

# **I Will Survive**

*On Behalf of  
Banyan Consulting*

***By: Anirban Basu  
Sage Policy Group, Inc.***

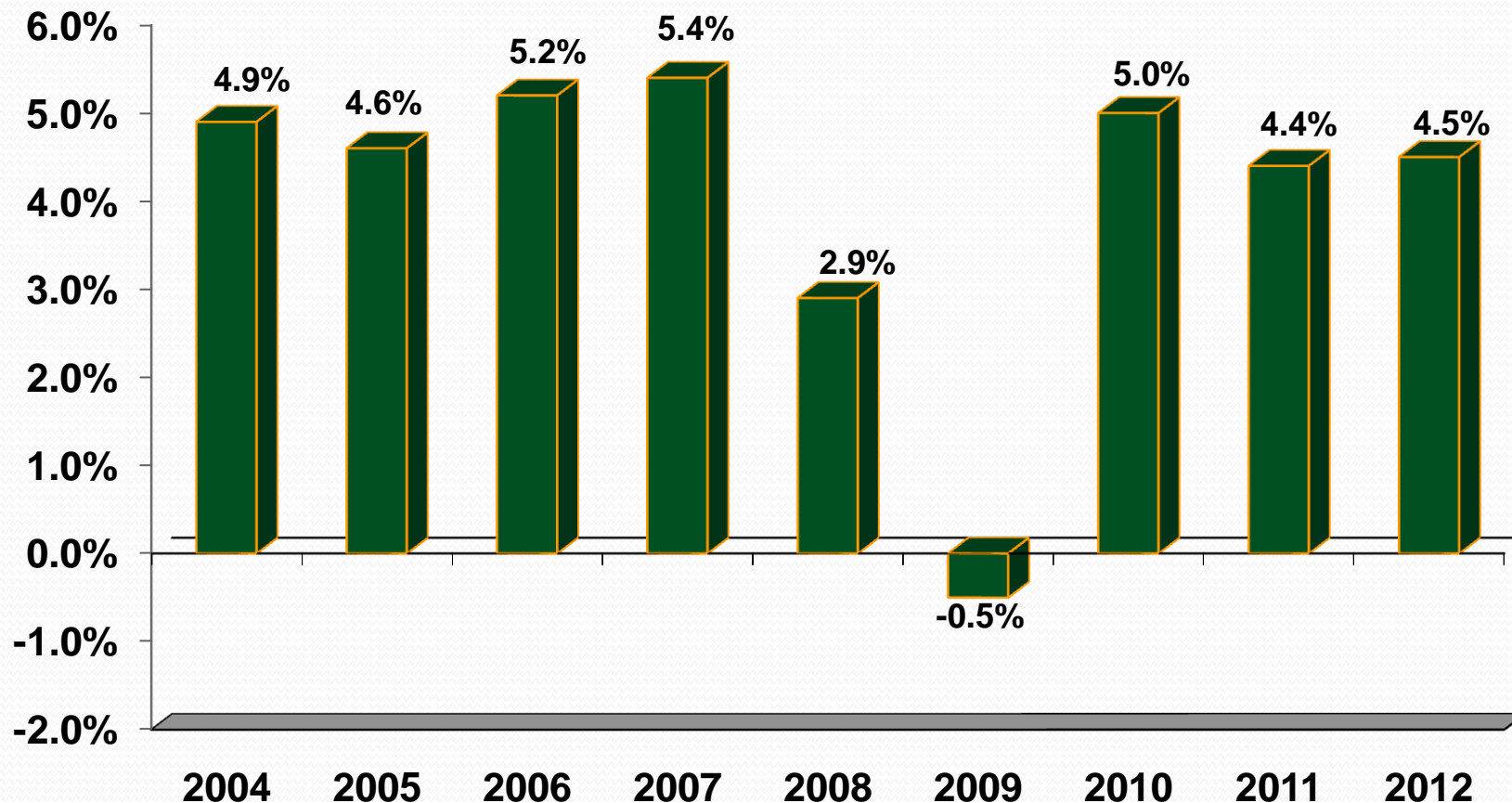
*May 19, 2011*



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# Joy to the World

# Historic and Projected World Output Growth 2004 through 2012\*

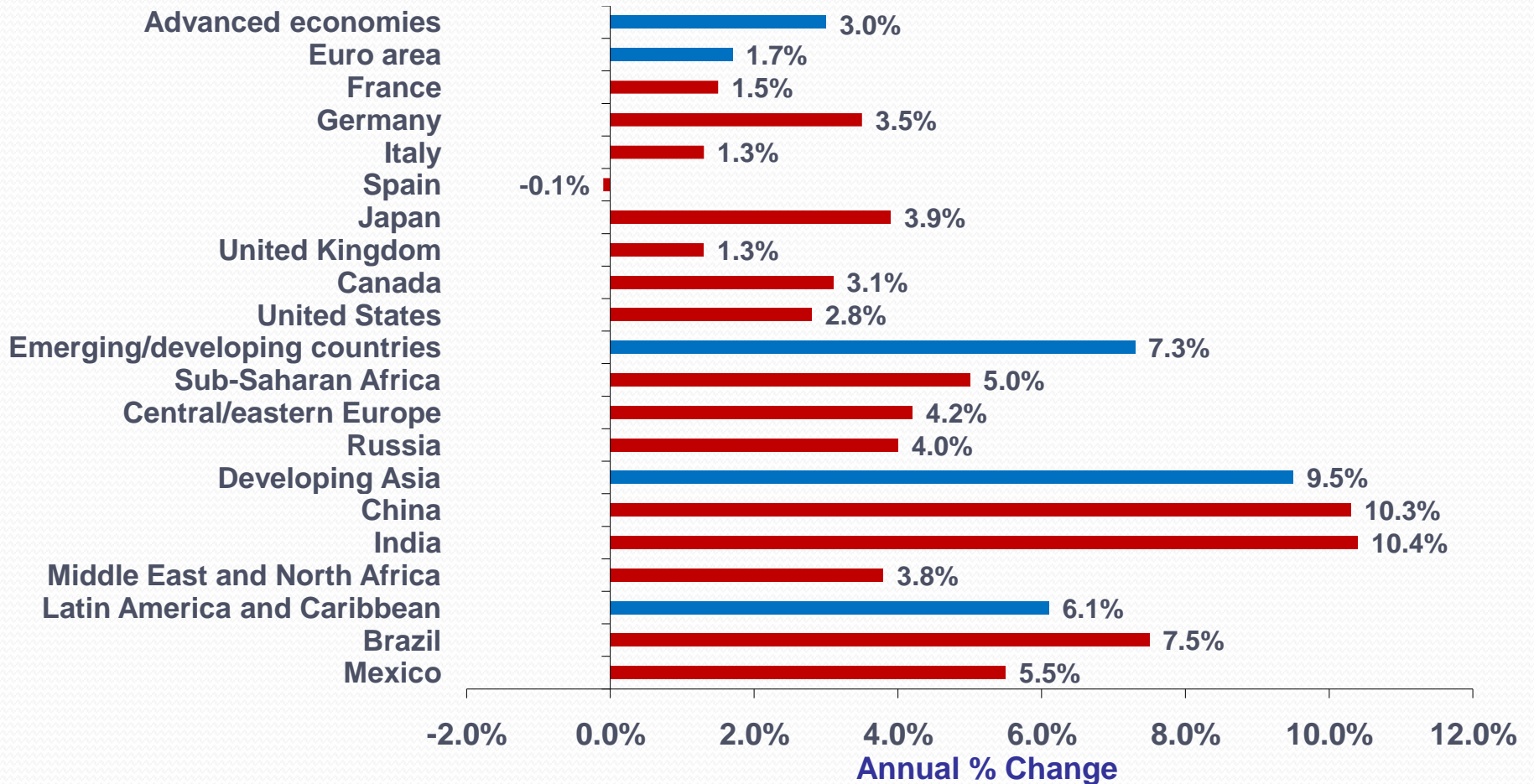


Source: International Monetary Fund

\*2011-2012 data are projections

# Estimated Growth in Output by Select Global Areas

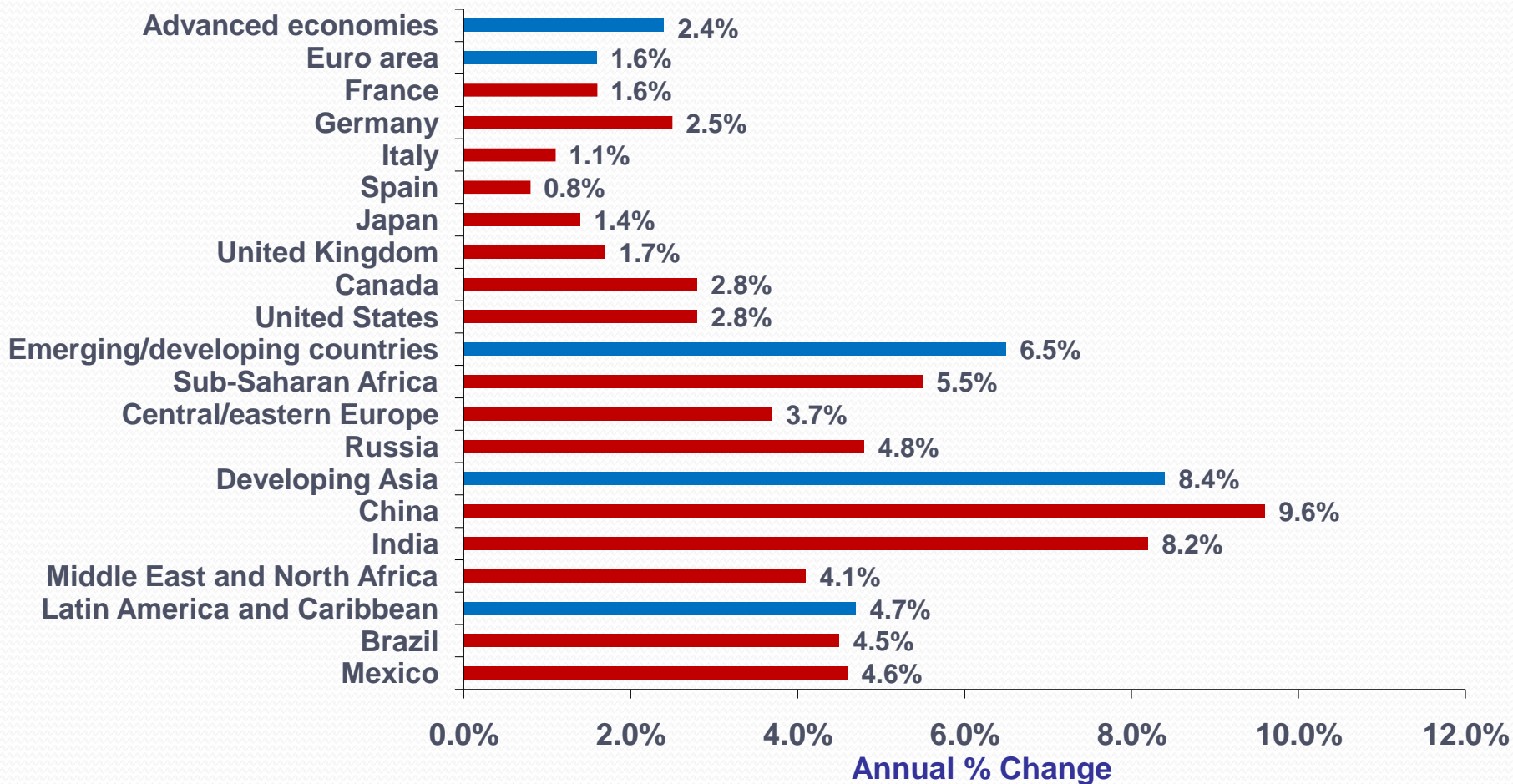
2010



Source: International Monetary Fund

# Estimated Growth in Output by Select Global Areas

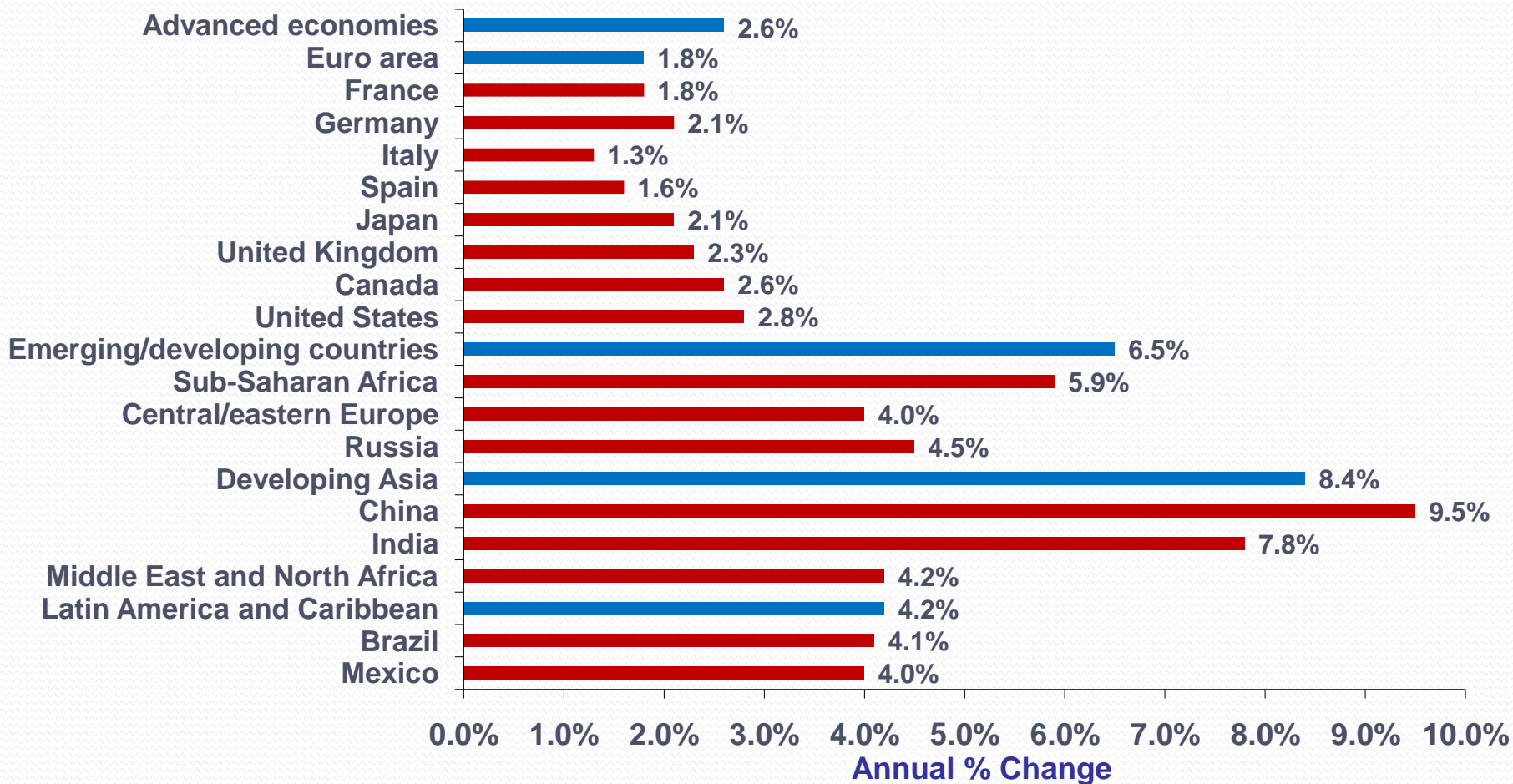
2011 Projected



Source: International Monetary Fund

# Estimated Growth in Output by Select Global Areas

2012 Projected



Source: International Monetary Fund

# Top 12 Stock Exchanges

2008 Growth

Rank	Exchange	Index	2008 % Change
3	London SE	FTSE 100	-31.3%
<b>1</b>	<b>NYSE Group</b>	<b>DJI A</b>	<b>-33.8%</b>
12	Swiss Exchange	Swiss Market	-34.2%
9	TSX Group	S&P TSX Composite	-35.4%
<b>2</b>	<b>Nasdaq</b>	<b>NASDAQ Composite</b>	<b>-39.6%</b>
8	Bolsa De Madrid	Madrid General	-40.0%
6	Frankfurt SE	DAX	-40.2%
4	Tokyo SE	Nikkei 225	-41.5%
5	Euronext	CAC 40	-42.6%
