

Fifth District Economic Outlook

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THE FEDERAL RESERVE BANK OF RICHMOND

RICHMOND ■ BALTIMORE ■ CHARLOTTE



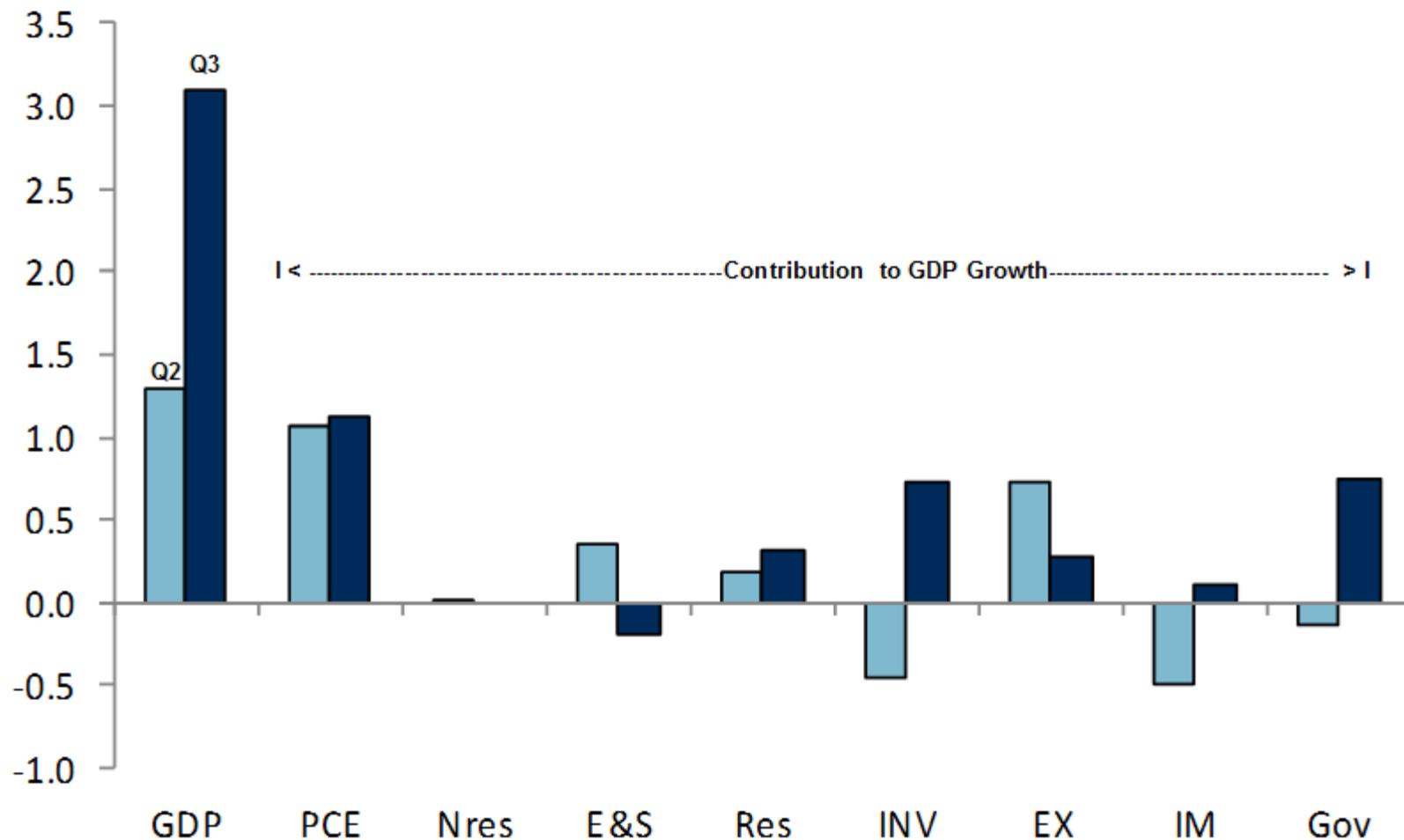
A Little About the Fed



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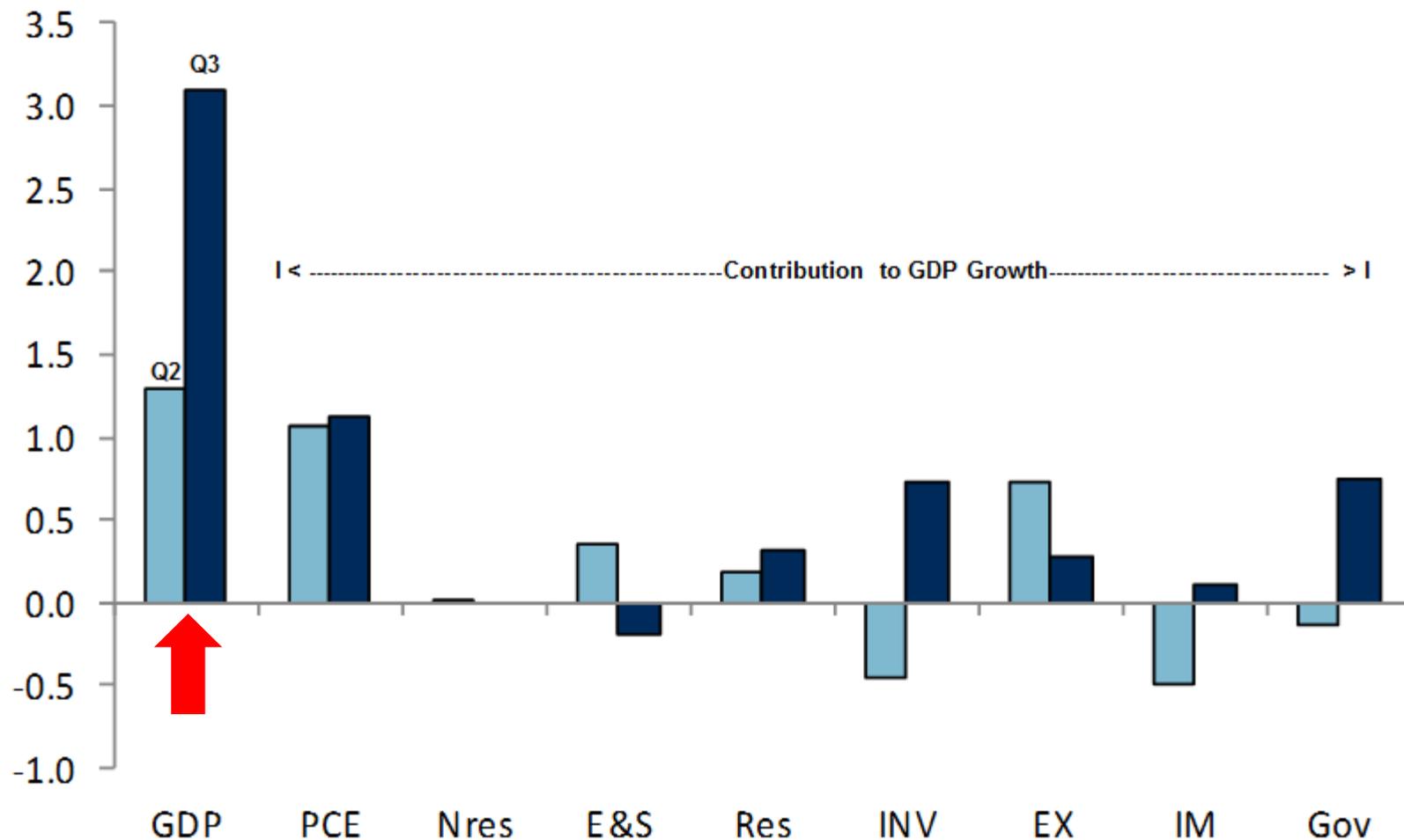


