

# HURRICANE KATRINA DISRUPTS DISTRICT ECONOMY

BY ROBERT LACY

It takes a steady stream of petroleum to keep a modern economy running smoothly. When the flow is disrupted and prices begin to soar, as in the wake of Hurricane Katrina in late August, we are reminded of just how important gasoline, diesel fuel, and other petroleum products are to the economy. Although hundreds of miles from the Gulf Coast, the Fifth District region quickly experienced gasoline shortages and soaring prices because of the damage to oil production and refining facilities caused by the storm.

When Hurricane Katrina moved through the Gulf of Mexico toward landfall in Louisiana on Monday, Aug. 29, hundreds of oil platforms and rigs in the region were evacuated. Many Gulf area refineries were shut down as well. As of late September, four major refineries in Louisiana and Mississippi remained closed because of damage sustained during the storm.

Problems transporting petroleum products out of the Gulf area made matters even worse. The Colonial and Plantation pipelines, which carry most of the gasoline, diesel fuel, and jet fuel coming into the Carolinas and Virginia, shut down during the storm because of a loss of power at pump stations in Louisiana and Mississippi. They were back in operation by Thursday, Sept. 1, but only at partial capacity; it wasn't until Sept. 5 that capacity on both returned to normal. As a result, consumers and businesses throughout the District were forced to cope with spot shortages of gasoline for several days.

Although the flow of gasoline into Fifth District states improved during the week after the storm, prices continued to rise. The interruption in oil production and refinery operations in the Gulf Coast sent retail gasoline prices above \$3.00 per gallon around the nation. (According to the Department of Energy, the average

price of regular grade gasoline in the Lower Atlantic region of the country, which includes all of the Fifth District states except Maryland, rose from \$2.57 to \$3.11 between Aug. 29 and Sept. 5.) Although gasoline prices had fallen below \$3.00 per gallon by mid-September, they remained more than 50 percent higher than a year earlier.

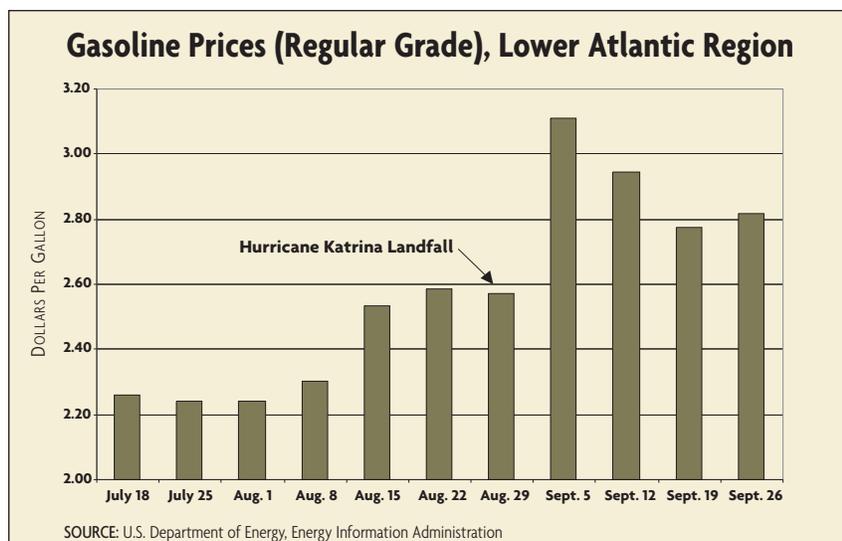
The run-up in prices of petroleum products rippled through the economy. District manufacturers paid higher prices for a variety of fuels and petroleum-based raw materials, including petroleum coke and propylene. (Within the District, Century Aluminum with a plant in Ravenswood, W.Va., uses petroleum coke in the manufacture of aluminum, while a number of firms use propylene to make plastic products.) In the days following Hurricane Katrina's landfall, some District manufacturers also reported shortages of petroleum-based goods, in part because barges for shipping goods up the Mississippi River were in short supply.

Looking ahead, District manufacturers anticipate even higher energy prices and, in some cases, lower profit margins. Our canvass of manufacturers in late August indicated that 91 percent of them expected energy prices to continue to rise through the

end of the year. In addition, though many plan to push a portion of the higher costs through to their customers, most manufacturers said it would not be enough to fully offset the costs they were paying.

