

# The Regional Outlook

**Todd Metcalfe, Economist**

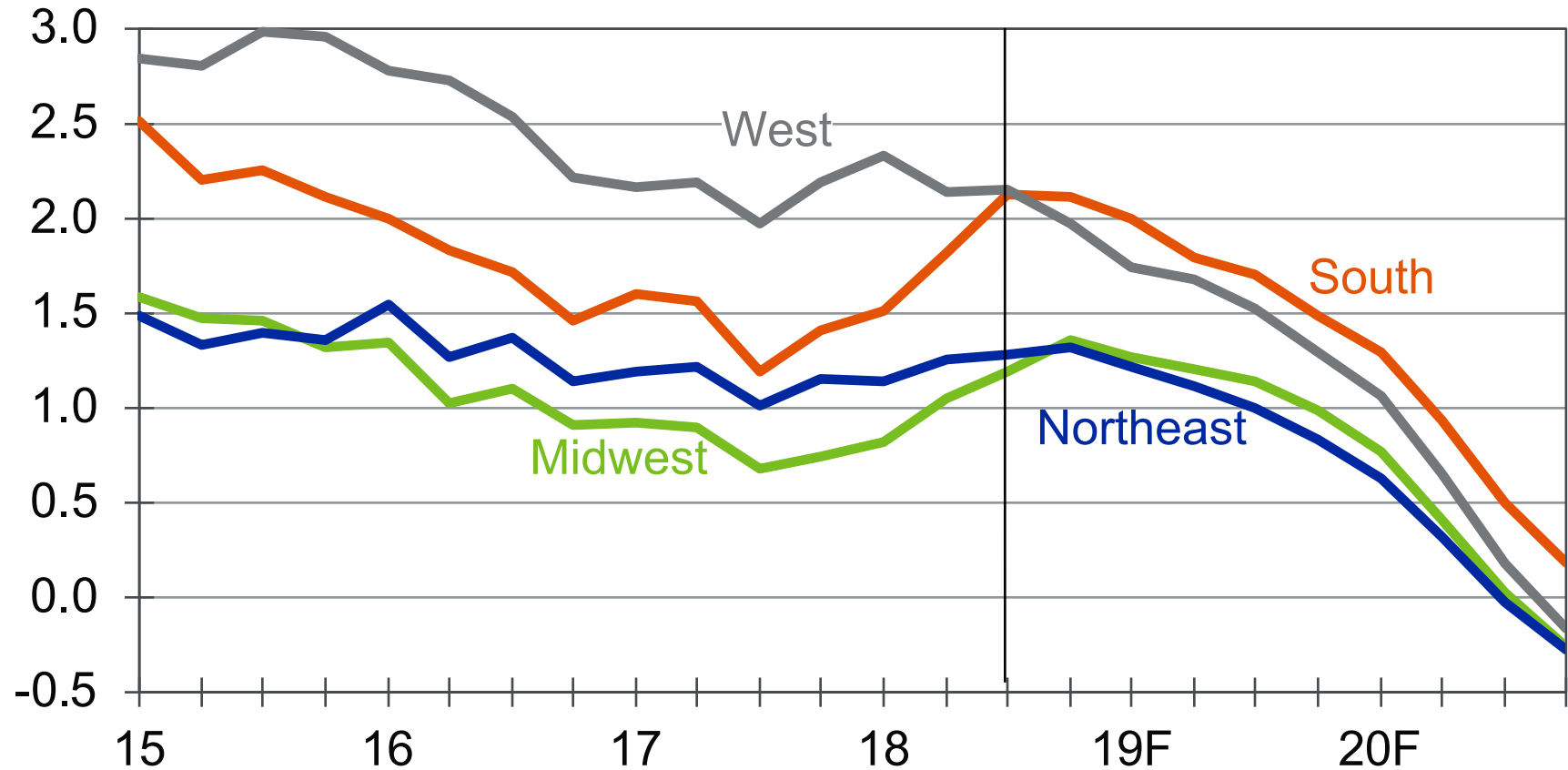
**September 2018**

# Major Revenue Drivers

1. Jobs
2. Wages
3. Demographics

