### Expansion Getting Tired?
(Source: National Bureau Economic Research)

<table>
<thead>
<tr>
<th>Peak</th>
<th>Trough</th>
<th>Contraction</th>
<th>Expansion</th>
</tr>
</thead>
<tbody>
<tr>
<td>February 1945 (I)</td>
<td>October 1945 (IV)</td>
<td>8</td>
<td>80</td>
</tr>
<tr>
<td>November 1948 (IV)</td>
<td>October 1949 (IV)</td>
<td>11</td>
<td>37</td>
</tr>
<tr>
<td>July 1953 (II)</td>
<td>May 1954 (II)</td>
<td>10</td>
<td>45</td>
</tr>
<tr>
<td>August 1957 (III)</td>
<td>April 1958 (II)</td>
<td>8</td>
<td>39</td>
</tr>
<tr>
<td>April 1960 (II)</td>
<td>February 1961 (I)</td>
<td>10</td>
<td>24</td>
</tr>
<tr>
<td>December 1969 (IV)</td>
<td>November 1970 (IV)</td>
<td>11</td>
<td>106</td>
</tr>
<tr>
<td>November 1973 (IV)</td>
<td>March 1975 (II)</td>
<td>16</td>
<td>36</td>
</tr>
<tr>
<td>January 1980 (I)</td>
<td>July 1980 (III)</td>
<td>6</td>
<td>58</td>
</tr>
<tr>
<td>July 1981 (III)</td>
<td>November 1982 (IV)</td>
<td>16</td>
<td>12</td>
</tr>
<tr>
<td>July 1990 (III)</td>
<td>March 1991 (I)</td>
<td>8</td>
<td>92</td>
</tr>
<tr>
<td>March 2001 (I)</td>
<td>November 2001 (IV)</td>
<td>8</td>
<td>120</td>
</tr>
<tr>
<td>December 2007 (IV)</td>
<td>June 2009 (II)</td>
<td>18</td>
<td>73</td>
</tr>
</tbody>
</table>

???

**Average, all cycles:**

1945-2009 (11 cycles)  
11.1 58.4
GDP vs. Final Sales
(Source: Bureau of Economic Analysis)

Contributions To GDP Growth
(Source: Bureau of Economic Analysis)

<table>
<thead>
<tr>
<th>Year</th>
<th>GDP</th>
<th>Consumption</th>
<th>Gross Investment</th>
<th>Net Exports</th>
<th>Government</th>
</tr>
</thead>
<tbody>
<tr>
<td>2015: Q2</td>
<td>2.6%</td>
<td>1.94%</td>
<td>0.18%</td>
<td>-0.08%</td>
<td>0.57%</td>
</tr>
<tr>
<td>2015: Q3</td>
<td>2.0%</td>
<td>1.81%</td>
<td>0.35%</td>
<td>-0.52%</td>
<td>0.34%</td>
</tr>
<tr>
<td>2015: Q4</td>
<td>0.9%</td>
<td>1.53%</td>
<td>-0.39%</td>
<td>-0.45%</td>
<td>0.18%</td>
</tr>
<tr>
<td>2016: Q1</td>
<td>0.8%</td>
<td>1.11%</td>
<td>-0.56%</td>
<td>0.01%</td>
<td>0.28%</td>
</tr>
<tr>
<td>2016: Q2</td>
<td>1.4%</td>
<td>2.88%</td>
<td>-1.34%</td>
<td>0.18%</td>
<td>-0.30%</td>
</tr>
<tr>
<td>2016: Q3</td>
<td>3.5%</td>
<td>2.03%</td>
<td>0.50%</td>
<td>0.85%</td>
<td>0.14%</td>
</tr>
<tr>
<td>2016: Q4</td>
<td>2.1%</td>
<td>2.40%</td>
<td>1.47%</td>
<td>-1.82%</td>
<td>0.03%</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Year</th>
<th>Gross Investment =</th>
<th>Nonresidential</th>
<th>Residential</th>
<th>Inventory</th>
</tr>
</thead>
<tbody>
<tr>
<td>2015: Q2</td>
<td>0.18%</td>
<td>0.21%</td>
<td>0.49%</td>
<td>-0.52%</td>
</tr>
<tr>
<td>2015: Q3</td>
<td>0.35%</td>
<td>0.49%</td>
<td>0.43%</td>
<td>-0.57%</td>
</tr>
<tr>
<td>2015: Q4</td>
<td>-0.39%</td>
<td>-0.43%</td>
<td>0.40%</td>
<td>-0.36%</td>
</tr>
<tr>
<td>2016: Q1</td>
<td>-0.56%</td>
<td>-0.44%</td>
<td>0.29%</td>
<td>-0.41%</td>
</tr>
<tr>
<td>2016: Q2</td>
<td>-1.34%</td>
<td>0.12%</td>
<td>-0.31%</td>
<td>-1.16%</td>
</tr>
<tr>
<td>2016: Q3</td>
<td>0.50%</td>
<td>0.18%</td>
<td>-0.16%</td>
<td>0.49%</td>
</tr>
<tr>
<td>2016: Q4</td>
<td>1.47%</td>
<td>0.11%</td>
<td>0.35%</td>
<td>1.01%</td>
</tr>
</tbody>
</table>
Comments from Curtin

