



FEDERAL RESERVE BANK *of* KANSAS CITY

# Economic Overview and Outlook for the Nation and the Tenth District

## Community Development Advisory Council

Kelly Edmiston

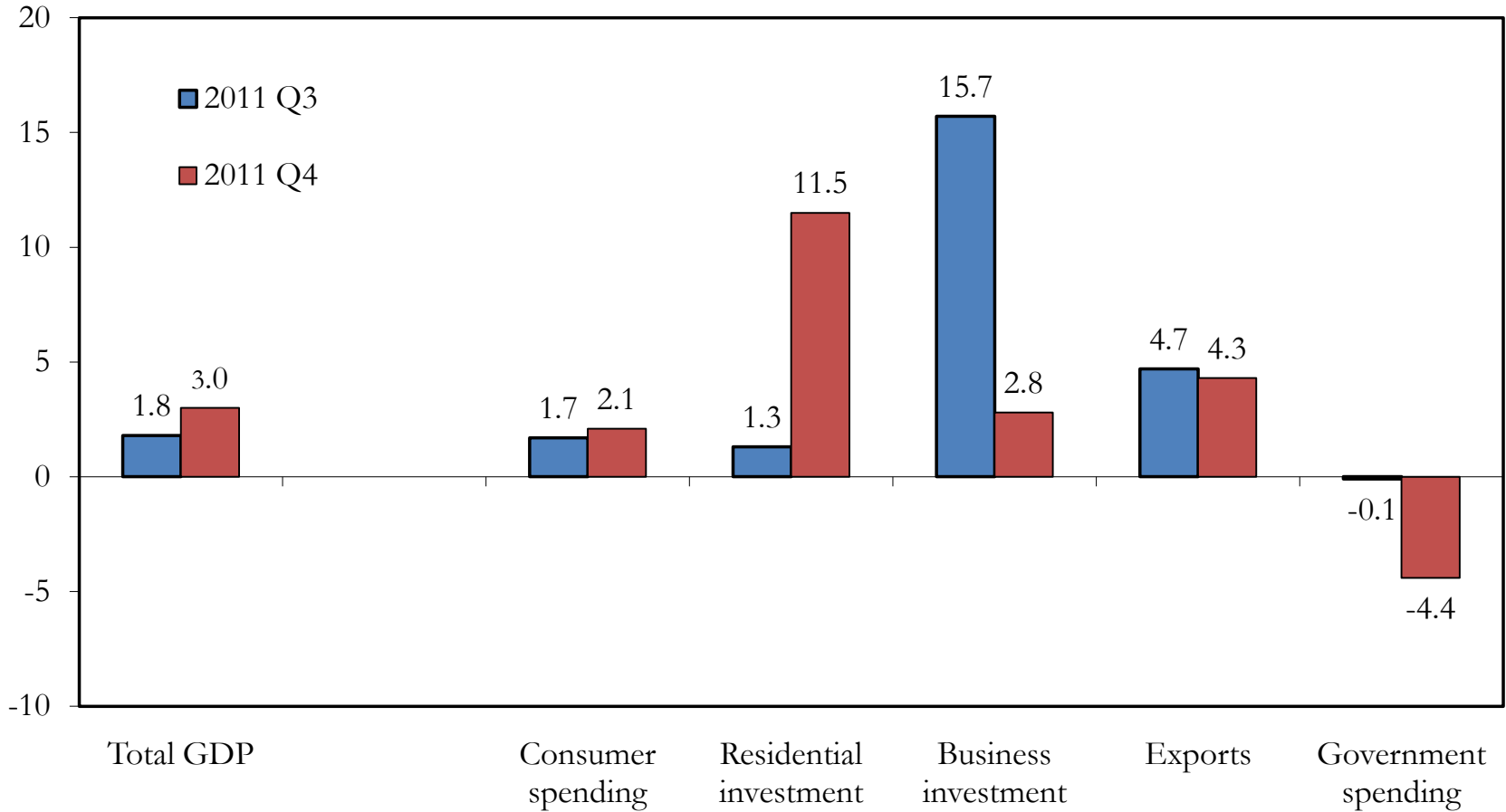
March 27, 2012

# Economic Overview and Outlook

- Output Growth
- Employment
- Factors Affecting Future Performance

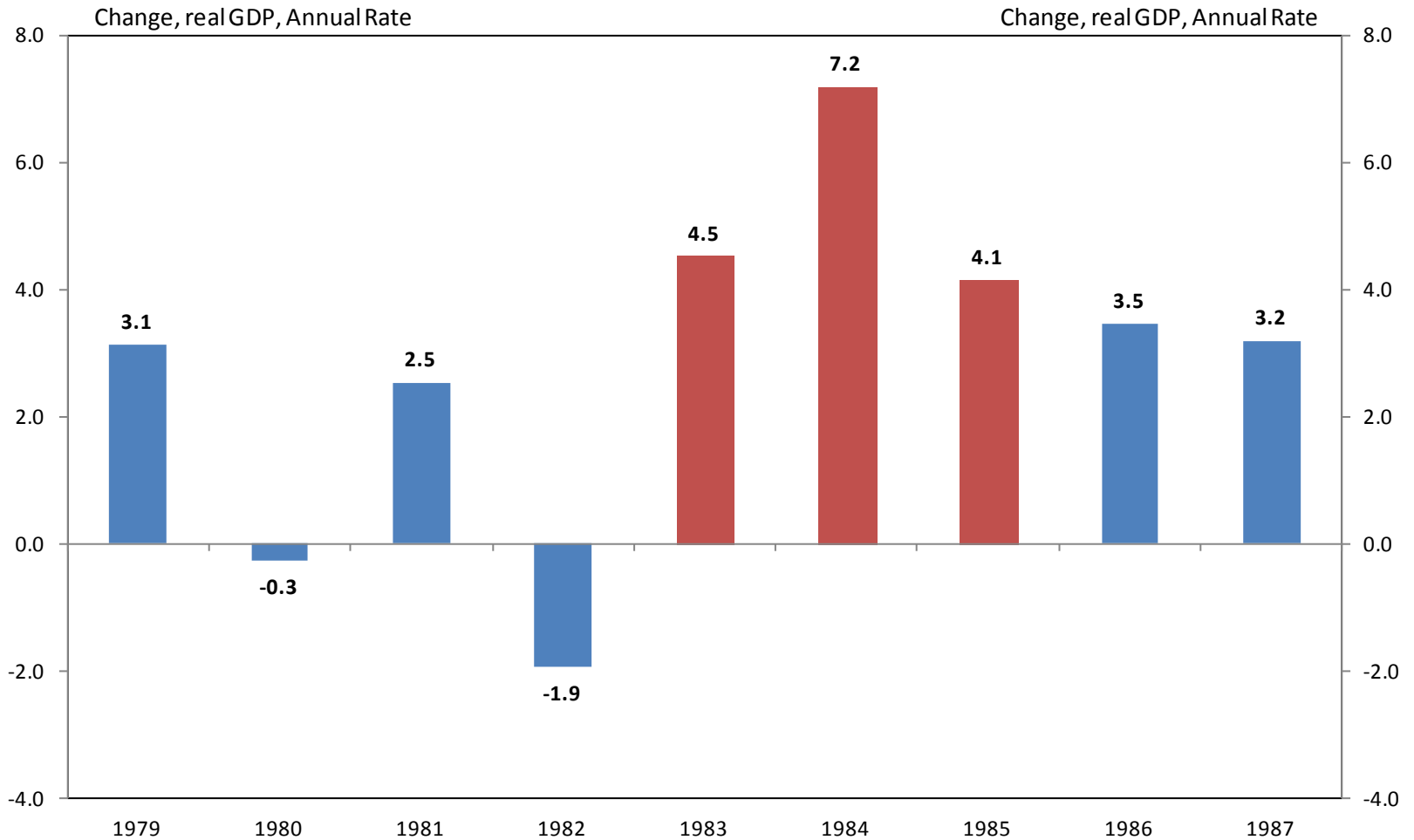
# **OUTPUT AND EMPLOYMENT**

# GDP Growth by Industry

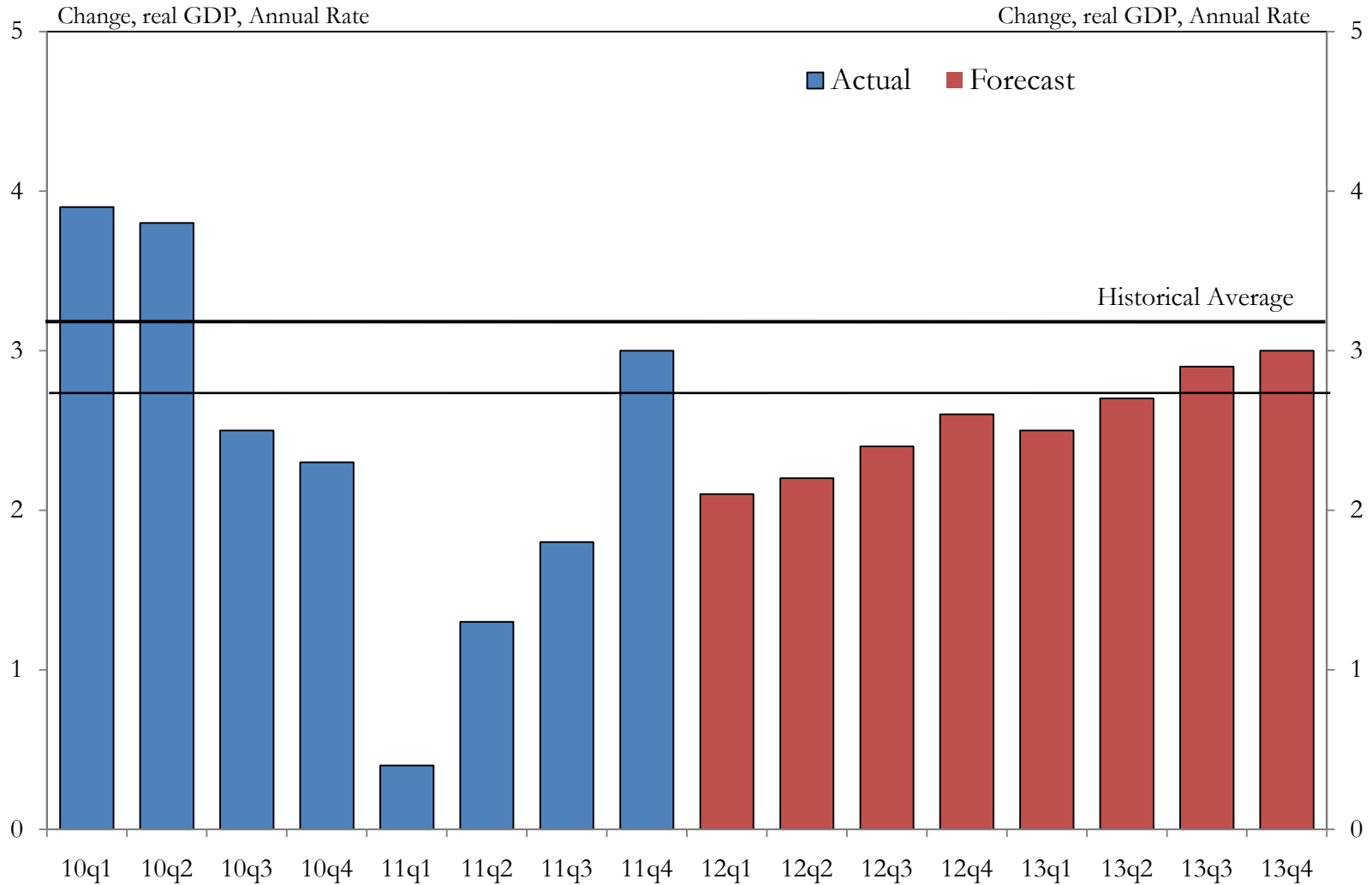


Source: Bureau of Economic Analysis

# Typical Recession Path



# Quarterly GDP Forecasts



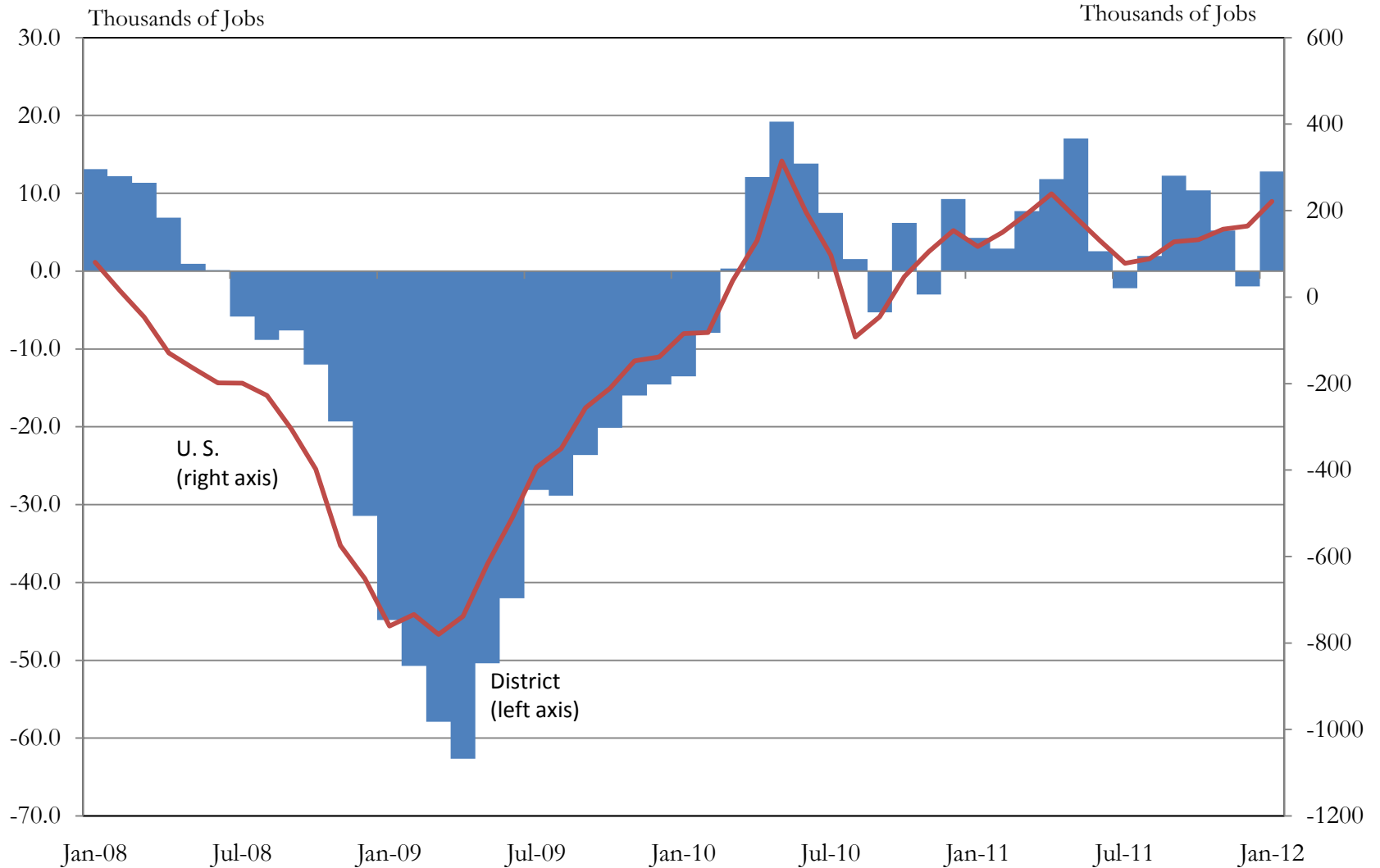
Source: Blue Chip Economic Indicators (Jan 2012)

# Consensus Forecasts

|                   | 2010 | 2011 | 2012F |
|-------------------|------|------|-------|
| Real GDP Growth   | 3.0  | 1.7  | 2.3   |
| Unemployment Rate | 9.6  | 8.9  | 8.2   |
| Consumer Prices   | 1.6  | 3.1  | 2.3   |

Source: Source: Blue Chip Economic Indicators (Jan 2012); Consensus Forecasts (Mar 2012); U.S. Bureau of Labor Statistics

