



FEDERAL RESERVE BANK *of* KANSAS CITY

Economic Conditions and Outlook in the U.S.

U.S. Bank

Teleconference

August 16, 2012

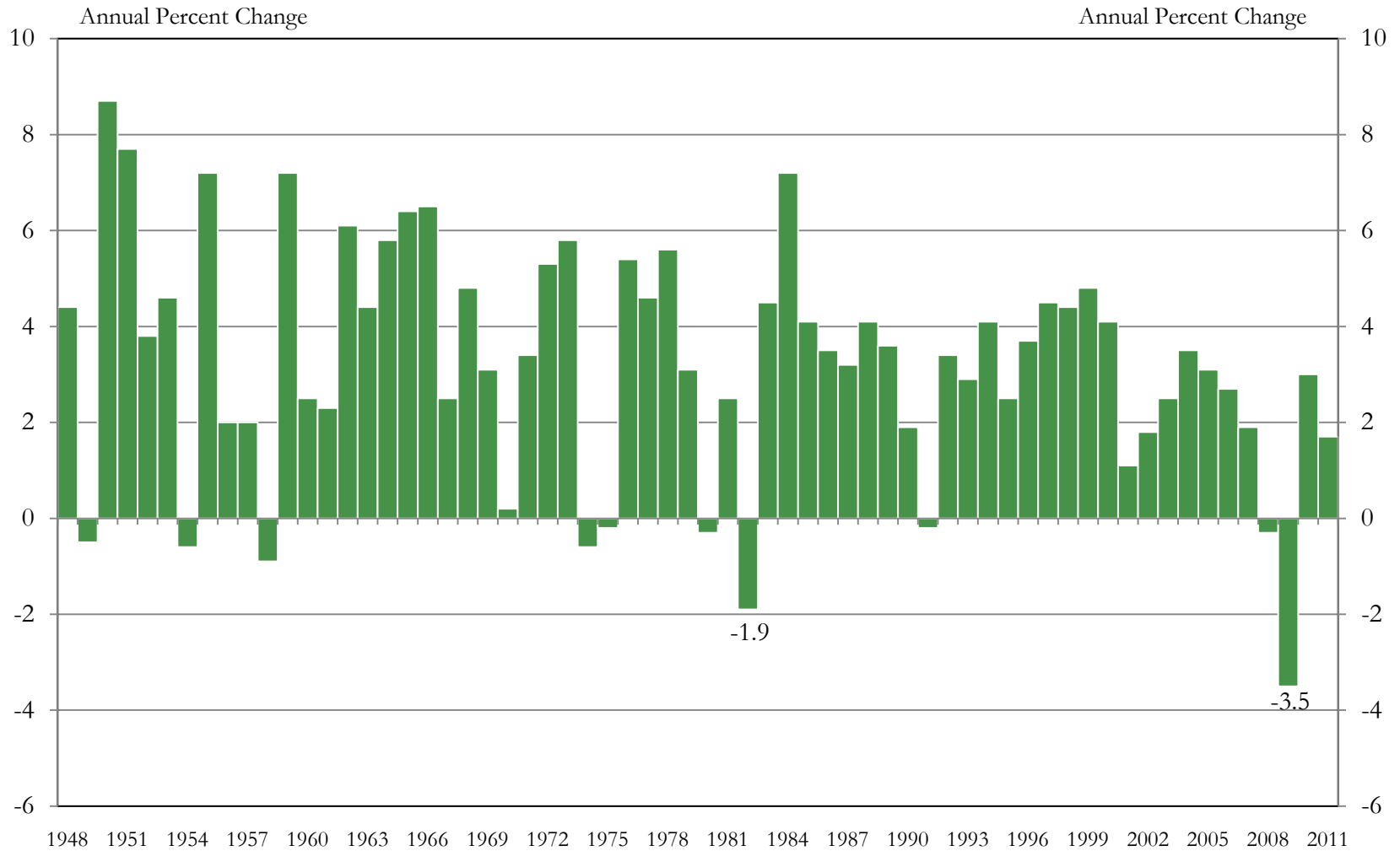
Kelly D. Edmiston

Federal Reserve Bank of Kansas City

Economic Conditions and Outlook in the U.S.

