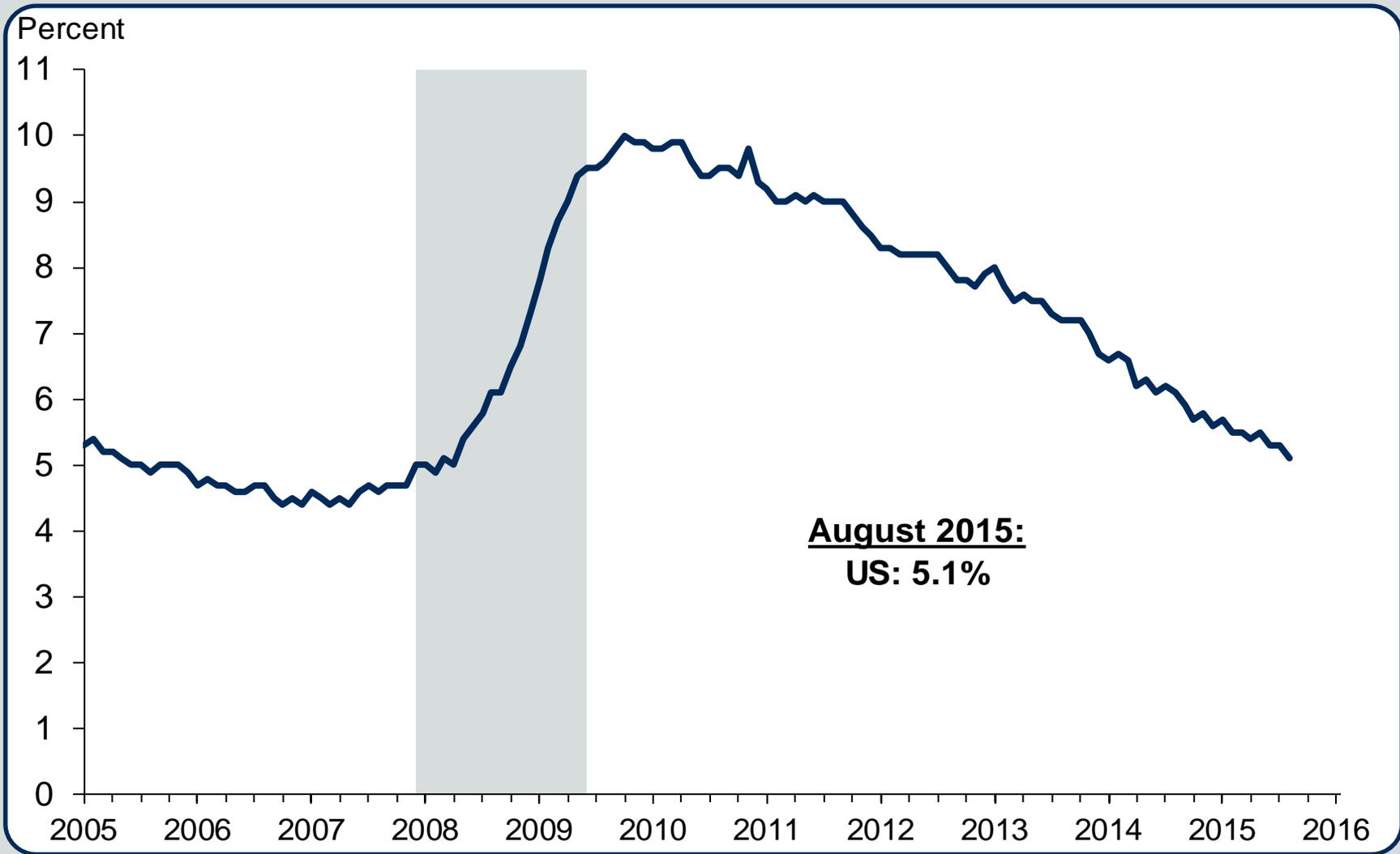
Source: Bureau of Economic Analysis/Haver Analytics

Personal Income and Expenditures



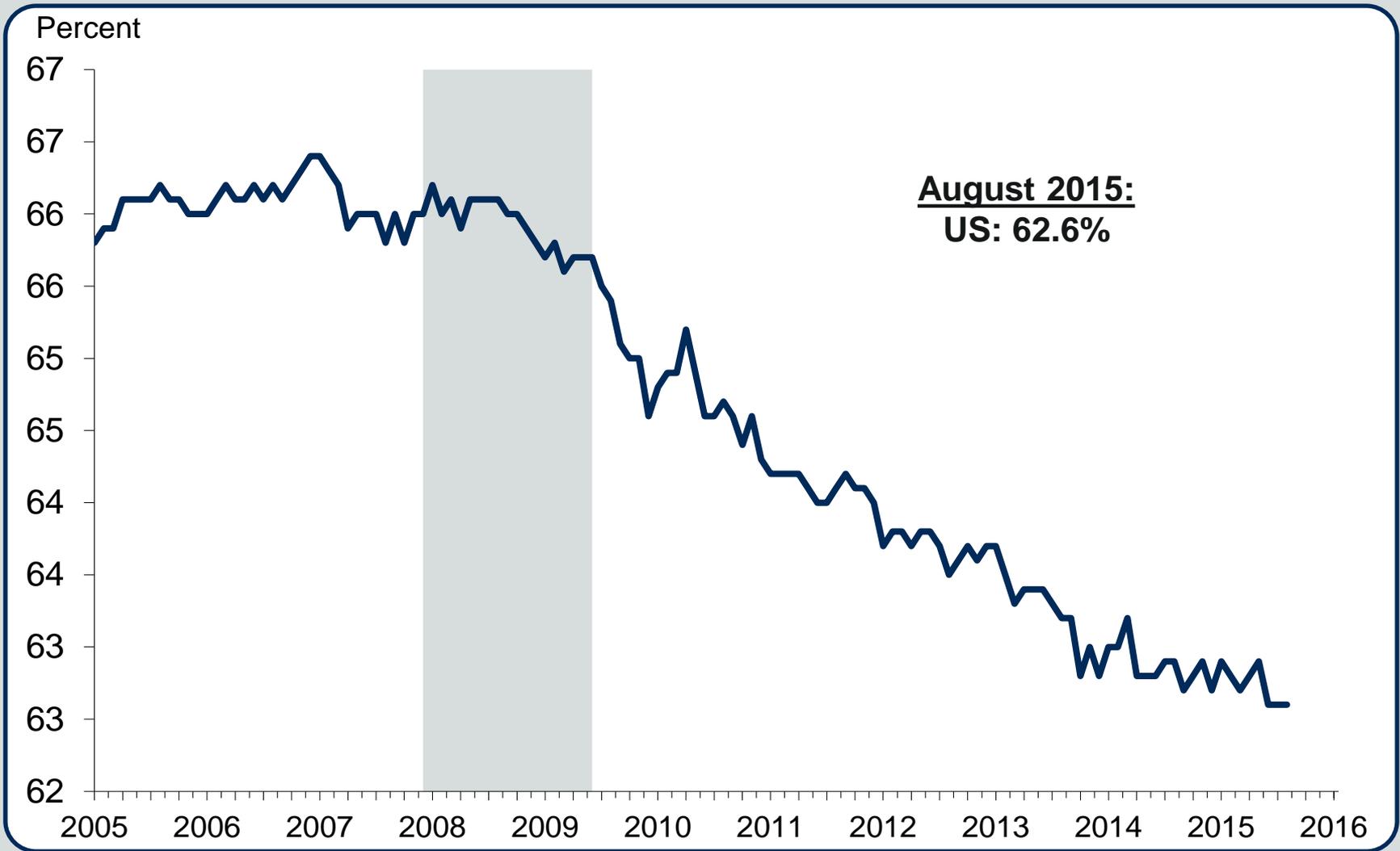
Source: Bureau of Economic Analysis/Haver Analytics

Unemployment Rate

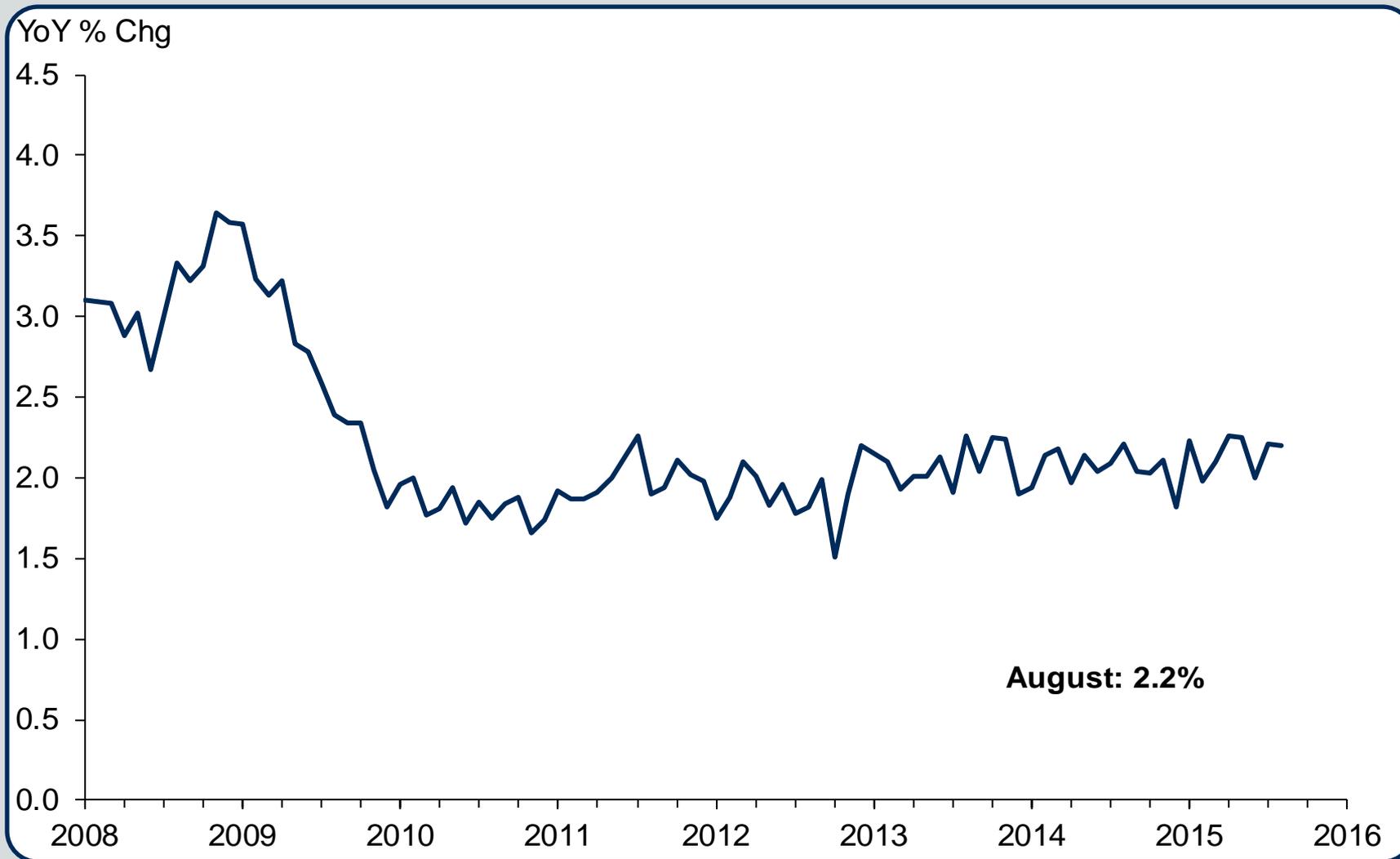


Source: Bureau of Labor Statistics/Haver Analytics

Labor Force Participation Rate

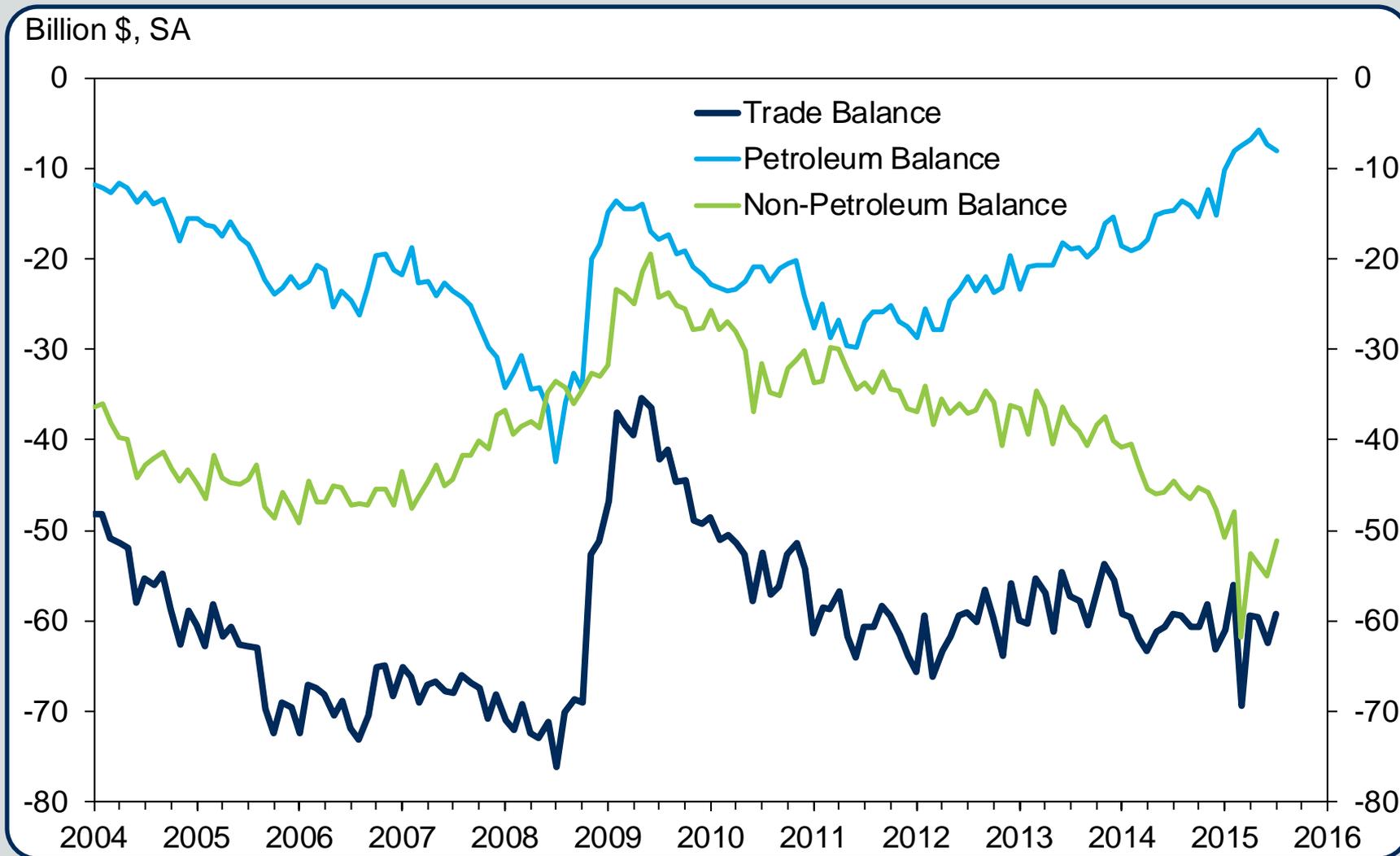


Average Hourly Earnings



Source: Bureau of Labor Statistics/Haver Analytics

Balance of International Trade



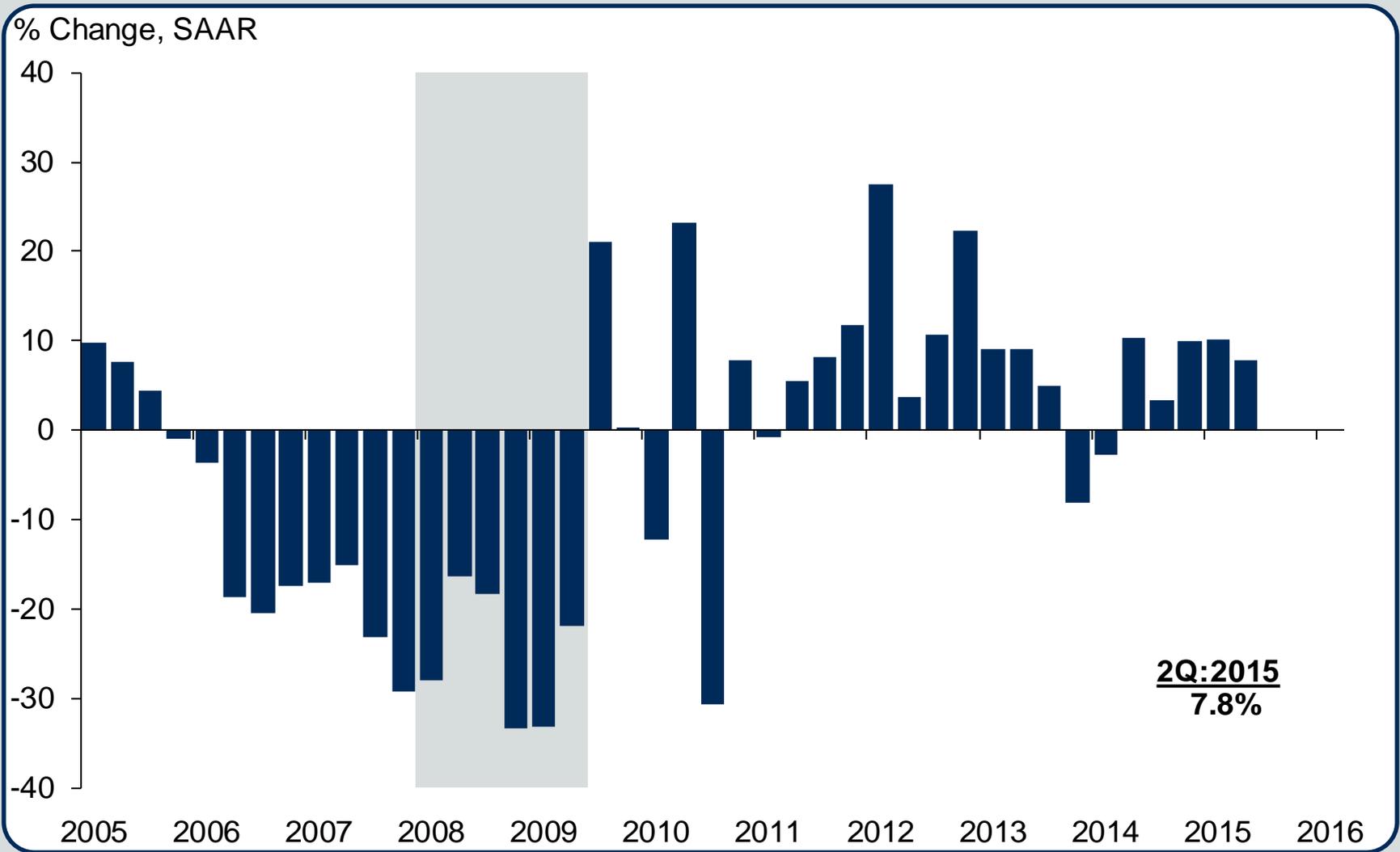
Source: Bureau of Economic Analysis/Haver Analytics

