

The Economic Outlook: New Opportunities and Risks in the Evolving Business Cycle

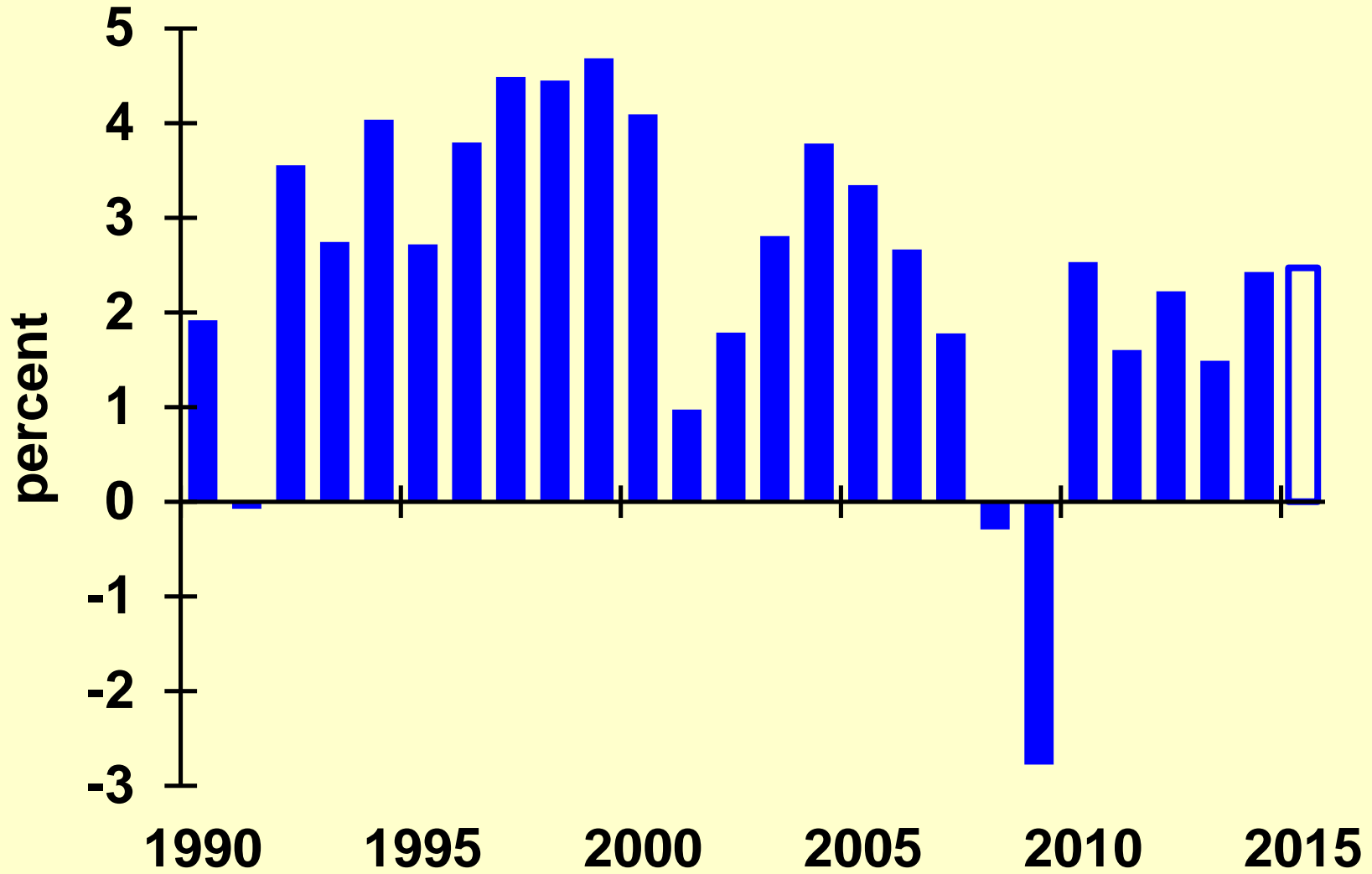
Dr. Bill Conerly

for

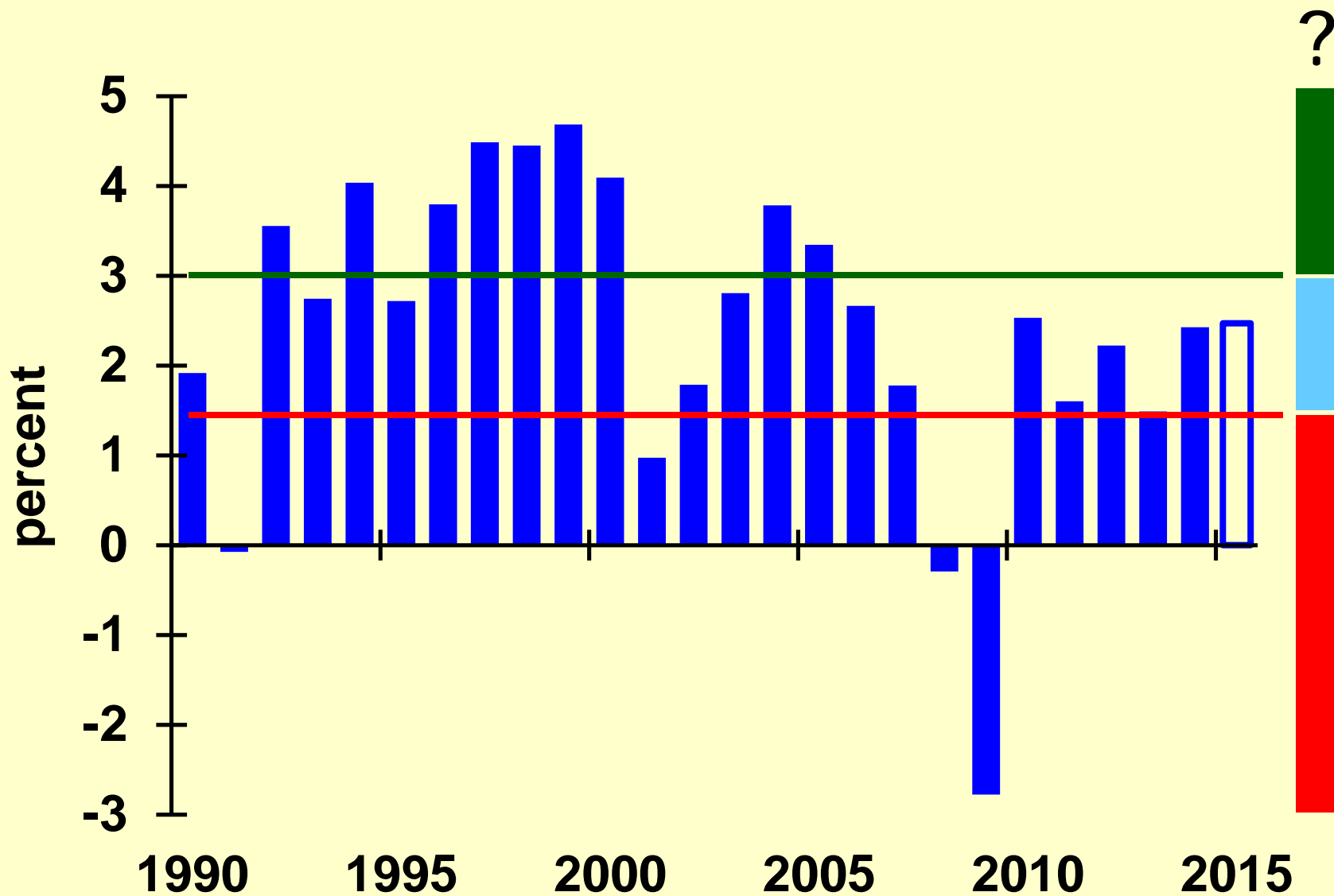
**Regional Economic Forecast &
Innovation Expo**