# Recent Gains, but...

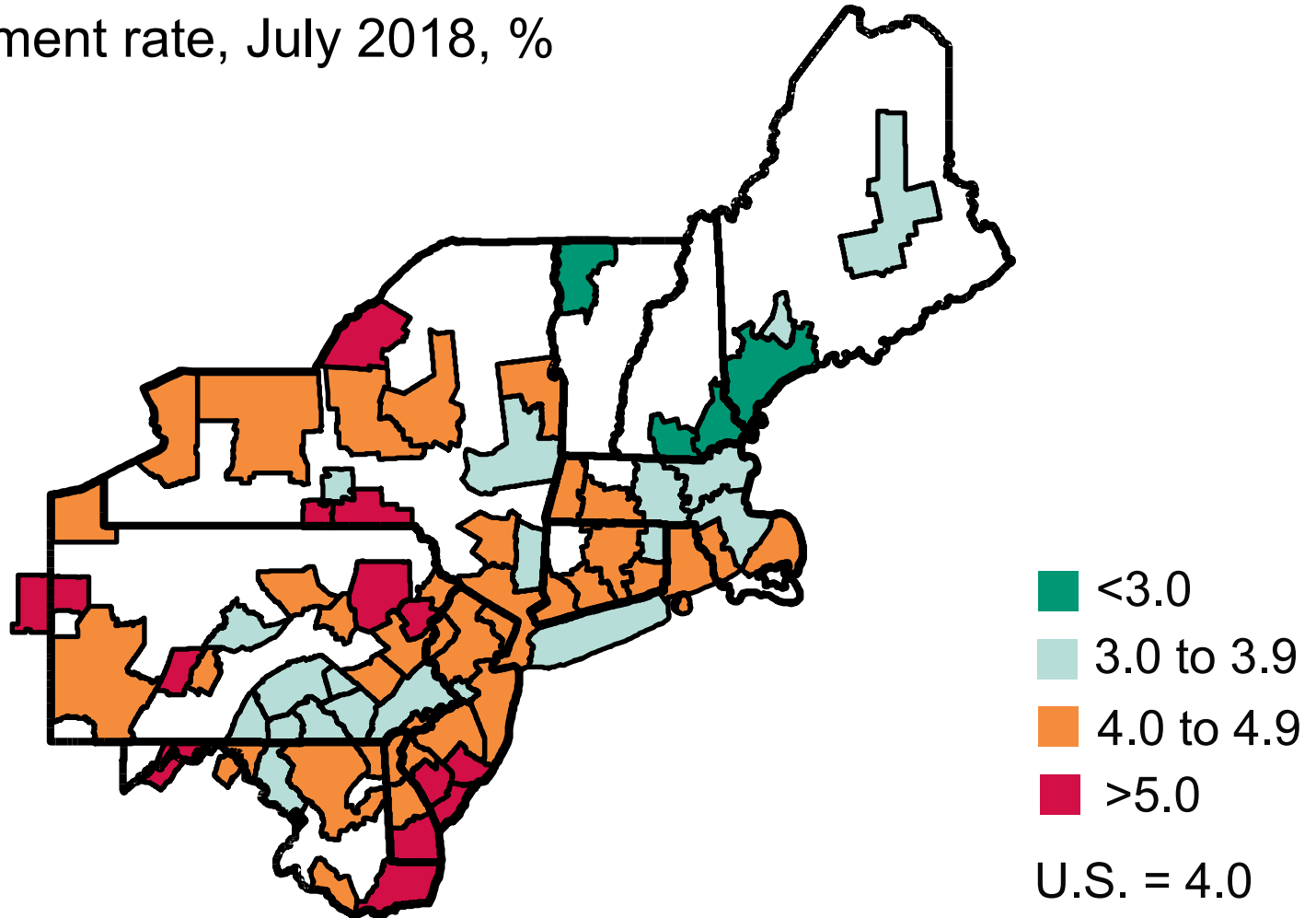
Employment by region, % change yr ago



Sources: BLS, Moody's Analytics

# Higher Jobless Rates in Mid-Atlantic

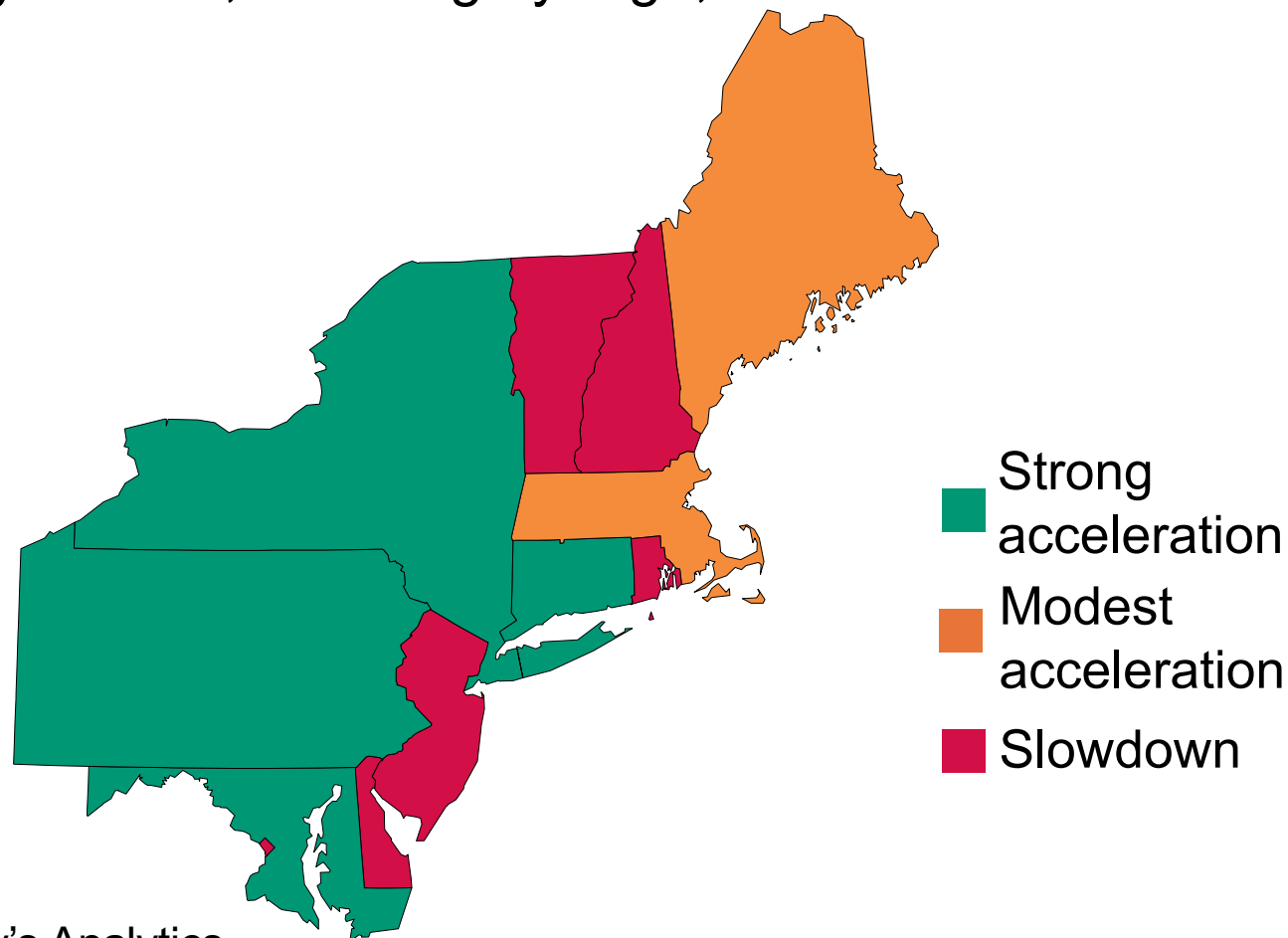
