



Regional and U.S. Economic Outlook

Briefing for Access National Bank Executives
December 4, 2013



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Moderate growth with significant headwinds

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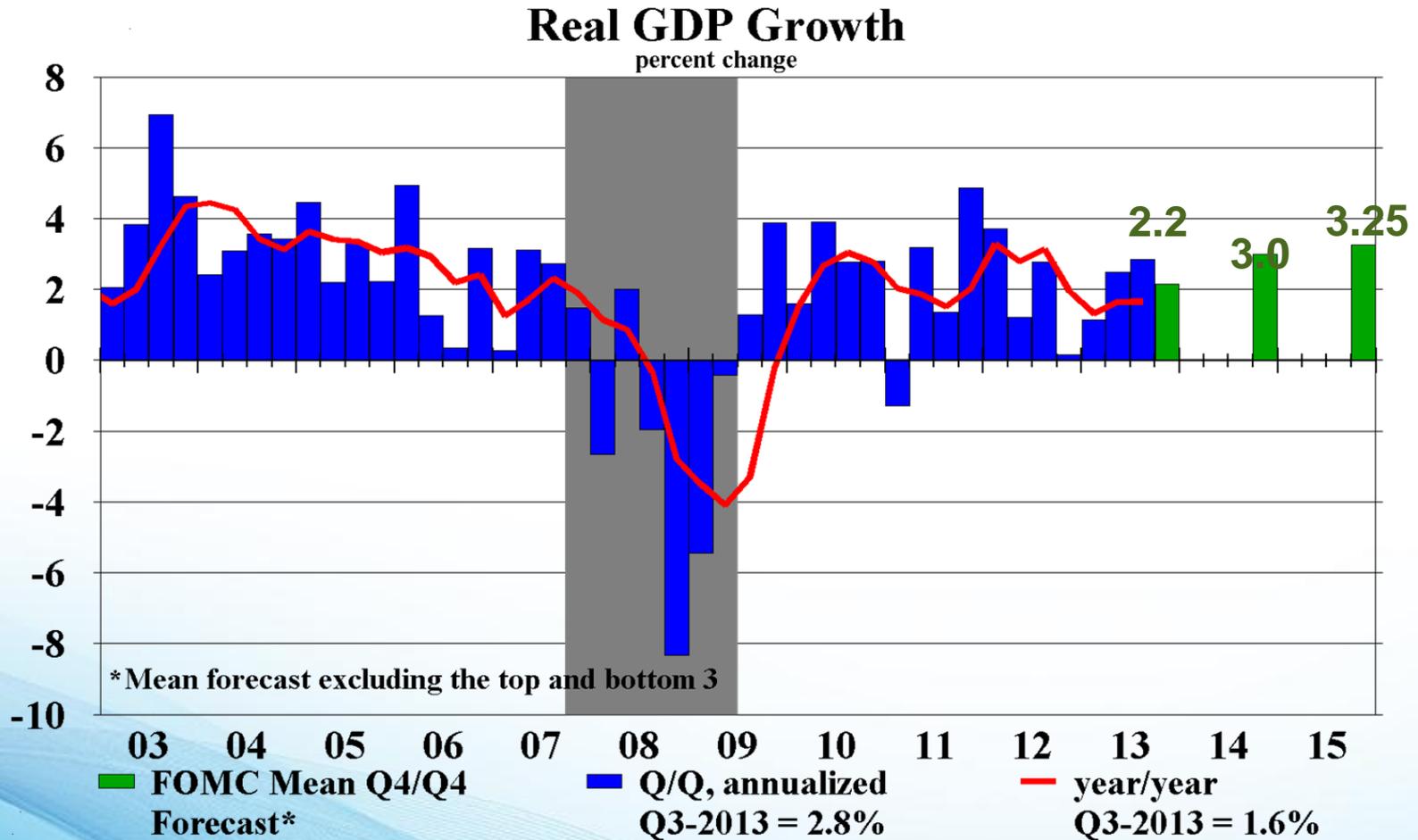
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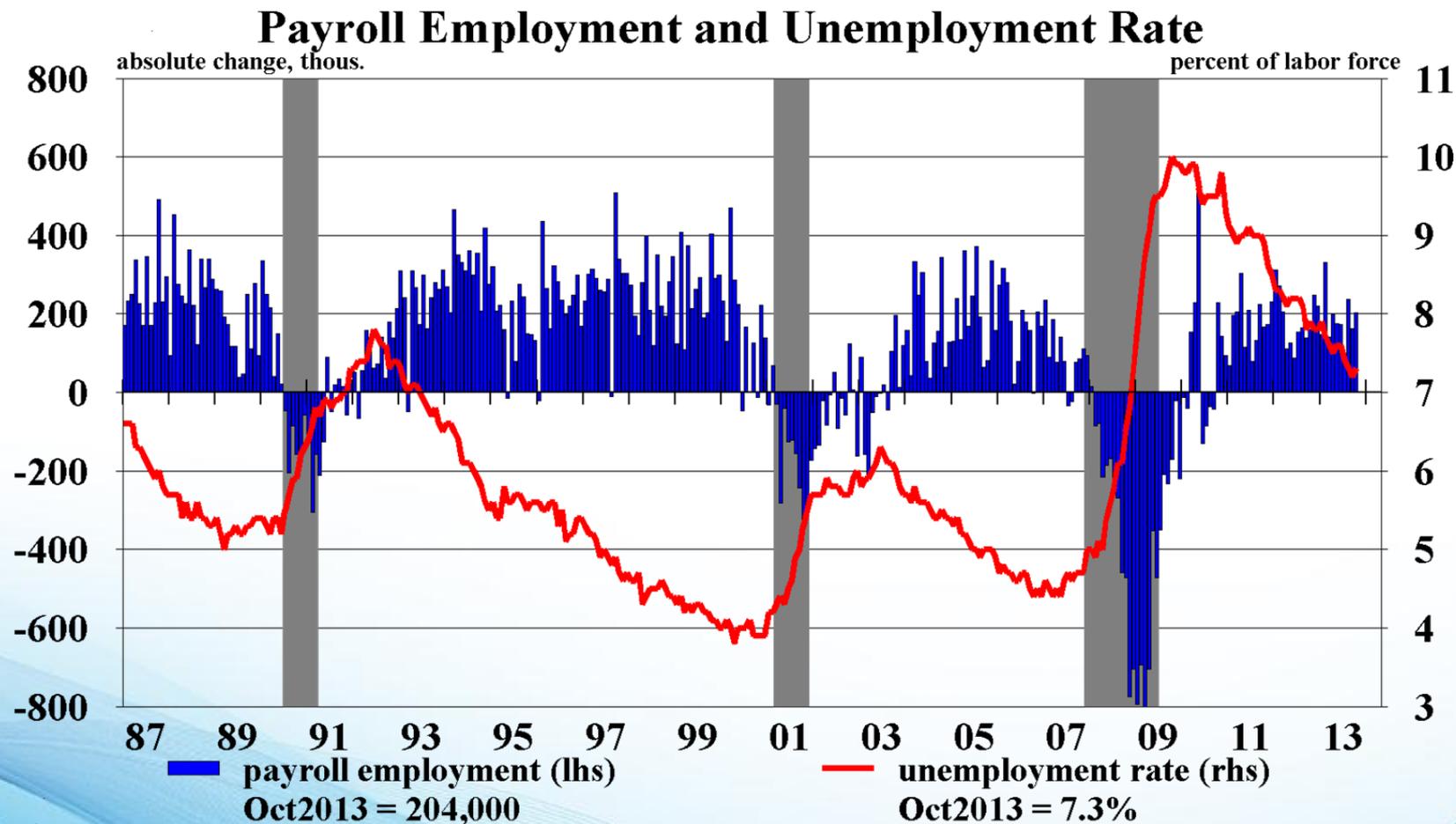
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- Inflation is expected to remain low with longer-term inflation expectations remaining stable

