

# United States Economic Overview

From Great Recession to Slow Growth Expansion

Prepared for  
**Transit Finance Learning Exchange**  
October 2015

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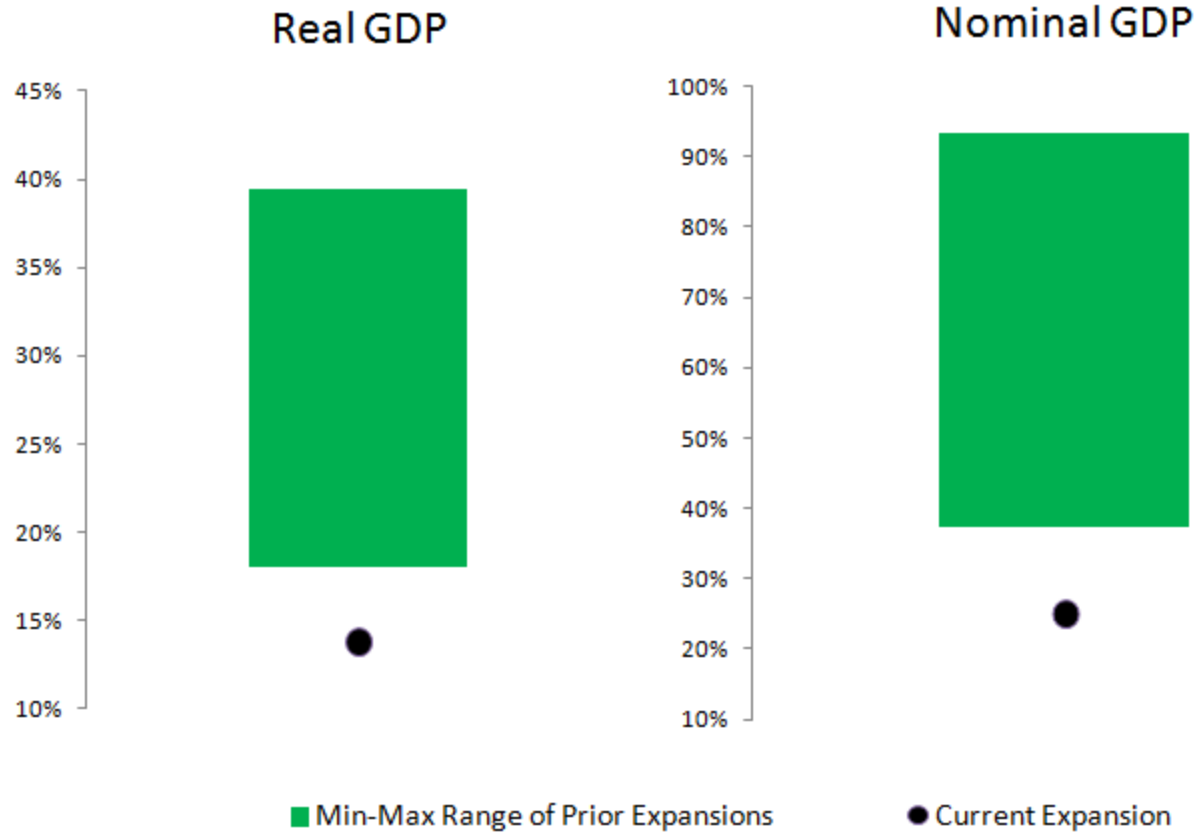


# From Great Recession...

	Last Recession 2008-2009	Rank vs. Recessions since 1950
Duration	18 months	Longest
Real GDP Growth	-4.2%	Worst
Nominal GDP Growth	-2.3%	Worst

# ... to Slow Growth Expansion

## Cumulative GDP Growth 72 Months After Business Cycle Trough Dec 1949 - Jun 2015



# Today's Agenda

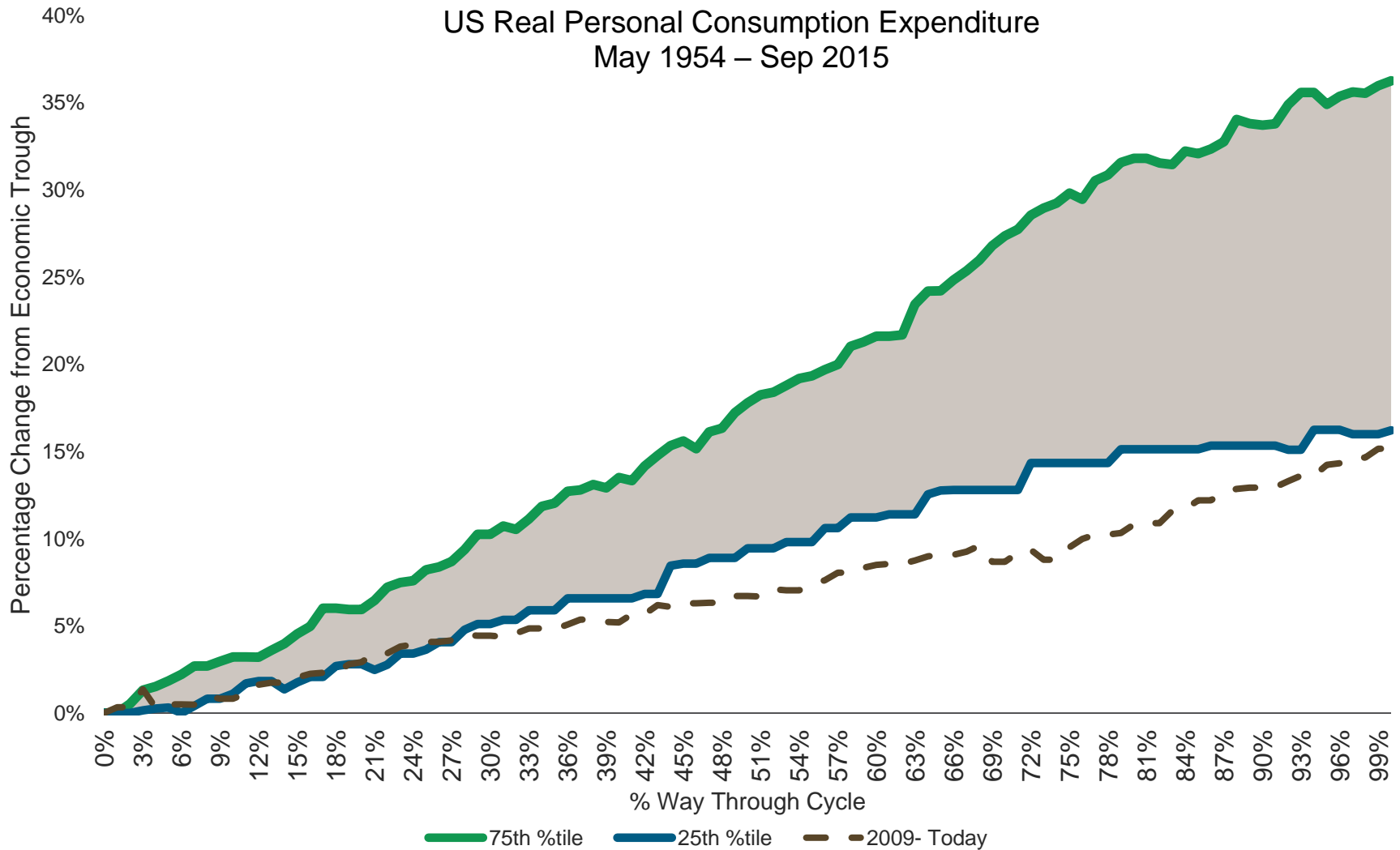
## Drivers of the U.S. Economy

- U.S. Consumer: Retrenchment to slow growth
- Corporate Sector: Record profits in a low growth world

