

Economic & Revenue Outlook

Joint Legislative Economic Outlook &
Revenue Assessment Committee

January 10, 2008

Presented By

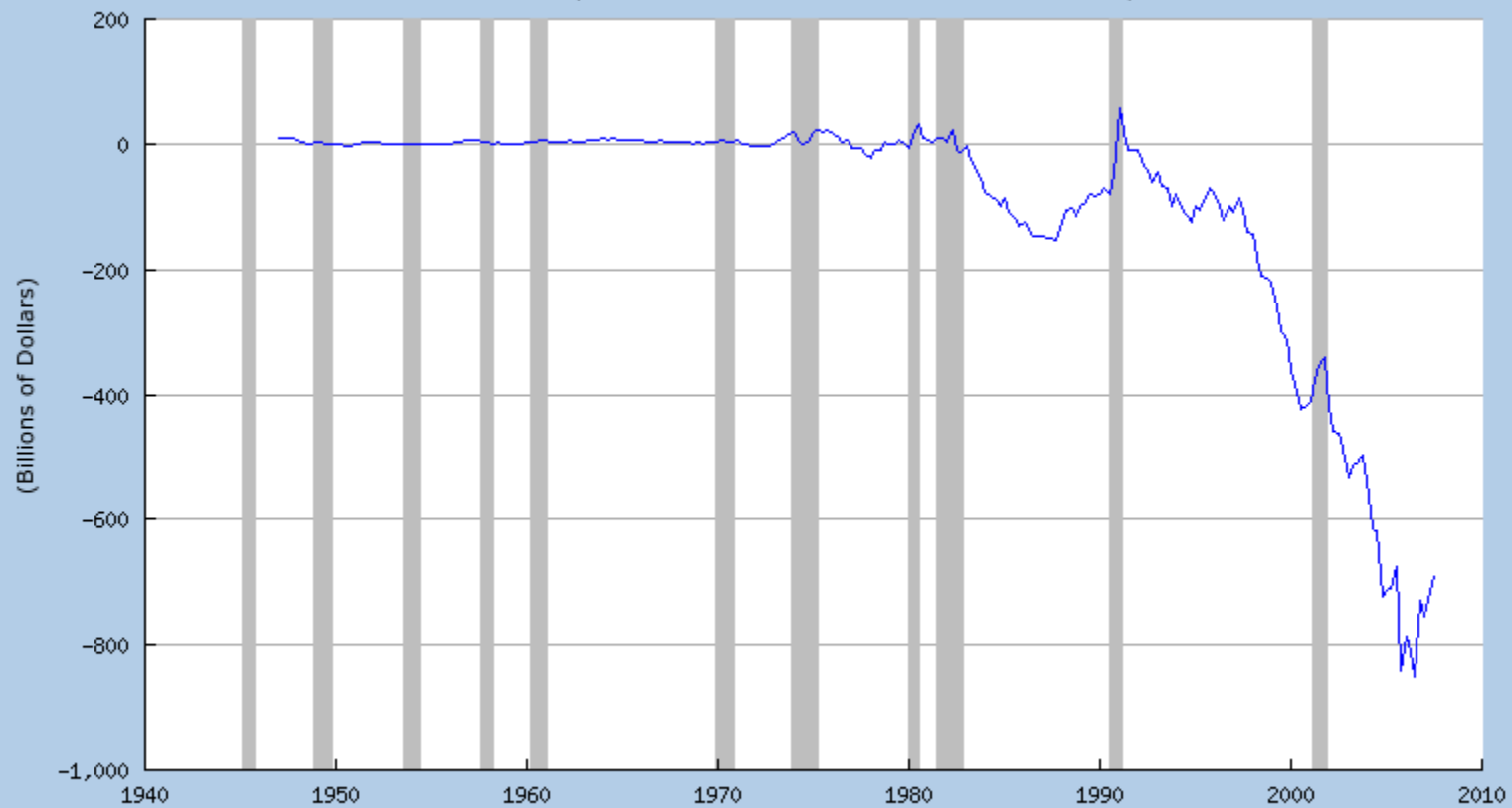
Michael Ferguson

Idaho Division of Financial Management

www.idaho.gov/dfm

Balance on Current Account, NIPA's (NETFI)

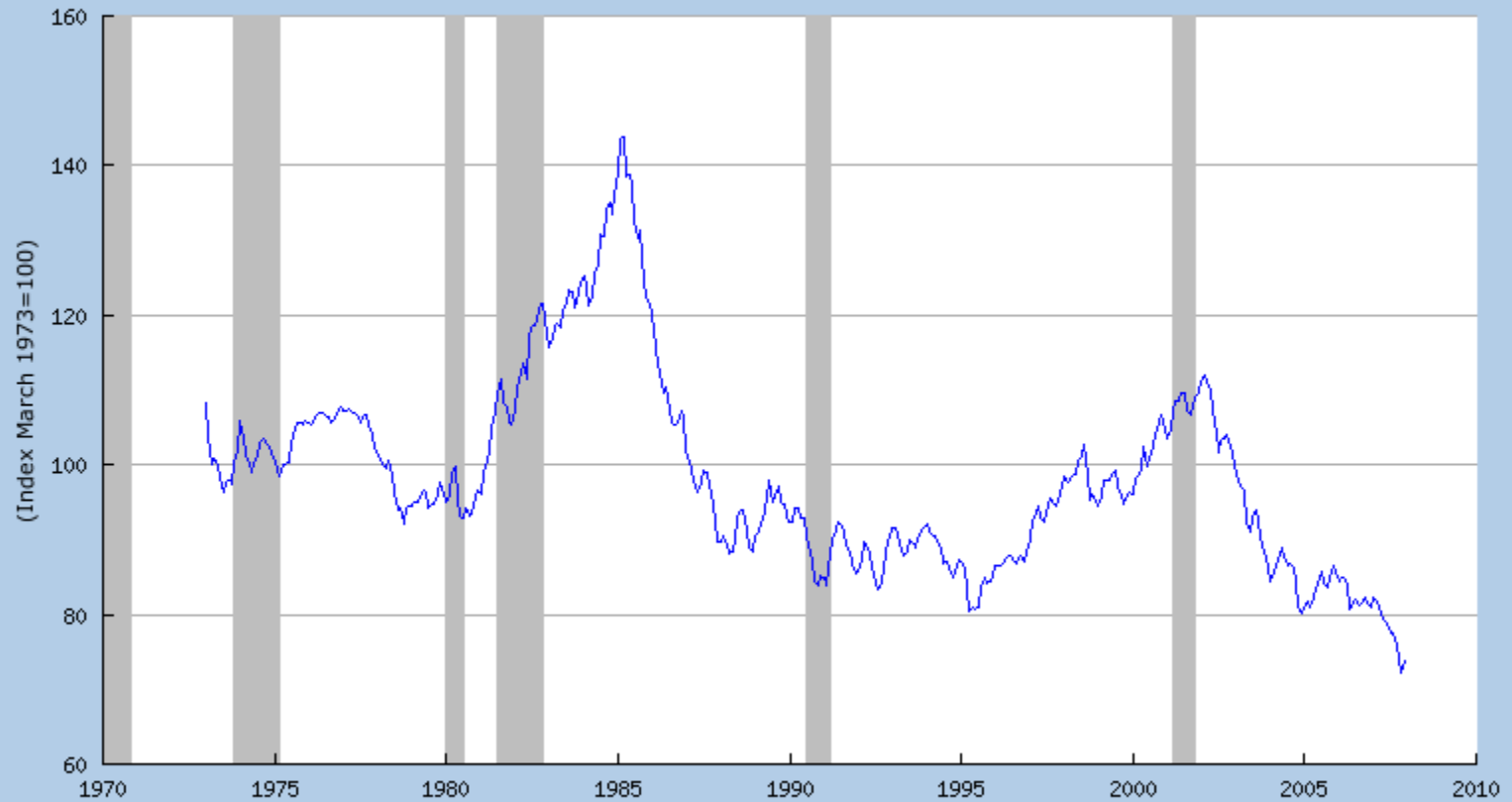
Source: U.S. Department of Commerce: Bureau of Economic Analysis



Shaded areas indicate US recessions as determined by the NBER.
2008 Federal Reserve Bank of St. Louis: research.stlouisfed.org

Trade Weighted Exchange Index: Major Currencies (TWEXMMTH)

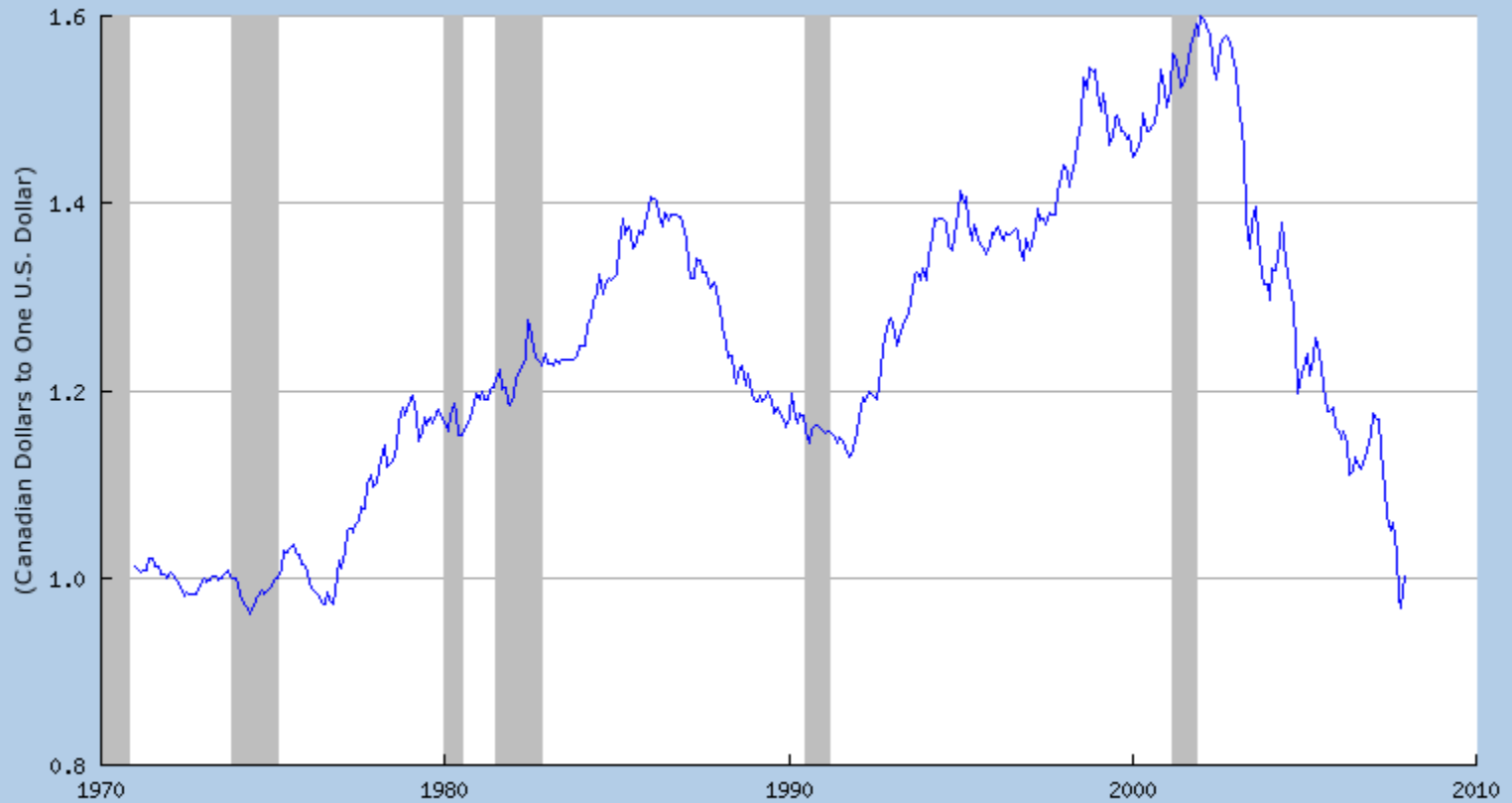
Source: Board of Governors of the Federal Reserve System



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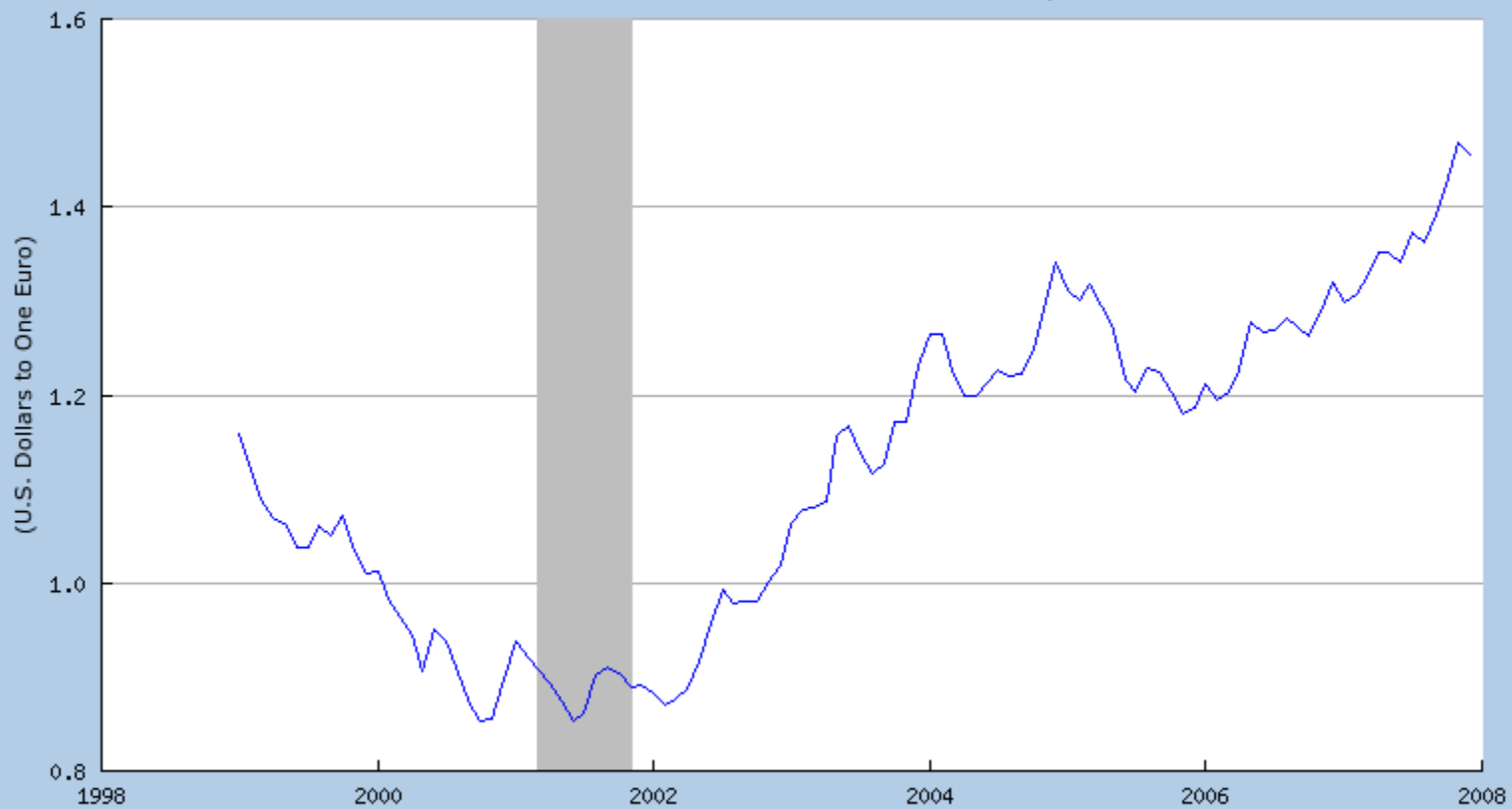
2008 Federal Reserve Bank of St. Louis: research.stlouisfed.org

Canada / U.S. Foreign Exchange Rate (EXCAUS)
Source: Board of Governors of the Federal Reserve System



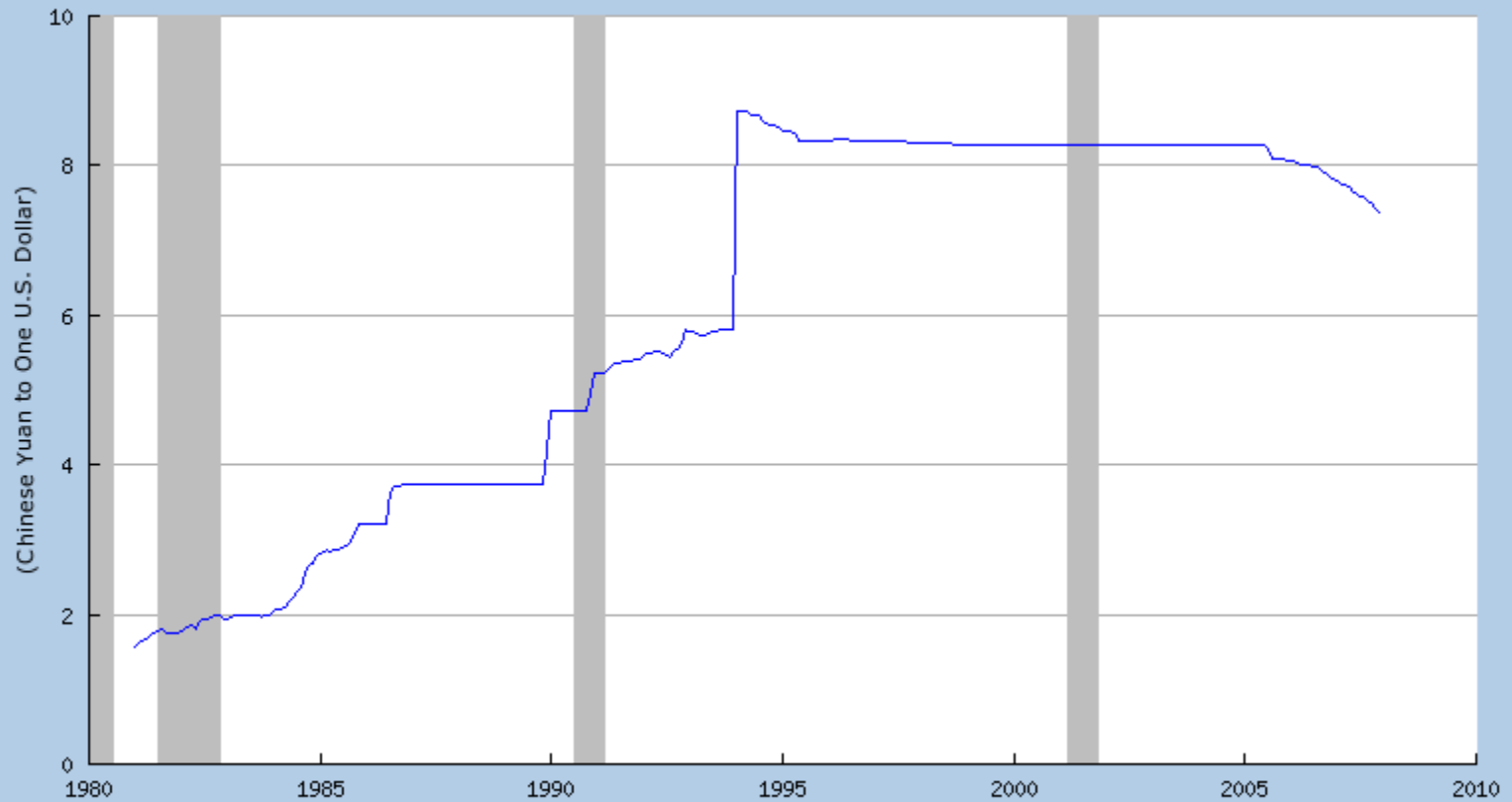
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2008 Federal Reserve Bank of St. Louis: research.stlouisfed.org

U.S. / Euro Foreign Exchange Rate (EXUSEU)
Source: Board of Governors of the Federal Reserve System



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2008 Federal Reserve Bank of St. Louis: research.stlouisfed.org

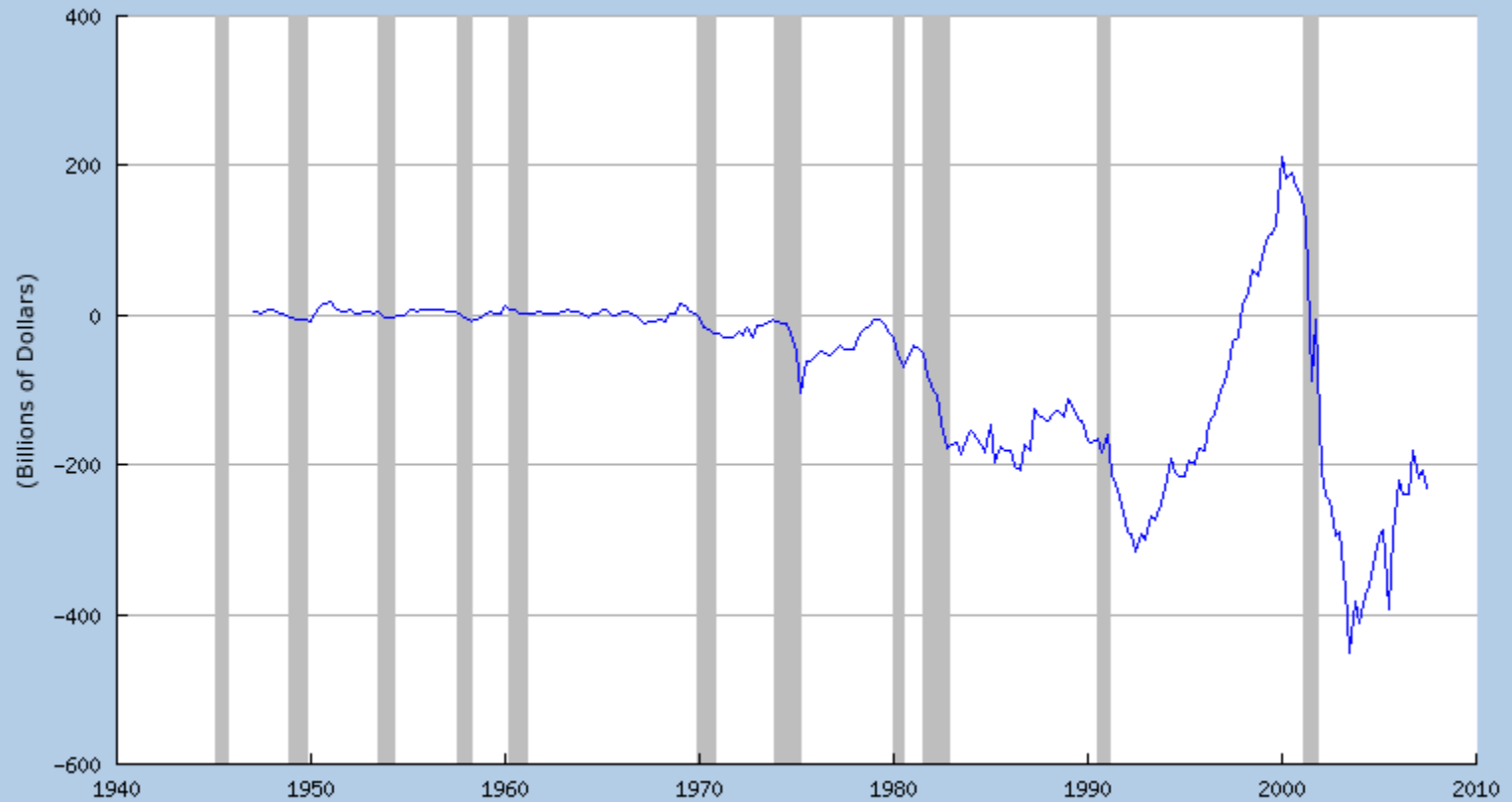
China / U.S. Foreign Exchange Rate (EXCHUS)
Source: Board of Governors of the Federal Reserve System



