

# Economic Outlook

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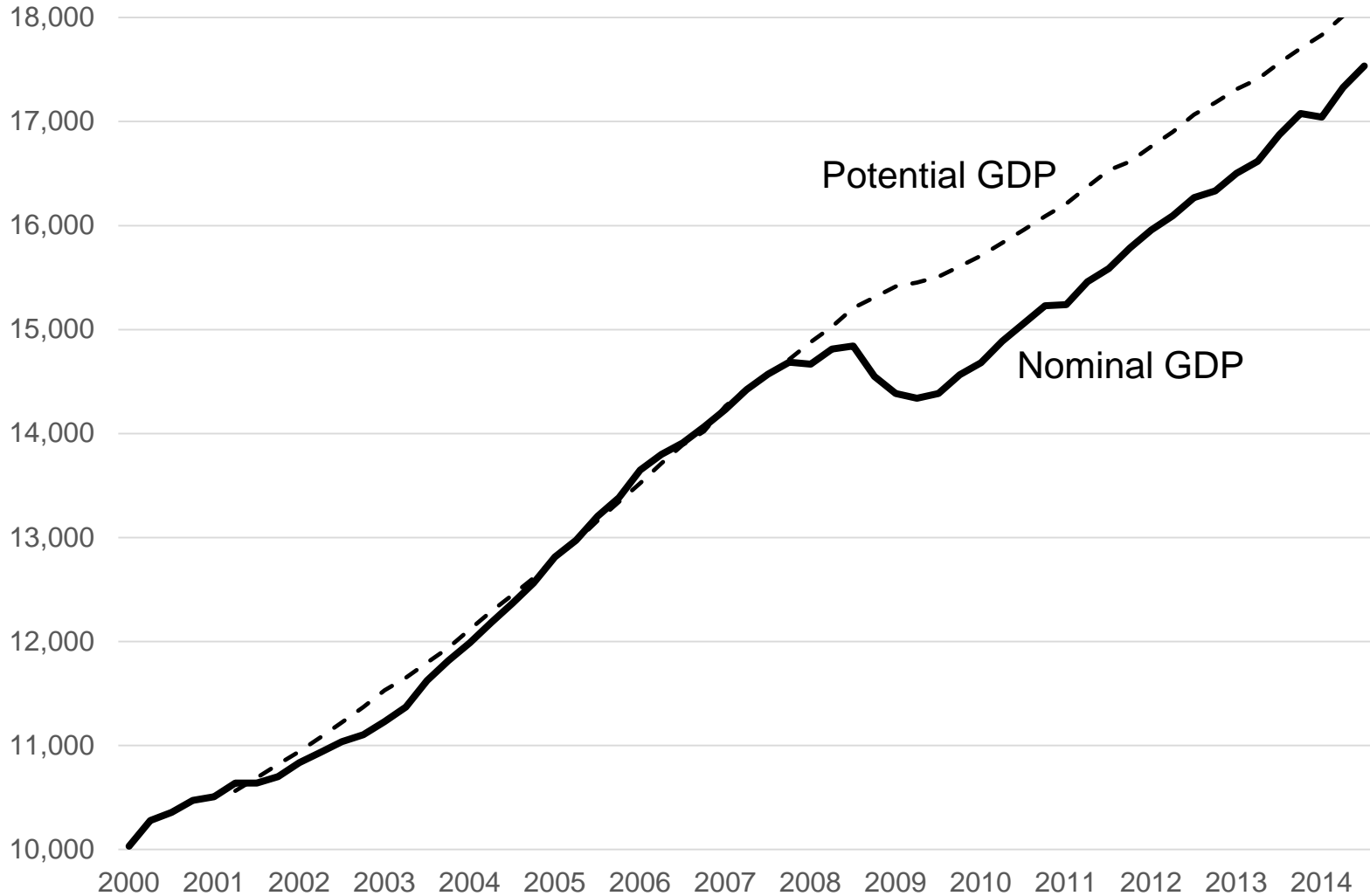
Purdue University

