



NORTH CAROLINA
ECONOMIC FORECAST

EST.



1982

**December 14,
2021**



UNIVERSITY OF NORTH CAROLINA
CHARLOTTE

BELK COLLEGE
OF BUSINESS

Outline for Today

- The Virus is Back: Omicron
- The Labor Market
- Outlook for 2022
- Inflation?

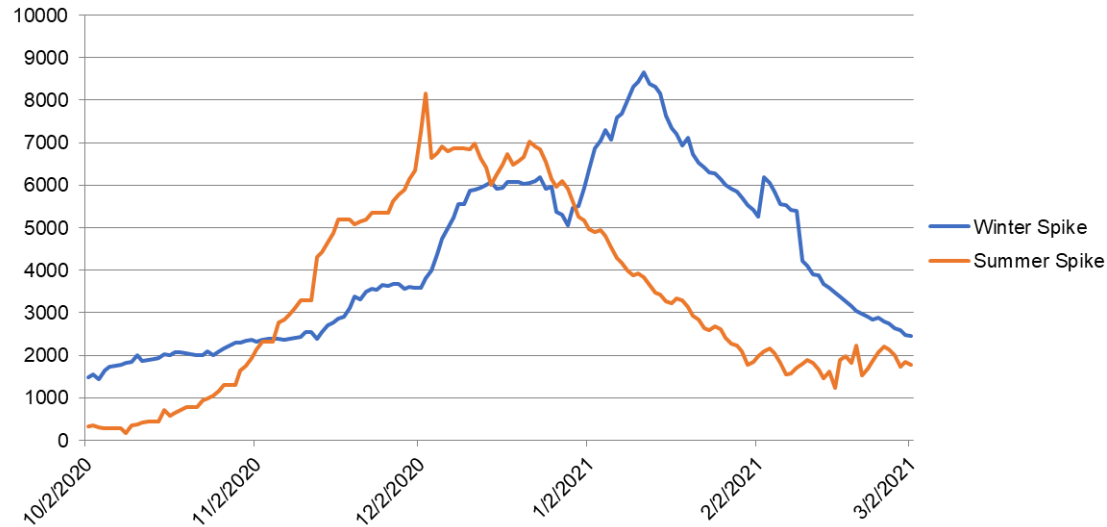


The Virus is Back



North Carolina Spike Comparison

Daily Cases: 7-Day Moving Average



Recovery

2019 IV NC RGSP

\$517,384.1 million

2021 IV NC RGSP

\$541,789.1million

4.3% higher

2019 December NC Employment

4,611,100

2021 December NC Employment

4,588,500

22,600 fewer jobs

2019 December NC Unemployment Rate

3.5%

2021 December NC Unemployment Rate

4.1%

0.6% higher

State GDP Recovery

Rank	State	2021 QII/2019 Q4
1	Washington	104.9%
2	South Dakota	104.7%
3	Nebraska	104.3%
4	Utah	103.9%
5	Iowa	103.8%
6	Montana	103.6%
7	Idaho	103.6%
8	Indiana	103.0%
9	Arkansas	102.6%
10	North Carolina	102.5%
11	California	102.5%
12	Tennessee	102.4%
13	South Carolina	102.4%
14	Arizona	101.9%
15	Kansas	101.9%
	United States	100.9%



