

Economic Highlights

Employment

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Real Estate

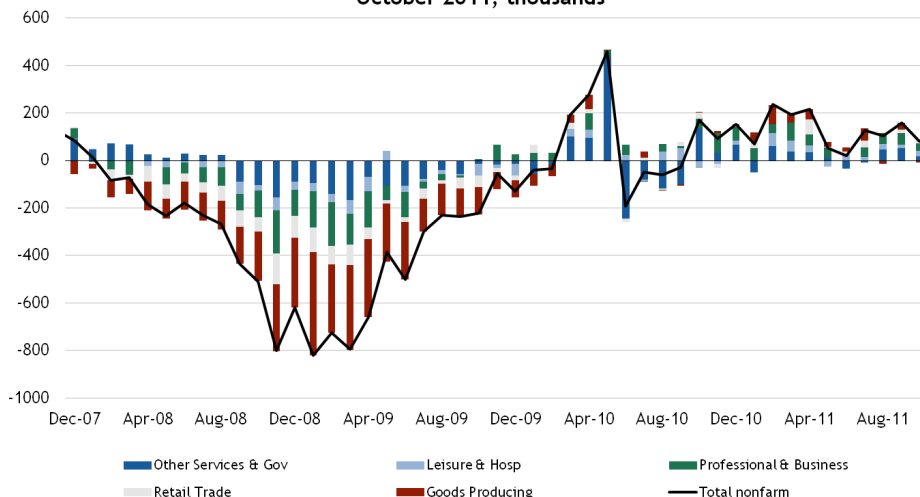
CoreLogic Home Price Index	3
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Summary

Payroll employment increased by 80,000 in October, and August and September payrolls were revised up by a total of 102,000.

Contributions to Change in Nonfarm Payroll Employment

October 2011, thousands



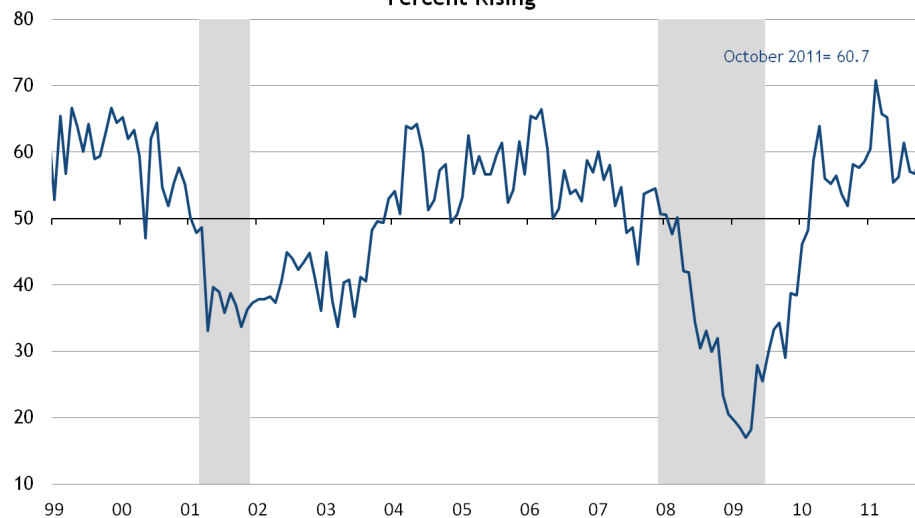
Source: U.S. Bureau of Labor Statistics

- **Nonfarm payroll employment** increased by 80,000 and **private payrolls** increased by 104,000 in October, below consensus expectations of 95,000 and 125,000, respectively. Upward revisions to August and September payrolls came mostly from **education and health services** and **leisure and hospitality**.
- **Professional and business services** added 32,000 jobs in October; this sector has experienced an average monthly payrolls increase of 46,000 since October 2010.
- **Education and health services** and **leisure and hospitality** increased employment over the month by 28,000 and 22,000, respectively; **education and health services** remains a bright spot for the economy, having added jobs during and after the recession. **Retail trade** has experienced only modest employment increases since April 2011, adding 17,800 jobs in October. **Manufacturing** payrolls increased by only 5,000 over the month.
- Major over-the-month job losses were in **construction** and **government**; the former decreased employment by 20,000, while the latter shed 24,000 jobs. The decline in **government** employment has shown no signs of abating.

The spread of job growth across industries increased in October.

Diffusion Index of Private Nonfarm Payrolls

Percent Rising



Source: U.S. Bureau of Labor Statistics

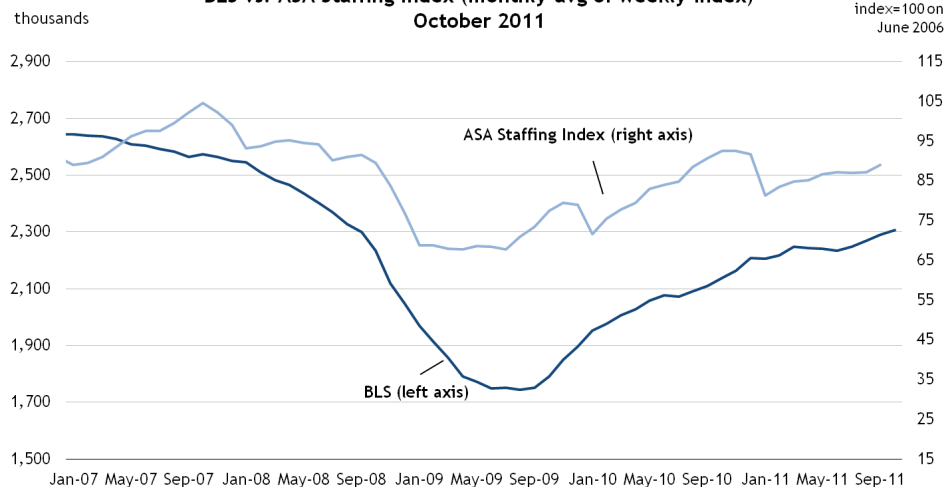
- The diffusion index increased by 4 percentage points in October to reach 60.7 percent. After reaching a high of 70.8 percent in February 2011, the index fell sharply to its 2011 trough of 55.4 percent in May and has not displayed a consistent trend since.