Real Gross Domestic Product



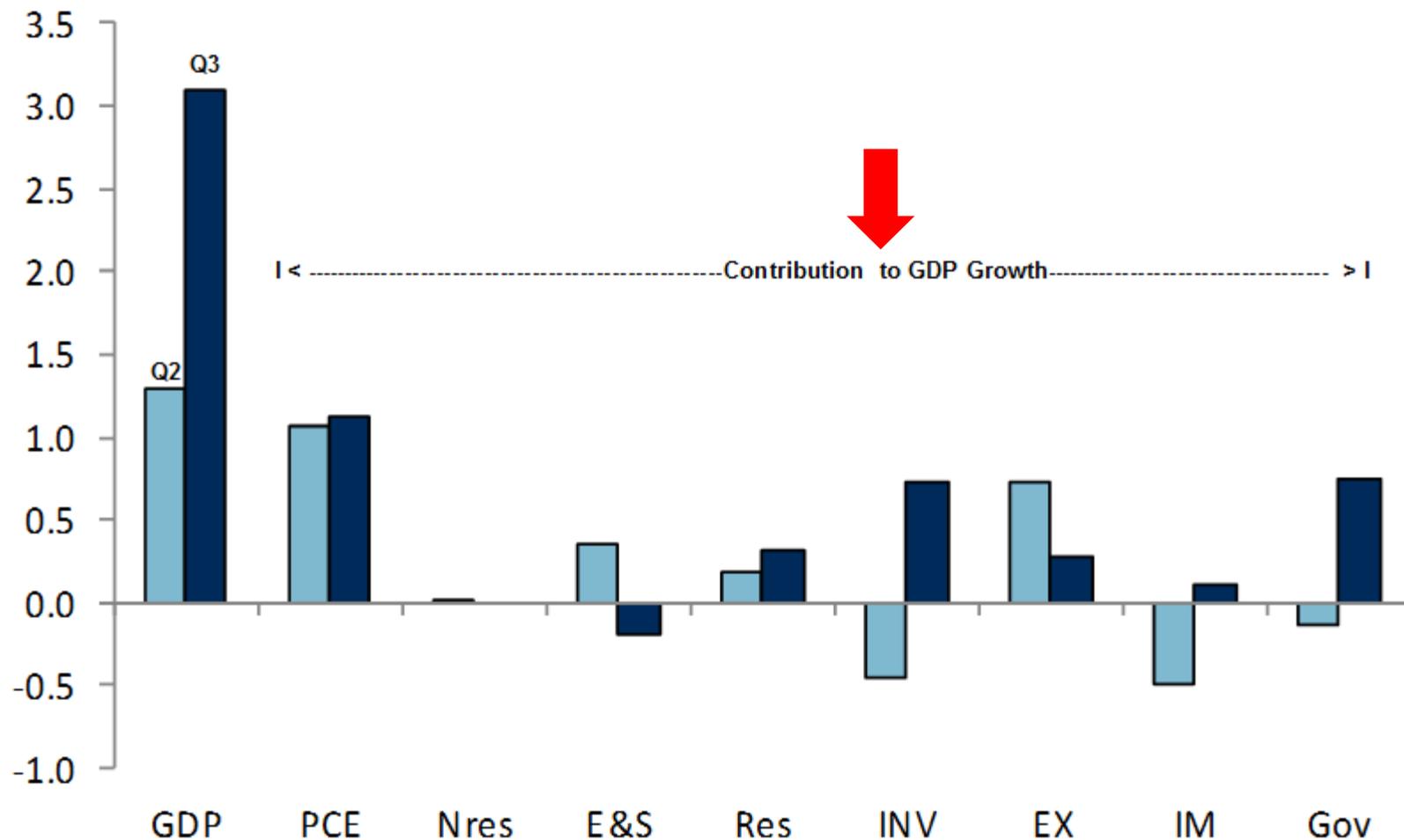


Real Gross Domestic Product



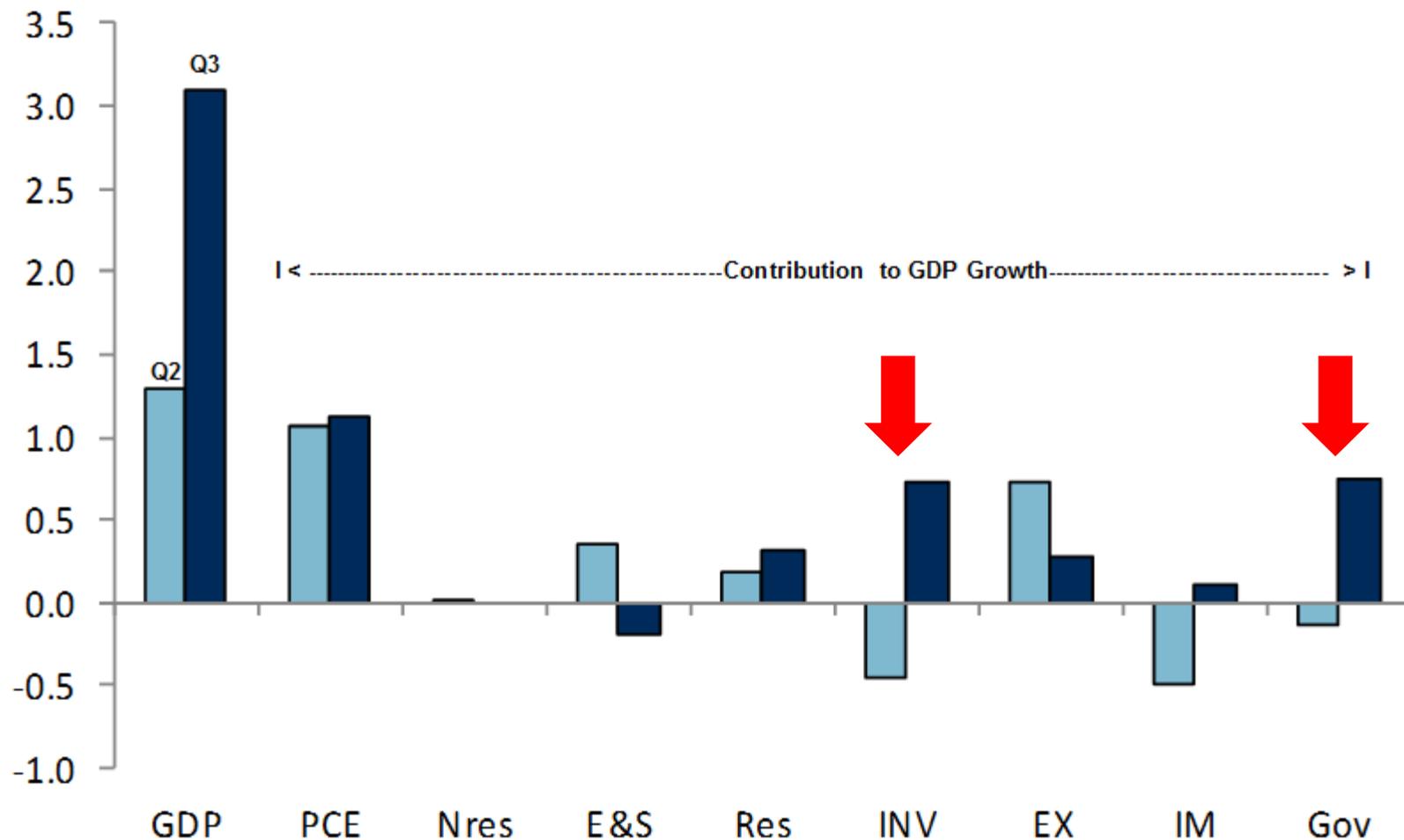


Real Gross Domestic Product





Real Gross Domestic Product



ISM: Business Survey Indexes

MANUFACTURING BUSINESS:

	<u>Nov.</u>	<u>Dec.</u>
Purchasing Managers Index	49.5	50.7
Production	53.7	52.6
New Orders	50.3	50.3
Employment	48.4	52.7
Supplier Deliveries	50.3	54.7
Inventories	45.0	43.0
Prices	52.5	55.5
Backlog of Orders	41.0	48.5
New Export Orders	47.0	51.5
Imports	48.0	51.5

NONMANUFACTURING BUSINESS:

	<u>Nov.</u>	<u>Dec.</u>
NonManufacturing Index	54.7	56.1
Business Activity	61.2	60.3
New Orders	58.1	59.3
Employment	50.3	56.3
Supplier Deliveries	49.0	48.5
Inventories	47.0	50.0
Prices	57.0	56.6
Backlog of Orders	53.5	49.5
New Export Orders	48.0	49.5
Imports	55.5	49.0

DIFFUSION INDEXES: Numbers above 50 percent indicate a preponderance of expanding firm activity.

