National and SC Economic Indicators

January 12, 2012

THE FEDERAL RESERVE BANK OF RICHMOND
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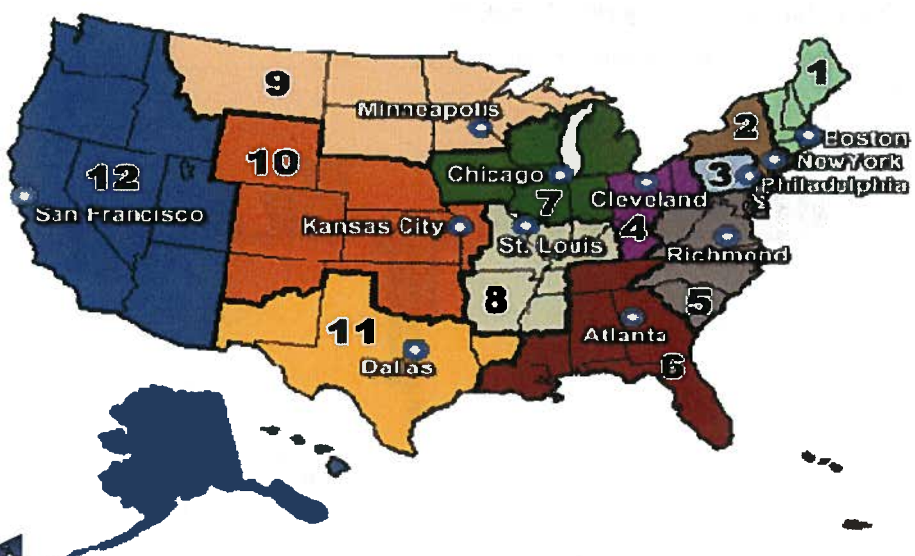
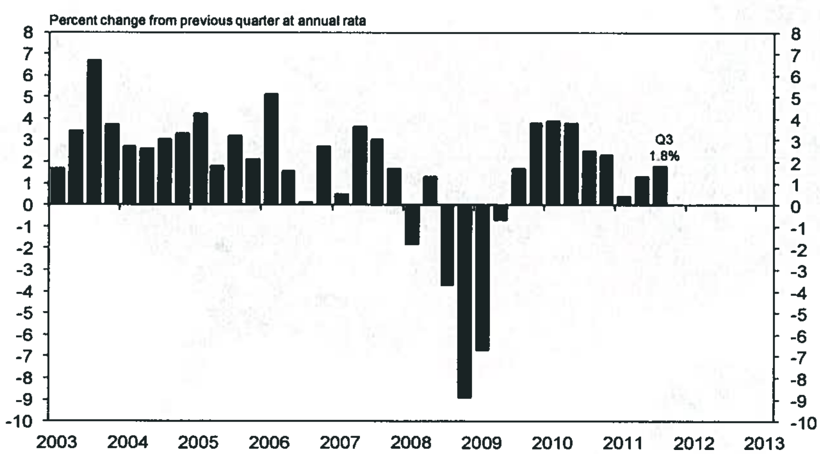


Outline and Sources

- **Economic assessment and outlook**
  - National Economic Conditions
  - South Carolina Conditions
  - Outlook and risks to the outlook
- **Assessment and outlook influenced by:**
  - Data
  - Richmond Fed Surveys
  - Boards of Directors
  - Charleston and Charlotte Industry Roundtables
  - Conversations with constituents throughout the state during presentations, speeches, etc.

