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Recovery, Revenues, and Reform

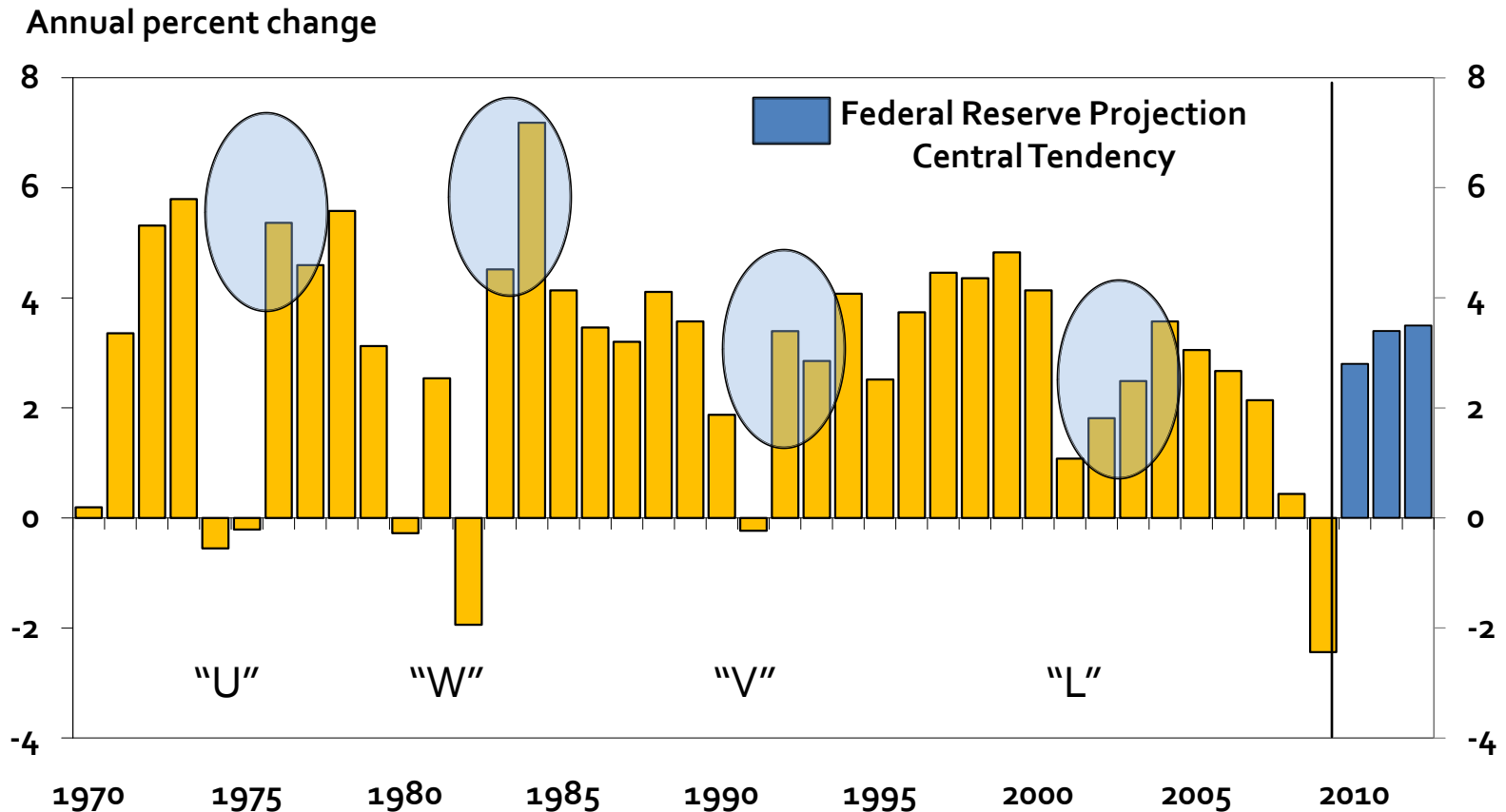# The U.S. economy is projected to rebound in 2010.