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2008 Federal Reserve Bank of St. Louis: research.stlouisfed.org

Net Federal Government Saving (FGDEF)

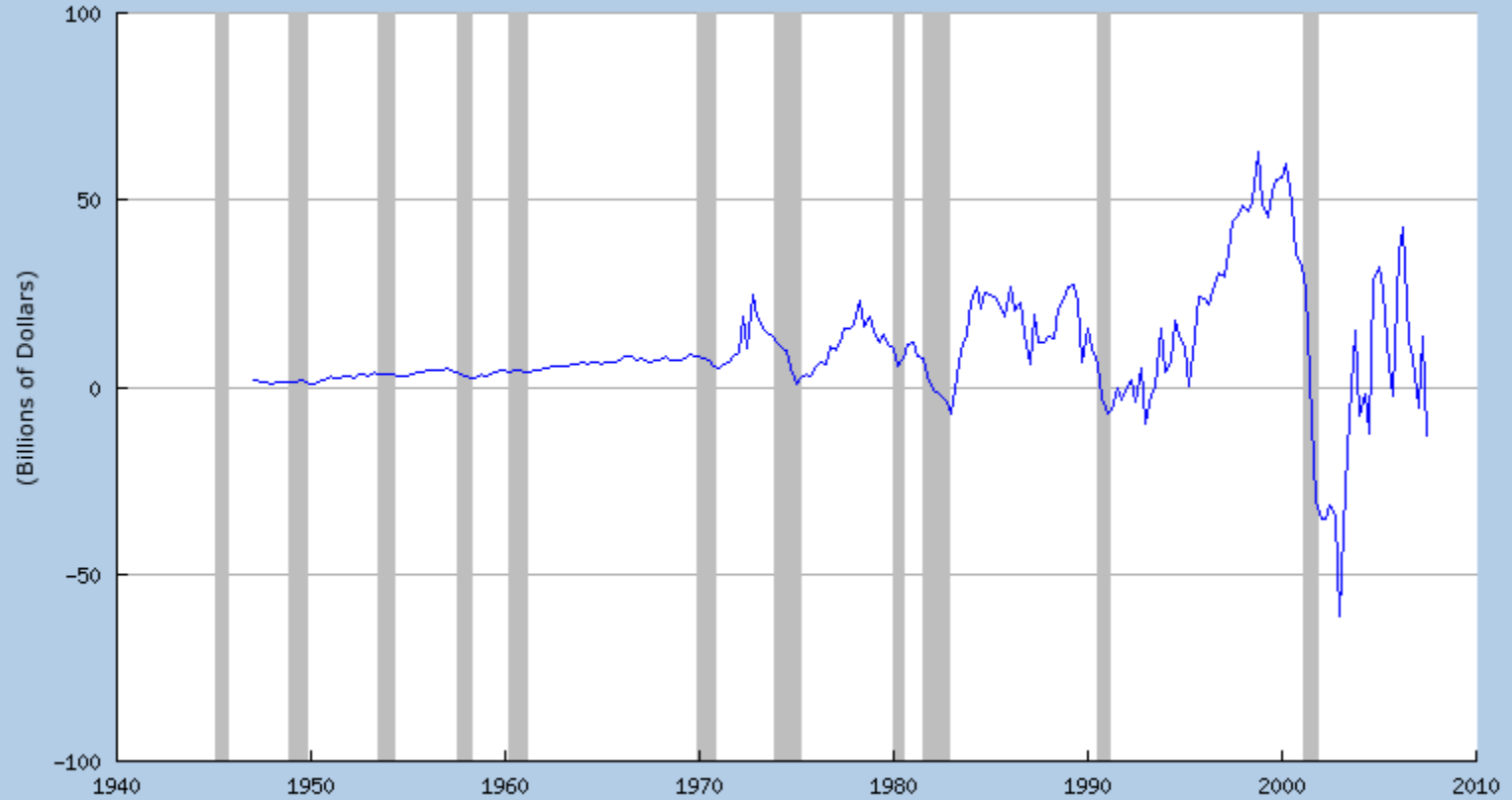
Source: U.S. Department of Commerce: Bureau of Economic Analysis



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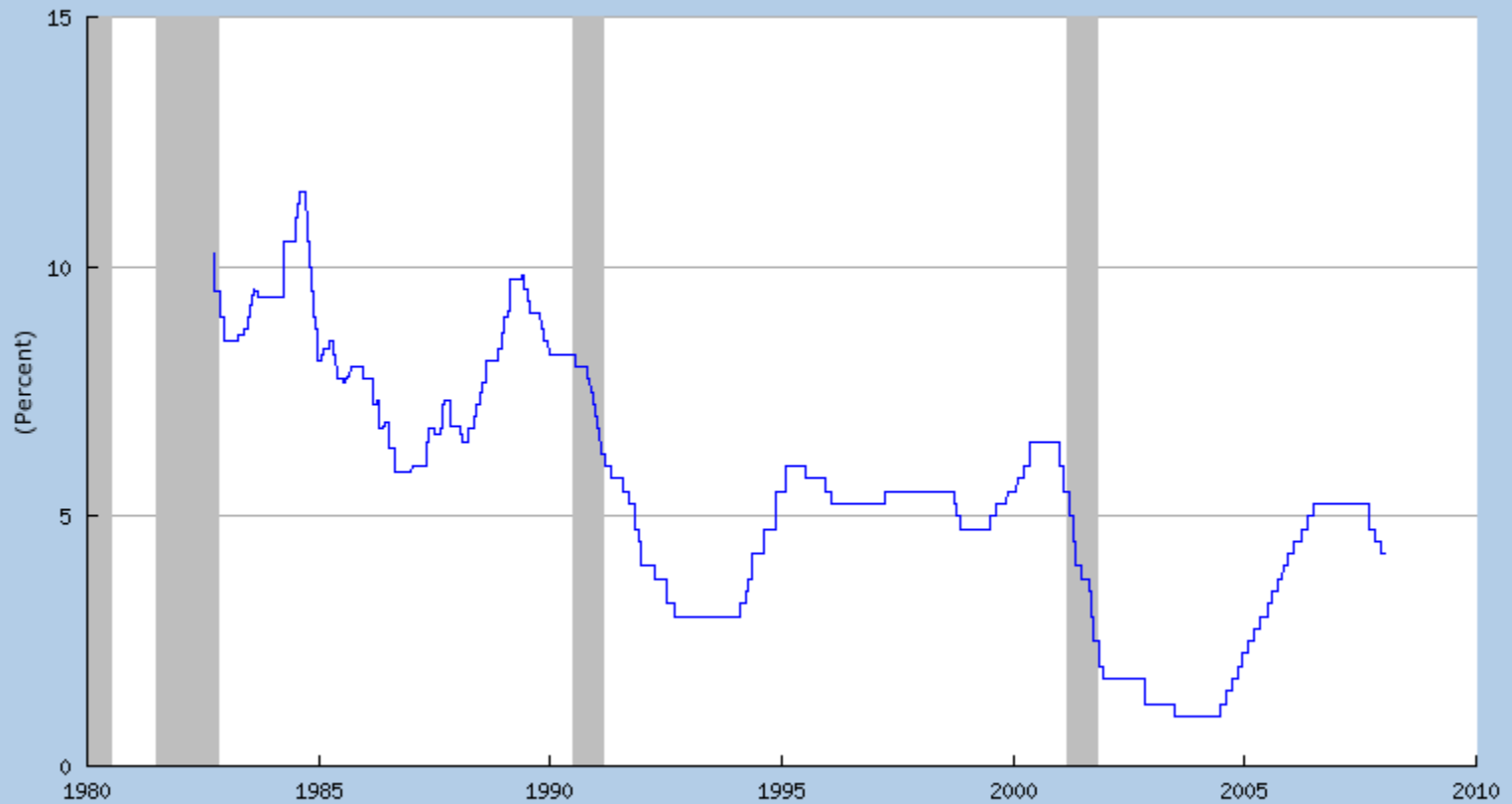
Net State and Local Government Saving (SLDEF)

Source: U.S. Department of Commerce: Bureau of Economic Analysis



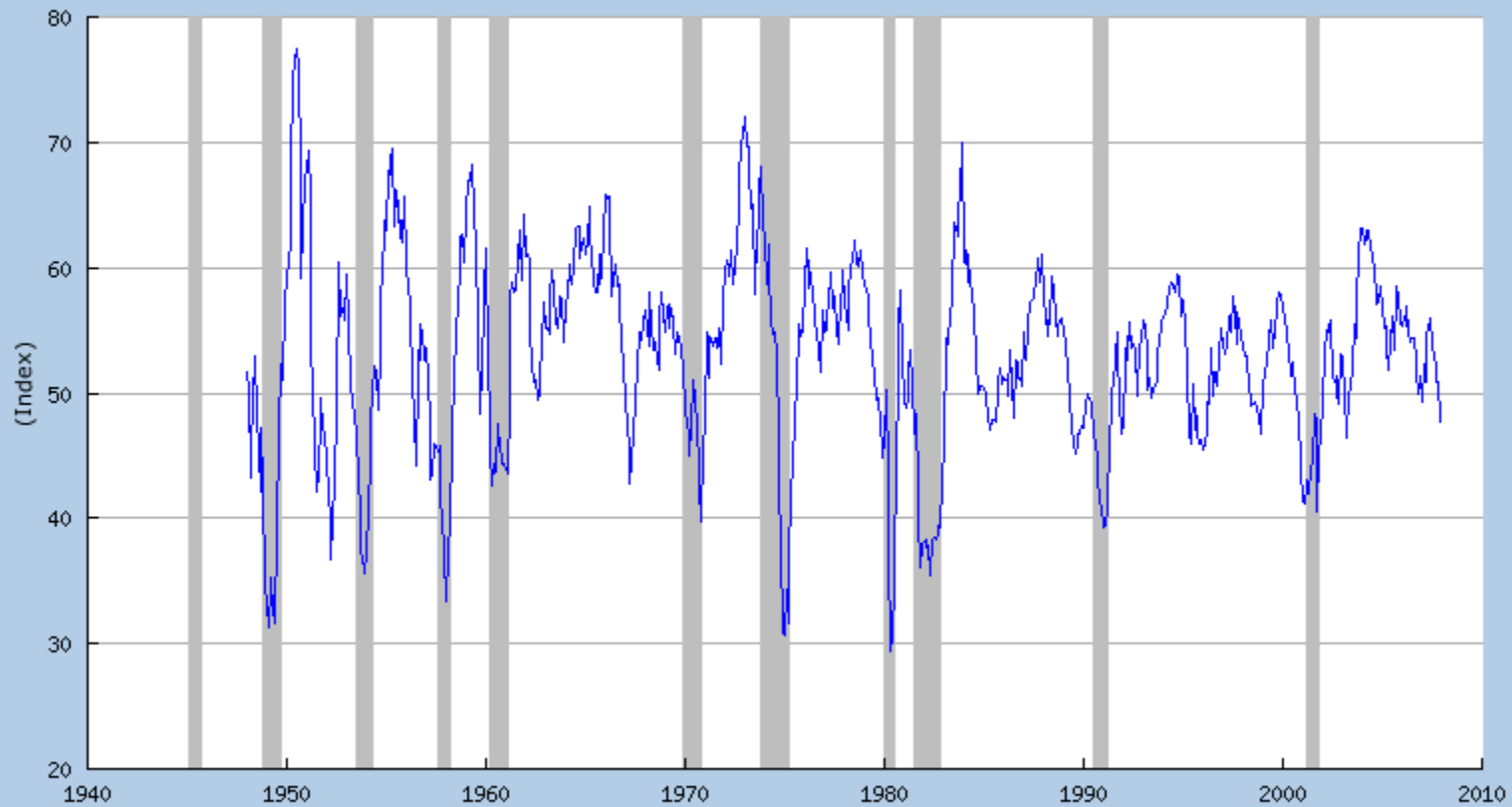
Shaded areas indicate US recessions as determined by the NBER.
2008 Federal Reserve Bank of St. Louis: research.stlouisfed.org

Federal Funds Target Rate (DFEDTAR)
Source: Board of Governors of the Federal Reserve System



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2008 Federal Reserve Bank of St. Louis: research.stlouisfed.org

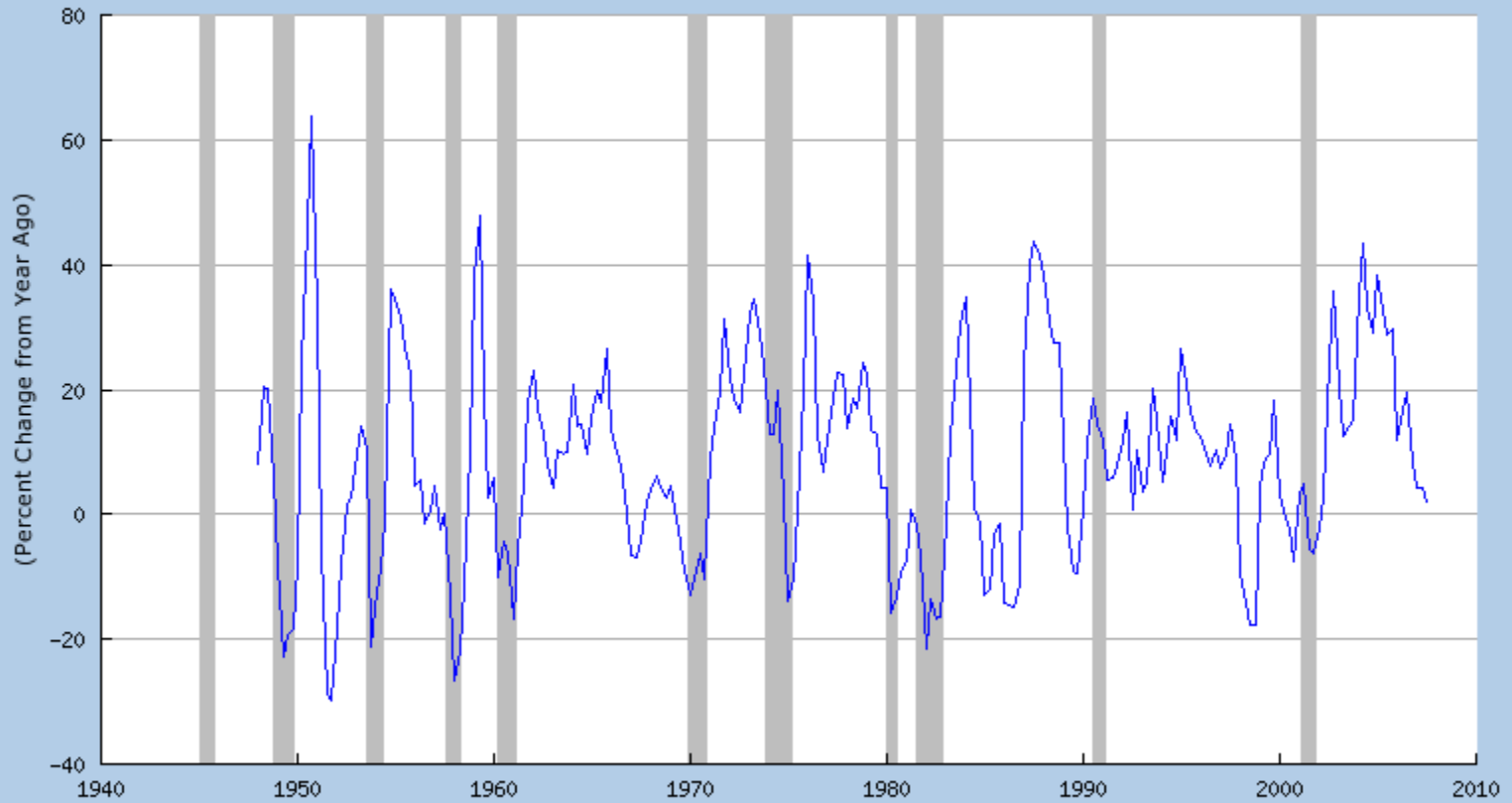
ISM Manufacturing: PMI Composite Index (NAPM)
Source: Institute for Supply Management



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2008 Federal Reserve Bank of St. Louis: research.stlouisfed.org

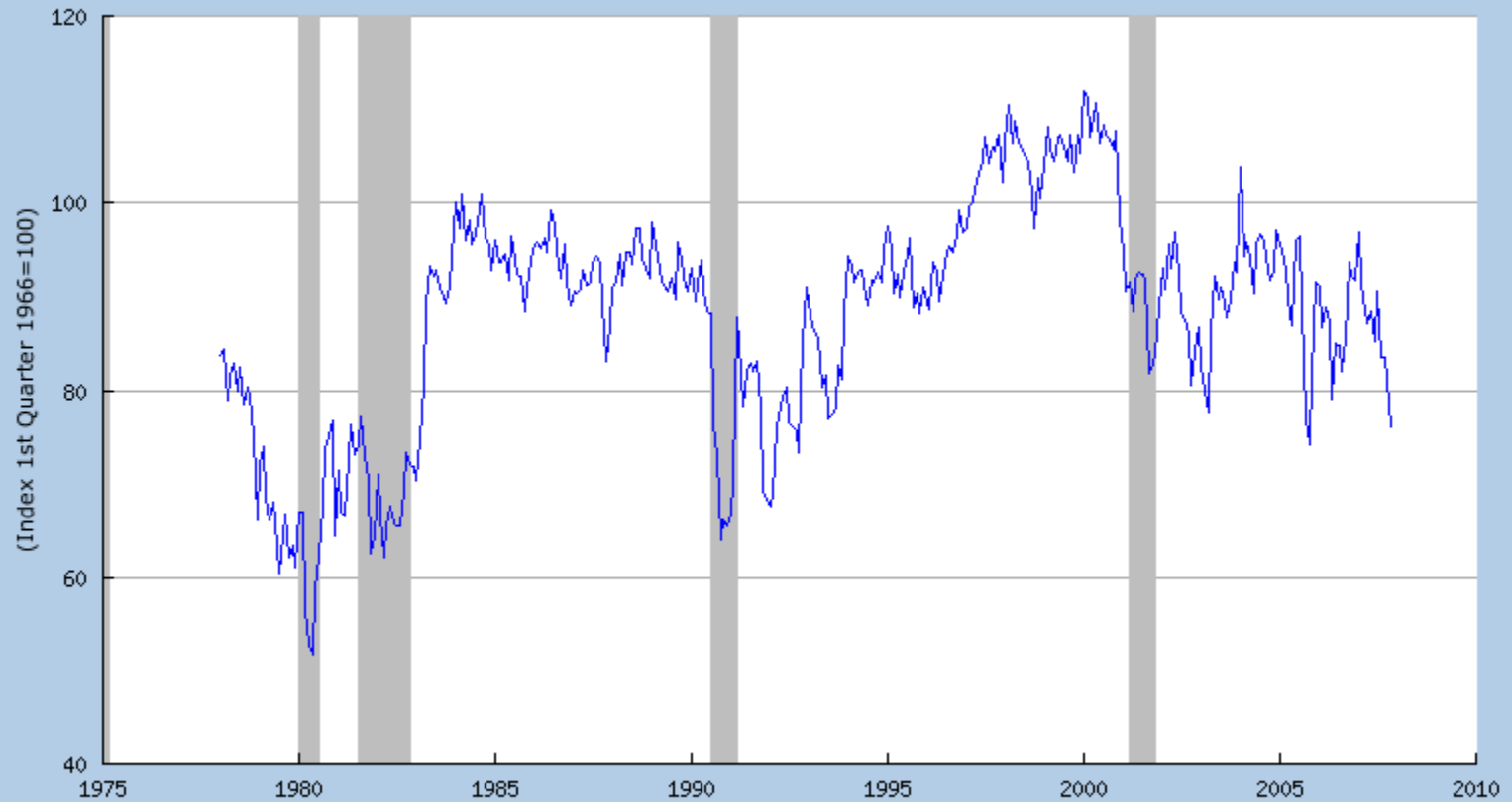
Corporate Profits After Tax (CP)

Source: U.S. Department of Commerce: Bureau of Economic Analysis



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2008 Federal Reserve Bank of St. Louis: research.stlouisfed.org

