

The Association of Union Constructors

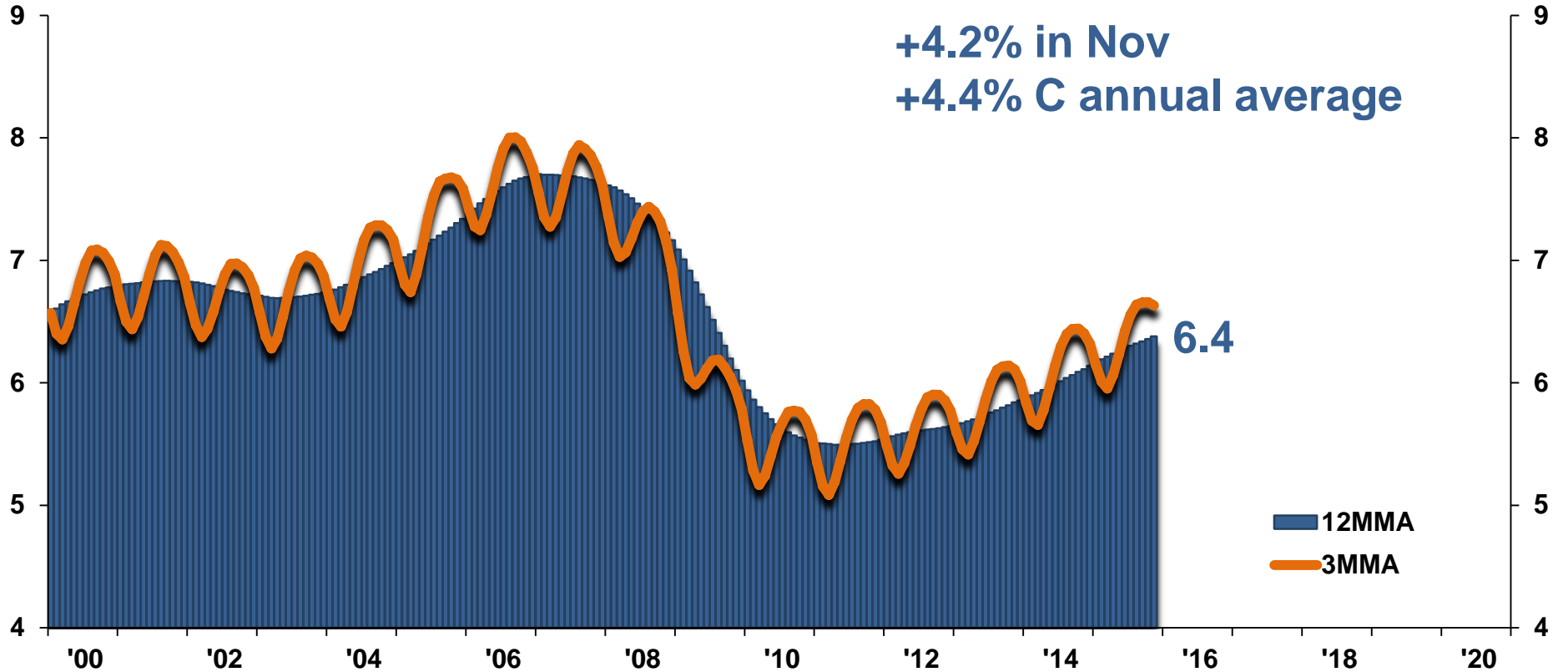


Prosperity in the
Age of Decline

 **ITR ECONOMICS**

Brian Beaulieu
CEO

US Construction Employment

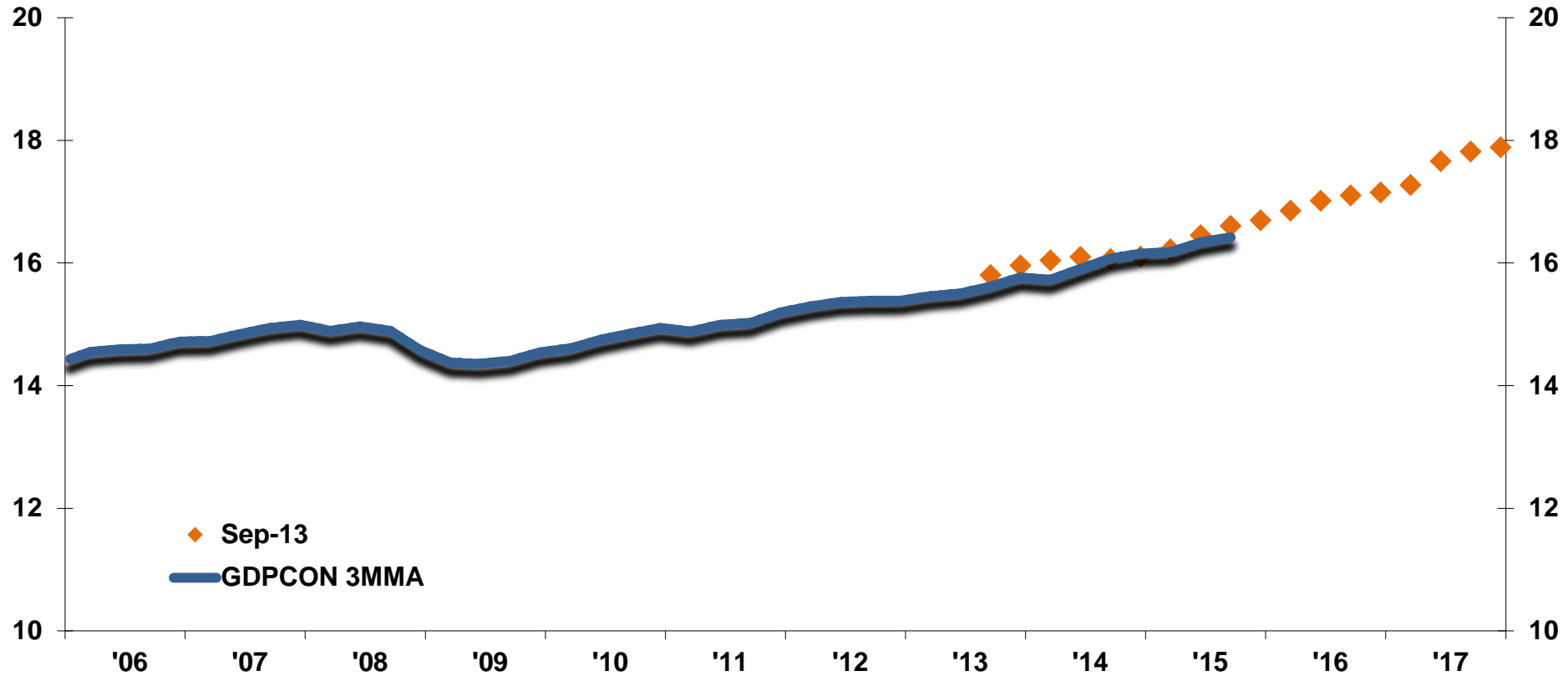


2014 Forecast Results

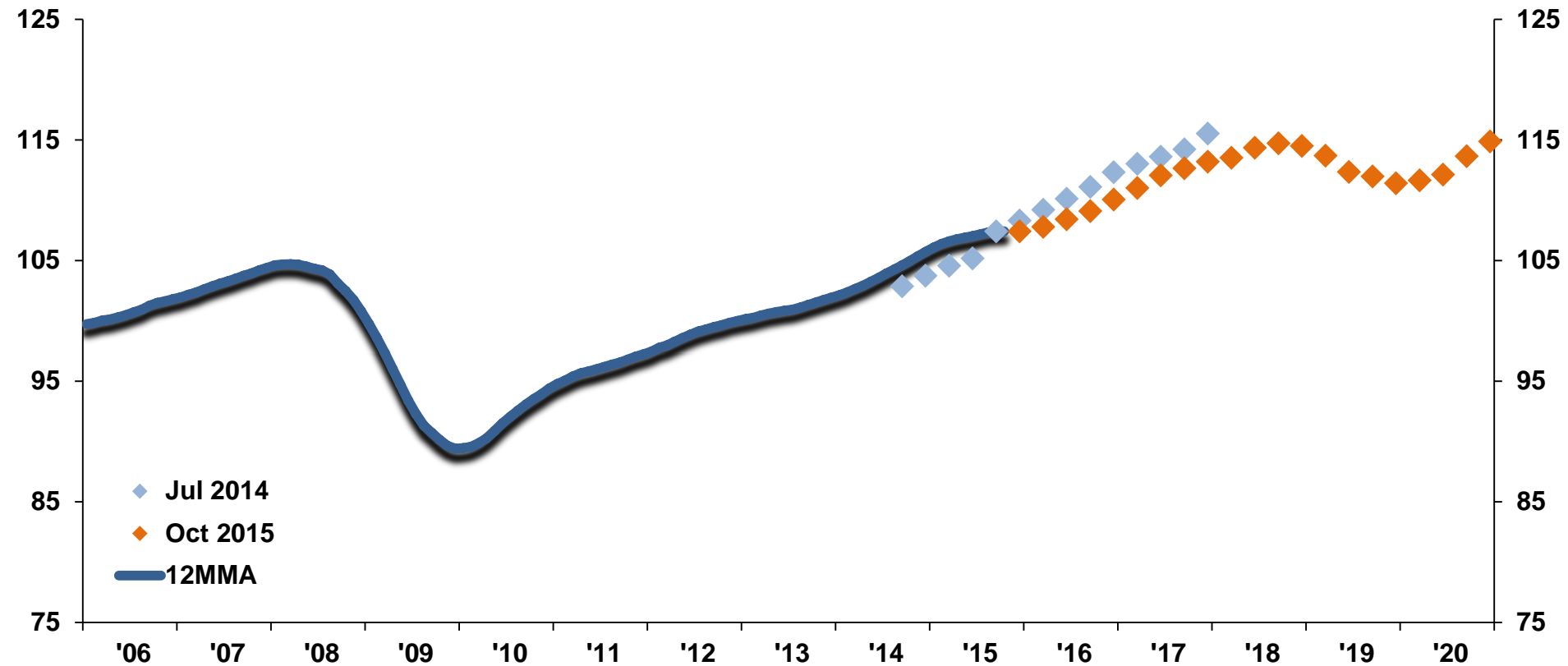
	Duration	Forecast	Result	Accuracy
US GDP	15	\$16.098 Trillion	\$16.317 Trillion	98.7%
US Ind. Prod.	13	101.5 (12MMA)	104.1	97.4%
EU Ind. Prod.	14	100.6 (12MMA)	101.5	99.1%
Canada Ind Prod	9	350.1 (12MMA)	C\$357.1	98.0%
China Ind Prod	21	564.9 (12MMA)	563.6	99.8%
US Housing	12	955 Ths. Units	1.0 mils. Units	94.7%
US Retail Sales	16	\$2.751 Trillion	\$2.808 Trillion	98.0%
US Employment	13	144.9 Million	146.3 Million	99.0%

ITR Economics provides the best economic intelligence to reduce risk and drive practical and profitable business decisions.

