



# Regional Economic Outlook

Mid-Atlantic Association for Financial  
Professionals Financial Forum  
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# A Championship Caliber Year Ahead?

- Economic growth appears to be accelerating
  - Consumer spending stronger in second half of 2014
  - Solid improvement in the labor market in 2014; finished the year strong
  - Business investment up solidly in third quarter 2014 and prior four quarters
  - Housing recovery remains sluggish

# A Championship Caliber Year Ahead?

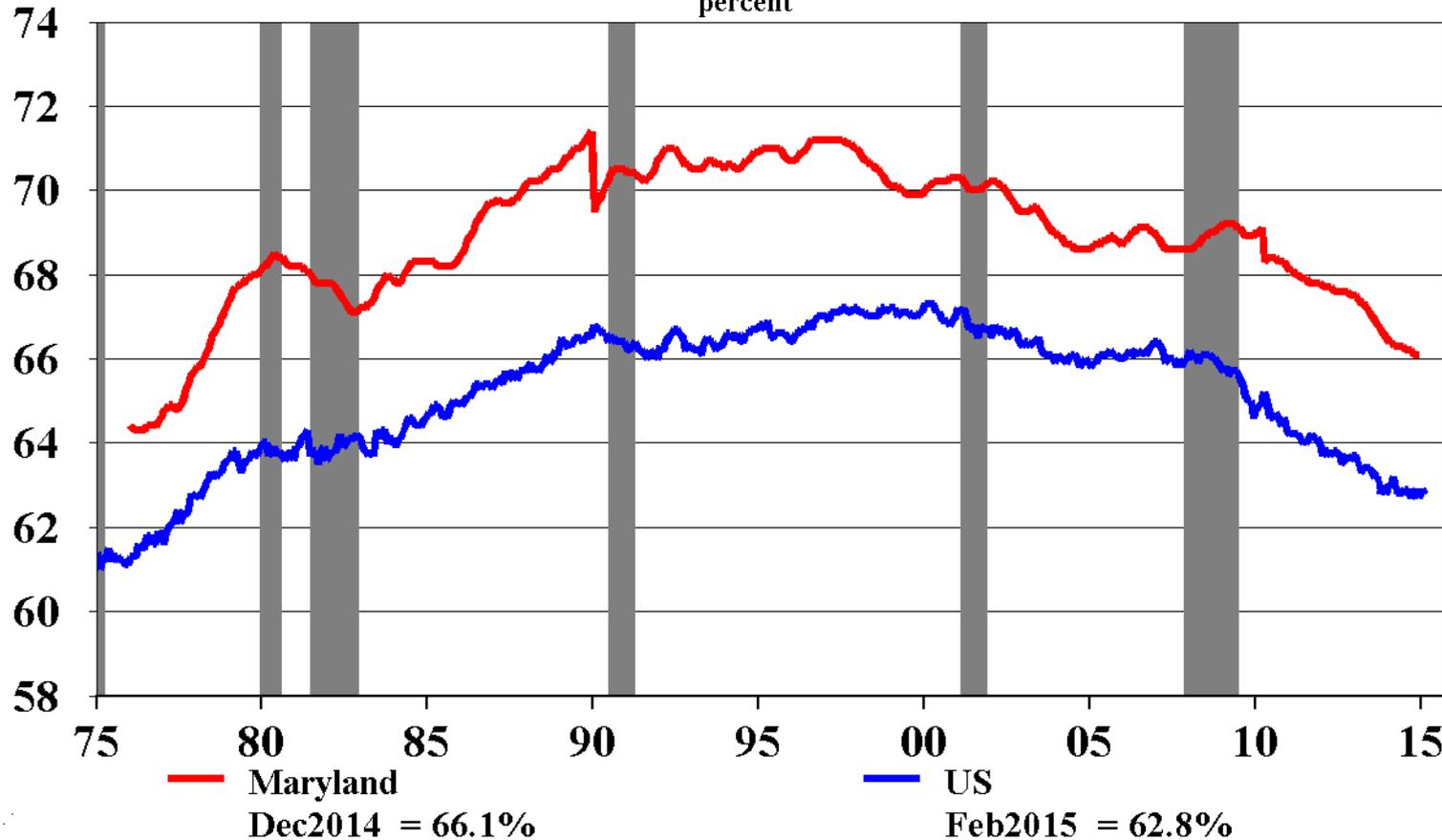
- Uncertainty still an impediment to stronger growth
  - Regulatory uncertainty, fiscal policy, slow growth abroad

# A Championship Caliber Year Ahead?

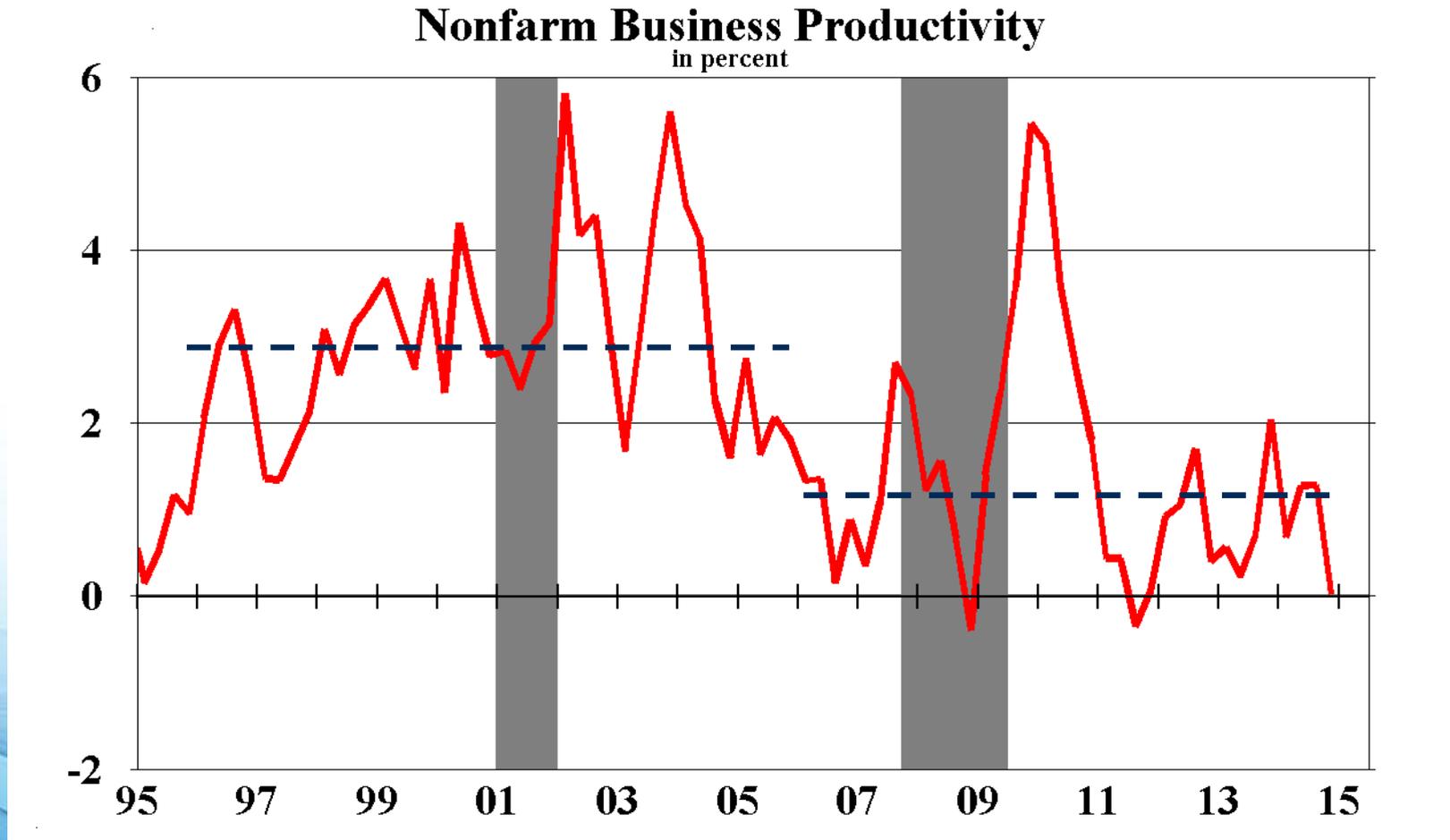
- Championship years aren't what they used to be
  - Slower growth in the labor force and productivity

# Bench is Getting Thin

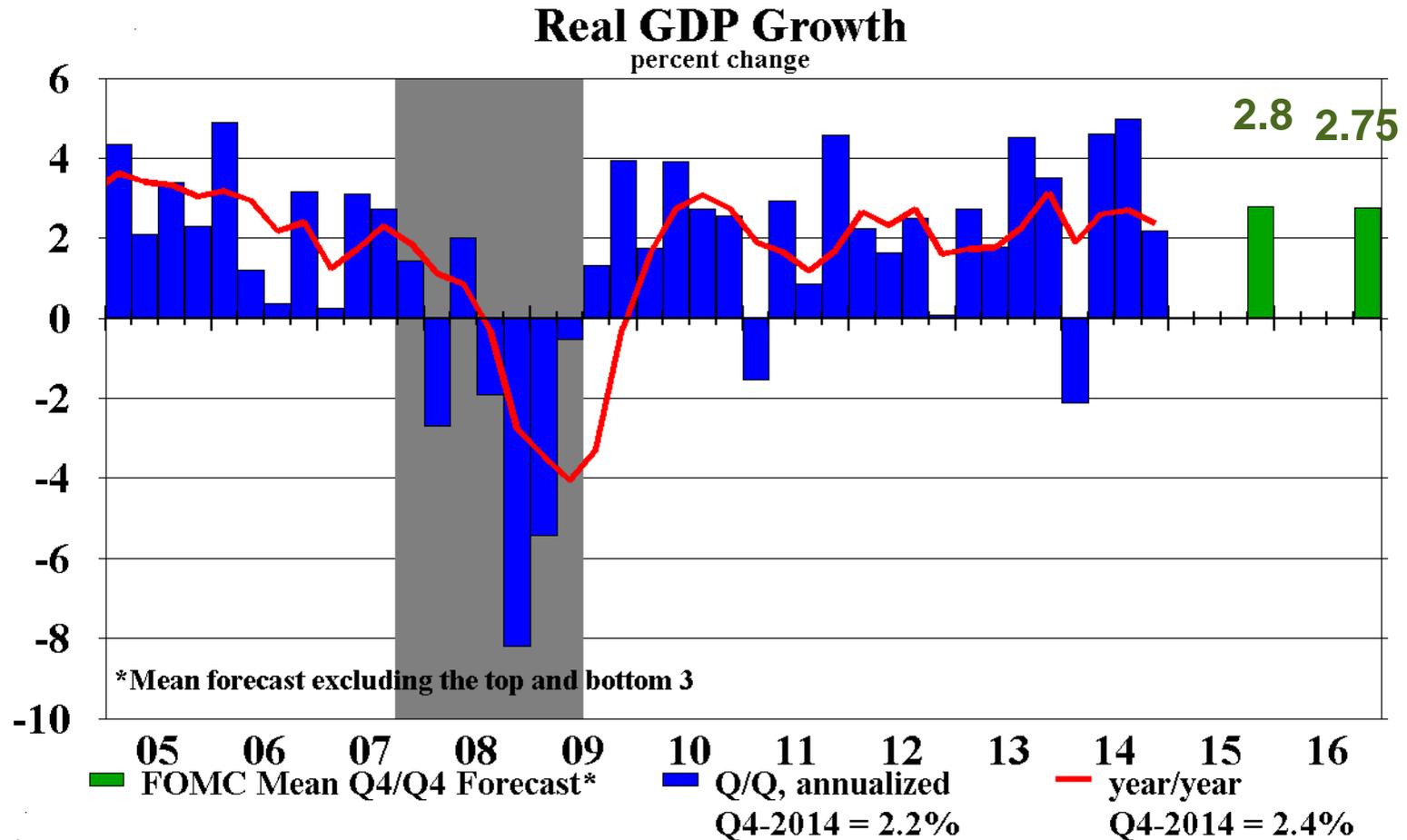
## Labor Force Participation Rate percent



