

FIFTH DISTRICT

January Summary

Recent reports on the Fifth District economy were mostly positive. Payroll employment rose and housing market indicators were generally upbeat; however, business conditions were mixed.

Labor Markets: Total employment in the Fifth District increased in November as employers added 19,500 (0.1 percent) net new jobs. Maryland reported the strongest job growth in the month (0.3 percent or 7,900 jobs) followed by Virginia (0.2 percent or 6,600 jobs). By industry sector, the Fifth District's largest job gains occurred in trade, transportation, and utilities (5,900 jobs), education and health services (5,200 jobs), and in the government sector (3,500 jobs). The only two industries to report job cuts in the month were "other" services (2,100 jobs or 0.3 percent) and mining, logging, and construction (2,000 jobs or 0.3 percent). On a year-over-year basis, total employment in the Fifth District grew 1.7 percent as every sector except government added jobs since last November. The unemployment rate in the Fifth District edged down 0.1 percentage point to 3.5 percent in November. Jobless rates declined in Maryland and Virginia, while rates were unchanged in the District of Columbia, North Carolina, South Carolina, and West Virginia.

Business Conditions: According to our monthly survey, the composite diffusion index of manufacturing activity weakened in December, as the index fell from 14 in November to -8 in December. The underlying component indexes for shipments and new orders also turned negative in December. Meanwhile, the index for employment edged up three points to 14. According to our service sector survey, the revenues index rose from 5 in November to 10 in December. The index for employment fell from 6 in November to 3 in December and the wages index edged down four points to 34. Lastly, the surveys' measures of prices indicated a slight deceleration of price growth for manufacturing inputs while price growth for finished goods accelerated slightly. Meanwhile, in the services sector, price growth for prices paid and prices received decelerated slightly in December.

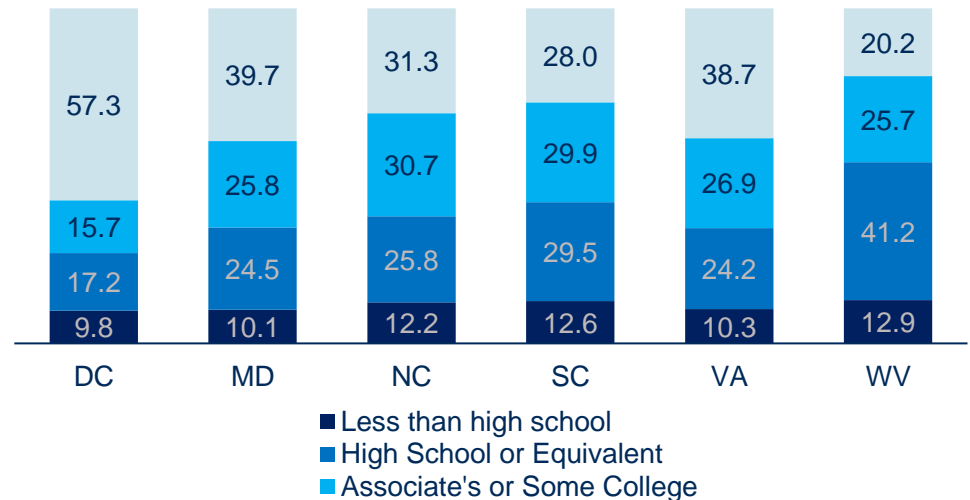
Housing Markets: Fifth District jurisdictions issued a combined 12,808 new residential permits in October, which was a 5.1 percent increase from the prior month but a 10.3 percent decrease from a year earlier. Housing starts totaled 139,600 in October, which was an increase of 1.2 percent from the prior month but a 15.0 percent decrease from last October. According to the most recent data available from CoreLogic Information Solutions, Fifth District home values appreciated 0.1 percent in October and were up 3.9 percent since October 2017.

A Closer Look at...Educational Attainment

The Census Bureau's 2017 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 West Virginia had the lowest unemployment rate of any group, at 2.0 percent.
- Workers with a bachelor's degree or higher in the District of Columbia had the highest labor force participation rate, at 93.1 percent.
- The District of Columbia is the only area in the Fifth District where the unemployment rate for high school graduates (13.9 percent) is higher than the unemployment rate for workers with less than a high school diploma (12.1 percent).

Educational Attainment Rates in 2017



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Labor Market Conditions

Payroll Employment (SA)	Period	Level (000s)	MoM % Change	YoY % Change
United States - Total	November	149,893.0	0.10	1.66
Fifth District - Total	November	15,018.7	0.13	1.71
Logging, Mining, and Construction	November	772.6	-0.26	1.83
Manufacturing	November	1,120.2	0.09	1.86
Trade, Transportation, and Utilities	November	2,578.7	0.23	2.15
Information	November	240.4	0.21	1.35
Financial Activities	November	753.4	0.23	1.06
Professional and Business Services	November	2,385.7	0.10	2.90
Education and Health Services	November	2,164.6	0.24	2.20
Leisure and Hospitality	November	1,619.8	0.21	2.74
Other Services	November	679.4	-0.31	0.68
Government	November	2,704.0	0.13	-0.35

