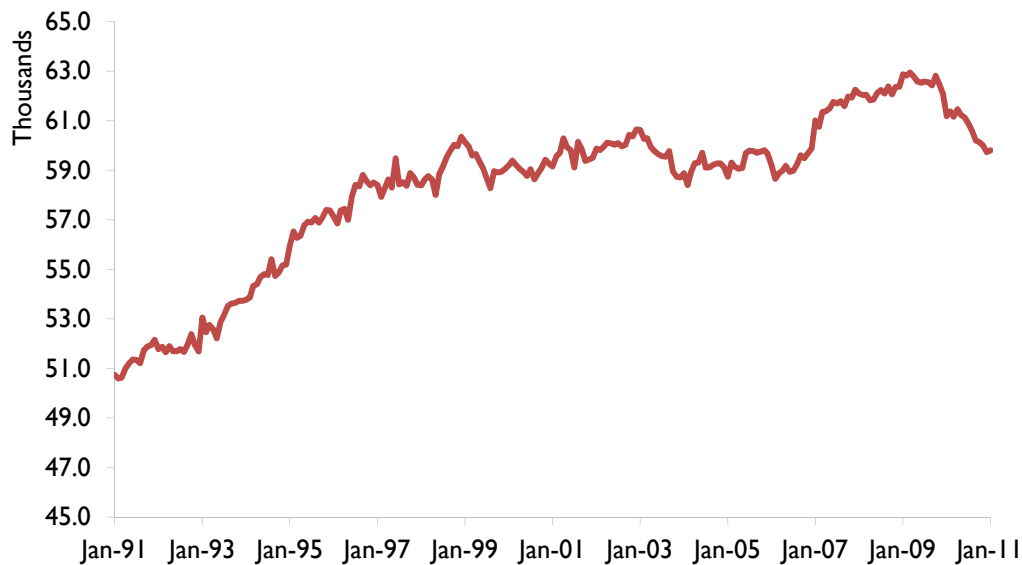


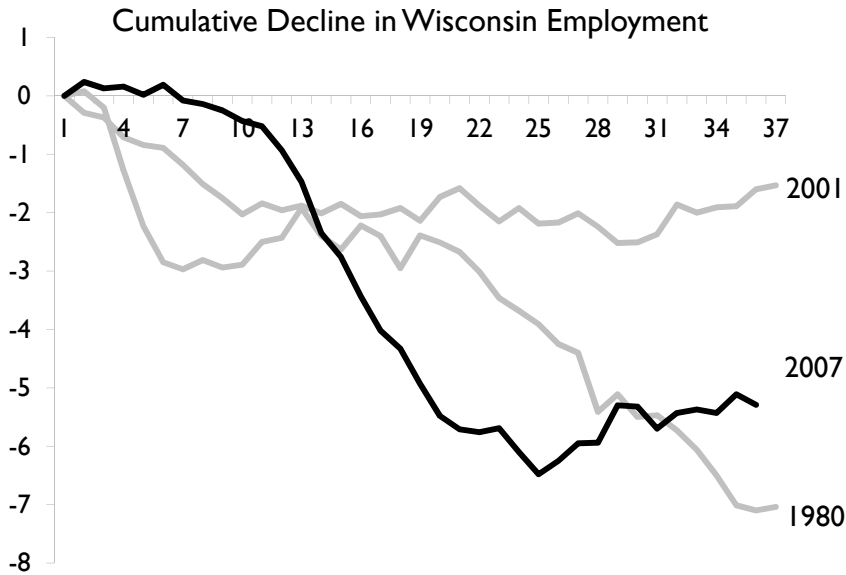
I was recently asked to comment on the local economy; in particular I was asked if we are out of our recession. Here are a few graphs with some notes.

The NBER dates the start of the national recession as December 2007, based in large part the peak of non-farm employment. From the data it looks like the contraction in employment in Wisconsin occurred about 6 months after, or around June 2008. Locally I've take the employment for La Crosse county and seasonally adjusted it with the X-12 ARIMA Census method ad that suggests employment peaked about 12 months after the national peak, around December 2008.

