

## Economic Highlights

---

### Employment

Payroll Employment Growth by State 1

Employment in Professional and Business Services 2

### Real Estate

U.S. Single-Family Home Sales 3

Residential Inventory Levels 3

November 2009 Home Price Indexes 4

### Auto Production

District Vehicle Production and Utilization Rates 5

### Consumer Spending

The Conference Board Consumer Confidence Index 6

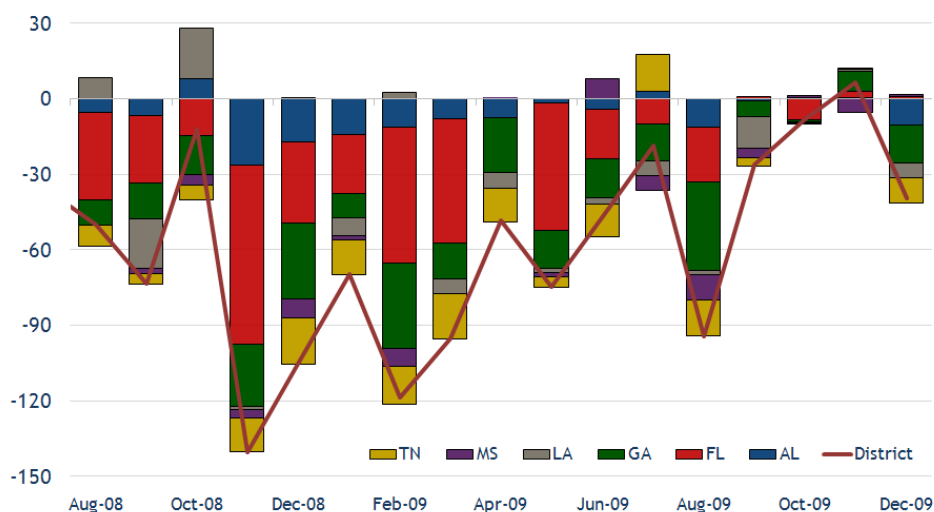
# Employment

## Summary

The District lost a net 39,400 jobs in December. Job losses were concentrated in Georgia, Alabama, and Tennessee.

Since December 2007, District states on net have lost 1.3 million jobs, with losses split almost evenly between 2008 and 2009.

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



Source: U.S. Bureau of Labor Statistics

- After adding 6,500 jobs in November, District states lost a net 39,400 jobs in December. Georgia, Alabama, and Tennessee accounted for more than 90% of the losses.
- More than 50% of the jobs shed in Georgia were in its trade and transportation sector. In Tennessee, job losses were mainly in goods-producing sectors. Tennessee's manufacturing sector shed 3,100 jobs, the largest monthly loss since July 2009. In Alabama, the professional and business and leisure and hospitality sectors were two of the largest contributors to job losses.
- While job losses may be volatile on a month-to-month basis, the District as a whole, but especially Alabama, Florida, Georgia, and Tennessee, showed a clear decline in the rate of job losses in 2009.

