Nationwide®

Nationwide Economics

Capital Markets

Nationwide Market Insights℠

Our perspective on the market and economic forces influencing investment planning and retirement

2nd Quarter 2022

Data as of March 31, 2022

Nationwide Market Insights[SM]

One of the challenges of planning for a more secure financial future comes in understanding the market and economic forces that affect investment performance and influence investment decisions. With *Nationwide Market Insights*, we present insights and informative commentary about the economy and the financial markets from Nationwide's staff of economists. You can share *Nationwide Market Insights* with clients to help answer questions about investment performance and inspire greater confidence in the guidance you provide.

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Executive Summary

The year got off to a choppy start, as a continued surge in the inflation rate, tighter monetary policy, and the Russian invasion of Ukraine sent U.S. stocks to their first decline in eight quarters. Credit spreads widened while Treasury yields, commodity prices, and the dollar all moved higher.

At the same time, however, earnings continued to advance at a healthy clip, as there remains little indication that the economic expansion will soon be imperiled. The rapidly tightening labor market is bolstering personal consumption spending, which
is in turn supporting business investment. It is likely to take some time before the nascent Fed rate hike cycle reverses the economy's considerable momentum.

Financial Markets

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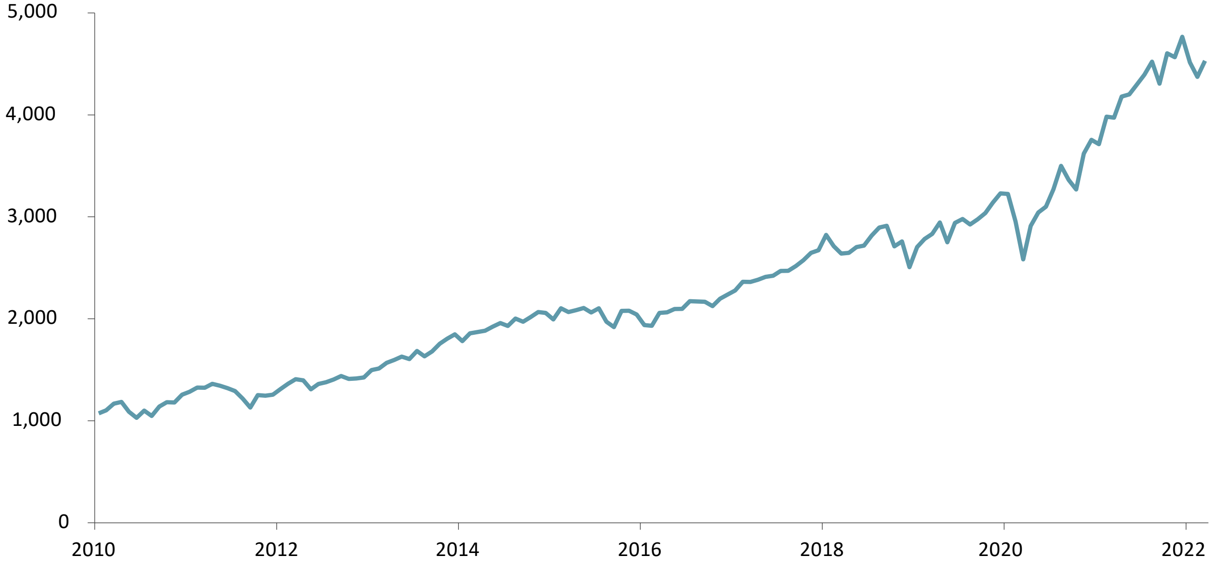
Stocks falter

S&P 500® Index

Index

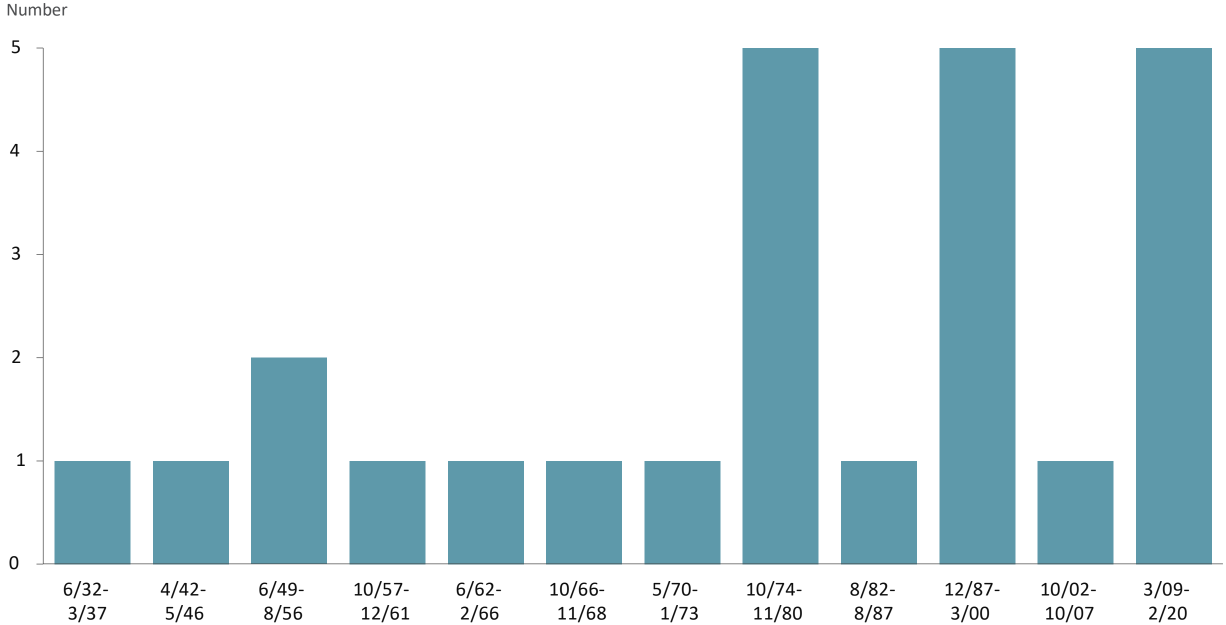


The S&P 500® fell for the first time in eight quarters, as inflation continued to soar and the Federal Reserve launched a new rate hike cycle.

Source: Standard and Poor's

Corrections occur with regularity

Corrections in the S&P 500® by bull market



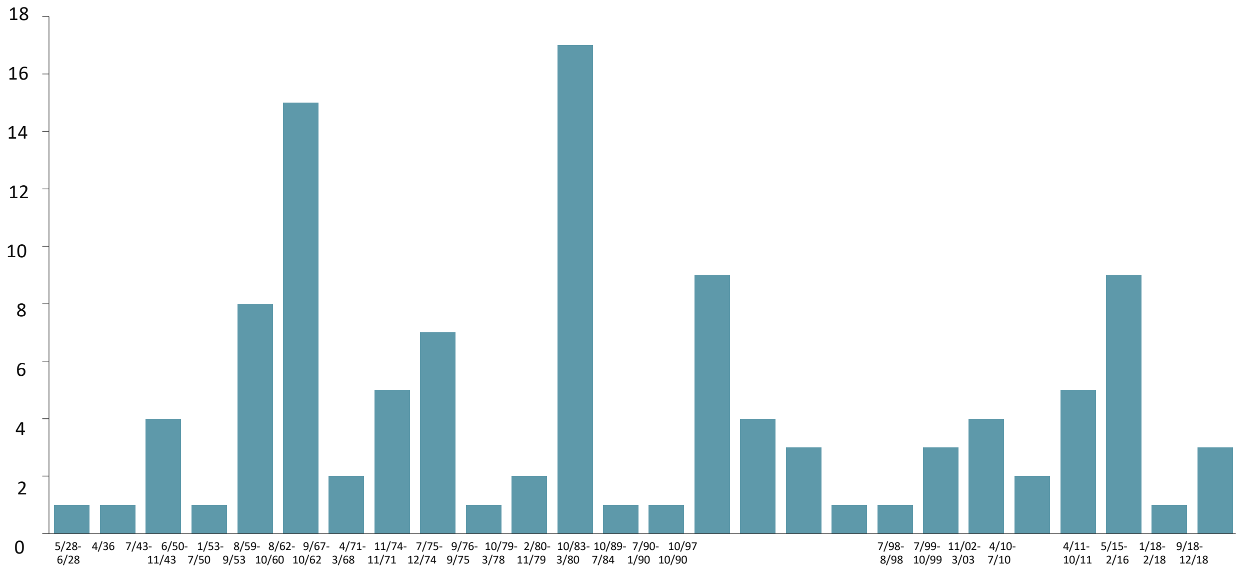
The S&P 500® fell by more than 10 percent from its peak in the first quarter, marking the first correction of this cycle. Corrections are naturally recurring features of bull markets, as there has been at least one in every cycle on record, and they have occurred with increasing regularity in recent decades.

Source: Standard and Poor's

Corrections tend to be short-lived

Length of S&P 500® corrections

Months



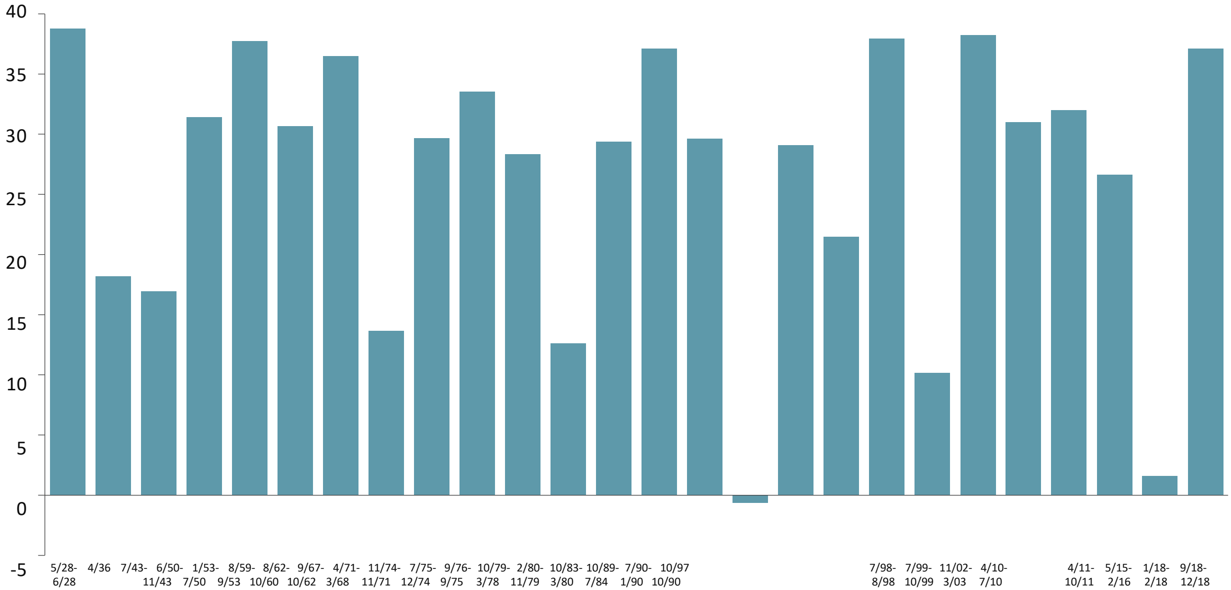
Corrections are by definition limited in magnitude (declines of 10-20 percent) and also tend to run their courses fairly quickly. The average S&P 500® correction has lasted just over four months and only two in the history of the index have exceeded the one-year mark.

