



Emerging Trends in the U.S. & Regional Economies

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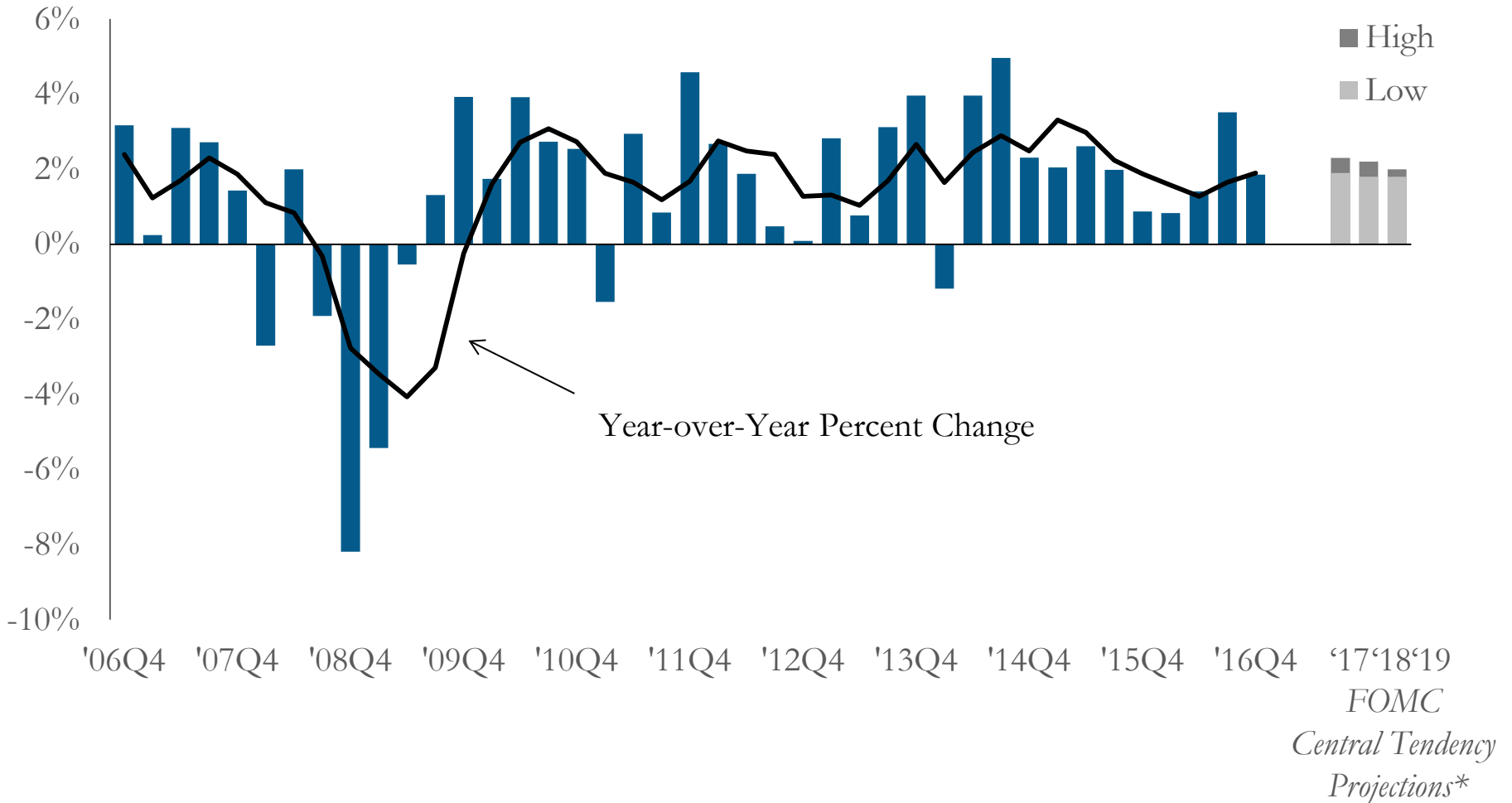
*The views expressed are those of the presenter and do not necessarily reflect
the positions of the Federal Reserve Bank of Kansas City or the Federal Reserve System.*

The U.S. economy is expected to continue to expand at a moderate pace over the next two years.



REAL U.S. GROSS DOMESTIC PRODUCT

Percent Change from Previous Quarter at Seasonally Adjusted Annualized Rates



Source: Bureau of Economic Analysis and Federal Open Market Committee (FOMC)/Haver Analytics

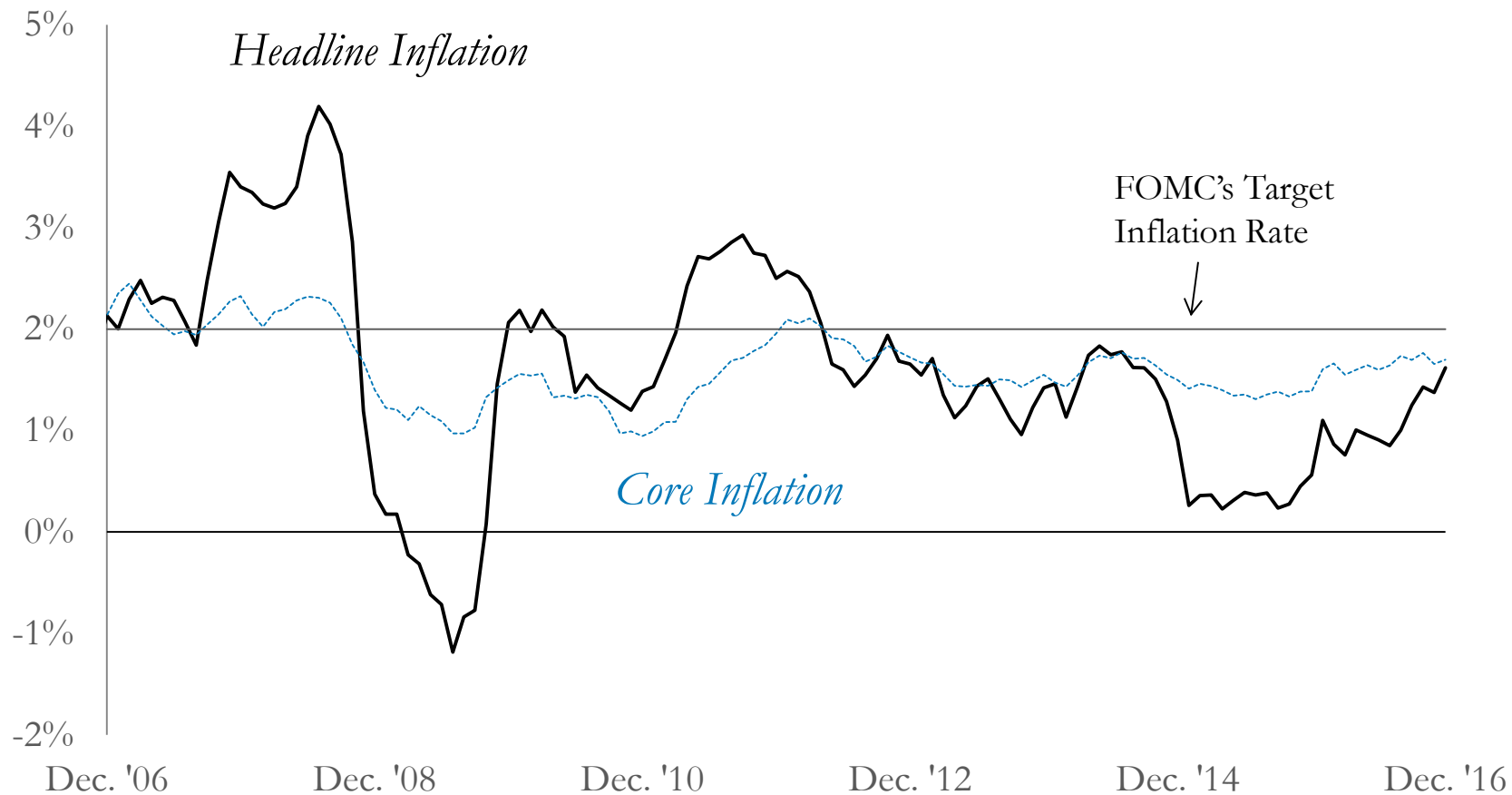
*Projections as of December FOMC meeting

Inflation has picked up, moving toward the FOMC's two percent target.



