

Testing captions. Testing captions.

(Multiple speakers)

CYRUS CALLUM:

Good morning everyone. I love all of this networking taking place, this is fantastic! I just have a few housekeeping items before we get the program started. If everybody could please turn off your cell phones or put on vibrate.

Bathrooms are to your left on the side to the right. Great To see everyone this morning, this cloudy morning I'm starting to wonder if we are in a Pacific Northwest with the type of week we are having, what happened to sunny Florida this is still the happiest place on earth. Today's event is being live streamed live captioned to view life captioning please go to FloridaBusiness.org in the media center and look for closed captioning.

There are question cards at each table for our Q&A session. Please fill them out and staff will come to you and read off the question. At this time, please rise for the Pledge of Allegiance.

I pledge allegiance to the flag of the United States of America and to the Republic for which it stands, one Nation under God, indivisible, with liberty and justice for all.

Thank you, I'd like to take a moment to recognize some of our guests in the room in alphabetical order. Matt Reinhart, Volusia County Council Member, Monica Paris Daytona Beach Commissioner, Richard Bryan, Nick T Miller, Jodylee Storozuk, Debbie Dolbow, Lisa Stafford, Alex Tamsin, Don Burnette, Brandon Frey.

Now I would like to thank our sponsor Jason Miller, CEO's billing.

JAYSON MEYER:

Good morning everyone I am the founder and CEO of Synergy Billing but I'm also the founder of the Fountainhead campus in Holly Hill Florida. I have something to share with you briefly this morning but before I do I would like to use a few guests joining us out of town. Is my dad Mike Meyer, the chief financial officer within our company. Jeanette who was the Executive Vice President at Synergy Billing and Bobby (unknown name) the executive regional director for old age pes, partner we are announcing us -- announcing here today because of the visage is accompanied by the senior medical director of gold base, Doctor Glenn Myers.

Also pleased to welcome at her table (unknown name) and Jeff Bowman executive leadership at (unknown name) health. Many of you have visited us at the Fountainhead campus located at 1200 synergy Way (Indiscernible) Florida.

There's a few other things going on in Fountainhead campus and sometimes it takes a little while reality to catch up with vision. Where finally getting married we are to announce that Bold Age Pace is making headquarters in County and had campus and taking services available to low-income seniors that is occupied over 25,000 ft.² of space at the Fountainhead give us. For those of you who do not know this campus is a mixed-use project that is focused in XP billing, and other innovative companies like my company Meyer Corp. and technology company that plans to make health available right here in the Fountainhead campus. Bringing bold age pays into the project is one of those components as well as dating with Azta health, although we are not officially ready to announce that yet but they are sitting under tables are clearly we are close to the discussions.

We are pleased to make this announcement today presently a 23 acre mixed-use development of Synergy Billing, many of you may know Jim Cameron consulting and Lisa have some space there as well. Presently we have just over 29,000 ft.² of space, for those who do not know this project is to be located where the Holly hill middle school was in many of you may have attended. I acquired this land for the city in 2017 and we have been redeveloping and building new construction in the not so distant future we will be adding 60,000 ft.² of new construction and a futuristic building that will give a facelift of that community and Holly Hill.

We are also acting another tenets which is a nonprofit vocational school for the trades that will exist at the Fountainhead campus. A quick preview of what we will be building right off of center avenue and LPGA in Holly Hill.

(Video plays)

(Music plays)

JAYSON MEYER:

I do not know about you but this makes Holly Hill look more like Hollywood. Things always take twice as long and cost twice as much money, the nature of the fact that my mentor's name was (unknown name), Randolph 2.5. So if we could work backwards (Away from mic). We are doing that welcome to the space to make services available next year for phase 1 and the second phase will be (Away from mic).

So I'm excited to be here sponsoring today to inform you all that the Fountainhead campus is much more than Synergy Billing and much bigger for our community than just a place of employment place to get healthy and heres to Volusia County, thank you all for being here today. So great to see so many faces I know.

(Applause)

CYRUS CALLUM:

Thank you so much Jayson. Let's get into the presentation in November is National entrepreneur once we thought it would be prudent for us to highlight and celebrate some of the innovators here in Volusia County.

Small businesses accounted for 62.7% of job creation since 1995. And also the 3% of the national gross domestic product, the thing I noticed about the pie chart is that millennial's are not as lazy as we thought. They make up 12% of some of the entrepreneurial businesses. Of course Generation X is 46%. And baby boomers are at 39%.

