

Clear Skies Ahead for the US Economy?

Connecticut Economic
Inclusion Forum
July 23, 2013



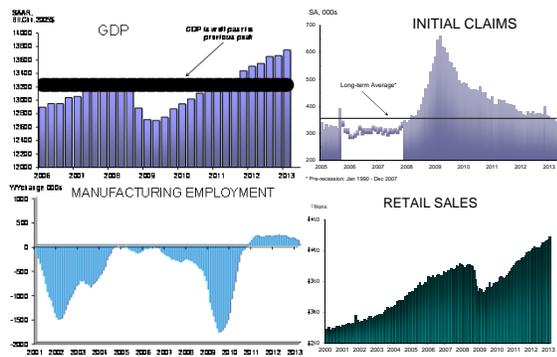
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- Major Economic Indicators
- Fiscal Constraints
- External Risks
- Debt & Capital Markets
- Housing and Mortgage Markets



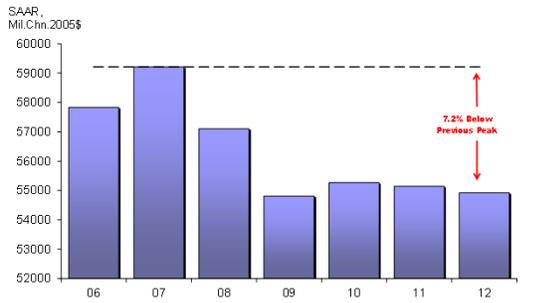
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Many Indicators Point to Sustainable Growth



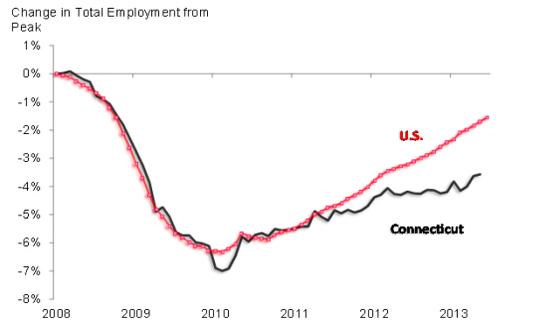
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In Connecticut, Economic Output is almost Static



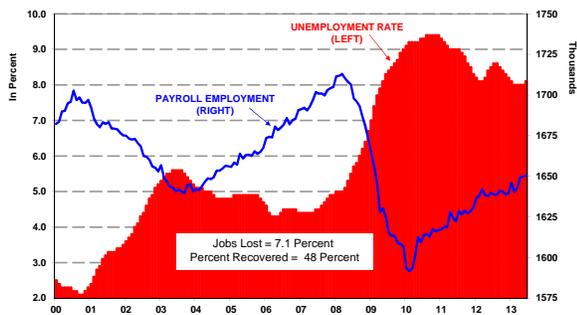
Source: BLS, Haver Analytics **FDIC**

Connecticut's Labor Market is Slow to Recover



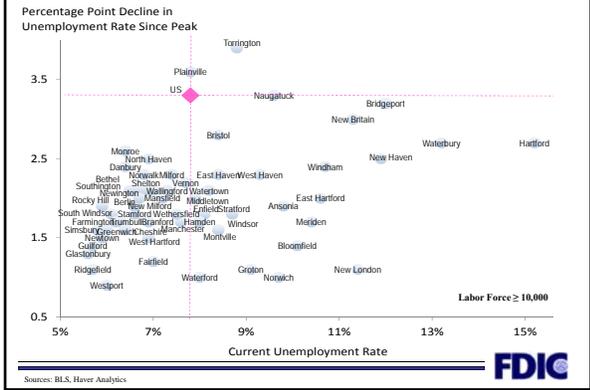
Source: BLS, Haver Analytics **FDIC**

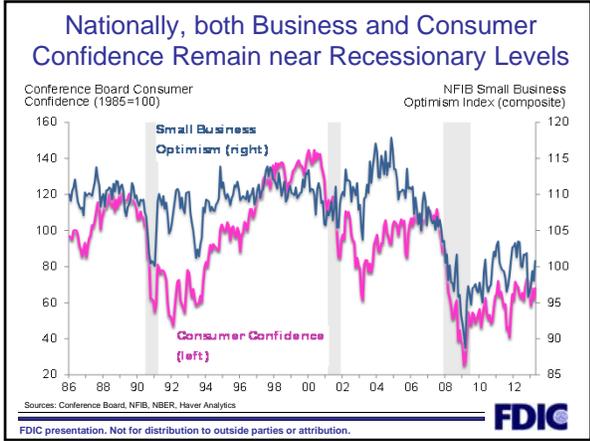
Connecticut has Regained One-half of Jobs Lost

