

The 2016 Economy: Our “Slow, Steady Ride”

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What has the last year offered us (the United States)?

- An economy that continues to move forward, but slowly..
- Recession technically over June 2009
 - 24 out of 27 quarters with positive real GDP growth since Q3 2009
 - Q4 2015 Real GDP growth of 1.4% (annualized)
 - Unemployment at 5%
 - Retail sales showing signs of slowdown
 - Modest slowing of industrial production and capacity utilization
 - Interest rates still low, and we have avoided inflation
 - S&P 500 net growth is flat/negative YTD (2012.66–2082.78)

What else did it bring?

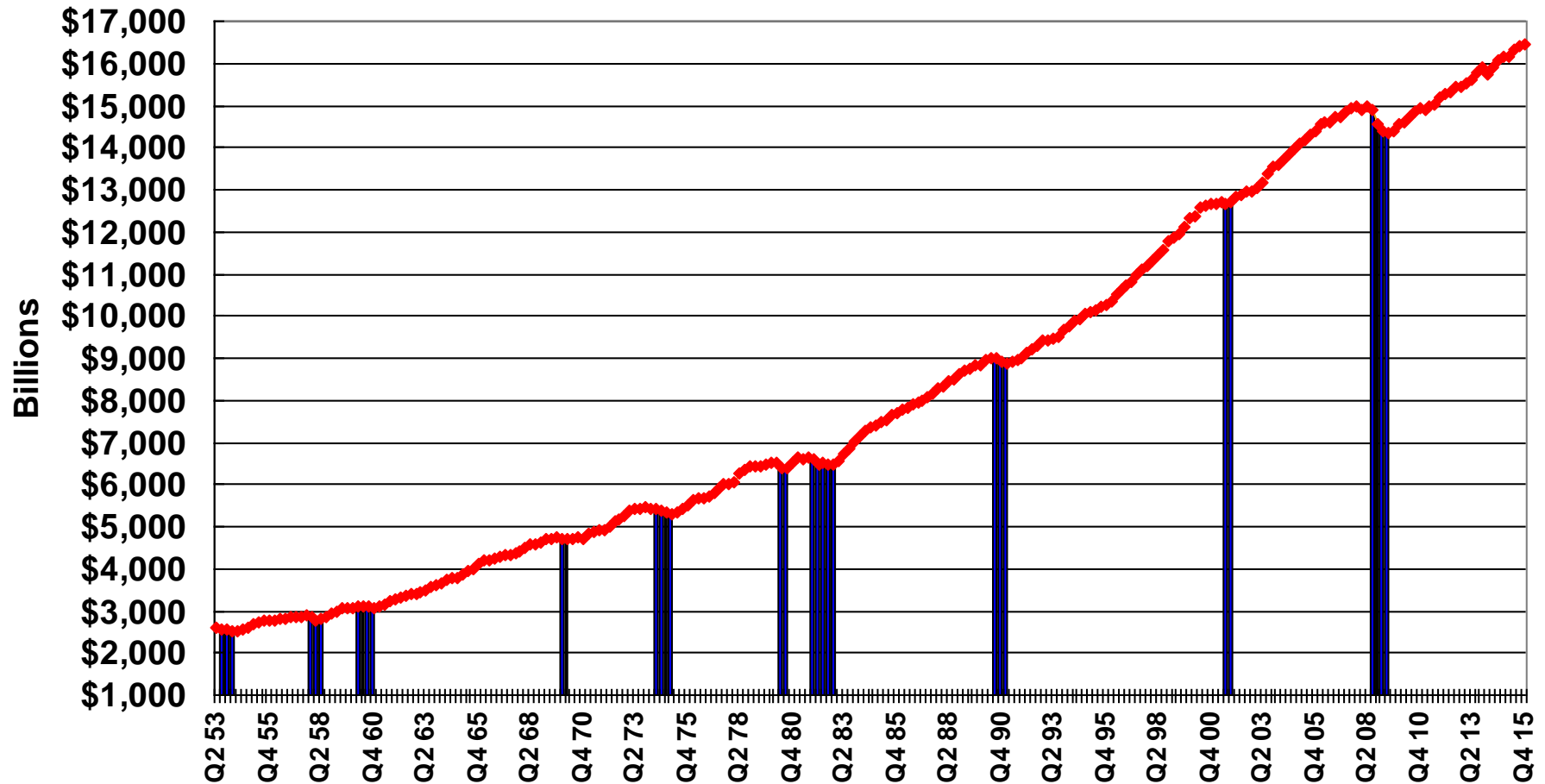
- Improved job creation
 - U.S. created 2.81 million over the past 12 months
- U.S. economic expansion has been substantially aided by drop in global oil prices
 - Less European demand, increased domestic supply from fracking
- More disposable income and cheaper product transport costs have resulted in increases in consumption and investment

What about Florida?

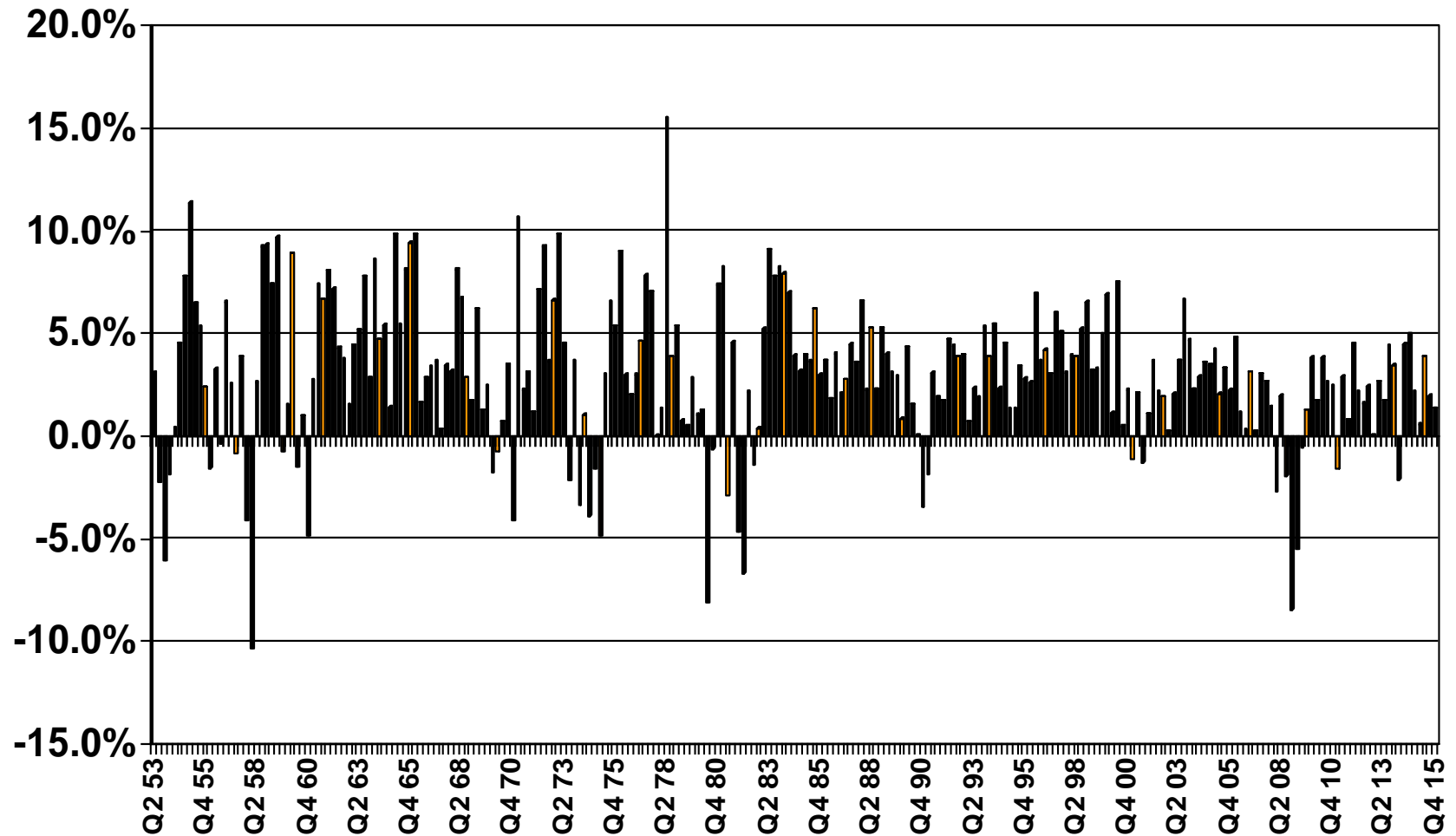
- Growth has returned (and increased)
 - 12-month net job growth – 253,500
 - Unemployment at 4.7% (Feb.)
 - 106,559 housing starts over the previous 12 months
 - Home values moving upward
 - All major regional markets seem to have awakened from the economic coma, and are showing signs of better health

