



US and Virginia Economic Update

Virginia National Bank
October 1, 2015



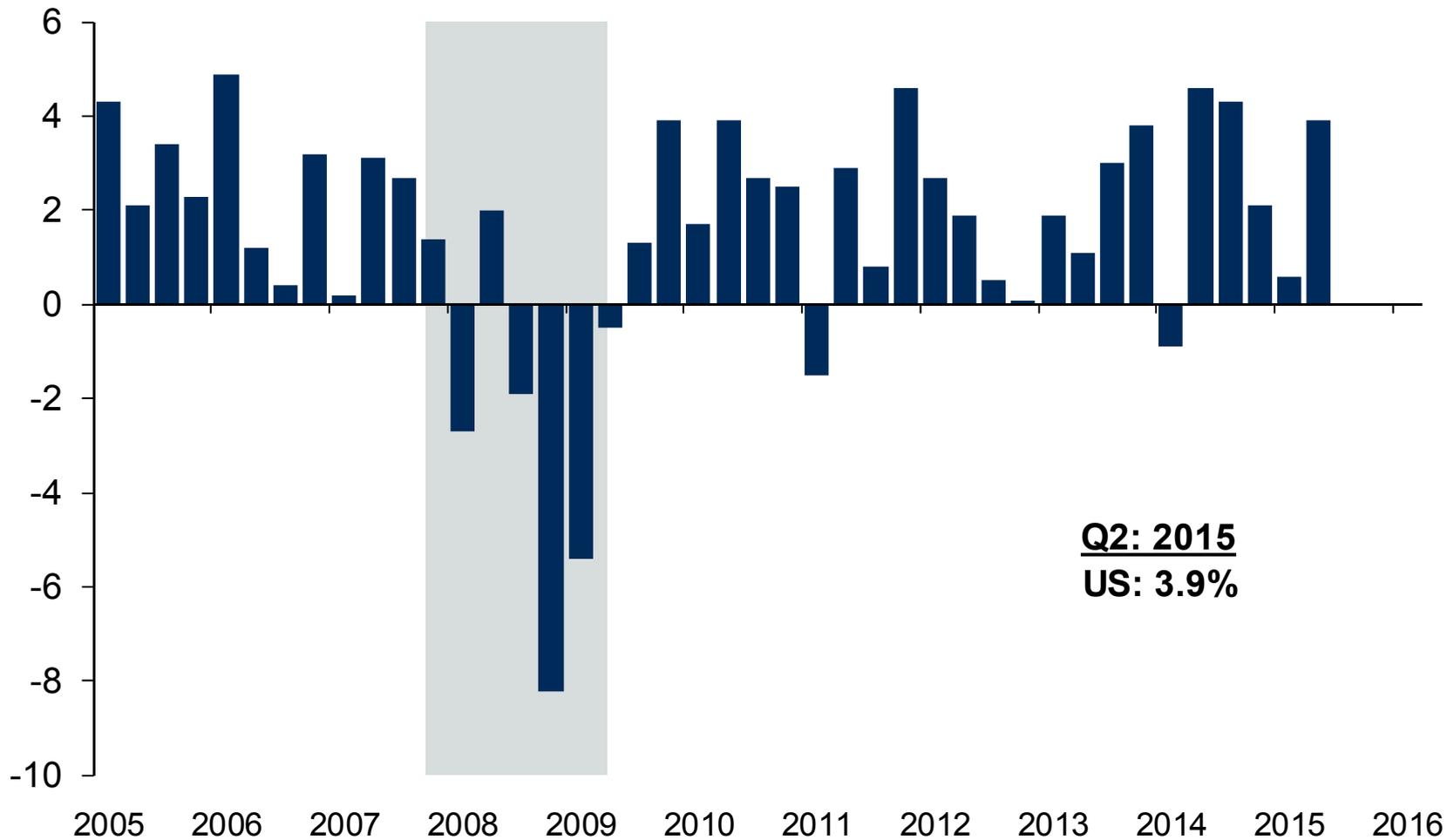
Ann Battle Macheras
Vice President

Overview

- National Economic Trends
 - Gross Domestic Output
 - Housing Sector
 - Labor Markets
 - Inflation
 - Monetary Policy
- Regional Economic Trends
 - Labor Market
 - Regional Variation in Job Growth
 - Industry Sector Growth
 - Unemployment
 - Housing
 - Federal Government Contracting

