



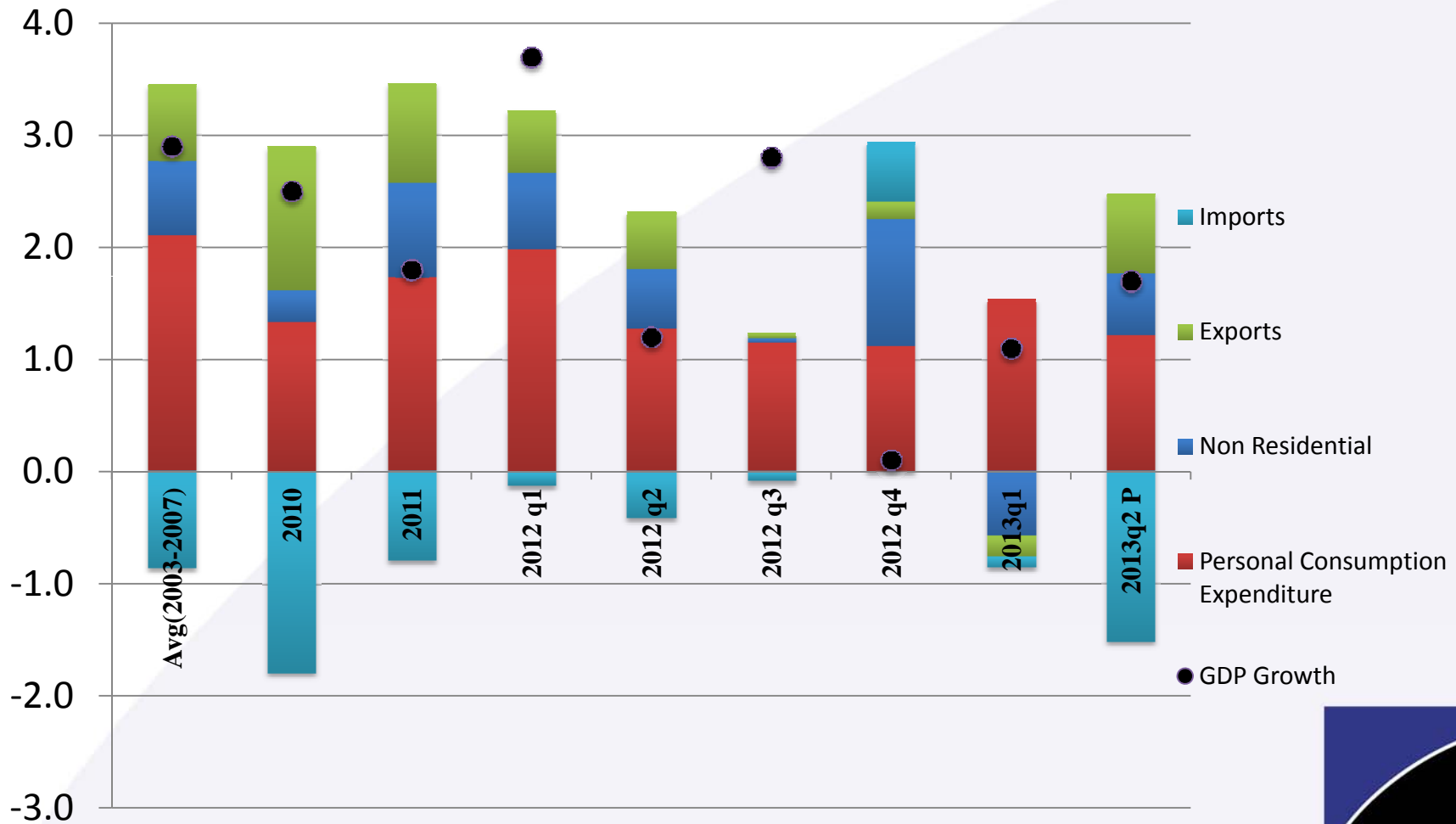
Robinson Economic Forecasting Conference
August 28, 2013
Jack Kleinhenz, Ph.D.



Consumers have led US Growth

GDP Growth and Contributions to GDP

Selected Components (NIPA 1.1.2)

