The U.S. economy is in recession.

Real GDP Growth

Annualized percent change from previous quarter

Source: Bureau of Economic Analysis and Blue Chip Economic Indicators
Job losses mount.

U.S. Non-farm Job Growth and Unemployment Rate

Change from previous month (Thousands)

Source: Bureau of Labor Statistics
Inflationary pressures have eased.

Consumer Price Inflation

Source: Department of Commerce
Changes are concentrated in energy goods.

<table>
<thead>
<tr>
<th></th>
<th></th>
<th></th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td>Housing</td>
<td>42.4</td>
<td>0.3%</td>
<td>-2.9%</td>
</tr>
<tr>
<td>Shelter</td>
<td>32.5</td>
<td>0.2%</td>
<td>-0.8%</td>
</tr>
<tr>
<td>Heating Oil</td>
<td>4.7</td>
<td>1.6%</td>
<td>-60.5%</td>
</tr>
<tr>
<td>Gas and Electric</td>
<td>5.1</td>
<td>1.5%</td>
<td>-15.4%</td>
</tr>
<tr>
<td>Transportation</td>
<td>17.7</td>
<td>0.8%</td>
<td>-47.3%</td>
</tr>
<tr>
<td>Motor Vehicles</td>
<td>7.2</td>
<td>-0.3%</td>
<td>-3.4%</td>
</tr>
<tr>
<td>Motor Fuel</td>
<td>5.5</td>
<td>2.4%</td>
<td>-89.4%</td>
</tr>
</tbody>
</table>

Source: Bureau of Labor Statistics
Nebraska is faring better than the rest of the nation.

Private Non-Farm Employment Growth

Percent change year-over-year (three-month moving average)

Source: Bureau of Labor Statistics
Nationally, home prices are falling.

Repeat-Sales Home Price Index

Percent change from previous year

Source: OFHEO
The housing boom goes bust.

Home Starts, Sales and Inventories

Month’s supply

Index (Jan-00=100)

Source: Dept. of Commerce, National Association of Realtors
Financial Markets are Fragile.

Commercial Paper Rates

Source: Federal Reserve Board of Governors
Leverage is one of the root causes.

Domestic Debt Outstanding

Percent of GDP

Source: Federal Reserve Board of Governors
Credit standards have tightened.

Net Percent of Domestic Banks Tightening Credit Standards

Source: Federal Reserve Board of Governors
Business activity has plummeted.

U.S. Manufacturing and Non-Manufacturing Activity Indices

Index

Non-Manufacturing

Manufacturing

Source: Institute of Supply Management
Consumer spending drops sharply.

U.S. Monthly Retail and Food Sales

Billion dollars

Source: U.S. Census Bureau
World economic growth has slowed dramatically.

Source: International Monetary Fund, November 2008
The Fed has acted aggressively.

Fed Funds Rate and Federal Reserve Assets

Billion Dollars

Federal Reserve Total Assets (Left Axis)

Federal Funds Rate - Intended (Right Axis)

Source: Federal Reserve Board of Governors
TARP funds are concentrated on Wall Street.

Breakdown of TARP Funds
(As of January 30, 2009, Billions of Dollars)

Source: Department of the Treasury
Recent improvement in financial markets.

LIBOR-OIS Spread

Basis Points

Source: Federal Reserve Board of Governors
# Length of U.S. Recessions

<table>
<thead>
<tr>
<th>Start</th>
<th>End</th>
<th>Length (Months)</th>
</tr>
</thead>
<tbody>
<tr>
<td>Nov. 1973</td>
<td>Mar. 1975</td>
<td>16</td>
</tr>
<tr>
<td>Jul. 1981</td>
<td>Nov. 1982</td>
<td>16</td>
</tr>
<tr>
<td>Mar. 2001</td>
<td>Nov. 2001</td>
<td>8</td>
</tr>
</tbody>
</table>

**Average since World War II** 10

Source: NBER
Confidence is at a historical low.

Business and Consumer Confidence

Index (2000 Q1 = 100)

Source: The Conference Board
Conclusions

• The recession has intensified.
• A housing bust has led to a financial crisis.
• Nebraska and Omaha are faring better than the nation as a whole.
• Inflationary pressures have eased.

Can fiscal and monetary stimulus rekindle demand and jump-start the world economy?