



THE FEDERAL RESERVE BANK *of* MINNEAPOLIS

Regional Economic Outlook

June 2010





Disclaimer

The views expressed here are the presenter's and not necessarily those of the Federal Reserve Bank of Minneapolis or the Federal Reserve System.

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**Within the next year will
property prices:**

-Increase

-Remain Unchanged

-Decrease



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Agenda

- **Financial Crisis**

- **Ninth District Economy**
 - **Outlook**
 - **Surveys**
 - **Models**

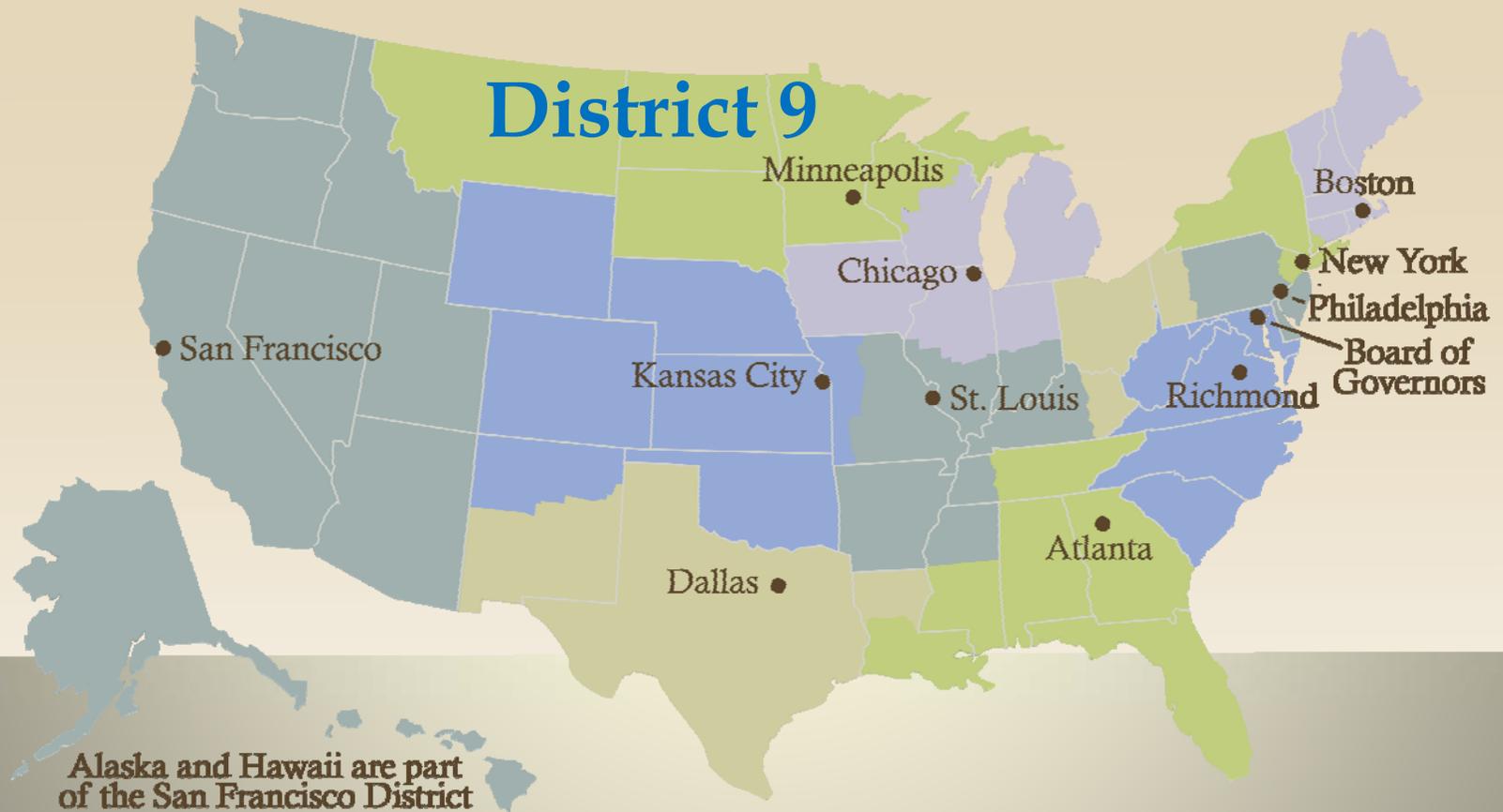


Fed's Duties

- Payments System
- Safety and Soundness
- Monetary Policy

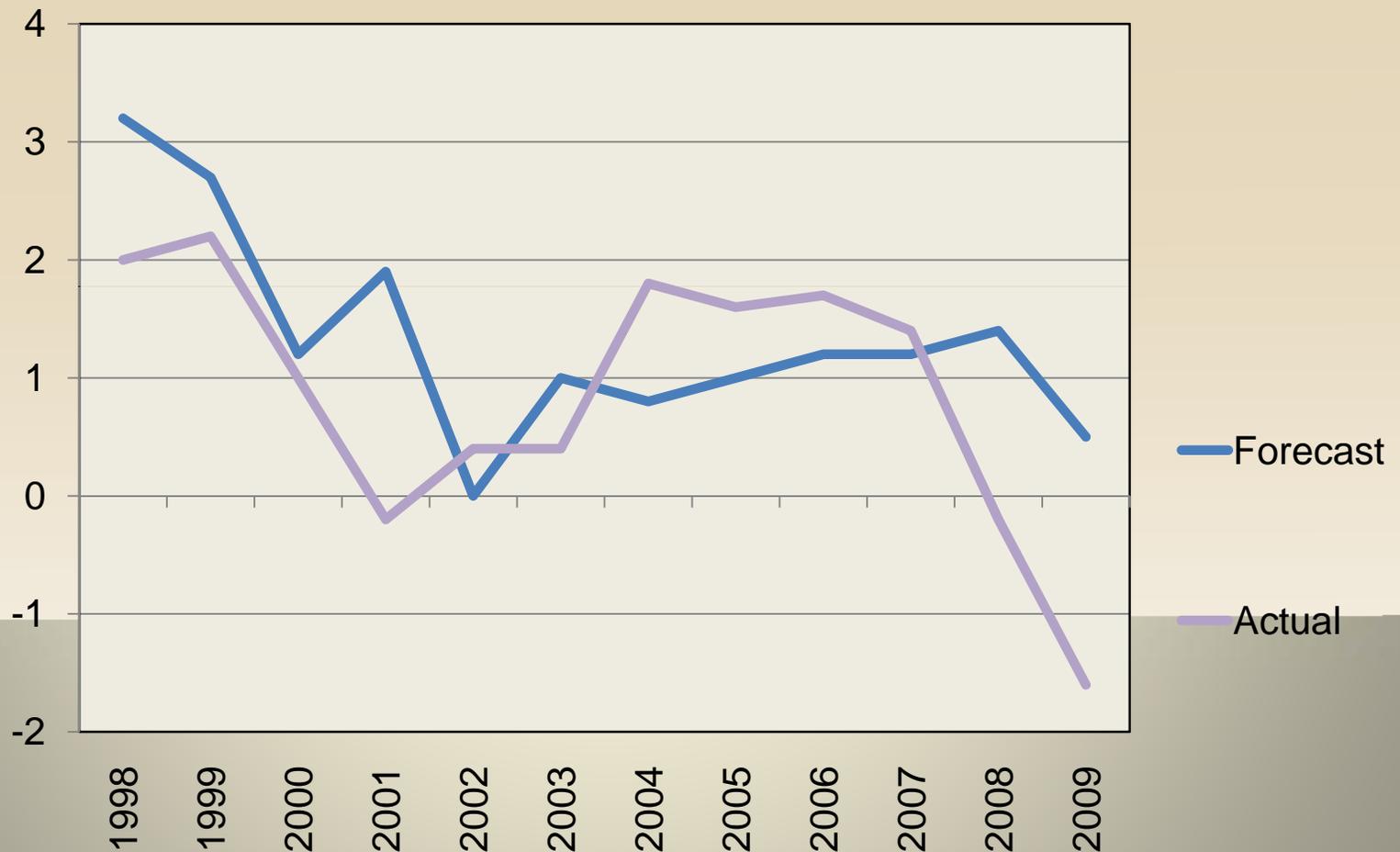


The Federal Reserve Districts





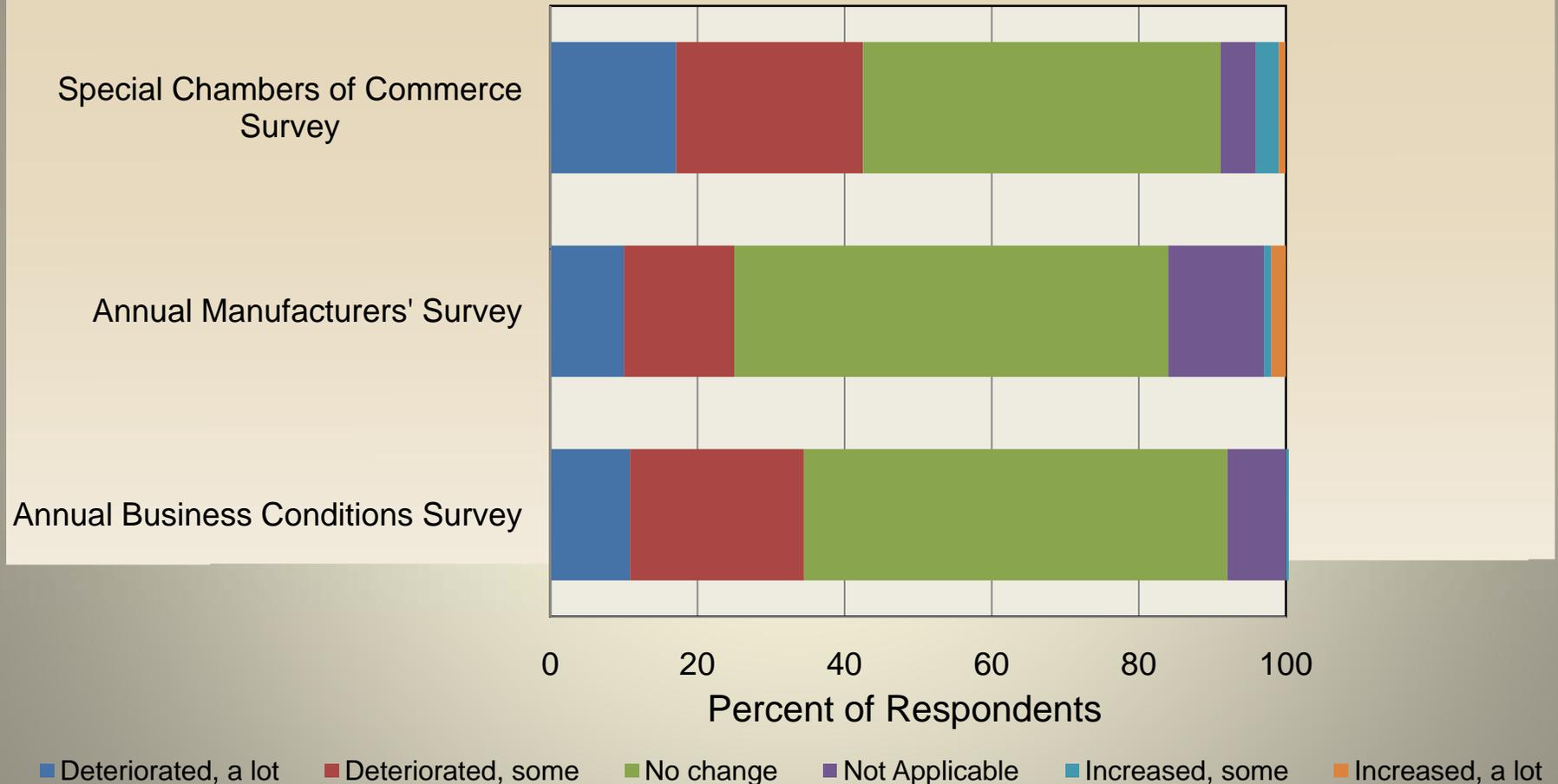
2009 nonfarm employment lower than forecast



Percent change from a year earlier -- 4th quarter
Combined average of 5 district states



Has your company's access to credit changed in the last three months?