Real GDP Growth

Annual percent change

Federal Reserve Projection Central Tendency

"U"   "W"   "V"   "L"

Source: Bureau of Economic Analysis Federal Reserve Board of Governors

Unemployment Rate
May 2009 – April 2010
Average

⬛	10.0% or over
🟪	7.0% to 9.9%
🟥	6.0% to 6.9%
🟥	5.0% to 5.9%
🟧	4.0% to 4.9%
🟨	3.0% to 3.9%
🟨	2.0% to 2.9%
⬜	1.9% or below
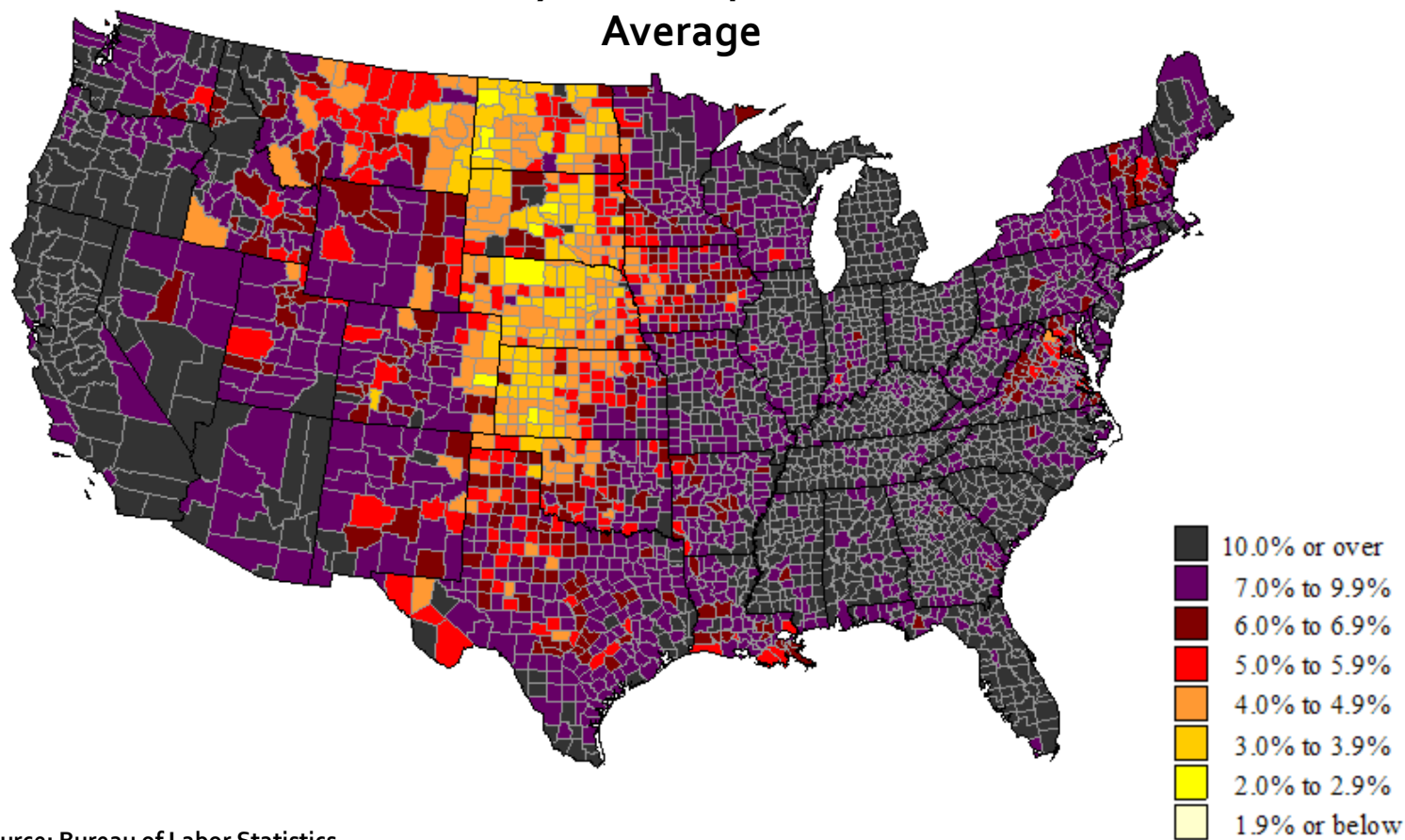
Source: Bureau of Labor Statistics

Consumer spending is rebounding.

