



US and Virginia Economic Outlook

Central VA Employee Benefits Council
December 3, 2014



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Regional Research and Economic Education



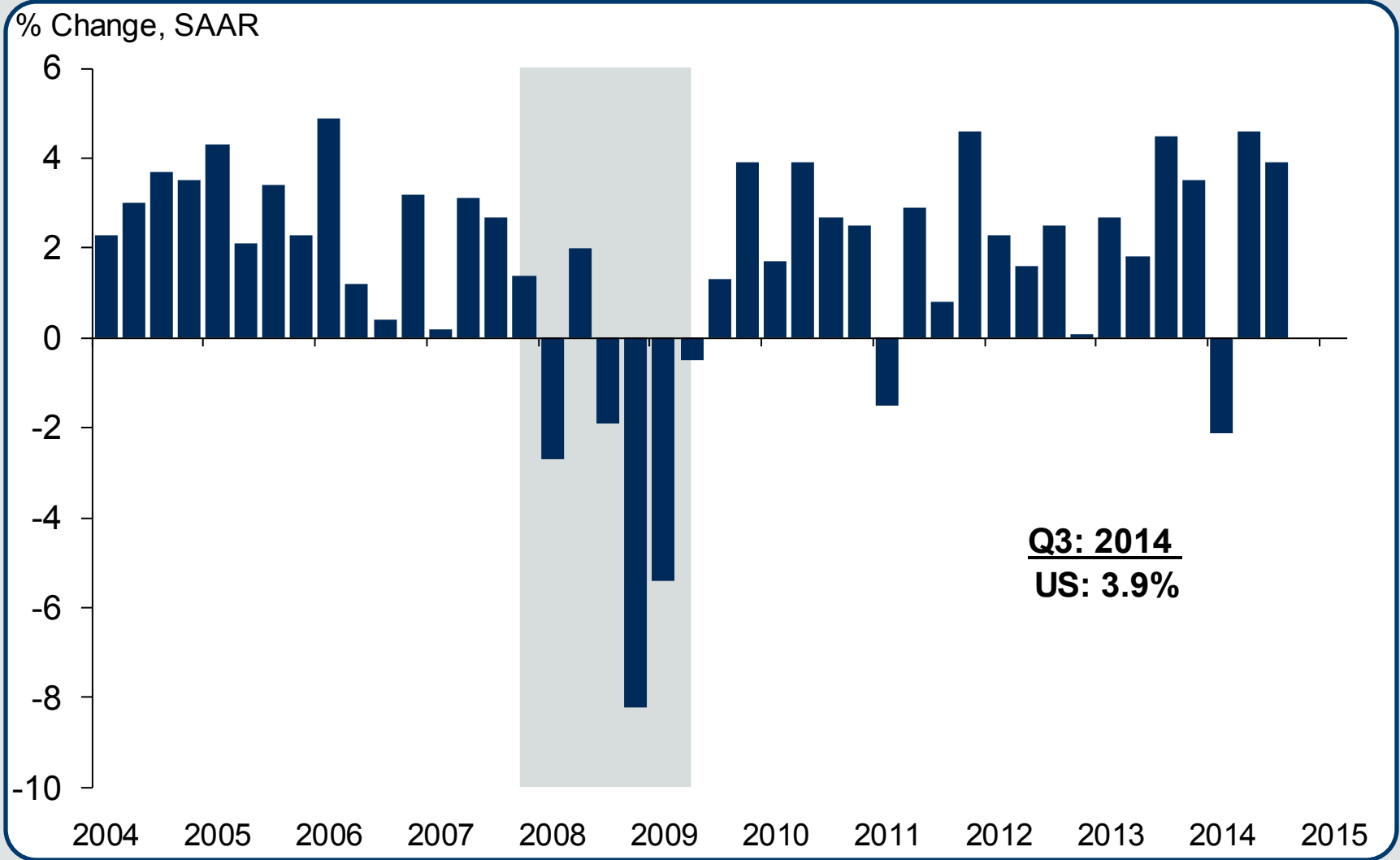
The views and opinions expressed herein are those of the author. They do not represent an official position of the Federal Reserve Bank of Richmond or the Federal Reserve System.

Overview

- National Economic Trends
 - Gross Domestic Output
 - Labor Markets
 - Consumer Spending
 - Projections for 2015 and beyond
- Regional Economic Overview
 - Business Activity – Manufacturing and Services
 - Labor Market Indicators
 - Industry Trends
 - Metro Area Growth
 - Federal Government Contracting

National Economic Trends

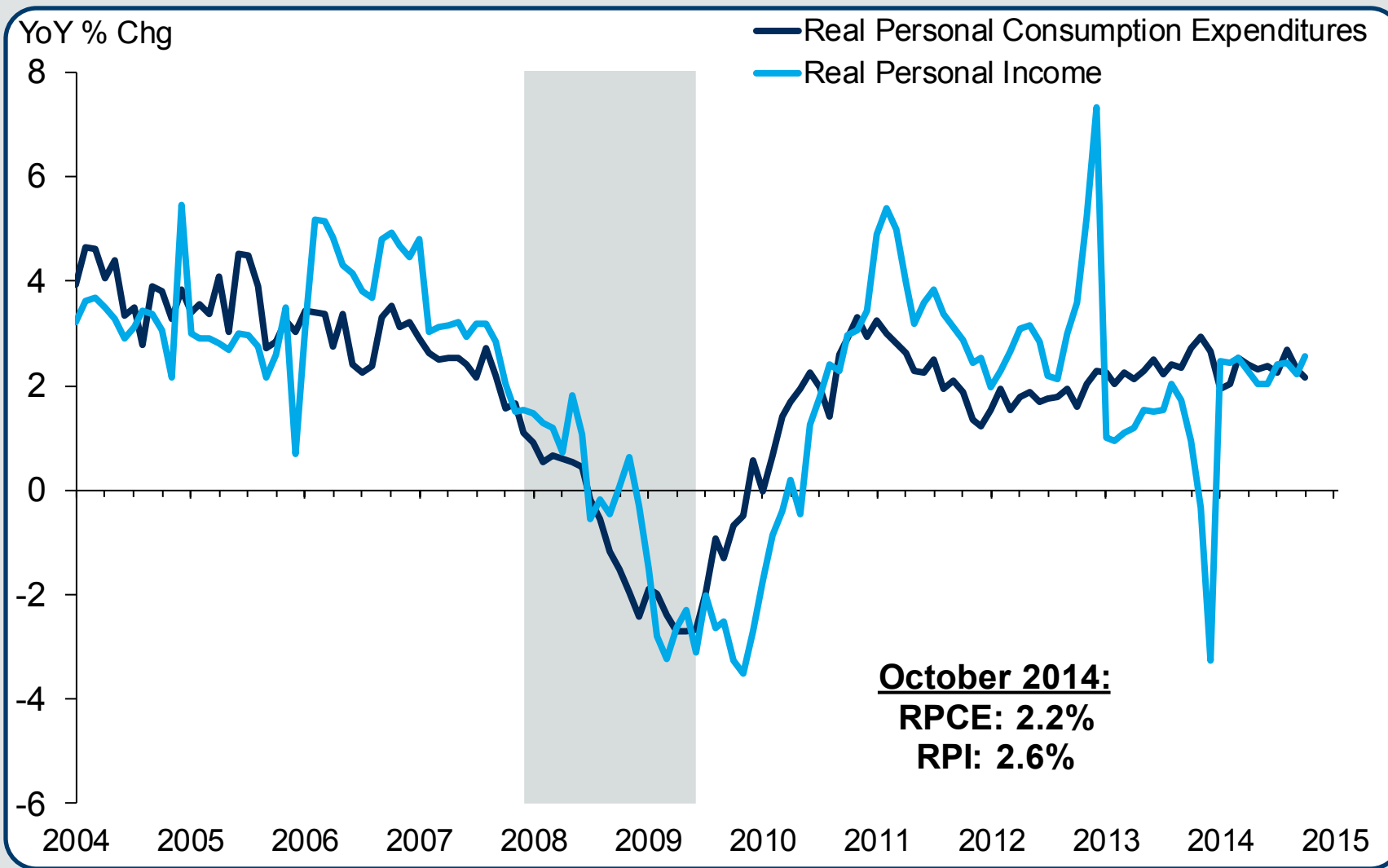
Real Gross Domestic Product



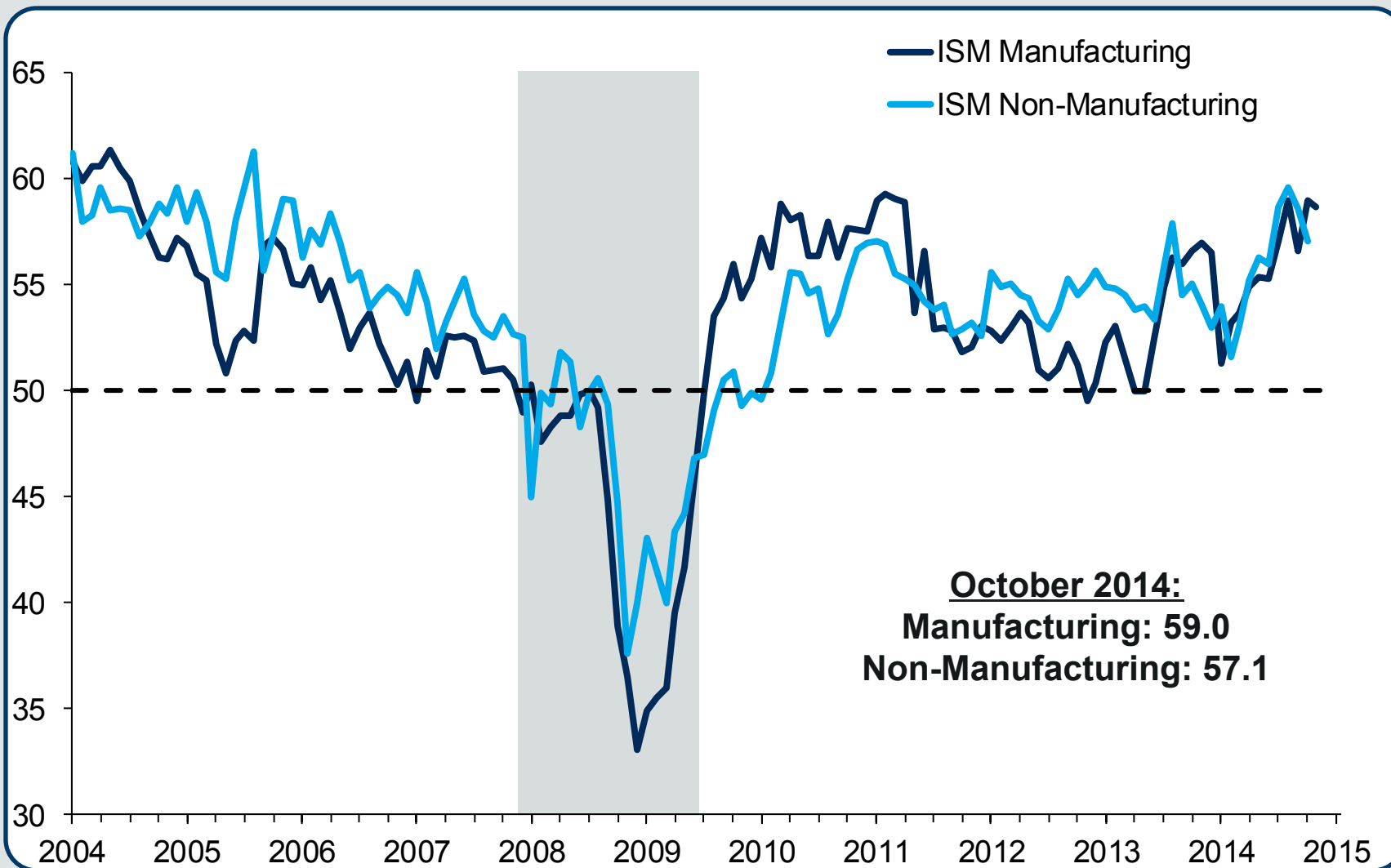
Real Gross Domestic Product

	2013		2014		
	Q3	Q4	Q1	Q2	Q3
CHANGE FROM PREVIOUS QUARTER AT COMPOUND ANNUAL RATE [PERCENT]:					
Gross Domestic Product	4.5	3.5	-2.1	4.6	3.9
Personal Consumption Expenditures	2.0	3.7	1.2	2.5	2.2
Nonresidential Fixed Investment	5.5	10.4	1.6	9.7	7.1
Structures	11.2	12.8	2.9	12.6	1.1
Equipment	4.7	14.1	-1.0	11.2	10.7
Intellectual Property Products	2.8	3.6	4.6	5.5	6.4
Residential Fixed Investment	11.2	-8.5	-5.3	8.8	2.7
Exports of Goods & Services	5.1	10.0	-9.2	11.1	4.9
Imports of Goods & Services	0.6	1.3	2.2	11.3	-0.7
Government Consumption Expenditures & Gross Investment	0.2	-3.8	-0.8	1.7	4.2
Final Sales to Domestic Purchasers	2.3	2.7	0.7	3.4	3.2
LEVEL IN QUARTER AT SEASONALLY ADJUSTED ANNUAL RATE [Billions of Chained (2005) Dollars]:					
Change in Private Inventories	95.6	81.8	35.2	84.8	79.1
Net Exports of Goods & Services	-425	-384	-447	-460	-431