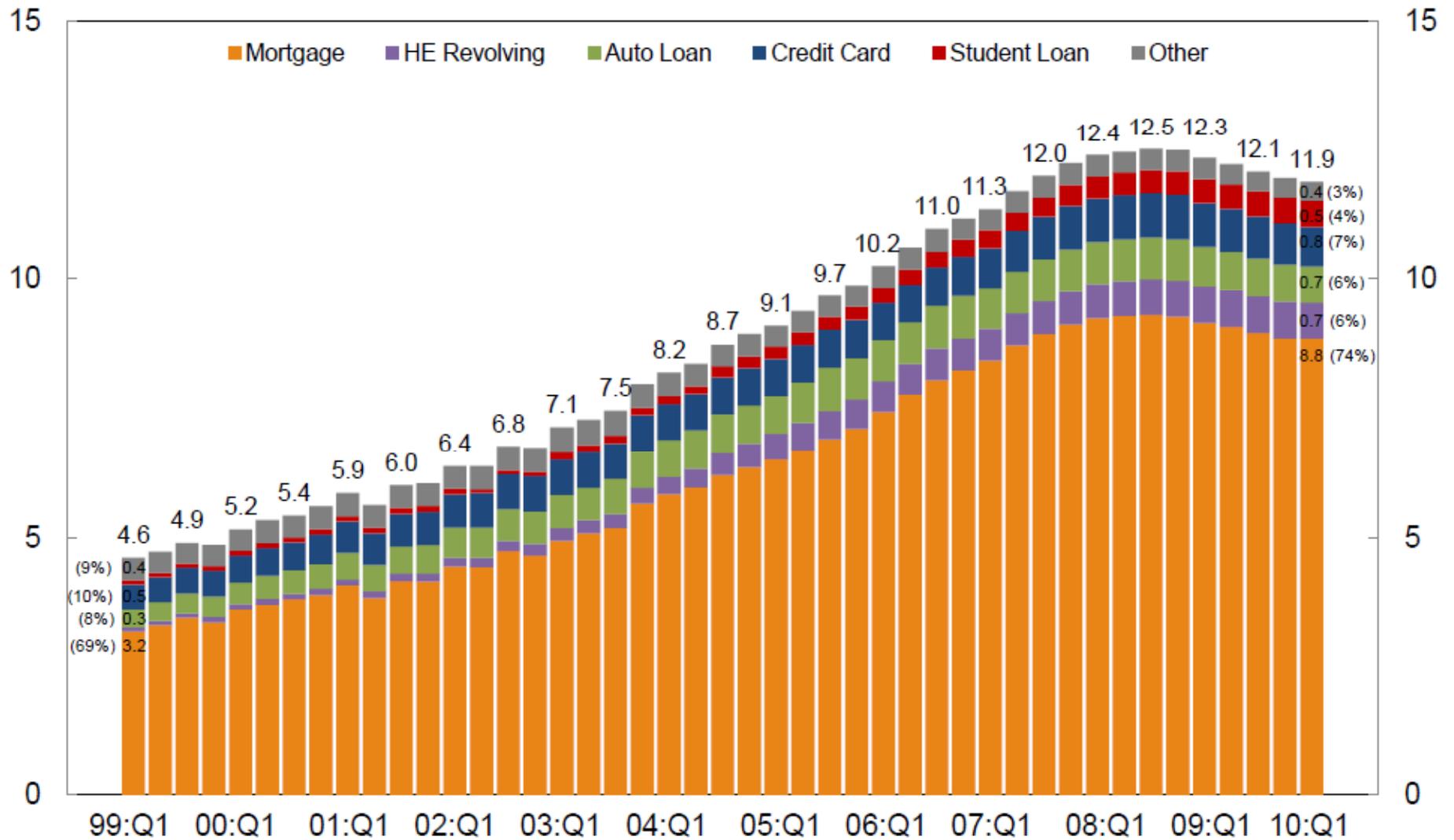


Source: Federal Reserve Bank of Minneapolis. Manufacturers' Survey conducted in cooperation with the Minnesota Department of Employment and Economic Development.

