Feeling Good…For Now

DAN WHITE, Director of Fiscal Policy Research

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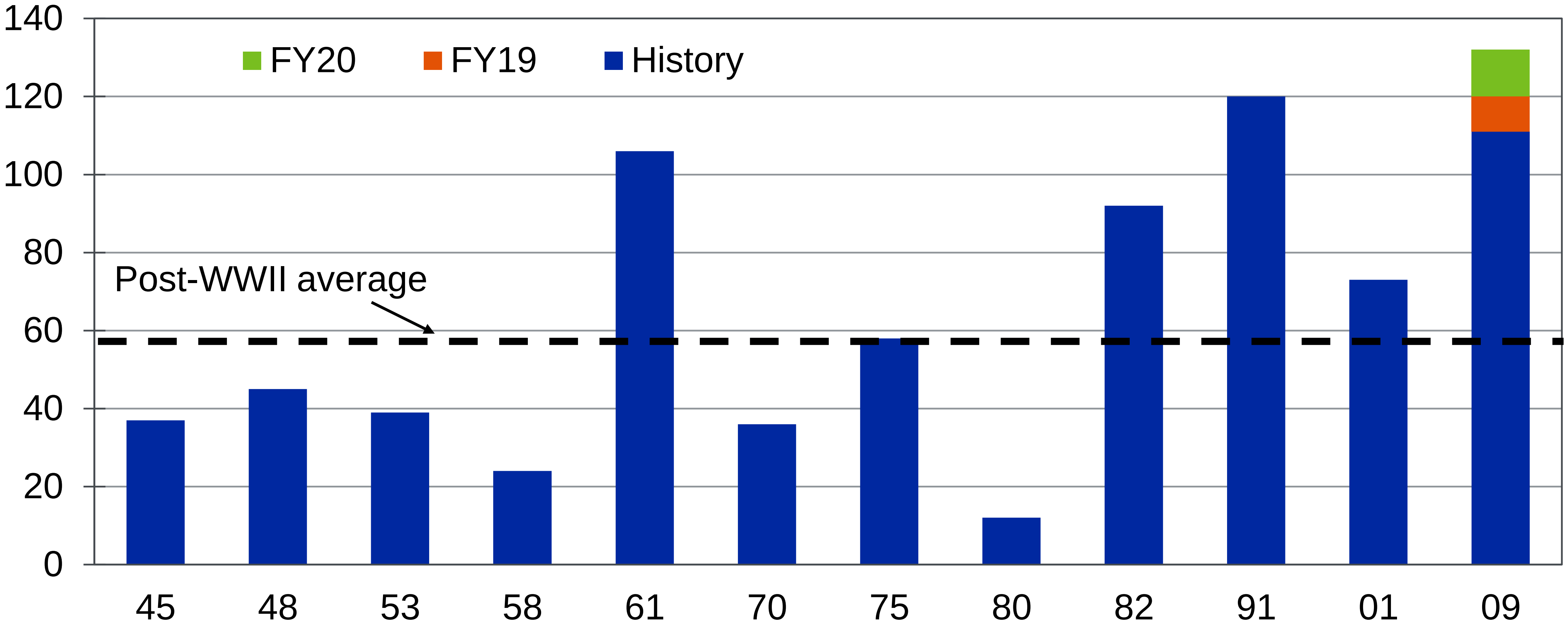
Pushing the Envelope

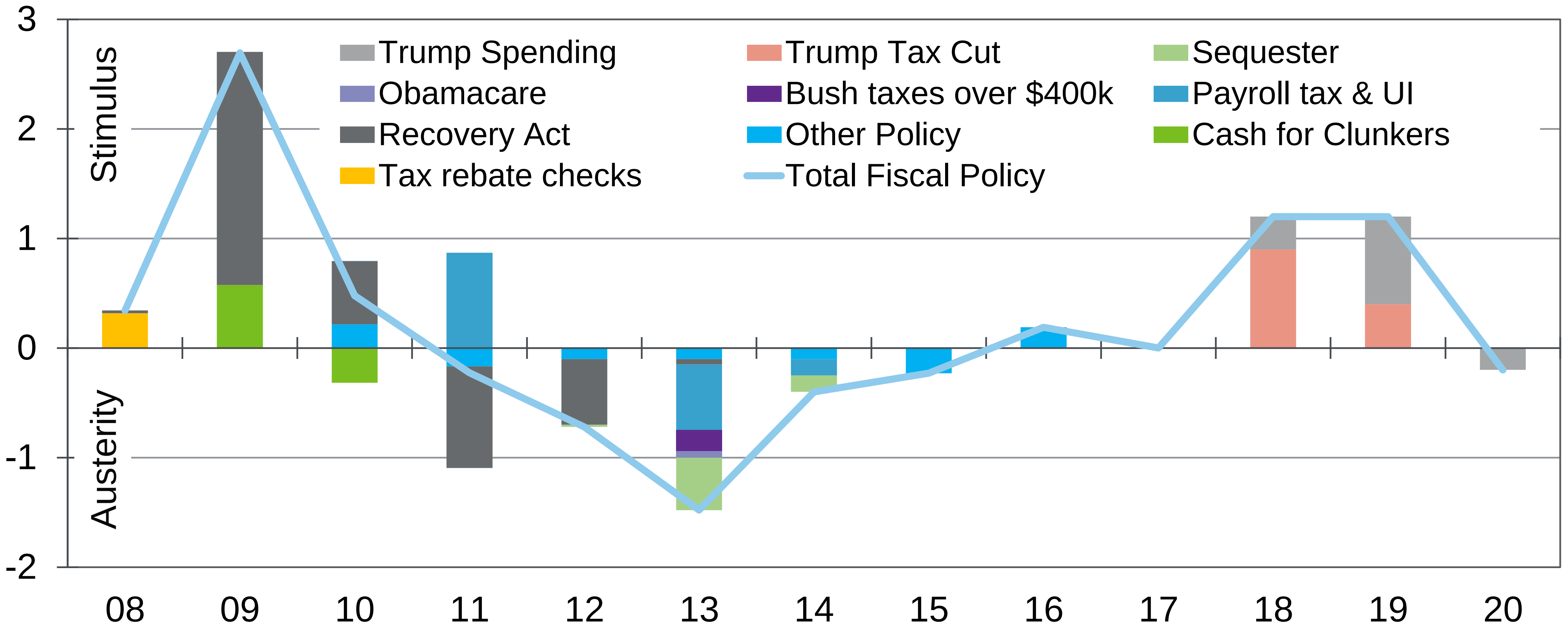
Duration of business cycle expansion, months, state fiscal year