Unemployment rate, July 2018, %



Sources: BLS, Moody's Analytics

# Northeast Mixed on Wage Gains

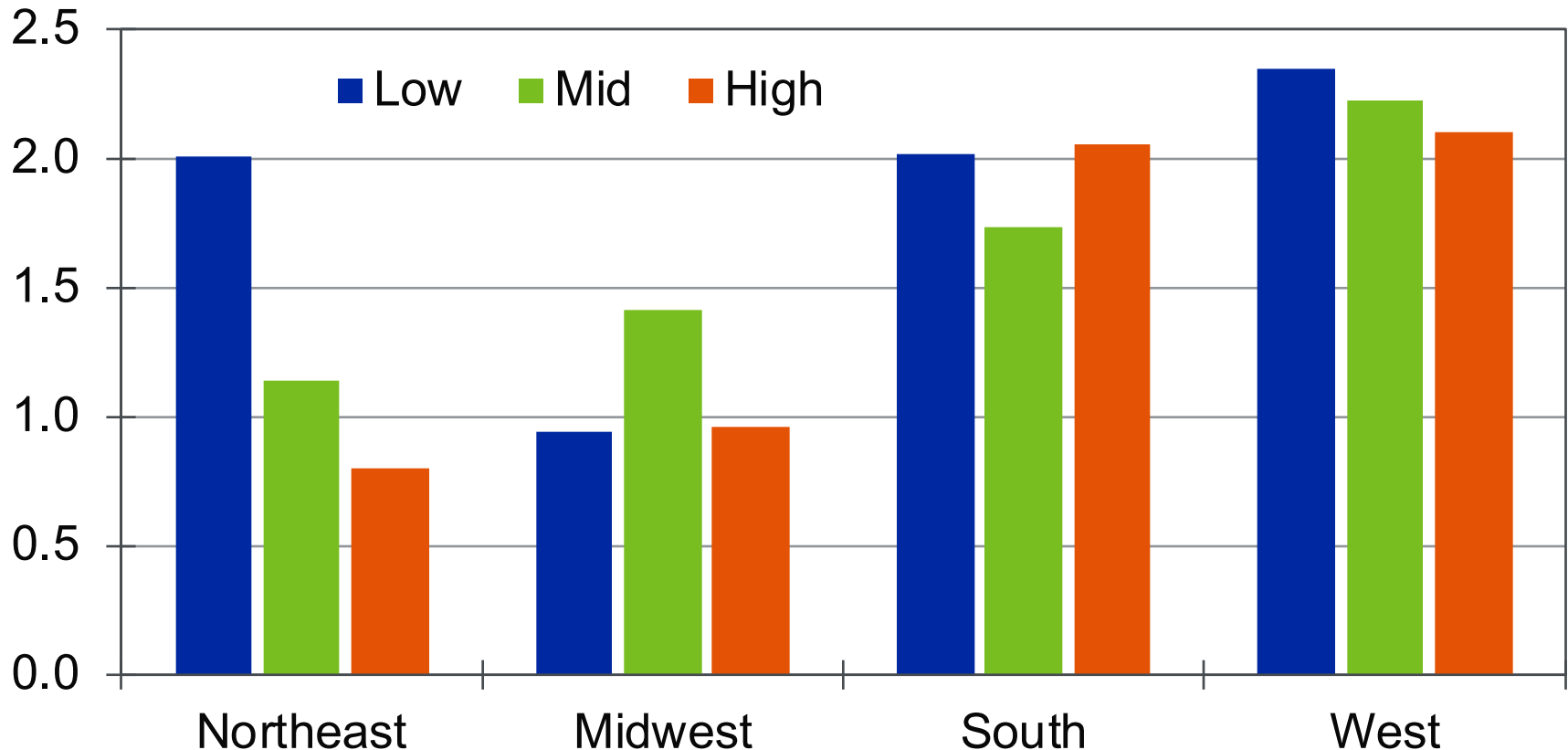
Wage and salary income, % change yr ago, 2018Q1 vs 2017Q1



