

Economic Highlights

Employment

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Real Estate

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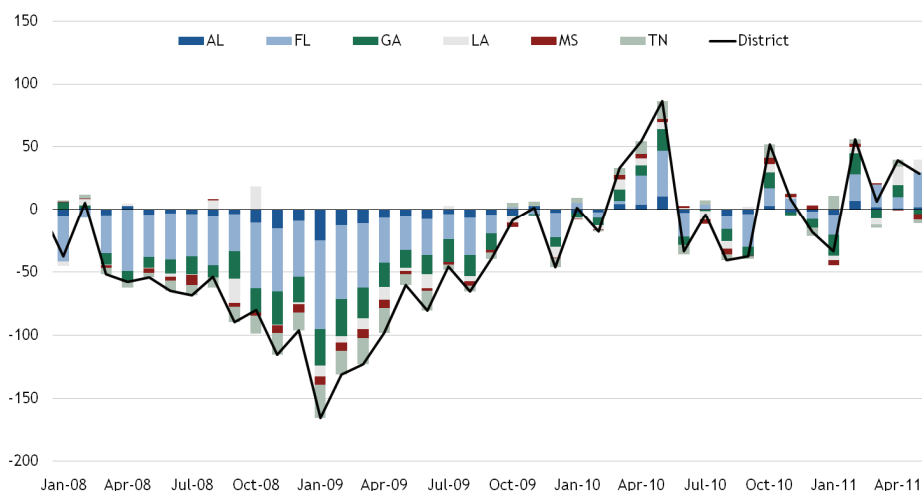
Employment

Summary

The May payroll employment report indicated varied performance across states within the District.

The District added 28,500 nonfarm jobs in May, with Florida and Louisiana accounting for most of the increase.

Payroll Employment Growth by State
monthly change, thousands
May 2011

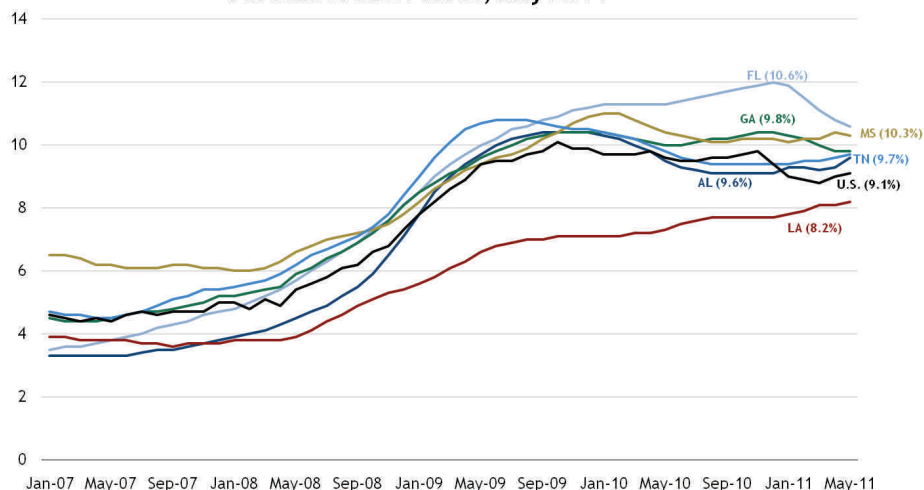


Source: U.S. Bureau of Labor Statistics

- The District added 28,500 nonfarm jobs in May, a modest increase, while the sum of states' payrolls declined significantly over the month.
- Over-the-month changes in payroll employment varied across states within the district; Florida, Louisiana, and Alabama recorded payroll increases while Georgia, Mississippi, and Tennessee reported a net decrease in payrolls. Nationwide, only 22 states reported an increase in payrolls for May.
- Florida experienced its largest increase in monthly payrolls since May 2010, gaining 28,000 jobs; gains in **educational and health services** and **leisure and hospitality** accounted for most of the increase. Florida's **Construction** sector recorded a slight increase in May, but the level of employment still remains near its historical low.

The District unemployment rate remained at 10 percent in May. Most states within the District continued to have an unemployment rate higher than the national unemployment rate.

District Unemployment Rates
Percent of labor force, May 2011



Source: U.S. Bureau of Labor Statistics

- The District unemployment rate remained at 10 percent in May. Nationwide, 24 states posted unemployment rate decreases. The District unemployment rate has declined by half a percentage point thus far in 2011.
- The unemployment rate decreased in Florida and Mississippi, increased in Alabama, Louisiana, and Tennessee, and remained unchanged in Georgia. Louisiana is the only state in the District with an unemployment rate below the national unemployment rate.