Employment

Summary

Employment in temporary help services continued to increase in October.

Employment in Temporary Help Services
BLS vs. ASA Staffing Index (monthly avg of weekly index)
October 2011

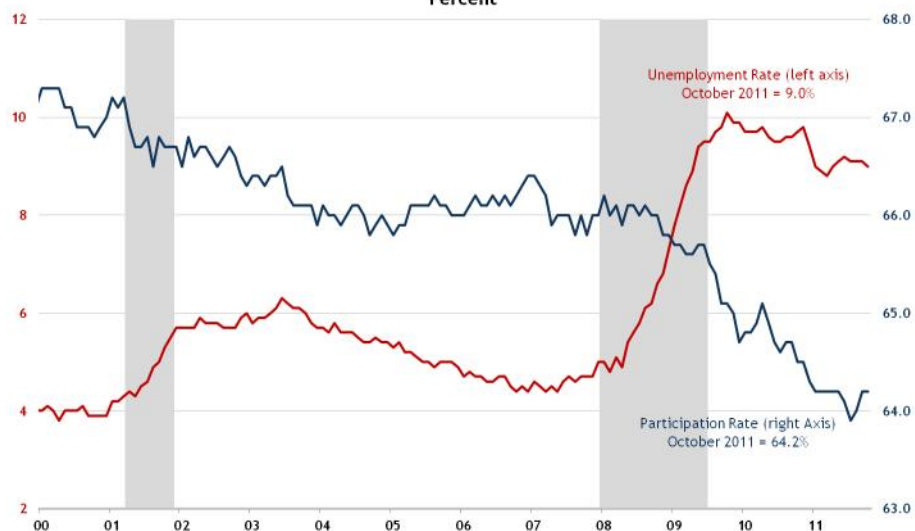


Source: Bureau of Labor Statistics (BLS), American Staffing Association

- Employment in **temporary help services**, as measured by the U.S. Bureau of Labor Statistics, increased by 15,000 in October; this sector has added 18,500 jobs per month, on average, since July 2011.
- Changes in temporary help services payrolls have been perceived as a leading indicator of labor market performance. One rationale for this perception is that given an uncertain demand outlook, companies hire temporary contractors rather than permanent employees to retain flexibility over their payrolls. As demand grows stronger, the expectation is that temporary help services employment will peak and monthly employment increases in that industry will start subsiding as companies shift to permanent hires.

The unemployment rate decreased to 9 percent in October. The labor force participation rate remained unchanged at 64.2 percent.

Unemployment and Labor Force Participation Rates
Percent

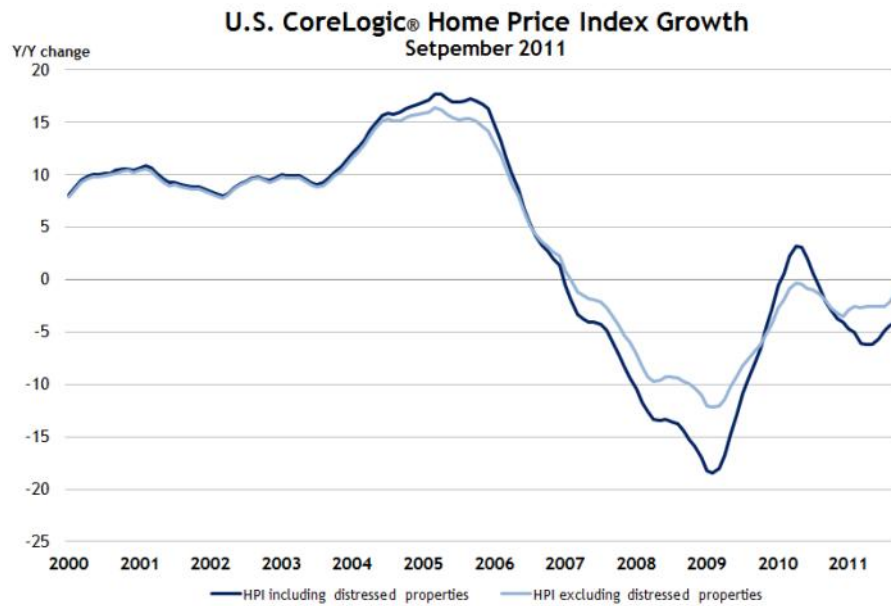


Source: U.S. Bureau of Labor Statistics

- The unemployment rate decreased 0.1 percentage point over the month, to 9 percent. This decrease comes after three months of no change in the unemployment rate.
- The labor force participation rate held steady at 64.2 percent in October. After an extended decline starting in early 2010, the participation rate has been on an upward trend over the past three months.

Summary

The CoreLogic home price indexes continued to decline on a year-over-year basis in September, but declines continued to moderate.



Source: CoreLogic®

September 2011

	Index	M/M	Y/Y
Combined	138.3	-1.1%	-4.1%
Combined excluding distressed	152.3	0.3%	-1.1%
Single-family detached	137.3	-1.2%	-4.2%
Single-family attached	143.3	-0.6%	-4.0%

Source: U.S. CoreLogic®