Sources: BEA, Moody's Analytics

# Job Growth Is Skewed Towards Low Wage

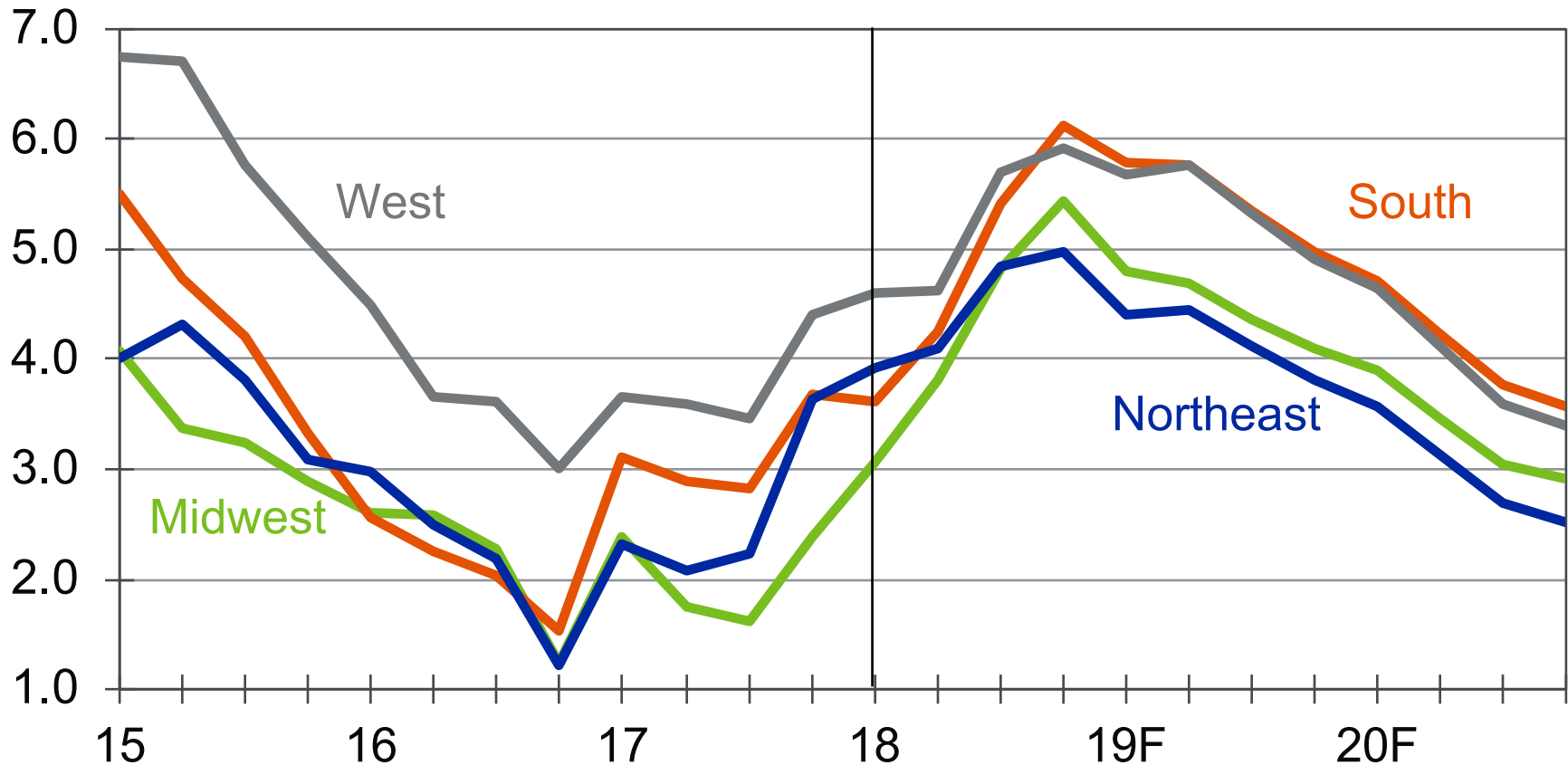
Job growth by wage cohort, % change yr ago, 3-mo MA, Jul 2018