U.S. Retail Sales

Percent change from year ago

Bar chart with values approximately:
- 2005: 6.6
- 2006: 5.2
- 2007: 3.1
- 2008: -1.4
- 2009: -7.1
- 2010 YTD: 7.2
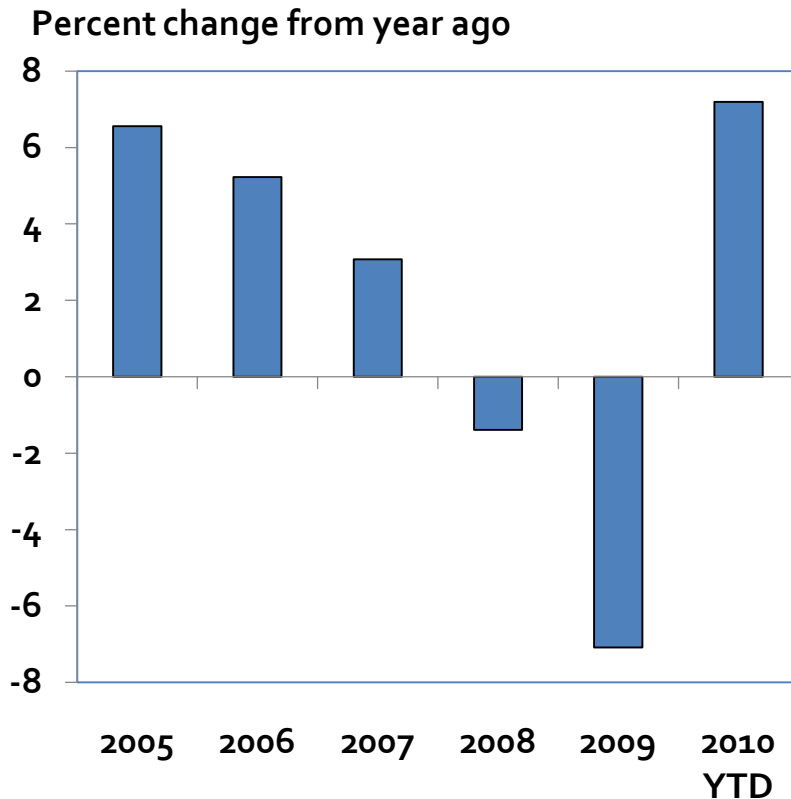
Source: U.S. Census Bureau
*Data through May

NE Net Taxable Retail Sales

Percent change from year ago

Bar chart with values approximately:
- 2006: 3.4
- 2007: 4.6
- 2008: 1.1
- 2009: -3.4
- 2010 YTD: 3.2
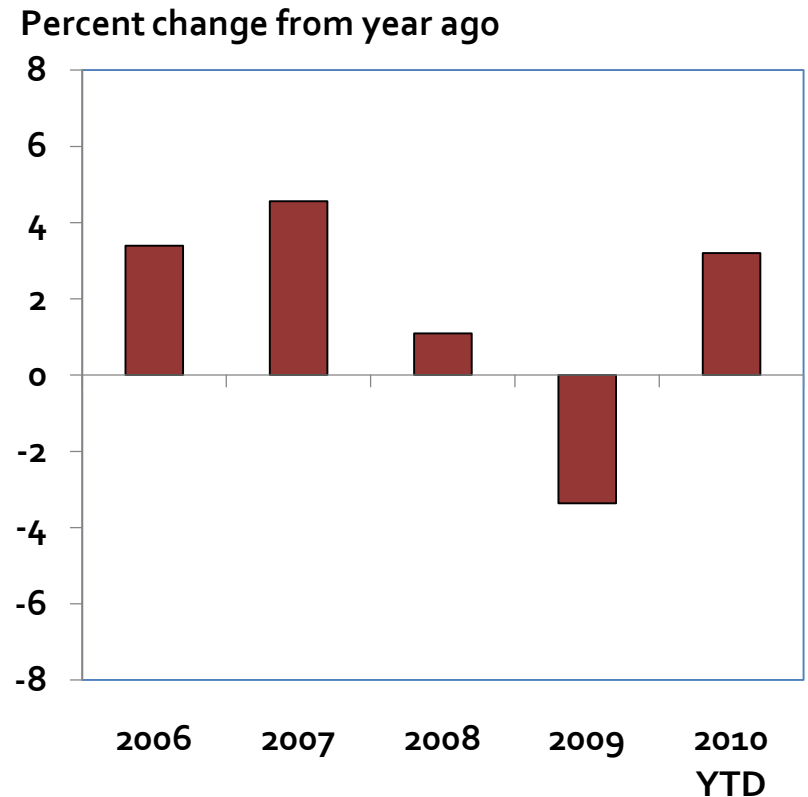
Source: NE Dept. of Revenue
*Data through March

