



# An Economic Outlook



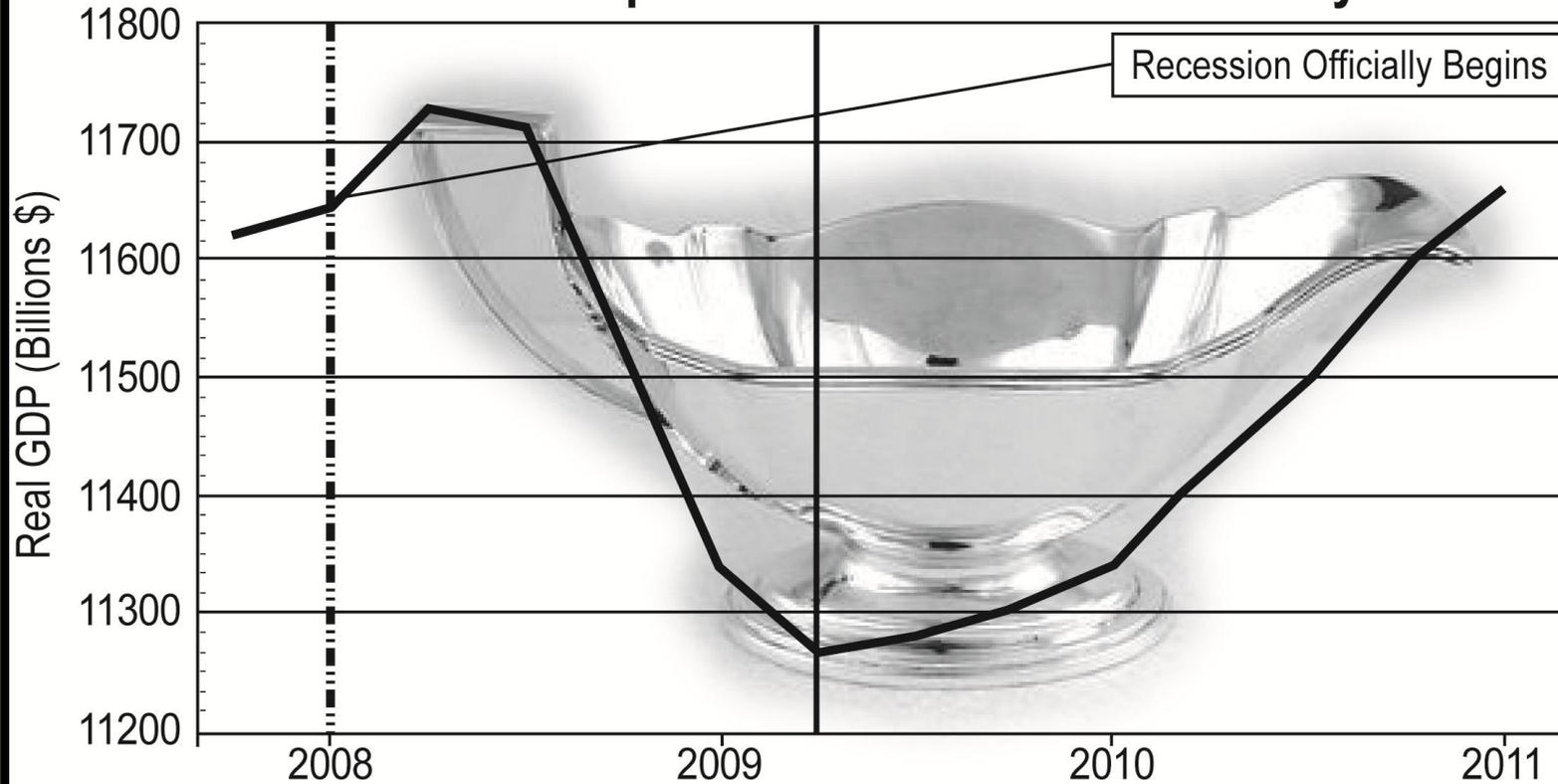
Howey-in-the Hills, FL  
November 14<sup>th</sup>, 2011

# U.S. Economic Outlook 2<sup>nd</sup> Quarter 2009 Forecast



Figure 1

## The Shape of Recession and Recovery



# U.S. Forecast

- Tectonic Forces Impacting Consumers:
  - Pent-up Demand, Rising Incomes
    - An upward force on consumer spending
  - Lost Wealth, Labor Market
    - Downward force on spending





# U.S. Household Wealth

(Trillions of \$)

	2005	2006	2007	2008	2009 Q1	2011 Q2
Total Assets	71.3	77.7	78.6	65.5	62.8	72.3
Financial Assets	42.9	48.2	50.6	41.2	39.6	49.1
Home Equity	13.2	12.9	10.3	7.0	6.1	6.2
Net Worth	59.1	64.3	64.3	51.5	48.7	58.5



# U.S. Forecast

- Labor Market, Stock Market and Recession?
  - Picture of a Dorian Gray Recovery
  - Fiscal and Monetary Policy Stimulus
    - What now?



# U.S. Forecast

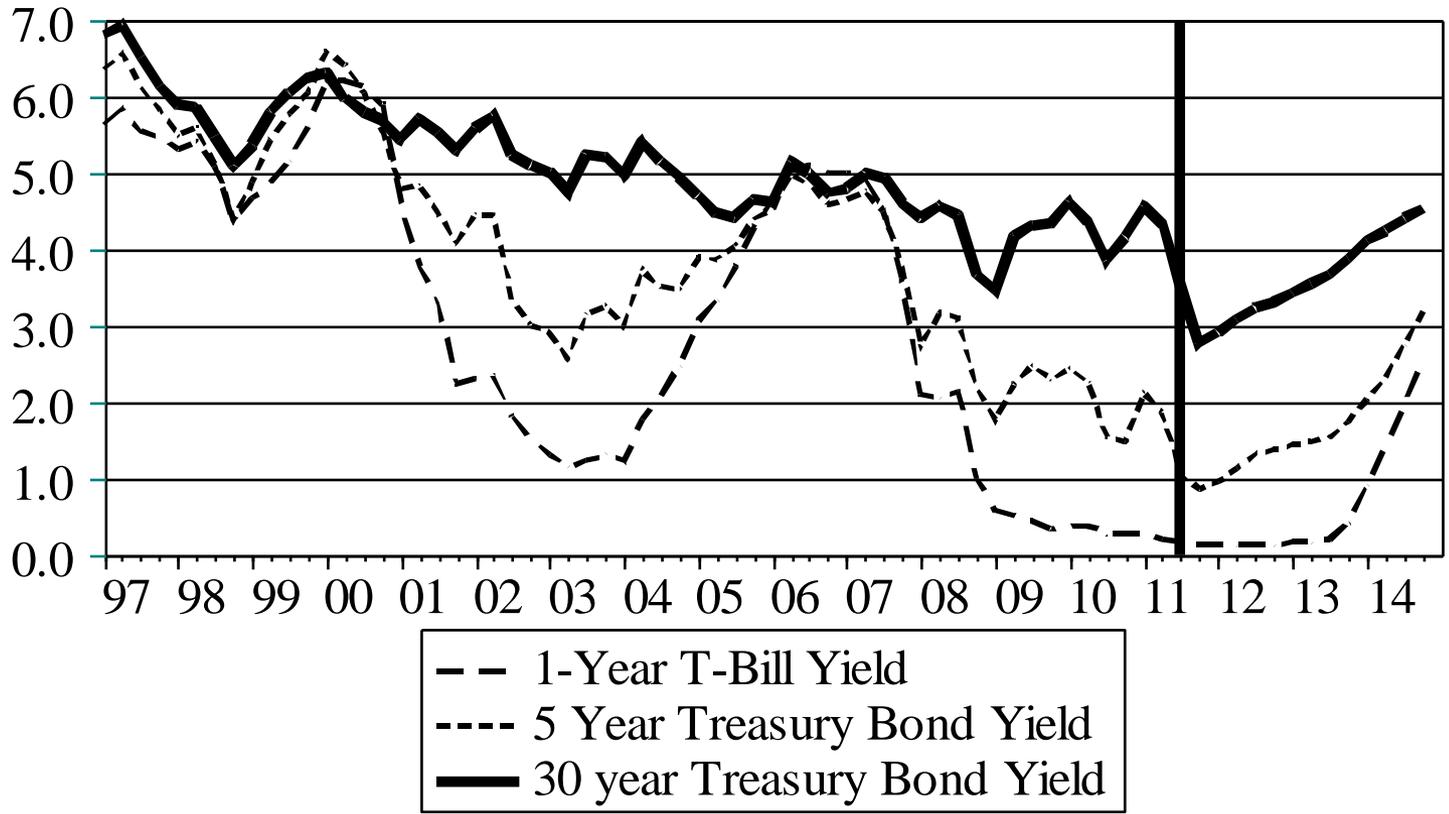
- Fiscal and Monetary Policy Stimulus
  - What now?
- Monetary Policy
  - Operation twist
  - Twist and doubt
- Fiscal Policy



# U.S. Forecast



## Yield Curve (%)





# U.S. Economic Outlook



	2010 Q4	2011 Q1	2011 Q2	2011 Q3	2011 Q4	2012 Q1
<b>GDP</b> % Change, Annual Rate	2.3	0.4	1.3	2.6	1.8	1.9
<b>Consumer Price Index</b> % Change, Annual Rate	2.6	5.2	4.1	1.6	0.7	1.2
<b>Consumer Sentiment</b>	71.3	73.1	71.9	60.6	60.3	68.1
<b>Consumption</b> % Change, Annual Rate	3.6	2.1	0.7	1.5	1.7	1.9

