



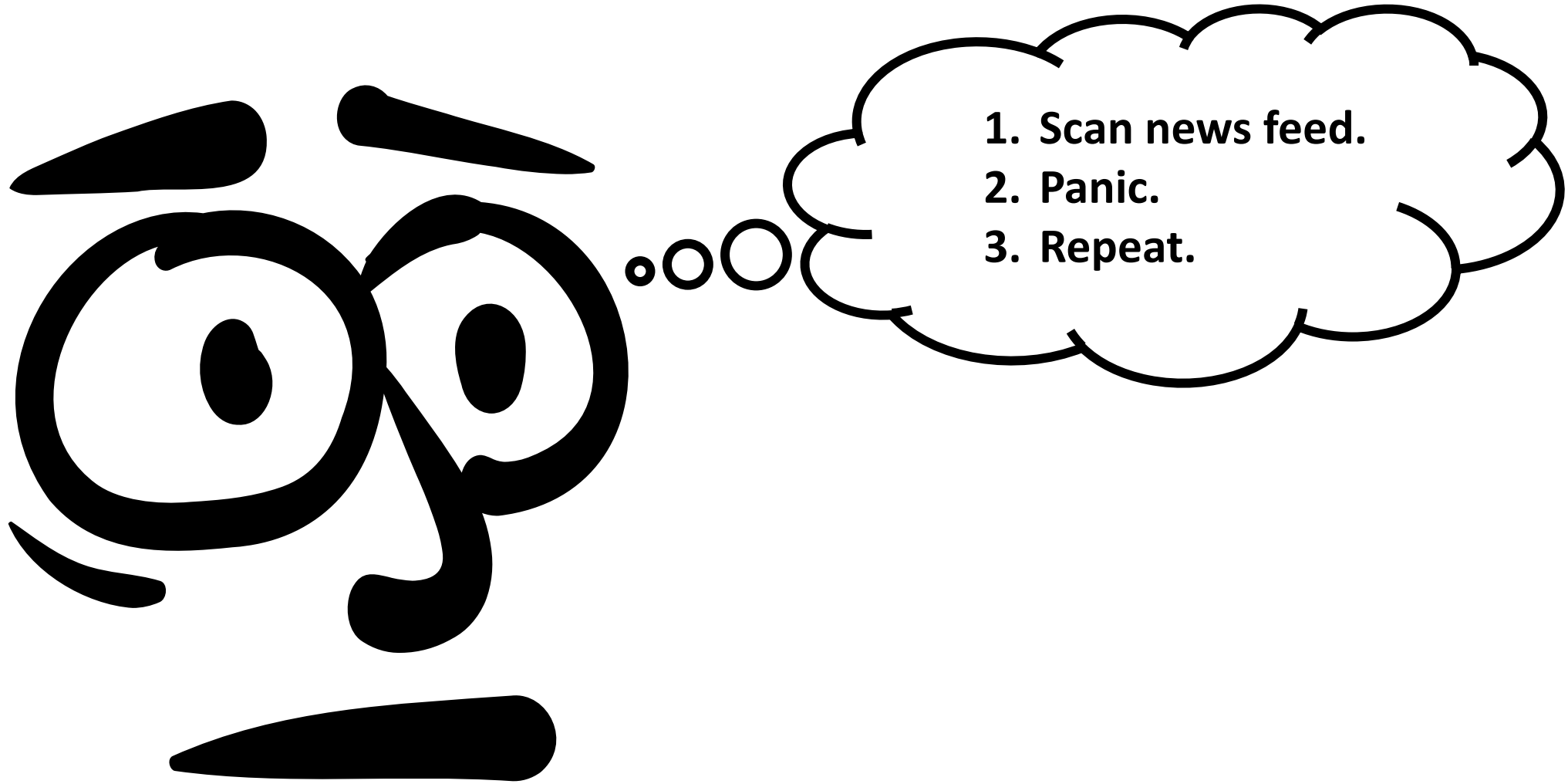
NWGA Energy Conference
Bend, Oregon
June 2-4, 2026

U.S. and Canadian Economic Outlook: Good for the Next 48 Hours (or less)