Total Debt Balance and its Composition

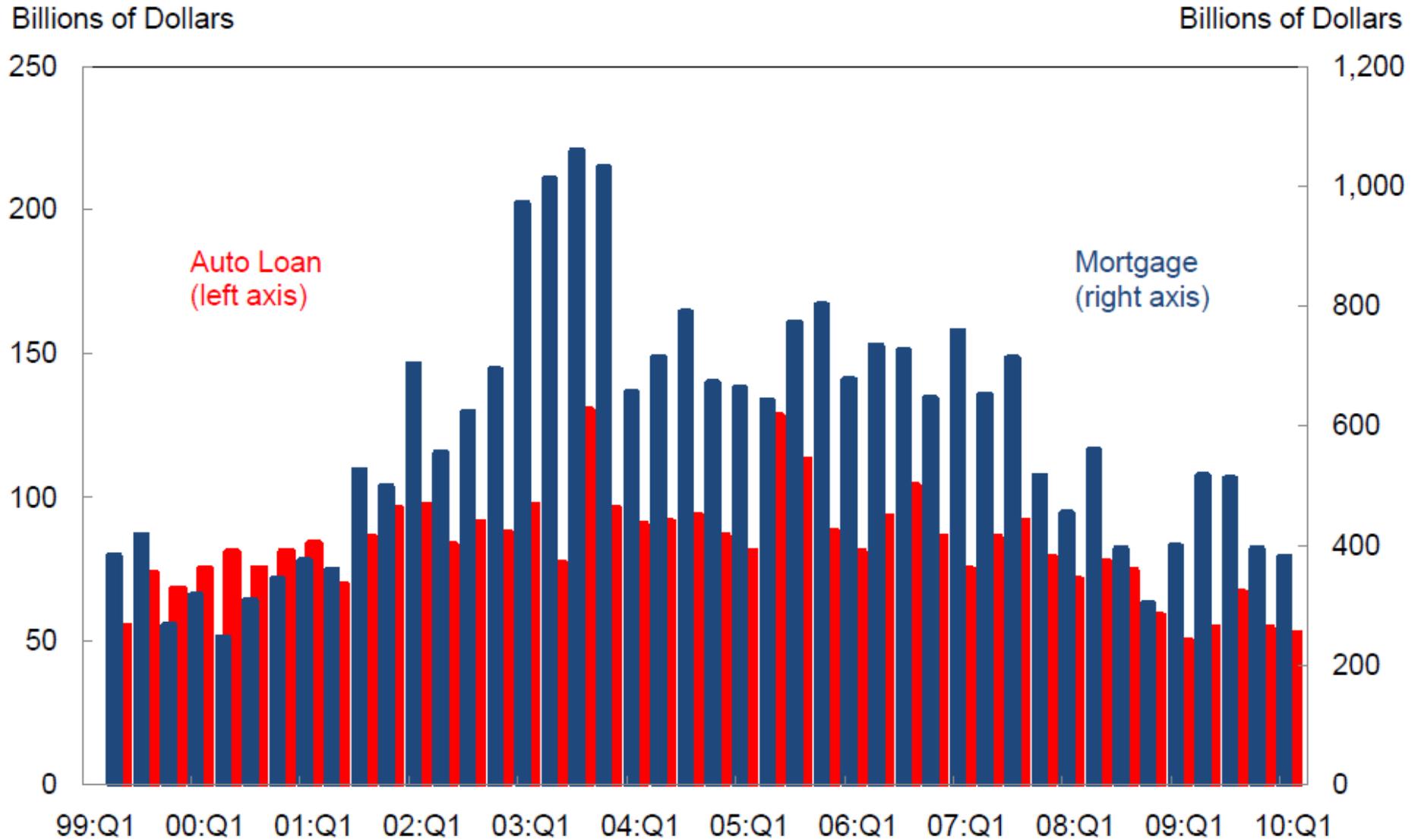
Trillions of Dollars

Trillions of Dollars



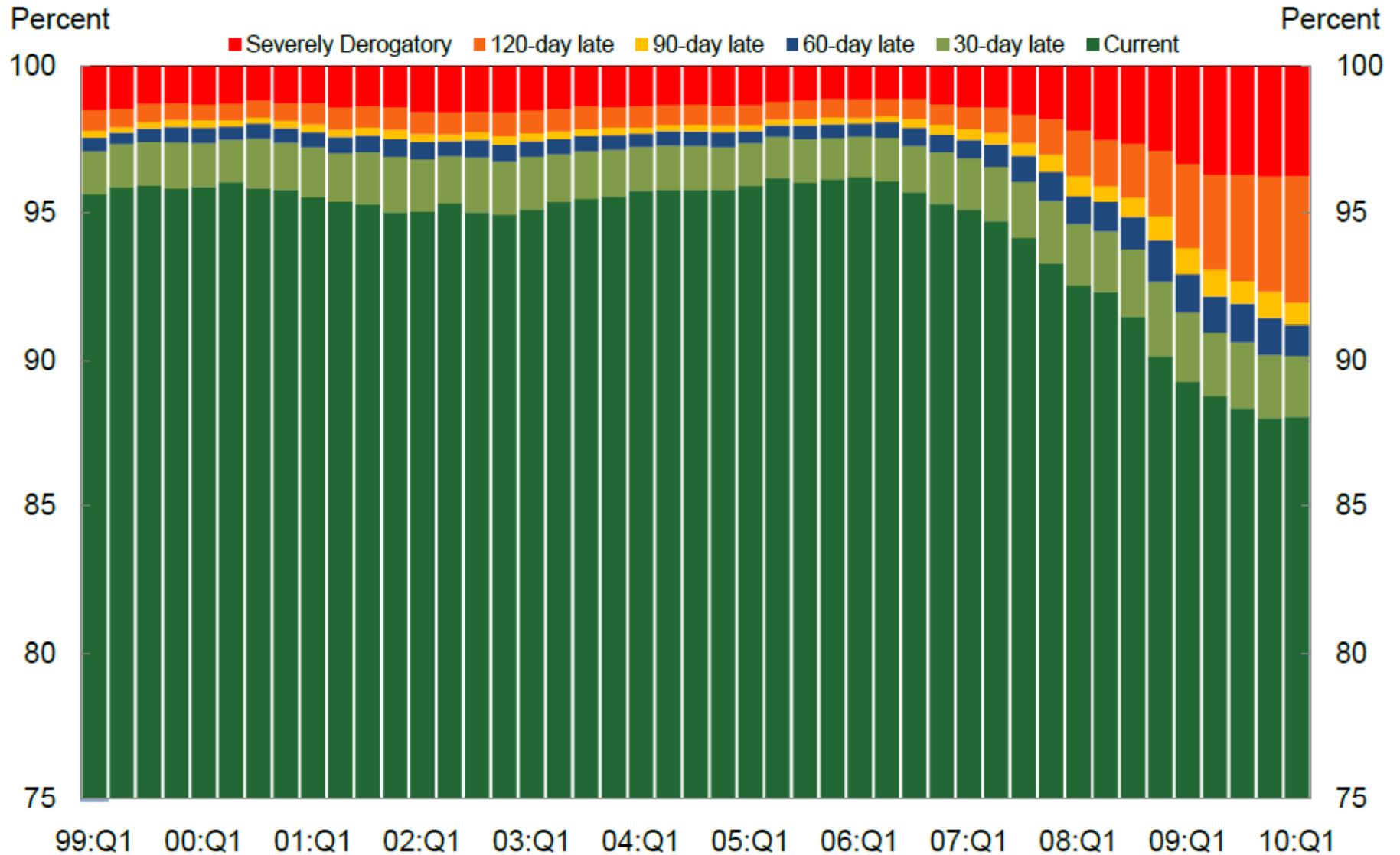
Source: FRBNY Consumer Credit Panel

Newly Originated Installment Loan Balances



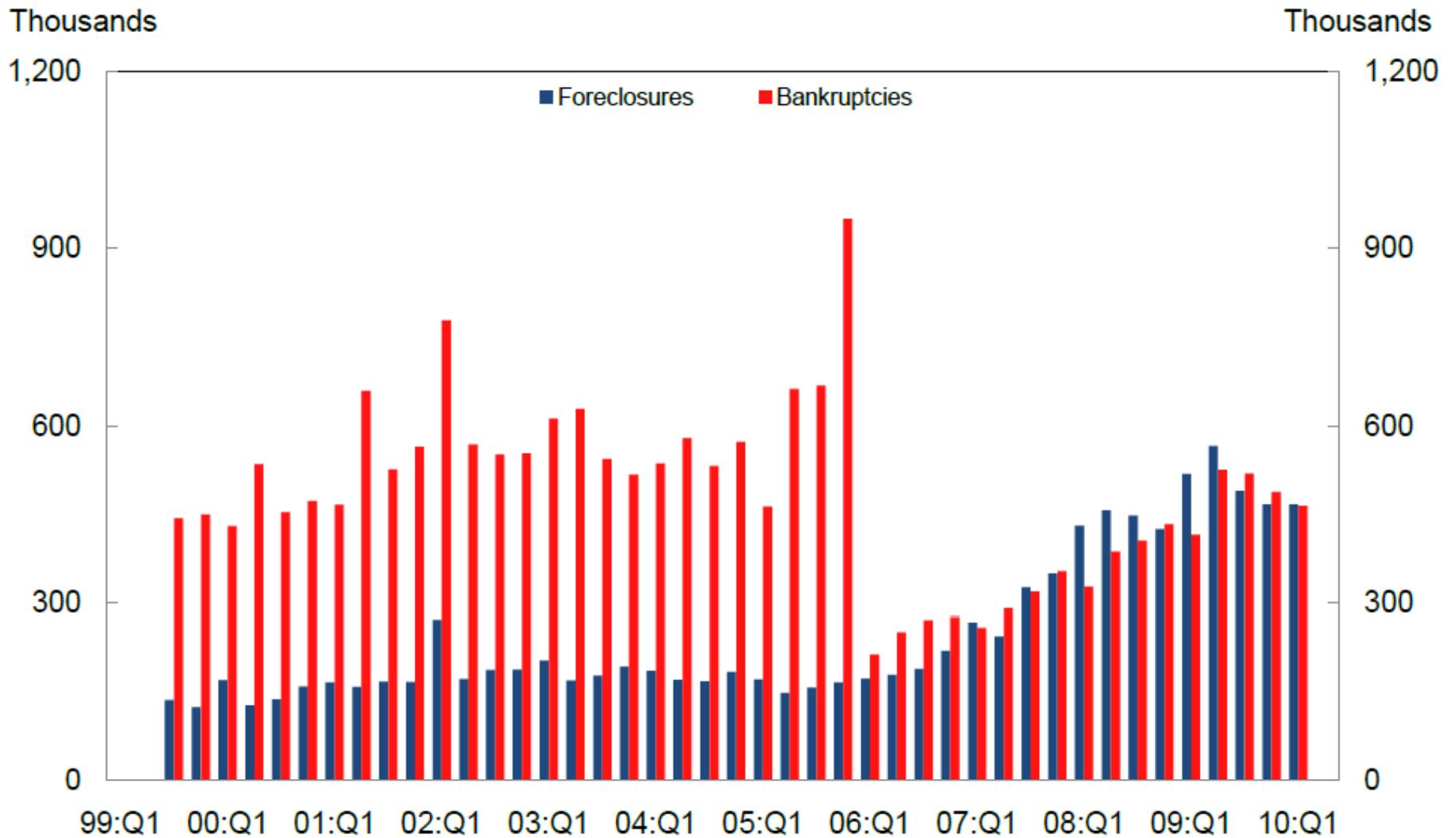