Sources: BLS, BEA, Moody's Analytics

# Disposable Income Growth Will Slow

Disposable personal income, % change yr ago

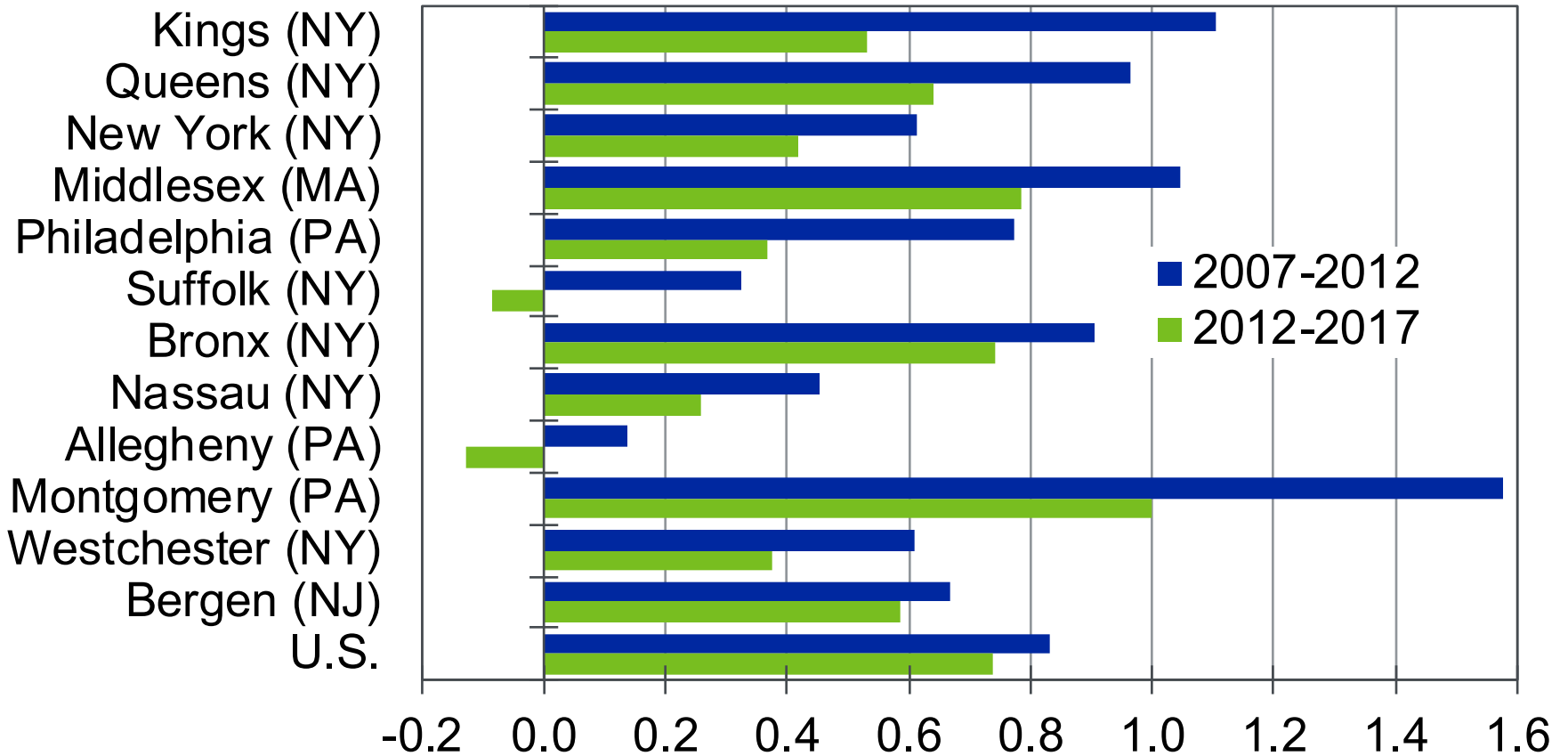


Sources: BLS, Moody's Analytics



# Urban Areas Lose Some Luster

Population, largest counties in Northeast, annualized % change