Sources: NBER, Moody's Analytics

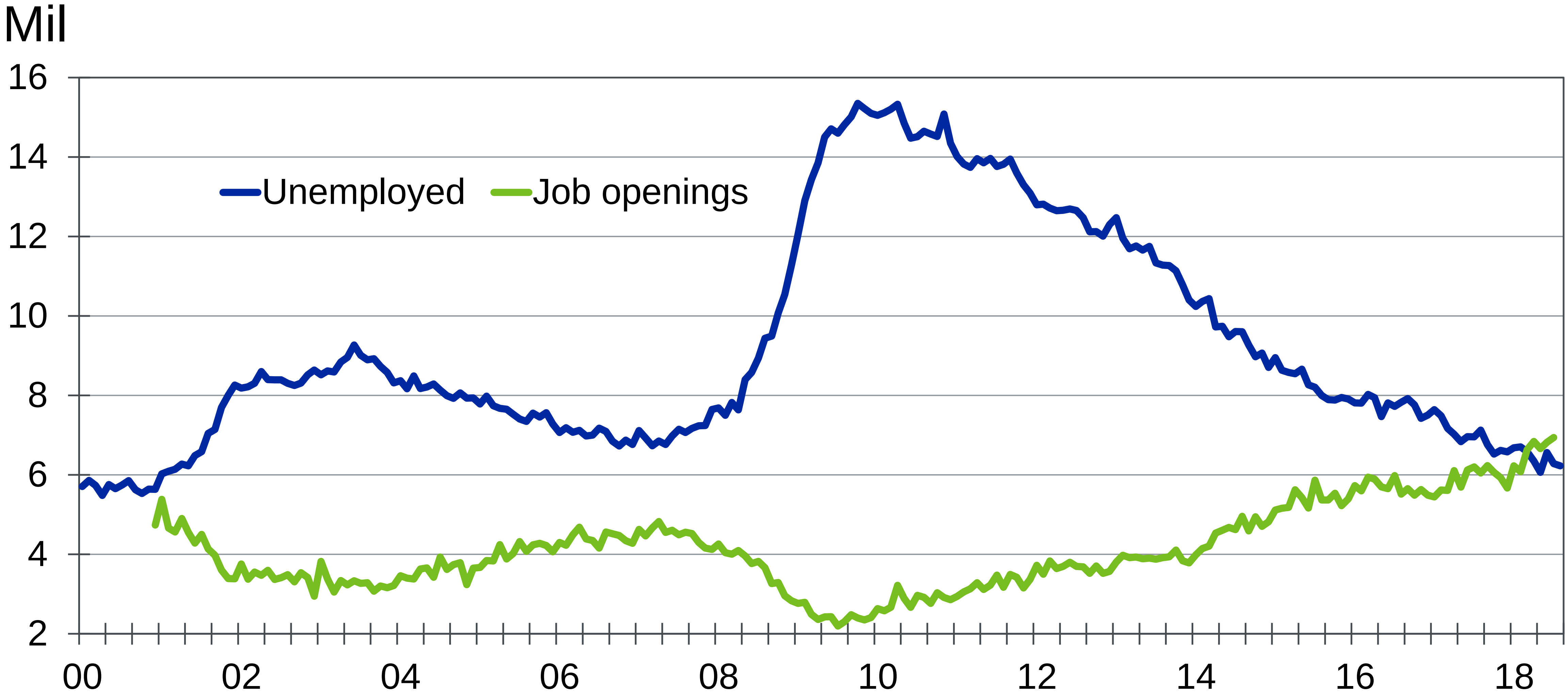
Lots of Fiscal Stimulus

Federal discretionary fiscal policy as a % of GDP



Source: Moody's Analytics

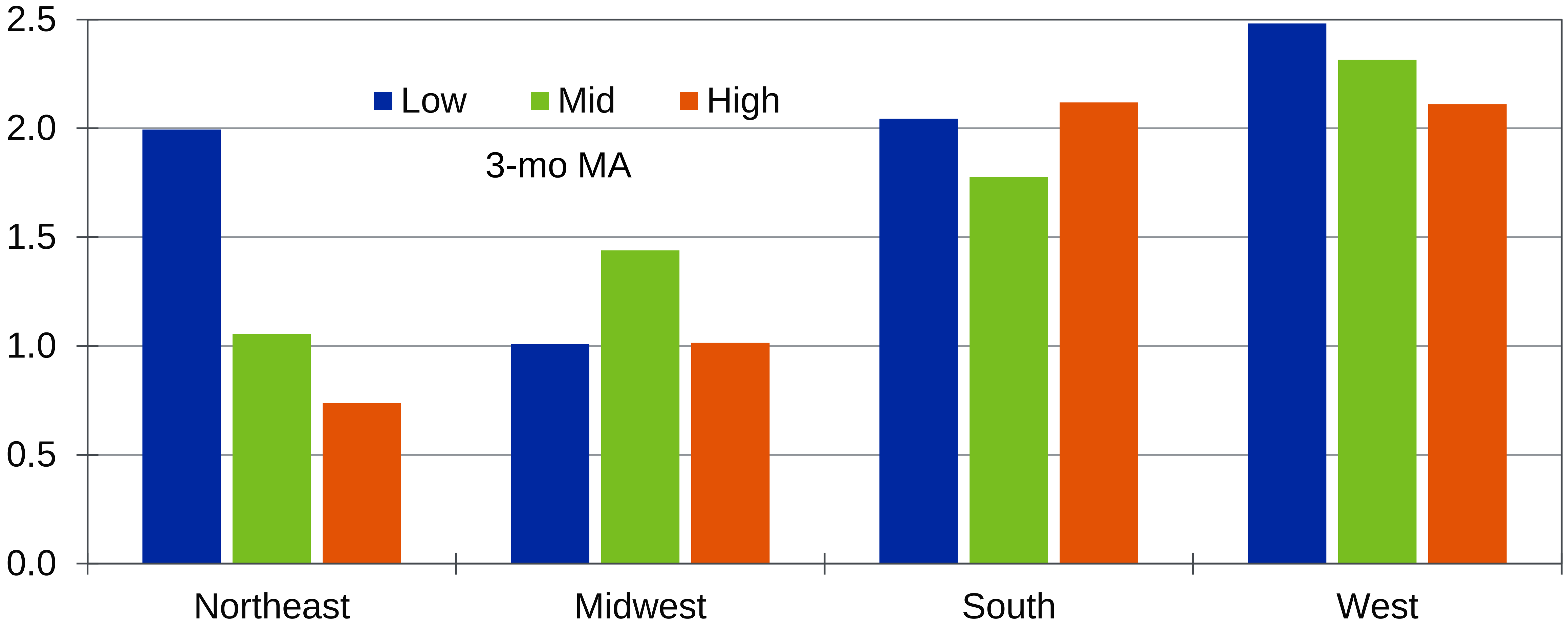