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

Billions (\$2011)  
Seasonally  
Adjusted

# GDP is below potential

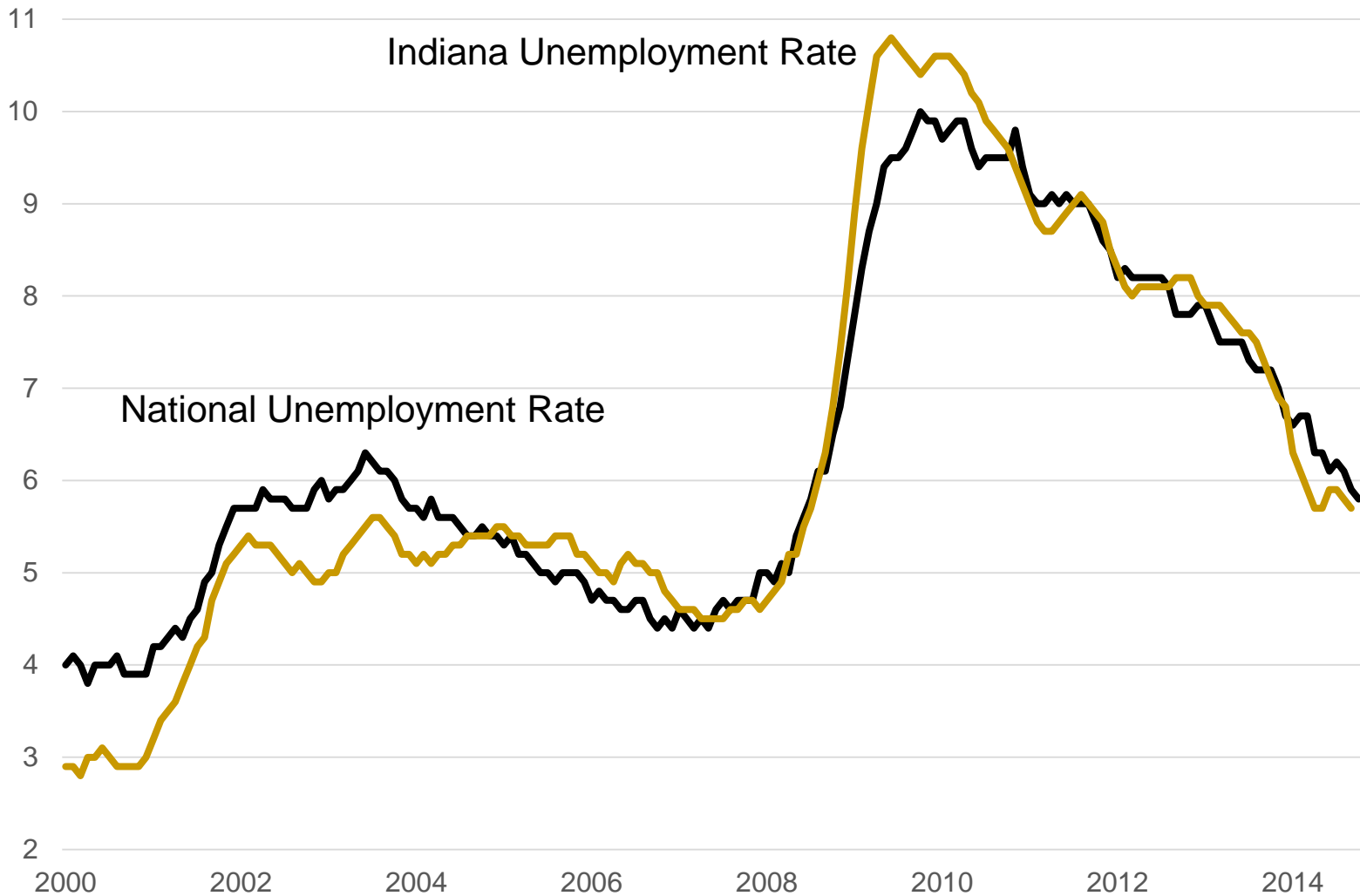


**GDP is the market value of all final goods and services produced in the U.S. in a year**

Source: Bureau of Economic Analysis (U.S. Department of Commerce)

