

# THE FINANCIAL SERVICES ROUNDTABLE



## *Financing America's Economy*

To: Representatives of the Financial Services Roundtable, GAC, Public Affairs Council, Research Council, All Staff

### **Fast Facts: ECONOMIC OUTLOOK 2011**

**FACT:** The [Congressional Budget Office](#) estimates that 2011 will be a time of growth that will accelerate going into 2012-2014.

- The economy (nominal GDP) is predicted to grow by 3.1% in 2011 and 5.6% in 2012-2014.
- The unemployment rate is predicted to be 9% in 2011 and drop to 6.7% from 2012-2014.

**FACT:** By a two-to-one margin, Americans think that the economy will be better this year than last year, according to [Gallup](#). Forty-four percent think their personal financial situation will be better in 2011.

**FACT:** The private sector has been accumulating resources that could be deployed when economic conditions improve.

- According to the [Federal Reserve](#), nonfarm, nonfinancial businesses are holding \$1.9 trillion dollars of liquid assets – an 8% increase from the end of 2009 and 38% over 2008 levels.

**FACT:** The [Mortgage Bankers Association](#) predicts that the housing market will continue to improve.

- Sales of existing homes are expected to increase 12% by the end of 2011 and 33% for new homes, compared to 2010.

**FACT:** Banks are continuing to increase access to loans. The most recent [Federal Reserve Senior Loan Officer survey](#) indicated that, on net, banks are easing standards on loans to both large and small businesses and consumers.

**FACT:** In his first testimony to the new Congress on January 7, 2011, [Chairman Bernanke](#) told the Senate Budget Committee, “We have seen increased evidence that a self-sustaining recovery in consumer and business spending may be taking hold... Overall, the pace of economic recovery seems likely to be moderately stronger in 2011 than it was in 2010.”

If you have questions, please do not hesitate to contact Abby McCloskey, Director of Research at the Financial Services Roundtable, at [Abby@fsround.org](mailto:Abby@fsround.org), or Scott Talbott, Senior Vice President of Government Affairs, at [Scott@fsround.org](mailto:Scott@fsround.org).

***Looking for past [Fast Facts](#)?***

*Please visit the Roundtable's Fast Fact Center at [www.fsround.org](http://www.fsround.org). Scroll down to Fast Facts.*

January 13, 2011