

# Road to Recovery

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# MOODY'S

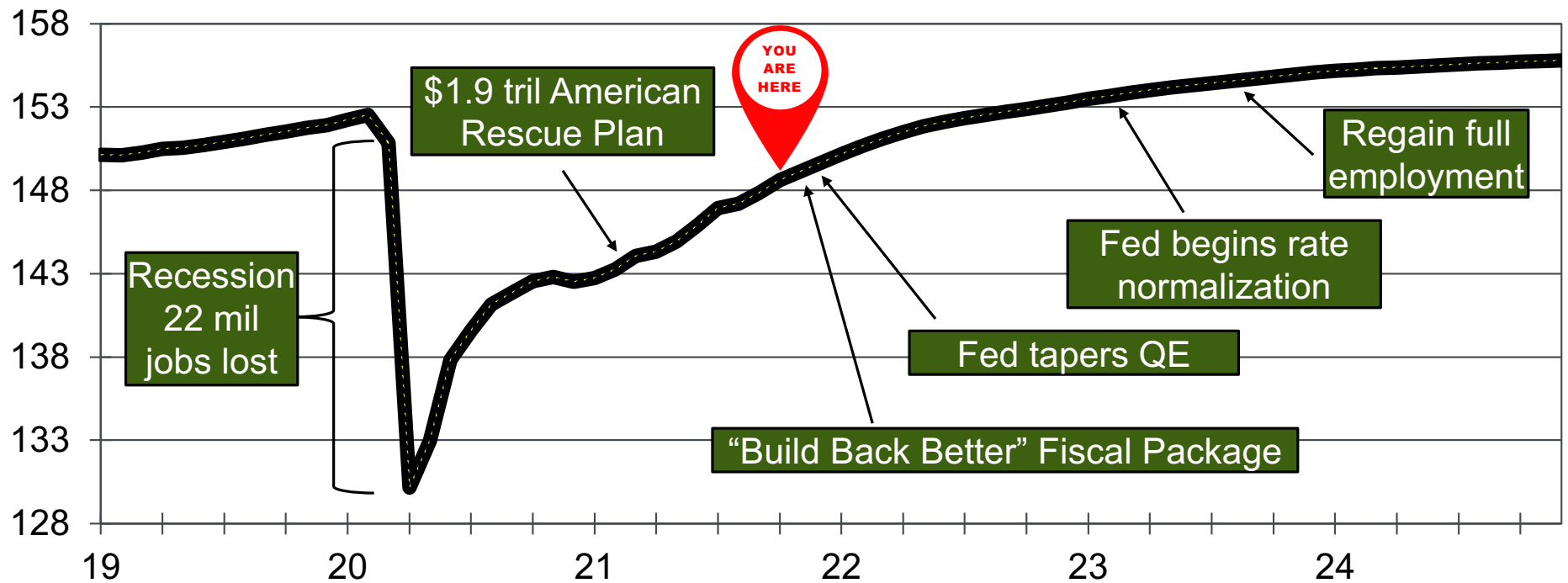
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MOODY'S  
ANALYTICS

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# The Pandemic Recovery Roadmap