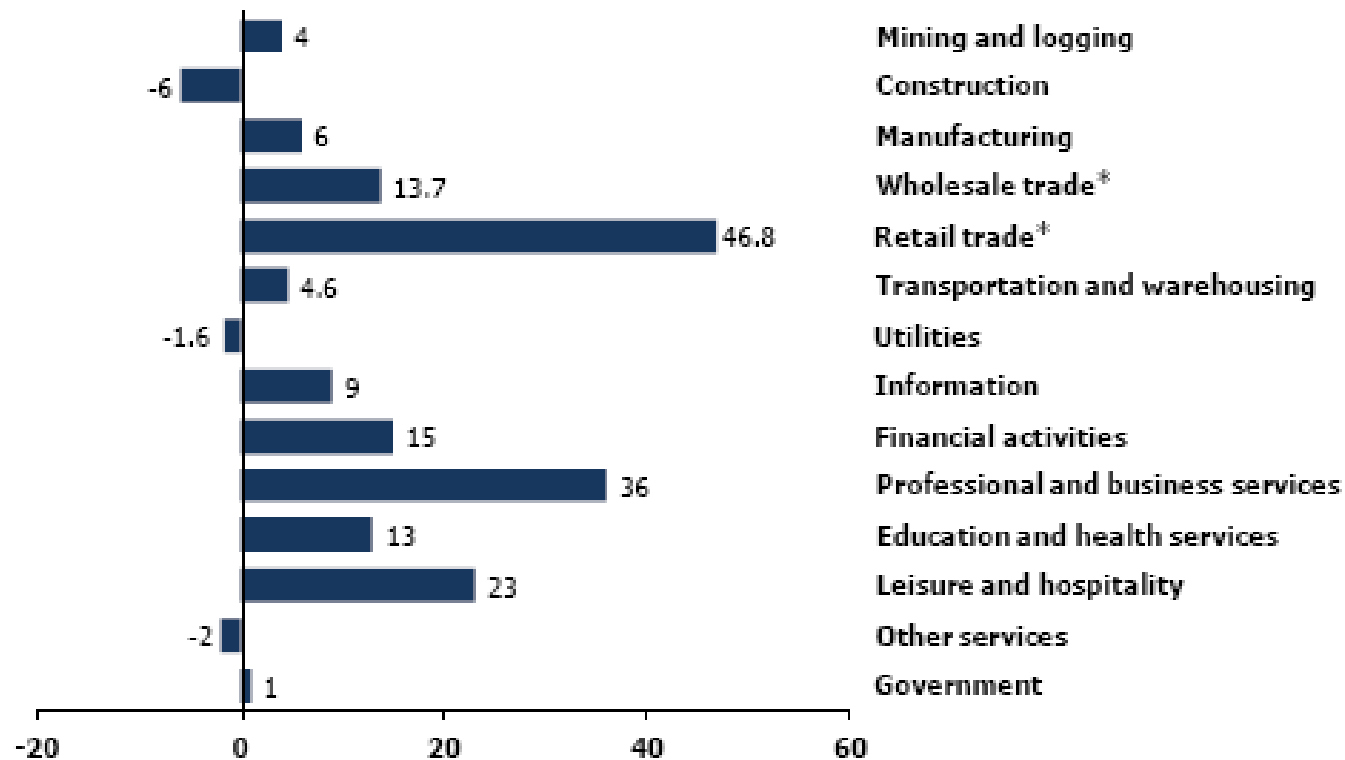


Employment in total nonfarm

Over-the-month change, July 2013

Seasonally adjusted, in thousands

Total nonfarm:
162*



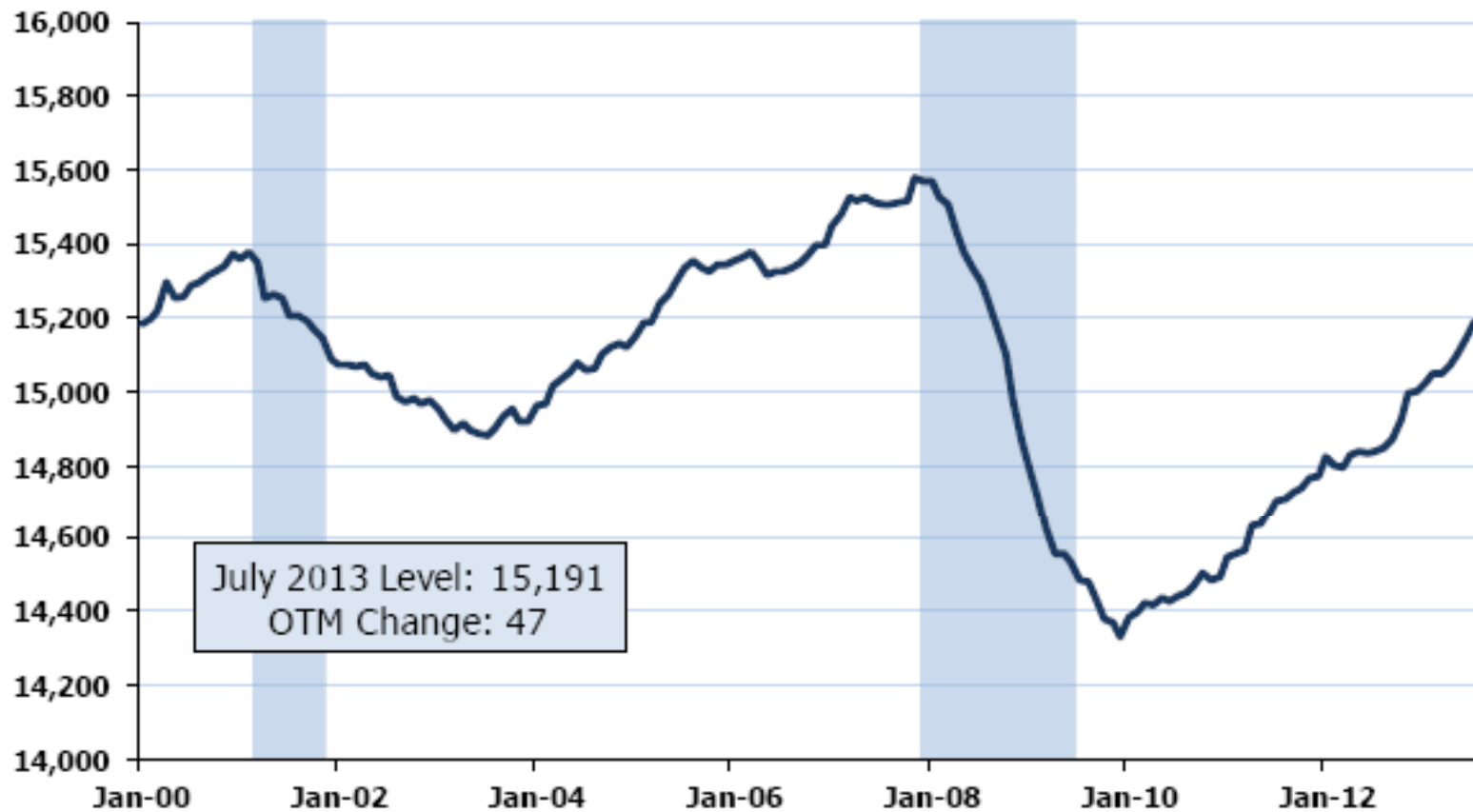
Bureau of Labor Statistics, Current Employment Statistics survey, August 02, 2013.

Data are preliminary.

* denotes significance.

