

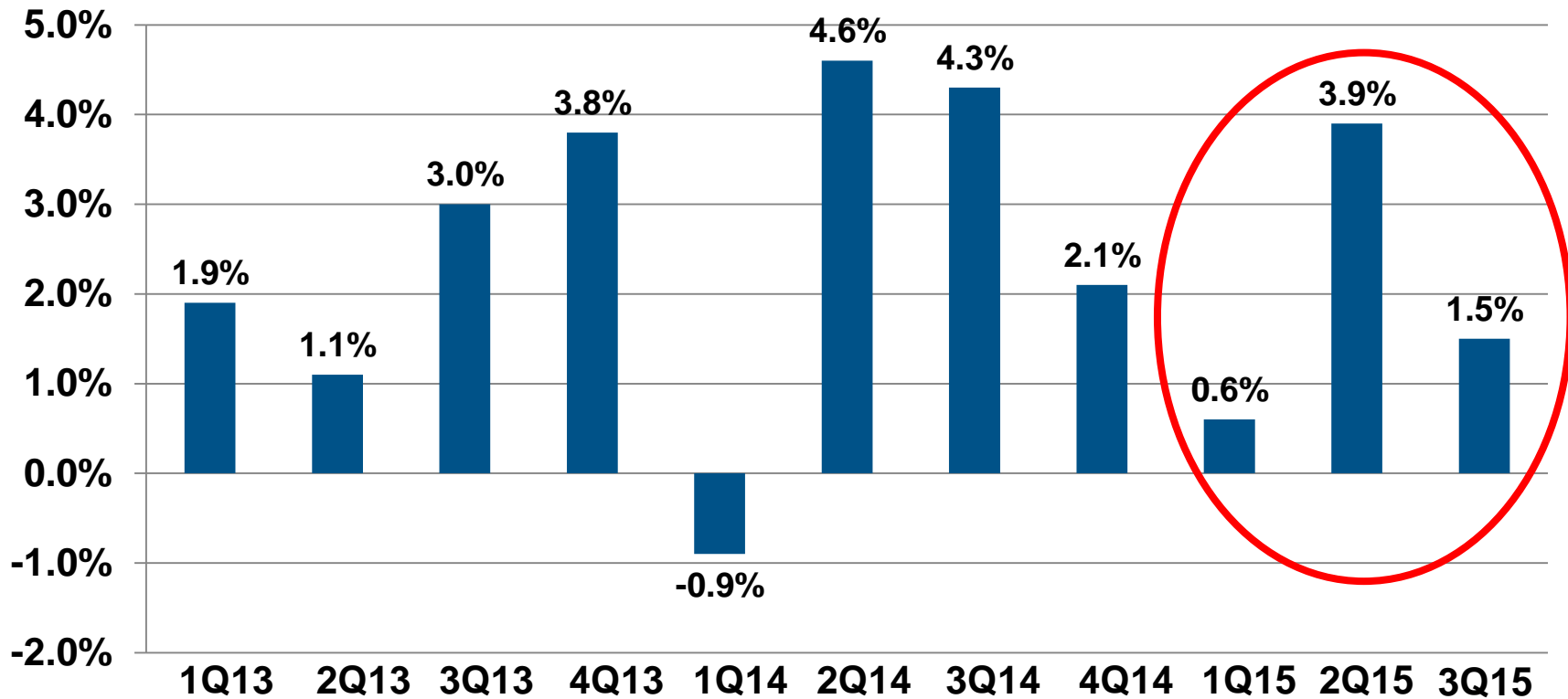


# Infrastructure and the U.S. Rural Economy

Mary McBride  
President  
November 5, 2015

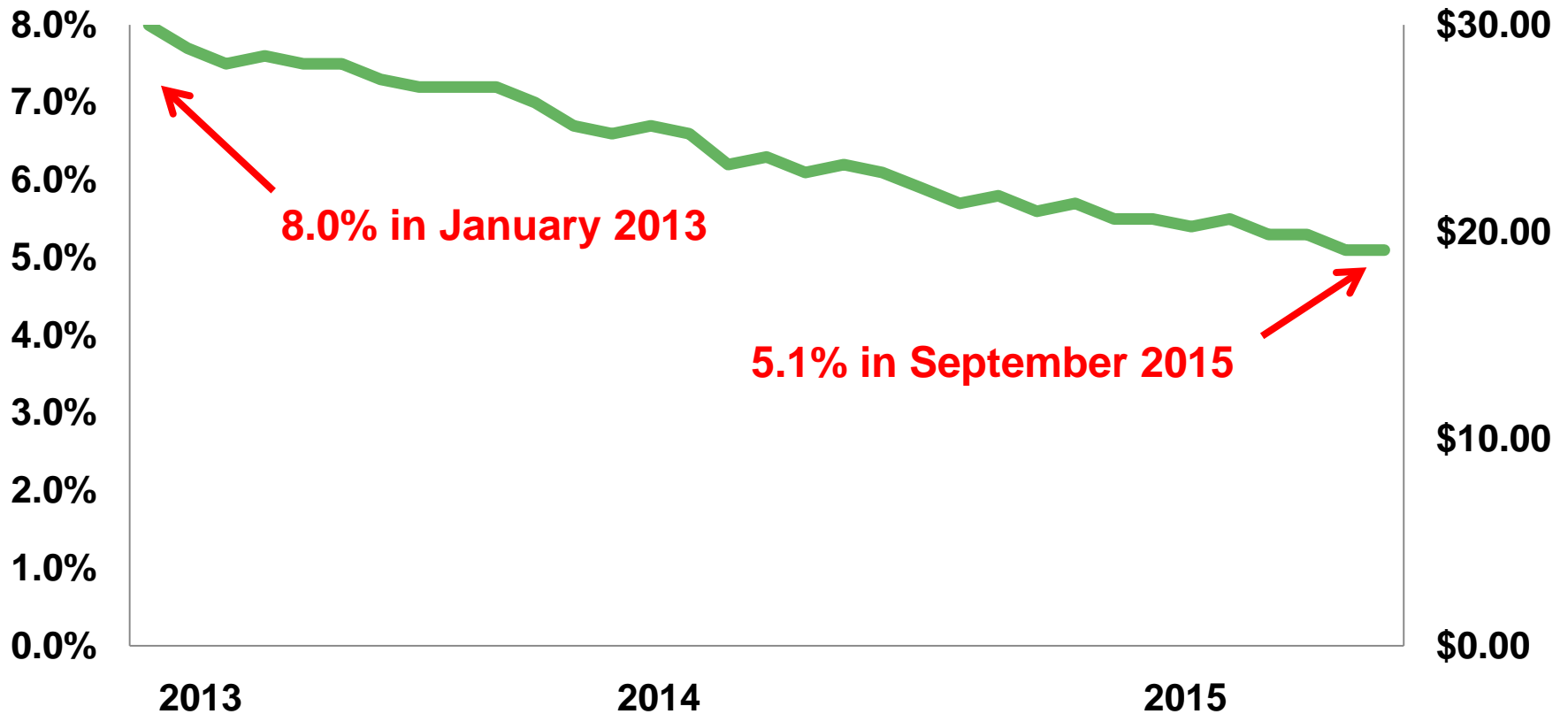
# The U.S. Economy: Uneven Growth

## Annualized GDP Growth Rate (1/13 – present)



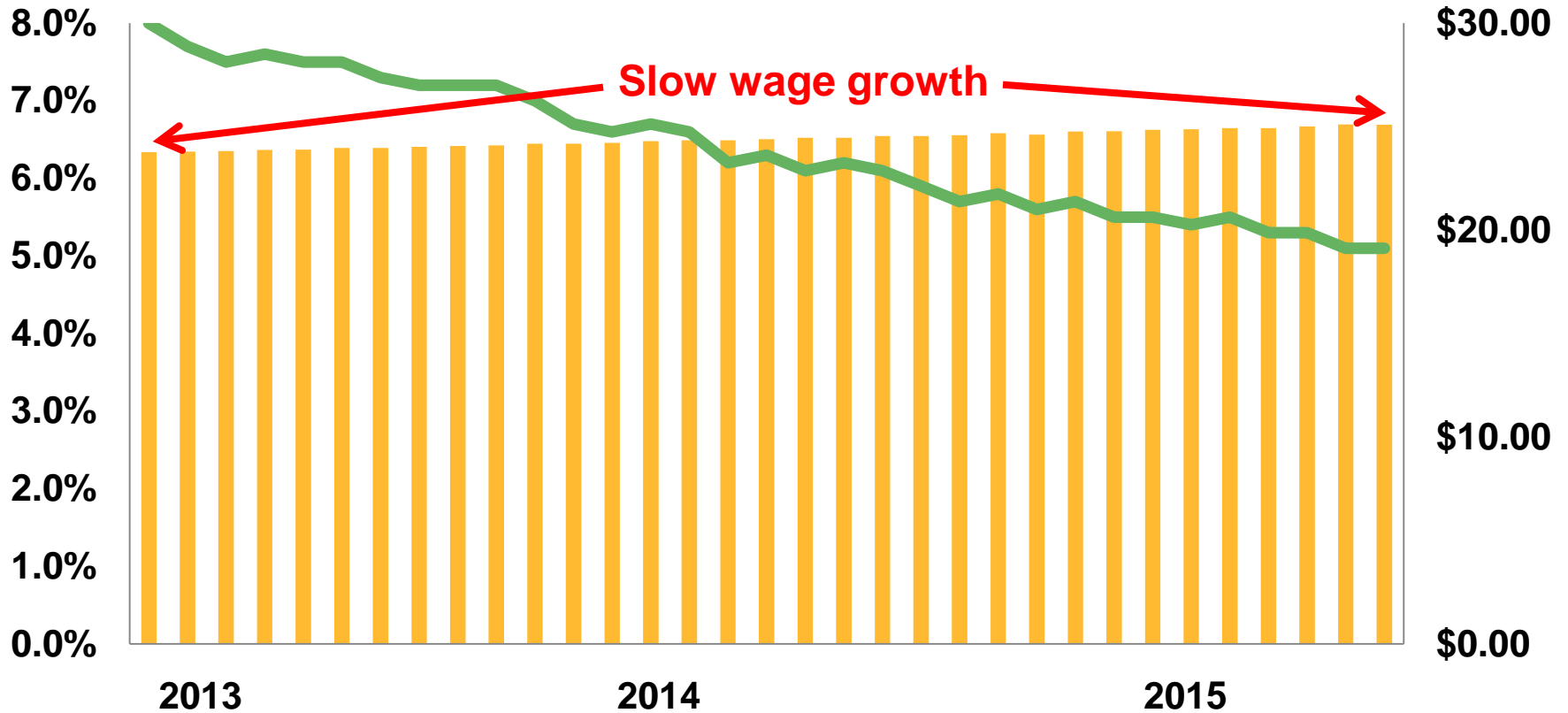
# The U.S. Economy: Jobs

## Unemployment & Hourly Wages (1/13 – present)



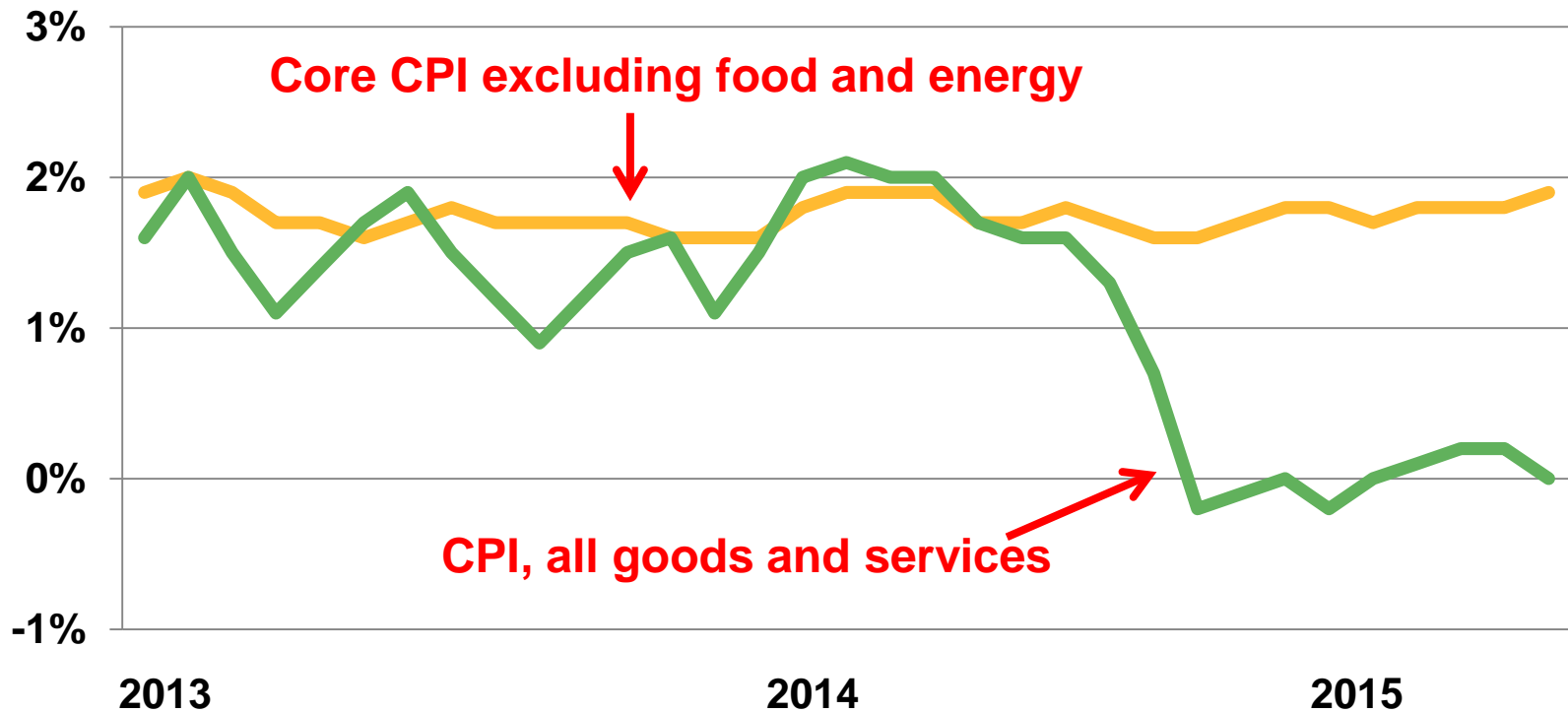