Grant Forsyth, Ph.D.
Chief Economist
Grant.Forsyth@avistacorp.com

Grant's Typical Workday since February 2020

The key ingredient is panic



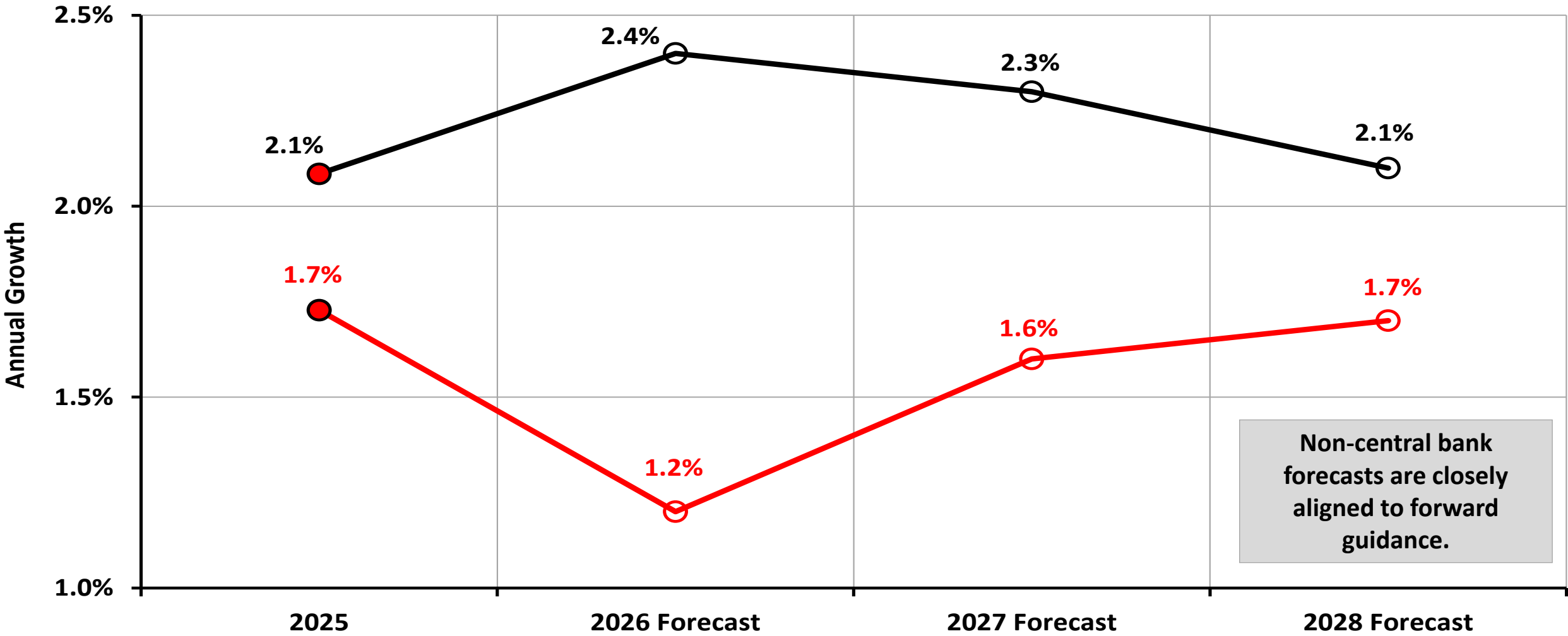
Takeaways

- **GDP growth highly uncertain because things are still weird, but forecasters don't see a recession in the next 12 months.**
- **Inflation risks continue with energy shocks and lingering tariffs. Inflation uncertainty and fiscal risk continue to prop-up long-term rates.**
- **Employment growth is weak and will remain so for 2026 and 2027. Regionally, Idaho and Alberta have the better outlook.**
- **Labor productivity has improved, especially in the U.S. Canada needs more improvement to offset lower international immigration.**
- **Canada's population growth has slowed because of less international immigration, and lower immigration targets will slow future population growth. U.S. remains unfriendly to immigration in general with new green card rules.**

GDP Growth and Forward Guidance, 2025-2028

AI investment, high-income consumers, and energy prices are key

Central Bank Forecasts



—○— Fed Forecast (March)

