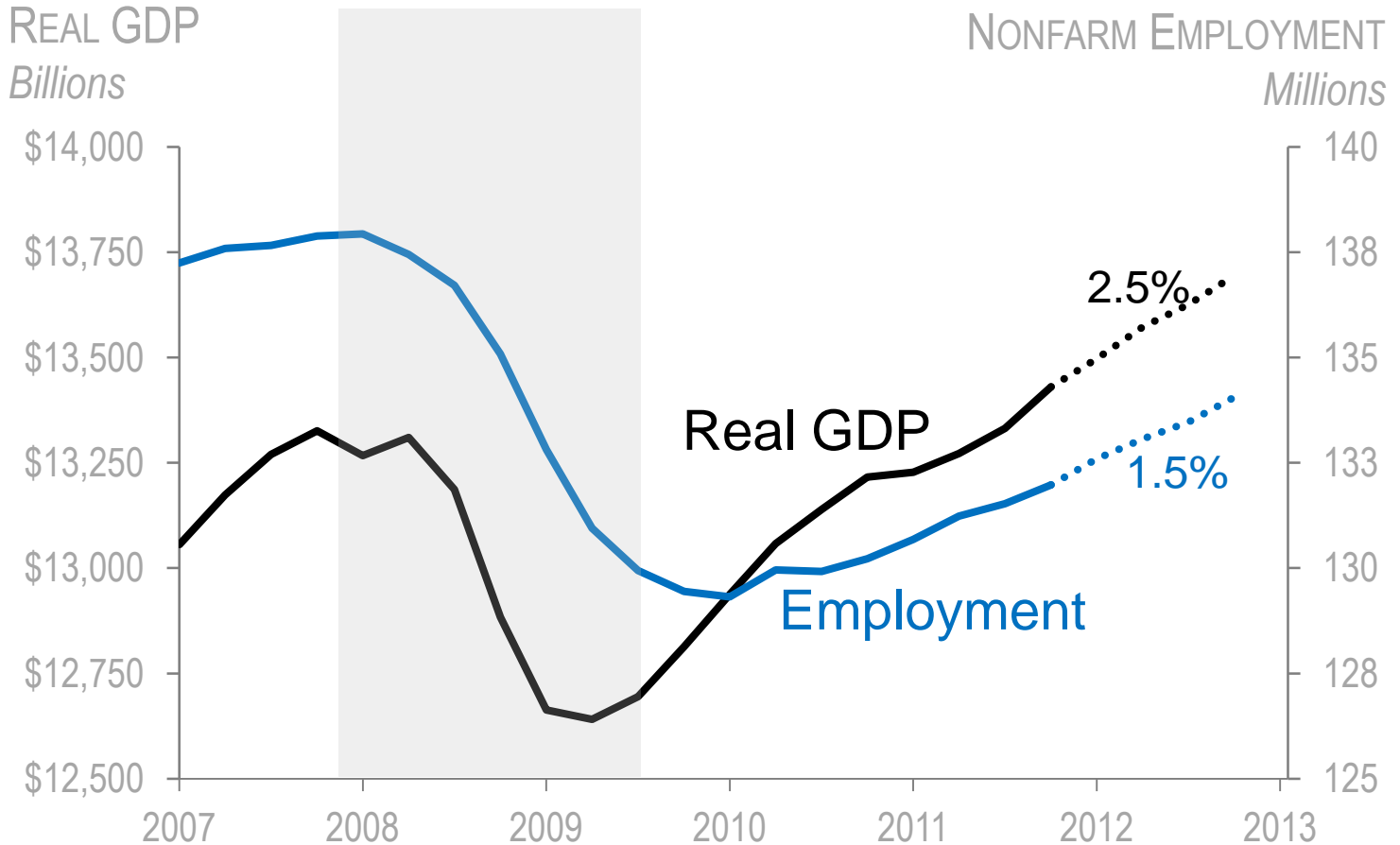


# U.S. & Colorado Economic Outlook



**Mark C. Snead**  
Vice President & Branch Executive  
Federal Reserve Bank of Kansas City  
Denver Branch

# Steady Recovery but Impediments Remain

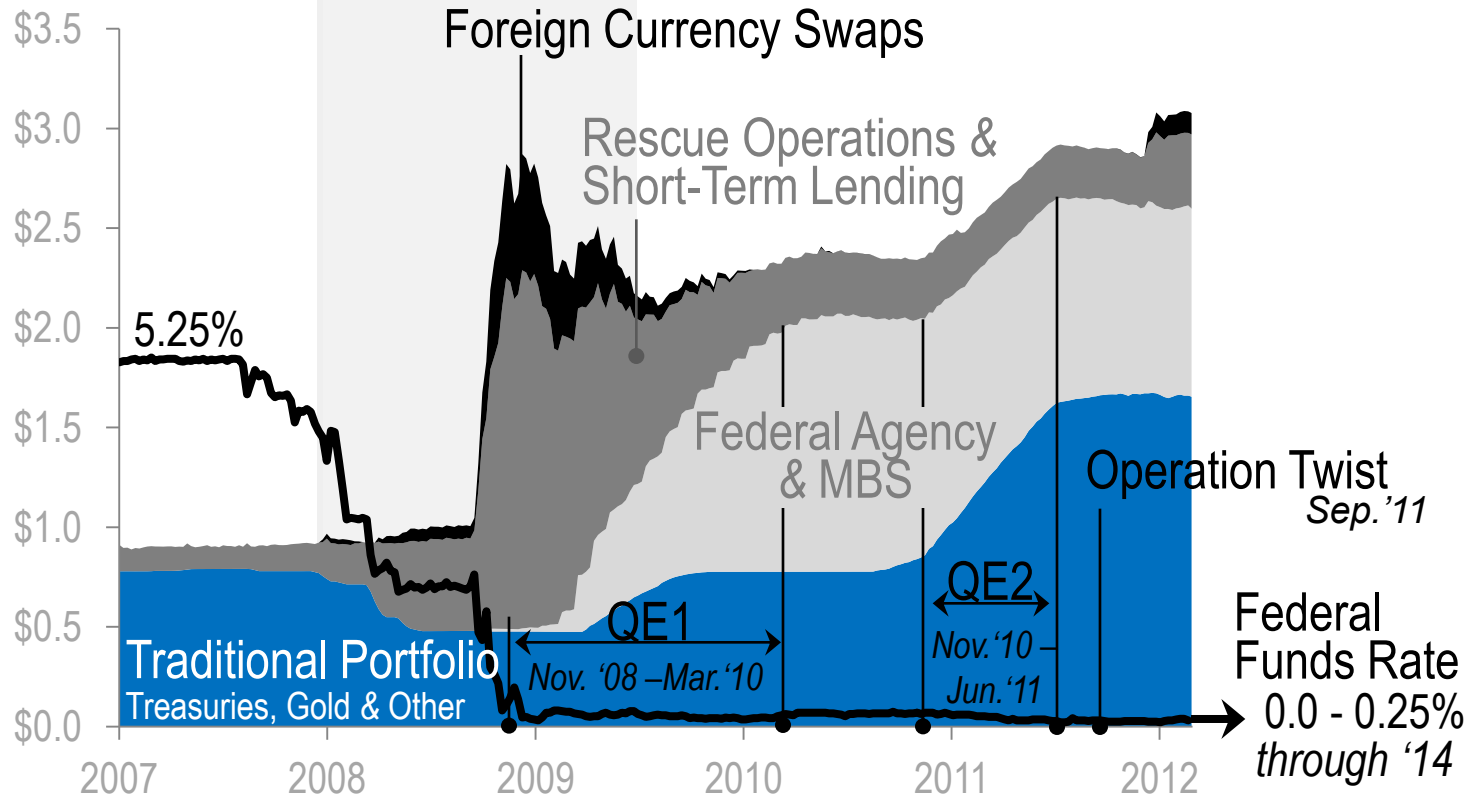


Source: Bureau of Economic Analysis, Bureau of Labor Statistics & Global Insight

