

Economic Update

CCIM-Washington Chapter

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Politics Do Not Drive The Economy

- **Consumer spending**
- **Business spending**

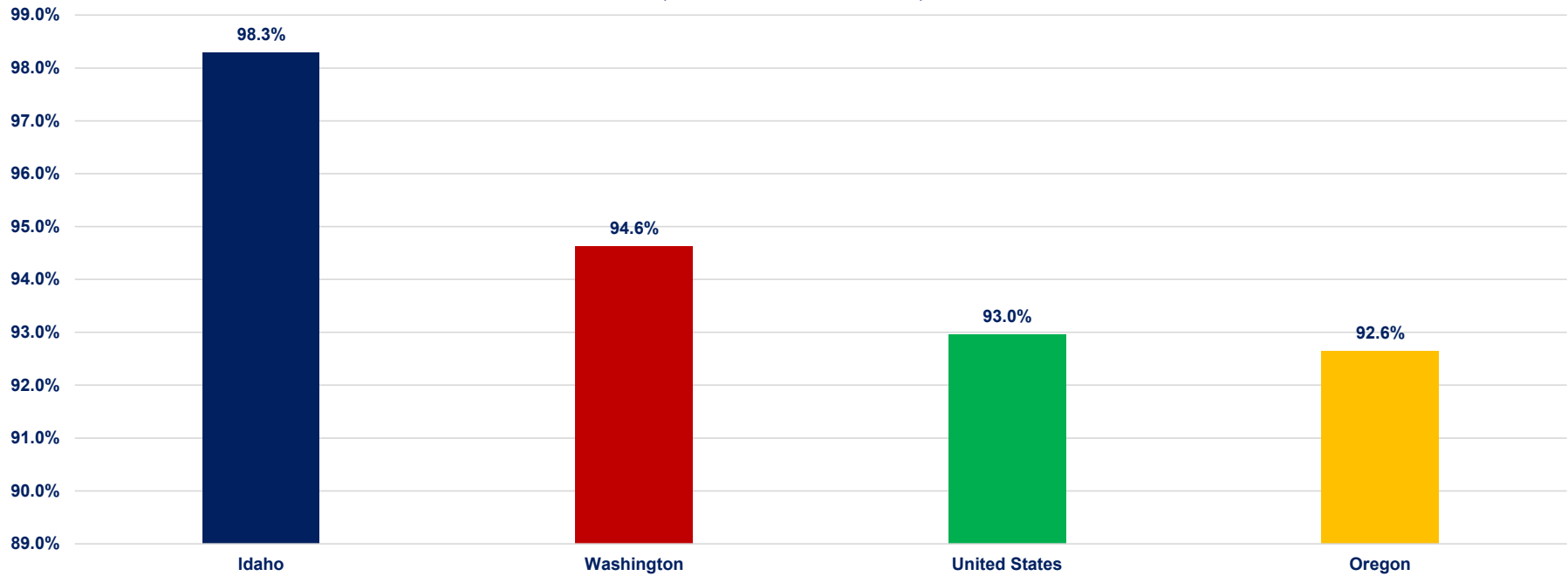
Where Are We Now?

Polling Question #1

Jobs Recovery-It Matters Where You Live

(As of 9/30/20)

Percent of Jobs Recovered By State
(Source: Bureau of Labor Statistics)