U.S. Real GDP

1953-2015 (Chained 2009 Dollars)



U.S. Real GDP Annualized % Growth 1953-2015

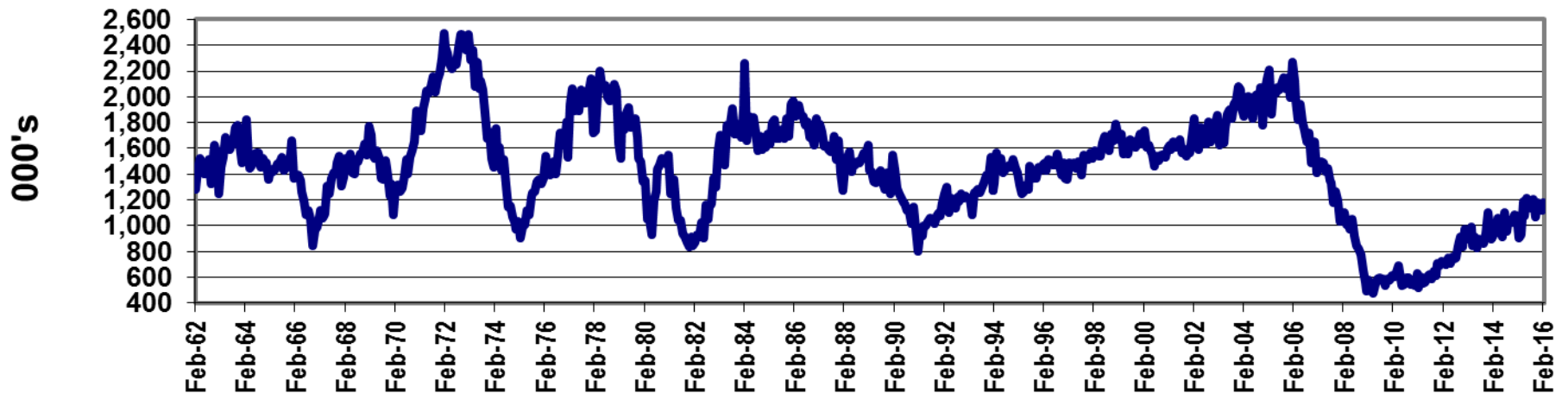


U.S. Unemployment Rate 1962-2016

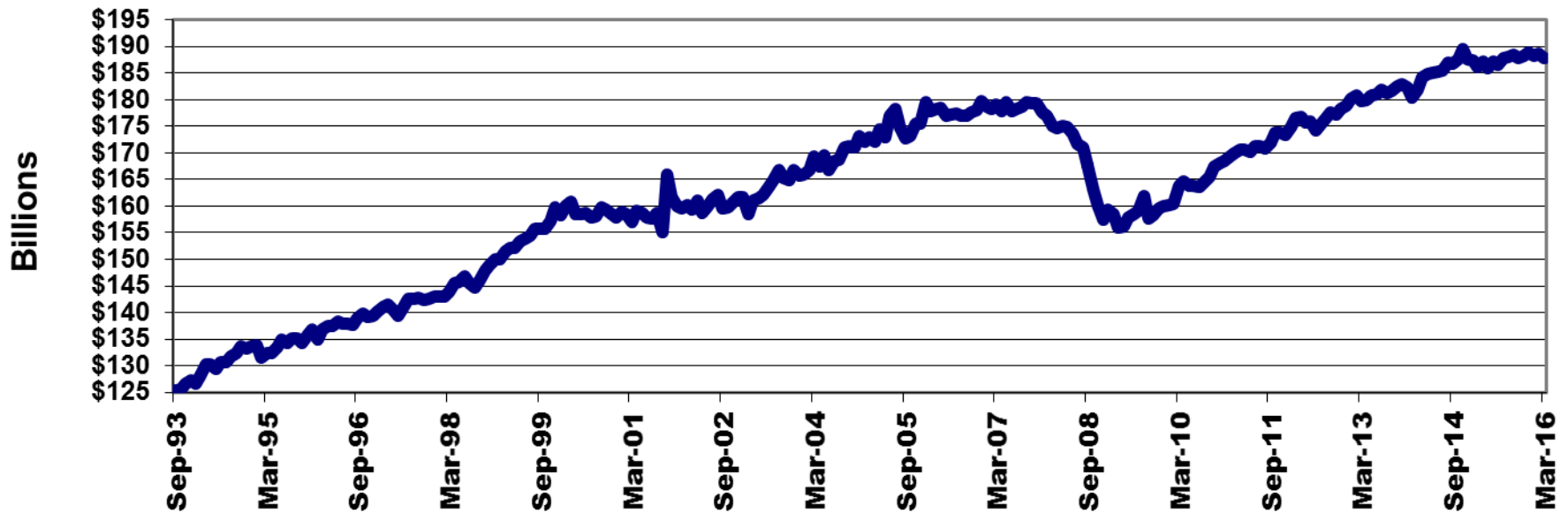


U.S. Housing Starts (SAAR)

