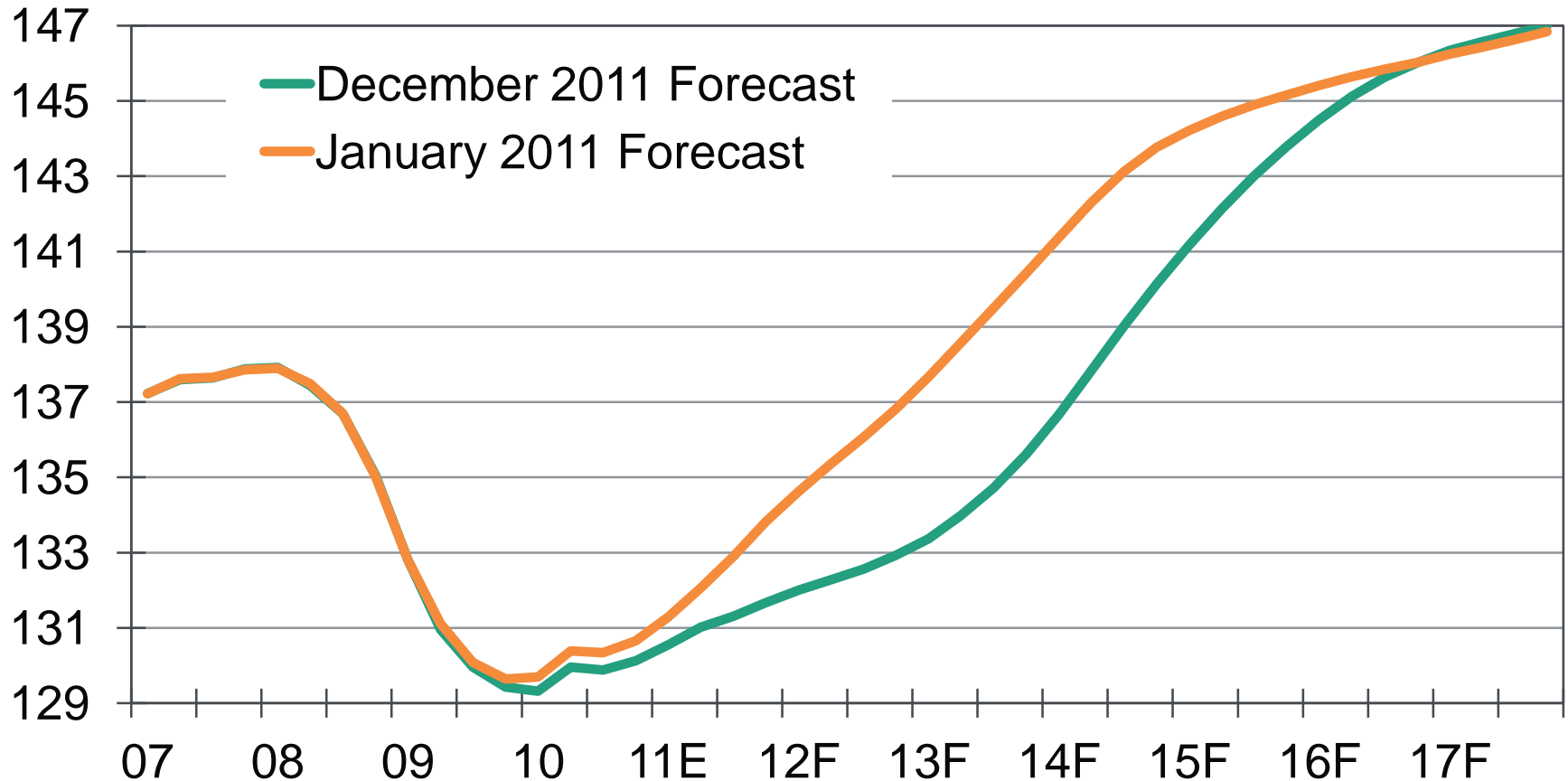


2012 Economic Outlook

EDUARDO J. MARTINEZ, SENIOR ECONOMIST

Dramatic Reversal of Fortune

