

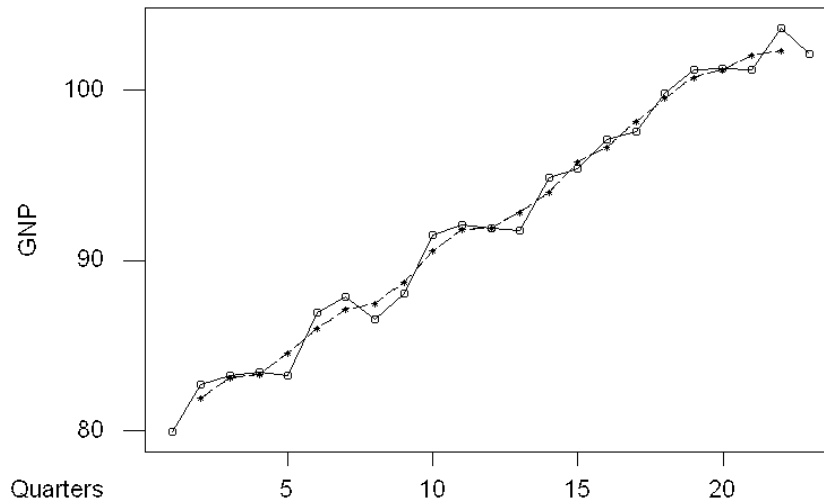
BALDWIN MARKET WATCH



Mitchell College of Business
Center for Real Estate Studies



Baldwin GNP Indicator 2003 Q1 - 2008 Q3



0--0 Indicator; x--x 3 qtr avg 2007 base

2008 Quarter 3 GNP Indicator = 102.18 -1.47%

Quarter 2 GNP Indicator = 103.71

2007 Quarter 3 GNP Indicator = 101.25

2007 base

2003 Quarter 3 GNP Indicator = 83.22

Mitchell College of Business
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Spring, 2009

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Baldwin Gross National Product (GNP) Indicator

2008 Quarter 3

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“Data you can use.”

“Education you can use”

The *Baldwin GNP Indicator* estimates movement in the local economy comparable to the Gross National Product (GNP) for the national economy. It is constructed to estimate real economic growth by following changes in real income of the local workforce.

Employment times personal income received produces family income available to spend on local goods and services causing “economic activity.” Personal income estimates are a large part of the Gross National Product figures produced by the U.S. Commerce Department to measure economic growth. GNP is constructed to measure changes in the Baldwin economy relative to the 2007 base year.

Baldwin Growth

Relative changes between two periods are interpreted as a percent increase (decrease) in real economic growth. The most recent actual index figures are,

	<u>GNP</u> <u>Indicator</u>	<u>% change</u> <u>1 year ago</u>	<u>% change</u> <u>4 years ago</u>
2008Q3	102.18	-.91	+22.78
2007Q3	101.25		
2004Q3	83.22		

The real growth in actual spending power in 2008Q3 decreased 0.91% from the same quarter in the previous year, and increased 22.78% over the past 4 years, in constant 2007 dollars.

While it is more meaningful to examine growth trends, monthly comparisons do give direction. The local economy decreased from 103.7 in 2008Q2 to 102.18 in 2008Q3, or -.91%.

Since 2003Q2, the highest level of economic activity in the Baldwin economy occurred in 2008 quarter 2.

History of Economic Growth

From 2003Q2-2008Q3, total economic growth in constant 2007 dollars was +22.3% for 24 quarters, or +0.928% per quarter. At this quarterly average rate, the local economy is growing at an annual average real rate of +3.7 percent.

Projection

The 2008Q3-2008Q4 projection shows that the economy will perform at approximately one-half of the past growth trend, or a rate equal to +1.9% in real terms. The exact numbers are subject to further declines at the national level.

Real Estate Studies

The Center was created by the Mitchell College of Business to expand the quantity and quality of real estate studies and education as part of the USA mission to better serve its students. The goal is to offer practical real estate analysis and applied education to help the students and citizens understand local markets, and to assist the real estate professional in daily business.

Further Information

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Every effort has been made to assure the accuracy of the numbers. The results are not guaranteed or warranted. These opinions represent the author only.