Looking at some the businesses that were formed in the county, 10,300 new businesses registered with the IRS in 2022. This is a 52% increase from pre-pandemic levels. It's estimated that 3500 of those are high propensity applications which is a high likelihood that these businesses have payroll, which is also 25% increase from 2019.

Looking at growth occurring with a number of business establishments in Volusia County, we are keeping line with that growth rate with the state of Florida. 14% increase from 2018 to 2022 compared with the state of Florida the 24% increase.

And our businesses in Volusia County incubator has 887 positions have been created since 2011, of those software as a service is contributing to the lion share of that portion. Professional services follow up with 241.

Looking at some of our commercial new construction building permits, for the third quarter approximately \$75 million in new ground up construction. The last four quarters averaged 45 permits for a total of \$490 million.

Included in that number of course we have the Costco going across the street here in Daytona. In a variety of these accounting or 38 million and multifamily apartments account for 24.8 million of those commercial construction permits.

Residential construction is doing a little bit better we had 996 permits for the year, or for the third quarter so far. Most recent four quarters is 3500, the value of \$1.3 billion. Looking at that for the same timeframe, it was \$1.3 billion with 4239 permits.

I want to go back and look at Ms Van Edgar's favorites like when she was in this role, looking at where we are in relation to everyone in the pandemic. Of course the unemployment rate is still at 3.4%,

available labor force is still at the highest levels indicating that people are moving into the community. This is a great segue to bring out a speaker that will give us a detailed outlook on what the labor market looks like as well as where we are with the economy.

I will bring up Doctor Jerry Parrish here but first I will give you some background about our speaker. Doctor Parrish is the chief economist at the Metro Atlanta Chamber. He was previously the director of state or local policy analysis at the Florida Institute of government at Florida State University. He is an adjunct professor in the Masters of applied economics program at Florida State as well.

He was previously the chief economist and director of research at the Florida Chamber Foundation. Before that he was the chief economist and director of the center of competitive Florida Florida tax watch. Prior to that he is the associate director of the Center for Economic Forecasting & Analysis at Florida State University. He has many many years of experience in the private sector and management roles at international manufacturing companies. With that let me bring up Doctor Jerry Parrish.

(Applause)

DR JERRY PARRISH:

Thank you. Well things I know I should probably stand here at the podium because of the live feed you guys are doing, so I will do that. Anyway I am glad to be here. It has been a while since I opened down to this part of the country. I was glad to see separate and finally, maybe too much for some of you guys.

But anyway I'm going to be back in Florida today. I have been up in the Metro Atlanta Chamber since August 1, full-time. I will tell you that I am still in Tallahassee most weekends I get the chance to go back down there. It has been fun, all of you fans know what I'm talking about. It has been a lot better here than what we have seen in quite a while, just exciting to be in the hunt for college football playoff championship, that's pretty special.

The mood in Tallahassee can bring to what it was a couple years ago, I will tell you is vastly different. Alright let's talk about the economy easier. I do not mind you guys interrupting me with questions along the way. If it's something I will talk about, I will tell you to hang on a few slides and I will talk about that.

Feel free to interrupt me. First let's compare how Florida has been compared to the US and let's see how this region has been doing dental Florida and the US both go. Everyone wants deceiver doing better or worse but there's an interesting a lot of efforts in economic development efforts have paid off down here. I want to remind you of you would have two print areas because all about. We have data

on pollution County, talk a lot about that. You were also part of a metropolitan statistical area which is the two county Volusia. When I say MSA I'm talking about the two counties but Blue Jays of course does this one.

Since COVID is a particular interest, we can look at it year to year but we can overlook things that have happened because maybe we had a good run after COVID had great growth is tapered off a little bit will go I will concentrate 2020 that will be OK because that was the right thing to do right now.

In another year or so we will go over the year-over-year books but I think it is too early. Let's look at Florida, Florida's jobs and how we recovered his estate. Who wants to guess that Florida is better than the US, raised her hand over that period of time. This should not surprise anyone. We certainly have.

I am a farmboy not discriminating against farm jobs with their very seasonal when we want to take out the seasonality, which this series does, we typically use nonfarm jobs. This includes government jobs but excludes the self employed in jobs. You can see we have a 9.5 million jobs now and we have 728,800 more jobs now that we did in February 2020 which is an 8.0% increase, you might want to guess what the US increase was at the time. 3%.

