



STRATEGAS

## **Economic Highlights: Growth & Profits**

Don Rissmiller

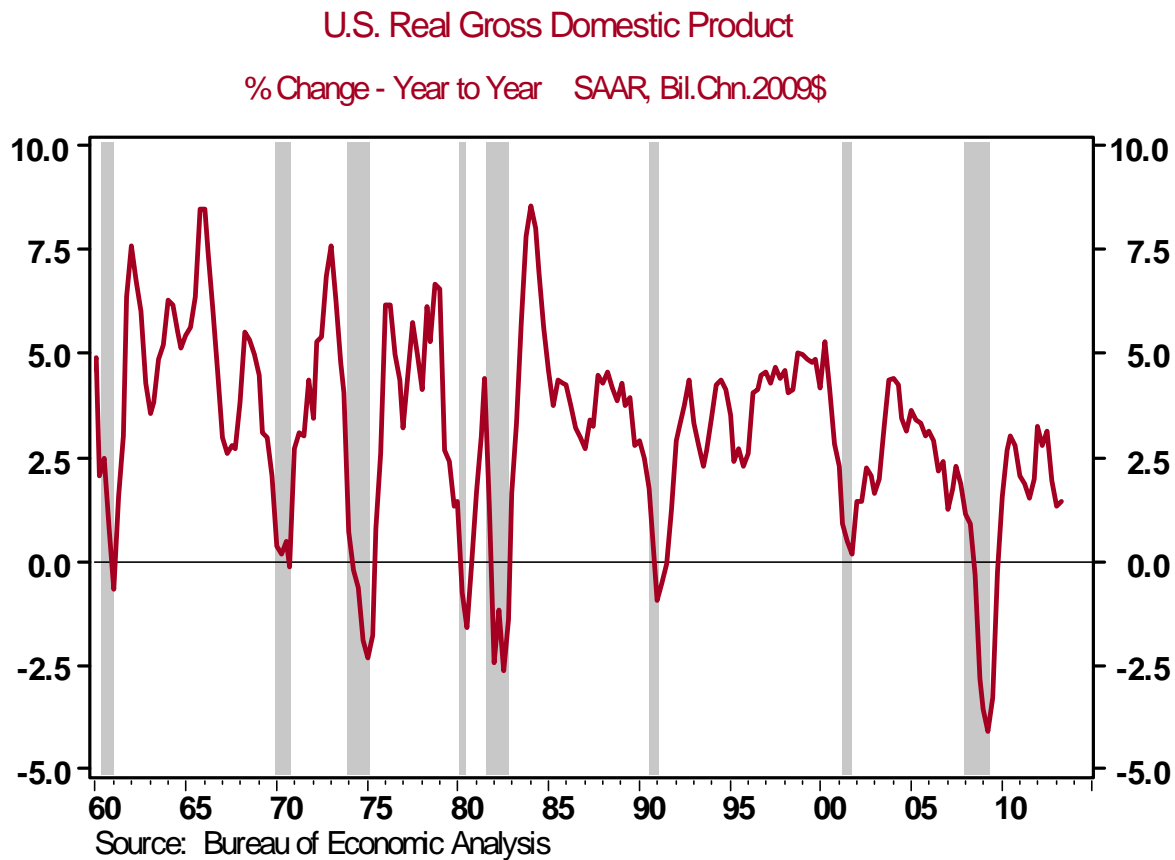
August, 2013

Strategas Research Partners

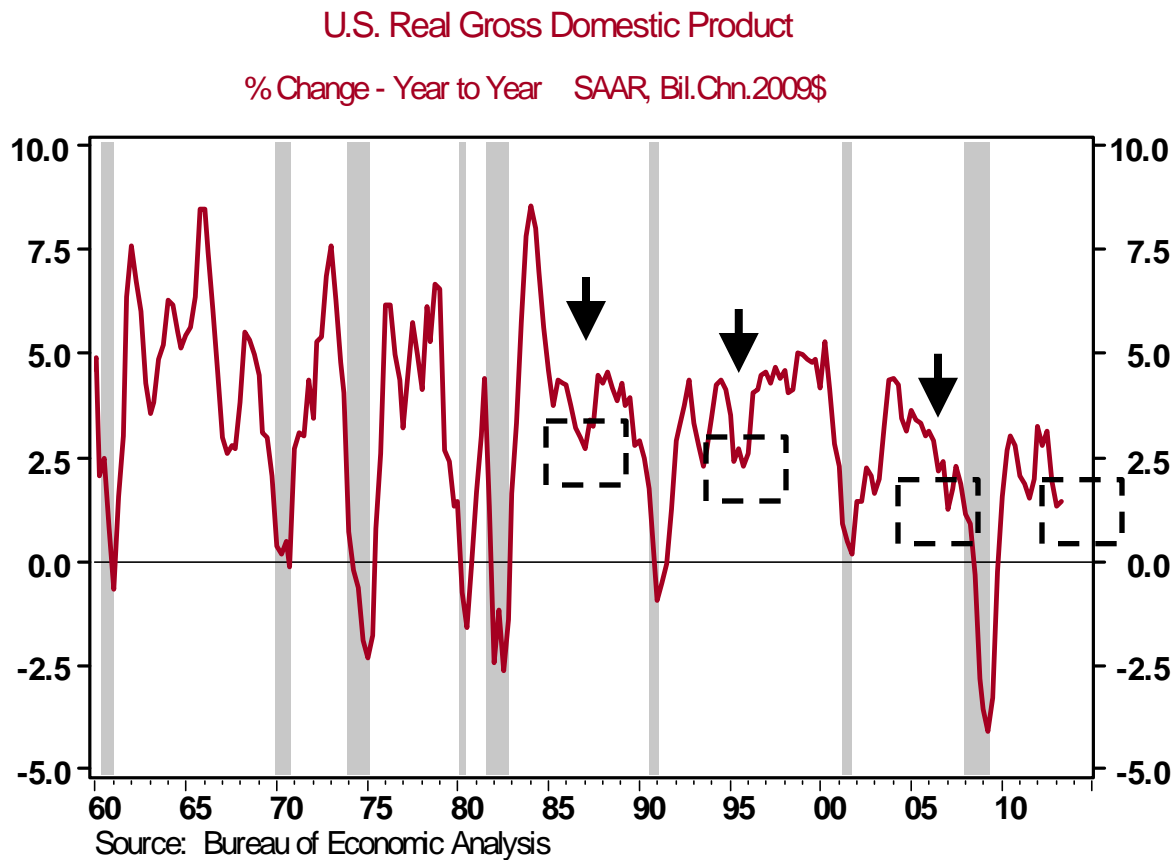
212-906-0134

[drissmiller@strategasrp.com](mailto:drissmiller@strategasrp.com)