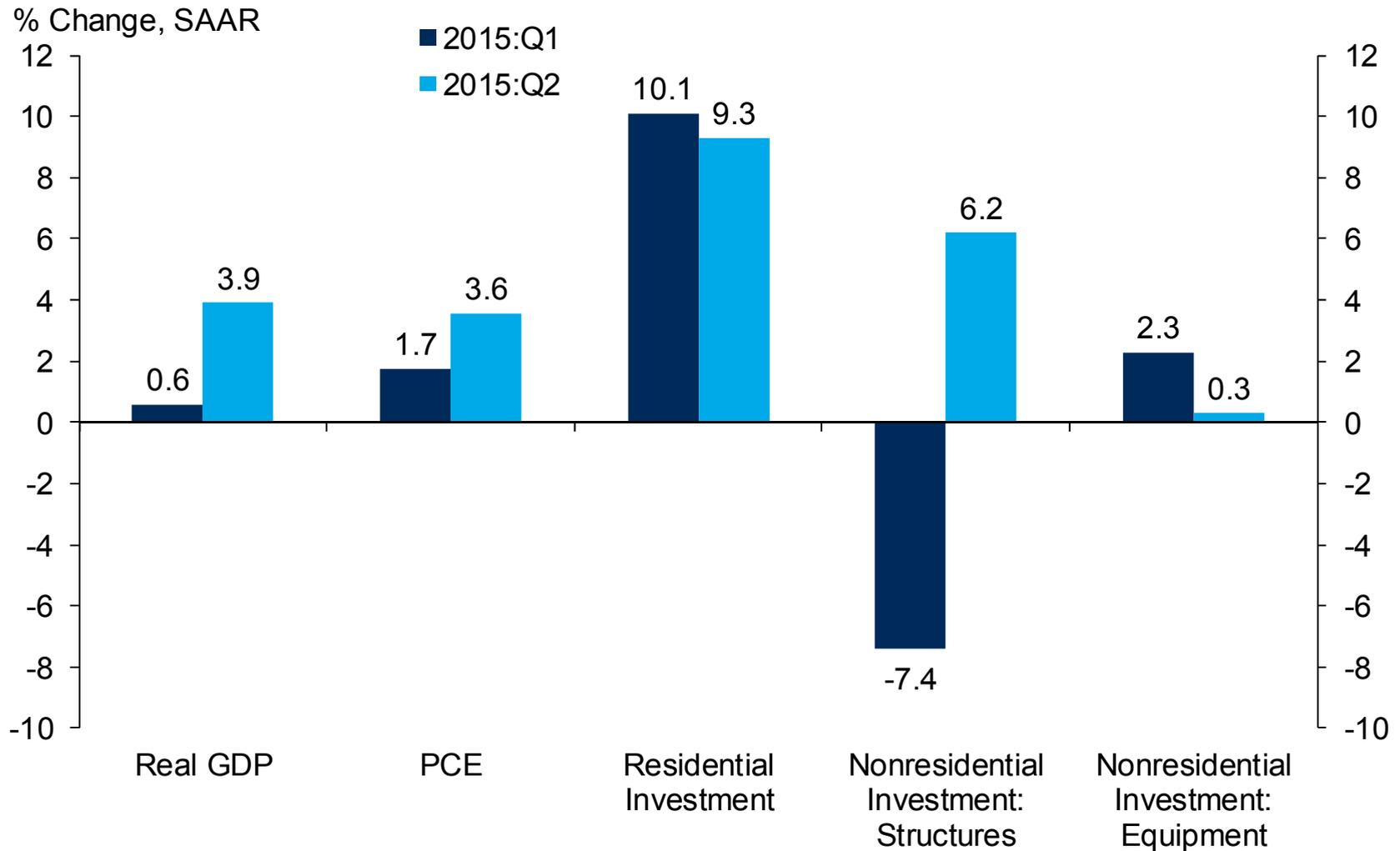
Real Gross Domestic Product

% Change, SAAR



Q2: 2015
US: 3.9%

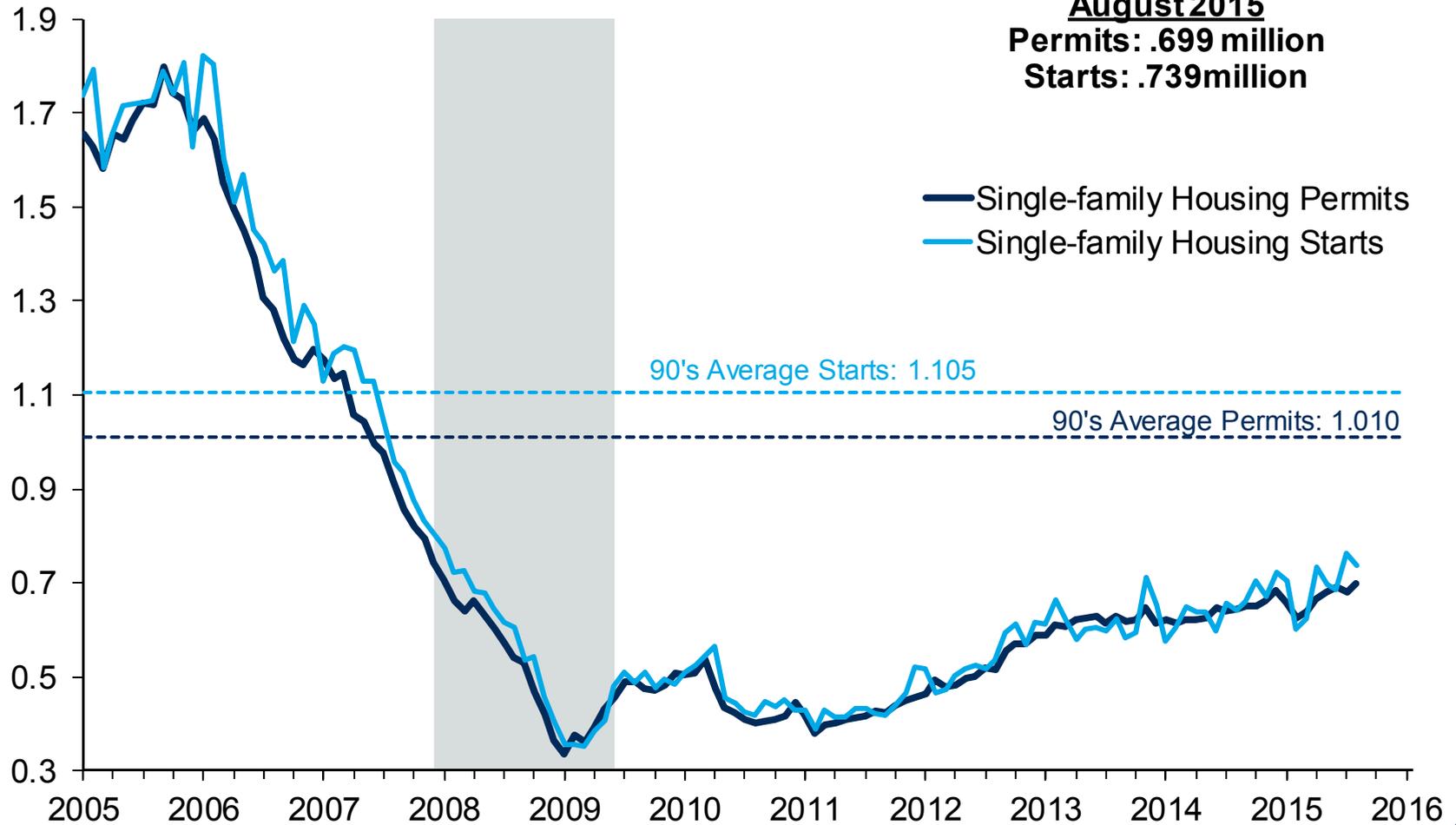
Real Gross Domestic Product



Source: Bureau of Economic Analysis/Haver Analytics

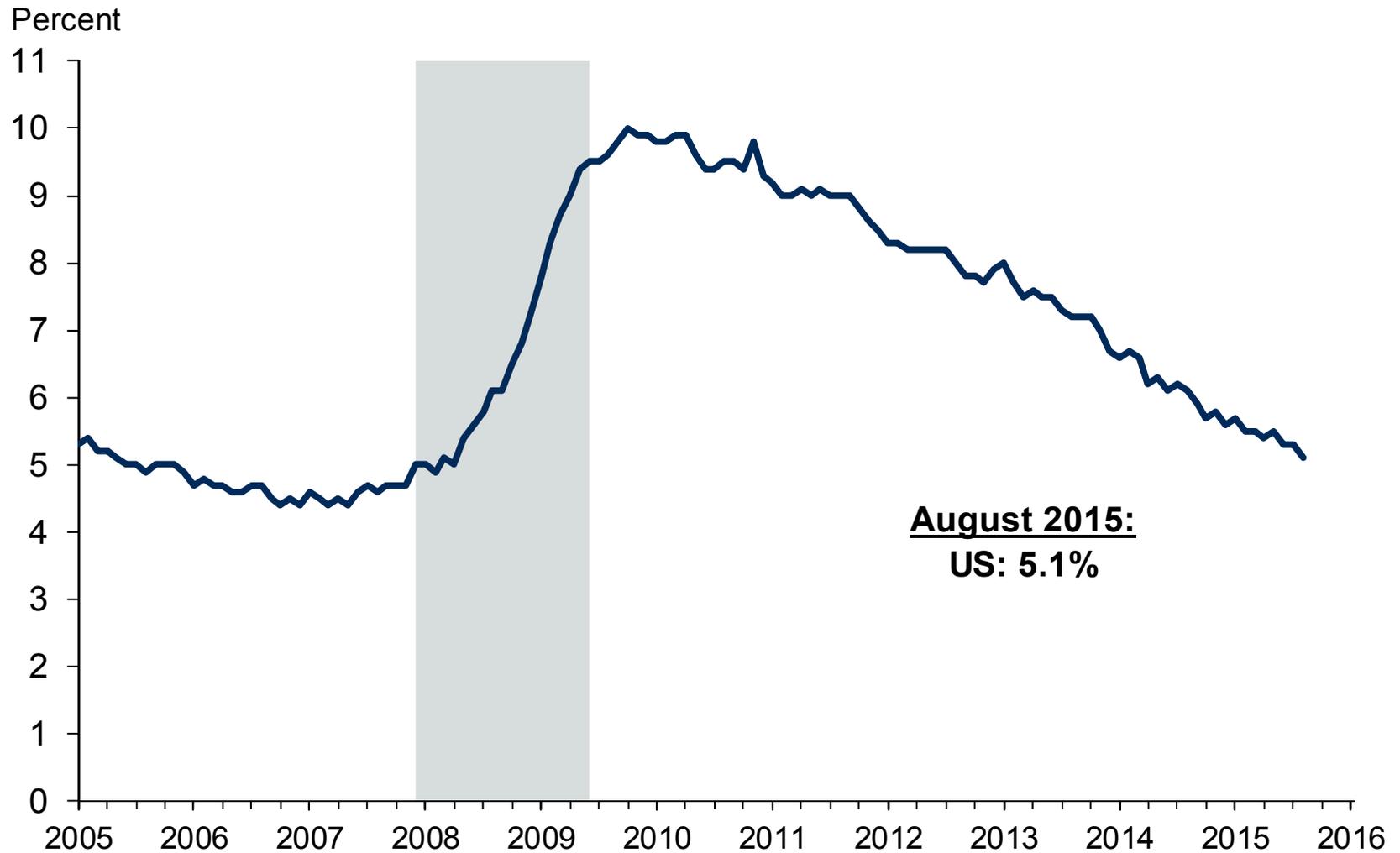
Housing Permits and Starts

Millions, SAAR



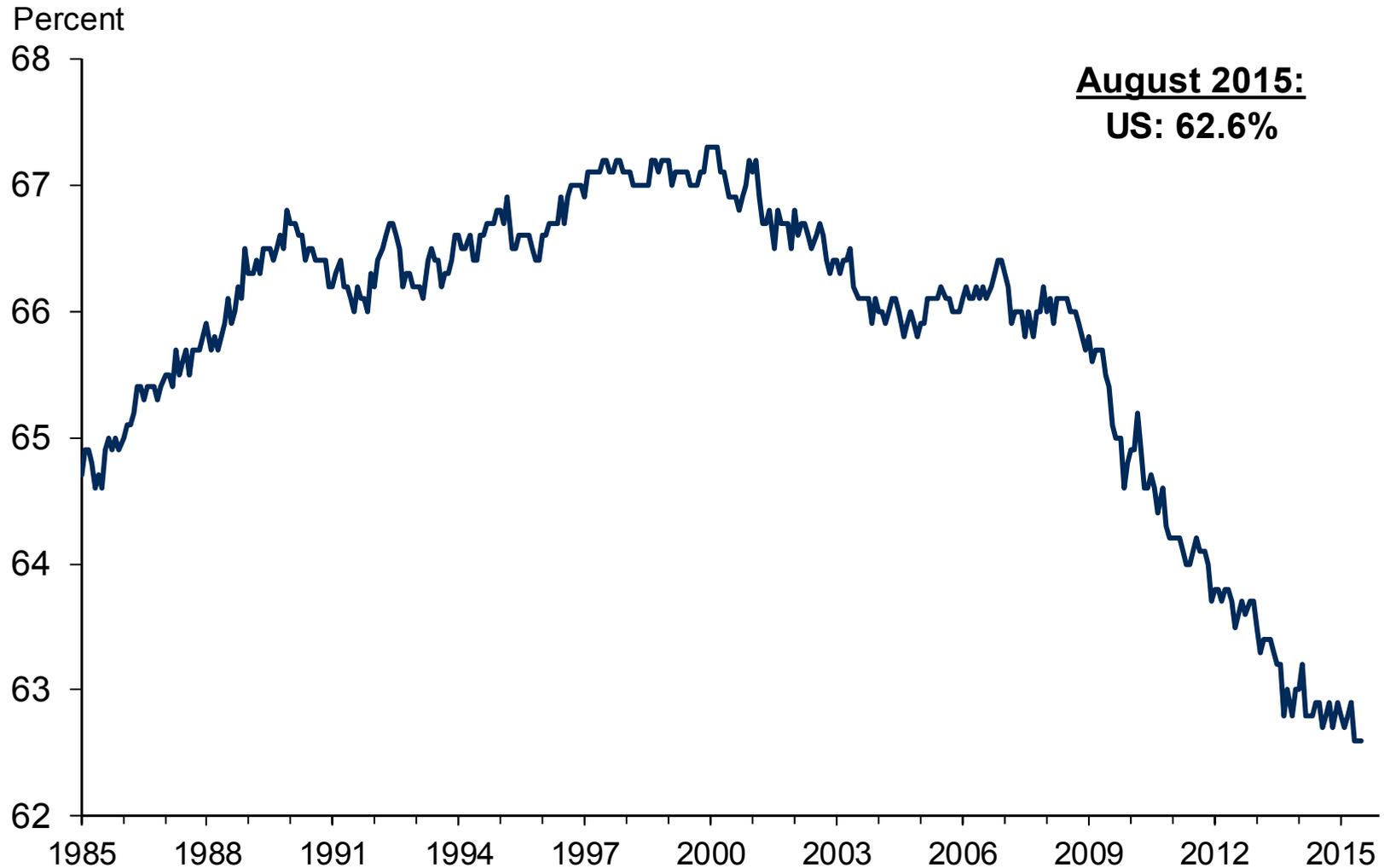
Source: Census Bureau/Haver Analytics

