



Economic Update

1:15pm-2:30pm

Speaker: Anirban Basu, J.D., Sage
Policy Group

Anirban Basu

Mr. Anirban Basu is Chairman & CEO of Sage Policy Group, Inc., and is one of the mid-Atlantic region's most recognizable economists. Mr. Basu has been active in the areas of real estate economics, economic development and economic forecasting. He has conducted numerous economic and fiscal impact analyses, conducted seminars on the economy, and has authored a number of high profile economic development strategies. Mr. Basu is also a Senior Lecturer at Towson University, and is host of the Maryland Economic Forecast radio spot on Baltimore's WYPR.

Mr. Basu holds a B.S. in Foreign Service from Georgetown University. He earned his master's in public policy from Harvard University's John F. Kennedy School of Government in 1992. He earned his master's in economics at University of Maryland, College Park in 1998. His J.D. from the University of Maryland School of Law was obtained in 2003.

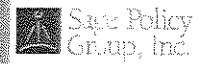
The Amazing Race

On Behalf of

MACPA

*By: Anirban Basu
Sage Policy Group, Inc.*

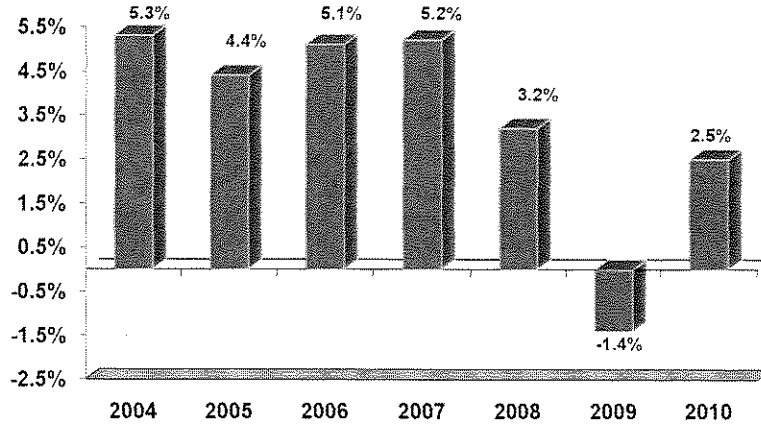
September 16, 2009



The Biggest Loser



Historic and Projected World Output Growth, 2004 through 2010*

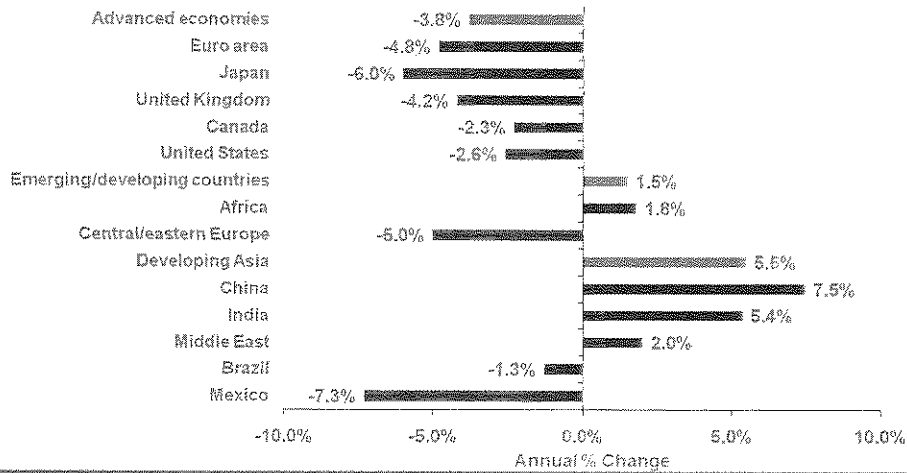


Source: International Monetary Fund

*2009-2010 data are projections



Estimated Growth in Output by Select Global Areas, 2009



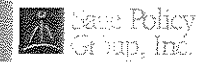
Source: International Monetary Fund



Top 12 Stock Exchanges 2008 Growth

Rank	Exchange	Index	2008 % Change
7	Shanghai SE	Shanghai Composite	-65.4%
10	Borsa Italiana	MIBTel	-48.5%
11	Hong Kong Exchanges	Hang Seng Index	-47.9%
5	Euronext	CAC 40	-42.6%
4	Tokyo SE	Nikkei 225	-41.5%
6	Frankfurt SE	DAX	-40.2%
8	Bolsa De Madrid	Madrid General	-40.0%
2	Nasdaq	NASDAQ Composite	-39.6%
9	TSX Group	S&P TSX Composite	-35.4%
12	Swiss Exchange	Swiss Market	-34.2%
1	NYSE Group	DJI A	-33.8%
3	London SE	FTSE 100	-31.3%

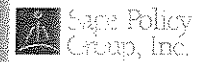
Source: Yahoo! Finance



National Charitable Giving by Type of Giving, 2008

Type of Giving	2008 Estimate (\$billions)	Percent of Total Giving	Percent Change from Year Ago (Inflation adjusted)
Individual Giving	\$229.28	75%	-6.3%
Charitable Bequests	\$22.66	7%	-6.4%
Corporate Giving	\$14.5	5%	-8.0%
Foundation Grantmaking	\$41.21	13%	-0.8%
Total Giving	\$307.65	100%	-5.7%

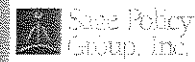
Source: Giving USA Foundation



National Charitable Giving by Recipient, 2008

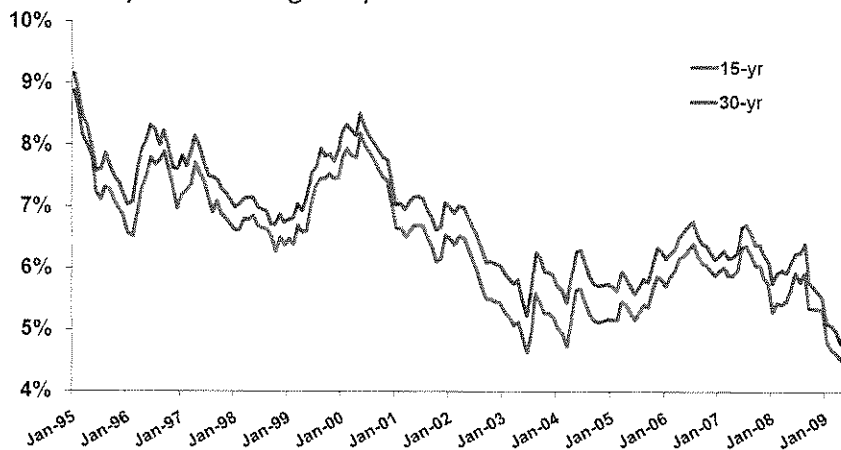
Type of Recipient	2008 Estimate (\$billions)	Percent of Total Giving	Percent Change from Year Ago (Inflation adjusted)
Religion	\$106.89	35%	1.6%
Education	\$40.94	13%	-9.0%
Foundations	\$32.65	11%	-22.2%
Health	\$21.64	7%	-10.0%
Public-Society Benefit	\$23.88	8%	1.5%
Art/Culture/Humanities	\$12.79	4%	-9.9%
International Affairs	\$13.3	4%	-3.1%
Environment/Animals	\$6.58	2%	-9.0%
Total Giving	\$307.65	100%	-5.7%

