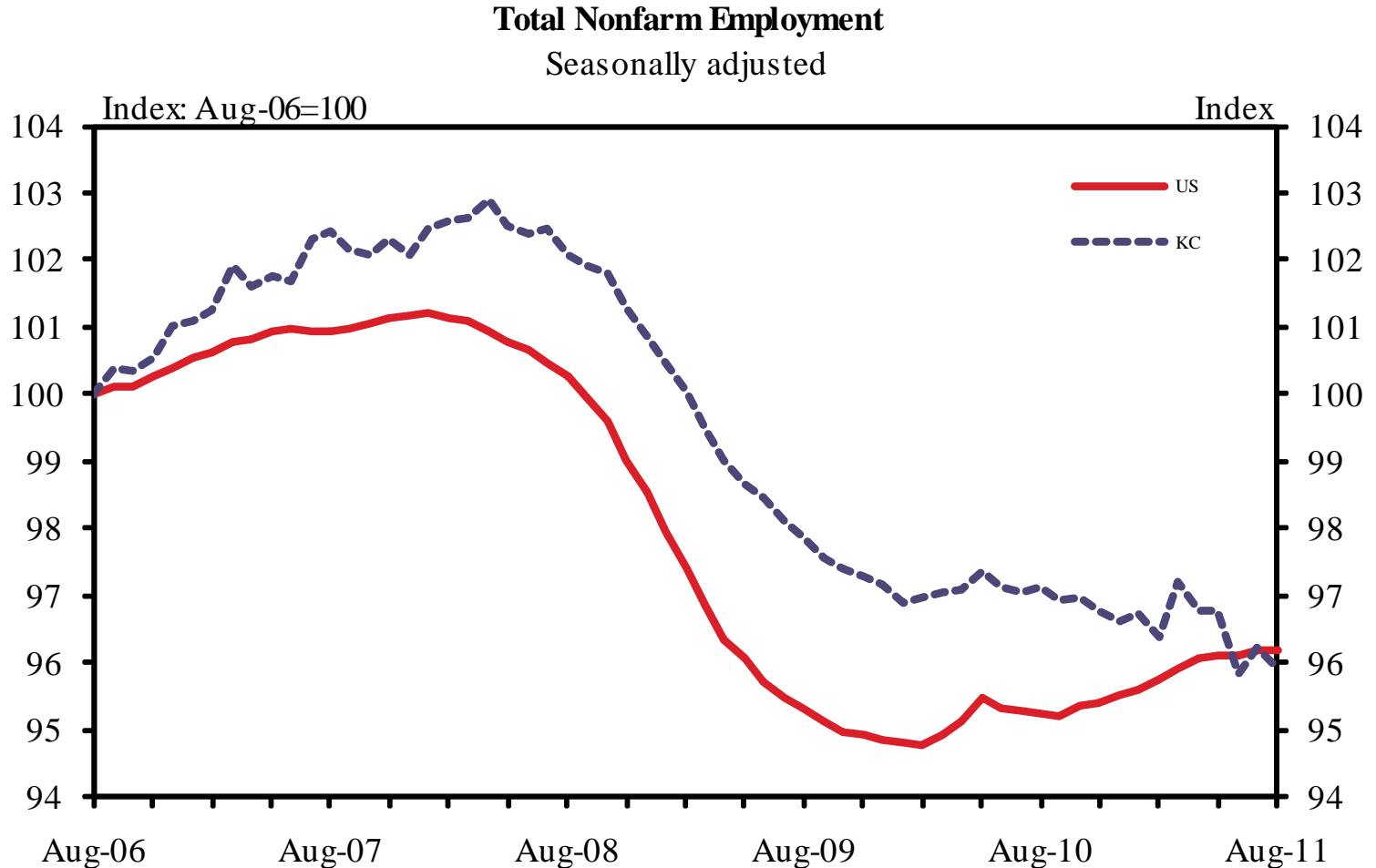


A QUICK LOOK AT THE KANSAS CITY ECONOMY

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The views expressed are those of the presenter and do not necessarily reflect the positions of the Federal Reserve Bank of Kansas City or the Federal Reserve System.

