

# **Conerly on the Economy: Business Challenges and Opportunities in 2017**

**Dr. Bill Conerly**

**for**

**Economic Development Board  
for Tacoma-Pierce County**

**March 1, 2017**

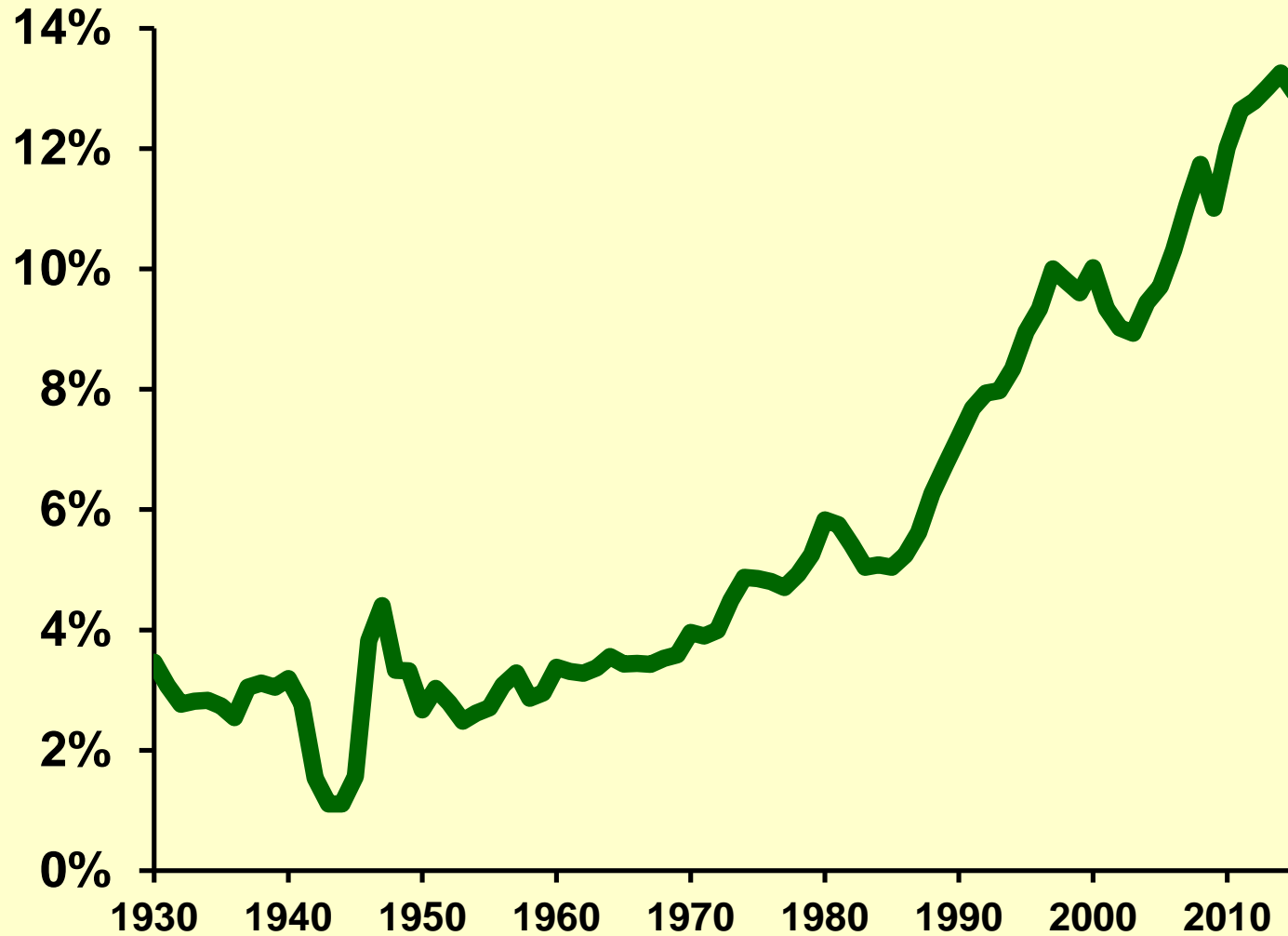
# Topics

- **Uncertainties**
- **Economic Forecast**
- **Outsider's View of Tacoma**
- **Managing with Uncertainty**

# Uncertainties

- **Trade Policy**
- Immigration Policy
- Health Care
- Regulatory Policy
- Taxes

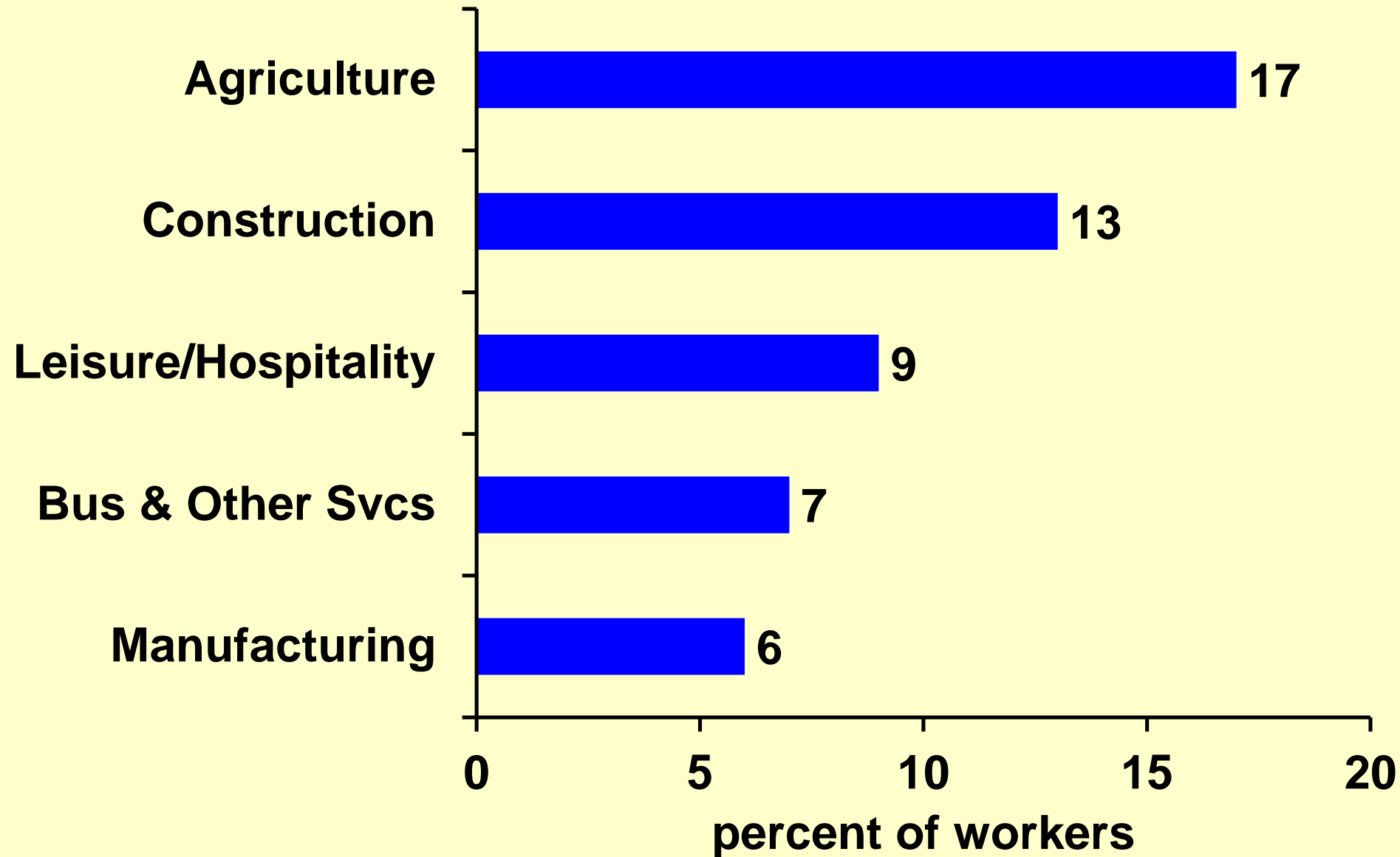
# Exports as % GDP



# Uncertainties

- Trade Policy
- **Immigration Policy**
- Health Care
- Regulatory Policy
- Taxes

