

Outlook and Metrics for the Midwest

SOPHIA KOROPECKYJ, MANAGING DIRECTOR

December 1 2011

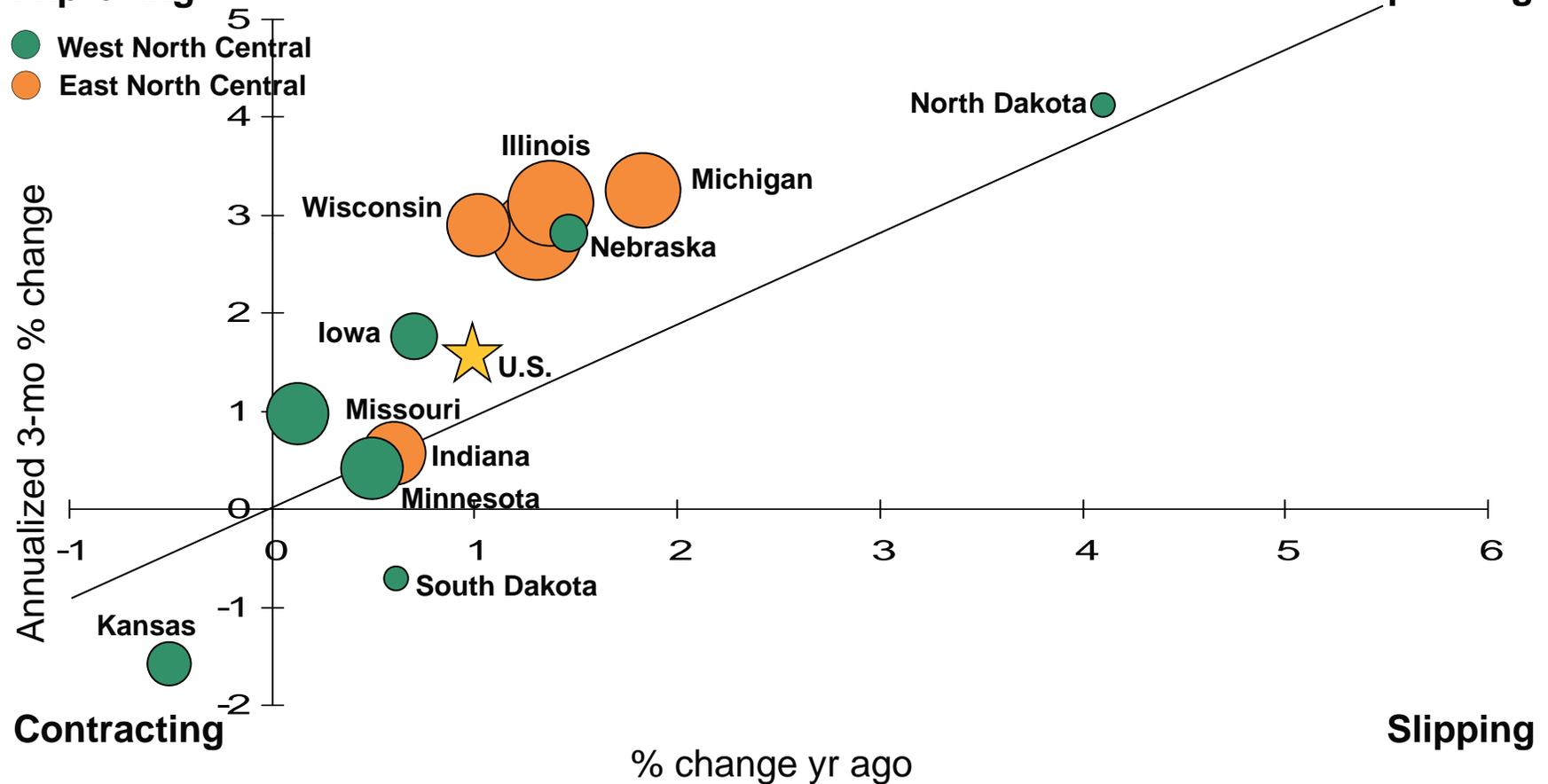
Payroll Employment—Midwest States

1-yr vs. 3-mo performance (3-mo. MA)

