



FEDERAL
RESERVE
BANK
of ATLANTA

Regional Economic Briefing

Tom Cunningham

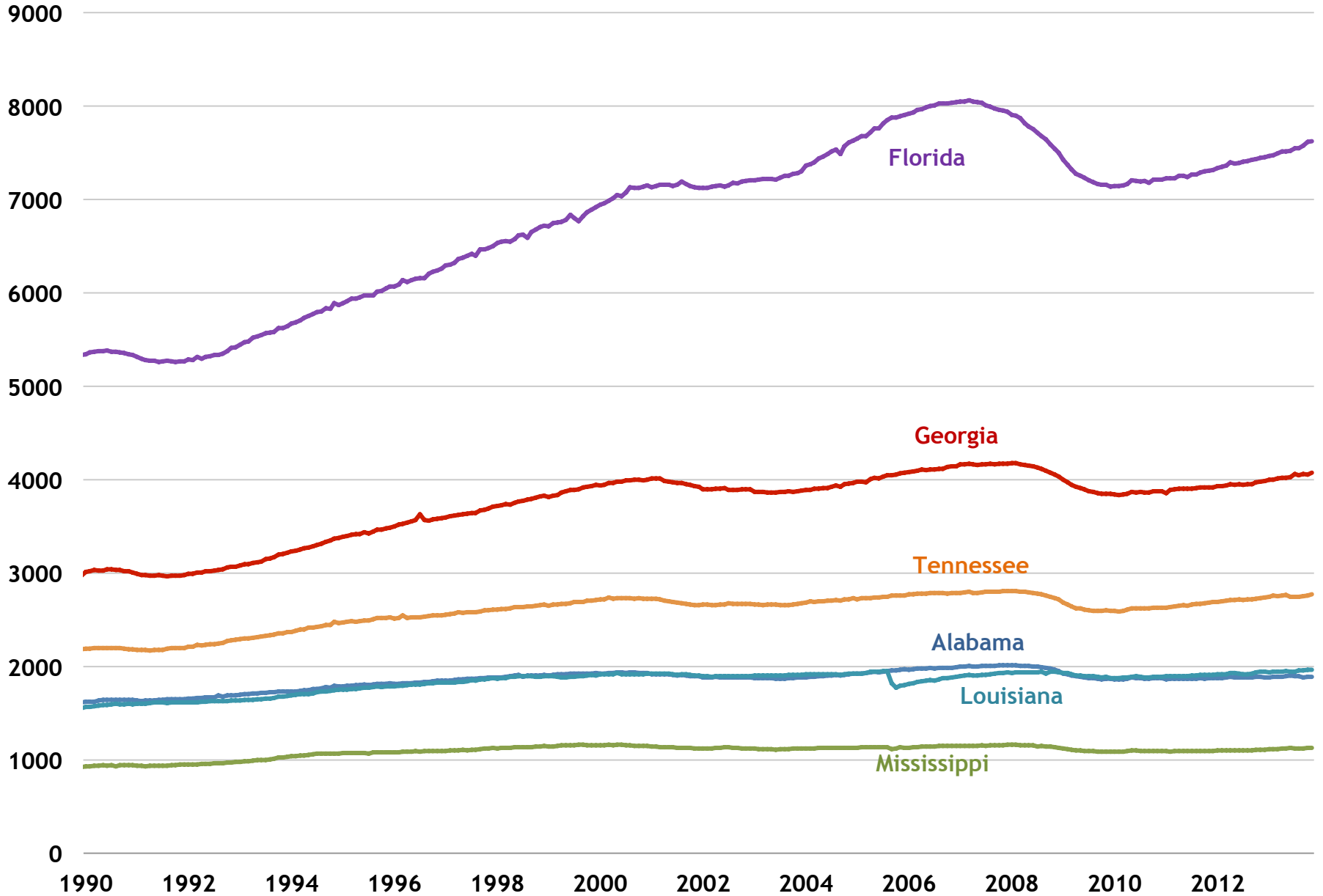
January 15, 2014

The views expressed are those of the author and not necessarily those of the Atlanta Fed or the Federal Reserve System.



