Consumer and Business Confidence

Consumer Sentiment

National Federation of Independent Businesses (NFIB) Optimism Index

URC May 2020
### US Real GDP: Annualized Quarterly Growth

<table>
<thead>
<tr>
<th>Quarter</th>
<th>2019Q1</th>
<th>2019Q2</th>
<th>2019Q3</th>
<th>2019Q4</th>
<th>2020Q1</th>
<th>2020Q2</th>
<th>2020Q3</th>
<th>2020Q4</th>
<th>2021Q1</th>
<th>2021Q2</th>
<th>2021Q3</th>
<th>2021Q4</th>
<th>2022Q1</th>
<th>2022Q2</th>
<th>2022Q3</th>
<th>2022Q4</th>
</tr>
</thead>
<tbody>
<tr>
<td>Growth</td>
<td>3.1%</td>
<td>2.0%</td>
<td>2.1%</td>
<td>2.1%</td>
<td>-4.8%</td>
<td>-36.5%</td>
<td>6.1%</td>
<td>9.4%</td>
<td>12.2%</td>
<td>9.4%</td>
<td>5.8%</td>
<td>3.9%</td>
<td>3.8%</td>
<td>4.4%</td>
<td>4.6%</td>
<td>4.2%</td>
</tr>
</tbody>
</table>

URC May 2020
US Real GDP

URC May 2020
Comparing Recessions, 2008 vs. 2020
Quarterly Real GDP Indexed to Last Quarter of Growth

Q-0 is last quarter of growth before recession

URC May 2020
US Real GDP: Annual Growth
The # of jobs fell by over 20 million in April
Employment: Annualized Quarterly Growth

-55.3% -9.8% 0.8% 12.4% 19.3% 15.4% 10.2% 7.1% 6.1% 6.2% 6.0% 5.2%

2019Q1 2019Q2 2019Q3 2019Q4 2020Q1 2020Q2 2020Q3 2020Q4 2021Q1 2021Q2 2021Q3 2021Q4 2022Q1 2022Q2 2022Q3 2022Q4

URC May 2020 8
Brent Oil Spot Price Per Barrel

[Graph showing the price of Brent Oil from 2010Q1 to 2024Q3, with notable drops and increases, including prices of $20.06 and $63.38.]
MS Real GDP
Historical GDP in MS
Historical Annual Growth of MS Real GDP

-10.0% -8.0% -6.0% -4.0% -2.0% 0.0% 2.0% 4.0% 6.0% 8.0%


URC May 2020
Preliminary Data show a decline of 117 thousand jobs in April
Weekly Unemployment Claims in 2020

- Highest Initial Claims from “Great Recession” was 9,420
- Highest Continued Claims from “Great Recession” was 49,935
MS Unemployment Rate

<table>
<thead>
<tr>
<th>Quarter</th>
<th>2019Q4</th>
<th>2020Q1</th>
<th>2020Q2</th>
<th>2020Q3</th>
<th>2020Q4</th>
<th>2021Q1</th>
<th>2021Q2</th>
<th>2021Q3</th>
<th>2021Q4</th>
<th>2022Q1</th>
<th>2022Q2</th>
</tr>
</thead>
<tbody>
<tr>
<td>Unemployment Rate</td>
<td>5.6%</td>
<td>5.4%</td>
<td>18.7%</td>
<td>19.8%</td>
<td>18.7%</td>
<td>16.9%</td>
<td>15.4%</td>
<td>14.3%</td>
<td>13.5%</td>
<td>12.7%</td>
<td>11.6%</td>
</tr>
</tbody>
</table>
MS General Fund
with Current URC Projections

FY 2020 Estimate represents a decline of $864.4 Million below November Estimate.
FY 2021 Estimate represents a decline of $367.1 Million below November Estimate.
These estimates reflect a shift of $436 million from FY 2020 to FY 2021 due to change in filing dates.
Final Comments

• Income supported by unprecedented federal transfer payments (stimulus and additional unemployment claims)

• Projections always include assumptions about unknowns
  Current level of unknowns are elevated
  Assumptions for current situation can change dramatically with new information
  Useful revenue data is limited – April Revenue report reveals very little

• Expect basic story to remain the same – Short Recession, Long Recovery
  • deepest hit in 2020Q2
  • conditions begin to improve in Q3 as economy restarts; a relative short recession
  • Recovery continues into Q4 and through 2021-22
  • Depth of recession means prolonged period before full recovery
  • MS follows similar pattern but is slower to fully recover; possibly 2023