PERSONAL CONSUMPTION EXPENDITURE PRICE INDEX (PCEPI)

Percent Change Year-over-Year

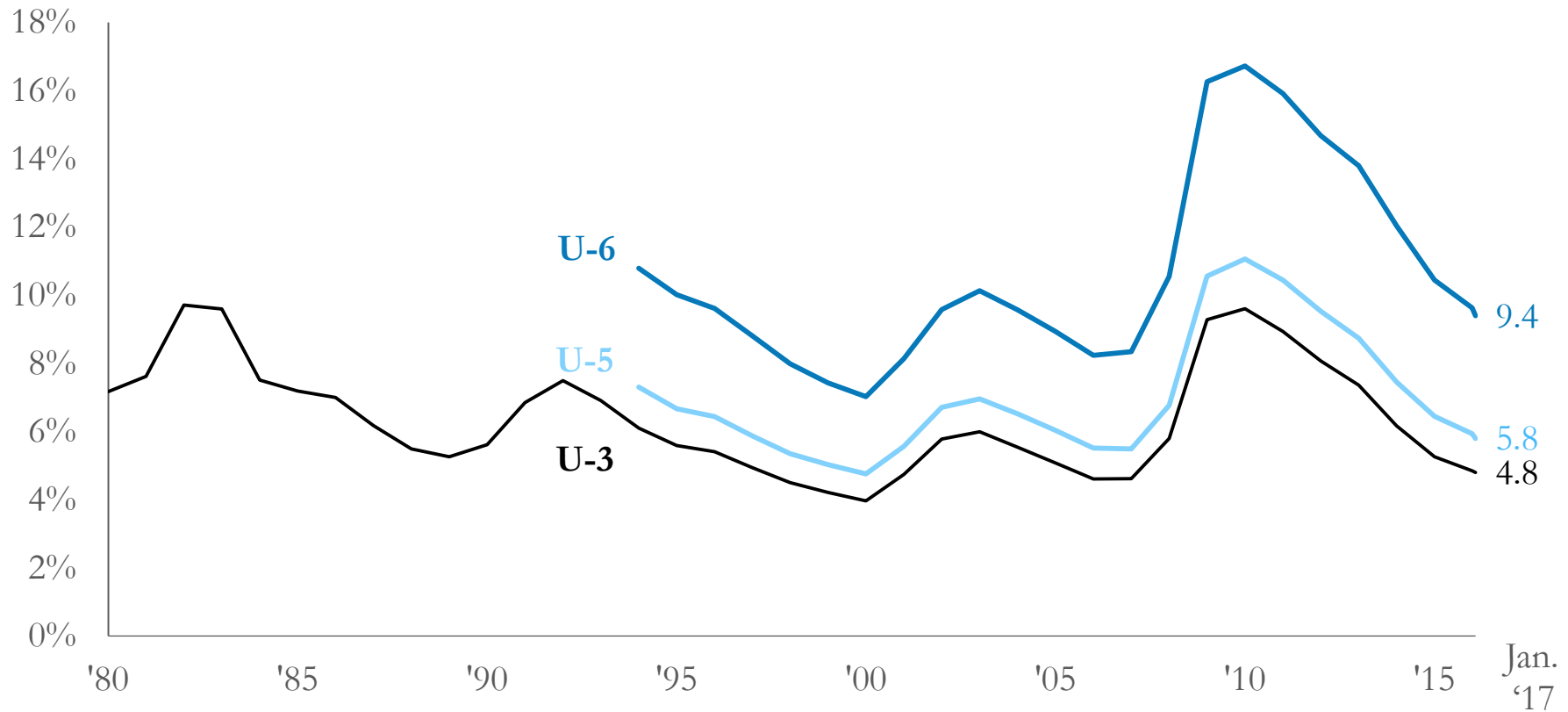


Measures of unemployment and under-employment have declined steadily over the past six years.



U. S. UNEMPLOYMENT AND UNDER-EMPLOYMENT RATES

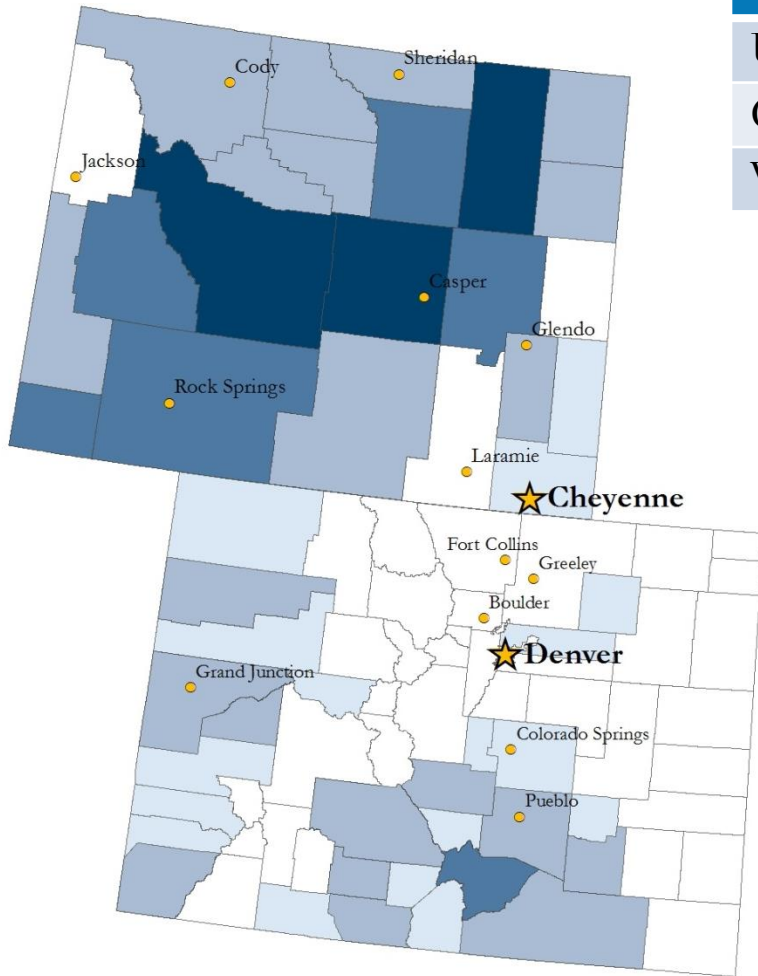
Seasonally Adjusted



Unemployment rates are below national rates in most of Colorado, but are now elevated in parts of Wyoming.