FOMC anticipates moderate increase in growth

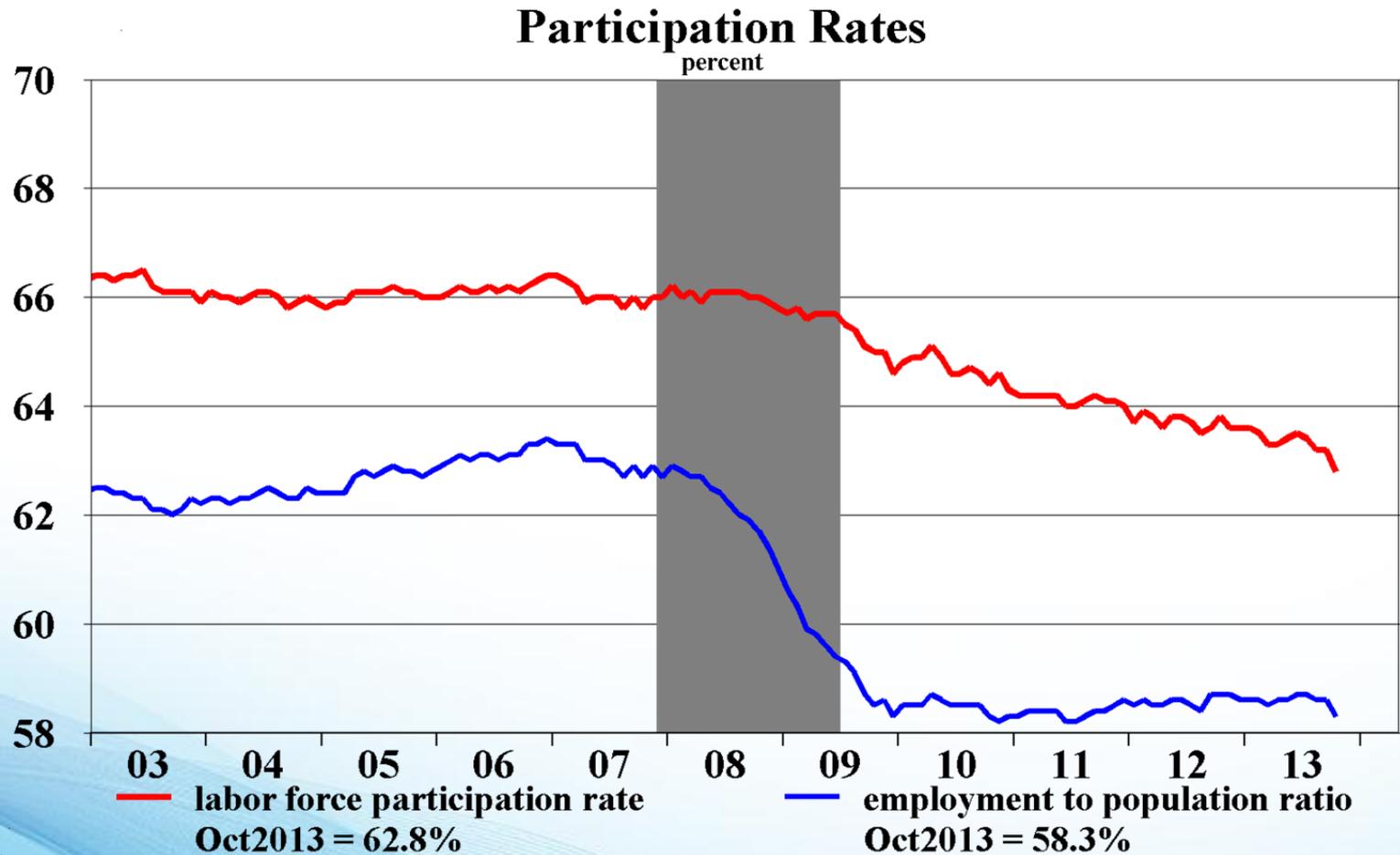


Labor market slowly recovering



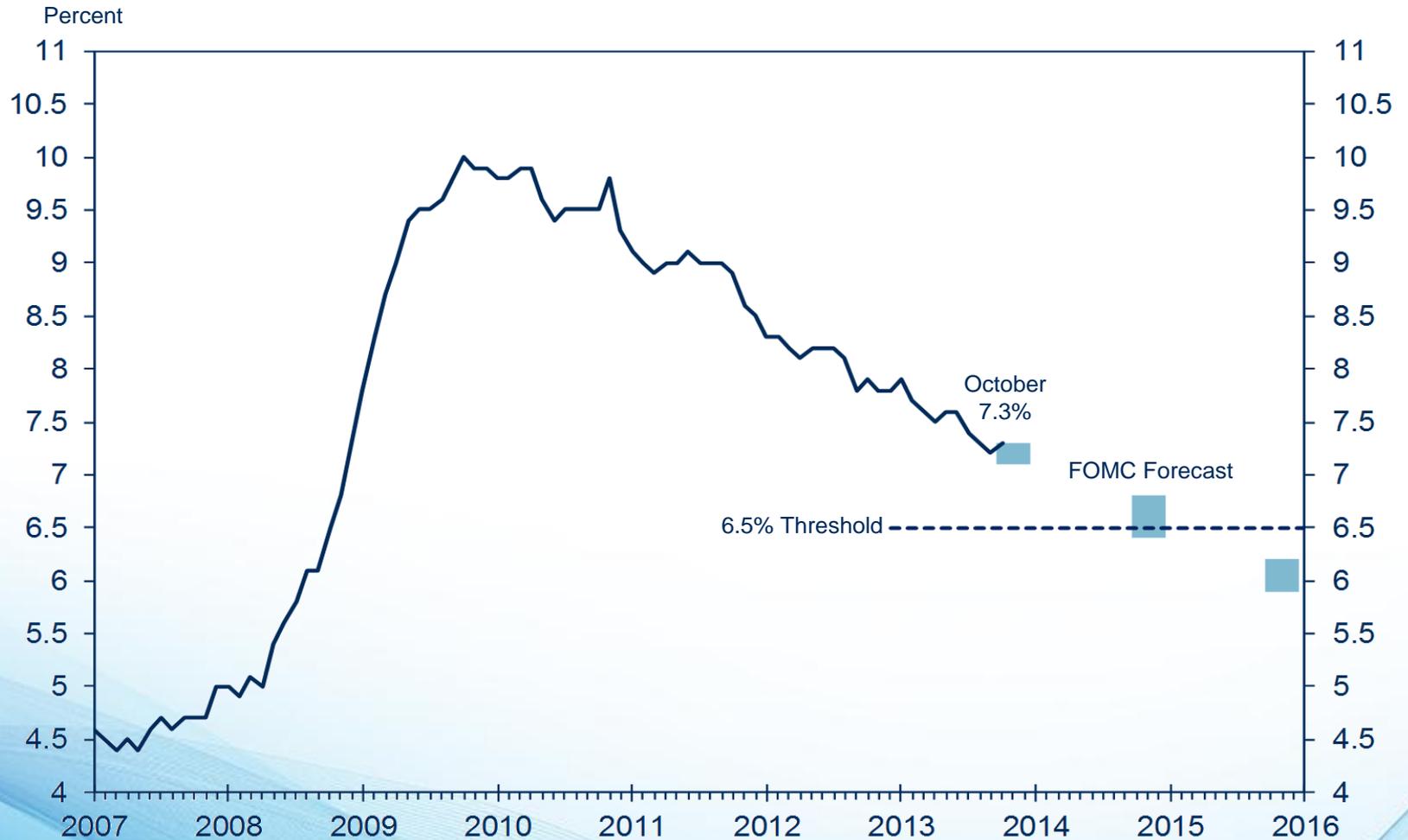
Why are labor market conditions important?

Labor market slowly recovering



Why is labor force participation declining?

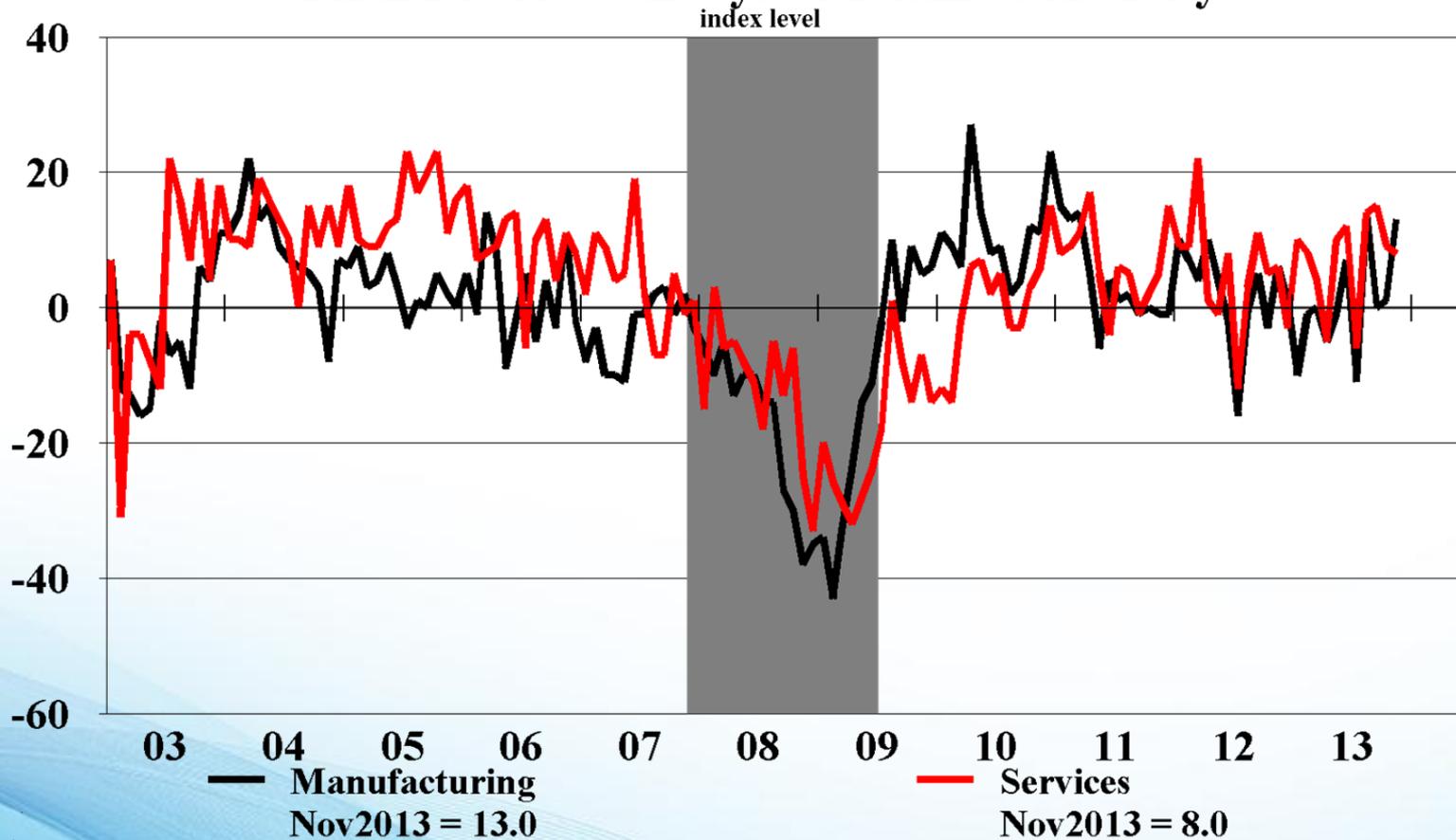
Unemployment rate slowly decreasing



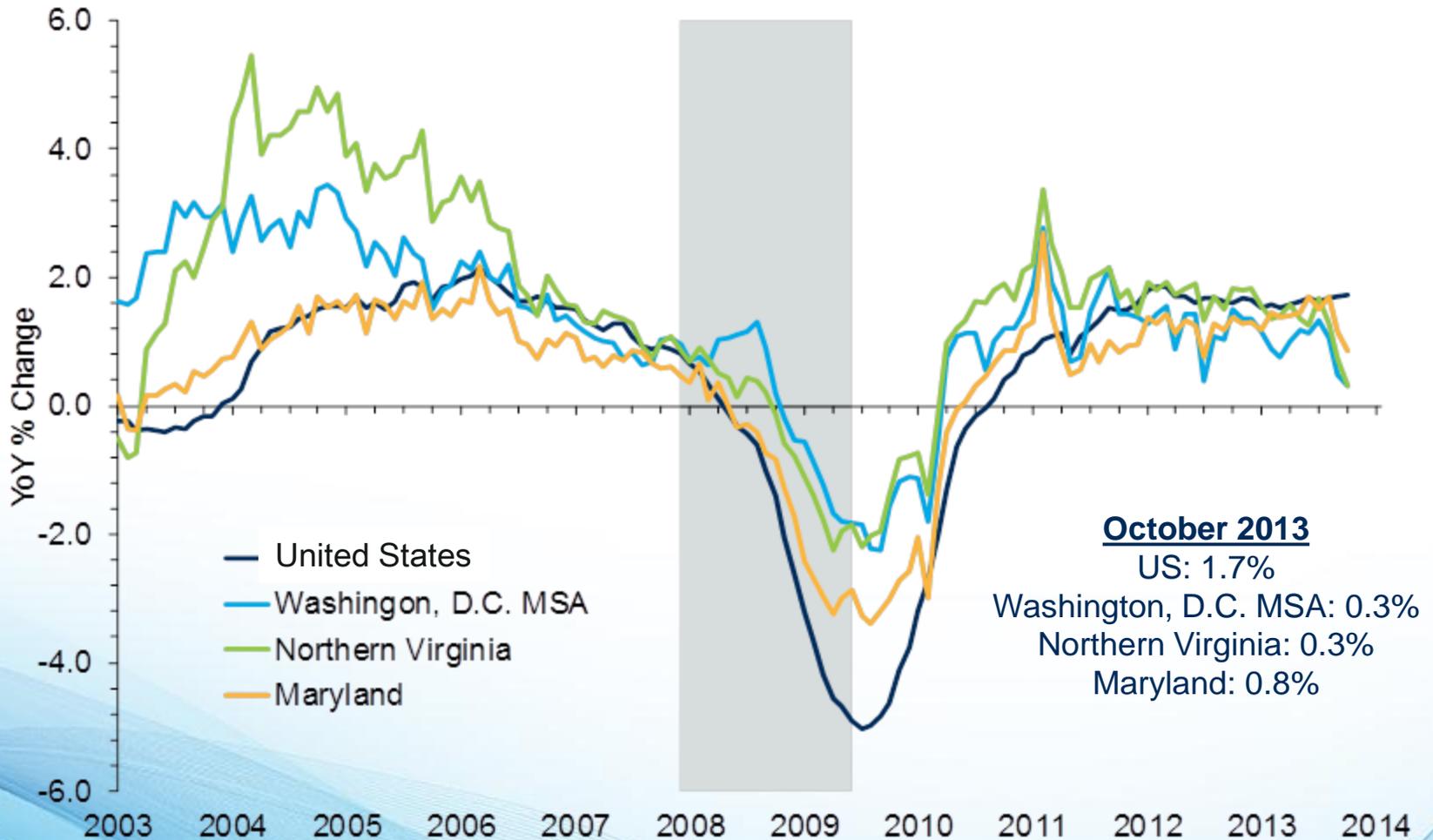
Note: FOMC forecast is the central tendency for the Q4 levels from the Sep. 18-19, 2013 meeting.

