

## Economic Highlights

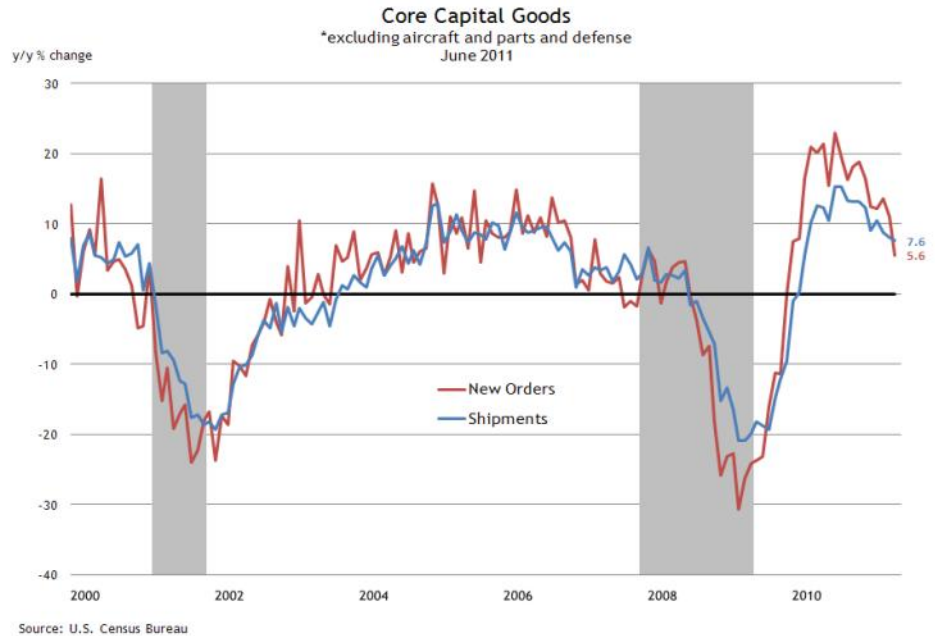
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# Manufacturing

## Summary

June's durable goods report showed a 0.4 percent monthly dip in new orders for core capital goods, which excludes the volatile series on aircraft and defense goods. Shipments of core capital goods increased 1 percent.



- Though still up 5.6 percent from June 2010, orders for core capital goods fell 0.4 percent from May to June 2011.
- Categories of durable goods with significant changes in new orders over the month include **communications equipment, which was up 15.2 percent** from May to June. **New orders for transportation equipment dropped 8.5 percent**, which was mostly attributed to double-digit losses in orders for defense and nondefense aircraft. **Orders for motor vehicles dropped 1.4 percent** over the month.
- Shipments of core capital goods, up 7.6 percent from a year ago, were up 1 percent over the month.

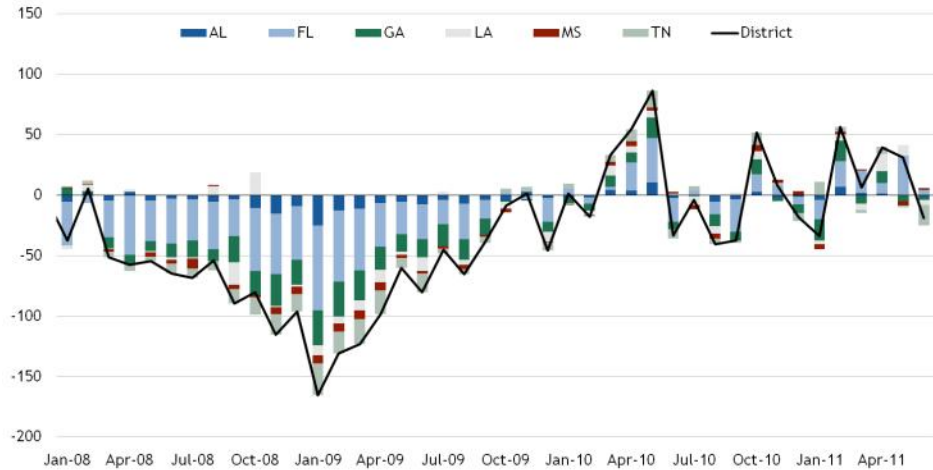
# Employment

## Summary

The June payroll employment report indicated job losses for the District for the first time since January 2011.