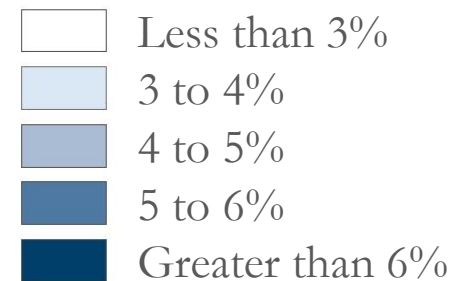
UNEMPLOYMENT RATES

December 2016, Seasonally Adjusted



<i>Unemployment Rate</i>	<i>U-3</i>	<i>U-5*</i>	<i>U-6*</i>
United States (Jan. '17)	4.8%	5.8%	9.4%
Colorado	3.0%	3.8%	7.3%
Wyoming	4.8%	6.1%	10.1%

**U-5 and U-6 values are 12-month moving averages as of Q4 2016 for Colorado and Wyoming, and are for January, 2017 for the United States.*



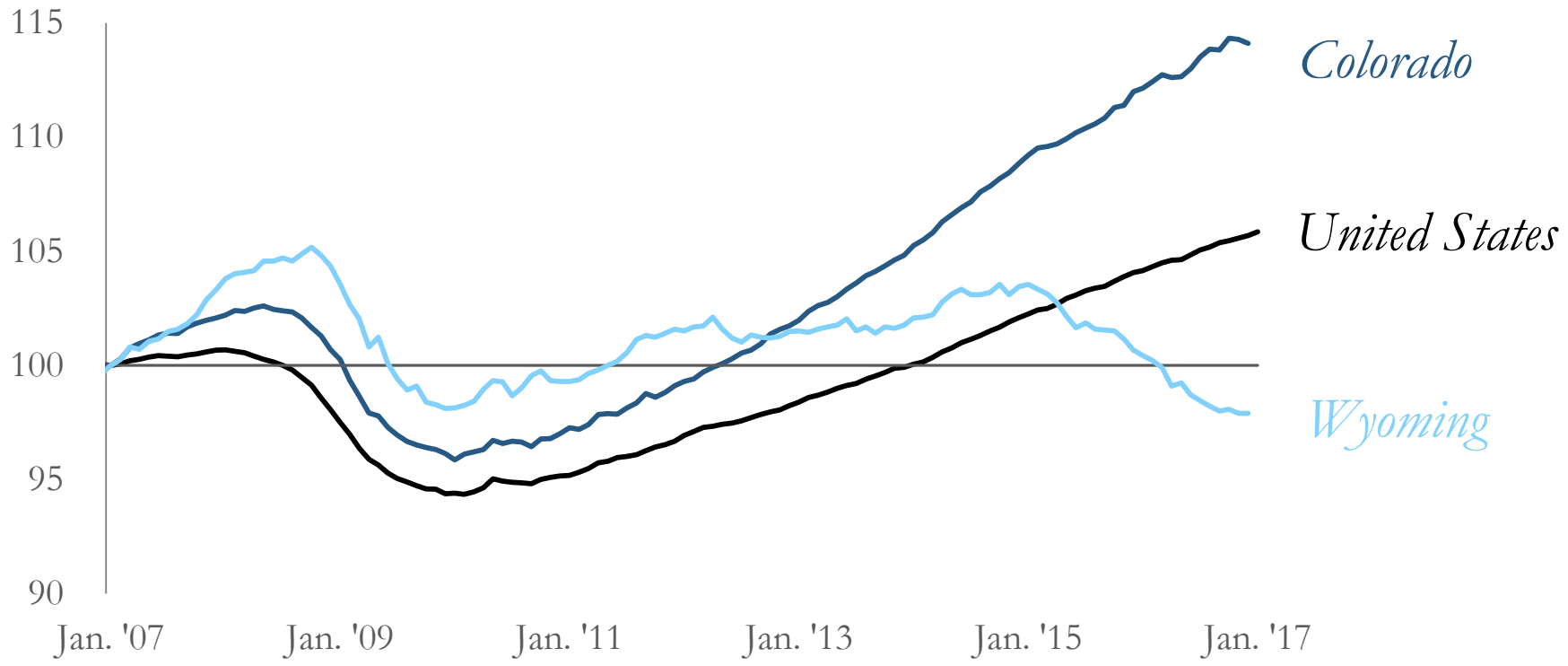
Employment has been increasing in Colorado and the nation for more than six years, but employment has declined sharply in Wyoming over the past two years.



PAYROLL EMPLOYMENT GROWTH
Index 100 = January 2007, Seasonally Adjusted

<i>Percent Change</i>	<i>Past 10 Years</i>	<i>Past Year</i>
U.S. (Jan. '17)	5.9%	1.6%
Colorado	14.1%	1.9%
Wyoming	-1.7%	-2.8%

Dec. '16 {



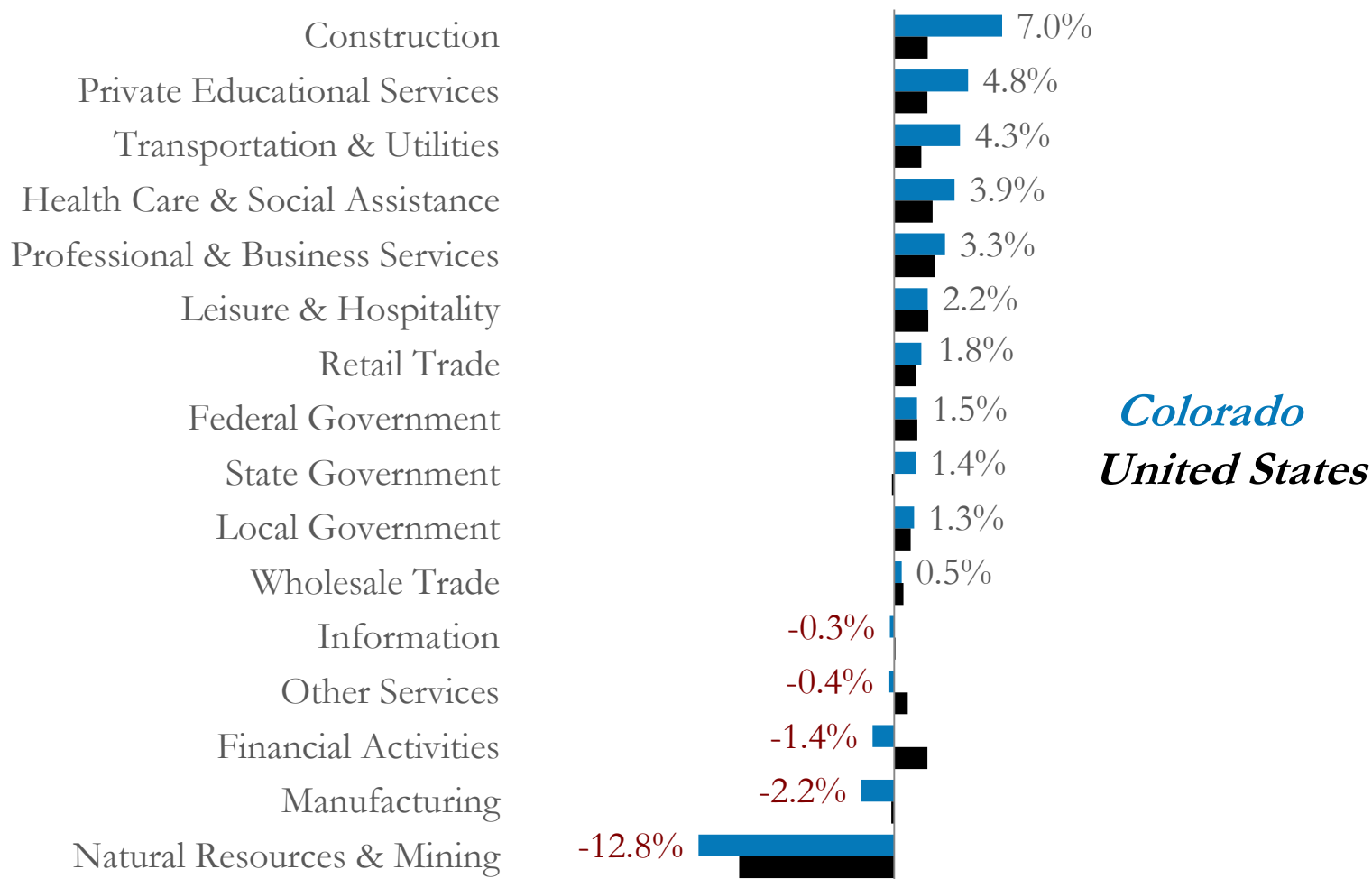
The majority of industries in Colorado have added jobs over the past year, but employment in the energy sector has declined sharply.



