



Economic Outlook

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Senior Regional Economist



Maryland Government Finance
Officers Association
October 14, 2016



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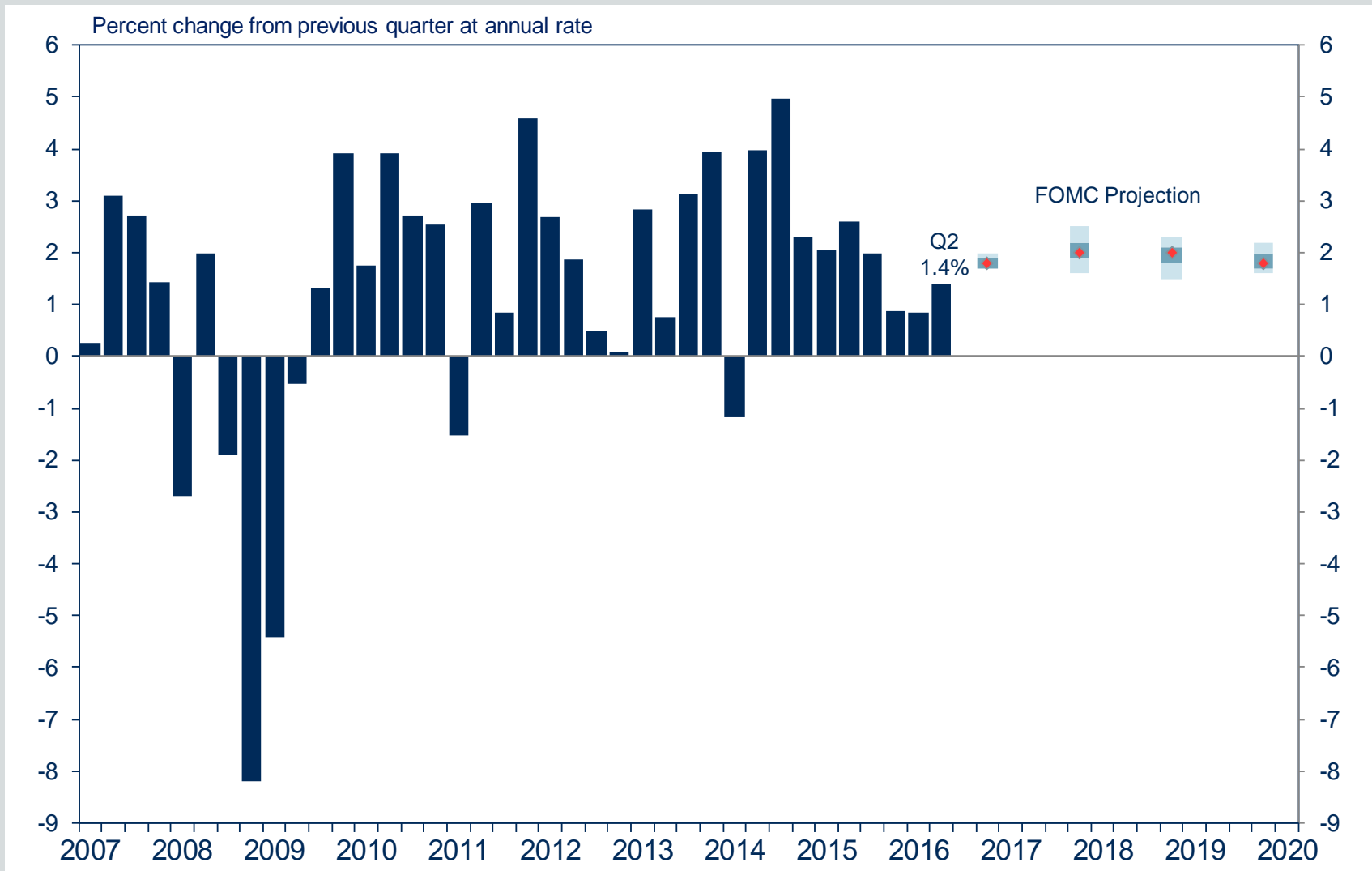
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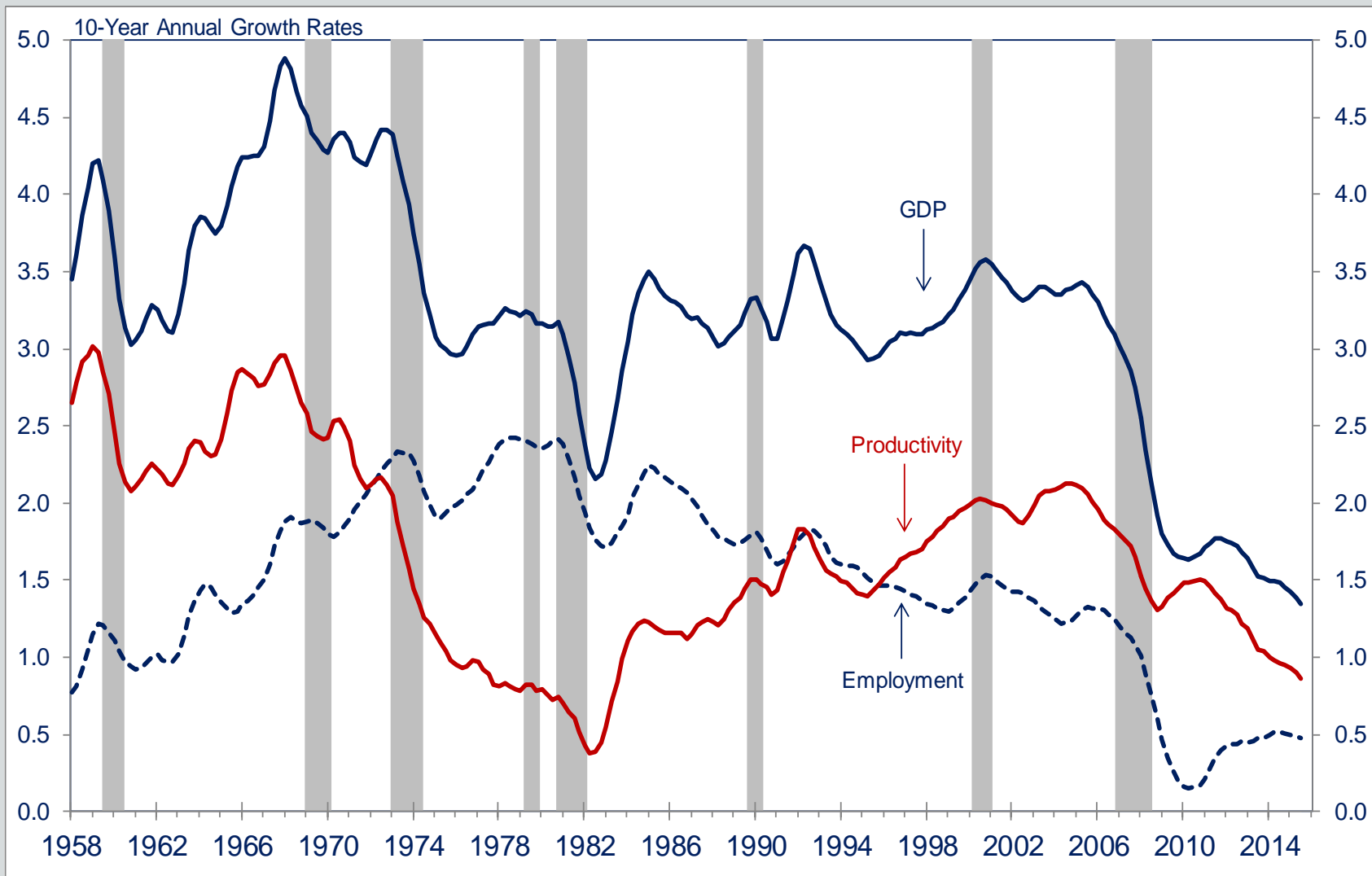
Real Gross Domestic Product



Note: Projection is the median, central tendency, and range from the September 2016 Summary of Economic Projections. Red dots indicate median projections. Projections of change in real gross domestic product (GDP) are from the fourth quarter of the previous year to the fourth quarter of the year indicated.