# Undocumented Workers



# Uncertainties

- Trade Policy
- Immigration Policy
- **Health Care**
- Regulatory Policy
- Taxes

# ObamaCare Repeal Issues

- Covering those who lose insurance
- Exchange plan costs
- Minimum essential coverage &  
interstate sales



# Uncertainties

- Trade Policy
- Immigration Policy
- Health Care
- **Regulatory Policy**
- Taxes

# Regulatory Policy

- Labor rules: overtime & unions
- Bank regulation
- Drilling, pipelines and mining
- Timber harvests

# Uncertainties

- Trade Policy
- Immigration Policy
- Health Care
- Regulatory Policy
- **Taxes**

# Tax Outlook

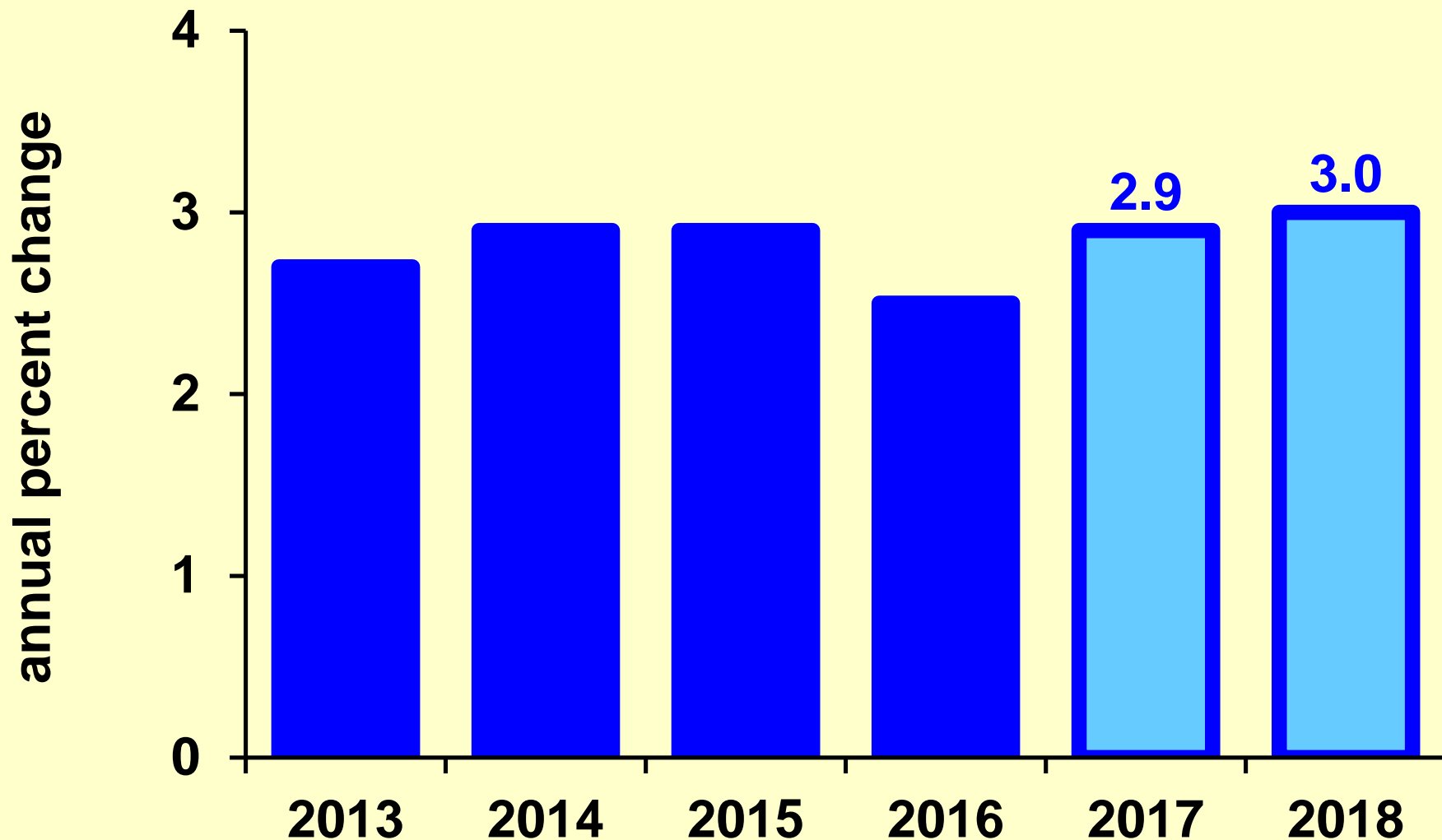
- Congress wants complexity
- Democrats will stop some changes
- Some simplification and lower marginal rates likely
- Special interests will protect themselves

# Topics

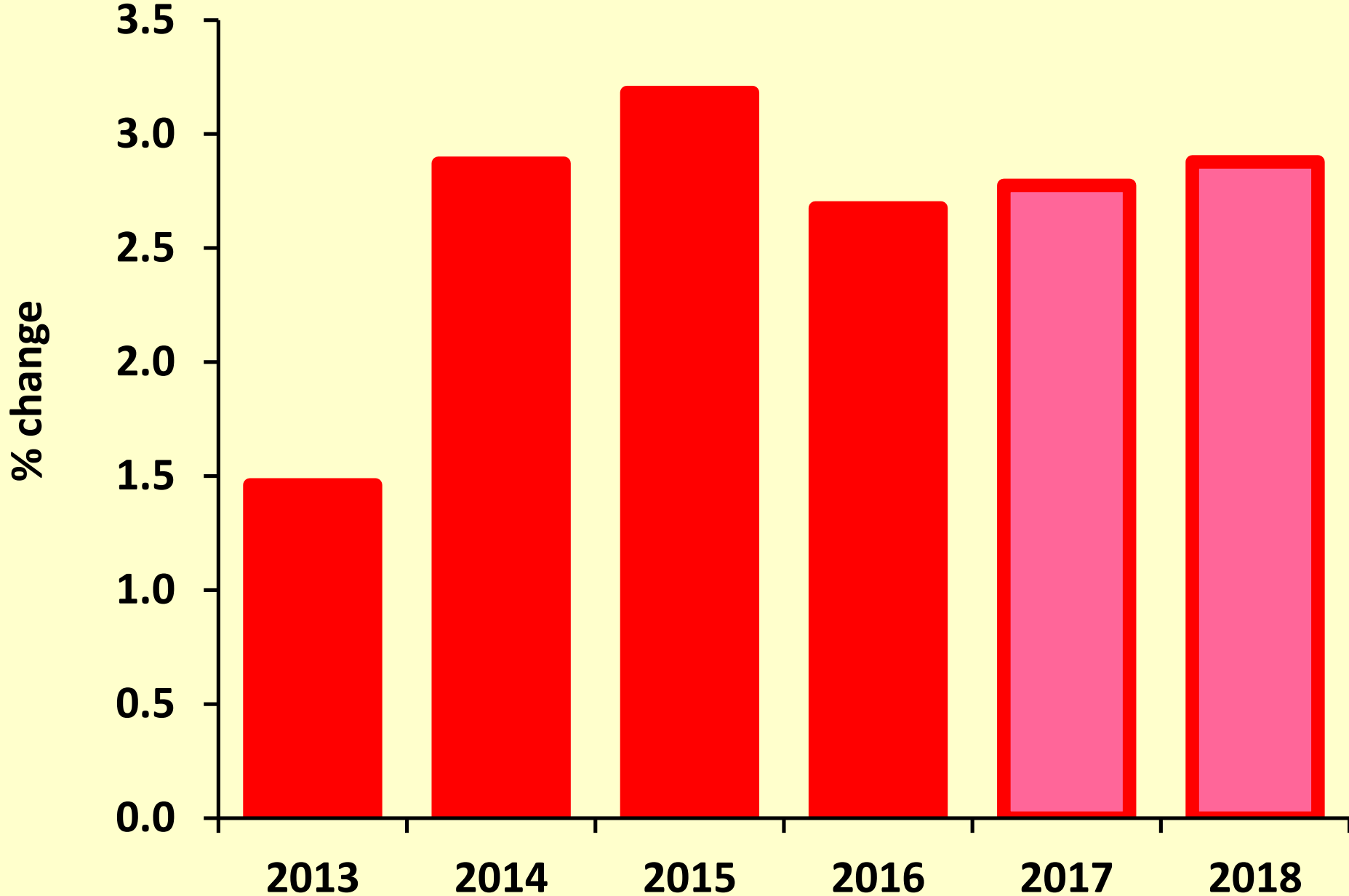
- Uncertainties
- **Economic Forecast**
- Outsider's View of Tacoma
- Managing with Uncertainty