Normally, the implication would be that consumers expected Trump’s election to have a positive economic impact. That is not the case since the gain represents the result of an unprecedented partisan divergence, with Democrats expecting recession and Republicans expecting robust growth.

Indeed, the difference between these two parties is nearly identical to the difference between the all-time peak and trough values in the Expectations Index - 64.6 versus 64.4. While the expectations of Democrats and Republicans largely offset each other, the overall gain in the Expectations Index was due to self-identified Independents, who were much closer to the optimism of the Republicans than the pessimism of the Democrats. (Note: the February Expectations Index was 55.5 among Democrats, 120.1 among Republicans, and 89.2 among Independents.)
Retail Sales
(source: U.S. Bureau of the Census, annual rate of growth)

Car & Truck Sales
(Source: Department of Commerce, in millions)
Employment: Alabama

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Savannah, GA – April 20, 2017
Prices:
Still talk of Deflation/Inflation?
(source: Bureau of Labor Statistics)

- CPI was down by 0.3% in March after having been up 0.1% and 0.6% in February and January.
- Core CPI fell 0.1% in March – after rising by 0.2% and 0.3% in two previous months.
- Overall CPI up 2.4% over last 12 months. Core up 2.0% over same period.
- Energy component was down 3.2% last month and up by 10.9% over the last 12 months
Inflation Expectations
(Source: University of Michigan, Survey Research Center)

Federal Funds Rate
Short Rates Finally Start Moving
(Source: Board of Governors of Federal Reserve System)
Market's FFR Outlook
(Source: CME Group)

10-Year Treasury Bonds
(Source: Board of Governors of Federal Reserve System)
“Five Little PIIGS”
(Source: European Central Bank)

30-Year Fixed Rate Mortgages
(Source: Freddie Mac)
Net Interest Margin
(source: Federal Financial Institutions Examination Council)

MBA Mortgage Activity: Purchase & Refinance
(Source: Mortgage Bankers Association)
CRE Loan Standards: Net Tightening
(Source: Federal Reserve System, Senior Officers Lending Survey)

Charge Off Rates at Commercial Banks
(source: Board of Governors of the Federal Reserve System)
TN Housing Starts: Multi-family
(Source: US Bureau of Census)

The Demographics: Boom & Bust
(Source: CDC, US Bureau of Census)
Home Prices: SE Region
(source: Federal Housing Finance Agency)

Household RE Equity
(Source: Board of Governors of Federal Reserve System)
Election 2016: Did Everyone Miss It?
(Source: Iowa Electronic Markets)

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Election 2016: What Did Everyone Miss?

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Currents Issues in Fiscal Affairs

• Federal:
  – Back in Play: Affordable Care Act (somewhat), Keystone, Dodd-Frank, EPA, NLRB
  – Now in Play: Tax Reform, Infrastructure
  – Always was in Play: SCOTUS.
  – Out of Play: Student debt?
  – New Play: Revising Trade
    » Bilateral vs Multilateral
    » Lumber deals and tariffs

• States:
  – Tax Reform Initiatives in other States
  – Recent gains in manufacturing facilities due to “reshoring”
  – SE states domination biz location ranking, but not exclusive

• Local:
  – RE valuation and revenues rising, fiscal distress moderating