## Current Events:

- Oil, the Fed, and China

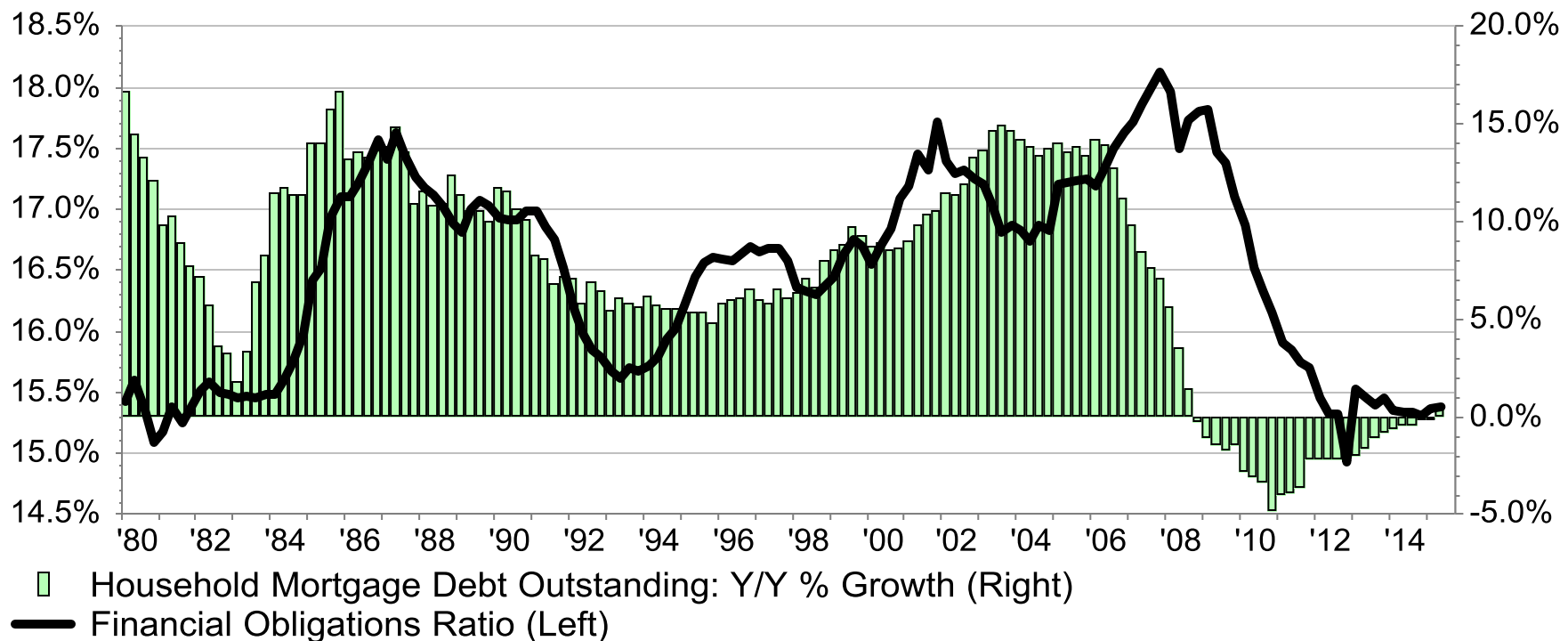
# A Sub Par Consumer Recovery



Data Source: FactSet.  
Analysis: Manning & Napier.

# Retrenchment Followed Years of Excess

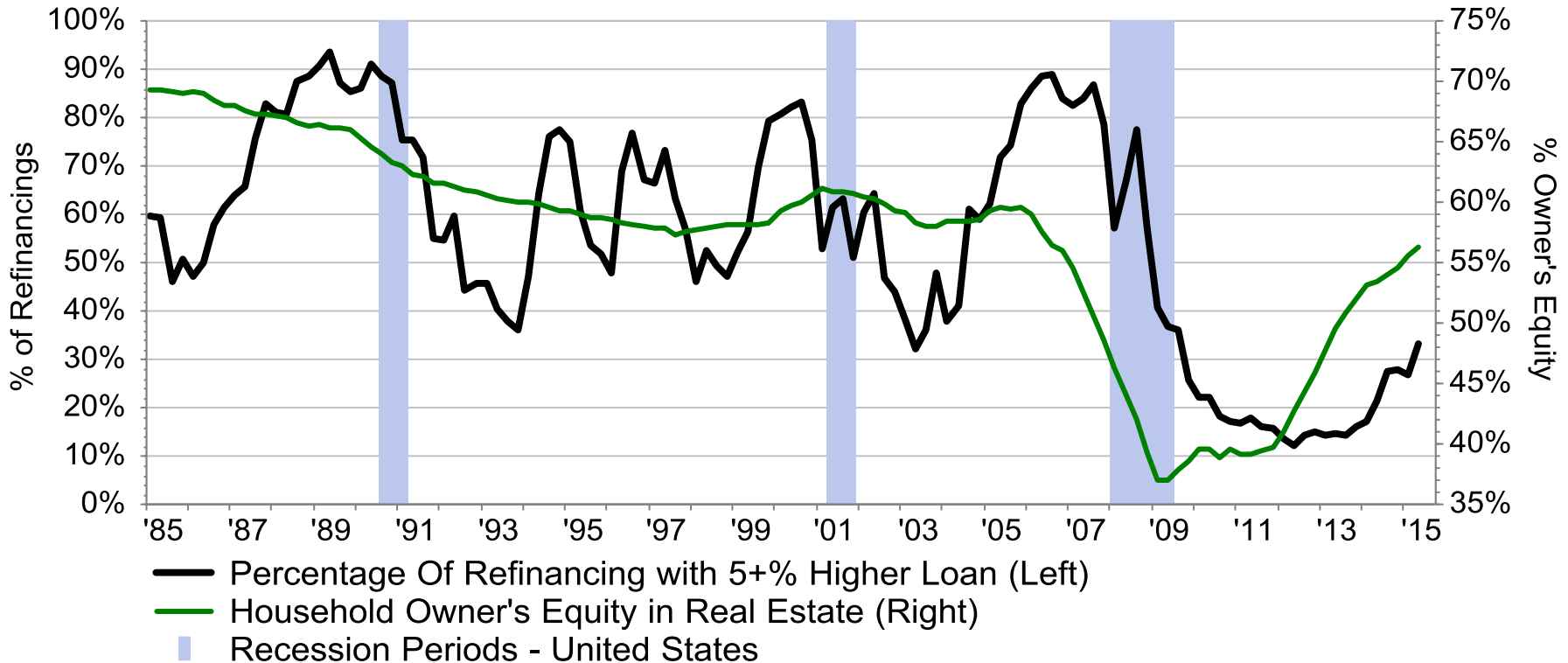
## Financial Obligations Ratio & Mortgage Debt Growth Mar 1980 - Jun 2015