Source: FRBNY Consumer Credit Panel

Total Balance by Delinquency Status



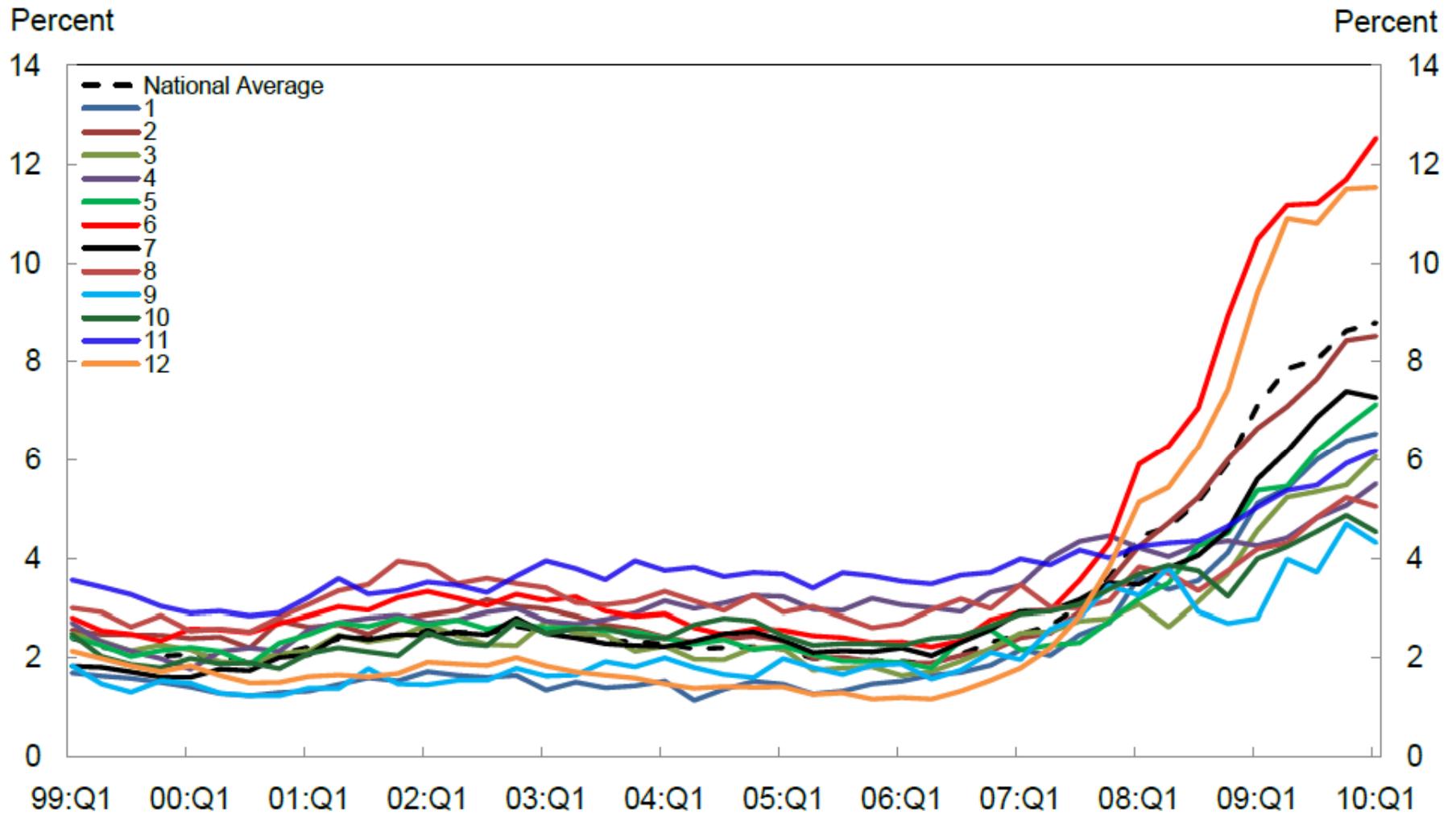
Source: FRBNY Consumer Credit Panel

Number of Consumers with New Foreclosures and Bankruptcies



Source: FRBNY Consumer Credit Panel

Percent of Balance 90+ Days Late by FR District



