The “Great Recession” ended in June 2009, but the economy expanded by just 1.5% over the past year.

The Chicago Fed National Activity Index 3-month average is below zero.

GDP is forecast to have grown well below trend in 2011; grow slightly below trend in 2012; and slightly above trend in 2013.

The forecast path of the current recovery is relatively muted compared with past deep recession recovery cycles.

Employment fell by over 8.7 million jobs between December 2007 and February 2010, but it began to rise beginning in March 2010 and added 1.64 million jobs during 2011.
After peaking in October 2009, the unemployment rate has fallen by 1.5 percentage points.

The unemployment rate is forecast to edge lower through 2013.

Unemployment rates have been moving lower in many states in the Midwest - however, Illinois’ unemployment rate has increased by 0.6 percentage points over the past year.

Industrial output in manufacturing fell quite sharply during the recession, but has risen strongly over the past twenty-nine months, averaging 6.0% and has recovered 58.7% of the loss during the recession.

Manufacturing capacity utilization has been rising since June 2009.

Declines in manufacturing output were broad-based during the Great Recession – especially in primary metals and vehicle manufacturing.
The recovery has also been broad-based with primary metals and automotive manufacturing leading the way.

Midwest manufacturing has been outperforming the U.S. manufacturing during the recovery.

Steel production in the Midwest has been much stronger than in the nation.

The Chicago purchasing managers index has been significantly above the nation’s.

Auto production in the Midwest has been stronger in the Midwest than in the nation.

The same is true for machinery production.
The Chicago purchasing managers employment index has also been above the nation’s.

The Midwest has been adding manufacturing workers at a faster pace than the nation.

Vehicle sales are expected to improve at a good pace.

Industrial production is forecast to rise at a solid rate.

Summary
- The outlook is for the U.S. economy to expand at a pace below trend this year and slightly above trend in 2013.
- Employment is expected to rise moderately with the unemployment rate edging lower.
- Vehicle sales are anticipated to rise at a good pace.
- Growth in manufacturing output should be solid.