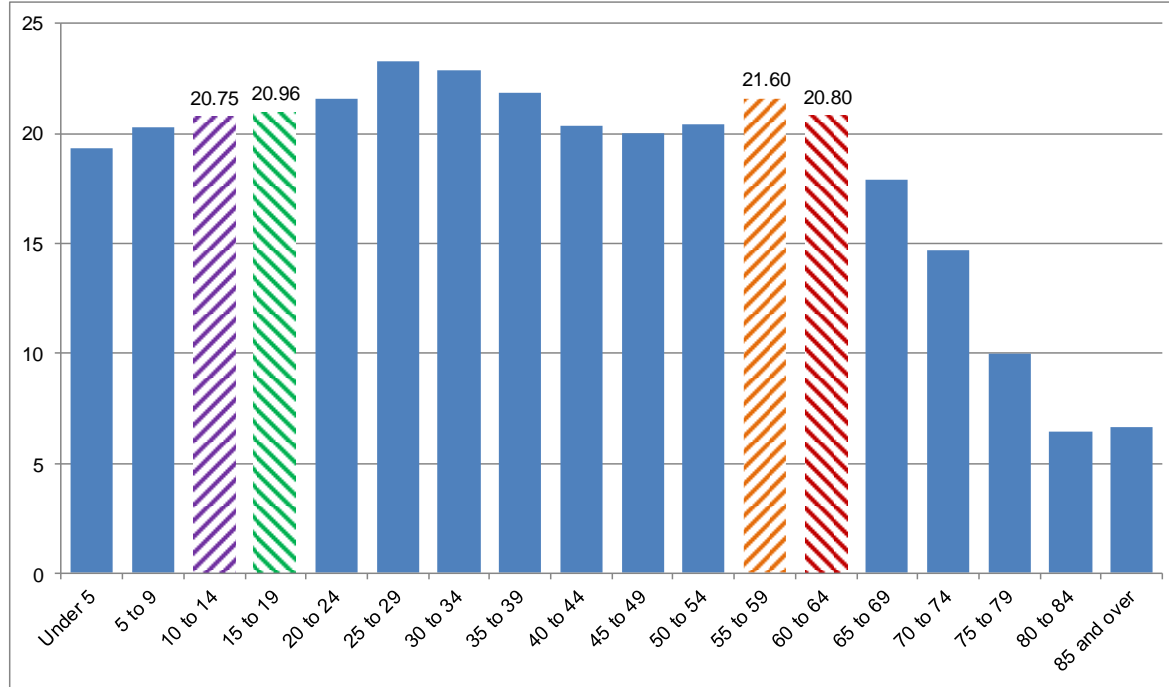
The Labor Market



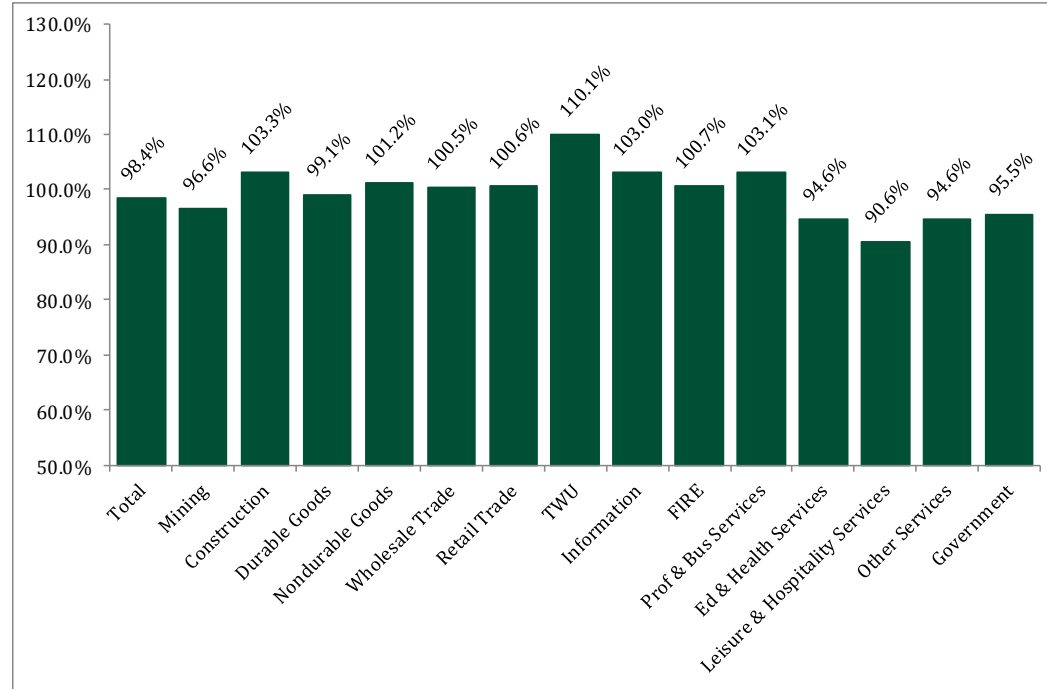
Labor Market Adjustment

- Work-Life Style Balance Adjustment
- Demographics
- Early Retirement
- Gig Employment
- Virus Concerns
- Work Disincentives