# Economy Needs More Trips Down the Floor ...



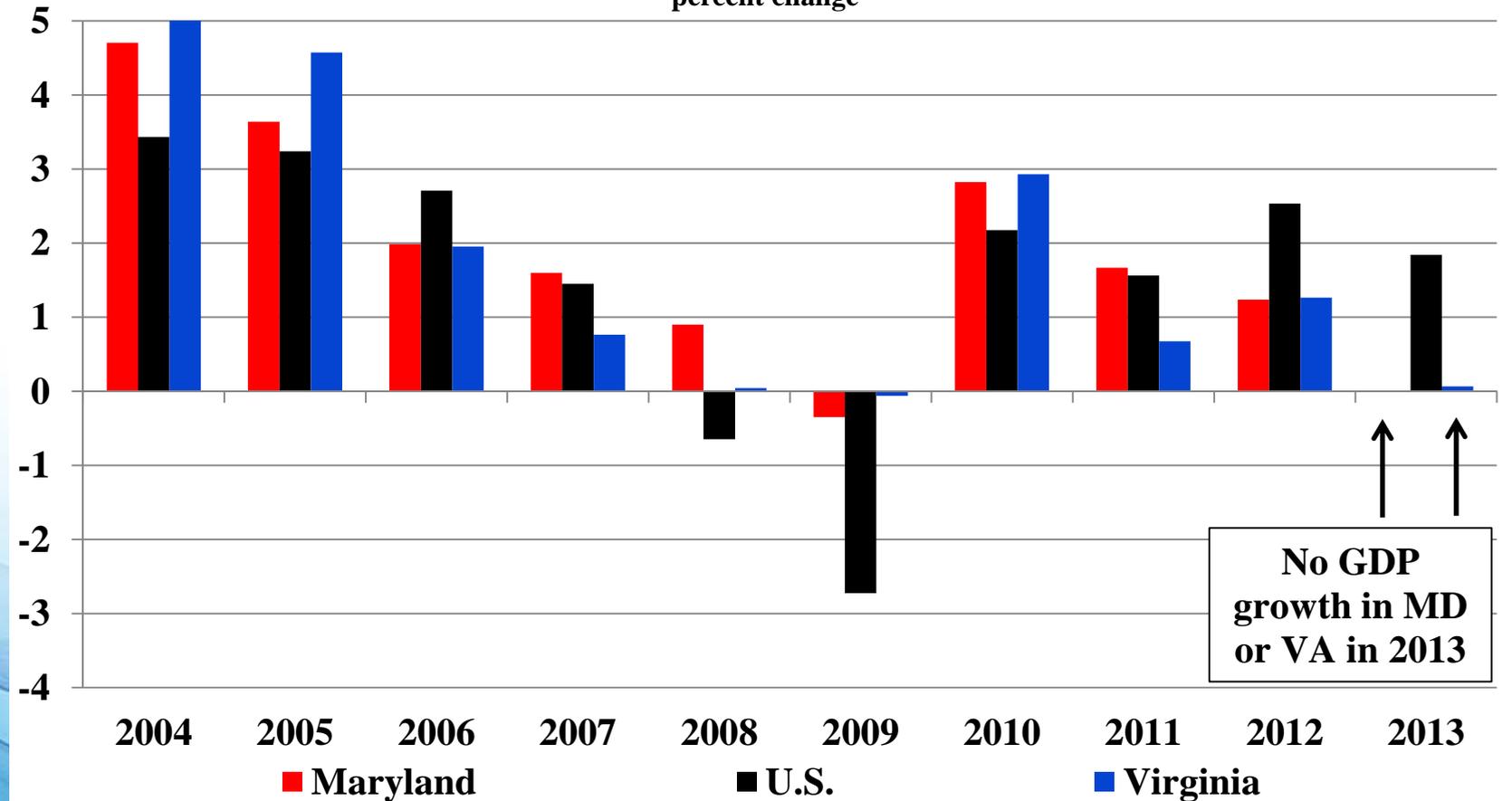
# ... as a Result, Shooting Percentages are Lower



# No Game in 2013

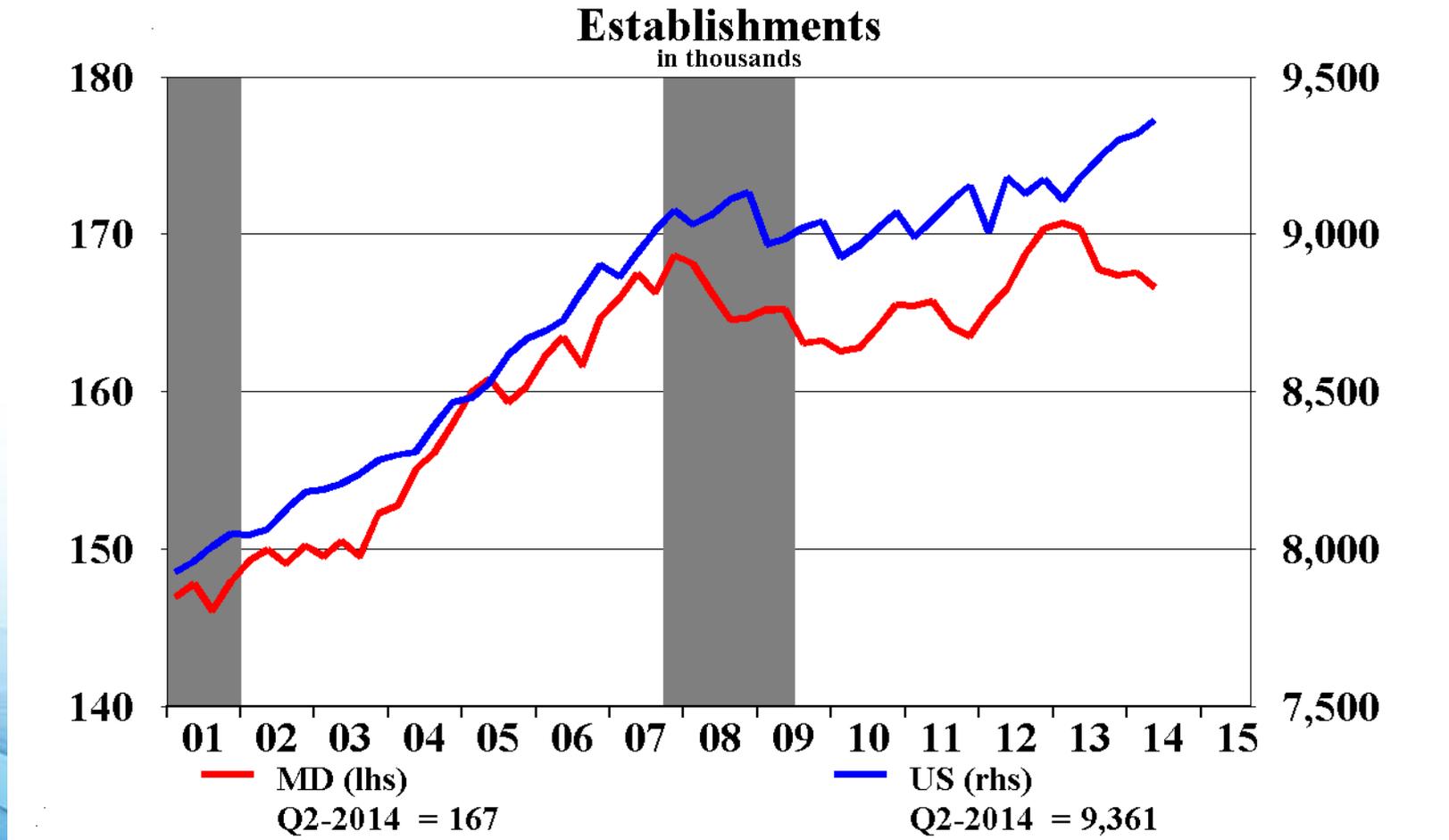
## Gross Domestic Product: All Industries