Percent of Labor  
Force Unemployed

# Unemployment is near pre-recession level



Source: US Department of Labor: Bureau of Labor Statistics

Unfilled Job  
Vacancies  
(thousands)

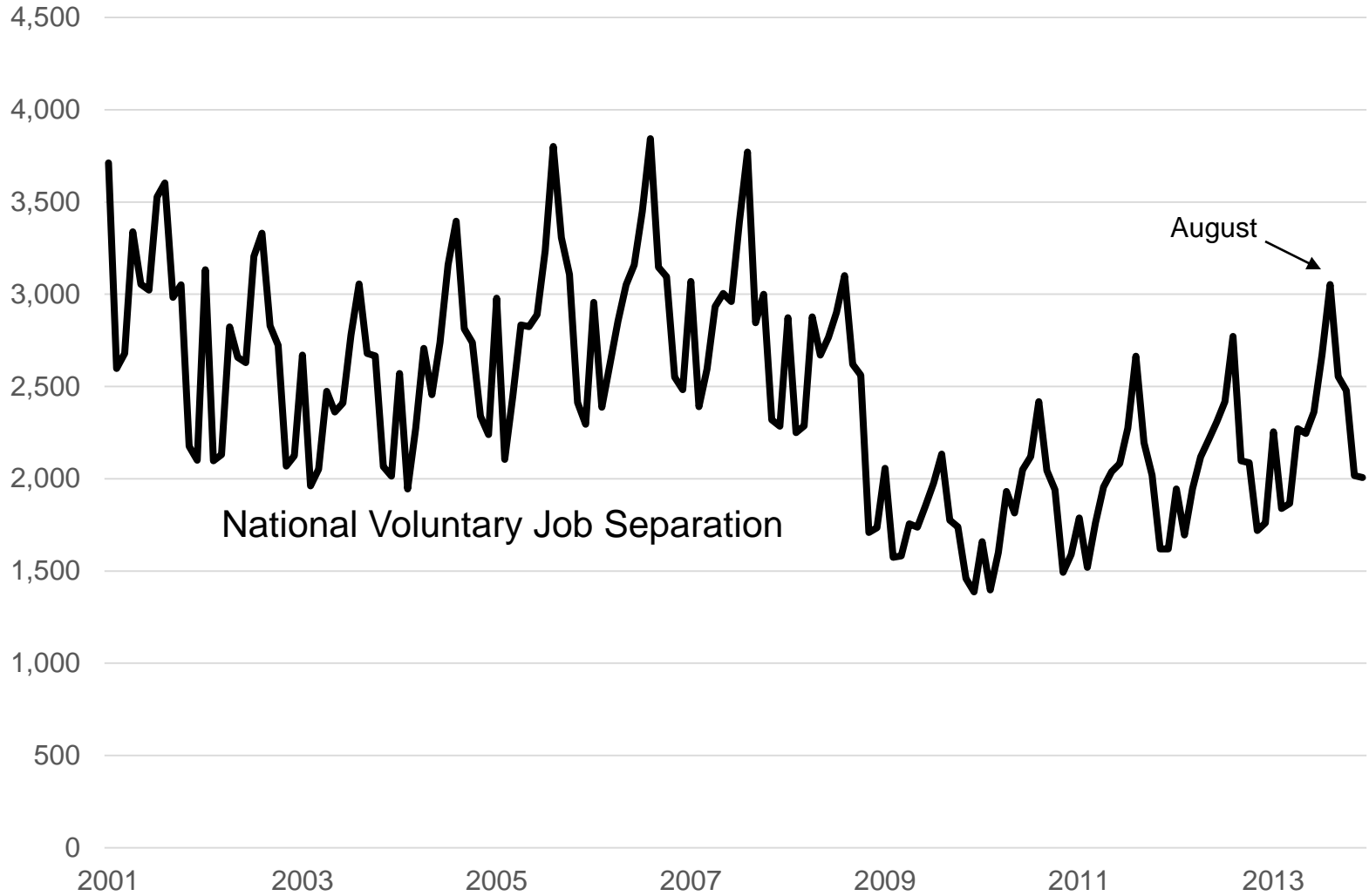
# Job vacancy is back to pre-crisis level



