

The Economic Outlook

Lehigh Valley Community Jobs Forum

January 13, 2010

Herb Taylor



FEDERAL RESERVE BANK
OF PHILADELPHIA

This morning's agenda

1. Projections of US economic performance
2. Indicators of current financial conditions
3. Some perspectives on the regional economy

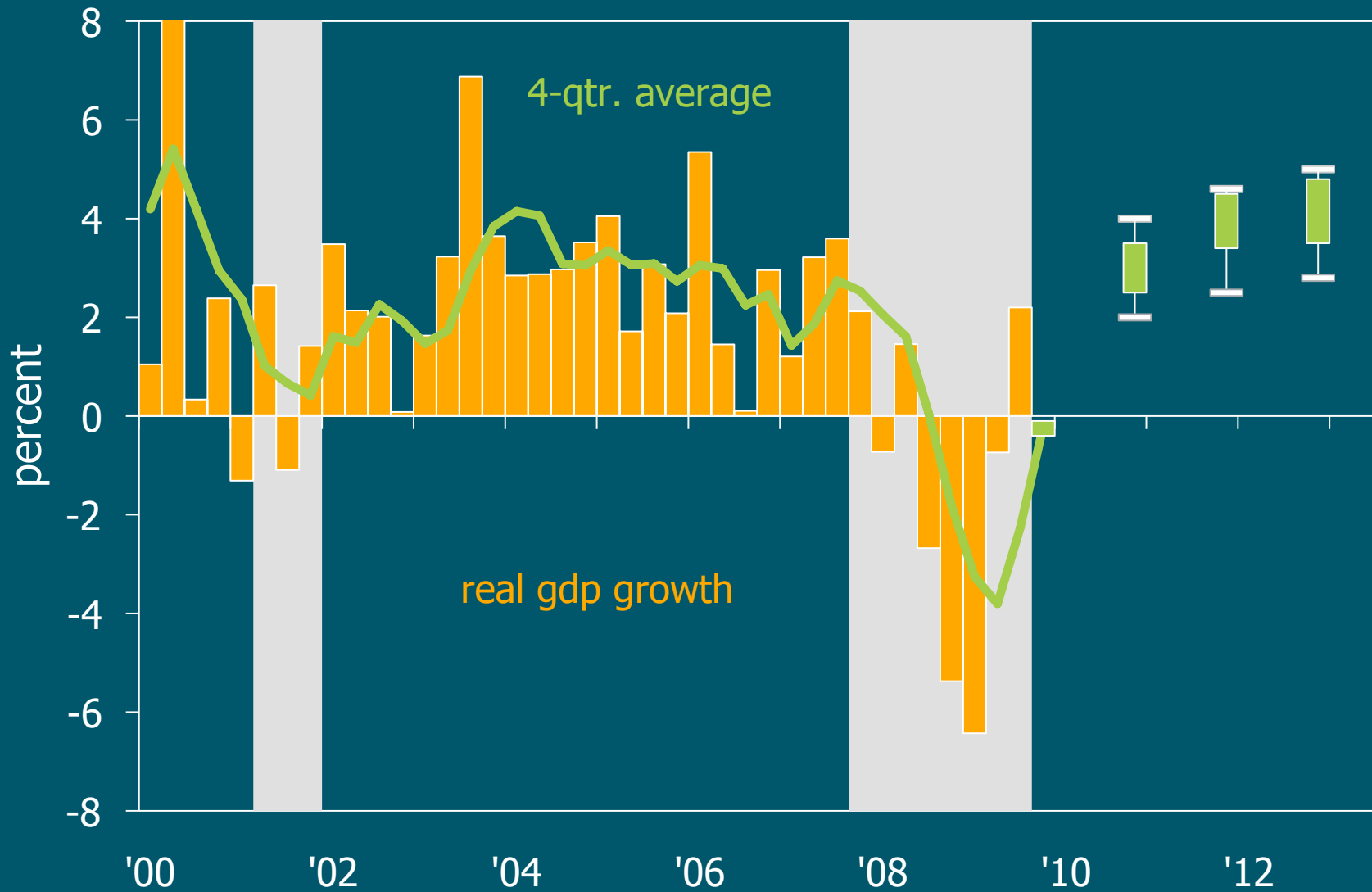


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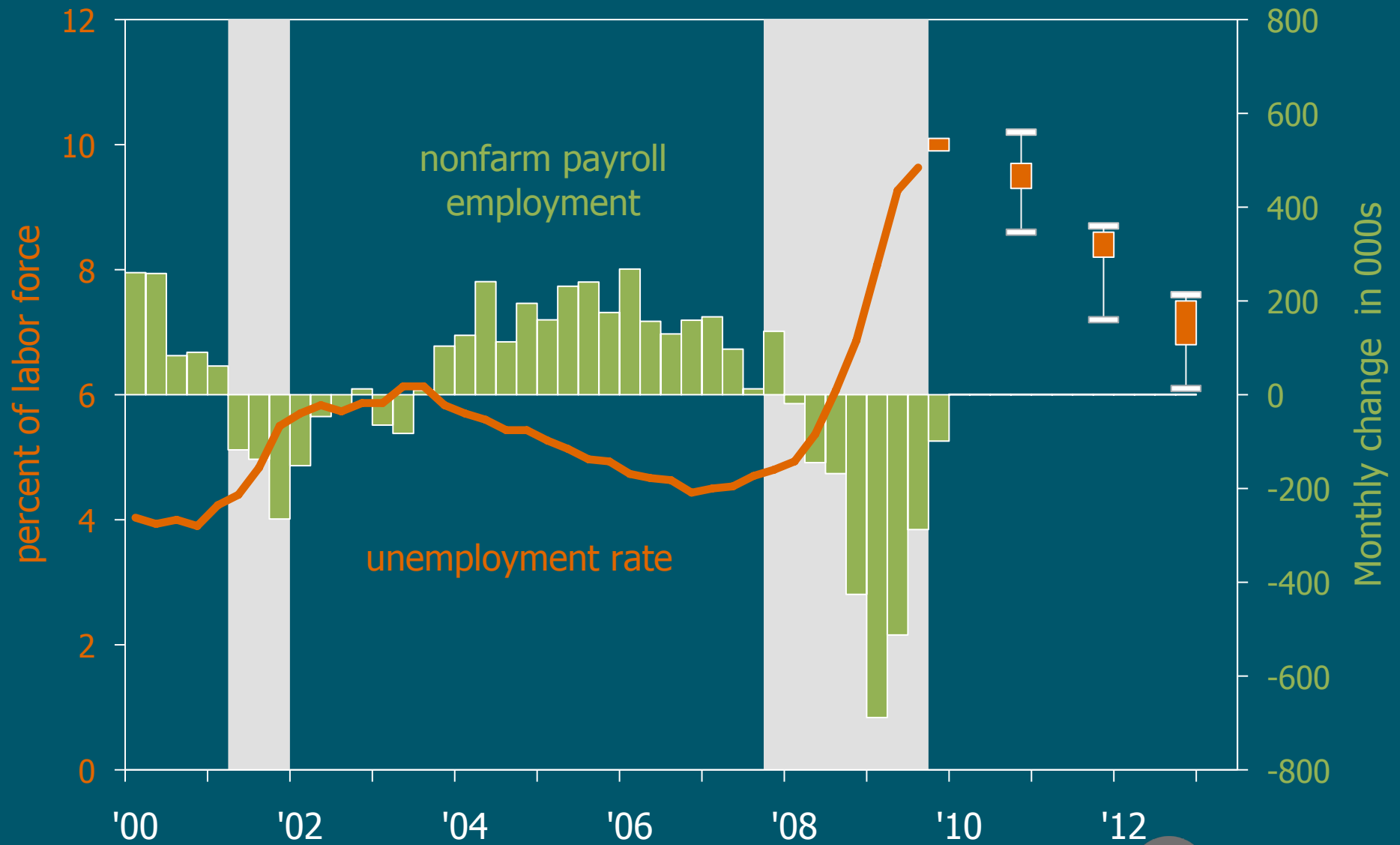
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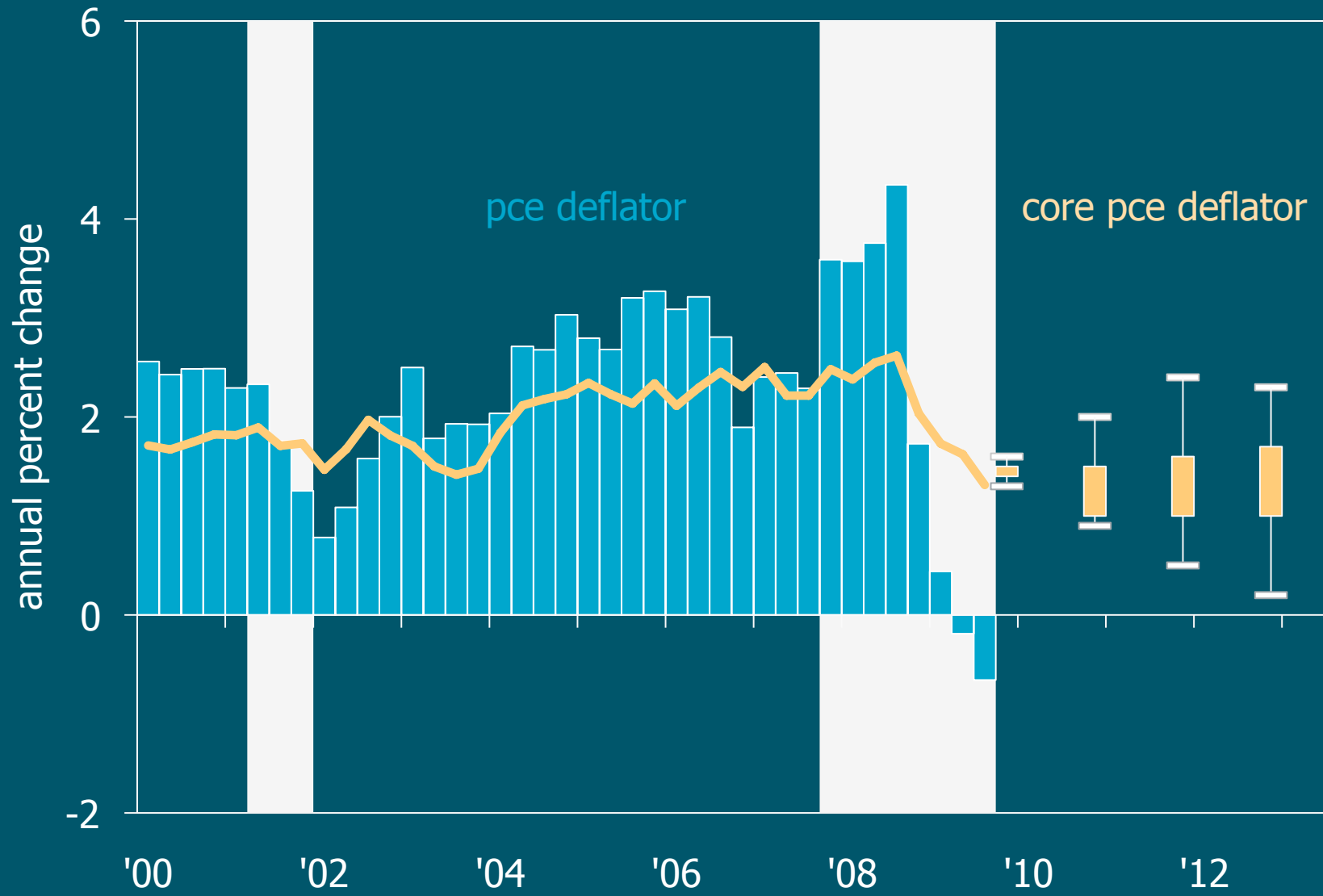
FOMC participants expect the recovery to gain traction...