Employment in retail trade January 2000–July 2013

Seasonally adjusted, in thousands

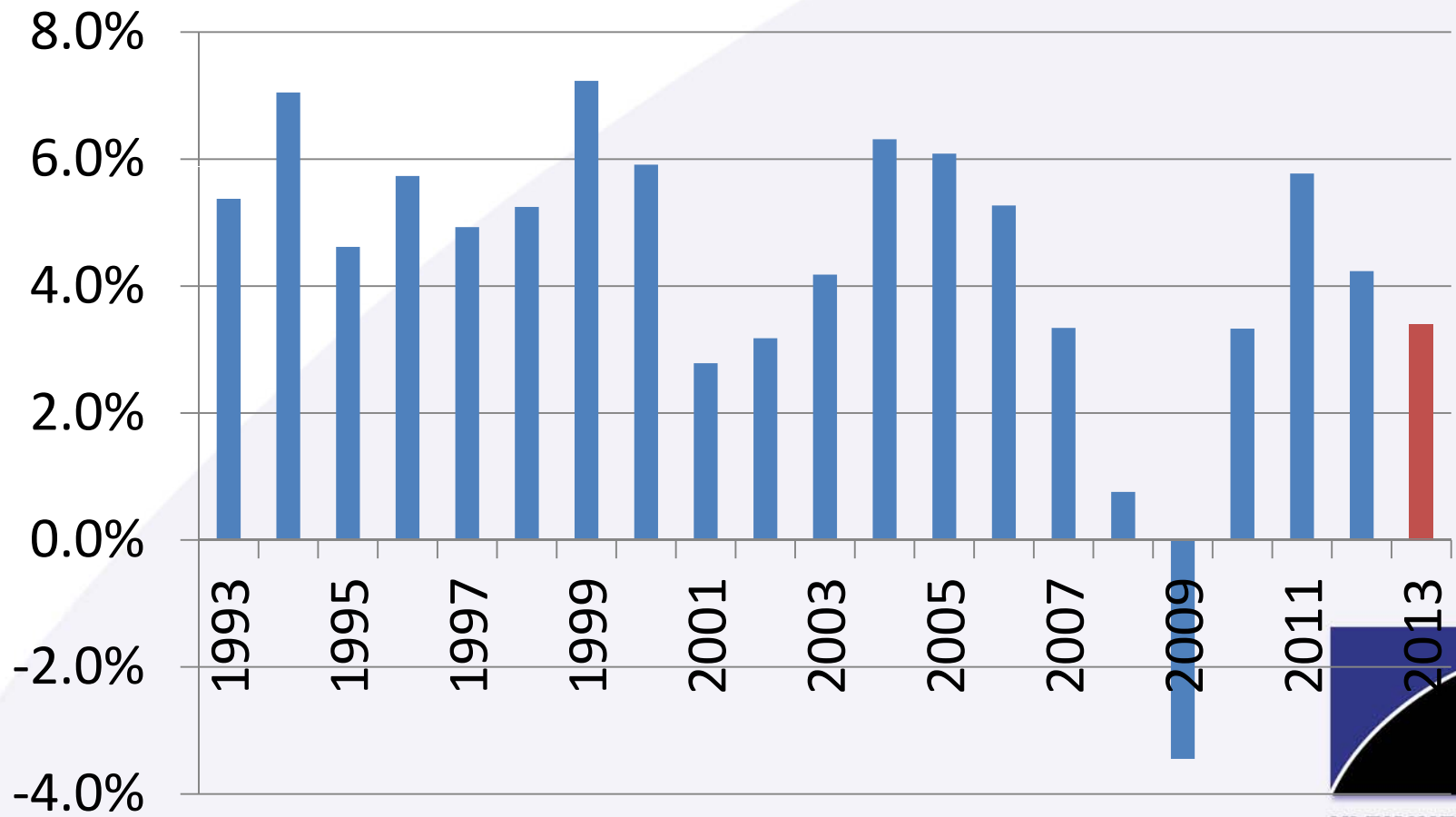


July 2013 Level: 15,191
OTM Change: 47

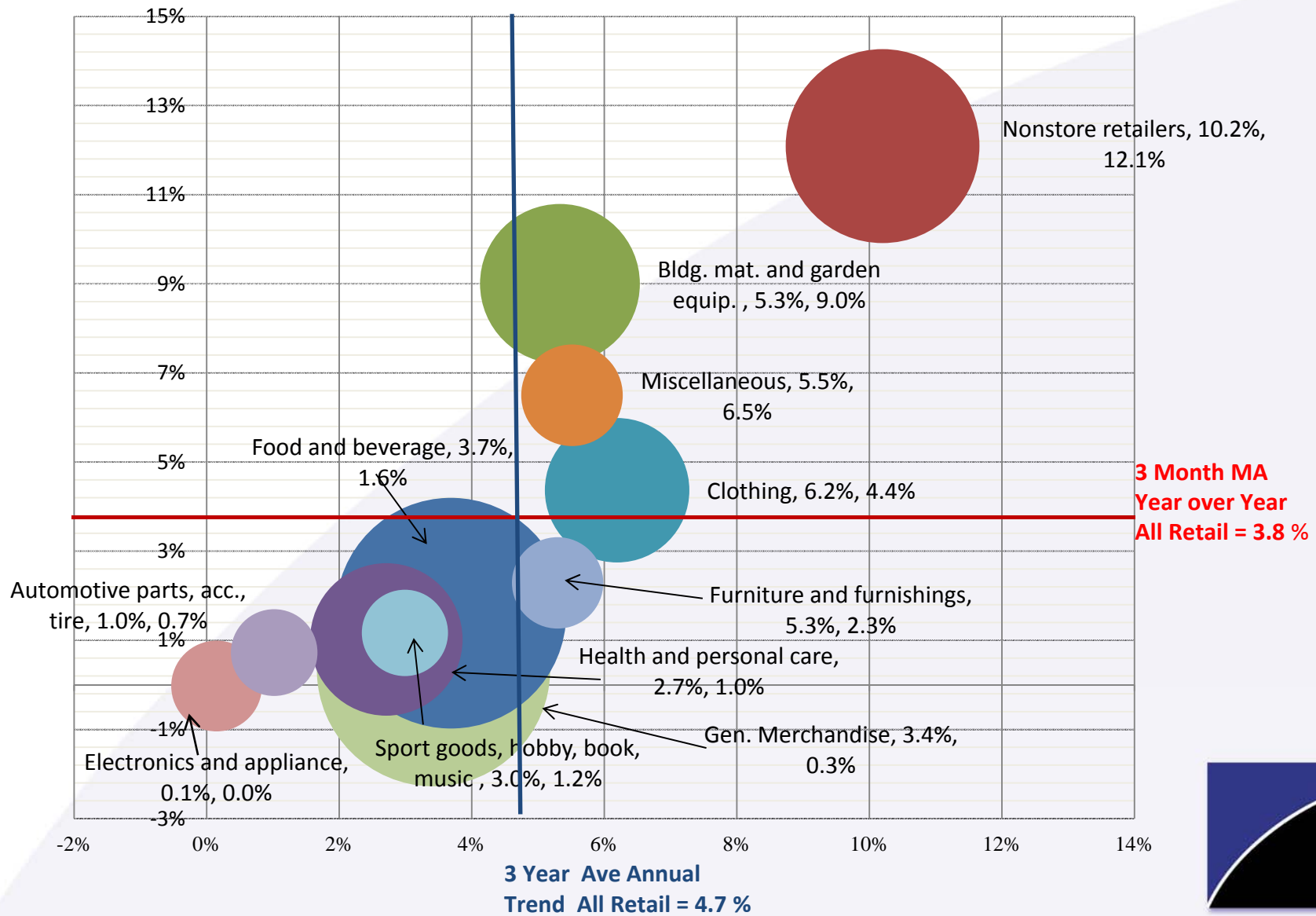
Bureau of Labor Statistics, Current Employment Statistics survey, August 02, 2013.
Shaded areas represent recessions as denoted by the National Bureau of Economic Research.
Most recent 2 months of data are preliminary.

2013 Retail Sales

(excluding MV, Gasoline, Food Services)



