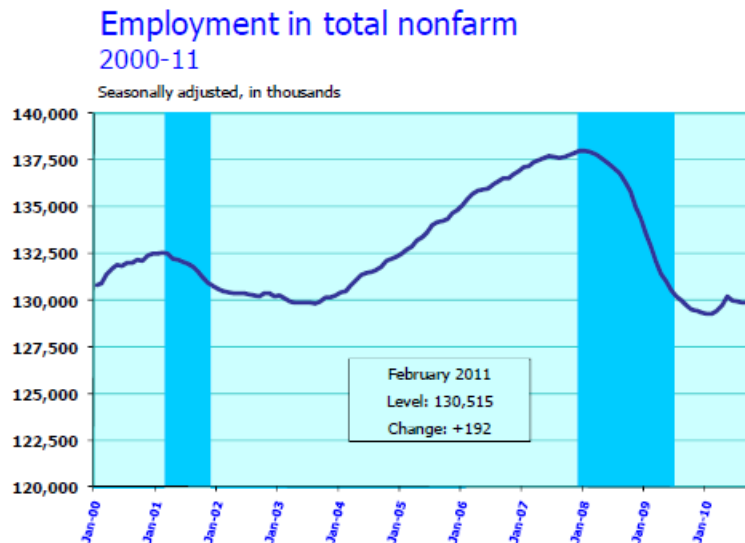


# THE SAME OLD STORY

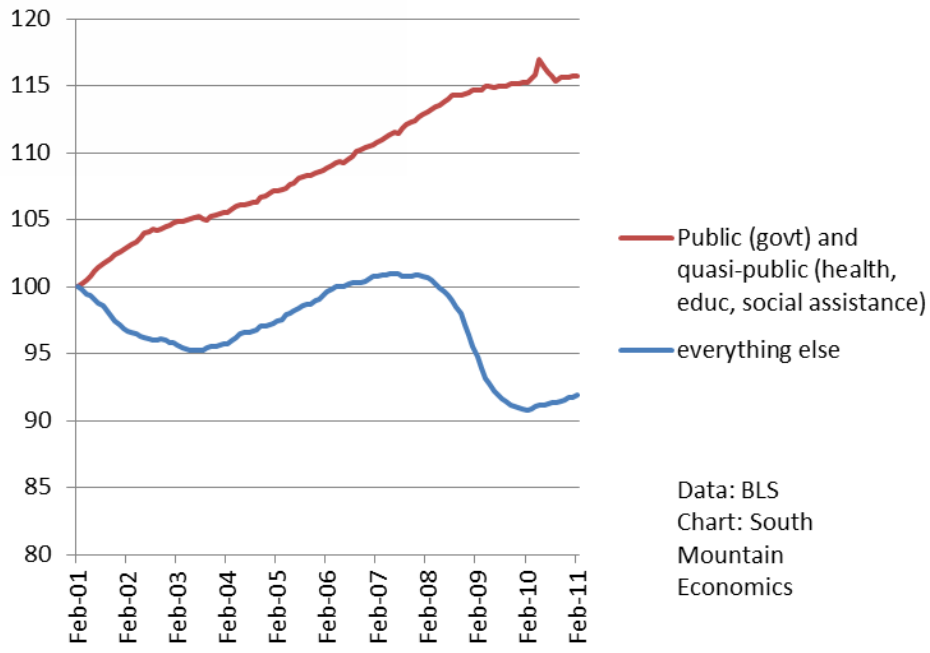
## WEB BUZZ 2011.03.28

The current economic picture reminds us of the 2005-2007 period when we followed with regularity the Z.1 Federal Reserve flow of funds data, which as a matter of fact we still do. The report revealed the huge increase in debt that took place during the decade of the 2000s. We opined, daily it seemed, our fear of this economy becoming over-burdened. “Are we the only ones that are worried about debt?” was our insistent message.

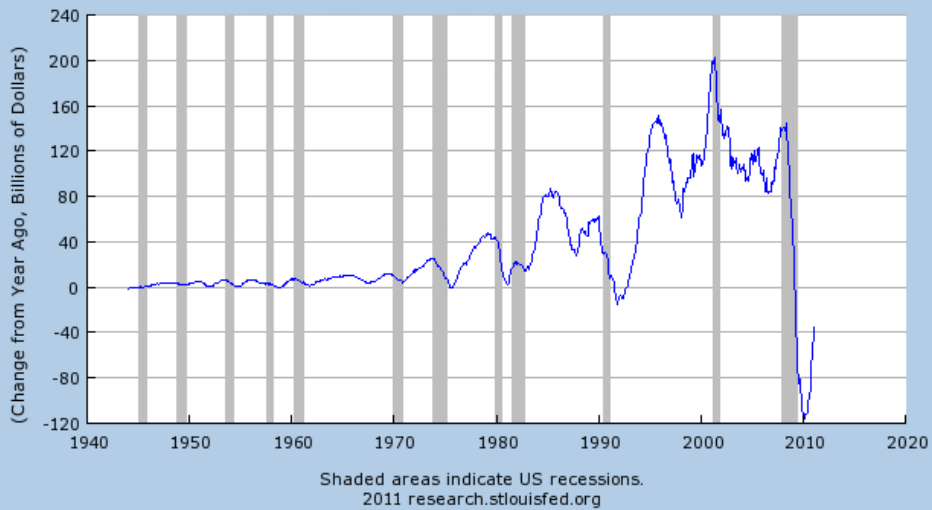
The same is true today, only the call has become, “Are we the only ones that do not see an economic recovery?” Note the following charts.