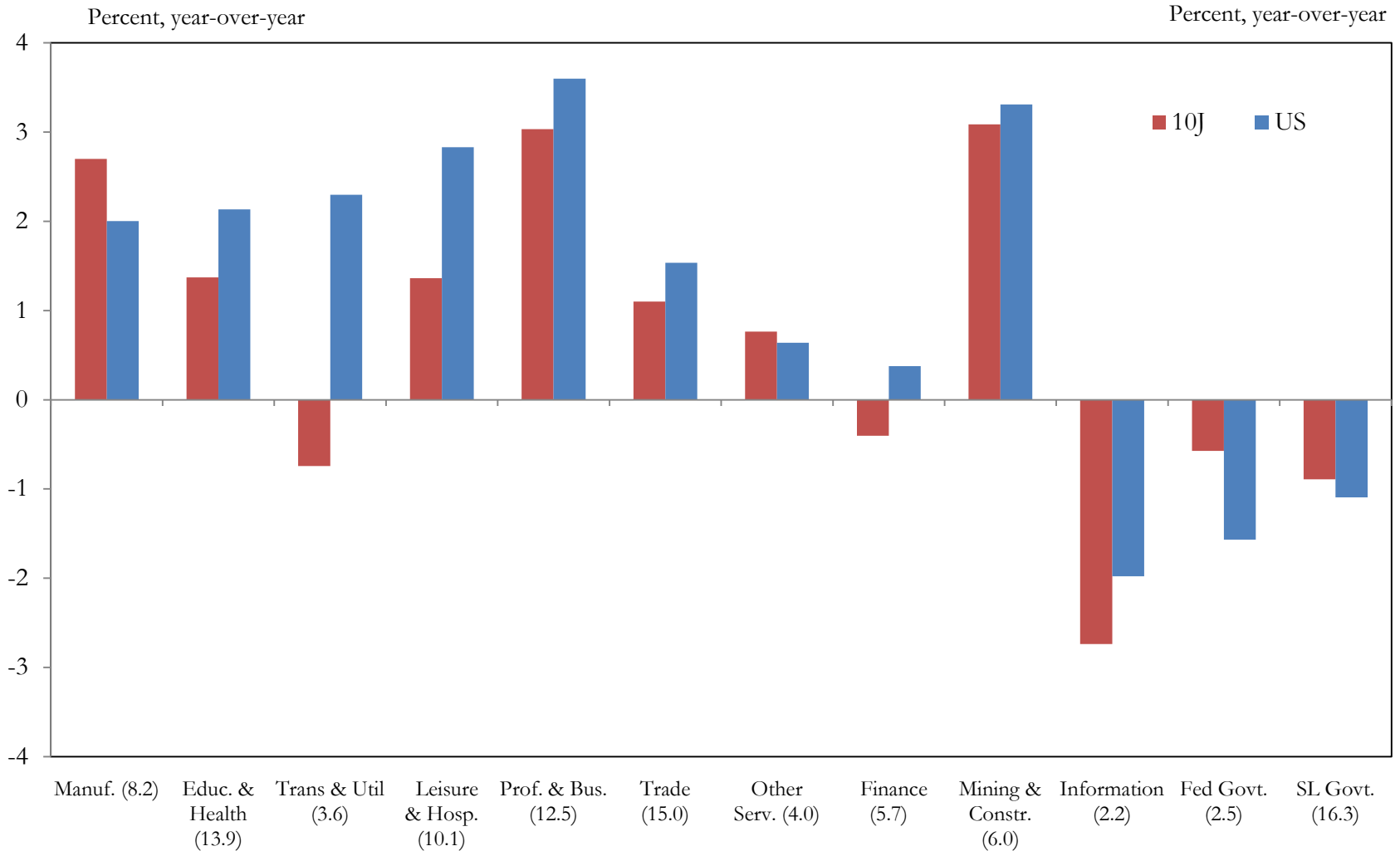
# Employment Growth



Source: U.S. Bureau of Labor Statistics

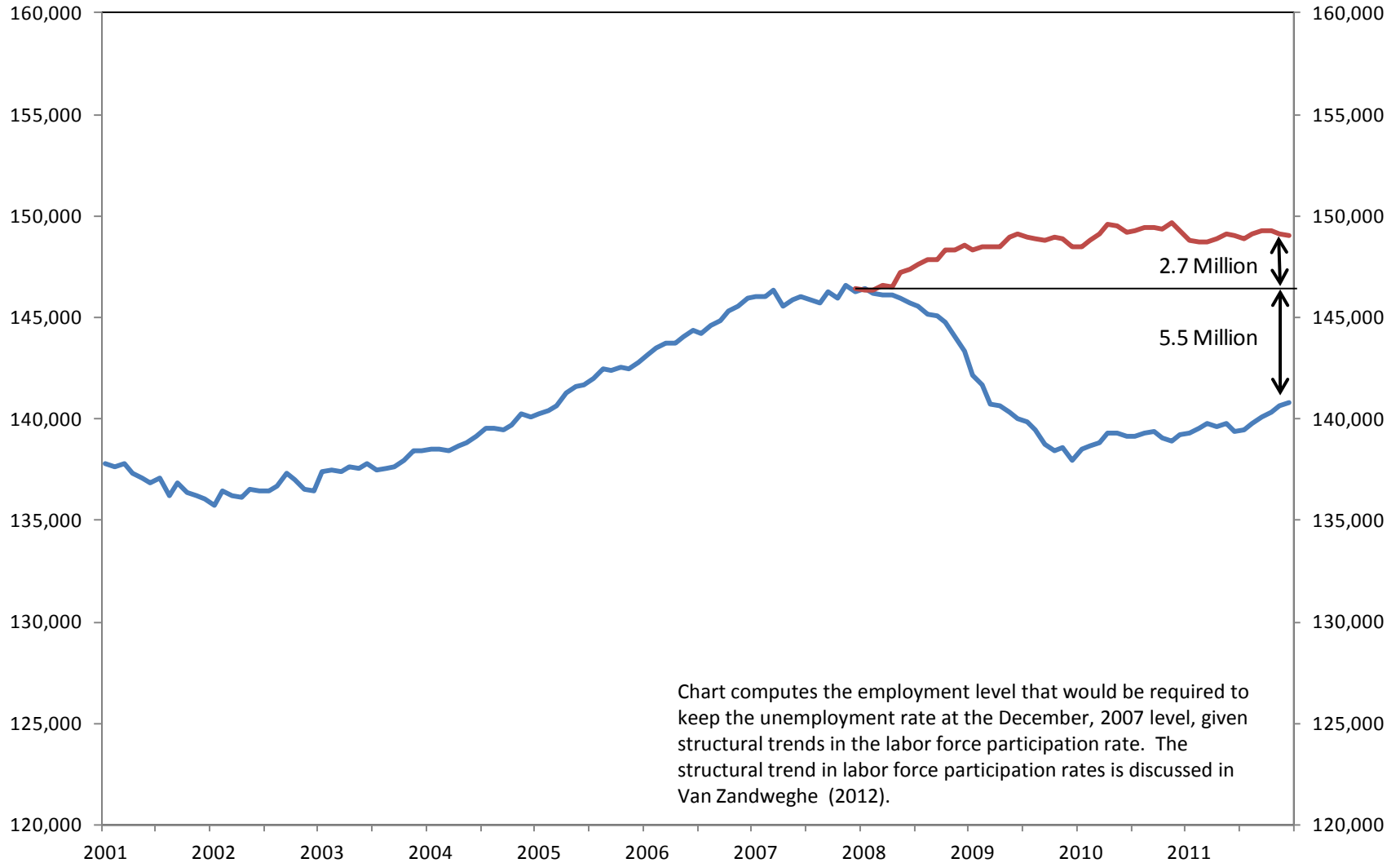


# Job Growth by Sector

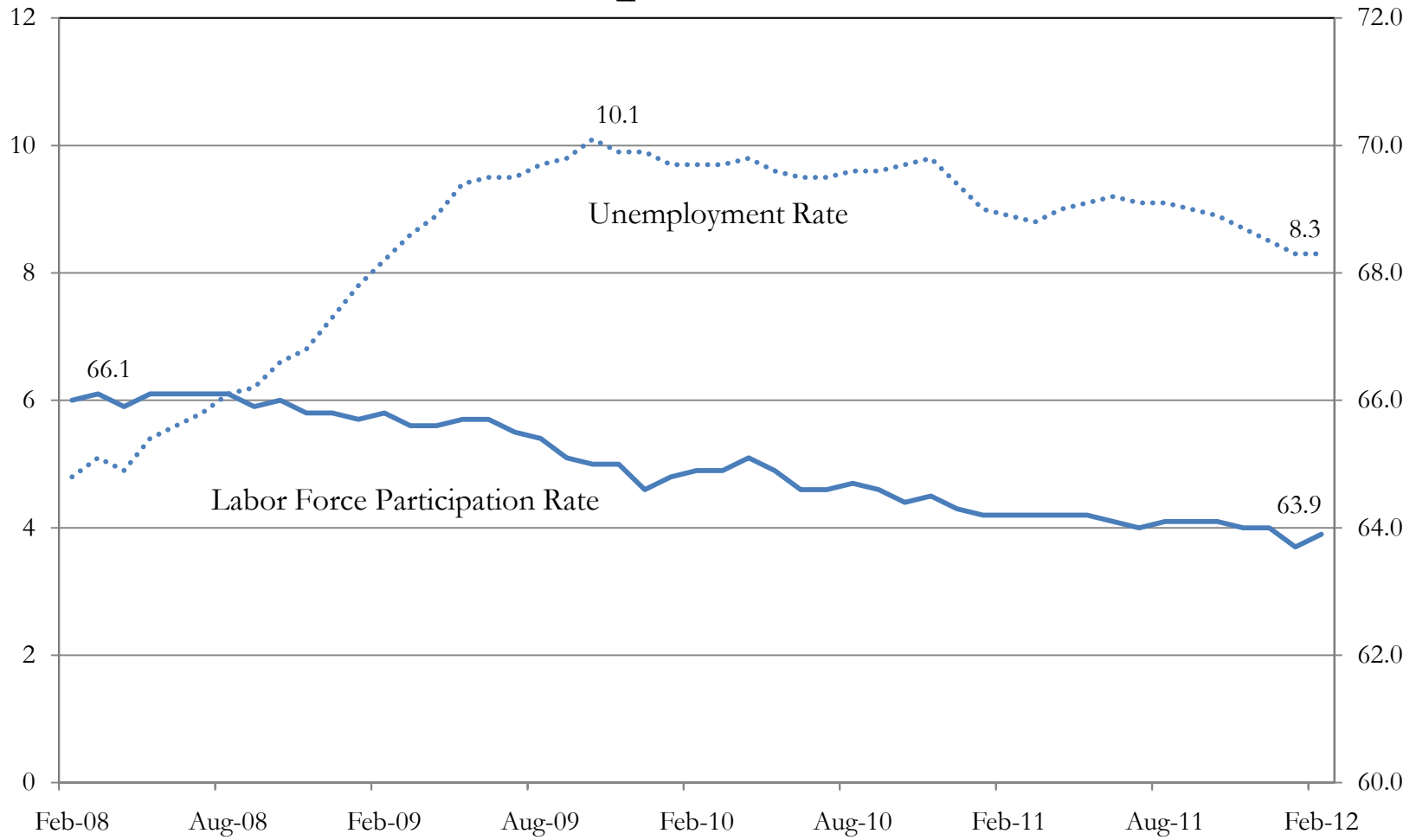


Source: U.S. Bureau of Labor Statistics

# The Jobs Deficit

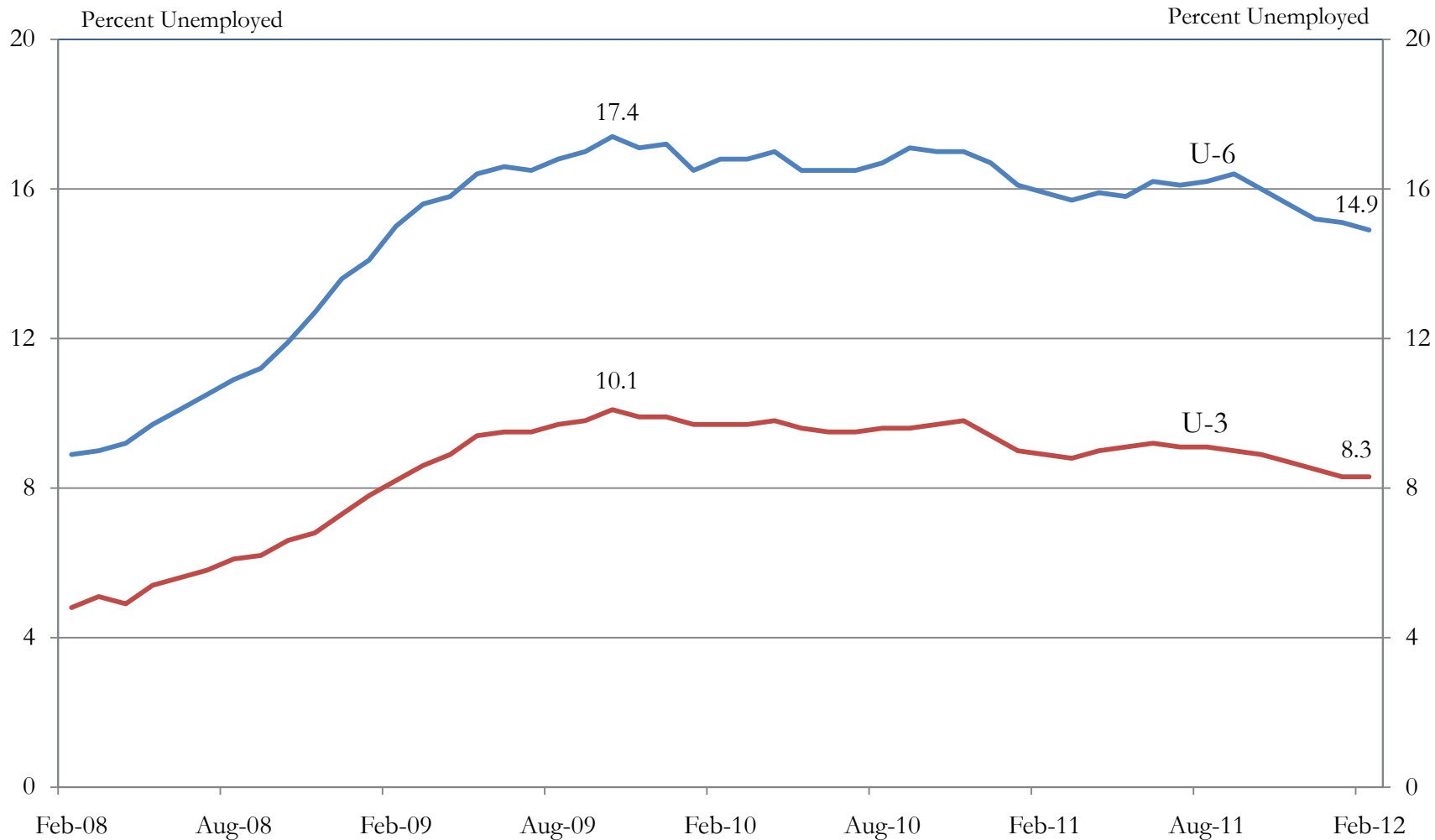


# Unemployment and Labor Force Participation Rates



Source: U.S. Bureau of Labor Statistics

# Expanded Unemployment Rate (U.S.)



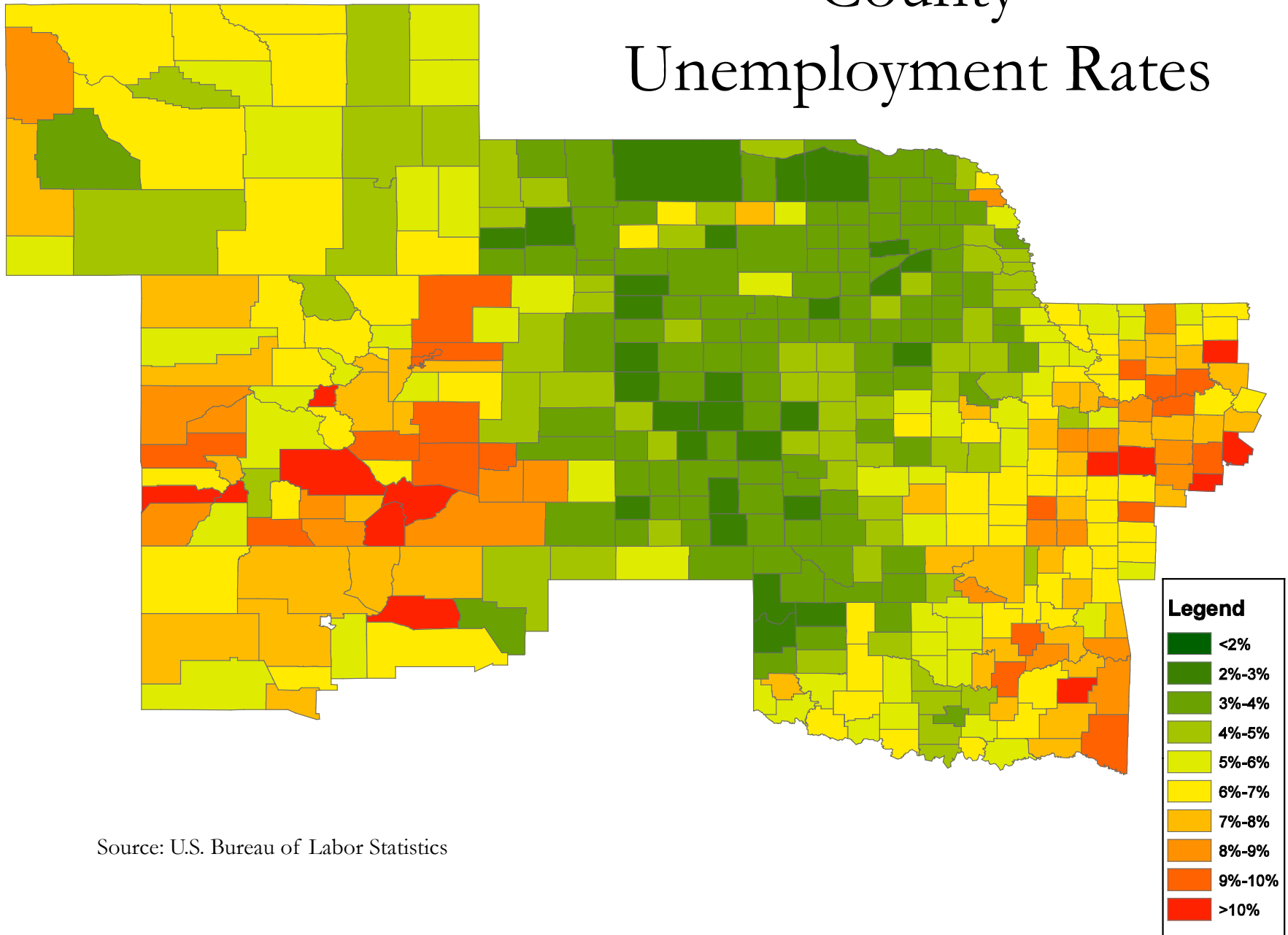