The Job Market Is As Good As It Gets



Sources: BLS, Moody's Analytics

Job Growth Is (Mostly) Broad-Based

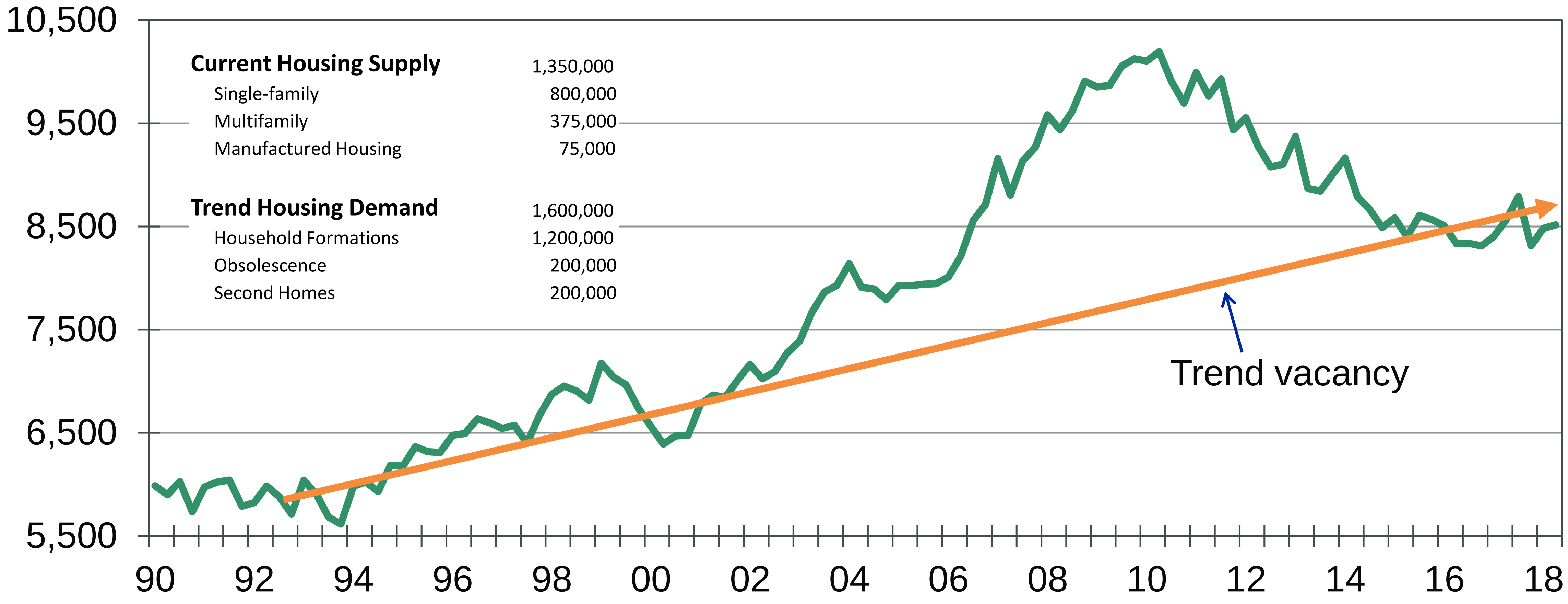
Employment growth by wage cohort, % change yr ago, Aug 2018