Total Payroll Employment by State

monthly, thousands, seasonally adjusted



Source: Bureau of Labor Statistics

through November 2013

Payroll Employment by State

monthly, seasonally adjusted, indexed Jan 1990=100

Index level

160

150

140

130

120

110

100

90

1990

1992

1994

1996

1998

2000

2002

2004

2006

2008

2010

2012

through November 2013

Florida

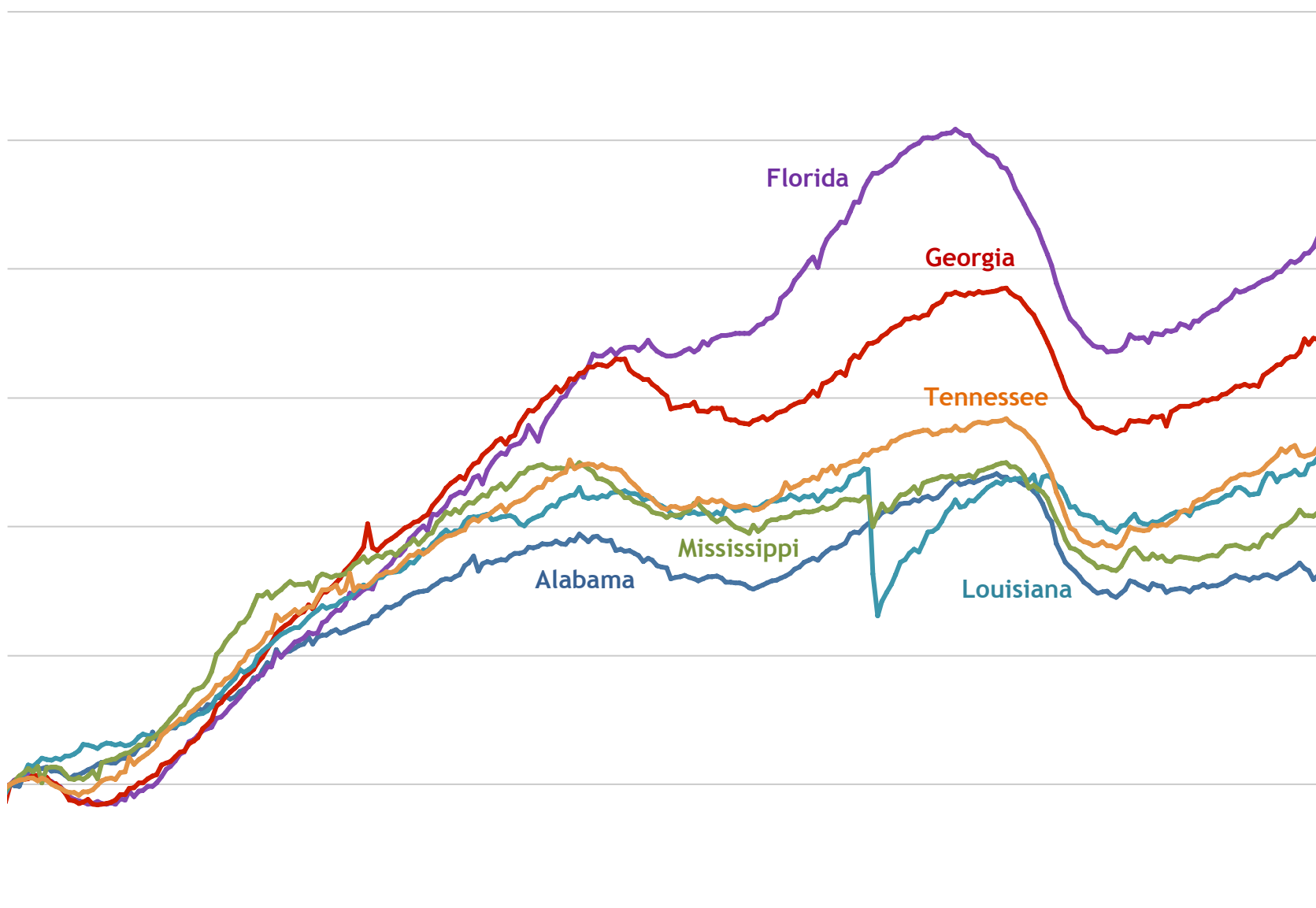
Georgia

Tennessee

Mississippi

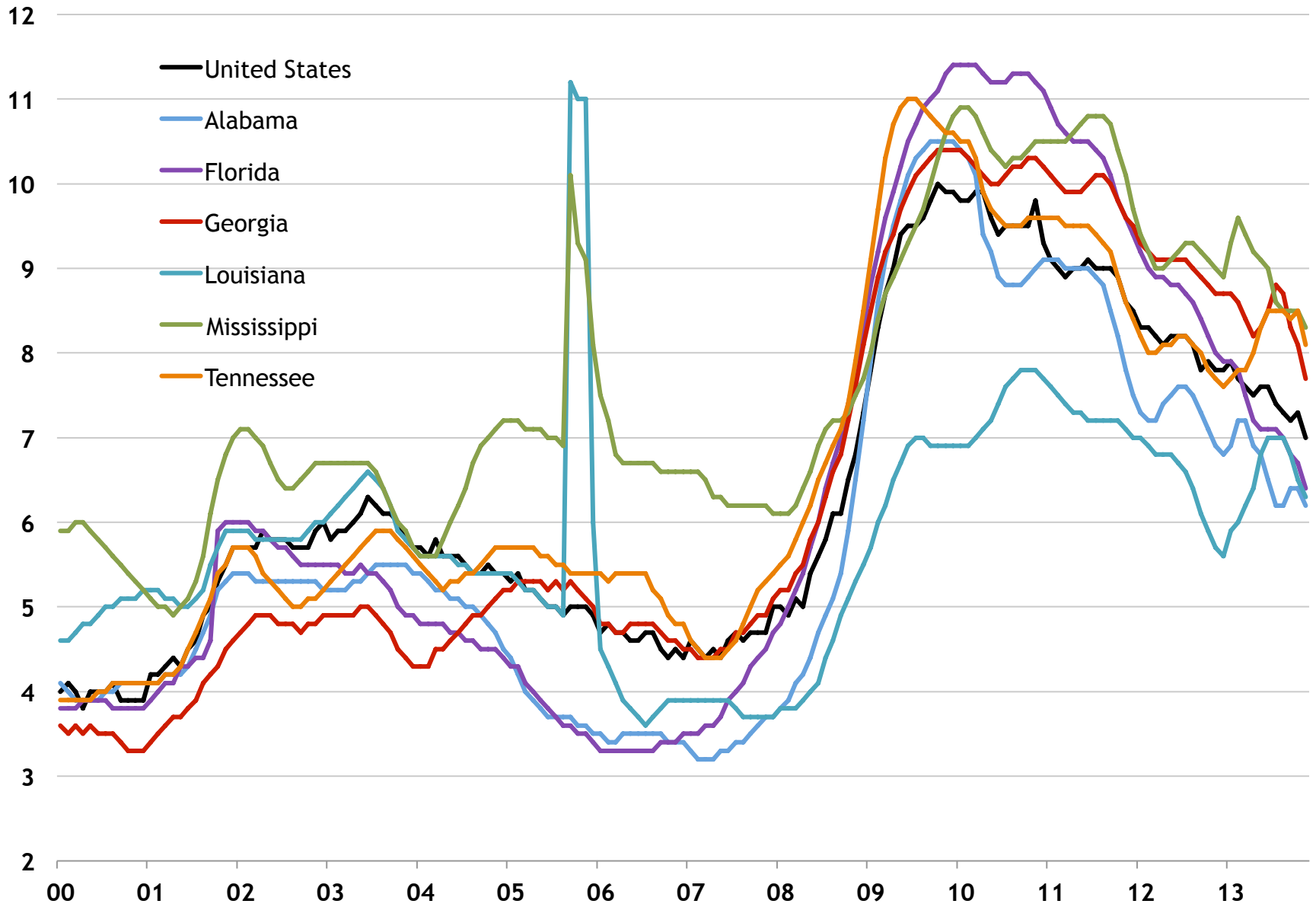
Alabama

Louisiana



Unemployment Rates

monthly, percent of labor force



Source: Bureau of Labor Statistics

through November 2013

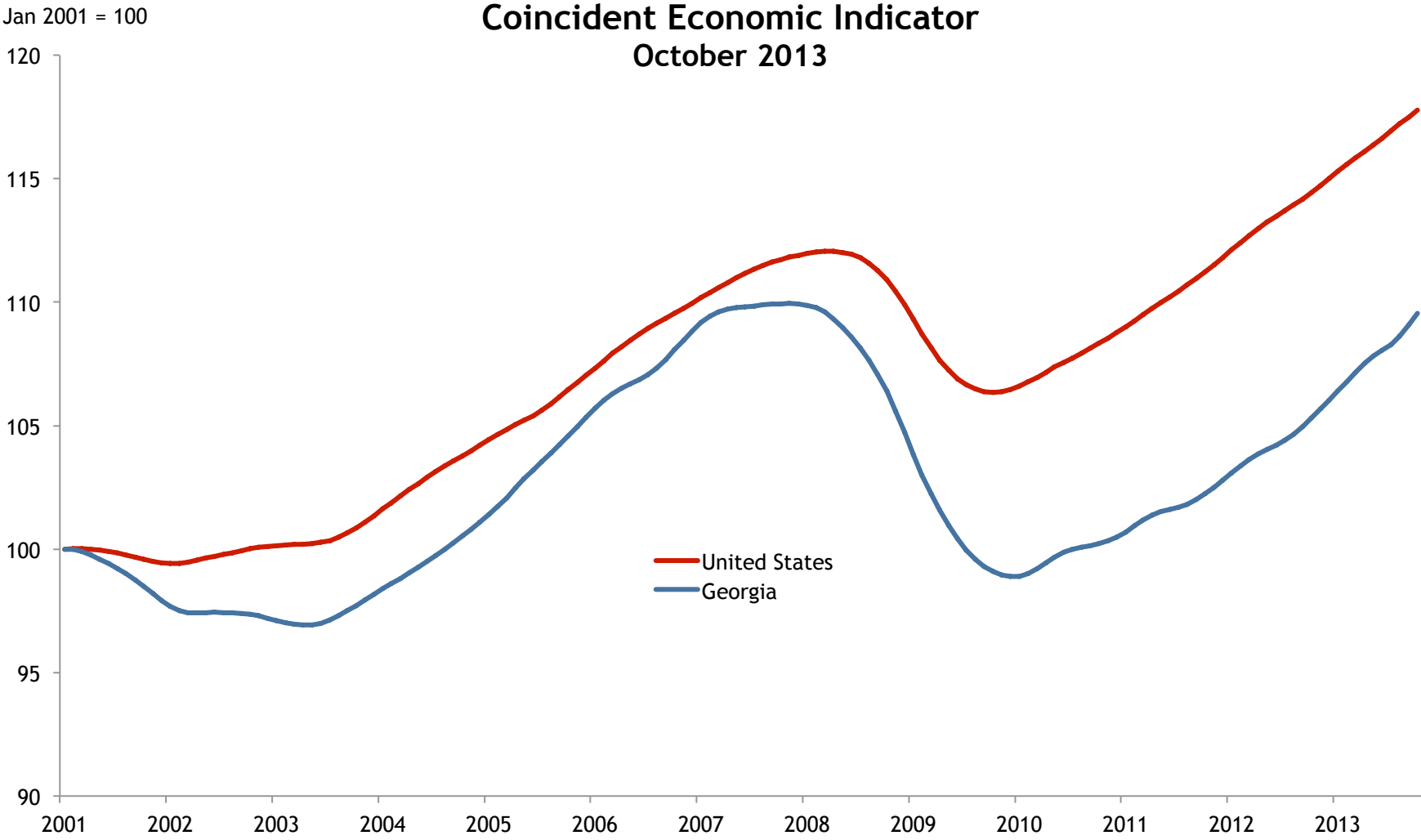
Nonfarm Employees by Industry - November 2013