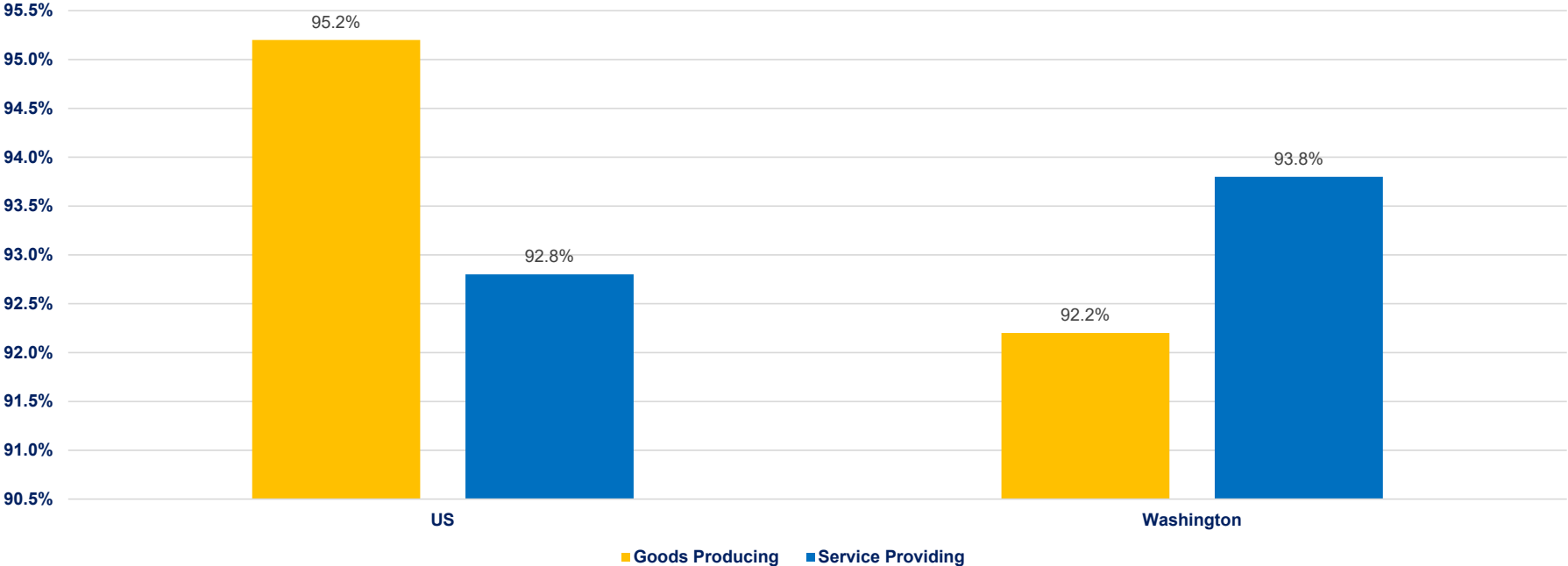


Jobs Recovery-It Matters What You Do

(As of 9/30/20)

Goods Producing vs Service Providing

Source: Bureau of Labor Statistics



Jobs Recovery-Gender Matters

(As of 9/30/20)

