

What to Do With a Windfall

MOODY'S

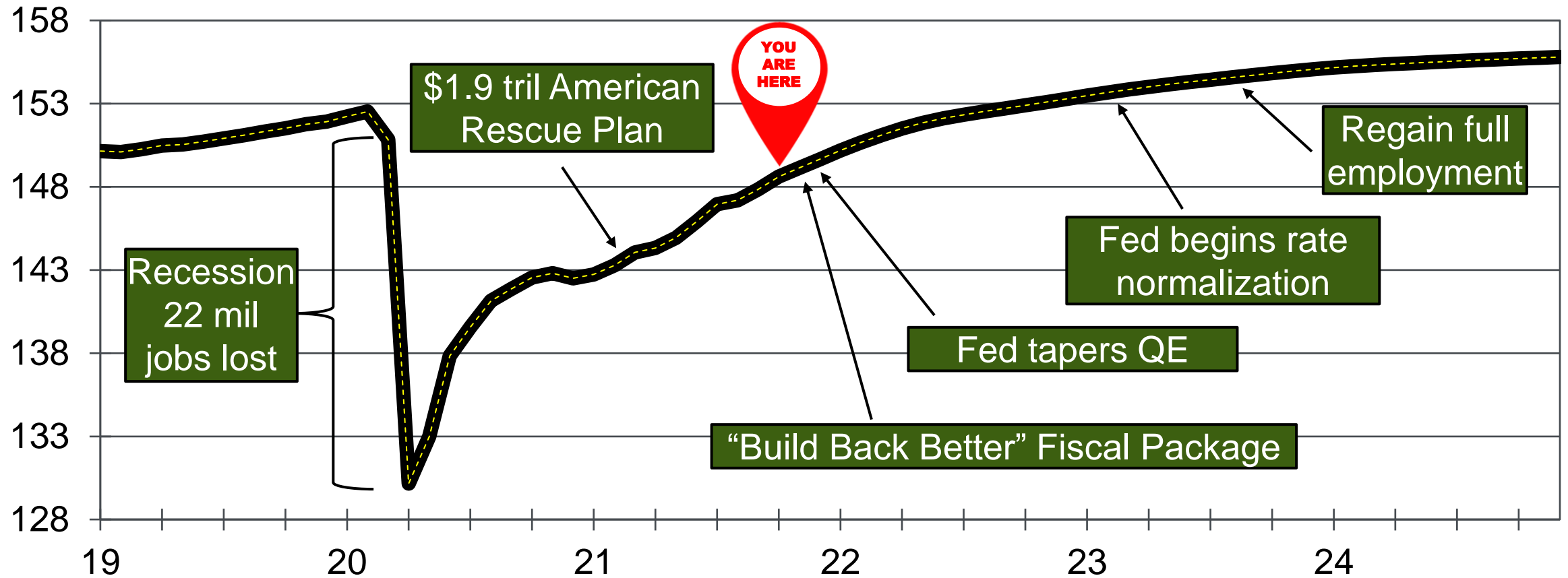
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The Pandemic Recovery Roadmap