# Gradual Improvement in Housing

## Home Refinancing Activity vs. Owner's Equity

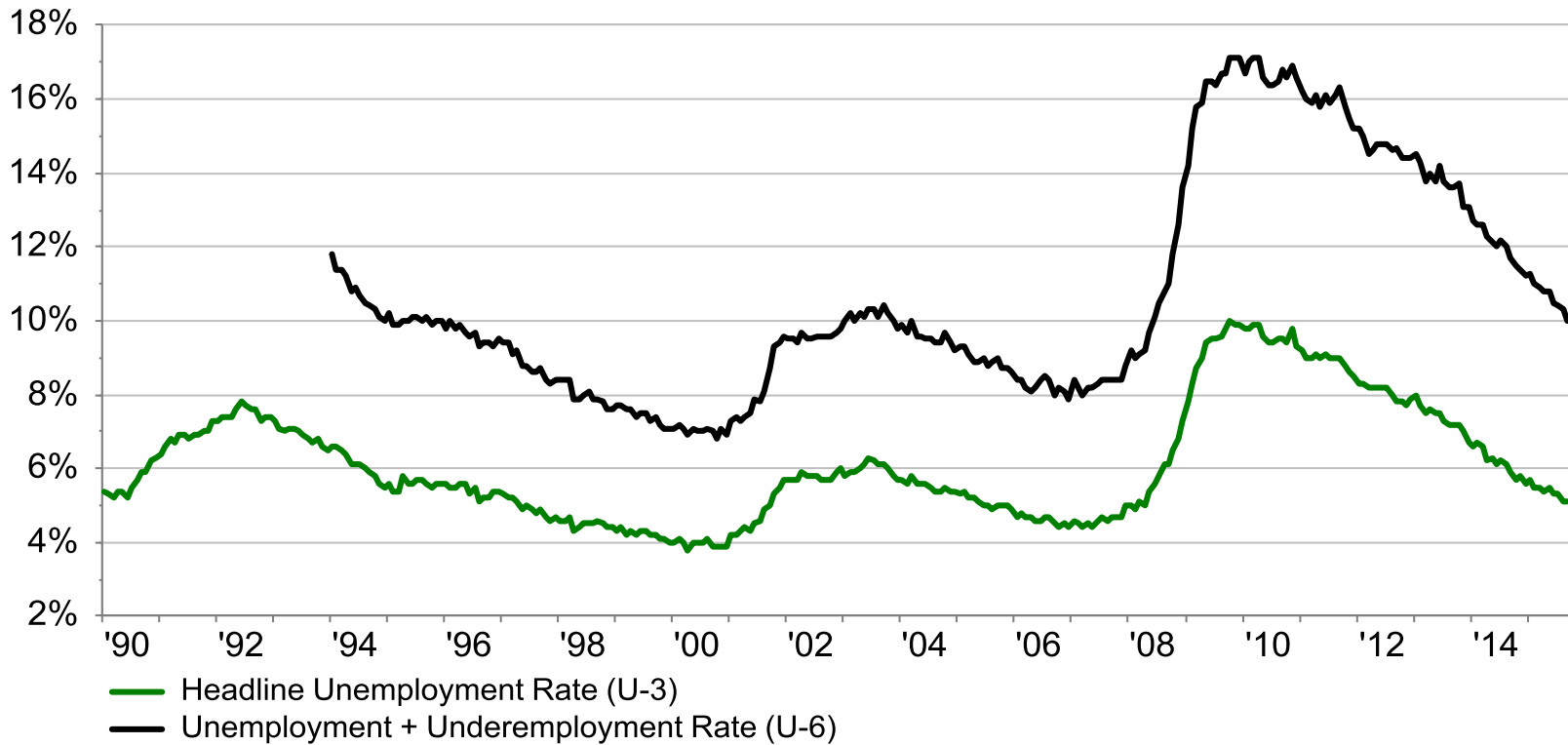
Q1:1985 - Q2:2015



# Gradual Improvement in the Labor Market

## U.S. Unemployment

Jan 1990 - Sep 2015

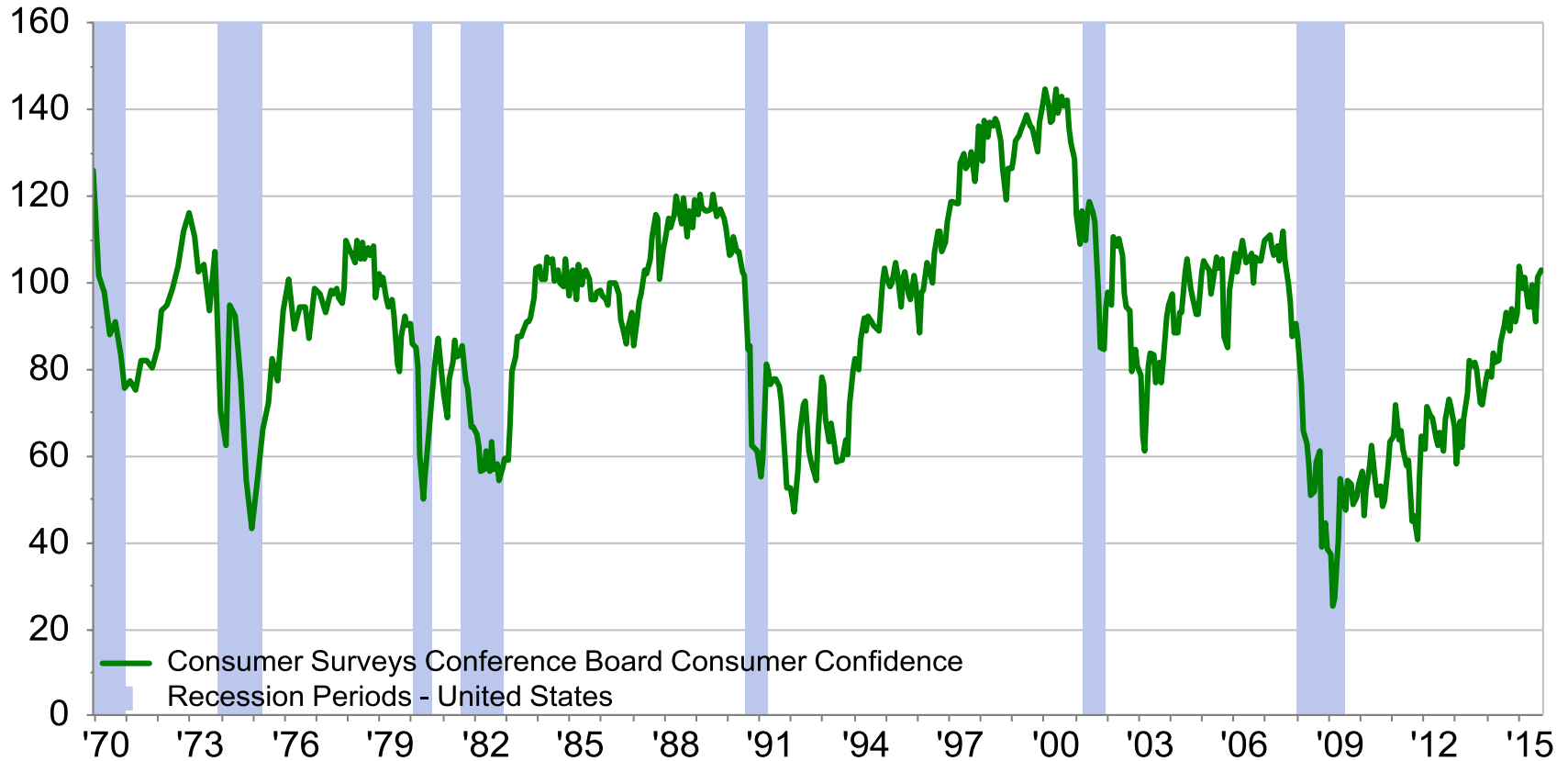




# Long Road Back for Consumer Sentiment

## U.S. Consumer Confidence

Dec 1969 - Sep 2015

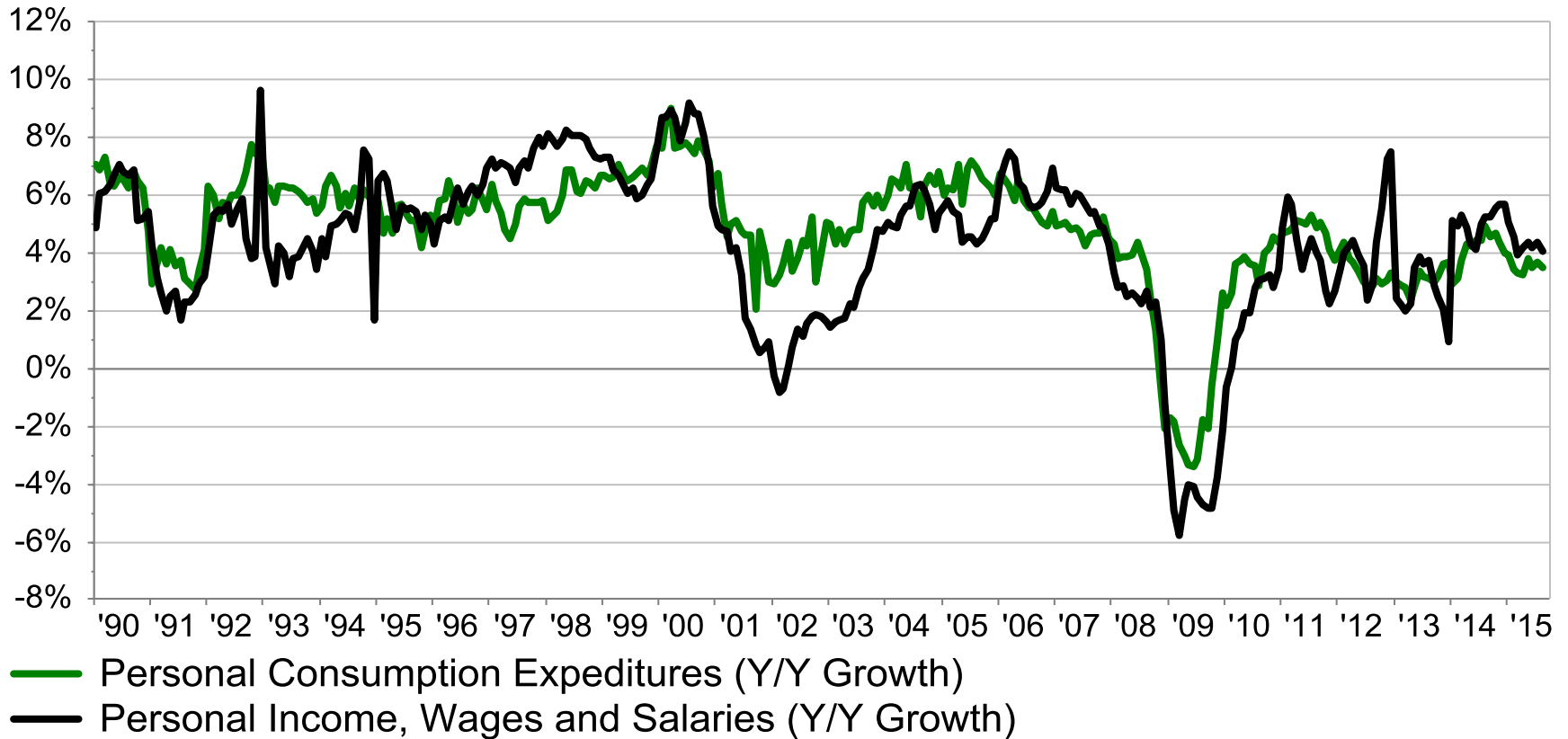


Data Source: FactSet.  
Analysis: Manning & Napier.