percent of total employees

	United States	Sixth District States	Alabama	Florida	Georgia	Louisiana	Mississippi	Tennessee
Government	16.0	16.0	19.6	14.0	16.5	17.5	21.7	15.1
Education & Health Services	15.3	13.9	11.6	15.0	12.8	14.4	11.8	14.6
Professional & Business Services	13.8	13.3	11.6	14.5	14.6	10.4	9.4	12.6
Retail Trade	11.2	12.4	12.1	13.6	11.2	11.9	12.0	11.7
Leisure & Hospitality	10.5	11.7	9.5	13.6	10.4	11.2	11.1	10.7
Manufacturing	8.8	7.9	13.3	4.2	8.7	7.4	12.3	11.7
Financial Activities	5.8	5.7	4.9	6.6	5.7	4.9	4.0	5.1
Construction	4.3	4.6	4.0	4.9	3.7	6.9	5.0	3.9
Wholesale Trade	4.3	4.3	3.8	4.2	5.1	3.9	3.1	4.4
Other Services	4.0	3.9	4.3	4.2	3.7	3.2	3.4	3.7
Transportation & Utilities	3.7	4.0	3.6	3.3	4.8	4.3	4.3	5.1
Information	2.0	1.7	1.1	1.8	2.5	1.3	1.1	1.5
Other Industries	0.2	0.5	0.7	0.1	0.2	2.7	0.9	0.0

Georgia's economic performance has improved steadily since December 2009. The state's coincident economic indicator for October is at its highest level since early 2008.

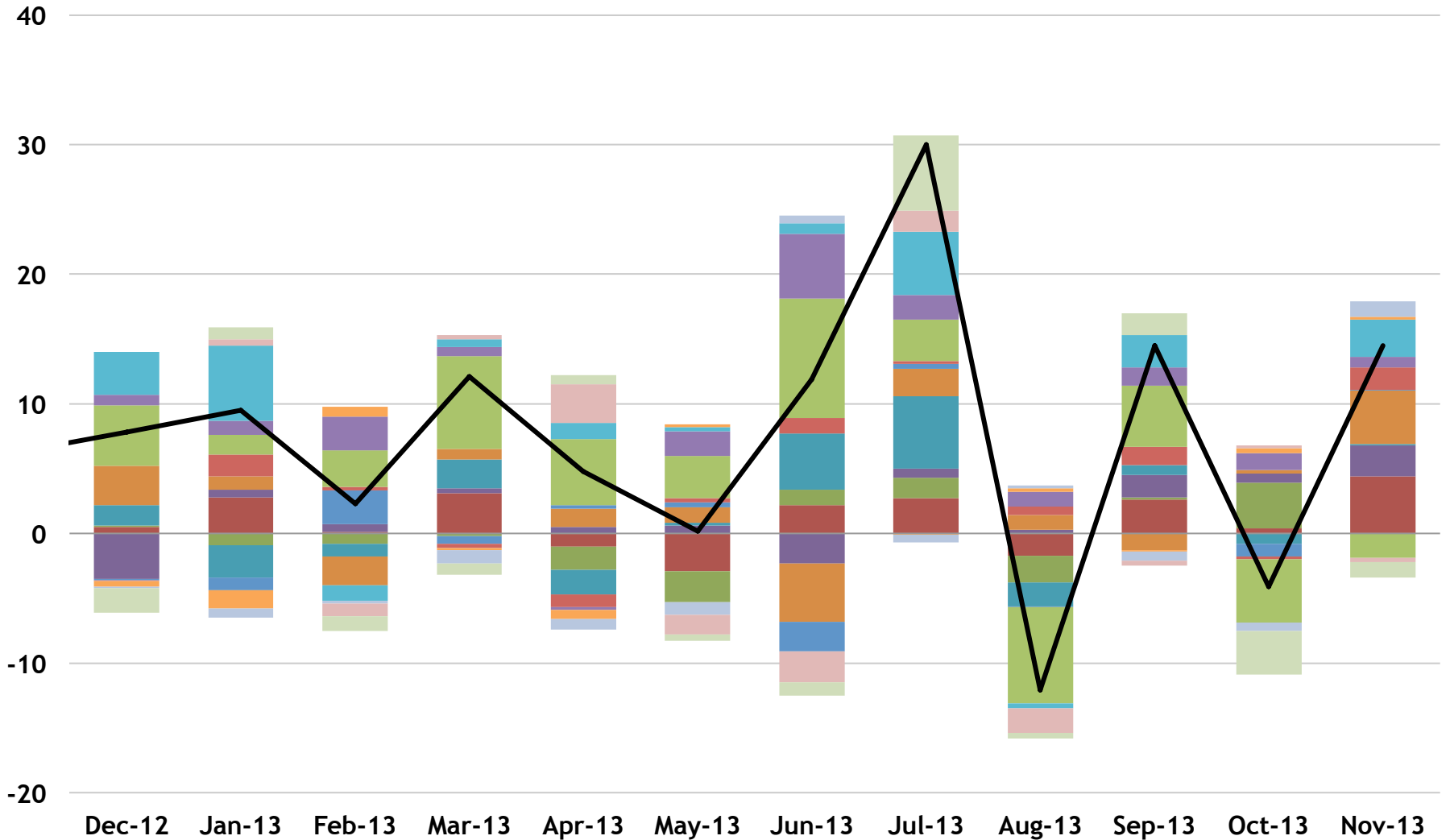
[About the Coincident Economic Indicator](#)



