

# ETC ECONOMIC TRENDS & CONDITIONS

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## *National Outlook*

(Based on the April 2009 FRBSF [FedViews](#) Publication.)

- Although some preliminary signs suggest the economy may be stabilizing, data received in recent weeks continue to indicate that the economy is contracting.
- The ongoing slack in product and labor markets, combined with declines in commodity prices, has led both core and overall measures of price inflation to fall considerably.
- After contracting sharply in the fourth quarter of 2008 and the first quarter of this year, we project that real output will fall more modestly in the second quarter of this year.
- We expect the recession to end in the later part of this year and the economy to show a gradual recovery in 2010.
- This forecast is highly uncertain and the risk of a larger and more sustained downturn is significant.

## *Around the District*

(Based on the April 15, 2009, [Beige Book](#) and authors' analyses.)

- Economic activity in the Twelfth District continued to slow, although some tentative signs of stabilization or a slower rate of decline were evident in some sectors.
- Retail sales remained very weak in late February through early April, and demand fell further for services.
- Activity in the District's housing markets remained anemic, despite sustained sales gains in some areas. Demand for commercial real estate continued to weaken.
- Upward pressures on prices eased further, and upward wage pressures remained absent overall.
- In response to declining demand, businesses continued to report that they have frozen or cut wages, and reduced benefit costs.
- Lending activity and credit quality continued to weaken, and credit conditions remained tight.
- Job growth in the District continued to fare moderately worse than that in the nation as a whole over the 12 months ending in March (see table on next page).
- Similarly, unemployment rates in the District increased substantially, even more so than in the rest of the United States over the same period.

# Employment Conditions

## Total Nonfarm Employment

MAR2009	level <sup>p</sup>	Percent Change				Unemployment Rate
		1-month <sup>a</sup>	3-month <sup>a</sup>	YTD <sup>a</sup>	12-month	
U.S.	133,019.0	-5.8	-5.9	-5.9	-3.5	8.5
12 <sup>th</sup> District	25,441.9	-6.4	-7.2	-7.2	-4.4	10.2
Alaska	322.9	-4.7	-1.7	-1.7	0.7	8.5
Arizona	2,466.4	-7.8	-10.3	-10.3	-7.0	7.8
California	14,474.7	-5.0	-6.7	-6.7	-4.2	11.2
Hawaii	606.8	-0.2	-1.7	-1.7	-3.1	7.1
Idaho	620.5	-9.9	-6.8	-6.8	-5.0	7.0
Nevada	1,209.3	-6.5	-8.2	-8.2	-5.4	10.4
Oregon	1,639.8	-9.7	-11.3	-11.3	-5.4	12.1
Utah	1,225.8	-7.4	-6.5	-6.5	-2.6	5.2
Washington	2,875.7	-10.5	-6.4	-6.4	-3.2	9.2

Source: Economic Research Department, Federal Reserve Bank of San Francisco

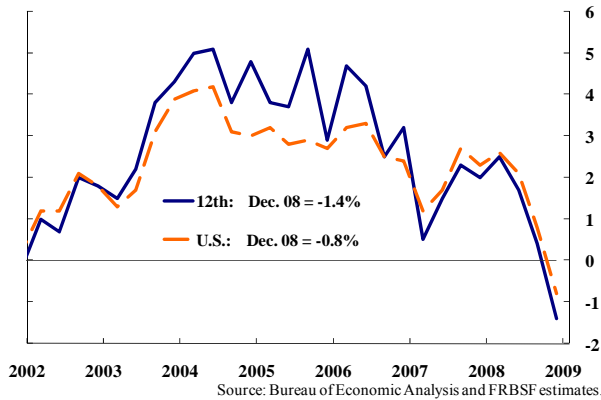
Employment levels are in thousands; All data are seasonally adjusted

a = annualized percent change

p = preliminary

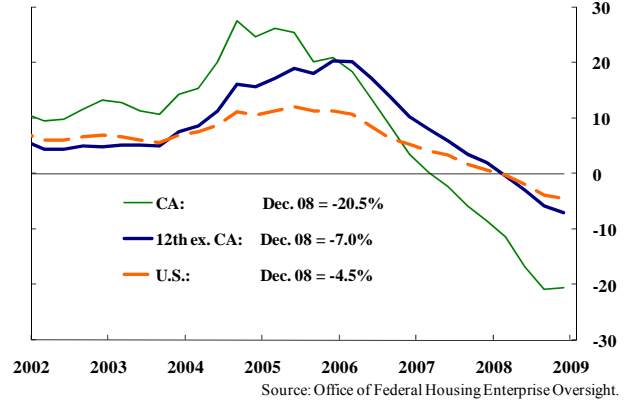
### Growth in nonfarm real gross state product

(Year-over-year percent change, quarterly)



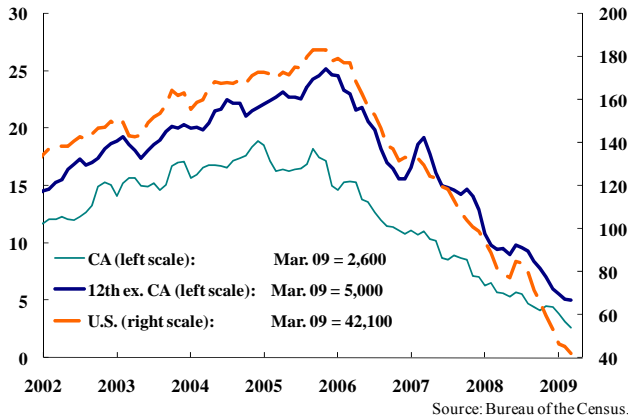
### Home price index

(Year-over-year percent change, quarterly)



### Residential permits

(Thousands, 3-month moving average)



### Nonresidential construction awards

(Thousands, 3-month moving average)