# Wage Growth is Key to Consumption Growth

## Consumption vs. Wage Growth

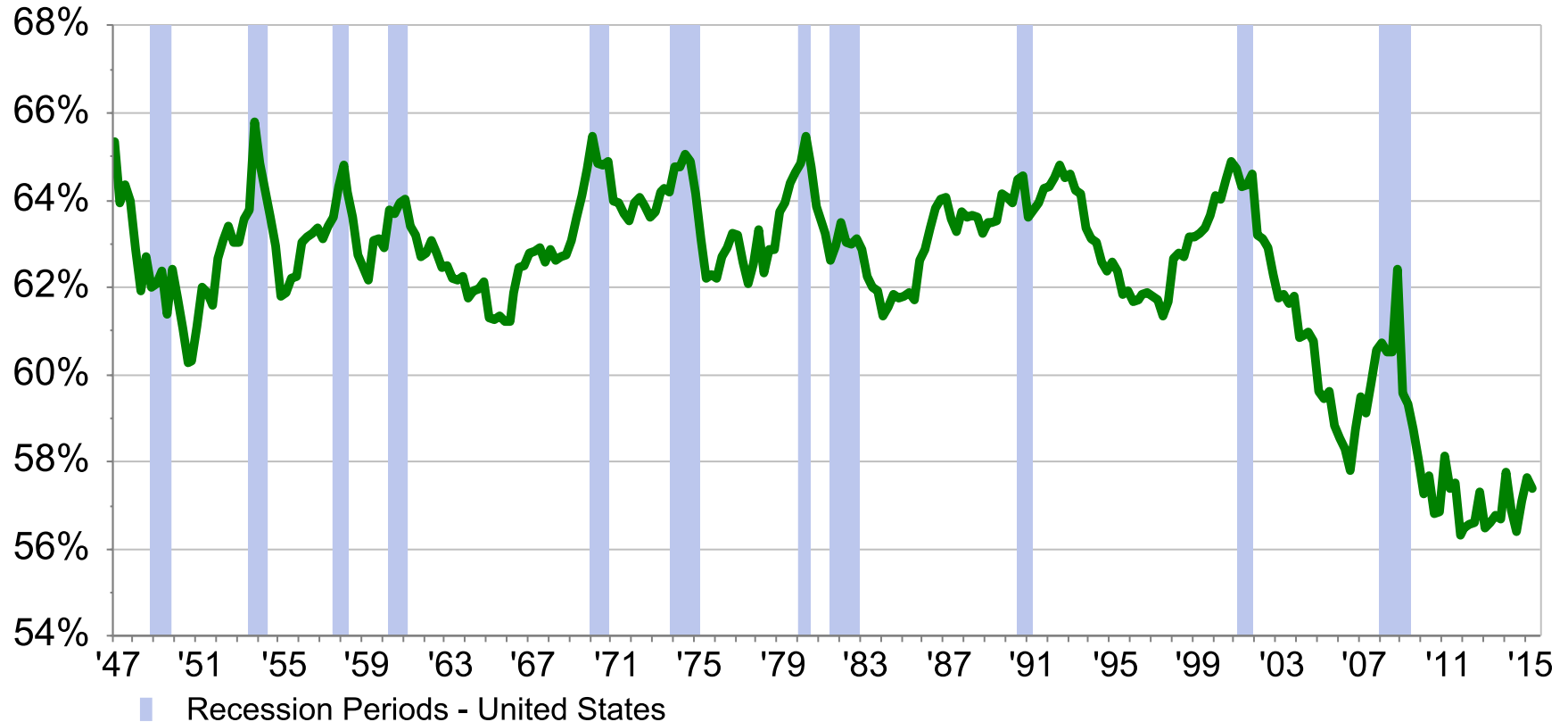
Jan 1990 - Aug 2015



# Restrained Wage Growth Benefits Corporate Profits

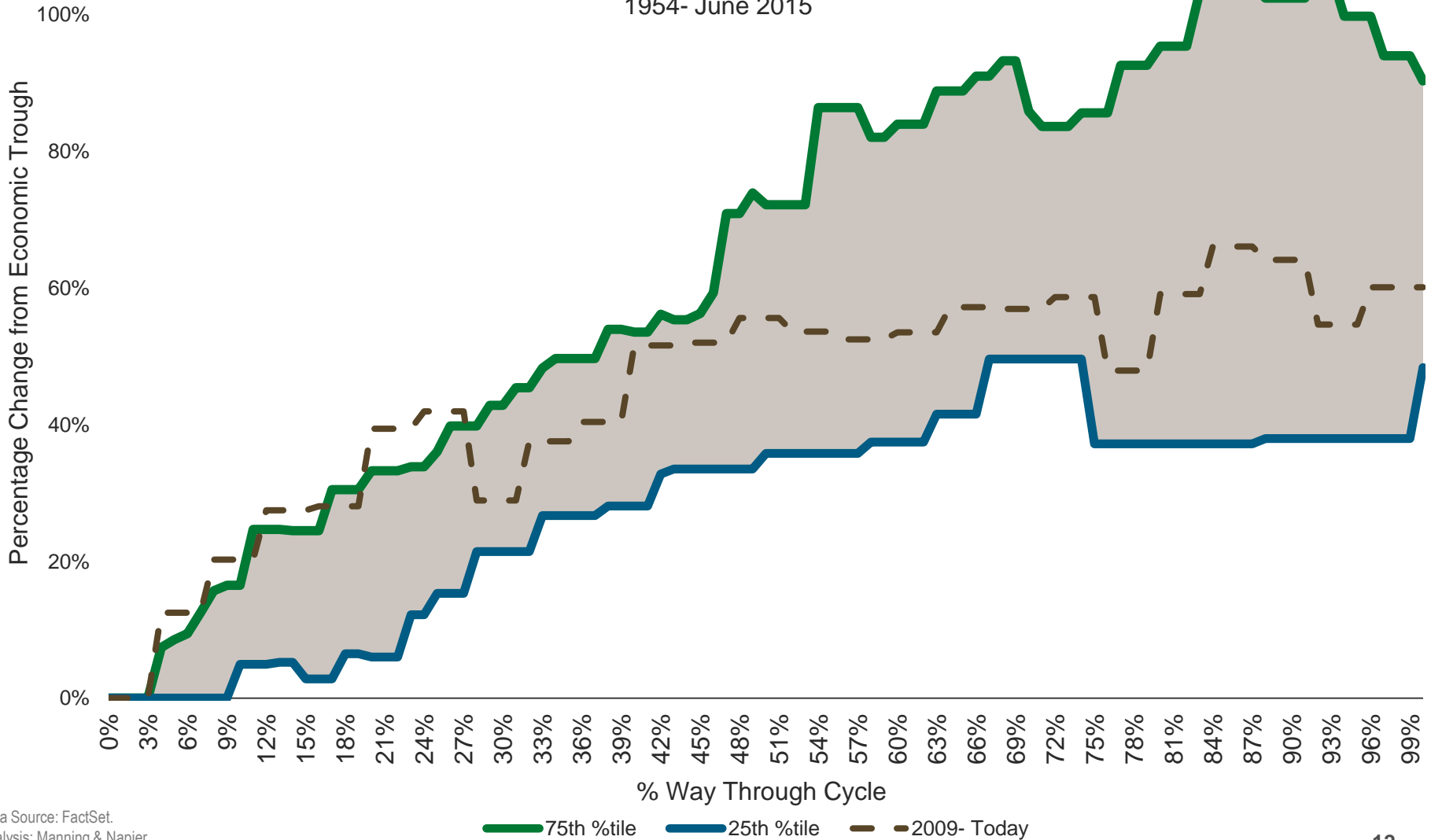
## Compensation as % of Corporate GDP

Mar 1947 - Jun 2015



