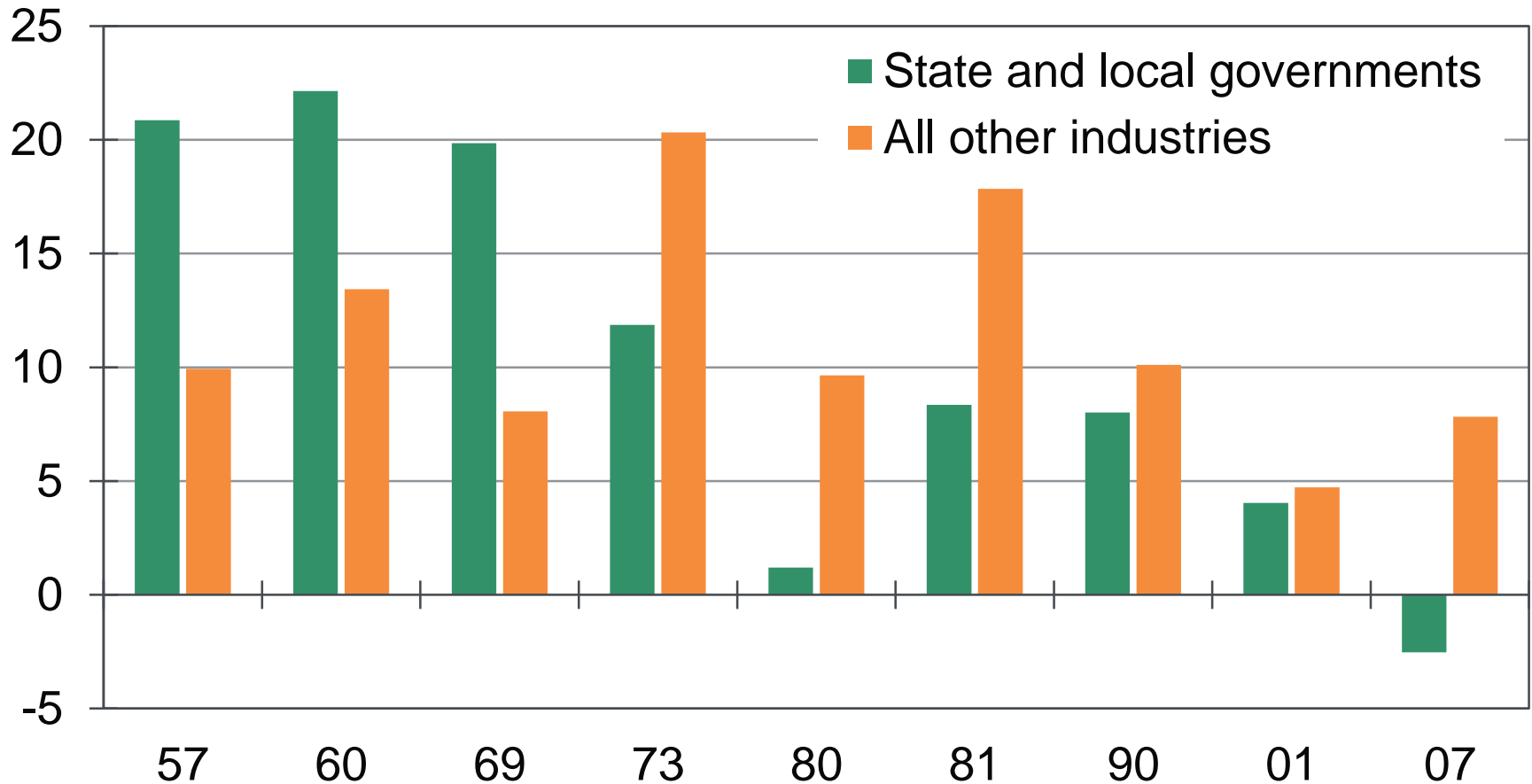


Crowded Out

DAN WHITE, SENIOR ECONOMIST

This Time Is Different