percent change



No GDP growth in MD or VA in 2013

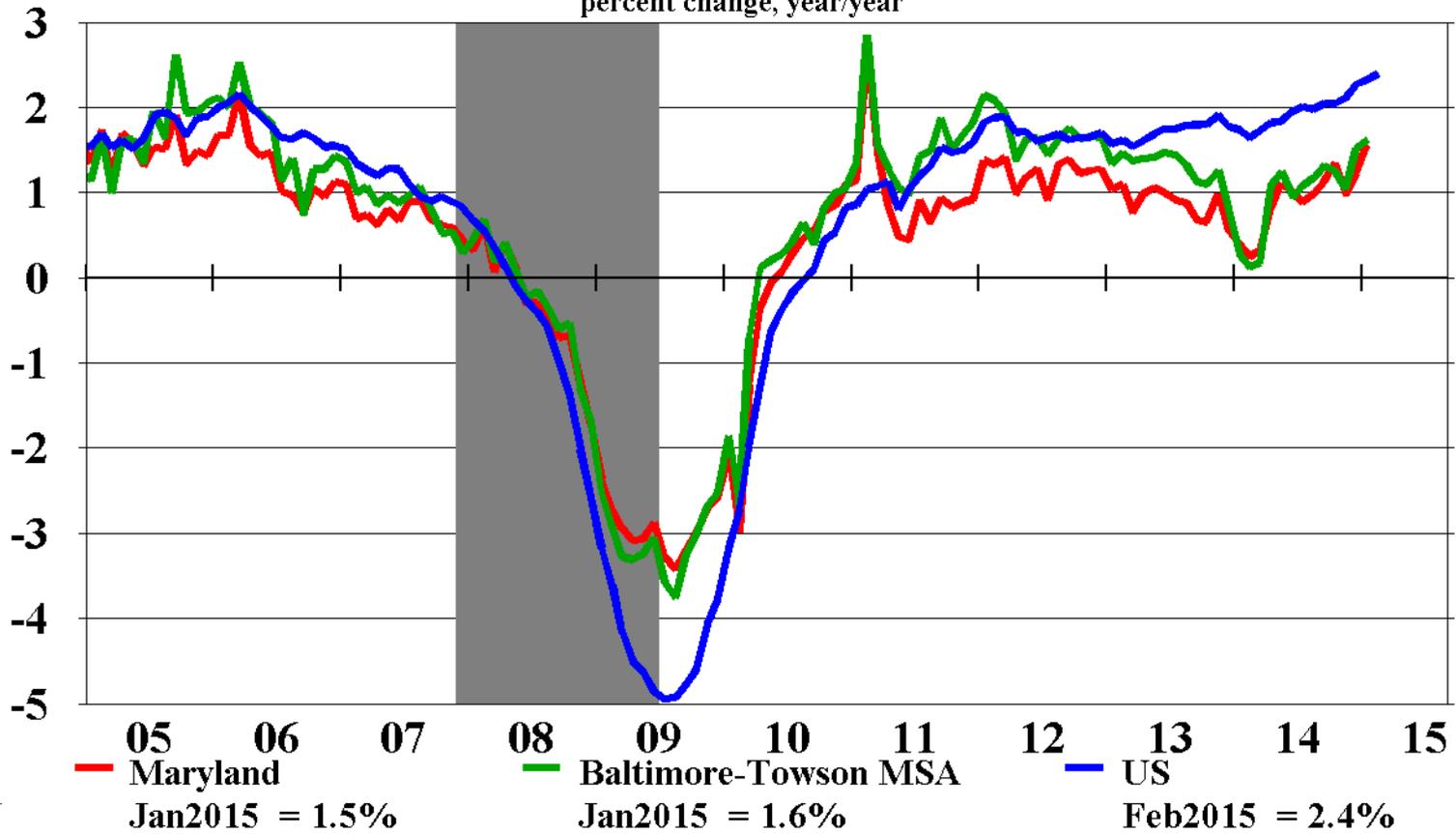
# New Players Not Getting into the Game



# Slowly Adding to the Roster

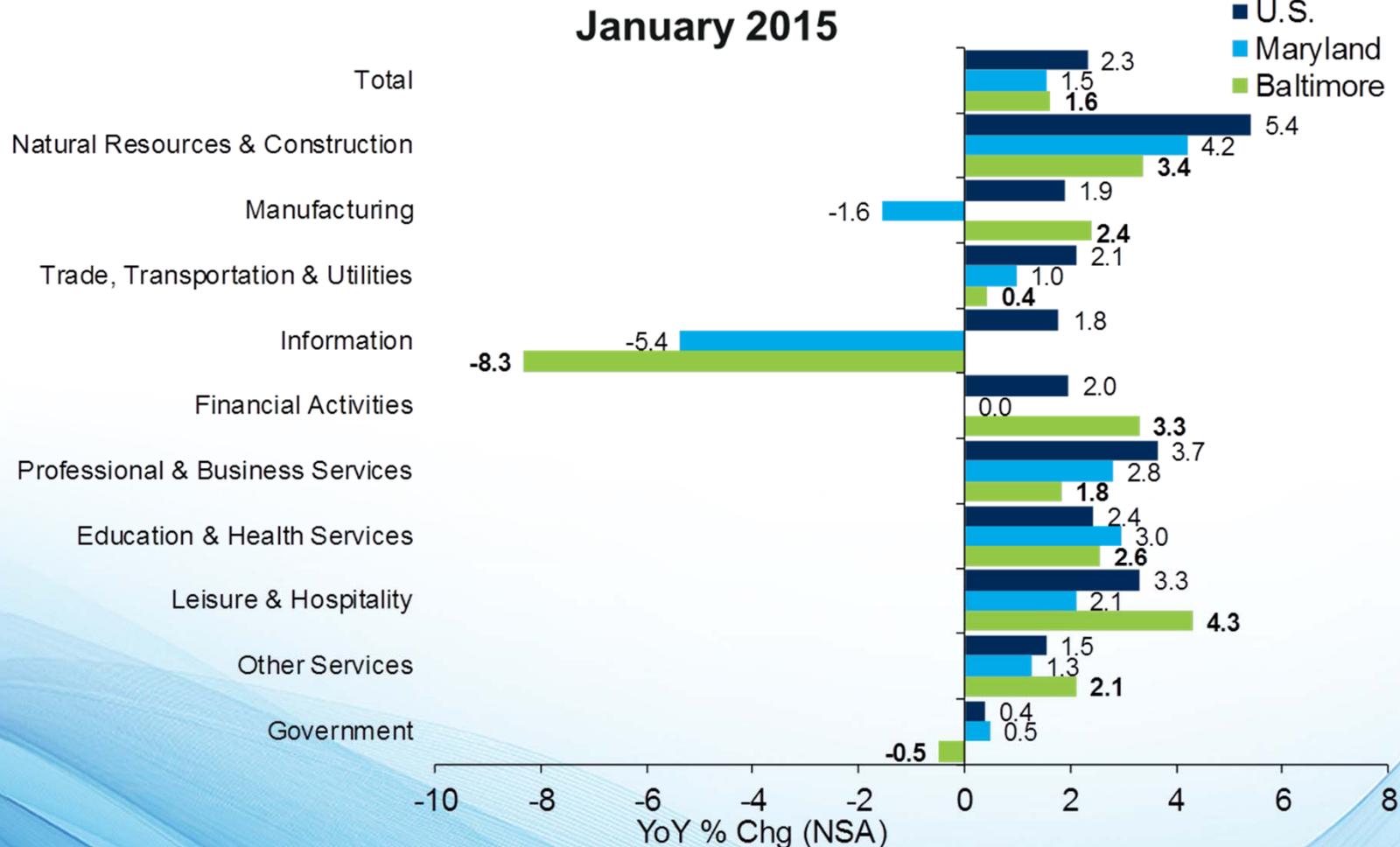
## Payroll Employment Growth

percent change, year/year



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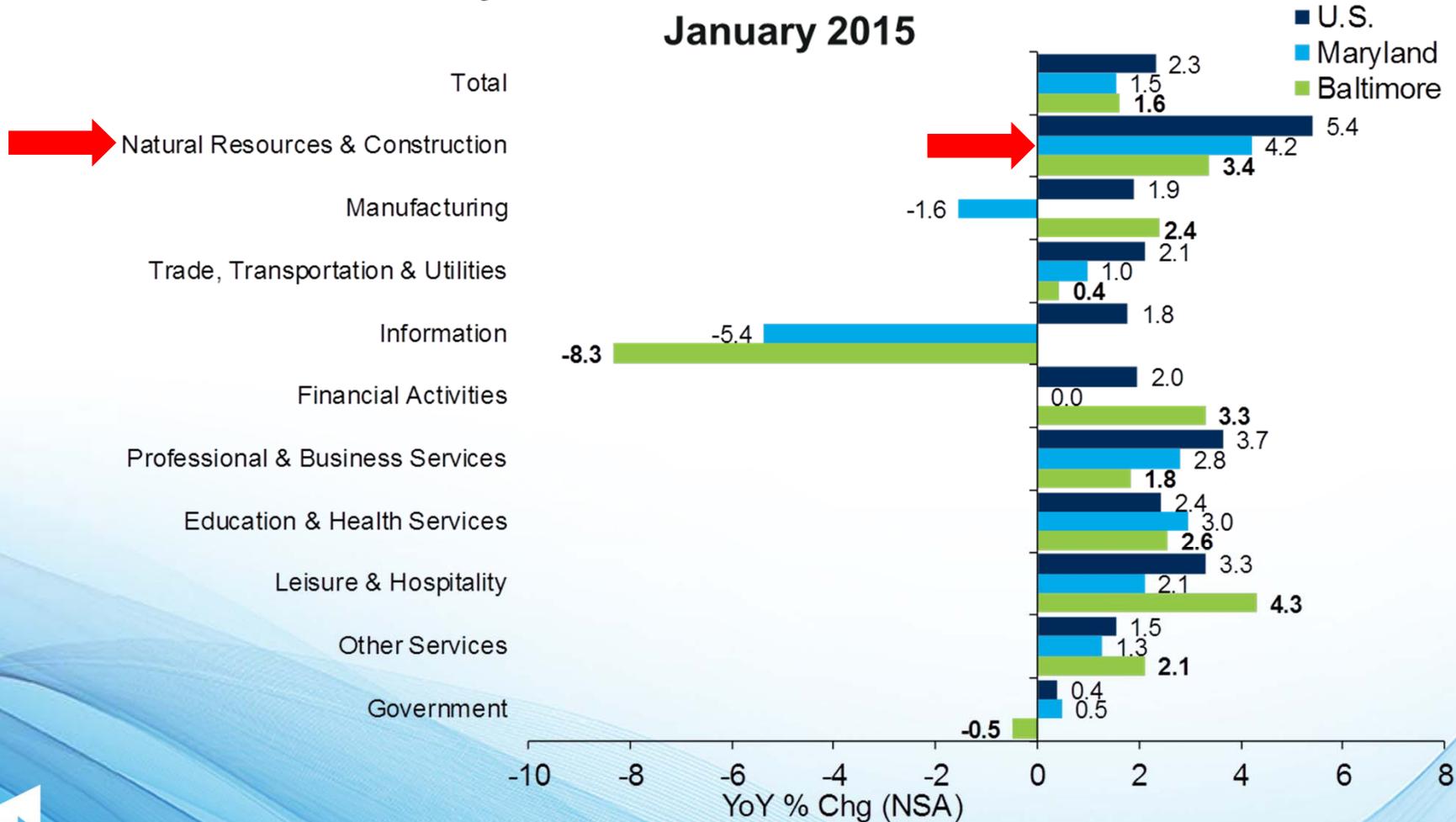
## Baltimore Industry Growth