# Profit Expansion in-line with Historical Norms

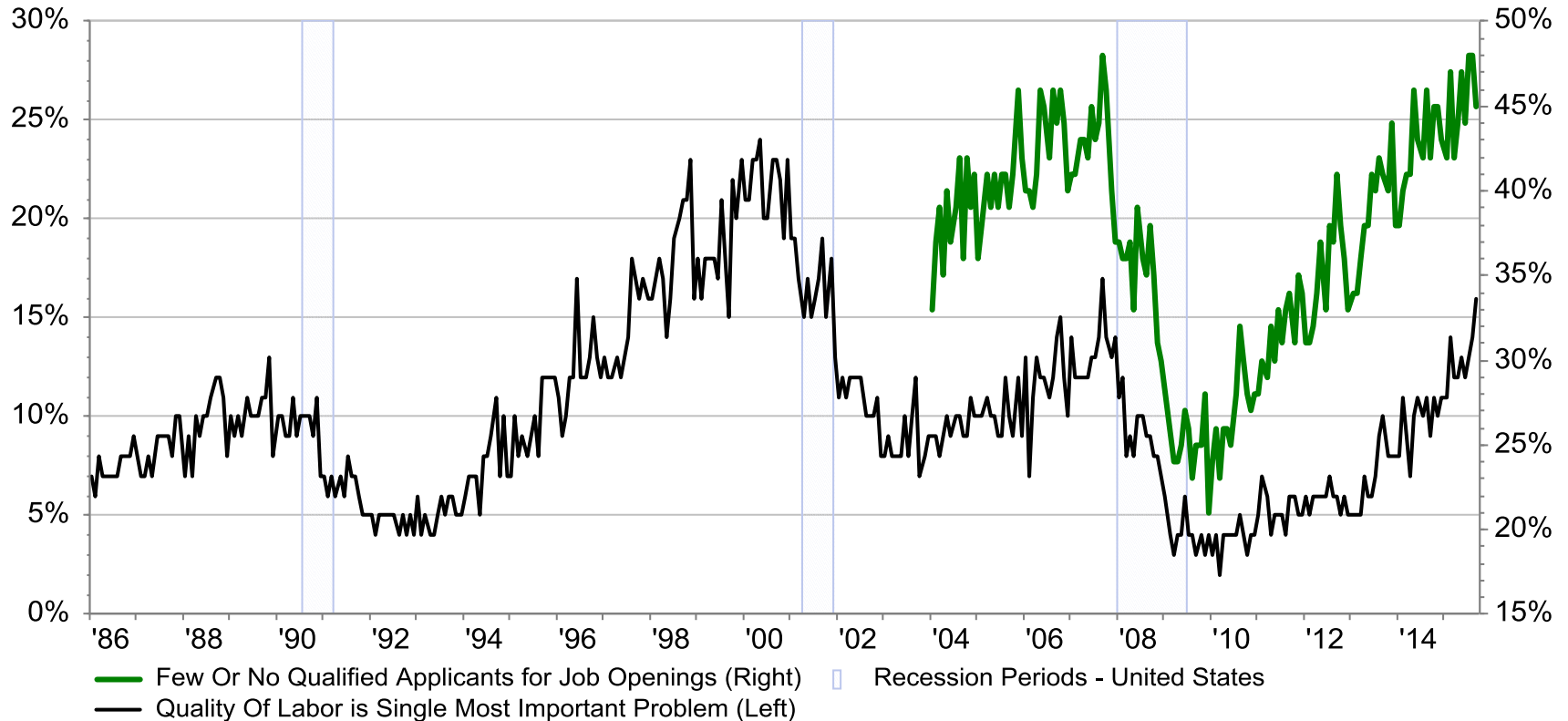
U.S. Corporate Profits  
1954- June 2015



Data Source: FactSet.  
Analysis: Manning & Napier.

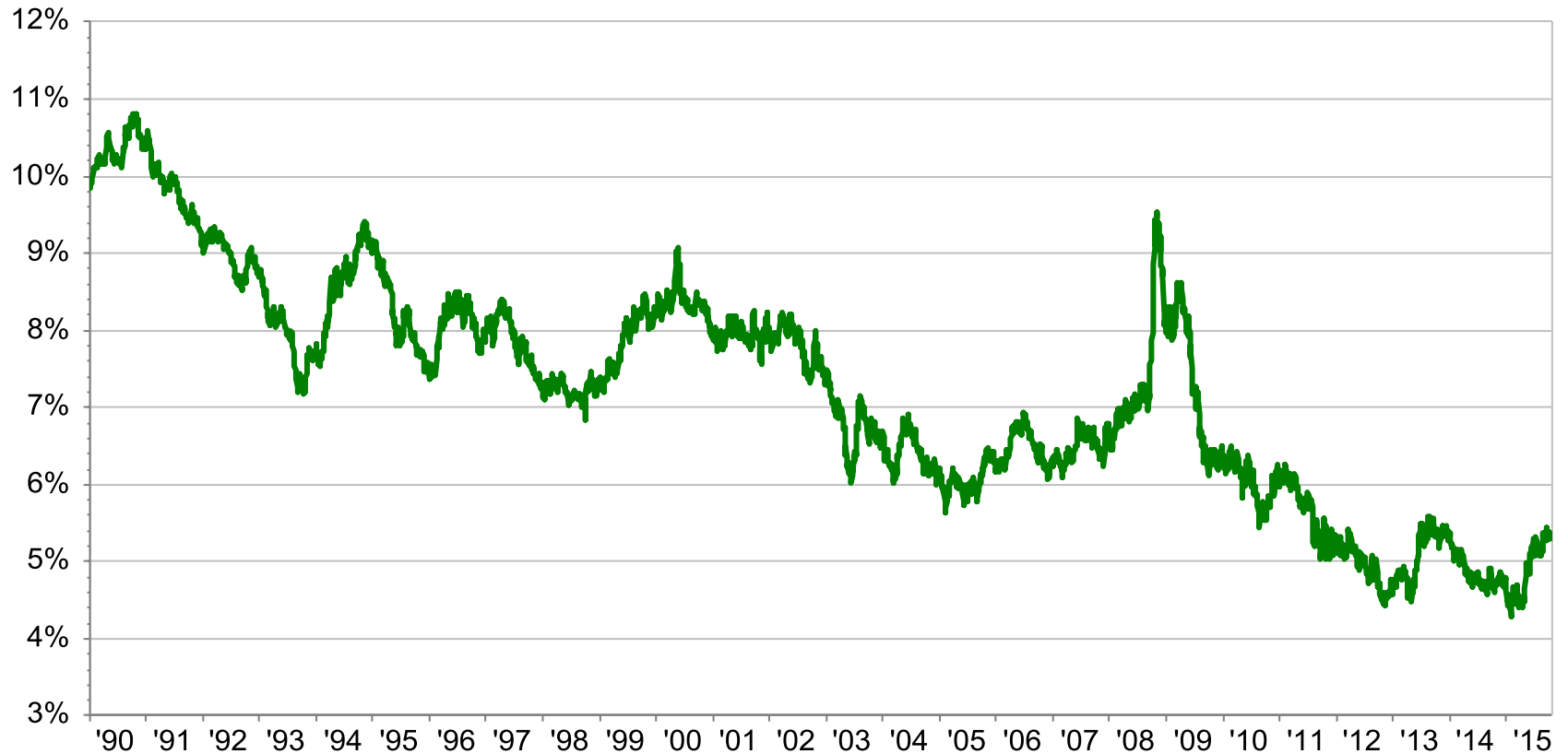
# Signs Point to a Tightening Labor Market