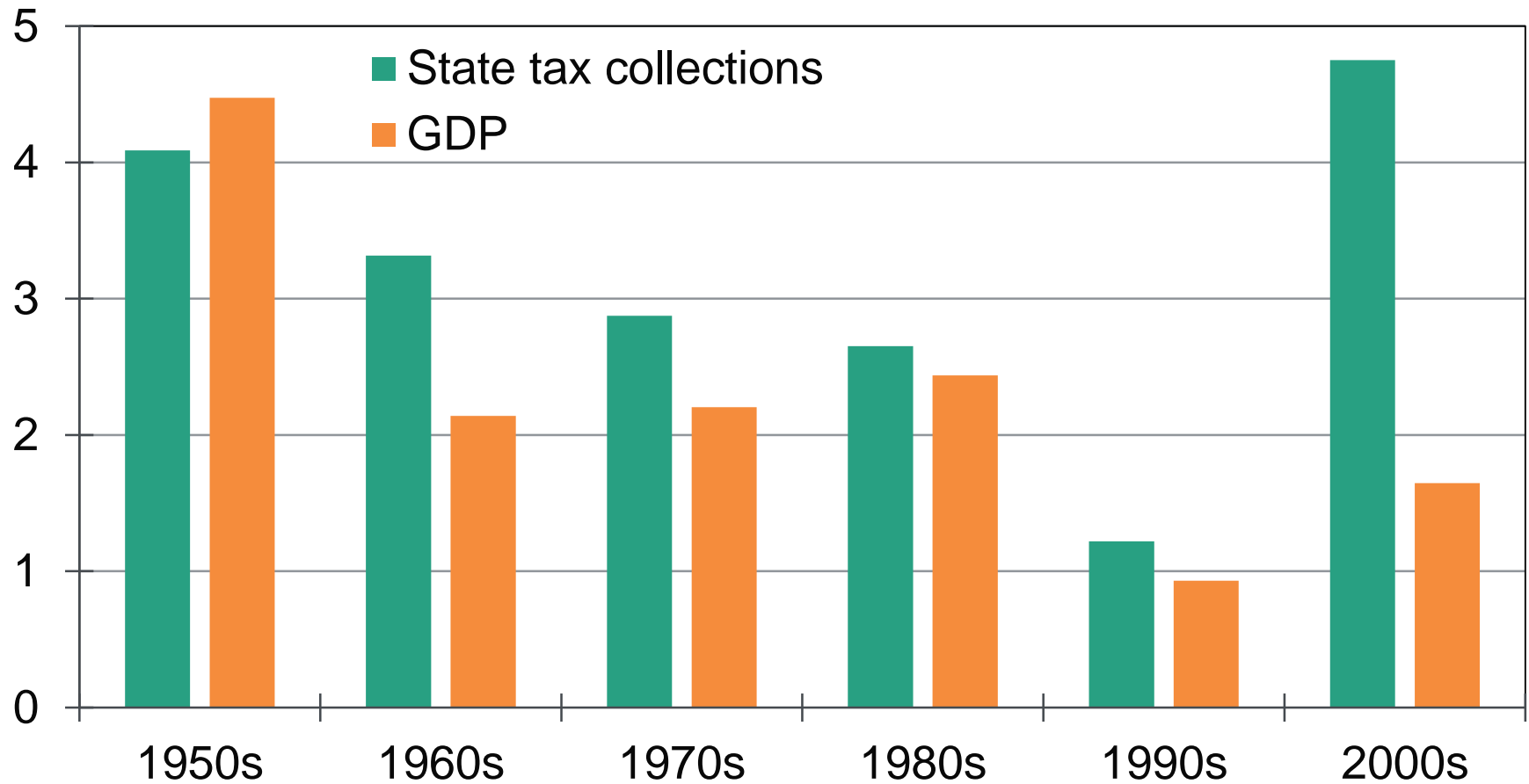
Cumulative job growth after 5 years of recovery, by recession, %