Jobs Recovery By Gender
Source: Bureau of Labor Statistics

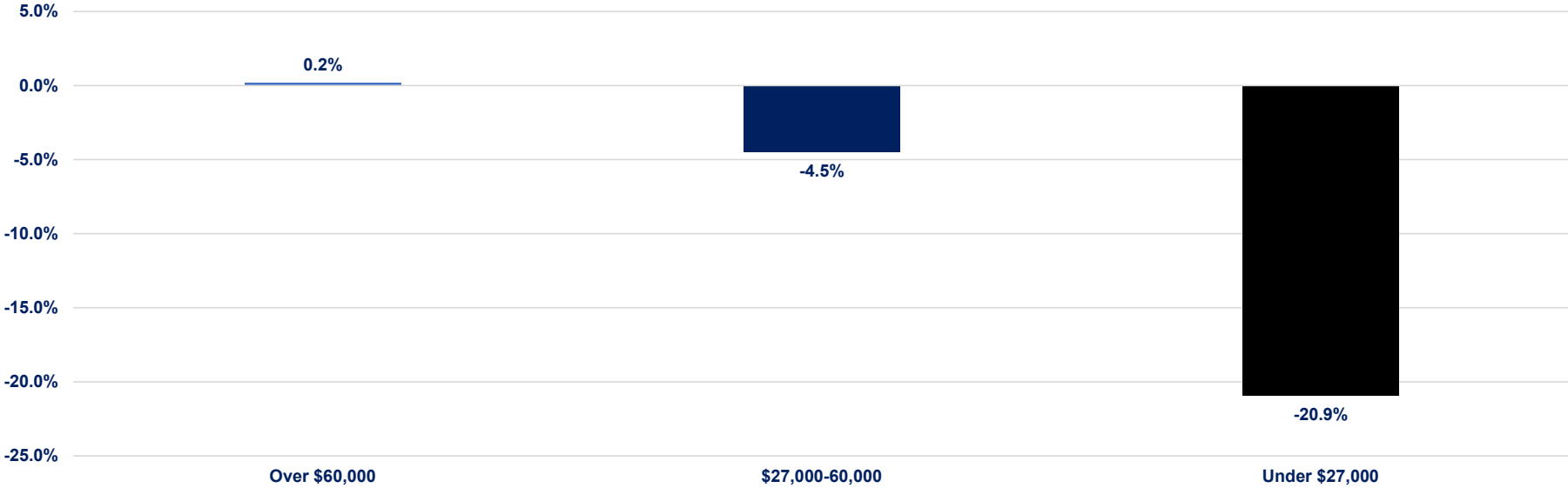


Jobs Recovery-It Matters What You Earn

(As Of 9/30/20)