# Aggressive Federal Reserve Policy Actions

## FEDERAL RESERVE ASSETS

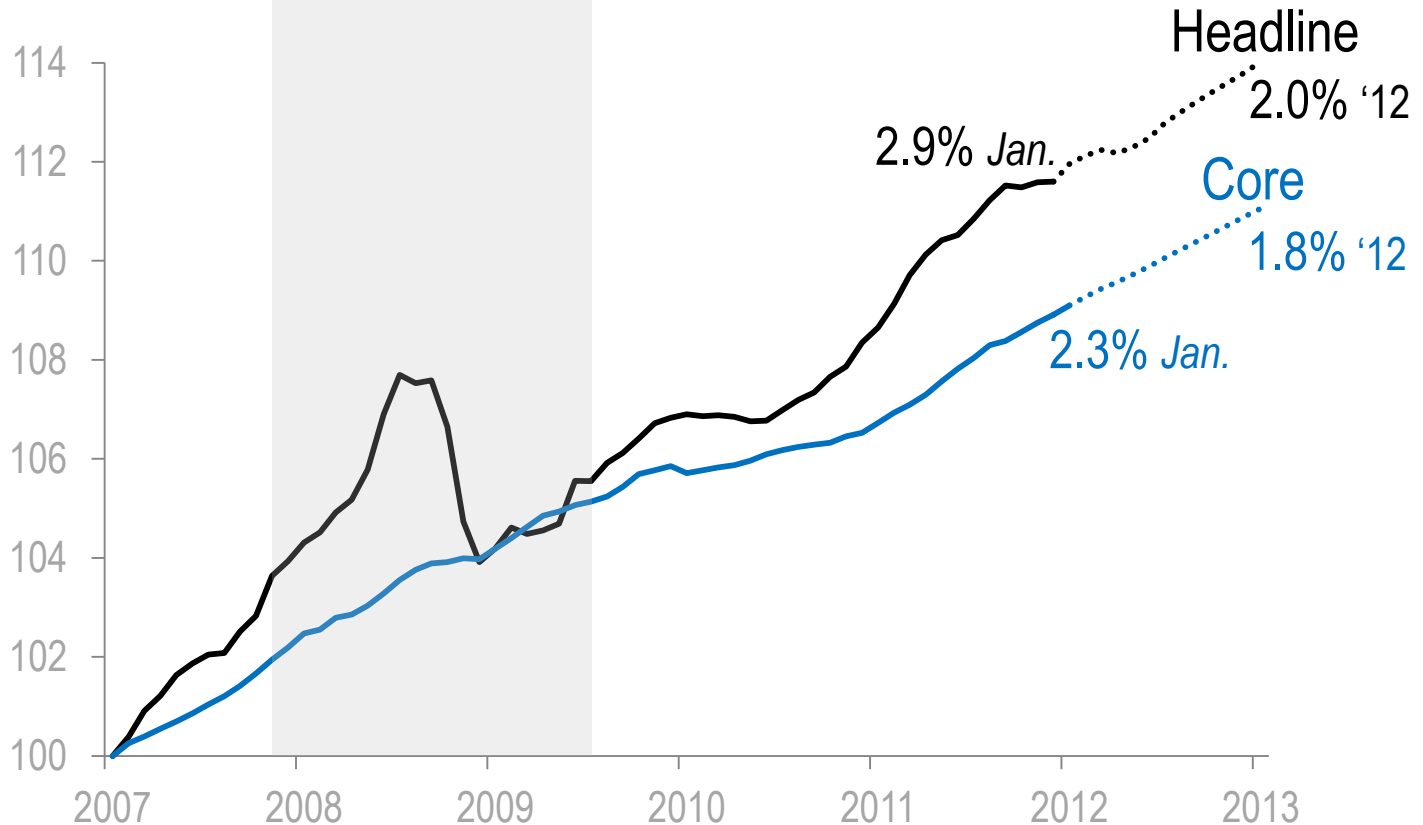
Billions



Source: Federal Reserve Board

# Inflation Tame Despite Rising Energy Costs

CPI & INFLATION  
Base = Jan.'07

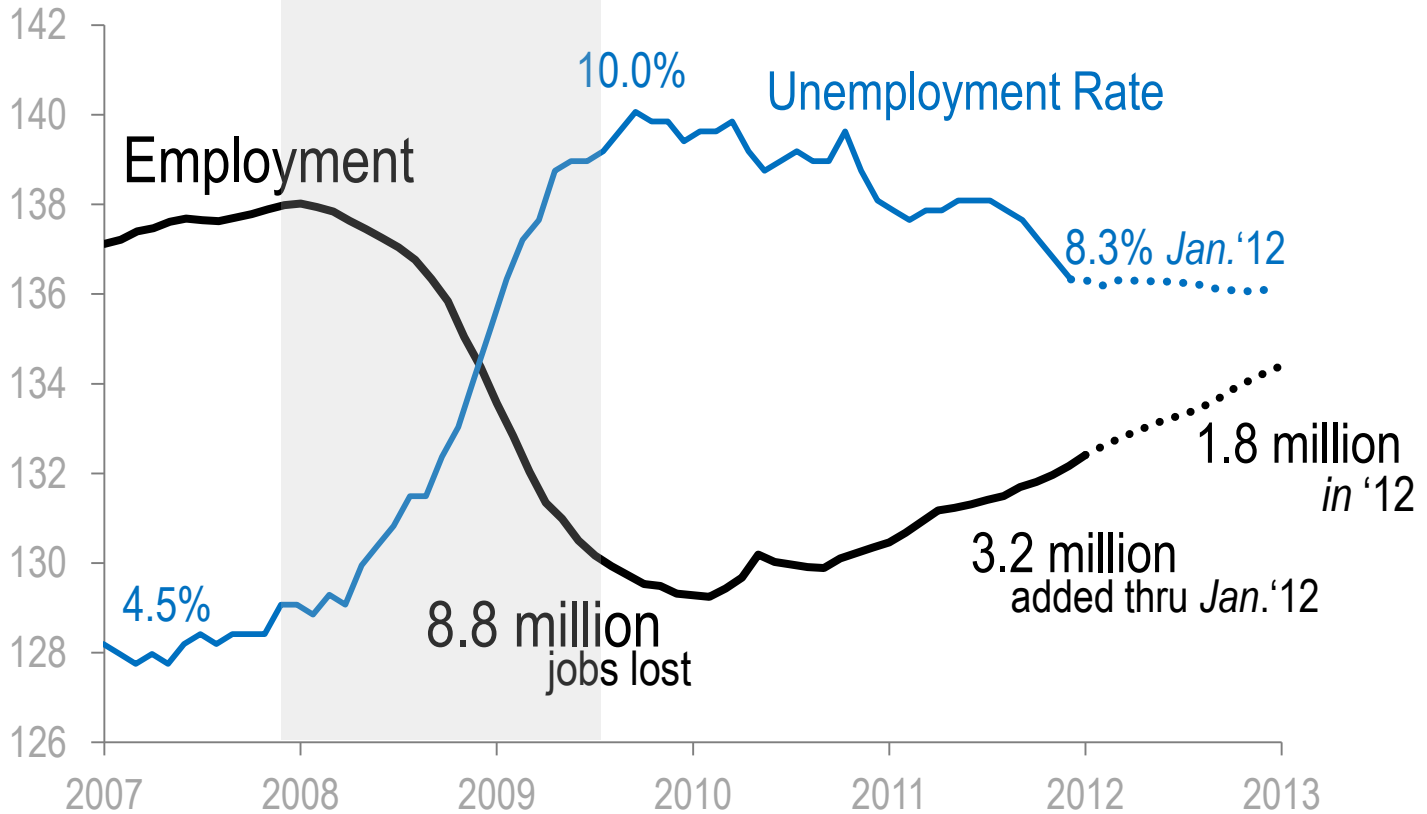


Source: Bureau of Labor Statistics & Global Insight