Sources: Census Bureau, Moody's Analytics

Increased Volatility in Tax Collections

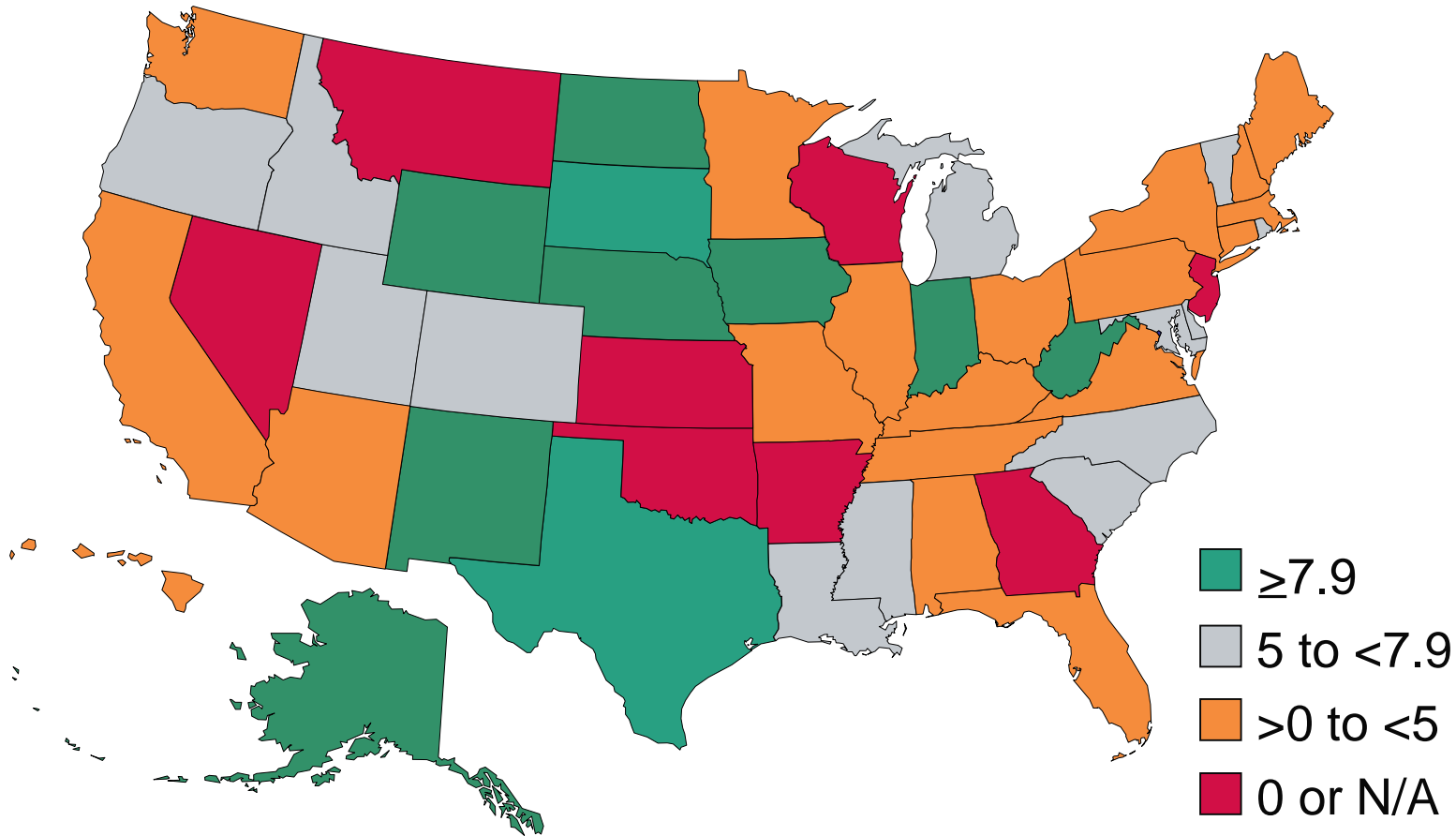
Standard deviation of annual % change



Sources: Census Bureau, BEA, Moody's Analytics

Building Reserves for the Next Shortfall