Recent surveys indicate moderate growth

Fifth District Surveys of Business Activity



Employment Growth



October 2013

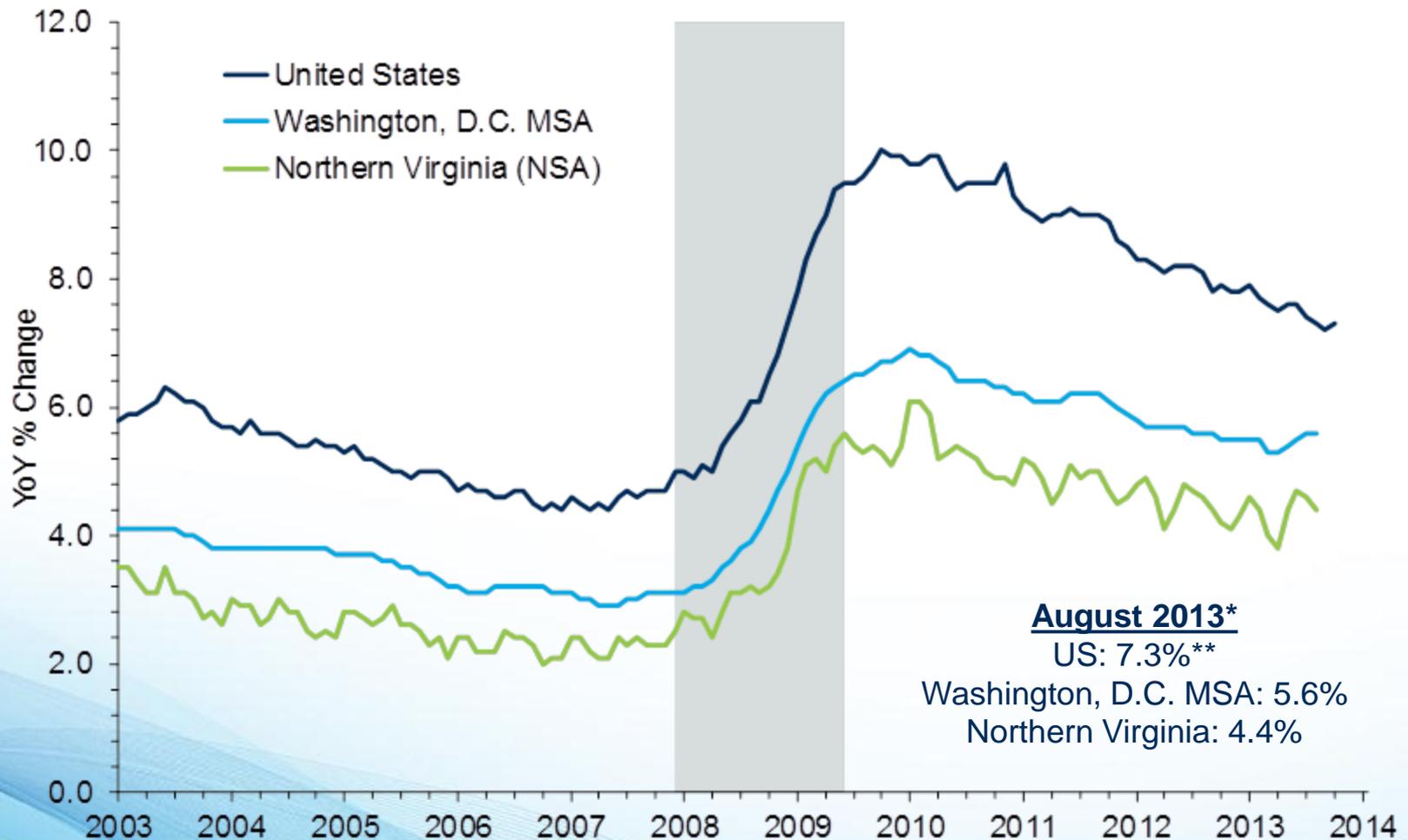
US: 1.7%

Washington, D.C. MSA: 0.3%

Northern Virginia: 0.3%

Maryland: 0.8%

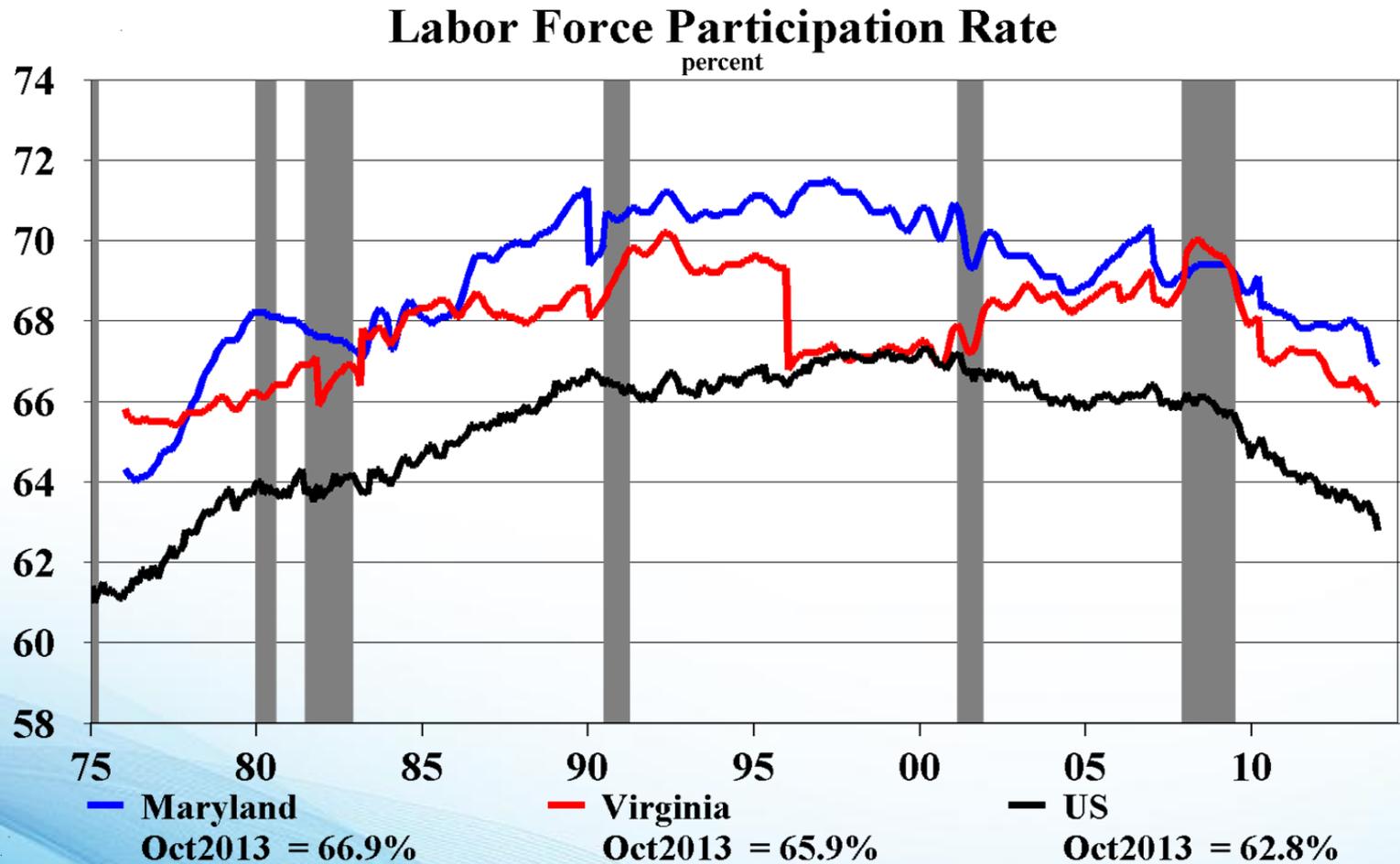
Unemployment Rate



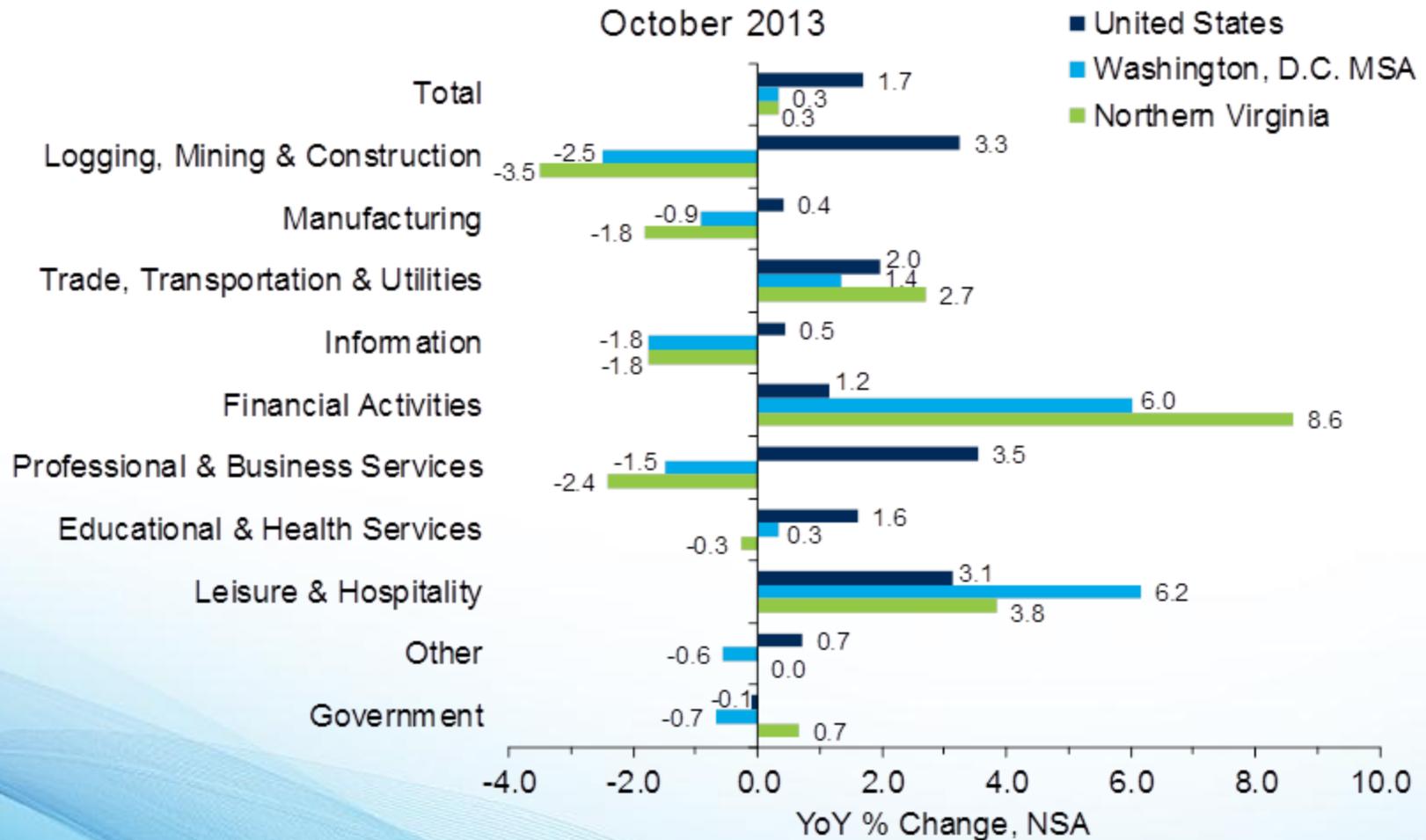
*The BLS is scheduled to release September and October local area unemployment rates on December 5, 2013.