At his massive! That is a ton ton of jobs being built here in the state of Florida. Jeff is 18 months to get back to where it reported February 2020 which is about seven months quicker for the US average for that metric. Let's think about the MSA, the two county area. If you do better than the US? Did you do worse than the US? Did you do better than Florida? Who thinks you did better than the US euro job creation? Everybody agrees to look at Florida here 8.0%, how many people think MSA did better than Florida, one of the top states in the entire country? I see one hand, two.

Two of you are right, 8.8% which is massive. What does that tell me? That's a lot of effort and economic development. Certainly making your community are attractive for people to move down here, create jobs. I like this metric with small businesses which create basically on any given year about 60% of all new jobs being created here. We have a lot of entrepreneurs stuff happening here and I went congratulate yourself because that is pretty amazing. Unless the state average during the 2022 period but since the culvert recovered this is even higher than forward of most golf I want to look at a breakdown of where the jobs are I use a series called the quarterly Census of employment and wages. I do Volusia County versus Florida versus US.

Ureter percentage of private-sector jobs in these categories you might not see the numbers in the back. I sent Heather the slides if you want to hand them out to anybody that would request that that would be great. You can train them into a PDF if you cannot find before you do it, I have had people change my slides. I cannot sincerely like that.

(Laughter)

DR JERRY PARRISH:

Anyway what you can see here is one of the key things, manufacturing 7.1% versus Florida's 4.9, you know manufacturing I'm still the board of Florida make which is an extension service, on you have County agents for agriculture but we are the ages that increase manufacturing and make it more competitive your Florida. I look at those numbers and I will give you a percentage of jobs versus a percentage of wages here in a minute. That is very strong.

We are close to the average between Florida US, the higher number not gonna surprise you is leisure and hospitality which is 18% of jobs here. Even higher than Florida average but what's good about this is recovery. Have you heard of the term revenge travel? People being higher on leisure and hospitality is not a bad thing this has created a lot of jobs and income.

This drop shows you the same numbers in Florida but the percent of wages, you can see wages and hospitality is about 9.8% versus almost 18% of the jobs and here are the average annual wages. The track exactly but the average manufacturing job here is \$63,483, this is the end of 2022 as the annual average. A lot of strong opportunities here for financial activities and professional business services that are punching above their weights. Higher percentage of wages versus percentage of jobs.

A good economy down here and have been able to take advantage of a lot of what has happened since COVID has happened. I want to talk about our reception, do you think we believe in a recession right now? Hold your hand up I guess the others of you do not know. Well, I do not know.

(Laughter)

I won't say if you are right or wrong but who knows, there is committee of a people called the business cycle and dating committee, a date the business cycle when recessions start and end and there are eight people that one for the National Bureau of economic research. We are not in a recession until they say we are in one. Think about and simply written a recession so we must not be, correct? Not necessarily. Typically quite unsettling once after recession started to say eight or nine months ago, your started a recession.

It's a little easier where it takes out of six months after the recession ends for them to say you are not in the recession. But so much talking and certainly out there which is been the order of the day, the uncertainty, you may remember last year we had a bunch of news articles that said "oh my God quarter one at quarter to GDP numbers for the US were down, they were both negative which means we are in a recession". I would say no it does not. Wonder those eight people say? They have not said we are in a recession.

GDP is down will look at how strong the labor market was, it was crazy! That is what has kept us out of a recession. Why are people given to protect a recession? I will treat you like my Econ students, by pastors and applied economics students. I love those kids at FSU I teaching up there for 12 years.

I actually started the year, I am double Auburn bread. I had an undergrad, agriculture business and economics and went back to get a PhD, I was 33 years old graduating when I was in eighth. I spent nine years of my life at Auburn in the national football championship together. My colleagues asked me what I'm pulling for and by the way to give me a paycheck every month, anybody want to guess what I said? War Eagle.

Anyway I had my grad students dual forecasting for us being in a recession that went up on the website where I used to work for every month. I would establish a probability of one of the things you look at is what is the bond market telling you about the probabilities of resection. I will light has been going on, this yield curve inversion, you probably heard this on the news. I will explain what this means in simple terms.