Source: Federal Reserve Bank of Philadelphia

Georgia: Monthly Change in Payroll by Sector

thousands, seasonally adjusted

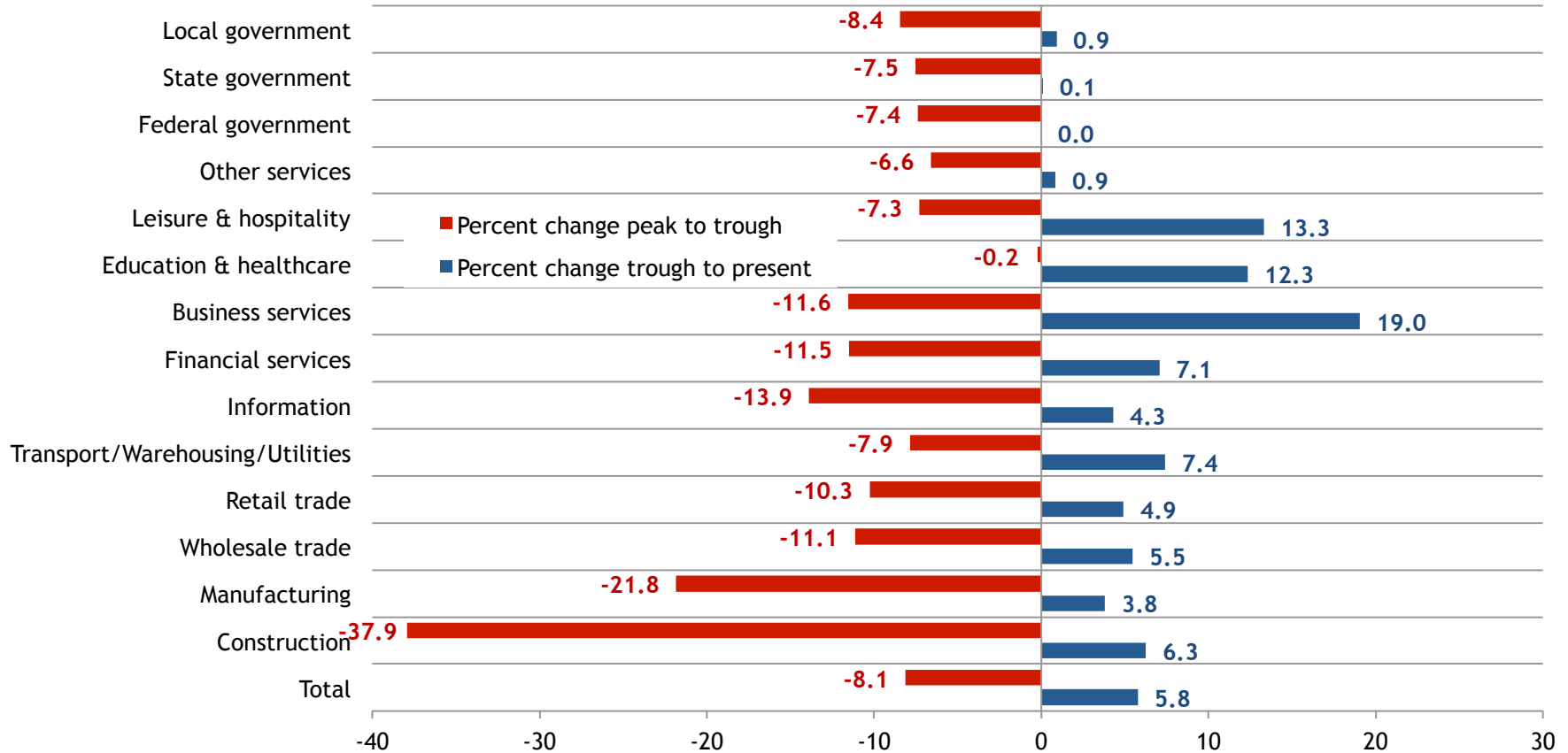


- Construction
- Transport/Warehousing/Utilities
- Education & healthcare
- State government
- Manufacturing
- Information
- Leisure & hospitality
- Local government
- Wholesale trade
- Financial services
- Other services
- Net Change
- Retail trade
- Business services
- Federal government

through November 2013

Both construction and manufacturing were especially hard hit during the downturn, but both industries are slowly adding back jobs. Leisure and hospitality, education and health care, and business services employment now exceed prerecession levels. Federal government employment decreased in October.

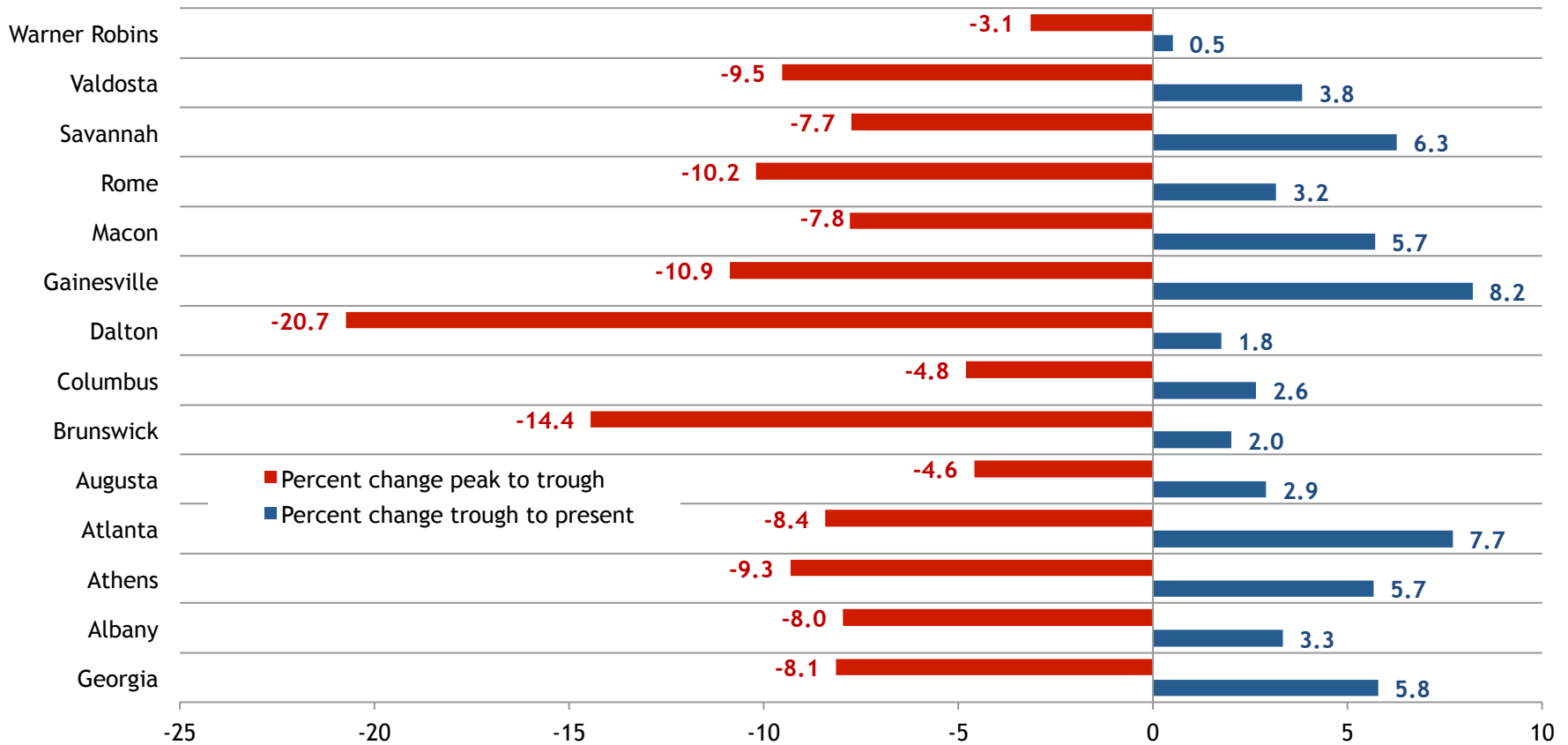
Employment Loss and Gain by Industry: Georgia October 2013



Source: U.S. Bureau of Labor Statistics, Haver Analytics, Federal Reserve Bank of Atlanta

Job losses in many of Georgia's metropolitan areas were quite severe during the downturn, but each of Georgia's metro areas has added back some jobs since their trough.