Source: Bureau of Economic Analysis via Haver Analytics & Federal Reserve Board

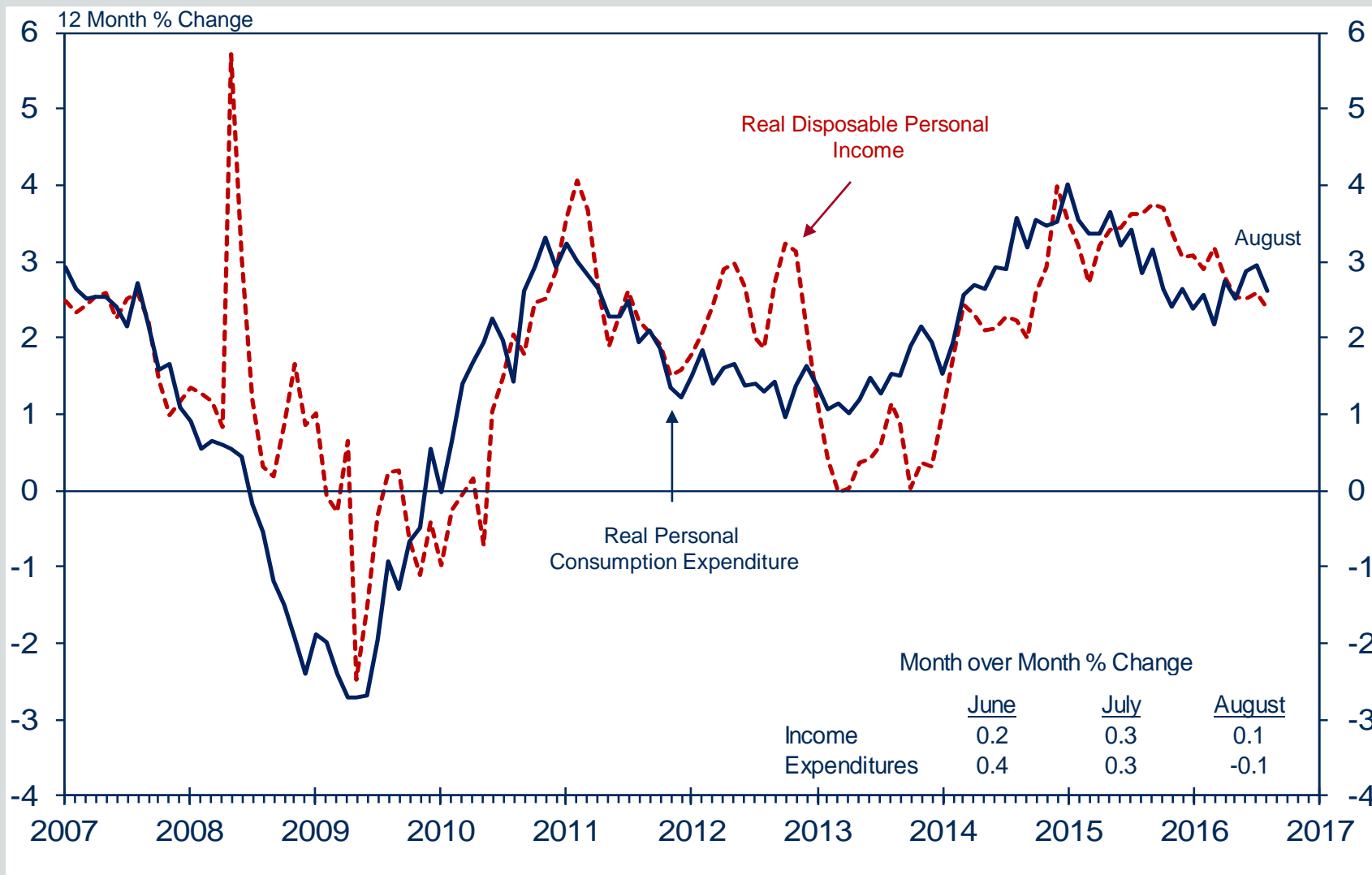
Decomposition of Real GDP



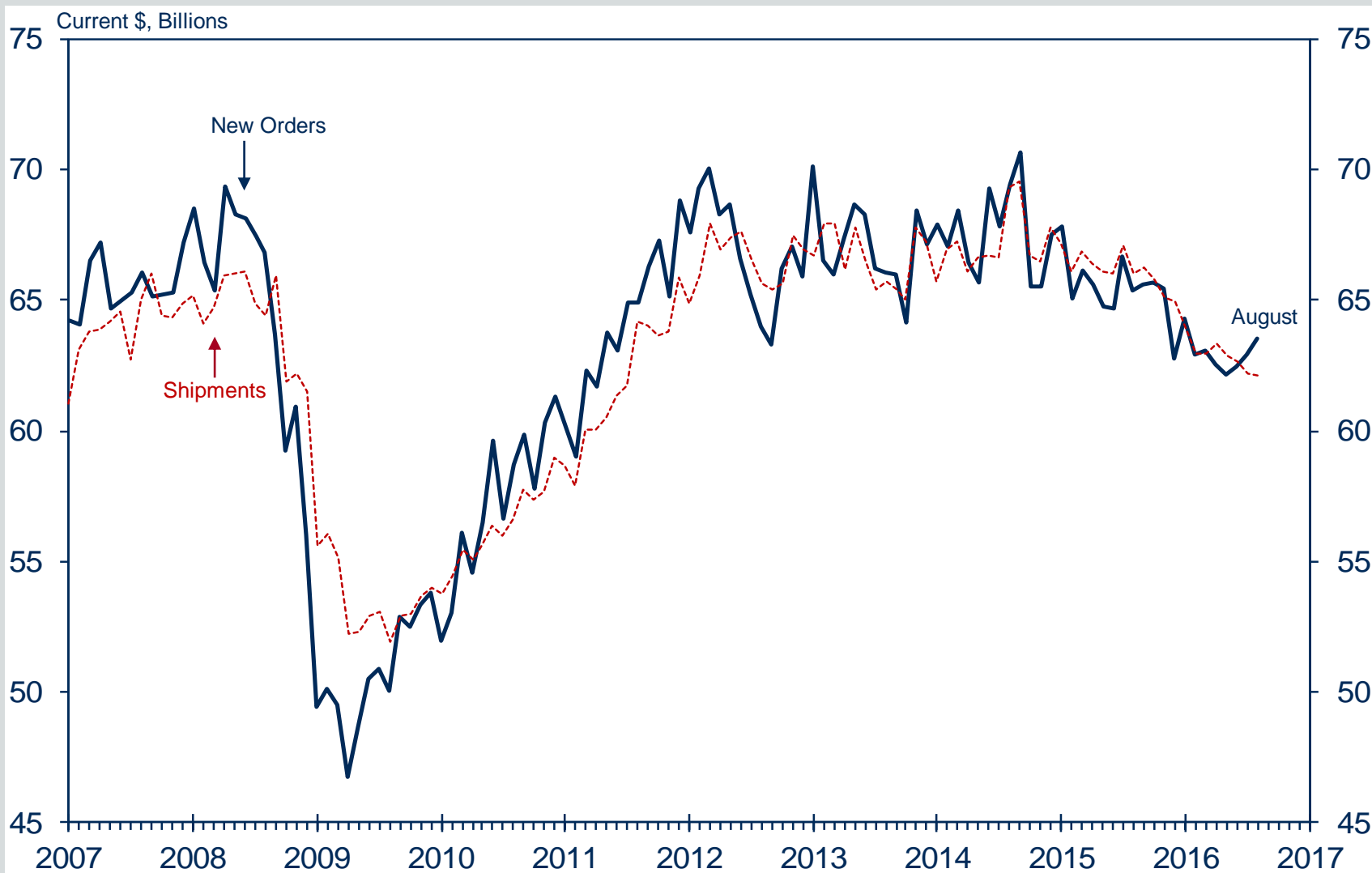
Note: Productivity is calculated as real GDP per employee, from the Household Survey.

Source: Bureau of Economic Analysis and Bureau of Labor Statistics via Haver Analytics