I forgot Jonas Lie but let me tell you about the population change is continuing to grow almost at the state rate, 17.1%, you have gained 84,752 people since 2010 here in the official numbers. That is good healthy growth and that is who is filling up the restaurant you are trying to get reservations for and the visitors coming in.

Anyway back to the bond market, flies the reception warning, oh my gosh we will have a recession because the bond market says we are going to not the eight people at NDR, they say as of July 2022, so 16 months ago there was a signal of recession, this has been a reliable predictor of recession for a long long time we must be going into great session. What are they talking about? Short-term yields, typically they look at and treasury's. Three-year notes, six-month notes, one your notes. I like to look at two-year versus ten-year. Normally a longer-term note would carry their interest rate, right? If the bank will owe you money over a longer period of time it is risky and they should get a higher interest rates.

What happens is you end up with a situation where the blue line here, this is for you guys, these are your colors. Anyway, the normal light is blue, the longer you go out in duration the higher the interest rate. The yield curve advisor mean shorter-term rates are higher. This is somewhat does not understand the bond markets representation open if urgent. What the invention actually looks like, I have descended my slides on the 12 I did this on the 12th, this is what the yield curve actually looks like now.

This is a one year may come to your race, over 5% that is pretty high and you can see the short duration are higher than the long one year. This is not a huge thing about the inversion year is 41

basis points, 4/10 of our presents. What that means is that signal has been consistent for a long time and has been at the 90 and 100 basis points up until recently.

So this is getting a little less inverted but it has been inverted for a long time. Why is that important? Every time we have had this recently, I will show you the Federal Reserve chart here, when you see this chart the gray bars indicate a recession. Every time the yield curve has inverted which means it goes below zero, you take a 10 year -2 year every receipt never session. Everybody says it's inverted the last 6 to 8 months which means we will have the option. Typically economic policy takes about 12 or 18 months to feed through the economy.

Are we in a recession or not? Who knows one of the eight people thinking up in DC at the NVR they do not know that but I been saying for the last 16 months that the labor market is far too strong for us to be declared in reception, that is my own personal opinion. I am not one of the eight people up there. That is why everybody has been taken get and you got the term soft landing we will be in a soft landing. Look at the news the last month or so, looks more and more like what inflation the job market is still strong we might pull this thing out.

Who knows what will happen, we do not know. Economist tells you they know for sure, and they are not rich, do not believe them.

(Laughter)

DR JERRY PARRISH:

Alright, what's the big deal about all of this stuff? What you got is the federal reserve pushing up short-term rates, they cannot control the long end of the curve which is 10 or 20 years or 30 years, the market controls that. That is whether short-term rates are superhigh because they keep raising. They have paused but have raised the short-term interest rates by more than 5%. As you can say with some things going on out there what does this really mean what people care about? People care about what it costs to buy a house, here are the 30 year mortgage rates. Everybody says they have a financial advisor at the Metro Atlanta Chamber come in. He told me that the interest rates are unprecedented.

(Laughter)

Guess how old he is? If you are my age, you know people that paid 12, 14, 18% for 30 year mortgages. Back in the 70s. This slide is my lead into what will happen to the future of interest rates, this is super important. What happens when it costs more to borrow money, our business is more or less likely to invest less. The old pencil and every present and up to 7 1/2 or 8% they do not make it. We know that is likely to be less business investment, private sector investment is what creates jobs in the state of country.

People are struggling because interest rates have come down a little bit, their low severance right now. If you are my age, active average. It went back to normal, I've heard a lot of people say that with no formal by the way. A lot of people are thinking that here is what has happened here is why it is important to the business community. Interest rates are 7% if you offered a new job, what will you do? I am locked in it at 2.75% interest rate on my mortgage, if I have to sell this house and pay more money on the house I have to borrow money for what Mac mobility of the labor market is a big issue you are young and out of college, you probably do not have enough experience to take some high-paying jobs you are willing to. We see that happening but people are not willing to give up their house.

One of the things I like to point out is that I think the last national homebuilders report said that 75% of all the houses that sold last month were brand-new houses. How can that happen? Nobody that has a used house is willing to move, they are not selling them so that is all you have. Is this helping our supply? Are rebuilding on housing fast enough to cover the supply voltage people moving down here? No we are not. Housing prices continue to go up and mortgage rates continue to go up. This not only affects business the state of the federal government, I will talk about them in a minutes.