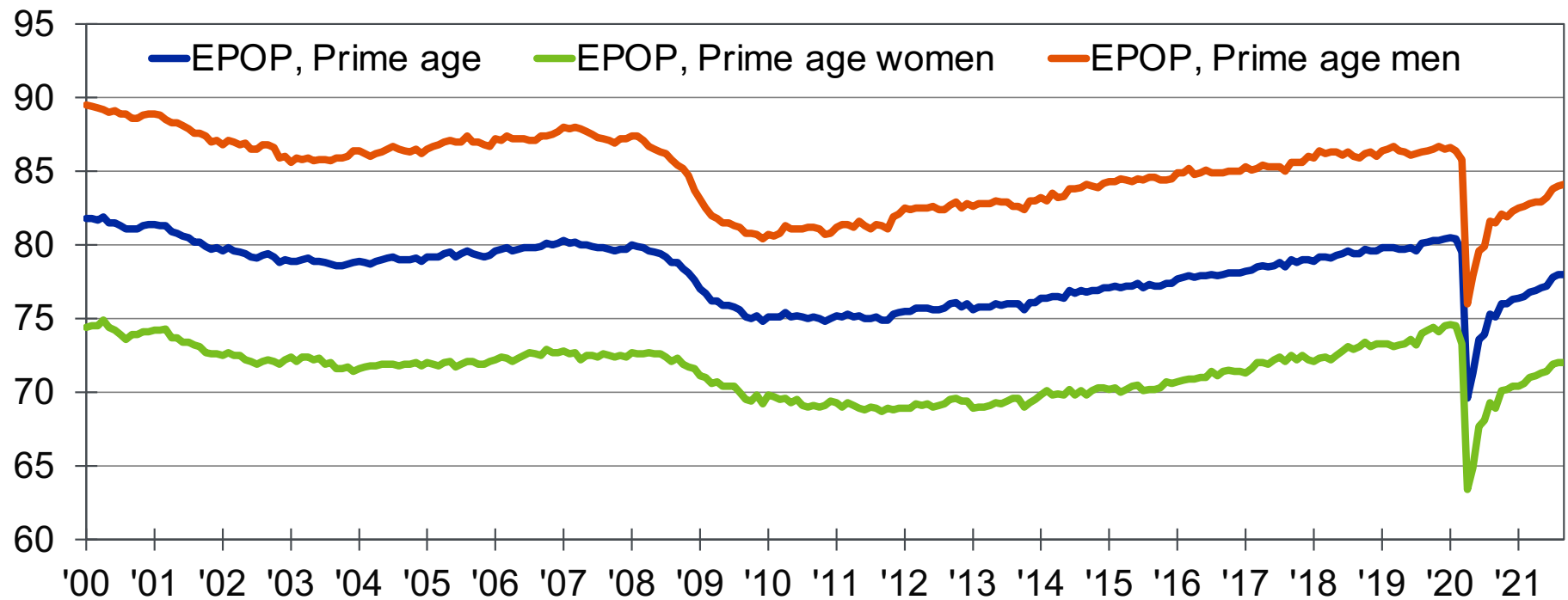
U.S. payroll employment, Moody's Analytics Baseline Scenario, mil



Sources: BLS, Moody's Analytics

# What to watch? EPOP

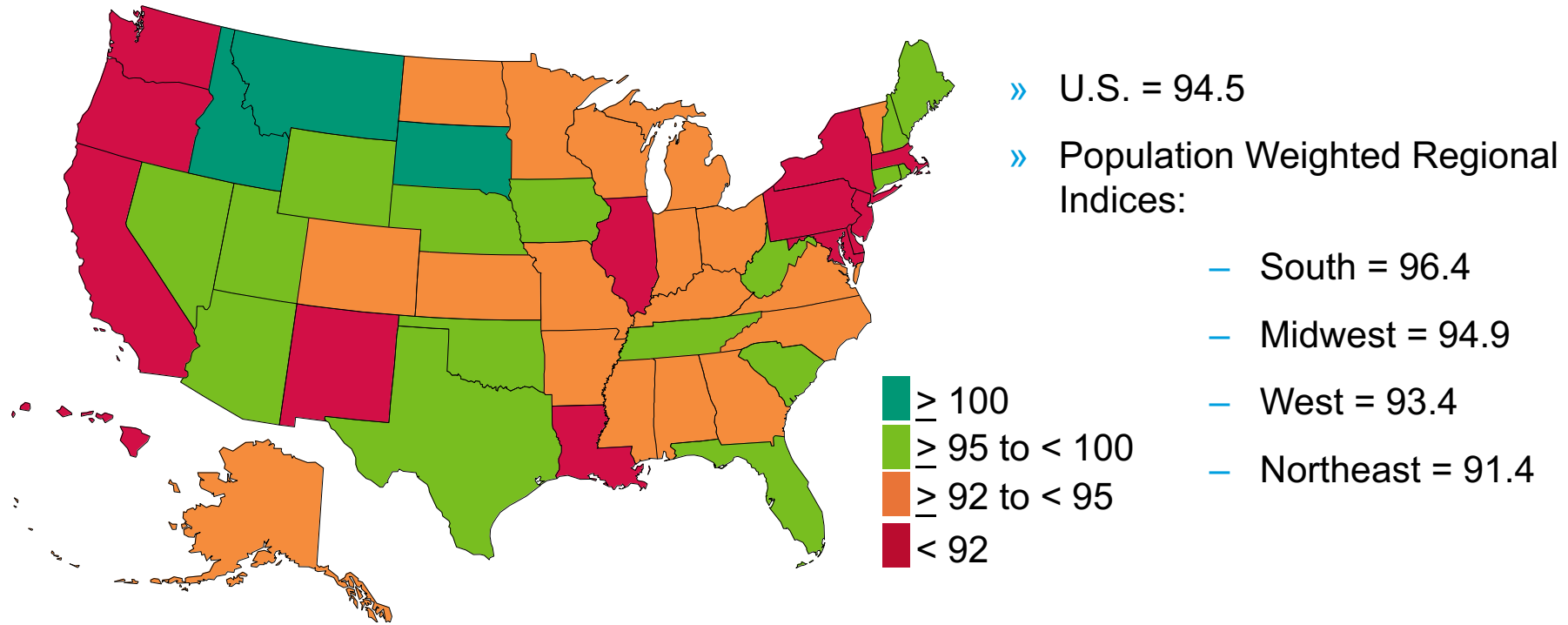
Ratio of employment to prime working age population, %



