



Title: An Economic Discussion

Description: The pandemic has impacted every facet of the U.S. economy, leaving economists wondering what exactly the long-term impacts might be. To answer some of the most pressing economic questions, this episode of The Forward Thinking Podcast joins FCCS VP of Marketing and Communications Stephanie Barton and Joel Prakken, Chief US Economist, IHS Markit, for a discussion about the current state and realistic forecast of the economy. Joel shares both the highlights and harsh realities of the pandemic aftermath and some of the most impactful trends and consequences to look out for next.

“We are making progress, and that progress is coming faster than we thought it would six or seven months ago.” — Joel Prakken

Today's Insights Include:

Economic reflections resulting from the pandemic

- + The scientific community offered an unprecedented response to developing a vaccine.
- + There is the potential for vaccine setbacks that will keep the economy from moving forward.
- + Full economic recovery will happen when the world is no longer preoccupied with the virus.
- + While the initial U.S. response to the virus was among the worst, vaccine action has been among the best.
- + This global pandemic will require continuously improving global progress.

GDP growth and first quarter insights

- + The first quarter numbers offer clues into where the economy might be headed throughout 2021.
- + Sales versus production was much stronger in Q1, including purchases by domestic buyers, indicating that GDP growth should steadily increase throughout 2021.
- + Monetary and fiscal policies continue to be extremely accommodating as we emerge from the pandemic.
- + Implications of the CARES Act, the American Rescue Plan and other government pandemic relief funding.



Implications of the presidential infrastructure spending plan

- + The plan details \$2.3 trillion spending to be dispersed over 8 years.
- + Beneficiaries will include infrastructure, education, healthcare and pandemic relief.
- + Prospects for the plan being passed are still relatively uncertain and open to change.
- + Reconciliation would allow Congress to enact budget legislation taxes and spending with a majority vote.
- + Additional fiscal stimulus will raise the economic forecast.

Forward thinking observations in economic operations

- + The shift toward online shopping will affect retail space property values.
- + Changing work from home norms will have a great impact on commercial office space and residential real estate.
- + There are many considerations regarding environmental impacts and increased resilience.
- + Workforce patterns in the labor force have been greatly altered as a result of the pandemic.
- + Business capital spending in technology has already surpassed its pre-pandemic rising trends.
- + When the U.S. vaccination rate reaches 72%, we can most likely expect a booming rebound in the economy.

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