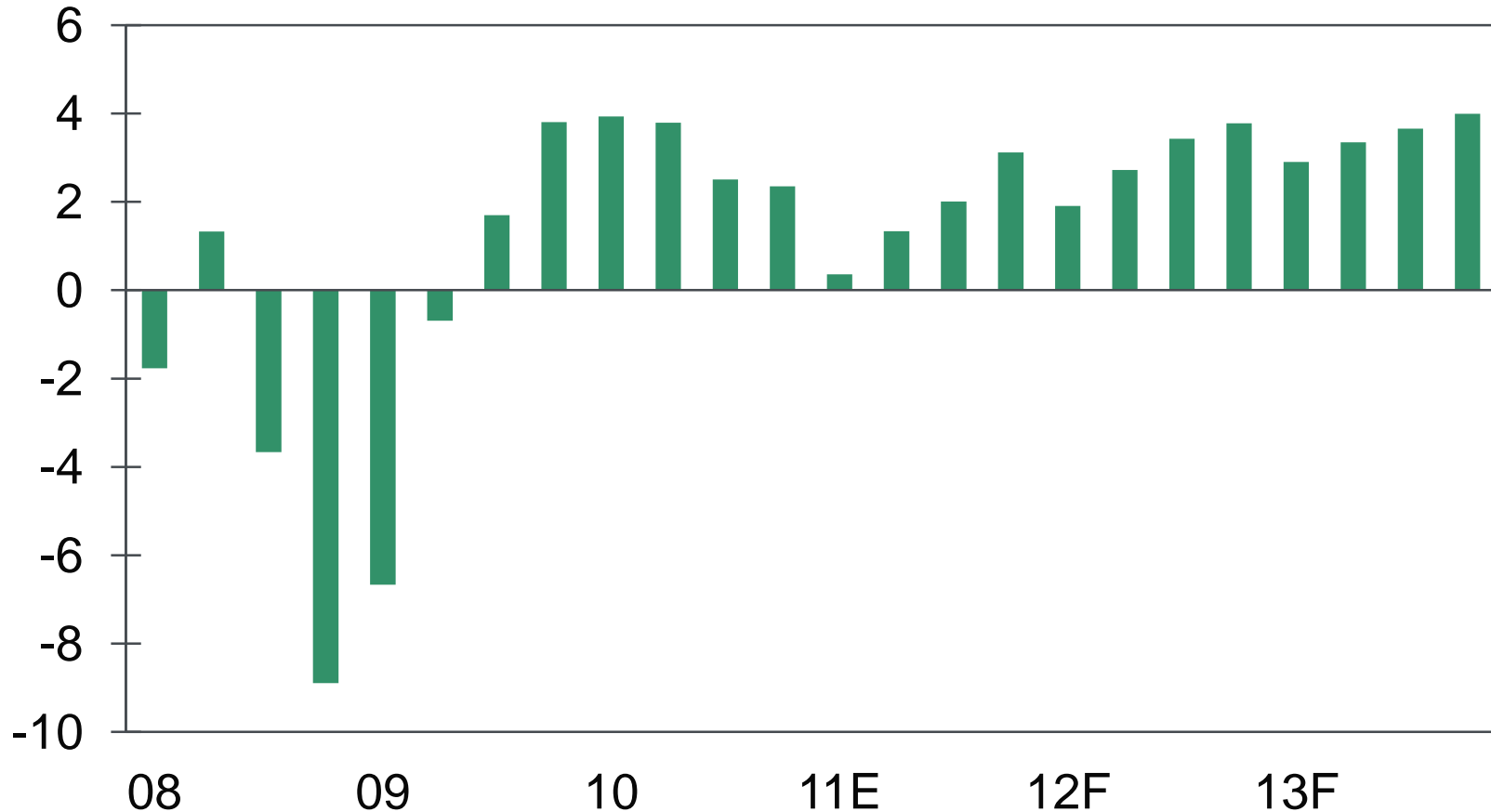
U.S. payroll employment, Mil



Sources: BLS, Moody's Analytics

Absent More Shocks, Recovery Will Deepen...