Source: U.S. Bureau of Labor Statistics

# Share of Unemployment that is Long-Term (U.S.)



Source: U.S. Bureau of Labor Statistics

# County Unemployment Rates



Source: U.S. Bureau of Labor Statistics

# **CONSIDERATIONS GOING FORWARD**

Housing

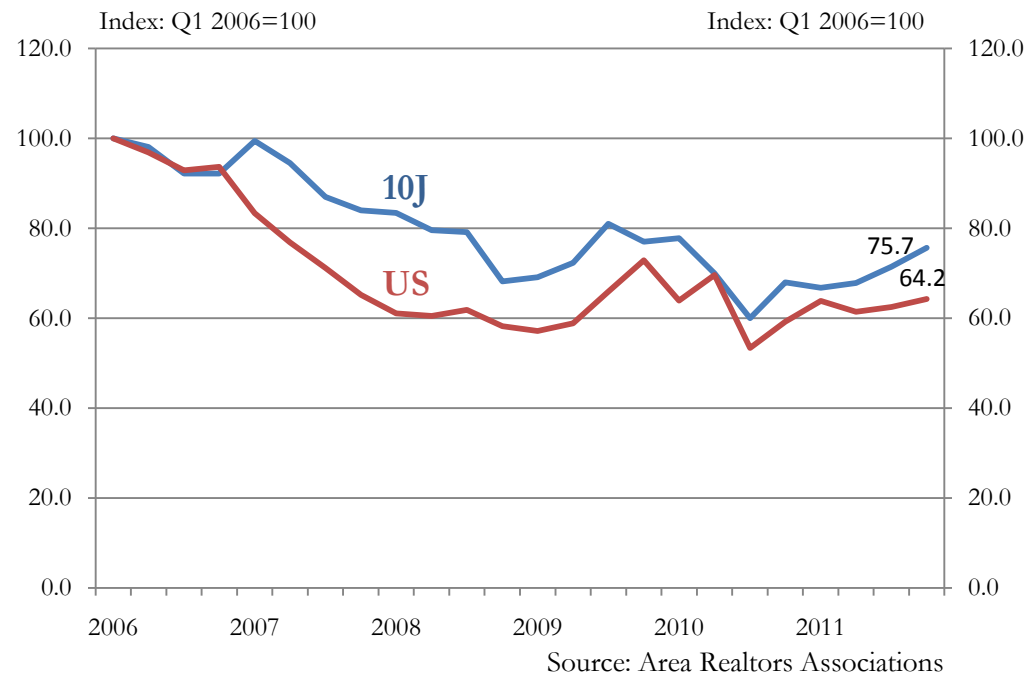
**CONSIDERATIONS GOING  
FORWARD**



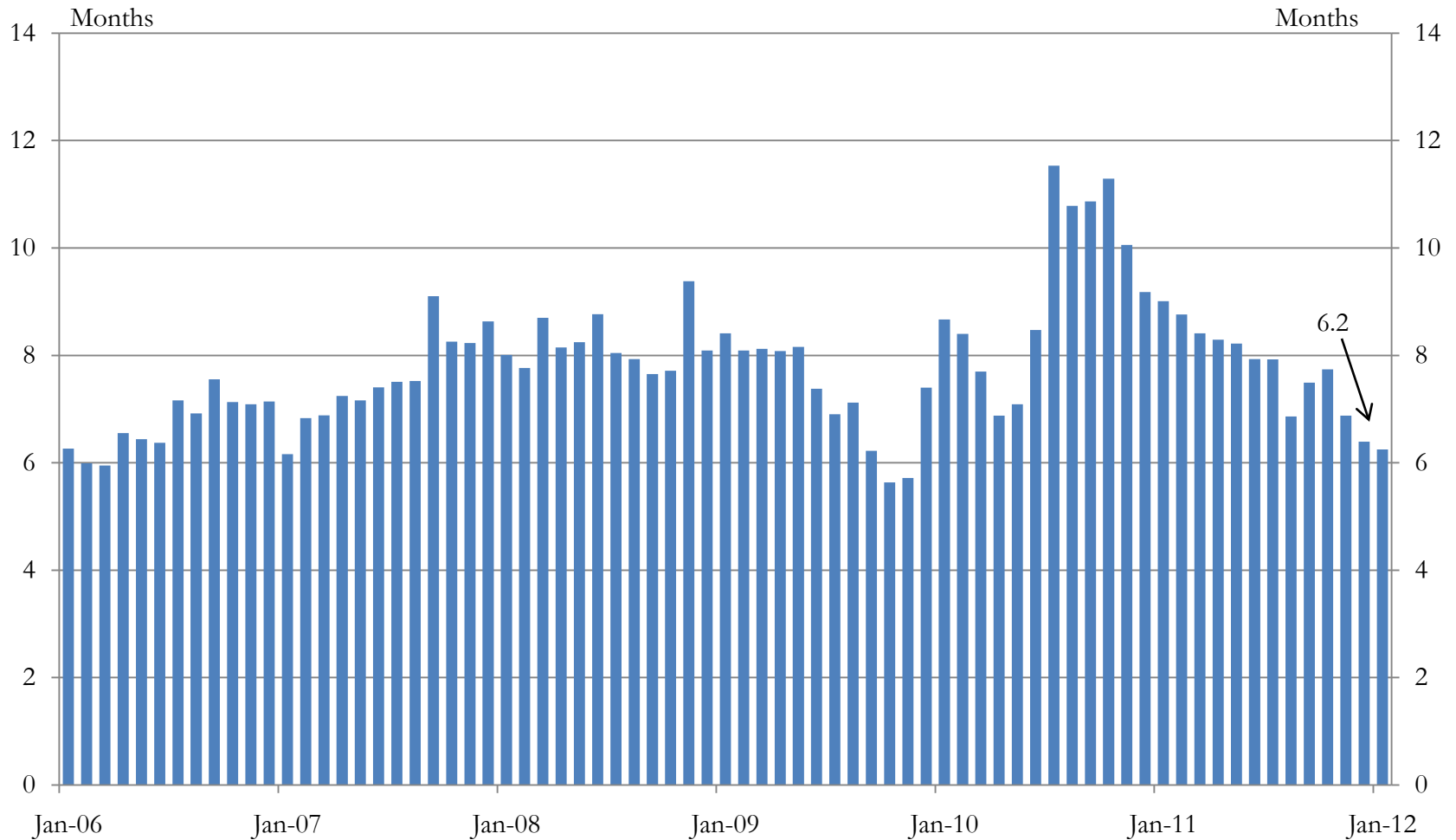
# Existing Single-Family Home Sales

## Demand Constraints

- Economy/Financial Security
- Uncertainty about Market
- Household Formation
- Credit Availability