Source: Standard and Poor's

Stocks rebound strongly after mid-cycle pullbacks

Changes in the S&P 500® in the year after corrections

Percent



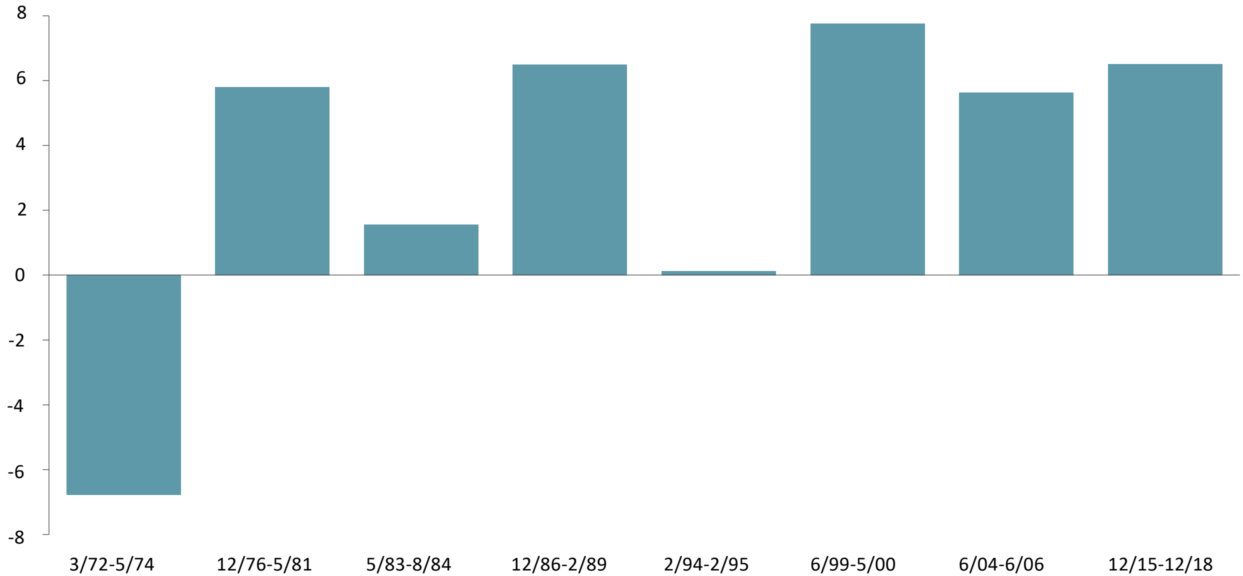
Corrections generally give way to robust recoveries, as the S&P 500® has jumped by an average of 26.5 percent across the subsequent year.

Source: Standard and Poor's

Stocks tend to rise modestly during tightening cycles

Annualized changes in the S&P 500® during Federal Reserve tightening cycles

Percent



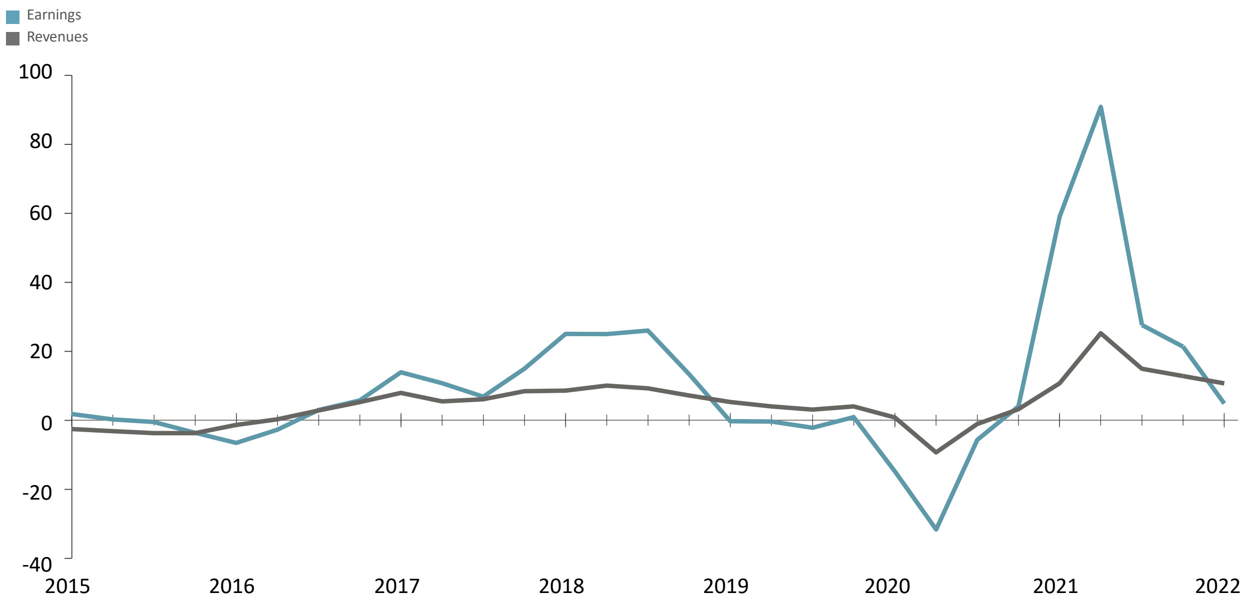
Market gains are typically positive but modest across the entirety of monetary tightening cycles. The S&P 500® has generally advanced at a mid-single digit clip during these periods, although it hasn't recorded an outright decline within a tightening cycle since the early 1970s.

Source: Standard and Poor's

Earnings continue to grow

Yearly changes in S&P 500® earnings and revenues

Percent



Earnings growth has slowed after the post-lockdown boom last year, but is still positive. Revenues continue to climb at a double-digit pace.

Source: FactSet

Energy stocks soared to start the year

Yearly changes in the S&P 500® sectors

Percent

2013	2014	2015	2016	2017	2018	2019	2020	2021	2022 YTD
Discretionary 41%	Utilities 24%	Discretionary 8%	Energy 24%	Technology 37%	Health Care 5%	Technology 48%	Technology 42%	Energy 48%	Energy 38%
Health Care 39%	Health Care 23%	Health Care 5%	Financials 20%	Materials 21%	Utilities 0%	Telecoms 31%	Discretionary 32%	Technology 33%	Utilities 4%
Industrials 38%	Technology 18%	Technology 4%	Telecoms 18%	Discretionary 21%	Discretionary 0%	Financials 29%	Telecoms 22%	Financials 33%	Staples -2%
Financials 33%	Financials 13%	Staples 4%	Industrials 16%	Financials 20%	Technology -2%	S&P 500 29%	Materials 18%	S&P 500 27%	Financials -2%
S&P 500 30%	Staples 13%	S&P 500 -1%	Materials 14%	Health Care 20%	S&P 500 -6%	Industrials 27%	S&P 500 16%	Materials 25%	Industrials -3%
Technology 26%	S&P 500 11%	Telecoms -2%	Utilities 12%	S&P 500 19%	Staples -11%	Discretionary 26%	Health Care 11%	Health Care 24%	Materials -3%
Materials 23%	Discretionary 8%	Financials -3%	Technology 12%	Industrials 19%	Financials -15%	Staples 24%	Industrials 9%	Discretionary 24%	Health Care -3%
Staples 23%	Industrials 8%	Industrials -5%	S&P 500 10%	Staples 10%	Industrials -15%	Utilities 22%	Staples 8%	Telecoms 21%	S&P 500 -5%
Energy 22%	Materials 5%	Utilities -8%	Discretionary 4%	Utilities 8%	Telecoms -16%	Materials 22%	Utilities -3%	Industrials 19%	Technology -9%
Utilities 9%	Telecoms -2%	Materials -10%	Staples 3%	Energy -4%	Materials -16%	Health Care 19%	Financials -4%	Staples 16%	Discretionary -9%
Telecoms 6%	Energy -10%	Energy -24%	Health Care -4%	Telecoms -6%	Energy -20%	Energy 8%	Energy -37%	Utilities 14%	Telecoms -12%

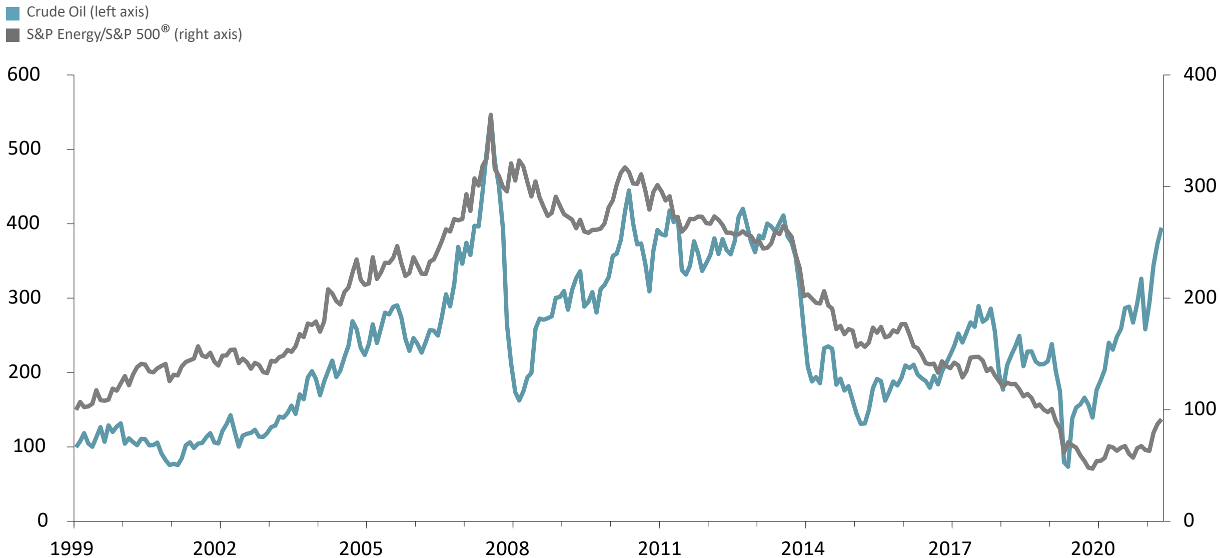
Surging prices pushed energy stocks to a robust gain in the first three months of the year.