...but the return to full employment will be slow



...meanwhile, inflation stays in the "comfort zone"

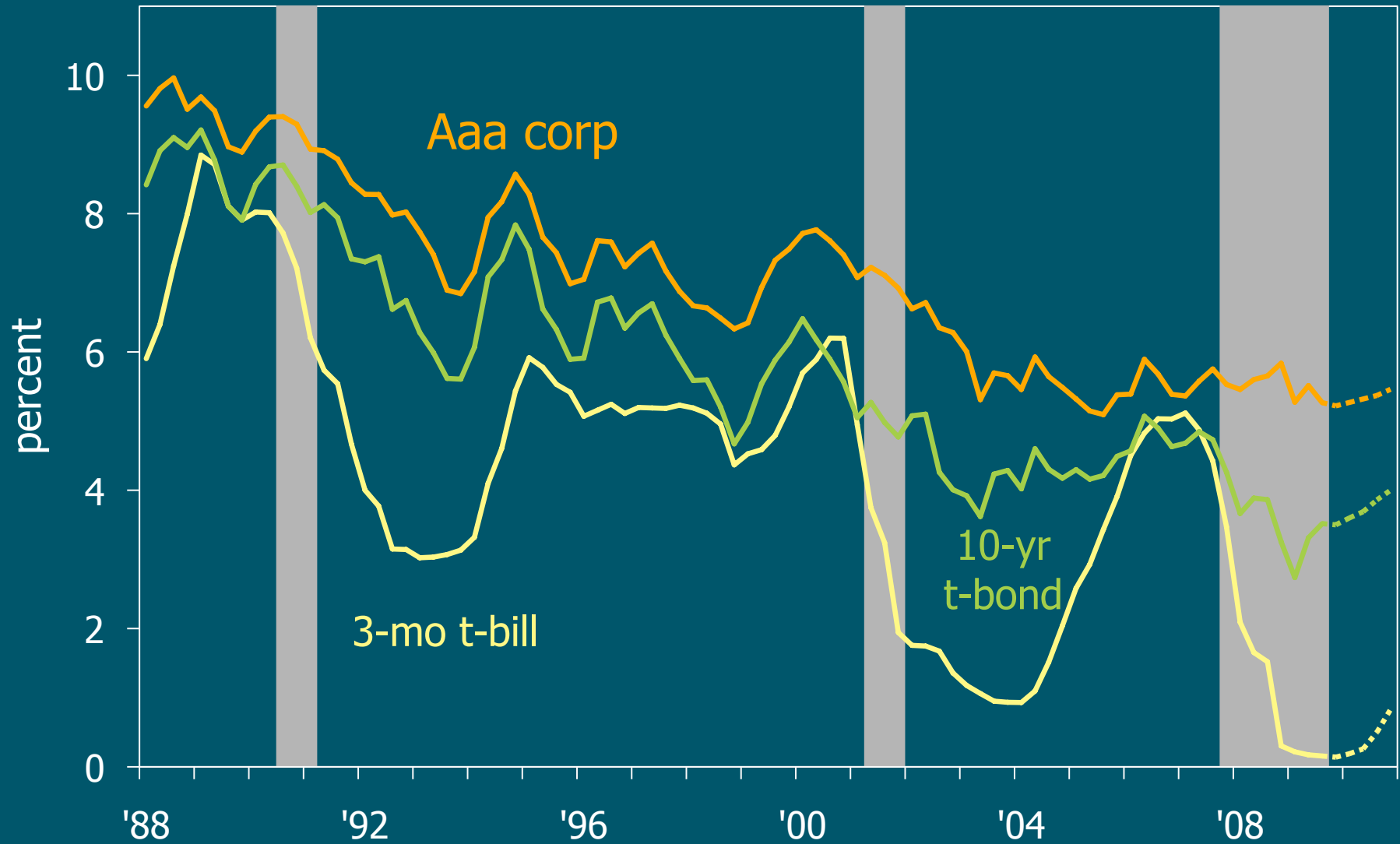


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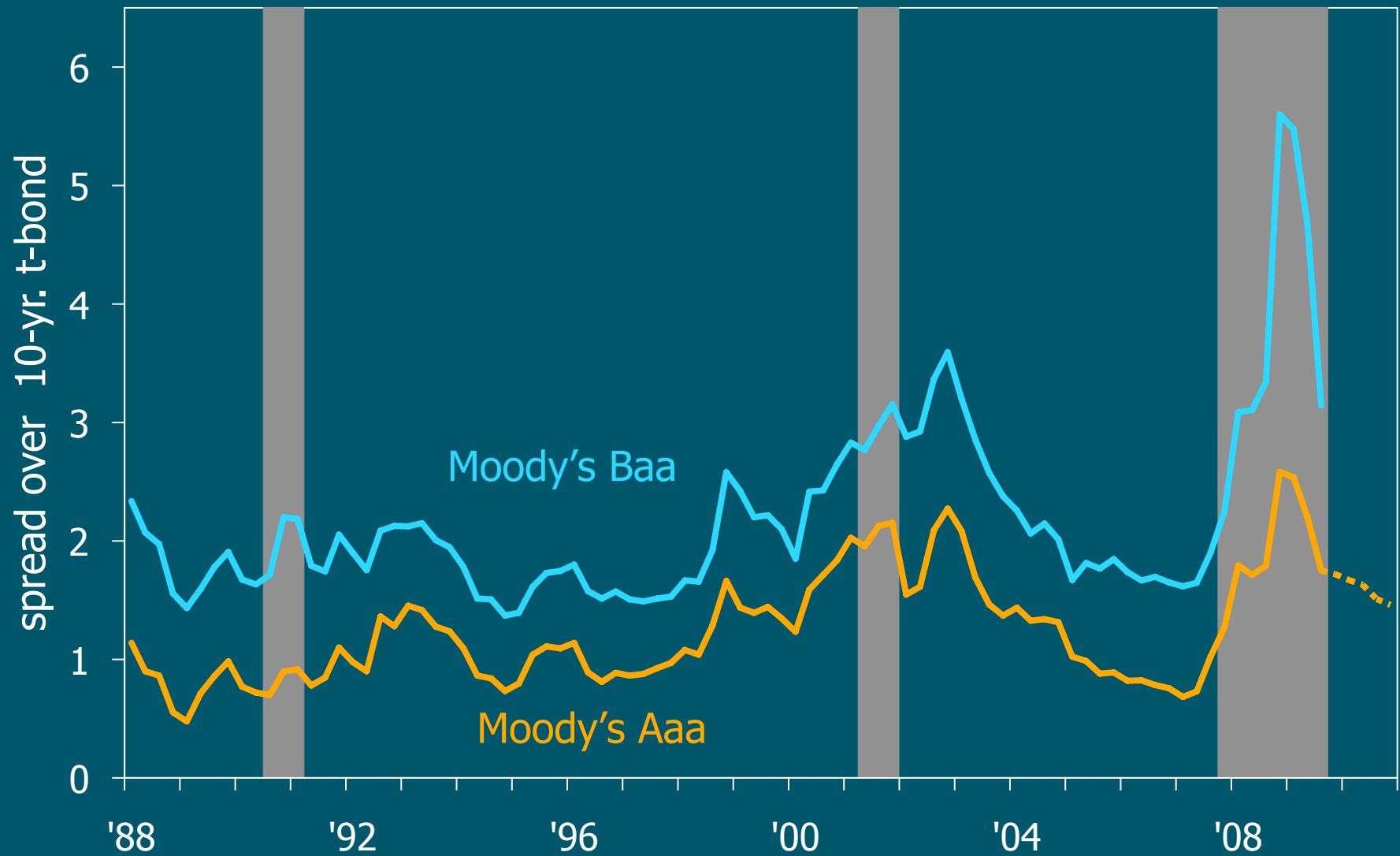
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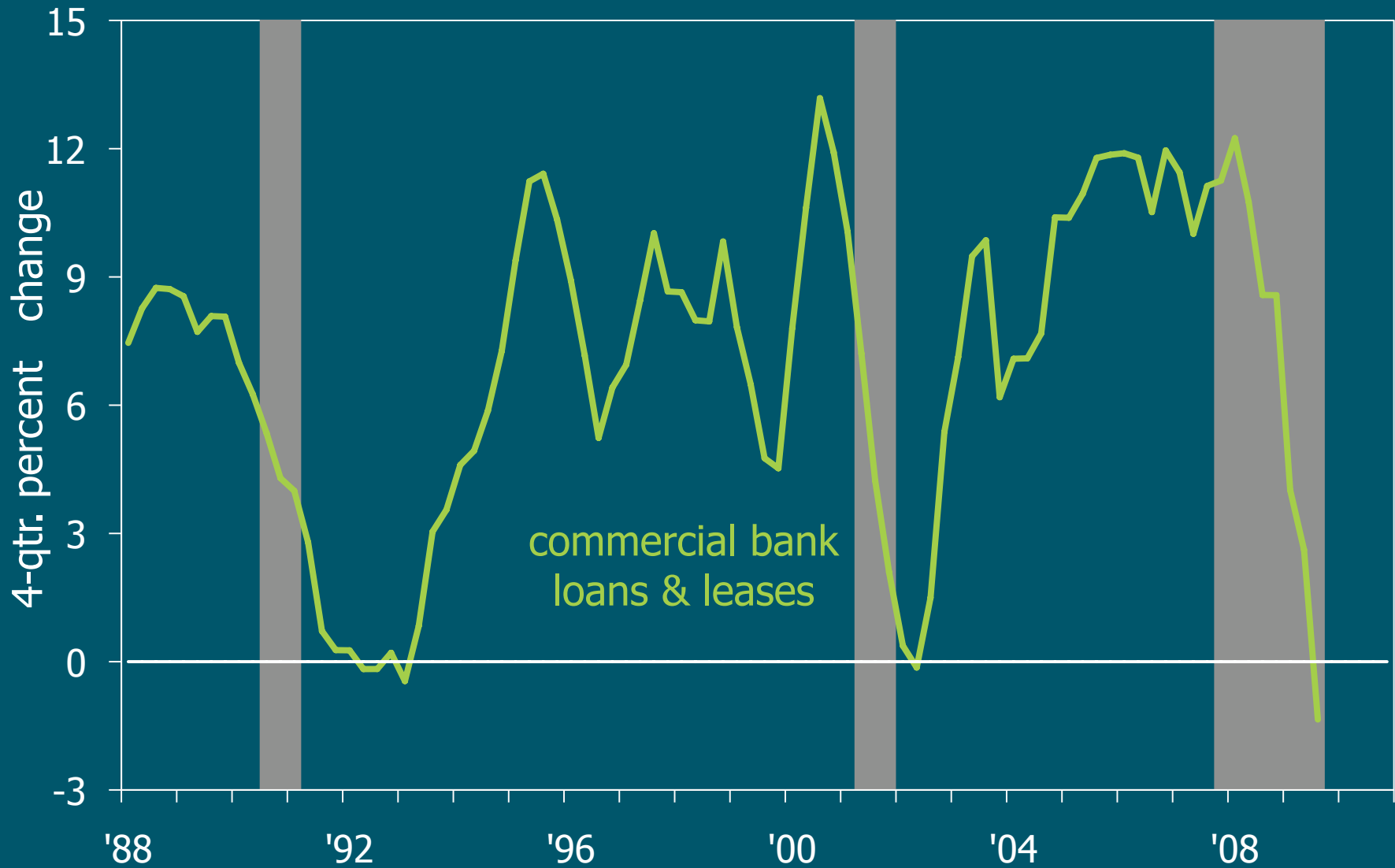
SPF: Treasury yields move up later next year