Disposable Personal Income & Expenditures

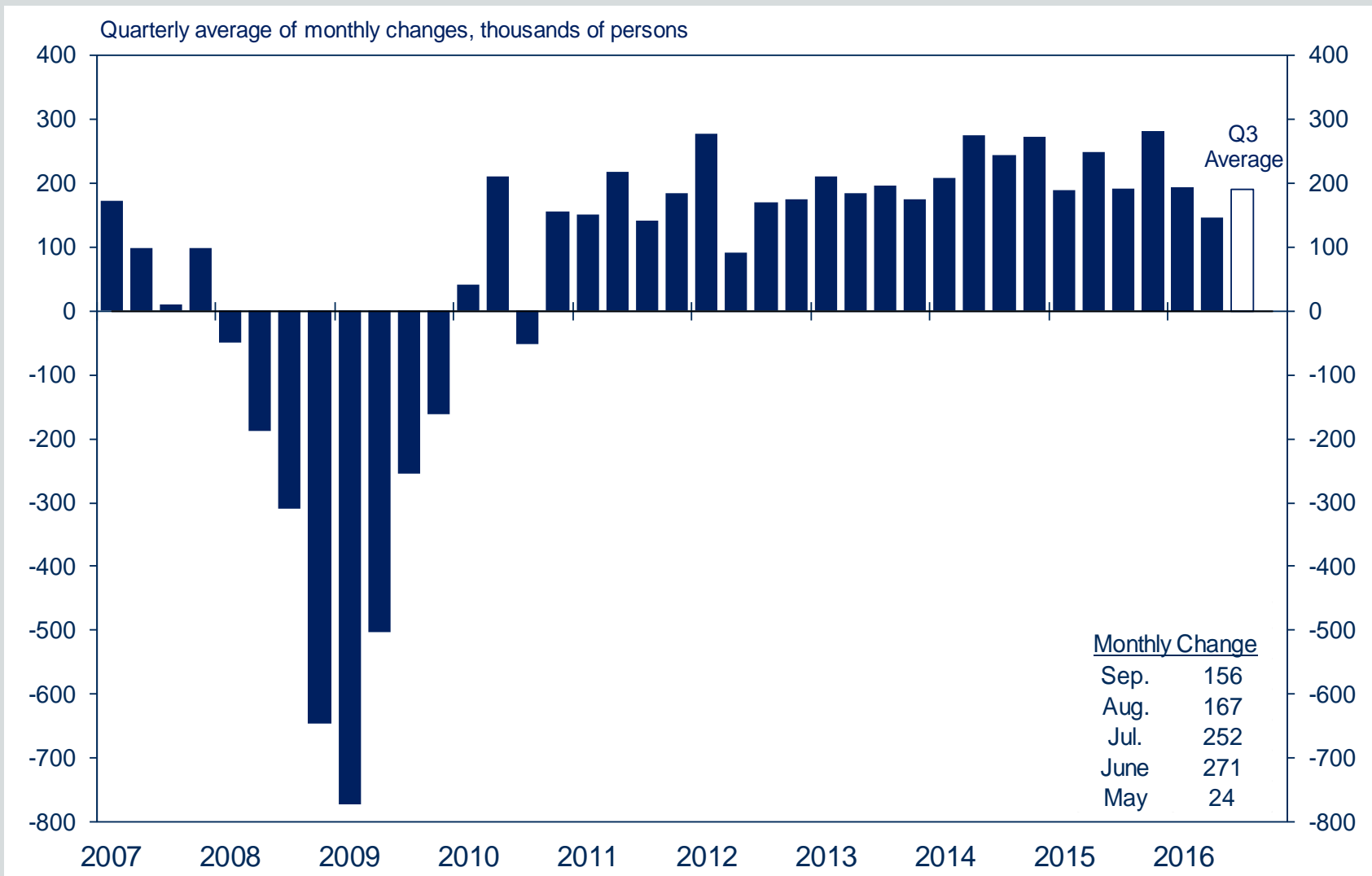


Core Capital Goods

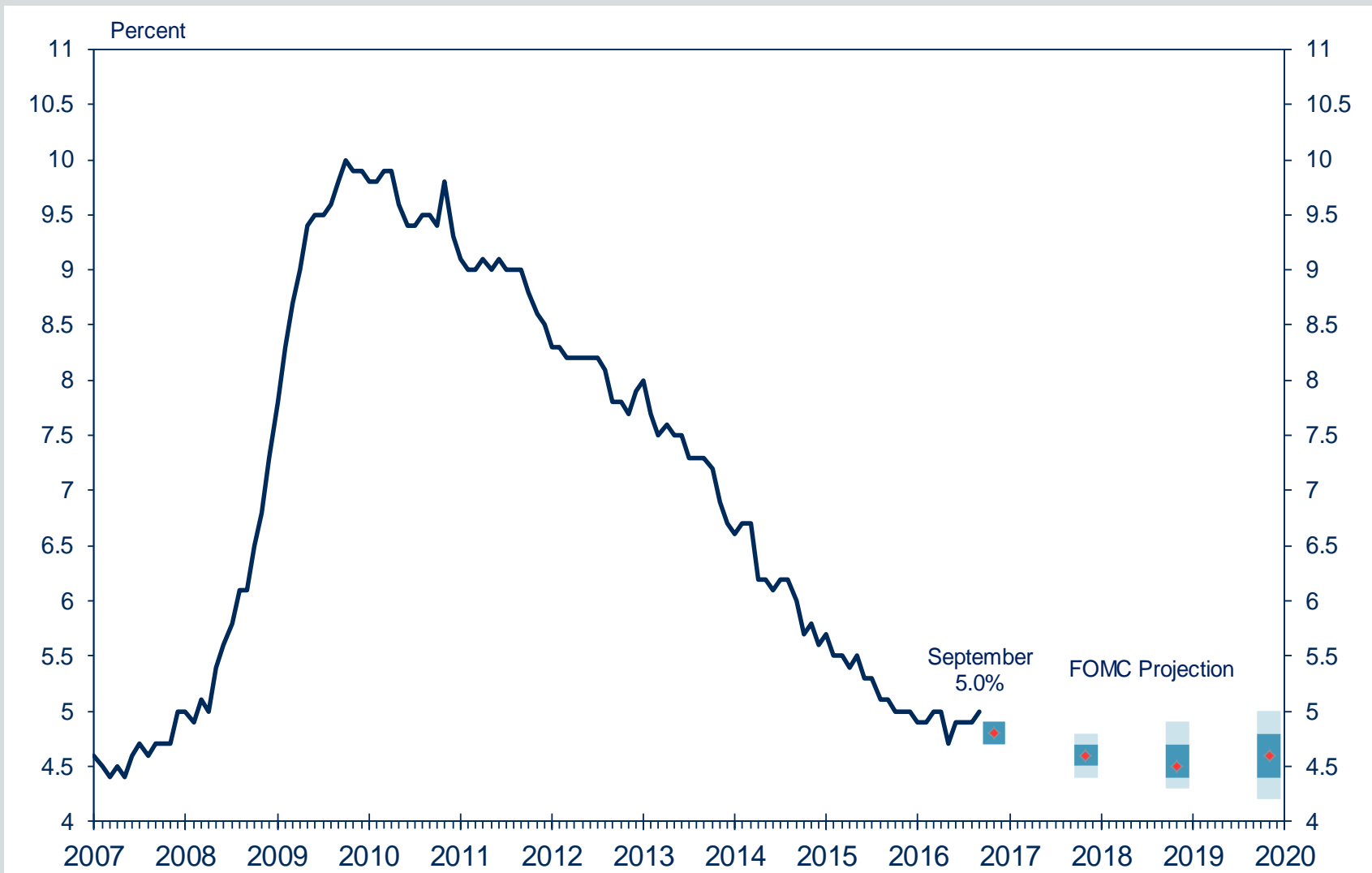


Notes: Core capital goods are nondefense capital goods excluding aircraft.

Nonfarm Payroll Employment



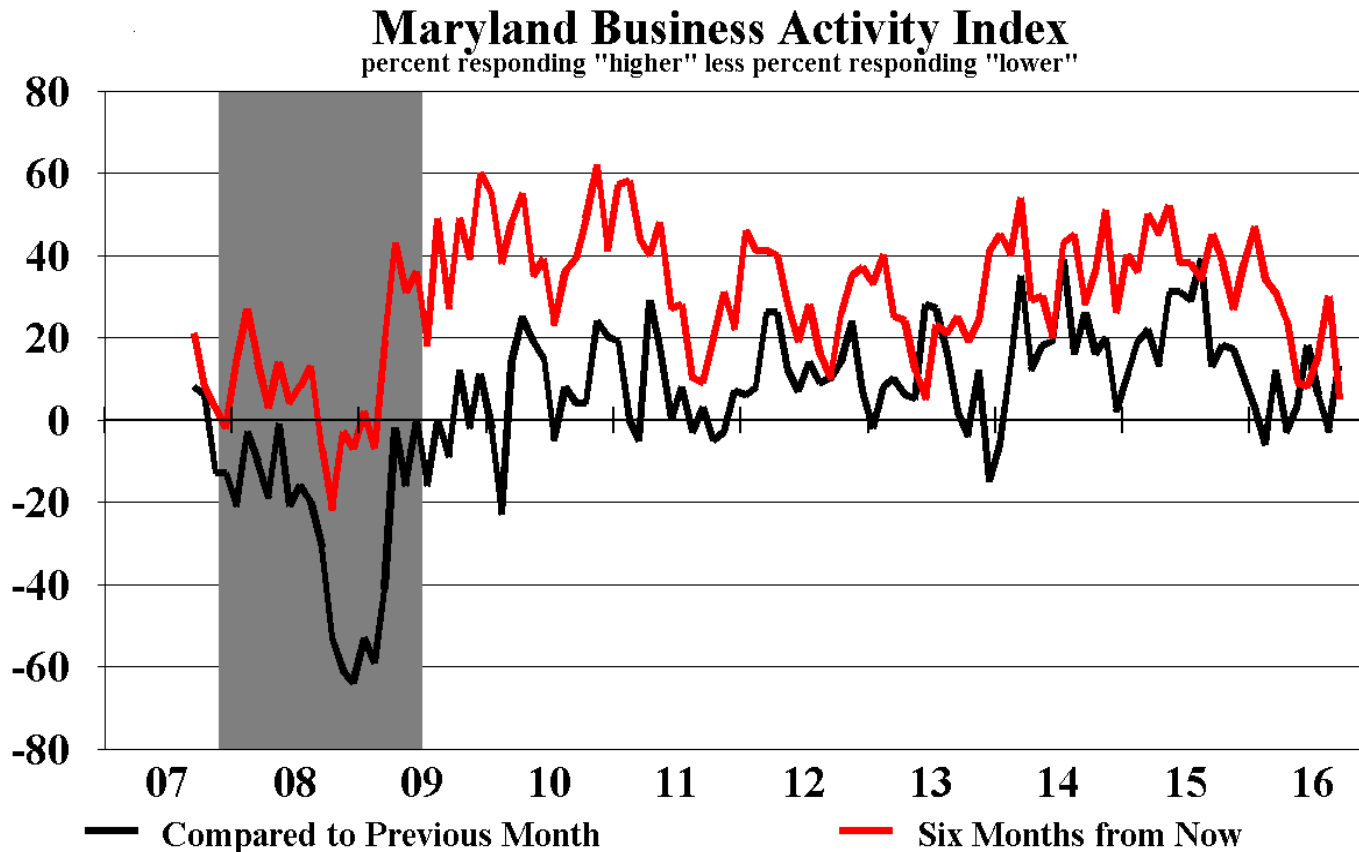
Unemployment Rate



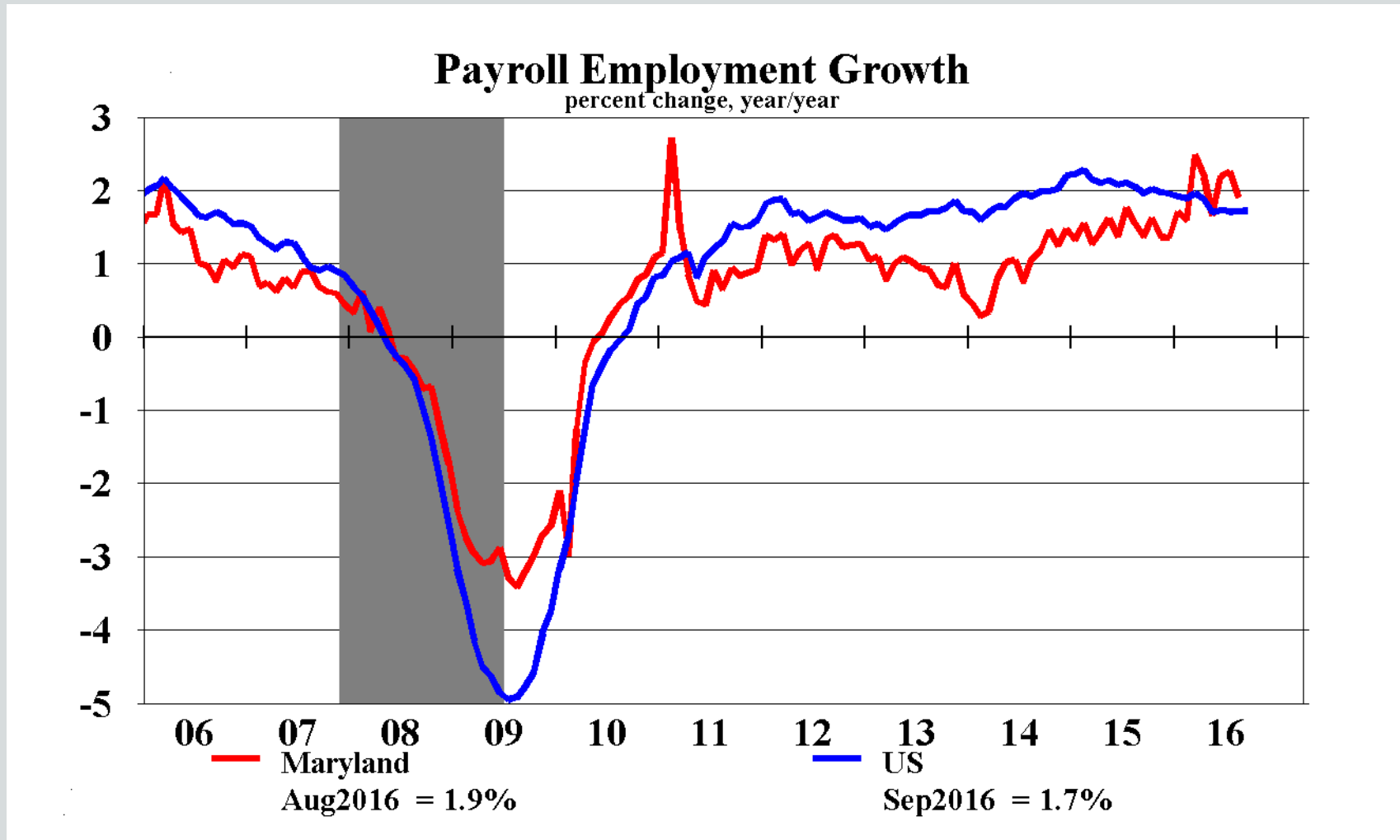
Notes: FOMC projection is the median, range, and central tendency for the Q4 levels, from the September 2016 meeting. Red dots indicate median projections