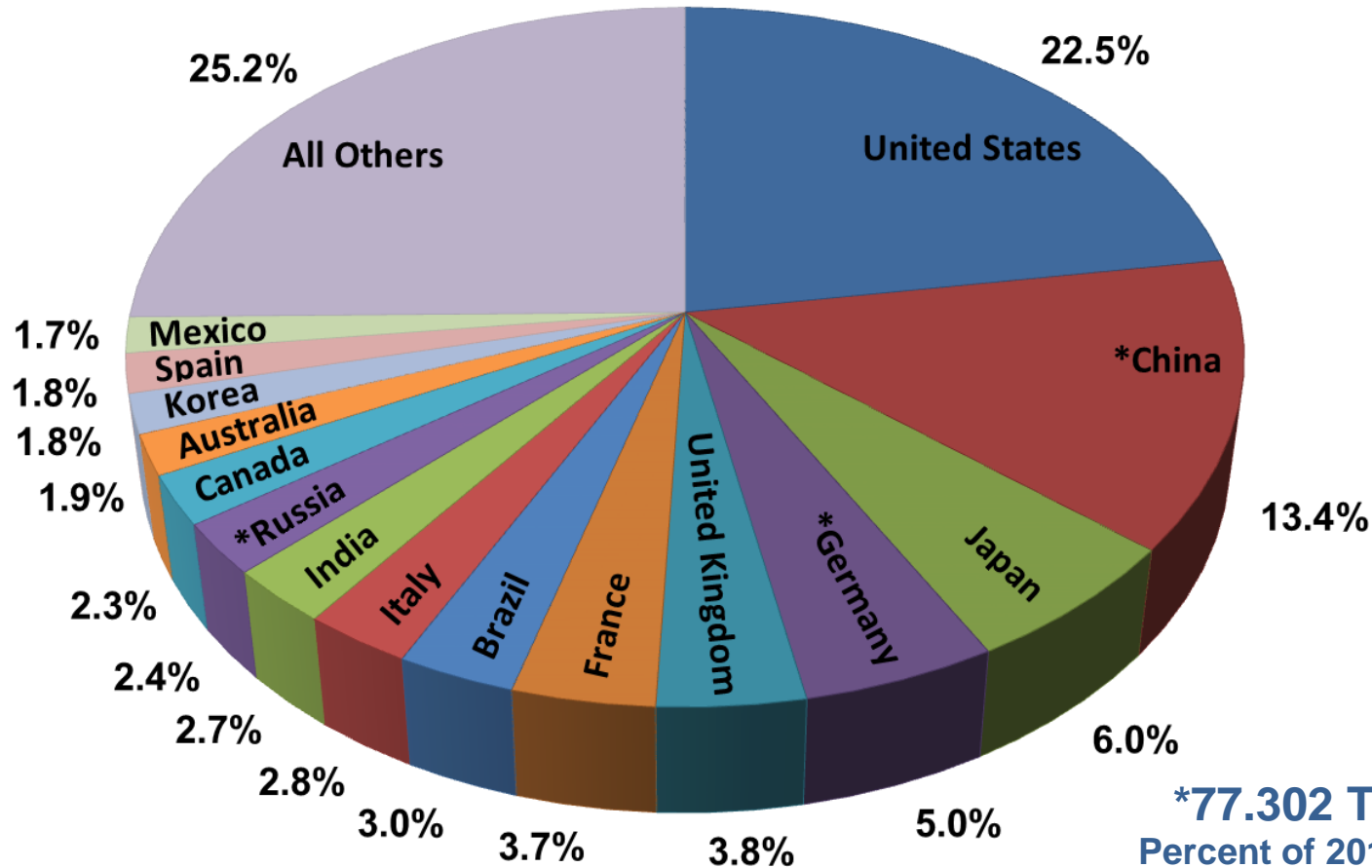
Real Gross Domestic Product



US Total Industrial Production

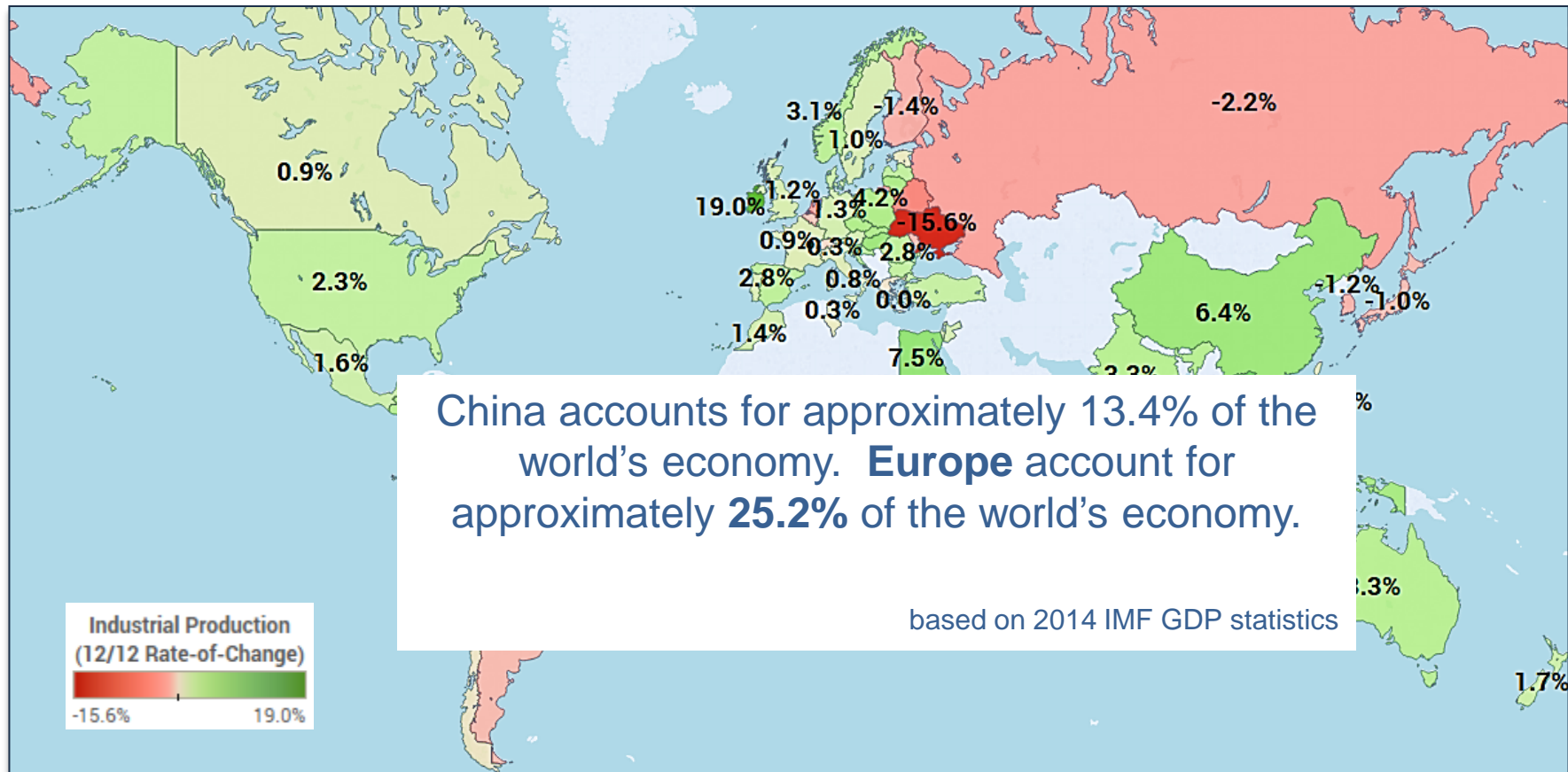


World GDP, Trillions of US \$, Current Prices

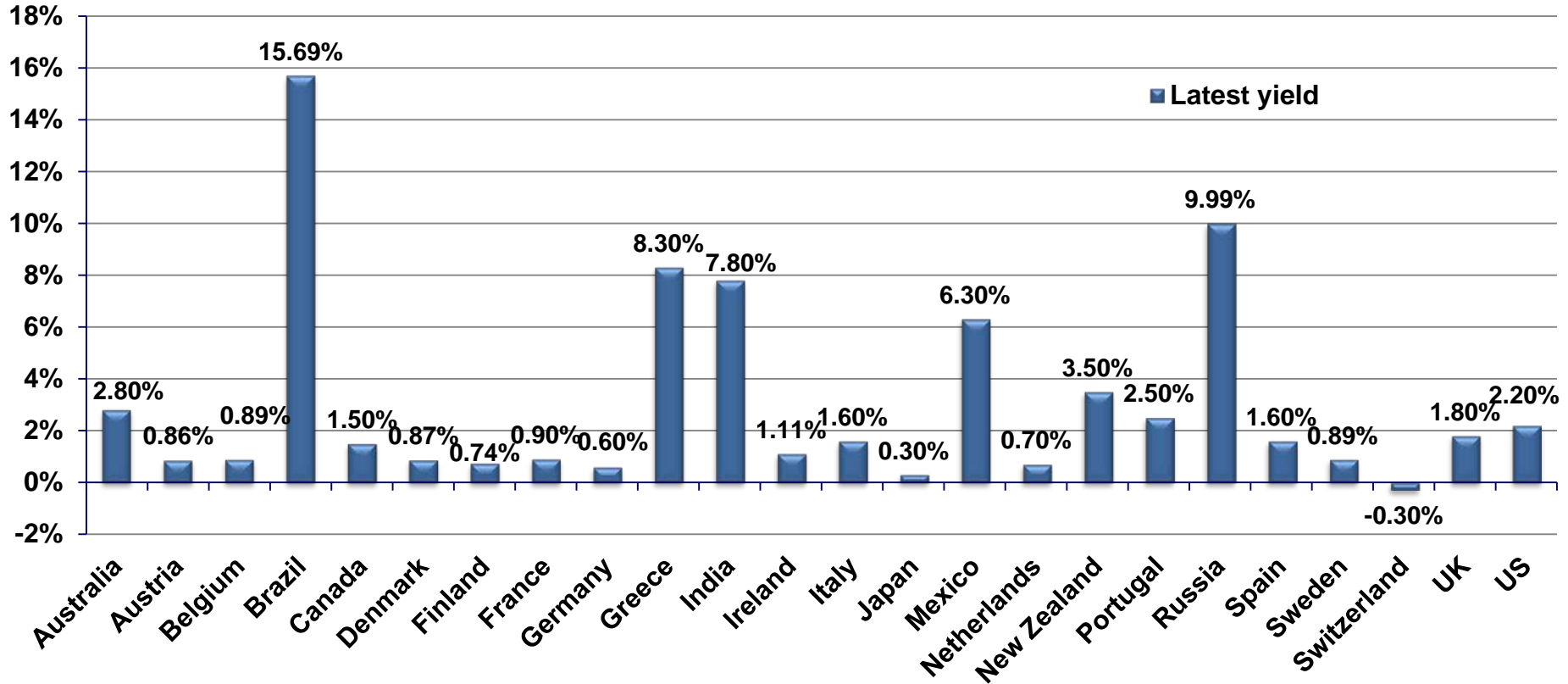


***77.302 Trillion US\$**
Percent of 2014 World GDP

World Countries Industrial Production



Interest Rates for Long-Term Government Bonds



Data Preparation

	Raw	3MMT	3/12	12MMT	12/12
Jan-14	1.4				
Feb-14	1.5				
Mar-14	1.5	4.4			
Apr-14	1.4	4.4			
May-14	1.5	4.4			
Jun-14	1.3	4.2			
Jul-14	1.3	4.1			
Aug-14	1.6	4.2			
Sep-14	1.6	4.5			
Oct-14	1.5	4.7			
Nov-14	1.7	4.8			
Dec-14	1.6	5.0		18.0	
Jan-15	1.7	5.0		18.2	
Feb-15	1.7	5.0		18.4	
Mar-15	1.7	5.1	15.9%	18.6	
Apr-15	1.6	5.0	13.6%	18.8	
May-15	1.7	5.0	13.6%	19.0	26.7%
Jun-15	1.5	4.8	14.3%	19.2	25.5%
Jul-15	1.5	4.7	14.6%	19.4	25.2%
Aug-15	1.9	4.9	16.7%	19.7	22.4%
Sep-15	1.7	5.1	13.3%	19.8	20.0%
Oct-15	1.7	5.3	12.8%	20.0	18.3%
Nov-15	1.9	5.3	10.4%	20.2	15.4%
Dec-15	1.7	5.3	10.4%	20.3	12.7%

3/12 Rate-of-Change

$$= \frac{\text{December 2015 3MMT}}{\text{December 2014 3MMT}} \times 100 - 100$$

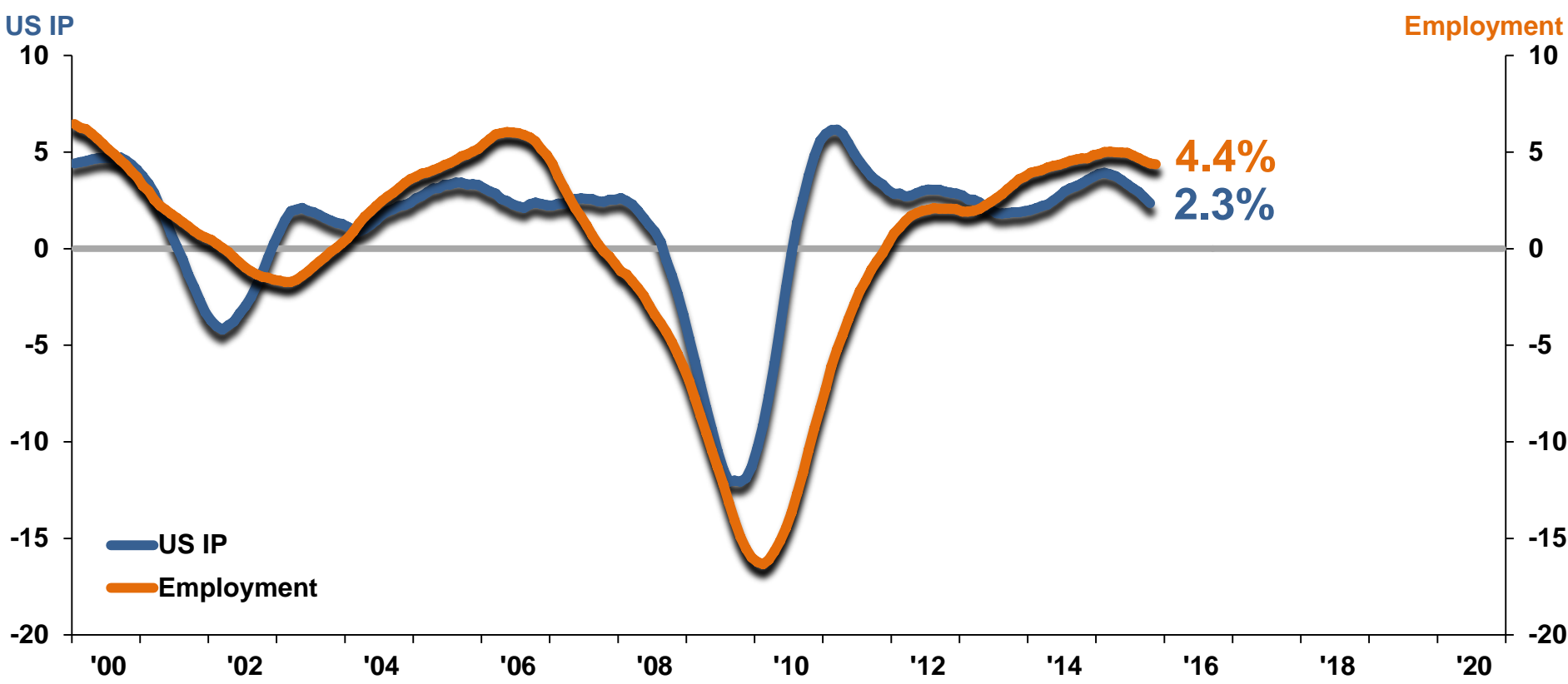
$$= \frac{5.3}{4.8} \times 100 - 100 = 10.4\%$$

12/12 Rate-of-Change

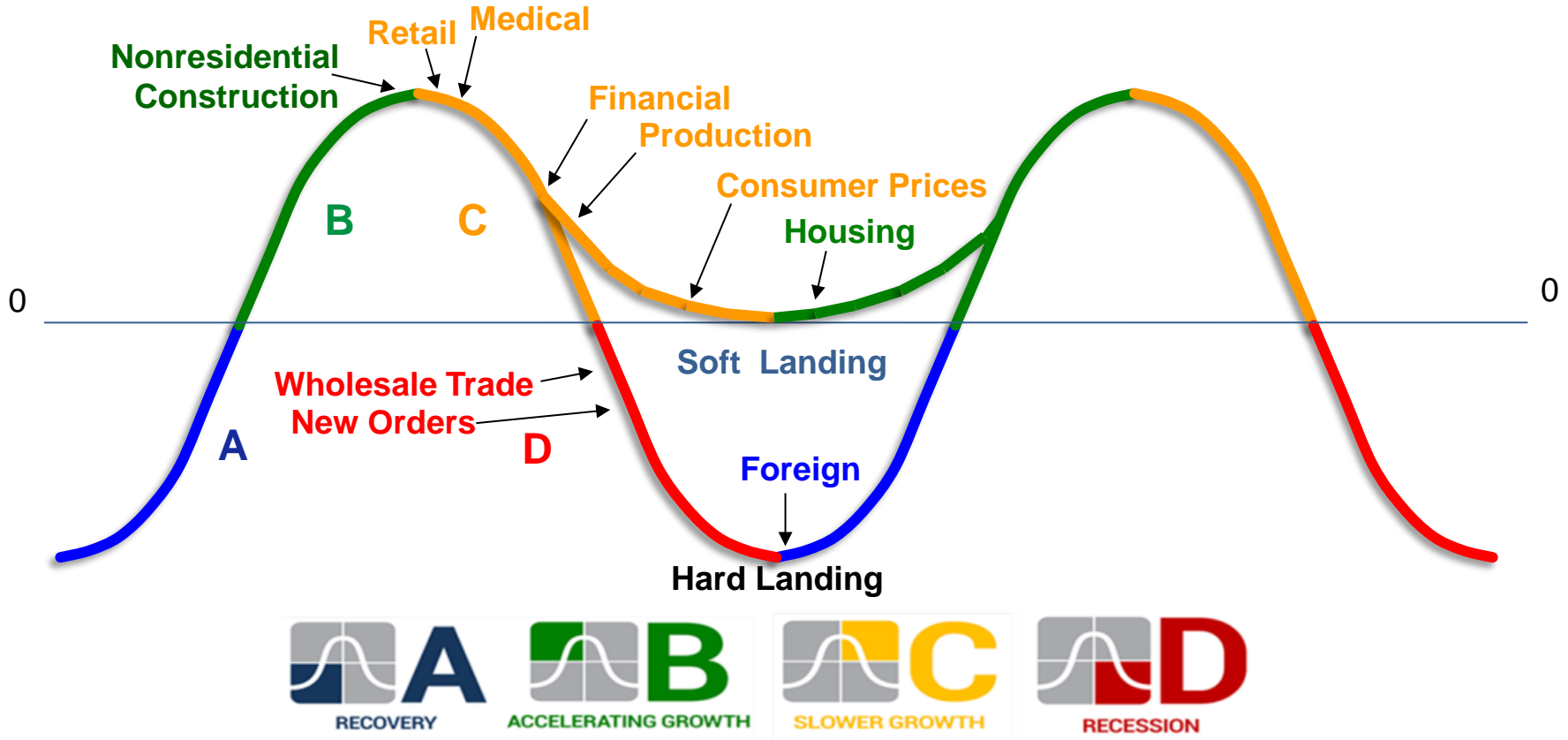
$$= \frac{\text{December 2015 12MMT}}{\text{December 2014 12MMT}} \times 100 - 100$$