Federal Reserve Bank of Kansas City – Omaha Branch
*Regional, Public and Community Affairs Division*

Has the housing sector hit bottom?

First-time home buyer tax credits have ended.

- Will home sales persist without them?

- Will sales strengthen in higher-end homes?

- Will stronger sales lead to increased building activity?

- Will high foreclosure rates begin to decline?

- What are the implications of Fannie Mae and Freddie Mac on the housing sector?

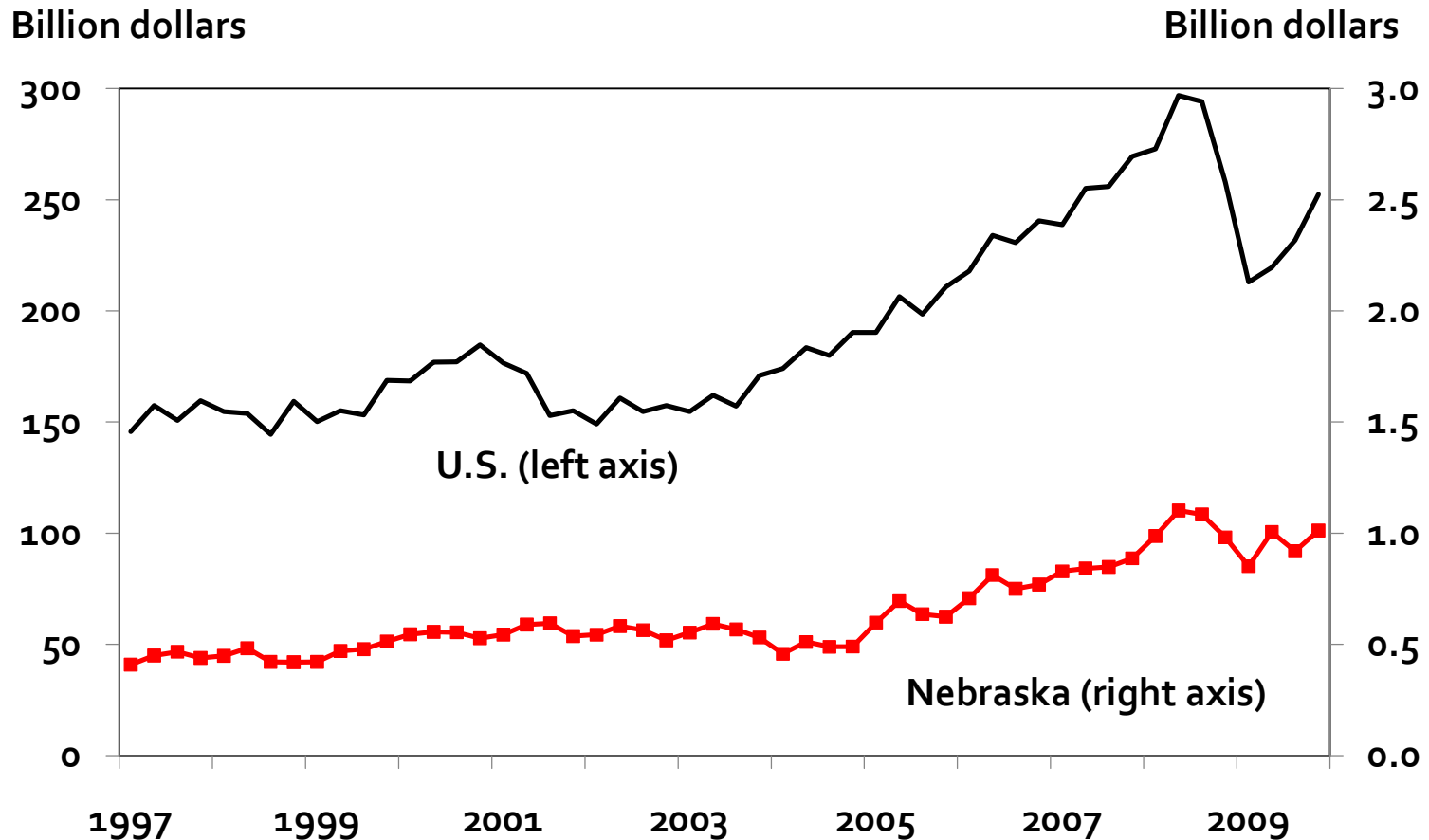**U.S. and Nebraska Single-Family Housing Permits**