Real Gross Domestic Product



Source: Bureau of Economic Analysis/Haver Analytics

Real Gross Domestic Product

	2010 Q3	2010 Q4	2011 Q1	2011 Q2	2011 Q3
CHANGE FROM PREVIOUS QUARTER AT COMPOUND ANNUAL RATE [Percent]:					
Gross Domestic Product	2.5	2.3	0.4	1.3	1.8
Personal Consumption Expenditures	2.6	3.6	2.1	0.7	1.7
Nonresidential Fixed Investment	11.3	8.7	2.1	10.3	15.7
Structures	4.2	10.5	-14.3	22.6	14.4
Equipment & Software	14.1	8.1	8.7	6.2	16.2
Residential Fixed Investment	-27.7	2.5	-2.4	4.2	1.3
Exports of Goods & Services	10.0	7.8	7.9	3.6	4.7
Imports of Goods & Services	12.3	-2.3	8.3	1.4	1.2
Government Consumption Expenditures & Gross Investment	1	-2.8	-5.9	-0.9	-0.1
Final Sales to Domestic Purchasers	2.3	2.7	0.4	1.3	2.7
LEVEL IN QUARTER AT SEASONALLY ADJUSTED ANNUAL RATE [Billions of Chained (2005) Dollars]:					
Change in Private Inventories	92.3	38.3	49.1	39.1	-2.0
Net Exports of Goods & Services	-458.7	-414.2	-424.4	-416.4	-402.8

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Source: Bureau of Economic Analysis/Haver Analytics

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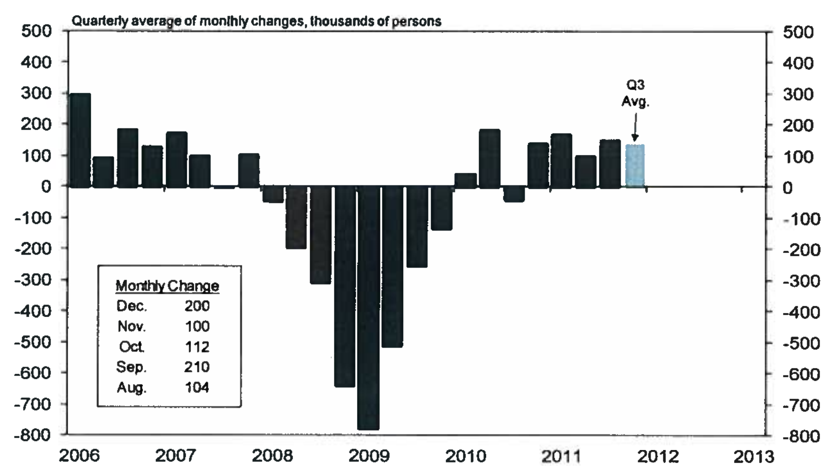
Nonfarm Payroll Employment



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Source: Bureau of Labor Statistics/Haver Analytics

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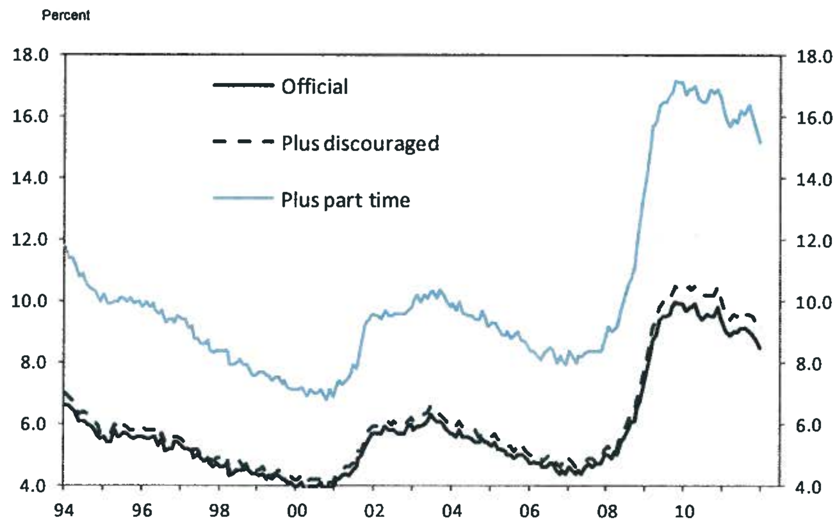
Alternative Measures of Labor Underutilization