Source: Bureau of Labor Statistics/Haver Analytics

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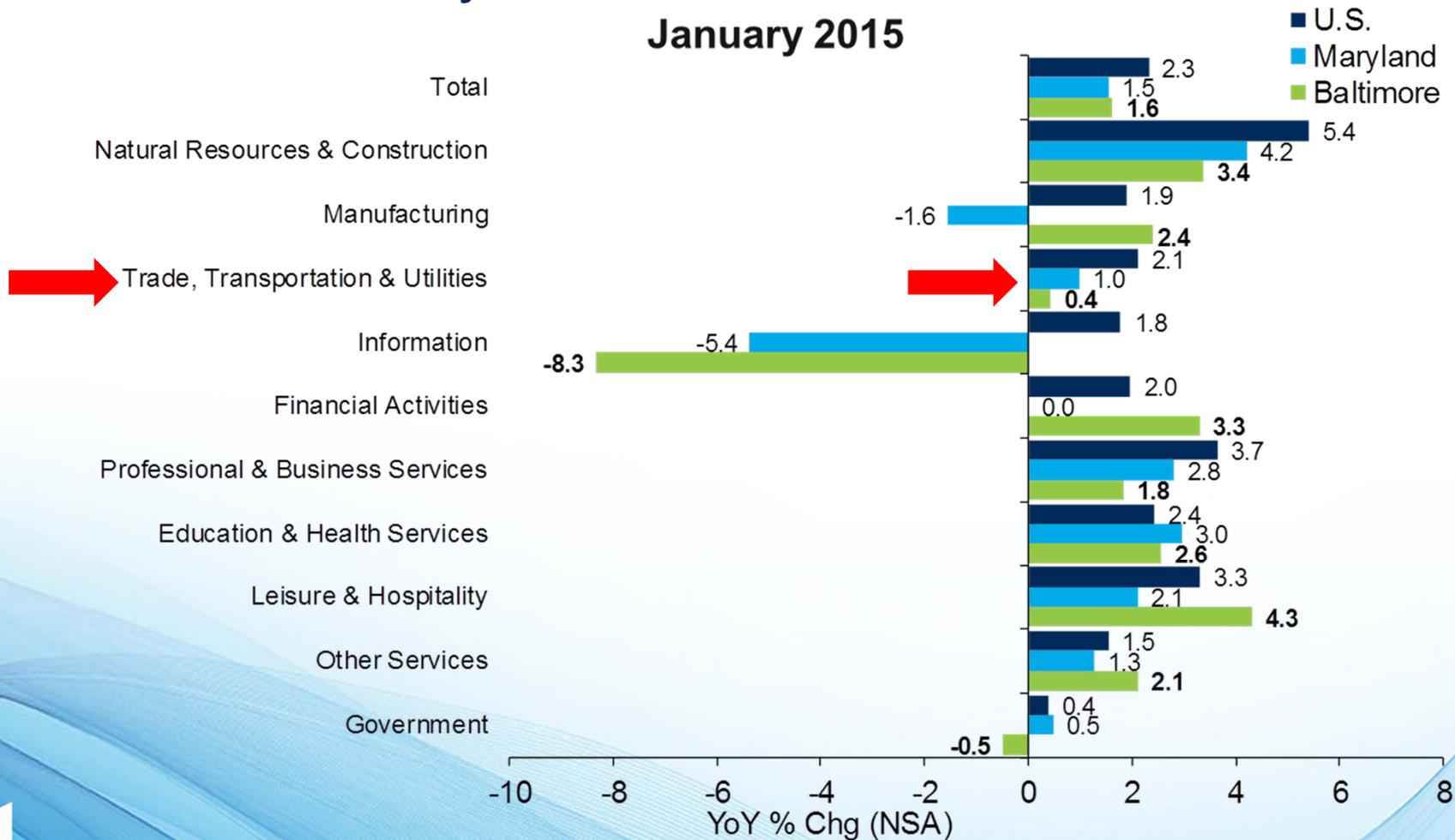


Source: Bureau of Labor Statistics/Haver Analytics

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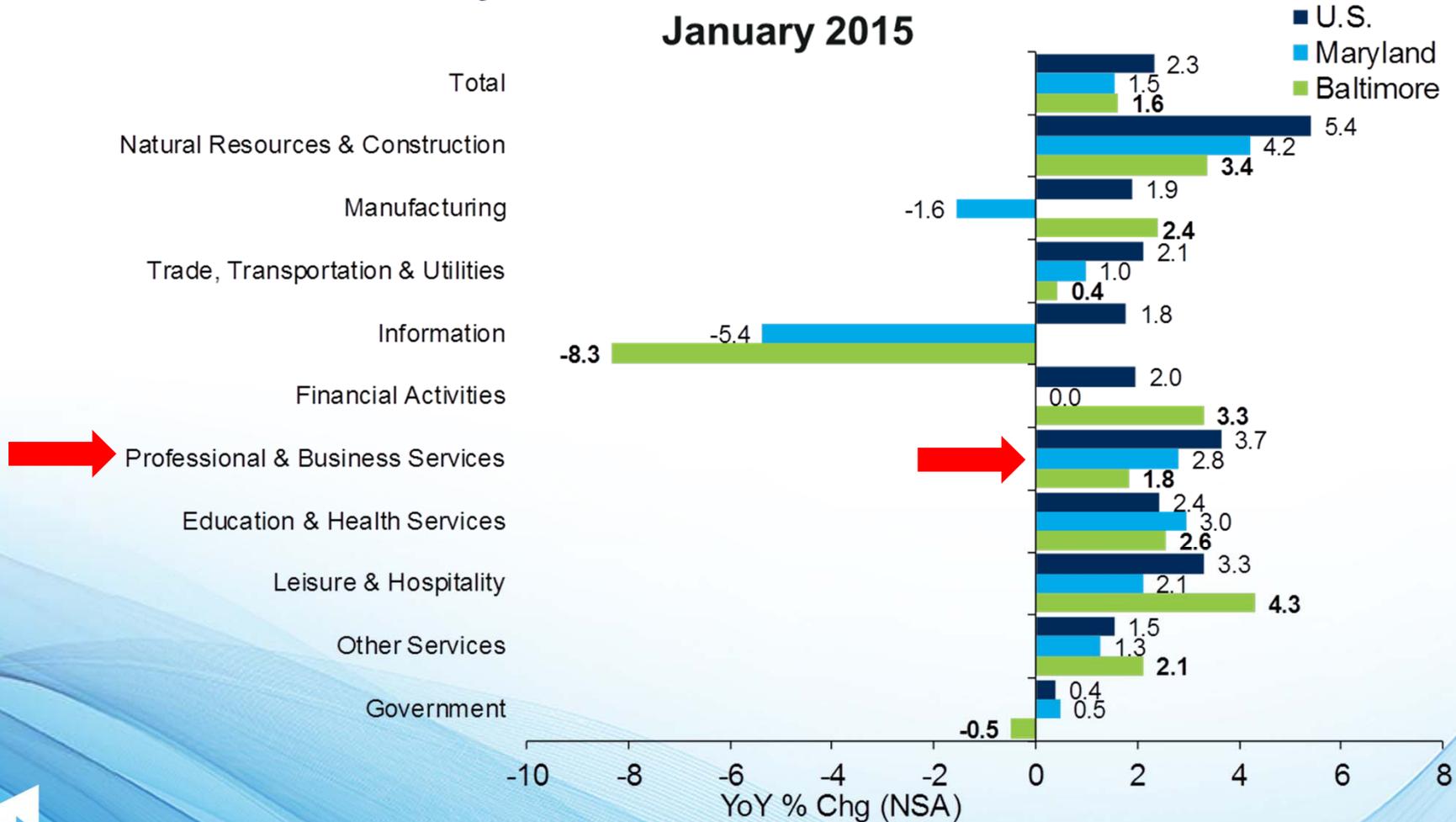
January 2015