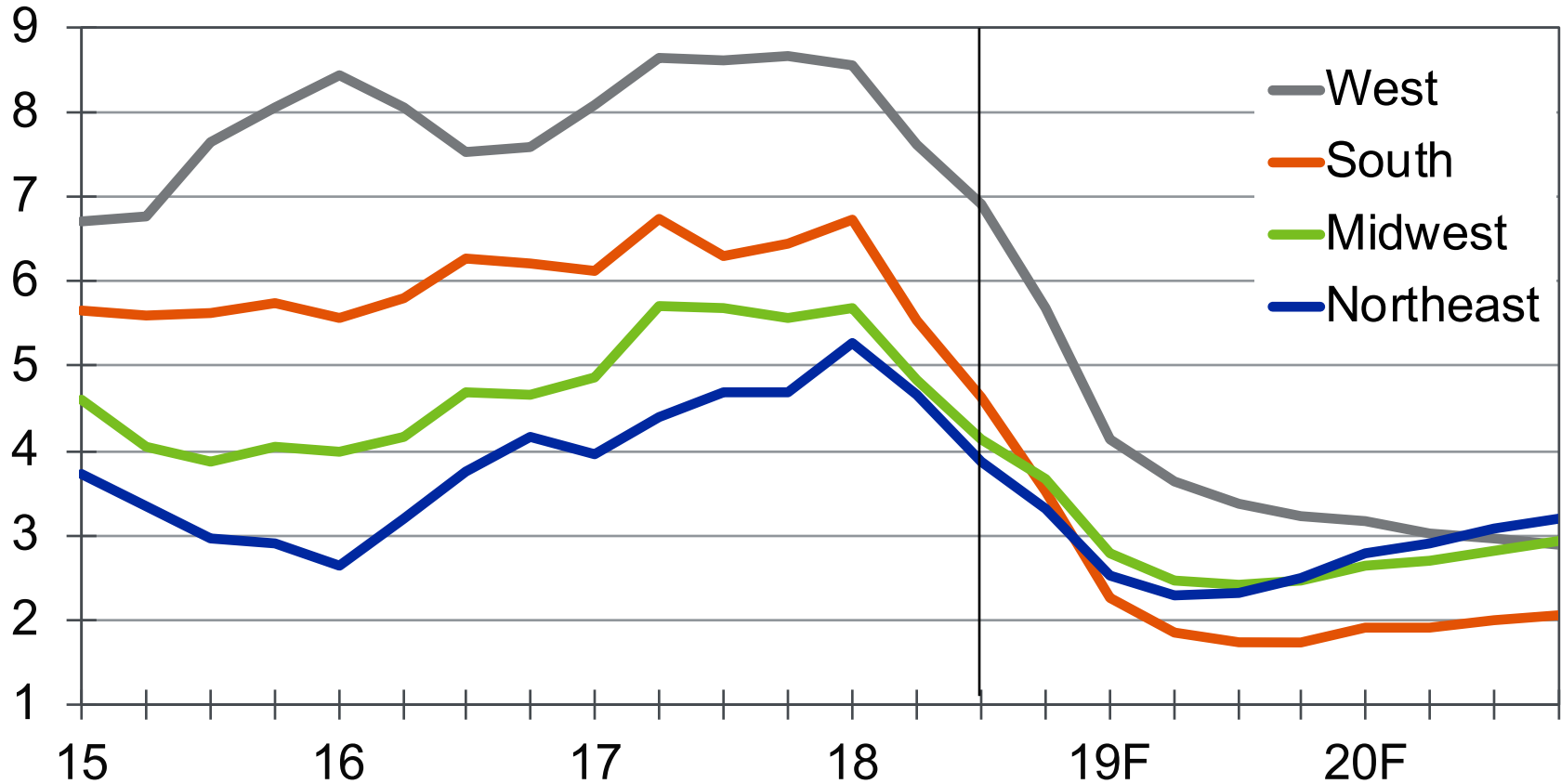


Sources: Census Bureau, Moody's Analytics



# Housing Price Growth Lags in Northeast

FHFA all-transactions house price index, % change yr ago



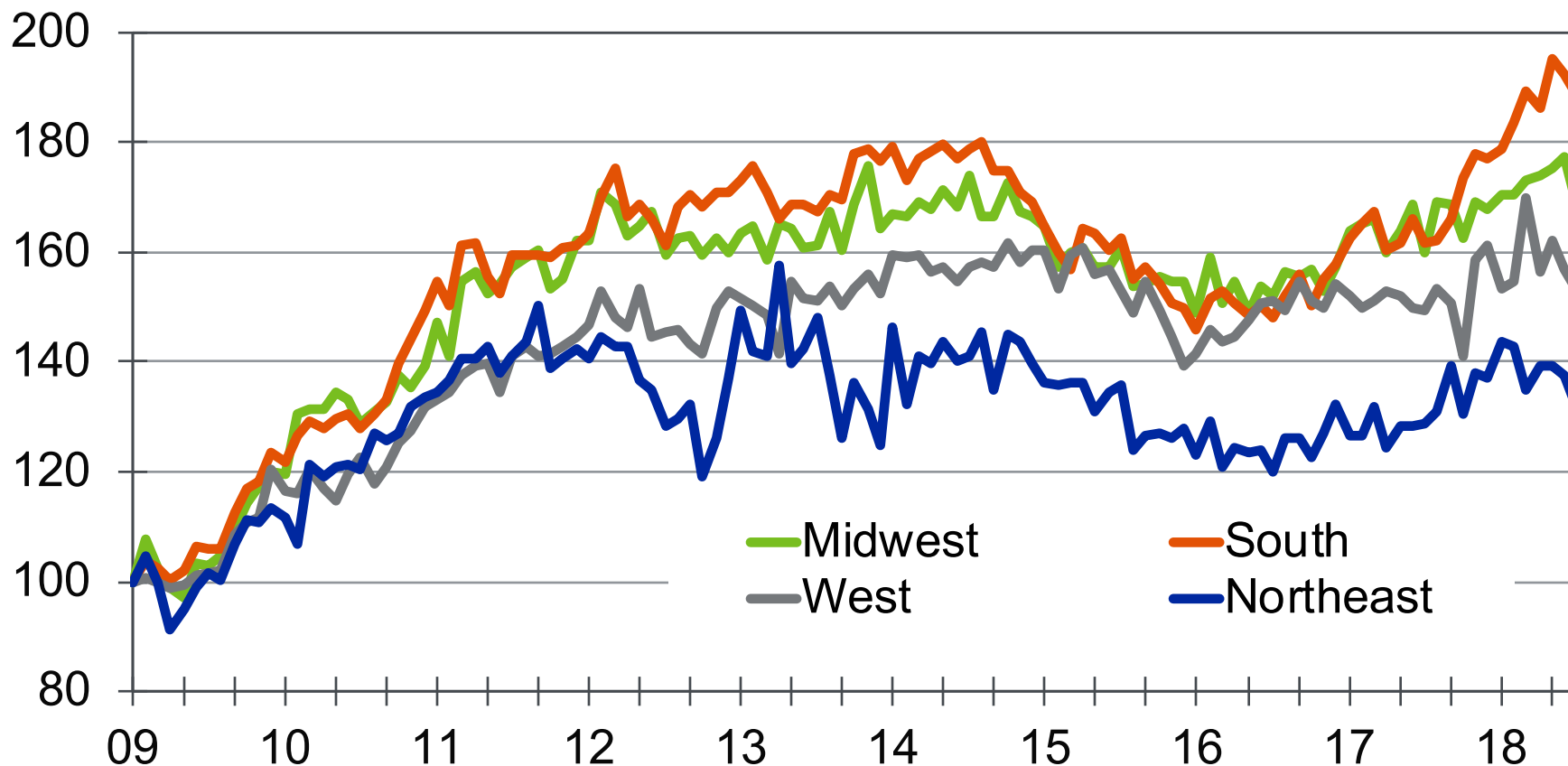
Sources: FHFA, Moody's Analytics

# Revenue Threats

1. Tariffs
2. Stock Market Losses

