The Value of Innovation in Today’s Economic Climate

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February 20, 2019
Southern California is a key market for U.S. Bank

Total customers: 808,000
- Branches: 204
- ATMs: 222

U.S. Bank Employees: 2,887

Total number of Small Business Administration (SBA) loans: 134

SBA Loan total: $23,082,600
Taking a look at current macro-economic trends
Major economic consideration #1: Productivity

Total factor productivity: United States


Takeaway: Lower productivity levels mean less growth potential versus history.
Major economic consideration #2: Demographics

Median age of population

Takeaway: Aging populations tend to have less consumption growth, which could impact corporate profits.
Credit: The core economic driver

Percent change of total consumer credit (United States)


Takeaway: Access to and usage of credit plays a central role in the economy, but credit growth is slowing as evidenced by the red trendline.
Takeaway: Even with recent moves higher, borrowers have access to relatively cheap credit at both the consumer and corporate levels. One of the things we are paying close attention to is if borrowing costs go up, this could impact willingness to borrow and, therefore, economic growth.
Global economic “health check”


Takeaway: We have seen a material retrenchment in our proprietary global health check data trends, with 53% of data points below the 50th percentile.
Global economic “health check”

Takeaway: China has slowed materially over the past two years — now in the vaunted southwest quadrant, with global data also teetering on that line.
Trade and tariffs – an edgeless phenomenon
The role of innovation
The issue: the global economy is growing slowly
Growth will be slow, but innovation will drive it
Innovation exists beyond startups
Innovation also exists in large companies of all types
Innovation at U.S. Bank
Politics

Big Companies Jump In to Help Employees, Clients Amid Shutdown

Cécile Daurat
January 11, 2019 11:25 AM CST
Mortgage approval in 3 minutes
Empowering our customers with new digital tools
Customer centricity drives growth