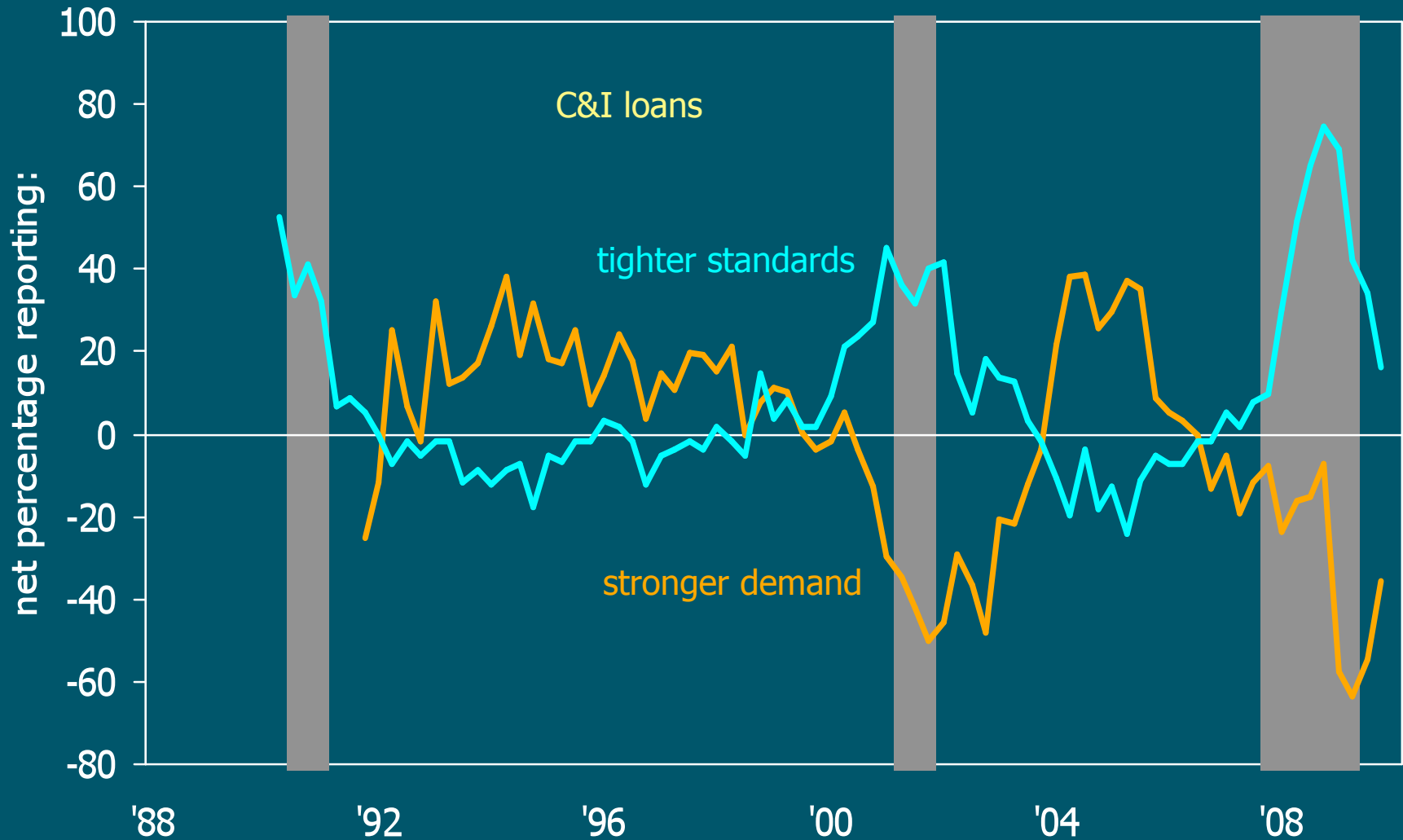
Risk spreads have moved into more familiar territory



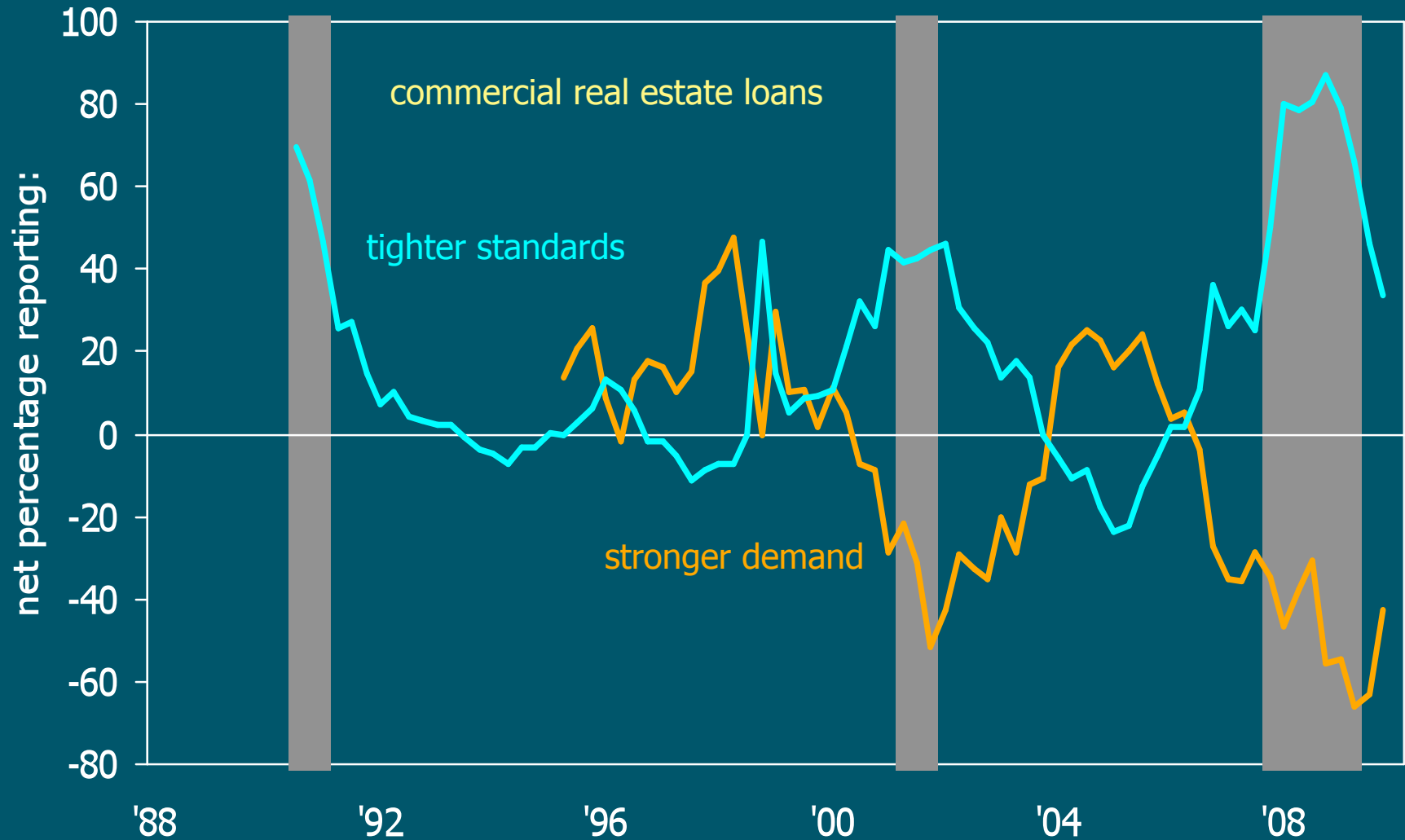
Bank lending has contracted sharply over the past year



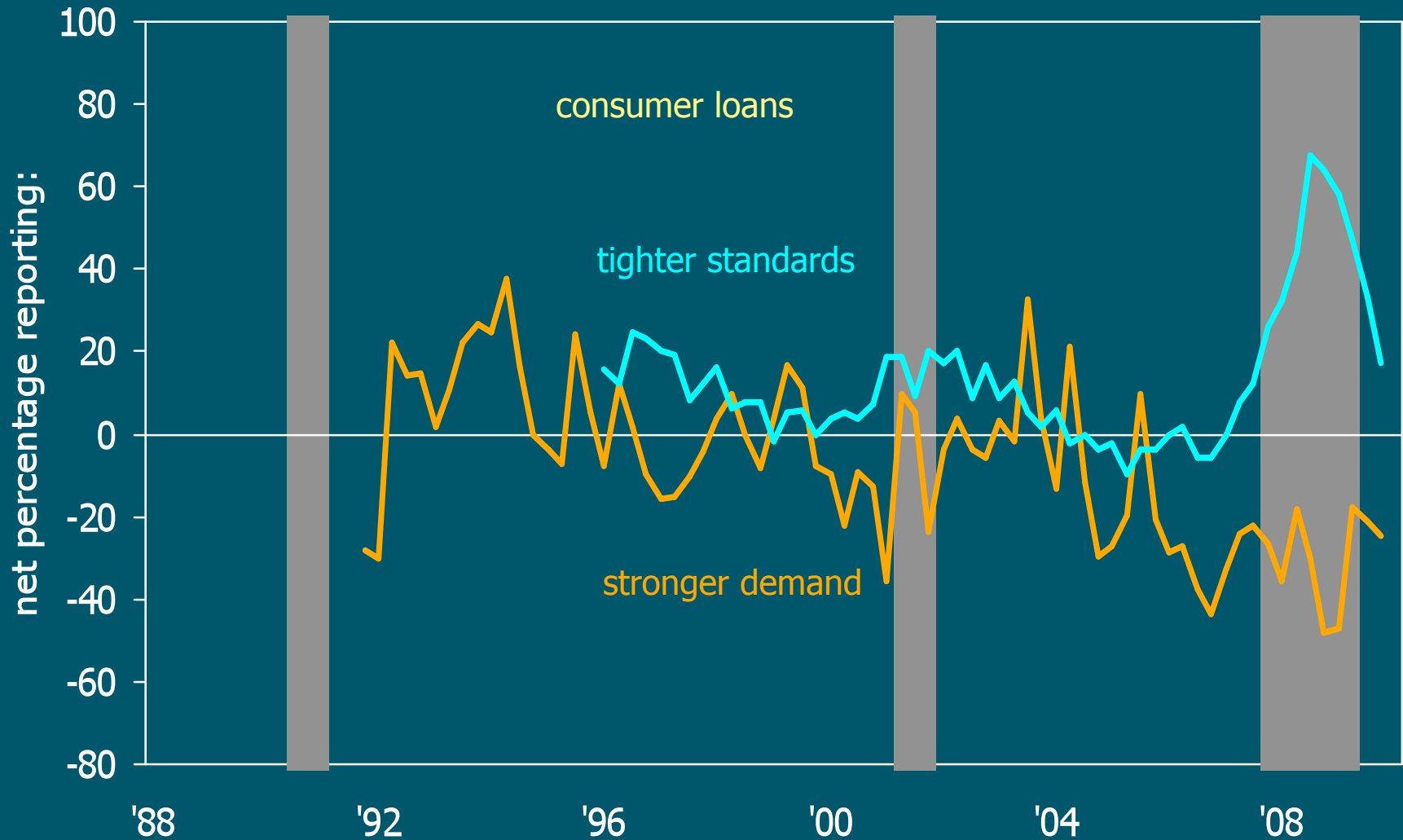
Fed's SLOOS: Fewer banks are tightening; demand still weak



