Good (But Risky) Times

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The Job Market Is Tight …

U6 underemployed per open job position

Sources: BLS, Moody’s Analytics
Across the Country…

Unemployment rate, %

Sources: BLS, Moody’s Analytics

U.S. = 4.1
…and Will Get Tighter

Unemployment rate, %, based on trend…

Trend growth in household employment and labor force over the past…

Sources: BLS, Moody’s Analytics
Households Have Lighter Debt Loads

Payment-to-income ratio for families with debt, by percentile, %

Sources: Federal Reserve Board (SCF), Moody’s Analytics
The Global Economy Is on the Same Page

Recovery

Expansion

Recession

Slowdown

Countries: US, Turkey, UK, China, South Africa, Brazil, Russia, Italy, Japan, Spain, France, Canada, India, Indonesia, Germany, Australia, Egypt, Chile, Israel, Japan, Russia, Saudi Arabia, Brazil, Canada, Spain, Egypt, France, Indonesia, Germany, India, Australia, US, Turkey, UK, China, South Africa
Investors Have Some Adjusting to Do

Federal funds rate, %

Sources: Federal Reserve, Bloomberg, Moody’s Analytics
House Prices Take a Hit Under Tax Bill

Peak impact on FHFA house prices due to tax plan

Sources: FHFA, IRS, Moody’s Analytics

U.S. avg = -3.7%
When Is the Next Recession…

Unemployment rate, %

Green arc represents long-run NAIRU

Sources: BLS, Moody’s Analytics
…and What Will Cause It?

Domestic nonfinancial debt to GDP ratio

Of the 70 ppt increase since 2000:
- Government = 50 ppts
- Households = 10 ppts
- Businesses = 10 ppts

Sources: Federal Reserve, Moody’s Analytics
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