Slipping into a Recession?

- First Quarter GDP report is weak, housing is mostly to blame
- Bad inflation news limits Fed’s options
- Are financial markets too complacent?
- Revised Indiana employment data finally arrive
- Muncie gets some good news
Don’t Blame Consumers for Weak 1Q

Percent Growth in Selected Components of U.S. GDP (2007Q1)

- Overall: 1.3%
- Consumer Spending: 3.8%
- Residential Investment: -17.2%
- Defense Spending: -6.6%
- Exports: -1.2%
Midwest & Indiana Still Struggle to Grow Jobs

Percent Job Growth (Mar 2007 / Mar 2006)

- Less than 0.9%
- 0.9% - 1.2%
- 1.2% - 1.9%
- 1.2% - 1.9%
- Over 1.9%
Revised Employment Data Put an End to Muncie’s Job Slide

Employment as percent of Jan. 2005 (Seasonally Adjusted)