Sources: BLS, Moody's Analytics

# Getting Back to Normal

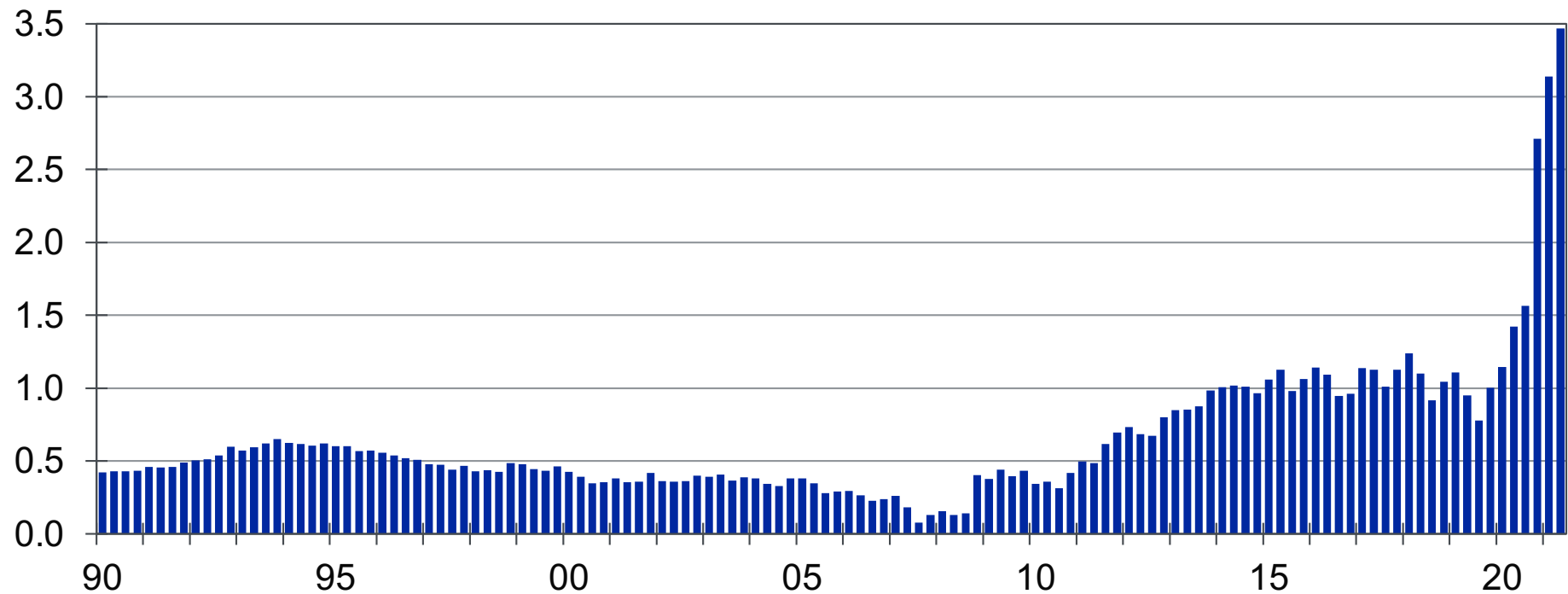
Back to Normal Index, Feb 2020=100



Source: CNN Business, Moody's Analytics

# Potential Pent-Up Demand is Historic

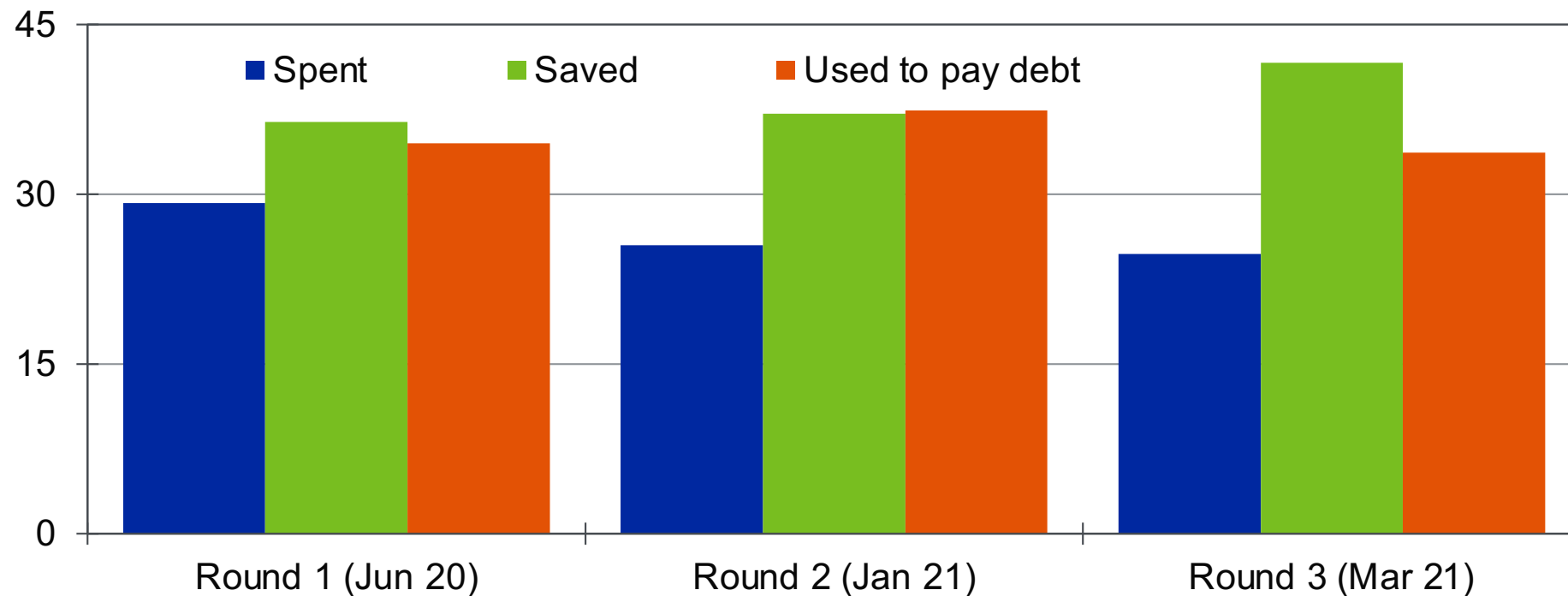