Source: Standard and Poor's

Energy stocks move with energy prices

Crude oil prices and the S&P energy index relative to the S&P 500®

Index (12/99=100)



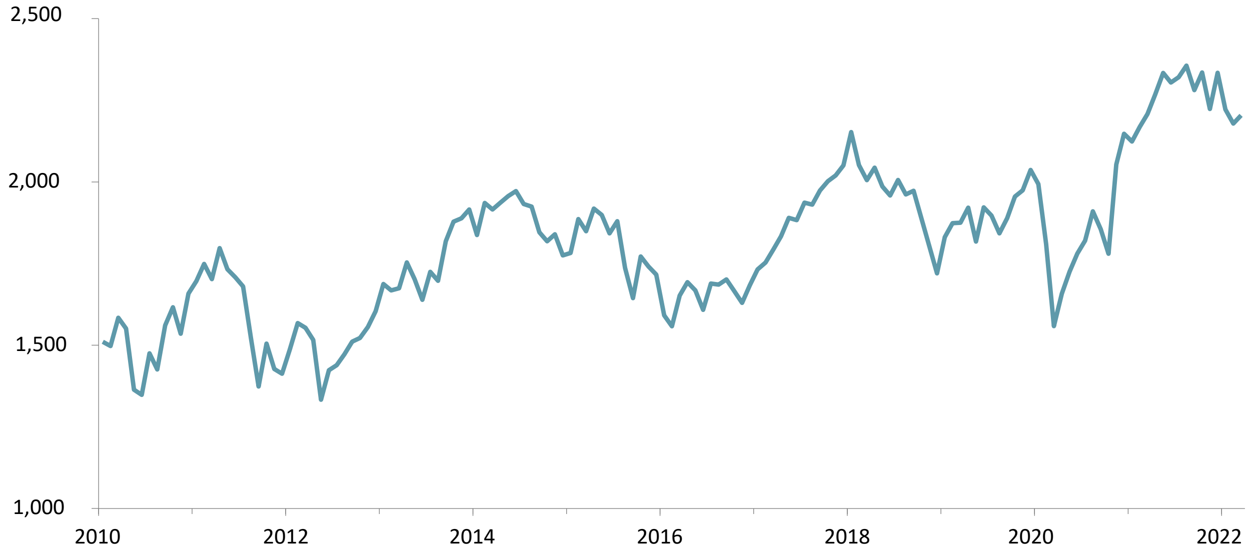
Energy stocks have unsurprisingly moved with energy prices over time, although they have not kept pace thus far in the current cycle.

Source: Standard & Poor's and Bloomberg

Global stocks decline

MSCI EAFE Index

Index



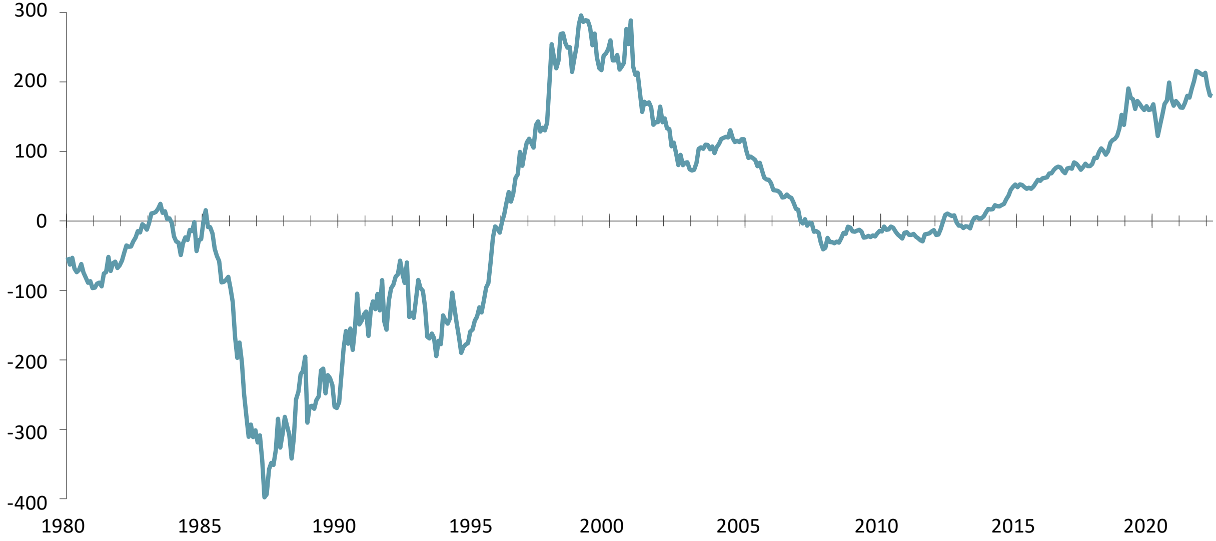
Developed market stocks fell in the first quarter thanks to rising inflation, hawkish central banks, and the Russian invasion of Ukraine.

Source: Bloomberg

Substantial room for global markets to catch up

Spread between 10-year changes in the S&P 500® and the MSCI EAFE

Percentage



The S&P 500® has outperformed the EAFE by close to 180 percentage points over the past decade, hinting at ample room for global markets to catch up in the years ahead.

Source: Bloomberg

A broadly poor first quarter

Yearly changes in benchmark equity indices

Percent (USD)

2013	2014	2015	2016	2017	2018	2019	2020	2021	2022 YTD
Germany 31%	China 49%	Japan 8%	Brazil 69%	India 36%	Brazil -2%	Russia 45%	Japan 22%	US 27%	Brazil 35%
US 30%	India 27%	China 5%	Russia 52%	Italy 30%	India -3%	US 29%	China 21%	Canada 23%	Canada 5%
Japan 28%	US 11%	Italy 1%	Canada 21%	Germany 28%	US -6%	Brazil 27%	US 16%	France 20%	UK -1%
France 23%	Canada -2%	US -1%	US 10%	Brazil 25%	Russia -8%	Italy 26%	Germany 14%	India 20%	India -1%
Italy 22%	Japan -6%	Germany -2%	Japan 4%	France 25%	Japan -10%	Canada 25%	India 13%	Russia 15%	US -5%
UK 17%	UK -8%	France -3%	Germany 3%	Japan 23%	France -15%	France 24%	Canada 4%	UK 13%	Japan -8%
Canada 3%	Germany -10%	Russia -4%	France 2%	US 19%	UK -18%	Germany 23%	Italy 4%	Italy 13%	France -9%
India -3%	Italy -12%	India -9%	India -1%	UK 18%	Canada -19%	China 21%	France 1%	China 8%	Italy -10%
China -4%	France -13%	UK -10%	UK -4%	Canada 14%	Italy -20%	Japan 20%	Russia -10%	Germany 7%	China -10%
Russia -6%	Brazil -13%	Canada -25%	Italy -13%	China 14%	Germany -22%	UK 17%	UK -12%	Japan -6%	Germany -11%
Brazil -27%	Russia -45%	Brazil -42%	China -18%	Russia 0%	China -29%	India 12%	Brazil -20%	Brazil -18%	Russia -36%

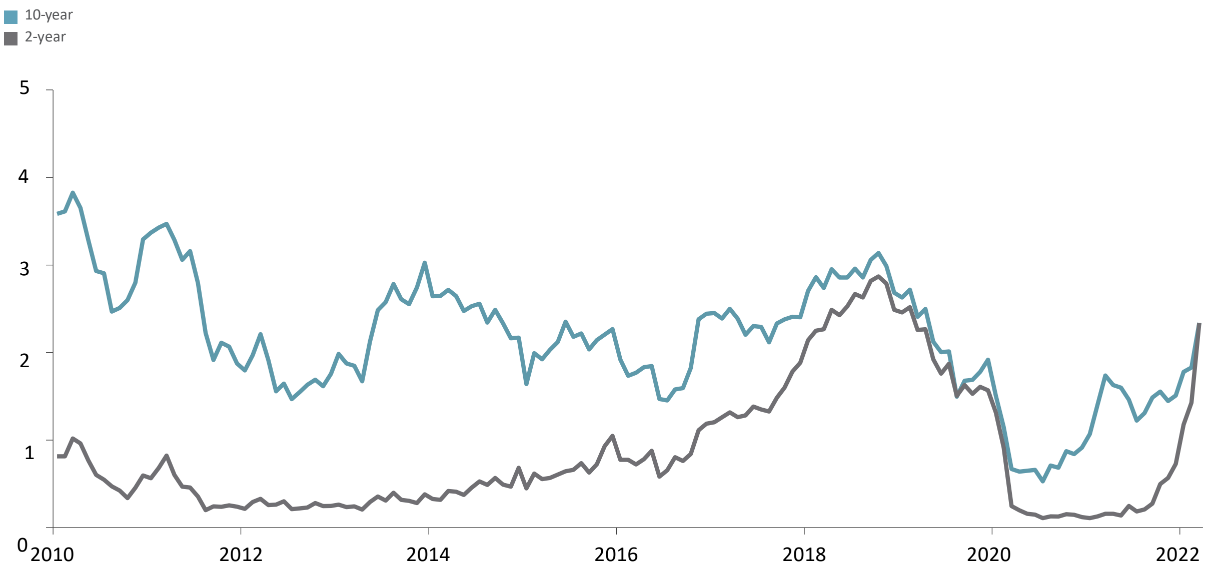
It was a weak start to the year across much of the globe.

Source: Bloomberg

Yields move higher

10-year and 2-year U.S. Treasury yields

Percent



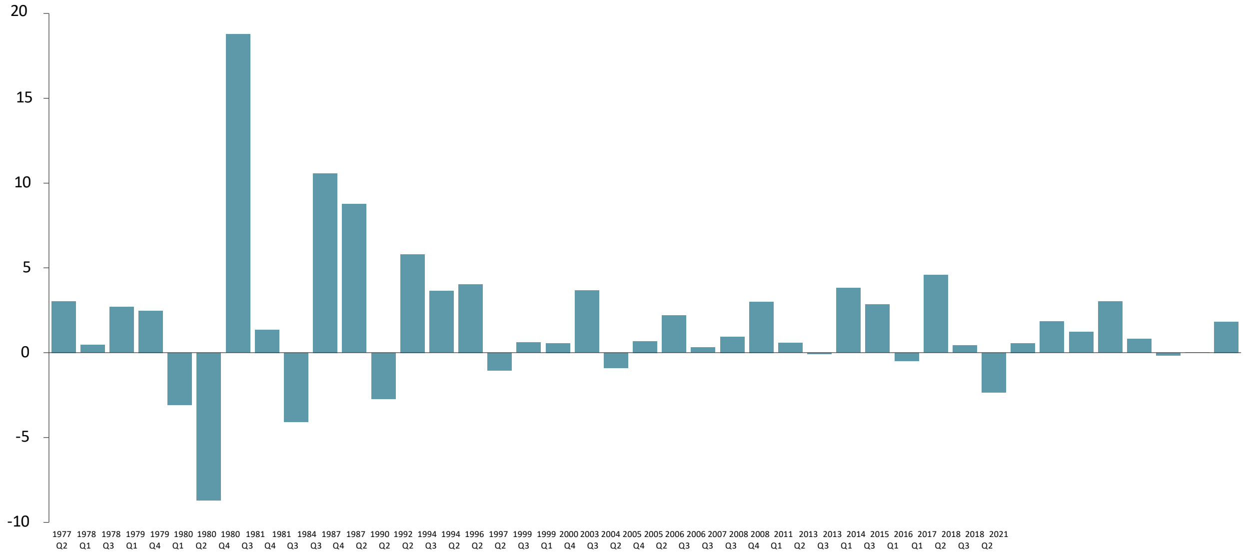
Yields rose across the Treasury curve in the first quarter, as the Federal Reserve began to tighten monetary policy.