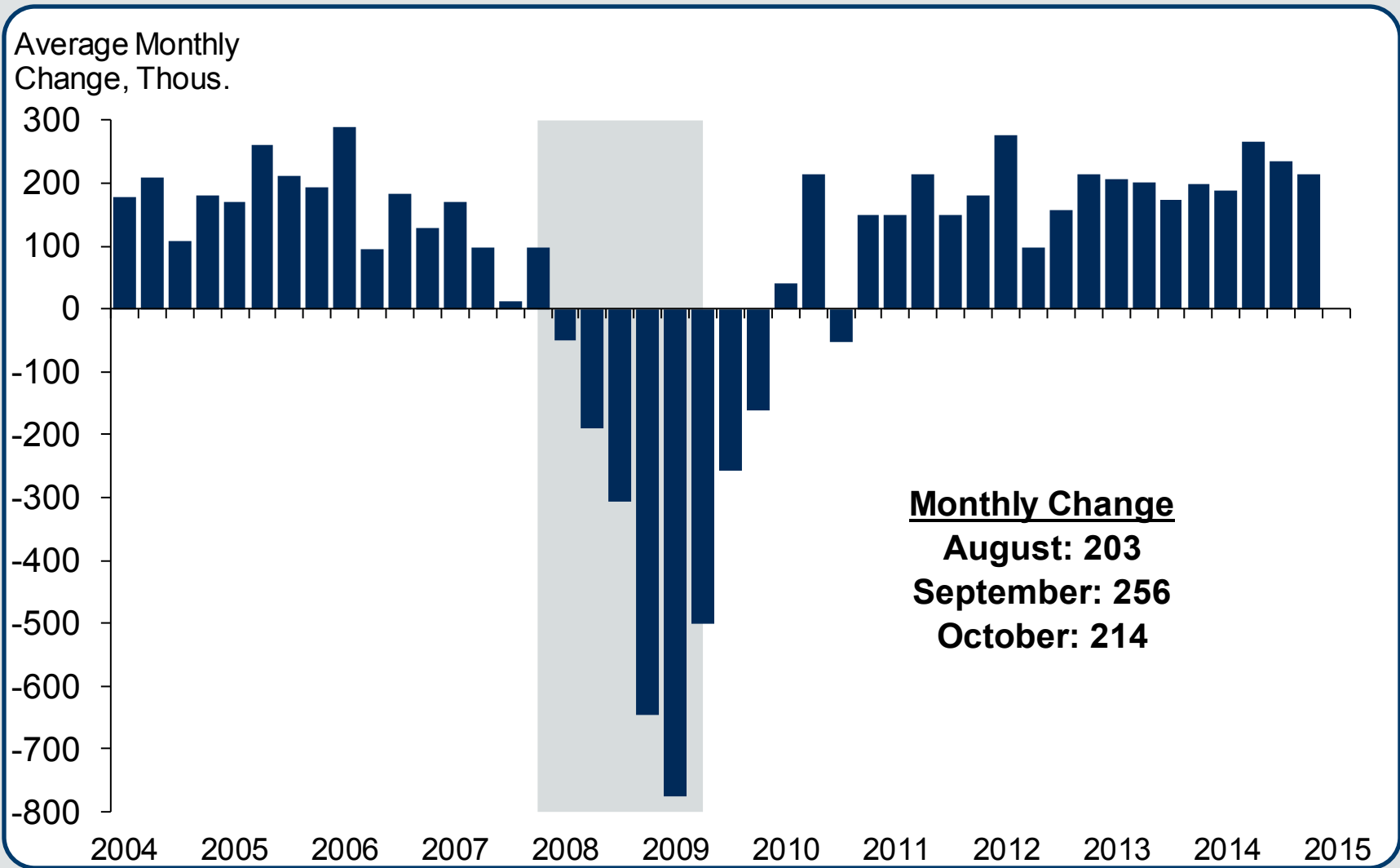
Personal Income & Expenditures



ISM Manufacturing and Non-Manufacturing Index

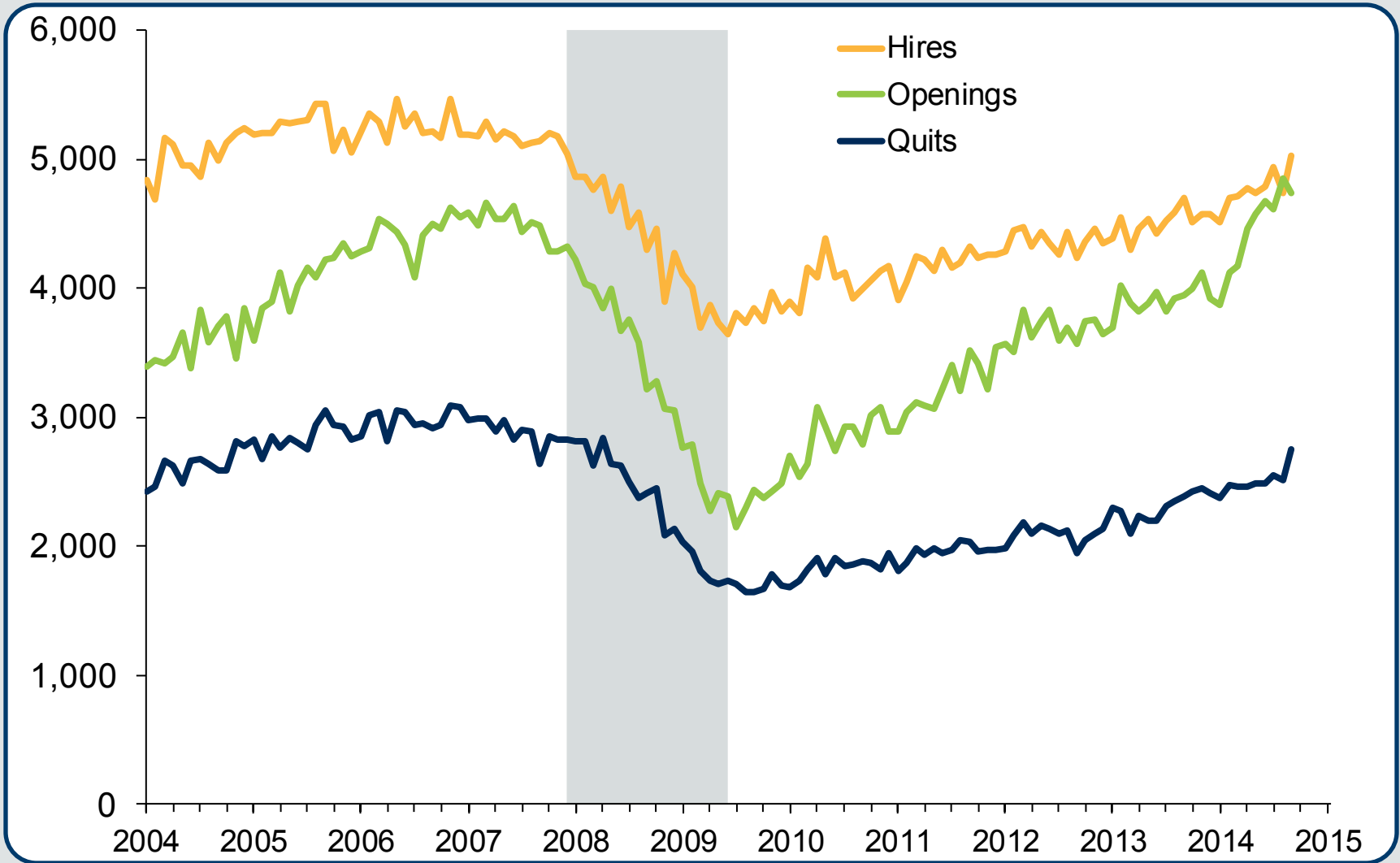


Employment Growth



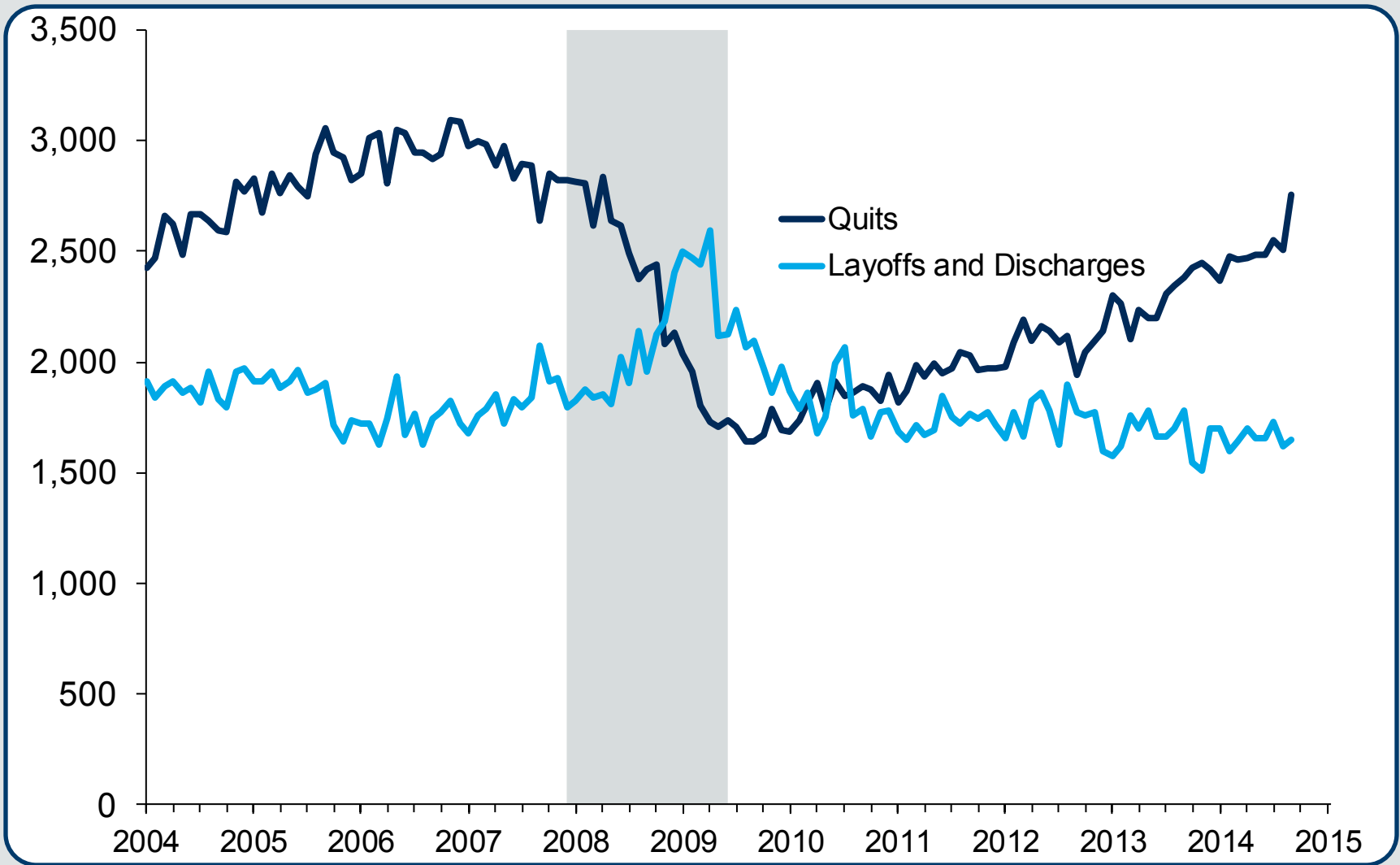
Hires, Openings, and Quits