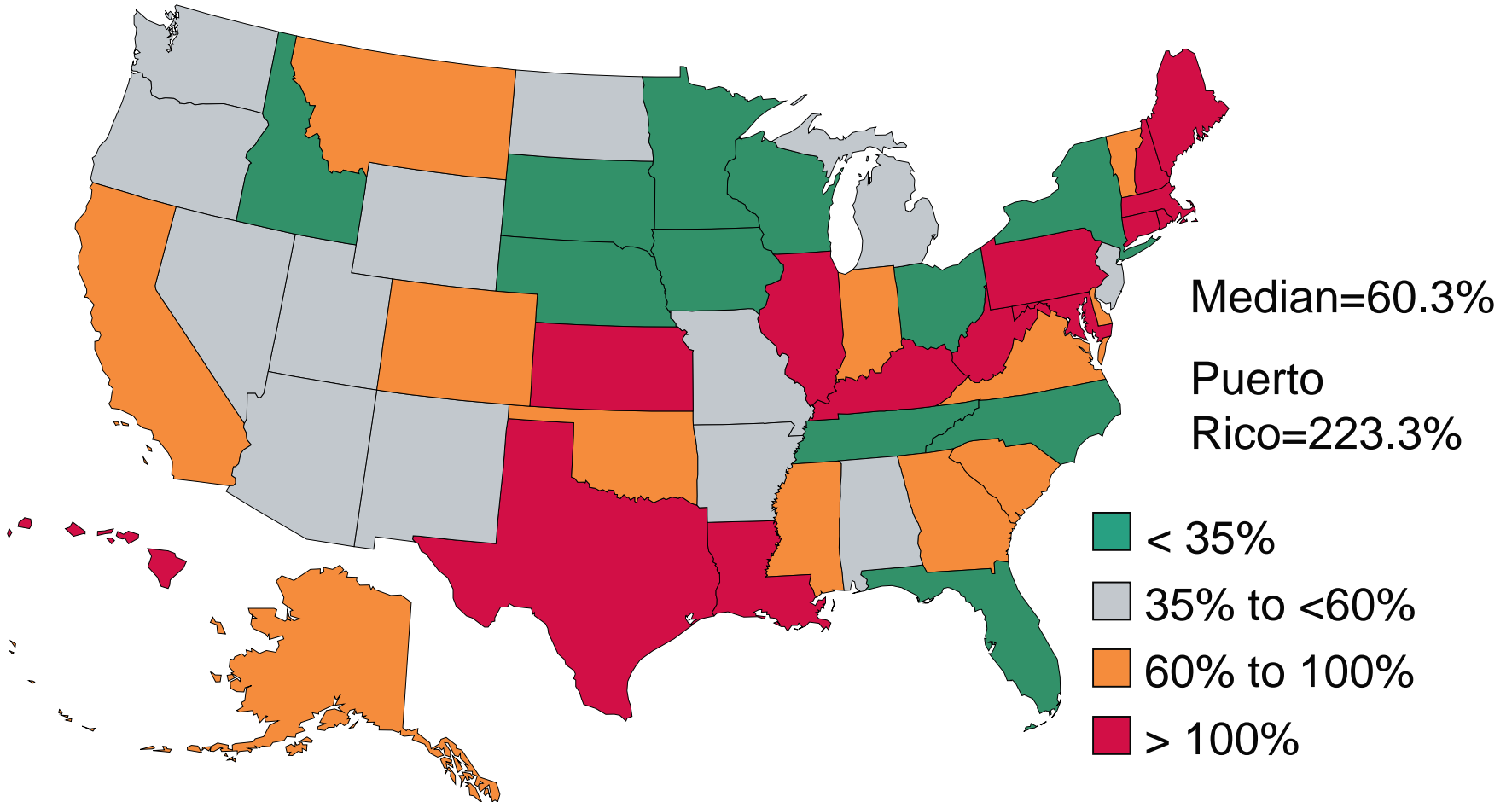
Rainy day fund balances as % of expenditures, budgeted FY16



Sources: NASBO, Moody's Analytics

Pensions Require Still More Attention...

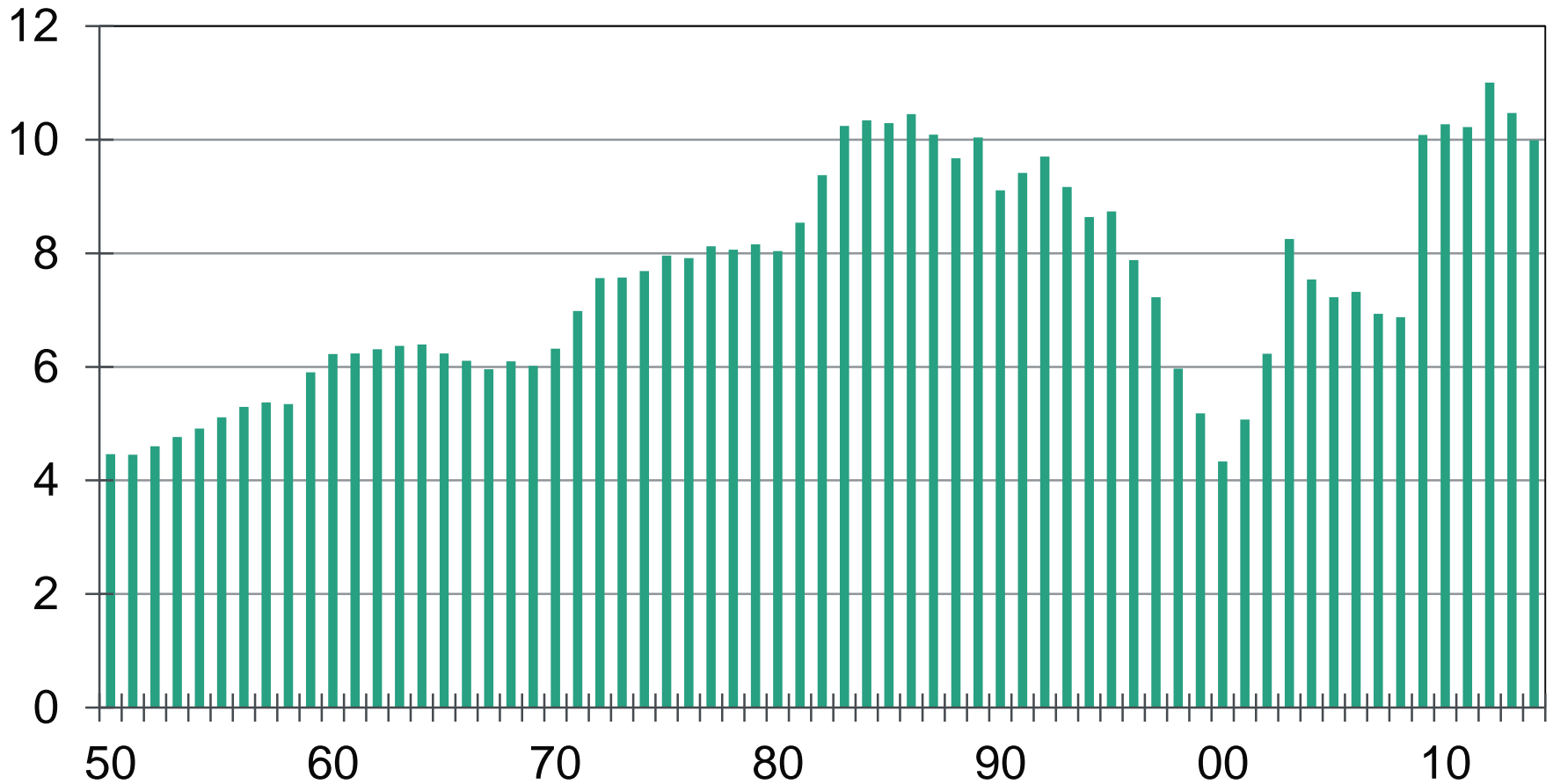
ANPL as a % of state governmental revenues, FY 2013