Source: Giving USA Foundation



15-Year & 30-Year Fixed Mortgage Rates

January 1995 through July 2009

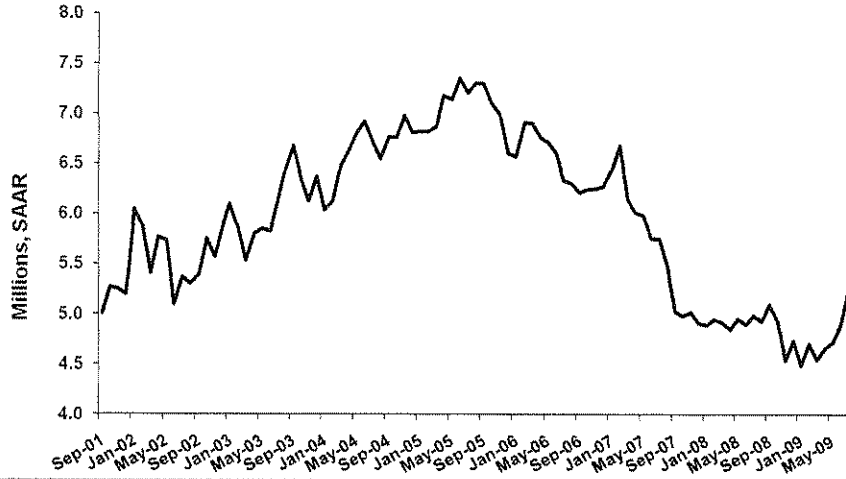


Source: Freddie Mac

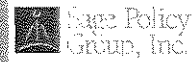


U.S. Existing Home Sales

September 2001 through July 2009

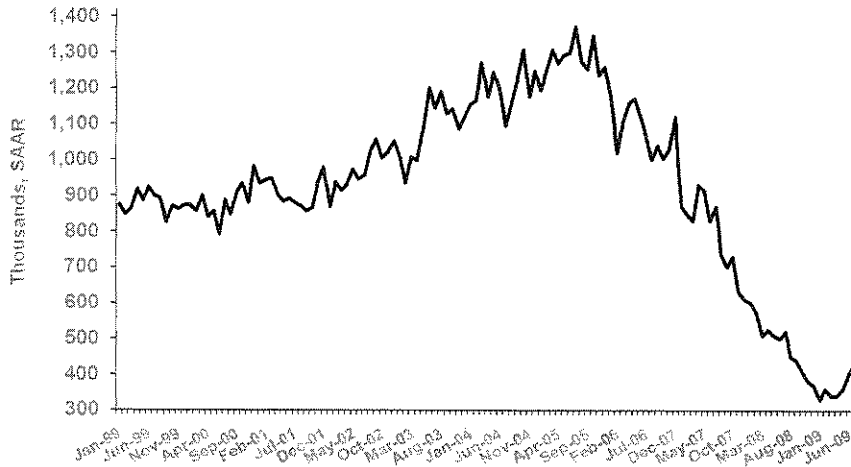


Source: Economy.com

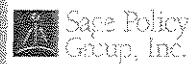


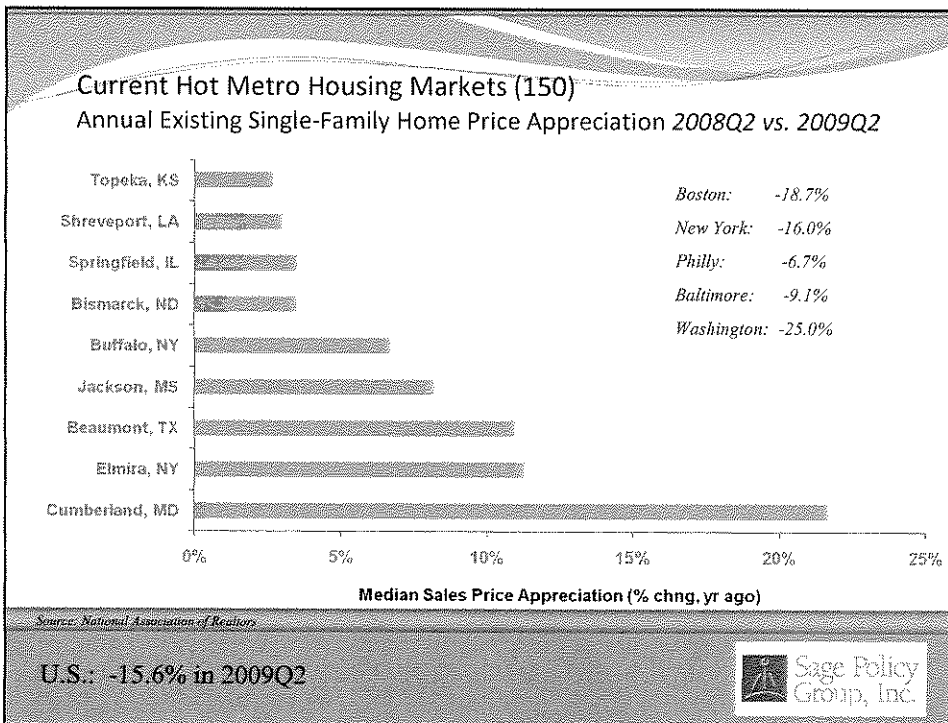
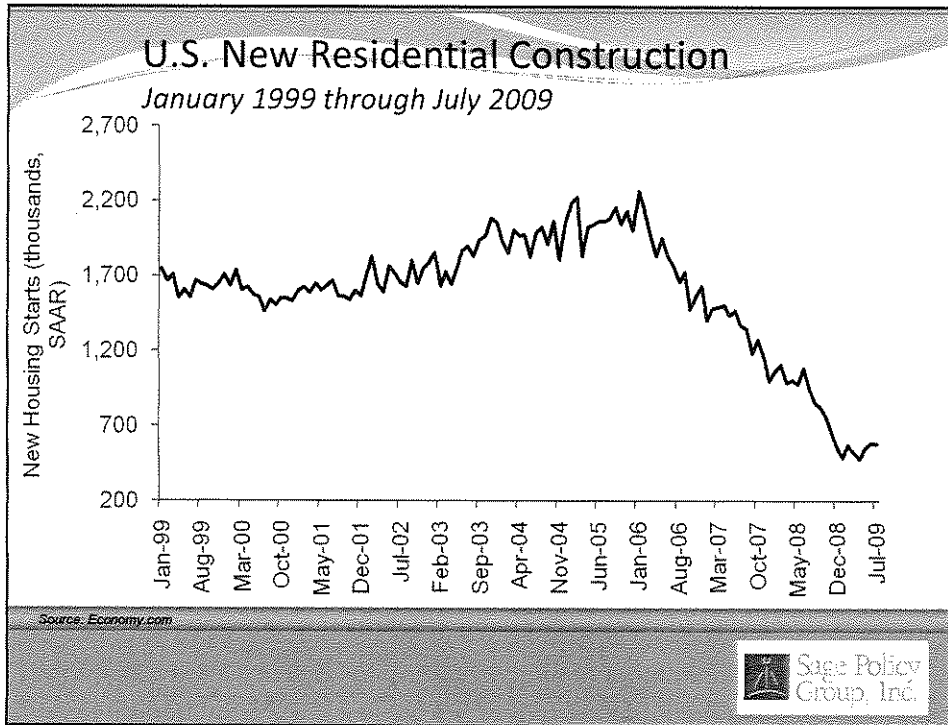
U.S. New Home Sales

January 1999 through July 2009



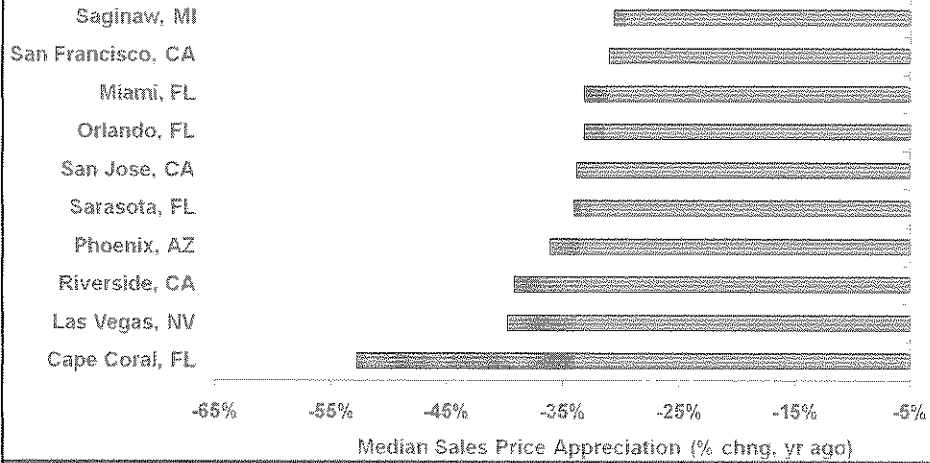
Source: Economy.com, Census Bureau





Worst Performing Metro Housing Markets (150)