Excuse me, I will get my water. What has happened to the state of Florida and their finances? We have a surplus, we have some debts, how much is it? Billions of dollars we will not get 2023 numbers until later but look at that, Fort is been paid down instead. Is that a big deal when you have 100+ billion dollars state budget? No, there's a guy named Ben Watkins who refinanced all the bonds in Florida when they hit the lowest points ever. He is up there in Tallahassee even gotten to know him, he is super nice guy, it would be stupid for us to pay off our debt such low interest rates. You could go online and get 5%, I have a passbook savings account out. If you have done a two or 3% does not make financial sense to pay that off.

But Florida has been responsible we have a constitutional amendment that says we have to pay our bills and have a balanced budget. So we do every year, the state of Florida is in really good shape. How about consumers?

Interest rates are going up doesn't matter what you are borrowing money for right now but this is the total debt balance. The blue area is housing debts, anybody surprised it took us over the last two or three years? No because housing prices went up. What is it red? Non-housing which is credit cards, student loans and those kinds of things. The gap is getting wider between the red and the blue. I will show your numbers in a second.

There is no big deal, interest rates are going up, how does it affect and how much does it affect them? Let me give you the punchline herein affects different people in different ways. Here is consumer debt as mortgage debts on the left. \$13.77 trillion. Compared to the value of housing stock, it is not that

much. This is reasonable. Especially if you have a 2.75 or 3 1/2 or 4% mortgage this is pretty reasonable. The people who have just a pat on that and paid a lot of money for houses this past year, are they gonna be OK? It depends if they could keep their job and everything runs going to the labor market right now, so probably.

Auto debt is 1 1/2 trillion but credit card is a different story. It is broken trillion dollars which is. Why? Because we added \$150 billion did not number in the last 12 months. At those crazy high rates. Some people's income has not kept up in their living off of credit cards and not paying them off. That is \$150 billion which is your signal that some people will be in trouble both of as interest rates continue to climb, 1.76 trillion if you are invested wisely and got a good education etiquette school, probably pocketed investment in yourself. If you have a degree that is not marketable if you decide not want to work and have all these things, this could make that good or bad depending on what you are but that is typically an investment in yourself. The signal here is a credit card and the growth of credit card debt over the past year especially.

And you know what happened gas prices went up, food prices went up, rent what outcome everything went up since COVID which is a big part of it. What has happened to the credit card charge off rates? Anybody think they are at all-time highs now when interest rates have gone up, balances are shooting up like crazy, the banks will charge these things off when they figure out their bad debts they charge them off on their books. Who believes it is an all-time high right now?

Great response you are wrong. It is going to do, you can see that they are, this is what happens when we got stimulus checks. People were responsible in a lot of cases and paying down their credit card debts that you see a dip after 2020 but here is the recession in 2020, the three month recession. Stimulus checks role and people are responsible and pick up the card debts. Backup to long-term average there nothing near as bad as it was during the great recession, if you remember that they had a lot of defaults on that stuff.

Here is the big problem besides credit card debt? What is the biggest problem that interest rates are going up? Try this one of the federal government. The federal government, I blame you.

You might say that again, why my blaming you guys in this room? I blame €12 what is happening, Congress I am glad they did not shut down the government, that is totally responsible. This is possible enough. Shutting down the government is irresponsible on top of that. Here's what is going on up there. The good thing is that I do not work for a congressional candidate or any kind of politician. I get the same pretty much what I want to and always do.

A year ago I would've said about 90% of our federal despite long-term low interest rate but that percentage is going down. How much is that going back a lot of recent debt is causing fits, the US debt

were paying an annualized rate of \$1 trillion a year is \$1 trillion we cannot spend on education or healthcare and those kinds of things you want your government to pay for. There's \$1 trillion less of it happening here at this happening we do not penalize people that let this happen.

The political process, nobody is gaining up and saying or at least not winning by saying they will balance the budget which is a big deal because it crowds out private investment and standing that has positive returns for the economy. This is a big deal.

Interest rates are up and will they go down? The Federal Reserve paused, they do not raise the last time. I got the chance to do an interview with (unknown name) about five or six weeks ago the president of the Atlanta Federal Reserve, super nice guy. Interesting fact installed at the Metro Atlanta Chamber, he was the previous chair, I had to be interviewed by the president of the Atlanta fed to get the job I have now which is supercool. He is a nice guy but I got to interview him in front of a bunch of people.