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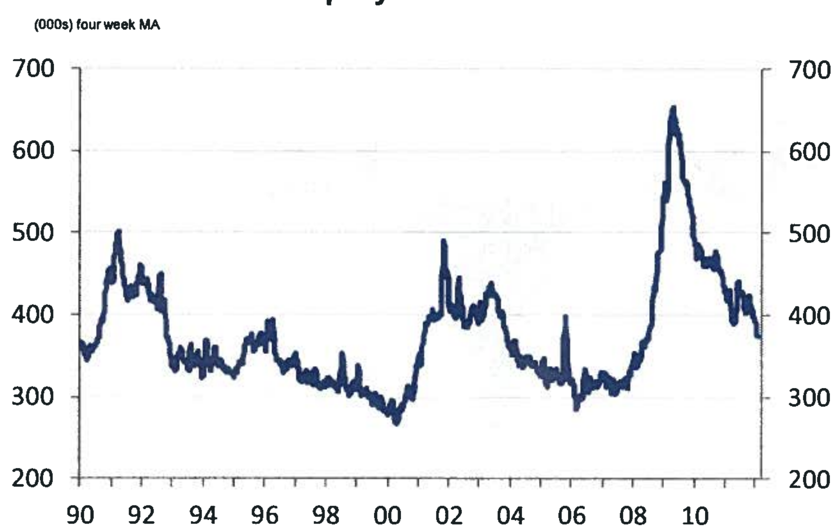
Source: Bureau of Labor Statistics, Haver Analytics

Initial Claims for Unemployment Insurance



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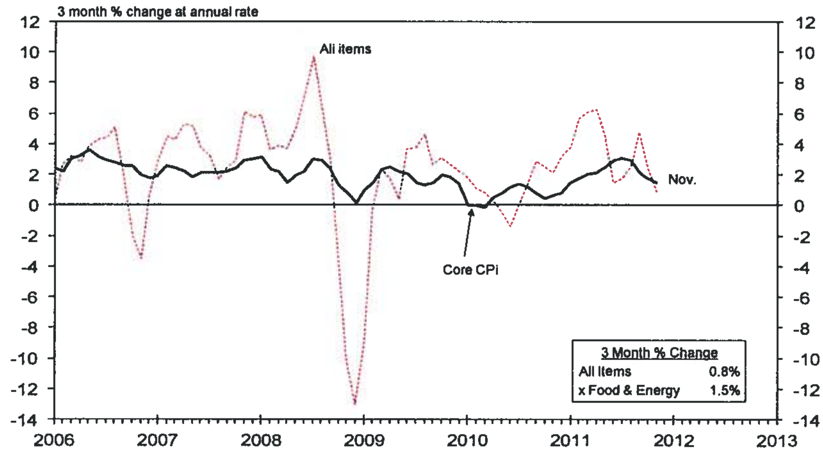
Source: Department of Labor/Haver Analytics

Consumer Price Indexes



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Source: Bureau of Labor Statistics/Haver Analytics

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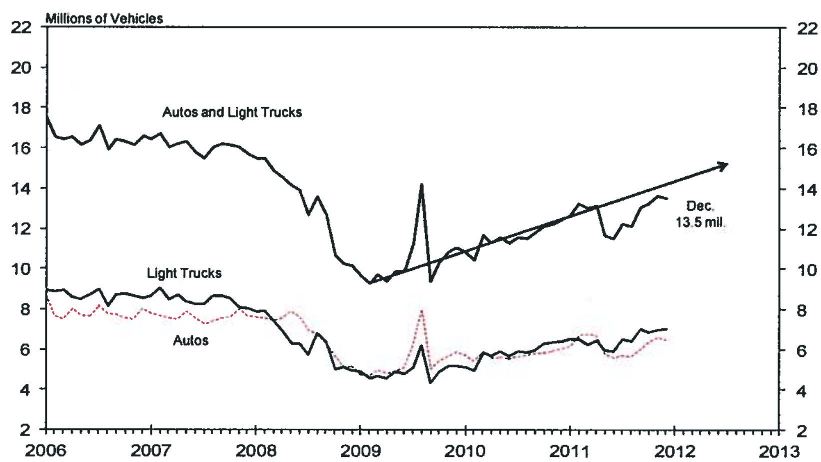
Sales of Automobiles & Light Trucks



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Source: Bureau of Economic Analysis/Haver Analytics

