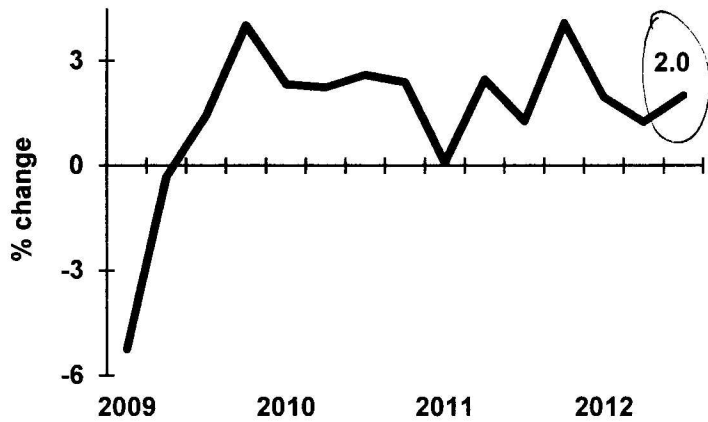


GDP Growth
adjusted for inflation



Weak but positive

Election Results & the Economy

Short-run Economic Outlook:

GDP outlook unchanged; President does not control the economy
Taxes likely higher for readers of this newsletter--sorry

Regulatory Outlook:

Less friendly to immigrant workers
Tighter environmental regulation
Fewer choices for banks and their customers

Long-run Economic Outlook

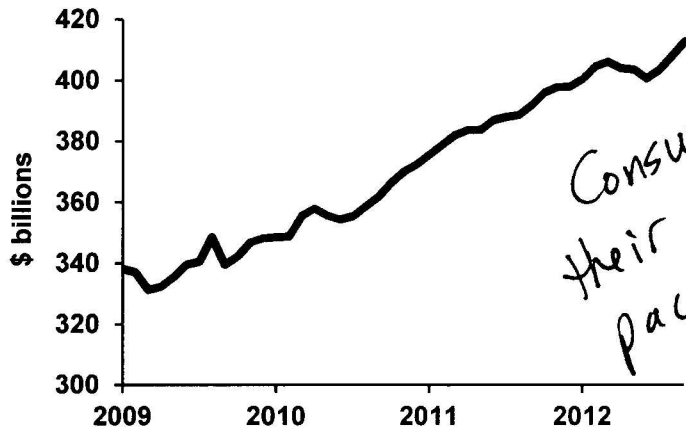
Slightly slower growth due to regulation and higher taxes

Not the End of America!

Our economy is resilient.

Pay attention

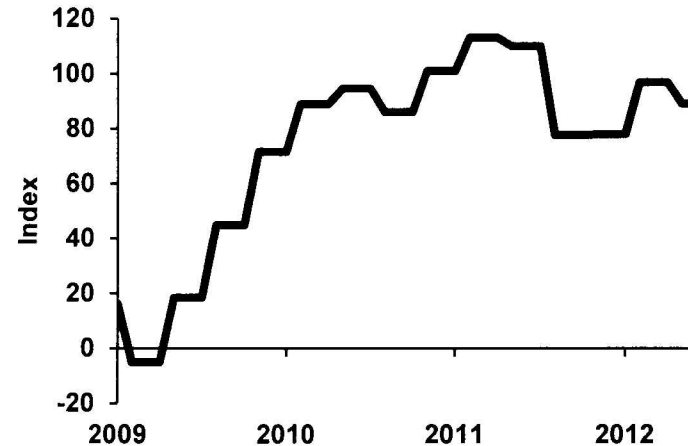
Retail Sales



Consumers raising their spending in pace with their incomes.