# Exports Support All Regions

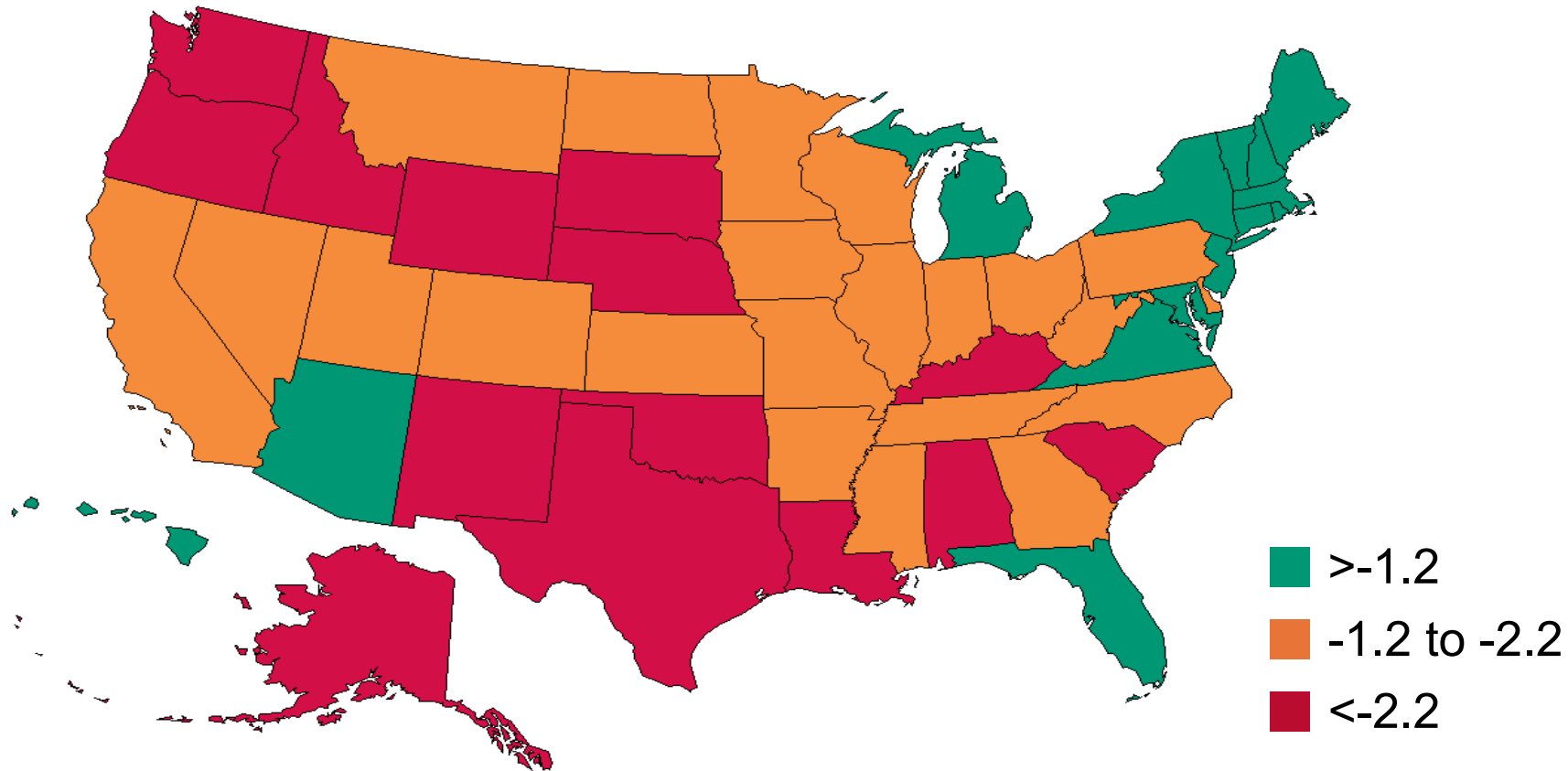
Goods exports, June 2009 = 100, originating from...



Sources: Census Bureau, Moody's Analytics

# Trade War Hits Northwest, South Hardest

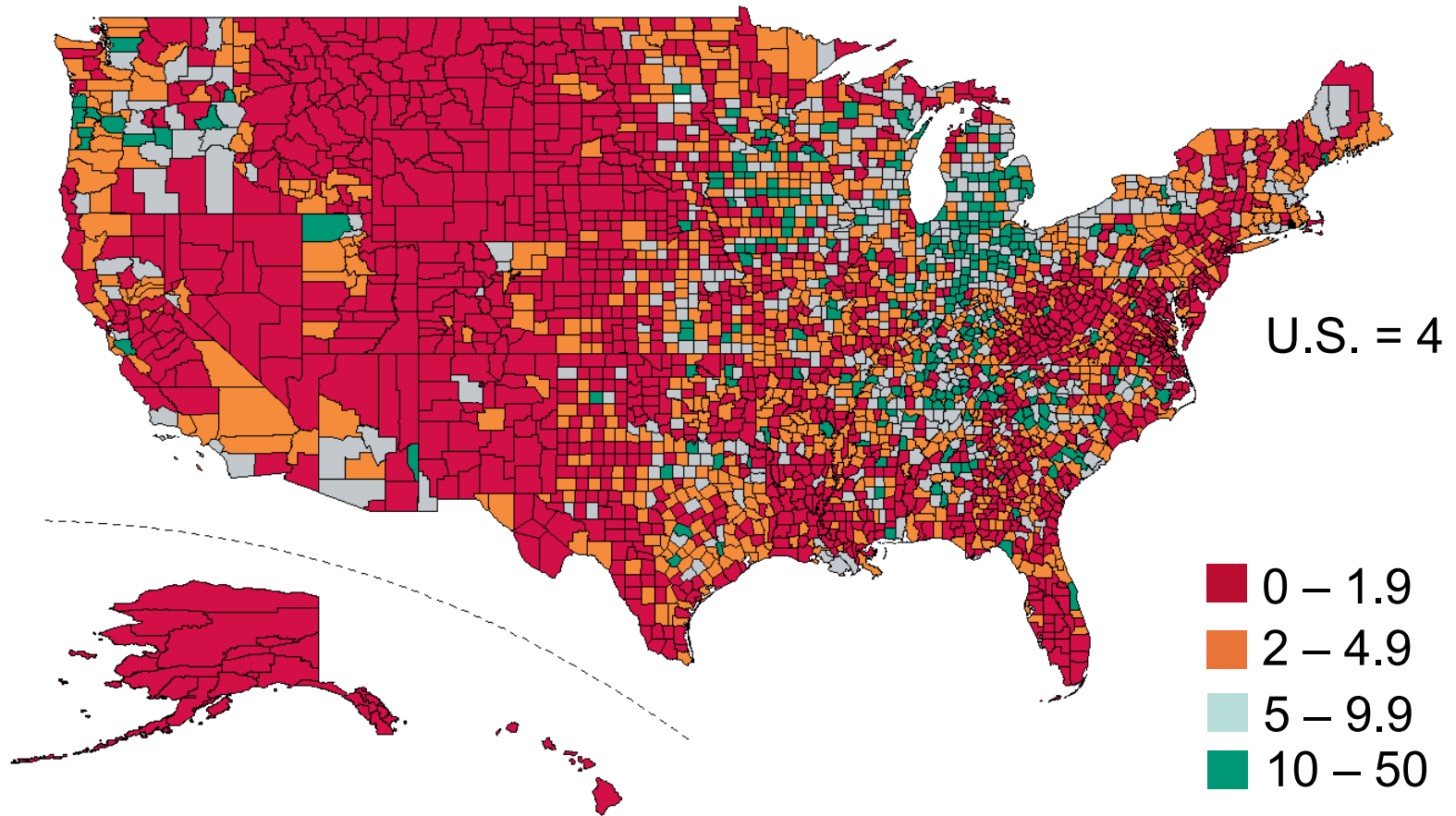
Peak % difference in real GDP, trade conflagration vs. no tariff