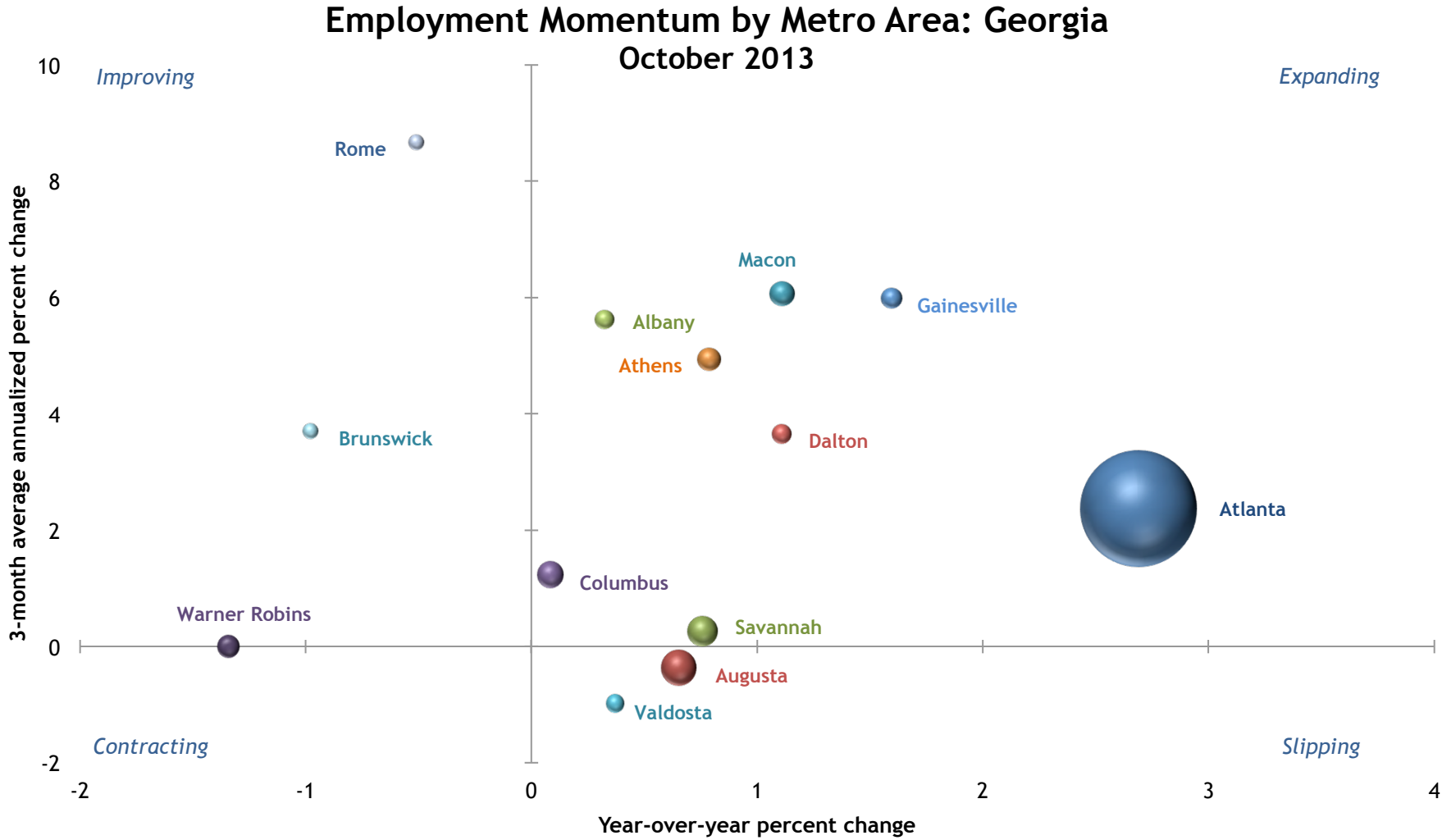
Employment Loss and Gain by Metro Area: Georgia October 2013



Source: U.S. Bureau of Labor Statistics, Haver Analytics, Federal Reserve Bank of Atlanta

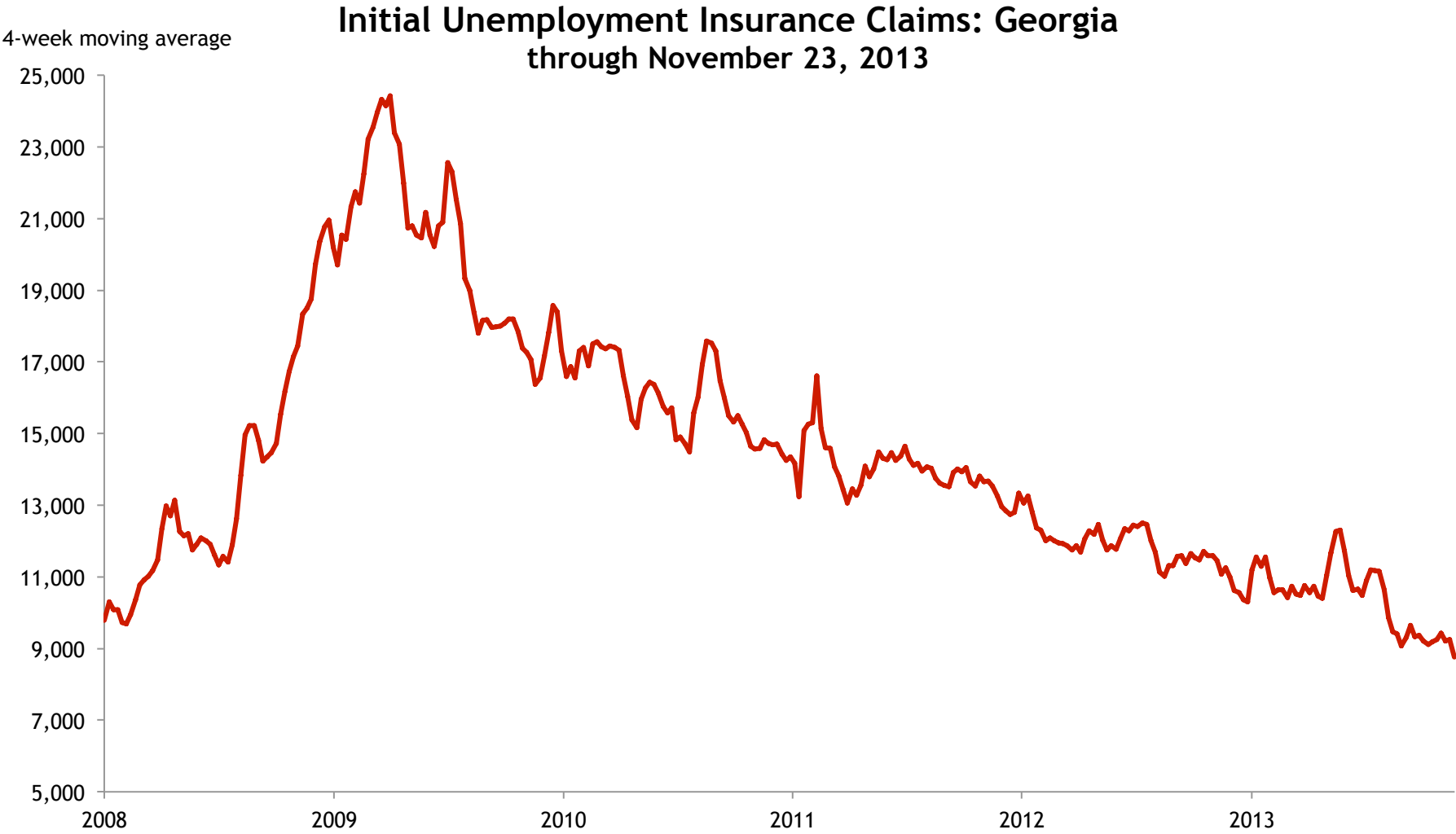
Employment momentum for Atlanta and many of Georgia's smaller metro areas expanded in October. Rome and Brunswick moved into the "improving" quadrant.