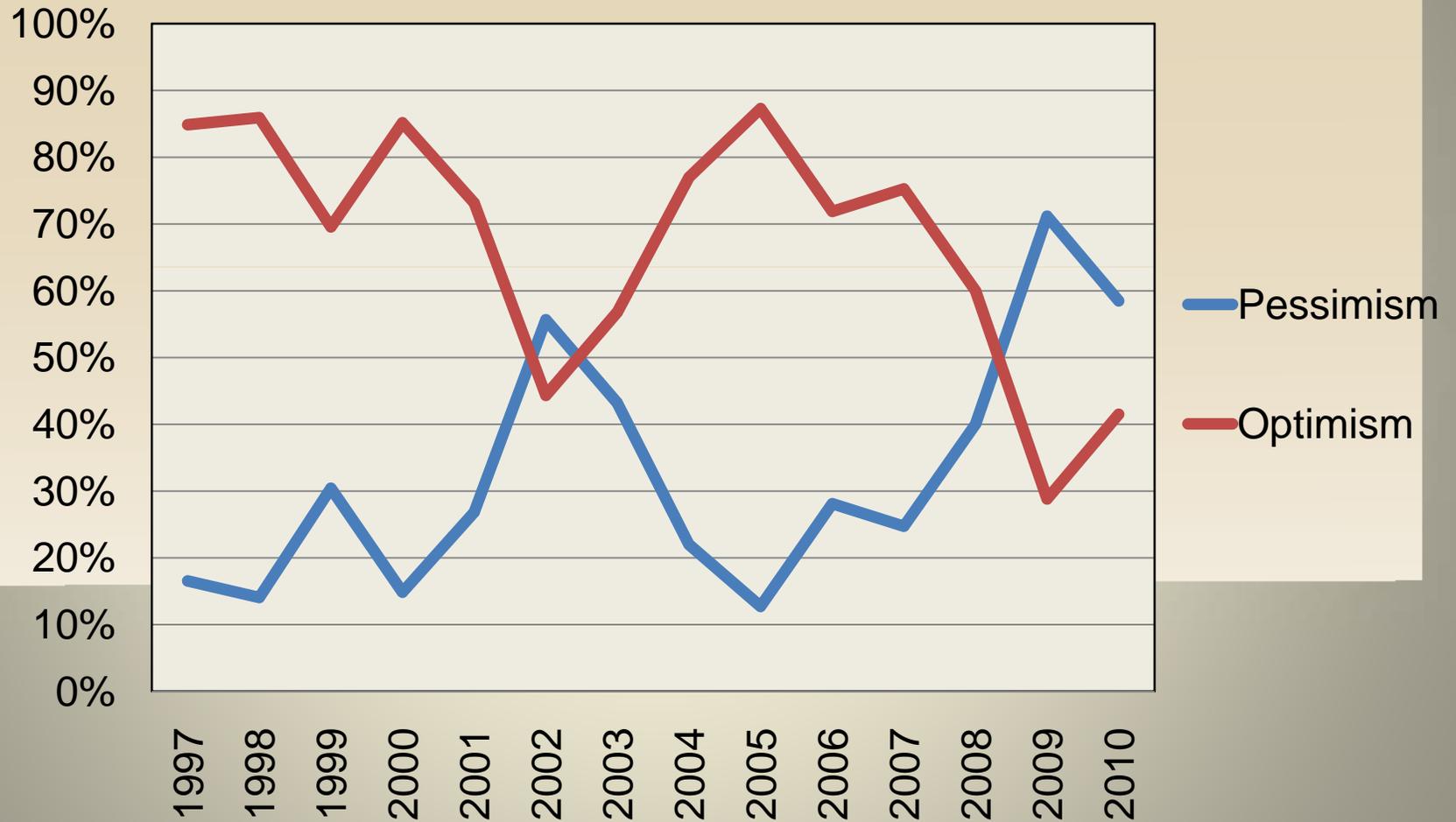
Source: FRBNY Consumer Credit Panel



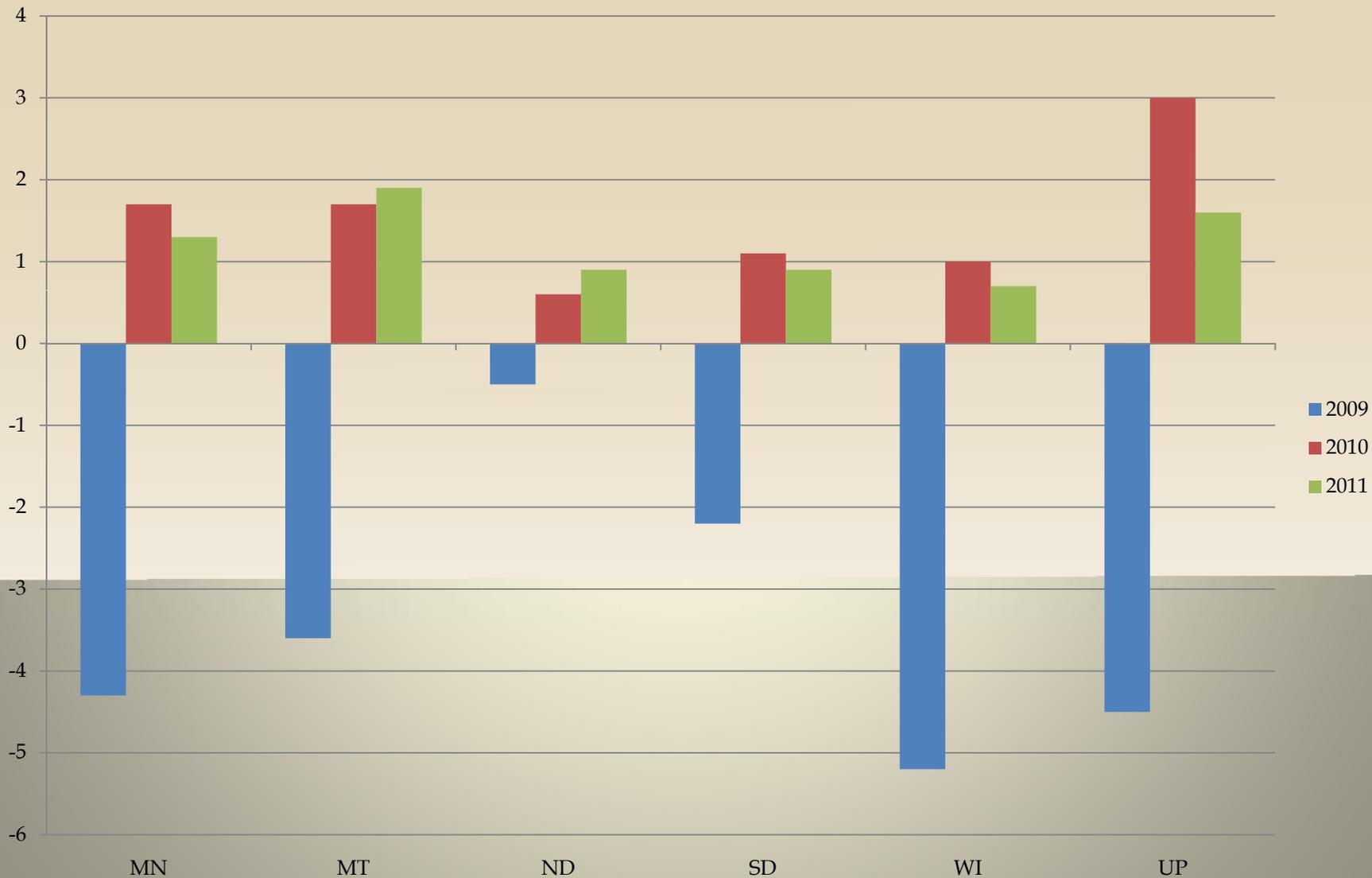
Ninth District Economy: Mixed in 2010

- Mixed employment and flat unemployment
- Small wage and price increases
- Agriculture sector optimistic