$$= \frac{20.3}{18.0} \times 100 - 100 = 12.7\%$$

US Industrial Production to US Construction Employment



Trends 10



Concerns



China: Debt, Devaluation, Doubtful growth

Concern re: instability from low oil prices

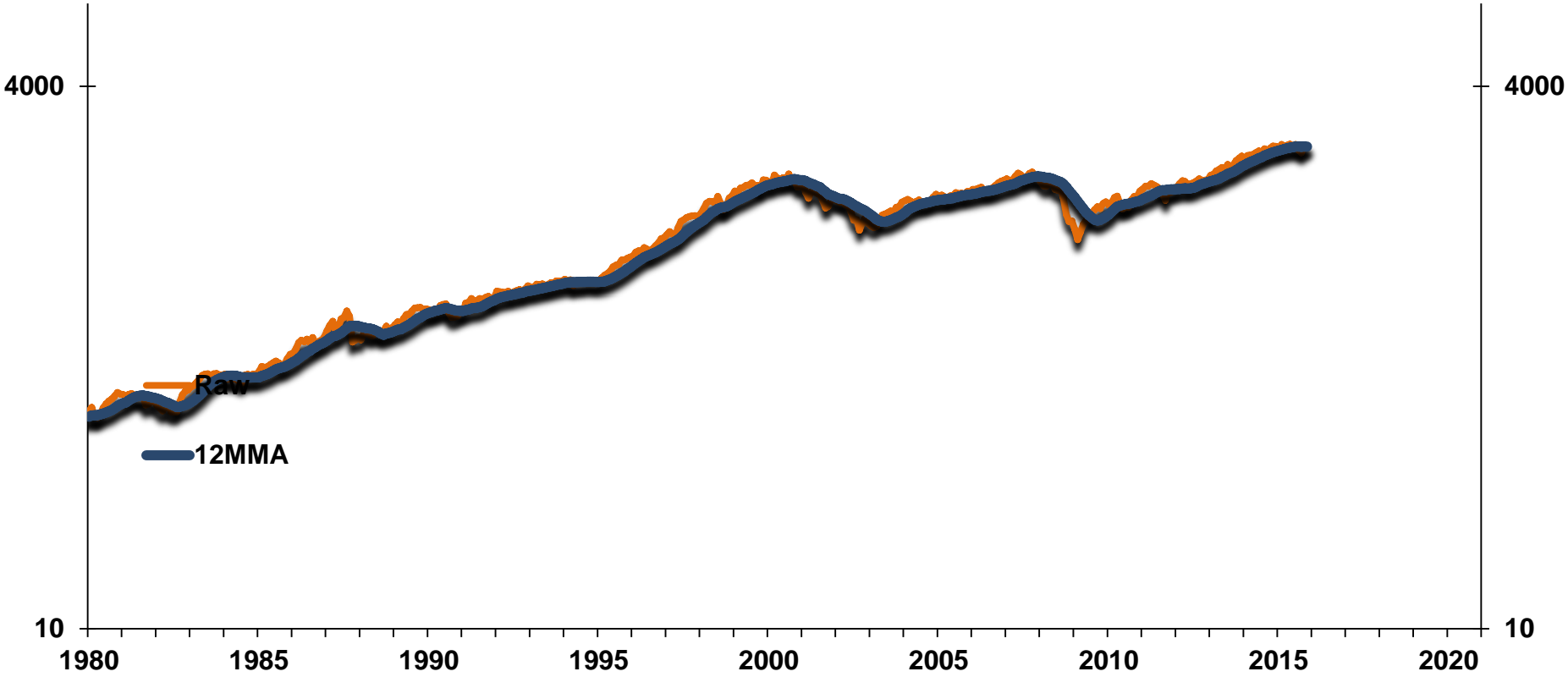
Non-defense capital goods new orders are weak

