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Special Report

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U.S. STATE ECONOMIC OUTLOOK: NORTHEAST TO LEAP AHEAD OF SOUTH-ATLANTIC IN 2011

HIGHLIGHTS

- **New England and Mid-Atlantic economic growth will break ranks with historical trends in 2011. Stronger growth puts the Northeast economy on track to regain the jobs lost during the recession six months ahead of the U.S.**
- **New England is starting 2011 on a stronger economic footing than many US states, due to less housing troubles and an advantage in high-tech. Overall, the region is expected to create more than 150,000 (2.3%) jobs.**
- **New York and Pennsylvania to be growth-leader's in 2011, with New Jersey to lag the pack. Mid-Atlantic economy expected grow by an above average 3.4% in 2011.**
- **Households across the South-Atlantic will start to see a marked improvement in the economy during 2011, with more than 480,000 (1.9% growth) jobs expected to be created. However, this barely taps into the region's economic potential, which is being held back by ongoing challenges in the housing market.**

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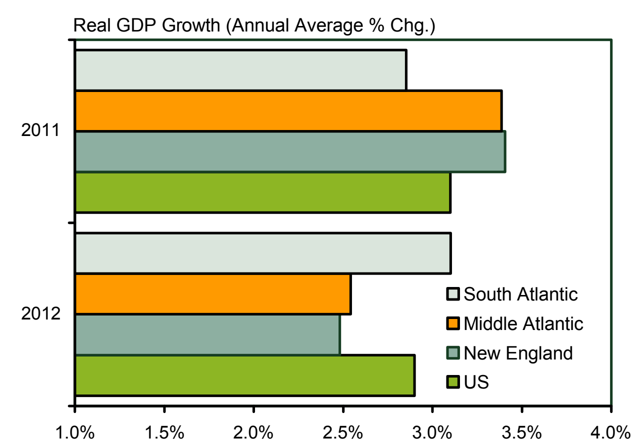
This report details state forecasts within TD Bank's footprint – that being New England, Mid-Atlantic and South-Atlantic. Comparing these regions over the past decade, a simple law of order governing the growth patterns pops out: those states with high population growth and often younger demographics tend to outperform those with unfavorable population and migration trends. This is a pretty intuitive notion given that the population base is the foundation for consumption, housing and the labor pool. It is well known that the Northeastern states have the oldest demographics in the country, with a number of states also marked by net outflows of migrants – such as New York, Massachusetts, Connecticut and New Jersey. The nature of the Northeastern economies has generally worked against them in the past, restraining the running speed of the region. However, it was these same dynamics that helped nurture a surprisingly solid economic recovery in 2010, which we believe will persist through 2011. The older demographics and more established markets limited the housing excesses in the Northeast to a greater extent than in a number of the faster growing regions in the South Atlantic – particularly Florida and Georgia. In the end, the Northeast had a stronger foundation on which to stage an earlier and more robust recovery – inspite of it being the epicenter of turmoil in the financial sector. Meanwhile, a number of southern states continue to be tormented by a severely distraught housing market, which is creating a large speed bump on the road to recovery.

U.S. REGIONAL GDP GROWTH FORECASTS



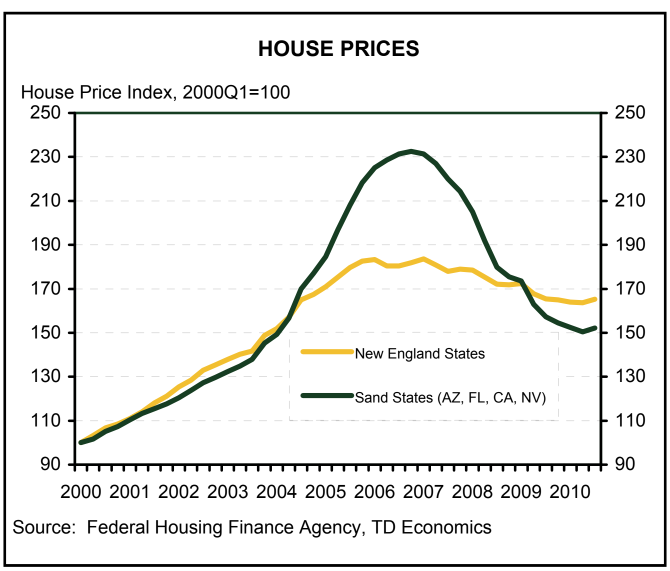
Source: Forecast by TD Economics as of Jan. 2011

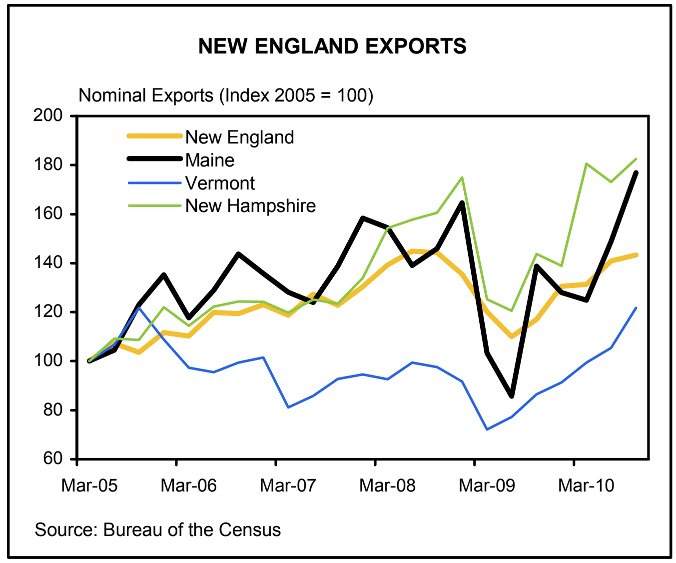
Putting the pieces together, we believe the Northeastern region will be able to outperform the national average in 2011, which also means that the South Atlantic region will uncharacteristically lag the Northeast and broader U.S. This is no small feat considering that real economic activity in the South Atlantic region grew by an average of 0.7 percentage points per annum faster than the Northeast over the 1998 to 2006 period, before the housing market came tumbling down. However, in 2012, nature will once again come to dominate, and the South-Atlantic region is poised for a stronger economic recovery, in part reflecting the release of more pent-up demand, but also greater housing affordability and a return to more favorable demographic trends.

