

Perspective by CRF:
Economic Edition

***CRF's Annual Focus on the Economy for 2021:
Projections from Leading Economists***

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The Density Miracle in Construction and COVID-19

By: Richard D. Hastings, CCE
Independent Economist

The COVID-19 crisis, as a cause of construction industry slowdowns in 2020, is remarkably different from previous construction industry crises in the U.S. Most major construction and housing industry pullbacks in the U.S. are typically associated with two groups of causative factors:

- Cyclical factors, especially overbuilt sectors, and unoccupied new inventory; cyclical changes to interest rates and tighter lending policies within credit markets.
- Non-cyclical factors, including geopolitical factors associated with sudden changes within global trade patterns; commodity inflation; and monetary policy actions that may tighten credit (for reasons outside of typical cyclical explanations).

In any of these factors, most pullbacks in construction industry conditions have origins that can be traced back a few years to a trigger, or to a specific industry slowdown. If the initial phase of a classical pullback hits some sectors harder than others, then eventually (in most cases) the entire construction industry typically will demonstrate weaker conditions and prolonged recoveries.

Some of this is unfolding in the COVID-19 effect within construction. But will this resemble the prolonged downturn similar to the 2007-2013 cycle? We believe...

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About the Author:

Richard Hastings, CCE, is a macroeconomics analyst and data analyst. He began his career as a credit analyst in the Garment Center of New York City, later serving in apparel manufacturing, and then serving as a retailing industry credit analyst. Richard later served Seaport Global Securities LLC as their Macro Strategist, specializing in multiple research areas including Consumer, Retailing, Construction and Real Estate, Energy, Precious Metals and Currencies, Labor Markets, Geopolitics, and Demographics. Richard currently works as a data analyst for one of the world's largest banks, and is based in Charlotte, NC.

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Into What Storm are We Accelerating? Outlook for 2021 in Historical Perspective

By: Steven C. Isberg, PhD, Senior Fellow
Credit Research Foundation

Introduction

As I have said on more than one recent occasion, the COVID crisis has served as an economic accelerant, moving us much more quickly toward the realization of outcomes that had already begun to materialize in the US economy. Namely, these are consolidation, slowing rates of investment and overall economic growth, and the reallocation of income and wealth from the lower and middle, up to the elite upper-class levels. These have been exacerbated by high levels of public and private debt and the monetization thereof. These factors have now come together to put the US economy at greater risk than...

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About the Author:

Steven C. Isberg is the Chair of the Department of Accounting at Towson University and teaches graduate and undergraduate courses in corporate finance, financial analysis and valuation, and financial economic history. As Sr Research Fellow at the Credit Research Foundation he conducts various research studies and delivers online financial analysis courses as part of the CRF Online Classroom™ program. He has over 25 publications in academic and professional journals and has served as a professional business consultant to a variety of firms.



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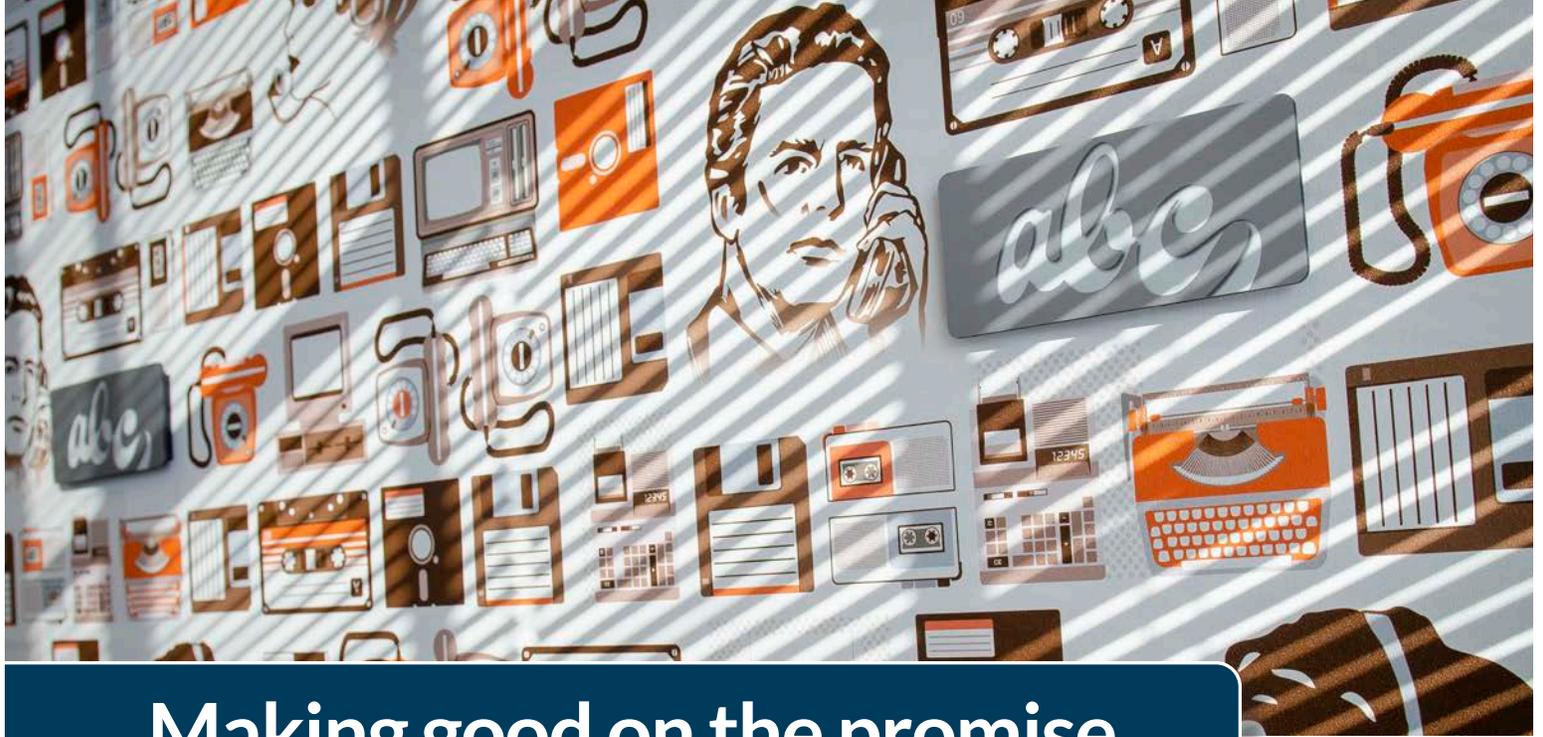
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2020 – The Year of Living Dangerously. Will 2022 be the Year of Unicorns and Rainbows?

