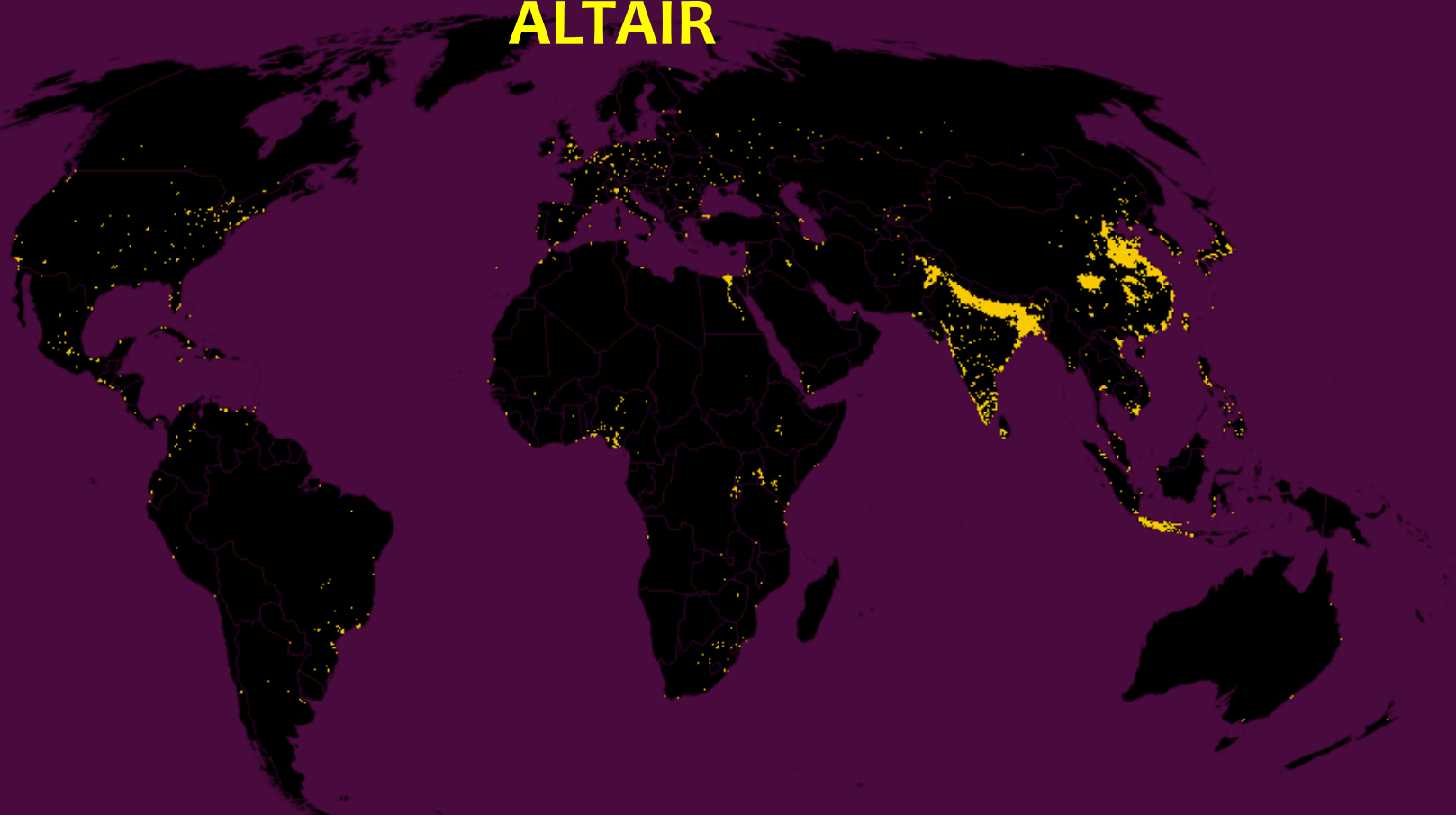


# Employment, Inflation, the Fed and Other Forces Shaping the U.S. and Global Economic Outlook

ALTAIR