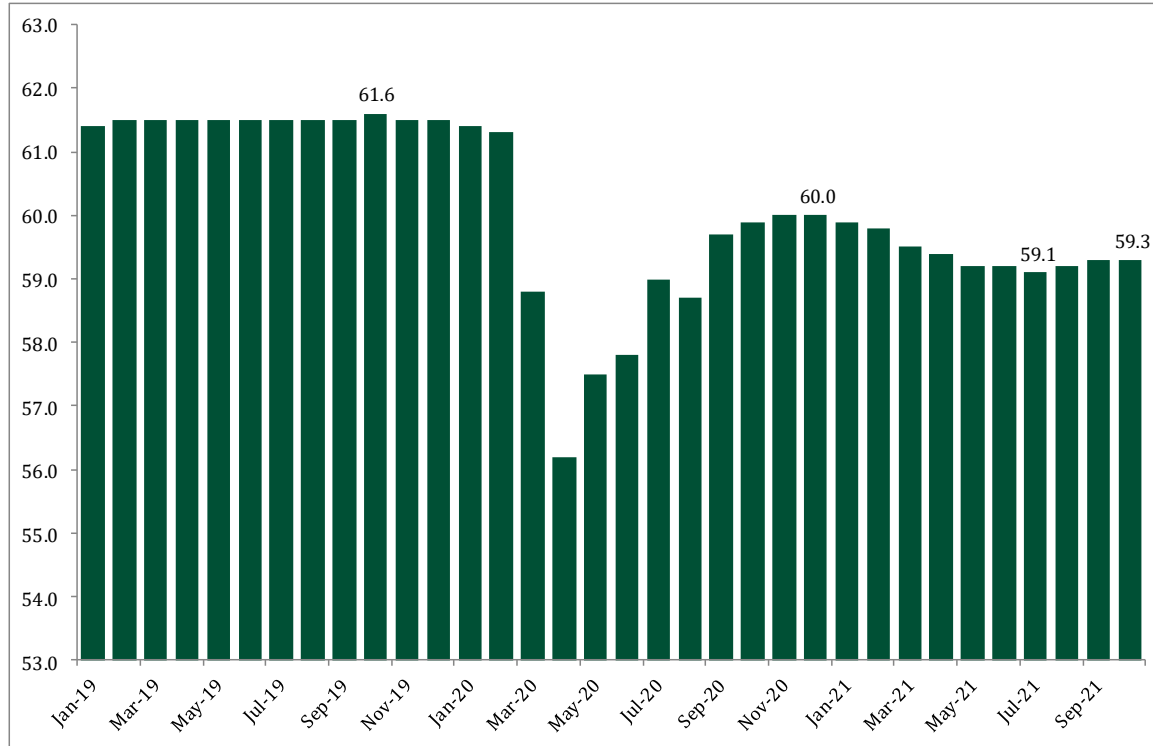
Population by Five-Year Age Cohorts: 2020 Census