Through September 2014, Seasonally Adjusted, Thousands

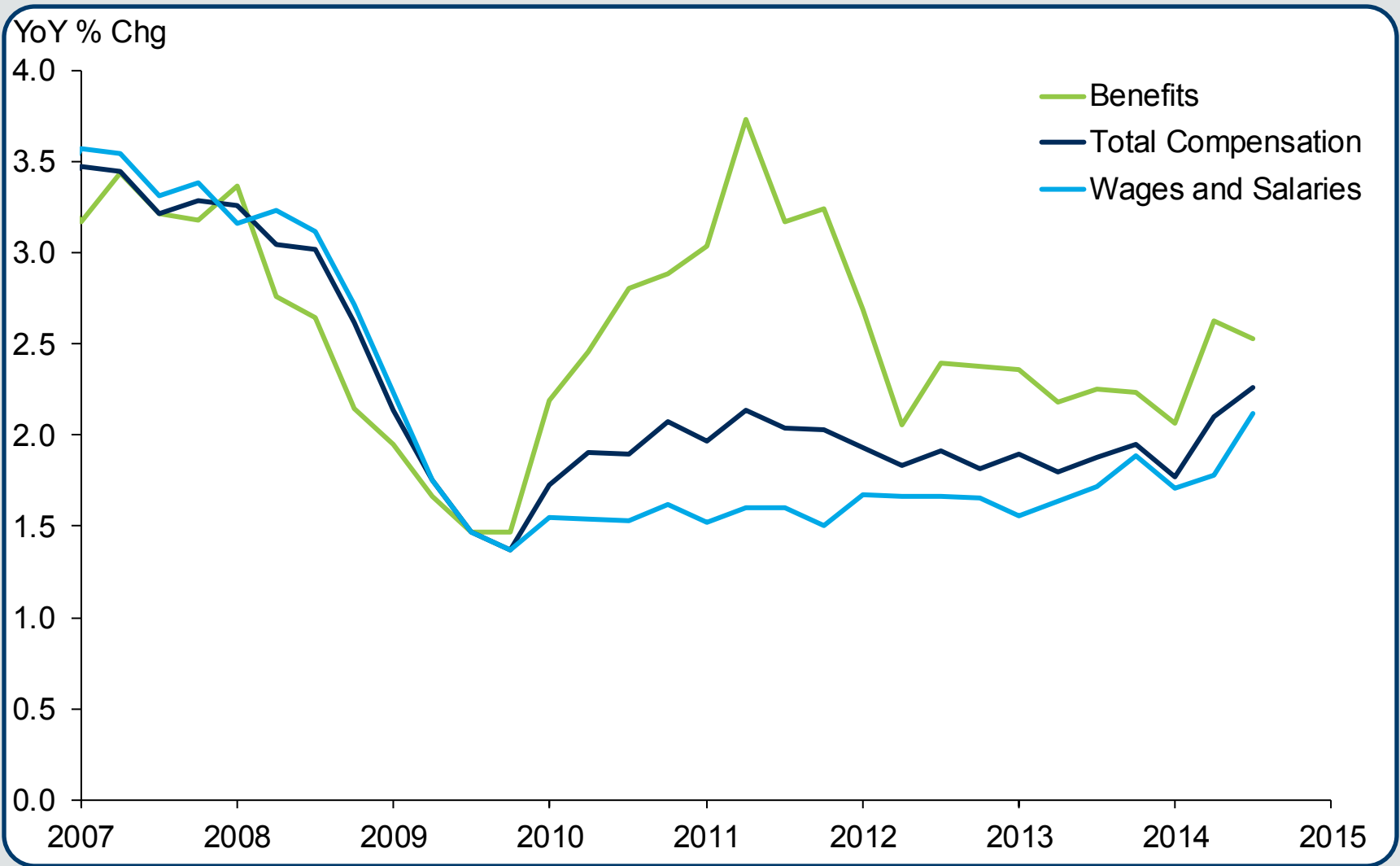


Quits and Layoffs and Discharges

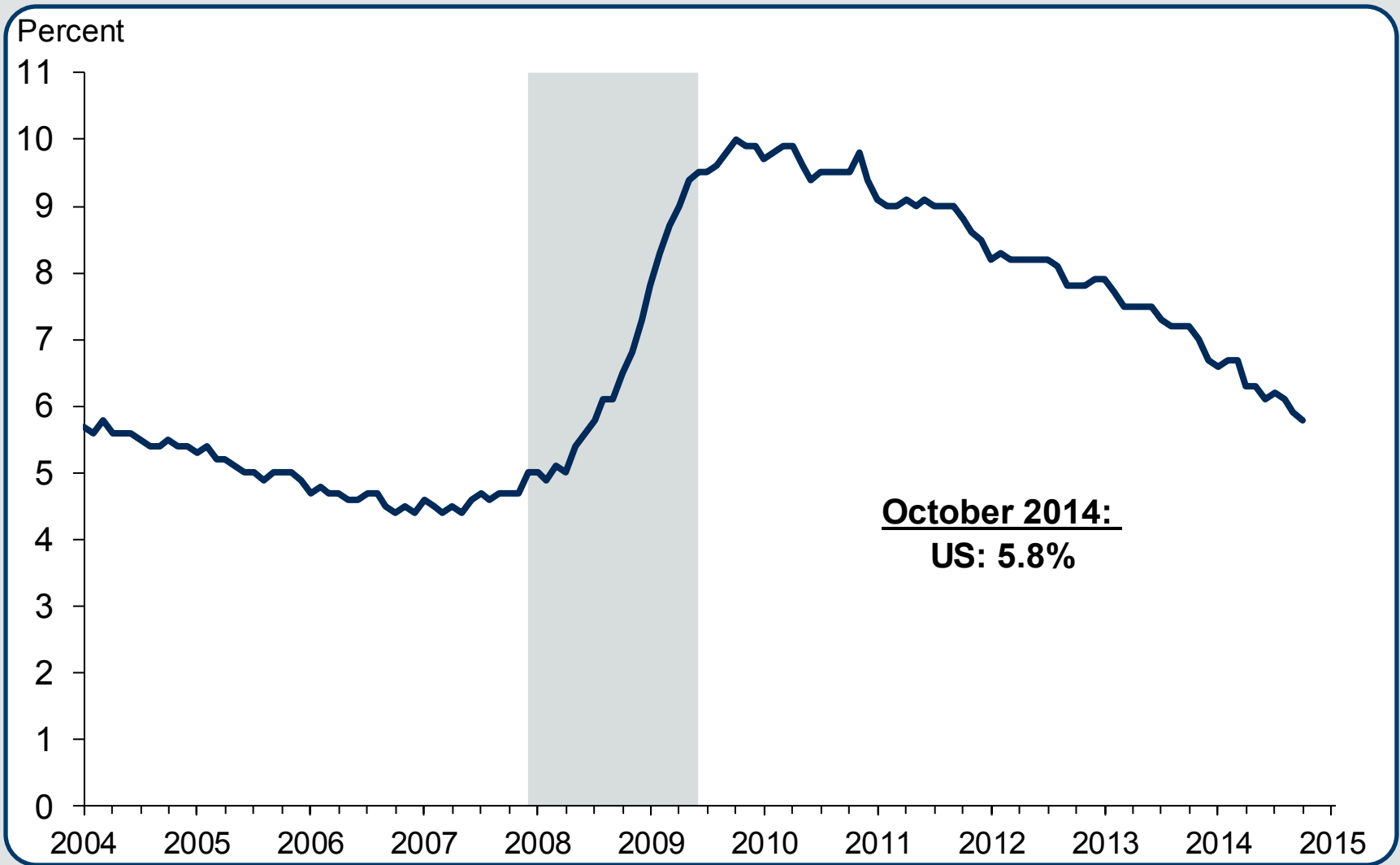
Through September 2014, Seasonally Adjusted, Thousands