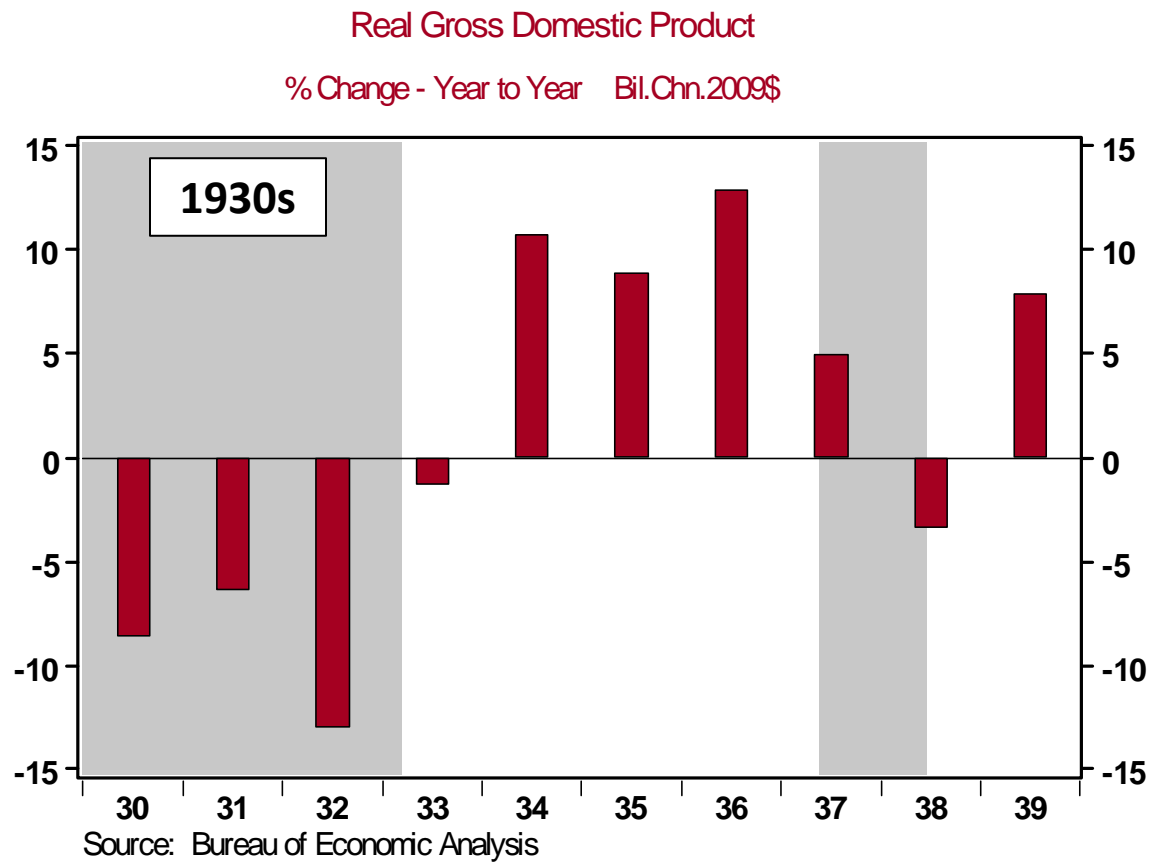
# Where Are We In the Business Cycle?



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# Even in Bad Times, It's Easy To Get a "Bounce"