Seasonally Adjusted Employment: La Crosse County

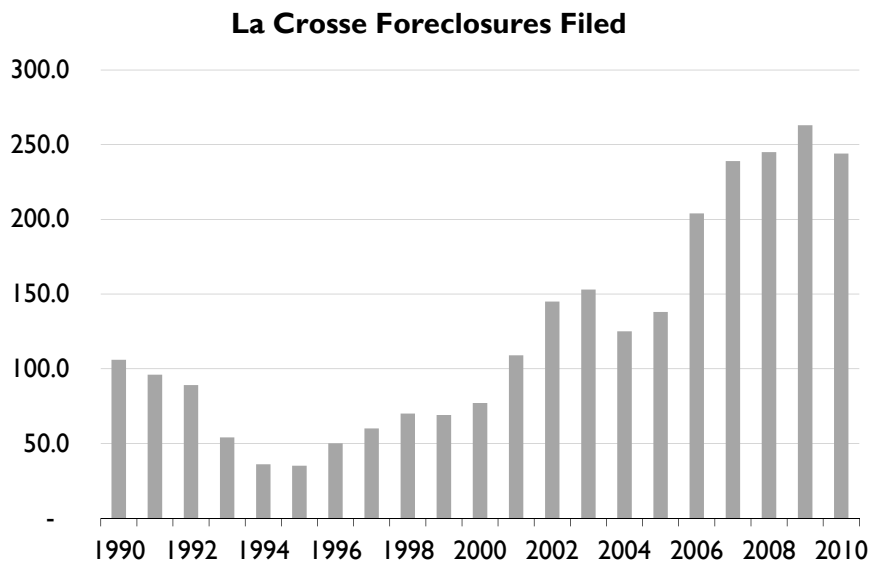


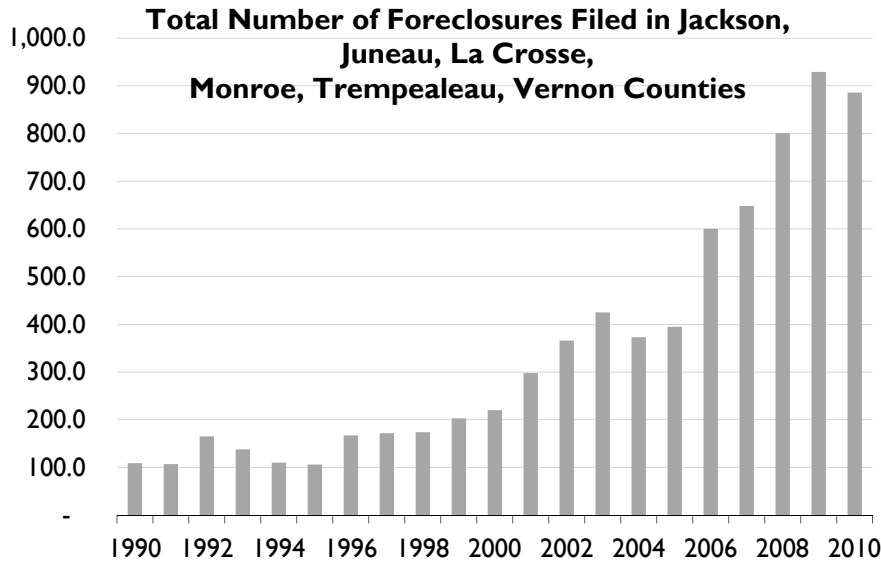
The recession was declared over nationally June 2009. Wisconsin's employment is recovering slowly, and that looks to have begun about December 2009 or January 2010. It is approximately 24 or 25 months after the start of the national recession. So it looks like Wisconsin enter and exited recession about 6 months late.