**Average monthly job losses per quarter (thousands)**

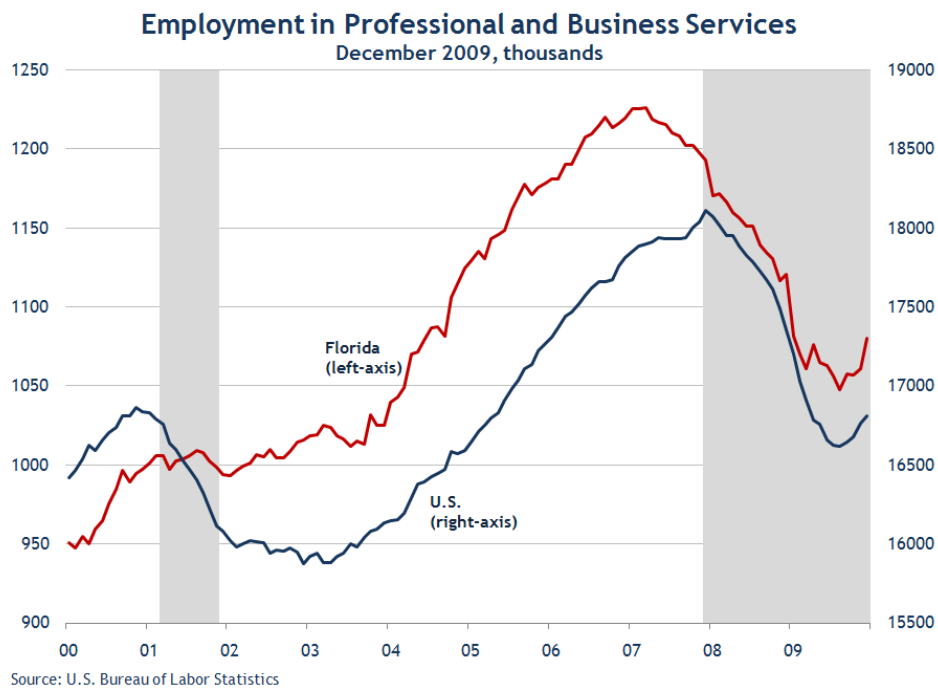
Quarter	District	Alabama	Florida	Georgia	Louisiana	Mississippi	Tennessee
Q1 2009	-94.5	-11.1	-42.1	-19.4	-3.3	-3.1	-15.5
Q2 2009	-56.6	-4.4	-23.2	-17.4	-3.6	2.1	-10.1
Q3 2009	-46.3	-3.0	-10.4	-18.6	-6.7	-6.5	-1.0
Q4 2009	-13.7	-3.2	-1.7	-2.5	-2.0	-1.1	-3.2

# Employment

## Summary

Florida added 800 jobs in December largely because of gains in its professional and business sector.

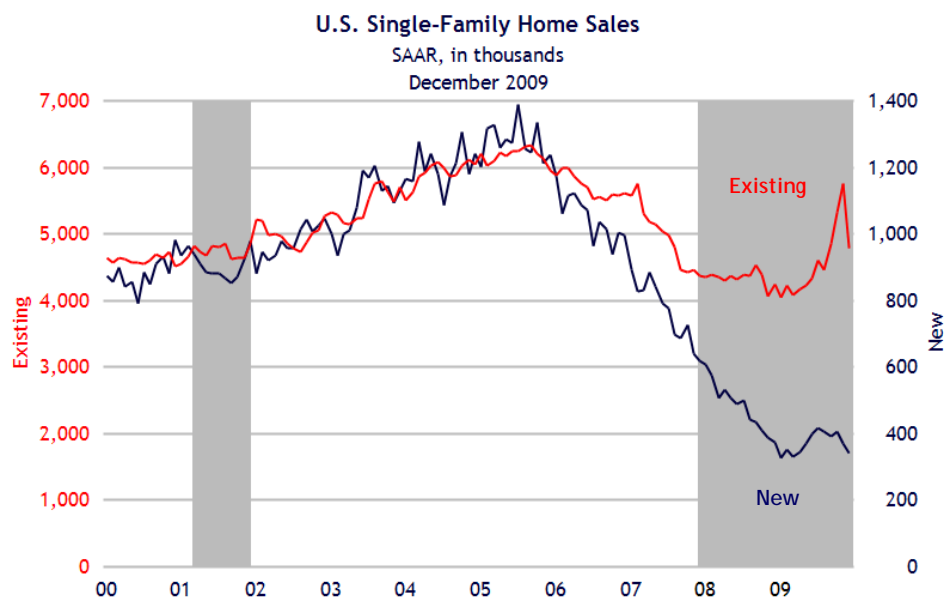
Employment in the sector has expanded recently in Florida and the nation, largely supported by temporary hiring.