Household checkable deposits and currency, \$ tril



Sources: Federal Reserve, Moody's Analytics

# How Households Used Stimulus Checks

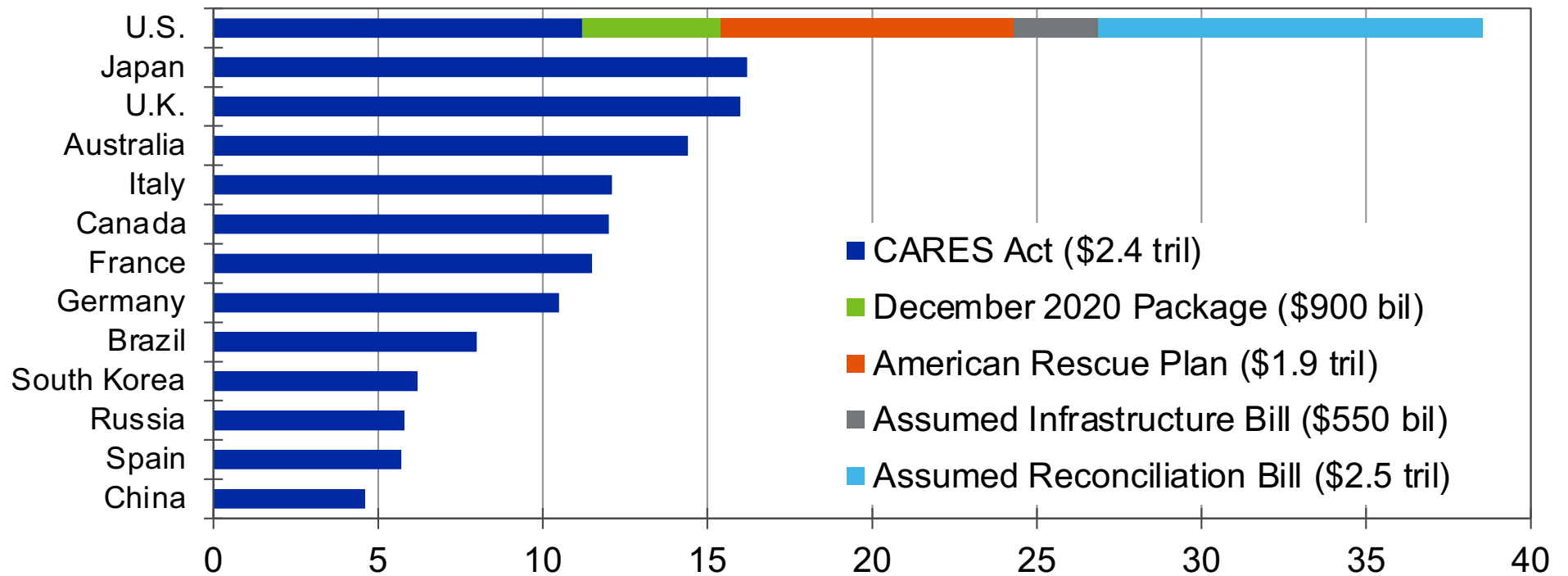
Avg % of stimulus checks that households reportedly...