**The national unemployment rate was 7.2% in September and 7.3% in October.

Labor market slowly recovering

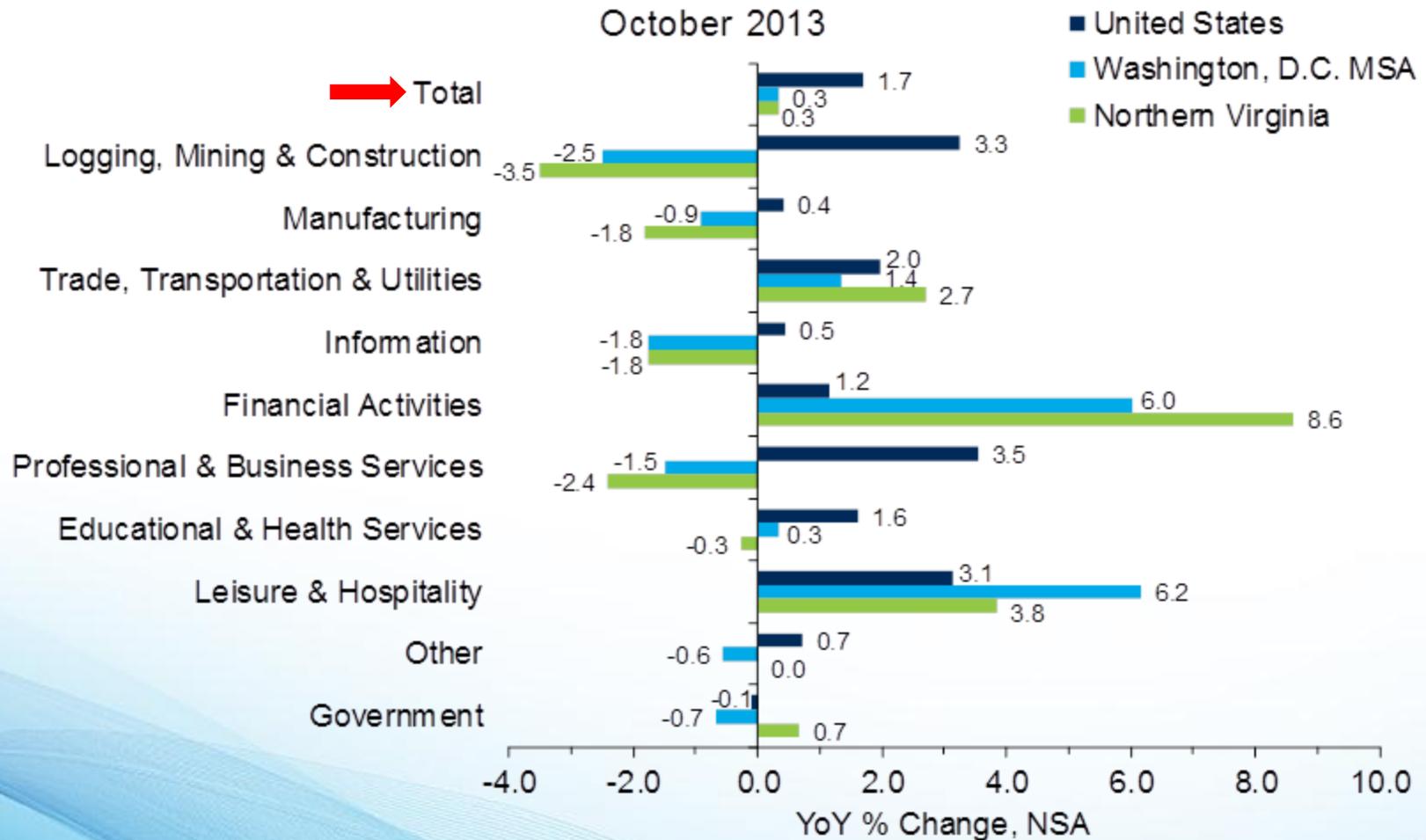


Employment Growth by Industry



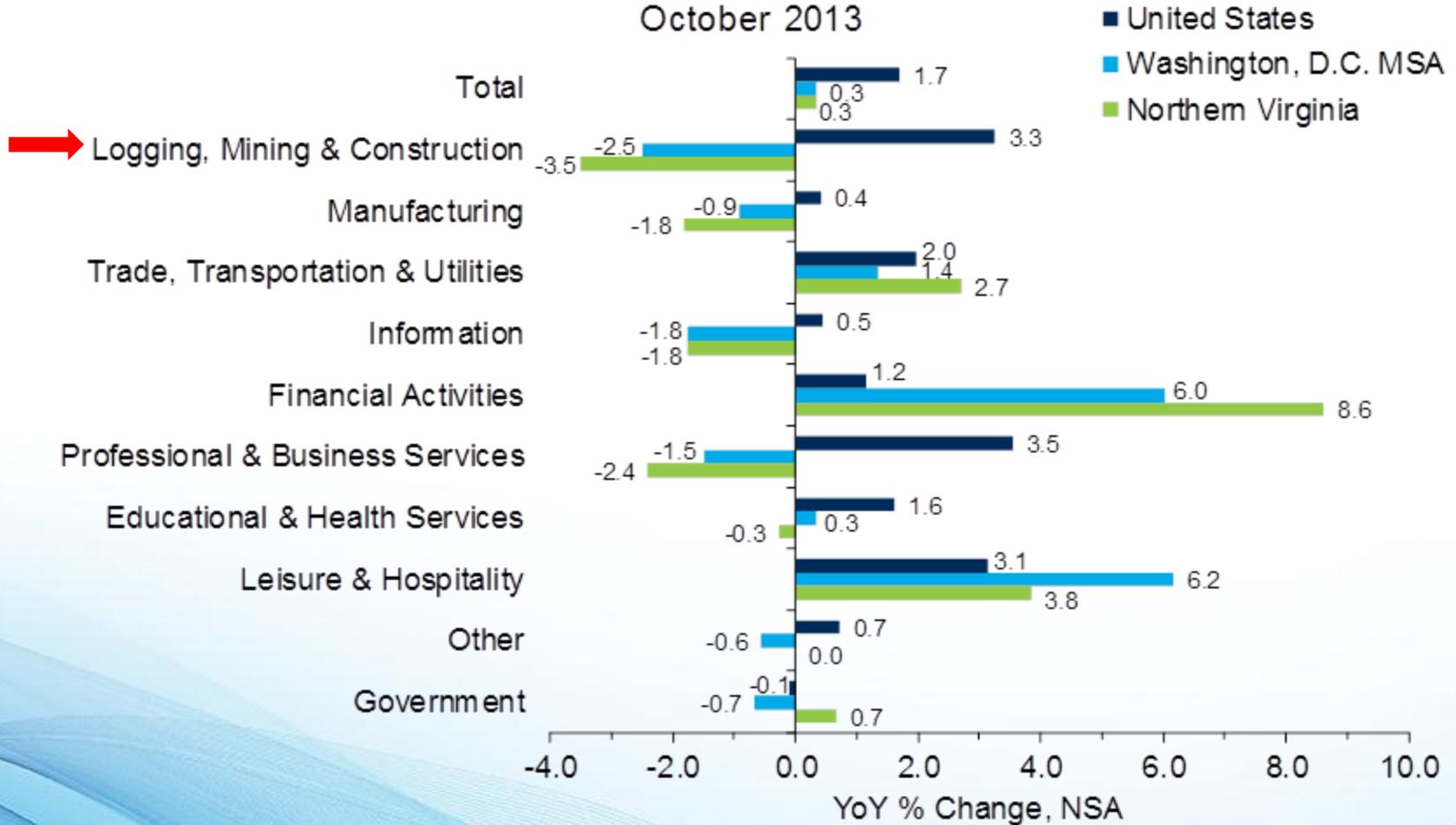
Source: Bureau of Labor Statistics/Haver Analytics

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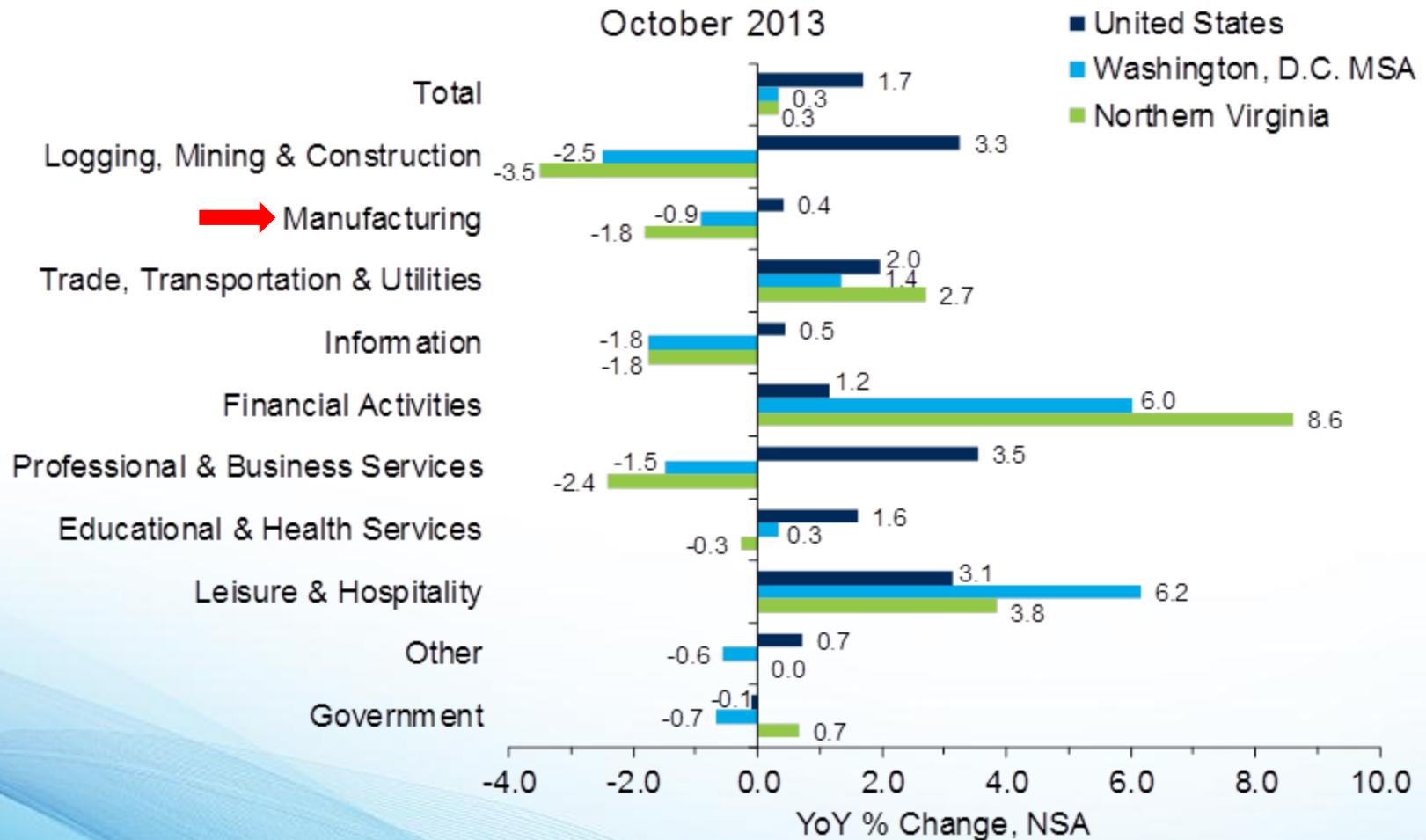


