

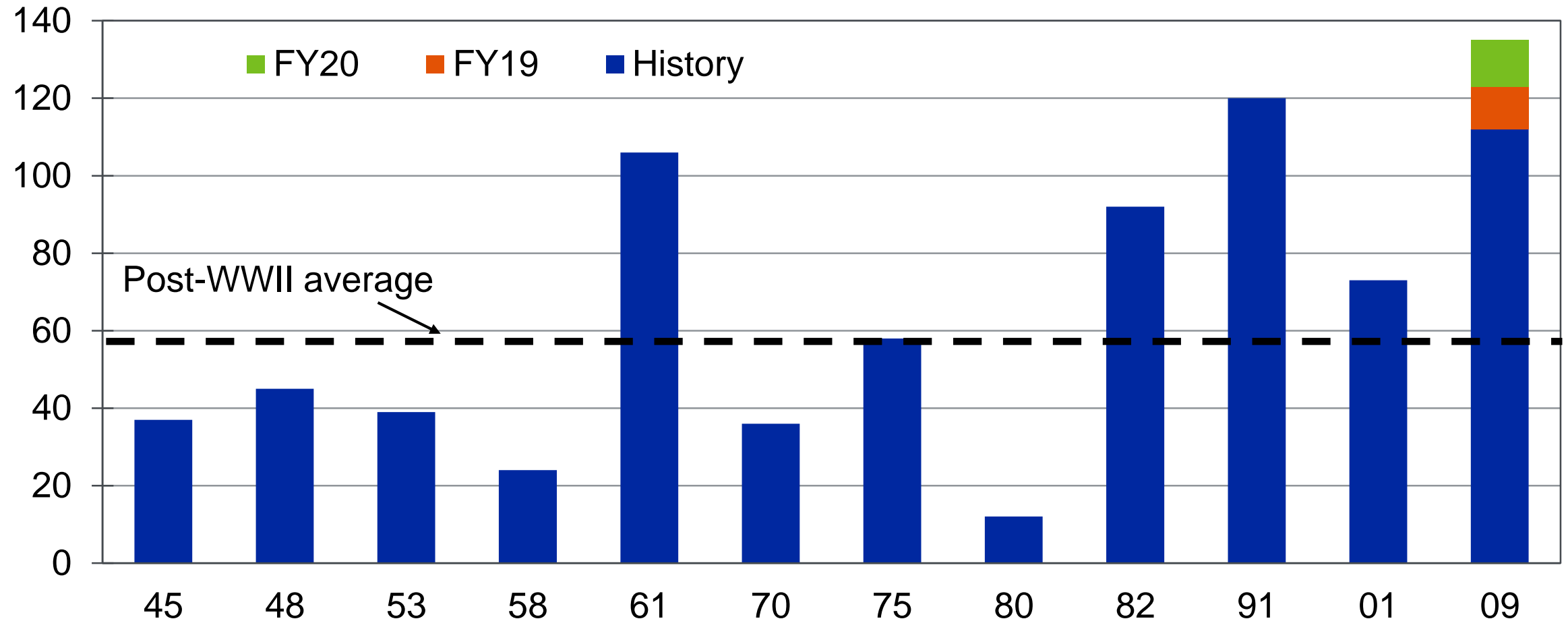
Feeling Good...For Now

DAN WHITE, Director of Fiscal Policy Research

November 2018

Pushing the Envelope

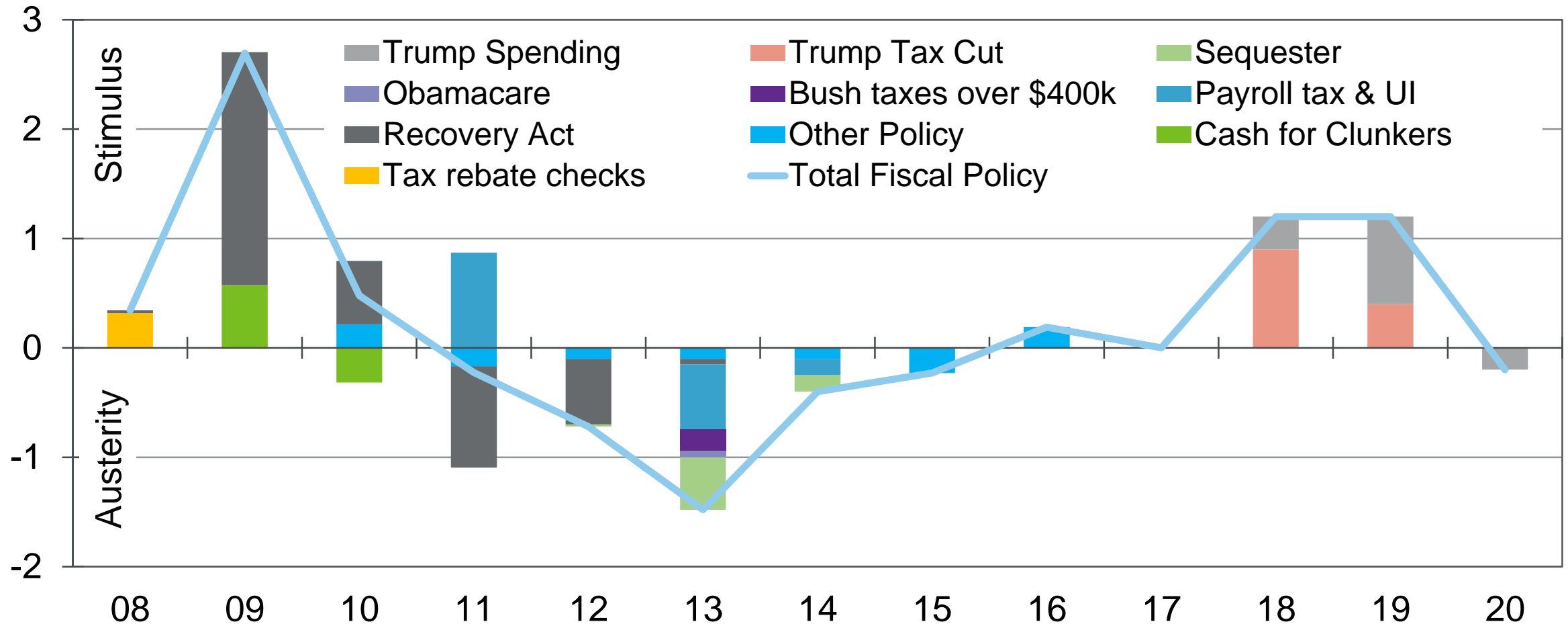
Duration of business cycle expansion, months, federal fiscal year