By: Chris Kuehl, Managing Director
Armada Corporate Intelligence

It has been made pretty clear that much of what we thought we knew about the pandemic earlier in the year we didn't really know. The hopes for that May rebound were shattered and recovery proved elusive through the entire summer. Now we are entering 2021 and we are still talking about lockdowns and outbreaks and rising numbers of fatalities. What we do know is that the business world and the economy has been changed by all of this. The questions now are how much has changed and whether these changes will be permanent. It is doubtful there ever was an "old normal", but all eyes are on what the "new normal" might look like...

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About the Author:

Chris Kuehl is the co-founder (with Keith Prather) and Managing Director of Armada Corporate Intelligence, a company created in 1999 to provide strategy foundation, competitive intelligence, business analysis and economic forecasting for corporate clients.

Armada's clients include YRC Worldwide, TranSystems, Spencer Fane Britt and Browne, KPMG, Hallmark International, Weitz Industrial among others.

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2021 Will be a Year of Redemption

By: Dan North, Senior Economist for North America
Euler Hermes North America

Economists try to forecast the future by looking at historical patterns, current trends and logical analyses. However once in a while, an “exogenous event”, a fancy term meaning something from outside, comes along and completely destroys our forecasts, rendering them useless. COVID was such an event. Let’s try again for 2021.

Reviewing 2020 is important

It’s worth going back and examining the incredible devastation and recovery of 2020. At the beginning of the year, many expected 2020 to perform reasonably well, but we also noted that the economy was actually rather...

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About the Author:

Dan North is an Economist with Euler Hermes, North America. Mr. North has been with Euler Hermes North America since 1996. He has appeared on CNBC, Fox Business News, France 24, and Bloomberg Radio and Television. He has been quoted by Barron’s, Business Week, Paris Le Monde, Tokyo Nikkei, the New York Times and the Wall Street Journal. After having predicted the 2008/2009 recession and its implications accurately, he was ranked 4th on Bloomberg’s list of the 65 top economic forecasters in 2010.

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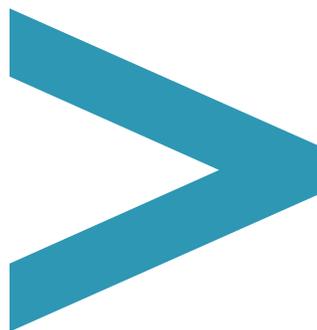
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Making Our Way Back

By: Mark Zandi, Chief Economist
Moody's Analytics

It is safe to say that 2020 was one of the most challenging years in the nation's economic history. It was slated to be [difficult](#) but turned out to be truly rotten. Of course, there was the COVID-19 pandemic and the botched effort to contain it. But there was also the rancorous political division fomented by the presidential election, and a litany of geopolitical hotspots close to boiling over all year from Brexit to the trade war with China.

The bar couldn't be any lower, but after a tough start the economy should...

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About the Author:

Mark M. Zandi is Chief Economist of Moody's Analytics, where he directs economic research. Moody's Analytics, a subsidiary of Moody's Corp., is a leading provider of economic research, data and analytical tools. Dr. Zandi is co-founder of Economy.com, which Moody's purchased in 2005.

Dr. Zandi conducts regular briefings on the economy for corporate boards, trade associations, and policymakers at all levels. He is often quoted in national and global publications and interviewed by major news media outlets, and is a frequent guest on CNBC, NPR, CNN, Meet the Press, and various other national networks and news programs.



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