# Steady U.S. Labor Market Gains

## NONFARM EMPLOYMENT

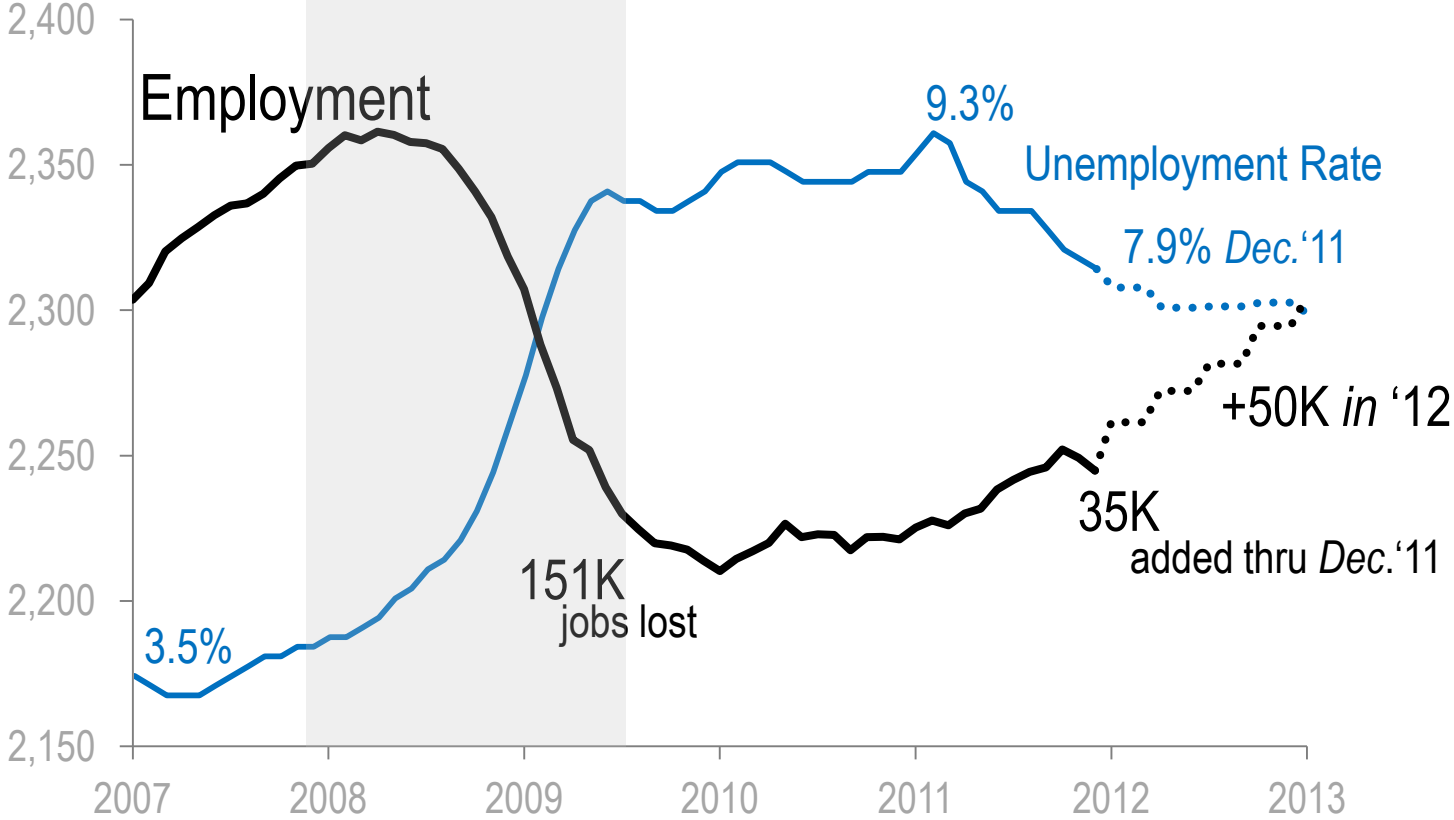
Millions



# Colorado Labor Market Tracking U.S.

## NONFARM EMPLOYMENT

Thousands

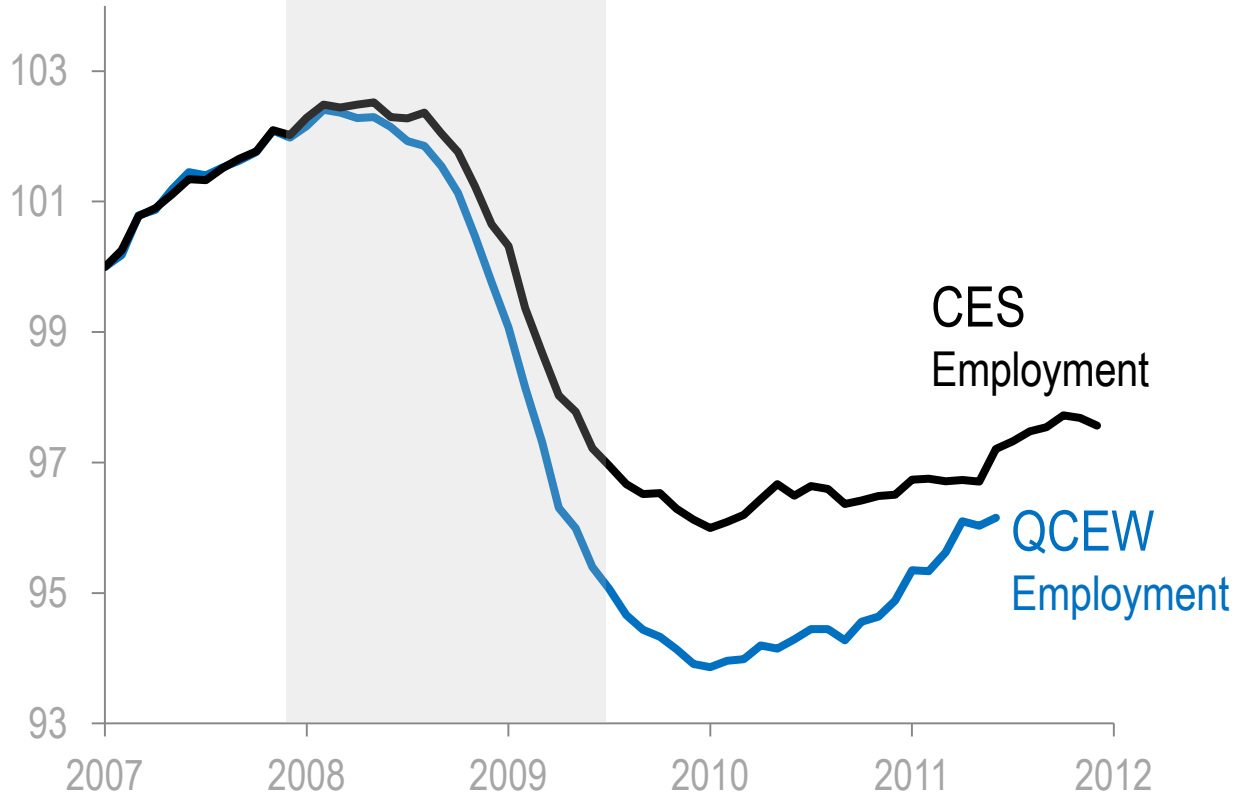


Source: Bureau of Labor Statistics & Global Insight

# Upcoming Colorado Data Revisions

## NONFARM EMPLOYMENT

Index (Jan. '07 = 100)