# A Slippery Subject

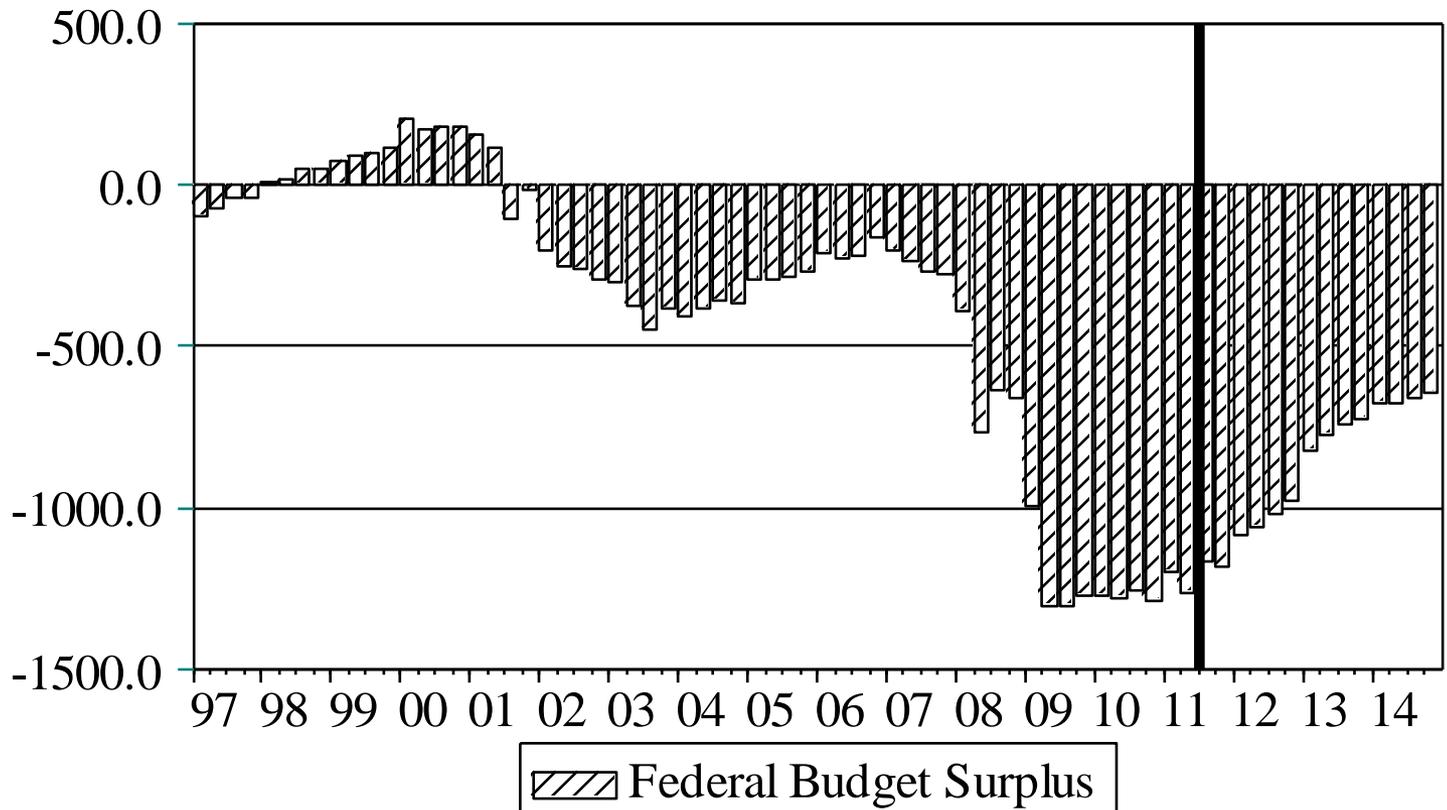
- Will Greece cause an economic slip and fall?
- Greece
  - Contagion concerns (PIIGS)  
Financial market volatility returns
  - Euro facing greatest threat since inception
- Is the U.S. “going Greek?”
  - Debt Downgrade Proof?



# U.S. Forecast



## Federal Budget Surplus (Billions of Dollars)

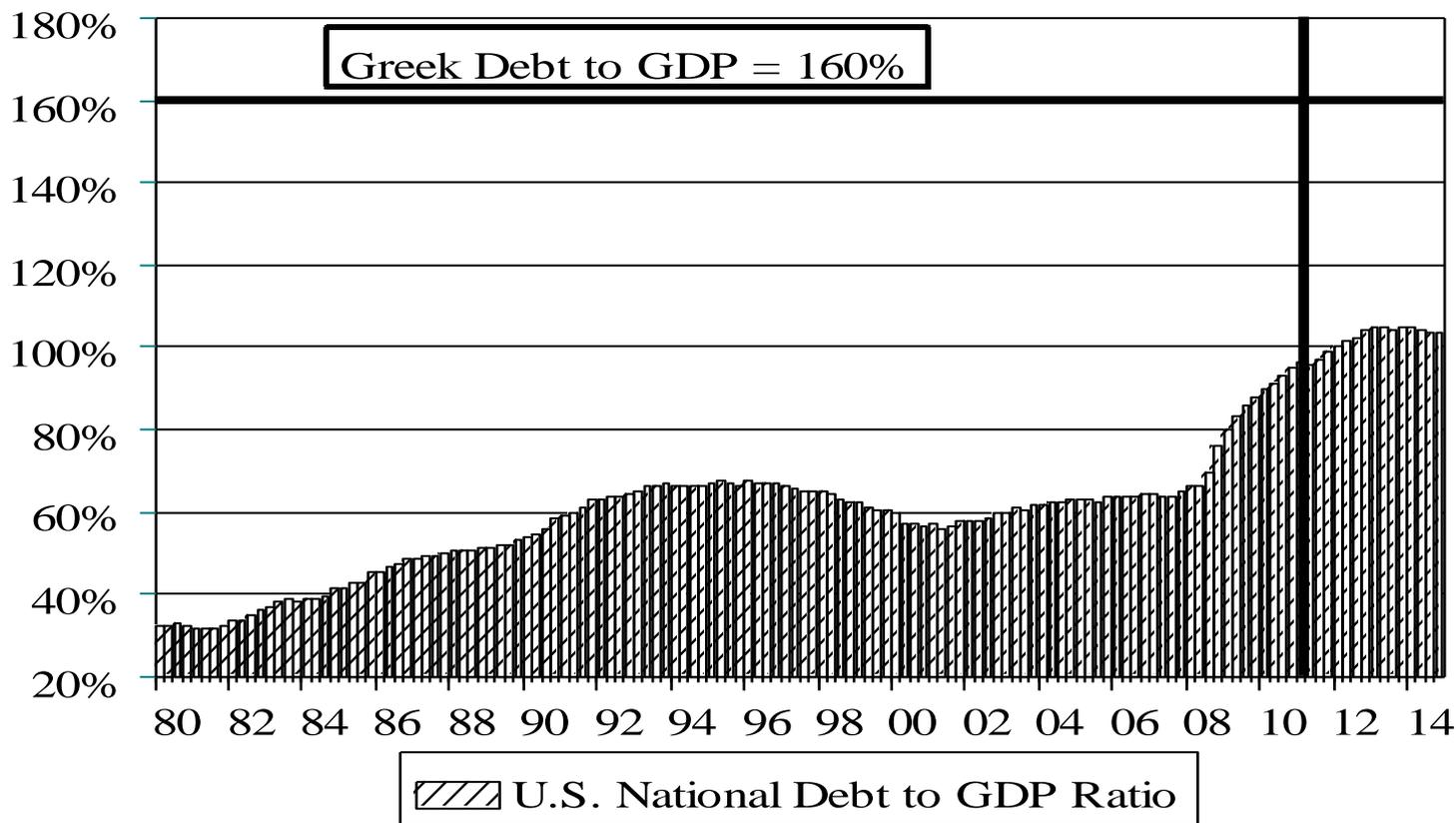


# U.S. Forecast



## U.S. Debt to GDP Ratio

Not Quite Greece...yet.