# World Economic Growth

FocusEconomics consensus

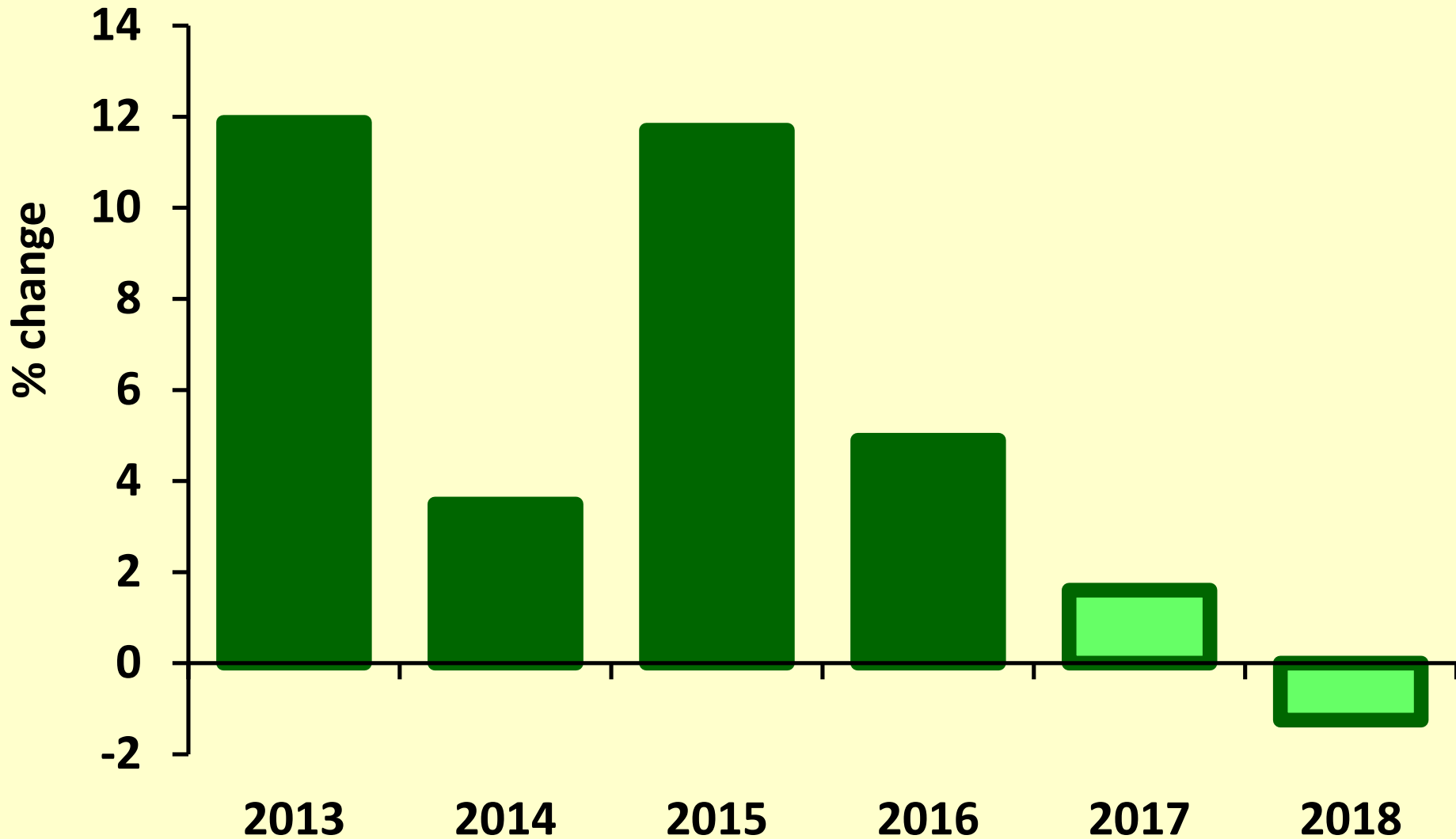


# Consumer Spending Growth



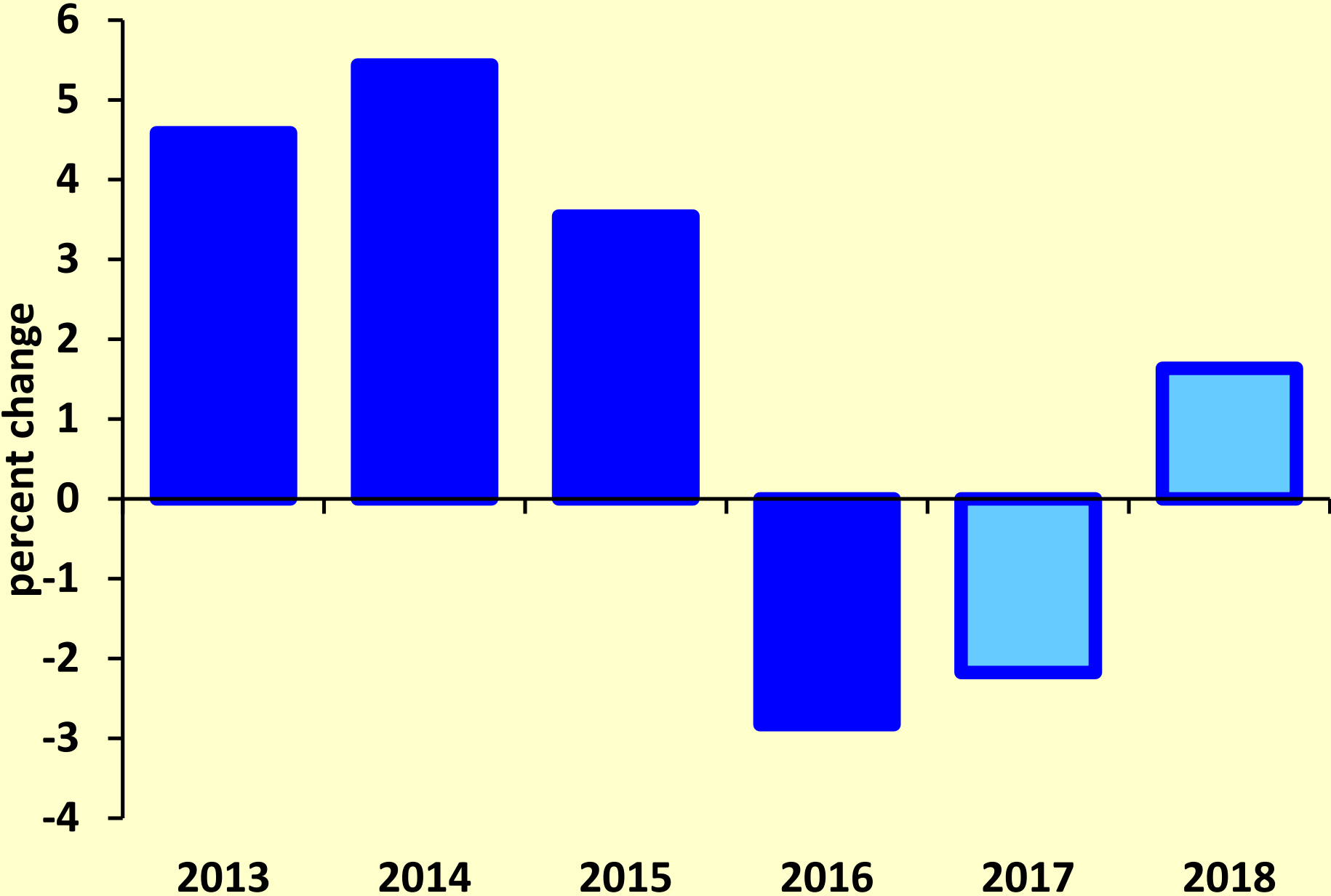
# Residential Const. Growth

## Inflation Adjusted



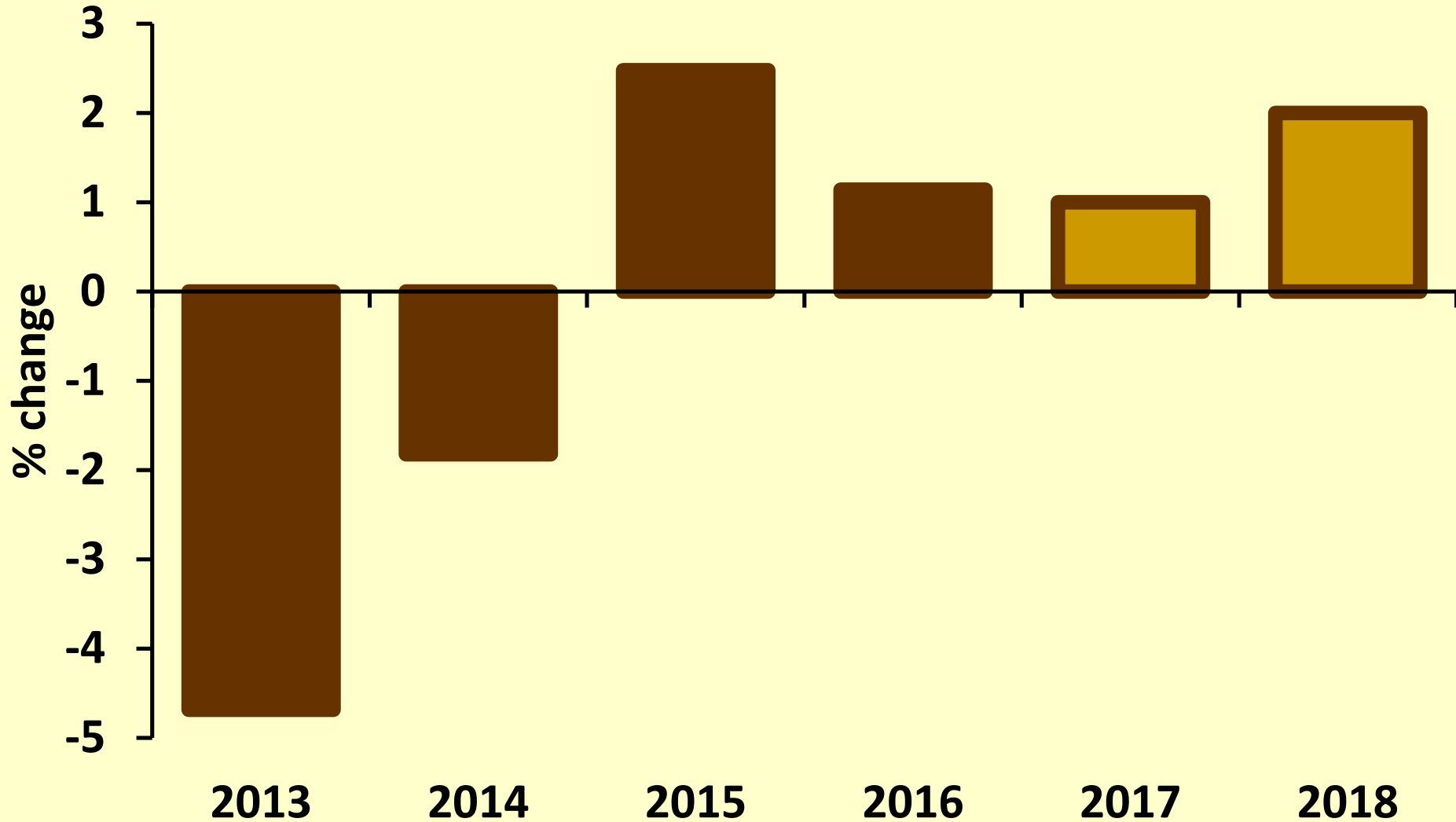