3 Month Moving Average Year/Year



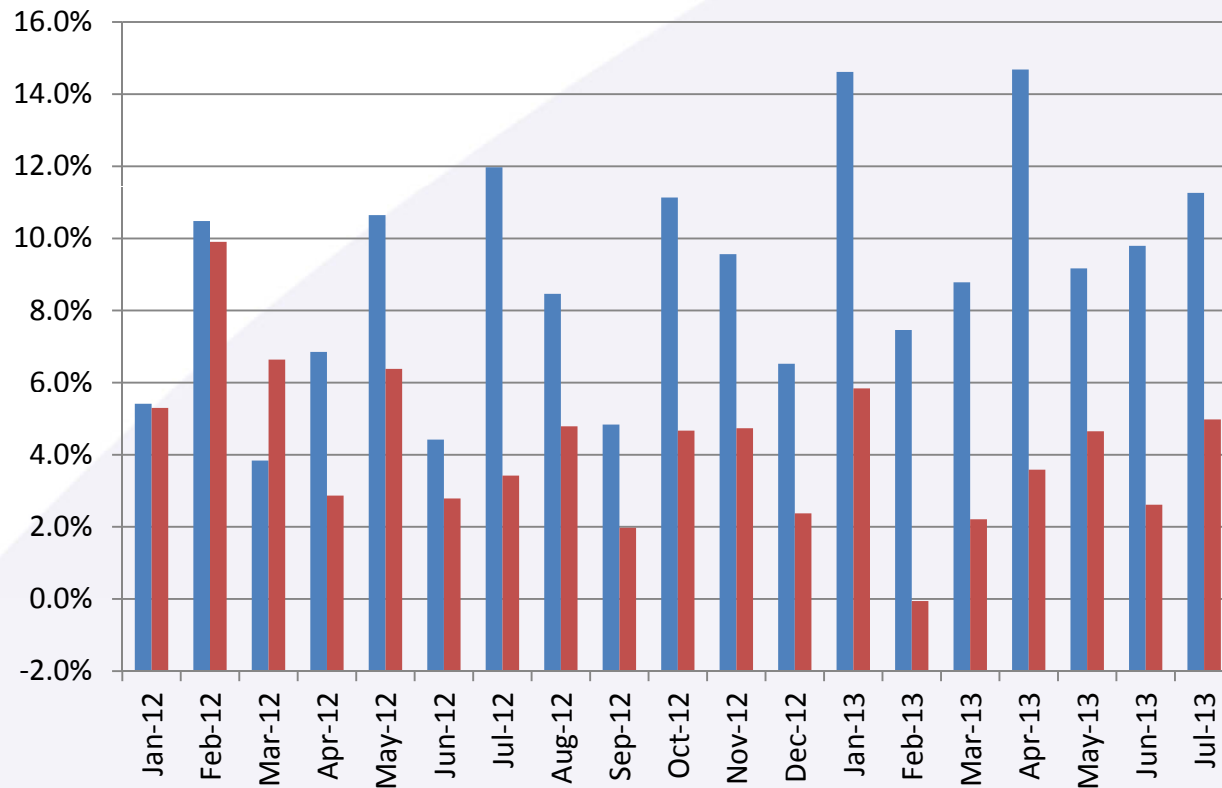
3 Year Ave Annual Trend

2013 Retail Sales

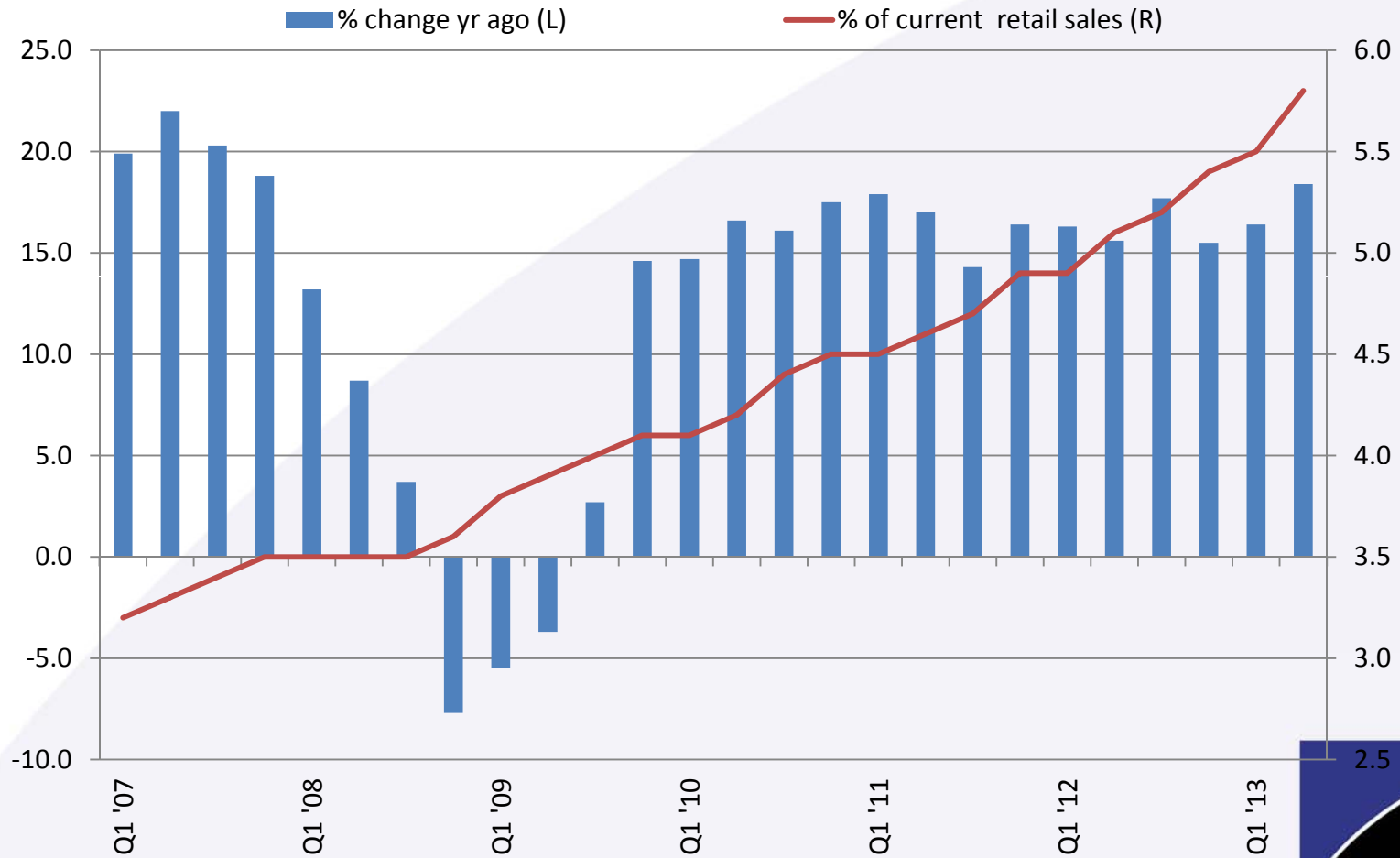
(excluding MV, Gasoline, Food Services)