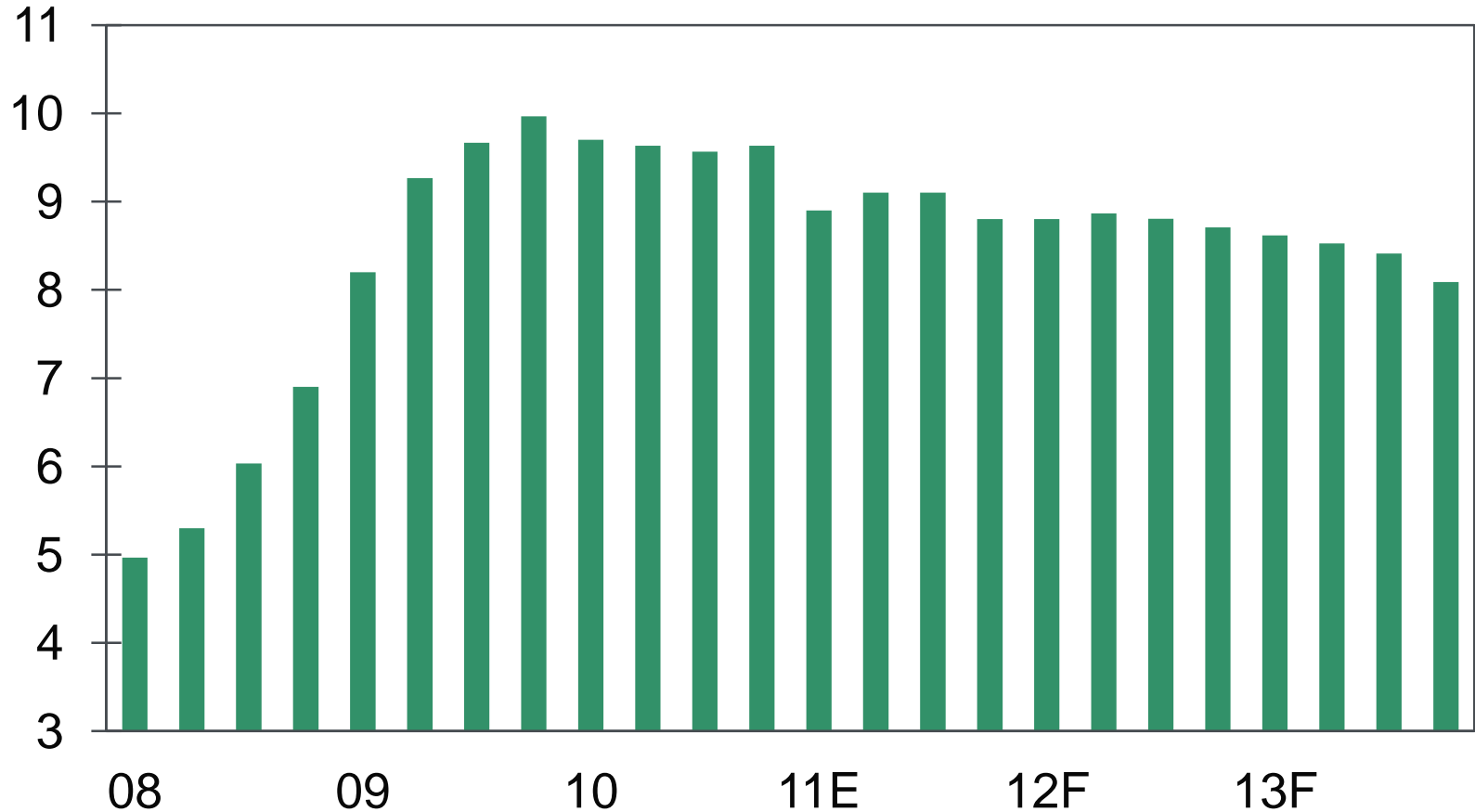
U.S. GDP, annualized % change



Sources: BEA, Moody's Analytics

...But Not Fast Enough for Labor Market

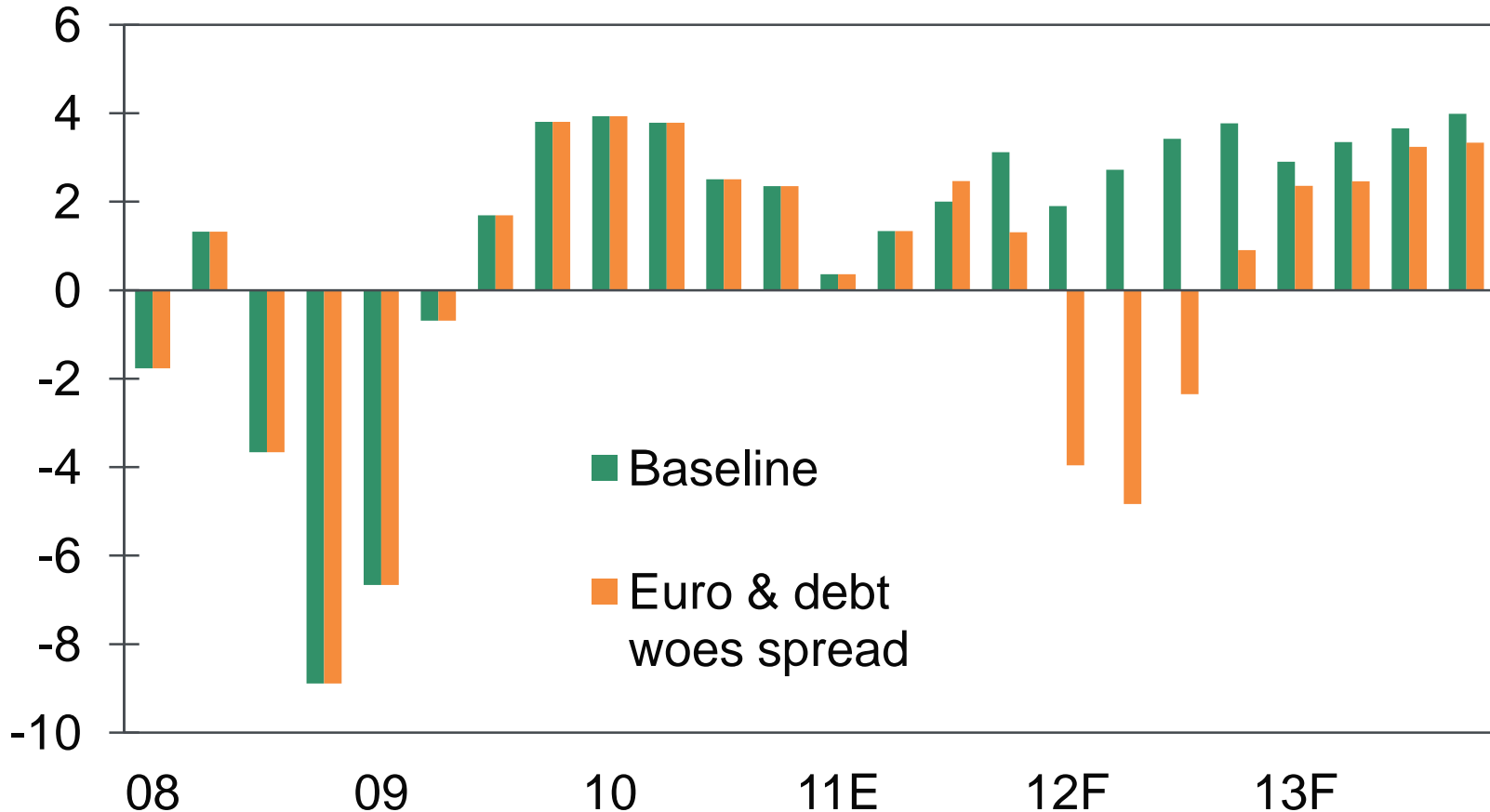
U.S. unemployment rate, %



Sources: BLS, Moody's Analytics

U.S. is Vulnerable to Euro Woes...