New England: Still the older, but no longer the slower sibling

New England's older demographics and out-migration flows have traditionally been sticky points for the region, blamed for the tendency for economic growth to lag the nation. Over the 2000-2006 period, the U.S. real economy grew a cumulative 15%, but New England could only muster up about two-thirds of that growth. However, this statistical frown was turned upside down during the recent recession and recovery cycle. The traditional economic negatives became positives, as the combination of older demographics, high incomes and migration outflows partially shielded New England from the housing excesses that exploded in the sand states of Florida, Nevada, California and Arizona. The end result was that New England's residential construction sector and subprime mortgage market made up a smaller share of the economy during the housing boom, thus leaving the region less exposed on the downside when the bottom fell out.

This has left New England with fewer challenges on the foreclosure front relative to the rest of the country. The one exception is **Rhode Island**, which has suffered a deeper and longer recession than the rest of the area, as it wades through an industrial transition from old industries in textiles and machinery to new interests, including pharmaceuticals and medical equipment. This, coupled with a lagging recovery in the financial sector, has caused home delinquency and foreclosure rates to escalate at a faster rate in the state. However, Rhode Island is truly the exception to the region. In contrast, **Vermont** has one of the lowest delinquency and foreclosure rates in the country, while the rest of New England also holds below national trends.

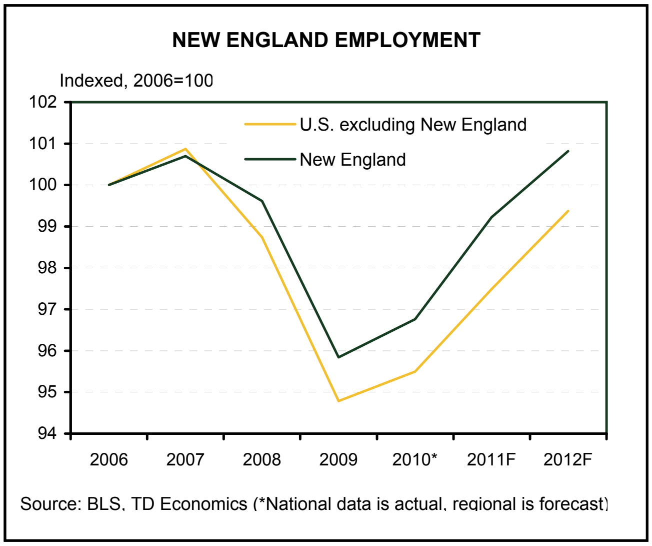




This is a crucial underpinning of why we believe New England has the economic foundation to marginally outperform U.S. economic growth in 2011, before the traditional lagging dynamics take over again. The shallower downturn in home prices has preserved wealth to a greater extent in the region. Likewise, household wealth has also been given a helping hand by a more resilient job market. While jobs in the West and South fell 8.4% and 6.0%, respectively from the peak, New England saw a 5.3% retreat. And, in the aftermath of the recession, New England has managed to produce one of the fastest growing job markets. Jobs in the region should return to the pre-recession peak by the end of 2012, about six months ahead of the rest of the country.

In terms of where the strength in job growth may lie, the dynamics vary across the six states, but we must give a nod to New England's unique competitive edge in the high value-added technology sector (i.e. computer and electronics). This sector has helped the region carve out a stronger economic recovery from the get-go with states like **Vermont** and **New Hampshire** having the ideal combination of above-average high-tech production coupled with high exposure to the insatiable appetite of Asian markets. **Maine** has also jumped back on the gravy train, with high-tech products returning to their historical 30% share of manufactured exports in 2010, compared to 20% in 2009. It's no coincidence that all three states have seen 2-to-4 times the job growth in manufacturing relative to the rest of the country.

However, as the economy gains steam, an increasing share of the economic growth will be propelled by the larger service side of the economy rather than goods production. On this front, key sectors stand out as high-potential, including business consulting, financial services, information



technology and software development. Not surprisingly, a number of these have upstream ties to the high-tech manufacturing sector. Although all states will benefit from this trend, **New Hampshire** and **Massachusetts** are particularly well poised. Both states have already seen above average job growth, and in the case of New Hampshire, private sector jobs are growing at the fastest pace in the country. Of course, there's the typical positive economic spinoffs that occur through income and spending growth that trickles through the local economies, but both states also have a highly educated and skilled workforce working to their advantage in maintaining momentum. Massachusetts, in particular, was one of the first states to see a revival in financial jobs, no doubt helped by the fact that it has one of the most sophisticated venture capital markets in the country, alongside world-class research universities and a highly skilled workforce. This has supported industry clustering in hardware, software, biotech and defense firms. Any state with above average exposure on the tech side should perform well in 2011 because it will complement the double-digit growth in software and equipment investment that we expect across the broader United States. Professional and technical industries are already bearing fruit in **Connecticut**, where they are showing 5 times the job growth versus the rest of the nation, as well as being a growth leader within New England. Unfortunately, Connecticut's economic and job growth potential in 2011 will likely be restrained by its overweight financial/insurance sector, which is contributing to economic growth, but has yet to produce a recovery in jobs.