Source: US Department of Labor: Bureau of Labor Statistics

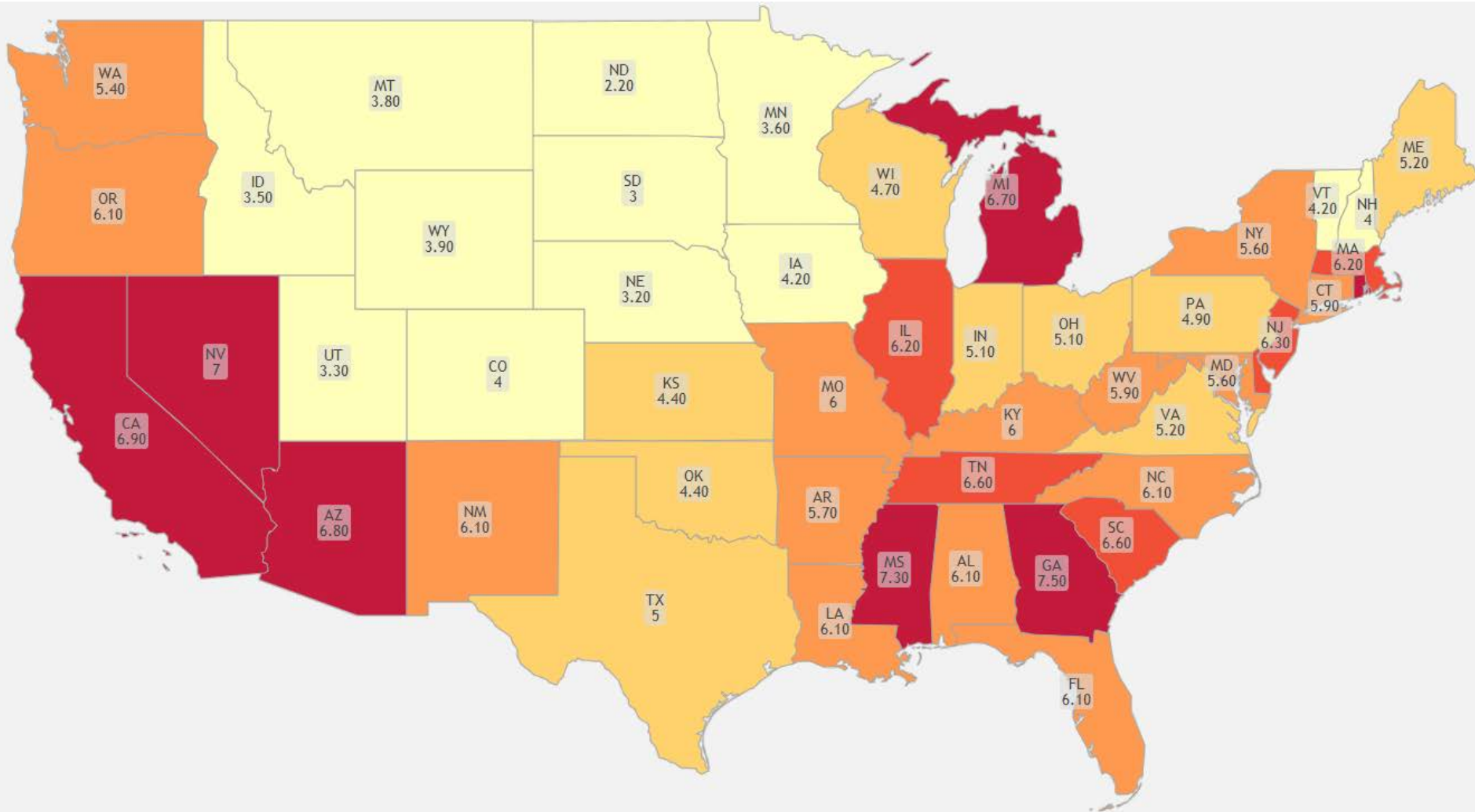
Job Quits  
(thousands)