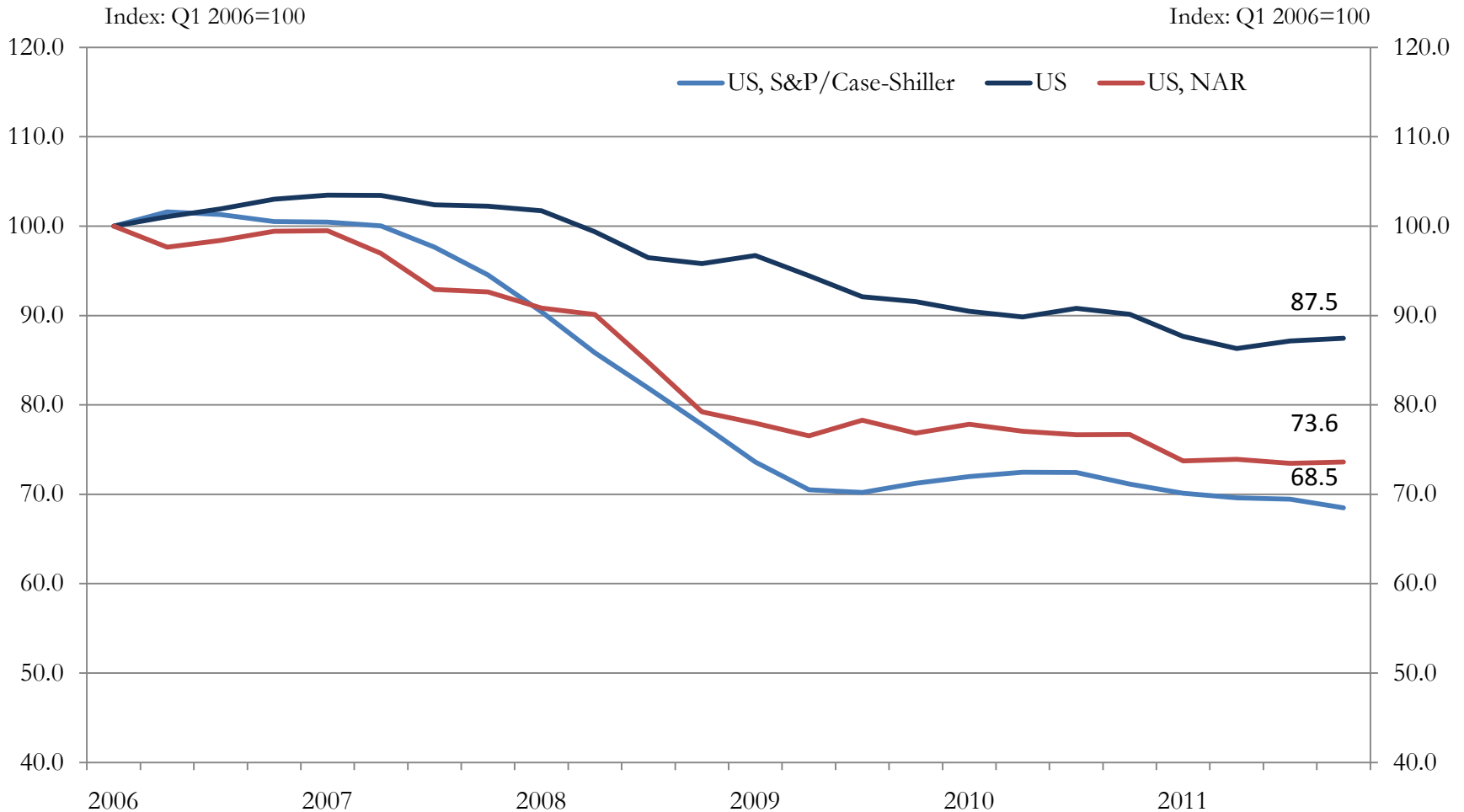


# Months Supply of Existing Homes (District)



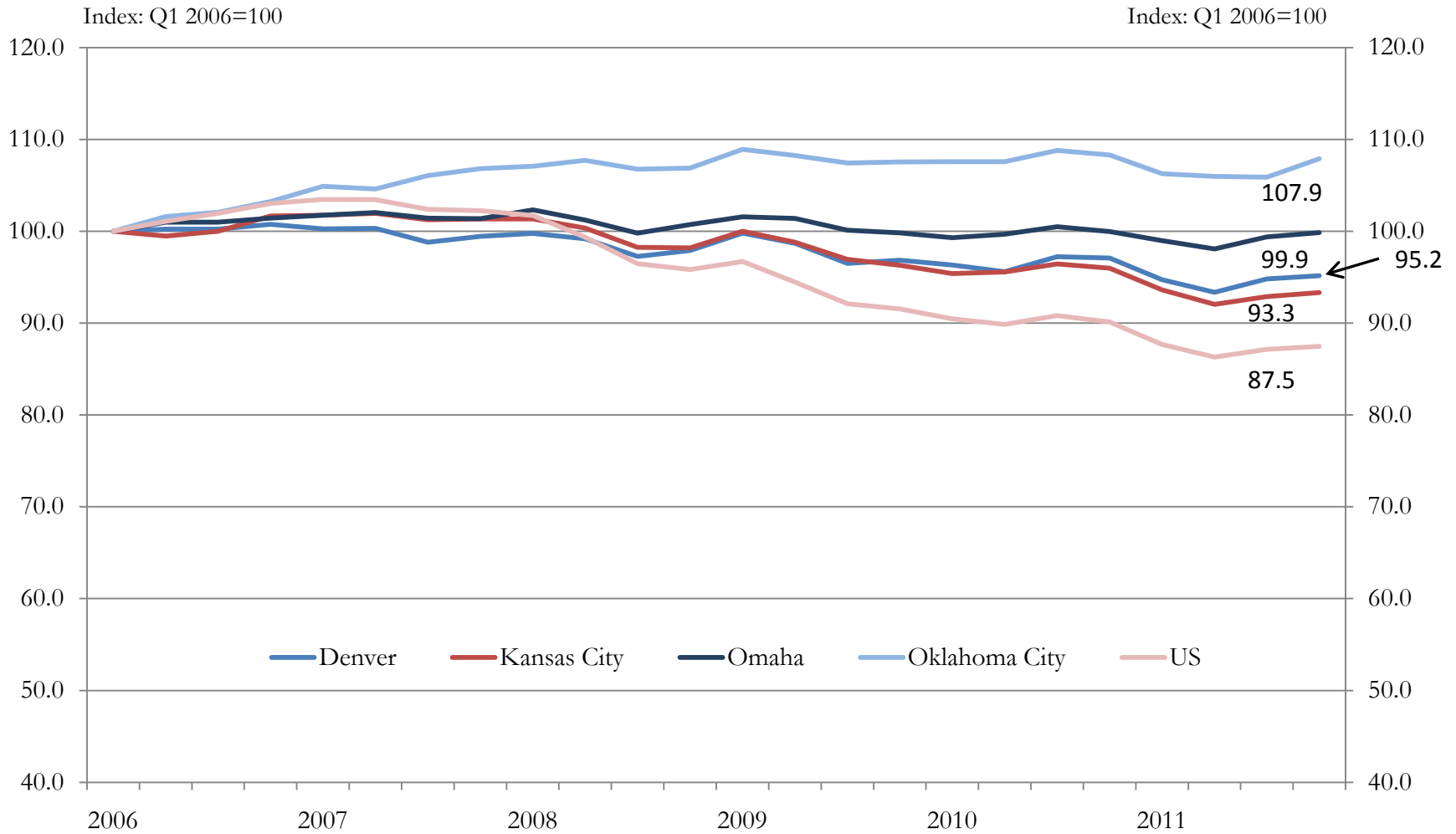
Source: Albuquerque, Denver, Kansas City, Oklahoma City, Omaha, and Tulsa Residential Realtors