## NFIB Small Business Survey Jan 1986 - Aug 2015



# Tailwind of Lower Rates has Subsided

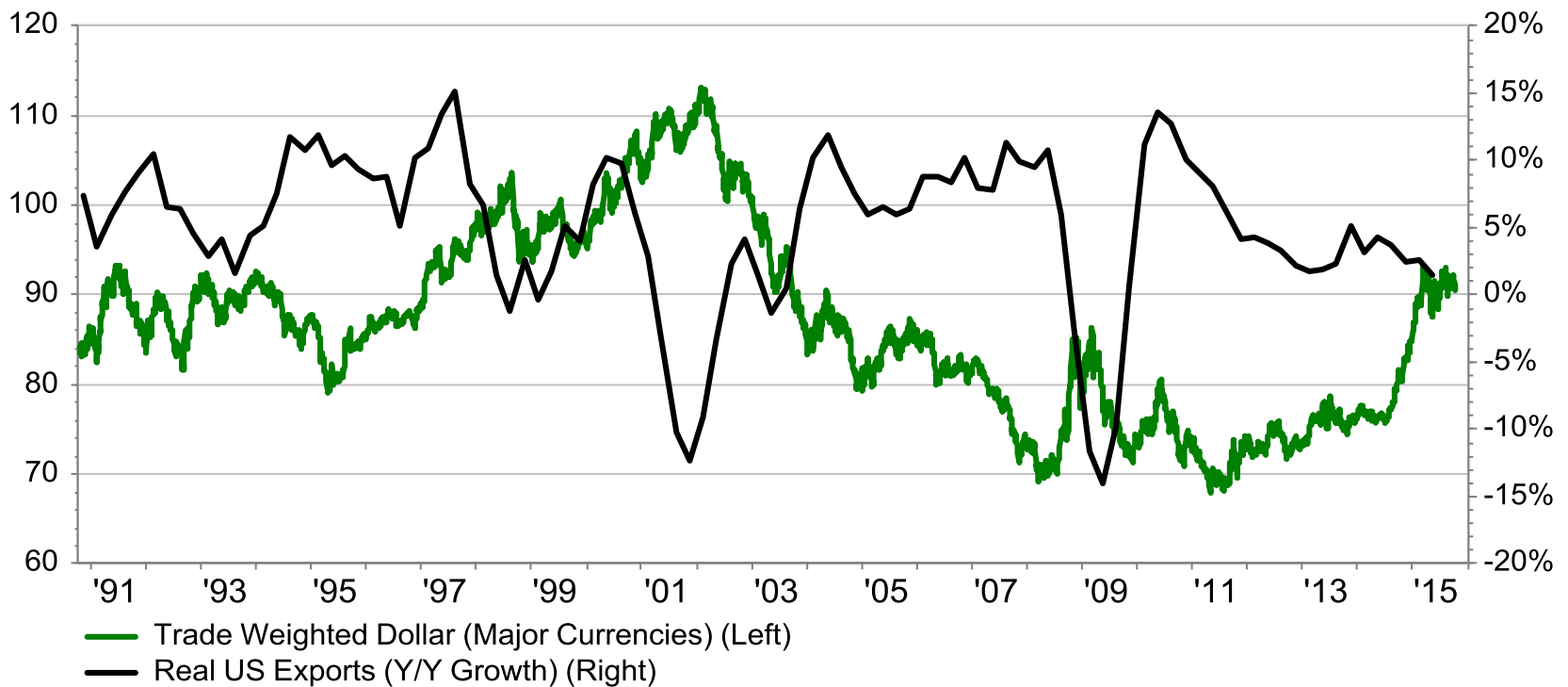
## Moody's Baa Corporate Bond Yield Jan 1990 - Oct 2015



# Strong U.S. Dollar is a Challenge for U.S. Multi-Nationals

## US Exports vs. the Dollar

Jan 1990 - Oct 2015



# Current Events

Oil

The Fed

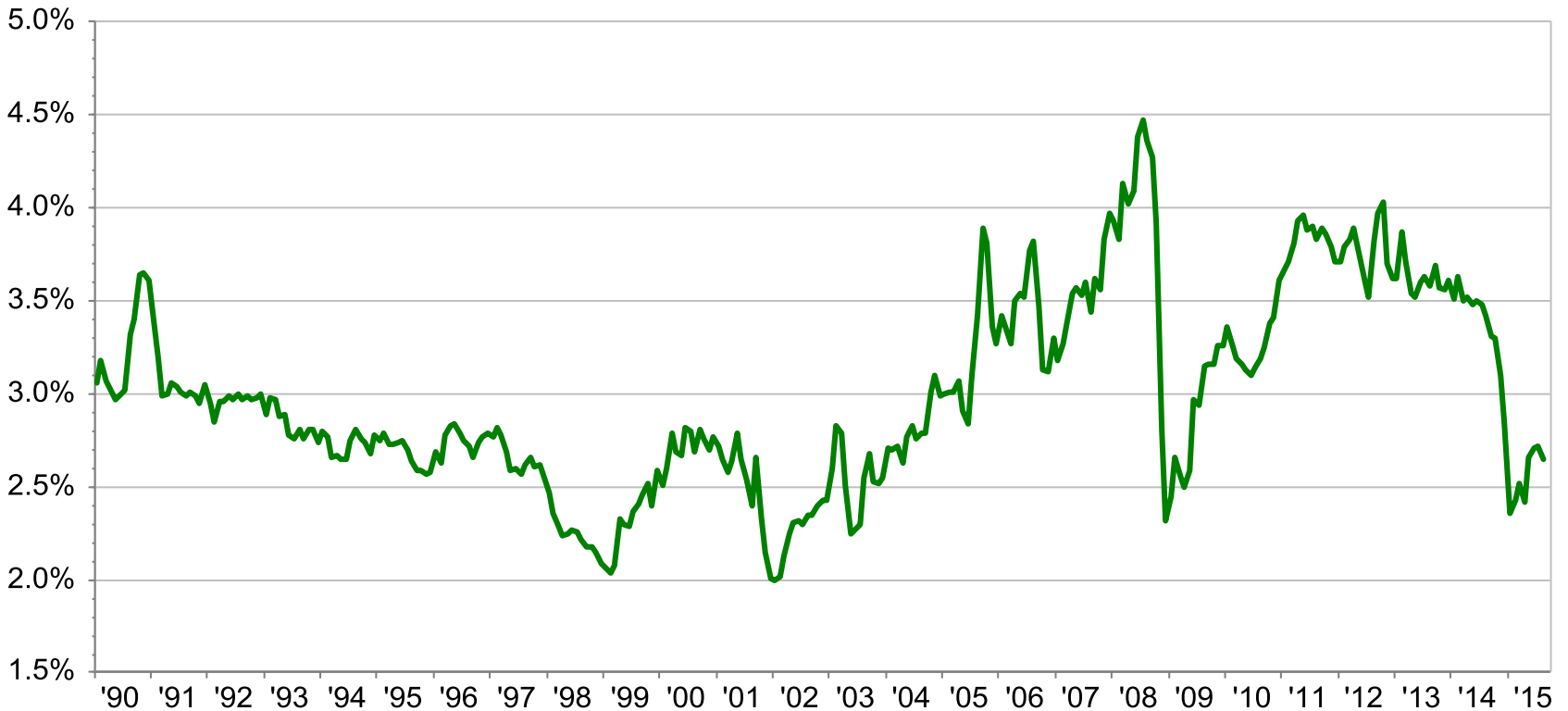
China



# Falling Oil Prices Benefit Most Americans

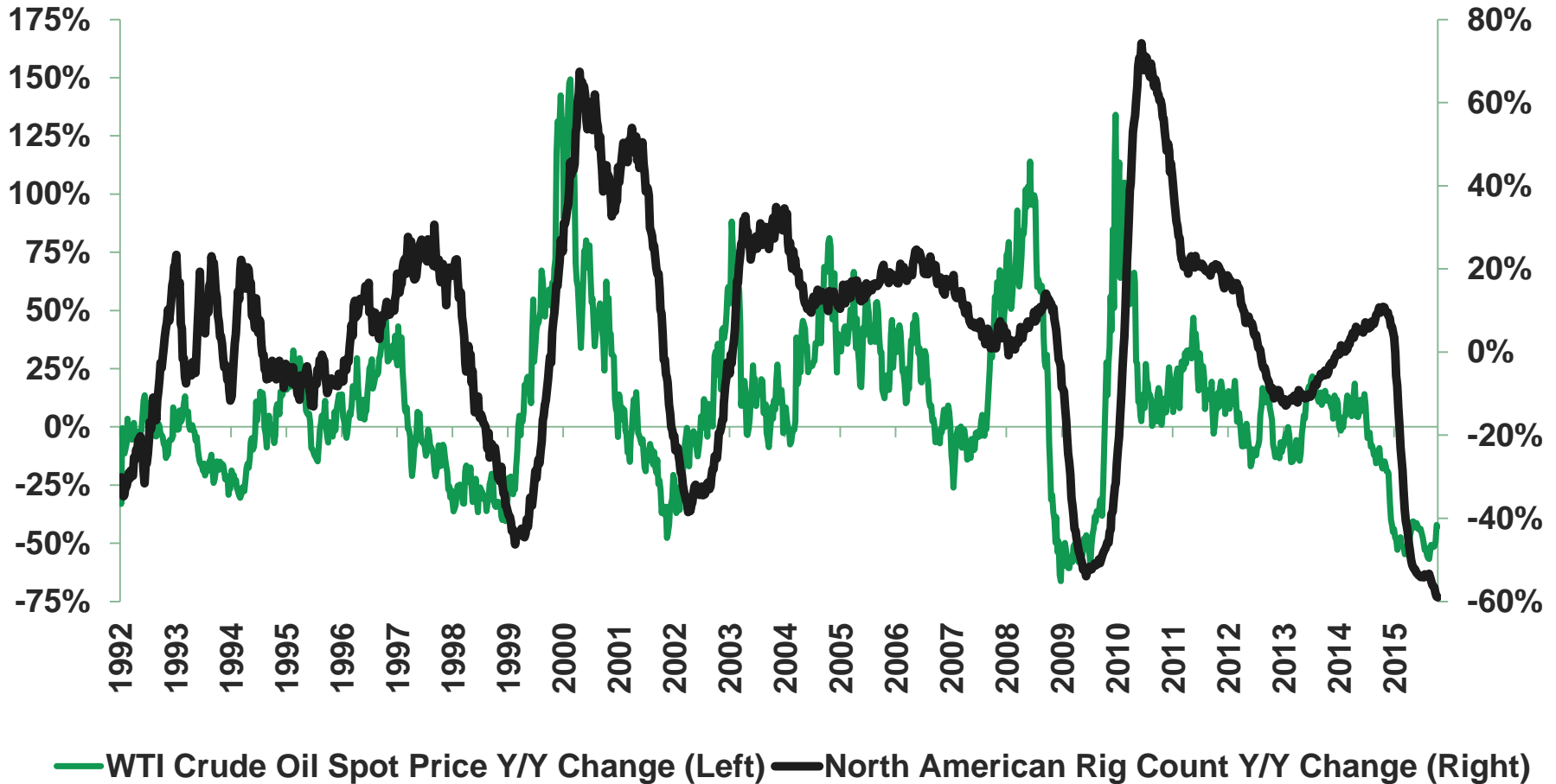
## Energy's Share of Total Personal Consumption Expenditure