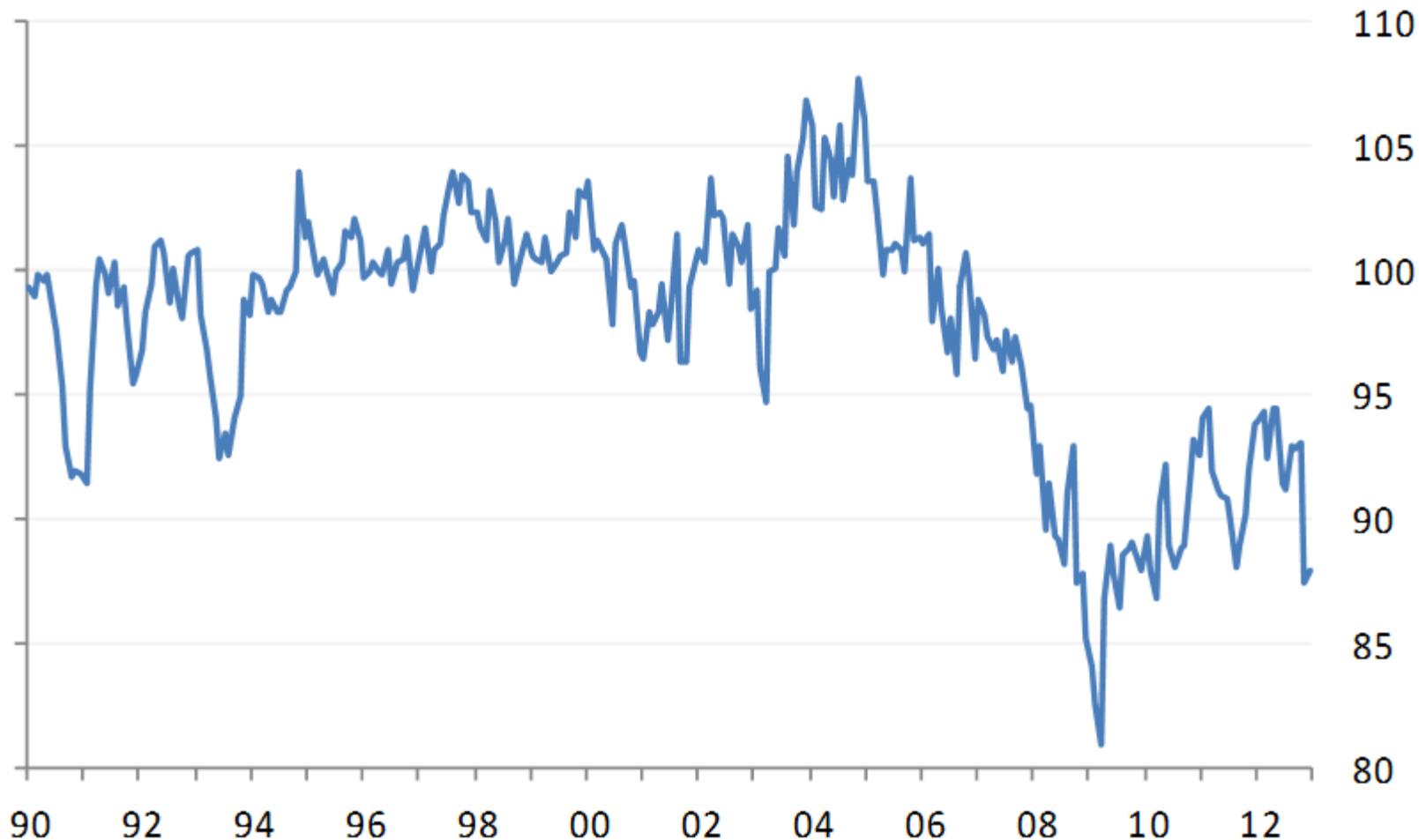


What's the Problem?





NFIB Small Business Survey





Slowing Growth in Business Investment ...



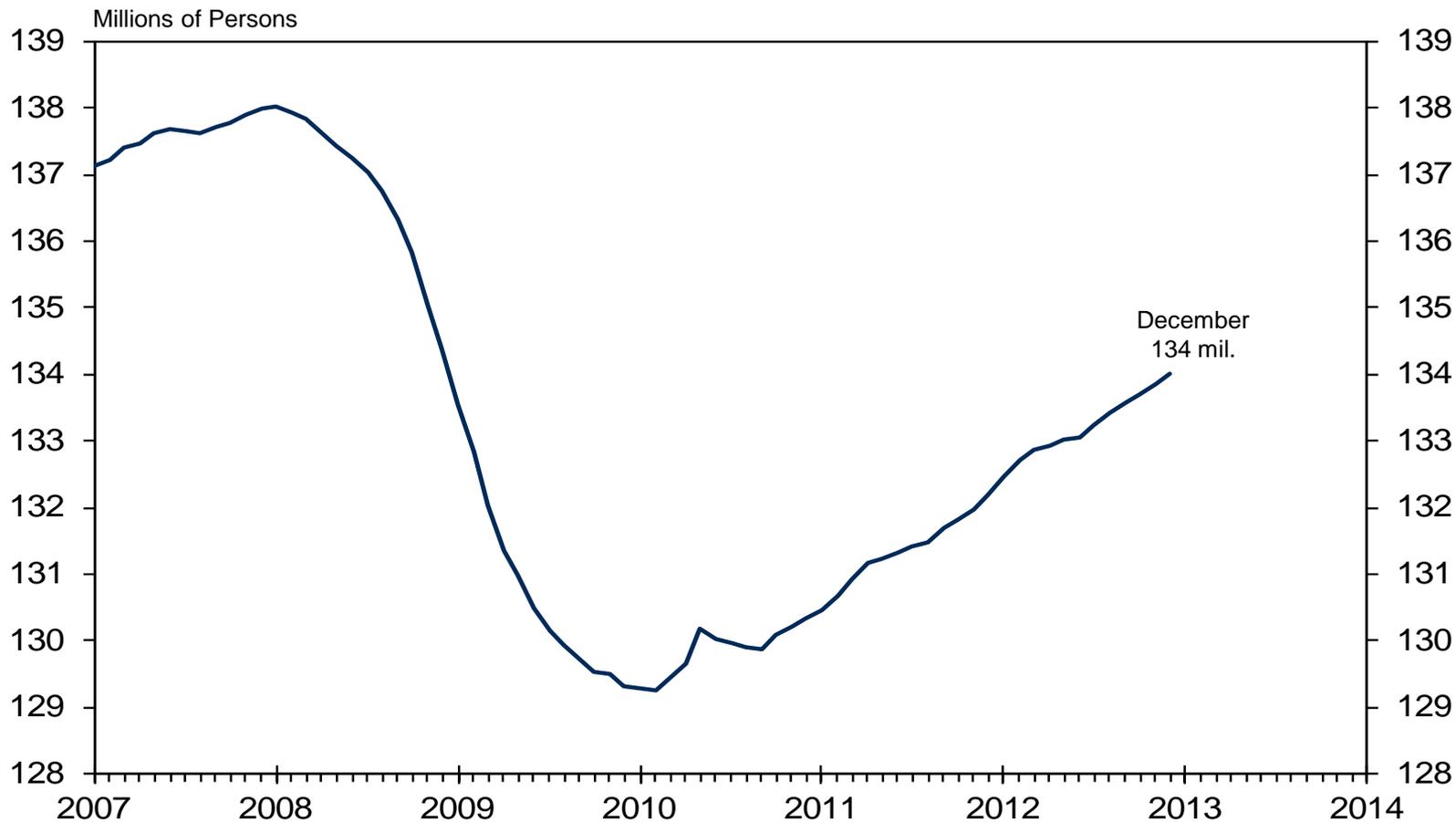


... Has Led to Weak Employment Growth





Nonfarm Payroll Employment



ISM: Business Survey Indexes

MANUFACTURING BUSINESS:			NONMANUFACTURING BUSINESS:		
	<u>Nov.</u>	<u>Dec.</u>		<u>Nov.</u>	<u>Dec.</u>
Purchasing Managers Index	49.5	50.7	NonManufacturing Index	54.7	56.1
Production	53.7	52.6	Business Activity	61.2	60.3
New Orders	50.3	50.3	New Orders	58.1	59.3
Employment	48.4	52.7	Employment	50.3	56.3
Supplier Deliveries	50.3	54.7	Supplier Deliveries	49.0	48.5
Inventories	45.0	43.0	Inventories	47.0	50.0
Prices	52.5	55.5	Prices	57.0	56.6
Backlog of Orders	41.0	48.5	Backlog of Orders	53.5	49.5
New Export Orders	47.0	51.5	New Export Orders	48.0	49.5
Imports	48.0	51.5	Imports	55.5	49.0

DIFFUSION INDEXES: Numbers above 50 percent indicate a preponderance of expanding firm activity.