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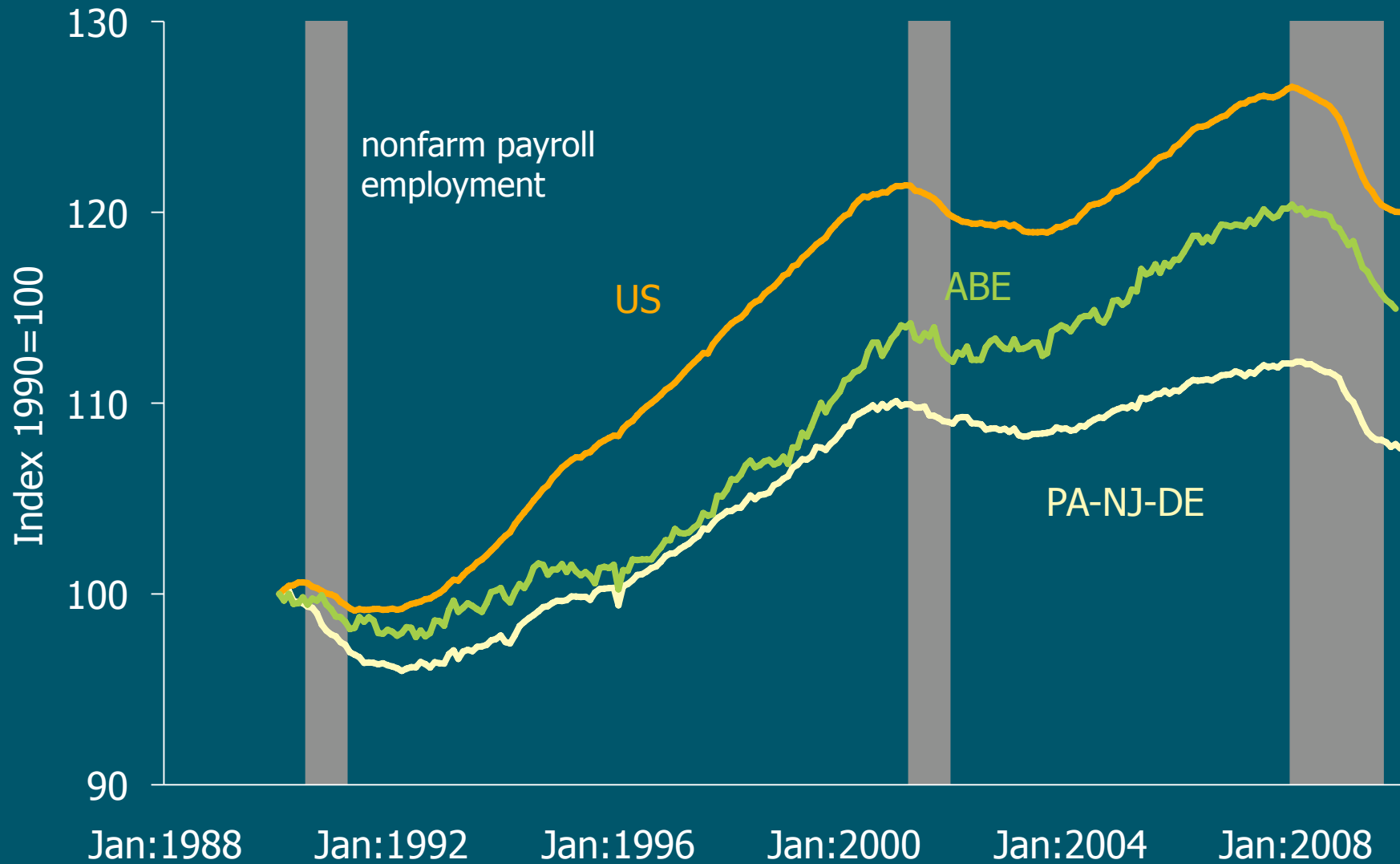