11	Hong Kong Exchanges	Hang Seng Index	-47.9%
10	Borsa Italiana	MIBTel	-48.5%
7	Shanghai SE	Shanghai Composite	-65.4%

Source: Yahoo! Finance

# Top 12 Stock Exchanges

## 2009 Growth

Rank	Exchange	Index	2009 % Change
7	Shanghai SE	Shanghai Composite	77.2%
11	Hong Kong Exchanges	Hang Seng Index	51.4%
<b>2</b>	<b>Nasdaq</b>	<b>NASDAQ Composite</b>	<b>43.7%</b>
9	TSX Group	S&P TSX Composite	31.2%
6	Frankfurt SE	DAX	29.9%
<b>1</b>	<b>NYSE Group</b>	<b>DJI A</b>	<b>26.8%</b>
8	Bolsa De Medrid	Madrid General	26.7%
3	London SE	FTSE 100	22.1%
5	Euronext	CAC 40	21.5%
10	Borsa Italiana	FTSE MIB	19.5%
12	Swiss Exchange	Swiss Market	18.4%
4	Tokyo SE	Nikkei 225	16.6%

Source: Yahoo! Finance

# Top 12 Stock Exchanges

## 2010 Growth

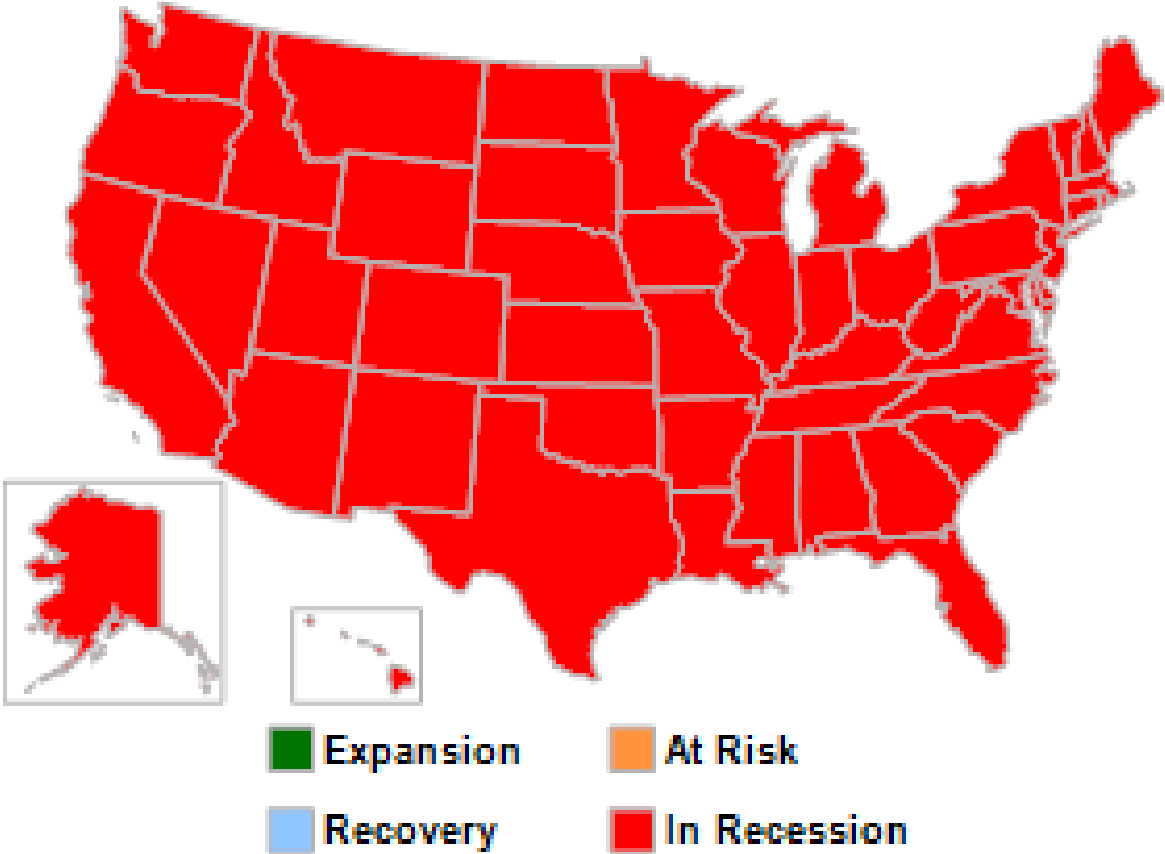
Rank	Exchange	Index	2010 % Change
2	Nasdaq	NASDAQ Composite	16.9%
6	Frankfurt SE	DAX	16.1%
9	TSX Group	S&P TSX Composite	14.4%
1	<b>NYSE Group</b>	<b>DJI A</b>	<b>11.0%</b>
3	London SE	FTSE 100	9.0%
11	Hong Kong Exchanges	Hang Seng Index	5.3%
12	Swiss Exchange	Swiss Market	-1.7%
4	Tokyo SE	Nikkei 225	-3.0%
5	Euronext	CAC 40	-3.3%
10	Borsa Italiana	FTSE MIB	-13.2%
7	Shanghai SE	Shanghai Composite	-14.3%
8	Bolsa De Madrid	Madrid General	-19.2%