District services businesses struggled with higher fuel prices as well. Airlines and large trucking firms, many of which consume thousands of gallons of fuel per day, received particularly large fuel bills as jet and diesel fuel prices rose. And while there weren't widespread fuel shortages in the Fifth District, Hurricane Katrina exposed the vulnerability of fuel supply networks, spurring some companies to reevaluate their supply arrangements. Jim Evans, Manager of Business Development at Newport News/Williamsburg International Airport in Virginia, for example, said that airport did not suffer major service disruptions as a result of Hurricane Katrina, but they were now planning to increase fuel oil storage capacity by 25 percent, "just to make sure we don't run out of fuel."

*Note: Within a month after Katrina's landfall, another major storm, Hurricane Rita, pounded Louisiana and Texas. Ten days after Rita came ashore, retail gasoline prices were back above \$3.00 per gallon.*



# DISTRICT ECONOMIC OVERVIEW

BY ROBERT LACY

The Fifth District economy continued to expand at a solid pace in the second quarter of 2005. Retail sales growth picked up a notch; automobile and light truck sales in particular were exceptionally strong during the period. Real estate markets remained vibrant, and home sales and construction activity accelerated in a number of metropolitan areas. But still, there were soft spots in the District's economy: Manufacturing was sluggish, employment gains were disappointing at times, and high energy prices became a growing concern to consumers and businesses alike.

## Output Grows

Services businesses reported relatively strong sales gains in the second quarter. Retail sales were markedly higher, boosted by a surge in automobile and light truck sales. Dealers said that "employee pricing" and other incentive programs had been quite effective in stimulating vehicle sales, though some worried that steep price discounts had cut into profit margins.

Real estate markets flourished, and growth in construction and home sales continued apace in the second quarter. The number of residential building

## The Fifth District economy continued to expand at a solid pace in the second quarter of 2005 despite escalating energy prices.

permits issued in Fifth District states was 10.5 percent higher than a year ago, well above the pace nationwide.

Commercial real estate activity picked up as well; demand for investment property and lease space was particularly strong in the Washington, D.C., metropolitan areas. District realtors noted, however, that the departure of thousands of civilian defense workers and private contractors from leased office space in Northern Virginia, as recommended by the Base Realignment and Closure (BRAC) Commission, could dramatically change the office market there.

Manufacturing output rose at a moderate pace during the second quarter. Other measures of manufac-

turing activity were not as positive, though; new orders tailed off by June and capacity utilization flattened. While many manufacturers expected new orders to pick up again in the second half of the year, they were less optimistic about maintaining profit margins in the face of rising energy costs.

## Moderate Job Growth

Second-quarter payroll employment was 1.4 percent higher than a year earlier. As in the first quarter, the District's growth rate was slightly off the pace nationwide. The smaller state economies—South Carolina, West Virginia, and the District of Columbia—experienced the weakest employment growth during the period. In South Carolina, employment expanded by a scant 0.23 percent from a year earlier, in large part because of declining employment in the manufacturing sector.

Manufacturing employment in the District as a whole, however, was stronger in the second quarter, rising by 2,700 jobs. North Carolina, the District's largest industrial state, recorded an increase of 4,500 durable goods manufacturing jobs, more than offsetting the loss of 1,500 jobs in textiles, apparel, and other nondurable goods industries.

## Energy Prices Up

Rapidly rising oil and natural gas prices weighed a little more heavily on the District economy in the second quarter. District manufacturers and builders reported much higher materials costs for petroleum-based products. As gasoline prices moved toward \$3.00 per gallon at the pump, consumers began to feel their budgets pinched. According to the consumer price index, energy prices in the Washington, D.C.-Baltimore metropolitan area in May 2005 were 11 percent higher than a year earlier.

### Economic Indicators

	2nd Qtr. 2005	2nd Qtr. 2004	Percent Change (Year Ago)
<b>Nonfarm Employment (000)</b>			
Fifth District	13,331	13,142	1.4
U.S.	133,426	131,325	1.6
<b>Real Personal Income (\$bil)</b>			
Fifth District	889.2	851.0	4.5
U.S.	9,229.0	8,885.3	3.9
<b>Building Permits (000)</b>			
Fifth District	69.7	63.1	10.5
U.S.	590.1	562.5	4.9
<b>Unemployment Rate (%)</b>			
Fifth District	4.8%	5.0%	
U.S.	5.1%	5.6%	