Exchange Value of the Dollar



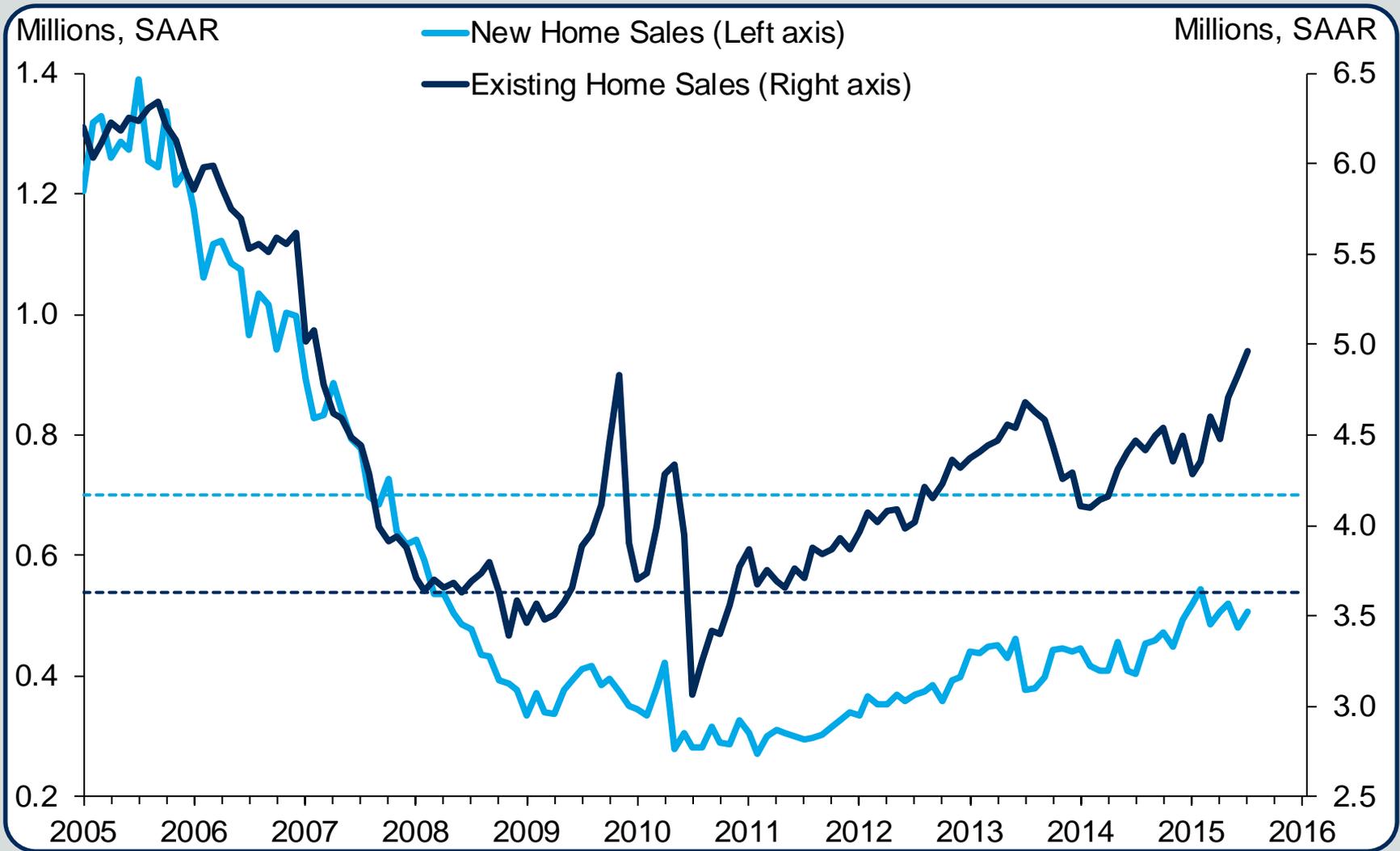
Source: Bureau of Economic Analysis/Haver Analytics

Residential Fixed Investment



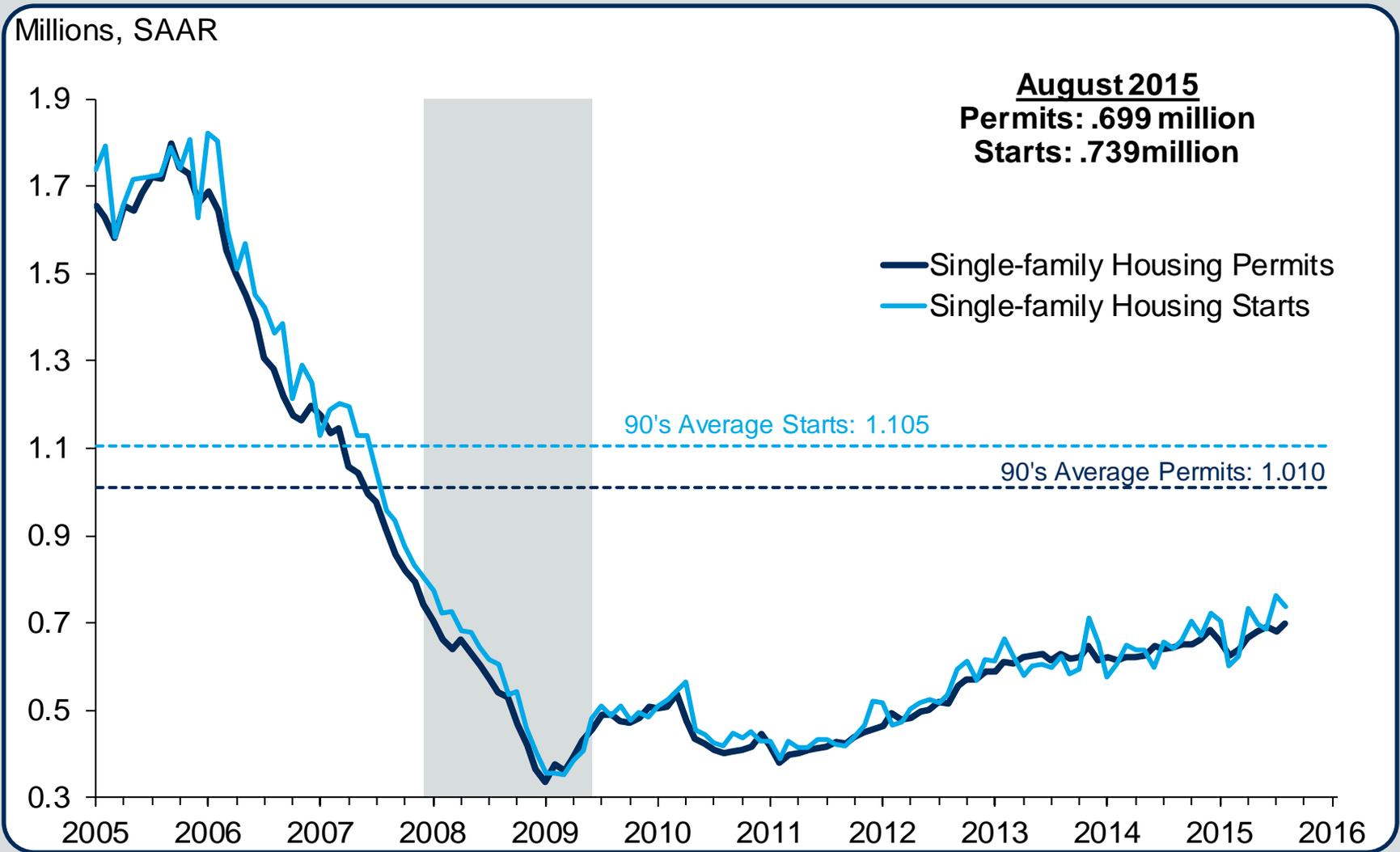
Source: Bureau of Economic Analysis/Haver Analytics

Home Sales: United States



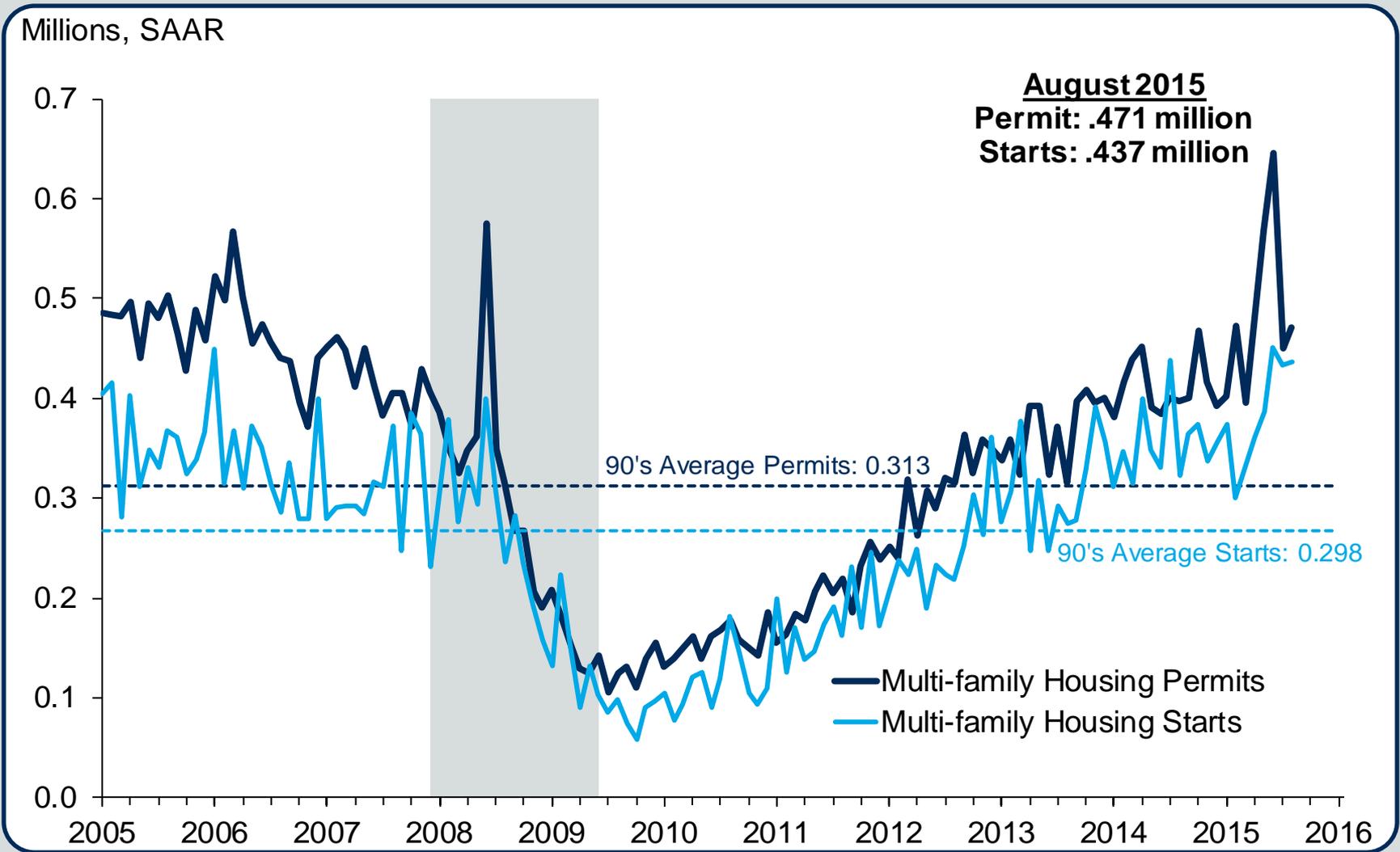
Source: National Association of Realtors/Haver Analytics

Private Single-family Housing Starts & Permits



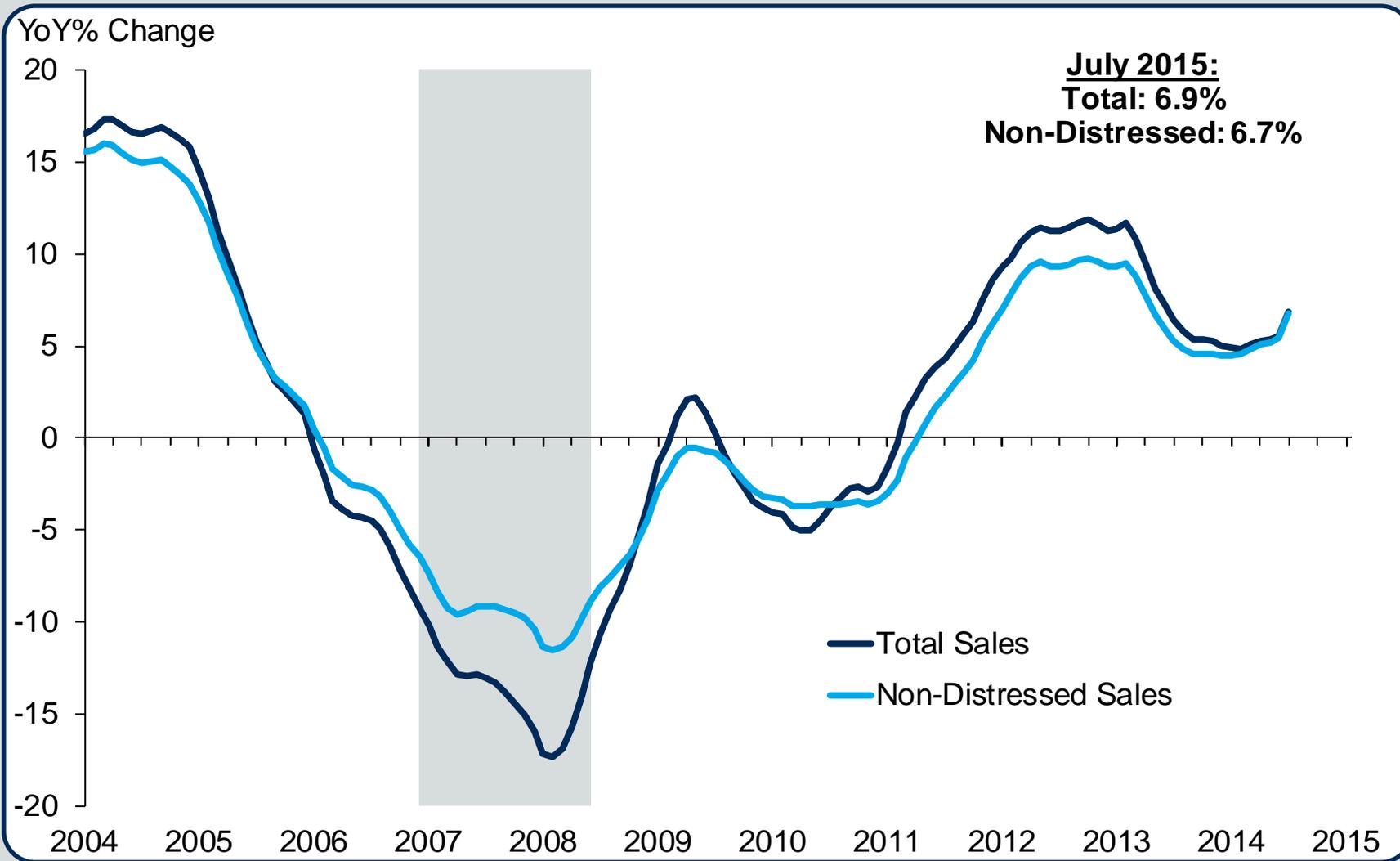
Source: U.S. Census Bureau/Haver Analytics

