



Looking Forward: National Economic Conditions

2009 Commonwealth Housing Forum – A Closer Look

May 19, 2009

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FEDERAL RESERVE BANK
OF PHILADELPHIA



This morning's agenda

- Overall economic performance
- The housing market & credit conditions
- The pace & pattern of growth
- This cycle in context





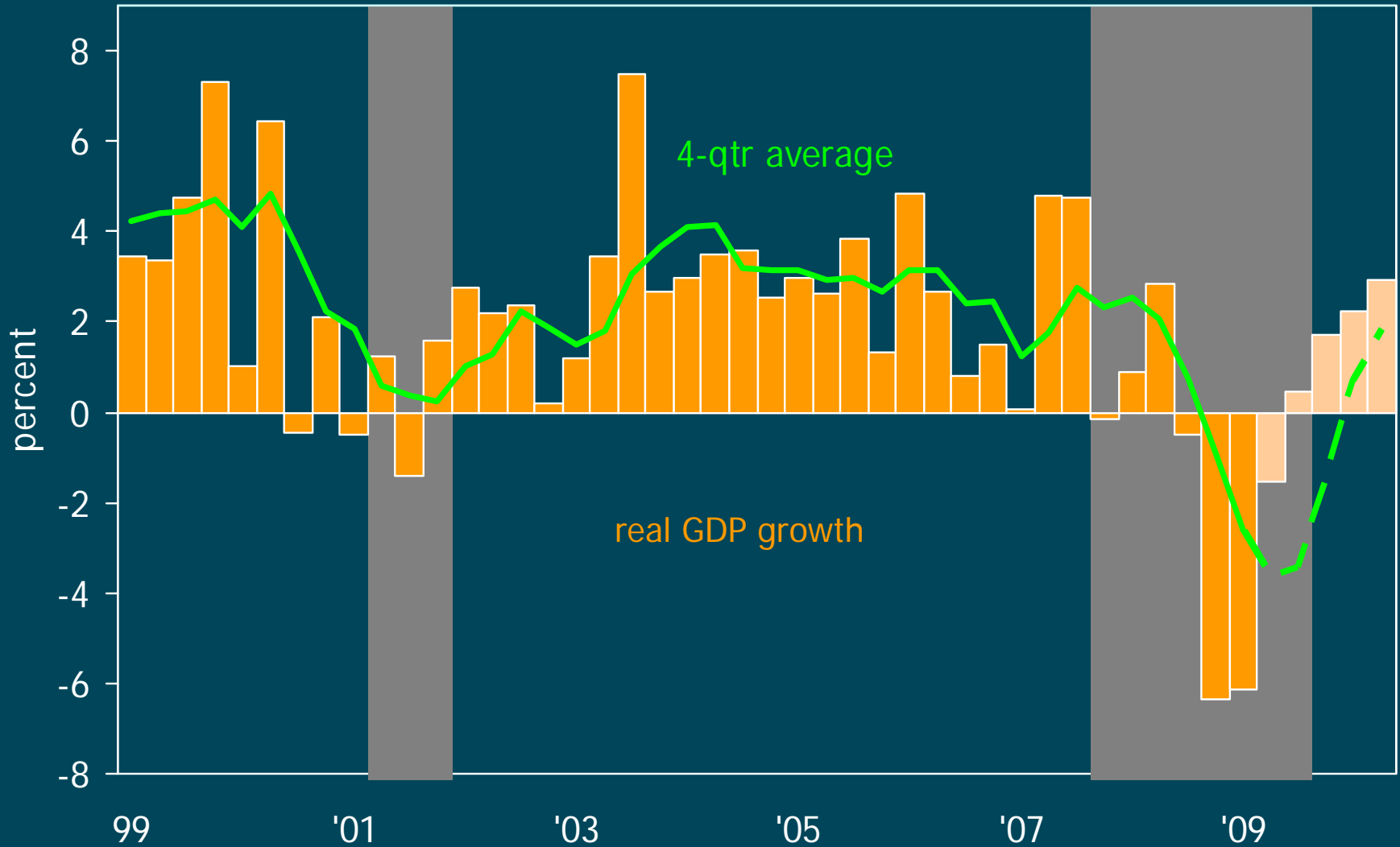
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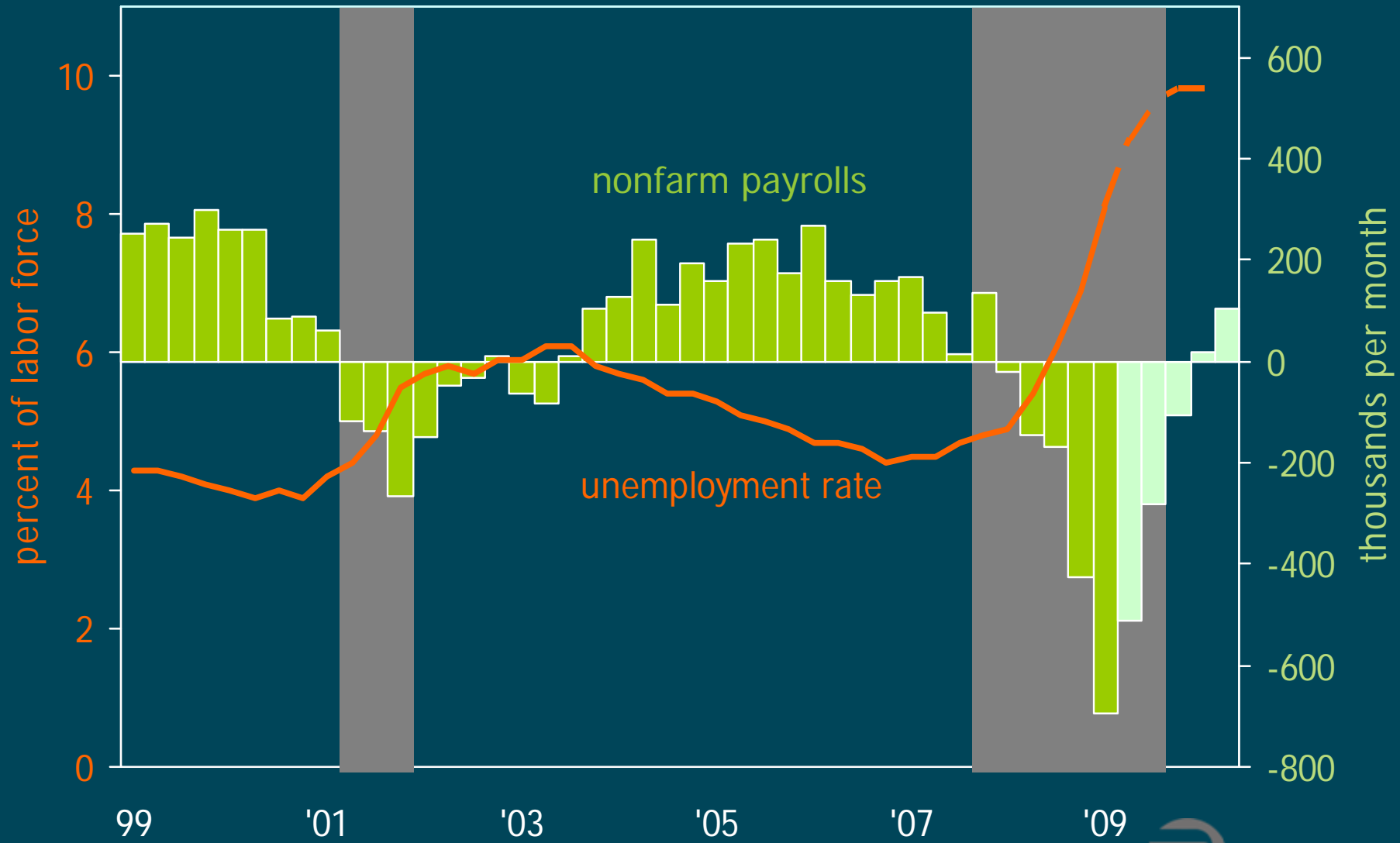