Sources: NBER, Moody's Analytics
MOODY'S ANALYTICS

Lots of Fiscal Stimulus

Federal discretionary fiscal policy as a % of GDP

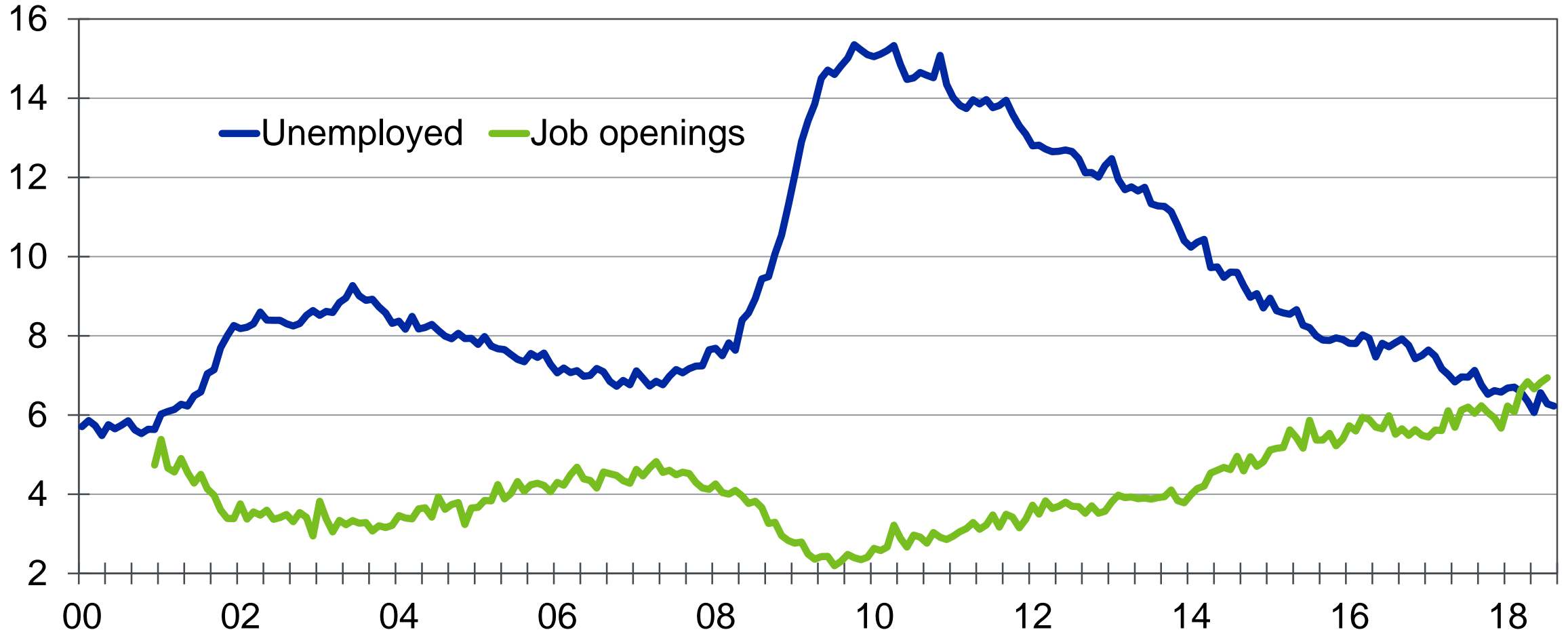


Source: Moody's Analytics

MOODY'S ANALYTICS