CHANGE IN PAYROLL EMPLOYMENT, DECEMBER 2016

Seasonally Adjusted

Percent Change Year-over-Year



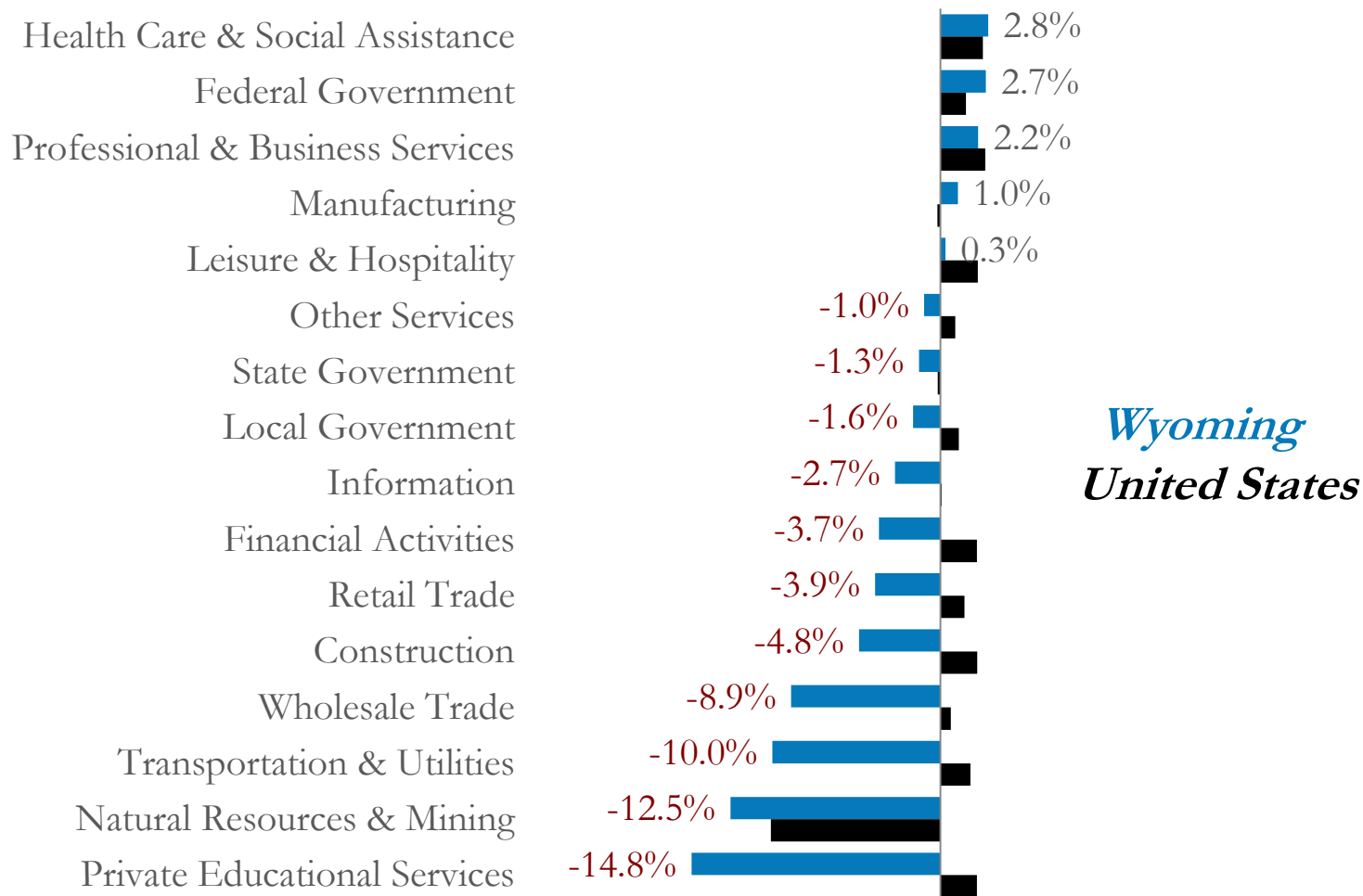
Weakness in the energy sector has spread to most other sectors in the Wyoming economy.



CHANGE IN PAYROLL EMPLOYMENT, DECEMBER 2016

Seasonally Adjusted

Percent Change Year-over-Year

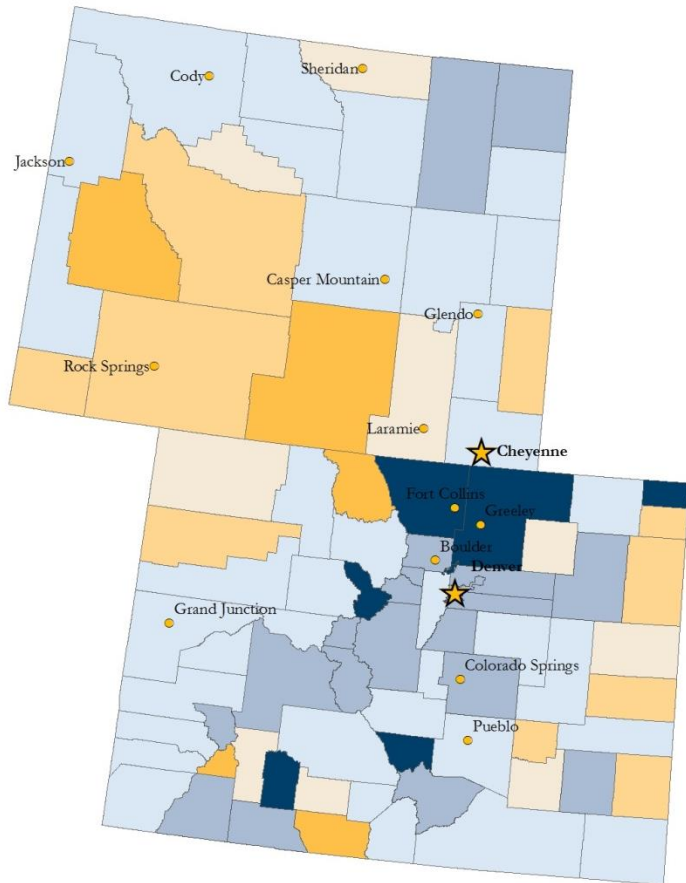


Parts of Colorado continue to experience strong net in-migration, but Wyoming has experienced some out-migration in recent years.