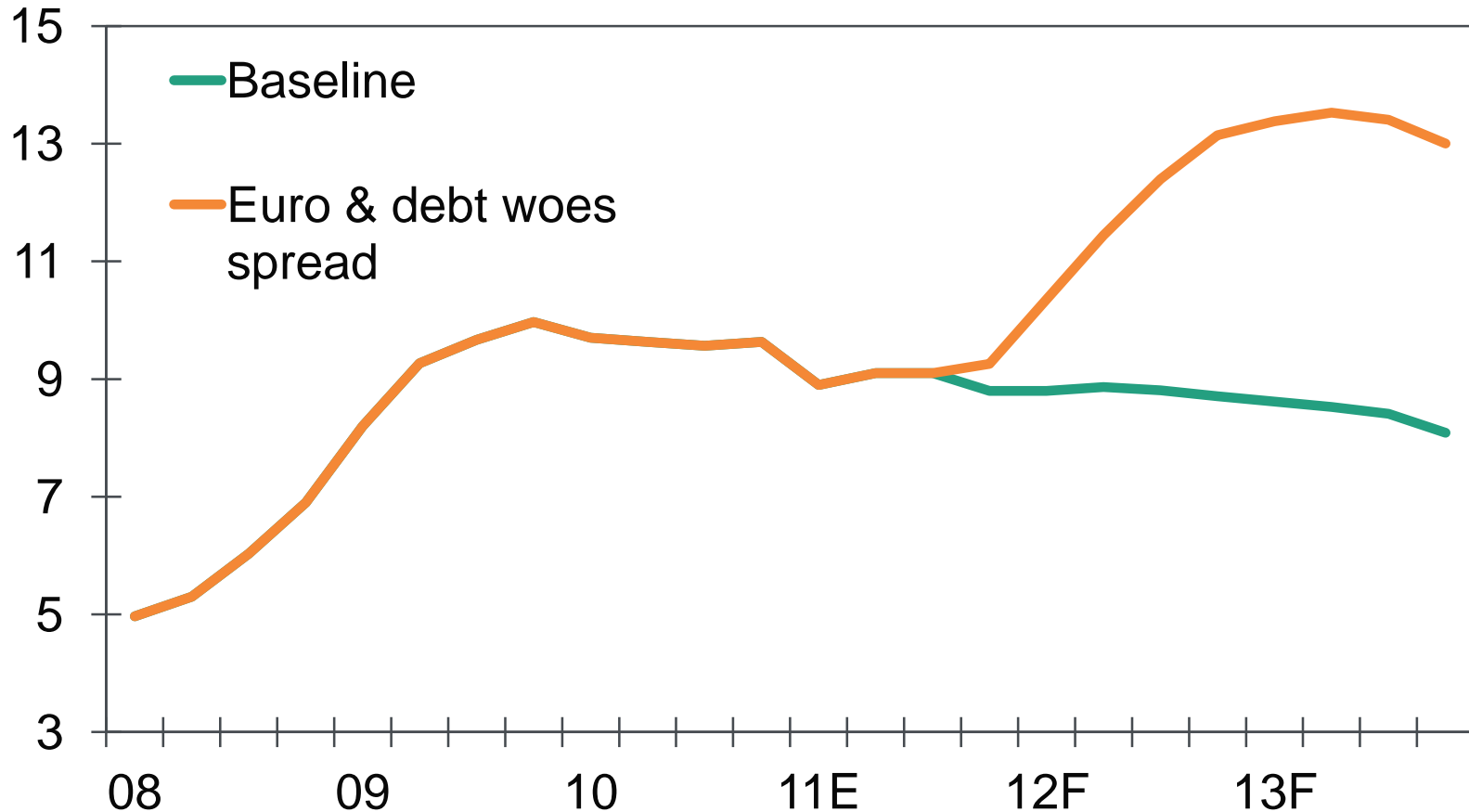
U.S. GDP, annualized % change



Sources: BEA, Moody's Analytics

...Which Would Derail the U.S. Recovery

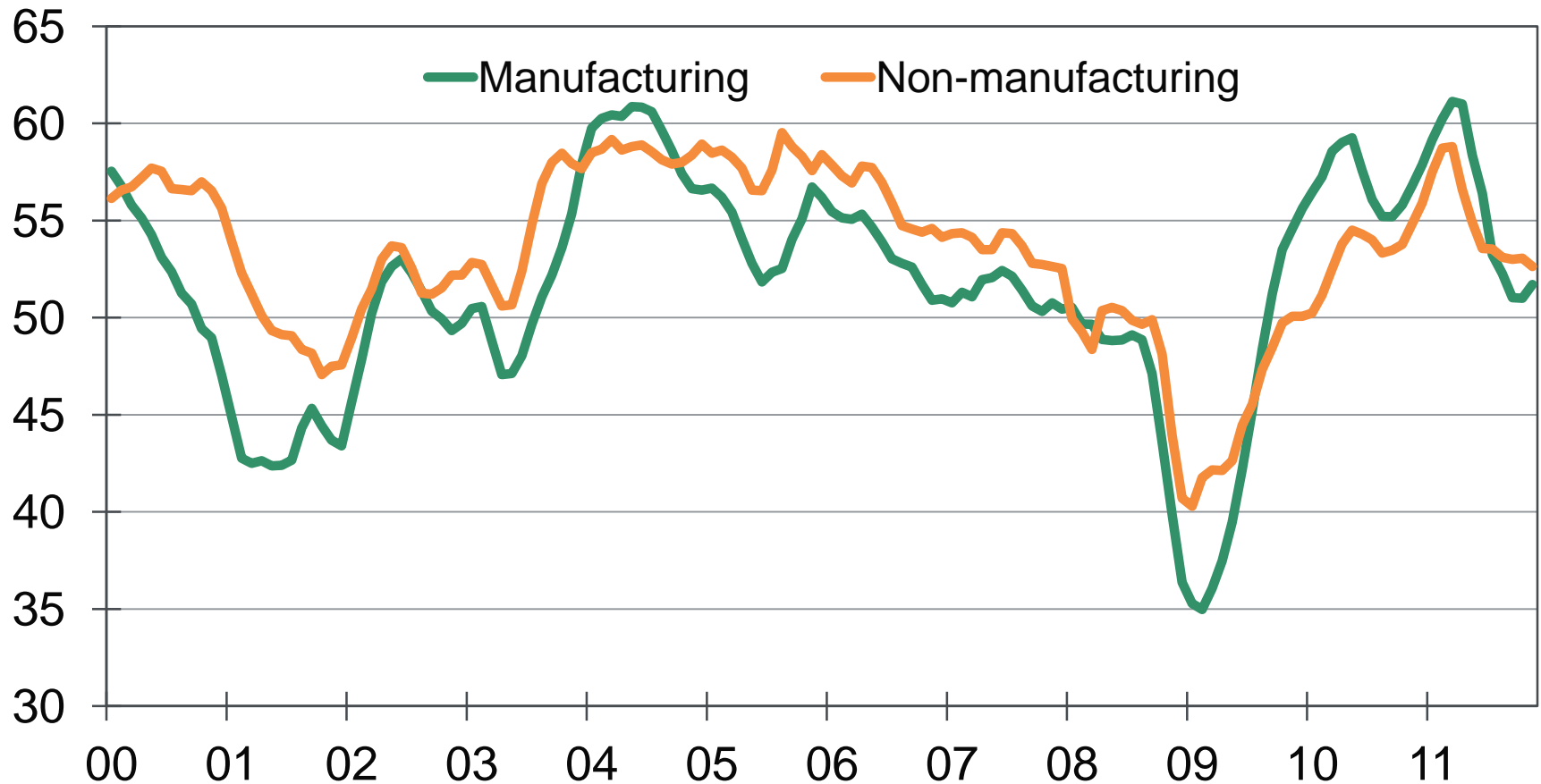
U.S. unemployment rate, %



Sources: BLS, Moody's Analytics

Industry Has Slowed But Remains Resilient...