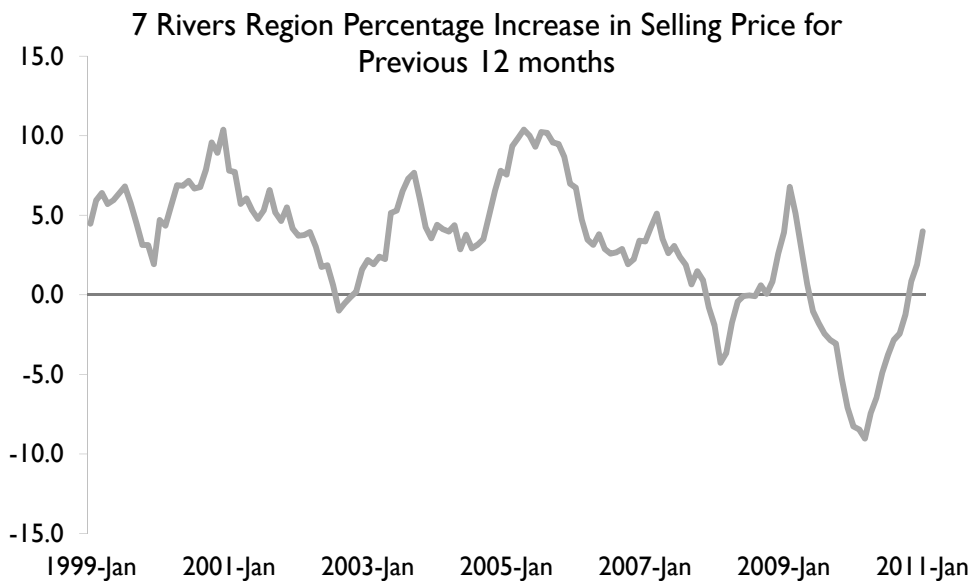
It is a little tougher to identify the start of the local recovery. Simply following the lag time in and out we saw for the state would suggest the local recovery began 12 months after the national recovery, or about June of 2010.

Foreclosures were off their peak in 2009 for the region and La Crosse County in particular. Foreclosures seemed to fall off their predicted pace mostly in the late fall.