Initial Unemployment Insurance Claims





Initial Unemployment Insurance Claims

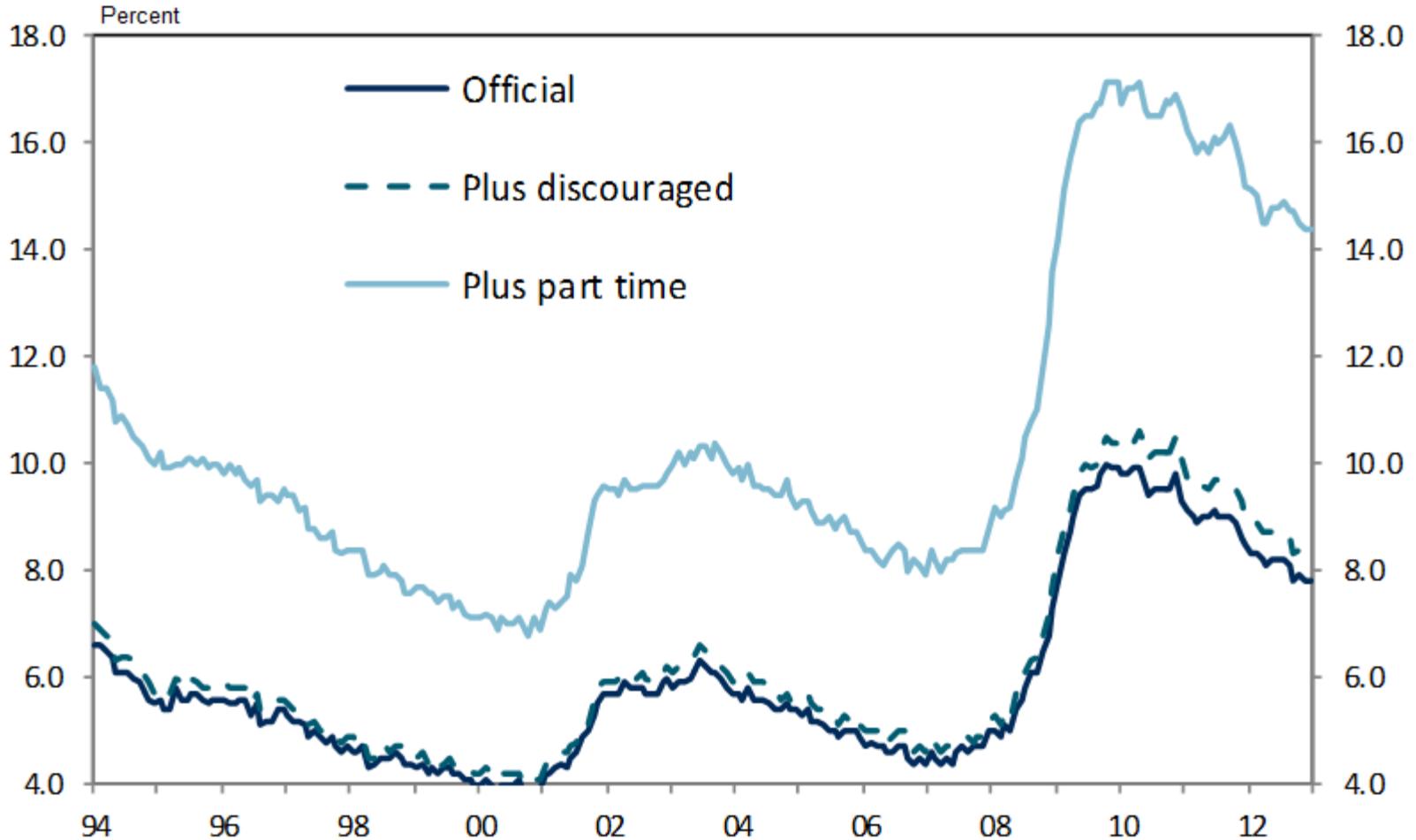




Back to Uncertainty



Measures of Labor Force Under-utilization

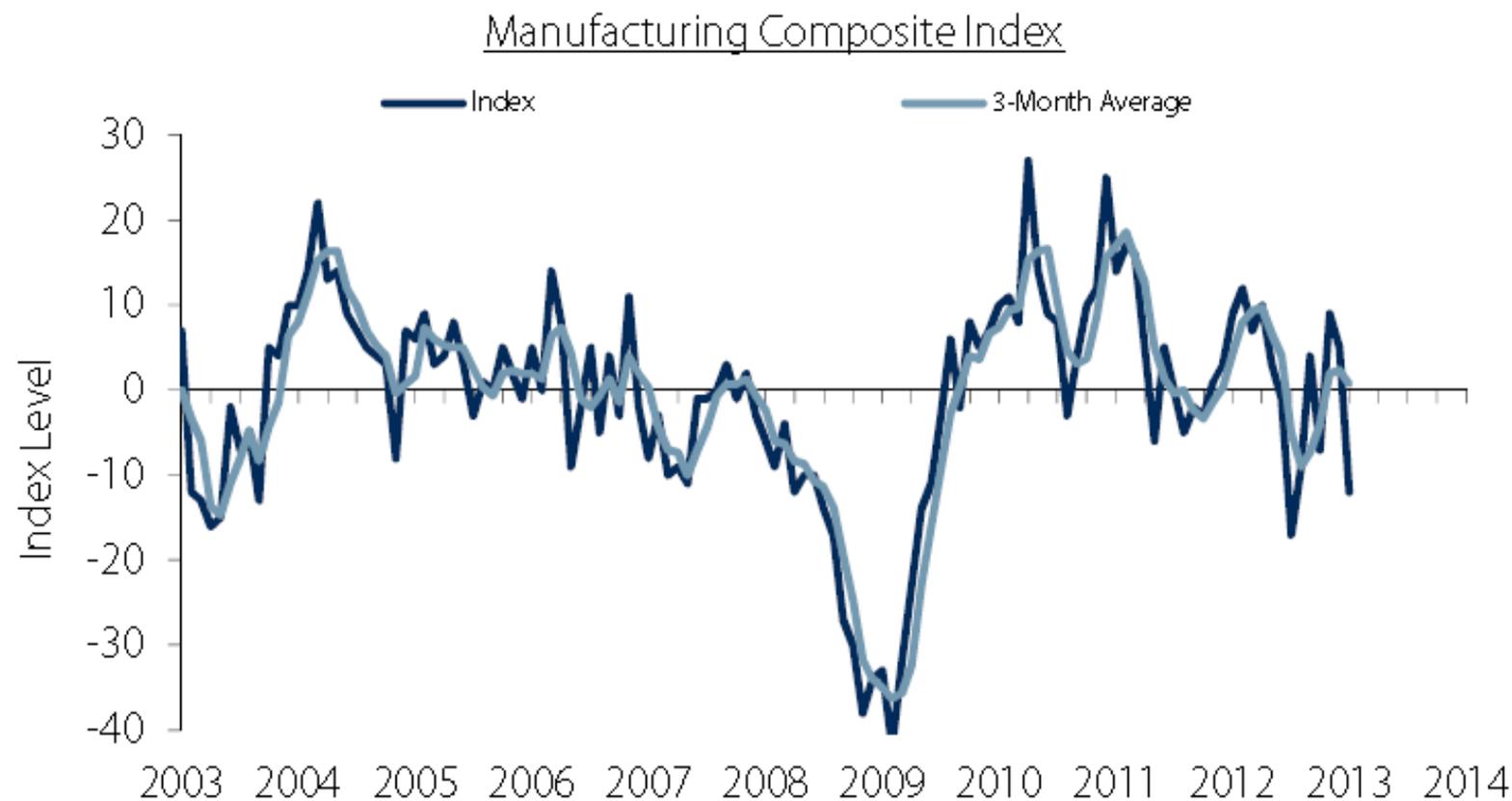




There's a Lot of Slack



