



Economic Outlook: 2007 Ends in Recession

Presentation Prepared for:
The Virginia Senate

Blacksburg, Virginia
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Presented by:
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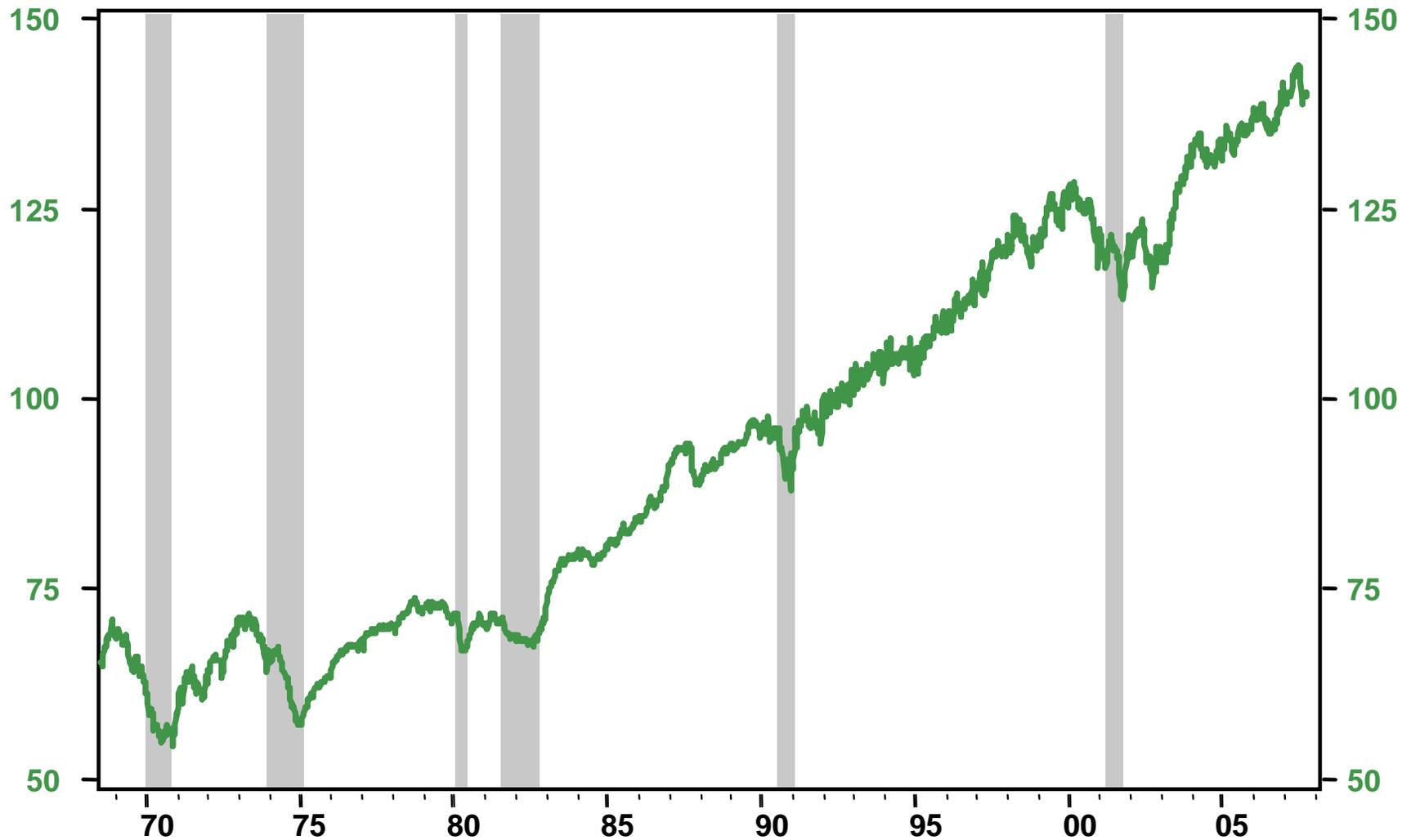
Mission Statement



The mission of Camilli Economics, LLC is to deliver insightful economic analysis and to teach people about the workings of the capitalist system and financial markets so that they may live prosperously and fulfilled.