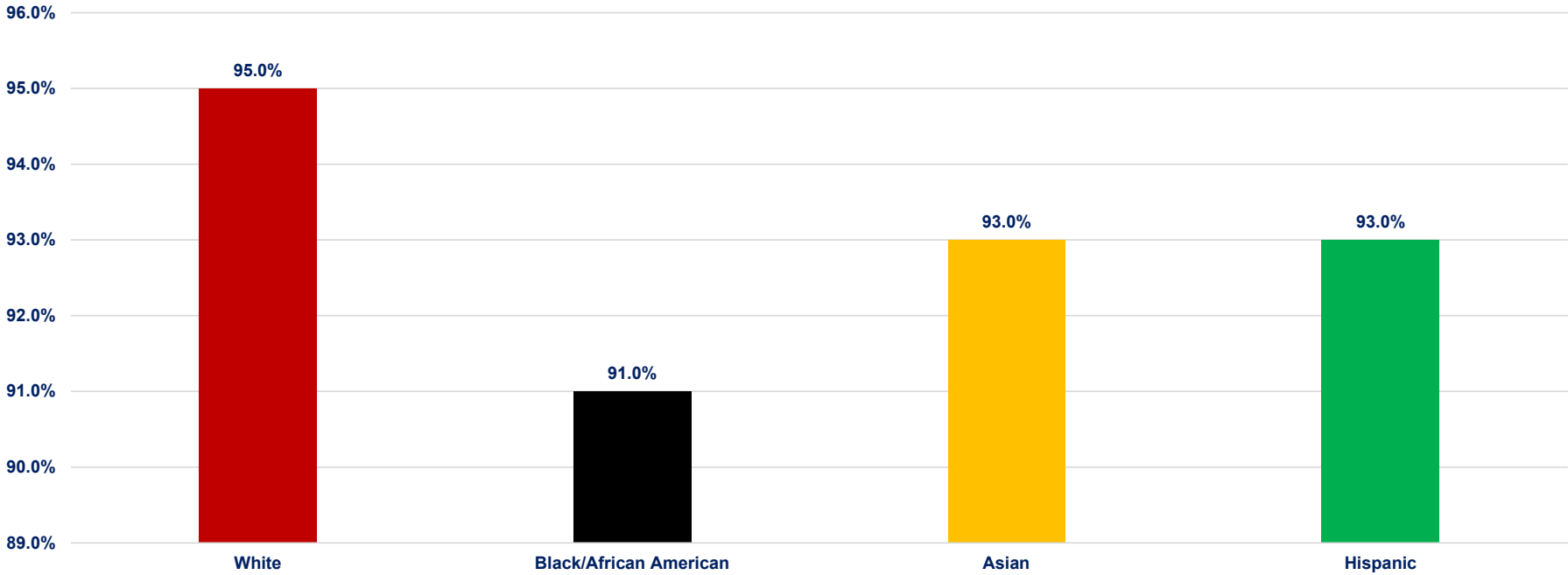
Jobs Recovery By Income Level

(Source: Opportunity Insights Project)



Jobs Recovery-It Matters Who You Are (As Of 9/30/20)

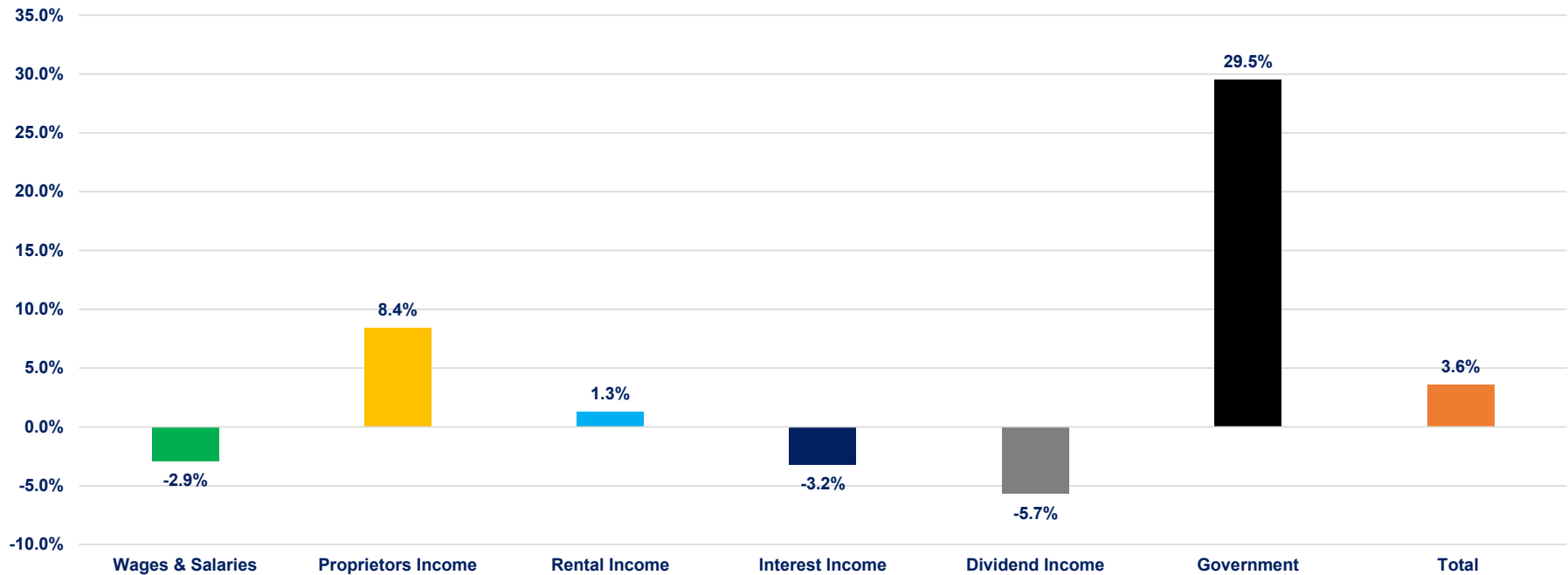
Jobs Recovery By Race
Source: Bureau of Labor Statistics



Headline Income Story Is Misleading

As of 9/30/20

Change Since February
Source: Bureau of Economic Analysis



United States Consumer Spending Change from 12/31/19

(as of 11/1/20)