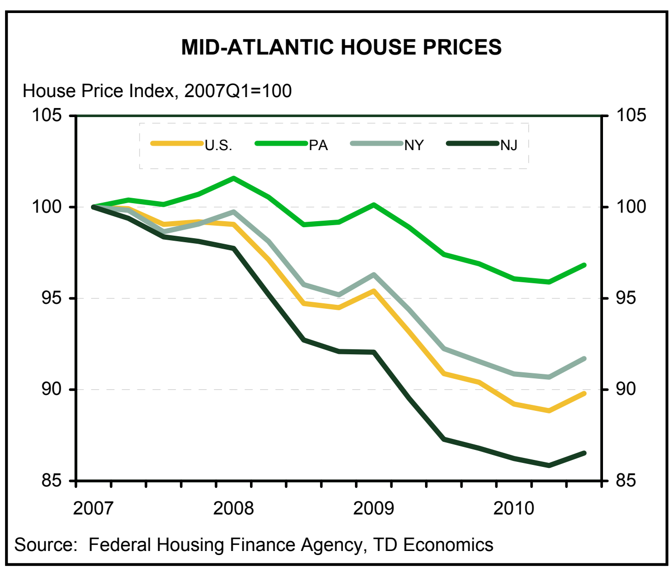
Lest we make it sound like 2011 growth prospects hinge disproportionately on professional positions, we would be remiss not to point out that New England's traditional standbys of health and education, as well as leisure and hospitality will contribute to jobs this year, with welcomed spinoffs into other sectors like retail. However, with state and local finances still in distress, we expect to see more tempered job gains than would traditionally occur in the health and education sectors.

While 2011 should allow the New England economy to marginally outperform the U.S., we believe nature will win out in 2012. Unfavorable population and migration trends coupled with lower home affordability and generally higher costs of doing business should reinstate the region as the slightly slower sibling.

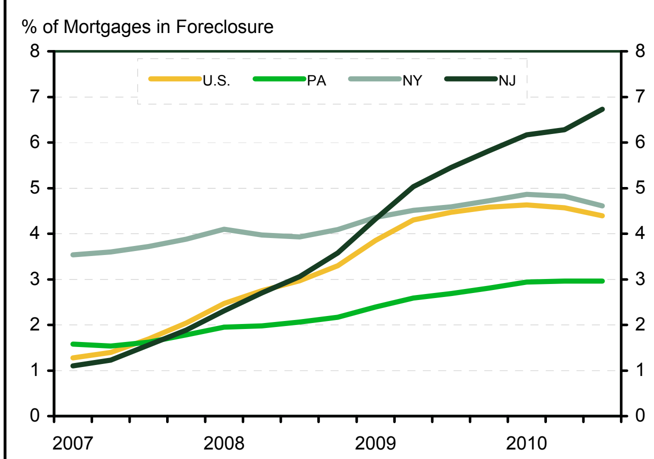
Mid-Atlantic: Not cut from the same cloth

Like New England, the Mid-Atlantic region will again buck its natural tendency to lag national growth in 2011. Over the past decade, the mid-Atlantic's historical norm has been to underperform the U.S. economy by roughly 0.3 percentage points, on an average annual basis. Yet, during this recovery cycle, regional employment should return to its pre-recession level roughly six months before the rest of the country.

While the region as a whole should run slightly ahead of the national pace (by about 0.2 percentage points) in 2011, economic growth will not be uniform across the three states. Differences in industry composition will place New York and Pennsylvania as growth leaders. Meanwhile, New Jersey will face the traditional more sluggish economic environment relative to the national trend this year. That said, all three states will share in the benefits of a highly skilled labor force, strong roster of universities and a relatively stable outsized health care sector.



MID-ATLANTIC FORECLOSURE RATES



Source: Mortgage Bankers Association, TD Economics

Similar to New England, the traditional demographic challenges and less pent-up demand within the Mid-Atlantic region will play a bigger role in 2012, causing the region to marginally underperform U.S. economic growth that year.

Pennsylvania was the last of the three states to exit the recession, but the economy has certainly developed a pulse since then. Working in the state's favor, Pennsylvania has the lowest foreclosure rate, the smallest declines in housing prices, and the most affordable housing in the region. The resilient housing market has been supported by job gains that are twice the national average and exceed those experienced by either of the other two mid-Atlantic states.

With over 13% of Pennsylvania's economy focused on manufacturing, the Keystone State is far more tied to goods production than either New York or New Jersey. This close link did the state no favors in 2009, when falling manufacturing output accounted for the bulk of the economy's contraction. However, production and jobs were clearly on the mend in 2010, as Pennsylvania's balanced mix between matured fabricated metal production and high-tech computer and electronic output created the most durable good jobs in the Mid-Atlantic region. Because we anticipate the national economy will be led by growth in consumer spending and strong business investment in equipment and software in the coming quarters, 2011 promises to be another stellar year for Pennsylvania's large manufacturing sector.