Source: Federal Reserve Board of Governors

Declines in fixed income rarely cascade

Changes in the Bloomberg Aggregate Bond Index after quarterly declines

Percent



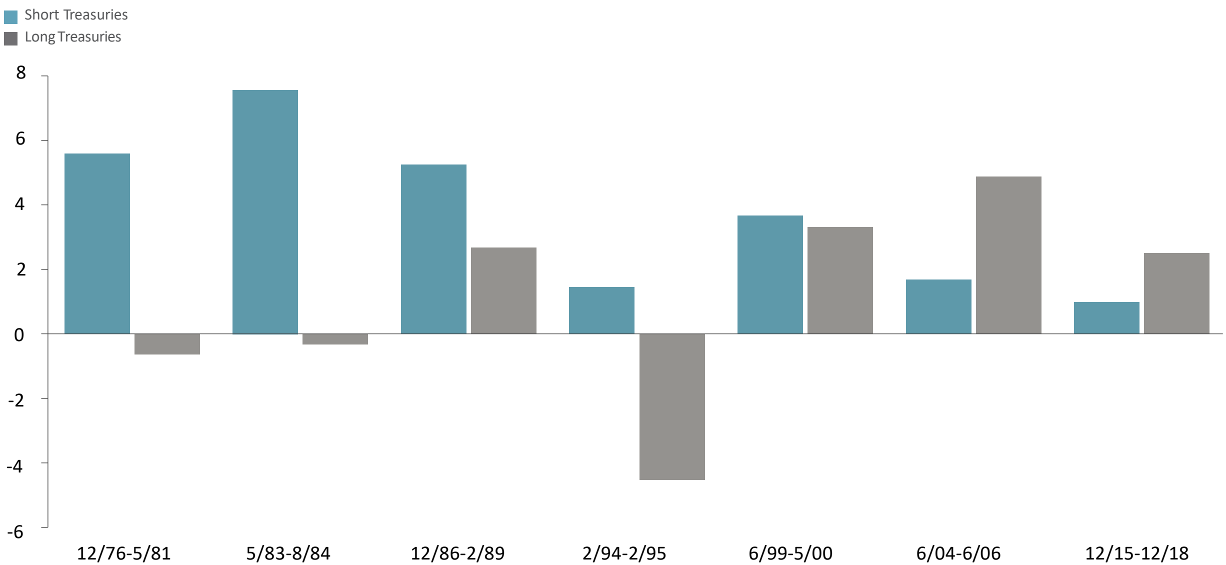
It was a rough first quarter for fixed income investments, as the Bloomberg Agg turned in its largest drop in over four decades. Losses in the bond market rarely accumulate, however, as the index has turned in back-to-back quarterly declines on only ten occasions in its more than 45-year history.

Source: Bloomberg

Returns will be pressured across the curve as the Fed tightens

Annualized changes in the Bloomberg short and long U.S. Treasury indices across Federal Reserve tightening cycles

Percent



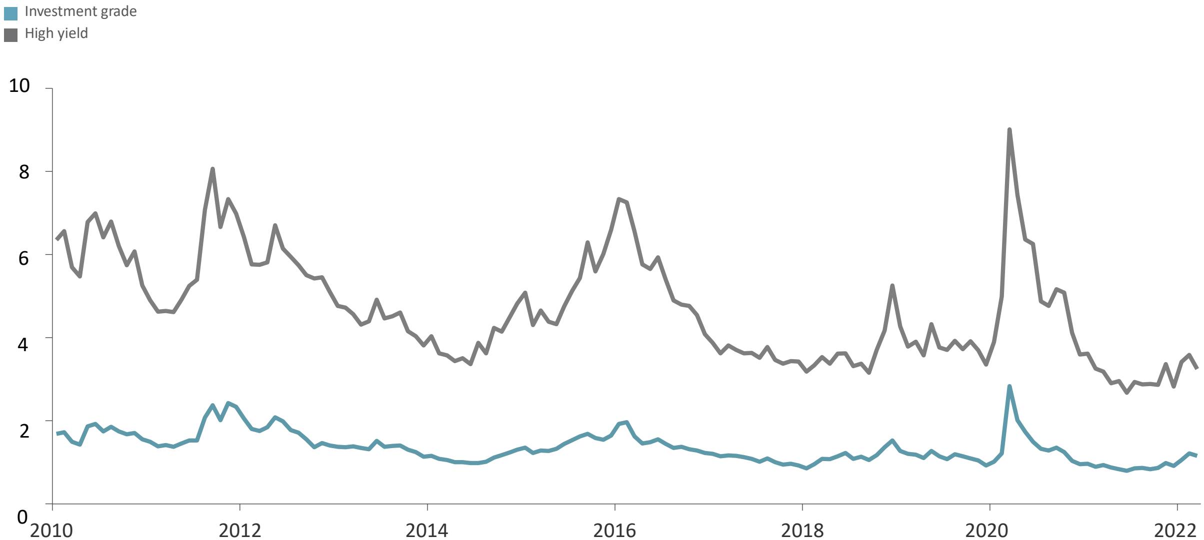
Returns are a good bet to remain soft across the Treasury yield curve as the Fed continues to lift benchmark rates. In most cases, the more rate-sensitive longer end of the curve bears the brunt of monetary tightening, but the shorter end has underperformed in recent cycles with yields rising from ultra-low levels.

Source: Bloomberg

Credit spreads widen

Investment-grade and high-yield option adjusted spreads

Percent



Credit spreads widened to begin the year, as a risk-off sentiment took hold.

Source: Bloomberg

A challenging first quarter for fixed income

Yearly changes by asset class

Percent

2013	2014	2015	2016	2017	2018	2019	2020	2021	2022 YTD
High Yield 7.4%	Treasuries 10.7%	Municipals 3.3%	High Yield 17.1%	High Yield 7.5%	Agencies 1.3%	Corporates 14.5%	TIPS 11.2%	TIPS 6.1%	TIPS -3.0%
Agencies -1.4%	Municipals 9.1%	MBS 1.5%	Corporates 6.1%	Corporates 6.4%	Municipals 1.3%	High Yield 14.3%	Treasuries 10.6%	High Yield 5.3%	Agencies -4.2%
MBS -1.4%	Corporates 7.5%	Agencies 1.0%	TIPS 4.8%	Municipals 5.4%	MBS 1.0%	Treasuries 8.9%	Corporates 9.9%	Municipals 1.5%	High Yield -4.9%
Corporates -1.5%	MBS 6.1%	Treasuries 0.9%	Bloomberg Agg 2.6%	Bloomberg Agg 3.5%	Bloomberg Agg 0.0%	TIPS 8.8%	Bloomberg Agg 7.5%	Corporates -1.0%	MBS -5.0%
Bloomberg Agg -2.0%	Bloomberg Agg 6.0%	Bloomberg Agg 0.5%	MBS 1.7%	TIPS 3.3%	Treasuries 0.0%	Bloomberg Agg 8.7%	High Yield 7.1%	MBS -1.0%	Bloomberg Agg -6.0%
Municipals -2.6%	TIPS 4.4%	Corporates -0.7%	Agencies 1.4%	MBS 2.5%	TIPS -1.5%	Municipals 7.5%	Agencies 5.5%	Agencies -1.3%	Municipals -6.4%
Treasuries -7.8%	Agencies 3.6%	TIPS -1.7%	Municipals 0.2%	Treasuries 2.1%	High Yield -2.1%	MBS 6.4%	Municipals 5.2%	Bloomberg Agg -1.5%	Treasuries -7.1%
TIPS -9.3%	High Yield 2.5%	High Yield -4.5%	Treasuries -0.2%	Agencies 2.1%	Corporates -2.5%	Agencies 5.9%	MBS 3.9%	Treasuries -3.6%	Corporates -7.8%

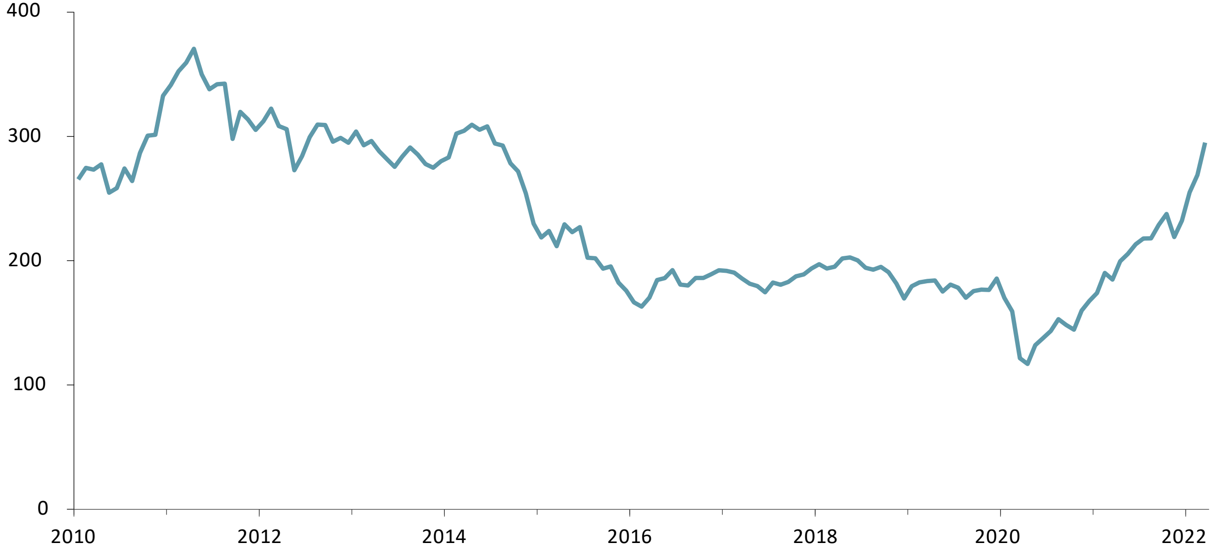
The rising rate environment pressured fixed income returns broadly in the first quarter.