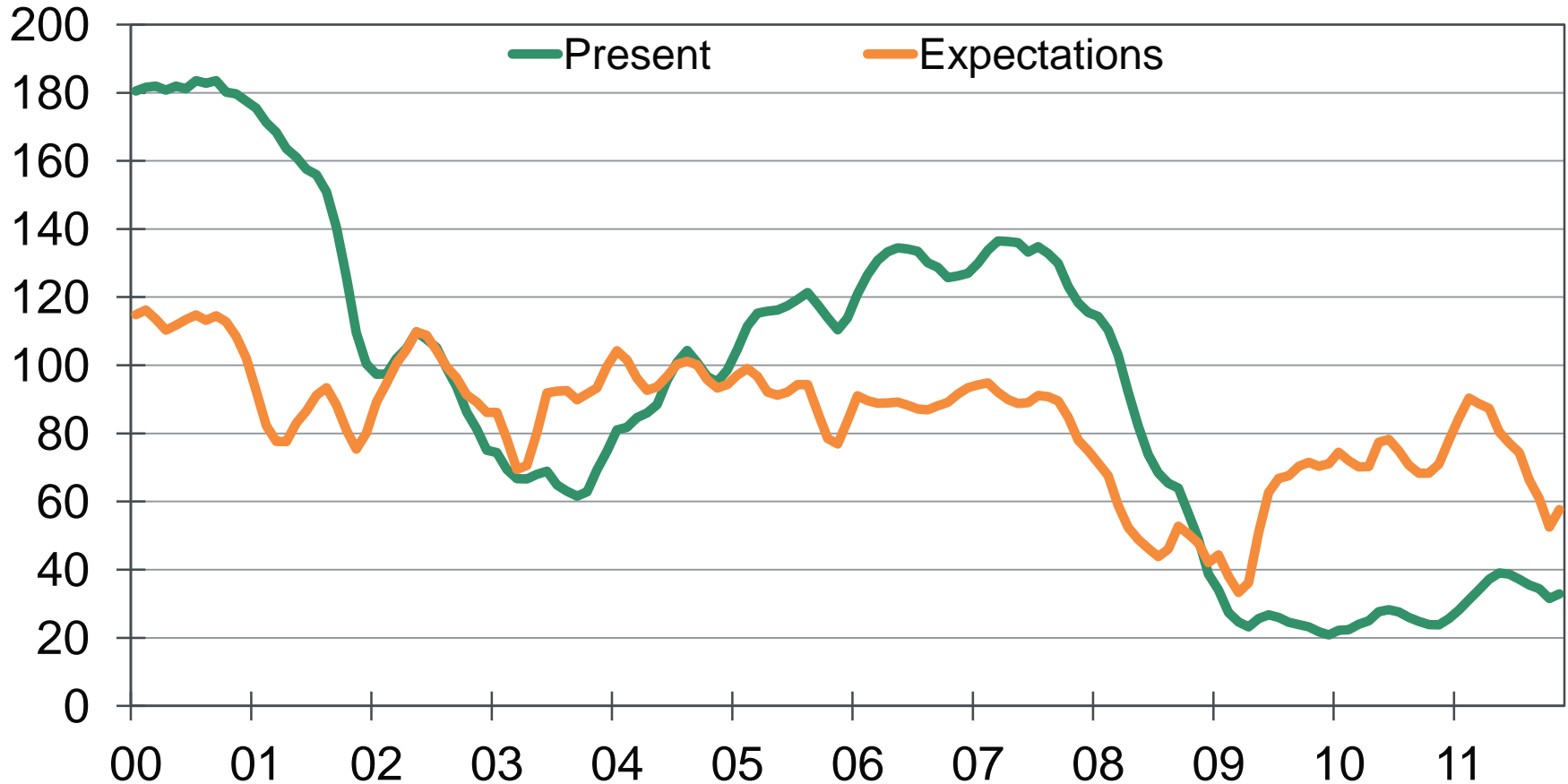
ISM index, below 50 denotes recession



Source: Institute for Supply Management

...Consumers Are Less Confident

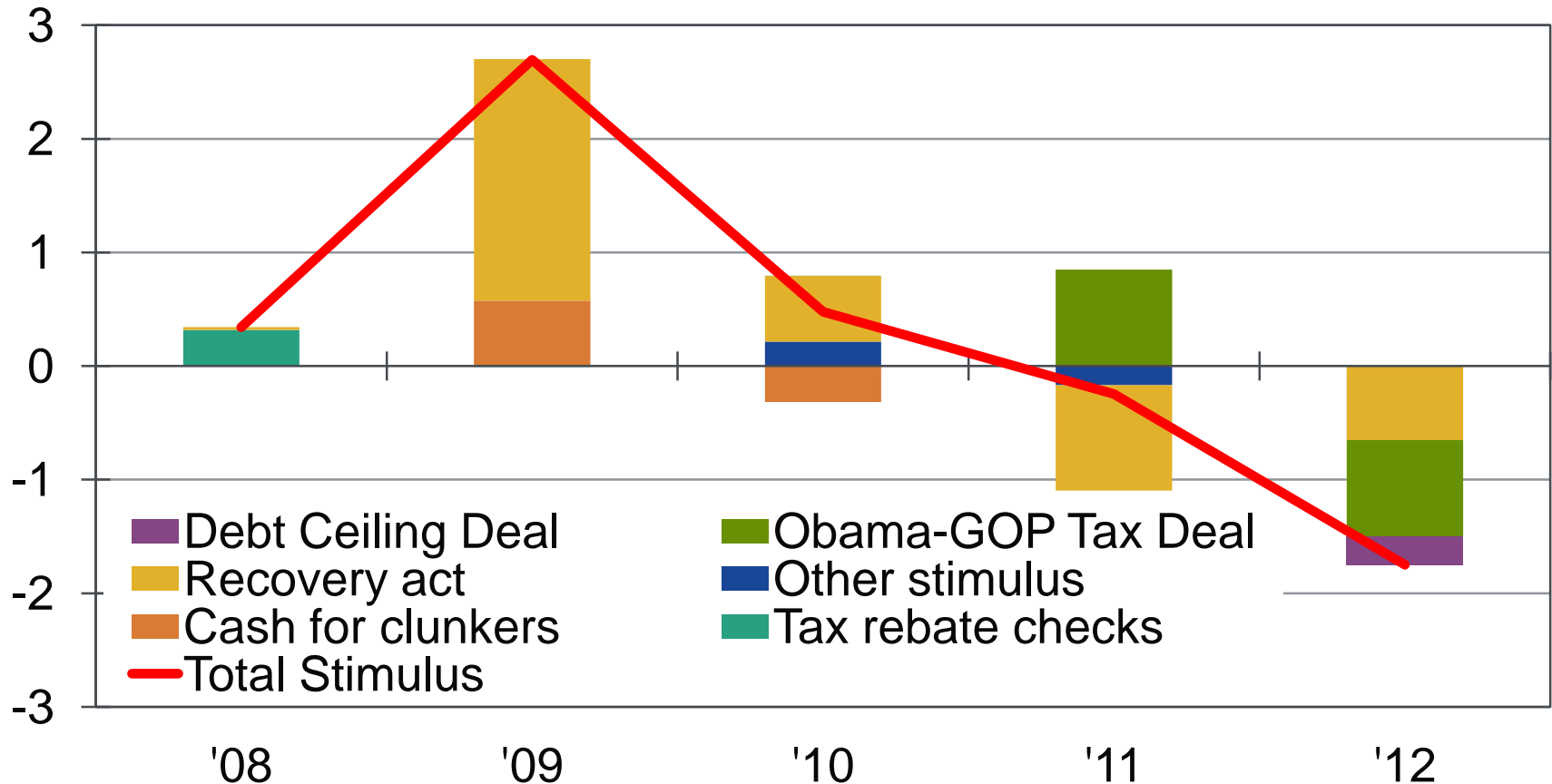
Consumer Confidence Index, 1985=100



Source: The Conference Board

Policymakers Face Short Term Challenges...