Y/Y % Change

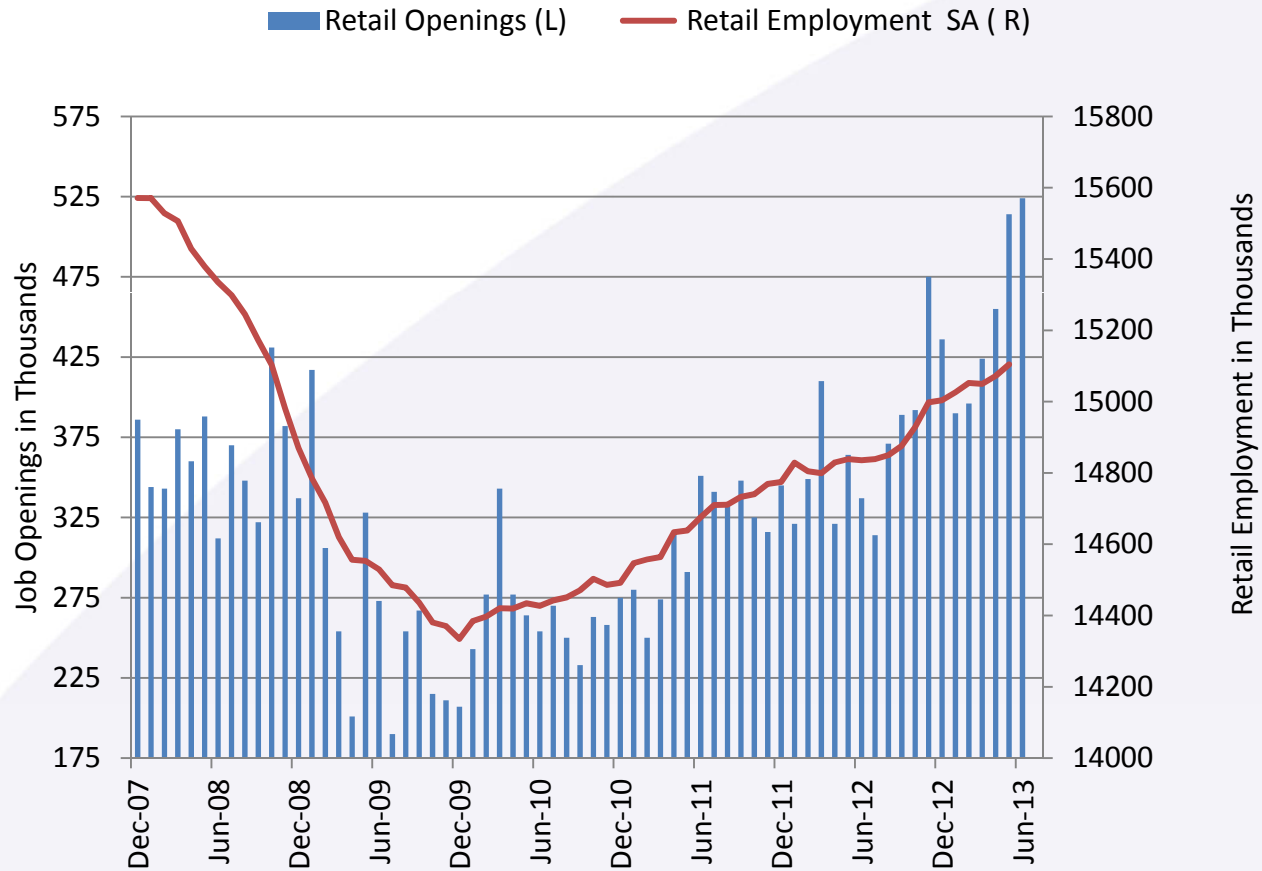
■ Nonstore ■ NRF Sales NSA



E-commerce



Retail Employment and Openings



Factors Influencing Consumption

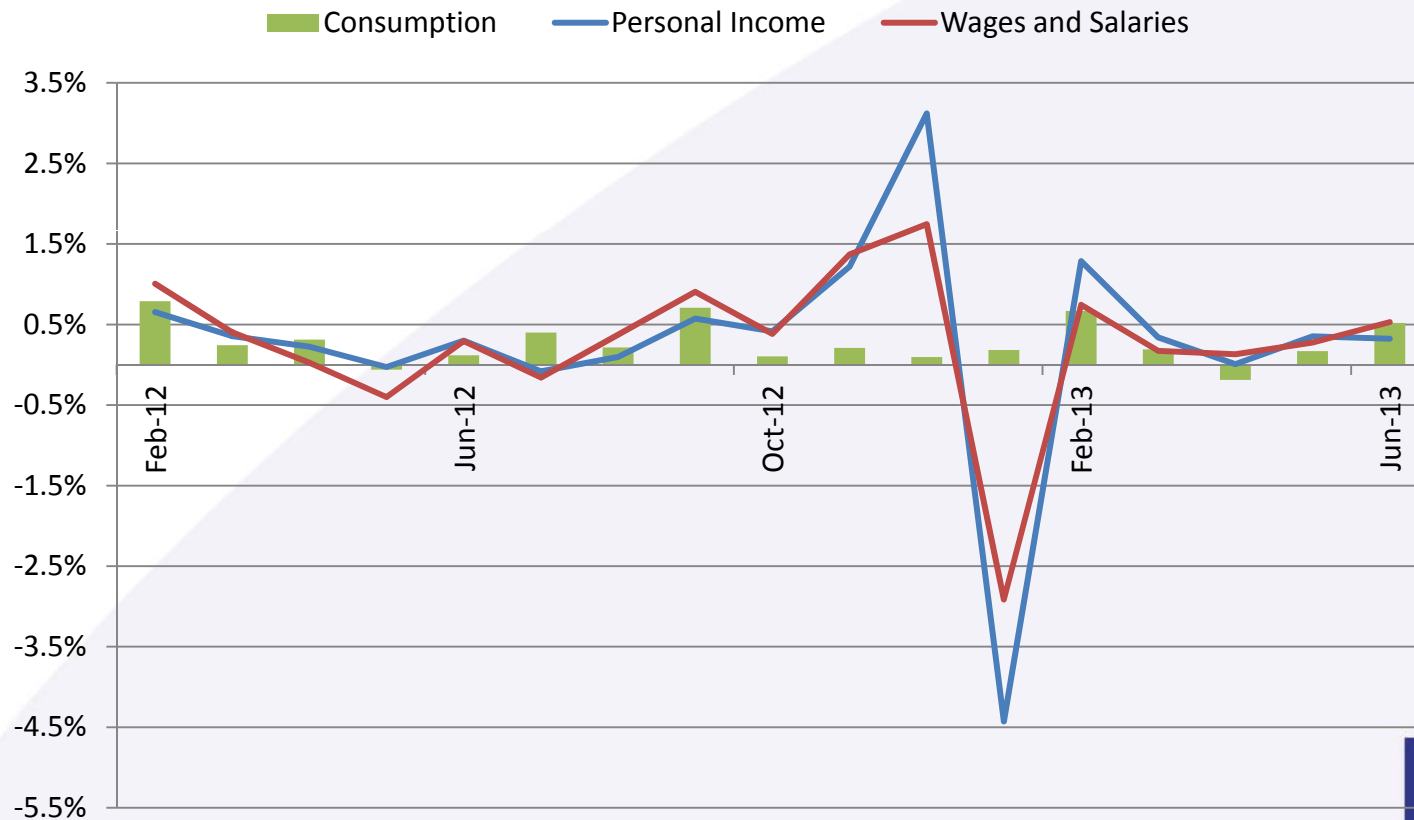
Ability to Spend

1. Disposable Income
2. Value of Home & Investments
3. Personal Savings
4. Access and use of Credit

Willingness to Spend

1. “Consumer Confidence”
2. Job outlook – Security
3. Inflation
4. Expectations of economy and personal finances