Annual Existing Single-Family Home Price Appreciation 2008Q2 vs. 2009Q2

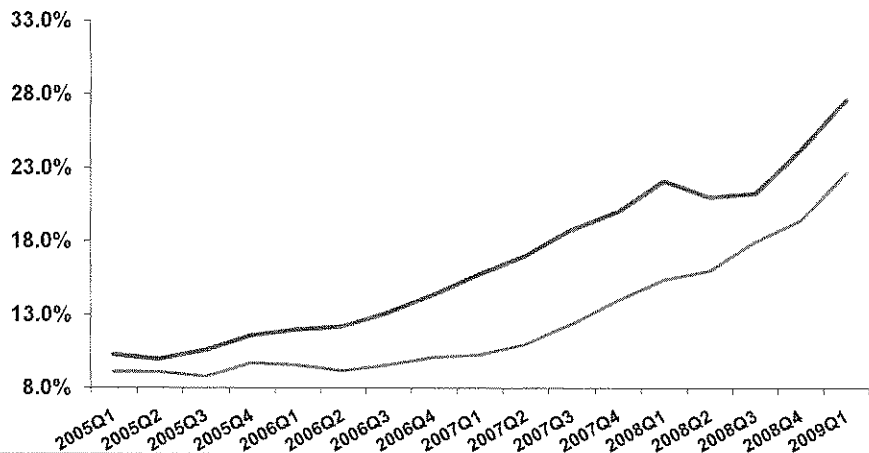


Source: National Association of Realtors

U.S.: -15.6% in 2009Q2



Mortgage Banker's Association Delinquency Rates, Prime Mortgage Loans, 2005Q2 through 2009Q2

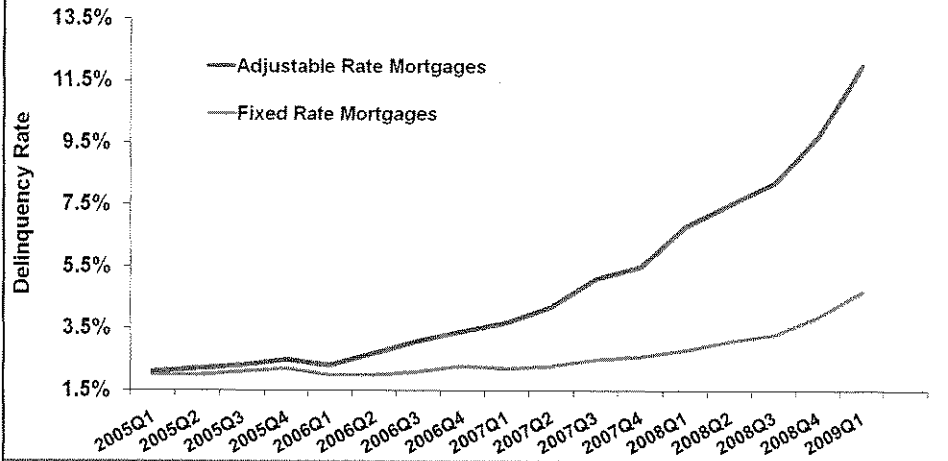


Source: Economy.com

The delinquency rate does not include loans in the process of foreclosure. The percentage of loans in the foreclosure process was 0.7 percent of Fixed Rate prime loans and 2.8 percent of all adjustable rate prime loans outstanding at the end of the second quarter.

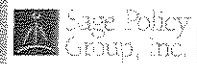


Mortgage Banker's Association Delinquency Rates, Subprime Mortgage Loans, 2005Q2 through 2009Q2



Source: fcmany.com

The delinquency rate does not include loans in the process of foreclosure. The percentage of fixed rate subprime loans in the foreclosure process was 3.0 percent while those with adjustable rates were 5.8 percent.

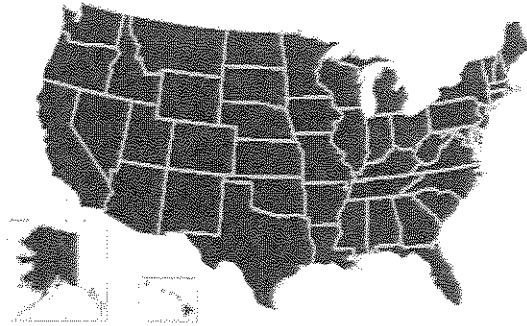


American Idle



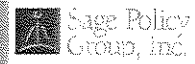
Recession Watch

as of May, 2009



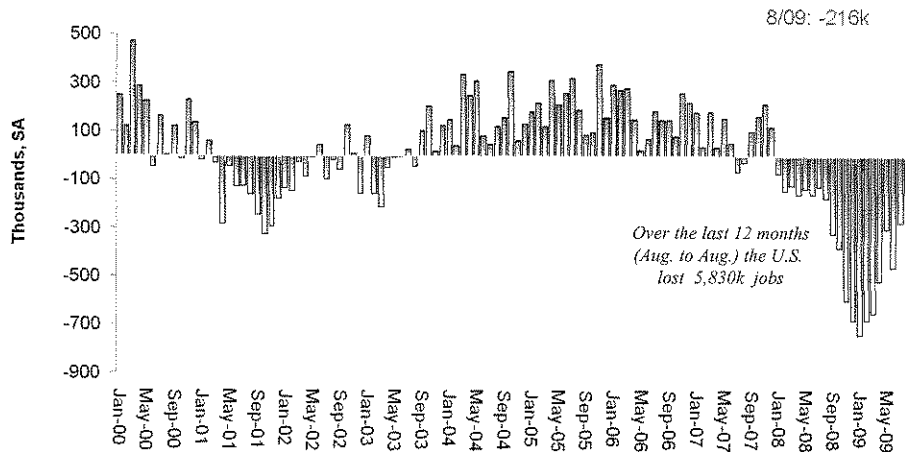
- Expansion
- At Risk
- Recovery
- In Recession

Source: Moody's Economy

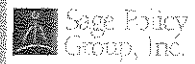


Net Change in U.S. Jobs

January 2000 through August 2009



Source: Bureau of Labor Statistics

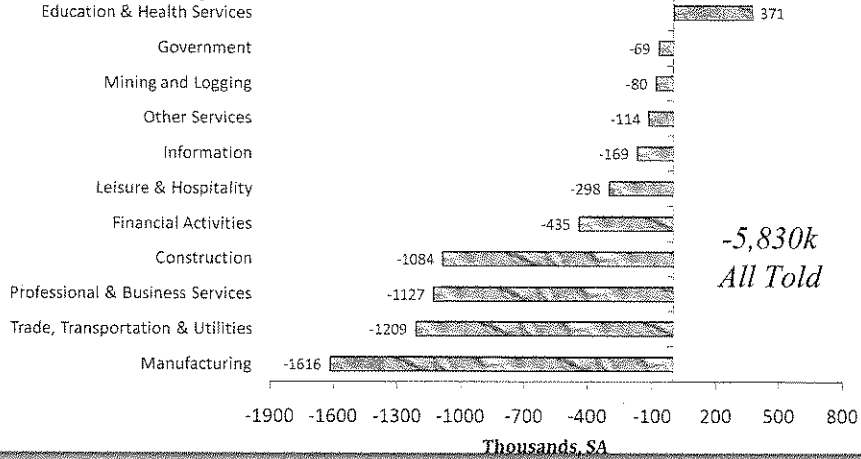


National Nonfarm Employment

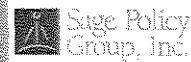
by Industry Sector Groups

August 2008 v. August 2009

Absolute Change



Source: Bureau of Labor Statistics

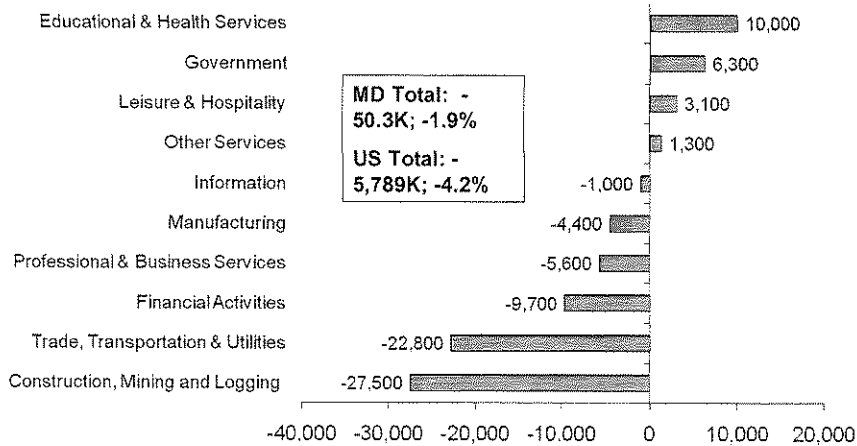


Maryland Nonfarm Employment

by Industry Sector Groups (SA)