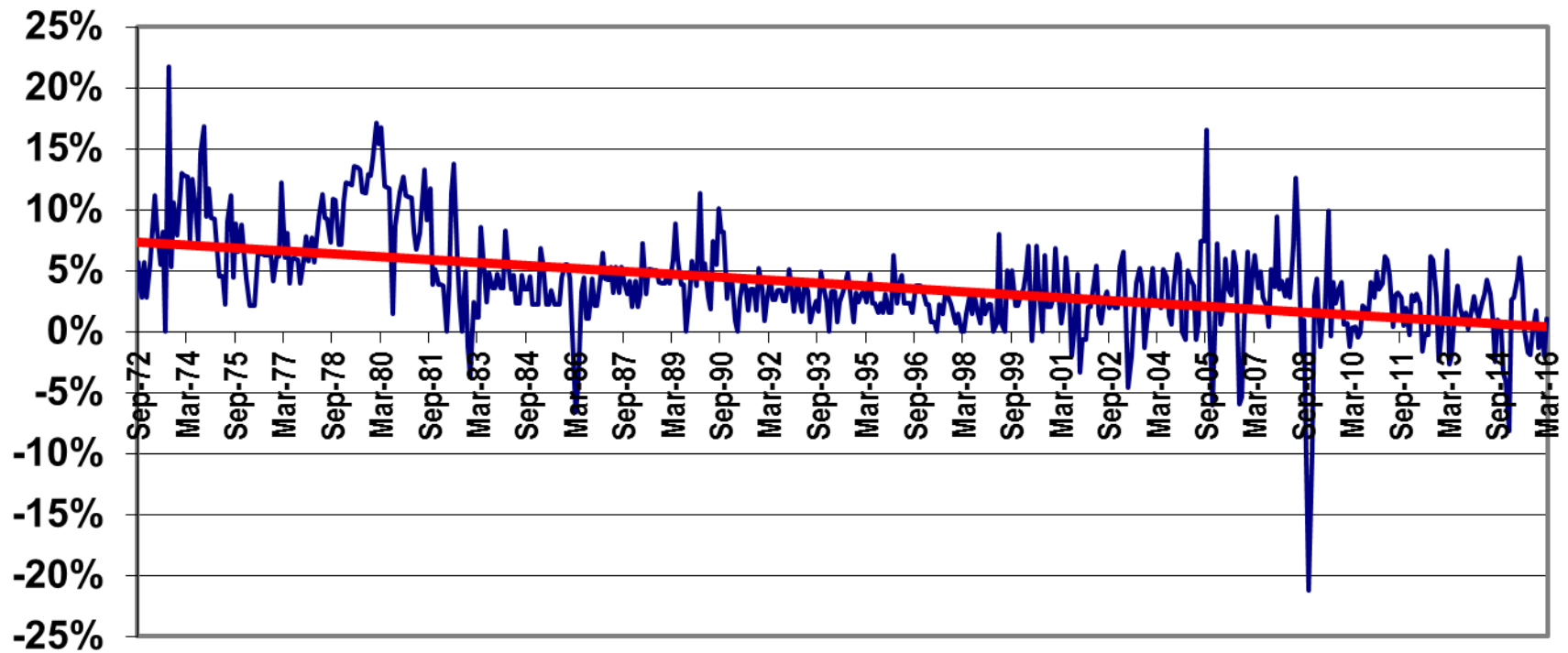
1962-2016



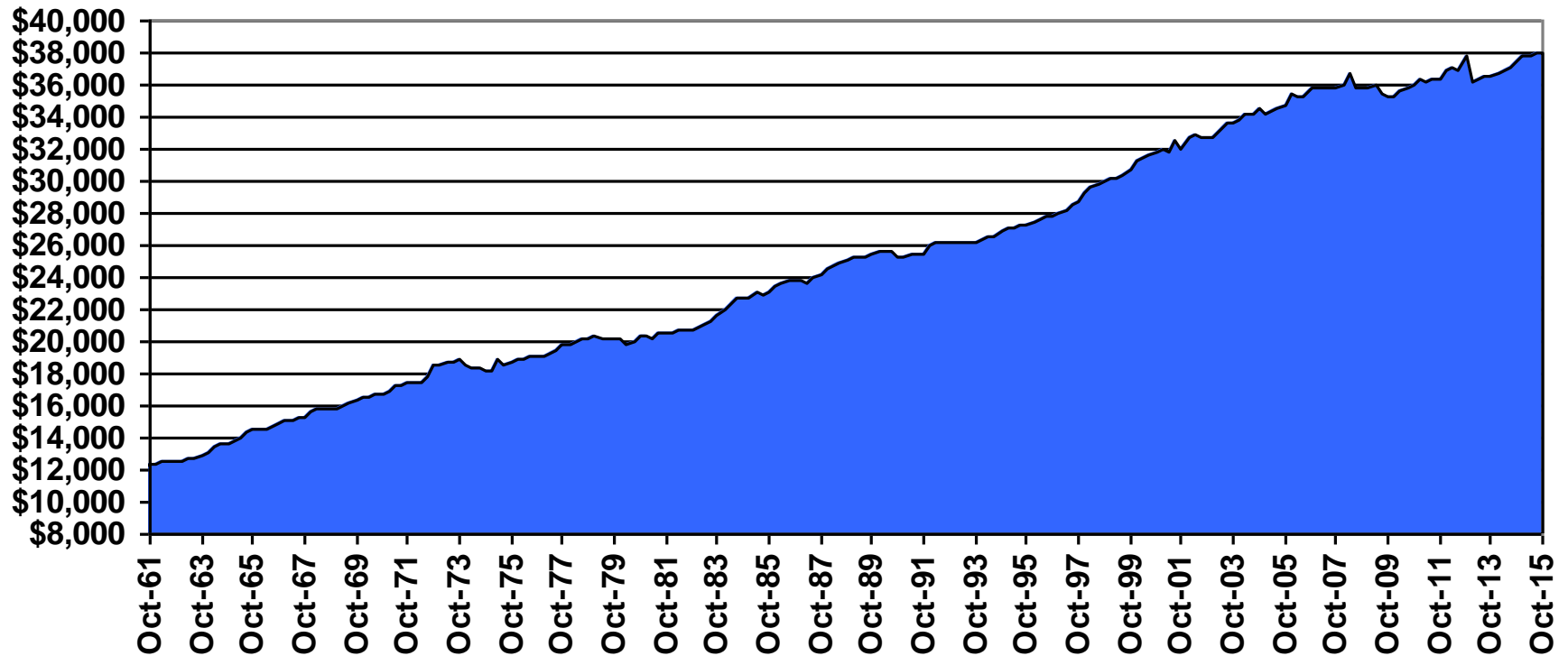
Real Retail & Food Svcs. Sales 1993-2016