### Nonfarm Employment

Change From Prior Year  
First Quarter 1992 - Second Quarter 2005



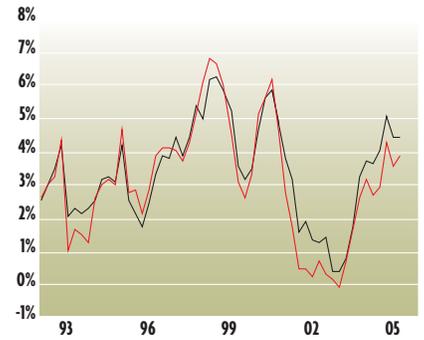
### Unemployment Rate

First Quarter 1992 - Second Quarter 2005



### Real Personal Income

Change From Prior Year  
First Quarter 1992 - Second Quarter 2005

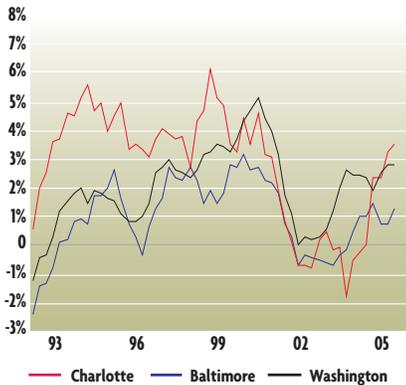


— Fifth District

— United States

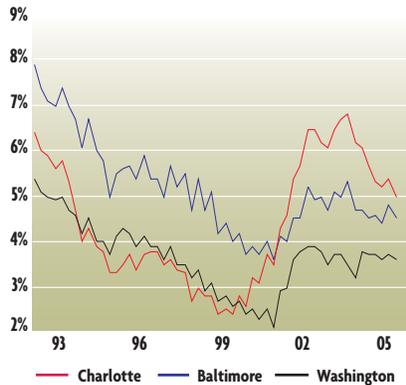
### Nonfarm Employment Metropolitan Areas

Change From Prior Year  
First Quarter 1992 - Second Quarter 2005



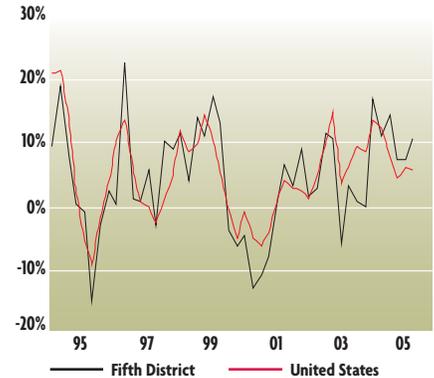
### Unemployment Rate Metropolitan Areas

First Quarter 1992 - Second Quarter 2005



### Building Permits

Change From Prior Year  
First Quarter 1994 - Second Quarter 2005



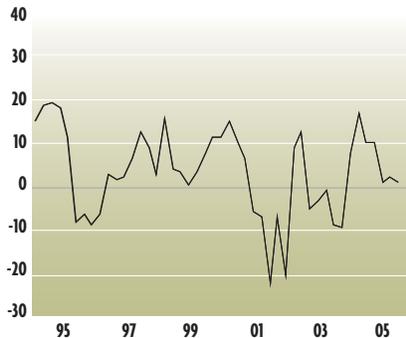
### FRB—Richmond Services Revenues Index

First Quarter 1994 - Second Quarter 2005



### FRB—Richmond Manufacturing Composite Index

First Quarter 1994 - Second Quarter 2005



### Nonfarm Employment 2005 Quarter 2

Change From Prior Year



**NOTES:**

1) FRB-Richmond survey indexes are diffusion indexes representing the percentage of responding firms reporting increase minus the percentage reporting decrease. The manufacturing composite index is a weighted average of the shipments, new orders, and employment indexes.  
2) Metropolitan area data, building permits, and CPI are not seasonally adjusted (nsa); all other series are seasonally adjusted.

**SOURCES:**

Income: Bureau of Economic Analysis/Haver Analytics  
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>.  
Building permits: U.S. Census Bureau, <http://www.census.gov>.

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# STATE ECONOMIC CONDITIONS

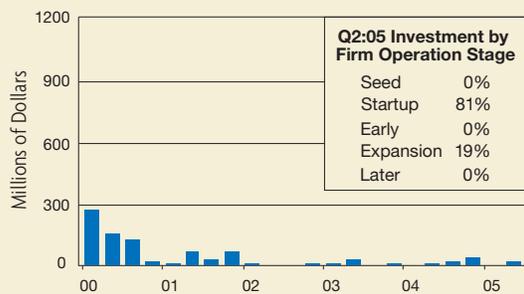
BY ANDREA HOLMES

## District of Columbia

Recent economic data suggest that the District of Columbia's economy expanded solidly during the second quarter. Indicators of employment and household and business financial conditions picked up, and real estate activity remained generally positive.