Index: Jan. 2005 = 100
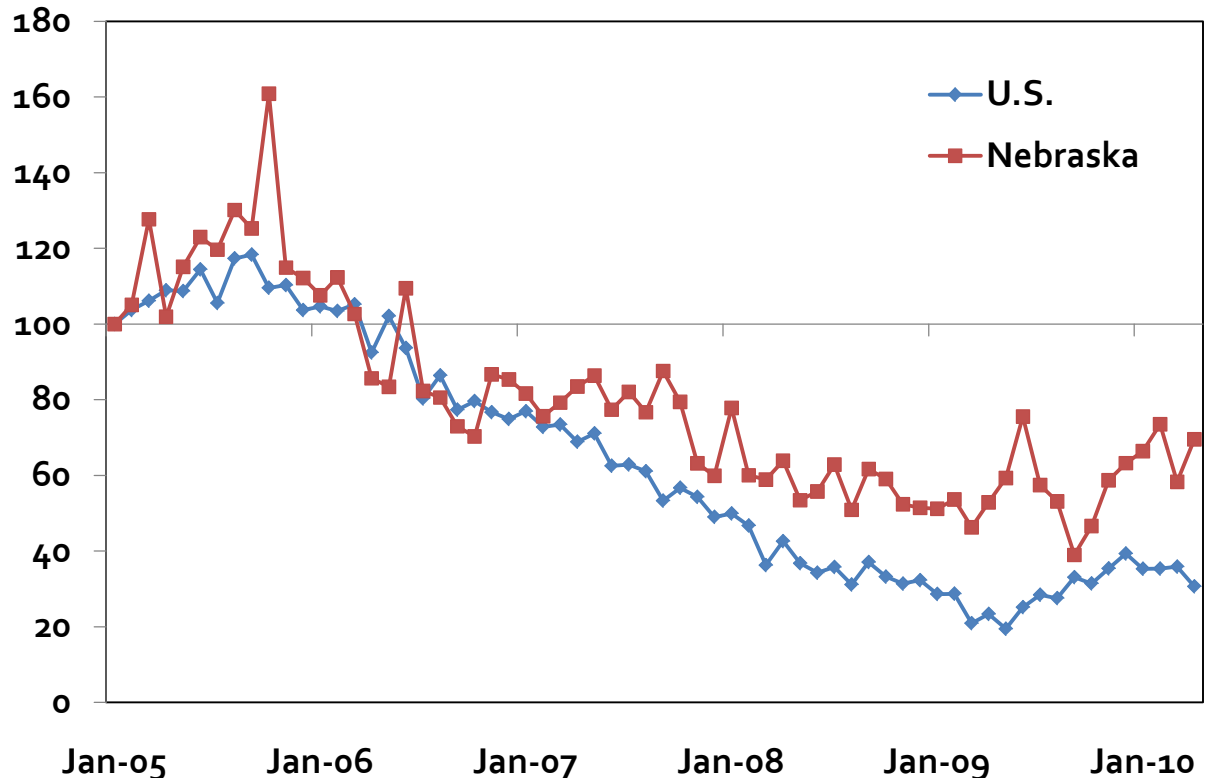
Source: U.S. Census Bureau

Will stronger global economies and a lower dollar boost export activity?