Source: Yahoo! Finance

**9 to 5**

# Recession Watch

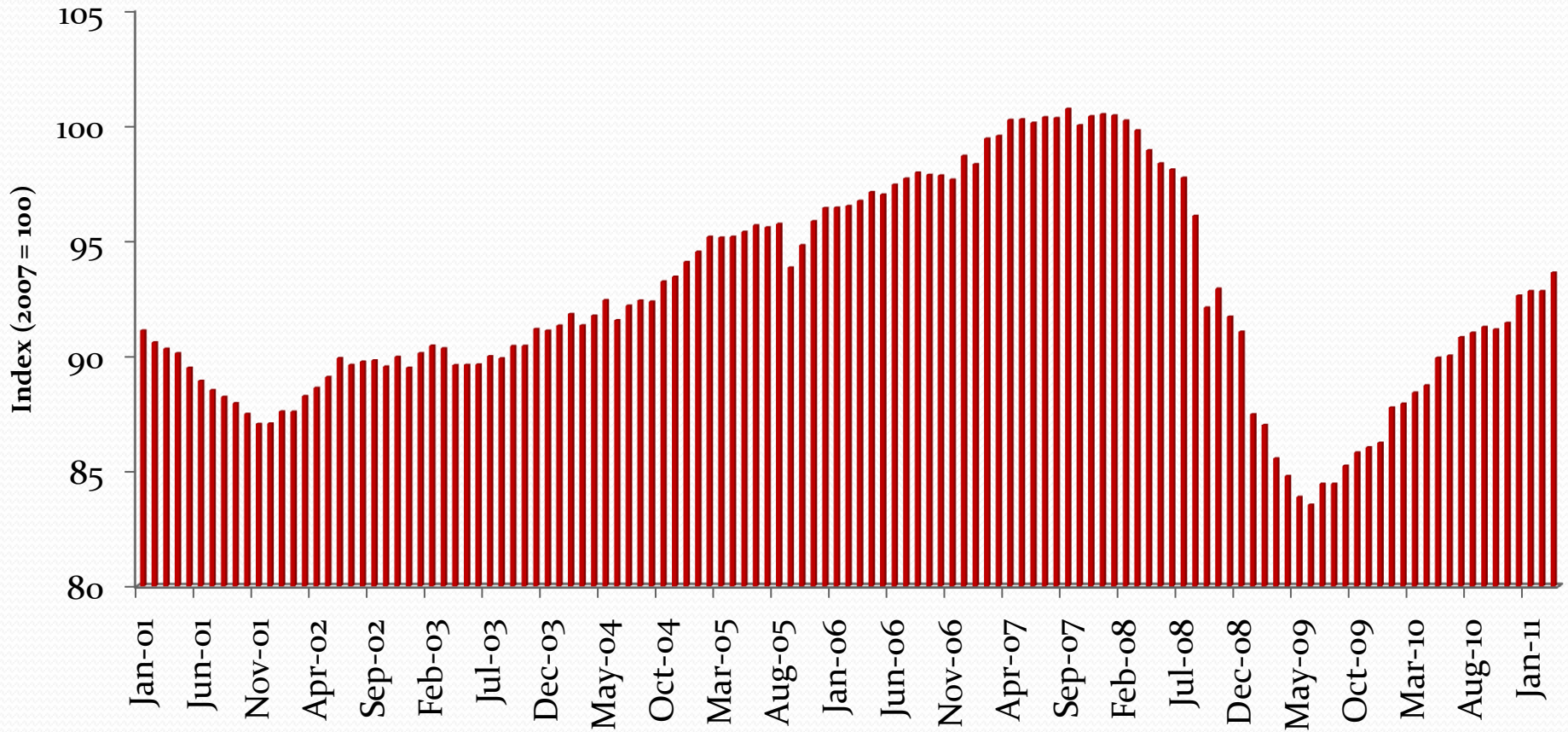
as of May 2009



Source: Moody's Economy

# Industrial Production

January 2001 through March 2011



Source: Federal Reserve

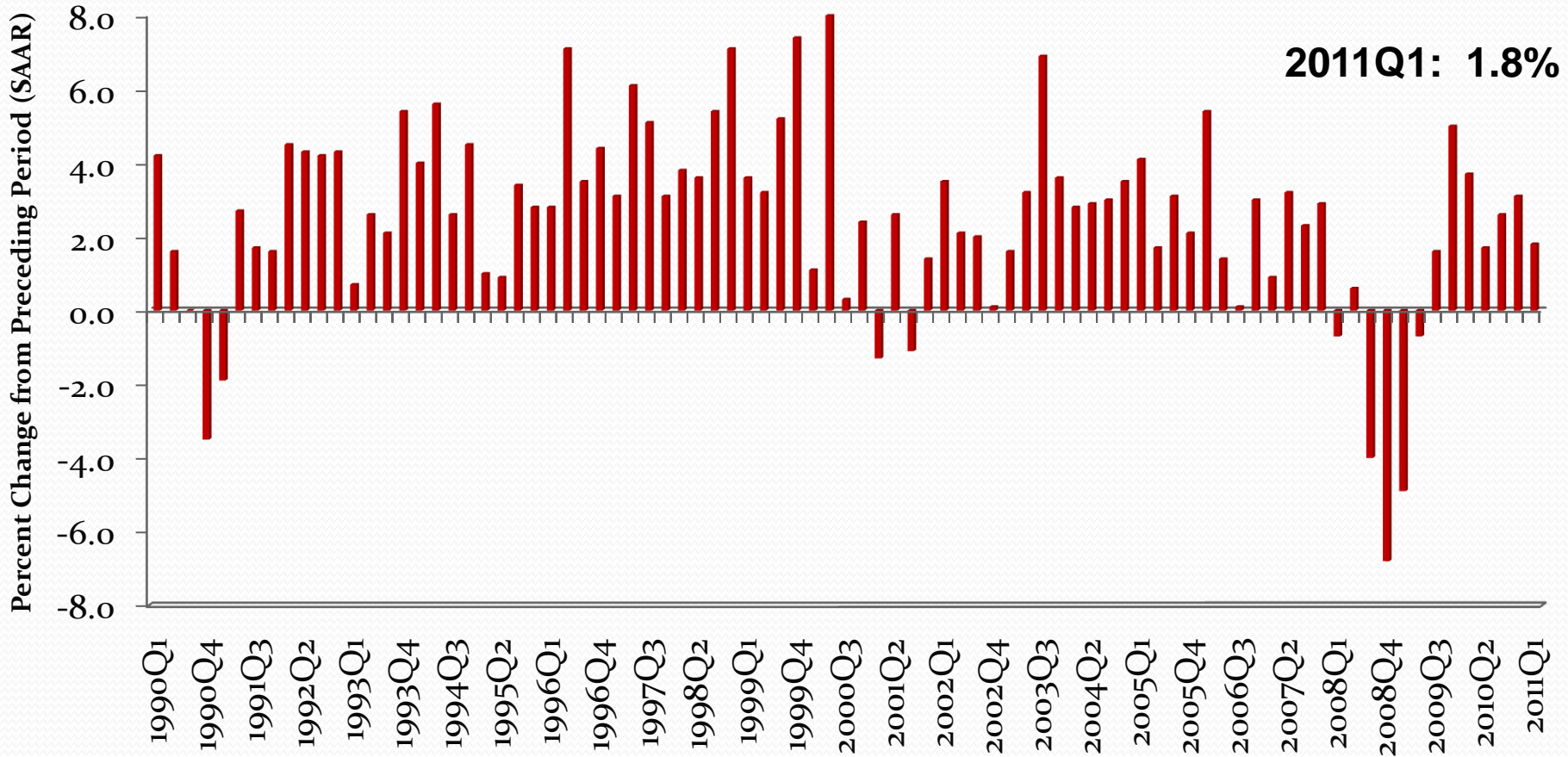
*The industrial production index measures the real output of the manufacturing, mining, and electric and gas utilities industries.*



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# Gross Domestic Product

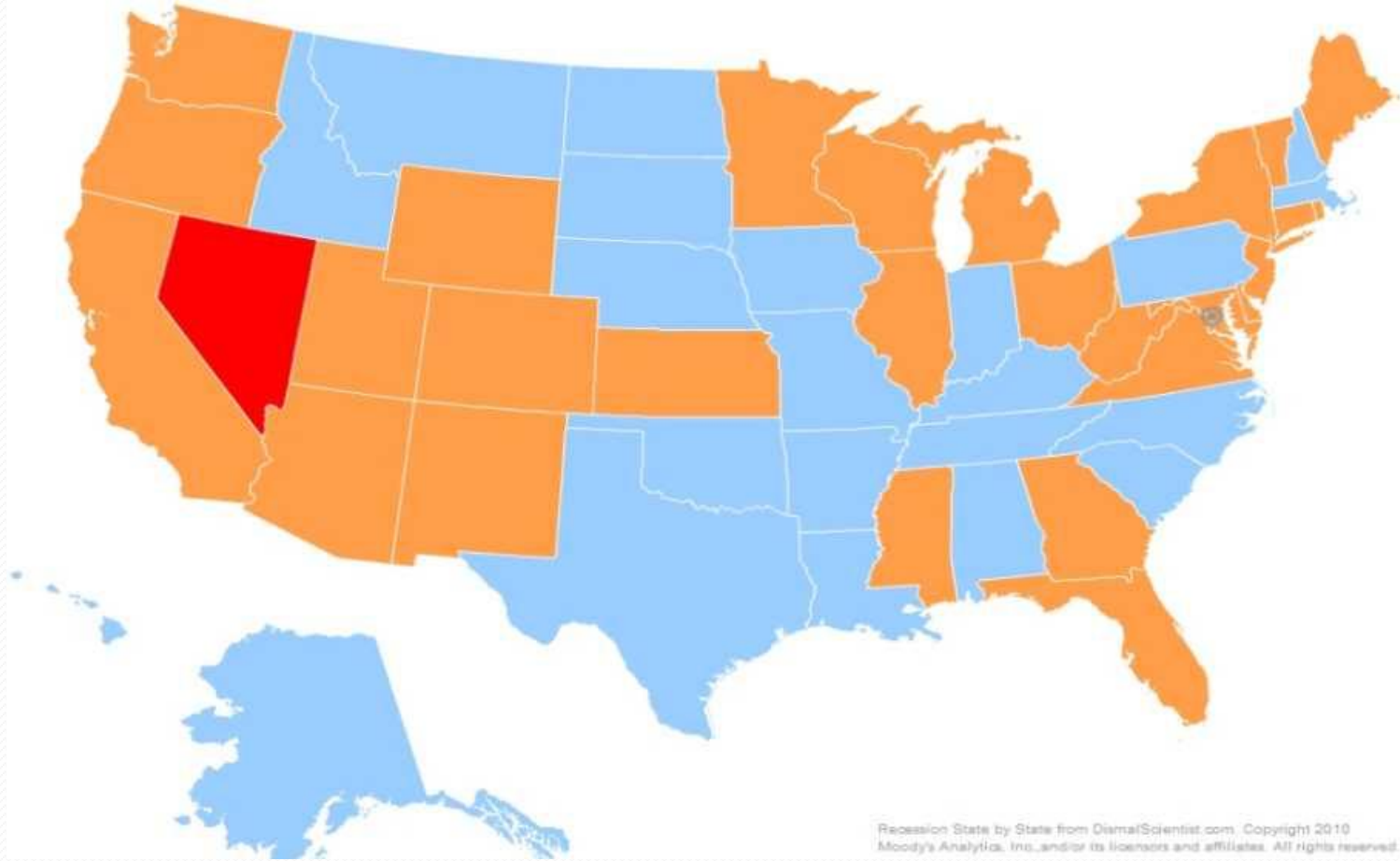
## 1990Q1 through 2011Q1



Source: Bureau of Economic Analysis

# Recession Watch

as of April 2010



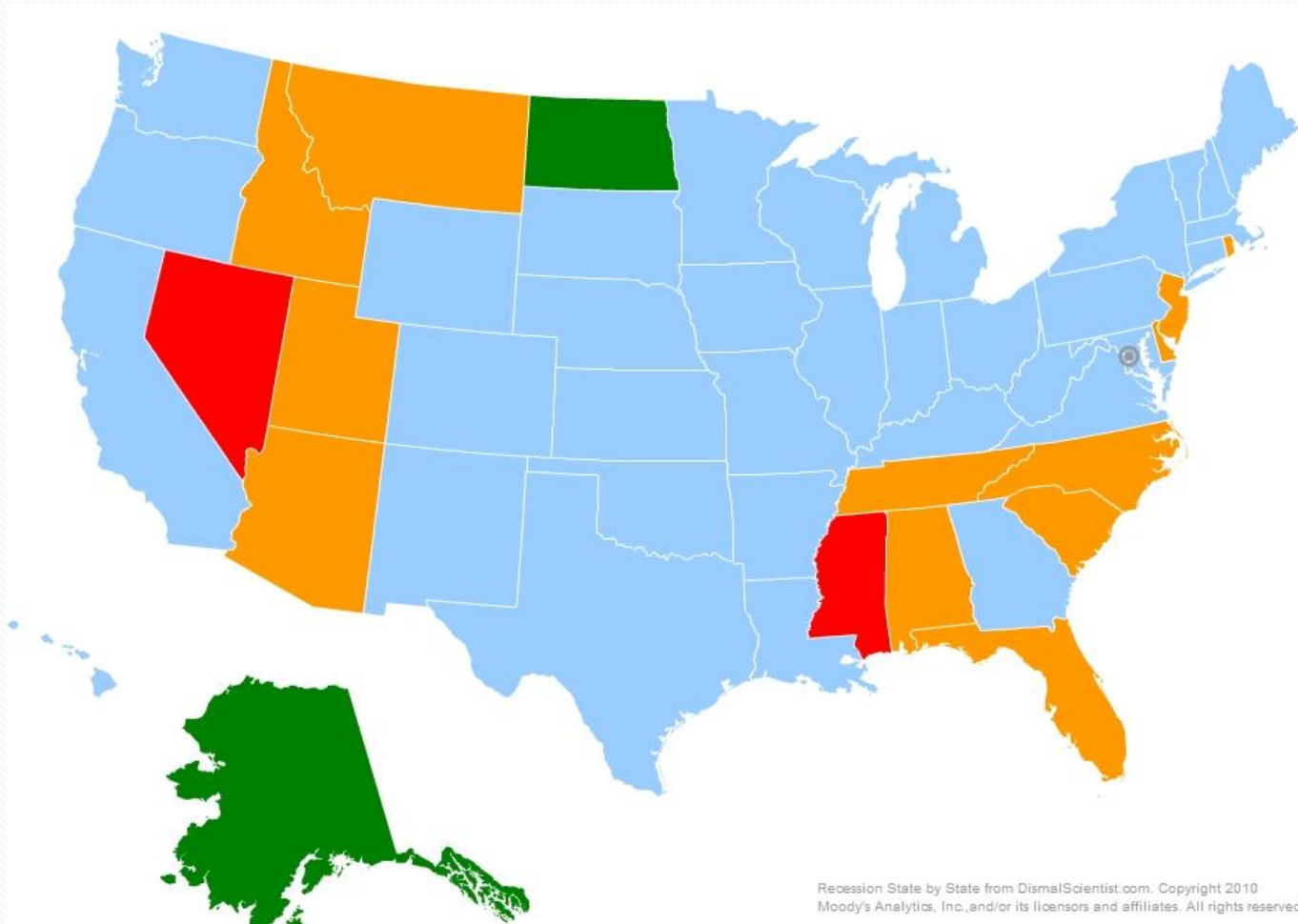
Recession State by State from DismalScientist.com. Copyright 2010  
Moody's Analytics, Inc. and/or its licensors and affiliates. All rights reserved.