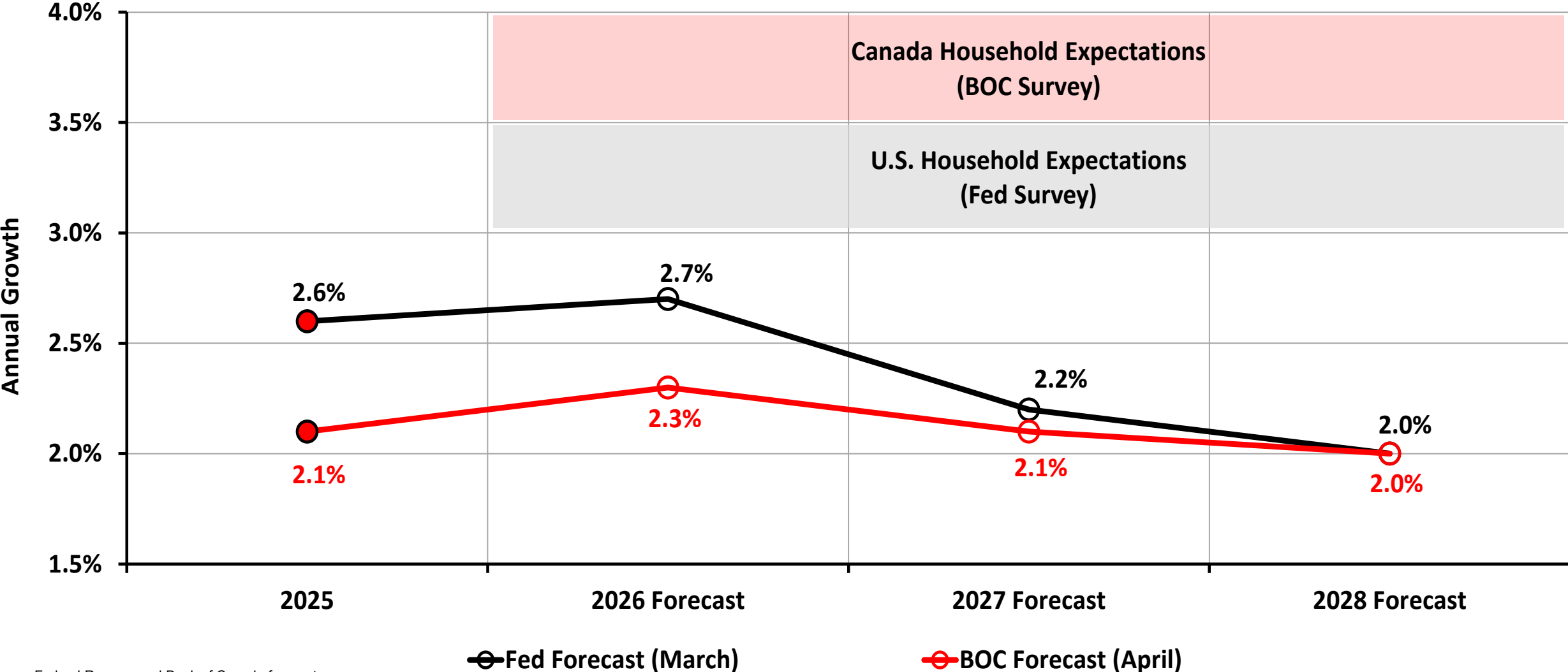
—○— BOC Forecast (April)

Source: Federal Reserve and Bank of Canada forecasts. Various non-central bank forecasts. 2025 data from BEA and Statistics Canada.