Civilian Unemployment Rate



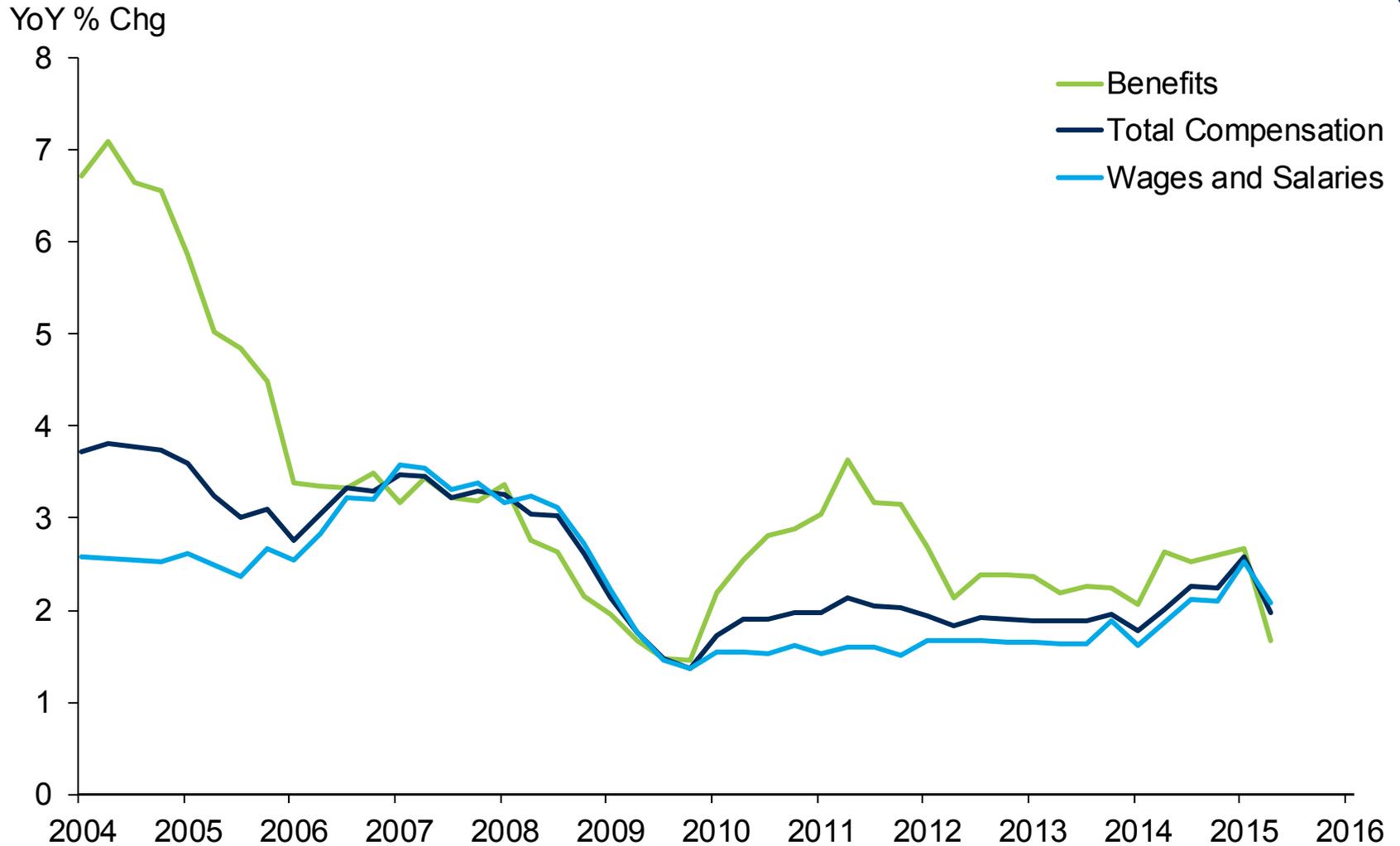
Source: Bureau of Labor Statistics/Haver Analytics

Labor Force Participation Rate



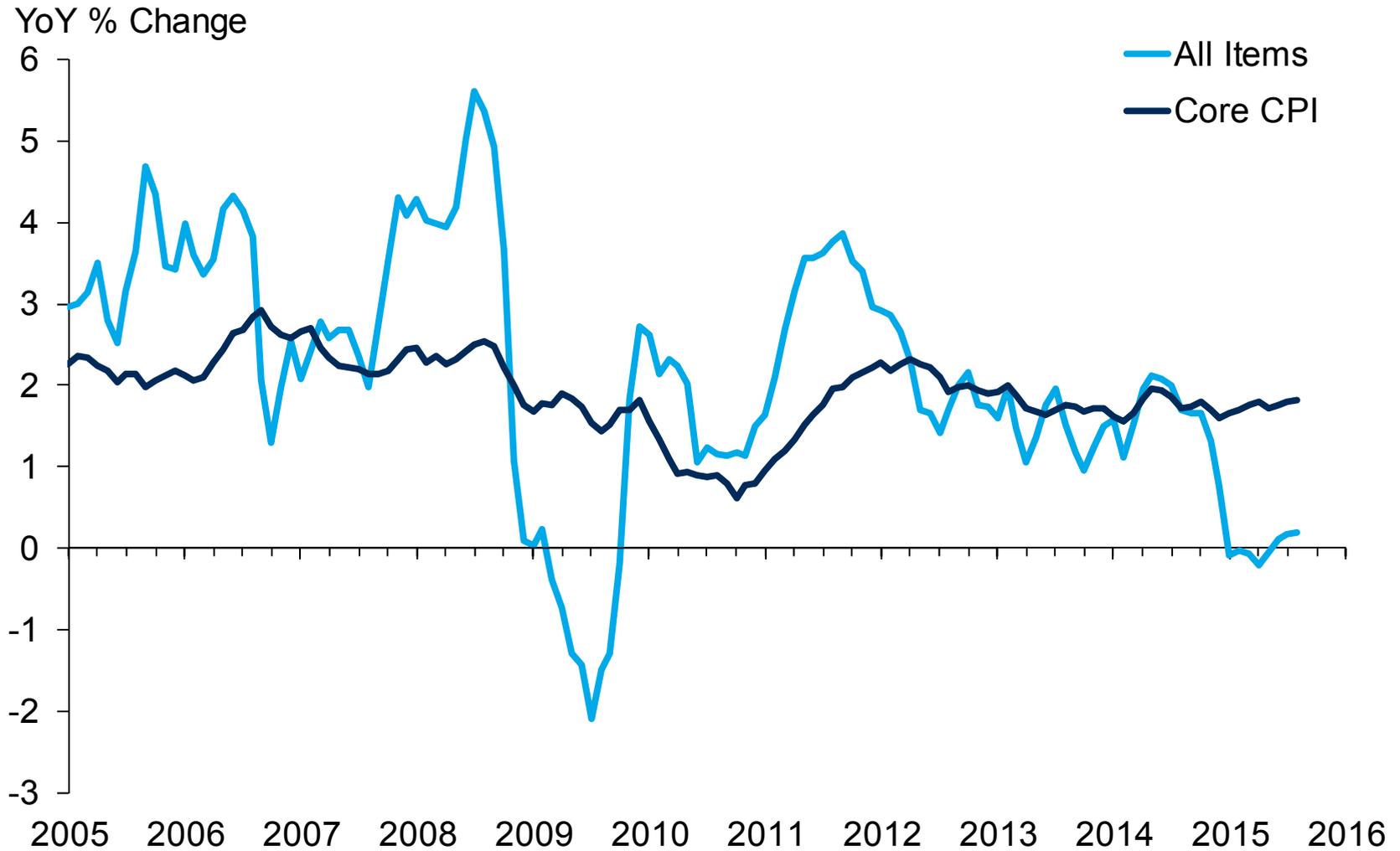
Source: Bureau of Labor Statistics/Haver Analytics

Employment Cost Index



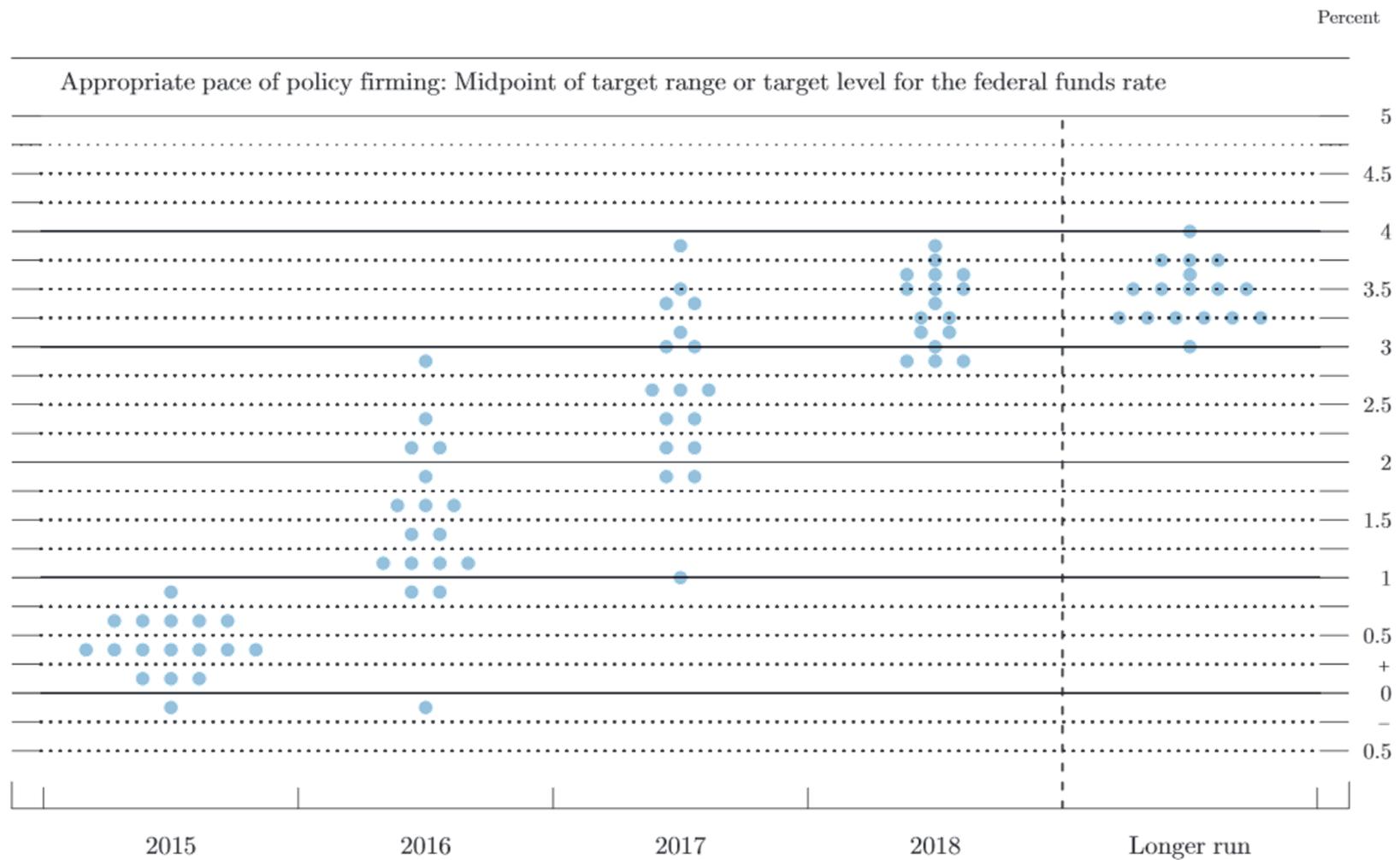
Source: Bureau of Labor Statistics/Haver Analytics