April 2011

Improving

Expanding



Note: Size reflects relative total employment

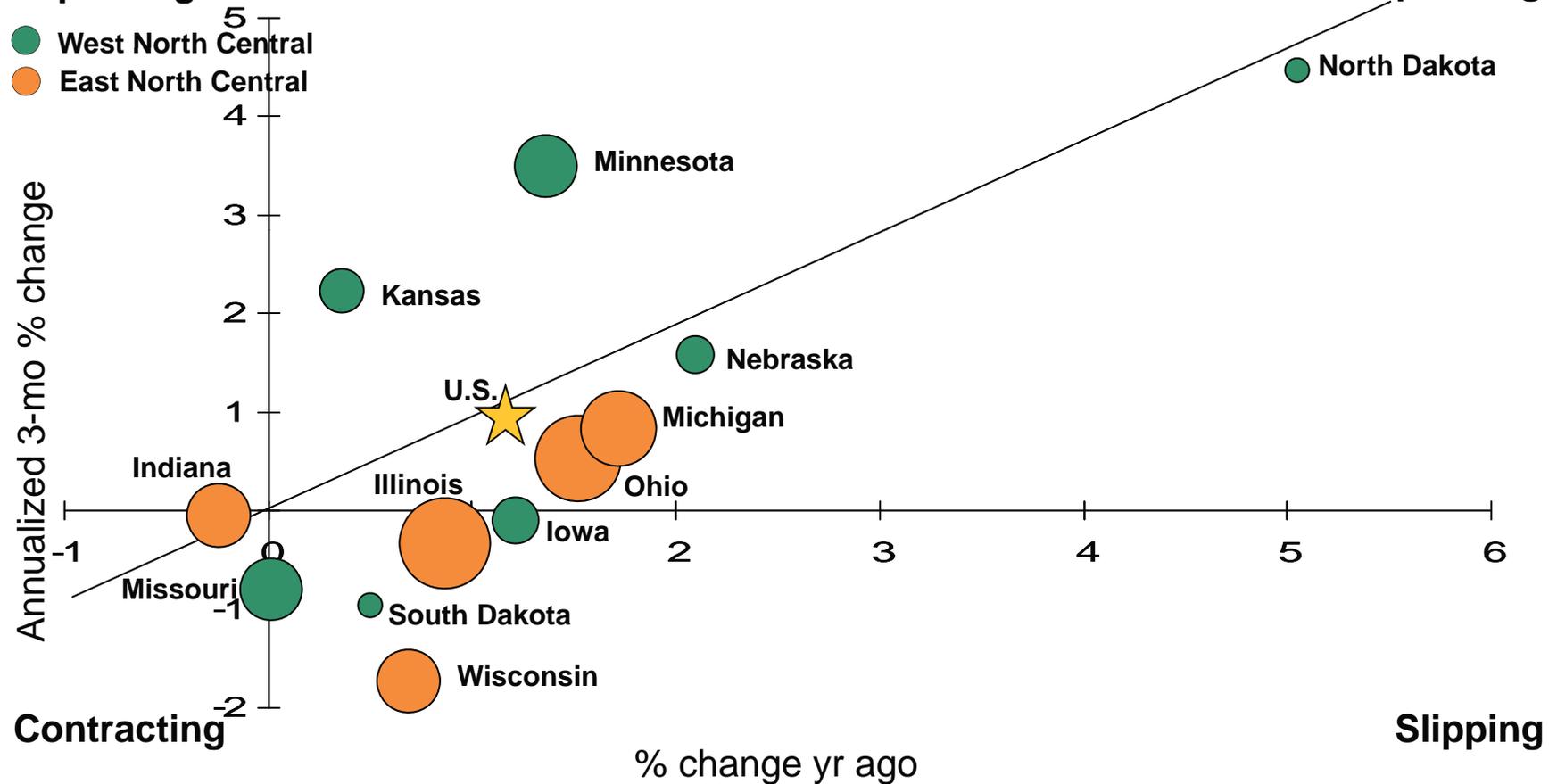
Payroll Employment—Midwest States

1-yr vs. 3-mo performance (3-mo. MA)

Oct 2011

Improving

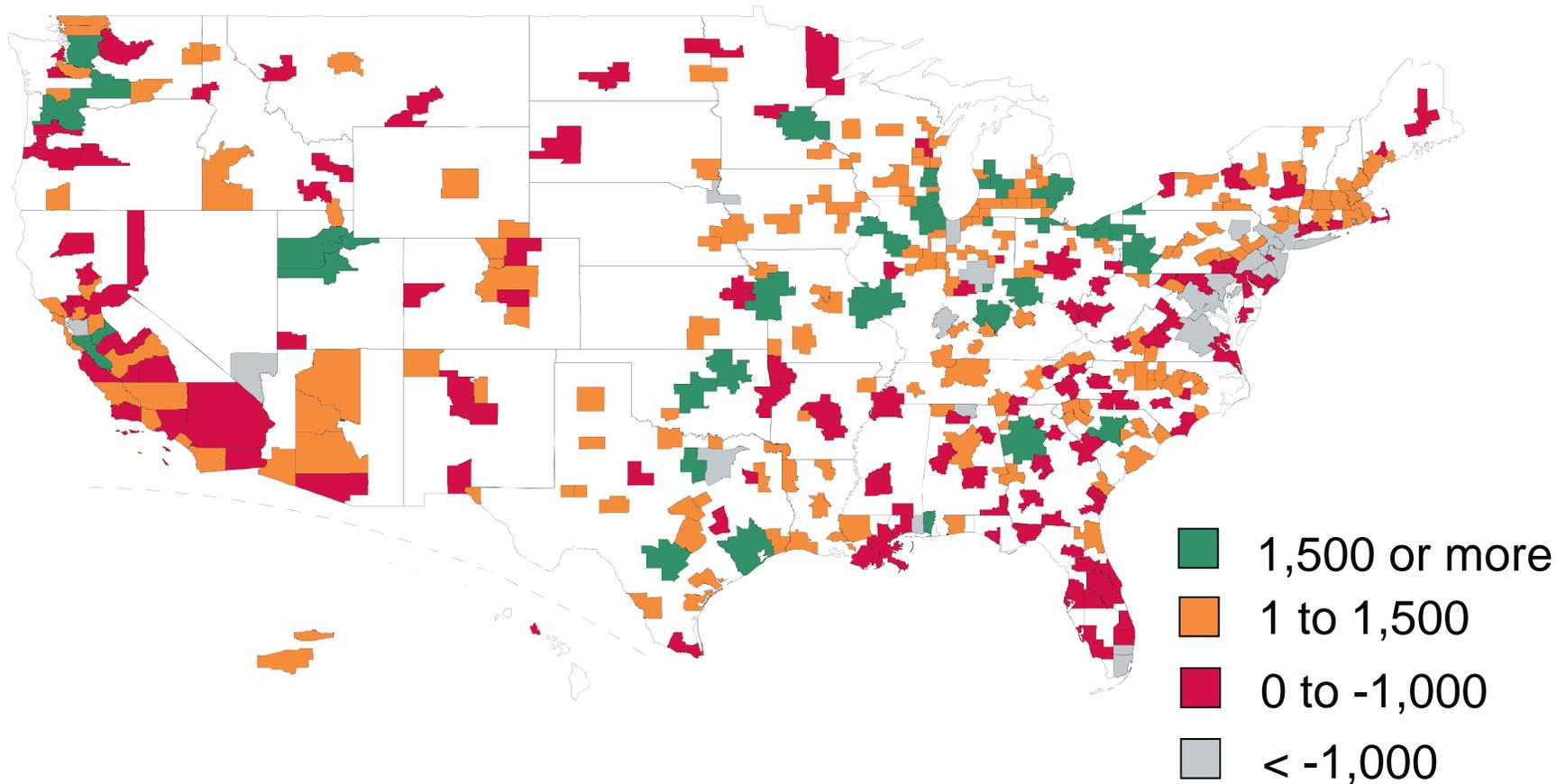
Expanding



Note: Size reflects relative total employment

Capital Goods and Autos Fuel Modest Growth...

