



NORTH CAROLINA  
**ECONOMIC FORECAST**

EST.



1982

**November 3, 2021**



UNIVERSITY OF NORTH CAROLINA  
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# Outline for Today

- **The Virus is Back**
- **The Recession Overview**
- **State and Regional Recovery**
- **Industry Impacts**
- **North Carolina 2022 Forecast**
- **Inflation**

## **Acknowledgement:**

This research was funded in part by the NC Policy Collaboratory at UNC Chapel Hill utilizing an appropriation from the NC General Assembly.

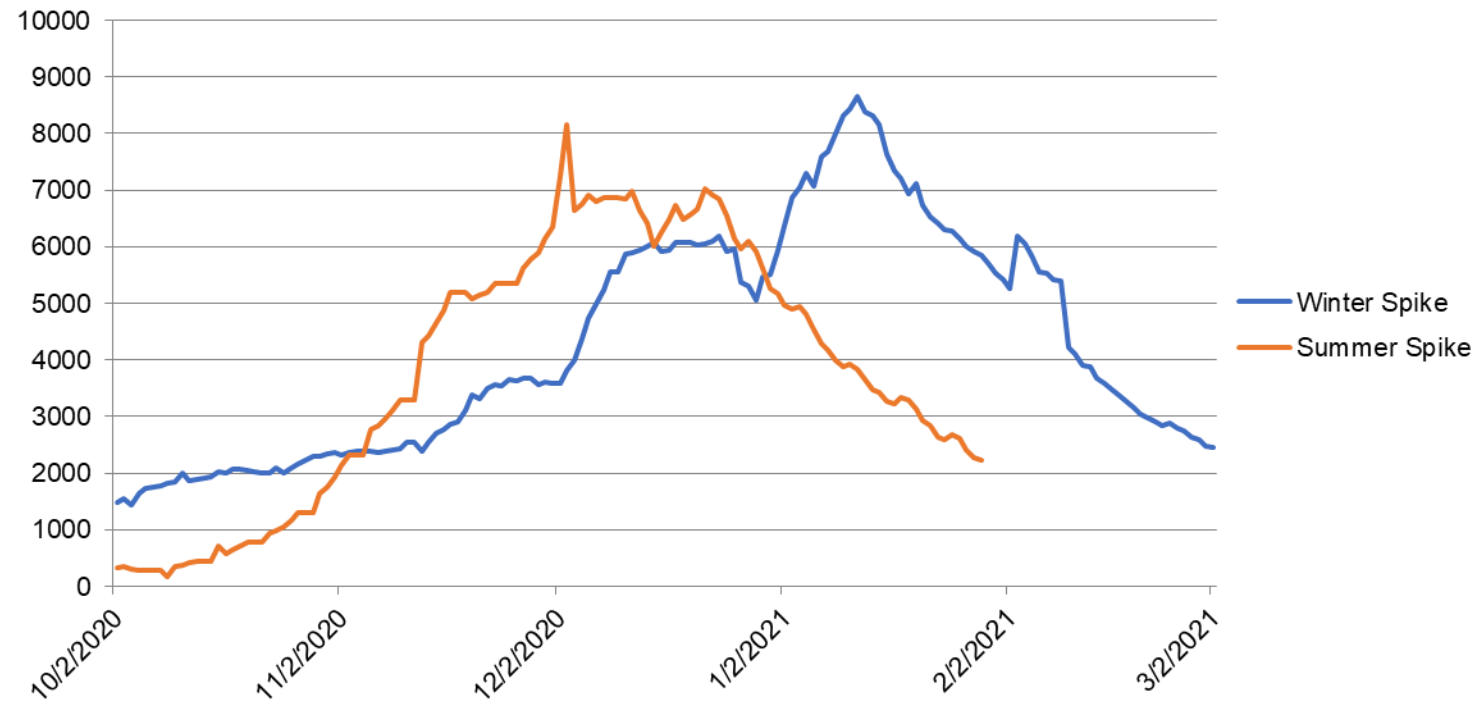
John E. Connaughton, Ph.D. and Craig A. Depken, Ph.D.