December 10, 2015

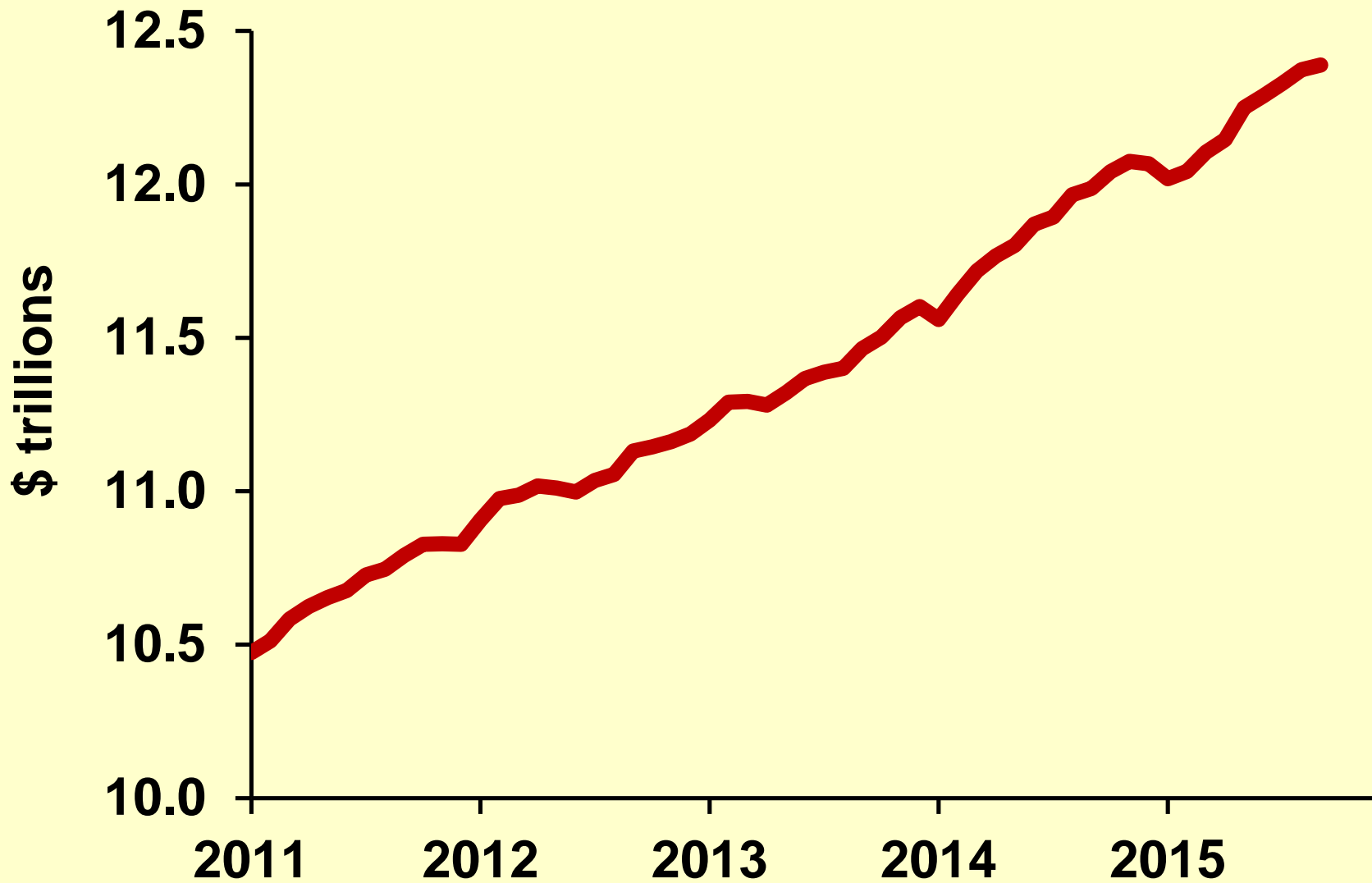
Real GDP Growth



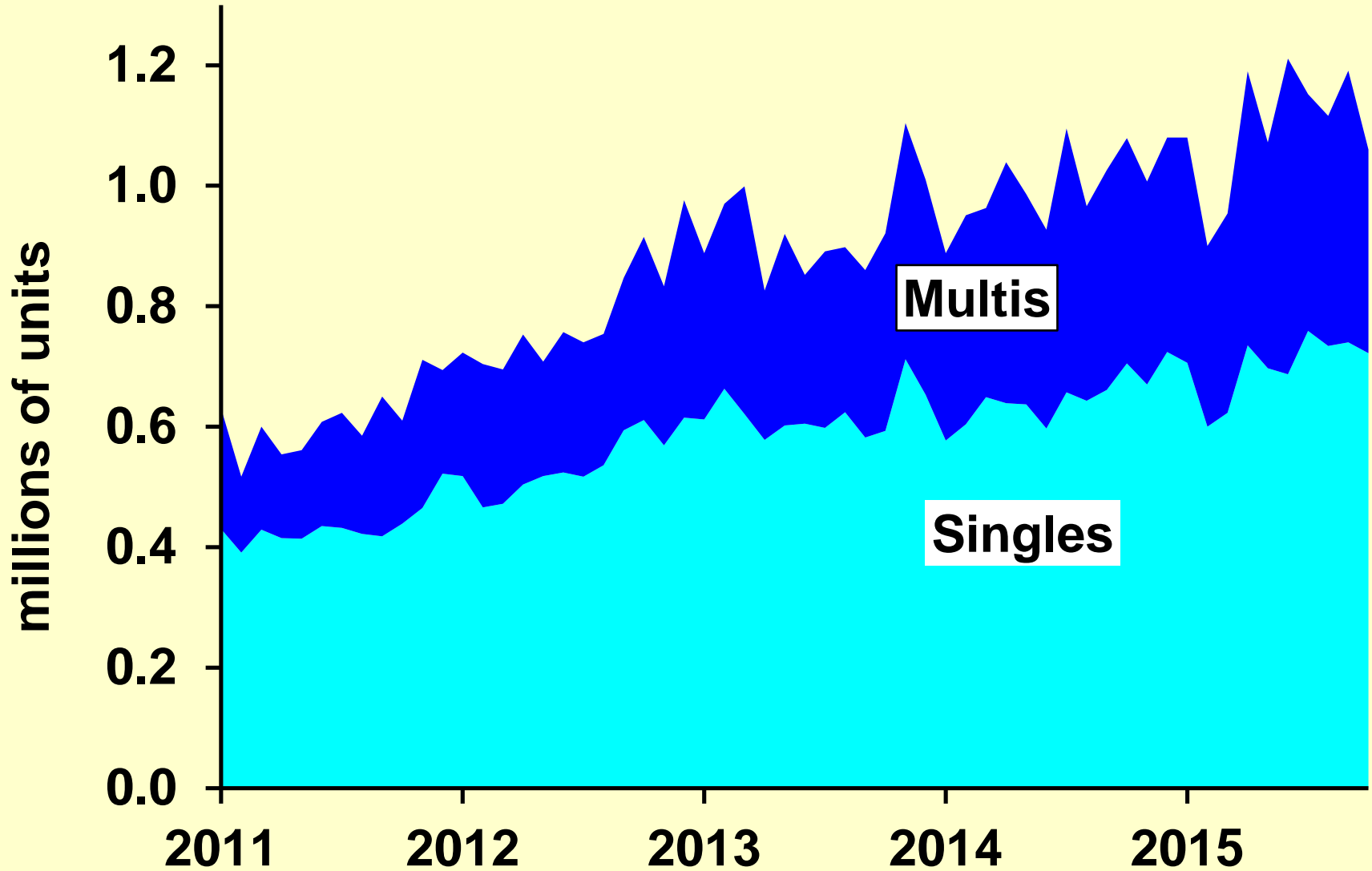
Real GDP Growth



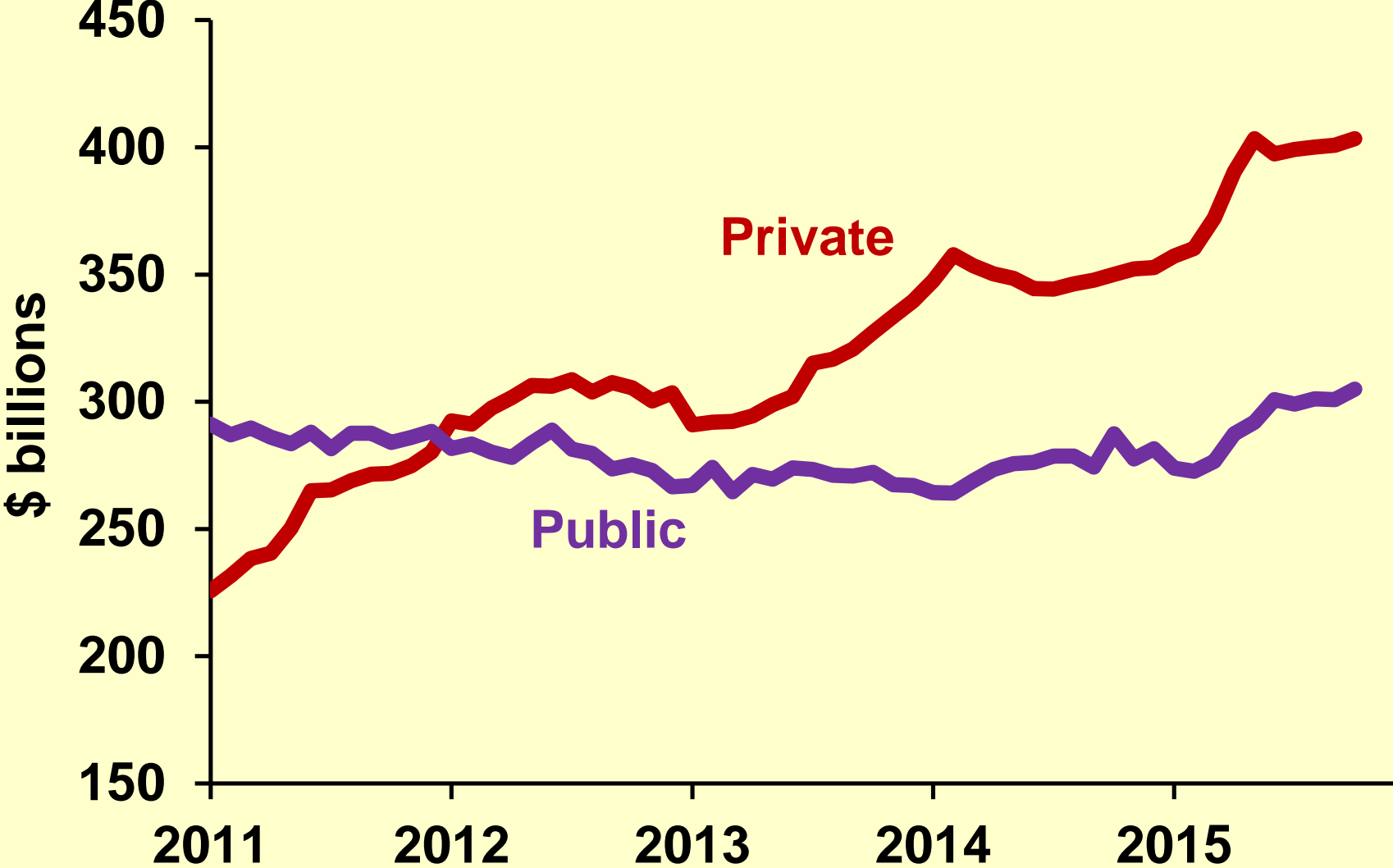
