U.S. & Colorado
ECONOMIC OUTLOOK

Mark C. Snead
VICE PRESIDENT & BRANCH EXECUTIVE
FEDERAL RESERVE BANK OF KANSAS CITY
DENVER BRANCH
Economic activity

Real GDP
Billions

Source: Bureau of Economic Analysis & Global Insight
Economic activity & fiscal policy

Real GDP
Billions

2007 2008 2009 2010 2011 2012 2013

ECONOMIC STIMULUS ACT Feb.’08
HOUSING & ECONOMIC RECOVERY ACT Jul.’08
FREDDIE & FANNIE TAKEOVER Sep.’08
EMERGENCY ECONOMIC STABILIZATION ACT/ TARP Oct.’08
AMERICAN RECOVERY & REINVESTMENT ACT Feb.’09
Real GDP

PRESIDENTIAL ELECTION

BUDGET AGREEMENT Aug.’11
DODD-FRANK Jul.’10
HEALTH CARE ACT Mar.’10

Source: Bureau of Economic Analysis & Global Insight
Monetary policy

Federal Reserve Assets

Billions

$3,000
$2,500
$2,000
$1,500
$1,000
$500
$0

2007 2008 2009 2010 2011 2012

Federal Reserve Board

Source: Federal Reserve Board
Inflation

CPI & Inflation
Base = Jan.'07

14
12
10
8
6
4
2
0
2007 2008 2009 2010 2011 2012 2013

Headline
2.0% '12
2.9%
Jan.'12/Jan.'11
Core
1.8% '12
2.3%
Jan.'12/Jan.'11

Source: Bureau of Labor Statistics & Global Insight
U.S. labor market

Nonfarm Employment

Millions

<table>
<thead>
<tr>
<th>Year</th>
<th>Employment (Millions)</th>
<th>Unemployment Rate</th>
</tr>
</thead>
<tbody>
<tr>
<td>2007</td>
<td>137.6</td>
<td></td>
</tr>
<tr>
<td>2008</td>
<td>136.8</td>
<td></td>
</tr>
<tr>
<td>2009</td>
<td>135.0</td>
<td>10.0%</td>
</tr>
<tr>
<td>2010</td>
<td>136.2</td>
<td>9.2%</td>
</tr>
<tr>
<td>2011</td>
<td>137.4</td>
<td>8.5%</td>
</tr>
<tr>
<td>2012</td>
<td>138.6</td>
<td>7.8%</td>
</tr>
<tr>
<td>2013</td>
<td>139.8</td>
<td>7.3%</td>
</tr>
</tbody>
</table>

Source: Bureau of Labor Statistics & Global Insight
Colorado labor market

Nonfarm Employment

Thousands

<table>
<thead>
<tr>
<th>Year</th>
<th>Employment</th>
<th>Unemployment Rate</th>
</tr>
</thead>
<tbody>
<tr>
<td>2007</td>
<td>2,150</td>
<td>3.5%</td>
</tr>
<tr>
<td>2008</td>
<td>2,200</td>
<td>7.9% Dec.’11</td>
</tr>
<tr>
<td>2009</td>
<td>1,510K</td>
<td>9.3%</td>
</tr>
<tr>
<td>2010</td>
<td>2,400</td>
<td>35K added thru Dec.’11</td>
</tr>
<tr>
<td>2011</td>
<td>+50K in ‘12</td>
<td></td>
</tr>
</tbody>
</table>

Source: Bureau of Labor Statistics & Global Insight
Colorado data revisions

Total Employment
Index (Jan. '07 = 100)

