ECONOMIC OUTLOOK: MORE GROWTH TO COME?

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North Carolina State University
NATIONAL ECONOMIC HIGHLIGHTS

GROWTH RECORD CONTINUES
FED CHANGES COURSE
TRADE WARS THAW
RUNNING OUT OF WORKERS?
GOLDILOCKS ECONOMY
STOCK MARKET BOOMS
ANY SHOES TO DROP?
ECONOMIC GROWTH CONTINUES IN THE 2% - 2.5% RANGE

JOB GROWTH – BUT SLOWER

NO FALL IN JOBLESS RATE
NATIONAL FORECASTS CONTINUED

FED HOLDS RATES STEADY

SLIGHT UPTICK IN INFLATION, BUT STILL UNDER 3%

RANGE OF STOCK MARKET CHANGE: +5% to -10%
NC GDP GROWTH HAS BEEN HURT BY THE TRADE WAR
EXCESS OR DEFICIT OF NC GDP GROWTH OVER US GROWTH BY SECTOR, 2010-2019

- Agriculture
- Nondur Manuf
- Transp/Wareh
- Dur Manuf
- Health Care
- Information
- Real Estate
- Education
- Professional Ser
- Construction
- Finance
- Wholesale Trd
- Other Services
- Entertainment
- Retail Trd
- Clerical
- Food & lodging
- Finance
- Construction
- Agriculture
NC AND US PER CAPITA INCOME, 2008-2019, ADJUSTED BY INFLATION IN EACH REGION

Year

2008
2009
2010
2011
2012
2013
2014
2015
2016
2017
2018
2019

Income ($)
40000
42000
44000
46000
48000
50000
52000

NC
US
BUT NC CONTINUES TO GAIN JOBS FASTER THAN THE NATION
HIGH AND LOW PAYING JOBS CONTINUE TO BE THE FASTEST GROWING IN NC
TWO MID-SIZED METROS ADDED JOBS AT THE FASTEST PACE IN 2019

Goldsboro
Hickory
Rocky Mount
Greensboro
New Bern
Fayetteville
Durham-CH
Burlington
Winston-Salem
Charlotte
State
Greenville
Non-metro

Wilmington
Asheville
Raleigh
Winston-Salem
Charlotte
State
Greenville
Non-metro
Burlington
Durham-CH
Jacksonville
Fayetteville
New Bern
Greensboro
Rocky Mount
Hickory
Goldsboro

-1  0  1  2  3  4  5
%
LEADING INDICATORS SUGGEST NC GROWTH IN 2020

Source: calculations by Dr. Michael Walden
<table>
<thead>
<tr>
<th></th>
<th>Job Growth Rates, 2019</th>
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<tbody>
<tr>
<td>U.S.</td>
<td>1.9%</td>
</tr>
<tr>
<td>N.C.</td>
<td>2.0%</td>
</tr>
<tr>
<td>Raleigh-Cary</td>
<td>3.2%</td>
</tr>
<tr>
<td>Durham-CH</td>
<td>1.1%</td>
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</table>
UNEMPLOYMENT RATES (%)  
(not seasonally adjusted)  

<table>
<thead>
<tr>
<th></th>
<th>NOV. 2019</th>
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<tbody>
<tr>
<td>U.S.</td>
<td>3.3</td>
</tr>
<tr>
<td>N.C.</td>
<td>3.4</td>
</tr>
<tr>
<td>DURHAM-CH</td>
<td>3.0</td>
</tr>
<tr>
<td>RALEIGH-CARY</td>
<td>3.0</td>
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</tbody>
</table>
TOTAL VALUE OF PRODUCTION GROWTH, (GDP), 2009-2018

DURHAM : 24% (pharma, finance, info)

ORANGE: 19% (info, prof services & support)

WAKE: 50% (tech, finance, prof services)

US: 22%

NC: 16%
## PER CAPITA INCOME GROWTH, 2009-2018

<table>
<thead>
<tr>
<th></th>
<th>CHANGE IN NOMINAL $</th>
<th>2018 LEVEL*</th>
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<tbody>
<tr>
<td>DURHAM</td>
<td>30%</td>
<td>$50,698</td>
</tr>
<tr>
<td>ORANGE</td>
<td>42%</td>
<td>$67,383</td>
</tr>
<tr>
<td>WAKE</td>
<td>32%</td>
<td>$59,014</td>
</tr>
<tr>
<td>NC</td>
<td>29%</td>
<td>$46,117</td>
</tr>
<tr>
<td>US</td>
<td>39%</td>
<td>$54,446</td>
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* SOME ESTIMATES PUT NC AND TRIANGLE LIVING COSTS 8% TO 10% UNDER NATIONAL COSTS
GEOGRAPHIC PATTERN OF INCOME
DURHAM-CHAPEL HILL METRO AREA BUILDING PERMITS (annual total)

<table>
<thead>
<tr>
<th>Year</th>
<th>Permits</th>
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<tbody>
<tr>
<td>2015</td>
<td>4384</td>
</tr>
<tr>
<td>2016</td>
<td>4388</td>
</tr>
<tr>
<td>2017</td>
<td>4924</td>
</tr>
<tr>
<td>2018</td>
<td>5417</td>
</tr>
<tr>
<td>2019</td>
<td>5795</td>
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</tbody>
</table>
THE TWIN ISSUES OF HOUSING COSTS AND CONGESTION ARE TIED TOGETHER

DIFFICULTY OF COMMUTING MAKE PEOPLE WANT TO LIVE CLOSE-IN

IN TURN, THIS “HIGHER DEMAND” ELEVATES LAND PRICES OF CONVENIENT LOCATIONS AND REDUCES AFFORDABILITY
MADE MORE IMPORTANT AS OUR LOCAL AREAS CONTINUE TO GROW

- **2020-2030 POP GROWTH**
  - US: 20.3 MILLION (6%)
  - NC: 1.1 MILLION (10%)
  - DURHAM: 40,000 (13%)
  - ORANGE: 14,000 (9%)
  - WAKE: 200,000 (18%)
FINANCING ISSUES

- MOVEMENT AWAY FROM GAS TAX
- PREDICTIONS OF LOWER VEHICLE OWNERSHIP
- FEDERAL GOV’T GAS REVENUES FALLING
- OPTIONS: MILEAGE TAX, TOLLS, TAXING PROPERTY BENEFITING FROM TRANSIT IMPROVEMENTS, GENERAL SALES TAX
MOBILITY MODE ISSUES

ECLIPSE OF THE PRIVATE AUTO?

WHAT KIND OF MASS TRANSIT?
- BUS, RAIL, RIDE-SHARE

IMPACT OF WORKING AT HOME

OTHER: PORTS – AIR AND WATER