Consumer Spending



Housing Starts

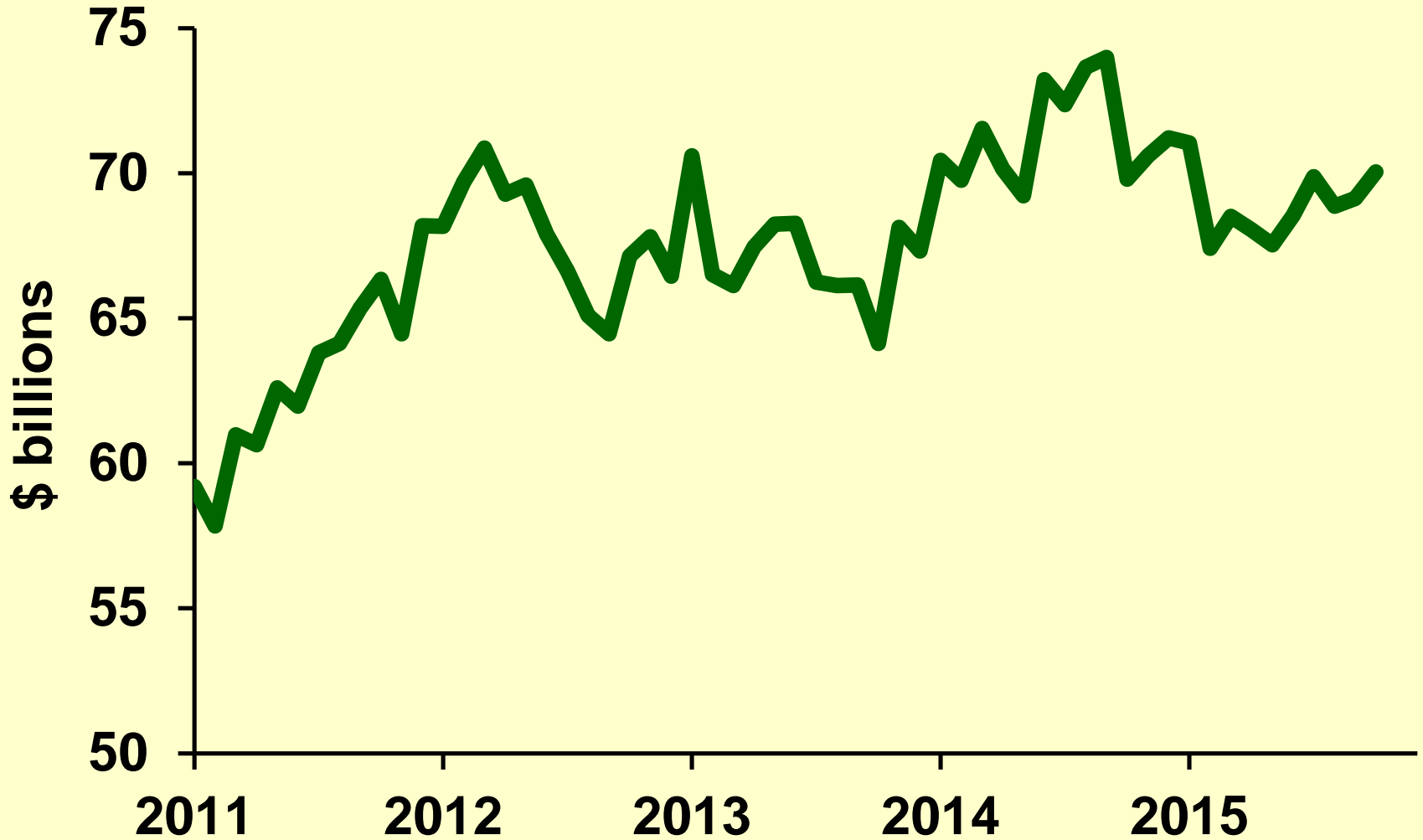


Non-residential Construction

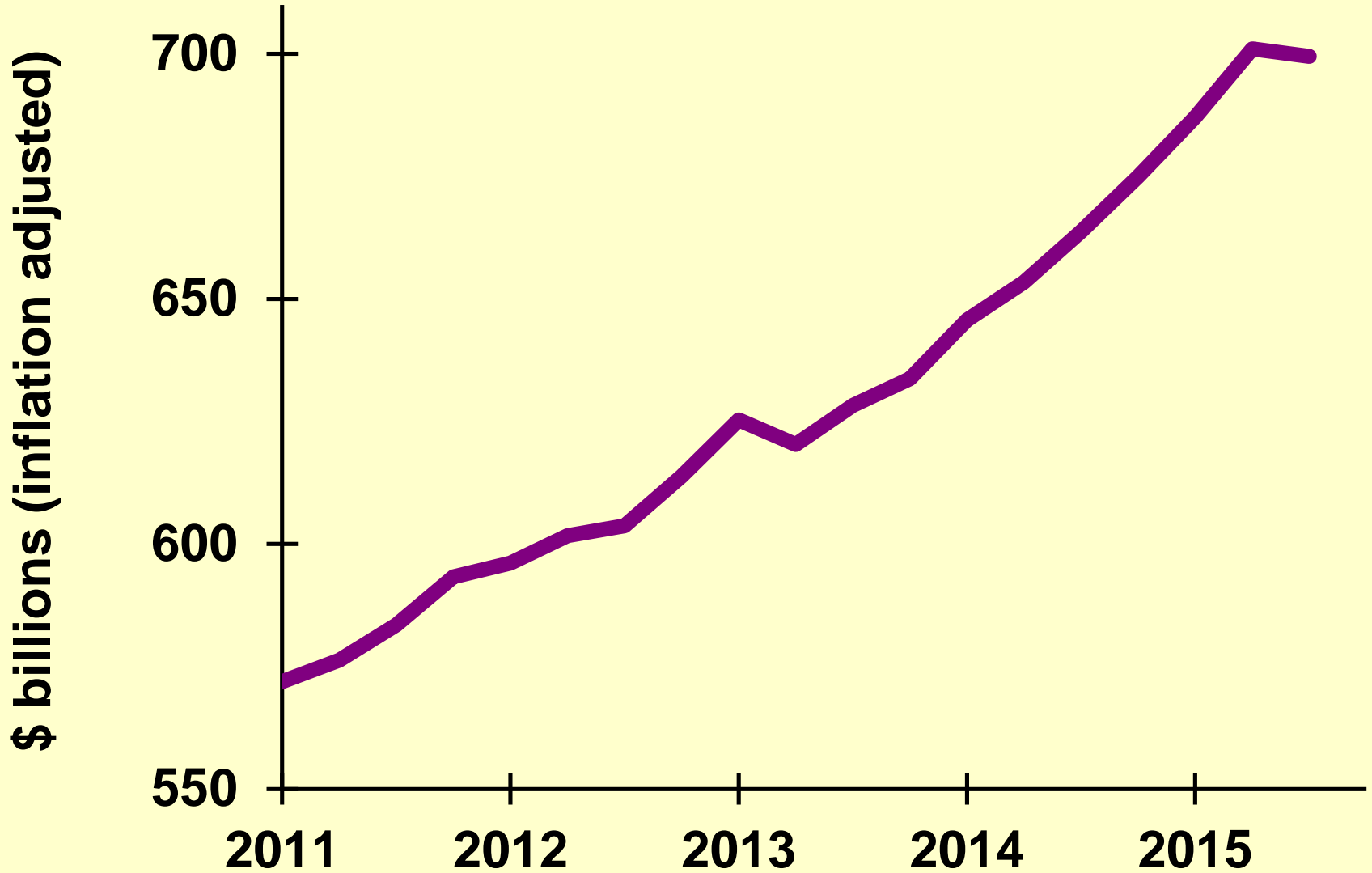


Capital Goods Orders