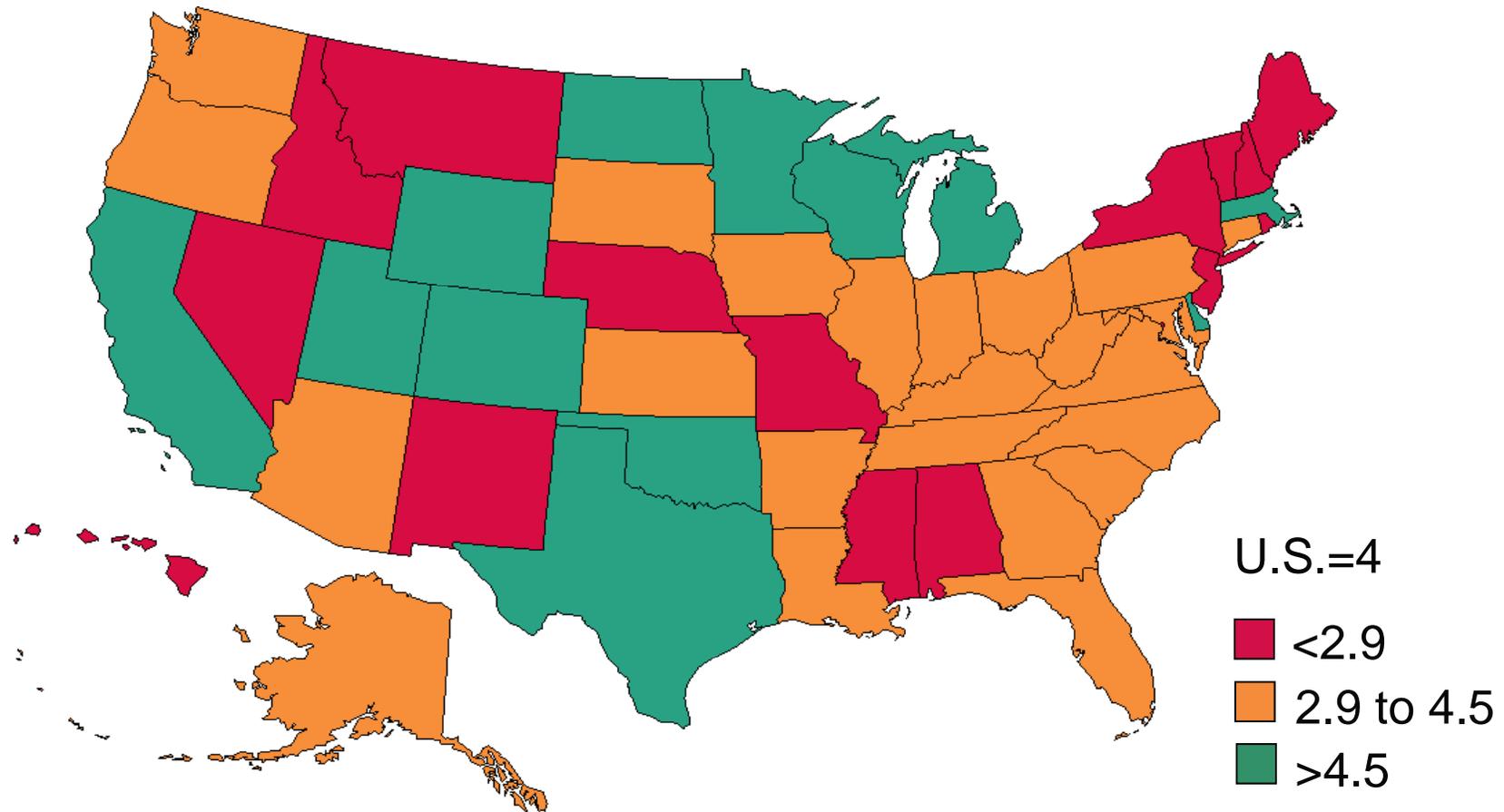
Manufacturing employment, change from national trough



Sources: BLS, Moody's Analytics

Income Growth Reflects Commodities/Goods...

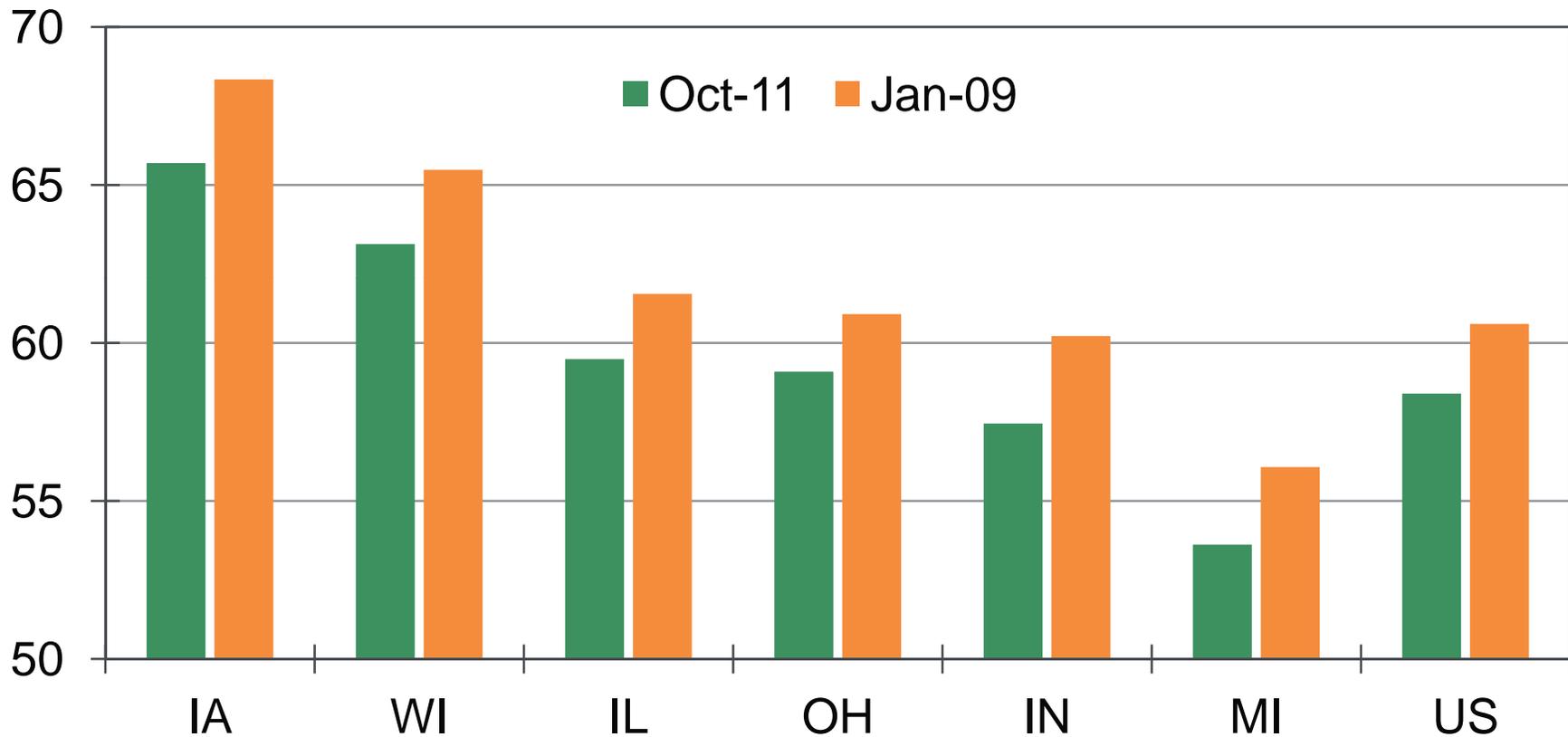
Wage and salary income growth, % change yr ago, 2011Q2