# **Pent-Up Demand Is Powerful**

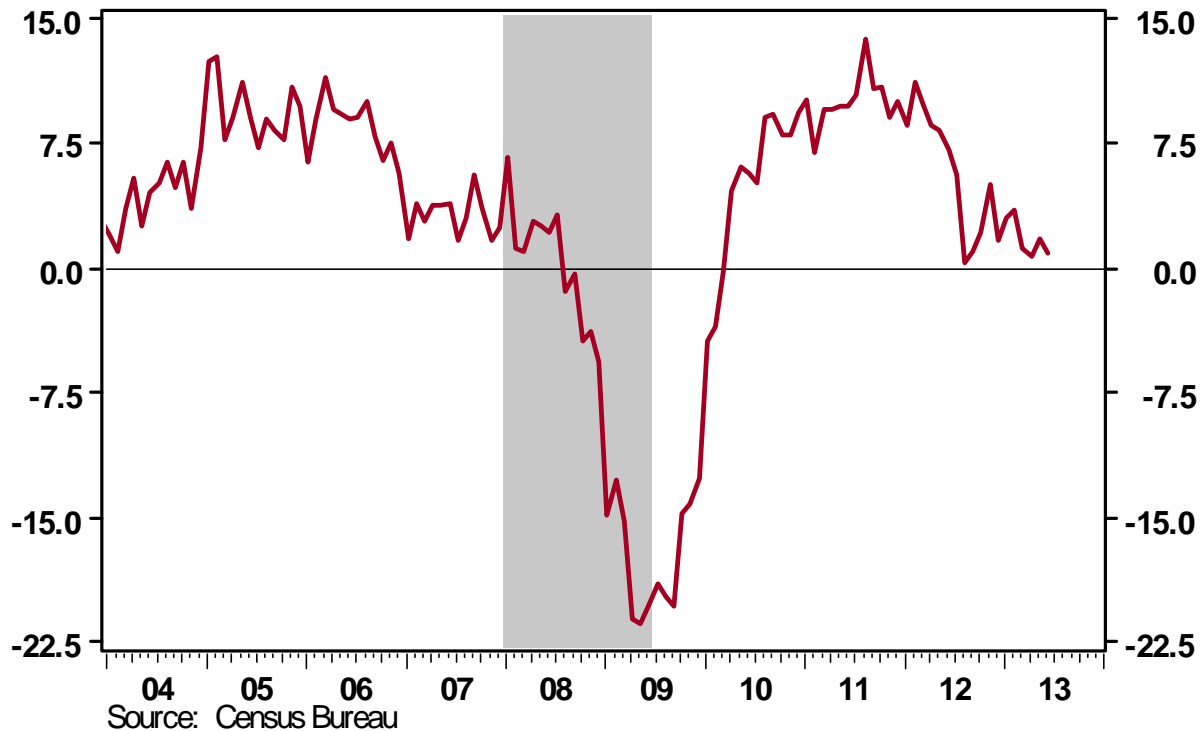
## **3 U.S. Areas To Watch:**

- 1) Capex
- 2) Housing
- 3) State & Local Govt