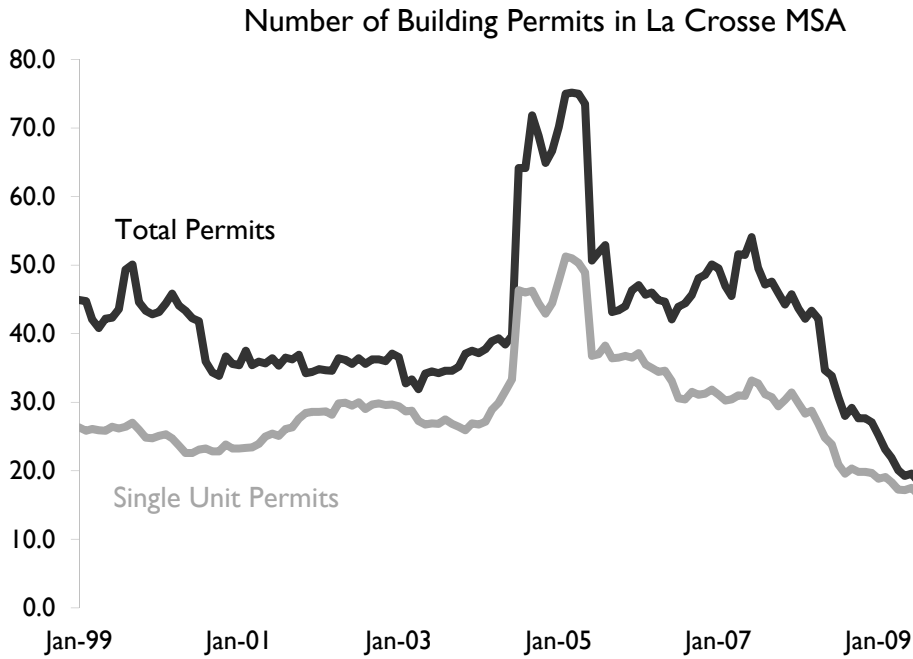




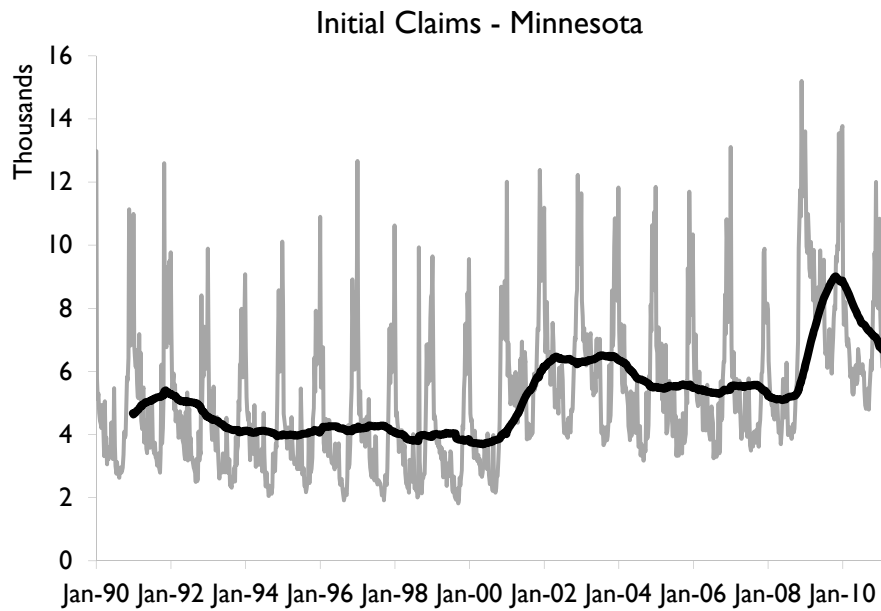
Home prices seem to have rebounded, though we should be careful interpreting this data, since an unknown amount of the price decline we saw in the data is due to the change in the types of homes being sold as the first time buyer tax credit resulted in an unusual portion of lower priced homes being sold. This lowered the average selling price. A better measure would have been repeated sales, but I do not have access to such a measure locally. The volume of sales is still off.

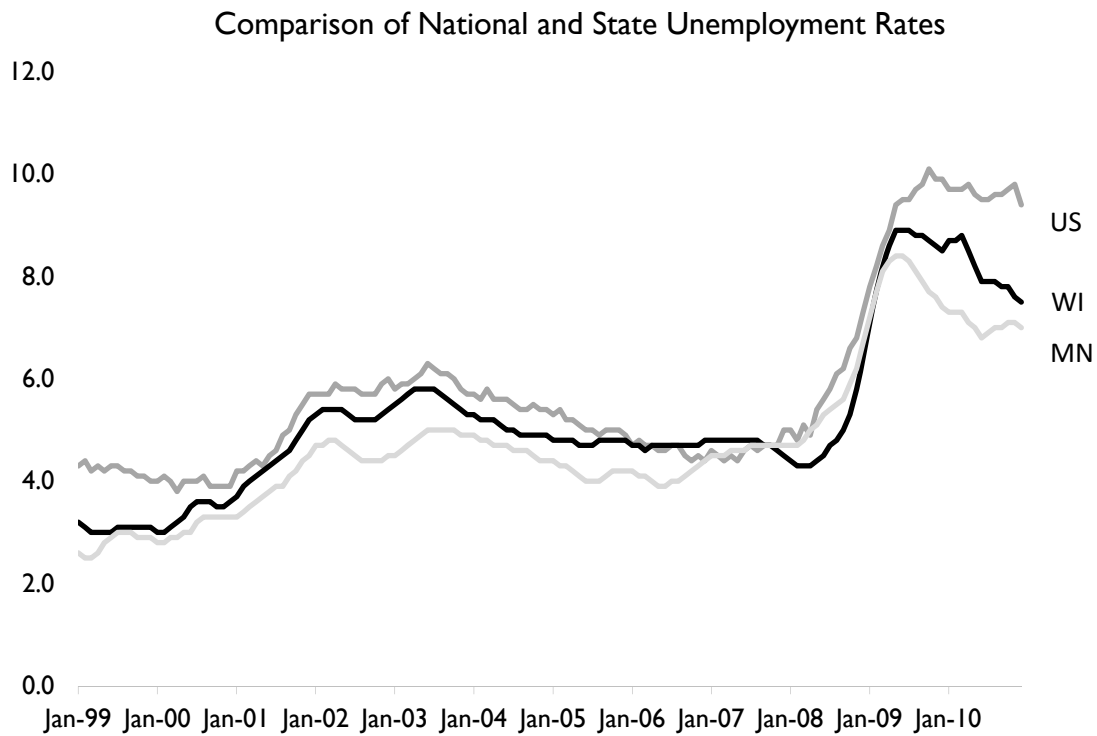
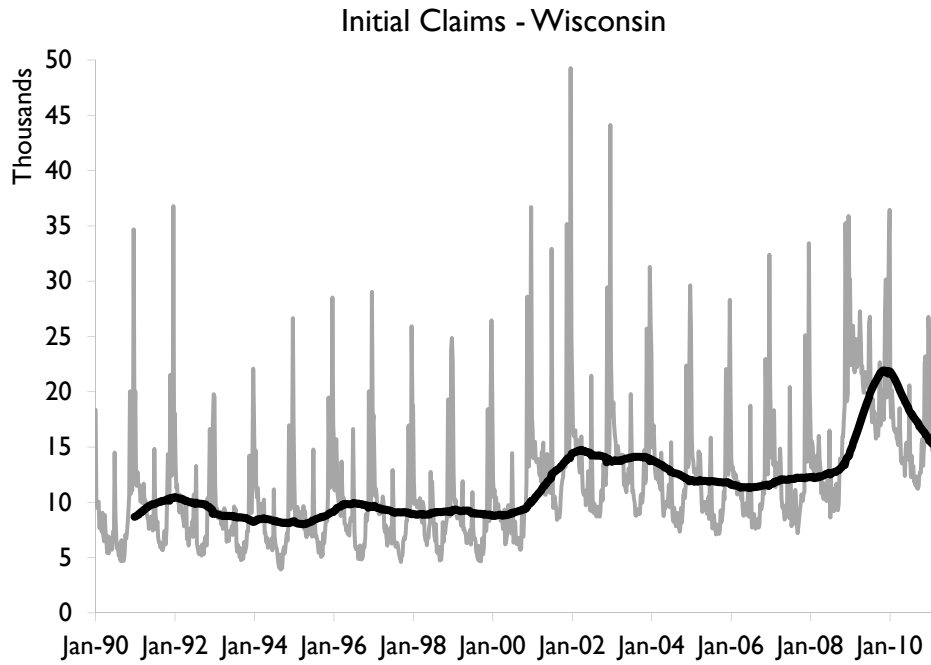