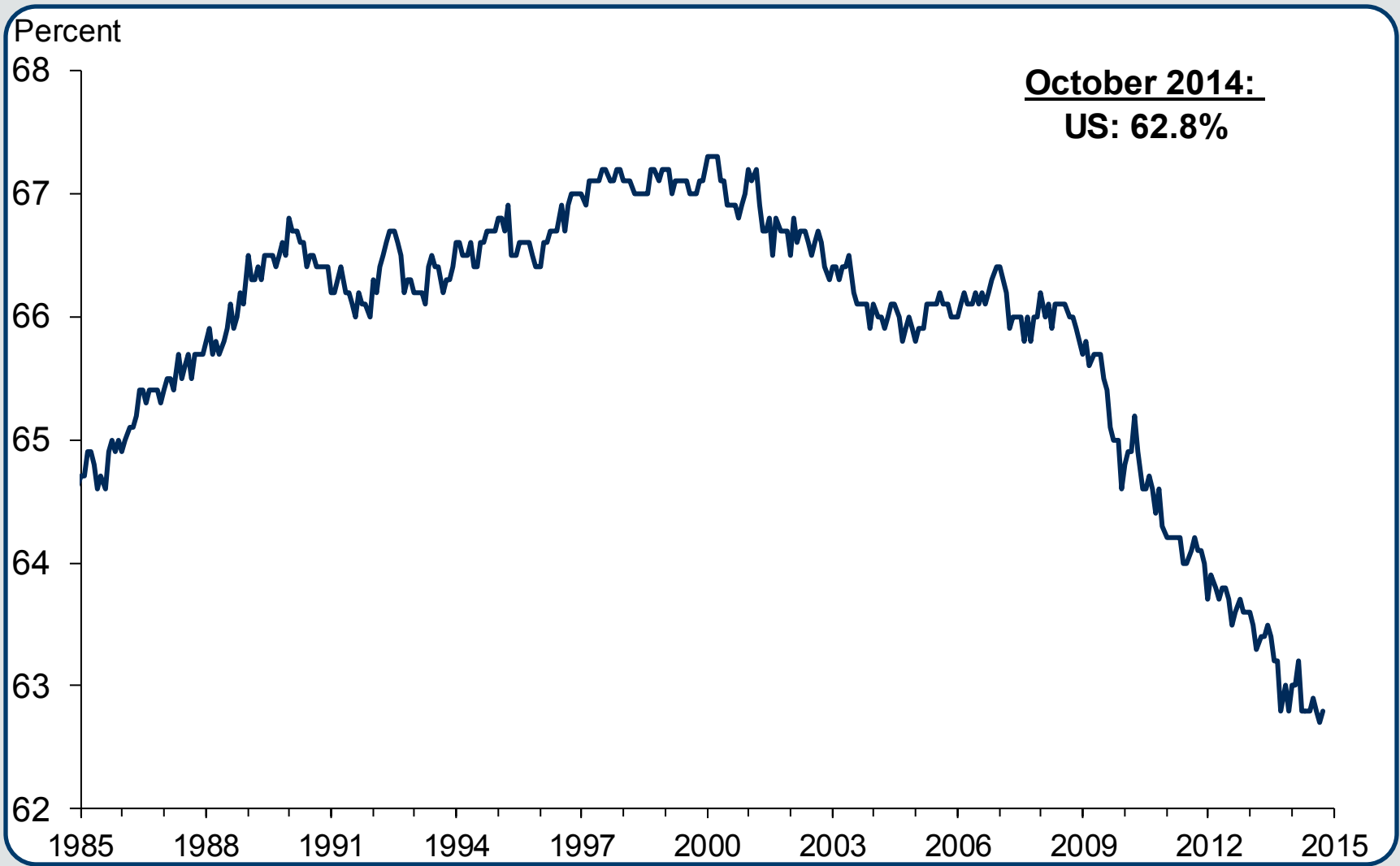
Employment Costs



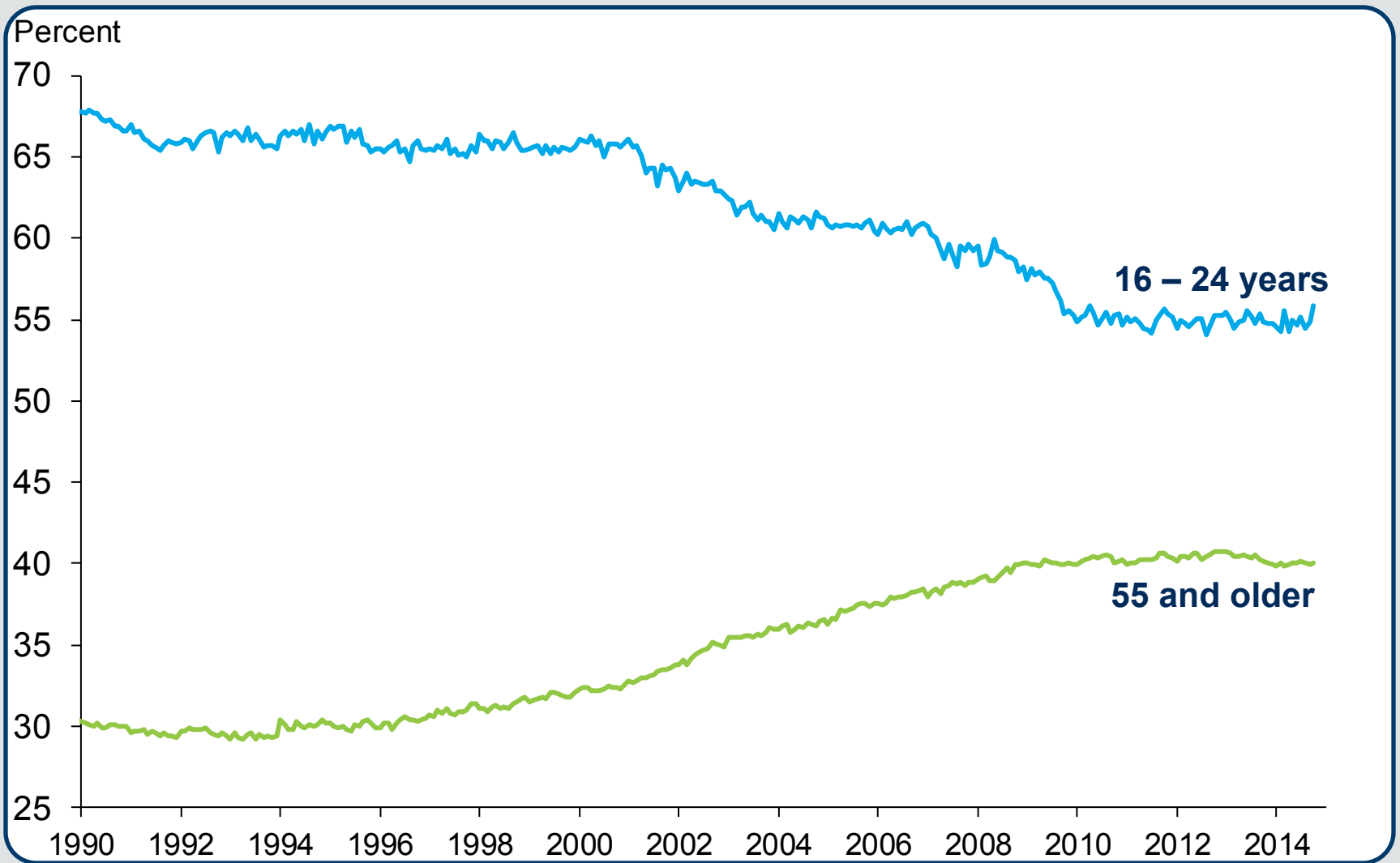
Civilian Unemployment Rate



Labor Force Participation Rate

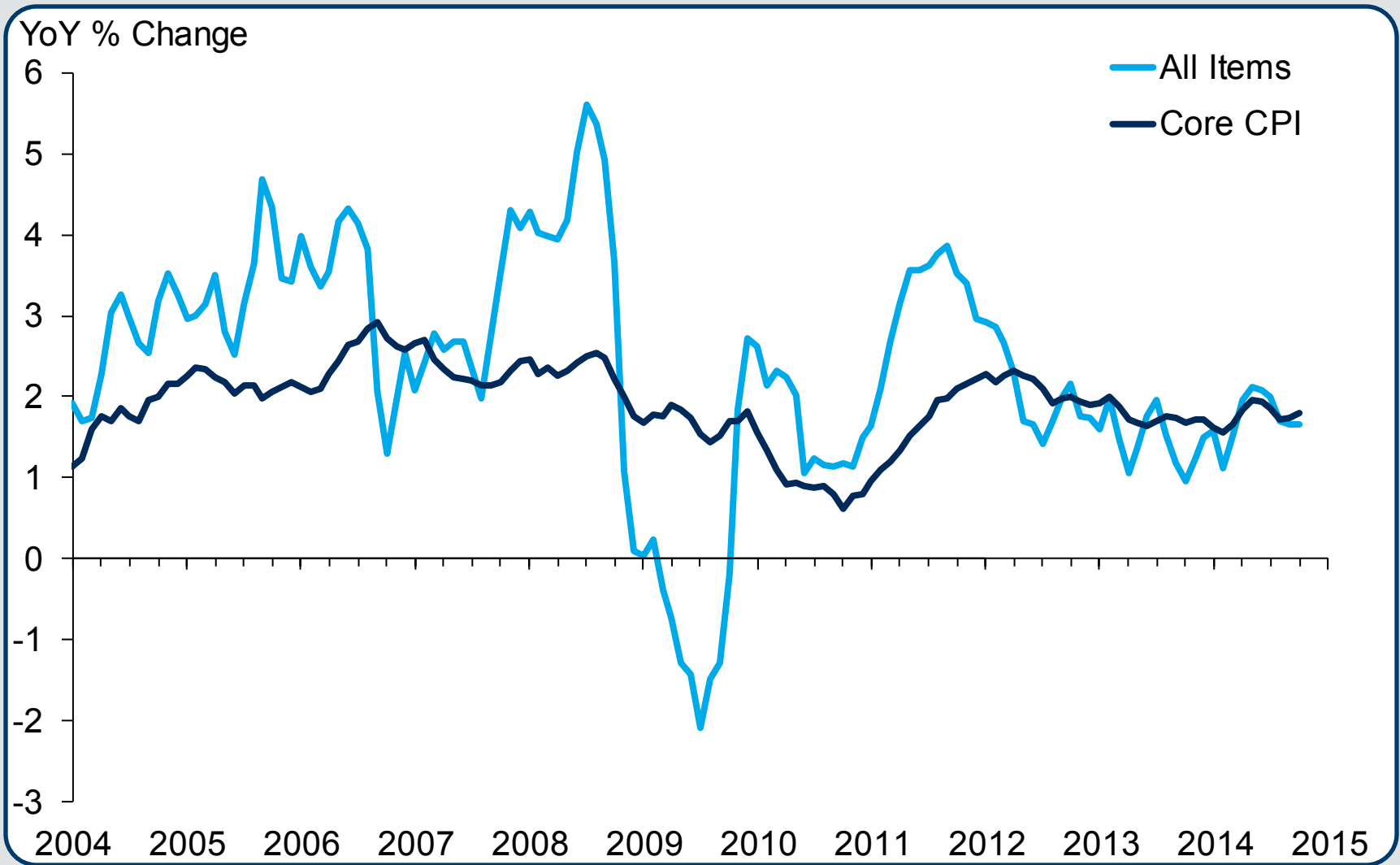


Labor Force Participation Rate

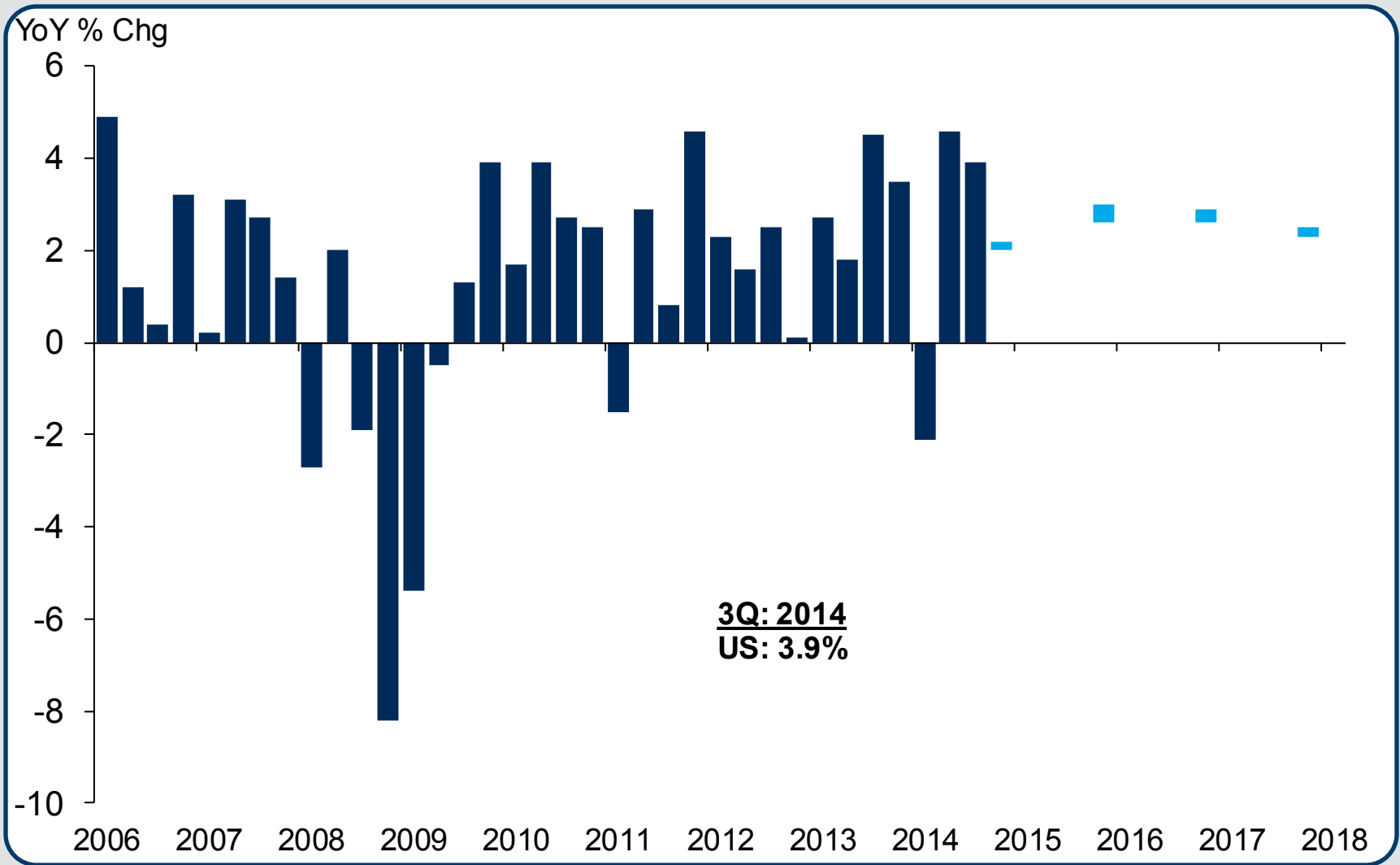


Source: Bureau of Labor Statistics/Haver Analytics

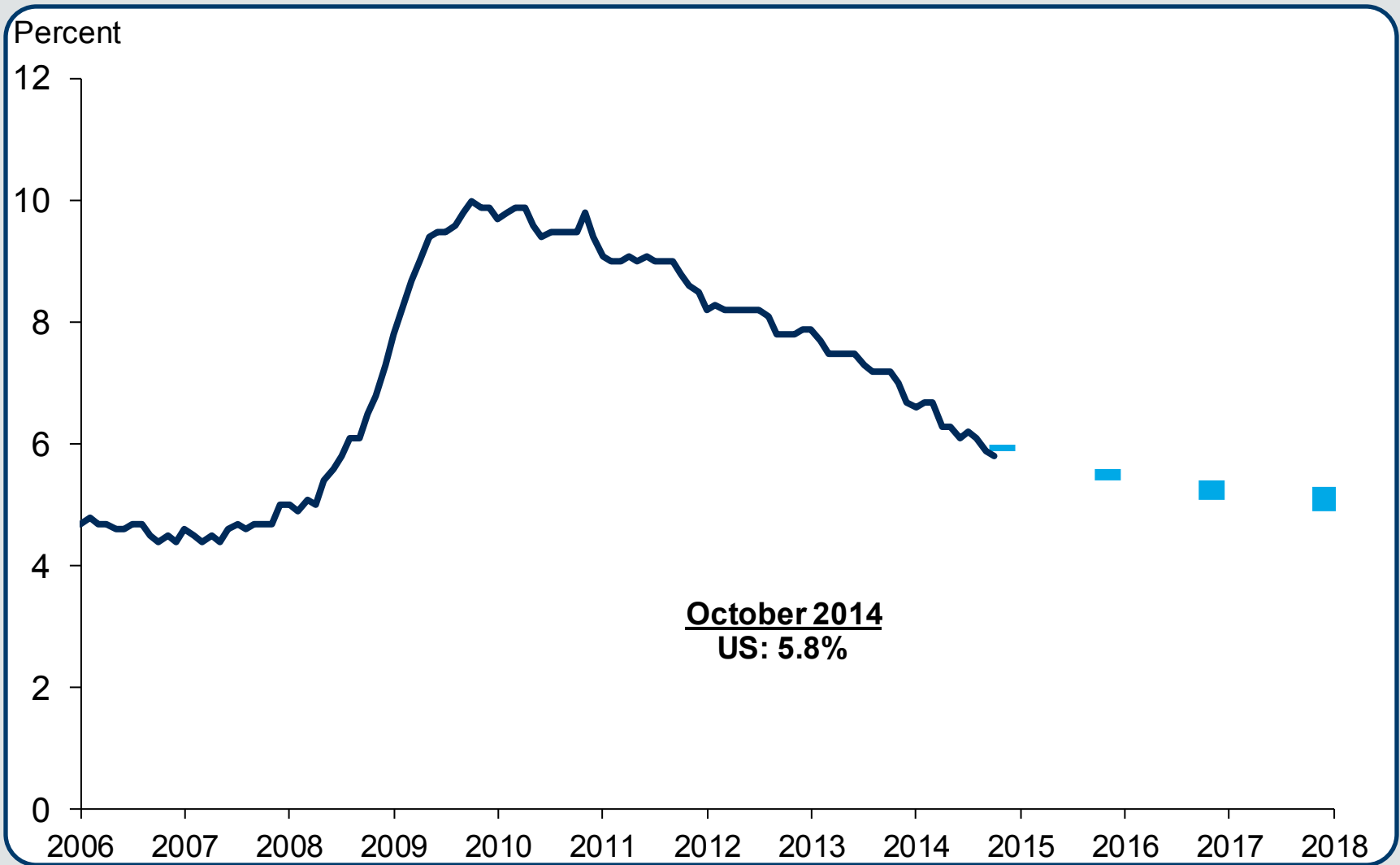
Consumer Price Index



