

Ball State Business Roundtable

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Welcome

Steve Smith, Roundtable Chair
Midwest Metal Products Co., Inc.



U.S. Economic Outlook

Michael J. Hicks, PhD

Ball State University

U.S. Economy in 2010

TIME SERIES FORECAST 2010 (%)

CONSENSUS (%)

Variable	2009 Avg. (%)	TIME SERIES FORECAST 2010 (%)				2010 Avg.	CONSENSUS (%)	
		Q 1	Q 2	Q 3	Q 4		Round Table	Blue Chip
Real GDP Growth	0.1	4.7	2.8	3.9	5.0	4.1	3.0	2.9
Inflation	0.7	1.4	1.1	2.0	0.7	1.3	2.0	1.5
Unempl. Rate	9.2	10.7	11.1	11.4	11.4	11.2	9.6	9.9
10-yr T-Bond	3.3	3.5	3.5	3.5	3.6	3.5	3.9	3.9

U.S. Economy in 2010

TIME SERIES FORECAST 2010 (%)

CONSENSUS (%)

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Real GDP Growth	0.1	4.7 3.2	2.8 2.4	3.9 2.0	5.0 2.8	4.1 2.6	3.0	2.9
Inflation	0.7	1.4 0.9	1.1 1.8	2.0 2.2	0.7 1.3	1.3 1.5	2.0	1.5
Unempl. Rate	9.2	10.7 9.7	11.1 9.7	11.4 9.6	11.4 9.6	11.2 9.7	9.6	9.9
10-yr T-Bond	3.3	3.5 3.7	3.5 3.5	3.5 2.7	3.6 2.5	3.5 3.2	3.9	3.9

U.S. Economy in 2011

TIME SERIES FORECAST 2011 (%)

CONSENSUS (%)

Variable	2010 Avg. (%)	Q 1	Q 2	Q 3	Q 4	2011 Avg.	Round Table	Blue Chip
Real GDP Growth	2.5	1.9 1.7	2.0	2.4	0.8	1.8		
Inflation	1.6	1.8 6.1	2.3	2.4	2.1	2.2		
Unempl. Rate	11.2	8.6 8.9	8.0	7.8	7.7	8.0		
10-yr T-Bond	3.5	2.5 3.5	2.1	1.9	1.2	1.9		