Source: Moody's Economy



# Recession Watch

as of March 2011

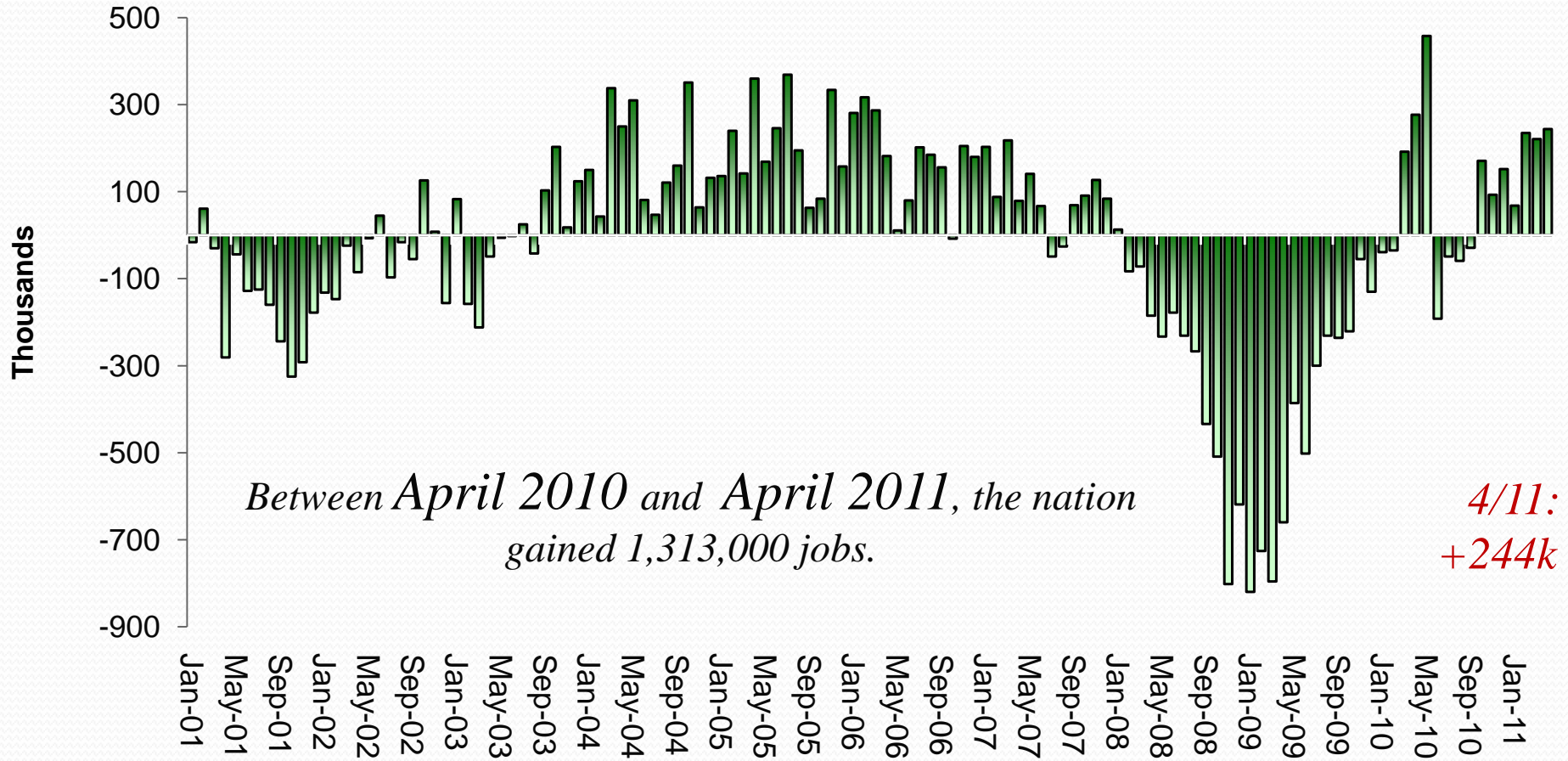


Source: Moody's Economy

**In Recession**   **Moderating**   **Recovering**   **Expanding**

# Net Change in U.S. Jobs, BLS

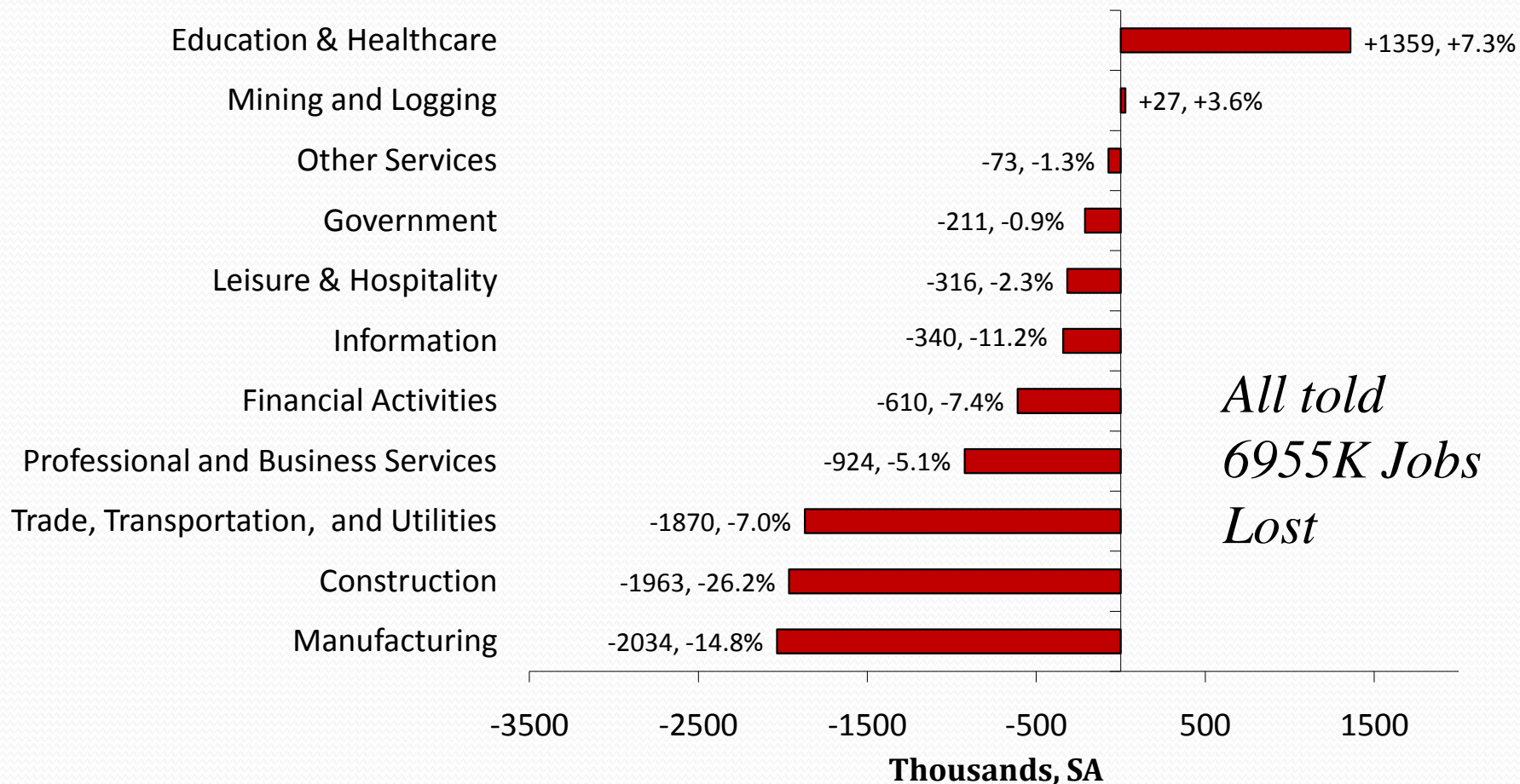
## January 2001 through April 2011



Source: Bureau of Labor Statistics

# National Nonfarm Employment by Industry Sector Groups

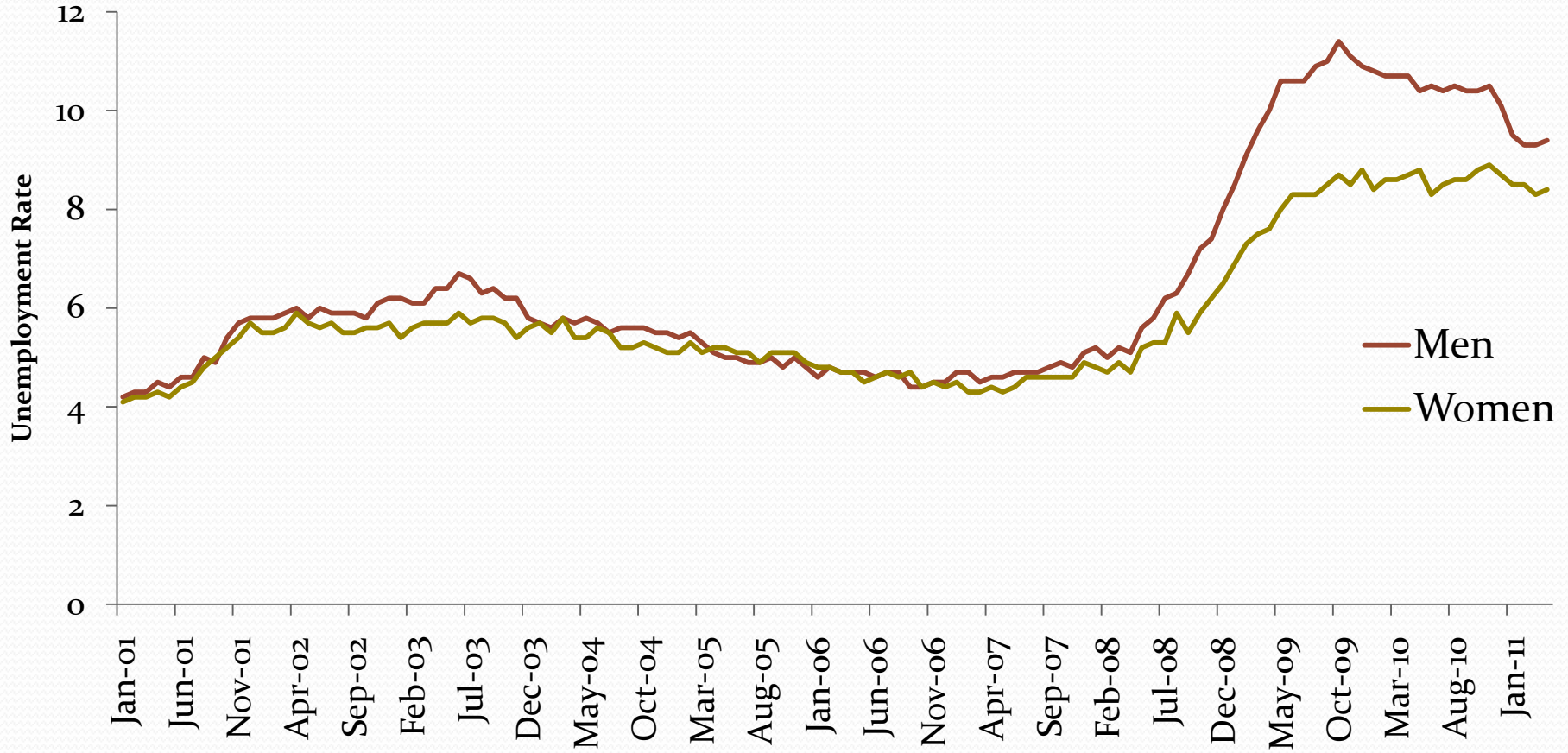
December 2007 v. April 2011



Source: Bureau of Labor Statistics

# National Unemployment Rate by Gender

January 2001 through April 2011

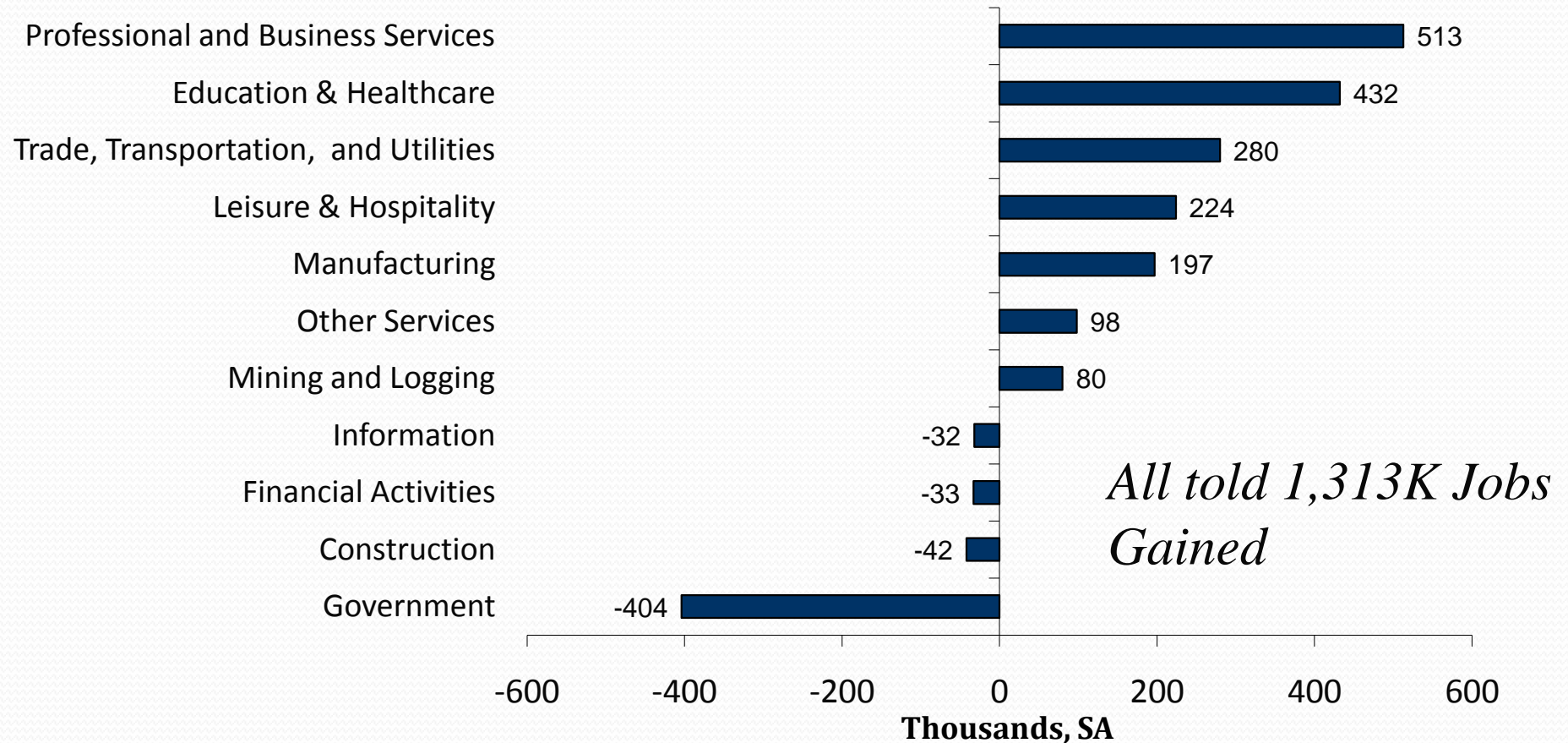


Source: Bureau of Labor Statistics

# National Nonfarm Employment

## by Industry Sector Groups

April 2010 v. April 2011



Source: Bureau of Labor Statistics

# Top 10 Ranking of Median Starting Salary and Median Mid-career Salary by College Majors

March 2011

	<i>Median starting salary</i>	<i>Median mid-career salary</i>
Petroleum Engineering	93,000	157,000
Aerospace Engineering	59,400	108,000
Chemical engineering	64,800	108,000
Electrical engineering	60,800	104,000
Nuclear engineering	63,900	104,000
Applied mathematics	56,400	101,000
Biomedical engineering	54,800	101,000
Physics	50,700	99,600
Computer Engineering	61,200	99,500
Economics	48,800	97,800