Private Multi-family Housing Starts & Permits



Source: U.S. Census Bureau/Haver Analytics

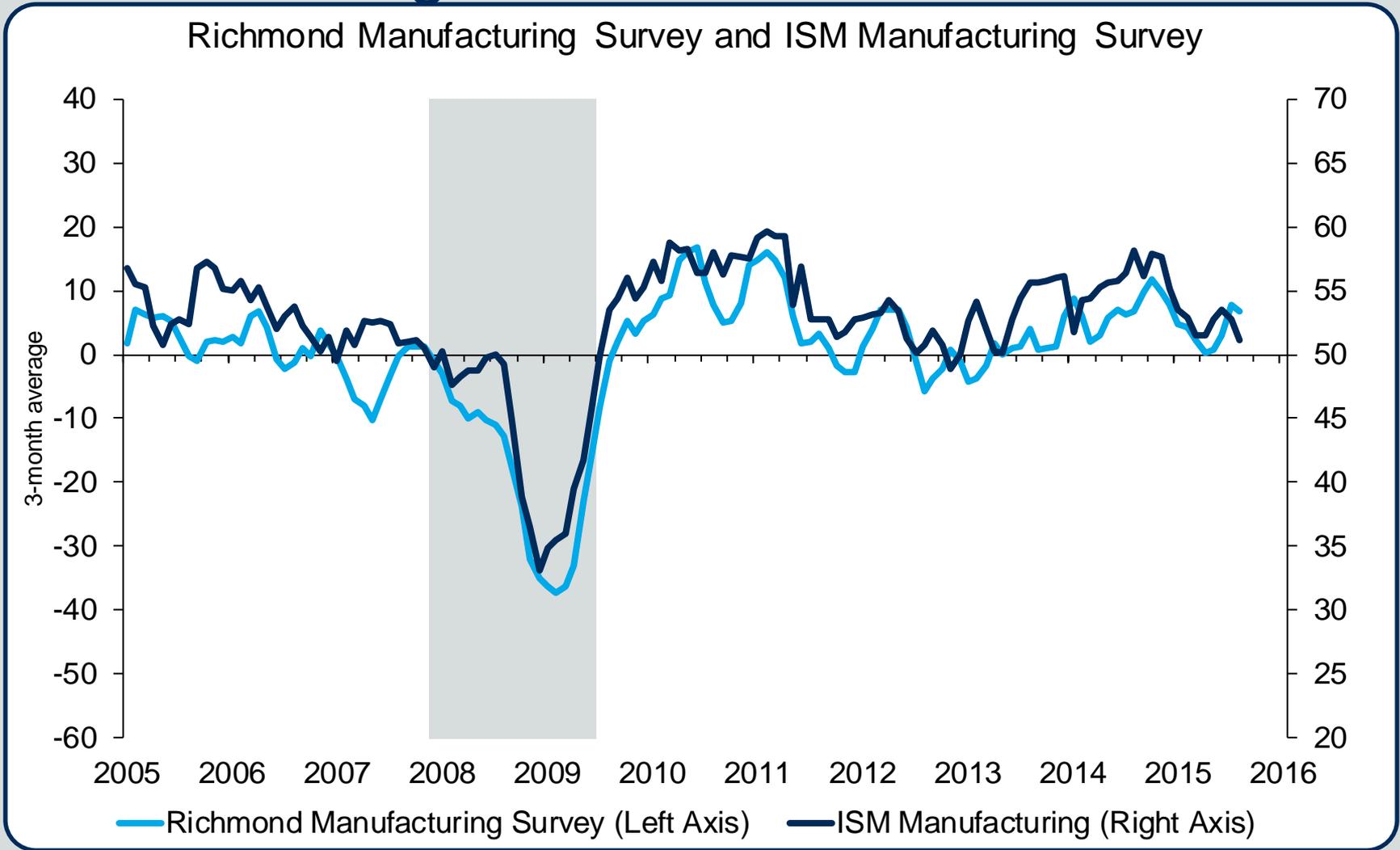
National House Prices



Source: CoreLogic Information Solutions, Inc.

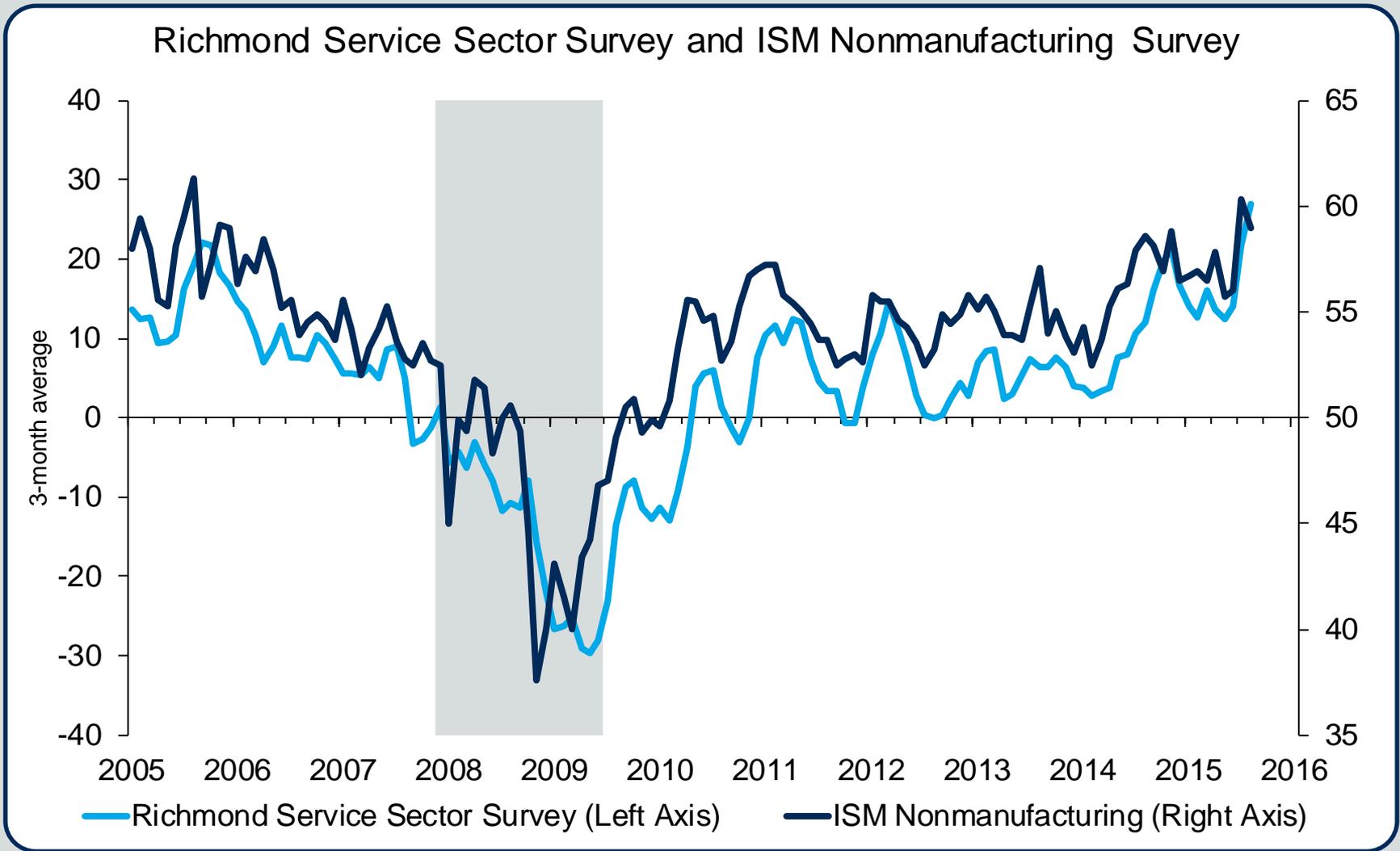
Regional Economic Trends

Economic Activity in the Fifth District Manufacturing Sector



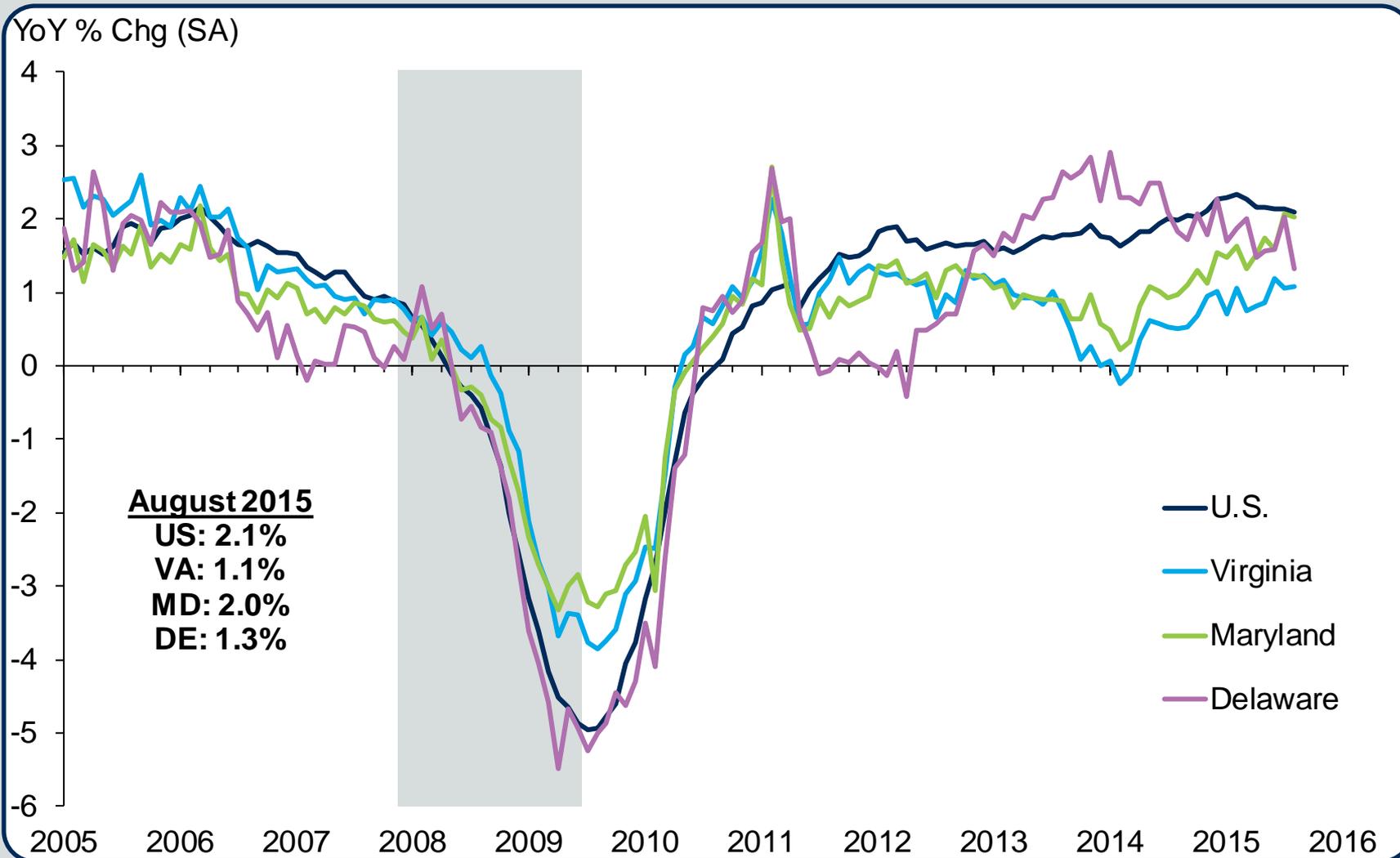
Source: The Federal Reserve Bank of Richmond/Institute of Supply Management