SPF: Real GDP begins to recover in the second half of the year





Payrolls shrink & unemployment rises throughout the year



Inflation stabilizes at a low rate in the near term



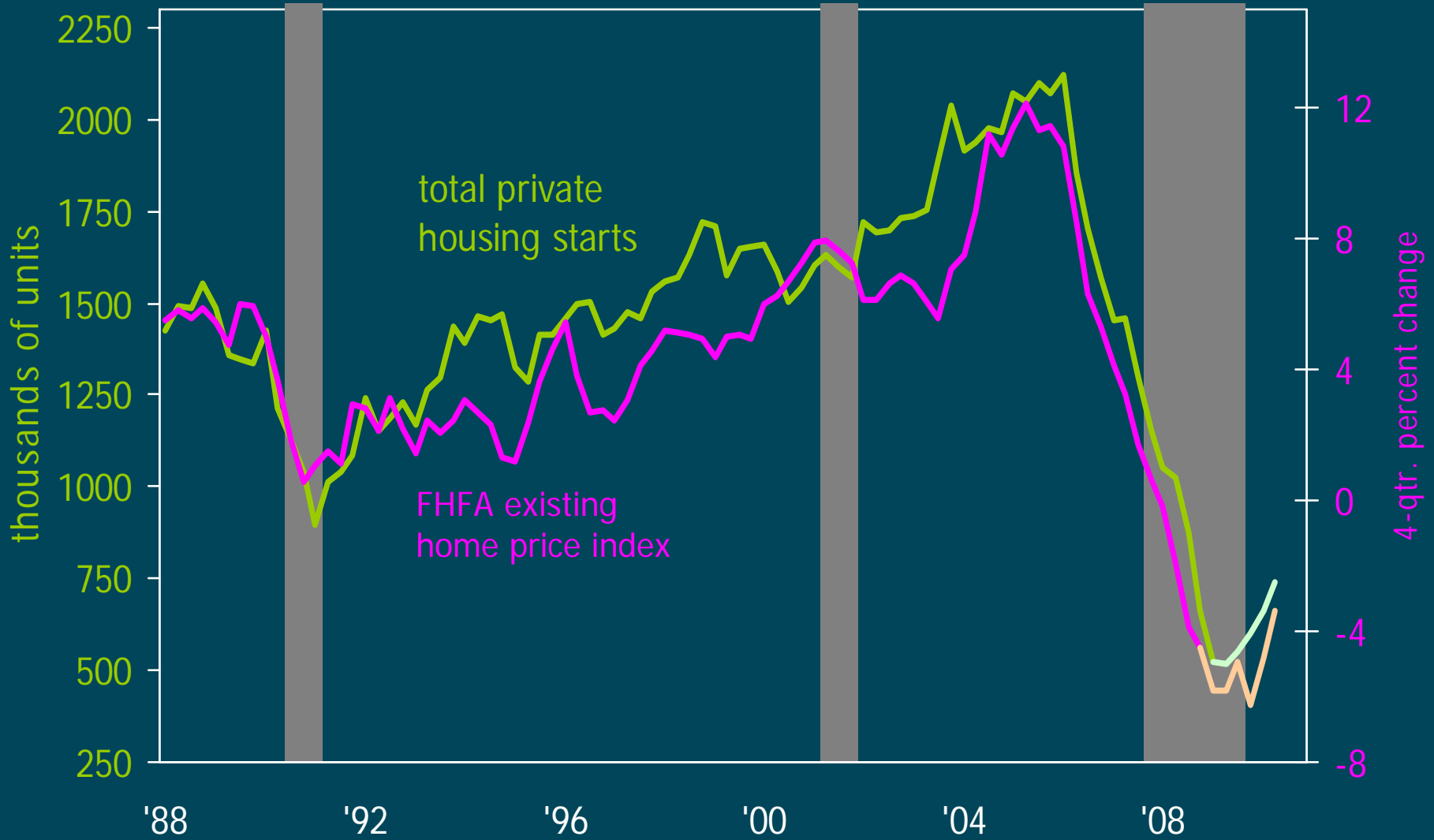