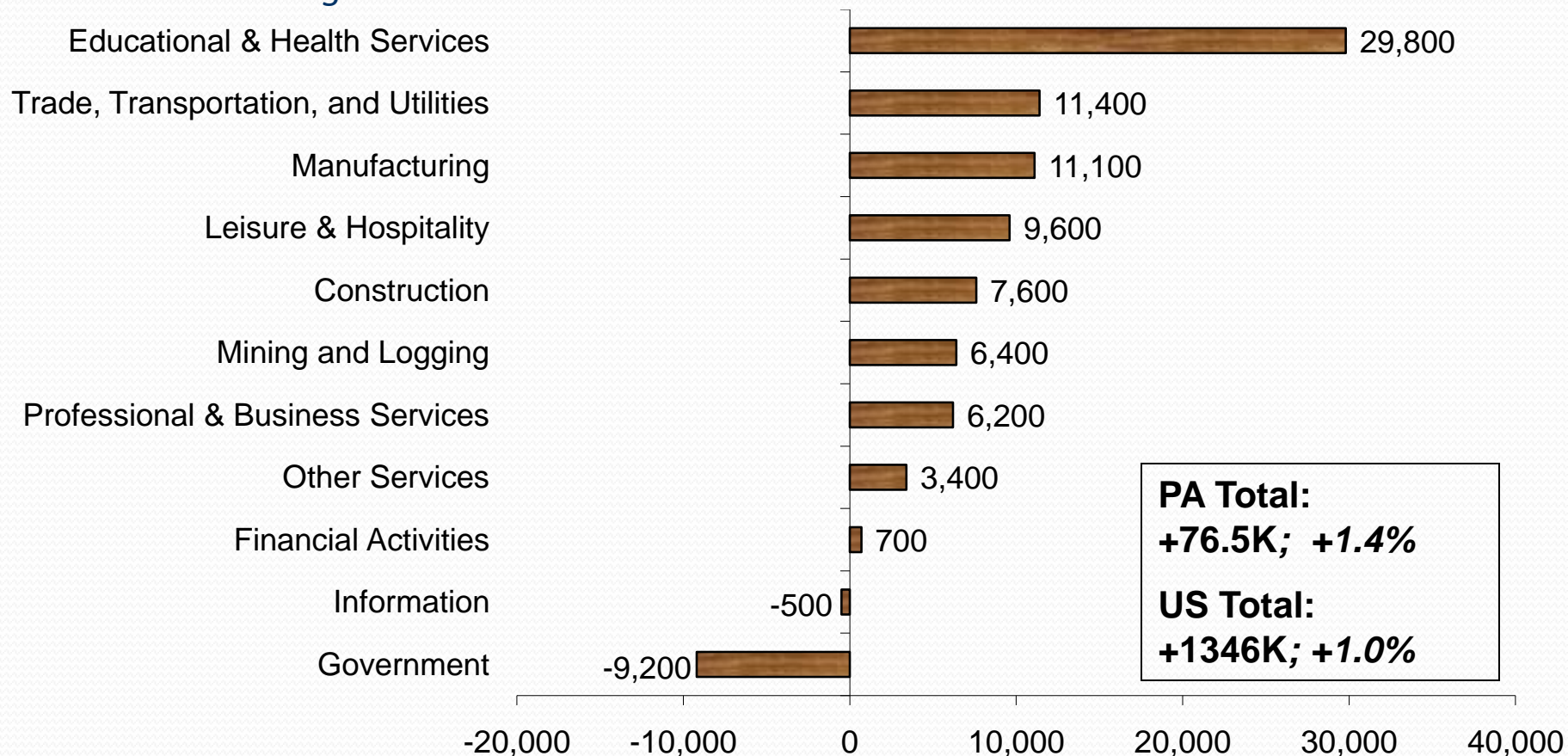
Source: *Education-Portal.com*

# Pennsylvania Nonfarm Employment

## by Industry Sector Groups (SA)

March 2010 v. March 2011

Absolute Change

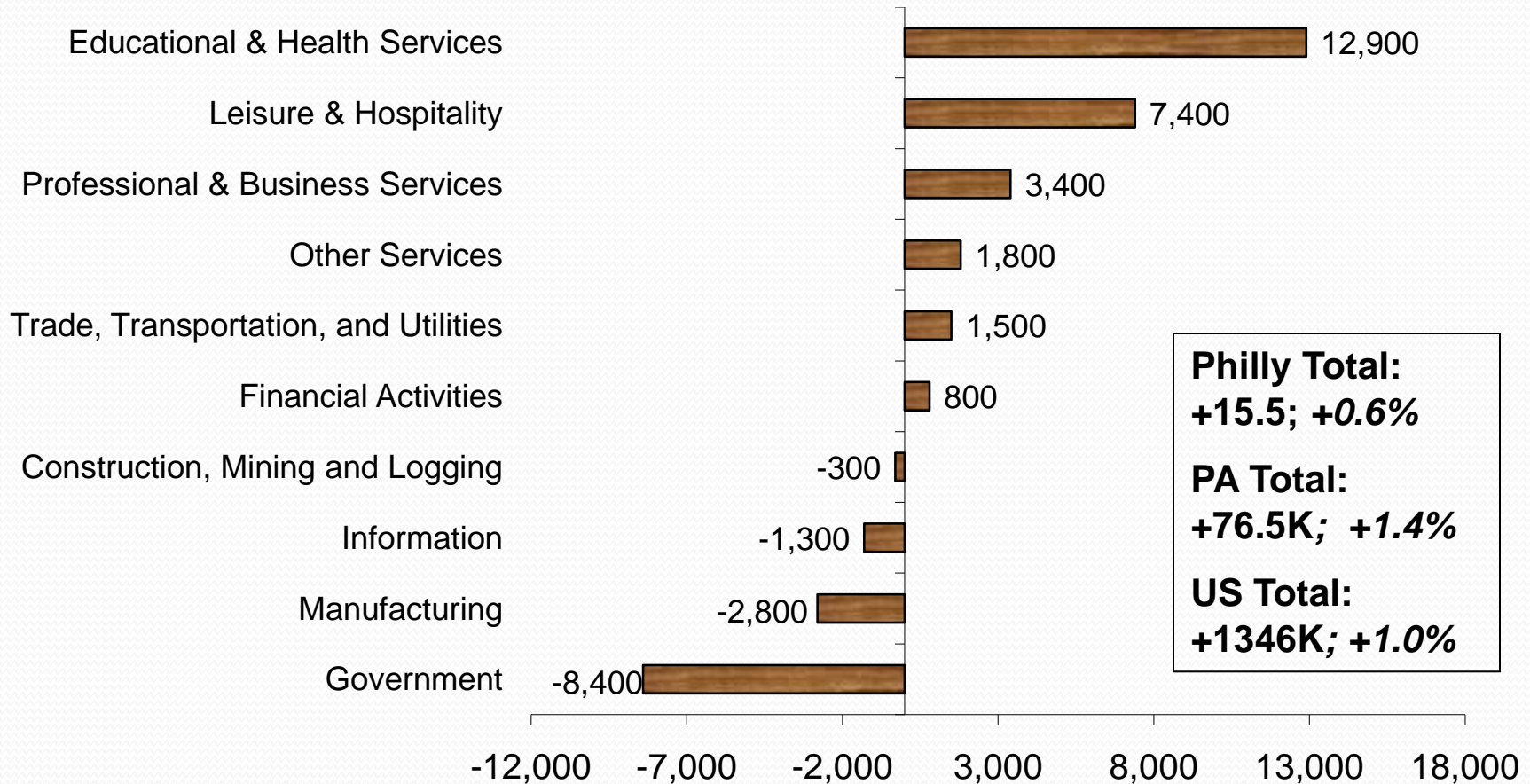


Source: Bureau of Labor Statistics

# Philadelphia-Camden-Wilmington MSA Nonfarm Employment by Industry Sector Groups (NSA)

March 2010 v. March 2011

Absolute Change



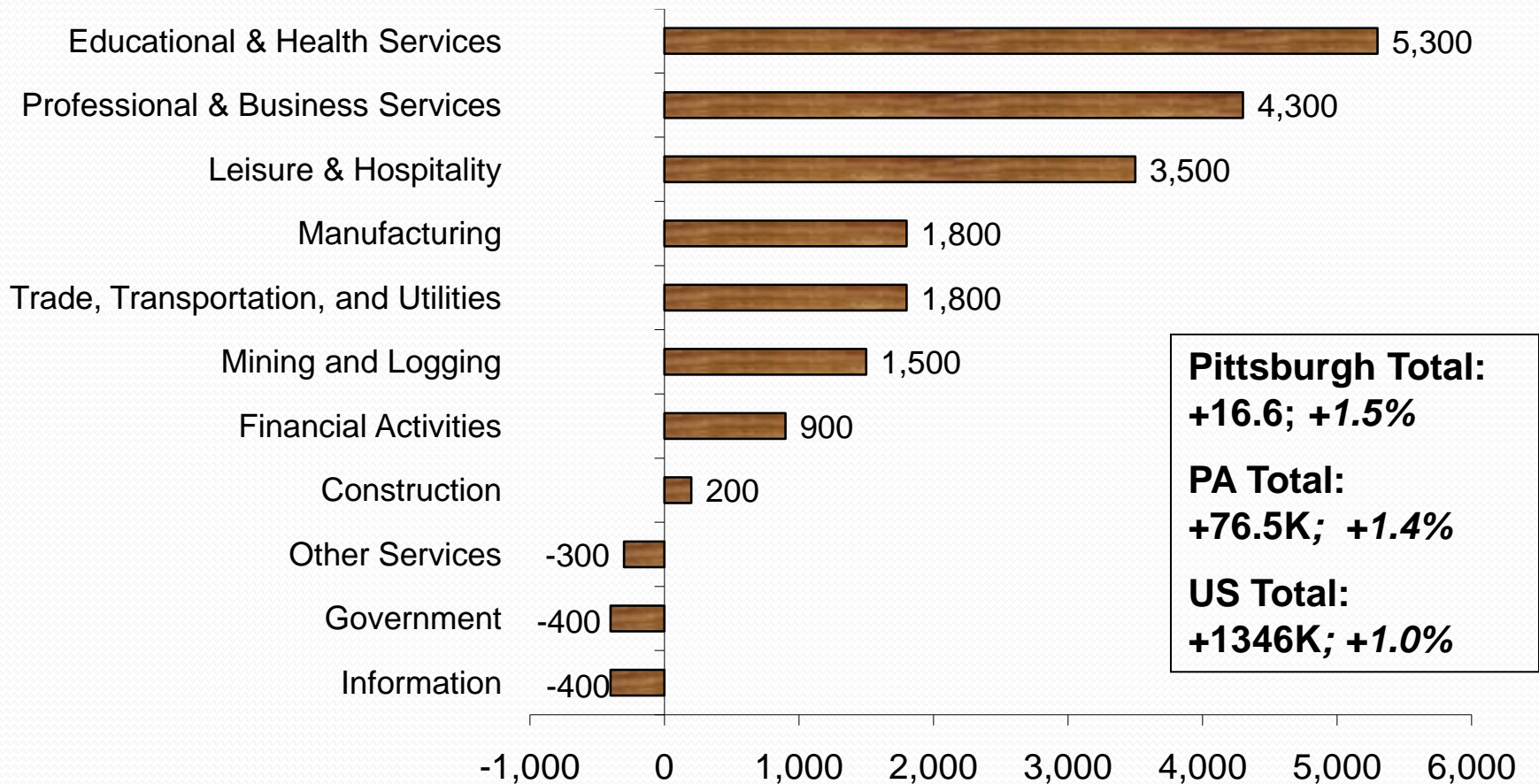
Source: Bureau of Labor Statistics

# Pittsburgh MSA Nonfarm Employment

## by Industry Sector Groups (NSA)

March 2010 v. March 2011

Absolute Change



Source: Bureau of Labor Statistics

# Unemployment Rates, Largest 20 Metros(NSA)

March 2011

Rank	MSA	UR
1	Washington-Arlington-Alexandria, DC-VA-MD-WV	5.8
2	Minneapolis-St. Paul-Bloomington, MN-WI	6.8
3	Boston-Cambridge-Quincy, MA-NH	7.1
4	Baltimore-Towson, MD	7.4
5	Dallas-Fort Worth-Arlington, TX	8.1
6	Houston-Sugar Land-Baytown, TX	8.3
7	New York-Northern New Jersey-Long Island, NY-NJ-PA	8.4
<b>7</b>	<b>Philadelphia-Camden-Wilmington, PA-NJ-DE-MD</b>	<b>8.5</b>
9	Phoenix-Mesa-Glendale, AZ	8.7
10	Chicago-Joliet-Naperville, IL-IN-WI	8.9