Economic Activity in the Fifth District Service Sector



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

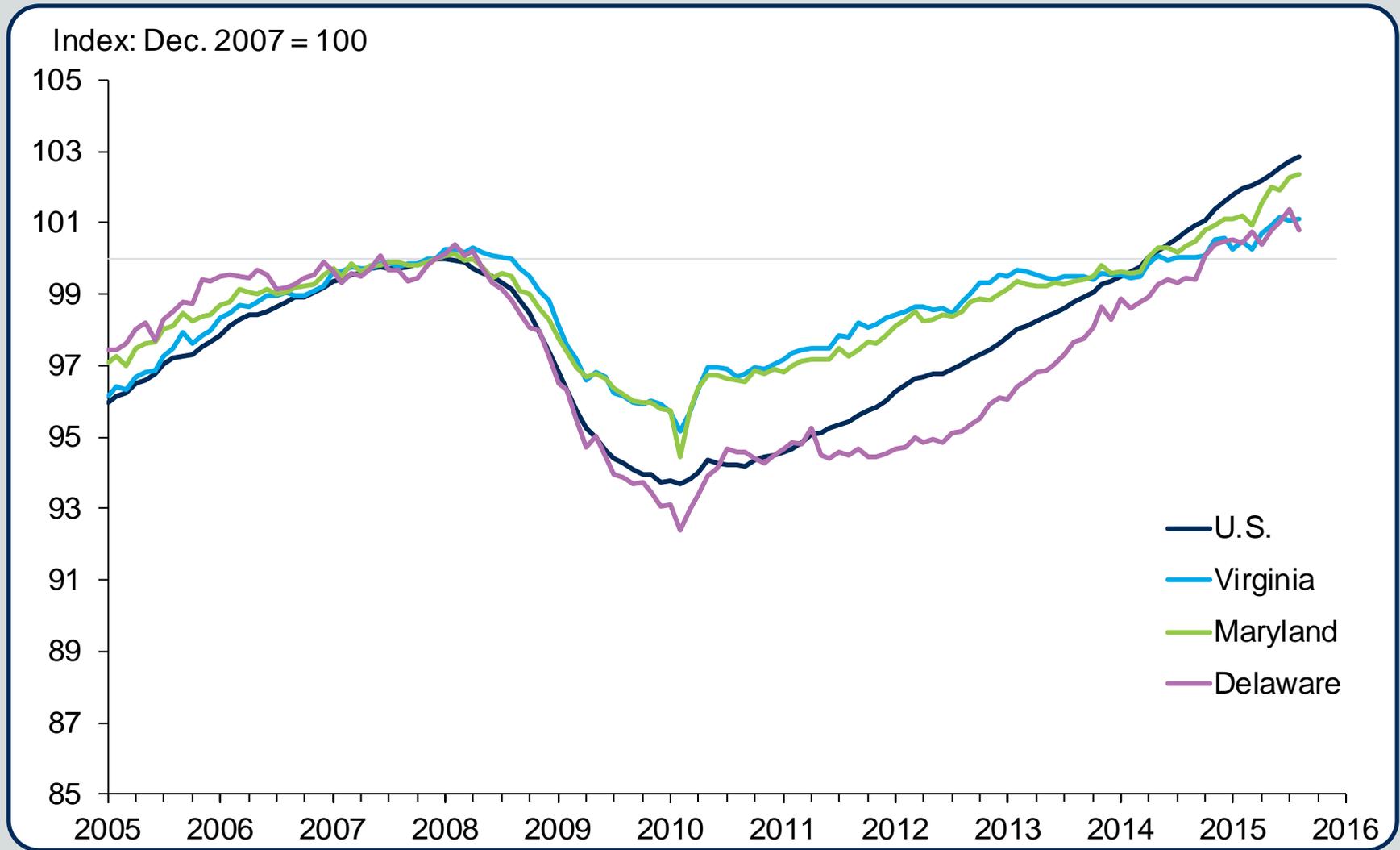
Payroll Employment



Source: Bureau of Labor Statistics/Haver Analytics

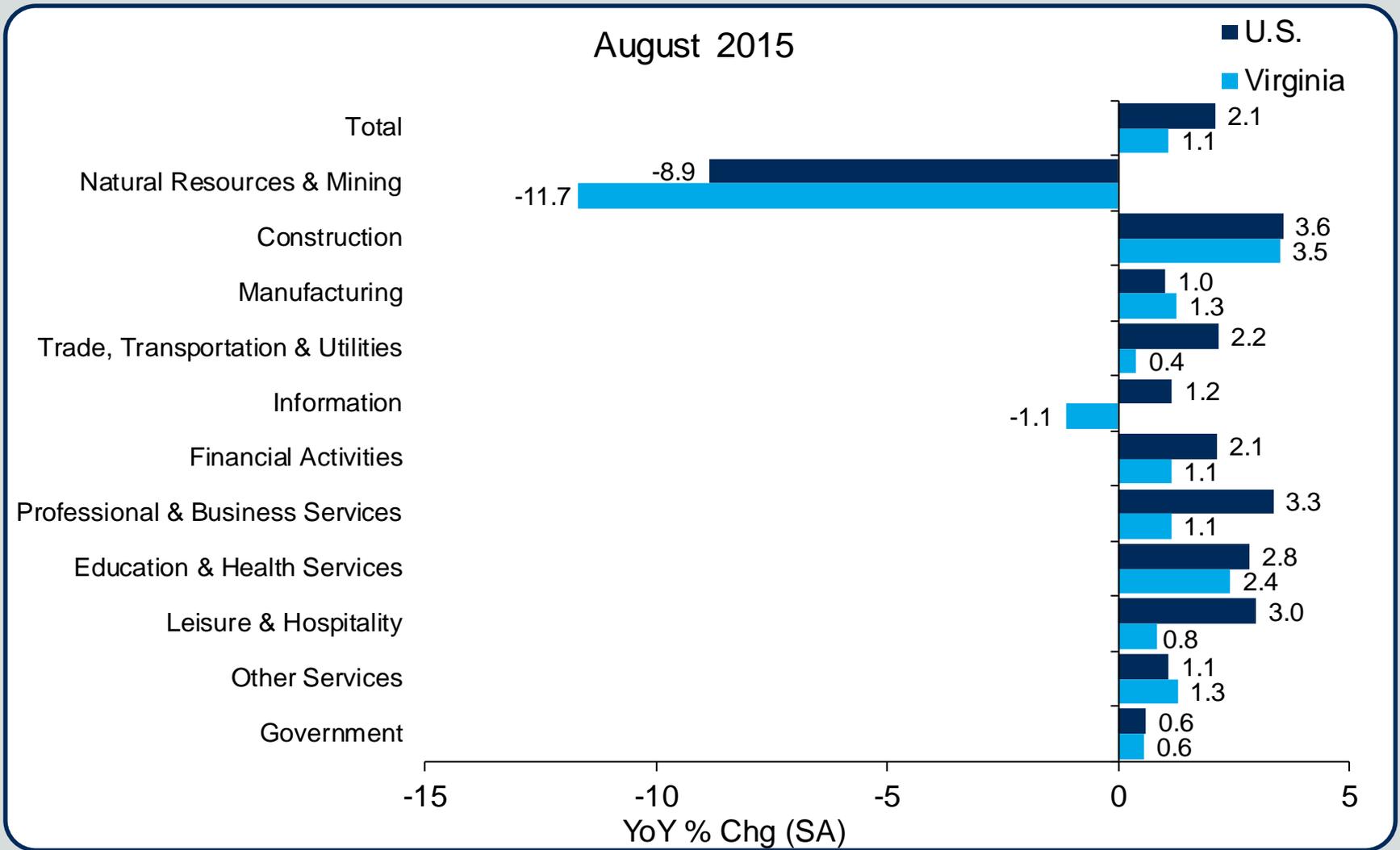
Total Nonfarm Payroll Employment

Through August 2015, SA



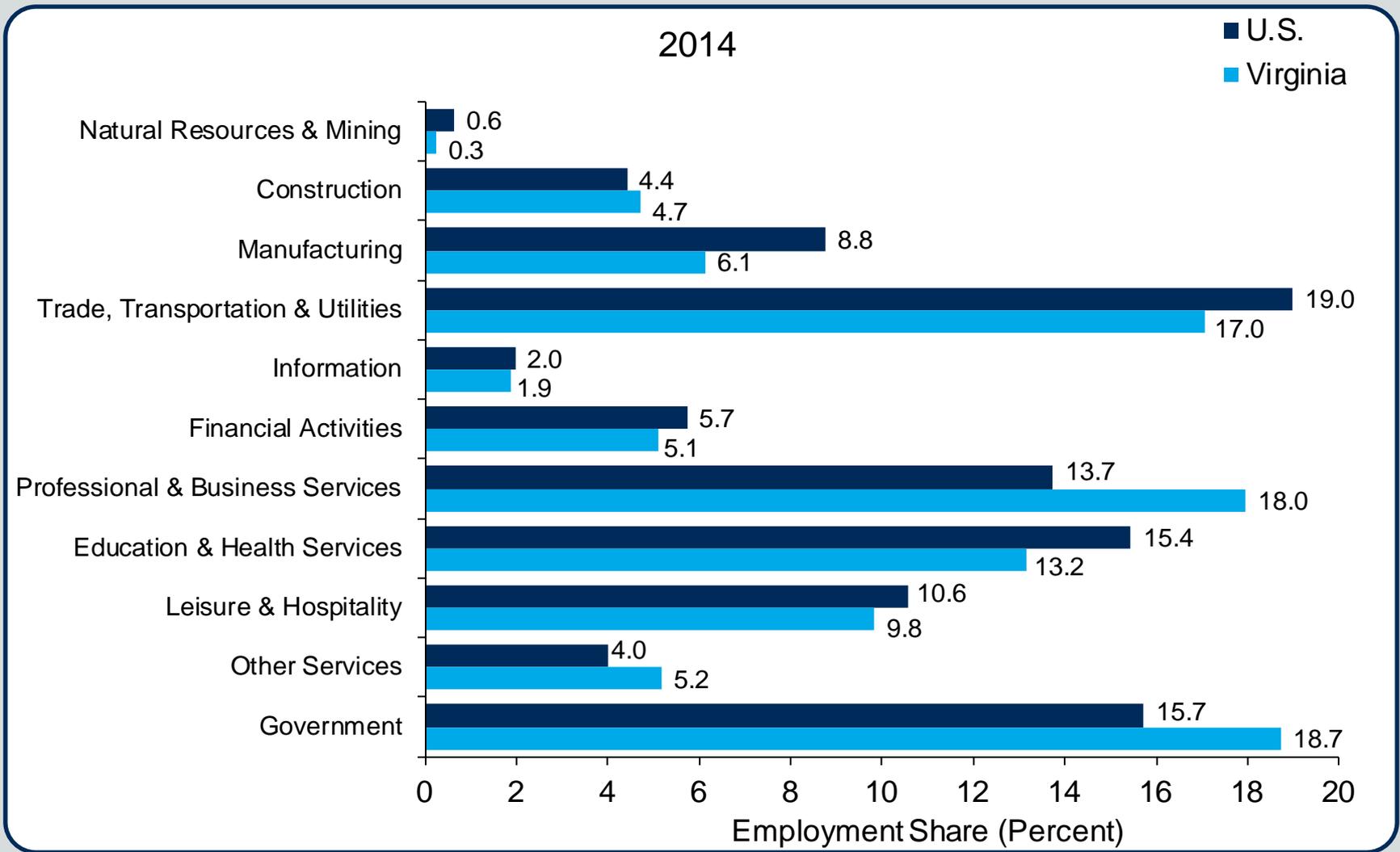
Source: Bureau of Labor Statistics/Haver Analytics

Virginia Industry Growth



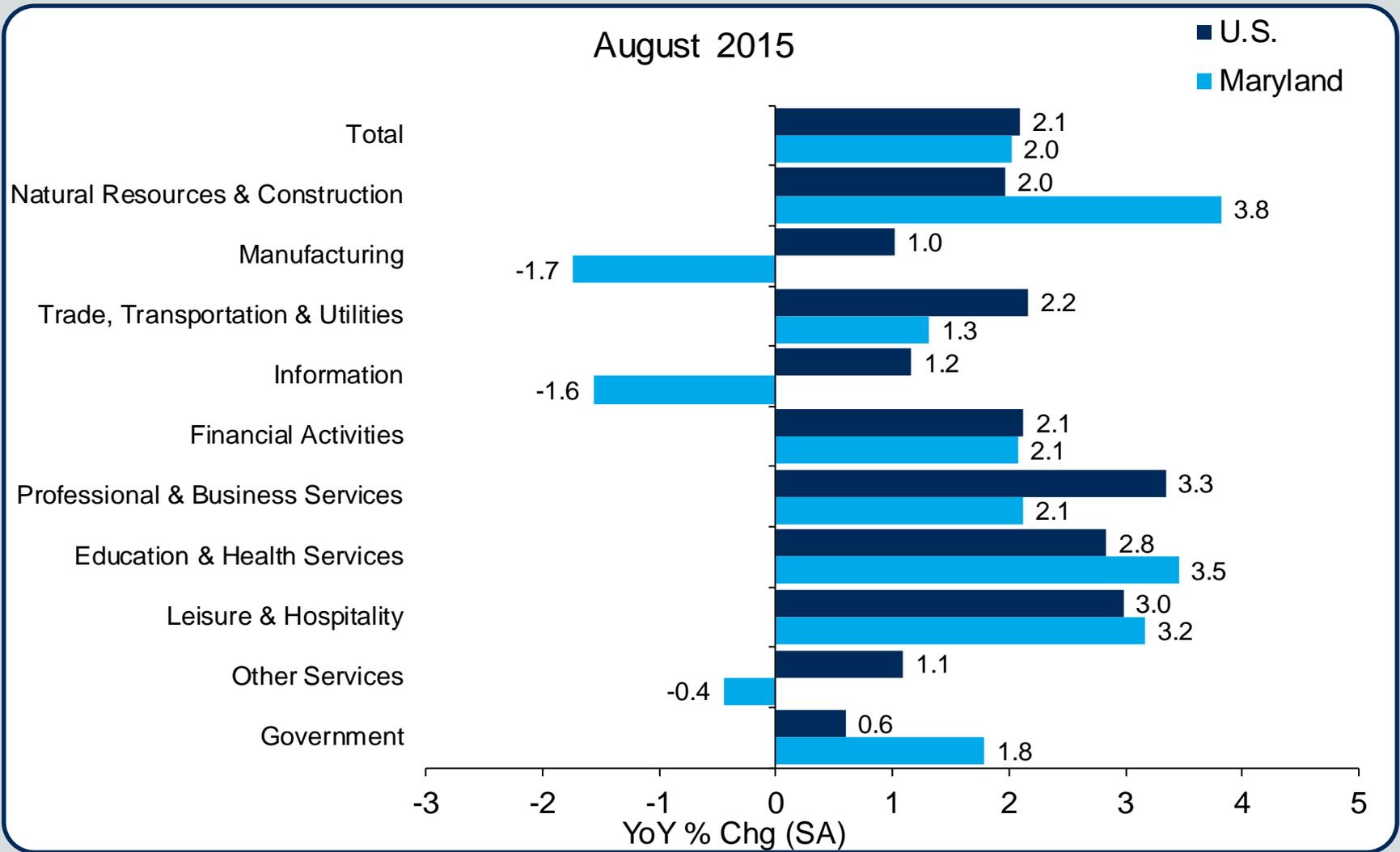
Source: Bureau of Labor Statistics/Haver Analytics

Virginia Industry Structure



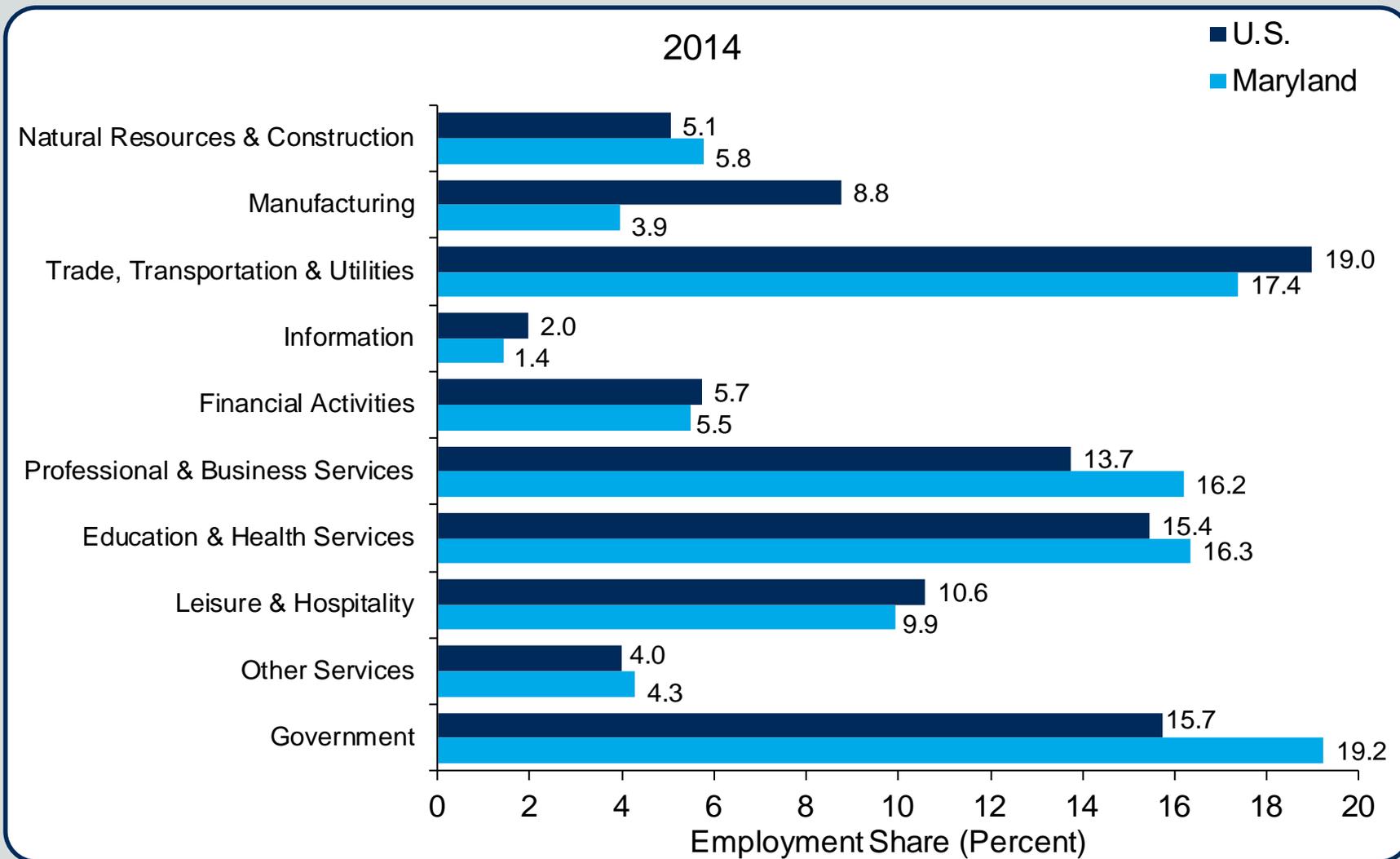
Source: Bureau of Labor Statistics/Haver Analytics