Sources: Moody's Investor Services, Moody's Analytics

...And Will Take Up More of Budgets

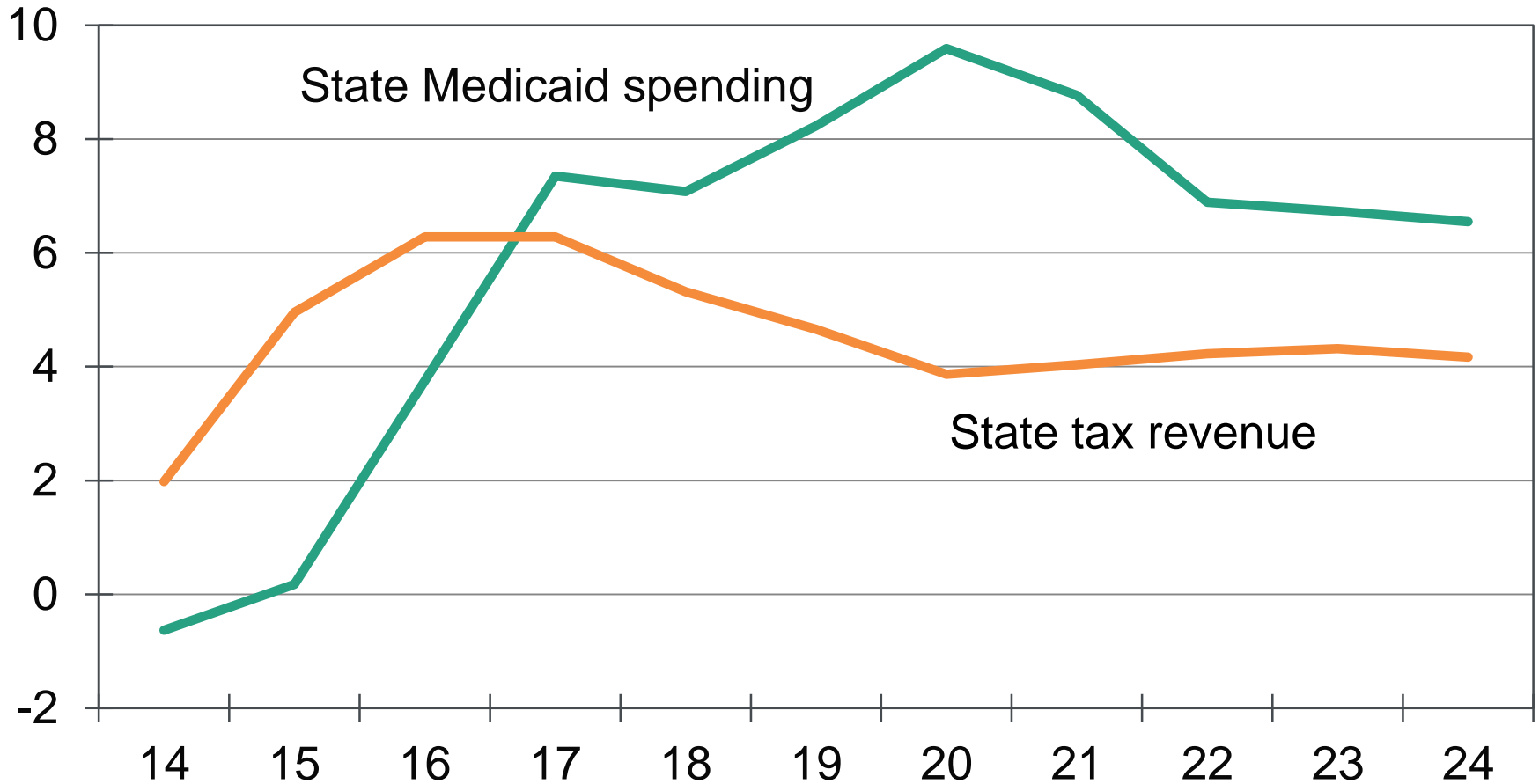
State & local govt interest payments as a % of total spending