Jan 1990 - Sep 2015



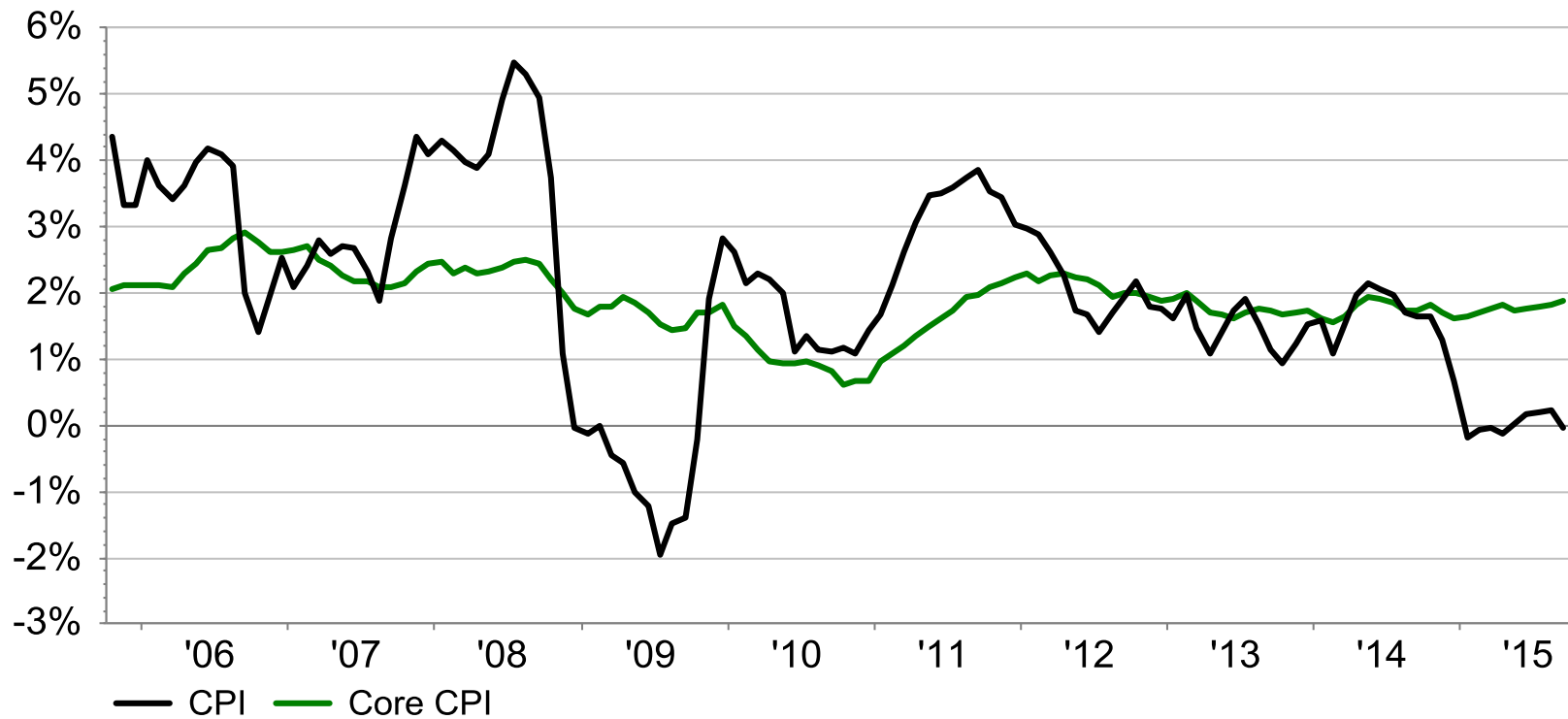
# Supply Response is Underway

## North American Rig Count vs. Crude Oil Jan 1992- Oct 2015



# Headline Inflation is Well Below the Fed's Target; Core Inflation Less so.

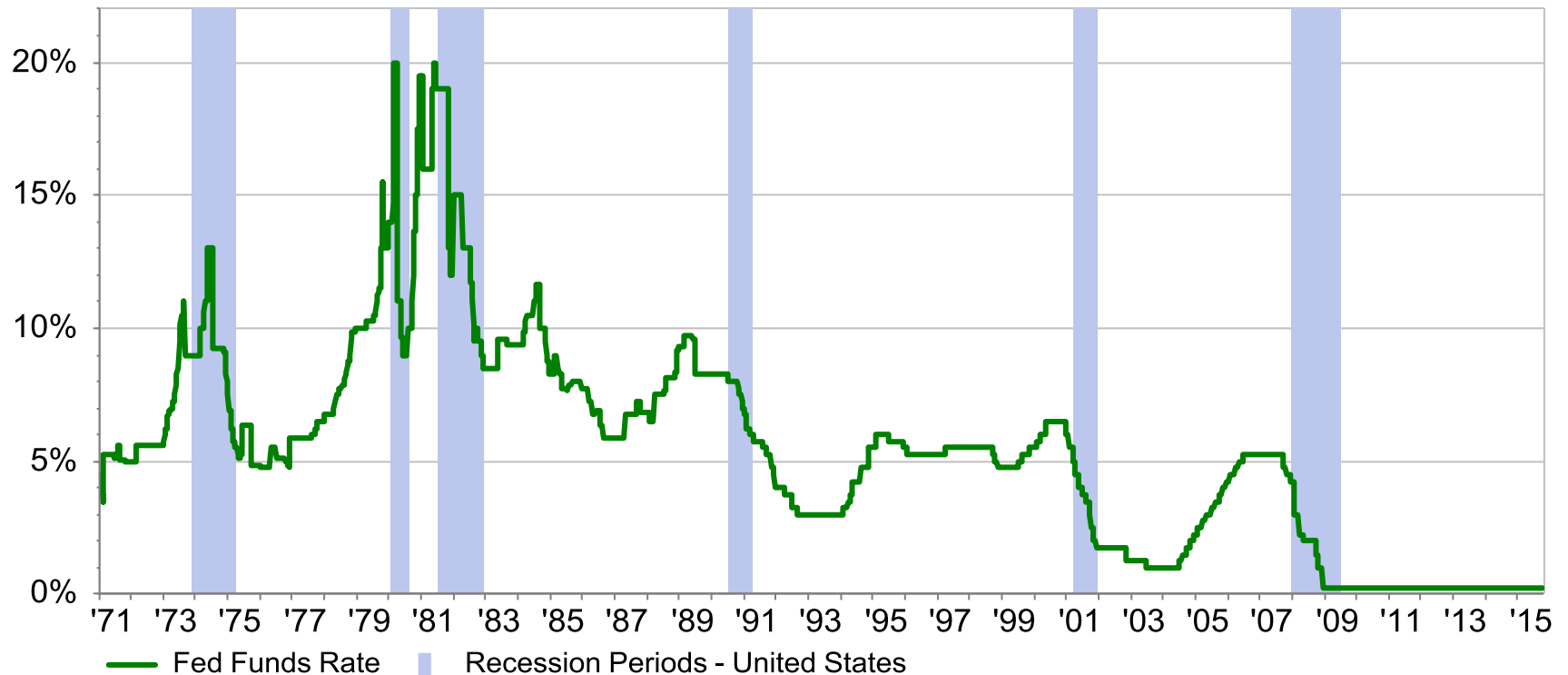
US CPI vs. Core CPI (Less Food & Energy): Year Over Year Change  
Oct 2005 - Sep 2015



