

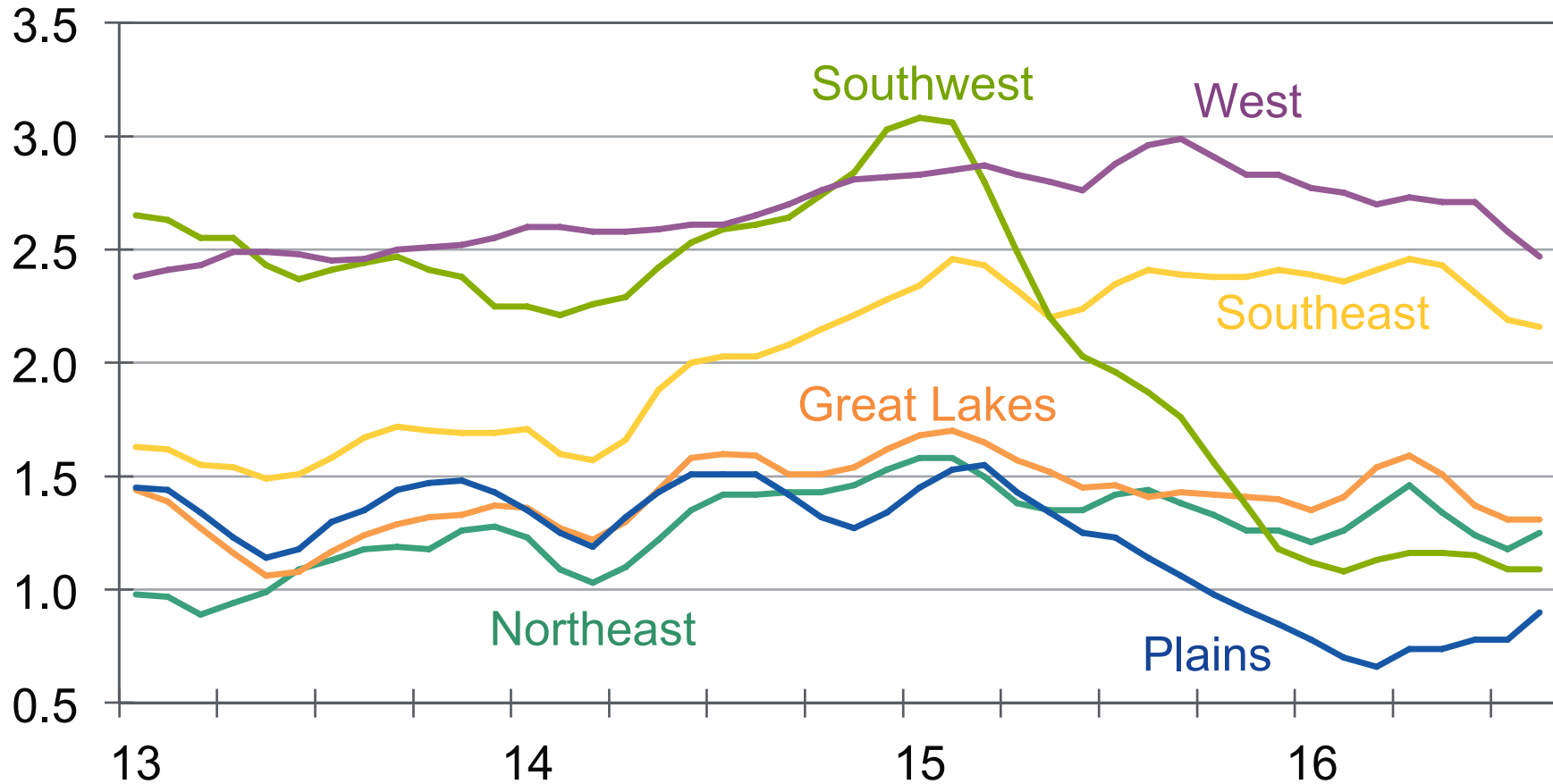
Regional Economic Outlook

STEVEN G. COCHRANE, MANAGING DIRECTOR

FTA Revenue Estimating Conference, October 17, 2016

Southwest and Plains: Worst Is Over

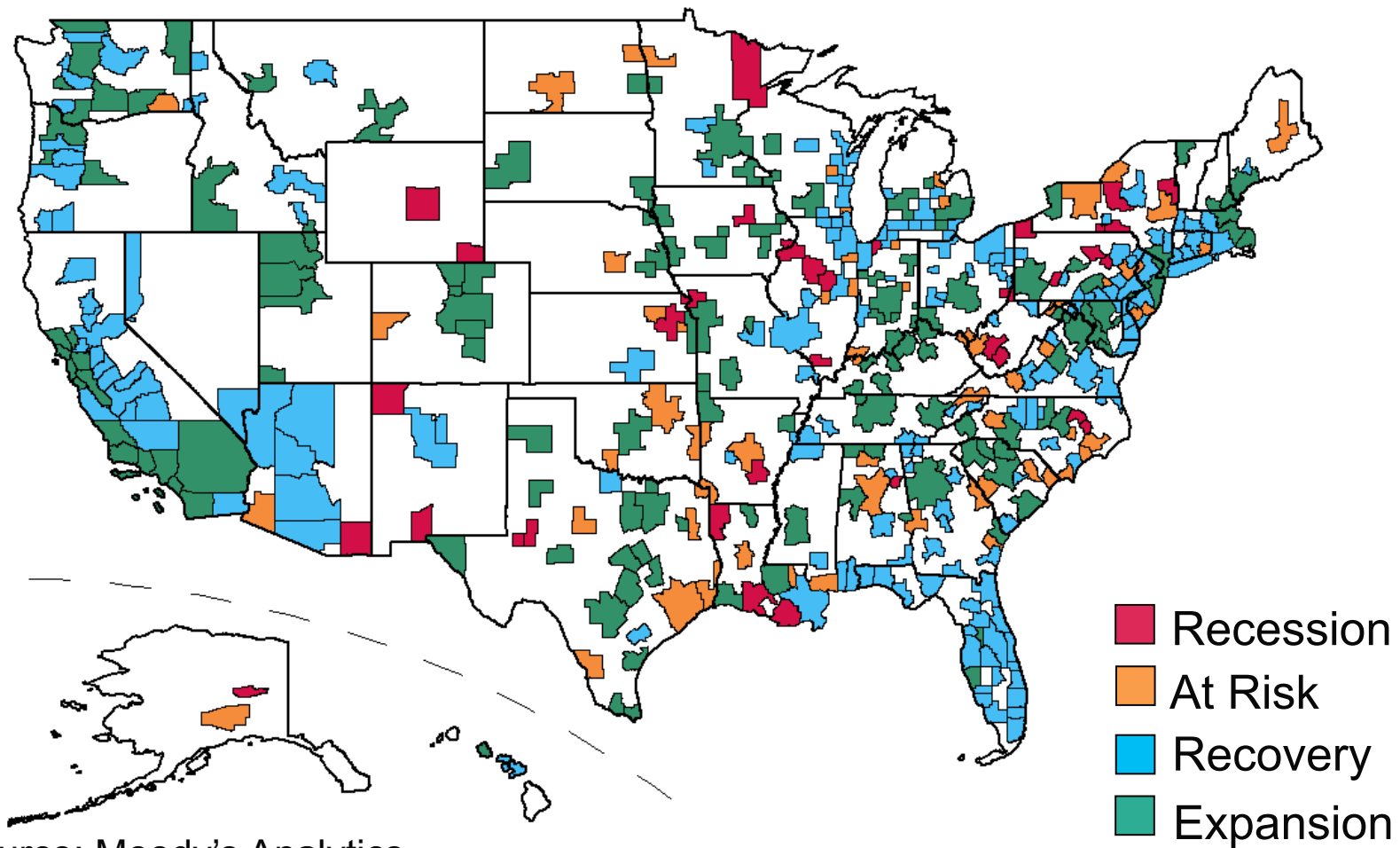
Employment, 3-mo MA, % change yr ago



Sources: BLS, Moody's Analytics