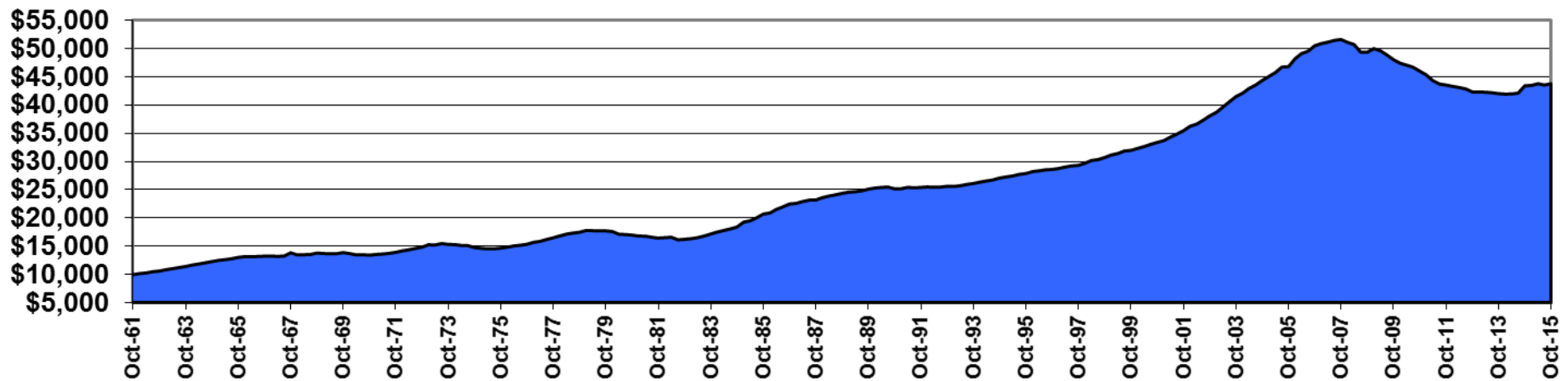
Inflation Rate (Annualized, by Month) 1972-2016



Real Per Capita Disposable Personal Income 1961-2015

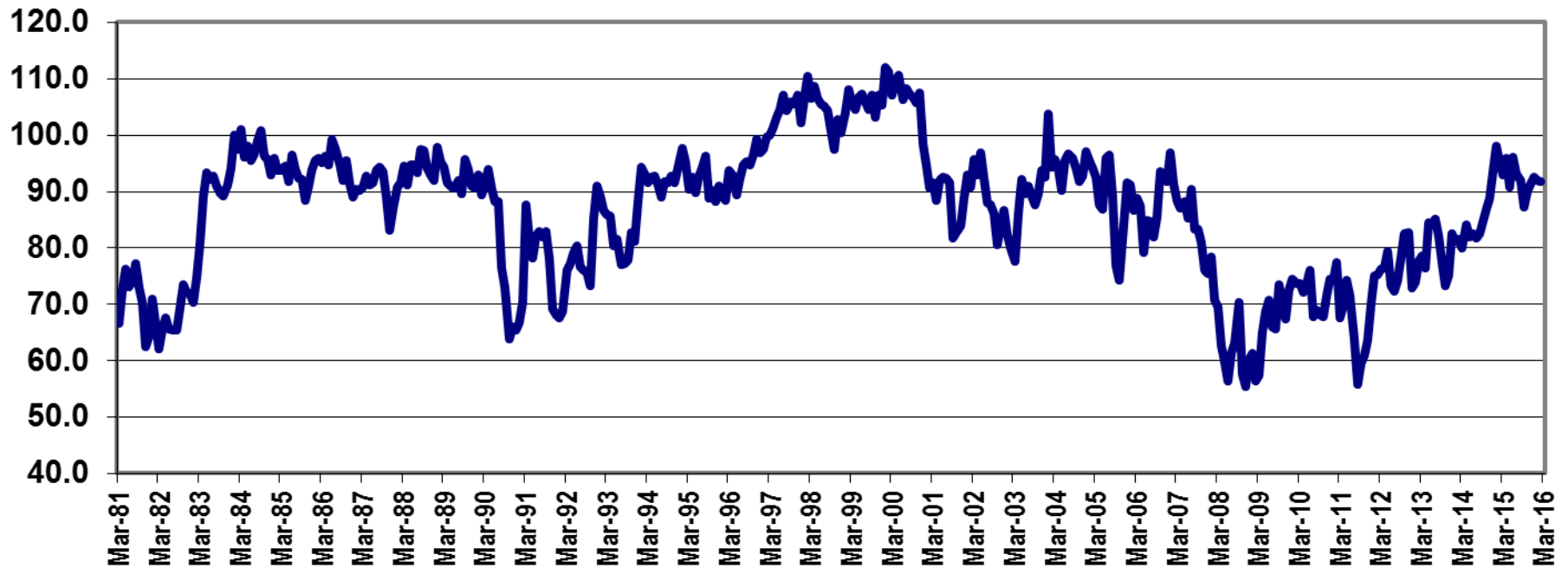


Credit Market Debt Per Capita 1961-2015 (infl. adj.)