ECRI Weekly Leading Index

1992=100

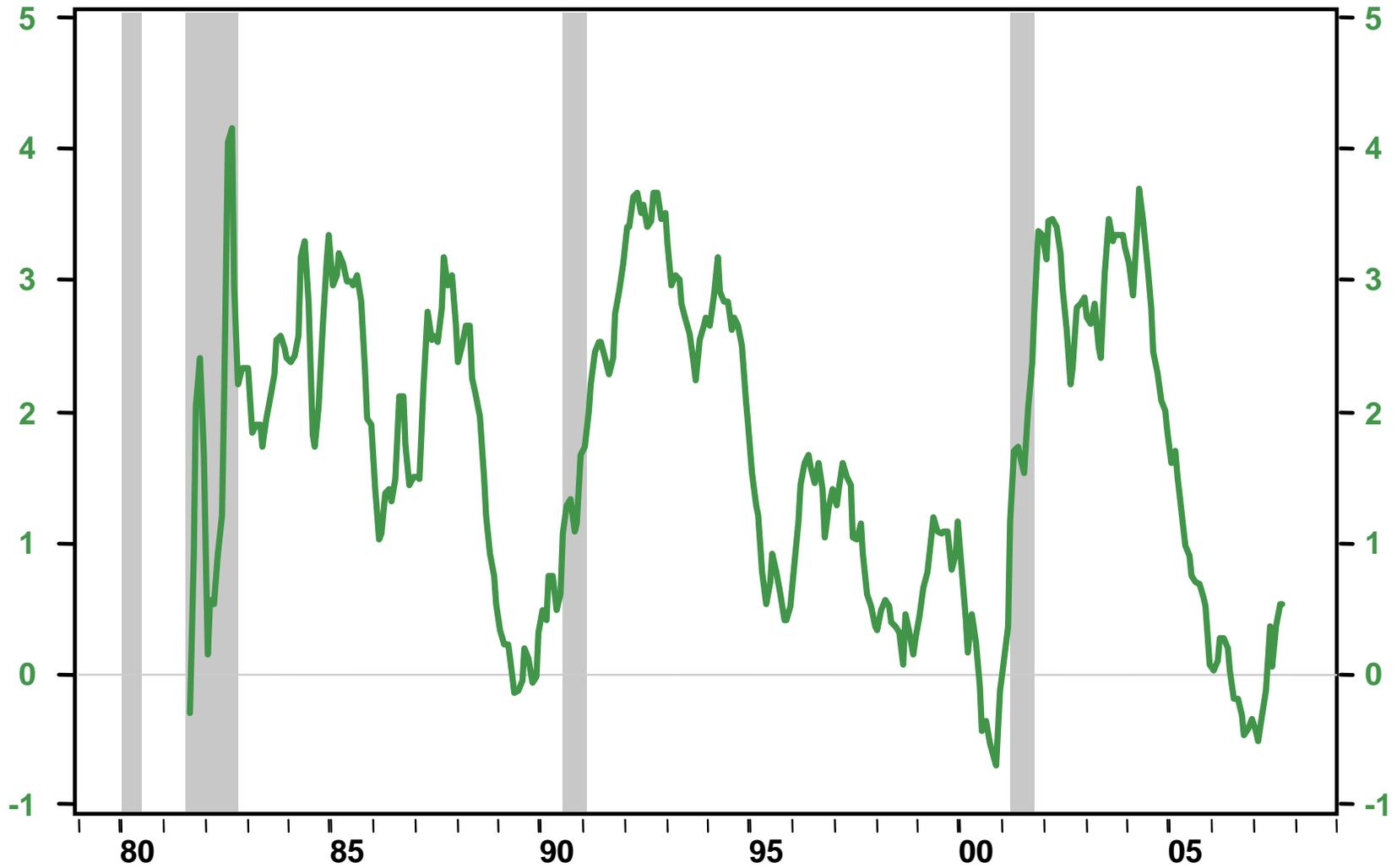


Source: Economic Cycle Research Institute /Haver Analytics

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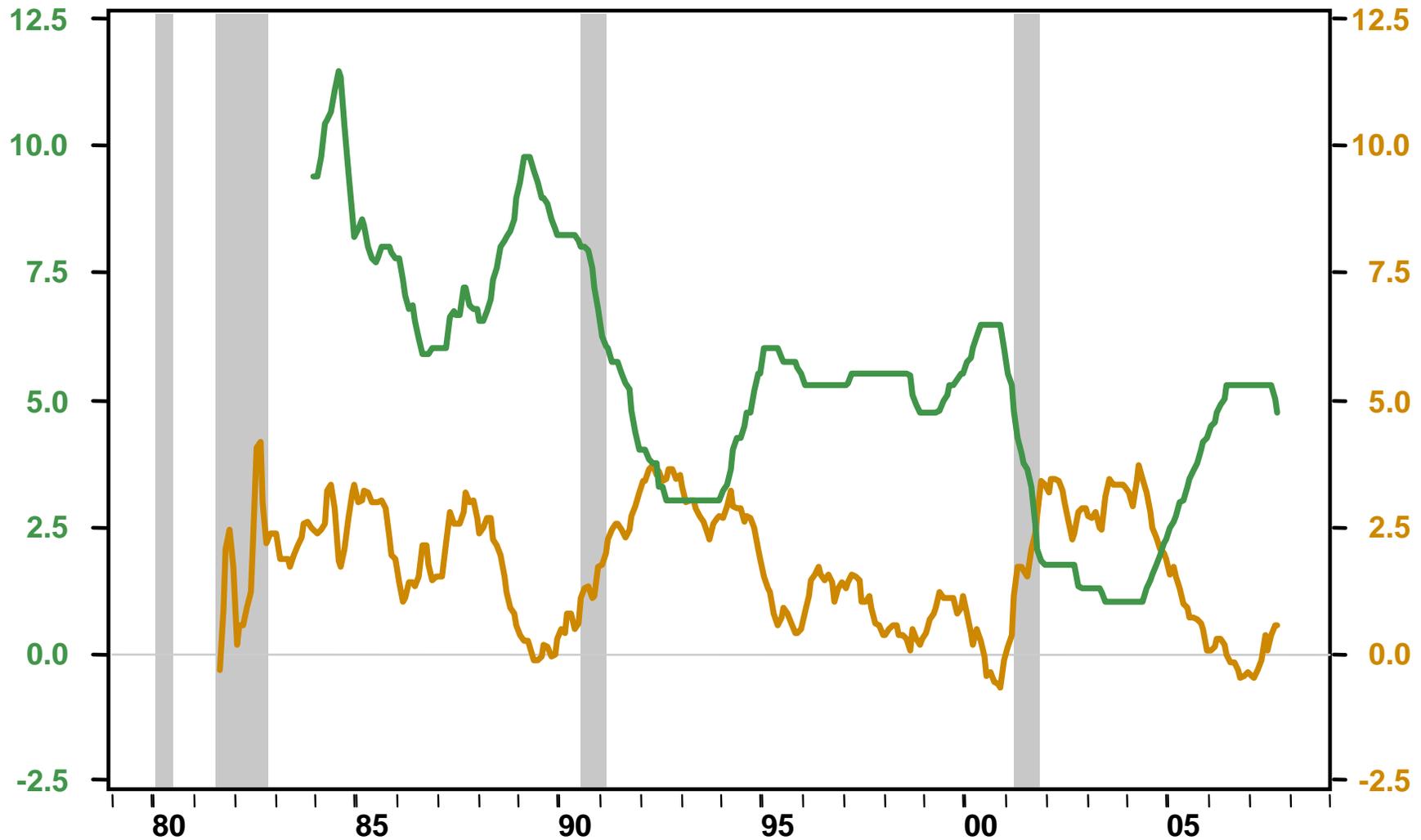
FCM10 - FCM3M



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Federal Open Market Committee: Fed Funds Target Rate %

FCM10 - FCM3M



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Recession



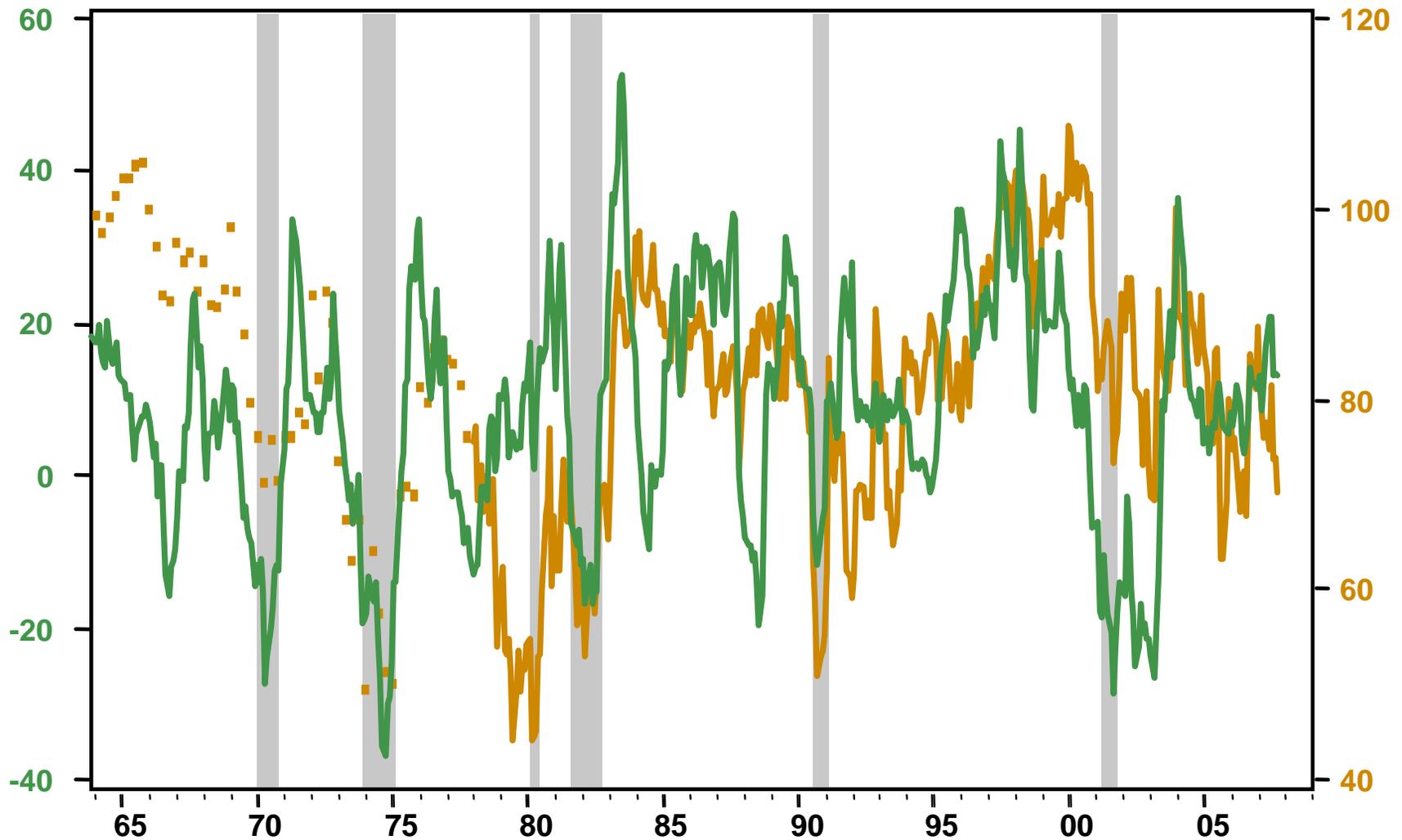
- Are we in one yet? Most likely
- Camilli put recession probability at 30% on 1/1/07, 80% on 8/10/07, 90% on 9/10/07, 95% on 10/8/07, 99% on 11/7/07.
- In the recent past, the US economy has remained incredibly resilient in the face of shocks
- Each and every economic expansion and recession are unique because the economy is never exactly the same at any two points in time.