Manufactured Exports

Billion dollars

Billion dollars

U.S. (left axis)

Nebraska (right axis)

Source: WISERTrade

How sustainable is the manufacturing rebound?

Manufacturing activity is rebounding.

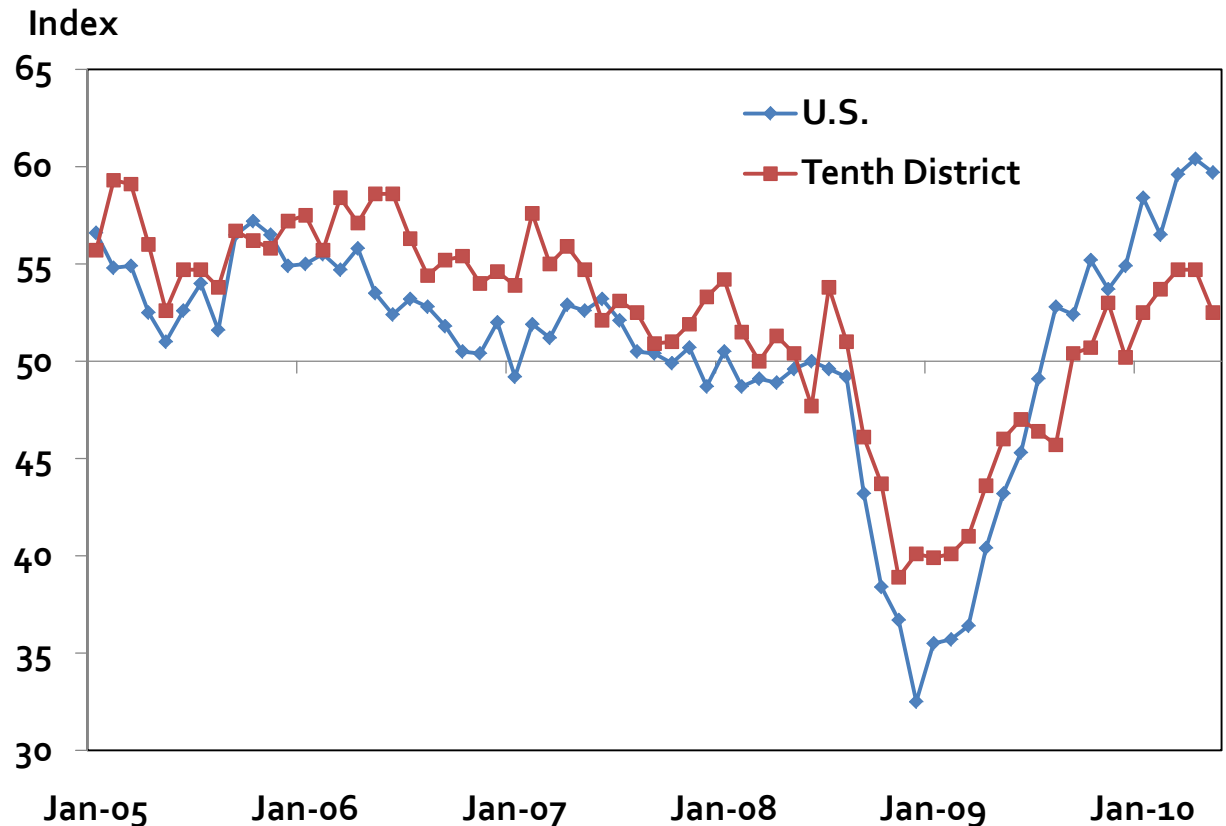Businesses are investing in equipment and software.

When will investments in structures rebound?

When will increased activity spur robust job gains?