Source: BEA

Recovery Does Not Keep Up With Population

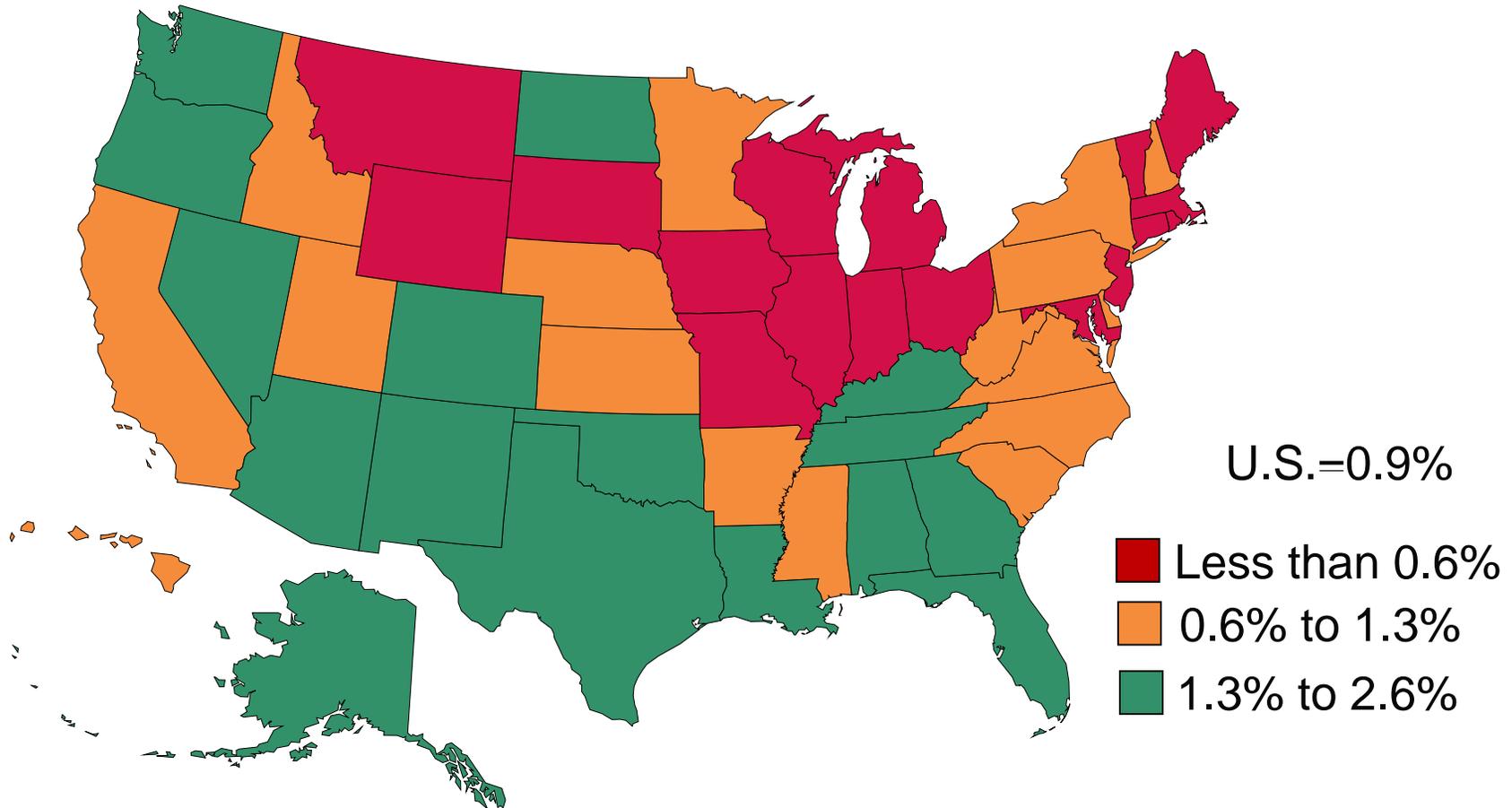
Employment to population ratio, %, October 2011



Sources: BLS, Moody's Analytics

Employment Outlook for 2012

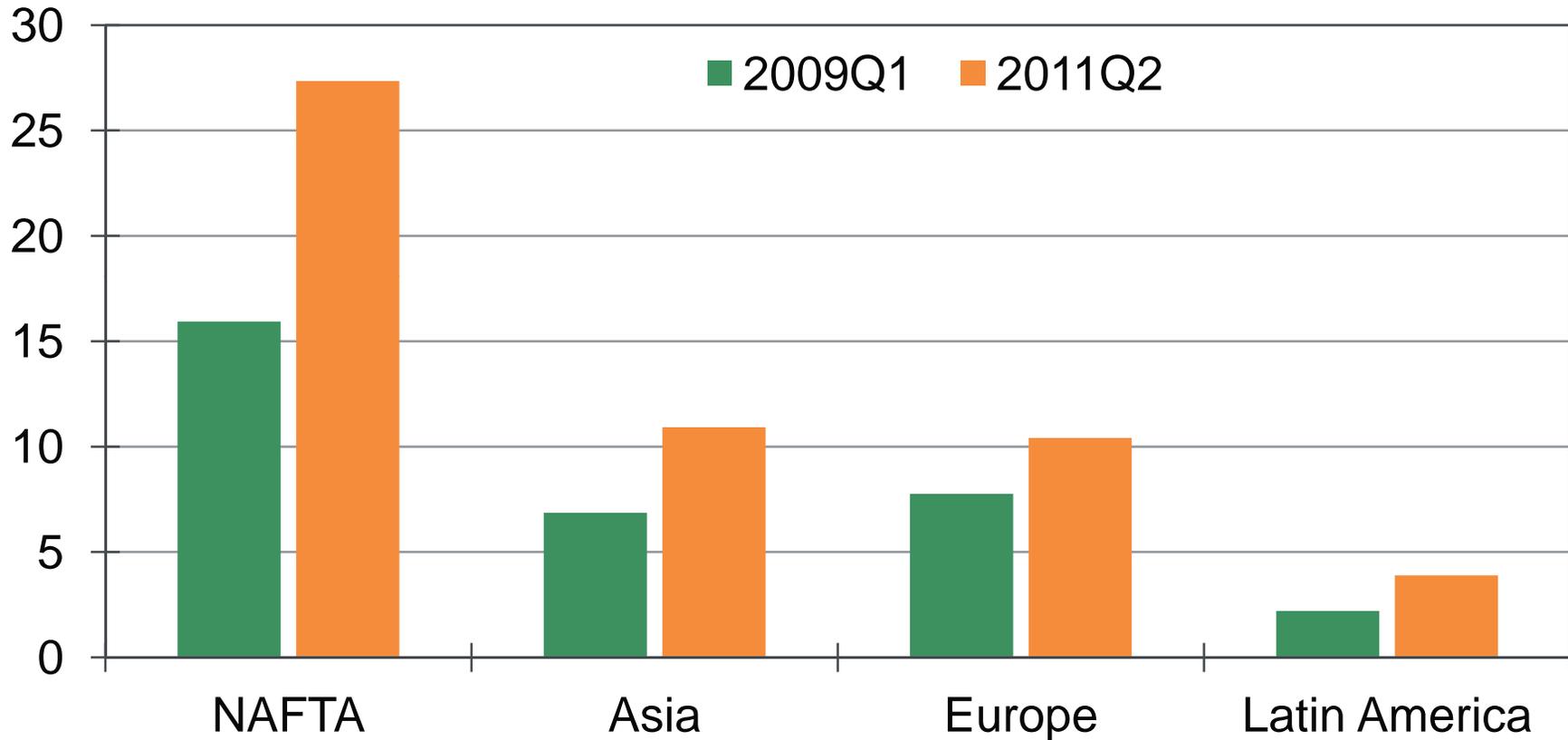
Total employment, 2012Q4, % change yr ago