(Source: Opportunity Insights Project)

- **United States:** **-6.4%**
- **Grocery:** **+11.3%**
- **Retail:** **+8.3%**
- **Health Care:** **+2.2%**
- **Restaurants & Hotels:** **-30.1%**
- **Transportation:** **-47.9%**
- **Entertainment & Recreation:** **-56.8%**

Washington Consumer Spending Change from 12/31/19

(as of 10/25/20)

(Source: Opportunity Insights Project)

• Washington:	+2.6%
• Grocery:	+20.6%
• Retail:	+17.9%
• Health Care:	+2.2%
• Restaurants & Hotels:	-39.0%
• Transportation:	-45.9%
• Entertainment & Recreation:	-49.8%

Idaho Consumer Spending

(as of 10/25/20)

(Source Opportunity Insights Project)

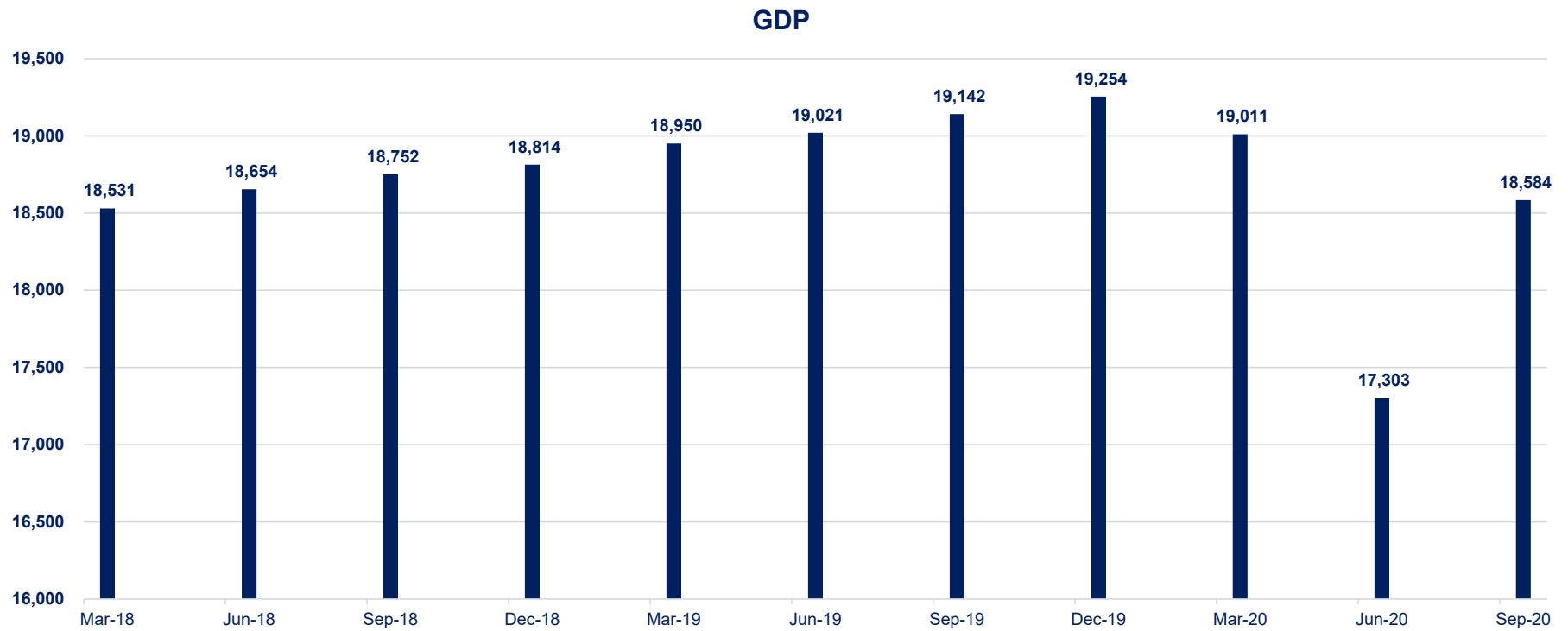
• Idaho:	+6.9%
• Retail:	+18.7%
• Grocery:	+17.2%
• Health Care:	-2.7
• Restaurants & Hotels:	-12.8%
• Transportation:	-31.1%
• Entertainment & Recreation:	-44.7%