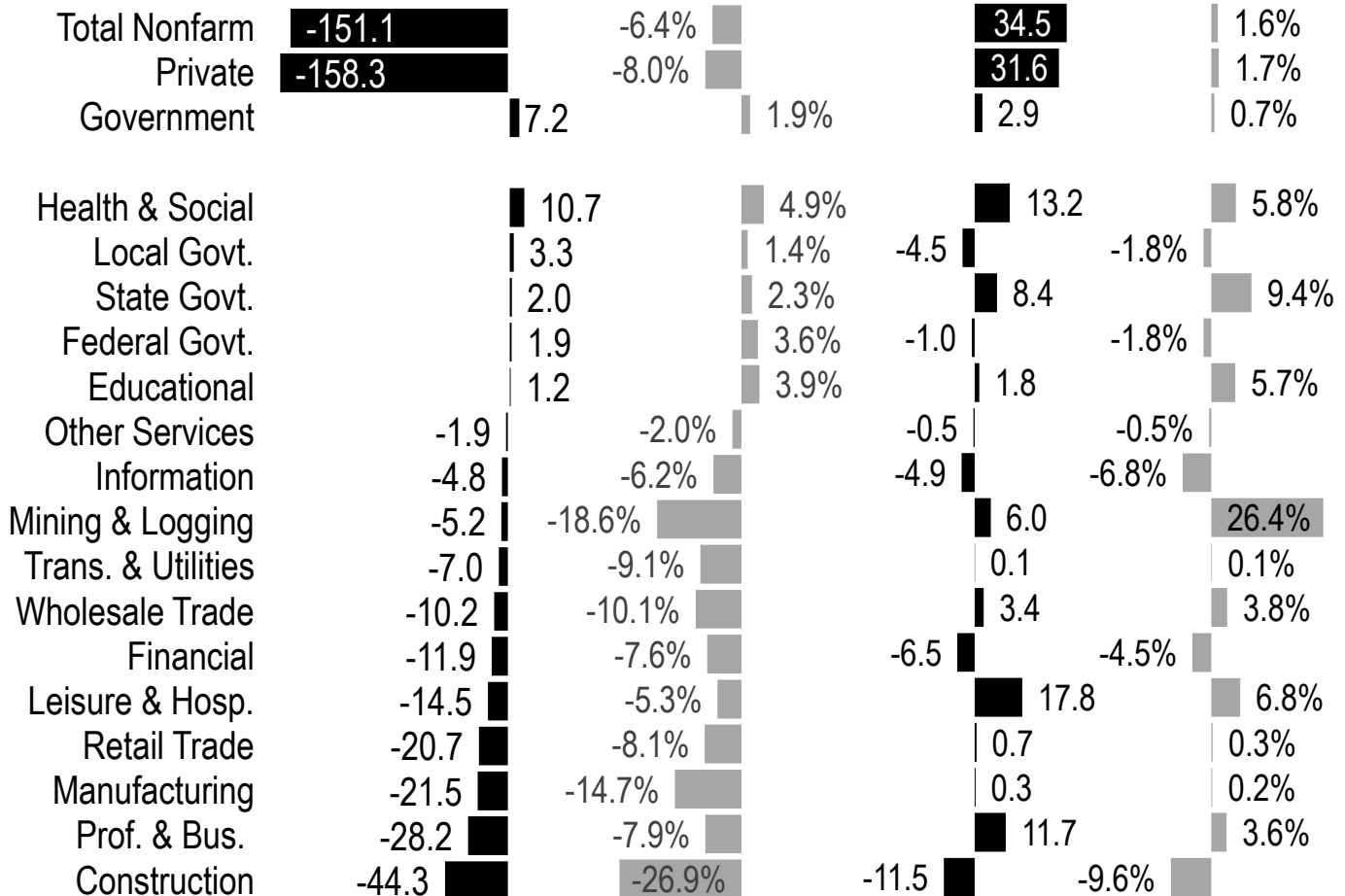


Source: Bureau of Labor Statistics

# Colorado Job Gains & Losses

Recession: Peak to Trough

Recovery: Trough to Dec.'11



Thousands of Jobs

Thousands of Jobs

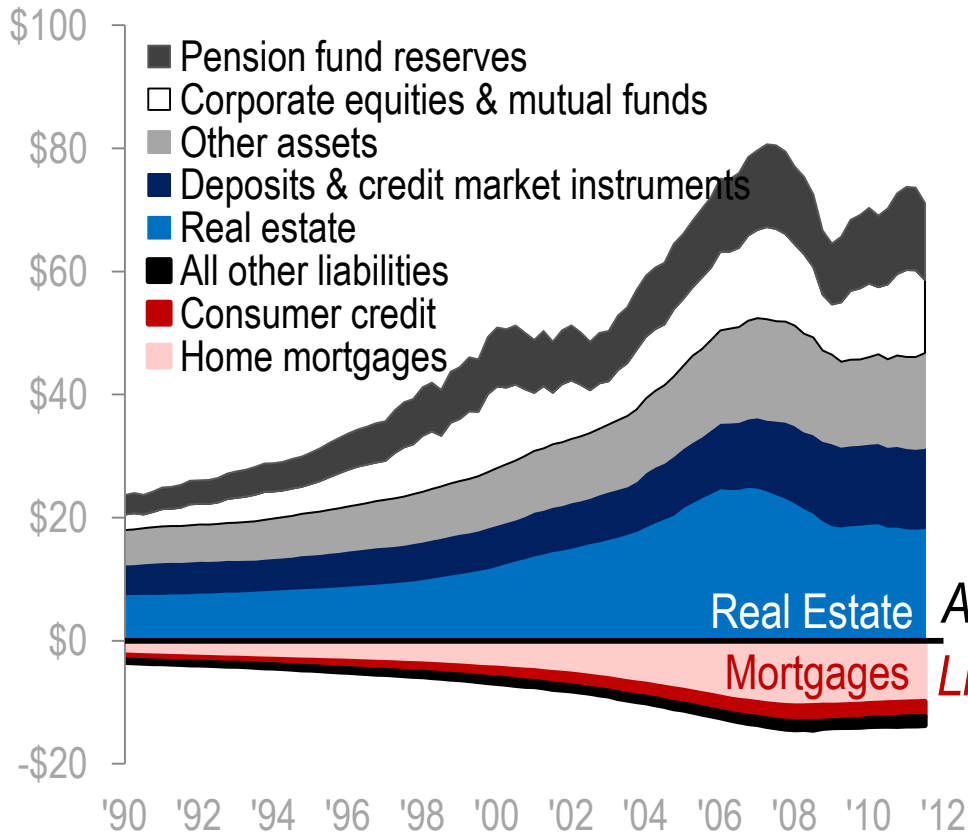
Source: Bureau of Labor Statistics



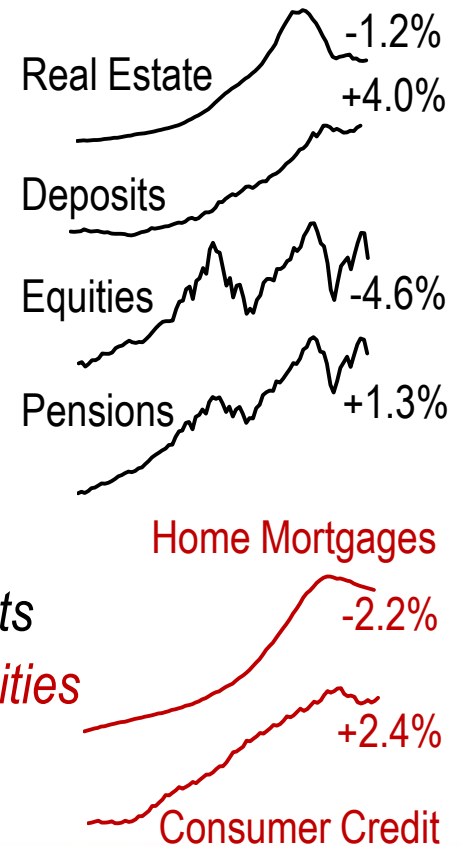
# Household Balance Sheet Gyration

## HOUSEHOLD & NONPROFIT BALANCE SHEETS

Trillions