Source: Bureau of Labor Statistics & Board of Governors via Haver Analytics

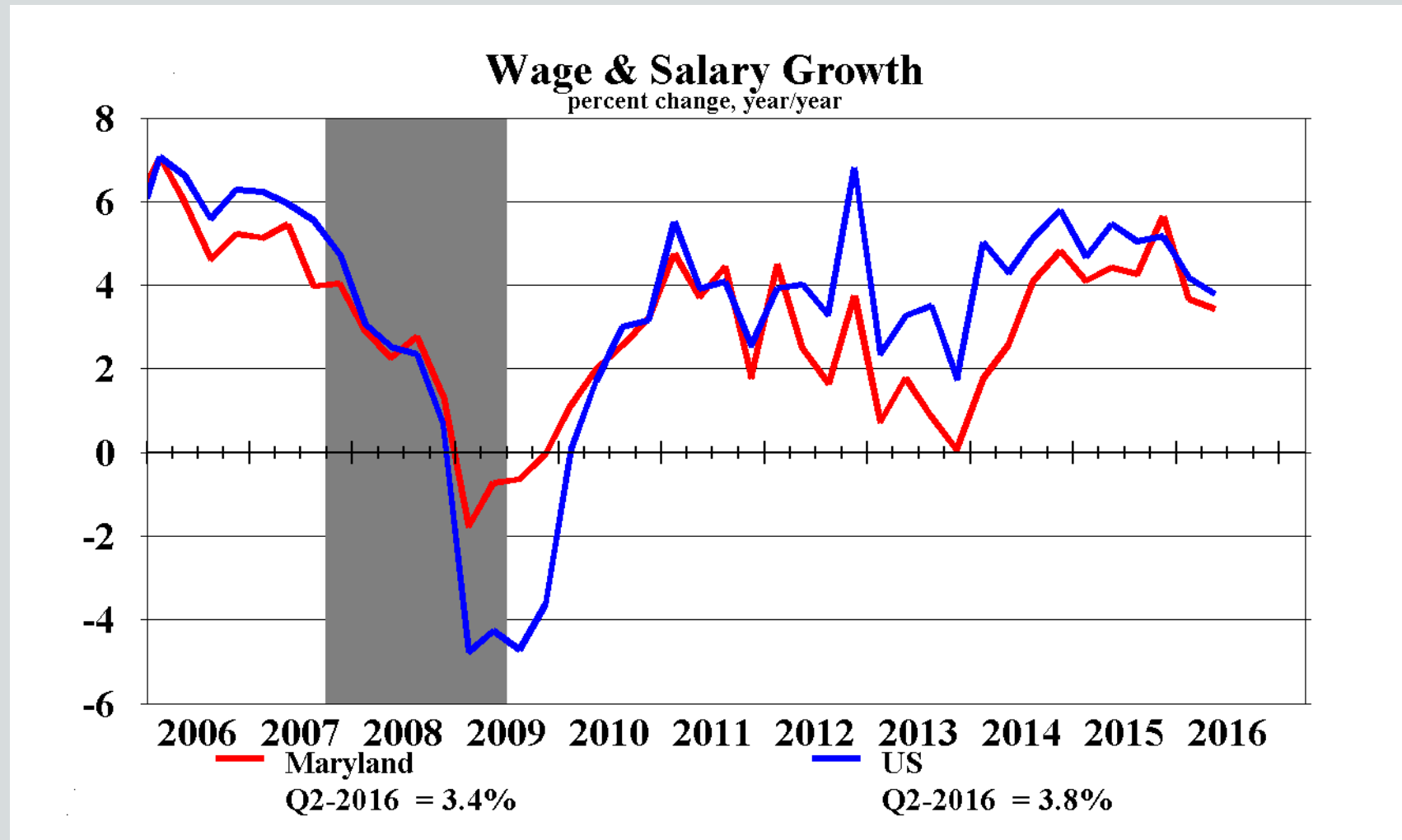
Uneven business conditions in Maryland in 2016