Local Recessions Are Few and Dispersed

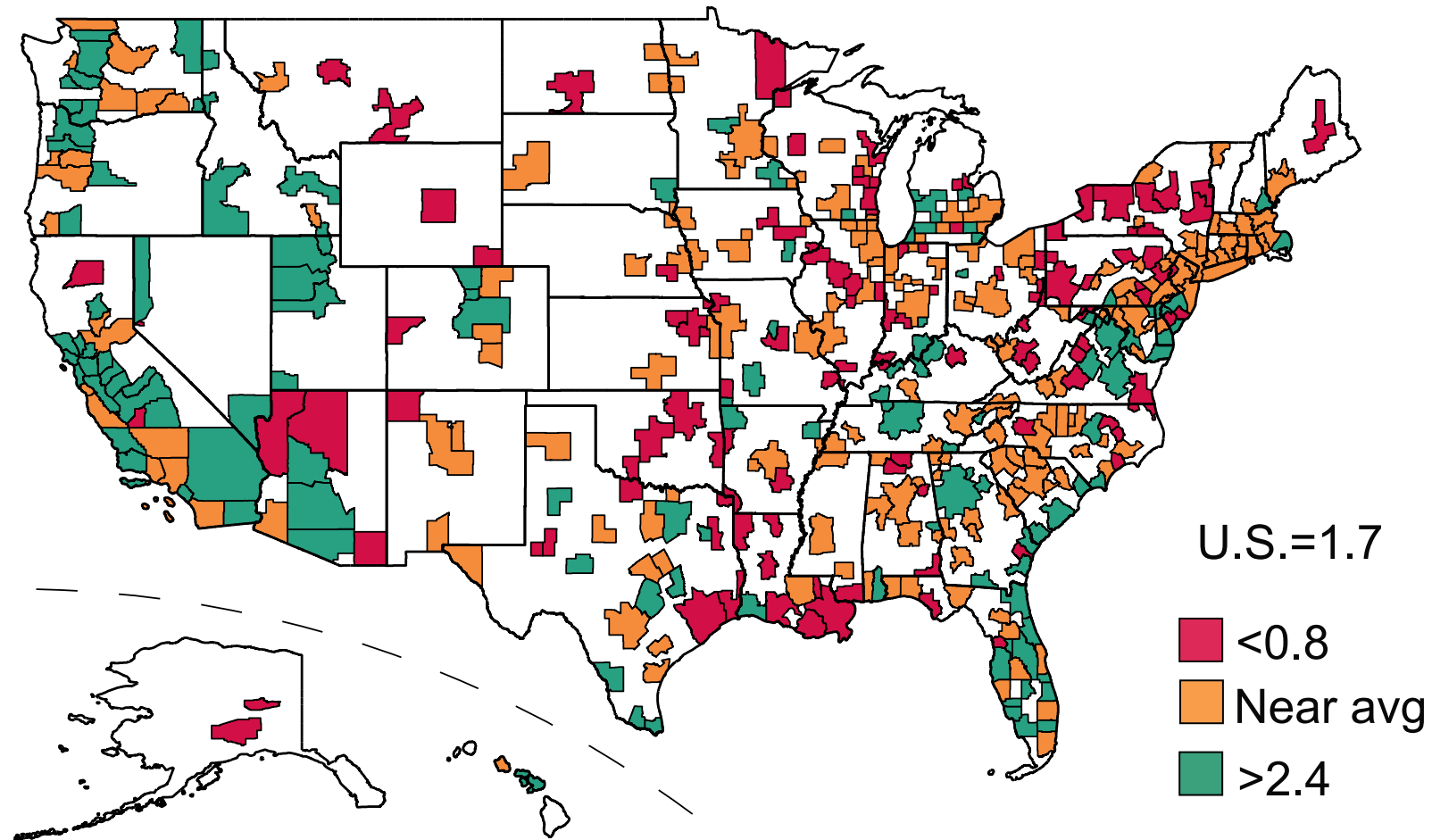
Business cycle index, August 2016



Source: Moody's Analytics

Little Weakness in the Southeast or West

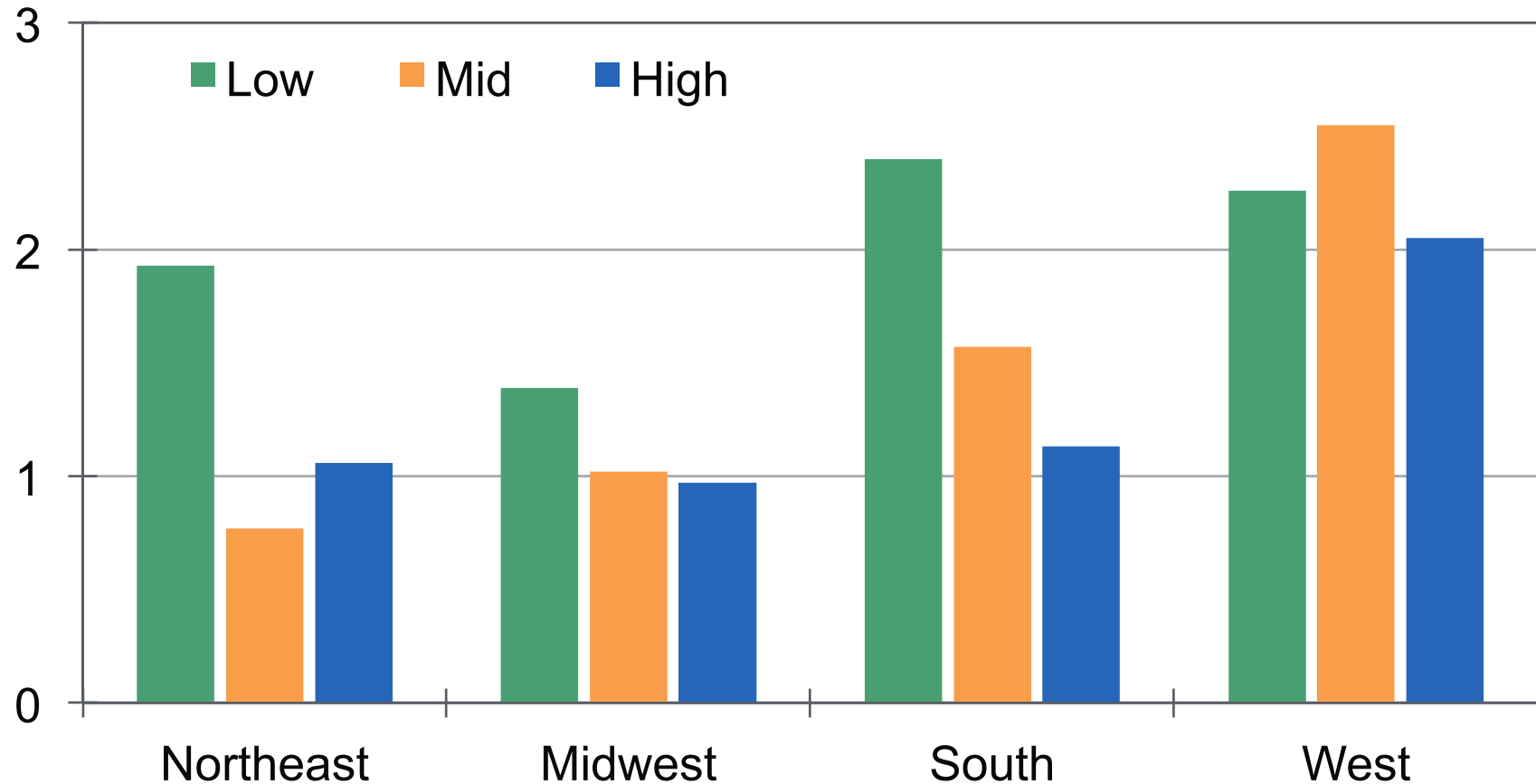
Total payroll employment, Aug 2016, 3-mo MA, % change yr ago