According to the Bureau of Labor Statistics (BLS) establishment survey, payroll employment rose 4.4 percent in the District of Columbia during the second quarter, the strongest pace among district jurisdictions. Nearly all sectors posted solid growth, with professional and business services establishments accounting for nearly half of the net gains. The only sectors not adding jobs were education and health services and government.

### DC Venture Capital Investment, Q1:00-Q2:05



SOURCE: PricewaterhouseCoopers/Thompson Venture Economics/National Venture Capital Association MoneyTree™ Survey

The positive tone was mirrored in the BLS survey of household employment. The District of Columbia's jobless rate moved 0.3 percentage point lower in the second quarter, though it remained well above both the national and Fifth District averages. Less encouraging was the rise in the number of first-time claimants for unemployment insurance. The second-quarter measure rose 2.5 percent, after having declined for two quarters.

The pickup in jobs coupled with the decline in unemployment has had a positive impact on income measures in the District of Columbia. Compared to a year ago, personal income expanded 4.7 percent in the second quarter.

Higher incomes in the District of Columbia combined with lower interest rates continued to drive a flurry in home sales. Second-quarter home sales however, expanded at a slightly slower clip — possibly feeling the effects of rising home prices, which showed no signs of moderating yet.

With annual price appreciation of 24.1 percent in the second quarter, the District of Columbia ranked sixth nationwide in terms of home price growth. Higher prices

did not appear to have discouraged new construction activity, though — new housing permits expanded at a breakneck pace in the District of Columbia, posting the strongest growth rate districtwide in the second quarter.

Other indicators of business activity were also encouraging. Venture capital investment made a strong comeback in the second quarter — inflows increased to \$16 million, following flat activity in the first quarter. As shown in the chart, the majority of the funding — 81.4 percent — went to firms in the startup phase, suggesting increased confidence on the part of investors.

## Maryland

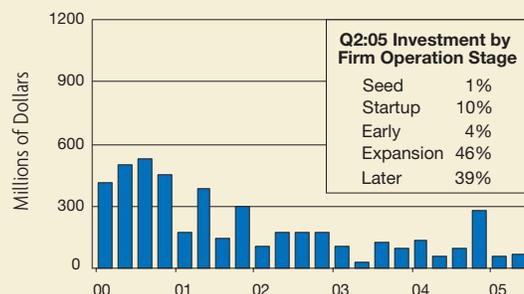
Maryland's economy forged ahead in the second quarter. The employment situation and financial conditions at Maryland households and businesses improved markedly while the real estate market continued to post solid expansion.

Maryland businesses boosted payrolls by 2.6 percent, or 16,300 jobs, in the second quarter with only manufacturing establishments trimming jobs over the period. Professional and business services firms were responsible for the bulk of the increase, accounting for nearly half of the payroll gain.

The employment situation at Maryland households also continued to look up, with unemployment insurance claims retreating 16.1 percent in the second quarter. The jobless rate inched 0.1 percentage point higher to 4.3 percent, but the increase was likely due to the 31,600 person surge in the labor force — the largest gain since the third quarter of 1990 when the labor force spiked by nearly 38,000. Looking at the larger picture, even with the slight uptick in unemployment, Maryland's jobless rate remained nearly a full percentage point below the national rate of 5.1 percent.

Strong job creation helped boost incomes at Maryland households. Personal income expanded 3.9 percent over the year in the second quarter, matching the nationwide gain.

### MD Venture Capital Investment, Q1:00-Q2:05



SOURCE: PricewaterhouseCoopers/Thompson Venture Economics/National Venture Capital Association MoneyTree™ Survey

With more disposable income, Maryland households increased their levels of investment — particularly in real estate. Existing home sales posted a 5.9 percent gain in the second quarter, despite escalating home prices. The most recent data from the Office of Federal Housing Oversight reported that the median-priced home in Maryland was 23.0 percent above the year-ago level. As such, Maryland ranked seventh nationally in terms of annual home price acceleration. In addition, the state was one of eight nationwide where the annual gain exceeded all previous gains over the history of the data series, spanning roughly 30 years.

Rising real estate prices did not appear to deter speculative construction markets either. New building permits soared 82.0 percent in the second quarter.