South America

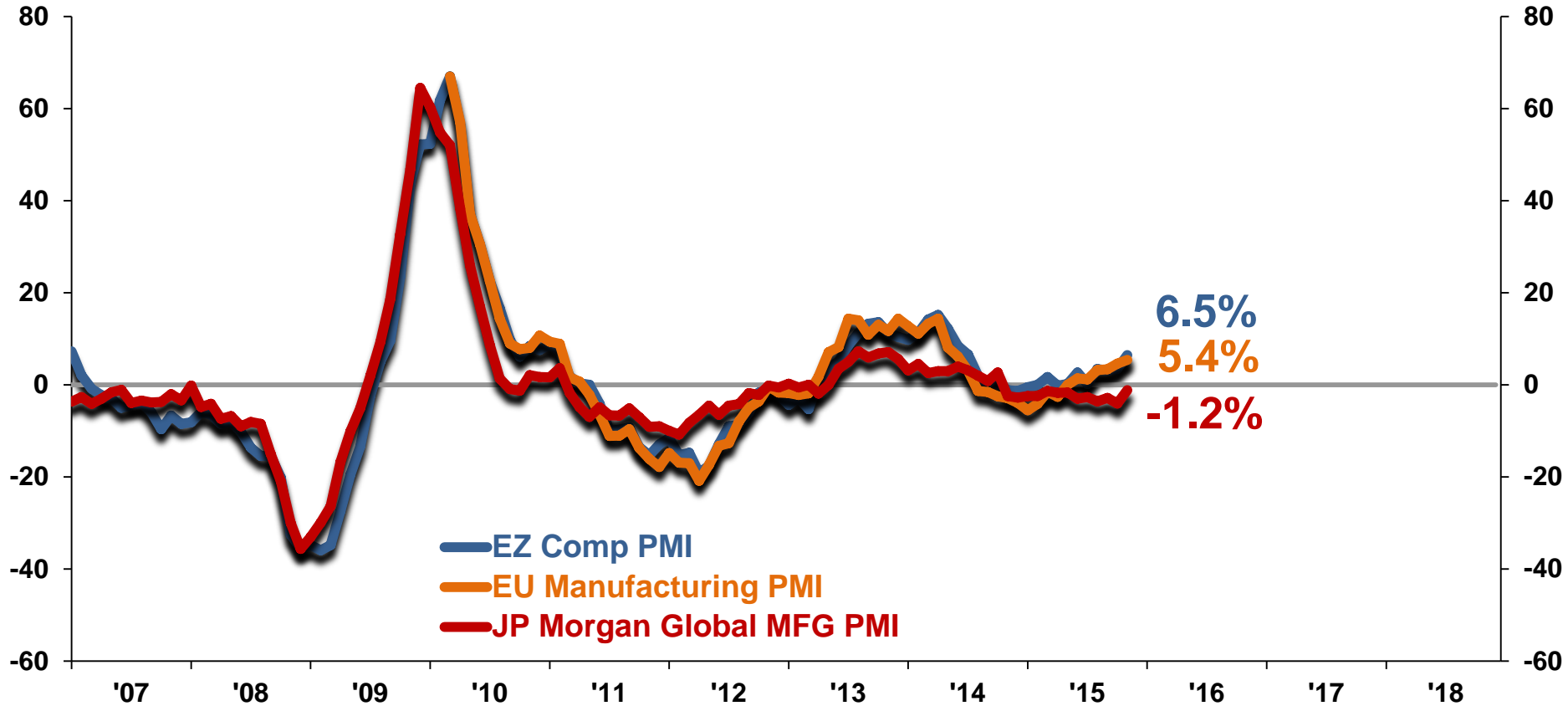
US Debt

World Demographics

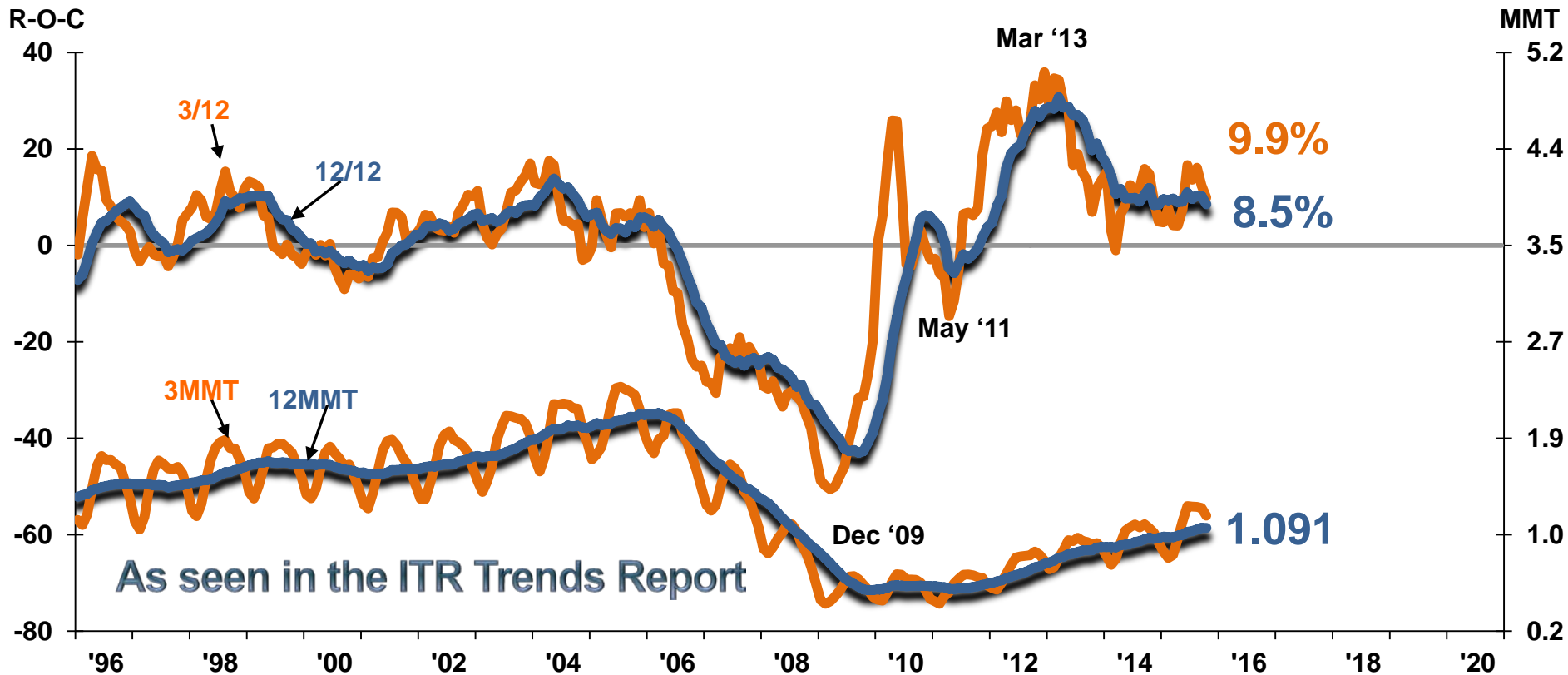
S&P500 Stock Prices Index



Global Leading Indicators

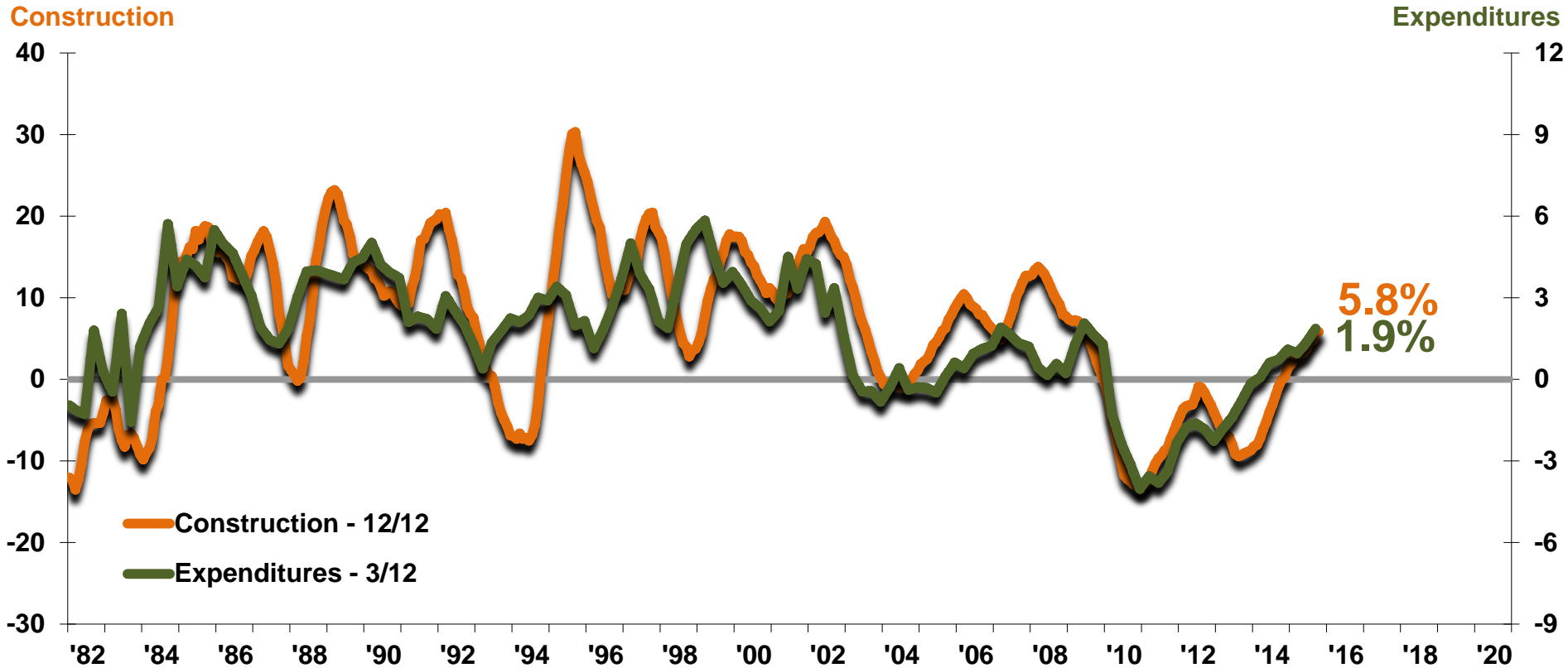


Housing Starts

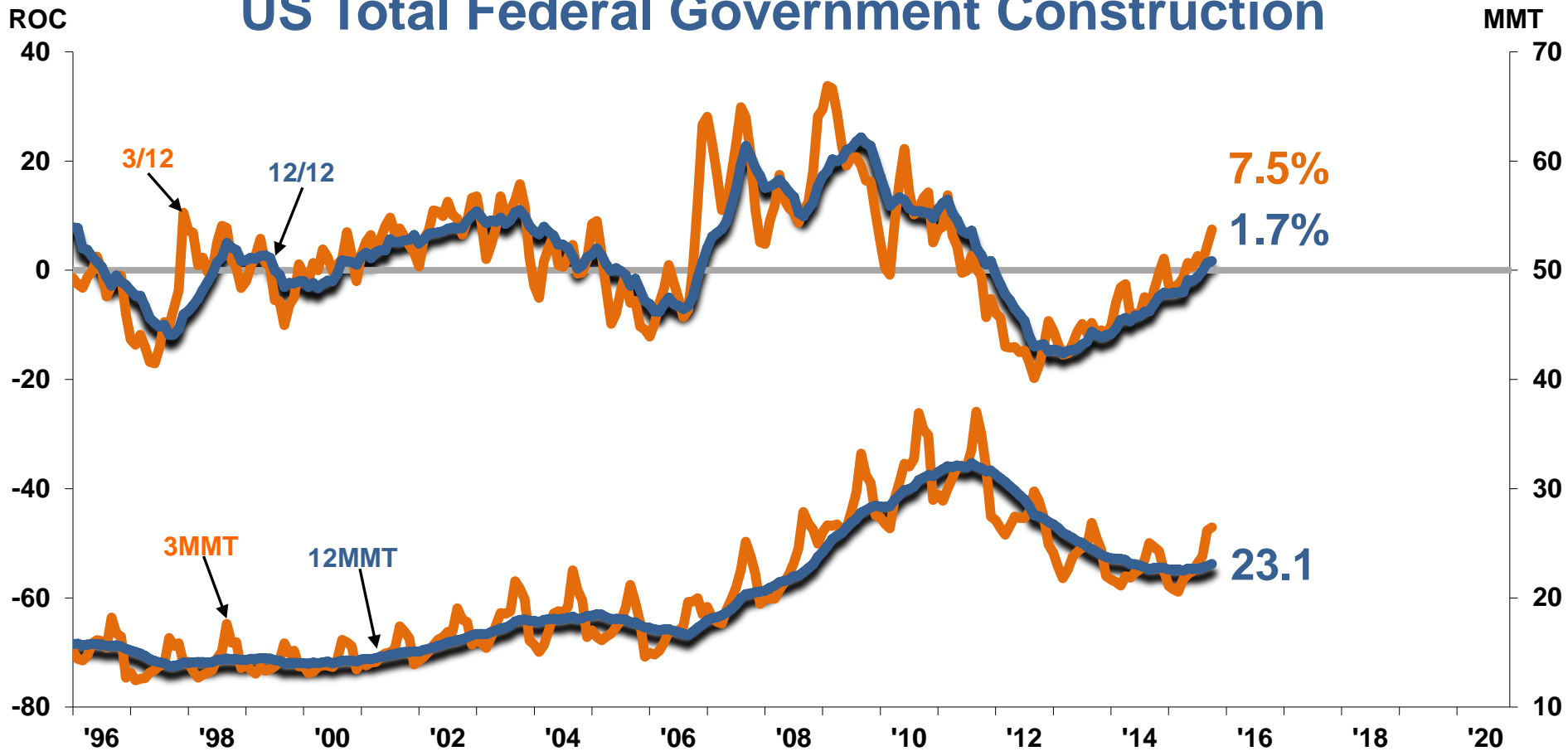


As seen in the ITR Trends Report

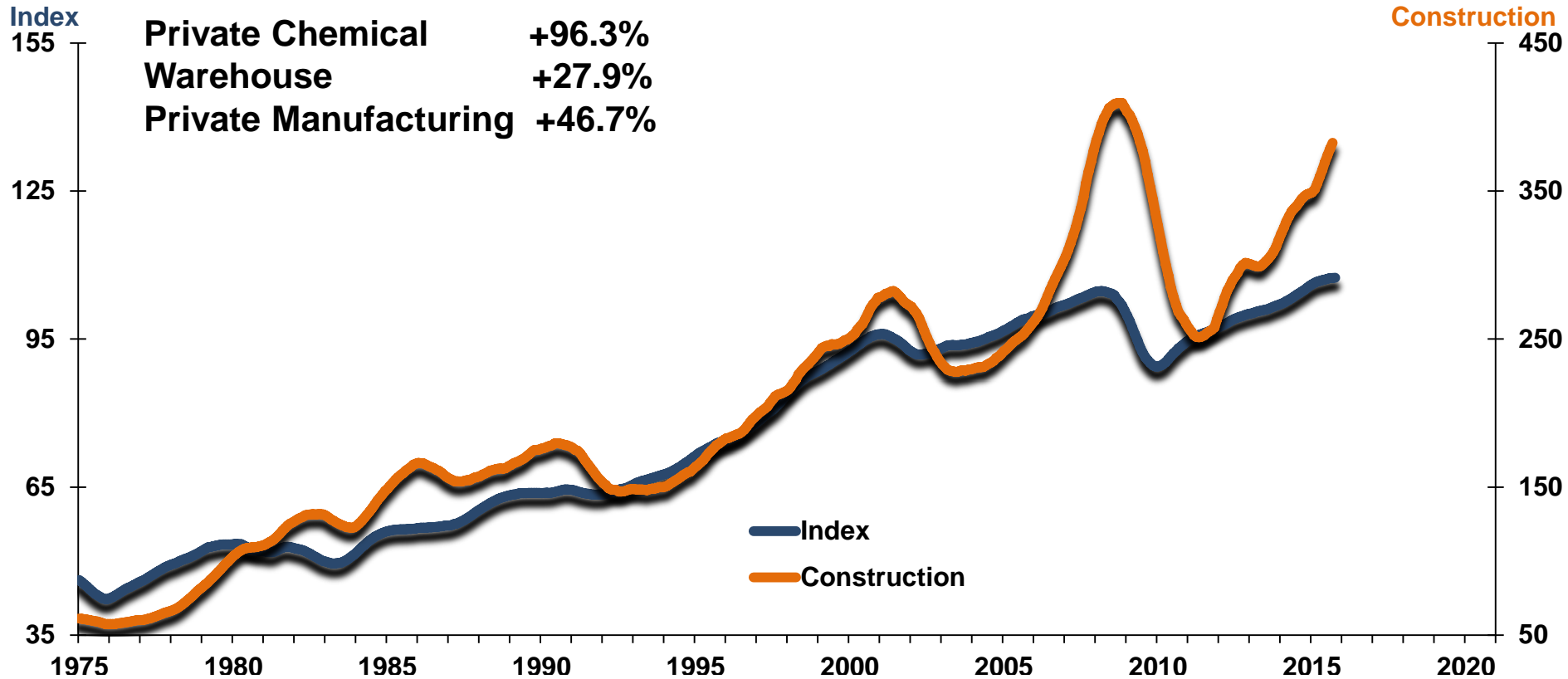
Public Educational Buildings Construction to State & Local Government Expenditures



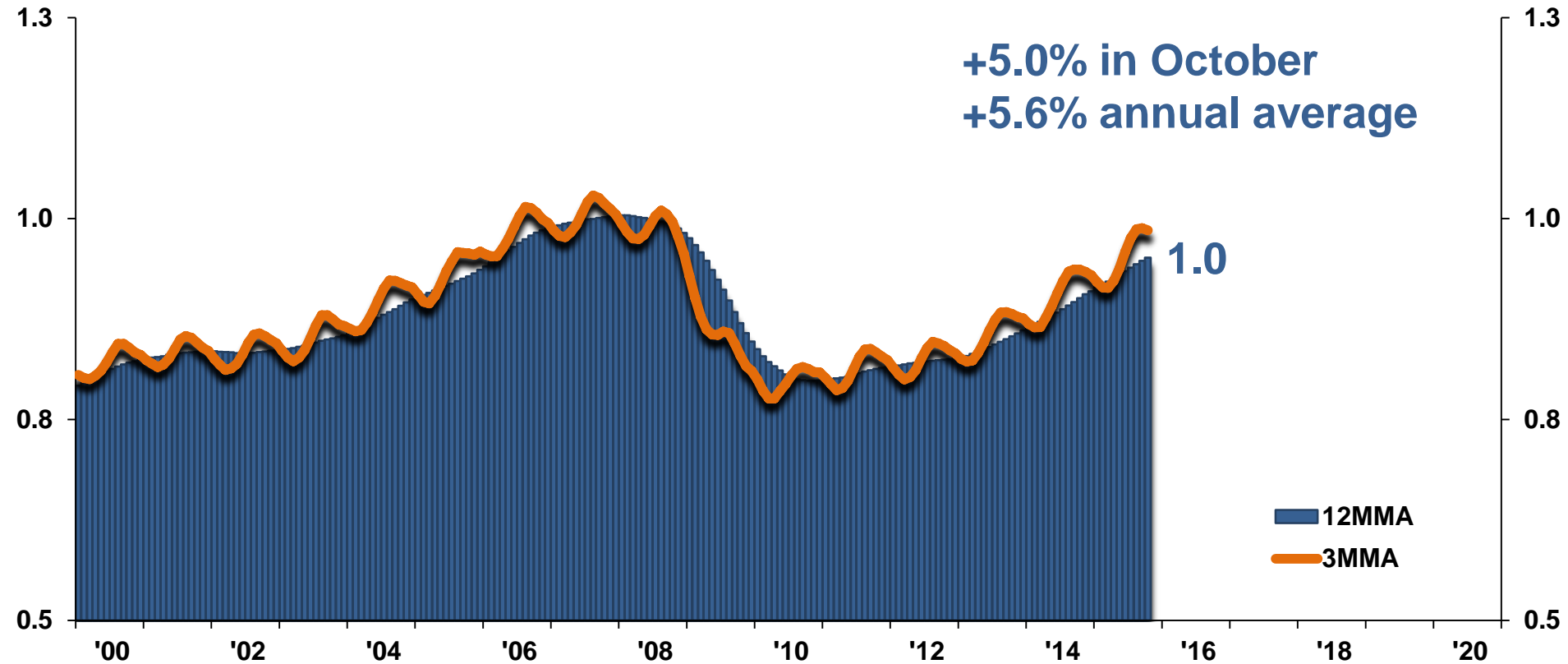
US Total Federal Government Construction



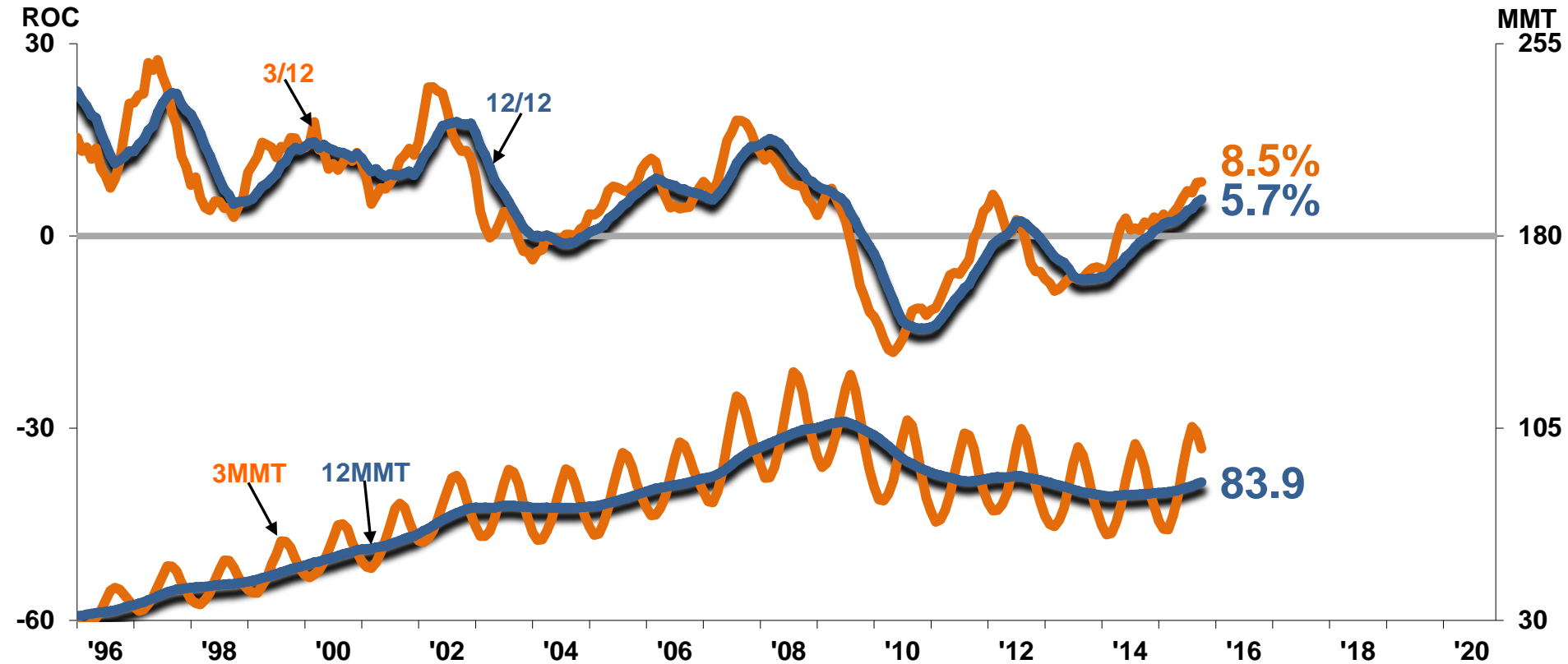
US Industrial Production to Non-Residential Construction