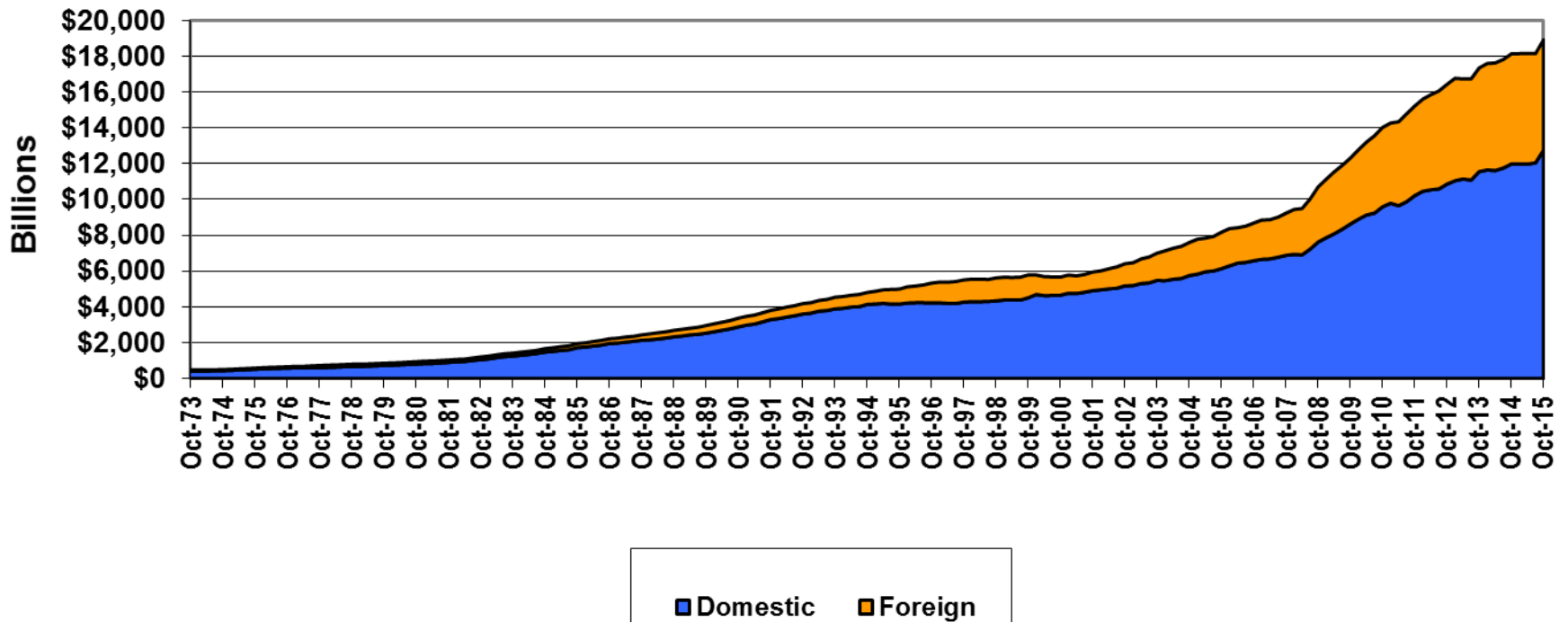


Consumer Sentiment

1981-2016



Federal Debt 1973-2015



2016 U.S. Forecast

- Growth continues, real GDP will grow by 2.8% to 3.0%
- Job growth continues, unemployment finishes out the year around 4.5% - 4.7%
- Stock markets grow by 6% - 8%
- Inflation concerns still can't be ignored, nor can the international debt crisis
- The “political cycle” may heavily influence investment

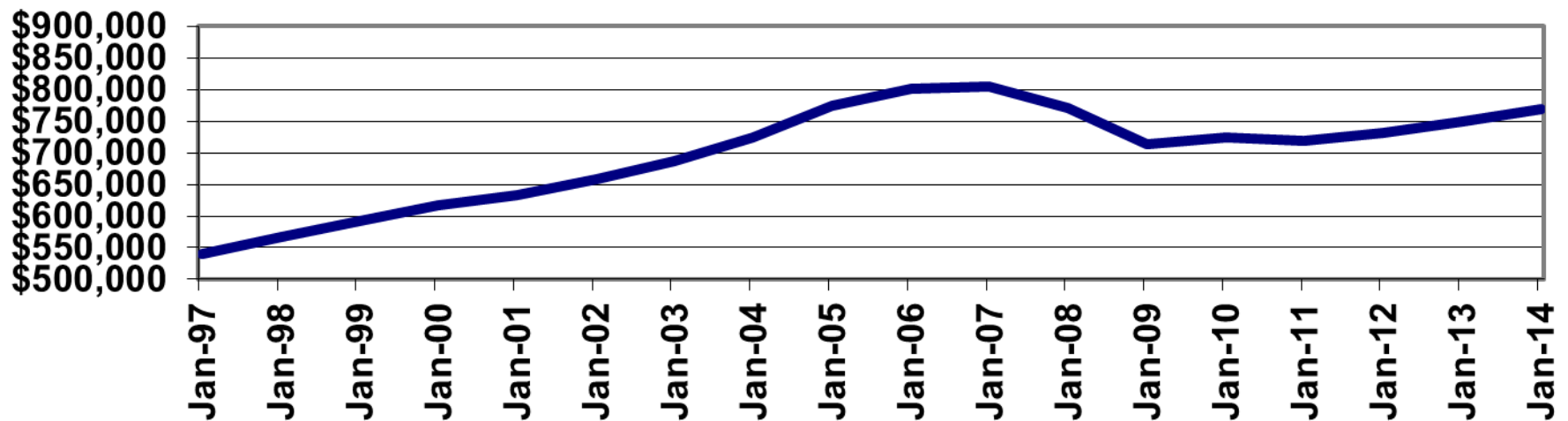
Florida: The Facts

- Florida has added 1.21 million jobs since July 2010
 - Represents 9.2 percent of all U.S. jobs created during this period
- Florida's net job gains since 7/10 now exceed the job losses experienced during the recession (930,800)
- Previous Year: Gained 253,500 jobs
- 4.7% unemployment (Feb. 2016)
- 106,559 housing starts in the previous 12 months, compared to 86,423 and 89,032 in the 2 prior years
- Home prices have increased by nearly 10 percent in the past year

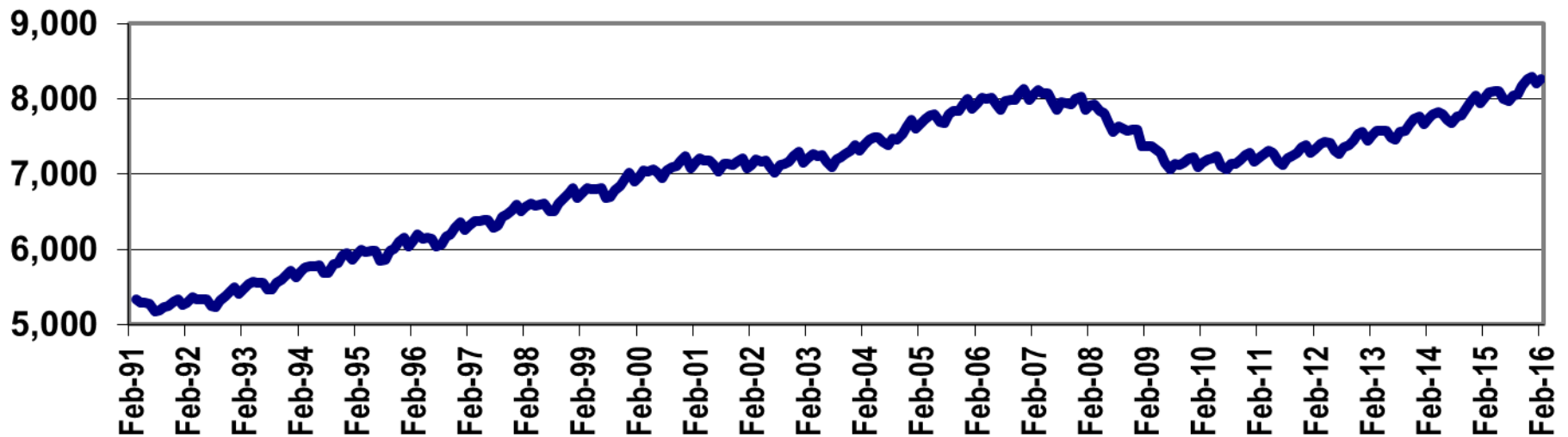
Florida Real GDP

(millions of chained 2009 dollars)