Outside of the real estate market, a pickup in business conditions was also evident. Maryland posted steady venture capital inflows in the second quarter, following solid activity a quarter earlier. As shown in the chart, the majority of the second-quarter capital was slated for firms in the expansion stage.



## North Carolina

North Carolina's economy continued to dig in during the second quarter. The most recent information suggests that employment activity and household and business conditions in the state remained on trend, and growth in the residential real estate market continued to expand, albeit at a slightly slower pace.

North Carolina businesses added 29,067 jobs in the second quarter, the largest net gain districtwide. All industry sectors tacked on jobs — even the much beleaguered manufacturing sector — which added 1,533 factory workers. By sector, the strongest growth was recorded at professional and business services and government establishments, while the information and natural resources and mining sectors posted the weakest growth.

The improving tone of the labor market was reflected in North Carolina's initial unemployment insurance claims. New claim submittals declined 20.5 percent in the second quarter, following three straight quarters of gains. Despite the improvement in payrolls and claims, though, the jobless rate remained fixed at 5.2 percent in the second quarter, in part because of the 22,233 person surge in the labor force, the strongest quarterly gain since late 2003.

In line with higher payrolls and fewer jobless claims, earnings rose in almost all North Carolina industry sectors in the second quarter — including manufacturing — boosting total personal income in the state. Compared to a year ago, personal income expanded 4.8 percent in North Carolina, the second highest growth rate districtwide.

News on the business front was also more upbeat, with venture capital investment into North Carolina continuing

### NC Venture Capital Investment, Q1:00-Q2:05



SOURCE: PricewaterhouseCoopers/Thompson Venture Economics/National Venture Capital Association MoneyTree™ Survey

to increase. Investment into the state totaled \$127.3 million in the second quarter, marking the third consecutive period of expanding inflows.

North Carolina's real estate market advanced at a slower pace. Compared to the first quarter, new building permits climbed but existing home sales were off 11.0 percent. As a result, North Carolina was one of only two District jurisdictions not to see an increase in second-quarter home sales, despite comparatively modest house price acceleration of only 3.2 percent during the period.



## South Carolina

South Carolina's economy has not posted as strong an upturn in recent months. A definitive turnaround in statewide labor markets and household and business financial conditions has yet to materialize, though real estate activity continued to forge ahead.

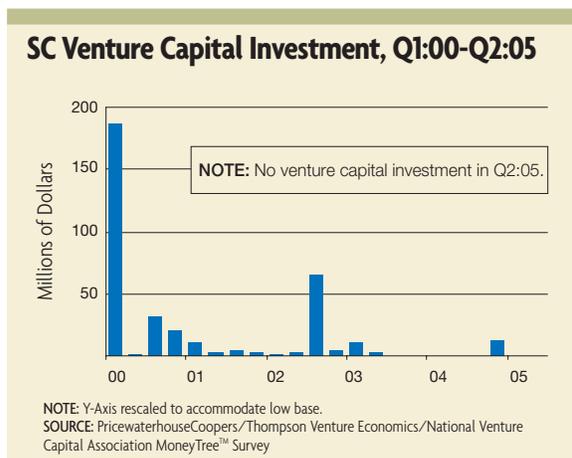
Nonfarm payroll job numbers drifted lower in South Carolina during the second quarter. According to the BLS survey of establishments, job numbers shrank 0.8 percent for the period, making South Carolina the only Fifth District jurisdiction not to boost payrolls. Job losses were concentrated primarily in the goods-producing sectors; natural resources and mining, construction, and manufacturing establishments all saw fewer jobs. By comparison, activity in the services sector was generally upbeat, with only the leisure and hospitality sector shedding jobs in the second quarter.

Data collected for the BLS household survey contained mixed news. Although South Carolina's second-quarter jobless rate declined 0.5 percentage point to 6.4 percent, the state's unemployment rate remained high compared to the national average of 5.1 percent in the second quarter.

In statewide performance, sluggish employment conditions continued to weigh on South Carolina households. Personal income growth was weaker over the year in all but

one other District jurisdiction in the second quarter, recording only a 3.6 percent gain.

Indicators of financial conditions at South Carolina firms also failed to impress — second-quarter venture capital inflows were flat. As such, South Carolina was the only District state not to record any investment.