How do changes in business policy affect business investment?

With loan defaults easing, will access to capital and credit standards improve?
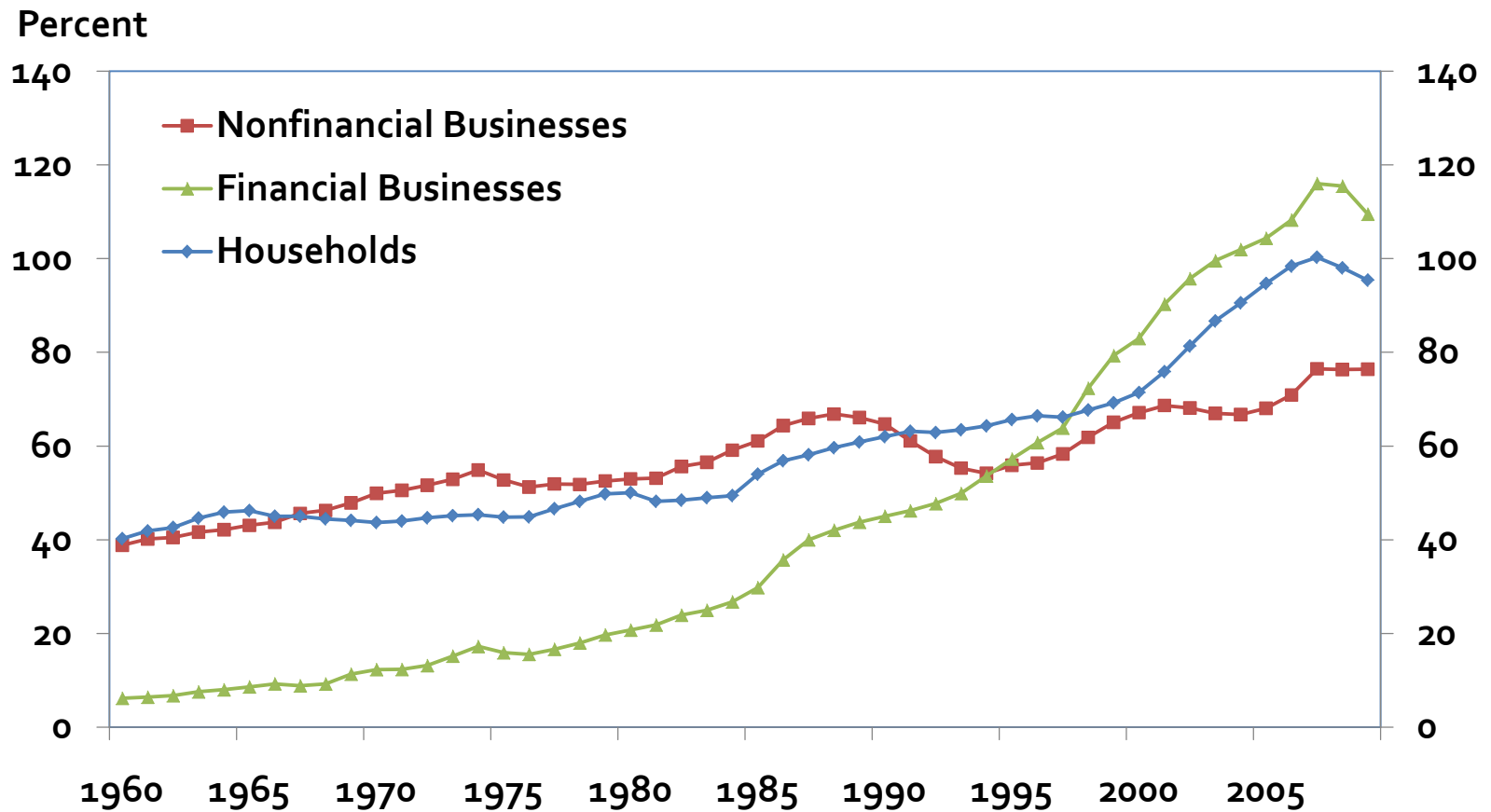