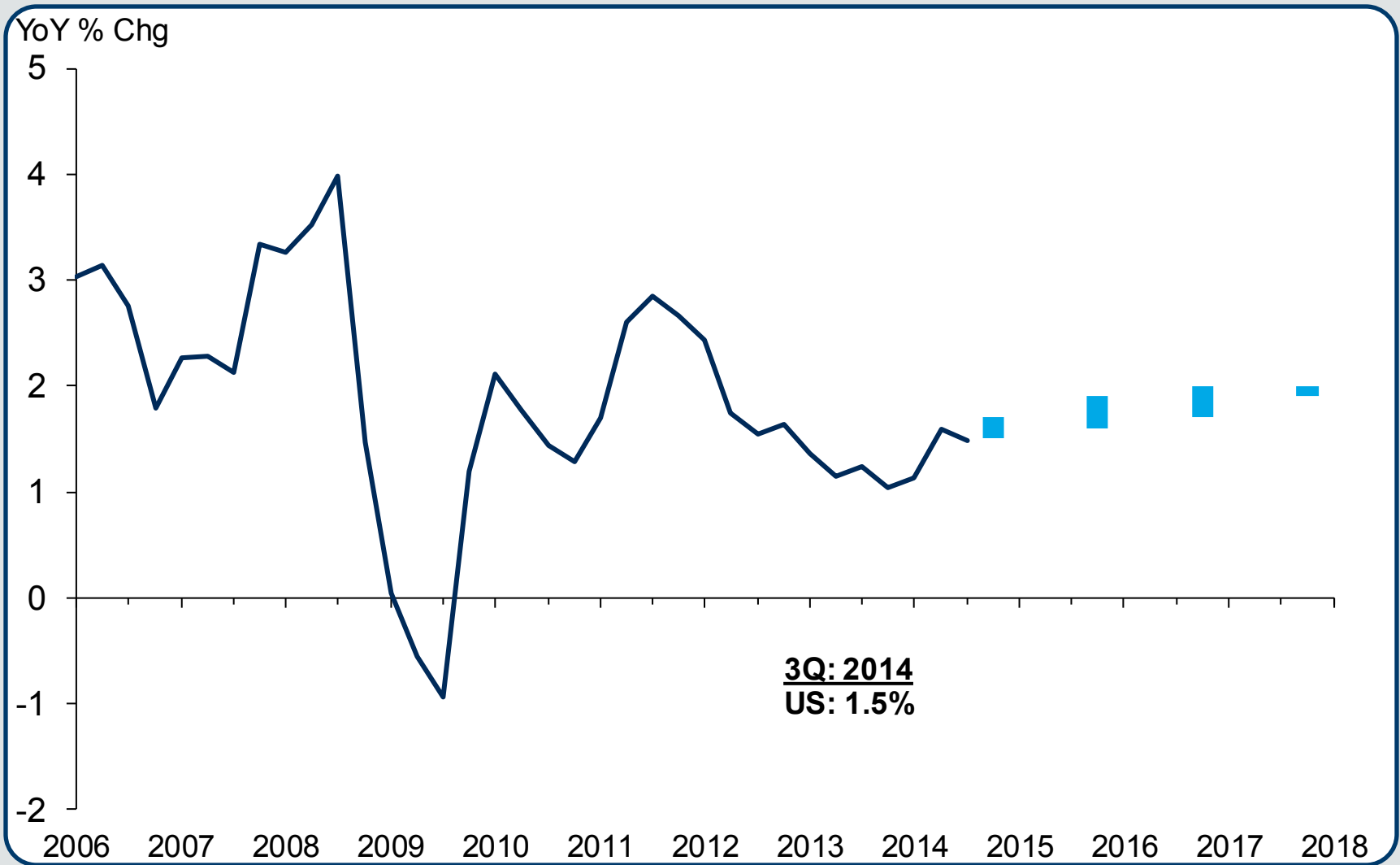
Staff Projections: Growth in Real GDP



Staff Projections: Unemployment Rate

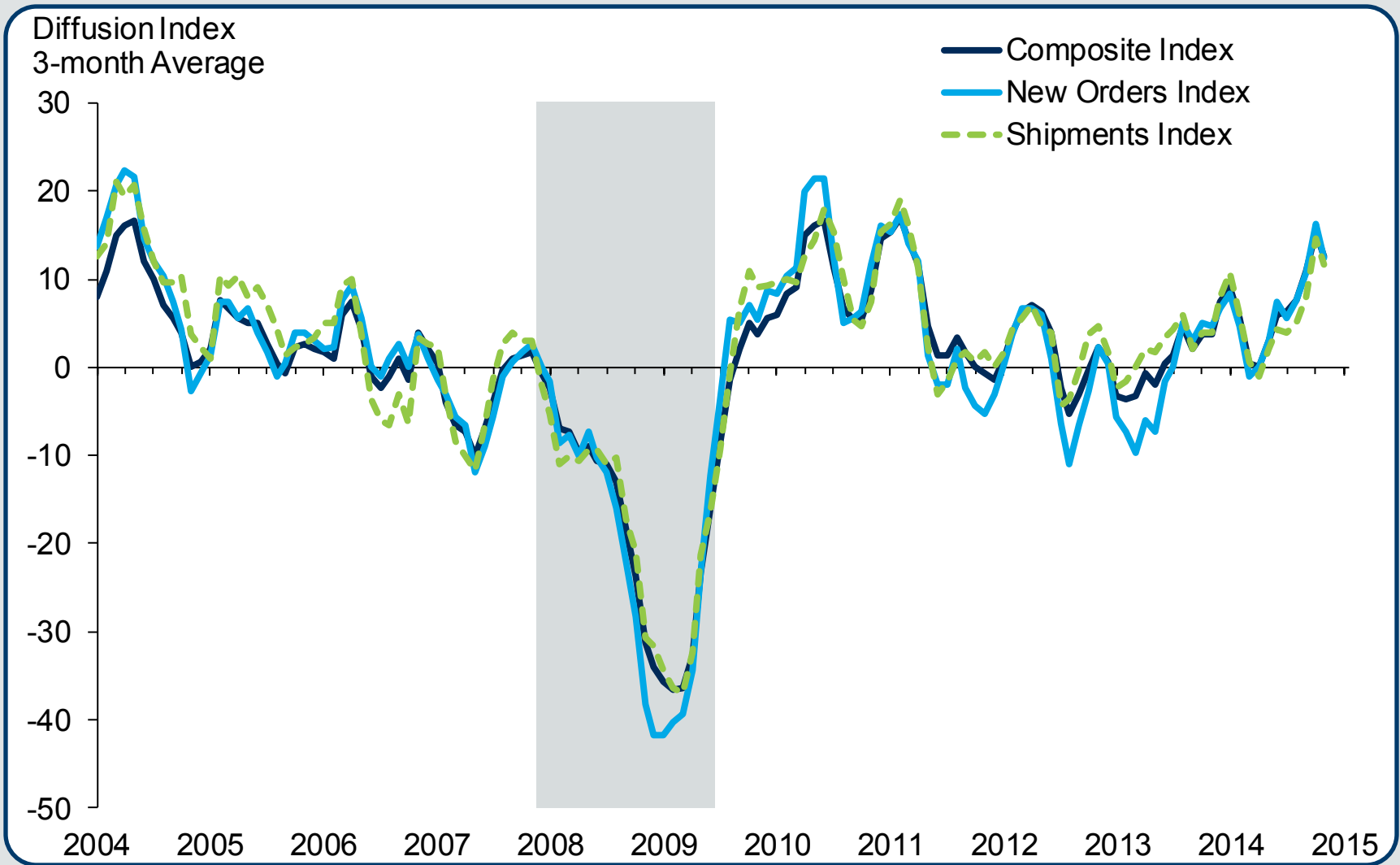


Staff Projections: PCE Inflation

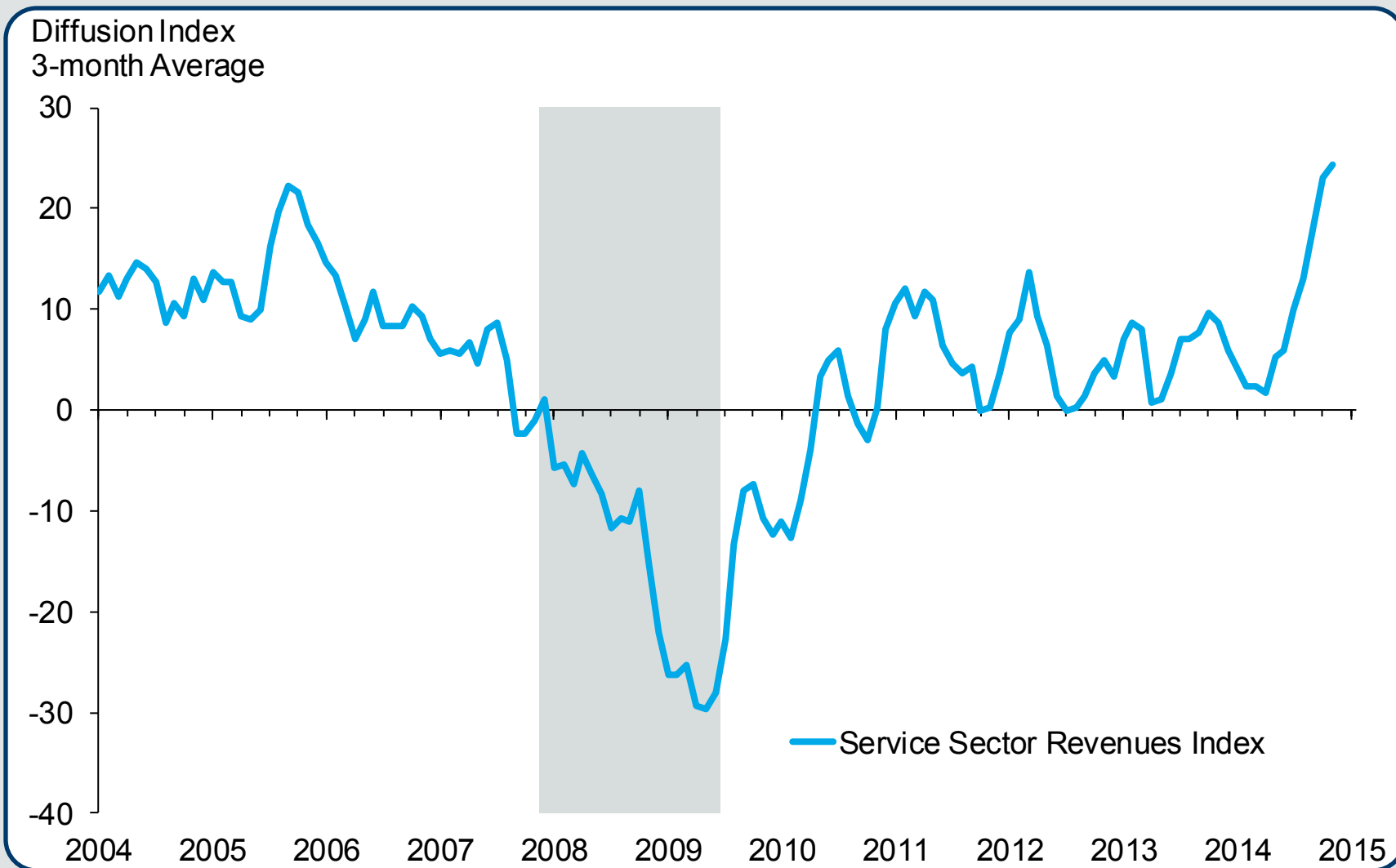


Virginia Economic Trends

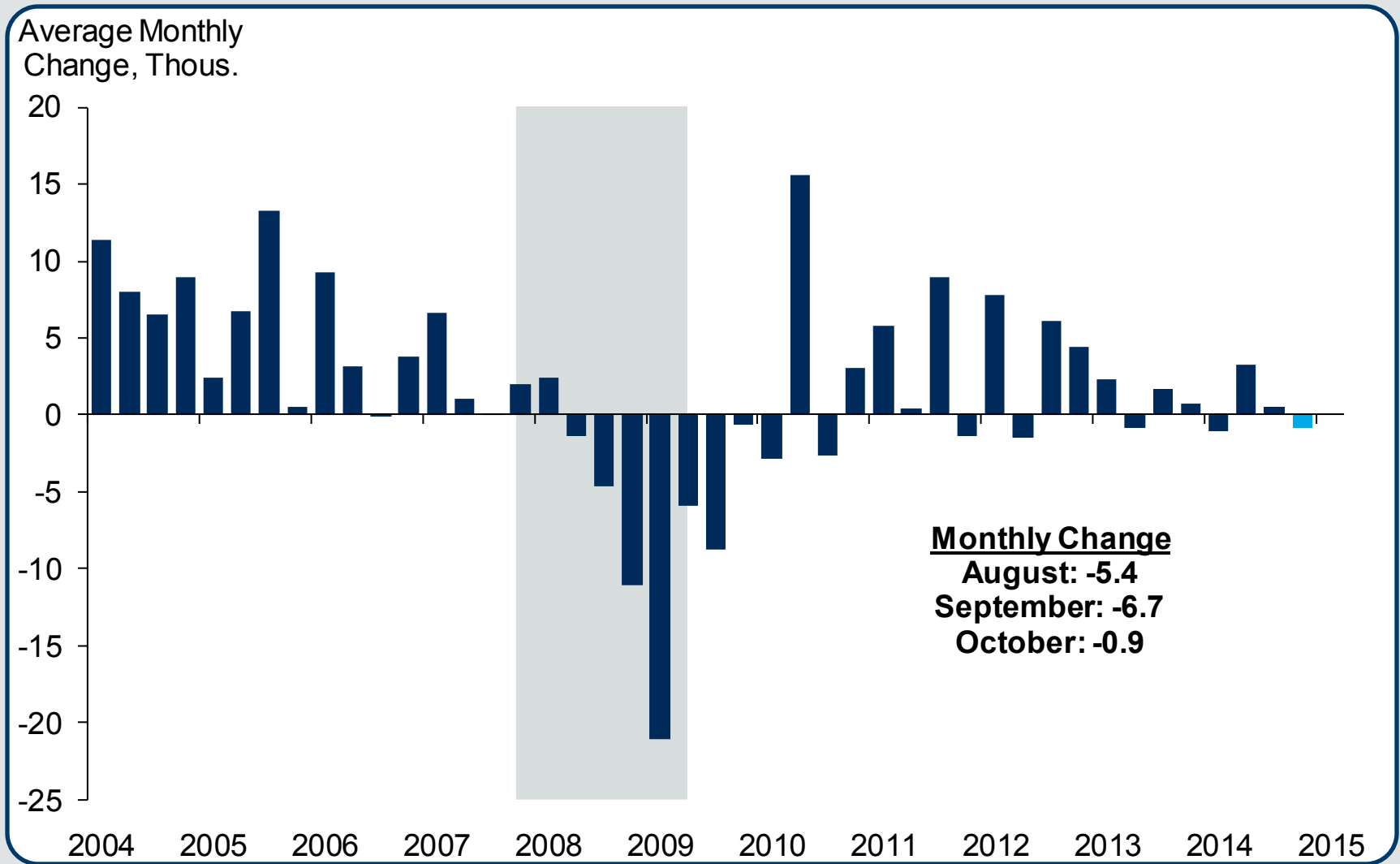
Fifth District Manufacturing Survey



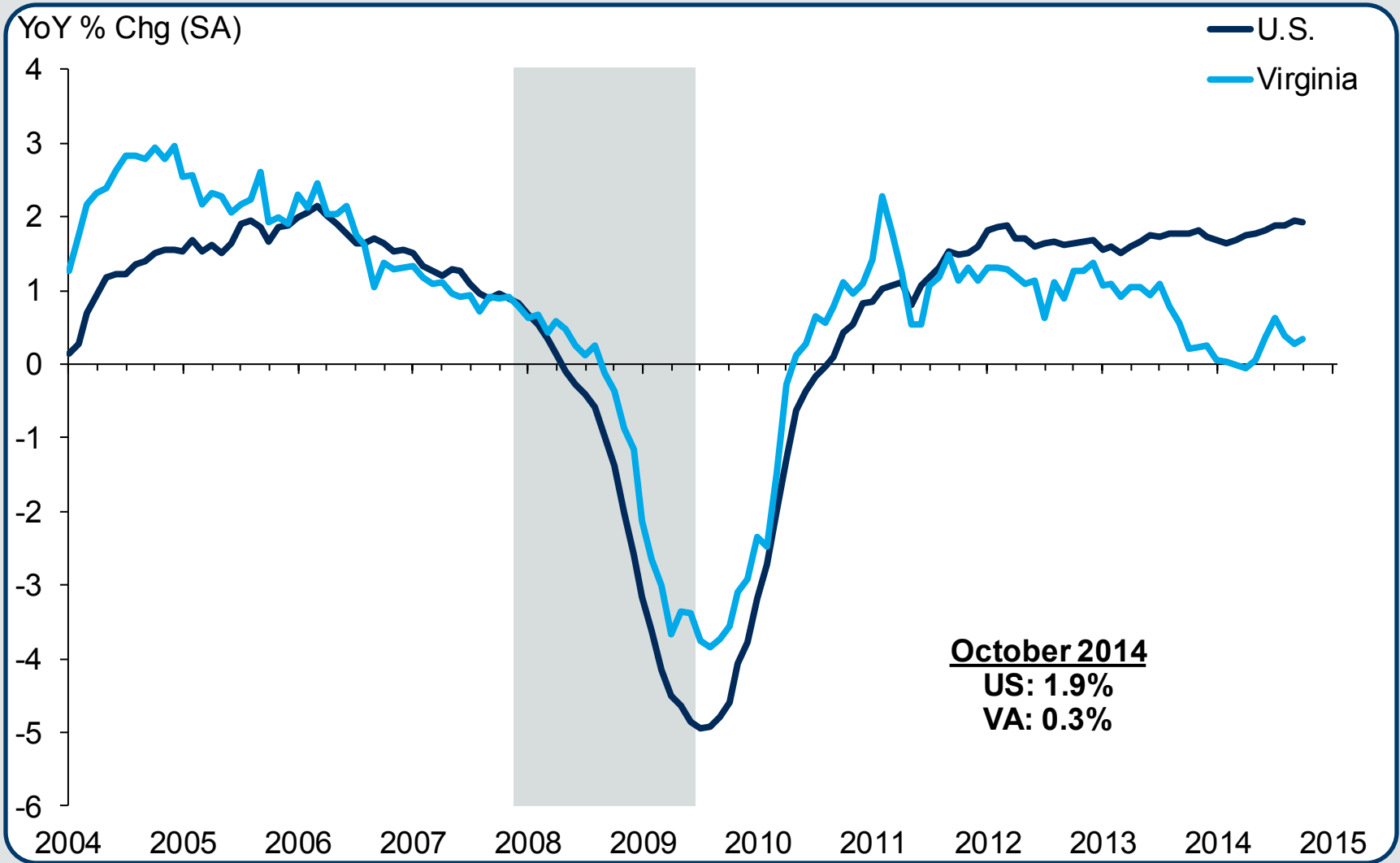