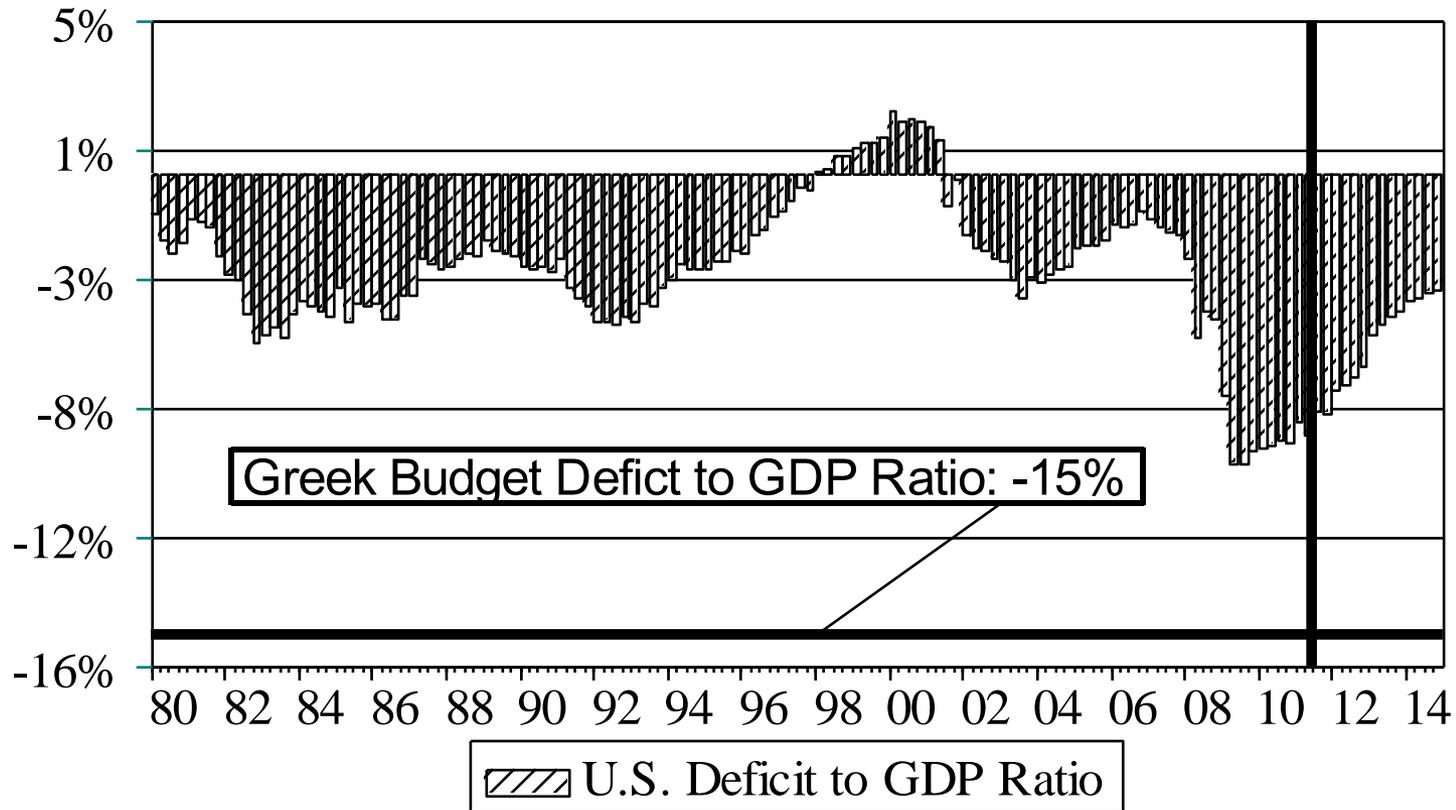


# U.S. Forecast



## U.S. Deficit to GDP Ratio

Not quite Greece



# U.S. Forecast

- Will the debt downgrade put an end to Sky Mall™ Policies in Washington?
- Sky Mall™ Policy:
  - An Expensive Policy that Fails to Achieve its Stated Outcome



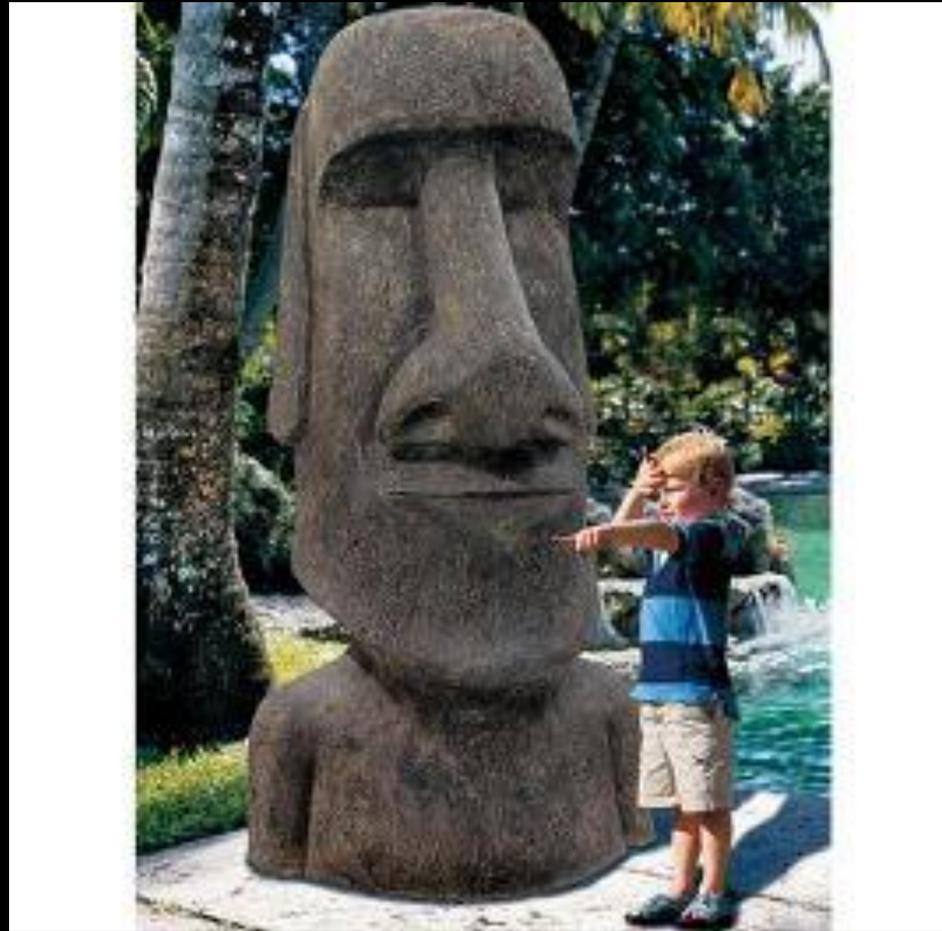
# U.S. Forecast



# U.S. Forecast



# U.S. Forecast



# U.S. Forecast



# U.S. Forecast



# U.S. Forecast



# U.S. Forecast





# U.S. Forecast



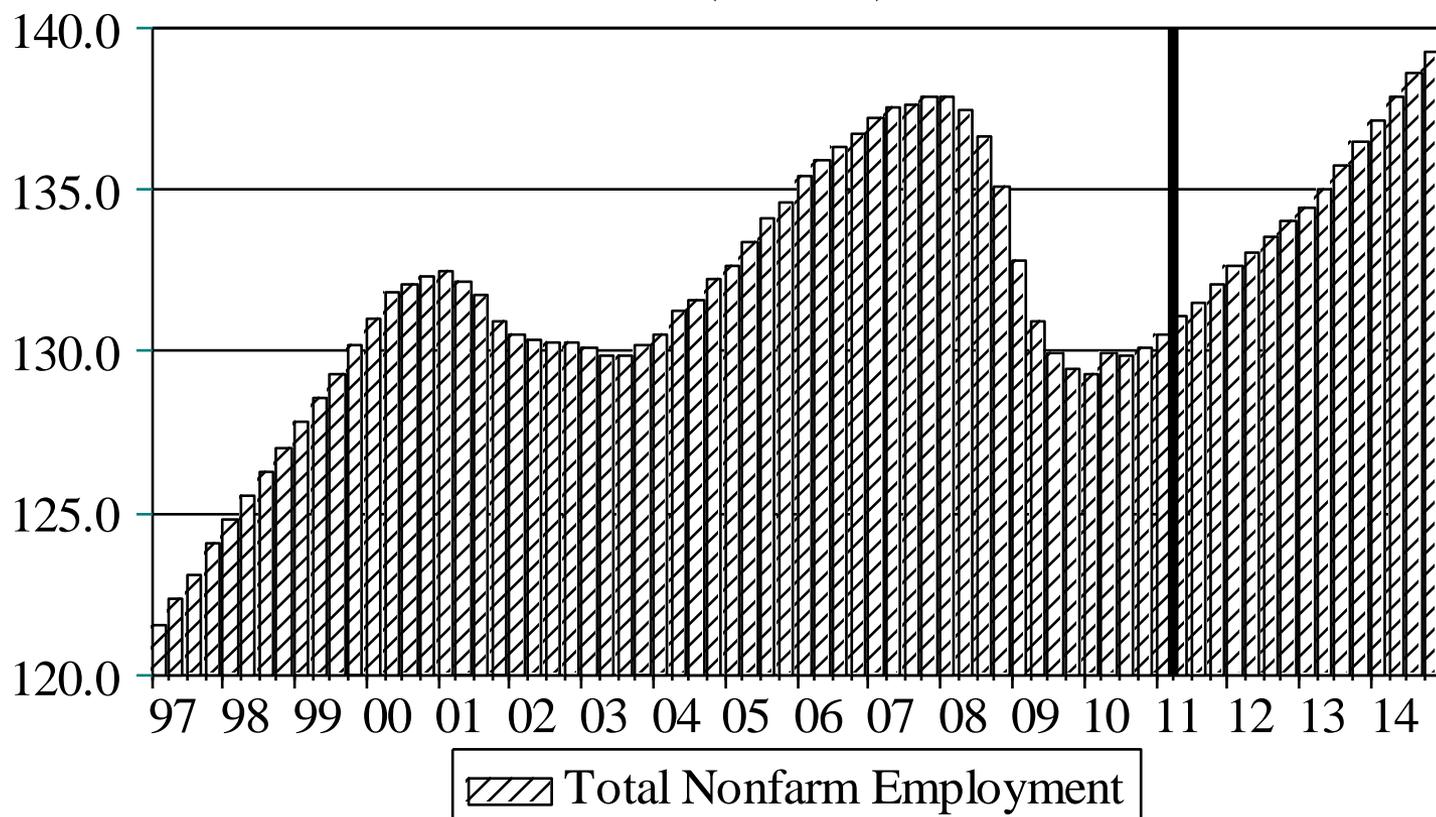
# U.S. Forecast

- Sky Mall™ Policies:
  - T.A.R.P.
  - Foreclosure Prevention Act 2009
  - ARRA of 2009
    - Shovel ready projects?
  - Health Care Reform
    - Community Living Assistance Services and Supports ended.
  - HIRE Act 2010
  - American Jobs Act?