U.S. and Tenth District Manufacturing Production

Source: U.S. Census Bureau

De-leveraging will limit economic gains.
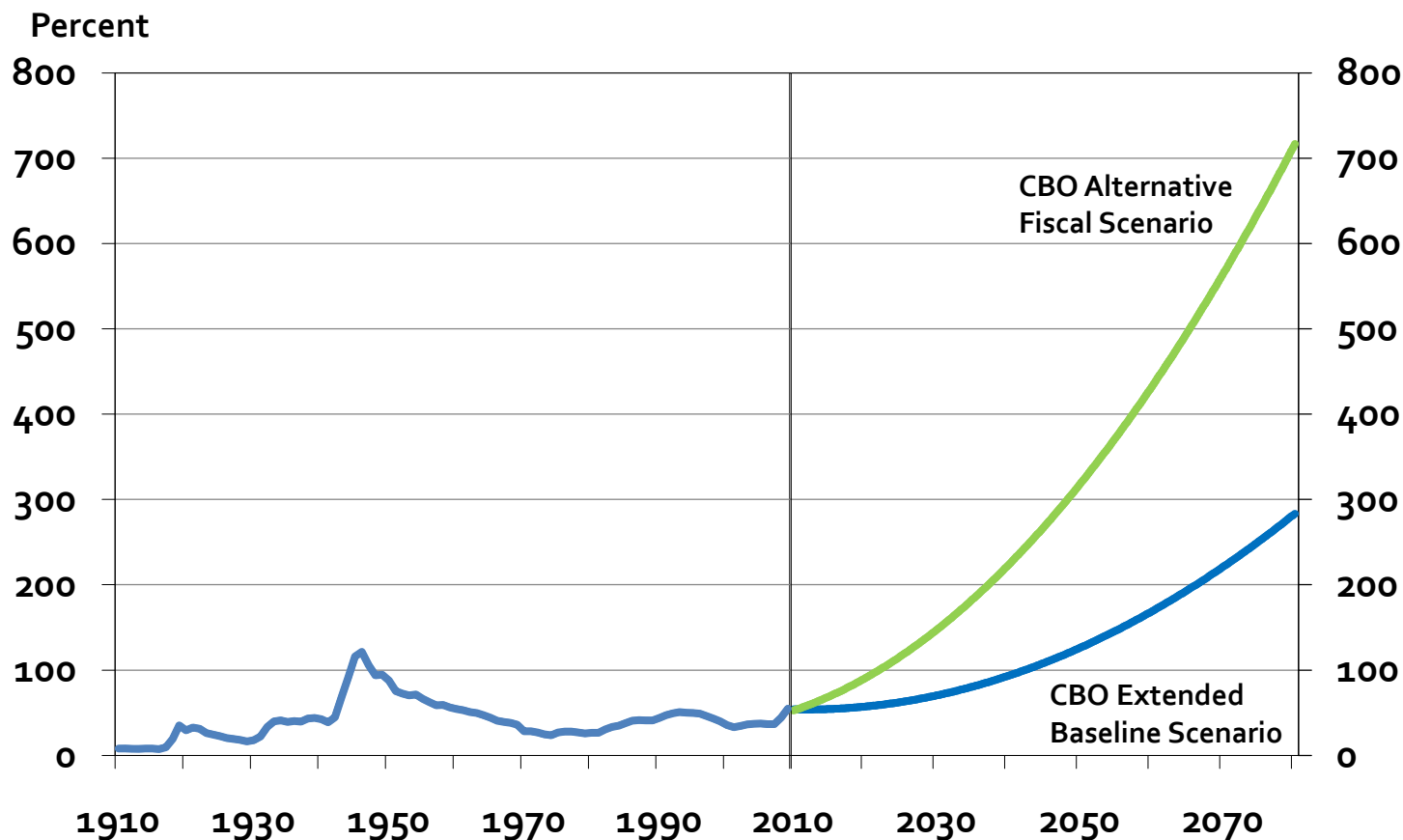
U.S. Debt as a Percent of GDP

How will surging federal debt levels affect economic conditions long-term?

U.S. Debt as a Percent of GDP

Source: Congressional Budget Office, November 2009