Fifth District Service Sector Survey



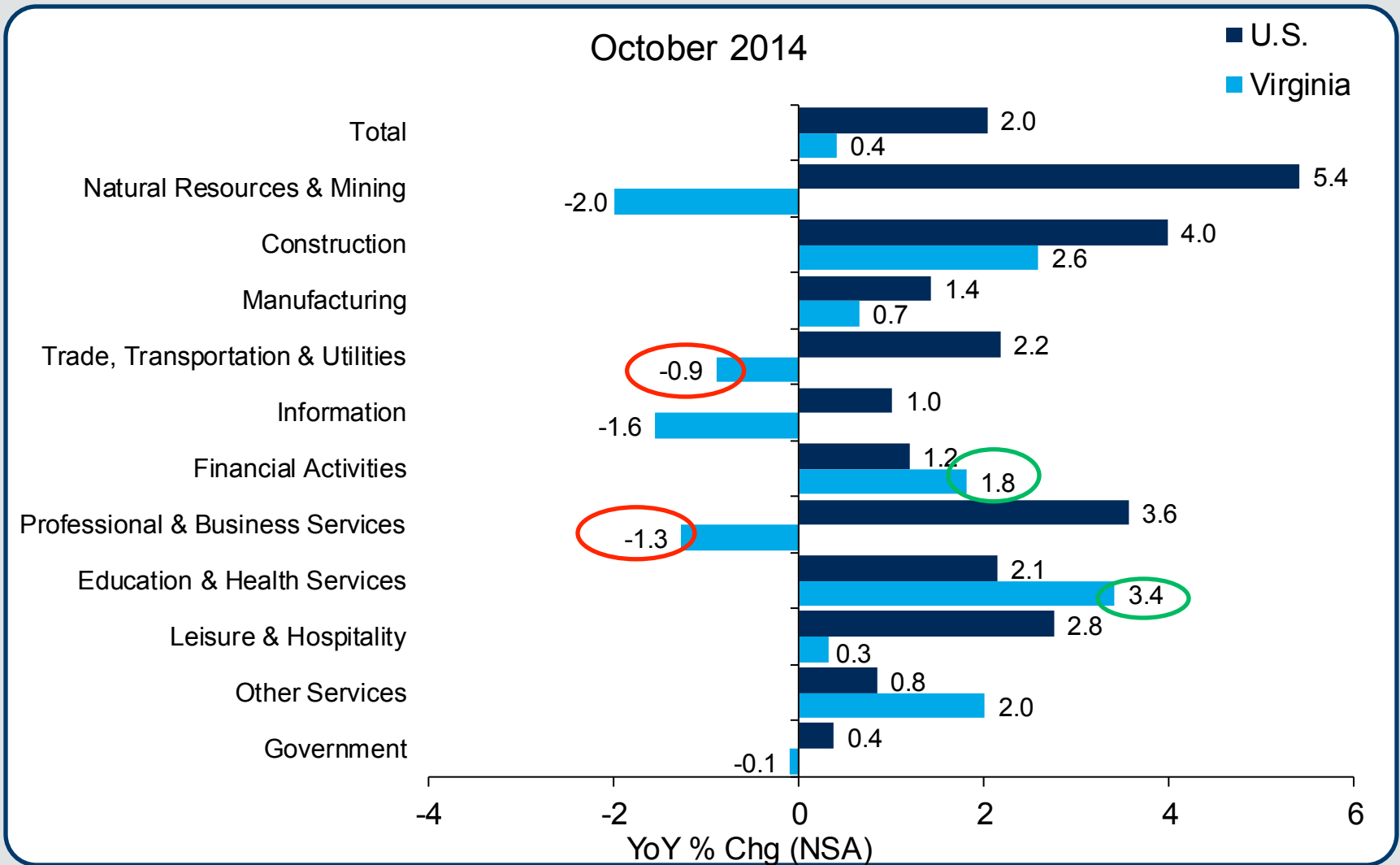
Virginia Payroll Employment



Virginia Payroll Employment

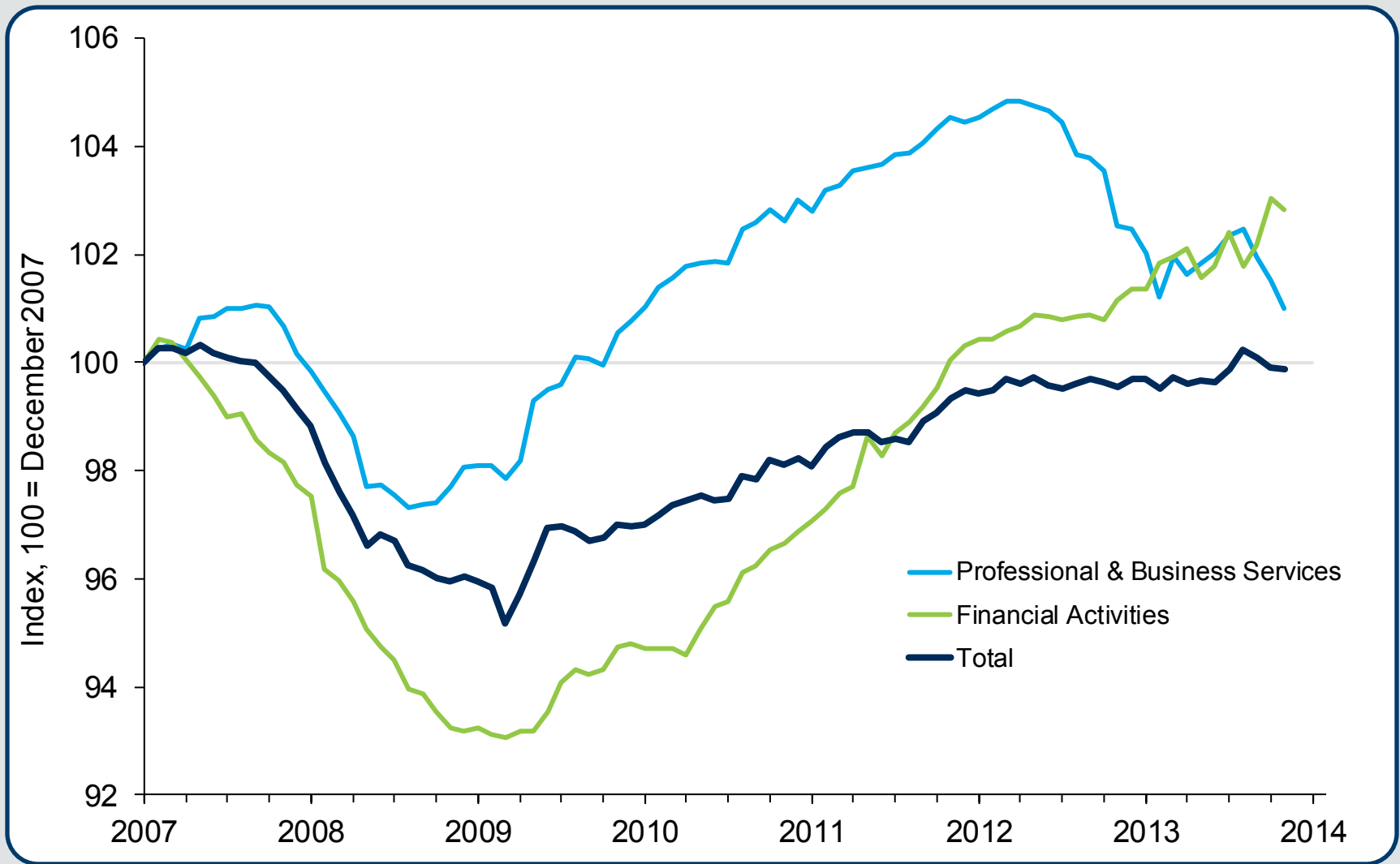


Virginia Industry Growth

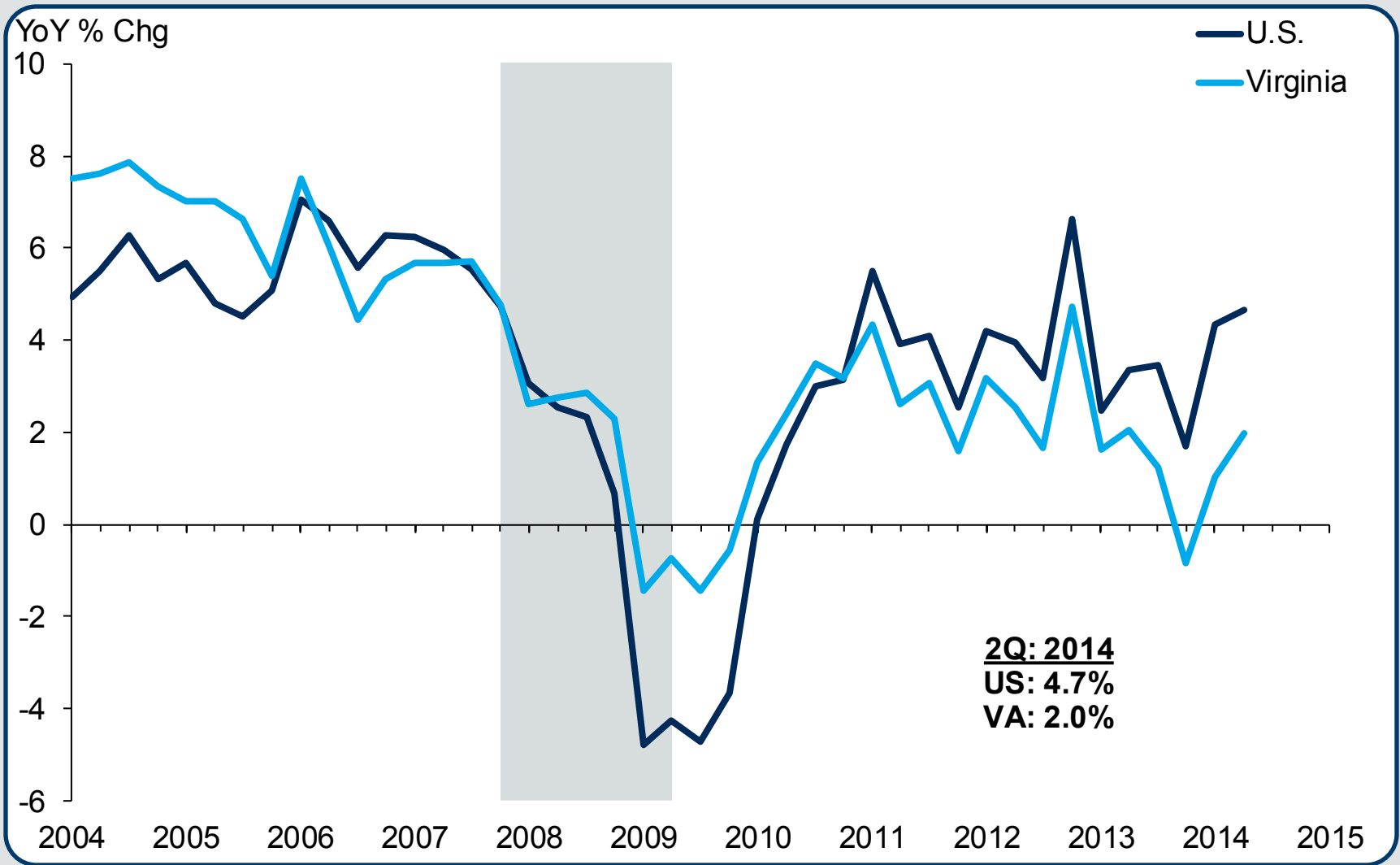


Source: Bureau of Labor Statistics/Haver Analytics

Virginia Industry Growth



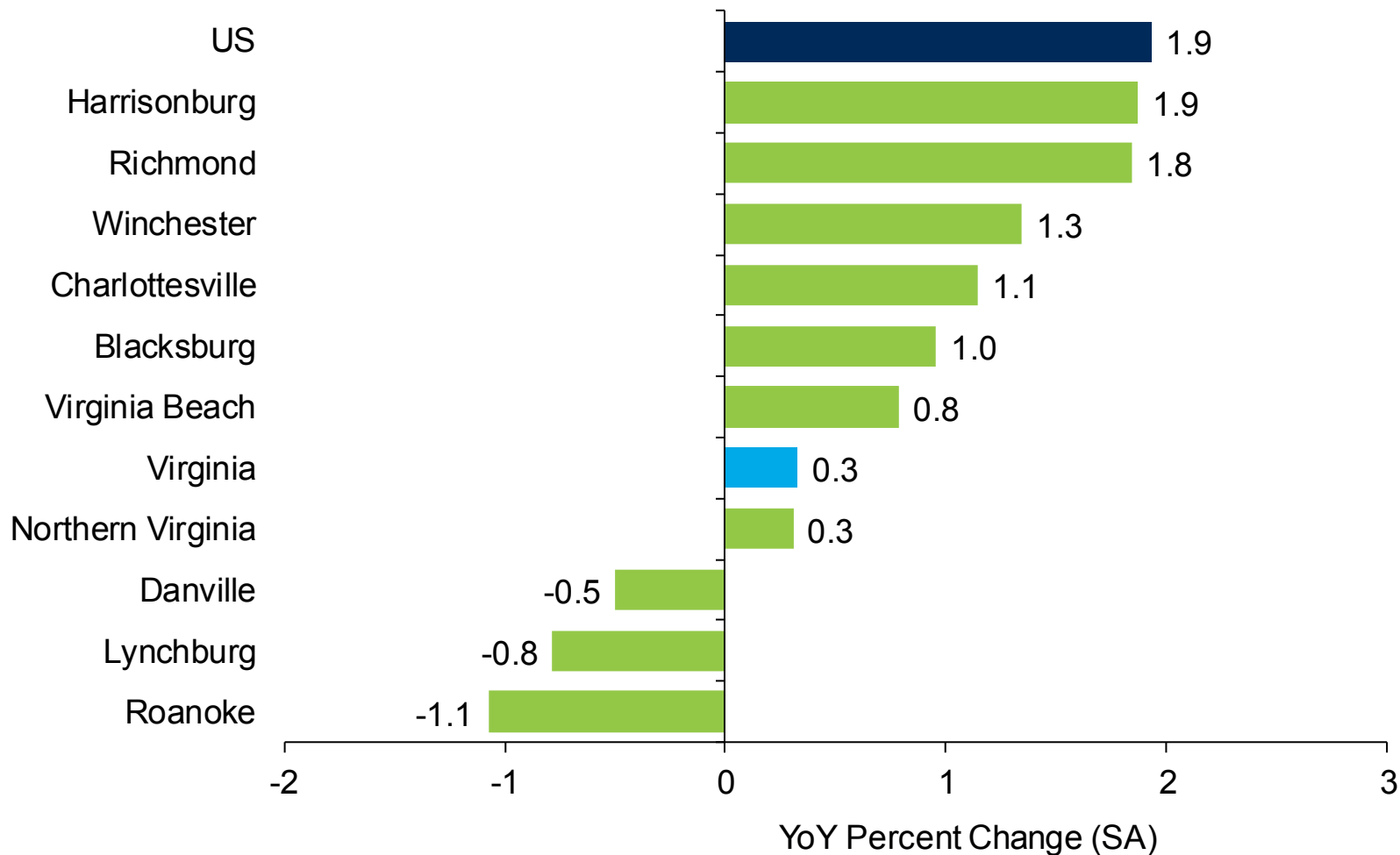
Virginia Wages and Salaries