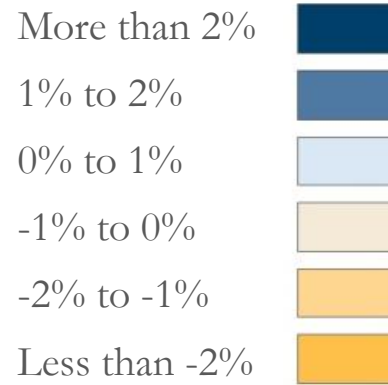


NET MIGRATION

Total 2015 Net Migration as a Percentage of 2015 Population



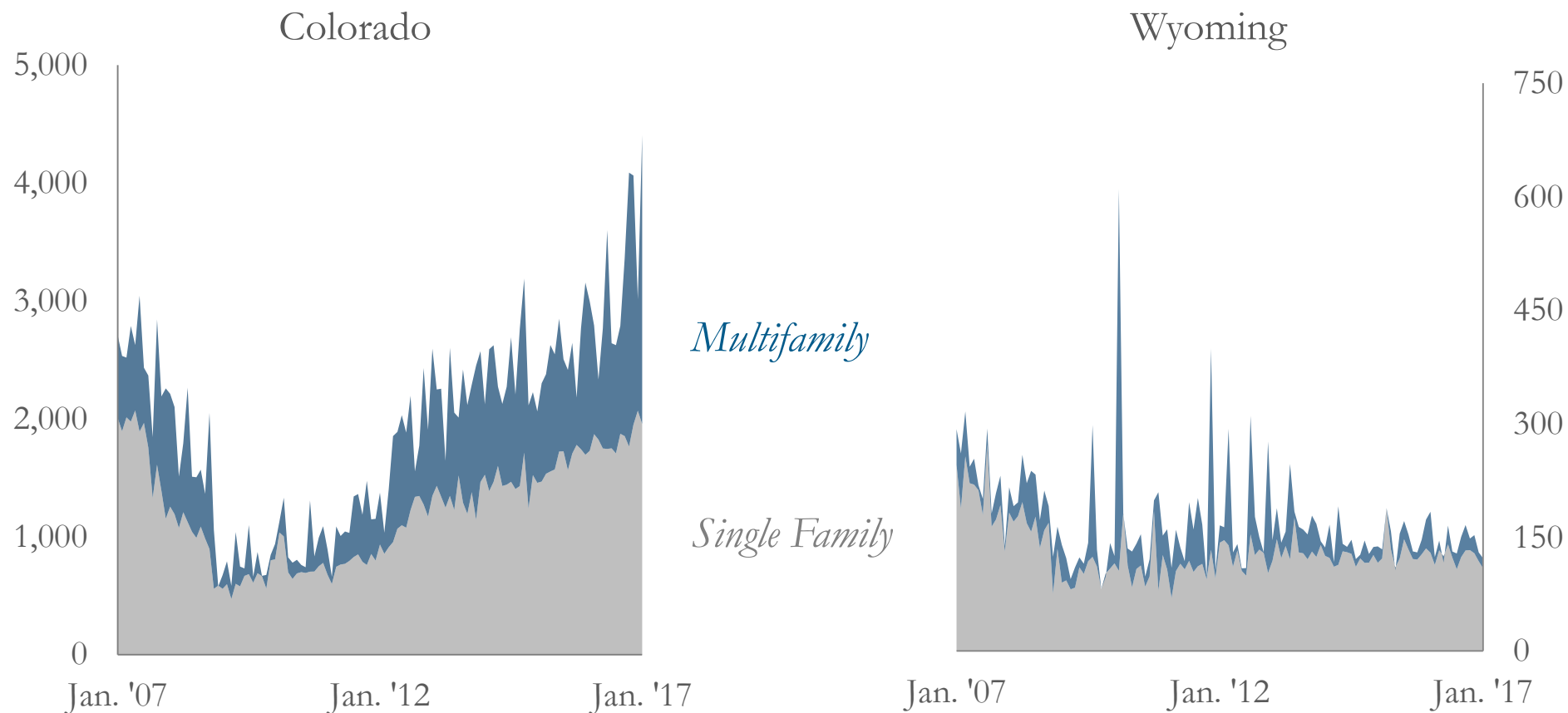
<i>Annual Percent Change</i>	<i>2016</i>
United States	0.3%
Colorado	1.1%
Wyoming	-0.7%



Residential construction activity has been increasing in Colorado for more than six years, but single family permitting slowed in Wyoming in 2016.

RESIDENTIAL PERMITS

Seasonally Adjusted

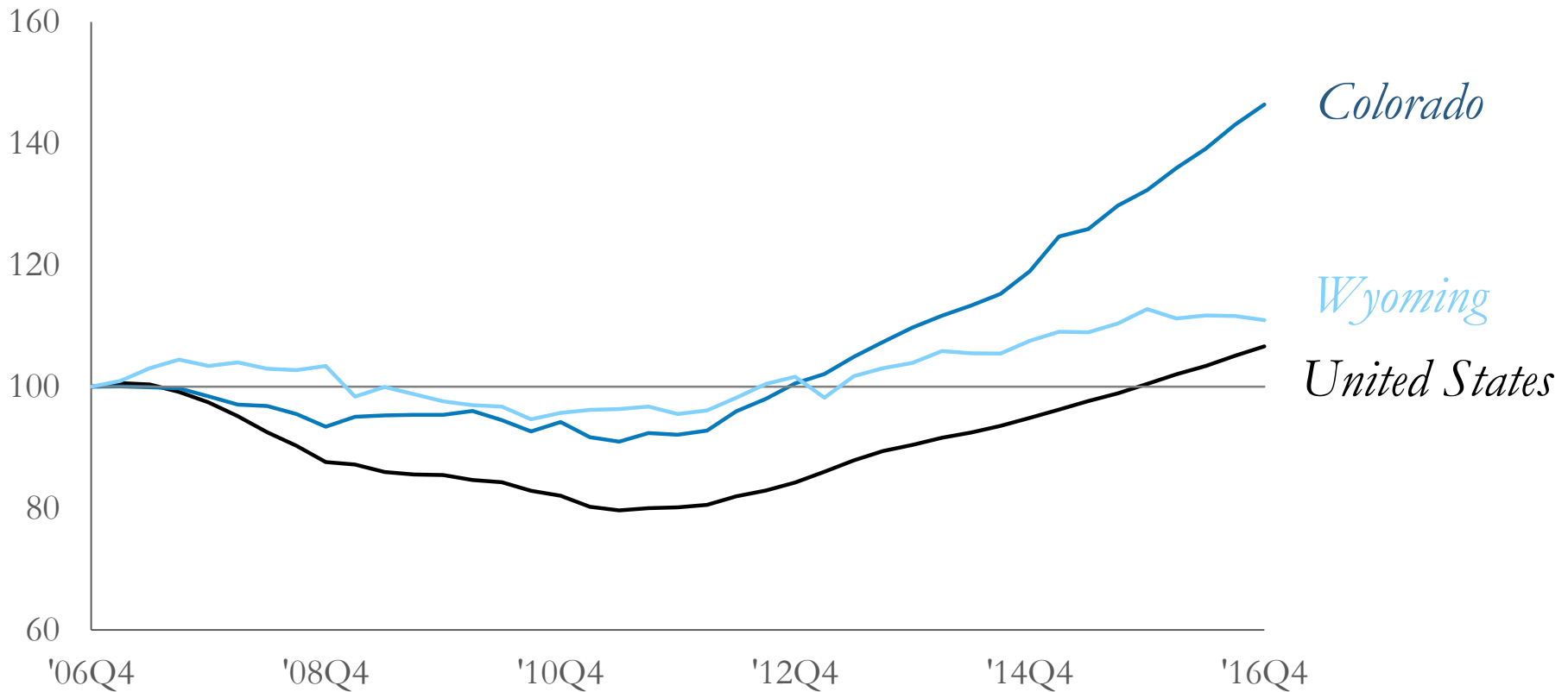


Home prices have increased sharply over the past several years in Colorado and remain fairly stable in Wyoming.