Sources: BLS, BEA, Moody's Analytics

Builders Are Still Not Building

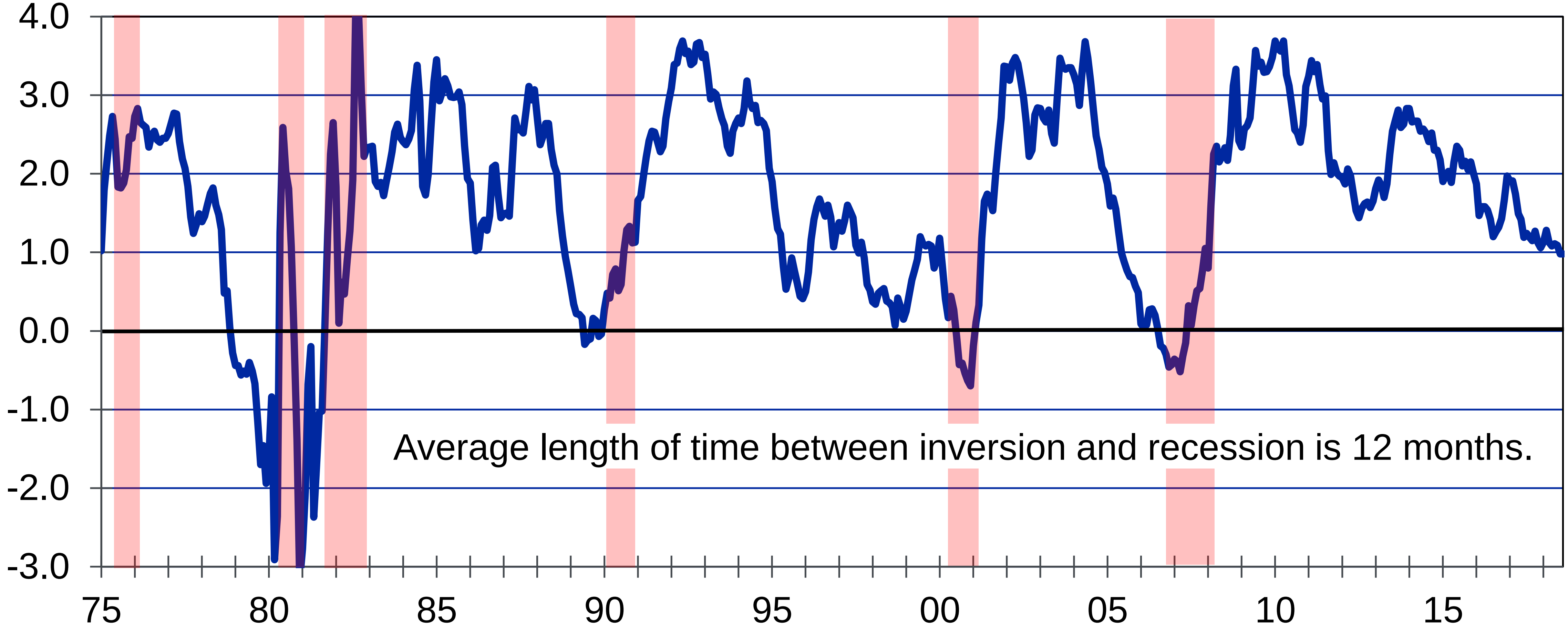
Vacant homes for sale, for rent and held off market, ths



Sources: Census Bureau, Moody’s Analytics

Yield Curve Sends a Warning

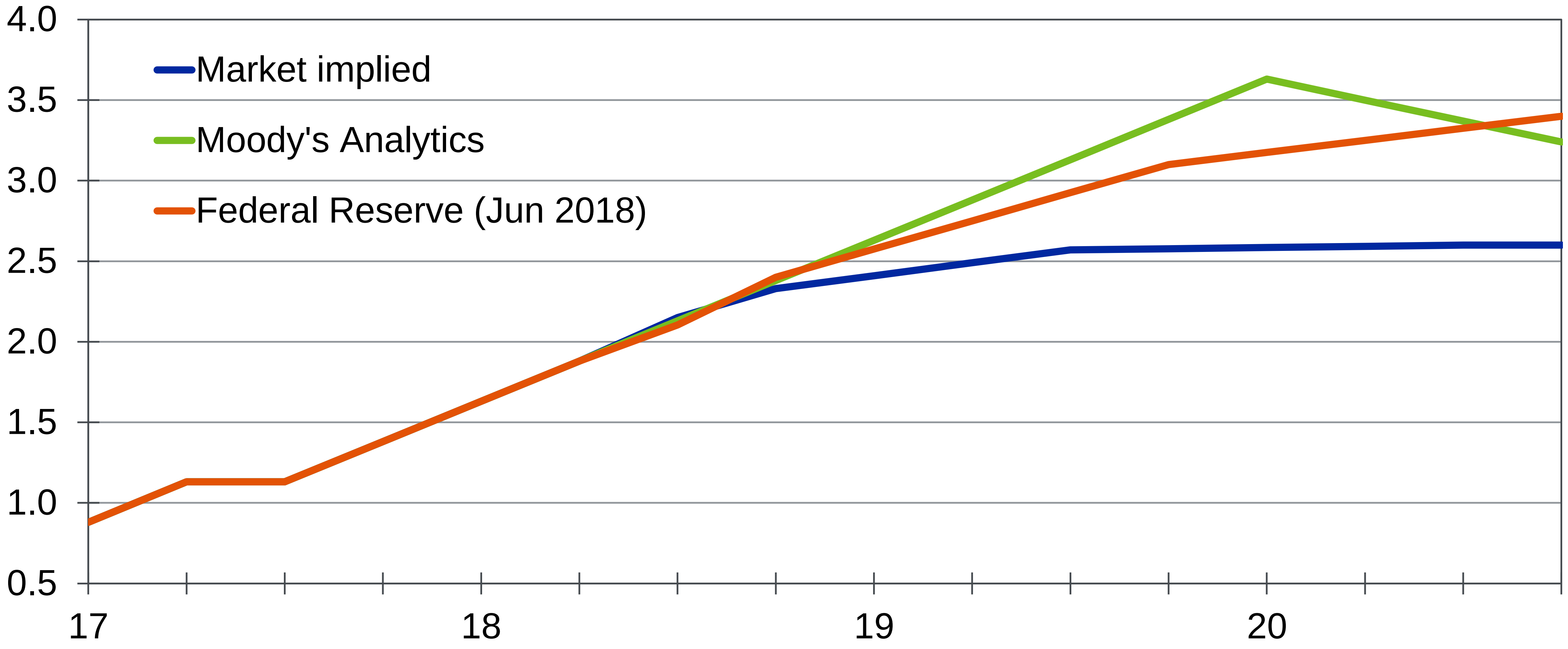
Difference between 10-yr and 3-mo yield, %