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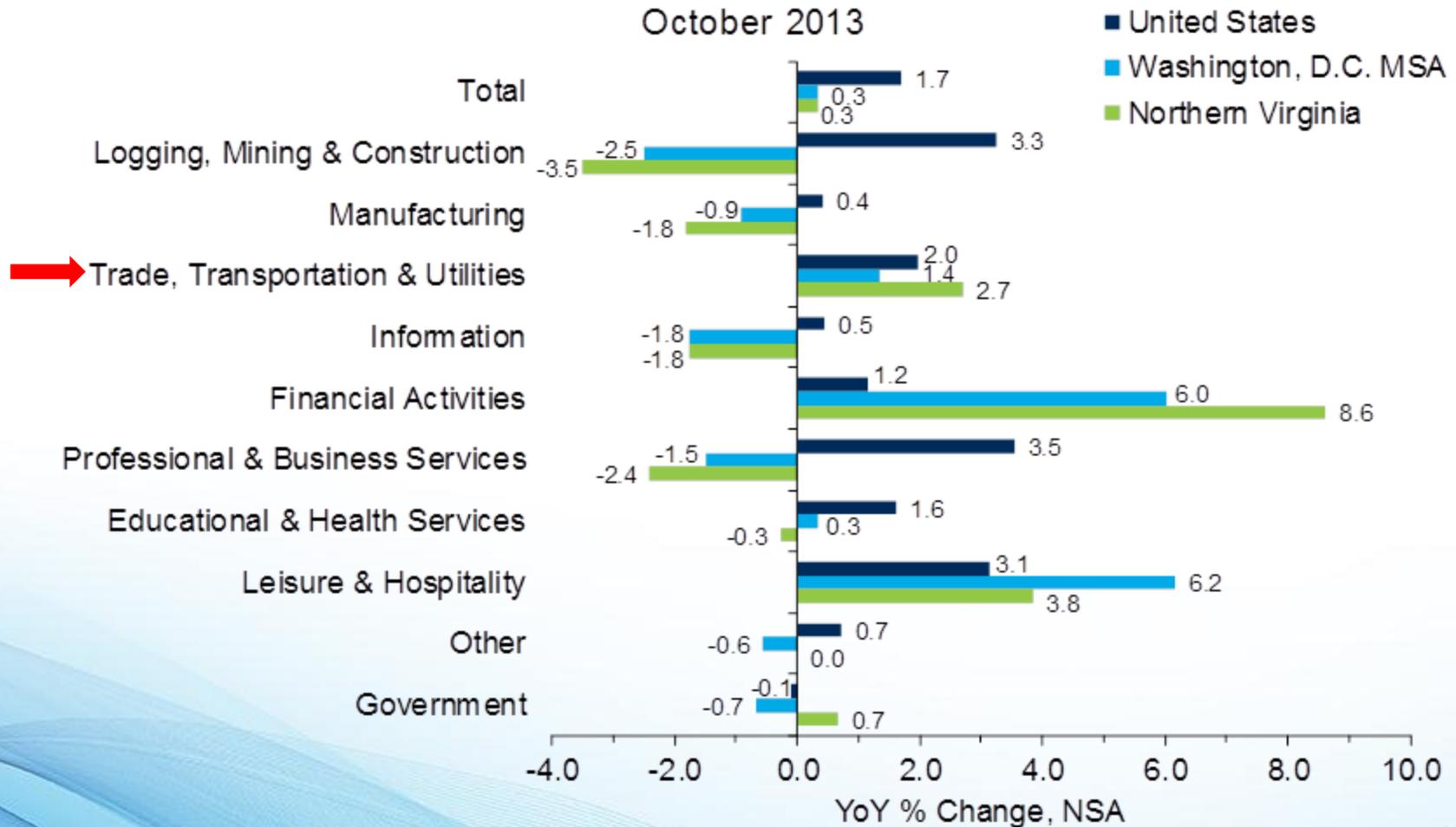
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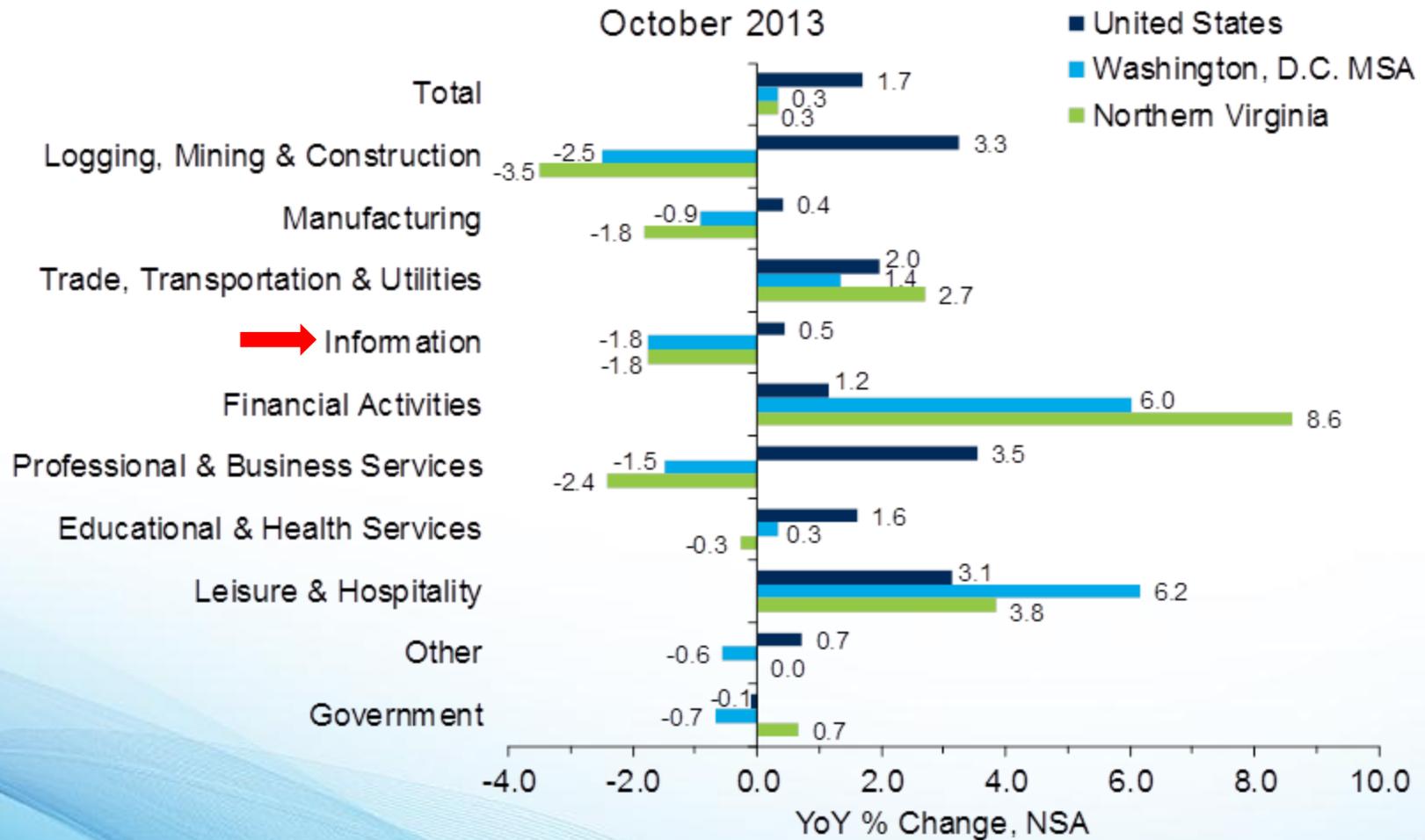
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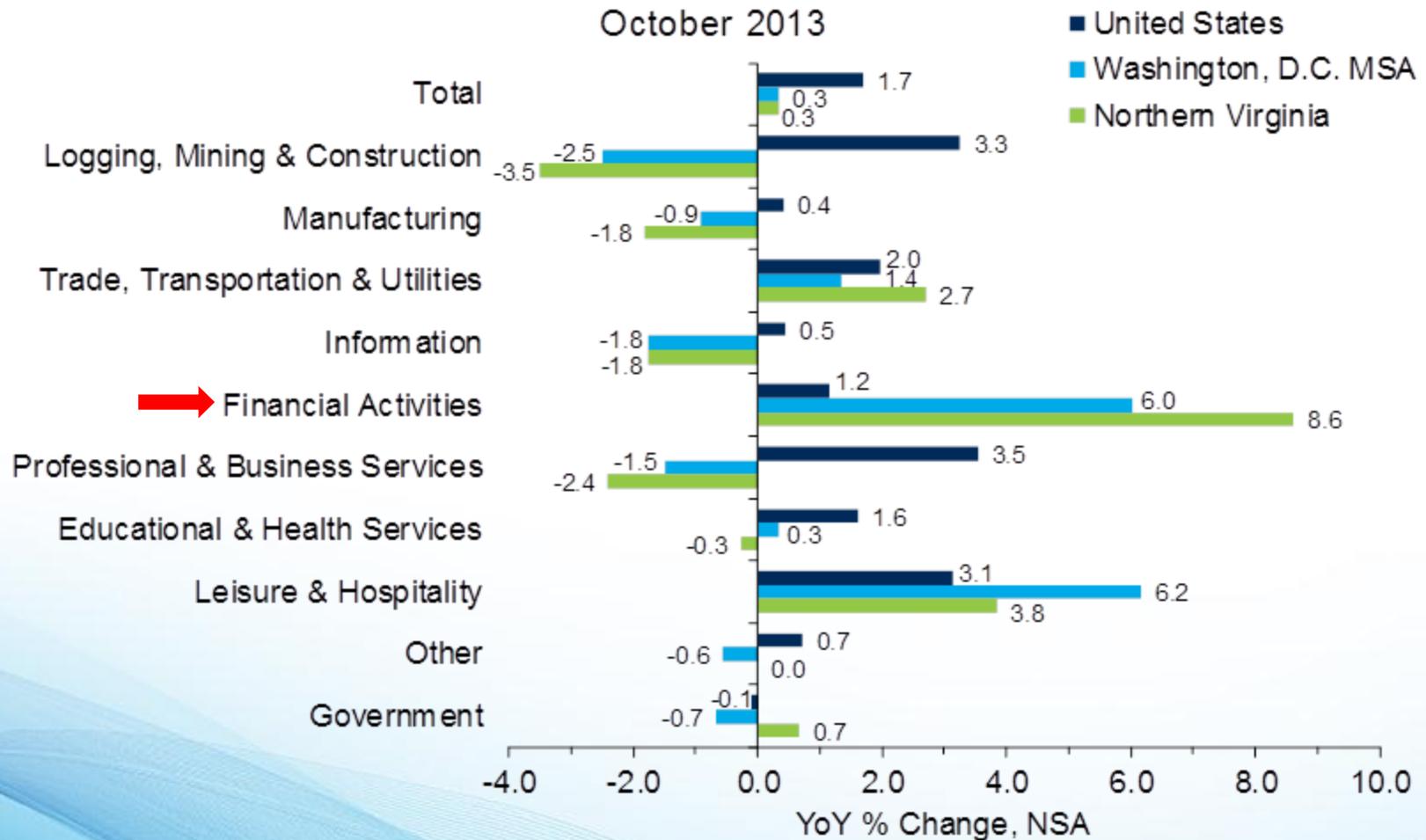


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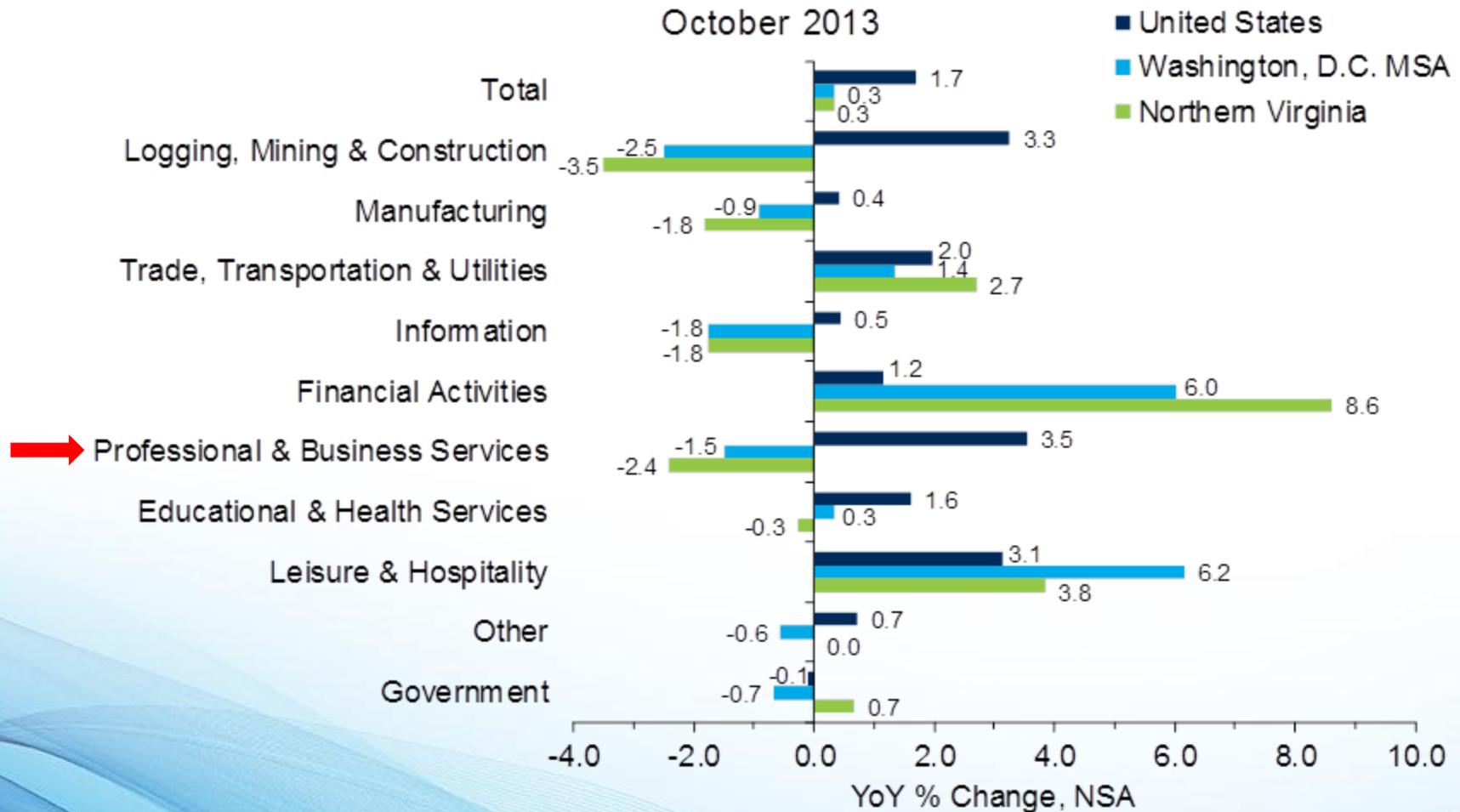