His tape was that we should keep interest rates where they are and see how this affects the economy which is the reasonable thing to do. Is up or down or down to modulate it was too early this will add uncertainty into the markets.

What will happen to interest rates from here? Does anyone think the Federal Reserve will raise short-term interest rates in the near future? A few. Does anybody expect the lower your future? Were probably right about that. They will let it ride for a little while.

Remember that the Federal Reserve is not the only people in our get affected long-term interest rates, it is the markets. Here is what I forecast theirs and I will give you a list of my forecast of the head. Interest rates will stay higher for longer than I have been saying this for over a year, they will stay higher than what you know. At whatever point he saw me speak in the last year, I do a bunch of these, I said the same thing. It will stay higher for longer for two reasons.

Any CPAs in here? I always like to ask this before talk about balance sheets to make sure there are no CPAs. Historical people cannot let this go to meetings, it's very rare I have some in the audience although I did at one of the two speeches I gave last Thursday in Atlanta. What happens when you are trying to boost the economy coming out of a recession, the Fed wants to pump money into the economy. This is mostly I would never say this in front of my grad students, it's easy to understand but not totally true so I will give you that version of the story.

When the Federal Reserve wants to boost the economy they called off the treasury and ask them to print a few truckloads of money and make them big bills because blow-by a lot of bonds with it. They take that money to buy bonds, governments and treasuries will buy mortgage-backed securities after

the possession of those kinds of things. They were allowed to buy corporate bonds for a while.

When they do is they find bonds which month money into the economy when you biobots the price goes up in the interest rates go down, right? Finance class for a while you remember that much. What happened to the bonds they buy? This ends up on the Federal Reserve balance sheet which is why I asked about CPAs being in the room to make sure they are cool with that even though they notices a simplification. Your mother the great recession of 2008 and 2009, people lost their houses and jobs. Everybody of a certain age will remember that. The Federal Reserve had about \$1 trillion on the books before the great recession, oh my God they went into trillion dollars and put another trillion dollars in the economy. So they ended up with two trillion dollars on the balance sheet, that is a lot of money guess where it is now?

7.9 trillion down from 8.9 trillion, the great recession has that big wide great are you and from 1 to two basically but what has happened since COVID? When you not renew those bonds they sell bonds, the prices will go down what happens to interest rate? They go up. Remember you heard the term quantitative easing, this is a major easing where they are putting money into the economy by buying securities. Quantitative height angers when it starts going down, anybody want to guess what that little blip is there?

Silicon Valley Bank. Two big banks failed. So stick more money and the economy to get this thing going. The Federal Reserve does not have to raise short-term interest rates, rolling these bonds will raise interest rates or keep them higher that they would expect. That is the reason I will say it is higher for longer but the other reason is does anyone remember the chairman before Paul Boger came in for the Federal Reserve chairman? You have to be my age to know this, this is 70s before inflation got out of control. No one remembers his name?

No, I will think of the guys name in a minutes. It was Burns but somebody corrected me at one of this incident was the price of a cave-in for three months between Burns and Volker and this is like when your football team as they like and you have a legendary coach. Bobby Bowden and kind of coaching you bring in somebody for a year or two knowing they won't make it as a temporary guide in between two legends.

What happened is he was in office when inflation started getting out of control, they raised interest rates and people started squealing about losing their jobs, so, they let off the gas involved interest rates and inflation payback even higher and they did it again. Back even higher when you see the 16, 18, 20% 30 year mortgages that is when Chairman Bogert came in and raised interest rates like crazy to kill inflation. The other reason it will stay higher for longer find the chairman of the Federal Reserve I will say, you don't get remembered unless you kill inflation when you have the opportunity to do it.

Big interest rate decreases in the near future, no. I cannot believe it. It could happen, the market on the long and can make that kind of thing happened but as far as the Federal Reserve going back to where you end up in a situation where you can get a 3.75% 30 year mortgage, forget it. It's not up the good news is that this time compared to do thousand and eight you will not see the mass foreclosures and car repossessions although some of those are happening on the short end.

Let me tell you the last line that will show you. We are almost done with standard rate hikes, I'm not saying we are done but remember there are other things out there that will keep rates higher. The Fed is probably done, we do not know. There will be a lot more financial market volatility. Trust me. It is happening. This transition where we are in a recession and do not know, we are doing well but are not sure, this always has volatility there.