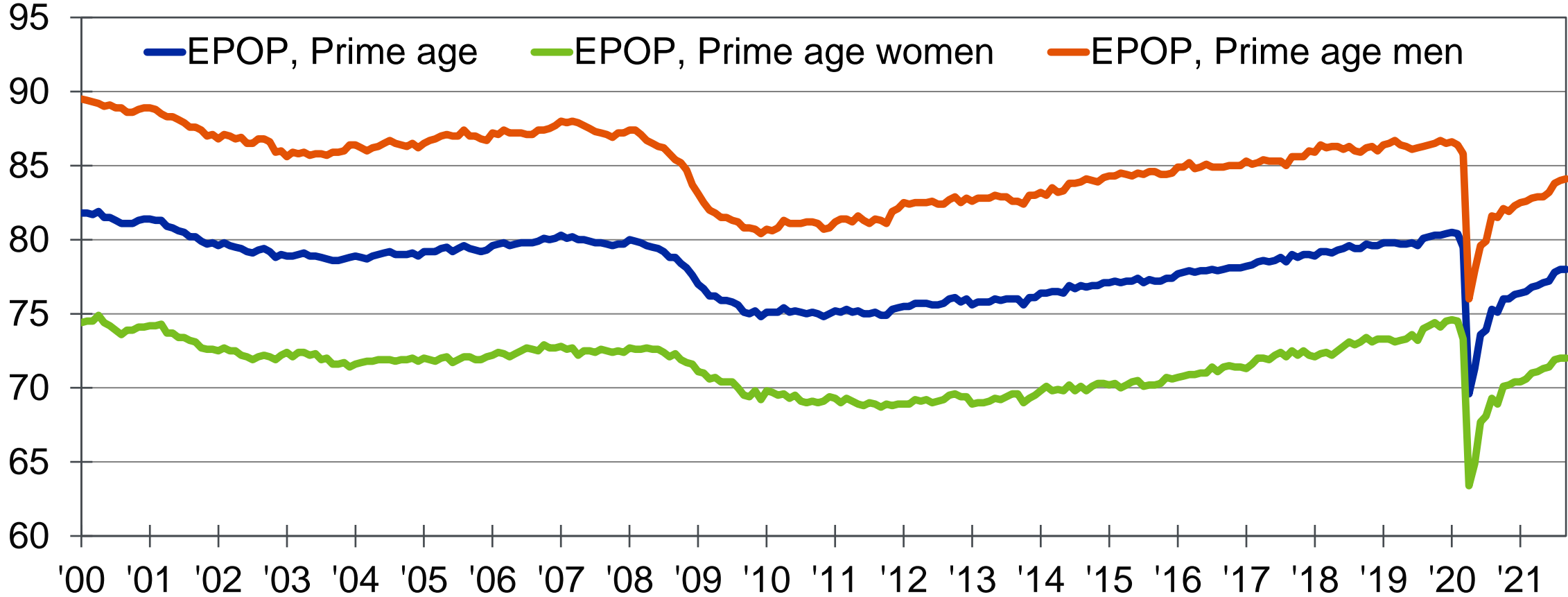
U.S. payroll employment, Moody's Analytics Baseline Scenario, mil



Sources: BLS, Moody's Analytics

What to watch? EPOP

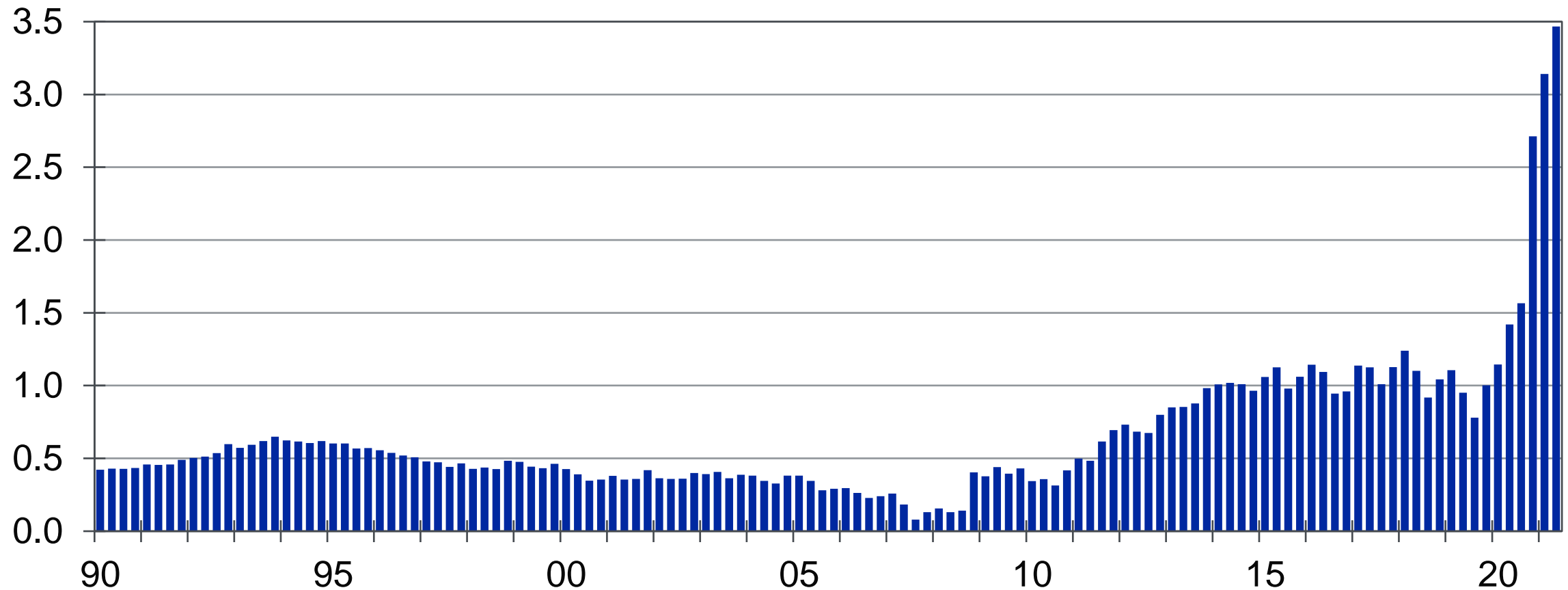
Ratio of employment to prime working age population, %



