

FIFTH DISTRICT

December Summary

Economic conditions in the Fifth District were somewhat mixed in recent months as overall employment was unchanged, business conditions improved slightly, and housing market indicators were somewhat positive.

Labor Markets: Total payroll employment in the Fifth District was unchanged in October as the combined job gain from Maryland, North Carolina, and Virginia was offset by losses in the remaining District jurisdictions. Likewise, jobs added in four District industries were offset by losses in the remaining industries. The four industries to add jobs in the month were: logging, mining, and construction (2,500 jobs), professional and business services (16,100 jobs), education and health services (600 jobs), and leisure and hospitality (3,300 jobs). The largest loss in the month came from the government sector, which cut 6,800 jobs. On a year-over-year basis, total employment rose 1.7 percent as every industry except information and manufacturing reported job growth over the last twelve months. The unemployment rate in the Fifth District ticked up slightly to 4.6 percent in October as rates rose slightly or were unchanged in every jurisdiction except South Carolina, where the rate fell 0.2 percentage point to 4.7 percent.

Business Conditions: Business conditions improved slightly in November, according to our most recent surveys. The composite diffusion index of manufacturing activity rose from -4 in October to 4 in November. Two of the component indexes (new orders and number of employees) improved in the month, while the index for shipments edged slightly lower but remained positive. According to the service sector survey, the index for revenues softened in November. The revenues index for services firms fell slightly but remained positive while the same index for retail services firms turned negative at a value of -9 in November. The survey measure for employment in the overall service sector advanced from 6 to 13 as the index improved for both retail and non-retail services firms. Lastly, the survey measures of prices indicated an acceleration in growth of retail prices and a slight deceleration of non-retail services price growth as well as for manufacturing input and finished goods.

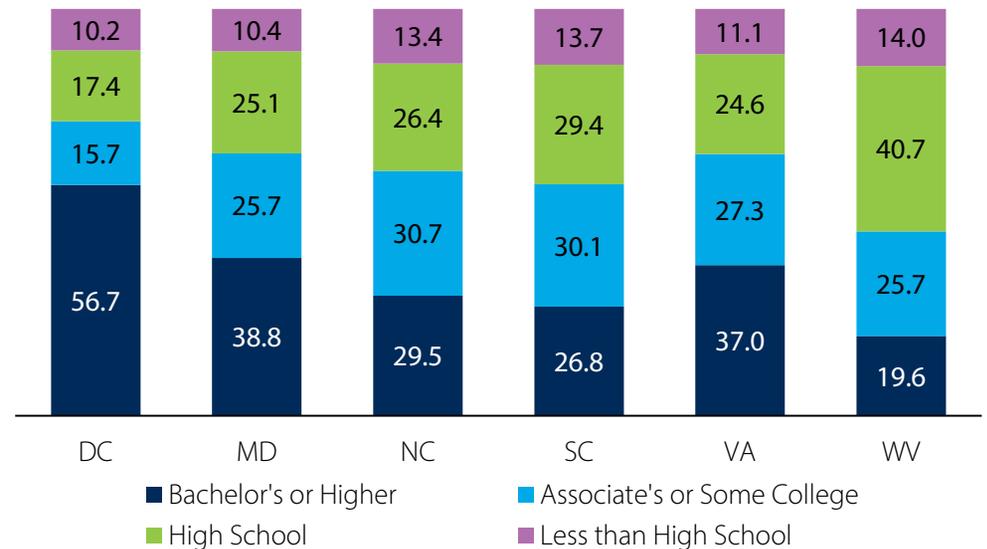
Housing Markets: Fifth District jurisdictions issued a combined 10,668 new residential permits in October, which was a 17.4 percent decrease from September and a 10.1 percent decrease from the number of permits issued in October 2015. Housing starts totaled 141,500 in October, which was an increase of 3.8 percent from the prior month and 14.8 percent from last October. According to CoreLogic Information Solutions, District home values appreciated 0.2 percent in September and 3.5 percent since September 2015.

A Closer Look at... Educational Attainment

The Census Bureau's 2015 American Community Survey enables a look at labor market measures by state and educational attainment. According to this survey, amongst Fifth District jurisdictions, for the population 25 years or older:

- Workers with a bachelor's degree or higher in Maryland had the lowest unemployment rate of any group, at 2.3 percent
- Workers with a bachelor's degree or higher in the District of Columbia had the highest labor force participation rate, at 91.8 percent.
- The District of Columbia is the only area in the Fifth District where the unemployment rate for high school graduates (15.6 percent) is higher than the unemployment rate for workers with less than a high school diploma (13.8 percent).