Sources: BLS, Moody's Analytics

Job Quality and Diversity Define the West

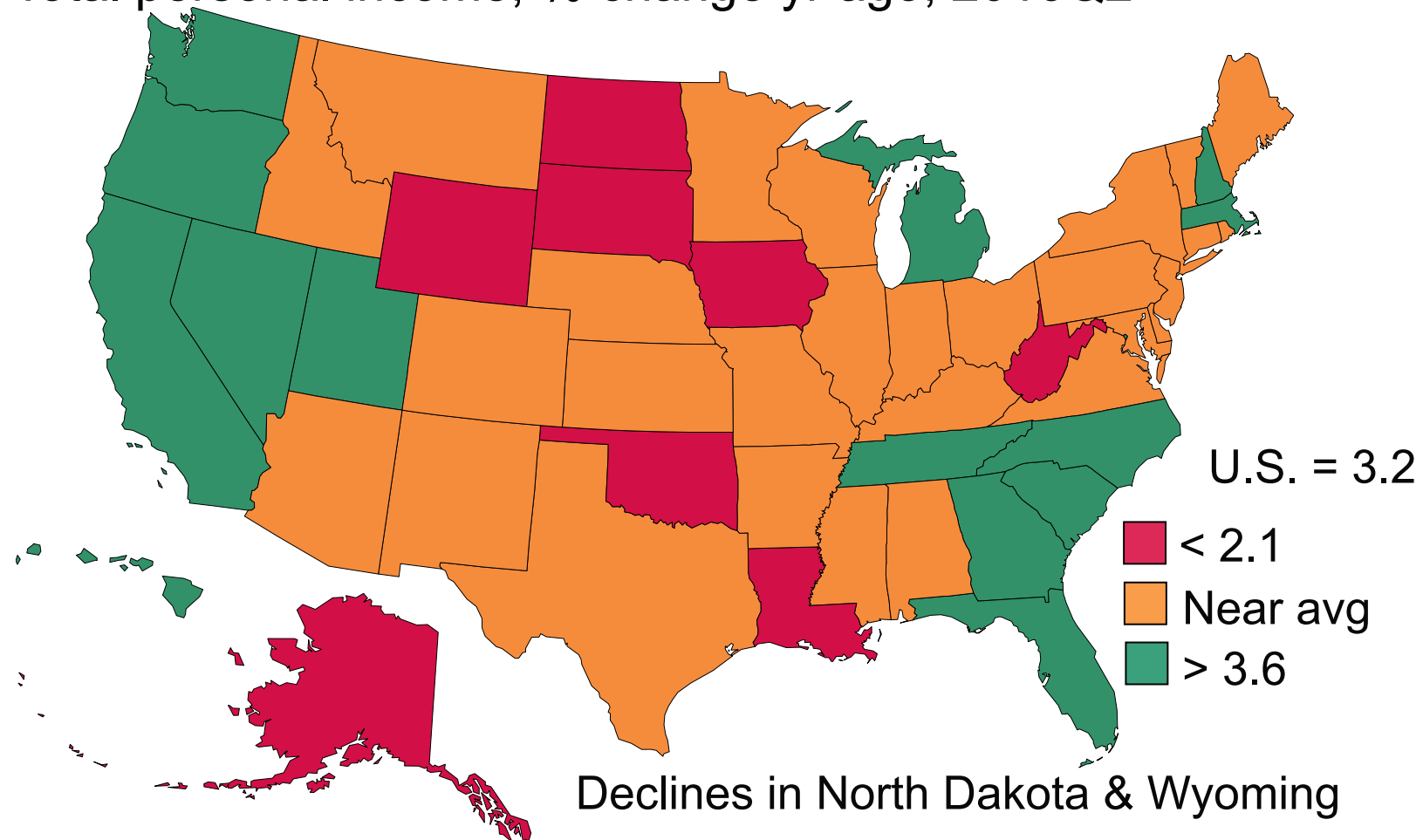
Employment growth by wage cohort, % change yr ago, Aug 2016



Sources: BLS, BEA, Moody's Analytics

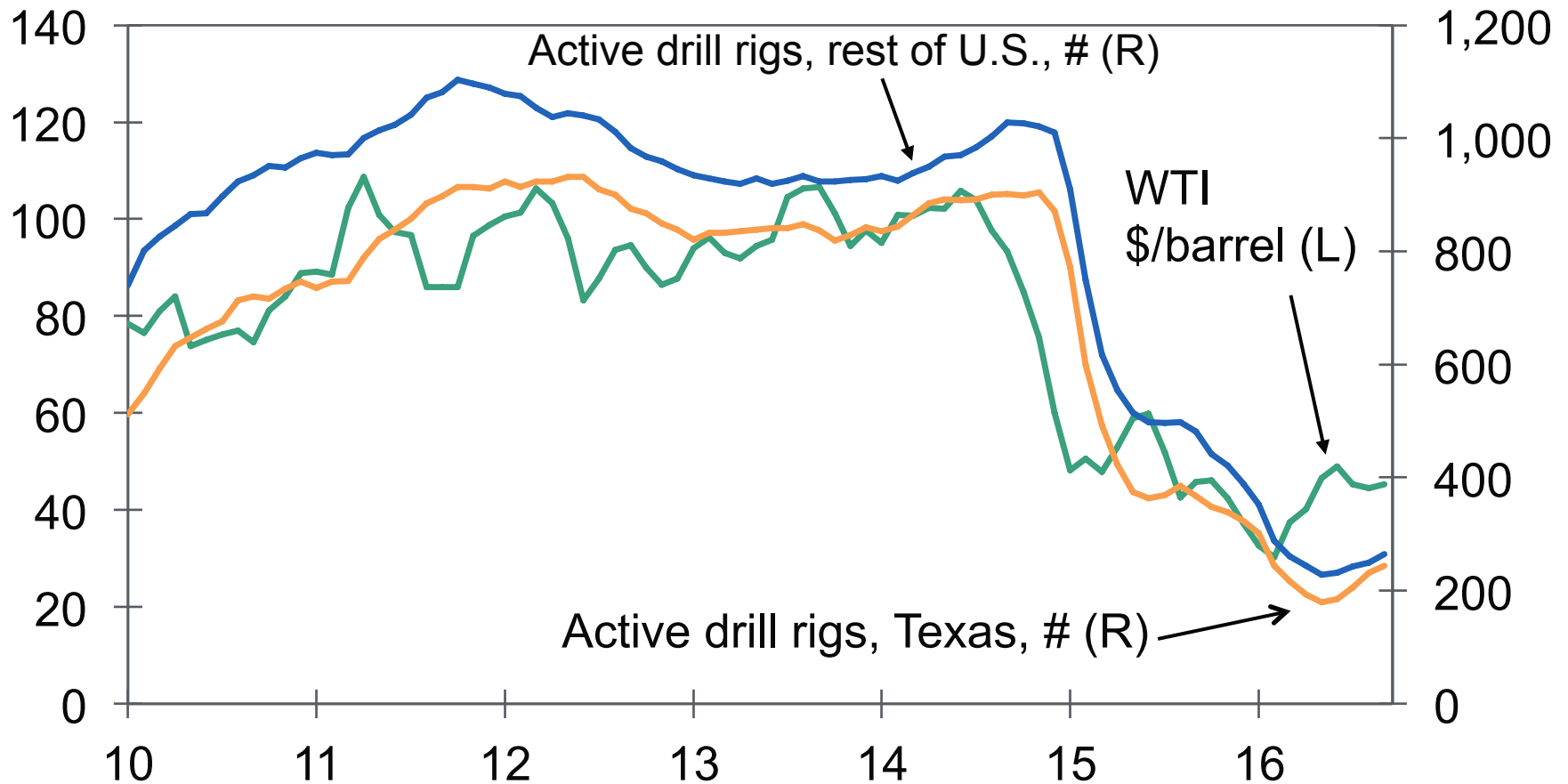
Income Growth Is Weak in Energy States...