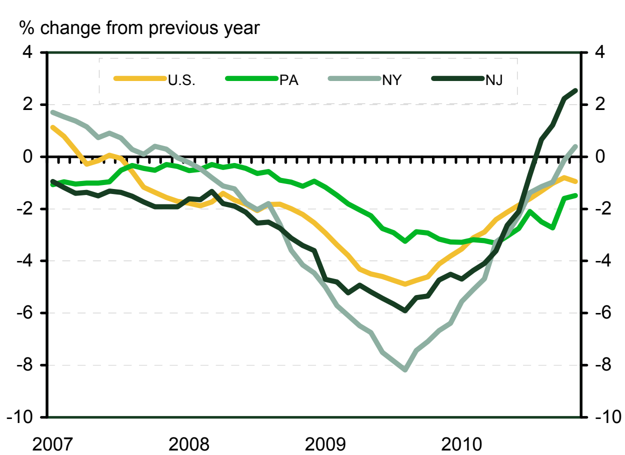
However, the service sector is the backbone to overall employment growth, and has been the main driving force in the last six months. This trend should continue throughout 2011 and 2012, with sectors such as health/education, trade, transportation, professional, leisure, and management of companies and enterprises remaining supportive.

While the service sector will also drive **New York**'s economy forward, uncertainly continues to envelop the overweight financial sector in that state. Throughout 2010, financial jobs failed to make any meaningful gains. Given the uncertainty that persists under the scope of financial market regulation and implementation of the Dodd-Frank Bill, job growth will likely remain restrained in the financial sector in 2011, but certainly improve relative to last year. There are a number of other positive dimensions to New York's job market, with strong hiring already occurring within professional and business services, and education services. In addition, accommodation, leisure and the hospitality industries are making a strong comeback, with New York remaining an attractive destination for tourists and shoppers alike.

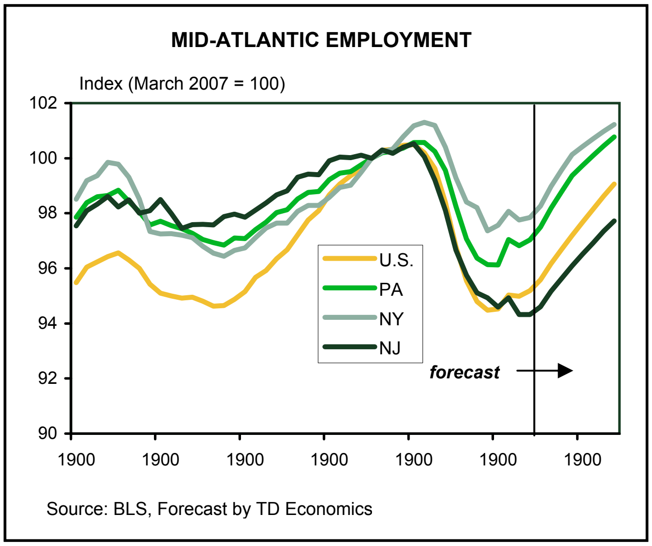
In contrast, **New Jersey** is clearly the laggard in the Mid-Atlantic region. It has one of the highest foreclosure rates in the country, has experienced sharp declines in housing prices and job gains have failed to materialize since the recession ended more than a year ago.

Perhaps the biggest challenge for the state will be shoring up its fiscal position without exacting too many negative knock-on effects throughout the broader economy. In fiscal year 2011, New Jersey is expected to have the fourth largest budget shortfall in the country, alongside severely underfunded pension and retiree health care plans. Among the three states, New Jersey appears to be the least prepared to make payments to future retirees, as its pension funding level is below the 80% benchmark and continues to decline. This has certainly come under close scrutiny by Governor Christie, who has no easy task ahead of him. The further funneling of taxpayer dollars to backfill funding holes rather

FINANCIAL AND INSURANCE SECTOR JOBS



Source: U.S. Bureau of Labor Statistics, TD Economics



than towards new investment certainly leaves New Jersey at a competitive disadvantage relative to Pennsylvania and New York. State and local government sector jobs already have fallen by 4.7% in 2010, the largest percentage decline in the Mid-Atlantic region and four times larger than the national decline. Unfortunately, this is a trend that is expected to continue. This negative dynamic will weigh on New Jersey's growth prospects relative to the other states, not just on a cyclical basis over the next 1-to-2 years, but potentially on a long-term structural basis. Detailed analysis on state finances can be found in the TD Economics report [Nifty Fifty No More].

Adding to these fiscal pressures are ongoing challenges in the state's foreclosure market, where the potential supply from shadow inventory exceeds the national average, and that of New York and Pennsylvania. It would not be surprising to see New Jersey home prices edge down again in 2011.

In spite of these housing and fiscal challenges, 2011 will bring forth some positives for New Jersey. For one, many Garden State residents will benefit directly from the stronger growth emanating out of the Empire and Keystone States both in terms of nearby employment opportunities and the State's extensive service links to these markets. Also, given New Jersey's diverse industrial mix – which ranges from pharmaceuticals, to telecommunications, to international trade – an increase in national and international economic growth will offer another lift to the State's fortunes.