July 2008 v. July 2009

Absolute Change

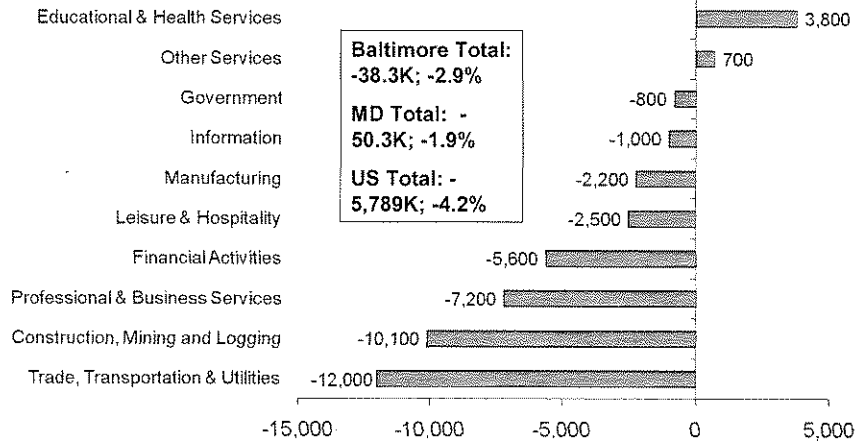


Source: Bureau of Labor Statistics

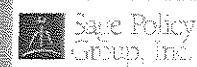


Baltimore-Towson MSA Nonfarm Employment by Industry Sector Groups (NSA)

July 2008 v. July 2009
Absolute Change

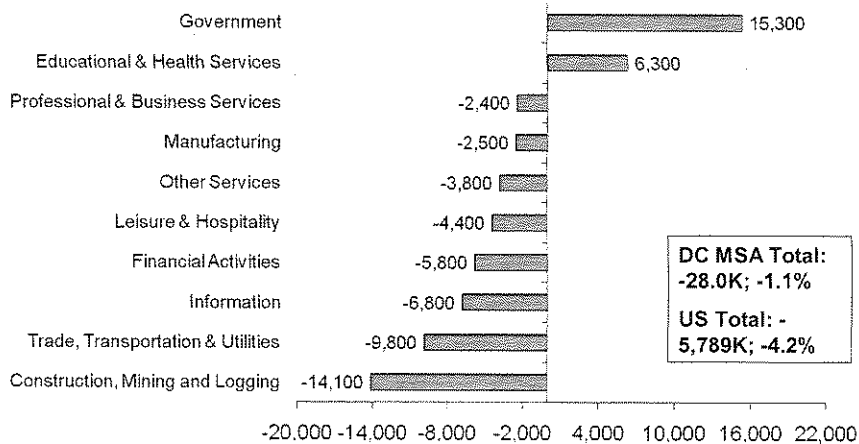


Source: Bureau of Labor Statistics



Washington, D.C. MSA Nonfarm Employment by Industry Sector Groups (NSA)

July 2008 v. July 2009
Absolute Change



Source: Bureau of Labor Statistics



Unemployment Rates, Largest 20 Metros(NSA)

July 2009

Rank	MSA	UR	Rank	MSA	UR
1	Washington-Arlington-Alexandria, DC, VA, MD, WV	6.2	11	St. Louis, MO-IL	9.9
2	Minneapolis-St. Paul-Bloomington, MN-WI	7.9	12	San Diego-Carlsbad-San Marcos, CA	10.3
3	Baltimore-Towson, MD	8.0	13	San Francisco-Oakland-Fremont, CA	10.5
4	Dallas, Fort Worth, Arlington, TX	8.3	14	Chicago-Naperville-Joliet, IL-IN-WI	10.6
5	Houston-Sugar Land-Baytown, TX	8.4	15	Atlanta-Sandy Springs-Marietta, GA	10.7
6	Boston-Cambridge-Quincy, MA-NH	8.4	16	Miami-Fort Lauderdale-Pompano Beach, FL	10.8
7	Phoenix-Mesa-Scottsdale, AZ	8.7	17	Tampa-St. Petersburg-Clearwater, FL	11.3
8	Philadelphia-Camden-Wilmington, PA-NJ-DE-MD	8.8	18	Los Angeles-Long Beach-Santa Ana, CA	11.7
9	Seattle-Tacoma-Bellevue, WA	8.9	19	Riverside-San Bernardino-Ontario, CA	14.3
10	New York-Northern New Jersey-Long Island, NY-NJ-PA	9.1	20	Detroit-Warren-Livonia, MI	17.7

Source: Bureau of Labor Statistics



MD Jurisdiction Unemployment Rates

July 2009

Rank	Jurisdiction	UR	Rank	Jurisdiction	UR
1	Montgomery County	5.5	13	Prince George's County	7.5
2	Howard County	5.7	14	Harford County	7.7
3	Saint Mary's County	6.1	15	Garrett County	7.9
4	Calvert County	6.4	16	Baltimore County	8.0
4	Charles County	6.4	16	Wicomico County	8.0
4	Frederick County	6.4	18	Allegany County	8.6
7	Carroll County	6.7	19	Caroline County	8.8
7	Talbot County	6.7	20	Cecil County	9.4
9	Queen Annes County	6.8	21	Somerset County	9.5
10	Anne Arundel County	6.9	22	Washington County	9.7
11	Kent County	7.3	23	Baltimore City	11.3
11	Worcester County	7.3	24	Dorchester County	11.5

Source: Bureau of Labor Statistics



Unemployment Rates, U.S. States (SA)

July 2009

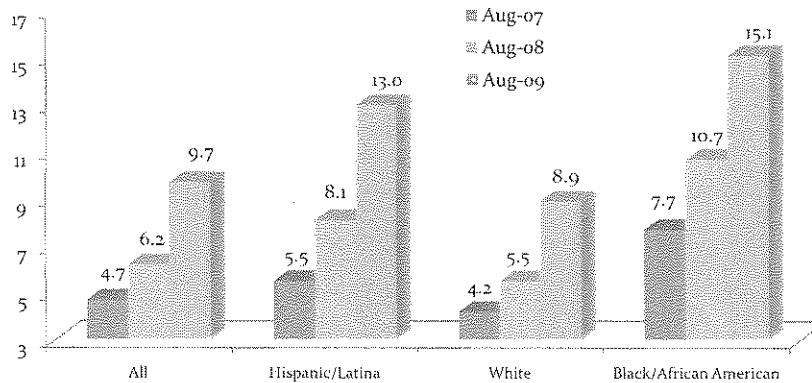
Rank	State	Rate	Rank	State	Rate	Rank	State	Rate
1	NORTH DAKOTA	4.2	18	COLORADO	7.8	35	MISSISSIPPI	9.7
2	NEBRASKA	4.9	18	CONNECTICUT	7.8	36	ALABAMA	10.2
2	SOUTH DAKOTA	4.9	20	TEXAS	7.9	37	GEORGIA	10.3
4	UTAH	6.0	21	MINNESOTA	8.1	38	ILLINOIS	10.4
5	IOWA	6.5	22	DELAWARE	8.2	39	DISTRICT OF COLUMBIA	10.6
5	OKLAHOMA	6.5	23	ALASKA	8.3	39	INDIANA	10.6
5	WYOMING	6.5	24	MAINE	8.4	41	FLORIDA	10.7
8	MONTANA	6.7	25	PENNSYLVANIA	8.5	41	TENNESSEE	10.7
9	NEW HAMPSHIRE	6.8	26	NEW YORK	8.6	43	KENTUCKY	11.0
9	VERMONT	6.8	27	IDAHO	8.8	43	NORTH CAROLINA	11.0
11	VIRGINIA	6.9	27	MASSACHUSETTS	8.8	45	OHIO	11.2
12	HAWAII	7.0	29	WEST VIRGINIA	9.0	46	SOUTH CAROLINA	11.8
12	NEW MEXICO	7.0	29	WISCONSIN	9.0	47	CALIFORNIA	11.9
14	MARYLAND	7.3	31	WASHINGTON	9.1	47	OREGON	11.9
15	ARKANSAS	7.4	32	ARIZONA	9.2	49	NEVADA	12.5
15	KANSAS	7.4	33	MISSOURI	9.3	50	RHODE ISLAND	12.7
15	LOUISIANA	7.4	33	NEW JERSEY	9.3	51	MICHIGAN	15.0