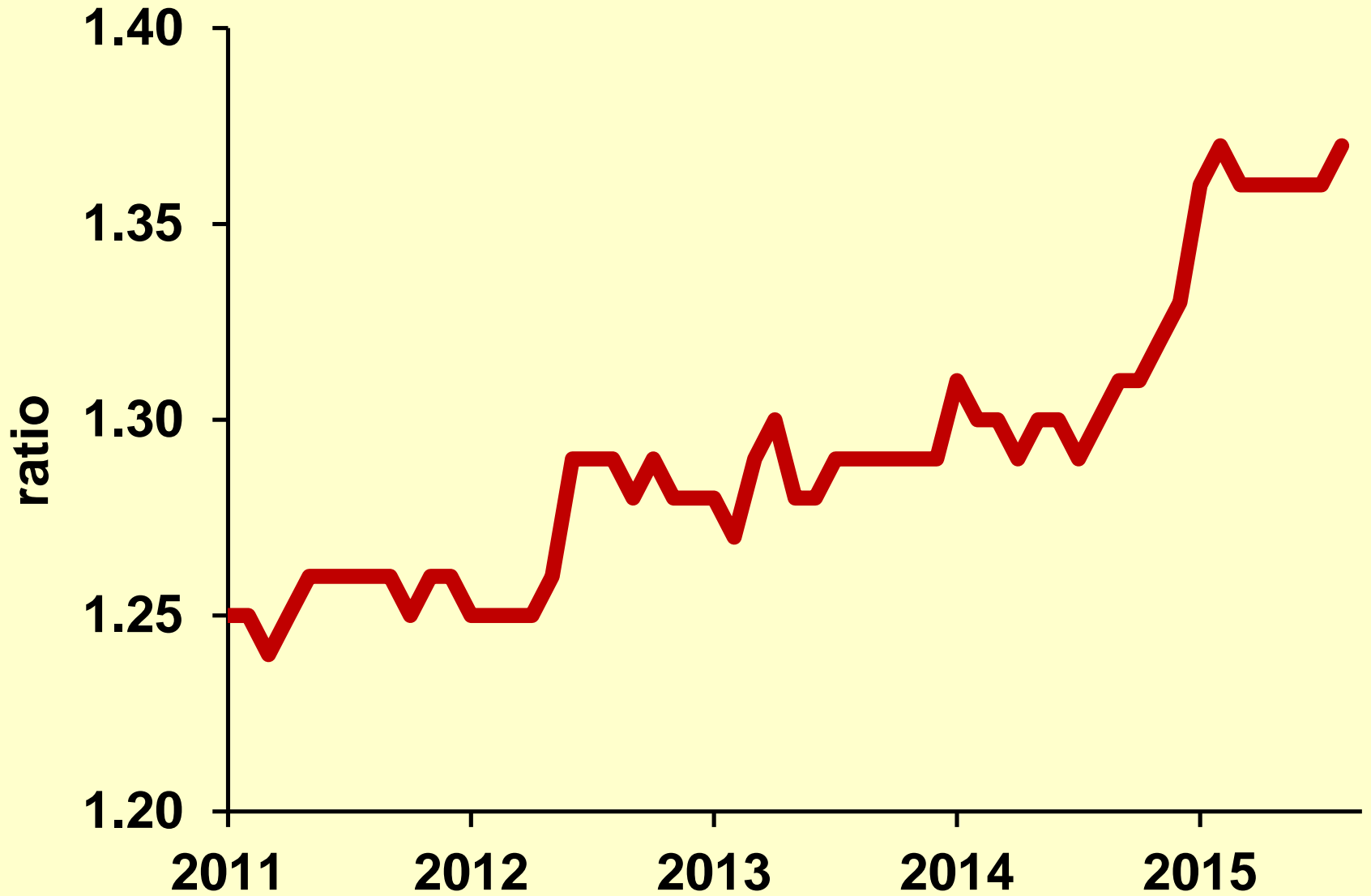
non-defense excluding aircraft



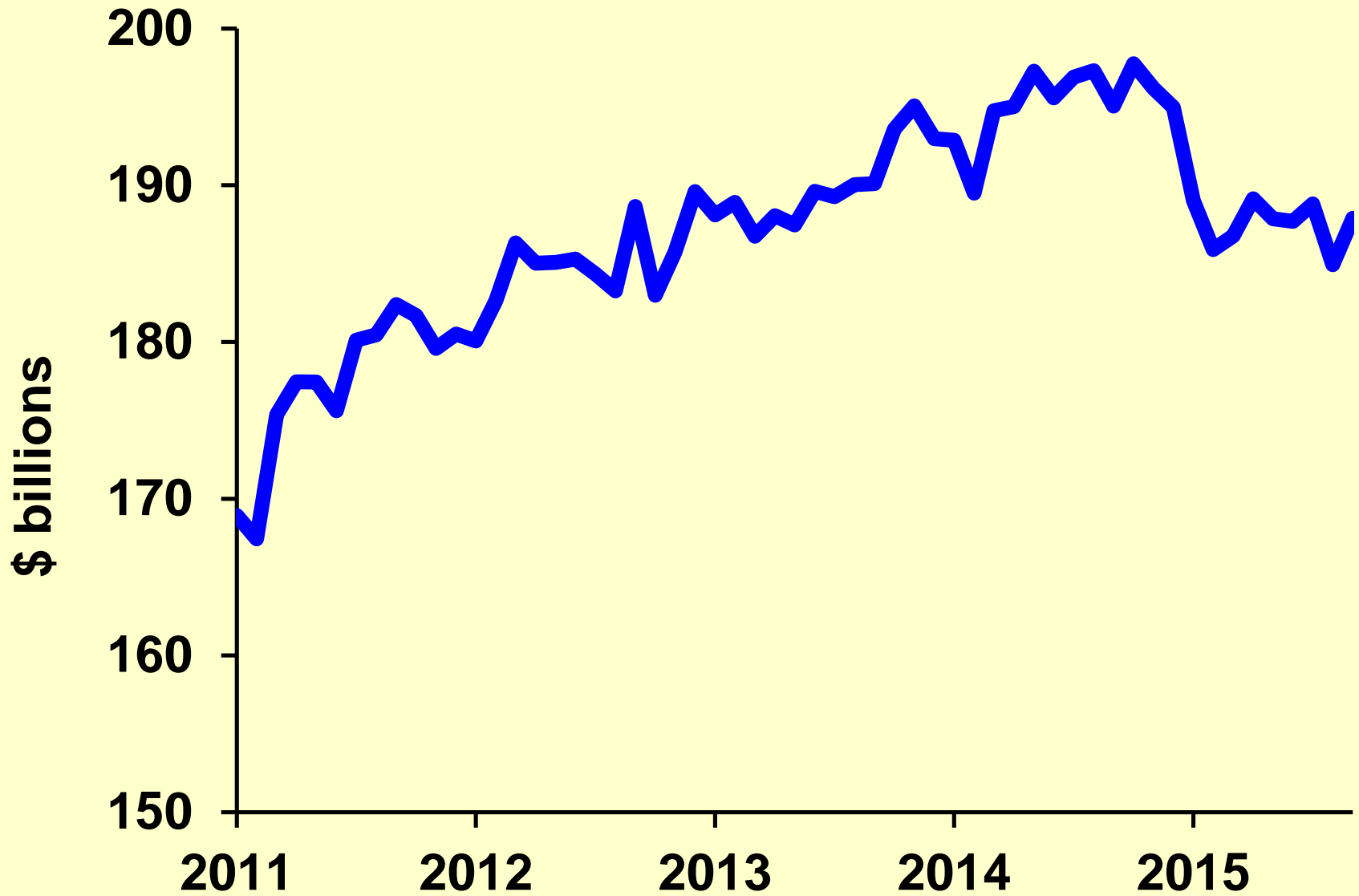
Intellectual Property Creation



Inventory / Sales Ratio