Source: Moody's Analytics

European Recession Would Dampen Recovery

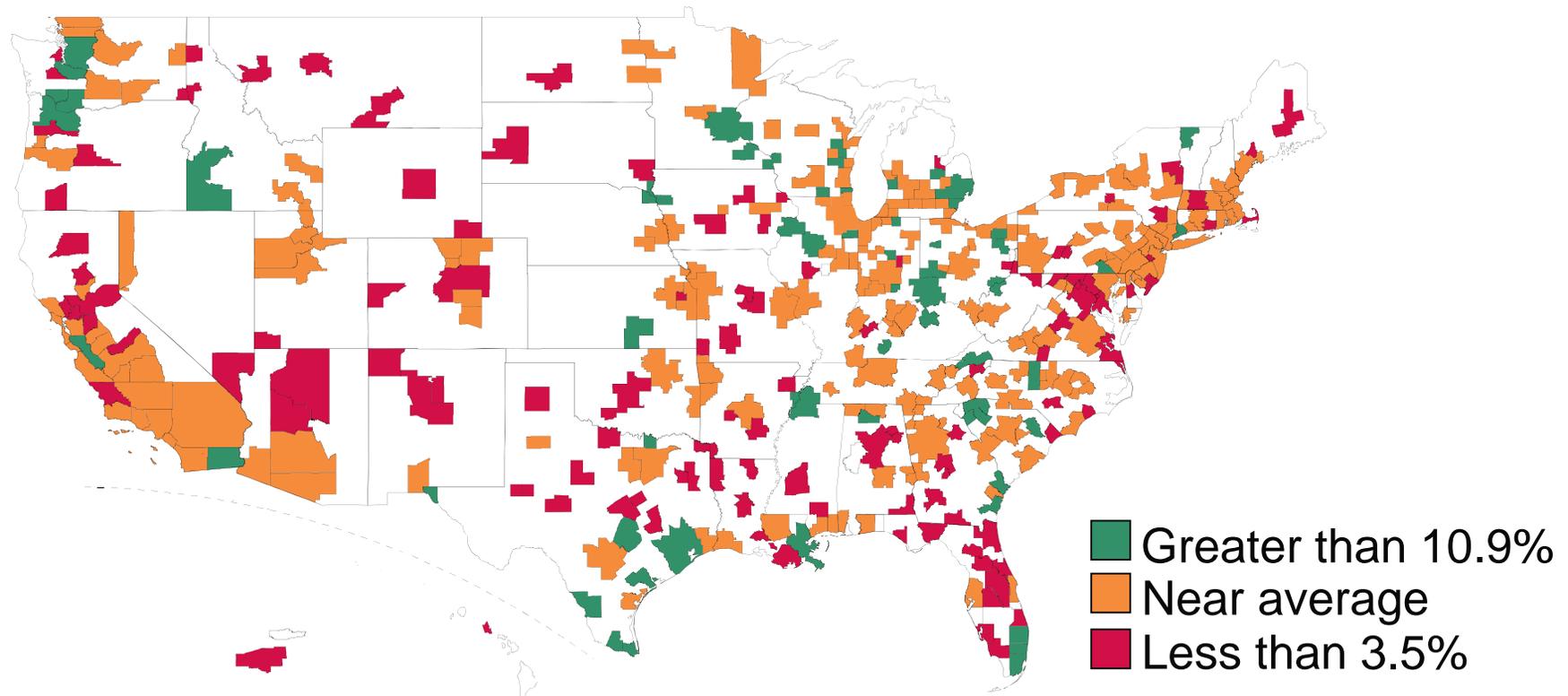
Exports from Great Lakes States, \$ bil



Sources: Census Bureau, Moody's Analytics

Exporting Metro Areas Are Nearly Everywhere

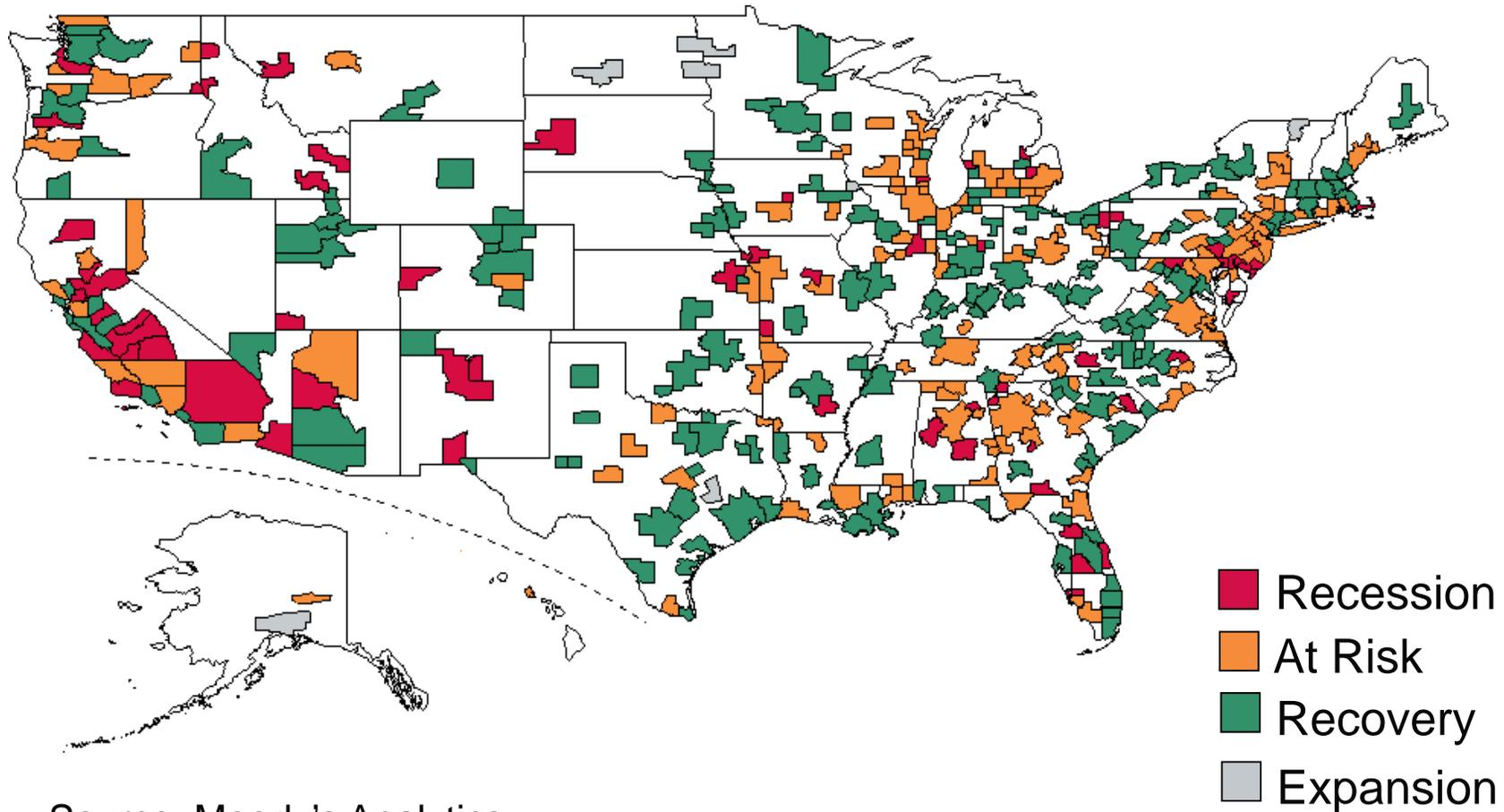