Here's my take on a recession, I think the probability is a little higher that the US will go into a recession then will have an actual soft landing. That is my take. Some of the reasons I have already given you, it is hard to get it exactly right. This is almost an impossible task for the Federal Reserve to engineer a soft landing. The last one is that Florida will hurt less than the US. We go into her attention at the national level, Florida may not participate which is certainly possible to hear. If we have a very light reception at the US level. There is my forecast for 2024 I appreciate you guys listening to me. We have time for a couple questions here and I want to get to that, thank you so much.

(Applause)

CYRUS CALLUM:

Thank you so much Doctor Parrish is seems like the Fed has done a good job at being late to the party, reacting very hard because they are late to the party and their strategy for controlling inflation is to tank the economy. This is perception. Now we are getting to the end of this, it started to get under control but they are taking the right actions by easing off the gas and the market is reacting accordingly and two days later they released her comments which goes in a completely different direction. This lacks consistency with what they are saying and doing is messing with markets just as much as the markets themselves, I wanted you to comment about that a little bit.

DR JERRY PARRISH:

That is a great point they want to come to consensus when they point out their statements. But there's a lot of people on both sides of this thing, no doubt from reading the notes agent whatever. There is less consensus but they still come to a consensus. There's a wider band of views out there and these guys are not ashamed of saying what they think that is the cool thing about the Fed getting to see the notes, we cannot get the code until much later after the meeting. So we really do not know, the feds are the best in the world of signaling their intentions. They will tell us what they are going to do in advance as much as they can go they try to calm the markets, probably late to the party and probably

a good reason.

But you have to give them credit because they had to build understanding to keep us from going into a recession and inflation is coming down. Not down to 2%. I am giving them credit, probably a little late but I think they have done a pretty good job given the facts of what is been going on in the economy. I'm glad you are reading the notes, not people do.

QUESTION FROM FLOOR:

A question coming out of the pandemic how has the US faired compared to other countries?

DR JERRY PARRISH:

Great question, the US consumers are spending money and keeping this thing afloat. You heard the term revenge traveled. I used to work for a motorcycle business, I worked for three companies, I would give demos in the Speedway but what people by motorhomes and motorcycles things are good. That is not a necessity, trust me this is not publicly found out in the 2008 recession, the European motorcycle is not a necessity.

I would say the US consumer has This thing rolling, of course now they have \$1.1 trillion in credit card debt and all of that stuff. Can we sustain that? Other countries have not seen such a run out of the gate in a lot of cases. I not know what the worldwide growth numbers are, to be honest with you I have not looked at that. My guess would be that the US has probably outrun almost everyone as far as growth. But remember a lot of that is consumer spending growth question. What's what can we do as a community to prevent our residents from losing their jobs if we go into a recession?

DR JERRY PARRISH:

Great question, buy products made locally, that is always a good thing.

(Applause)

DR JERRY PARRISH:

Some of that is recruiting the right companies think your really good job of that. You cannot prevent everything from happening. What you do just like your investment portfolio, you spread the love around. Do not turn down anybody that wants to move here, you may not help them some incentive or do anything like that. But business growth is good business growth people watch from other places.

I'm going through this thing with the Georgia legislature now talking about their incentives and equipment, my advice to them is not to do anything crazy. Everybody is watching. They are watching Volusia County, they are watching the state of Florida, we've been through all the stuff we are not to be emphasis on economic development in Florida but basically every other single state country.

Recruiting the right companies, supporting local companies are certainly two things you can do here.

QUESTION FROM FLOOR:

Thank you so much for being here I found this to be very informational and educational. I have a two-part question. About inflation and the long-term effects on currency but inflation is greater than GDP. Economists are nervous about inflation can you talk about that. Also the impact of the US credit rating, I heard over the summer we downgraded and not heard a lot since then but does makes people concerned.

DR JERRY PARRISH:

Let's start with the credit downgrade first. Just like you and your credit score if you have a high credit score you got a lower interest rate. The US by having the credit rating drop initially ended up with this. They are concerned about the long-term financing because we are going through, they will sign the bill today to keep the government open but is brinksmanship of keeping the government open is crazy which is where part of this increased volatility will come from. It's insane to run a country that way, you would never write your company that way. I guarantee you that.