Not all of the recent economic data were lackluster, though. Conditions in South Carolina's real estate markets continued to firm. The number of second-quarter building permits exceeded the number authorized in the first quarter by 52.4 percent. In addition, existing home sales in South Carolina expanded 9.8 percent, the second strongest pace districtwide. Modest home price acceleration in South Carolina could be spurring the prolonged strength in home sales. South Carolina recorded an 8.5 percent jump in house prices in the second quarter — second only to West Virginia.

## Virginia

The latest data suggest that Virginia's economy continued to make solid headway in the second quarter. The labor and real estate markets advanced at a slightly slower pace, but nearly all indicators of household and business financial conditions posted strong gains.

According to the BLS establishment survey, business hiring in Virginia slowed but remained generally on track in the second quarter. Payrolls in the state expanded 0.2 percent, marking two years of positive job growth. By industry, the trade, transportation, and utilities sector added the most jobs while the leisure and hospitality sector trimmed the most.

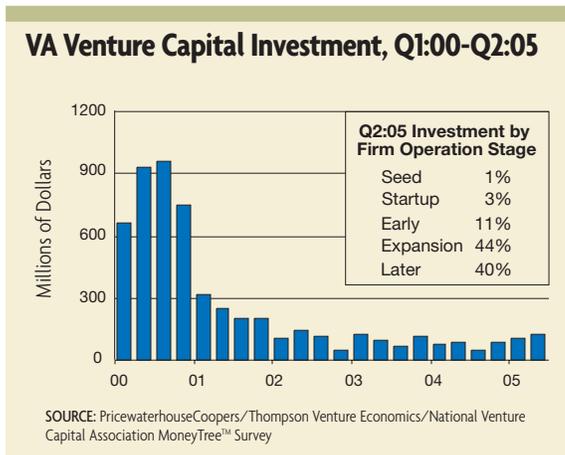
The BLS household survey, which measures household employment conditions, suggested a generally upbeat tone. Though Virginia's jobless rate rose 0.3 percentage point in the second quarter to 3.6 percent, unemployment remained well below the national rate of 5.1 percent as well as the districtwide rate of 4.8 percent. Other reports tracking Virginia

households were also encouraging. For instance, initial unemployment insurance claims fell 23.1 percent in the second quarter, exceeding the 15.5 percent decline nationwide.

Personal income is another telling measure of household financial conditions. Compared to the second quarter of 2004, incomes expanded 5.2 percent in Virginia, highest among District states and well above the national growth rate of 3.9 percent.

Rising personal incomes have helped sustain Virginia's residential real estate markets. Second-quarter existing home sales in Virginia were 2.7 percent higher compared to year-ago levels, and the number of new building permits issued expanded 1.4 percent over the period.

Home sales activity — though positive — was more moderate in Virginia than in other District jurisdictions, possibly due to the rapid escalation in home prices. The most recent data from the Office of Federal Housing Oversight reported that a median-priced home in Virginia was 20.9 percent more expensive than it was a year earlier. As such, Virginia ranked eighth nationally in terms of annual home price acceleration. In addition, the state was one of eight nationwide where the annual gain reached a new high over the 30-year history of the data series.



Outside of the real estate market — other indicators of a pickup in business activity were apparent. Venture capital investment, for example, rose by roughly \$22 million, marking a full year of expansion. By funding type, the majority of the capital went to firms in the expansion stage, while the least amount of funding went to firms in the seed and startup stages.

## West Virginia

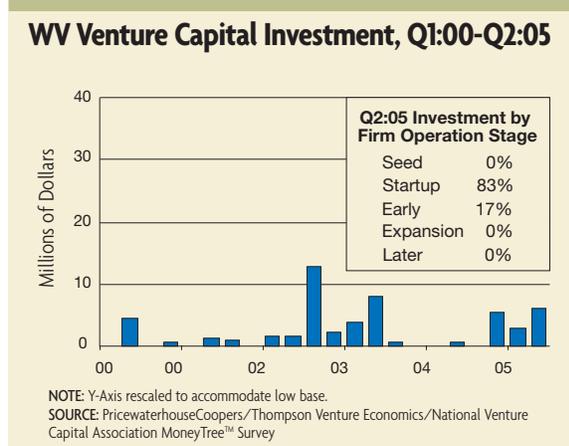
Economic activity has been relatively strong in West Virginia in recent months. Labor market activity and household and business financial conditions firmed, while the housing market expanded at a steady pace.

West Virginia payrolls rose 1.9 percent in the second quarter, marking nearly a year and a half of positive employment growth. By sector, job growth was recorded in all sectors except education and health services and trade, transportation, and utilities.