Stock Price Index: Standard & Poor's 500 Composite

% Change - Year to Year 1941-43=10

University of Michigan: Consumer Expectations

NSA, Q1-66=100



Sources: WSJ, UMICH /Haver

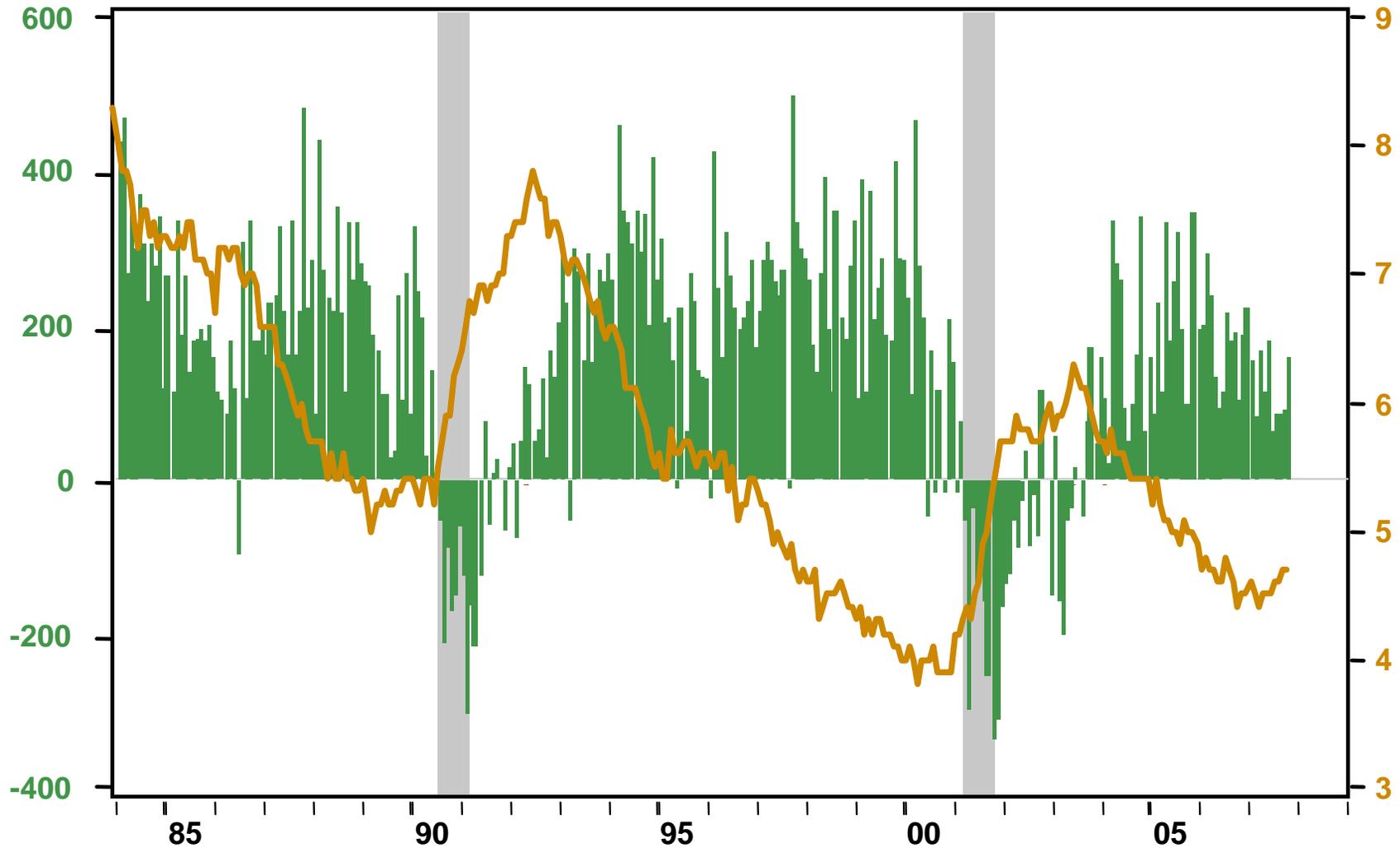
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All Employees: Total Nonfarm

Difference - Period to Period SA, Thous

Civilian Unemployment Rate: 16 yr +

SA, %



Source: Bureau of Labor Statistics /Haver Analytics

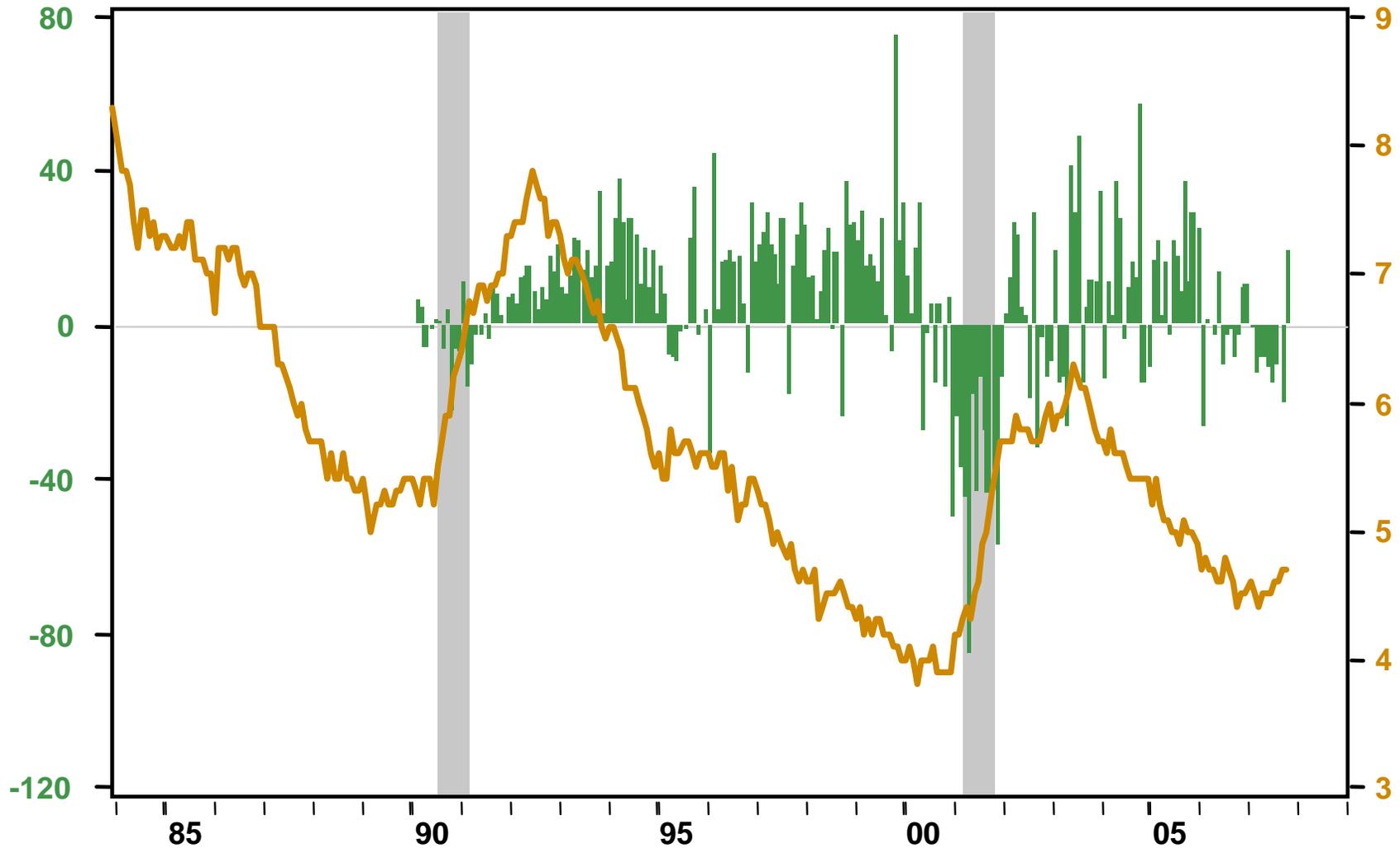
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All Employees: Temporary Help Services

Difference - Period to Period SA, Thous

Civilian Unemployment Rate: 16 yr +

SA, %



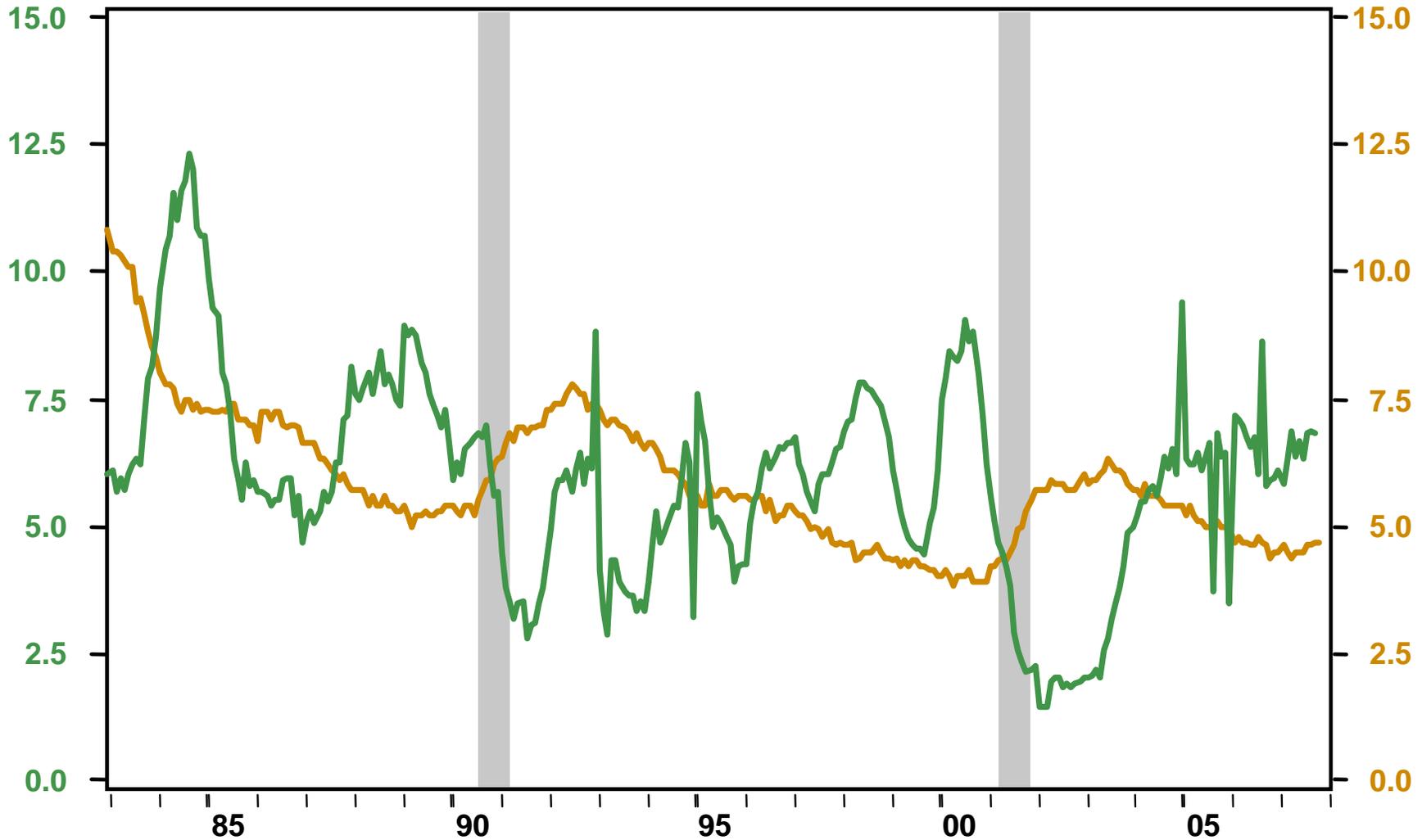
Source: Bureau of Labor Statistics /Haver Analytics