Consumer Inflation and Forward Guidance, 2025-2028

A consistent 2% rate remains elusive and households feel worse

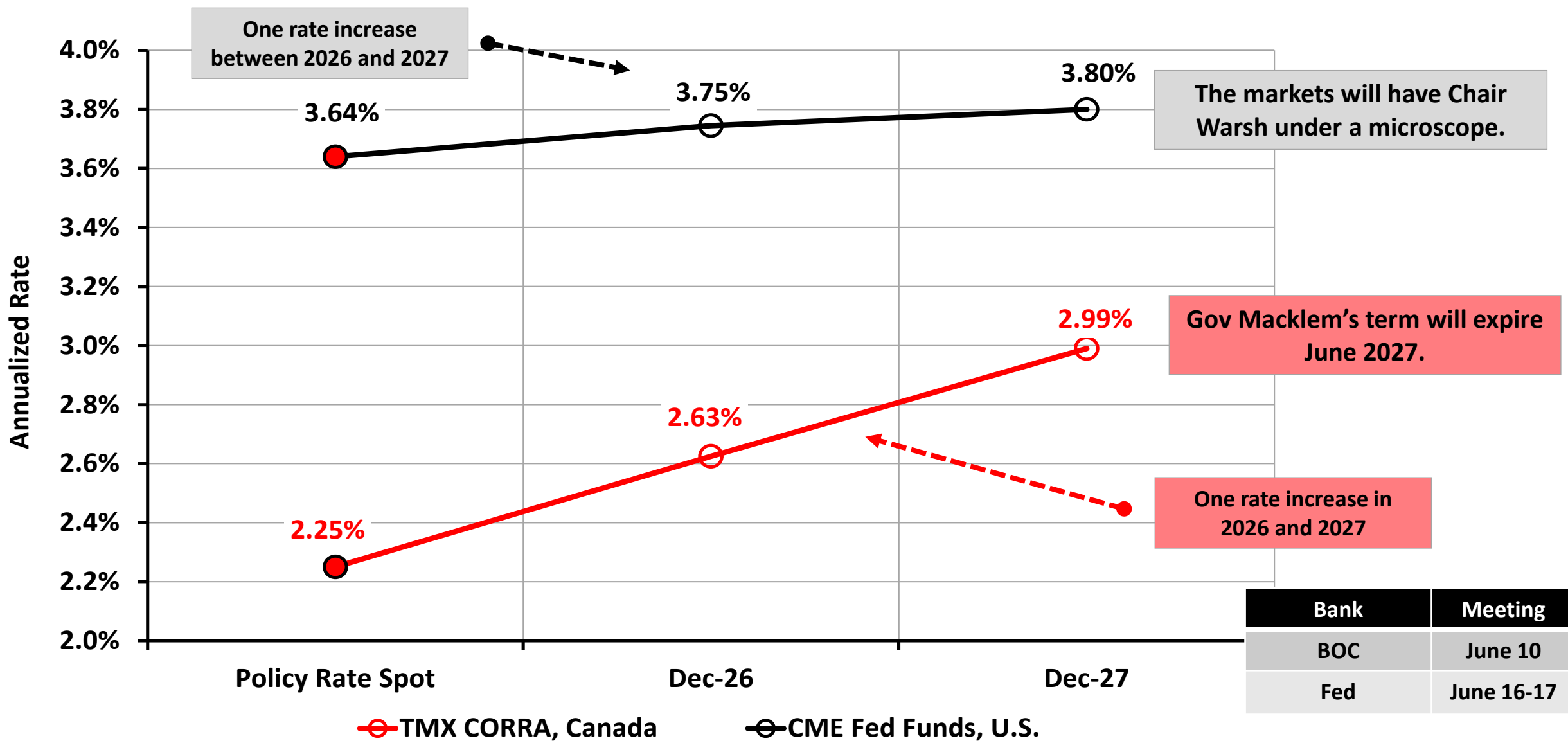
Central Bank Forecasts: Canada CPI Inflation and U.S. PCEI Inflation



Source: Federal Reserve and Bank of Canada forecasts. Various non-central bank forecasts. 2025 data from BEA and Statistics Canada.