## SELECTED TRENDS 1990 – 2011Q3



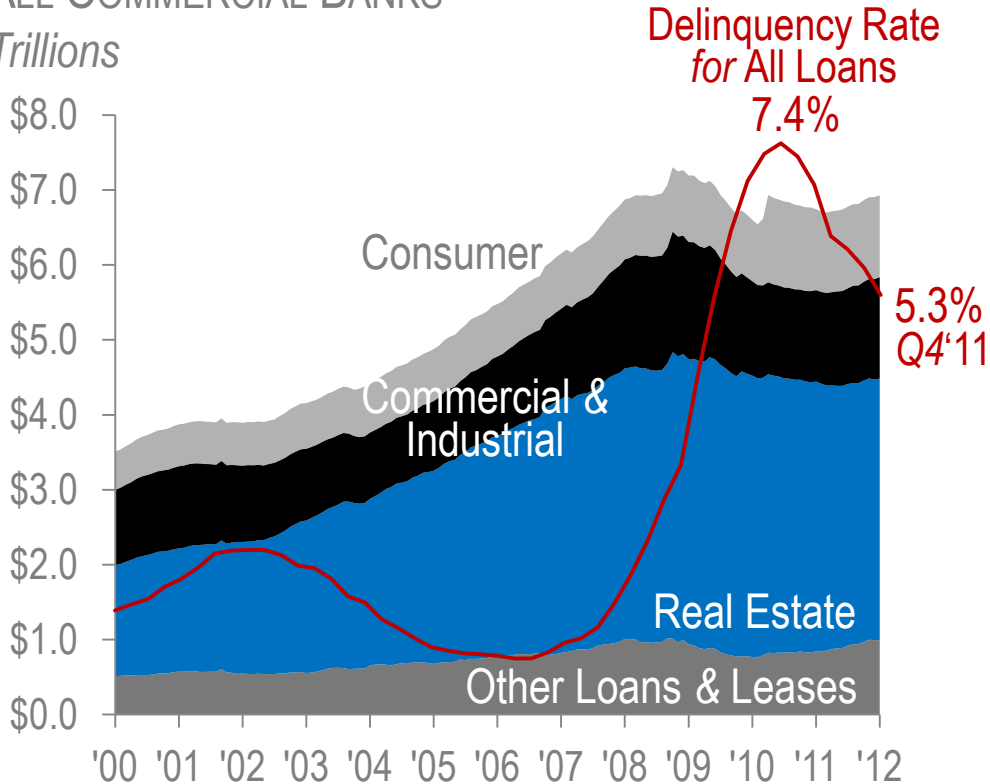
# European Debt Crisis Unresolved



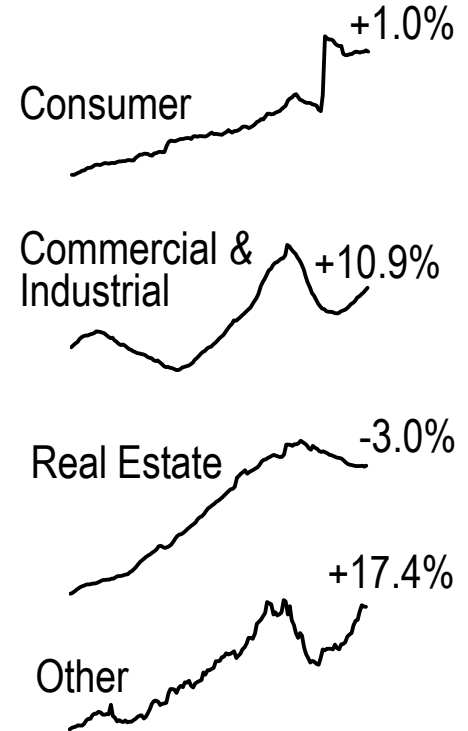
# Banking Sector Health Improves

TOTAL LOANS & LEASES  
ALL COMMERCIAL BANKS

Trillions



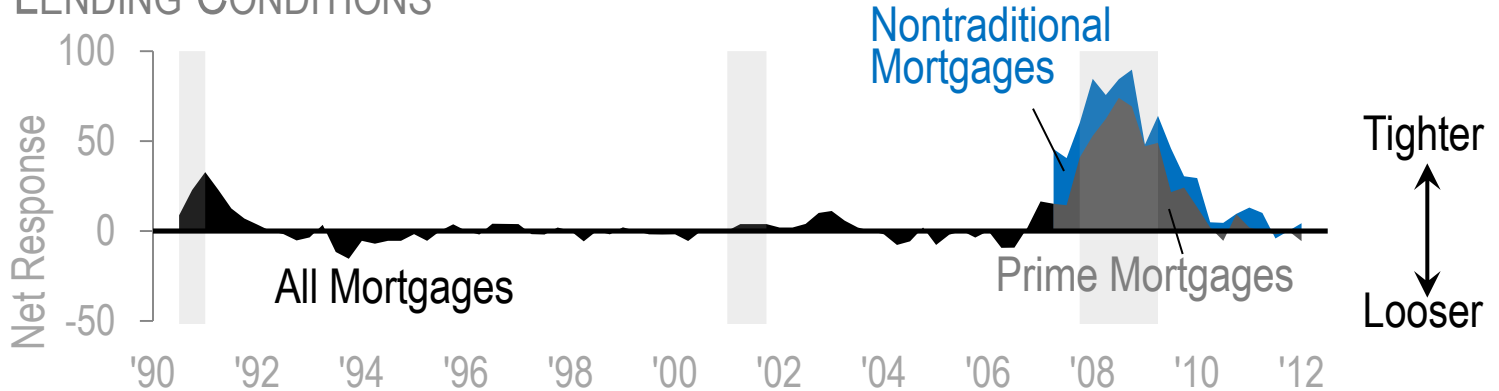
LENDING TRENDS  
2000 - Jan. 2012



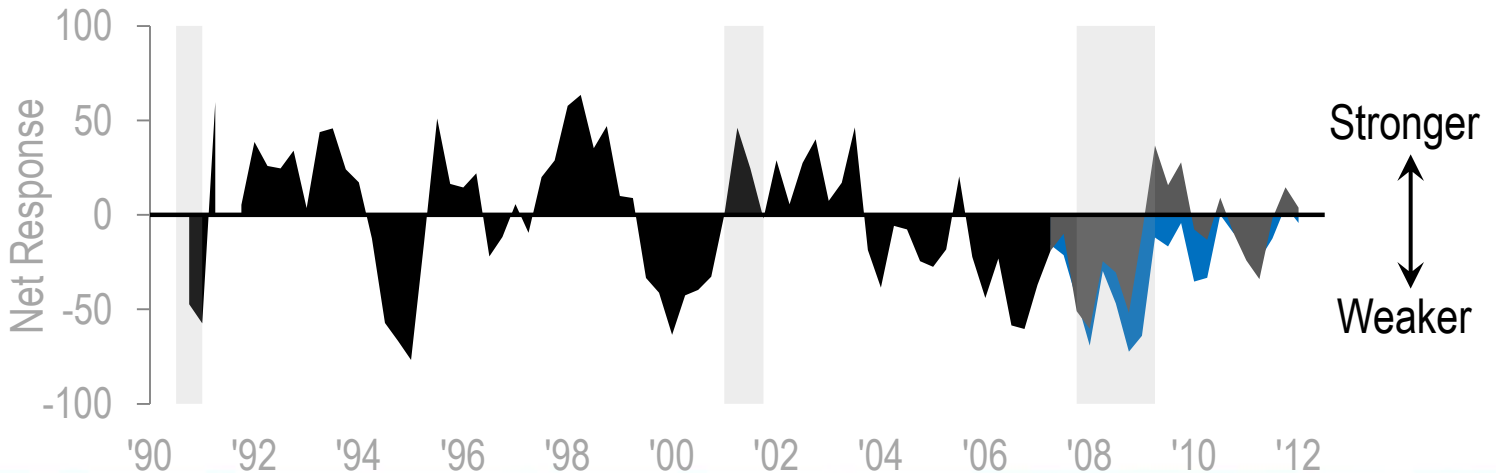