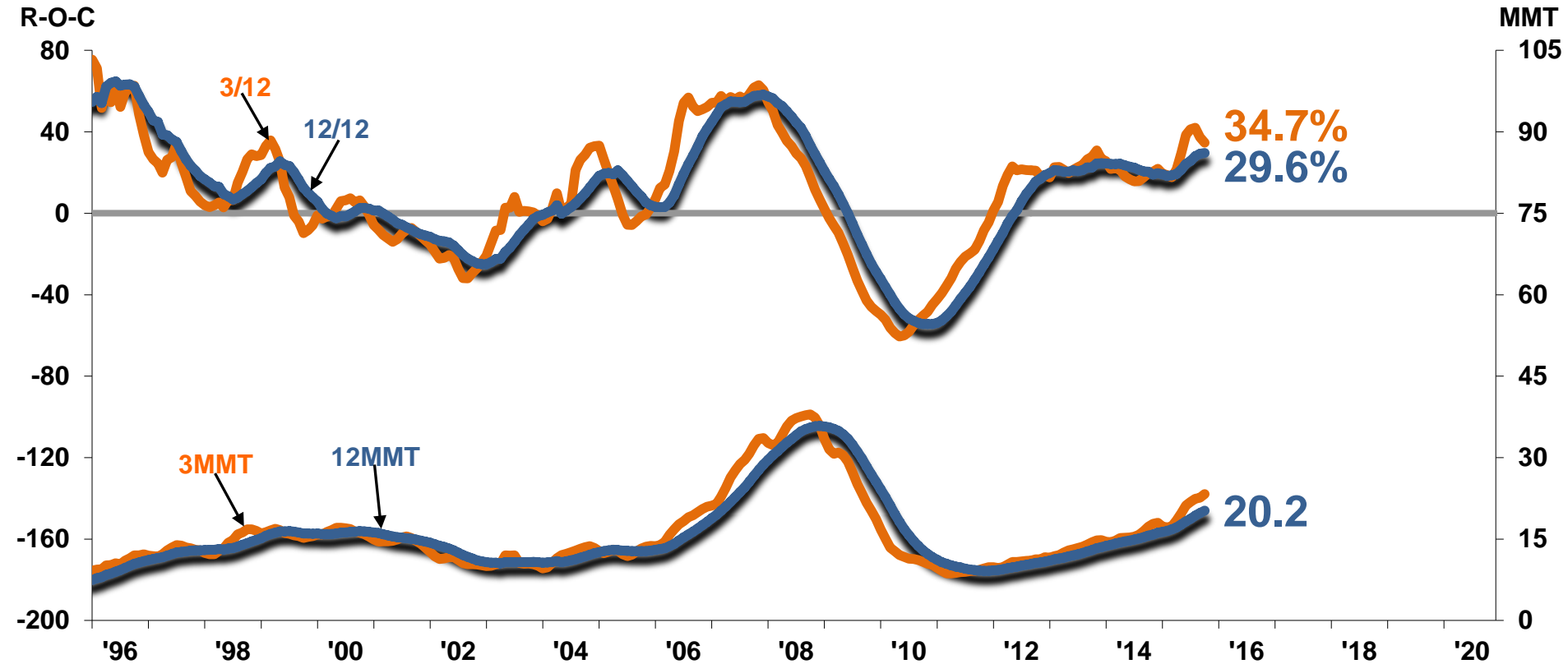
US Plumbing and HVAC Contractor Employment



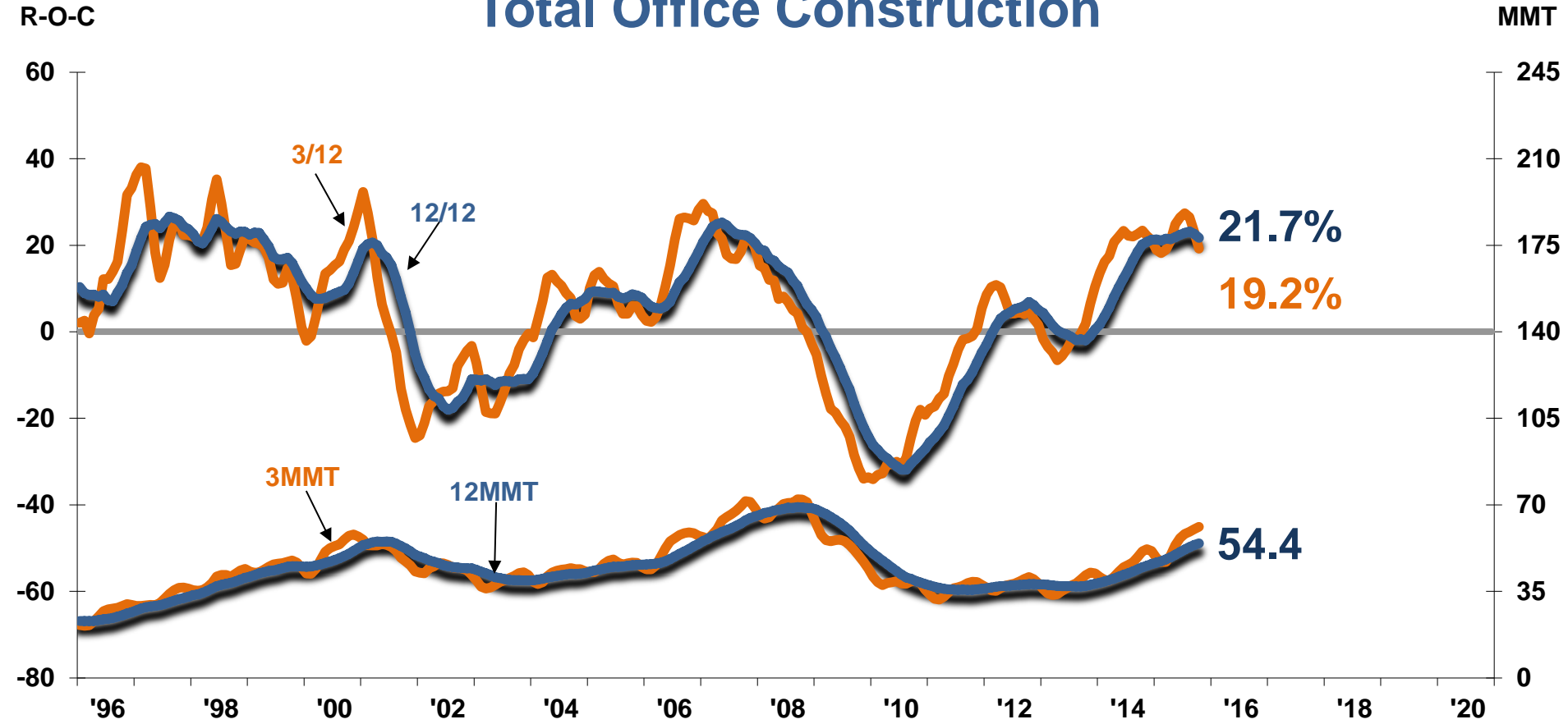
Total Educational Buildings Construction



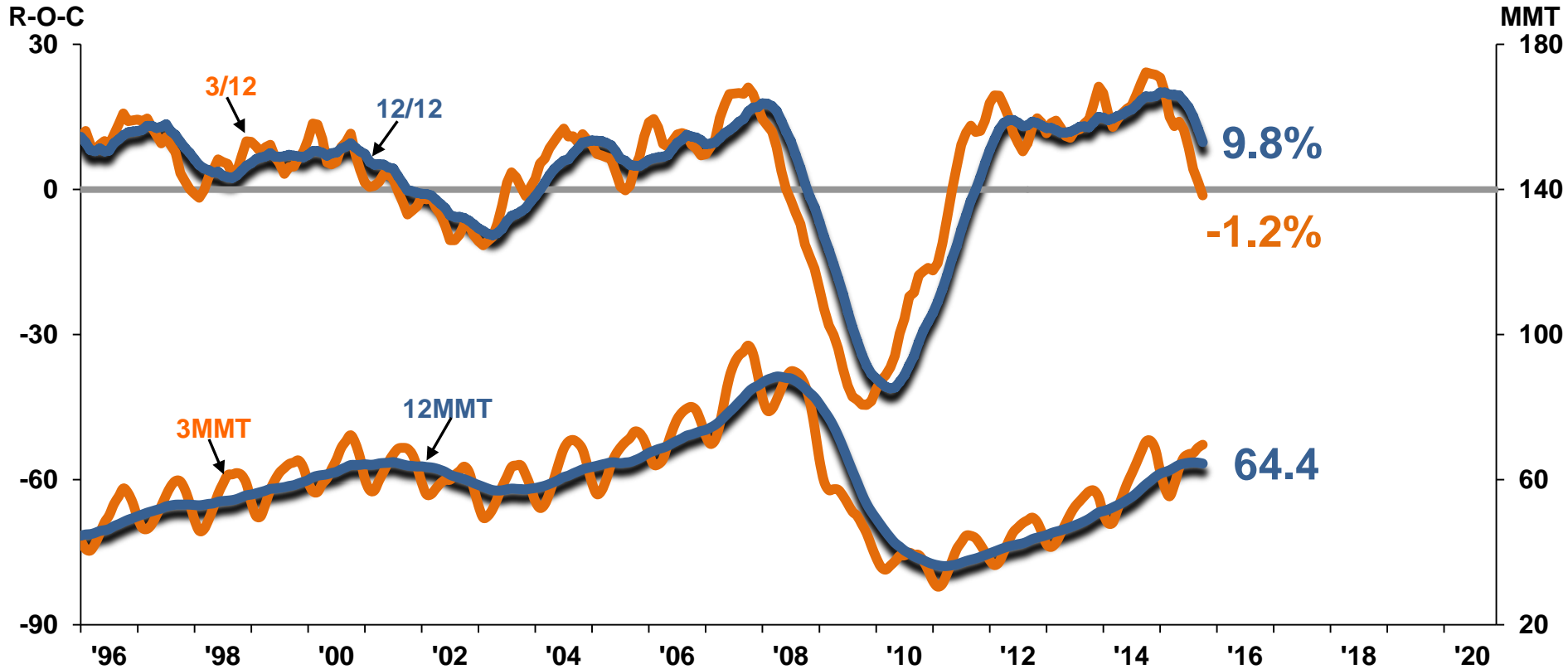
US Private Lodging Construction



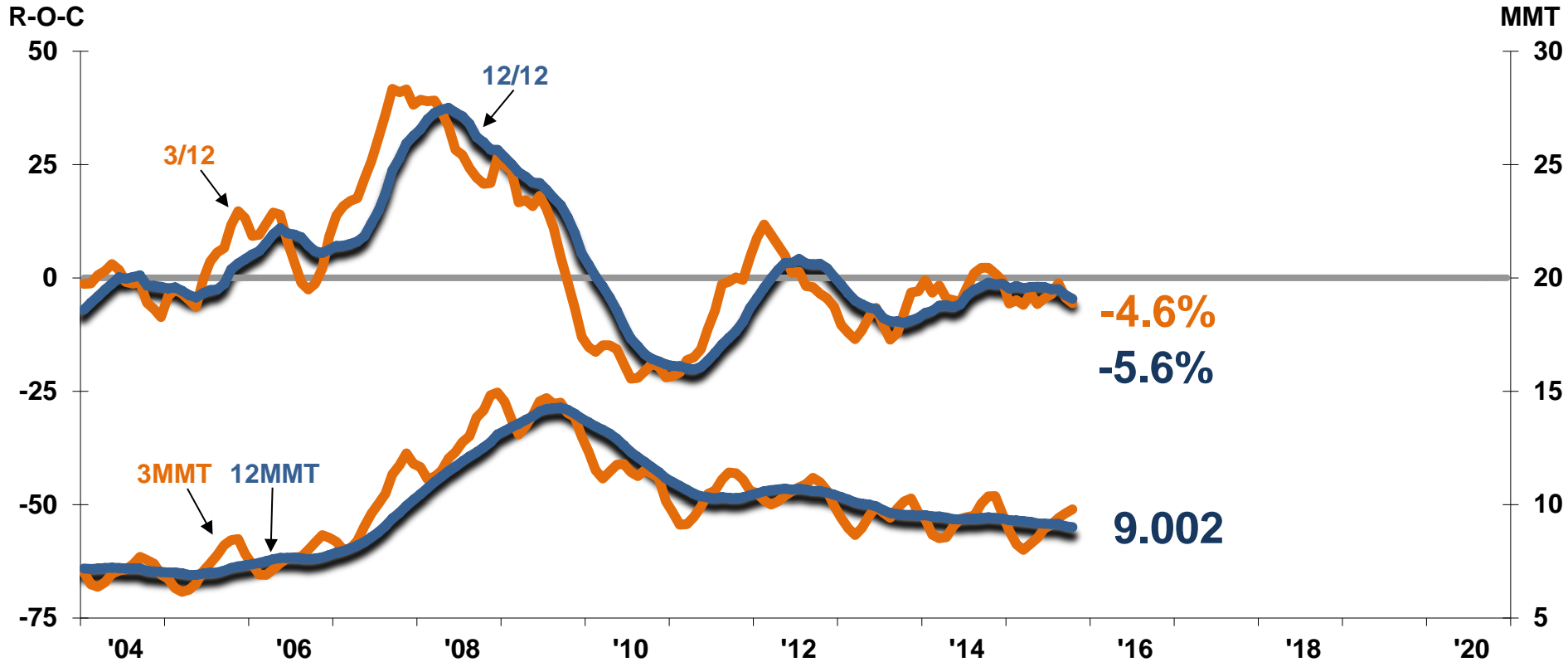
Total Office Construction



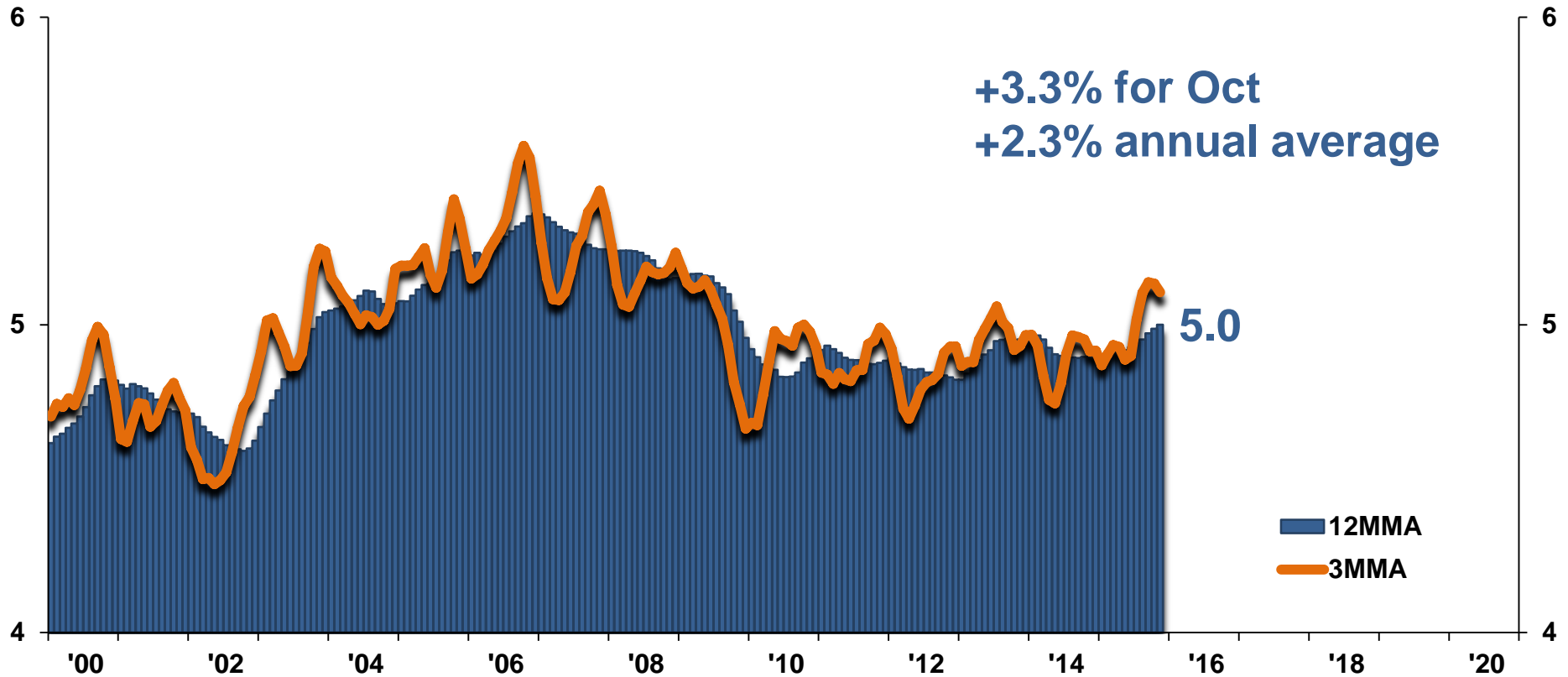
Private Commercial Buildings Construction