Exports share of GMP, %, 2008



Sources: International Trade Administration, BEA, BLS, Moody's Analytics

Many Midwestern Metro Areas Now at Risk

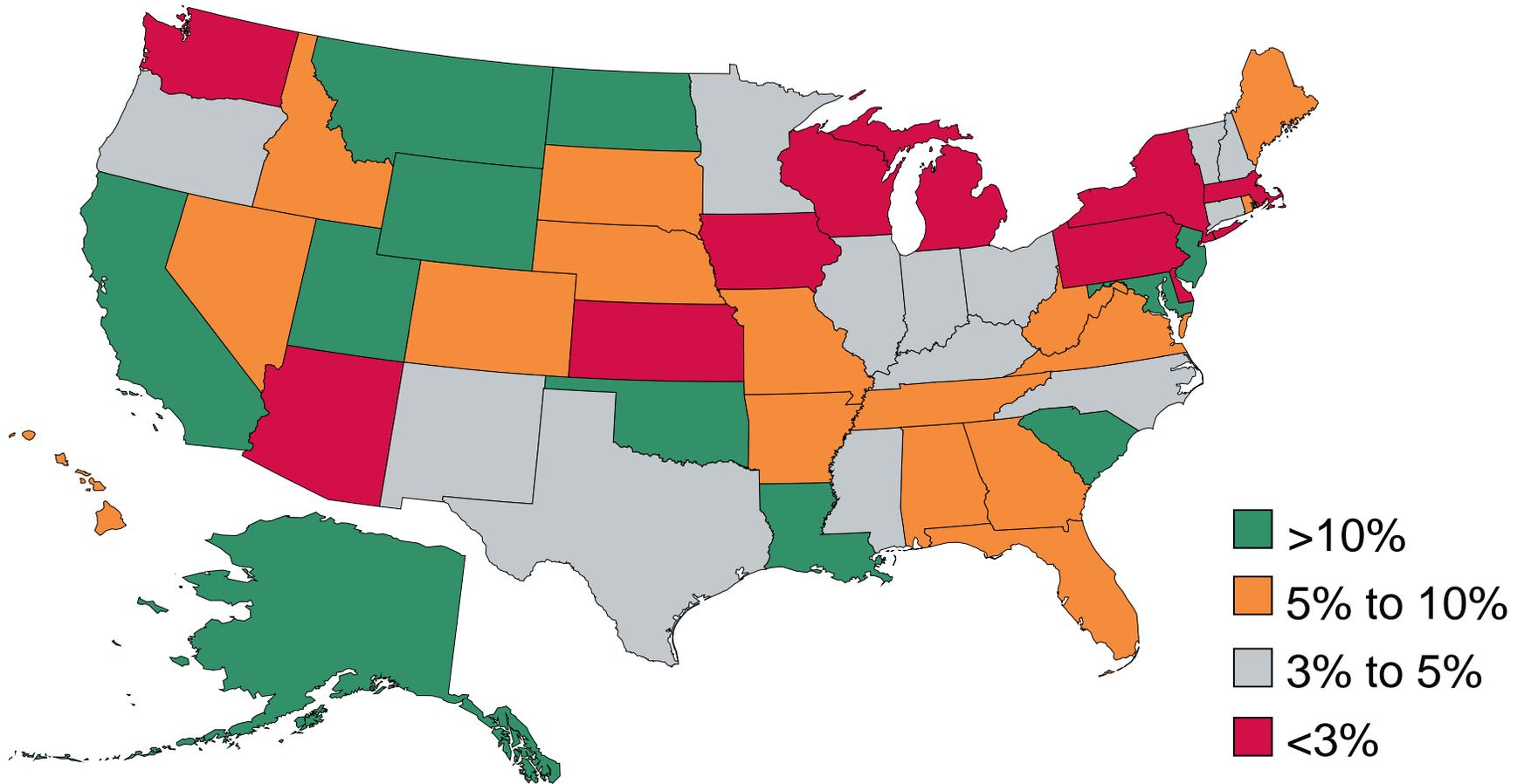
Status as of September 2011 data



Source: Moody's Analytics

State Finances Are Recovering...