Also the slide in building permits appears to have stopped.



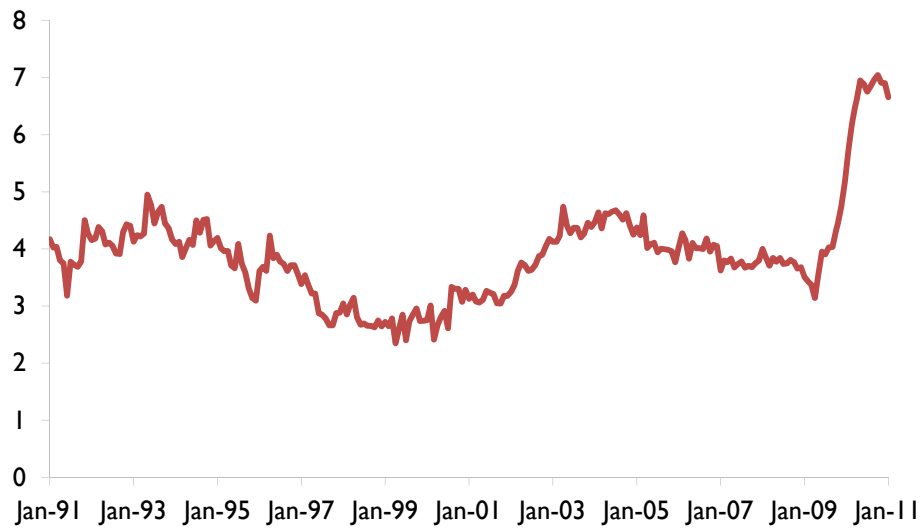
We can see at the State level Initial claims for jobless benefits appears to have fallen.





Locally the seasonally adjusted unemployment rate appears to have peaked.

La Crosse County Unemployment Rate: Seasonally Adjusted



And though it might be a bit early to tell, my sense is that we could identify the end of the recession locally as late fall of 2010.