# Existing Single-Family Home Prices (U.S.)



Source: FHFA, Standard & Poor's/Case-Shiller, National Association of Realtors

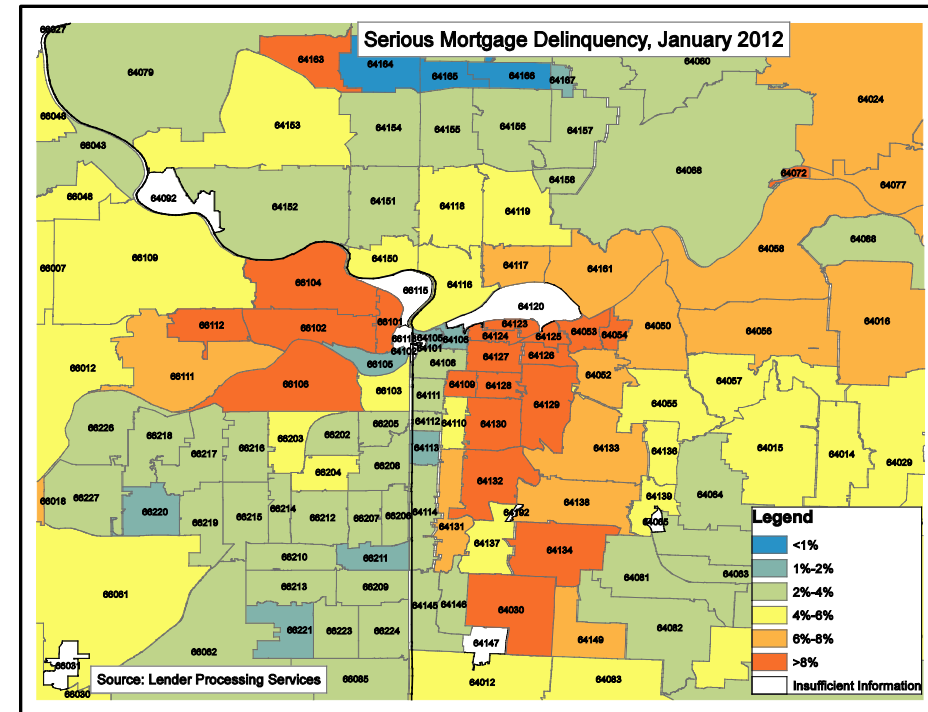
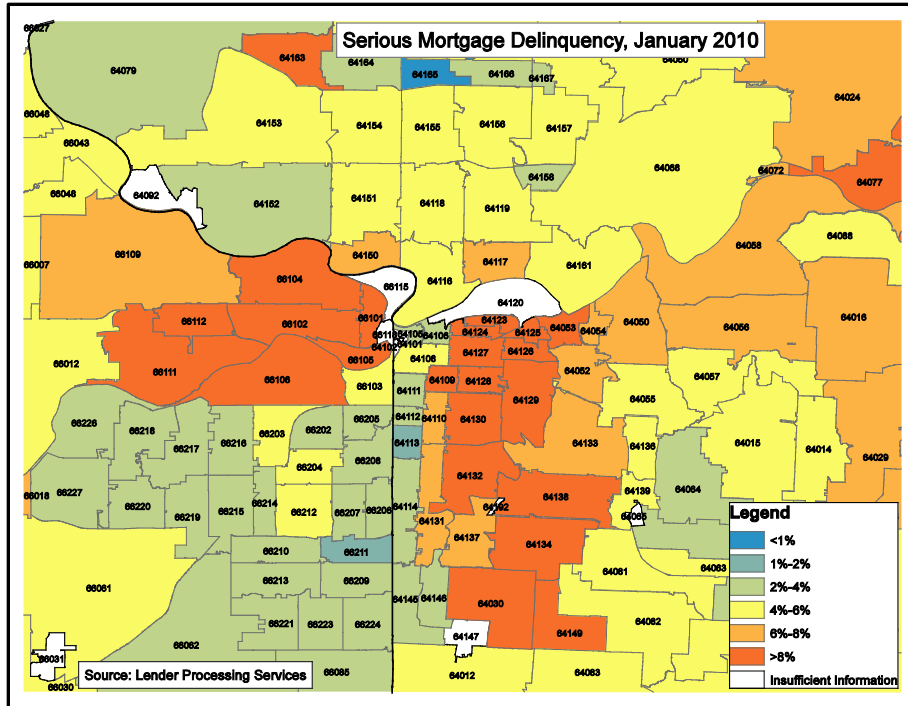
# Existing Single-Family Home Prices