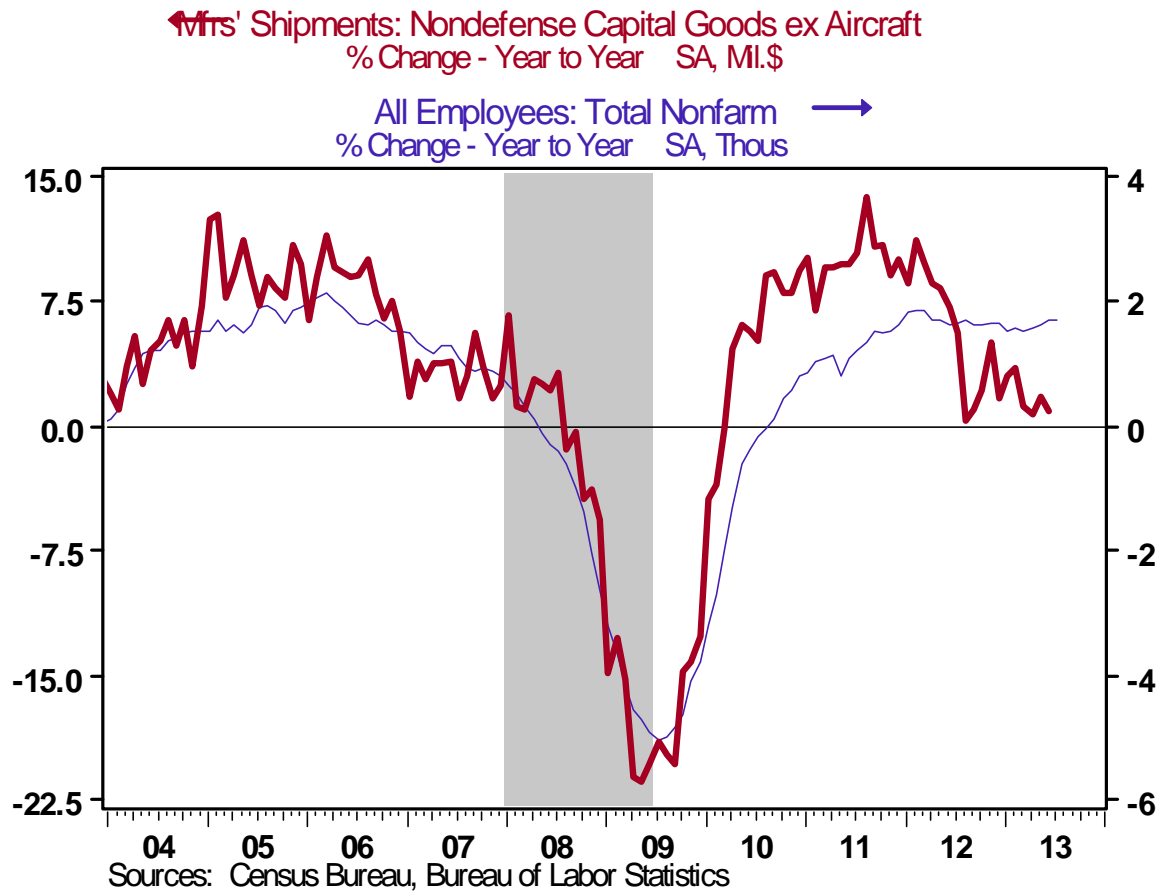
# Pent-Up Demand Is Powerful

Mfrs' Shipments: Nondefense Capital Goods ex Aircraft

% Change - Year to Year SA, MI.\$