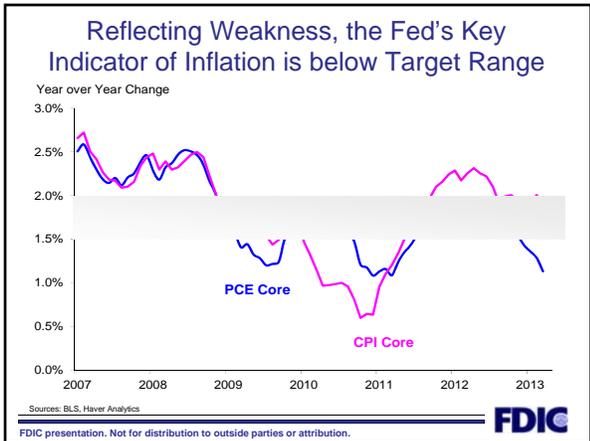


Source: Bureau of Labor Statistics, Haver Analytics **FDIC**
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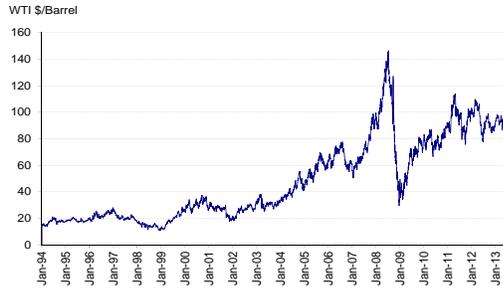
This is the View of Connecticut's Cities and Towns







Although Crude Prices Remain High and are Subject to Ongoing Geopolitical Risk



Sources: Wall Street Journal, Moody's Economy.com

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FISCAL CONSTRAINTS...



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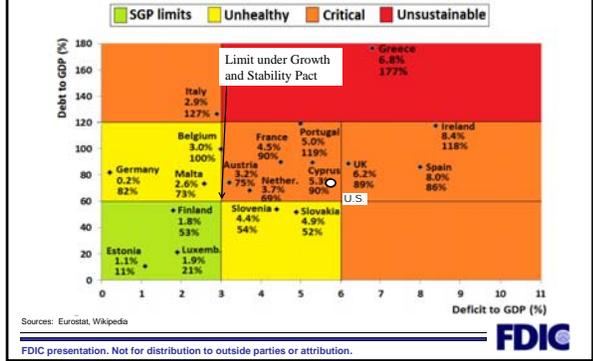
We are Facing a Fork—Indeed, Many Forks—in the Road and Need to Make some Basic Choices



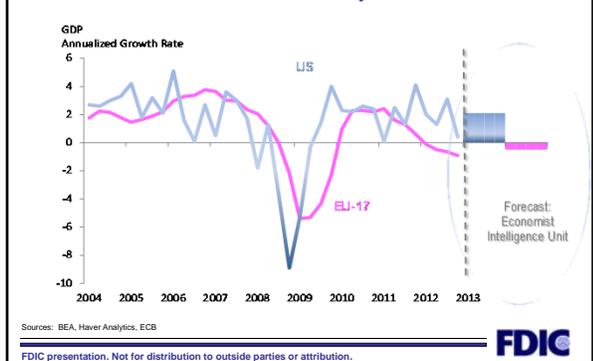
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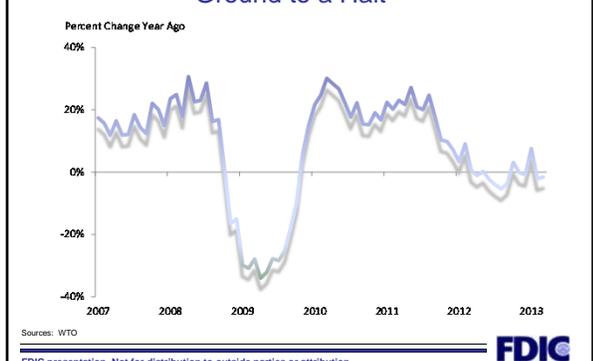
Deficits and Debt Levels in Europe are mostly less Severe than in the US, although Ours is Improving



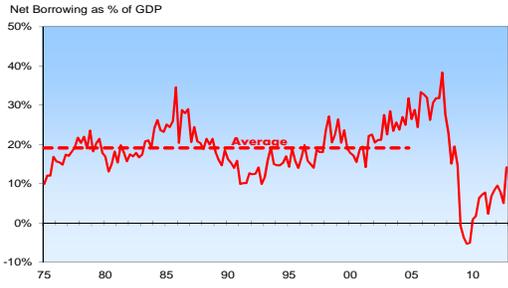
Europe's Double Dip Recession Is Not Helping Their Situation...Or Anyone Else's