Consumer Price Index



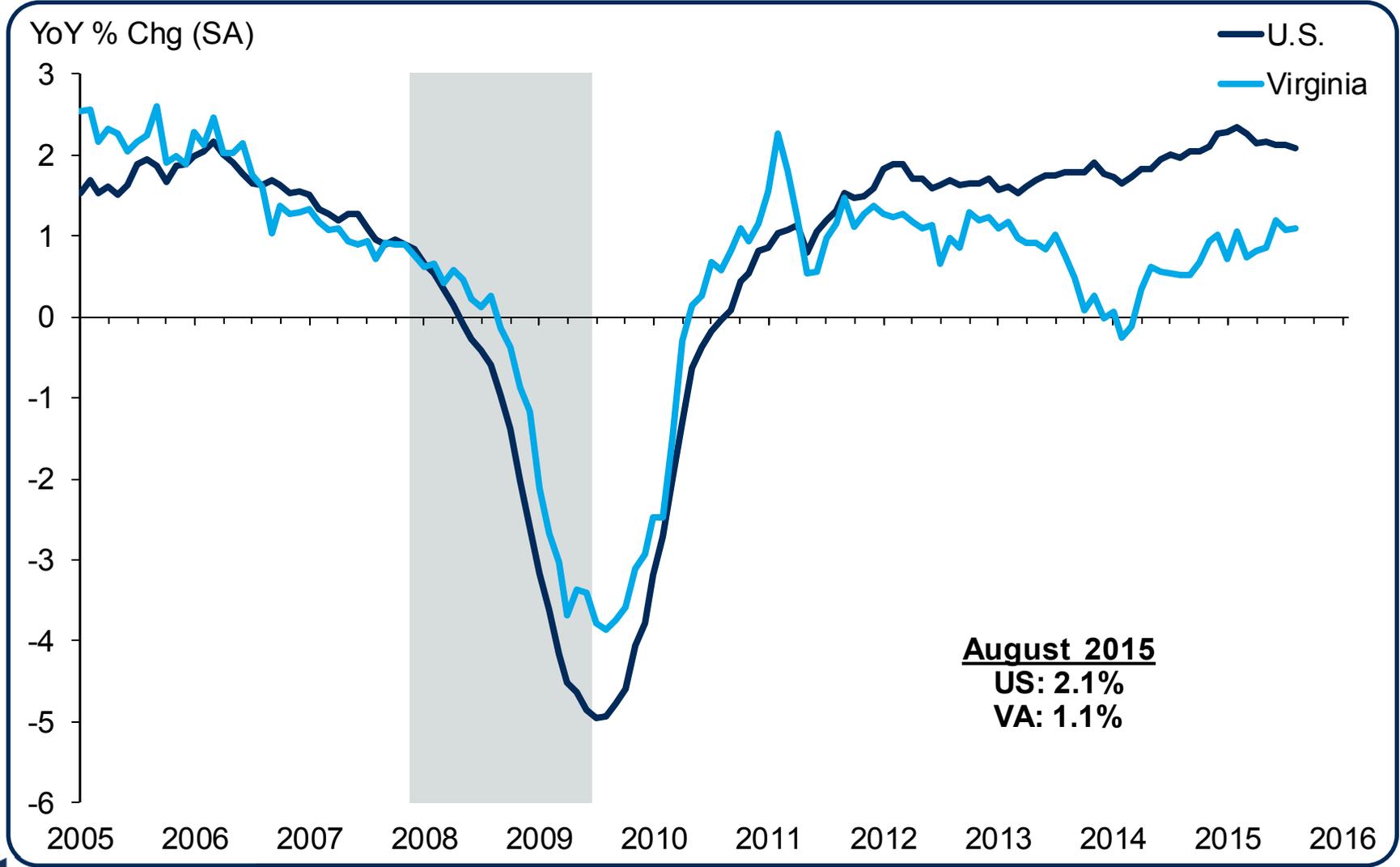
Source: Bureau of Labor Statistics/Haver Analytics