Source: Bloomberg

Commodity prices soar anew

The CRB Commodity Index

Index



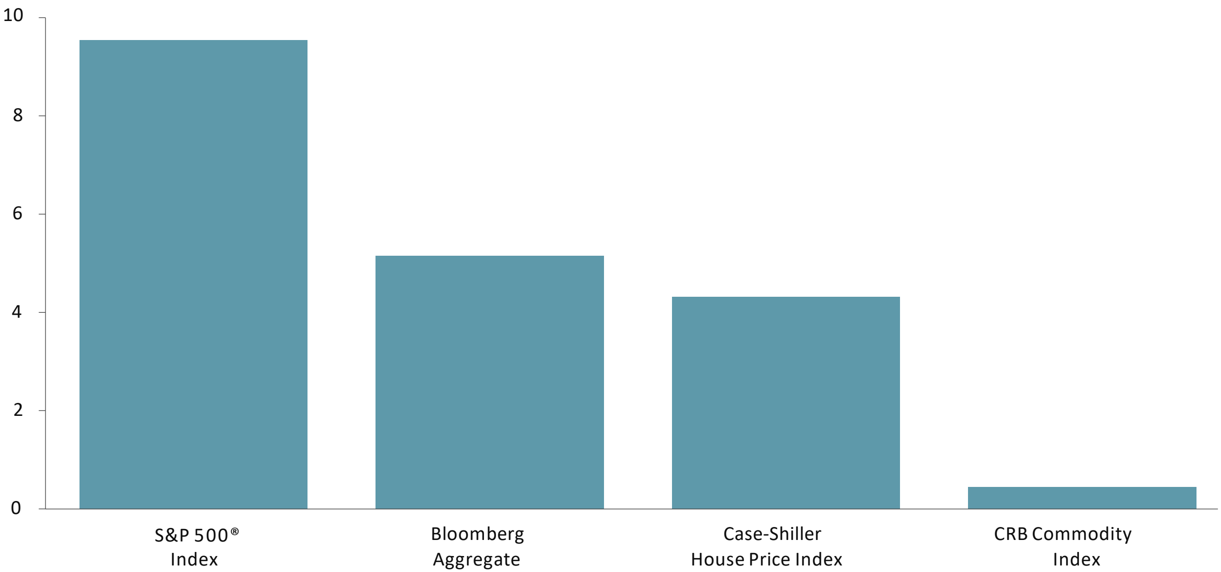
Commodity prices were in a sharp ascent again in the first quarter thanks in large part to the Russian invasion of Ukraine.

Source: Commodity Research Bureau

Commodities are little changed over the long run

Total returns by index, 1995-2020

Percent



Commodity prices tend to move in supercycles due to the lagged impact of demand on supplies (note, for example, the steady rise from 2002 to 2008 and the subsequent decline that ended early in 2020). Over the long haul, however, the overall index is generally stationary, as the up and down trends offset each other.

Source: Bloomberg

Energy prices shoot higher again

Yearly changes in commodity prices

Percent

2013	2014	2015	2016	2017	2018	2019	2020	2021	2022 YTD
Energy 5%	Livestock 14%	Precious Metals -11%	Energy 18%	Industrials 29%	Livestock -1%	Energy 30%	Precious Metals 23%	Energy 61%	Energy 49%
Livestock -4%	Precious Metals -4%	Agriculture -17%	Industrials 18%	Precious Metals 12%	Precious Metals -4%	Precious Metals 18%	Agriculture 15%	Industrials 30%	Agriculture 23%
Industrials -13%	Industrials -7%	Livestock -18%	Precious Metals 8%	Livestock 8%	Agriculture -8%	Industrials 3%	Industrials 15%	Agriculture 25%	Industrials 18%
Agriculture -18%	Agriculture -11%	Industrials -25%	Agriculture -4%	Energy 6%	Energy -17%	Agriculture 0%	Livestock -22%	Livestock 8%	Precious Metal 6%
Precious Metals -30%	Energy -44%	Energy -42%	Livestock -7%	Agriculture -12%	Industrials -18%	Livestock -6%	Energy -46%	Precious Metals -5%	Livestock 4%

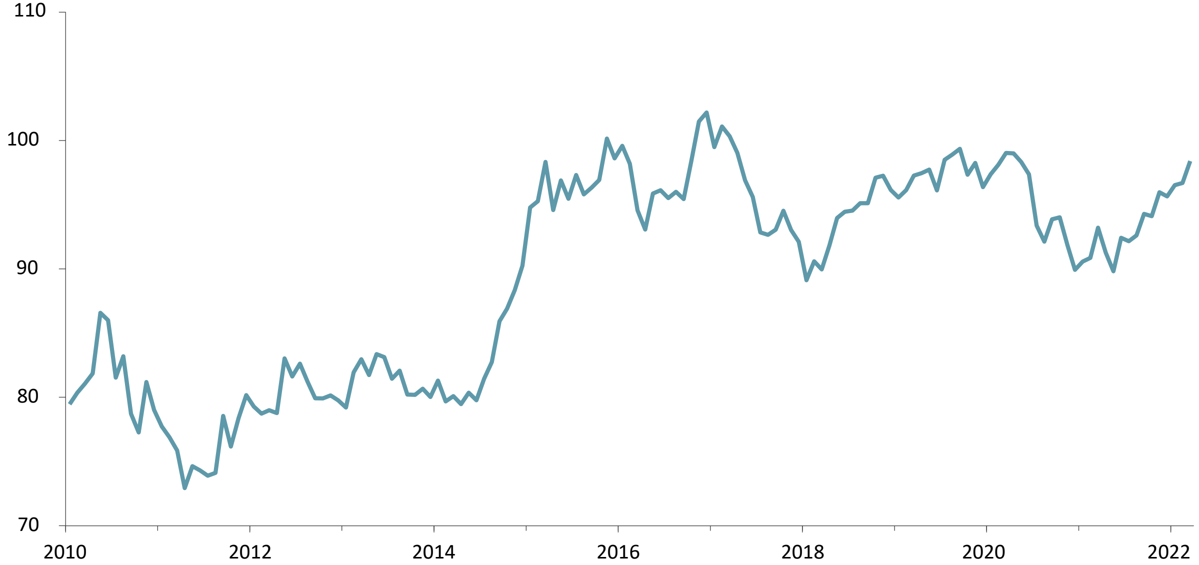
Energy prices surged again in the first three months of the year.

Source: Goldman Sachs

The dollar rises

The U.S. dollar index

Index



The dollar moved higher to start the year on the back of Fed tightening.

Source: ICE

A broadly strong dollar

Annual currency changes

Percent

2013	2014	2015	2016	2017	2018	2019	2020	2021	2022 YTD
Euro 4.0%	Dollar Index 12.8%	Dollar Index 9.3%	Dollar Index 3.6%	Euro 14.1%	Dollar Index 4.4%	Canadian Dollar 4.7%	Euro 8.9%	Dollar Index 6.3%	Dollar Index 2.5%
British Pound 1.9%	British Pound -6.3%	Japanese Yen -0.4%	Canadian Dollar 2.9%	British Pound 9.5%	Japanese Yen 2.7%	British Pound 3.9%	Japanese Yen 4.9%	Canadian Dollar 0.7%	Canadian Dollar 1.2%
Dollar Index 0.3%	Canadian Dollar -9.4%	British Pound -5.7%	Japanese Yen 2.7%	Canadian Dollar 6.5%	Euro -4.5%	Japanese Yen 1.0%	British Pound 3.1%	British Pound -1.0%	Euro -2.3%
Canadian Dollar -7.1%	Euro -13.6%	Euro -11.4%	Euro -3.2%	Japanese Yen 3.7%	British Pound -5.6%	Dollar Index 0.2%	Canadian Dollar 2.0%	Euro -6.9%	British Pound -2.8%
Japanese Yen -21.4%	Japanese Yen -13.7%	Canadian Dollar -19.1%	British Pound -19.4%	Dollar Index -9.9%	Canadian Dollar -8.5%	Euro -2.2%	Dollar Index -6.7%	Japanese Yen -11.5%	Japanese Yen -5.5%

The dollar was up against virtually every major currency in the first three months of the year.

Source: Bloomberg

U.S. Economy

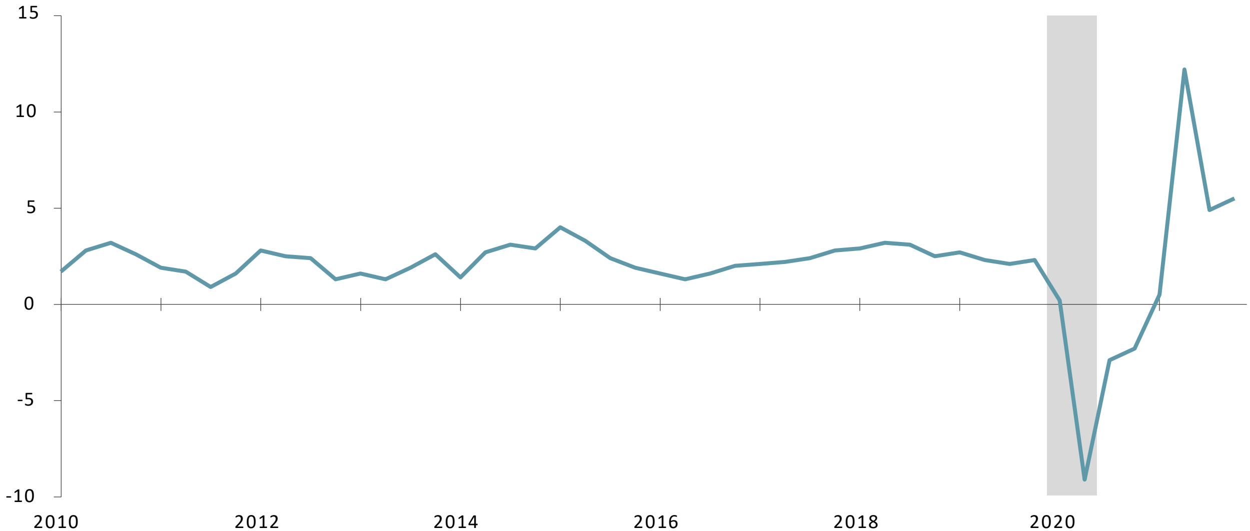
Highlights

The economy has recovered rapidly

Yearly changes in real gross domestic product

Percent

Shaded areas depict recessionary periods



Real GDP continues to advance at a robust pace in the early stages of this expansion.