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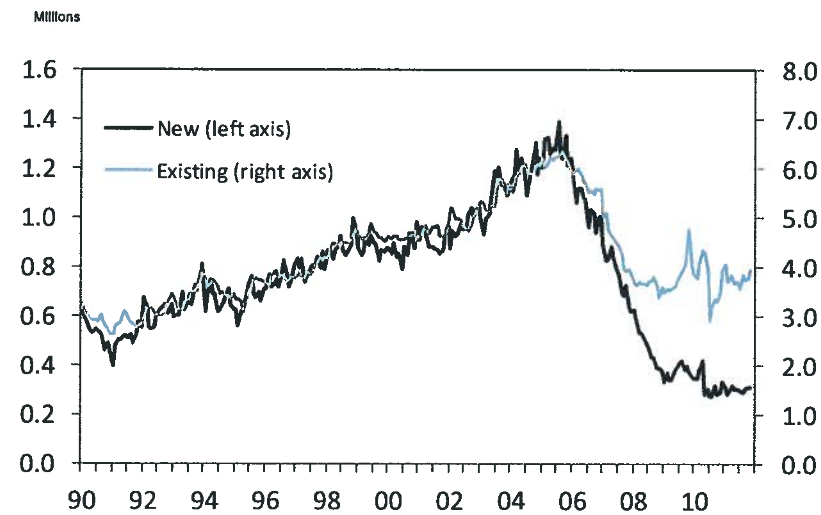
Single-Family Home Sales



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Source: NAR/Census/Haver Analytics

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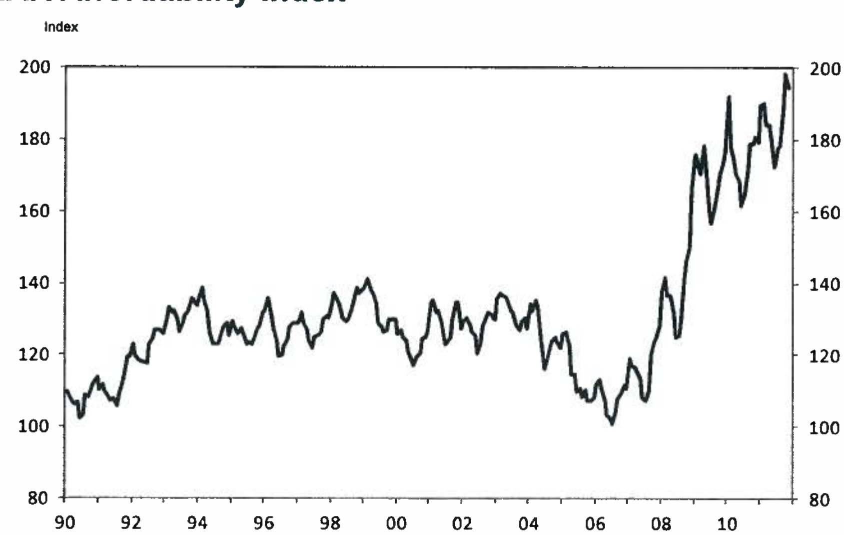
NAR Affordability Index



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Source: NAR/Haver Analytics

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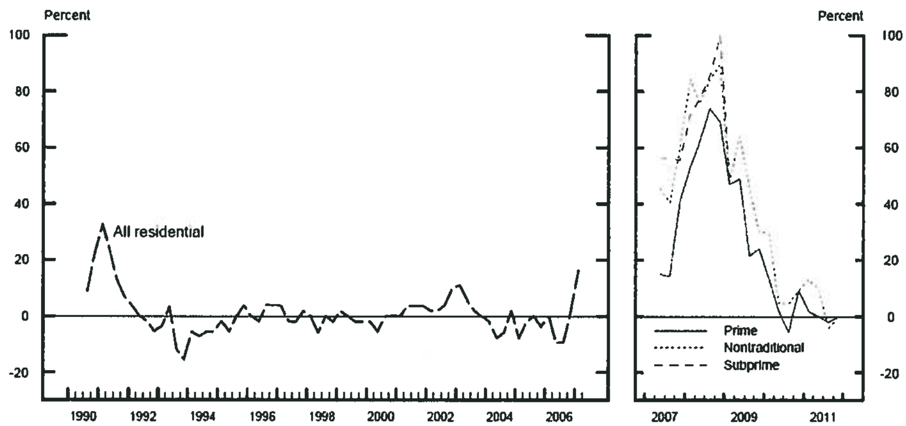
Federal Reserve Senior Loan Officer Survey