# Business Capital Spending Growth

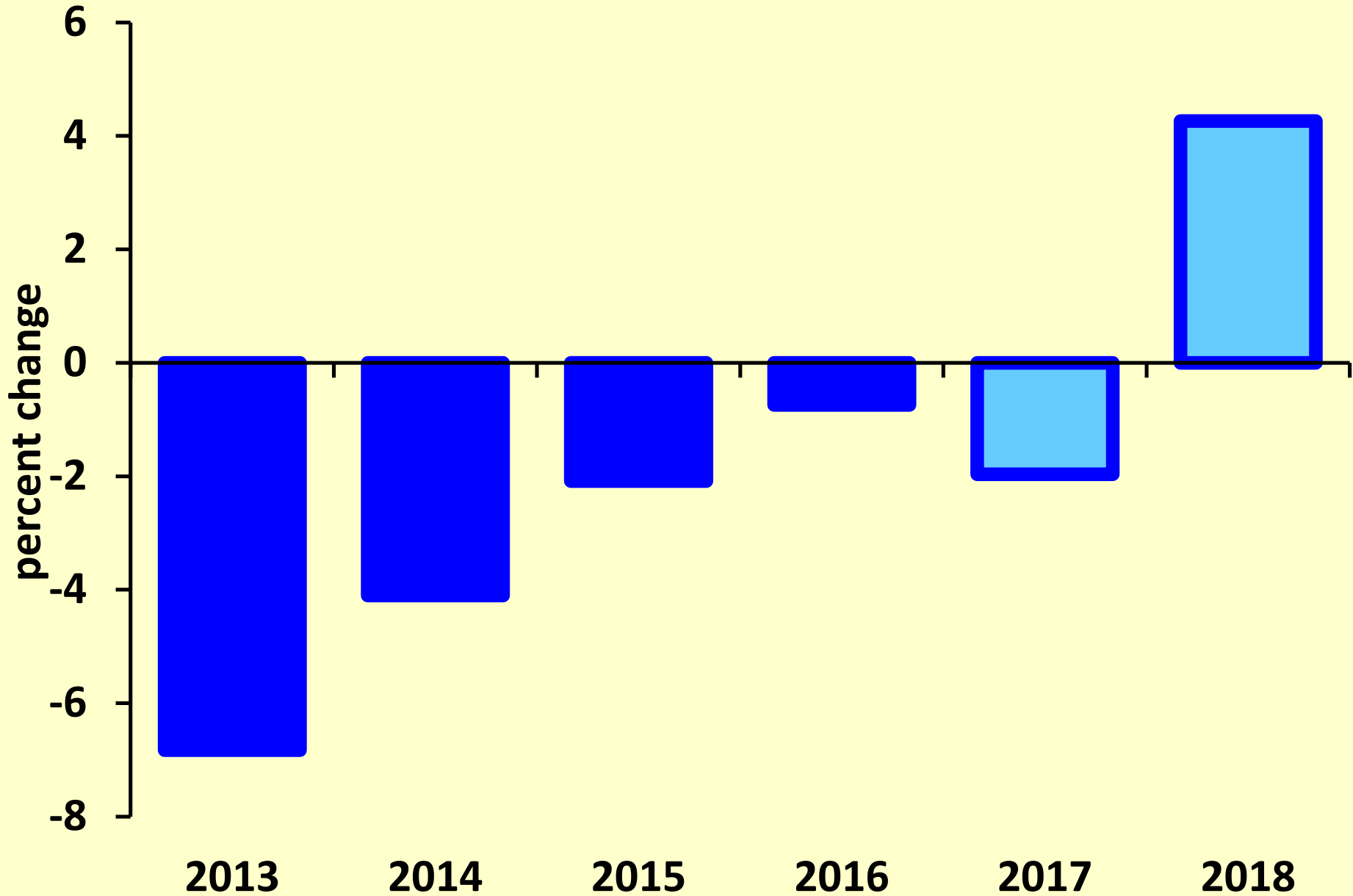


# Government Infrastructure Spending Growth

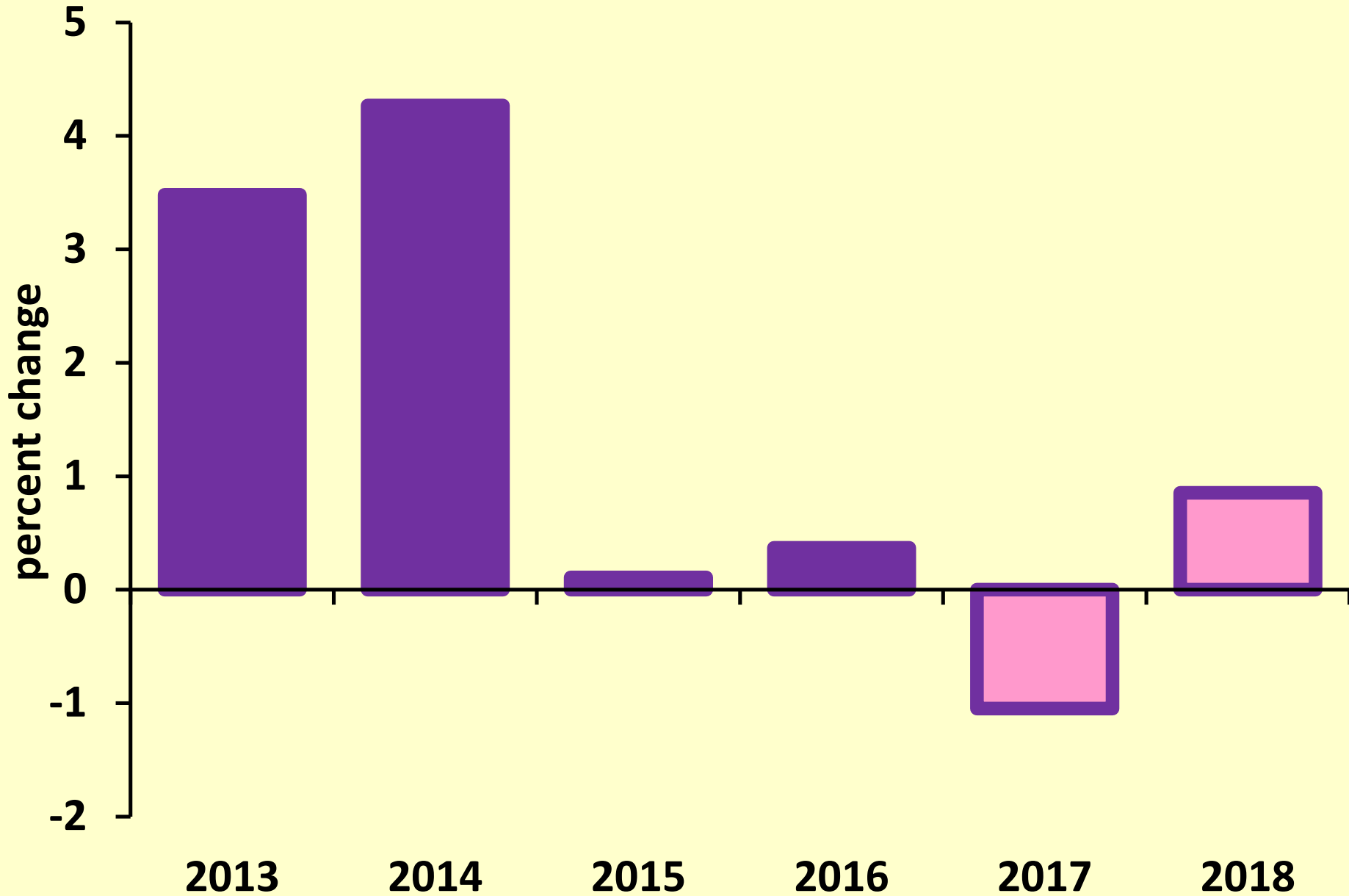
inflation-adjusted



# Defense Spending Growth

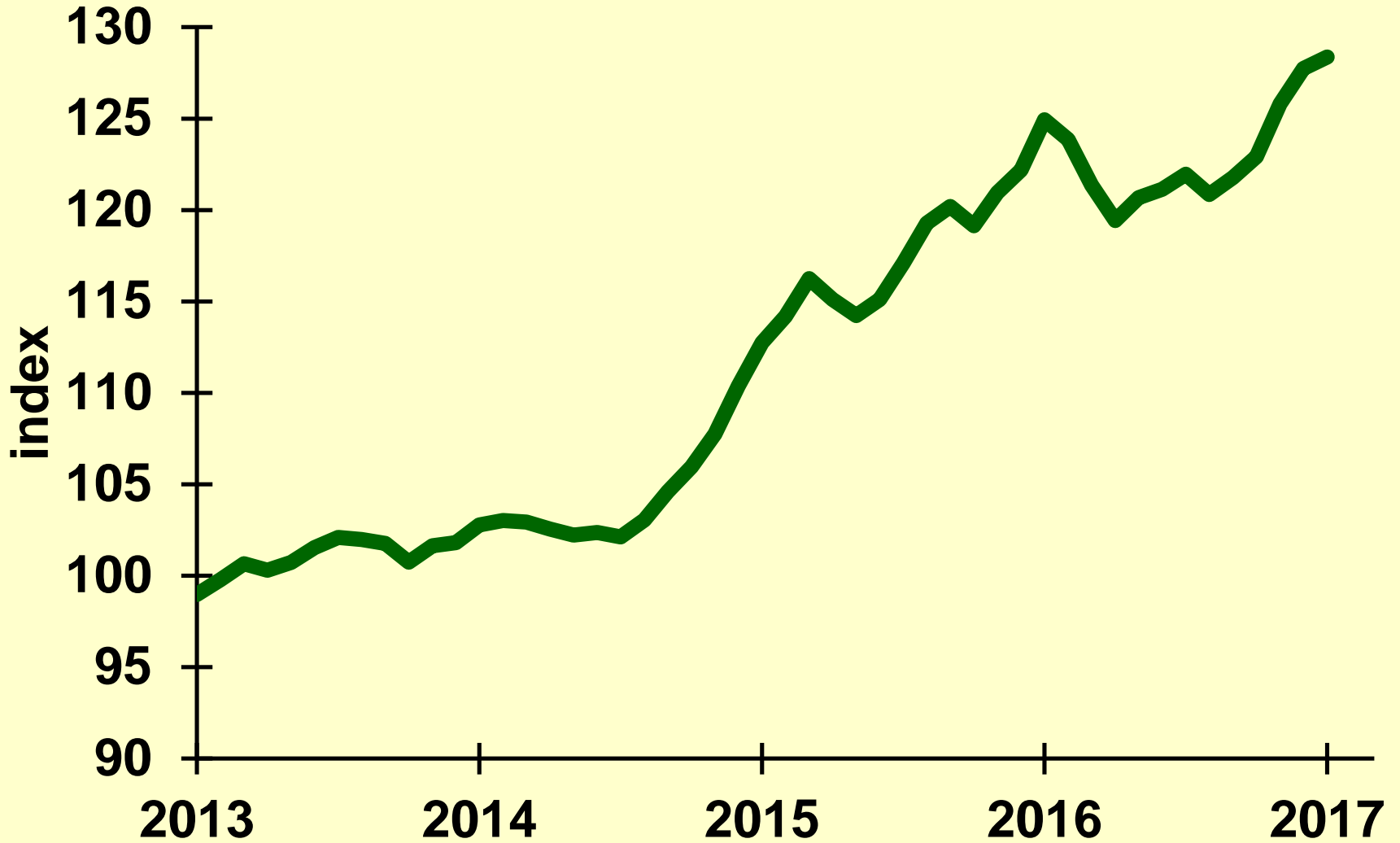