Sources: Bureau of Economic Analysis and National Bureau of Economic Research

A broad increase in 2021

Yearly changes in the real GDP components

Percent

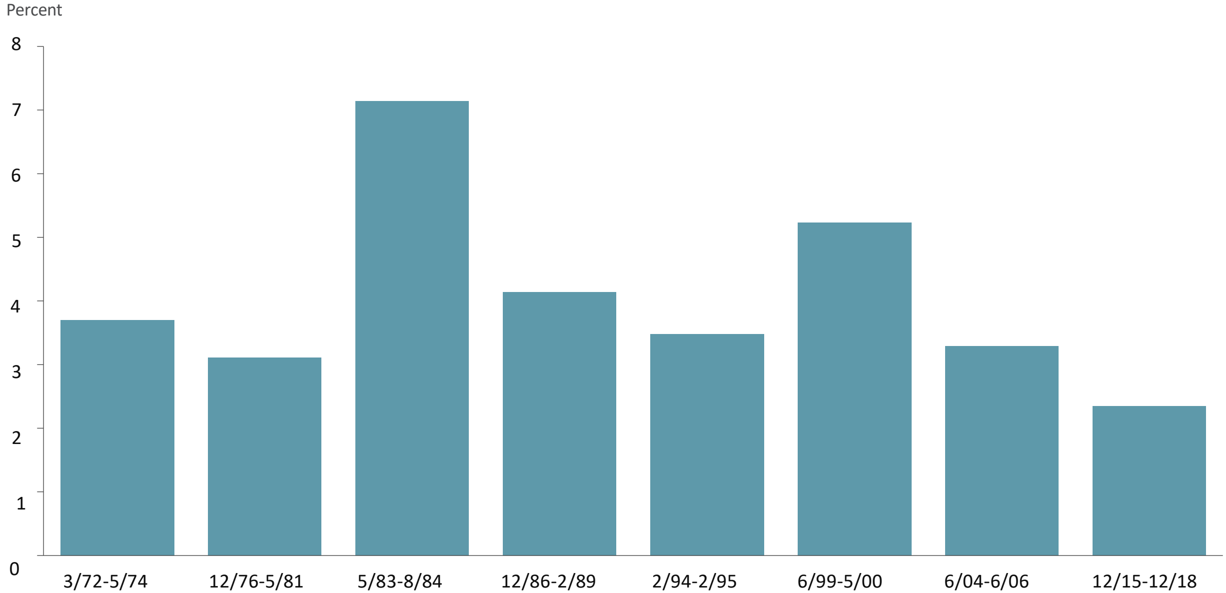
2012	2013	2014	2015	2016	2017	2018	2019	2020	2021
Investment 4.0%	Investment 9.3%	Imports 6.5%	Imports 3.3%	Consumption 2.3%	Exports 5.9%	Investment 5.2%	Government 3.2%	Investment 2.4%	Imports 9.6%
Exports 2.9%	Exports 5.2%	Investment 5.3%	Consumption 2.6%	Imports 2.2%	Imports 5.1%	Imports 3.4%	Consumption 2.3%	Government 1.2%	Investment 8.9%
Consumption 1.5%	Imports 2.9%	Consumption 3.5%	Investment 2.3%	Investment 1.8%	Investment 4.2%	Consumption 2.6%	Investment 0.8%	Imports 0.3%	Consumption 7.0%
Imports 0.5%	Consumption 1.9%	Exports 2.4%	Government 2.2%	Government 1.6%	Consumption 2.8%	Government 1.0%	Exports 0.3%	Consumption -2.4%	Exports 5.2%
Government -2.1%	Government -2.4%	Government 0.3%	Exports -1.5%	Exports 1.3%	Government 0.7%	Exports 0.2%	Imports -2.1%	Exports -10.7%	Government 0.1%

Most of the major GDP components advanced at a solid clip last year.

Source: Bureau of Economic Analysis

The economy grows during tightening cycles

Annualized changes in real gross domestic product during Federal Reserve tightening cycles



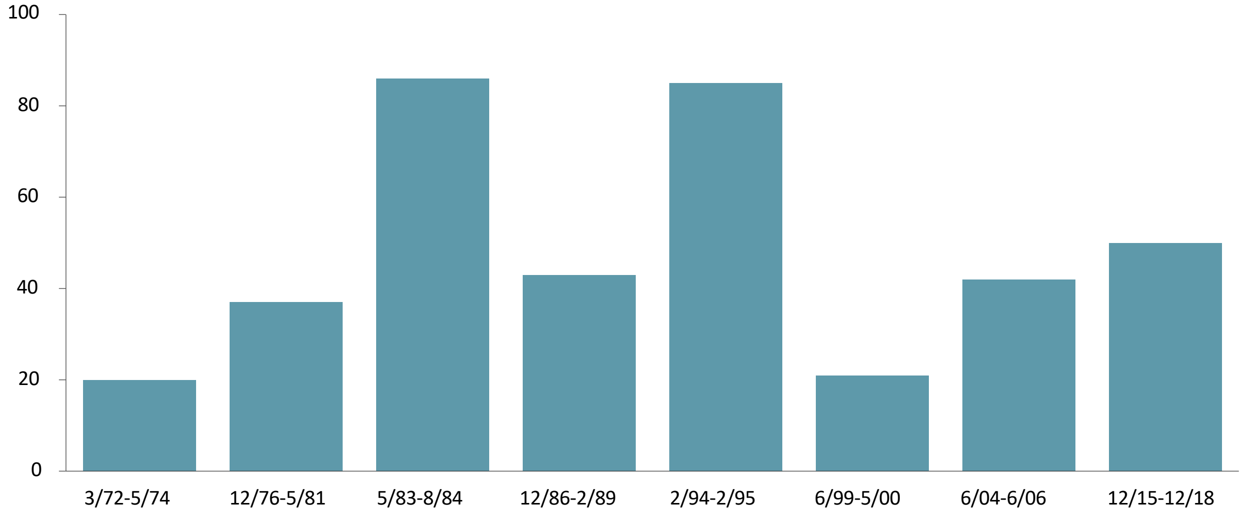
Due to strengthening feedback loops and the lags associated with monetary policy, the economy tends to continue advancing at a healthy pace during Fed rate hike cycles.

Source: Bureau of Economic Analysis

A long runway between tightening and recession

Time between the outset of Federal Reserve tightening cycles and the onset of recessions

Months



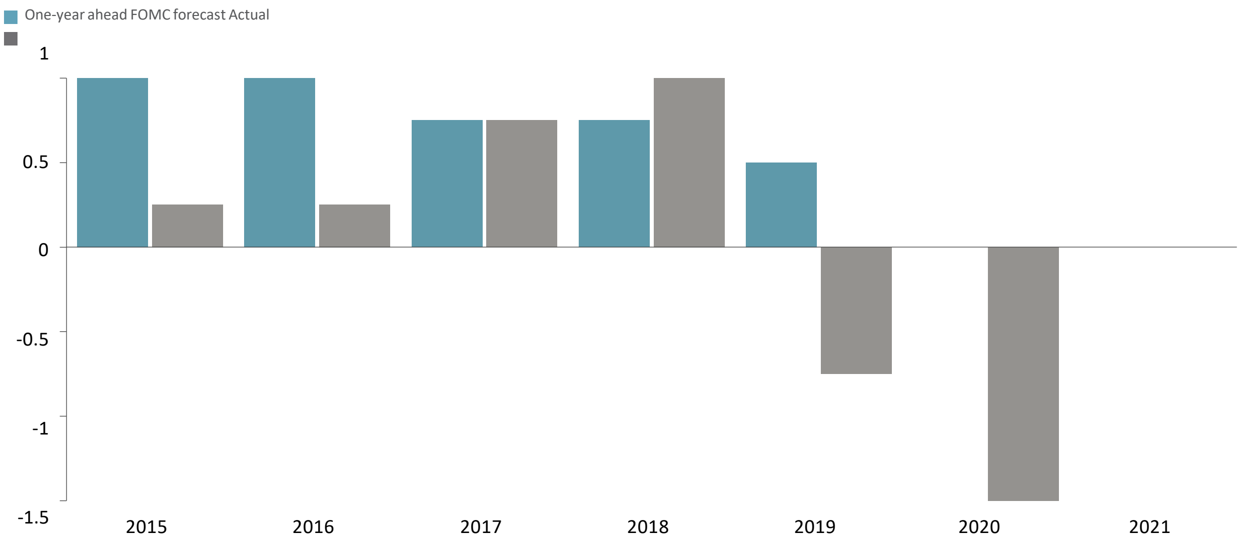
It takes time before monetary policy is restrictive enough to drive the economy into recession. Even excluding the soft landings of the 1980s and 1990s, it has taken an average of nearly three years between the first rate hike of a cycle and the beginning of the subsequent recession.

Sources: Federal Reserve Board of Governors, National Bureau of Economic Research

The Fed overestimated tightening in the last cycle

FOMC forecasted and actual changes in the federal funds target

Percent



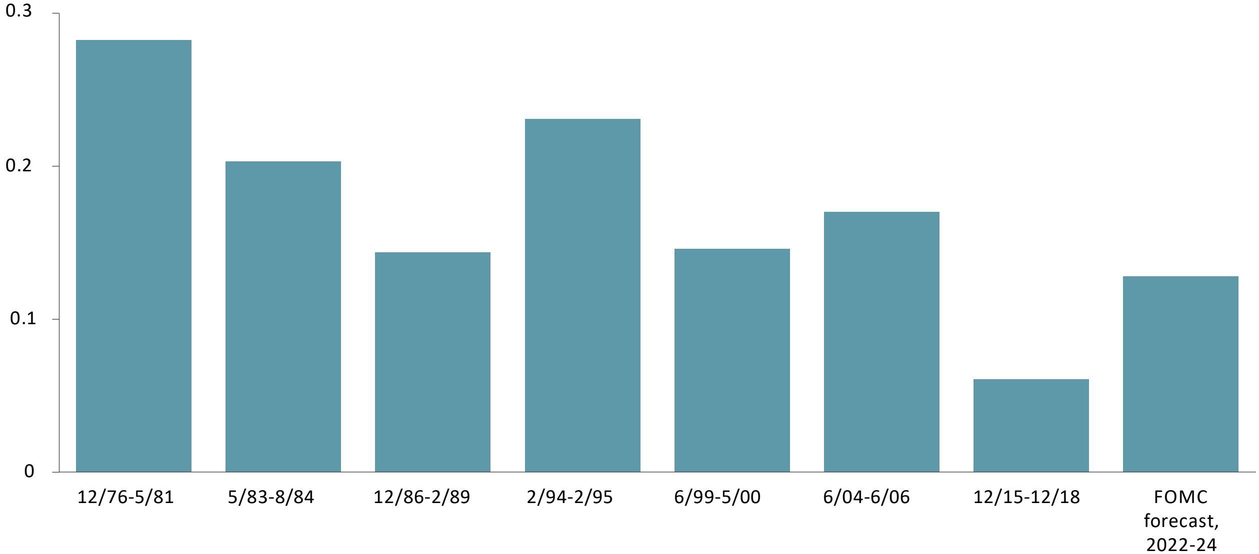
The Federal Open Market Committee overestimated the degree to which it would hike benchmark interest rates throughout the last cycle. At the end of both 2014 and 2015, for example, the FOMC anticipated that if would lift the fed funds target by one full percentage point across the subsequent year, but in the event tightened by only 0.25 percent in each case.