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Personal Income

% Change - Year to Year SAAR, Bil.\$

Civilian Unemployment Rate: 16 yr +
SA, %



Sources: BEA, BLS /Haver

11/02/07

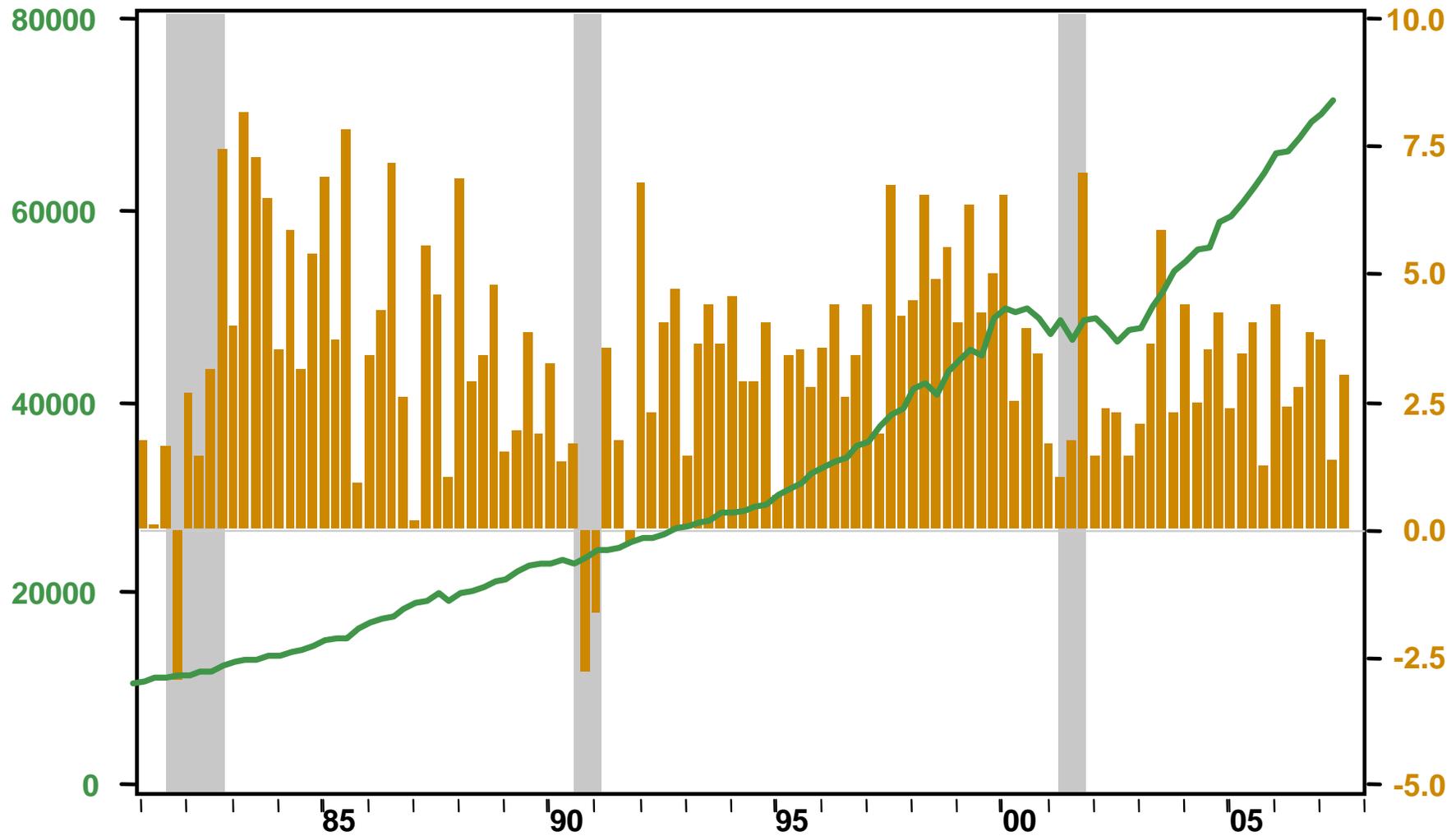
Households, Nonprofit Organizations: Total Assets

