National Economic Trends
Real Gross Domestic Product

% Change, SAAR

Source: Bureau of Economic Analysis/Haver Analytics
Civilian Unemployment Rate

Source: Bureau of Labor Statistics/Haver Analytics
Private Single-Family Housing Permits

Source: U.S. Census Bureau/Haver Analytics
Consumer Price Index

Source: Bureau of Labor Statistics/Haver Analytics
Small Business Indicators
Single Most Important Problem
Percentage of Respondents in May 2014

- Taxes: 25%
- Government Requirements: 20%
- Poor Sales: 12%
- Quality of Labor: 10%
- Insurance Cost/Availability: 9%
- Competition from Large Businesses: 8%
- Other: 5%
- Inflation: 4%
- Cost of Labor: 4%
- Financial & Interest Rates: 3%

Source: National Federation of Independent Business/Haver Analytics
Borrowing Needs Satisfied in the Last 3 Months

Source: National Federation of Independent Business/Haver Analytics
Senior Loan Officer Survey: Banks tightening standards for C&I loans to small firms

Source: Federal Reserve Bank Senior Loan Officer Survey (1st Quarter 2014)/Haver Analytics
Small Business Lending

Senior Loan Officer Survey:
Banks reporting stronger demand for C&I loans to small firms

Source: Federal Reserve Bank Senior Loan Officer Survey (1st Quarter 2014)/Haver Analytics
Fifth District Manufacturing Survey

May 2014
Composite Index: 7

Source: Federal Reserve Bank of Richmond
Fifth District Services Survey

Diffusion Index
3-month Average

- Non-retail Revenues Index
- Non-retail Employment Index

May 2014
Non-retail Revenues: 7
Non-retail Employment: 3

Source: Federal Reserve Bank of Richmond
Virginia Payroll Employment

Source: Bureau of Labor Statistics/Haver Analytics
Virginia Industry Growth

Source: Bureau of Labor Statistics/Haver Analytics
Virginia Industry Growth

Source: Bureau of Labor Statistics/Haver Analytics

<table>
<thead>
<tr>
<th>Industry</th>
<th>U.S.</th>
<th>Virginia</th>
</tr>
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<tbody>
<tr>
<td>Total</td>
<td>1.7</td>
<td>5.5</td>
</tr>
<tr>
<td>Natural Resources &amp; Mining</td>
<td>-2.9</td>
<td>3.5</td>
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<tr>
<td>Construction</td>
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<td>1.3</td>
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<td>Government</td>
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<td>0.0</td>
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Source: Bureau of Labor Statistics/Haver Analytics
Virginia Industry Growth

April 2014

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Source: Bureau of Labor Statistics/Haver Analytics
Virginia Industry Growth

Source: Bureau of Labor Statistics/Haver Analytics

April 2014

- Natural Resources & Mining: -2.9%
- Construction: 0.1%
- Manufacturing: 0.8%
- Trade, Transportation & Utilities: 0.7%
- Information: -1.1%
- Financial Activities: 0.7%
- Professional & Business Services: -2.7%
- Education & Health Services: 1.5%
- Leisure & Hospitality: 0.2%
- Other Services: 1.0%
- Government: -0.3%

Total: 1.7%
Virginia: 5.5%
MSA Payroll Employment Growth in Virginia
Percent Change in Employment from a Year Ago

April 2014

- Blacksburg: 2.8%
- Winchester: 2.1%
- US: 1.7%
- Richmond: 1.4%
- Harrisonburg: 0.8%
- Northern Virginia: 0.1%
- Roanoke: 0.1%
- Virginia: -0.1%
- Virginia Beach: -0.3%
- Lynchburg: -1.5%
- Charlottesville: -1.9%
- Danville: -2.2%

Source: Bureau of Labor Statistics/Haver Analytics
Virginia Unemployment Rate

Source: Bureau of Labor Statistics/Haver Analytics
Unemployment in Virginia MSAs

Source: Bureau of Labor Statistics/Haver Analytics
Virginia Housing Starts

Source: Bank of Tokyo-Mitsubishi UFJ/Haver Analytics
Virginia Association of Realtors Survey

Virginia Realtors Reporting that Market Conditions are Better (Slightly or Significantly)

Percent of Respondents

- Dark Blue: 31.6%
- Yellow: 37.2%
- Light Blue: 32.7%
- Purple: 39.1%
- Medium Blue: 33.3%
- Light Purple: 41.7%
- Light Green: 34.6%
- Pink: 42.6%

Source: Federal Reserve Bank of Richmond Virginia Realtor Survey (2014)
## Virginia Association of Realtors Survey

<table>
<thead>
<tr>
<th>Percent of Total Responses</th>
<th>2013</th>
<th>2014</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Appraisals</strong></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Much too or somewhat low</td>
<td>53</td>
<td>40</td>
</tr>
<tr>
<td>About right</td>
<td>44</td>
<td>56</td>
</tr>
<tr>
<td>Much too or somewhat high</td>
<td>4</td>
<td>4</td>
</tr>
<tr>
<td><strong>Inventory</strong></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Very or somewhat low</td>
<td>69</td>
<td>66</td>
</tr>
<tr>
<td>About right</td>
<td>16</td>
<td>17</td>
</tr>
<tr>
<td>Very or somewhat high</td>
<td>15</td>
<td>17</td>
</tr>
</tbody>
</table>

Source: Federal Reserve Bank of Richmond
Virginia House Prices - CoreLogic HPI

Source: CoreLogic Information Solutions, Inc.
Virginia House Prices - CoreLogic HPI

House Price Growth by Micro and Metro Area from April 2013 - April 2014

-2.3 - 1.9
2.0 - 4.9
5.0 - 5.9
6.0 - 6.9
7.0 - 10.4

Source: CoreLogic Information Solutions, Inc.
Summary

• Economic conditions nationally continue on moderate growth path
• Consumers remain somewhat restrained
• Hiring activity and other labor market indicators are consistent with modest growth
• Virginia’s labor market indicators provide mixed signals – employment contraction, but low unemployment
• Fiscal drag felt more acutely in Virginia
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.