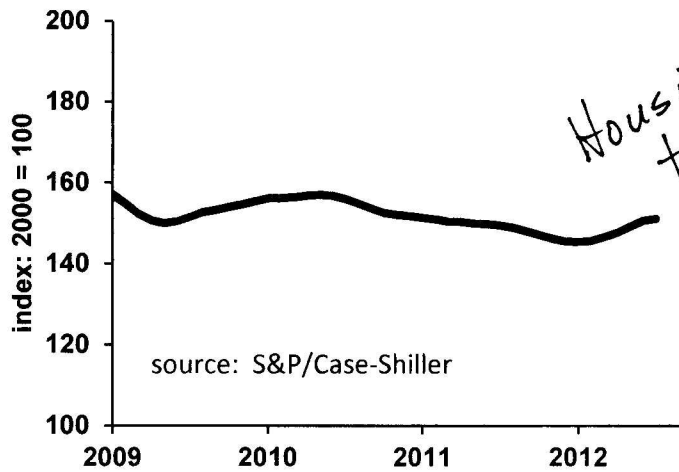
Corporate Executive Confidence

source: Business Roundtable



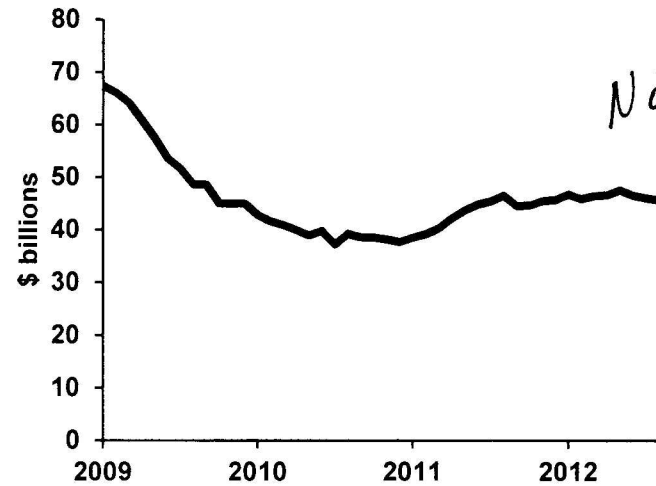
Not too optimistic

Home Prices, 20 Major Cities



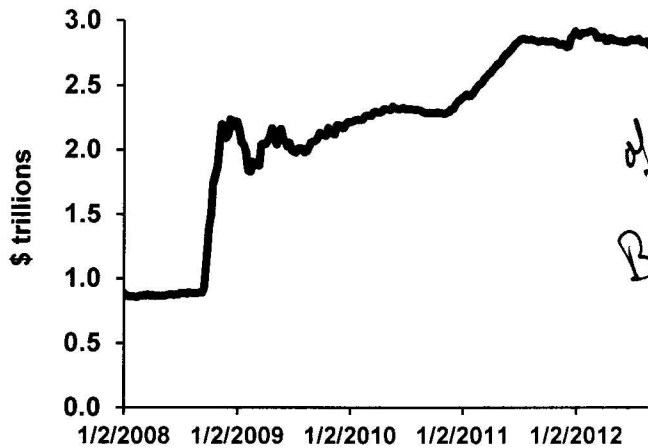
Housing is turning the corner, very slowly