Sources: BEA, Moody's Analytics

Medicaid Will Outpace Revenues...

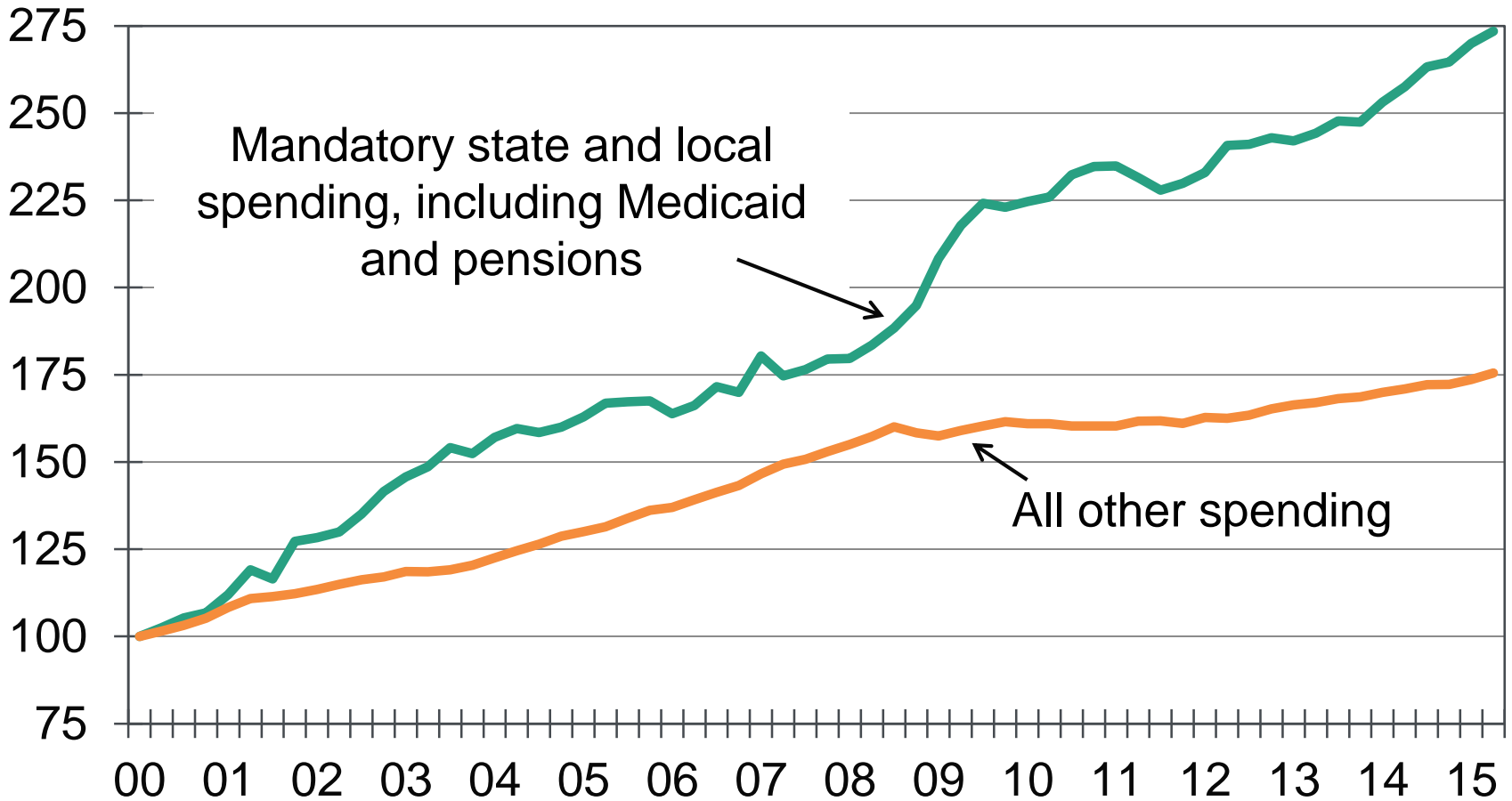
% change yr ago, Jul-Jun fiscal yr



Sources: CMS, Census Bureau, Moody's Analytics

...Crowding Out Other Spending..