Total personal income, % change yr ago, 2016Q2



Sources: BEA, BLS, Moody's Analytics

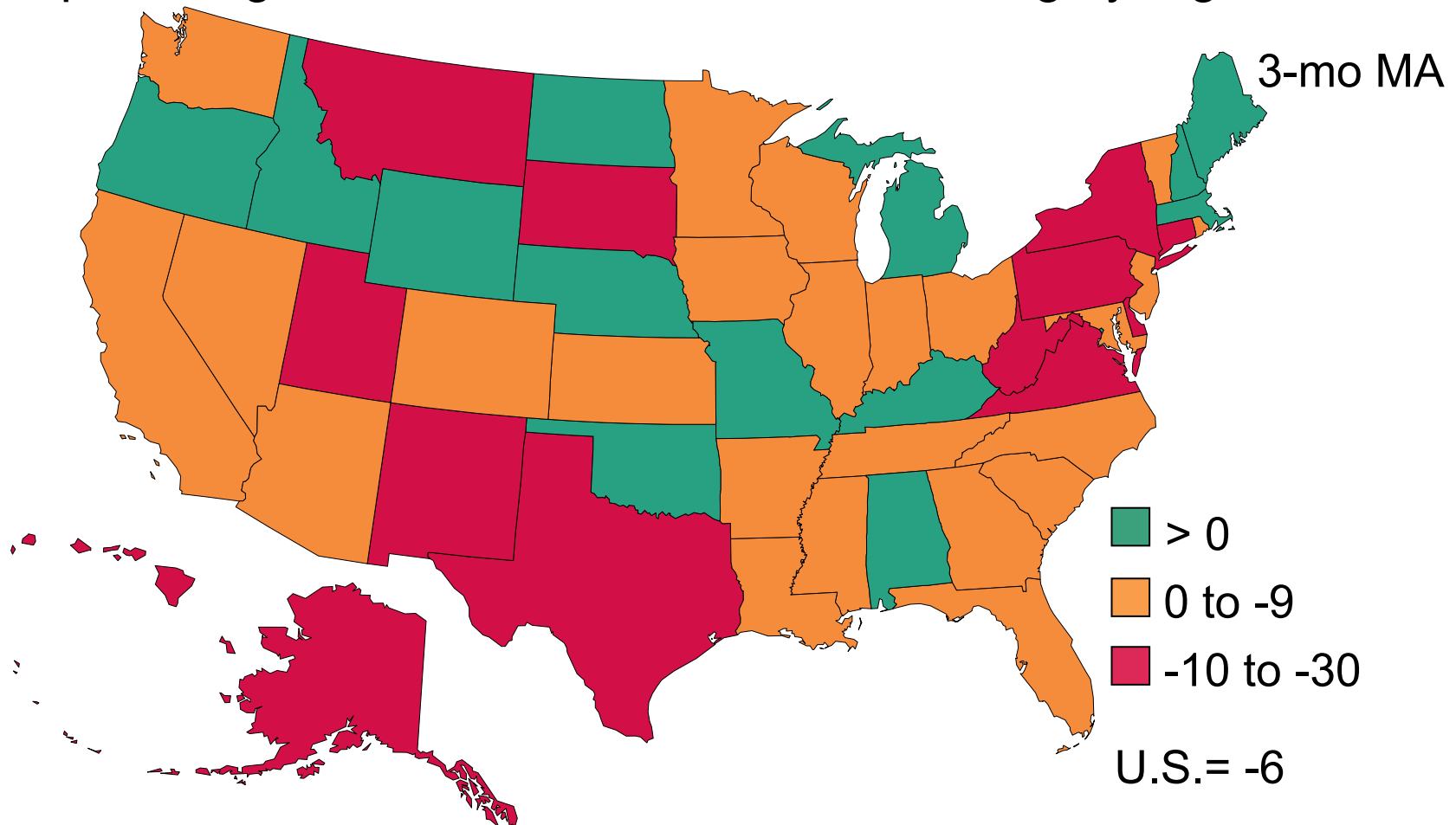
... But Energy Investment Begins to Return



Sources: EIA, Baker Hughes, Moody's Analytics

Commodity Producers and Northeast Exposed

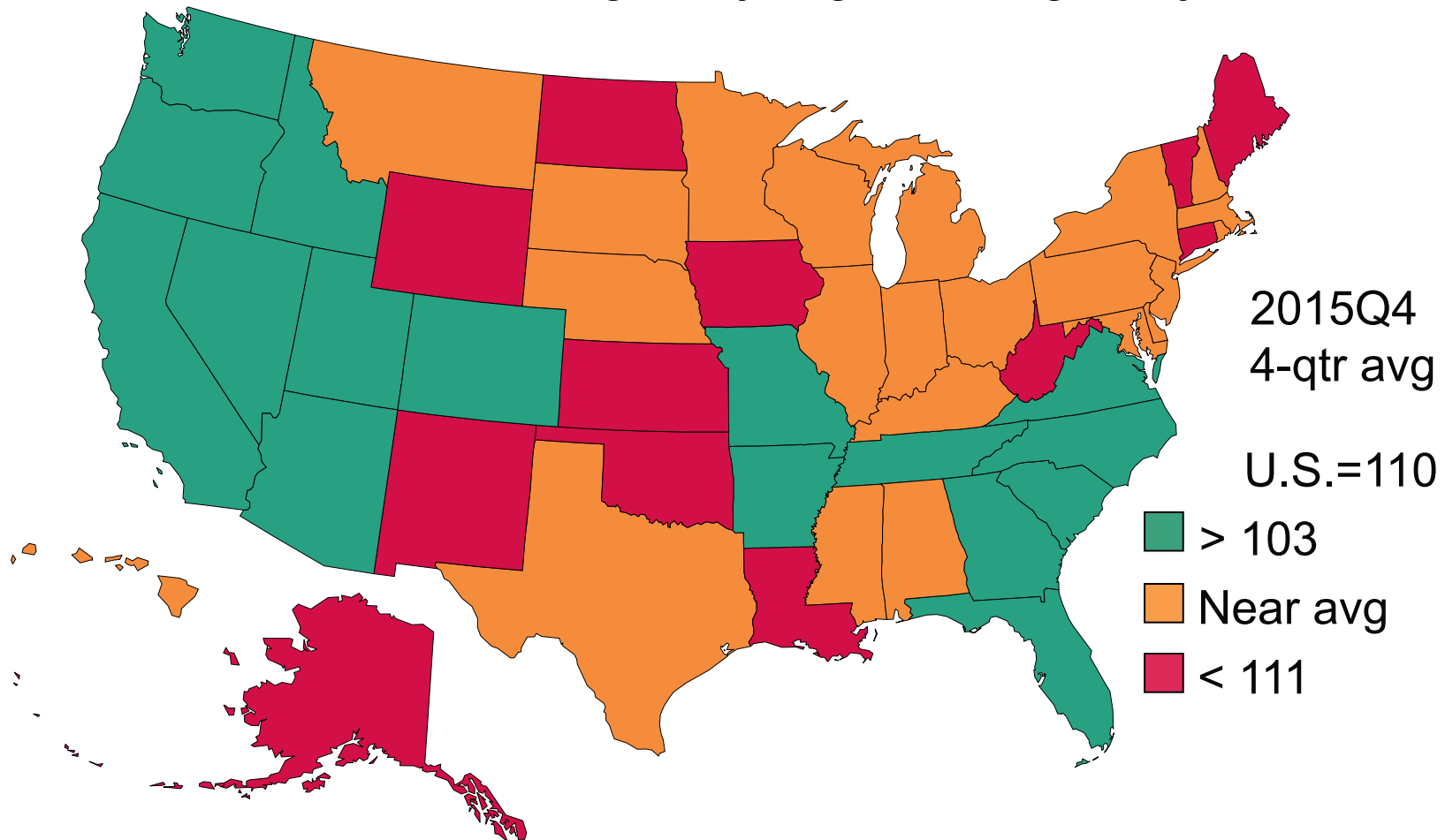
Exports of goods and commodities, \$, % change yr ago, Jul 2016



