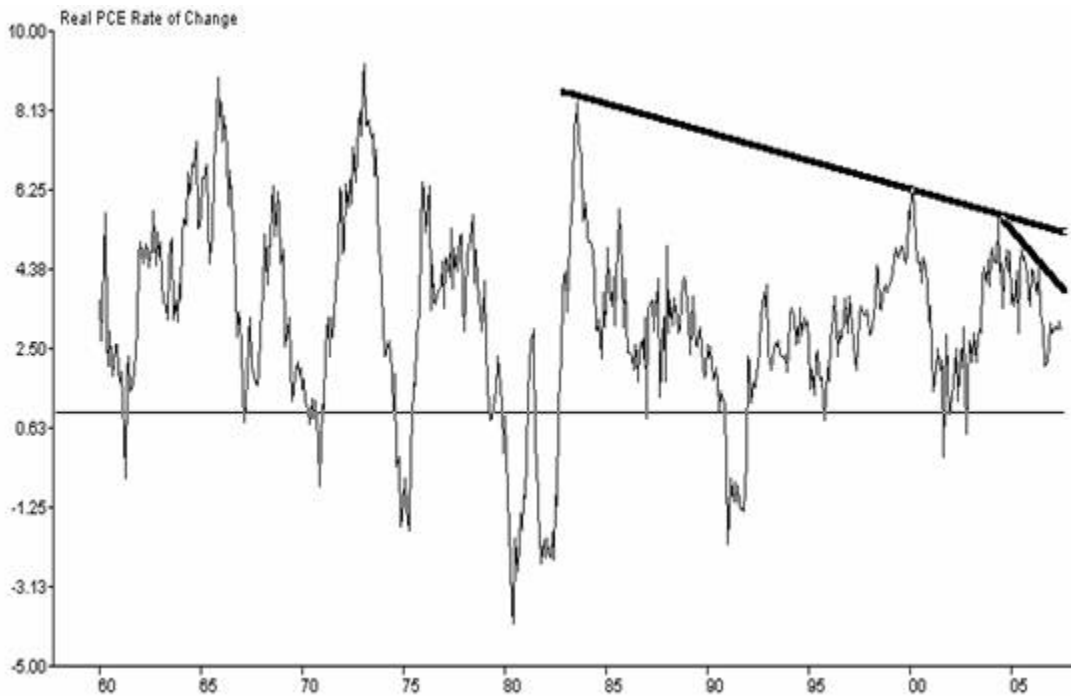


A REVEALING ECONOMIC TREND WEB BUZZ 09.24.2007

Although it's not making headlines during this period of concern over a powerful credit crunch, the following chart clearly indicates a long-term trend, which—if continued unchecked—will certainly lead to recession. We have observed that personal consumption expenditures are definitely trending downward, and have been for some time; this behavior now seems to be accelerating.

There are, of course, other considerations when viewing this trend. The baby boomers are probably past their high spending years; but if that is the case, why are they not saving more? Also, as the economy becomes larger, percentage increases become more difficult to obtain. The grim truth of the matter is that the consumer is under financial pressure, and that just isn't conducive to GDP growth.



Above: The Annual Rate of Change on the index of Personal Consumption Expenditures