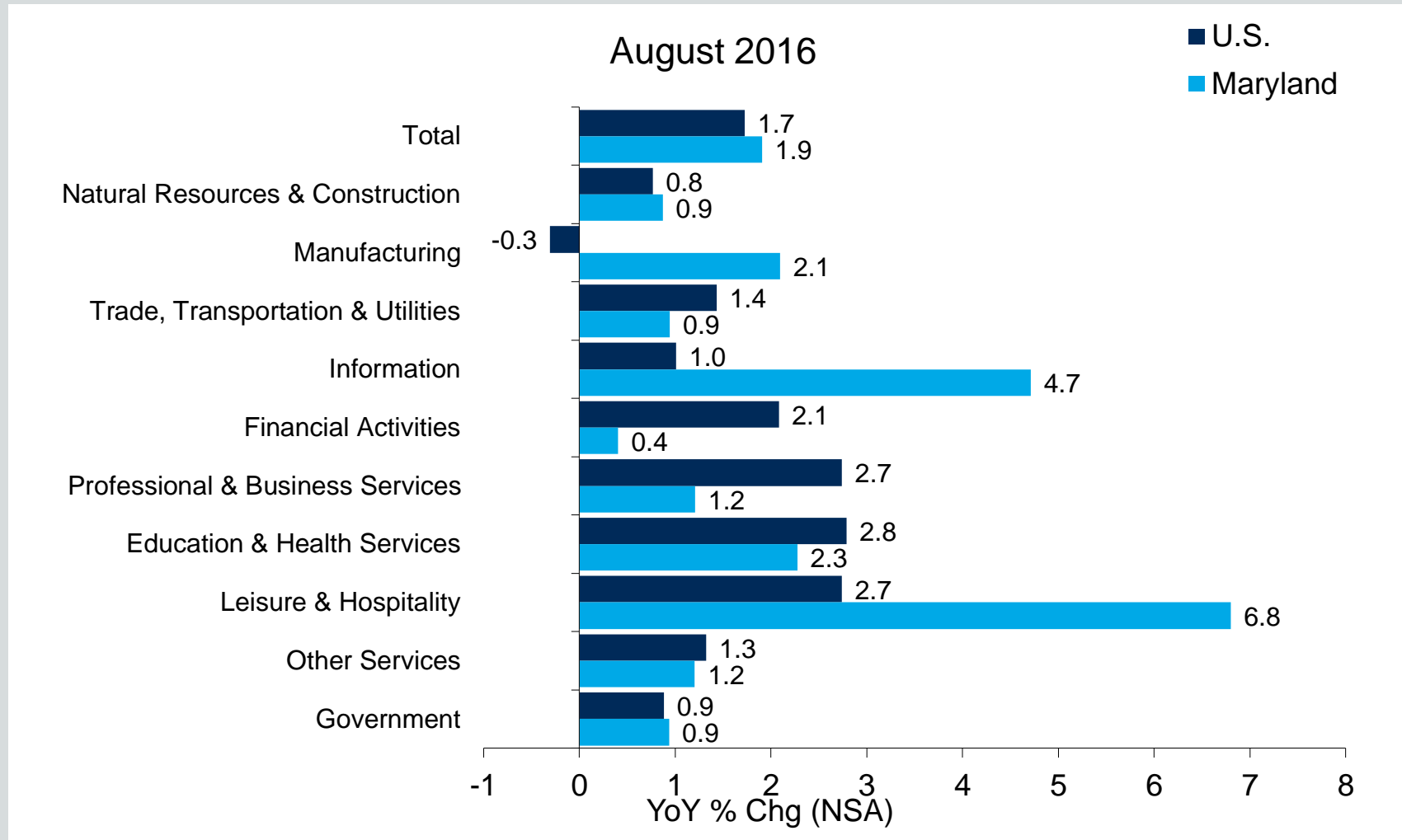
Job growth accelerated early in 2016



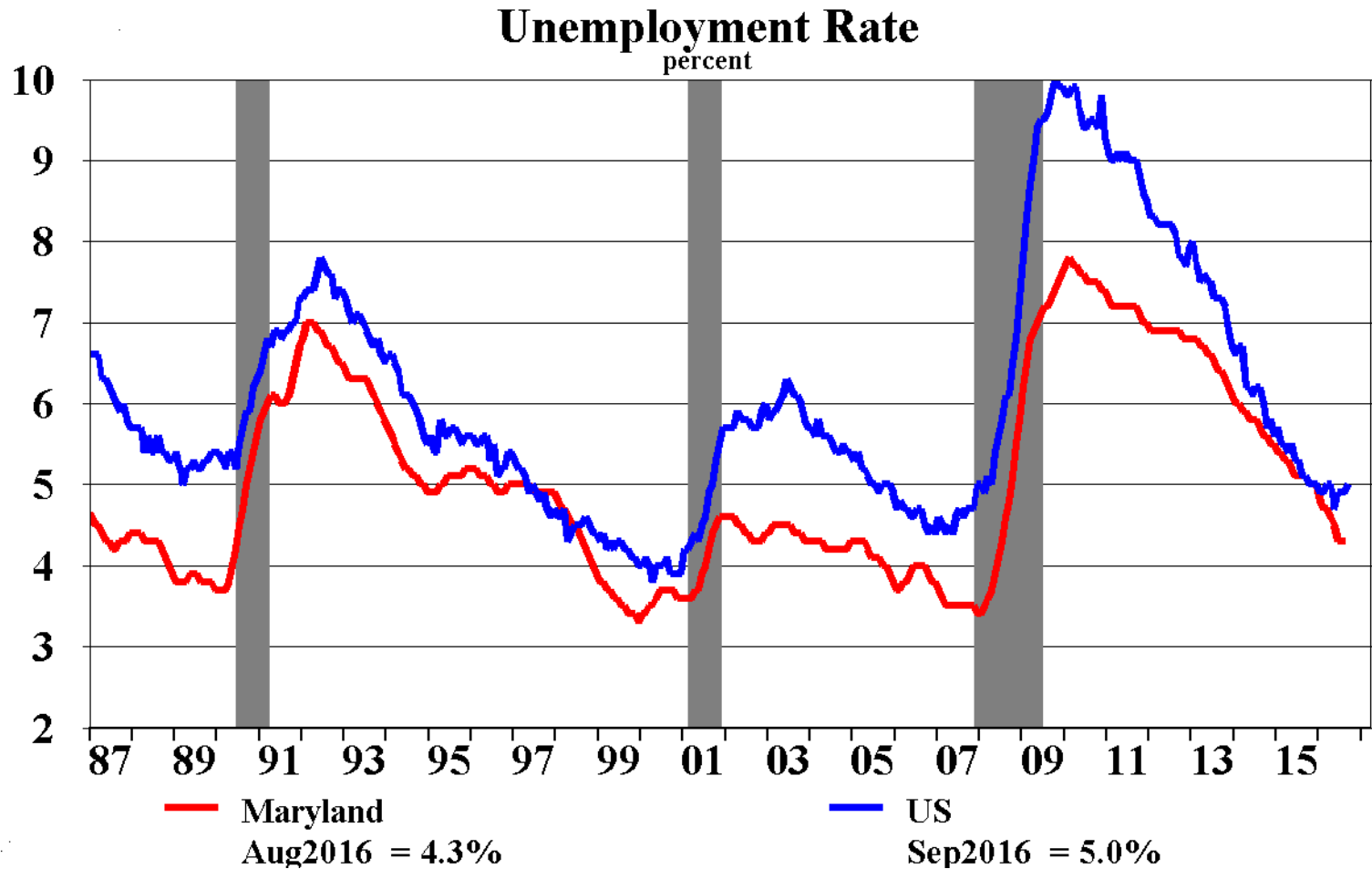
Solid growth in wages and salaries



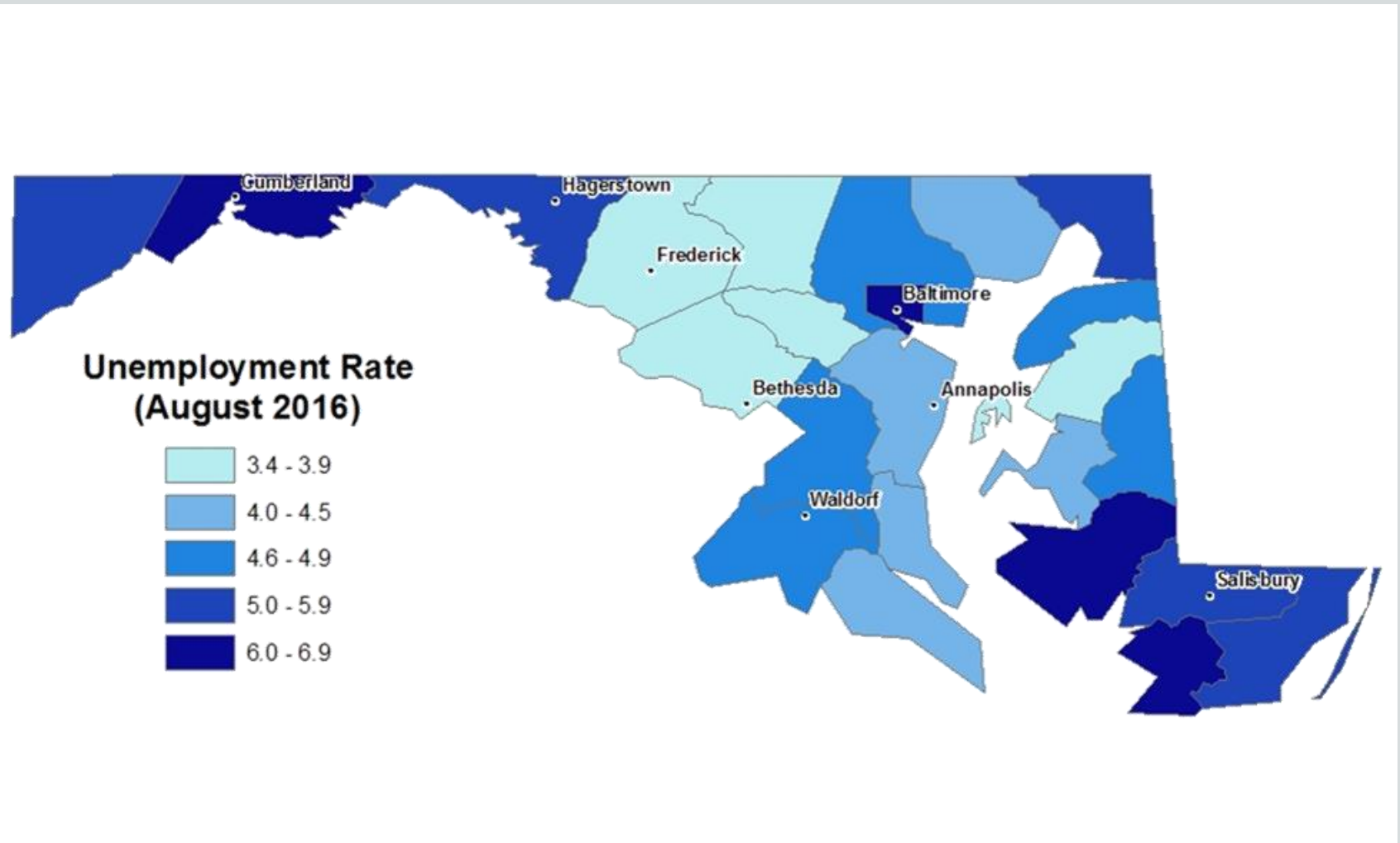
Payroll Employment Growth by Industry



Labor market continues to improve



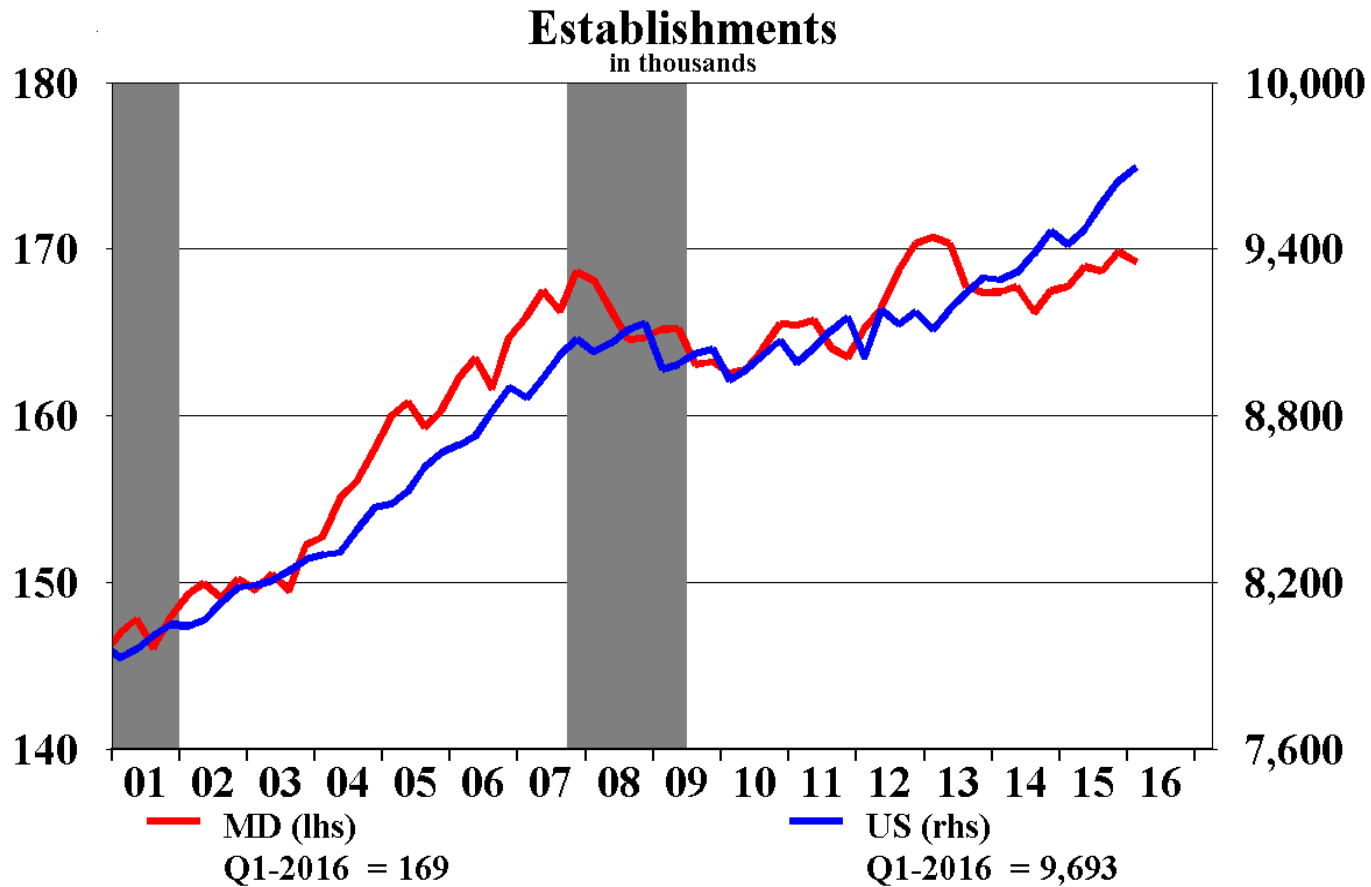
Unemployment Rates by County



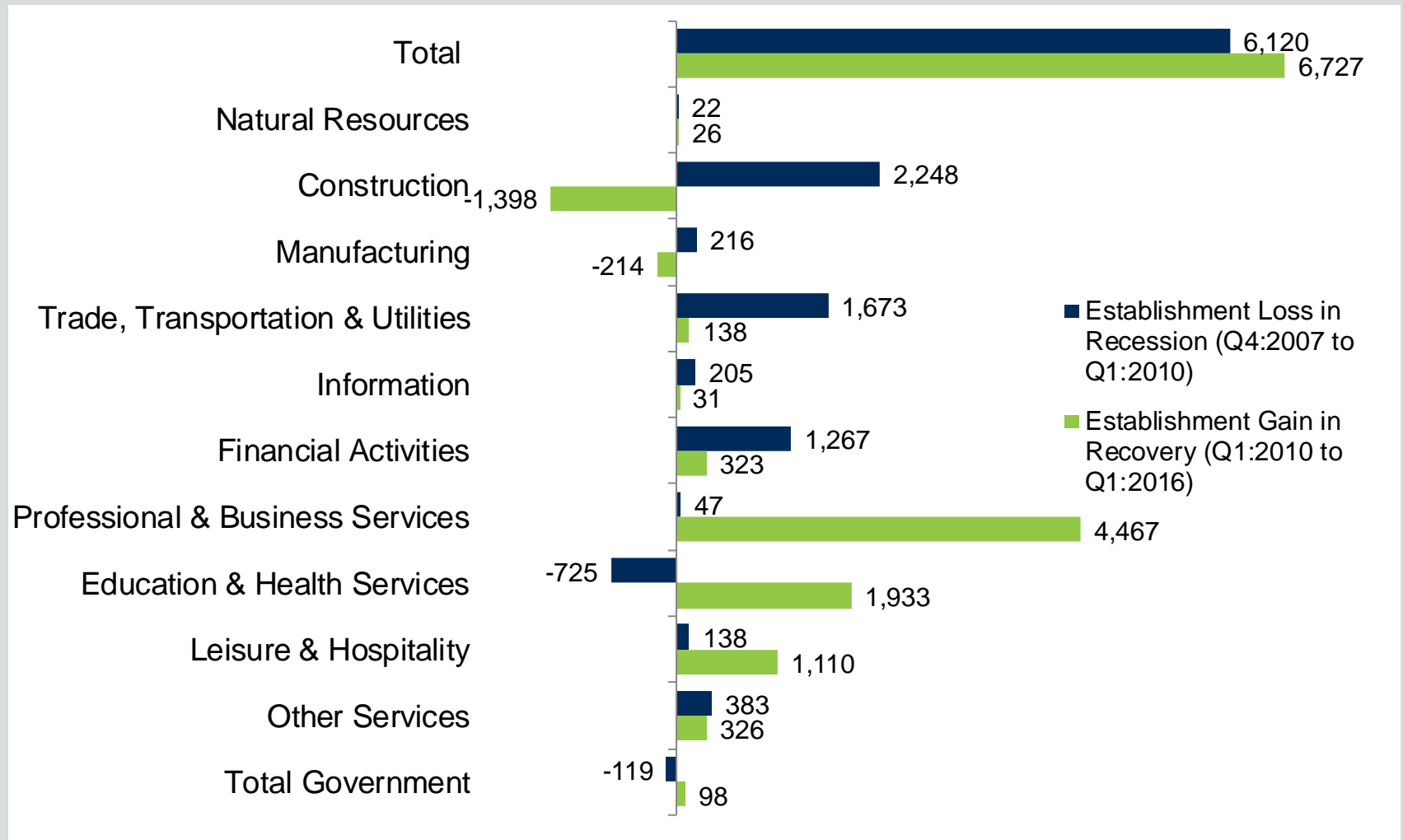
Unemployment Rates by County

		Unemployment Rate (% , NSA)		Labor Force ('000, NSA)	
		Aug-16	YoY Level Ch.	Aug-16	YoY % Ch.
Capital Region	Frederick	3.9	-0.5	129.7	0.2
	Montgomery	3.4	-0.5	552.8	0.4
	Prince George's	4.6	-0.8	495.5	1.0
Central Region	Anne Arundel	4.0	-0.5	304.5	0.8
	Baltimore City	6.9	-1.1	299.4	0.4