The Job Market Is As Good As It Gets

Mil

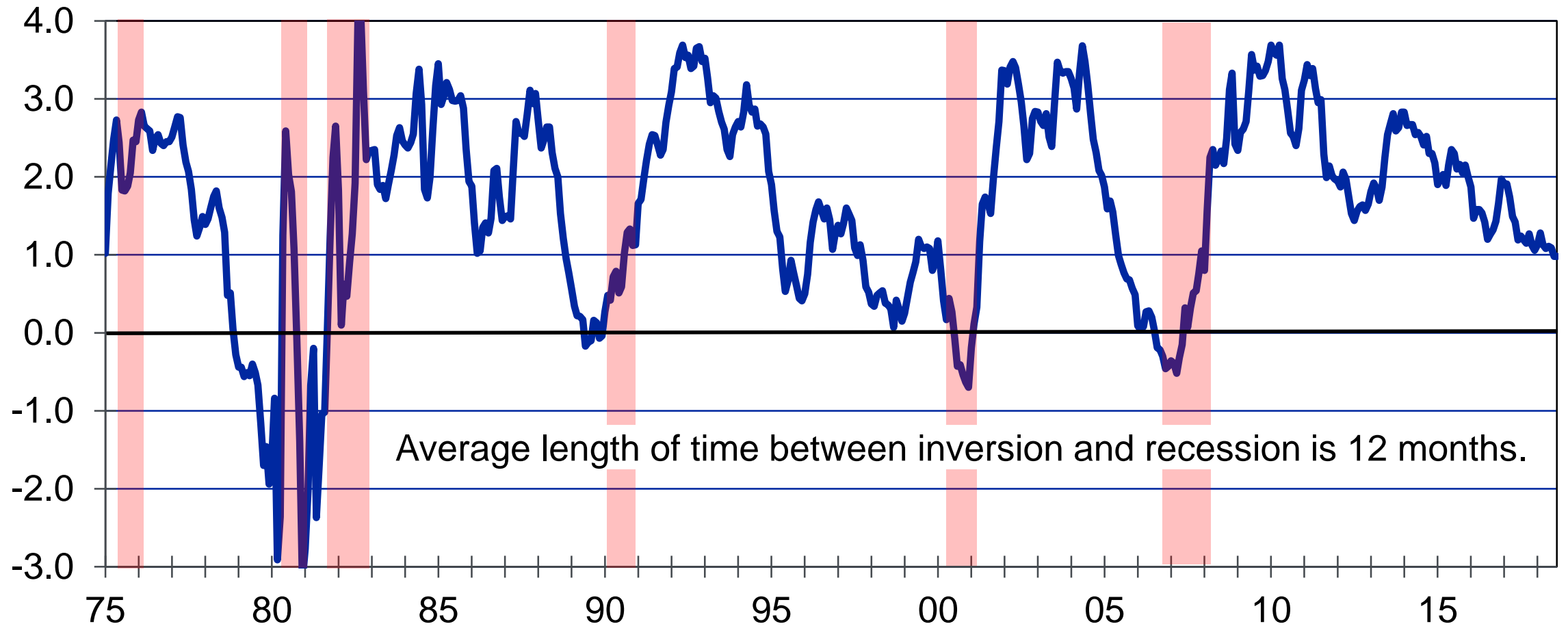


Sources: BLS, Moody's Analytics

MOODY'S ANALYTICS

Yield Curve Sends a Warning

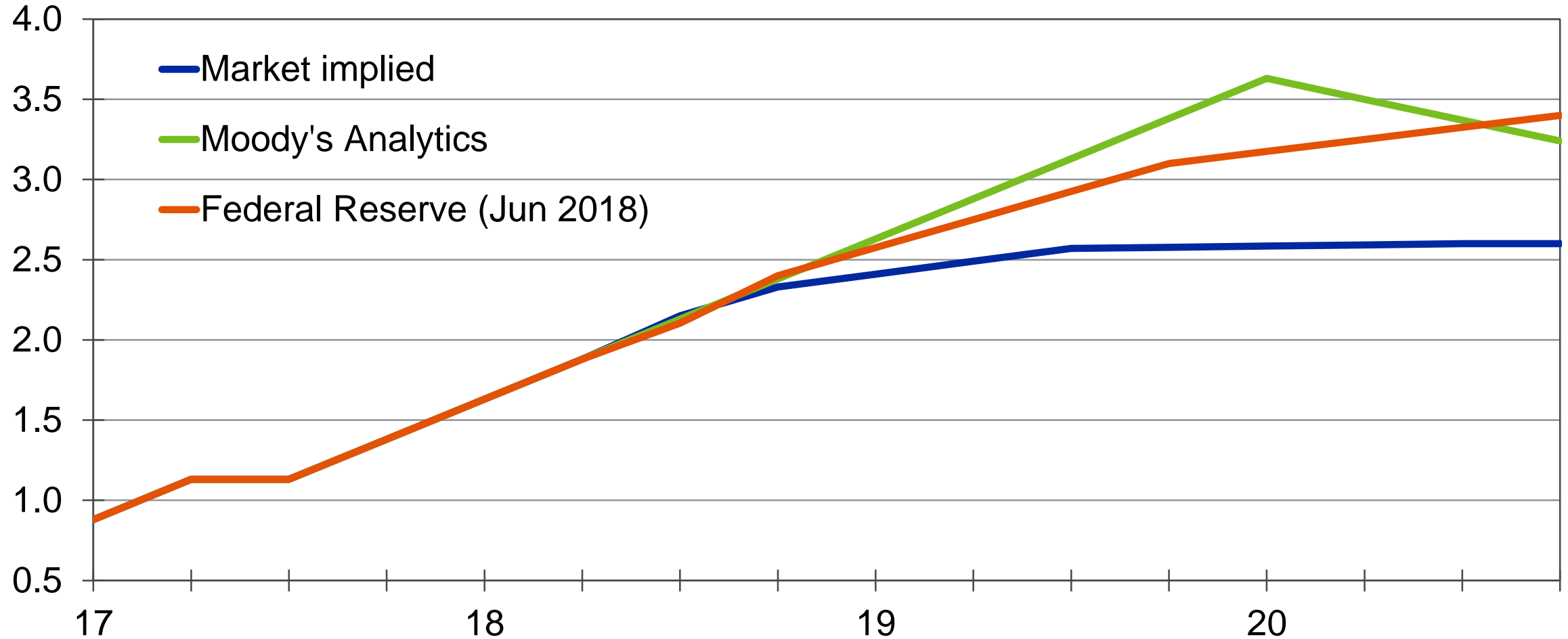
Difference between 10-yr and 3-mo yield, %