Source: Bureau of Labor Statistics
## Colorado job gains & losses

### Peak to Trough

<table>
<thead>
<tr>
<th>Sector</th>
<th>Thousands of Jobs</th>
<th>Percent Change</th>
</tr>
</thead>
<tbody>
<tr>
<td>Total Nonfarm</td>
<td>-151.1</td>
<td>-6.4%</td>
</tr>
<tr>
<td>Private</td>
<td>-158.3</td>
<td>-8.0%</td>
</tr>
<tr>
<td>Government</td>
<td>7.2</td>
<td>1.9%</td>
</tr>
<tr>
<td>Health &amp; Social</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Local Govt.</td>
<td>3.3</td>
<td>1.4%</td>
</tr>
<tr>
<td>State Govt.</td>
<td>2.0</td>
<td>2.3%</td>
</tr>
<tr>
<td>Federal Govt.</td>
<td>1.9</td>
<td>3.6%</td>
</tr>
<tr>
<td>Educational</td>
<td>1.2</td>
<td>3.9%</td>
</tr>
<tr>
<td>Other Services</td>
<td>-1.9</td>
<td>-2.0%</td>
</tr>
<tr>
<td>Information</td>
<td>-4.8</td>
<td>-6.2%</td>
</tr>
<tr>
<td>Mining &amp; Logging</td>
<td>-5.2</td>
<td>-18.6%</td>
</tr>
<tr>
<td>Trans. &amp; Utilities</td>
<td>-7.0</td>
<td>-9.1%</td>
</tr>
<tr>
<td>Wholesale Trade</td>
<td>-10.2</td>
<td>-10.1%</td>
</tr>
<tr>
<td>Financial</td>
<td>-11.9</td>
<td>-7.6%</td>
</tr>
<tr>
<td>Leisure &amp; Hosp.</td>
<td>-14.5</td>
<td>-5.3%</td>
</tr>
<tr>
<td>Retail Trade</td>
<td>-20.7</td>
<td>-8.1%</td>
</tr>
<tr>
<td>Manufacturing</td>
<td>-21.5</td>
<td>-14.7%</td>
</tr>
<tr>
<td>Prof. &amp; Bus.</td>
<td>-28.2</td>
<td>-7.9%</td>
</tr>
<tr>
<td>Construction</td>
<td>-44.3</td>
<td>-26.9%</td>
</tr>
</tbody>
</table>

### Trough to Dec.'11

<table>
<thead>
<tr>
<th>Sector</th>
<th>Thousands of Jobs</th>
<th>Percent Change</th>
</tr>
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<tbody>
<tr>
<td>Total Nonfarm</td>
<td></td>
<td>34.5</td>
</tr>
<tr>
<td>Private</td>
<td></td>
<td>31.6</td>
</tr>
<tr>
<td>Government</td>
<td>2.9</td>
<td>0.7%</td>
</tr>
<tr>
<td>Health &amp; Social</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Local Govt.</td>
<td>13.2</td>
<td>5.8%</td>
</tr>
<tr>
<td>State Govt.</td>
<td>-4.5</td>
<td>-1.8%</td>
</tr>
<tr>
<td>Federal Govt.</td>
<td>8.4</td>
<td>9.4%</td>
</tr>
<tr>
<td>Educational</td>
<td>-1.0</td>
<td>-1.8%</td>
</tr>
<tr>
<td>Other Services</td>
<td>1.8</td>
<td>5.7%</td>
</tr>
<tr>
<td>Information</td>
<td>-0.5</td>
<td>-0.5%</td>
</tr>
<tr>
<td>Mining &amp; Logging</td>
<td>6.0</td>
<td>26.4%</td>
</tr>
<tr>
<td>Trans. &amp; Utilities</td>
<td>0.1</td>
<td>0.1%</td>
</tr>
<tr>
<td>Wholesale Trade</td>
<td>3.4</td>
<td>3.8%</td>
</tr>
<tr>
<td>Financial</td>
<td>-6.5</td>
<td>-4.5%</td>
</tr>
<tr>
<td>Leisure &amp; Hosp.</td>
<td>17.8</td>
<td>6.8%</td>
</tr>
<tr>
<td>Retail Trade</td>
<td>0.7</td>
<td>0.3%</td>
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<td>Manufacturing</td>
<td>0.3</td>
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<td>-9.6%</td>
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**Source:** Bureau of Labor Statistics
Housing

**SUPPLY**

12.2 Ratio of homes for sale to home sold

6.1 Dec.

**DEMAND**

New Homes

Existing Multi-Family
Single Family

**Mortgage Delinquencies**

Single family home loans, billions

**Mortgage Applications**

Purchase Index (Jan.'00 = 100)

Source: Census Bureau, Nat’l Assoc. of Realtors, Mortgage Bankers Assoc., Federal Reserve Board & Global Insight
Housing

HOME PRICES
Index (Jan./Q1 '00 = 100)

20-City Composite

U.S.

Colorado

Denver

Peak to Current

Year-Over-Year

-32.0%
-19.5%
-6.8%
-4.2%
-11.4%

-3.7%
-3.7%
-0.2%
+0.9%
-0.2%

Source: Standard & Poor’s Financial Services LLC & Federal Housing Finance Association
Banking & Finance

Total Loans & Leases
All Commercial Banks

Trillions

$0.0
$1.0
$2.0
$3.0
$4.0
$5.0
$6.0
$7.0
$8.0

Q3'11

Consumer
Commercial & Industrial
Real Estate
Other Loans & Leases

Source: Federal Reserve Board
European debt crisis

2011 Net Govt. Debt, Percent of GDP

Source: Organization for Economic Co-operation & Development
Economic activity

Real GDP

Billions

$14,000

$13,750

$13,500

$13,250

$13,000

$12,750

$12,500

2007 2008 2009 2010 2011 2012 2013

Source: Bureau of Economic Analysis & Global Insight
U.S. & Colorado ECONOMIC OUTLOOK

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This presentation will be available at: