

Market Intelligence:

*Identifying Opportunities &
Challenges (with Free Data!)*

Scott C. Hughes

Federal Reserve Bank of Atlanta



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*Lies, 'Darned' Lies, and Statistics**

- Short-Term Versus Long-Term Trends
- Growth Rates
- Seasonality
- Ratios



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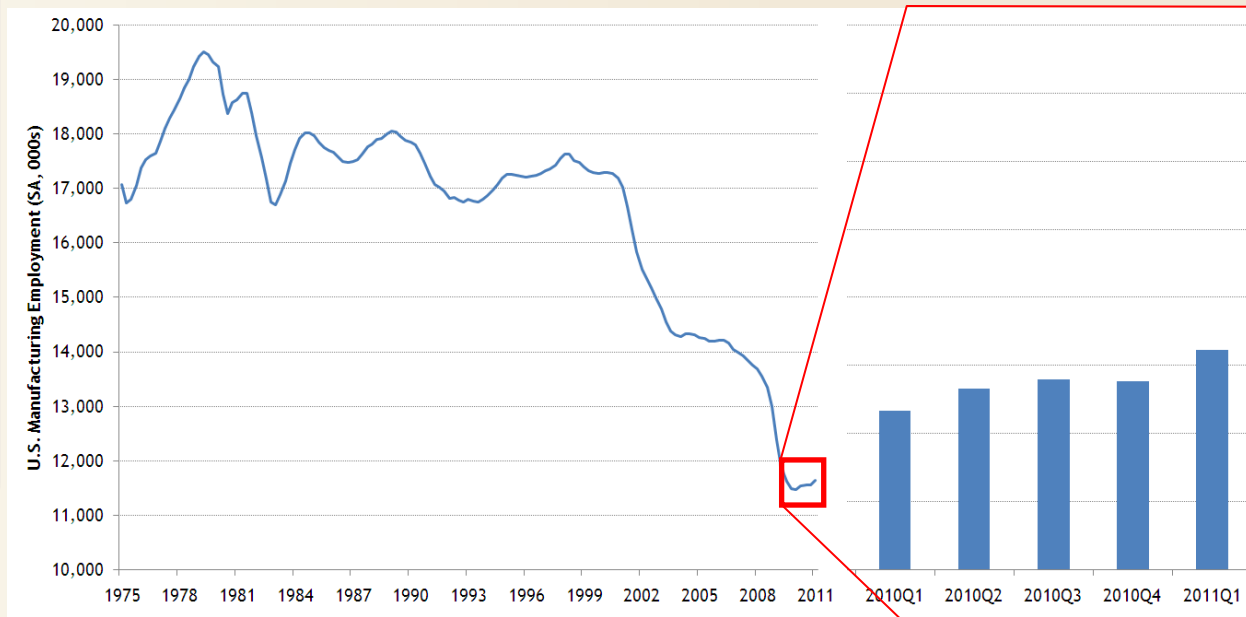
*Adapted from Benjamin Disraeli's original.

Short-Term Versus Long-Term

U.S. Manufacturing Employment

Long-Term

Short-Term

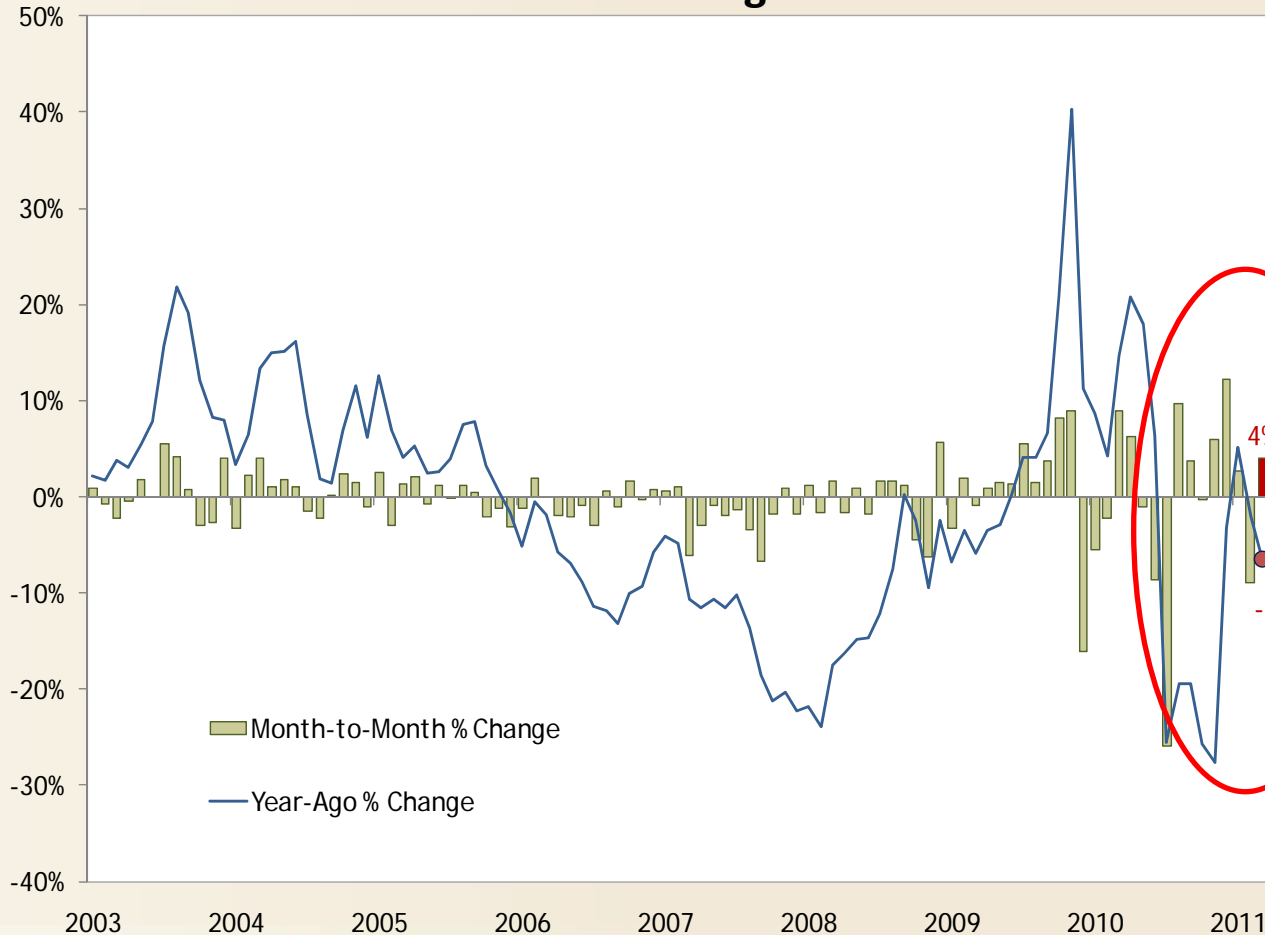


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Growth Rates

Growth in U.S. Existing Home Sales



What should you believe?

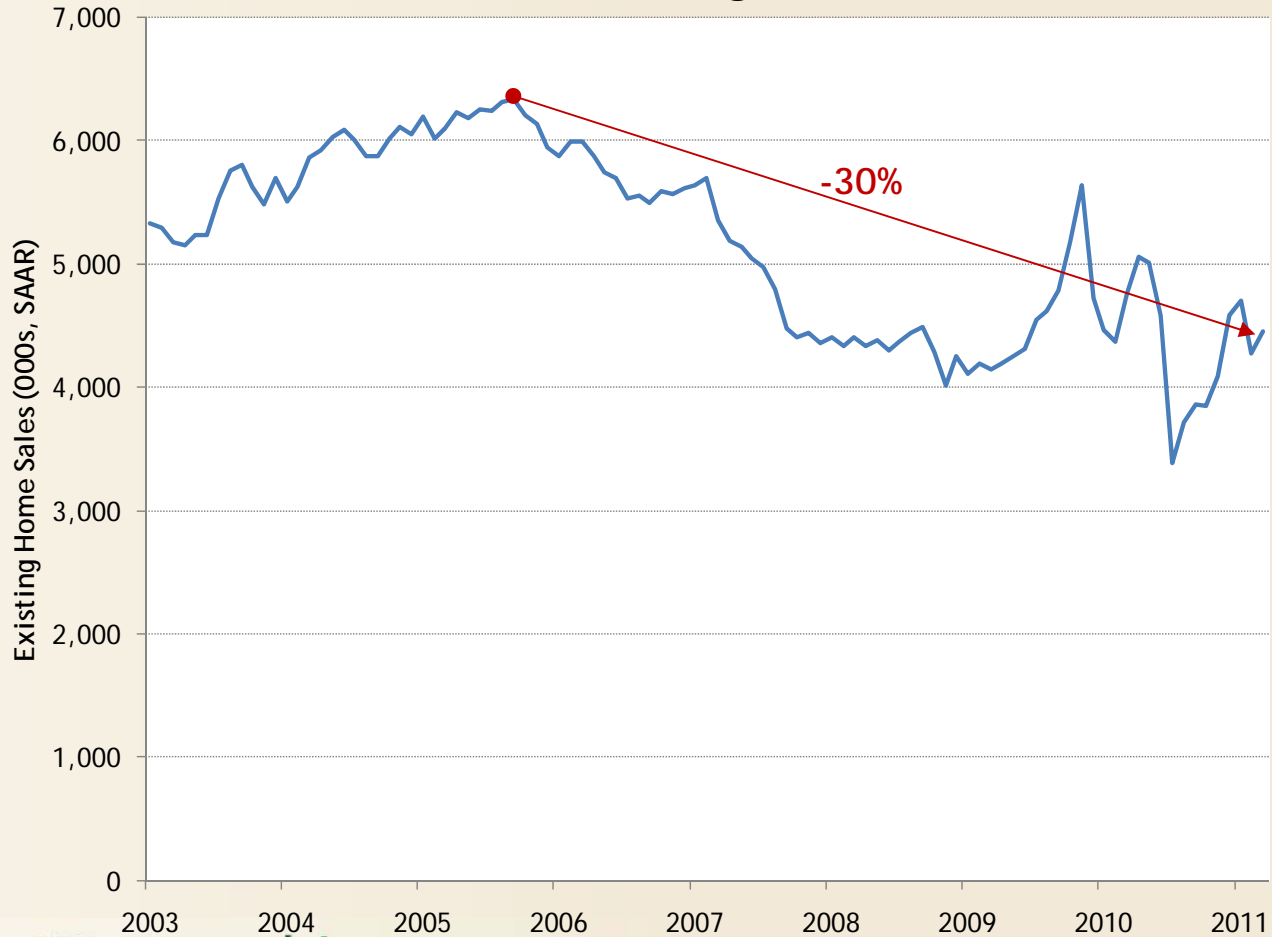


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Growth Rates

Level of U.S. Existing Home Sales

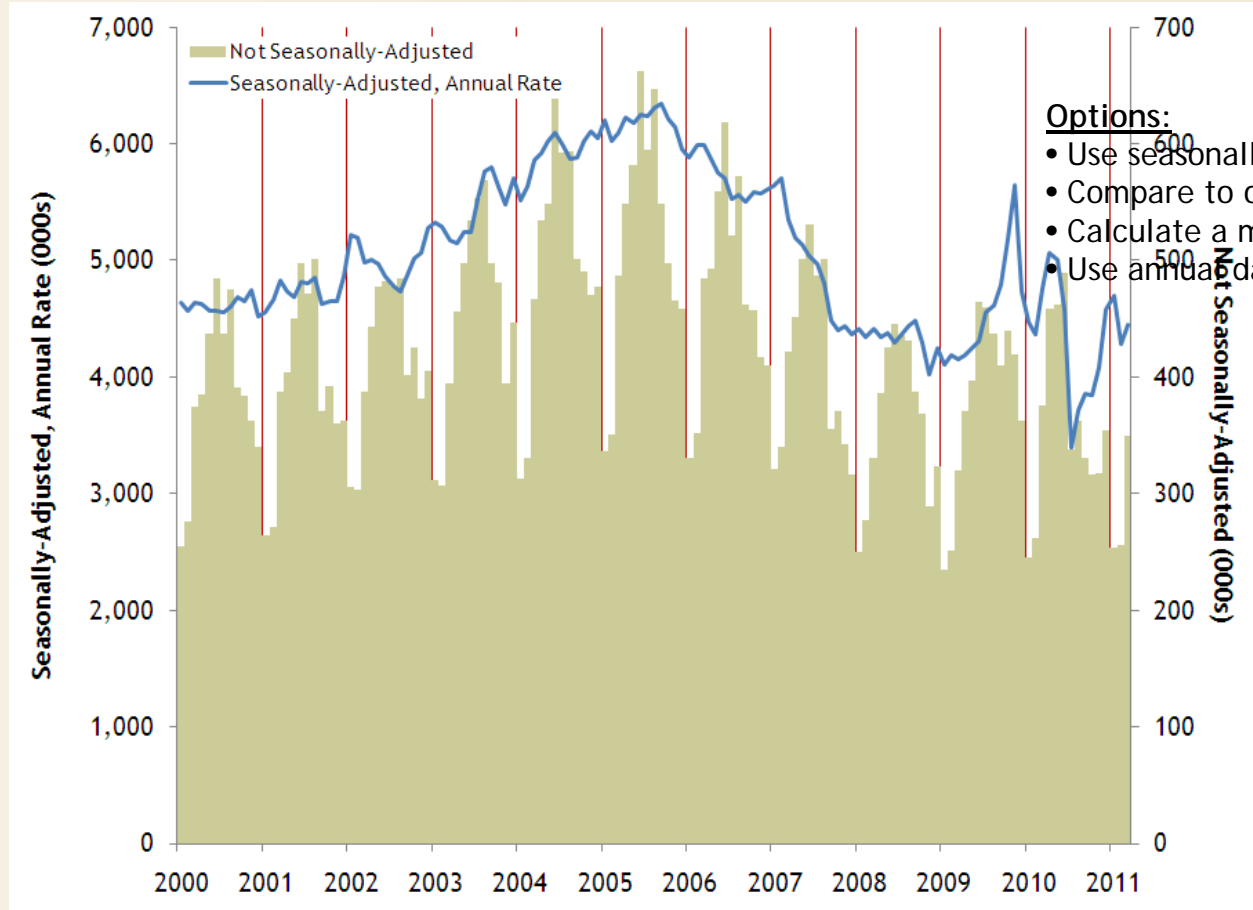


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Seasonality

Level of U.S. Existing Home Sales

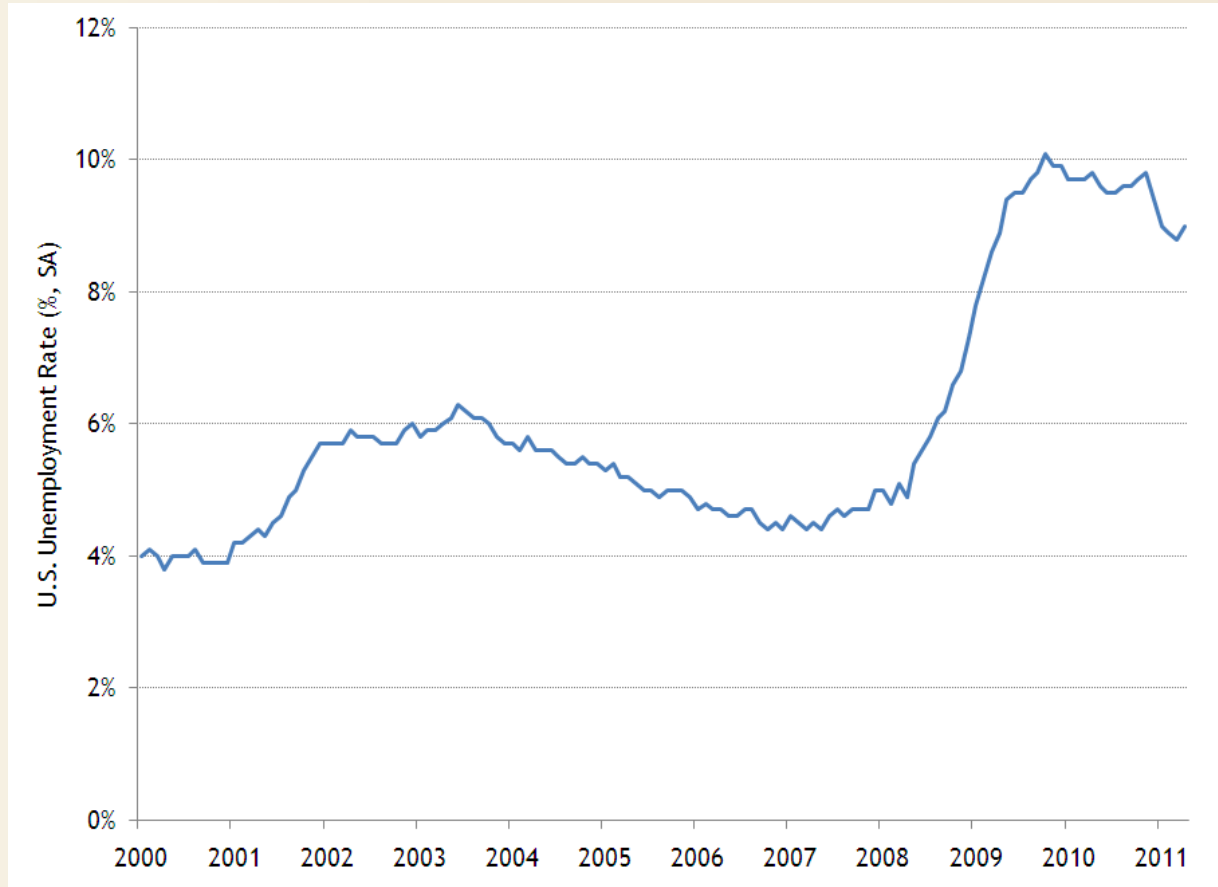


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Ratios

U.S. Unemployment Rate



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Ratios

- Unemployment Rate (U.R.)

	April 2011	April 2010
U.S. Unemployment Rate (SA, %)	9.0%	9.8%

$$\text{U.R.} = \frac{\text{Unemployed} \times 100}{\text{Labor Force}}$$

	April 2011	April 2010	Change
Unemployed (SA, 000s)	13,747	15,138	-1,391
Labor Force (SA, 000s)	153,421	154,520	-1,099



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Some Final Comments on Data

- Many economic data can be...
 - Revised and/or
 - volatile (particularly at turning points).
- Always look for corroborating evidence.
- Look beyond the headlines.



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Defining Market Geography



- National
- State
- Metro
- County
- Zip Code
- Custom

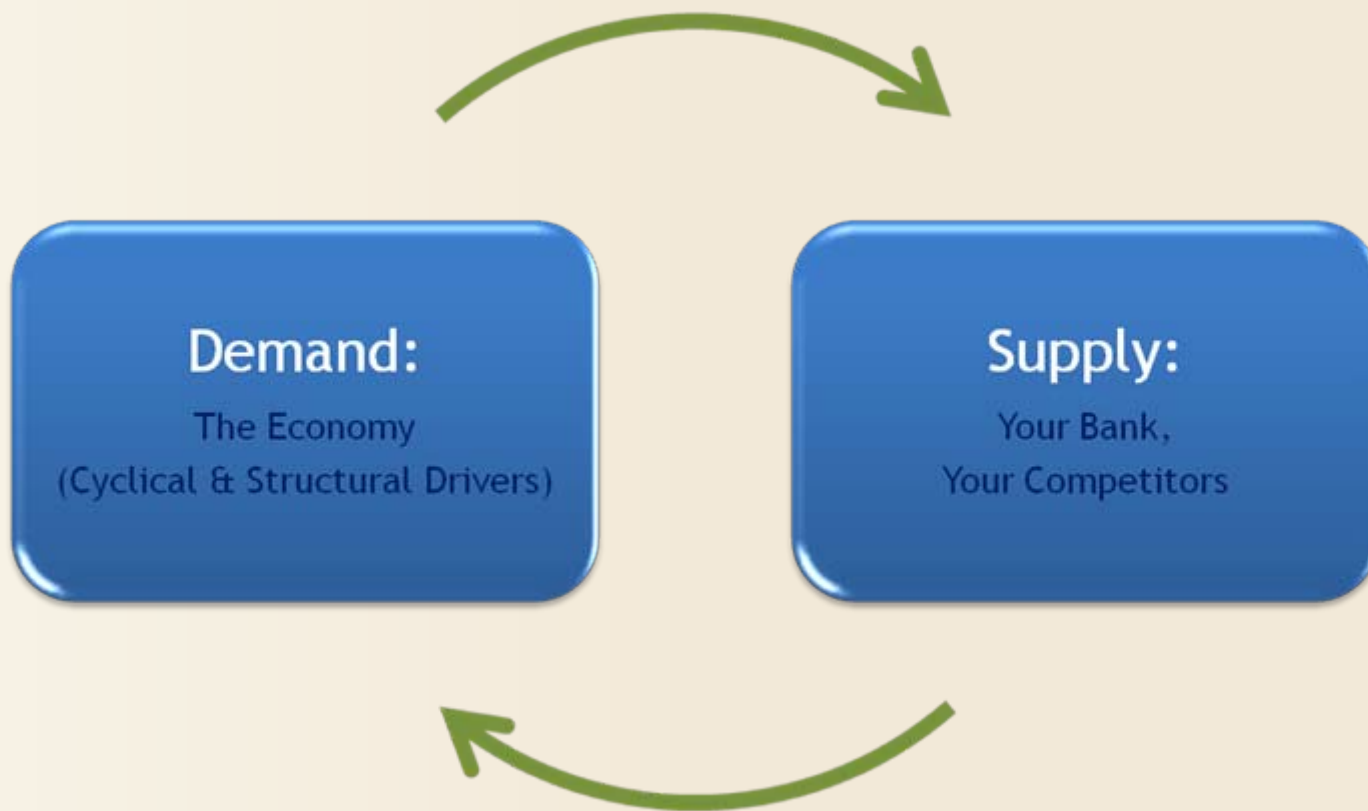
Note: The smaller the level of geography, the more challenging market analysis can become.



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The Market for Financial Services



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Demand for Financial Services

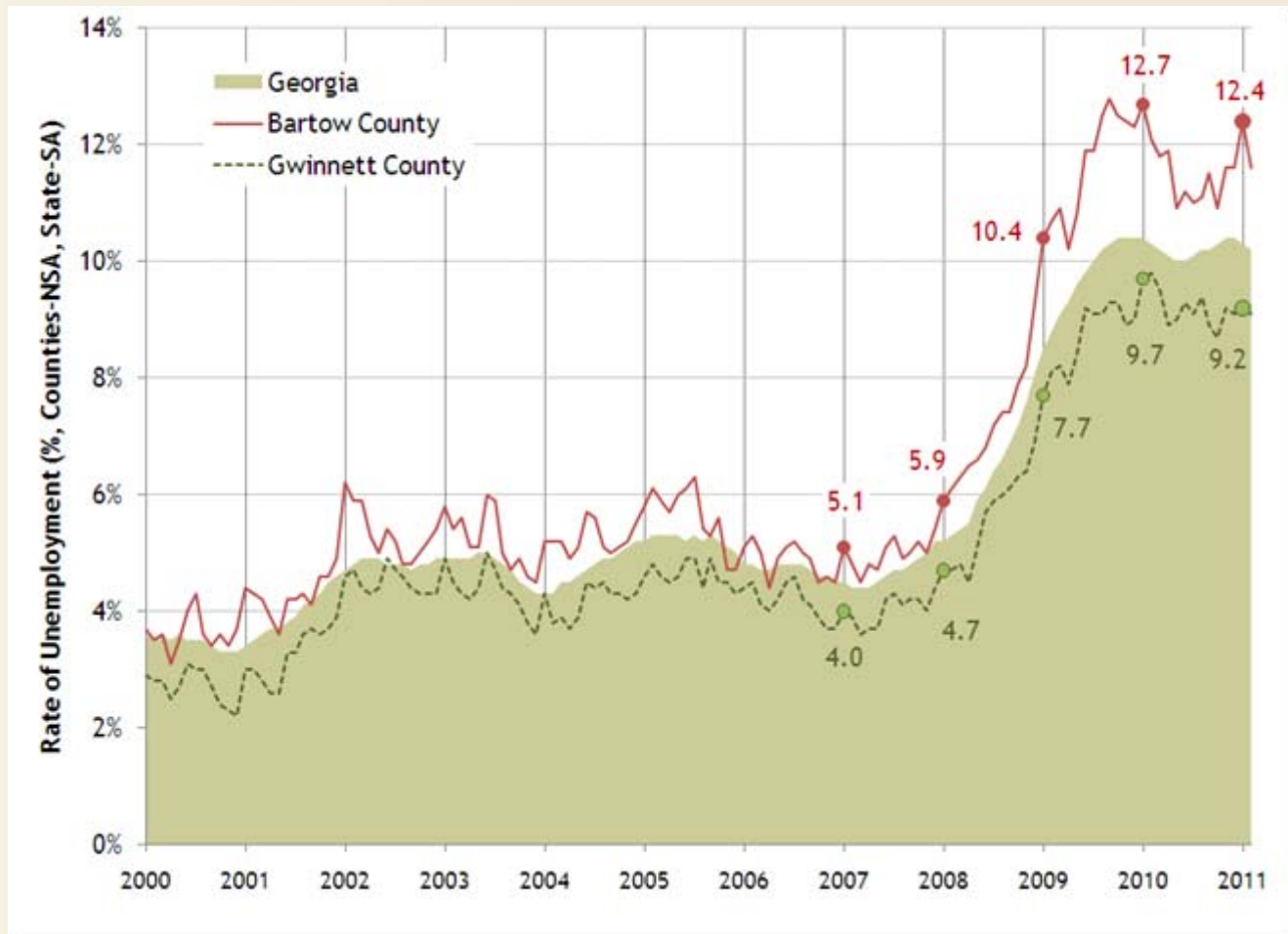
- Growth in the Economy
 - The Labor Market
 - Industry Exposure
 - Occupations
 - ‘Demographics is Destiny’
 - Distributions
 - Real Estate
 - Credit Quality
 - Demand Indicator: Deposit Growth



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The Labor Market: Jobless Rates

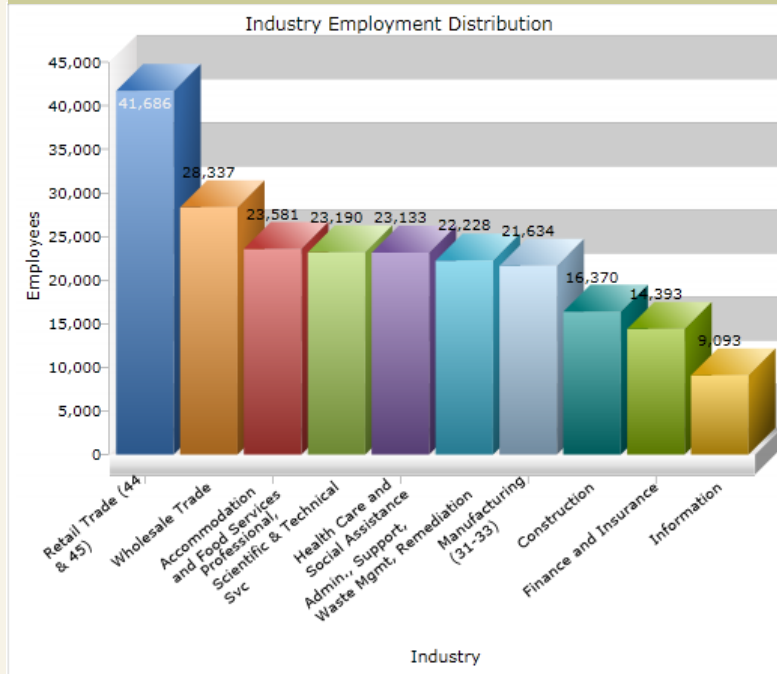


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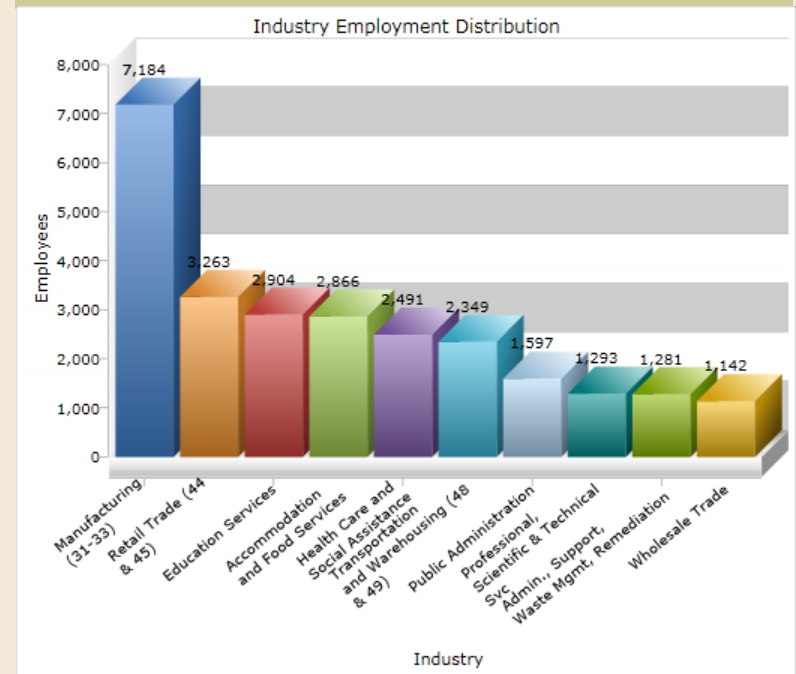
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Industry Exposure

Gwinnett County, GA



Bartow County, GA



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Industry Exposure: Location Quotients

- How concentrated is an industry?

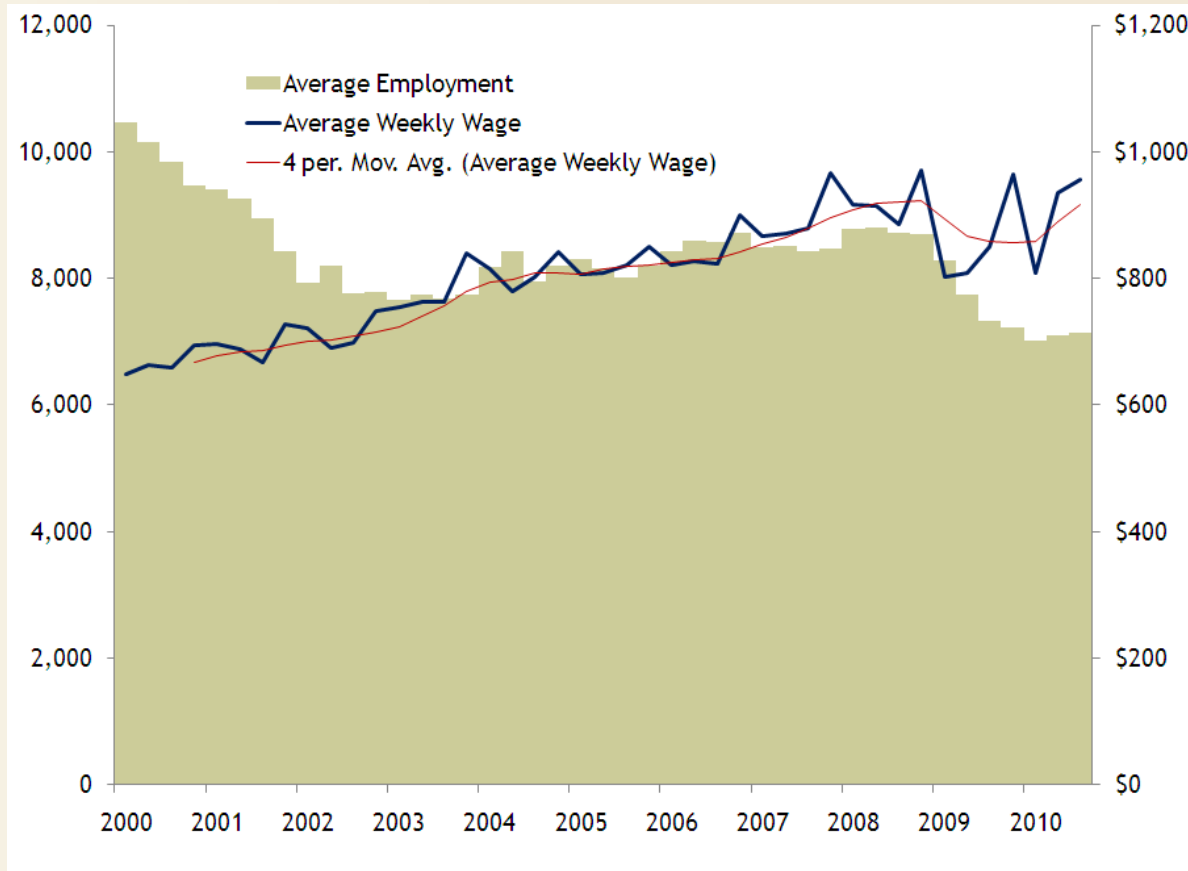
$$\frac{\frac{\text{Sector Employment}_i}{\text{Total Employment}_i}}{\frac{\text{Sector Employment}_{US}}{\text{Total Employment}_{US}}}$$

If > 1, local sector employment is more concentrated than US average

Market	Selected Sectors	LQ
Bartow County	Manufacturing	2.67
	- Textile Mills	20.07
Gwinnett County	Wholesale Trade	2.14

Industry Exposure: Long-Term Trends

Bartow County, GA Manufacturing Trends



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Industry Exposure: Worker Adjustment and Retraining Notification (WARN)



GEORGIA DEPARTMENT OF LABOR



Business Layoff/Closure Listing

The Business Layoffs and Closures list contains information reported to the Georgia Department of Labor (GDOL) through WARN and other sources. This list is for informational purposes only and is not intended to replace a business's responsibility to WARN legislative requirements. This list is updated twice monthly and may not represent all layoffs occurring in the state.

Access the [Worker Adjustment and Retraining Notification \(WARN\) Guide](#) for additional information and guidance.

ID Identifier: C = Closure
S = Substantial Layoff > 100 Workers
N = Non-Substantial Layoff < 100 Workers

Geographical Area: Northeast and Northwest Georgia

This part of the state includes the following counties: Bartow, Banks, Catoosa, Chattooga, Dade, Dawson, Fannin, Floyd, Forsyth, Franklin, Gilmer, Gordon, Habersham, Hall, Haralson, Hart, Lumpkin, Murray, Paulding, Pickens, Polk, Rabun, Stephens, Towns, Union, Walker, White, and Whitfield.

Year: From 01/01/2010 to 12/31/2010

ID	Company Name	City	County	Estimated Number Affected	Date	Trade Certification Date
2010047N	INFOTECH SOFTWARE	DALLAS	PAULDING	41	12/31/2010	
2010028N	PROPEX	RINGGOLD	CATOOSA	80	10/04/2010	
2010024C	BEAULIEU OF AMERICA	ROYSTON	FRANKLIN	192	09/23/2010	
2009109C	BLUE BIRD	LAFAYETTE	WALKER	300	06/25/2010	
2009108C	MOHAWK INDUSTRIES	CARTERSVILLE	BARTOW	229	06/24/2010	
2009097C	PIERRE (ZARTIC, LLC.)	ROME	FLOYD	350	05/13/2010	
2009093C	KAUTEX OF GEORGIA	LAVONIA	GA	0	04/28/2010	
2009089C	WELLSTONE MILLS	LAVONIA	FRANKLIN	0	03/24/2010	
2009087C	INDALEX, INC.	GAINESVILLE	HALL	0	03/17/2010	
2009081C	CCH SMALL FIRM SERVICES	ROME	FLOYD	17	02/25/2010	
2009068C	BWAY COPORATION	TOCCOA	STEPHENS	90	01/07/2010	
2009061C	MOHAWK, INDUSTRIES	ETON	MURRAY	190	01/06/2010	

Estimated Total Number Affected 1,489



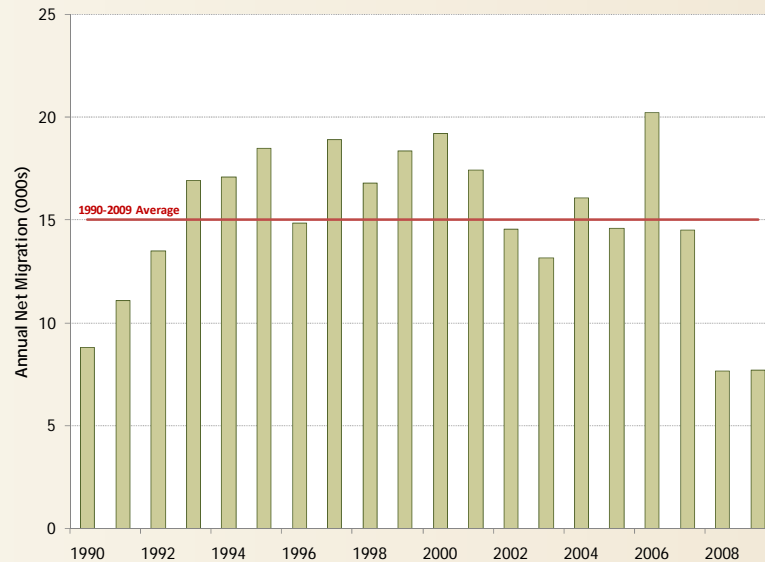
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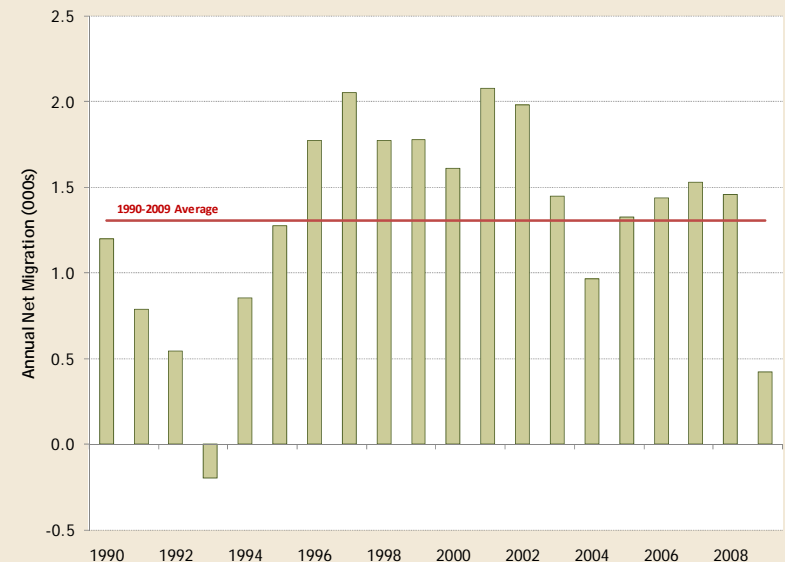
'Demographics Is Destiny'

Net Migration

Gwinnett County, GA

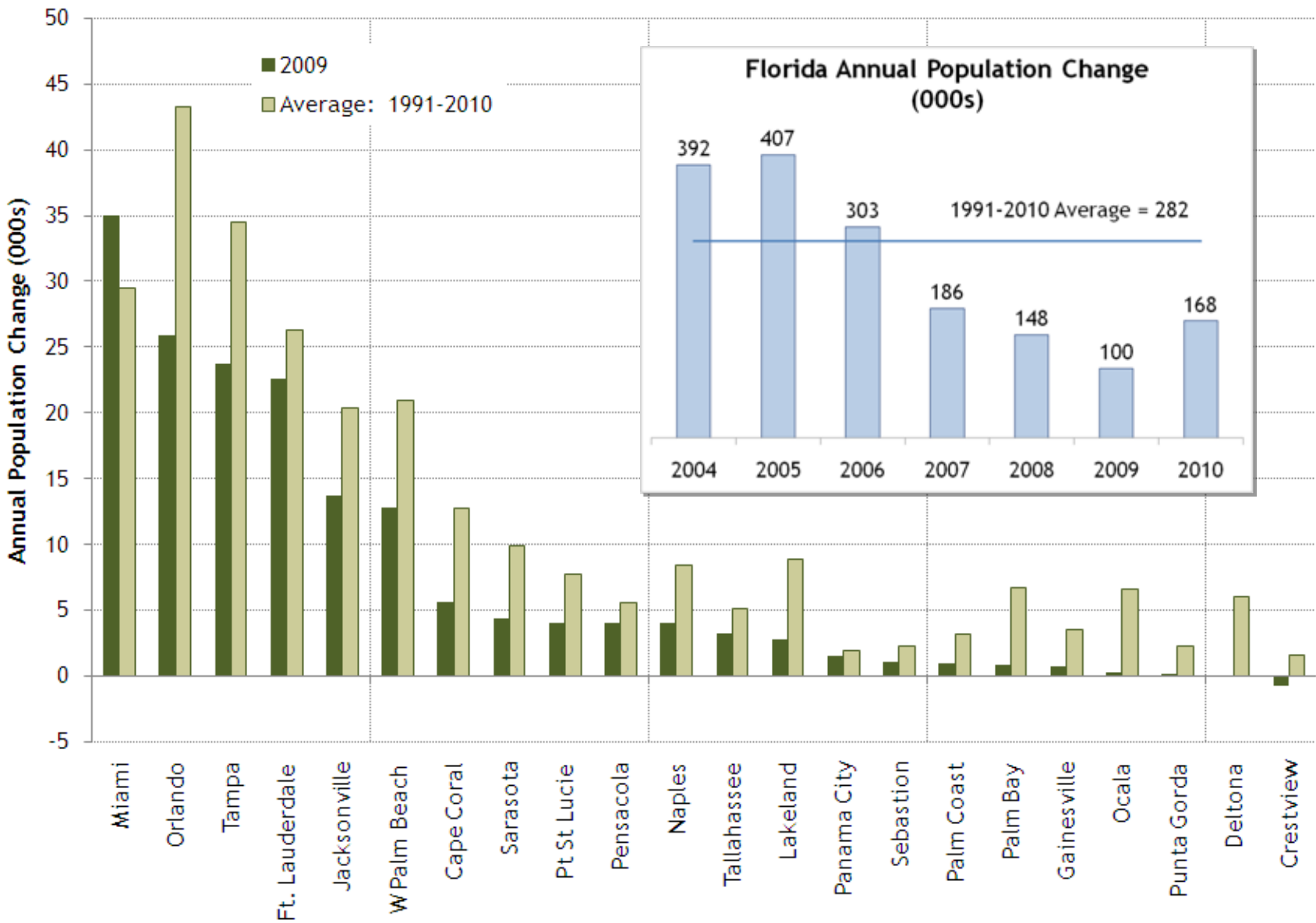


Bartow County, GA



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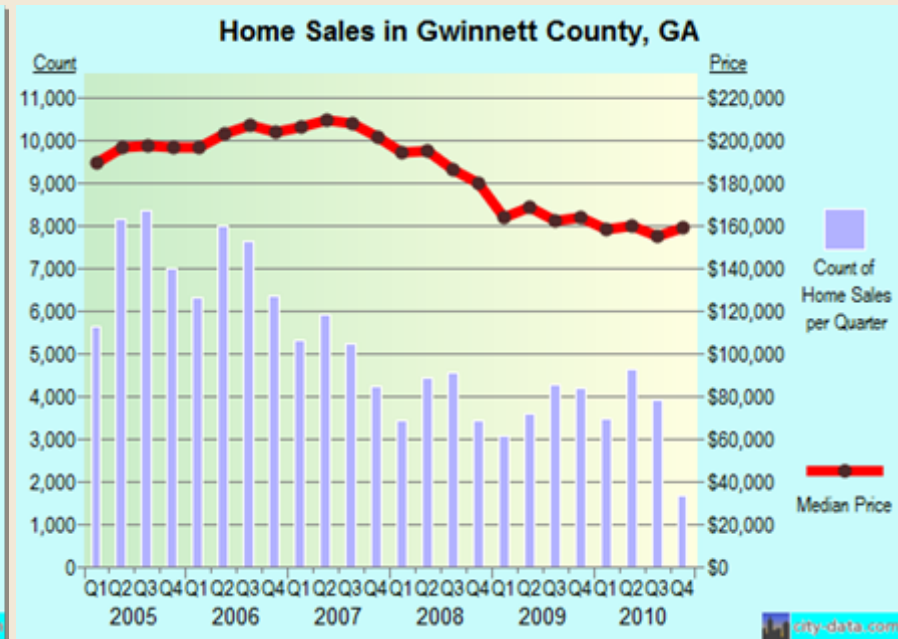
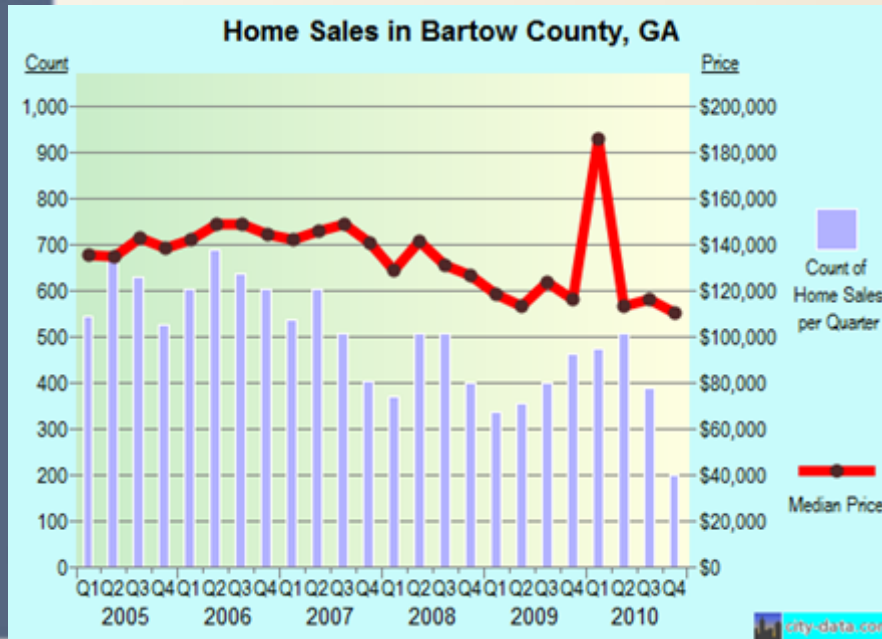
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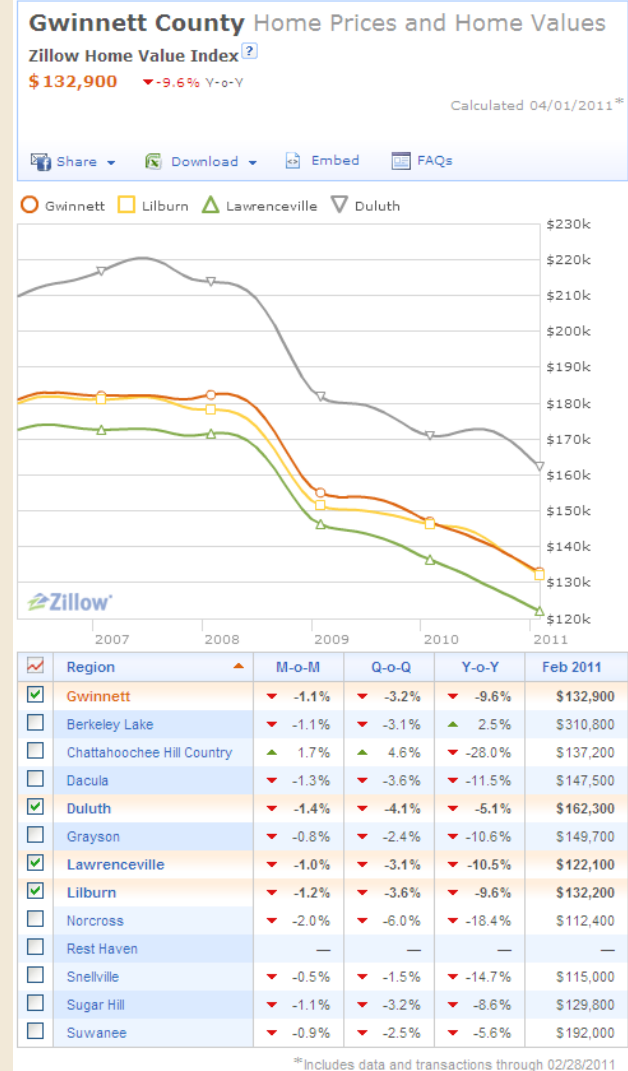
Real Estate: Sales and Prices



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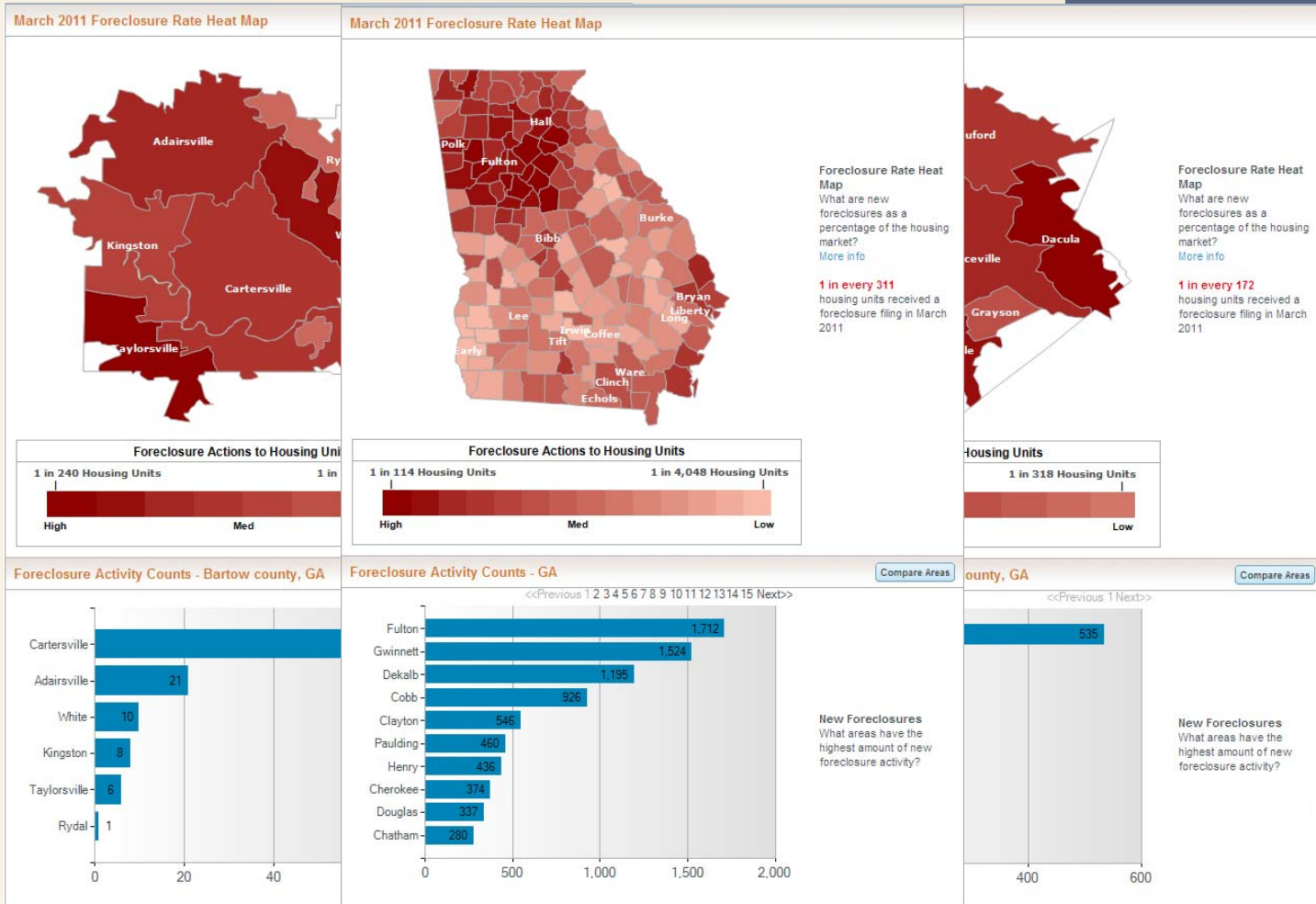
Real Estate: Home Values



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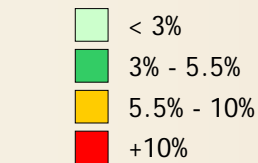
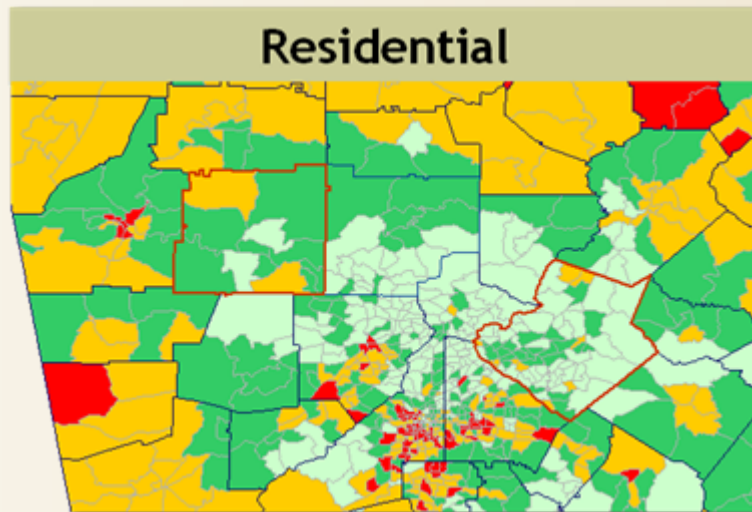
Real Estate: Shadow Inventory



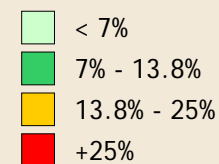
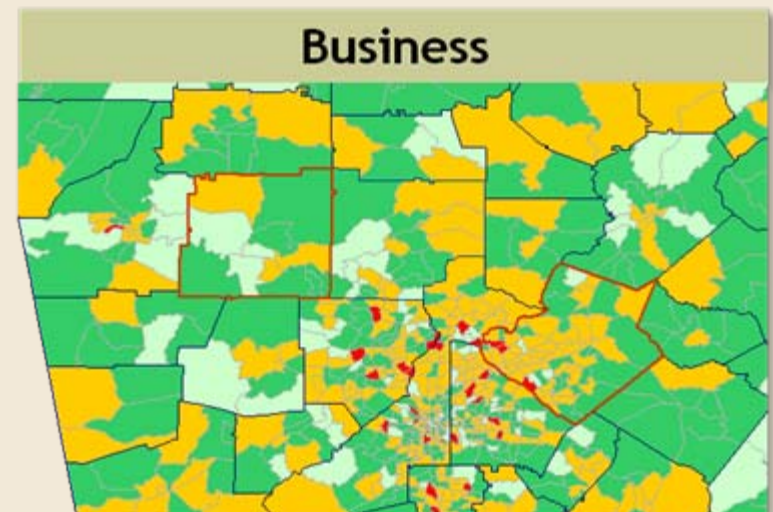
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Real Estate: Vacancy Rates



Georgia = 5.5%
 Bartow County = 3.9%
 Gwinnett County = 2.9%



Georgia = 5.5%
 Bartow County = 15.0%
 Gwinnett County = 13.8%



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Credit Quality: Borrower Distress

Delinquency Rates								
Loan Type:	Auto Loans		Bank Cards		Mortgages		Student Loans	
Days Past Due:	60+		60+		90+		60+	
	2010Q3	Year-Ago Change	2010Q3	Year-Ago Change	2010Q3	Year-Ago Change	2010Q3	Year-Ago Change
U.S.	1.1%	-0.3%	1.3%	-0.4%	5.3%	0.3%	10.6%	0.1%
Bartow County, GA	1.5%	-0.5%	2.0%	-0.5%	5.8%	0.3%	11.0%	0.3%
Gwinnett County, GA	1.4%	-0.4%	1.6%	-0.4%	7.9%	0.6%	12.5%	0.3%

Source: Credit reporting agency, TransUnion LLC's Trend Data database (Federal Reserve Bank of New York).



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Source: Credit Reporting Agency, TransUnion LLC's Trend Data Database
(Federal Reserve Bank of New York)

Credit Quality: Borrower Distress

Prime Mortgage Credit Conditions, November 2010

State	2008 Housing Units *	# active loans	% in foreclosure	% 30-59 days past due	% 60-89 days past due	% 90+ days past due	% flow into foreclosure this period	% flow out of foreclosure this period	# foreclosures per 1000 hsg units	% ARM loans	% ARM loans resetting in next 12 mos.	% owner occupied
US	129,065,264	26,415,321	3.1%	3.0%	1.2%	3.0%	0.4%	0.2%	6.3	11.1%	10.7%	83.0%
GA	4,026,082	873,915	2.4%	4.4%	1.8%	4.0%	0.6%	0.3%	5.2	10.5%	12.0%	82.1%
Bartow	37,485	9,158	2.6%	5.8%	2.2%	4.6%	0.7%	0.3%	6.4	6.3%	13.9%	82.5%
Gwinnett	288,103	86,104	3.1%	4.0%	1.8%	4.4%	0.7%	0.4%	9.1	11.3%	13.8%	84.6%

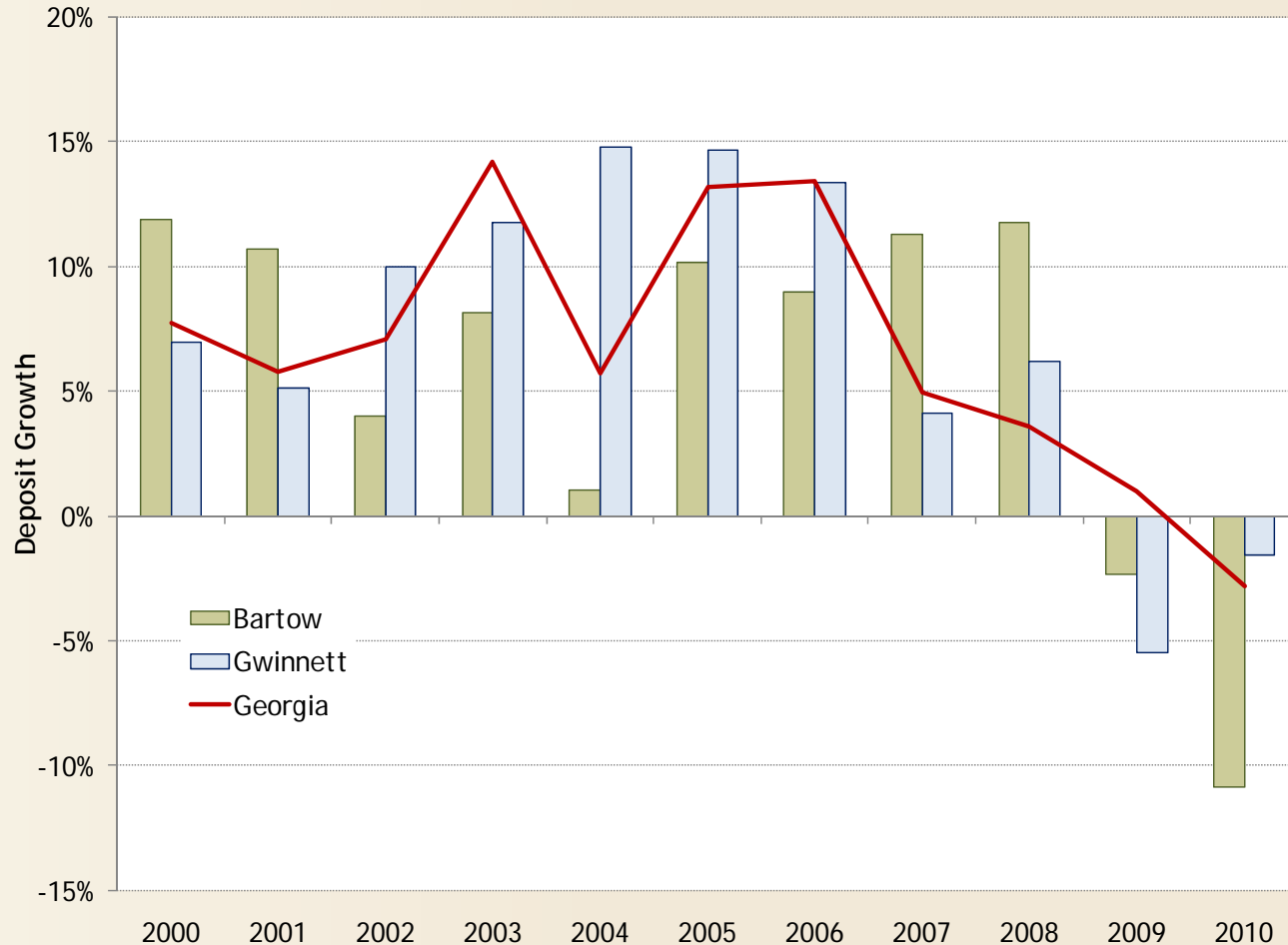


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Source: Lender Processing Services; Federal Reserve Bank of New York
* Source: Bureau of the Census, Population Estimates Program; Puerto Rico housing unit data are for 2000 and are from the Decennial Census.

Demand Indicator: Deposit Growth



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Supply of Financial Services

- Call & Thrift Financial Reports
- Uniform Bank Performance Reports
- FDIC-Summary of Deposits

Stay tuned!



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Summary of Deposits

Summary of Deposits

State:	County:	City:	Zip Code:	30-Jun-10					
GEORGIA	GWINNETT	ALL	ALL	Outside of Market		Inside of Market			
Institution Name	CERT	State (Hqtrd)	Bank Class	State/ Federal Charter	No. of Offices	Deposits (\$000s)	No. of Offices	Deposits (\$000s)	Market Share
WELLS FARGO BANK NA	3511	SD	N	Federal	6,555	717,313,925	27	1,928,075	17.65%
SUNTRUST BANK	867	GA	SM	State	1,694	117,268,434	30	1,540,105	14.10%
BANK OF AMERICA NA	3510	NC	N	Federal	6,010	827,459,449	27	1,468,870	13.45%
BRAND BANKING CO	878	GA	SM	State	1	30,794	6	1,031,960	9.45%
BRANCH BANKING&TRUST CO	9846	NC	NM	State	1,778	102,844,968	13	615,087	5.63%
GWINNETT COMMUNITY BANK	35249	GA	NM	State	0	0	3	445,781	4.08%
PEOPLES BANK&TRUST	25795	GA	NM	State	0	0	5	353,133	3.23%
UNITED COMMUNITY BANK	16889	GA	NM	State	103	6,001,270	3	352,903	3.23%
RBC BANK USA	33184	NC	SM	State	415	18,545,640	11	342,031	3.13%
REGIONS BANK	12368	AL	SM	State	1,768	95,485,338	6	309,369	2.83%
PIEDMONT BANK	58374	GA	NM	State	0	0	3	304,321	2.79%
QUANTUM NATIONAL BANK	34110	GA	N	Federal	1	23,001	1	279,758	2.56%
SYNOVUS BANK	873	GA	NM	State	321	25,892,699	4	242,793	2.22%
IRONSTONE BANK	34340	FL	SA	Federal	53	2,050,097	5	137,326	1.26%
FIRST CITIZENS B&T CO INC	15504	SC	NM	State	188	7,134,131	1	127,874	1.17%
FIDELITY BANK	21440	GA	NM	State	21	1,440,296	4	125,317	1.15%
JPMORGAN CHASE BANK NA	628	OH	N	Federal	5,241	633,011,556	10	19,444	1.09%
GEORGIA TRUST BANK	57847	GA	NM	State	1	35,439	1	18,985	1.09%
ESSEX BANK	8675	VA	SM	State	23	933,983	2	10,710	1.01%
FIFTH THIRD BANK	6672	OH	SM	State	1,359	78,751,989	4	90,339	0.83%
STATE BANK&TRUST CO	57870	GA	NM	State	22	2,148,292	1	87,784	0.80%
LEGACY STATE BANK	57882	GA	NM	State	0	0	1	80,384	0.74%