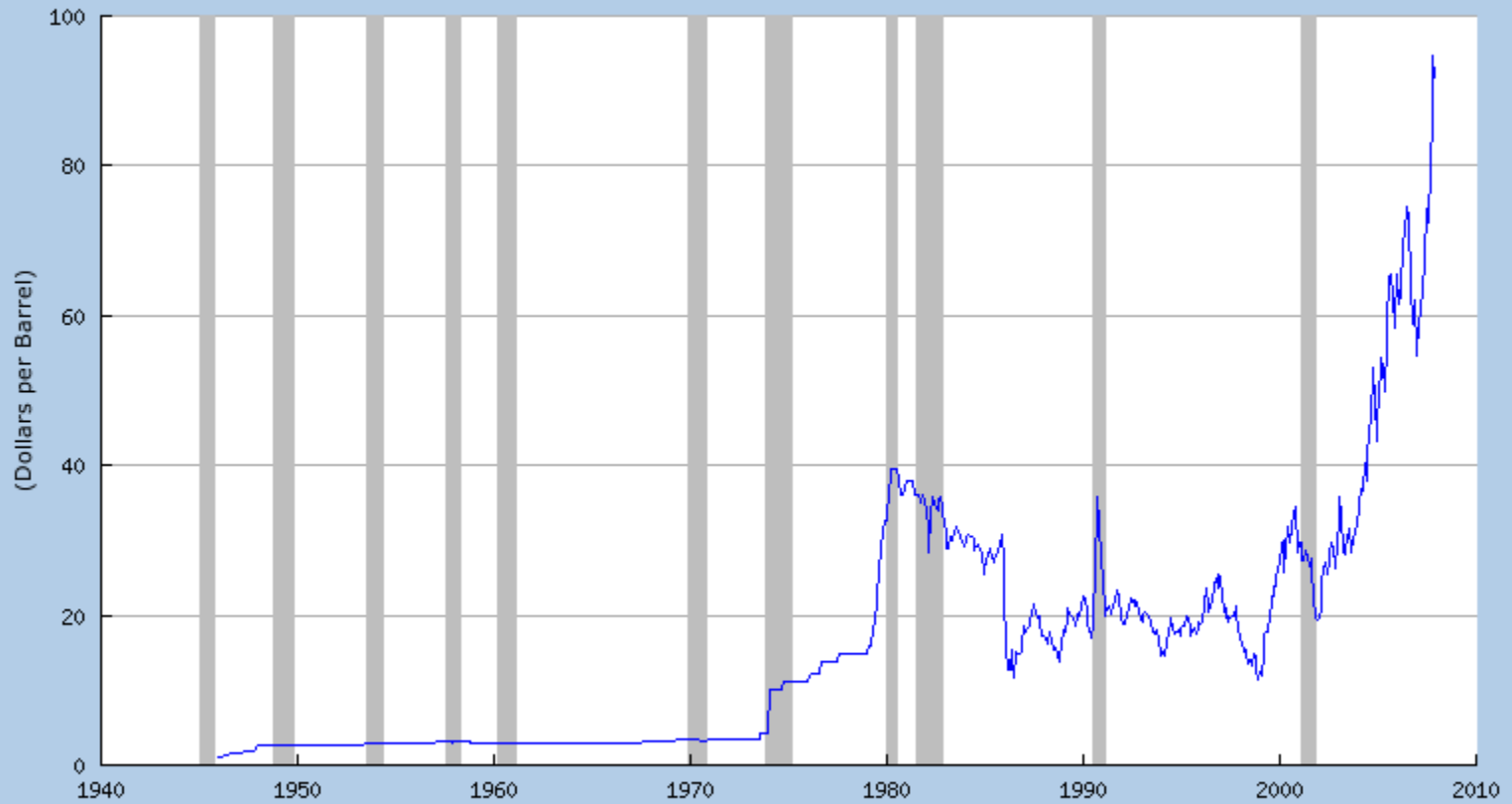
University of Michigan: Consumer Sentiment (UMCSENT)
Source: Survey Research Center: University of Michigan



Shaded areas indicate US recessions as determined by the NBER.
2008 Federal Reserve Bank of St. Louis: research.stlouisfed.org

Spot Oil Price: West Texas Intermediate (OILPRICE)

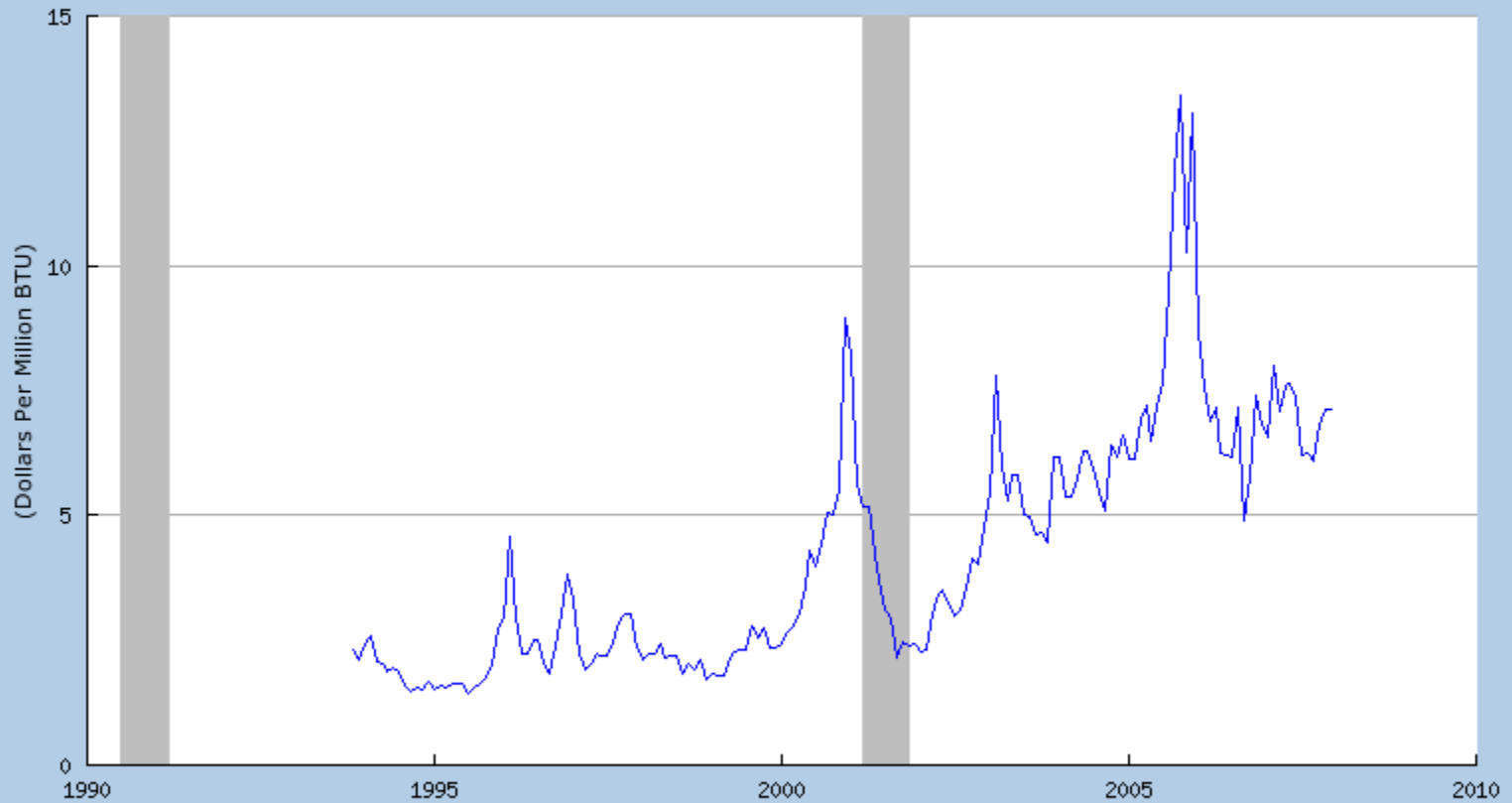
Source: Dow Jones & Company



Shaded areas indicate US recessions as determined by the NBER.

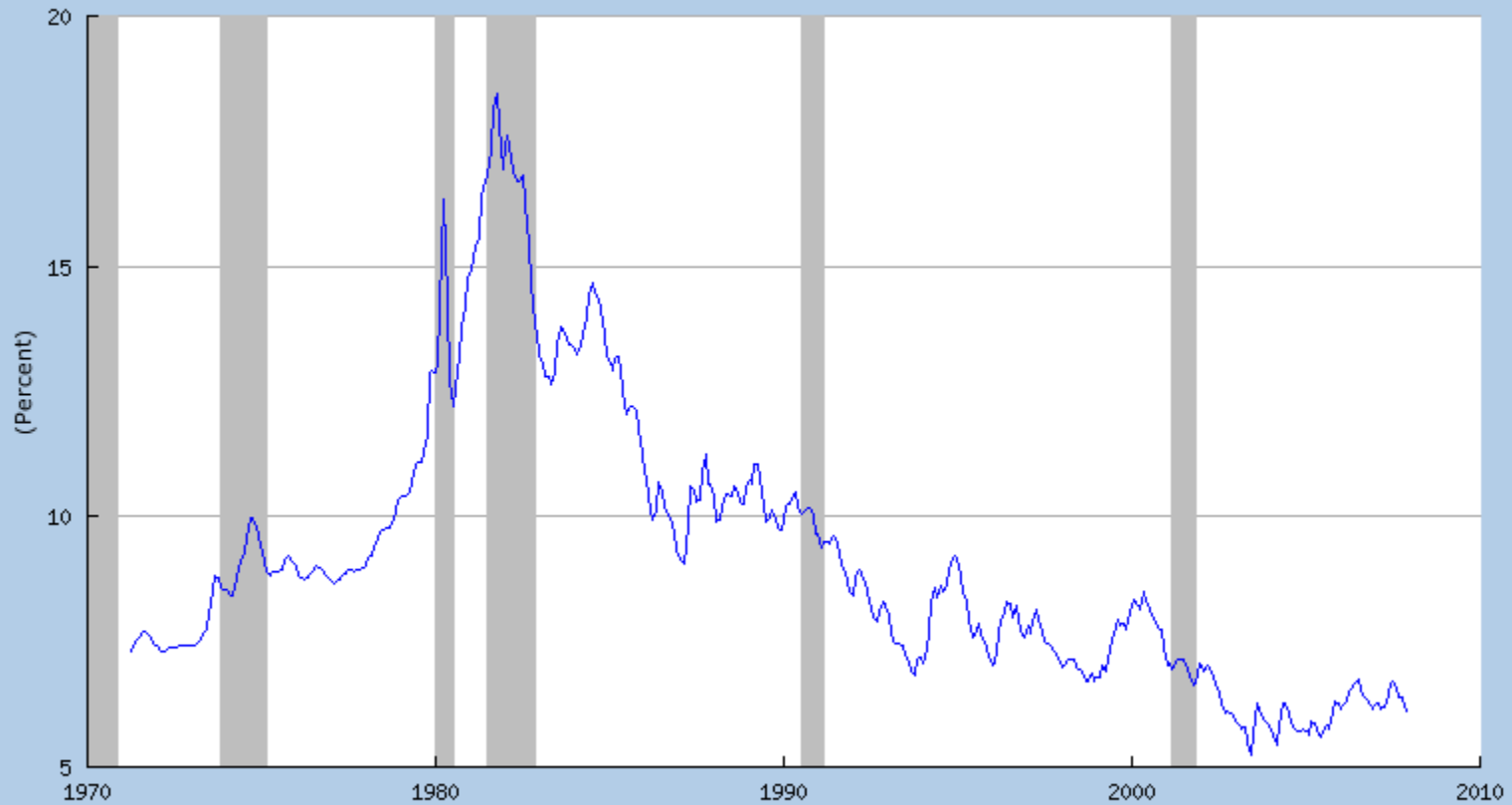
2008 Federal Reserve Bank of St. Louis: research.stlouisfed.org

Natural Gas Price: Henry Hub, LA (GASPRICE)
Source: Dow Jones & Company



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2008 Federal Reserve Bank of St. Louis: research.stlouisfed.org

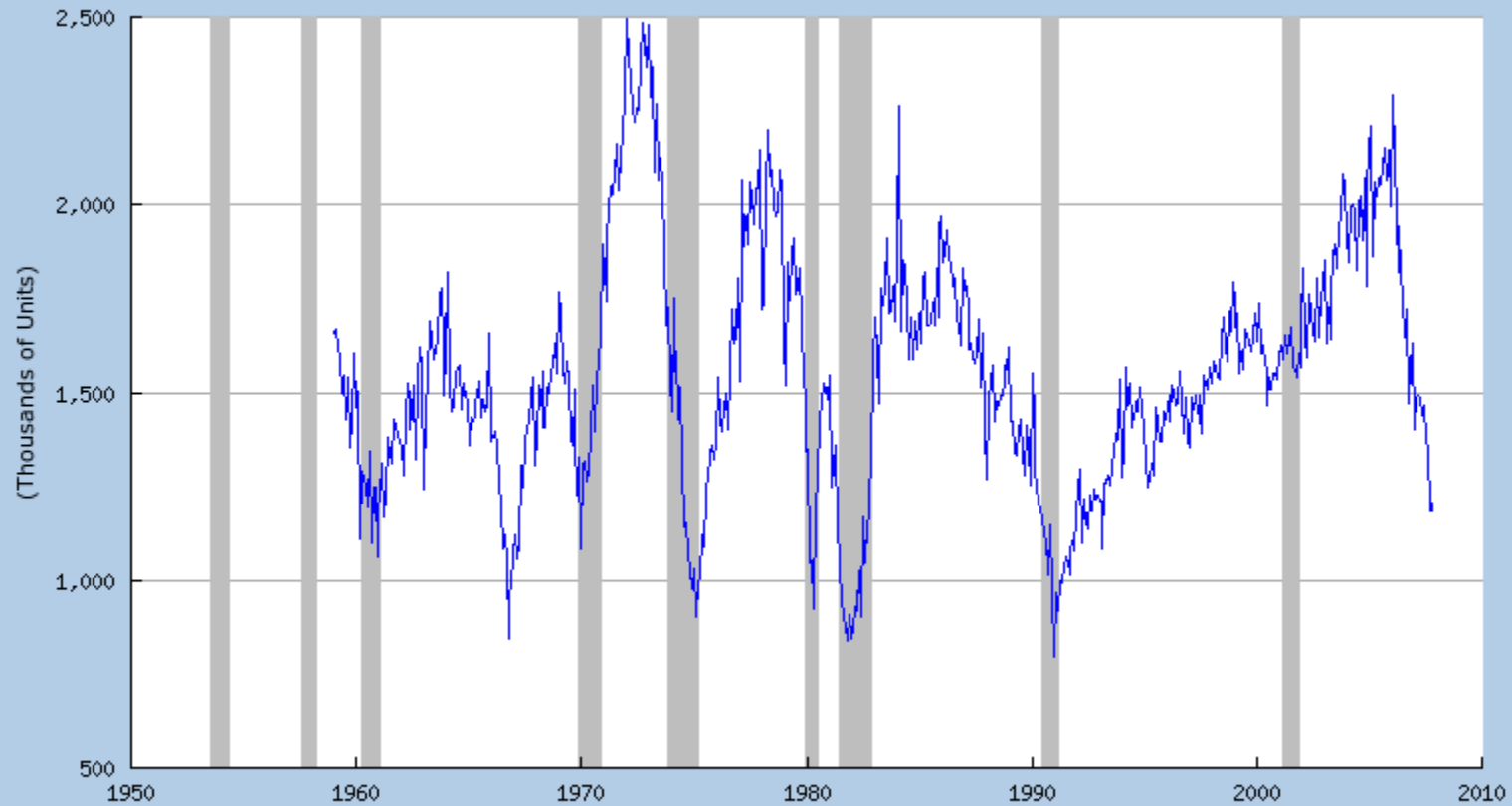
30-Year Conventional Mortgage Rate (MORTG)
Source: Board of Governors of the Federal Reserve System



Shaded areas indicate US recessions as determined by the NBER.
2008 Federal Reserve Bank of St. Louis: research.stlouisfed.org

Housing Starts: Total: New Privately Owned Housing Units Started (HOUST)

Source: U.S. Department of Commerce: Census Bureau

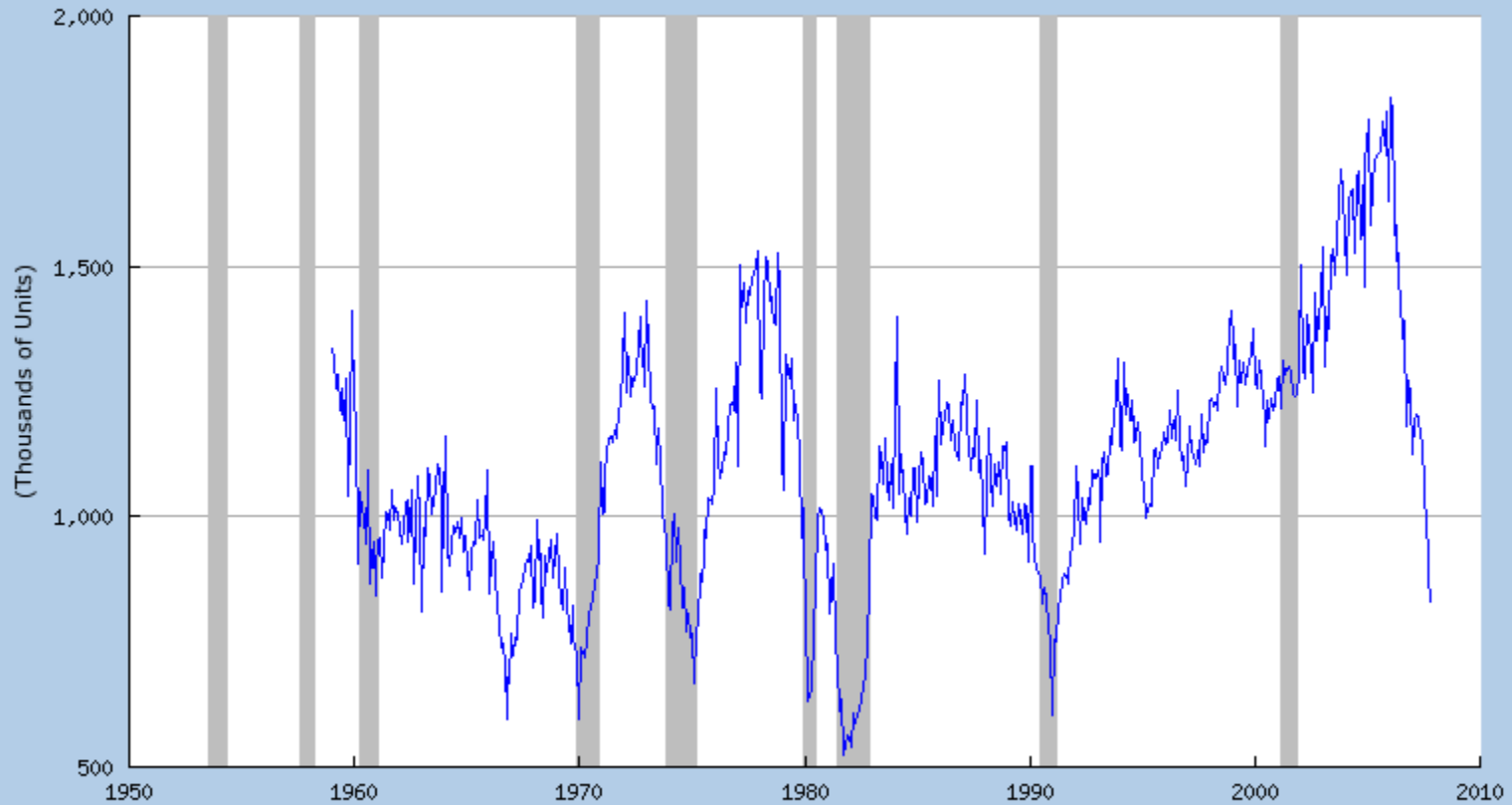


Shaded areas indicate US recessions as determined by the NBER.

2008 Federal Reserve Bank of St. Louis: research.stlouisfed.org

Privately Owned Housing Starts: 1-Unit Structures (HOUST1F)

Source: U.S. Department of Commerce: Census Bureau

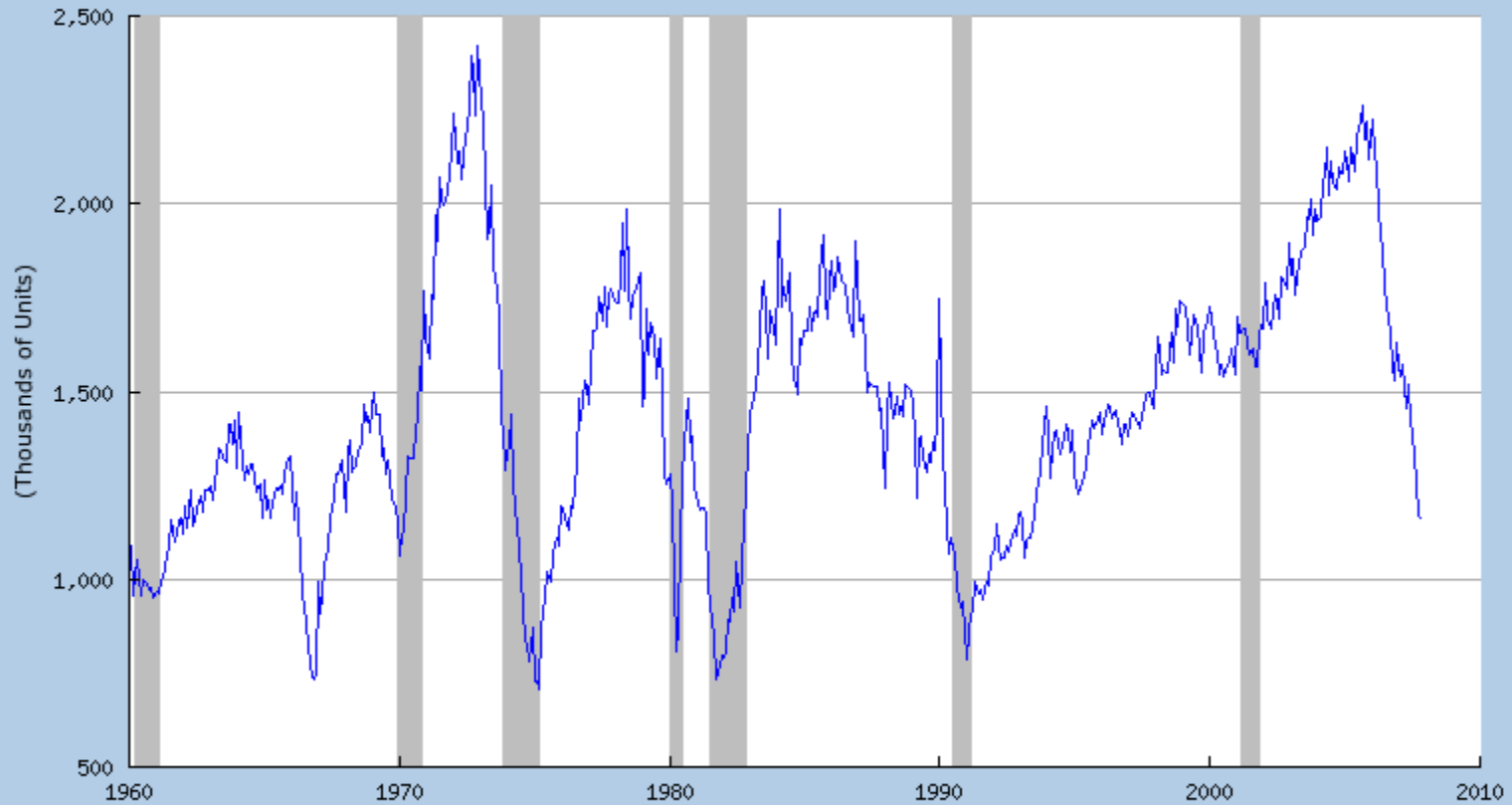


Shaded areas indicate US recessions as determined by the NBER.