Sources: Federal Reserve, Moody's Analytics

Someone is Wrong...

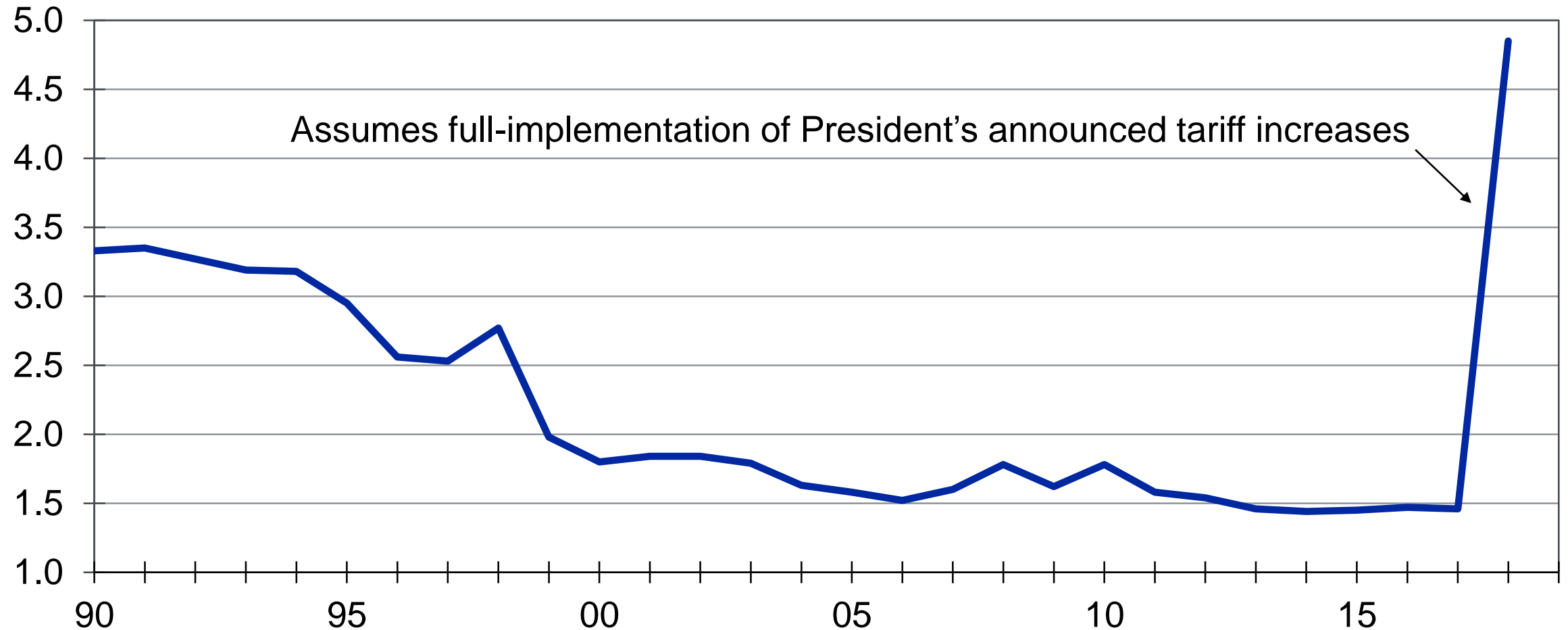
Federal funds rate, %



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

Putting Tariff Threat into Perspective

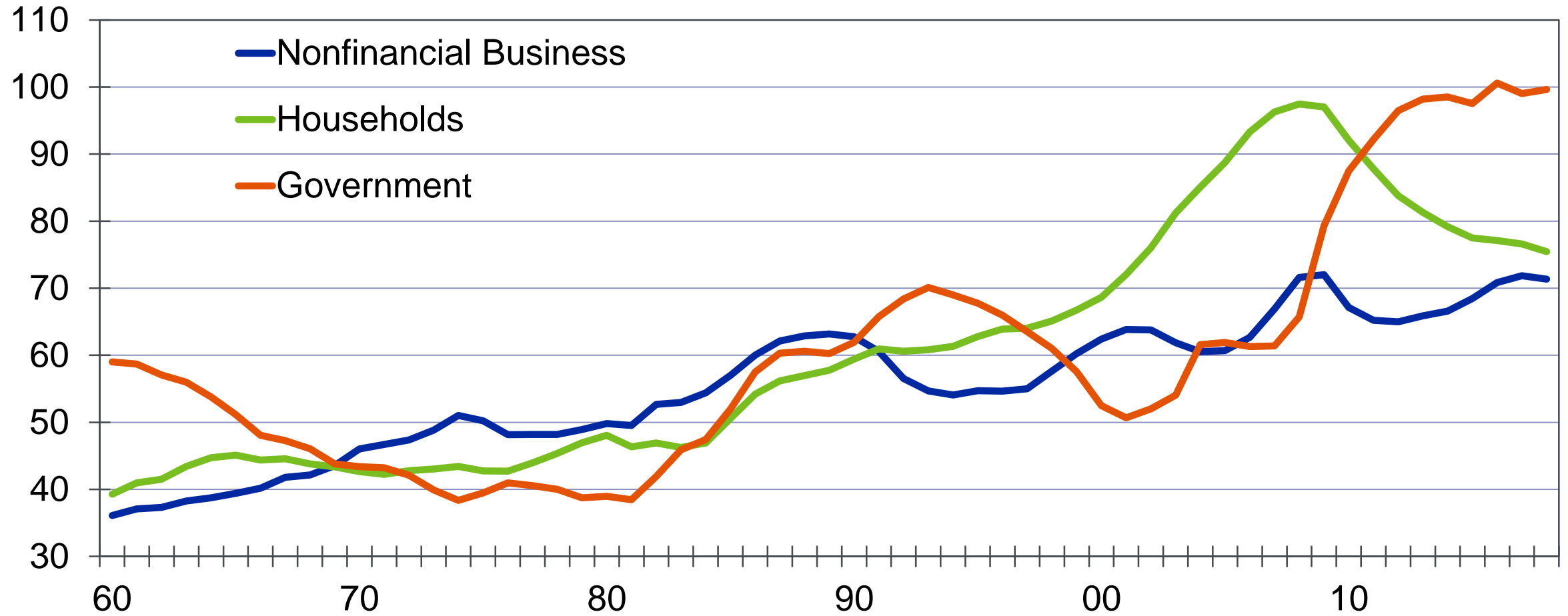
U.S. average effective tariff rate, %



Sources: World Bank, Moody's Analytics

Will Debt Sink the Expansion?

