The United States has been (and is expected to be) ahead of most advanced economies

The very latest U.S. data on where the economy fell short of trend in 2021-Q1

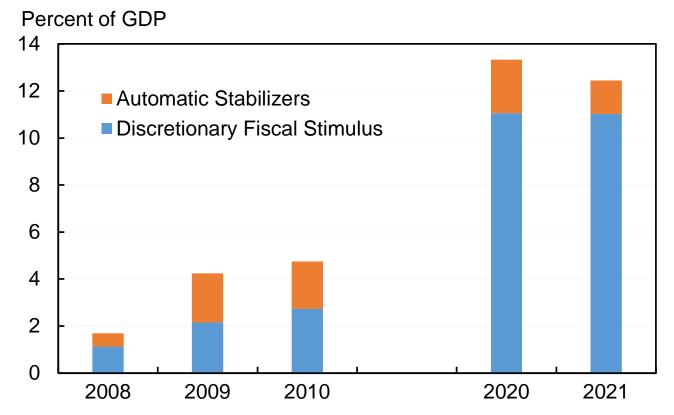
Note: Pre-pandemic trend based on average growth rate from 2017:Q4 to 2019:Q4. Source: Bureau of Economic Analysis; Macrobond; author's calculations.

The remarkable policy innovation: GDP was down but disposable incomes were up

Source: National sources, Eurostat; World Bank via Macrobond.

Largest fiscal response to an economic crisis ever in the United States

Fiscal Stimulus as a Percent of GDP, 2008-2010 and 2020-2021



Note: Calendar year.

Source: Calculations based on Council of Economic Advisers (2014); Congressional Budget Office; Office of Management and Budget; Bureau of Economic Analysis.

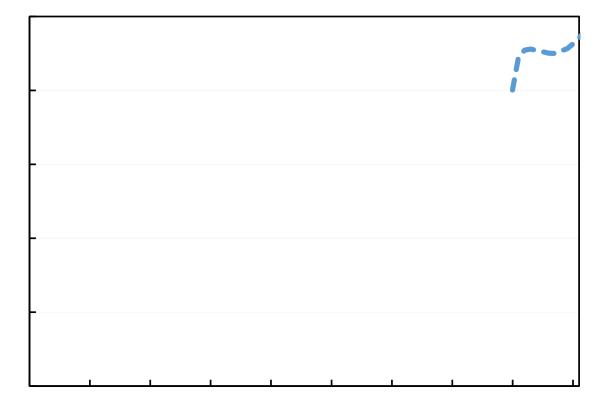
Unemployment is falling but still elevated while people are not returning to the workforce...

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Source: Bureau of Labor Statistics; Macrobond.

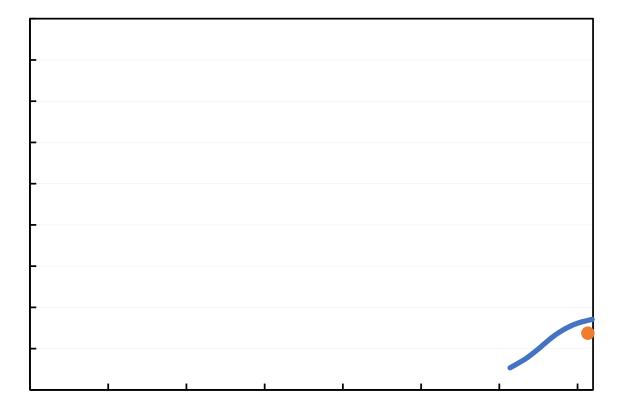
The big questions for the U.S. economic outlook

US debt is plateauing a high level over the next decade, is this a worry?



Source: Calculations based on Office of Management and Budget; Congressional Budget Office; Bureau of Economic Analysis; Macrobond.

Interest rates have fallen dramatically and are expected to remain historically low



Note: CBO forecast as of February 2021. Market-implied forecast as of April 14, 2021. Source: Congressional Budget Office.

The Biden agenda going forward

	10-year Cost (\$b)
Spending (including tax expenditures)	<u>\$4,500</u>
Physical Infrastructure	\$900
Green Investments	\$800
Manufacturing, Research & Development, Job Training	\$500
Caregiving	\$700
Education	\$500
Poverty and Paid Leave	\$1,200
Tax Increases	<u>\$3,300</u>
Corporate	\$1,800
Individual Enforcement	\$700
Capital Gains	\$400
Other Individual	\$400

Source: Calculations based on Committee for a Responsible Federal Budget.