Bil.\$

Real Personal Consumption Expenditures

% Change - Annual Rate

SAAR, Bil.Chn.2000\$



Sources: FRB, BEA /Haver

11/07/07

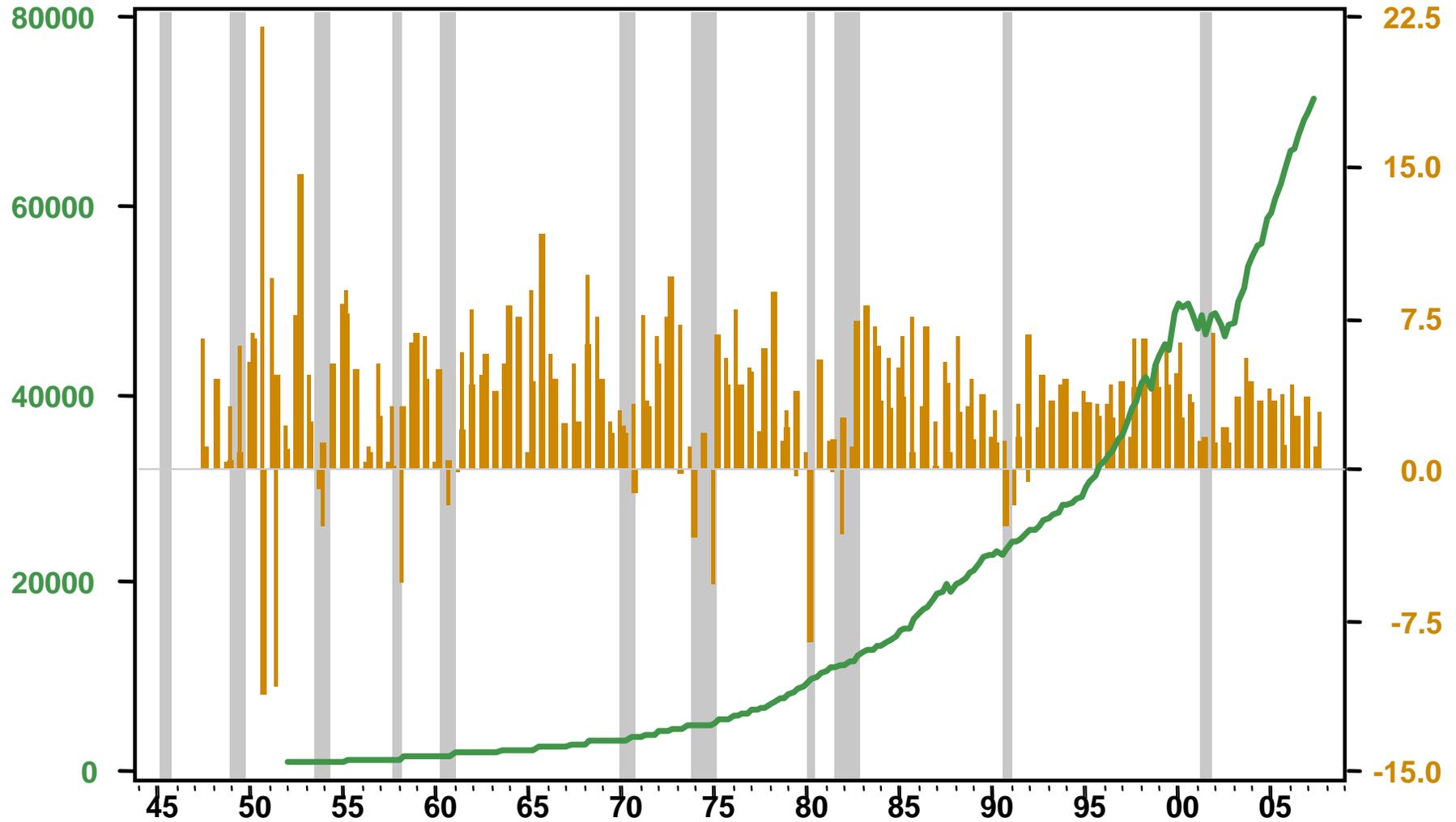
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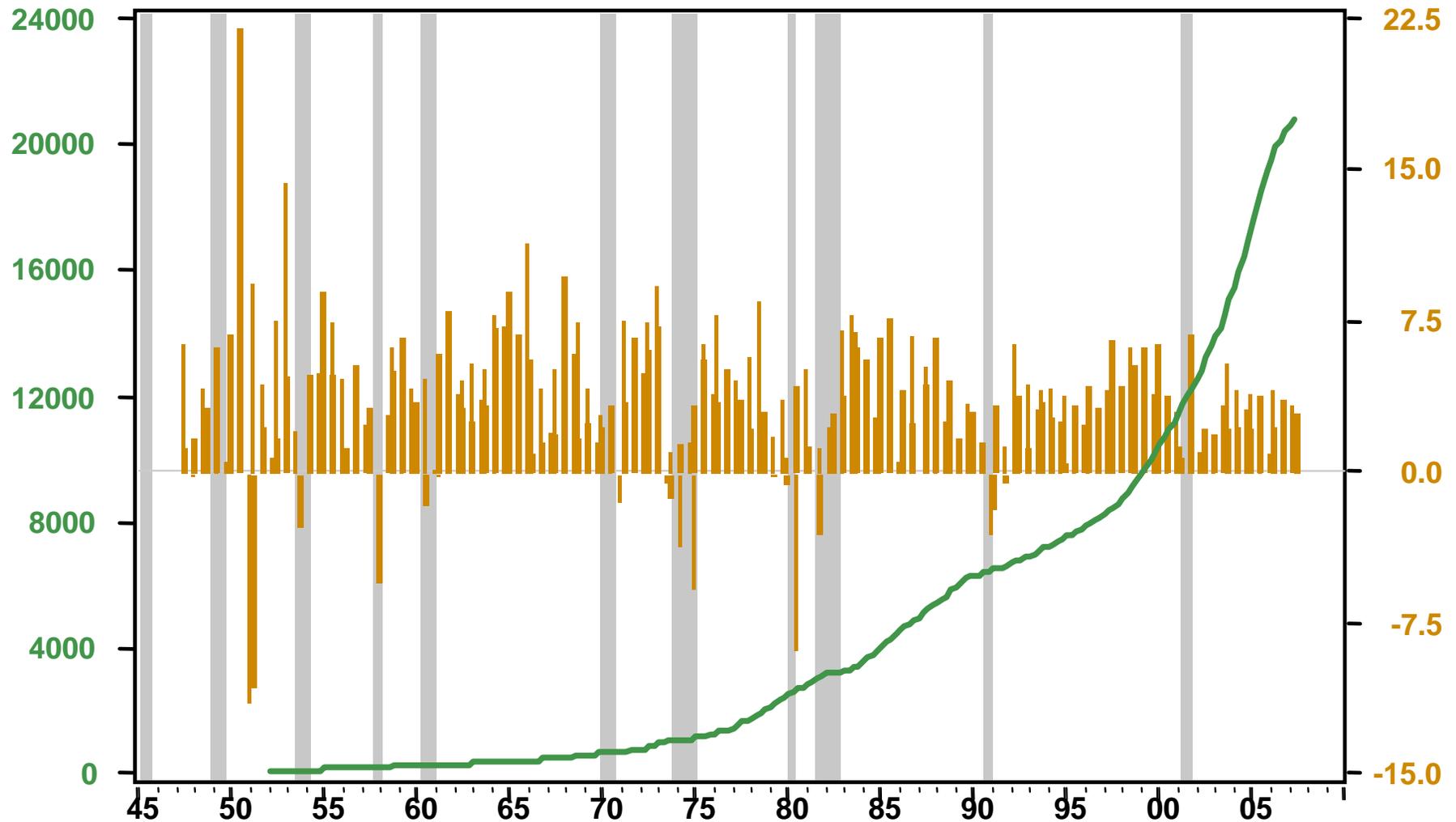
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Households: Assets: Total Owner-occupied Real Estate Bil.\$

Real Personal Consumption Expenditures

% Change - Annual Rate

SAAR, Bil.Chn.2000\$



Sources: FRB, BEA /Haver

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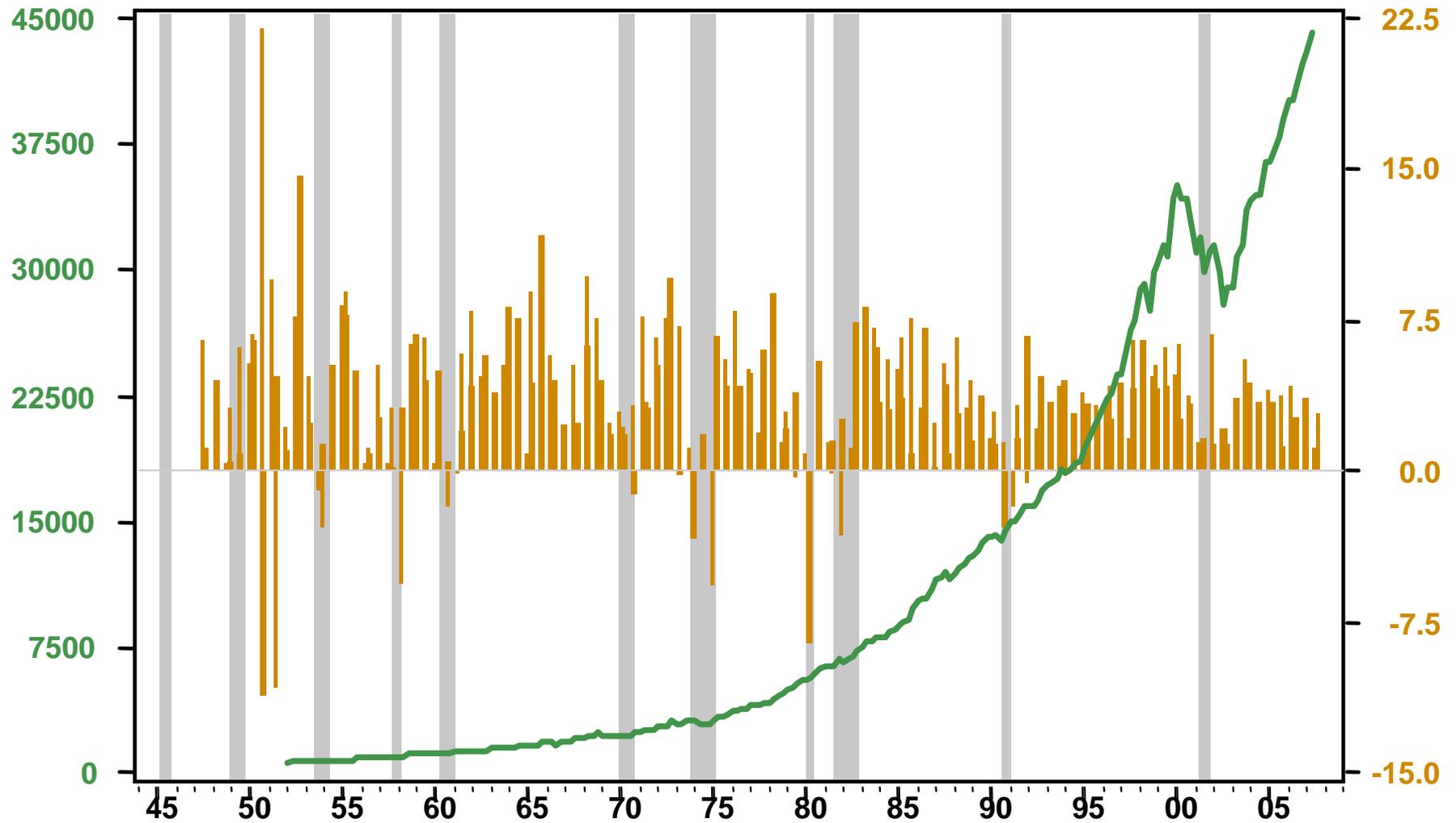
Households: Total Financial Assets