Commercial Construction



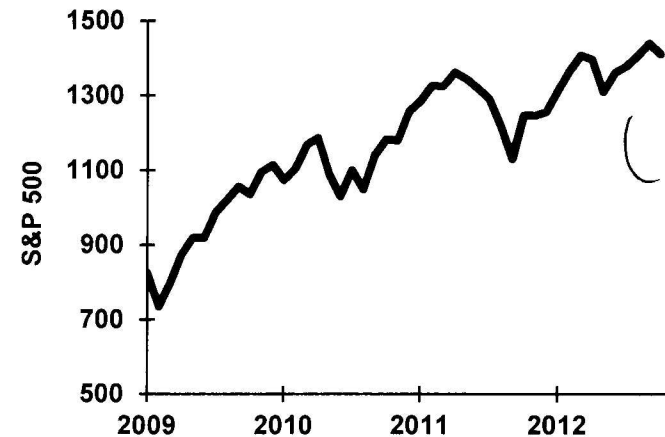
Not much gain in non-res activity

Federal Reserve Bank Credit



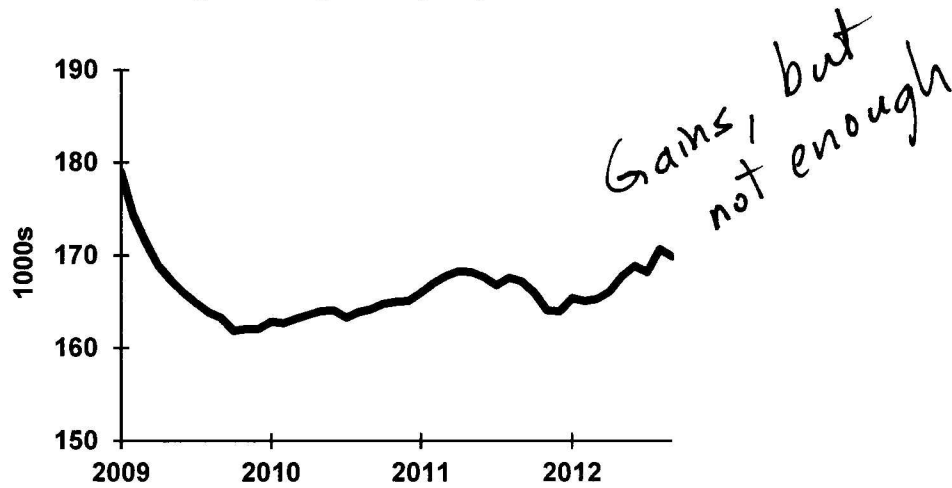
No sign of QE3 yet. Ben, are you awake?

Stock Market

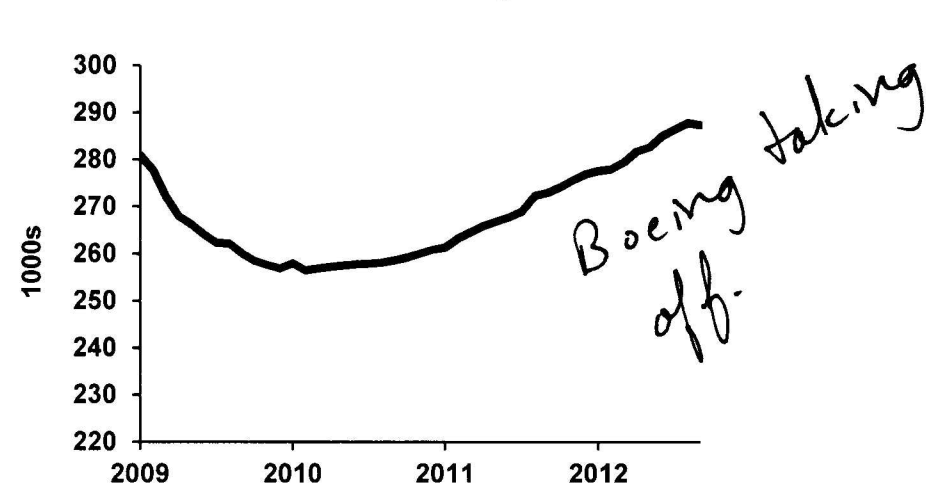


(pre-election data)

