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ecession— previously that which could not be named—can now be invoked with authority since the National Bureau of Research announced on Dec. 1 that the U.S. economy has been in one for about a year. Not surprising to about 96 % of the more than 550 senior financial executives responding to *Treasury & Risk's Biannual Economic Survey*, who agreed with

that assessment. While confidence in the U.S. economy is at an all-time low, respondents are a little more—not a lot—hopeful about economic conditions a year from now. At least inflation fears have abated as well as the worry that oil would hang at over \$100 a barrel for the rest of 2008 and into 2009.

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## Spirits Are Low, But



*Treasury  
& Risk's  
2009 Biannual  
Economic Survey*

**78% do not believe the \$700 billion federal bailout will eventually end the financial crisis and 82% say more federal intervention will be needed.**

### HOW CONFIDENT ARE YOU ABOUT THE STATE OF THE U.S. ECONOMY: (1=very pessimistic; 10 very confident)

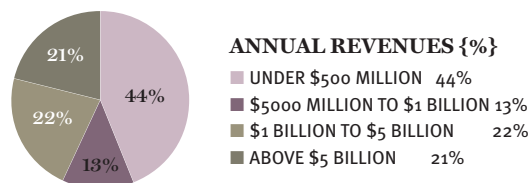
**Over the next six months: 3.67**

6/08	4.29
12/07	5.06

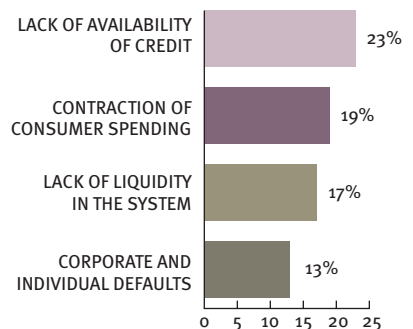
**Over the next 12 months: 4.46**

6/08	4.88
12/07	5.52

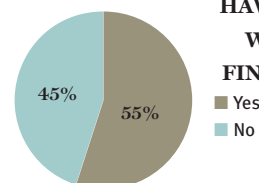
**37% see the recession lasting more than 12 months, while 25% say the recession will linger for more than 18 months and 17% for two years.**



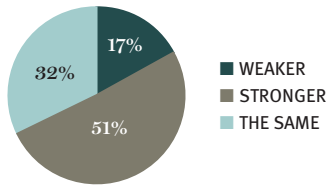
### THE FOUR BIGGEST THREATS TO ECONOMIC GROWTH IN THE NEXT 12 MONTHS {%}:



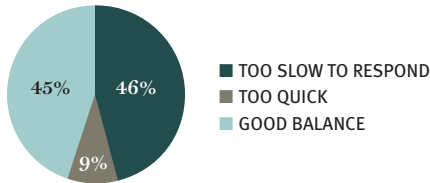
### HAVE WE SEEN THE WORST OF THE FINANCIAL CRISIS?



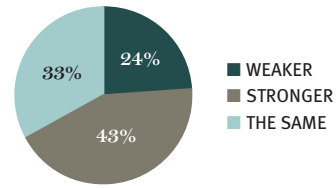
**DO YOU EXPECT THE DOLLAR TO BE STRONGER OR WEAKER AGAINST THE EURO OVER THE NEXT 12 MONTHS {%}?**



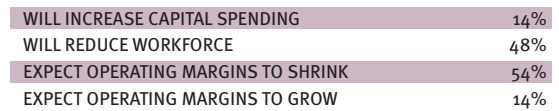
**HAS THE FED RESPONDED ADEQUATELY TO THE ECONOMIC DOWNTURN{%}?**



**DO YOU EXPECT THE DOLLAR TO BE STRONGER OR WEAKER AGAINST THE YEN OVER THE NEXT 12 MONTHS {%}?**



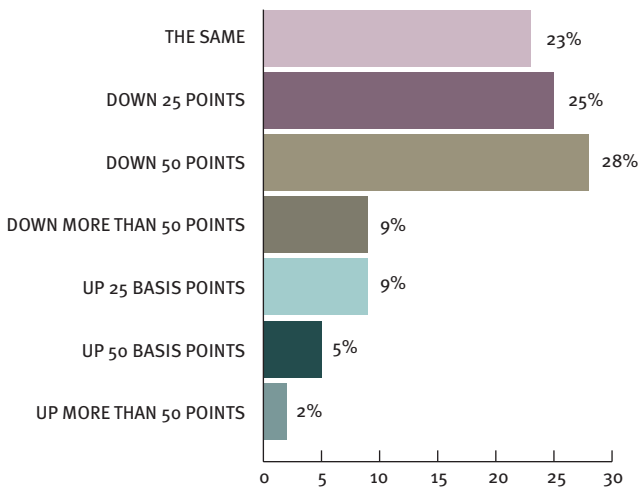
**THE CORPORATE VIEW OVER THE NEXT 12 MONTHS {%}:**



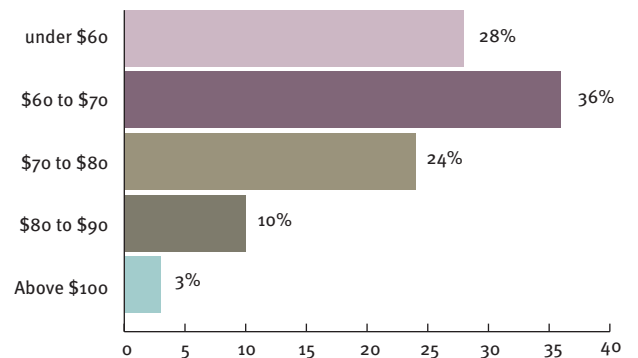
# Hope Springs Eternal

**46% expect that their companies' 2008 annual revenues to fall short of 2007 and 70% expect the global slowdown to affect their performance.**

**EXPECTATIONS FOR FED FUND RATE 12 MONTHS FROM NOW {%}:**



**THE AVERAGE PRICE OF A BARREL OF BENCHMARK LIGHT CRUDE OVER THE NEXT YEAR WILL BE {%}:**



**32% say they are not at all concerned about inflation over the next 12 months, and 40% expect energy prices to remain the same.**