Rank	MSA	UR
11	Seattle-Tacoma-Bellevue, WA	9.2
12	St. Louis, MO-IL	9.3
13	Atlanta-Sandy Springs-Marietta, GA	9.8
14	San Francisco-Oakland-Fremont, CA	10.0
15	San Diego-Carlsbad-San Marcos, CA	10.2
16	Miami-Fort Lauderdale-Pompano Beach, FL	10.9
17	Tampa-St. Petersburg-Clearwater, FL	11.0
18	Los Angeles-Long Beach-Santa Ana, CA	11.4
19	Detroit-Warren-Livonia, MI	11.8
20	Riverside-San Bernardino-Ontario, CA	13.9

Source: Bureau of Labor Statistics

# Unemployment Rates, U.S. States (SA)

March 2011

Rank	State	Rate	Rank	State	Rate	Rank	State	Rate
1	NORTH DAKOTA	3.6	17	UTAH	7.6	33	WASHINGTON	9.2
2	NEBRASKA	4.2	19	ARKANSAS	7.8	36	NEW JERSEY	9.3
3	SOUTH DAKOTA	4.9	<b>19</b>	<b>PENNSYLVANIA</b>	<b>7.8</b>	37	ARIZONA	9.5
4	NEW HAMPSHIRE	5.2	21	MASSACHUSETTS	8.0	37	DISTRICT OF COLUMBIA	9.5
5	VERMONT	5.4	21	NEW YORK	8.0	37	TENNESSEE	9.5
6	IOWA	6.1	23	LOUISIANA	8.1	40	IDAHO	9.7
6	OKLAHOMA	6.1	23	NEW MEXICO	8.1	40	NORTH CAROLINA	9.7
8	WYOMING	6.2	23	TEXAS	8.1	42	SOUTH CAROLINA	9.9
9	HAWAII	6.3	26	DELAWARE	8.4	43	GEORGIA	10.0
9	VIRGINIA	6.3	27	INDIANA	8.5	43	OREGON	10.0
11	MINNESOTA	6.6	28	ILLINOIS	8.8	45	KENTUCKY	10.2
12	KANSAS	6.8	29	OHIO	8.9	45	MISSISSIPPI	10.2
13	MARYLAND	6.9	30	CONNECTICUT	9.1	47	MICHIGAN	10.3
14	ALASKA	7.4	30	MISSOURI	9.1	48	RHODE ISLAND	11.0
14	MONTANA	7.4	30	WEST VIRGINIA	9.1	49	FLORIDA	11.1
14	WISCONSIN	7.4	33	ALABAMA	9.2	50	CALIFORNIA	12.0
17	MAINE	7.6	33	COLORADO	9.2	51	NEVADA	13.2

Source: Bureau of Labor Statistics

• U.S. Unemployment Rate: March 11' = 8.8%



# PA MSA Unemployment Rates

March 2011

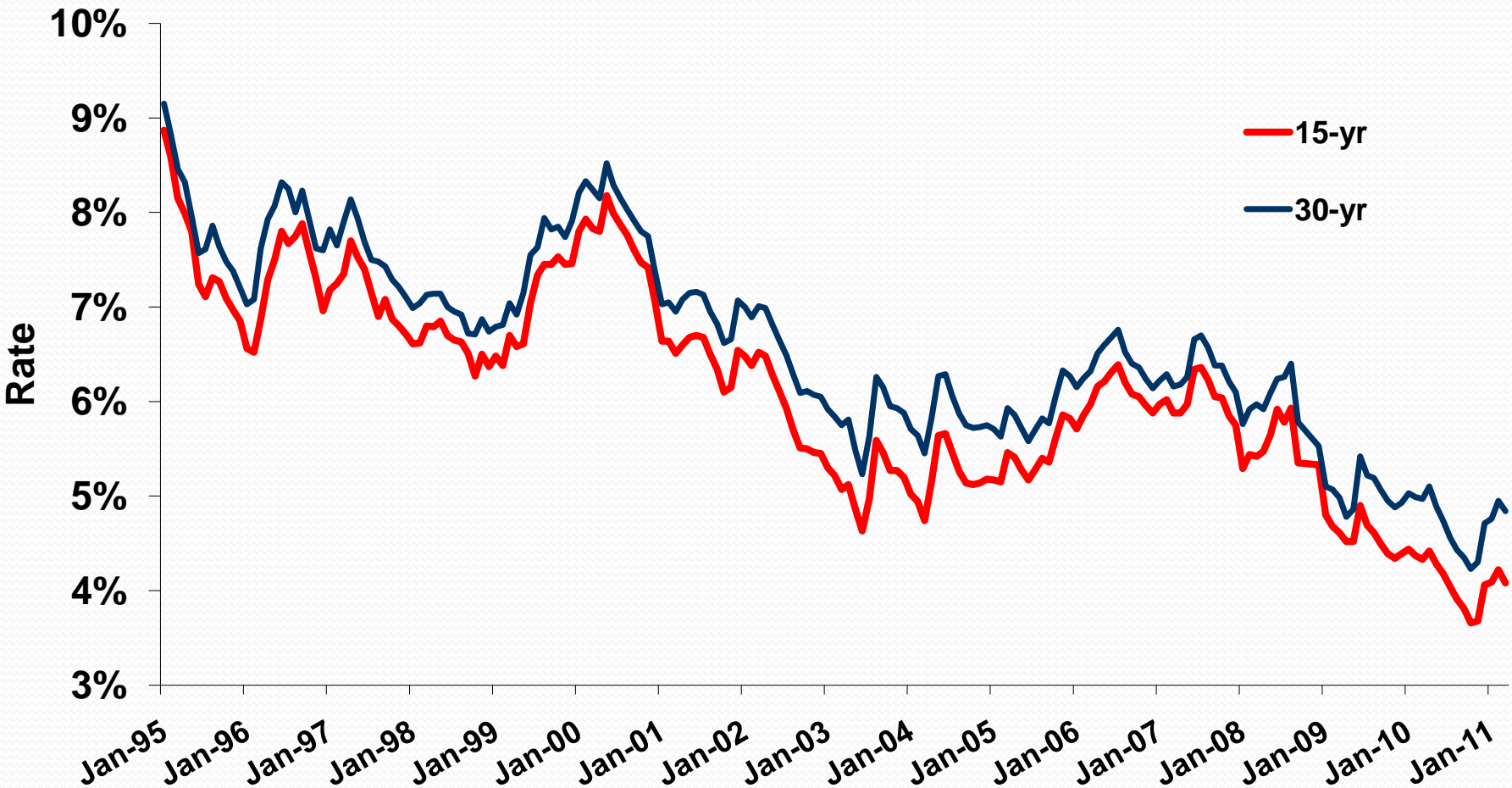
Rank	Jurisdiction	UR	Rank	Jurisdiction	UR
1	State College, PA	5.6	9	Reading, PA	8.3
2	Lebanon, PA	6.5	10	New York-Northern New Jersey-Long Island, NY-NJ-PA	8.4
3	Lancaster, PA	6.8	11	Erie, PA	8.5
4	Altoona, PA	7.2	11	Philadelphia-Camden-Wilmington, PA-NJ-DE-MD	8.5
5	Harrisburg-Carlisle, PA	7.3	13	Johnstown, PA	8.6
6	Pittsburgh, PA	7.4	14	Allentown-Bethlehem-Easton, PA-NJ	8.9
7	York-Hanover, PA	7.7	15	Scranton--Wilkes-Barre, PA	9.4
8	Williamsport, PA	8.0	16	Youngstown-Warren-Boardman, OH-PA	9.9

