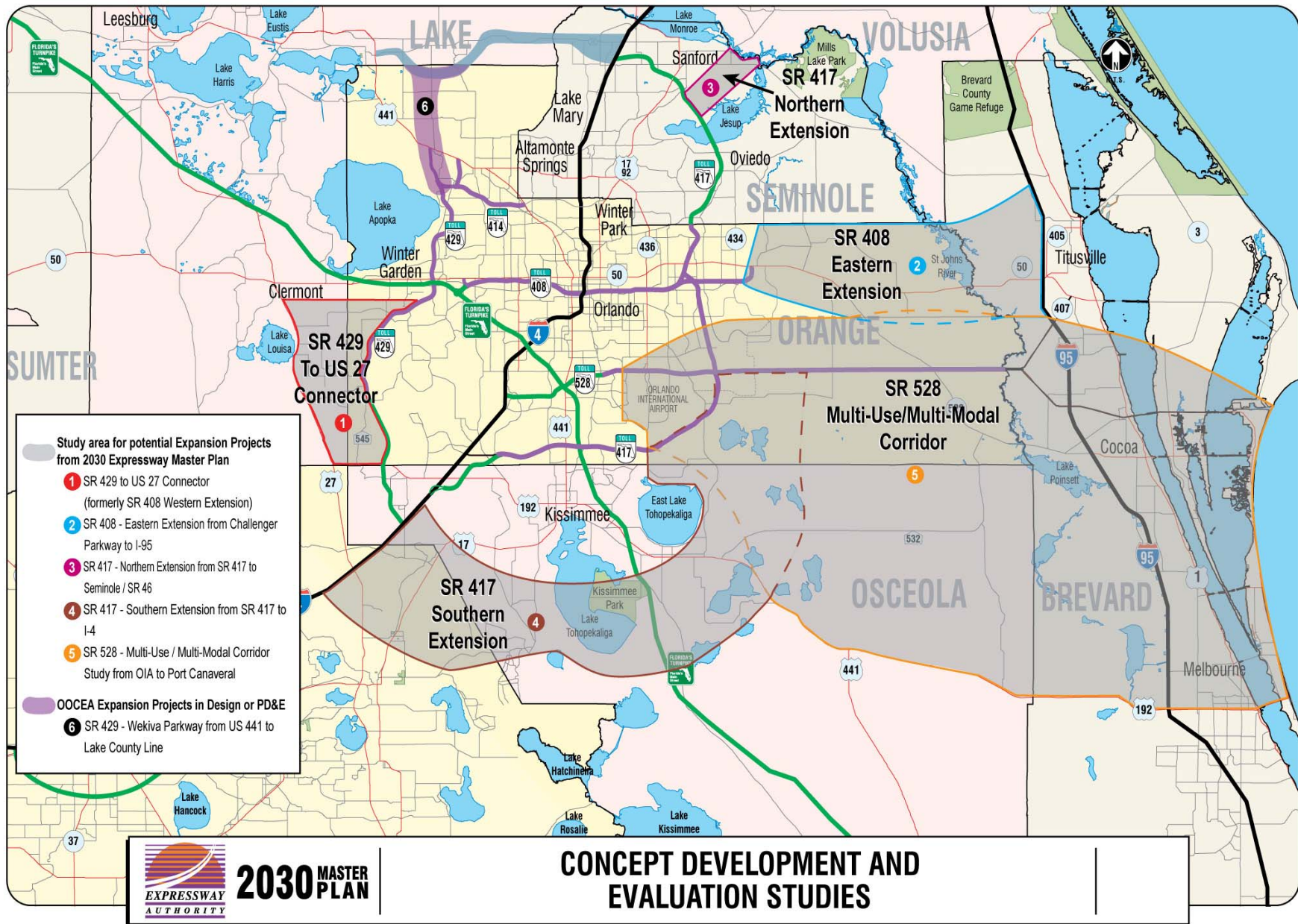


# **Outlook for the U.S. and Central Florida 2015-2017 and Beyond Central Florida Expressway Authority April 9, 2015**

**Hank Fishkind, Ph.D.  
Fishkind & Associates, Inc.  
12051 Corporate Boulevard  
Orlando, Florida 32817**

# Transportation Shapes the Economy

- Flagler and Plant shaped early Florida
- Barron Collier and Tamiami Trail
- I-75 and SW Regional Airport transformed SW Florida
- Commuter rail and All Aboard Florida
- Central Florida Expressways shaped and will shape economic development
  - Economic Development
  - Location of economic activity



**Yogi Berra observed, it's  
tough to make predictions,  
especially about the future**

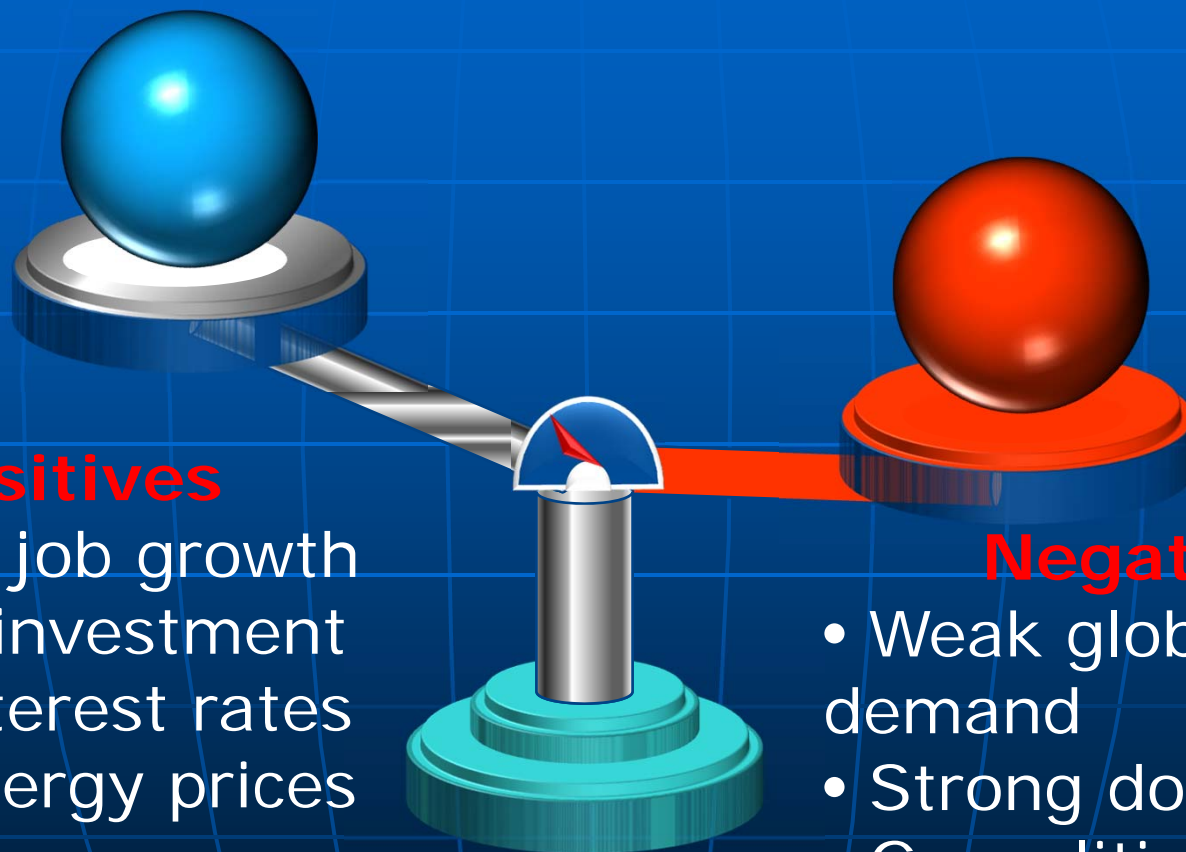
# 2015 – Growth 2.75%

## Positives

- Strong job growth
- Rising investment
- Low interest rates
- Low energy prices

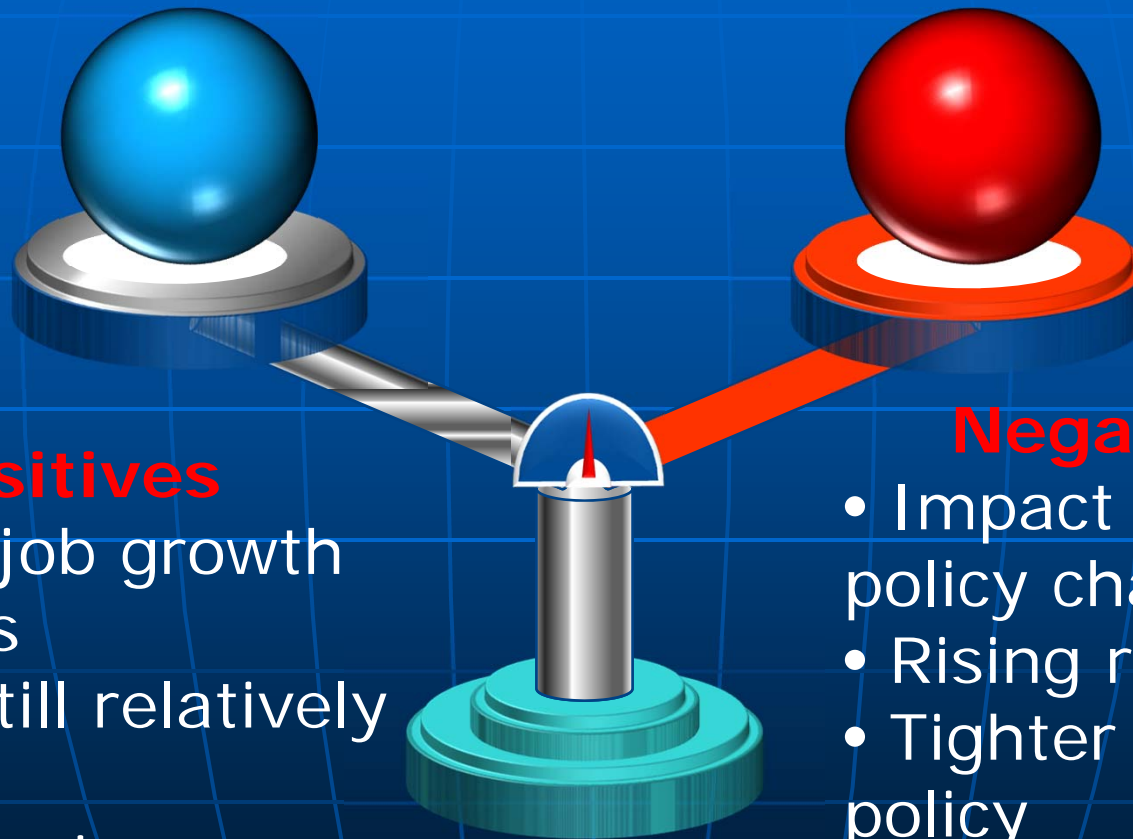
## Negatives

- Weak global demand
- Strong dollar
- Geopolitical uncertainties





# 2016 – Growth 2.0%



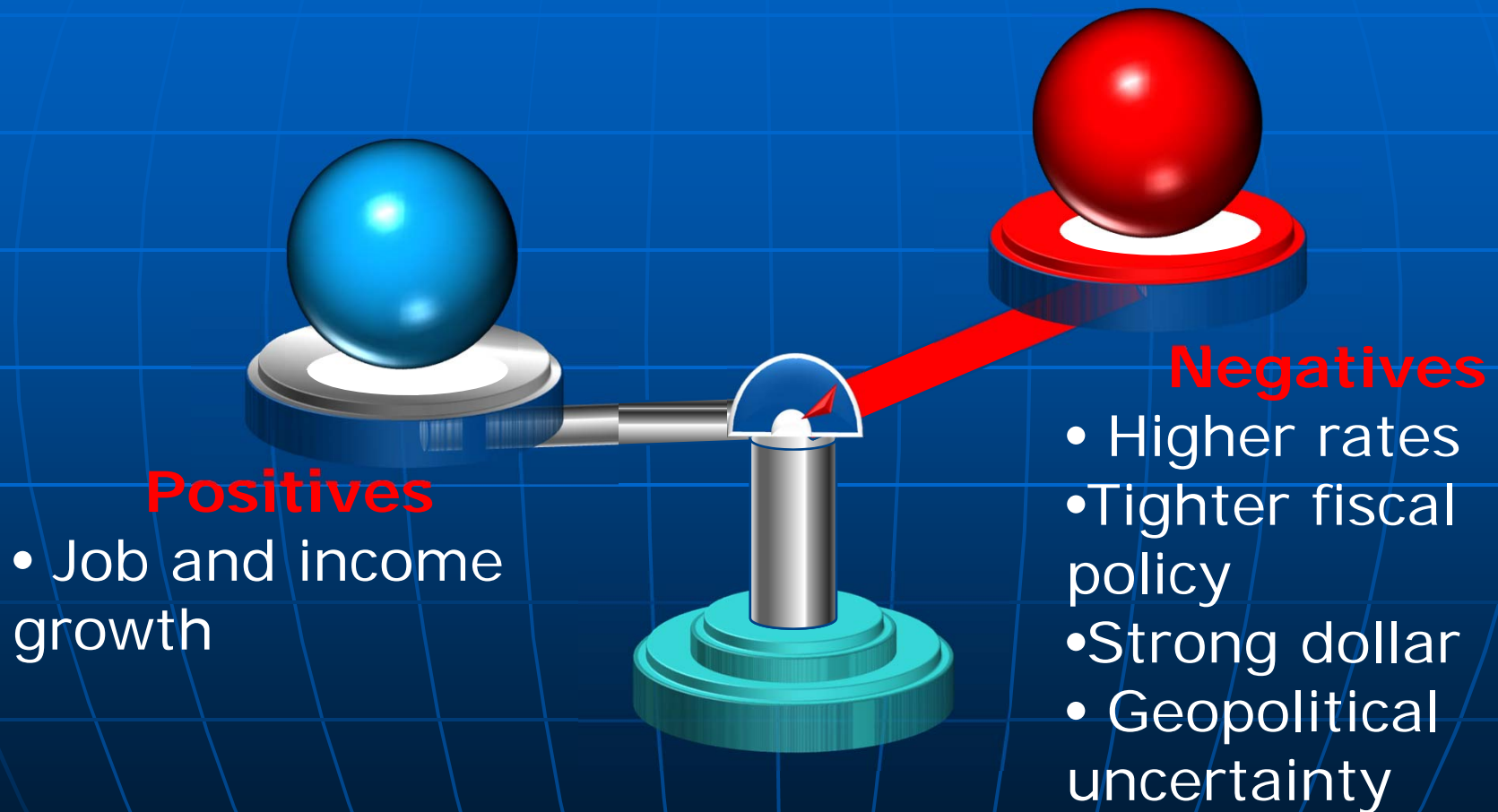
## Positives

- Strong job growth continues
- Rates still relatively low
- Energy prices remain relatively low

## Negatives

- Impact of Fed policy change
- Rising rates
- Tighter fiscal policy
- Geopolitical uncertainty