Index, net percent tightening standards for residential mortgages



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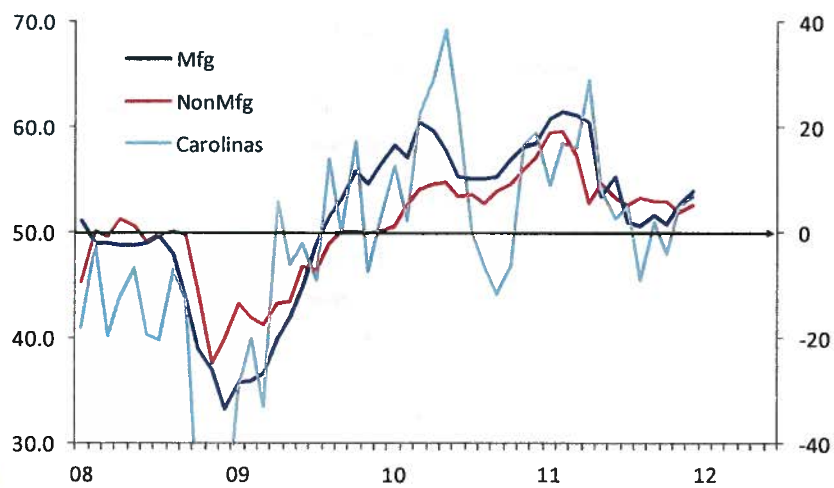
Source: Board of Governors/Haver Analytics

ISM and Carolinas Business Activity Indexes

Diffusion Index, percent



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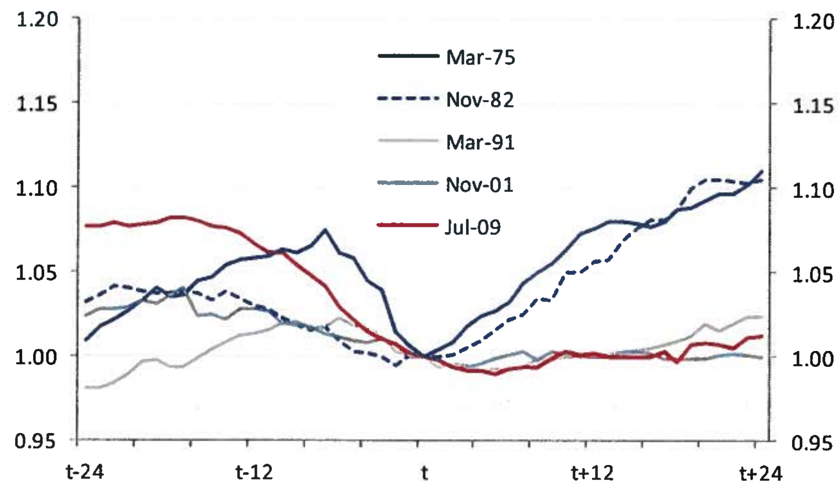
Source: ISM/FRB Richmond/Haver Analytics

South Carolina Payroll Employment

index, Recession Trough = 1.00



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Source: BLS/Haver Analytics

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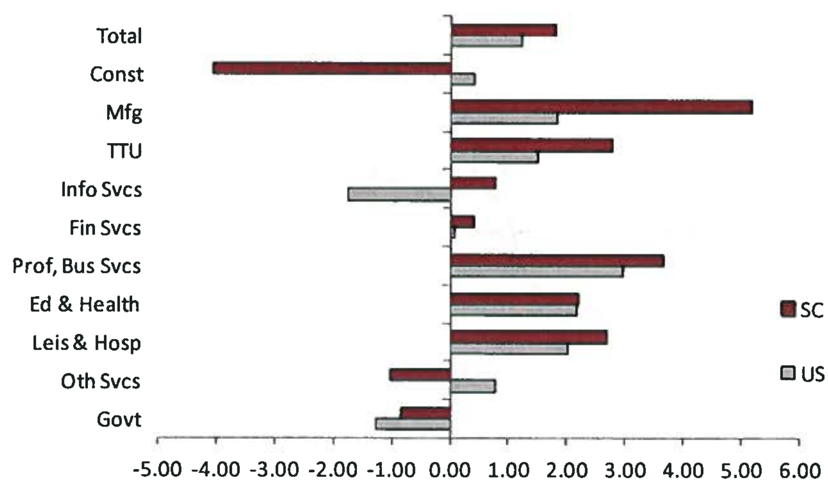
South Carolina Employment