Billions of Dollars

Real Personal Consumption Expenditures

% Change - Annual Rate

SAAR, Bil.Chn.2000\$



Sources: FRB, BEA /Haver

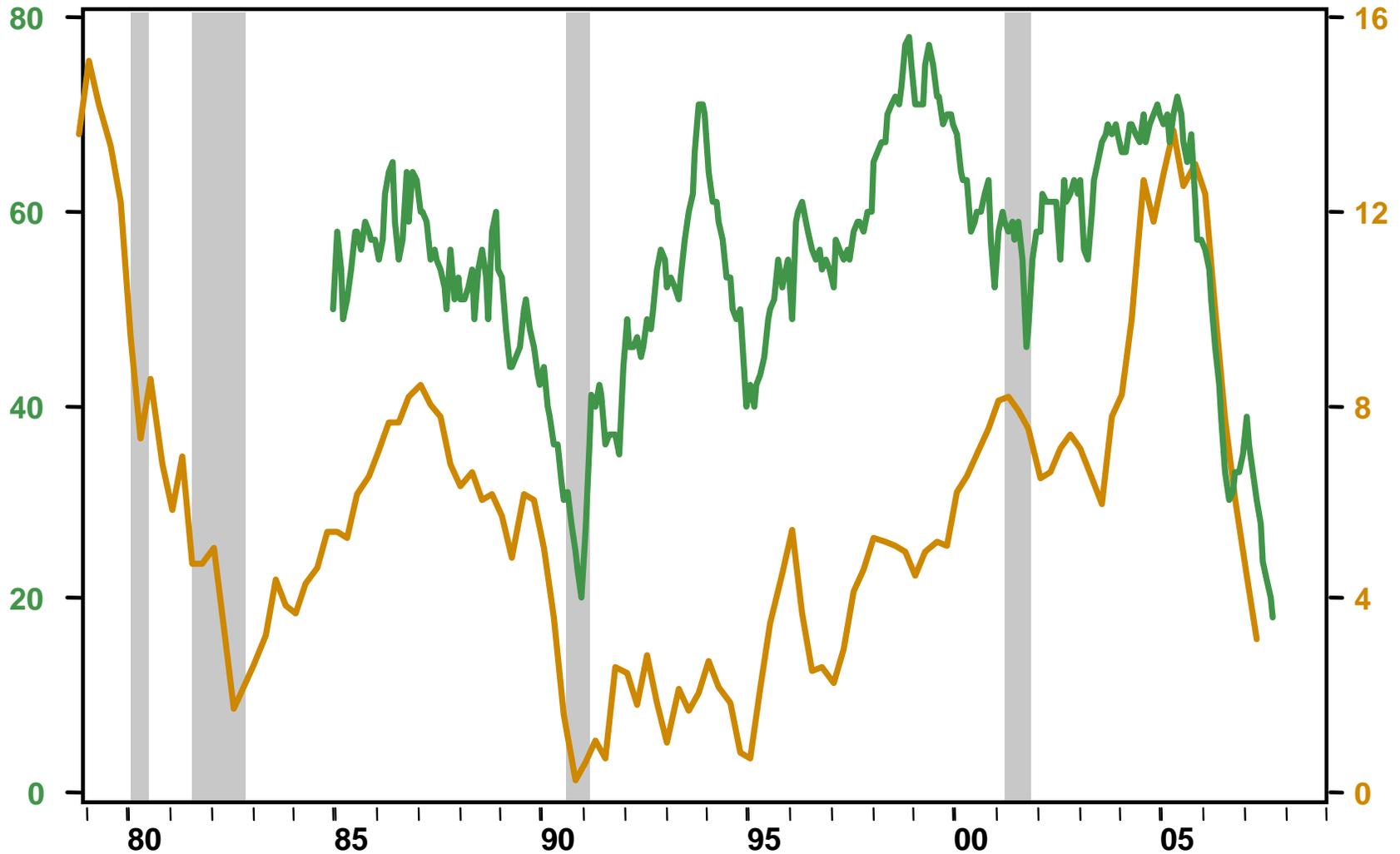
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Home Builders: Housing Market Index {Composite}

SA, All Good = 100

OFHEO House Price Index, United States

% Change - Year to Year NSA, Q1-80=100



Sources: NAHB, OFHEO /Haver

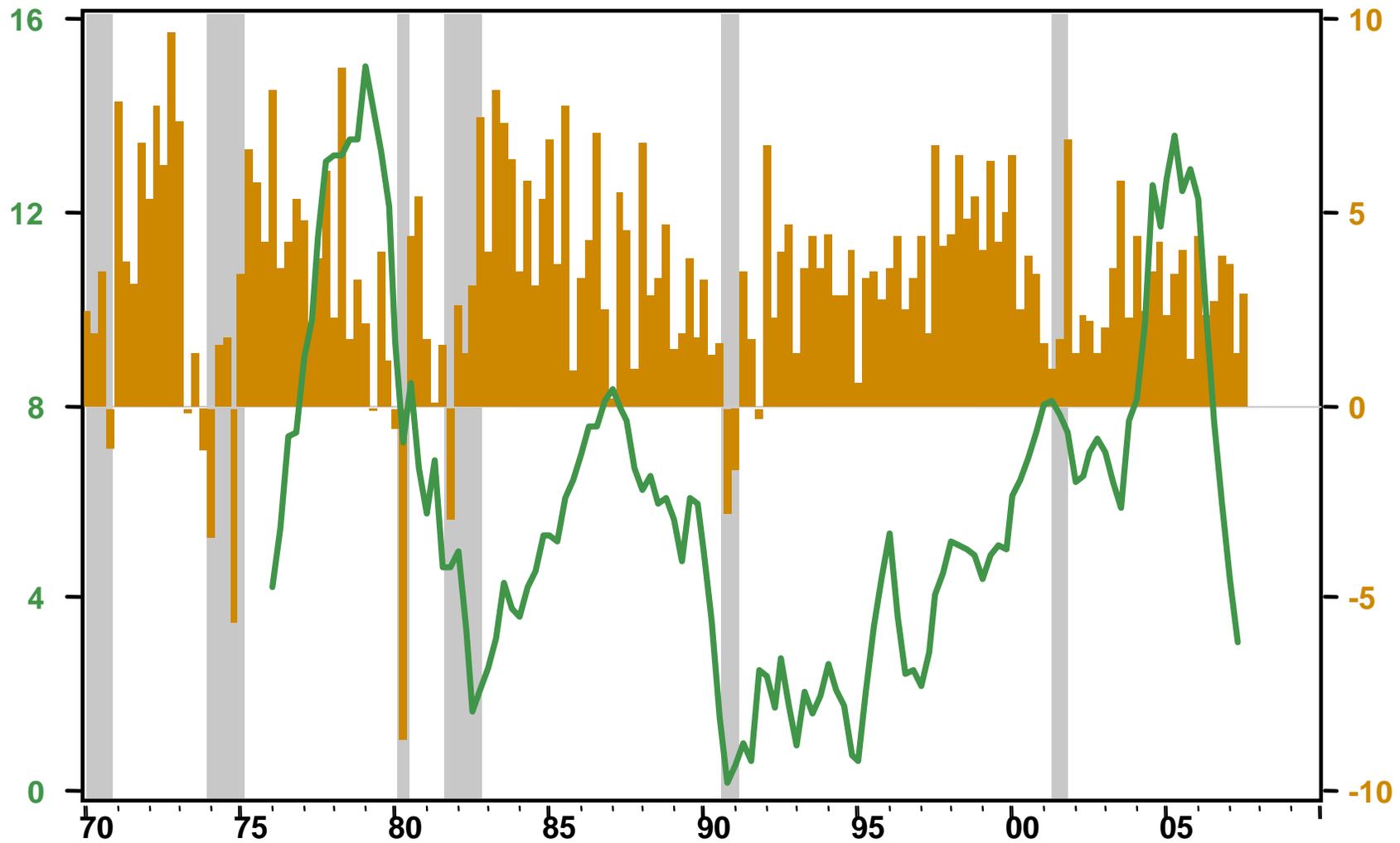
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OFHEO House Price Index, United States