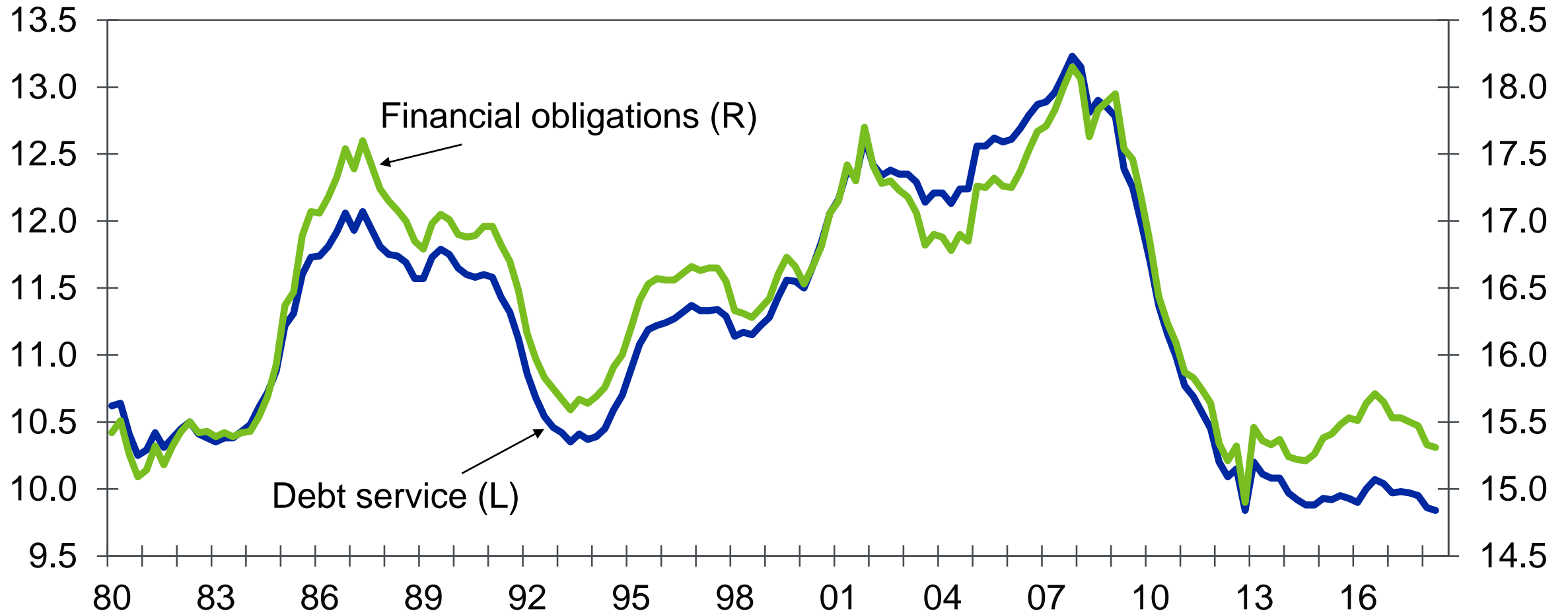
Debt to GDP ratio



Sources: Federal Reserve, Moody's Analytics

Household Burdens Low and Stable

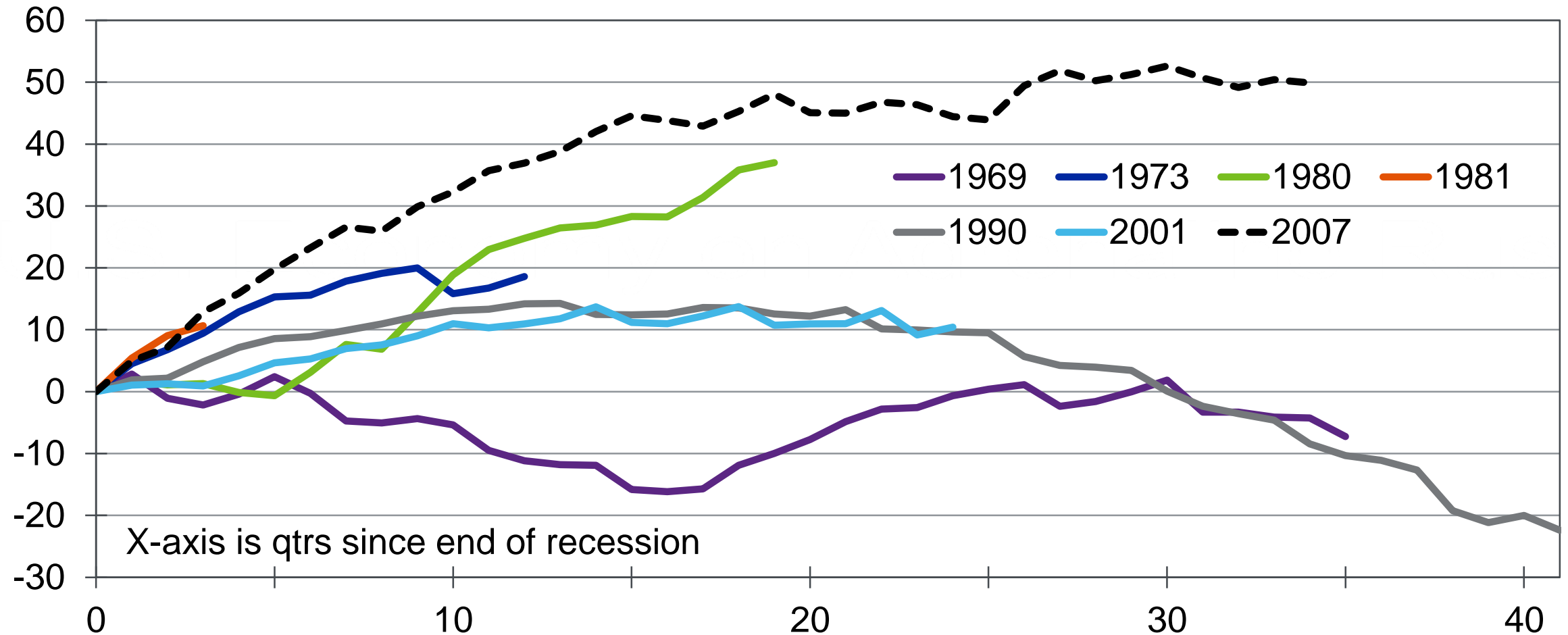
% disposable income



Sources: Federal Reserve, Moody's Analytics