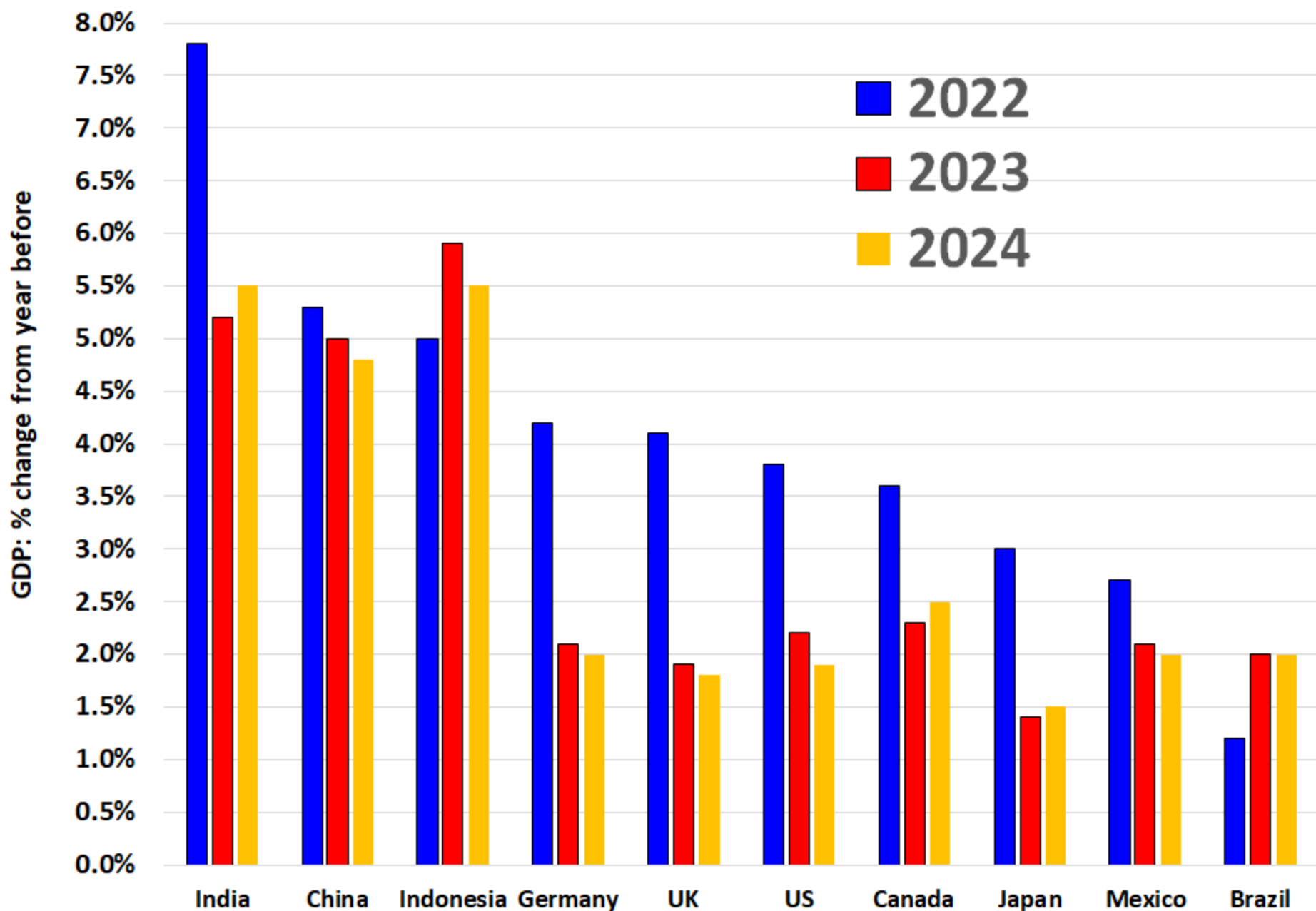


**Prof. Jeff Rosensweig**

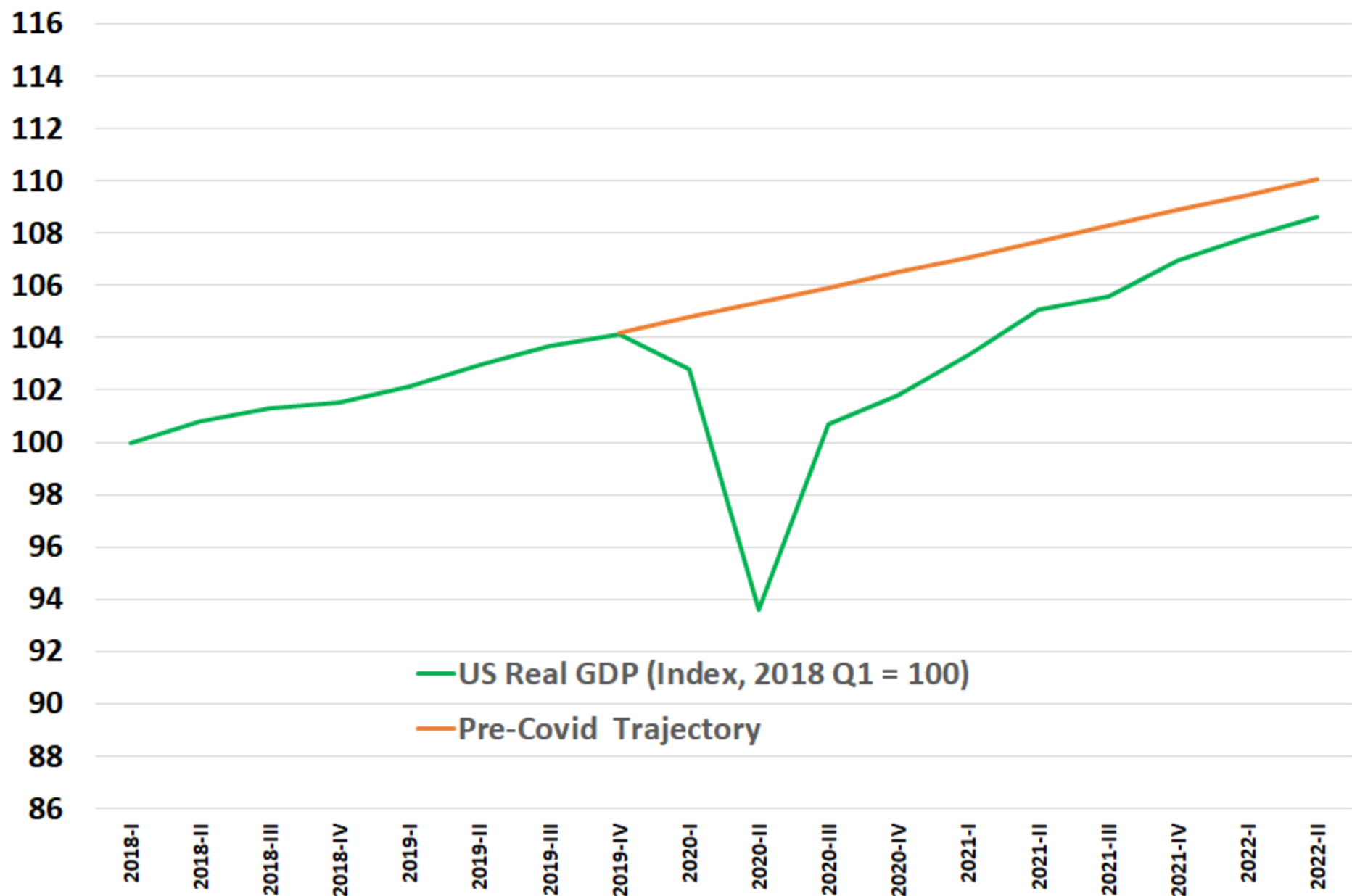
Goizueta Business School – Emory University