## Total Nonfarm Payroll Employment (Millions)



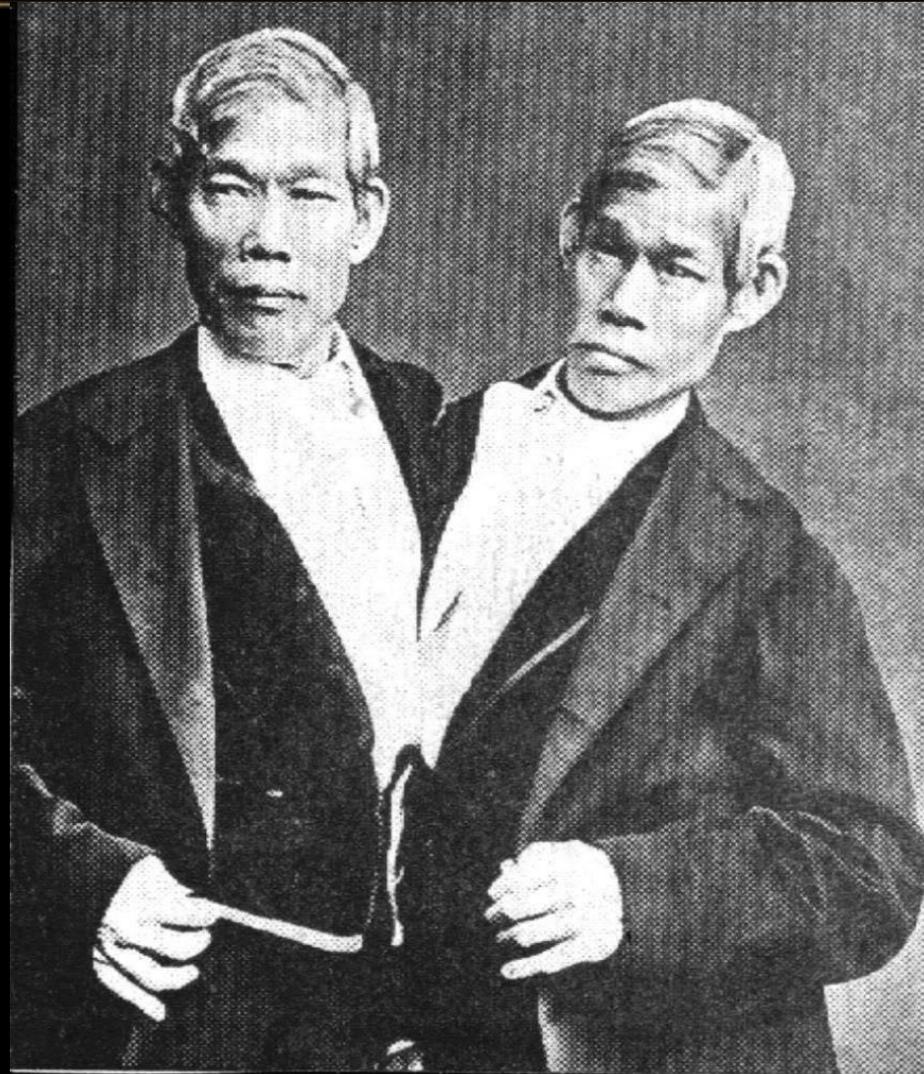
# U.S. Forecast



## Civilian Unemployment Rate (%)



# Chang and Eng Bunker





# Florida Economic Outlook

- Florida's Economic Siamese Twins:
  - The Labor Market
  - The Housing Market



# Florida's Housing Market

- Foreclosure Moratorium Delayed Recovery
- Housing market still struggling to find the bottom for prices
- Housing Market is a War
  - Policy has NOT been battlefield triage.





# A look at the Florida housing data:

## September 2011 Snapshot



# Florida Sales Report – September 2011

## Single-Family, Existing Homes



Region or MSA	Realtor Sales			Median Sales Price		
	September 2011	September 2010	%Chg	September 2011	September 2010	%Chg
<b>STATEWIDE</b>	<b>15,036</b>	<b>13,723</b>	<b>10</b>	<b>\$133,900</b>	<b>\$135,000</b>	<b>-1</b>
Fort Myers-Cape Coral	1,127	1,102	2	\$110,600	\$94,400	17
Melbourne-Titusville-Palm Bay	523	557	-6	\$107,900	\$98,200	10
Punta Gorda	219	241	-9	\$98,300	\$90,900	8
Lakeland-Winter Haven	279	283	-1	\$103,500	\$97,200	6
Sarasota-Bradenton	816	760	7	\$156,800	\$151,000	4



# Florida Sales Report – September 2011

## Single-Family, Existing Homes



Region or MSA	Realtor Sales			Median Sales Price		
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<b>STATEWIDE</b>	<b>15,036</b>	<b>13,723</b>	<b>10</b>	<b>\$133,900</b>	<b>\$135,000</b>	<b>-1</b>
West Palm Beach-Boca Raton	1,076	801	34	\$180,300	\$225,900	-20
Daytona Beach	743	707	5	\$105,100	\$116,300	-10
Ocala	307	272	13	\$73,300	\$81,300	-10
Fort Lauderdale	1,079	974	11	\$188,800	\$202,000	-7
Miami	848	582	46	\$176,600	\$188,000	-6
Orlando	2,160	2,184	-1	\$125,200	\$128,400	-2



# Florida Sales Report – September 2011

## Existing Condominiums



Region or MSA	Realtor Sales			Median Sales Price		
	September 2011	September 2010	%Chg	September 2011	September 2010	%Chg
<b>STATEWIDE</b>	<b>6,666</b>	<b>6,035</b>	<b>10</b>	<b>\$87,200</b>	<b>\$81,800</b>	<b>7</b>
Lakeland-Winter Haven	19	18	6	\$58,800	\$40,000	47
Pensacola	53	43	23	\$209,400	\$147,500	42
Daytona Beach	154	167	-8	\$160,000	\$114,400	40
Melbourne-Titusville-Palm Bay	122	135	-10	\$100,000	\$75,800	32
Orlando	444	720	-38	\$60,500	\$49,900	21



# Florida Sales Report – September 2011

## Existing Condominiums



Region or MSA	Realtor Sales			Median Sales Price		
	September 2011	September 2010	%Chg	September 2011	September 2010	%Chg
<b>STATEWIDE</b>	<b>7,098</b>	<b>6,041</b>	<b>17</b>	<b>\$91,100</b>	<b>\$81,500</b>	<b>12</b>
Tallahassee	9	12	-25	\$75,000	\$105,000	-29
Ocala	12	8	50	\$40,000	\$50,000	-20
Gainesville	35	18	94	\$69,200	\$80,000	-14
West Palm Beach-Boca Raton	1,100	825	33	\$76,700	\$86,200	-11
Sarasota-Bradenton	232	241	-4	\$120,900	\$134,100	-10