# Don't Fear the First Rate Hike

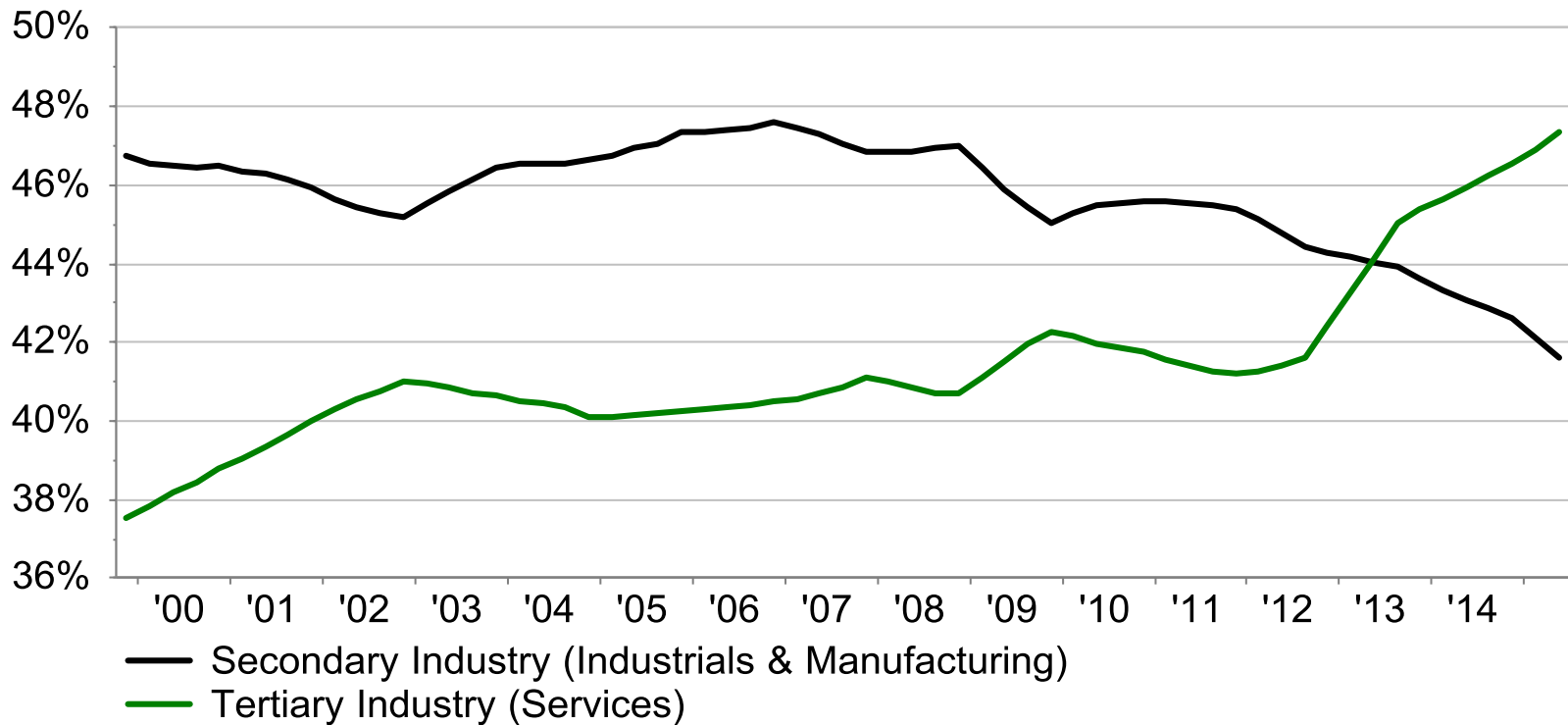
## Fed Funds Rate vs. US Recessions

Jan 1971 - Sep 2015



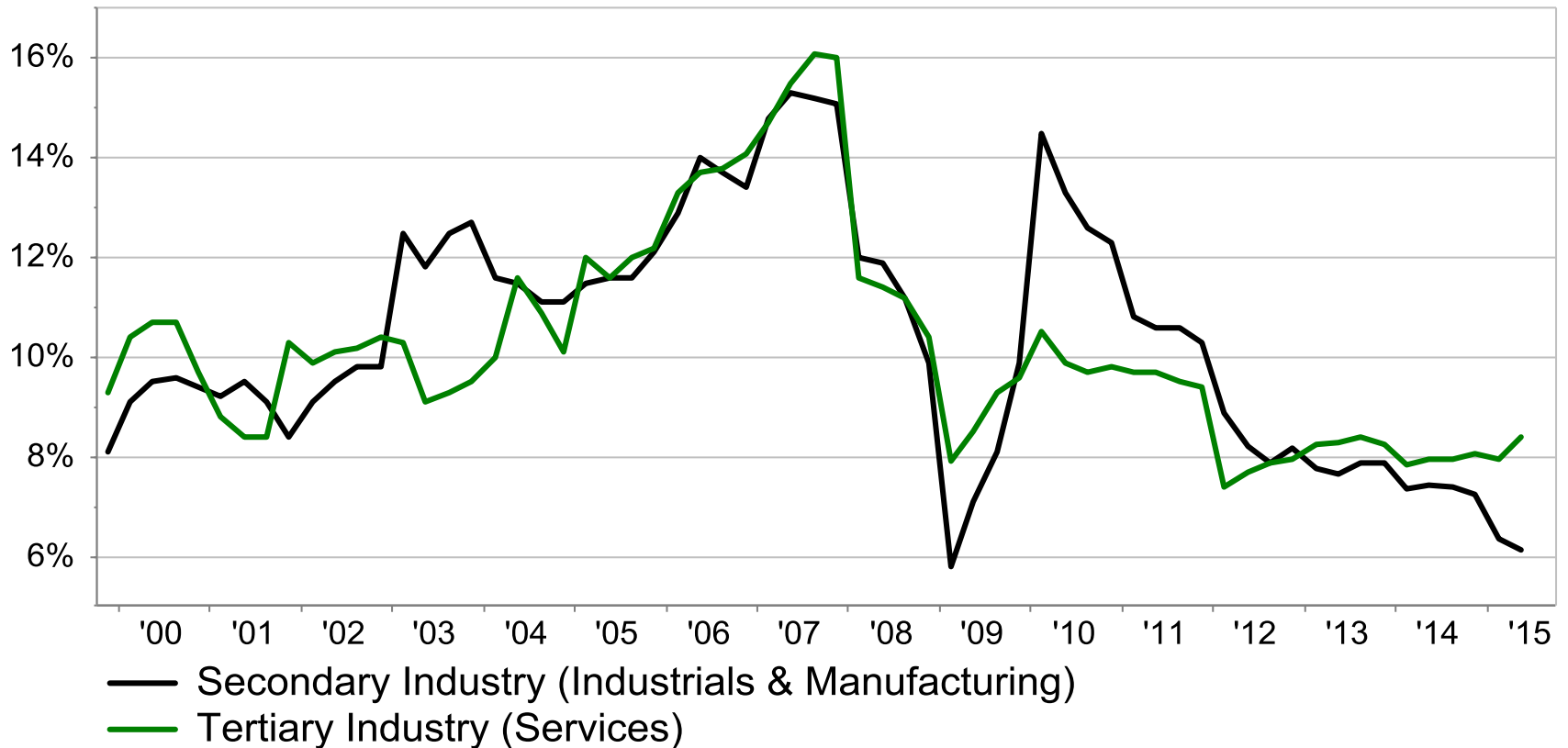
# China's Economy is in Transition

China Nominal GDP: Share by Sector (YTD basis, 4qtr ma)  
December 1999 - June 2015



# Services Growth Remains Steady in China

China Real GDP Growth by Sector (YTD YoY basis)  
Dec 1999 - Jun 2015



Data Source: FactSet.  
Analysis: Manning & Napier.

# Conclusion: Slow Growth Expansion Continues

- Lack of unsustainable extremes in the economy today
- Health of the consumer continues to improve
- Corporate sector losing tailwinds but remains healthy