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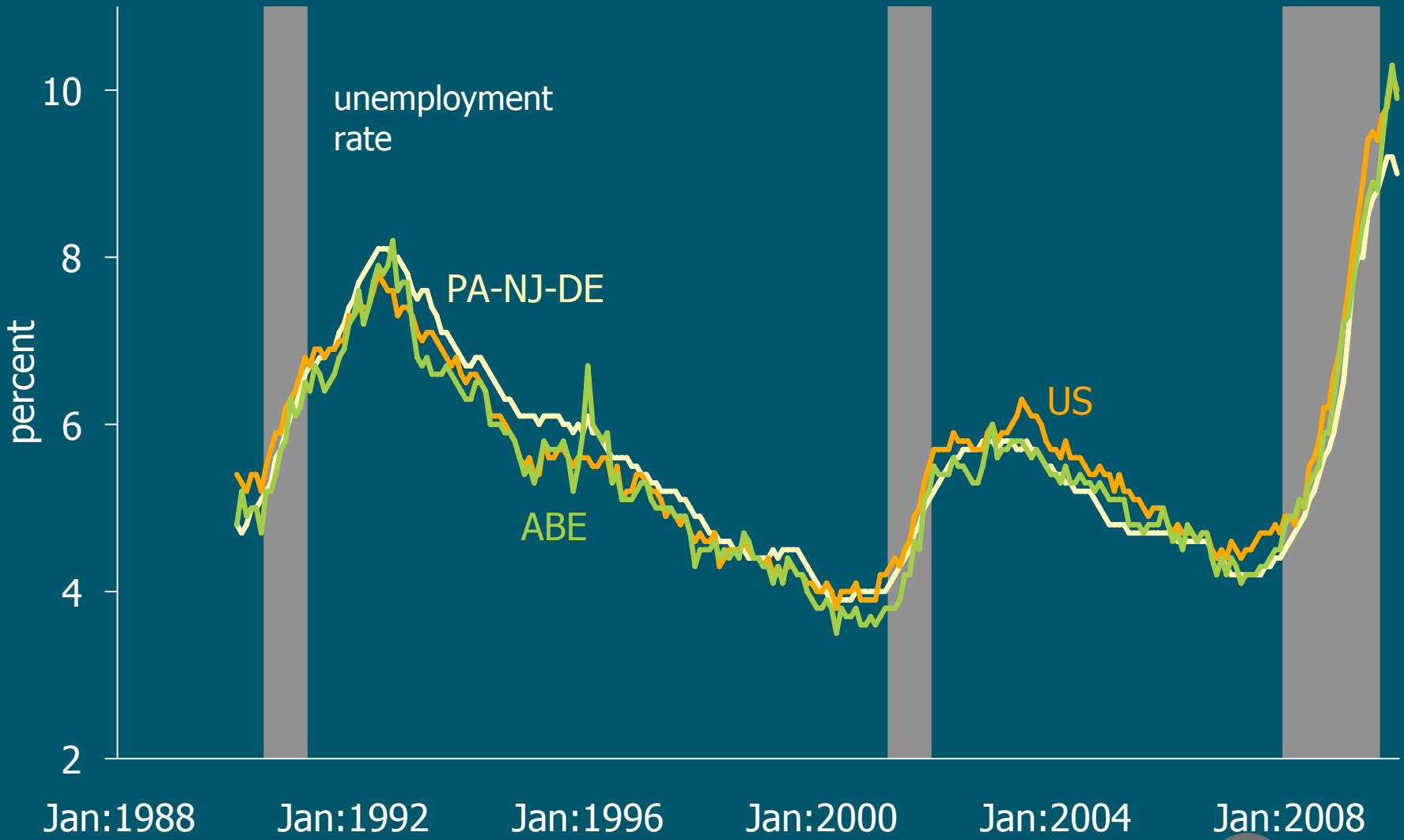
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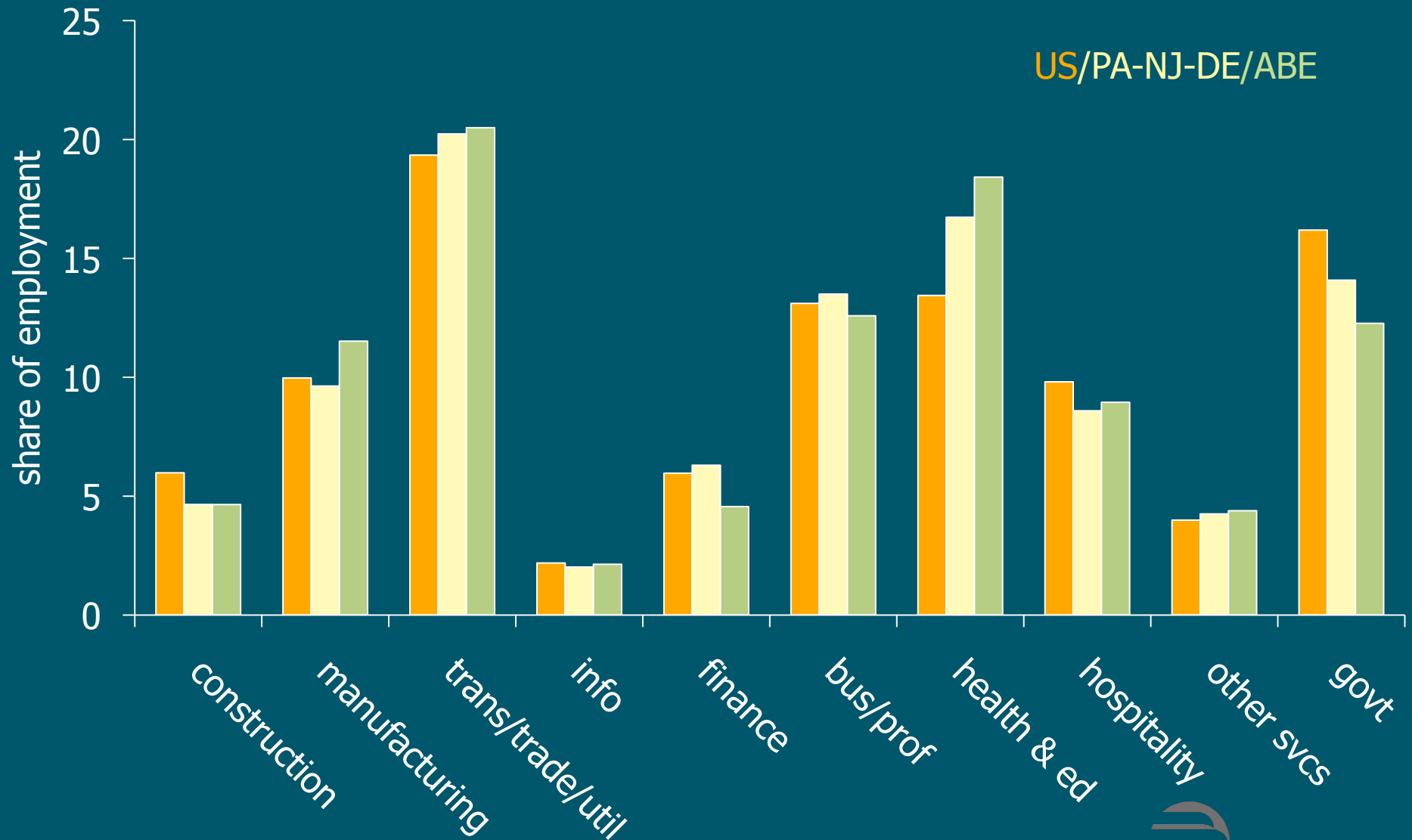
The ABE area has done relatively well this decade



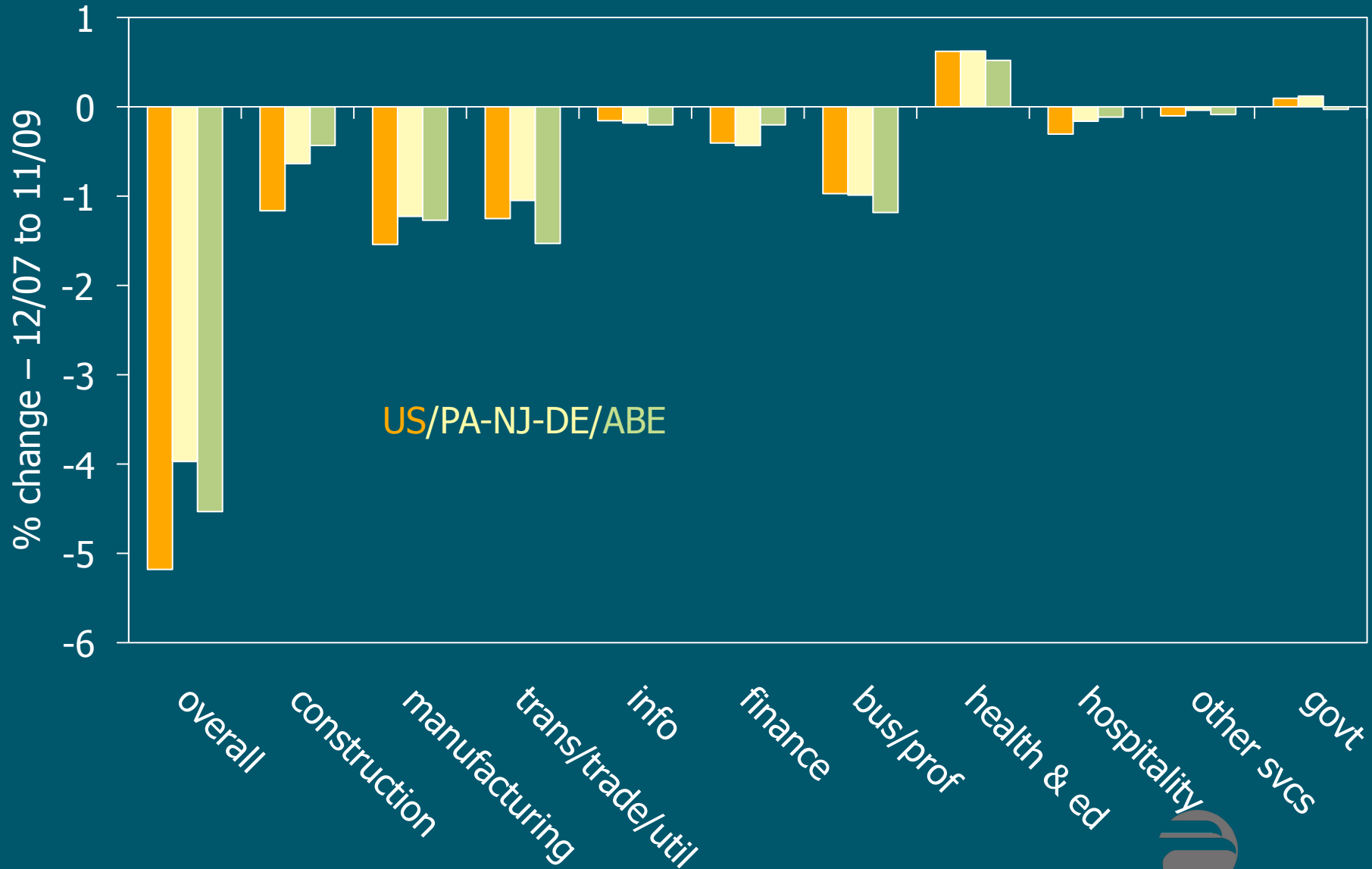
Unemployment has risen as sharply as in the US