Interest Rate Projections



Source: Federal Open Market Committee

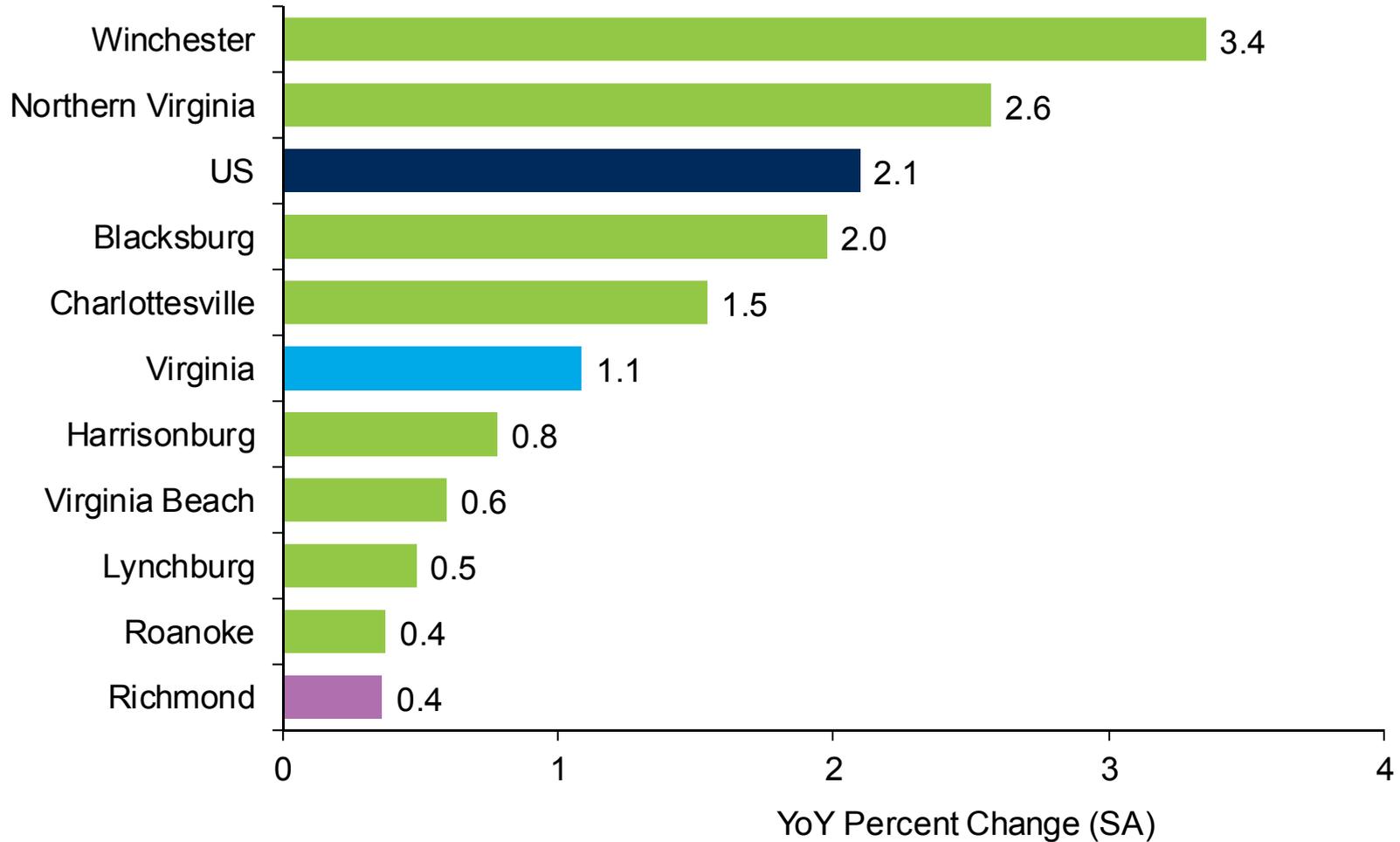
Virginia Payroll Employment



Source: Bureau of Labor Statistics/Haver Analytics

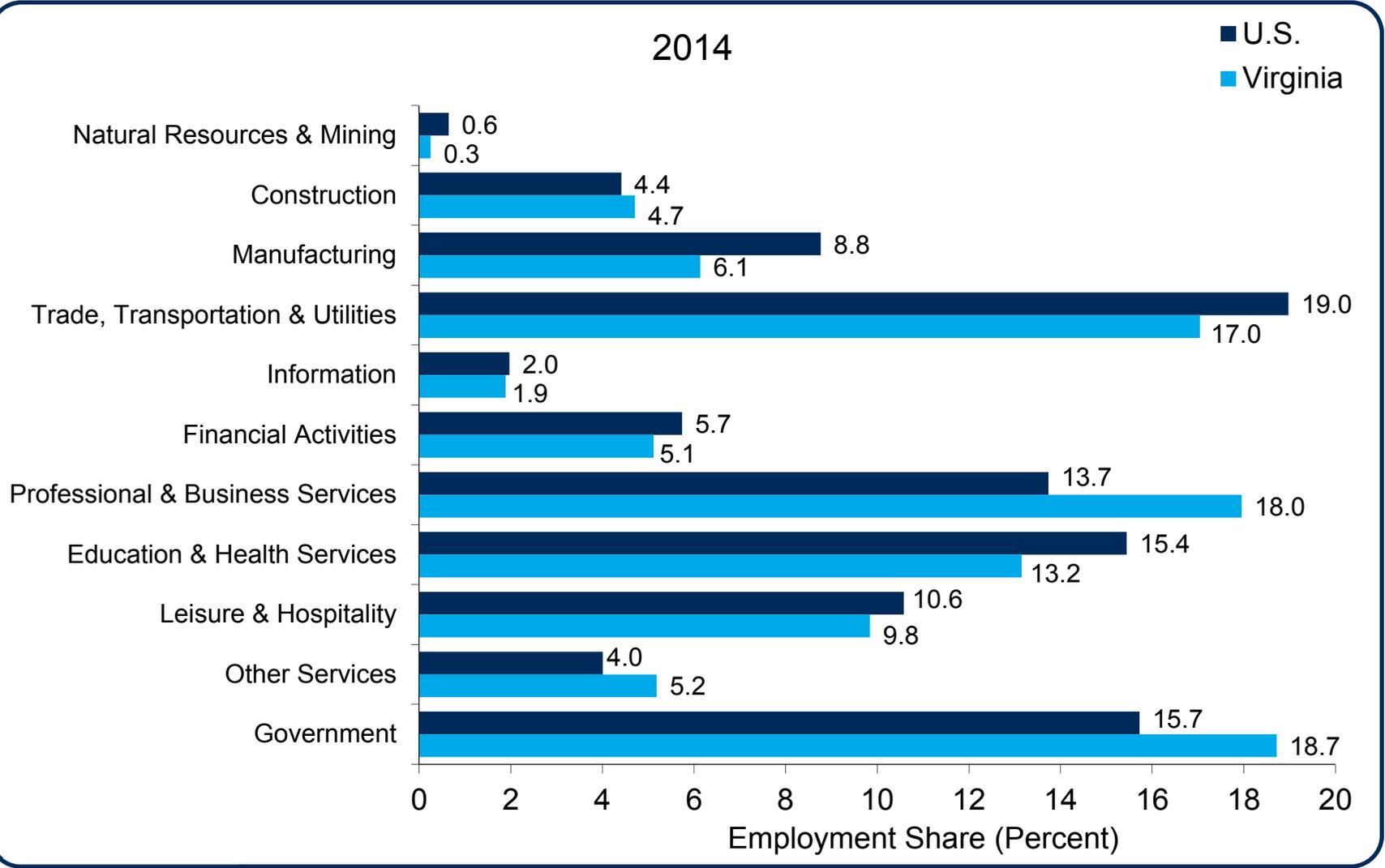
MSA Payroll Growth

August 2015



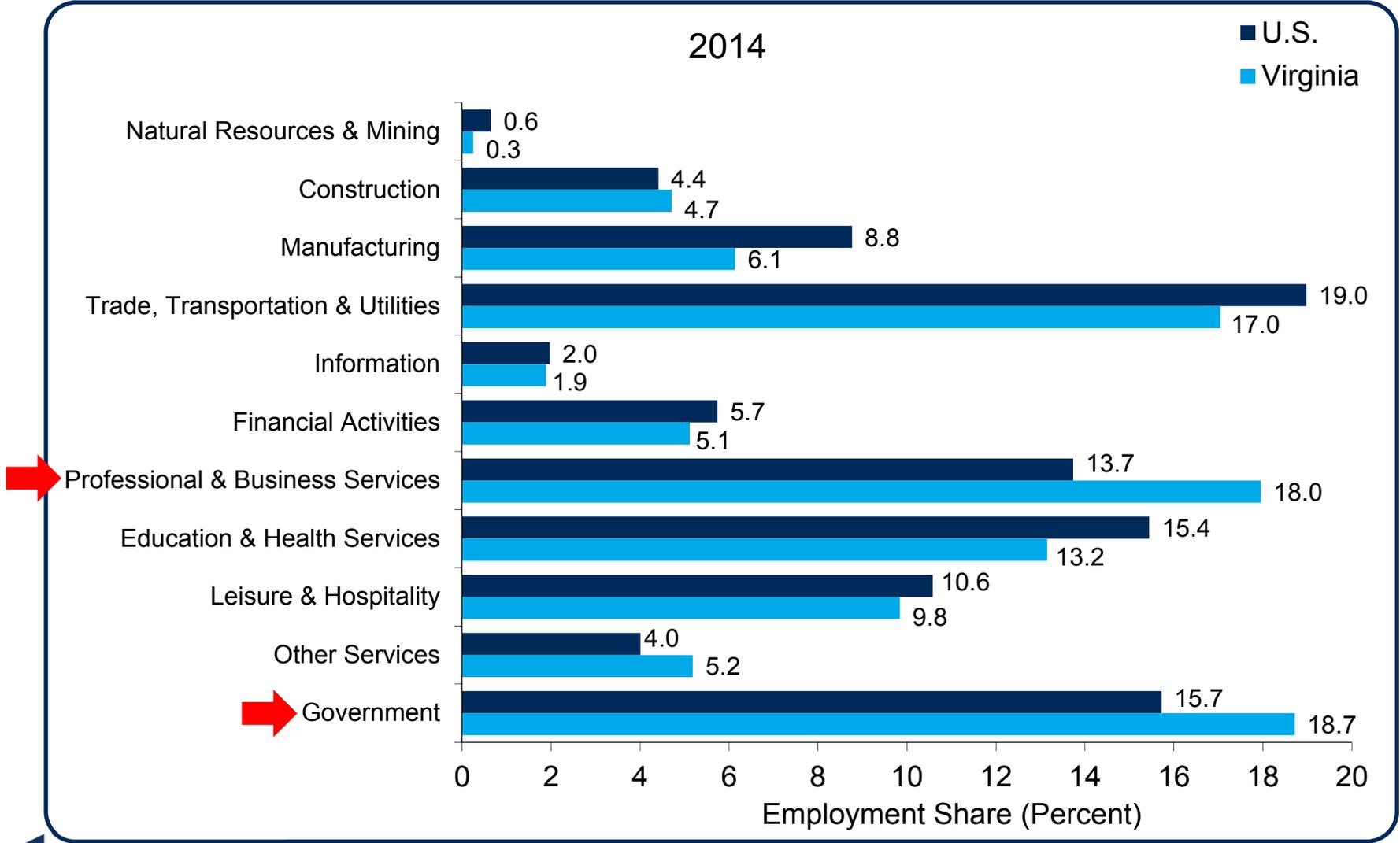
Source: Bureau of Labor Statistics/Haver Analytics