Uncharted Territory

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



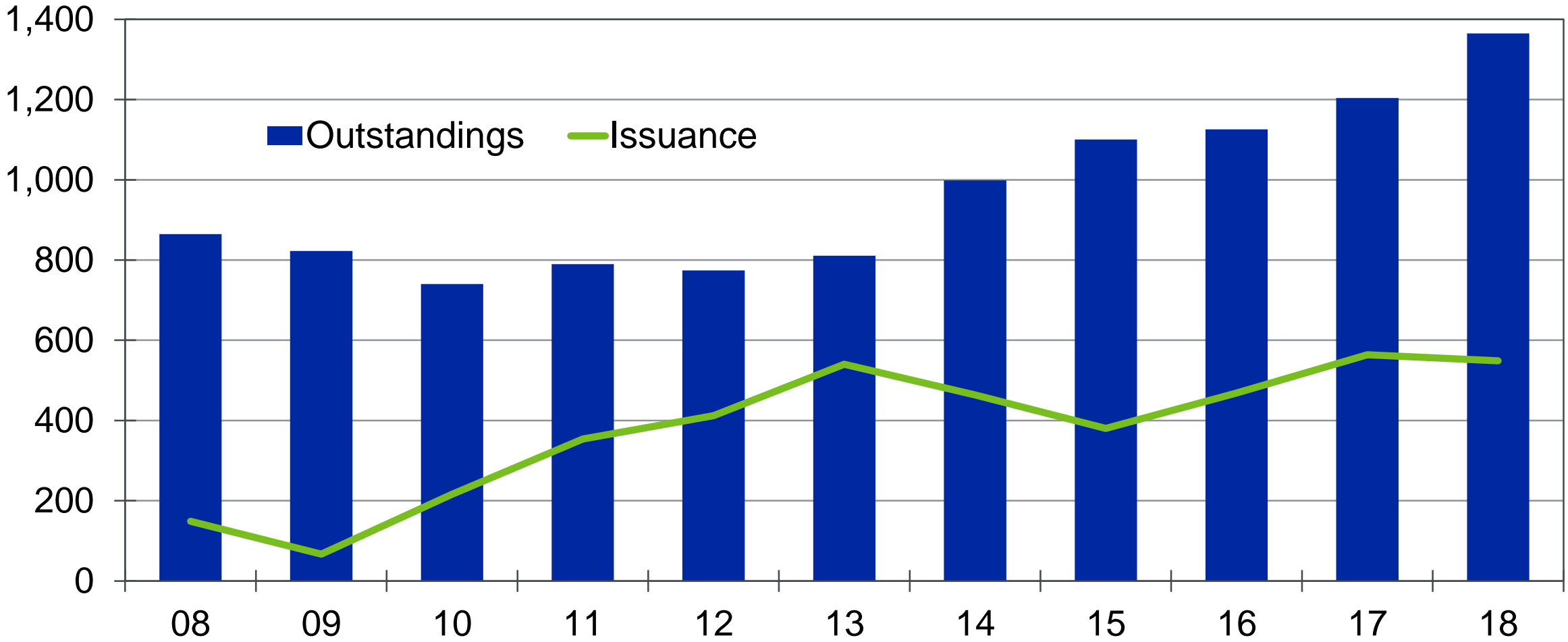
X-axis is qtrs since end of recession

Source: Moody's Analytics

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Leveraged Firms Leveraging Up