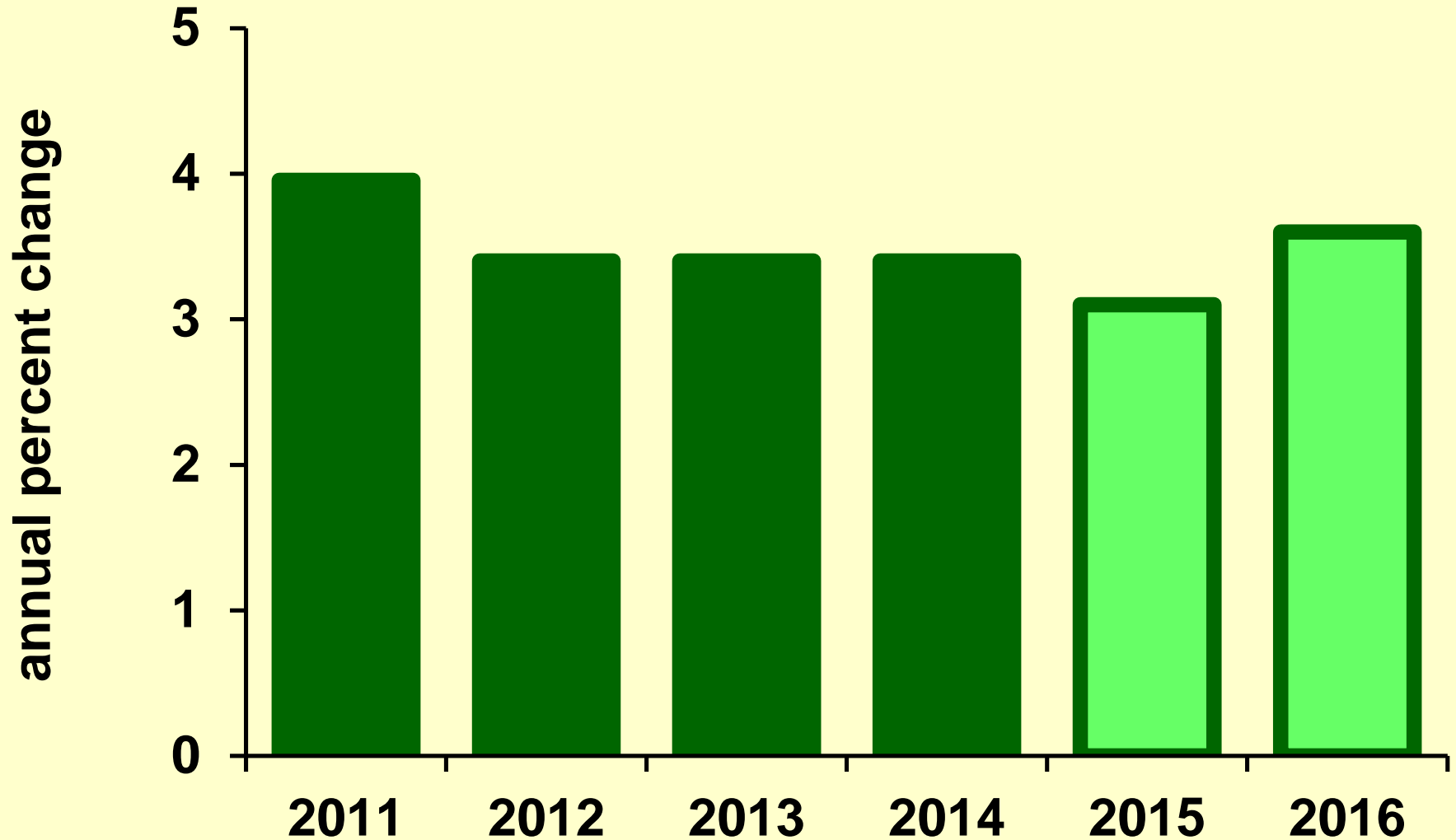


U.S. Exports

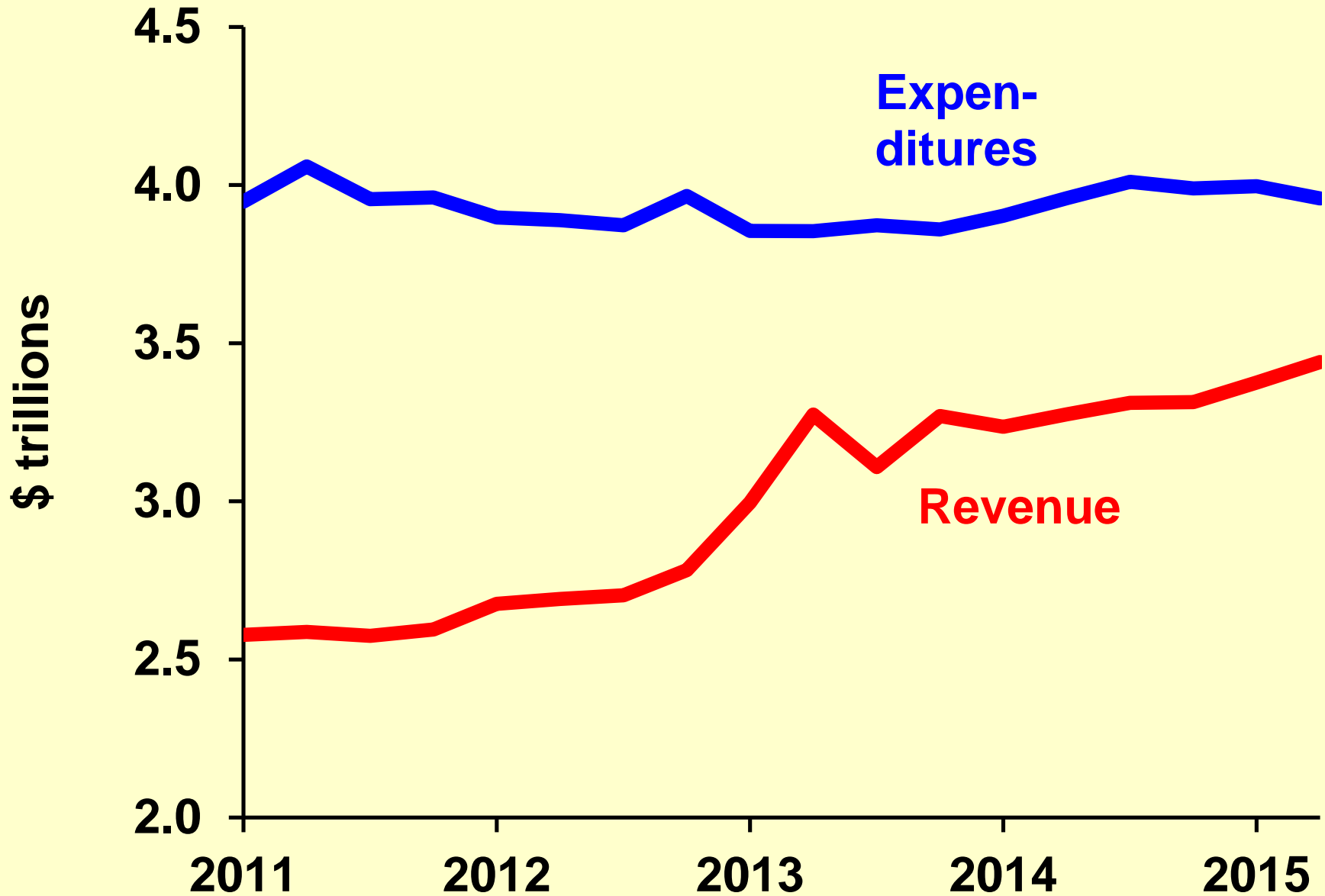


World Economic Growth

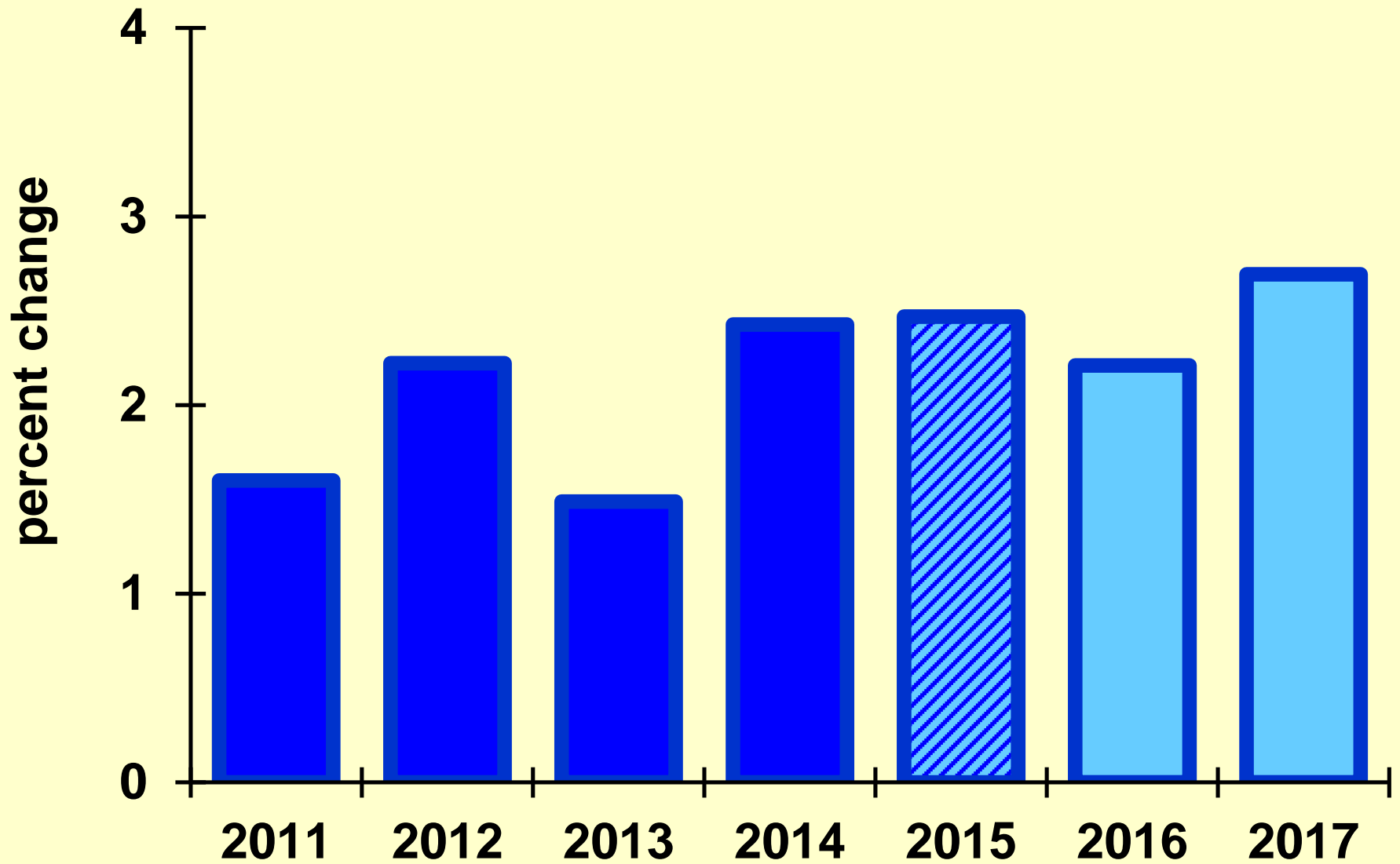
IMF Forecast