Virginia Industry Composition



Source: Bureau of Labor Statistics/Haver Analytics

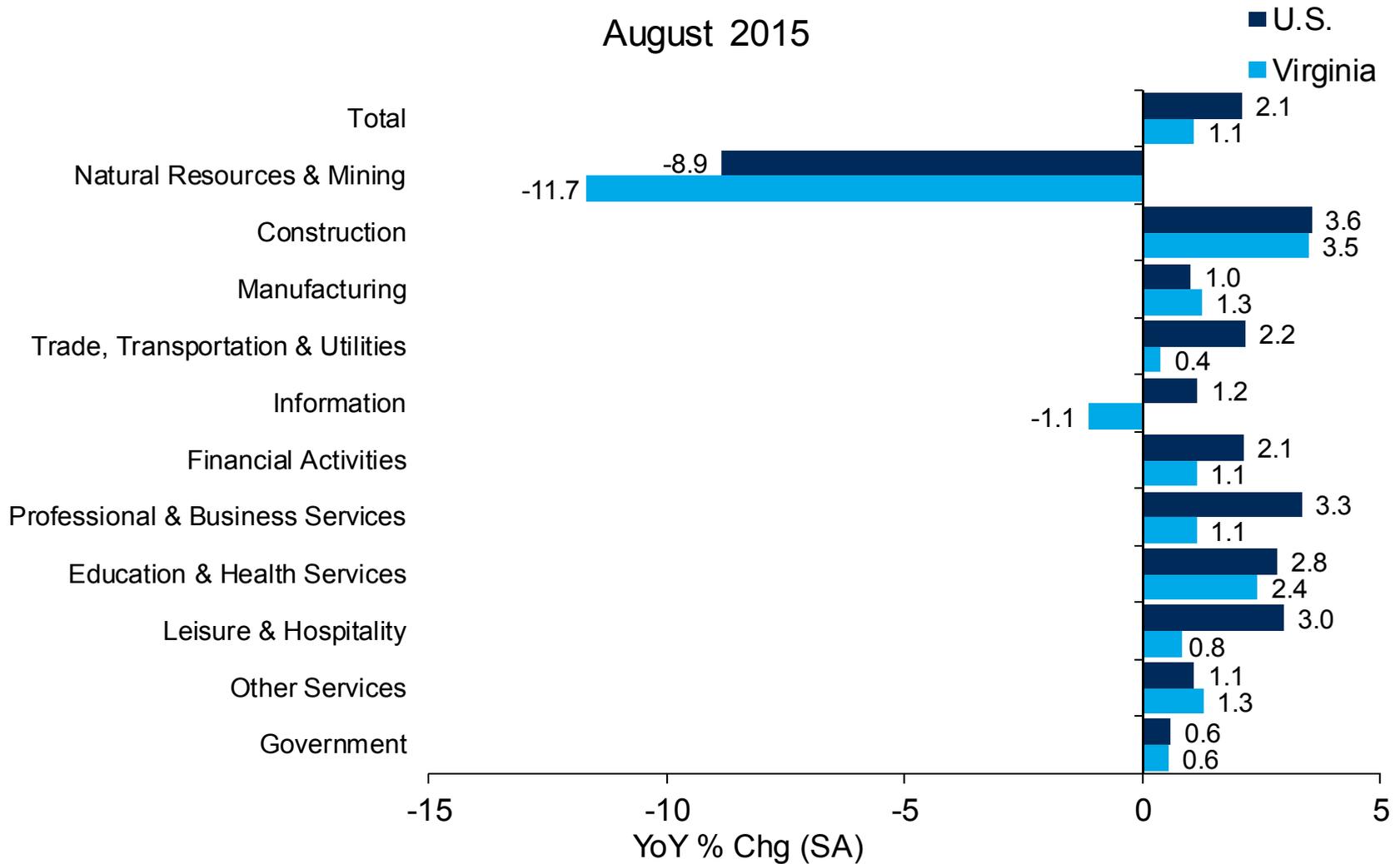
Virginia Industry Composition



Source: Bureau of Labor Statistics/Haver Analytics

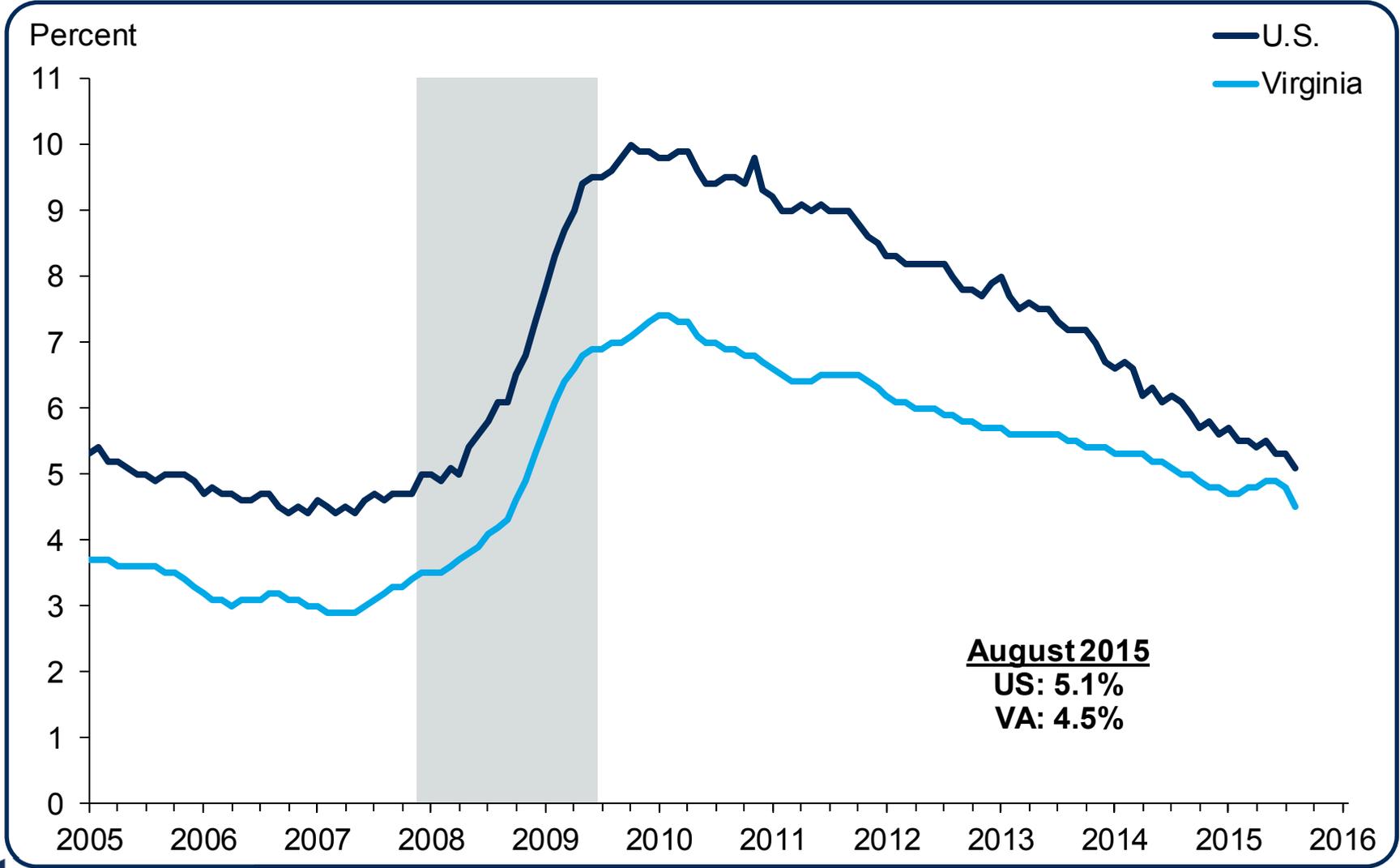
Virginia Industry Growth

August 2015

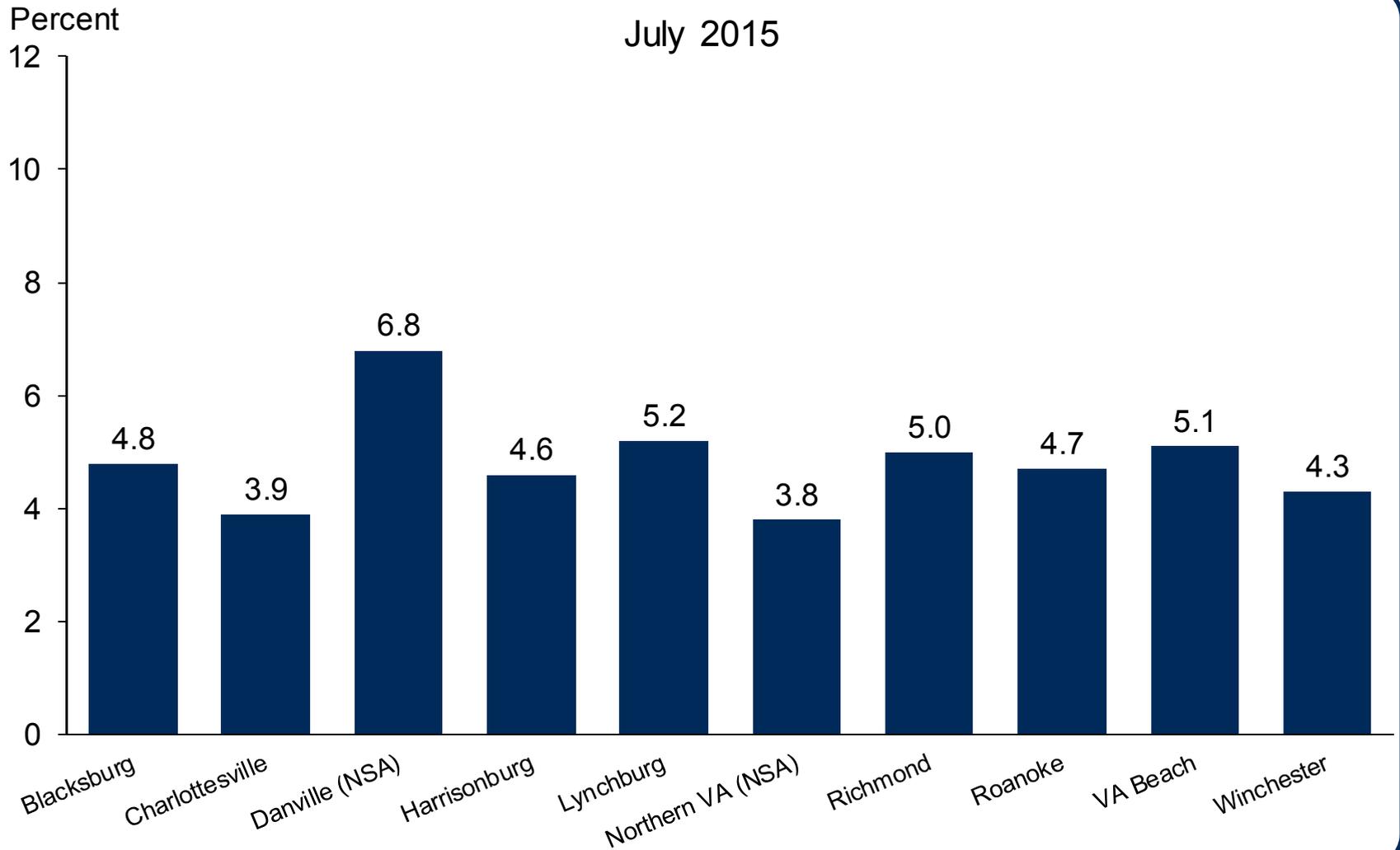


Source: Bureau of Labor Statistics/Haver Analytics

Virginia Unemployment Rate

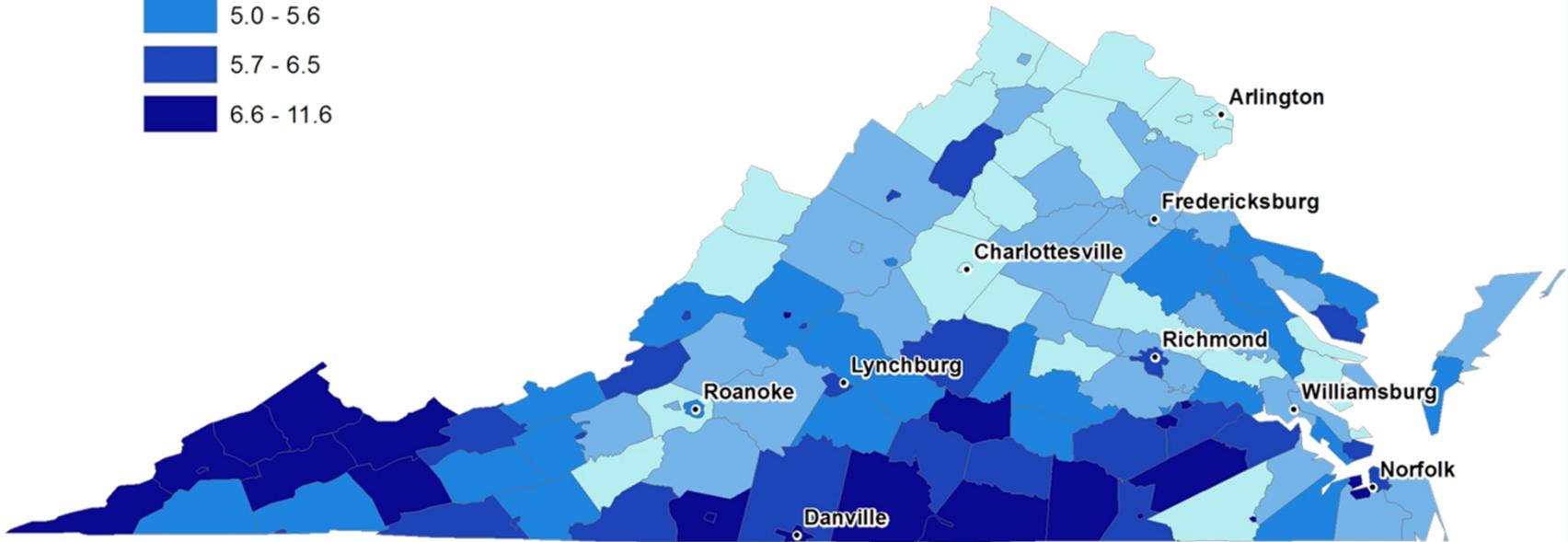
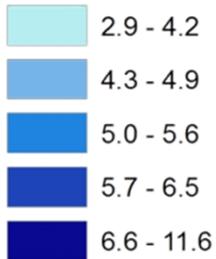