2008 Federal Reserve Bank of St. Louis: research.stlouisfed.org

New Private Housing Units Authorized by Building Permit (PERMIT)

Source: U.S. Department of Commerce: Census Bureau

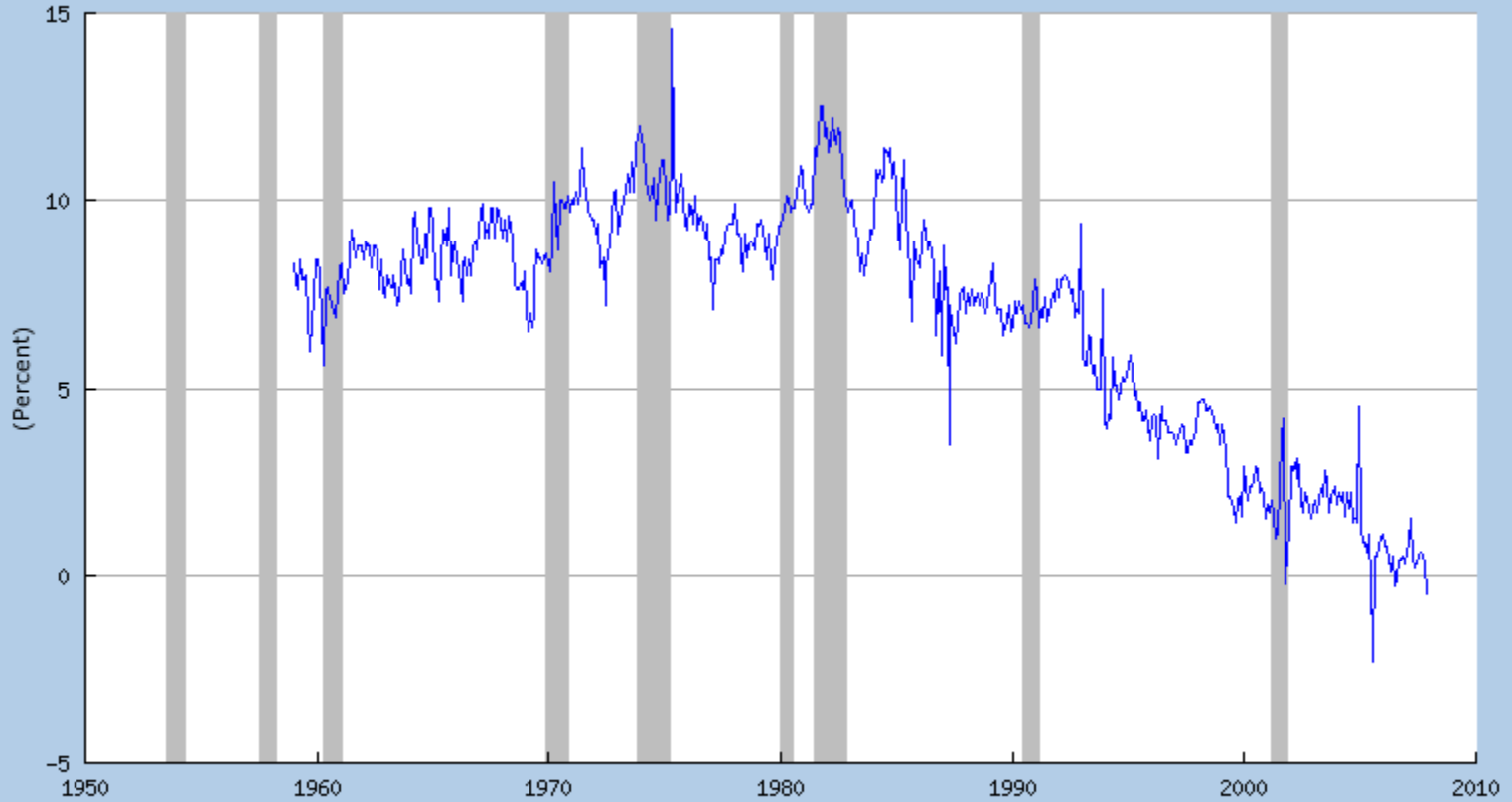


Shaded areas indicate US recessions as determined by the NBER.

2008 Federal Reserve Bank of St. Louis: research.stlouisfed.org

Personal Saving Rate (PSAVERT)

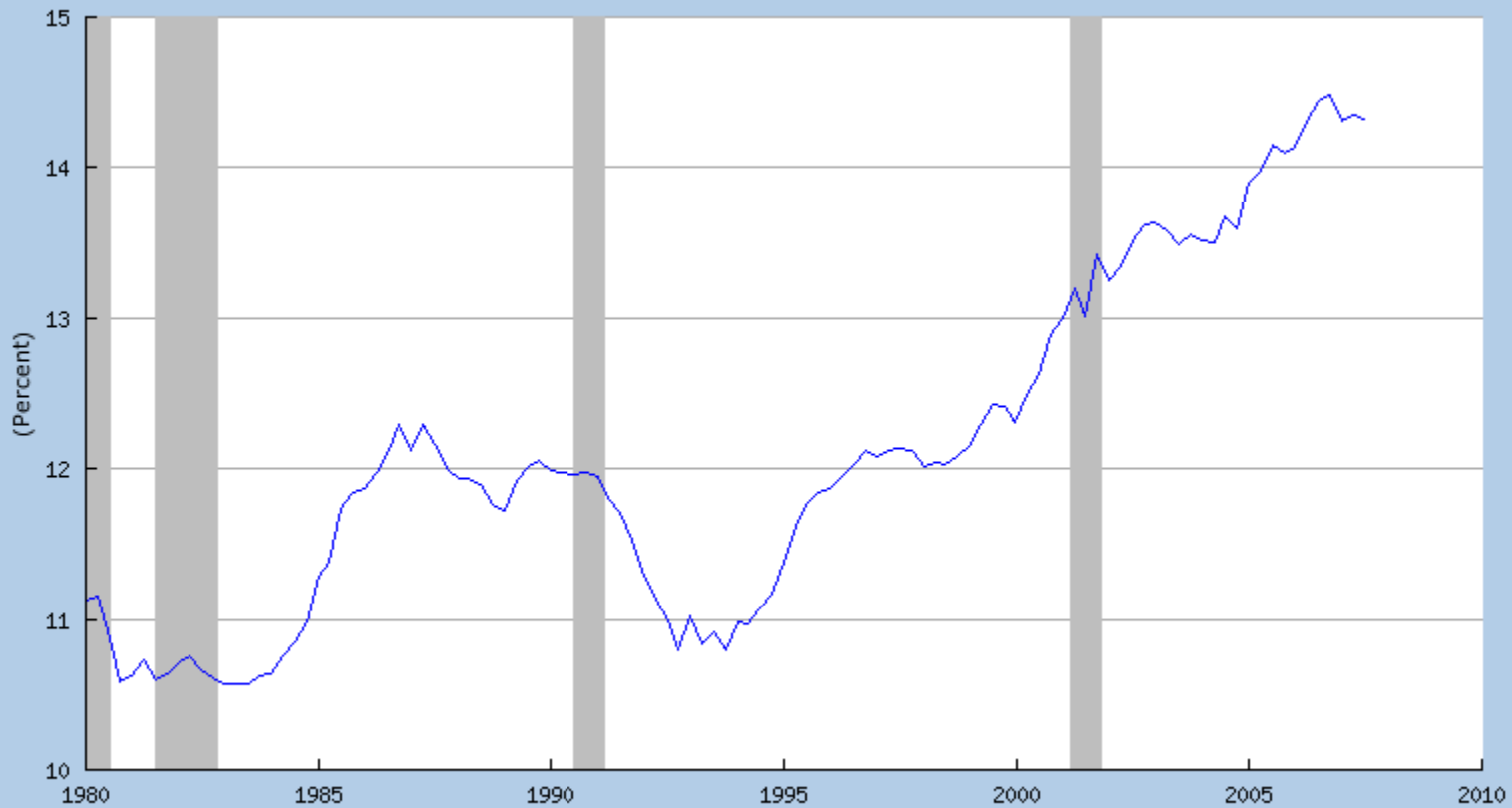
Source: U.S. Department of Commerce: Bureau of Economic Analysis



Shaded areas indicate US recessions as determined by the NBER.
2008 Federal Reserve Bank of St. Louis: research.stlouisfed.org

Household Debt Service Payments as a Percent of Disposable Personal Income (TDSP)

Source: Board of Governors of the Federal Reserve System

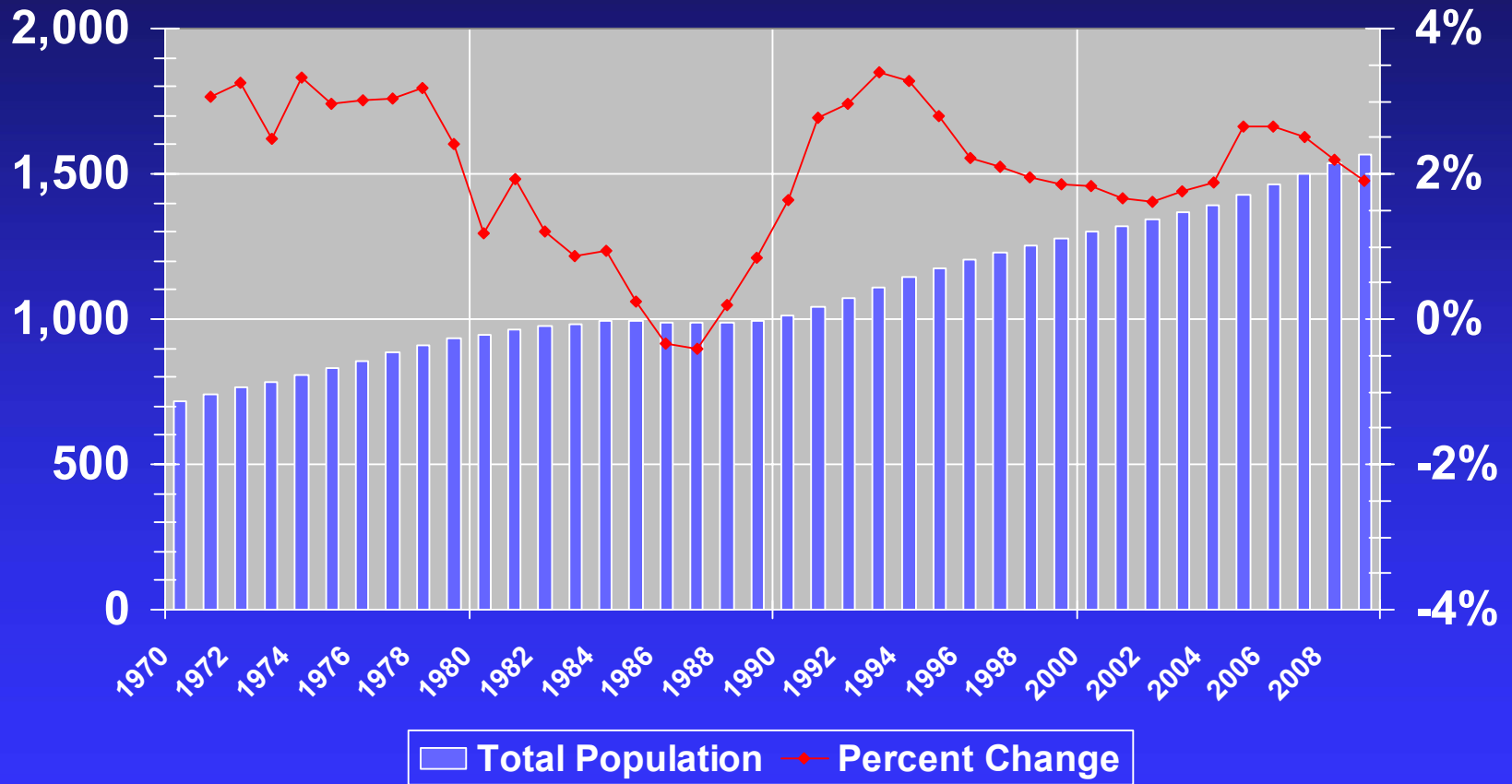


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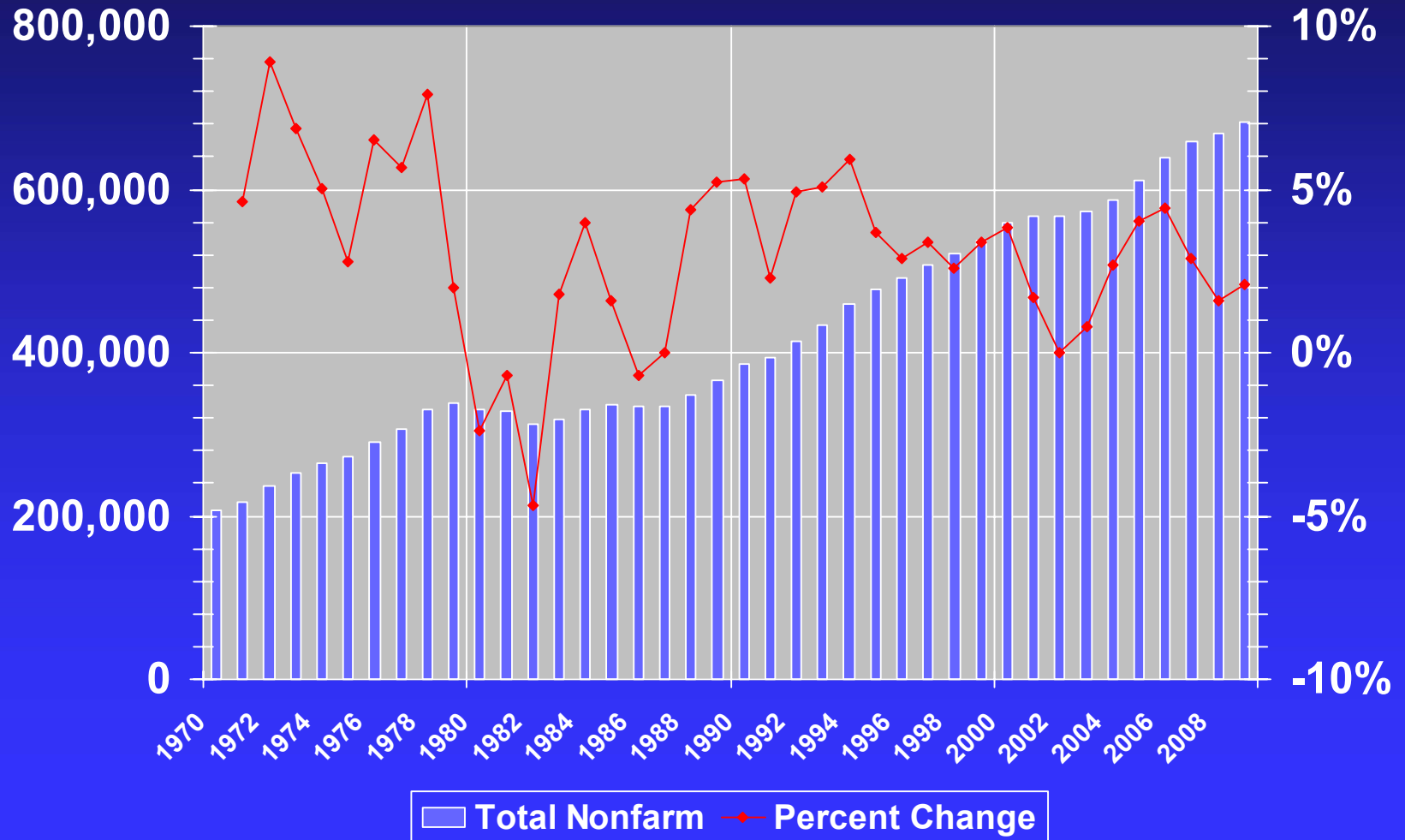
2008 Federal Reserve Bank of St. Louis: research.stlouisfed.org