# The Virus is Back

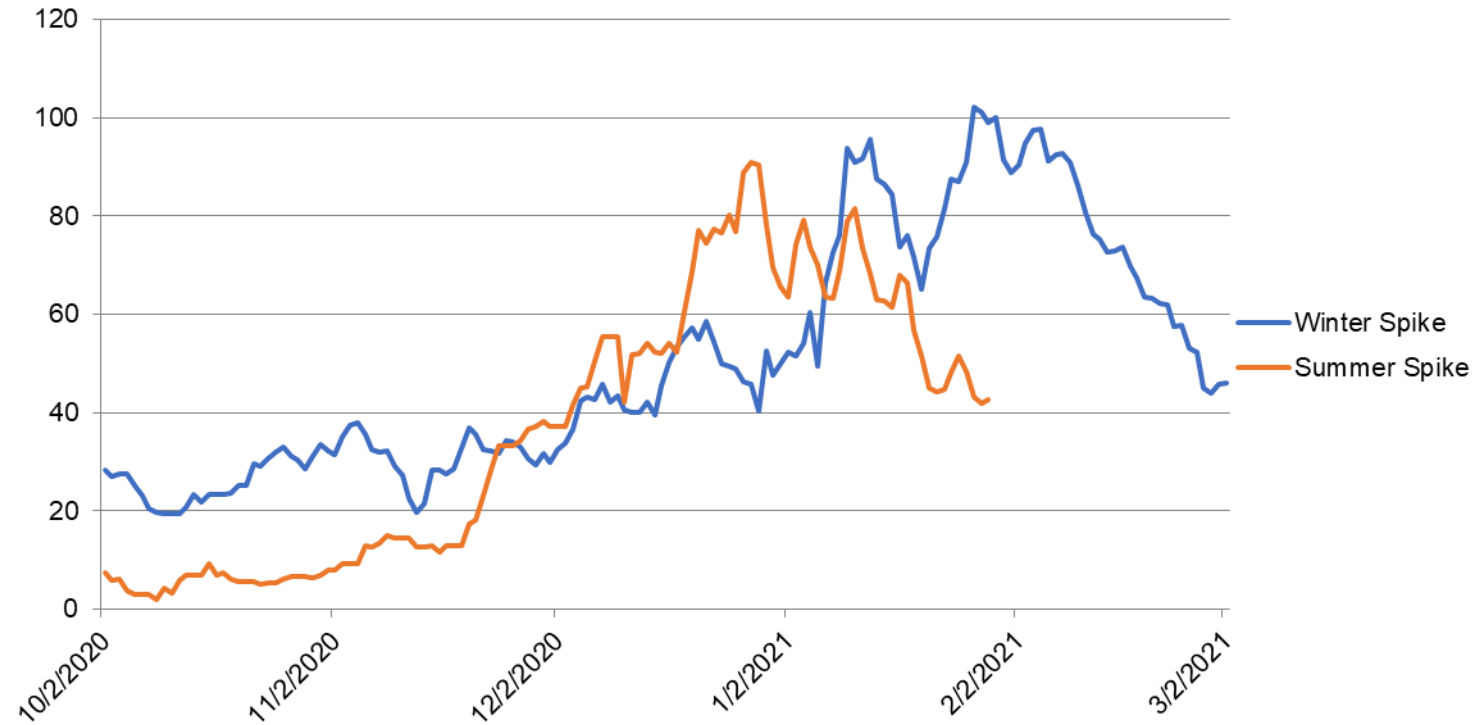
# NC Case Spike Comparison

Deaths: 7-Day Moving Average



# NC Deaths Spike Comparison

Deaths: 7-Day Moving Average



# Covid-19 Most Impacted Counties

Rank	County	Cases	Deaths	Population	Cases/1,000	Death Rate
1	Robeson County	24,915	425	116,530	213.8	1.7%
2	Duplin County	9,931	181	48,715	203.9	1.8%
3	Columbus County	10,053	224	50,623	198.6	2.2%
4	McDowell County	8,610	124	44,578	193.1	1.4%
5	Sampson County	11,242	135	59,036	190.4	1.2%
6	Stanly County	11,594	191	62,504	185.5	1.6%
7	Bladen County	5,463	94	29,606	184.5	1.7%
8	Cleveland County	18,323	308	99,519	184.1	1.7%
9	Hyde County	825	12	4,589	179.8	1.5%
10	Burke County	15,683	234	87,570	179.1	1.5%
11	Rowan County	26,137	450	146,875	178.0	1.7%
12	Rutherford County	11,395	315	64,444	176.8	2.8%
13	Alexander County	6,438	115	36,444	176.7	1.8%
14	Catawba County	28,209	423	160,610	175.6	1.5%
15	Montgomery County	4,522	108	25,751	175.6	2.4%

# Covid-19 Highest Death Rate Counties

Rank	County	Cases	Deaths	Population	Cases/1,000	Death Rate
1	Rutherford County	11,395	315	64,444	176.8	2.8%
2	Northampton County	2,601	65	17,471	148.9	2.5%
3	Hertford County	2,842	71	21,552	131.9	2.5%
4	Montgomery County	4,522	108	25,751	175.6	2.4%
