

MARKET UPDATE: IS ECONOMIC RECOVERY HERE?

2014 COLLOQUIUM ON GLOBAL DIVERSITY

‘CREATING A LEVEL PLAYING FIELD FOR WOMEN’

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THE ECONOMIC RECOVERY - MANY BUDS, STILL WAITING FOR FULL BLOOM

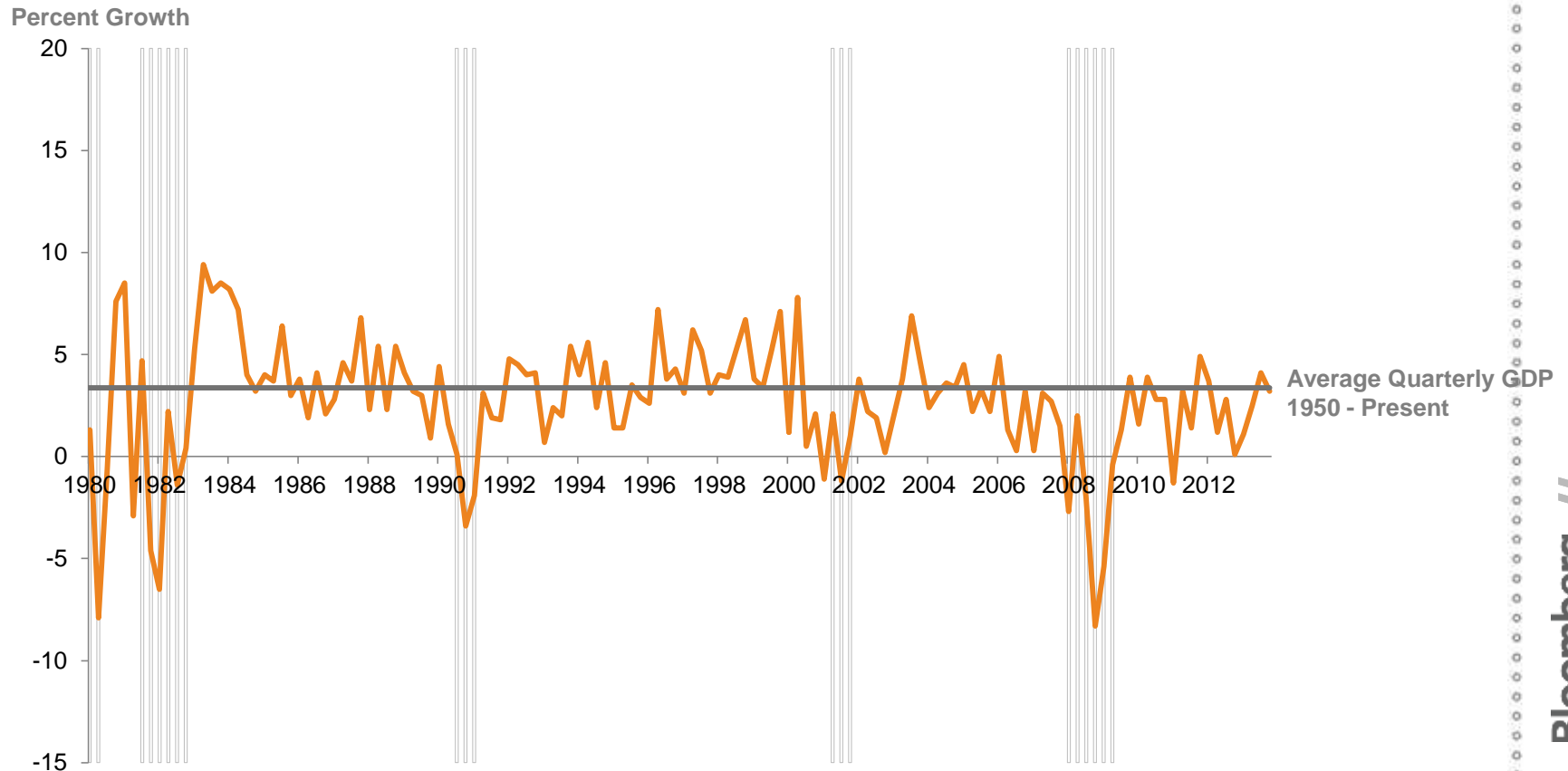
FIVE INDICATORS TO WATCH

- » **GDP** : Will 2014 be the breakout year?
- » **JOBS**: Employment picture improving but still broken
- » **RETAIL**: Consumers are the bedrock of the economy
- » **CONSUMER PRICES**: A signal of inflation and the effectiveness of Fed policy
- » **HOUSING**: Important growth sector
- » **BUSINESS SECTOR**: Stock market wealth continues to soar

Note: xxxxx
Source: xxxxx

AFTER THE DEEPEST RECESSION SINCE THE GREAT DEPRESSION, GROWTH IS STILL SLUGGISH

GDP Growth for 2014 is forecasted to be 2.9% according to a Bloomberg Survey of economists. GDP Growth for 2013 was 1.9%.