- After adding 2,600 jobs in November, Florida gained another 800 jobs in December. Much of this gain was in the professional and business sector, which alone added 18,000 jobs, primarily led by temporary hiring. Most of Florida's other major industries shed a considerable number of jobs in December—namely, retail (-7,800), government (-5,800), and leisure and hospitality (-3,700).
- The nation's professional and business sector began adding jobs in September 2009, and in Florida the sector began adding jobs in November. Much of this growth has been fueled by firms' reluctance to expand their permanent workforce in response to an uptick in business activity. Firms would rather hire temporary workers amid economic uncertainty.

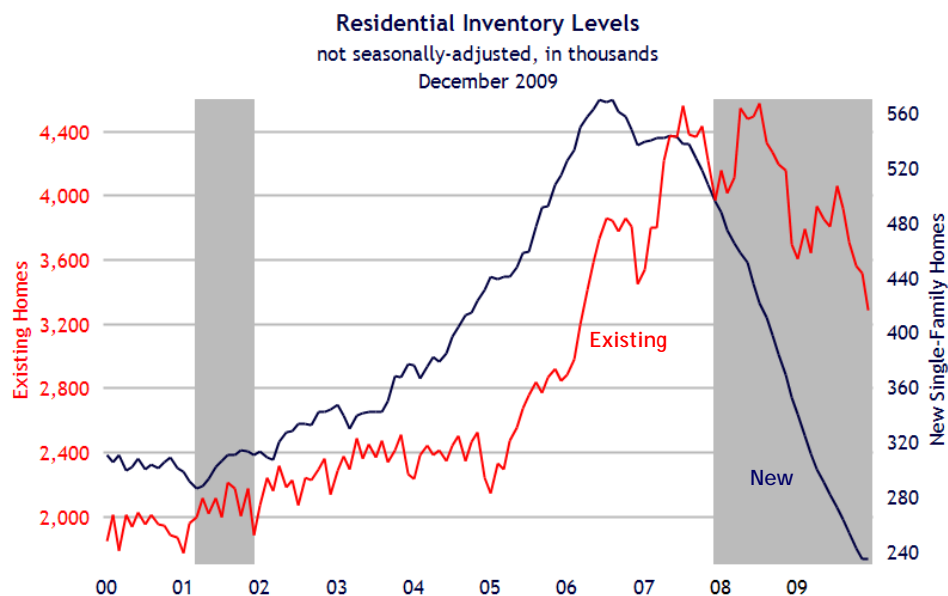
## Summary

Both new and existing single-family home sales declined in December over the prior month. Declines were greater than consensus expectations.



Source: National Association of Realtors and U.S. Census Bureau

Despite weaker sales, existing home inventory continued to decline while new single-family home inventory was unchanged from November to December.



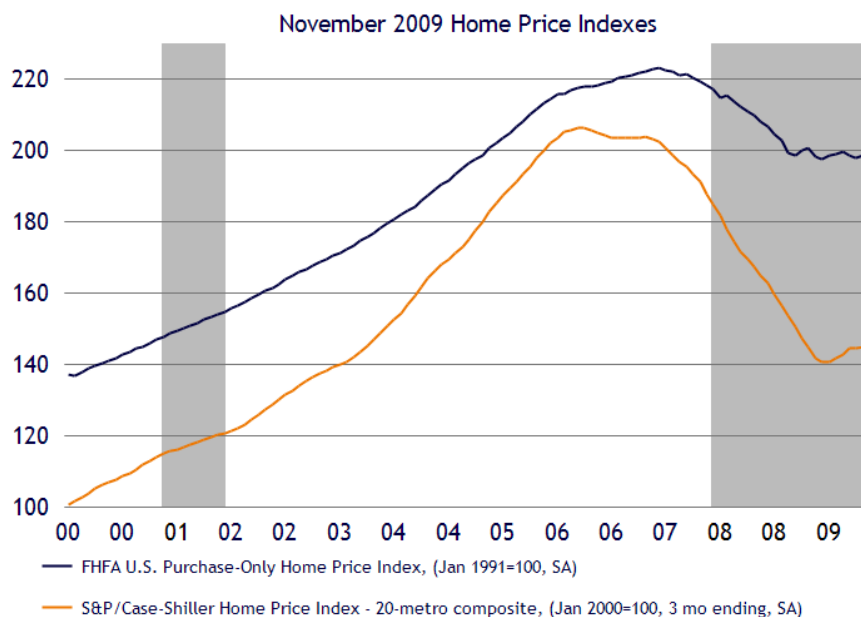
Source: National Association of Realtors and U.S. Census Bureau