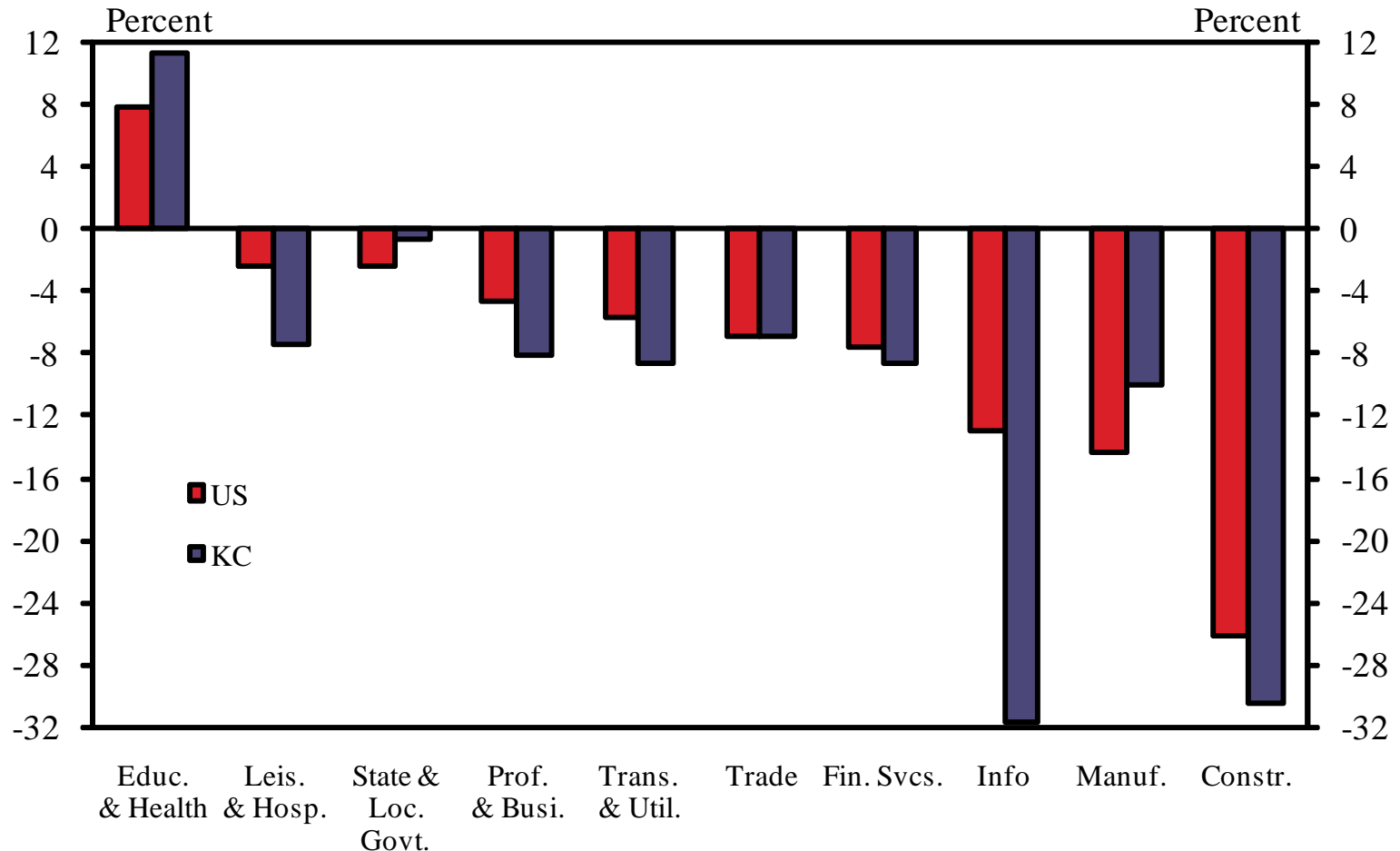
Despite some gains, employment is still well below pre-recession levels.



Source: Bureau of Labor Statistics

Since December 2007, employment has fallen in every industry except healthcare.