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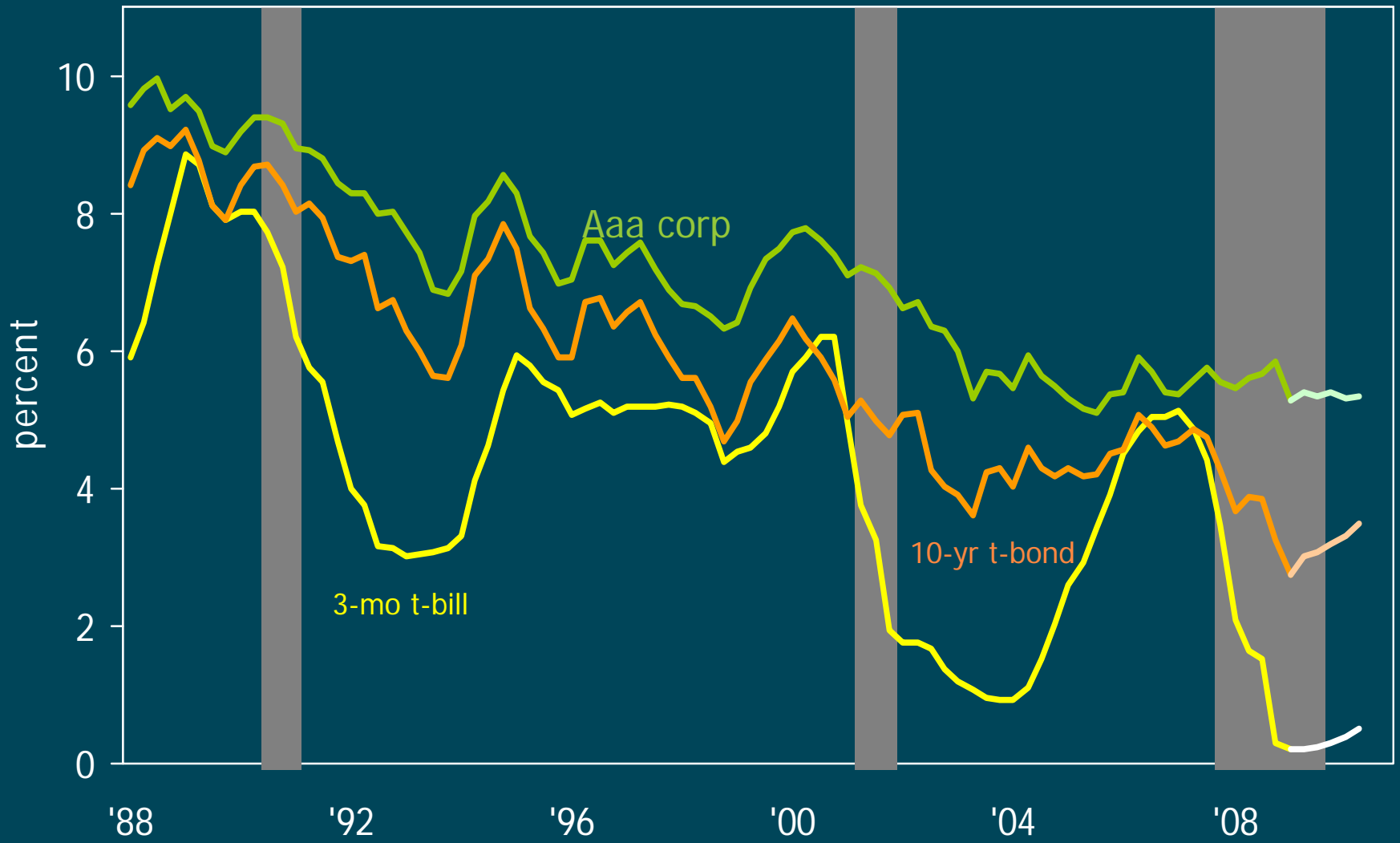
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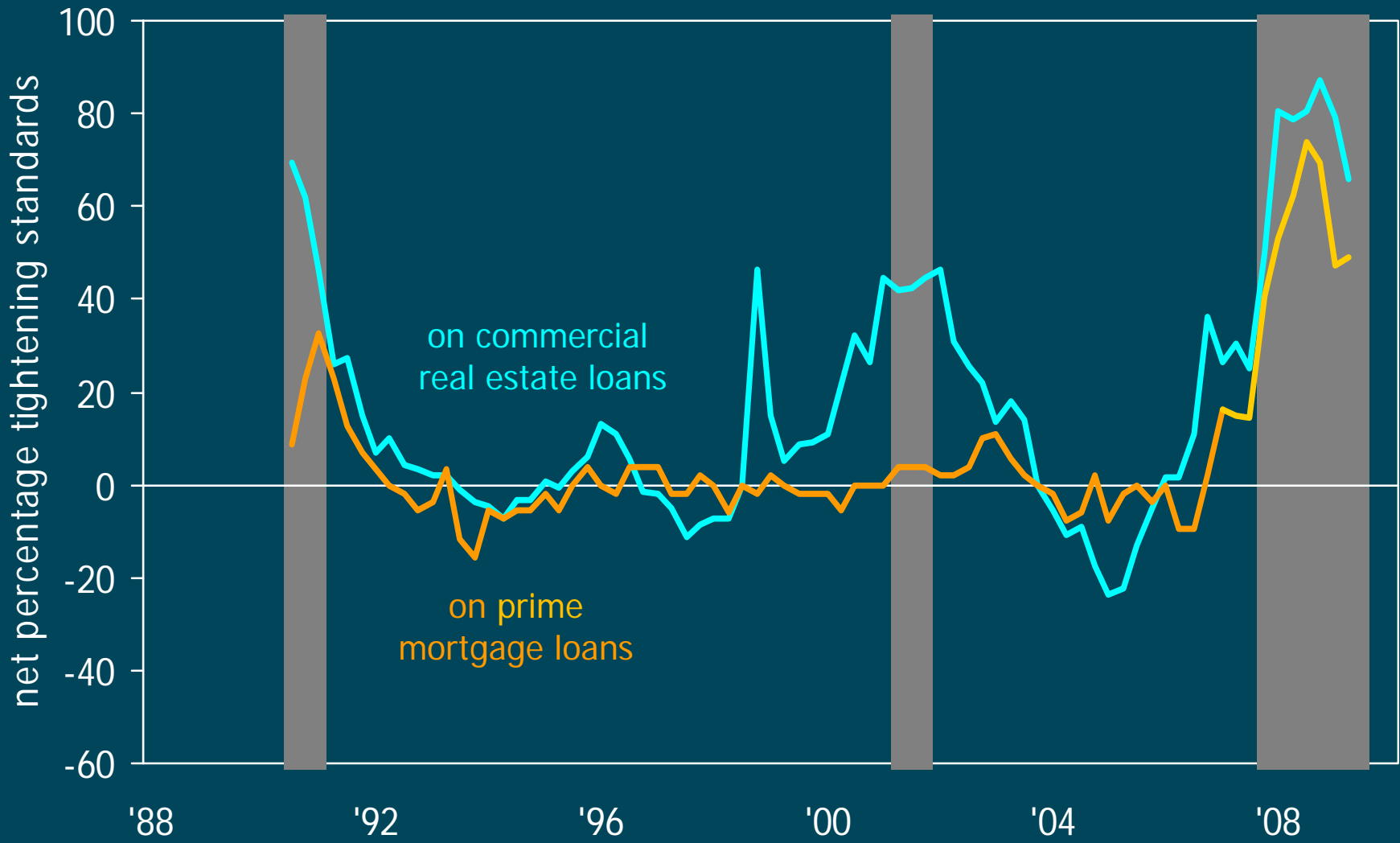
Homebuilding finds a bottom; WSJ: Prices still slide