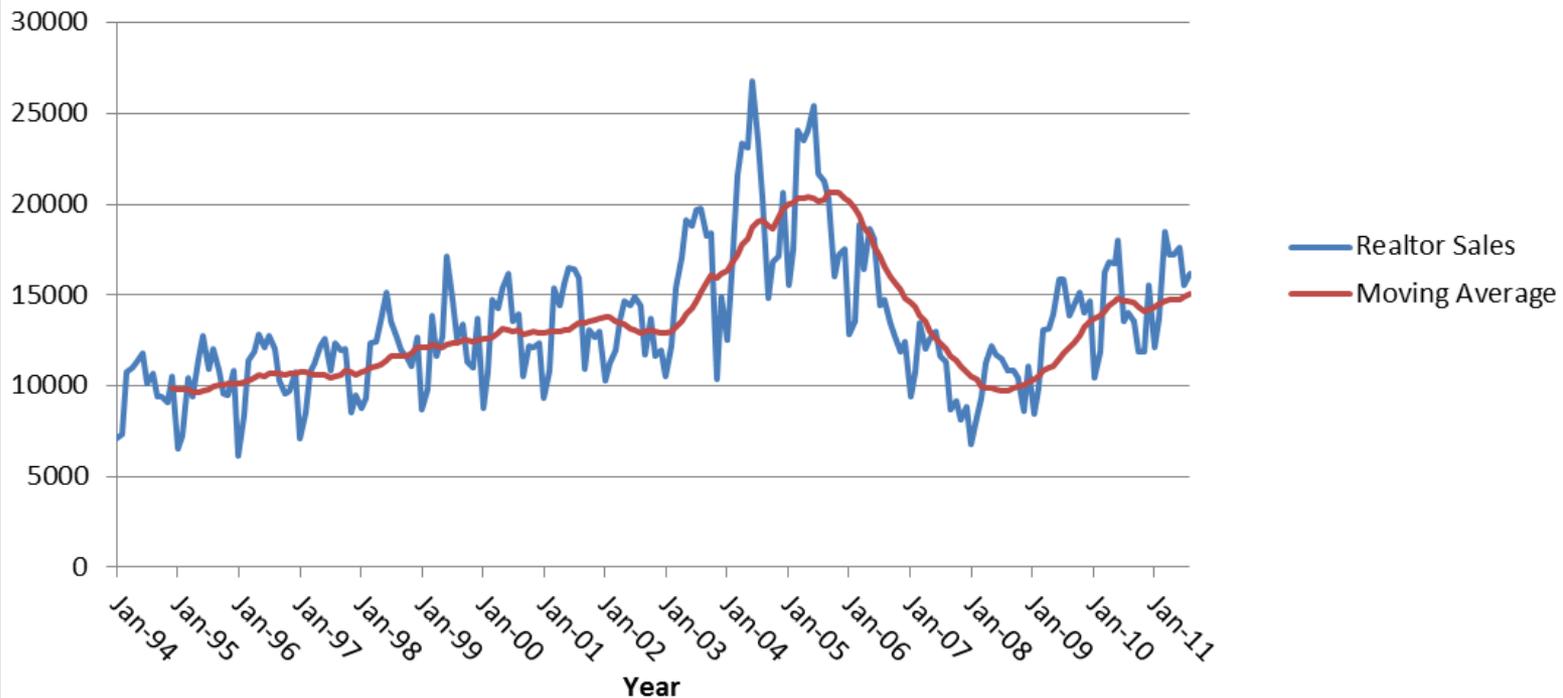


# A look at the housing data:

January 1994–  
September 2011



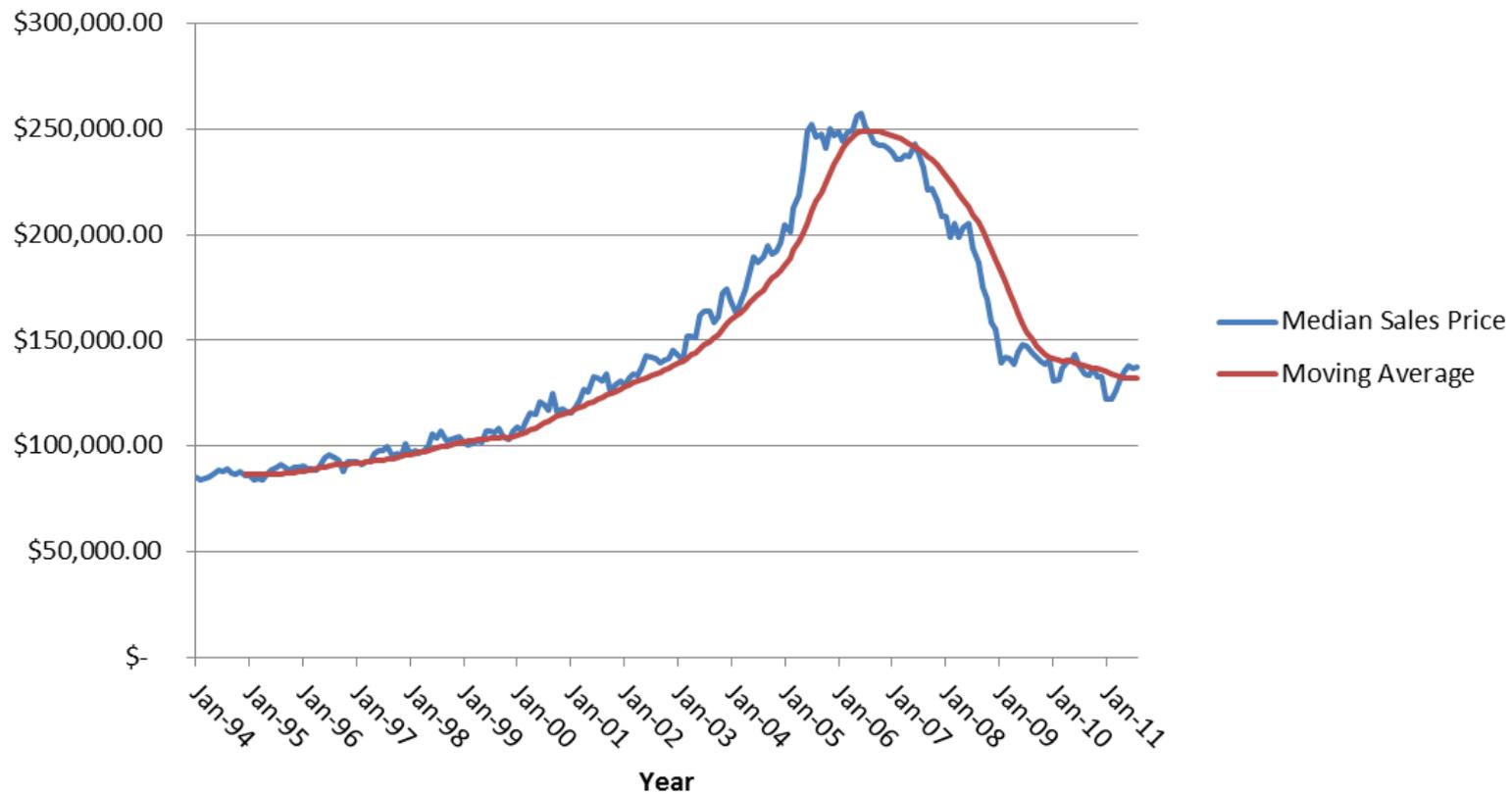
## Florida Single Family, Existing Homes