The District shed 19,100 nonfarm jobs over the month, with Tennessee accounting for most of the decrease.

**Payroll Employment Growth by State**  
monthly change, thousands  
June 2011



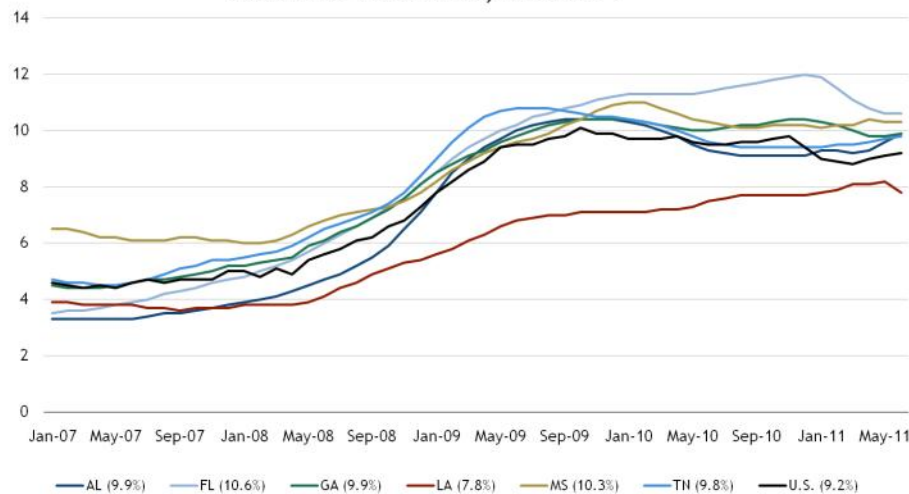
Source: U.S. Bureau of Labor Statistics

- The District cut 19,100 nonfarm jobs in June; this decline follows May's revised payroll increase of 31,200.
- Most of the states within the District did not experience an appreciable change in payrolls over the month, with the exception of Tennessee. Florida and Mississippi added payrolls, while Alabama, Georgia, Louisiana, and Tennessee reduced payrolls.
- Tennessee cut 16,900 jobs in June, accounting for about 88 percent of the net decrease for the District as a whole. Of those job losses, 15,300 were government jobs.
- Most industries within the District did not indicate a significant change in payrolls.

The District unemployment rate remained at 10 percent for the third consecutive month in June.

Most states within the District have an unemployment rate higher than the national unemployment rate.

**District Unemployment Rates**  
Percent of labor force, June 2011



Source: U.S. Bureau of Labor Statistics

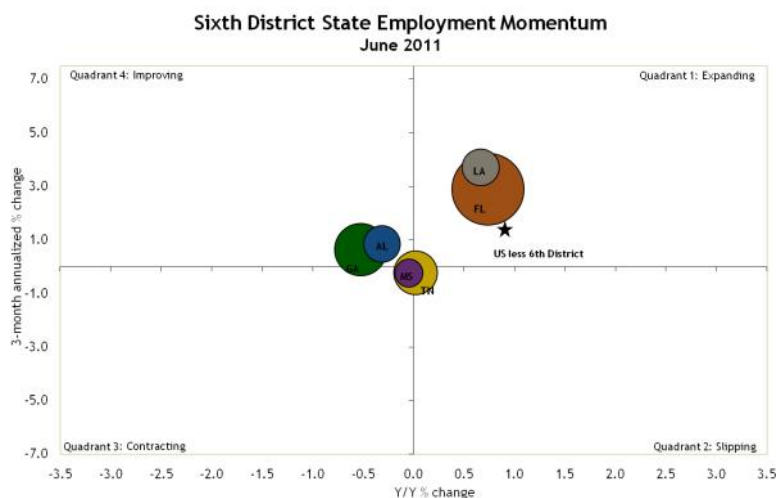
- The District unemployment rate remained at 10 percent in June. Nationwide, only eight states posted unemployment rate decreases, 28 posted unemployment rate increases, and 14 states experienced no change.
- The unemployment rate decreased in Louisiana; increased in Alabama, Georgia, and Tennessee; and remained unchanged in Florida and Mississippi. Louisiana is the only state in the District with an unemployment rate below the national unemployment rate.