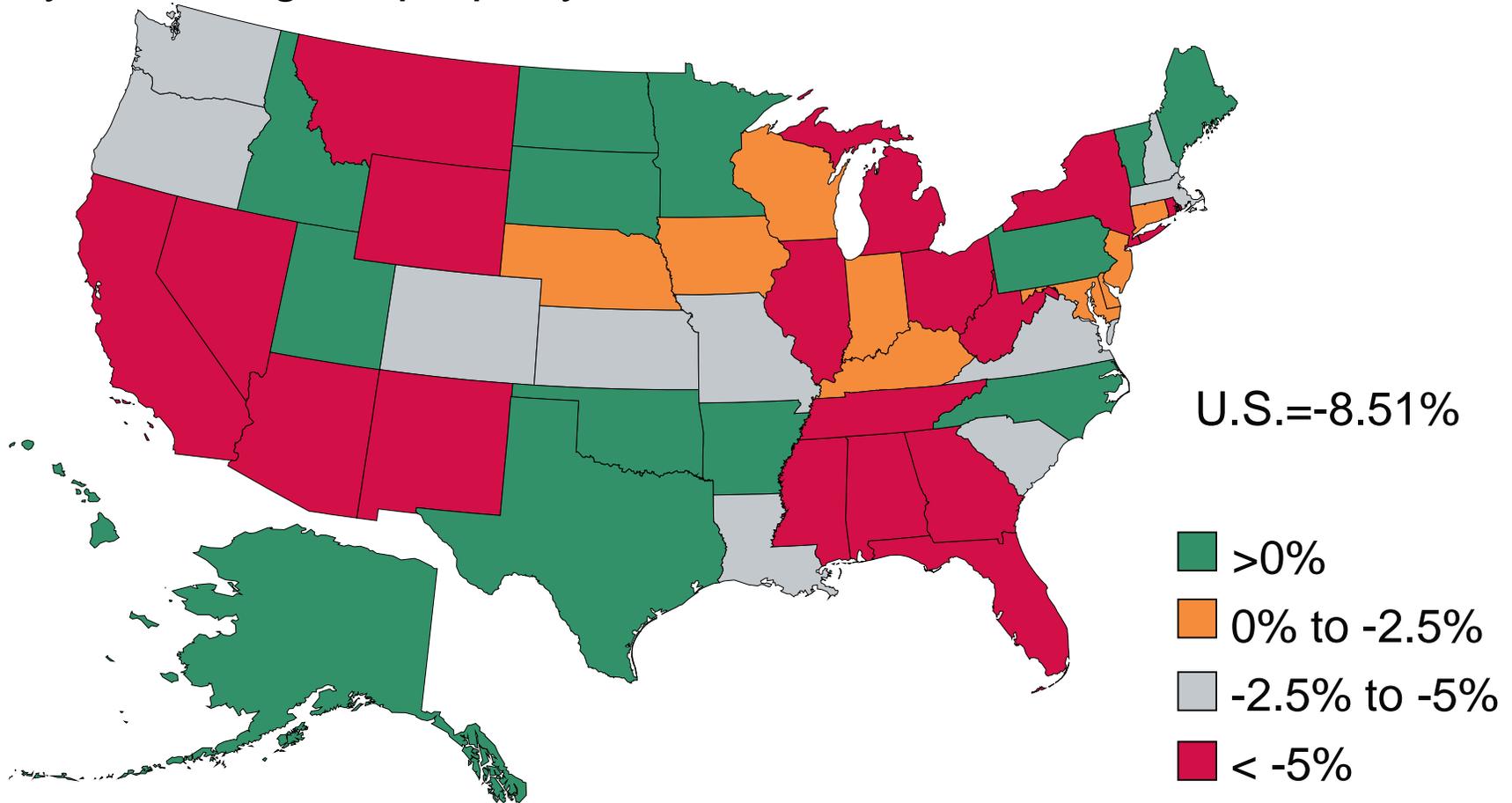
State tax collection forecast, fiscal 2012, % change yr ago



Sources: Census Bureau, Moody's Analytics

Great Recession Will Drag on Property Taxes...

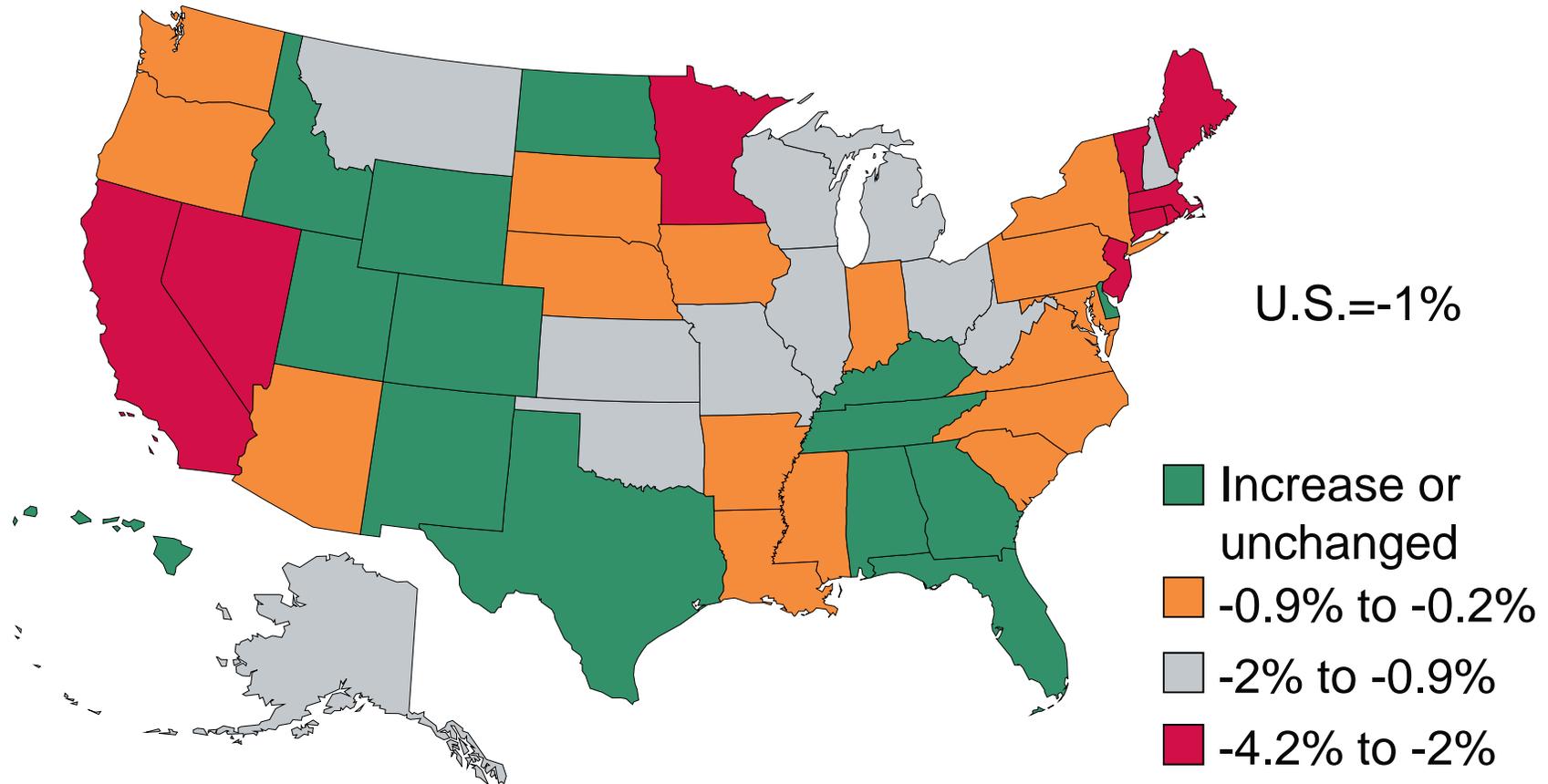
2-yr % change in property taxes, 2011-2012