Federal Gov't Spending

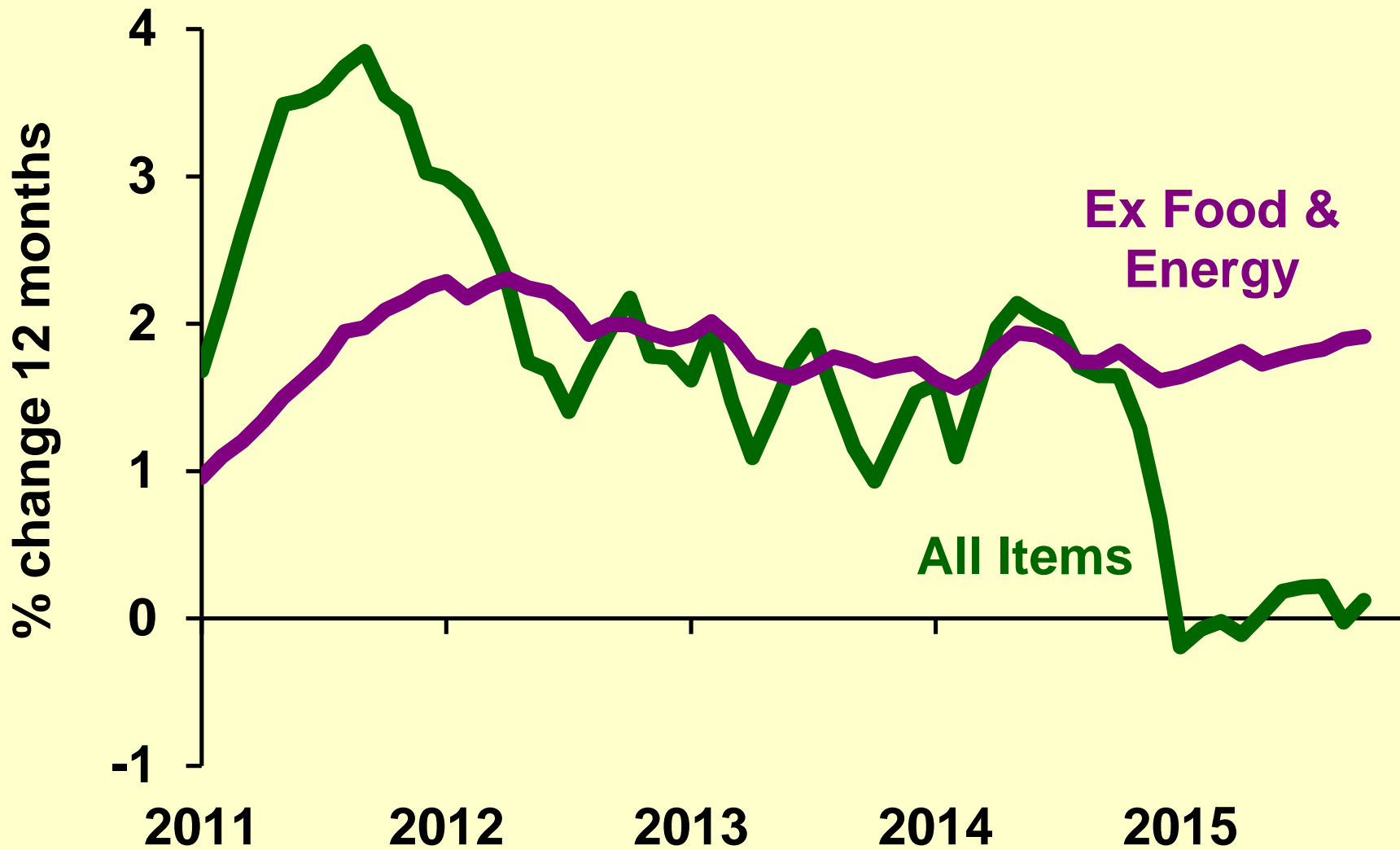


U.S. Real GDP Growth

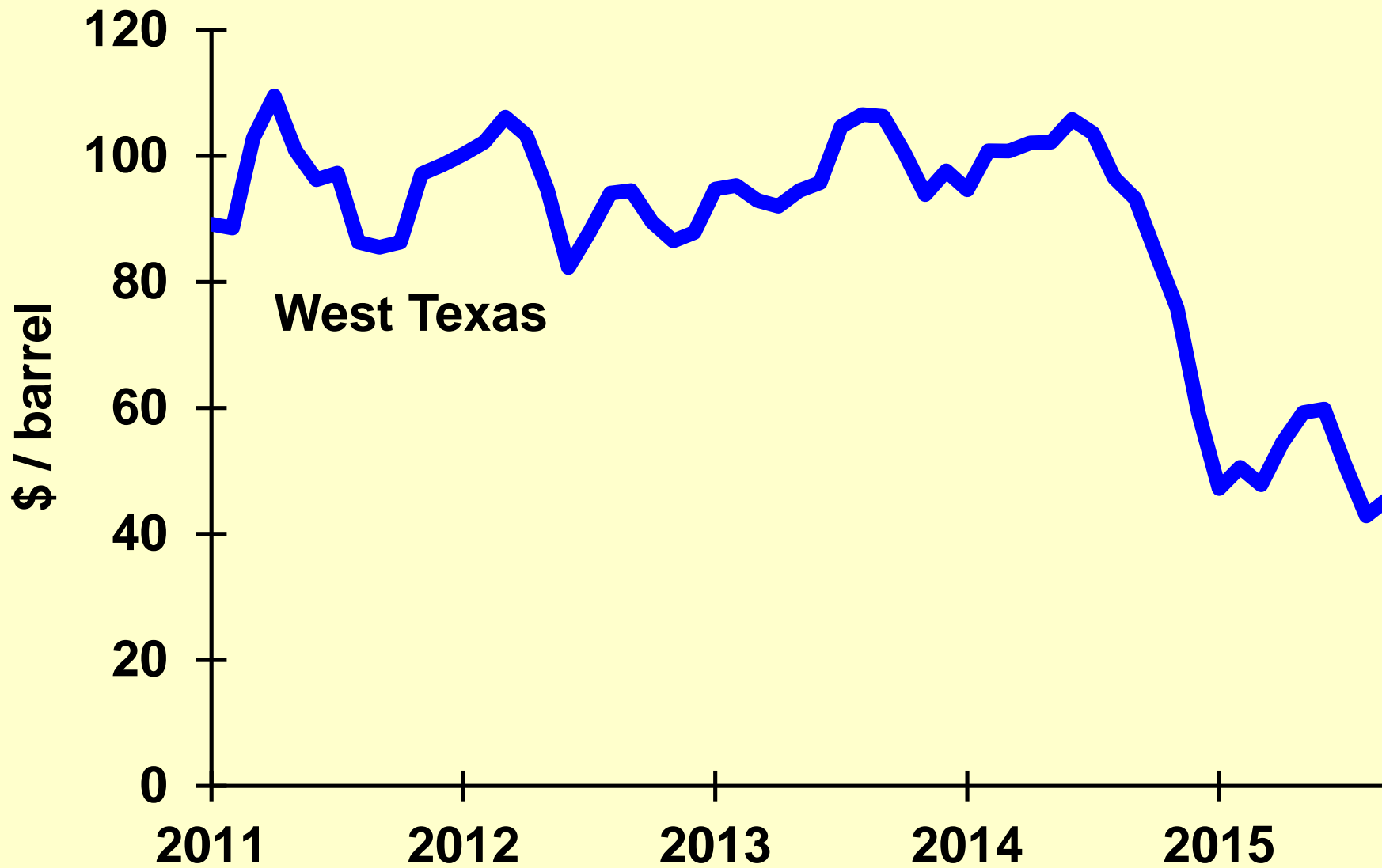


Inflation

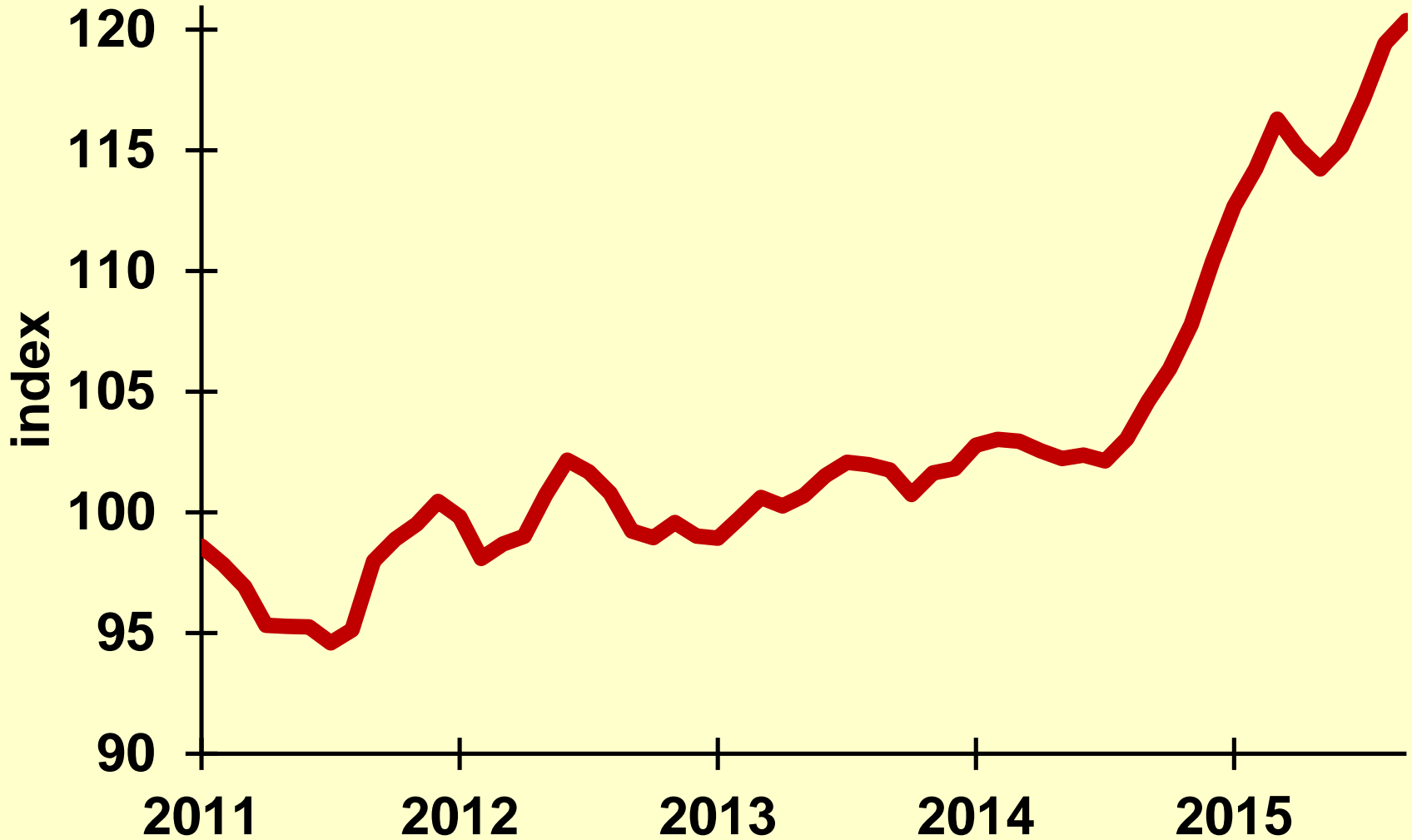