Idaho Population

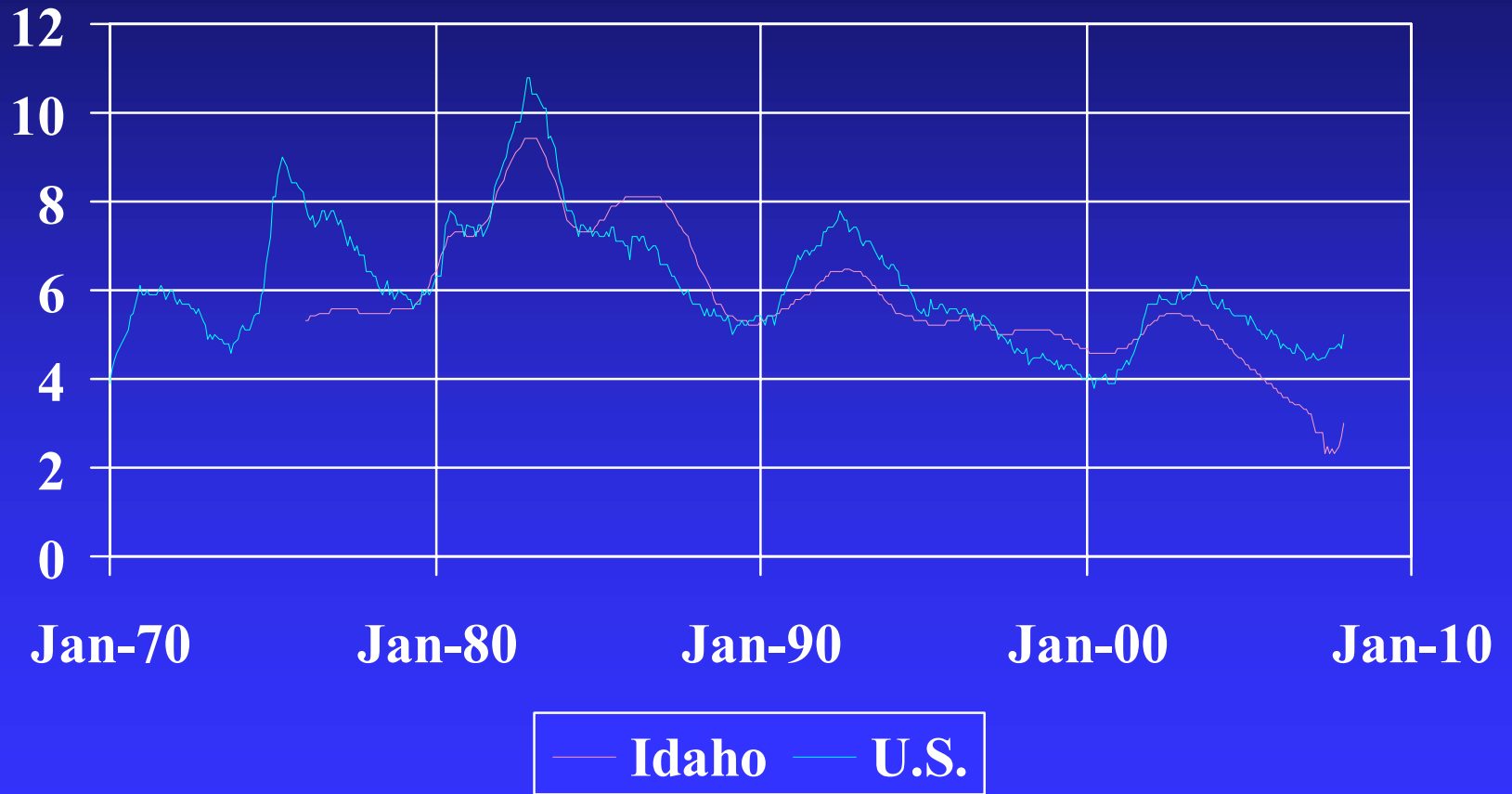
Thousands



Idaho Employment

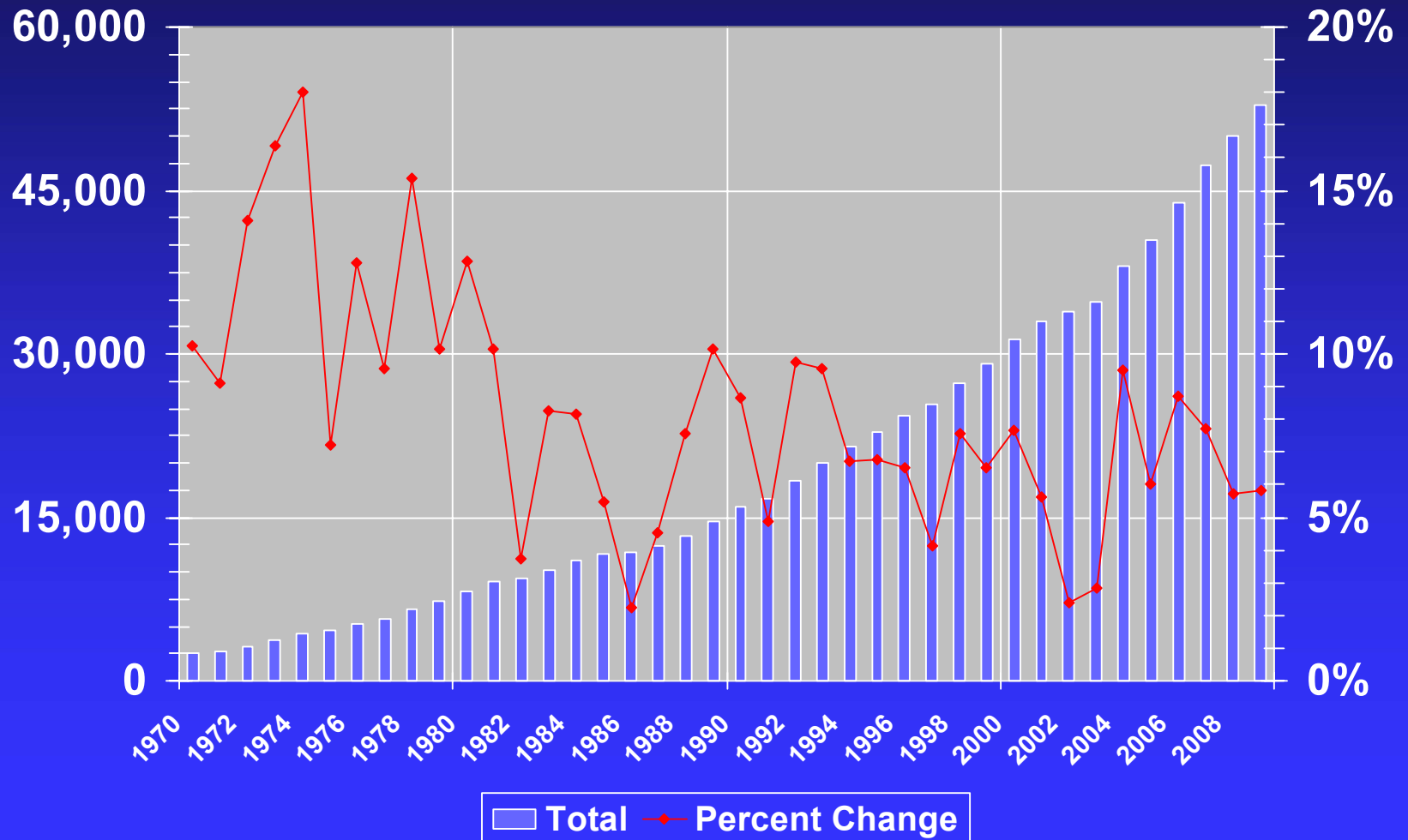


Unemployment Rate



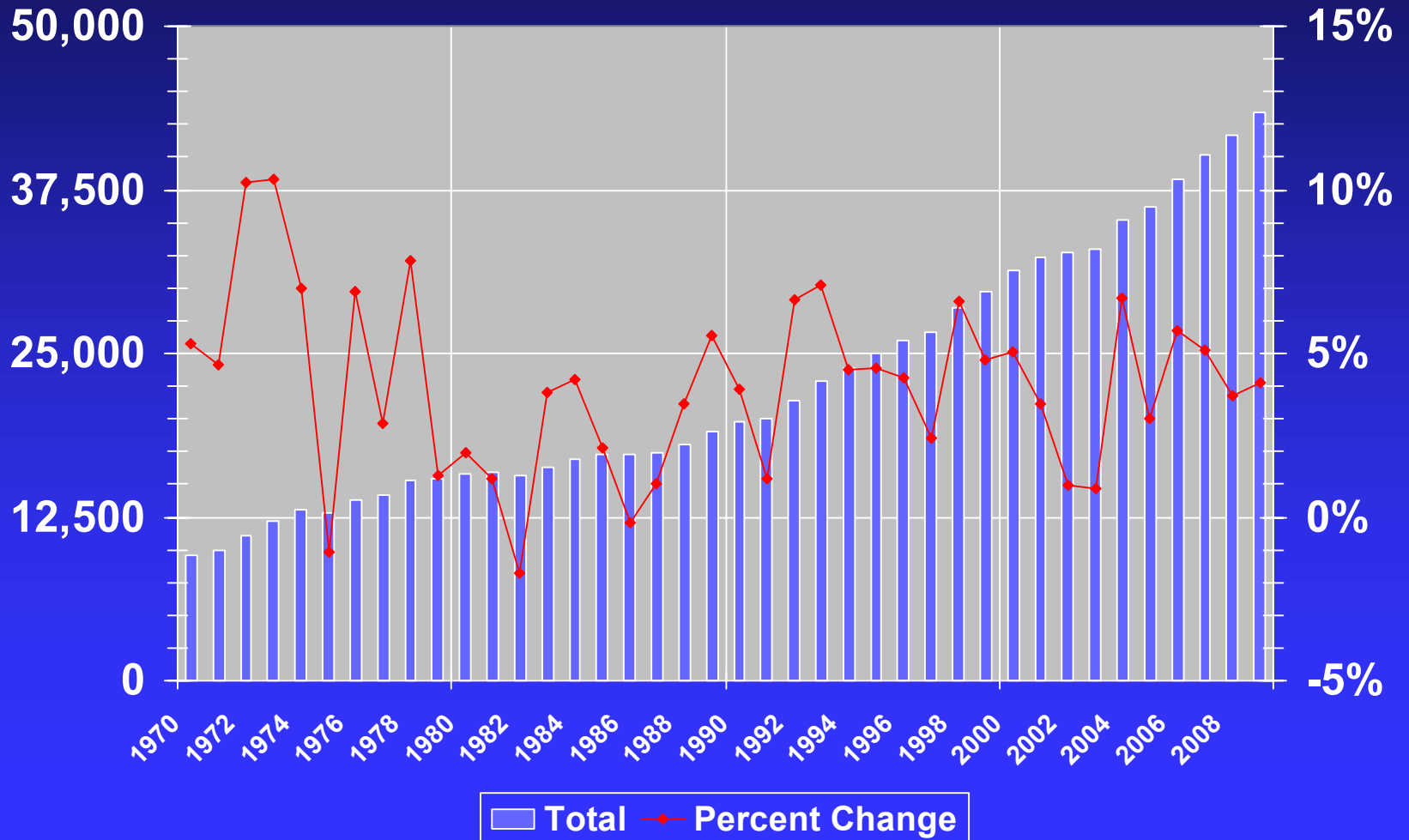
Idaho Personal Income

Millions

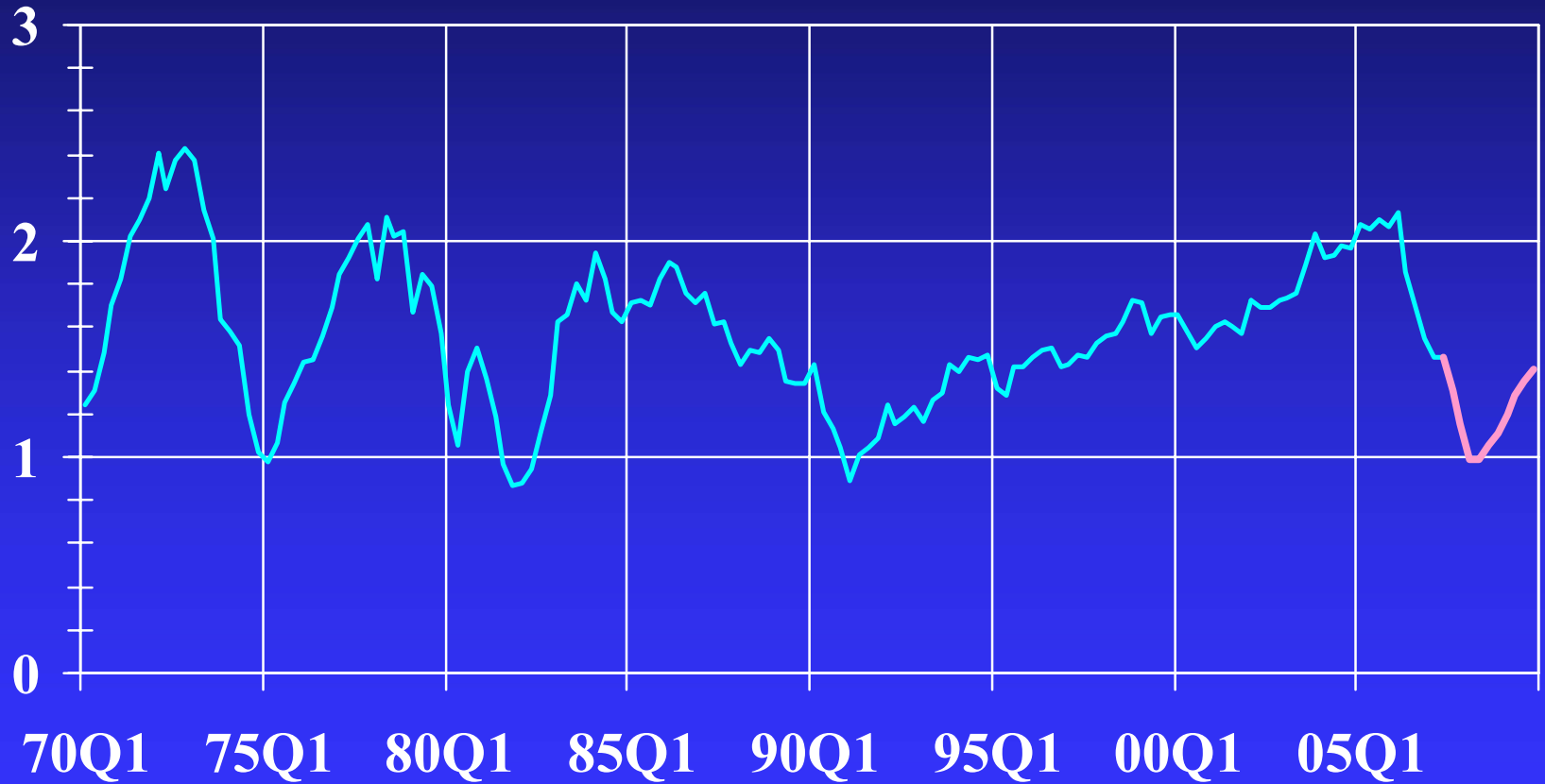


Idaho Real Personal Income

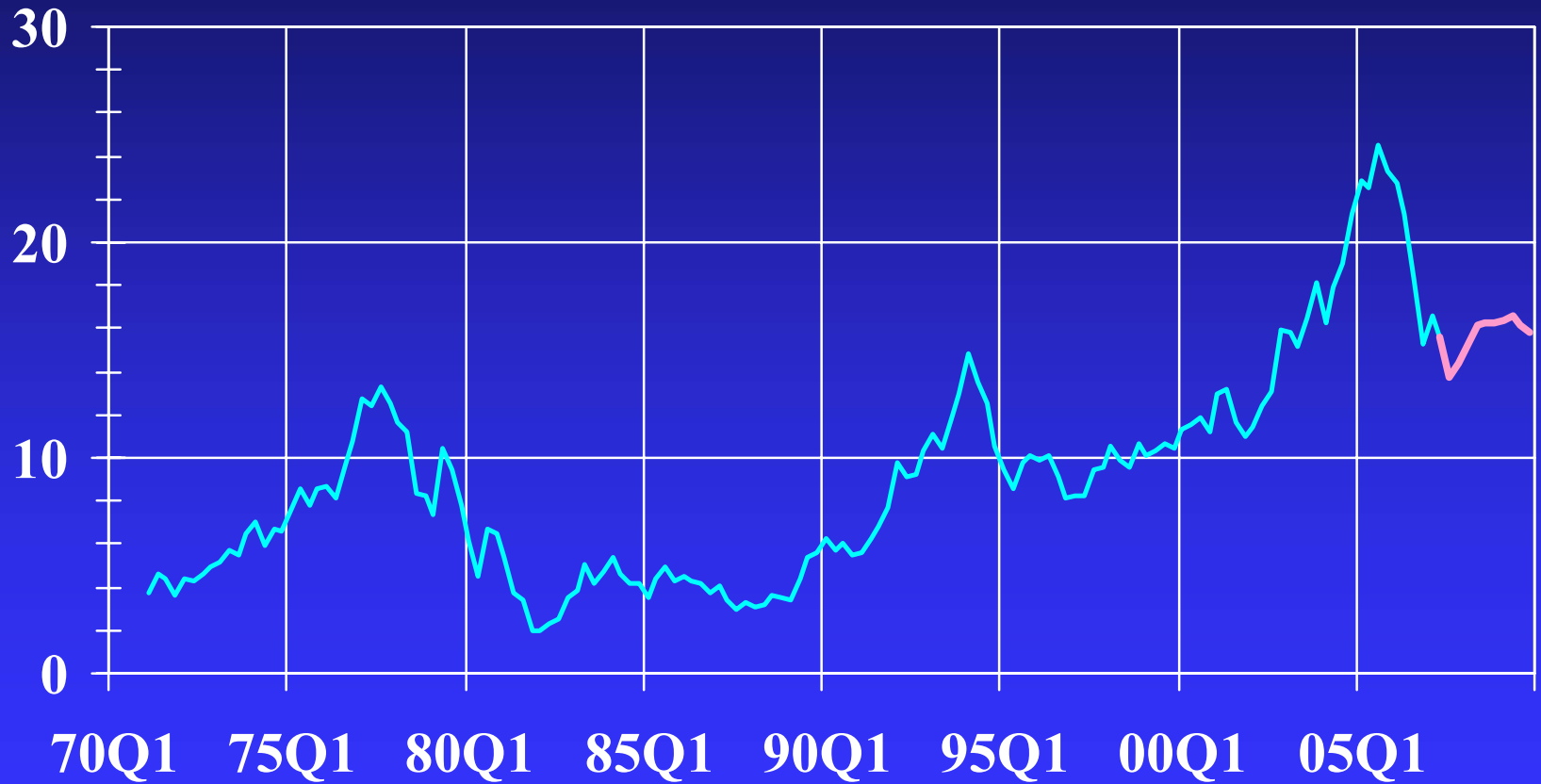
Millions – 2000 \$



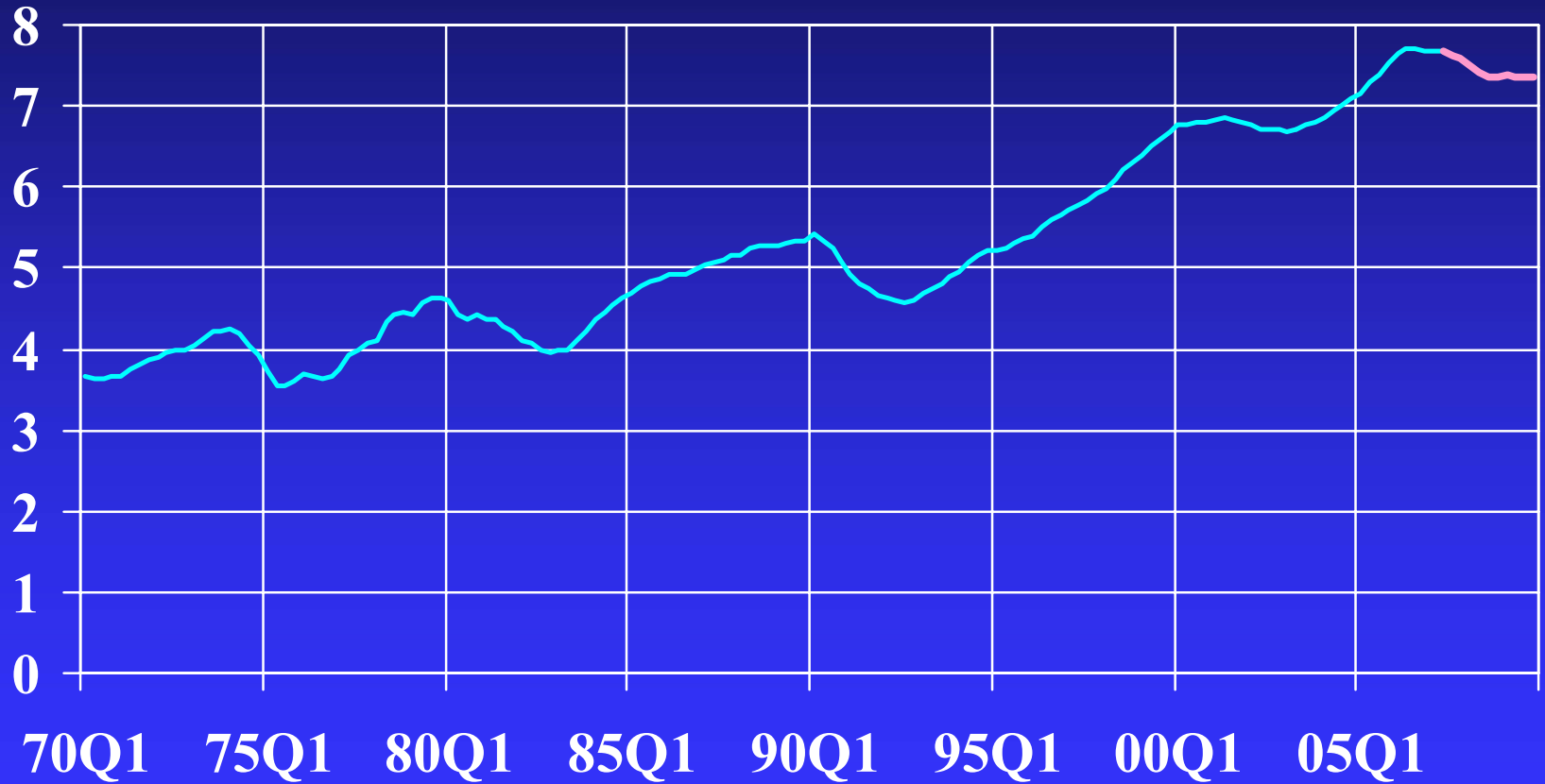
U.S. Housing Starts Millions



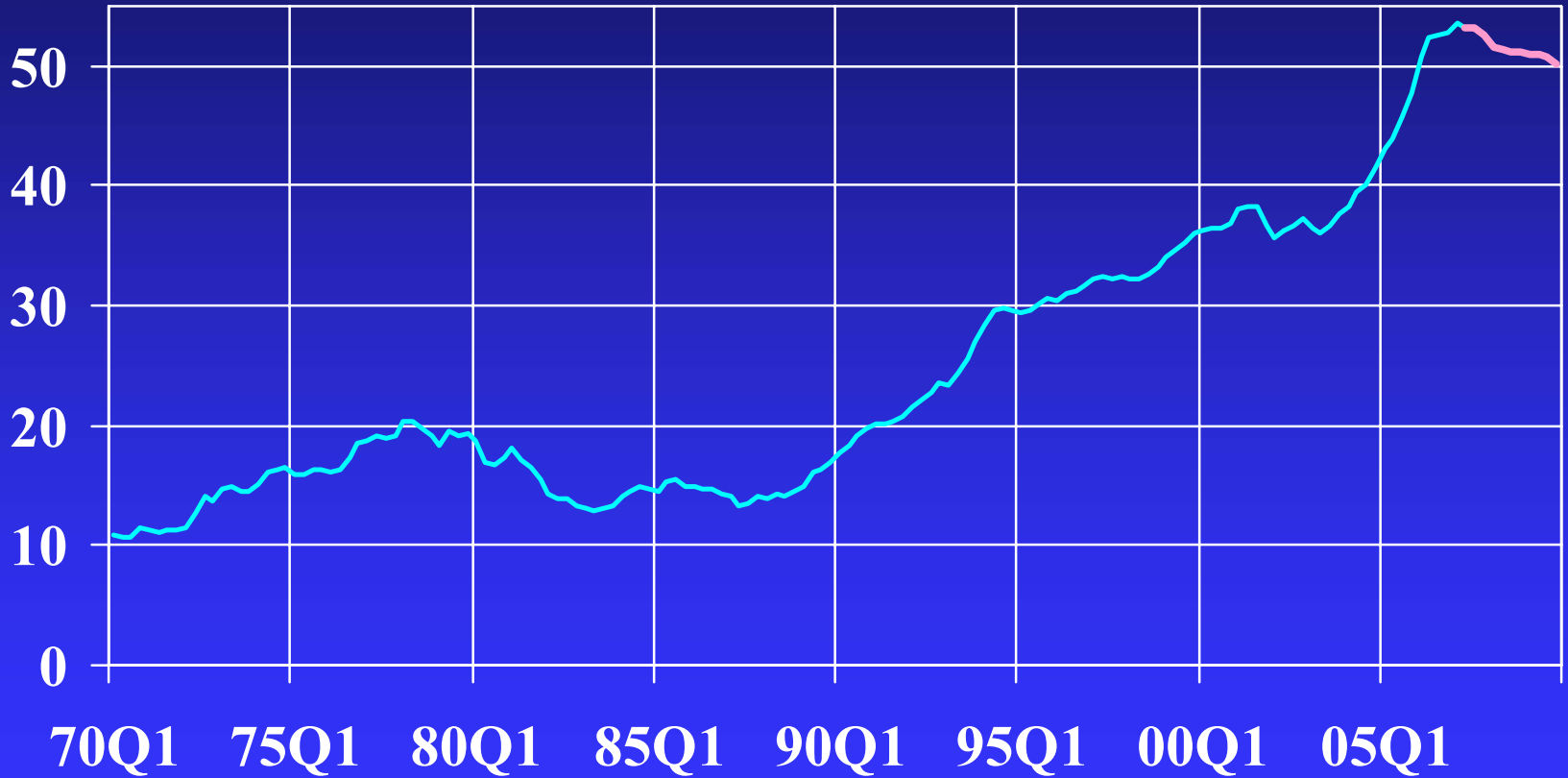
Idaho Housing Starts Thousands



U.S. Construction Employment Millions

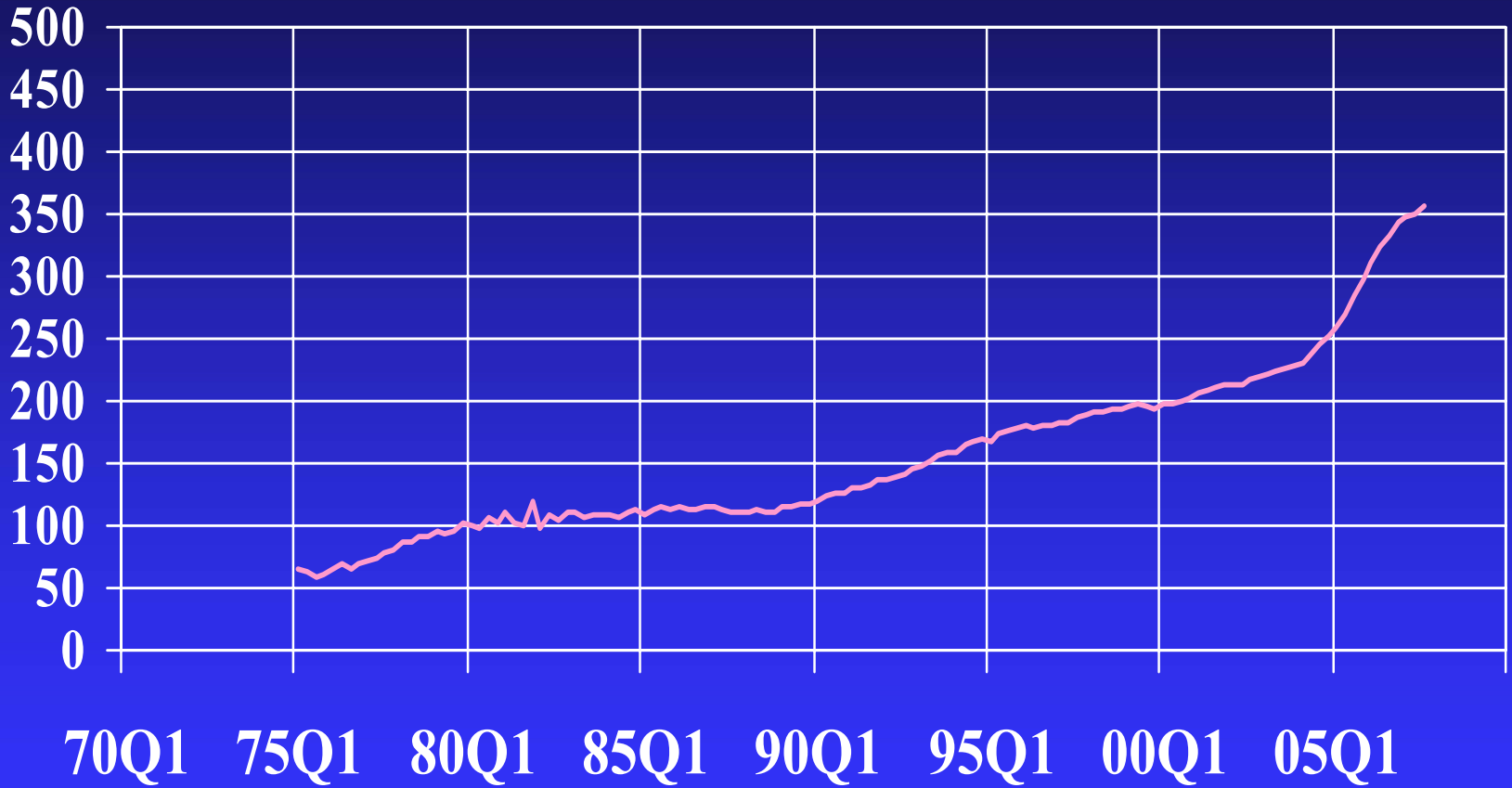


Idaho Construction Employment Thousands



Housing Price Index

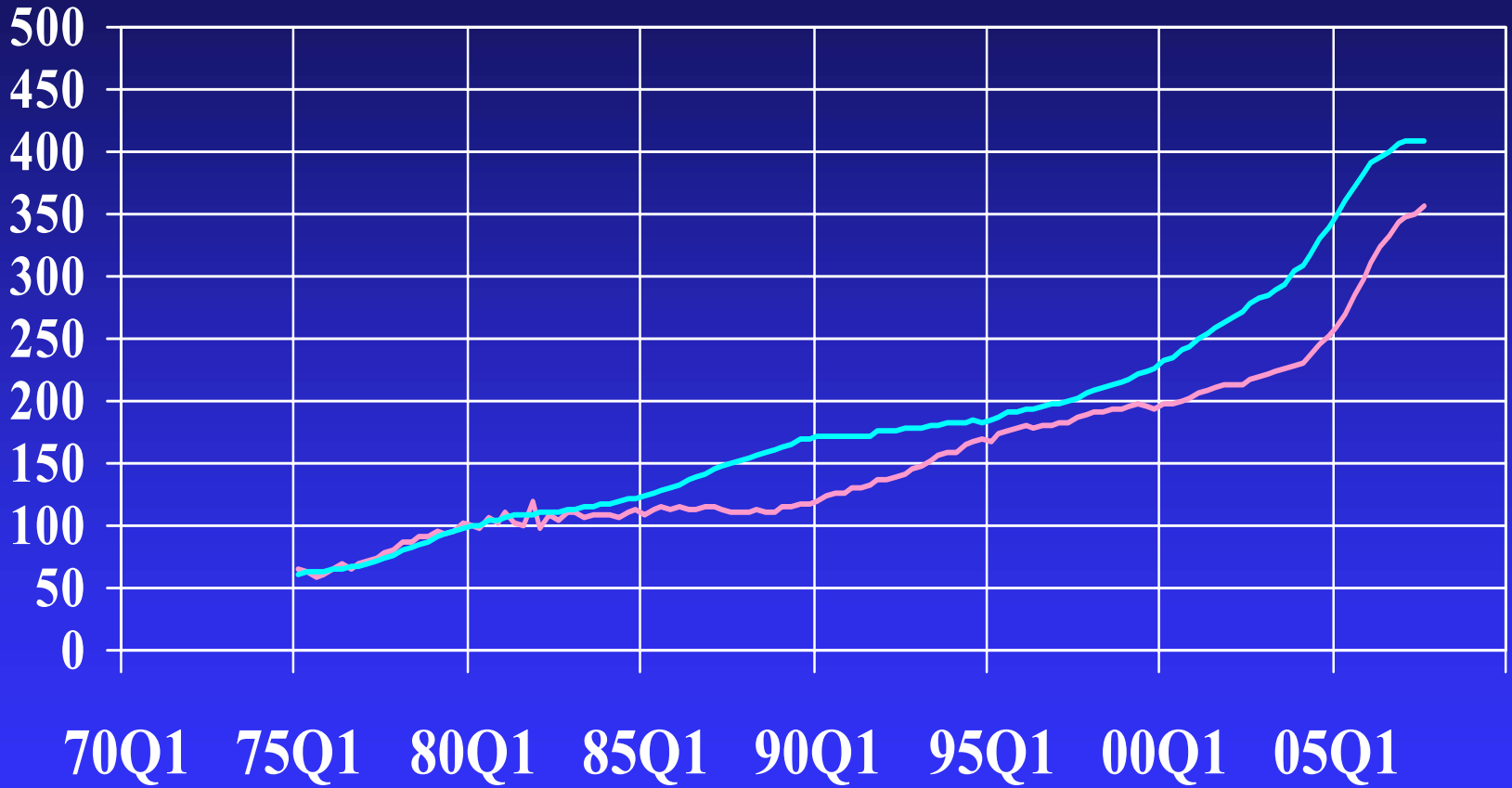
1980Q1=100



— Idaho — U.S.

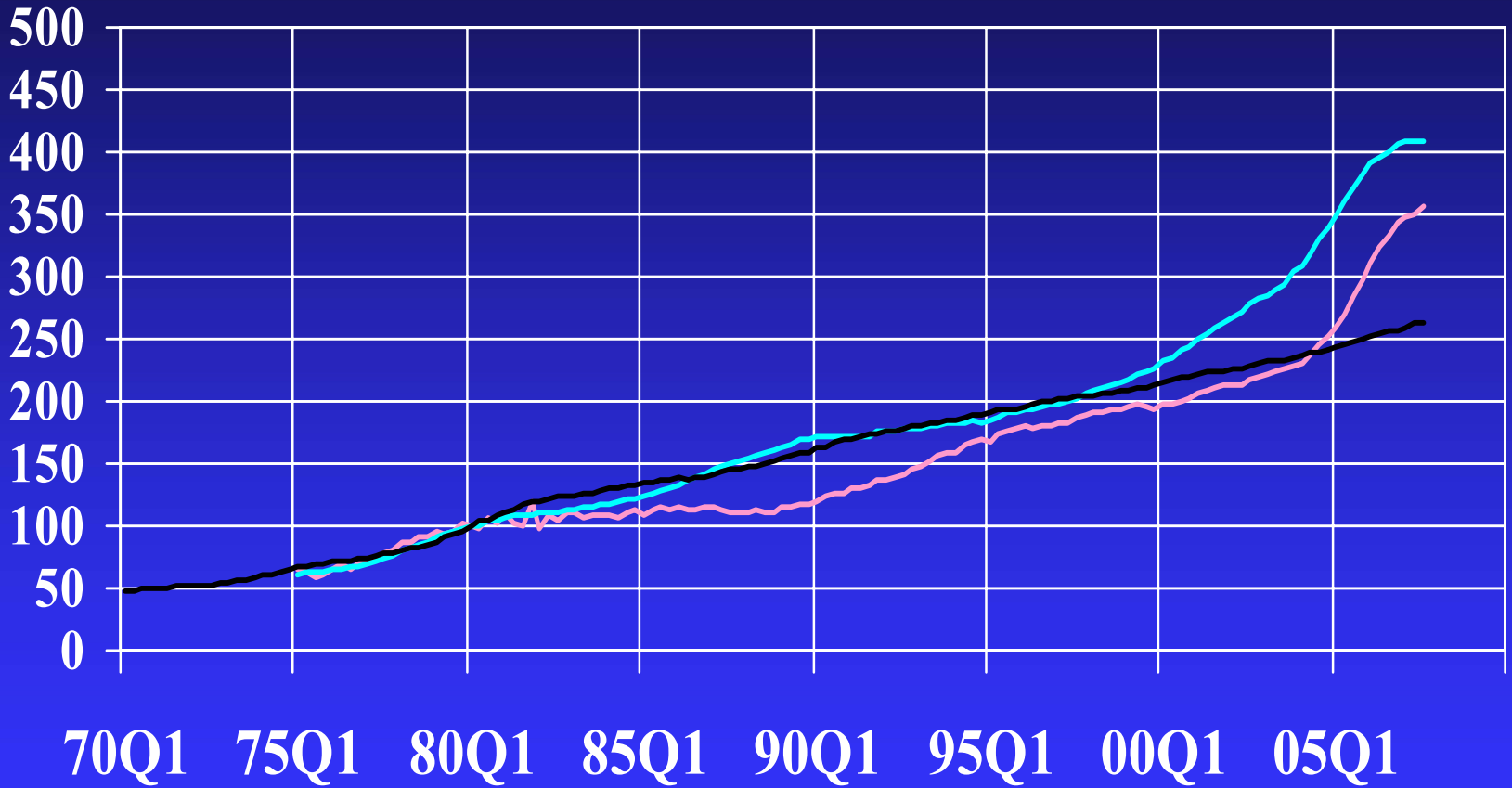
Housing Price Index

1980Q1=100



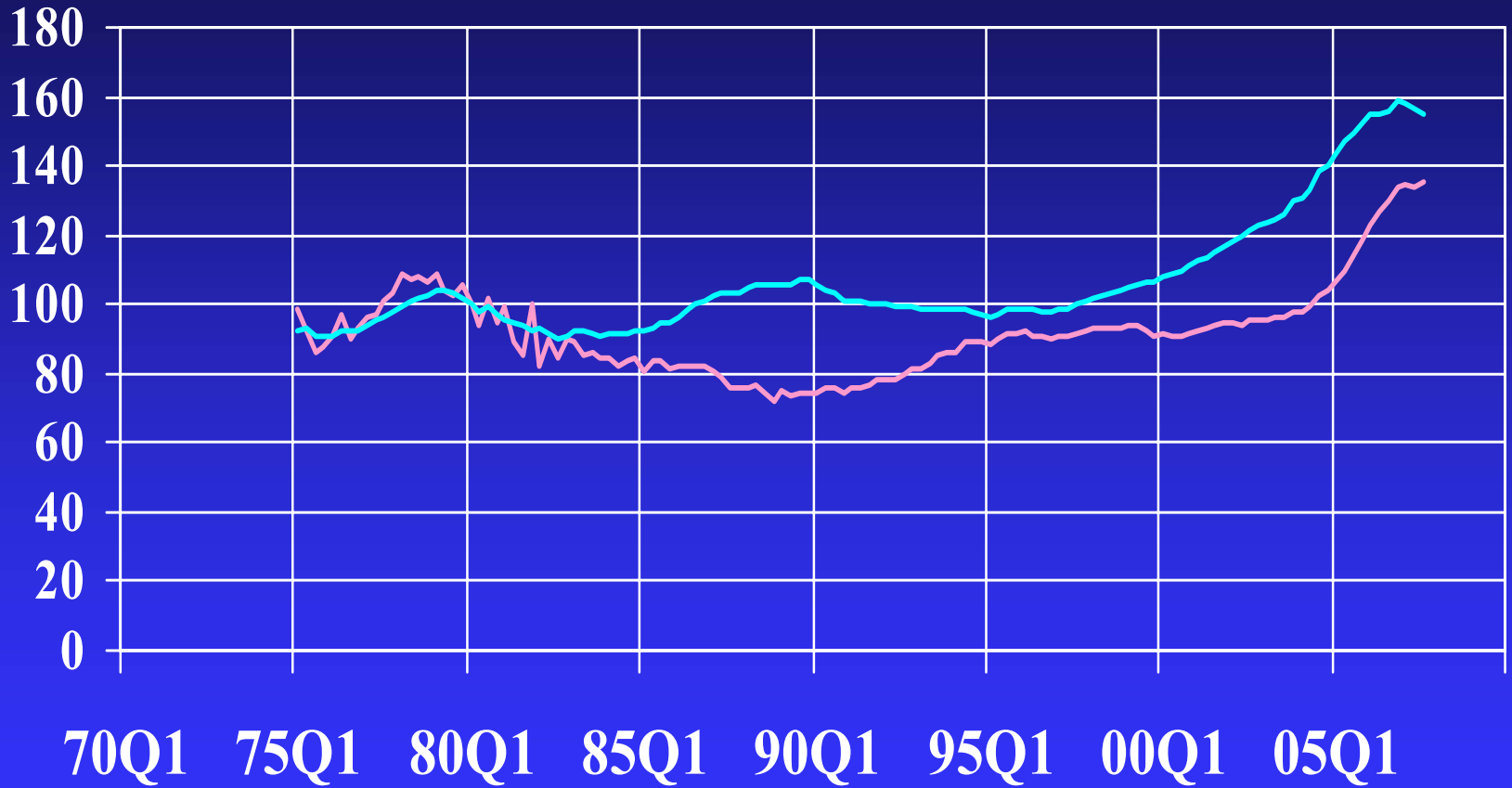
— Idaho — U.S.

Housing Price Index & CPI-U 1980Q1=100



— Idaho — U.S. — U.S. CPI-U