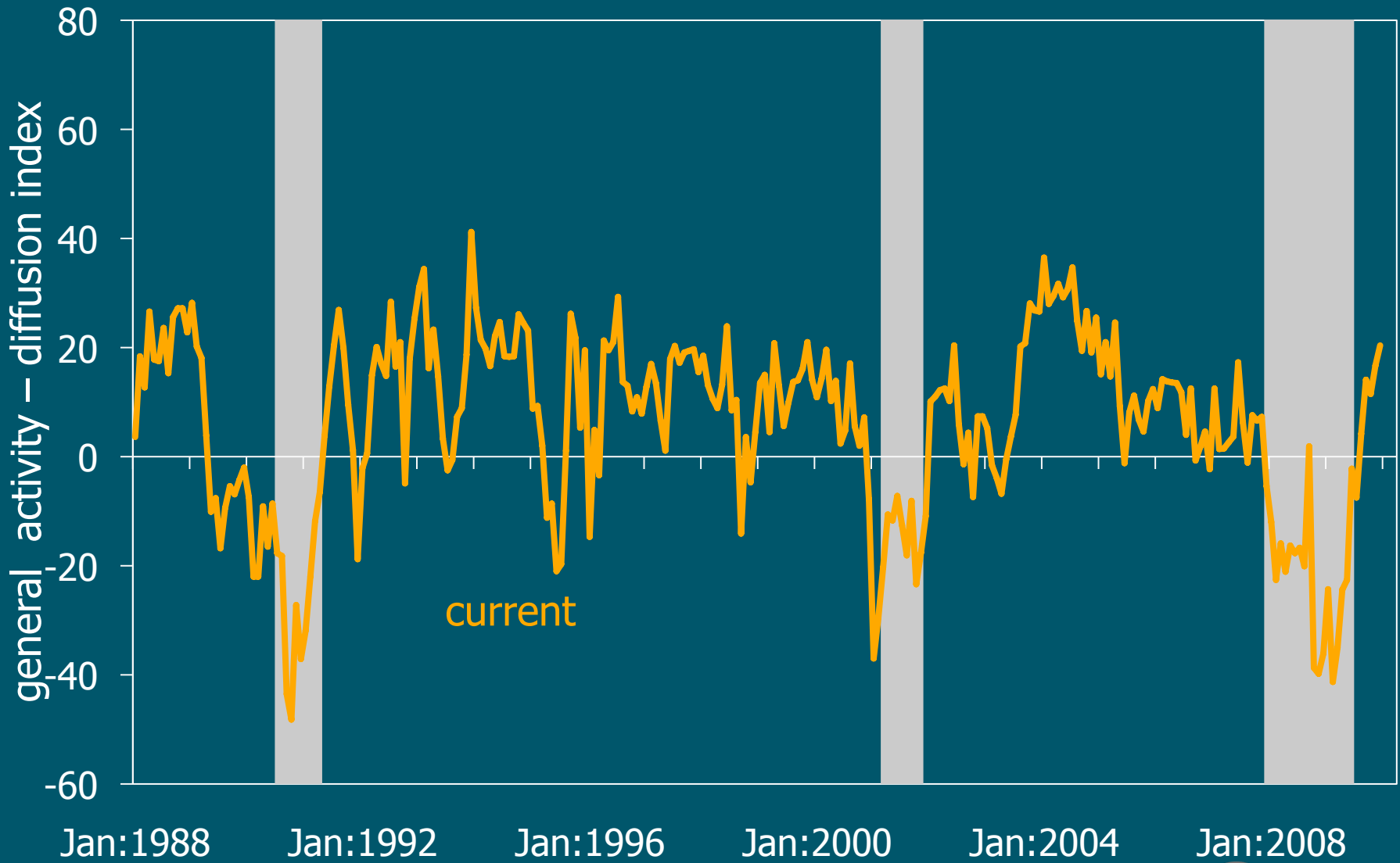
ABE's employment profile is much like the nation's...



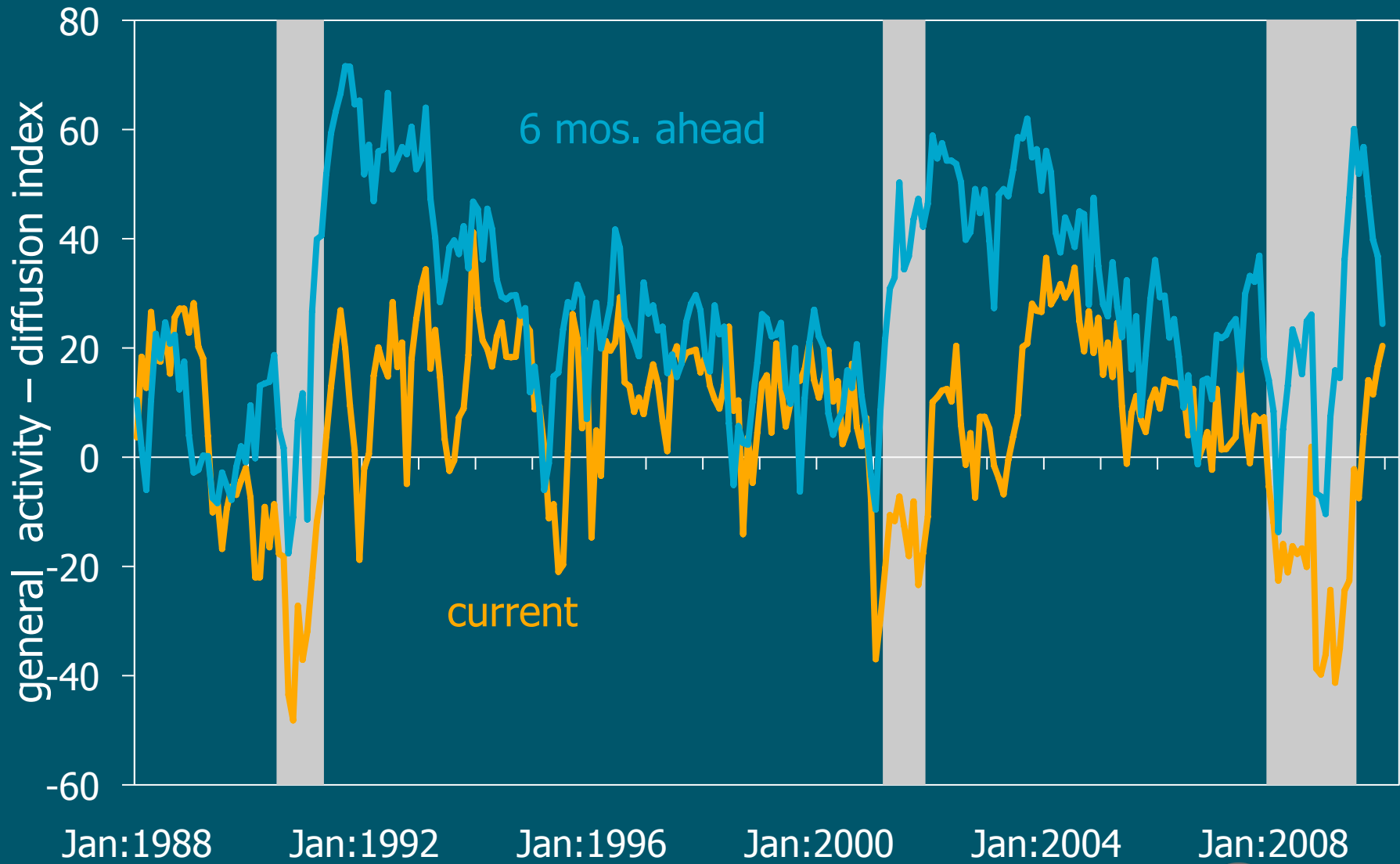
...and the pattern of job losses has been similar



