1. Three Questions
2. The Roller Coaster
3. Geographic Imprint
The Three Questions

• The year ahead? Better? The same? Worse?
• Challenges faced in achieving this year’s goals?
• What about the economy?
The Year Ahead?

- Better, 11, 38%
- About the same, 17, 59%
- Worse, 1, 3%
Greatest Challenges

- Human resources
- Weaker overall economy
- Competition from natl. dist.
- New buying styles, new markets
- Automotive slowdown
- Manufacturing decline
- Supplier pricing
- Trump
- Tax relief
- Eroding margins, online comp.
- Embracing new technology
- Supplier timely delivery
- Communications
- Energy sector slowdown
The Mid-Year Economy: Looking for the 3% Solution...
Jobs Added
1/2011 - 5/2017
Thousands

Jobs Added
5 per. Mov. Avg. (Jobs Added)
Commercial & Industrial Loans
All US Banks, % Increase Yr/Yr
1/2004 - 5/2017
There were more than 6 million job openings in May 2017.

Number of Unemployed Persons per Job Opening, Seasonally Adjusted

Data from 17 Countries that Account for 2/3 of Global GDP

- Asian & Russian Financial Crises
- 9/11
- Gulf War II

Global Financial Crisis
- Eurozone Crises, U.S. Fiscal Fights, China Leadership Transition
- Brexit
- European Immigration Crisis


* Global EPU Calculated as the GDP-weighted average of monthly EPU index values for U.S., Canada, Brazil, Chile, Uruguay, Germany, Italy, Spain, France, Netherlands, Russia, India, China, South Korea, Japan, Ireland, and Australia.
Global Economic Policy Uncertainty Index
1/2007 - 1/2017

The chart shows the Global Economic Policy Uncertainty Index from January 2007 to January 2017. The index peaks in 2016 and 2017, indicating a significant increase in economic policy uncertainty during these years.
Global Economic Policy Uncertainty
1/2007 - 5/2017

- Global Financial Crisis
- US Budget/Shutdown Struggles
- China Leadership Change
- Europe Immigration Crisis
- Brexit
- Trump Victory
- Europe Elections
Economic Policy Uncertainty & Unemployment Rate
Yr/Yr Percent Change
2012 - 2017
The post-2008 expansion is not quite done, that 2017 will rack up 2.3 percent real GDP growth, and that 2018 will do about the same—until we hit 2018’s last quarter. After that, the economy may be headed south for a couple of quarters. Here’s the picture that I see for the United States for 2017–2018: inflation will rise a bit. Look for 2.5–2.7 percent growth by year-end. Interest rates will nudge up. The 10-year bond yield will be 2.60–3.10 percent. The plain vanilla mortgage rate will be 4.30–4.60 percent.
WHERE WE WORK & HOW IT HAS CHANGED
U.S. Employment Sectors, 1970

- Mfg: 25%
- Trade, Trans, Util: 20%
- Govt: 18%
- Educ/Health, Prof Bus Svcs: 38%
- Educ/Health: 6%
- Leisure, Hosp: 6%
- Prof Bus Svcs: 7%
- Info: 3%
- Finance: 5%
- Construct: 5%
- Mining/Logging: 2%
- Other Svcs: 3%

Educ/Health, Prof Bus Svcs, & Mfg sum to 38%.
Educ/Health, Prof Bus Svcs, & Mfg sum to 38%.
What about Autos?
What’s HOT... What’s Not...
Cumulative Annual Manufacturing Output Growth: 2015 - 2020

<table>
<thead>
<tr>
<th>Industry</th>
<th>Growth</th>
</tr>
</thead>
<tbody>
<tr>
<td>Computers &amp; Electronic</td>
<td>18.7</td>
</tr>
<tr>
<td>Nonmetallic Minerals</td>
<td>15.8</td>
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<tr>
<td>Aerospace Products</td>
<td>15.7</td>
</tr>
<tr>
<td>Rubber &amp; Plastics</td>
<td>13.3</td>
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<tr>
<td>Food</td>
<td>10.0</td>
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<tr>
<td>Printing</td>
<td>9.3</td>
</tr>
<tr>
<td>Motor Vehicles &amp; Parts</td>
<td>8.6</td>
</tr>
<tr>
<td>Paper</td>
<td>8.2</td>
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<tr>
<td>Machinery</td>
<td>5.1</td>
</tr>
<tr>
<td>Fabricated Metal</td>
<td>3.4</td>
</tr>
<tr>
<td>Petroleum</td>
<td>-4.1</td>
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<tr>
<td>Chemicals</td>
<td>-4.9</td>
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<tr>
<td>Primary Metals</td>
<td>-9.0</td>
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<tr>
<td>Apparel</td>
<td>-9.5</td>
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<tr>
<td>Textile Mill Products</td>
<td>-12.4</td>
</tr>
<tr>
<td>Furniture</td>
<td>-13.8</td>
</tr>
</tbody>
</table>

Manufacturers Alliance for Productivity Improvement, February 27, 2017.

U.S. growth rate = 3.6 percent

- 4.4 to 5.9
- 3.6 to 4.4
- 3.1 to 3.6
- 2.6 to 3.1
- -1.7 to 2.6

U.S. Bureau of Economic Analysis
June 2001

Location quotient, Manufacturing, Private Jun 2001

Location quotient, Natural Resources and Mining, Private Sep 2016

12 month percent change in employment, Manufacturing, Private Sep 2015-Sep 2016 (p)

12 month percent change in employment, Natural Resources and Mining, Private Sep 2015-Sep 2016

Bridging the gap between academic ideas and real-world problems