## Florida

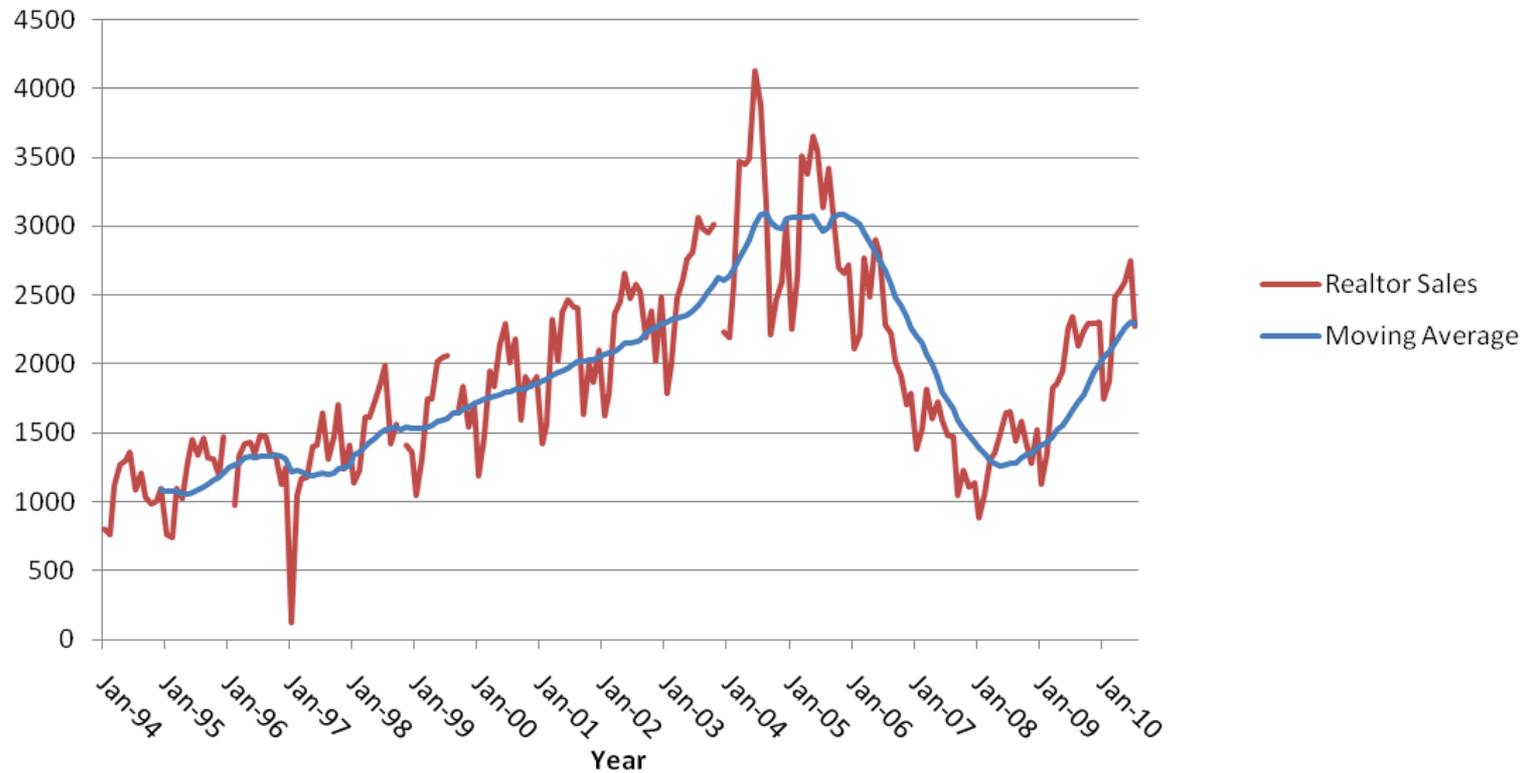
### Single Family, Existing Homes





## Orlando

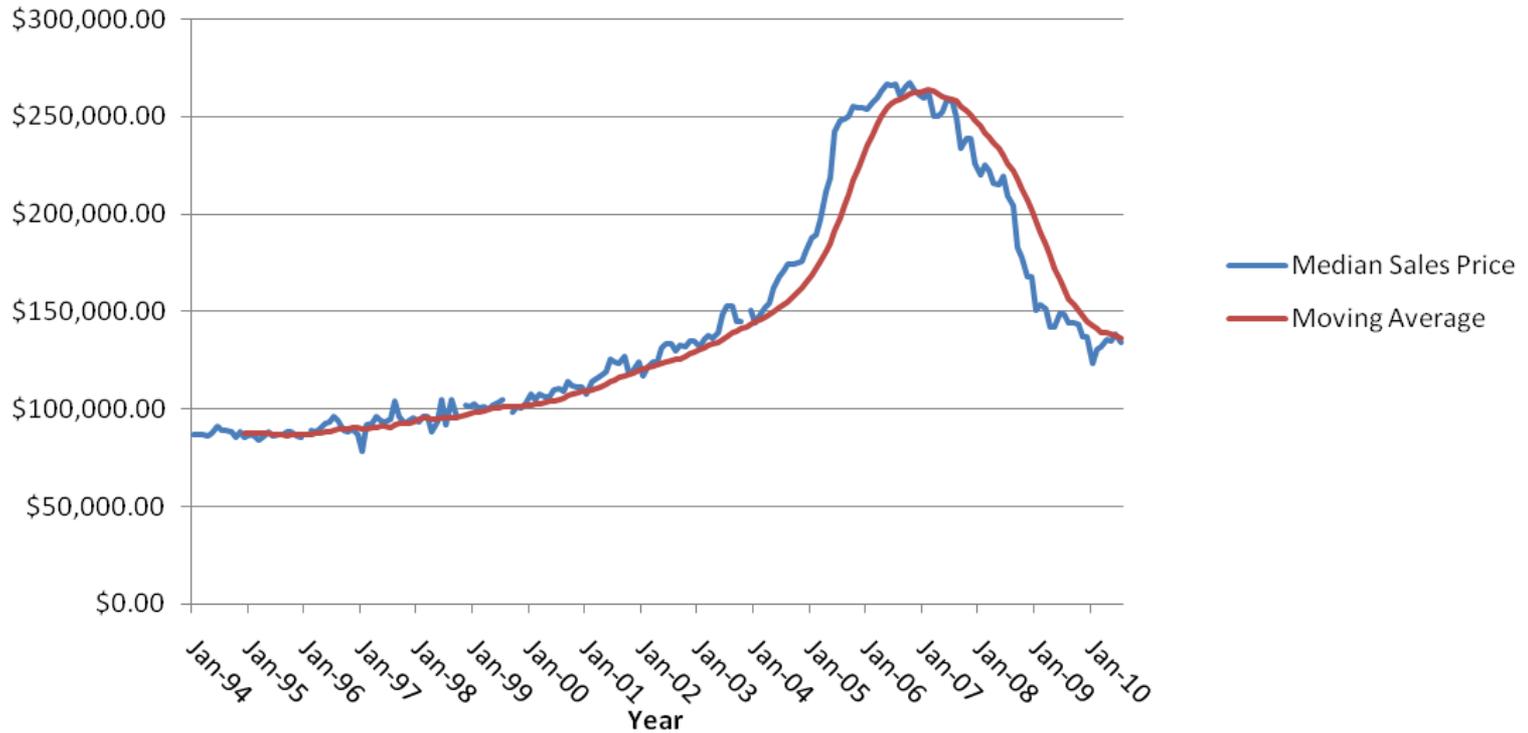
### Single Family, Existing Homes





## Orlando

### Single Family, Existing Homes



# Florida Forecast

- Florida's economy like a jumbo jet



- In 2010, we finished some repairs, loaded up and pushed back from the gate and slowly taxied to the runway.



# Florida Forecast



- 2011 is (was?) our runway.
- And we are cleared for takeoff – finally.
- But did the runway just get longer???

# Florida Forecast



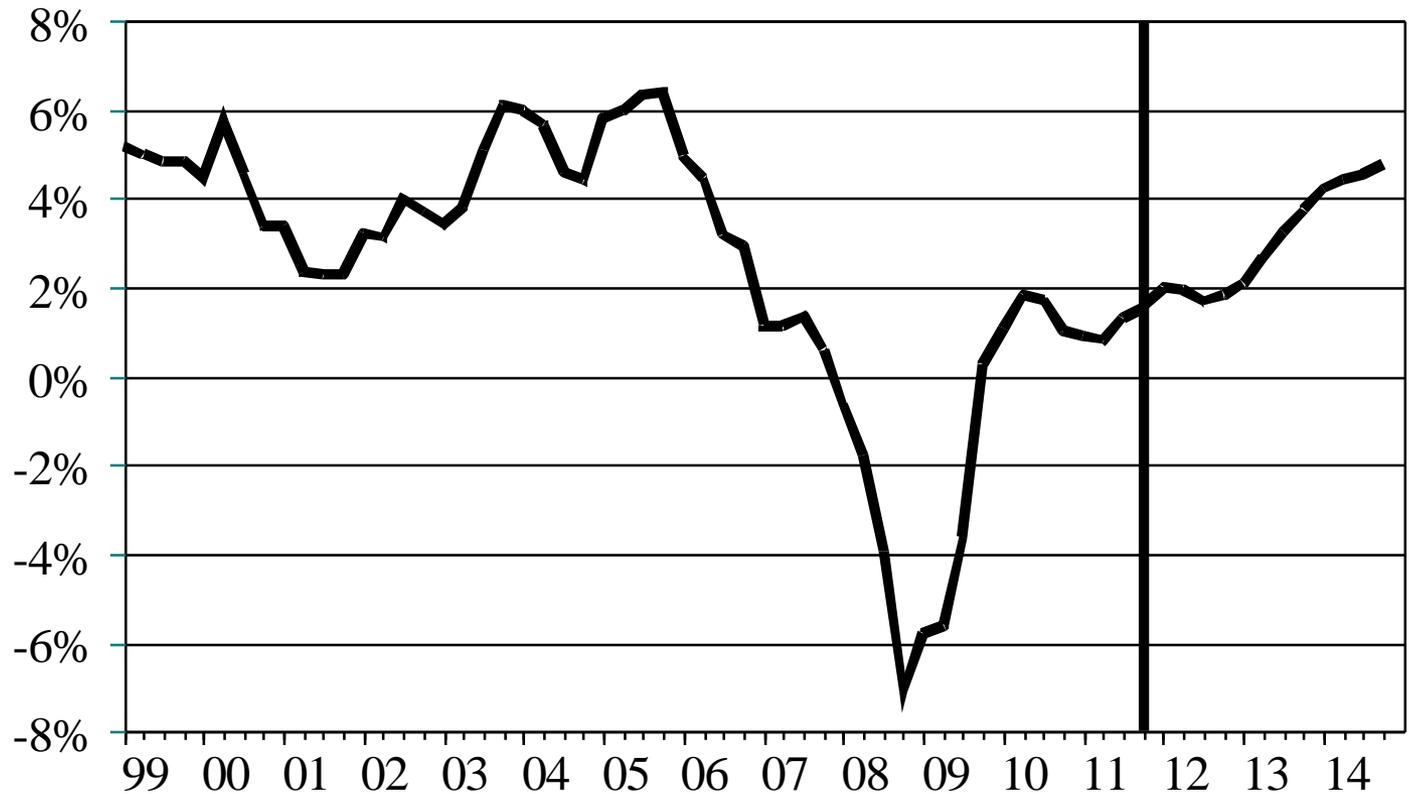
- Economic and job growth doesn't gain altitude until 2012 and 2013

# Florida Forecast



## Florida Real Gross State Product

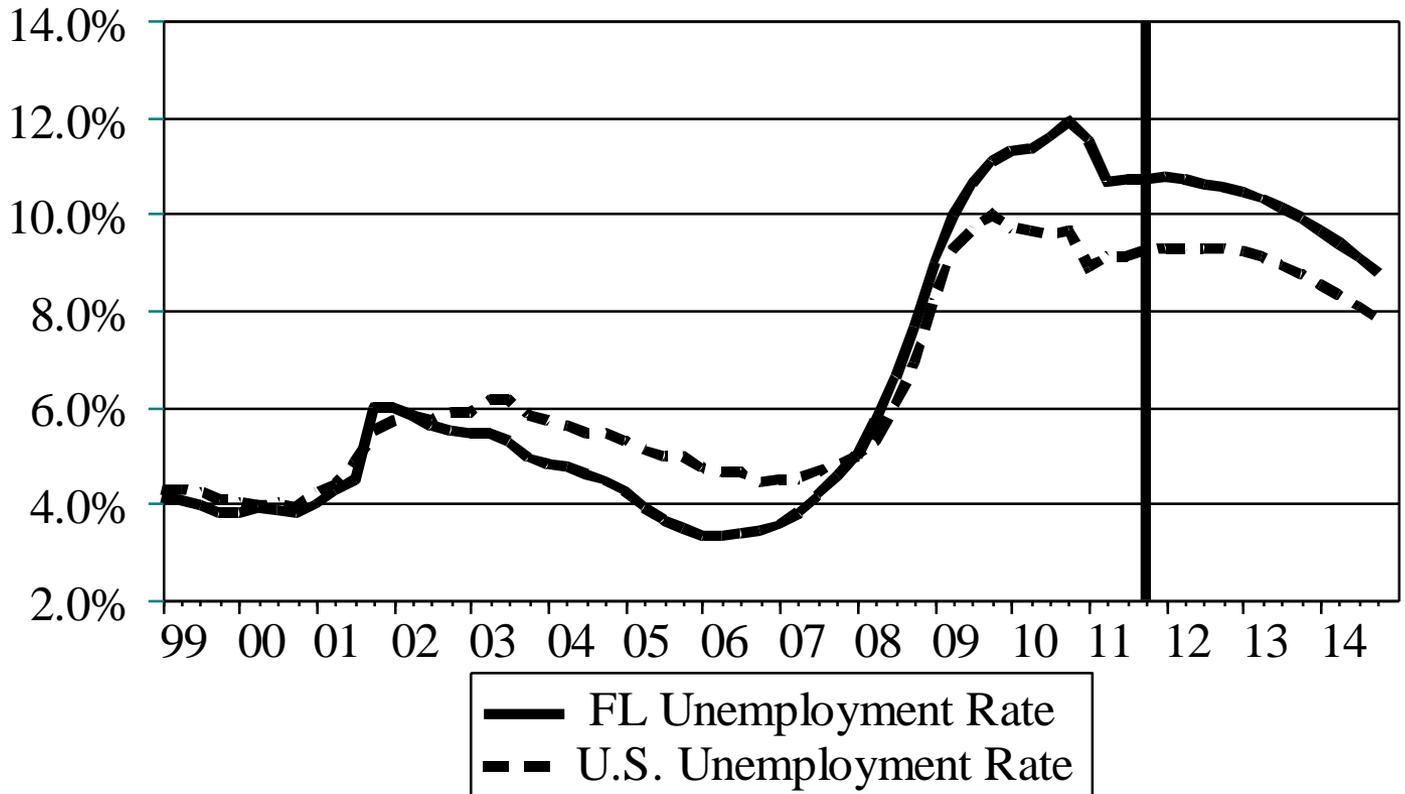
(% change year ago)