Sources: New York Fed, Moody's Analytics

# Record Level of Fiscal Support

Fiscal support since start of pandemic, % of 2019 GDP

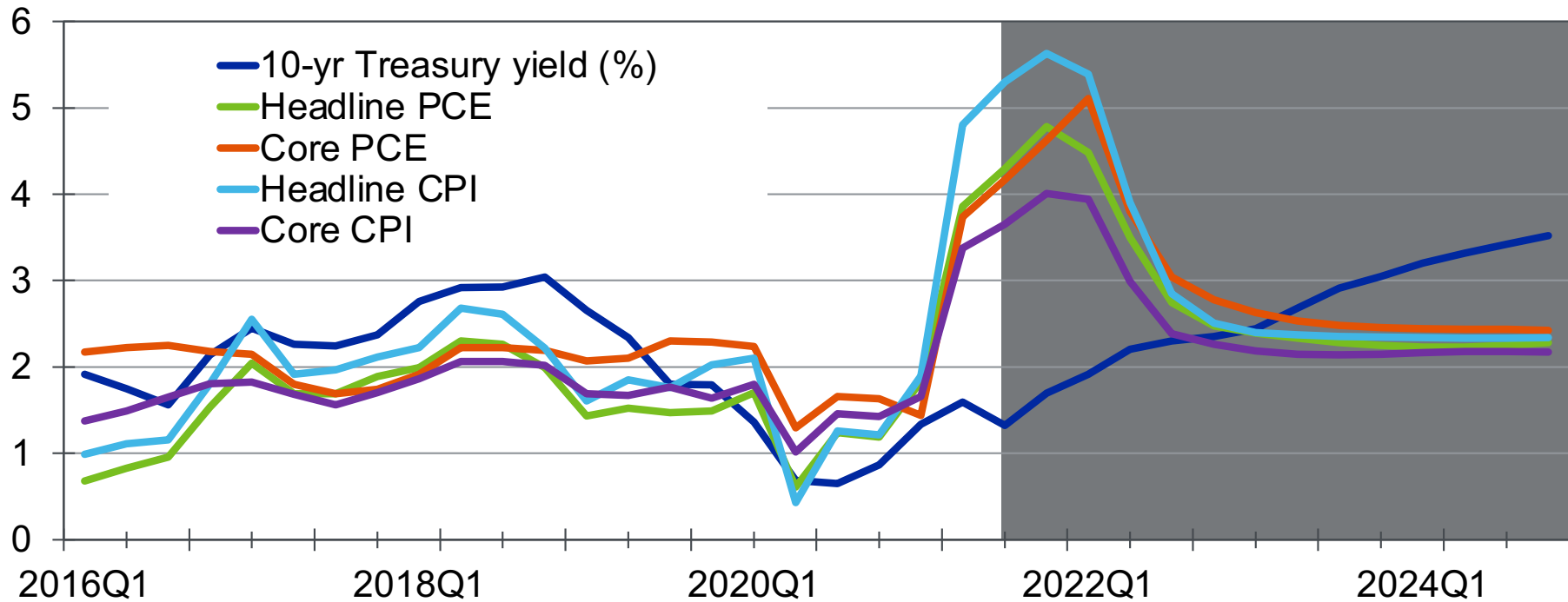


Sources: BEA, National Finance Ministries, Moody's Analytics



# Not Done With Inflation Yet

% change yr ago



Sources: Federal Reserve, Treasury, BLS, Moody's Analytics

# What Could Go Wrong?

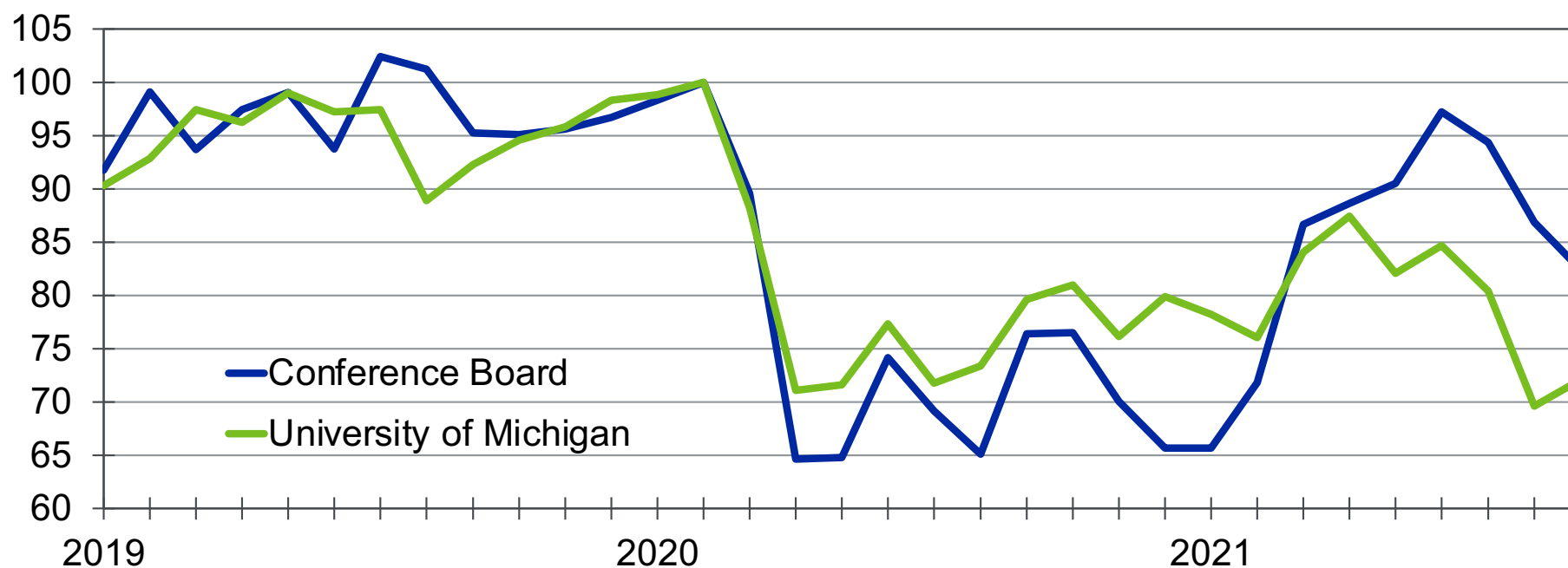


Source: Moody's Analytics

- » Using alternative scenarios in the revenue forecasting process help to add important context around the most relevant risks:
- (S2 “Delta Variant”) What if conditions around the pandemic don’t return to normal as quickly as is laid out in the baseline?
  - (S6 “Inflation”) What happens if inflation isn’t as transitory as the baseline forecast assumes?