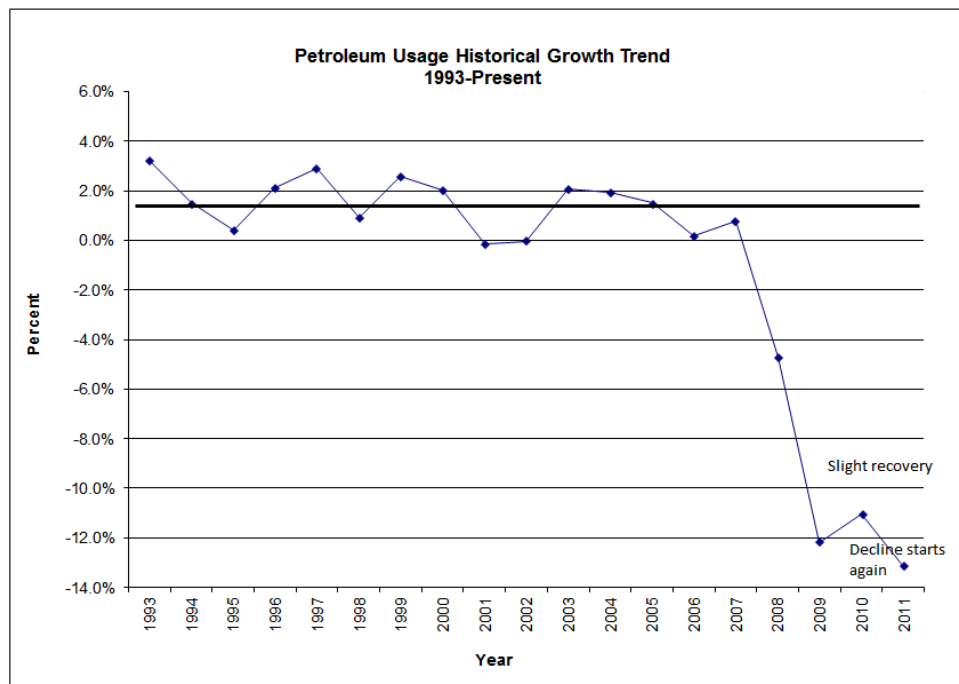
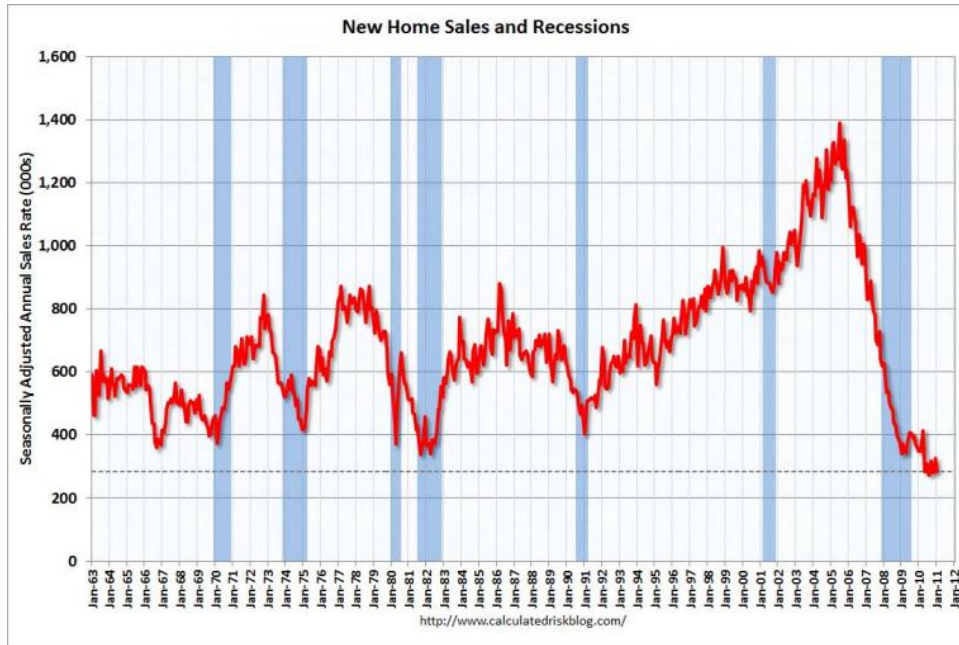


## Jobs: Public and Quasi-Public vs Everything Else (Feb01=100)



Total Consumer Credit Outstanding (TOTALSL)  
Source: Board of Governors of the Federal Reserve System





Charts Adapted from Mish's Global Economic Trend Analysis

Does this look like a recovery? We don't think so. GDP is an all-inclusive number that has many parts. Some of those parts do not help the economy. For example, does the amount spent on lawyers to fight the IRS create any wealth?

Does the amount spent by the federal government suing the state of Arizona make your life any better? You know the answer, and that's the problem.