# 2017 – Growth 1.5%



# Orlando Breaks Out 2015

Population +60,000

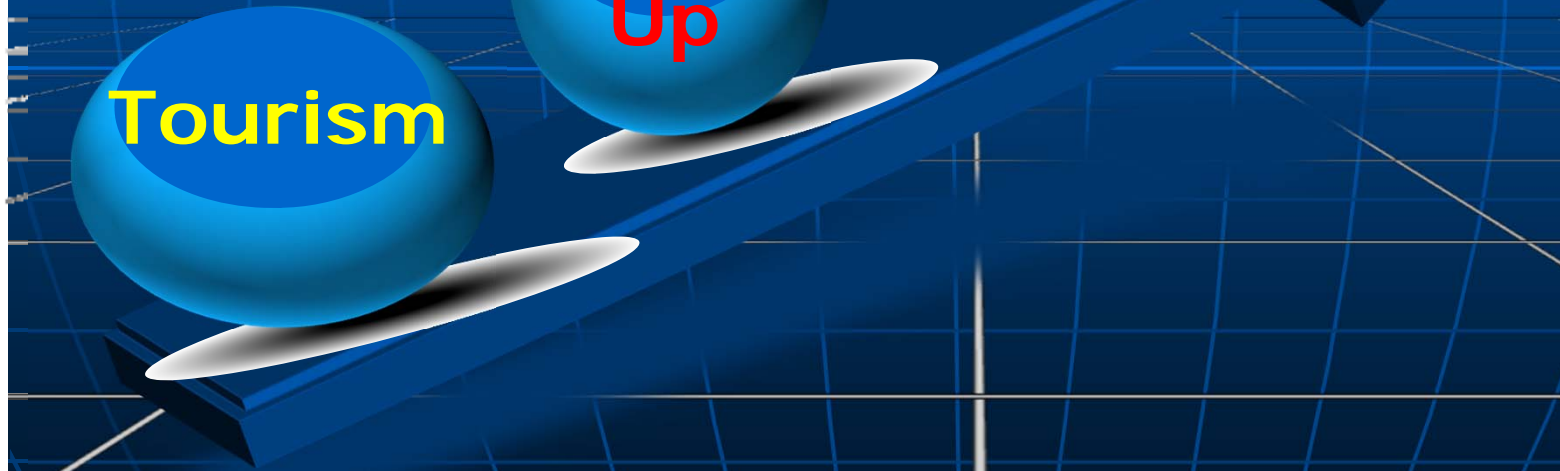
Jobs + 455,000

Starts + 23,000

**Tourism**

**GDP  
Up**

**Job  
Gains**





# Growth Slows 2016-17



## Positives

### Weakening

- U.S. job growth
- Housing markets
- Energy prices
- Pent up demand satisfied

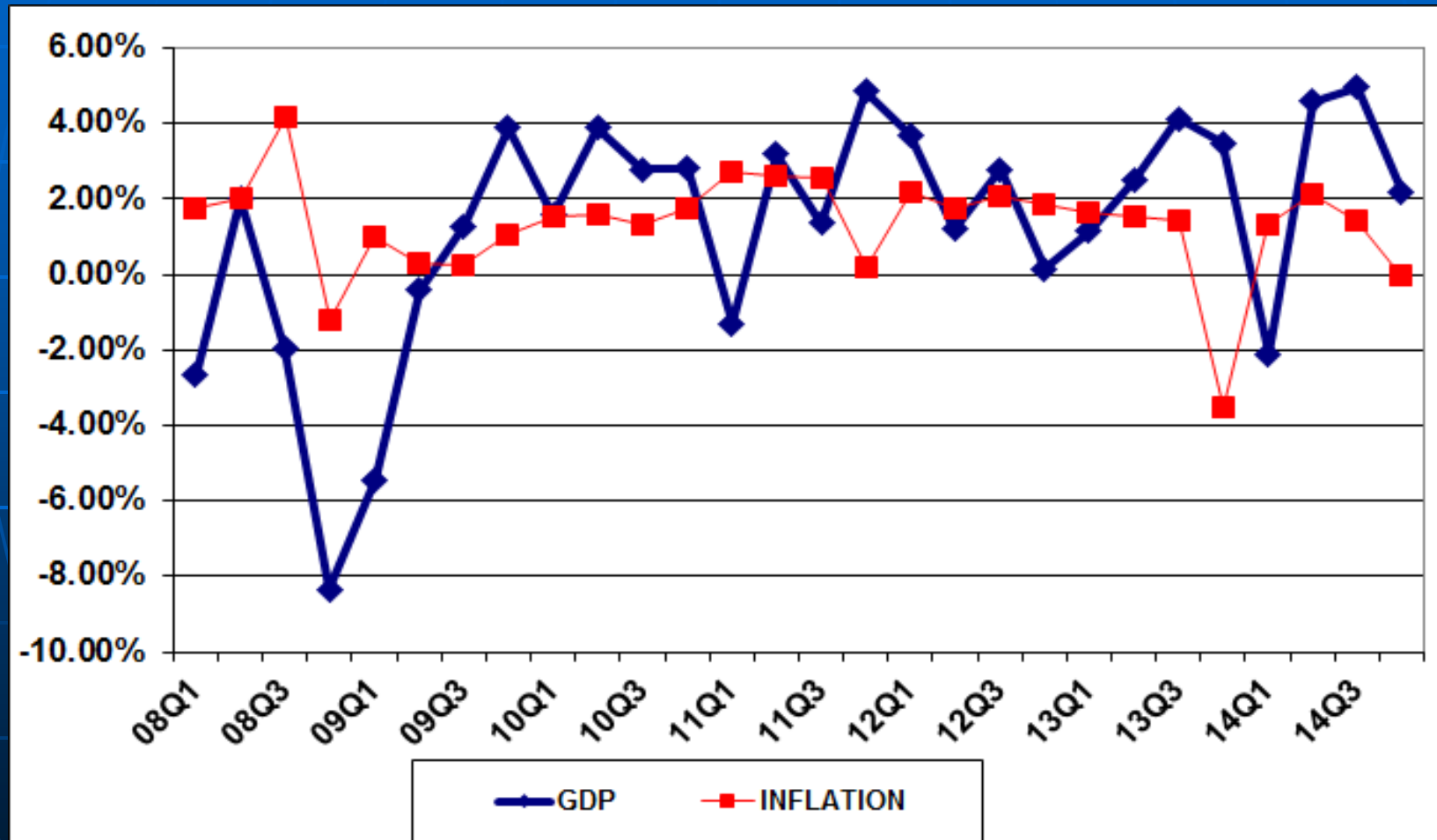


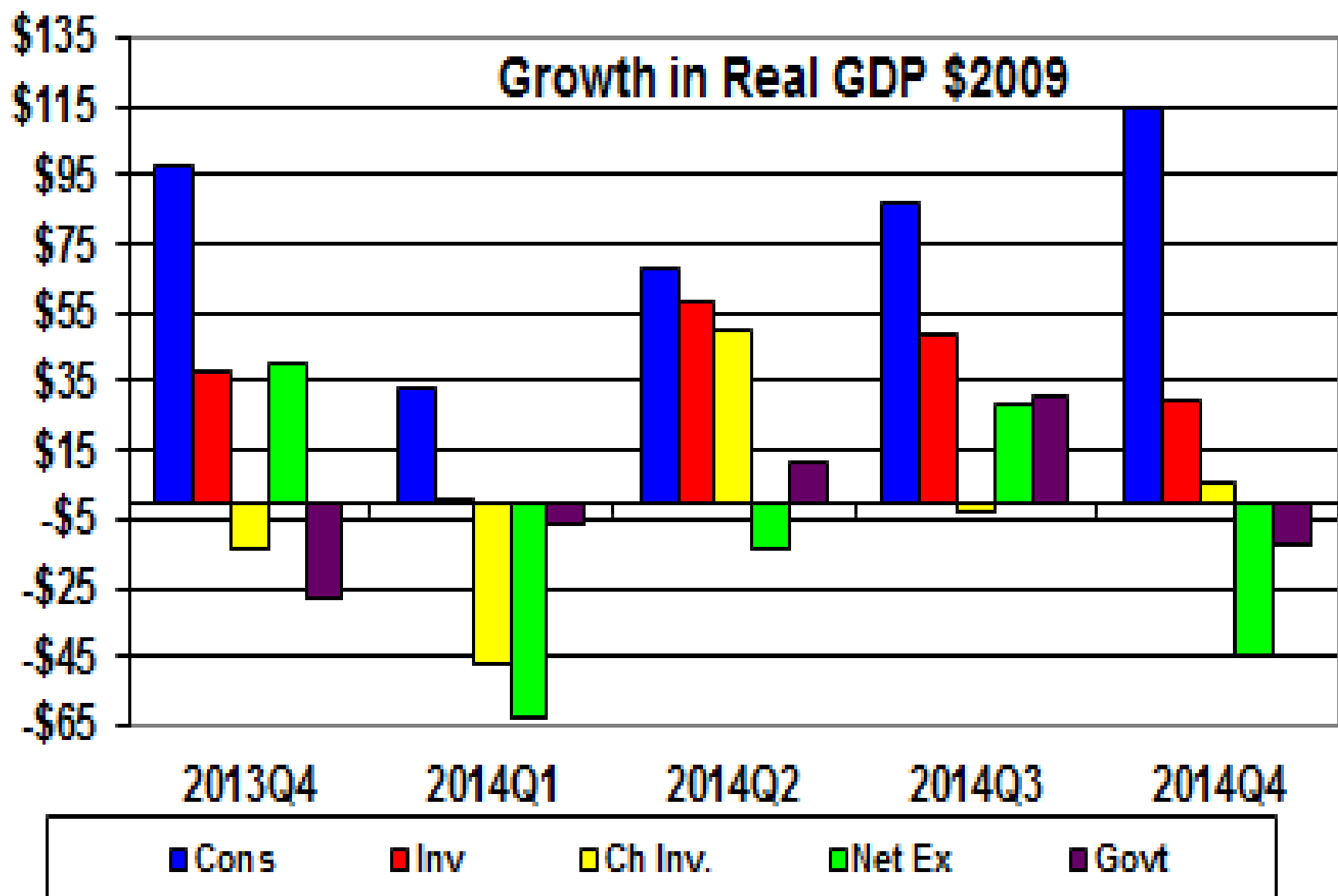
## Negatives

### Gaining Strength

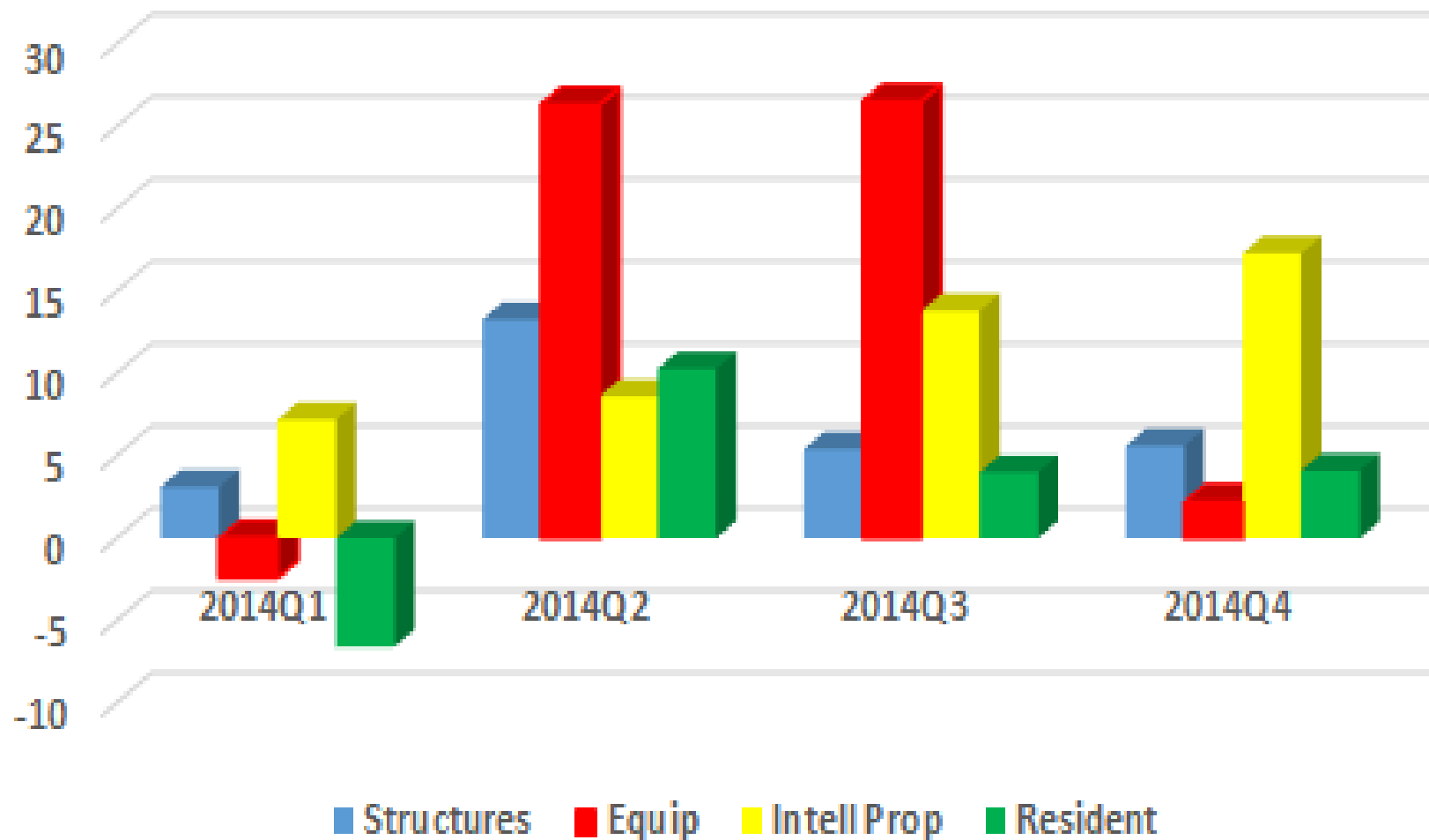
- Rising rates
- Slowing GDP
- More fiscal constraint
- Pent up demand satisfied