Source: Bureau of Labor Statistics/Haver Analytics

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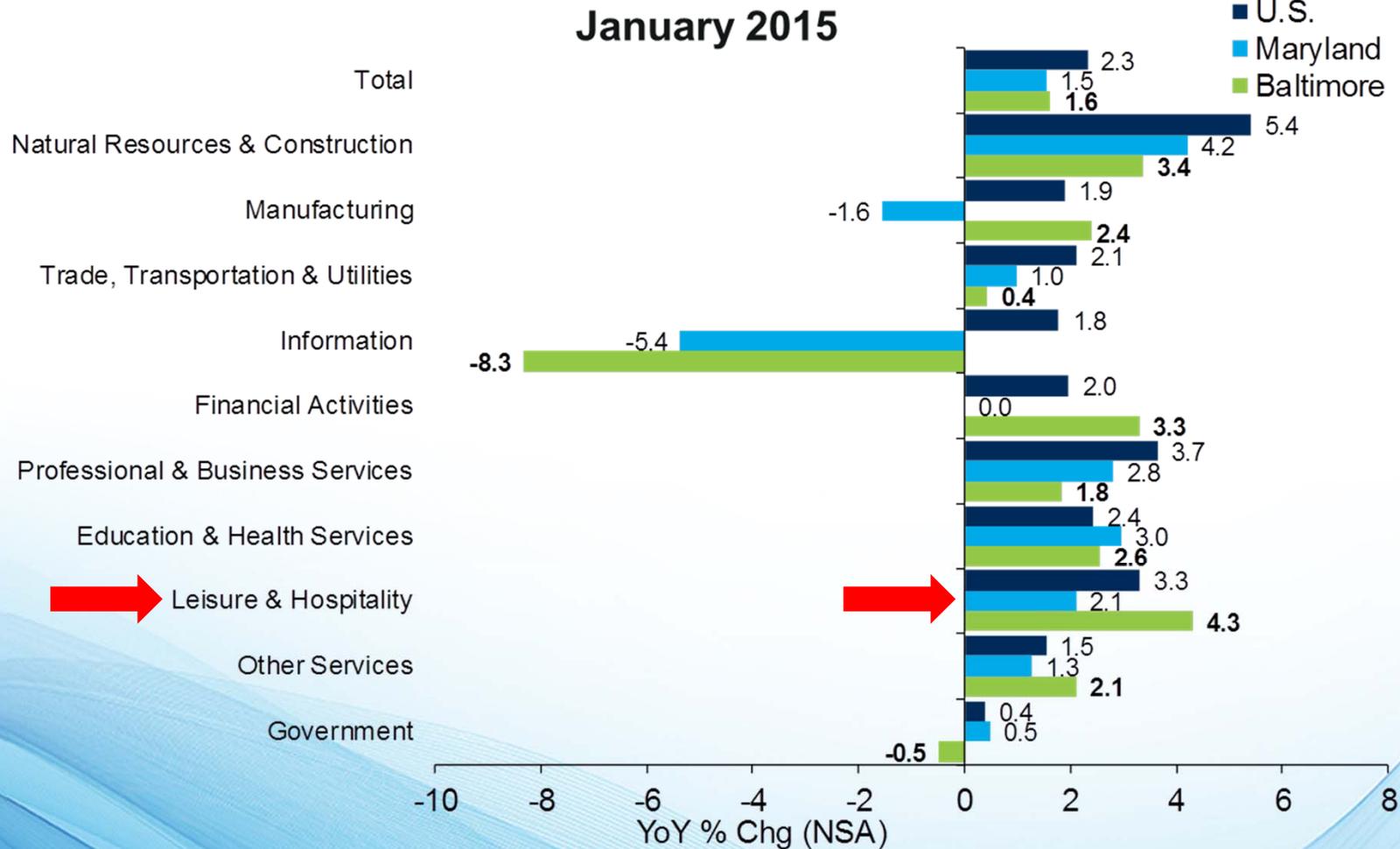
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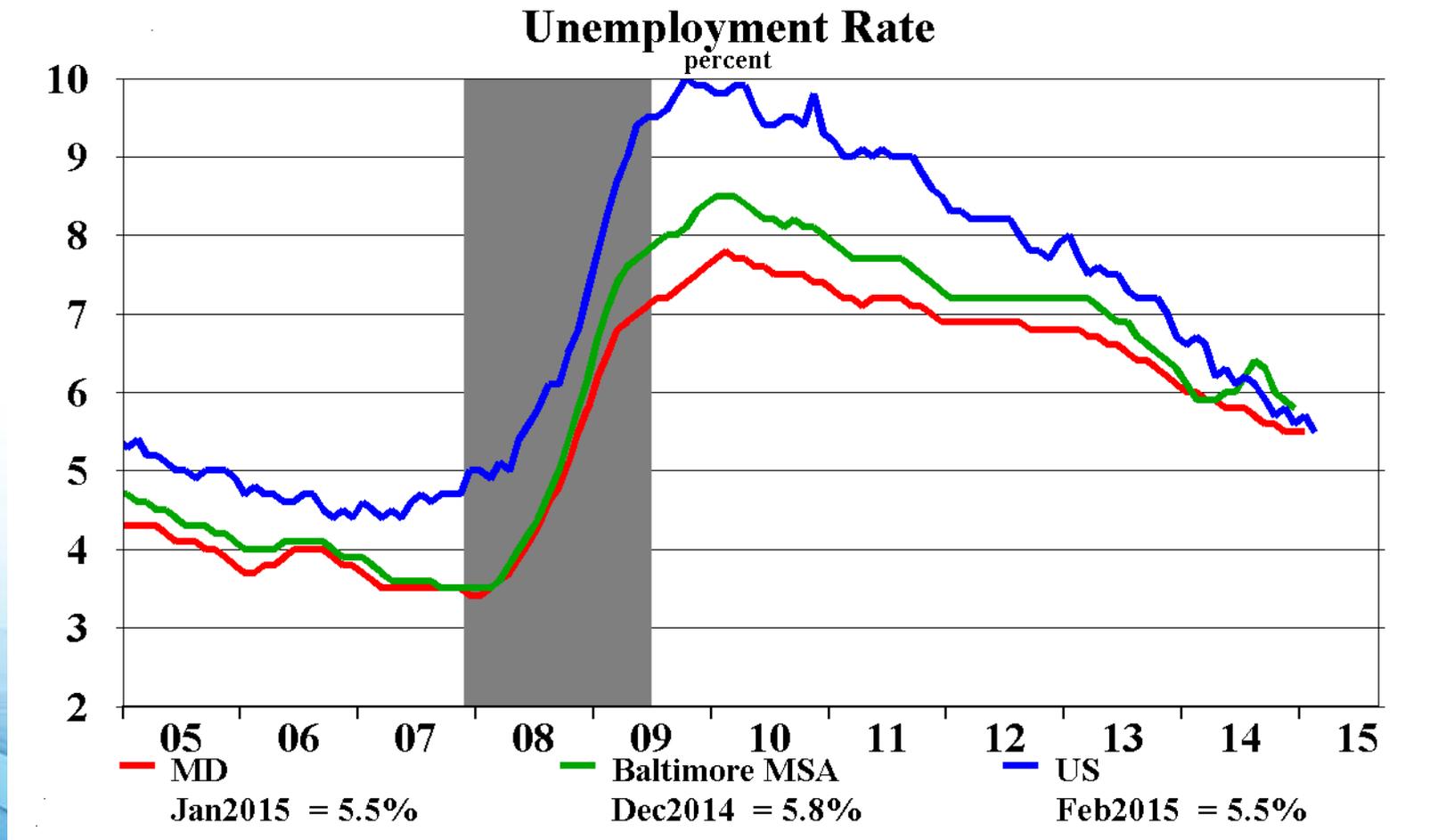
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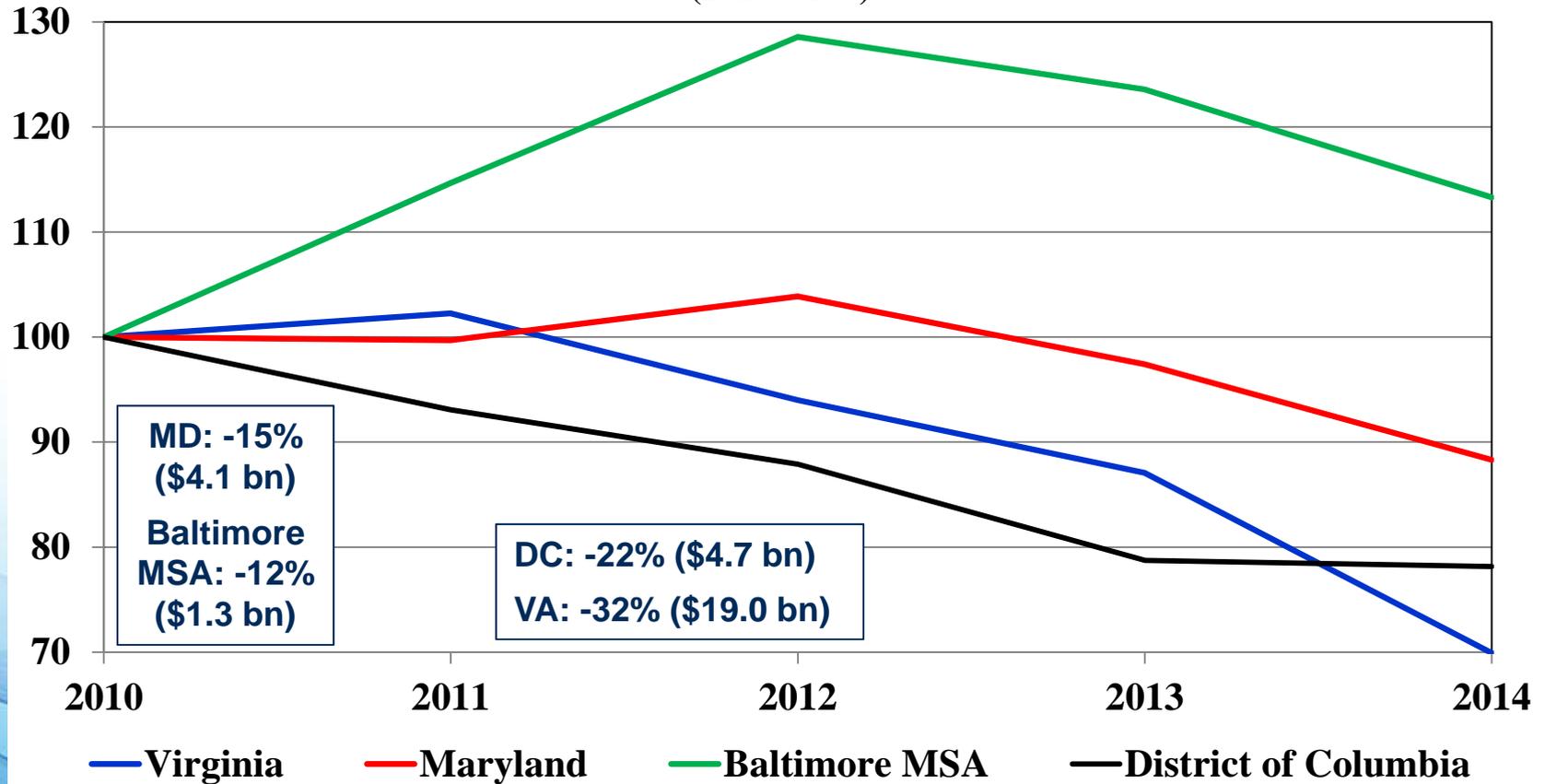
# Many Players Want to Get Into the Game