Sources: Federal Reserve, Moody's Analytics

Global Investors Need to Adjust

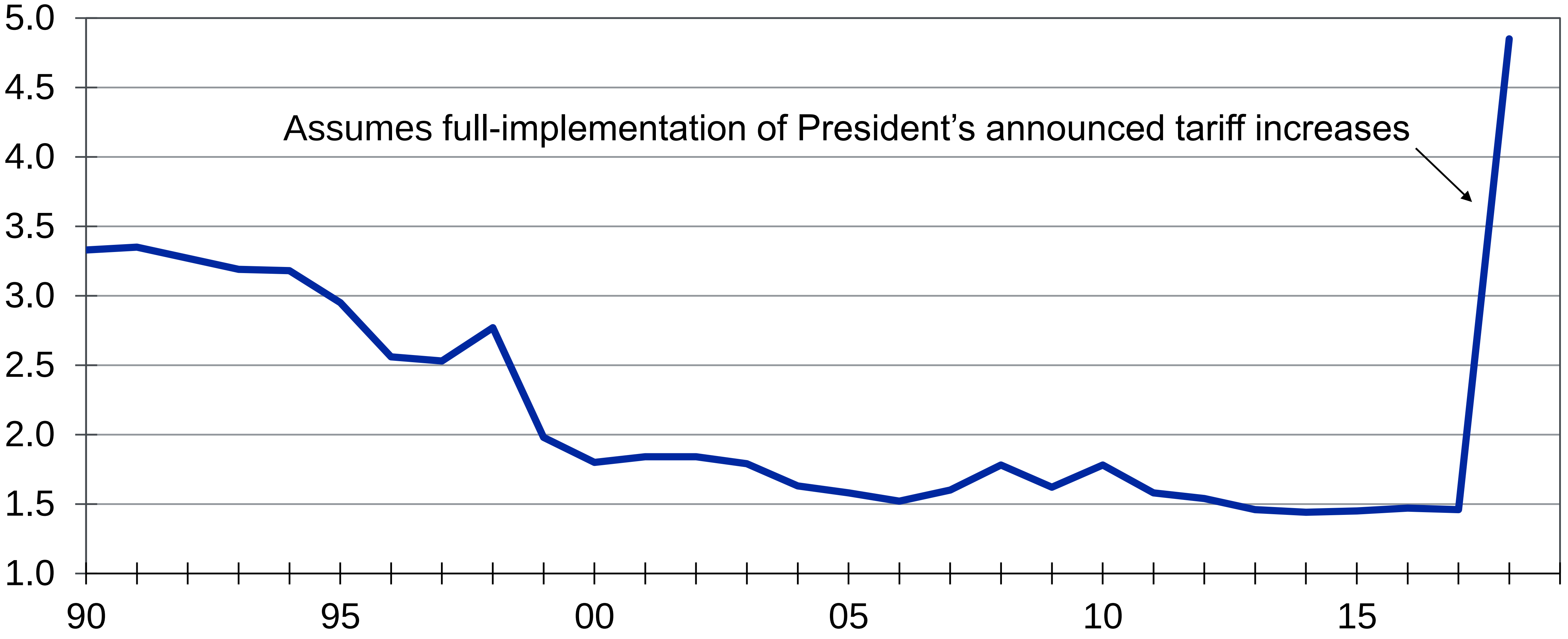
Federal funds rate, %



Sources: Federal Reserve, Bloomberg LP, Moody's Analytics

Putting Tariff Threat into Perspective

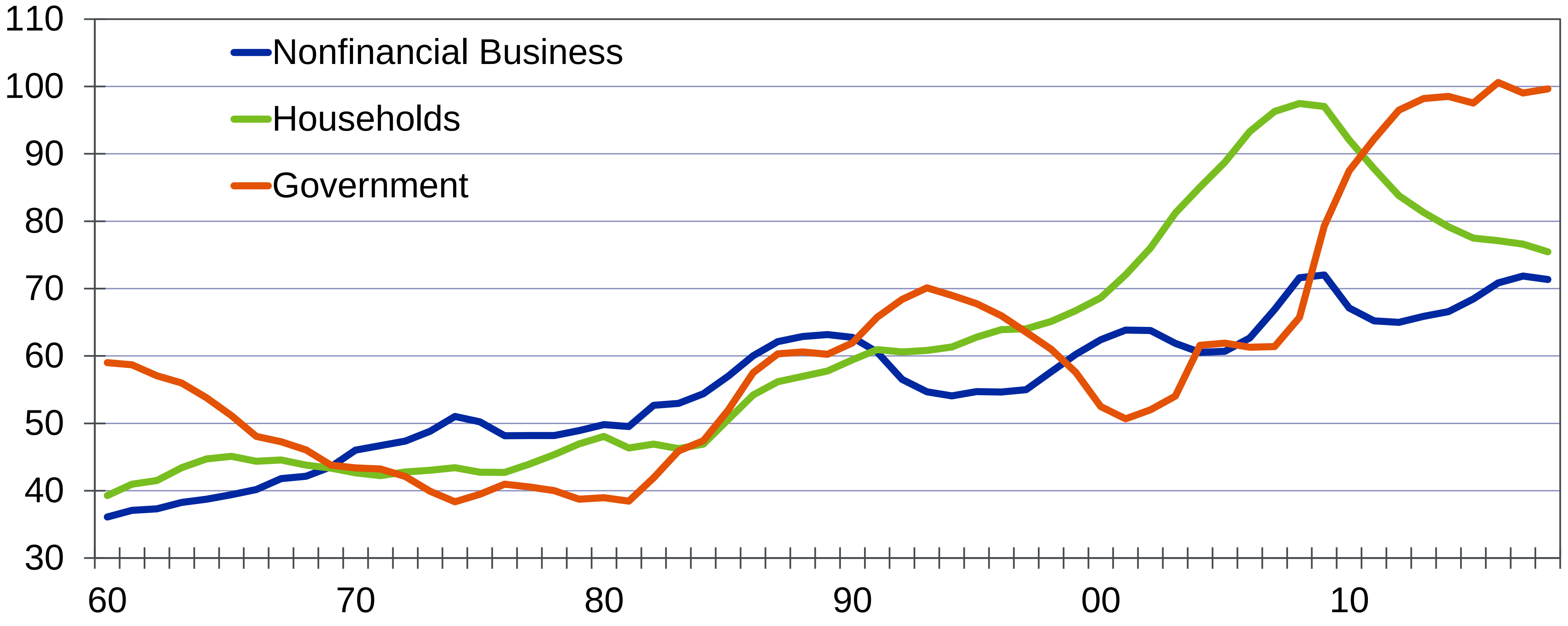
U.S. average effective tariff rate, %



Sources: World Bank, Moody's Analytics

Will Debt Sink the Expansion?