# Export Growth



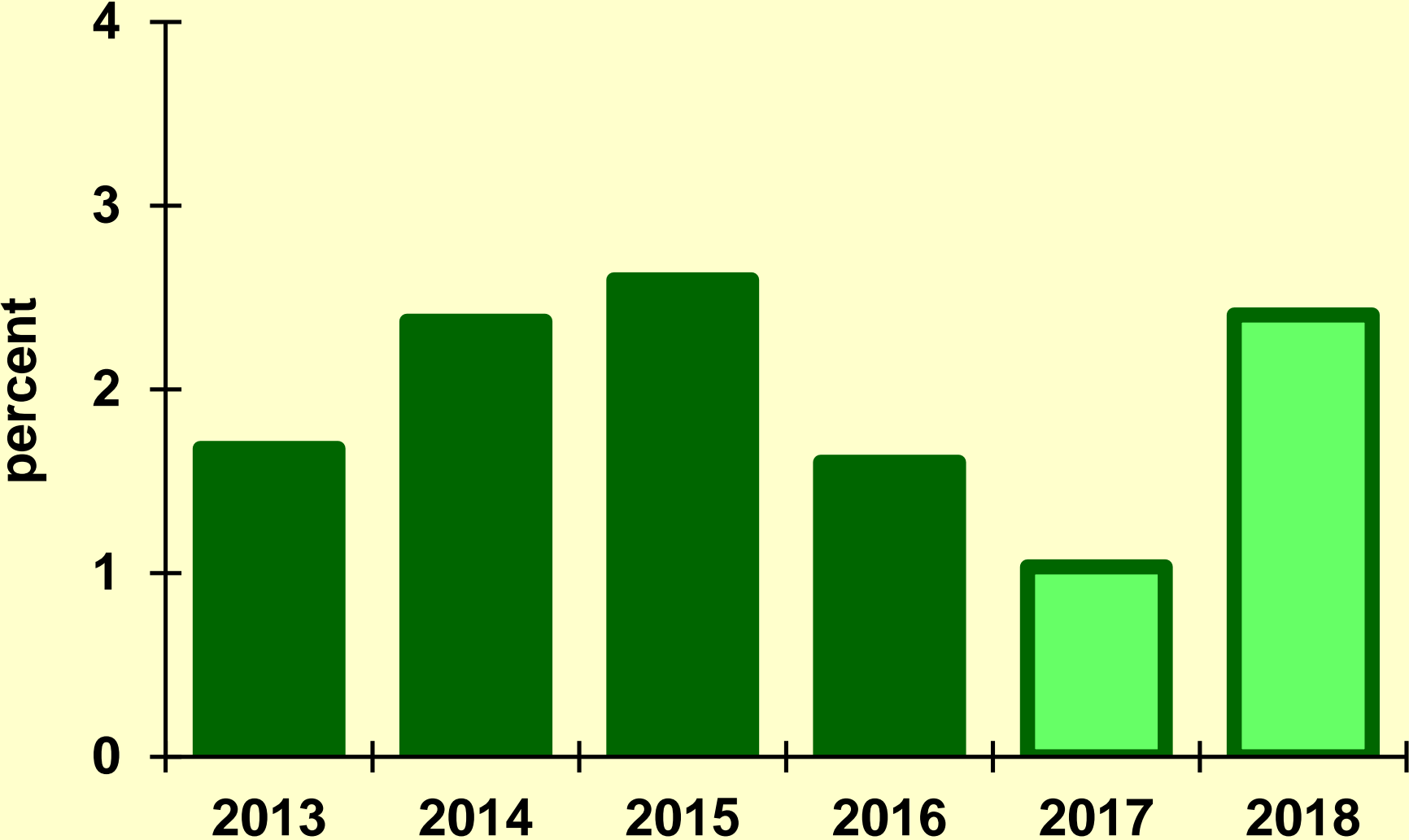
# Foreign Exchange Value of \$

trade-weighted index

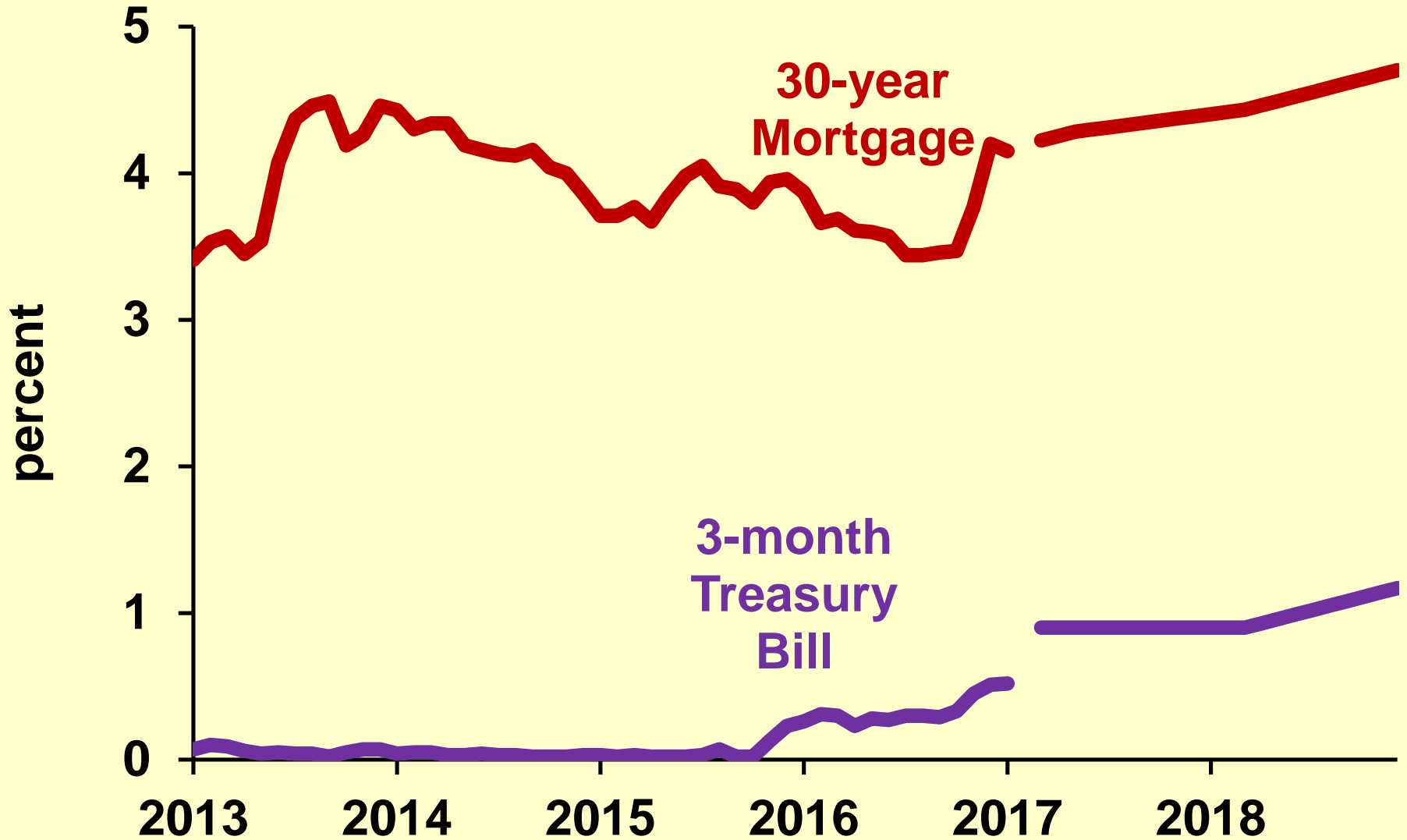


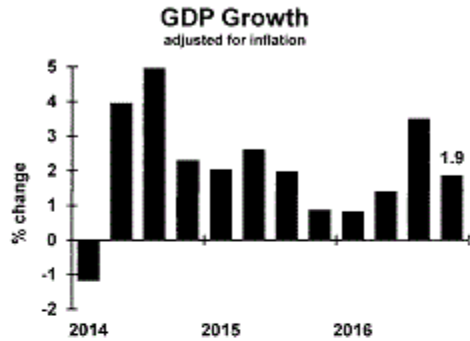