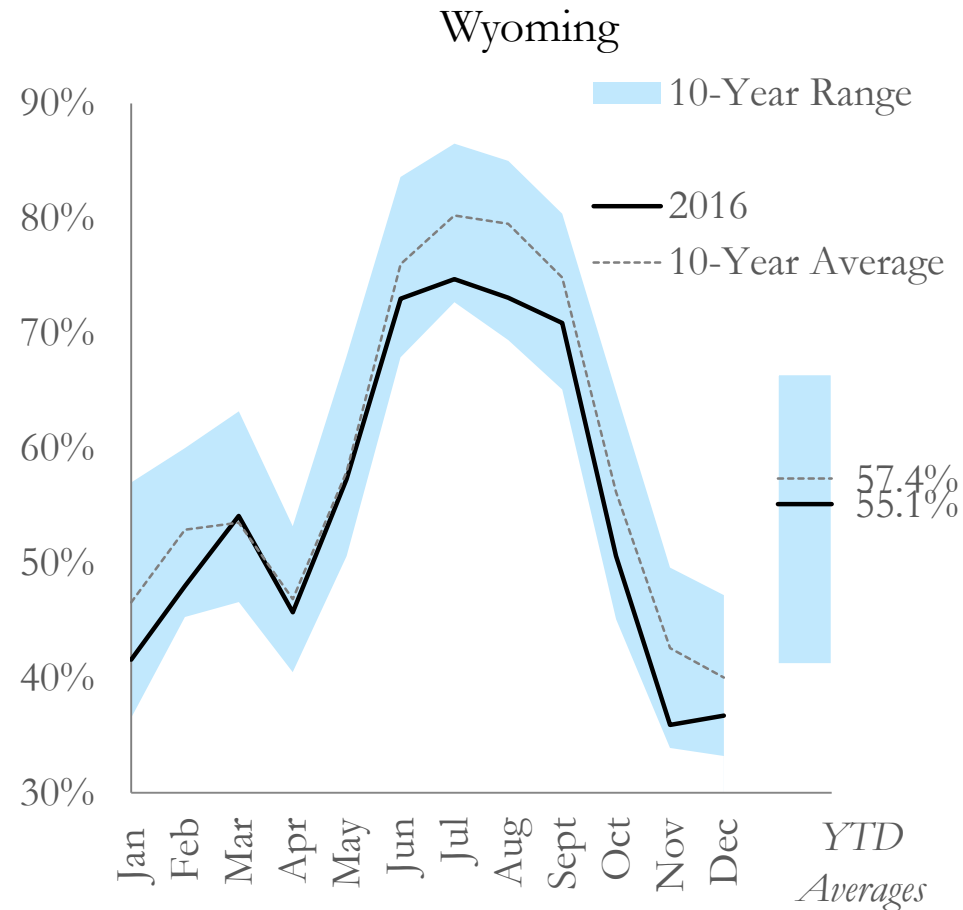
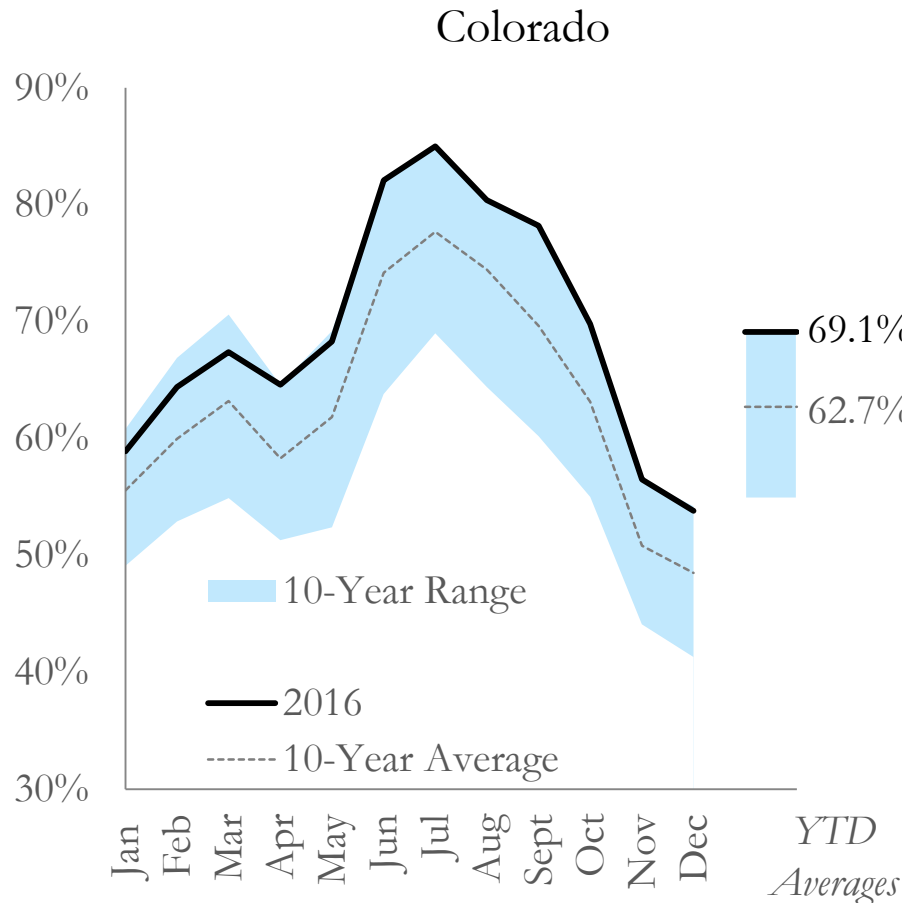
HOME PRICES

Seasonally Adjusted, Index 100 = Q4:2006



Leisure tourism activity has been strong in Colorado and Wyoming over the past few years, but business tourism has declined sharply in Wyoming.