Personal Income, Wages and Consumption Monthly % Change



The Effect of Housing Value Changes on Consumption Is Significant and Larger — Dollar for Dollar — than Equity Market Changes

Wealth Effects — Housing vs. Equity Markets



House value up or down by \$1



Equity markets up or down by \$1



Consumer spending up or down by ~6-8¢, with about 80% of this effect experienced in one year

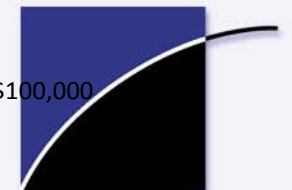
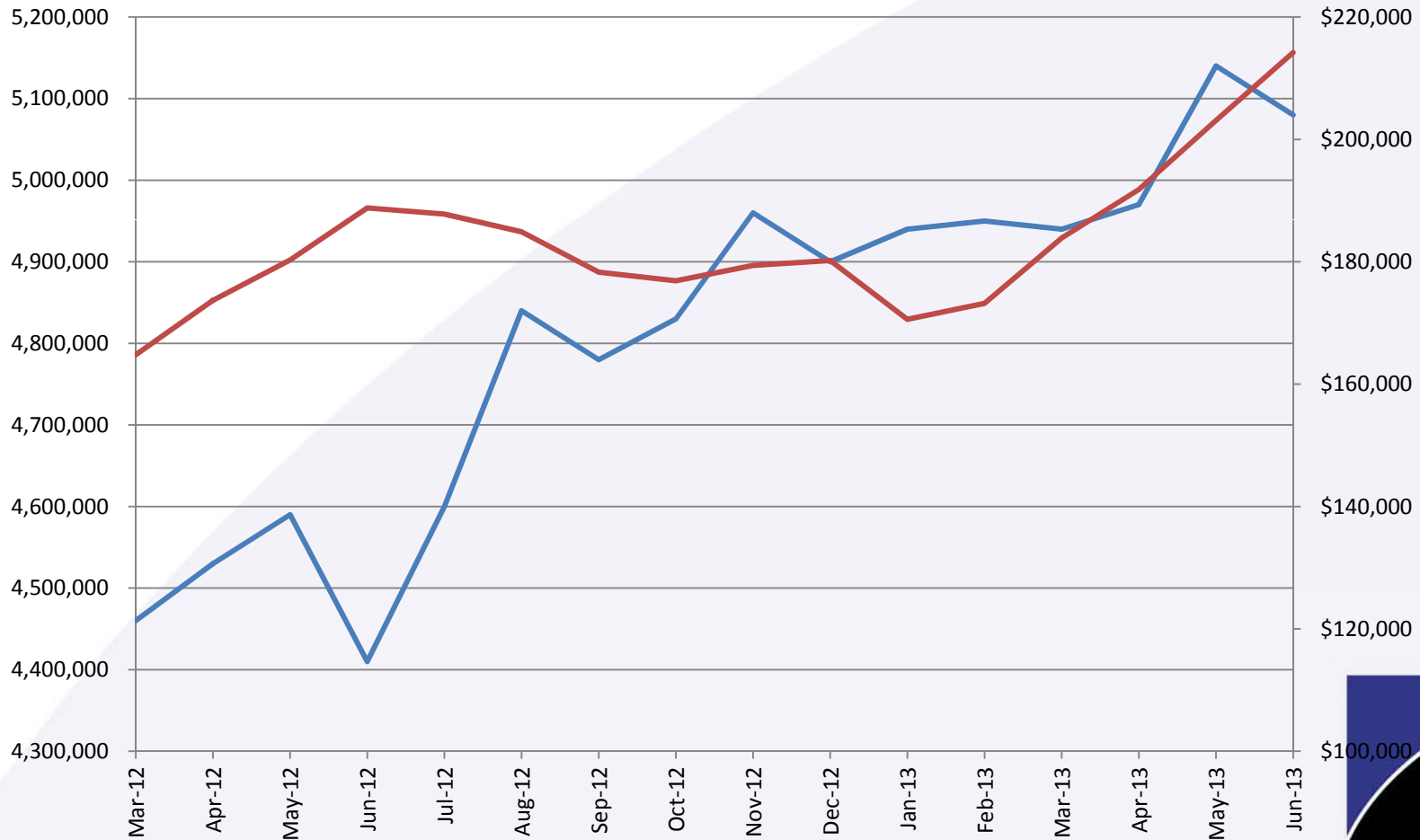
Consumer spending up or down by ~4-5¢

