Regional Economic Outlook

Presented by

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Variation in State Job Growth Remains Narrow

Standard deviation of year-to-year state job growth by state
Job Growth: Narrow Differences

% change year ago, 3-mo. moving average, July 2000
Average is within 1/2 std. dev. of mean state growth rate of 2%
Variation in State Income Growth Is Beginning to Widen

Standard deviation of real, year-to-year non-farm household income growth by state
High Productivity Drives Income Growth in the Northeast
Productivity is Concentrated

U.S. = $70,100

Below Average
Average
Above Average

Note: Productivity adjusted for industry mix.
Output per worker, 1998.
Productivity Growth Fastest on the Coasts

Output per worker, annualized growth, 1993-1998
Productivity adjusted for industry mix
Income Growth is Accelerating Fastest in Northeast and West

Real household income
Annualized growth rates (%), 1999

Northeast
Midwest
South
West
Regional Income Convergence Has Halted

Per capita income. Index: U.S. = 100

Northeast

Midwest

South

West
Capital Gains as a Share of Income

Note: Income is adjusted gross income.
Venture Capital Supports the West
Venture Capital Is Concentrated

V.C. placements as a % share of GDP, 1999

U.S. = 0.39%

Source: PricewaterhouseCoopers, BEA
West is home to more Internet sites, with 36% located in the West, 22% in the Northeast, and 15% in the Midwest. Location of web site owners, based on approximately 75,000 sites. Source: Alexa Research.
More Than Half the Internet Economy is in the West

By headquarters location of Internet-related firms

Sept. 22, 2000

*535 Public and private companies
Southern & Northeastern Internet-Related Firms Holding Value Better

% Change in Market Cap

% Change
Mid-April to Sept. 22

Northeast  Midwest  South  W

% Change in Market Cap
Costs Are an Increasing Concern

Employment cost index
Wages & salaries, pvt. ind.
% change year ago
Costs include tax burden, unit labor costs and energy costs.
Commodity Exports Rebounding

% change year ago

Northeast
Midwest
West
South

97 98 99
Exposure to Exports

Commodity exports as a share of GDP

U.S. = 7.5% in 1999

Sources: MISER, BEA
Slowdown in Homebuilding is Not Uniform

- Decrease of more than -10%
- Decrease between -10% and 0%
- Increase
Job Growth Outlook 2000-2003

U.S. = 1.3%

Note: Annualized growth