10 November 2021

## Global Outlook: Key Economies are Forecast to Rebound from the Pandemic



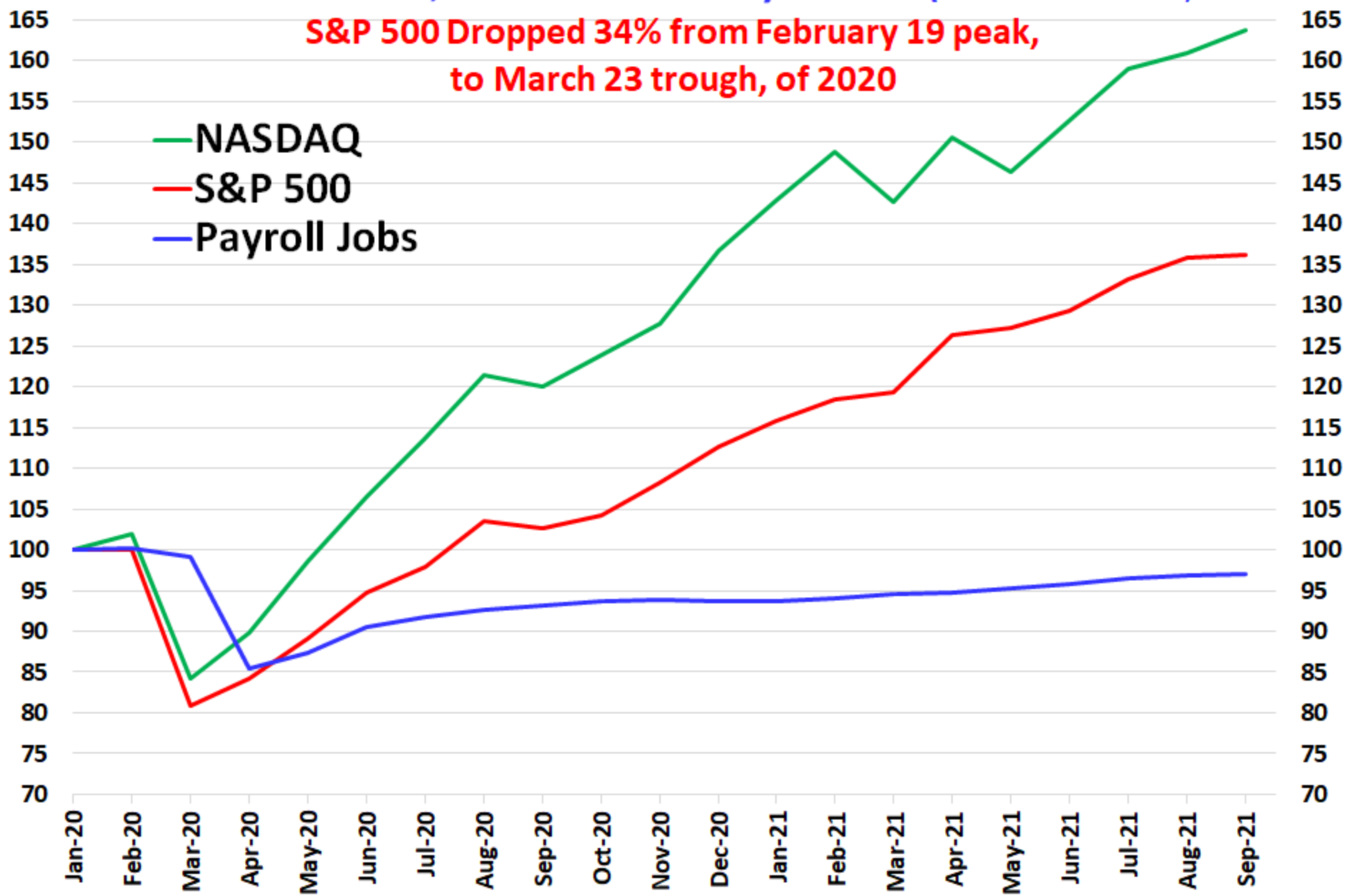
## U.S. Real GDP (Index, 2018 Q1 = 100), including Forecast for Q4 2021 on