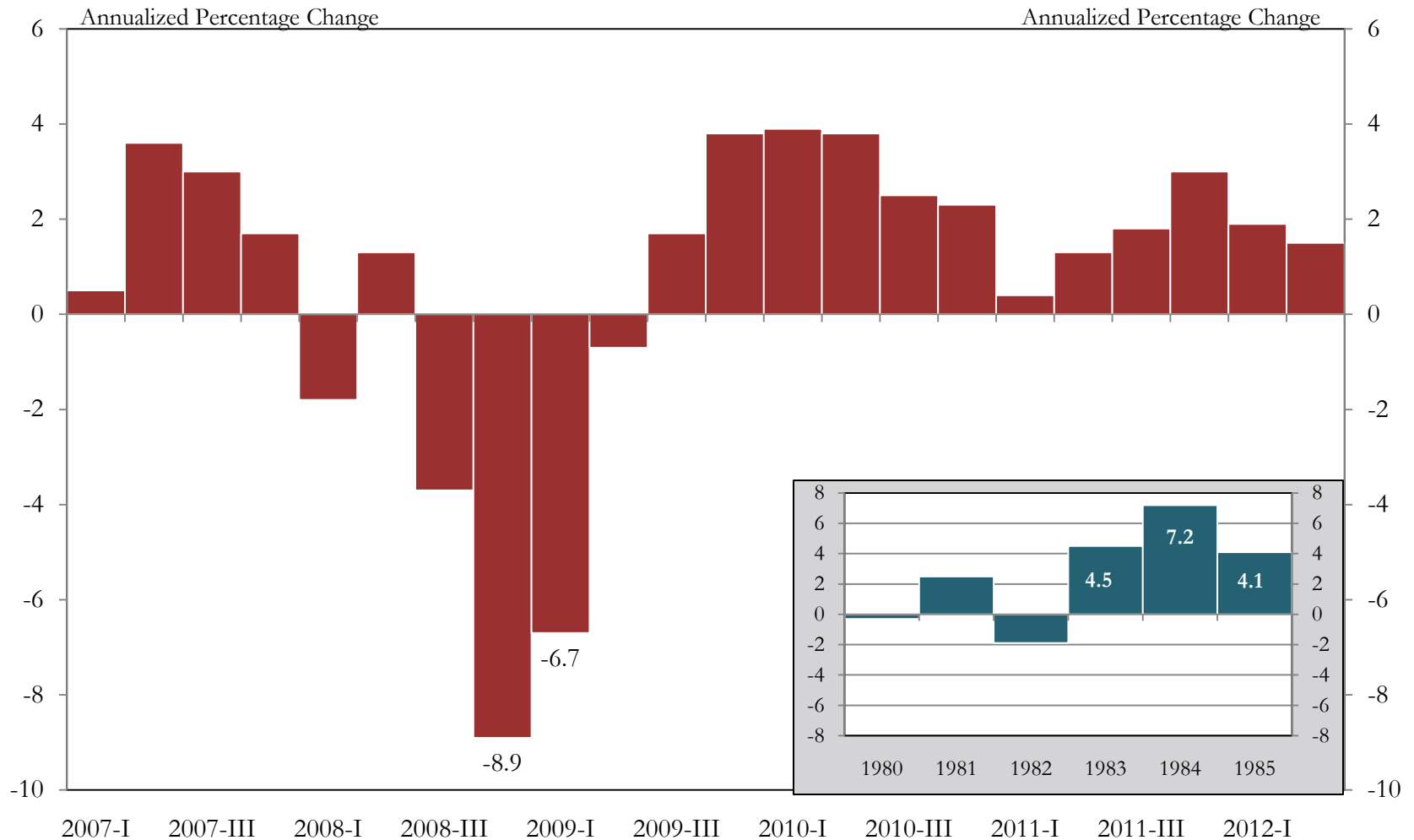
OUTPUT GROWTH

Annual Growth in Real GDP



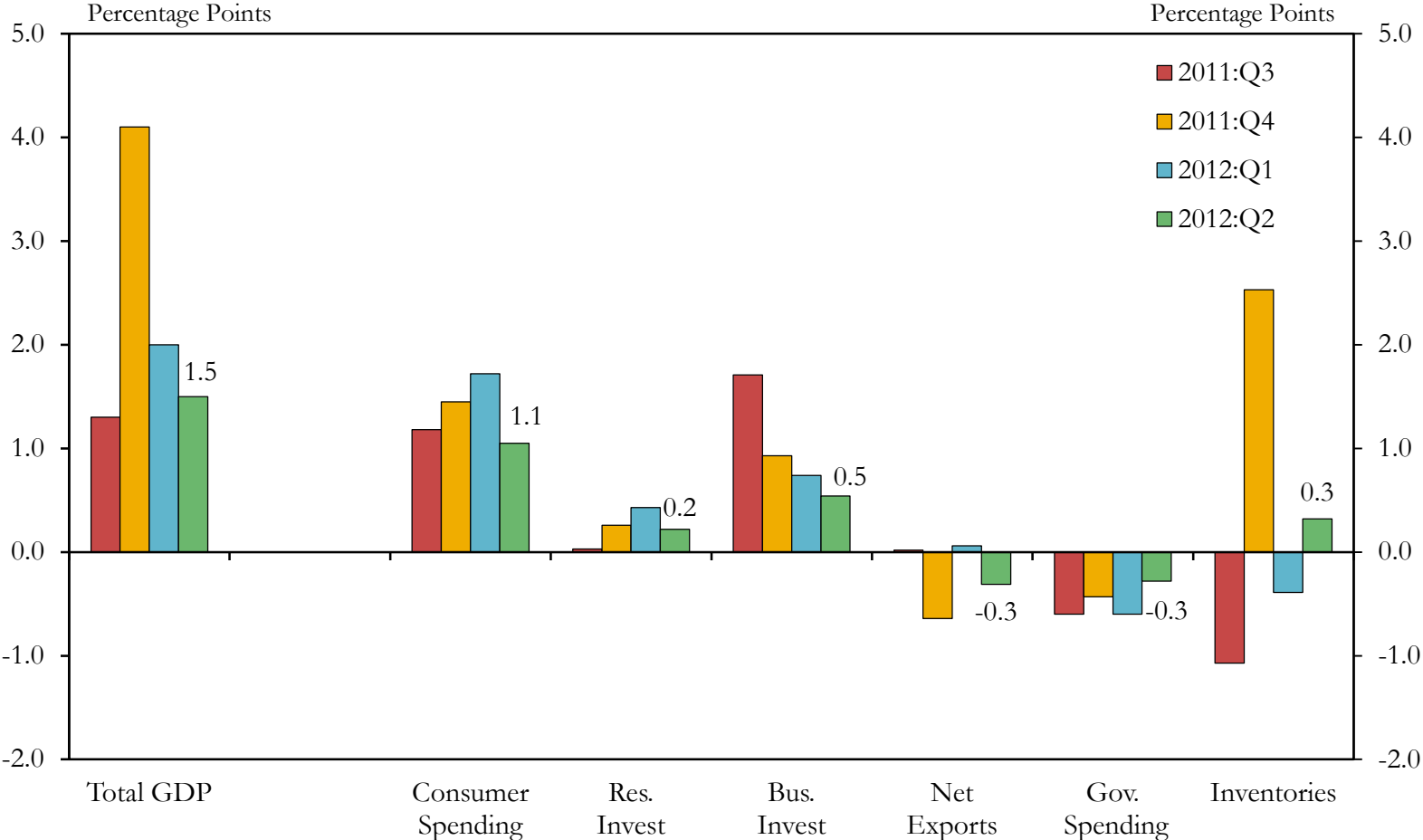
Source: U.S. Bureau of Economic Analysis

Quarterly Real GDP Growth (Annualized)



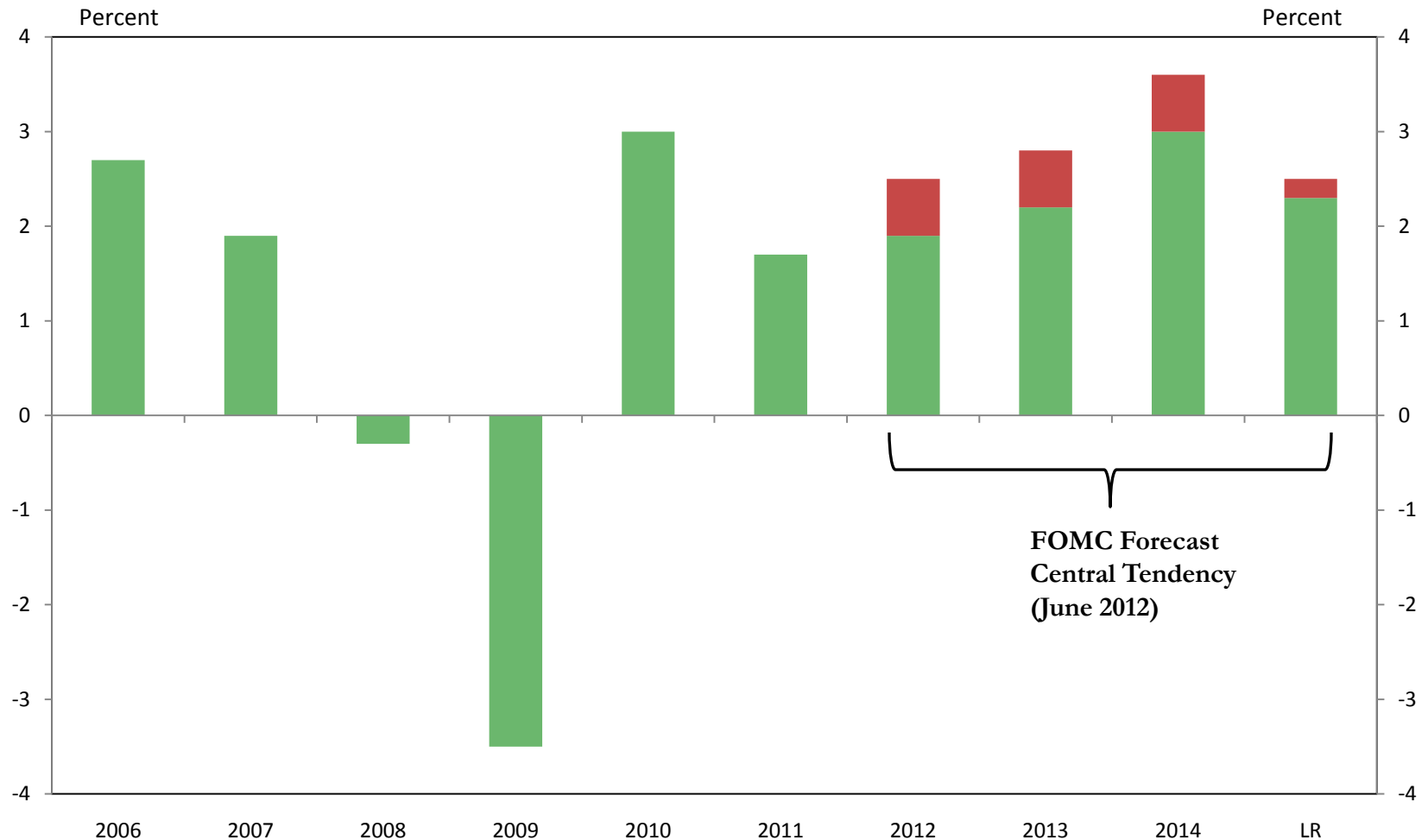
Source: U.S. Bureau of Economic Analysis

Contributions to Percentage Change in Real GDP



Source: Bureau of Economic Analysis

FOMC Real GDP Growth Forecast (June 2012)