Sources: Census Bureau, Moody's Analytics

More Jobs Dynamism in West and Southeast...

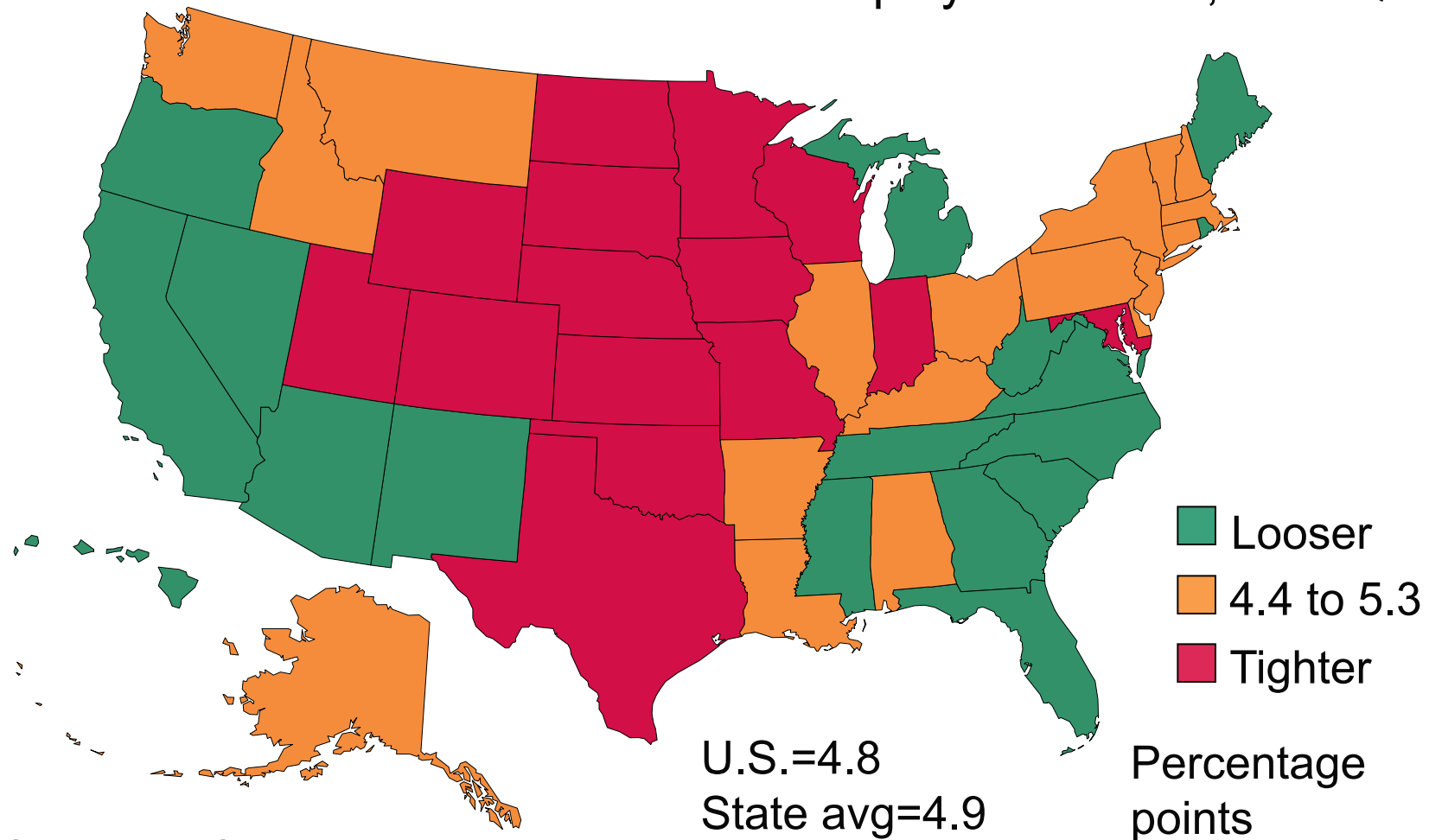
Job reallocation rate: $100 \times \text{gross job gain rate} / \text{gross job loss rate}$



Sources: BLS, Moody's Analytics

.....Where There Is Also More Labor Slack

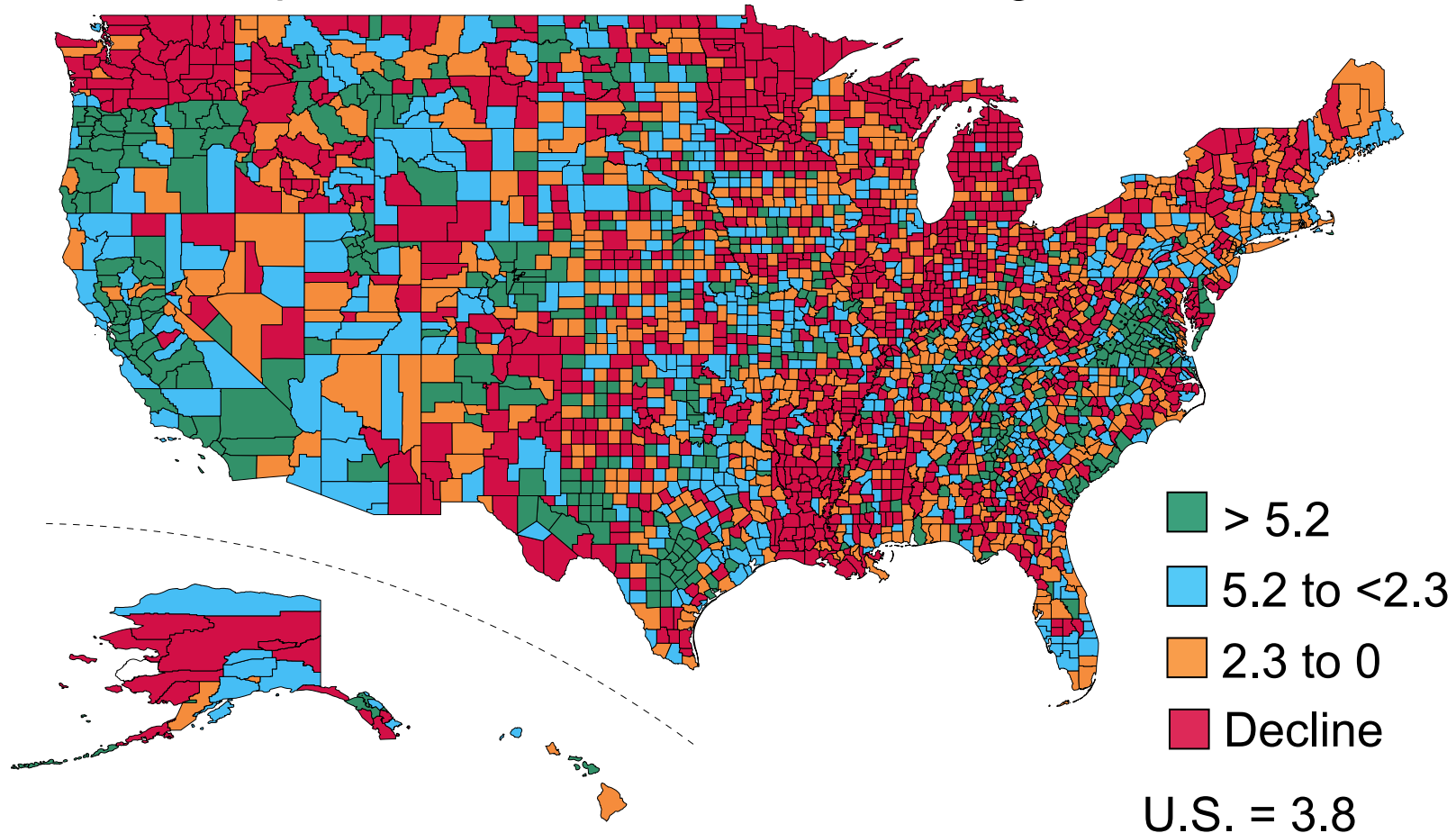
Difference between U-6 and U-3 unemployment rates, 2016Q2