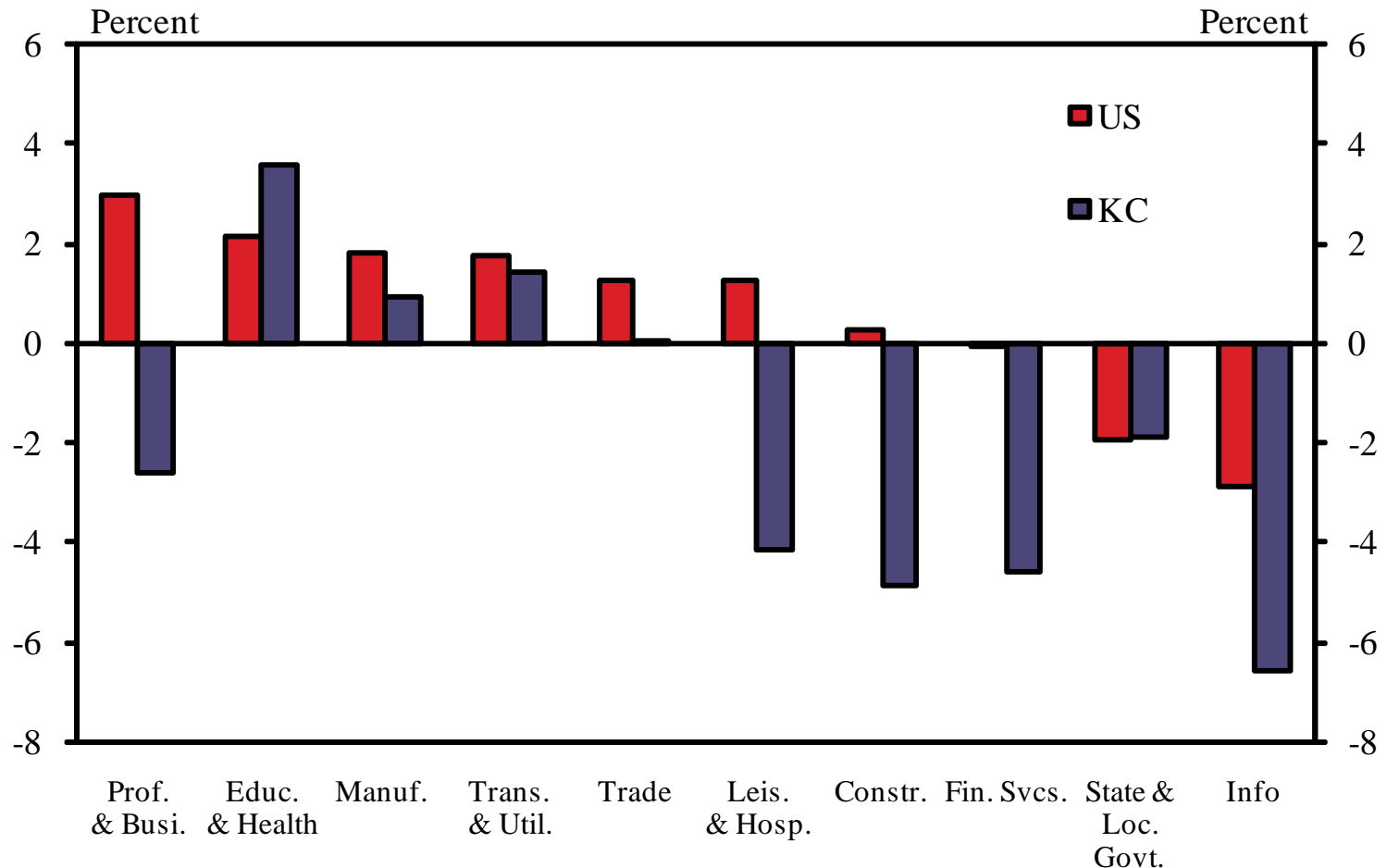
Employment Growth by Industry
Aug-11 over Dec-07



Source: Bureau of Labor Statistics

Over the past year, employment growth has been mixed across industries.

