Economic Outlook

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It’s been 5 years since the recession . . .

- Still in a slow recovery (2% growth)
- Far below potential output (future growth?)
- Unemployment is nearly back to pre-recession level
- Job Vacancy is back to pre-recession level
- However, Quits are still low, why? (tight job market)
  - Geographic employment clustering
  - Occupational employment clustering
GDP is below potential

GDP is the market value of all final goods and services produced in the U.S. in a year

Source: Bureau of Economic Analysis (U.S. Department of Commerce)
Unemployment is near pre-recession level

Source: US Department of Labor: Bureau of Labor Statistics
Job vacancy is back to pre-crisis level

Source: US Department of Labor: Bureau of Labor Statistics
Quits are still below pre-crisis level

Source: US Department of Labor: Bureau of Labor Statistics
Unemployment is geographically clustered

Source: US Department of Labor: Bureau of Labor Statistics
Employment growth is clustered in some occupations

Growth since the recession

- Management: 9%
- Finance: 11%
- Analysis & Computers: 16%
- Education: 1%
- Healthcare: 11%
- Food Preparation: 6%
- Personal Care & Service: 19%
- Social Services: 5%
Employment losses are clustered in other occupations

- Engineering: -4%
- Office Support: -8%
- Sales: -2%
- Construction/Extraction: -24%
- Maintenance: -4%
- Production: -14%
- Transportation: -7%

Growth since the recession
Employment by Occupation in Indiana

Growth since the recession

- Management: 15%
- Finance: 14%
- Analysis & Computers: 19%
- Education: -4%
- Healthcare: 16%
- Food Preparation: 2%
- Personal Care & Service: 14%
- Social Services: 2%
Employment by Occupation in Indiana

<table>
<thead>
<tr>
<th>Occupation</th>
<th>2003</th>
<th>2007</th>
<th>2013</th>
</tr>
</thead>
<tbody>
<tr>
<td>Engineering</td>
<td>50,000</td>
<td>55,000</td>
<td>55,000</td>
</tr>
<tr>
<td>Office Support</td>
<td>350,000</td>
<td>450,000</td>
<td>400,000</td>
</tr>
<tr>
<td>Sales</td>
<td>250,000</td>
<td>270,000</td>
<td>200,000</td>
</tr>
<tr>
<td>Construction/Extraction</td>
<td>150,000</td>
<td>170,000</td>
<td>100,000</td>
</tr>
<tr>
<td>Maintenance</td>
<td>100,000</td>
<td>120,000</td>
<td>90,000</td>
</tr>
<tr>
<td>Production</td>
<td>400,000</td>
<td>450,000</td>
<td>300,000</td>
</tr>
<tr>
<td>Transportation</td>
<td>300,000</td>
<td>350,000</td>
<td>250,000</td>
</tr>
</tbody>
</table>

Growth since the recession:
- Engineering: 9%
- Office Support: -12%
- Sales: -2%
- Construction/Extraction: -20%
- Maintenance: -9%
- Production: -11%
- Transportation: -5%
Which skills are increasing in value?

- Skill-Biased Technological Change
- What skills became more valuable with the introduction of the desktop computer?
- What skills will become more valuable as . . . .
  - More repetitive tasks become automated (robots)?
  - Large consumer databases are generated in real time?
  - The population ages?