Maryland Industry Growth



Source: Bureau of Labor Statistics/Haver Analytics

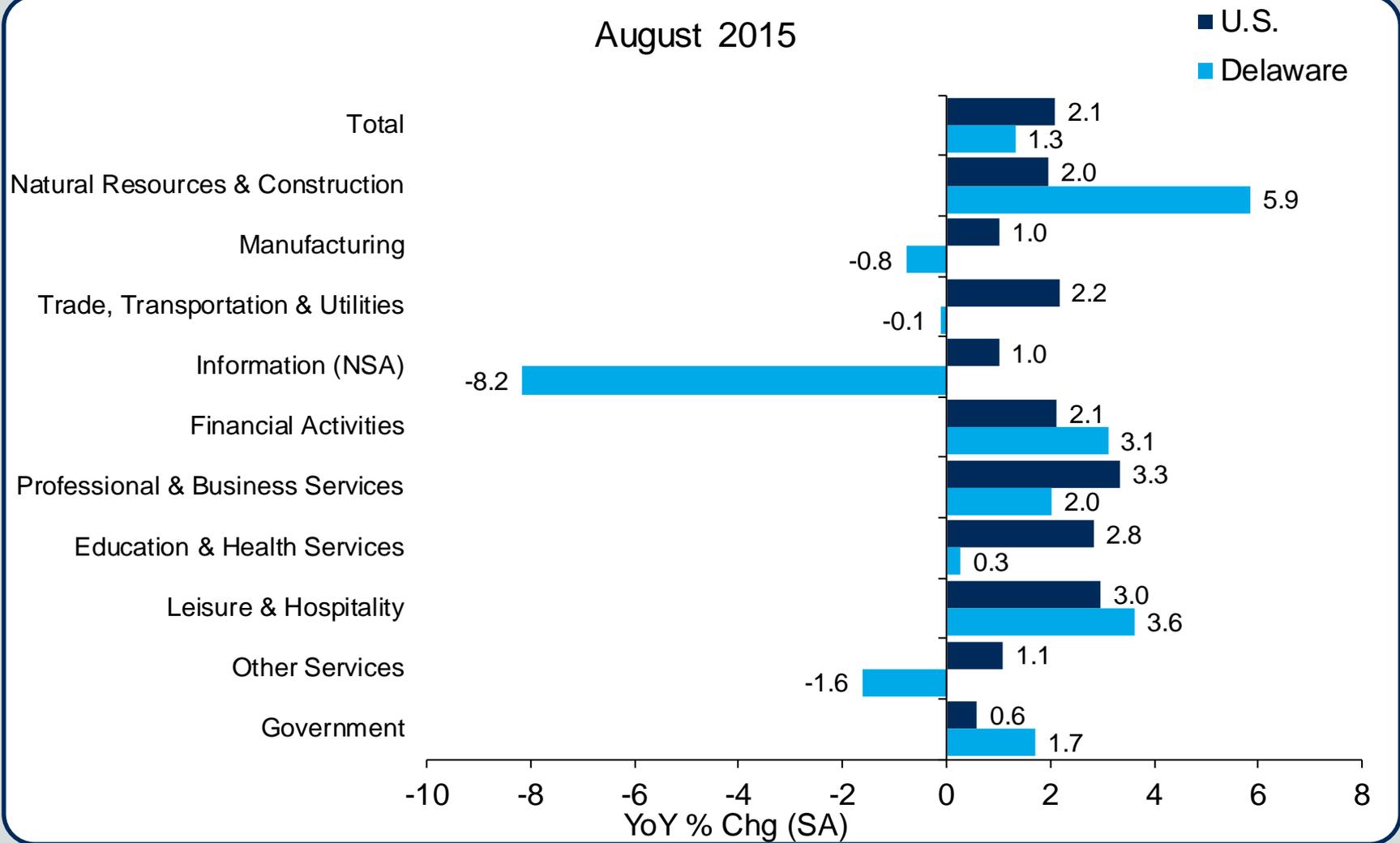
Maryland Industry Structure



Source: Bureau of Labor Statistics/Haver Analytics

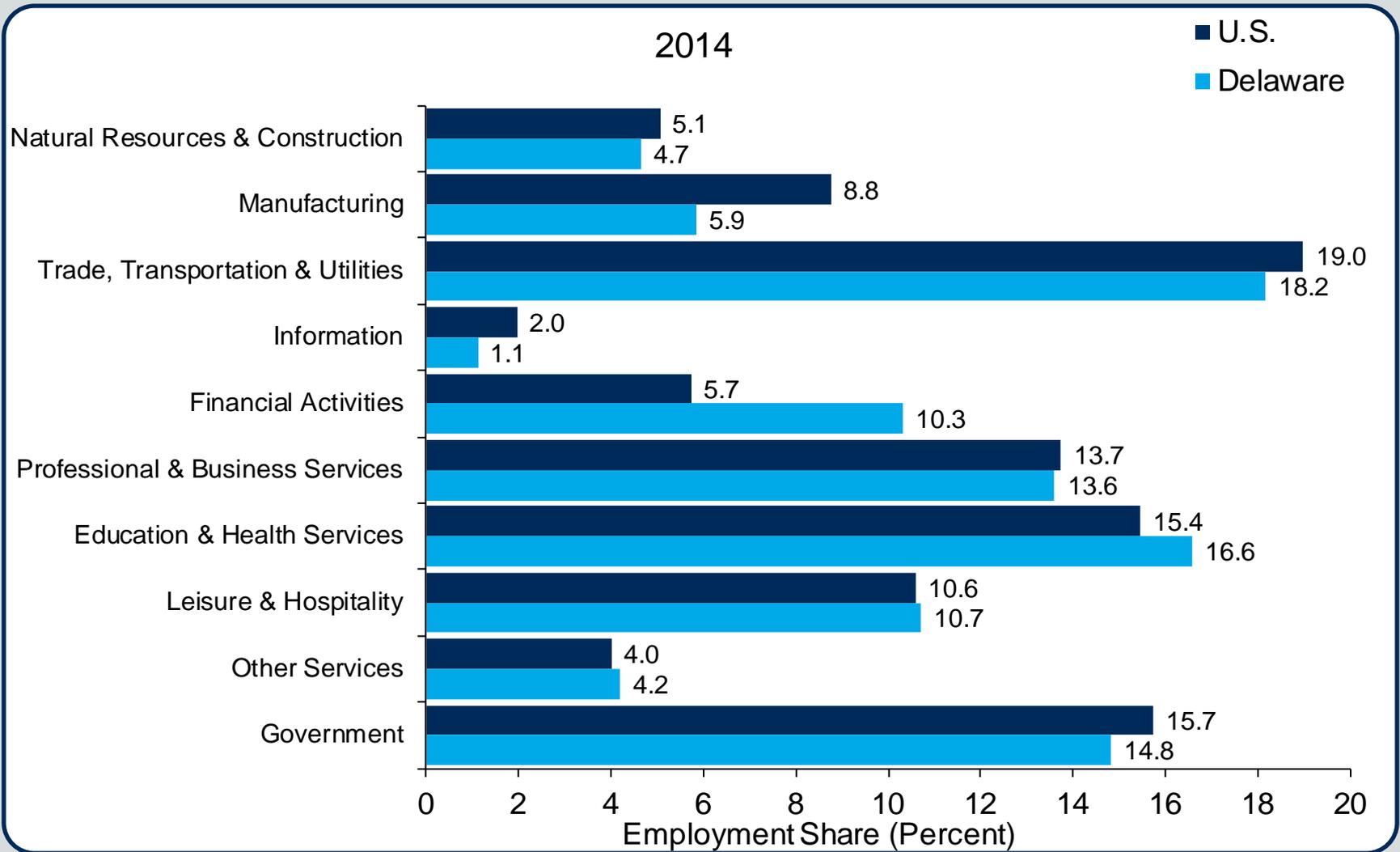
Delaware Industry Growth

August 2015



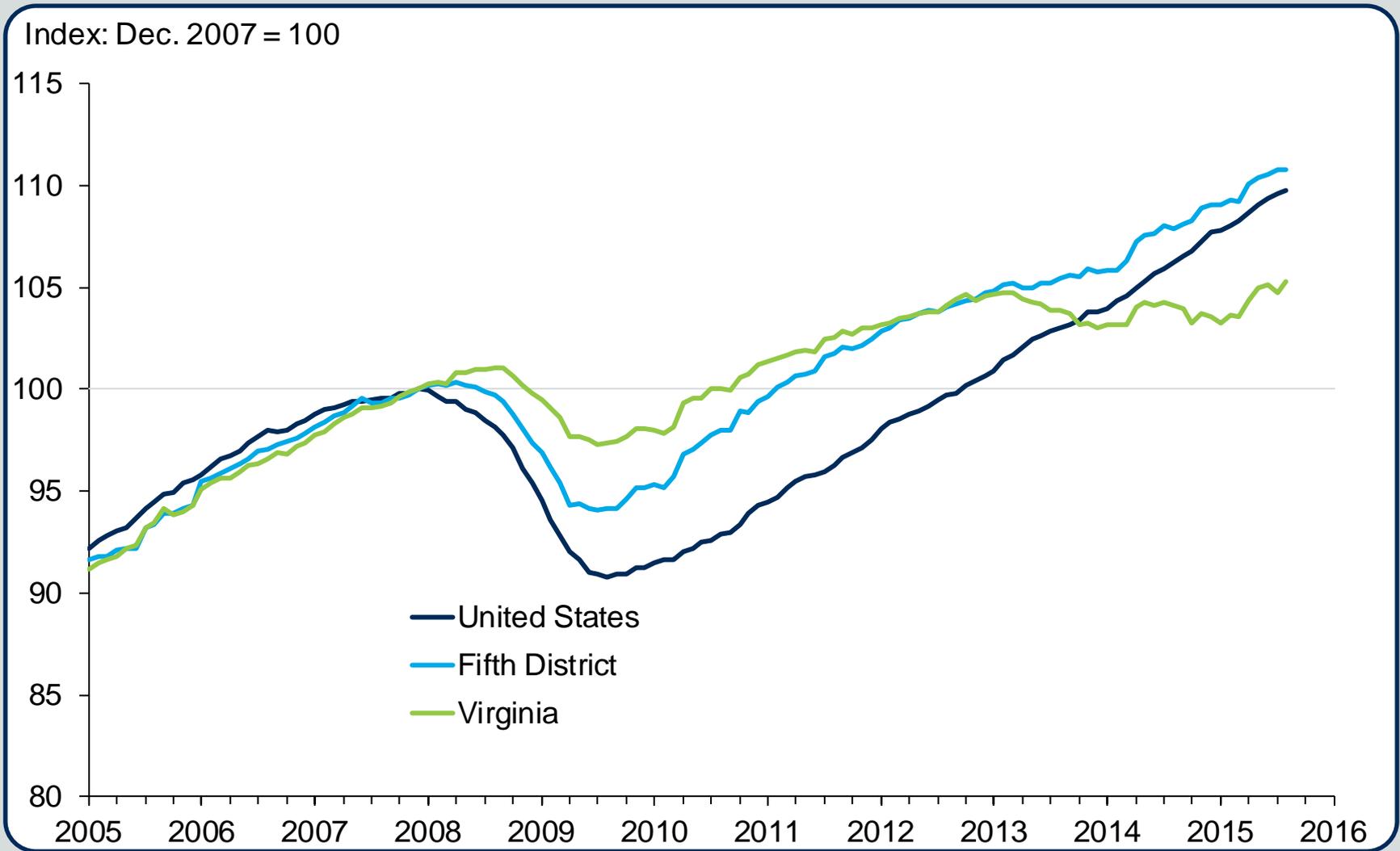
Source: Bureau of Labor Statistics/Haver Analytics

Delaware Industry Structure



Source: Bureau of Labor Statistics/Haver Analytics

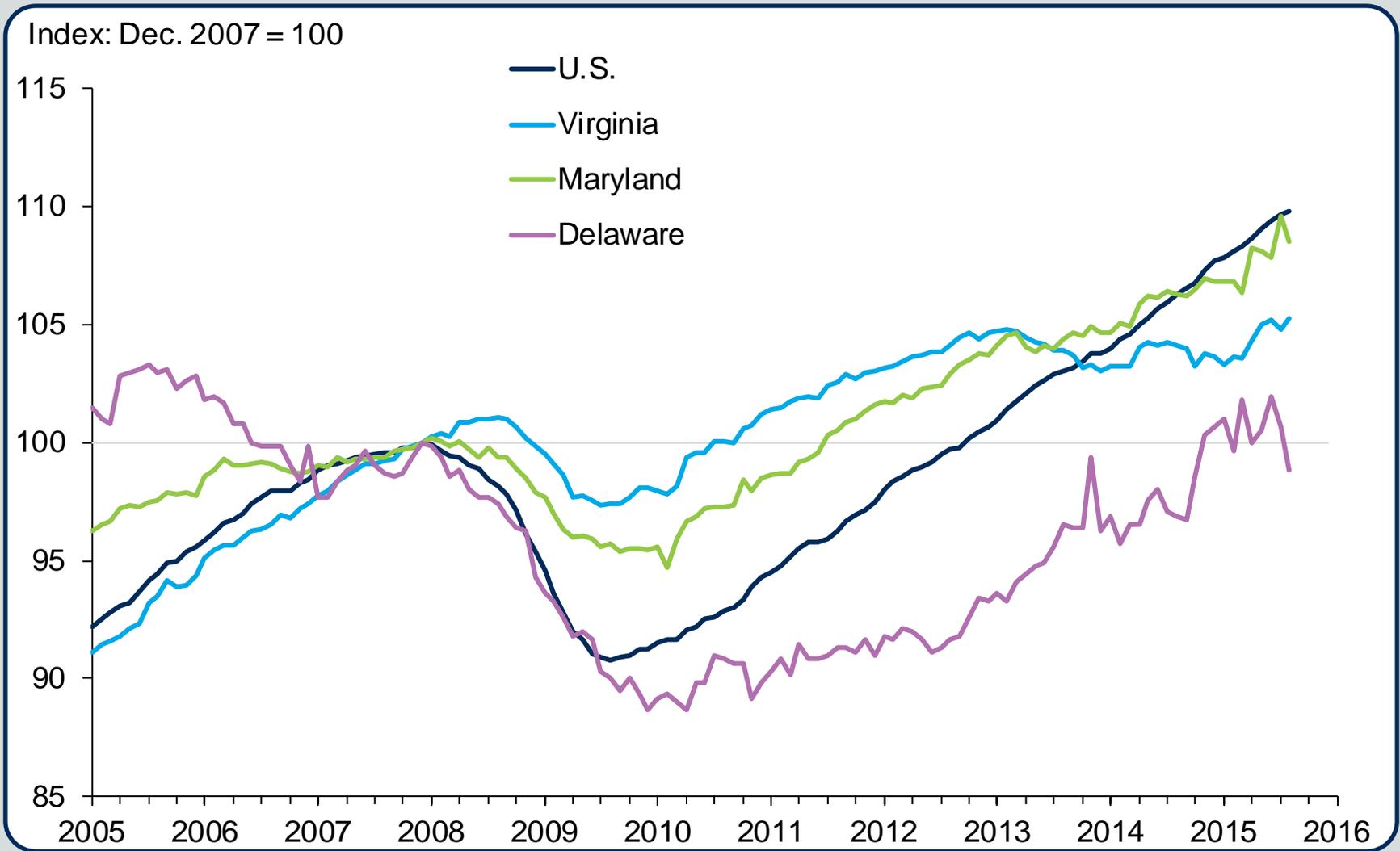
Professional & Business Services Employment



— United States
— Fifth District
— Virginia

Source: Bureau of Labor Statistics/Haver Analytics
August 2015

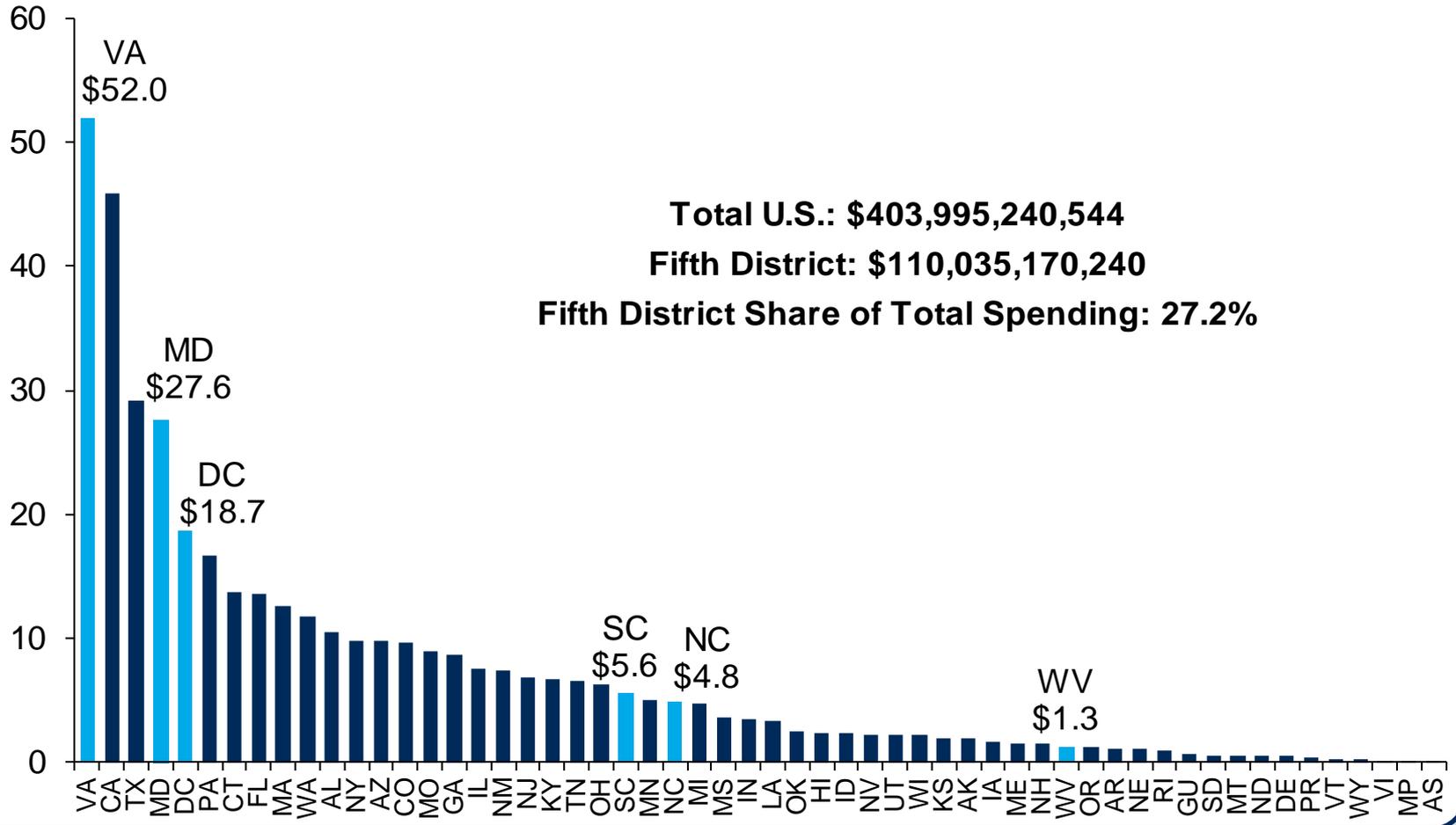
Professional & Business Services Employment



Source: Bureau of Labor Statistics/Haver Analytics
August 2015

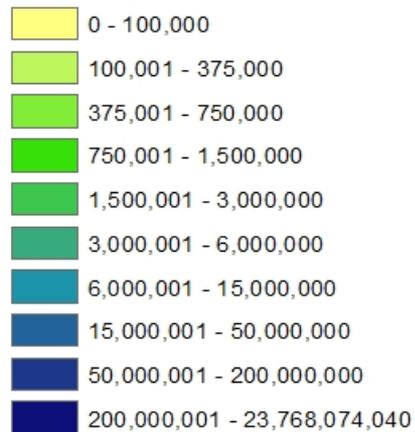
Federal Contract Spending (2014)