North Carolina Job Recovery



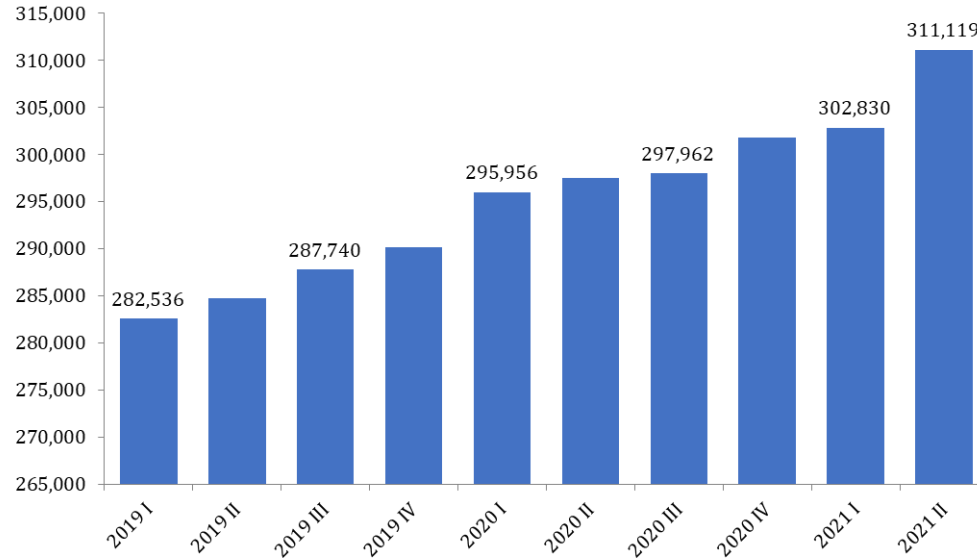
NC Labor Force Participation Rates



-73,228

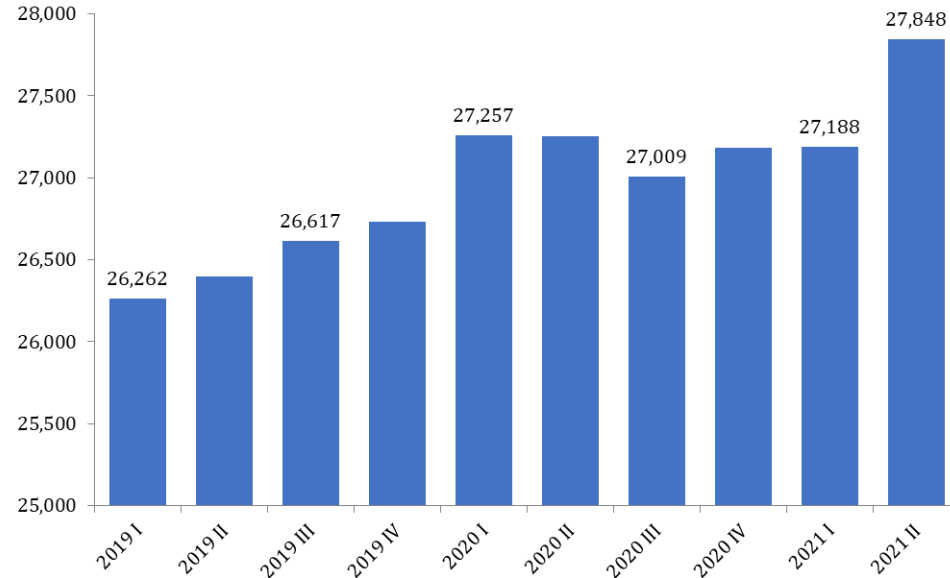
Total NC Establishment Growth: 2019-2021