Source: Federal Reserve Board

# Mortgage Conditions Tight but Improving

## LENDING CONDITIONS



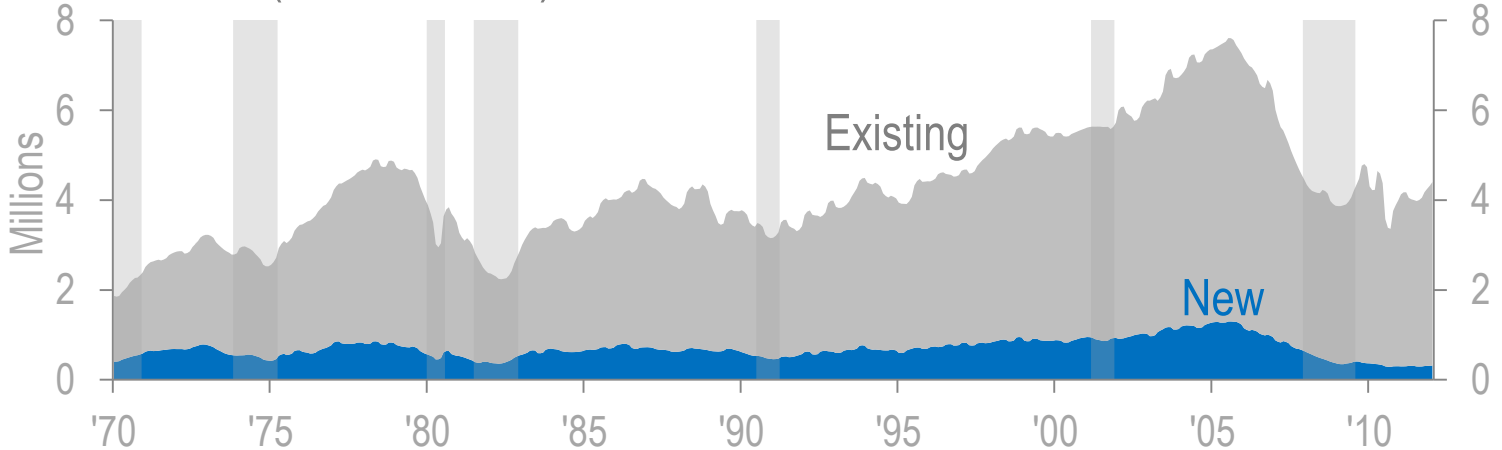
## LOAN DEMAND



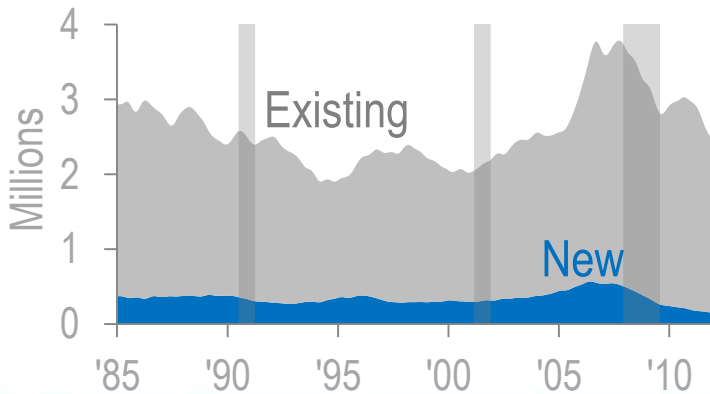
Source: Federal Reserve Board, Senior Loan Officer Survey

# Home Supply & Demand Imbalance

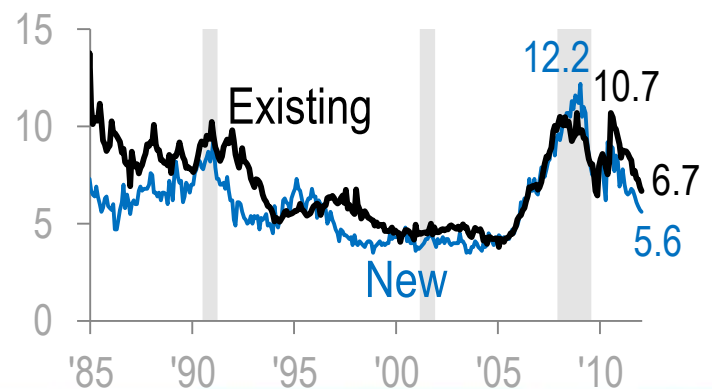
## HOME SALES (ANNUAL RATE)