Percent change from year earlier



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Source: BLS/Haver Analytics

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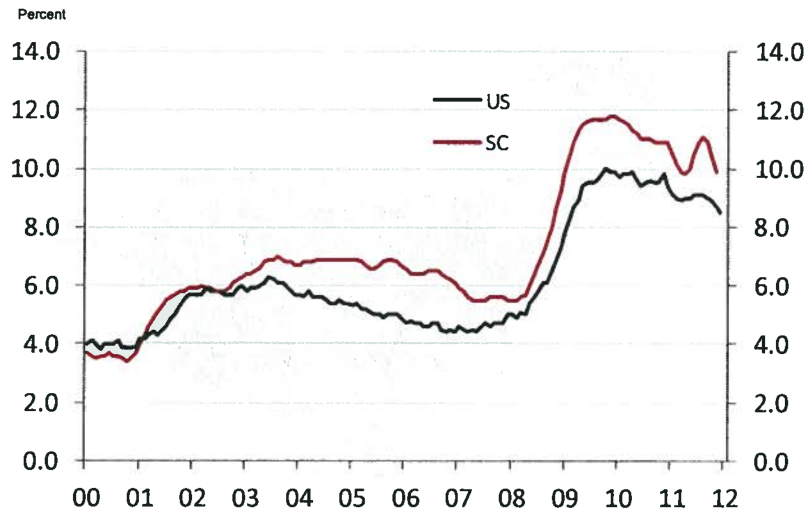
South Carolina Unemployment



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Source: BLS/Haver Analytics

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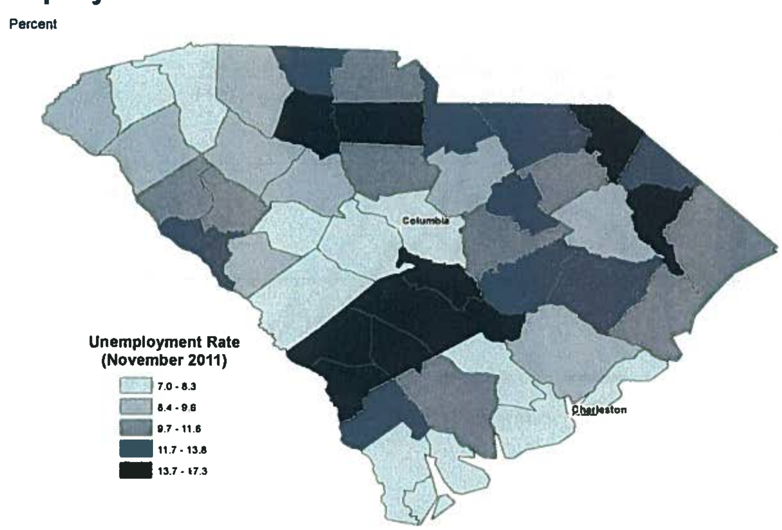
Unemployment



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Source: BLS/Haver Analytics

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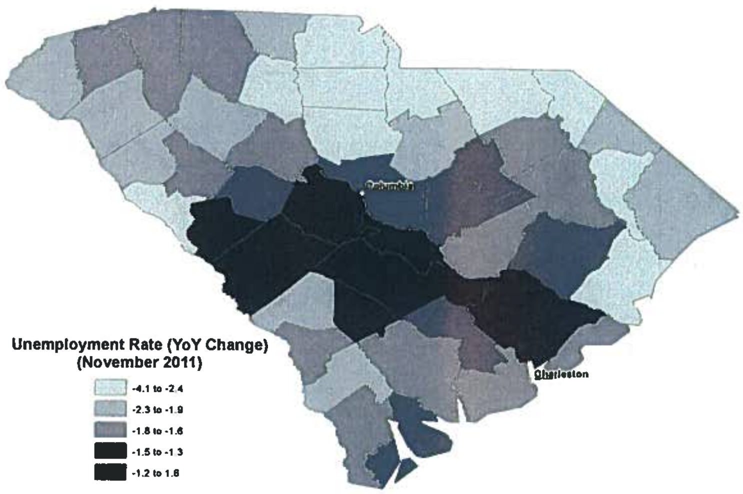
Y/Y Change in Unemployment