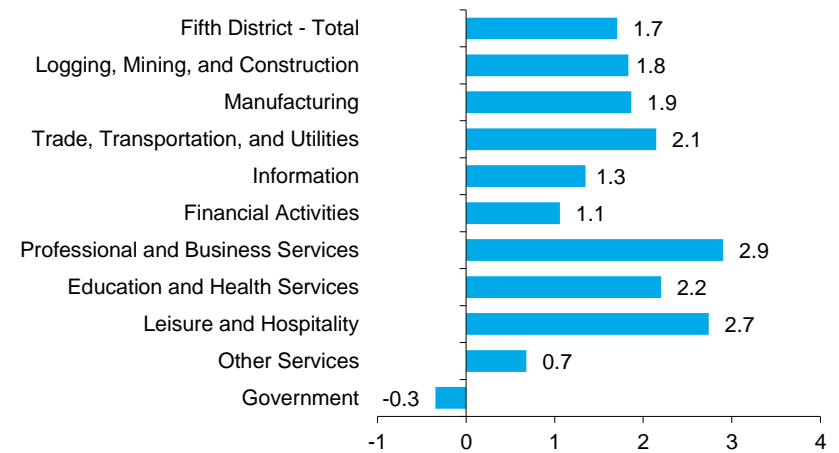
Unemployment Rate (SA)	November 18	October 18	November 17
United States	3.7	3.7	4.1
Fifth District	3.5	3.6	4.2

Civilian Labor Force (SA)	Period	Level (000s)	MoM % Change	YoY % Change
United States	November	162,770	0.08	1.39
Fifth District	November	16,070	0.02	0.37

Initial Unemployment Claims (NSA)	Period	Level	MoM % Change	YoY % Change
United States	November	1,052,238	16.94	-5.86
Fifth District	November	59,346	-14.93	5.65

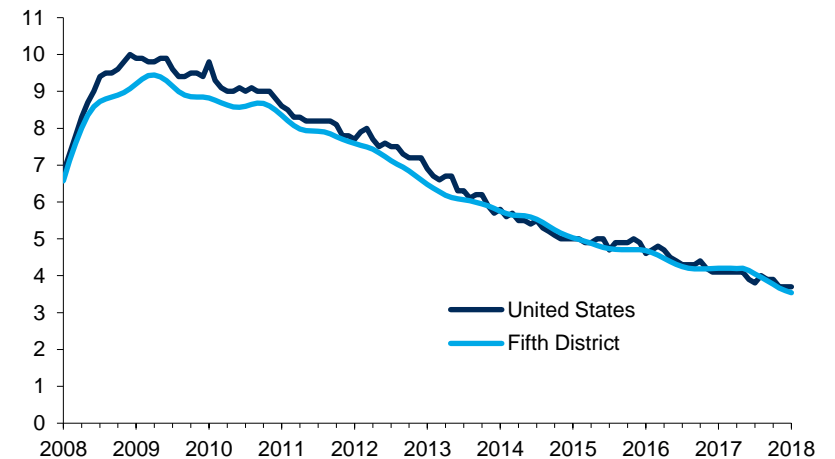
Fifth District Payroll Employment Performance

Year-over-Year Percent Change in November 2018



Fifth District Unemployment Rate

Through November 2018



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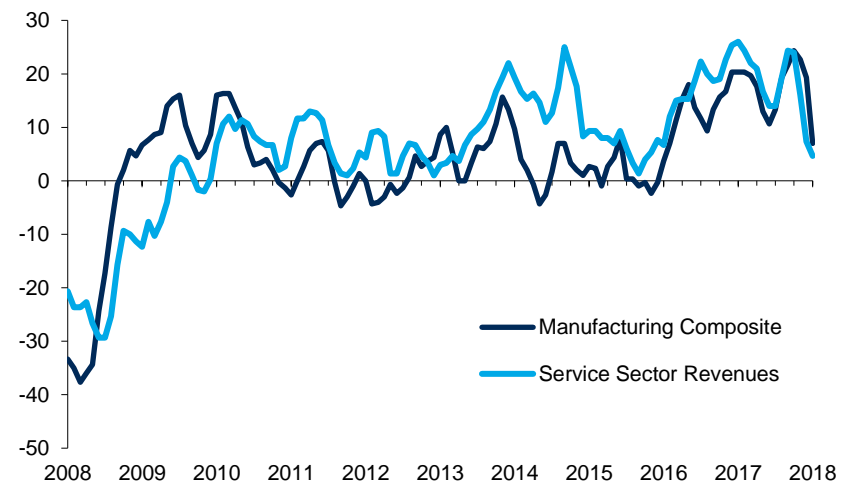
Business Conditions

Manufacturing Survey (SA)	December 18	November 18	December 17
Composite Index	-8	14	19
Shipments	-25	12	22
New Orders	-9	17	17
Number of Employees	14	11	18
Expected Shipments - Six Months	19	30	43
Prices Paid (Annual Percent Change)	4.36	4.70	1.93
Prices Received (Annual Percent Change)	2.26	2.13	1.44