# Employment

## Summary

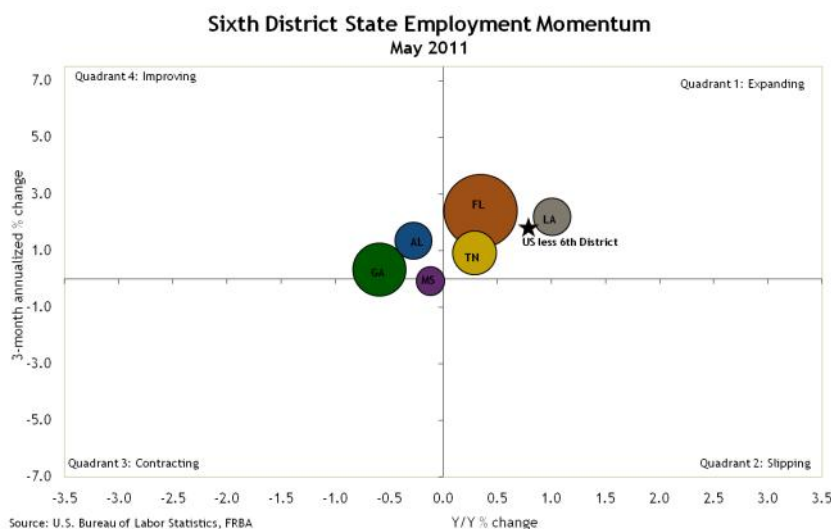
The magnitude of differences in payroll employment momentum across states within the district increased in June.

Meanwhile, the rest of the nation did not experience an appreciable change in momentum over the month.



Source: U.S. Bureau of Labor Statistics

- Payroll employment momentum remained uneven across states within the District in June. Florida and Louisiana appear to be expanding along with the rest of the United States. Alabama and Georgia are worse off than they were a year ago, but recent performance points towards improvement in their labor markets.
- Mississippi and Tennessee seem to be losing momentum. Tennessee had an especially sharp loss of momentum in June.
- The variance in momentum across states within the District increased over the month, indicating stratification in performance.



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

### 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.)

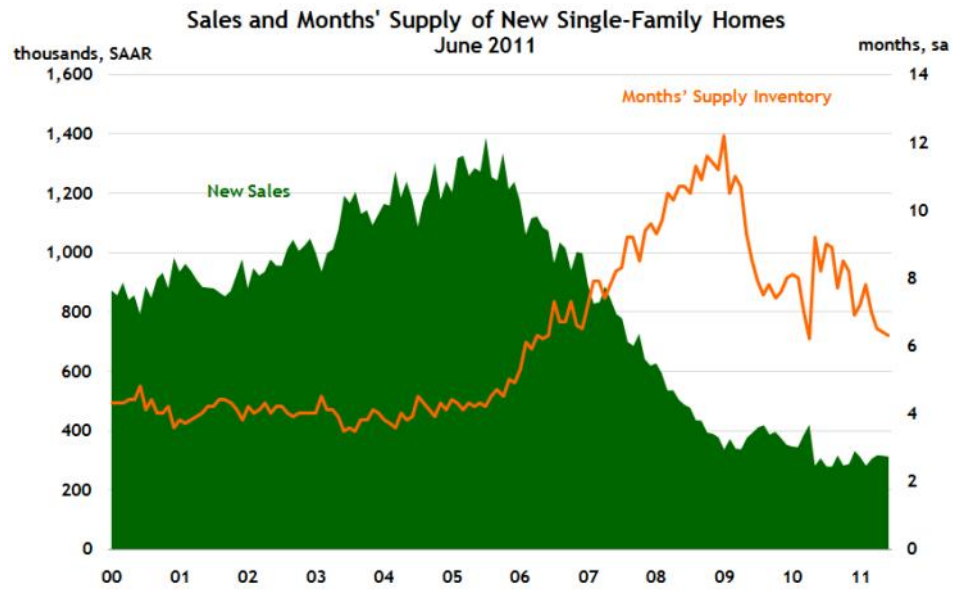
**Quadrant 2**—Short-term growth is negative, and long-term growth is positive. (Recent data point to slipping employment momentum.)