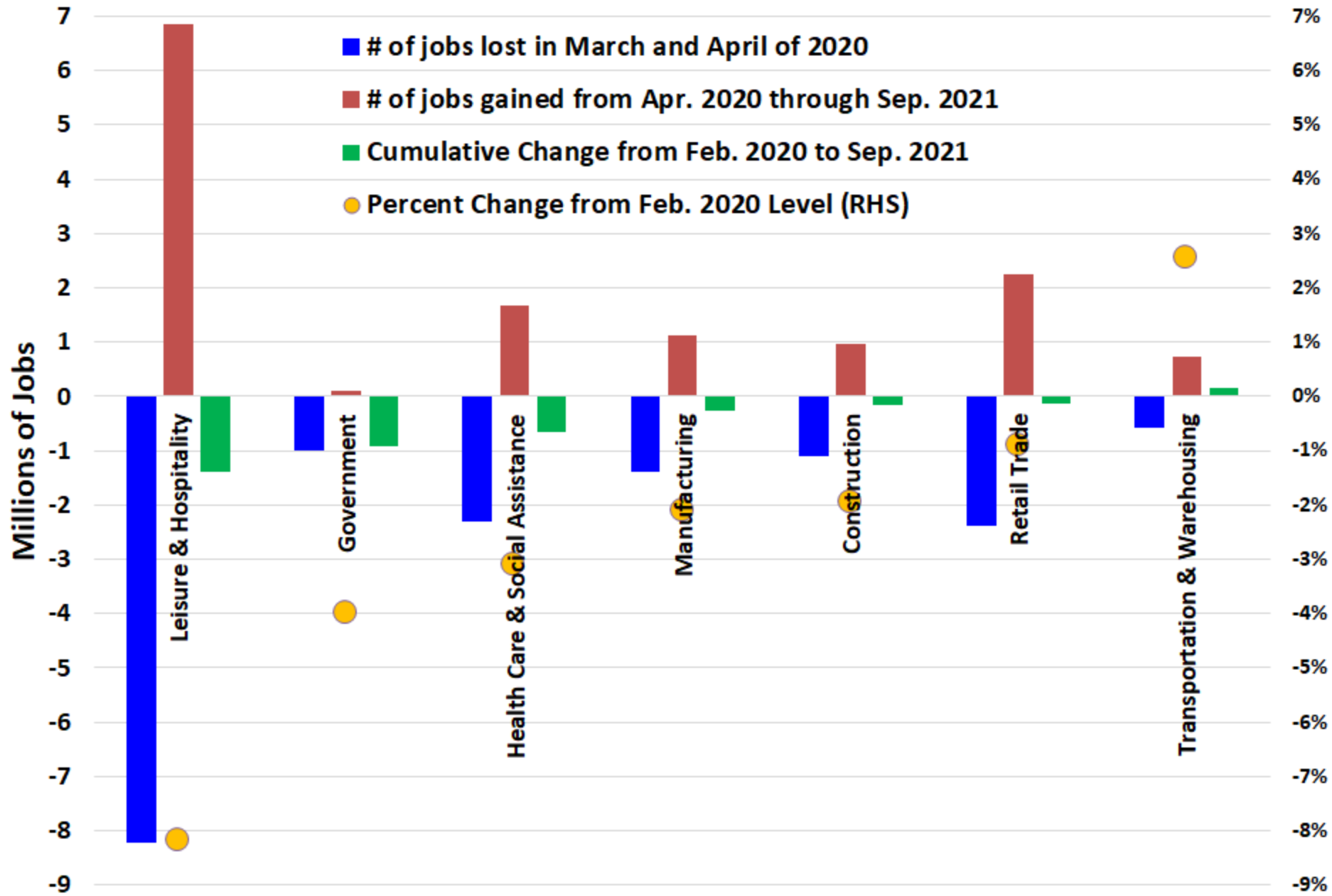
## Stocks vs. Jobs, Index of Monthly Values (Jan. 2020 = 100)