Source: Federal Reserve Board of Governors

Anticipated rate hikes would still be slow by historical standards

Increases in the federal funds target rate per month by Federal Reserve tightening cycle

Percent per month



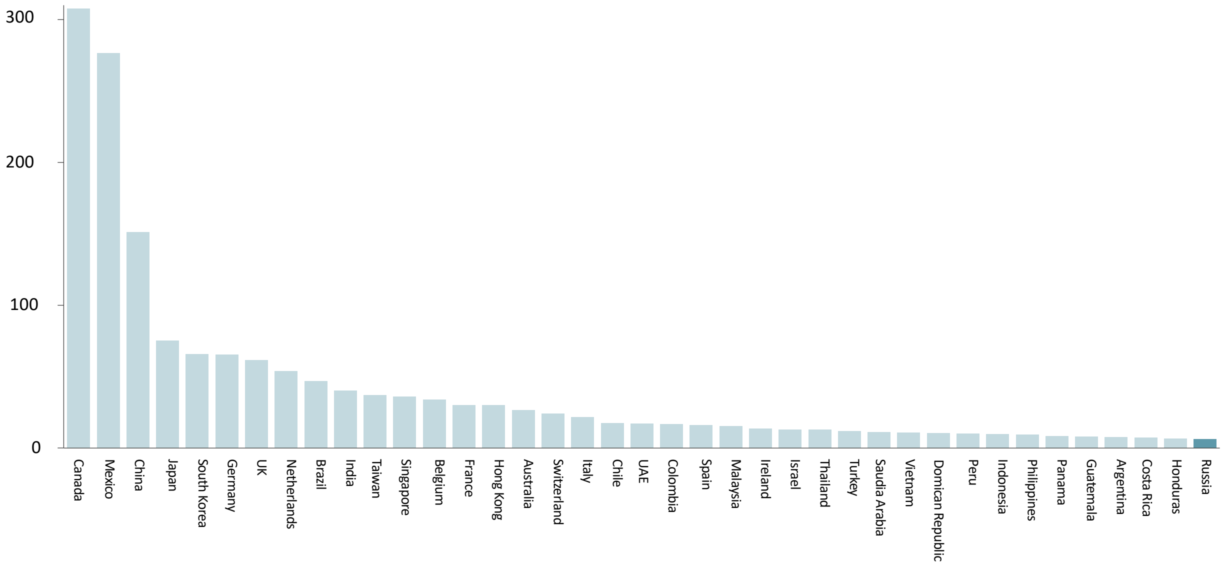
Even if the more aggressive FOMC forecast released in March were to come to fruition, it would still rank among the most gradual tightening cycles on record.

Source: Federal Reserve Board of Governors

Russia is not a major U.S. trading partner

Top U.S. export destinations, 2021

$ Billions



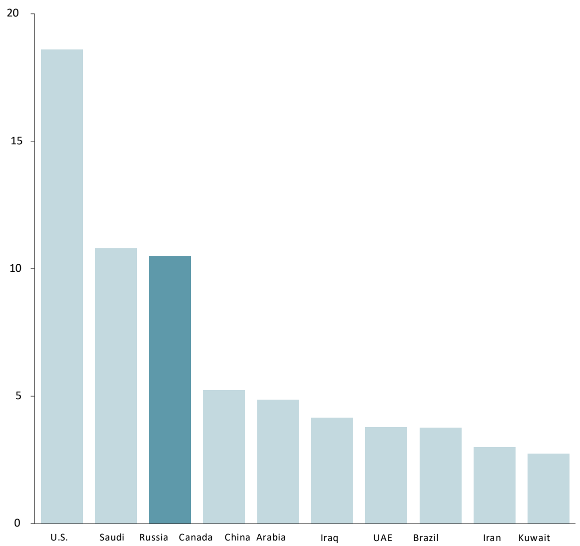
The direct impact of the war on the U.S. economy should be minimal. Russia is the 11th largest economy in the world, but ranked only 39th among U.S. export partners in 2021.

Source: Census Bureau

The war will amplify inflationary pressures

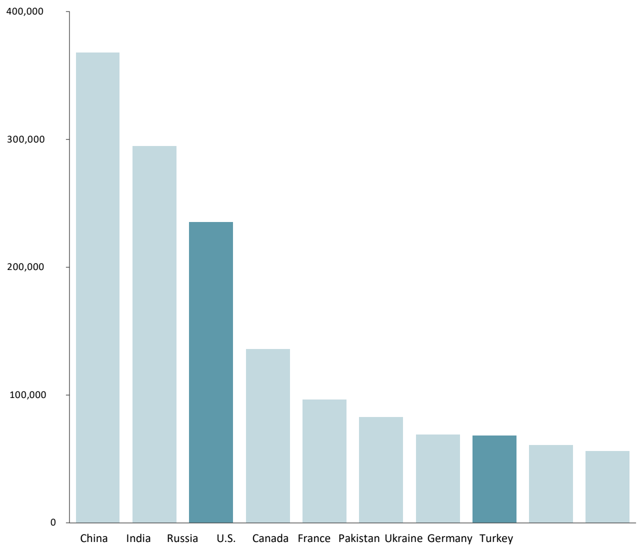
The world's top oil producing countries

Millions of barrels per day



The world's top wheat producing countries

Metric tons per day



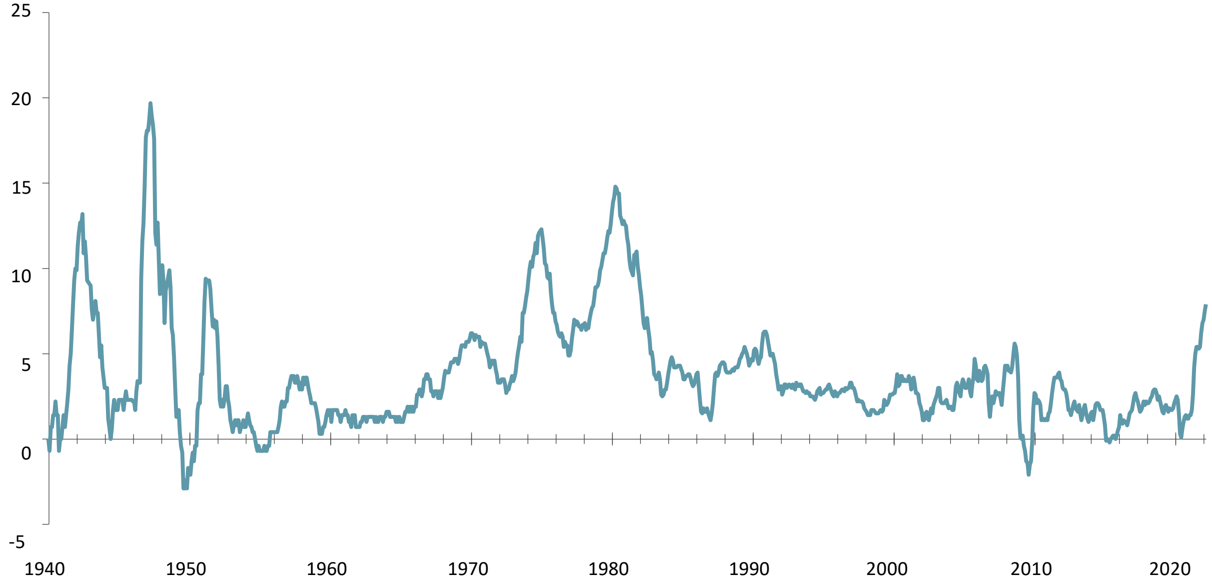
While the war in Europe will have little direct impact on the U.S. economy, it could have a sizeable indirect effect through its influence on inflation. Russia is a major producer of energy, metals, and grains, which could mean another leg up in an already elevated inflation rate.

Sources: Energy Information Administration (left); FAOSTAT (right)

Inflation spikes give way to sharp declines

Yearly changes in the consumer price index

Percent



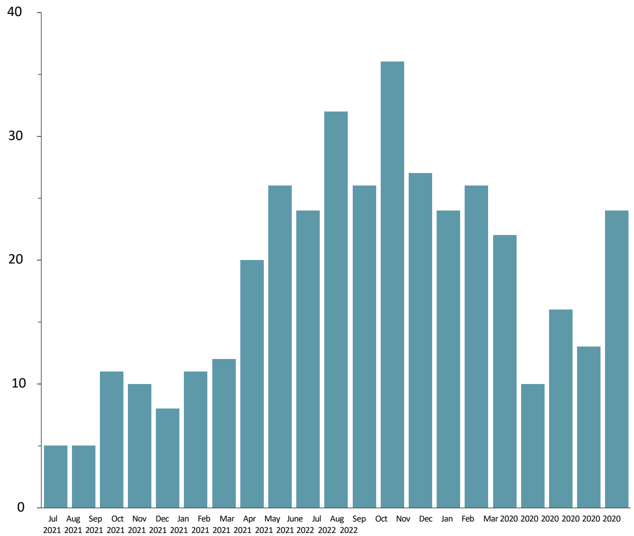
The inflation rate continued to climb in the early stages of 2022 after accelerating at its fastest pace in more than seven decades last year. Prior inflation spikes have generally given way to sharp pullbacks, as, like this one, they have been largely driven by unsustainable shocks.

Source: Bureau of Labor Statistics

The healing process is underway

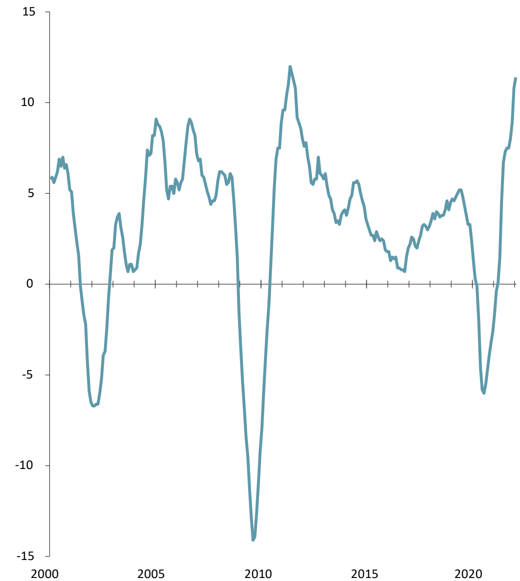
Commodities reported to be short supply in the ISM manufacturing survey

Number



Yearly changes in business inventories

Percent



Widespread shortages have helped to push the inflation rate higher, but are already showing signs of diminishing. Output has picked up and business inventories are rising at their fastest pace in more than a decade. Commodity availability had improved, as well, but relapsed a bit in the early stages of the Russian invasion.