Employment Growth by Industry
Aug-11 over Aug-10



Source: Bureau of Labor Statistics

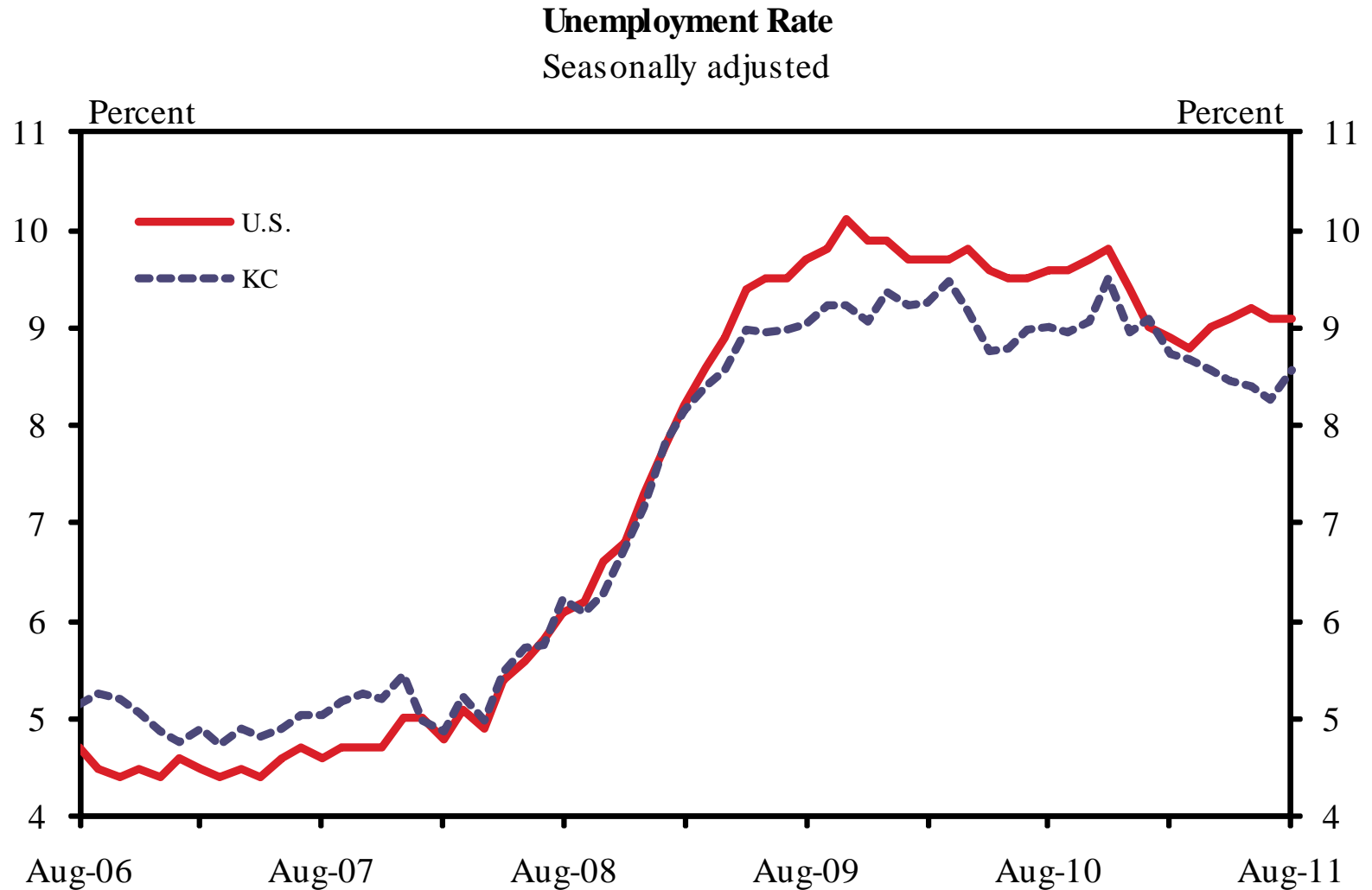
The employment mix is slightly different between the U.S. and Kansas City.

Employment by Industry, August 2011

	<u>U.S.</u>	<u>K.C. Metro</u>
Manufacturing	9.1%	7.8%
Construction and Mining	5.1%	4.1%
Wholesale Trade	4.3%	5.0%
Retail Trade	11.1%	10.8%
Transportation and Utilities	3.7%	4.6%
Information	2.0%	3.1%
Financial Activities	5.8%	7.2%
Professional and Business Services	13.3%	14.6%
Educational and Health Services	15.0%	13.9%
Leisure and Hospitality Services	10.6%	9.7%
Other Services	4.2%	4.2%
Federal Government	2.2%	2.9%
State and Local Government	13.7%	12.1%