SPF: Interest rates will be relatively stable



Fed's SLOOS: Banks sharply reduced credit availability





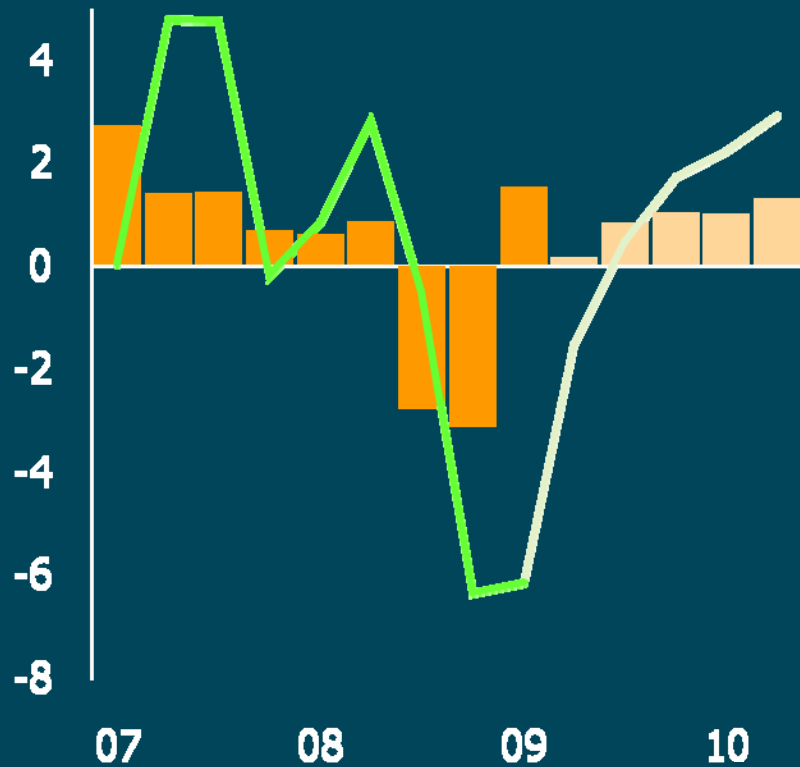
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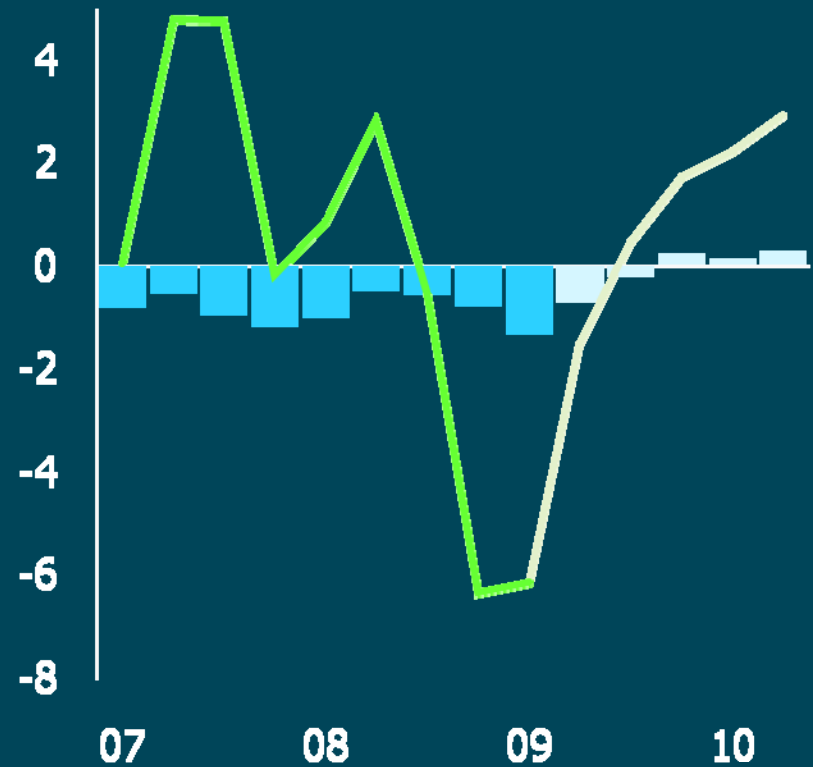