Source: Bureau of Labor Statistics

# Baby Come Back

# 15-Year & 30-Year Fixed Mortgage Rates

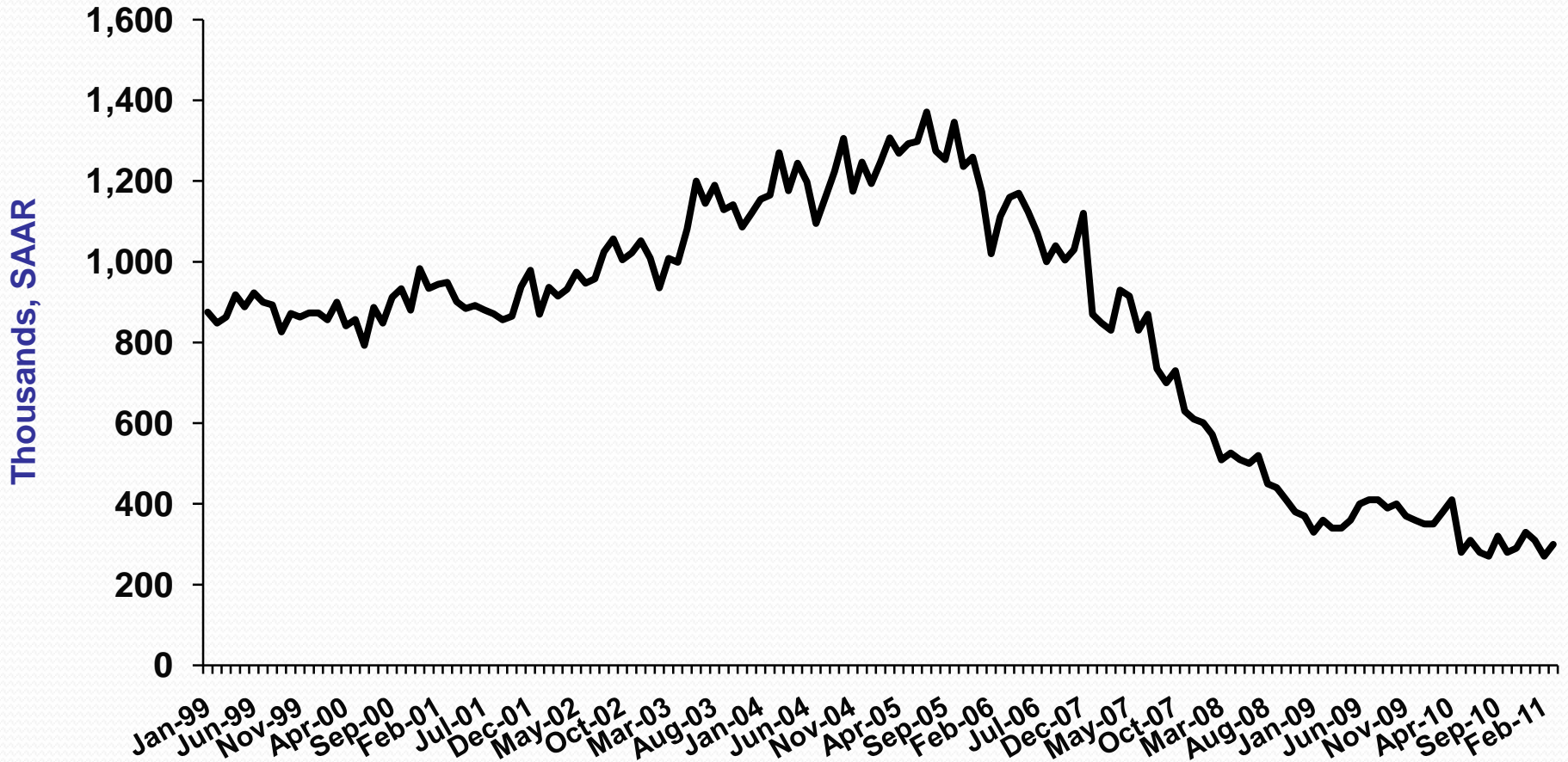
January 1995 through March 2011



Source: Freddie Mac

# U.S. New Home Sales

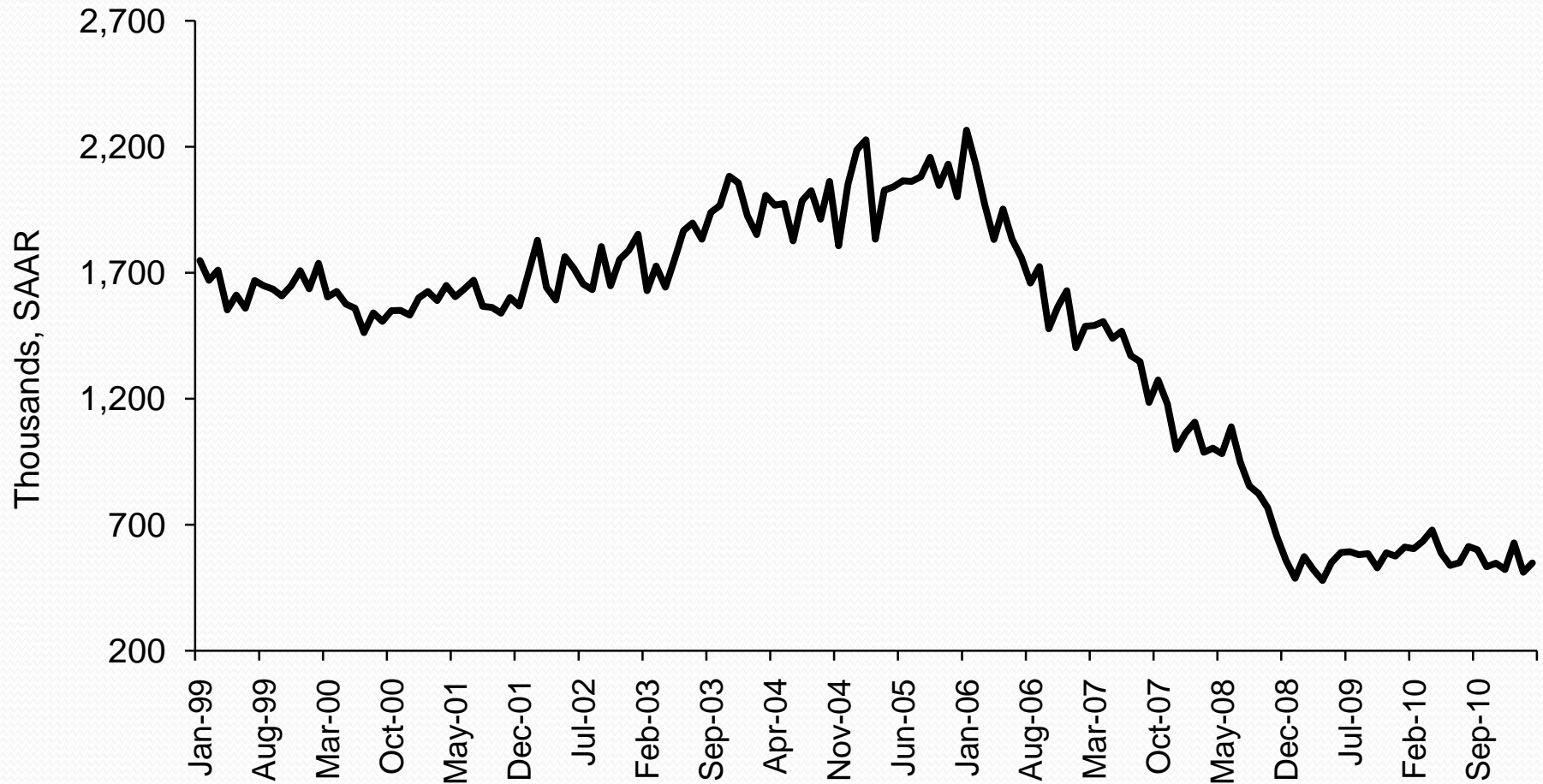
January 1999 through March 2011



Source: [Economy.com](http://Economy.com), Census Bureau

# U.S. Housing Starts

January 1999 through March 2011

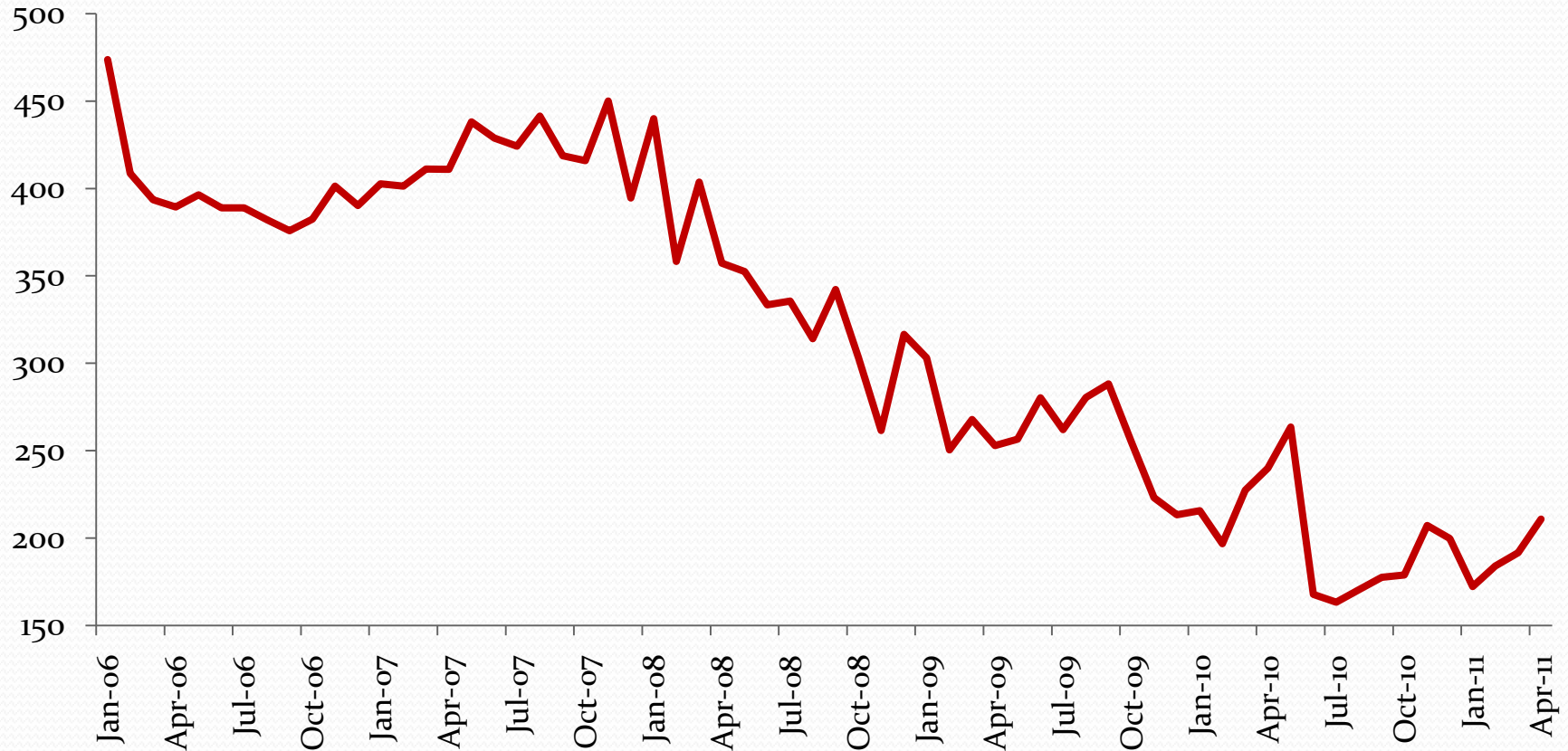


Source: [Economy.com](http://Economy.com)

# Mortgage Banker's Association Mortgage Applications

## Purchase Index

January 2006 through April 15, 2011

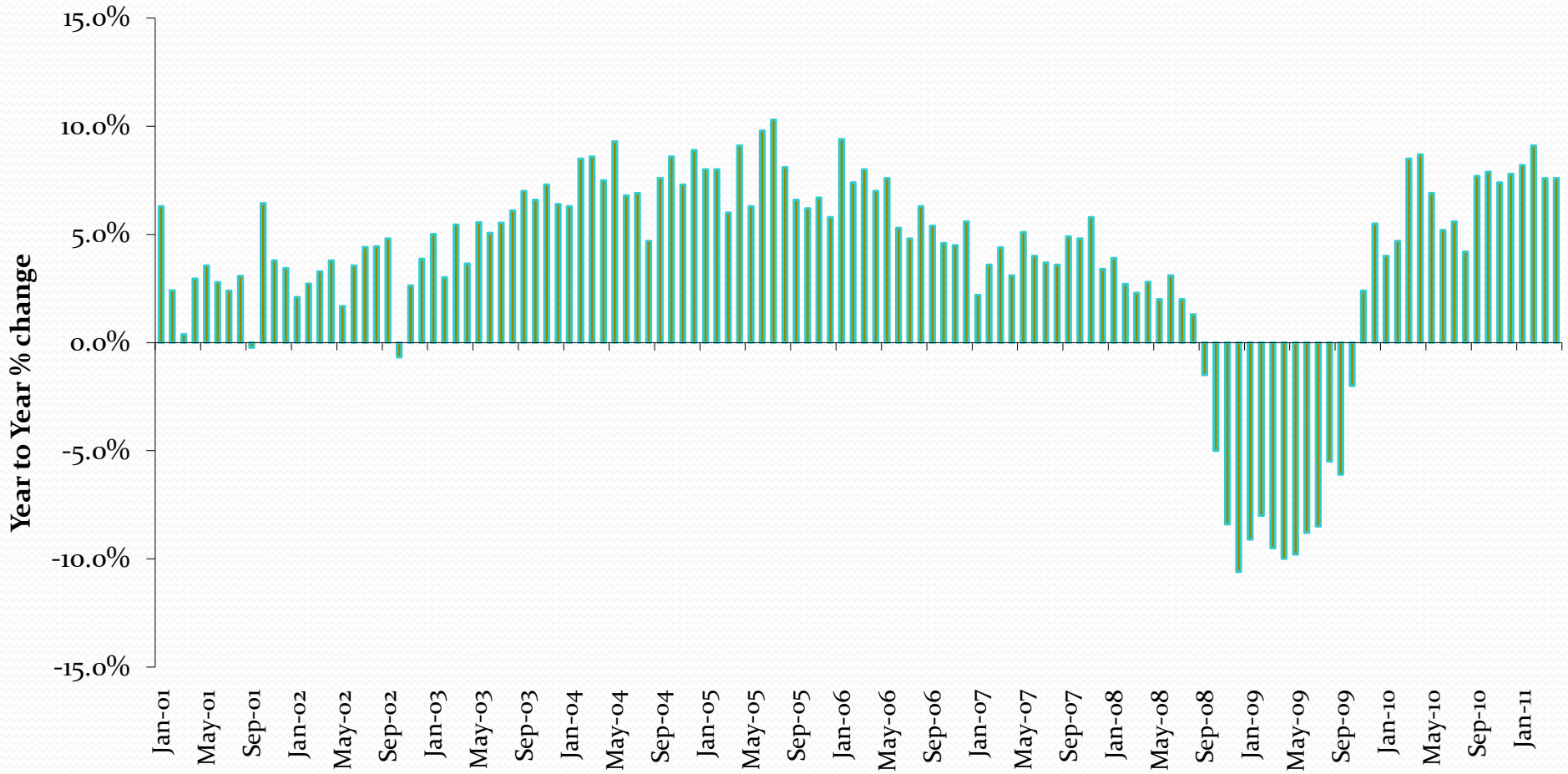


Source: [Economy.com](http://Economy.com)