Consumer Price Index



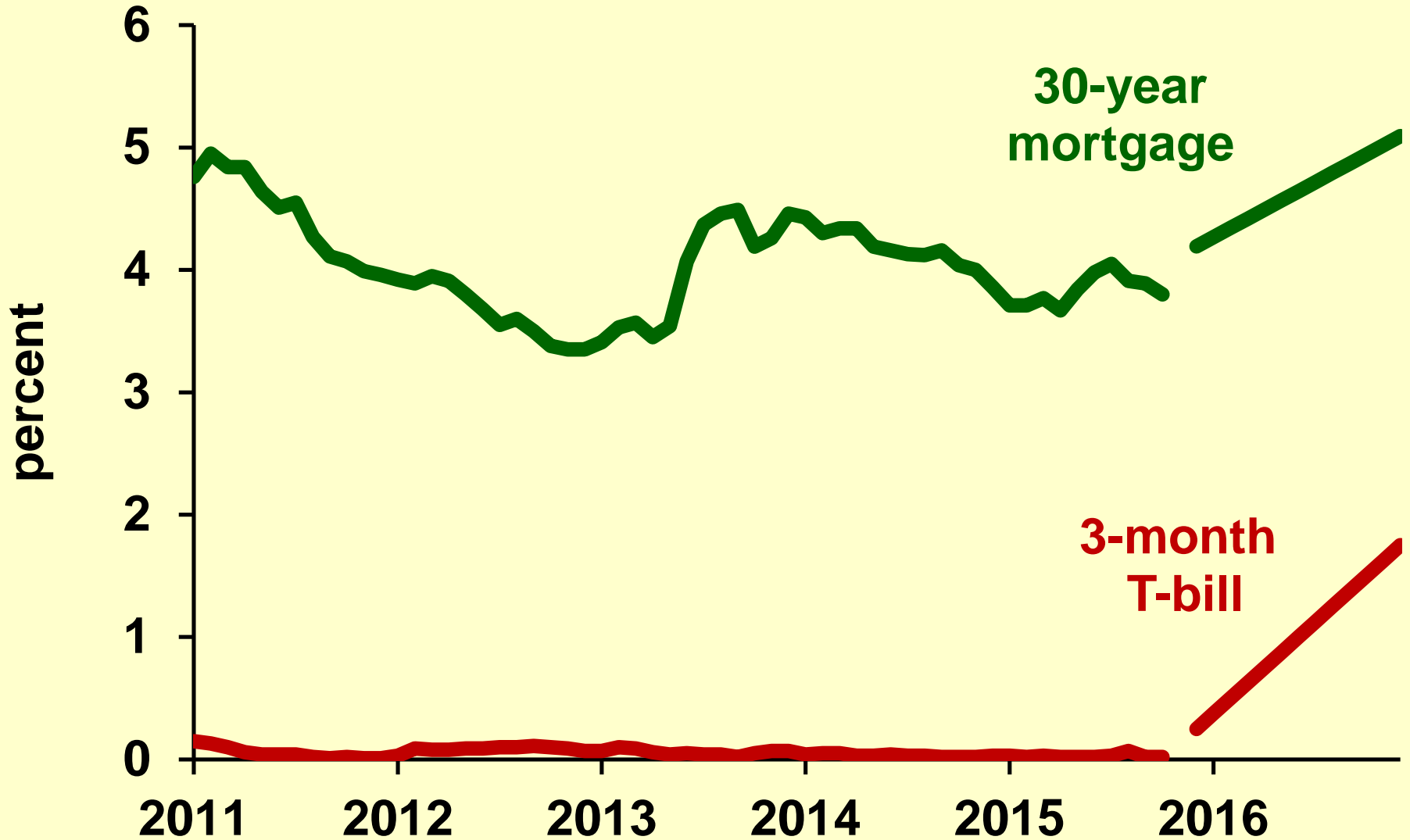
Oil Prices



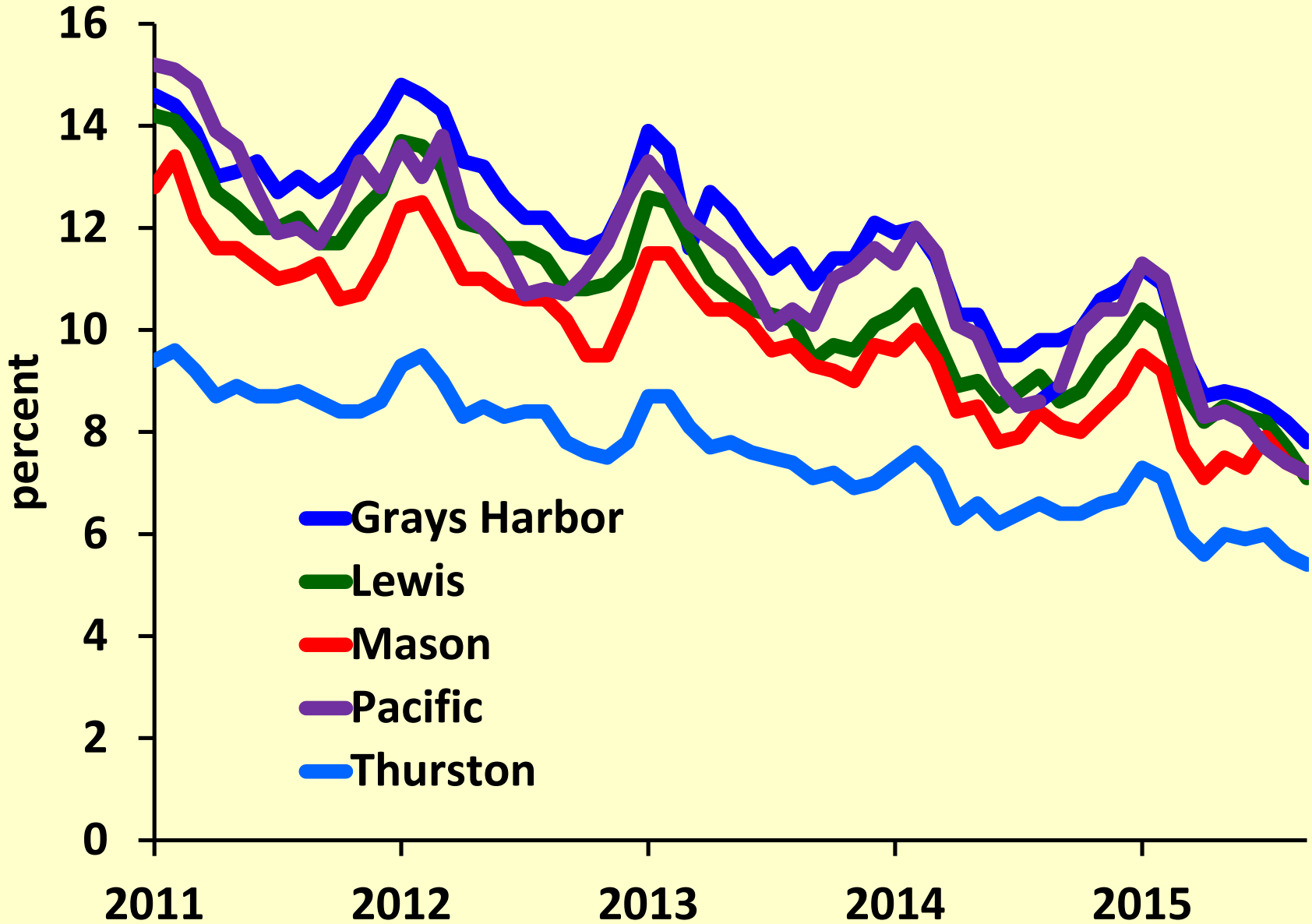
Foreign Exchange Value of \$ trade-weighted index