# Florida Forecast



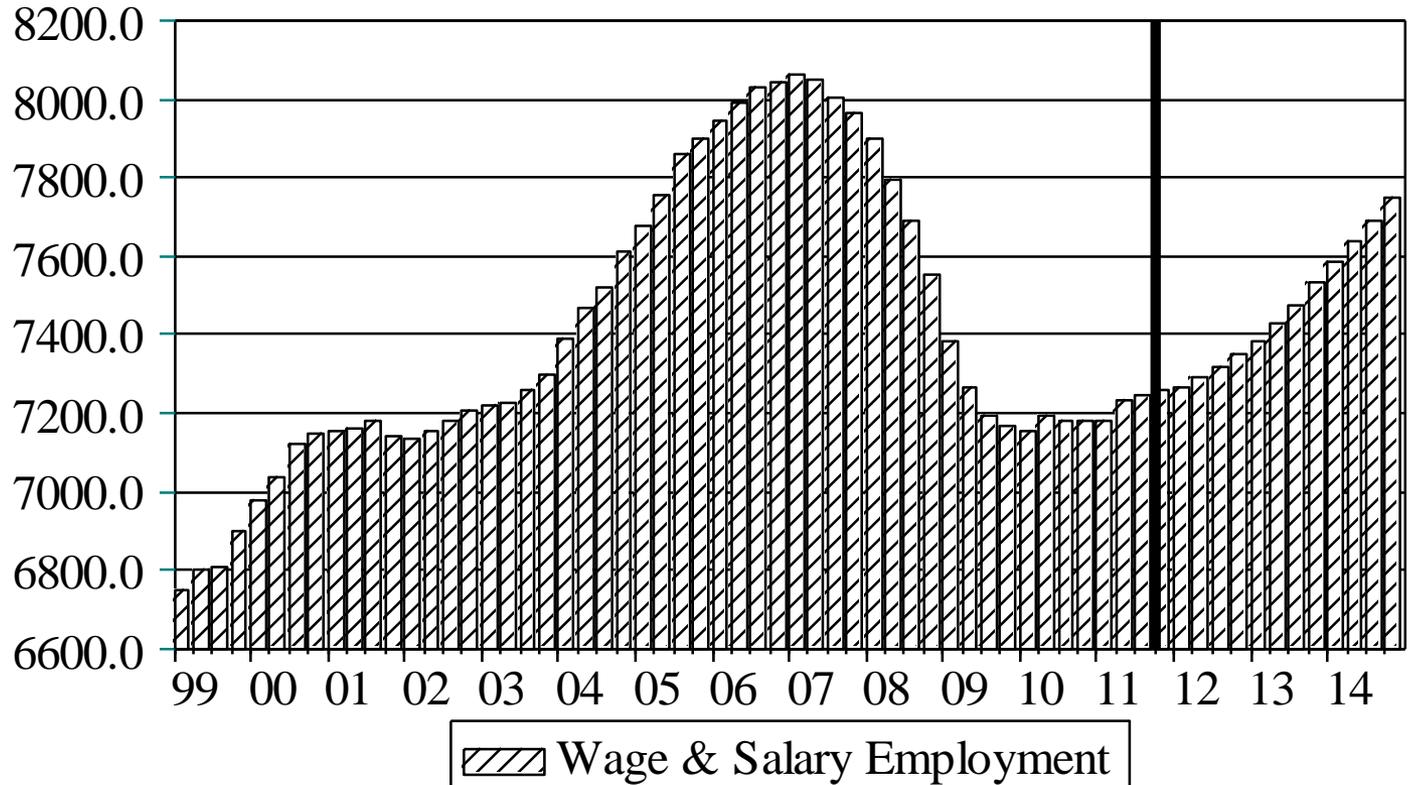
## Florida & U.S. Unemployment Rate (%)



# Florida Forecast



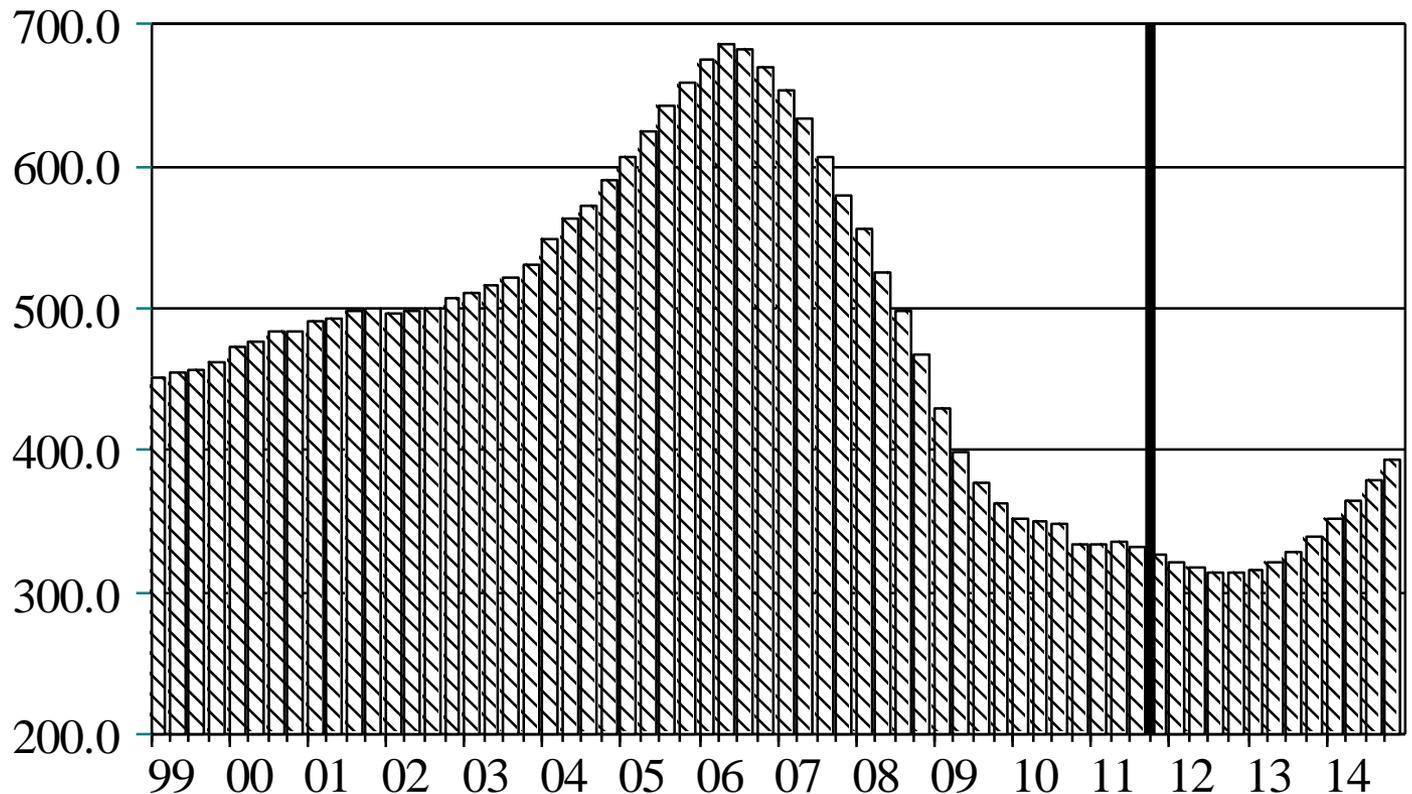
## Florida Employment (Thousands)



# Florida Forecast



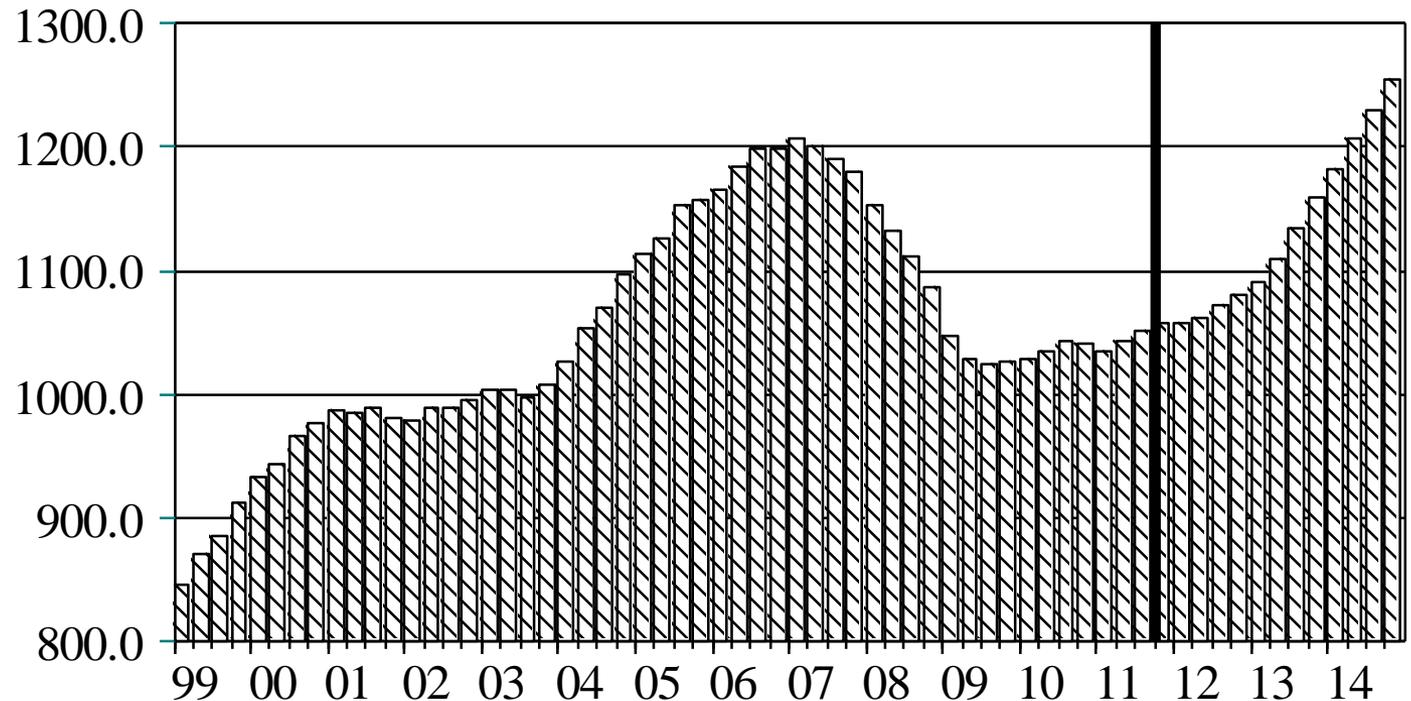
## Florida Construction Employment (Thousands)