HOTEL OCCUPANCY RATES

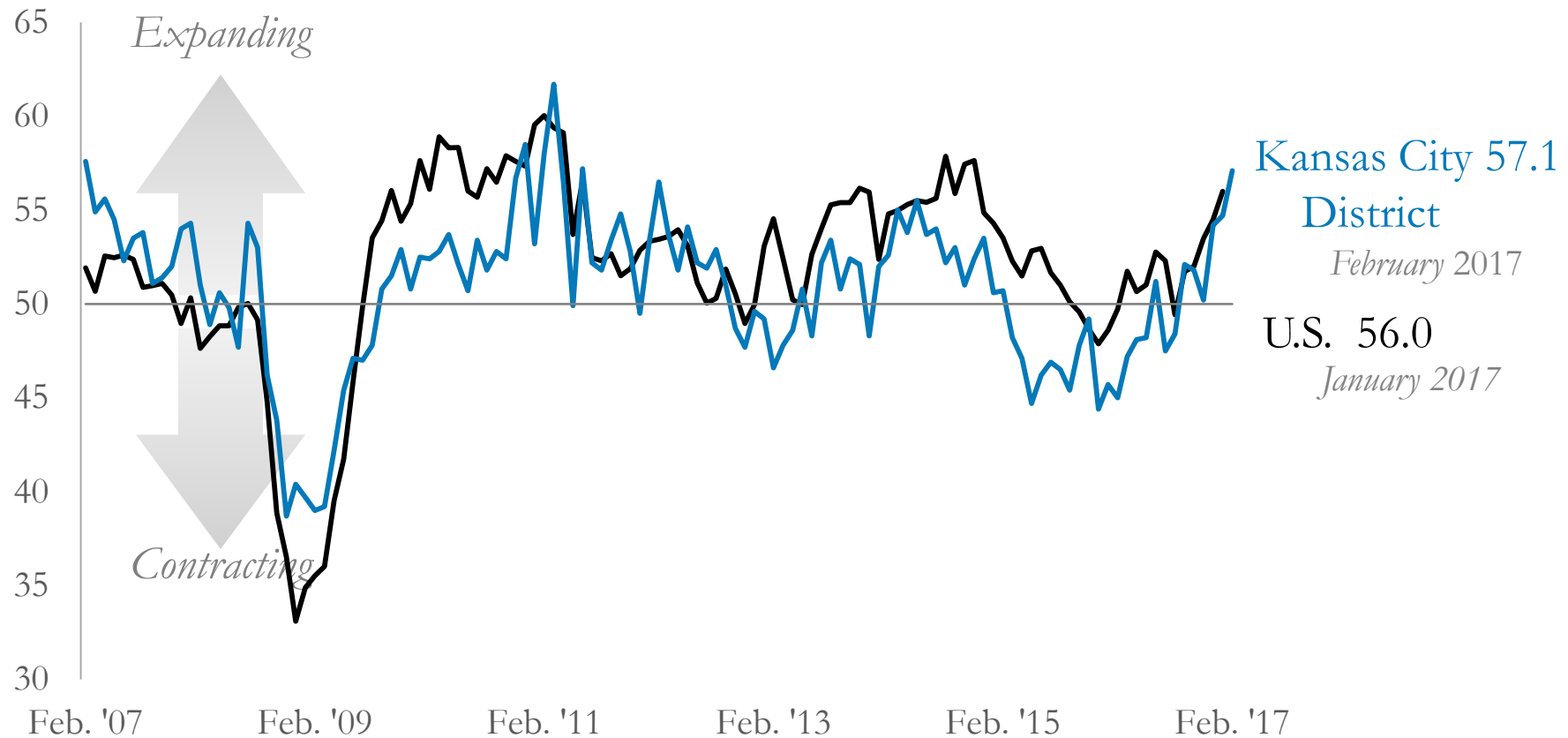


Manufacturing activity has rebounded in recent months after weak activity in 2015 and early 2016.



MANUFACTURING ACTIVITY

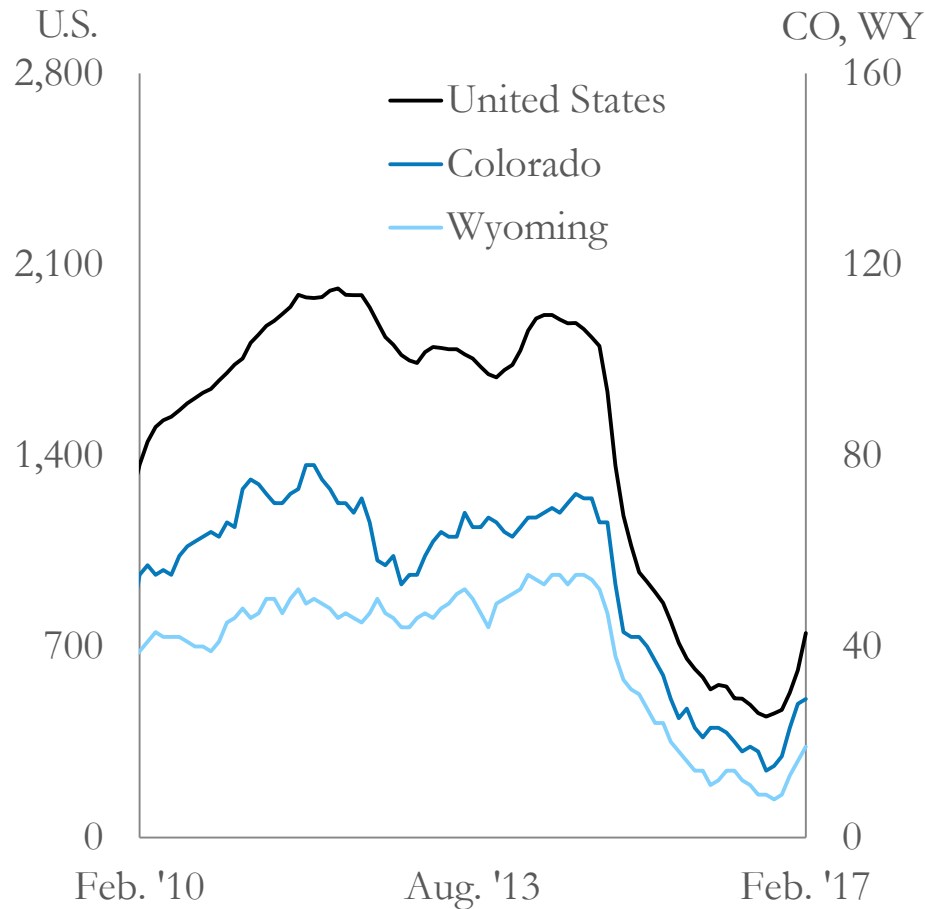
Diffusion Index, Seasonally Adjusted, Month-over-Month



Energy activity has picked up in recent months after declining significantly since mid-2014.