Interest Rate Forecast

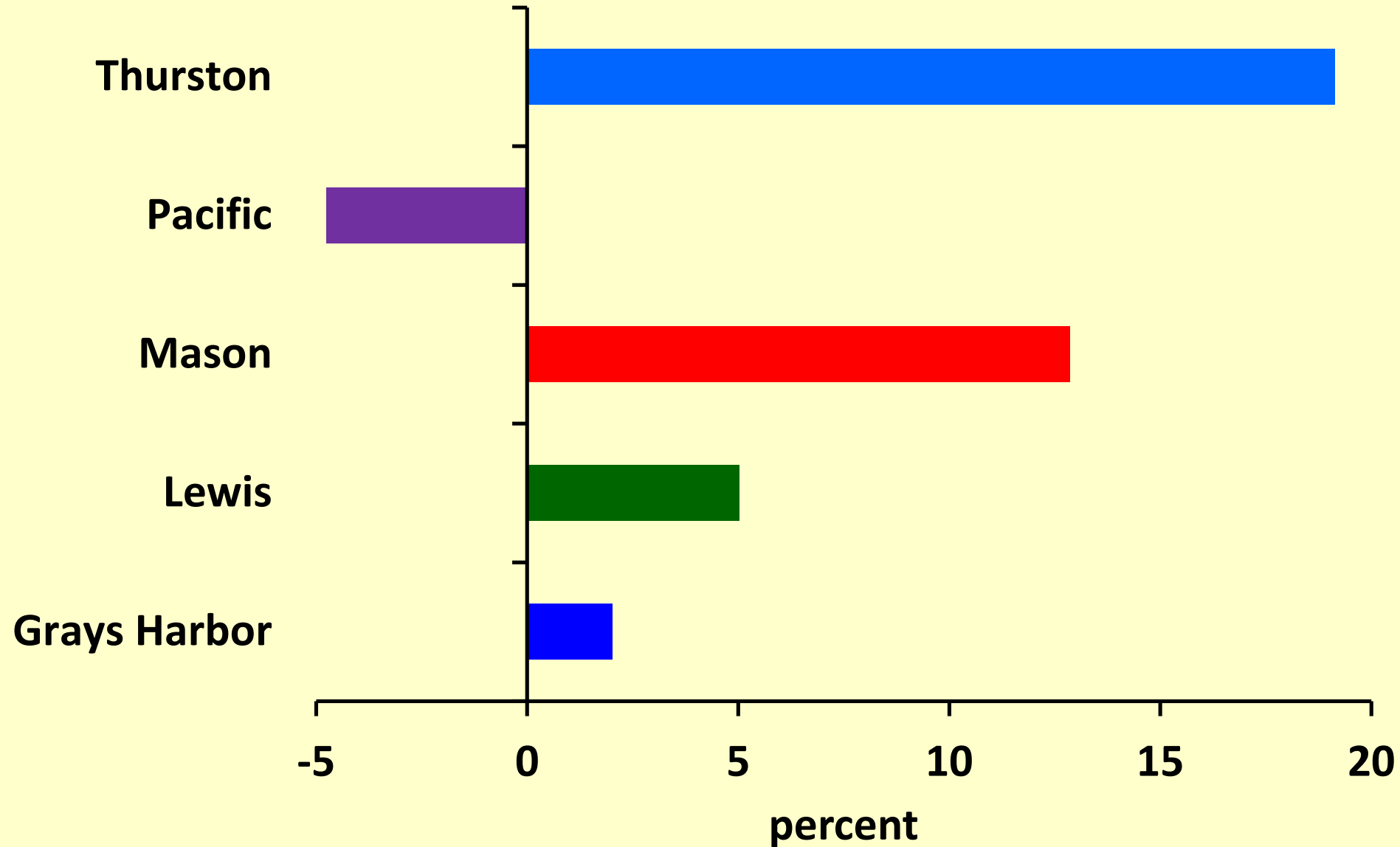


Unemployment

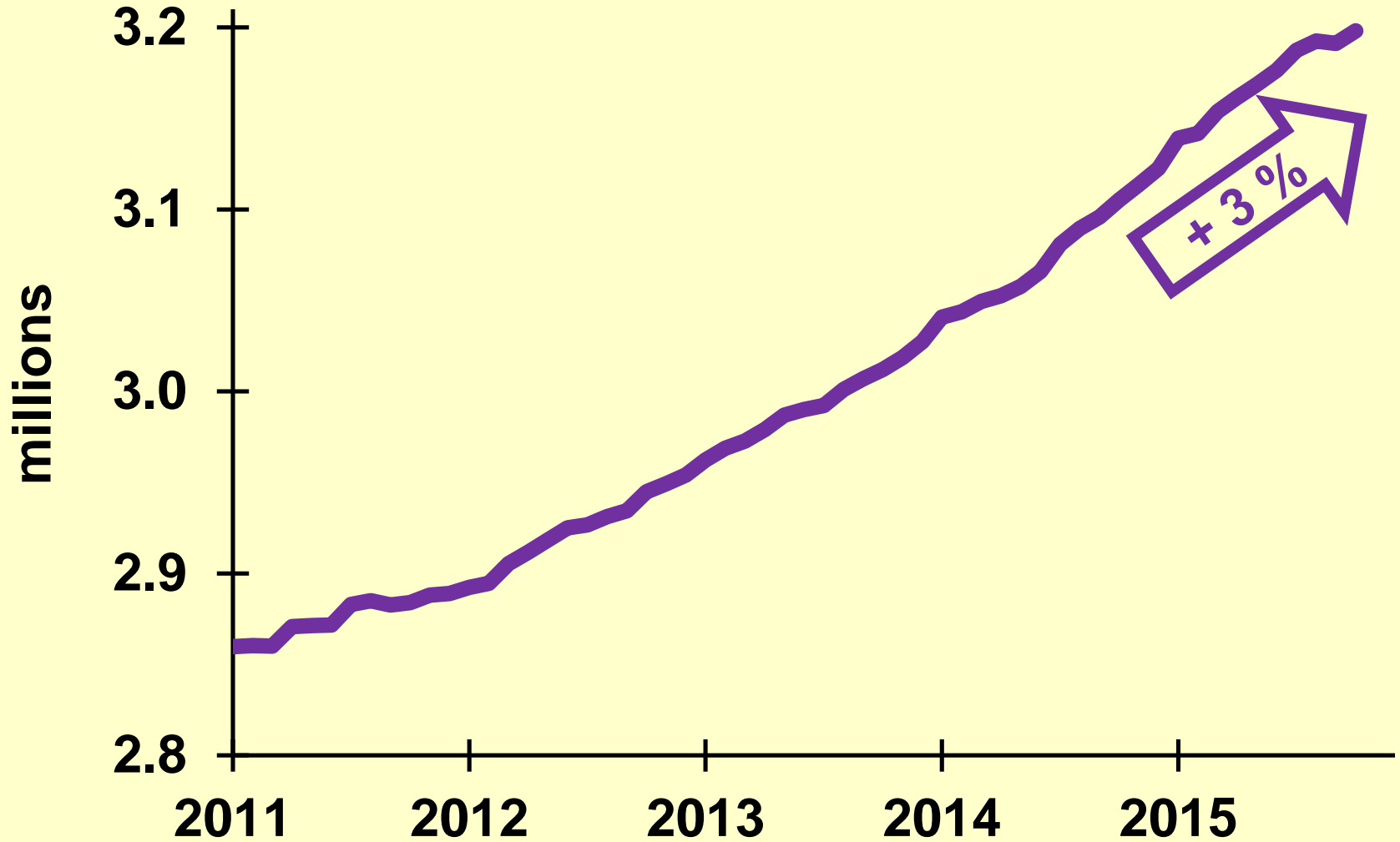


Population Growth

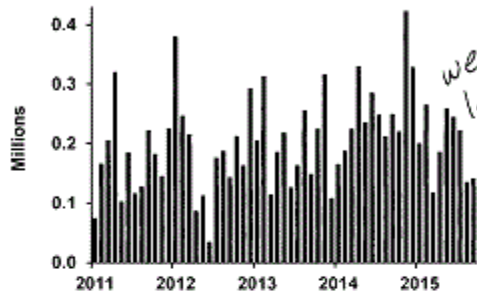
2005-2015



Washington Employment



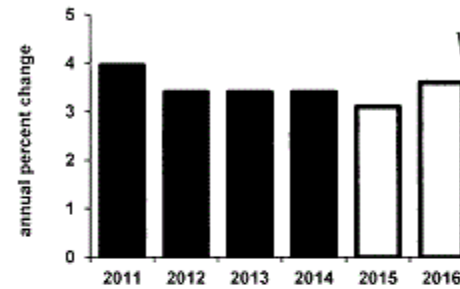
Net New Jobs



weak growth last 2 months

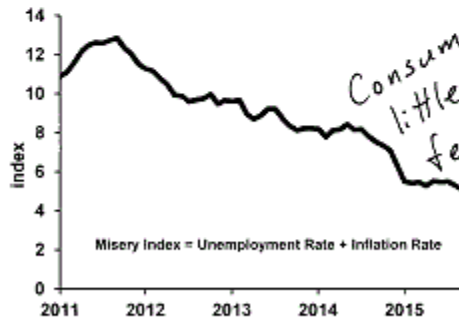
World Economic Growth

IMF Forecast



Uninspiring outlook.

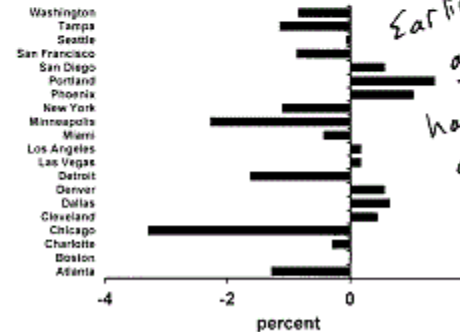
Misery Index



Consumers have little reason to feel glum.

Home Price Change

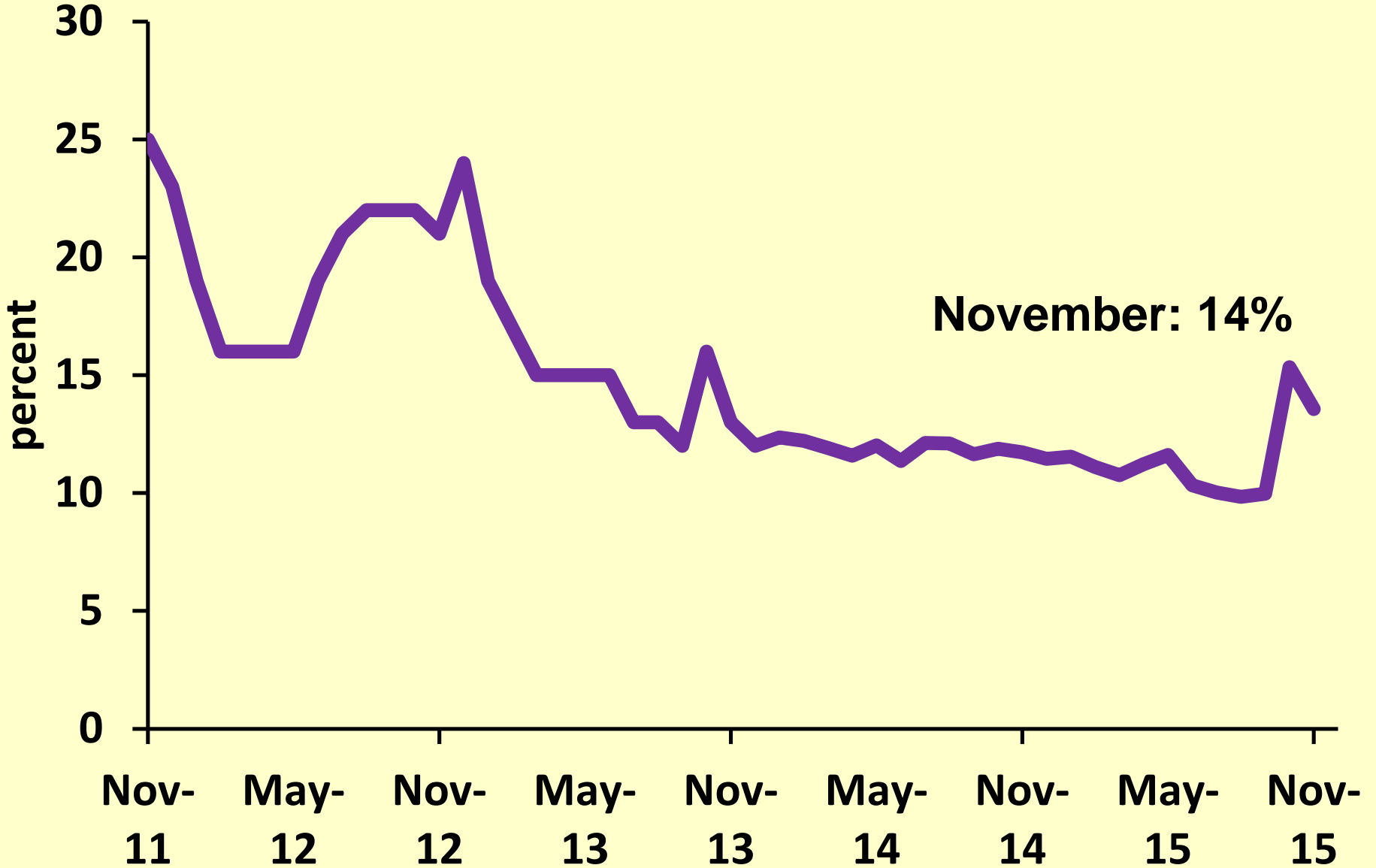
last 3 months

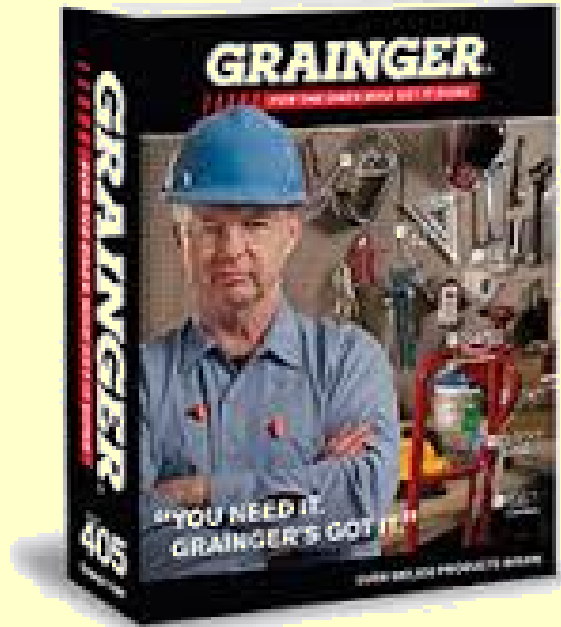


Earlier this year, all metros had positive gains.

Risk of Recession

The Wall Street Journal survey











The Flexible Stance

Operating Plans

What would I do if the recession hits?

What would I do in a strong recovery?

Areas of Concern

Sales/marketing

Inventories

Capital spending

Staff

Working capital

Lines of business



To-Do List

- **Plans based on middling economic growth**
- **Watch inventories**
- **Employee retention/recruitment strategy**
- **Contingency plans:**
 - **Recession**
 - **Upside**

Questions?

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