Fifth District Manufacturing Survey



Fifth District Manufacturing Survey



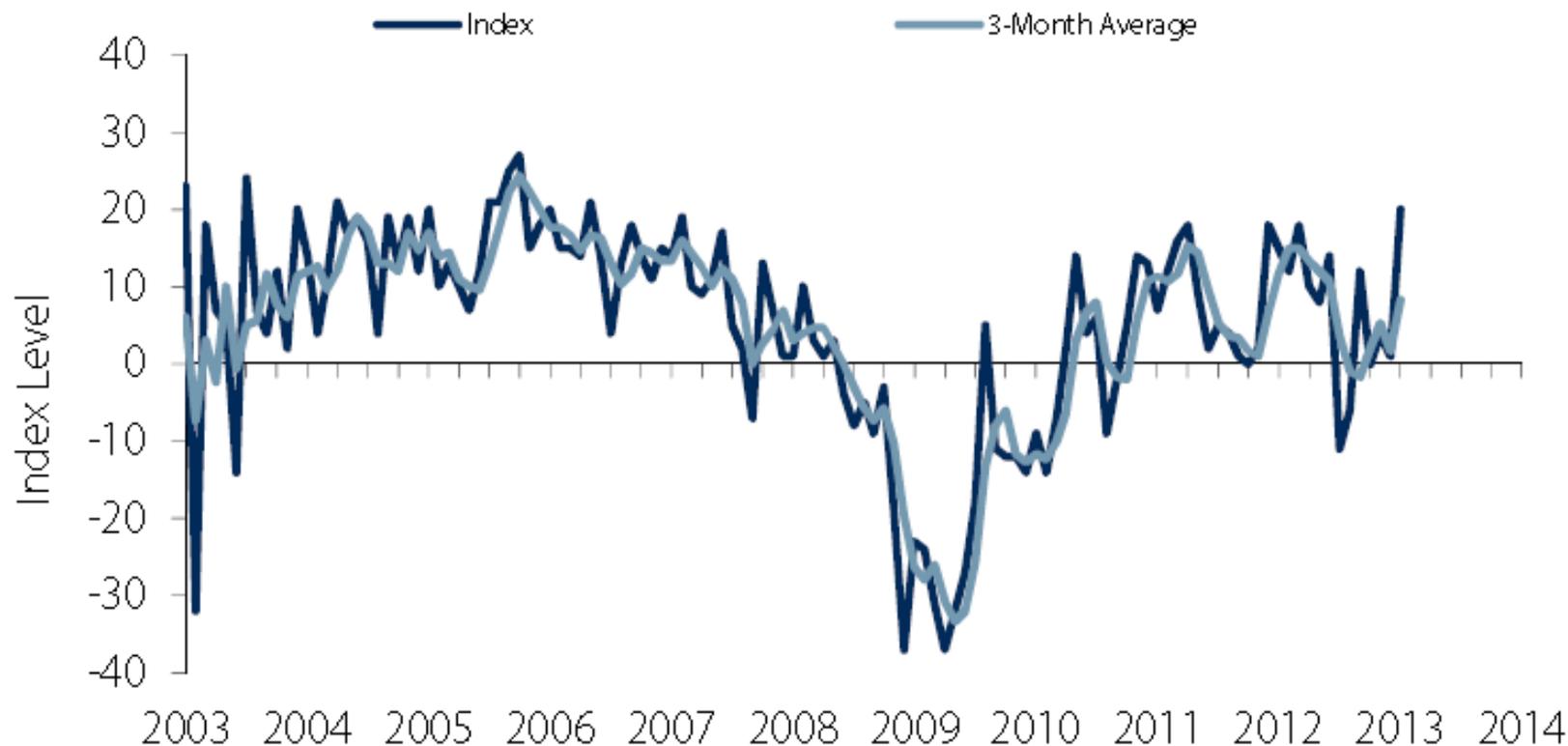
Manufacturing Composite Index





Fifth District Services Sector Survey

Non-Retail Revenues





Uncertainty Again



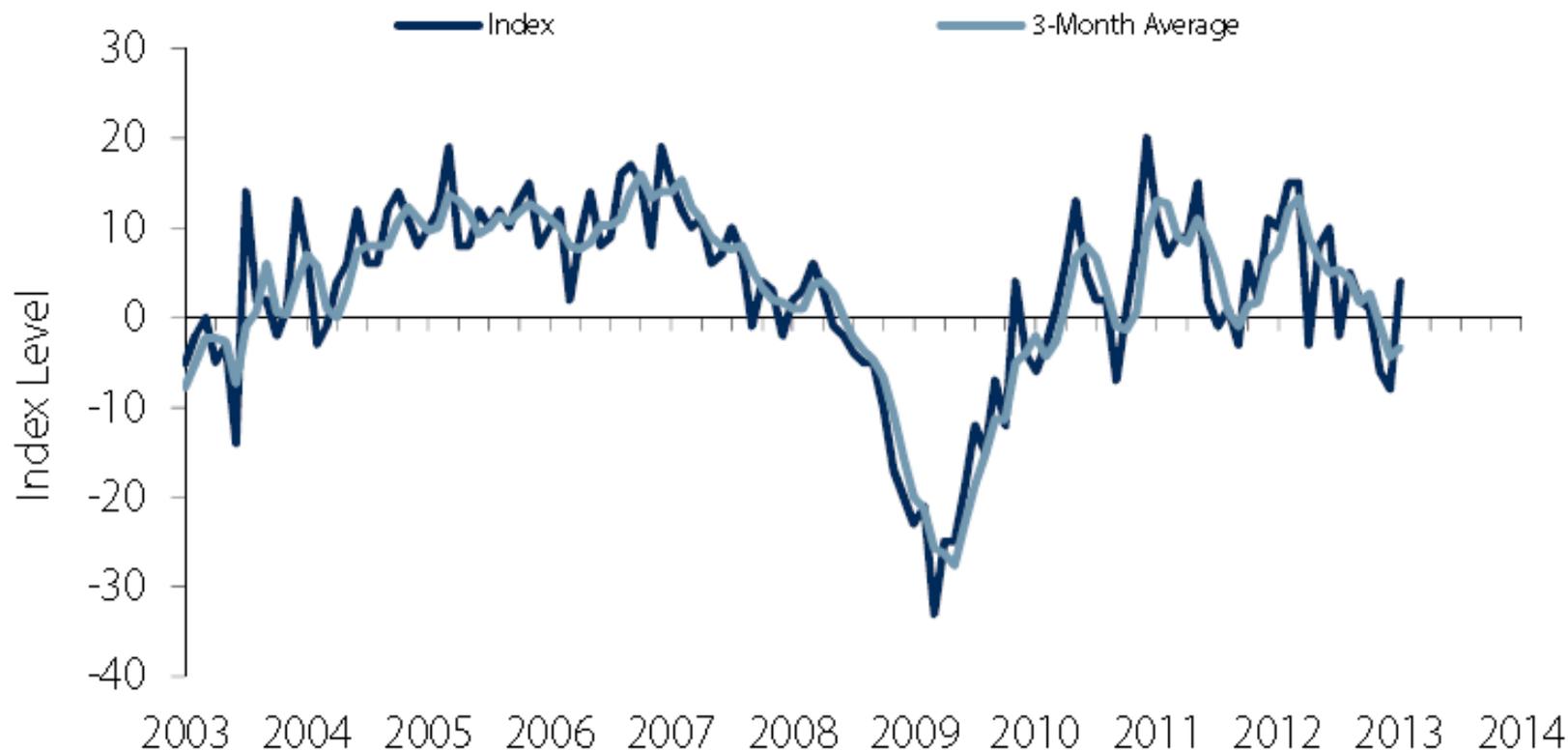