**S&P 500 Dropped 34% from February 19 peak, to March 23 trough, of 2020**

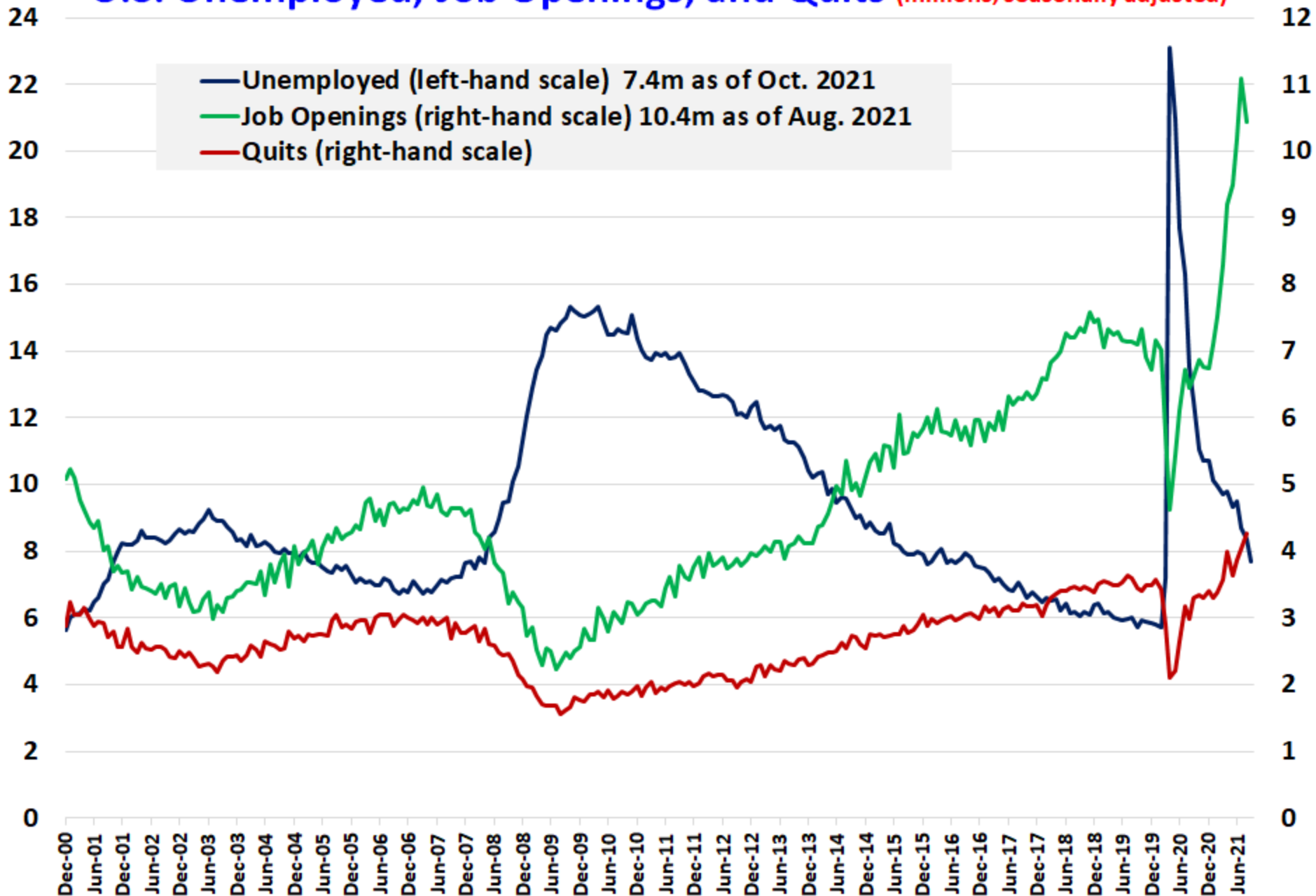
— NASDAQ  
— S&P 500  
— Payroll Jobs



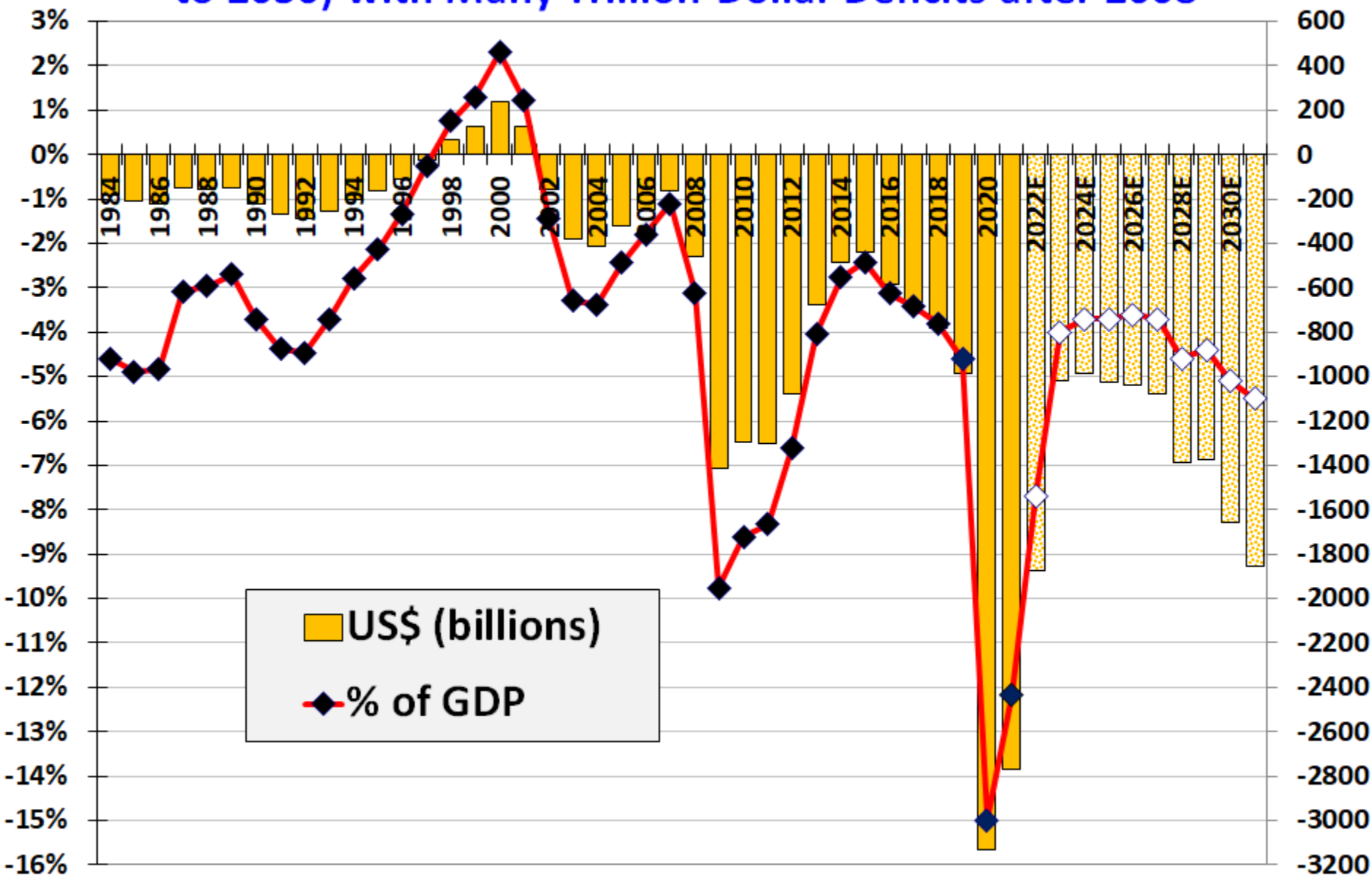
# After Losing 22 Million Jobs in March & April 2020, U.S. Jobs are Bouncing Back



# U.S. Unemployed, Job Openings, and Quits (millions, seasonally adjusted)



# U.S. Fiscal Policy: 50 Years of Federal Deficits (Including Forecast to 2030) with Many Trillion-Dollar Deficits after 2008