Sources: BLS, Moody's Analytics

Lots of Gas in the Tank

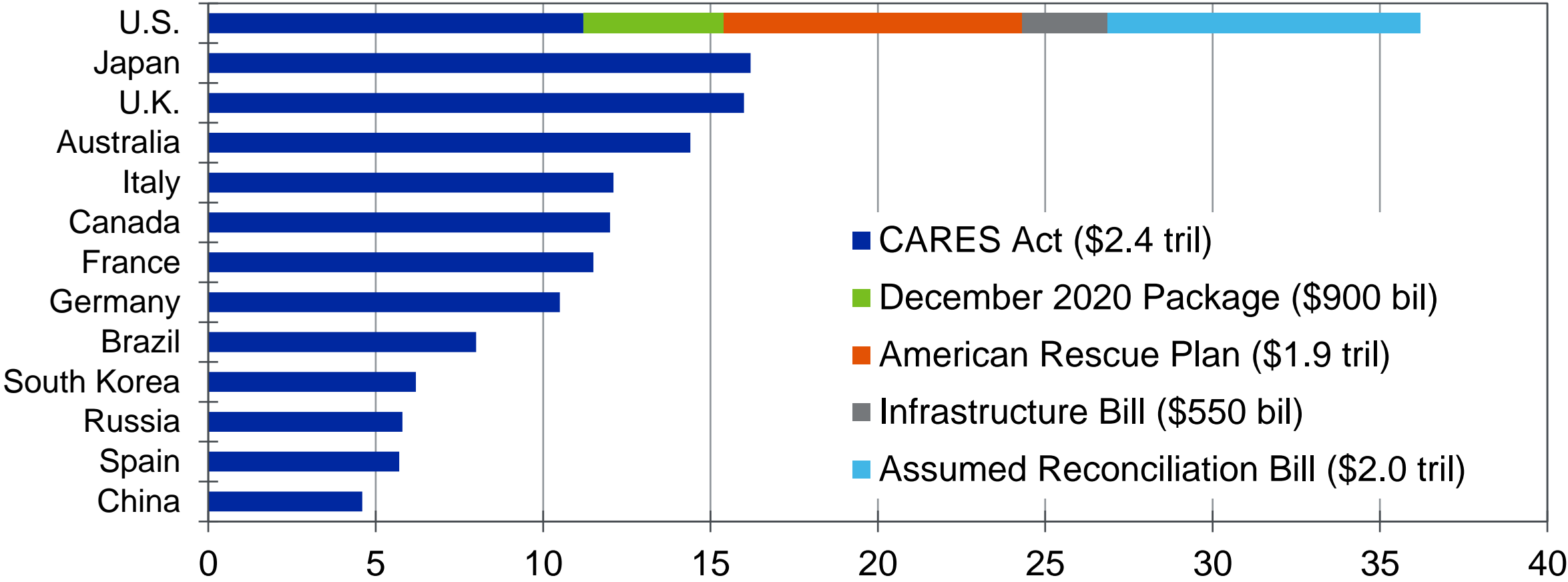
Household checkable deposits and currency, \$ tril