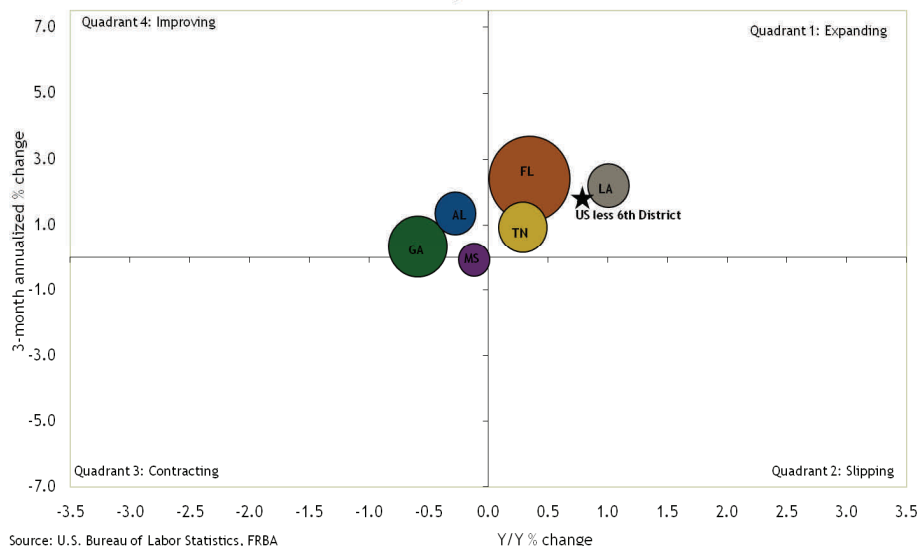
Employment

Summary

Payroll employment momentum has been uneven across states within the District.

Meanwhile, the rest of the nation has gained momentum.

Sixth District State Employment Momentum
May 2011



Source: U.S. Bureau of Labor Statistics, FRBA

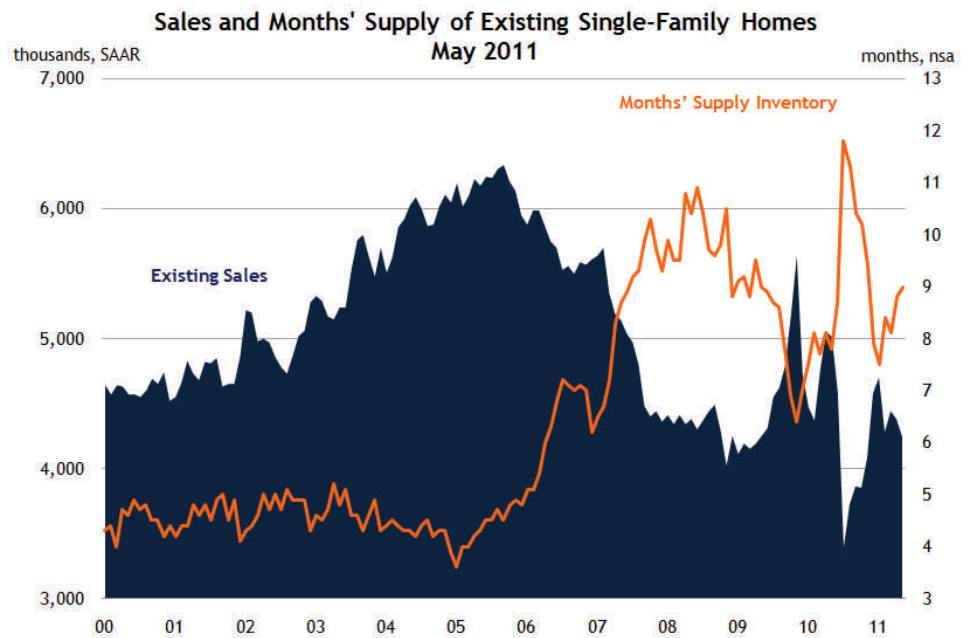
- **Florida, Louisiana, and Tennessee** appear to be undergoing an expansionary phase in their labor markets. They have experienced a positive change in payroll employment in the last year and have continued to experience job gains in recent months.
- Payroll employment in **Alabama** has decreased since May 2010. However, recent data point to an improvement in the labor market.
- **Georgia and Mississippi's** labor markets are in a precarious position, right at the cusp of Quadrant 3: Contracting and Quadrant 4: Improving. Both have experienced a decrease in payroll employment over the last year. Recent data indicate that labor markets in both states are still weak.
- The rest of the nation has experienced payroll employment growth over the last 12 months. Despite weaker-than-expected performance in May, the U.S. labor market appears to be carrying short- and long-term momentum moving forward.

Guide to Momentum Chart

- The size of each state's bubble reflects its relative share of total employment among the six measured states.
- The horizontal (X) axis measures long-term trends (year-over-year percent change).
- The vertical (Y) axis measures short-term trends (three-month average annualized percent change).
- **Quadrant 1**—Both short- and long-term employment growth are positive. (The higher in the right-hand corner of the chart a state's bubble appears, the stronger the state's employment momentum.)
- **Quadrant 2**—Short-term growth is negative, and long-term growth is positive. (Recent data point to slipping employment momentum.)
- **Quadrant 3**—Both short- and long-term employment growth are negative. (The lower in the left-hand corner of the chart a state's bubble appears, the weaker the state's employment momentum.)
- **Quadrant 4**—Short-term growth is positive, and long-term growth is negative. (Recent data point to improving employment momentum.)

