A Strategy for the 2011 Economic Recovery

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January 28, 2011

These views are my own and do not necessarily represent the views of the Federal Reserve Bank of New York or the Federal Reserve System.
Chart 1: Real GDP and the Output Gap

Trillions of US$

Source: Bureau of Economic Analysis and Congressional Budget Office
Chart 2: Real Personal Consumption Expenditures (PCE)

Source: Bureau of Economic Analysis
Chart 3: Auto Sales

Source: Autodata Corporation
Chart 4: Housing Starts and Permits

3-month Moving Average

Starts

Permits

Source: Census Bureau
Chart 5: Inventory / Sales: Total Business

Source: Census Bureau
Chart 6: Total Unemployment Rate by Age Group

3-month Moving Average


Source: Bureau of Labor Statistics

Note: Includes both male and female labor force participants.
Chart 7: Private Non-Farm Payroll Employment

Source: Bureau of Labor Statistics
Chart 8: Household Net Worth and the Saving Rate

Household Net Worth As a Percent of Disposable Income (left axis)

Personal Saving Rate (right axis)

Source: Federal Reserve Board and BEA

Note: Regression is fitted from 1975Q1 to 1995Q4.
Chart 9: CDS Spreads for Financial Firms

Basis Points vs. Basis Points

Source: CMA
Chart 10: Banks Tightening Terms and Standards for Business Loans to Large and Mid-Sized Firms

Net Percentage

Source: FRB Senior Loan Officer Opinion Survey
Chart 11:
Commercial and Industrial Loans Outstanding

% Change - Year to Year

Source: Federal Reserve Board
Chart 12: Actual Fed Funds Target

Source: Federal Reserve Board
Chart 13: Federal Reserve Balance Sheet: Assets

Source: Federal Reserve Board
Chart 14: Inventory / Sales: Total Business

Source: Census Bureau
Chart 15: Industrial Production

% Change - 6 months AR

Source: Federal Reserve Board
Chart 16: Real Exports
(Series Set to 1.0 at NBER Peak)

Source: Bureau of Economic Analysis
Chart 17: Productivity, Compensation and Unit Labor Costs

Nonfarm Business Sector

% Change - Year to Year

Source: Bureau of Labor Statistics
Chart 18: Private Employment and Hours Worked

% Change – 3-month Annual Rate

Source: Bureau of Labor Statistics

Note: Both series are private industries only.
Chart 19: Unemployment and Labor Force Participation Rates

Source: Bureau of Labor Statistics
Chart 21: Case-Shiller Home Price Index
Composite 20-SA

% Change

Year to Year
(Left Axis)

Period to Period
(Right Axis)

Note: Monthly Data

Source: S&P, Fiserv, and MacroMarkets LLC
Chart 22: Banks Tightening Terms and Standards for Business Loans to Large and Mid-Sized Firms

Source: FRB Senior Loan Officer Opinion Survey
Chart 24: Post-Recession Growth Rates

1973-1975 Cycle: 1975Q1 Trough

2001 Cycle: 2001Q4 Trough
Chart 25: Sovereign Spreads

Note: Yield spread is the difference between the local 10-year sovereign bond yield and the 10-year German Bund.

Source: Bloomberg
Chart 26: Total and Core CPI

% Change - Year to Year

Source: Bureau of Labor Statistics
Chart 27: Case-Shiller Home Price Index
Composite 20-SA

% Change

Year to Year (Left Axis)

Period to Period (Right Axis)

Note: Monthly Data

Source: S&P, Fiserv, and MacroMarkets LLC
Chart 28: Excess Supply of Housing

Source: Federal Reserve Bank of New York

Note: Shading represents NBER recessions.
Chart 29: Growing Foreclosure Pipeline:

Source: OCC & OTS Mortgage Metric Reports
Note: Quarterly Data
Appendix Charts:
Real GDP and the Output Gap

Trillions of US$

Source: Bureau of Economic Analysis and Congressional Budget Office
Nominal Interest Rates

Source: Federal Reserve Board
Real State and Local Government
(Series Set to 1.00 at NBER Peak)

Source: Bureau of Economic Analysis
Real Residential Investment
(Series Set to 1.0 at NBER Peak)

Source: Bureau of Labor Statistics

Note: Dashed line represents FRBNY forecast.
Real Per Capita Household Net Worth
(Series Set to 1.00 at NBER Peak)

Quarters Since NBER Peak

Source: Federal Reserve Board, Bureau of Economic Analysis, Census Bureau