Sources: BLS, Moody's Analytics

Entrepreneurship Benefits Most of the West

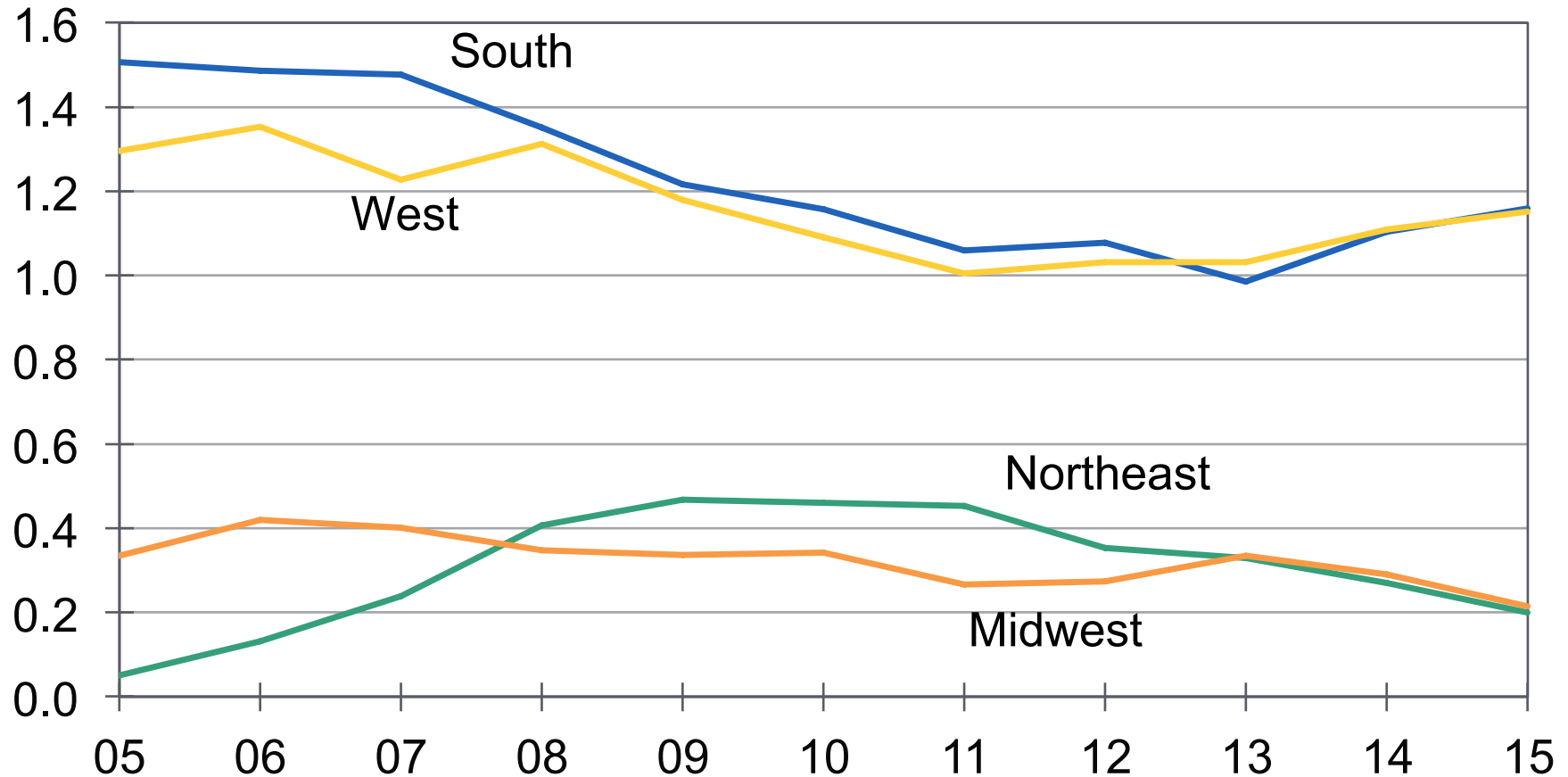
Number of private establishments, % change, 2013 to 2015