Source: Bureau of Labor Statistics

•U.S. Unemployment Rate: July 09' =9.4%



Unemployment Rate by Ethnicity/Race August 2007-August 2009



Source: Bureau of Labor Statistics



State Labor Supply/Demand Rate, July 2009

<i>Location</i>	<i>Supply/Demand Rate*</i>
Maryland	2.00
Virginia	2.25
Massachusetts	2.94
Colorado	3.03
New Jersey	3.64
Washington	3.86
California	3.90
Arizona	3.99
Texas	4.13
New York	4.26

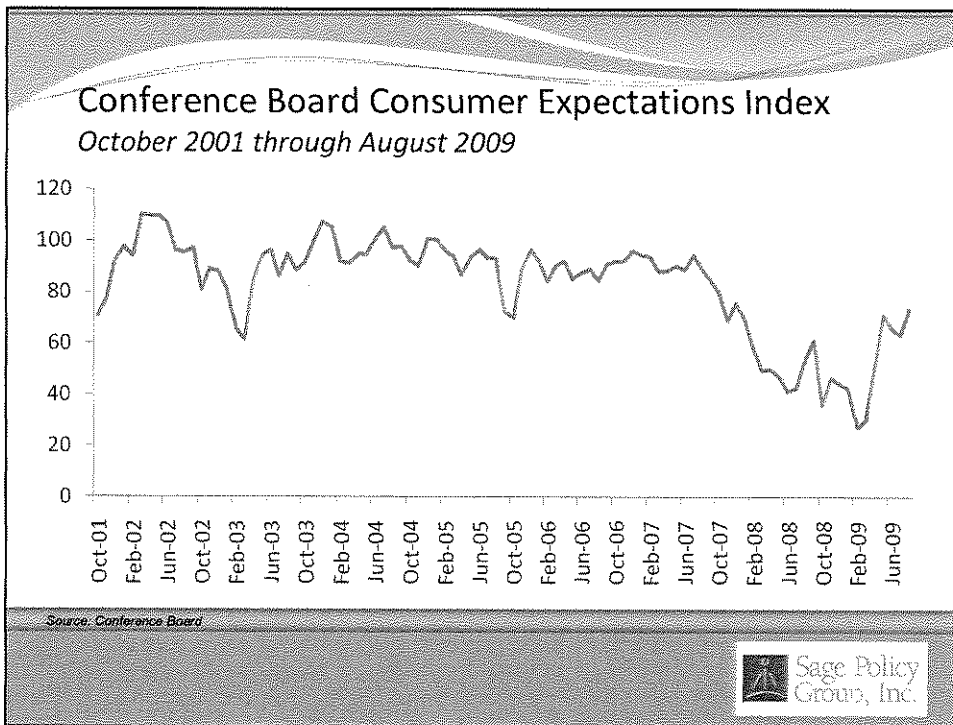
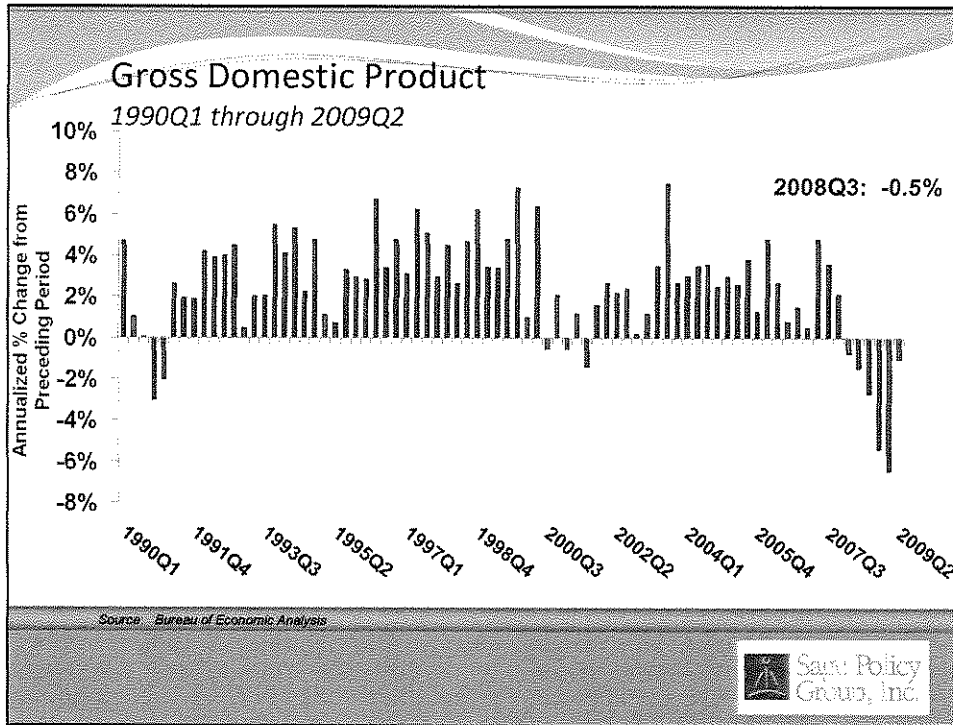
<i>Location</i>	<i>Supply/Demand Rate*</i>
Minnesota	4.27
Missouri	4.51
Pennsylvania	4.55
Wisconsin	4.68
Georgia	5.39
Illinois	5.54
Florida	5.70
North Carolina	6.33
Ohio	6.65
Michigan	10.69