Sources: BEA, Moody's Analytics

# Tariffs Confer a Handful of Benefits

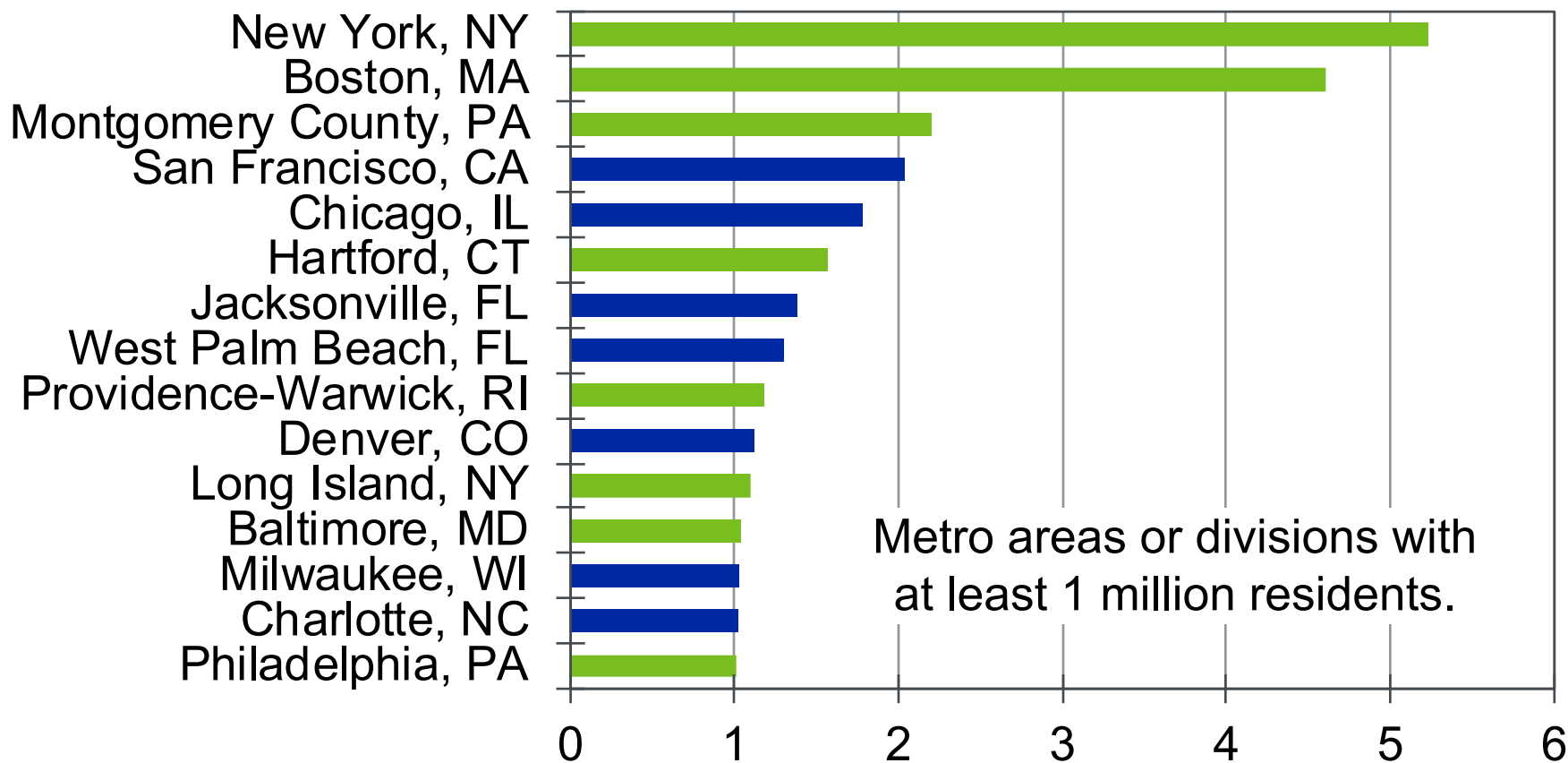
% of GDP in industries that benefit from higher tariffs on China



Sources: BEA, Moody's Analytics

# Markets Pose Risk to Northeast

Securities industry share of total output, 2017, %



Sources: BEA, Moody's Analytics



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