



Predictions from the Center Mid-Field 2009

Economic Predictions

- U.S. unemployment ↑ from 6.1% to 8.2%
- U.S. GDP will be flat
- Oil prices ↓ from \$98.4 to \$80 a barrel
- Fed funds rate will ↓ from 2% to 1%
- Ten-Year Treasury Note rate will ↓ from 3.8% to 3.1%
- USD/GBP exchange rate ↓ \$1.79 to \$1.65
- USD/EUR exchange rate ↓ \$1.44 to \$1.20
- Renminbi/USD ↓ 6.83 to 6.5
- Savings rate ↑ from 1.43% to 5.75%
- Budget deficit ↑ to \$700B

Socio-Political Predictions

- A nominal growth in the next 4 years for the U.S.
- Government offers a significant contribution to the health care and the automobile industries
- Pressure rises for state and local governments causing municipal defaults
- Collective intellectual human capital will move off Wall Street and onto Main Street; studying and working in entrepreneurship, operating businesses, and health care will be in vogue

Industry Predictions

- A significant and continued slowdown in M&A activity in the 1st half of 2009 followed by significant uptake in the 2nd half of 2009
- Big pharmaceutical companies undergo significant reorganization in 2009/2010
- Niche manufacturing and service companies thrive
- Federal government begins formal program to reorganize major departments such as homeland security