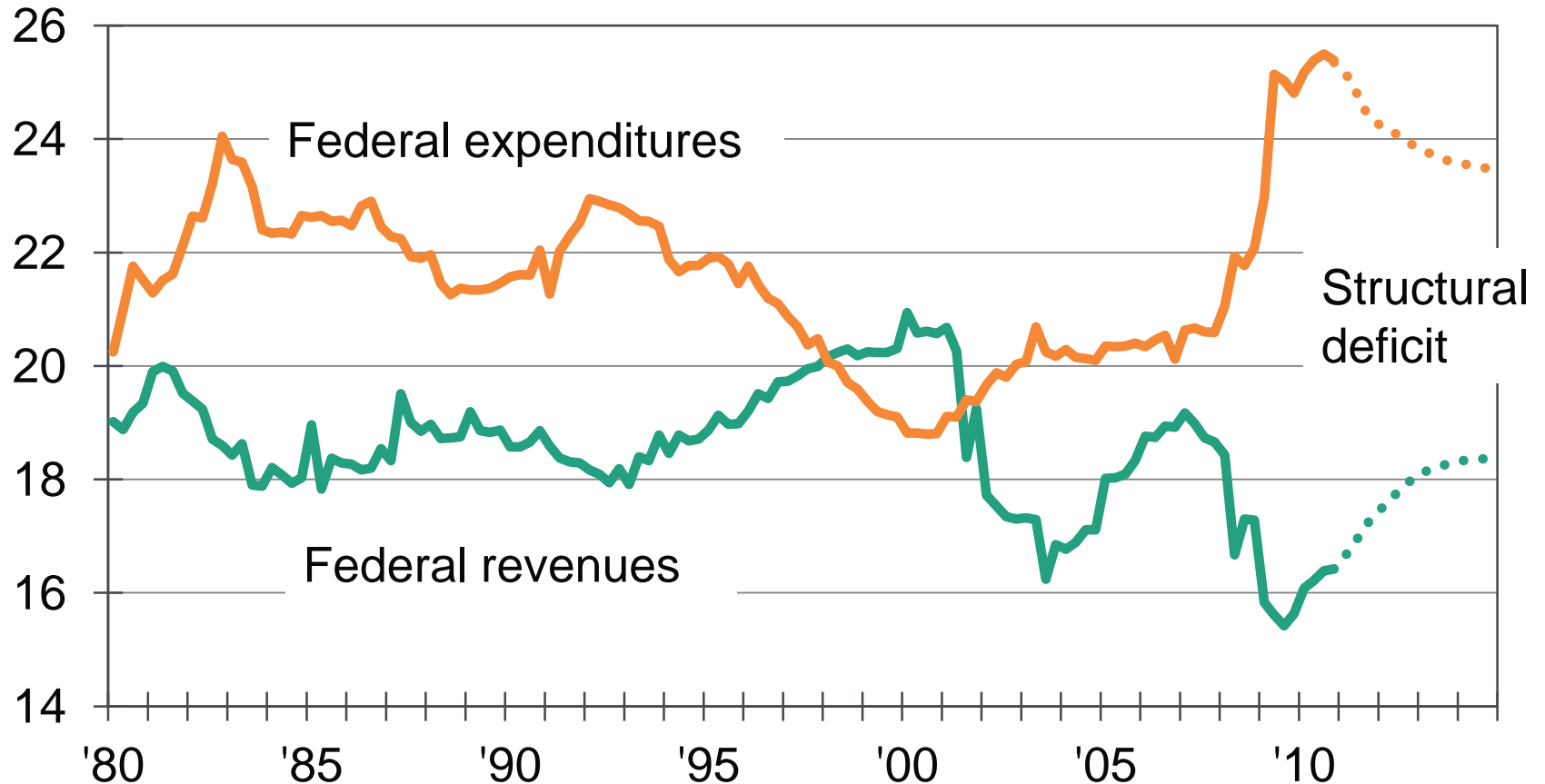
Contribution to real GDP growth, %



Source: Moody's Analytics

...As Well As Longer-term Challenges

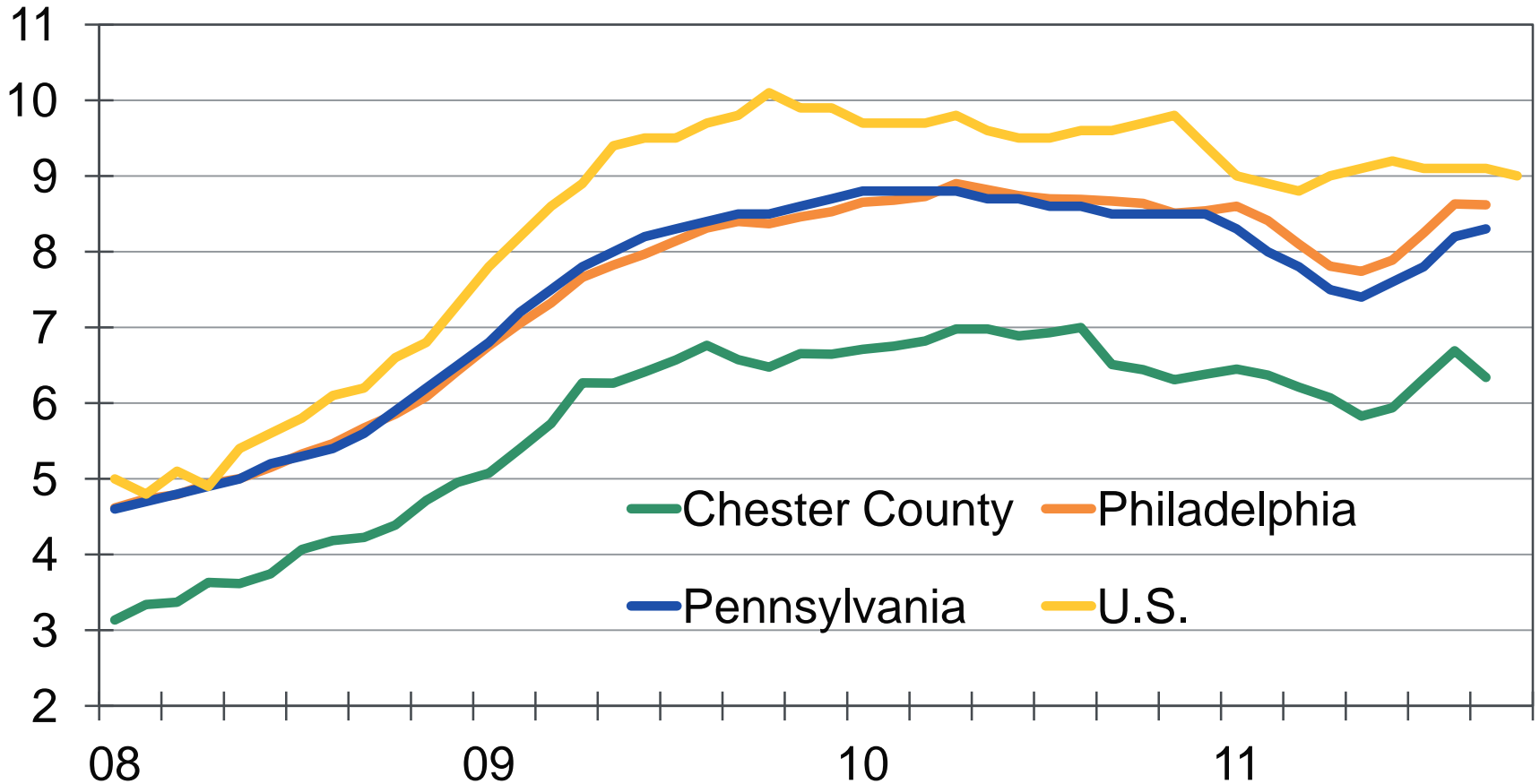
Expenditures and revenues as a % of GDP with no policy changes