# Quits are still below pre-crisis level



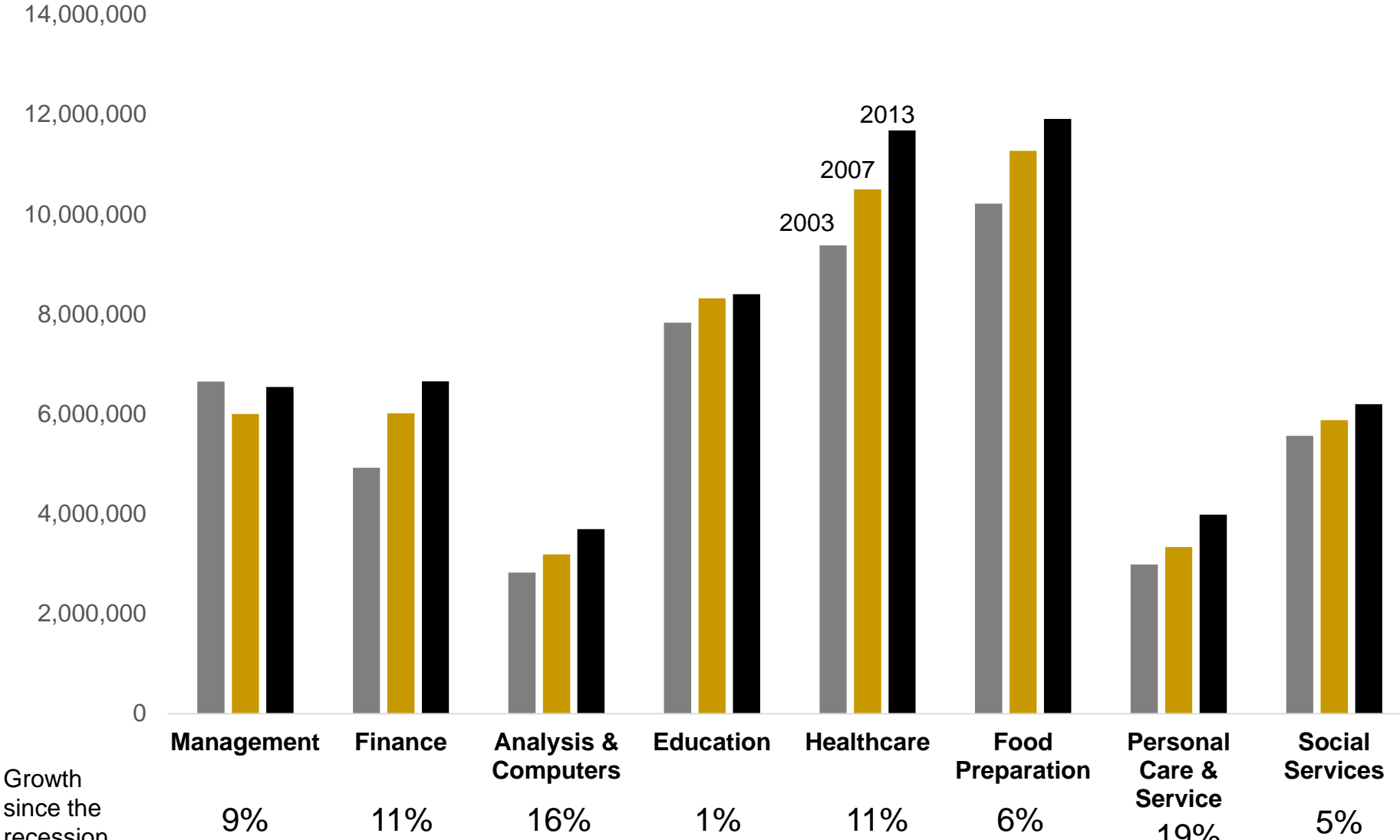
Source: US Department of Labor: Bureau of Labor Statistics