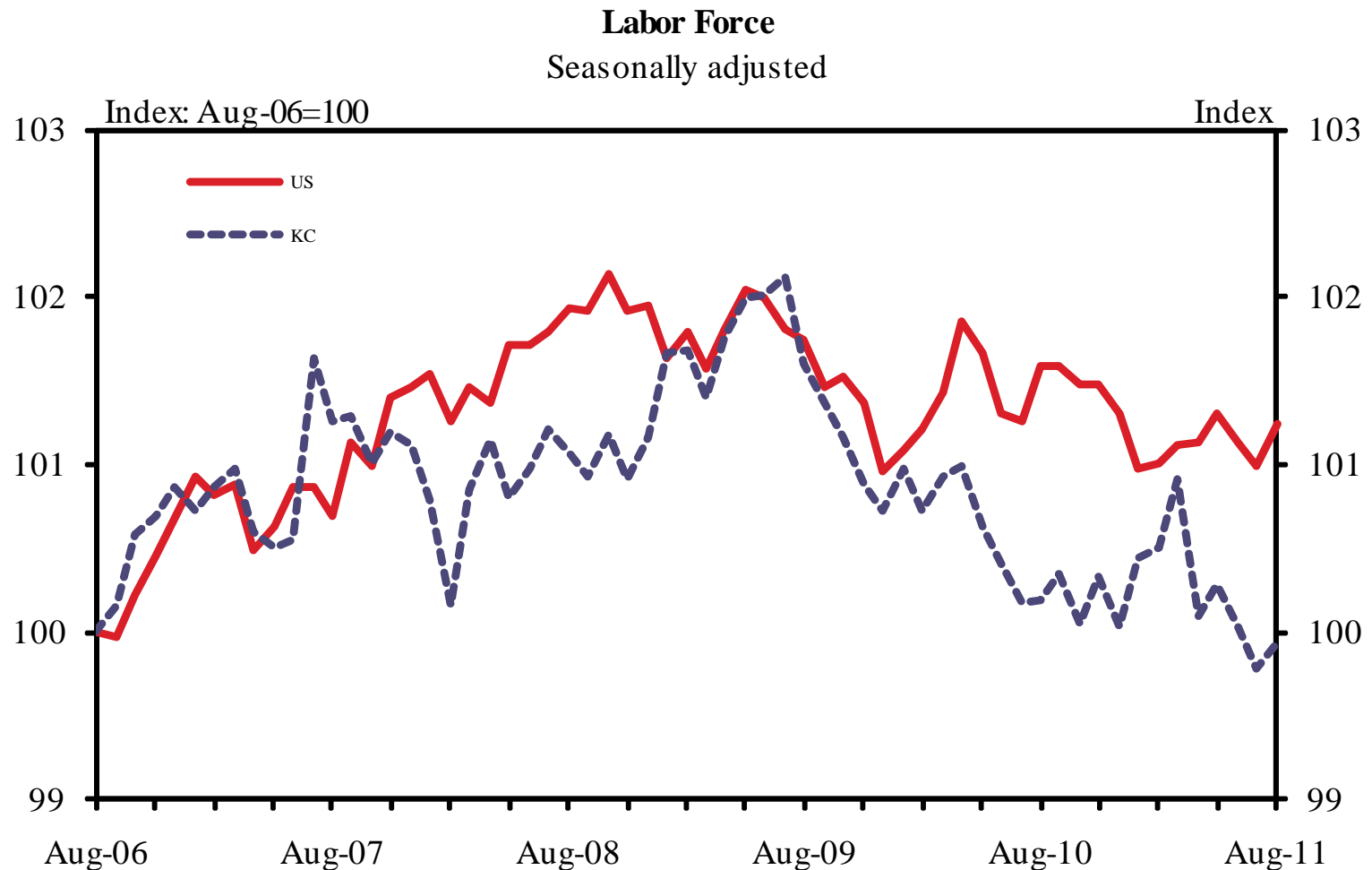
Source: Bureau of Labor Statistics

Unemployment rates remain elevated.



Source: Bureau of Labor Statistics

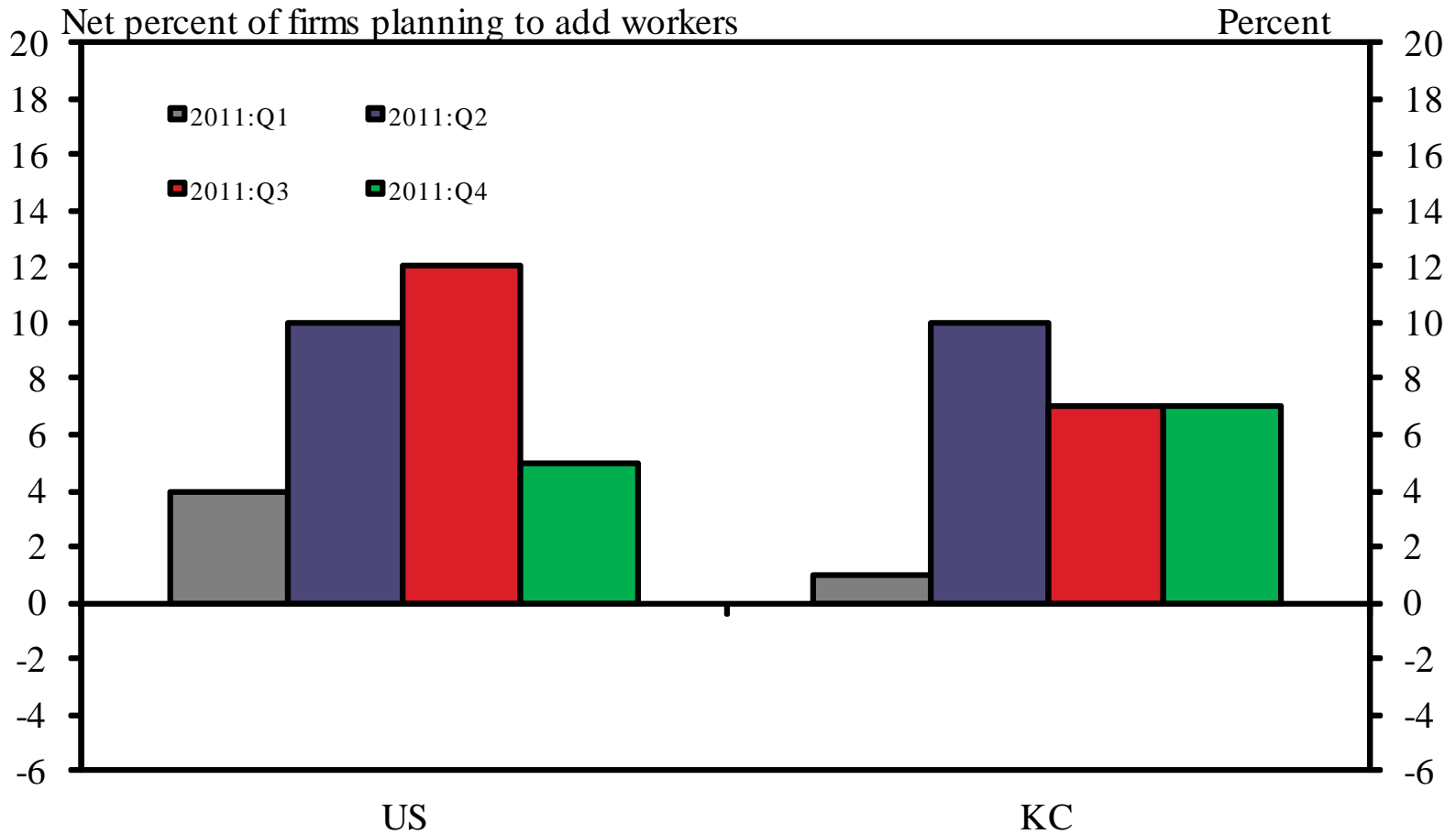
Some of the decline in the KC unemployment rate has been due to a decline in the labor force.