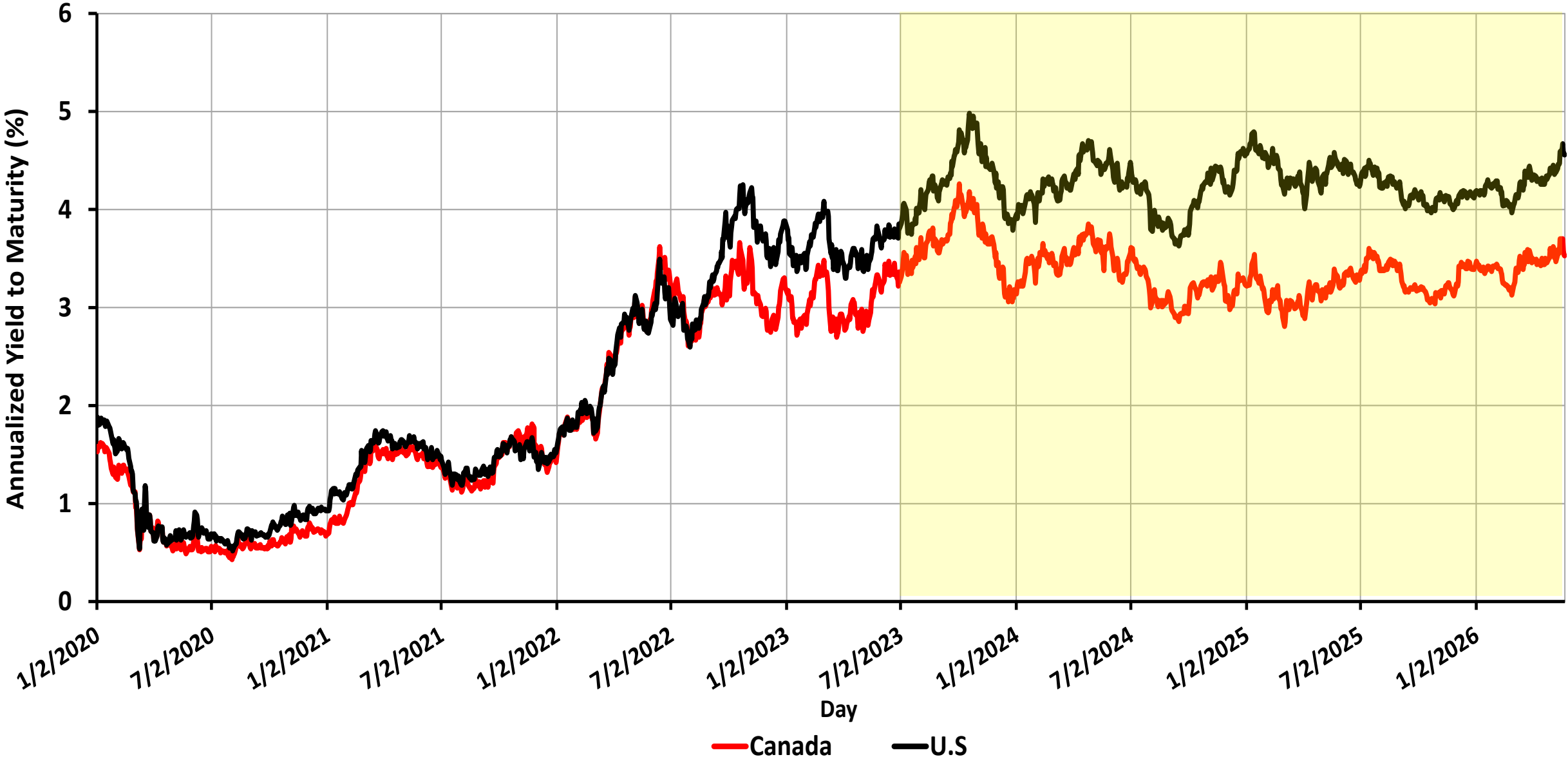
Policy Rate Expectations on May 29, 2026

No expectation of rate cut rescue with an energy shock



10 Year Government Bond Yield, 2020-2026

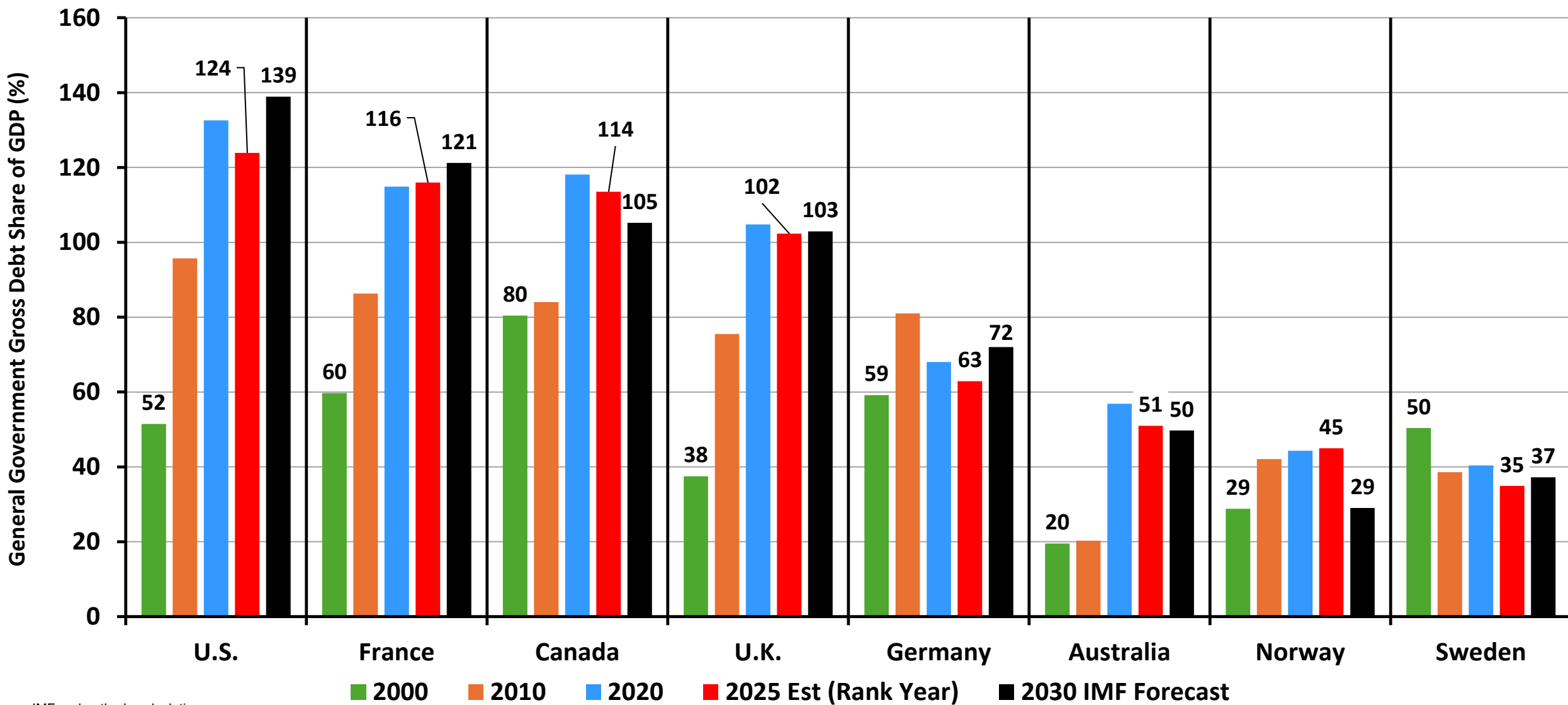
Inflation risk and national debt remain a concern