Sources: BLS QCEW, Moody's Analytics

Demographic Reversion to Norm Continues

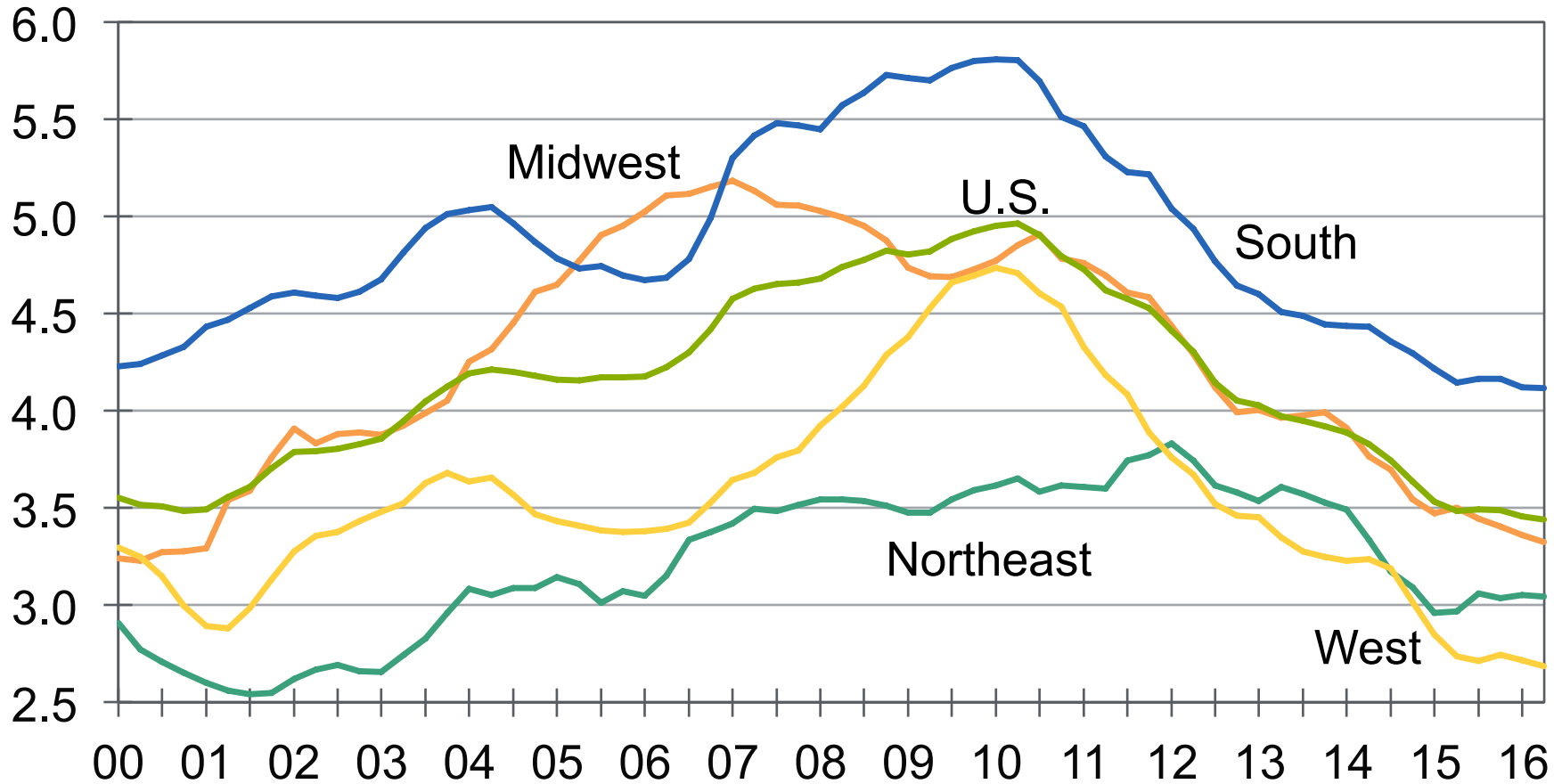
Population, % change



Sources: Census Bureau, Moody's Analytics

Housing Markets Tighten...

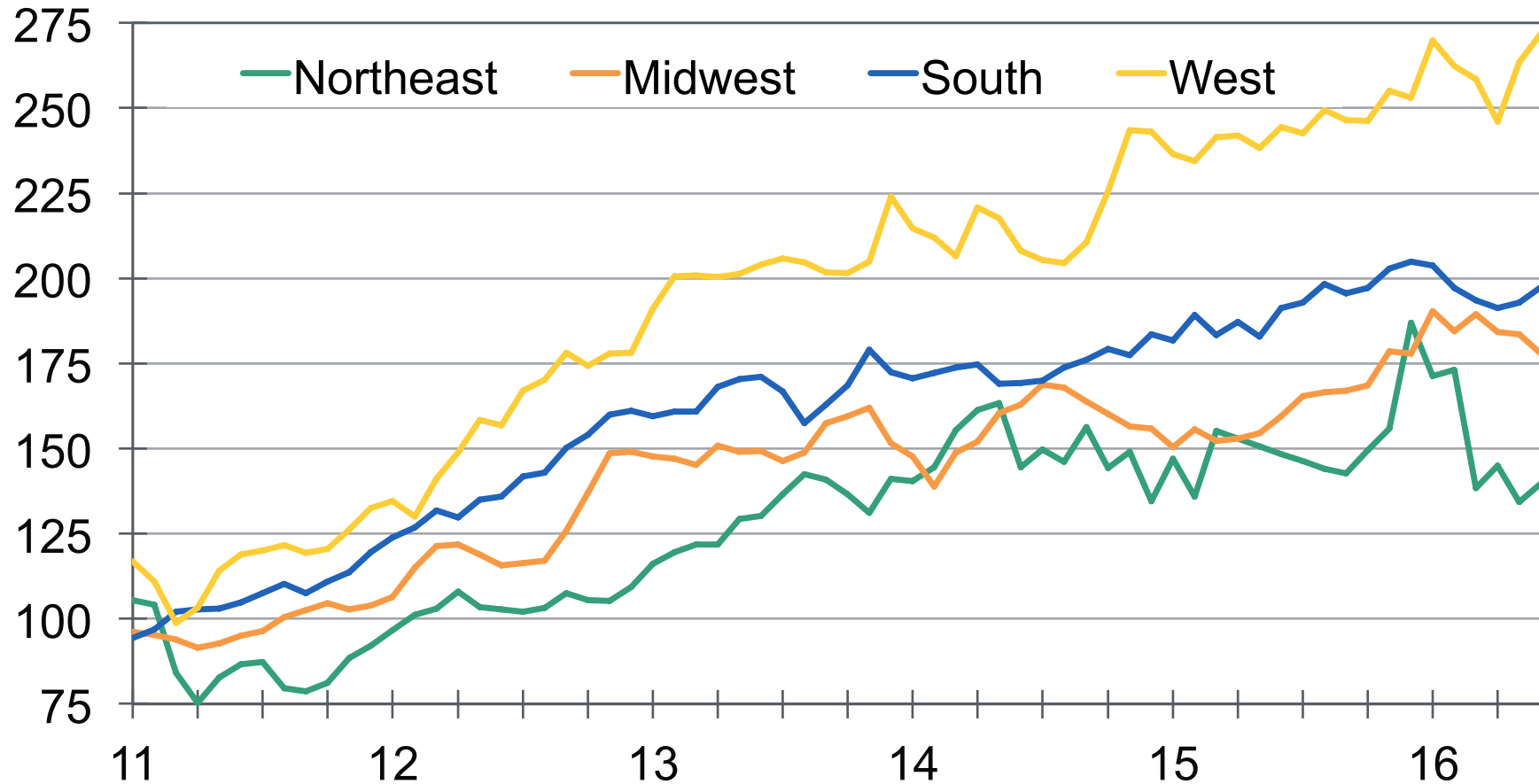
Vacant homes for sale or rent, % of housing stock, 4-qtr MA