Household spending contributes modestly to growth

Consumption Spending

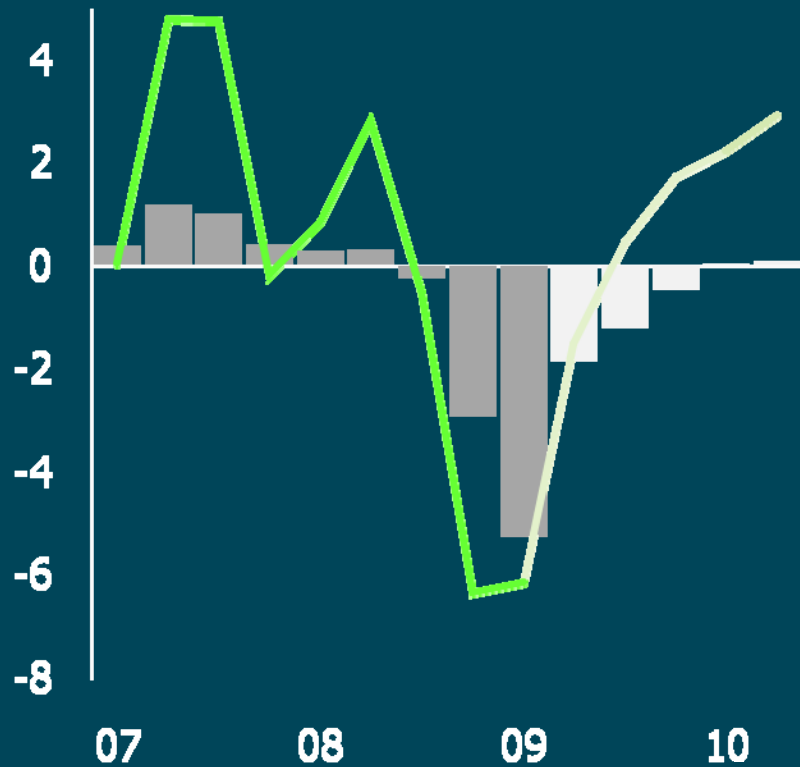


Residential Investment

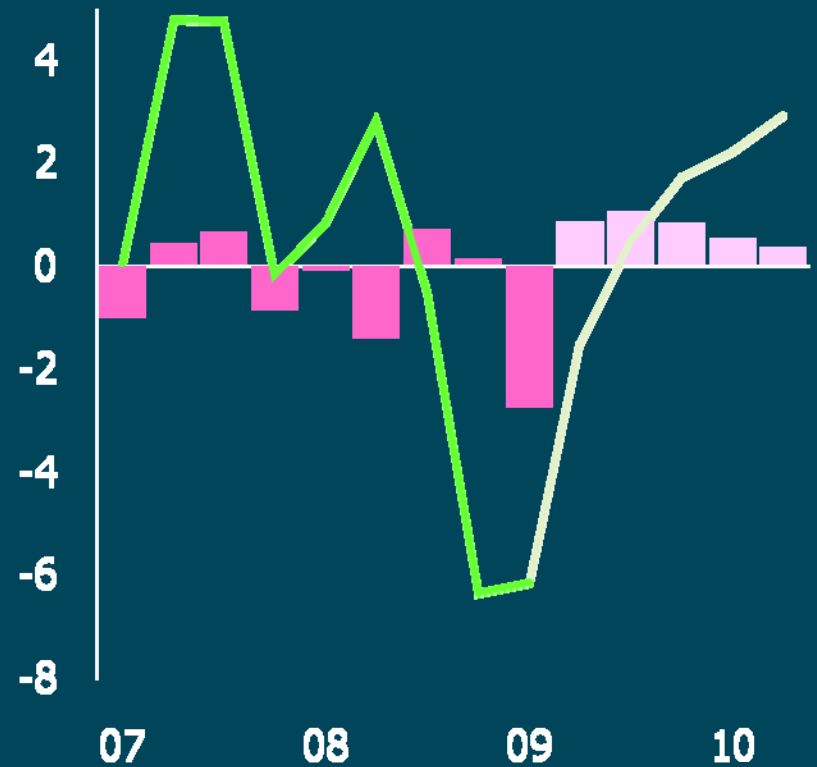


Businesses slashed investment; keep on cutting

Business Fixed Investment

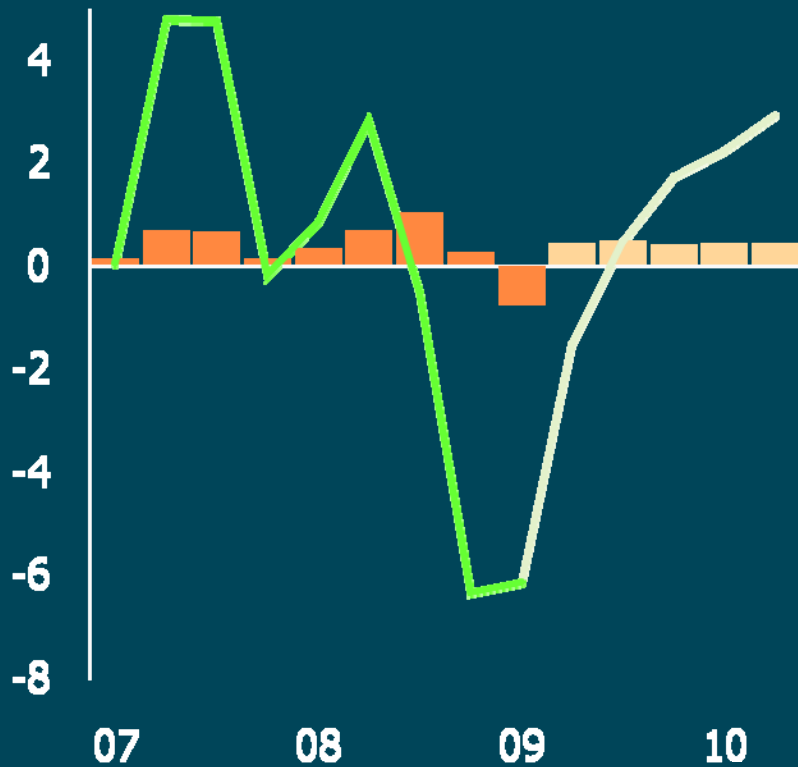