Sources: Federal Reserve, Moody's Analytics

Record Level of Fiscal Support

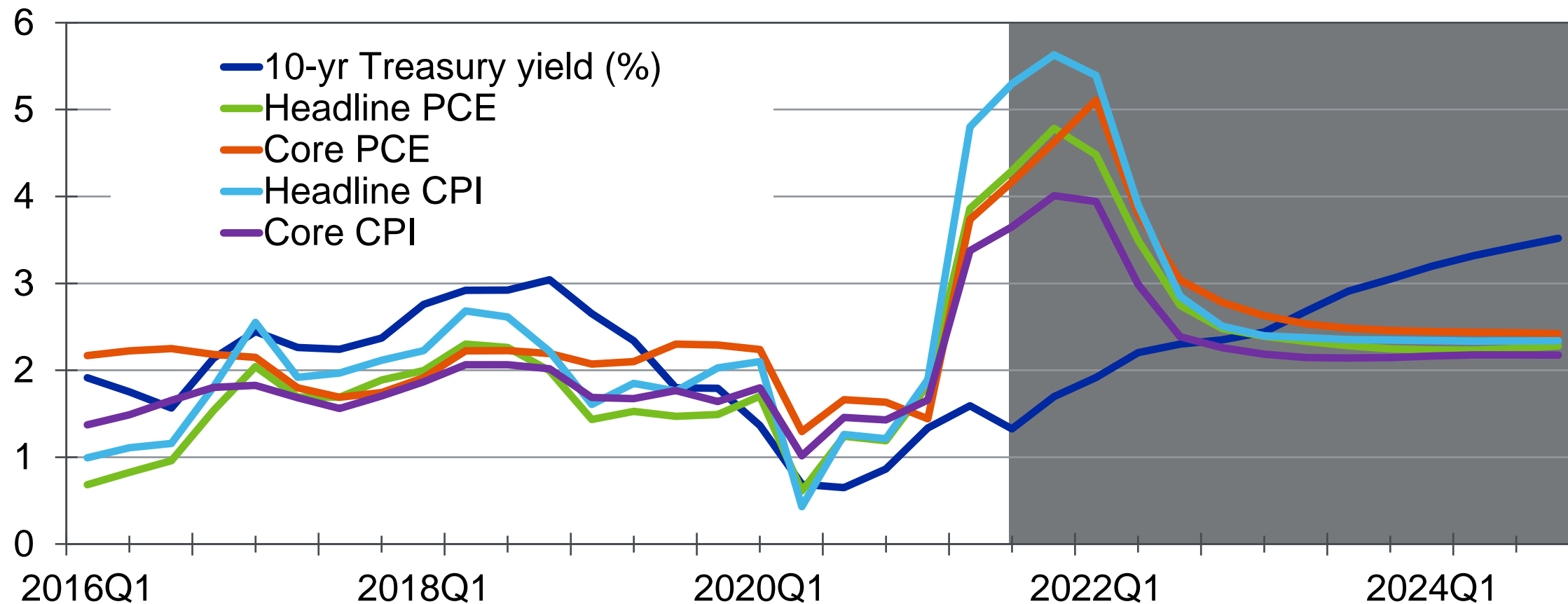
Fiscal support since start of pandemic, % of 2019 GDP