Source: Conference Board The Demand Institute



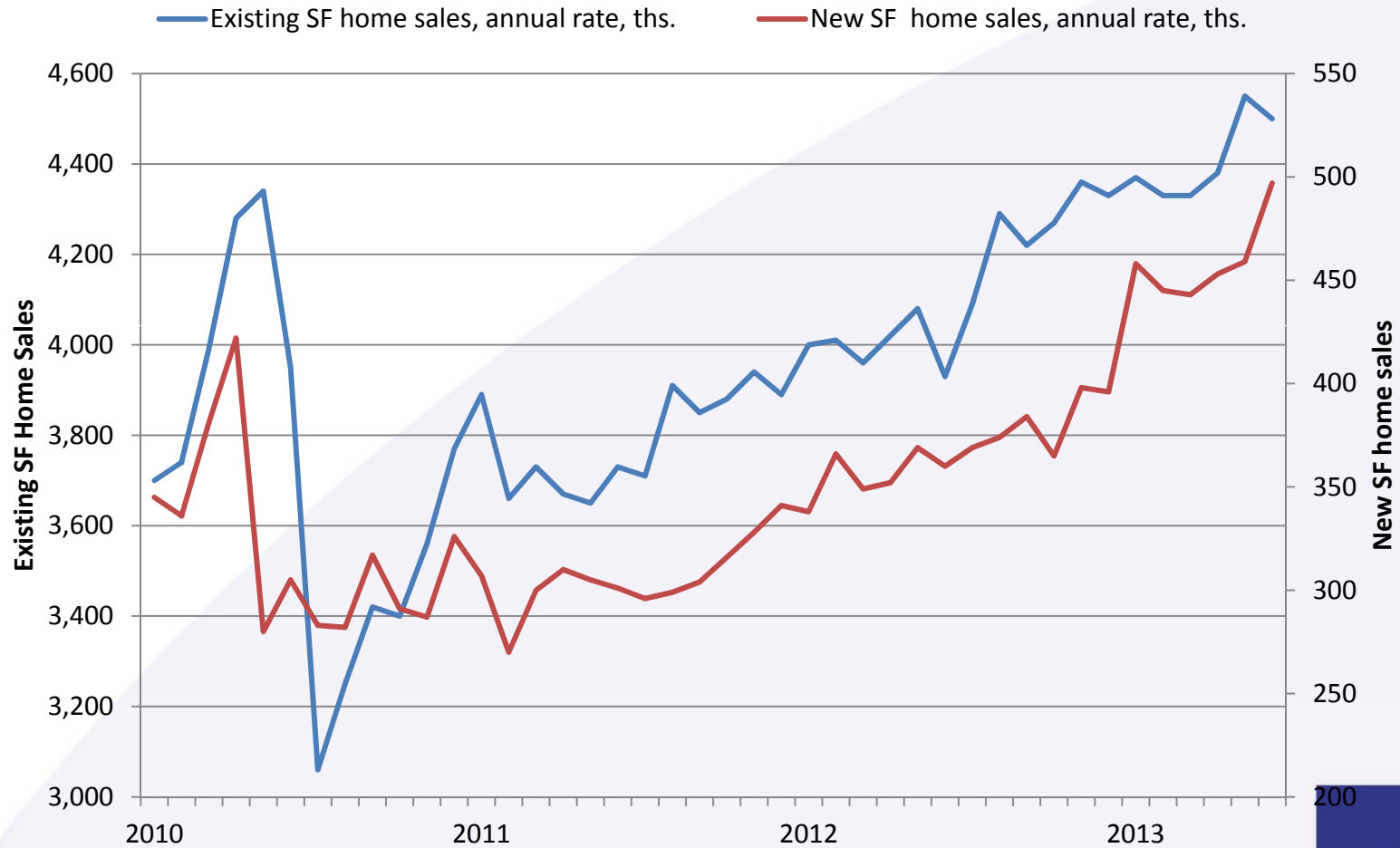
Existing Home Sales & Median Price

— Home Sales Annualized (SA) — Median Sales Price

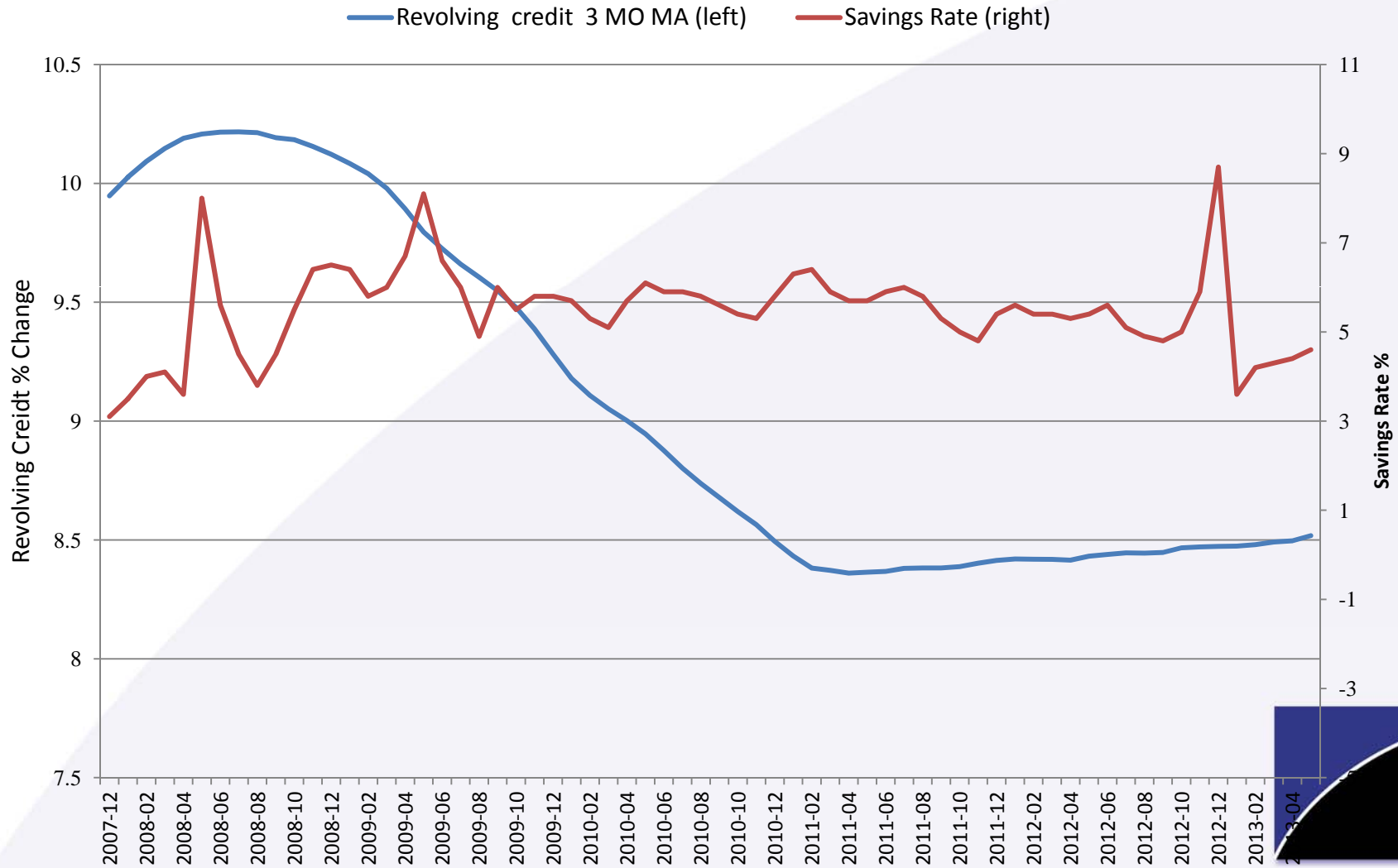


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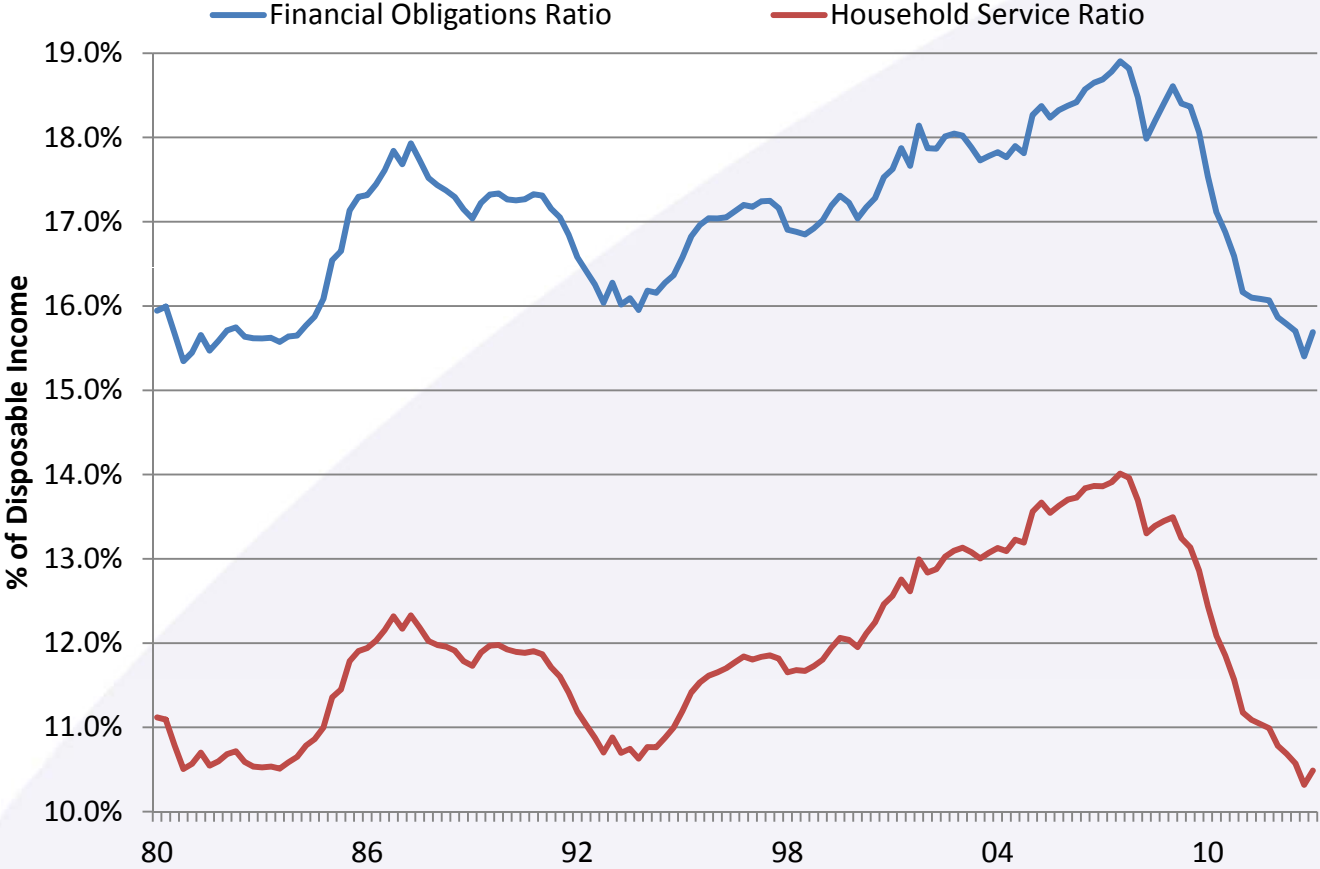
Housing Recovery in 2013 Driver in Housing Related Retailers