Inventory Accumulation

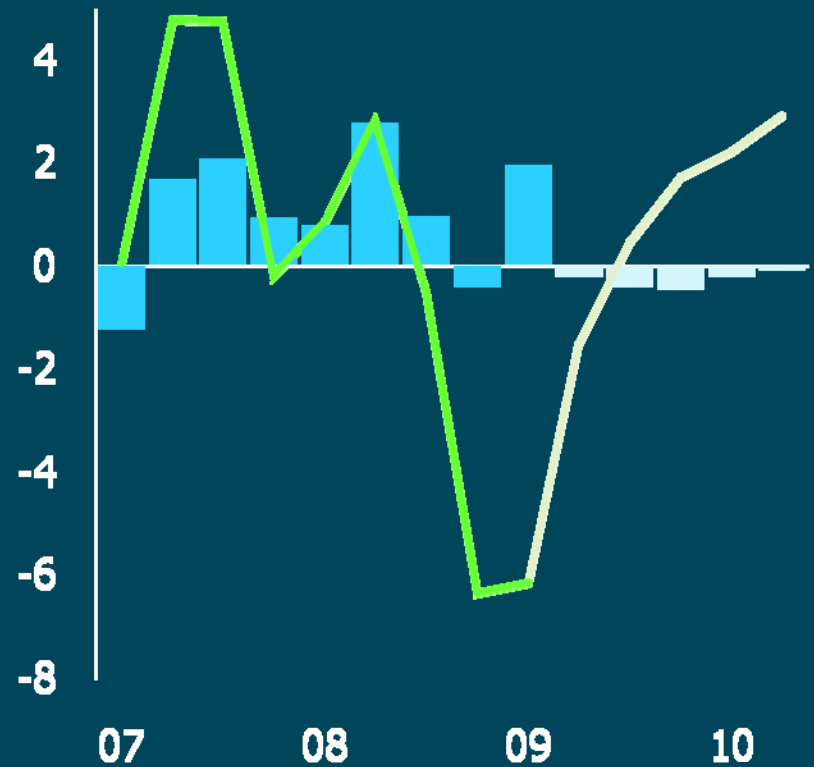


Government contributes steadily; trade is a drain

Government Purchases



Net Exports





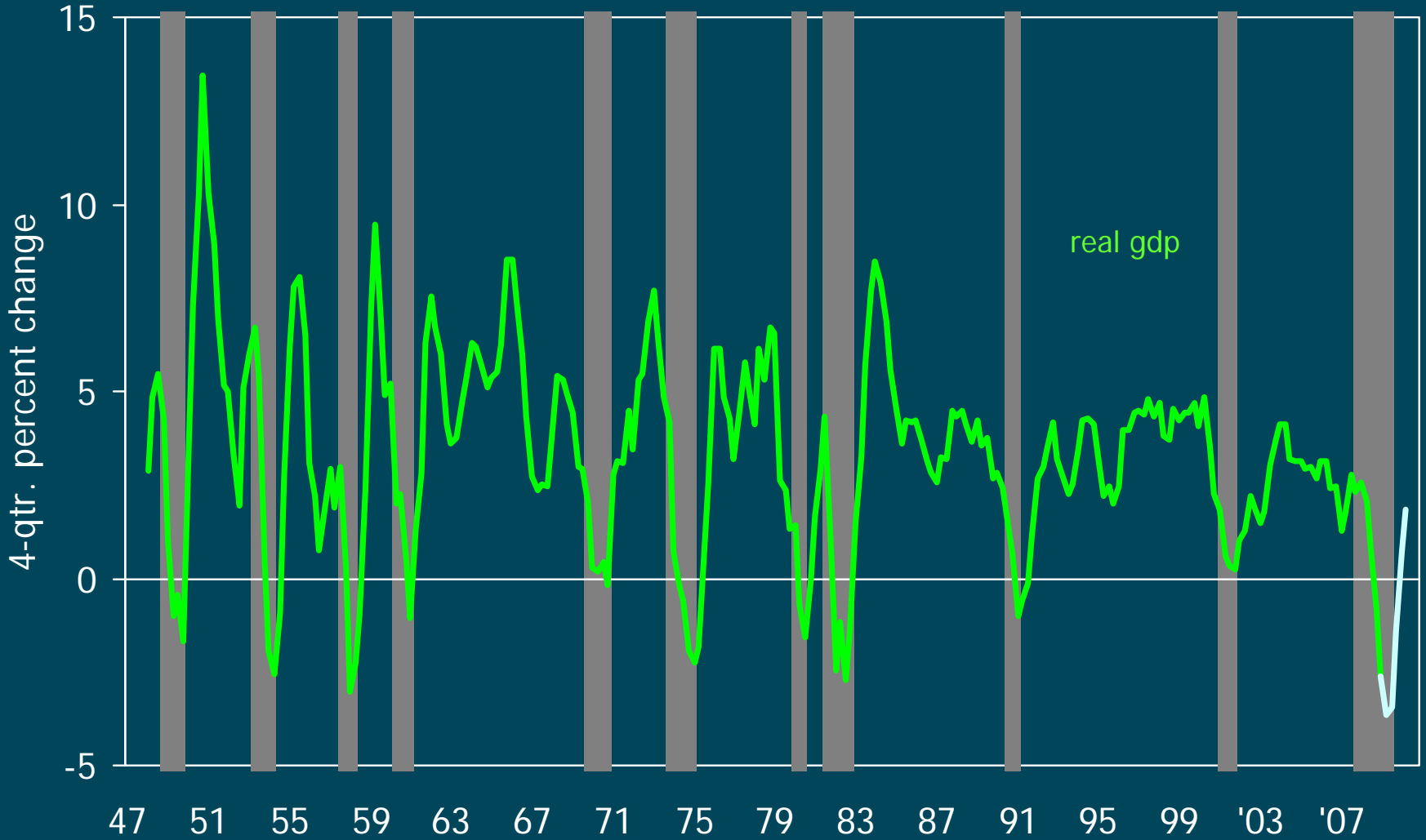
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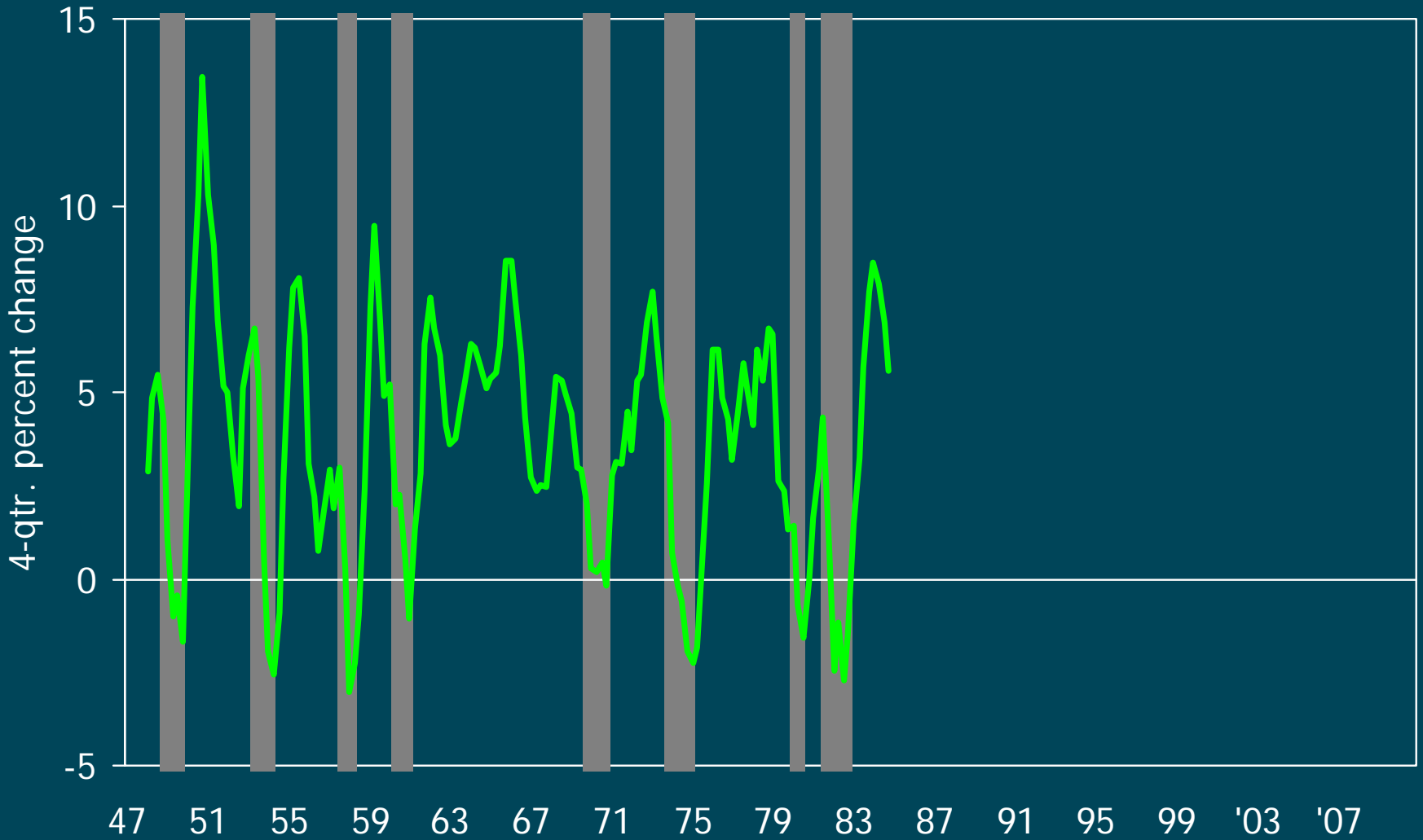