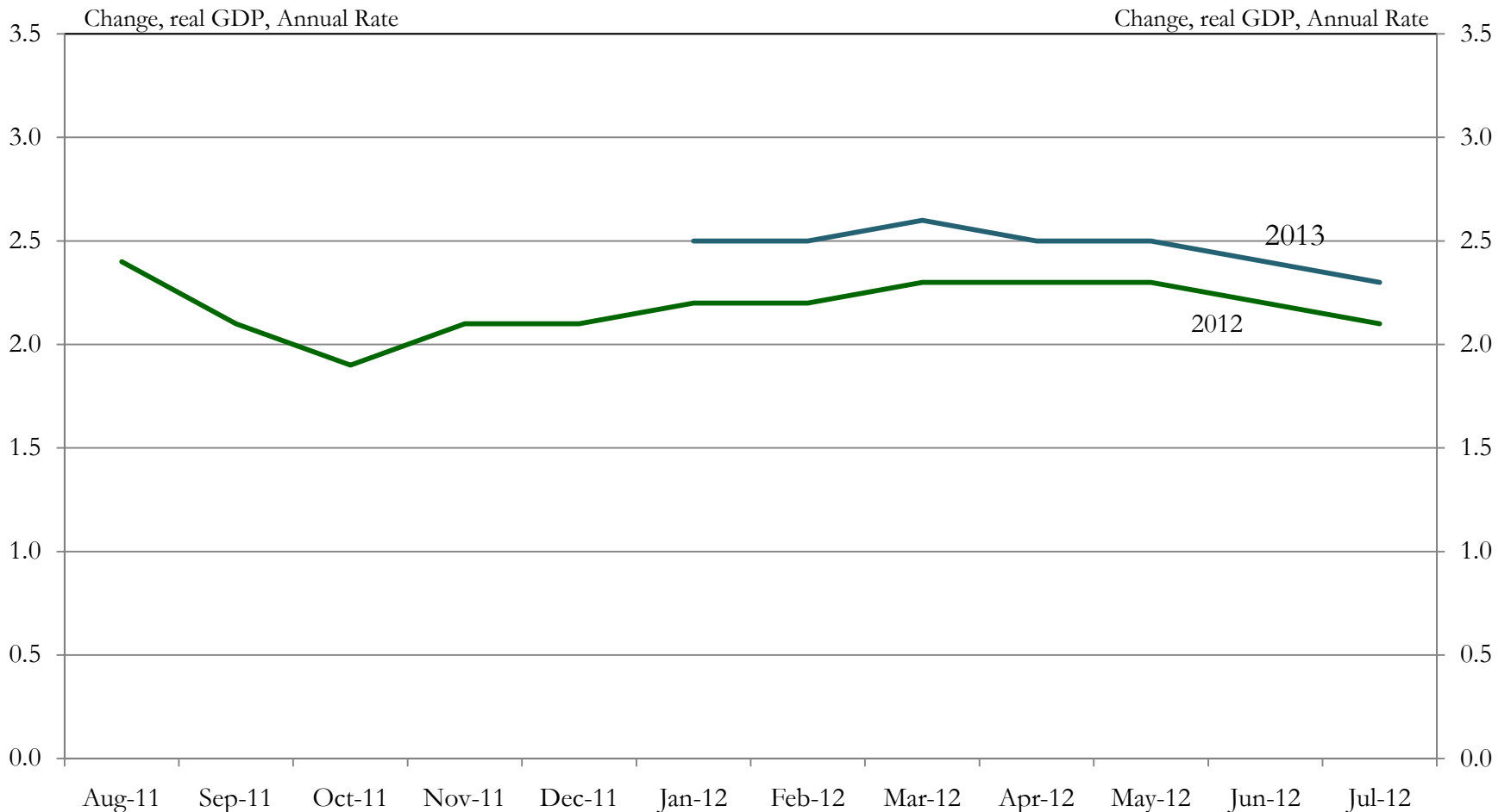
Sources: Bureau of Economic Analysis; Federal Reserve

Consensus Forecasts

| | 2011 | 2012F | 2013F |
|-----------------------------|------|-------|-------|
| Real GDP Growth | 1.7 | 2.1 | 2.3 |
| Unemployment Rate (Average) | 8.9 | 8.1 | 7.8 |
| Consumer Prices | 3.0 | 2.0 | 1.9 |

Source: Consensus Forecasts (July 2012); U.S. Bureau of Economic Analysis (historical data); U.S. Bureau of Labor Statistics (historical data)

Consensus Forecasts for 2012 and 2013, by month, Aug 2011 – Jul 2012

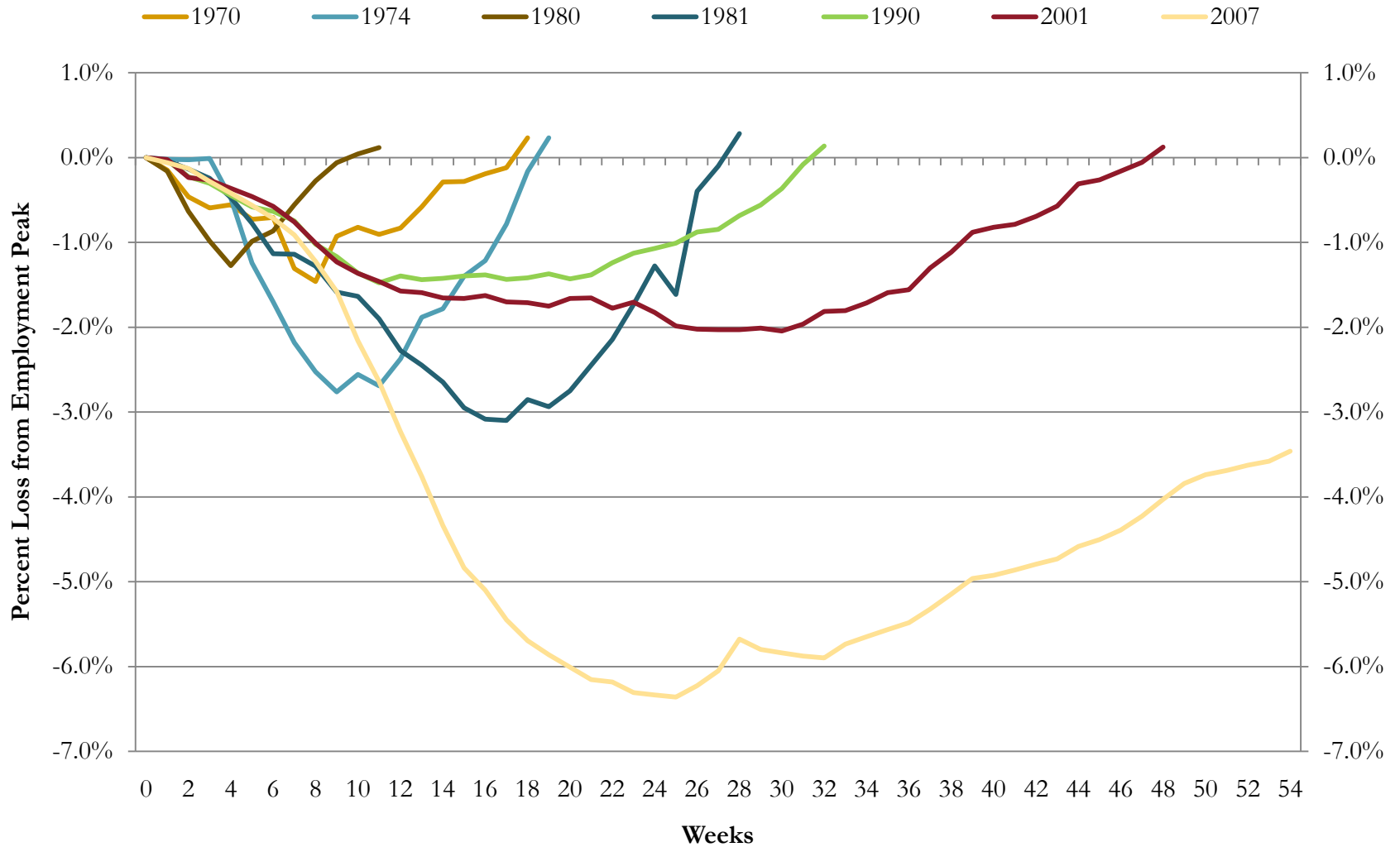


Source: Consensus Forecasts (July 2012)