% Change - Year to Year NSA, Q1-80=100

Real Personal Consumption Expenditures

% Change - Annual Rate SAAR, Bil.Chn.2000\$



Sources: OFHEO, BEA /Haver

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Personal Income

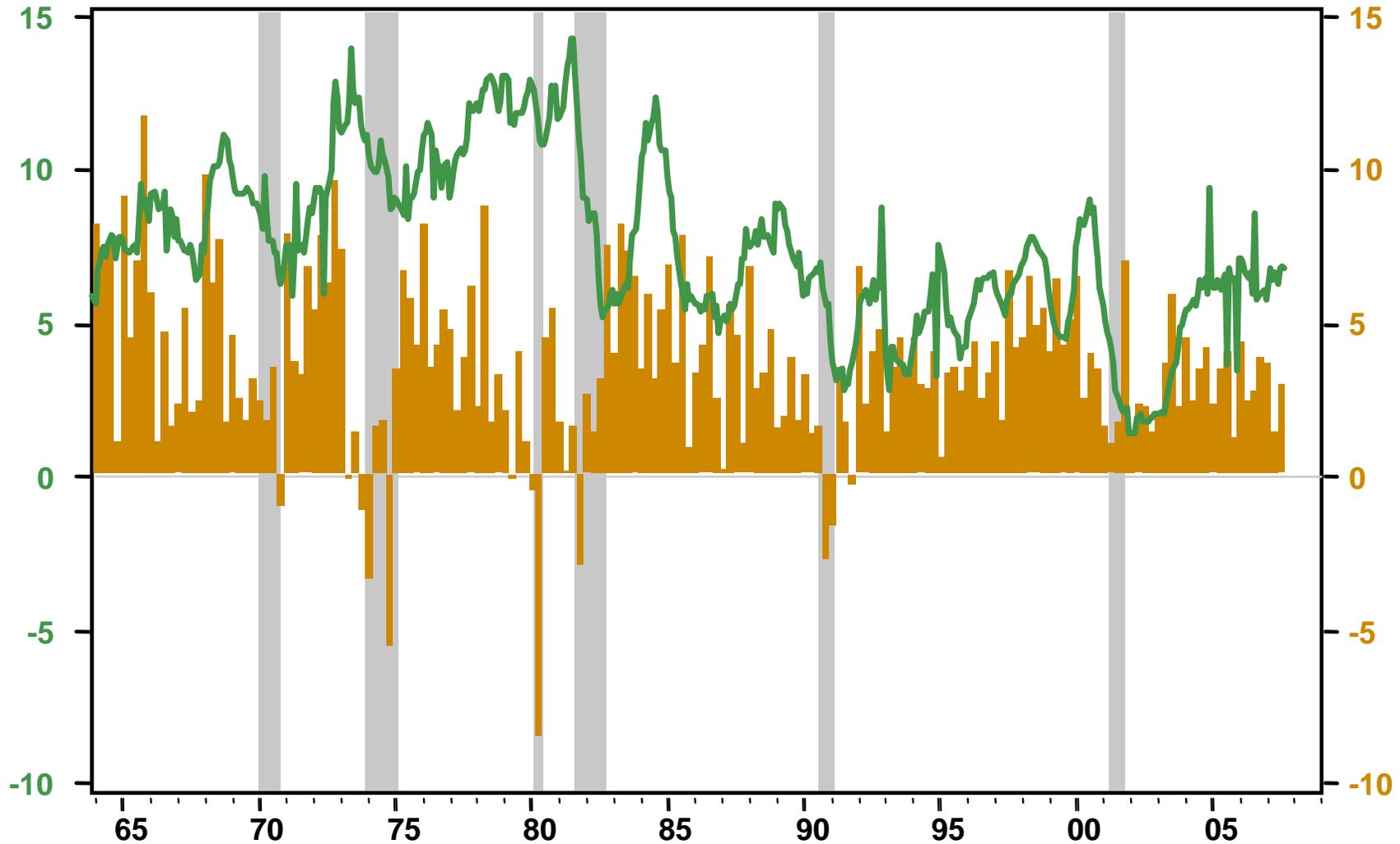
% Change - Year to Year

SAAR, Bil.\$

Real Personal Consumption Expenditures

% Change - Annual Rate

SAAR, Bil.Chn.2000\$



Source: Bureau of Economic Analysis /Haver Analytics

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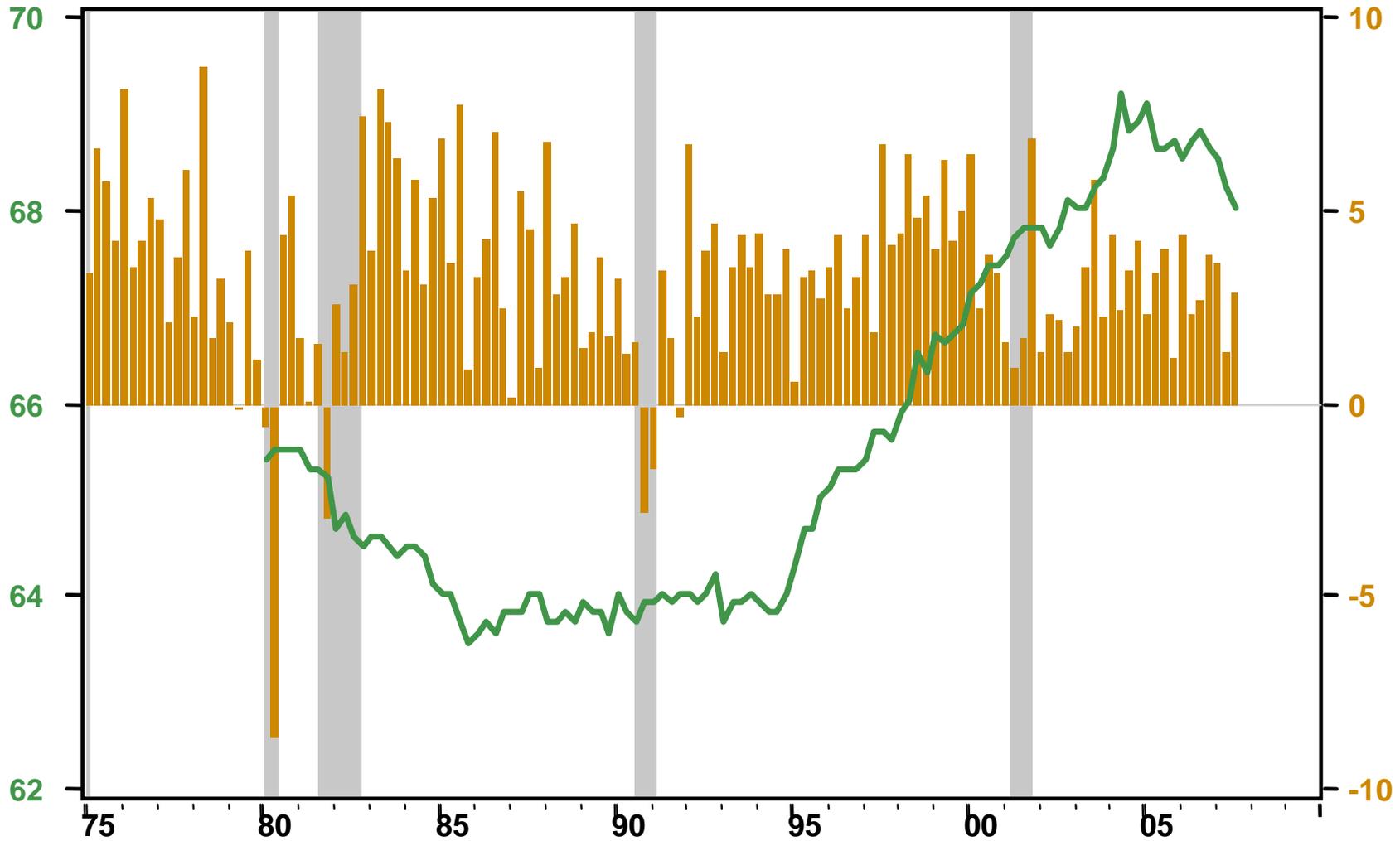
Homeownership Rate: United States

SA, %

Real Personal Consumption Expenditures

% Change - Annual Rate

SAAR, Bil.Chn.2000\$



Sources: CENSUS, BEA /Haver

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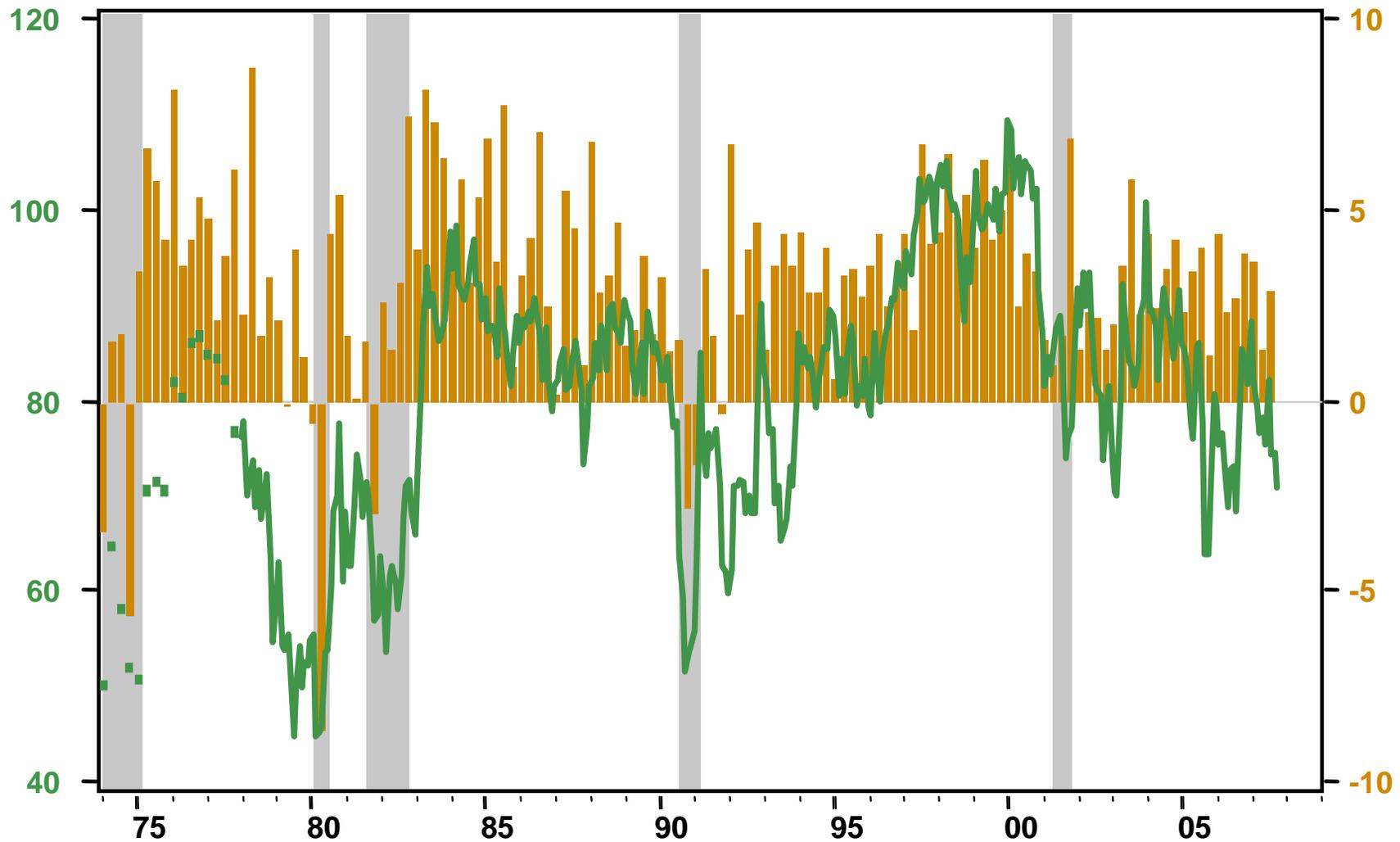
University of Michigan: Consumer Expectations