# The U.S. Economy: Jobs

## Unemployment & Hourly Wages (1/13 – present)



# The U.S. Economy: Inflation

## Consumer Price Index (1/13 – present)



# THE WALL STREET JOURNAL.

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## Fed Delays Rate Liftoff

By JON HILSENRATH

The Federal Reserve left short-term interest rates unchanged after weeks of market-churning debate, putting off a historic move to end an era of ultra-cheap credit amid worries about weak growth overseas.

While central-bank officials don't believe recent global economic and market turbulence will throw the U.S. economy off track, they want to be sure before they push rates higher.

"In light of the developments that we have seen and the impacts on financial markets, we want to take a little bit more time to evaluate the likely impacts on the United

States," Fed Chairwoman Janet Yellen said Thursday at a press conference following a two-day policy meeting.

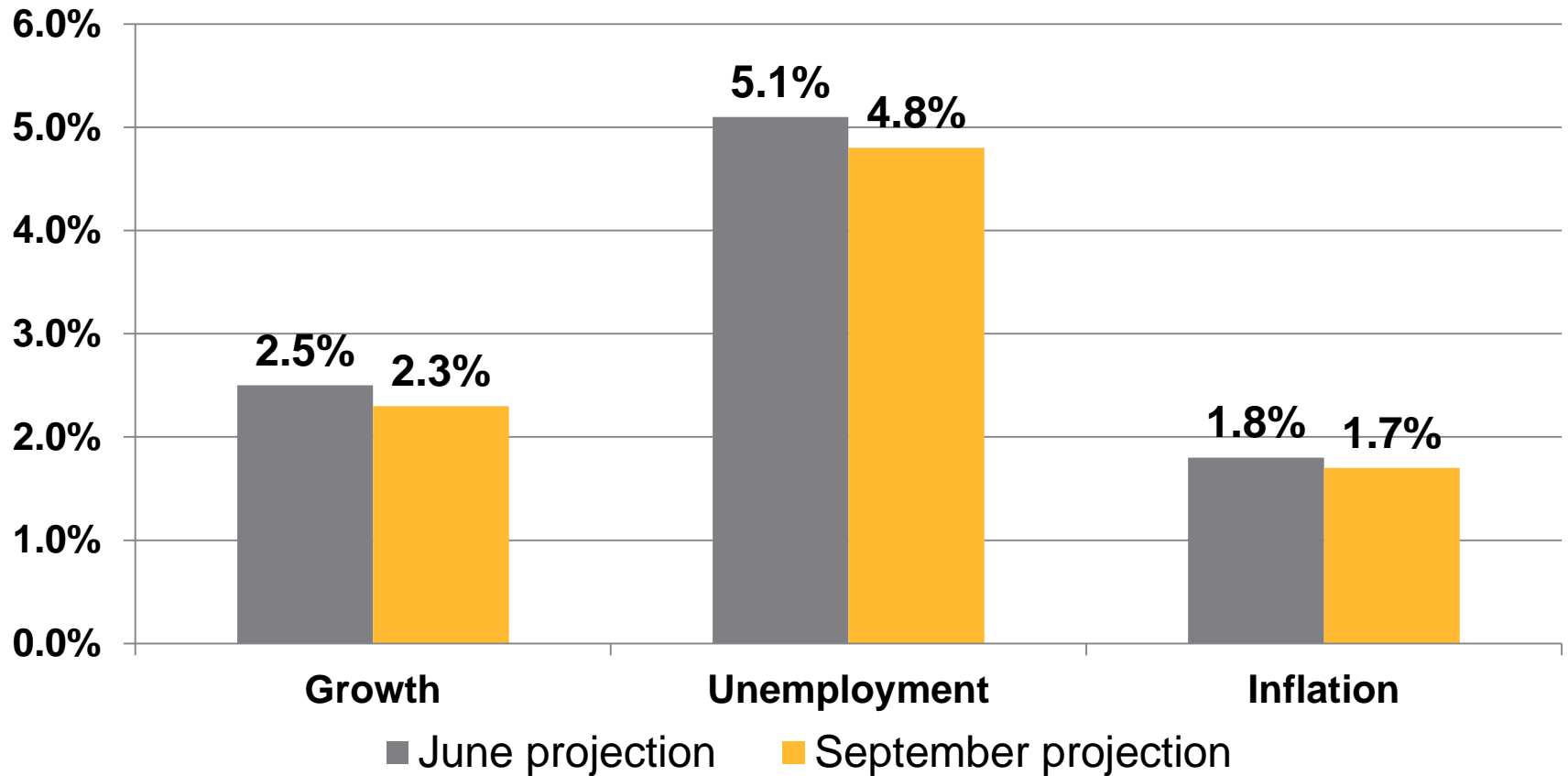
The decision left uncertain for a while longer just when the Fed would raise its benchmark rate, which has been near zero since December 2008. Most of the policy makers at the meeting, 13 of 17, indicated they still expect to move this year, but that was down from the 15 who held that view in June. The central bank has two more scheduled policy meetings this year, in late October and mid-December.