5	Washington County	1,578	37	11,003	143.4	2.3%
6	Jones County	1,333	31	9,172	145.3	2.3%
7	Columbus County	10,053	224	50,623	198.6	2.2%
8	Madison County	2,765	61	21,193	130.5	2.2%
9	Clay County	1,650	36	11,089	148.8	2.2%
10	Bertie County	2,464	52	17,934	137.4	2.1%
11	Graham County	1,328	28	8,030	165.4	2.1%
12	Anson County	3,824	79	22,055	173.4	2.1%
13	Richmond County	7,094	139	42,946	165.2	2.0%
14	Martin County	3,641	71	22,031	165.3	2.0%
15	Pasquotank County	5,219	101	40,568	128.6	1.9%

# Covid-19 Least Impacted Counties

Rank	County	Cases	Deaths	Population	Cases/1,000	Death Rate
1	Orange County	11,789	110	148,696	79.3	0.9%
2	Chatham County	6,737	91	76,285	88.3	1.4%
3	Currituck County	2,723	26	28,100	96.9	1.0%
4	Dare County	3,816	12	36,915	103.4	0.3%
5	Gates County	1,085	19	10,478	103.6	1.8%
6	Buncombe County	28,038	428	269,452	104.1	1.5%
7	Durham County	34,923	258	324,833	107.5	0.7%
8	Camden County	1,132	8	10,355	109.3	0.7%
9	Wake County	130,000	889	1,129,410	115.1	0.7%
10	Transylvania County	3,873	48	32,986	117.4	1.2%
11	Brunswick County	16,218	234	136,693	118.6	1.4%
12	Perquimans County	1,544	15	13,005	118.7	1.0%
13	Haywood County	7,421	138	62,089	119.5	1.9%
14	Polk County	2,323	44	19,328	120.2	1.9%
15	Watauga County	6,584	37	54,086	121.7	0.6%