# RECENT TRENDS IN GDP AND INFLATION





## Change in Fixed Investment \$B2009

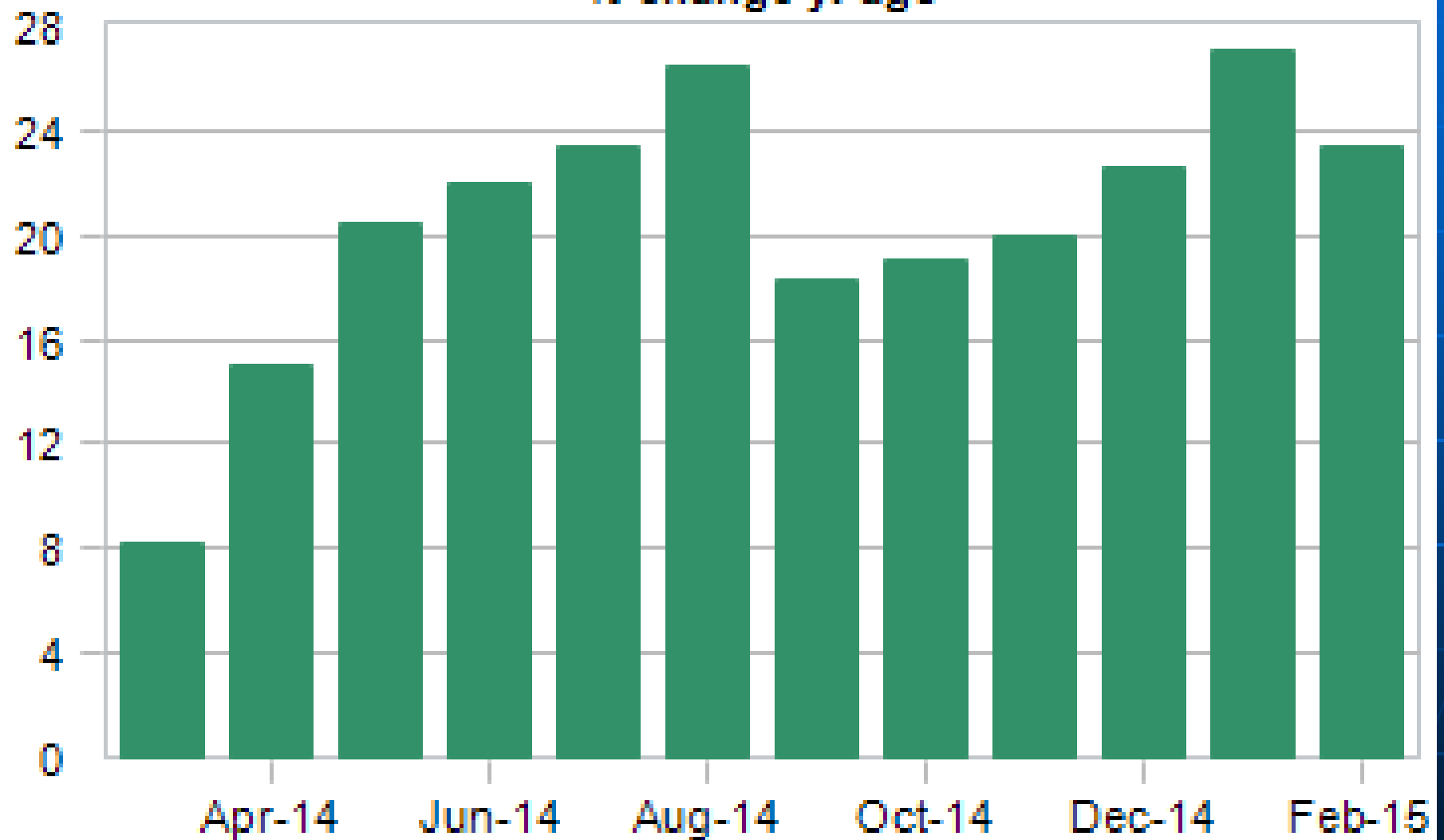


## Change in Jobs

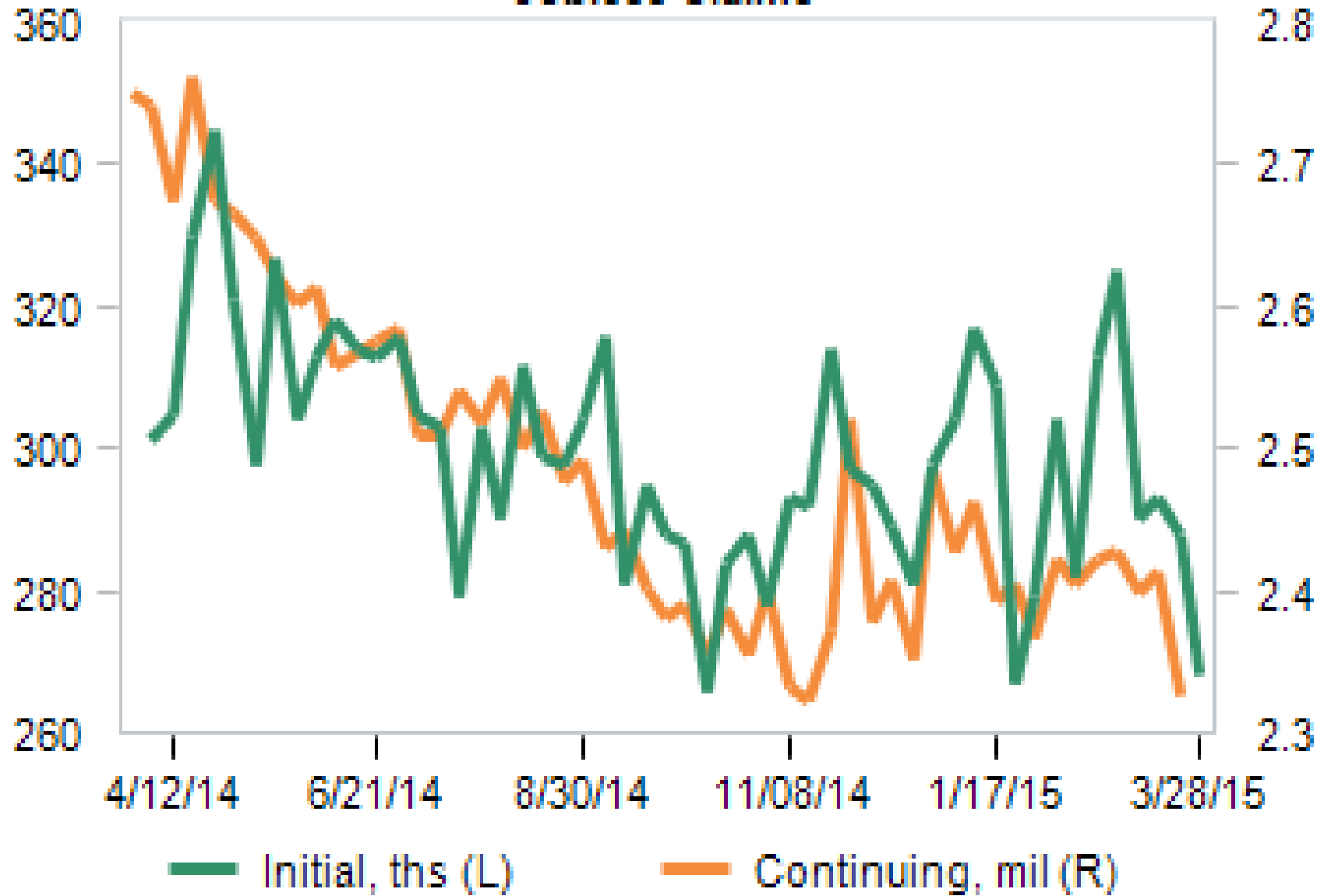




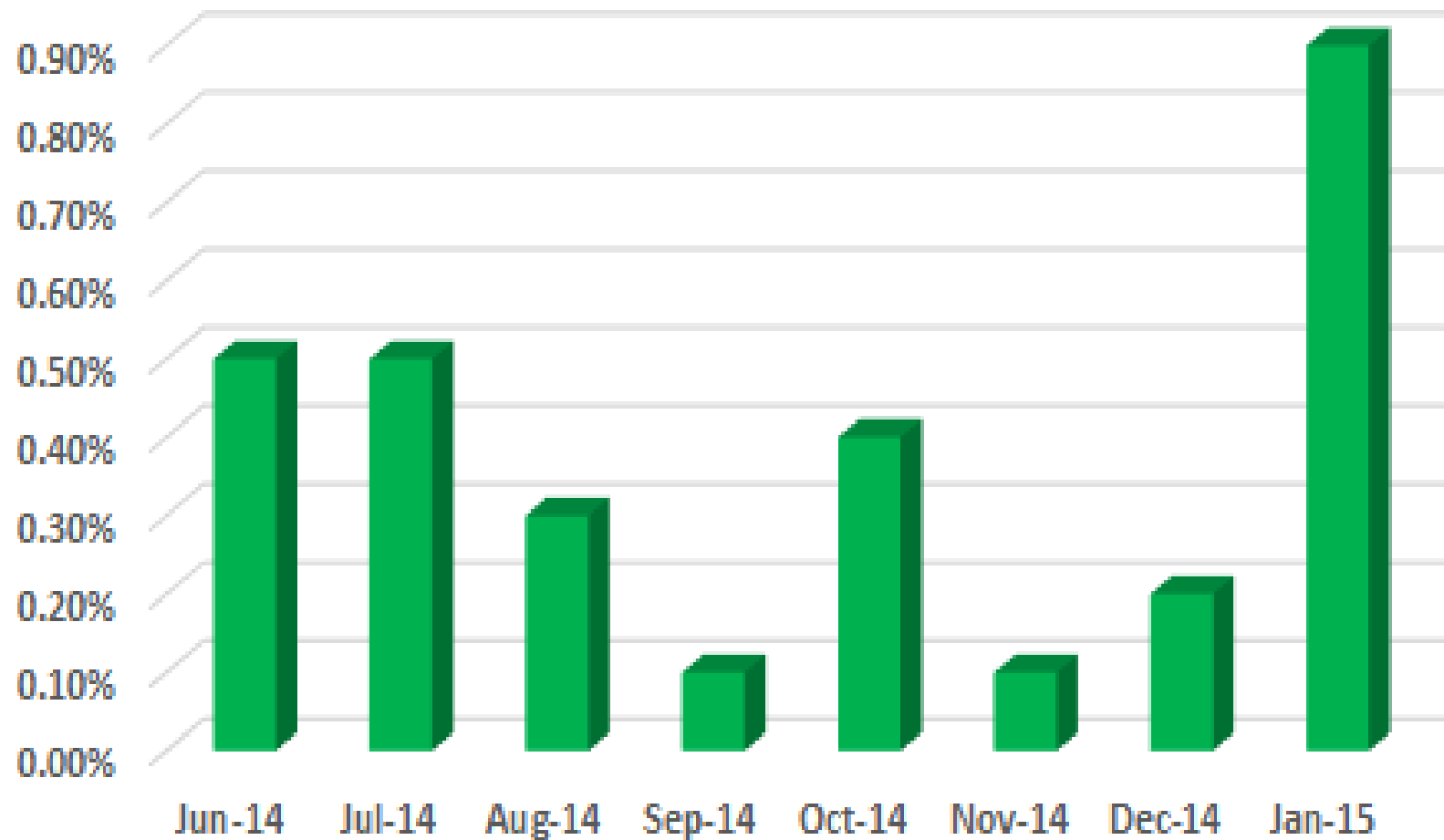
## Total Nonfarm Job Openings % change yr ago



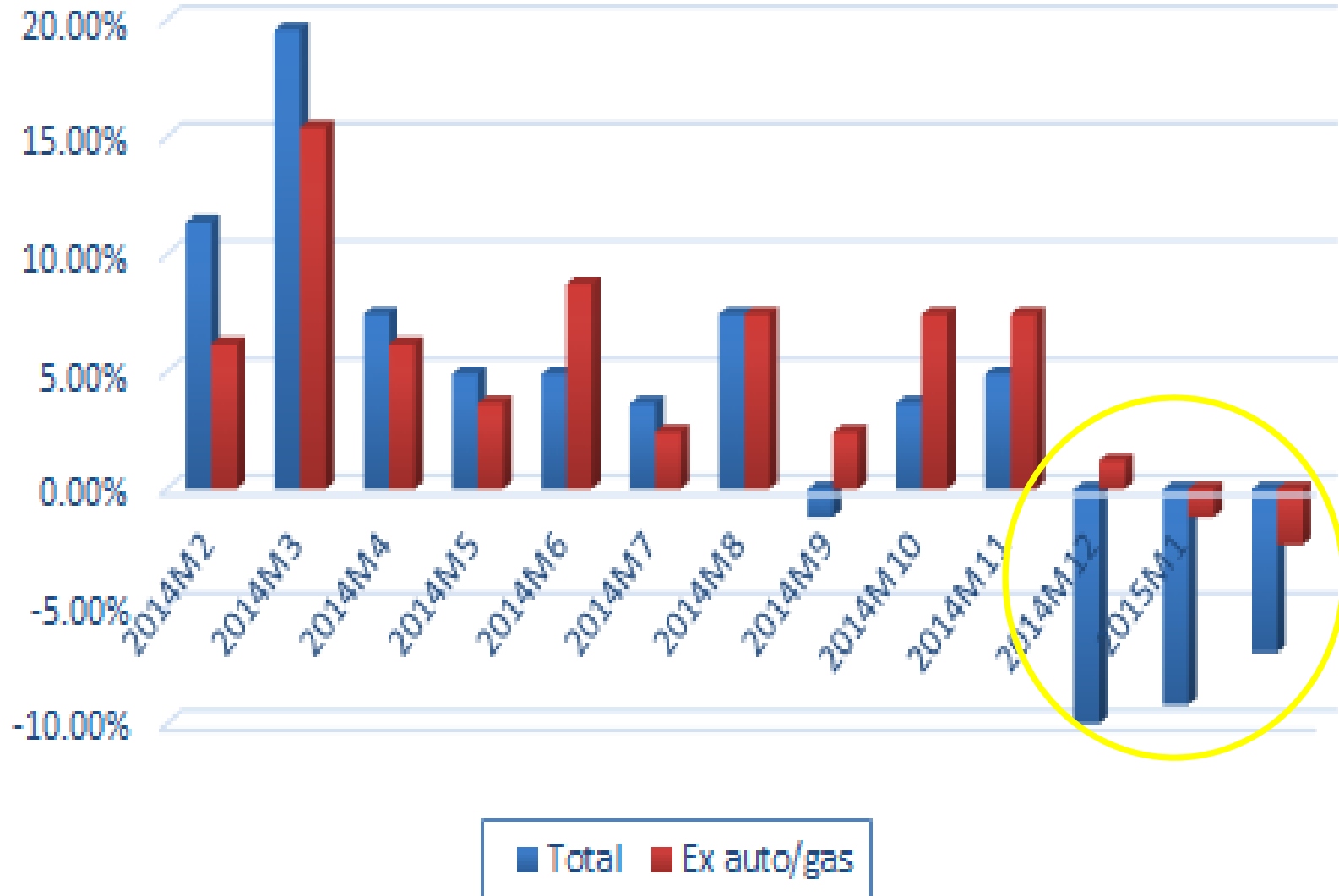
## Jobless Claims



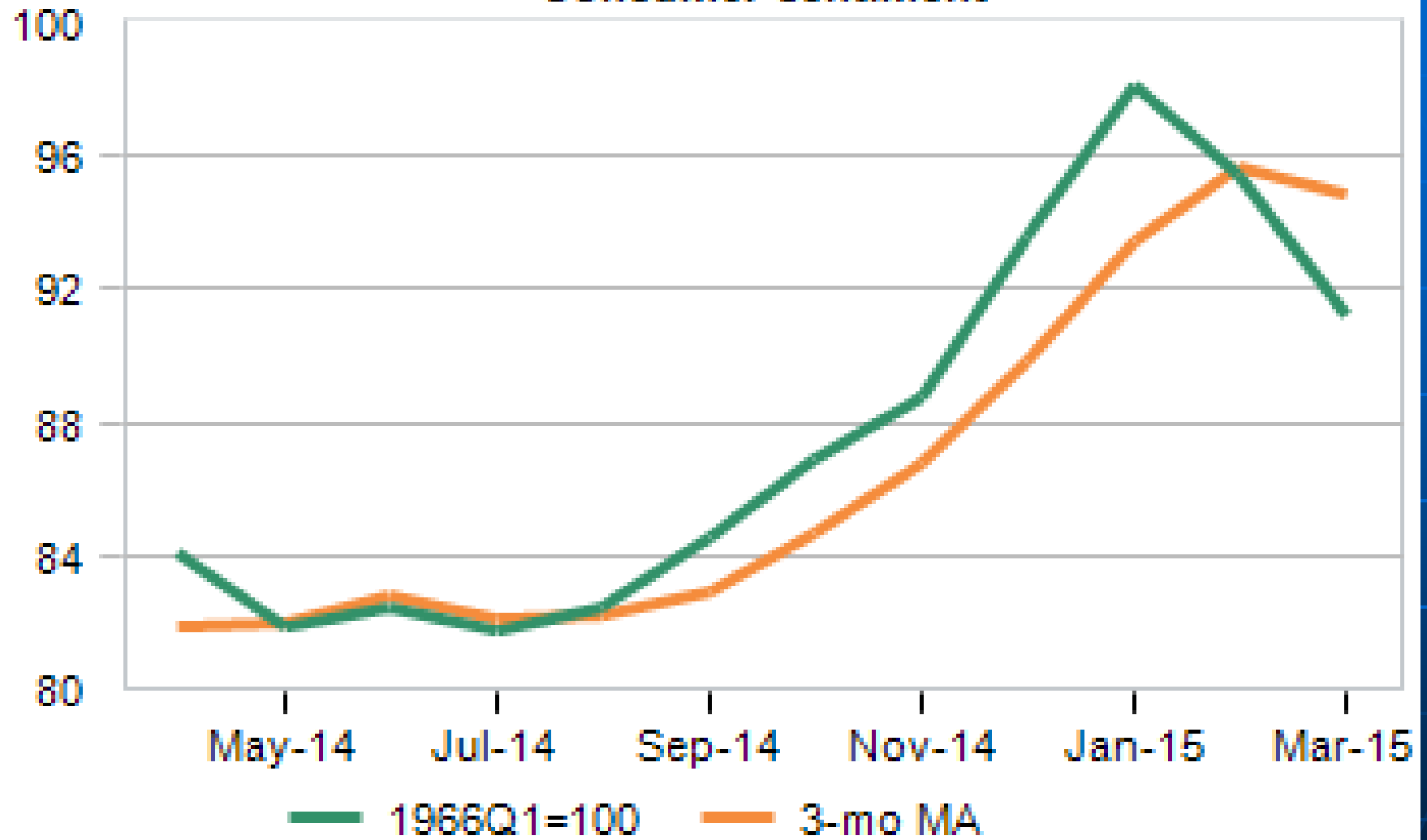
## Monthly Growth in Real Disposable Income