Total Public Safety Construction



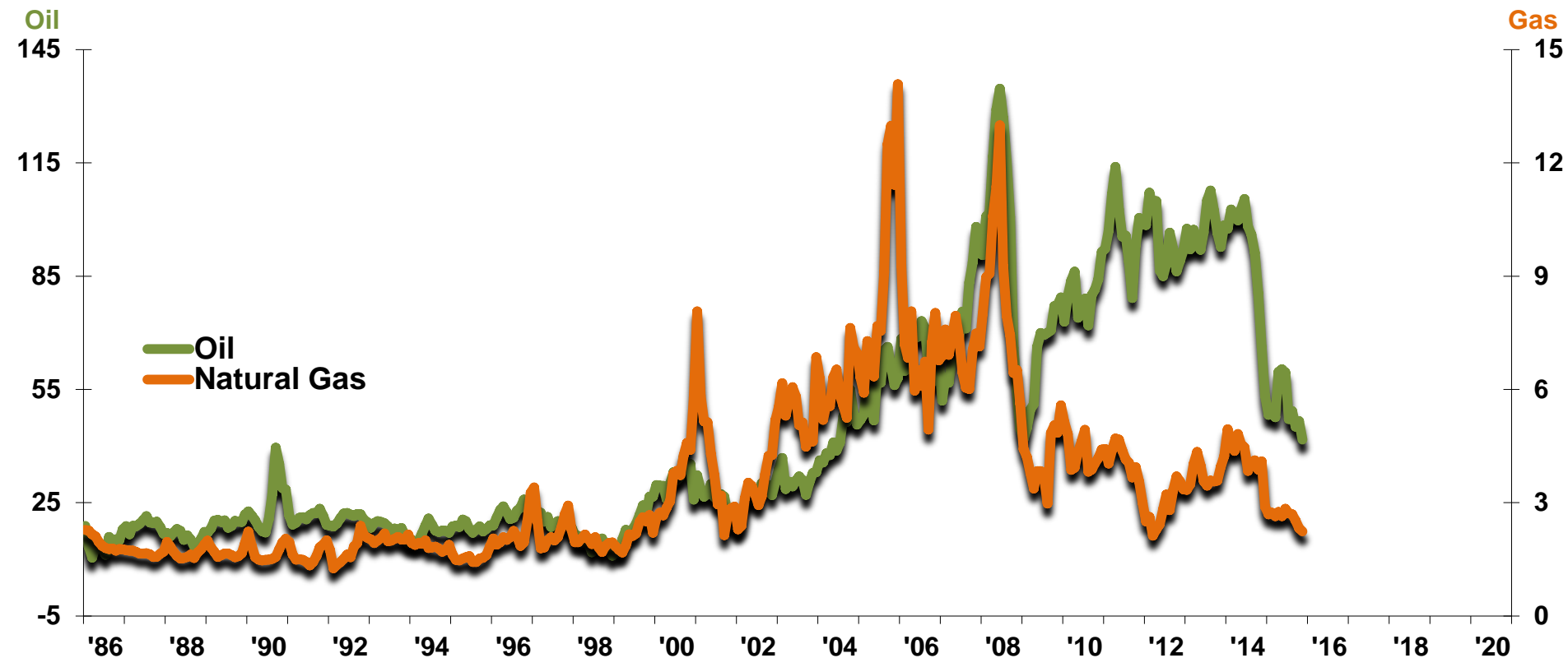
US Installation, Maintenance & Repair Employment



The Good News for 2016

- ☞ Some improvement in Global Leading Indicators
- ☞ Europe is on the rise
- ☞ US Disposable Personal Income - rising
- ☞ Oil Prices – Good for consumers, mildly rising in 2016
- ☞ National Defense Expenditures – (A)
- ☞ Existing Home Sales – cyclical rise underway
- ☞ Housing Starts
- ☞ General Consumer Activity – healthy
- ☞ Money Supply (M2, deflated) – 5.3% and rising

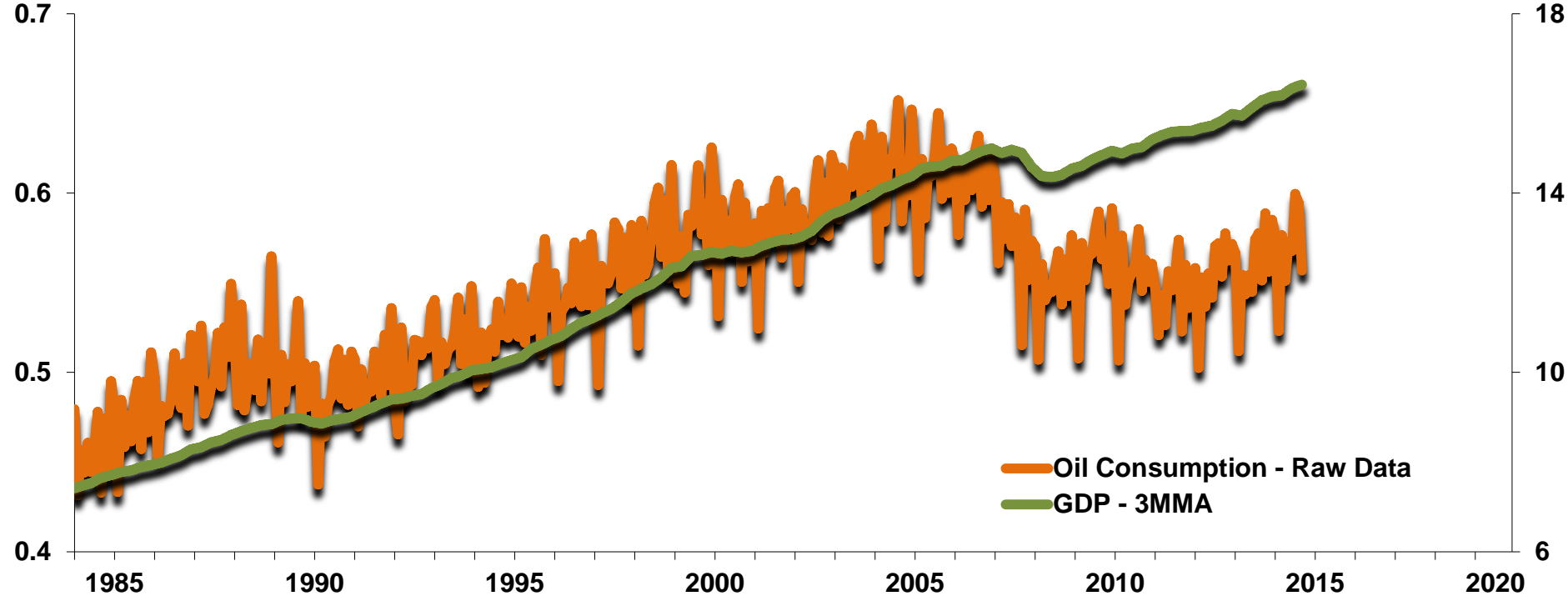
Crude Oil Futures Prices to Natural Gas Future Prices