Inflation is another thing. A little inflation is good because deflation is so bad, we have not gone through that like Japan and other countries have. You want a little bit of inflation which went as a target of 2%. Your concern is when a government gets in this much debt the federal government, any entity that can print its own money, historically what they do is print money.

The value of our currency goes down so your imports will cost more. This can help the export side because folks exporting to other countries but the issue is what will they do with this debt? Will they inflate it away? Like a lot of countries have done in the past. Nobody knows. This has long-term implications because if you have no real responsible people taking over to pay it down you will assume currencies going to be inflated in the future, and therefore you are less likely to invest in it no doubt. But this is good for exports, so, there is always a good side of that. It may bring more restoring back to the country, we see a lot of that happening here and a good bit in Florida. Nothing is economics but those are the answers, that is what I'm looking at as far as inflation.

When we shut down the government any time, those kinds of credit events will cause things to go down but fortunately the state of Florida has AAA bond rating now weakened by money as cheap anybody in the country at the state of Florida.

But we are still paying off our debt with you guys spending all that money, and although tax collections

coming up, all the states in the Southeast are running surpluses and as Florida has been in the same spot.

QUESTION FROM FLOOR:

Will surging insurance property rates and property insurance have an outsized negative impact on the Florida economy? Jerry is a homeowner in the state of Florida for many years, that is issue. I was at the chamber, that was one of the number one issues.

DR JERRY PARRISH:

... Tort reform try to keep lawsuits down an insurance situation.

Some of the things that were going on out there and law firms. With roofing lawsuits and that kind of stuff which was crazy driving up insurance rates, citizens were affected with every insurance company. And my insurance company as homeowner insurance what that and I was trying to scratch around when he decided to leave the state of Florida. Has been performed going on here. Certainly this will help right but you have these people with opportunity down here with your biggest expenses as lawsuit expenses instead of damage expenses. You have to understand that Florida has higher homeowner insurance rates than parts of many other states. This is part of life but should we be paying double or triple other people? I do not know the most important thing when people are competing for jobs, subordinate to other states are trying to attract the company to move down to the southeast, guess what the number one issue is that the other states will bring up?

You better check your property insurance before you go down there. That is a bigger deal in the long run than charging all you guys more money than they should. This is a great deal. I see articles in the Wall Street Journal, people are leaving Florida because their homeowner insurance is too high. I think the perception is just as important as what is actually happening here but people are using that against the state of Florida in recruiting companies, I guarantee you every single time.

QUESTION FROM FLOOR:

For those who do further retirement investment and continued working on the market, what is the outlook for their return in the next 10 years?

DR JERRY PARRISH:

Outlook from the market provide love this question, let me provide you that Warren Buffett has weighed in on this. He said you should not believe an economist unless he is rich, makes fun of them for being very very poor predictors. We know that people do further retirement, that is a good thing if you are healthy and your Social Security check goes up for every more years that you work will help it's probably not a bad thing. But what a lot of people did it for was because of inflation. They have their retirement set this rule where 10 or 20% inflation a lot of things happens and they continue to work.

I have knowledgeable happens your veterans, let me be blunt with you, nobody does. If they tell you they do, they are lying all they will do is look at the long-term averages, long-term averages will be 7.1%, you will get those kinds of answers. But I have no idea, diversify your portfolio, get some of the little different things is all I can advise you to do. Nobody knows what will happen to those investments they tell you they do, they are lying. I do not know 62 years old now and I will be 63 shortly but I will work until I'm 70.

I like to work in a figure by age 70 everybody will be tired of hearing me speak on their own and it will be time for me to go up to the farm in Alabama or back to a lake in Tallahassee and not do anything. I do not know but that is a great question. Talk your financial advisor and if you believe that... and they tell you they know, maybe they do.

Alright thank you all very much.

(Applause)

CYRUS CALLUM:

Once again, one more round of applause for Doctor Parrish.

(Applause)

CYRUS CALLUM:

Once again I want to thank our sponsor, Jayson Meyer and Synergy Billing, interested in sponsoring the future letters access, you see someone from the economic development staff, Katrina in the back and (unknown name) were come see me and we will get you situated. You want your Mark your calendars for February 16, that is our next Q. The guest speaker will be from Florida Congress, thank you for joining us once again, and have a wonderful Thanksgiving holiday.

(Applause)