Inflation Adjusted Housing Price Index 1980Q1=100



— Idaho — U.S.

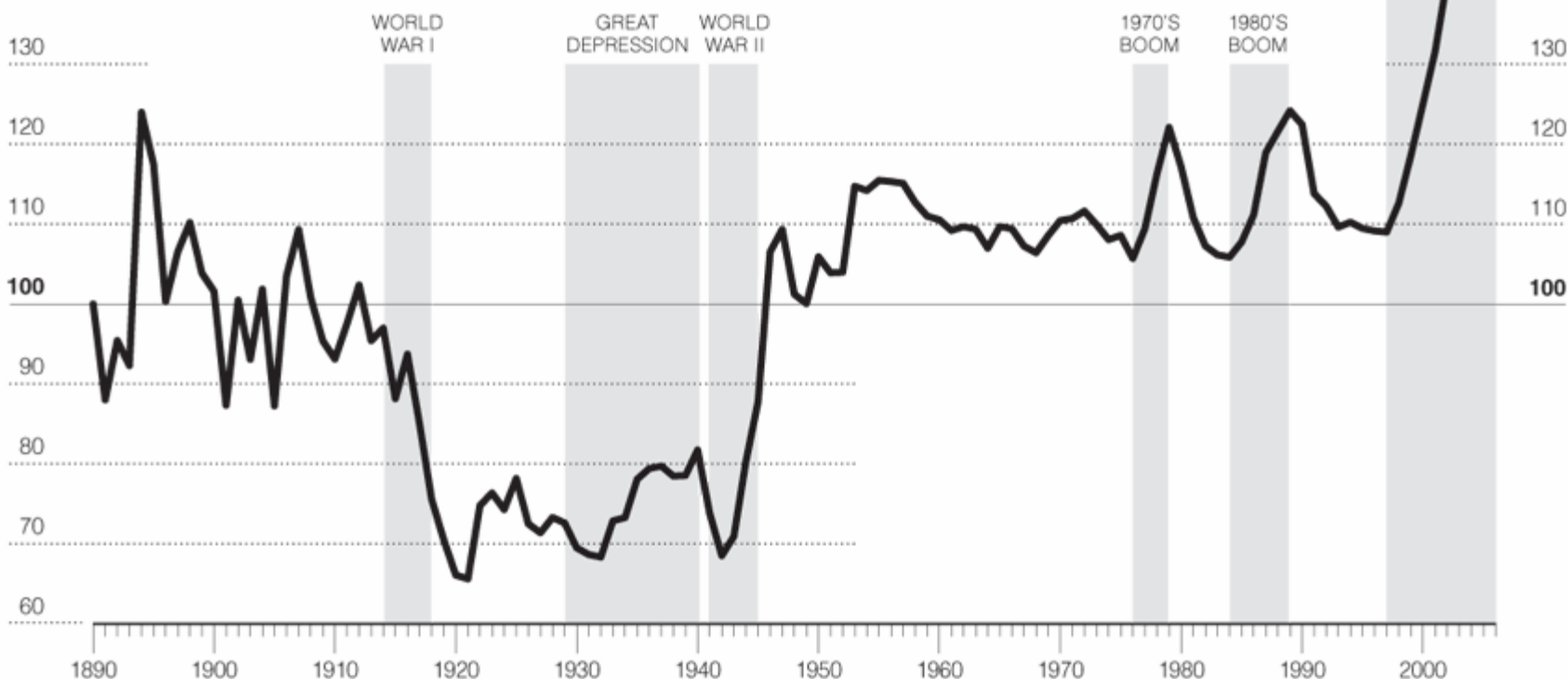
A History of Home Values

The Yale economist Robert J. Shiller created an index of American housing prices going back to 1890. It is based on sale prices of standard existing houses, not new construction, to track the value of housing as an investment over time. It presents housing values in consistent terms over 116 years, factoring out the effects of inflation.

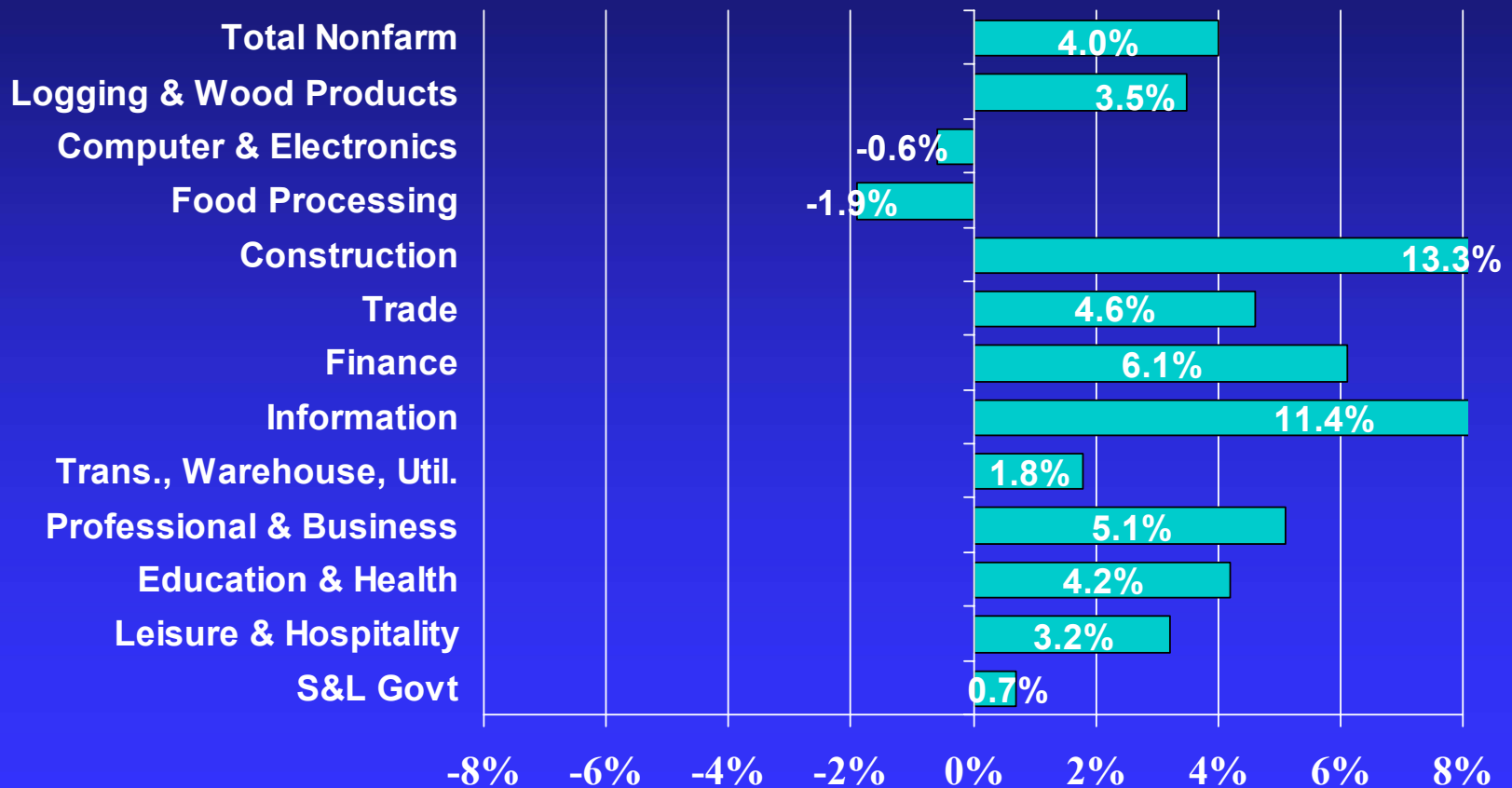
The 1890 benchmark is 100 on the chart. If a standard house sold in 1890 for \$100,000 (inflation-adjusted to today's dollars), an equivalent standard house would have sold for \$66,000 in 1920 (66 on the index scale) and \$199,000 in 2006 (199 on the index scale, or 99 percent higher than 1890).

DECLINE AND RUN-UP Prices dropped as mass production techniques appeared early in the 20th century. Prices spiked with post-war housing demand.