Sources: Census Bureau, Moody's Analytics

...Bringing Public Sector Jobs With Them

Local government employment, % change yr ago, 2012Q4



Source: Moody's Analytics

Competitiveness of Midwest Improving

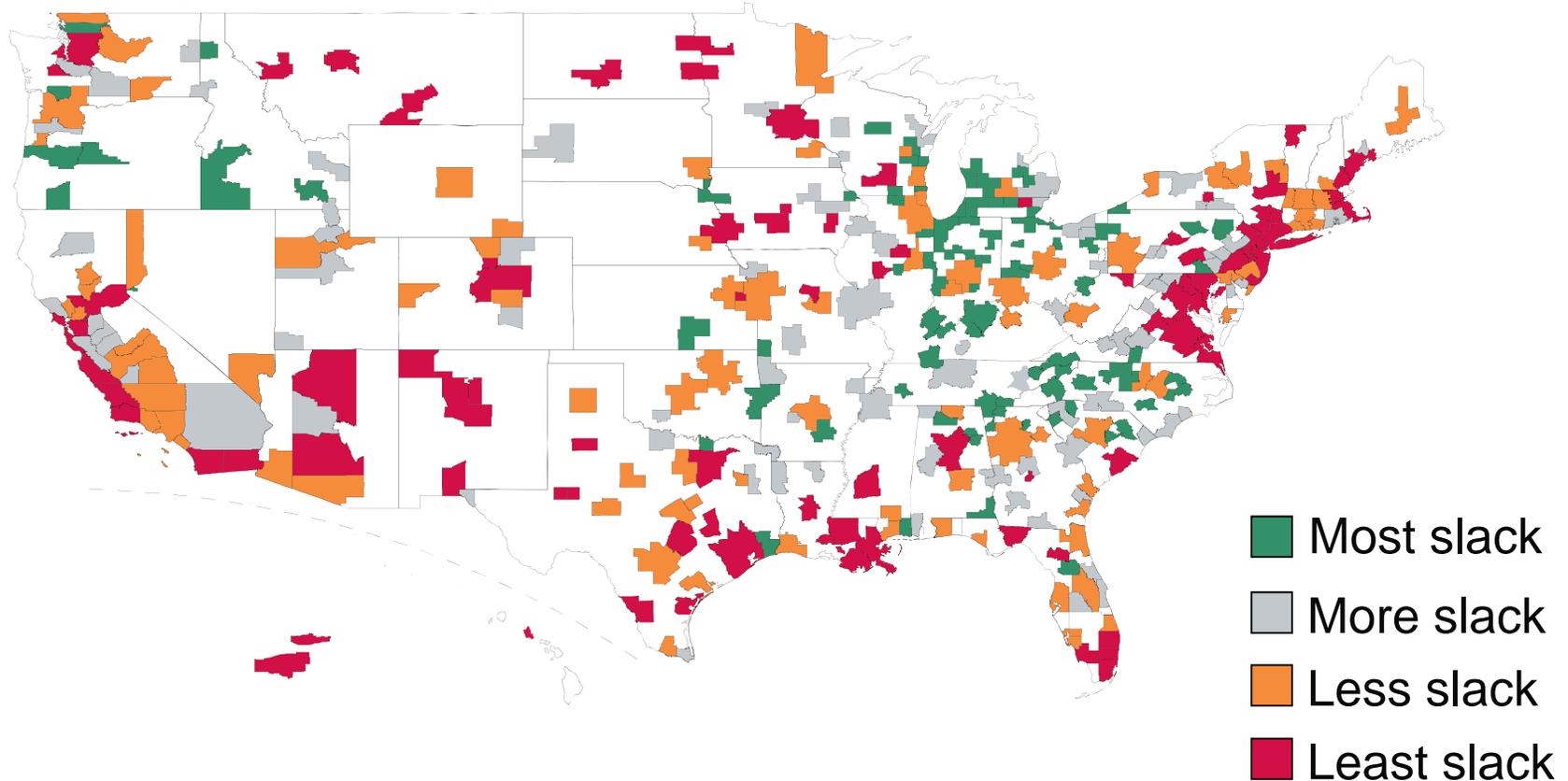
Indexes, U.S.=100, 2001 compared to most recent

State	Business Costs		Industrial Diversity		Vitality	
	2001	2009	2001	2010	2001	2010
Iowa	90	85	66	68	77	78
Illinois	103	101	89	89	94	94
Indiana	91	87	70	73	82	81
Michigan	107	104	62	76	85	84
Ohio	100	98	84	86	79	83
Wisconsin	96	100	56	76	80	82

Source: Moody's Analytics

Manufacturing Slack Creates Opportunities

Slack index components: (1) % adults with some college or more, (2) % mfg emp., (3) mfg emp. losses since 2000, (4) unemployment rate



Sources: BLS, Census Bureau, Moody's Analytics