## Retail Sales % SAAR



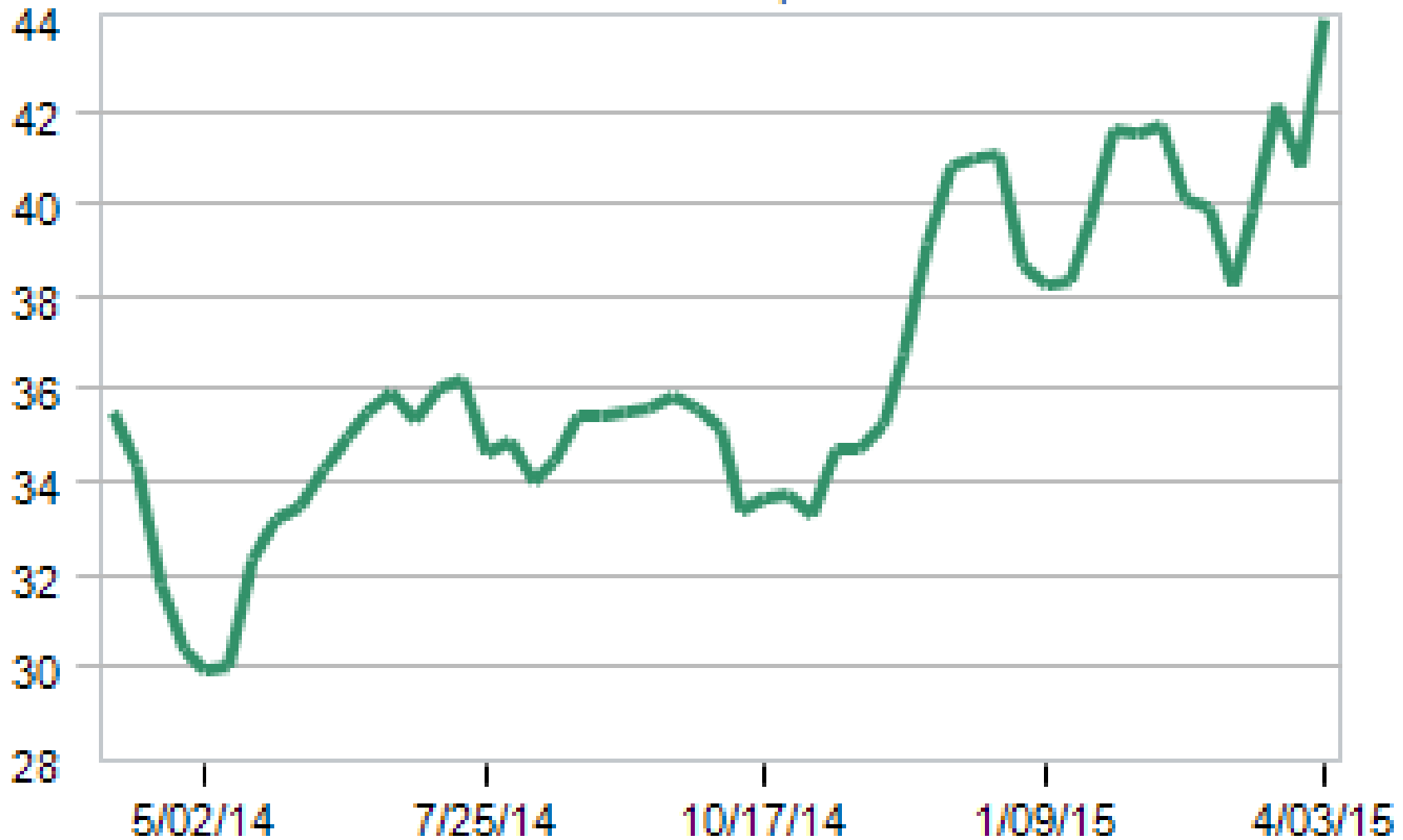
## Consumer Sentiment





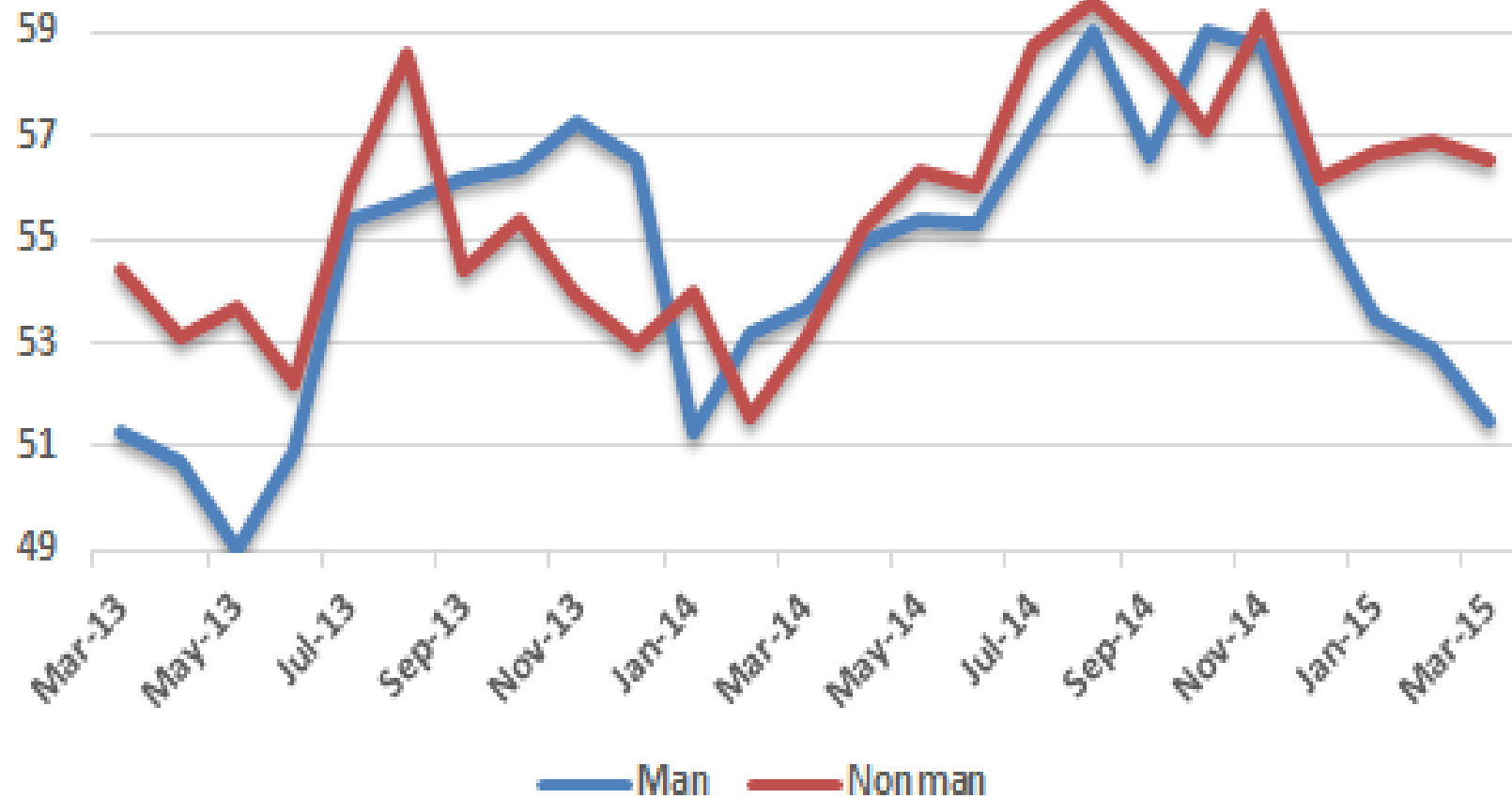
## Moody's Analytics Survey of Business Confidence