Fifth District Manufacturing Survey





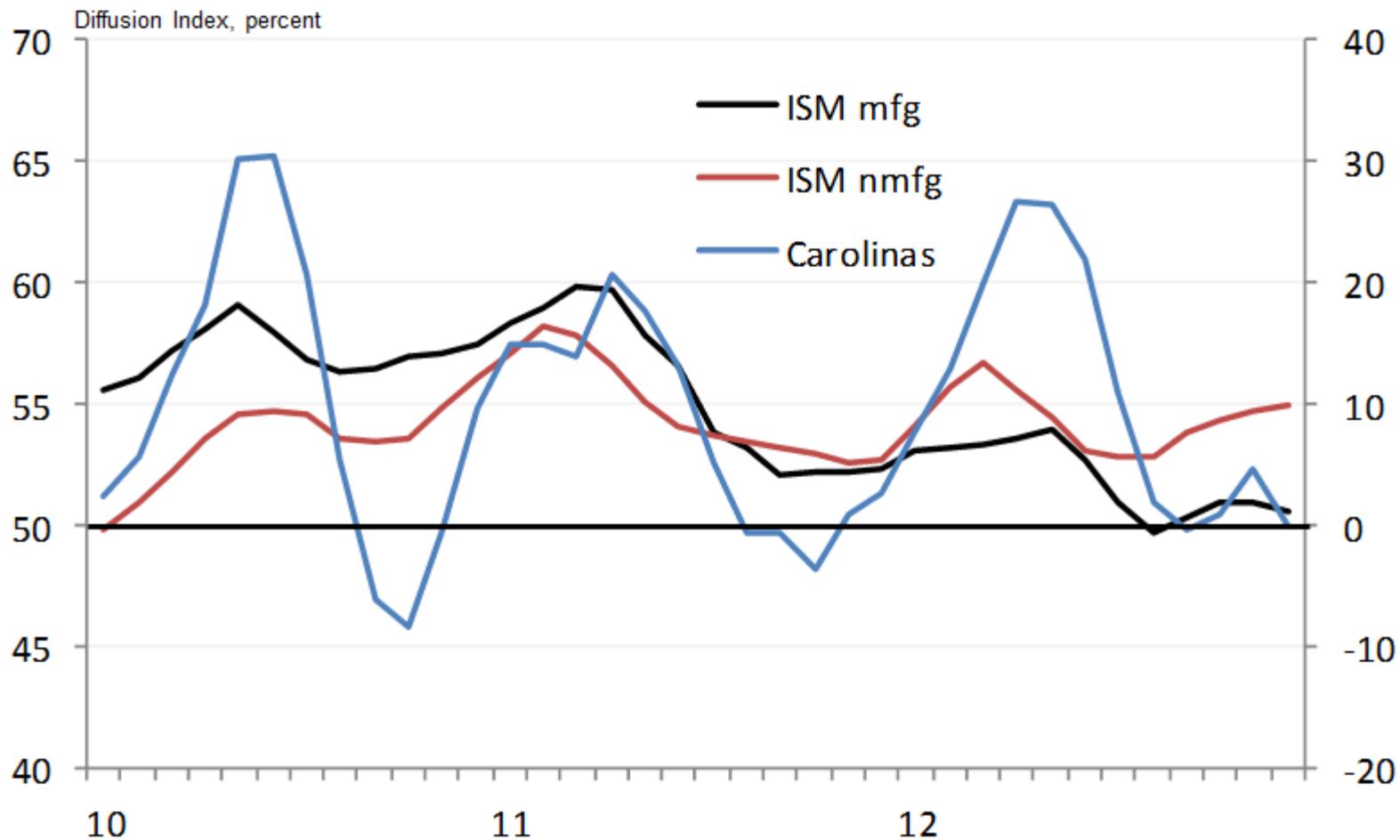
Fifth District Service Sector Survey

Non-Retail Employment





ISM and Carolinas Business Activity Indexes

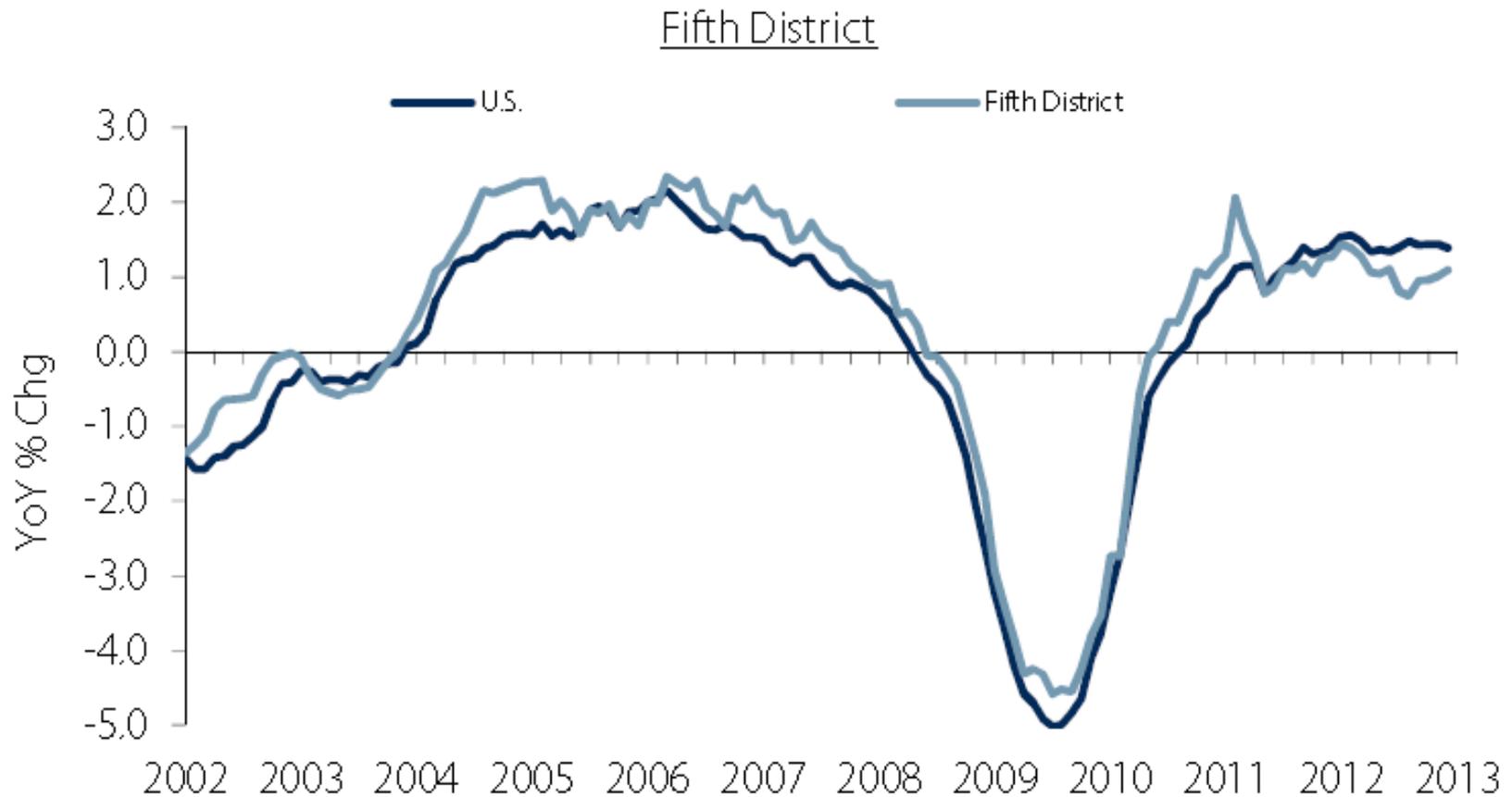




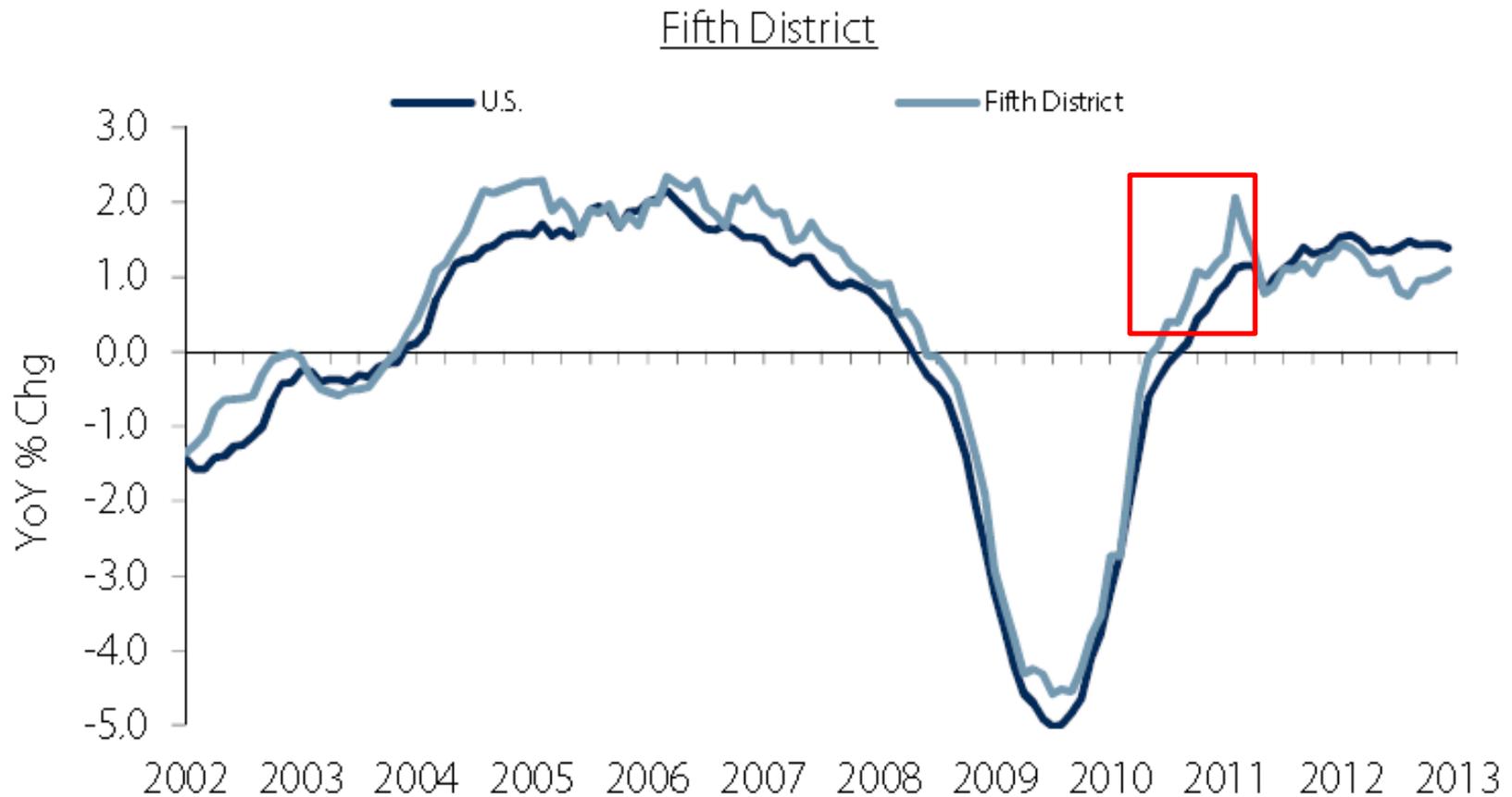