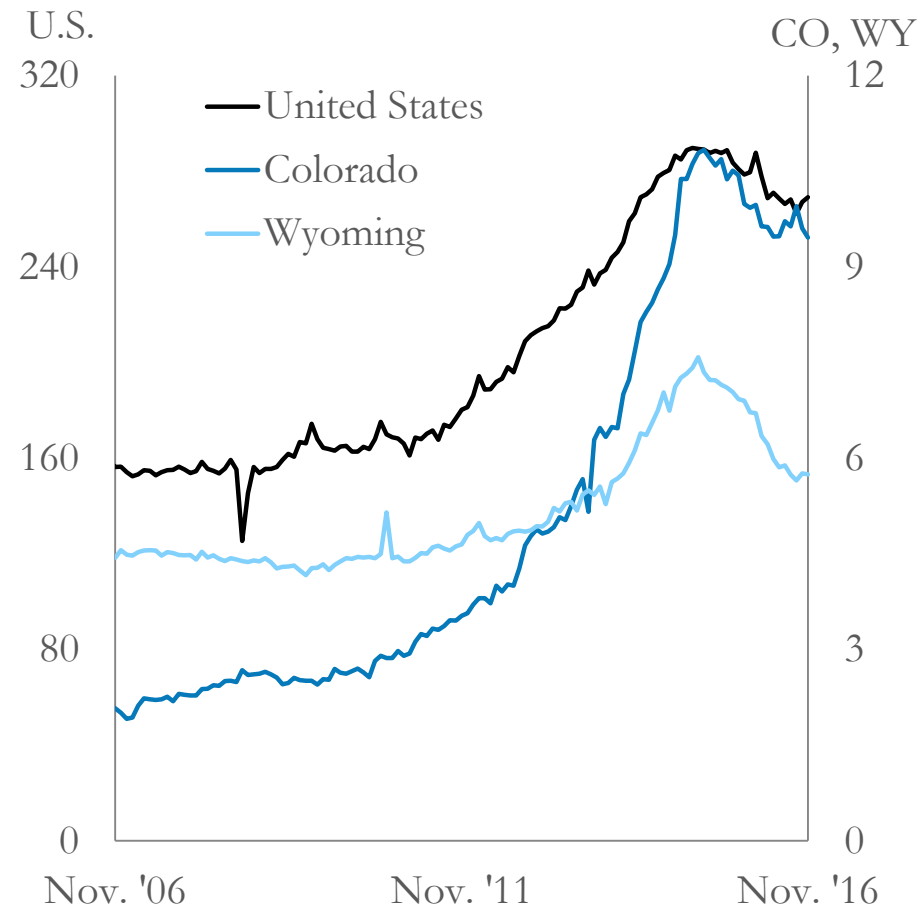


TOTAL RIG COUNT



CRUDE OIL PRODUCTION

*Millions of Barrels, Monthly,
Seasonally Adjusted*

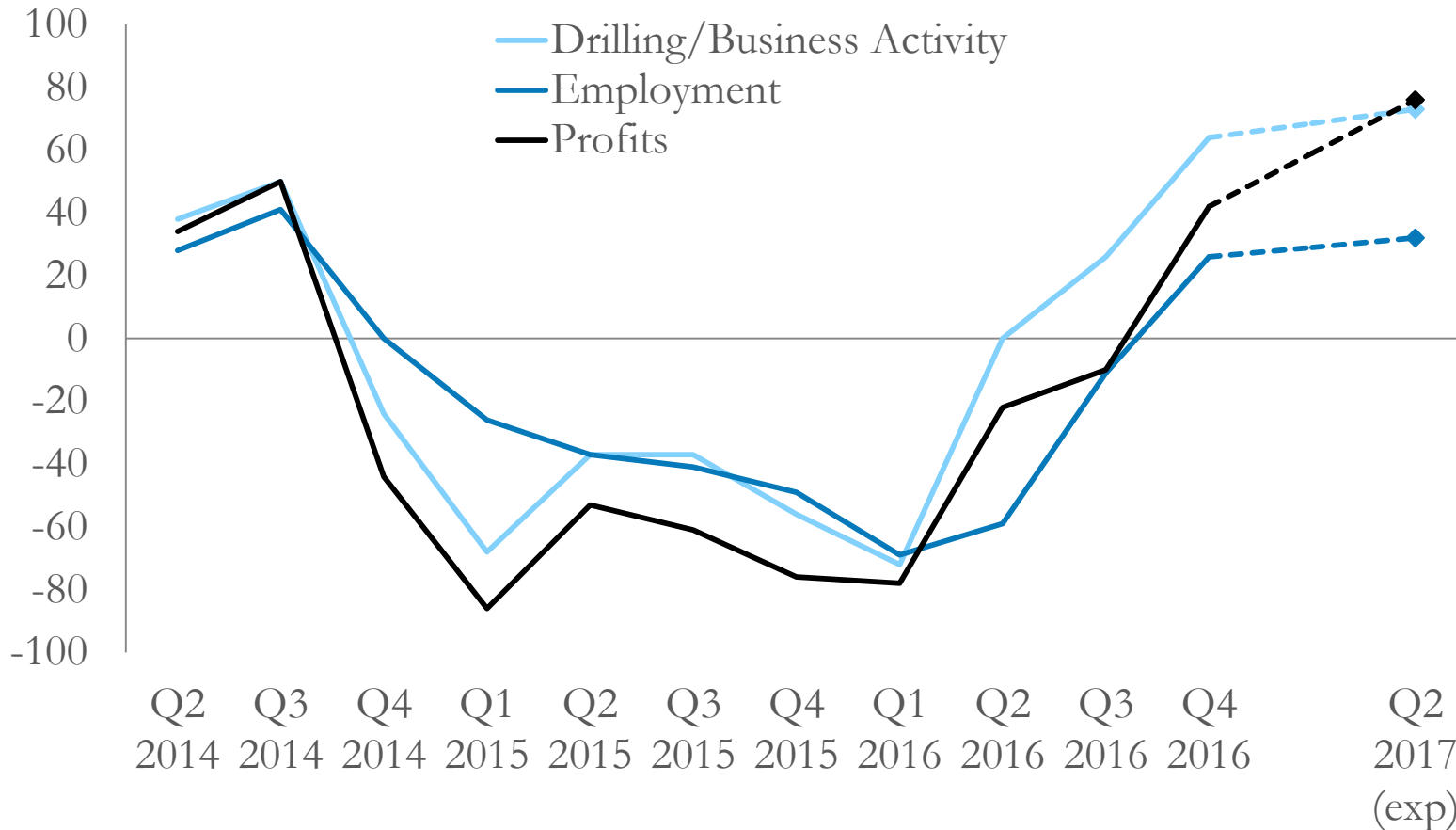


The energy sector is expected to expand in 2017.



FRBKC ENERGY SURVEY

Diffusion Indexes, Quarter-over-Quarter

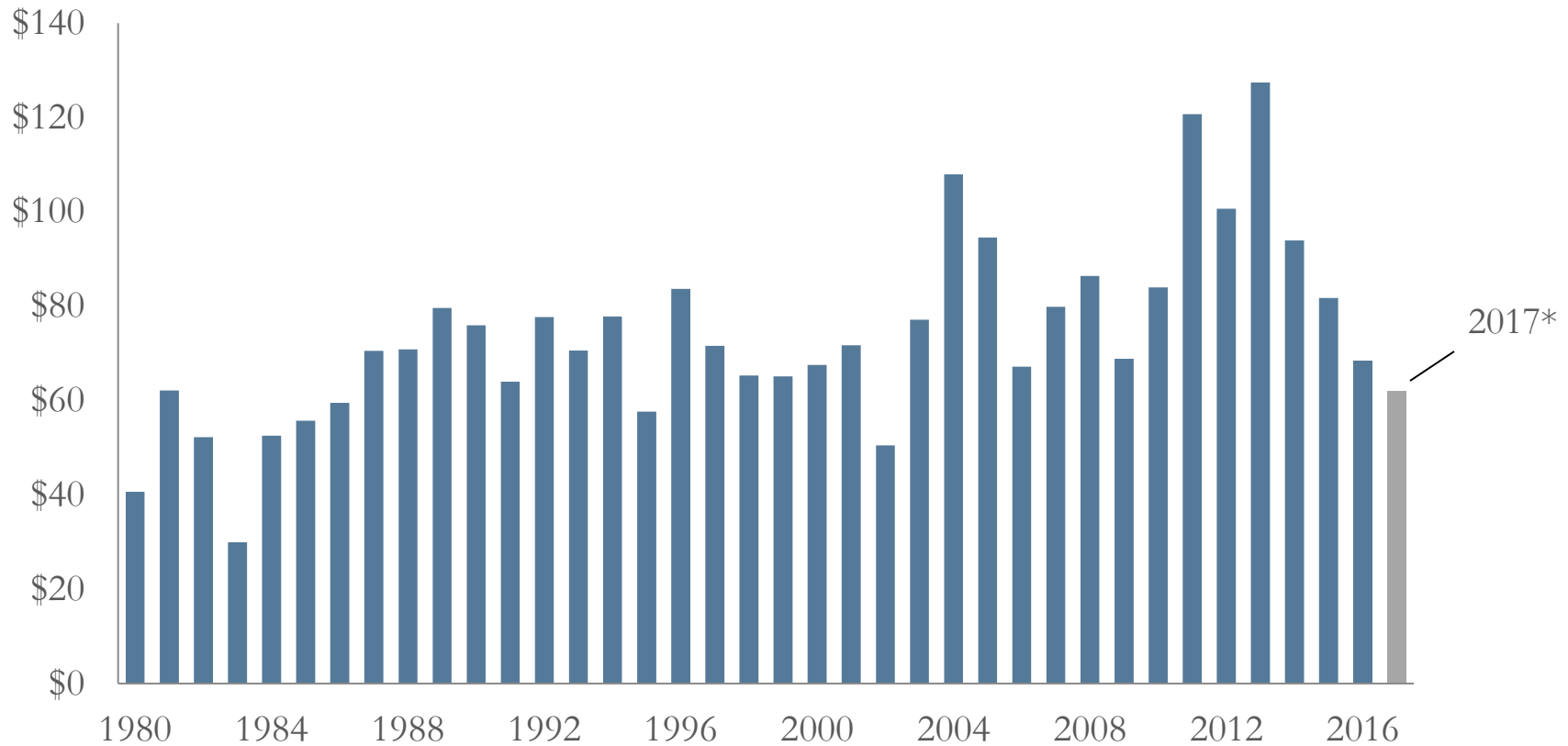


Farm income has dropped sharply and is expected to remain low.



U.S. REAL NET FARM INCOME

Billion Dollars (Constant 2016 Dollars)



*Forecast for 2017

For additional information on the regional economy:
<http://www.KansasCityFed.org/Denver>