### Diffusion index, 4-wk MA

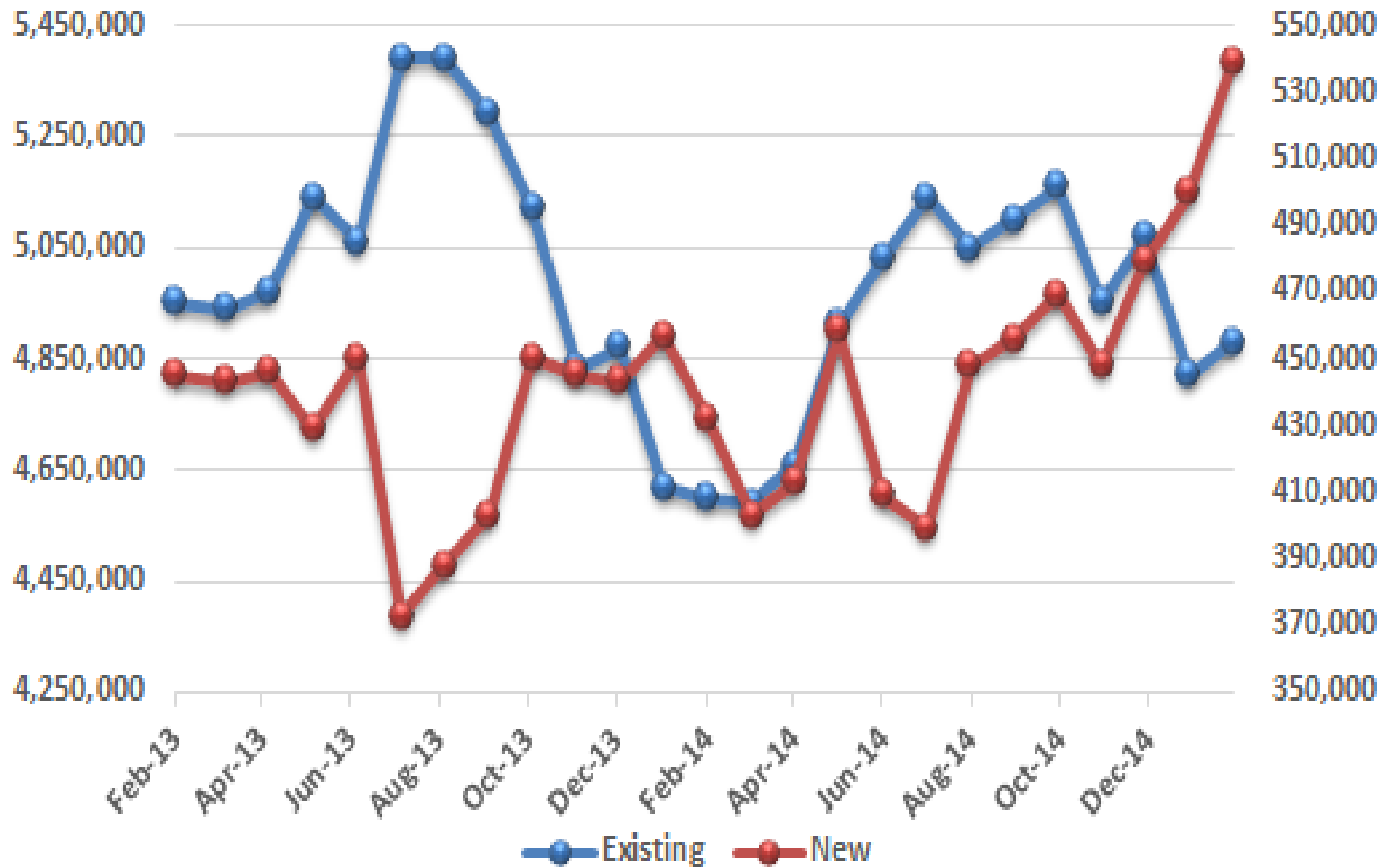


## ISM Index

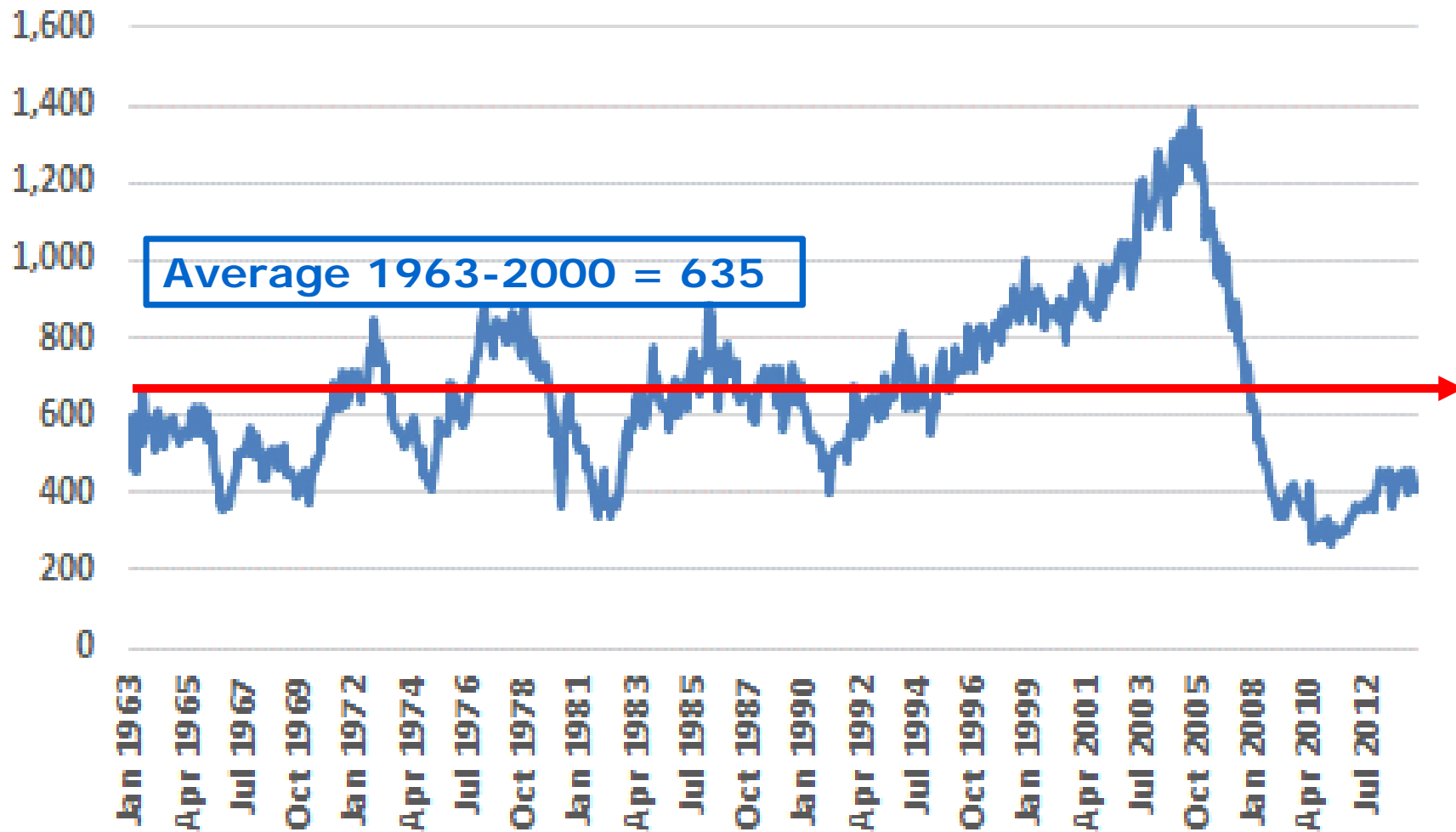
### Over 50 is Expansionary



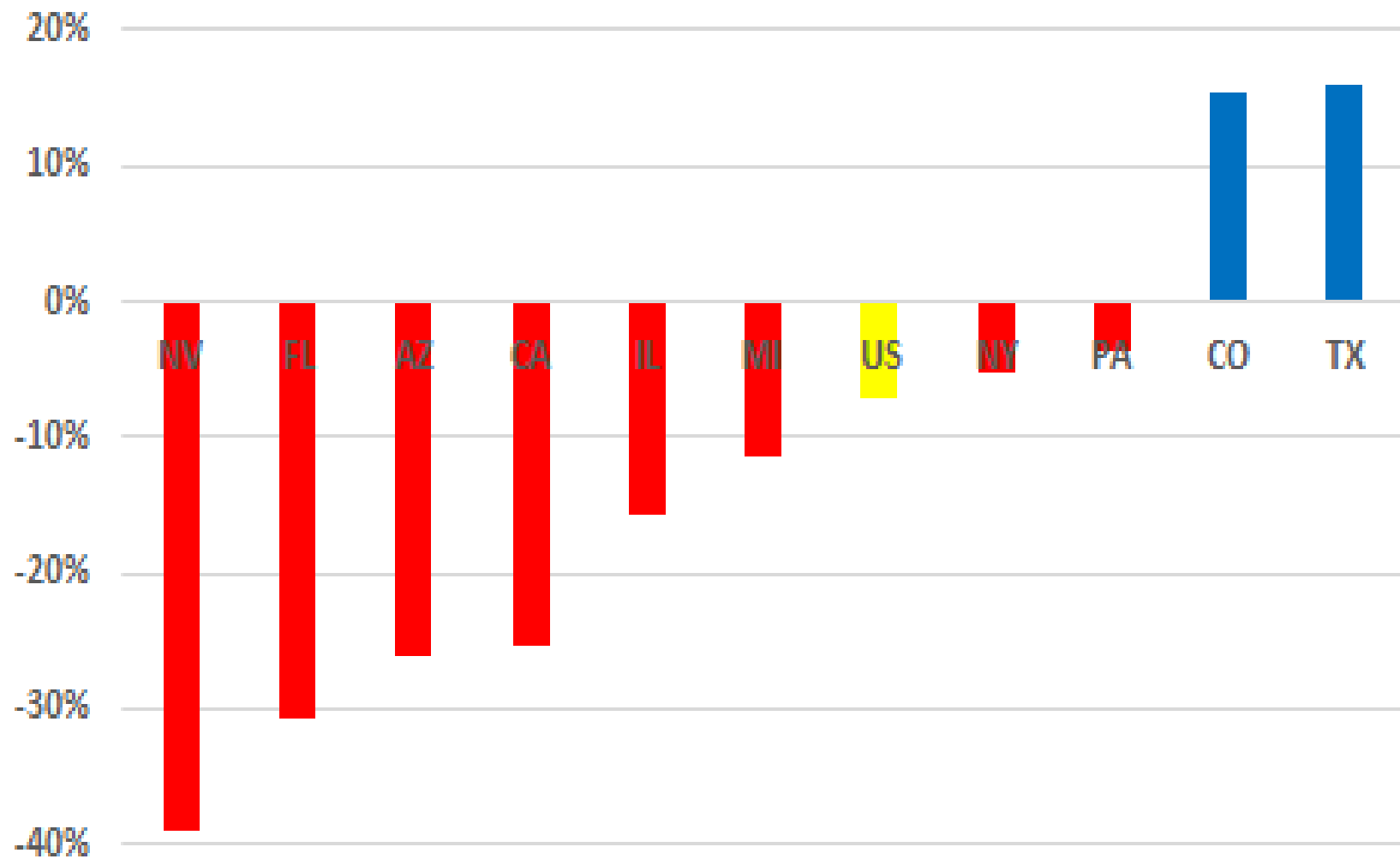
# Home Sales



## New Single-family Homes Sold 000s

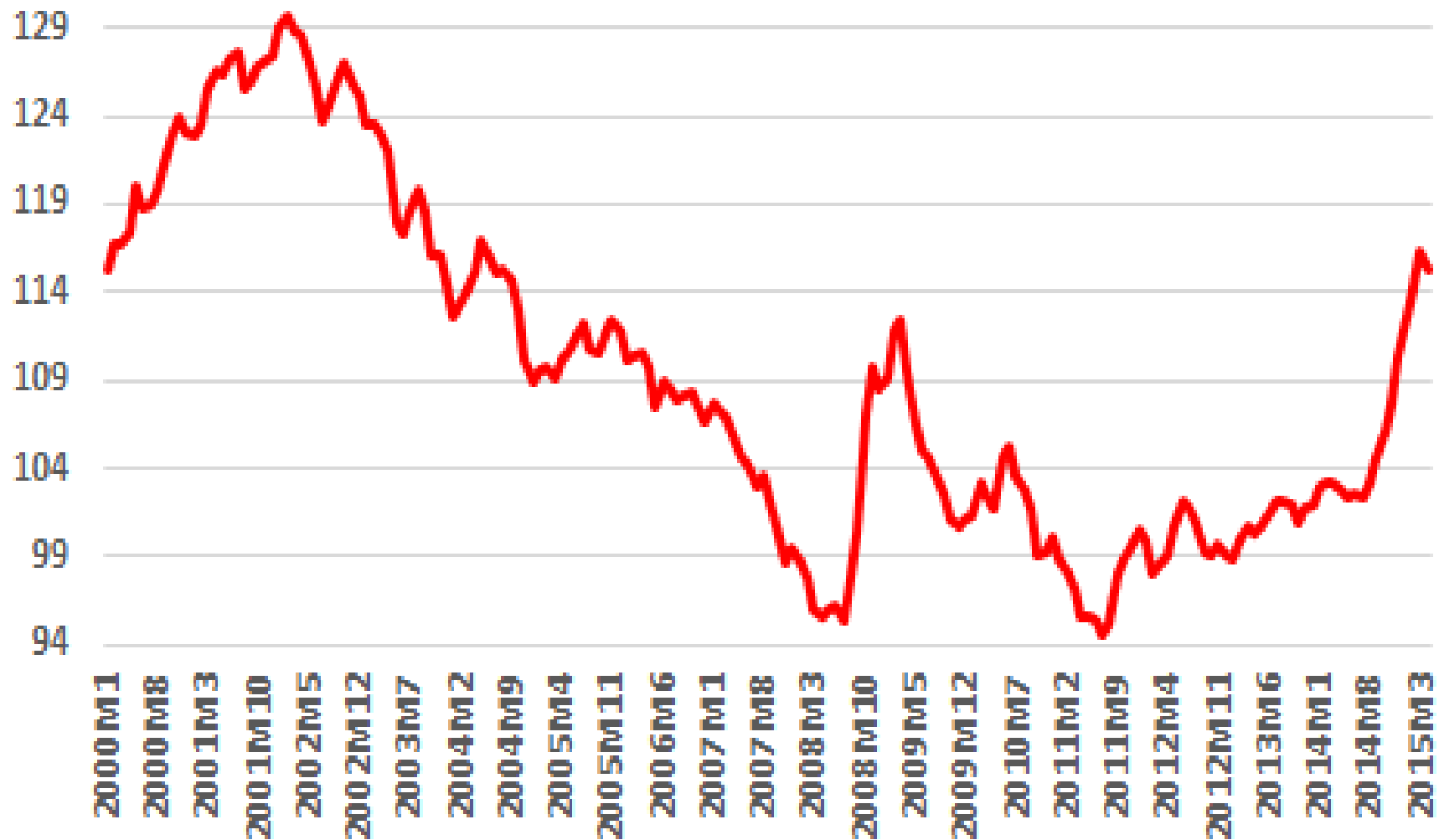


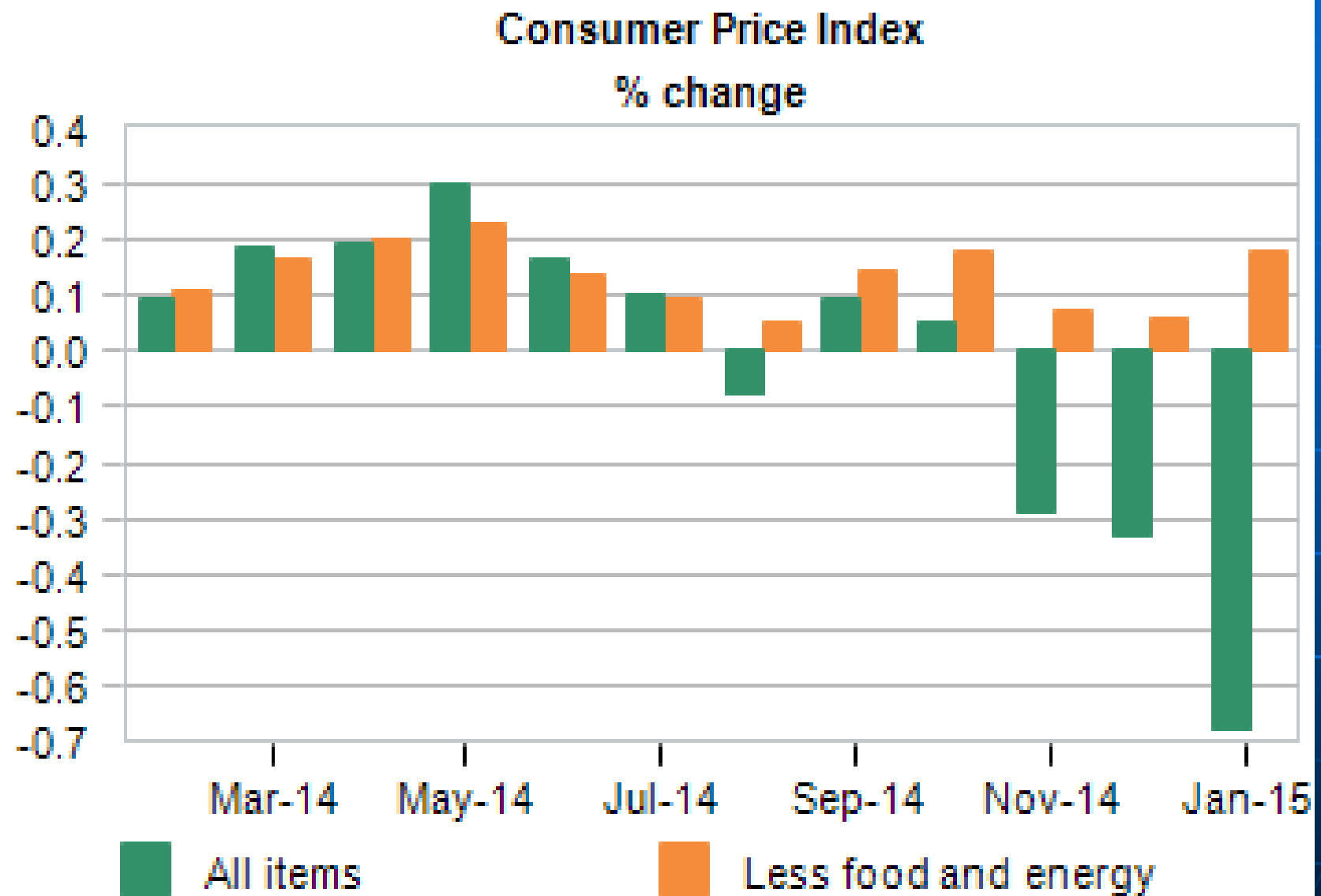
## % Home Price Compared to Prior Peak Price