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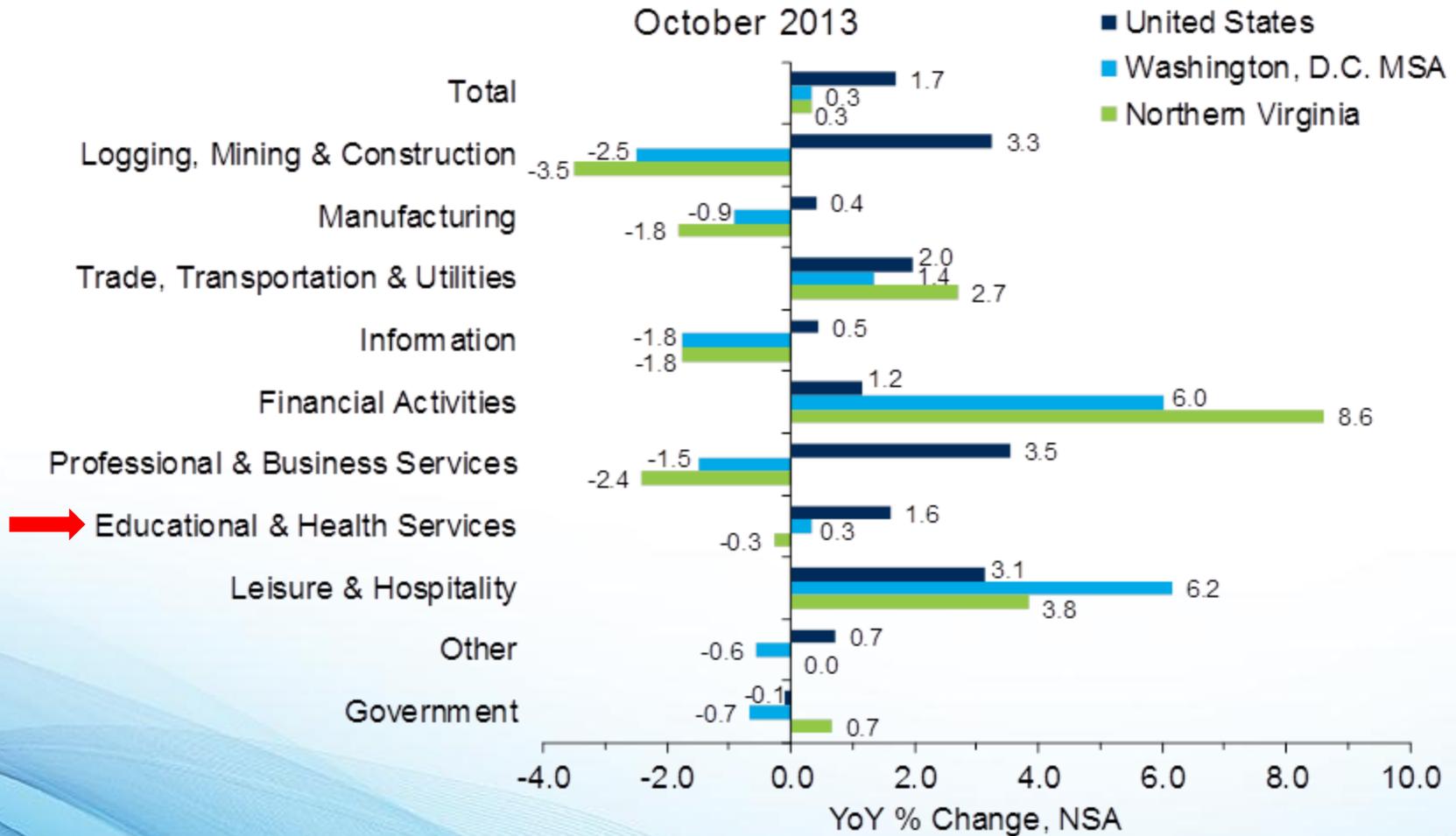
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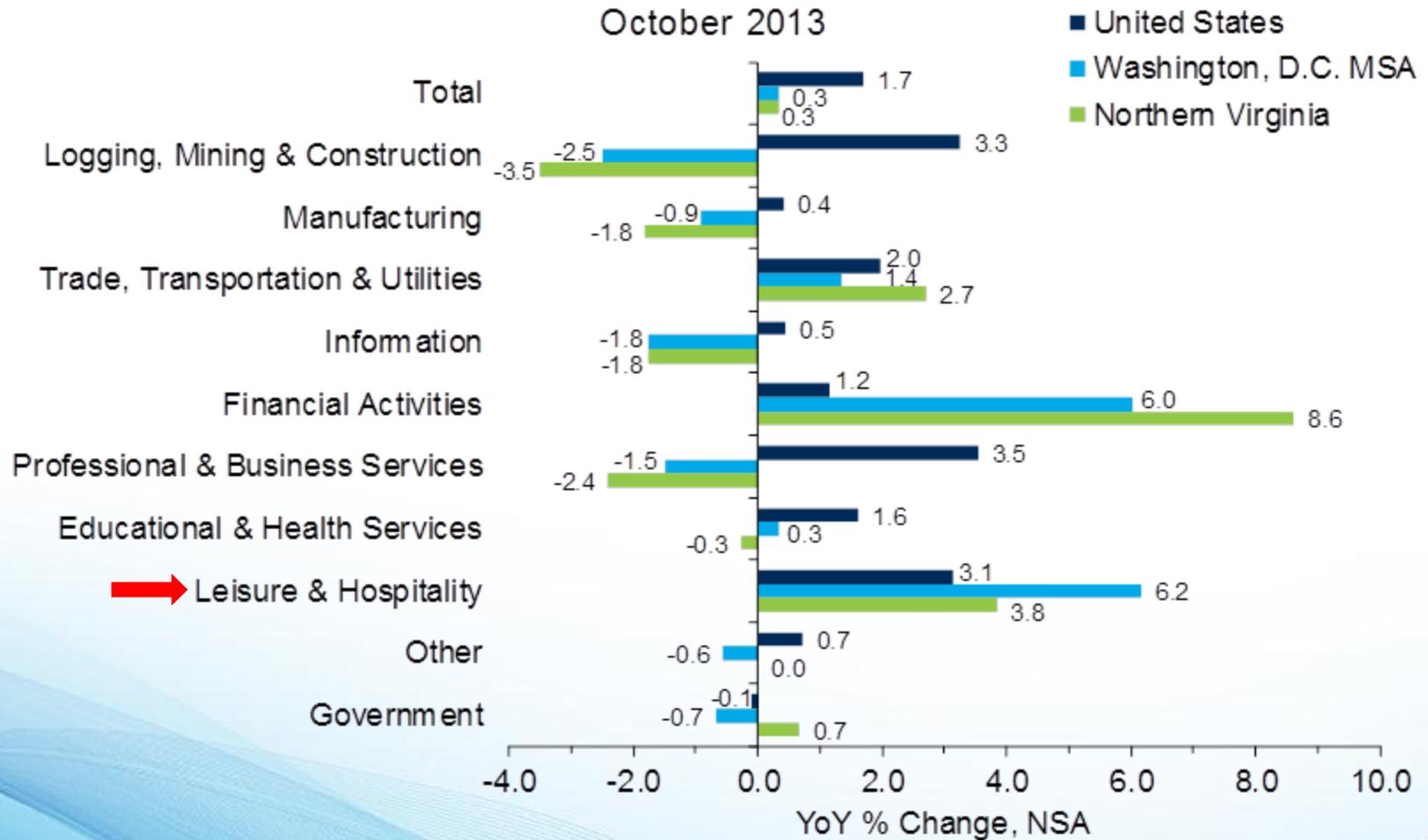


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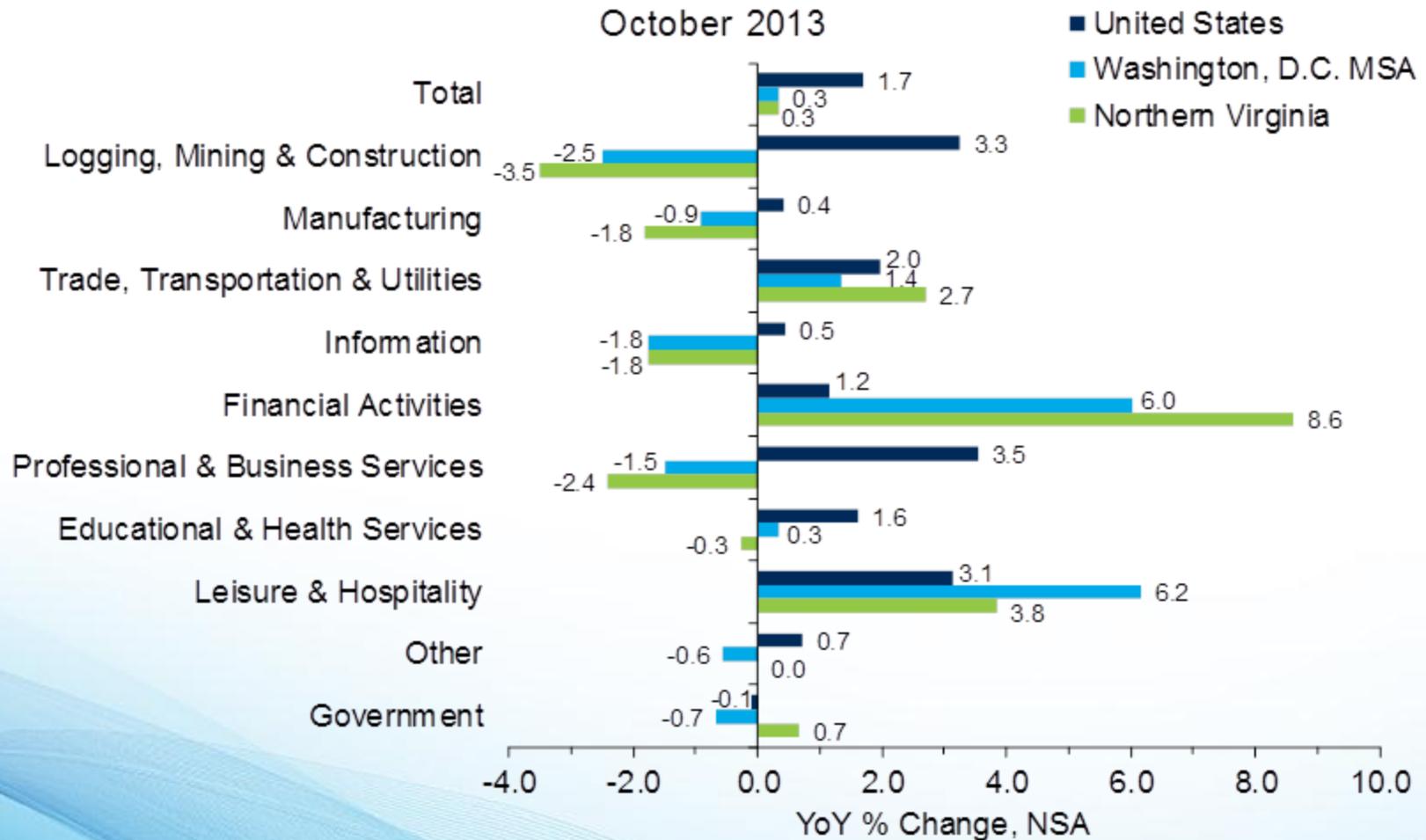