Leveraged loans, \$ bil

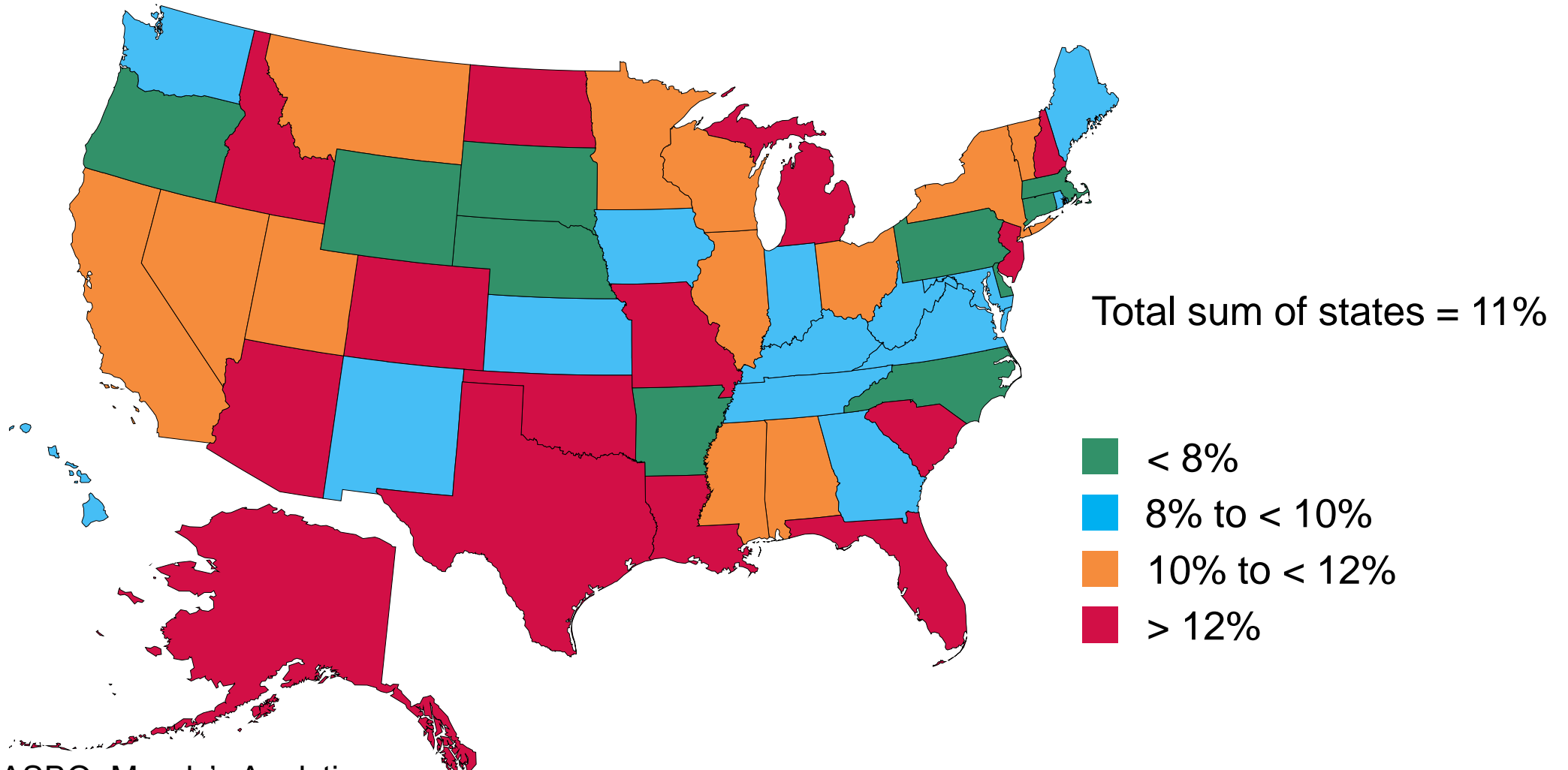


Sources: IMF, Moody's

Note: 2018 issuance is YTD annualized

Recessions Impact All States Differently

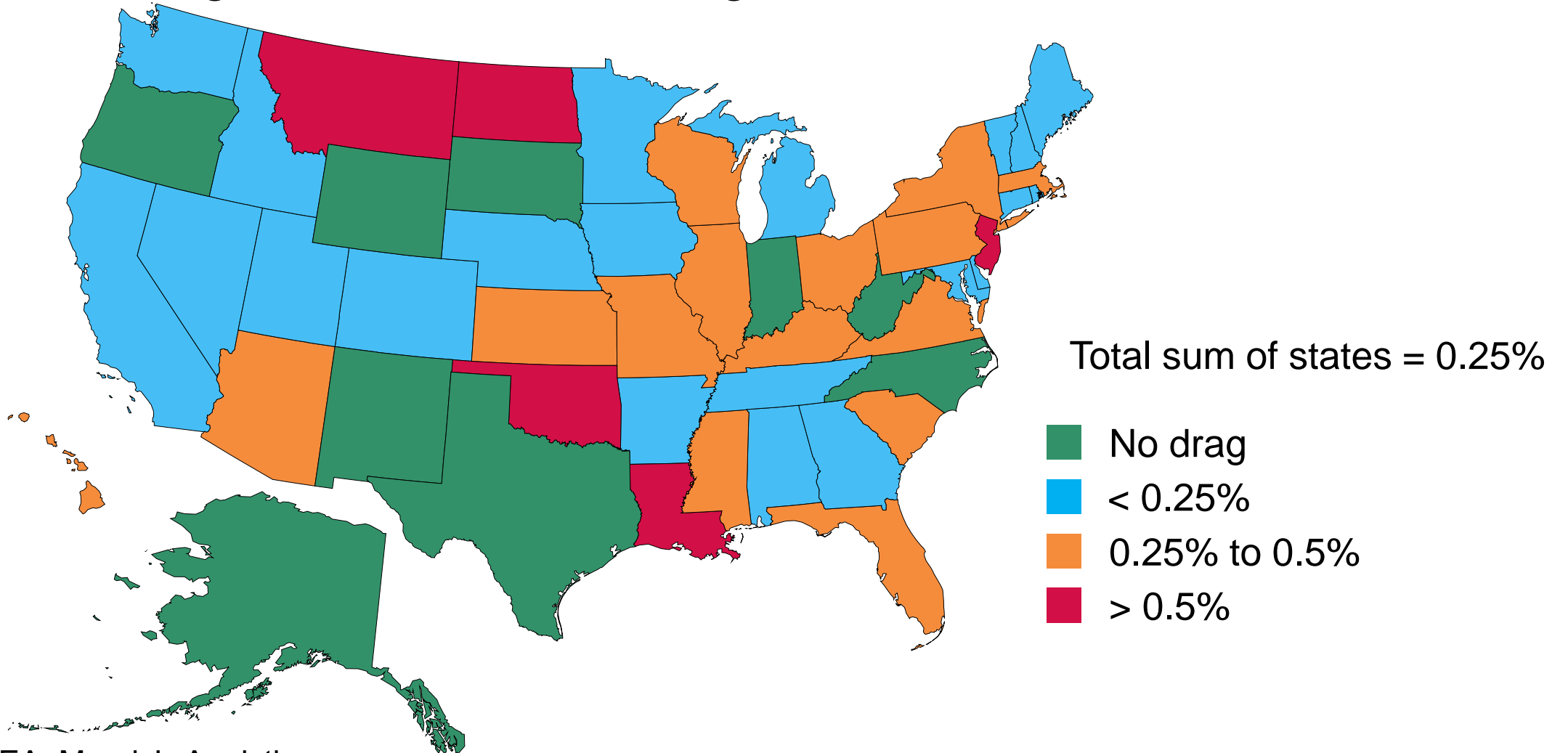
Fiscal shock from moderate recession, % of estimated 2018 revenues



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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