# Delta Has Already Made an Impact

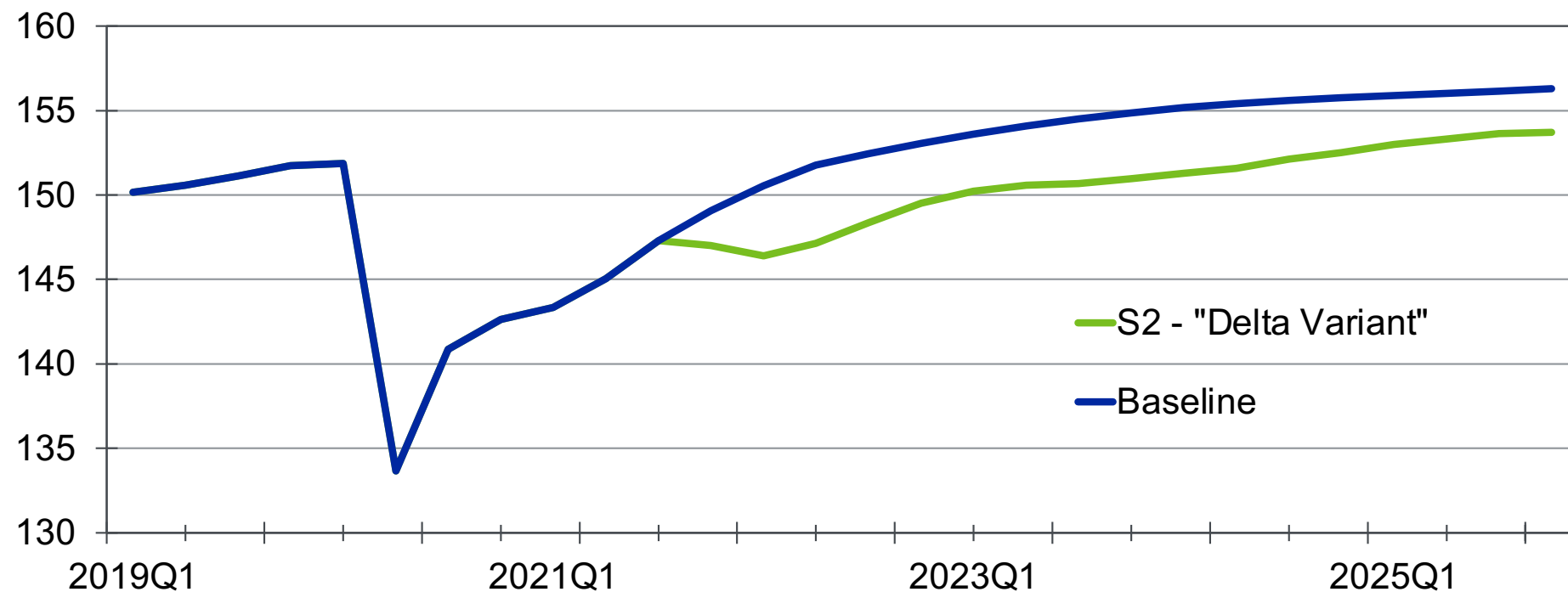
Consumer confidence index, Feb 2020 = 100