# Shrinking Budgets Hit Programs ...

## Federal Contract Spending

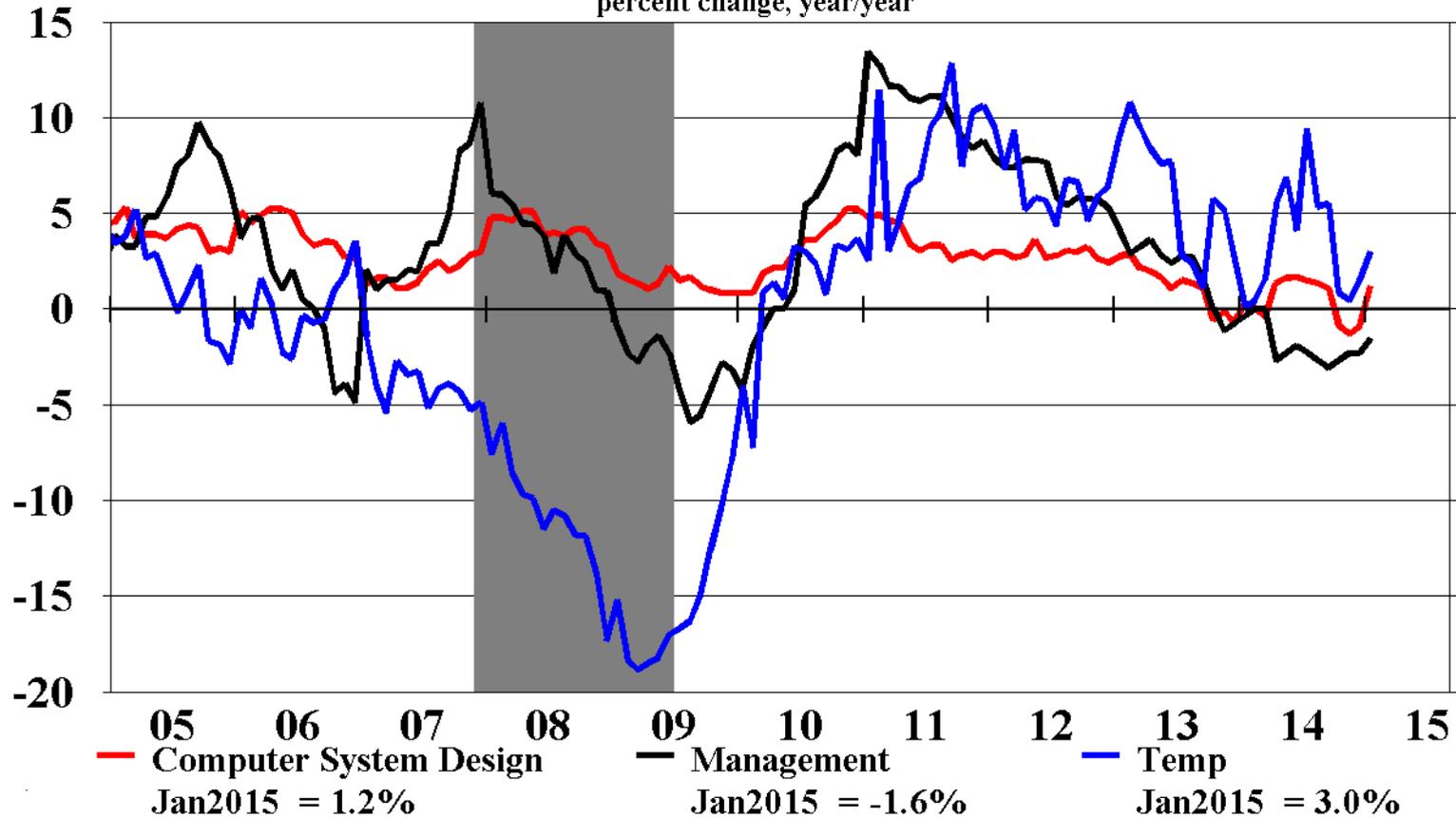
(2010 = 100)



# ... Hurting Prospects for Coaches and Players

## Maryland Payroll Employment Growth

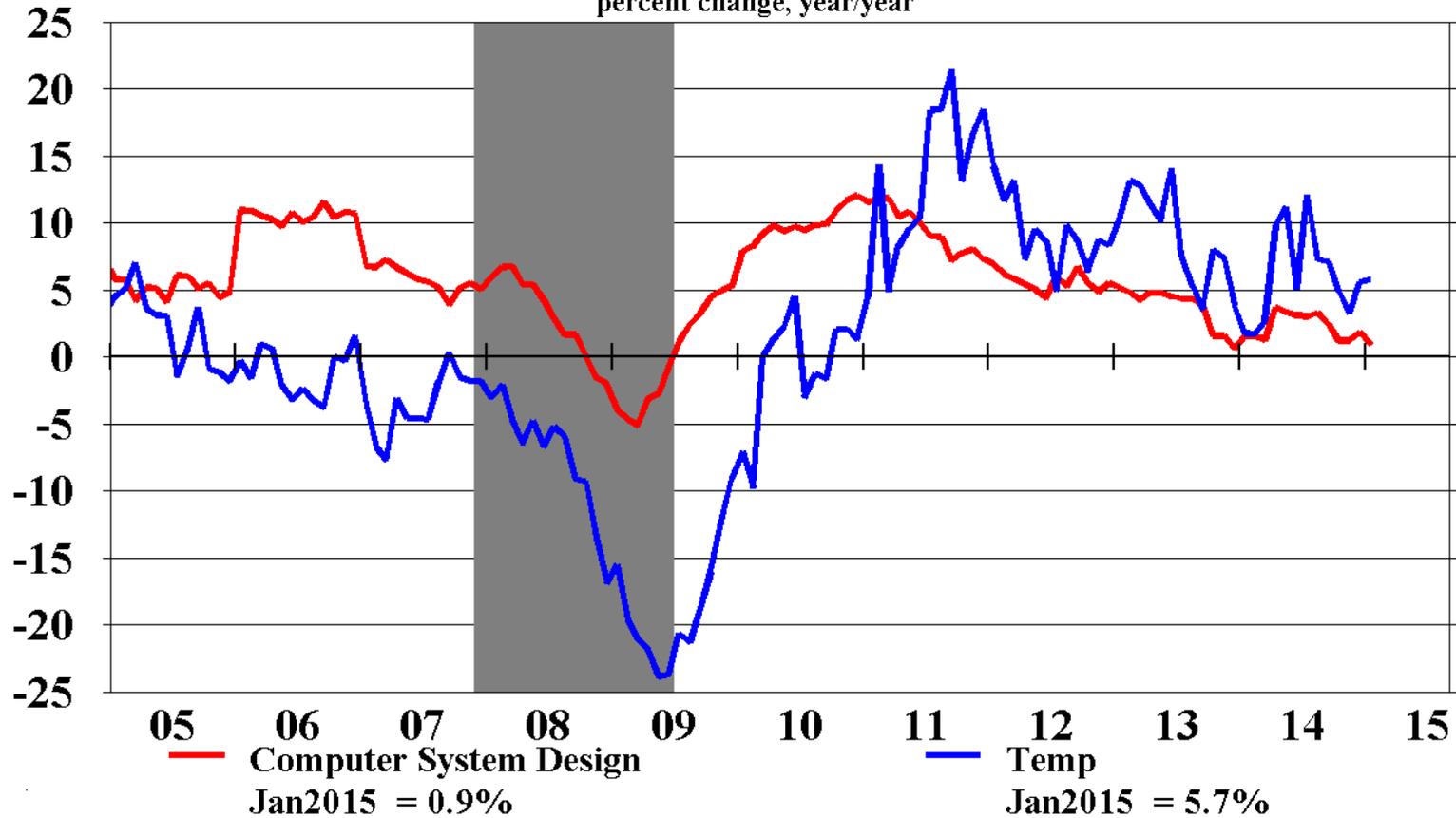
percent change, year/year



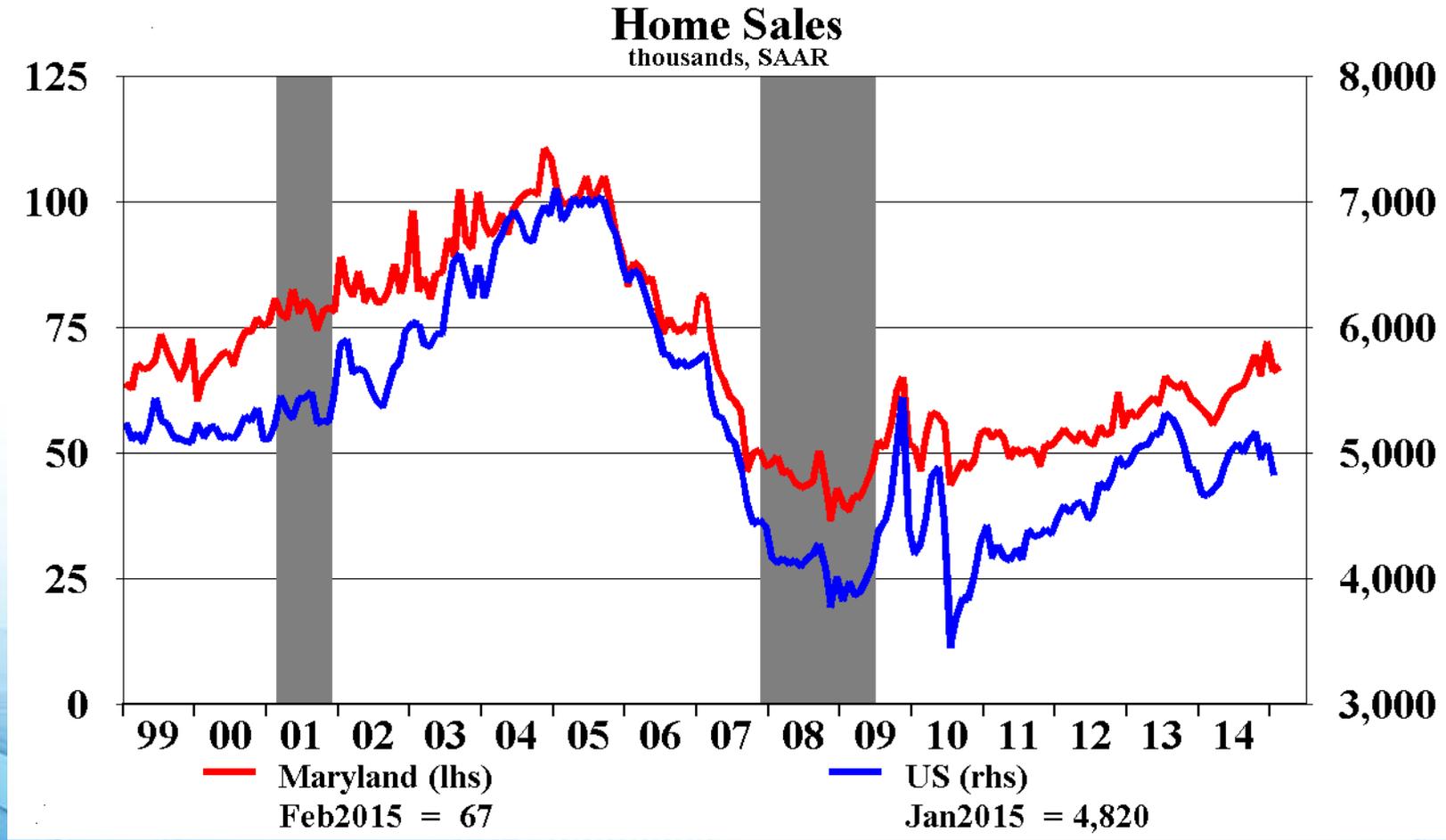
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## Baltimore-Towson MSA Payroll Employment Growth