	Baltimore	4.8	-0.6	450.8	0.7
	Carroll	3.8	-0.5	94.4	0.2
	Harford	4.3	-0.8	138.1	0.6
	Howard	3.4	-0.6	177.9	0.8
	Caroline	4.9	-0.4	17.3	-1.3
Eastern Shore	Cecil	5.3	-0.9	53.3	0.3
	Dorchester	6.3	-0.2	15.7	-2.9
	Kent	4.7	-0.3	10.4	-4.2
	Queen Anne's	3.9	-0.6	26.7	-0.7
	Somerset	6.6	-0.8	10.0	0.3
	Talbot	4.0	-0.6	19.3	-1.6
	Wicomico	5.6	-0.4	55.5	2.9
	Worcester	5.9	-1.2	27.2	1.6
Southern Region	Calvert	4.1	-0.8	48.2	0.9
	Charles	4.7	-0.6	82.1	1.3
	Saint Mary's	4.5	-0.8	54.3	-0.5
Western Region	Allegany	6.4	-0.6	31.8	-0.9
	Garrett	5.2	-0.4	15.7	-1.0
	Washington	5.2	-0.4	77.0	1.8

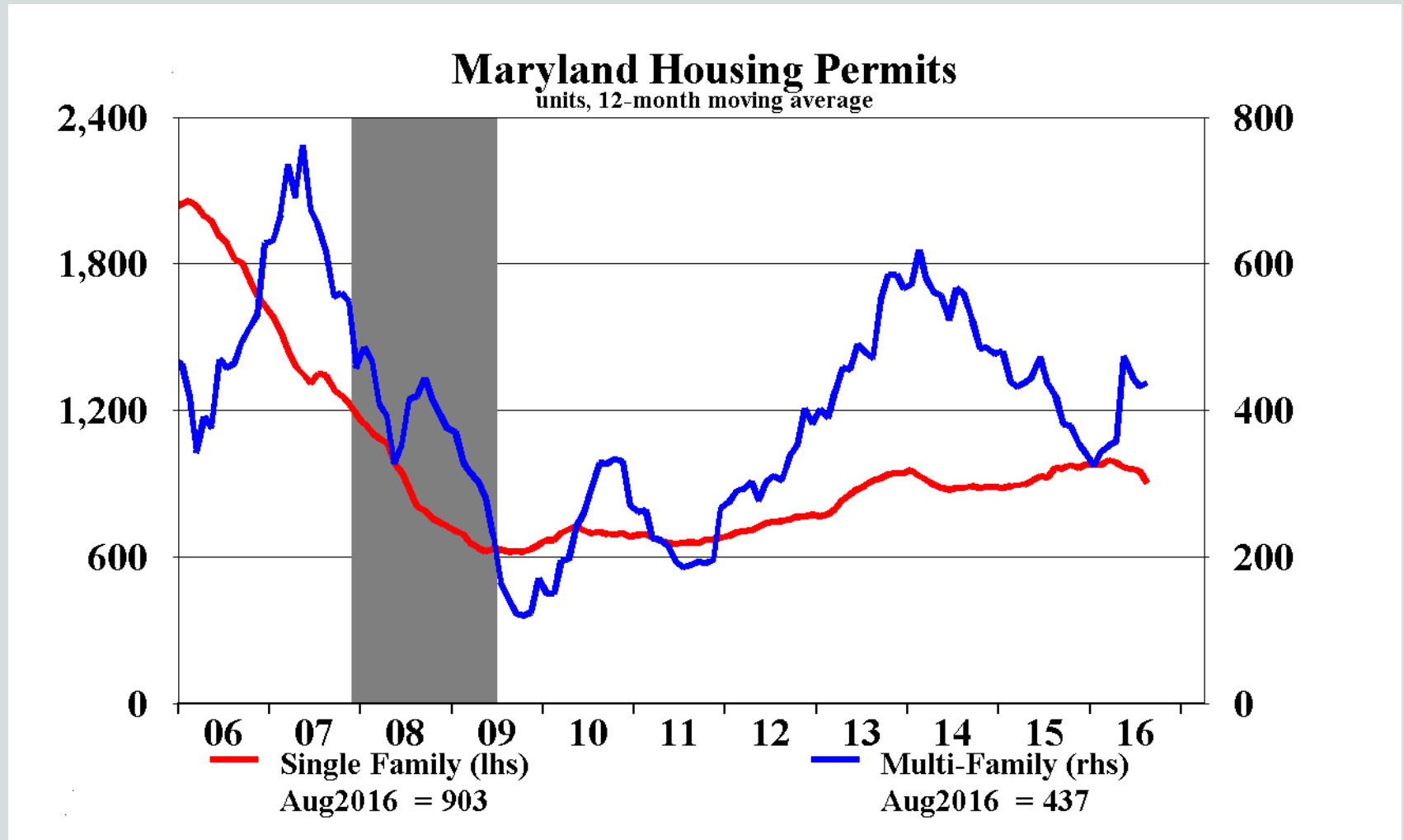
Number of establishments regains pre-recession level