NSA, Q1-66=100

Real Personal Consumption Expenditures

% Change - Annual Rate

SAAR, Bil.Chn.2000\$



Sources: UMICH, BEA /Haver

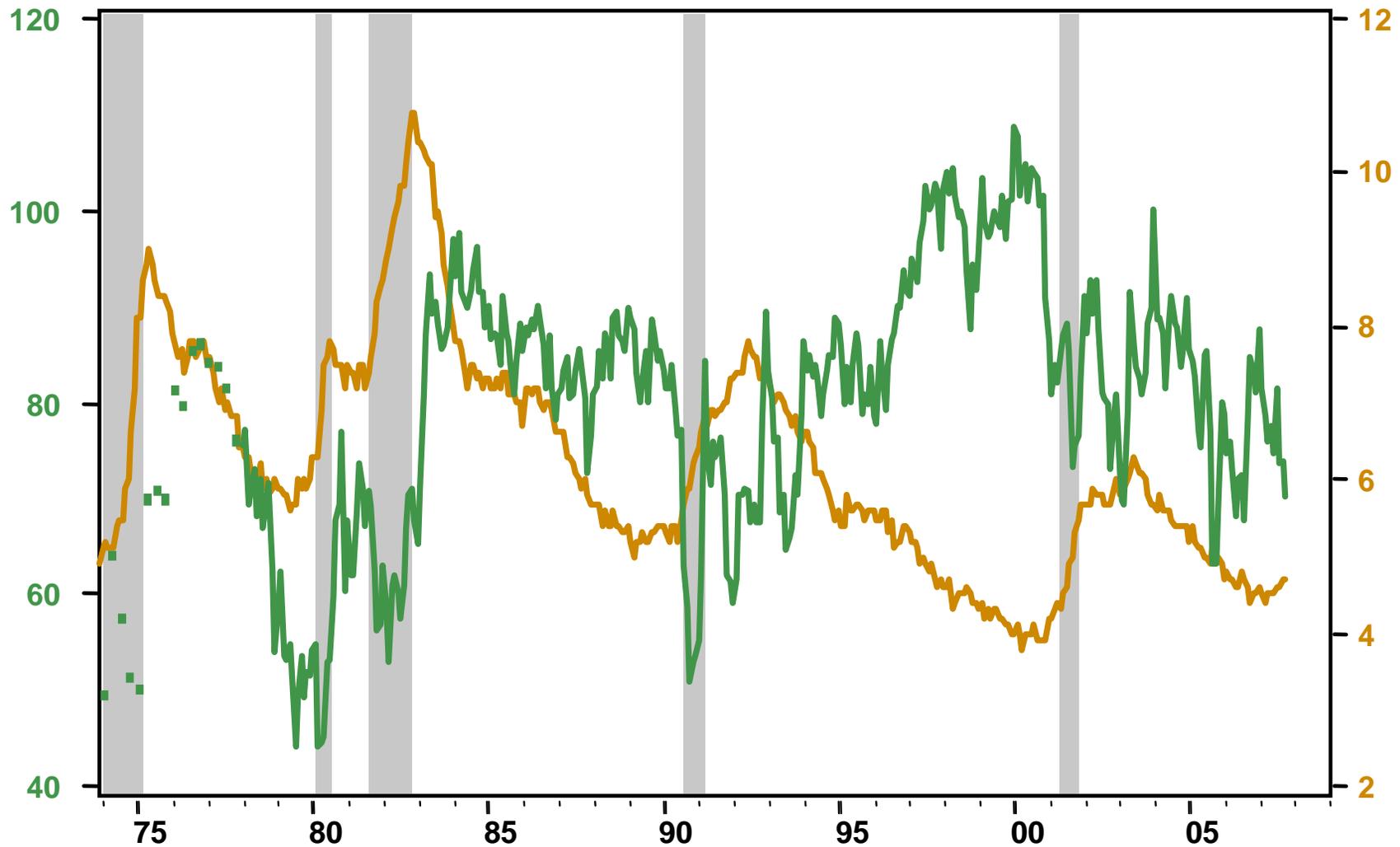
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SA, %



Sources: UMICH, BLS /Haver

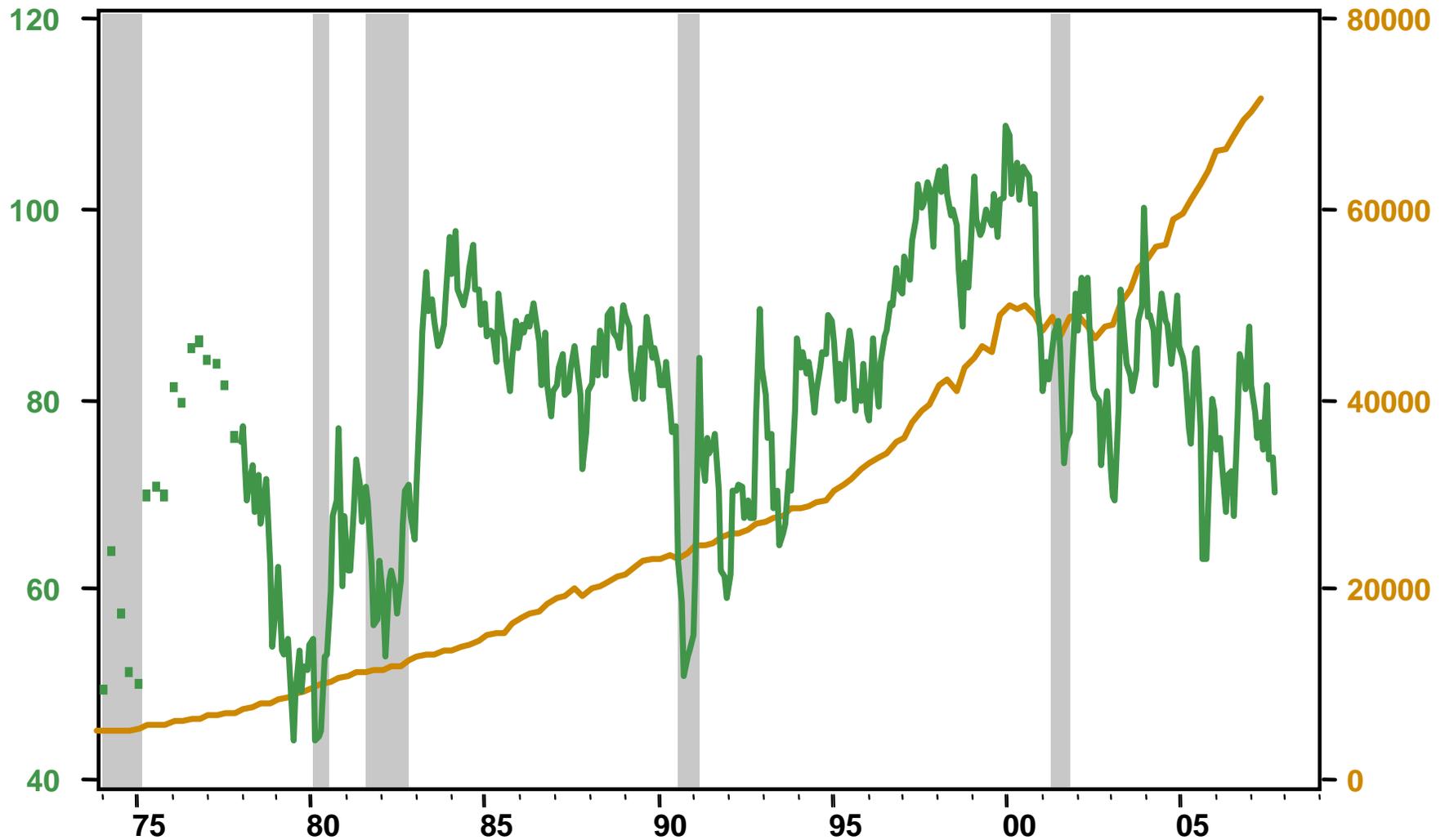
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NSA, Q1-66=100

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Bil.\$



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Thank You

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