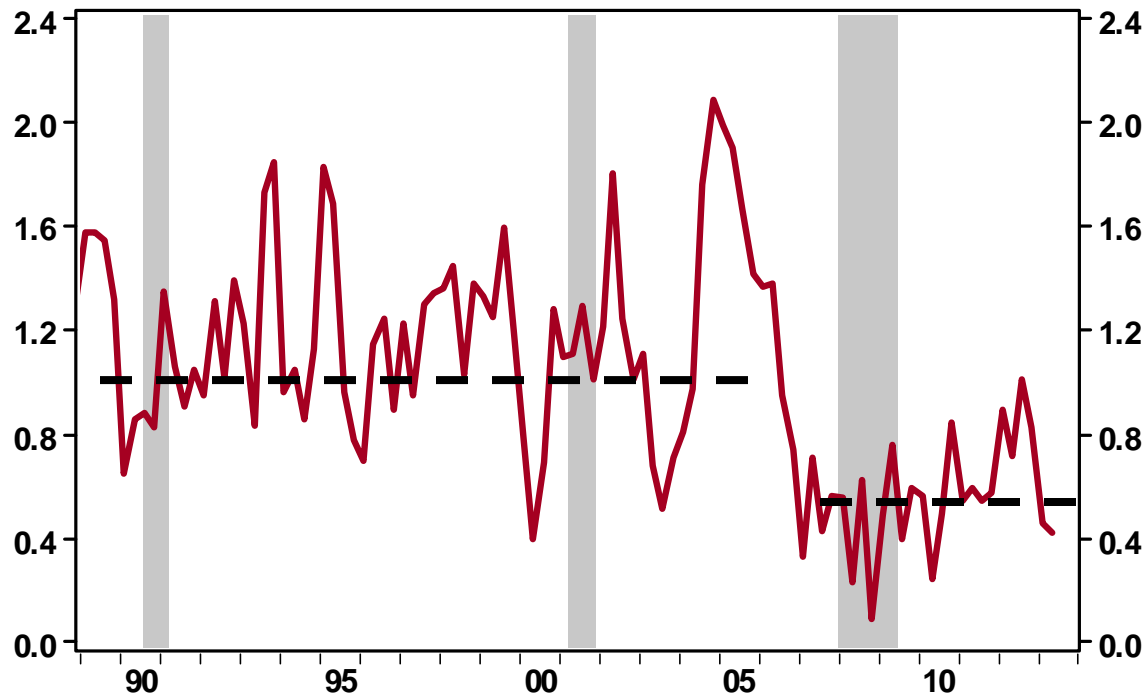
# Pent-Up Demand Is Powerful



# Household Formation Is Key

Total Number of Households, Break-adjusted