Unemployment Across VA's MSAs



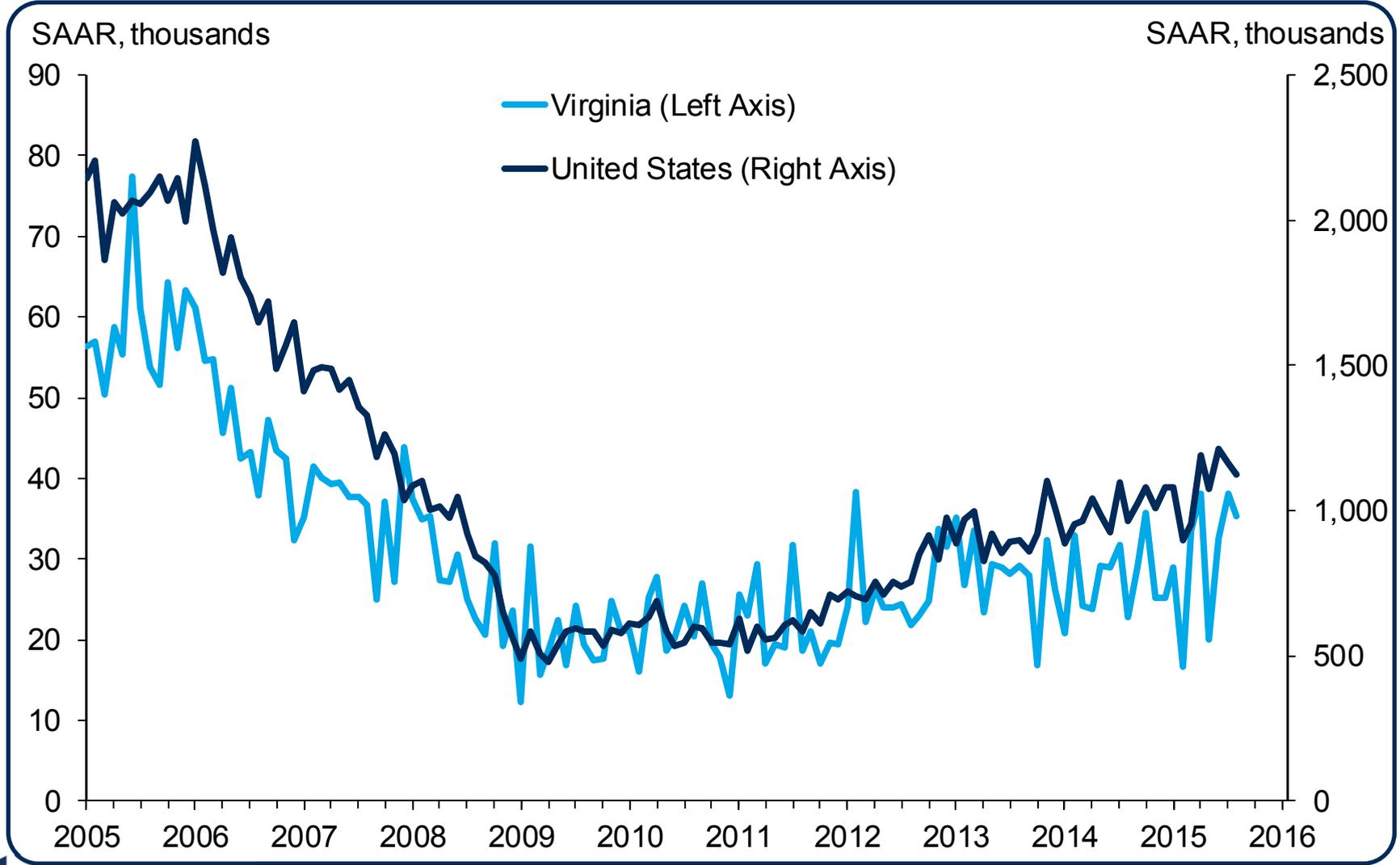
Unemployment Across VA's Counties

Unemployment Rate (July 2015)



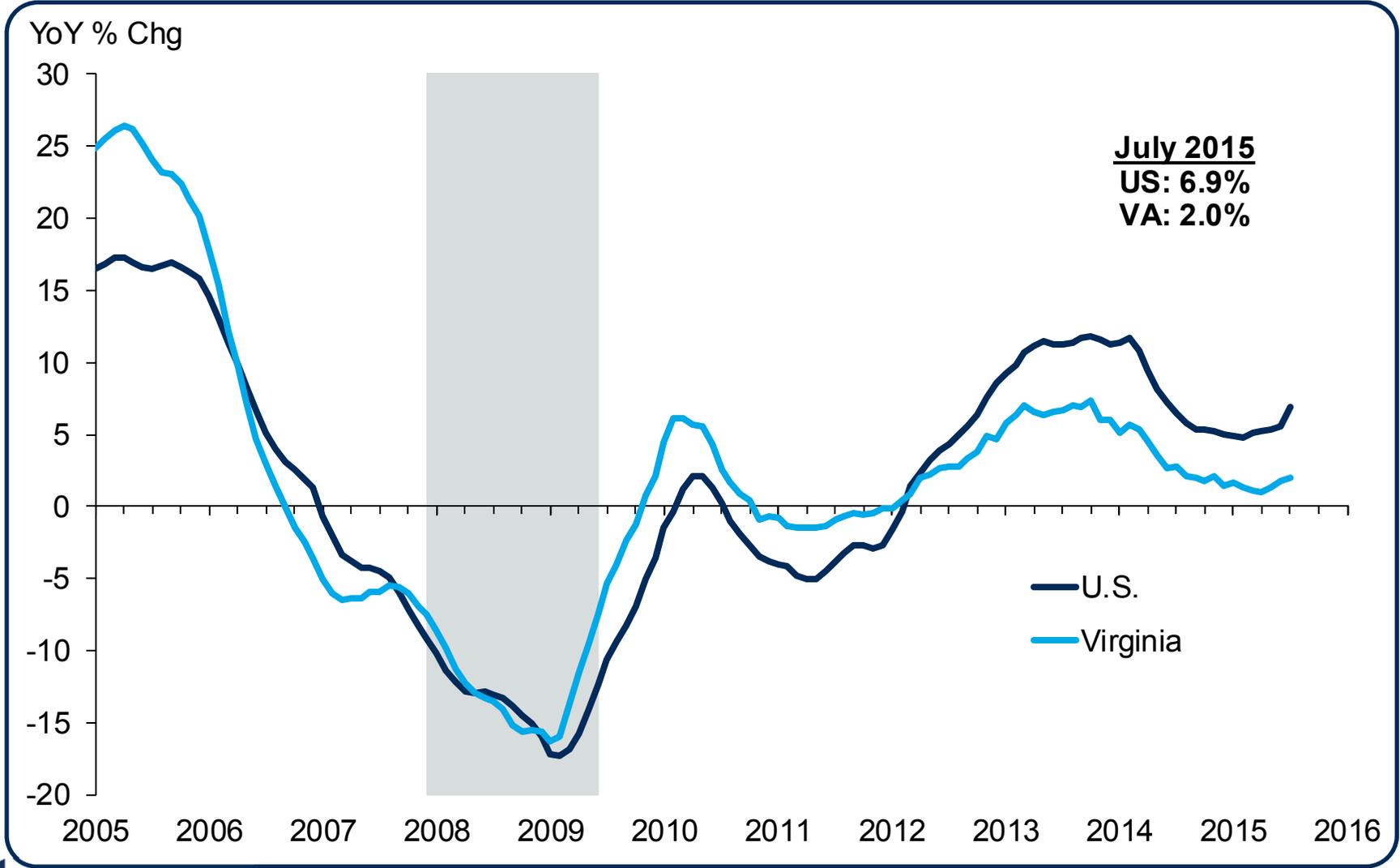
Source: Bureau of Labor Statistics/Haver Analytics