Source: Conference Board



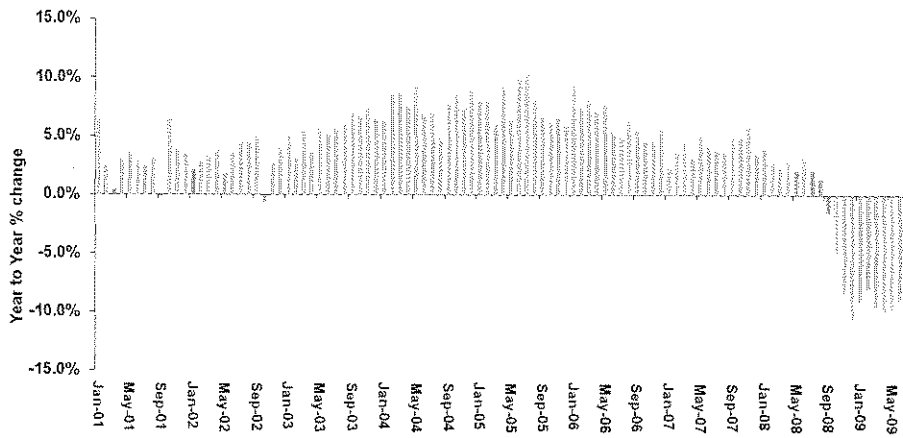
Fear Factor





U.S. Retail & Food Services Sales

January 2001 through July 2009

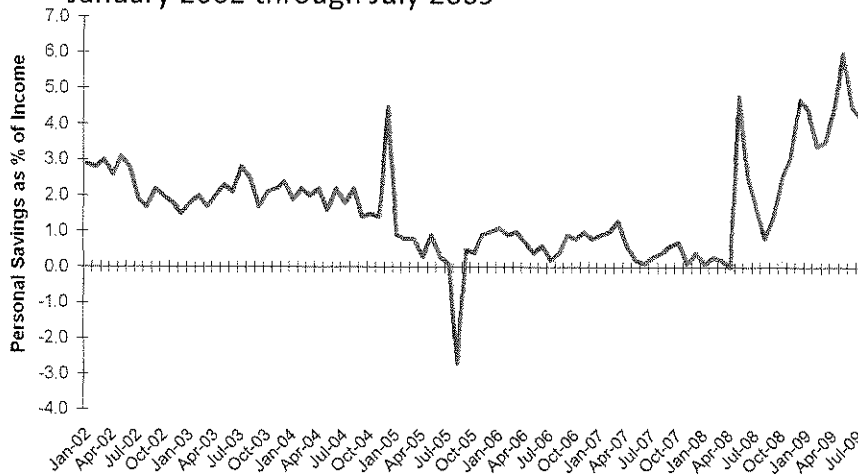


Source: Dismal.com



U.S. Personal Savings Rate

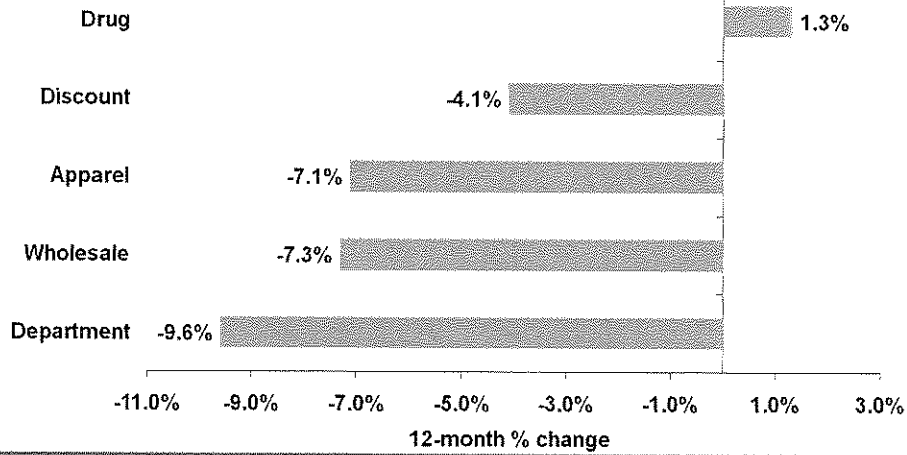
January 2002 through July 2009



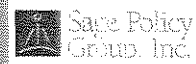
Source: Bureau of Economic Analysis, Energy Information Administration



U.S. Chain Store Sales Growth by Type of Store July 2008 vs. July 2009



Source: Economy.com



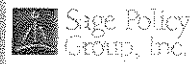
Maryland Auto Sales

Sep. 2001-Jul. 2009

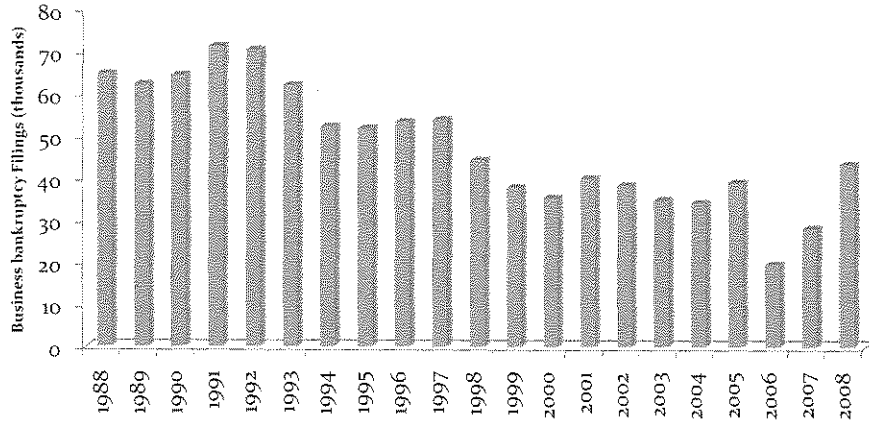


Source: Maryland Motor Vehicle Administration

July 09' New Car Sales: 22,836; down 21.8% from July 08'
July 09' Used Car Sales: 54,410; up 1.1% from July 08'



Business Bankruptcy Filings 1989-2008

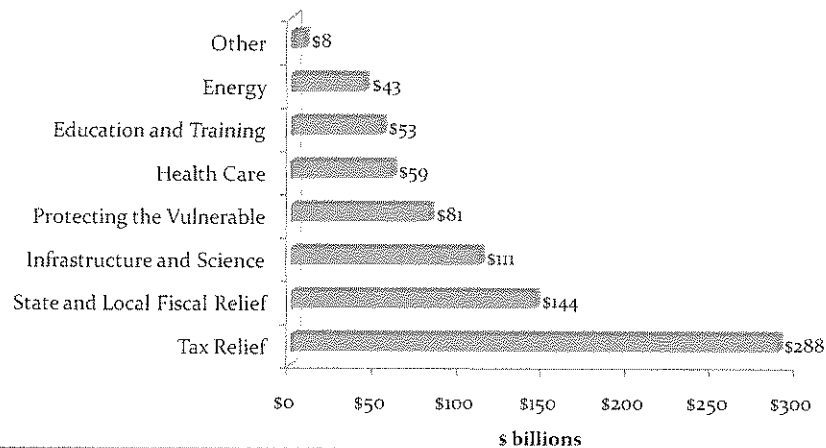


Source: Administrative Office of the U.S. Circuit Courts

• *Maryland Business Bankruptcies*
2007: 380; 2008: 628

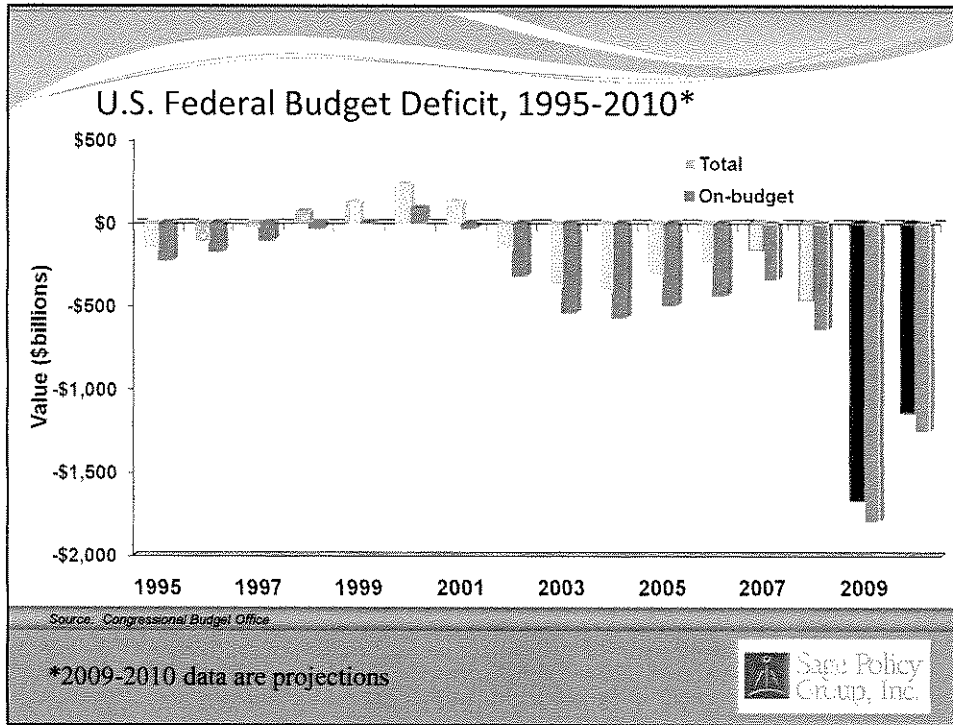


Overview of where the \$787 billion is going



Source: Recovery.gov





America's Next Top Model

- Stimulus, stimulus, stimulus;
- Unemployment will likely peak above 10 percent nationally, perhaps much higher than that;
- This is the worst of it from a broader economic perspective;
- Ben Bernanke as hero;
- Too soon to tell if inflation will be problematic;
- Washington, D.C. remains the financial capital of North America.
- U.S. dollar may be the economic element to watch;

&

Sage Policy Group, Inc.