Total Establishments



Total NC Hospitality and Leisure Growth: 2019-2021

Hospitality and Leisure Establishments





North Carolina Economy 2022



2022 Outlook

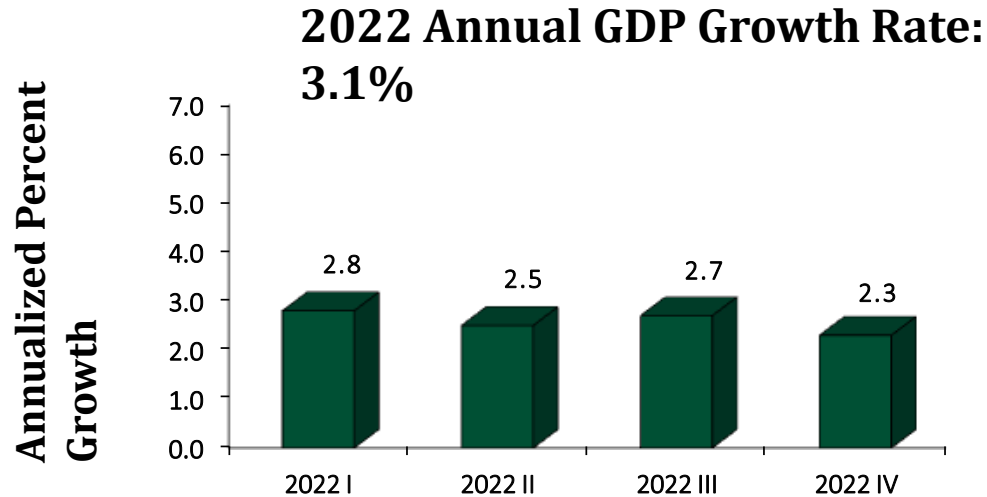
Known Knowns

- Supply Chain Issues
- Inflation
- Deficit Spending

Known Unknowns

- Omicron
- Fed Tapering
- Fed Interest Rate Policy

2022 Outlook

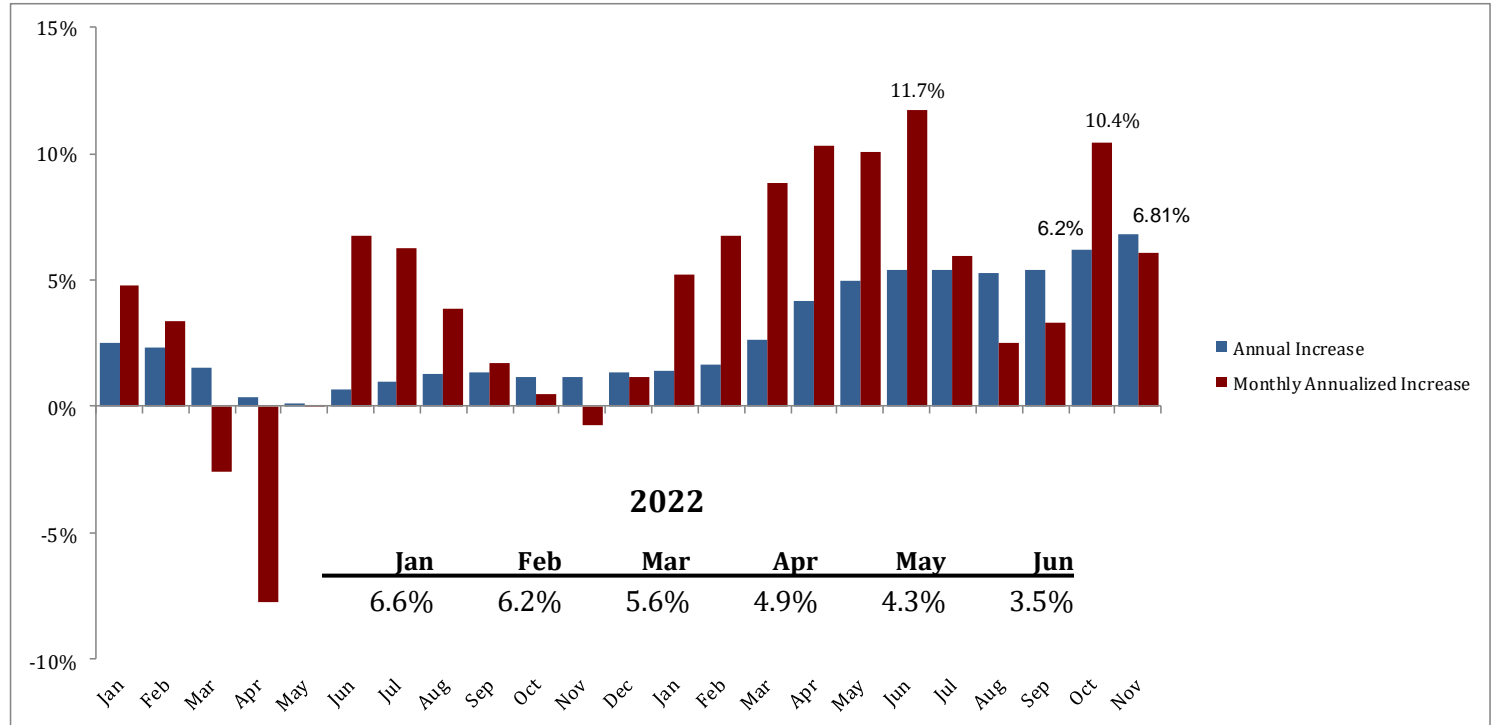




Inflation



Consumer Price Index (CPI)



Types of Inflation

– Demand Pull

- When demand for output exceeds what the economy can produce
- buyers “bid prices up”
- Stimulus checks

– Cost Push

- Prices are “pushed up” by increases in the costs/availability of the factors of production
- Work disincentives