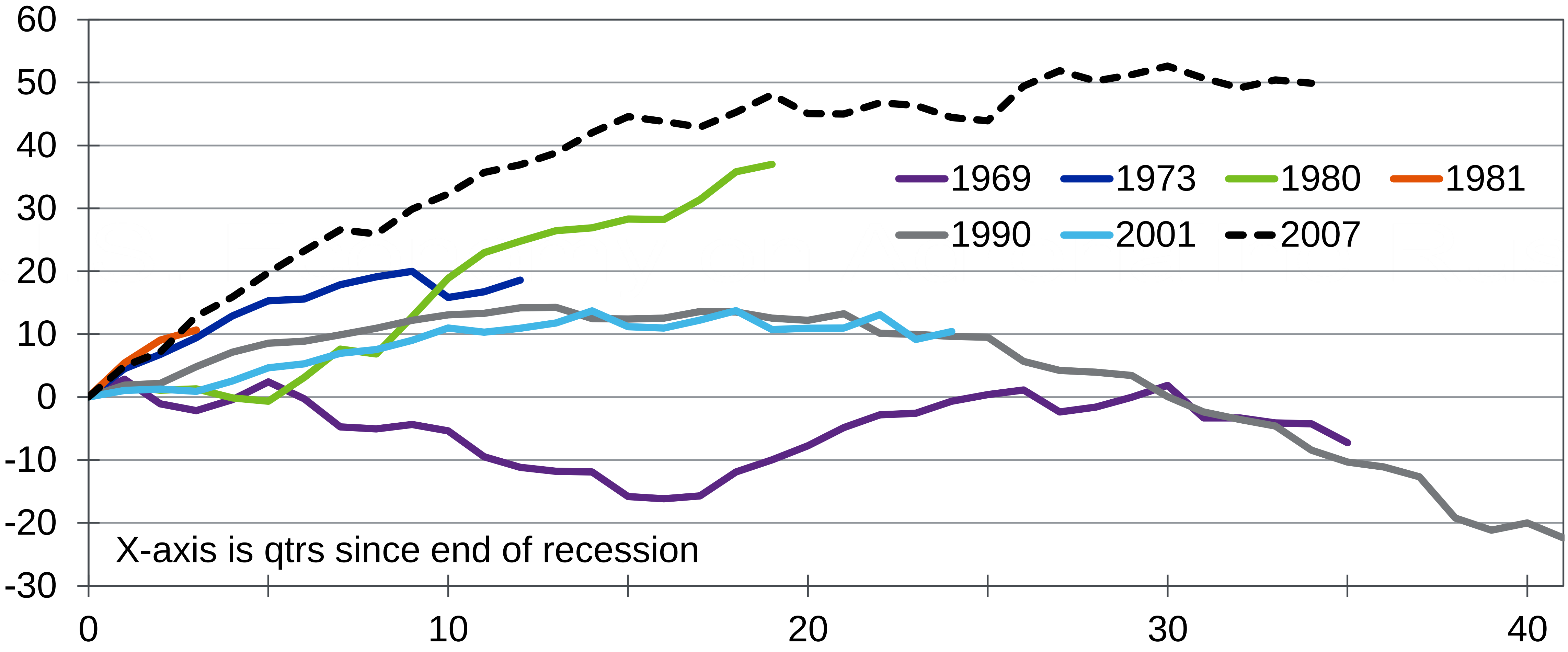
Debt to GDP ratio



Sources: Federal Reserve, Moody's Analytics

Uncharted Territory

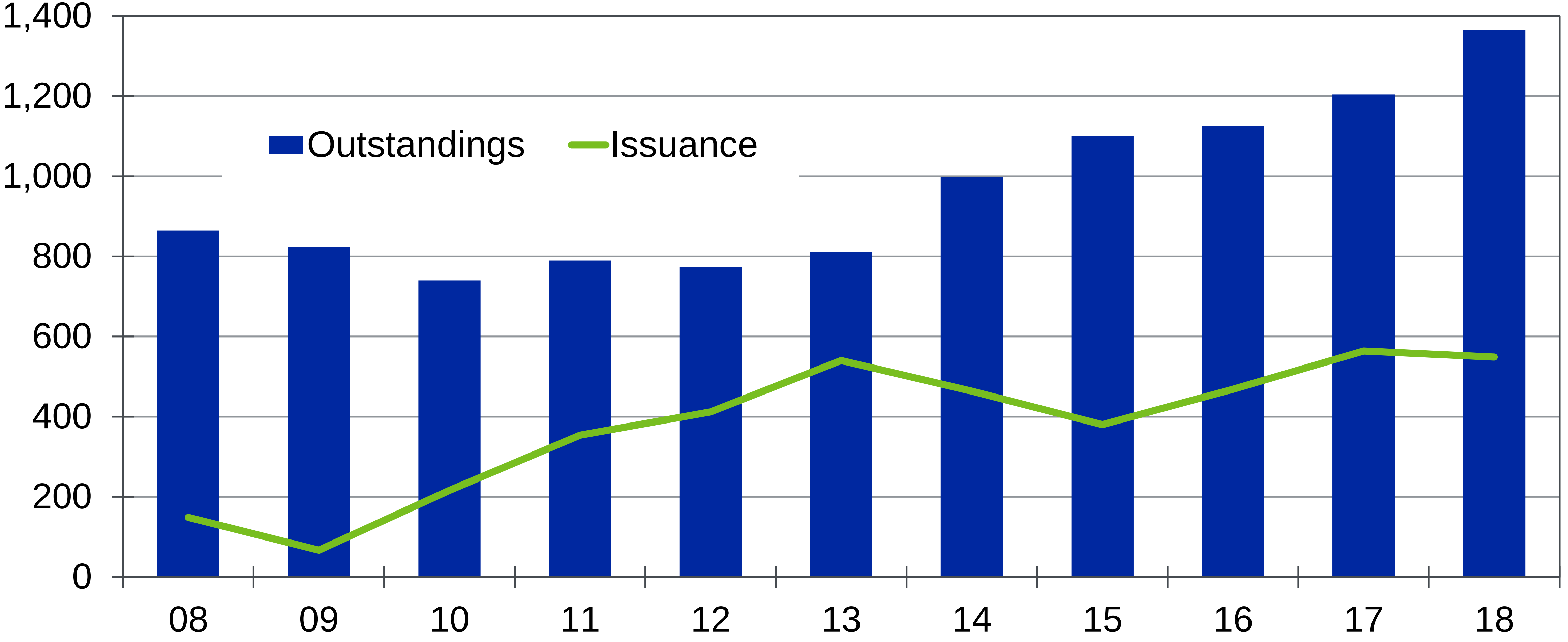
Government debt to GDP ratio, first quarter of expansion=100