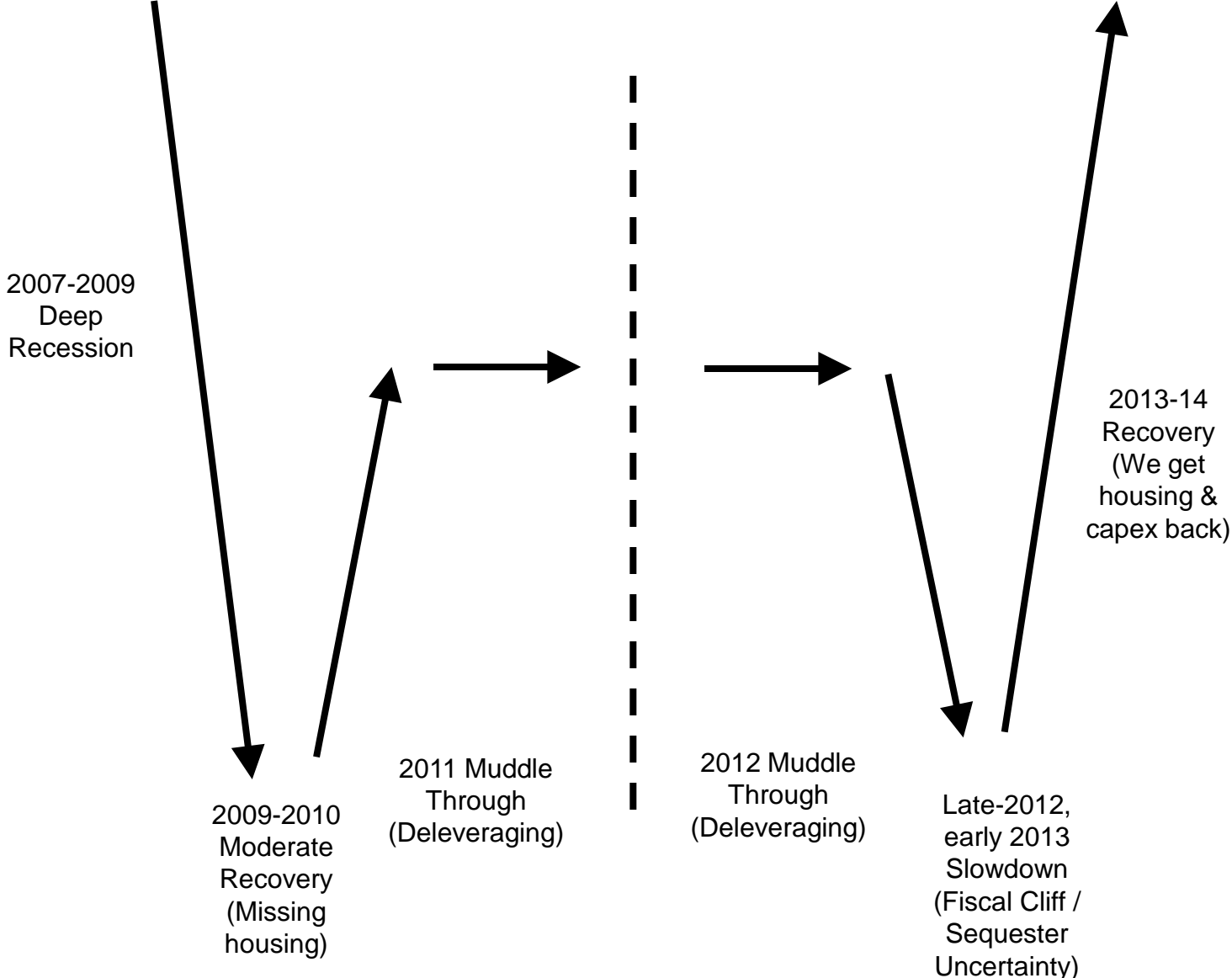
% Change - Year to Year    Thous



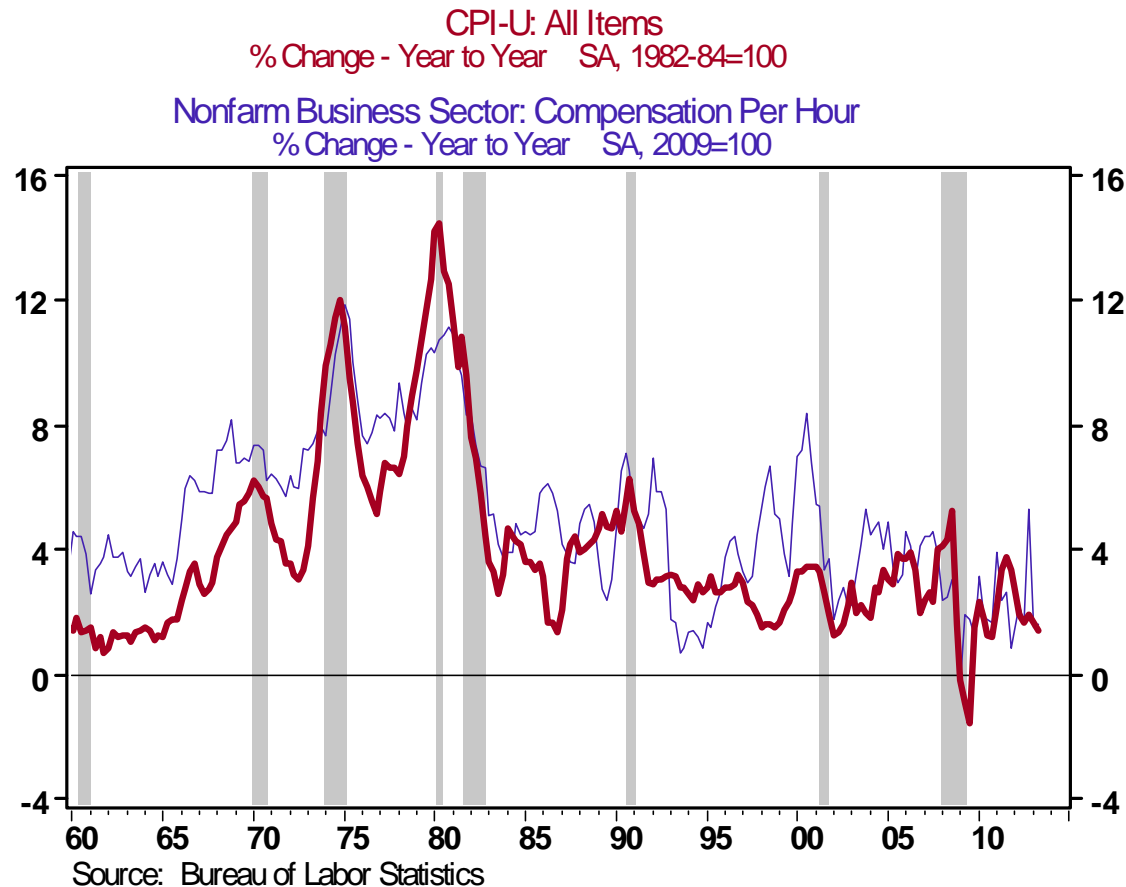
Source: Census Bureau/Haver Analytics