U.S. stock markets gyrated after the Fed announcement.

*Please see RATES page A2*

# Revised Projections

## Fed Projections For 2016 – June vs. September



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## Rethinking the Overhead Bin

TRAVEL | A7



## Putin to Obama: Welcome to the 19th Century

OPINION | A11

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### What's News

Business & Finance

China reported signs of a slowdown, heightening concerns that emerging-market woes are spreading to developed economies. **A1**

◆ Goldman's role in transactions at a troubled Malaysia fund is being examined by U.S. investigators. **A1**

# Emerging-Market Woes Spread

### Wealthy nations start to see more risk than reward amid weakness in developing countries

By ANJANI TRIVEDI

New weakness emerged in China's economy, heightening concerns that the woes of developing economies are ricocheting back to advanced ones and hurting the fragile recovery.

Beijing on Wednesday reported that consumer prices slowed more than expected in September, reflecting weak domestic demand, a day after it said imports fell by one-fifth that same month. And Singapore, whose export-dependent economy is a bellwether for Asia's health, said it narrowly avoided a recession, as its central bank on Wednesday took action to spur its economy for the second time this year.

For years, emerging markets propped up global growth as their developed counterparts stalled. Now, a deepening slowdown in China and other developing markets is upending that scenario. Central bankers from the U.S. to Japan now point to the emerging world as a risk rather than a cushion.

"It's clear that the slowdown in emerging markets is having an impact on developed markets," said Adam

Slater, a senior economist at Oxford Economics in London. "Emerging markets have been a very positive force for world growth over most of the last 10 years, and now the big contribution is dropping away."

New evidence is emerging that developing countries are buying fewer capital goods and higher-end products from richer countries.

In addition to China's announcement that its consumer-price index rose just

1.6% in September from the year-earlier period, Indonesia, Southeast Asia's largest economy, imported 16% fewer goods for its factories in the year through August.

Such grim data are reflected in the eurozone, which on Wednesday blamed a fall in industrial output in August on large developing economies such as China; in Germany, which this month announced a surprise fall in manufacturing

*Please see WOES page A4*



## Limited Control?

“The state of the economy, not the Fed, is the ultimate determinant of the sustainable level of real returns.”

- Ben Bernanke



# An Uncertain Outlook



# Headwinds For Rural America

- Lower commodity prices hurting U.S. farm incomes
- Stronger dollar makes U.S. ag exports less competitive
- Slower economic growth in China will impact U.S. ag exports
- “Oil patch” states hit by decline in oil prices
- Political paralysis in Washington, D.C.

# The Importance of Infrastructure



## CoBank's Role

- \$18 billion rural infrastructure portfolio
- Community facilities initiative
- Equity funds focused on rural community development
- Public-private partnerships promoting infrastructure investment
- Corporate social responsibility programs



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