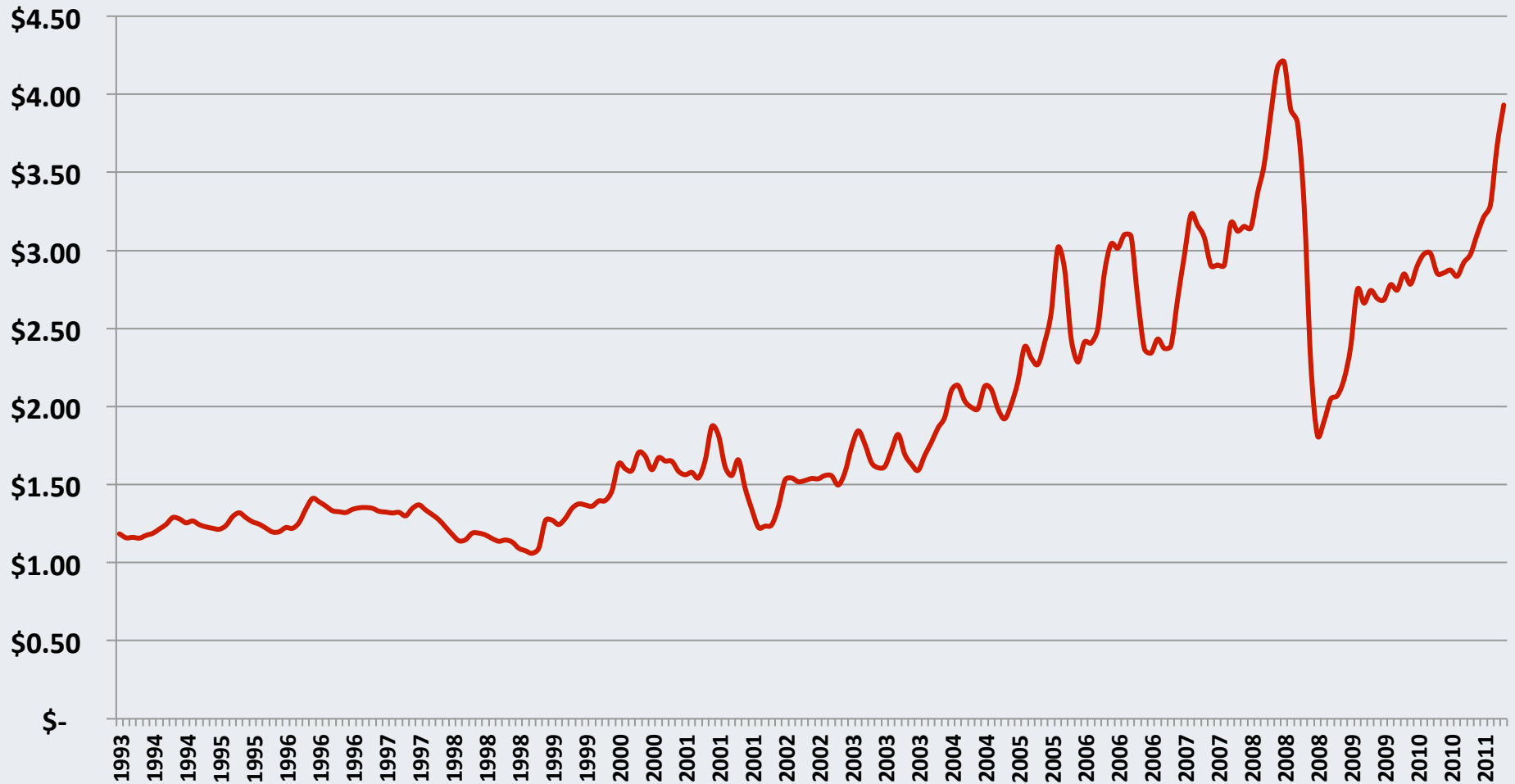
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December 2010 Forecast	2011 : Q1	2011: Q2	2011 : Q3	2011 : Q4	Annual
Employment	↑ 0.54%	↑ 0.34%	↑ 0.20%	↑ 0.15%	1.23%
Labor Force	↑ 0.01%	↓ -0.10%	↓ -0.19%	↓ -0.21%	-0.49%
Personal Income	↑ 0.75%	↑ 1.14%	↑ 1.45%	↑ 1.39%	4.81%
Manufacturing Income	↑ 1.55%	↑ 1.73%	↑ 1.91%	↑ 1.71%	7.07%
Utilities Income	↑ 0.53%	↑ 0.33%	↑ 0.16%	↑ 0.20%	1.22%
Construction Income	↑ 1.48%	↑ 1.77%	↑ 2.02%	↑ 1.84%	7.29%
Wholesale Income	↑ 1.17%	↑ 1.31%	↑ 1.43%	↑ 1.34%	5.34%
Retail Income	↑ 0.55%	↑ 0.77%	↑ 0.95%	↑ 0.89%	3.19%
Finance & Ins. Income	↑ 0.41%	↑ 0.92%	↑ 1.33%	↑ 1.24%	3.96%
Health Care Income	↑ 0.79%	↑ 0.84%	↑ 0.71%	↑ 0.65%	3.02%
Information Income	↑ 1.00%	↑ 1.27%	↑ 1.50%	↑ 1.40%	5.27%
Transportation Income	↑ 1.70%	↑ 1.72%	↑ 1.77%	↑ 1.63%	6.99%

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May 2011 Forecast	2011 : Q3	2011 : Q4	2012 : Q1	2012 : Q2	Annualized
Unemployment Rate	↓ 8.2%	↓ 8.0%	↓ 7.9%	↓ 7.9%	8.0%
Personal Income	↑ 1.2%	↑ 1.0%	↑ 0.8%	↑ 1.0%	4.0%
Manufacturing	↑ 0.8%	↑ 0.6%	↑ -0.2%	↑ 0.0%	1.2%
Construction	↑ 1.9%	↑ 2.0%	↑ 1.5%	↑ 1.5%	7.0%
Transportation	↑ 2.3%	↑ 2.2%	↑ 1.5%	↑ 1.6%	7.5%
Utilities	↑ 0.6%	↑ 0.7%	↑ 1.0%	↑ 0.7%	2.9%
Wholesale	↑ 2.1%	↑ 1.9%	↑ 1.6%	↑ 1.5%	7.1%
Retail	↑ 1.0%	↑ 0.7%	↑ 0.2%	↑ 0.3%	2.2%
Information	↑ 1.4%	↑ 1.1%	↑ 0.7%	↑ 0.8%	4.1%
Fire	↑ 0.9%	↑ 0.5%	↑ 0.5%	↑ 1.0%	3.0%
Health	↑ 1.5%	↑ 1.5%	↑ 1.2%	↑ 1.3%	5.5%

Gasoline Prices



Thank you
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