US Consumption of Crude Oil & Petroleum Products to Real Gross Domestic Product

Oil
Bils Barrels

GDP
Trils C2009\$

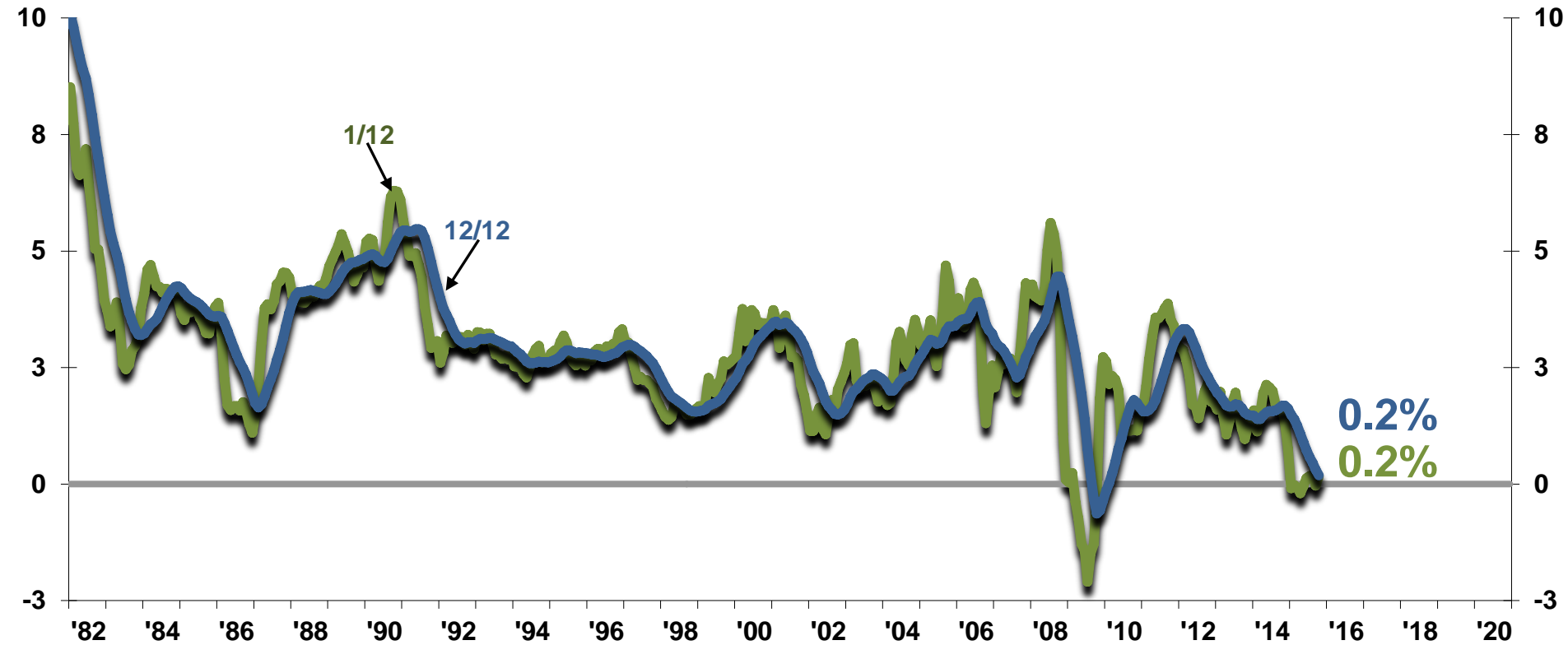


Oil Consumption - Raw Data
GDP - 3MMA

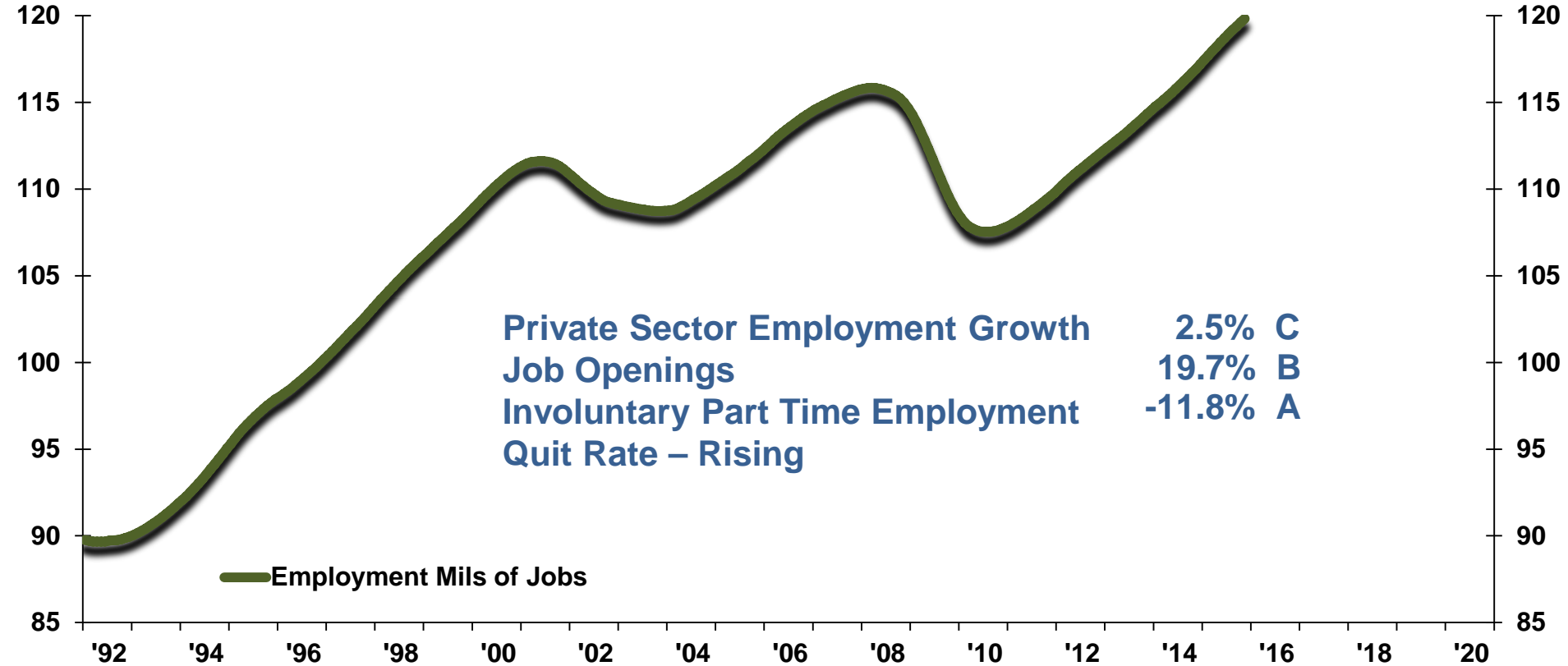
Business Cycle Drivers



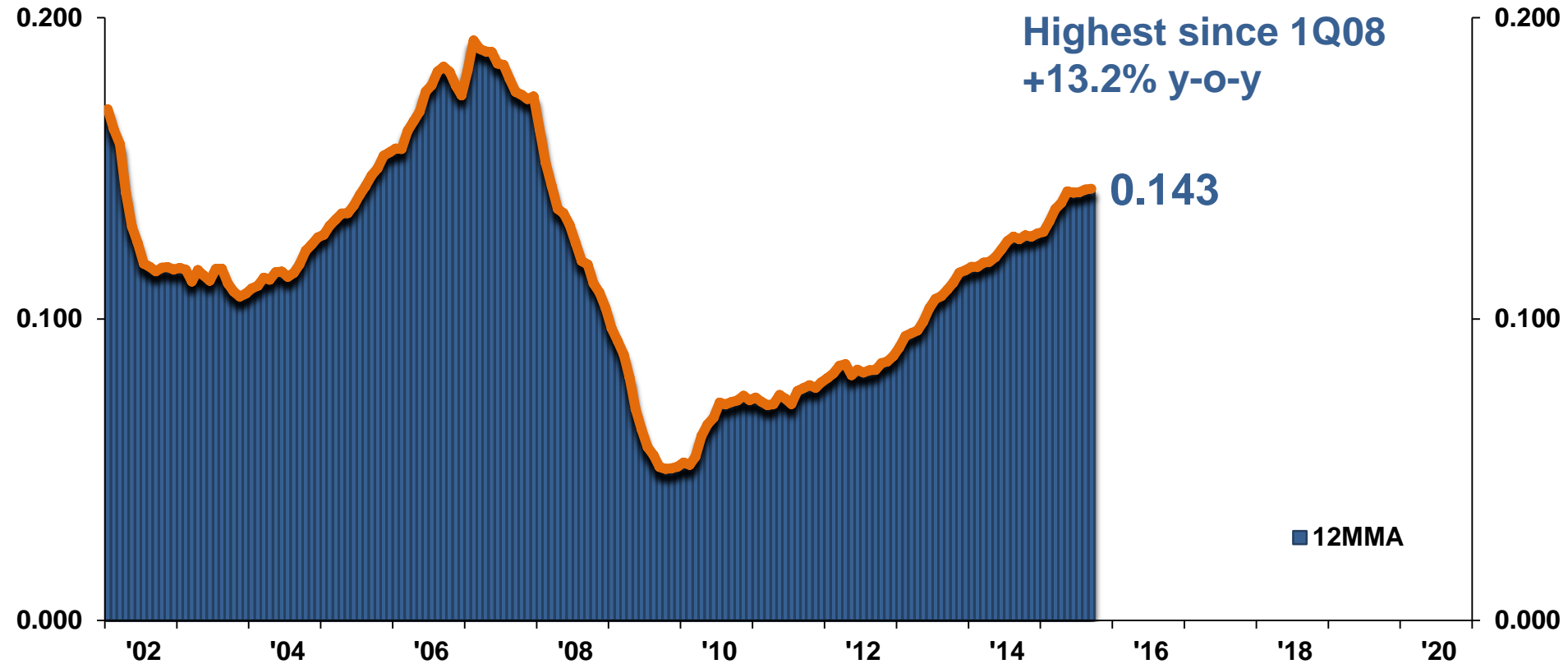
Consumer Price Index



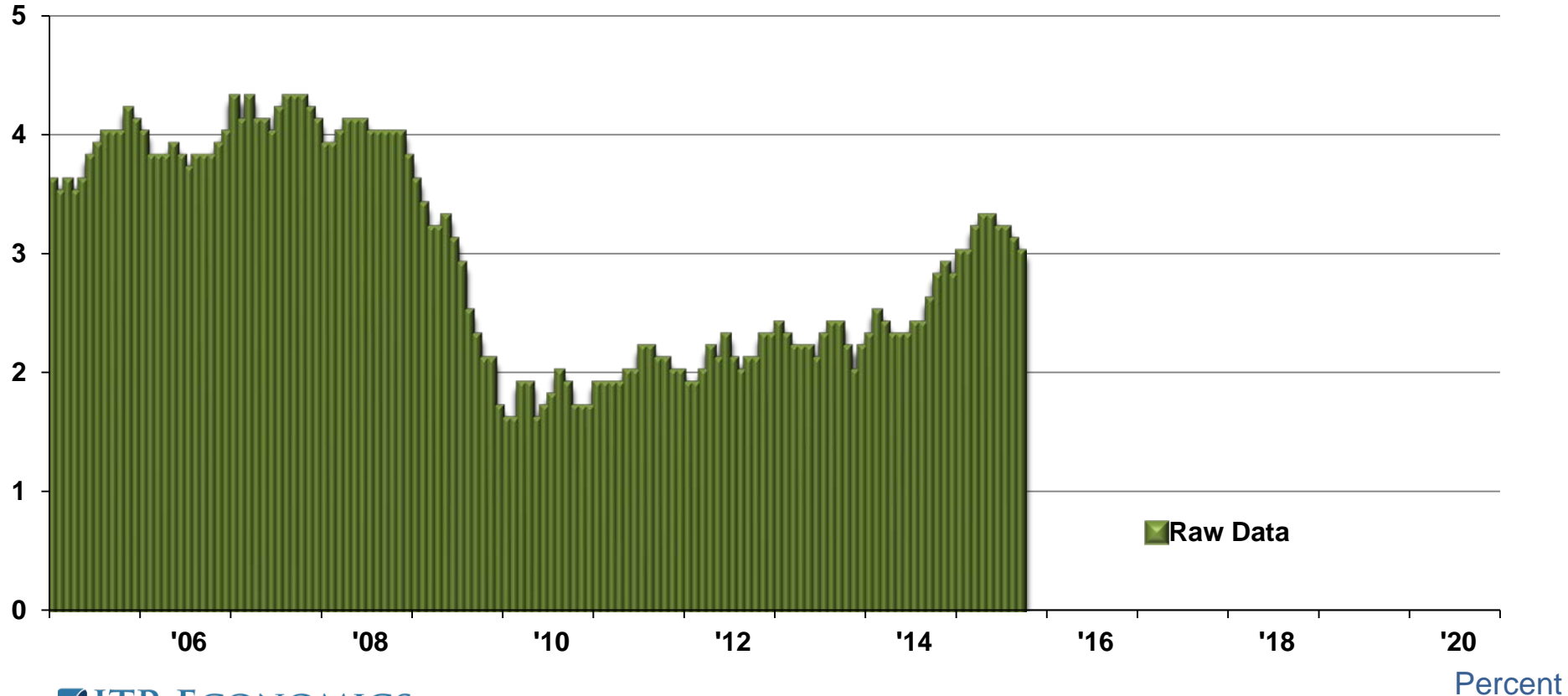
Employment – Private Sector



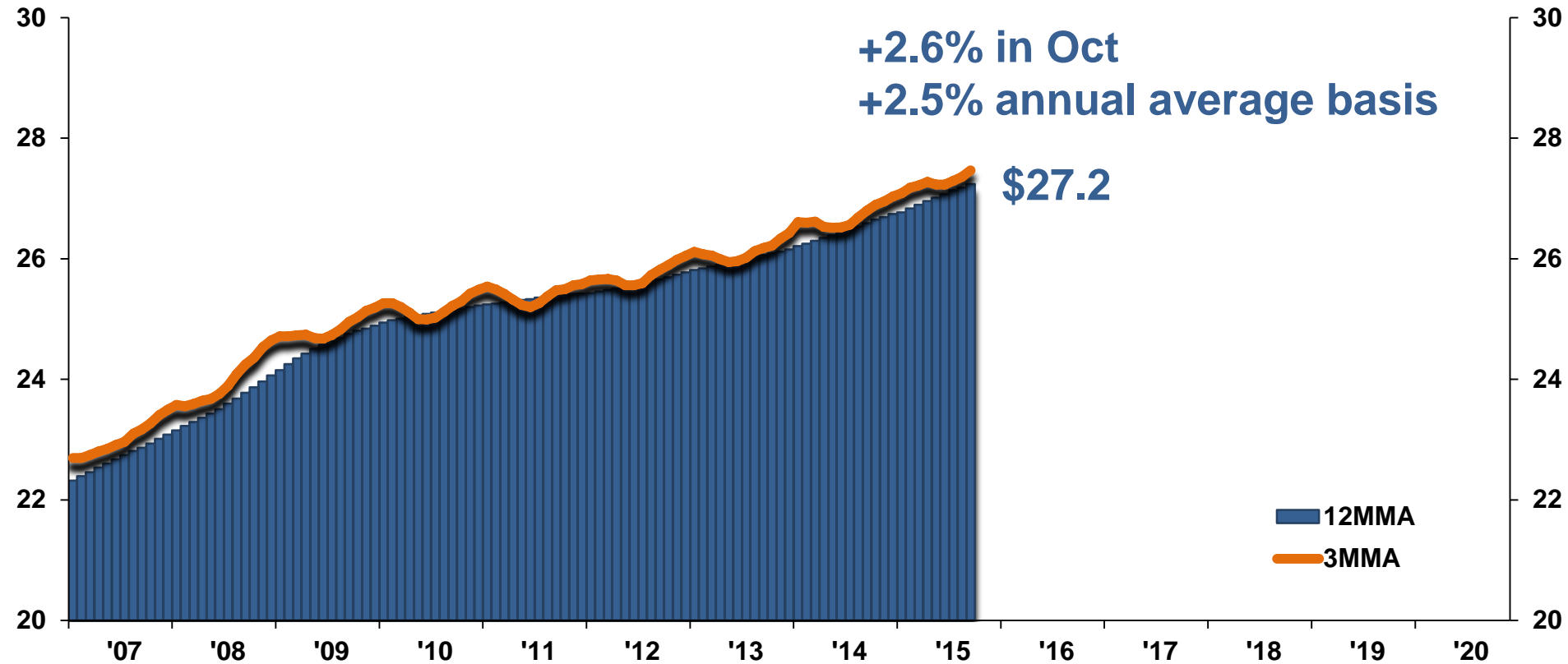
US Total Construction Job Openings



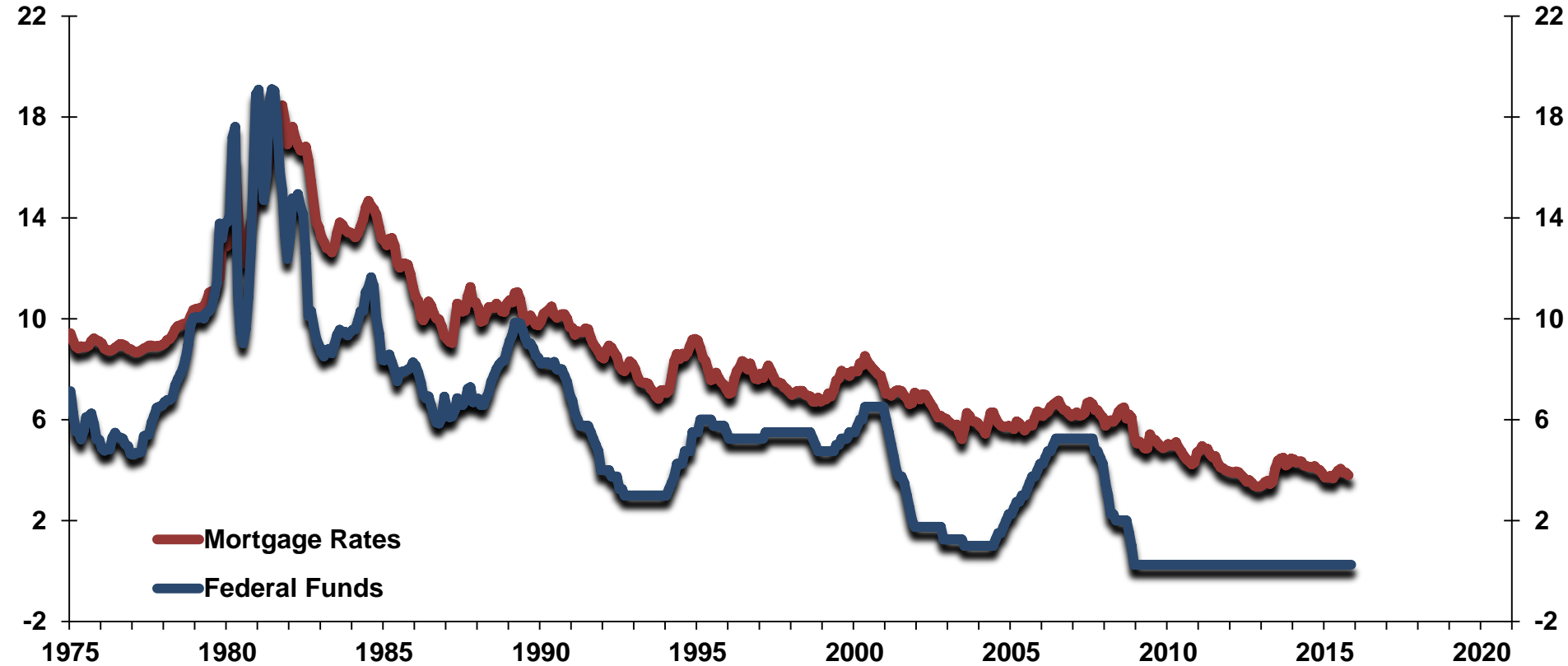
US Overall Wage Growth



US Average Hourly Earnings of Construction Workers

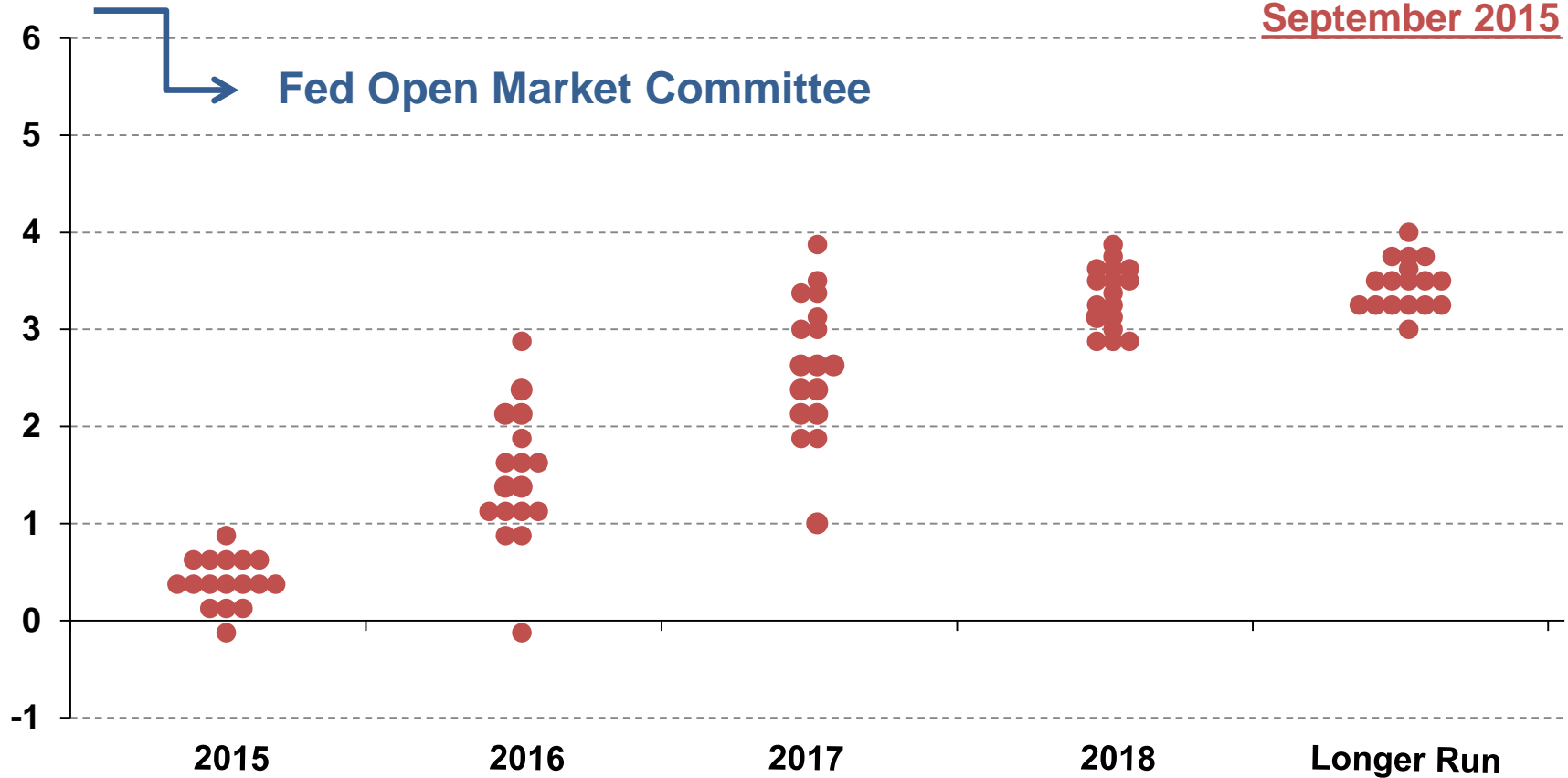


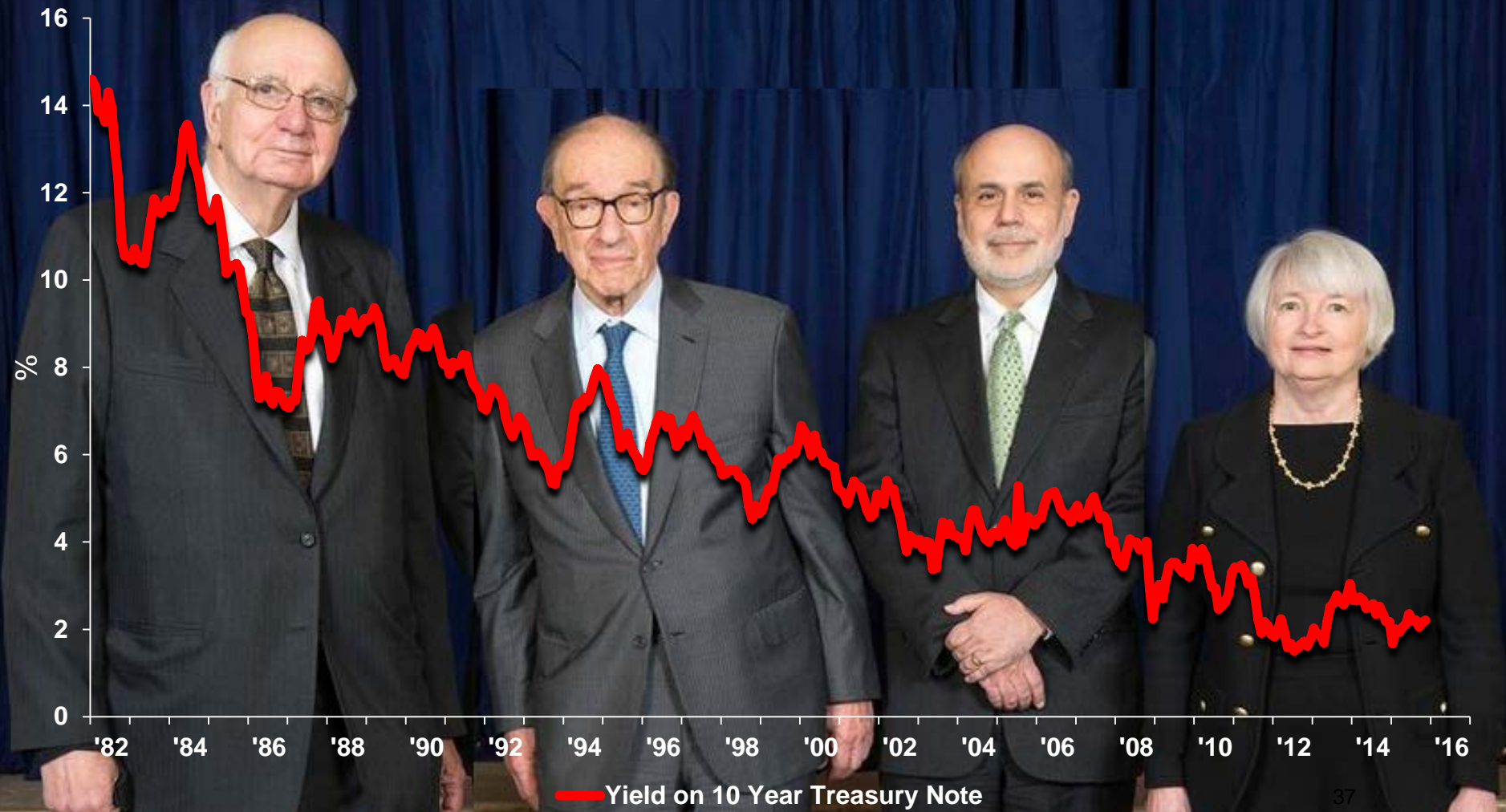