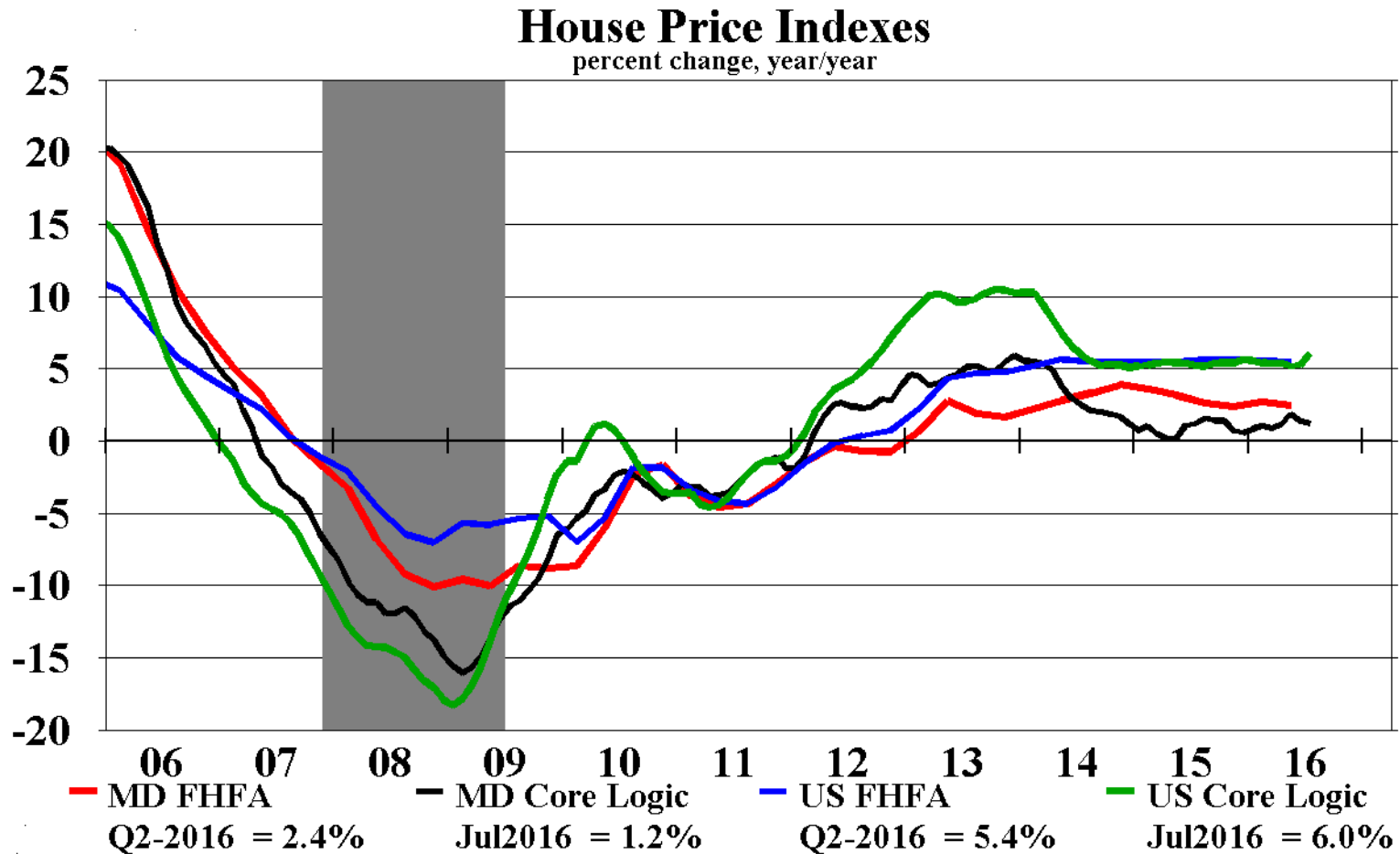
Maryland Business Dynamics



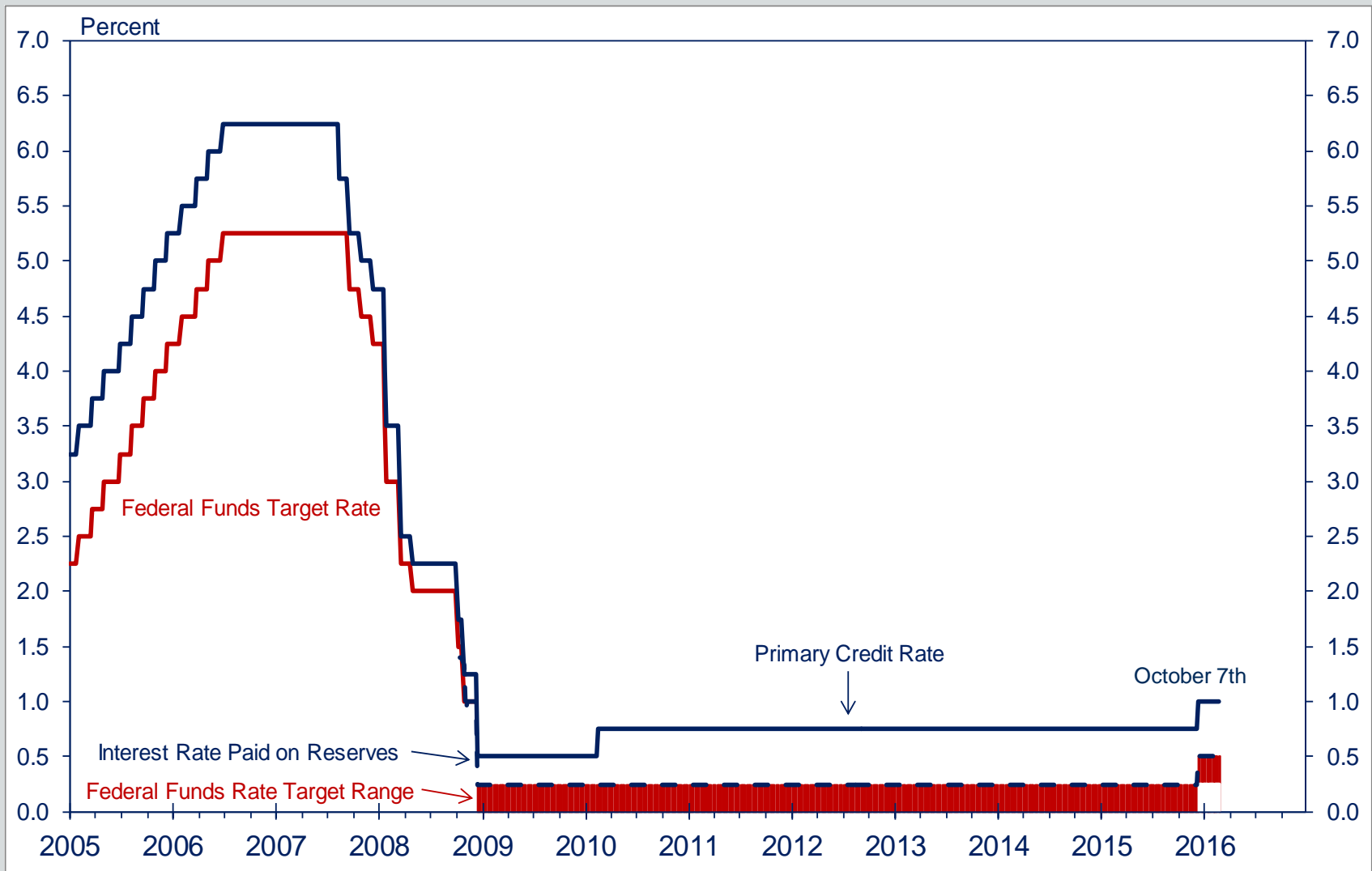
Housing market improving very modestly



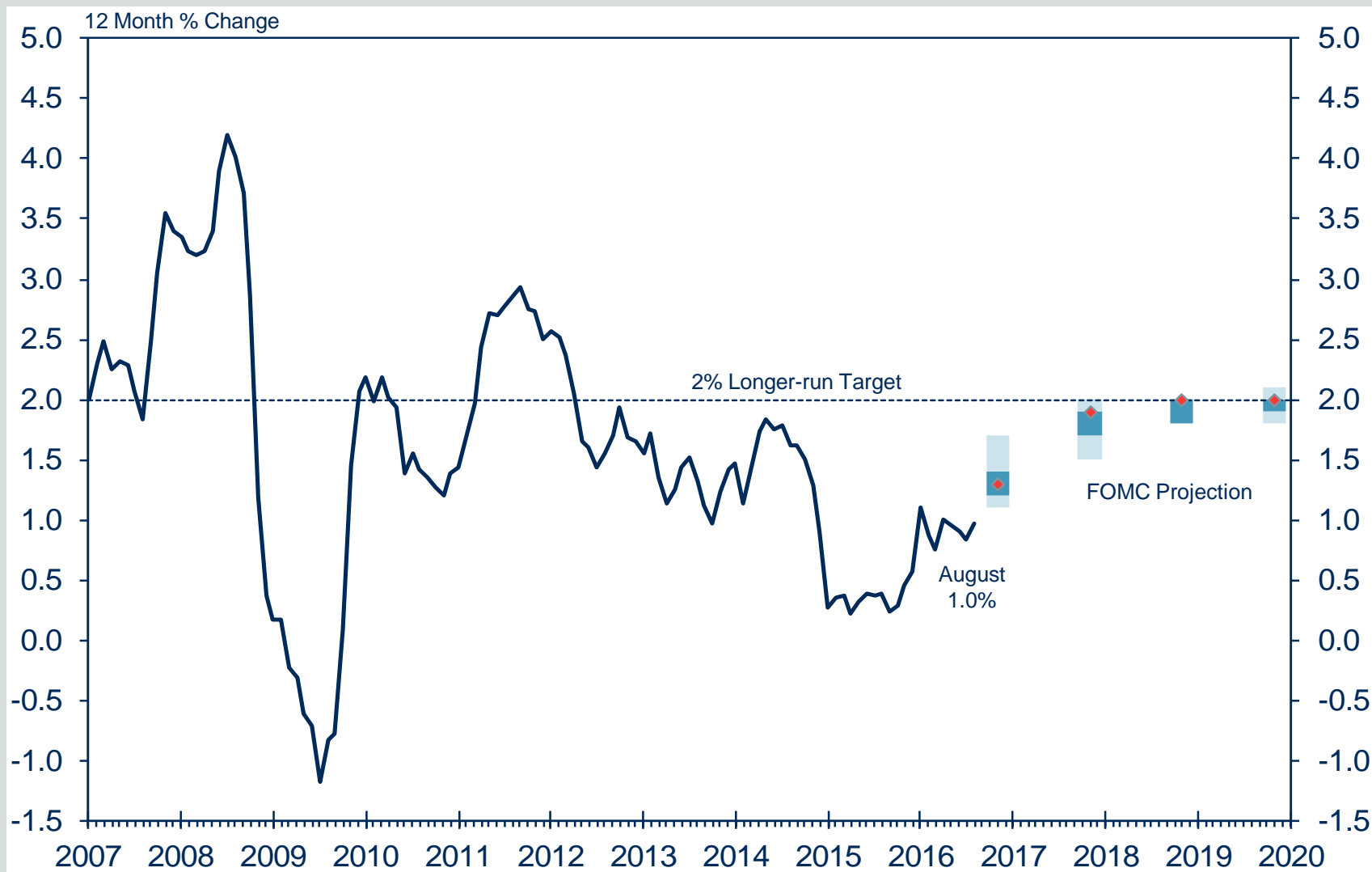
Maryland home price appreciation lags nation