Unfortunately, these upsides will not be enough to override the considerable challenges imposed by public finances and housing in 2011, leading to another year of underperformance relative to the other Mid-Atlantic states. However, economic activity and employment in the Garden State will start to play catch-up with New York and Pennsylvania in 2012, as the drag imposed by housing conditions wanes. However, faster economic growth in that year is coming from lower levels of initial employment and output, meaning New Jersey will still have a ways to go to return to pre-recession levels relative to the rest of the region. (see chart)

South Atlantic: The Good, the Bad & the Ugly

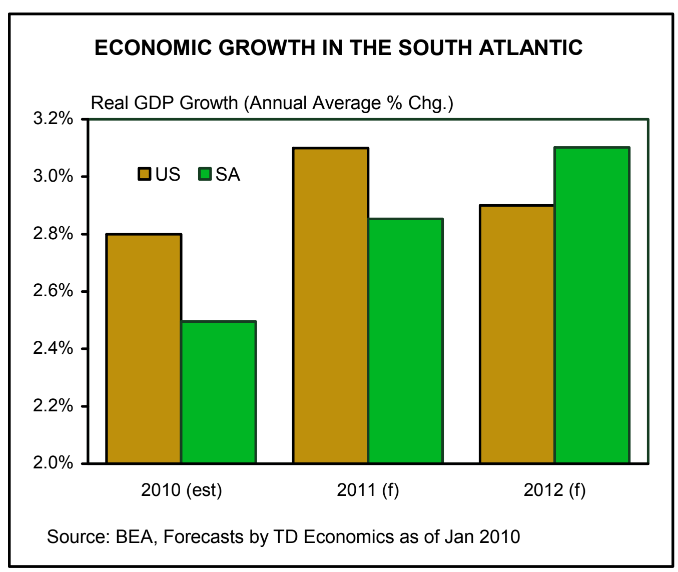
2010 was a welcomed year of economic expansion for the South Atlantic region, but growth uncharacteristically lagged the nation. While we do believe the South Atlantic will evenually reclaim its historical place as a national growth-leader, it is unlikely to happen in 2011. Throughout this business cycle, large swathes of the region have been tangled up in the worst of the nation's housing crisis and, as a result, the region's deleveraging process has lagged the rest of the country. So while 2011 growth will accelerate alongside the national economy, it will fail to outperform.

Moving beyond 2011, many of the region's structural challenges – which are ultimately related to the housing market – will be closer to finding a resolution. As these excesses are gradually purged, South Atlantic's economic growth will continue to accelerate in 2012, even as the national economy decelerates – marking the South Atlantic's return to the national growth leader board.

To provide a deeper understanding of these prevailing forces, we examine the South Atlantic economy through three lenses: the good, the bad and the darn right ugly.

The Good – Stronger US Growth Key Source of Demand

Things are not all bad across the South Atlantic, and for a variety of reasons 2011 promises to be a better year than



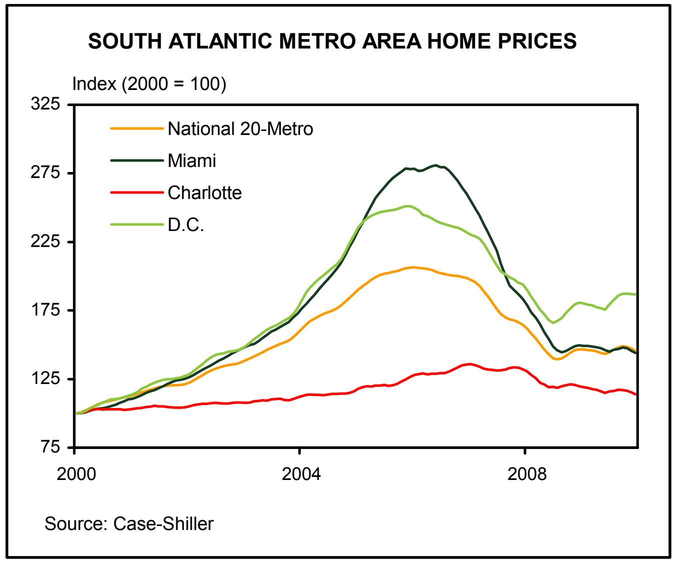
2010. Tourism, manufacturing and international trade will continue to see strong growth. These sectors are of particular importance to the South Atlantic's recovery, because they rely on external sources of demand, allowing local households the opportunity to repair damaged balance sheets.

Tourism, leisure and hospitality should have another strong year in 2011 as national incomes and spending accelerate. Consumers will remain value oriented, and cheaper domestic vacations will remain more attractive than international ones. Naturally, all states will gain, but owed to their oversized tourism sectors, **Florida** and **South Carolina** will be the largest benefactors.

2011 also promises to be another good year for durable goods manufacturers, which will benefit the large manufacturing sectors in **North** and South **Carolina**. The importance of manufacturing will also grow within Florida's economy.

Ongoing buoyancy in commodity prices will generally lift South Atlantic's agricultural industry this year, however some markets could experience markedly different outcomes. Citrus canker continues to adversely affect production in Florida, while corn and soybean output are expanding in response to higher prices.