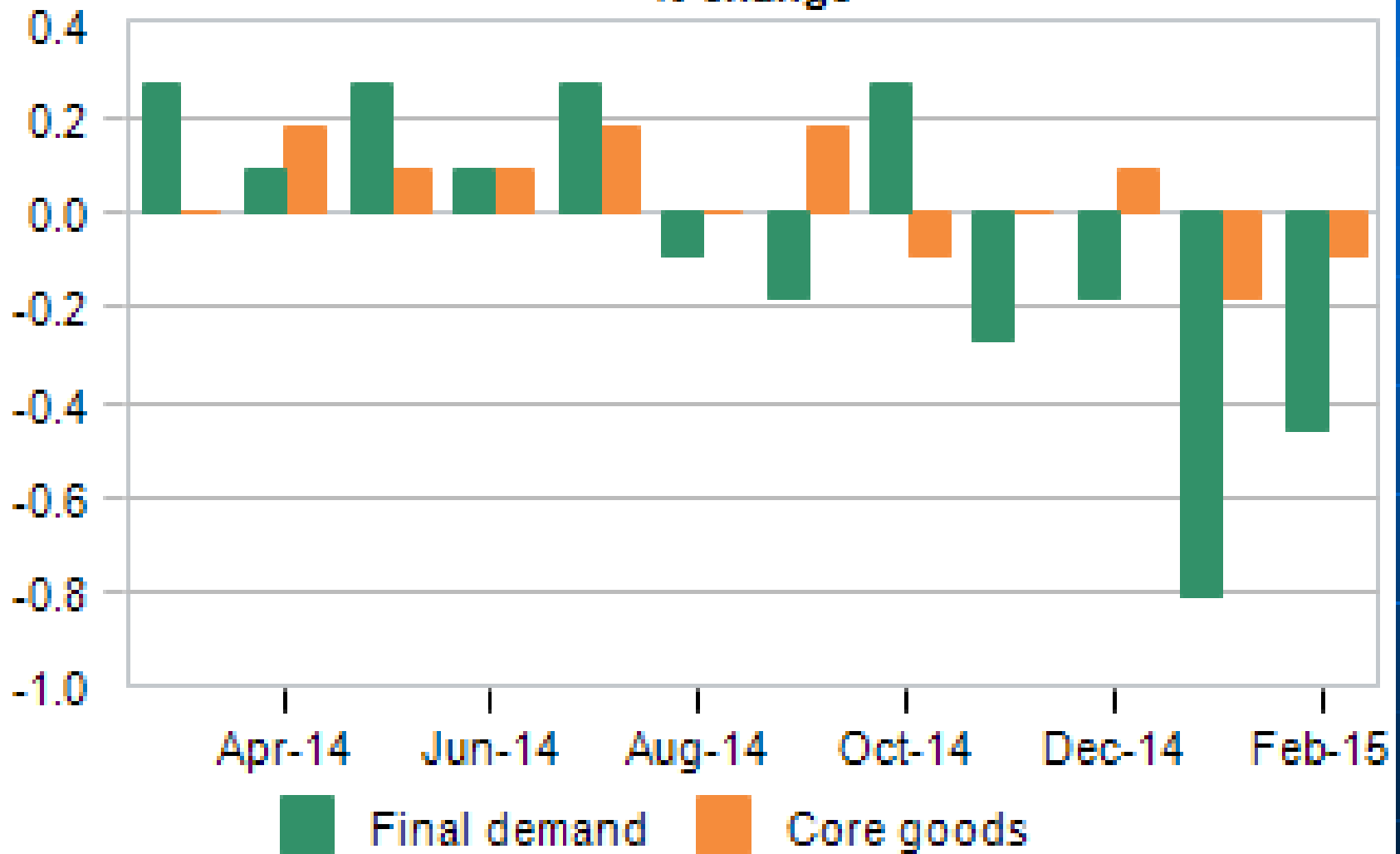


## Trade Weighted Value of \$





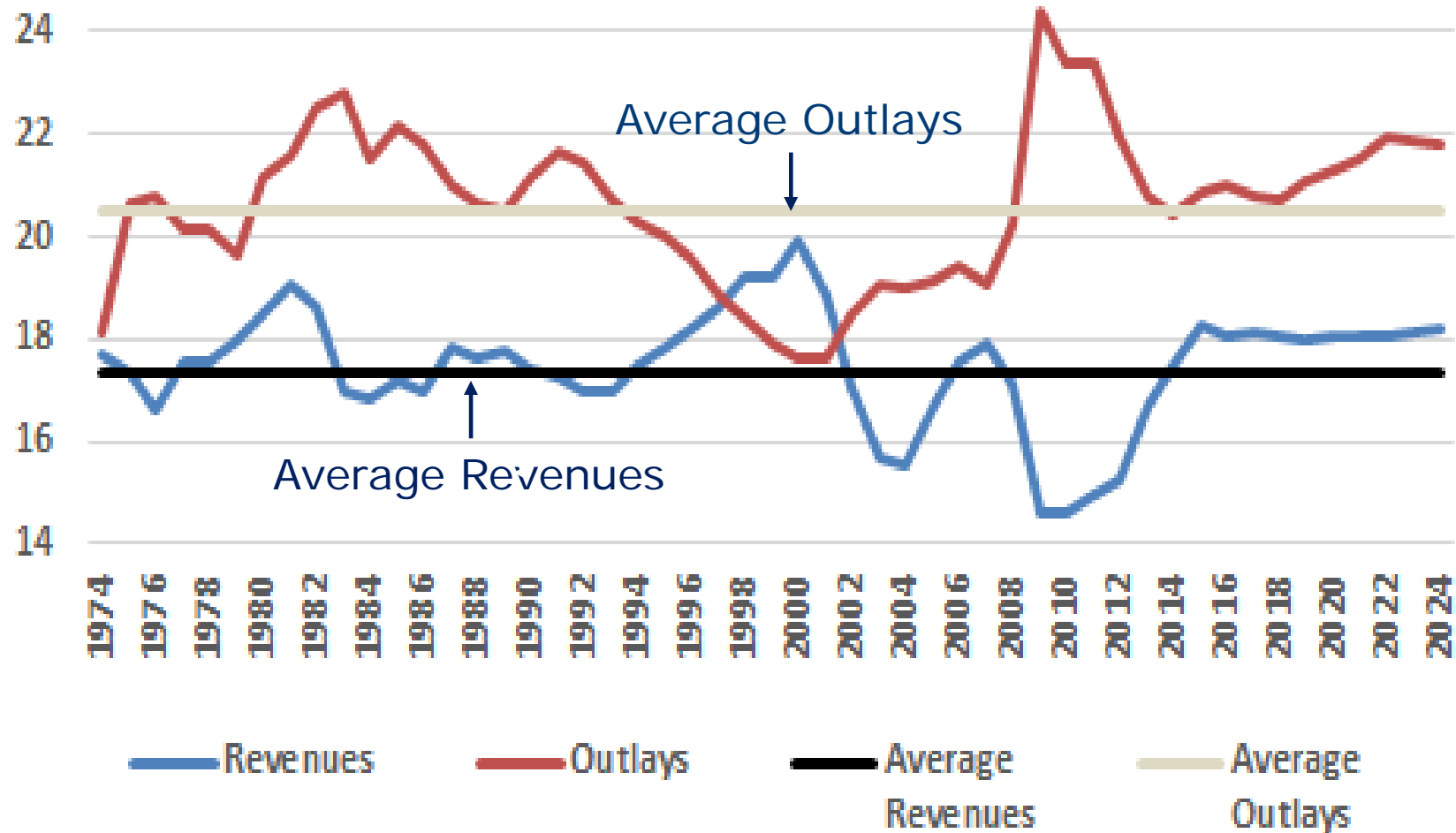
## Producer Prices % change



## Interest Rates Since 1/2014

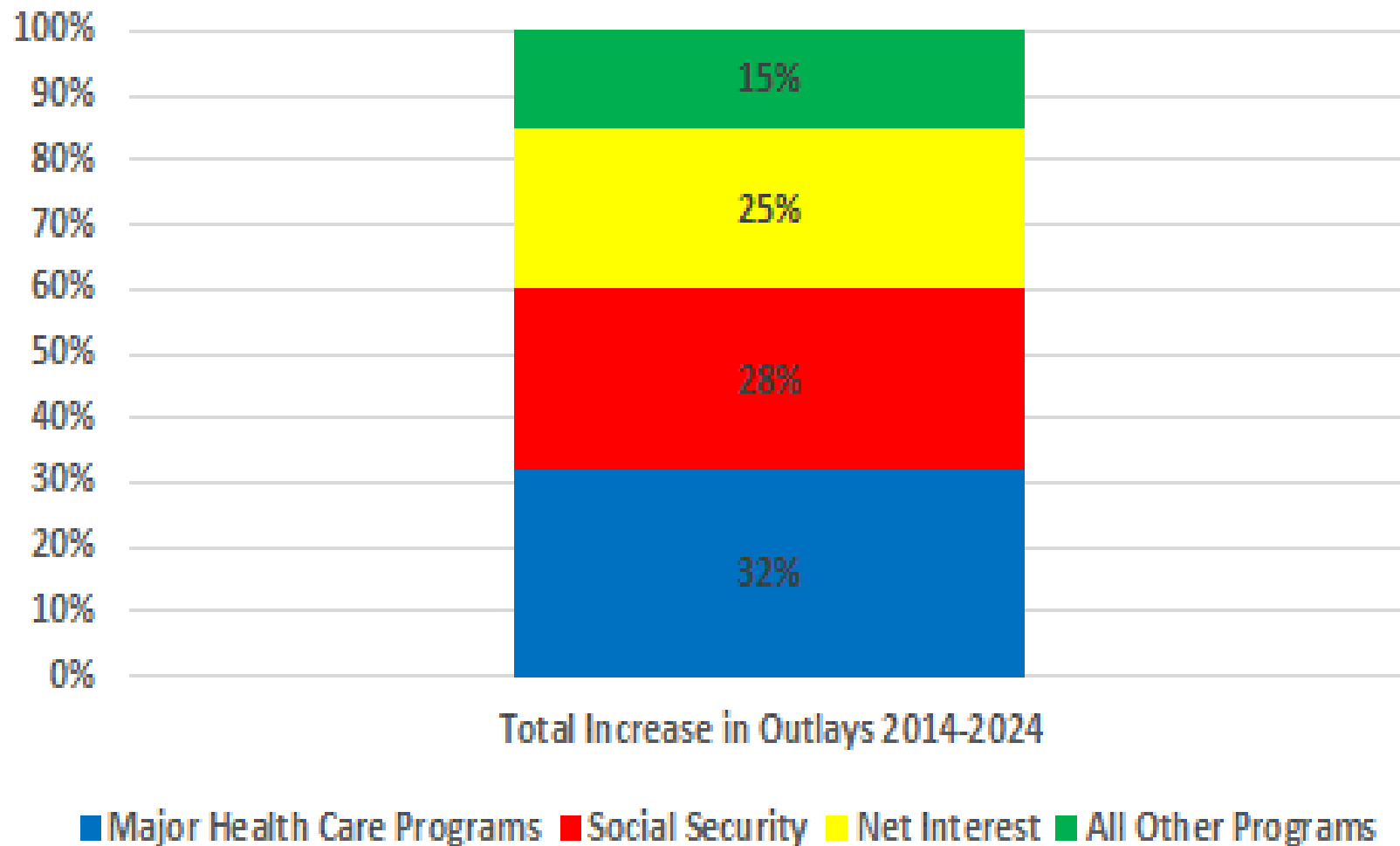


## Federal Revenues and Outlays as %GDP



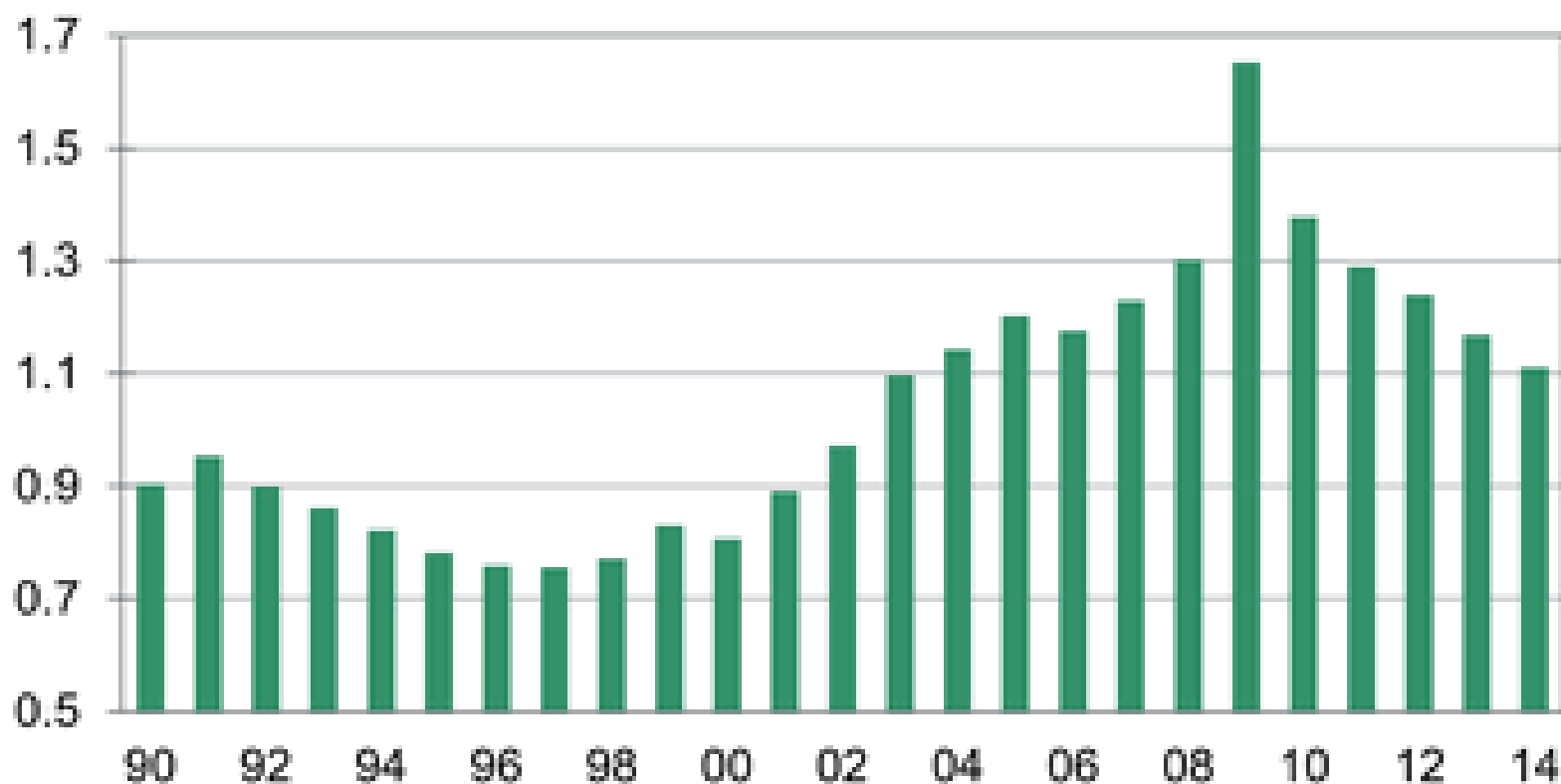


## Total Increase in Outlays 2014-2024 CBO



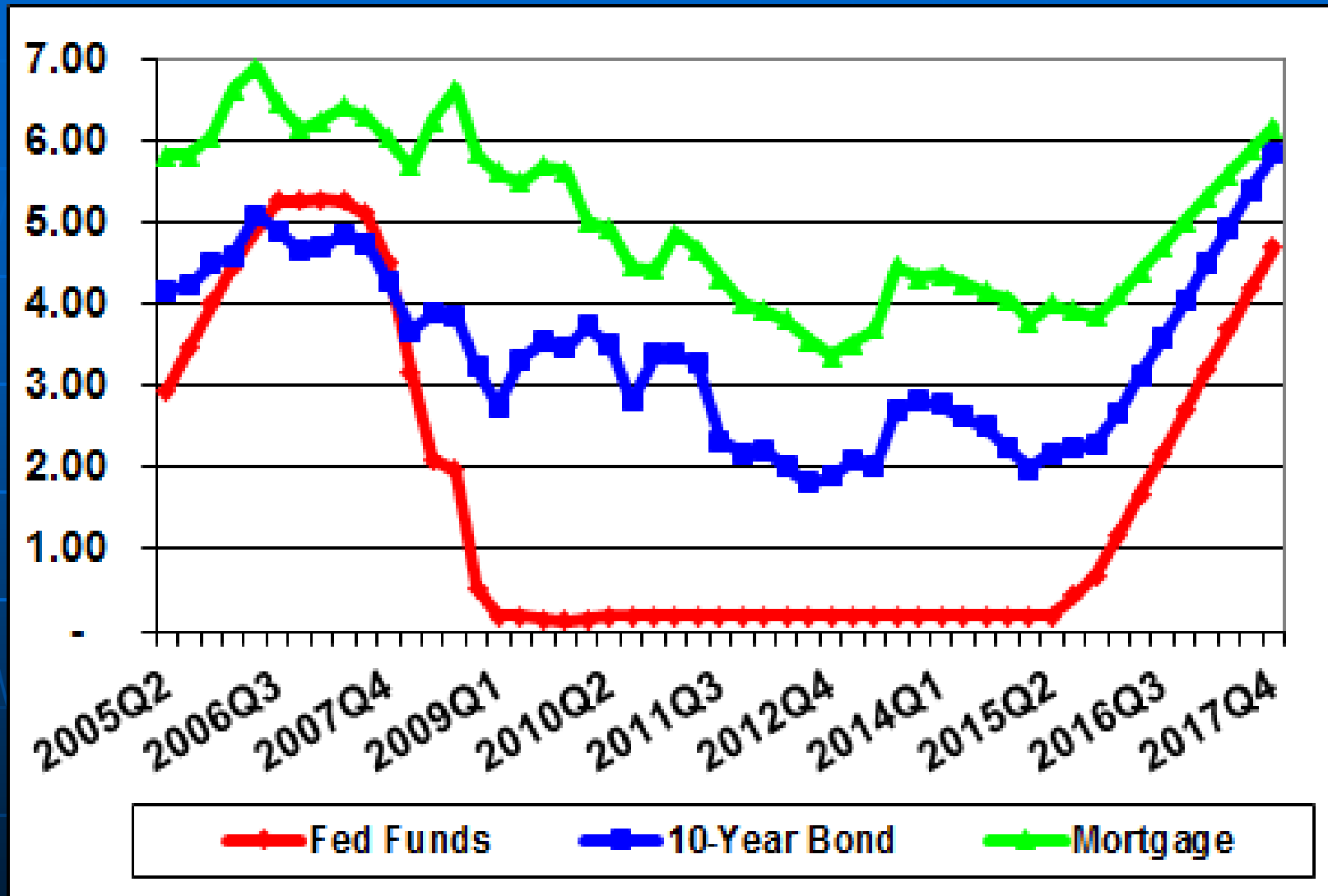
## Omnibus Spending Levels Lowest Since 2003