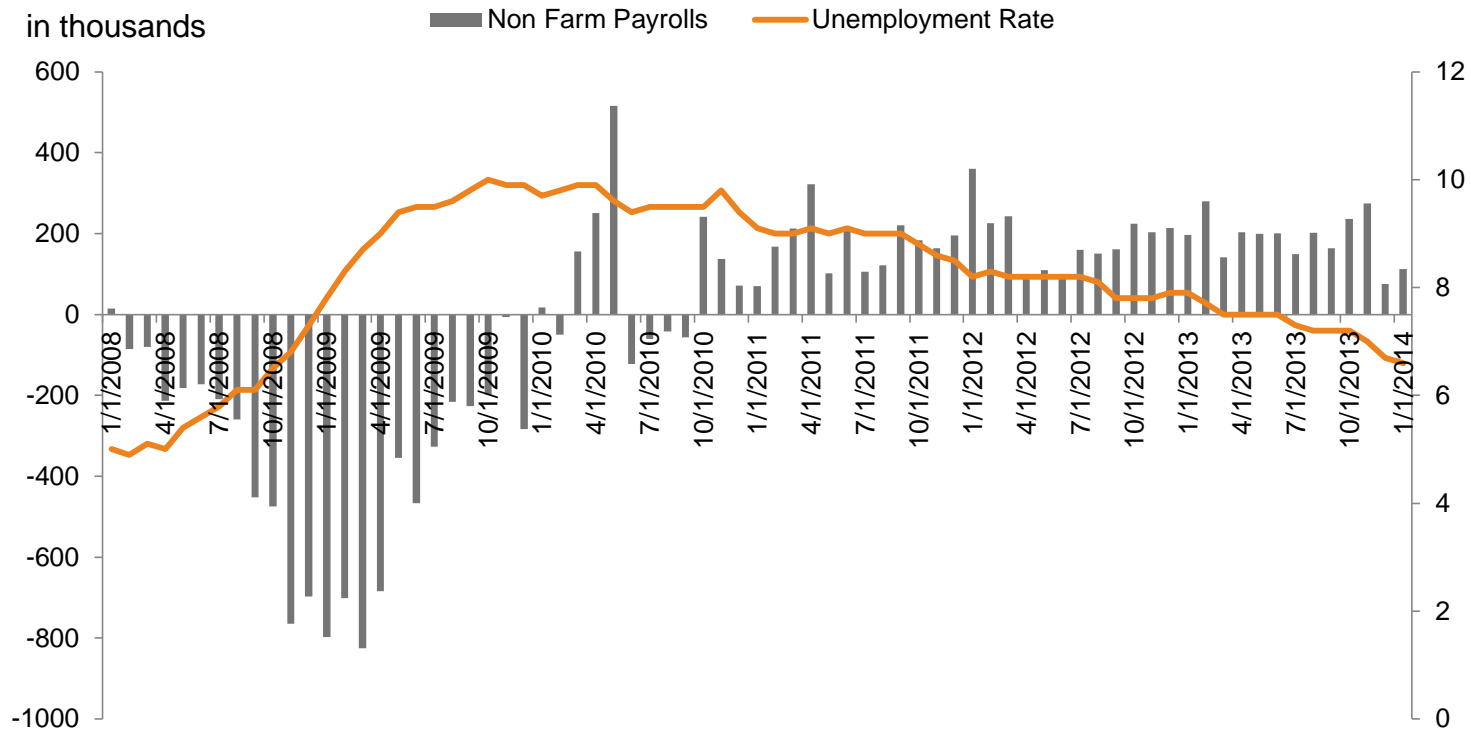


Note: Grey Bars Represent Recession Periods
Source: Bloomberg, Bureau of Economic Analysis, NBER

JOB MARKET RECOVERY IS “FAR FROM COMPLETE”

-JANET YELLEN, 2/11/14

At an unemployment rate of 6.6 percent, the US has a “jobs gap” of 7.7 million jobs