Source: Bureau of Labor Statistics

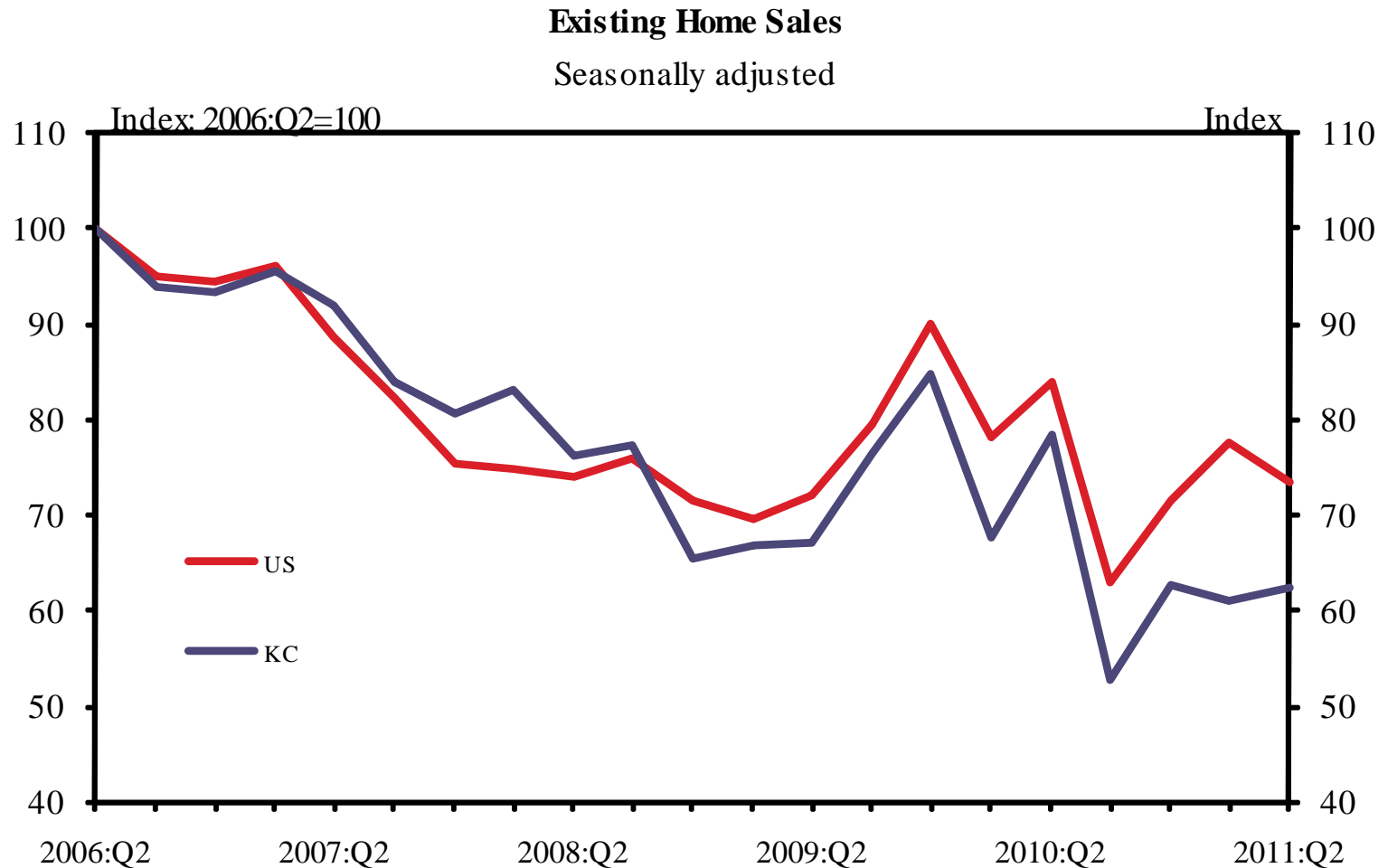
Firms expect to hire more workers in the third quarter.