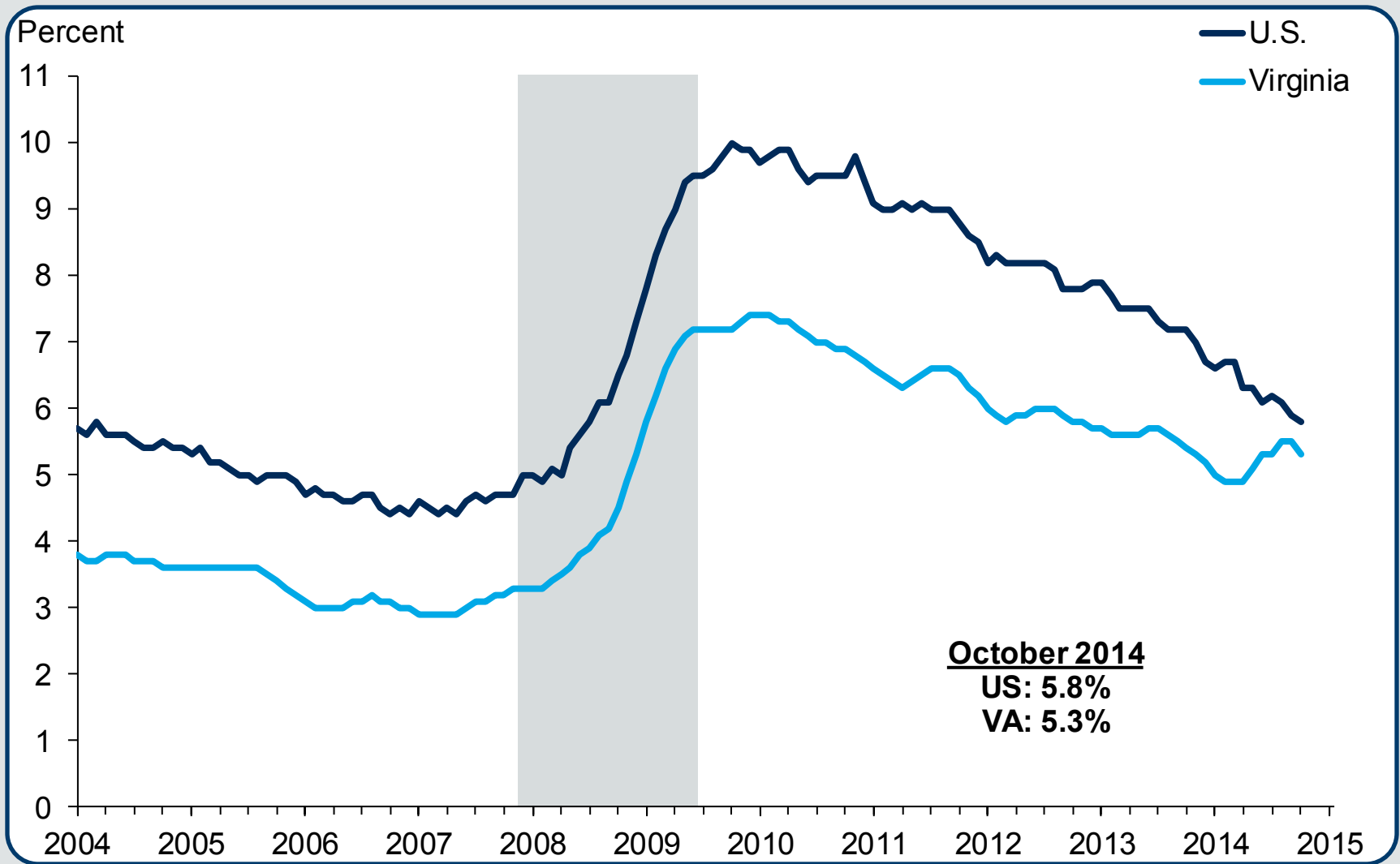
MSA Payroll Employment Growth in Virginia

Percent Change in Employment from a Year Ago

October 2014

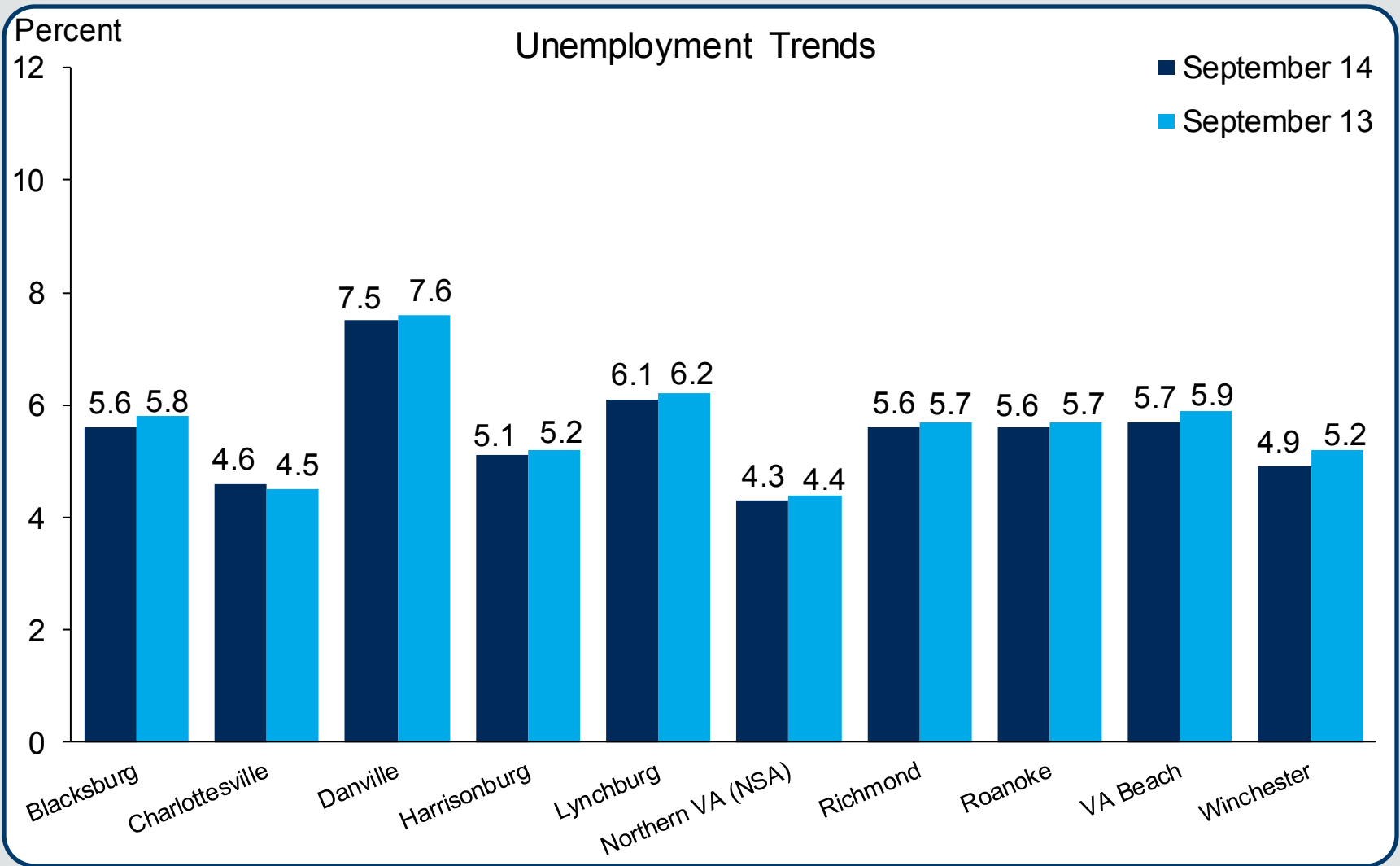


Virginia Unemployment Rate



October 2014
US: 5.8%
VA: 5.3%

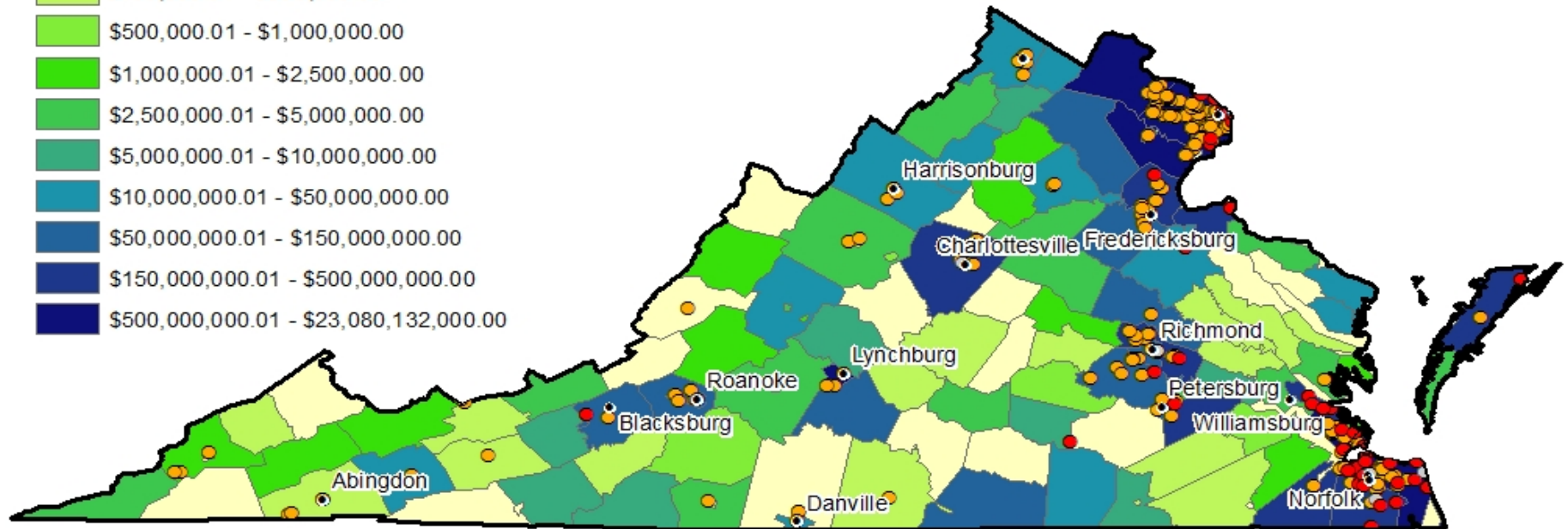
Unemployment in Virginia MSAs



Federal Contract Spending: Virginia Fiscal Year 2013

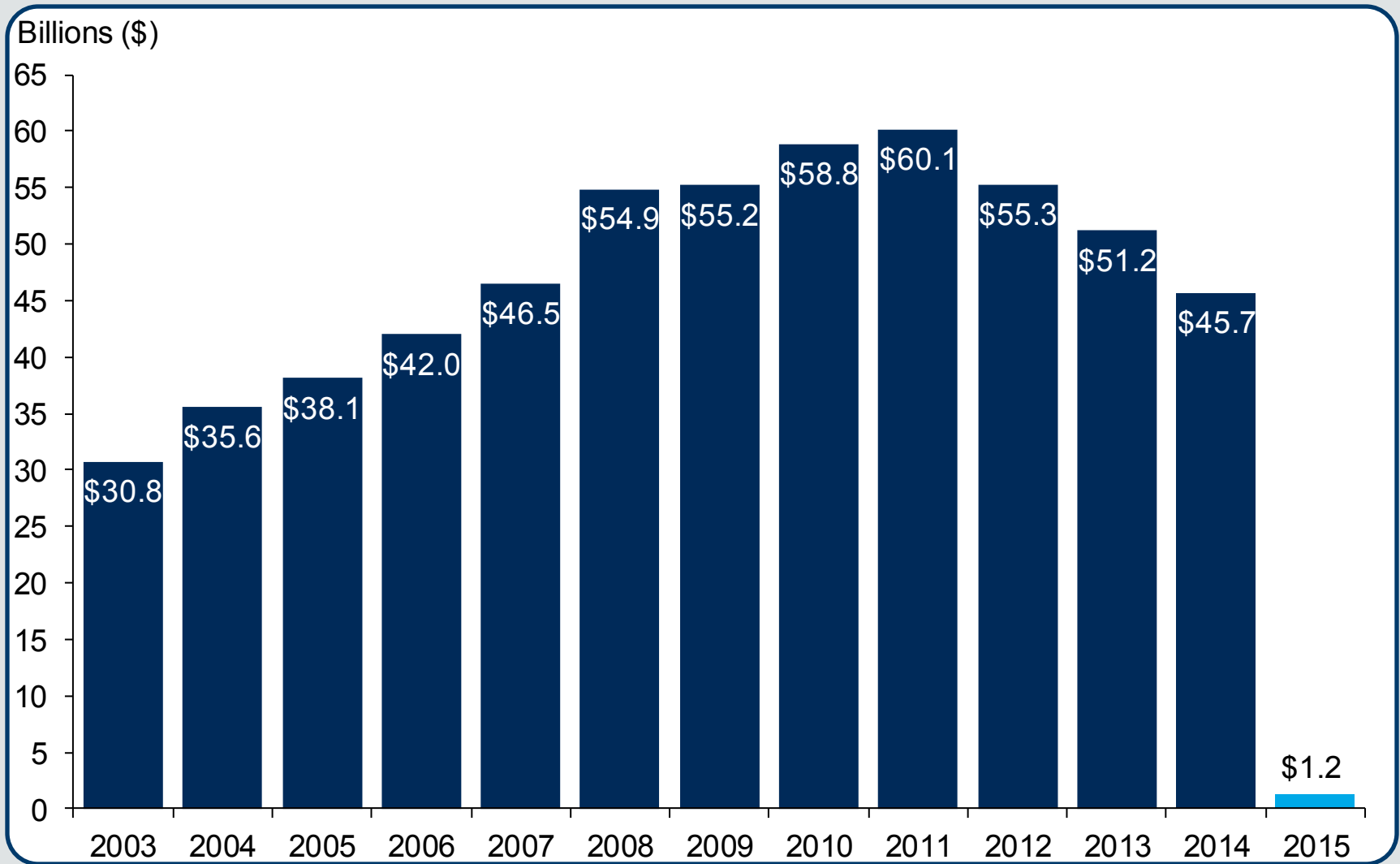
- Military Installations
- GSA Owned or Leased Properties

Action Obligation (\$)



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.

Virginia Contract Spending by Fiscal Year



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 weaker than the nation
- Fiscal drag felt more acutely in Virginia

Questions? ... and thank you!

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