Business leaders are still pessimistic

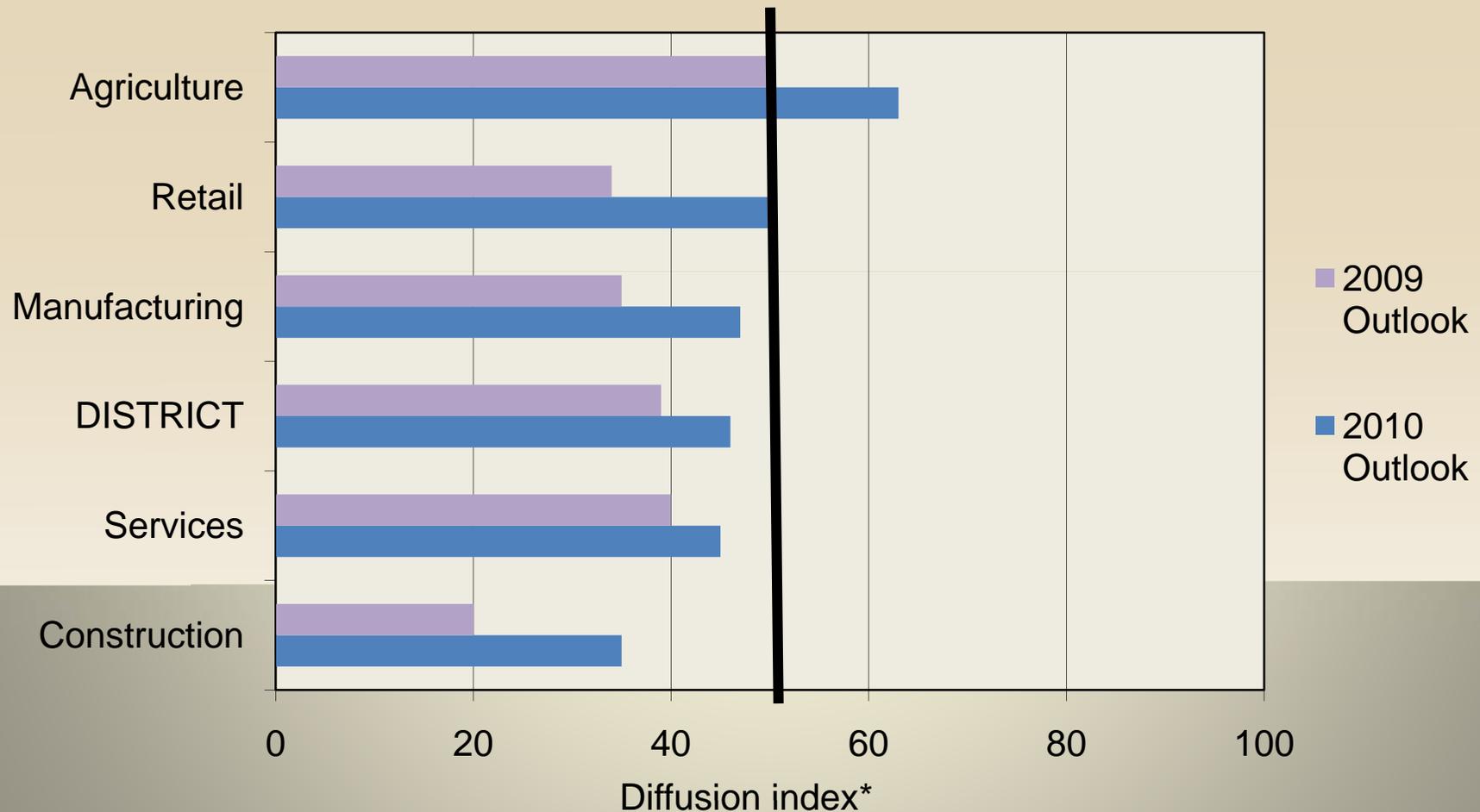


State Model: Employment expected to rebound somewhat





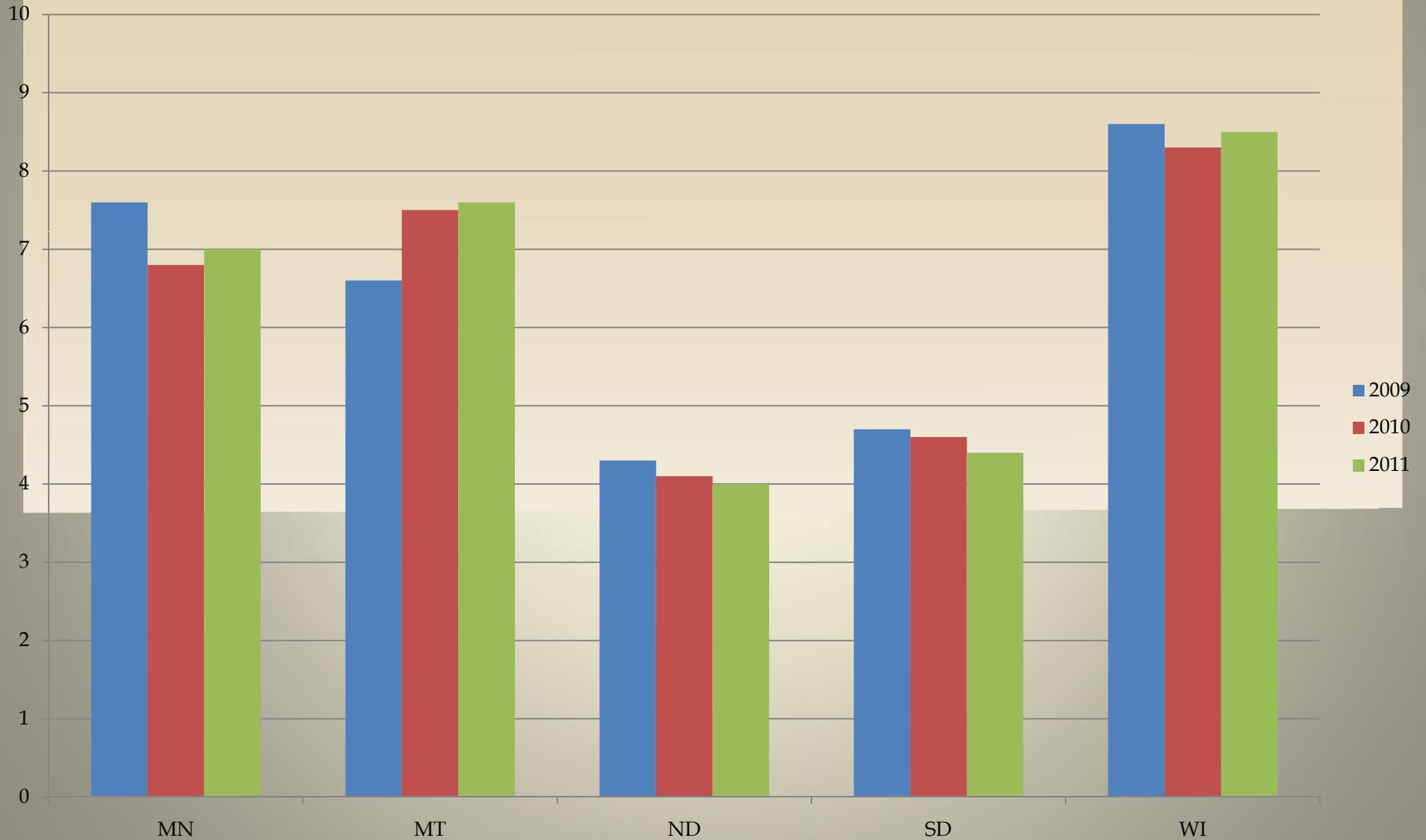
Business leaders expect slightly decreased employment at their companies



*Index number above 50 indicates expansion.
Index number below 50 indicates contraction.