## HOME INVENTORY



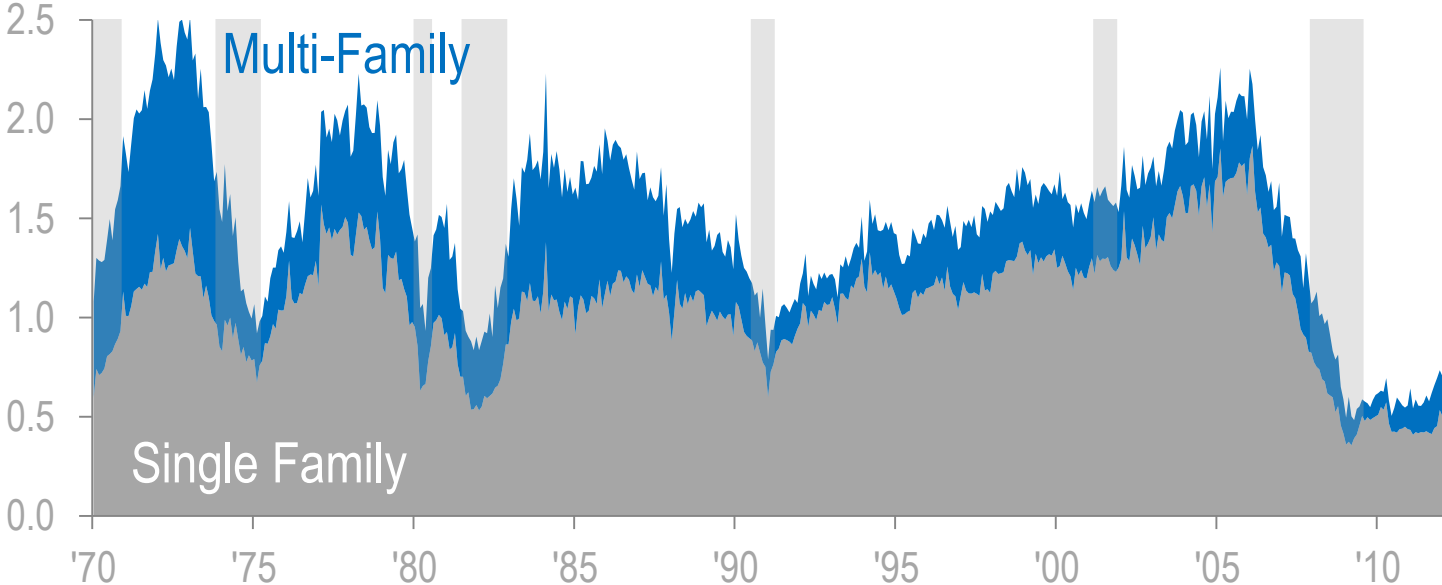
## RATIO OF HOMES FOR SALE TO SOLD



# Bottom in Home Construction?

## HOUSING STARTS

*Millions of Housing Units*

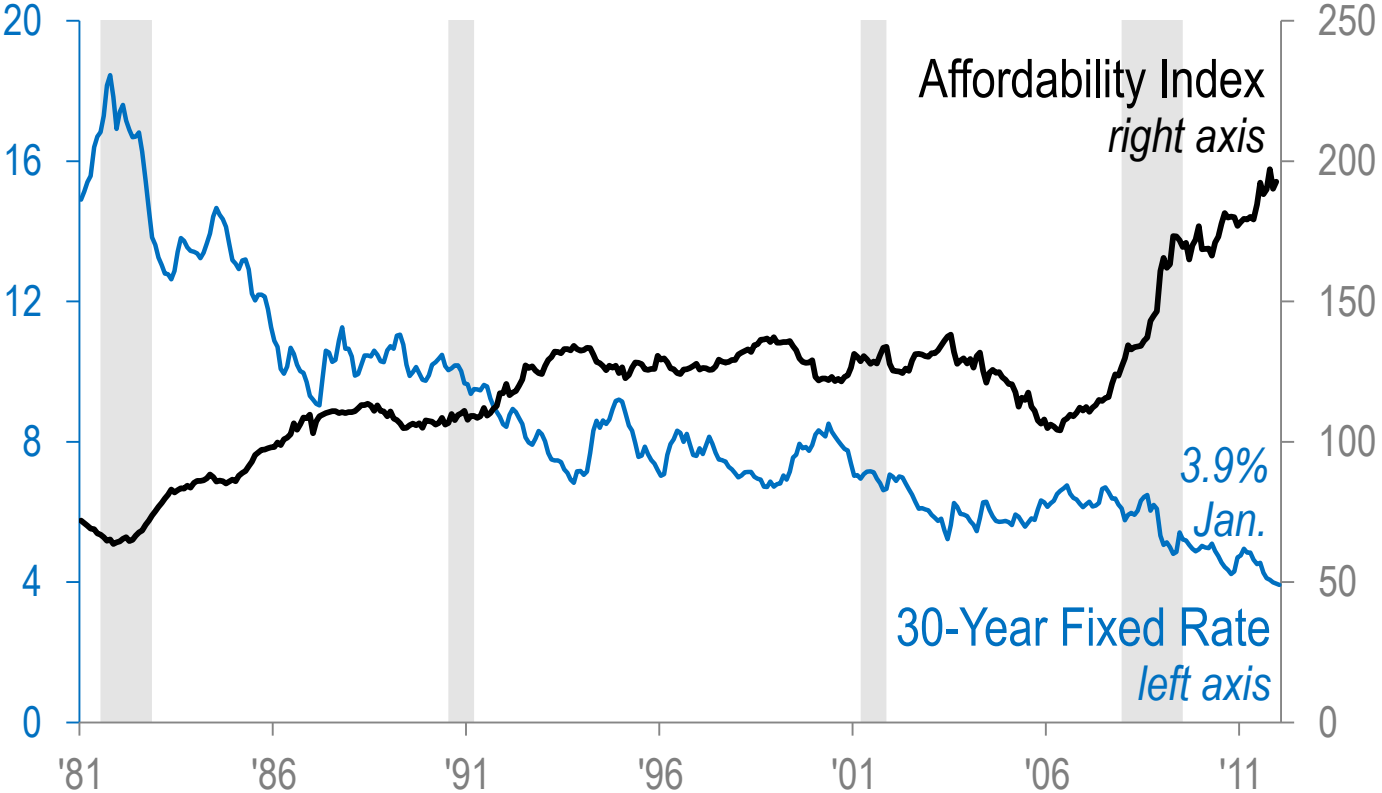


Source: U.S. Census Bureau

# Home Affordability at Record High

30-YEAR FIXED RATE  
Conventional Mortgage

AFFORDABILITY  
Index

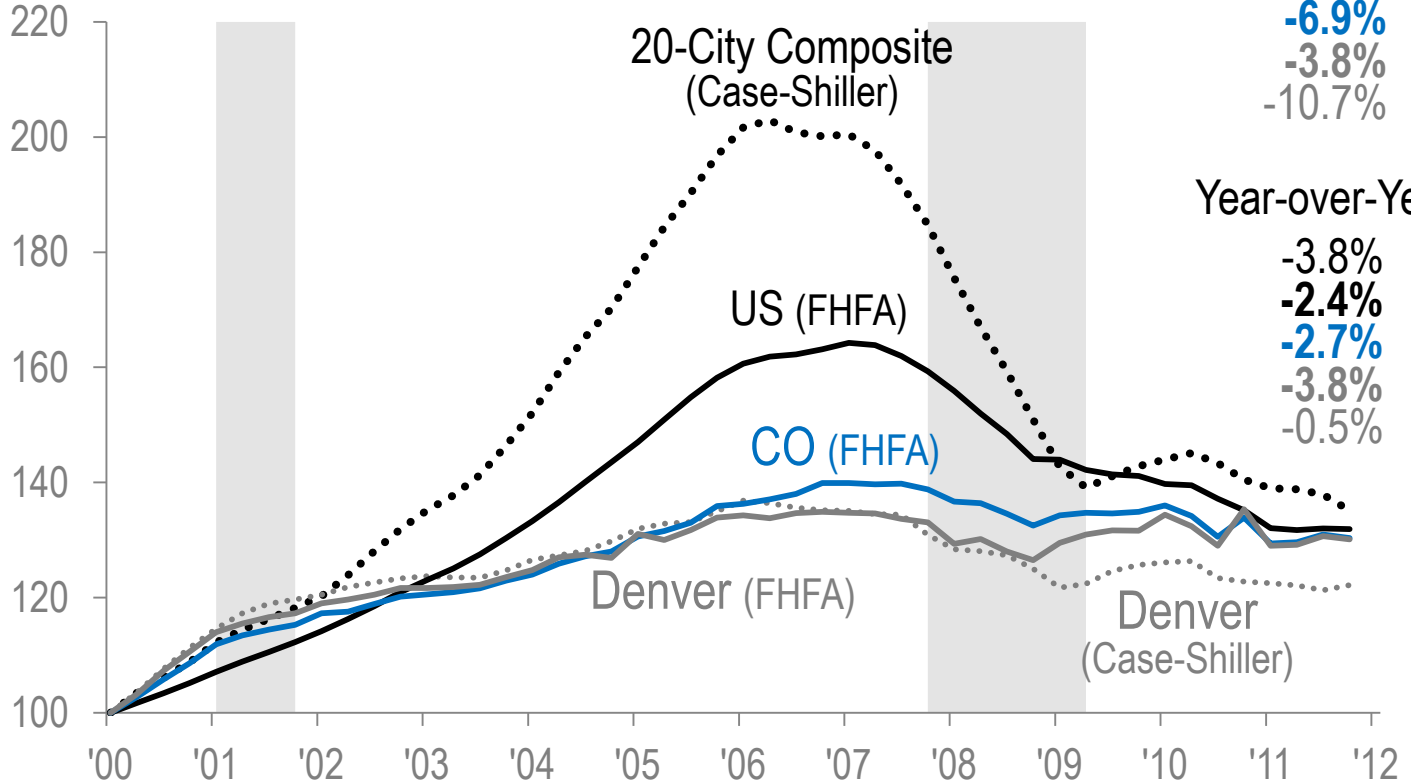


Source: Federal Reserve Board & National Association of Realtors

# Home Prices Remain Soft

## HOME PRICES

Indexes (Jan. '00 = 100)



Peak to Current

-33.4%  
 -19.7%  
 -6.9%  
 -3.8%  
 -10.7%

Year-over-Year

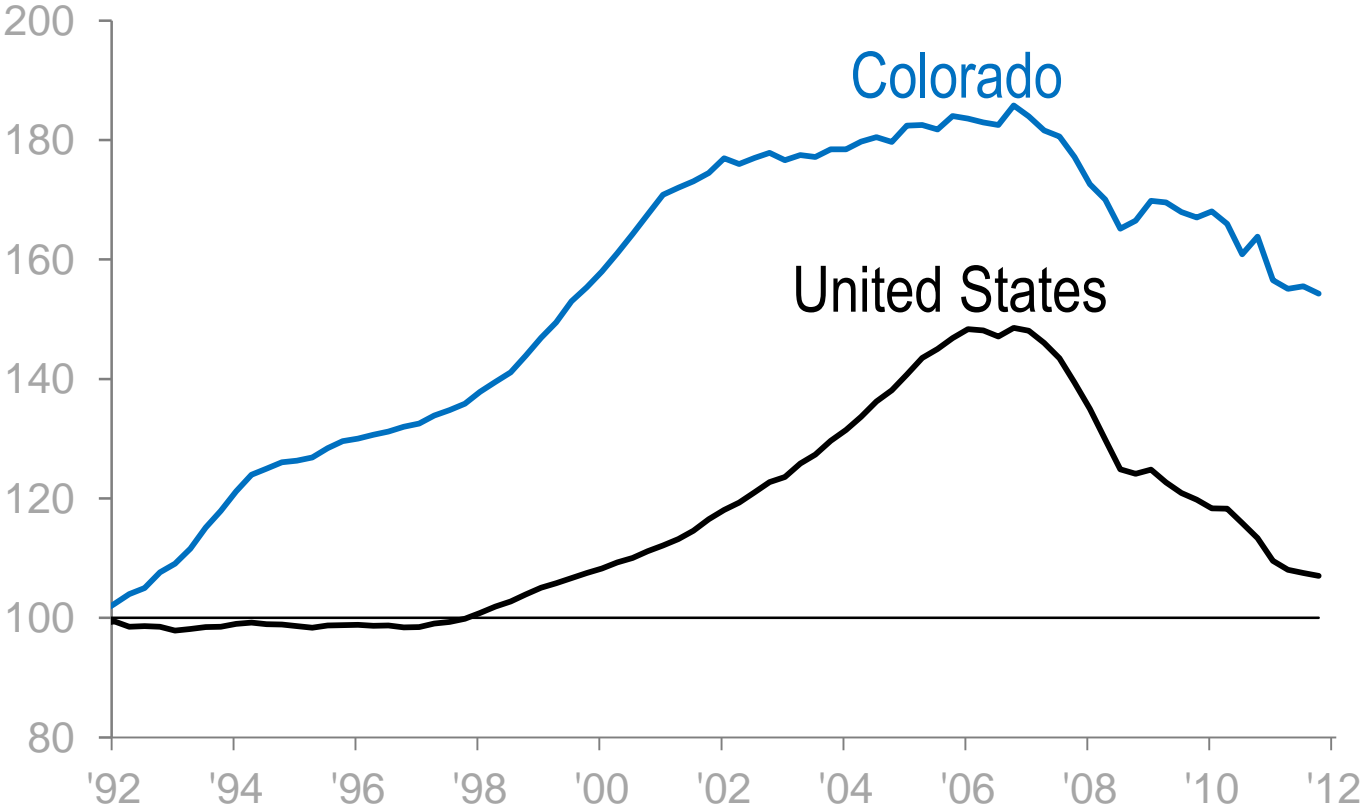
-3.8%  
 -2.4%  
 -2.7%  
 -3.8%  
 -0.5%



# Home Price Gains Revert to Inflation

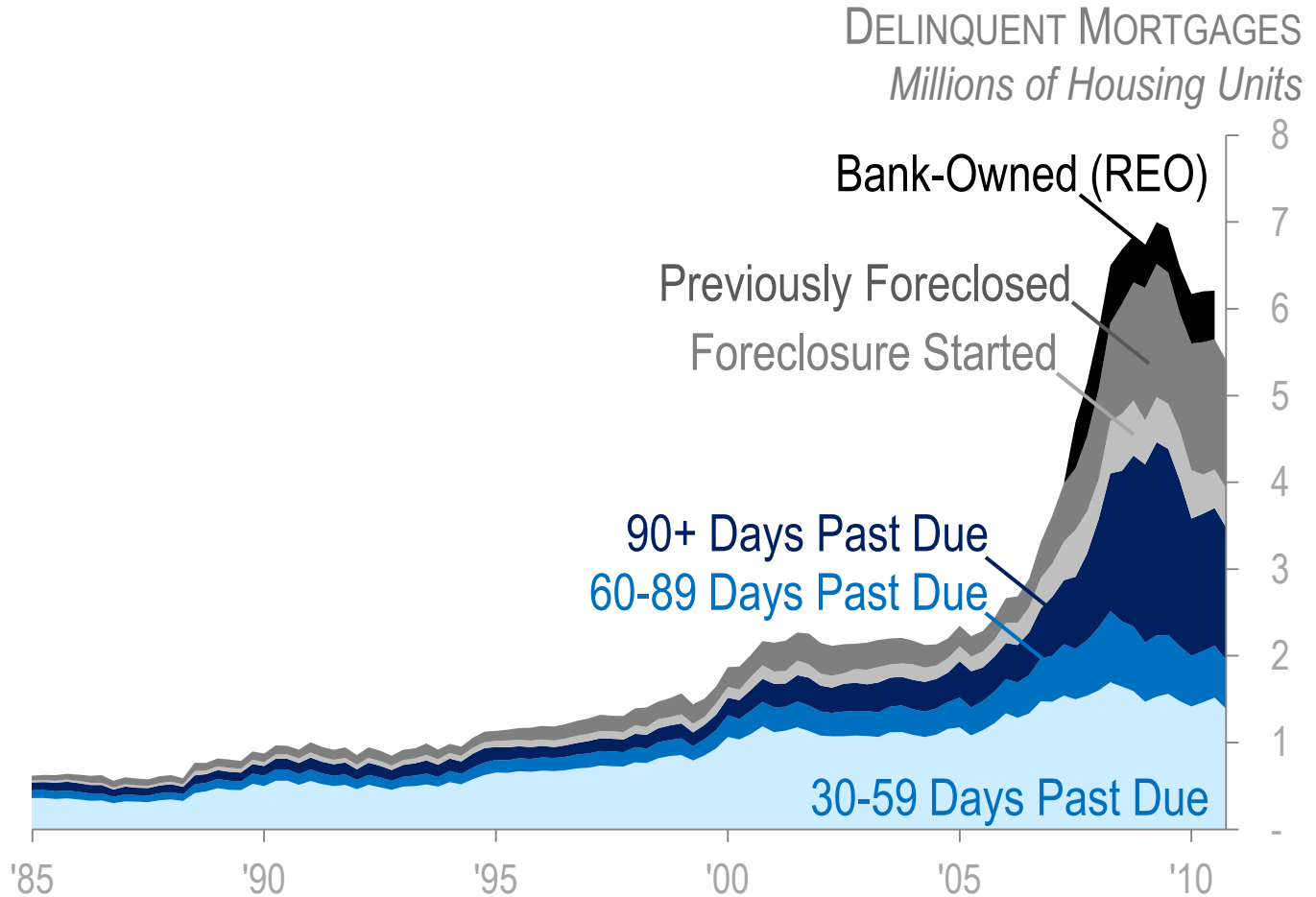
INFLATION-ADJUSTED HOME PRICES

Index (Jan. '91 = 100)



Source: Federal Housing & Finance Association & Bureau of Labor Statistics

# Delinquency & Foreclosure Pipeline Full



# U.S. & Colorado Economic Outlook

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This presentation will be available at:  
<http://www.KansasCityFed.org/Denver>