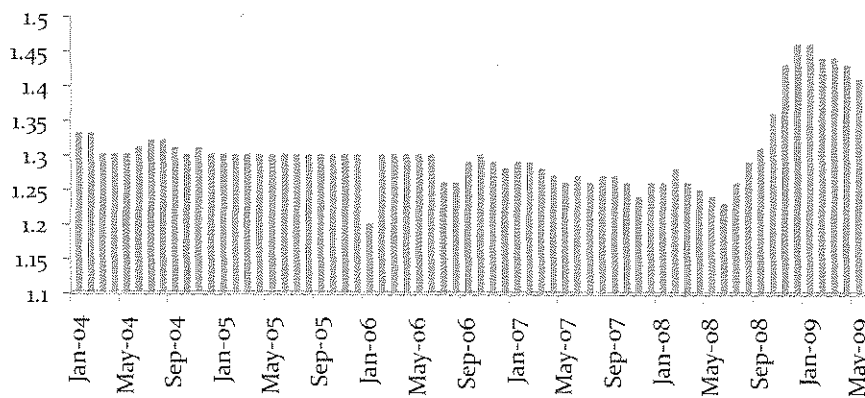
Thank You

- You can always reach me at abasu@sagepolicy.com
- If you appreciate this type of information and would like regular updates, please see our newsletter service at www.spgtrend.com
- Also, if you need us in a hurry, we are at 410.522.7243 (410.522.SAGE)
- Please contact us when you require economic research & policy analysis.



U.S. Business Inventory to Sales Ratio

January 2004 through June 2009

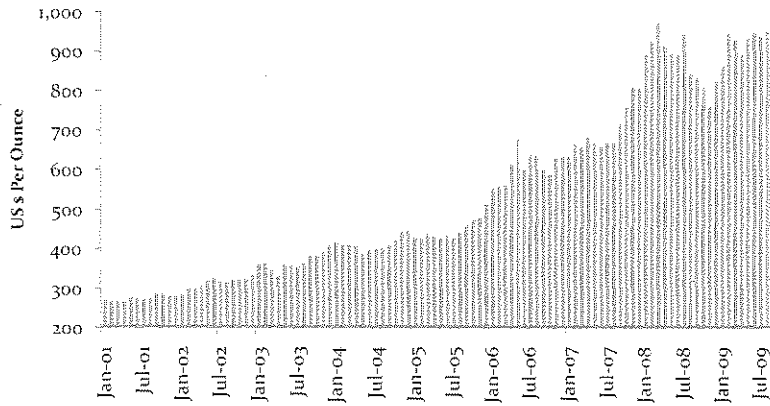


Source: Dismal.com



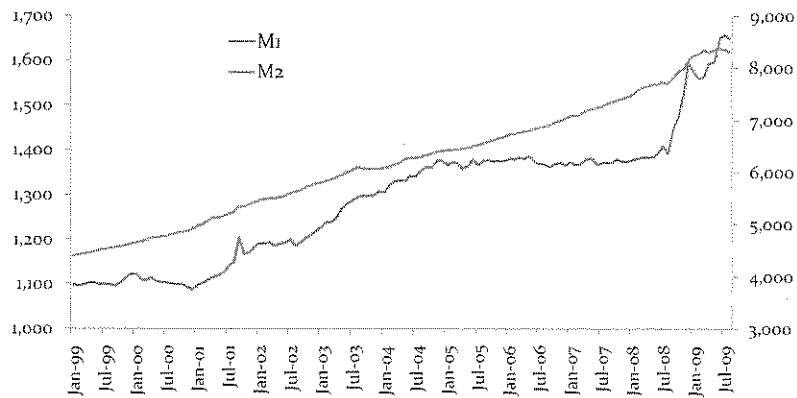
Gold Prices

January 2001-August 2009

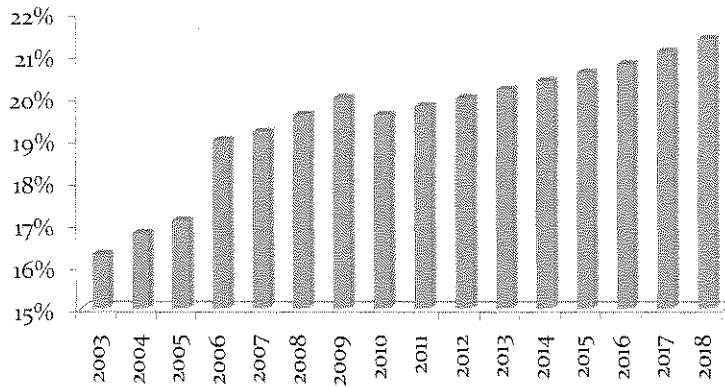


Money Stock

January 1999-August 2009

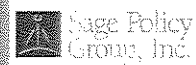


Medicare as Portion of National Health Care Expenditures, 2003-2018*

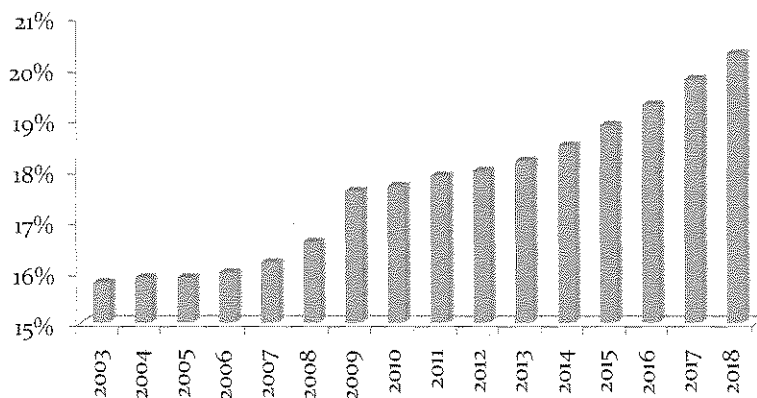


Source: Centers for Medicare & Medicaid Services

**2008-2018 are projected*

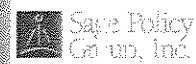


National Health Expenditures as Percent of GDP, 2003-2018*



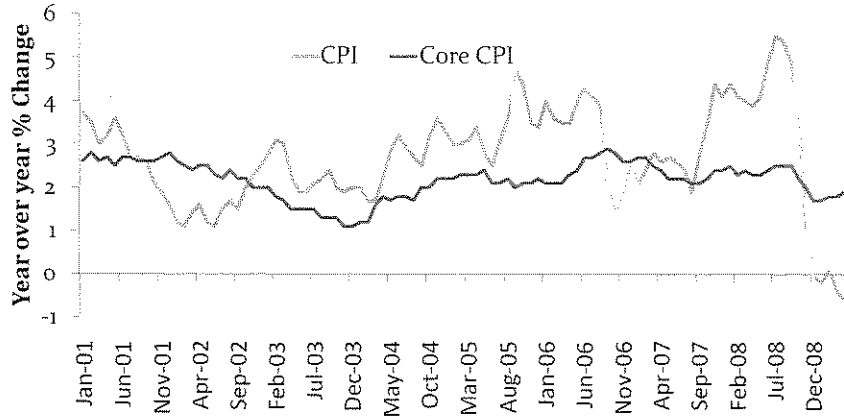
Source: Centers for Medicare & Medicaid Services

**2008-2018 are projected*



U.S. CPI

January 2001-July 2009



Source: Bureau of Labor Statistics

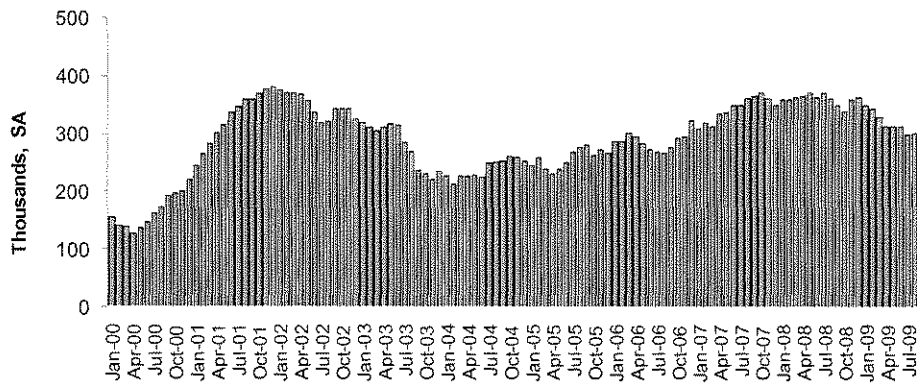
*Core CPI: All items less food and energy