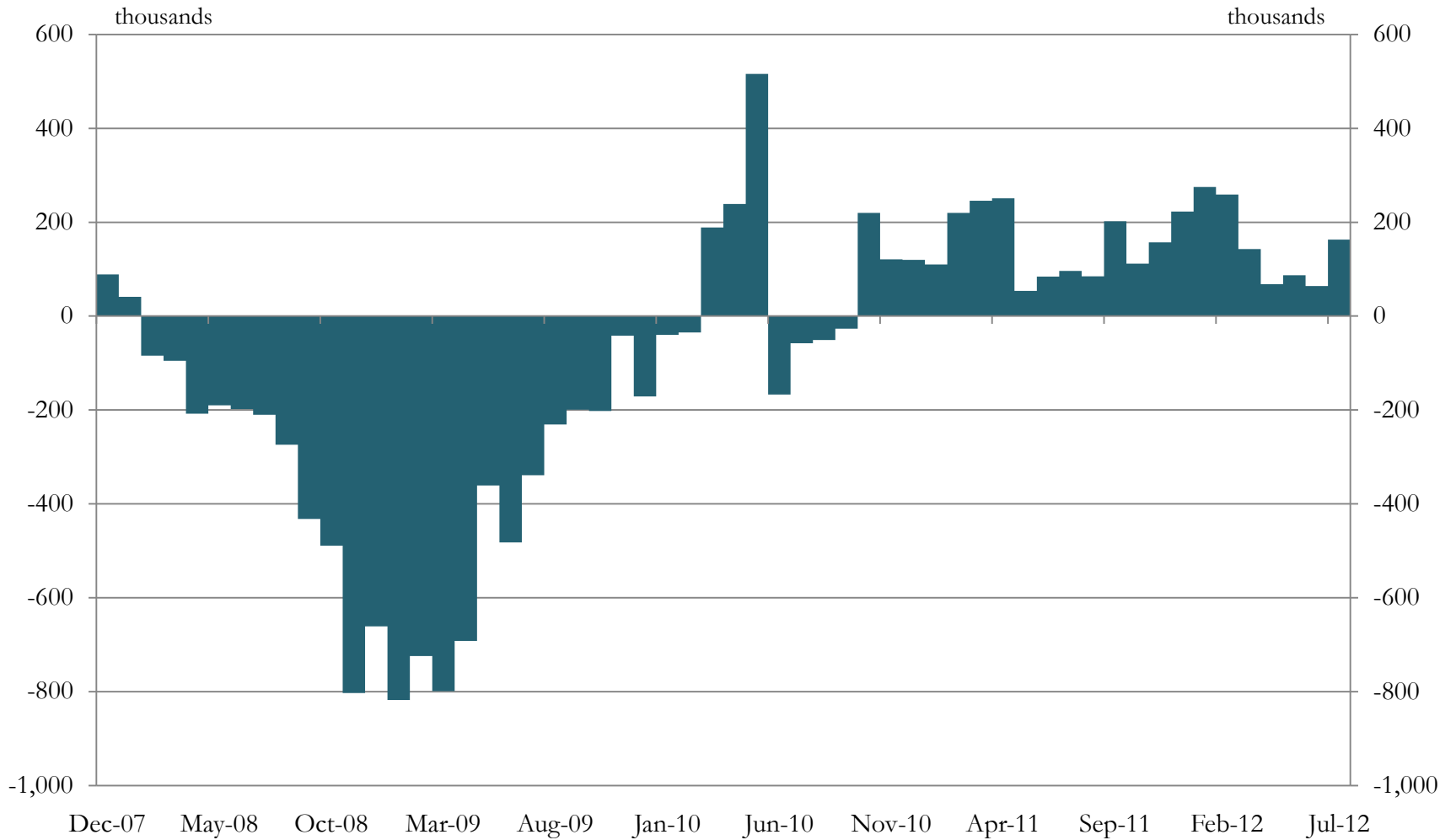
Economic Conditions and Outlook in the U.S.

EMPLOYMENT AND UNEMPLOYMENT

Historical Recessions



Employment Growth in the U.S.