Economic Outlook

Polling Question #2

GDP Is Still 3.5% Below 4th Quarter 2019 The Worst Decline In The Financial Crisis Was (4%)

(Source: Bureau of Economic Analysis)



Plan For A Square Root Recovery

Expect Interest Rates To Remain Lower For Longer

Expect Work Force Migration to Impact Where to Build

Polling Question #3

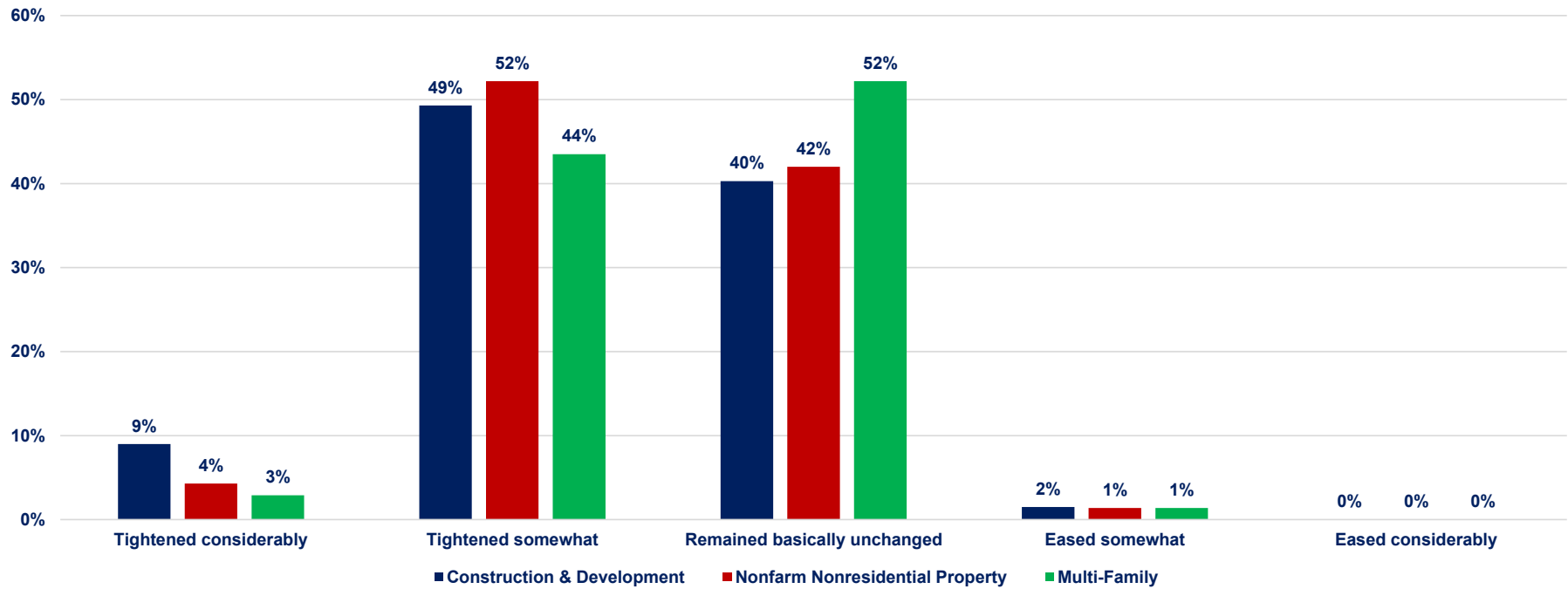
Commercial Real Estate

- **Commercial Multi-family:** location and internet speed
- **Commercial Retail:** virus has accelerated the decline
- **Commercial Office:** disruption but opportunity
- **Commercial Warehouse:** potential opportunities
- **Commercial Industrial:** potential opportunities
- **Commercial Self-storage:** demographics support strength
- **Commercial Infrastructure:** labor supply?