## December Existing Home Sales

	thousands, SAAR	y/y change	m/m change
Existing home sales	5,450	15.0%	-16.7%
Existing single-family	4,790	12.7%	-16.8%
Existing multifamily	660	34.7%	-15.4%
New single-family	342	-8.6%	-7.6%

## Summary

Both the FHFA and S&P/Case-Shiller 20-city composite home price indexes increased less than 1% in November. Since April 2009 both indexes have held fairly steady. Month-to-month growth has ranged mostly between -1% and +1%.

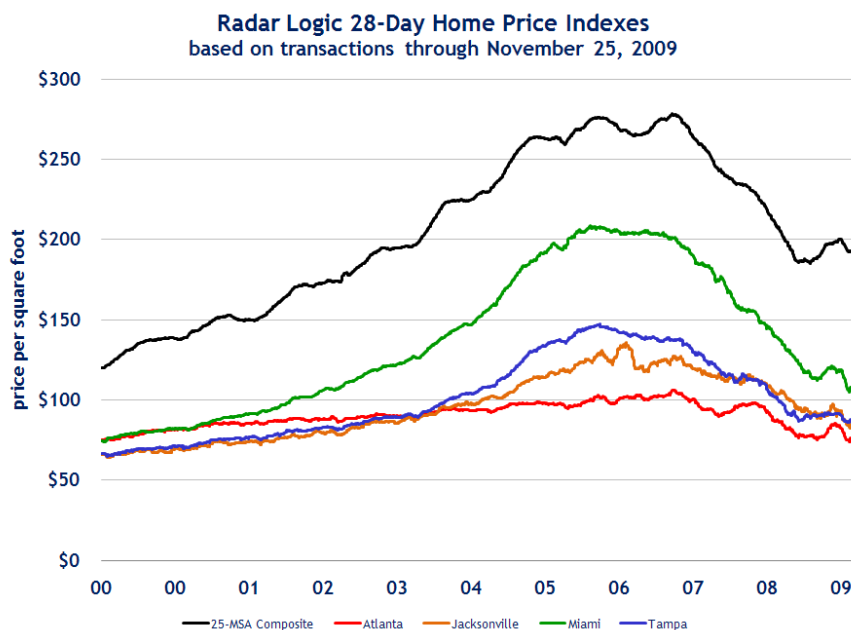


Source: Federal Housing Finance Agency, Standard & Poor's, and Fiserve Inc.

	Nov. (SA)	Oct. (SA)	M/M	Y/Y
<b>Case-Shiller</b>				
20-City Index	145.5	145.1	0.2%	-5.3%
10-City Index	157.7	157.3	0.2%	-4.5%
Atlanta	109.1	108.9	0.2%	-6.2%
Miami	148.1	148.4	-0.2%	-12.1%
Tampa	138.1	139.2	-0.5%	-13.2%
<b>FHFA Purchase-Only</b>	<b>200.4</b>	<b>198.9</b>	<b>0.7%</b>	<b>0.5%</b>

Radar Logic Analytics' home price index, which measures home prices in terms of price per square foot, indicated that national home prices held steady in November from October.

However, data on Southeastern markets indicated that home prices rose slightly.