Source: FRED, Bank of Canada, and author's calculations.

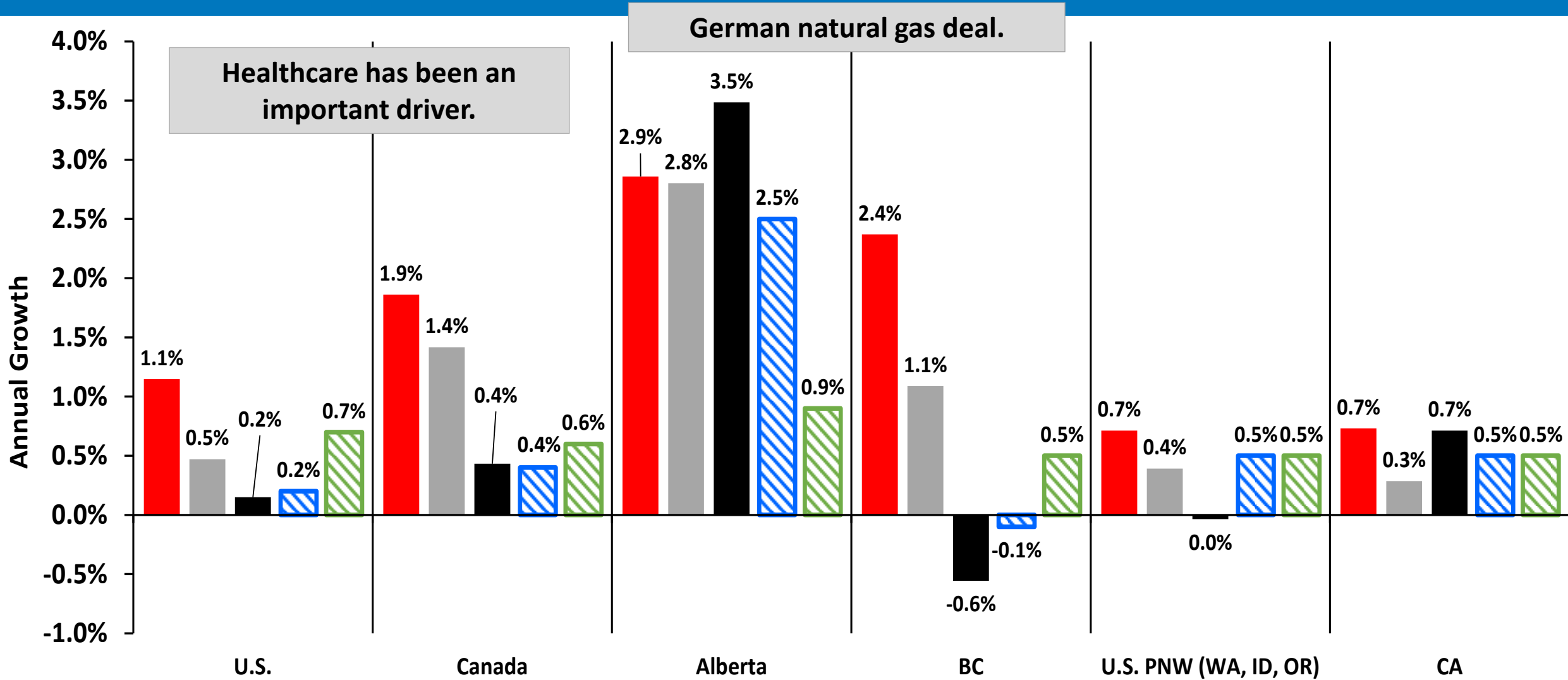
Share of General Government Gross Debt to GDP, 2000-2030