Federal Reserve Survey

(As of 9/30/20)

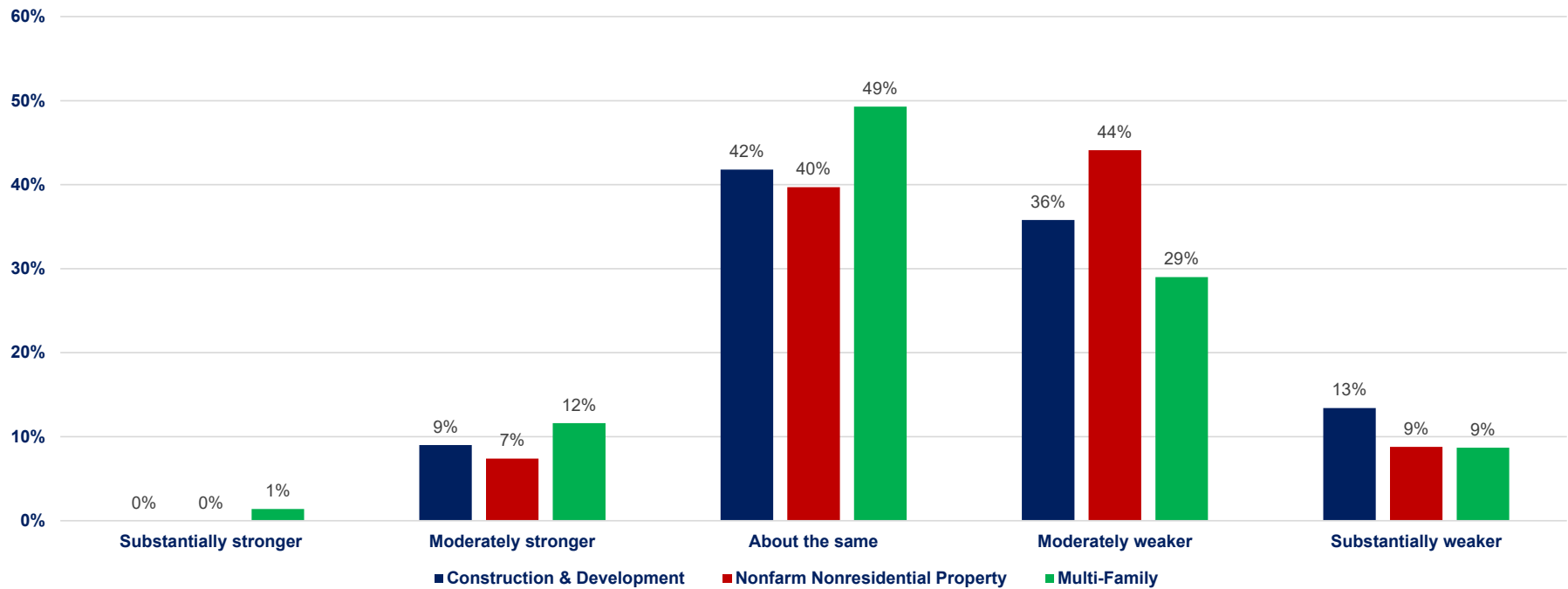
Credit Standards



Federal Reserve Survey

(As of 9/30/20)

Demand



Polling Question #4

Conclusions

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- **The longer we are closed, the more severe the economic impact.**
- **Out of crisis comes opportunity-are you looking for the opportunities?**

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