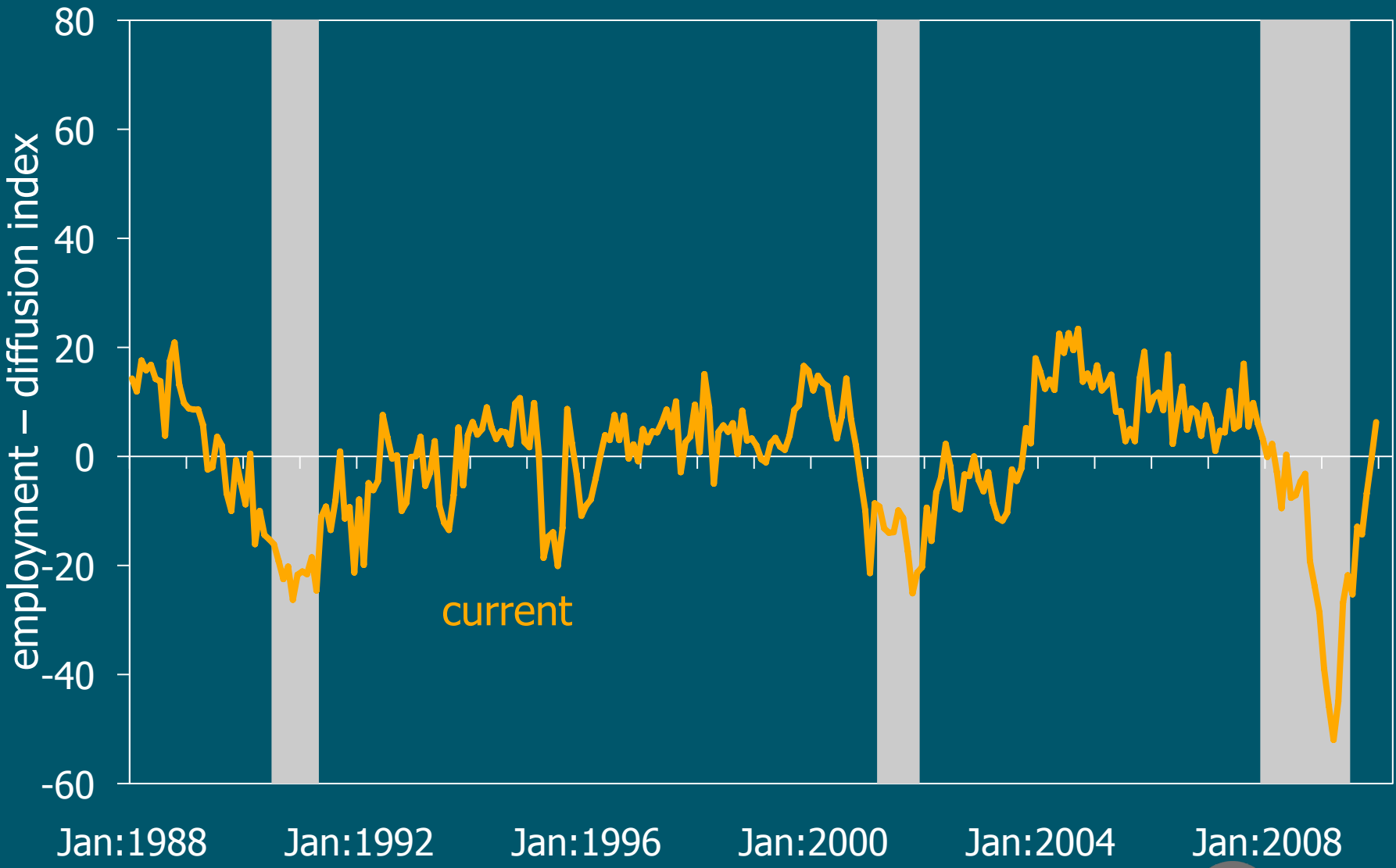
BOS: District manufacturing seems to be expanding...



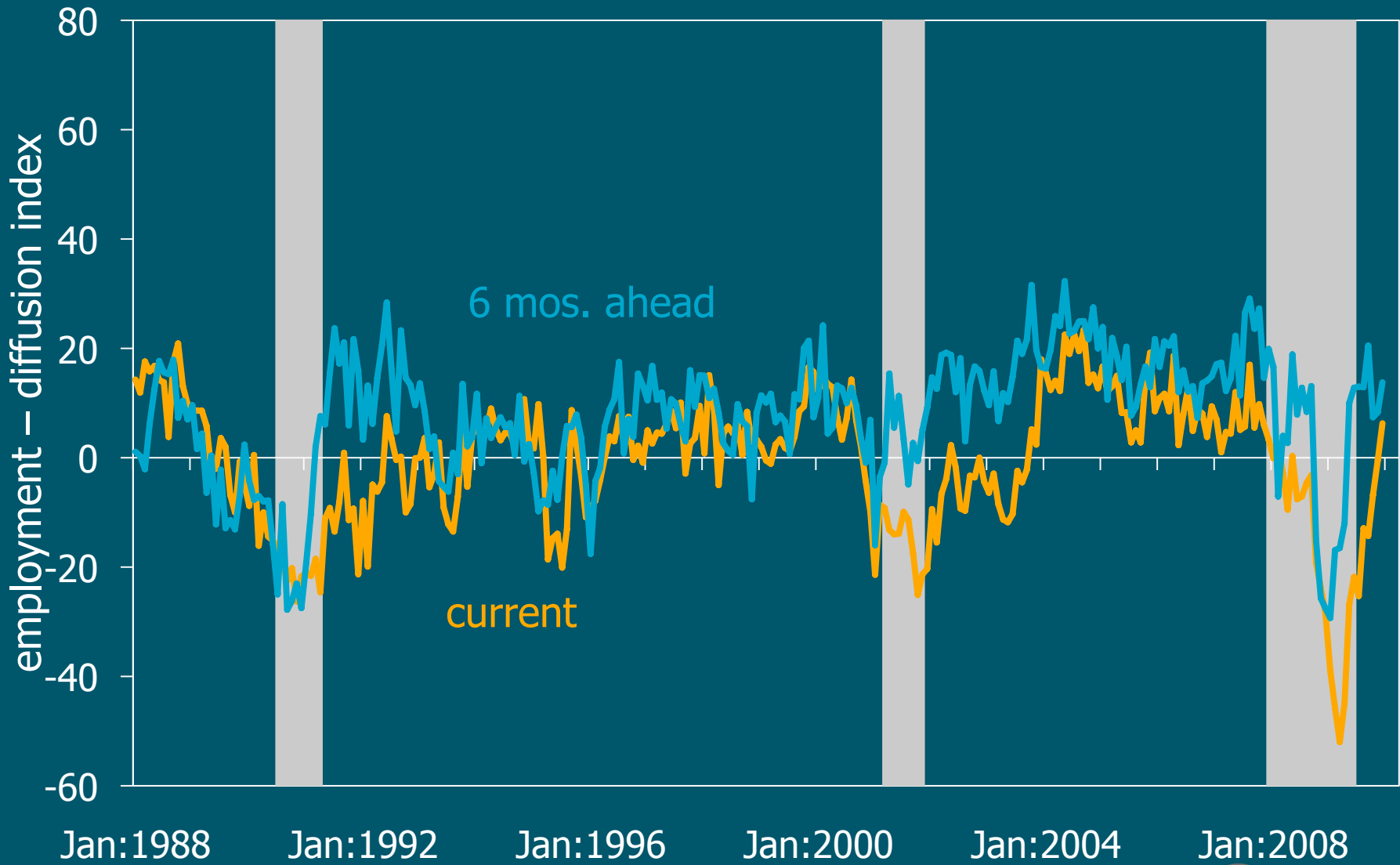
...and that is expected to continue



BOS: Manufacturing employment seems to be stabilizing...



...and should begin to increase by mid-year



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For more information from the Federal Reserve Bank of Philadelphia

- Go to www.philadelphiafed.org
- Next BOS: January 14, 2010
- Next SPF: February 12, 2010
- Links to Board of Governors & other Reserve Banks