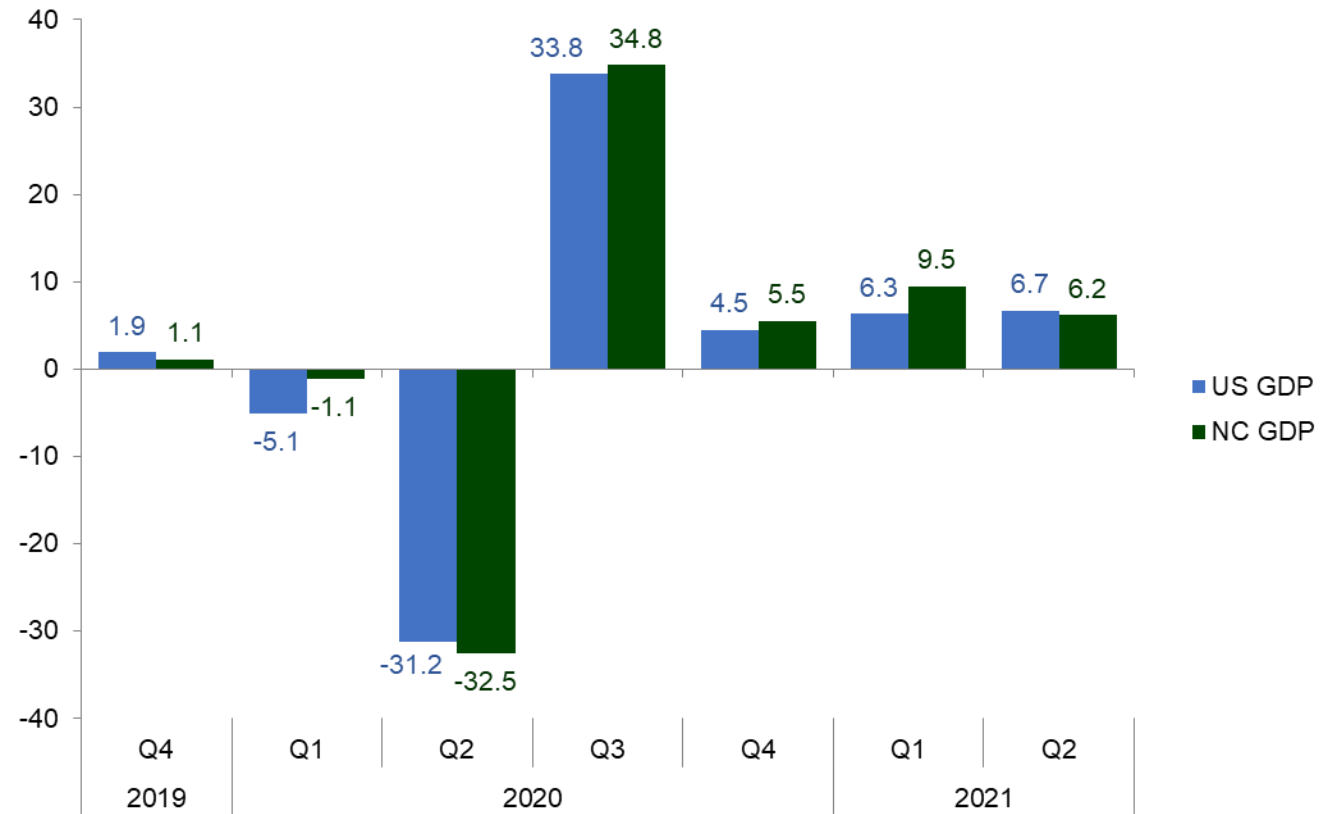
# Covid-19 Lowest Death Rate Counties

Rank	County	Cases	Deaths	Population	Cases/1,000	Death Rate
1	Dare County	3,816	12	36,915	103.4	0.3%
2	Alleghany County	1,609	6	10,888	147.8	0.4%
3	Pitt County	29,550	143	170,243	173.6	0.5%
4	Watauga County	6,584	37	54,086	121.7	0.6%
5	Franklin County	9,854	61	68,573	143.7	0.6%
6	Wake County	130,000	889	1,129,410	115.1	0.7%
7	Camden County	1,132	8	10,355	109.3	0.7%
8	Lincoln County	14,934	107	86,810	172.0	0.7%
9	Durham County	34,923	258	324,833	107.5	0.7%
10	Mecklenburg County	157,000	1,238	1,115,482	140.7	0.8%
11	Onslow County	29,311	257	204,576	143.3	0.9%
12	Union County	36,220	335	238,267	152.0	0.9%
13	Orange County	11,789	110	148,696	79.3	0.9%
14	Currituck County	2,723	26	28,100	96.9	1.0%
15	Perquimans County	1,544	15	13,005	118.7	1.0%