**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

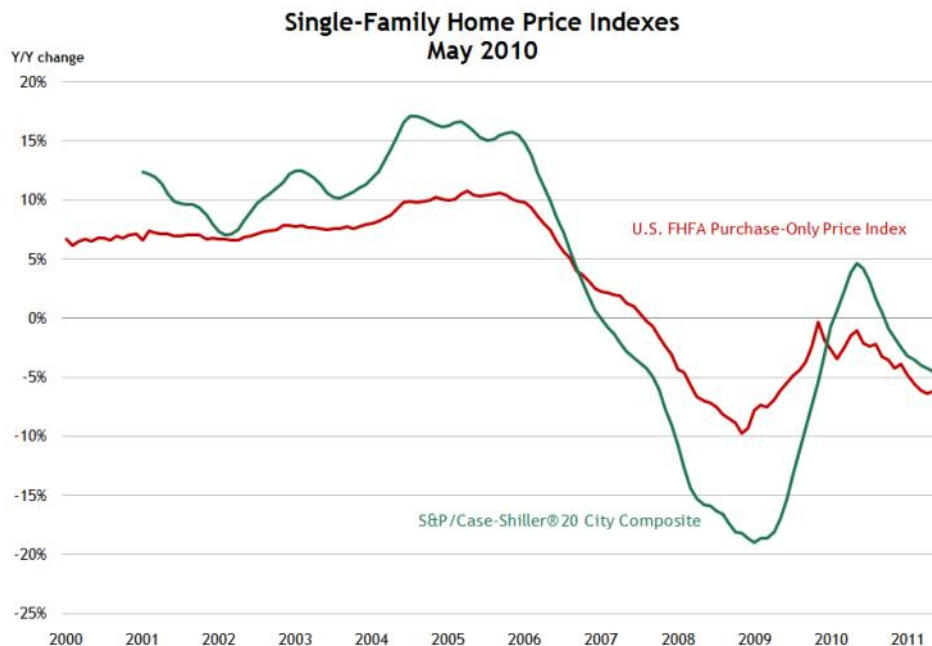
The U.S. Census reported that nationally new home sales edged down 1 percent from May to June and exceeded weak levels a year earlier by nearly 2 percent.



Source: U.S. Census Bureau and U.S. Department of Housing and Urban Development

## Summary

The S&P/Case-Shiller home price index continued to weaken in May on a year-over-year basis while the FHFA purchase-only home price index decline was more modest than in the prior month.



	May (nsa)	May (sa)	M/M (nsa)	M/M(sa)	Y/Y
<b>S&amp;P/Case-Shiller Index®</b>					
20-City Composite	139.9	141.0	1.0%	-0.1%	-4.5%
10-City Composite	153.6	154.8	1.1%	0.2%	-3.6%
Atlanta	102.9	103.5	1.0%	-0.2%	-4.7%
Miami	138.6	140.1	1.2%	0.5%	-5.3%
Tampa	125.1	126.2	-0.6%	-1.5%	-9.5%
<b>U.S. FHFA Purchase-Only</b>	<b>184.8</b>	<b>181.8</b>	<b>1.2%</b>	<b>0.4%</b>	<b>-6.3%</b>