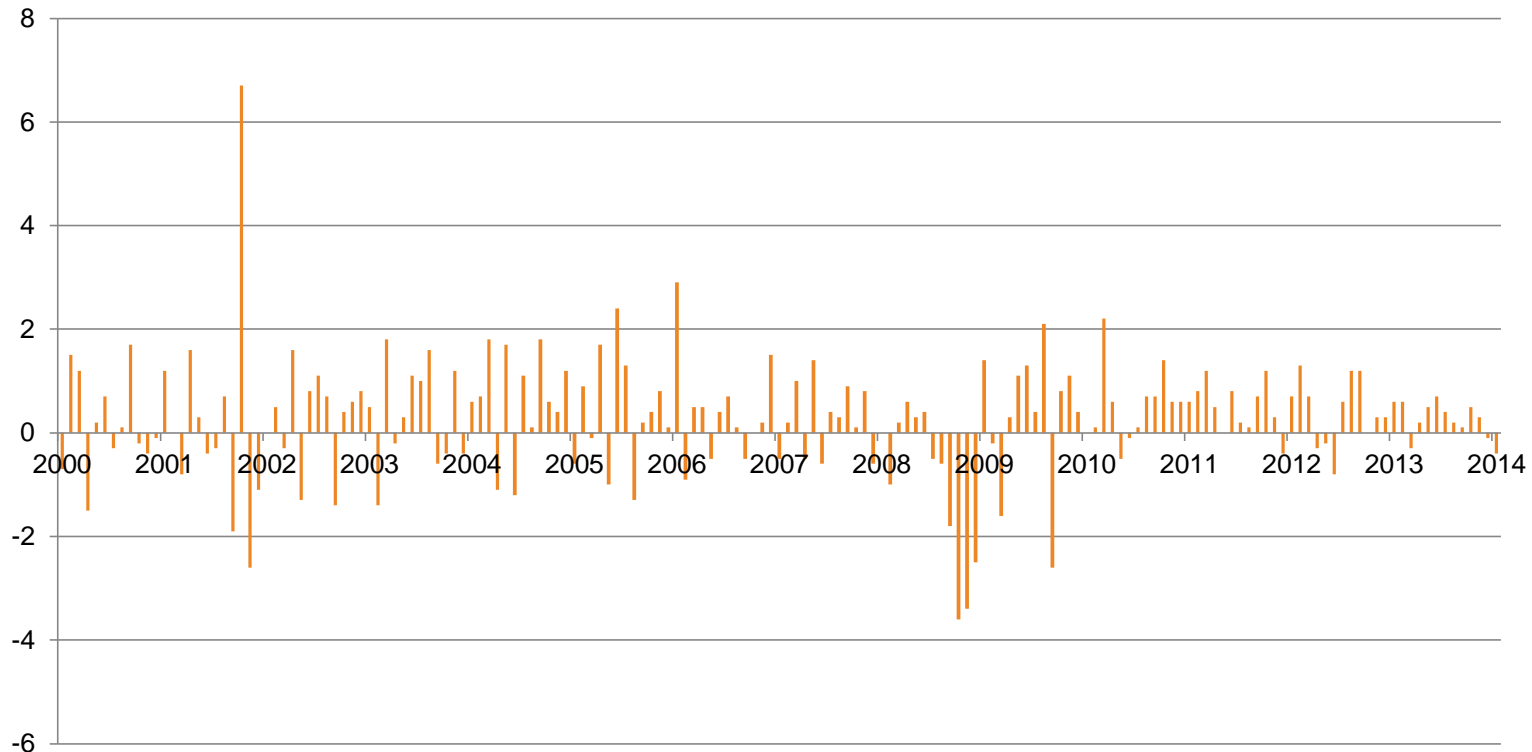


Source: Bloomberg, Bureau of Labor Statistics

THE RESILIENCE OF THE US CONSUMER IS STARTING TO WEAKEN

Slower employment, wage growth and colder than normal temperatures to blame for decline in sales at US retailers last month. The most since June 2012.