Sources: BEA, Moody's Analytics

Chester County Shielded During Recession

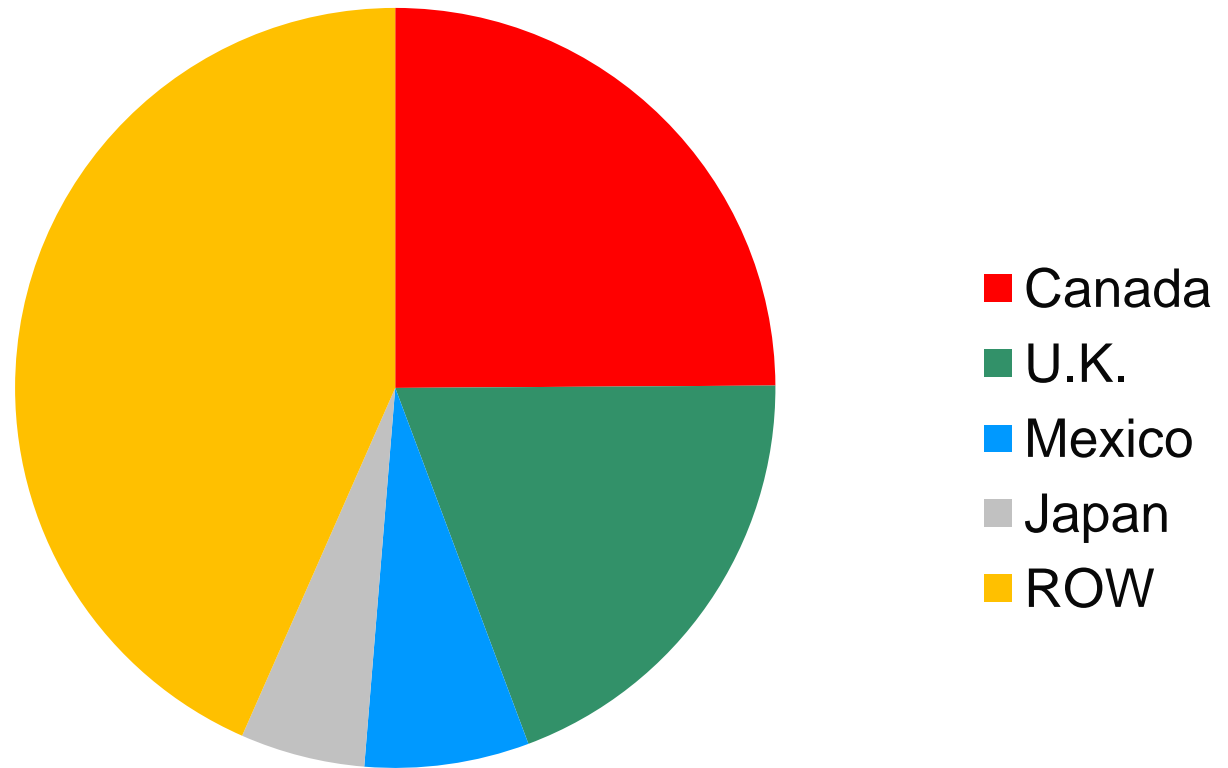
Unemployment rate, %



Source: BLS

Philly Not Immune to Global Woes

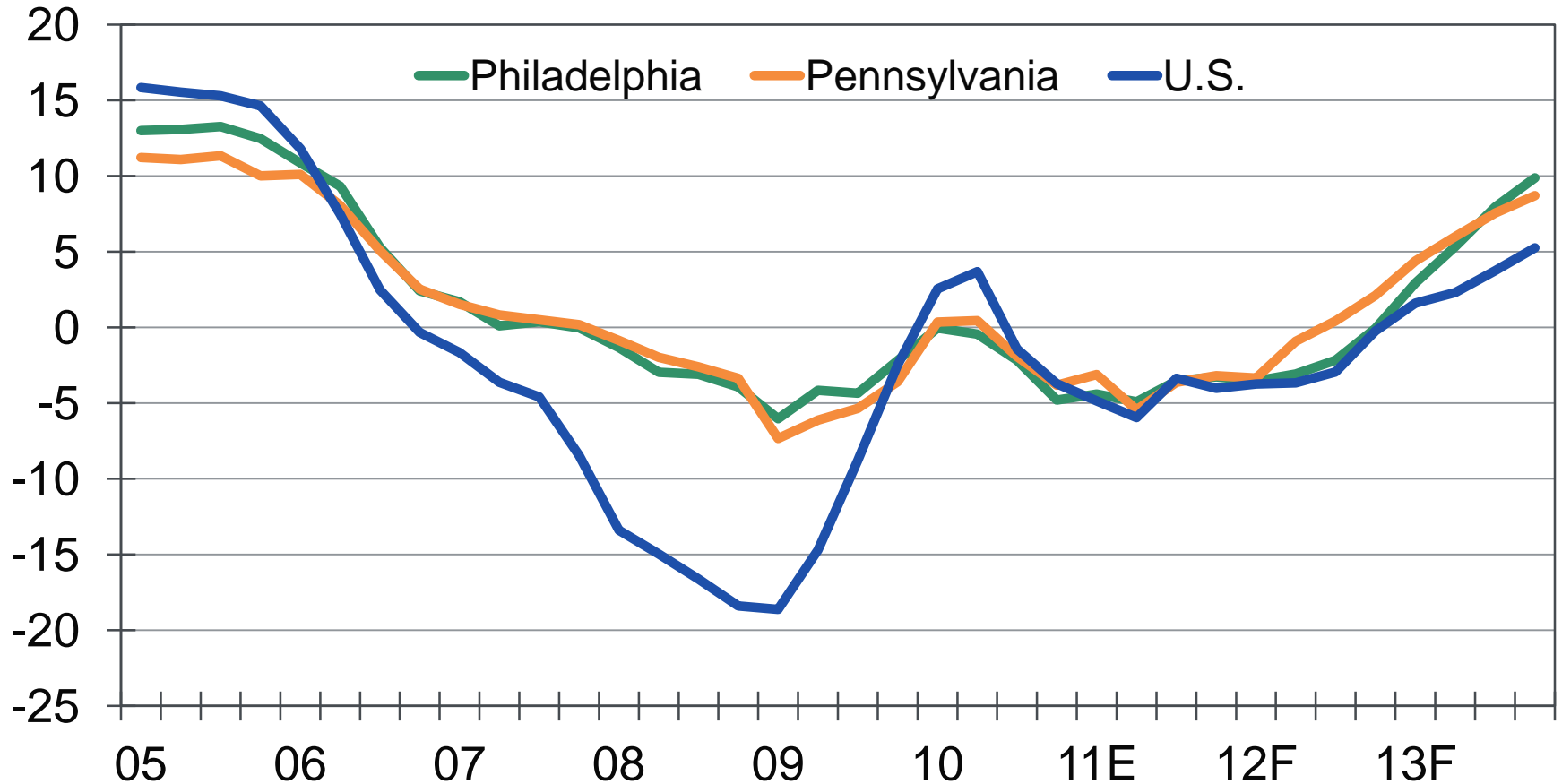
Exports from Philadelphia MSA, 2009



Source: Commerce/International Trade Administration