Total Contract Spending in FY14
(\$Billion)

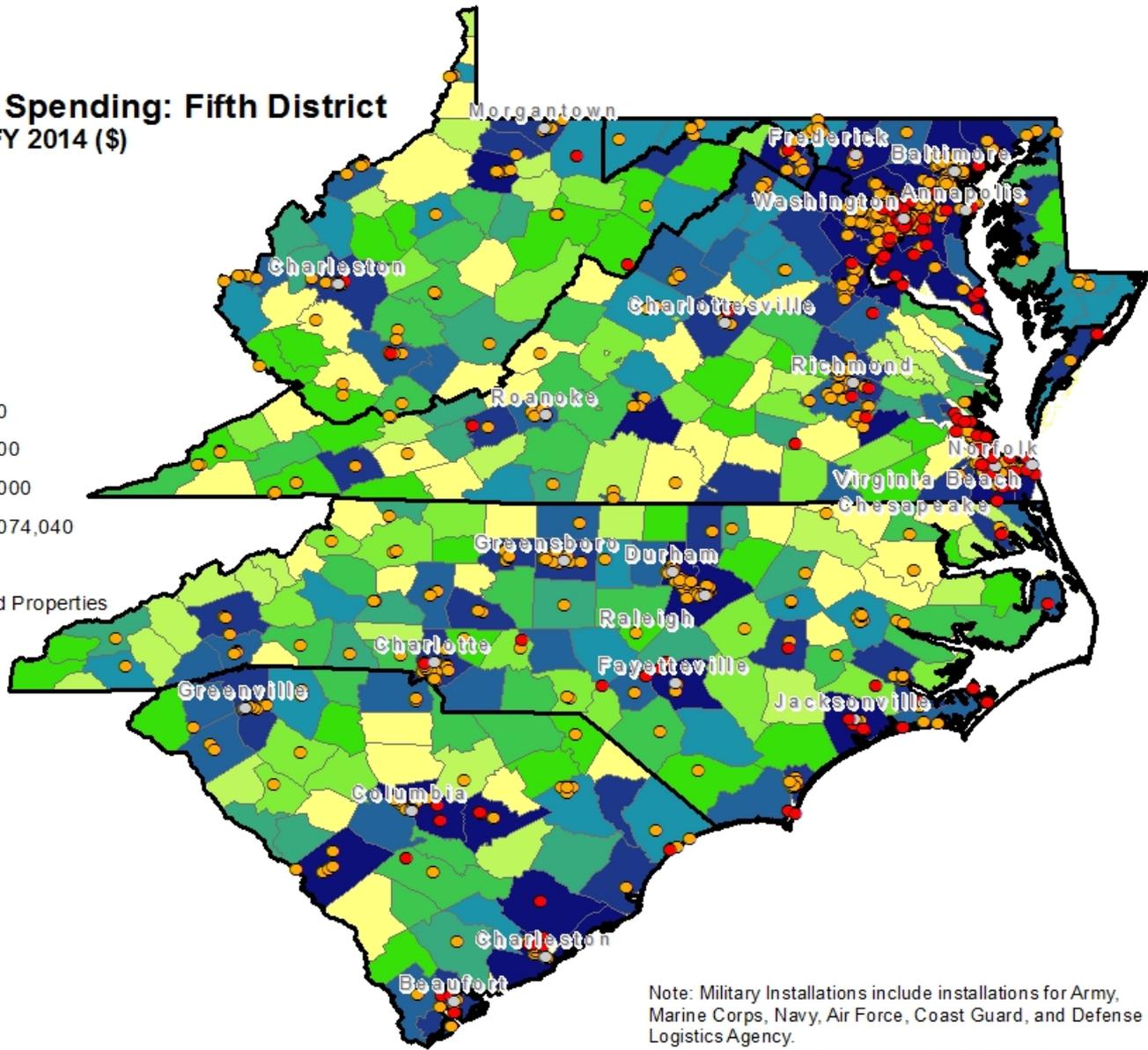


Source: Federal Procurement Data System

Federal Contract Spending: Fifth District Action Obligation in FY 2014 (\$)

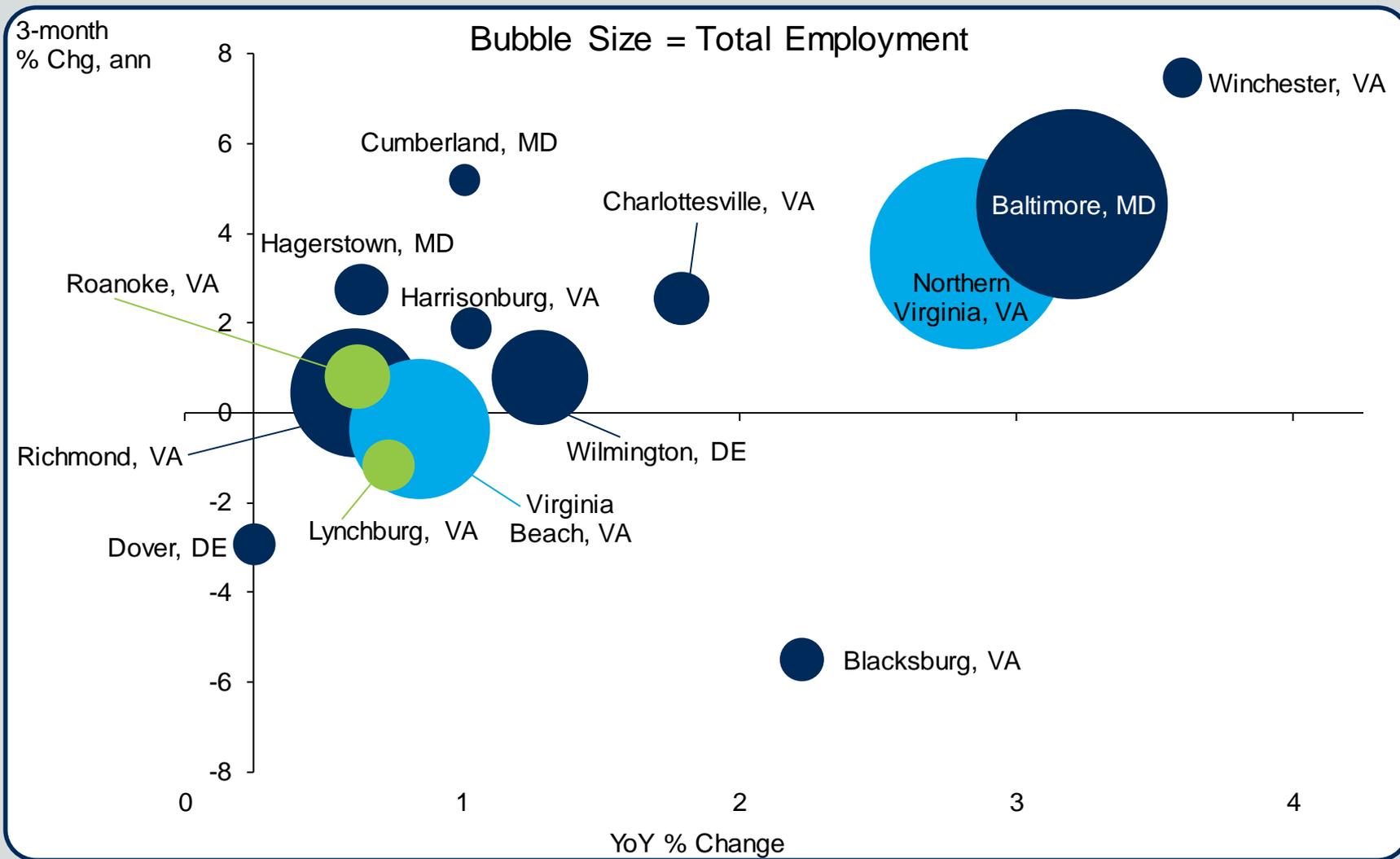


- Military Installations
- GSA Owned or Leased Properties



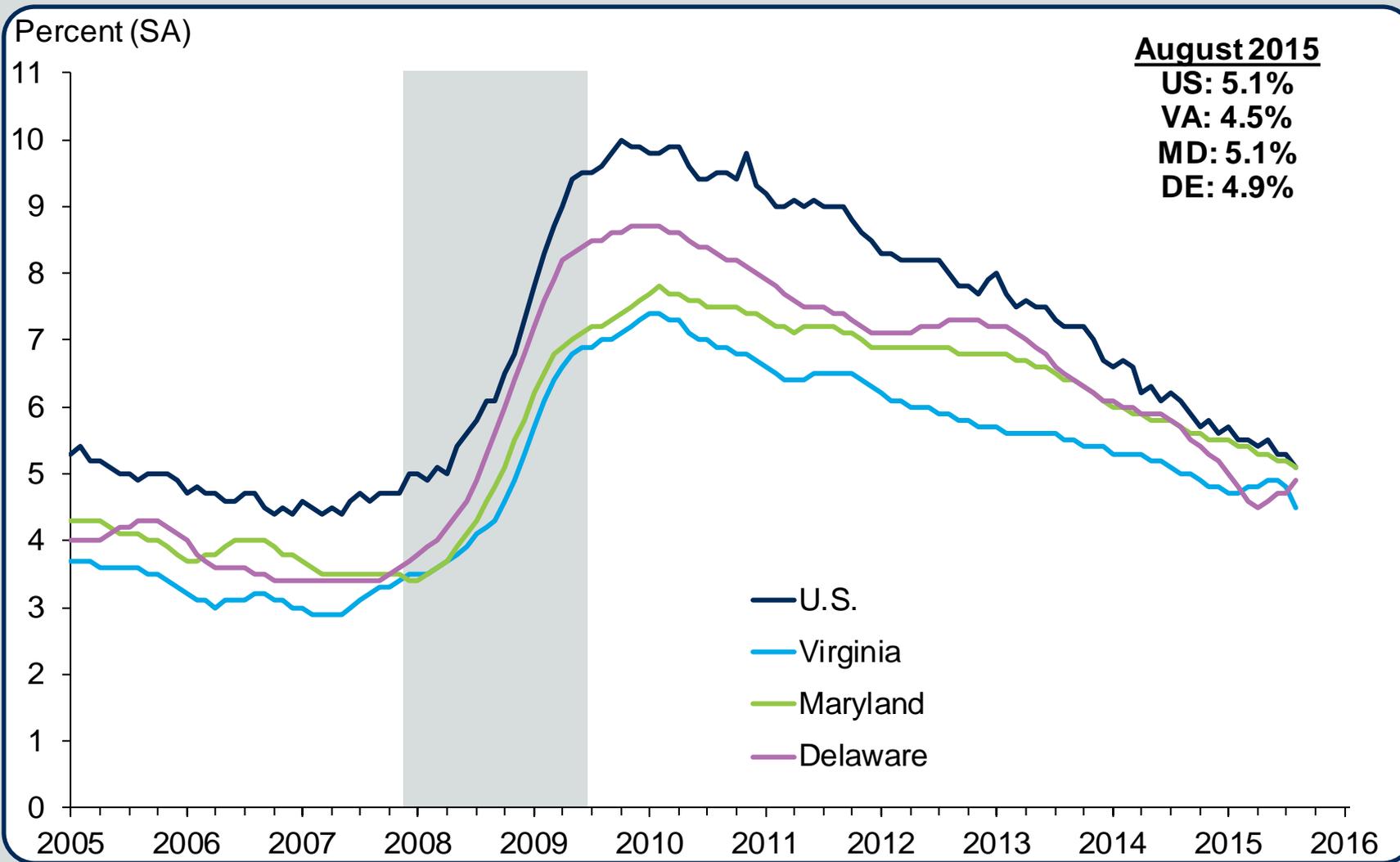
Note: Military Installations include installations for Army, Marine Corps, Navy, Air Force, Coast Guard, and Defense Logistics Agency.
 Source: Federal Procurement Data System (FPDS); Department of Defense; U.S. General Services Administration.

MSA Payroll Employment Growth



Source: Bureau of Labor Statistics/Haver Analytics
August 2015

Unemployment Rate

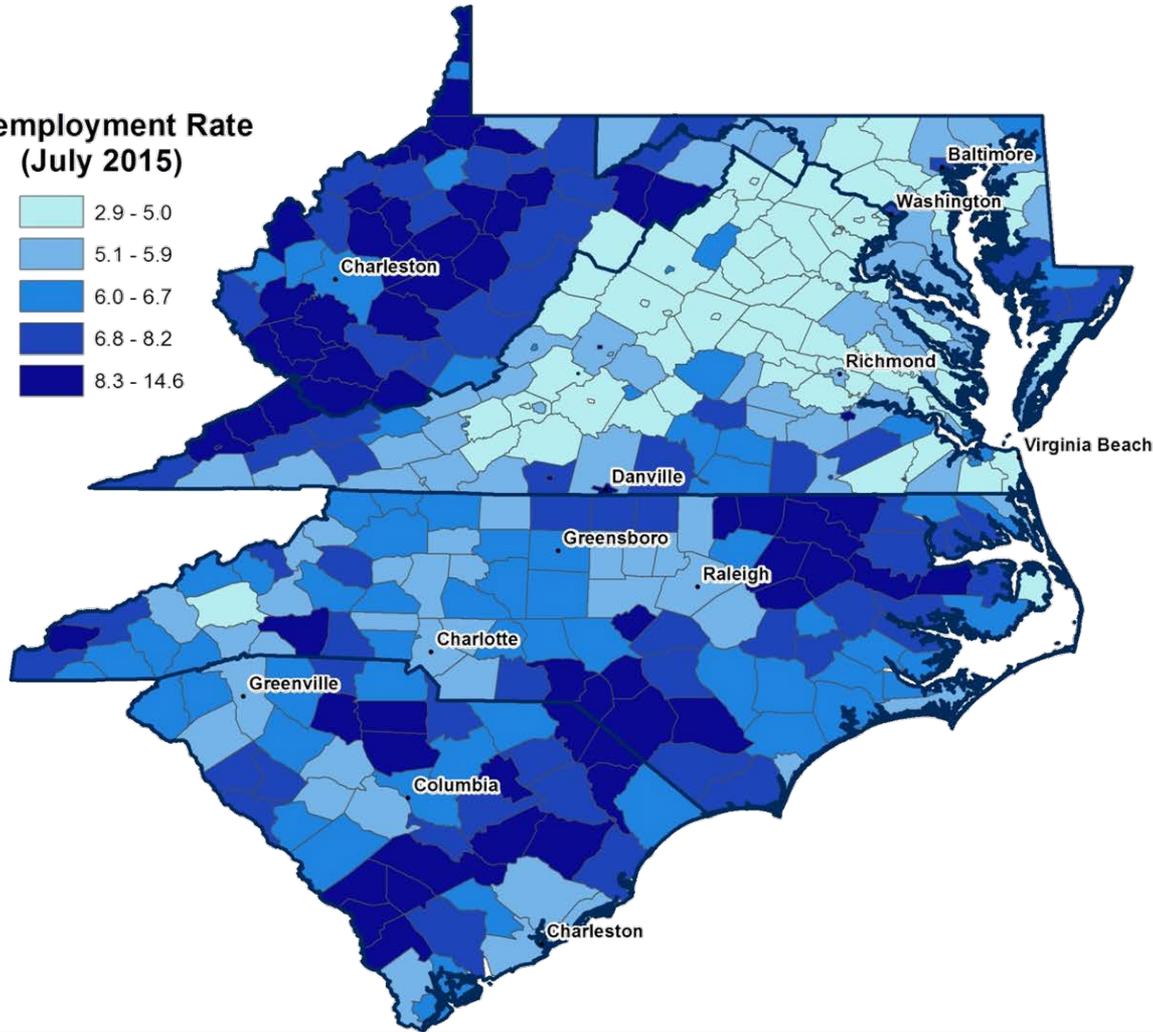
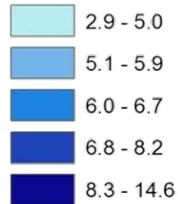