Discretionary budget, by fiscal yr, 2013\$ tril



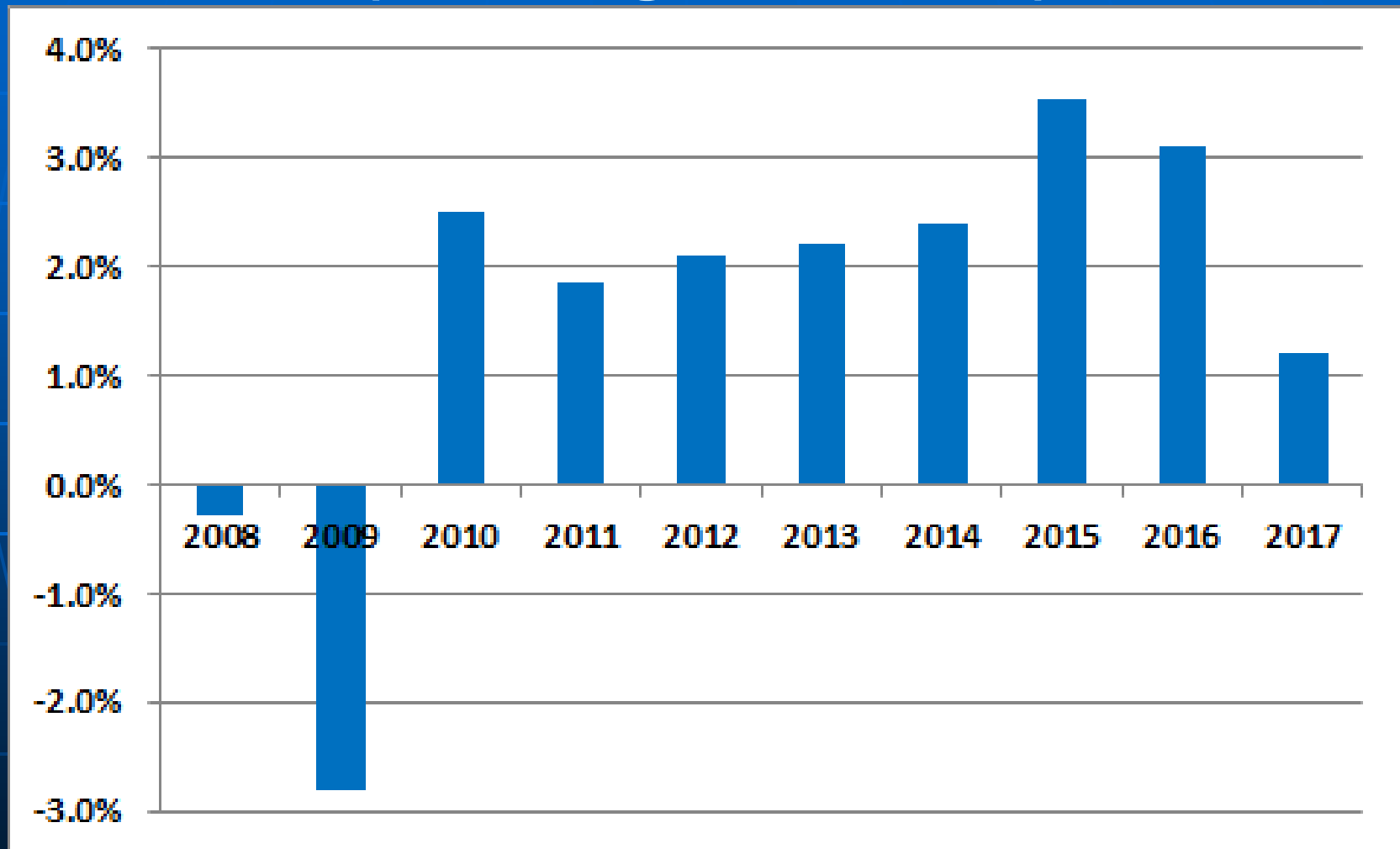
Sources: OMB, Moody's Analytics

# INTEREST RATES

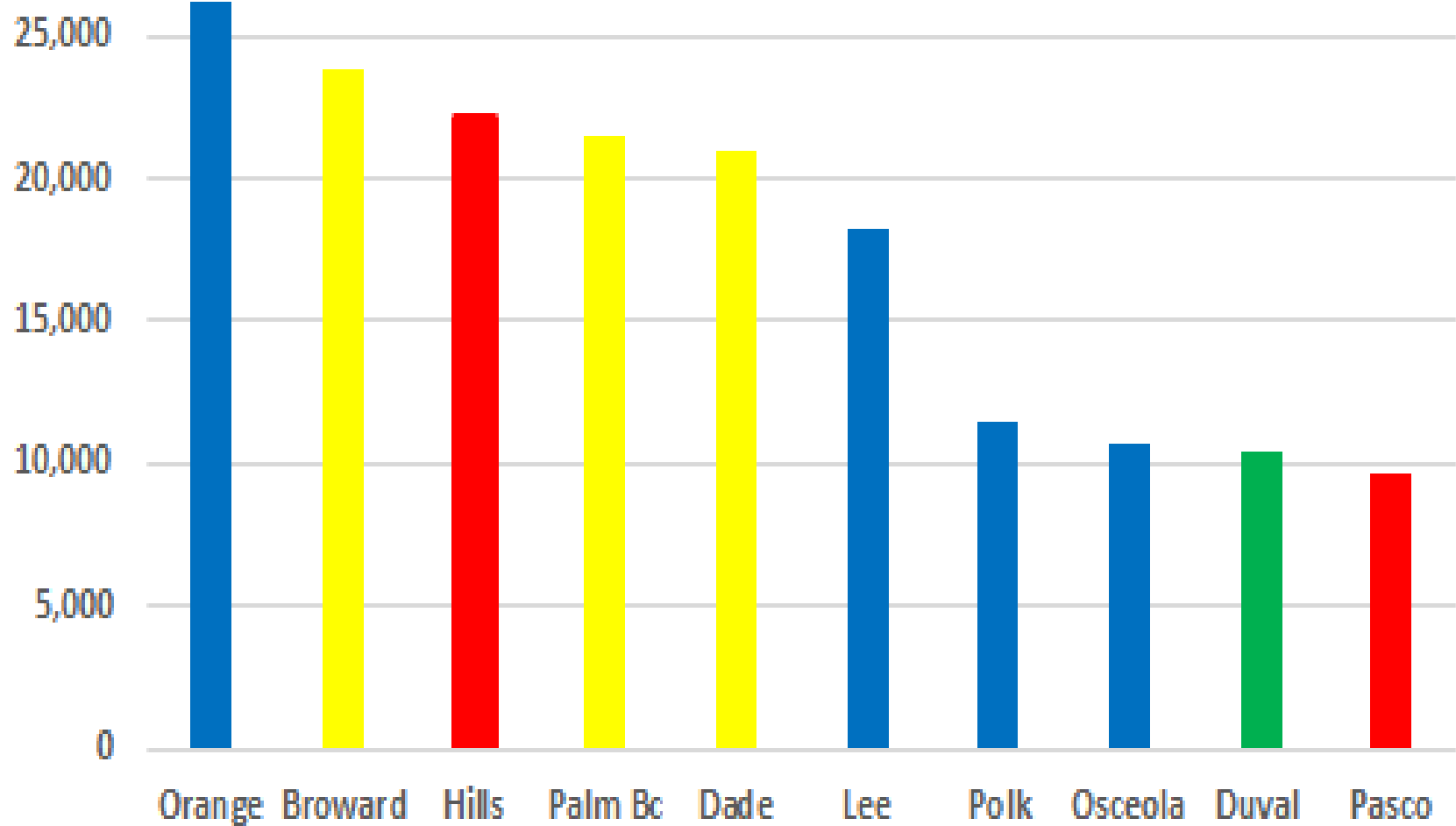


# GDP Growth

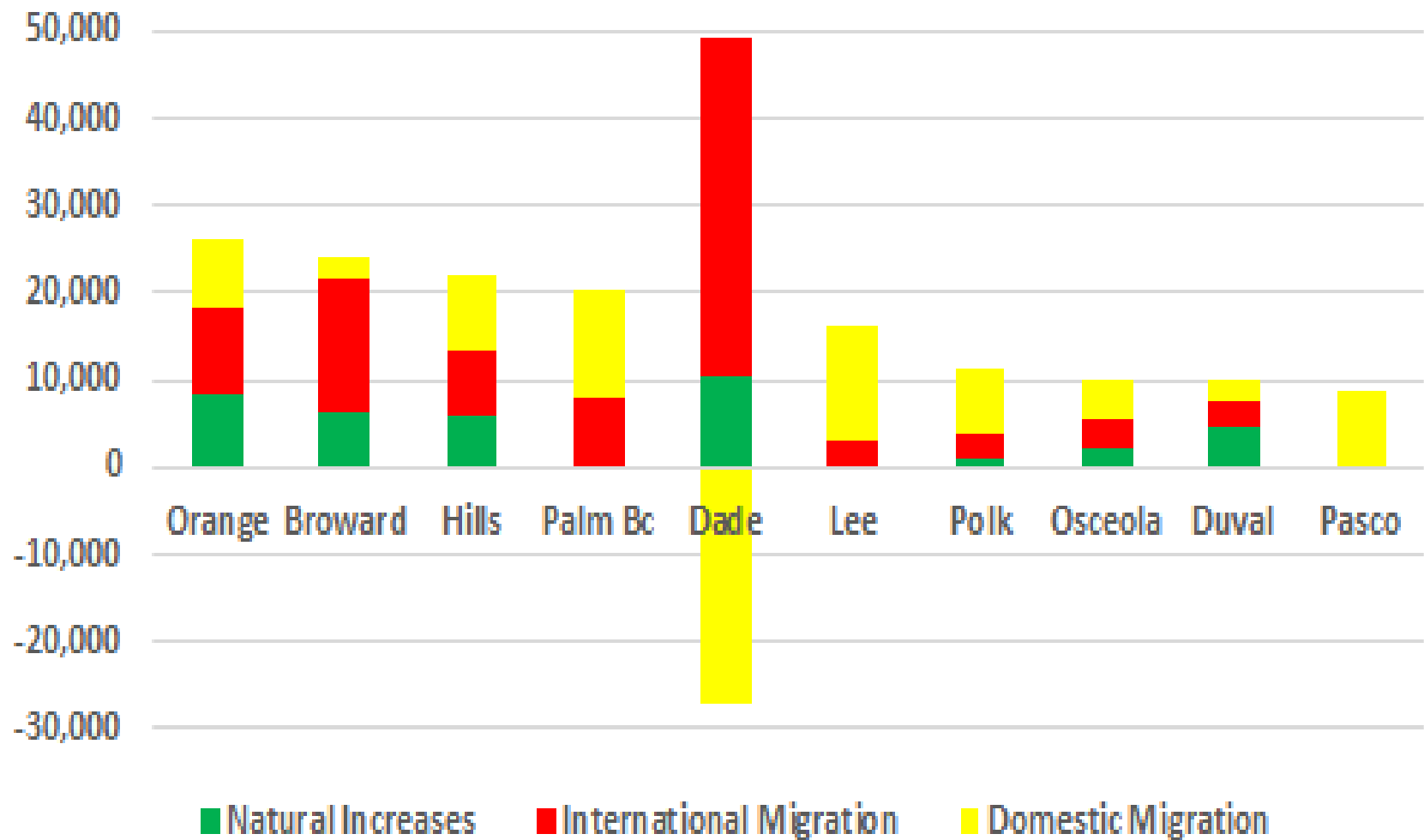
(Percent growth SAAR)



## Population Growth 2013-14



## 2014 Population Growth by Source

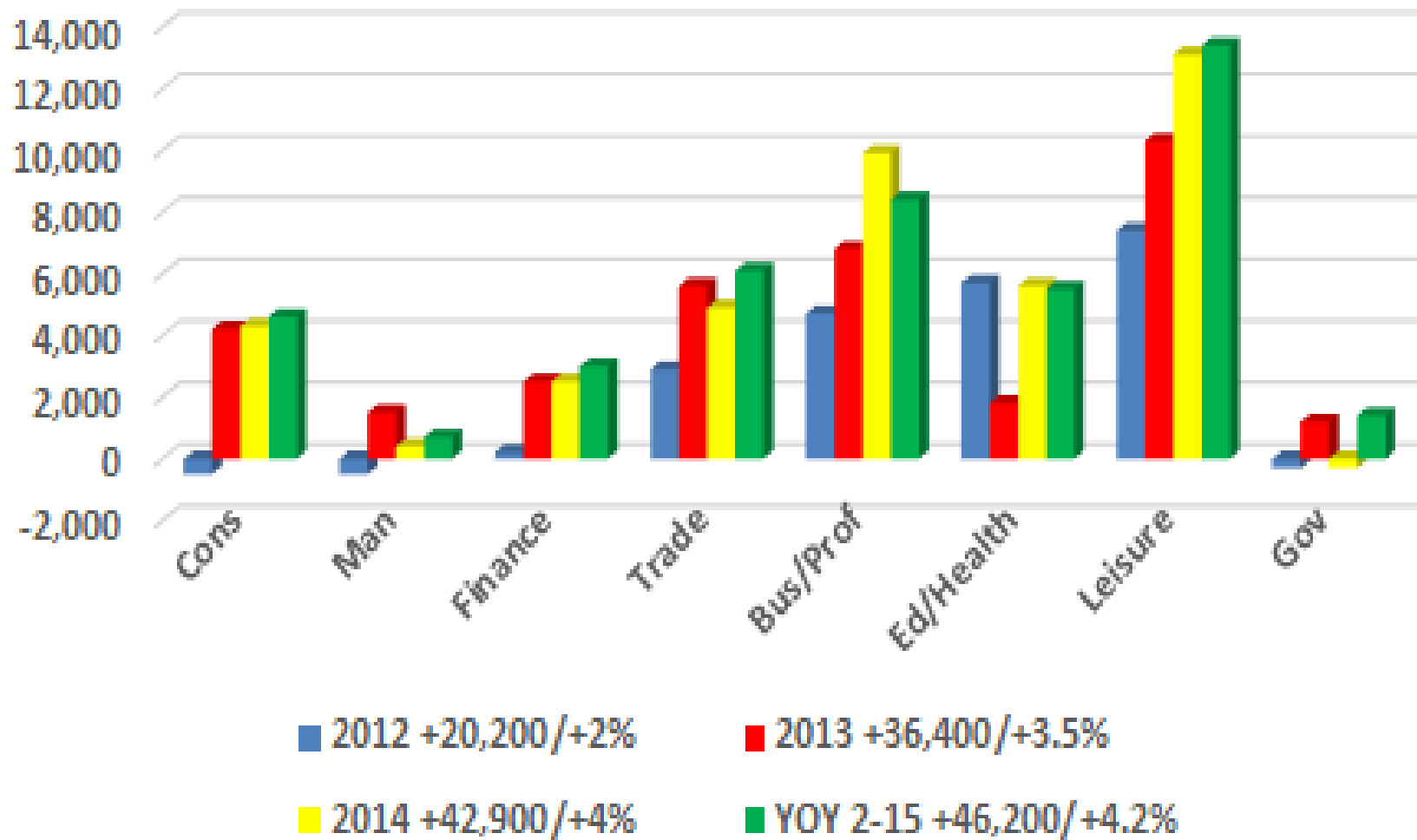


# Orlando MSA

## Major Drivers

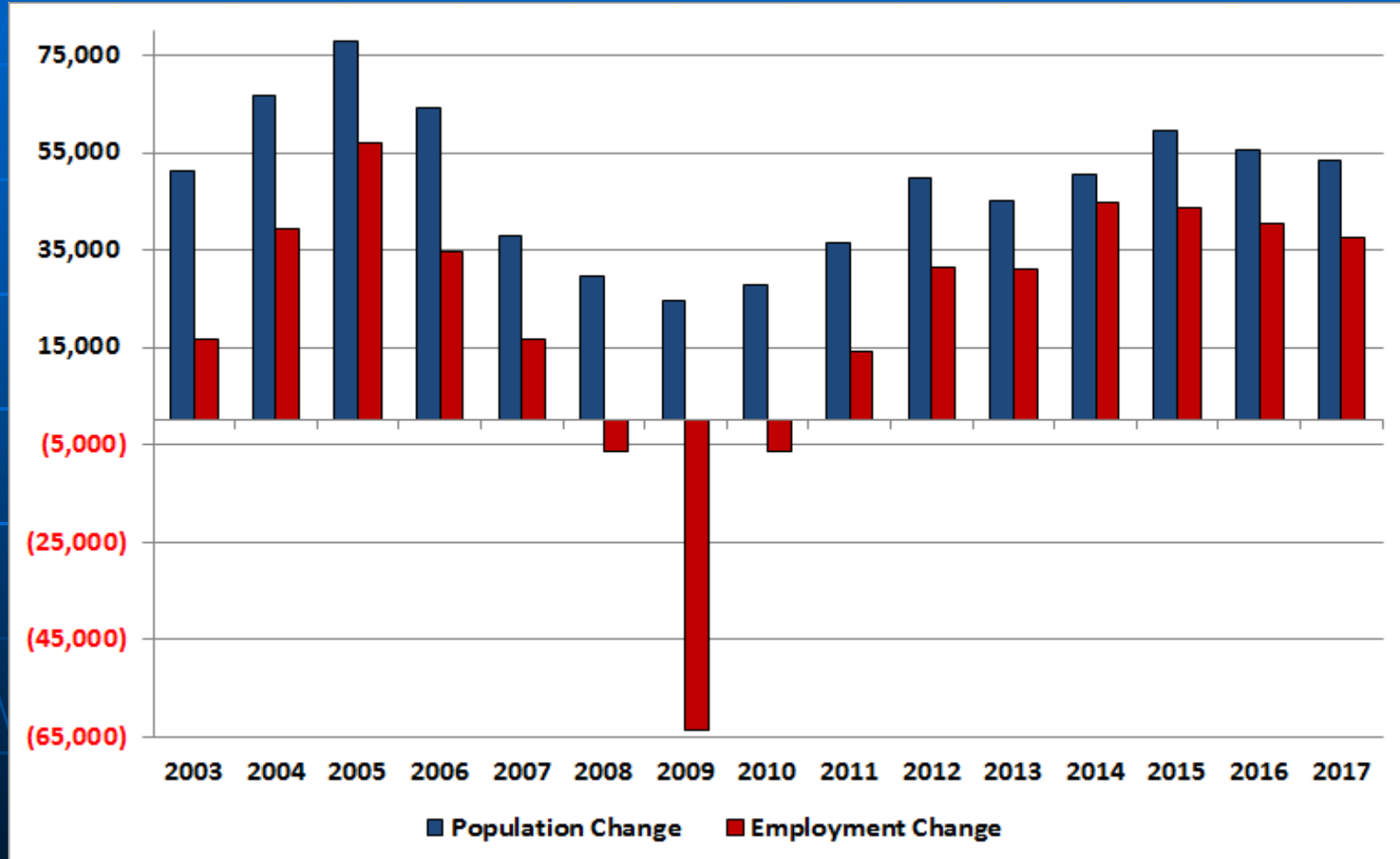
- **Strong growth in tourism/conventions powering the economy. This is the area's largest industry.**
- **Renaissance of downtown core with major new mixed-use projects that are being relatively well received.**
- **Major capital programs underway or opened**
  - **I-4, commuter rail, Wekiva Parkway, Downtown Venues**
- **Defense spending supports economy**
  - **Army/Navy Simulation Training Center in east Orange County largest in U.S. letting over \$1Billion in contracts per year**
  - **Strong optics, lasers, missile, with Lockheed/Martin**
- **Burgeoning medical complex with Burnham Institute, New Medical College at UCF and VA Hospital**
- **Retiree boom**