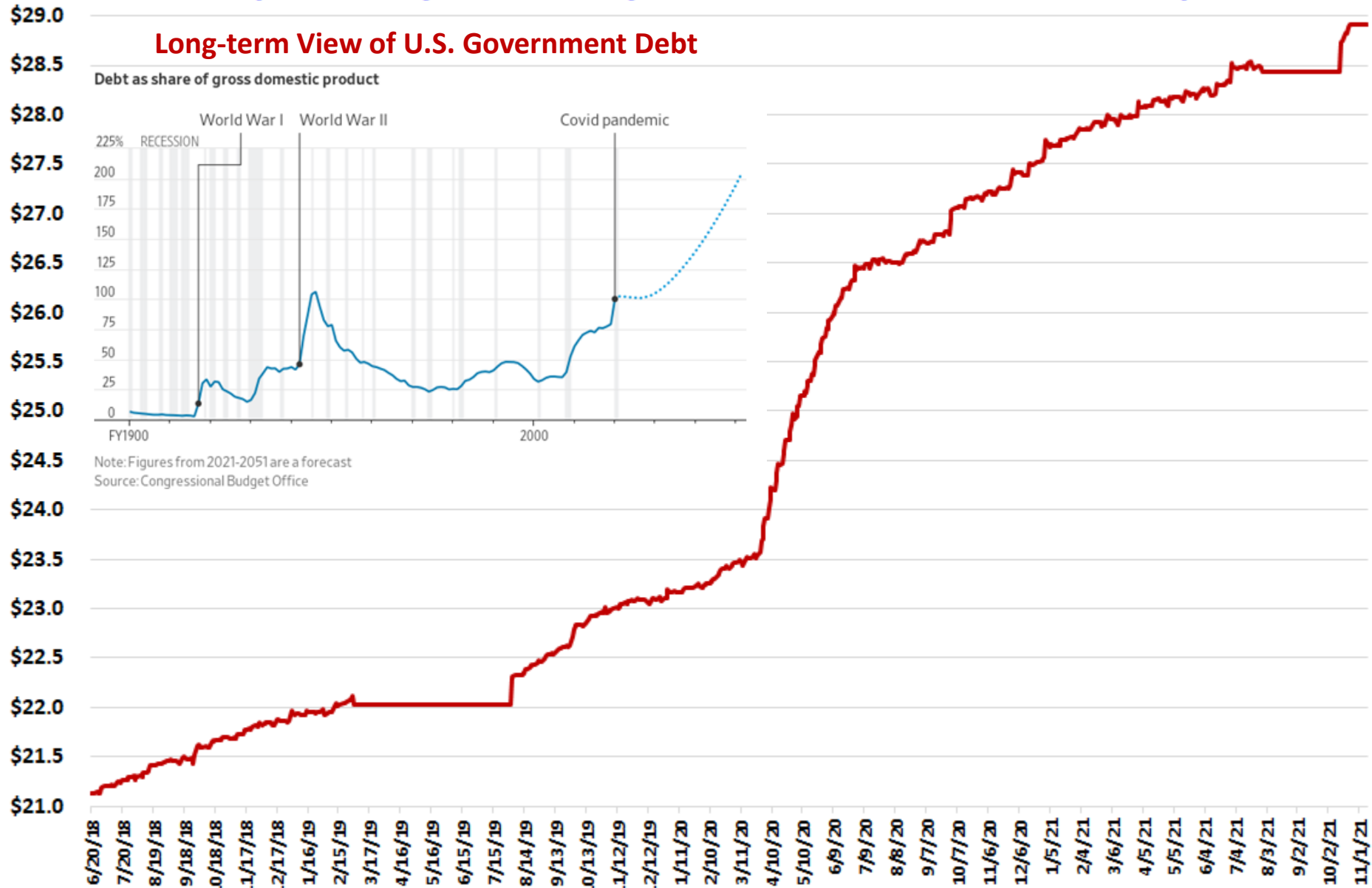


Prof. Jeff Rosensweig. Data source: Federal Reserve Bank of St. Louis, EIU, and CBO

**NOTE: FISCAL YEAR data**

# U.S. Gross (Total) Federal Government Debt Jumps Roughly \$5.4 Trillion on Account of Expansionary Fiscal Policy to Counteract the “Pandemic Depression”

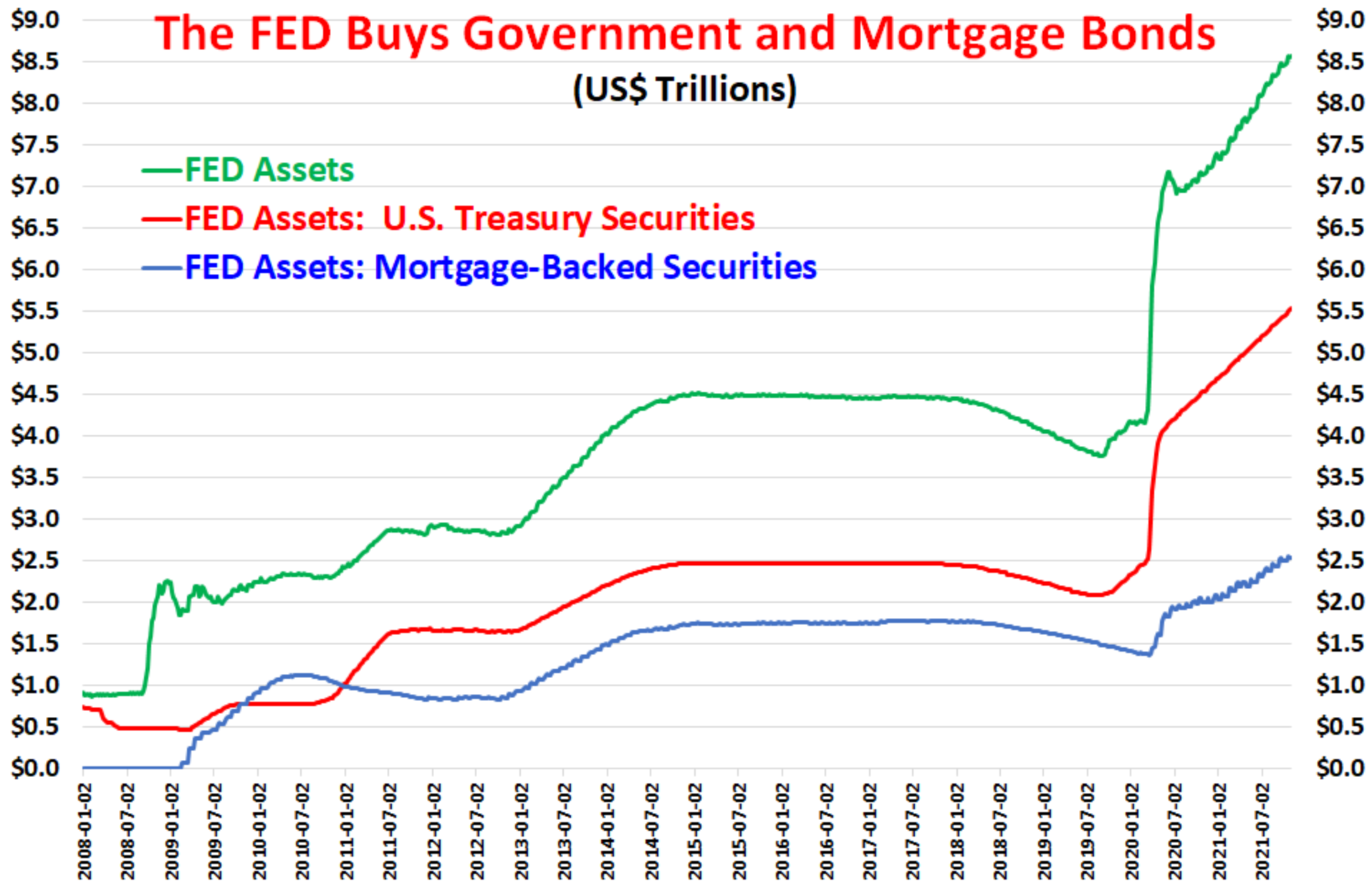
## Long-term View of U.S. Government Debt