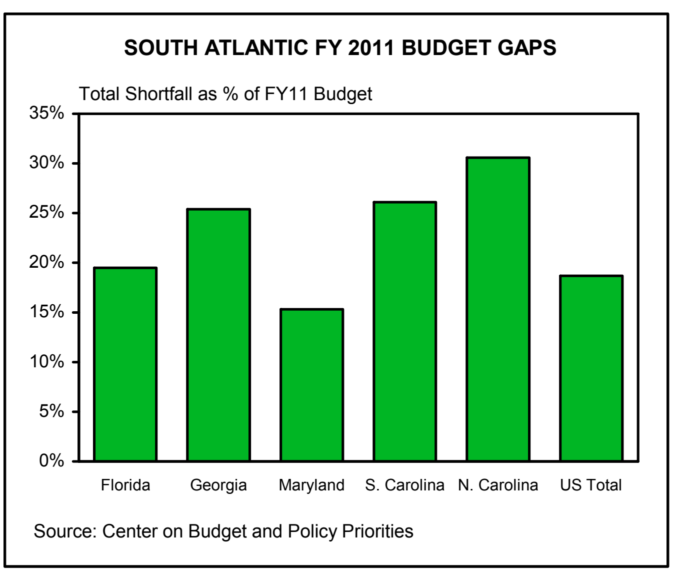
Beyond these sector specific matters, the labor market will continue its resuscitation from the dead. A general improvement in most aspects of the economy will lift regional employment by 2.0% in 2011. While this is shy of the national pace, it will improve confidence as residents begin to see a light at the end of the tunnel. We'll also be keeping a close eye on South Carolina – owed to the state's large manufacturing and tourism exposure – and **Virginia** – due to the state's well balanced industrial mix, favorable business climate and reasonably stable housing market – for potential upside surprises to employment.



The Bad – More Budget Shortfalls

Employment in the public sector, however, faces dimmer prospects. Most state governments in the South Atlantic are expected to incur additional budget short-falls in 2011. Filling these gaps will require some combination of higher state taxes and program cuts, both of which will dampen economic growth. Expense control will also fall on public sector payrolls throughout the region, and given that state and local government employment accounts for nearly 15% of South Atlantic jobs, the impact of the cuts will be significant. Florida, **Georgia**, **Maryland**, North & South Carolina all face particularly steep FY2011 budget gaps in excess of 15%. As such, we expect public payrolls to decline the most through the Carolinas, but don't want to understate the downside risks across Florida and Georgia.

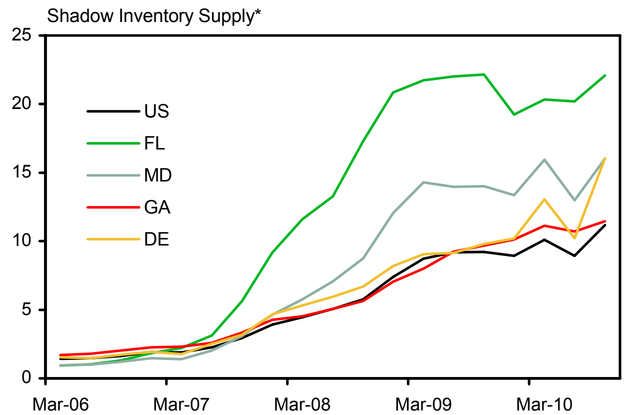
On the positive side, with the exception of South Carolina, these states do not face the dire longer-term fiscal outlooks that many do in the U.S. – such as Illinois, Rhode Island and New Jersey. So, in time, these near-term challenges will abate and the South Atlantic will have a comparative advantage over many other states that will need to take corrective measures in their tax and expenditure bases to backfill pension and health care funding shortfalls. For detailed analysis on state finances see the TD Economics report, Nifty Fifty No More.



The Ugly – Structural Finance & Housing

Unfortunately, for many parts of the South Atlantic, the government sector does present a structural challenge. In particular, the shelter provided by the Federal government to the economies of Maryland, and the **Virginias** will not last

SOUTH ATLANTIC SHADOW HOUSING INVENTORY



Source: MBA, Economy.com, TD Economics. *Includes mortgages in foreclosure and 90+ past due divided by current sales rate

forever. House majority leader John Boehner has already made it clear that the Republicans are taking their mandate to shore up the Federal government's finances seriously. So as we approach 2012, there is a distinct possibility that the D.C. area economy will have to start tightening its belt, implying cuts to spending and government jobs. Also, on the state front, as we already hinted, South Carolina faces considerable long-term fiscal challenges which will eventually require potentially painful reforms.

Real estate markets – the worst of South Atlantic's problems – will continue to struggle this year. Conditions improved modestly during the first part of 2010; however, declining sales following the expiration of the home buyer's tax credit, and elevated foreclosure inventories will prompt further home price declines in 2011. Market conditions may not be uniform across the South Atlantic, but they are so depressed in large states like Florida, Georgia and Maryland that it will overshadow the more amicable conditions prevailing in **Washington** D.C. and the Virginias.

It seems a foregone conclusion that Florida will experience the largest home price declines, given the state's large outstanding foreclosure inventory. At current sales rates, there are 22 months supply of houses either in foreclosure or 90 days past due. In addition, there are probably close to another 10 months of supply in ordinary sales. Given that distressed properties sell for much less than non-distressed sales, Florida's home prices could fall by as much as 10% during 2011 as this "shadow inventory" is unleashed on the market. Beyond Florida, an elevated inventory of foreclosures relative to sales in Georgia, Maryland, & Delaware suggest that prices in these states will also edge down more than average in 2011.

A renewed bout of home price declines in 2011 may be just what the doctor ordered to finally clear the excesses of the South Atlantic's housing market, but falling prices will also have numerous negative ramifications. First, the net worth of existing households will fall, constraining the pace of overall spending growth as ongoing balance sheet repair demands a higher savings rate. Second, financing conditions will remained strained as real estate prices fall, which in turn could limit lending by some financial institutions (particularly those with weak balance sheets) to non-residential businesses. Finally, there is a risk that further price declines could become self re-enforcing, as even more households are driven into negative equity.