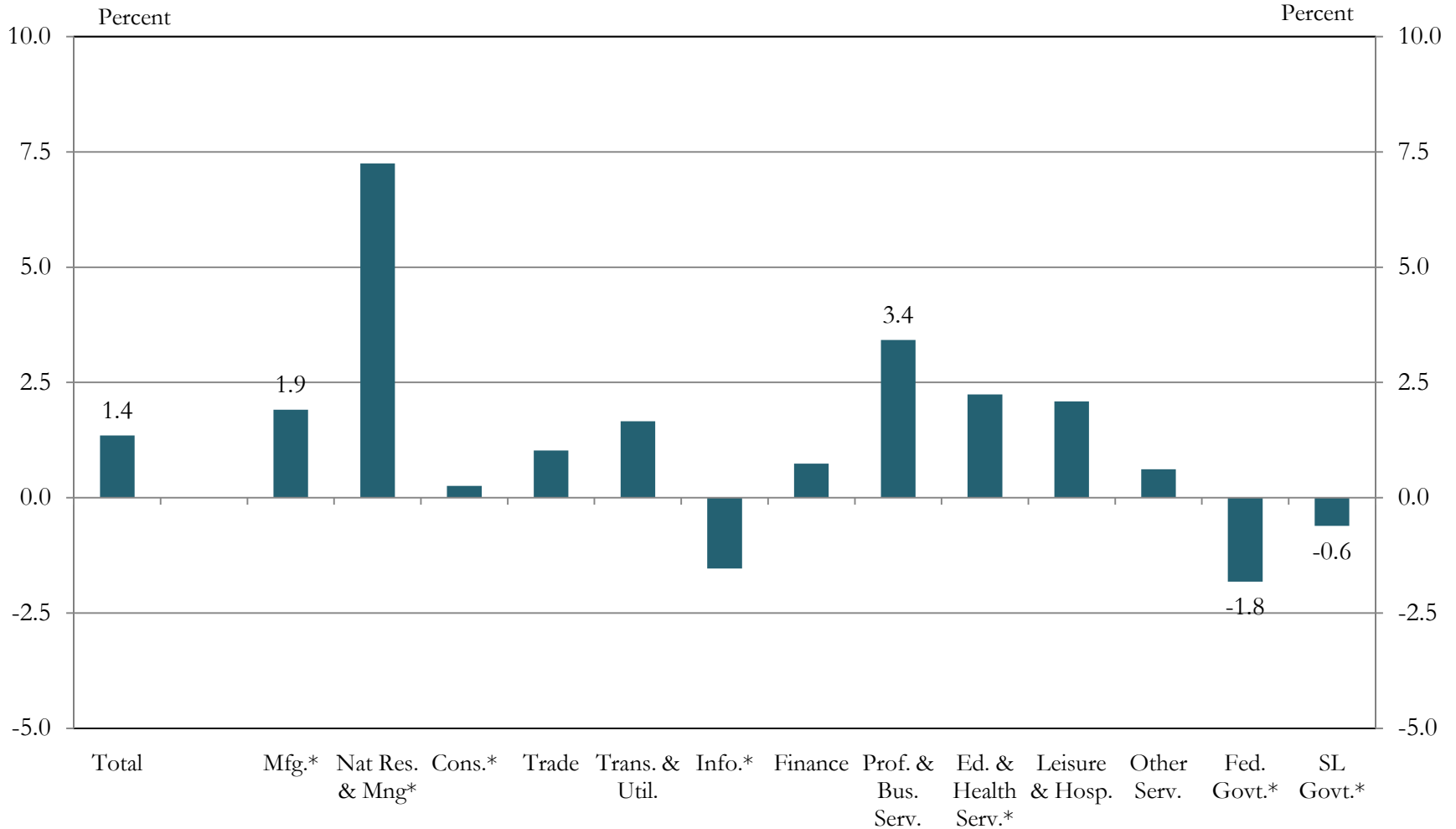


The Jobs Deficit



Job Growth by Sector

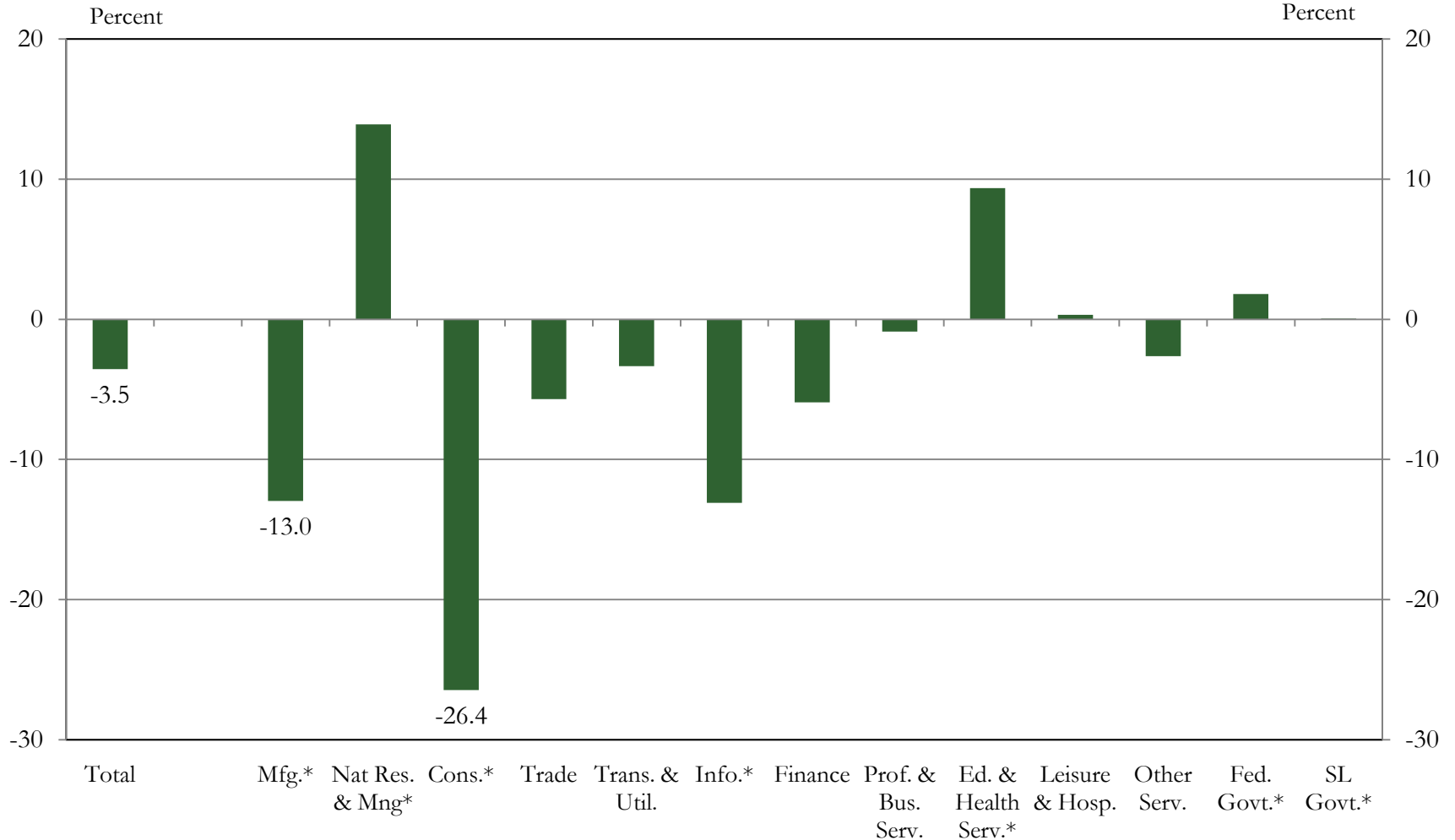
Jun, 2011 – Jun, 2012



Source: U.S. Bureau of Labor Statistics

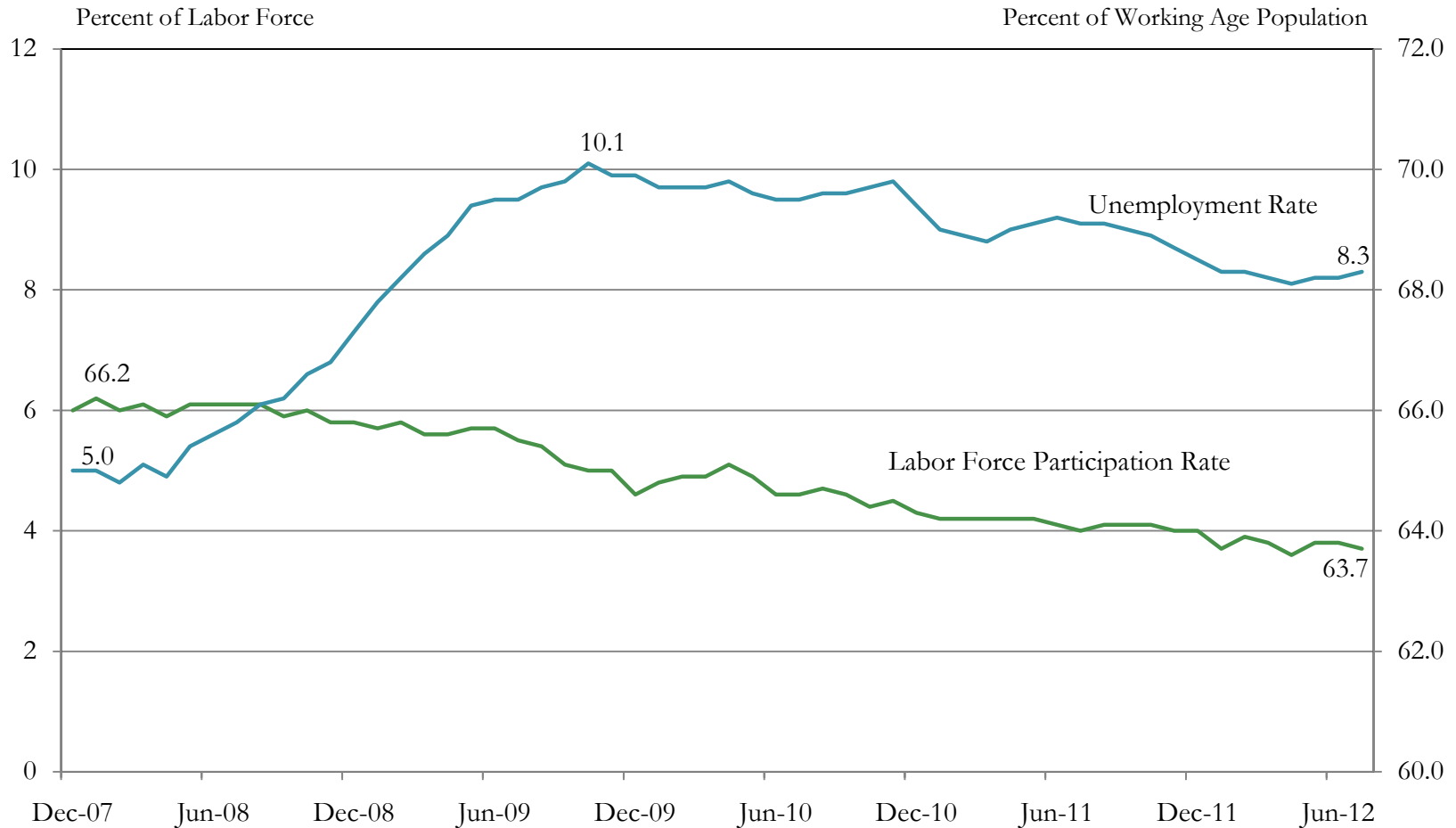
Job Growth by Sector

December, 2007 – Jun, 2012



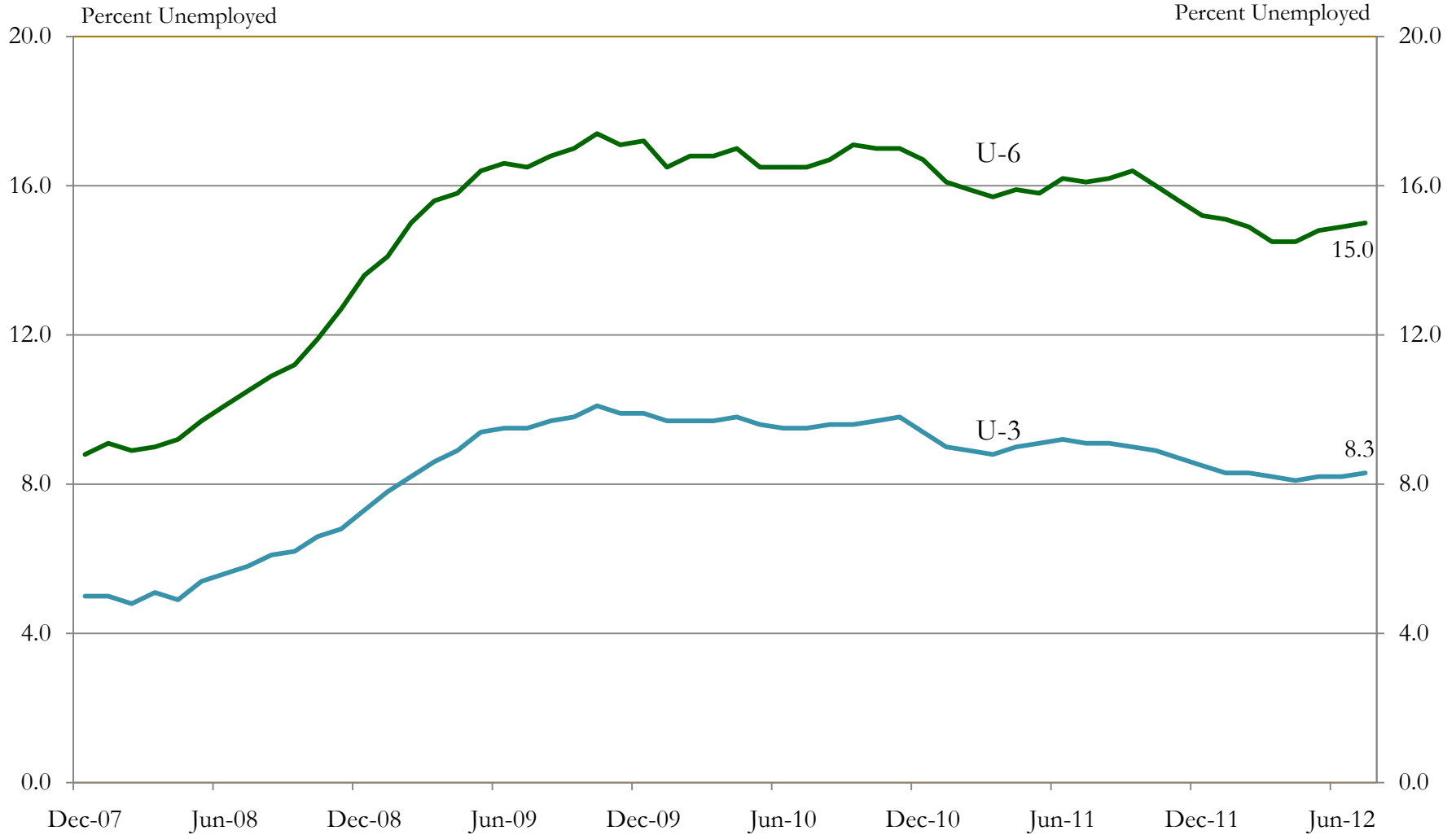
Source: U.S. Bureau of Labor Statistics

Unemployment and Labor Force Participation Rates