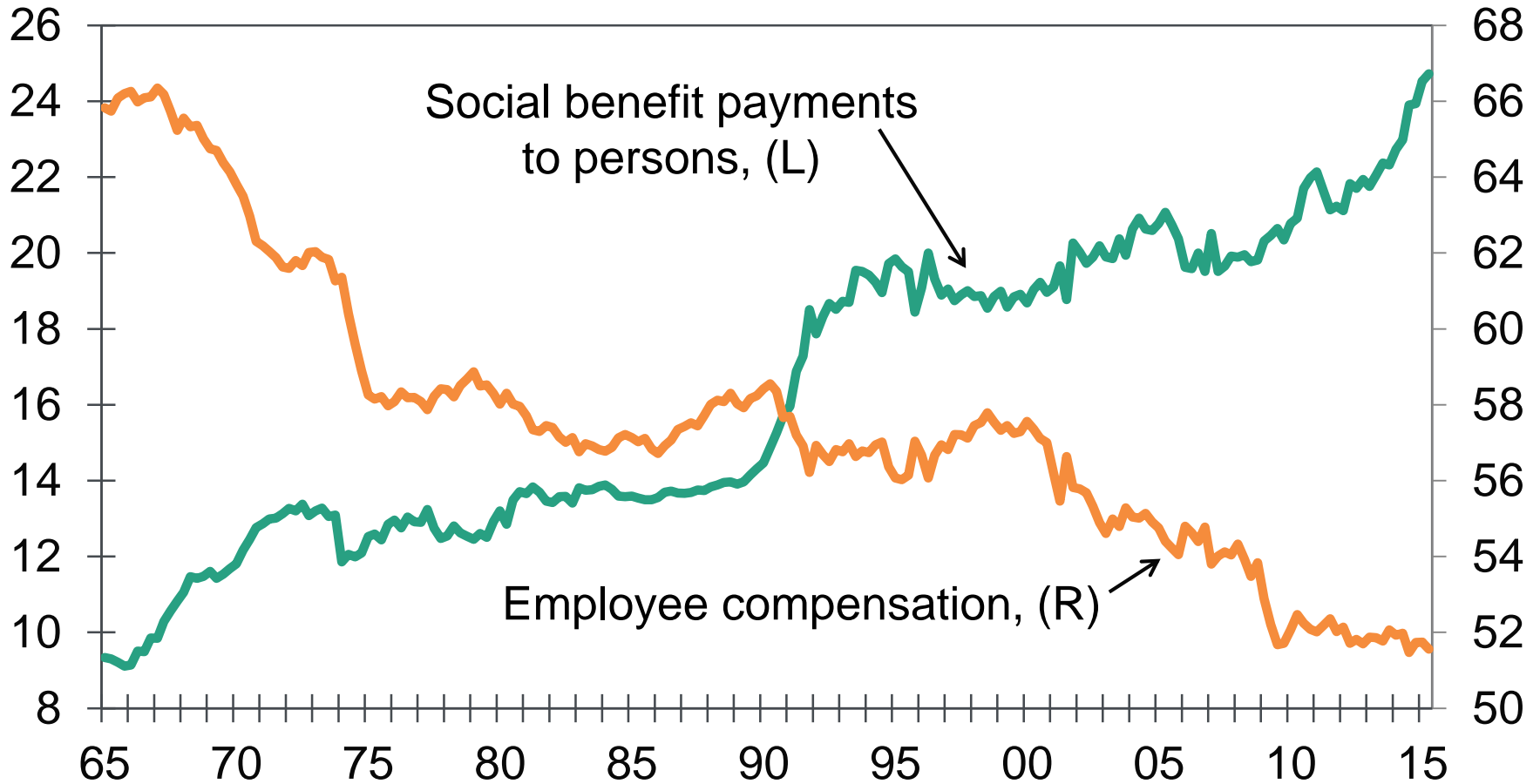
Nominal, 2000Q1=100



Sources: BEA, Moody's Analytics

...Including Hiring, Raises

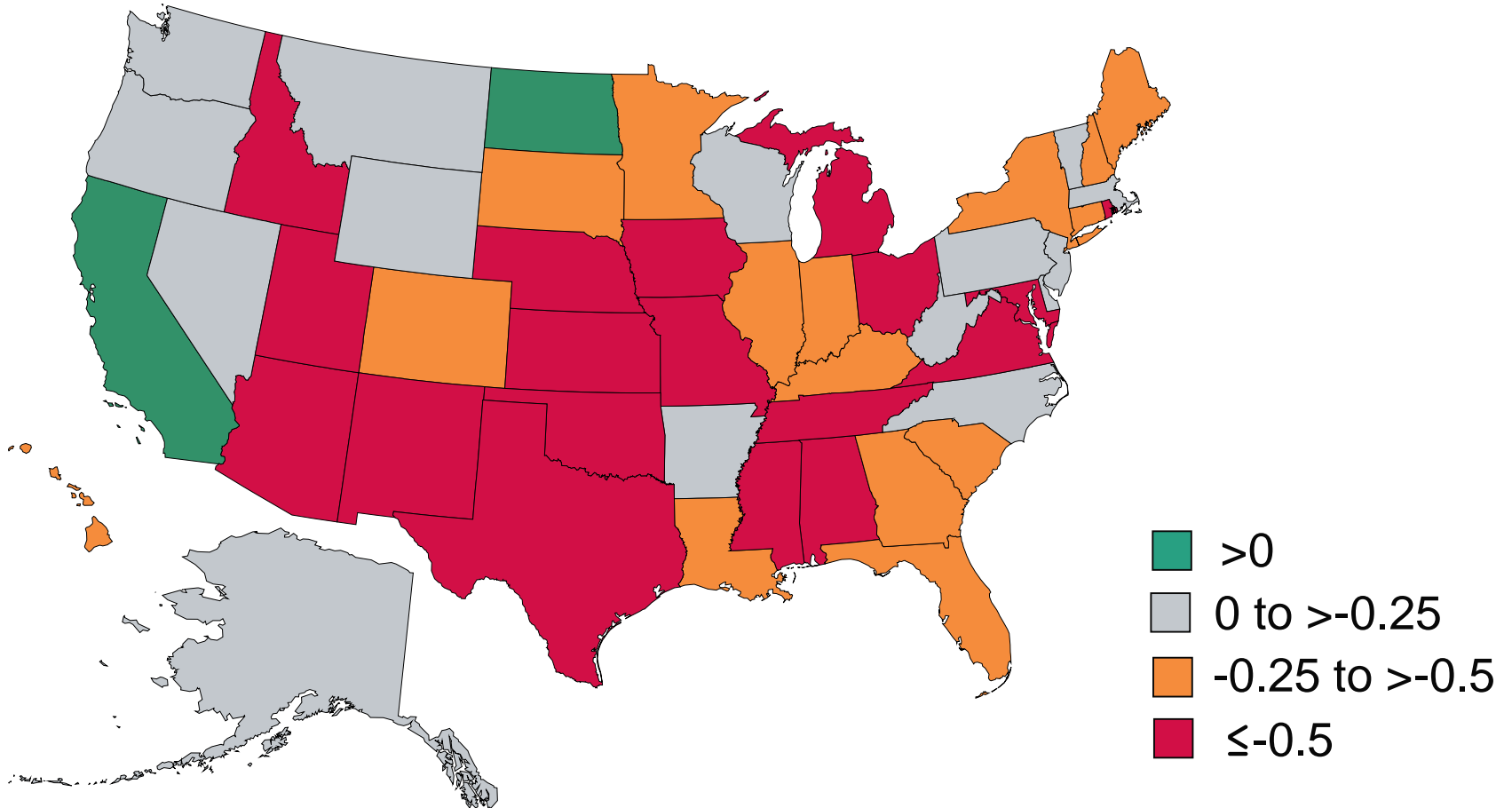
Share of current state and local government expenditures, %



Sources: BEA, Moody's Analytics

Gains Will Remain Exception, Not Rule

Higher education share of tot. spending, ppt change FY14-FY24



Sources: NASBO, Moody's Analytics

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