Total monthly percent change



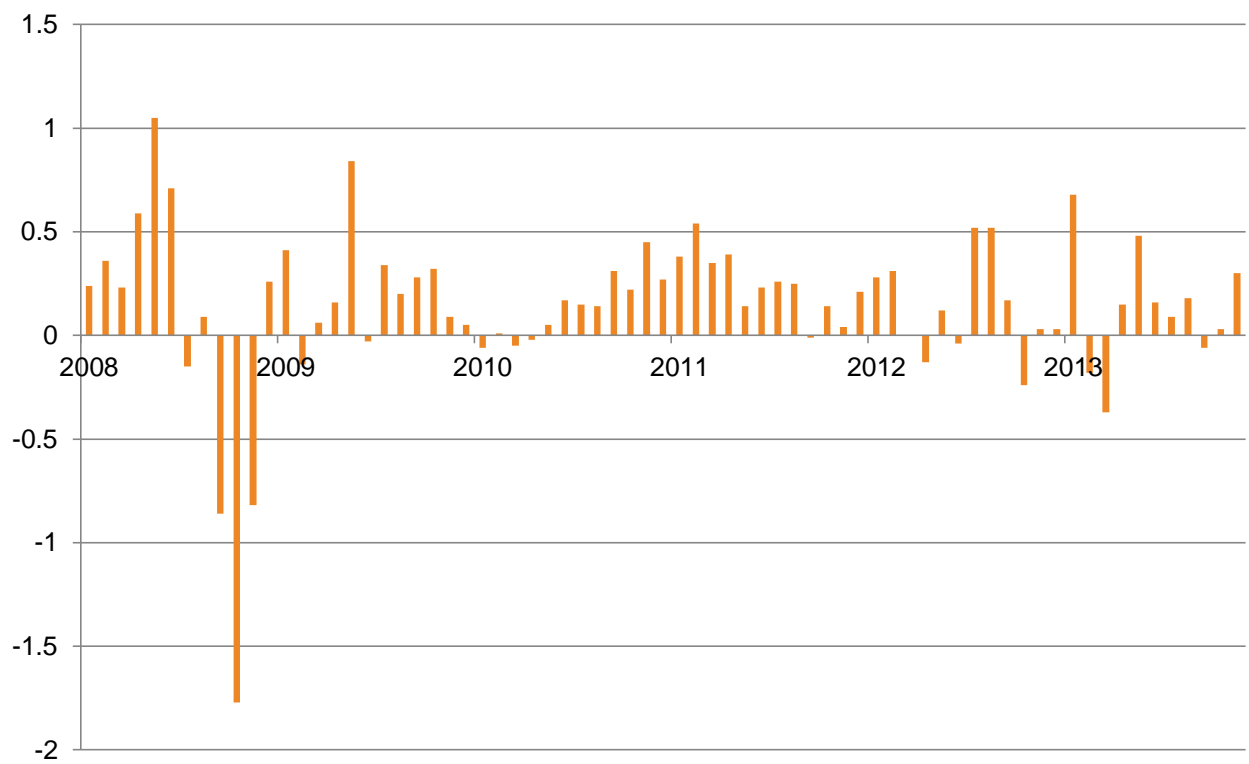
Source: Bloomberg, U.S. Census Bureau

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LOW INFLATION ALLOWS THE FED TO KEEP INTEREST RATES AT VERY LOW LEVELS