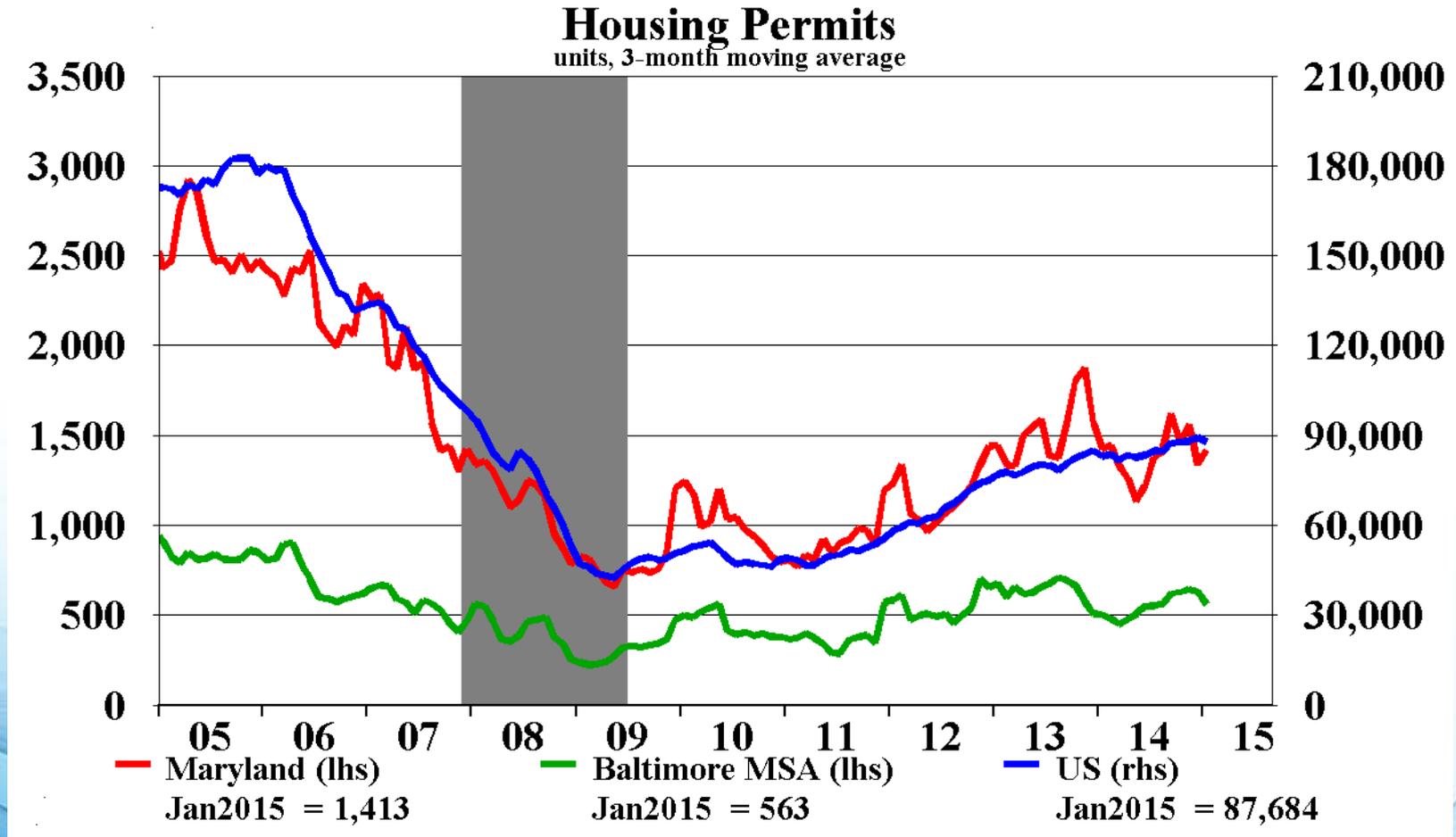
percent change, year/year



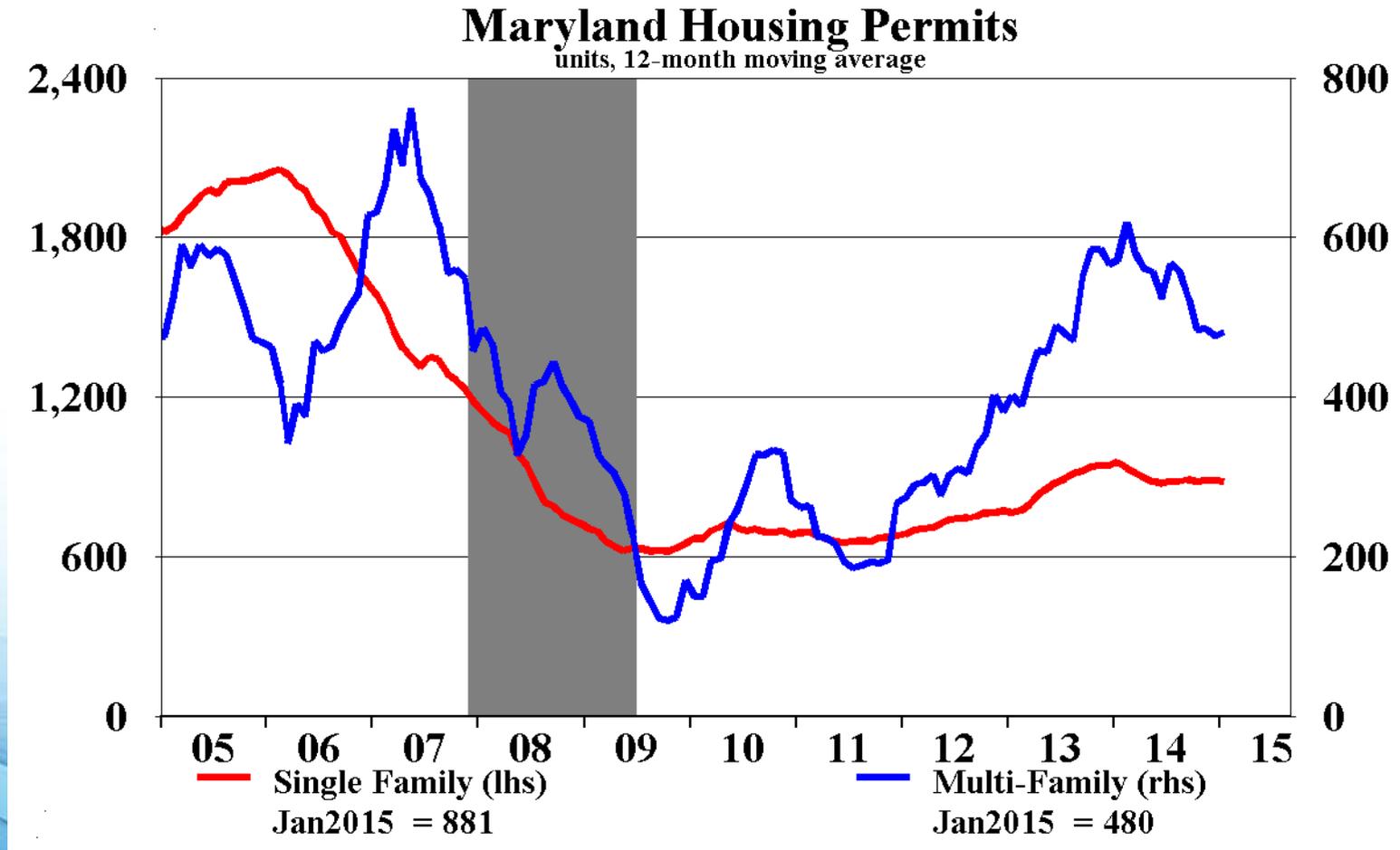
# Inside Game Improving Very Slowly



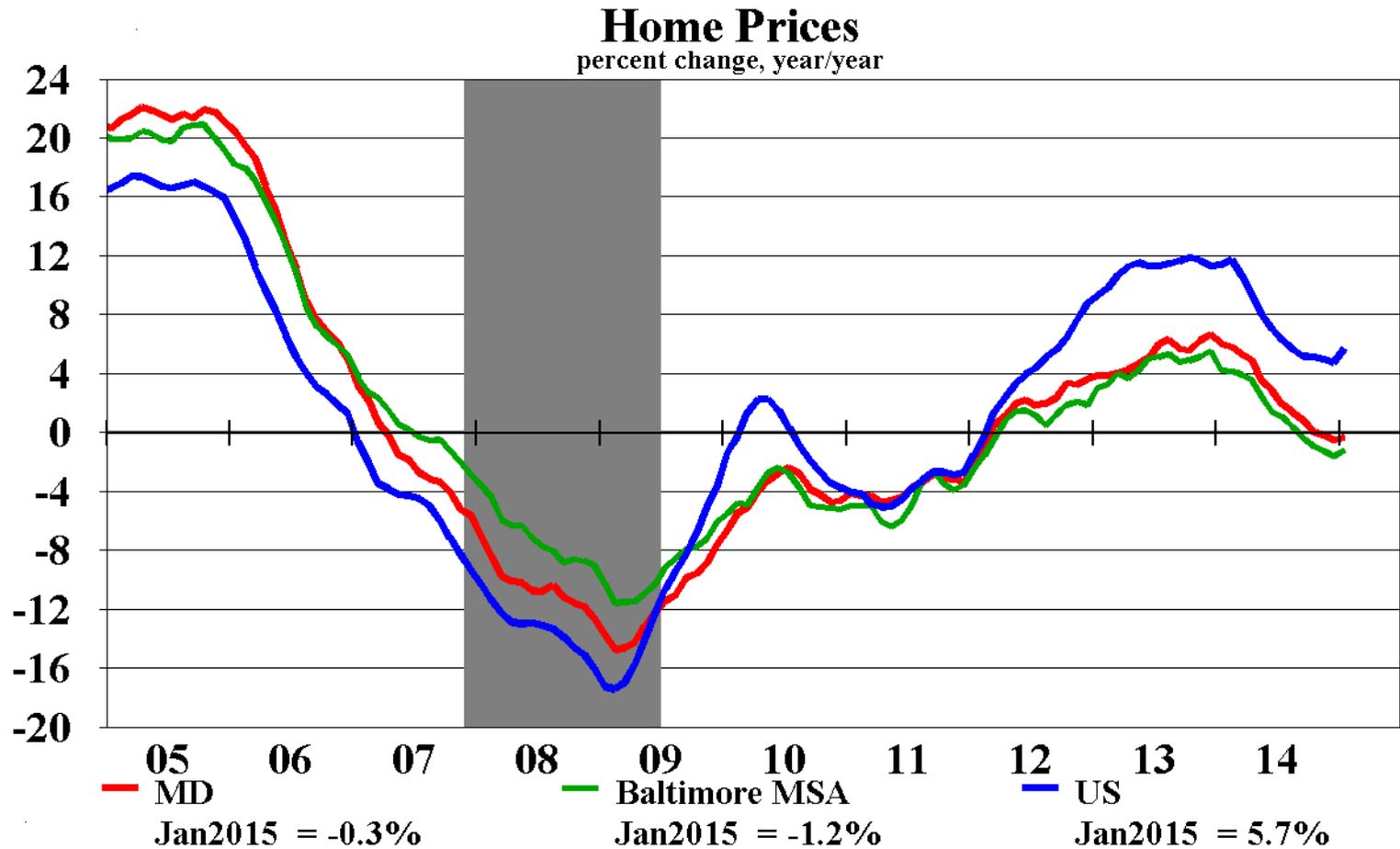
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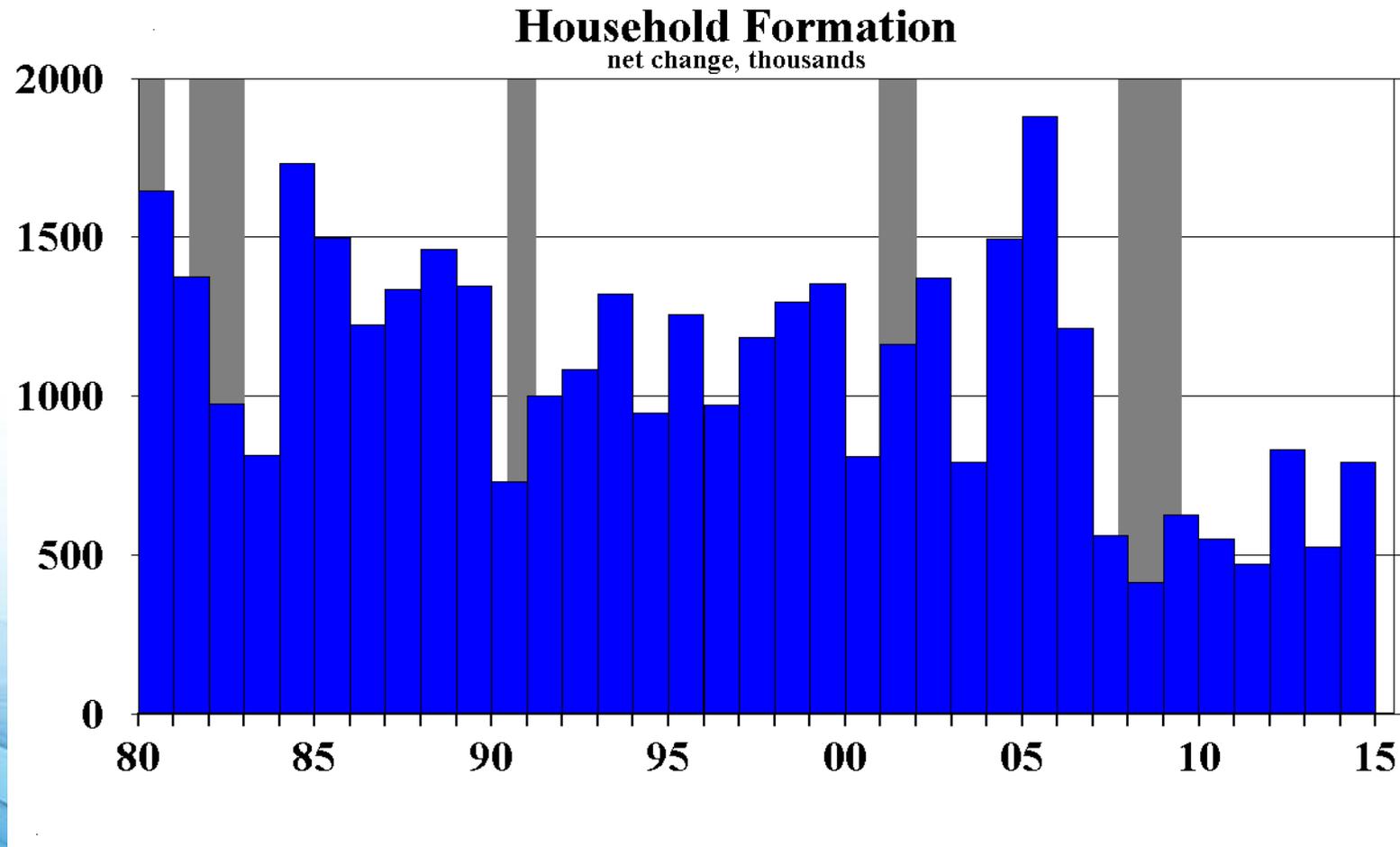
# Big Guys Leading the Scoring ...



# ... But Scoring is Down

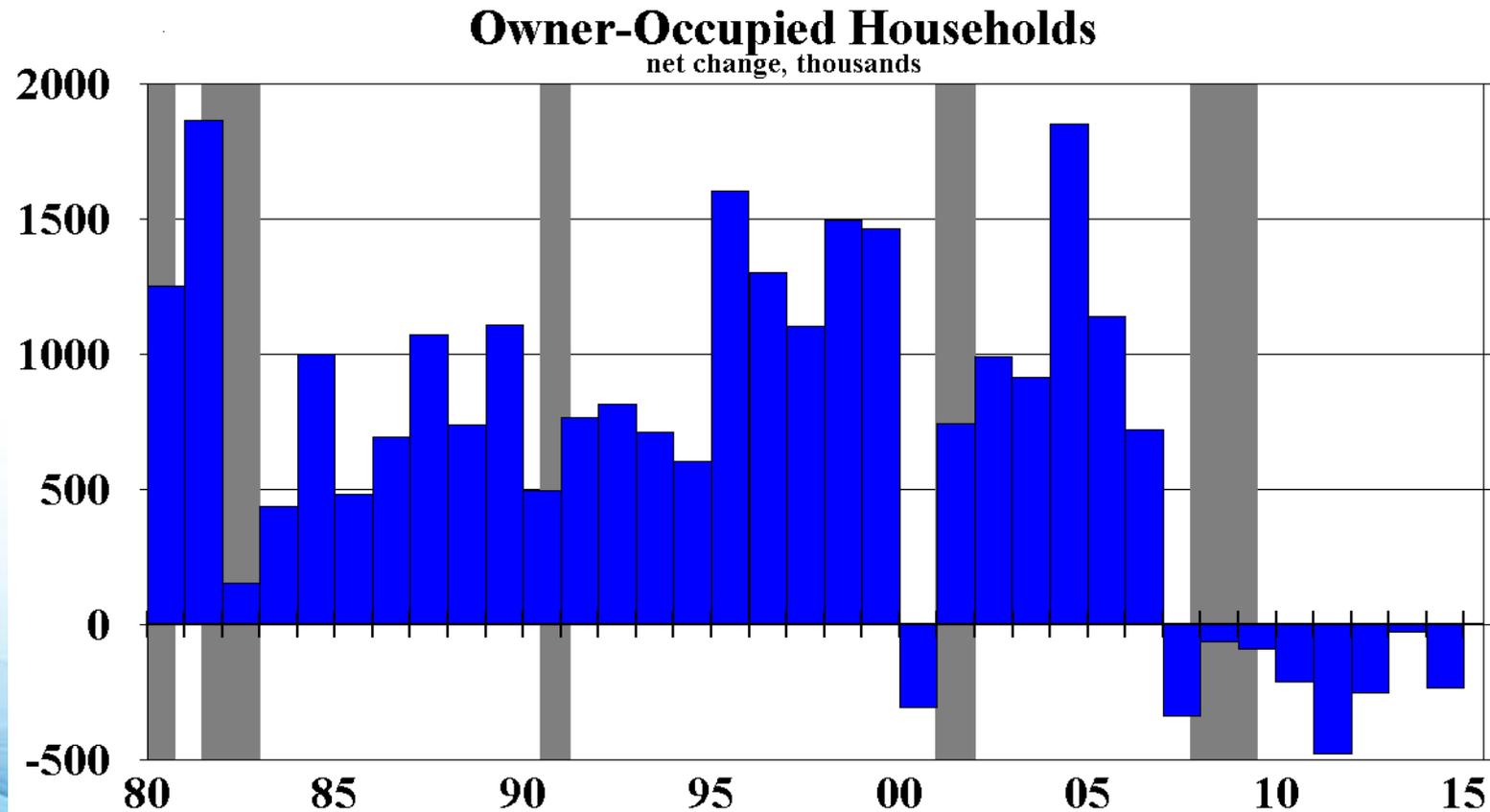


# Moving From 64-Team to 32-Team Bracket



Source: Census Bureau/Haver Analytics

# Millennials Holding Ball and Not Shooting



Source: Census Bureau/Haver Analytics

# The Final ~~Four~~ Three

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  - Slower growth in the labor force and productivity suggests moderate growth in the economy

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- Maryland economy to begin to catch up in 2015
  - Stronger job growth and decline in unemployment rate
  - Pace of housing market recovery to pick up modestly
- Baltimore region to continue to outperform
  - Job growth to match or exceed U.S. average growth
  - Information technology, health, and transportation sectors to lead growth



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