With housing woes disproportionately represented in the South Atlantic region, why are we predicting that growth will shift from underperforming the U.S. in 2011 to overperforming in 2012? Improved housing affordability and renewed demand from a stronger economy will help boost home sales in 2011, making the glut in housing inventory far more manageable by 2012. Further, as housing prices finally reach a decisive trough in 2011, the negative impacts of deleveraging will increasingly wane, and regional consumer demand will accelerate. By 2012 regional growth will become more organic, allowing faster absorption of the state's considerable economic slack and the gradual return to the region's favorable pre-recession migration flows. As regional growth becomes more reliant on internal demand, the considerable pent-up demand and favorable demographics across Florida and Georgia will make for a potent combination that will provide an electric boost to growth in the South Atlantic economy.

Conclusion

New England's and Mid-Atlantic's older demographics, mature economies, resilient housing markets, highly skilled working populations and outsized health care sectors provided a stronger footing for the economic recovery following the Great Recession. We anticipate that these strengths will carry over in 2011 and, as a result, both regions will be able to outperform national economic growth.

While South Atlantic's economy will accelerate alongside the Northeastern economy in 2011, it will continue to lag. The heavily battered housing market will bite deeper into its economic growth, while wealth and employment are coming from a deeper deficit position. However, the natural tendencies of all three economic regions will prevail once again in 2012, with the South Atlantic expected to lead the pack.

GDP (Annual Average)						
	00-07	2008	2009	2010F	2011F	2012F
U.S.	2.6	0.0	-2.6	2.8	3.1	2.9
TD Foot Print	2.6	-0.2	-2.4	2.8	3.1	2.8
New England	2.4	0.9	-2.0	2.9	3.4	2.5
ME	1.9	0.9	-1.3	1.7	3.2	2.7
MA	2.3	1.2	-1.6	2.9	3.6	2.6
RI	2.6	-1.1	-1.8	2.7	2.5	1.9
CT	2.5	0.9	-3.1	3.1	3.2	2.3
VT	2.5	2.0	-0.7	2.9	3.4	2.5
NH	2.5	0.2	-1.2	3.0	3.9	2.7
Mid-Atlantic	2.3	0.4	-3.0	3.2	3.4	2.5
NY	2.7	0.3	-4.3	3.5	3.5	2.5
NJ	2.2	0.3	-2.4	2.6	3.0	2.8
PA	1.6	0.8	-1.0	3.0	3.5	2.4
South Atlantic	3.0	-1.0	-2.1	2.5	2.9	3.1
DE	2.8	0.3	-1.8	2.8	3.3	2.7
MD	3.1	0.9	0.0	3.0	2.9	3.0
DC	2.6	1.7	0.8	3.3	3.2	2.4
WV	0.8	2.4	0.7	1.8	2.3	2.4
VA	3.3	0.5	0.2	3.1	3.4	2.8
NC	2.8	-0.6	-3.2	3.2	2.8	3.0
SC	1.9	-0.3	-2.5	2.7	3.0	3.1
GA	2.3	-1.9	-3.1	1.6	2.5	3.2
FL	3.9	-3.0	-3.4	2.0	2.7	3.5

Source: All Forecasts by TD Economics as of Jan 2010

Employment (Q4/Q4 % Chg.)						
	00-07	2008	2009	2010F	2011F	2012F
U.S.	0.7	-2.1	-4.0	0.8	2.1	1.9
TD Foot Print	0.8	-1.9	-3.9	0.7	2.1	1.9
New England	0.3	-1.1	-3.8	1.0	2.3	1.6
ME	0.5	-1.3	-3.7	0.6	2.0	1.9
MA	0.1	-0.7	-3.8	1.3	2.7	1.6
RI	0.5	-2.9	-4.6	-0.5	1.2	1.1
CT	0.2	-1.4	-4.1	0.4	1.7	1.5
VT	0.5	-1.0	-3.1	0.1	2.1	1.6
NH	0.7	-0.8	-3.1	2.5	3.1	2.1
Mid-Atlantic	0.4	-0.9	-3.2	0.4	2.3	1.3
NY	0.4	-0.4	-3.0	0.5	2.3	1.1
NJ	0.5	-2.3	-3.2	-0.6	1.9	1.7
PA	0.4	-0.8	-3.4	1.0	2.4	1.4
South Atlantic	1.2	-2.7	-4.4	0.7	1.9	2.4
DE	0.6	-1.7	-4.6	1.1	2.1	2.4
MD	0.9	-1.2	-3.1	1.3	1.8	2.0
DC	1.1	0.7	-0.2	3.2	2.0	1.7
WV	0.5	0.2	-3.4	1.0	1.4	1.3
VA	1.1	-0.7	-3.6	1.3	2.3	2.4
NC	0.9	-2.1	-4.5	0.3	1.8	2.5
SC	0.6	-2.8	-4.3	0.6	2.3	2.4
GA	0.8	-2.9	-5.2	0.1	1.8	2.2
FL	1.8	-5.1	-5.2	0.6	1.9	2.7