The Consumer Price Index, an indicator for inflation, is below the Federal Reserve target of 2 percent

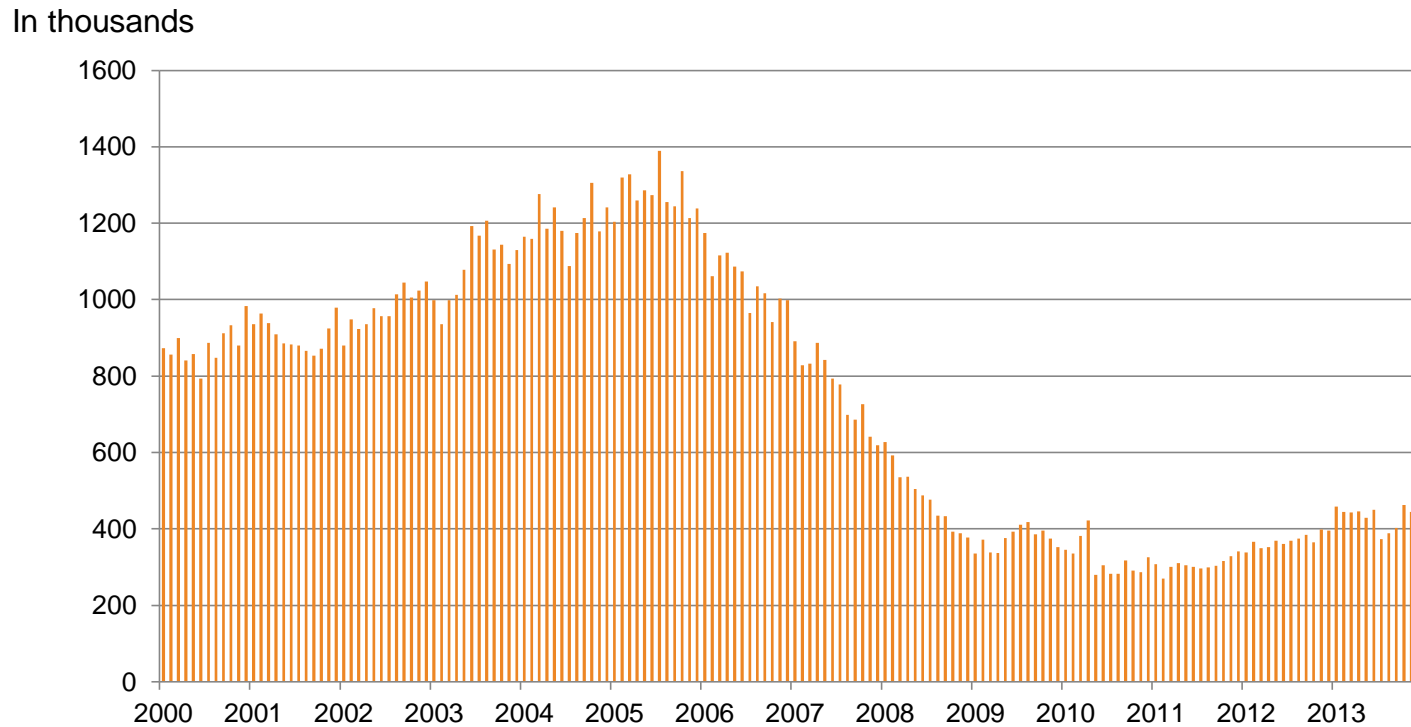
Total monthly percent change



Source: Bloomberg, Bureau of Labor Statistics

HOUSING MARKET, A KEY COMPONENT OF ECONOMIC RECOVERY, HAS YET TO RETURN TO NORMAL

New home sales less than half of their pre-recession highs.



Source: Bloomberg, US Census Bureau

CORPORATE PROFITS ARE AT AN ALL TIME HIGH

Standard and Poor's 500 Index grew 30 percent in 2013

Index Value



Note: US Corporate profits (after tax) as a percent of GDP is at an all time high
Source: Bloomberg



Q&A

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