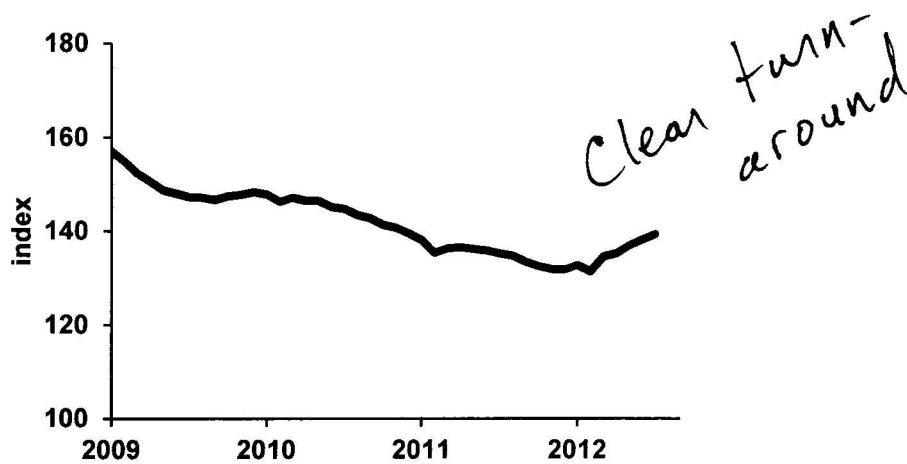
Oregon Mfg. Employment



Wash. Manufacturing Jobs

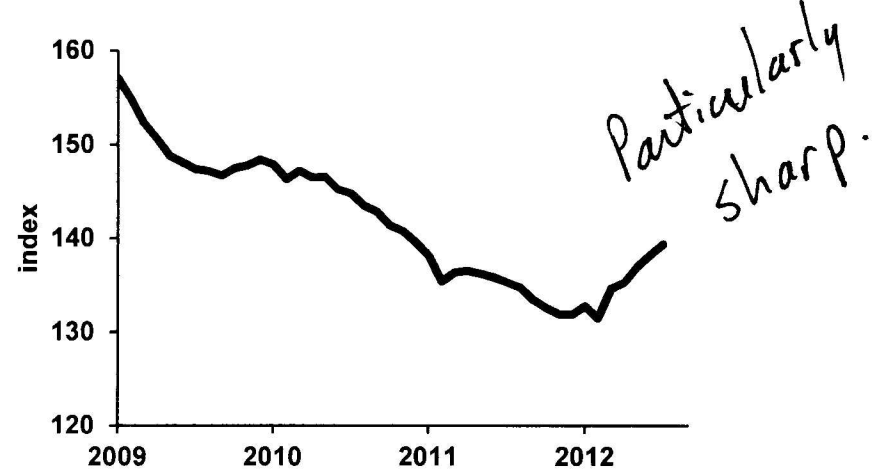


Portland Home Price



Source: S&P/Case-Shiller

Seattle Home Prices



Source: S&P/Case-Shiller

Consulting

Is It the Economy or Us?: "Don't fire that division head," Dr. Conerly told a CEO; "His sector always turns up with a lag." Six months later, sales rose thanks to the economy and a stable division management team--and great economic analysis.

What Am I Missing? Successful business strategy needs a unique, independent observer to shine a light in the dark places. Larger profits and less risk result from a better understanding of opportunities and threats.

Business Models: Dr. Conerly wrote one of the first evaluations of the potential for business-to-business electronic commerce. One analysis of new delivery strategies saved a company \$12 million in capital expenditures. Dr. Conerly should have charged more for his services.

Associates: Tom Linnemann is an expert at operations and finance. Kathy Maixner is a top-line sales expert.

Call me for strategic planning help.

Free Resources

Forbes.com: Dr. Conerly's current insights into the economy--and what business leaders should have on their to-do lists--appears on Forbes.com.

Data: Links to many data sources are at www.ConerlyConsulting.com/links.php

Newsletter: The Businomics® Newsletter contains charts with Dr. Bill Conerly's comments on the latest data. It arrives monthly via email. To view a sample or sign up for a free subscription, go to www.ConerlyConsulting.com/economy.php

Speeches

Speeches: Dr. Bill Conerly speaks regularly to audiences large and small, combining his sense of humor and common-sense explanations with insights into the current economic news, always connecting the dots between the economy and business decisions.

Audiences sizes range from a thousand attendees at an industry tradeshow to a hundred at company sponsored seminar for clients and prospects to a dozen members of a board of directors or management team.

For more information, contact Bill at 503-785-3485 or Bill@ConerlyConsulting.com.

these can be interactive discussions.

Businomics: From the Headlines to Your Bottom Line--How to Profit in Any Economic Cycle

Business leaders know that the economy affects their sales, costs and profits. But they often fail to translate economic news into action steps that will protect and grow their profits.

The solution is *Businomics™: From the Headlines to Your Bottom Line: How to Profit in Any Economic Cycle*, which connects the dots between the economic news and business decisions.

How vulnerable is your business to recession? *Businomics™* explains why some sectors are highly susceptible to downturns, while others are fairly stable—and they are not always the sectors you expect!

Available at www.Businomics.com or Amazon or Powell's.