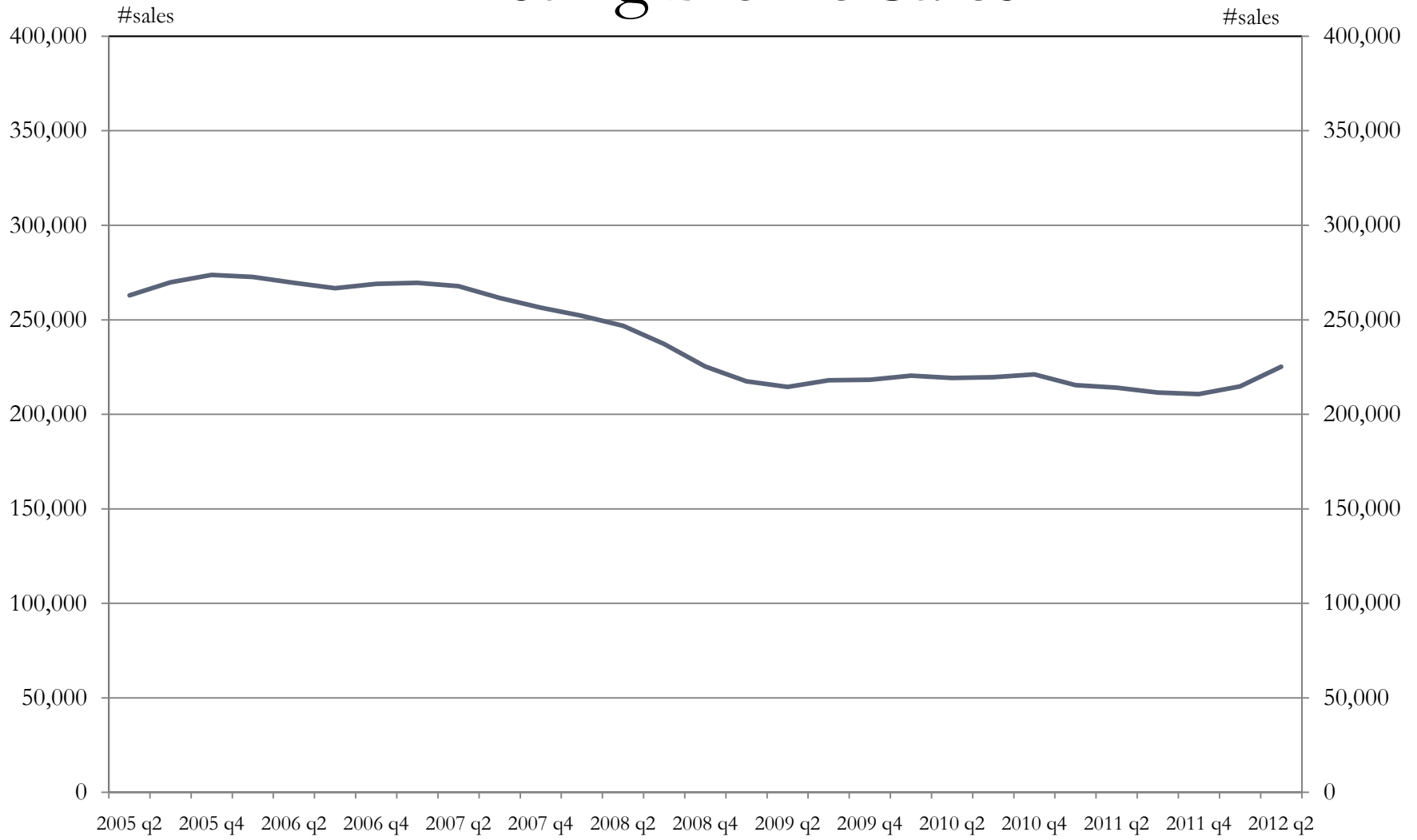
Source: U.S. Bureau of Labor Statistics

Expanded Unemployment Rate



Source: U.S. Bureau of Labor Statistics

Existing Home Sales



Sources: National Realtors Association

Existing Single-Family Home Activity

Demand Constraints

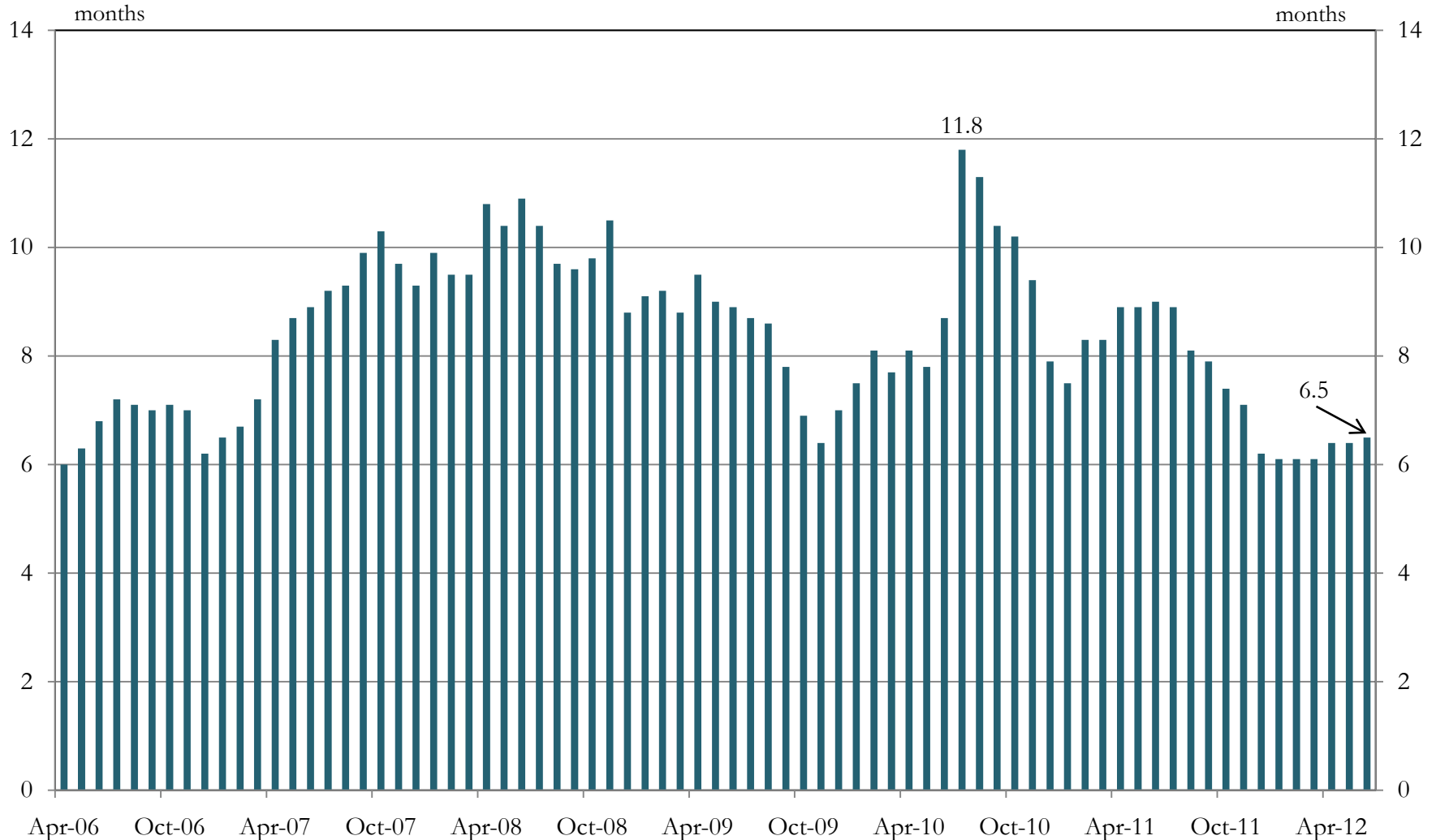
- Economy/Financial Security
- Uncertainty about Market
- Household Formation
- Credit Availability