The unemployment rate also eased statewide, dropping 0.2 percentage point to 4.8 percent in the second quarter — the lowest rate since 1976, when records were first tracked. Also suggesting solid employment conditions was initial unemployment insurance claims statistics, a forward-looking measure of labor market activity. Second-quarter first-time claims dropped 26.6 percent in West Virginia, the largest decline among District jurisdictions.

With a decline in unemployment, measures of personal income in West Virginia also picked up in the second quarter, though growth was slower than recorded in other District states. Incomes grew 3.5 percent compared to the second quarter of last year.

Beyond household financial conditions, indicators of West Virginia business activity also perked up. For example, venture capital investment into the state expanded strongly in the second quarter, more than doubling from the first-quarter level. At \$6 million, second-quarter inflows marked the largest infusion in exactly two years. Also positive, the majority of the funding — 83 percent — went to firms in the startup phase. Startup firms typically present more risk to



investors, and the funding increase could signal an increase in investor confidence.

The residential real estate market continued to gain ground in the second quarter, in some cases outpacing activity in other District states. Building permits rose 78.8 percent, and existing home sales posted an 11.7 percent gain during the same time period — the strongest sales increase districtwide. A likely reason for strong sales growth could reflect the relatively slower appreciation of West Virginia’s housing stock. Home price acceleration in West Virginia was modest compared to other District states. The second-quarter 11.4 percent jump remained well below the districtwide increase of 17.4 percent.

## Behind the Numbers: Bankruptcy Filings Climb

The pace of personal bankruptcy filings in the United States surged to a record high during the second quarter of 2005. Some analysts have attributed the rise — which accompanied otherwise decent economic performance — to the newly enacted Bankruptcy Abuse Prevention and Consumer Protection Act, which took full effect on October 17. The conventional wisdom is that consumers were sprinting to file for debt relief to avoid the approaching tougher standards.

This view may not be completely accurate. For many debtors, it may simply be a preference for the devil they know. “I don’t believe the idea that everyone is catching on to the idea of how good a deal it is to file for bankruptcy under the current rules,” says Kartik Athreya, an economist at the Richmond Fed. “My gut feeling is that for most people it has to do with the uncertainty associated with switching to a new regime.”

At the same time, Athreya notes, the new rules do in fact come with higher costs, chiefly in the form of stepped-up due diligence for the processing of debtors’ assets and liabilities. The new law also prescribes credit counseling, which could increase the “burden” of putting off filing for some house-

holds. “It makes sense for people who are financially strapped to be fairly sensitive to any new costs,” Athreya says, and that could be leading some to declare bankruptcy now.

Meanwhile, the rush to file hasn’t been as sharp in the Fifth District — with the notable exception of West Virginia, where the second-quarter increase was well above the national rate. It may take a few more quarters for the real trend, and the reasons driving it, to become clear. — DOUG CAMPBELL

Region	Q2 Personal Filings	% Change
United States	458,597	11.1
Fifth District	35,043	3.2
District of Columbia	498	0.4
Maryland	7,436	-6
North Carolina	9,763	7.8
South Carolina	3,686	-5.1
Virginia	10,018	-2.8
West Virginia	3,642	25.8