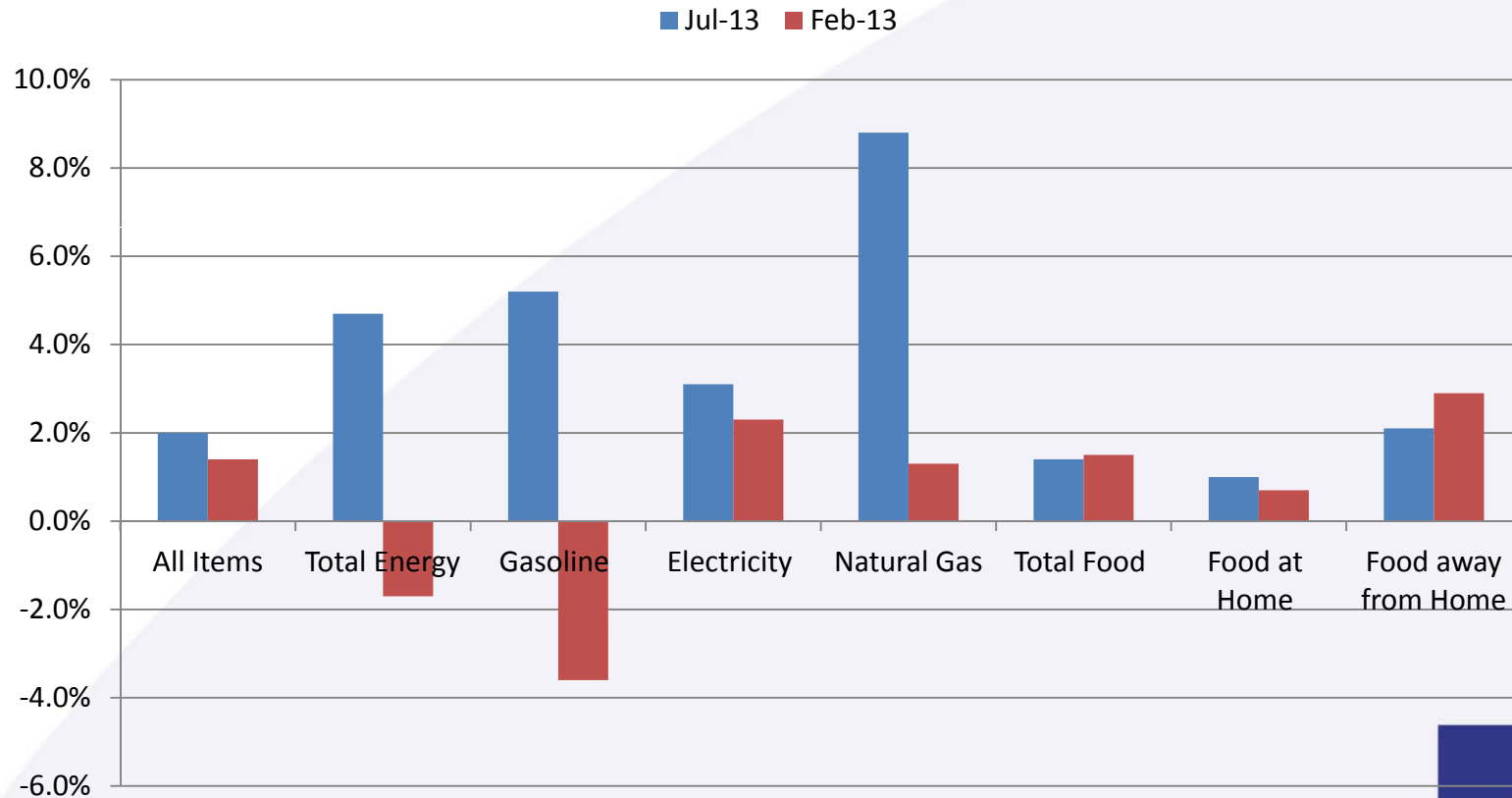
Credit Cards & Savings



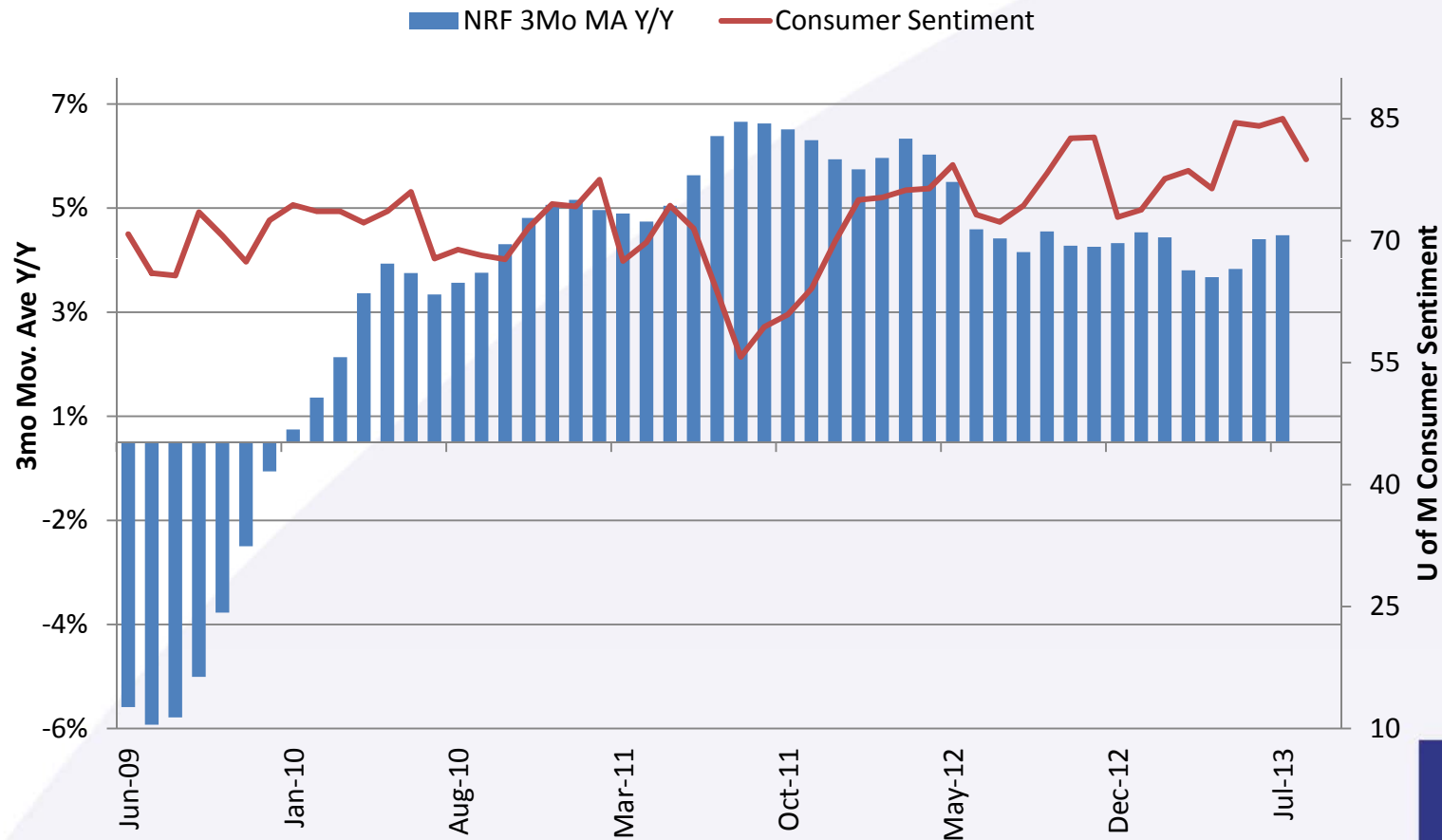
Household Debt back to early 2000s

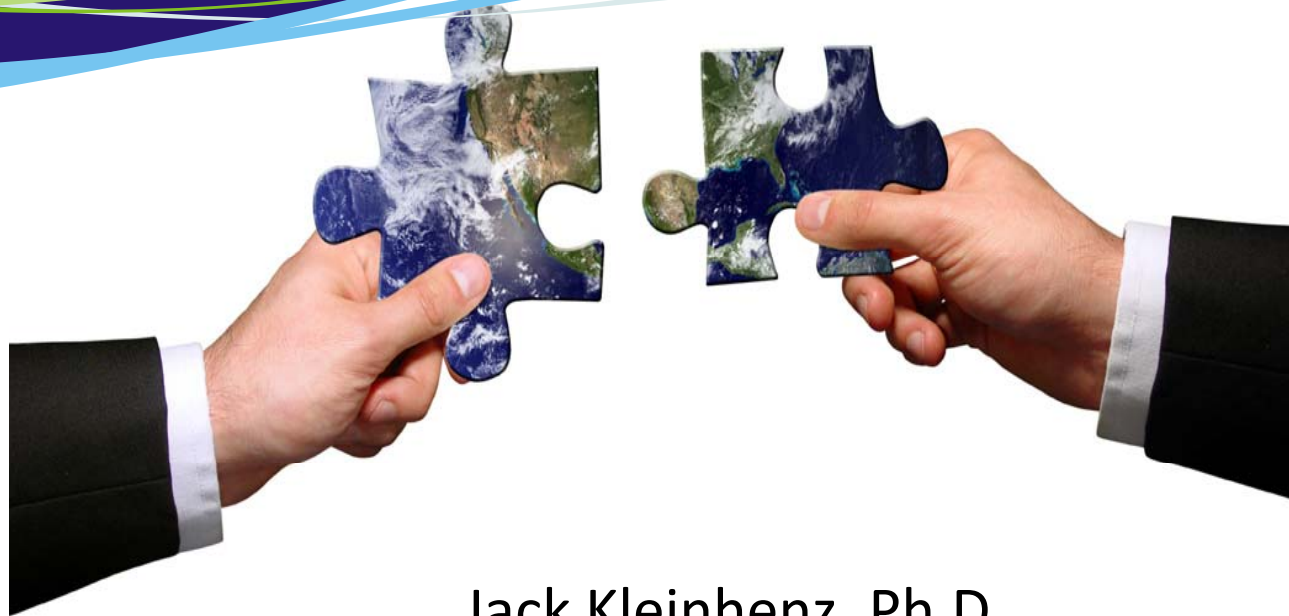


Consumer Price Changes-Percent Change for 12 months Ending July 2013 & February 2013 for U.S.



Consumer Sentiment and Retail Sales





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