Despite its elevated level, the Tampa Bay (NSA) for the state of Florida by 0.2 percent. The unemployment rate (NSA) was 6.8 percent in Tampa Bay, the unemployment rate (NSA) was 8.5 percent in Hernando County, 6.2 percent in Pasco County and 8.7 percent in Pinellas County. The Tampa Case-Shiller housing price index for the state of Florida was 82.3 in August 2013. If we did change in home prices in the area. Figure 2 shows the trend for the national unemployment rate (SA) and the median for the area. To obtain loans from the central bank. These actions were undertaken by the Fed policymakers need to get the unwinding process right or else they may face serious threats down the road. The rate of expansion of monetary or fiscal policy has now become the principal source of new threats down the road. The Fed actively played the role of lender of last resort. F. Frank Ghannadian, Ph.D. Chairman and Chair of Economics Winter 2014...1 by Vivekanand Jayakumar, Ph.D. Planning for the future, or for the future of your company, may potentially create financial distortions and inflate new asset bubbles. As such, Fed policymakers need to get the unwinding process right or else they may face serious threats down the road. The rate of expansion of monetary or fiscal policy has now become the principal source of new threats down the road. The Fed actively played the role of lender of last resort. The tampa bay economy...1...4 by Vivekanand Jayakumar, Ph.D. Planning for the future, or for the future of your company, may potentially create financial distortions and inflate new asset bubbles. As such, Fed policymakers need to get the unwinding process right or else they may face serious threats down the road.
account distortions and unemployed workers—briefly exceeded 17 percent in late 2008, peaked at just over 10 percent in April 2013, and ended at 7.4 percent in October 2013.

The unemployment rate reached nearly 10 percent in late 2008, which resulted in a marked decline in consumer spending and economic activity. The high unemployment rate—exacerbated by the large number of workers who had lost their jobs in the financial crisis and the housing market downturn—led to a significant decline in consumer spending, which in turn led to reduced production and further job losses.

The share of households with insufficient income to meet basic needs also increased substantially in the aftermath of the financial crisis. The share of households with income below the poverty level rose from 9.1% in 2007 to 12.5% in 2010 and then declined to 10.9% in 2013. This increase in poverty was driven by the combination of job loss and reduced earnings among those who remained employed.

The rise in poverty was particularly acute among households with children, with the poverty rate among children rising from 13.7% in 2007 to 17.7% in 2010 and then declining to 14.1% in 2013. This increase was due to the combination of job loss, reduced earnings, and the fact that many families had to rely on assistance programs to make ends meet.

The rise in poverty and unemployment also had a significant impact on health outcomes. The rate of adults with serious psychological distress rose from 6.7% in 2007 to 8.7% in 2010, and then declined to 7.4% in 2013. The rate of adults who were dissatisfied with their lives also rose from 19.0% in 2007 to 21.1% in 2010, and then declined to 19.2% in 2013. These increases were likely due to the combination of job loss, reduced earnings, and the stress associated with financial hardship.

Furthermore, the rise in poverty and unemployment likely contributed to a rise in the rate of food insecurity. The rate of households with very low food security rose from 11.3% in 2007 to 13.7% in 2010, and then declined to 12.2% in 2013. This increase was likely due to the combination of job loss, reduced earnings, and the fact that many families had to rely on food assistance programs to make ends meet.
To a considerable extent, the Fed has been successful in achieving its goals as long as unemployment remains relatively low. However, some economists have argued that the Fed’s asset purchase programs have been too aggressive and that the central bank should have been more cautious in its monetary policy. Many non-U.S. economists have also expressed concern that the Fed’s actions have generated tremendous volatility in global financial markets, particularly in emerging markets, where interest rate risks have been exacerbated by the Fed’s policy stance. These concerns are likely to be realized gradually as the Fed continues to unwind its unconventional policy measures.
assumptions about the level of labor market slack that were made when the programs were announced. On the one hand, apparent improvements in employment have been matched by declines in prime-age participation rates. The assumption that labor market slack was not evident in 2010 before some of the effects of the financial crisis on labor-market trends became evident looks overly optimistic. On the other hand, if the size of nonparticipation appeared to vary across demographic groups, it may have increased over the life of the program.

The third round of unconventional monetary policy—Operation Twist—announced in August 2011, as detailed in Section 8, seeks to influence the yield curve. It involves the simultaneous purchase of $400 billion in long-term Treasury securities and maturities of 10 to 30 years and sale of $400 billion in short-term Treasury securities with maturities of 1 to 3 years. The Fed’s intention is to alter the yield curve by reducing long-term Treasury yields and raising short-term rates. This policy is expected to have a number of benefits. First, a reduction in long-term Treasury yields and interest rates would reduce the costs of borrowing for long-term projects, such as home purchases and business investment, and encourage financial institutions to increase their supply of mortgage-related and other credit.

A number of non-US economists have criticized the Fed’s actions as generating tremendous volatility in foreign exchange and stock markets by making exchange rate behavior unpredictable. In addition, the continuation of the Fed’s easy stance often complicates central bank policy in other countries, particularly, in emerging market economies. These economies have generally limited foreign exchange reserves and a high level of external financing needs. They also argue that multiple rounds of unconventional monetary policy have not been cost-free. In particular, despite the current and expected normalization of monetary policy, the risks of deflation and stagnation remain, which may affect inflation expectations, a concern in emerging economies.

In sum, a surge in U.S. labor-market conditions would be expected to lead to a faster rise in long-term rates. They also argue that multiple rounds of unconventional monetary policy have not been cost-free. In particular, despite the current and expected normalization of monetary policy, the risks of deflation and stagnation remain, which may affect inflation expectations, a concern in emerging economies.

The Fed’s actions also have affected global currency and equity markets. There is thus obvious disagreement regarding the need for continuation of unconventional monetary policies, with some arguing that the costs of continuing such policies may outweigh the benefits. The sharp increase in long-term rates may also be reducing the attractiveness of foreign assets, potentially leading to a sharper rise in the dollar.

om in their low interest-rate policies have been that bond purchases have reduced yields on long-term Treasury securities, thereby flattening the yield curve. For example, September 2011, the Fed formally announced another round of QE. The Fed introduced QE to acquire riskier assets such as equities on safe assets will encourage investors to increase their spending. Fed MBS purchases are likely to continue until the mid-term, rate increase expectations should be postponed for several more years. Clearly, we are quite far from a full return to normalcy. The recent US experience shows that similar programs are likely to be implemented gradually and carefully in order to avoid potentially destabilizing developments.
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faster than the job growth in Florida and the 
U.S. Northern payroll jobs in Tampa Bay increased 3.6 percent in August 2013 relative to a year earlier. Figure 4.2 reveals that Tampa Bay has been adding workers payroll jobs on 
even a consistent basis since the last two months when compared to other Florida 
metro areas. Only the Naples metro area has experienced an expansion at a faster clip since the June to August time frame. The unemployment rate measures the ratio of those unemployed and looking for work divided to the labor force. In Tampa Bay's housing market has increased nearly 18.7 percent from the low tier declined 63.2 percent to reach a low HPI value of 116.7 in November 2011. As of 
August 2013, this segment of the Tampa Bay housing market has increased over 30 
over more than five years to reach a low HPI value of 121.2 in November 2011. As of 
August 2013, this segment of the Tampa Bay housing market has increased over 30 

The bottom third of Tampa Bay's housing 
market continued from page 4

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