Summary

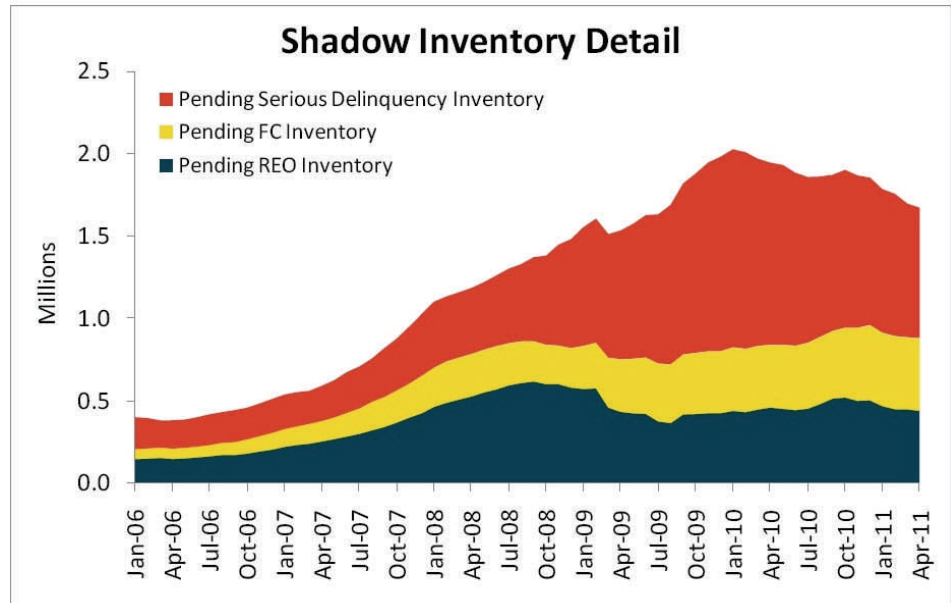
The National Association of Realtors reported that home sales were weaker in May; single-family home sales declined 3.2 percent from April to May and were 15.4 percent below the year-earlier level, when the housing stimulus boosted sales.



Source: National Association of Realtors

Summary

CoreLogic reported that the shadow inventory level in April declined to 1.7 million units from the prior month. This level represents a five-month supply of homes, based on the rate of sale.

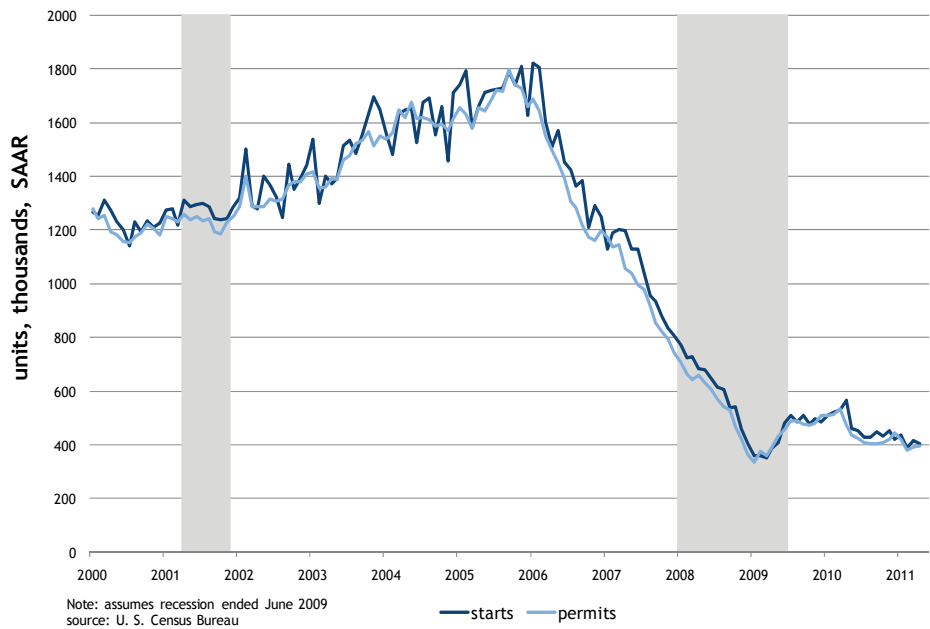


Source: CoreLogic

Summary

U.S total housing starts and permits were both up slightly in May. Much of the strength in permits was within multifamily homes.

US Single Family Home Construction May 2011



May Permits, SAAR

Source: U.S. Census Bureau

Total	612k	5.2% y/y	8.7% m/m
Single-family	405k	-6.9% y/y	2.5% m/m
Multifamily	207k	40.8% y/y	23.2% m/m

May Starts, SAAR

Source: U.S. Census Bureau

Total	560k	-3.5% y/y	3.5% m/m
Single-family	419k	-8.9% y/y	3.7% m/m
Multifamily	141k	17.5% y/y	2.9% m/m