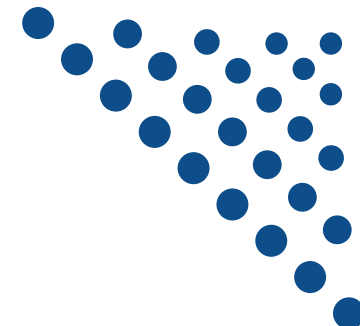


U.S. Economic Update

ProVisors, San Francisco
September 11, 2019

Jon Haveman, Ph.D.
Executive Director, NEED



National Economic Education Delegation

- **Vision**

- One day, the public discussion of policy issues will be grounded in an accurate perception of the underlying economic principles and data.

- **Mission**

- NEED unites the skills and knowledge of a vast network of professional economists to promote understanding of the economics of policy issues in the United States.

- **NEED Presentations**

- Are **nonpartisan** and are intended to reflect the consensus of the economics profession.

Who Are We?

- **Honorary Board: 44 members**

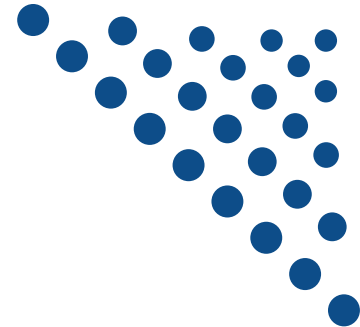
- 2 Fed Chairs: Janet Yellen, Ben Bernanke
- 6 Chairs Council of Economic Advisers
 - Furman (D), Rosen (R), Bernanke (R), Yellen (D), Tyson (D), Goolsbee (D)
- 3 Nobel Prize Winners
 - Akerlof, Smith, Maskin

- **Delegates: 365 members**

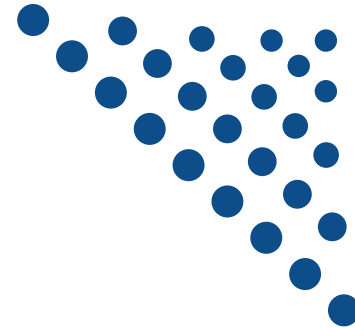
- At all levels of academia and some in government service
- All have a Ph.D. in economics
- Crowdsourc slide decks
- Give presentations

- **Global Partners: 42 Ph.D. Economists**

- Aid in slide deck development

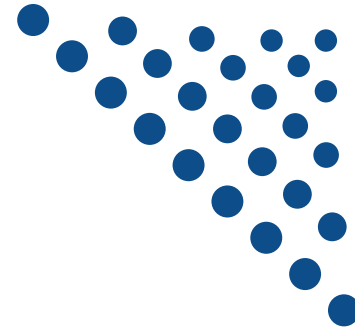


Credits and Disclaimer

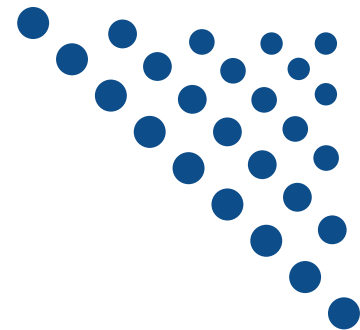


- **This slide deck was authored by:**
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- **This slide deck was reviewed by:**
 - Jeffrey Frankel, Harvard University
 - Scott Baier, Clemson University
 - Rob Eyler, Sonoma State University
- **Disclaimer**
 - NEED presentations are designed to be nonpartisan
 - It is, however, inevitable that the presenter will be asked for and will provide their own views.
 - Such views are those of the presenter and not necessarily those of the National Economic Education Delegation (NEED).

Outline – U.S. Economic Outlook

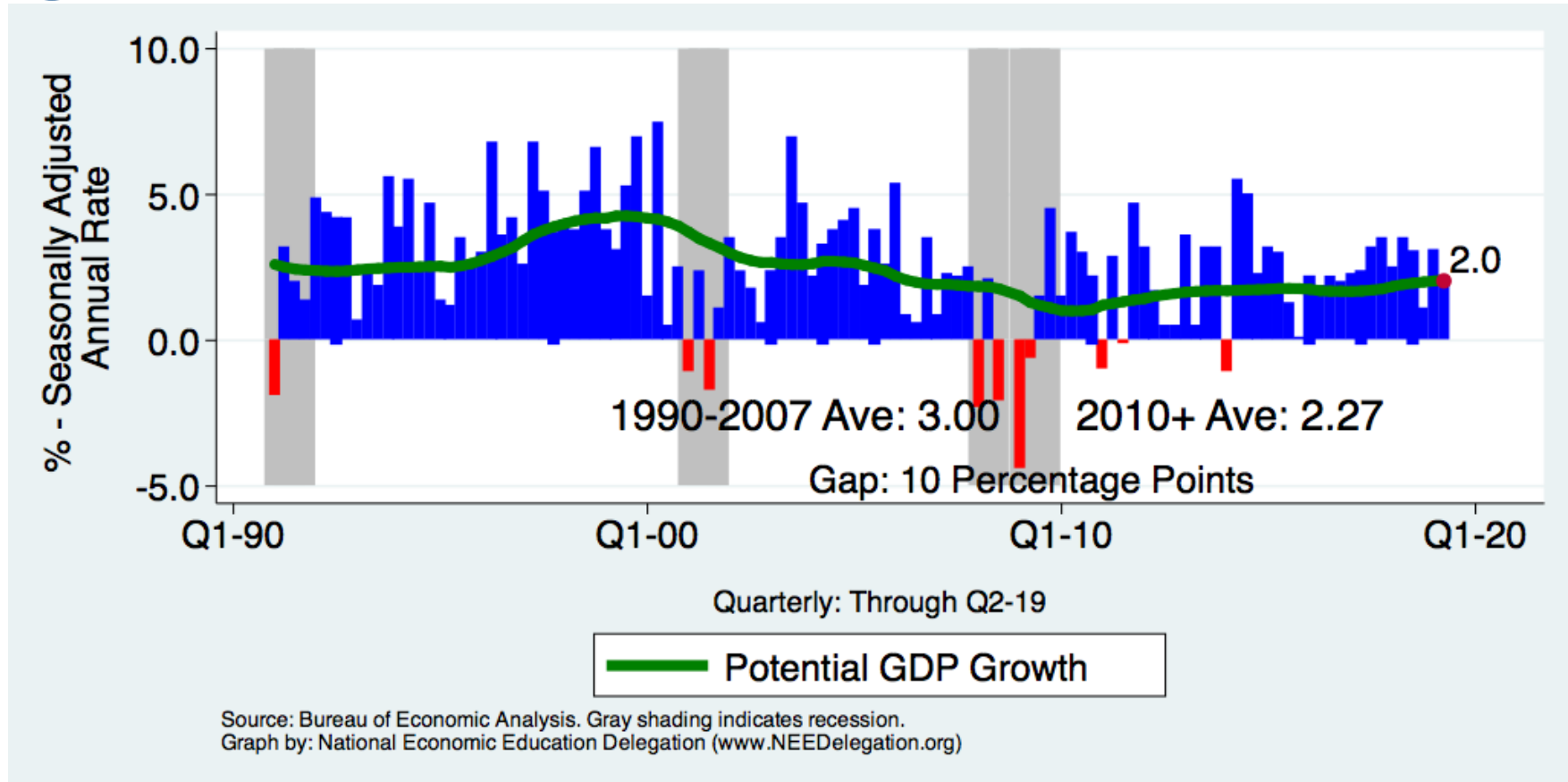


- **Gross Domestic Product (GDP)**
- **Labor Market**
- **Other Indicators**
- **What I'm Worried About**
- **Summary**

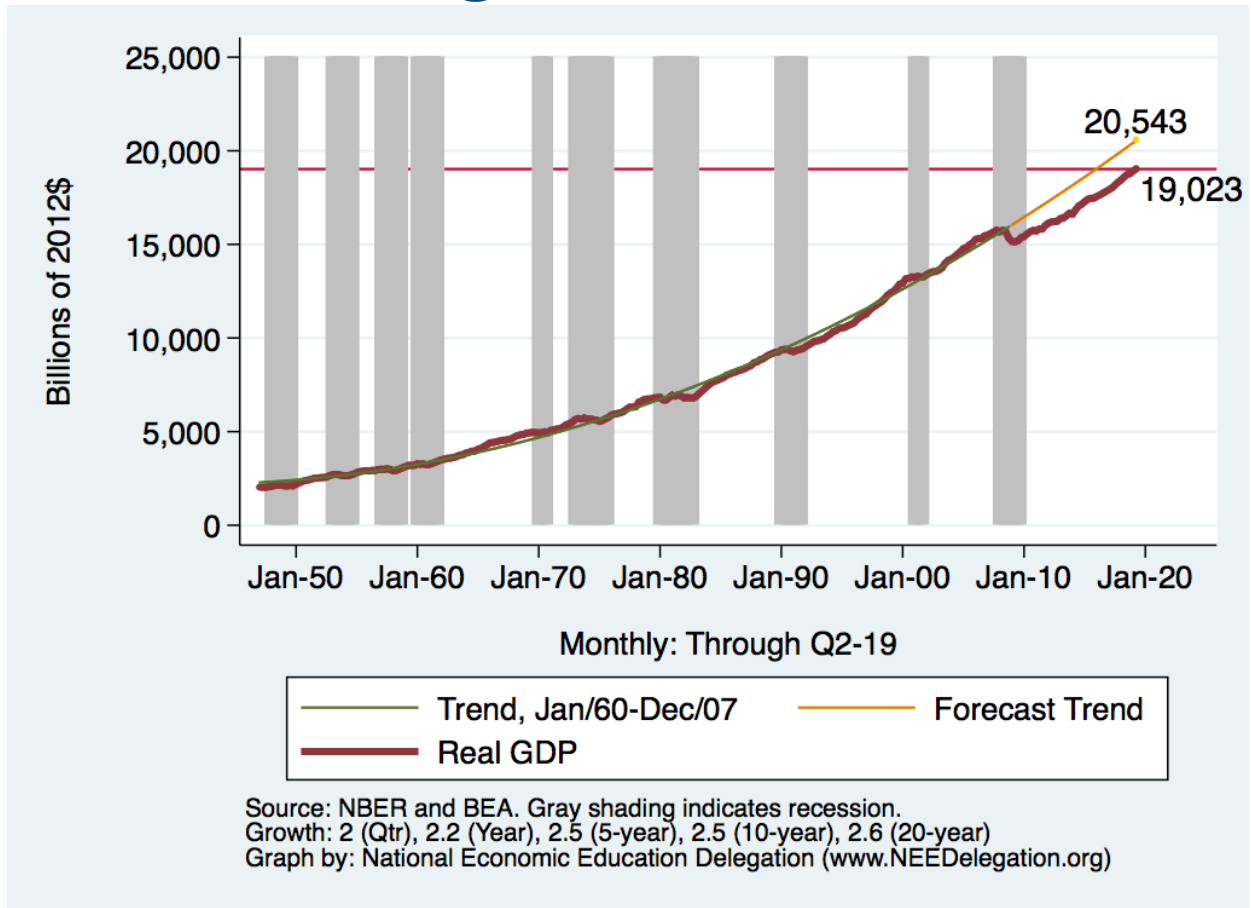
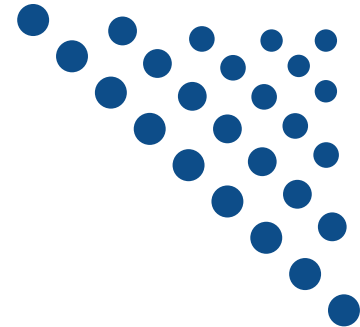


GDP

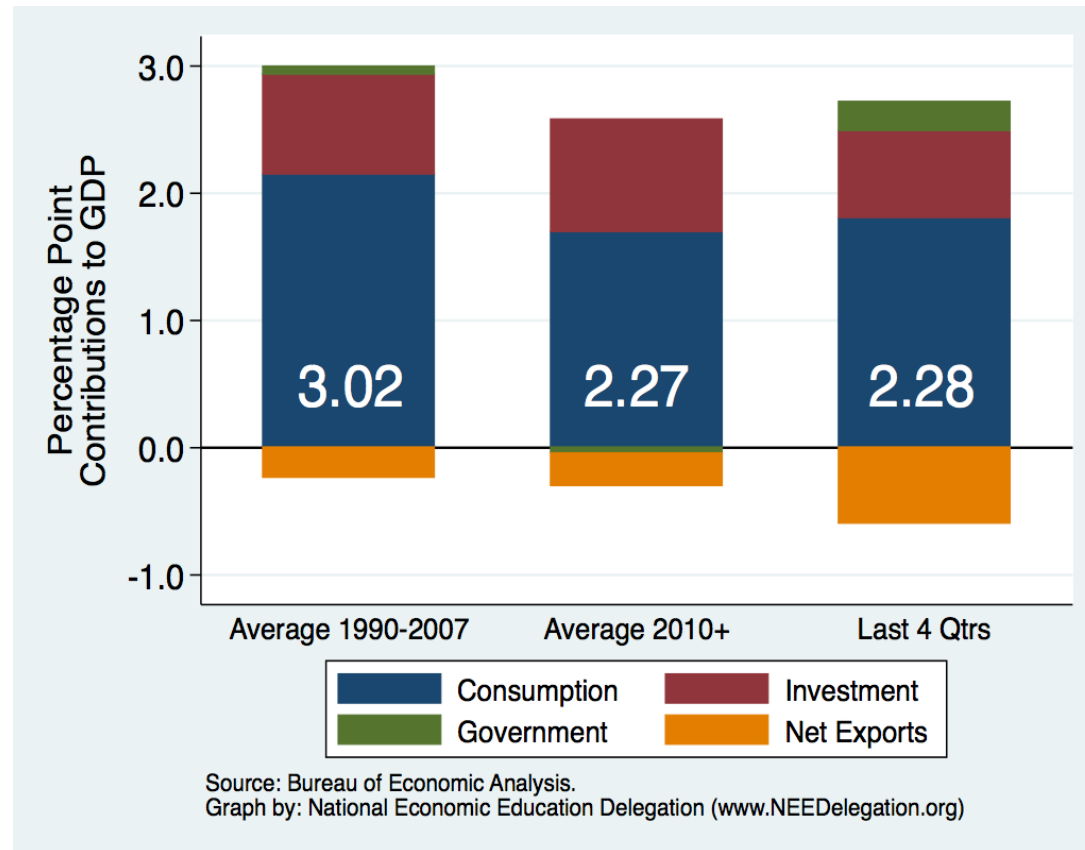
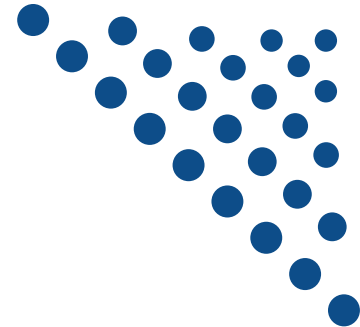
GDP Growth During Economic Recovery



GDP Relative to Long-Term Trends



Expenditure Summary



Performance of Expenditure Categories

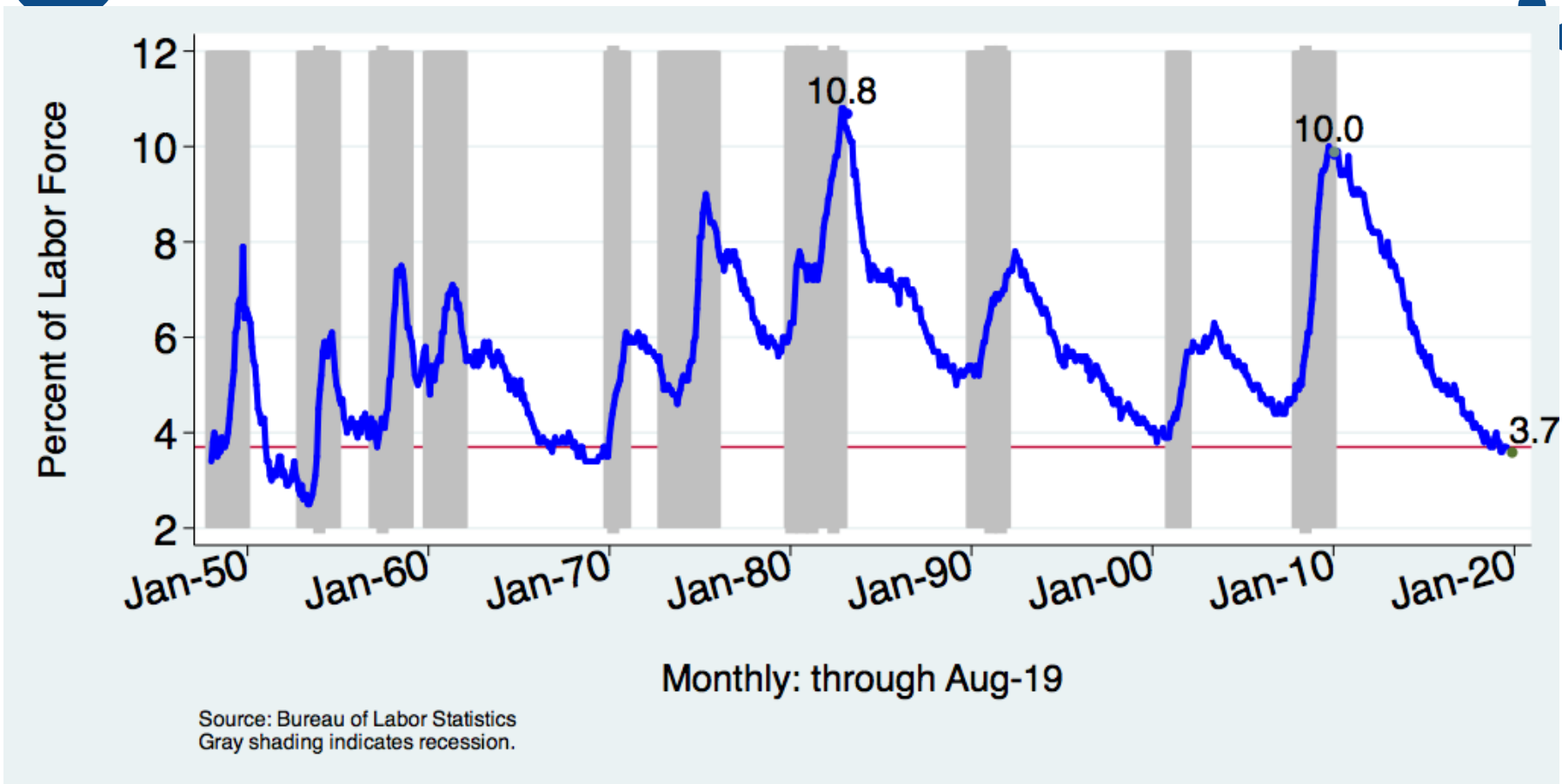


	1990-2007	2010+	Last 4 Quarters
Consumption	2.15	1.70	1.80
Investment	0.78	0.89	0.69
Government	0.32	-0.40	0.39
Net Exports	-0.24	-0.26	-0.60
- Imports	-0.85	-0.66	-0.39
- Exports	0.61	0.40	-0.20

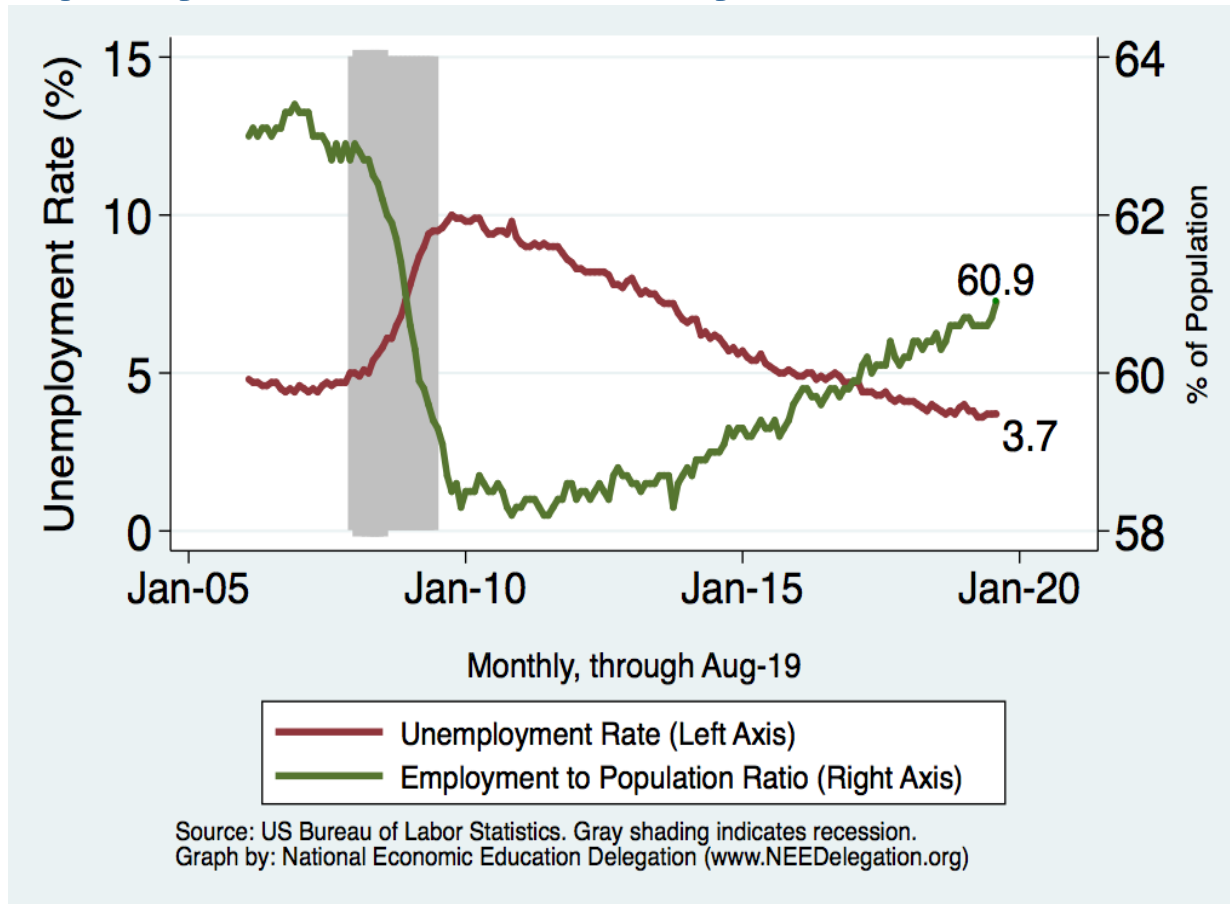
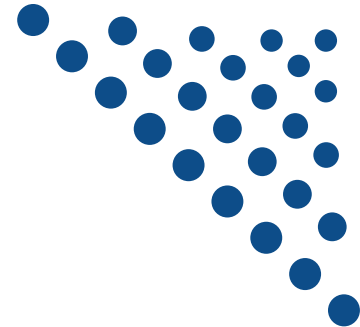


Labor Market

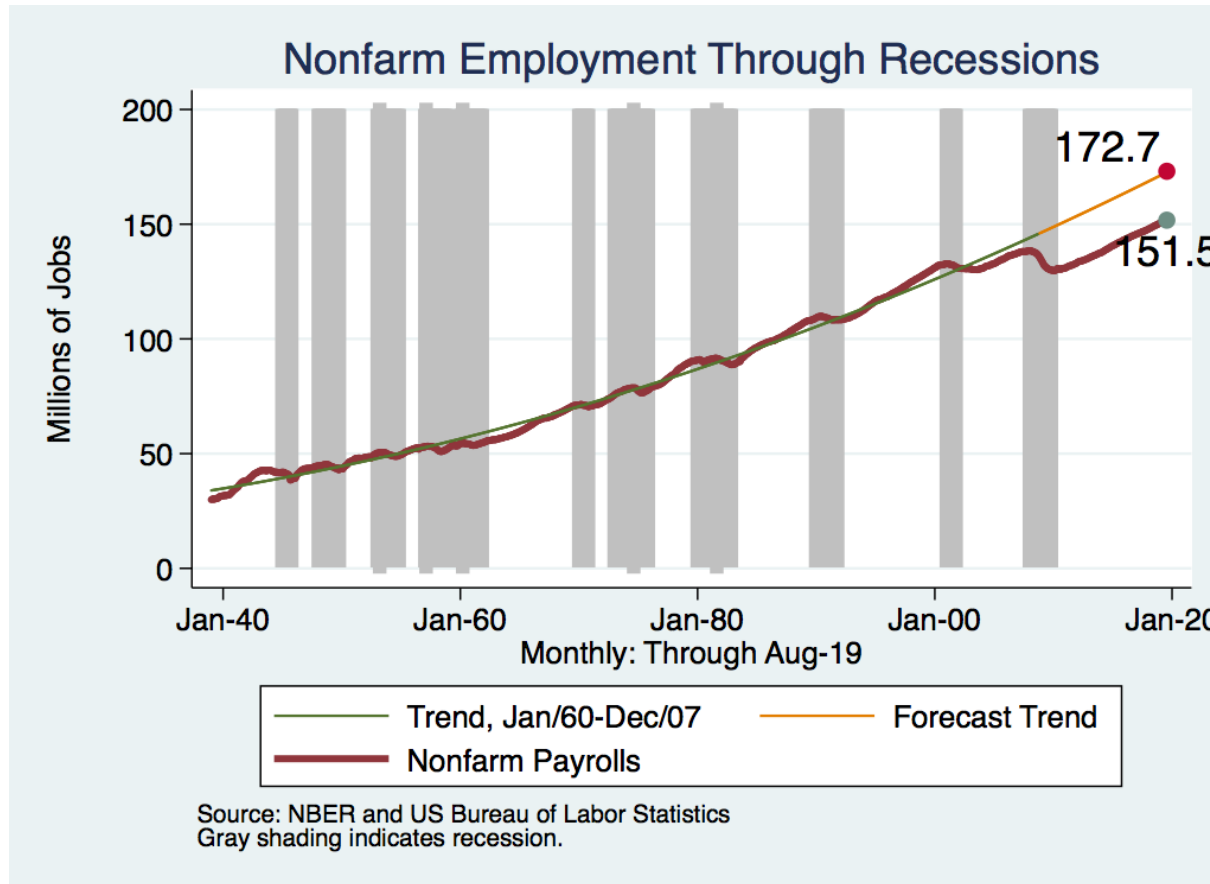
Unemployment Rate



Slow Employment Recovery

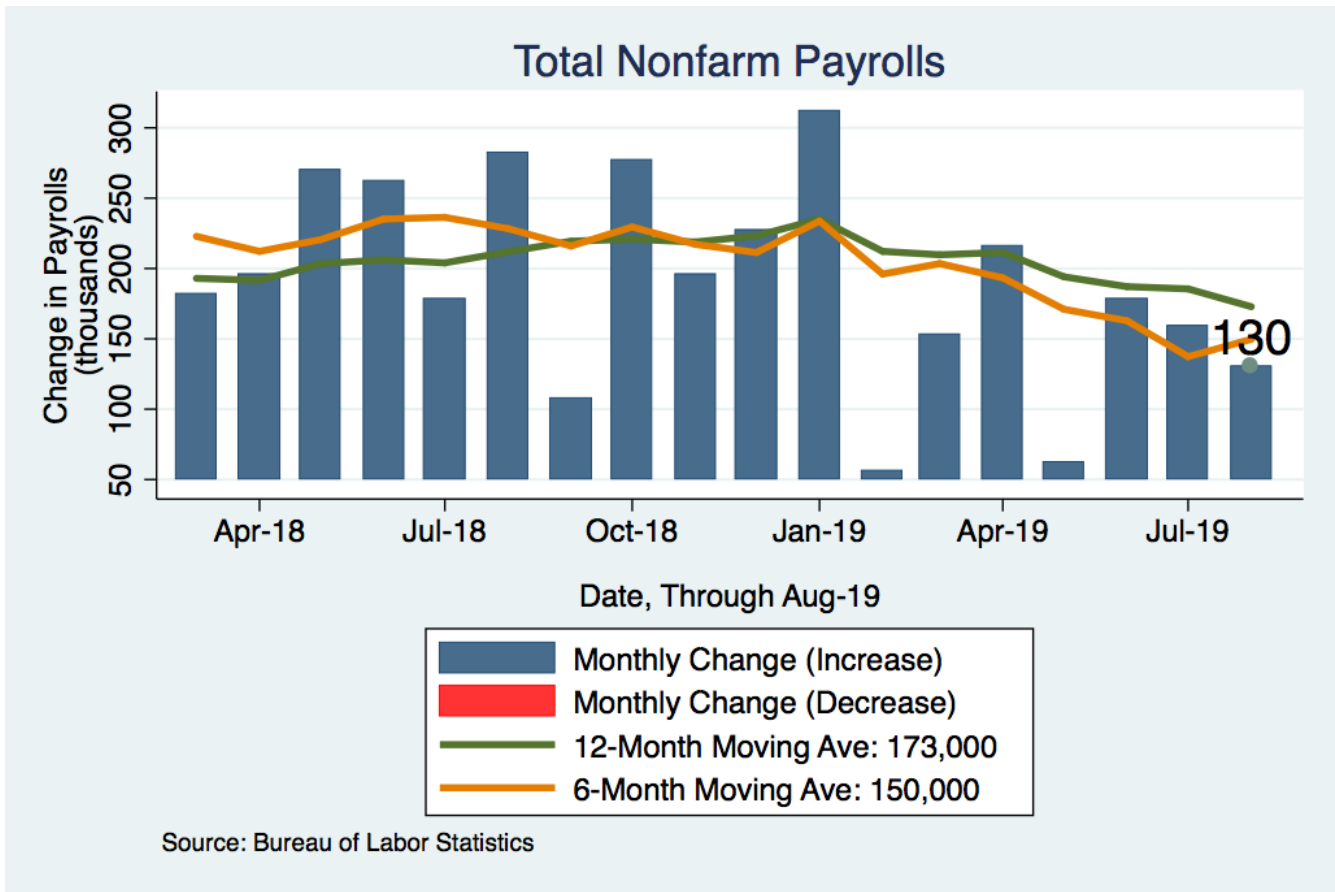


Employment Growth

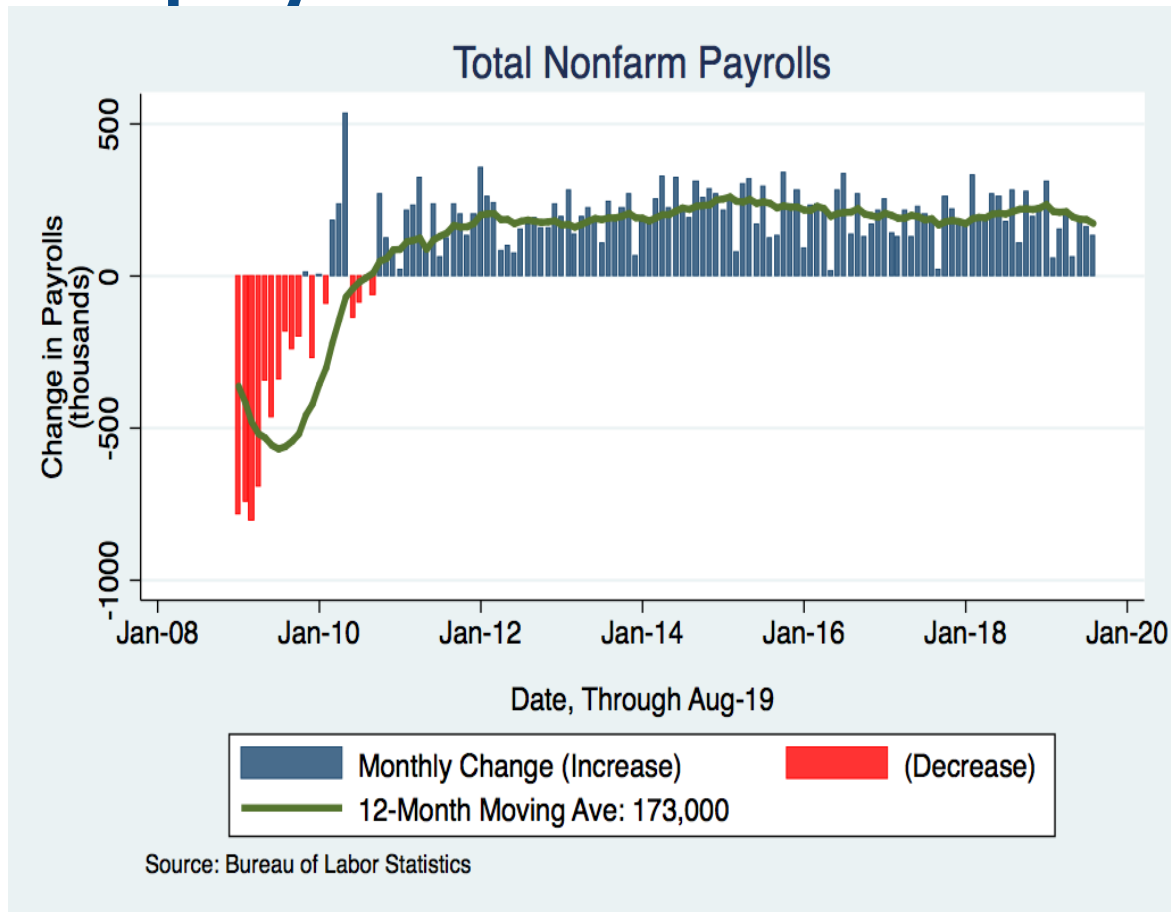
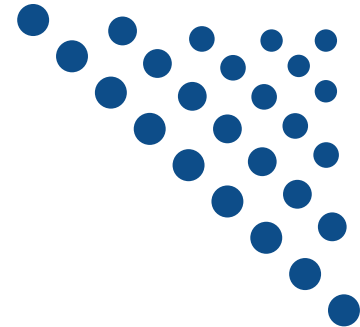




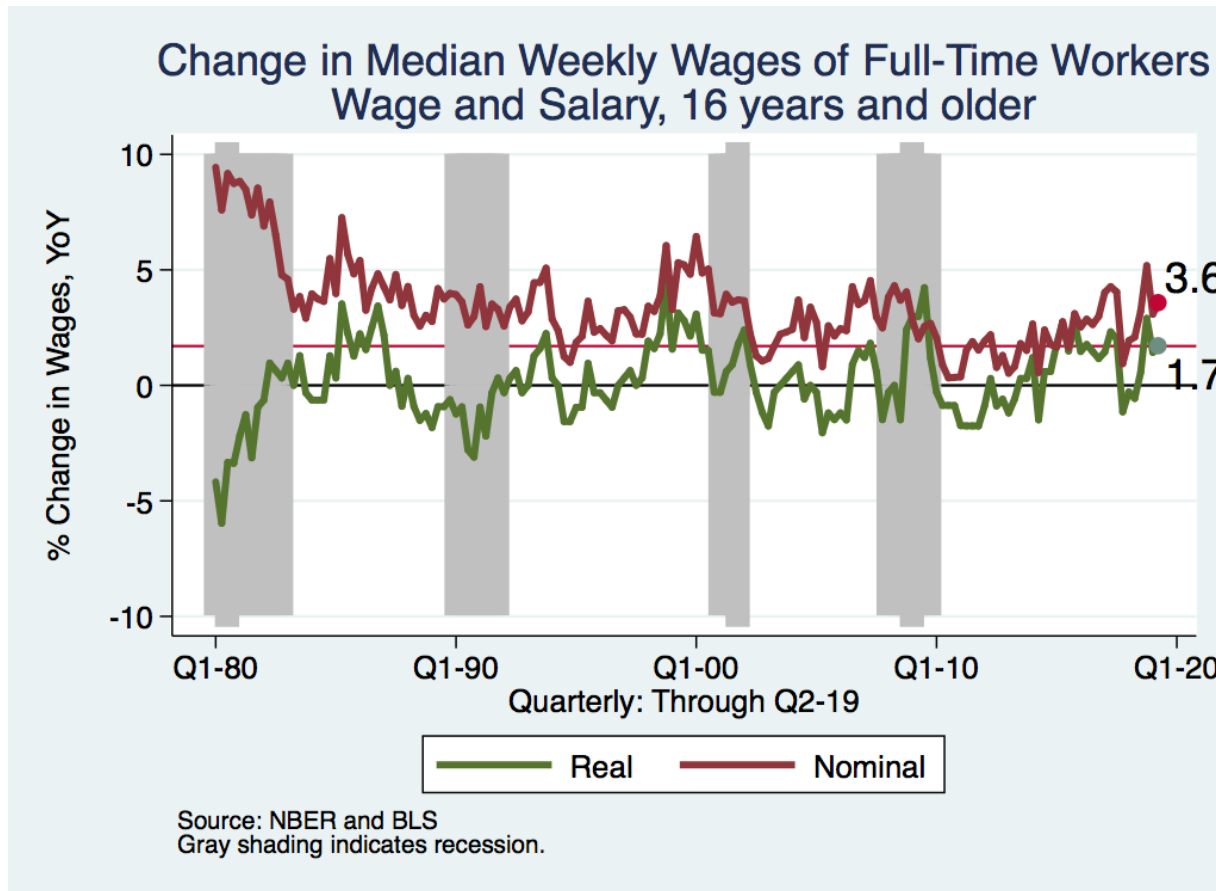
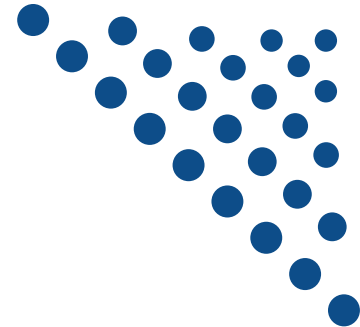
Monthly Changes in Nonfarm Employment

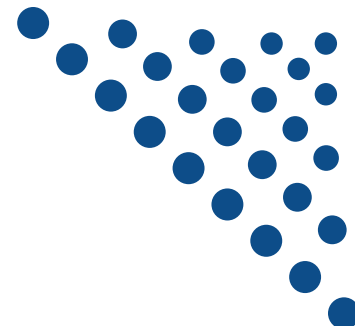


Nonfarm Employment: Ebbs and Flows



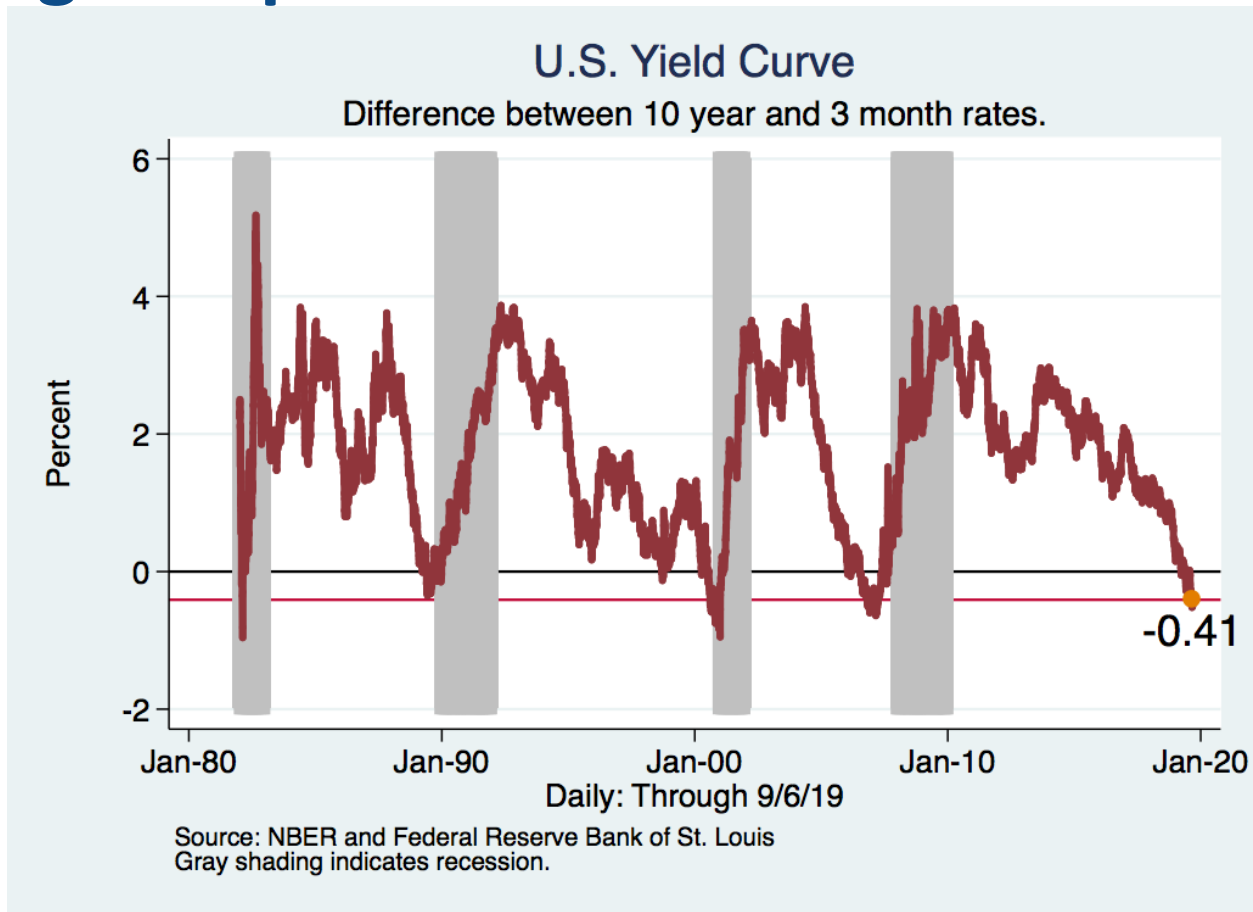
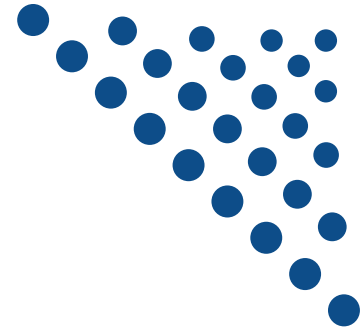
Wage Growth



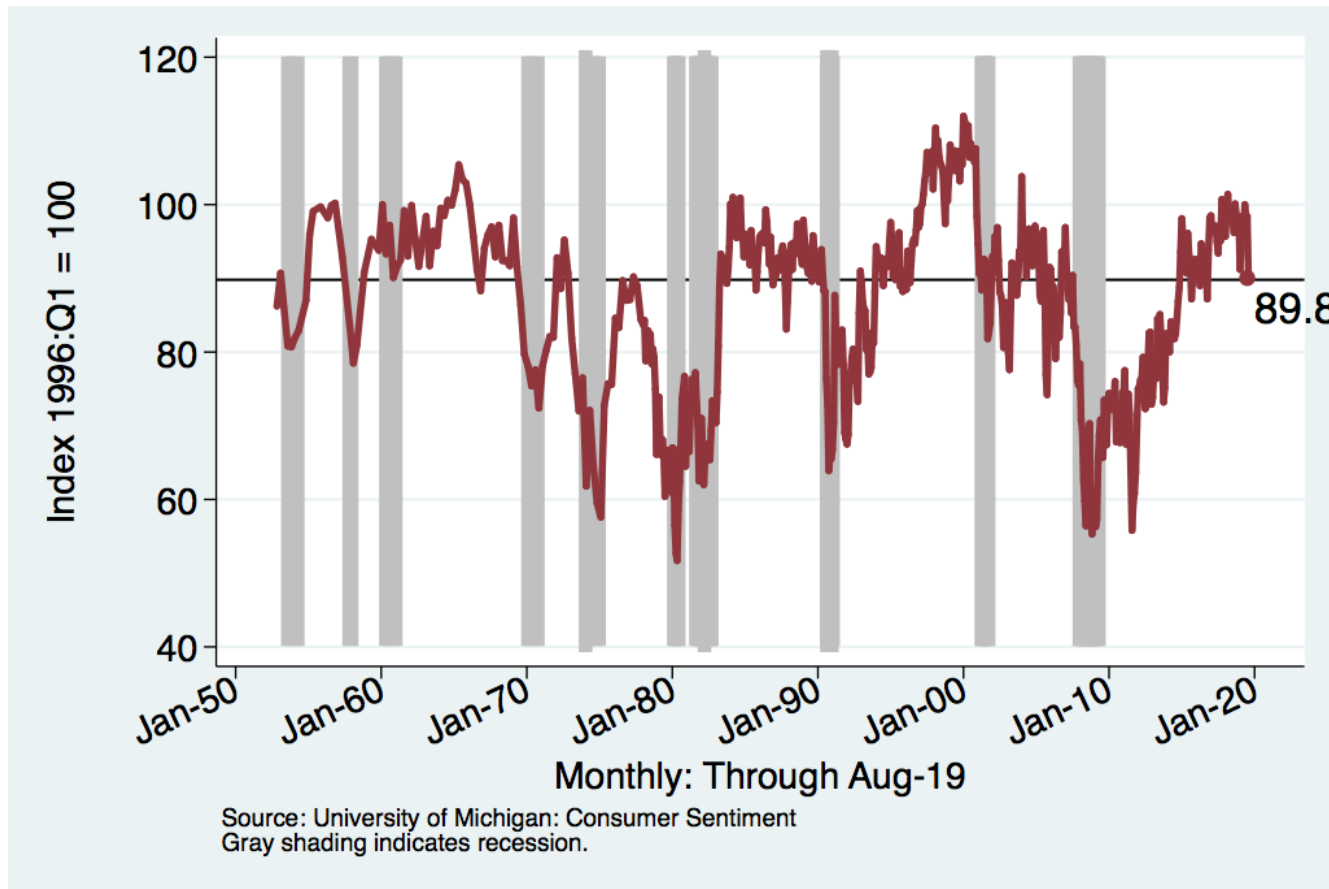
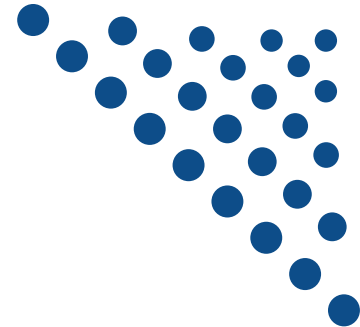


Other Indicators

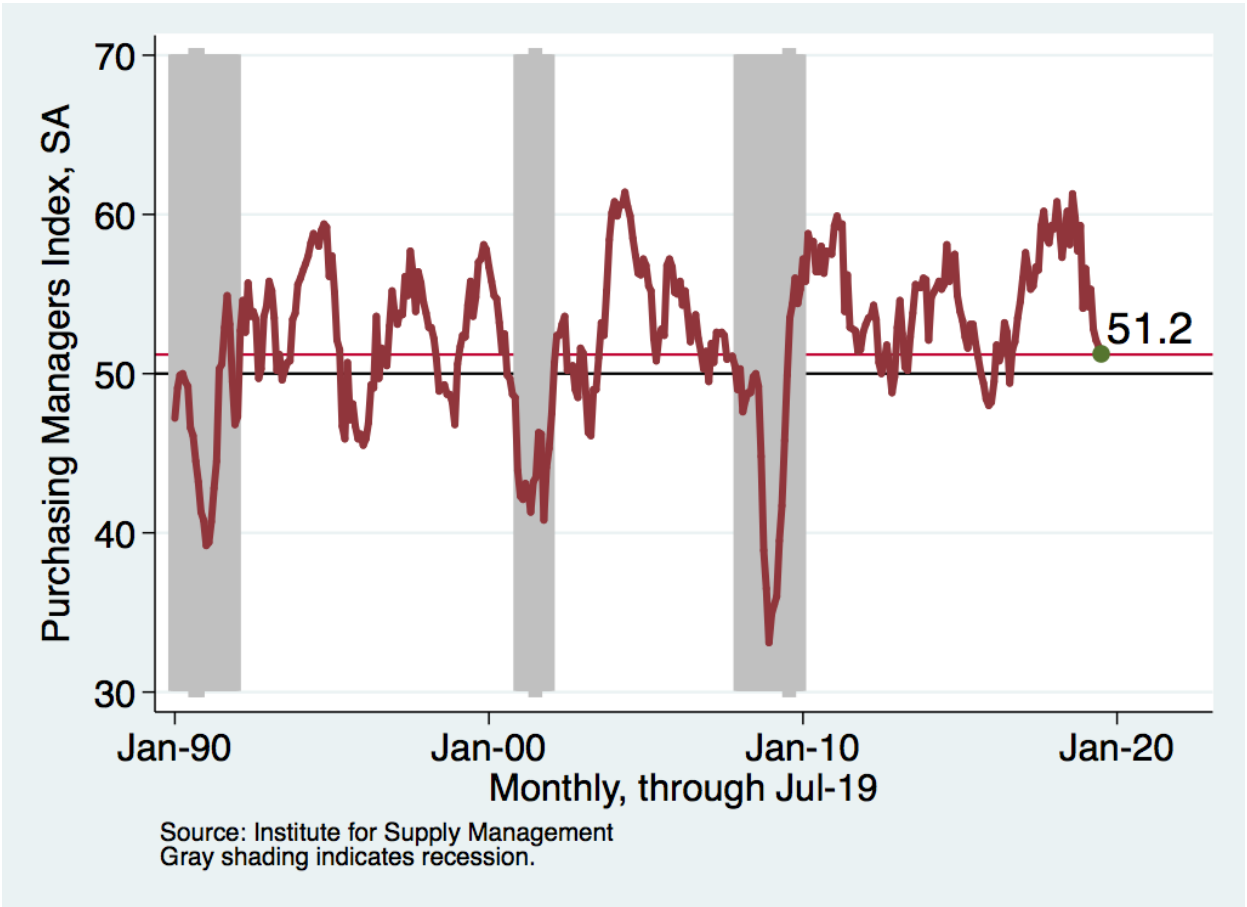
Alarming Compression of Interest Rates



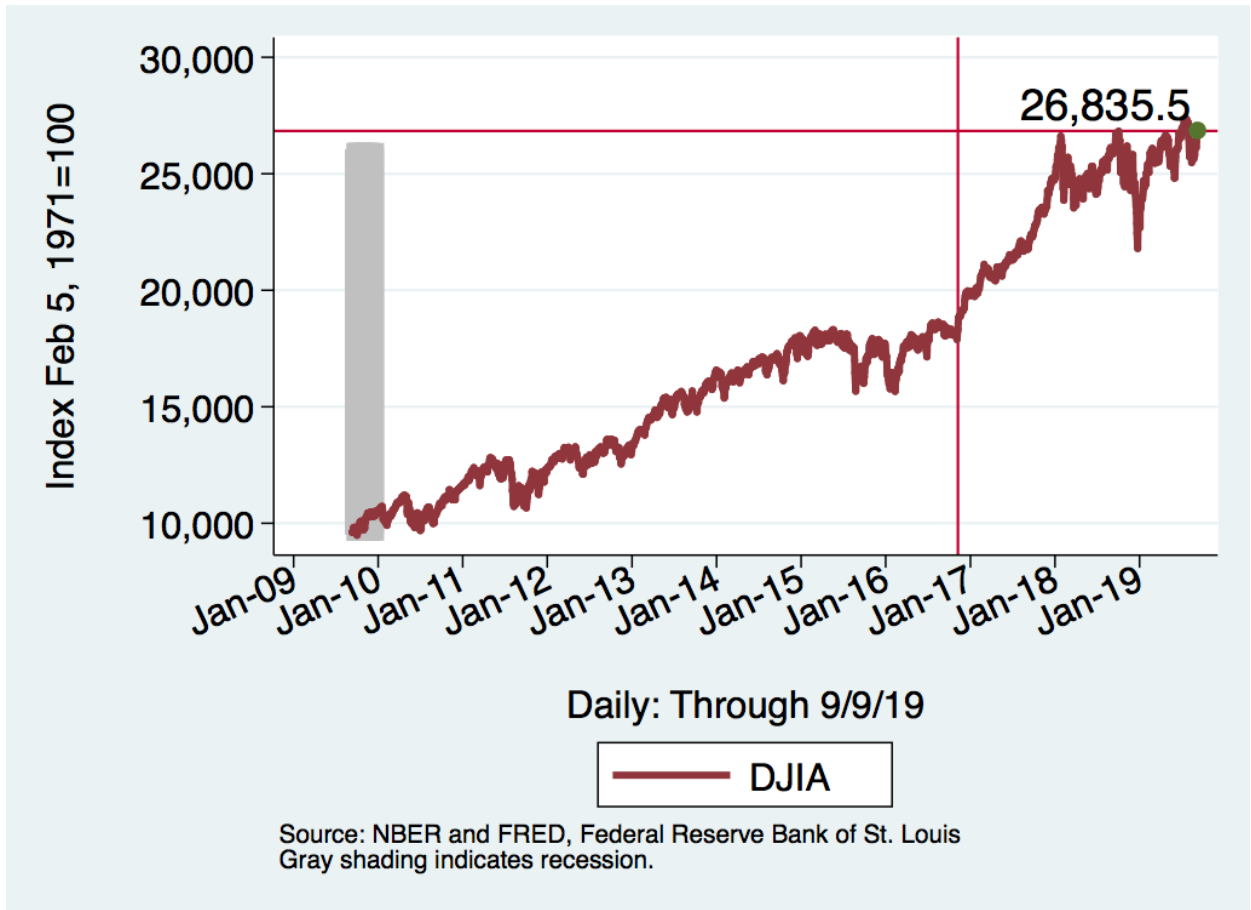
Consumer Confidence: Waning!



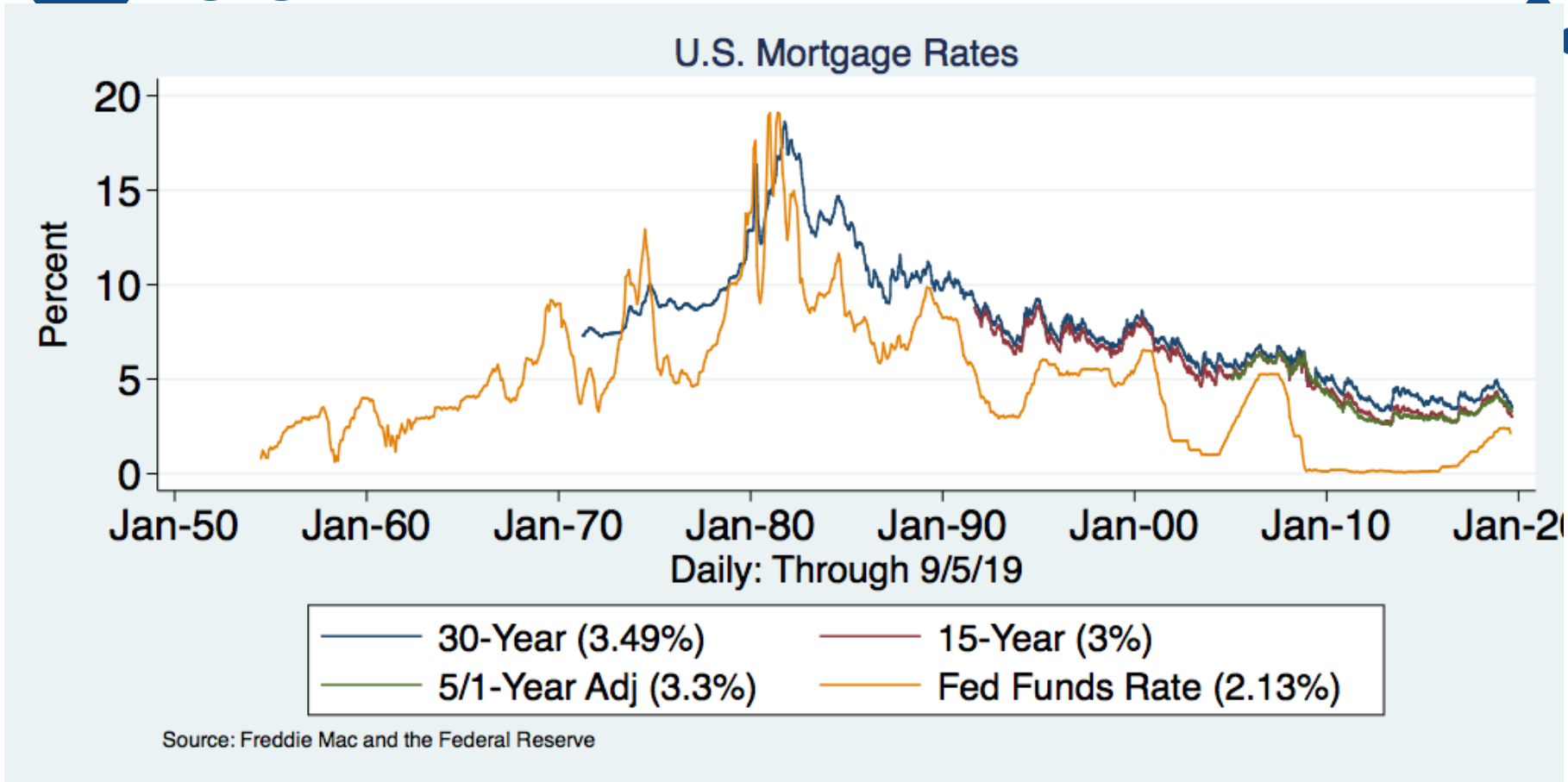
Producer Confidence: Not What it Used to be!



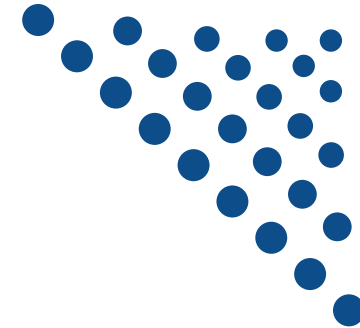
Dow Jones



Mortgage Rates

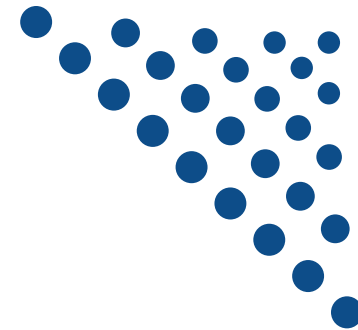


Things to Be Worried About



- **Yield Curve**
- **Government Debt**
- **Growth Abroad**
- **Income and Wealth Inequality**
- **Infrastructure**
- **Corporate Debt**
- **Policy Uncertainty**
 - Trade and immigration policy, especially

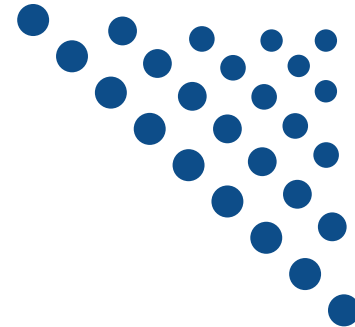
Overall Summary



- **Tailwinds and headwinds both exist**
 - Economic forecasts for near term are moderate, but gaining pessimism.
 - 2020 and 2021 forecasts are less sanguine.
- **There remains room for the economy to grow**
 - Labor force growth is available
 - Consumption has room to grow
 - Business investment is slowing
 - Slack in housing markets
- **Long term concerns unaddressed...**
- **Yield curve**

Thank you!

Any Questions?



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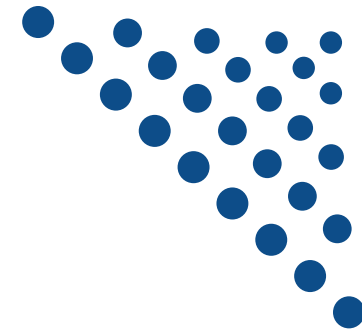
Jon Haveman

Jon@NEEDelegation.org

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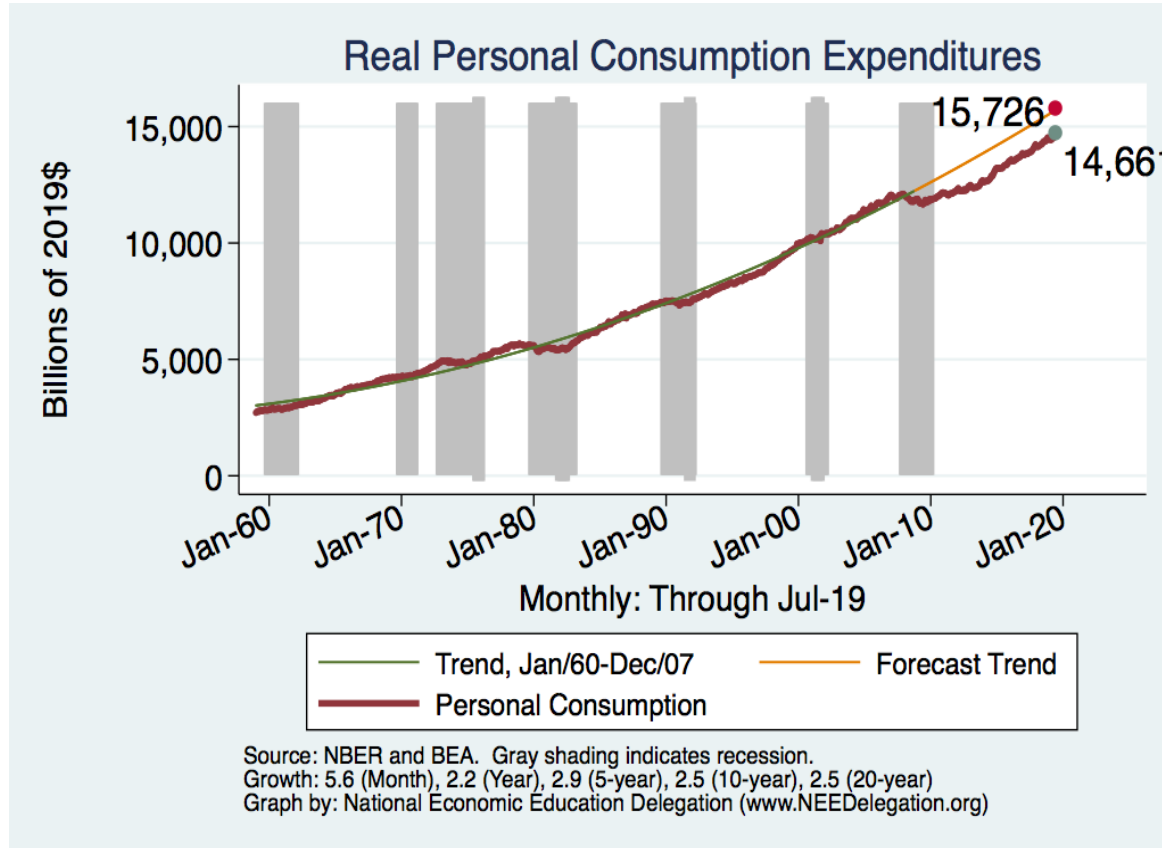
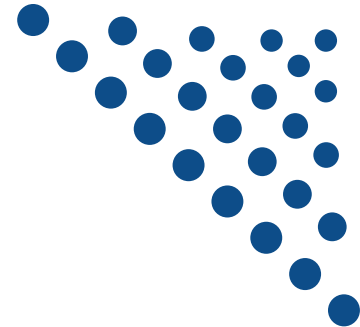
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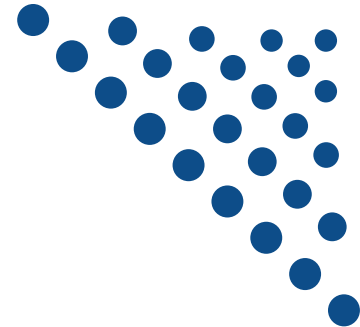


Available NEED Topics Include:

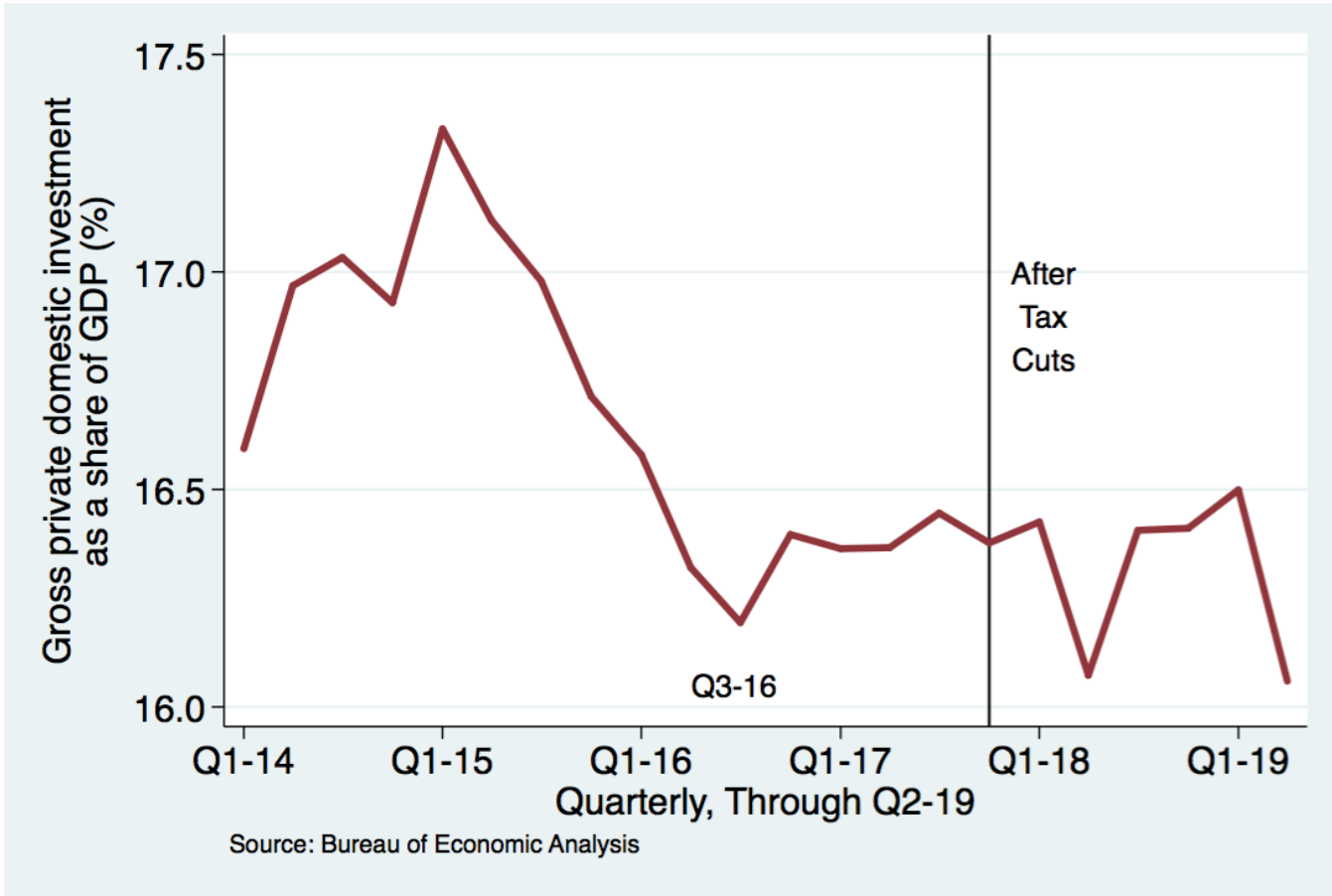
- US Economy
- Economic Inequality
- Climate Change
- US Social Policy
- Trade and Globalization
- Economic Mobility
- Trade Wars
- Housing Policy
- Federal Budgets
- Federal Debt
- 2017 Tax Law
- Autonomous Vehicles

Personal Consumption Expenditures

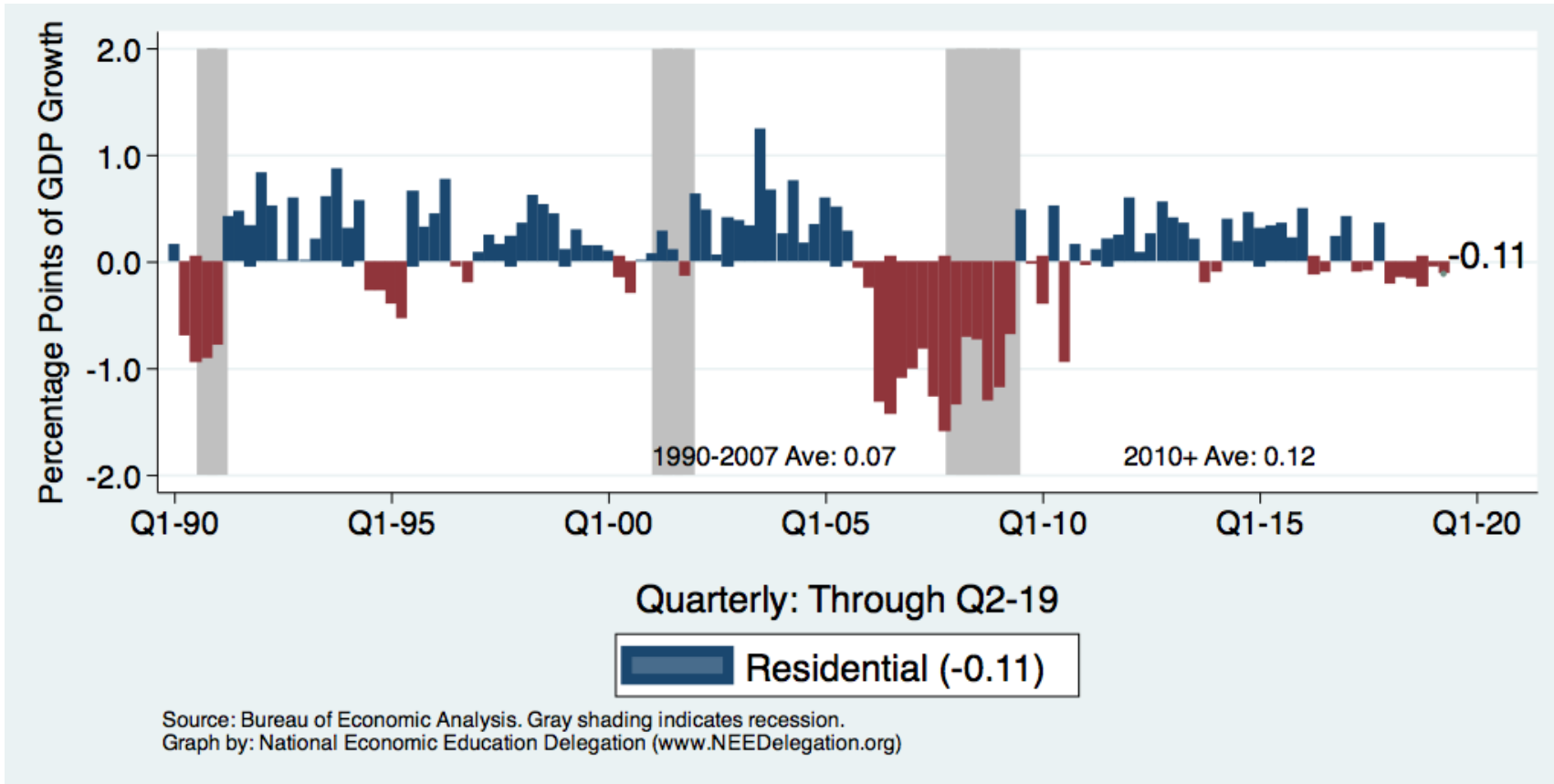




Recent Investment Trends



Contributions to GDP: Residential Investment

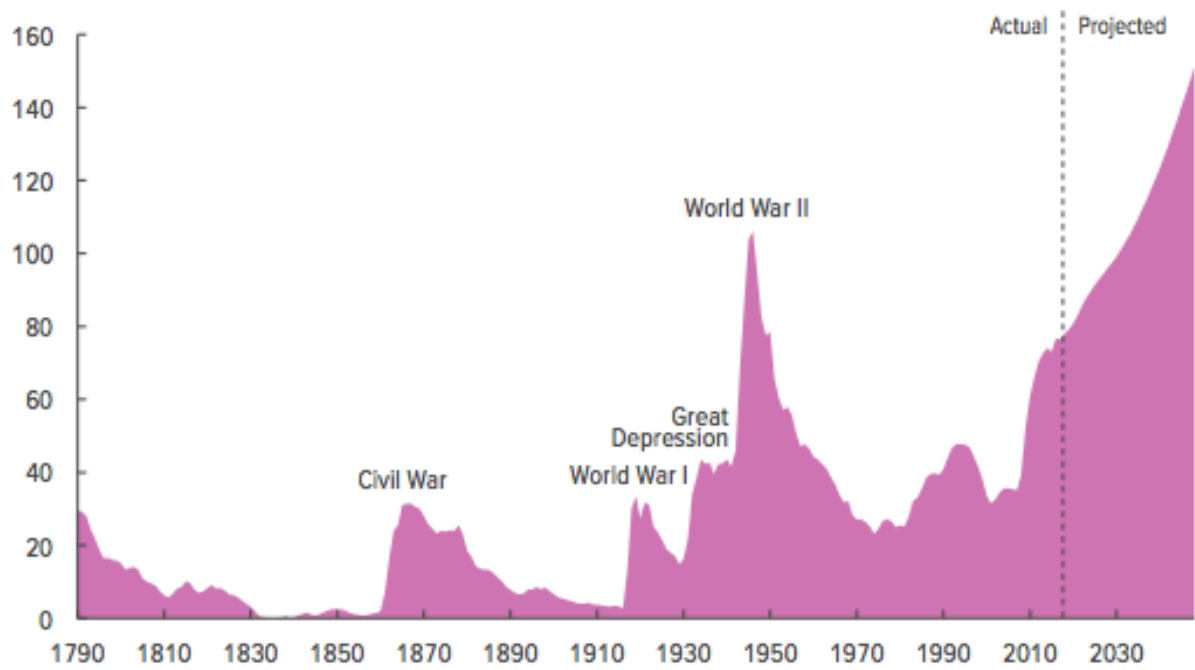




Federal Government Debt Projections

Federal Debt Held by the Public

Percentage of Gross Domestic Product



High and rising federal debt would reduce national saving and income, boost the government's interest payments, limit lawmakers' ability to respond to unforeseen events, and increase the likelihood of a fiscal crisis.

Source: Congressional Budget Office.

National Income Inequality: Share of Top 10%