State:	County:	City:	Zip Code:	30-Jun-10					
GEORGIA	GWINNETT	ALL	ALL	Outside of Market		Inside of Market			
Institution Name	CERT	State (Hqtrd)	Bank Class	State/ Federal Charter	No. of Offices	Deposits (\$000s)	No. of Offices	Deposits (\$000s)	Market Share
LEGACY STATE BANK	57882	GA	NM	State	0	0	1	80,384	0.74%
FLAGSTAR BANK FSB	32541	MI	SA	Federal	153	8,283,332	9	72,161	0.66%
FIRST INTERCONTINENTAL BANK	34998	GA	NM	State	2	201,531	3	70,118	0.64%
METRO CITY BANK	58181	GA	NM	State	2	228,355	2	61,695	0.56%
INDEPENDENCE BANK OF GEORGIA	58736	GA	NM	State	0	0	1	56,036	0.51%
TIB THE IND BANKERSBANK	23647	TX	SM	State	4	1,276,177	1	52,970	0.48%
EMBASSY NATIONAL BANK	58413	GA	N	Federal	0	0	1	48,653	0.45%
NOA BANK	58657	GA	NM	State	1	9	1	47,359	0.43%
BANK OF ATLANTA	32362	GA	SA	Federal	2	188,694	1	47,064	0.43%
PRIVATEBANK&TRUST CO	33306	IL	NM	State	28	1,613,816	1	45,118	0.41%
SHINHAN BANK AMERICA	33188	NY	NM	State	14	808,960	1	43,927	0.40%
TOUCHMARK NATIONAL BANK	58687	GA	N	Federal	2	80,108	1	33,942	0.31%
EASTSIDE COMMERCIAL BANK	58125	GA	NM	State	1	166,992	1	30,570	0.28%
AMERIS BANK	20504	GA	NM	State	55	2,064,418	1	22,134	0.20%
EAST WEST BANK	31628	CA	SM	State	132	14,433,808	2	18,714	0.17%
UNITED CENTRAL BANK	25330	TX	NM	State	31	1,971,949	1	14,941	0.14%
KEYWORTH BANK	58617	GA	NM	State	2	193,478	1	14,710	0.13%
GUARANTY BANK	30003	WI	SA	Federal	162	1,170,395	6	13,308	0.12%
CHARTERBANK	30720	GA	SA	Federal	17	810,517	1	8,880	0.08%
GLOBAL COMMERCE BANK	34046	GA	NM	State	2	130,759	1	3,713	0.03%
UNITED AMERICAS BANK NA	35065	GA	N	Federal	2	193,106	1	3,389	0.03%
CEDAR HILL NATIONAL BANK	34478	GA	N	Federal	0	0	1	2,000	0.02%
PEOPLES BANK	182	GA	NM	State	14	397,706	1	475	0.00%
WOODFOREST BANK	31123	TX	SA	Federal	167	85,524	1	164	0.00%

Number of Institutions in the Market: 45

TOTALS 26,347 2,679,620,935 208 1,924,400 100



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FDIC-Summary of Deposits

- How concentrated is the market?
 - The Herfindahl-Hirschman Index (HHI)
 - $\sum (\text{deposits}_i / \text{total deposits})^2$
 - Moderately Concentrated: 1,000 – 1,800
 - Concentrated: > 1,800

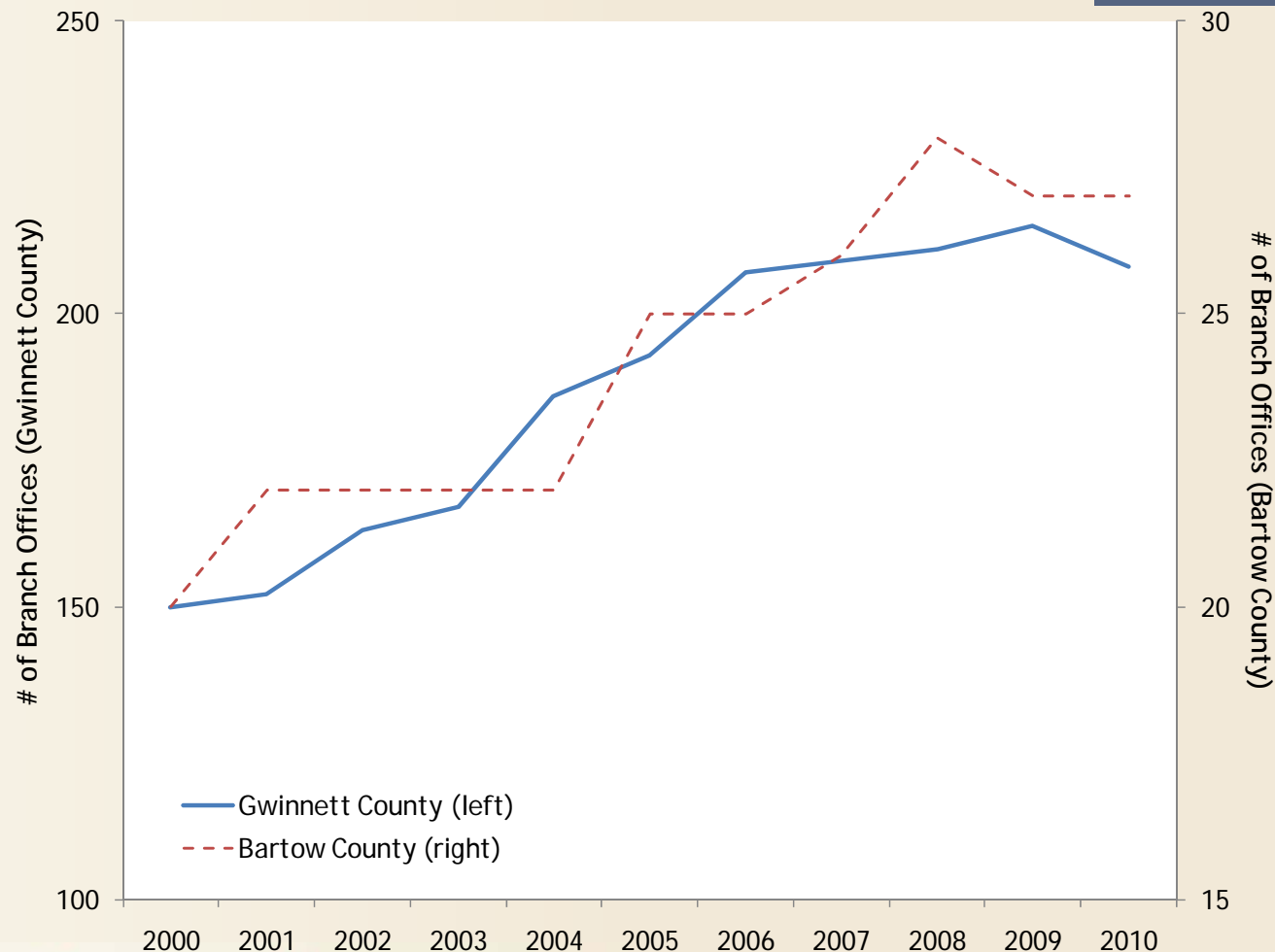
Market	HHI
Bartow County	1,200
Gwinnett County	899



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FDIC-Summary of Deposits



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Takeaways

*"You can use all the quantitative data you can get,
but you still have to distrust it and use your own
intelligence and judgment."*

- Alvin Toffler



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Some Free Data!

General Economics	
BLS: Jobless Rates	http://www.bls.gov/lau/
BLS: Location Quotients	http://data.bls.gov/location_quotient/ControllerServlet
BLS: Quarterly Employment	http://www.bls.gov/cew/
Census: Local Employment Dynamics	http://lehd.did.census.gov/led/
City-Data Profiles	http://www.city-data.com/
Community Economic Development HotReports	http://smpbff2.dsd.census.gov/TheDataWeb_HotReport/servlet/HotReportEngineServlet?emailname=whazard@census.gov&filename=ed_home.html
ESRI: Mapping for Everyone	http://mapapps.esri.com/create-map/index.html
► Fed Atlanta: REIN Network	http://www.frbatlanta.org/rein/
► Fed New York: Credit Conditions	http://data.newyorkfed.org/creditconditions/
► Fed St. Louis: Economic Data (FRED)	https://research.stlouisfed.org/fred2/
Real Estate	
► Fed Atlanta: Center for Real Estate Analytics	http://www.frbatlanta.org/realestateanalytics/
► Fed Atlanta: Commercial Real Estate Spotlight	http://www.frbatlanta.org/pubs/financialupdate/10q3_vp_cre.cfm
HUD/USPS Vacancy Data	http://www.huduser.org/portal/datasets/usps.html
RealtyTrac Foreclosure Trends	http://www.realtytrac.com/trendcenter/
Trulia	http://www.trulia.com/city/
Zillow Real Estate Market Reports	http://www.zillow.com/local-info/
Banking	
Bank Rate Safe & Sound	http://www.bankrate.com/rates/safe-sound/bank-ratings-search.aspx
FDIC Statistics on Depository Institutions	http://www2.fdic.gov/sdi/index.asp
FDIC Summary of Deposits	http://www2.fdic.gov/sod/
► Fed Atlanta: National Banking Trends	http://www.frbatlanta.org/pubs/financialupdate/11q1_vp_nbt.cfm
► Fed Atlanta: State of the District	http://www.frbatlanta.org/pubs/financialupdate/11q1_vp_district.cfm
Investigative Reporting Workshop: Bank Tracker	http://banktracker.investigativereportingworkshop.org/banks/



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