More of the Same; Or now for Something Completely Different?

Richard Wobbekind
Chief Economist and Associate Dean for Business and Government Relations
June 14, 2017
Real GDP Growth
Quarterly Real GDP

Sources: Bureau of Economic Analysis and Consensus Forecasts.
Long-Term Real GDP Growth Trend

Percent Change 20-Year Quarterly Moving Average

Source: Bureau of Economic Analysis, Real GDP.
Economic Growth

Sources: Bureau of Economic Analysis, the National Bureau of Economic Research, and the Business Research Division.
National Employment

Month-over-Month Change, 12-Month Average

Thousands, Month-over-Month, 12-Mo Average

Sources: Bureau of Labor Statistics (Seasonally Adjusted), Moody’s Analytics, and NBER.
Labor Underutilization

Source: Bureau of Labor Statistics (Seasonally Adjusted).
State Employment Growth
Year-over-Year April 2017

Source: Bureau of Labor Statistics (Seasonally Adjusted).
Demographics
U.S. Population by Race/Origin
1990-2060

U.S. Population Shares by Race/Origin

Share of Population

- White, Not Hispanic
- All Other Races, Not Hispanic
- Hispanic, All Races

Prime Working Age Population, 2015

Source: U.S. Census Bureau (2015). Includes 30-64 years of age.
Hispanic Population, 2015

Labor Force Participation Rate

Source: Bureau of Labor Statistics (Seasonally Adjusted).
Labor Force Participation Rate
By Race/Ethnicity

Labor Force Participation Rates
National by Age Cohort

Labor Force and Unemployment Rate

### Unemployment Rate

- Less than a high school diploma: 7.4%
- High school diploma: 5.2%
- Some college, no degree: 4.4%
- Associate's degree: 3.6%
- Bachelor's degree: 2.7%
- Master's degree: 2.4%
- Professional degree: 1.6%
- Doctoral degree: 1.6%

### Median Weekly Earnings

<table>
<thead>
<tr>
<th>Education Level</th>
<th>Median Weekly Earnings</th>
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<tbody>
<tr>
<td>Less than a high school diploma</td>
<td>$504</td>
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<tr>
<td>High school diploma</td>
<td>$692</td>
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<tr>
<td>Some college, no degree</td>
<td>$756</td>
</tr>
<tr>
<td>Associate's degree</td>
<td>$819</td>
</tr>
<tr>
<td>Bachelor's degree</td>
<td>$1,156</td>
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<tr>
<td>Master's degree</td>
<td>$1,380</td>
</tr>
<tr>
<td>Professional degree</td>
<td>$1,745</td>
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<tr>
<td>Doctoral degree</td>
<td>$1,664</td>
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Source: Bureau of Labor Statistics. Note: Data are for persons age 25 and over. Earnings are for full-time wage and salary workers.
U.S. Income and Consumption

Sources: Consensus Forecasts.
Personal Income Growth 2016

Source: Bureau of Economic Analysis.
Household Wealth
Q4 2000-Q4 2016

Source: Federal Reserve Board, Balance Sheet of Households and Nonprofit Organizations (B.101) (Not Seasonally Adjusted).
Household Debt Burden
Percent of Disposable Income

Debt Service Ratio (L)
Financial Obligations Ratio (R)

Source: Federal Reserve, Household Debt Service and Obligations Ratios.
Index of Consumer Confidence

Sources: The Conference Board and National Bureau of Economic Research.
Vehicle Sales and Retail Sales

Vehicle Sales

Thousands, SAAR

25,000
20,000
15,000
10,000
5,000
0

2003 2005 2007 2009 2011 2013 2015 2017

Retail and Food Services Sales

Annual Percent Change

15.0
10.0
5.0
0.0
-5.0
-10.0
-15.0


Sources: Bureau of Economic Analysis, Moody’s Analytics, U.S. Census Bureau (Seasonally Adjusted Annual Rate).
Nominal Corporate Profits and Business Fixed Investment

Nominal Pre-Tax Corporate Profits

Percent Change

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</thead>
<tbody>
<tr>
<td>Rate</td>
<td>3.7%</td>
<td>3.2%</td>
<td>-5.0</td>
<td>-10.0</td>
<td>-20.0</td>
<td>-15.0</td>
<td>-10.0</td>
<td>-5.0</td>
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Business Fixed Investment

Percent Change

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<tbody>
<tr>
<td>Rate</td>
<td>4.1%</td>
<td>3.9%</td>
<td>-15.0</td>
<td>-10.0</td>
<td>-5.0</td>
<td>5.0</td>
<td>10.0</td>
<td>10.0</td>
</tr>
</tbody>
</table>

Sources: Bureau of Economic Analysis, Consensus Forecasts.
ISM Indices

ISM Manufacturing Index

ISM Non-Manufacturing Index

Source: Institute for Supply Management (ISM).
National FHFA Home Price Growth
Year over Year Q4 2016

Source: Federal Housing Finance Agency Home Price Index, All Transactions Index.
National Housing Starts

Sources: U.S. Census Bureau and Consensus Forecasts.
Federal Budget Balance

Sources: Bureau of Economic Analysis and Consensus Forecasts.
U.S. Nominal Broad Dollar Index and Real Net Exports

Sources: Federal Reserve, Bureau of Economic Analysis, and Consensus Forecasts.
Money, Interest Rates, and Prices
The FED

Interest Rates
2000-2018 (Forecast)

Sources: Federal Reserve and Moody’s.
Total Debt Balance and its Composition

Source: FRBNY Consumer Credit Panel/Equifax.
Loan Delinquency
Percent of Balance 90+ Days Delinquent by Loan Type

Source: FRBNY Consumer Credit Panel.
National Inflation

International and National Summary

GDP growth nearing potential
Balance sheets getting stronger
Global output and trade growth
Strong Value of the dollar
Rising (but low) interest rates
Inflation modest, but a future concern?
Concerns

- Interest rates
- Global growth
- Commodity prices
- Value of the dollar
- Policy
Thank You!
FHFA state bar chart, 2010-2016

5-Yr Home Price Growth Rates

Source: Federal Housing Finance Agency (FHFA)
State Sales Tax Rate 2017

State Sales Tax, 2017

U.S. Average: 5.1%

Source: Tax Foundation.
Combined State and Local Sales Tax Rate

State and Local Sales Tax, 2017

U.S. Average: 6.47%

Source: Tax Foundation.
State Personal Income Tax Revenue

Percent of General Revenue that Stems from Personal Income Tax