Source: Moody's Analytics

Leveraged Firms Leveraging Up

Leveraged loans, $ bil

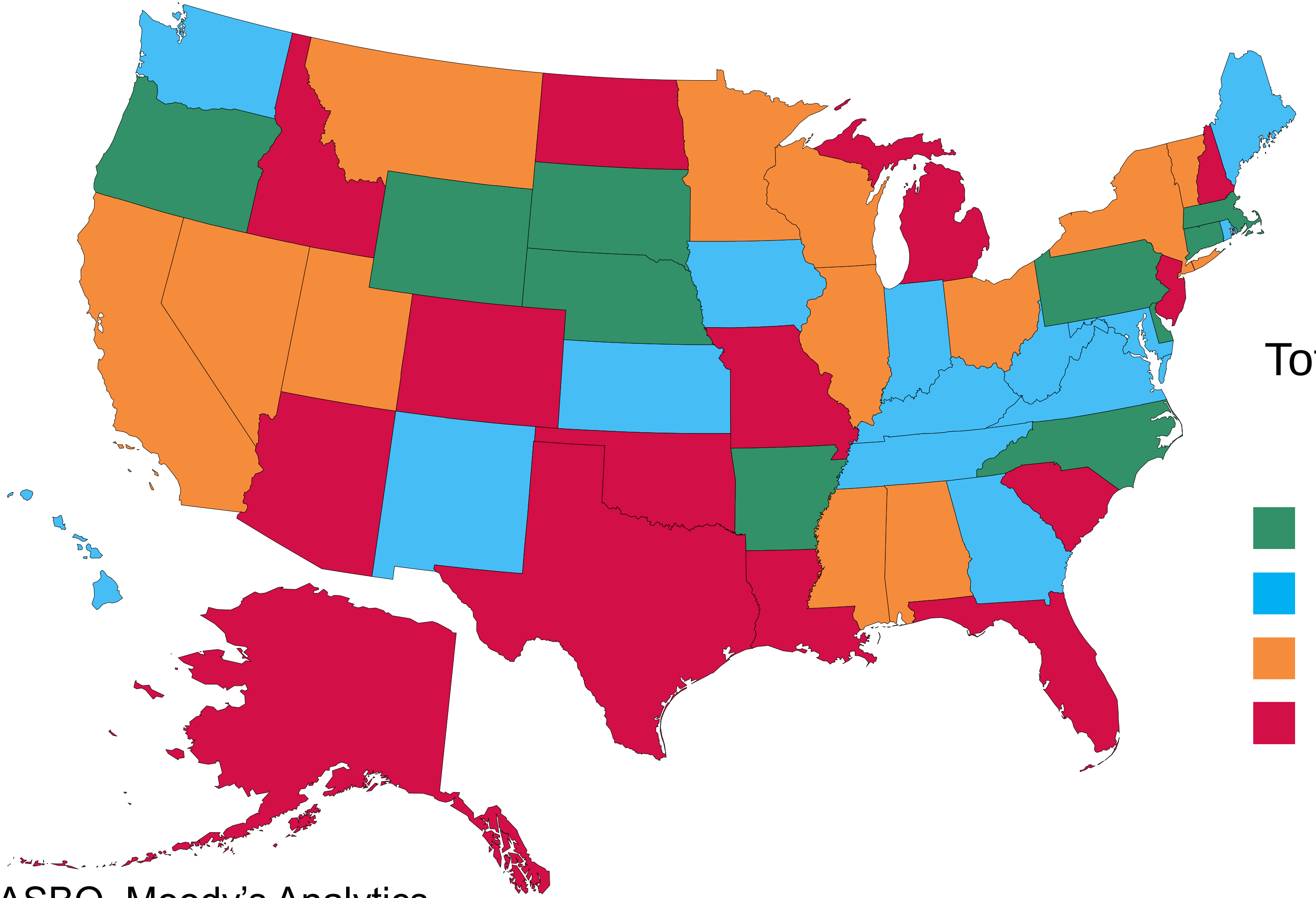


Sources: IMF, Moody's

Note: 2018 issuance is YTD annualized

Recessions Impact All States Differently

Fiscal shock from moderate recession, % of estimated 2018 revenues



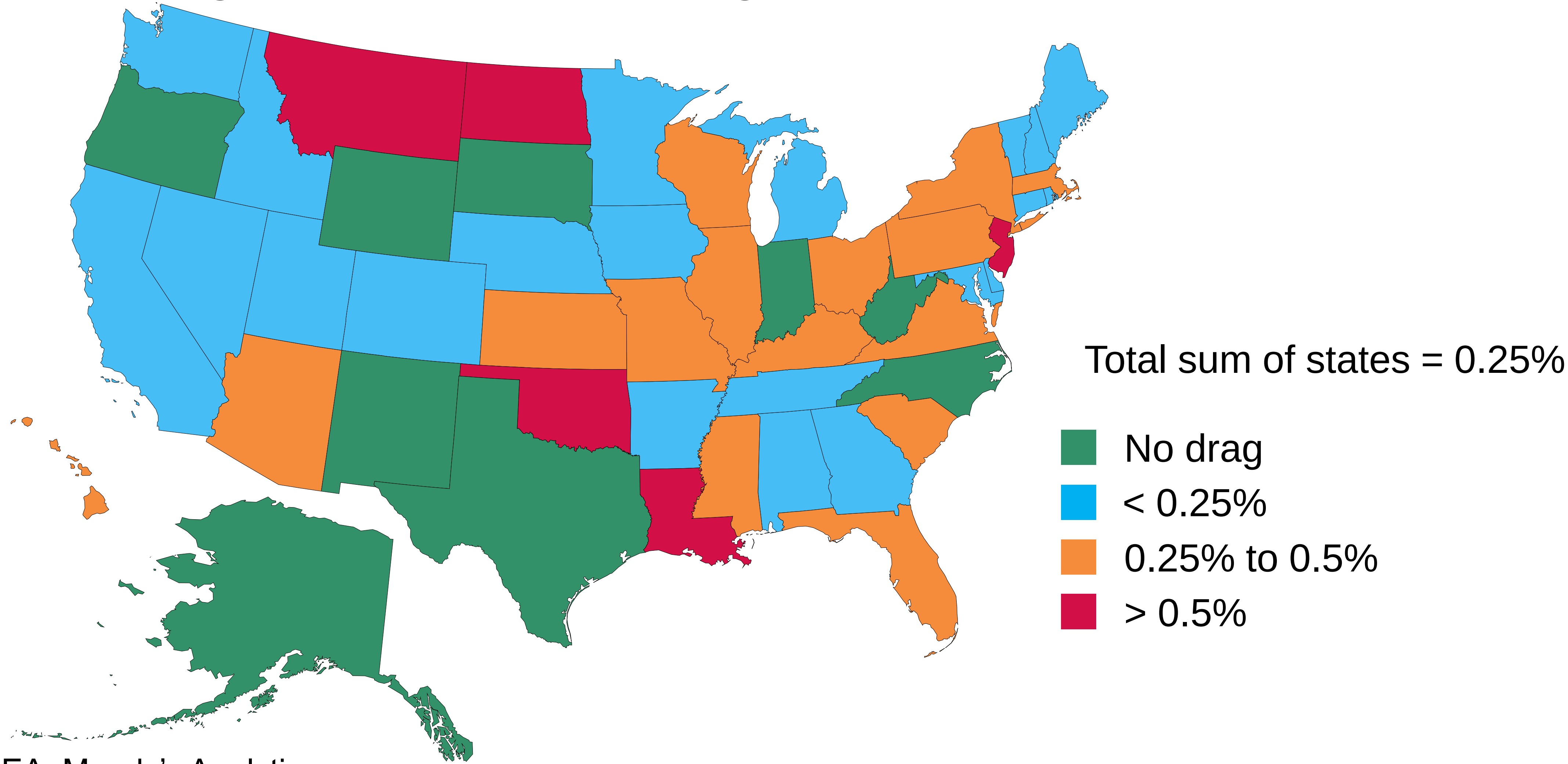
Total sum of states = 11%

- < 8%
- 8% to < 10%
- 10% to < 12%
- > 12%

Sources: NASBO, Moody's Analytics

Some Areas More at Risk than Others

Potential state government fiscal drag from next recession, % of GSP



Sources: BEA, Moody’s Analytics

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