Covid-19 Congressional Funding

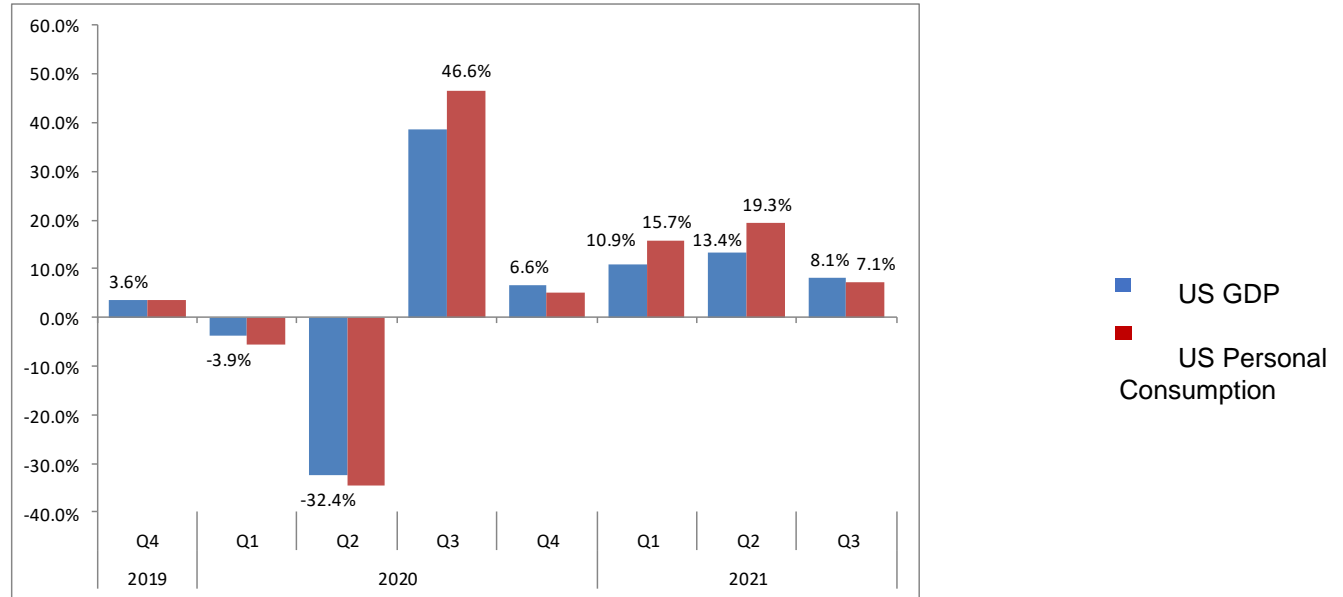
Bill #1: Coronavirus Preparedness and Response Supplemental Appropriations Act	\$8.3 billion
Bill #2: Families First Coronavirus Response Act	\$212 billion
Bill #3: Coronavirus Aid, Relief, and Economic Security (CARES) Act	\$2.23 trillion
Bill #4: Paycheck Protection Program and Health Care Enhancement Act	\$736 billion
Bill #5: Coronavirus Supplemental Appropriations	\$7 billion
Bill #6: September Continuing Resolution	\$32 billion
Bill #7: Response and Relief Act	\$958 billion
Bill #8: American Rescue Plan	\$1.91 trillion
Bill #9: Infrastructure Bill	\$1.0 trillion
Total	\$7.1 trillion

Stimulus Checks

Stimulus Check Round	Adult Check	Child Check	Family Total	Number of Unemployed	Unemployment Rate
1 Spring 2020	\$1,200	\$500	\$2,900	20,594	13.1
2 Fall 2020	\$600	\$600	\$1,800	14,128	8.8
3 Spring 2021	\$1,400	\$1,400	\$4,200	9,537	5.9
Family Total			\$8,900		

80% of US Household < \$150,000
 104,000 Households Received
 Checks

US GDP vs. US Personal Consumption Expenditures



Keys to Watch

- Covid-19 Spike/Omicron/Lockdowns
- Vaccine Dissemination
- Fed Tapering/Interest Rate Policy
- \$1.8-4.5 Trillion Reconciliation Bill
- December Inflation (January 12, 2021)
- FOMC Meeting (December 14-15, 2021)
- Consumer Confidence (December 22, 2021)
- U.S. Monthly Job Growth (1st Friday)
- Fourth Quarter GDP (January 27, 2022)



NORTH CAROLINA
ECONOMIC FORECAST

EST.



1982

**December 14,
2021**



UNIVERSITY OF NORTH CAROLINA
CHARLOTTE

BELK COLLEGE
OF BUSINESS