Source: FHFA

# Serious Mortgage Delinquency Rates

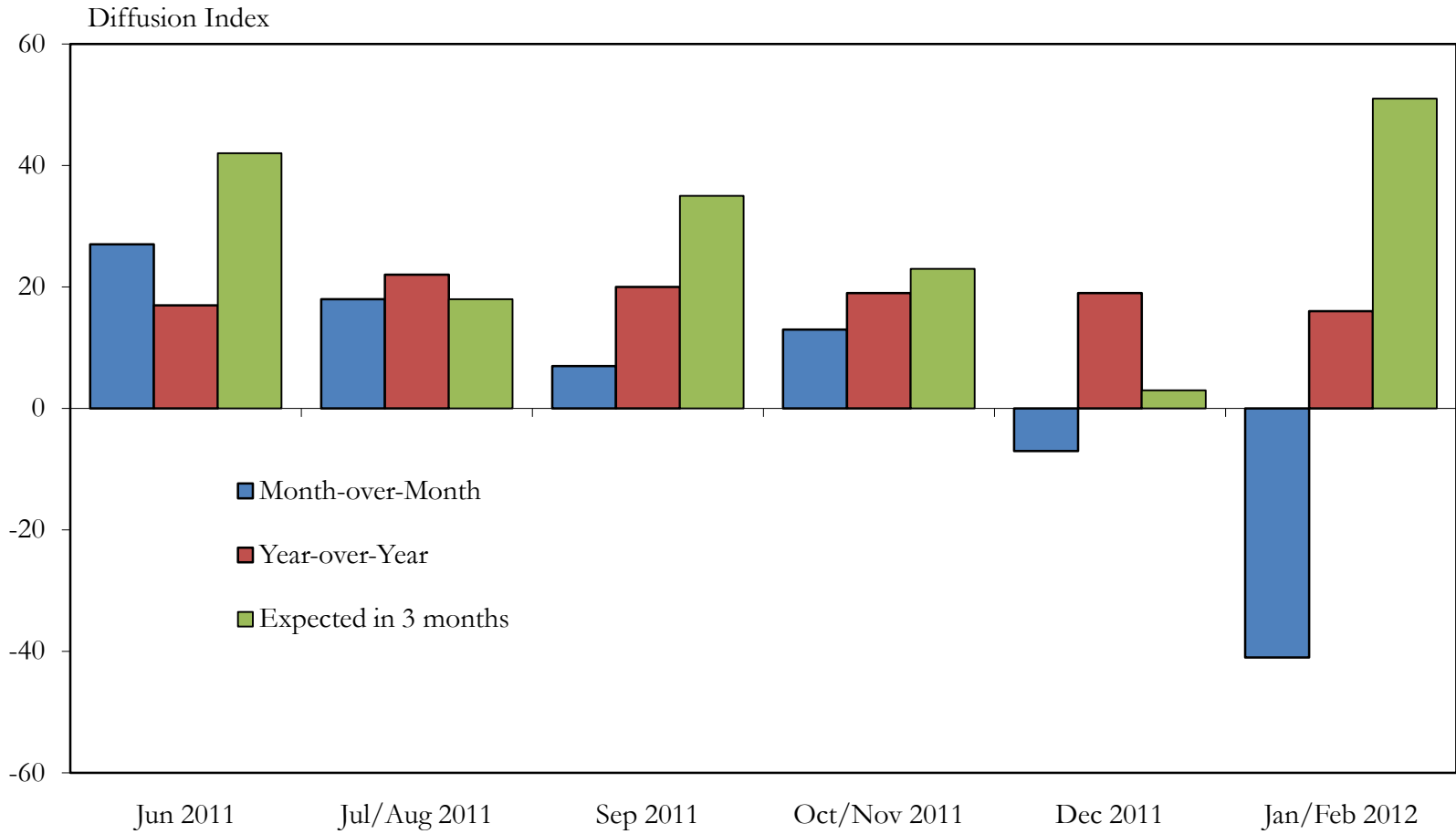
## Kansas City MSA



Consumer Spending

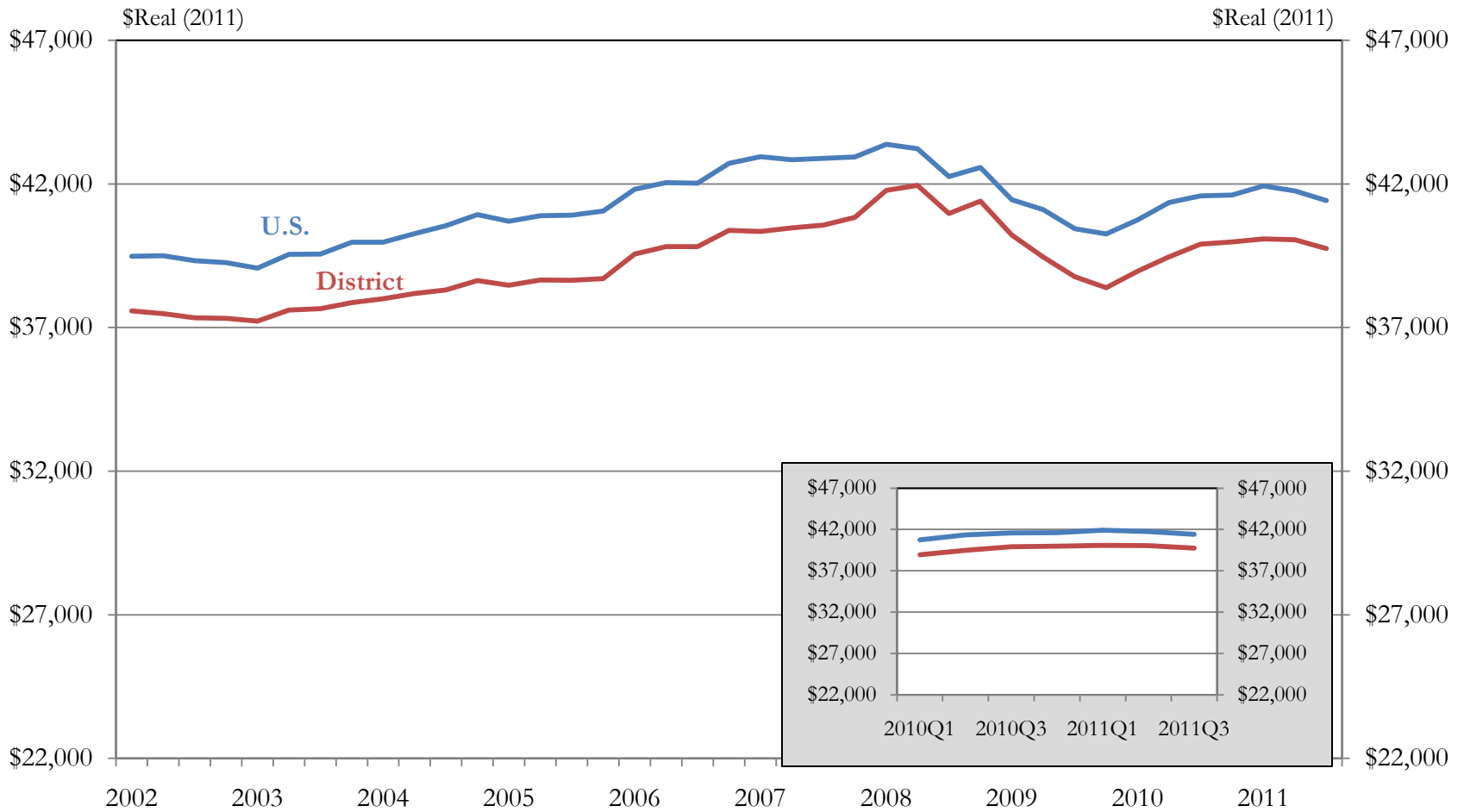
**CONSIDERATIONS GOING  
FORWARD**

# District Consumer Activity



Source: Federal Reserve Bank of Kansas City

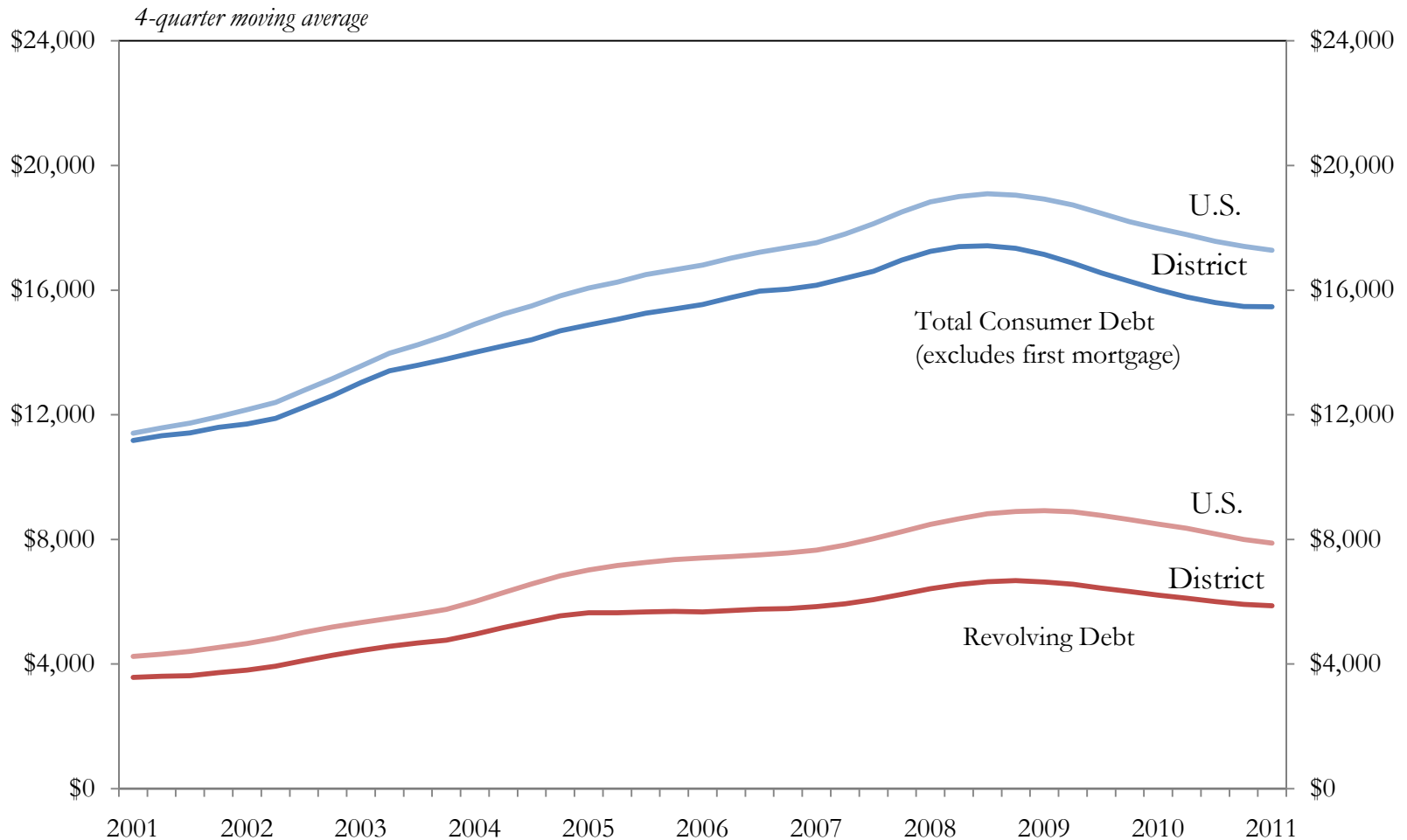
# Personal Income Growth



Source: Bureau of Economic Analysis