Not a great picture for U.S. but Canada looks a bit better



Employment Growth, 2024-2027

Look for a soft labor market in 2026 and most of 2027

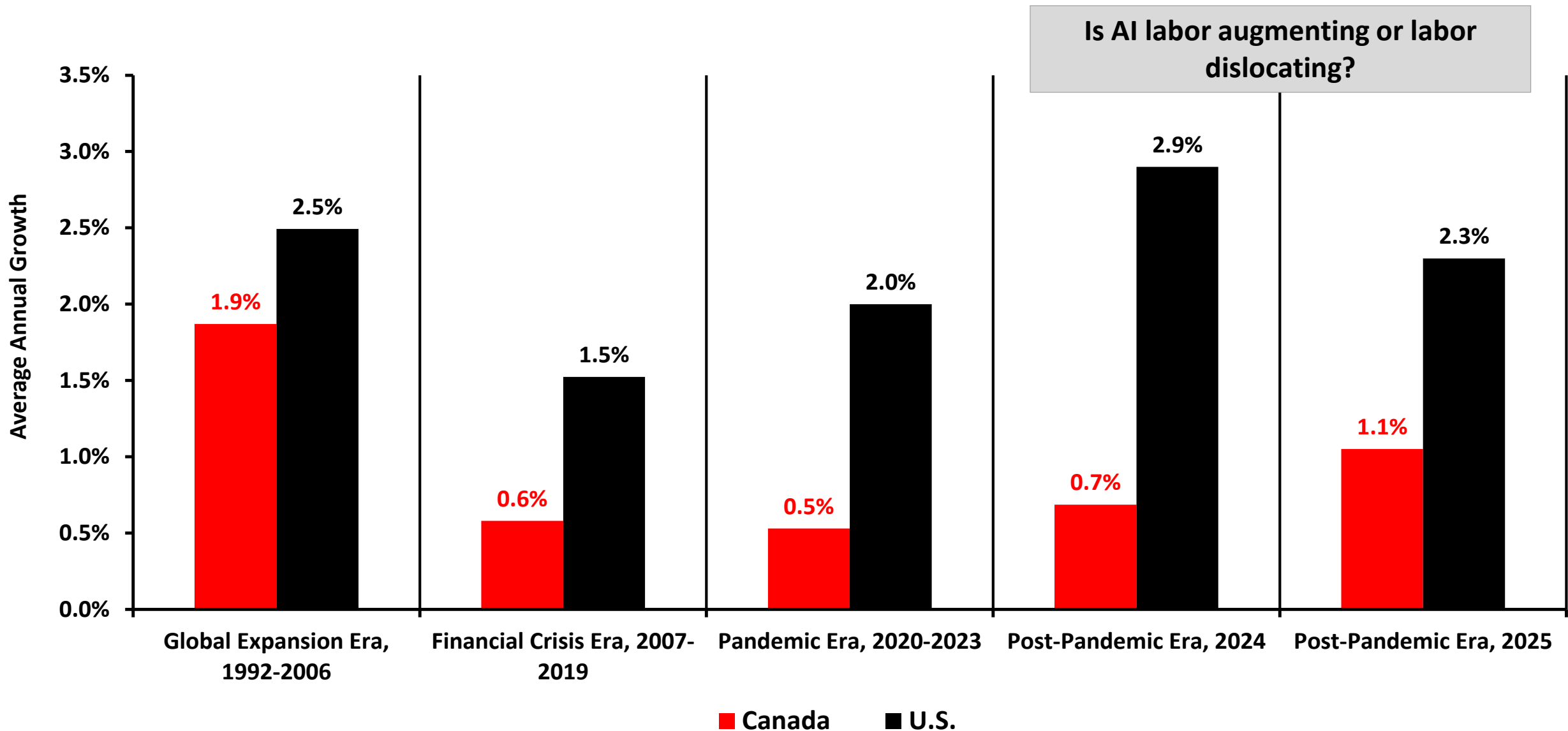


■ 2024 ■ 2025 ■ 1Q 2026 Y-o-Y ■ 2026 Consensus Forecast ■ 2027 Consensus Forecast

Source: BLS, Statistics Canada, WA ESD, and OR Labor. Forecasts from various sources. Includes author's calculations and forecasts.