Percent



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Source: BLS/Haver Analytics

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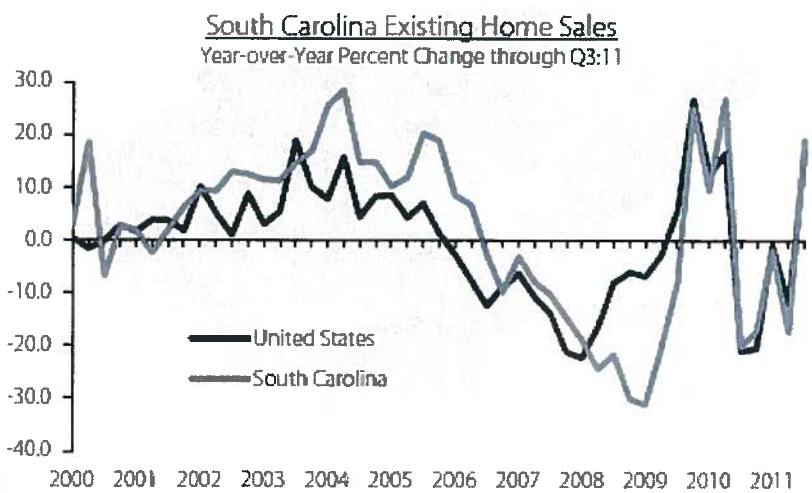
South Carolina Home sales



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Source: FHFA/Haver Analytics

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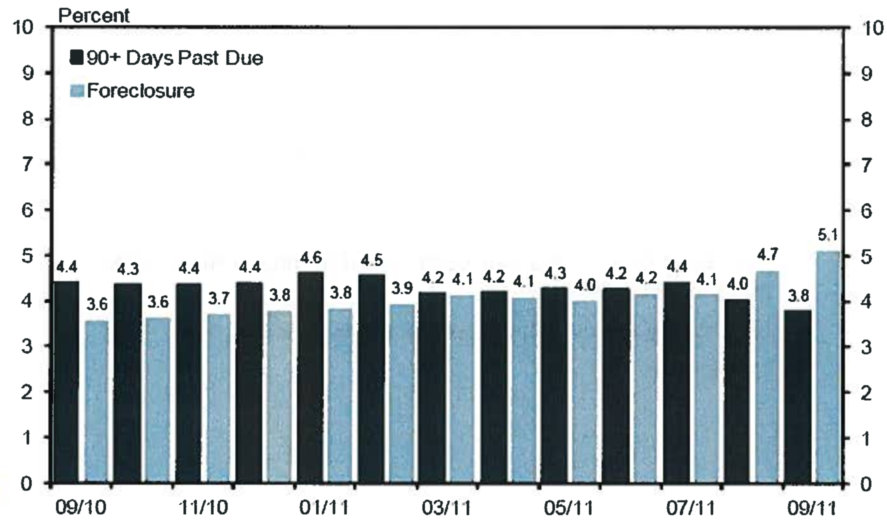
SC Owner-Occupied Delinquencies and Foreclosures



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Source: FRB Richmond based on LPS, Applied Analytics, and MBA data

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South Carolina Home Prices

South Carolina House Price Index (FHFA)

Year-over-year Percent Change through Q3:11

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Source: FHFA/Haver Analytics

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Summary

- Growth has accelerated from q2, but early momentum has been diminished since early in the year
  - PCE, investment, and exports providing a boost…
  - …while small businesses, construction, and government are exerting drags on growth
- Key uncertainties
  - Unsettled debt crisis in Europe
  - Inability of U.S. to deal with long term debt problems in fiscally and politically sustainable way
  - Uncertainty surrounding regulations, taxes, elections
  - Confidence

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