# Economic Symmetry



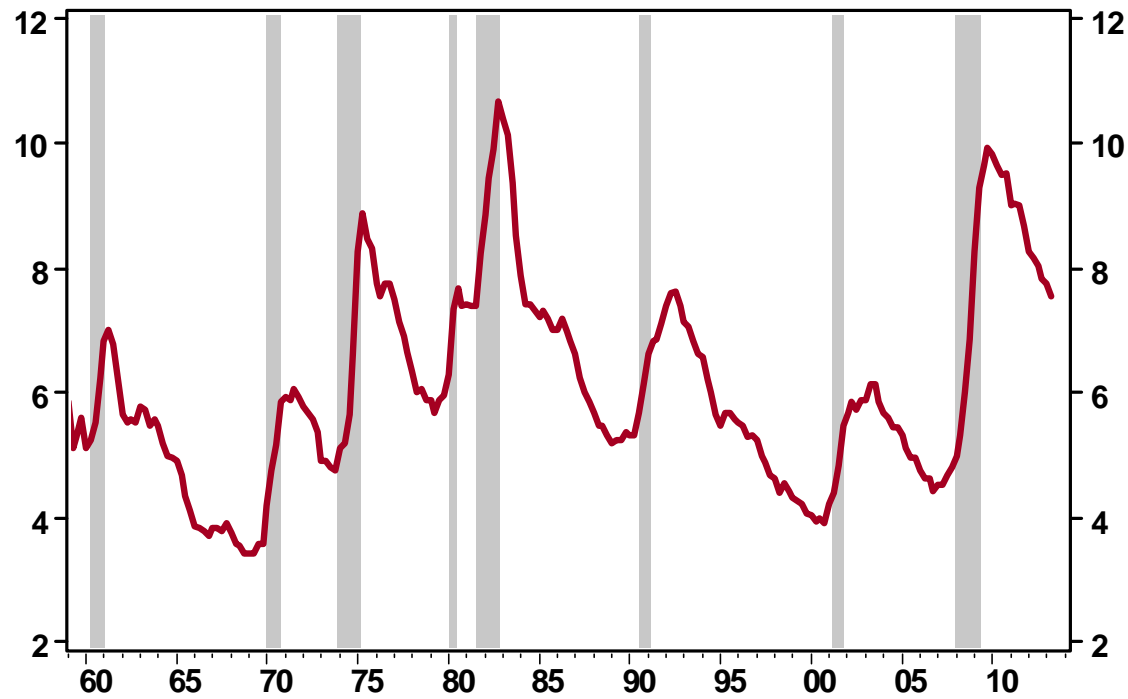
# But U.S. Inflation Is Not a Problem, With Wage Growth Restrained