[About Employment Momentum](#)



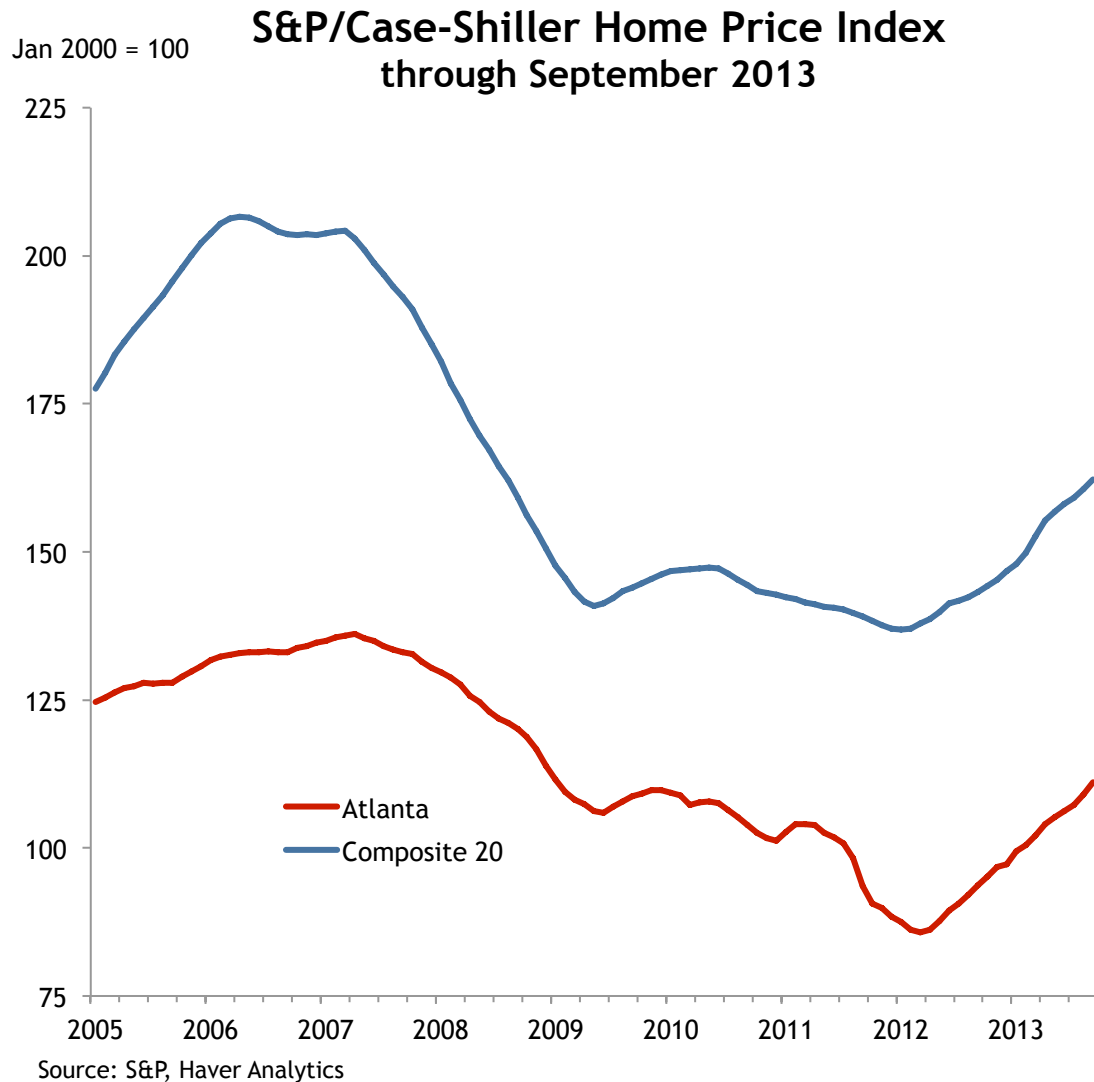
Source: U.S. Bureau of Labor Statistics, Haver Analytics, Federal Reserve Bank of Atlanta

Initial claims for unemployment insurance in Georgia have fallen to prerecession levels.



Source: U.S Department of Labor–Employment and Training Administration, Haver Analytics

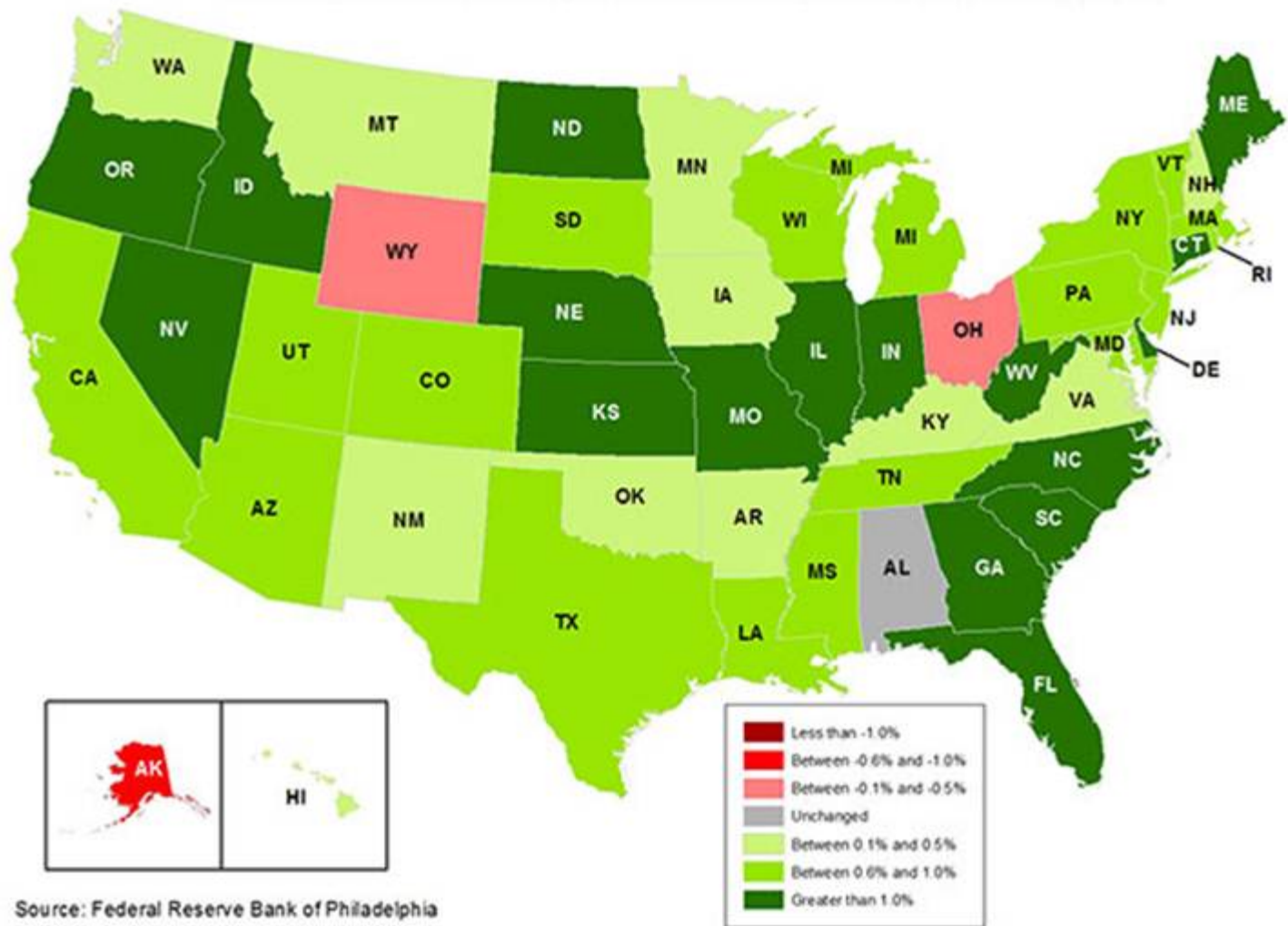
Home prices in Georgia declined substantially from 2007 to 2012. After stabilizing somewhat in 2009 and early 2010, prices fell through much of 2011 and early 2012 before improving again. Home prices in Atlanta and some of the state's smaller metro areas increased year over year during the third quarter of 2013.