Hiring Expectations



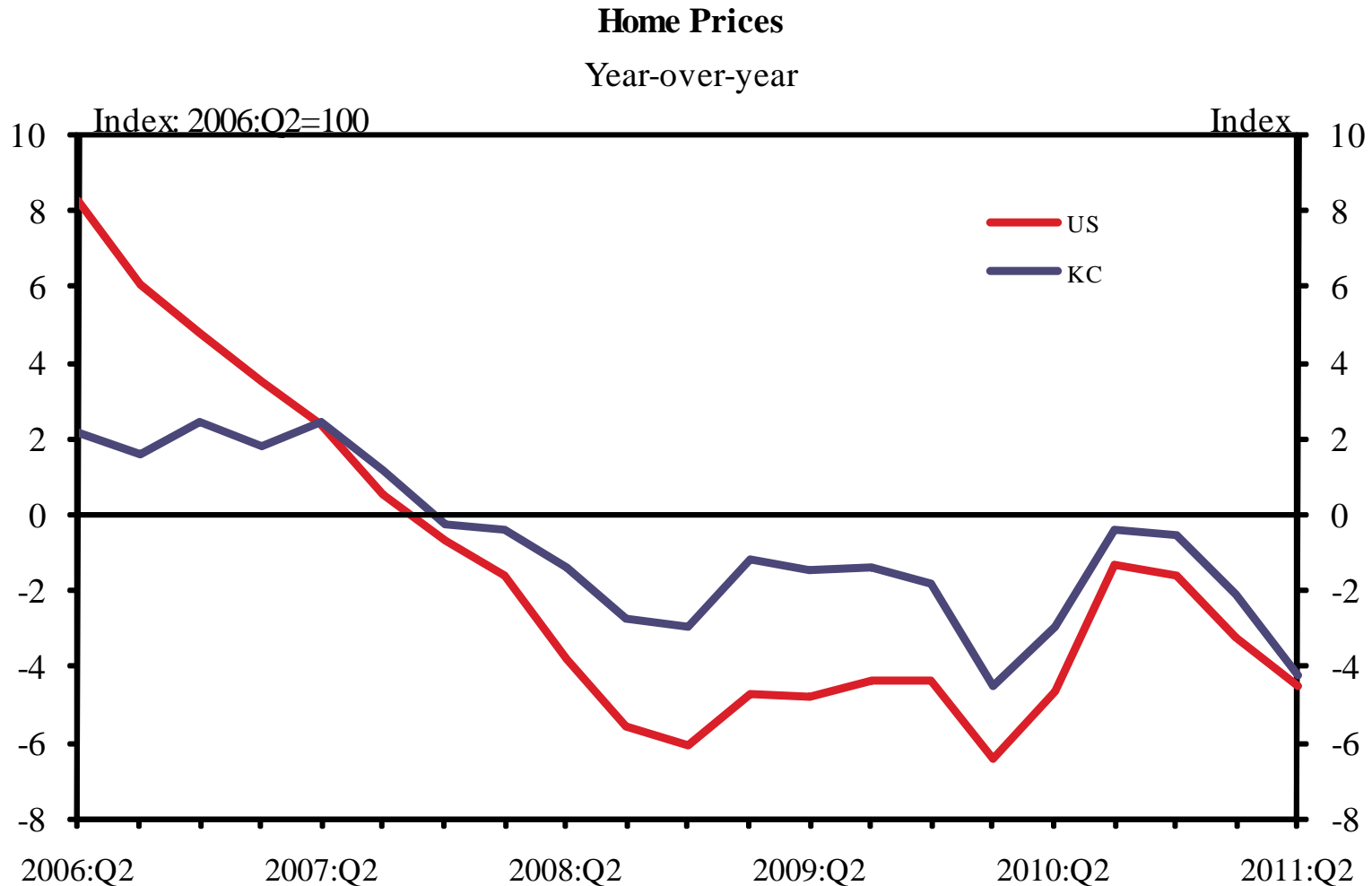
Source: Manpower Inc.