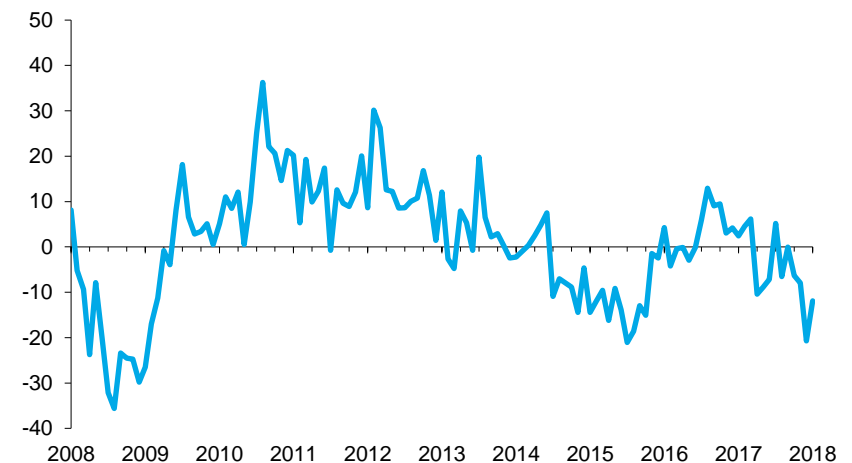
Service Sector Survey (SA)	December 18	November 18	December 17
Revenues	10	5	22
Demand	20	13	28
Number of Employees	3	6	12
Expected Demand - Six Months	29	19	38
Prices Paid (Annual Percent Change)	3.03	3.38	1.89
Prices Received (Annual Percent Change)	2.51	2.68	1.51

District Imports	Period	Level (\$mil)	MoM % Change	YoY % Change
Baltimore, Maryland	October	3,516.40	7.3	-3.0
Wilmington, North Carolina	October	675.55	7.7	3.0
Charleston, South Carolina	October	4,861.35	17.8	14.5
Norfolk, Virginia	October	4,592.34	13.0	7.5
District Exports	Period	Level (\$mil)	MoM % Change	YoY % Change
Baltimore, Maryland	October	1,444.17	3.7	-2.5
Wilmington, North Carolina	October	774.63	115.3	-4.1
Charleston, South Carolina	October	3,592.10	49.1	21.3
Norfolk, Virginia	October	2,062.26	17.1	-11.9

Fifth District Business Activity
Diffusion Index, Seasonally Adjusted 3-MMA through December 2018



Norfolk Port District Exports
Year-over-Year Percent Change through October 2018



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Household Conditions

Real Personal Income (SA)	Period	Level (\$mil)	QoQ % Change	YoY % Change
United States	Q3:18	16,250,632	0.60	2.18
Fifth District	Q3:18	1,562,147	0.53	1.74

Non-Business Bankruptcies	Period	Level	QoQ % Change	YoY % Change
United States	Q3:18	187,490	-6.33	-1.08
Fifth District	Q3:18	15,279	-8.8	-0.9

Real Estate Conditions

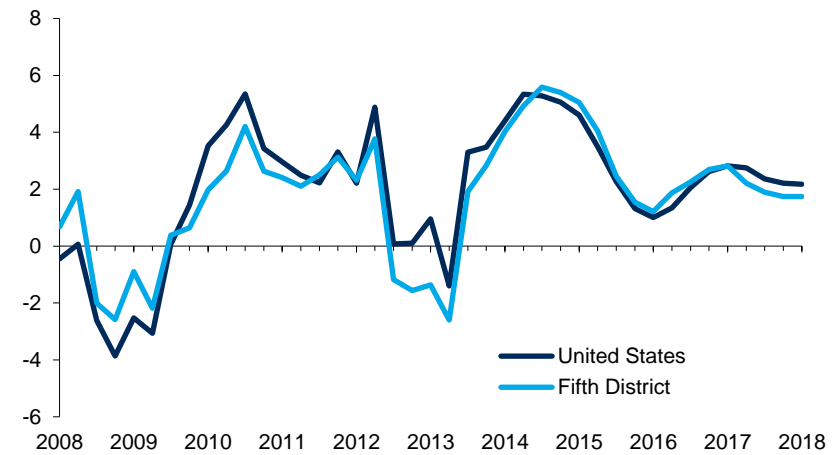
Permits: New Private Housing Units (NSA)	Period	Level	MoM % Change	YoY % Change
United States	October	112,566	13.3	-1.3
Fifth District	October	12,808	5.1	-10.3

Total Private Housing Starts (SAAR)	Period	Level (000s)	MoM % Change	YoY % Change
United States	October	1,217	-1.6	-3.8
Fifth District	October	139.6	1.2	-14.6

House Price Index (2000=100)	Period	Level	MoM % Change	YoY % Change
United States	October	205	0.5	5.4
Fifth District	October	203	0.1	3.9

Note: November 2018 data was not released for the following data series: Permits, New Private Housing Units (NSA) and Total Private Housing Starts (SAAR)

Fifth District Real Personal Income
Year-over-Year Percent Change through Q3:18



Fifth District New Housing Units
Year-over-Year Percent Change through October 2018