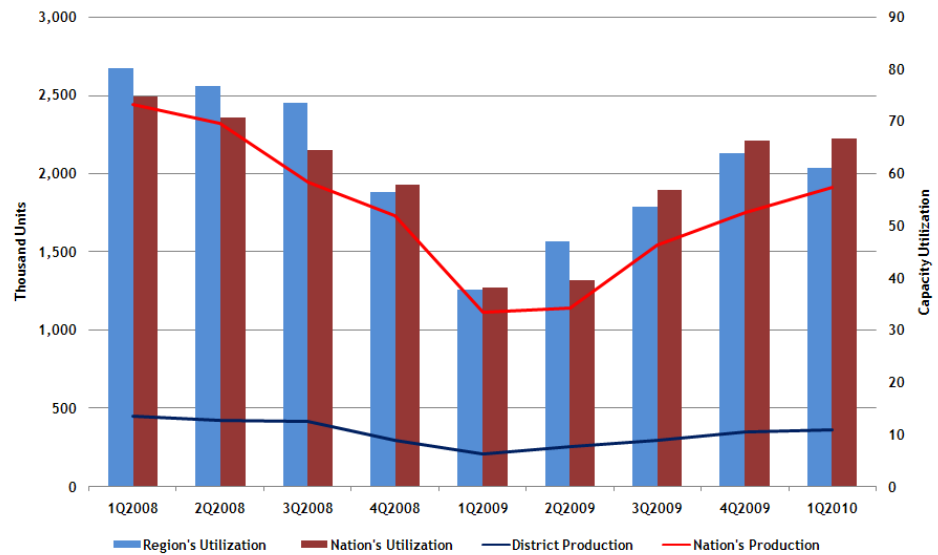
Note: The 28-day daily price index reflects all transactions that day and the preceding 27 days.  
Source: Radar Logic Analytics

# Auto Production

## Summary

Toyota's recent temporary suspension of production and distribution of eight recalled best-selling vehicles could affect several U.S. vehicle production and distribution sectors.

**Vehicle Production and Utilization Rates, District and Nation**

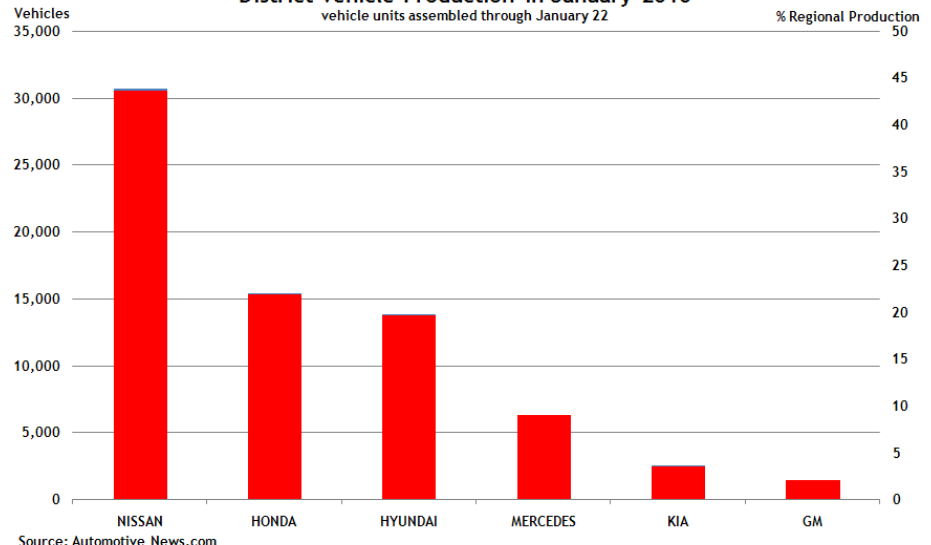


Source: Monthly Autocast.com

- The recent rebound of vehicle sales and Toyota's recalling of about 58% of its vehicles sold in the United States (a daily selling rate of more than 3,000 vehicles) are good news to non-Toyota automakers. The impact on U.S. sales and production is significant. Last year Toyota's eight recalled vehicles accounted for about 11% of total U.S. vehicle sales. Additional employment and revenue impacts on suppliers and retailers with greater exposure to Toyota sales could occur if the crisis deepens.
- The effect on Toyota's regional vehicle production, which in the earlier months of 2009 posted subpar production and utilization rates, could be important given recent double-digit gains of competing transplants.