Source: Bureau of Labor Statistics/Haver Analytics

Unemployment in Fifth District Counties

July 2015

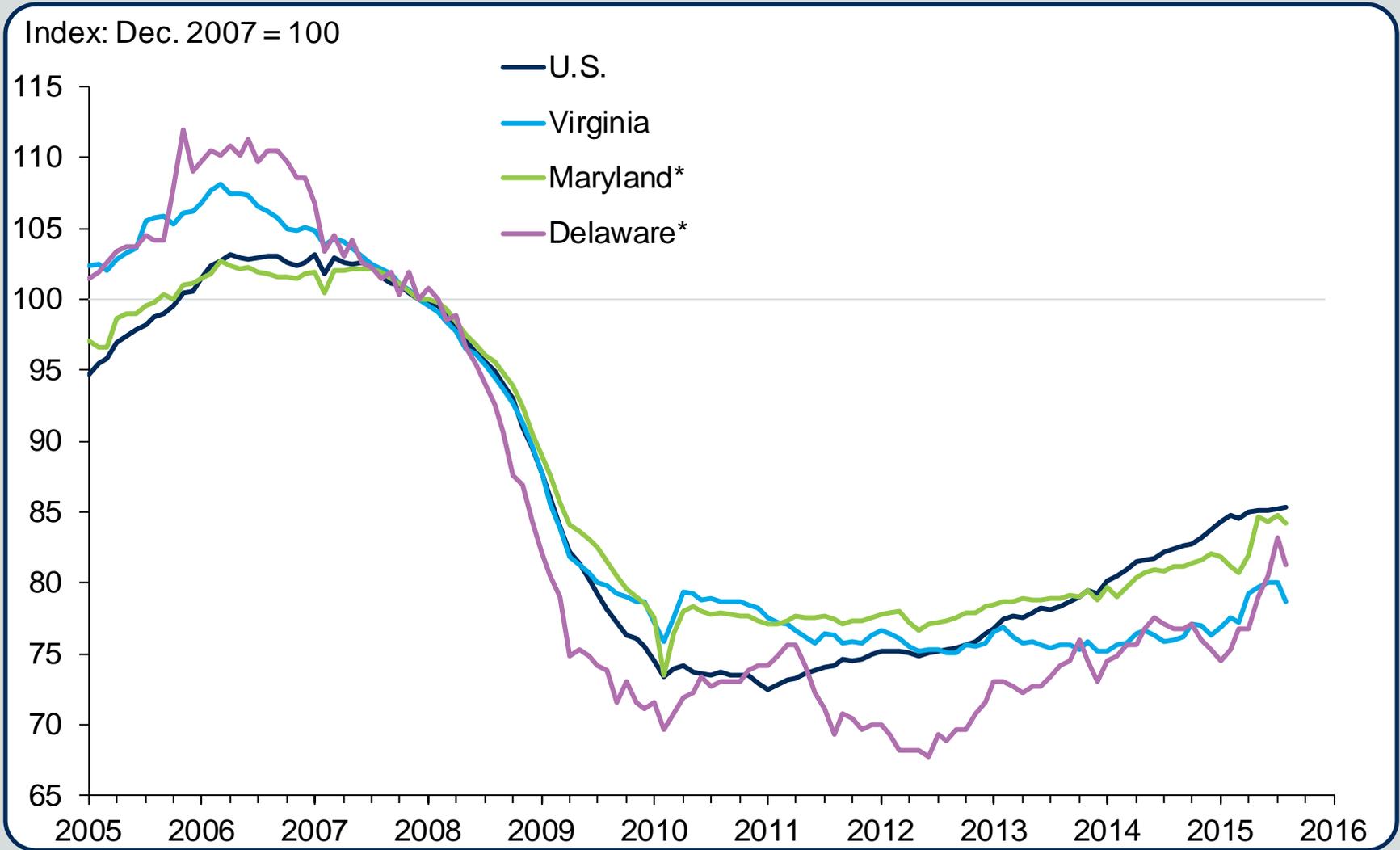
Unemployment Rate
(July 2015)



Source: Bureau of Labor Statistics/Haver Analytics

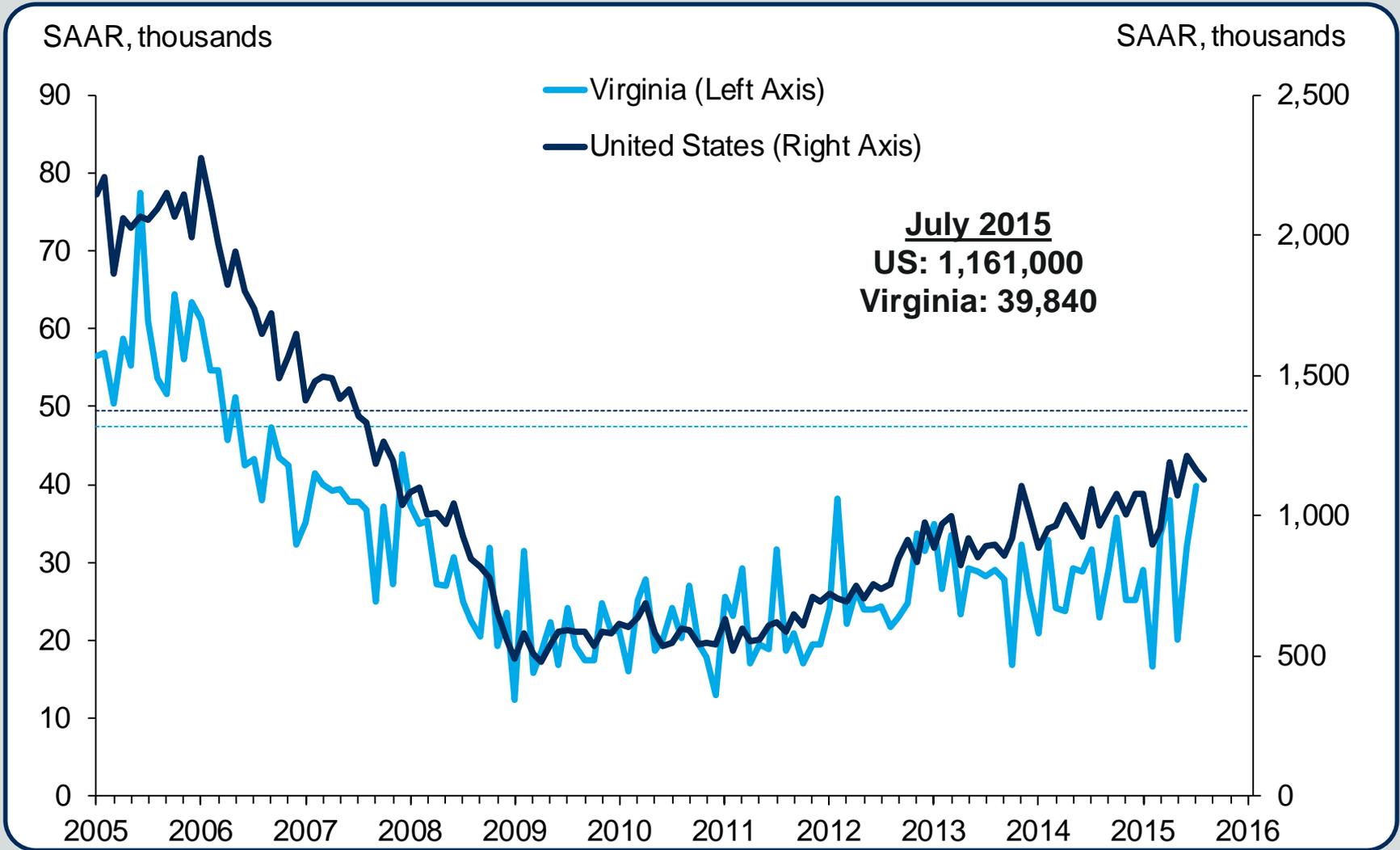
Construction Employment

Through August 2015, SA



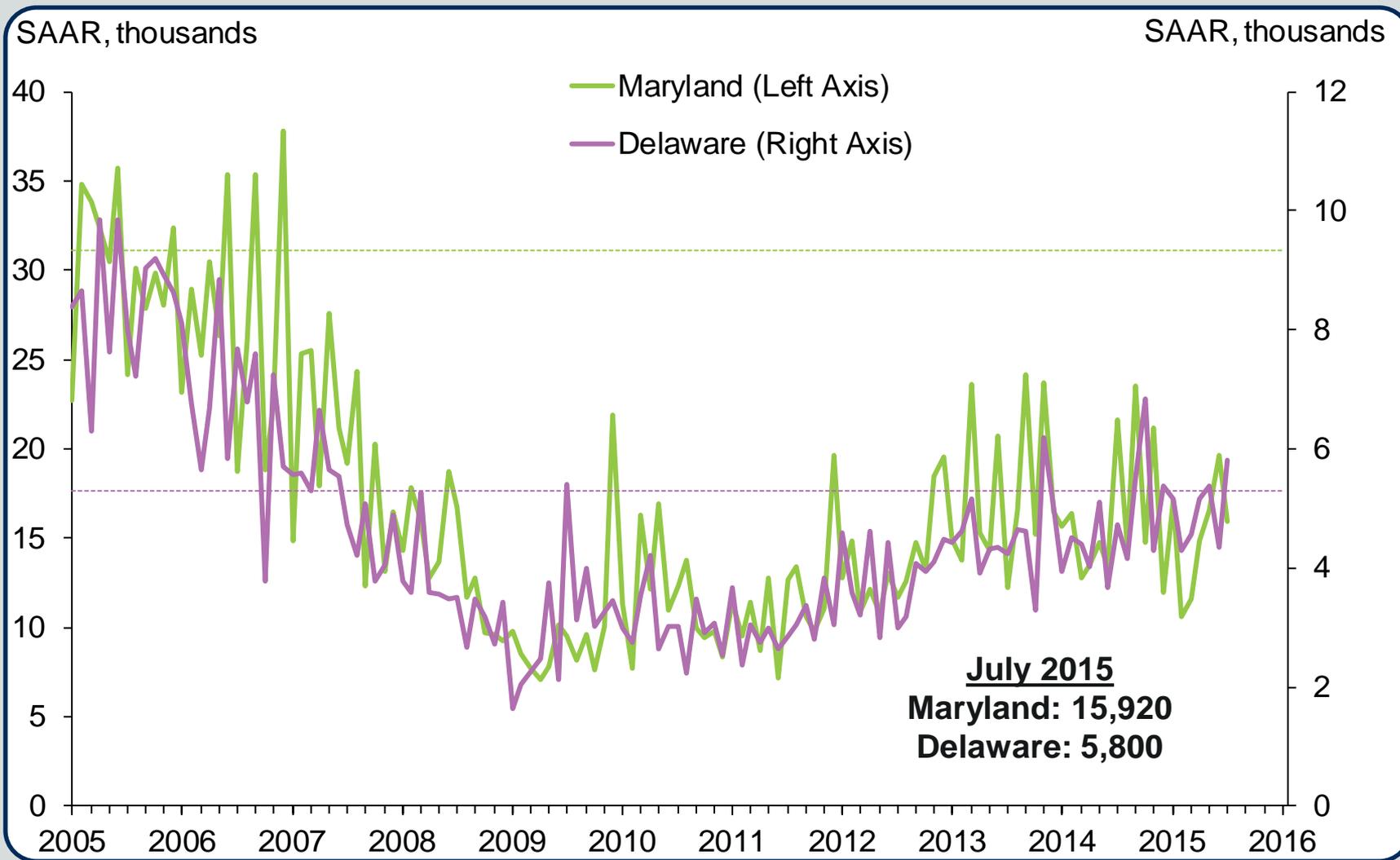
Source: Bureau of Labor Statistics/Haver Analytics
*Natural Resources & Construction

Housing Starts



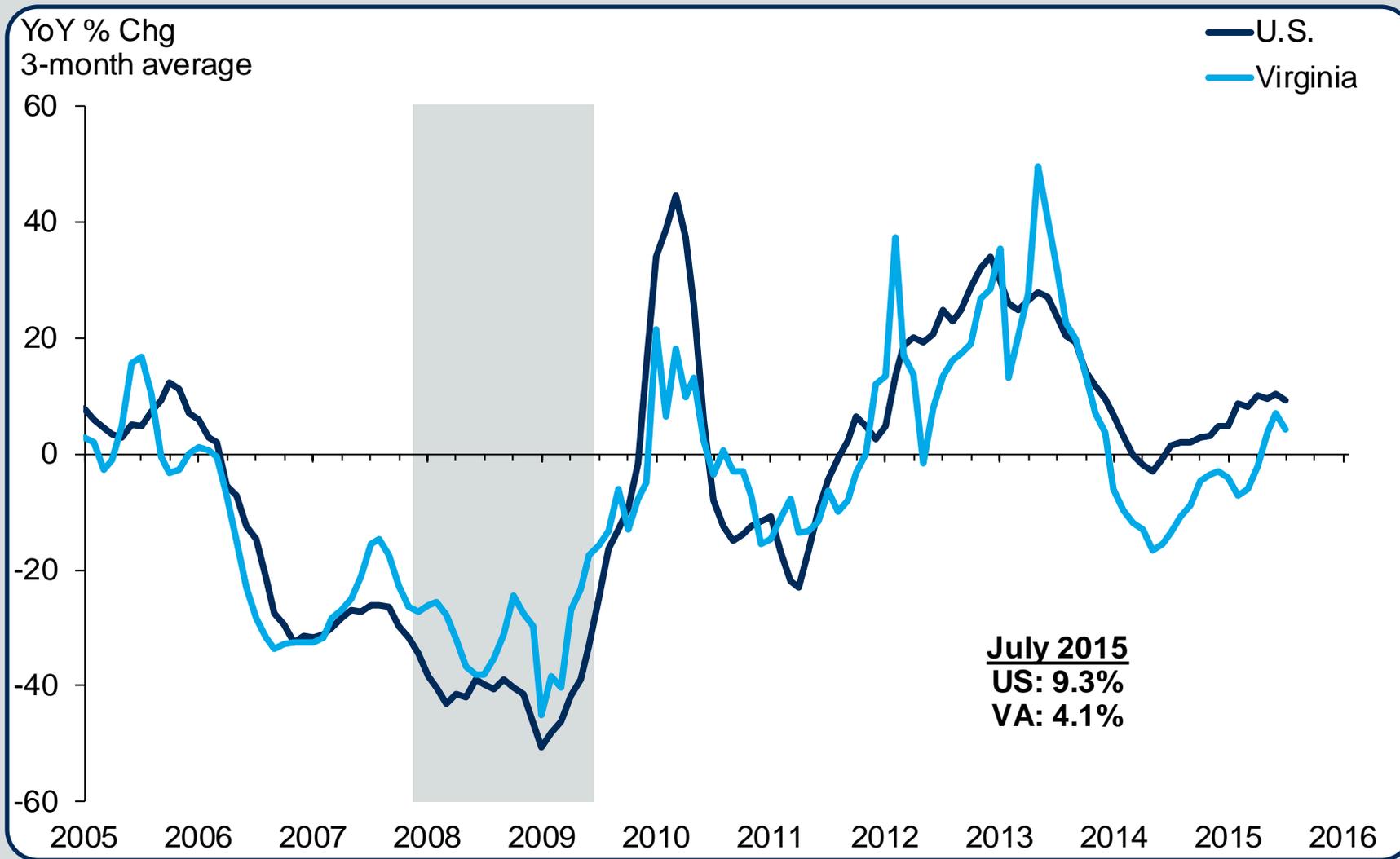
Source: Bank of Tokyo-Mitsubishi UFJ/Haver Analytics

Housing Starts



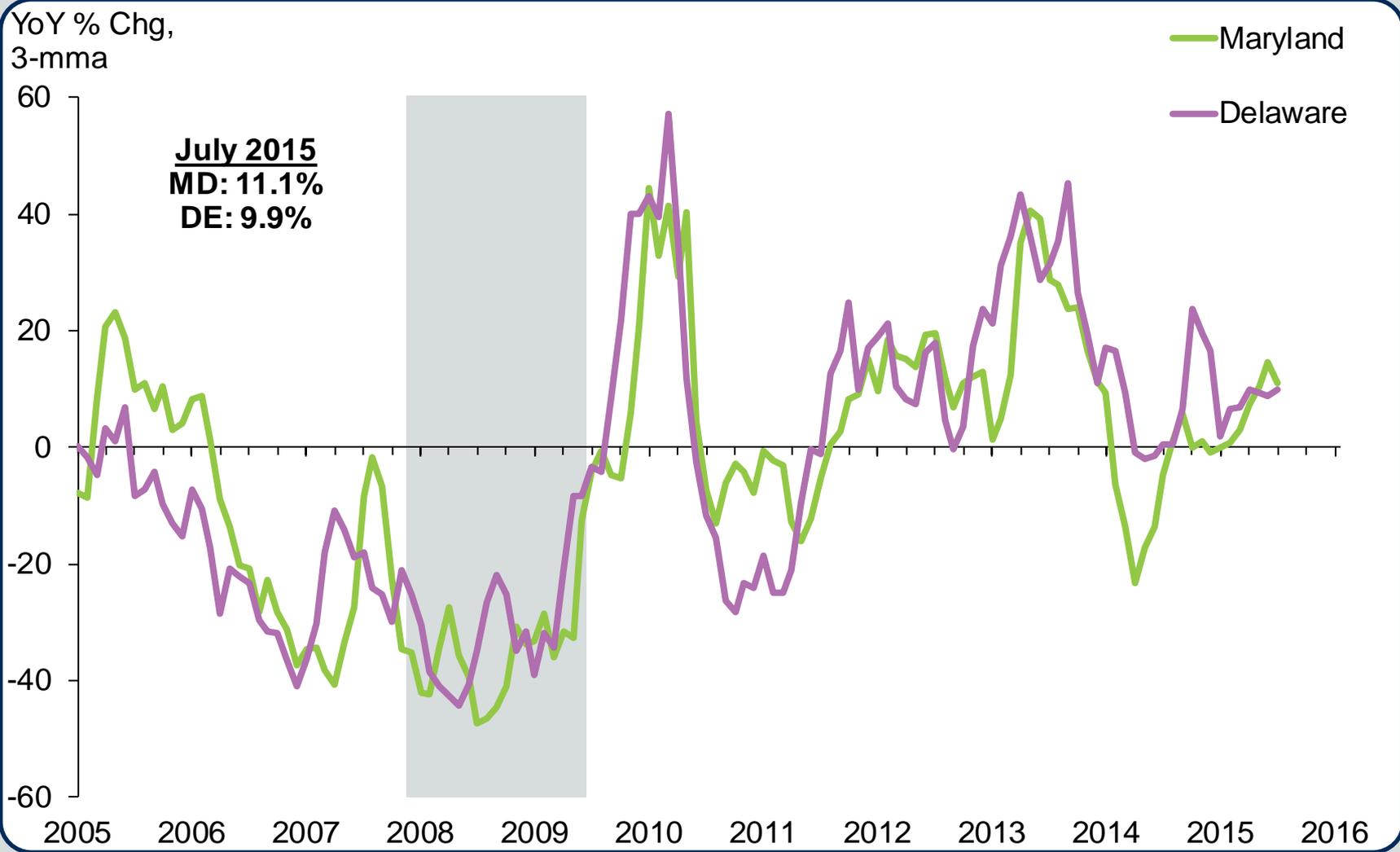
Source: Bank of Tokyo-Mitsubishi UFJ/Haver Analytics