SOURCE: American Bankruptcy Institute

## State Data, Q2:05

	DC	MD	NC	SC	VA	WV
<b>Nonfarm Employment (000)</b>	682.1	2,562.6	3,880.4	1,830.7	3,630.3	744.8
Q/Q Percent Change	4.4	2.6	3.1	-0.8	0.2	1.9
Y/Y Percent Change	1.2	2.0	1.7	0.2	1.5	1.1
<b>Manufacturing Employment (000)</b>	2.5	139.3	577.5	264.3	298.3	63.2
Q/Q Percent Change	11.6	-3.3	1.1	-1.2	-0.4	3.4
Y/Y Percent Change	2.8	-2.3	0.0	-1.6	-0.3	-0.1
<b>Professional/Business Services Employment (000)</b>	146.9	388.1	442.6	187.5	588.2	58.3
Q/Q Percent Change	10.7	7.9	7.0	9.8	-1.5	1.9
Y/Y Percent Change	2.4	4.4	4.4	-4.3	2.7	1.1
<b>Government Employment (000)</b>	230.1	464.3	656.4	332.5	655.4	143.7
Q/Q Percent Change	-0.7	2.0	3.2	3.6	0.6	0.8
Y/Y Percent Change	-0.1	0.2	1.3	2.7	0.9	0.4
<b>Civilian Labor Force (000)</b>	300.1	2,927.7	4,306.2	2,067.7	3,905.6	792.8
Q/Q Percent Change	-6.4	4.4	2.1	-1.0	5.3	0.2
Y/Y Percent Change	0.8	1.6	1.3	1.3	2.5	0.4
<b>Unemployment Rate (%)</b>	7.7	4.3	5.2	6.4	3.6	4.8
Q1:05	8.0	4.2	5.2	6.9	3.3	5.0
Q2:04	8.0	4.2	5.6	6.8	3.7	5.4
<b>Personal Income (\$bil)</b>	27.6	210.0	239.8	108.3	259.0	44.4
Q/Q Percent Change	1.0	0.8	0.6	0.6	0.6	0.8
Y/Y Percent Change	4.7	3.9	4.8	3.6	5.2	3.5
<b>Building Permits</b>	911	8,996	26,757	14,055	17,473	1,545
Q/Q Percent Change	575.9	82.0	112.5	52.4	184.0	78.8
Y/Y Percent Change	19.9	17.8	8.5	24.9	1.4	0.1
<b>House Price Index (1980=100)</b>	539.9	447.2	295.9	281.5	407.6	224.4
Q/Q Percent Change	24.1	25.0	3.2	8.5	22.0	11.4
Y/Y Percent Change	23.5	23.0	5.9	8.1	20.9	9.0
<b>Sales of Existing Housing Units (000)</b>	12.8	139.2	191.4	112.5	187.7	40.9
Q/Q Percent Change	-11.1	5.9	-11.0	9.8	4.5	11.7
Y/Y Percent Change	-9.2	0.9	8.9	14.4	2.7	21.7

**NOTES:**

Nonfarm Payroll Employment, thousands of jobs, seasonally adjusted (SA) except in MSA's; Bureau of Labor Statistics (BLS)/Haver Analytics, Manufacturing Employment, thousands of jobs, SA in all but DC and SC; BLS/Haver Analytics, Professional/Business Services Employment, thousands of jobs, SA in all but SC; BLS/Haver Analytics, Government Employment, thousands of jobs, SA; BLS/Haver Analytics, Civilian Labor Force, thousands of persons, SA; BLS/Haver Analytics, Unemployment Rate, percent, SA except in MSA's; BLS/Haver Analytics, Building Permits, number of permits, NSA; U.S. Census Bureau/Haver Analytics, Sales of Existing Housing Units, thousands of units, SA; National Association of Realtors®

## Metropolitan Area Data, Q2:05

	Washington, DC MSA	Baltimore, MD MSA	Charlotte, NC MSA
<b>Nonfarm Employment (000)</b>	2,933.6	1,284.0	797.7
Q/Q Percent Change	9.0	11.6	7.4
Y/Y Percent Change	2.8	1.3	3.6
<b>Unemployment Rate (%)</b>	3.6	4.5	5.0
Q1:05	3.7	4.8	5.4
Q2:04	3.7	4.5	5.7
<b>Building Permits</b>	11,715	2,635	5,804
Q/Q Percent Change	296.1	147.9	125.9
Y/Y Percent Change	9.4	-8.9	-3.7

	Raleigh, NC MSA	Charleston, SC MSA	Columbia, SC MSA
<b>Nonfarm Employment (000)</b>	269.2	280.7	347.0
Q/Q Percent Change	4.8	10.1	3.9
Y/Y Percent Change	0.9	2.6	0.6
<b>Unemployment Rate (%)</b>	4.3	4.9	5.3
Q1:05	4.4	5.6	6.1
Q2:04	4.5	5.3	5.6
<b>Building Permits</b>	1,227	2,559	2,088
Q/Q Percent Change	55.9	6.0	77.1
Y/Y Percent Change	-0.3	6.7	-0.5

	Norfolk, VA MSA	Richmond, VA MSA	Charleston, WV MSA
<b>Nonfarm Employment (000)</b>	760.0	618.0	150.9
Q/Q Percent Change	9.3	8.1	9.9
Y/Y Percent Change	1.0	2.1	1.1
<b>Unemployment Rate (%)</b>	4.1	3.7	4.9
Q1:05	4.2	3.7	5.9
Q2:04	4.0	3.9	5.2
<b>Building Permits</b>	2,562	2,437	122
Q/Q Percent Change	24.2	-44.2	936.1
Y/Y Percent Change	-24.1	1.2	22.0

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