Sources: Conference Board, University of Michigan, Moody's Analytics

# Further Pullback Could Be More Damaging

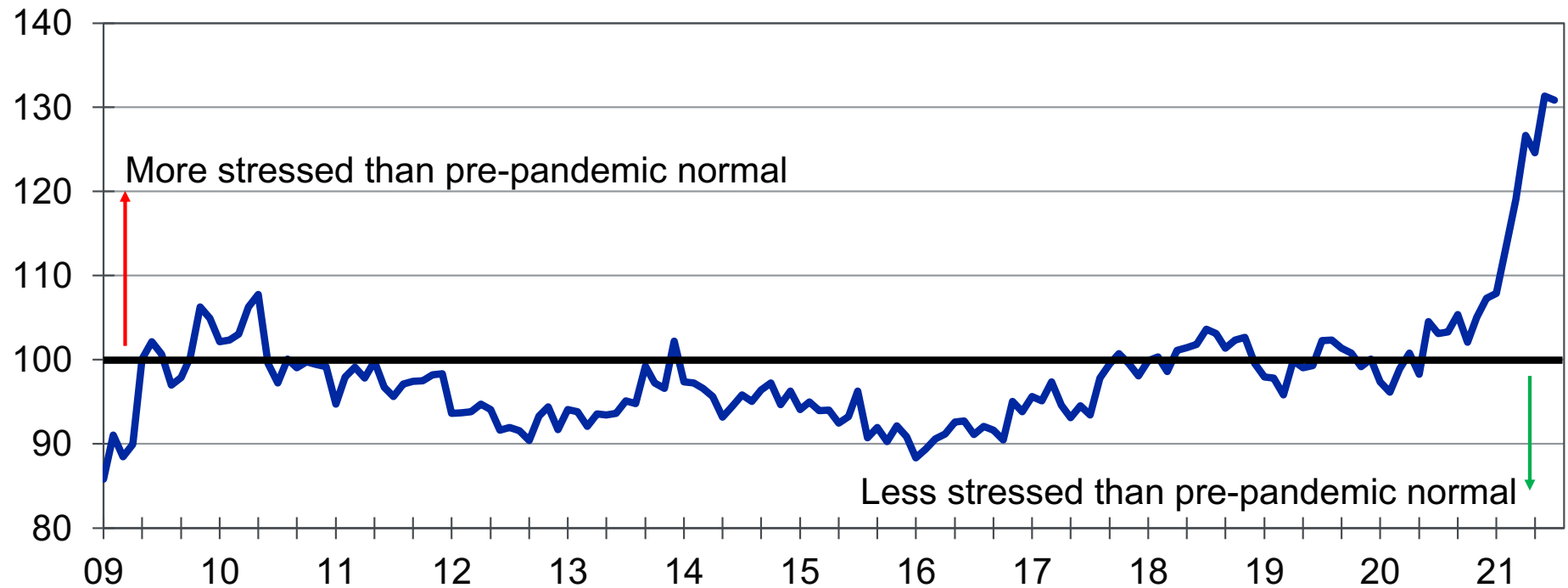
U.S. payroll employment, mil



Sources: Federal Reserve, Treasury, BLS, Moody's Analytics

# How Transitory is Inflation?

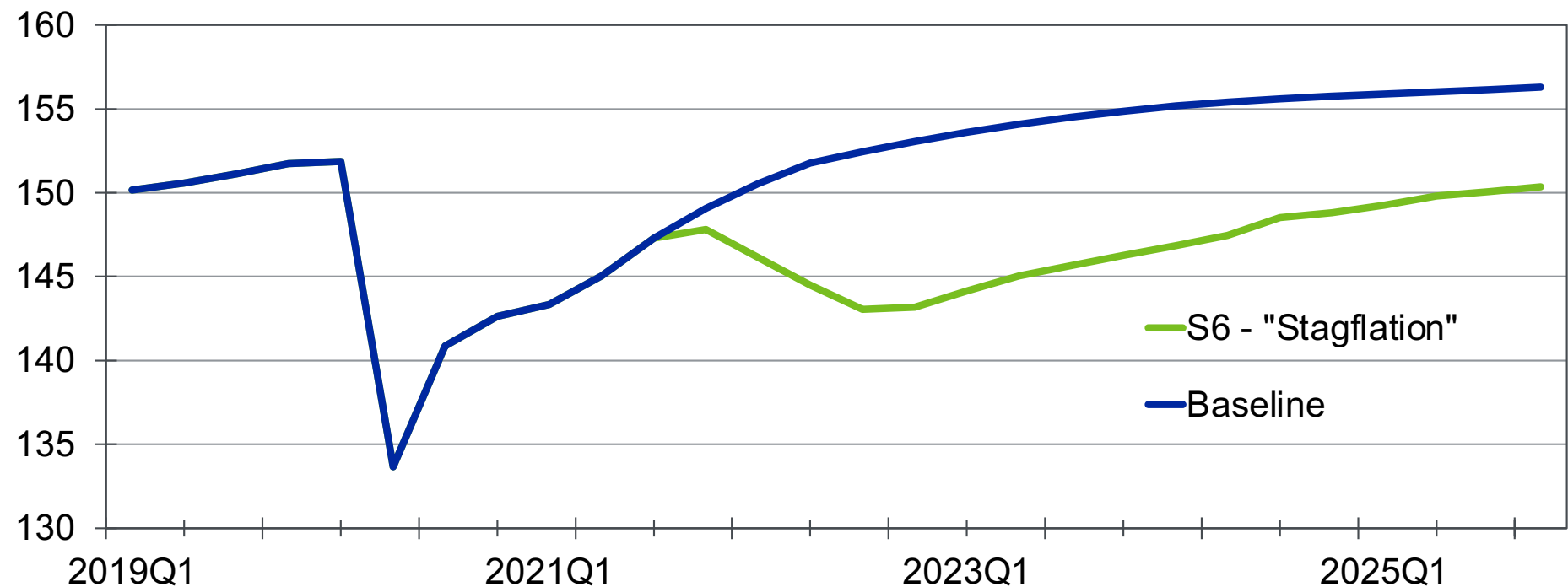
U.S. Supply Chain Stress Index, 2019Q4=100



Sources: Moody's Analytics

# Stagflation Less Likely, But More Painful

U.S. payroll employment, mil



Sources: Federal Reserve, Treasury, BLS, Moody's Analytics

MOODY'S  
ANALYTICS

Better  
Faster  
Decisions

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