This downturn is among the worst since WWII



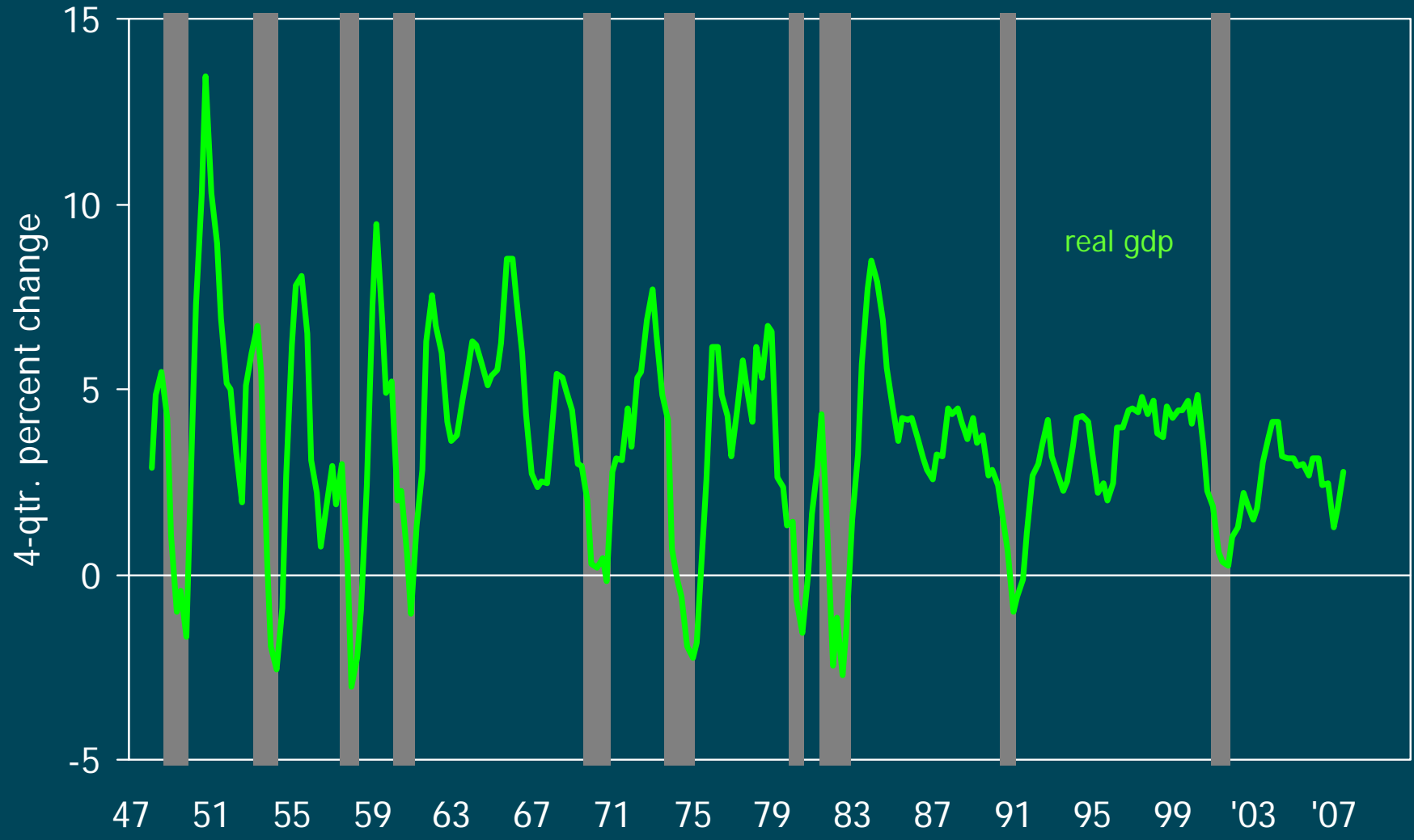


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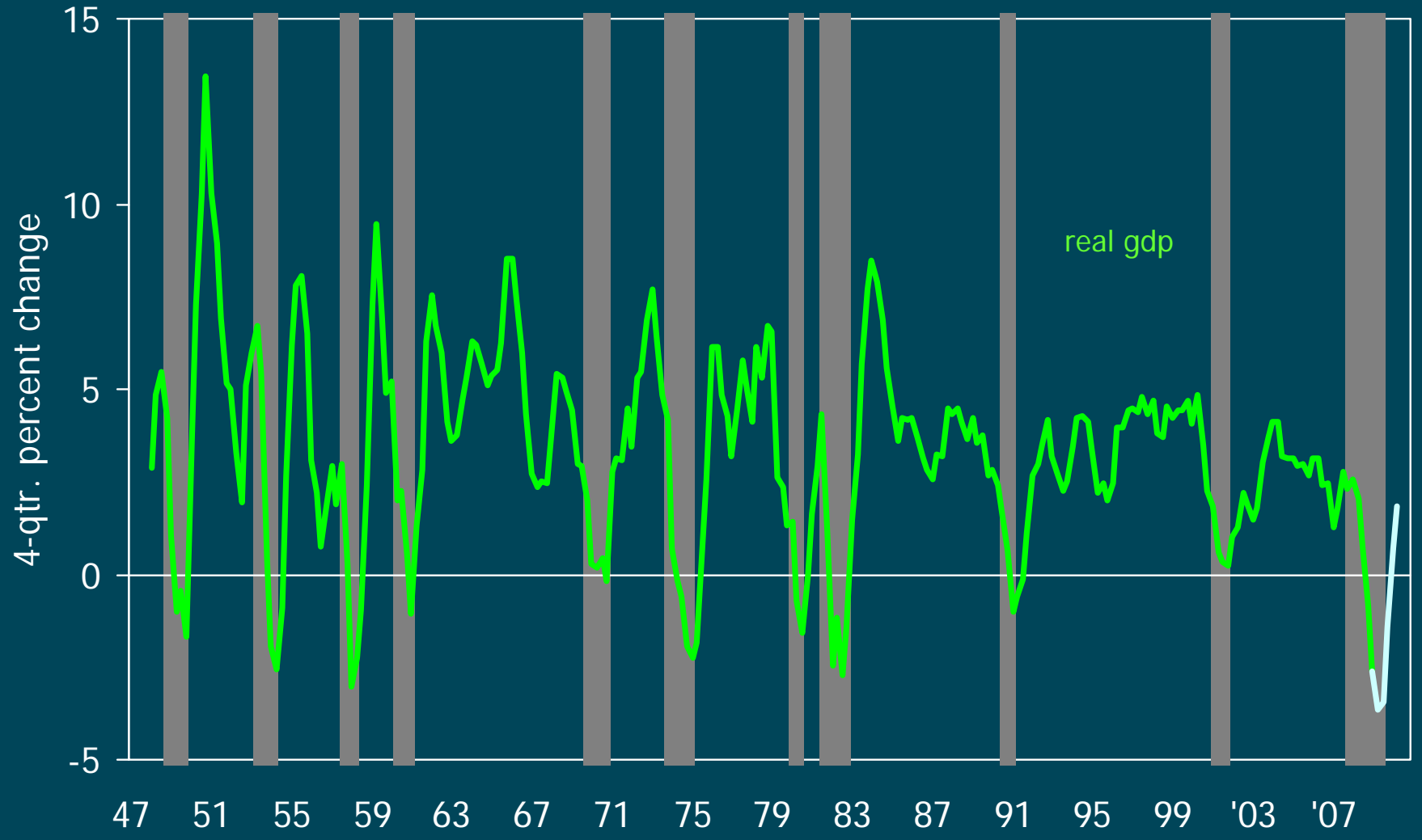