# Real GDP Growth

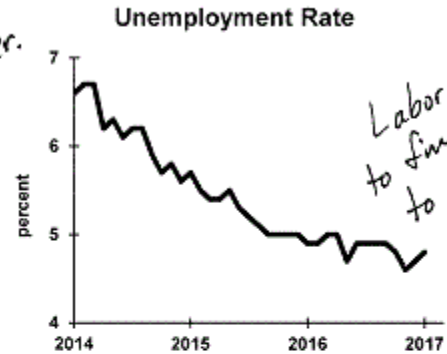


# Interest Rate Forecast

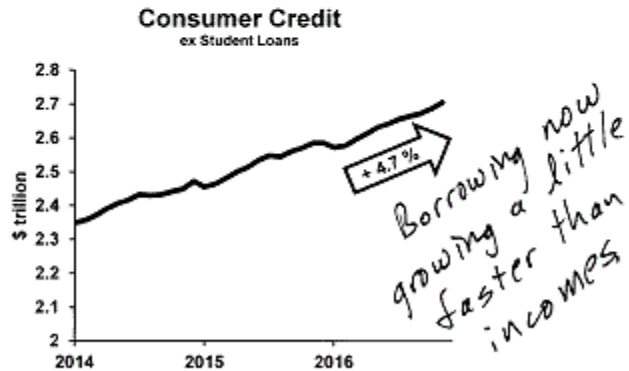




*Another blah quarter.*



*Labor harder to find. Be good to your good employees.*



*Borrowing now growing a little faster than incomes*