# Unemployment is geographically clustered



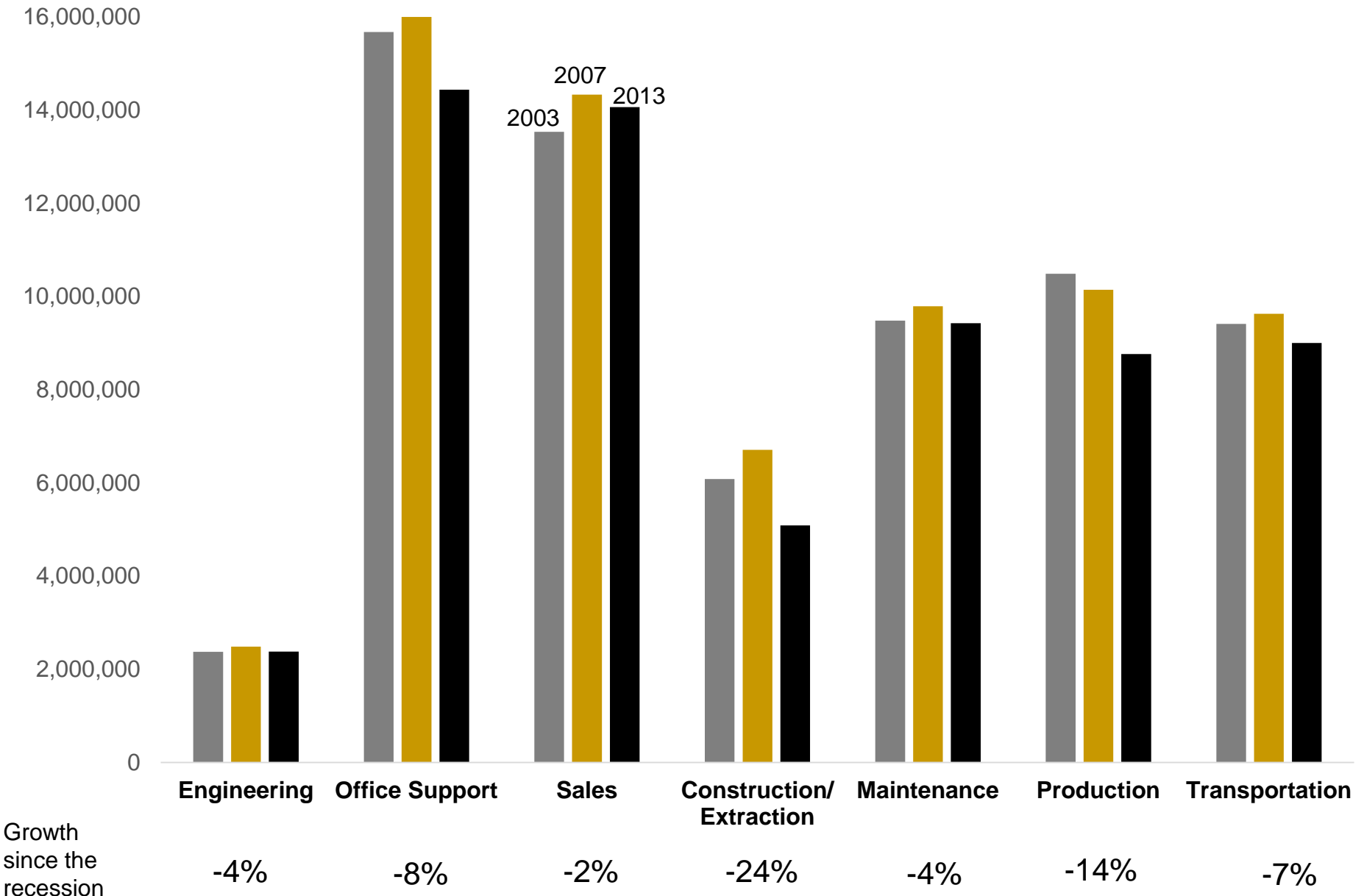
Source: US Department of Labor: Bureau of Labor Statistics