In January, regional vehicle production included a new transplant, KIA Motors, which has a new assembly facility in West Point, Ga. KIA's timely entrance into the U.S. market is favored by a surge in vehicle demand and Toyota's recent troubles.

**District Vehicle Production in January 2010**



Source: Automotive News.com

- Regional-assembled vehicle production in January 2010 was larger than a year earlier because a new KIA Motors plant opened. KIA assembled 2,500 Sorentos, accounting for about 3.6% of regional production, surpassing the volume of vehicles assembled by GM, which had downsized production since 2009.
- Also benefiting from Toyota's recalls are regional automakers such as Nissan, Honda, and Hyundai, all assembling a similar production mix.

# Consumer Spending

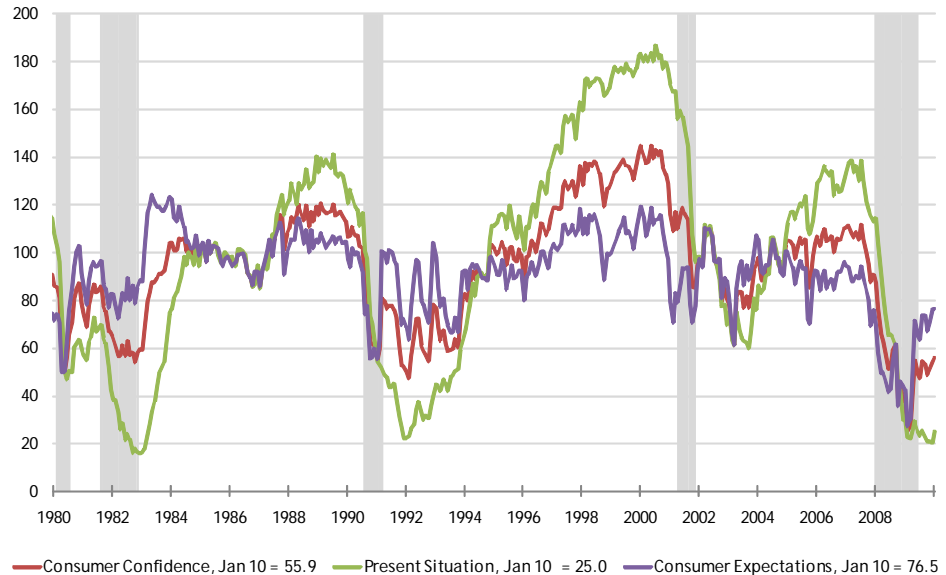
## Summary

The Conference Board Consumer Confidence Index modestly increased in January.

The index and both of its components, present situation and consumer expectations, have experienced three consecutive months of increases.

## The Conference Board Consumer Confidence Index

1985 = 100, SA



Source: The Conference Board

Assumes recession ended July 2009

- In January, the Conference Board Index of Consumer Confidence rose 2.3 points to 55.9; Bloomberg's market expectations was a modest decrease of 0.1 points to 53.5.
- Both components of the index experienced increases in January. The consumer expectations component led to the increase, rising 4.8 points from December to 76.5; the present situation component rose 0.6 points in January to 25.
- Although consumer confidence has been increasing in the past few months, the increases are small, and the index remains at relatively low levels. The low confidence is likely driven by individuals' poor view of labor markets; however, consumers' assessment of the labor market improved modestly in January. A reported 47.4% of respondents, down from 48.1% in December, said jobs were hard to get. Although only 4.3% reported jobs were plentiful, this number is up almost a third from 3.1% in December.
- The consumer assessment of job availability trend historically tends to mirror the unemployment rate, this recession being the exception. In early 2009, consumer assessment of job availability increased significantly more sharply than the unemployment rate and has been climbing to new historic highs since late 2008.