Virginia Housing Starts



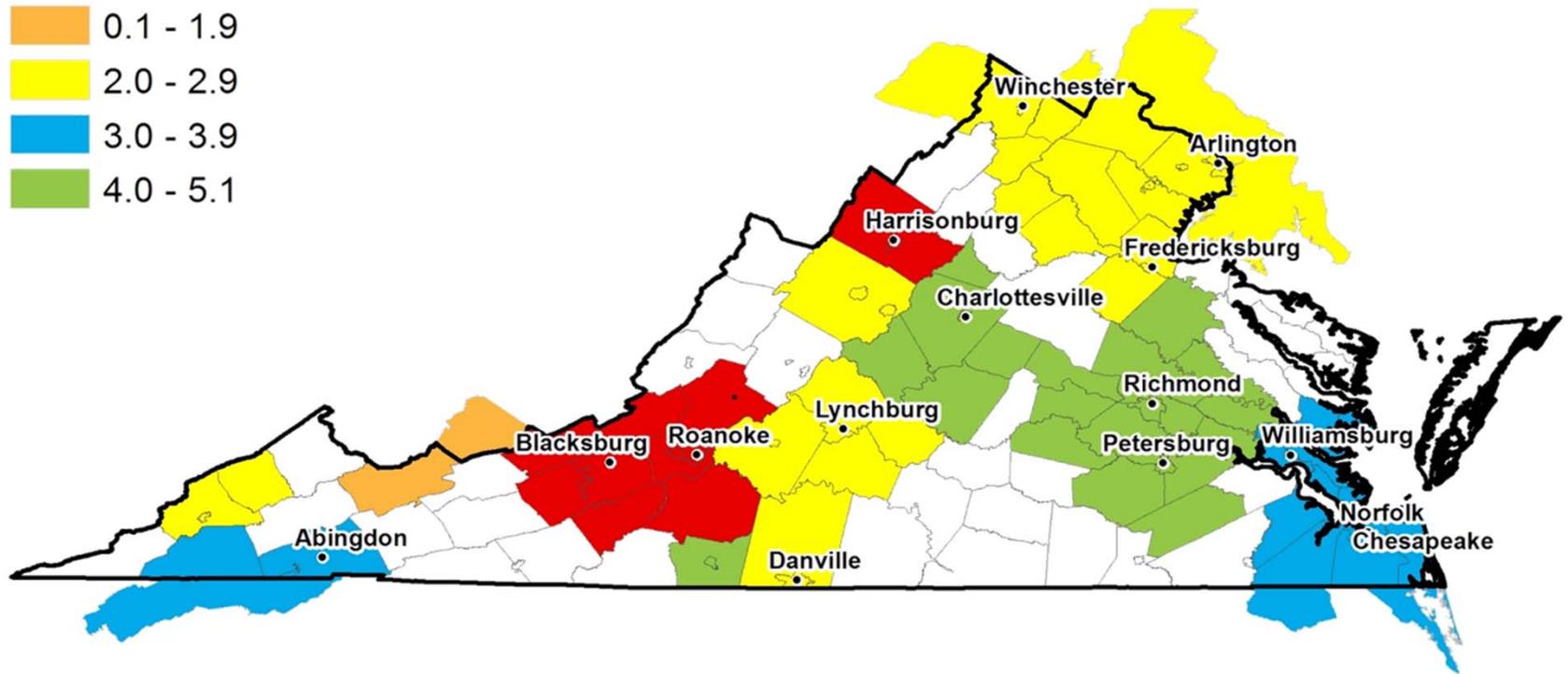
Source: Bank of Tokyo-Mitsubishi UFJ/Haver Analytics

Virginia Home Prices



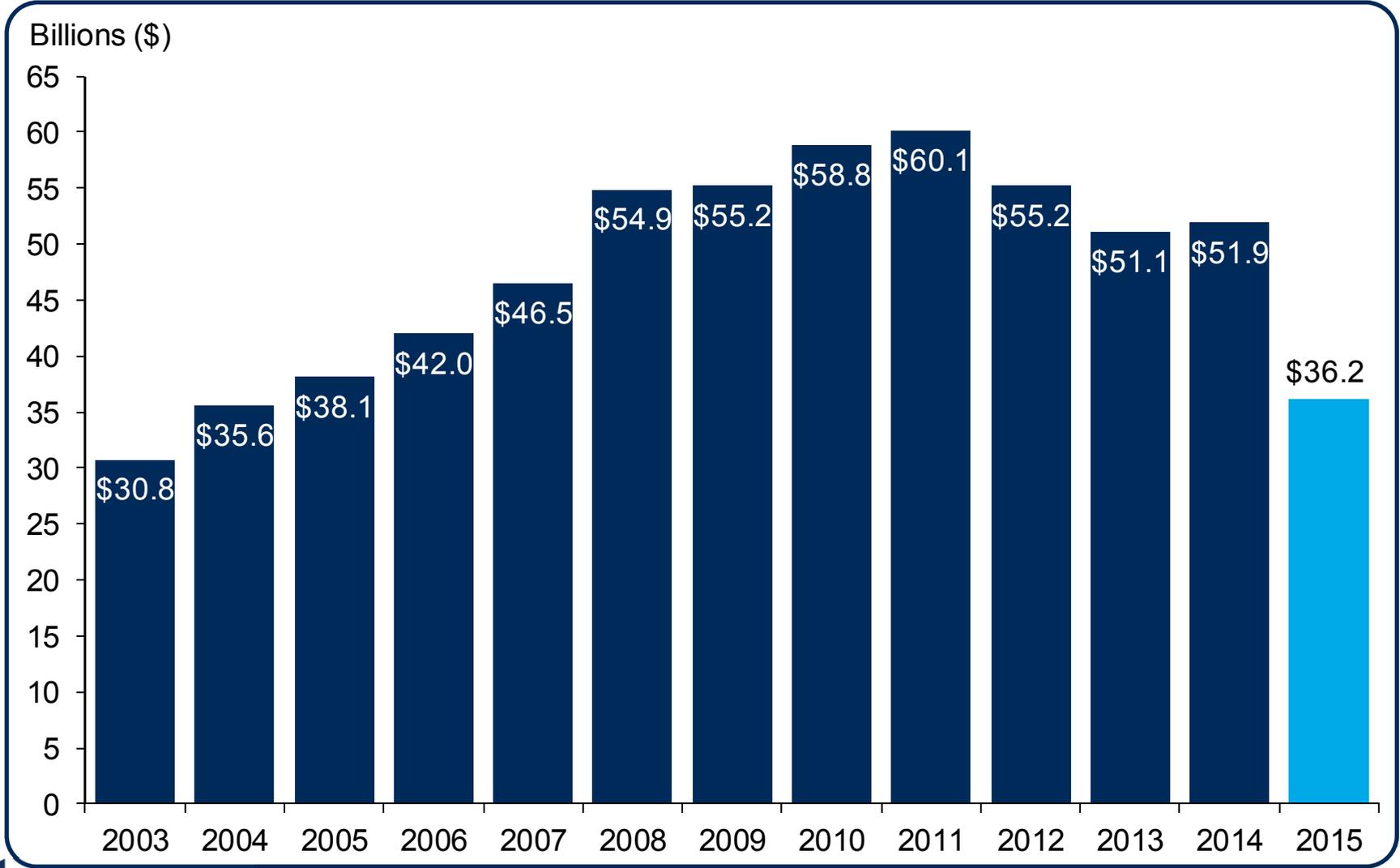
Virginia Home Prices - MSAs

House Price Growth by
Micro and Metro Area from
July 2014 - July 2015



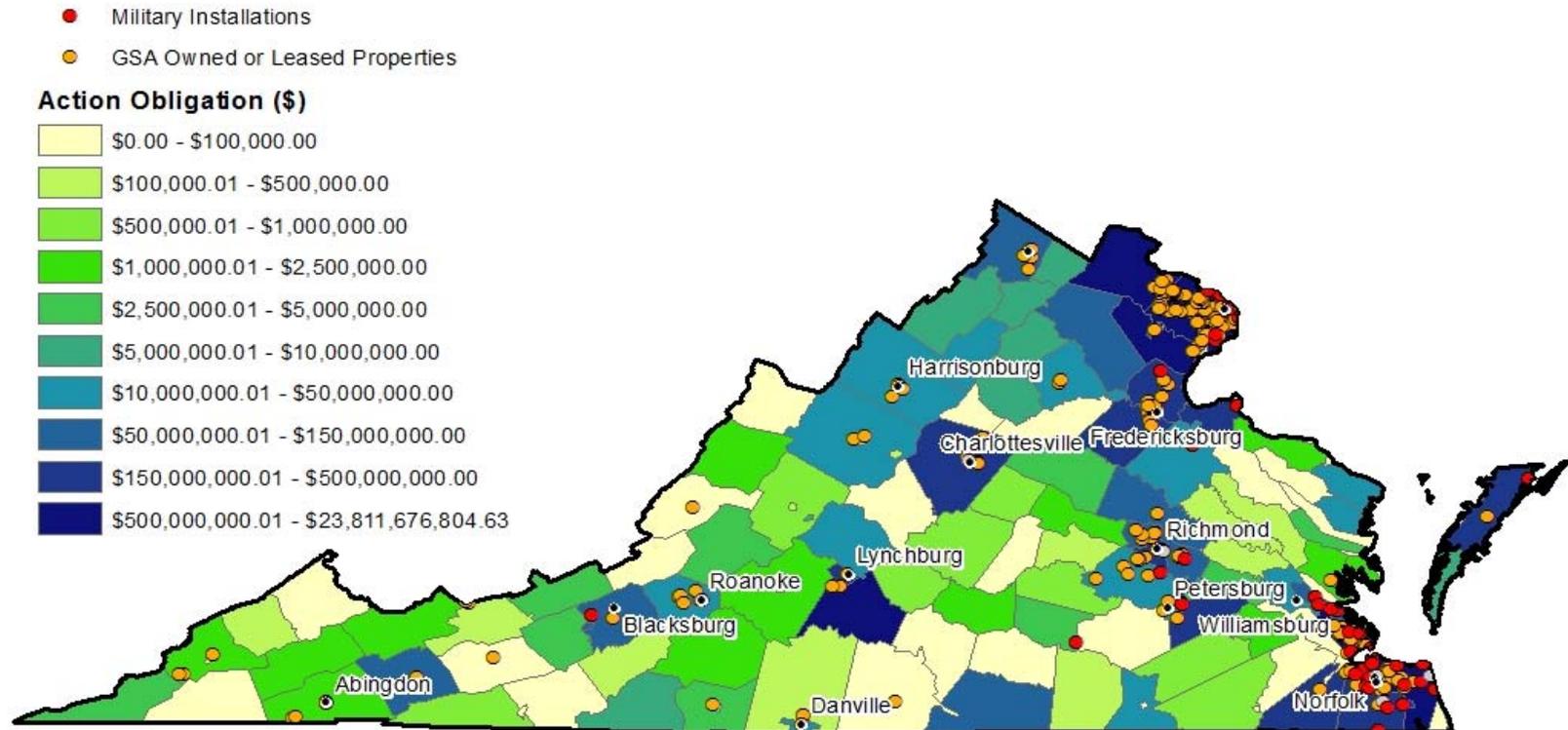
Source: CoreLogic Information Solutions, Inc.

Virginia Contract Spending (Fiscal Year)



Source: USASpending.gov

Federal Contract Spending: VA – FY 2014



Note: Military Installations include installations for Army, Marine Corps, Navy, Air Force, Coast Guard, and Defense Logistics Agency.
 Source: Federal Procurement Data System (FPDS); Department of Defense; U.S. General Services Administration.

Summary

- National economy remains on a stable growth path
- Transitory effects from energy prices and slower growth in China, along with value of dollar
- Virginia lagging the nation in employment growth
- Slower growth in VA home prices relative to the US, with regional variation
- Cutbacks in federal government contracting and continued uncertainty has negative impact



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.