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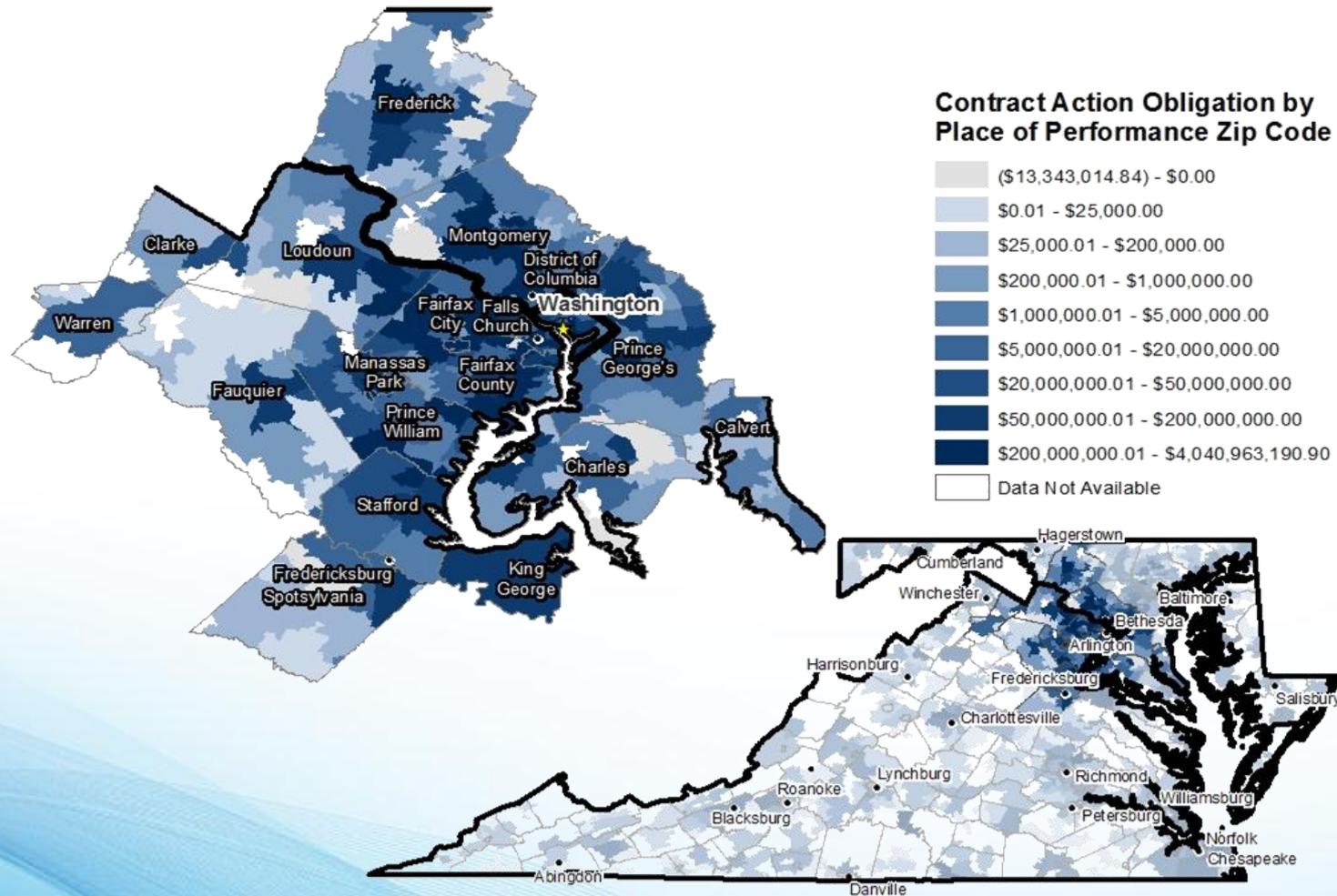
Employment Growth by Industry



Employment Growth by Industry



Federal Contract Spending in DC MSA, FY'13

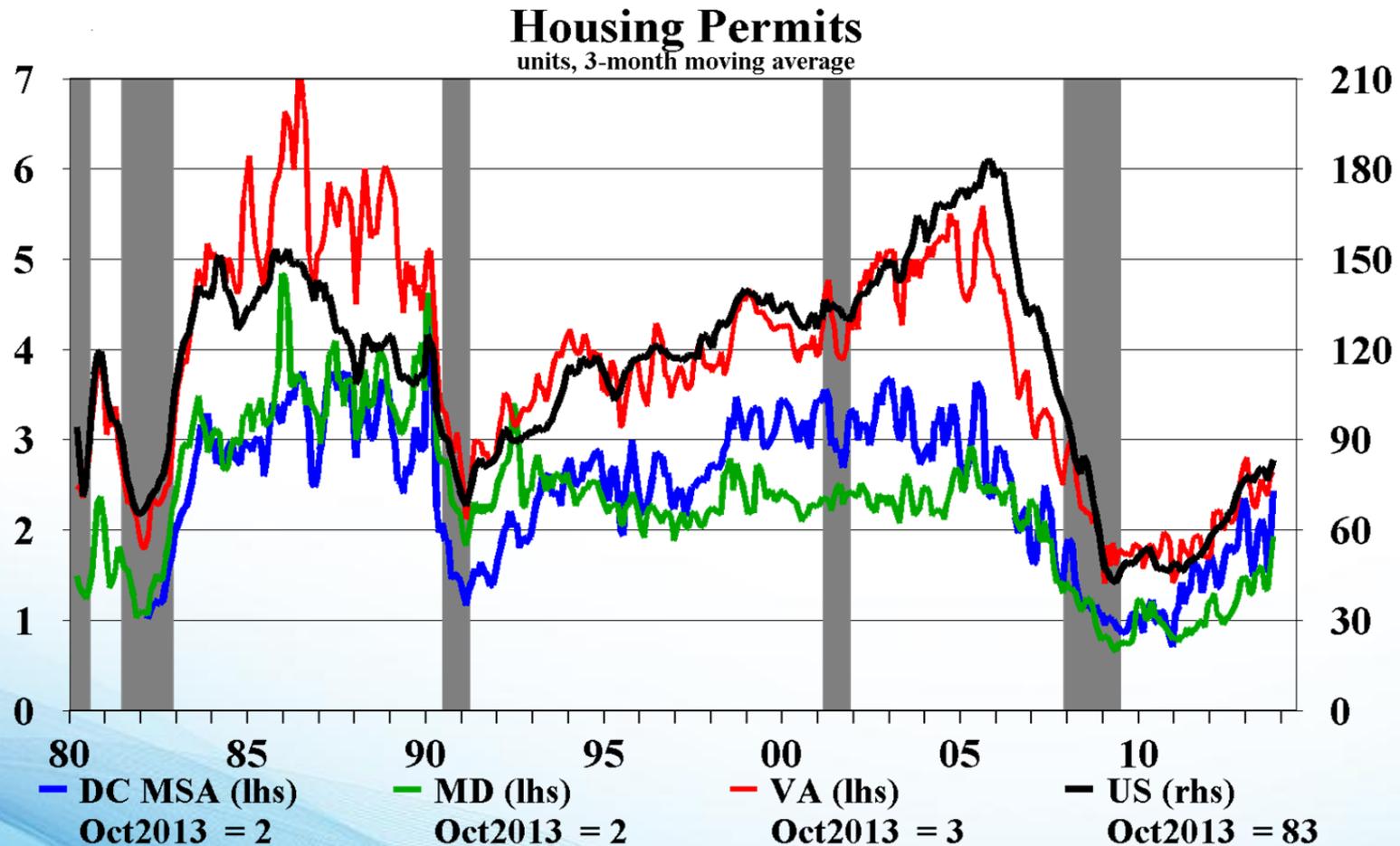


Federal Contract Spending in VA, MD, DC

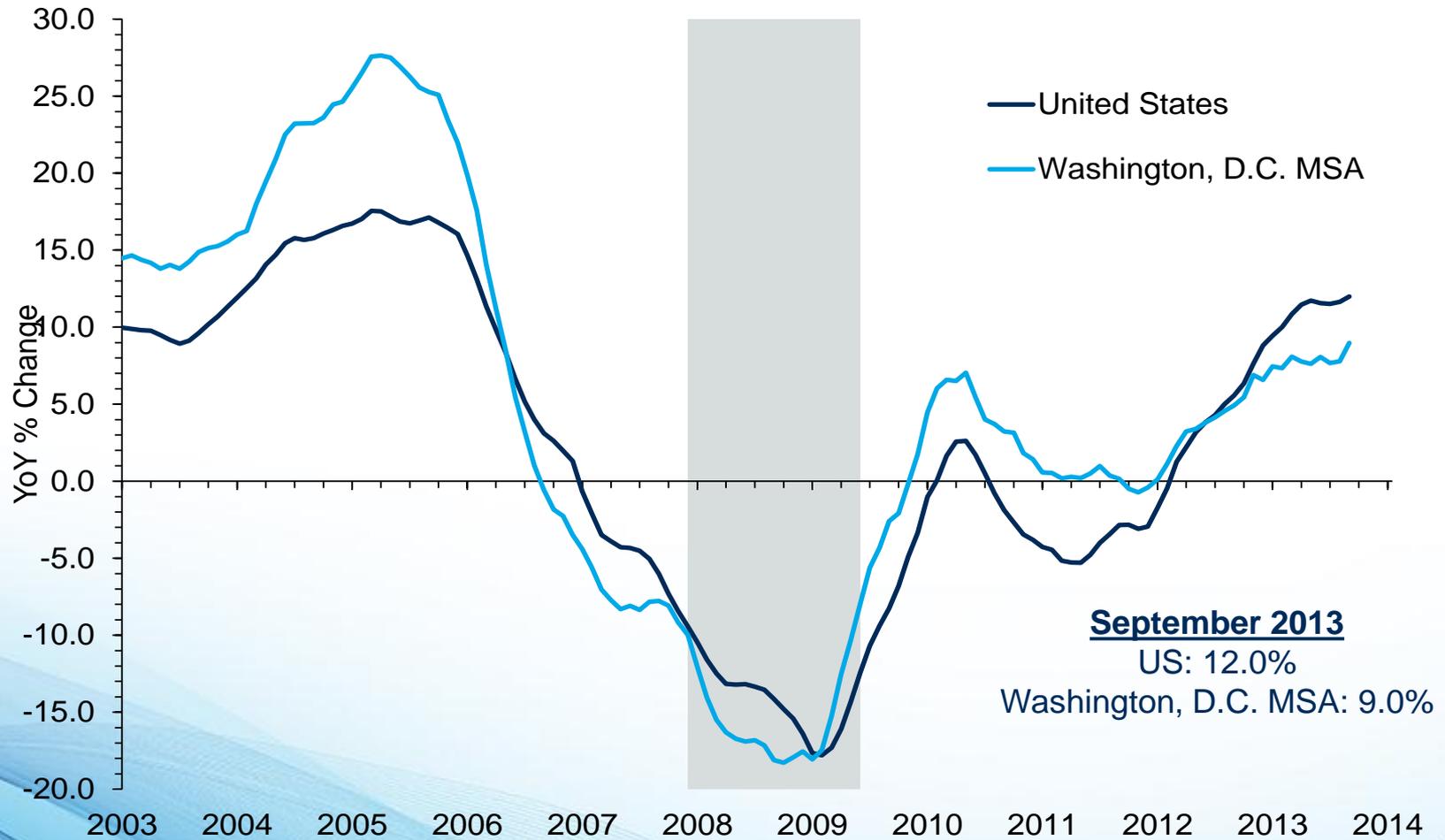
	Virginia	Maryland	District of Columbia
Total Contract Spending			
FY 2010	\$47,837,143,568	\$21,760,357,159	\$17,243,945,495
FY 2011	\$60,411,718,656	\$26,204,401,943	\$19,821,922,117
FY 2012	\$55,260,298,662	\$27,274,451,964	\$18,656,781,094
FY 2013	\$43,053,693,860	\$22,994,414,226	\$15,305,547,564
Department of Defense			
FY 2010	\$33,100,168,913	\$9,805,128,909	\$3,404,381,987
FY 2011	\$43,104,786,742	\$12,433,471,999	\$4,800,120,651
FY 2012	\$37,858,775,488	\$13,334,980,994	\$4,361,334,120