Single-Family Building Permits



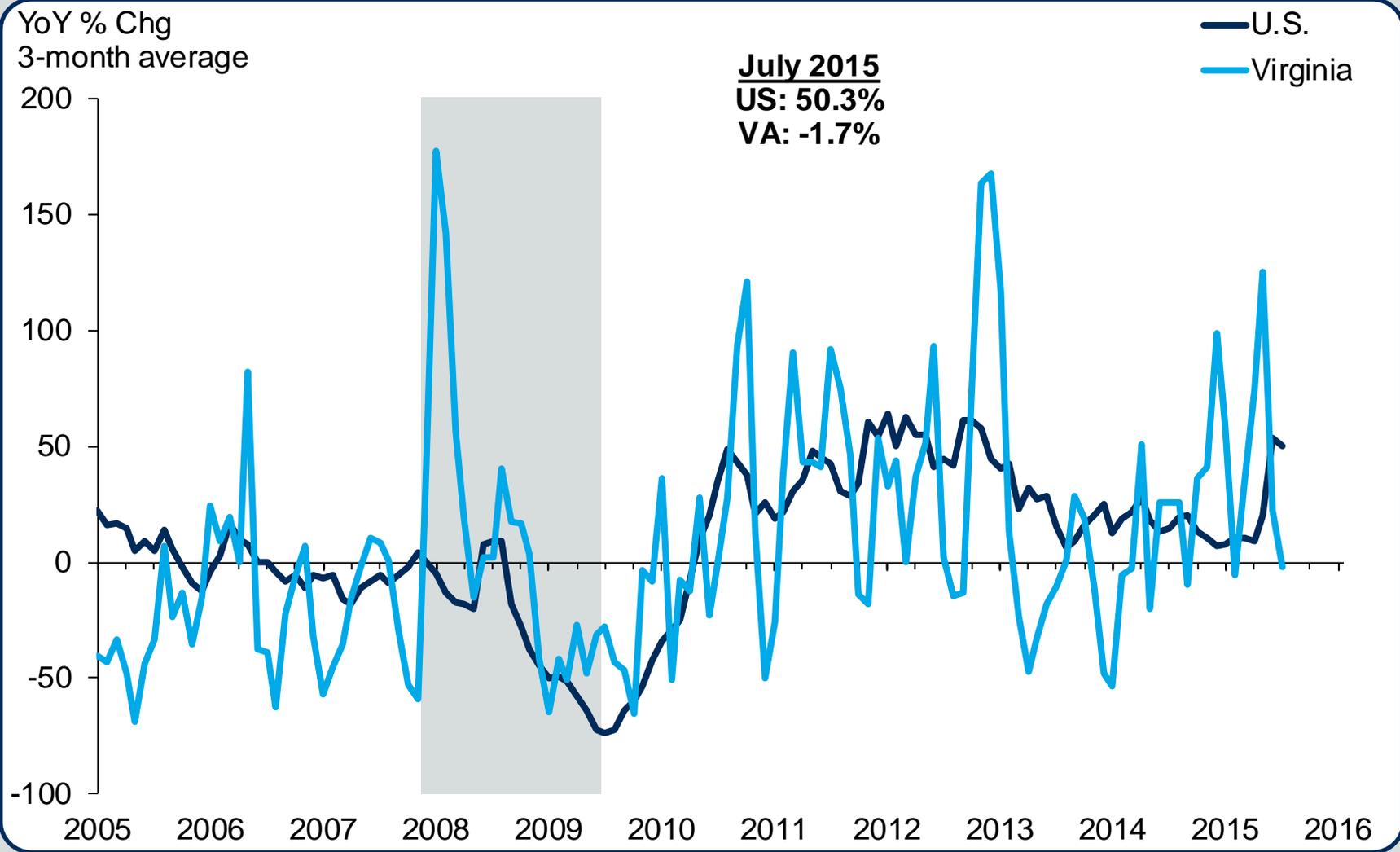
Source: U.S. Census Bureau/Haver Analytics

Single-Family Building Permits



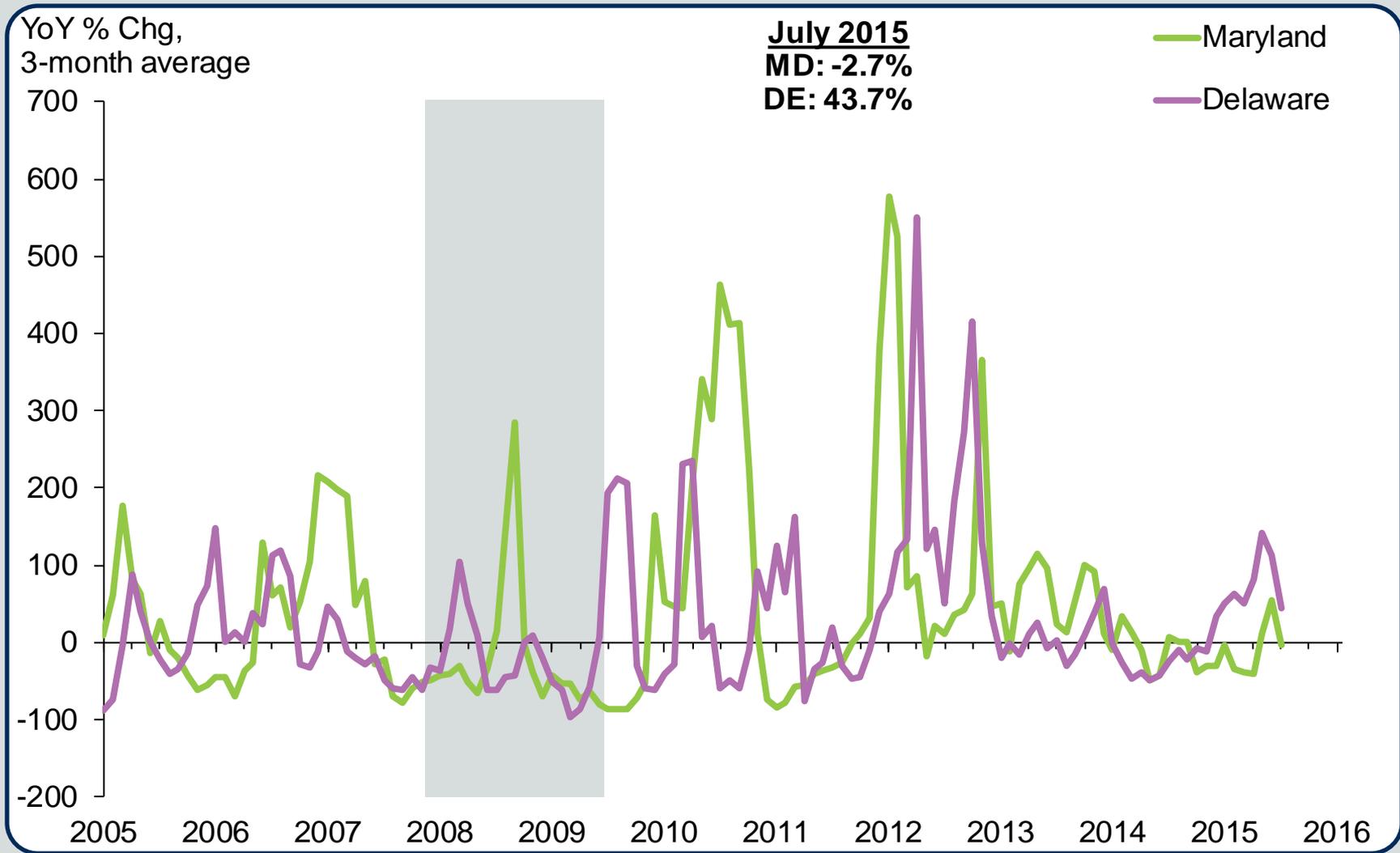
Source: U.S. Census Bureau/Haver Analytics

Multi-Family Building Permits



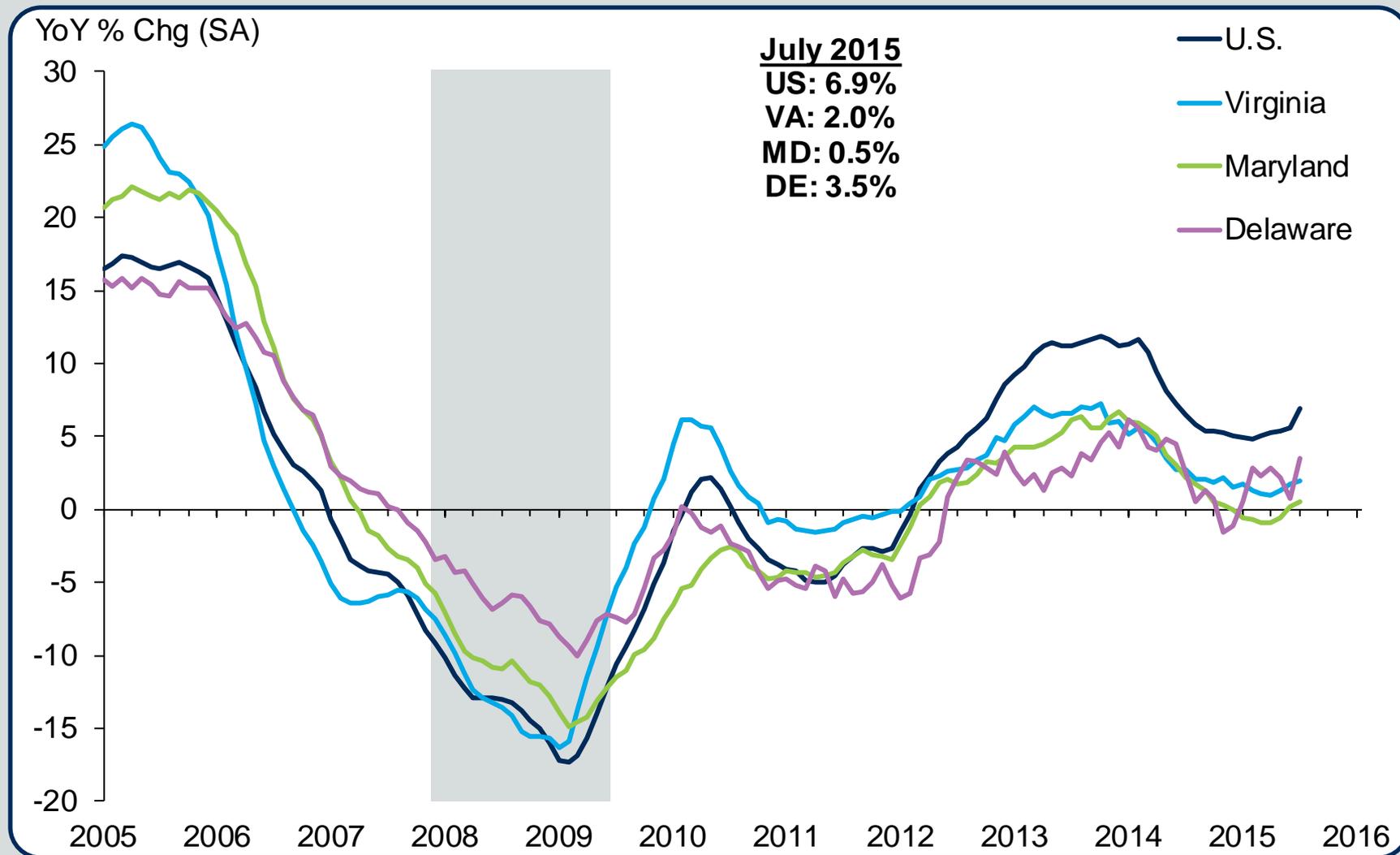
Source: U.S. Census Bureau/Haver Analytics

Multi-Family Building Permits



Source: U.S. Census Bureau/Haver Analytics

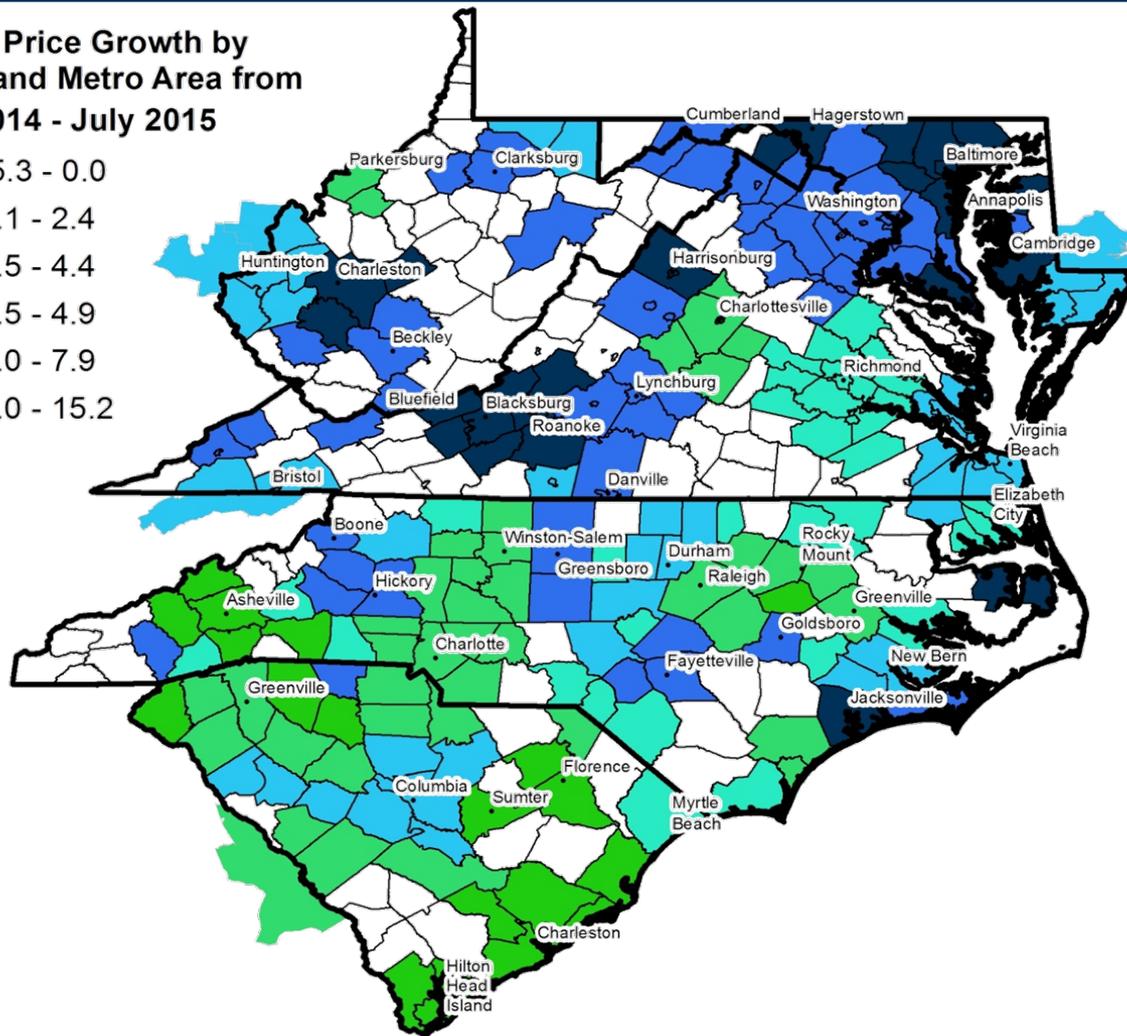
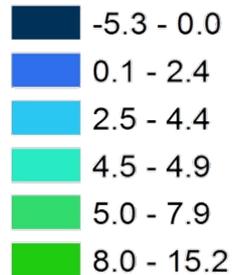
Virginia House Prices—CoreLogic HPI



Source: CoreLogic Information Solutions, Inc.

CoreLogic HPI

House Price Growth by
Micro and Metro Area from
July 2014 - July 2015



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.

Questions?

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