Sources: Census Bureau, Moody's Analytics

...Driving a Pickup in Homebuilding

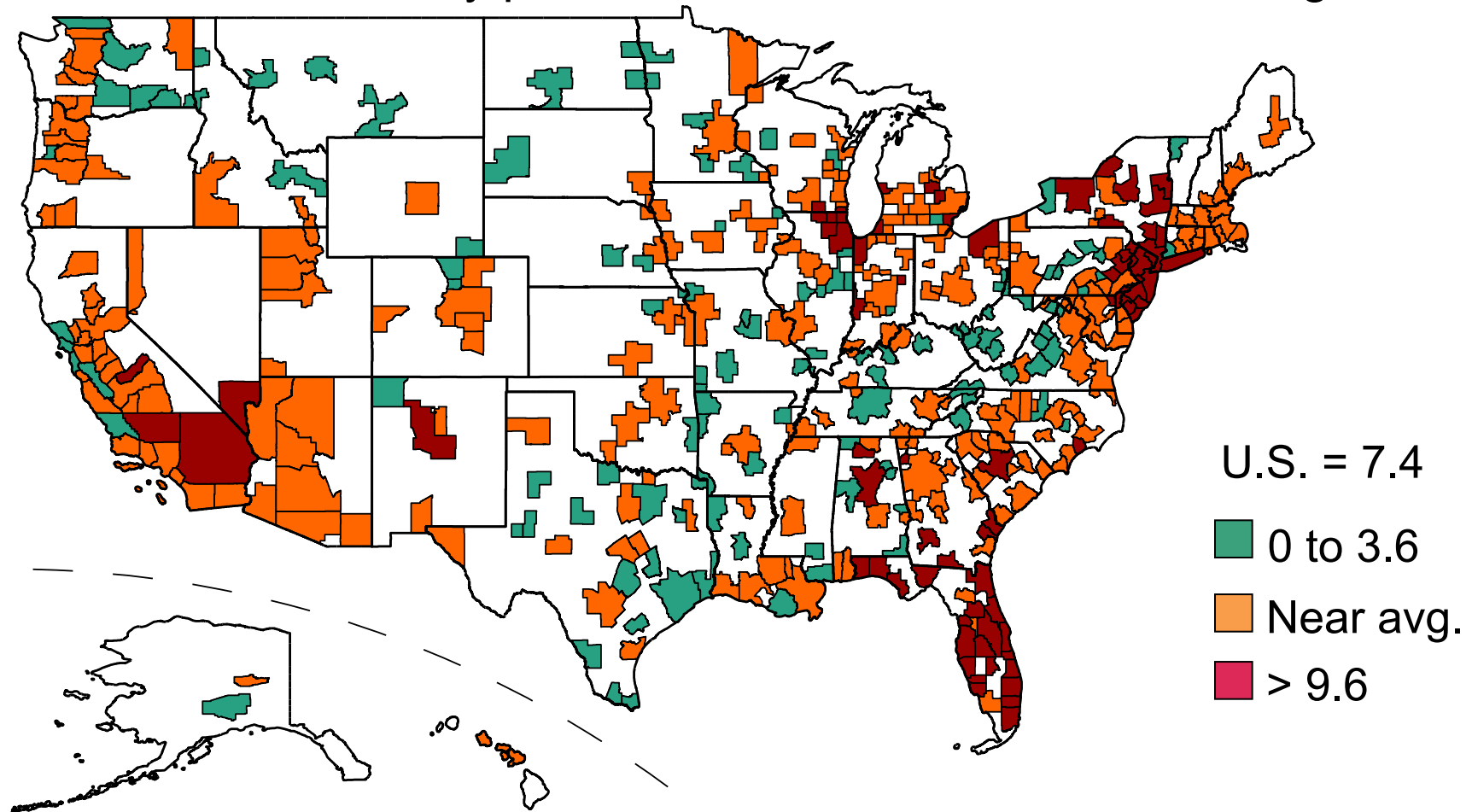
Residential construction permits, Jan 2011=100, 3-mo MA, SAAR



Sources: Census Bureau, Moody's Analytics

Remaining Foreclosures Mostly in FL, Northeast

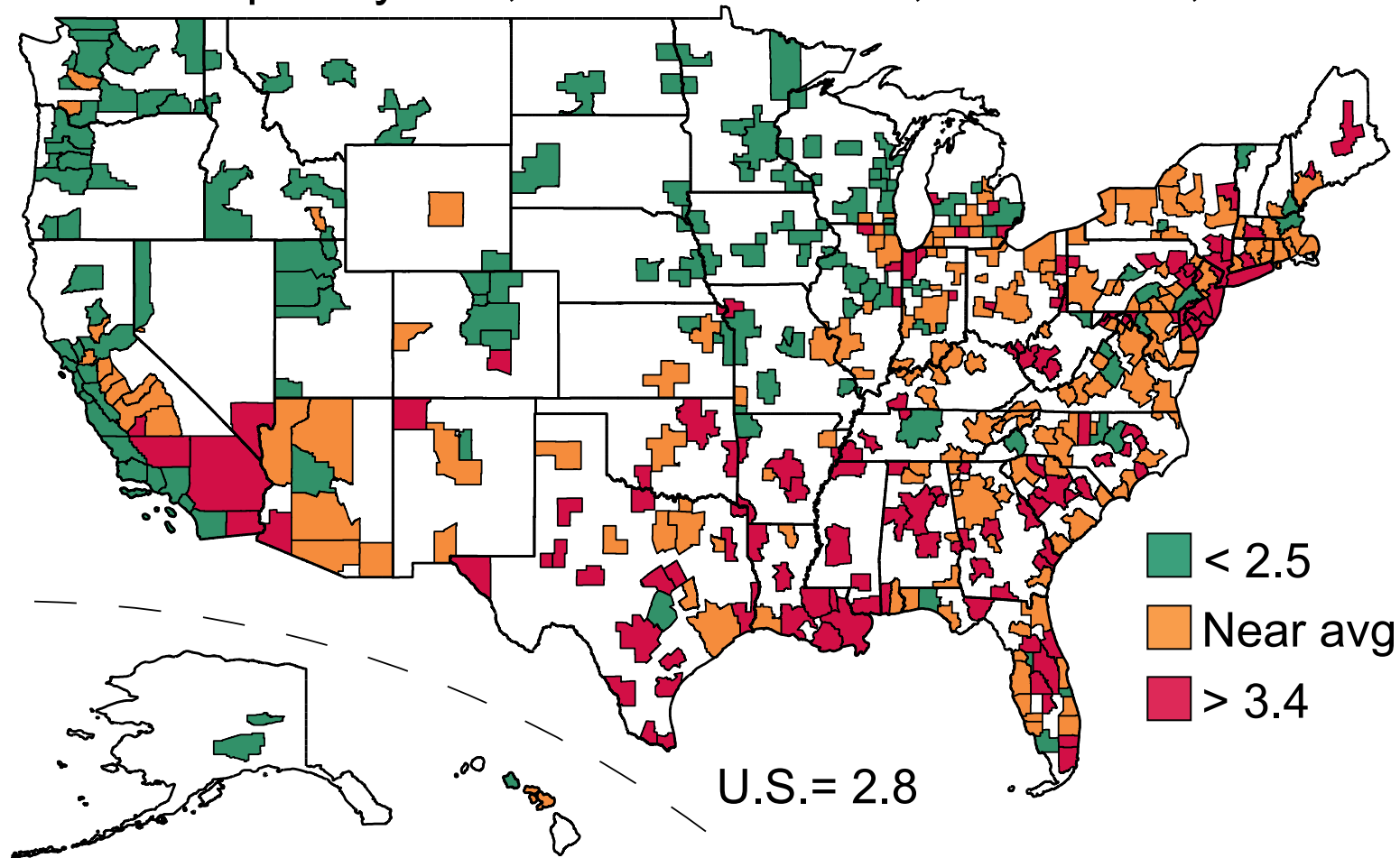
Foreclosure inventory per 1,000 households, 3-mo MA, Aug 2016



Sources: RealtyTrac, Moody's Analytics

Household Balance Sheets in Plains Look Good

Total delinquency rate, consumer credit, June 2016, % of \$ vol



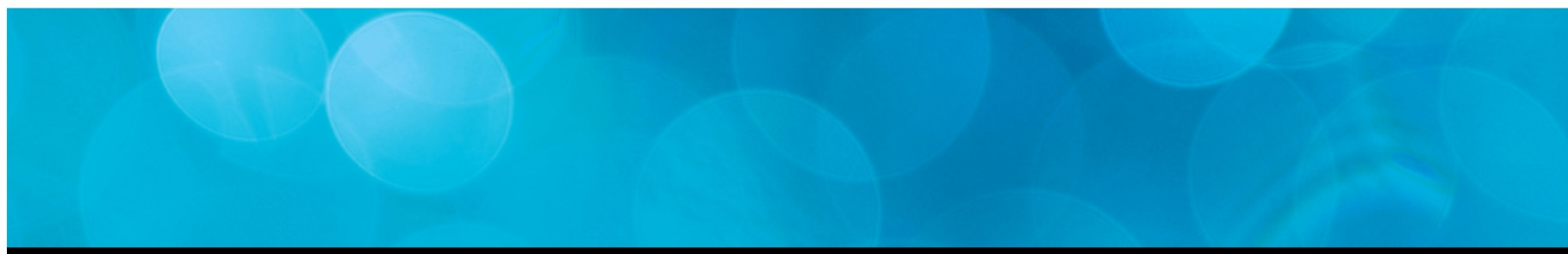
Sources: Equifax, Moody's Analytics

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