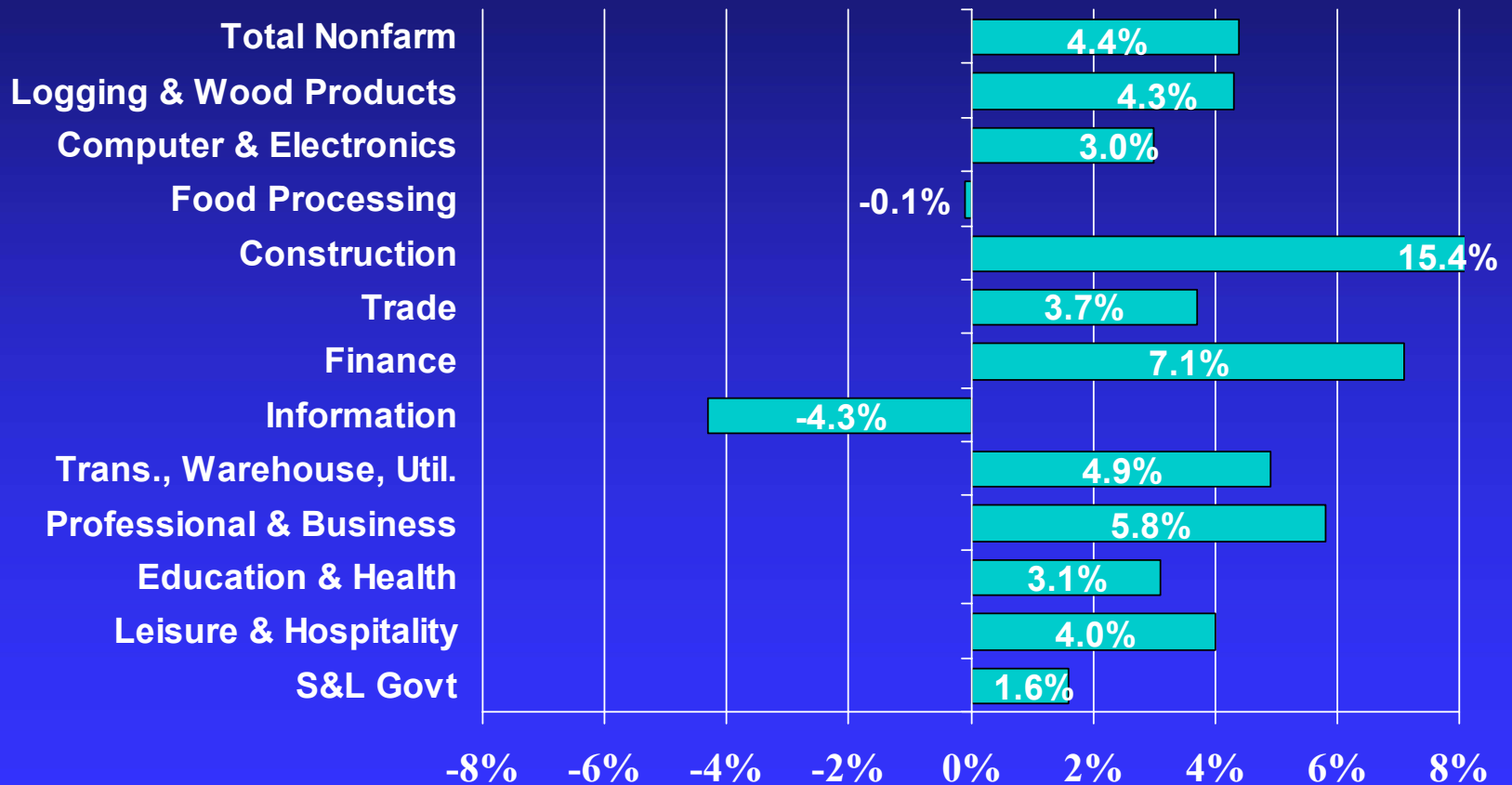
BOOM TIMES Two gains in recent decades were followed by returns to levels consistent since the late 1950's. Since 1997, the index has risen about 83 percent.



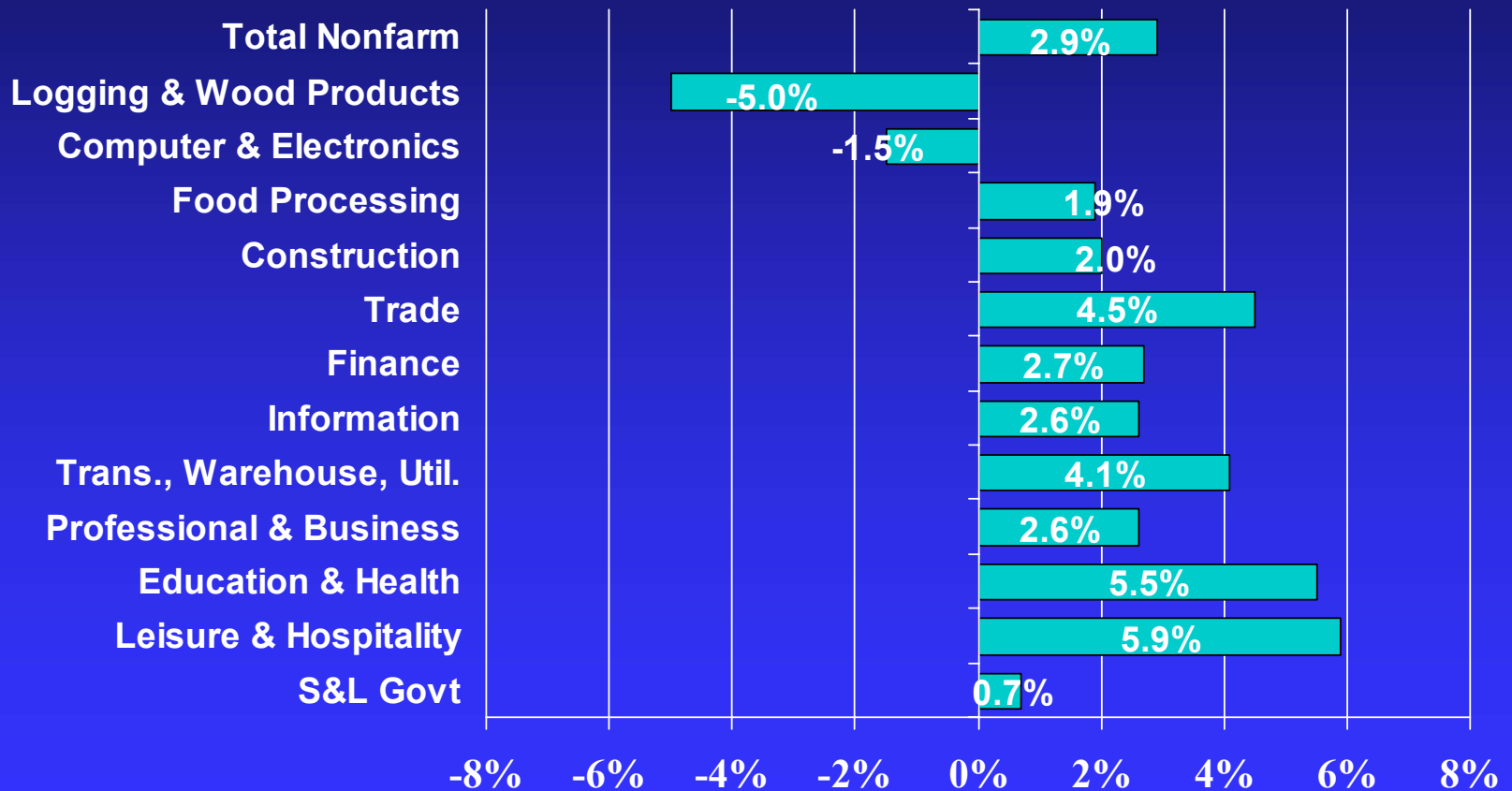
Idaho Employment Growth Rate 2005



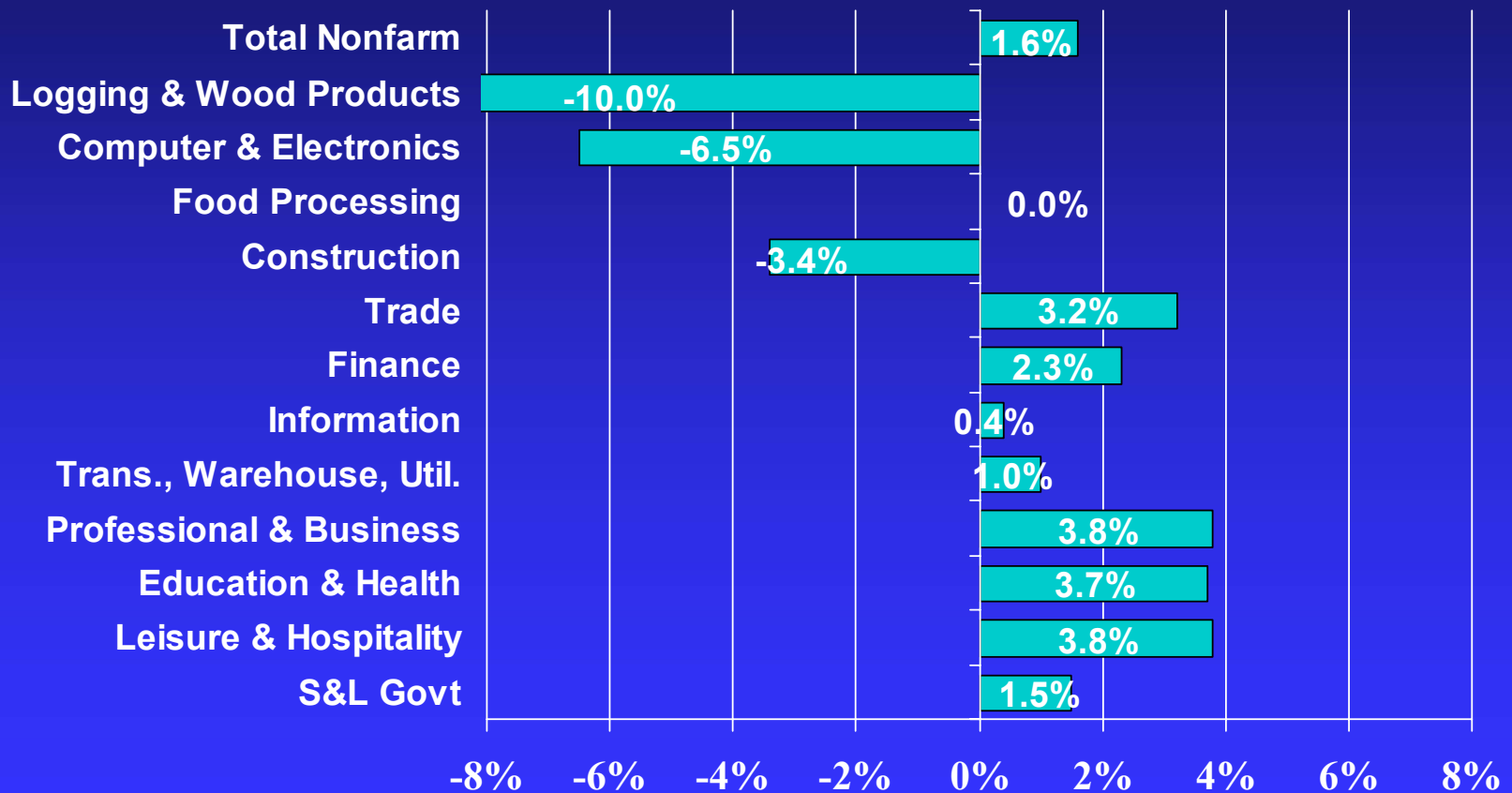
Idaho Employment Growth Rate 2006



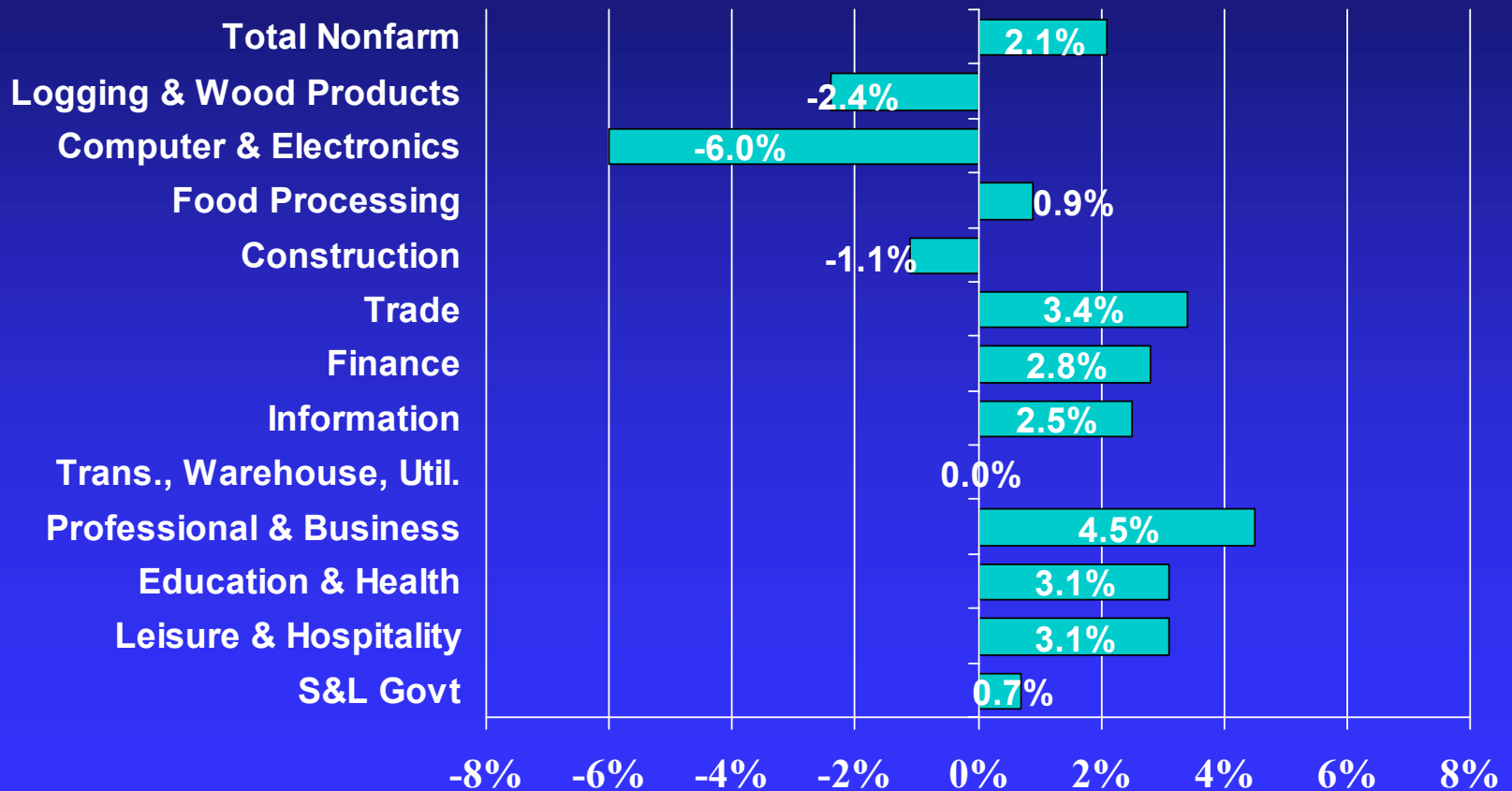
Idaho Employment Growth Rate 2007



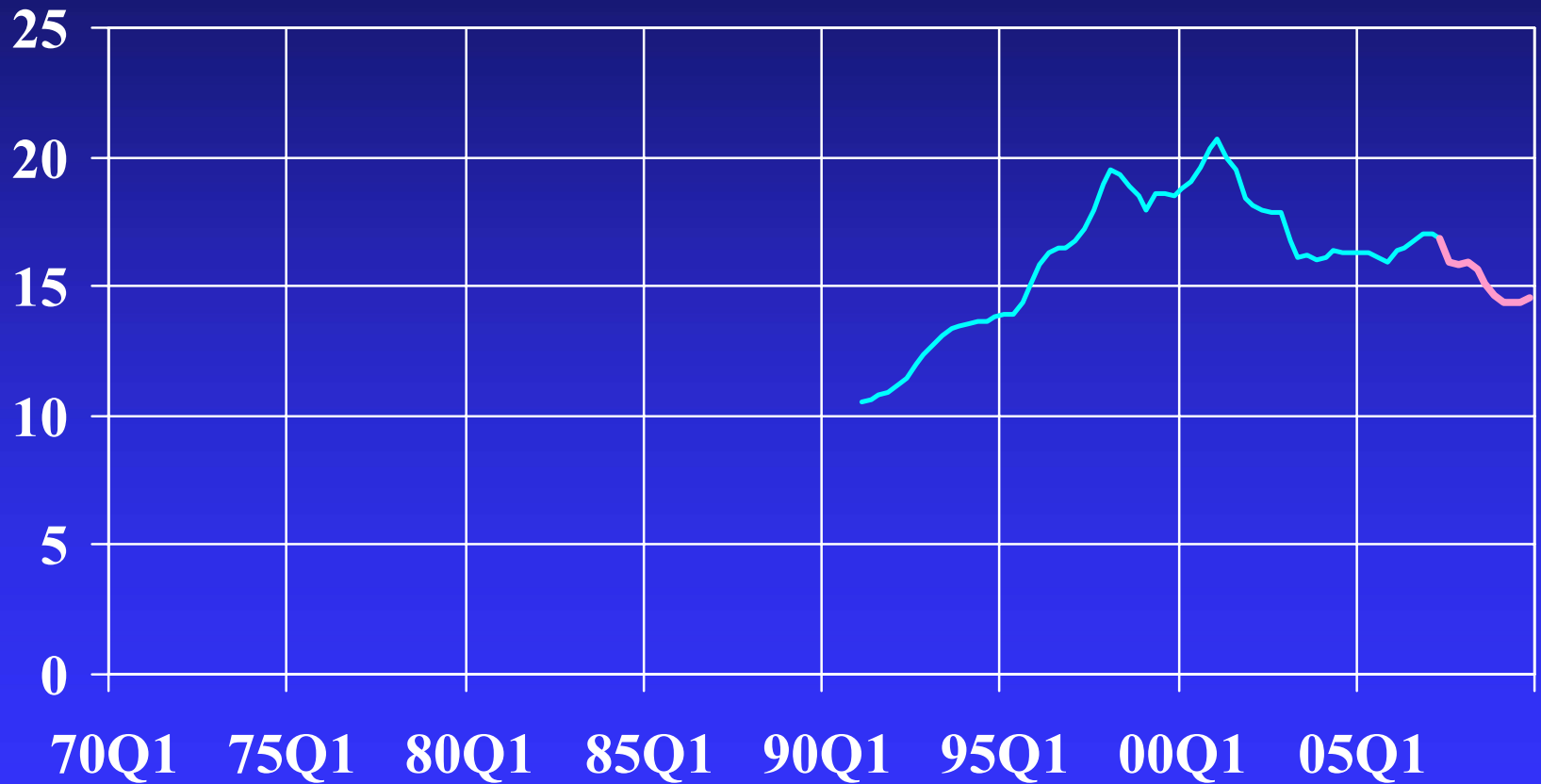
Idaho Employment Growth Rate 2008



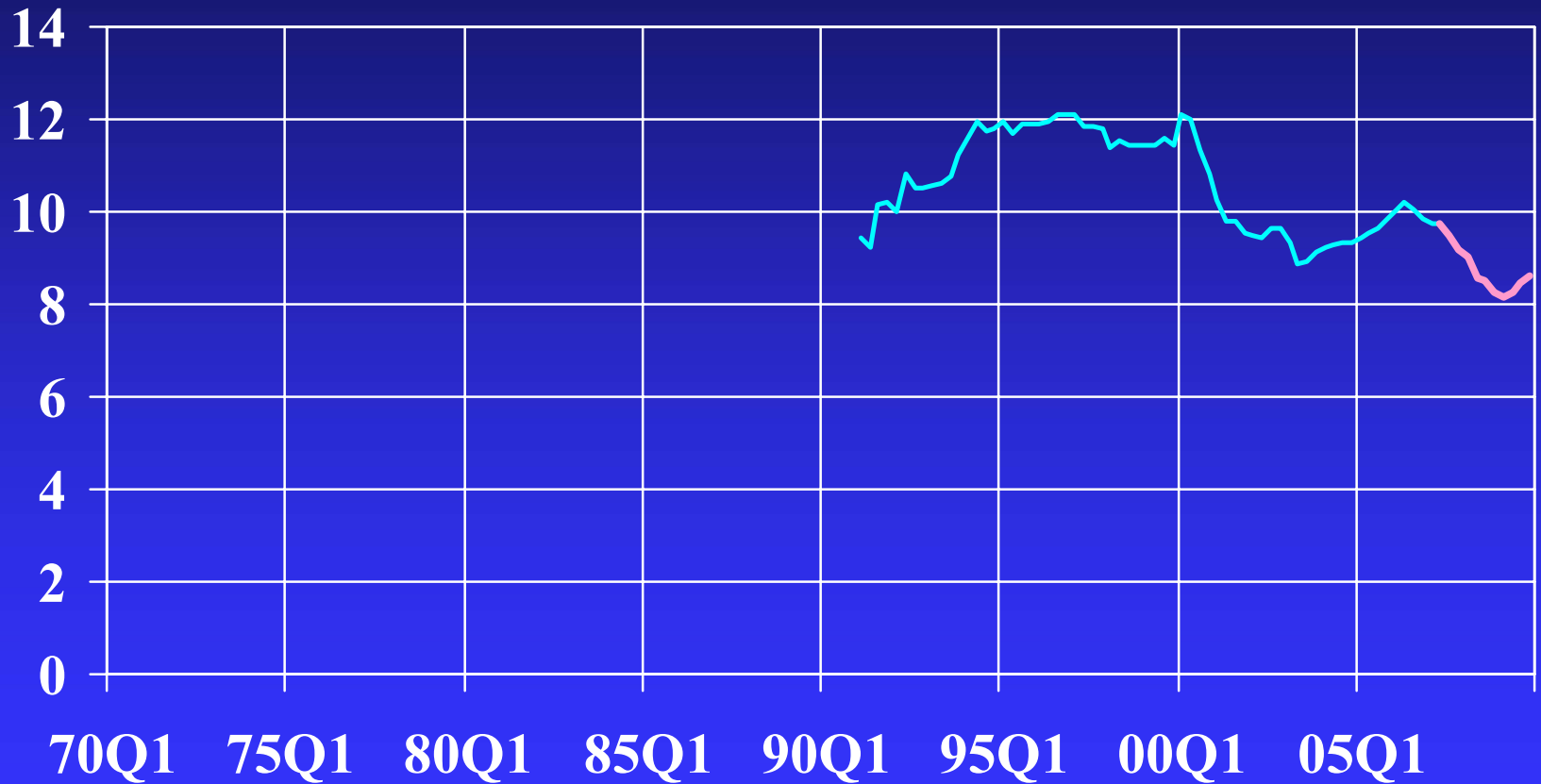
Idaho Employment Growth Rate 2009



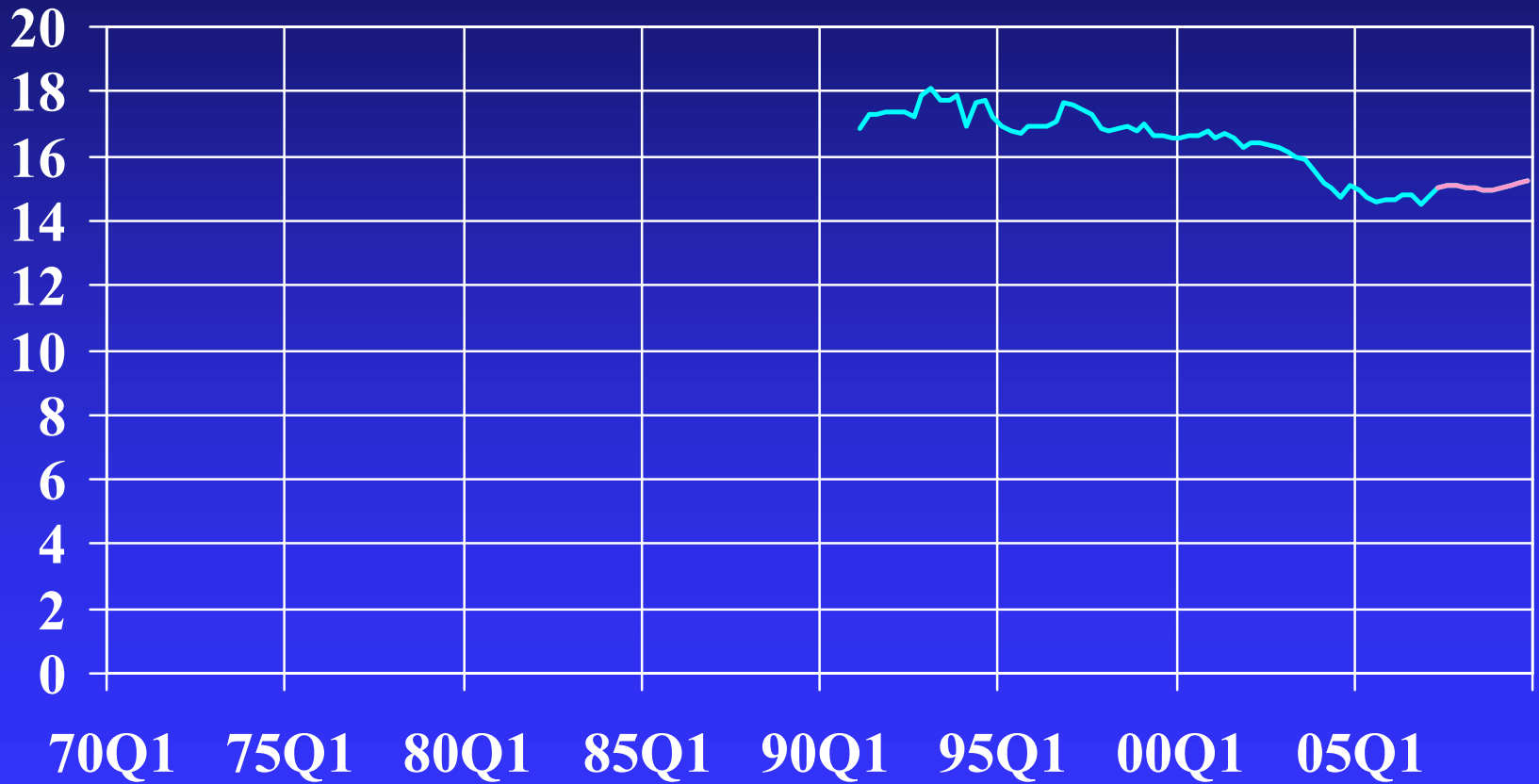
Idaho Computers & Electronic Products Manufacturing Employment Thousands