Sources: BEA, National Finance Ministries, Moody's Analytics

Not Done With Inflation Yet

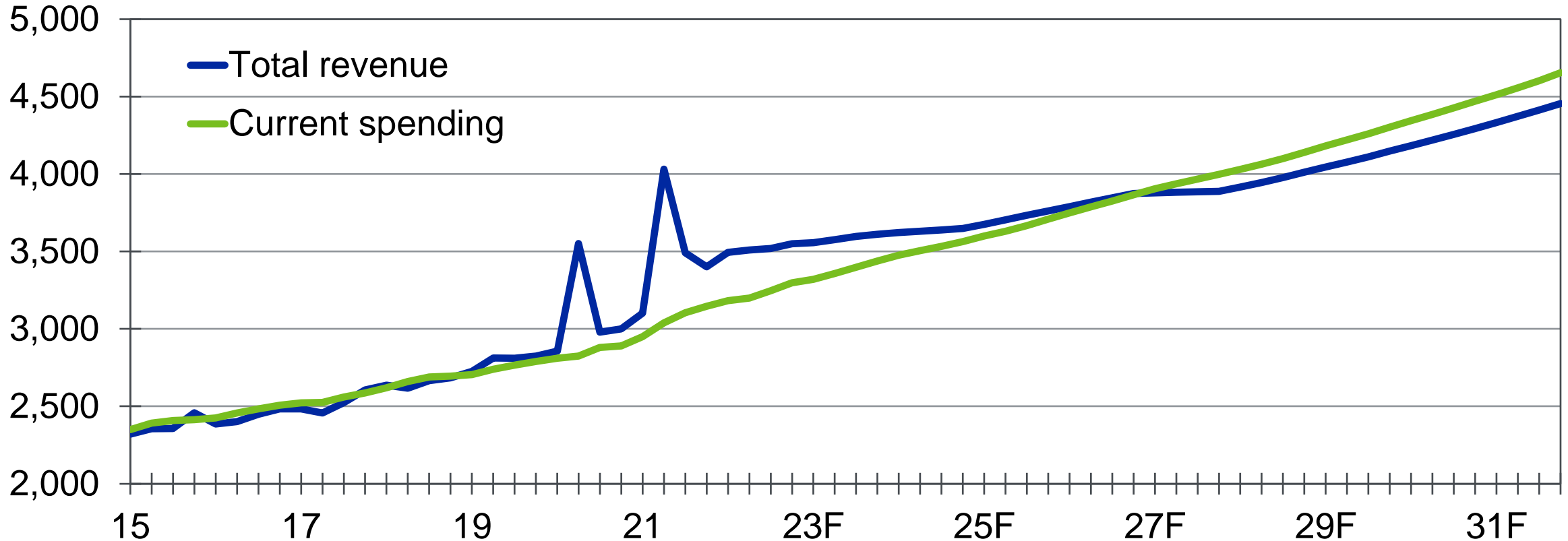
% change yr ago



Sources: Federal Reserve, Treasury, BLS, Moody's Analytics

The Problem With Windfalls

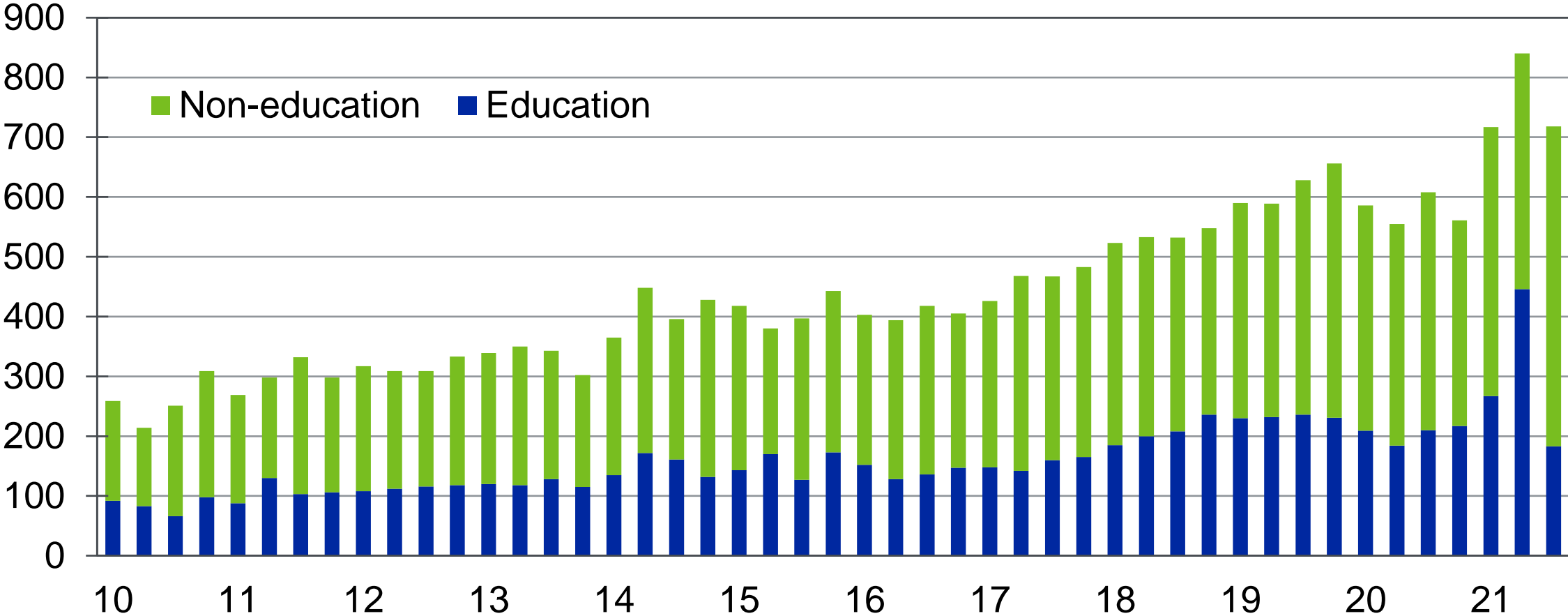
State and local governments, \$ bil, SAAR