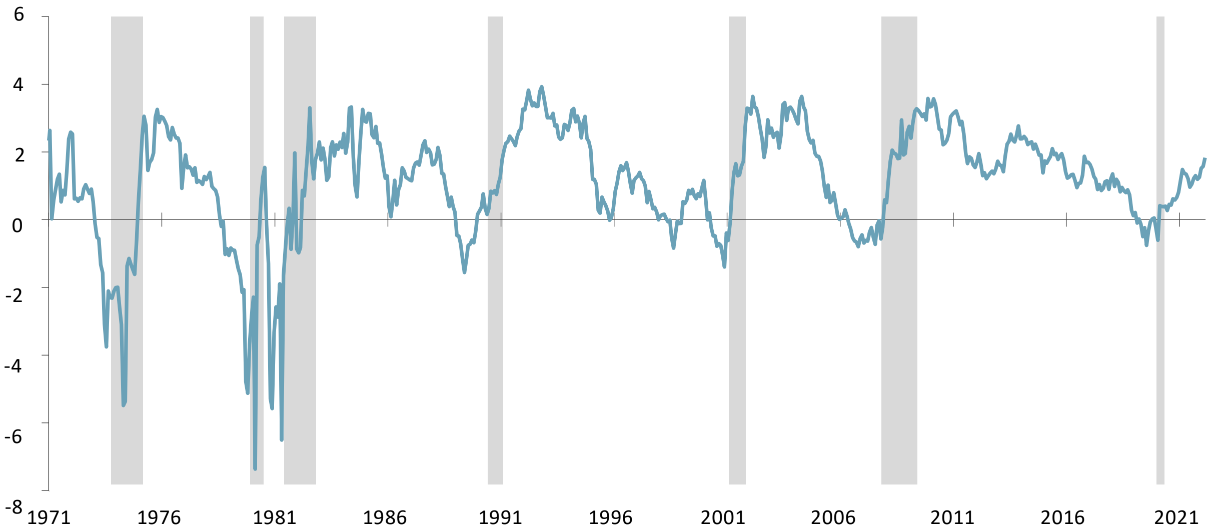
Sources: Institute for Supply Management (left); Census Bureau (right)

The yield curve points to ongoing expansion

Spread between the 10-year U.S. Treasury yield and the federal funds target rate

Percent

Shaded areas depict recessionary periods



The indicator that best encapsulates the stance of monetary policy relative to the state of the economy is the yield curve, the spread between long- and short-term interest rates. The curve begins this Fed rate hike cycle at a relatively steep level, a sign that the economic outlook is still healthy and that the next downturn remains distant.

Sources: Bloomberg and National Bureau of Economic Research

Where are we in the business cycle?

Expansions and recessions are amplified through the labor market before being ended via changes in inflation and interest rates.

With the Fed just beginning to tighten, this cycle should have plenty of room left to run.

Job growth on the rebound

Yearly changes in employment growth by major groups

Percent

2013	2014	2015	2016	2017	2018	2019	2020	2021	2022 YTD
Construction 3.6%	Construction 6.1%	Construction 5.4%	Transportation 3.1%	Construction 4.0%	Transportation 4.6%	Transportation 4.0%	Transportation 1.8%	Hospitality 18.5%	Hospitality 2.3%
Hospitality 3.4%	Transportation 4.8%	Transportation 3.9%	Hospitality 2.8%	Transportation 3.6%	Construction 4.3%	Education 2.4%	Financial -1.1%	Transportation 7.4%	Transportation 1.6%
Services 3.1%	Services 3.3%	Hospitality 3.5%	Construction 2.8%	Hospitality 2.1%	Services 2.2%	Hospitality 2.3%	Construction -2.3%	Information 7.1%	Construction 0.9%
Retail 2.5%	Hospitality 3.0%	Education 3.0%	Education 2.7%	Education 2.0%	Manufacturing 2.1%	Financial 1.9%	Retail -2.8%	Services 5.5%	Services 0.8%
Information 1.9%	Education 2.3%	Services 2.8%	Financial 2.2%	Services 1.9%	Education 2.0%	Construction 1.8%	Services -3.3%	Manufacturing 3.0%	Retail 0.7%
Transportation 1.7%	Manufacturing 1.7%	Financial 1.8%	Information 1.9%	Financial 1.5%	Financial 1.9%	Information 1.4%	Education -4.4%	Retail 2.8%	Education 0.6%
Education 1.2%	Financial 1.6%	Retail 1.2%	Services 1.7%	Manufacturing 1.4%	Hospitality 1.3%	Services 1.3%	Government -4.6%	Construction 2.6%	Financial 0.4%
Financial 1.1%	Retail 1.5%	Information 0.9%	Retail 1.2%	Government 0.4%	Information 1.3%	Government 1.0%	Manufacturing -4.7%	Education 2.5%	Manufacturing 0.4%
Manufacturing 1.0%	Government 0.6%	Government 0.7%	Government 0.9%	Information 0.2%	Government 0.6%	Manufacturing 0.0%	Information -6.0%	Government 2.1%	Information 0.3%
Government -0.3%	Information 0.3%	Manufacturing 0.6%	Manufacturing -0.1%	Retail -0.5%	Retail -0.7%	Retail -0.6%	Hospitality -24.0%	Financial 1.6%	Government 0.3%

Employment is recovering broadly.

Source: Bureau of Labor Statistics

Outsized employment increases in many states

Changes in nonfarm payrolls

Percent

2013	2014	2015	2016	2017	2018	2019	2020	2021	2022 YTD
North Dakota 3.1%	Nevada 4.1%	Utah 3.8%	Idaho 3.1%	Utah 3.3%	Idaho 3.4%	Arizona 3.1%	Idaho 0.5%	Nevada 10.2%	Nebraska 1.3%
Utah 3.1%	North Dakota 4.1%	Florida 3.8%	Utah 3.0%	Nevada 3.2%	Nevada 3.3%	Idaho 3.0%	Utah -0.1%	Hawaii 8.1%	Kansas 1.3%
Colorado 3.1%	Colorado 3.9%	Nevada 3.5%	Washington 3.0%	Idaho 3.0%	Arizona 3.0%	Nevada 2.9%	Montana -1.4%	California 6.5%	Maine 1.2%
Nevada 3.0%	Texas 3.7%	Oregon 3.4%	Florida 2.8%	Arizona 2.6%	Utah 3.0%	Utah 2.4%	South Dakota -2.2%	New Mexico 6.5%	California 1.2%
Florida 2.8%	Florida 3.6%	Idaho 3.2%	Nevada 2.8%	Colorado 2.5%	Texas 2.6%	Colorado 2.2%	Tennessee -2.4%	Colorado 6.2%	Utah 1.1%
California 2.8%	Georgia 3.4%	California 3.2%	Oregon 2.5%	Washington 2.4%	South Carolina 2.5%	Washington 2.2%	North Carolina -2.4%	Florida 6.1%	South Carolina 1.1%
Oregon 2.8%	Oregon 3.3%	South Carolina 2.8%	Arizona 2.5%	California 2.2%	Florida 2.3%	Florida 2.1%	Mississippi -2.4%	Michigan 6.0%	Wyoming 1.1%
Texas 2.7%	Utah 3.1%	Virginia 2.8%	Georgia 2.2%	Oregon 2.1%	Colorado 2.2%	Texas 2.1%	Arkansas -2.7%	Texas 5.7%	Georgia 1.1%
Idaho 2.4%	South Carolina 2.9%	Georgia 2.7%	California 2.2%	Florida 2.1%	Washington 2.1%	North Carolina 2.0%	Alabama -3.0%	Oregon 5.6%	Kentucky 1.0%
Arizona 2.4%	California 2.8%	Washington 2.7%	Colorado 2.1%	Texas 2.0%	Oregon 1.9%	Georgia 1.9%	Nebraska -3.1%	Washington 5.5%	Washington 1.0%

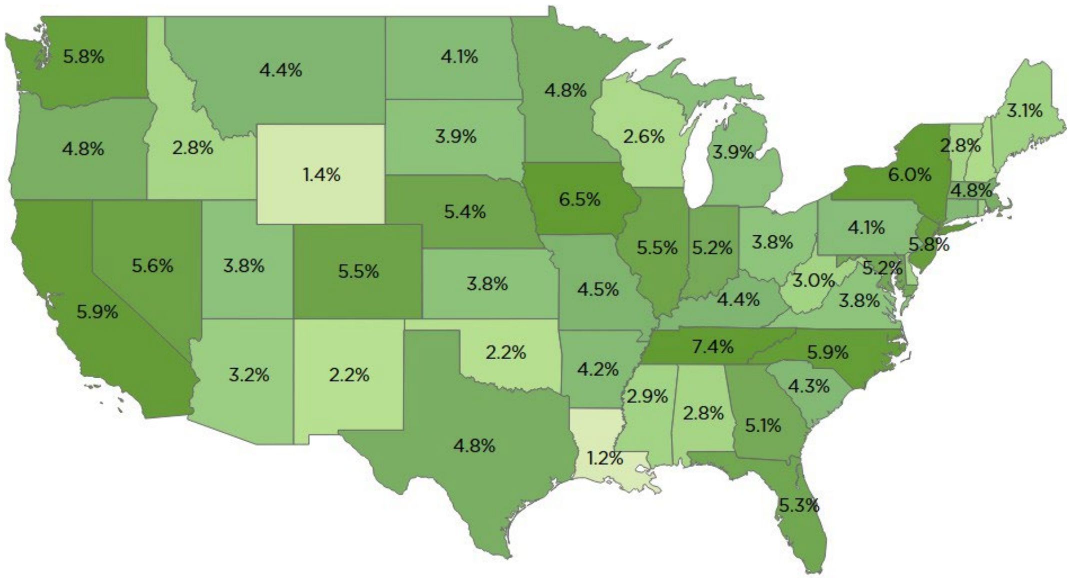
Employment is growing solidly in many states after big declines in early 2020.

Source: Bureau of Labor Statistics

A broad recovery

Yearly changes in gross state product

Percent

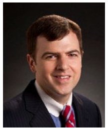


The economy is healing broadly, if unevenly, across the country.

Source: Bureau of Economic Analysis

Contributors

The experience and perspective of Nationwide's staff economists and market analysts assure advisors and clients of a relevant viewpoint that's easy to understand. You may be able to apply this information to specific financial planning situations for your clients.



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