Housing market continues to improve

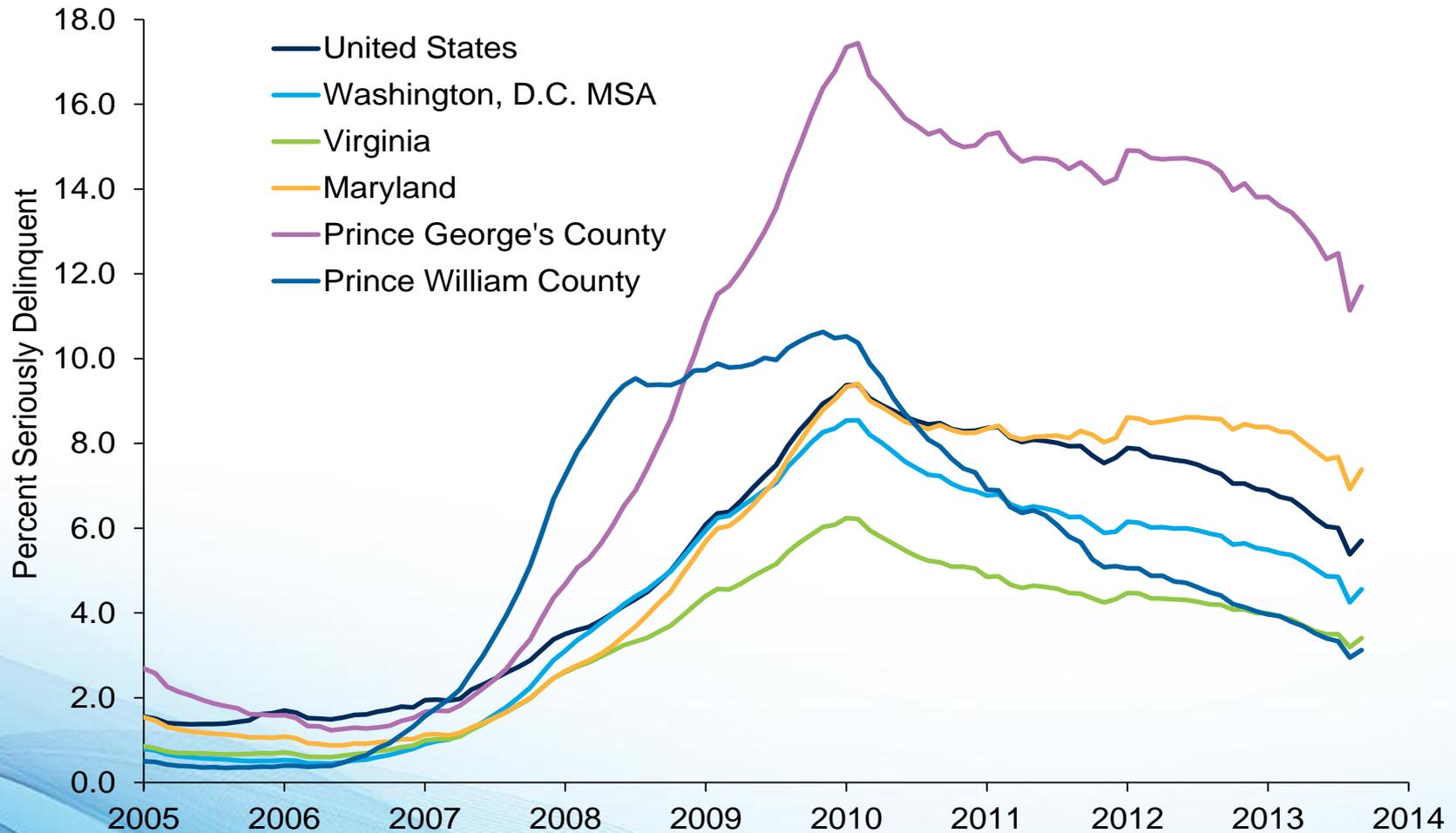
Fundamentals moving in the right direction



House Prices



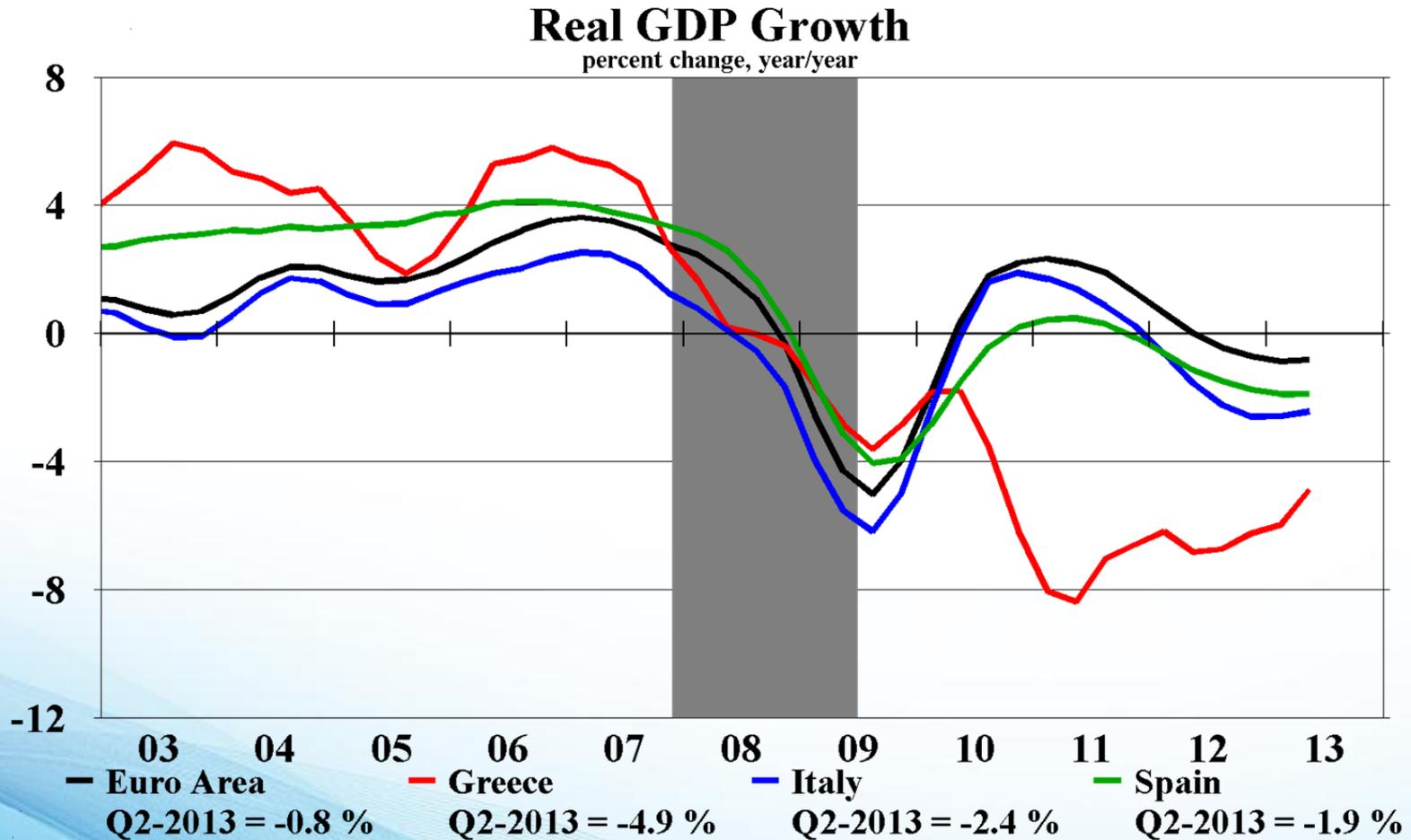
Seriously Delinquent Mortgages



Sources: McDash Analytics/LPS and FRB Richmond estimates using Mortgage Bankers Association data through September 2013

Sources of Uncertainty

Outlook for Europe slowly improving



Long-term budget outlook remains challenging

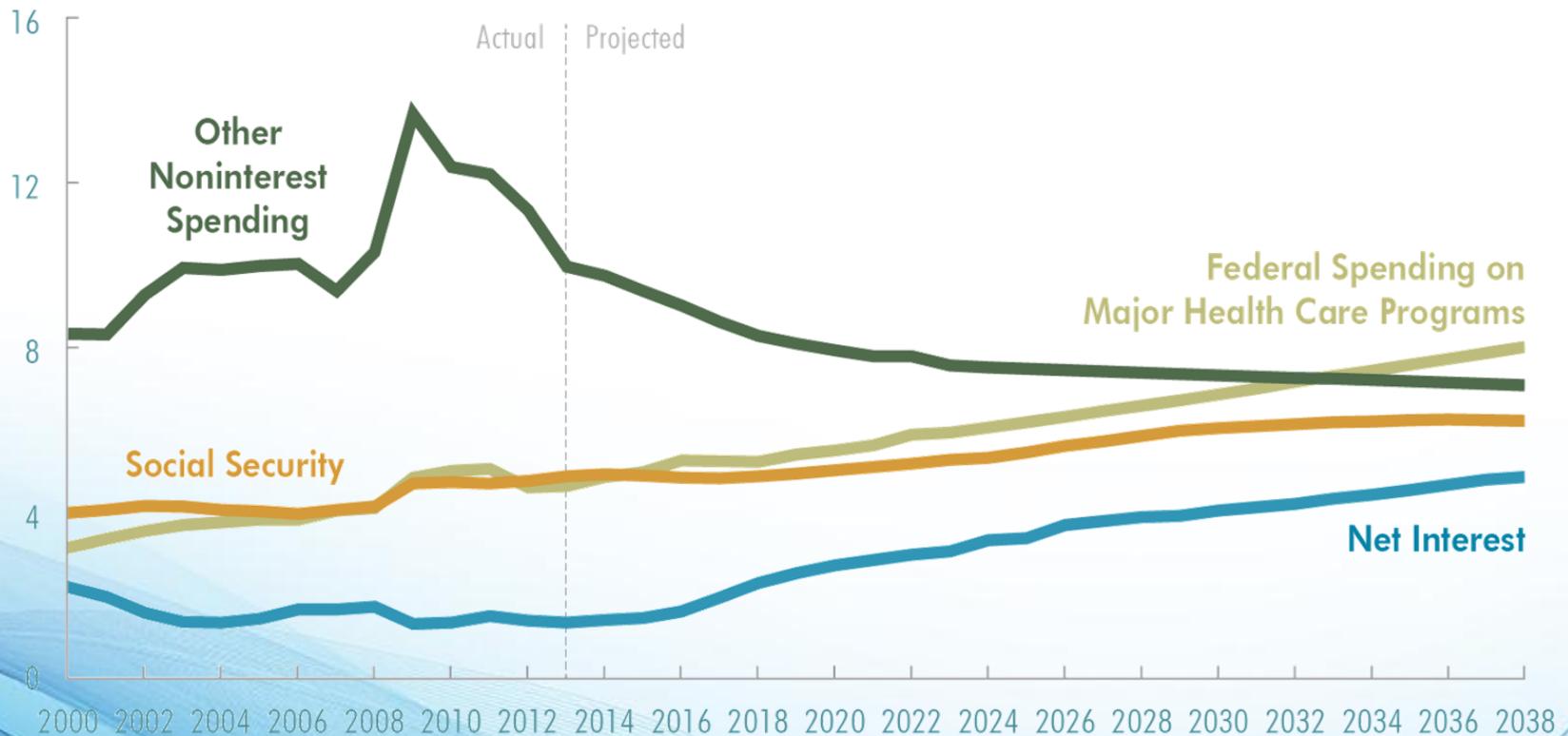
Federal Debt Held by the Public Under CBO's Extended Baseline



Long-term budget outlook remains challenging

Components of Federal Spending Under CBO's Extended Baseline

Percentage of GDP



Source: "Budget and Economic Outlook: Fiscal Years 2013 to 2023,"
Congressional Budget Office, Feb. 2013

In summary

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 - U.S. fiscal policy – federal deficit and outstanding debt
 - Regulatory uncertainty
 - Weaker growth in Europe

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 - U.S. fiscal policy – federal deficit and outstanding debt
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 - Weaker growth in Europe
- Monetary policy continues to be very accommodative to promote economic growth and price stability



The views expressed here are those of the speaker, and do not necessarily represent those of the Federal Reserve Bank of Richmond or the Federal Reserve System.