Employers More Cautious About Hiring



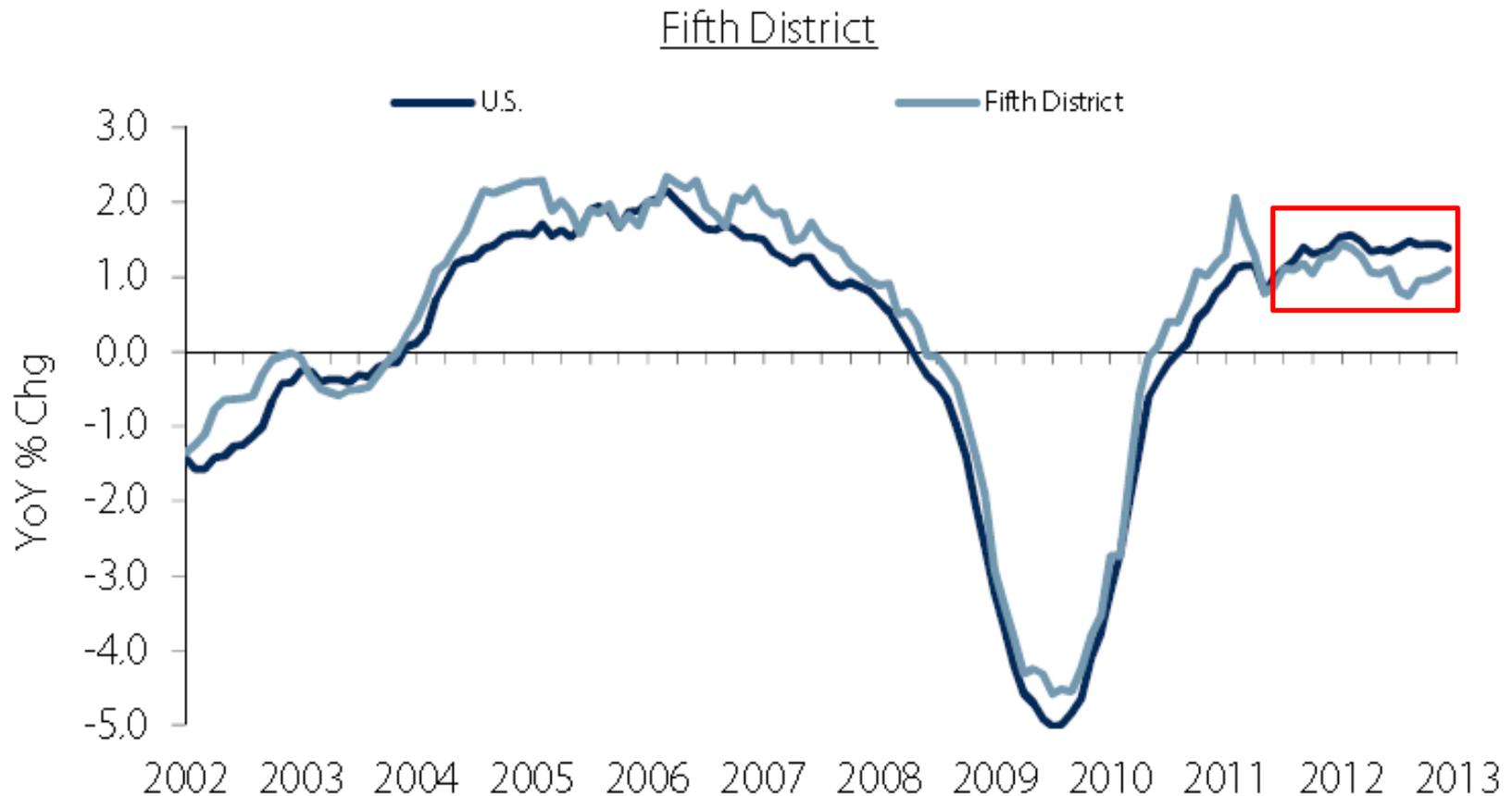
Regional Payroll Employment



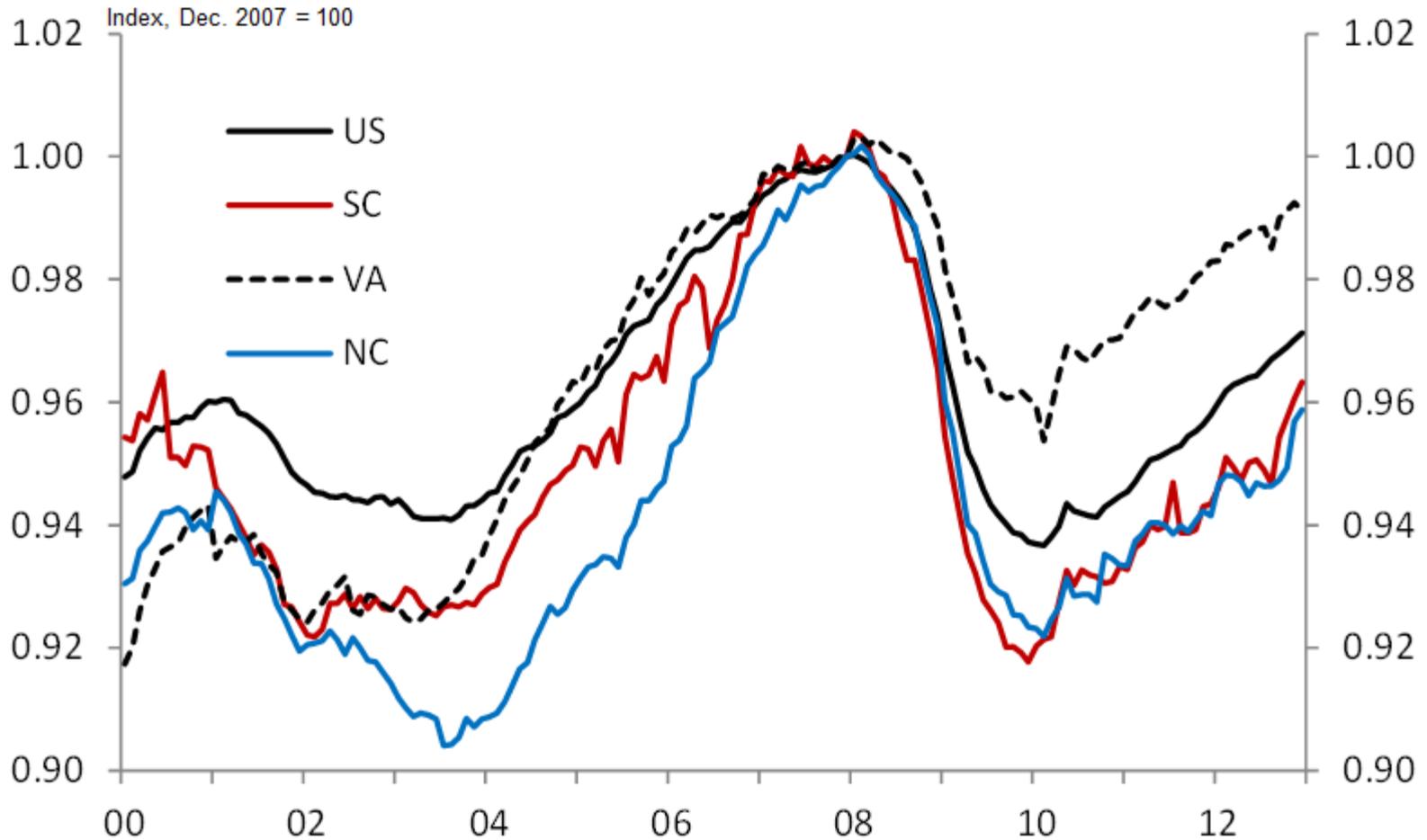
Regional Payroll Employment



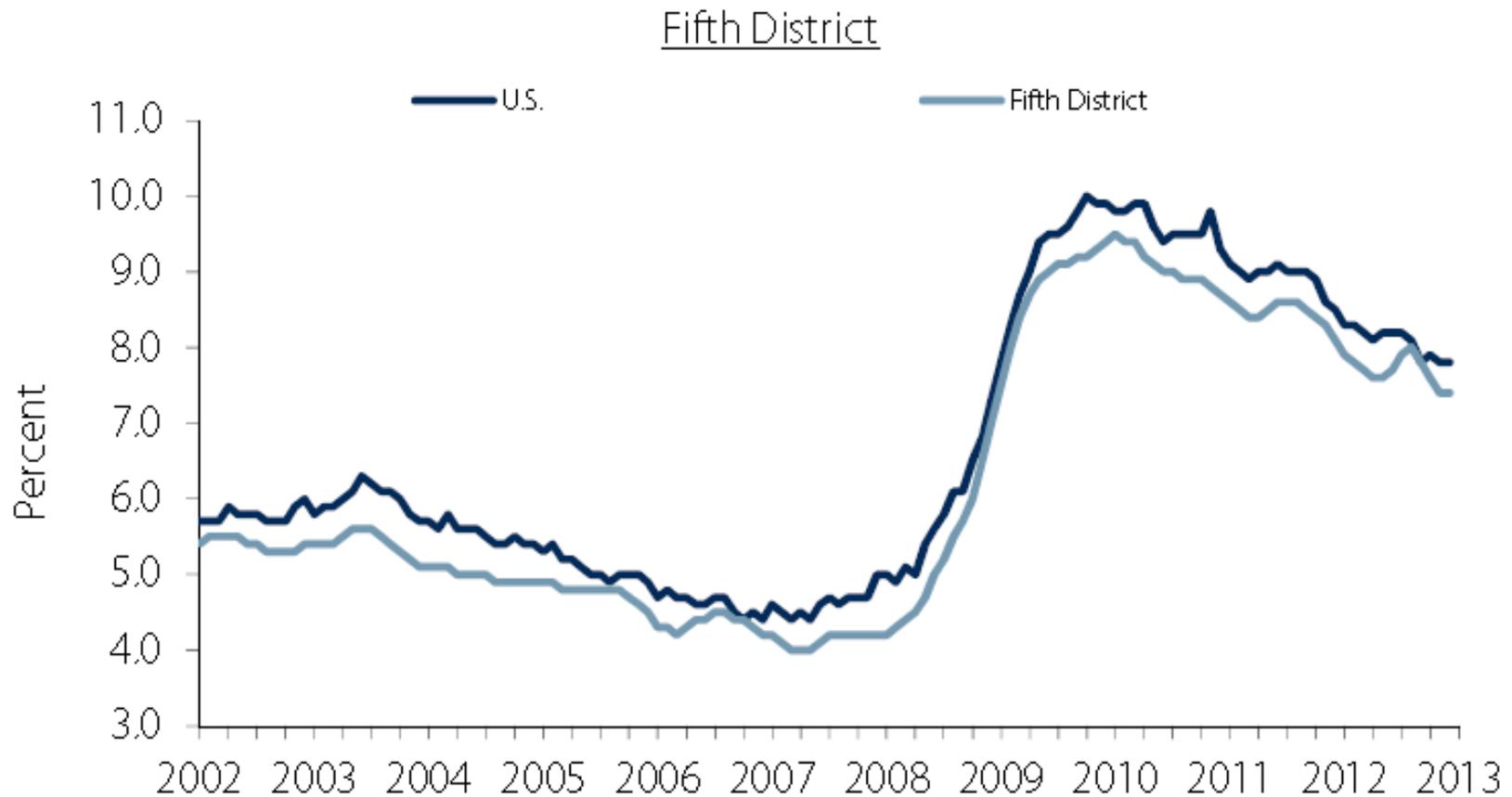
Regional Payroll Employment