# Job Growth

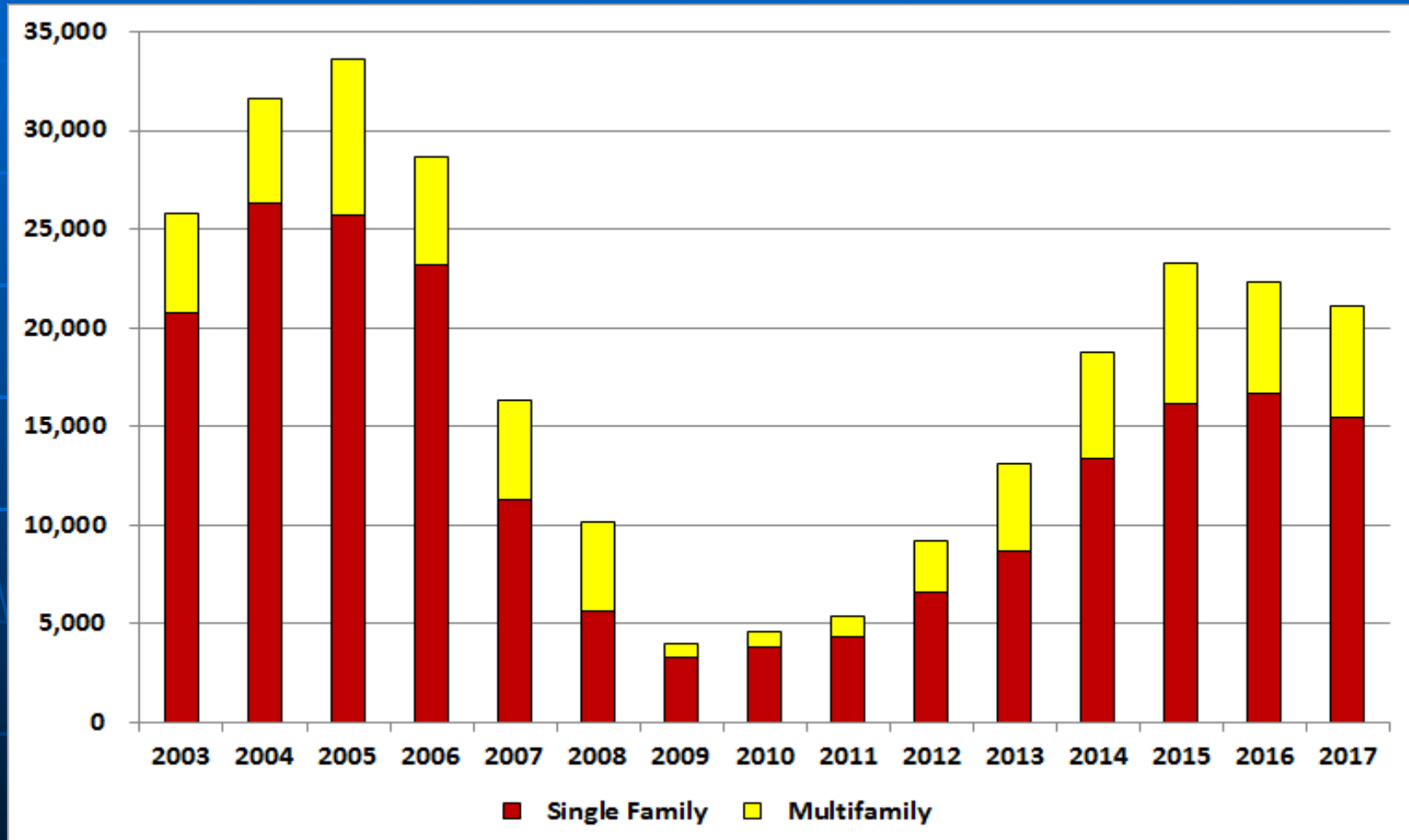




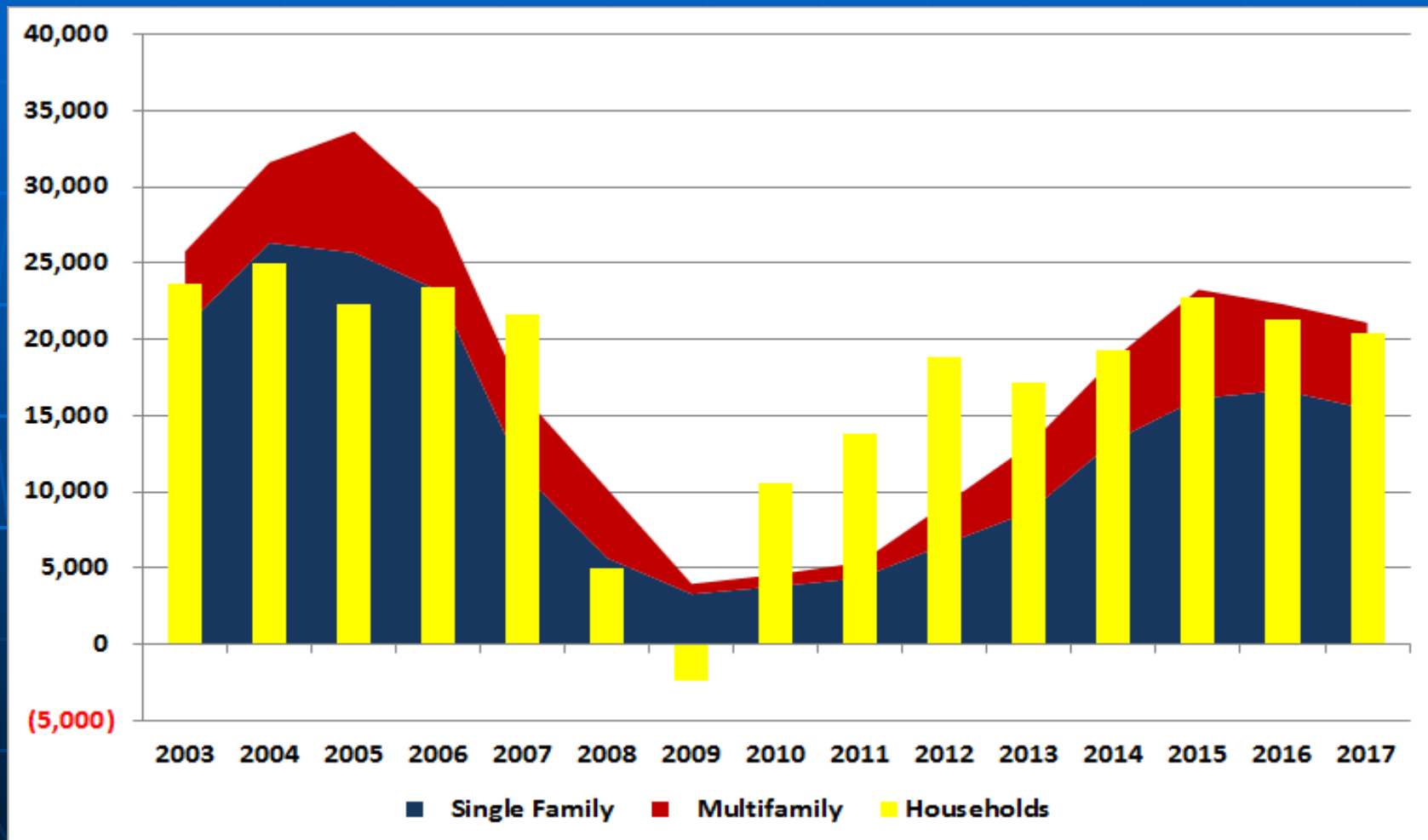
# Orlando MSA Growth Population and Employment



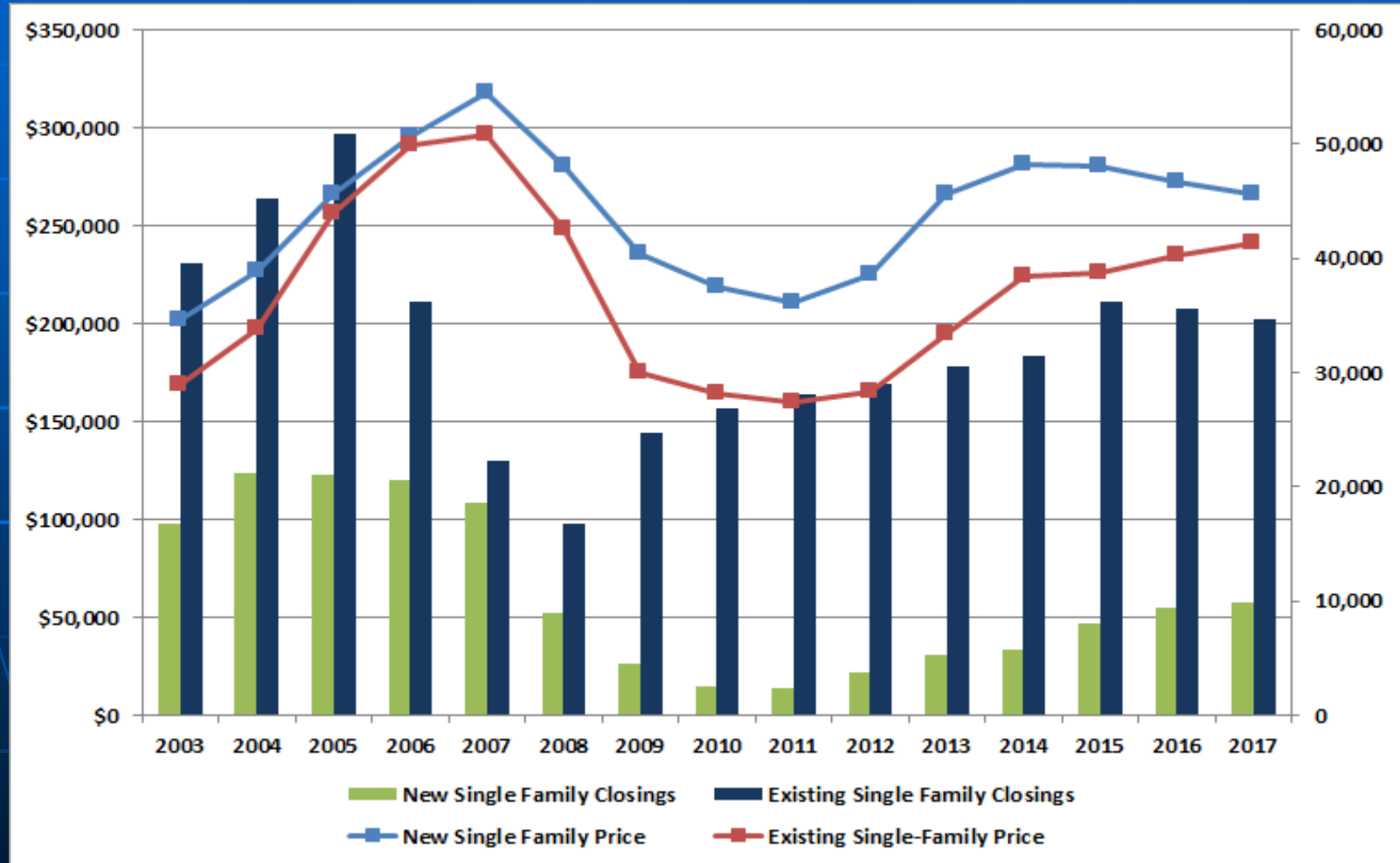
# Orlando MSA Housing Starts



# Household Formations v. Starts

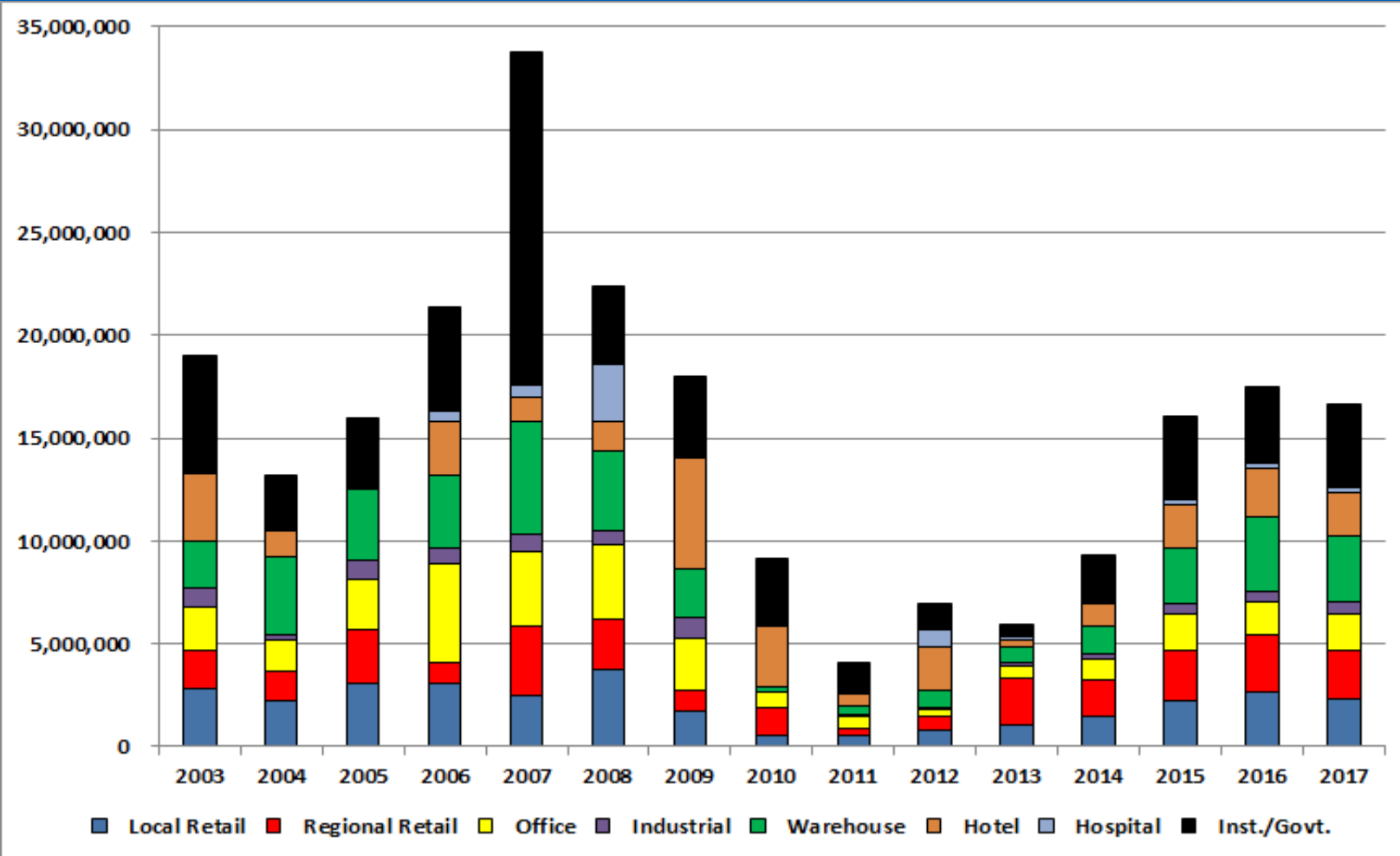


# Orlando Single-Family Housing Market



# Orlando MSA

## Non Residential Construction







The End

**QUESTIONS?**