



“The Economy: Where Do We Go From Here?”

Howard Fletcher III to provide keynote presentation at Management Update Conference

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February’s PMPA Management Update Conference in San Diego will feature Howard C. Fletcher III as the keynote speaker. His presentation, “The Economy – Where Do We Go From Here?” will focus on the reasons why economic growth will be generally slow for the rest of this decade.

His presentation blends historical data, current economic statistics and common sense to present a business-oriented look at the future, without the spin found in the general media. Attendees will take away from the speech an understanding of the real forces that brought the economy to its knees. Other topics will include the difference between a cyclical inventory recession and a balance sheet recession, the reasons why economic growth remains less than robust, the outlook for employment, the systemic risks that could derail the slow recovery and the painful but necessary political and social policy changes that must be made.

“I will discuss how economies have historically performed when a recession follows a financial meltdown,” Mr. Fletcher says. “I will also explain why this recession and recovery are different from all previous post-war recessions and recoveries, and why the housing market is not recovering despite all of the Washington gimmicks.” He will also touch on why he feels that unemployment will remain high by

historic standards for the remainder of this decade and what that means for the economy moving forward.

Mr. Fletcher will discuss the all-important (but little understood) systemic risks to the economy. “Systemic risks are those risks that cannot be diversified away,” he explains. “The debt crisis in Europe is a prime example. For the past three years, the problem of European sovereign debt was just pushed into the background by optimism over policy half-measures. Now, the crisis is worse and failure to manage it successfully will have far-reaching consequences globally.”



He describes another systemic risk as the sudden correction in purchasing power parity resulting from a failure to successfully manage global economic imbalances. “You can’t diversify away purchasing power parity risk,” he says. “The value of currency holdings can be hedged, but nothing you

or I do will mitigate the economic consequences of an overnight correction in purchasing power parity. Systemic risks will happen or they won’t; there is nothing you can do to influence the outcome other than make contingency plans.”

In conclusion, Mr. Fletcher will discuss in some detail why federal, state and local governments will abrogate the contracts they have made with their citizens and employees. “It’s all about the debt,” he emphasizes. “Excessive consumer and government debt inhibits economic growth, limits policy options for a resumption of growth and significantly increases the risk profile as it relates to unanticipated events.

“Without growth, resources will be inadequate to meet all of the commitments that have been made,” he adds. “It is not a question of if or when, but rather *how* abrogation will occur. With political will, the process can be managed to a relatively smooth resolution. Without political will, abrogation will be extraordinarily fractious and painful.”

Mr. Fletcher’s speeches have been called excellent, provocative and informative by almost 90 percent of the people who have attended. Come hear him lay it out for you in a way that nobody else can.

**You’ll want to save the Date:
February 24-26, 2012**

**PMPA Management Update
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