Sources: BEA, Moody's Analytics

Help Wanted

Job openings among state and local governments, the



Sources: BLS, Moody's Analytics

Lots of Curveballs Still Out There...



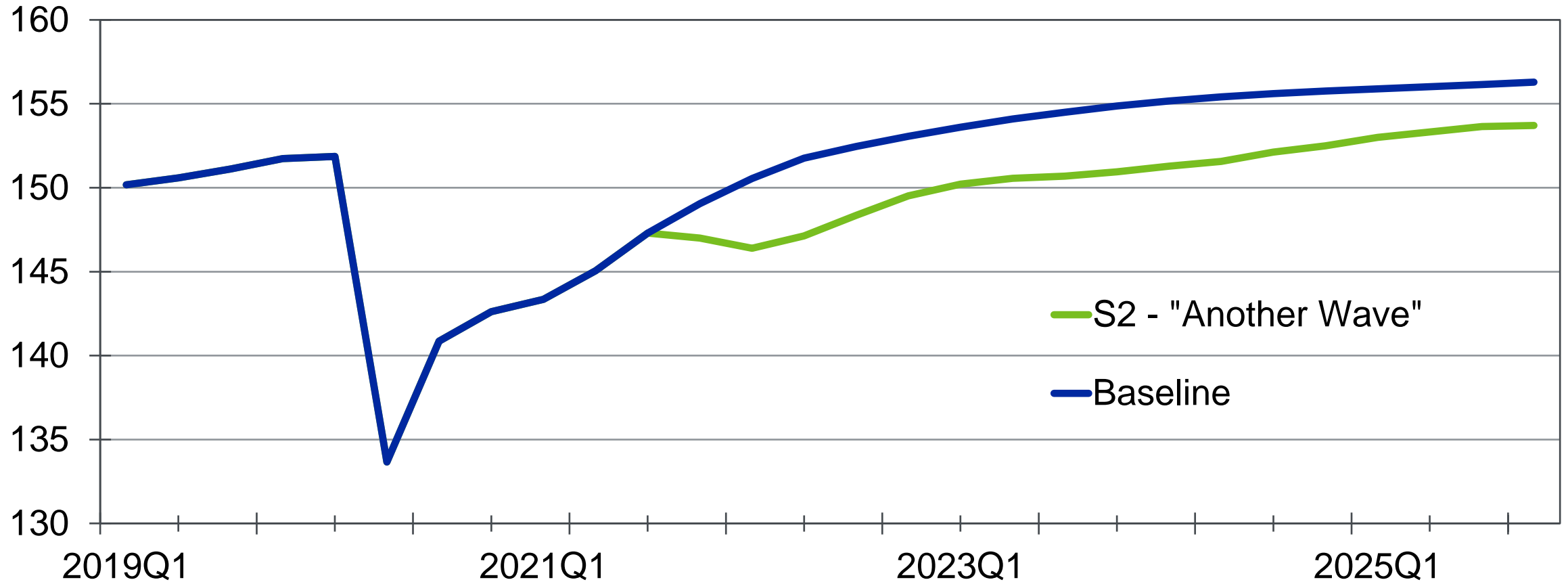
» Using alternative scenarios in the revenue forecasting process help to add important context around the most relevant risks:

- (S2 “Another Wave”) What if another wave of infections cause business and consumer confidence to take a step back over the winter?
- (S6 “Stagflation”) What happens if inflation isn’t as transitory as the baseline forecast assumes?

Source: Moody’s Analytics

...Scenarios Help to Quantify Risks

U.S. payroll employment, mil



Sources: Federal Reserve, Treasury, BLS, Moody's Analytics

Dan White
daniel.white@moodys.com
@DanWhiteEcon

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