Mortgage Rates to Federal Funds



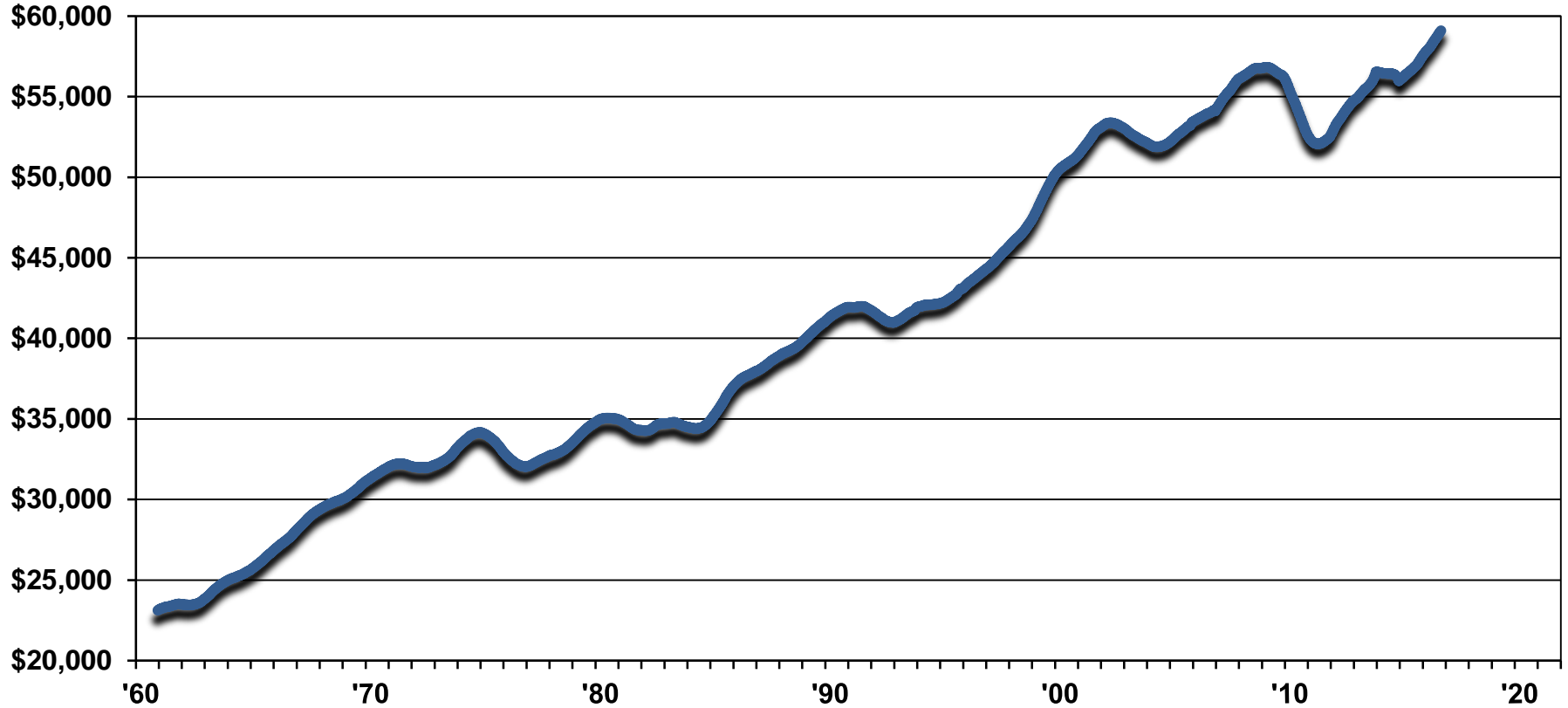
FOMC Member Interest Rate Projections

September 2015

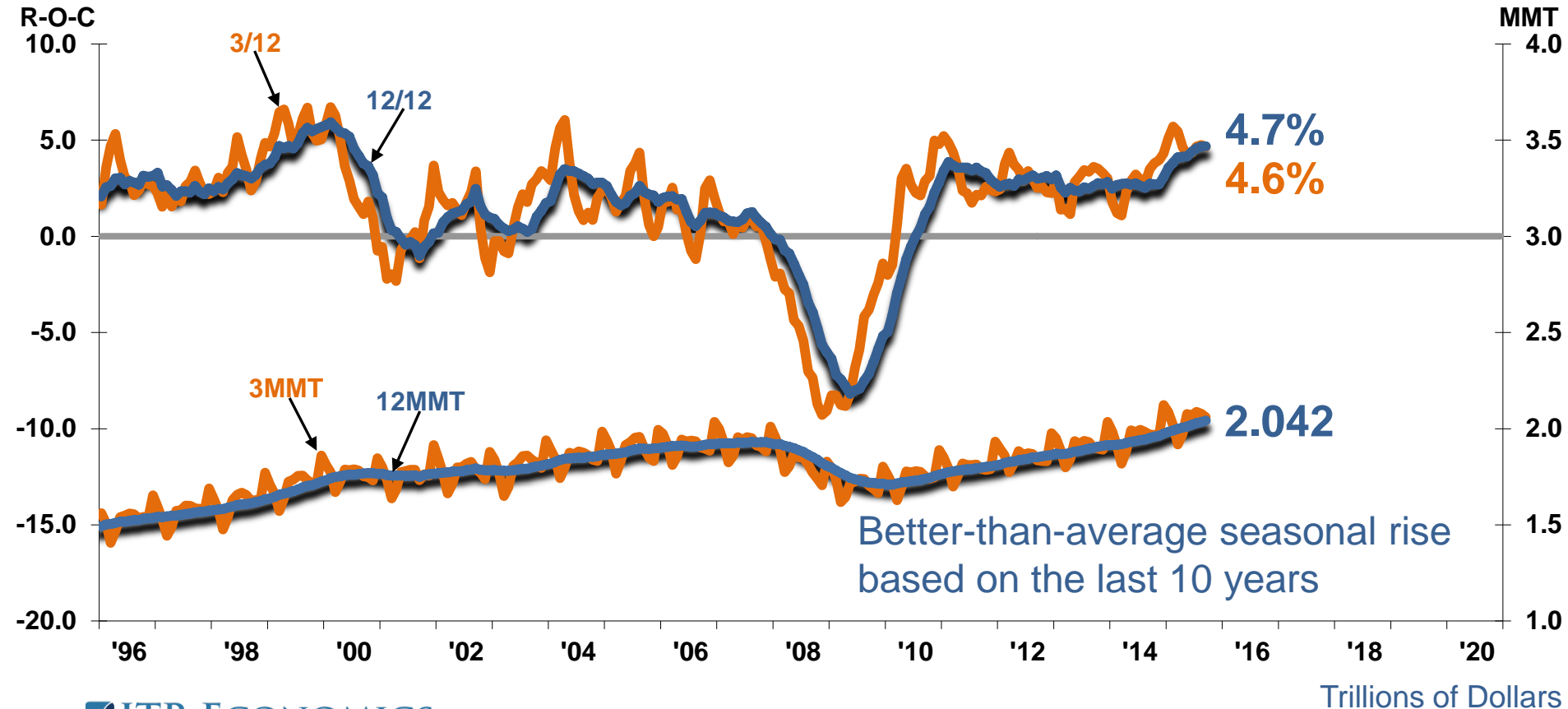




Real Personal Income Less Transfer Receipts Average per Person Age 18 to 65



US Retail Sales Excluding Gas Stations (deflated)



US/Global Recovery – Good Days Ahead

- 
- US Consumers are in great shape
 - World is relatively calm
 - Employment rising
 - Banks are lending
 - Retail Sales are rising
 - Non-residential construction is rising
 - Deficit spending continues – no fear of austerity in the near term

It's About YOU!
YOUR FUTURE,
YOUR FINANCIAL WELL-BEING



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