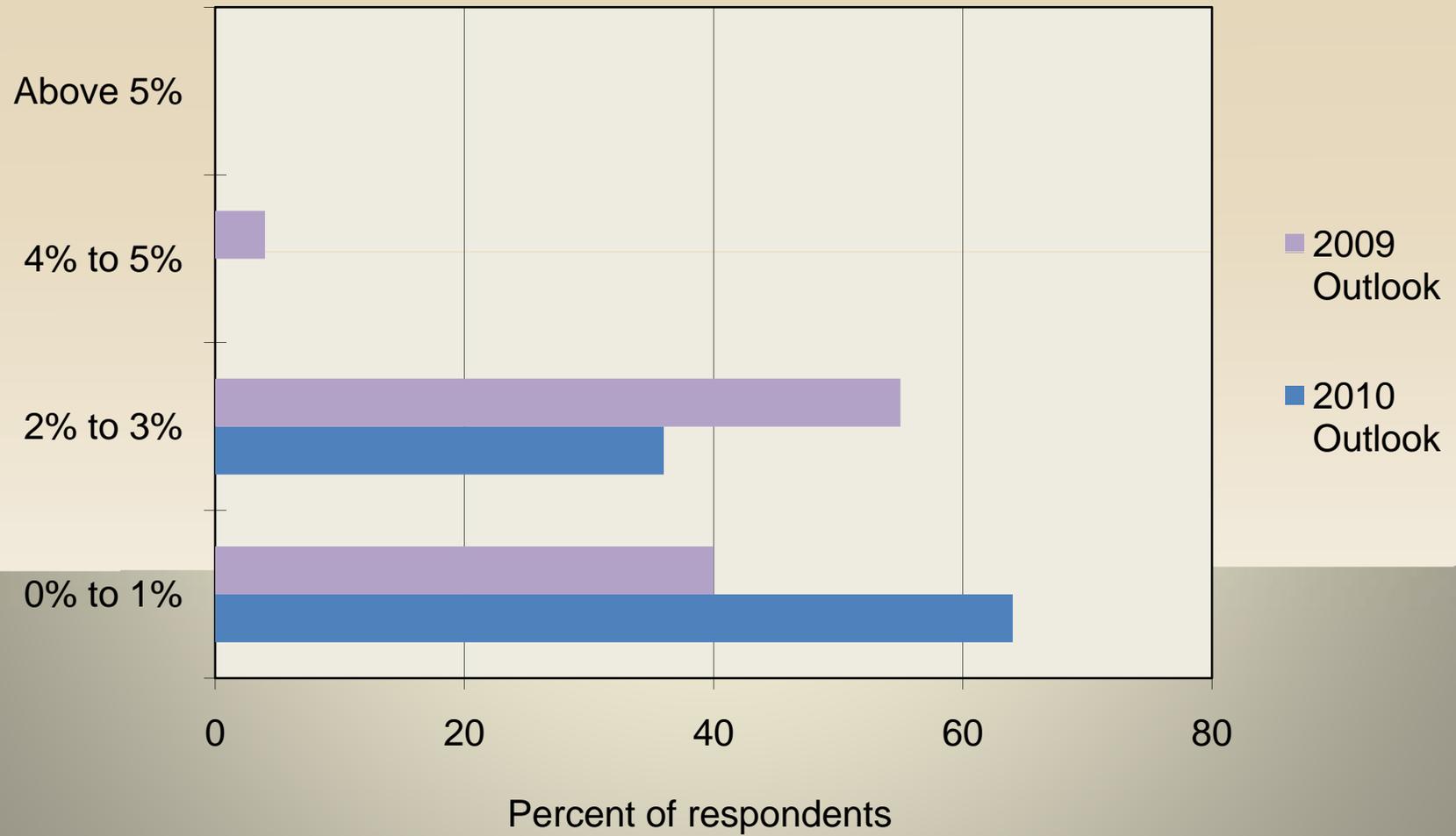


Unemployment rates won't move much



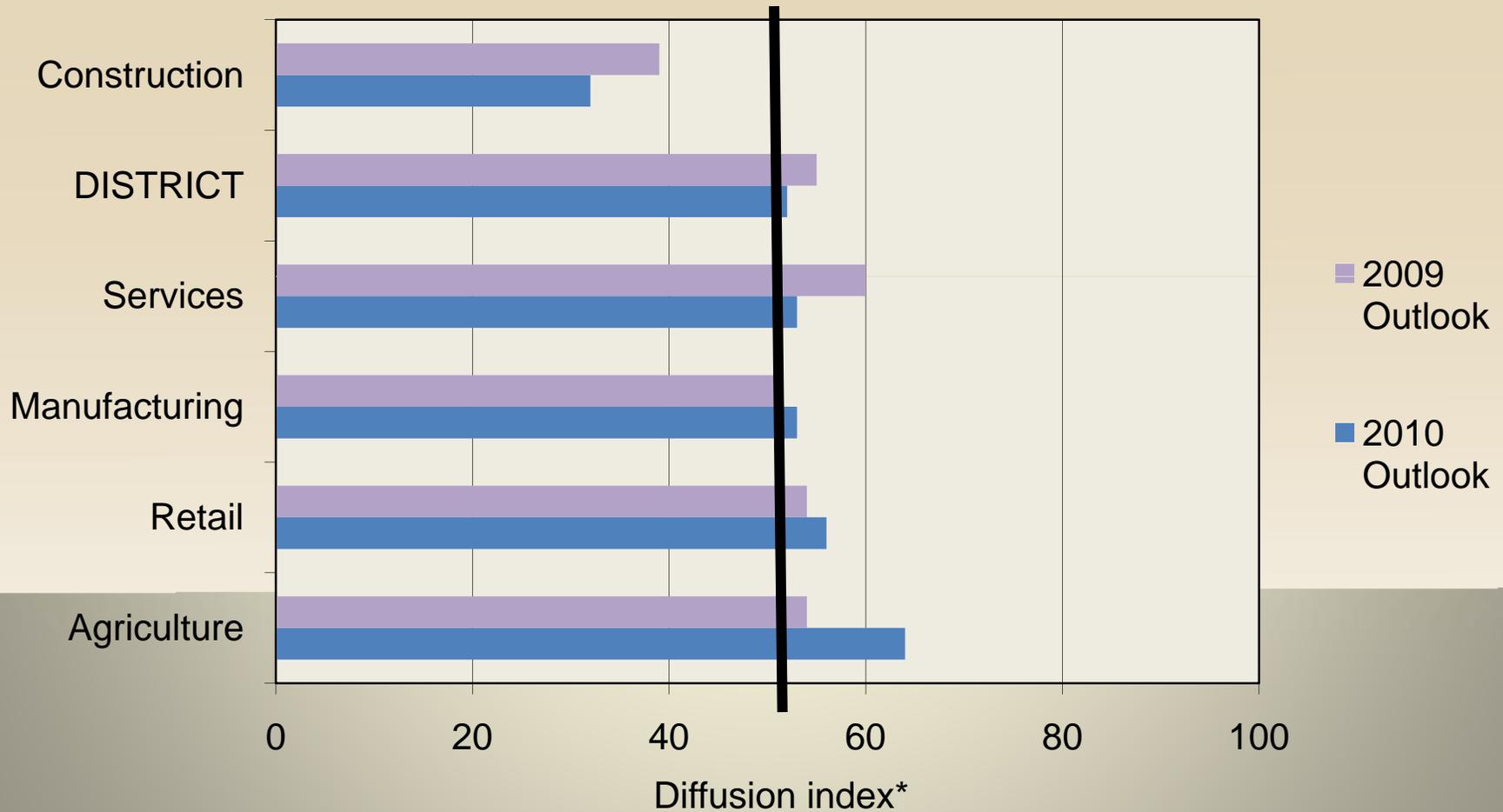


Business leaders anticipate small wage increases





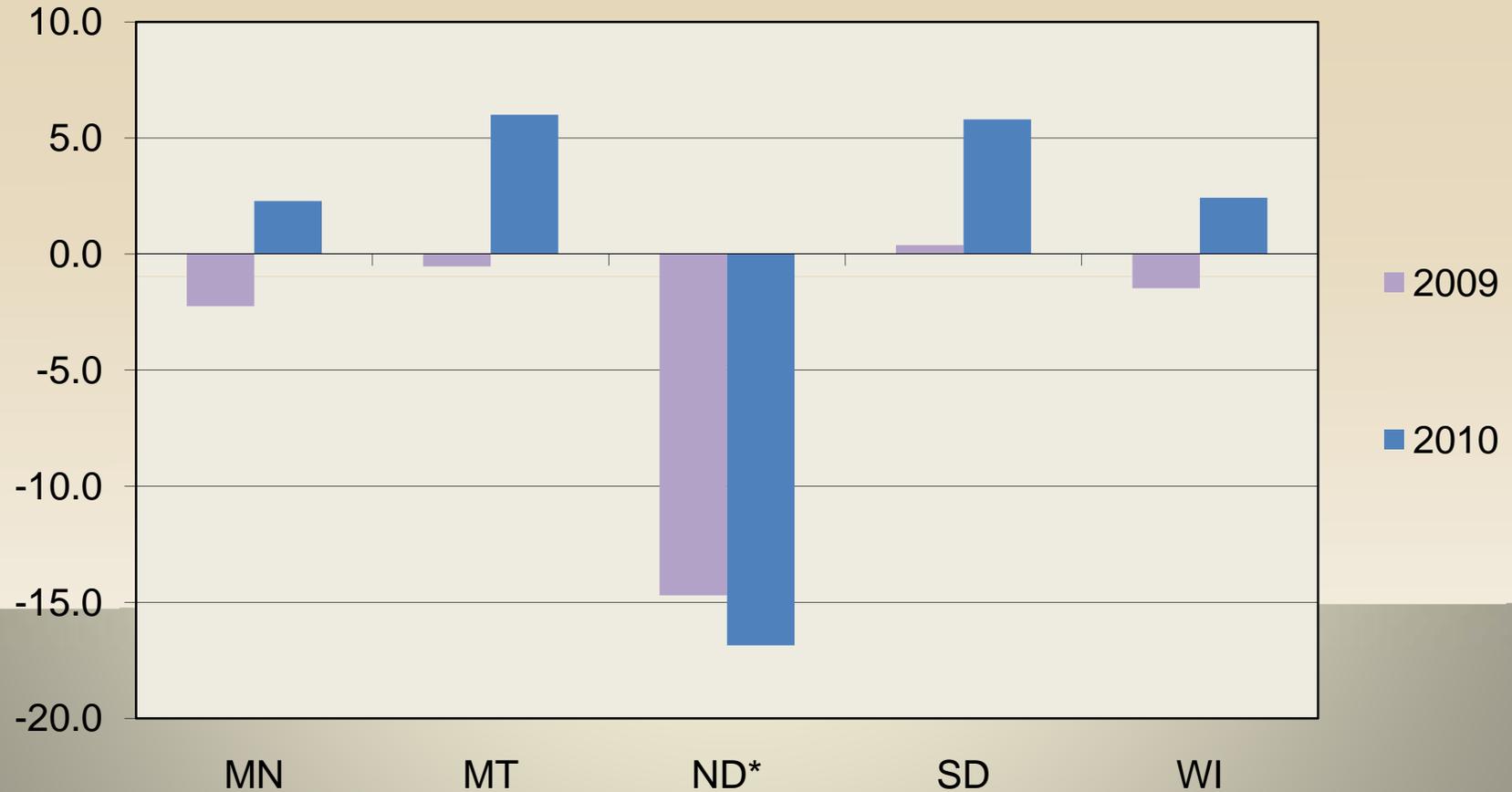
Business leaders foresee level prices



*Index number above 50 indicates expansion.
Index number below 50 indicates contraction.



Personal income growth expected to increase



Percent change from a year earlier – 4th quarter

*Forecast for North Dakota has a wide 70 percent confidence interval.



Questions?