Keystone State Avoided Housing Crash...

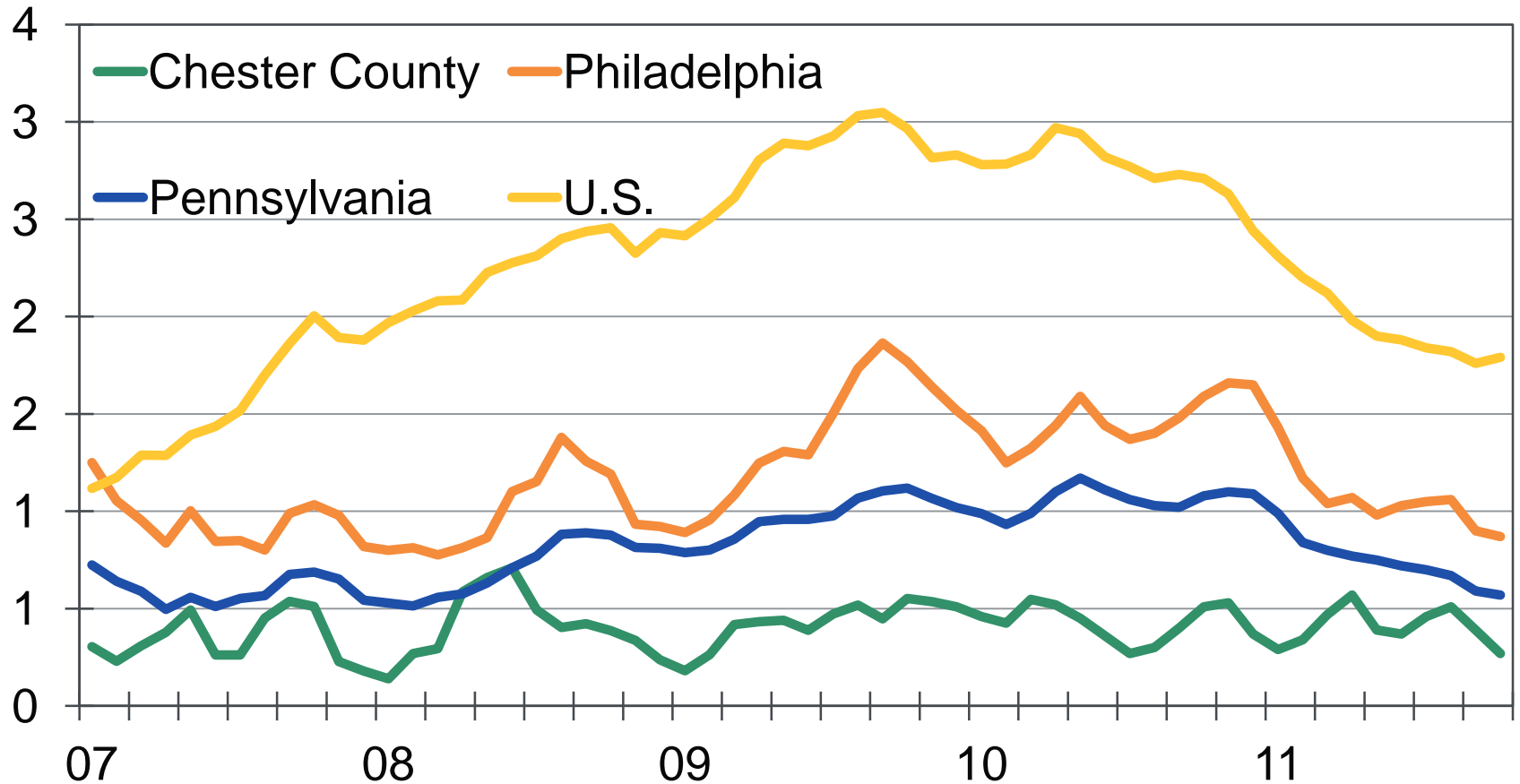
Case-Shiller Home Price Index ®, % change yr ago



Source: BLS

...Due to Low Levels of Foreclosures

Foreclosures started per 1,000 households, 3-mo MA



Source: Realtytrac

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