Educational Attainment Rates in 2015



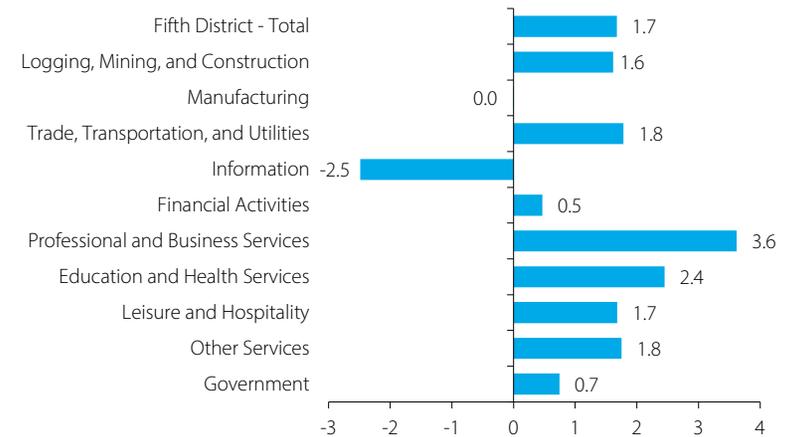
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Labor Market Conditions

Payroll Employment (SA)	Period	Level (000s)	MoM % Change	YoY % Change
United States - Total	October	144,952.0	0.11	1.65
Fifth District - Total	October	14,609.5	0.00	1.68
Logging, Mining, and Construction	October	724.0	0.35	1.61
Manufacturing	October	1,083.3	-0.19	-0.01
Trade, Transportation, and Utilities	October	2,528.0	-0.18	1.78
Information	October	231.3	-0.90	-2.49
Financial Activities	October	731.9	-0.60	0.47
Professional and Business Services	October	2,316.8	0.70	3.62
Education and Health Services	October	2,072.1	0.03	2.45
Leisure and Hospitality	October	1,535.6	0.22	1.68
Other Services	October	679.3	-0.38	1.75
Government	October	2,707.1	-0.25	0.74

Fifth District Payroll Employment Performance

Year-over-Year Percent Change through October 2016



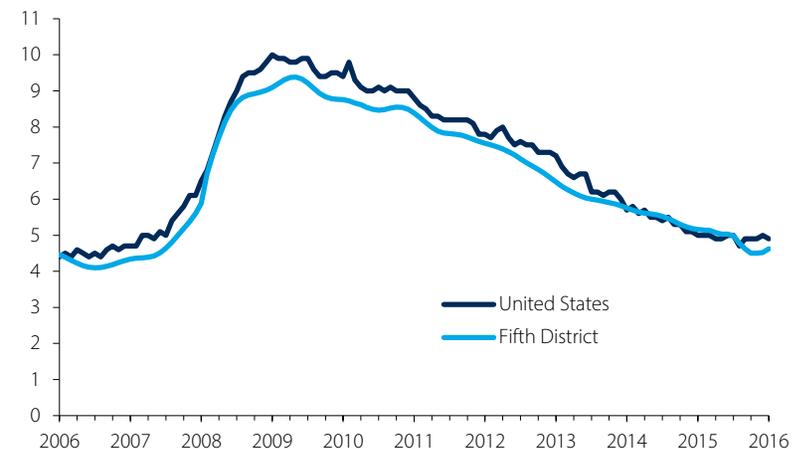
Unemployment Rate (SA)	October 16	September 16	October 15
United States	4.9	5.0	5.0
Fifth District	4.6	4.5	5.2

Civilian Labor Force (SA)	Period	Level (000s)	MoM % Change	YoY % Change
United States	October	159,712	-0.12	1.67
Fifth District	October	15,772	0.48	1.16

Initial Unemployment Claims (NSA)	Period	Level	MoM % Change	YoY % Change
United States	October	1,019,719	19.28	-4.03
Fifth District	October	71,834	31.62	-4.21