CPI: -1.9% Core CPI*: 1.7%



U.S. Health Care Employment Growth

Jan. 2000-Aug. 2009, 12-month net change

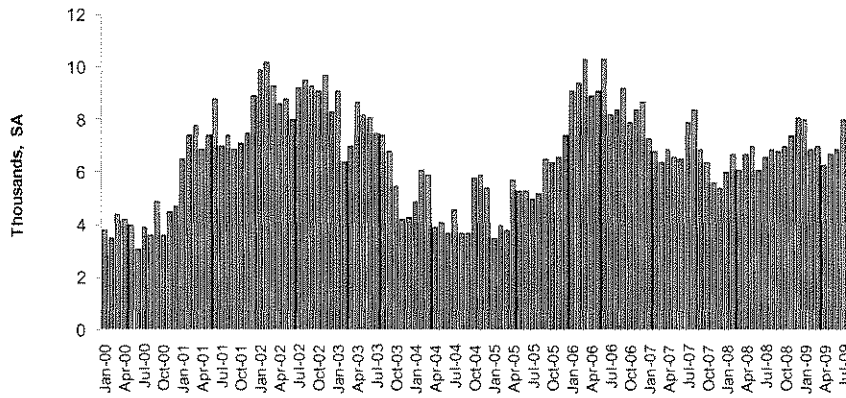


Source: Bureau of Labor Statistics



Maryland Health Care Employment Growth

Jan. 2000-Apr. 2009, 12-month net change



Source: Bureau of Labor Statistics



Metro Cost of Living Index Breakdown

2nd Quarter 2009

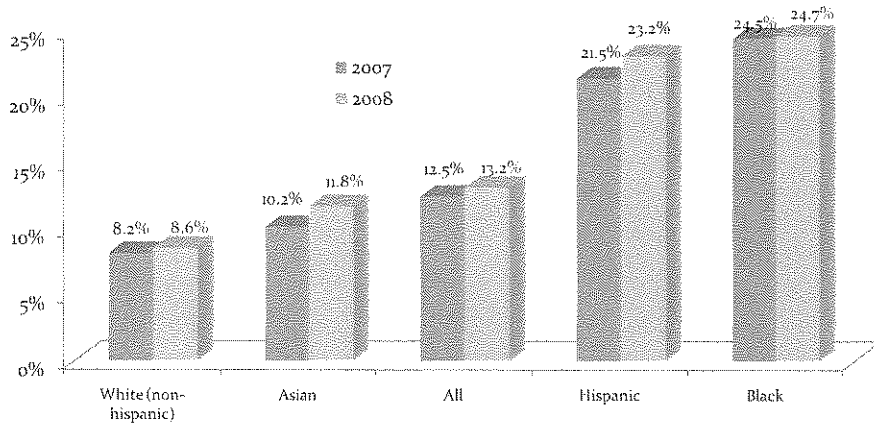
	Baltimore	DC	New York	Detroit	Dallas
OVERALL INDEX	122.5	140.0	217.	100.2	92.0
GROCERIES	109.4	111.6	142.8	94.0	91.2
HOUSING	163.2	222.7	402.5	100.7	69.5
UTILITIES	121.5	103.2	146.7	127.2	111.1
TRANSPORTATION	102.8	107.6	132.4	98.3	103.6
HEALTH CARE	98.3	102.3	130.4	96.2	104.3
MISC GOODS	101.4	104.4	143.3	94.9	100.9

Source: The Council for Community and Economic Research

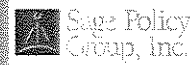
100 = National Average



Poverty Rates by Race and Ethnicity 2007-2008



Source: Census Bureau



Poverty Rate by State, 2008

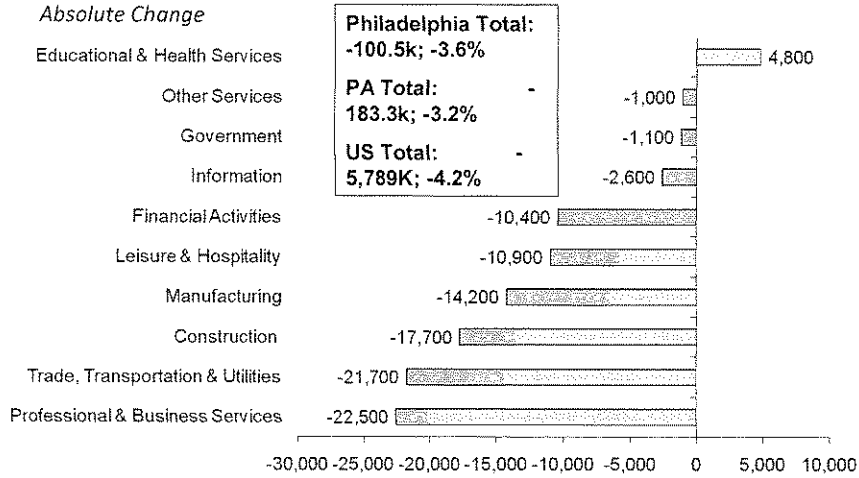
Rank	State	Rate	Rank	State	Rate	Rank	State	Rate
1	New Hampshire	7.0	18	Nevada	10.8	35	North Carolina	13.9
2	Utah	7.6	19	Colorado	11.0	36	South Carolina	14.0
3	Connecticut	8.1	19	Pennsylvania	11.0	37	New York	14.2
4	Alaska	8.2	21	Massachusetts	11.3	38	Alabama	14.3
5	Maryland	8.7	22	North Dakota	11.8	38	Indiana	14.3
6	Vermont	9.0	23	Maine	12.0	40	West Virginia	14.5
7	New Jersey	9.2	24	Idaho	12.2	41	California	14.6
8	Iowa	9.5	25	Illinois	12.3	42	Tennessee	15.0
9	Delaware	9.6	26	Kansas	12.7	43	Arkansas	15.3
10	Wisconsin	9.8	26	Rhode Island	12.7	44	Georgia	15.5
11	Hawaii	9.9	28	Montana	12.9	45	Texas	15.9
11	Minnesota	9.9	29	Michigan	13.0	46	District of Columbia	16.5
13	Wyoming	10.1	30	Florida	13.1	47	Kentucky	17.1
14	Virginia	10.3	30	South Dakota	13.1	48	Arizona	18.0
15	Washington	10.4	32	Missouri	13.3	49	Mississippi	18.1
16	Nebraska	10.6	33	Oklahoma	13.6	50	Louisiana	18.2
16	Oregon	10.6	34	Ohio	13.7	51	New Mexico	19.3

United States Poverty Rate: 13.2%



Philadelphia MSA Nonfarm Employment by Industry Sector Groups (NSA)

July 2008 v. July 2009
Absolute Change

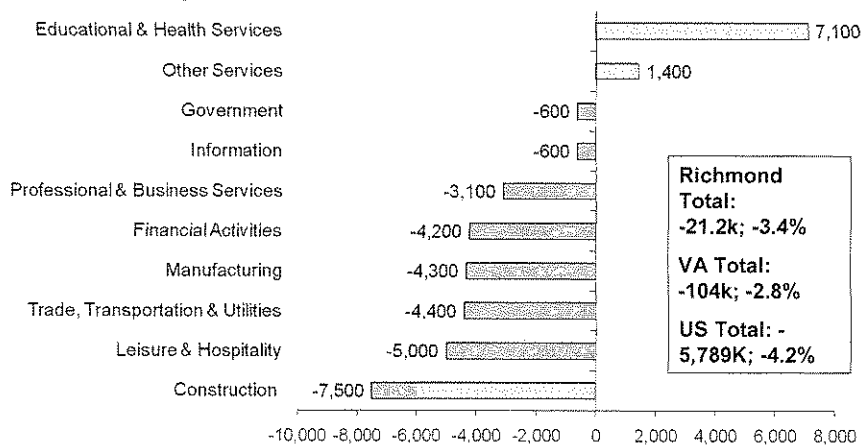


Source: Bureau of Labor Statistics



Richmond MSA Nonfarm Employment by Industry Sector Groups (NSA)

July 2008 v. July 2009
Absolute Change



Source: Bureau of Labor Statistics