Homebuyer Traffic



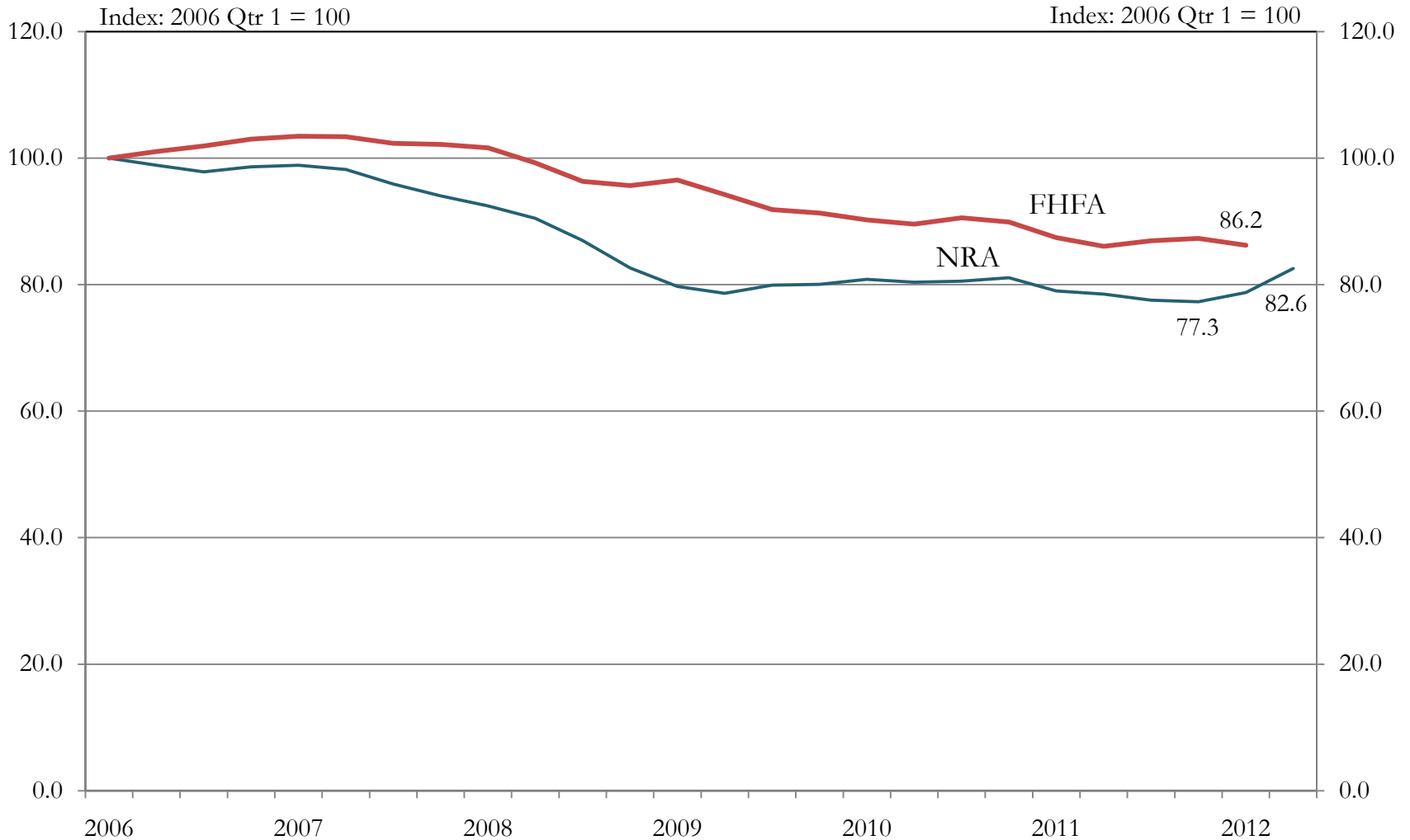
Proprietary Data Removed

Months Supply of Existing Homes (U.S.)



Source: National Association of Realtors

Existing Single-Family Home Prices



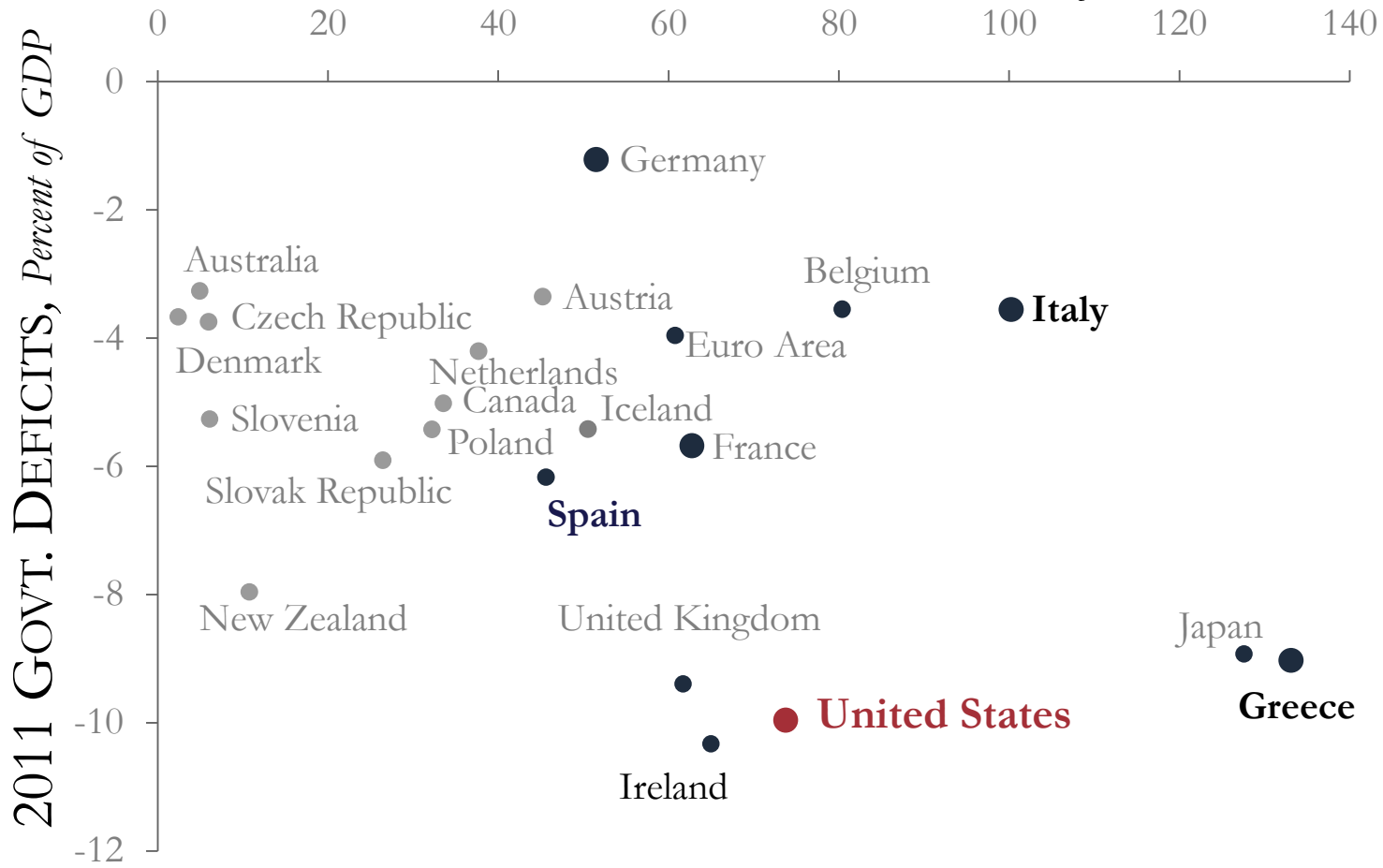
Source: FHFA, National Association of Realtors