# Employment growth is clustered in some occupations

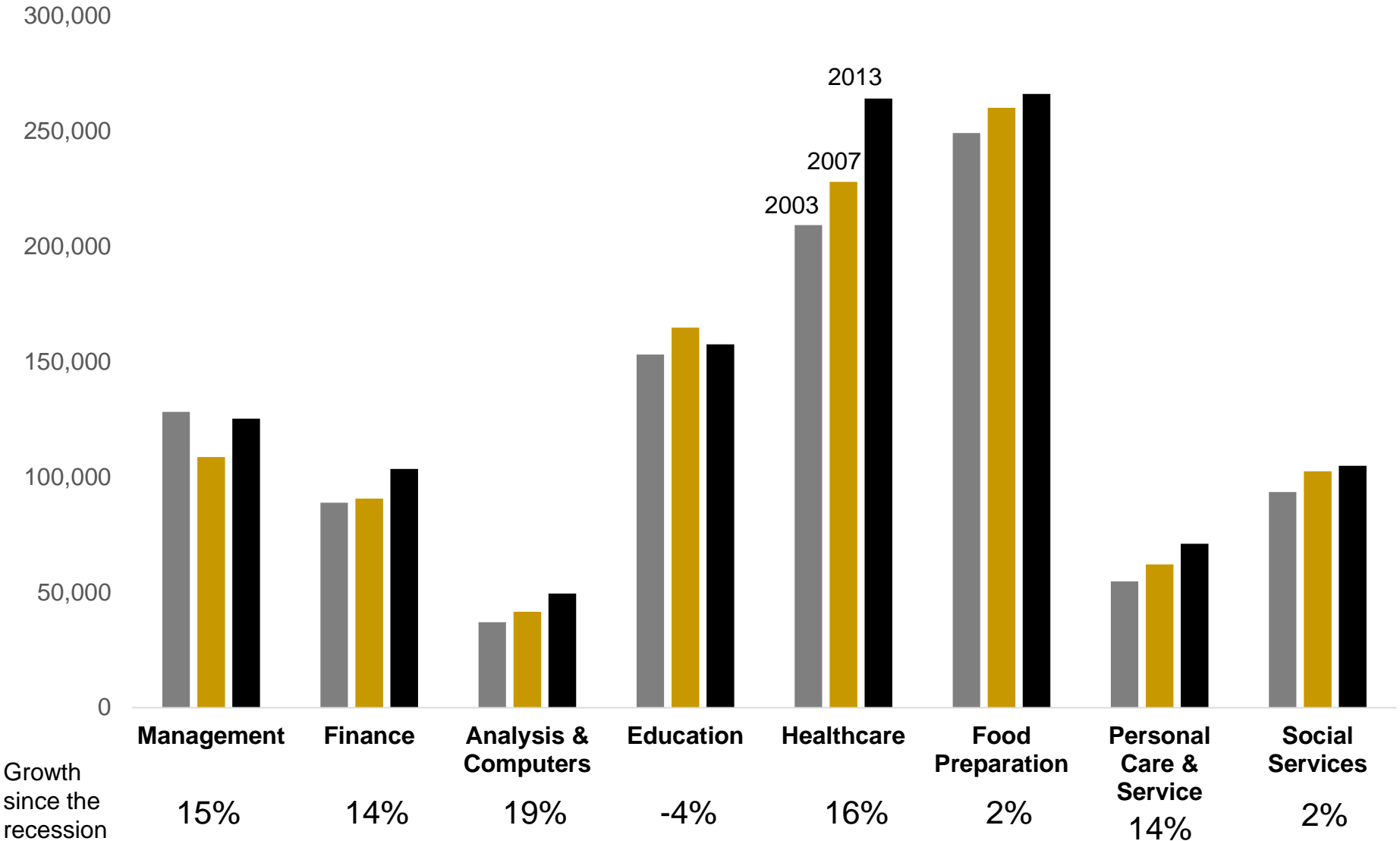




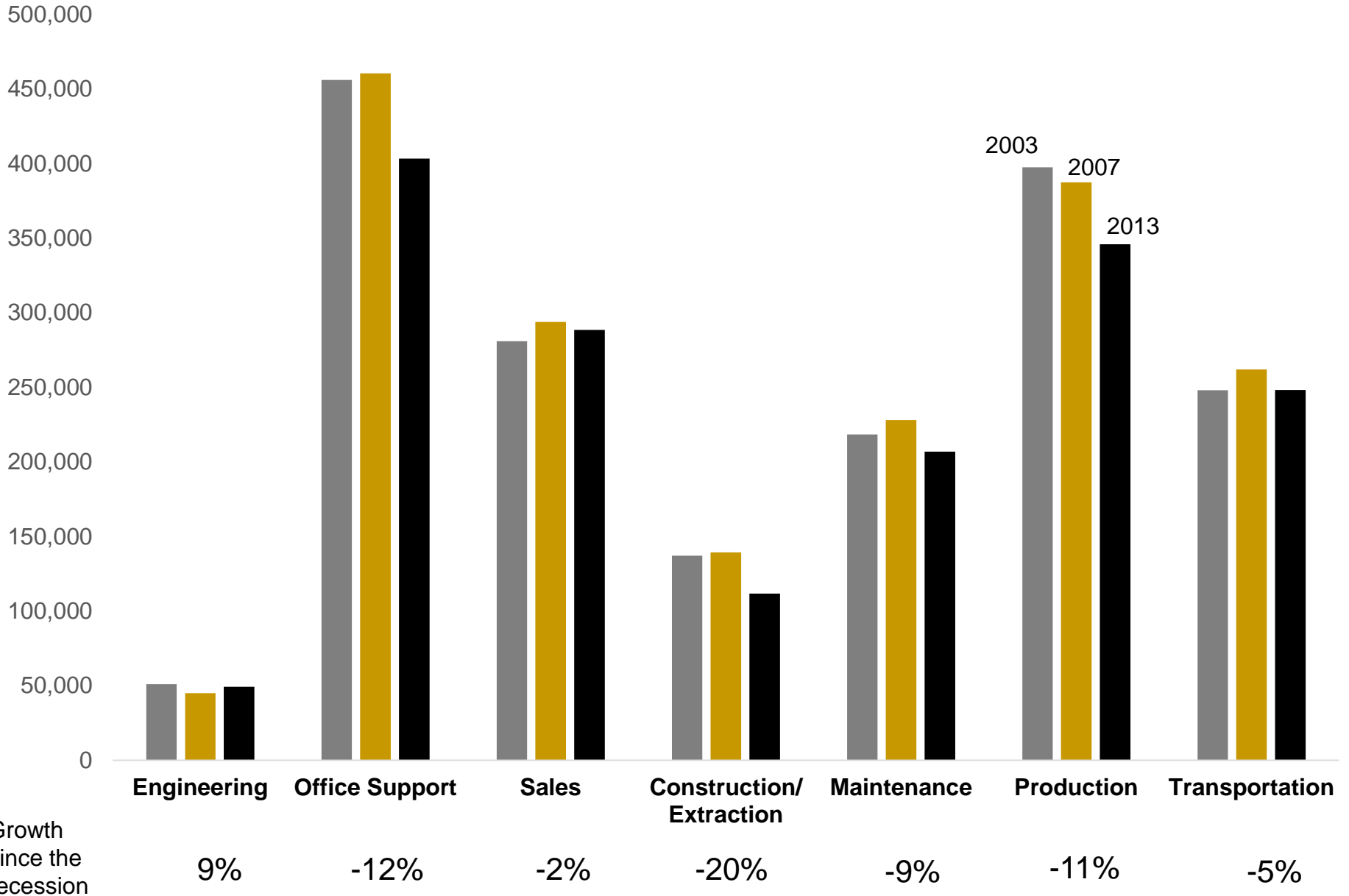
# Employment losses are clustered in other occupations



# Employment by Occupation in Indiana



# Employment by Occupation in Indiana



## 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?