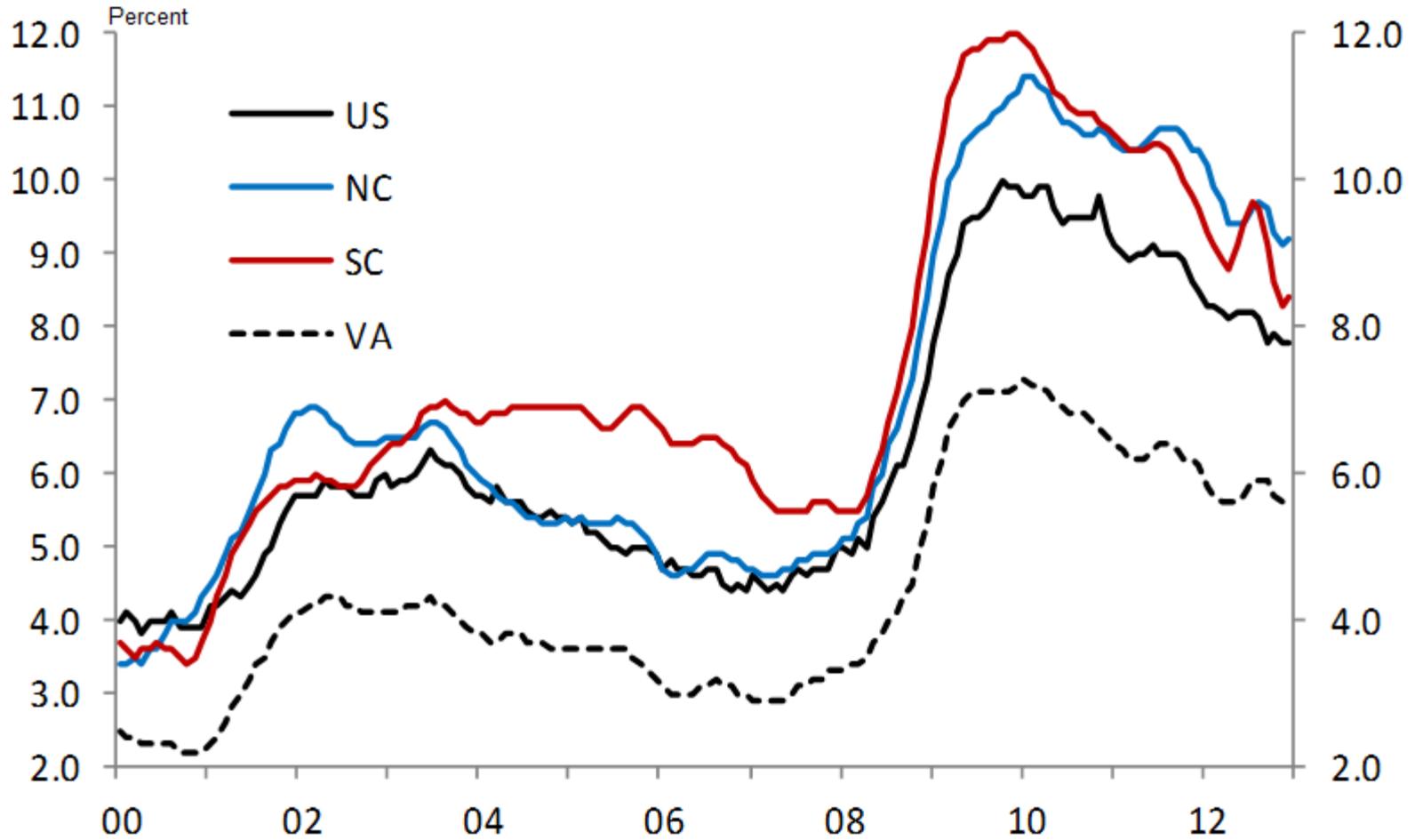
Regional Payroll Employment



Unemployment



Unemployment





Why Is Unemployment Higher in North Carolina?





In Conclusion



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.



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