Source: All Forecasts by TD Economics as of Jan 2010

Housing Starts (End of Period, Thousands)						
	00-07	2008	2009	2010F	2011F	2012F
U.S.	1706.2	663.0	564.7	540.0	650.0	770.0
TD Foot Print	642.2	233.9	199.5	202.9	239.8	286.0
New England	45.5	16.5	17.2	20.1	24.2	28.4
ME	7.5	3.1	3.4	3.2	3.7	4.2
MA	17.2	5.7	6.3	8.9	10.7	12.4
RI	2.2	0.9	0.9	0.9	1.0	1.1
CT	9.1	3.3	3.0	3.6	4.5	5.4
VT	2.8	1.2	1.5	1.2	1.5	1.9
NH	6.7	2.3	2.0	2.3	2.8	3.3
Mid-Atlantic	114.9	49.8	43.5	47.6	57.7	68.0
NY	44.4	20.4	14.6	17.9	21.6	25.2
NJ	29.4	10.2	10.9	12.0	13.9	16.2
PA	41.0	19.2	18.0	17.8	22.2	26.6
South Atlantic	481.9	167.5	138.8	135.2	157.9	189.6
DE	6.3	2.6	3.4	2.8	3.2	3.6
MD	25.7	10.6	10.8	11.1	12.8	14.8
DC	1.3	0.3	0.9	0.7	0.8	0.9
WV	5.6	3.0	2.6	1.8	2.1	2.5
VA	50.6	22.0	20.5	21.8	26.3	30.9
NC	83.0	38.8	31.3	31.3	36.9	45.8
SC	38.6	18.8	16.0	12.3	15.1	17.9
GA	90.6	25.8	18.5	17.8	20.4	26.0
FL	180.1	45.7	34.6	35.6	40.3	47.2

Source: All Forecasts by TD Economics as of Jan 2010

Unemployment Rate (End of Period)						
	00-07	2008	2009	2010F	2011F	2012F
U.S.	5.1	6.9	10.0	9.7	9.1	8.7
TD Foot Print	4.8	6.7	9.6	9.3	9.1	8.6
New England	4.5	6.3	8.9	8.5	8.2	7.7
ME	4.5	6.4	8.1	7.9	7.5	7.0
MA	4.7	6.3	9.2	8.7	8.3	7.8
RI	5.1	9.0	12.5	11.5	10.7	10.0
CT	4.4	6.4	8.7	9.0	8.7	8.1
VT	3.8	5.2	6.7	5.8	5.1	4.6
NH	3.7	4.5	6.9	5.6	4.9	4.2
Mid-Atlantic	5.1	6.3	9.1	8.8	8.6	8.1
NY	5.3	6.3	8.9	8.3	8.0	7.5
NJ	4.8	6.6	9.9	9.6	9.1	8.8
PA	5.0	6.1	8.7	9.0	8.5	8.1
South Atlantic	4.6	7.0	10.1	9.9	9.7	9.2
DE	3.7	6.2	8.6	8.3	7.9	7.1
MD	4.0	5.4	7.3	7.3	7.0	6.5
DC	6.3	7.7	11.6	9.7	9.0	8.4
WV	5.0	5.0	8.9	8.7	8.1	7.0
VA	3.4	4.8	6.8	6.8	6.3	5.9
NC	5.4	7.8	10.9	9.6	8.9	8.4
SC	6.0	8.7	12.3	10.8	10.4	9.9
GA	4.6	7.5	10.2	9.9	9.7	9.2
FL	4.5	7.8	11.6	11.7	11.3	10.5

Source: All Forecasts by TD Economics as of Jan 2010

Industry Composition (% of GDP)							
	Construction	Manufacturing	FIRE*	Wholesale & Retail Trade	Professional & Technical Services	Health Care & Social Assistance	Government
U.S.	3.9	12.0	21.3	11.9	7.3	7.2	12.3
New England	3.1	11.0	27.0	10.9	8.8	9.1	9.7
ME	3.6	11.2	21.5	13.9	5.0	11.3	13.7
MA	3.2	9.9	25.1	10.1	11.4	9.6	8.8
RI	4.2	9.1	27.1	10.7	5.5	9.7	12.7
CT	2.7	12.6	32.8	10.5	7.1	7.5	9.1
VT	3.5	12.3	19.8	12.9	6.1	10.2	13.5
NH	3.1	12.2	24.0	13.7	7.0	9.3	9.9
Mid-Atlantic	3.3	8.4	27.0	11.5	8.6	8.1	10.5
NY	3.2	5.8	30.1	10.3	9.0	7.6	10.9
NJ	3.2	8.4	26.0	13.9	9.0	7.3	10.7
PA	3.5	13.4	21.7	11.9	7.7	9.6	9.8
South Atlantic	4.2	9.5	21.3	11.8	8.2	6.8	15.5
DE	2.9	7.1	46.8	7.6	6.2	6.0	9.1
MD	4.7	5.8	22.9	10.6	10.5	7.6	17.6
DC	5.1	5.5	23.8	14.0	6.7	7.7	12.3
WV	4.3	10.0	14.6	12.5	3.9	9.5	19.5
VA	3.8	8.1	20.4	9.5	12.7	5.7	17.9
NC	3.7	19.1	20.2	11.1	5.2	6.7	14.4
SC	4.5	16.6	17.1	13.4	4.9	6.2	17.2
GA	3.9	10.8	18.1	14.0	6.9	6.4	13.9
FL	5.1	5.5	23.8	14.0	6.7	7.7	12.3

Source: BEA, TD Economics
*Finance, Insurance and Real Estate