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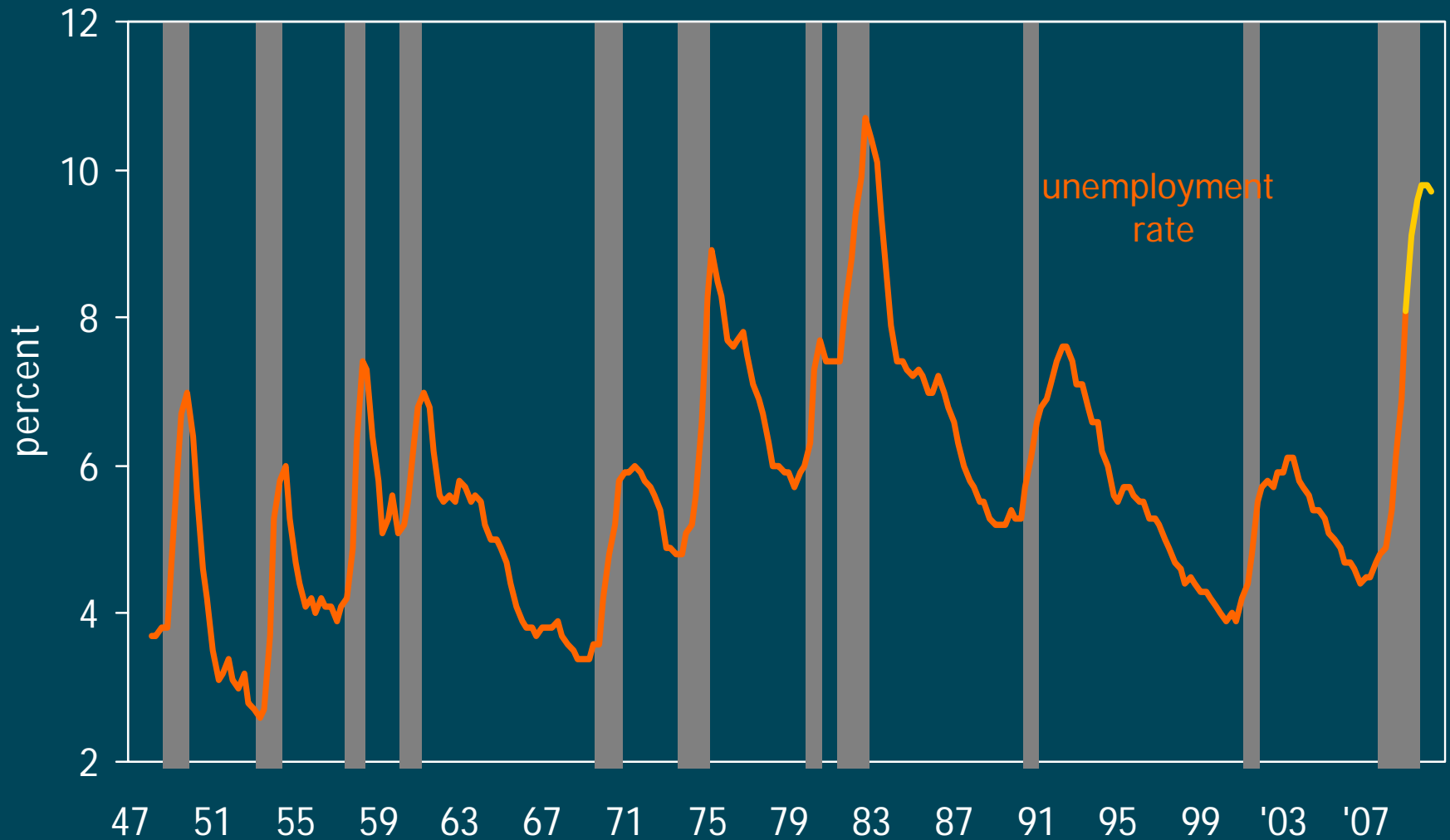




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...will a long expansion follow?





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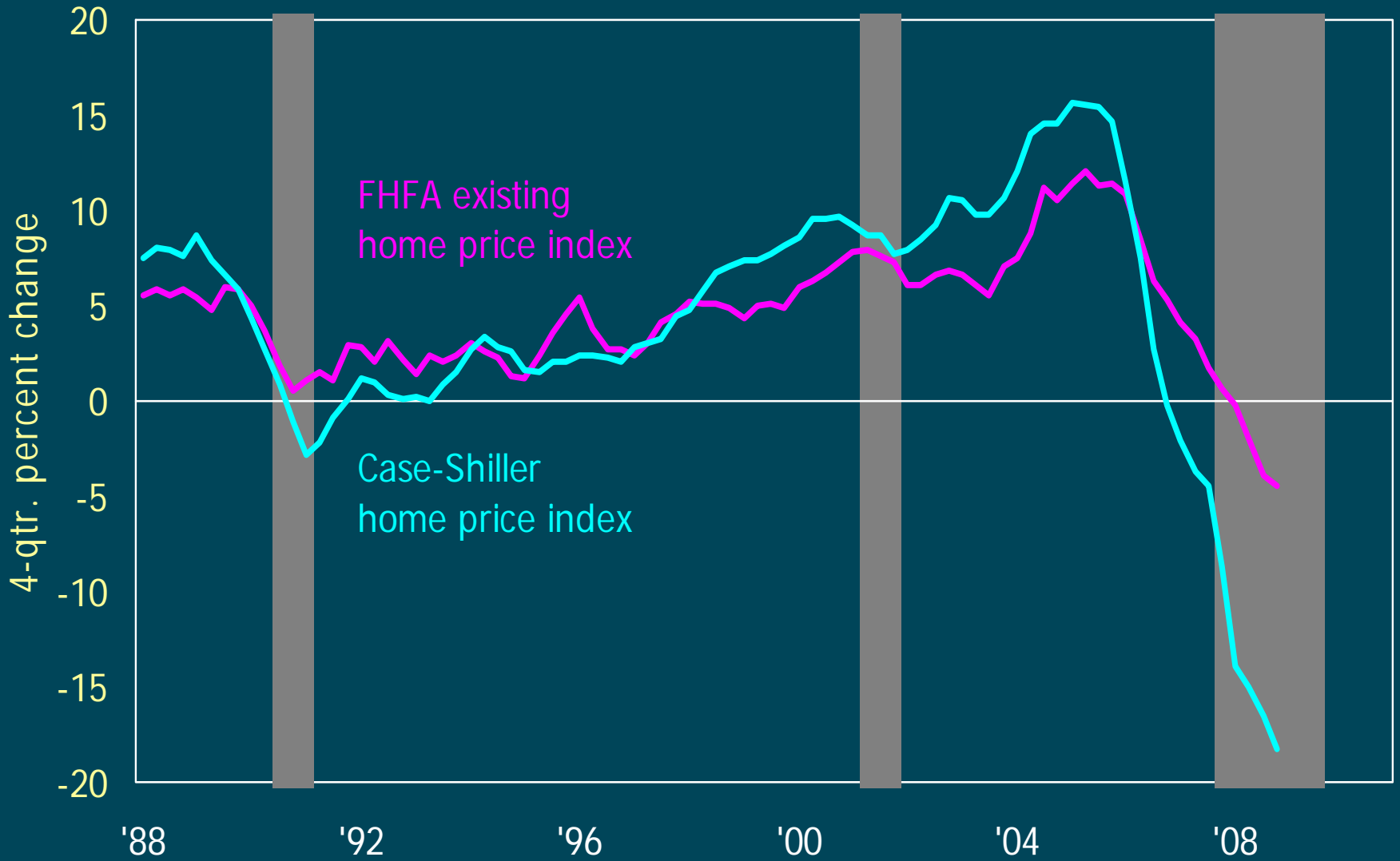


For more information from the Federal Reserve Bank of Philadelphia

- Go to www.philadelphiafed.org
- Next SPF: August 12
- Links to Board of Governors & other Reserve Banks



Case-Shiller index show sharper swing in home prices



Fed's FOF: Household wealth has plunged