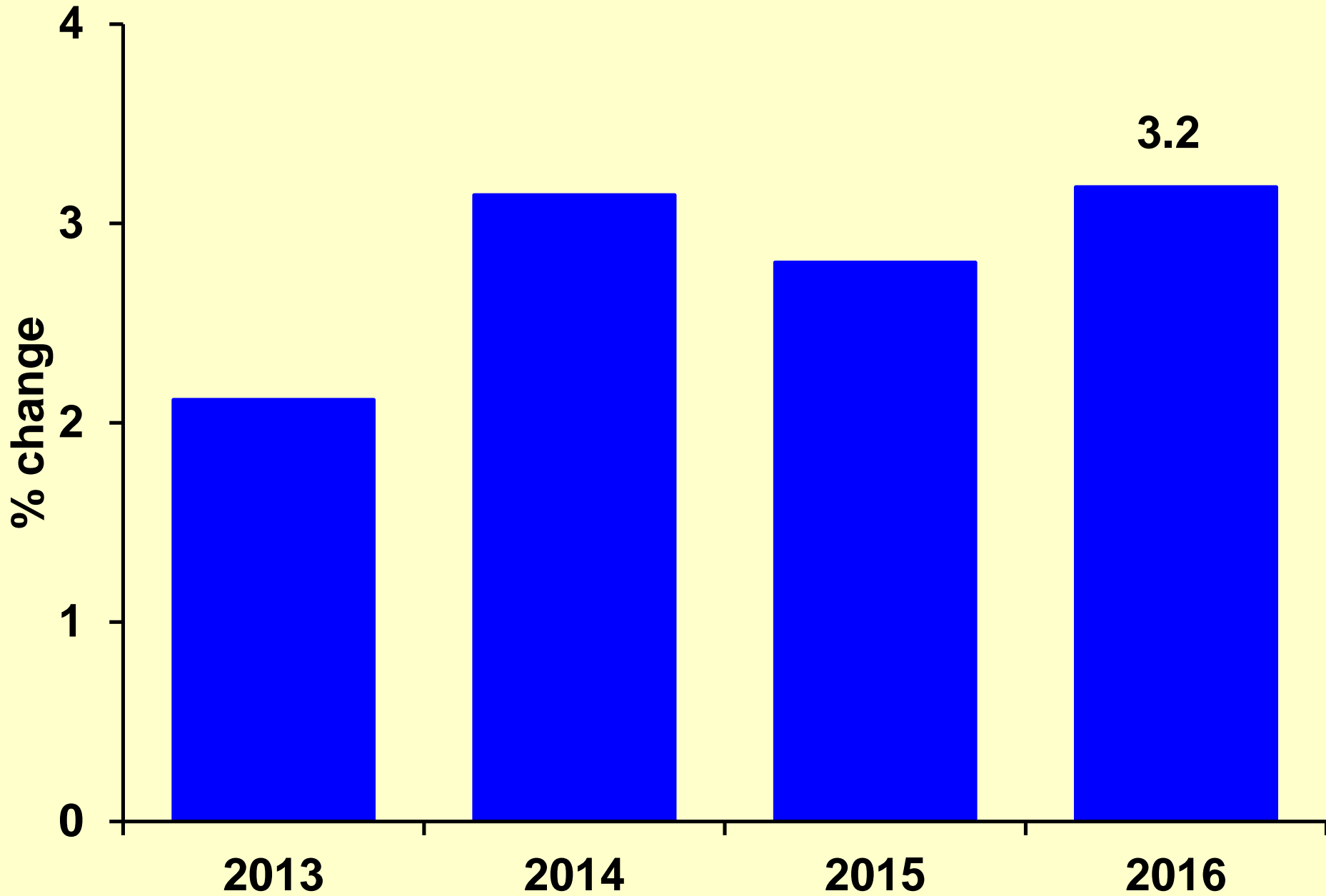
*Positive news from a good leading indicator.*



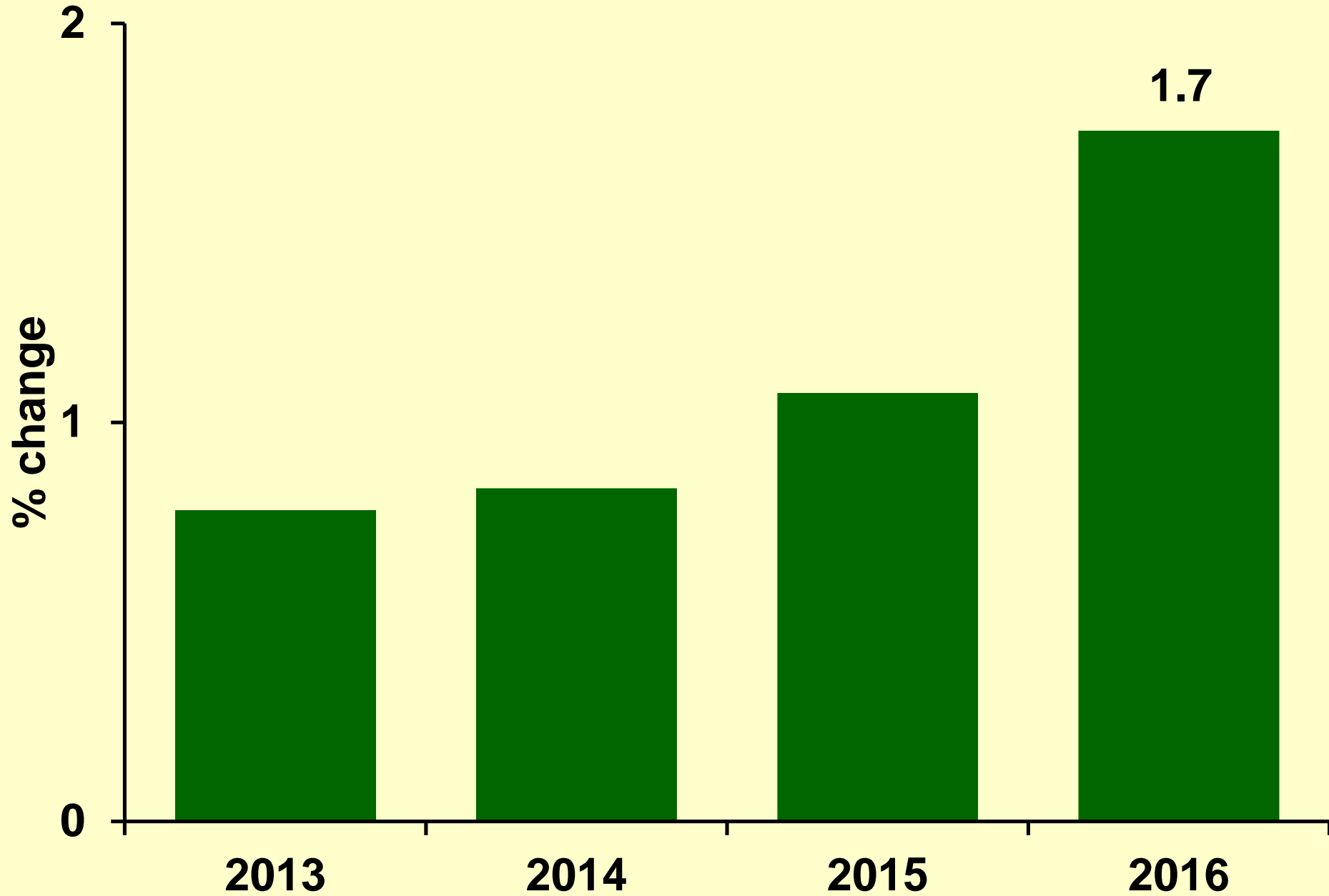
# Topics

- Uncertainties
- Economic Forecast
- **Outsider's View of Tacoma**
- Managing with Uncertainty