Home sales activity remains slow.



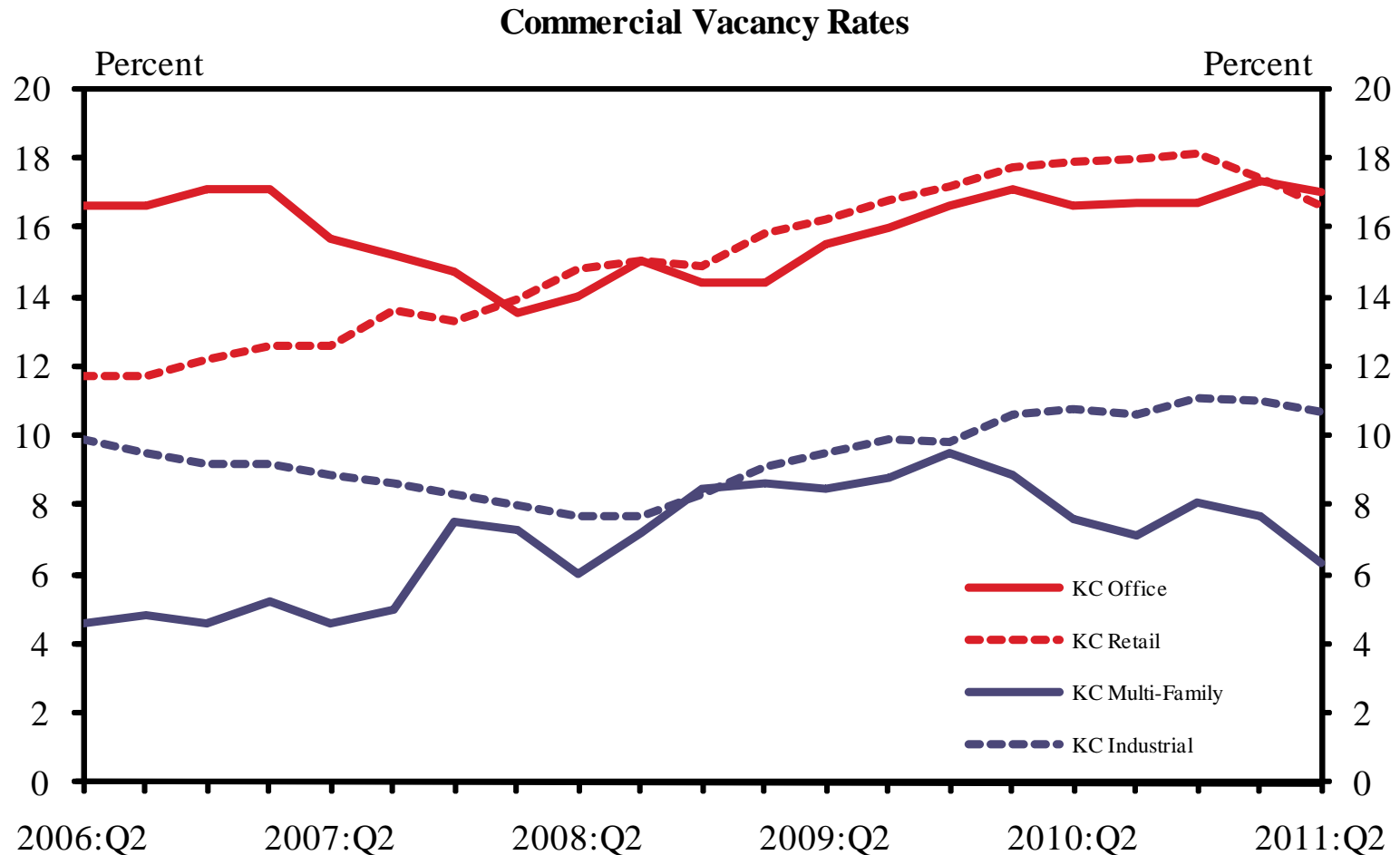
Source: NAR

Home prices continue to fall in the Kansas City area.



Source: FHFA

Commercial vacancy rates have leveled off in Kansas City.



Source: Torto-Wheaton Research