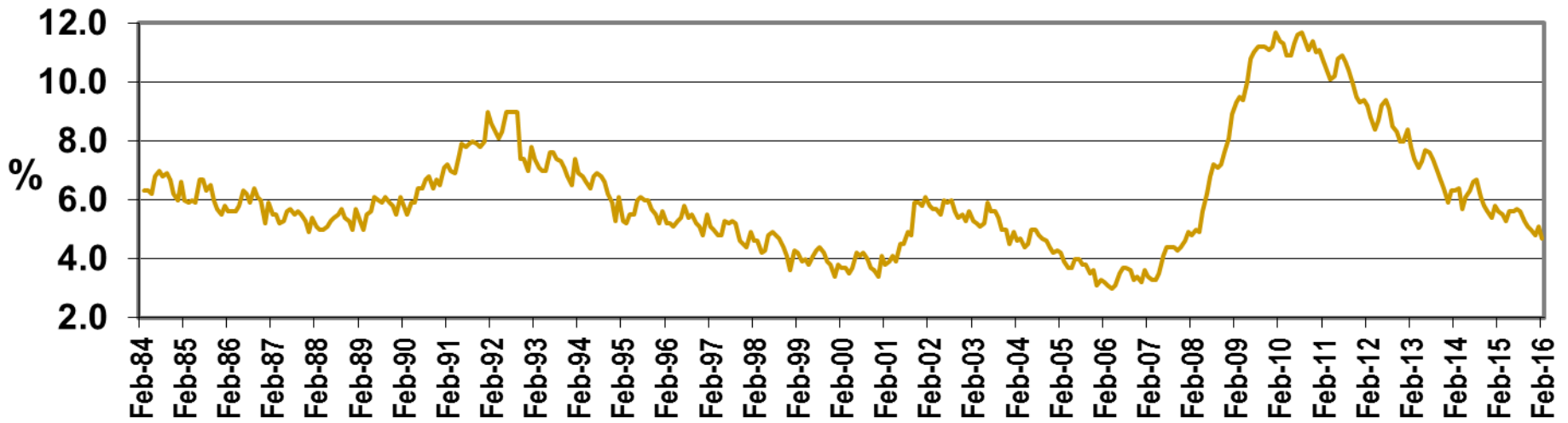
1997-2015



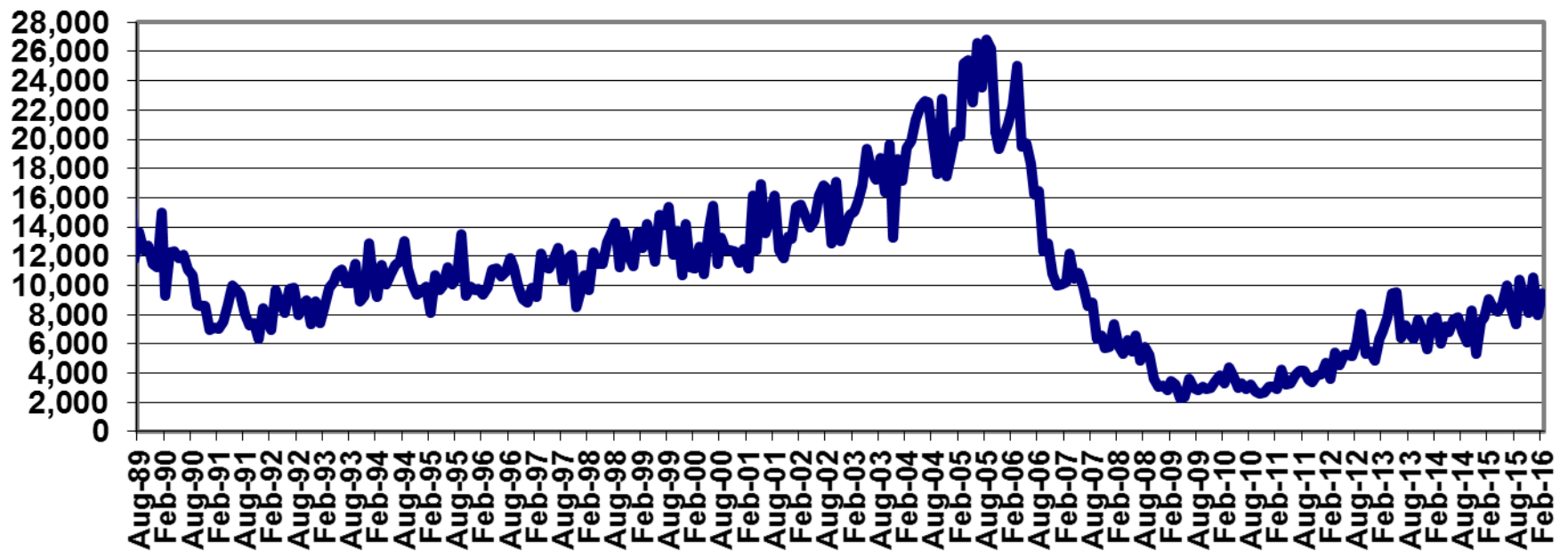
Florida Employment (000s) 1991-2016



Florida Unemployment Rate 1984-2016



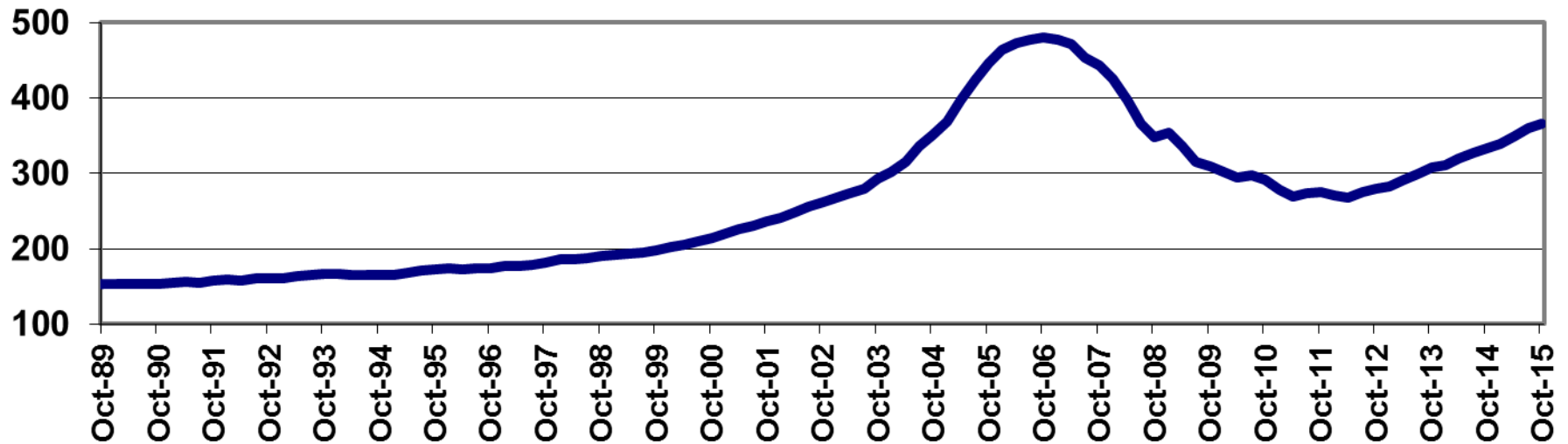
Florida Housing Starts 1989-2016



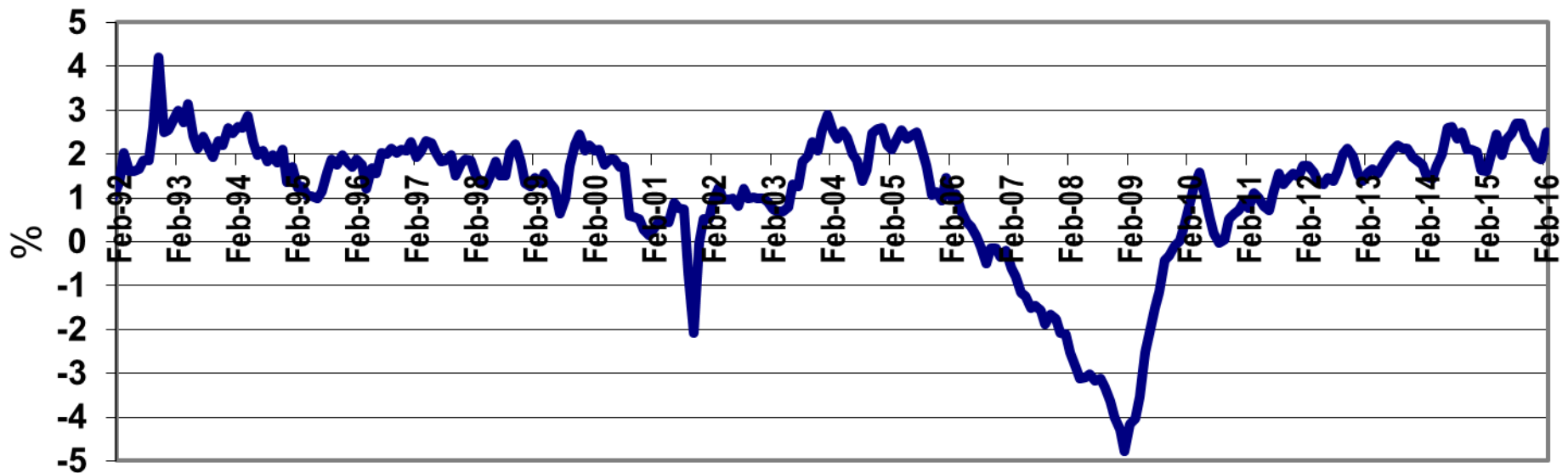
Florida Home Price Index

(Q1 1980 = 100)