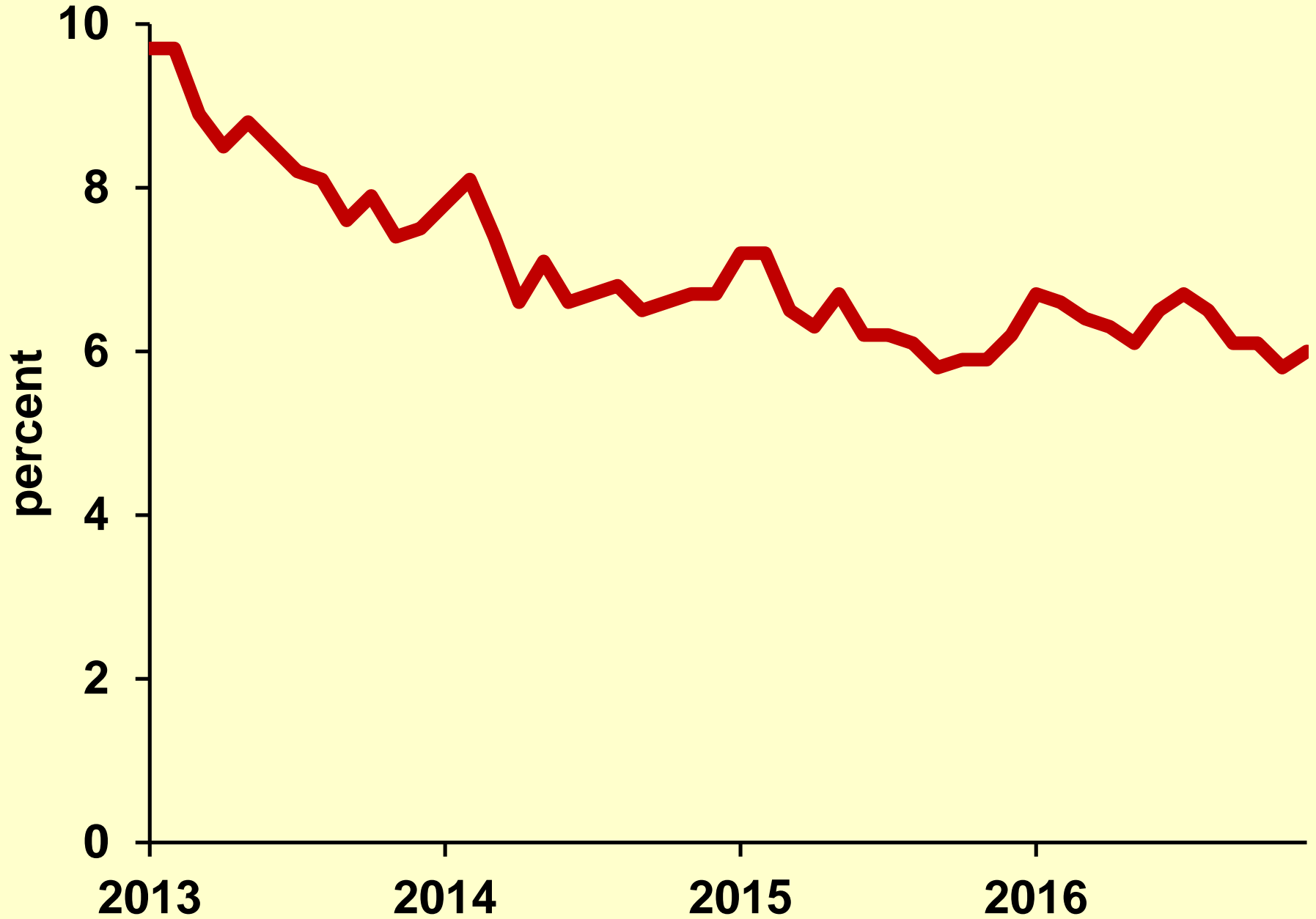
# Tacoma Job Growth



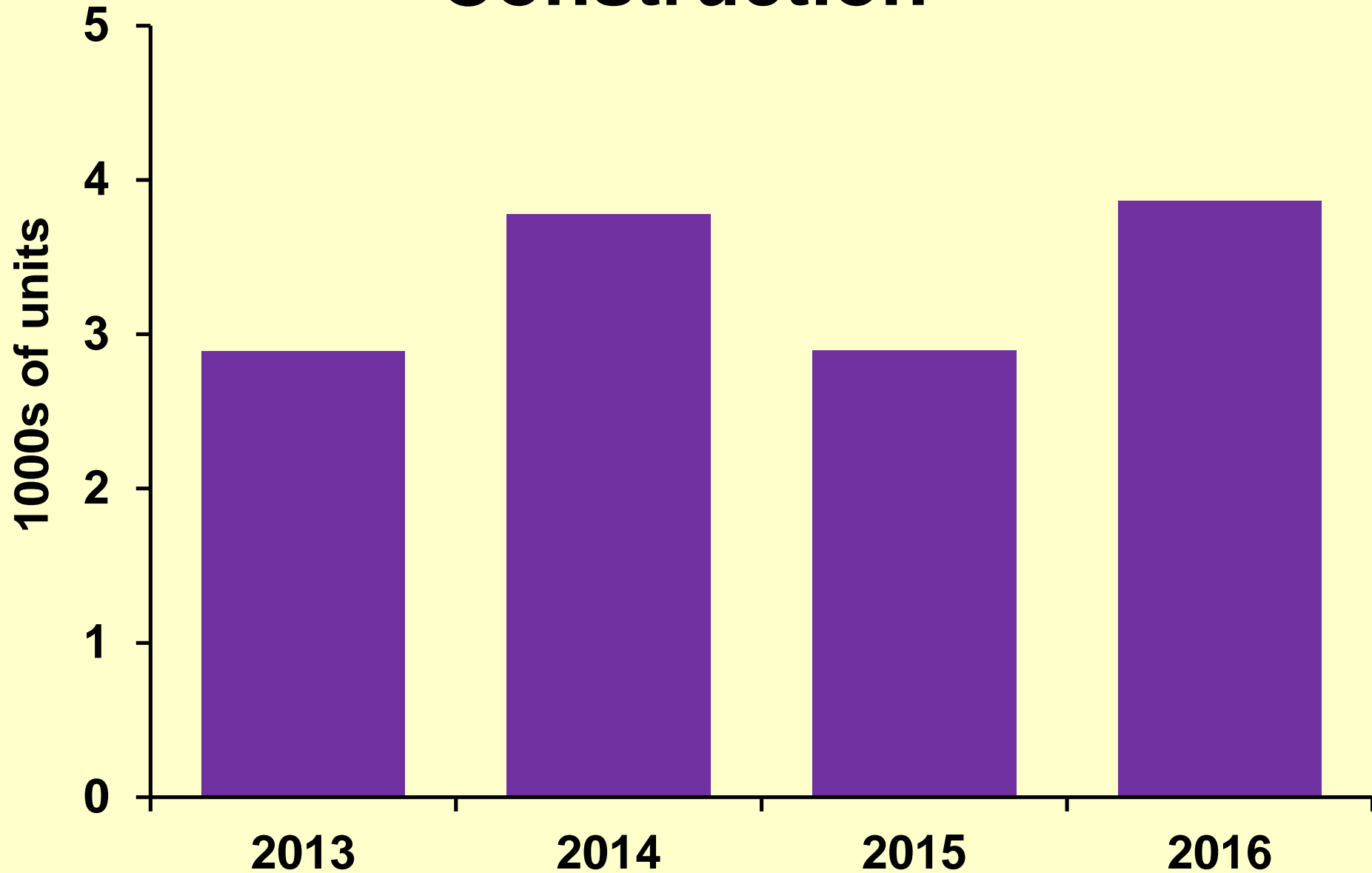
# Tacoma Population Growth



# Tacoma Unemployment



# Tacoma Housing Construction



# Topics

- Uncertainties
- Economic Forecast
- Outsider's View of Tacoma
- **Managing with Uncertainty**

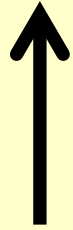






# Questions?

**Bill @ ConerlyConsulting.com**



**one "n"**