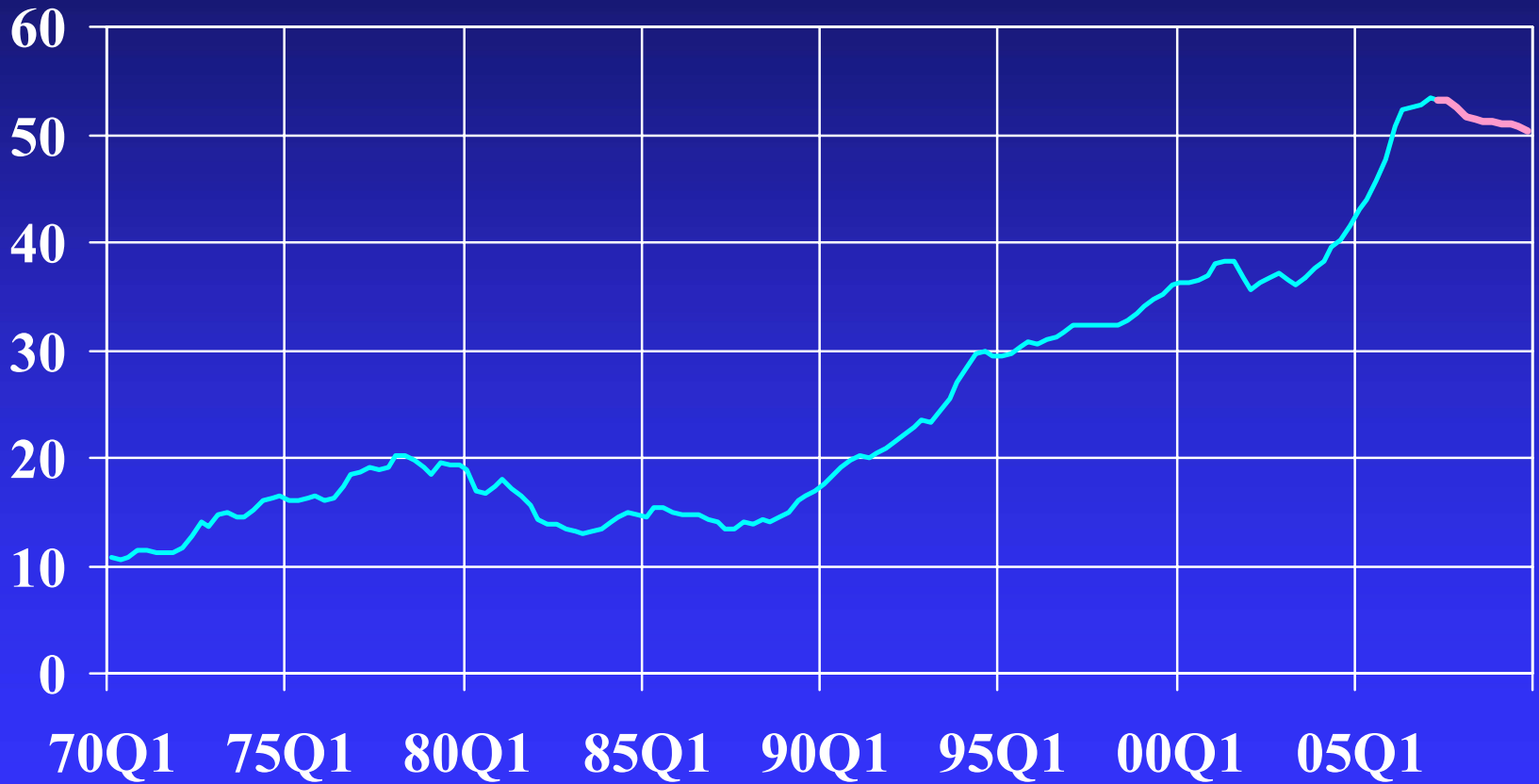
Idaho Wood Products Manufacturing Employment Thousands



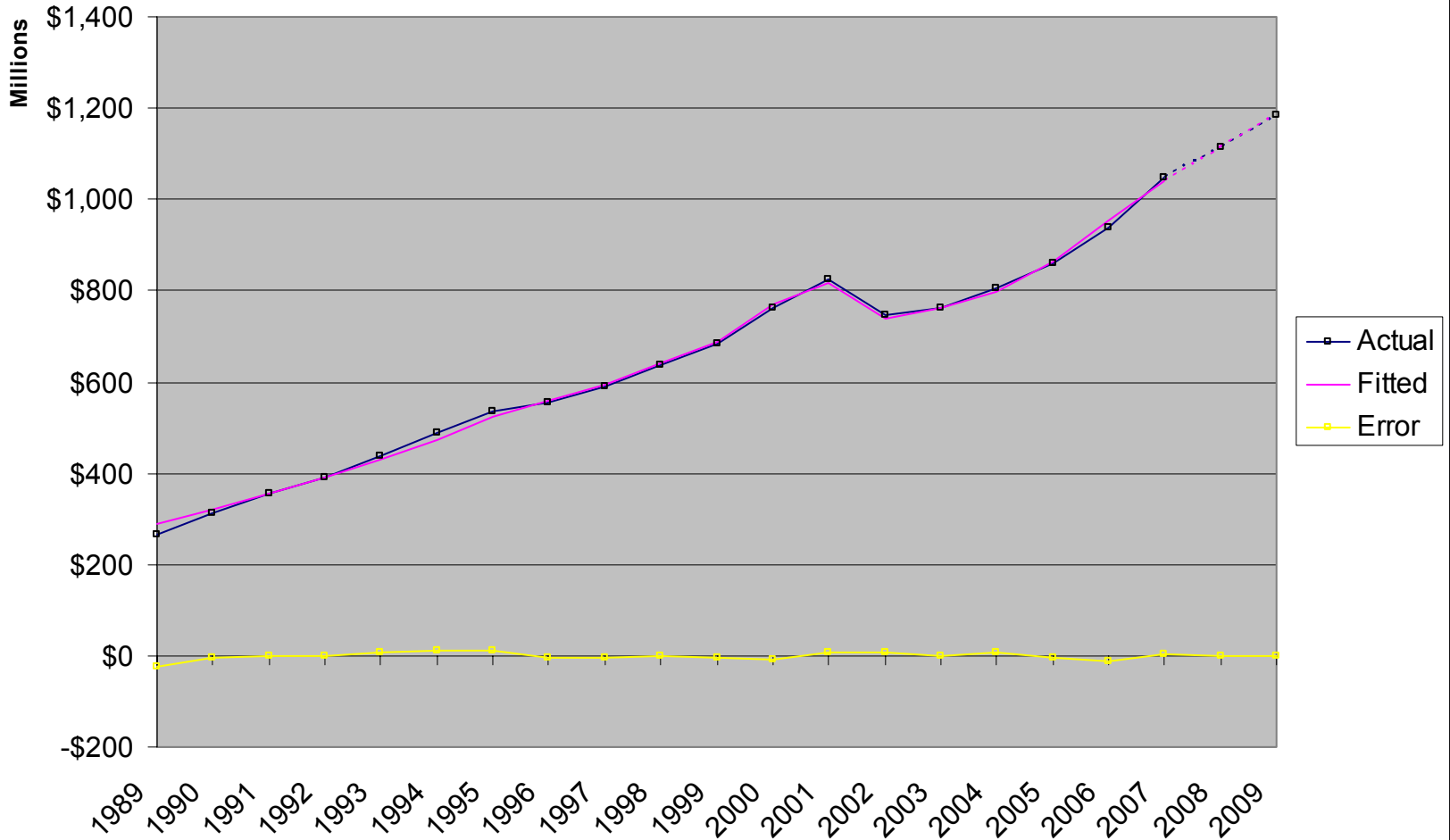
Idaho Food Processing Employment Thousands



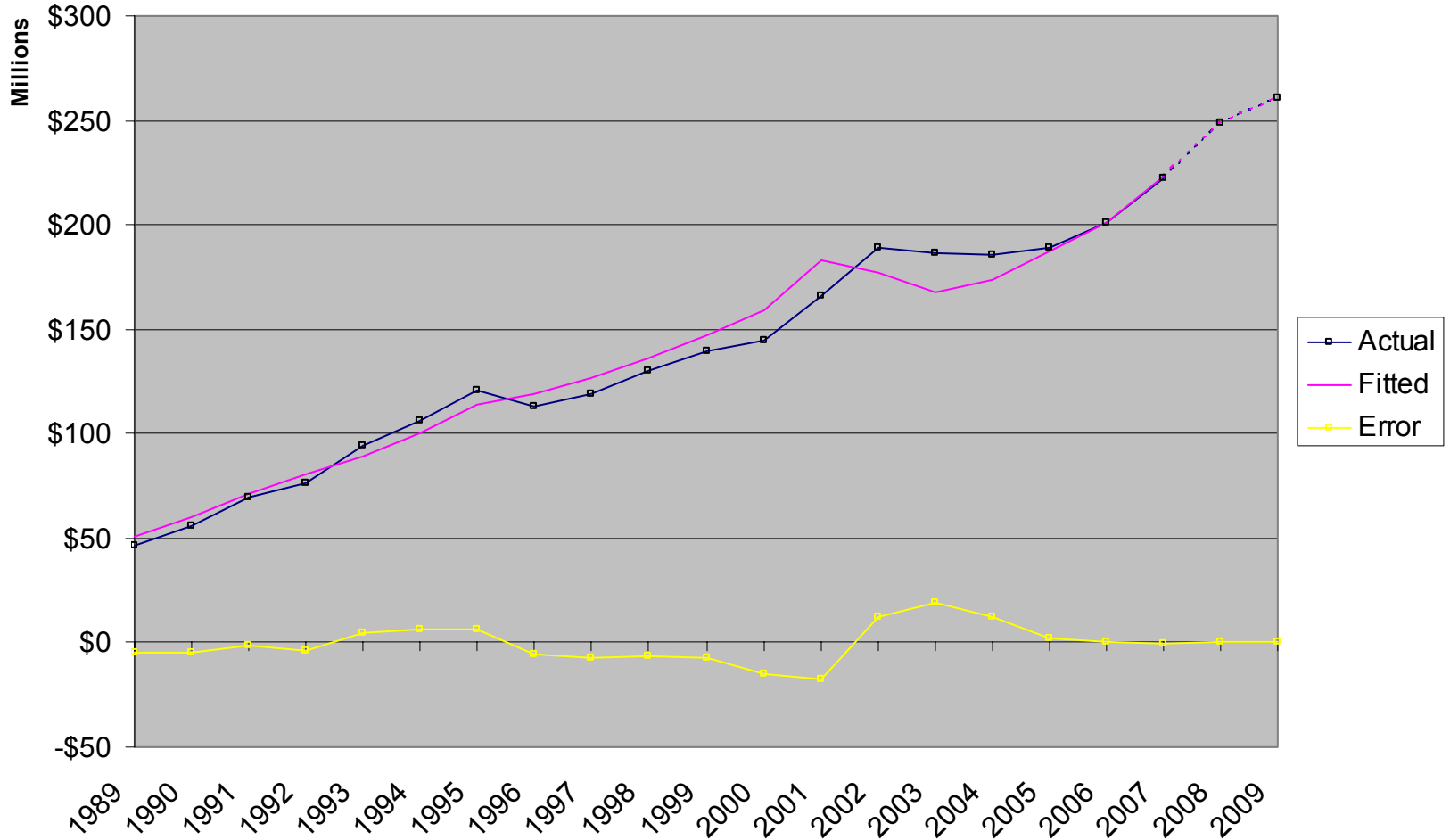
Idaho Construction Employment Thousands



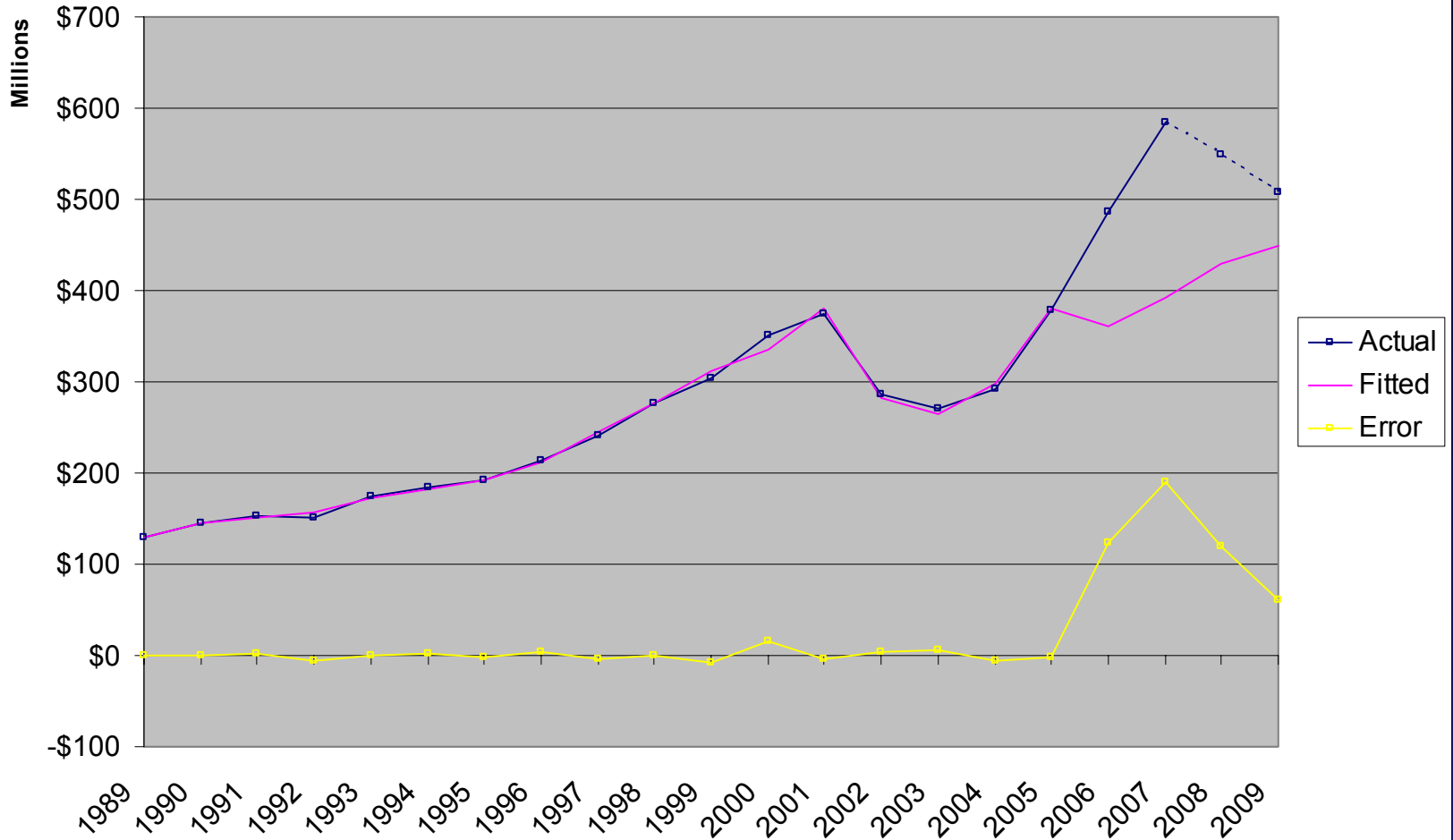
Individual Income Tax Withholding Collections



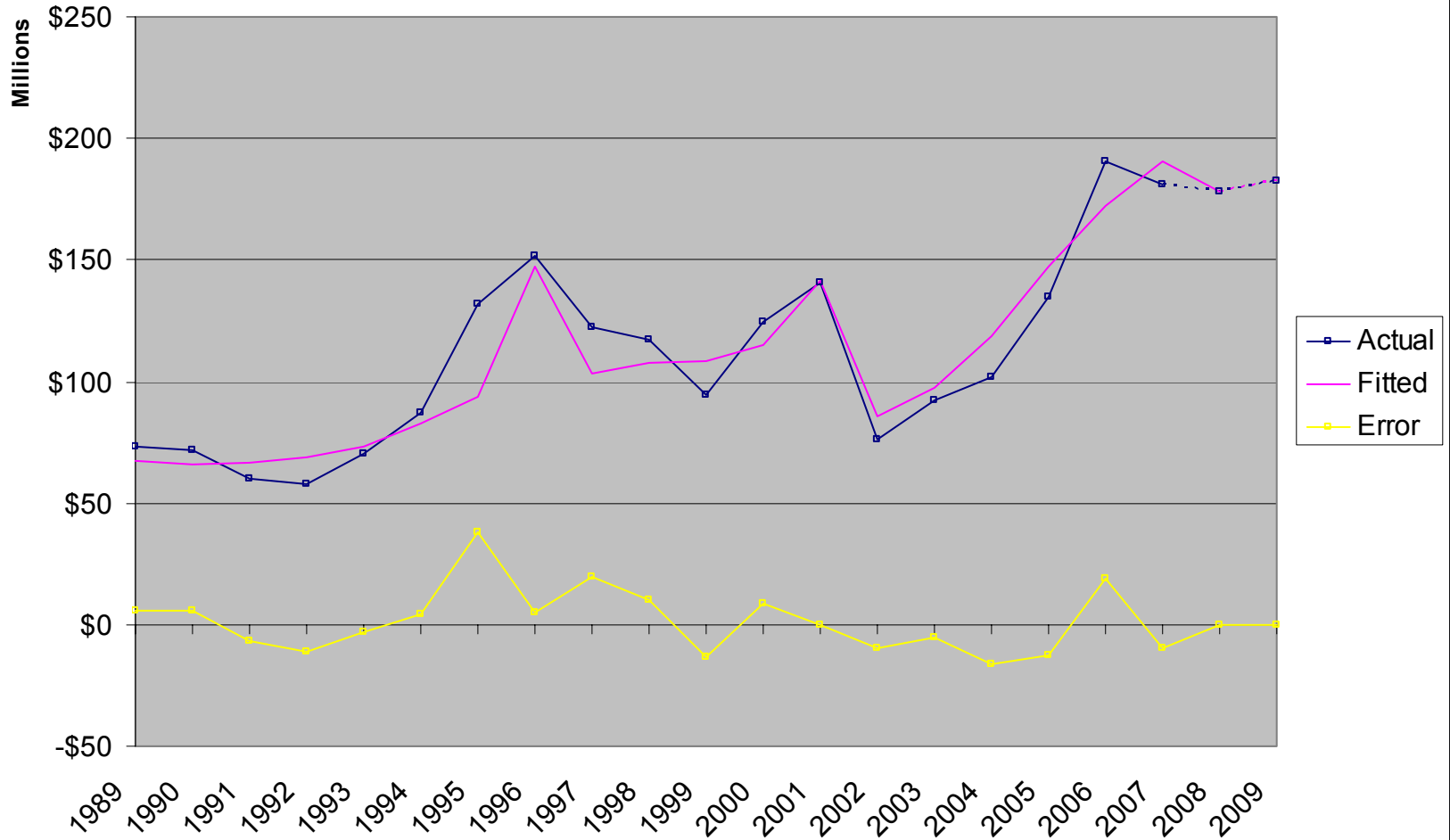
Individual Income Tax Refunds



Individual Income Tax Filing Collections



Corporate Income Tax Net Revenue



Sales Tax Gross Receipts

