Dave Denslow, University of Florida
January 28, 2016
Florida Housing Starts Projected by UCF to Double 2015 to 2018
Ben Bernanke
Princeton, Head of CEA, Chairman of Fed
Janet Yellen
Berkeley, Chairman of Fed
Ten-Year Sovereign Yields
1990-2015

Figure 1: 10-Year Government Bond Yields (%)

Sources: National Central Banks, Haver Analytics

BROOKINGS
Downward Revision in Potential GDP

![Graph showing Actual and Potential GDP in 2013 Dollars from 2007Q1 to 2017Q1. The graph compares Actual GDP, Potential GDP, 2007 Estimate, and Potential GDP, 2013 Estimate.]
Why Did Potential GDP Fall?

- Potential GDP in 2014
  - 2013 estimate vs 2007 estimate: 10% decline

- Why did the estimate decline?

<table>
<thead>
<tr>
<th>Component of Pot. GDP</th>
<th>Contribution to Decline in Estimate</th>
</tr>
</thead>
<tbody>
<tr>
<td>Potential TFP</td>
<td>~10% (11%)</td>
</tr>
<tr>
<td>Capital</td>
<td>~50% (48%)</td>
</tr>
<tr>
<td>Potential Hours Worked</td>
<td>~40% (41%)</td>
</tr>
</tbody>
</table>
Employment/Population Ratio

Civilian Employment-Population Ratio (EMRATIO)

Shaded areas indicate US recessions.
2014 research.stlouisfed.org
Global capital market: supply and demand

Real interest rate

Investment, Savings
Savings and investment shares (% of GDP)

Source: IMF WEO database
Projected Natural Real Interest Rate

Percentage pts

President Donald Trump
Florida House Prices Back to 2005
Unadjusted for Inflation

Source: US. Federal Housing Finance Agency
research.stlouisfed.org

myf.red/g/3gzw
Florida Construction Employment Matches 1998

Source: US. Bureau of Labor Statistics
research.stlouisfed.org
Florida Jobs Now Pass 2007

Source: US. Bureau of Labor Statistics
research.stlouisfed.org
Manufacturing Jobs Down in Florida—Rise Again?

Source: US. Bureau of Labor Statistics, Federal Reserve Bank of St. Louis research.stlouisfed.org
Leisure & Hospitality Jobs Back on Trend in Florida

Source: US. Bureau of Labor Statistics
research.stlouisfed.org
Florida Banks Have Nonperforming Loans Back Under Control

[Graph showing the percentage of nonperforming loans (past due 90+ days plus nonaccrual) to total loans for banks in Florida over time from 1985 to 2015.]
Florida Homeownership Rate Down

Source: US. Bureau of the Census
research.stlouisfed.org
2010 Population, Thousands Projected (1983) and Actual

Sumter: 24 (Pop 1980), 42 (Projected 2010), 93 (Actual 2010)
Marion: 122 (Pop 1980), 221 (Projected 2010), 331 (Actual 2010)
Alachua: 151 (Pop 1980), 246 (Projected 2010), 247 (Actual 2010)
2010 Population, Thousands
Projected (1983) and Actual

- Flagler: Pop 1980 (11), Actual 2010 (96), Projected 2010 (22)
- St Johns: Pop 1980 (51), Actual 2010 (90), Projected 2010 (190)
- Clay: Pop 1980 (67), Actual 2010 (199), Projected 2010 (129)