# So What Is the Fed Doing With Tapering?

Civilian Unemployment Rate: 16 yr +

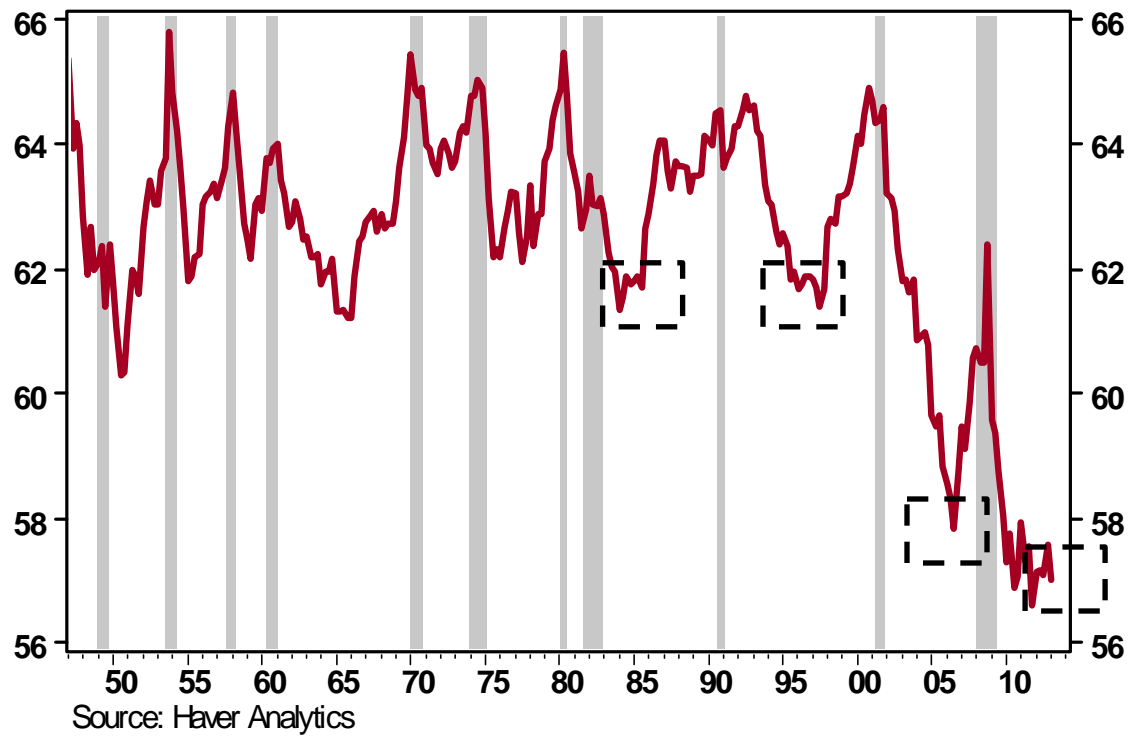
SA, %



Source: Bureau of Labor Statistics

# Labor Share At a Low

U.S. Corporate Compensation % Corporate GDP



# Future Productivity Gains Will Be Important

Nonfarm Business Sector: Real Output Per Hour of All Persons

% Change - Year to Year SA, 2009=100