# Average Debt per Consumer

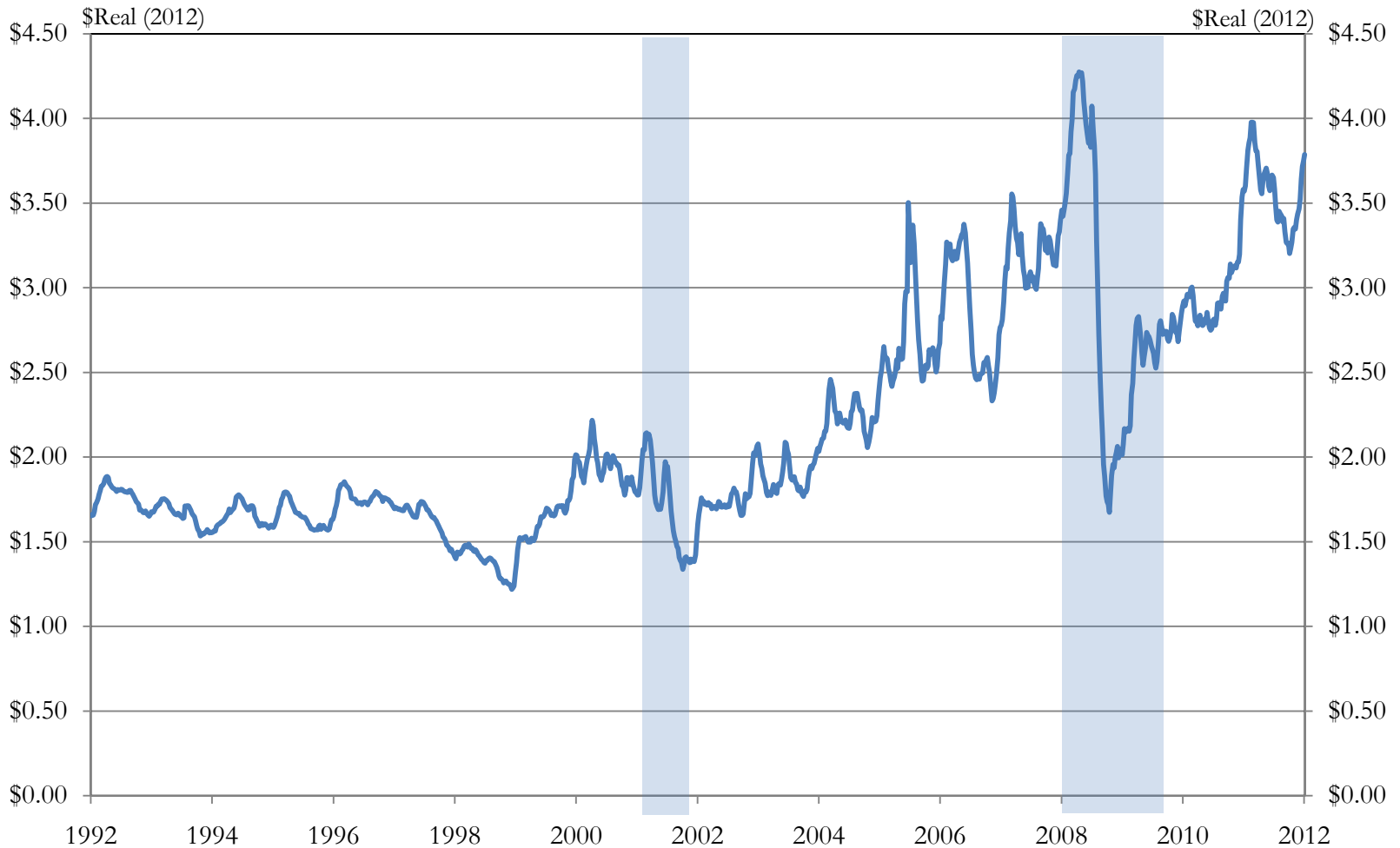


Source: Federal Reserve Bank of New York Consumer Credit Panel / Equifax

Energy Prices

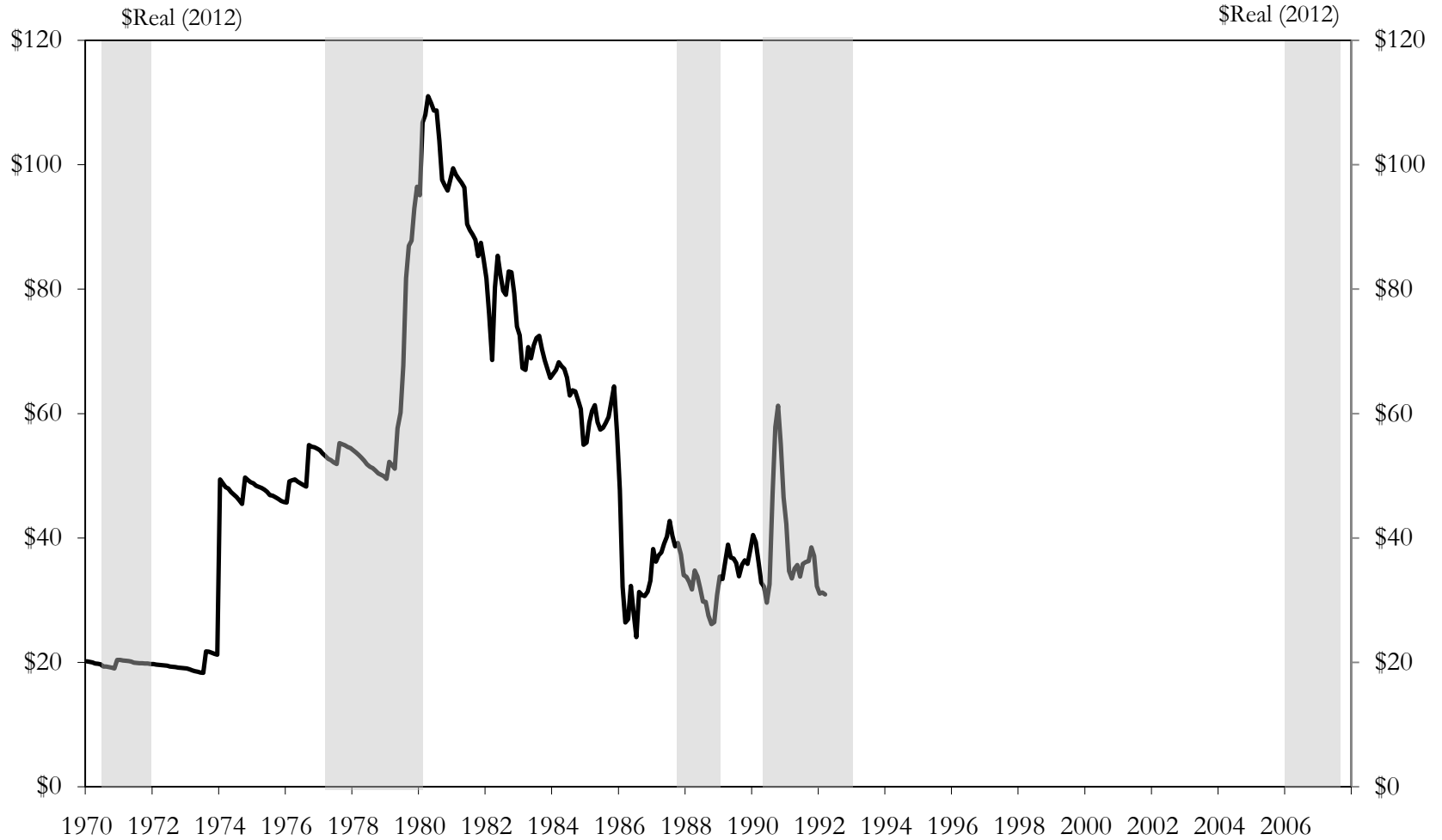
**CONSIDERATIONS GOING  
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# U.S. Average Gas Prices (1992 – 2012)



Source: U.S. Department of Energy

# Brent Crude Oil Prices (1970 – 1992)

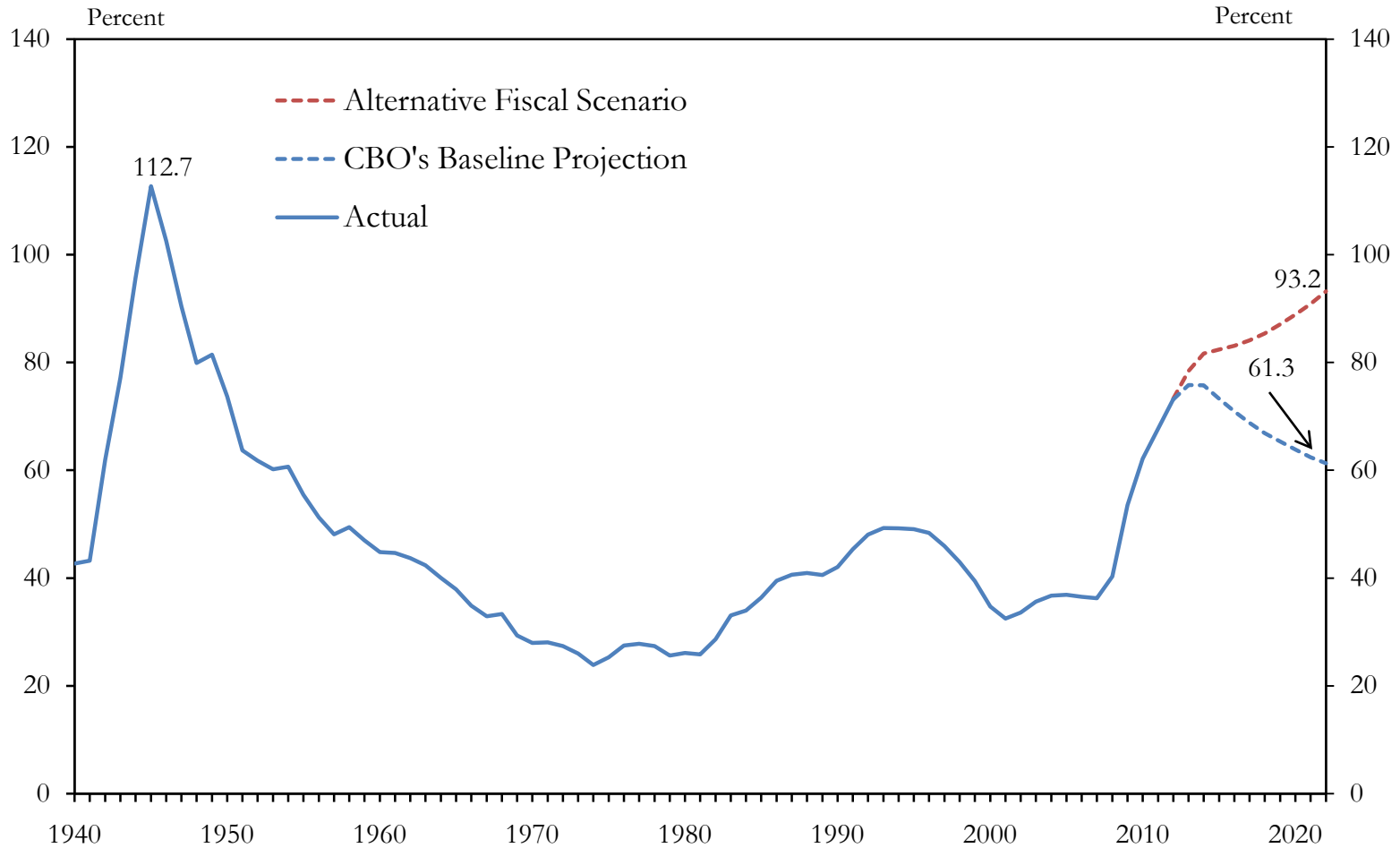