Monetary Policy Instruments



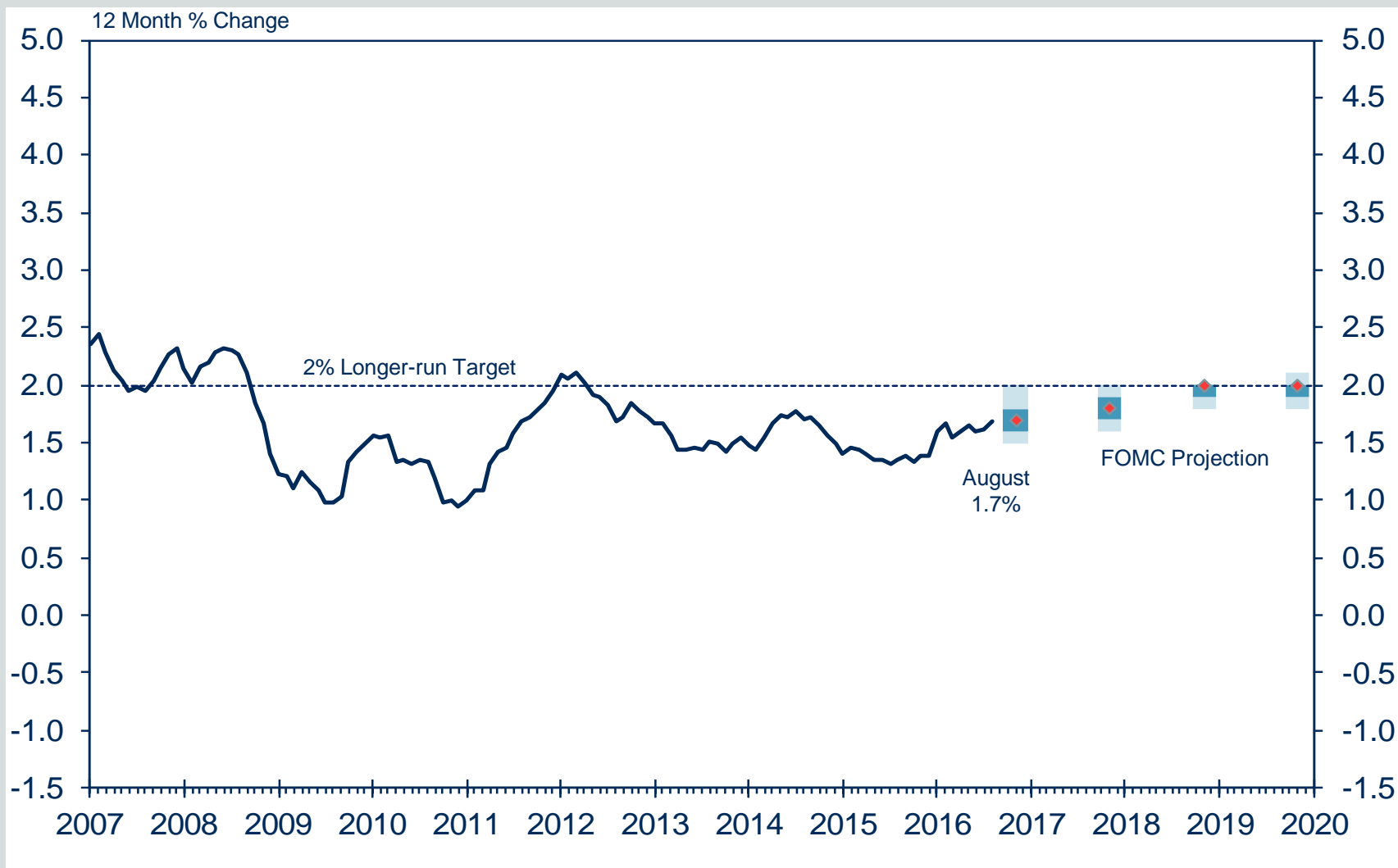
Personal Consumption Expenditure Price Index



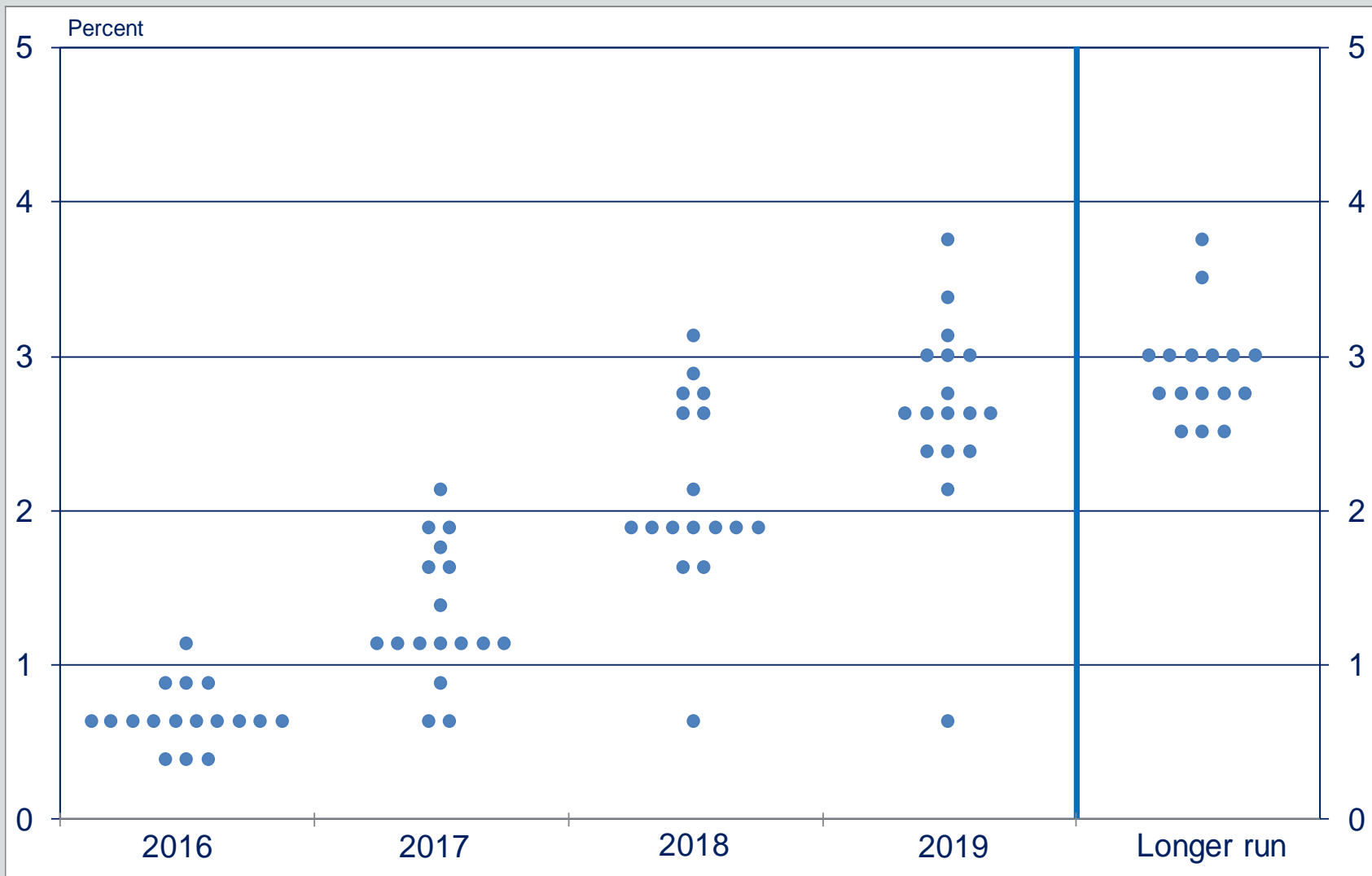
Notes: FOMC projection is the median, range, and central tendency for Q4/Q4 percent changes, from the September 2016 meeting. Red dots indicate median projections.

Source: Bureau of Economic Analysis & Board of Governors via Haver Analytics ²¹

Core Personal Consumption Expenditure Price Index



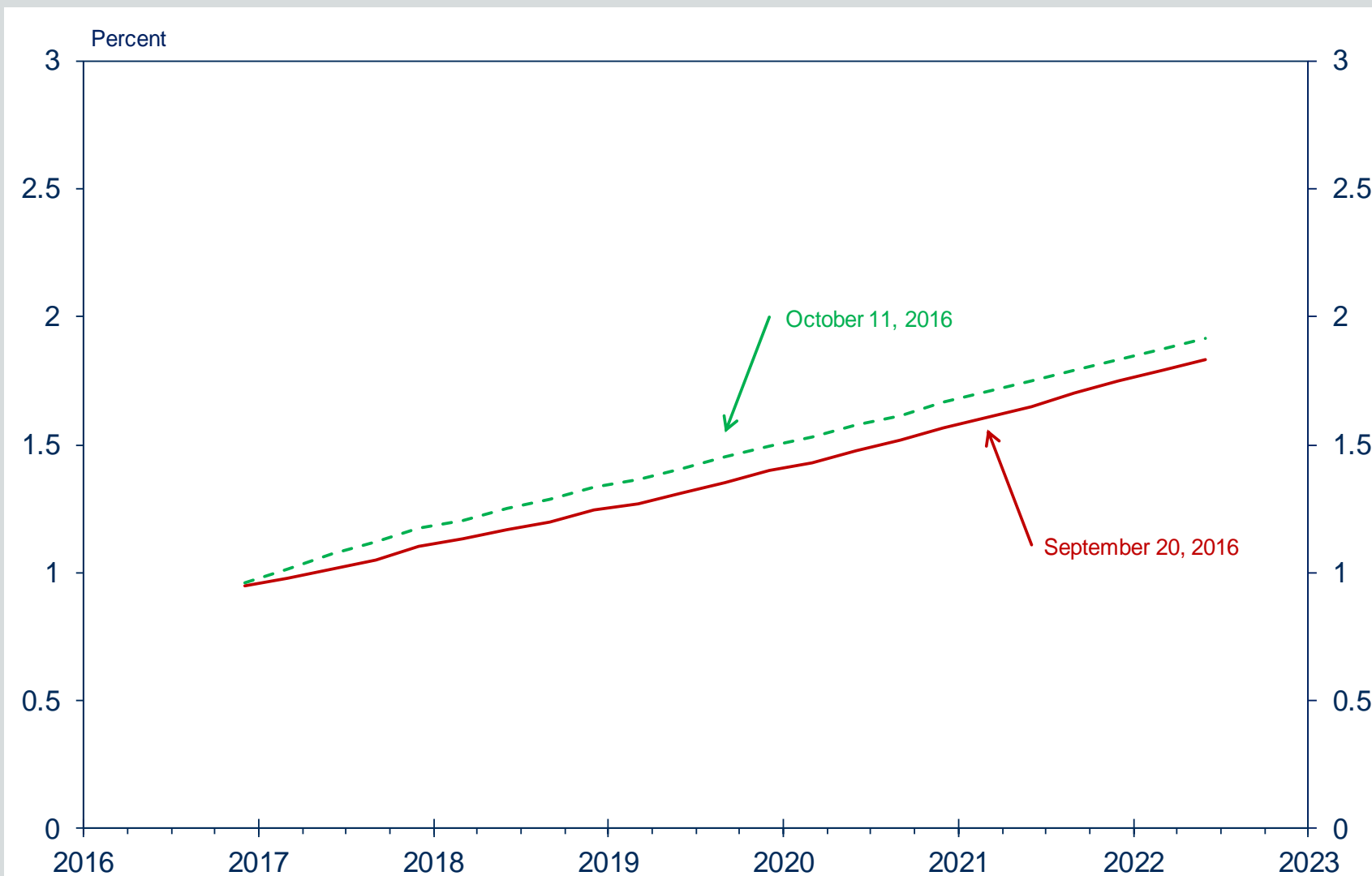
Summary of Economic Projections: Federal Funds Rate



Note: Each dot in the chart represents the value of an FOMC participant's judgment of the midpoint of the appropriate target range (or the appropriate target level) for the federal funds rate at the end of the calendar year. Projections made for the September 2016 meeting.

Source: Board of Governors

Eurodollar Futures





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