Economic Conditions in the U.S. and Kansas City Region

RISKS

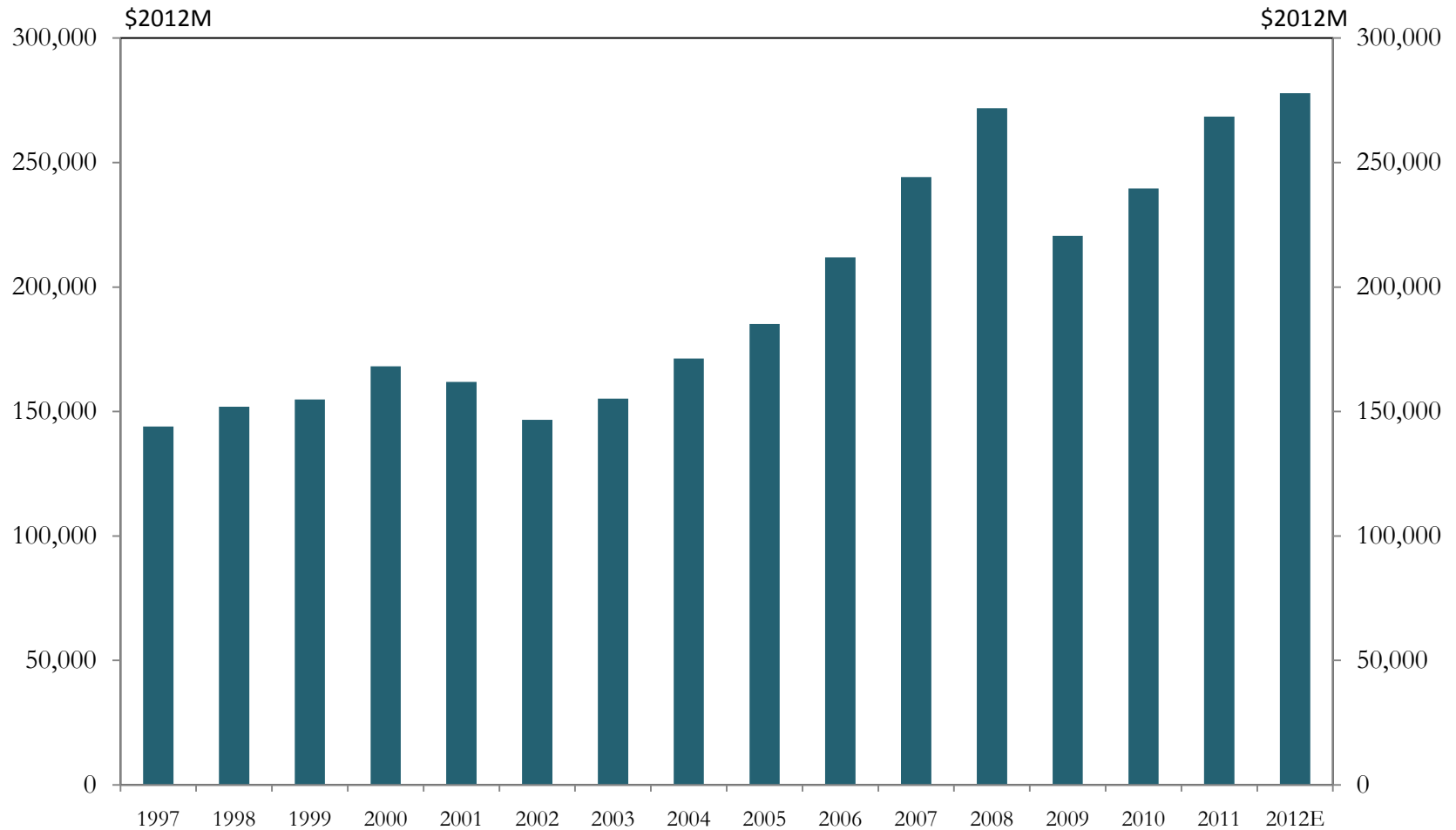
European Debt Crisis

2011 NET GOVT. DEBT, *Percent of GDP*



Source: Organization for Economic Co-operation & Development

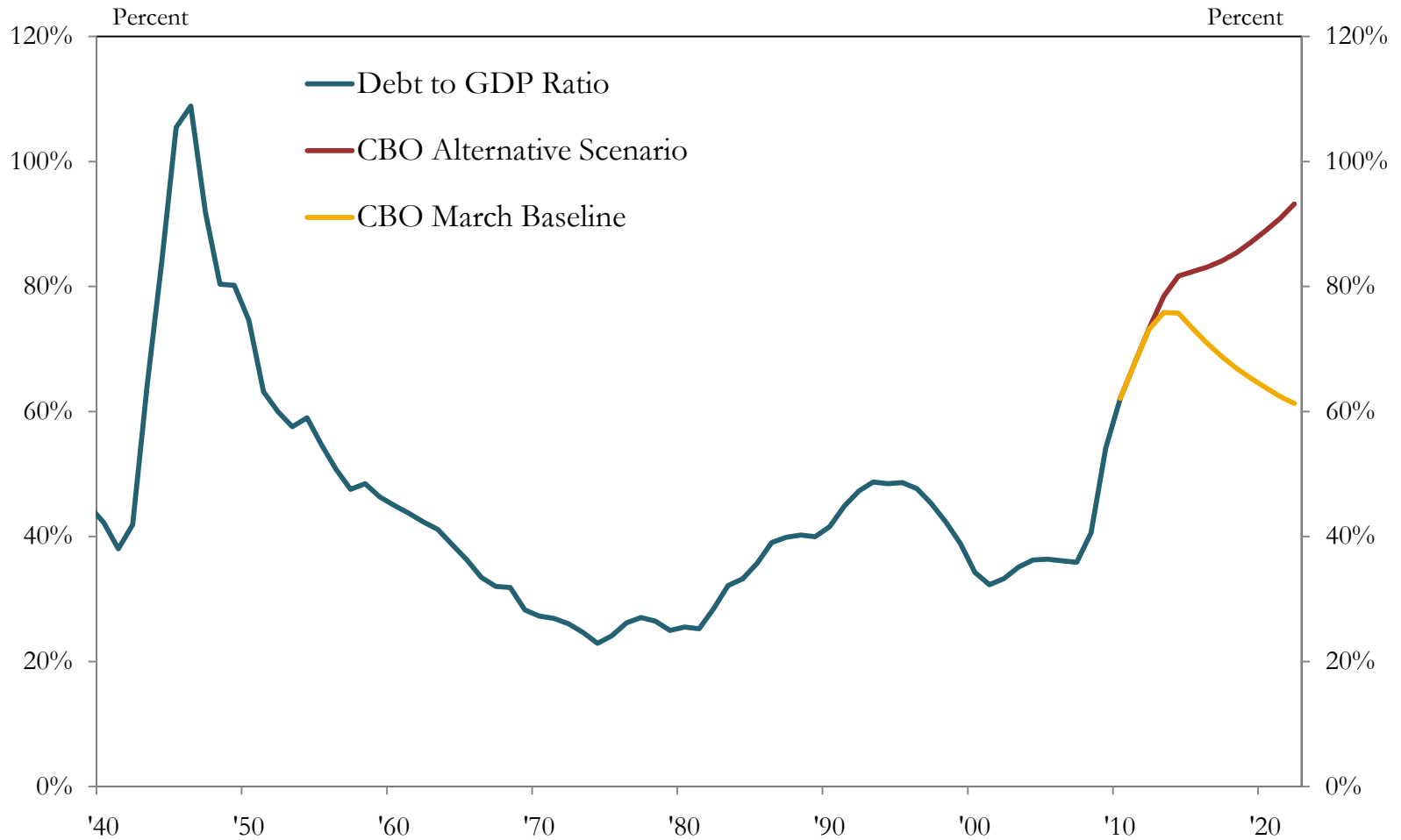
U.S. Exports to the EU (Goods Only)



Source: U.S. Census Bureau

Note: Inflation adjusted with BEA implicit GDP deflator

Federal Debt (% of GDP)



Source: Congressional Budget Office



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