Source: U.S. Department of Energy

U.S. and World Debt

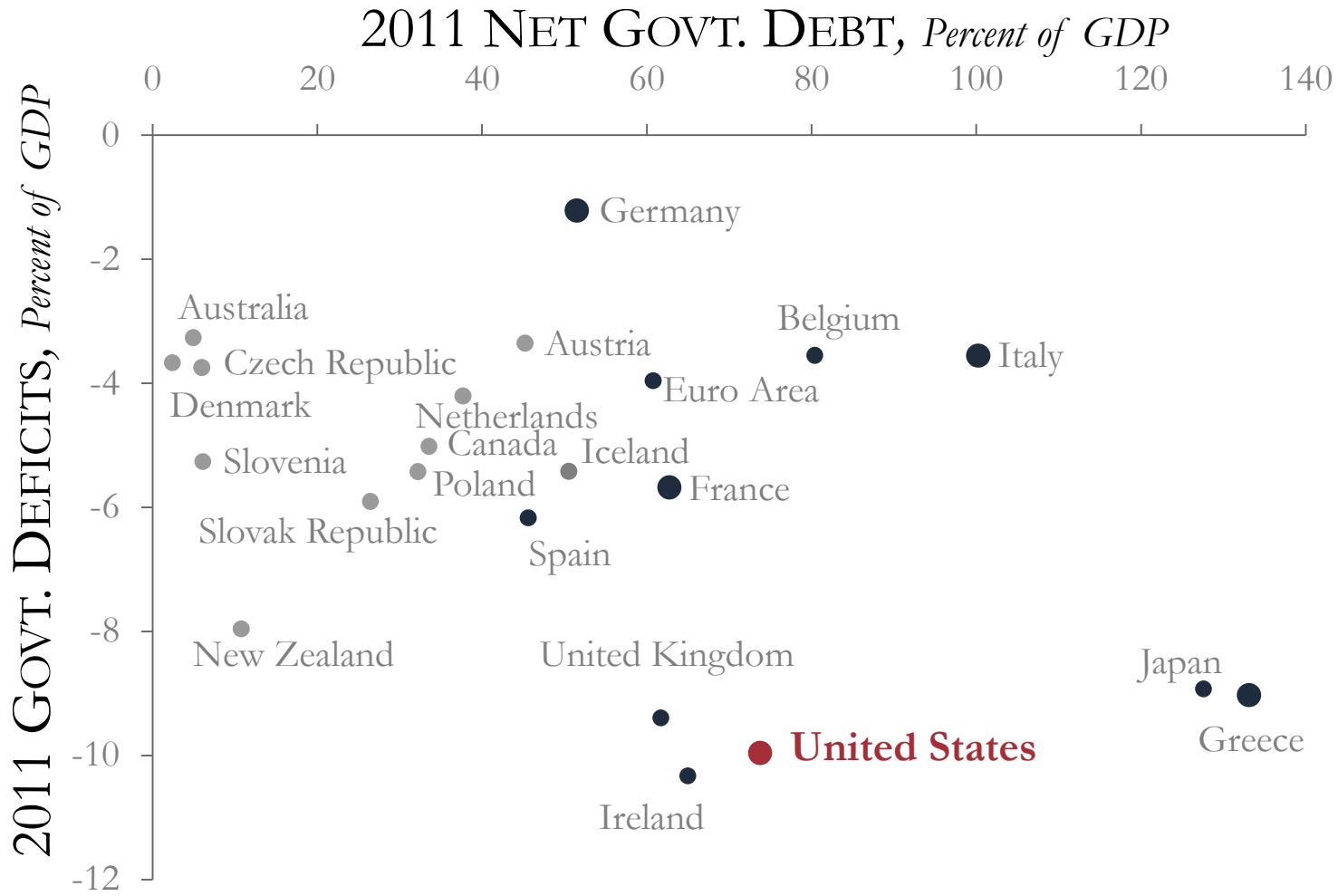
**CONSIDERATIONS GOING  
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# Federal Debt (% of GDP)



Source: Congressional Budget Office

# European Debt Crisis



Source: Organization for Economic Co-operation & Development



FEDERAL RESERVE BANK *of* KANSAS CITY

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