Remarkably Steady Growth

Sources: BLS, BEA, Moody’s Analytics
Regional Pattern More Nuanced
Unemployment rate, 2017Q2, diff. from low of last cycle, ppts

Sources: BLS, Moody’s Analytics
Midwest’s Jobless Rate Cracks 4%

Unemployment rate, %

Sources: BLS, Moody’s Analytics
Wage Pressures Rising in Northeast & Midwest

Avg hourly earnings, manufacturing, % change yr ago

Sources: BLS, Moody’s Analytics
Tech Jobs Correlate Well With Wage Pressure

High-tech jobs, % share of total employment, 2016

Sources: BLS, Moody’s Analytics
Tech Concentrations Becoming More Widespread

High-tech jobs, % share of total, change 2010-2016, ppts

Sources: BLS, Moody’s Analytics
**Highest Inflation in the West**

Consumer price index, % change yr ago

Sources: BLS, Moody’s Analytics
Deflation Weighing on Taxable Sales

U.S. core consumer price indices, % change yr ago

Sources: BLS, Moody’s Analytics
Pushing the Envelope

Duration of business cycle expansion, months, state fiscal year

Sources: NBER, Moody’s Analytics
To the extent permitted by law, MOODY’S and its directors, officers, employees, agents, representatives, licensors and suppliers disclaim liability for any direct or compensatory losses or damages caused to any person or entity, including but not limited to by any negligence (but excluding fraud, willful misconduct or any other type of liability that, for the avoidance of doubt, by law cannot be excluded) on the part of, or any contingency within or beyond the control of, MOODY’S or any of its subsidiaries, affiliates, directors, officers, employees, agents, representatives, licensors or suppliers, arising from or in connection with the information contained herein or the use of or inability to use any such information.

NO WARRANTY, EXPRESS OR IMPLIED, AS TO THE ACCURACY, TIMELINESS, COMPLETENESS, MERCHANTABILITY OR FITNESS FOR ANY PARTICULAR PURPOSE OF ANY SUCH RATING OR OTHER OPINION OR INFORMATION IS GIVEN OR MADE BY MOODY’S IN ANY FORM OR MANNER WHATSOEVER.

MOODY’S Investors Service, Inc., a wholly-owned credit rating agency subsidiary of Moody’s Corporation ("MCO"), hereby discloses that most issuers of debt securities (including corporate and municipal bonds, debentures, notes and commercial paper) and preferred stock rated by Moody’s Investors Service, Inc. have, prior to assignment of any rating, agreed to pay to Moody’s Investors Service, Inc. for appraisal and rating services rendered by it fees ranging from $1,500 to approximately $2,500,000. MCO and MIS also maintain policies and procedures to address the independence of MIS’s ratings and rating processes. Information regarding certain affiliations that may exist between directors of MCO and rated entities, and between entities who hold ratings from MIS and have also publicly reported to the SEC an ownership interest in MCO of more than 5%, is posted annually at www.moodys.com under the heading “Investor Relations — Corporate Governance — Director and Shareholder Affiliation Policy.”

Additional terms for Australia only: Any publication into Australia of this document is pursuant to the Australian Financial Services License of MOODY’S’s affiliate, Moody’s Investors Service Pty Limited ABN 61 003 399 657 AFSL 336969 and/or Moody’s Analytics Pty Ltd ABN 94 105 136 972 AFSL 383569 (as applicable). This document is intended to be provided only to “wholesale clients” within the meaning of section 761G of the Corporations Act 2001. MOODY’S representative may only be approached by potential clients who are “wholesale clients” under the Corporations Act 2001. Any person other than a “wholesale client” should not expect any response to queries. This document is for information purposes only and does not address any other risk, including but not limited to: liquidity risk, market value risk, or price volatility. Credit ratings and Moody’s opinions included in Moody’s publications are not statements of current or historical fact. Moody’s publications may also include quantitative model-based estimates of credit risk and related opinions or commentary published by Moody’s Analytics, Inc. Credit ratings and Moody’s publications do not constitute or provide investment or financial advice, and credit ratings and Moody’s publications are not and do not provide recommendations to purchase, sell, or hold particular securities. Neither credit ratings nor Moody’s publications comment on the suitability of an investment for any particular investor. Moody’s issues its credit ratings and publishes Moody’s publications with the expectation and understanding that each investor will, with due care, make its own study and evaluation of each security that is under consideration for purchase, holding, or sale.

MOODY’S CREDIT RATINGS AND MOODY’S PUBLICATIONS ARE NOT INTENDED FOR USE BY RETAIL INVESTORS AND IT WOULD BE RECKLESS AND INAPPROPRIATE FOR RETAIL INVESTORS TO USE MOODY’S CREDIT RATINGS OR MOODY’S PUBLICATIONS WHEN MAKING AN INVESTMENT DECISION. IF IN DOUBT YOU SHOULD CONTACT YOUR FINANCIAL OR OTHER PROFESSIONAL ADVISER.

ALL INFORMATION CONTAINED HEREIN IS PROTECTED BY LAW, INCLUDING BUT NOT LIMITED TO, COPYRIGHT LAW, AND NONE OF SUCH INFORMATION MAY BE COPIED OR OTHERWISE REPRODUCED, REPACKAGED, FURTHER TRANSMITTED, TRANSFERRED, DISSEMINATED, REDISTRIBUTED OR RESOLD, OR STORED FOR SUBSEQUENT USE FOR ANY SUCH PURPOSE, IN WHOLE OR IN PART, IN ANY FORM OR MANNER OR BY ANY MEANS WHATSOEVER, BY ANY PERSON WITHOUT MOODY’S PRIOR WRITTEN CONSENT.

All information contained herein is obtained by MOODY’S from sources believed by it to be accurate and reliable. Because of the possibility of human or mechanical error as well as other factors, however, all information contained herein is provided “AS IS” without warranty of any kind. MOODY’S adopts all necessary measures so that the information it uses in assigning a credit rating is of sufficient quality and from sources MOODY’S considers to be reliable including, when appropriate, independent third-party sources. However, MOODY’S is not an auditor and cannot in every instance independently verify or validate information received in the rating process or in preparing the Moody’s publications.

To the extent permitted by law, MOODY’S and its directors, officers, employees, agents, representatives, licensors and suppliers disclaim liability to any person or entity for any indirect, special, consequential, or incidental losses or damages whatsoever arising from or in connection with the information contained herein or the use of or inability to use any such information, even if MOODY’S or any of its directors, officers, employees, agents, representatives, licensors or suppliers is advised in advance of the possibility of such losses or damages, including but not limited to: (a) any loss of present or prospective profits or (b) any loss or damage arising where the relevant financial instrument is not the subject of a particular credit rating assigned by MOODY’S.

© 2017 Moody’s Corporation. Moody’s Investors Service, Inc., Moody’s Analytics, Inc. and/or their licensors and affiliates (collectively, “MOODY’S”). All rights reserved.