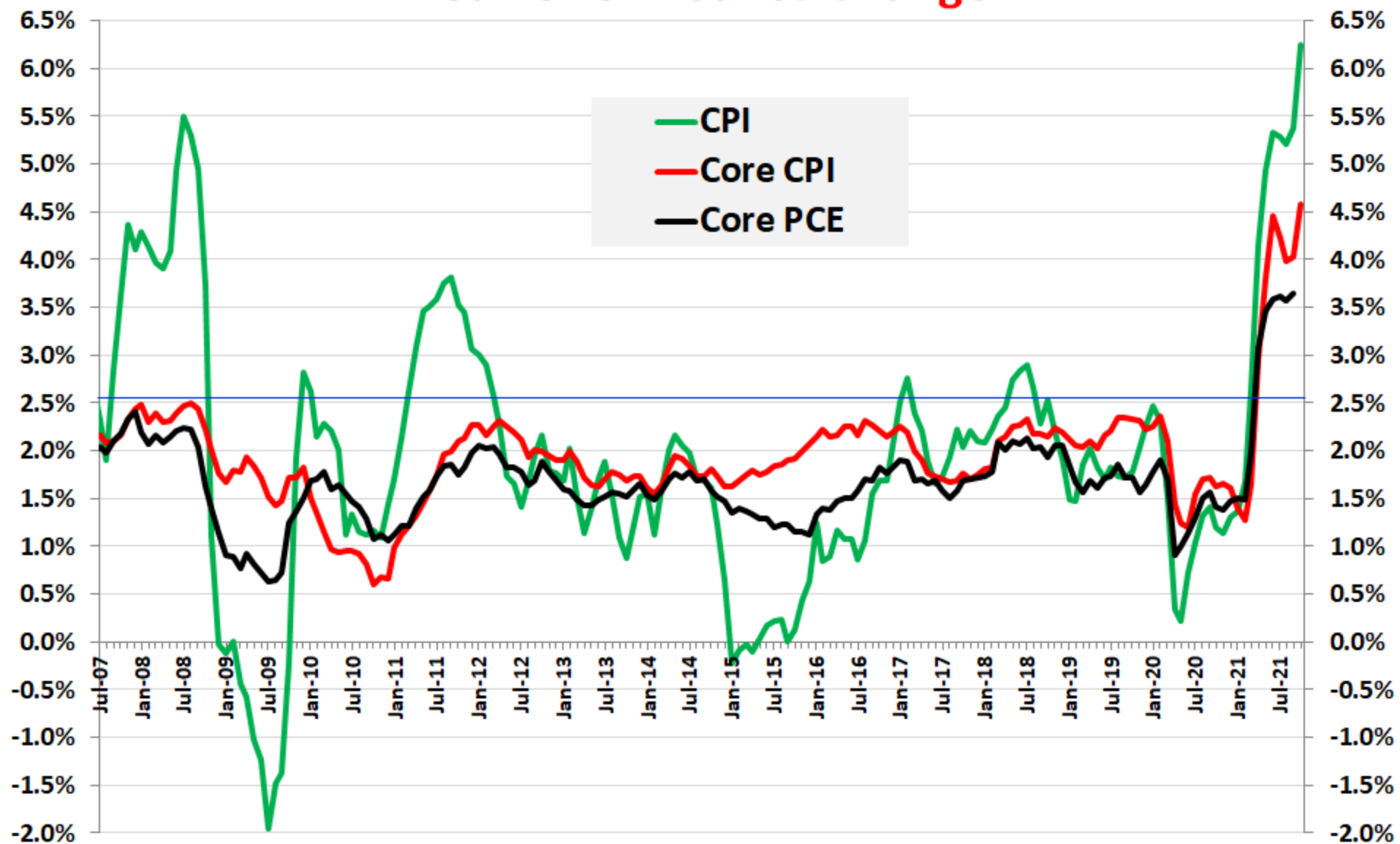
# Monetary Policy: QE Infinity

## The FED Buys Government and Mortgage Bonds (US\$ Trillions)



# Needles on the FED's Inflation Dashboard

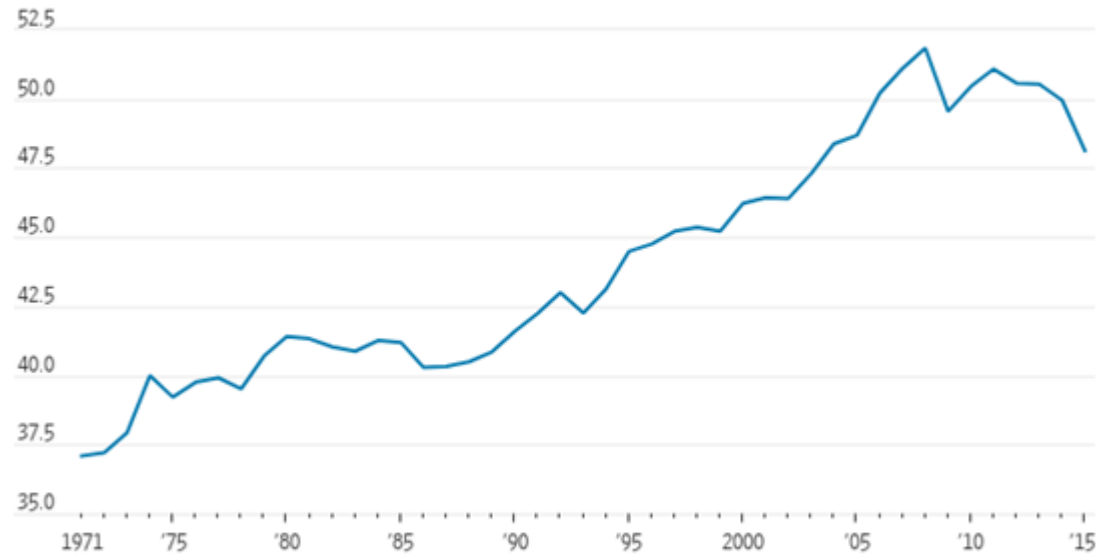
## Year-Over-Year % Change



# Global Value Chains' Share of World Trade

The share of world trade accounted for by global value chains—in which a product crosses at least two borders—rose from 37% in 1970 to 52% in 2008, where it plateaued.