# Take the Money and Run

# U.S. Retail & Food Services Sales

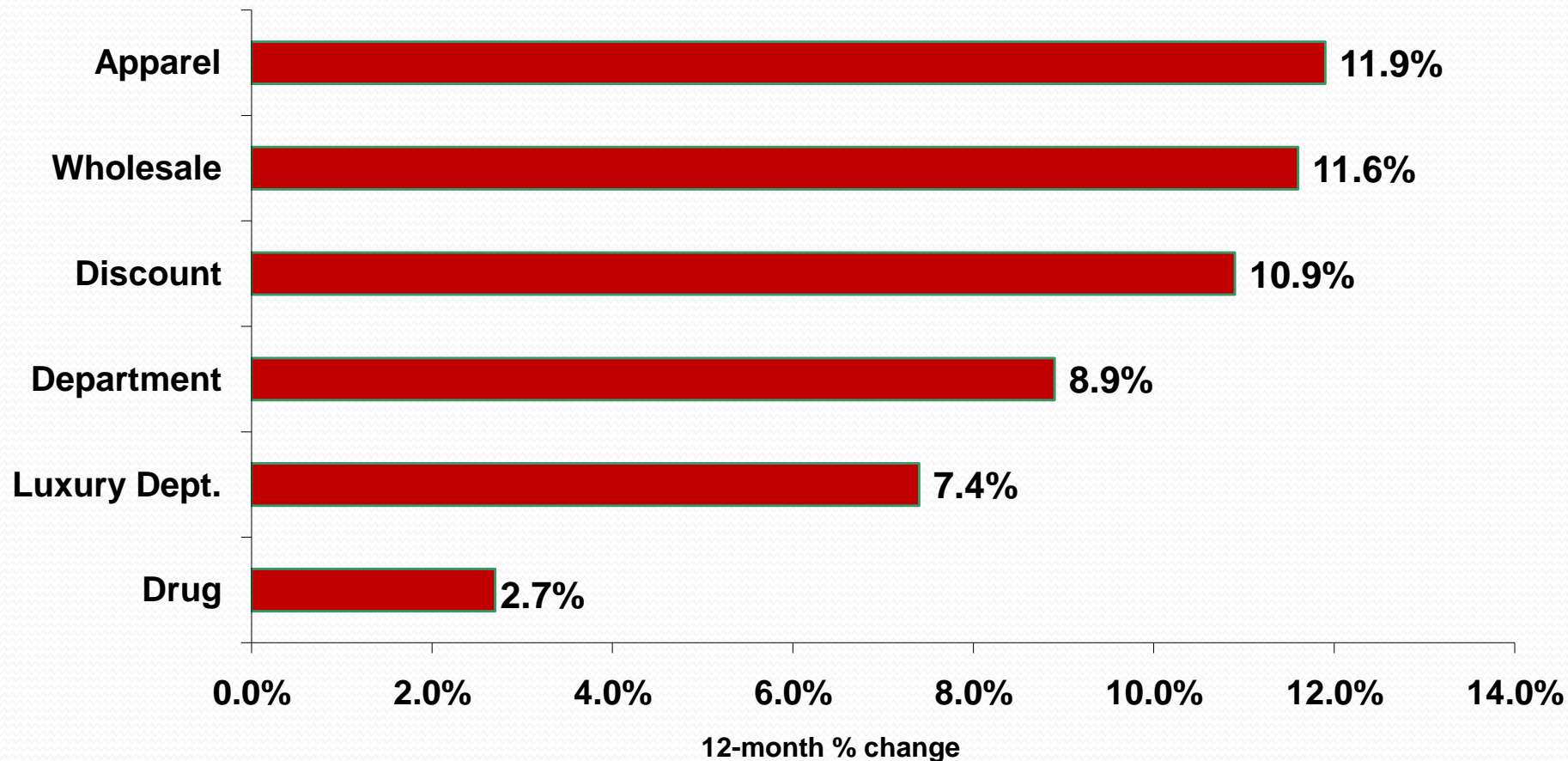
January 2001 through April 2011



Source: Census

# U.S. Chain Store Sales Growth by Type of Store

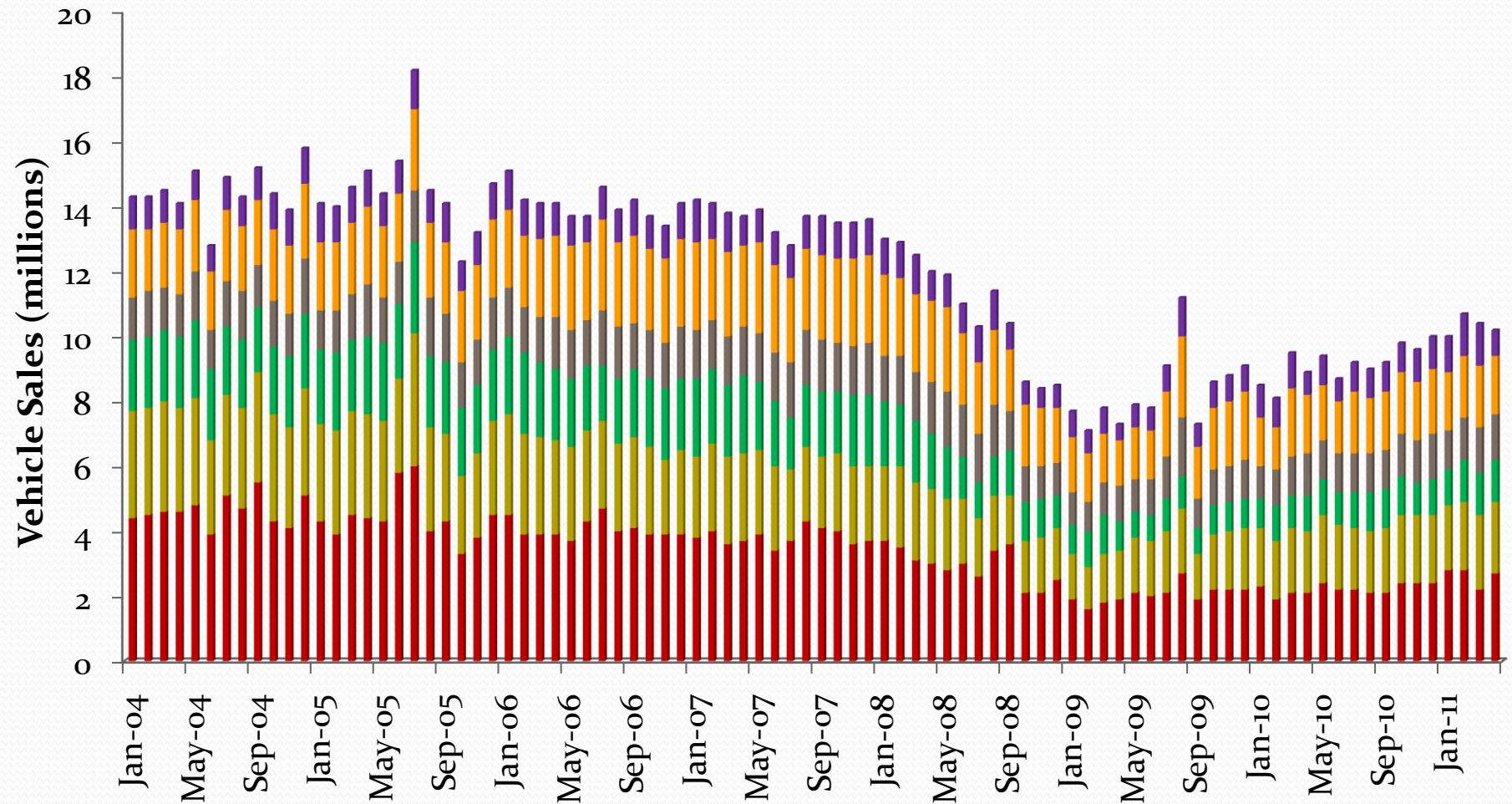
April 2010 v. April 2011



Source: *Economy.com*

# National Vehicle Sales

January 2004 through April 2011 (SAAR)

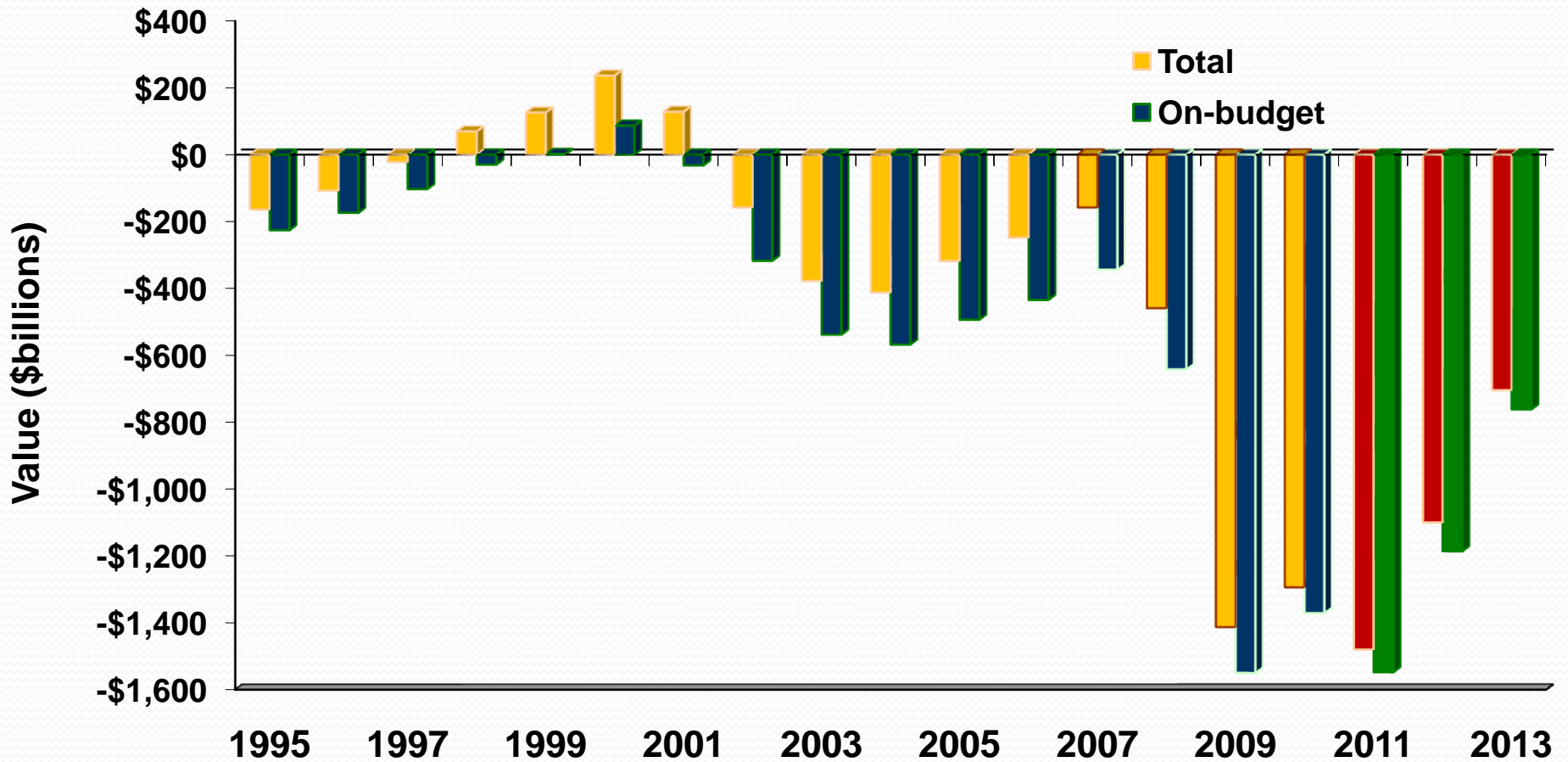


Source: Autodata Corp.

■ GM ■ Ford ■ Chrysler ■ Honda ■ Toyota ■ Nissan

# U.S. Federal Budget Deficit

1995-2013\*



Source: Congressional Budget Office

\*2011-2013 data are projections

# Projected State Budget Shortfalls for FY 2012

*As Percentage of FY 2011 Budget*

Rank	State	%	Rank	State	%	Rank	State	%
1	Nevada	45.2%	18	Mississippi	14.1%	35	Hawaii	8.2%
2	New Jersey	37.4%	19	Alabama	13.9%	36	Utah	8.2%
3	Texas	31.5%	20	Colorado	13.8%	37	Georgia	7.9%
4	California*	29.3%	21	Virginia*	13.1%	38	Delaware	6.3%
5	Oregon*	25.0%	22	Wisconsin	12.8%	39	Michigan	5.9%
6	Minnesota	23.6%	23	North Carolina	12.7%	40	Massachusetts	5.7%
7	Louisiana	20.7%	24	Arizona	11.5%	41	District of Columbia	5.2%
8	New York	18.7%	25	Rhode Island	11.3%	42	Idaho	3.9%
9	Connecticut	18.0%	26	Ohio*	11.0%	43	Iowa	3.5%
10	States Total	17.6%	27	South Dakota	10.9%	44	Indiana	2.0%
11	South Carolina	17.4%	28	Maryland	10.7%		New Hampshire (DK)	NA
<b>12</b>	<b>Pennsylvania</b>	<b>16.4%</b>	<b>29</b>	Oklahoma	9.4%		Tennessee (DK)	NA
13	Vermont	16.3%	30	Nebraska	9.2%	<p><i>*Note: Kentucky and Virginia have two-year budgets. They closed their FY2012 shortfalls when they enacted their budgets for the FY2011-FY2012 biennium. California's shortfall includes an \$8.2 billion shortfall carried forward from FY2011. Oregon and Ohio's shortfalls are one half of the states' total projected shortfalls for the 2011-2013 biennium. Estimates of Ohio's two-year shortfall range from \$6 to \$8 billion. DK means that a state is projecting a shortfall but its size is unknown.</i></p>		
14	Washington	16.2%	31	Kentucky*	9.1%			
15	Maine	16.1%	32	Missouri	9.1%			
16	Florida	14.9%	33	Kansas	8.8%			
17	Illinois	14.6%	34	New Mexico	8.3%			

Source: Center on Budget and Policy Priorities

Combined gaps of \$112 billion for 2012.



# Stairway to Heaven

- Stimulus, stimulus, stimulus;
- We've seen the worst of it from a broader economic perspective;
- Too soon to tell if broad inflation domestically will be problematic;
- Election results will be good for economy because gridlock is desirable, at least to a certain extent;
- Global economy on the mend for now;
- Commodity price surges remain a threat;
- 2011: GDP 2.8%-3.3%; 1.6M jobs; US UE stays above 8.5%;
- 2012????

# Thank You

- You can always reach me at [abasu@sagepolicy.com](mailto:abasu@sagepolicy.com)
- If you appreciate this type of information and would like regular updates, please see our newsletter service at [www.spgtrend.com](http://www.spgtrend.com)
- Also, if you need us in a hurry, we are at 410.522.7243 (410.522.SAGE)
- Please contact us when you require economic research & policy analysis.