FHFA House Price Index: Q3 2013	1-yr % change	5-yr % change	10-yr % change
United States	4.5	-6.4	14.8
Georgia	4.5	-15.5	-3.2
Albany	-0.9	-11.2	8.0
Athens	1.2	-13.3	1.5
Atlanta	7.0	-15.6	-7.7
Brunswick	-0.9	-26.1	2.5
Columbus	-0.9	-12.9	10.9
Dalton	-1.8	-17.3	-7.1
Gainesville	7.1	-22.5	-10.0
Macon	-1.8	-15.5	-3.1
Rome	2.4	-10.9	-0.8
Savannah	5.9	-14.7	17.8
Valdosta	1.8	-11.9	15.5
Warner Robins	-1.5	-10.6	4.0

Source: Federal Housing Finance Agency, Haver Analytics, Federal Reserve Bank of Atlanta

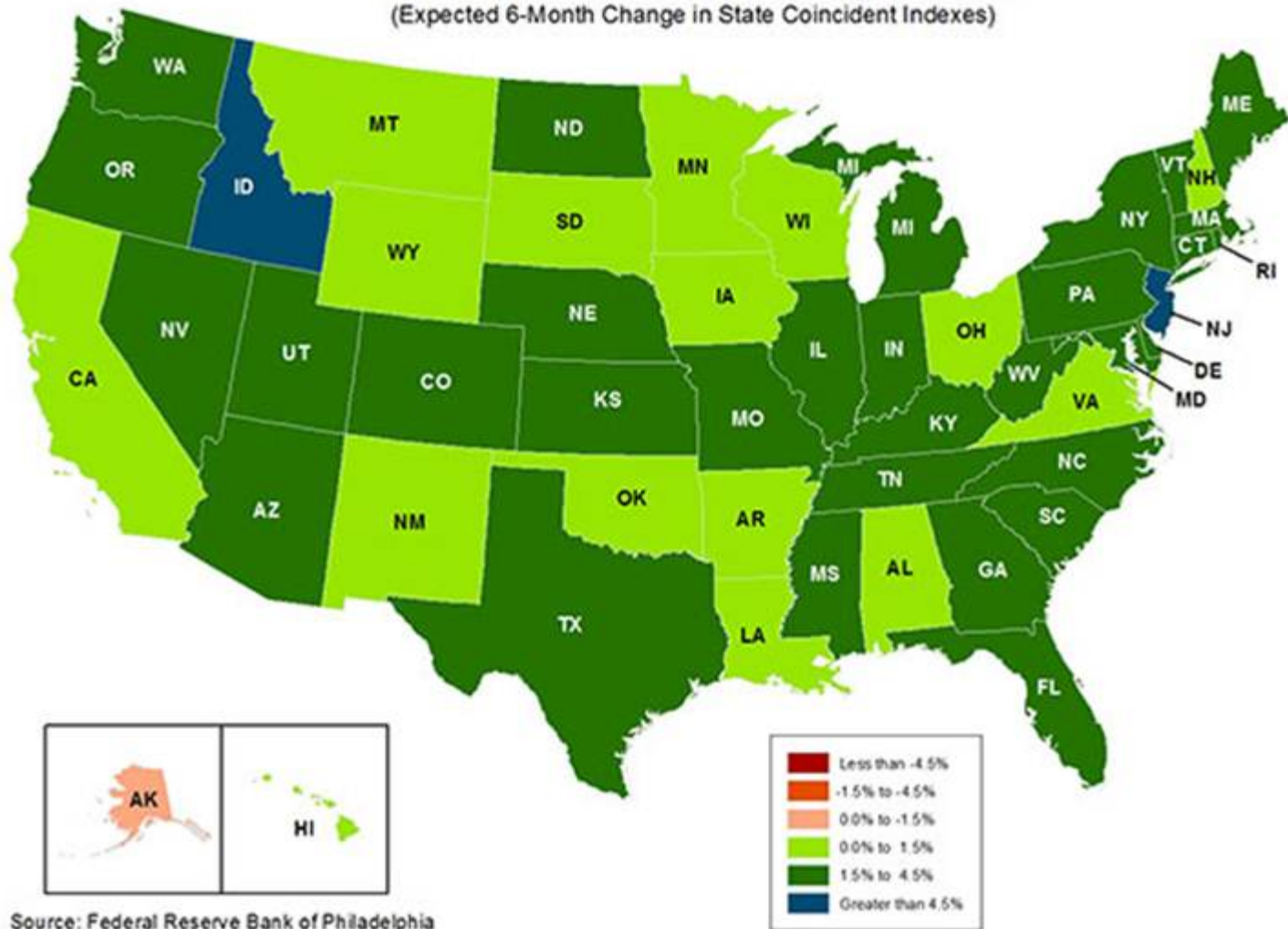
November 2013 State Coincident Indexes: Three-Month Change