# Florida Forecast



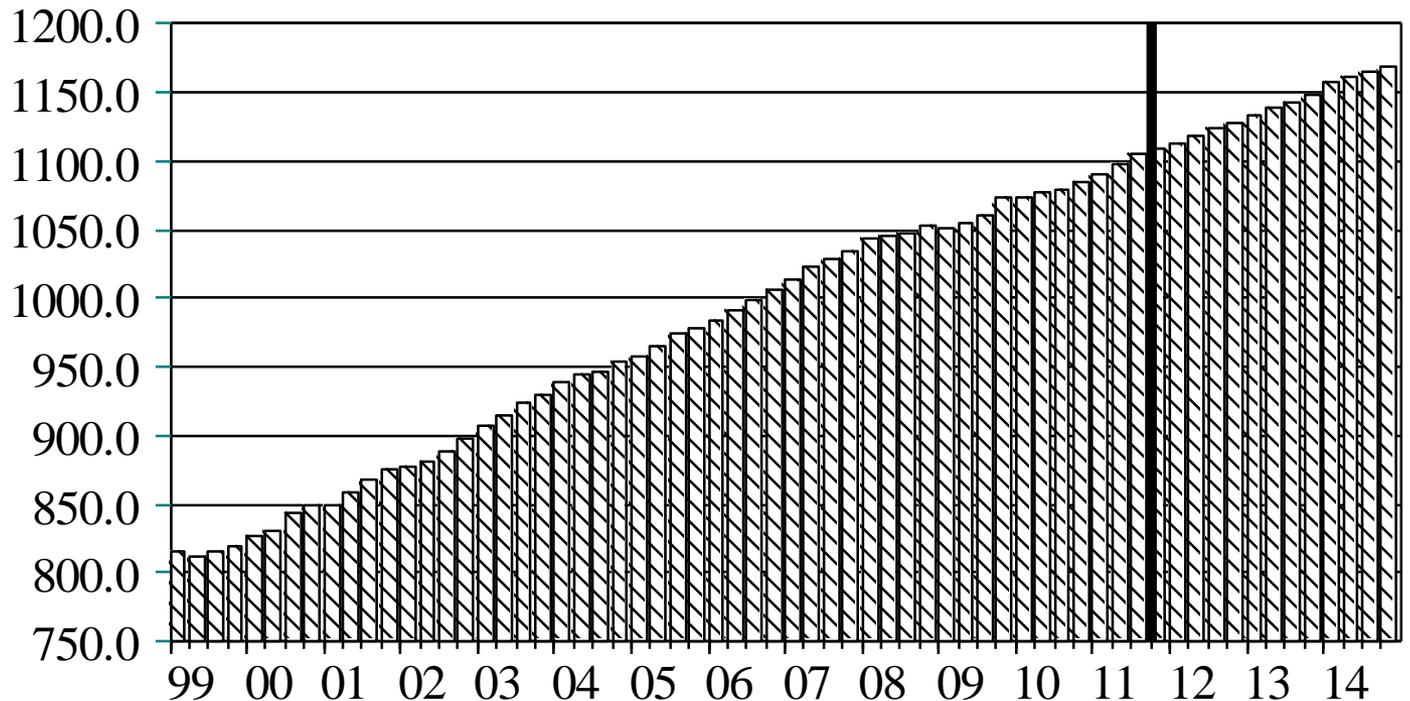
## Florida Professional & Business Services Employment (Thousands)



# Florida Forecast



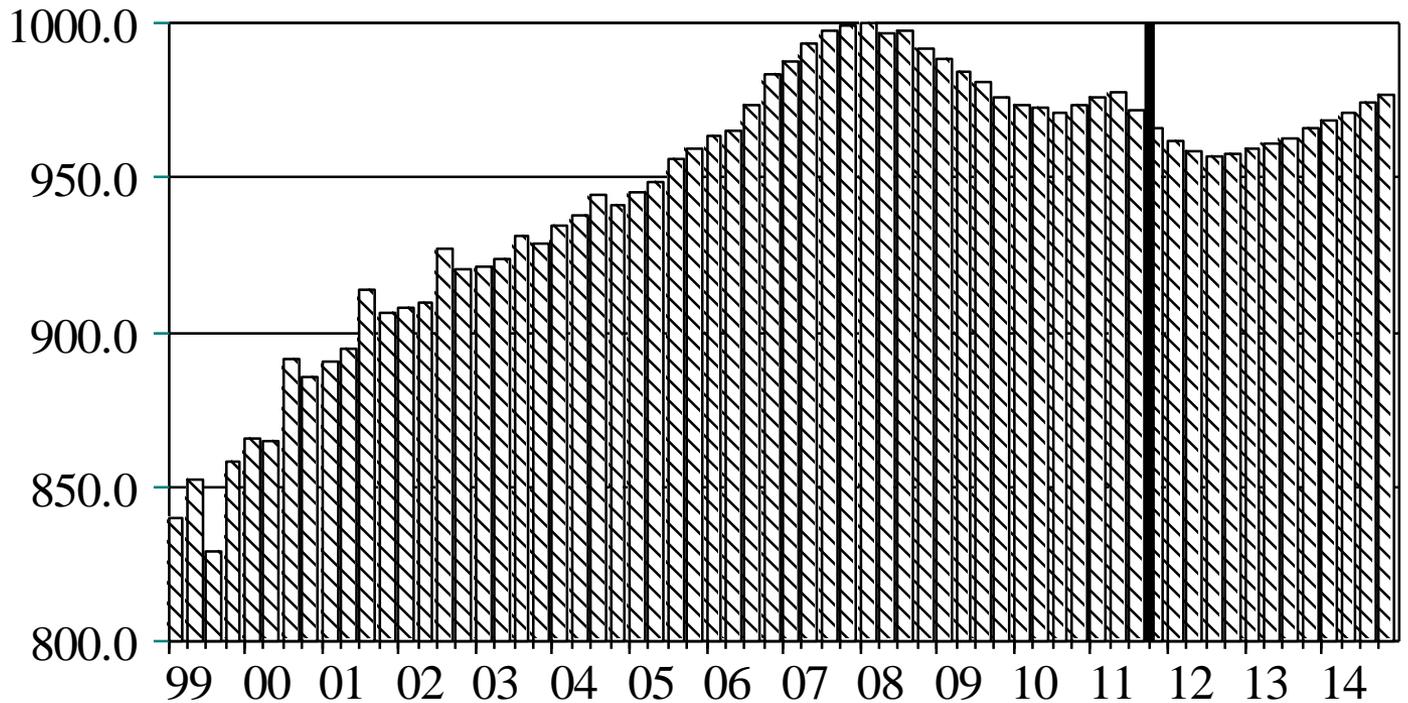
## Florida Education & Health Services Employment (Thousands)



# Florida Forecast



## Florida State & Local Government Employment (Thousands)





# 2011-2014 Averages; Q3 2011 Forecast



Florida	
Sector	% Avg. Annual Growth
Prof & Business Services	4.2
Trade, Transportation, Utilities	3.0
Construction	2.1
Leisure	2.0
Education-Health Services	1.9
Manufacturing	1.9
Financial Services	0.7
Information	0.5
State & Local Government	0.0
Federal Government	-3.4



# 2011-2014 Averages; Q3 2011 Forecast



Region	Population Growth	
	Average % Chg	Rank
Florida	1.3	---
Deltona	0.6	7
Gainesville	0.8	6
Jacksonville	1.4	2
Lakeland	1.3	3
Miami	1.3	3
Naples	1.8	1
Ocala	1.3	3
Orlando	1.8	1
Palm Bay	1.1	5
Pensacola	1.1	5
Tallahassee	1.3	3
Tampa	1.2	4



# 2011-2014 Averages; Q3 2011 Forecast



Region	Employment Growth	
	Average % Chg	Rank
Florida	1.7	---
Deltona	1.7	3
Gainesville	0.8	6
Jacksonville	1.9	2
Lakeland	1.2	5
Miami	1.6	4
Naples	1.2	5
Ocala	1.6	4
Orlando	2.1	1
Palm Bay	0.5	7
Pensacola	1.2	5
Tallahassee	0.5	7
Tampa	1.9	2



# Thank you

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