Global value chains' share of world trade



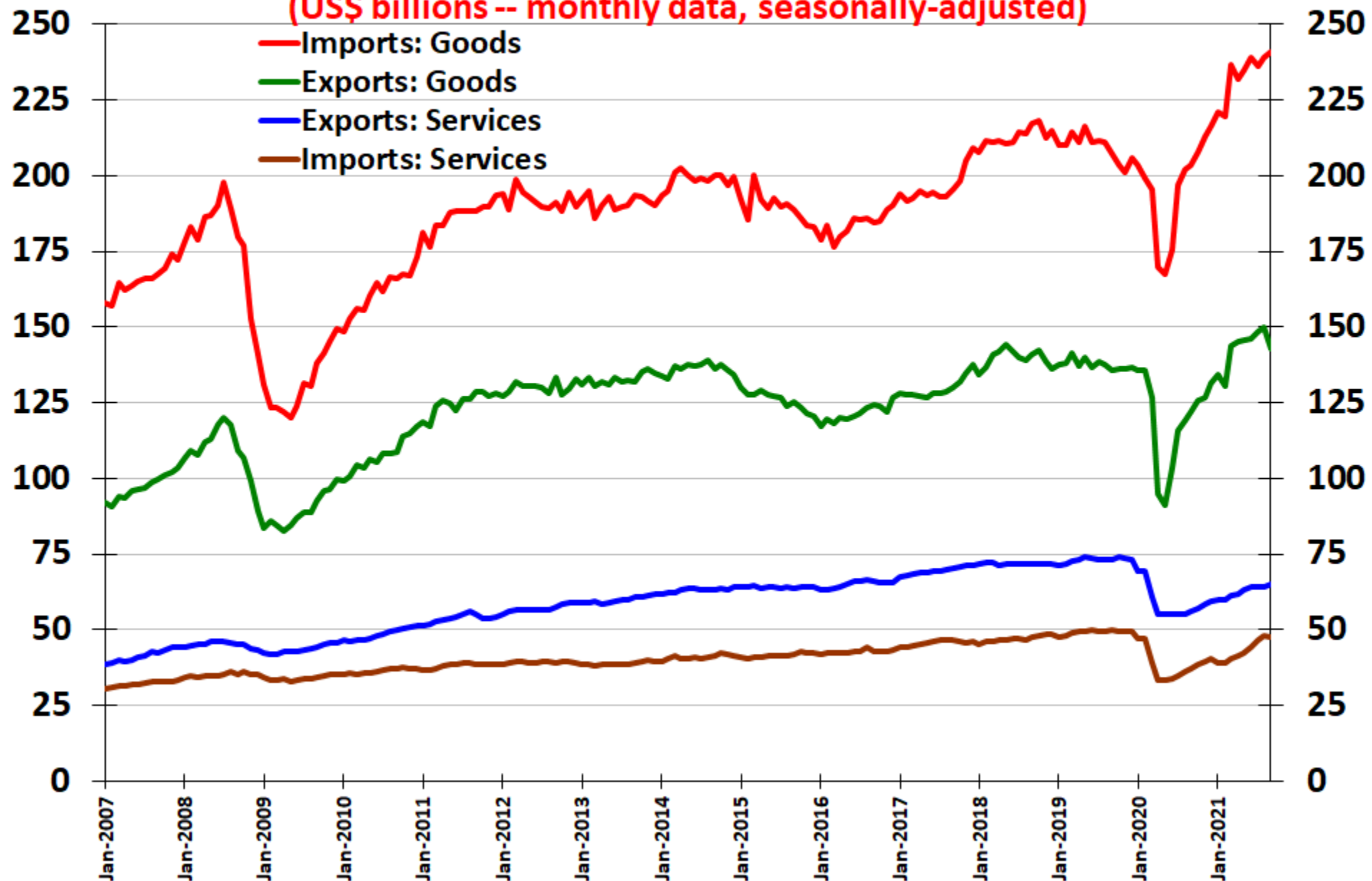
Note: Share of world exports that flow through at least two borders.  
Source: World Bank

Nothing embodied the promise of globalization more than the humble supply chain. Thanks to the integration of production across and within borders, consumers have come to expect infinite variety, instantly available. That is now under siege. The supply-chain crisis of 2021 is fueling the retreat from globalization, much as the global financial crisis of 2008 did. Three big forces are driving this latest crisis: Covid-19, climate and geopolitics. All have contributed to the semiconductor shortage that has crippled automotive production world-wide, Britain's energy crisis and China's economic stumbles. Today, companies and governments are waking up to the risks of dependence on far-flung suppliers and the absence of shock absorbers in vital links, from seaborne freight to electricity transmission. Just as the financial crisis drove banks and regulators to prioritize resilience over efficiency, the supply-chain crisis will likely result in production networks more resilient to surprises but less able to delight consumers with ever more choice at ever lower cost.

Source: Real-Time Economics, The Wall Street Journal, 21 Oct. 2021

# U.S. Goods Trade Reaches a Record Level

(US\$ billions -- monthly data, seasonally-adjusted)



# Population Growth From 2020 to 2045

Roughly every 50 seconds, world population is forecast to grow by 100 people, distributed as follows:

*From 2020 to 2045, the world will add 63.4 million people per year, or 1.59 billion total.*