Source: Federal Reserve Bank of Philadelphia

November 2013 State Leading Indexes

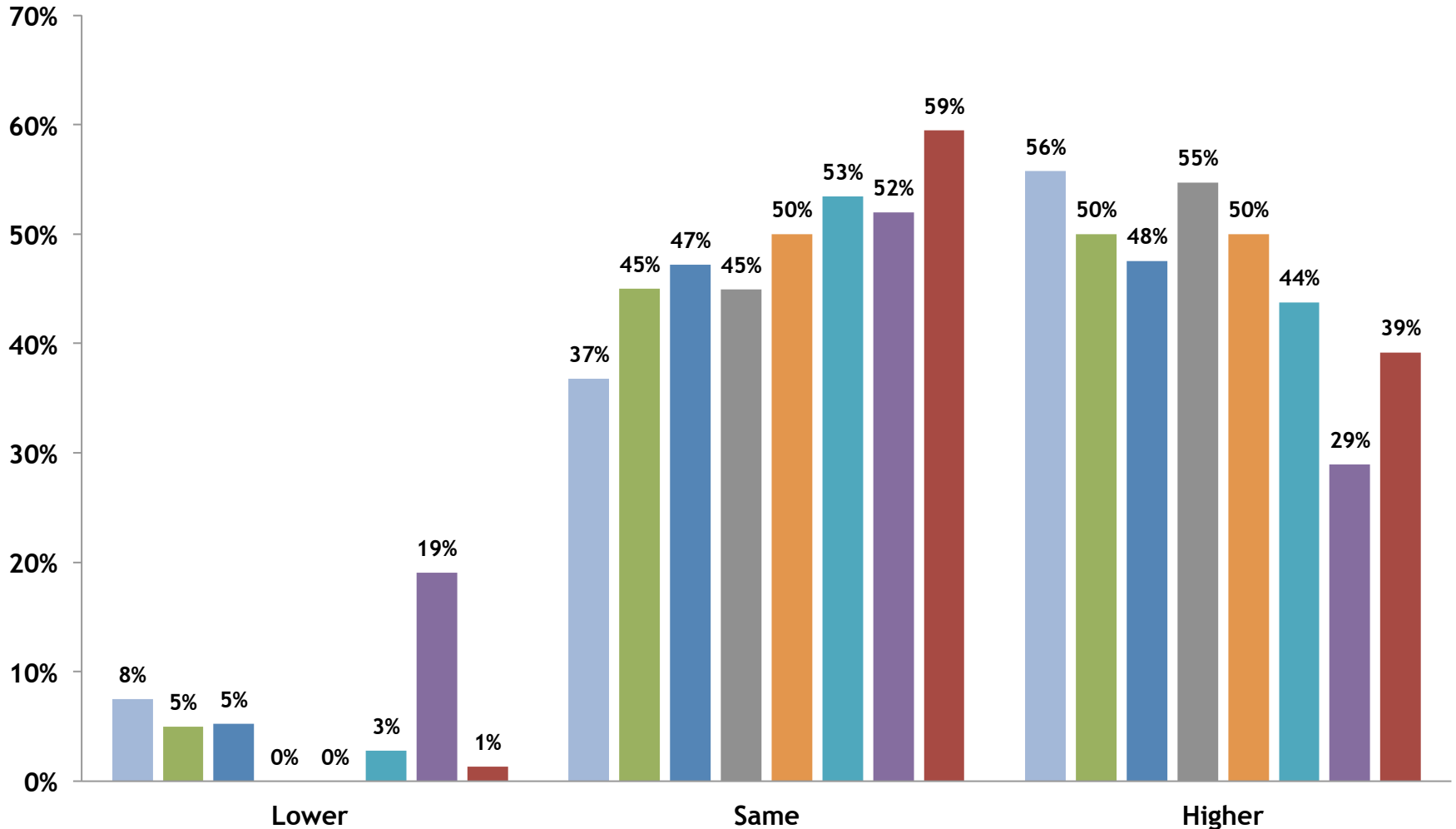
(Expected 6-Month Change in State Coincident Indexes)



Source: Federal Reserve Bank of Philadelphia

What is your outlook for the rate of growth in your business over the next 3 to 6 months compared to current rates?

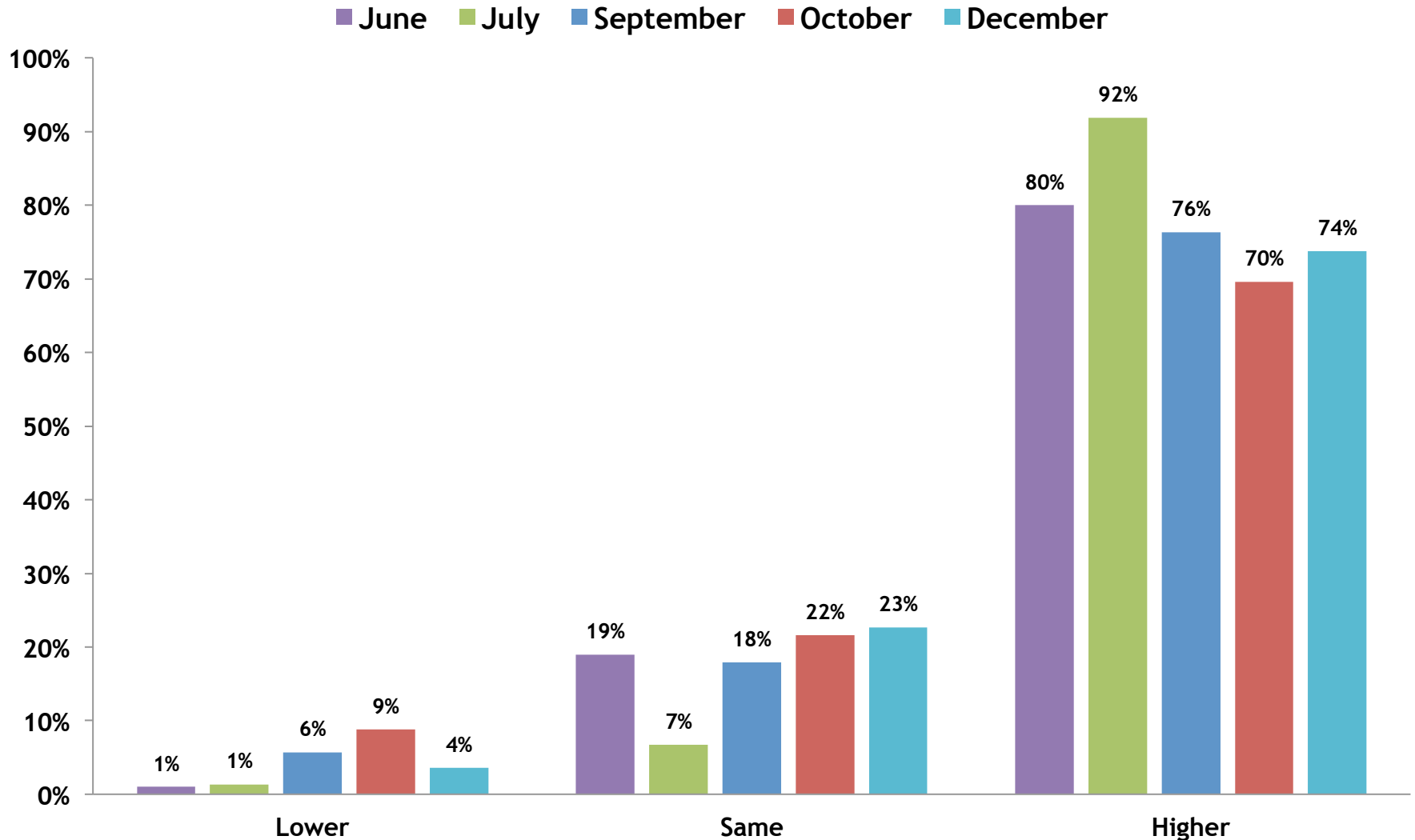
■ January ■ March ■ April ■ June ■ July ■ September ■ October ■ December



Source: FRBA Director Poll

Note: percentages may not sum to 100 due to rounding

What is your medium-term outlook (over the next two to three years) for the rate of growth in your business compared to current rates?



Source: FRBA Director Poll

Note: percentages may not sum to 100 due to rounding

Conclusion: Moderate Growth and Stable Inflation

- In terms of the FRBA outlook, we expect the stronger pace of economic growth in the second half of 2013 to continue in 2014.
- Our current view is that real GDP will expand between 2.5 and 3.0 percent this year, and we would not be surprised if we achieved results at the upper end of this range.
- Given this outlook for growth, it seems reasonable to expect further progress on the employment front.
- Rising inflation is not currently a problem. If anything, inflation is too low--well below the FOMC's longer-term objective of 2 percent.
- We see inflation rates moving gradually toward that objective as economic growth gains momentum.
- The District, and Georgia in particular, generally looks poised to perform at or above the pace of the rest of the economy.



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