Growth in Total Global Exports Has Ground to a Halt

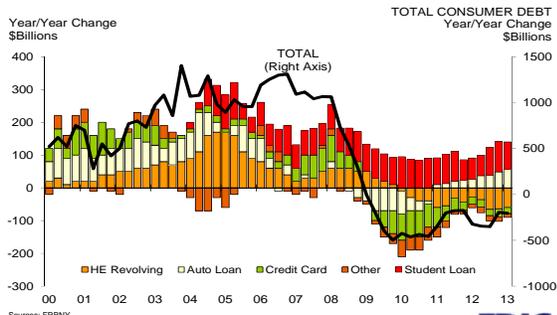


Despite Recent Surge, the Days of Debt-Fueled Spending Are Gone



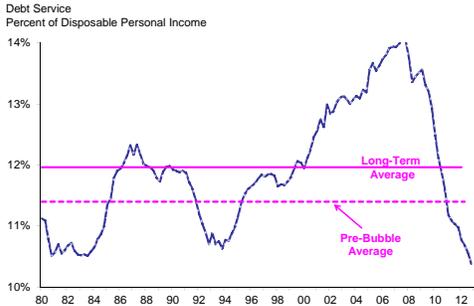
Sources: Federal Reserve Board, Haver Analytics
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Only Auto Loans and Student Loans Are Increasing Relative to Last Year

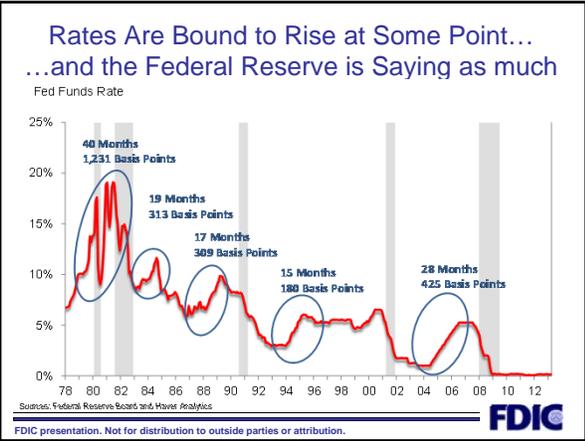


Sources: FRBNY
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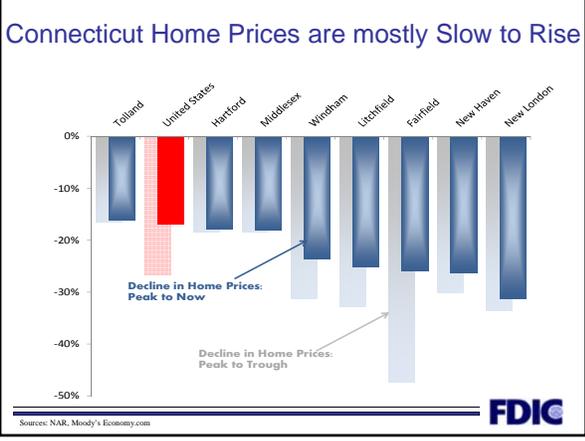
Debt Service Burden has Lightened Considerably



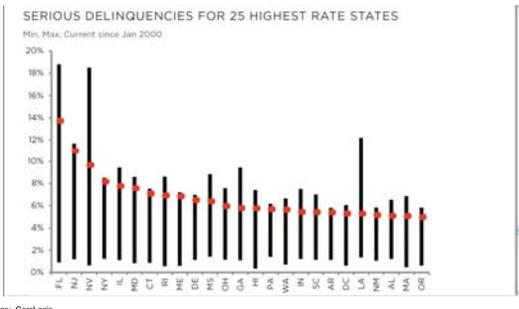
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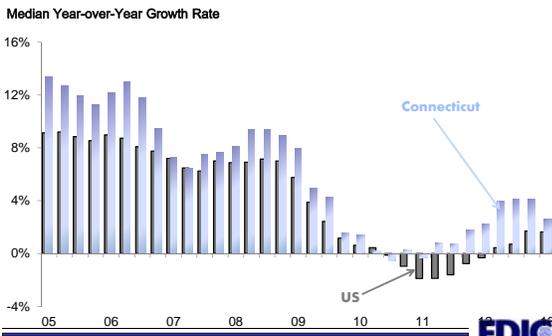


Even so, there Remains much Pain in the State



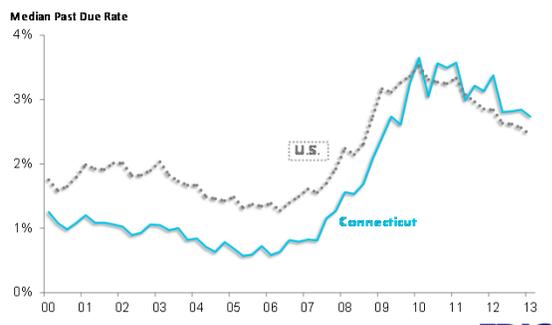
Source: CoreLogic
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Loan Growth in Connecticut, while Modest, has Exceeded the Nation's



Source: FDIC **FDIC**

Recently, Connecticut's Loan Quality in Terms of Past Dues has been Similar to the Nation's



Source: FDIC **FDIC**

So, to Sum Up

- 1) Watch the Economy
- 2) Watch the Fed
- 3) Watch the Congress (though Painful)
- 4) Watch Europe and, if Adventurous,
- 5) Watch China

Noting that....

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All Good Things must Come to an End



The New Yorker,
August 6, 2012

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Questions?
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