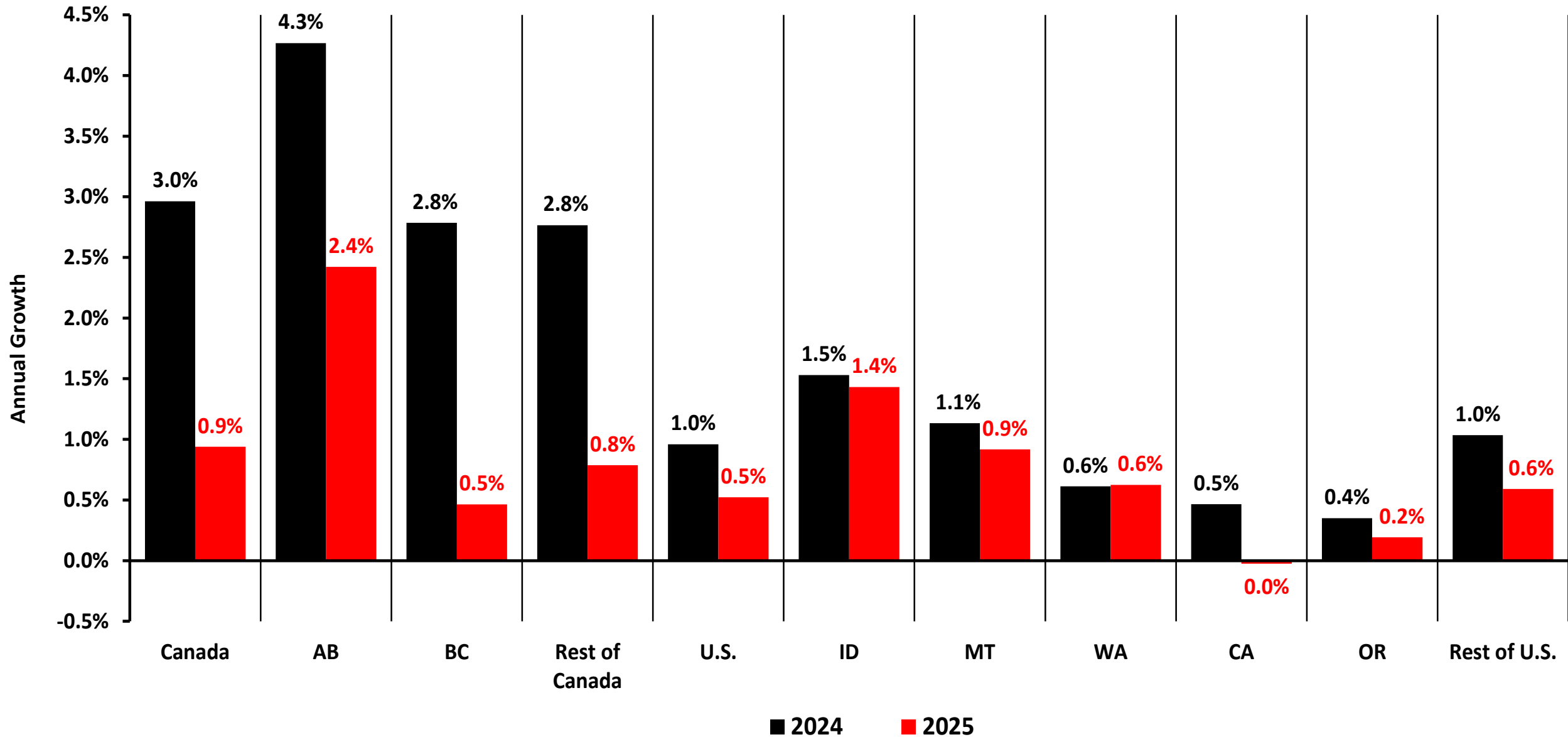
Labor Productivity Growth, 1992-2025

Productivity picks up a bit—but more is needed



Population Growth, 2024-2025

Flipping the switch on international migration: targets and green cards



Thank You

Questions?