Fifth District Unemployment Rate

Through October 2016



SNAPSHOT

A MONTHLY UPDATE OF THE FIFTH DISTRICT ECONOMY

December 2016

FEDERAL RESERVE BANK OF RICHMOND

FIFTH DISTRICT

Business Conditions

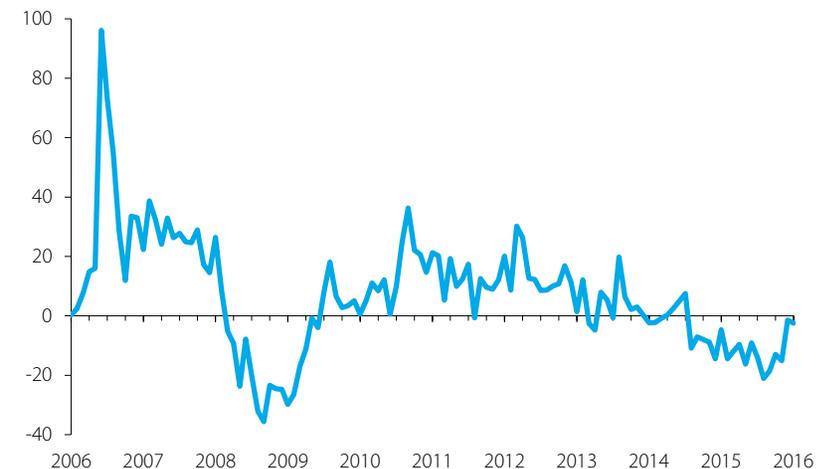
Manufacturing Survey (SA)	November 16	October 16	November 15
Composite Index	4	-4	0
Shipments	1	2	-1
New Orders	7	-12	-1
Number of Employees	5	3	2
Expected Shipments - Six Months	41	35	22
Raw Materials Prices (SAAR)	1.00	1.17	0.62
Finished Goods Prices (SAAR)	0.57	0.64	0.25
Service Sector Survey (SA)	November 16	October 16	November 15
Service Sector Employment	13	6	13
Services Firms Revenues	5	9	3
Retail Revenues	-9	1	-9
Big-Ticket Sales	13	-10	-21
Expected Retail Demand - Six Months	43	13	30
Services Firm Prices	1.12	1.15	1.32
Retail Prices	1.22	1.11	1.31

District Imports	Period	Level (\$mil)	MoM % Change	YoY % Change
Baltimore, Maryland	September	2,665.72	-10.6	-3.5
Wilmington, North Carolina	September	529.78	-22.7	-24.5
Charleston, South Carolina	September	3,996.81	-7.7	-1.2
Norfolk, Virginia	September	3,624.56	-11.6	4.2
District Exports	Period	Level (\$mil)	MoM % Change	YoY % Change
Baltimore, Maryland	September	1,027.95	-9.3	-16.7
Wilmington, North Carolina	September	486.73	-7.8	16.3
Charleston, South Carolina	September	2,845.35	6.1	8.3
Norfolk, Virginia	September	2,133.83	2.3	-2.4

Composite Manufacturing Index
3-Month Moving Average through November 2016



Norfolk Port District Exports
Year-over-Year Percent Change through September 2016



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Household Conditions

Real Personal Income (SA)	Period	Level (\$mil)	QoQ % Change	YoY % Change
United States	Q2:16	14,387,983	0.52	2.23
Fifth District	Q2:16	1,386,886	0.54	2.56

Non-Business Bankruptcies	Period	Level	QoQ % Change	YoY % Change
United States	Q3:16	193,820	-4.21	-6.17
Fifth District	Q3:16	15,702	-6.57	-4.91

Real Estate Conditions

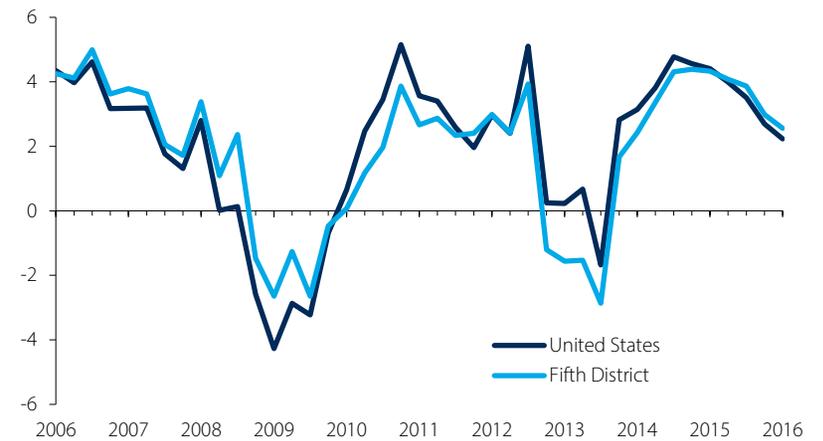
Total Private Building Permits (NSA)	Period	Level	MoM % Change	YoY % Change
United States	October	100,702	-6.52	2.53
Fifth District	October	10,668	-17.36	-10.09

Total Private Housing Starts (SAAR)	Period	Level (000s)	MoM % Change	YoY % Change
United States	October	1,323	25.52	23.30
Fifth District	October	141.5	3.82	14.76

House Price Index (2000=100)	Period	Level	MoM % Change	YoY % Change
United States	September	184	1.08	6.34
Fifth District	September	187	0.24	3.50

Fifth District Real Personal Income

Year-over-Year Percent Change through Q2:16



Fifth District Building Permits

Year-over-Year Percent Change through October 2016