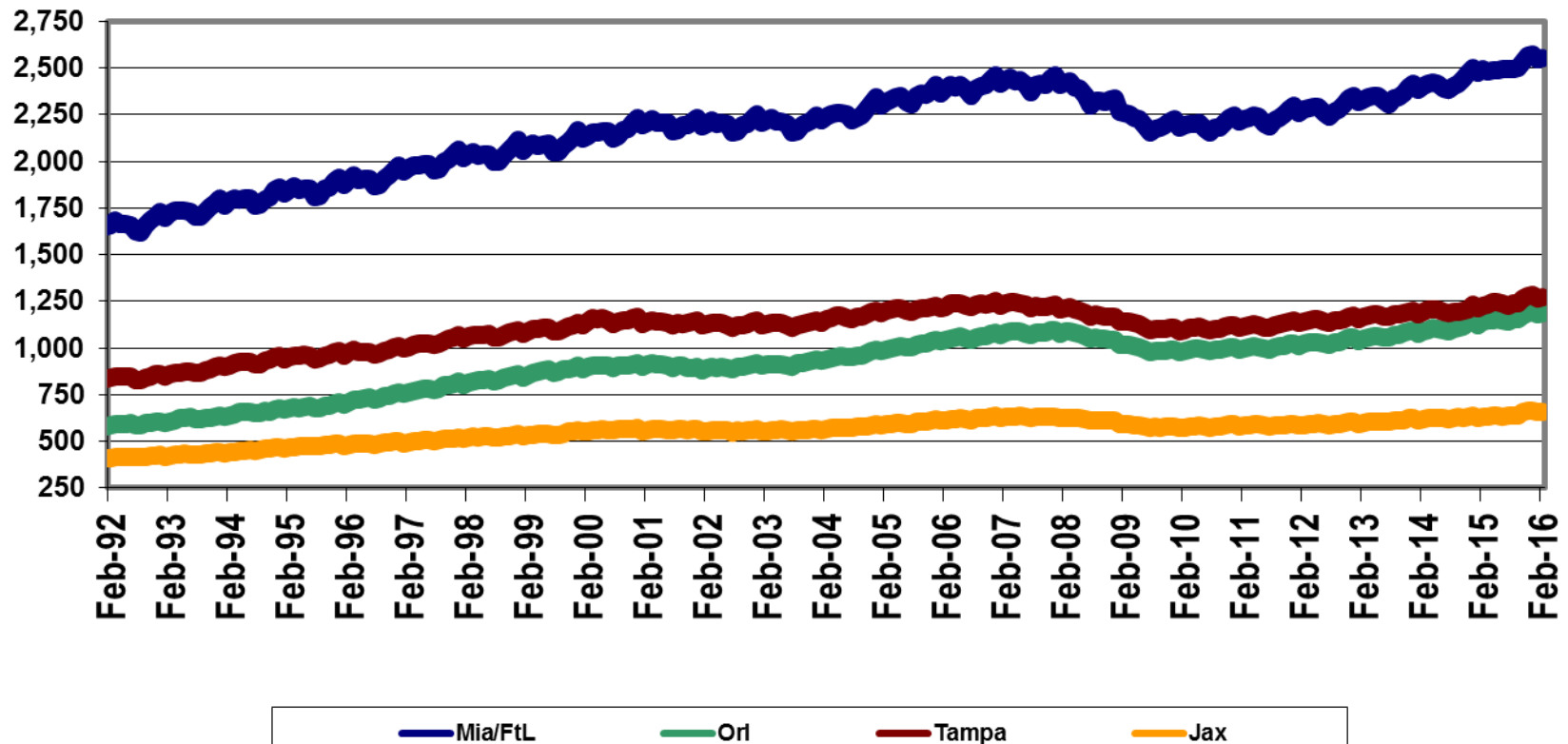
1989-2015



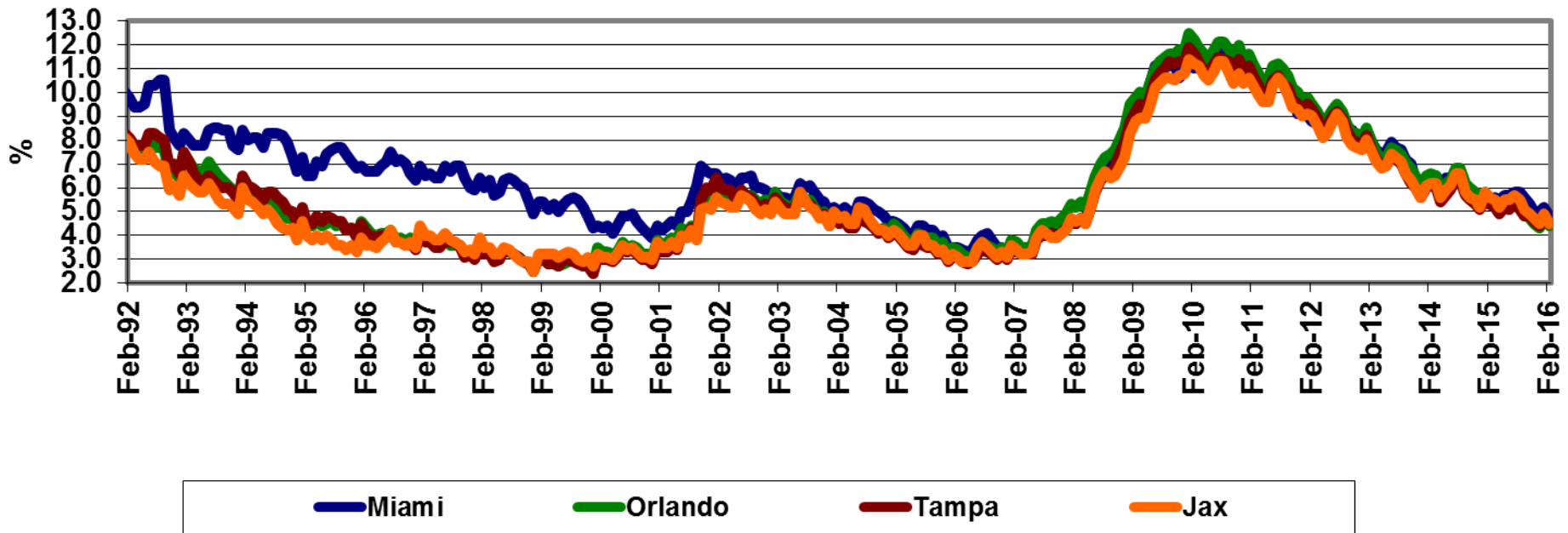
Leading Index for Florida 1992-2016



FL Employment By Region 1992-2016 (000s)

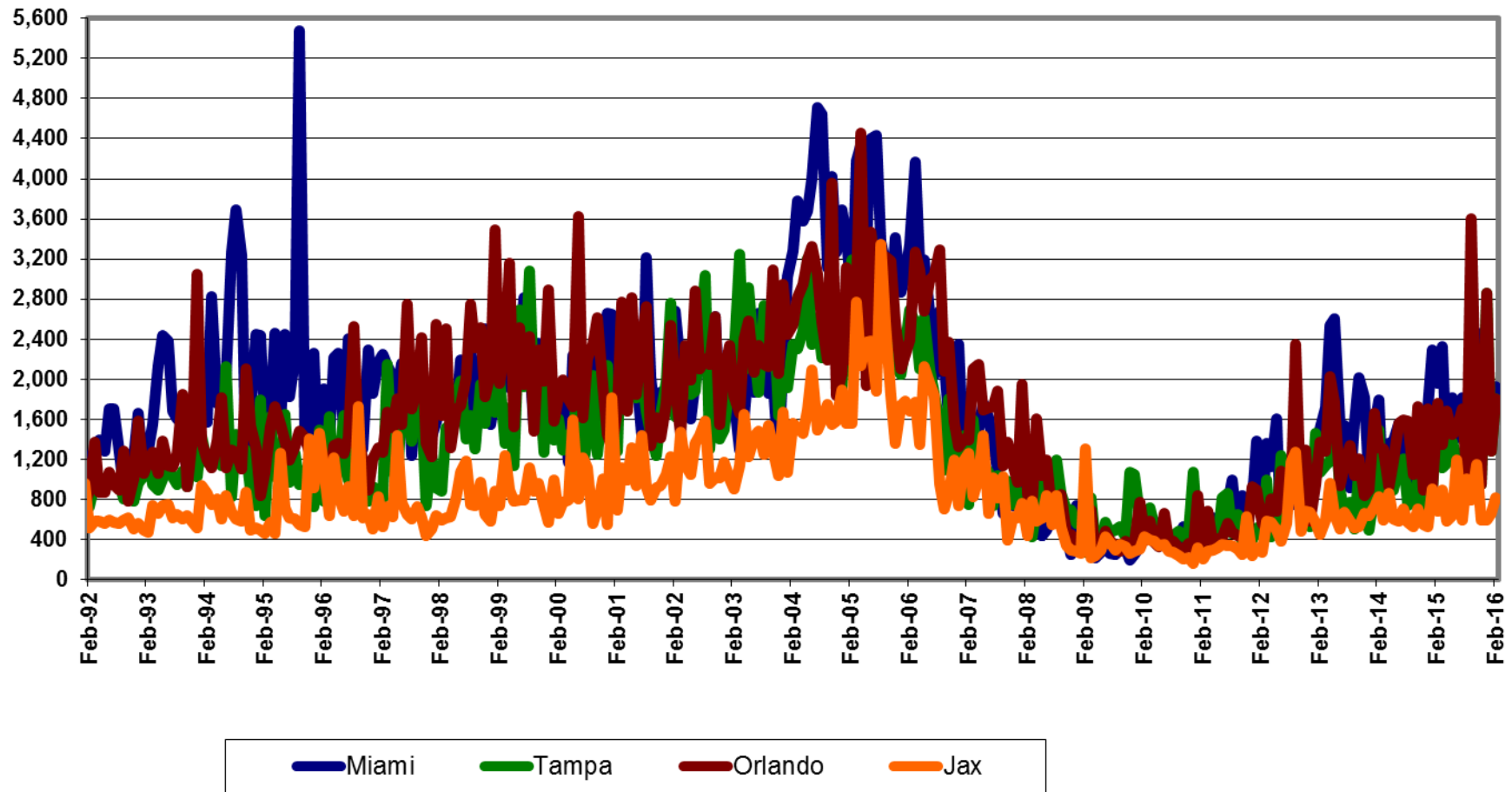


FL Unemployment Rate by Region 1992-2016



FL Housing Starts By Region

1992-2016



What's in Store for Florida?

- More job growth, lower unemployment
 - Growth is accelerating relative to recent years
 - We are witnessing the first post-recession “surge”
- Are we ever going to see a full recovery of the housing sector?
 - Depends on how you define “full recovery”
 - If you use 2000's criteria, no – but it is moving
- All areas are moving forward again, at a healthy pace
 - SE Florida will create the most jobs (most diverse economy)