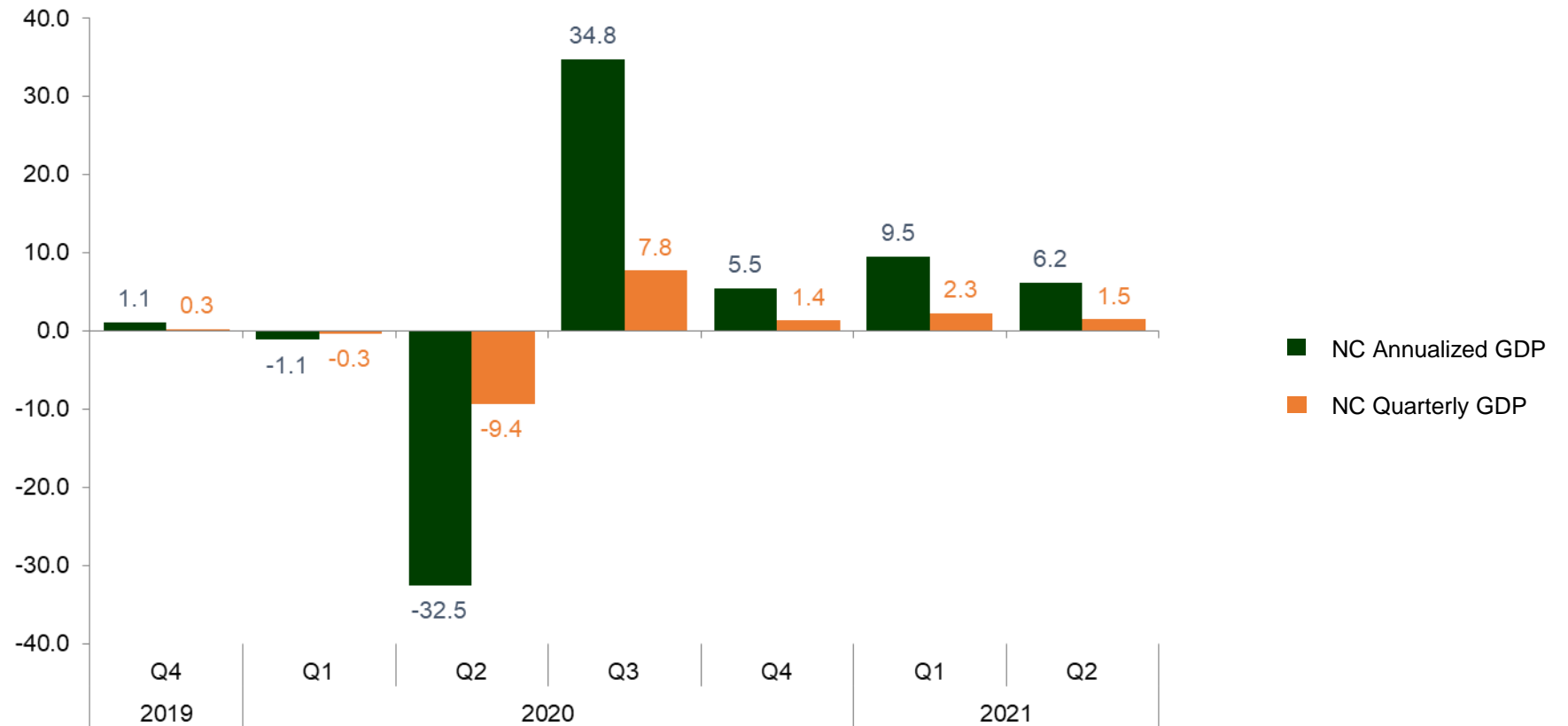


# The Recession

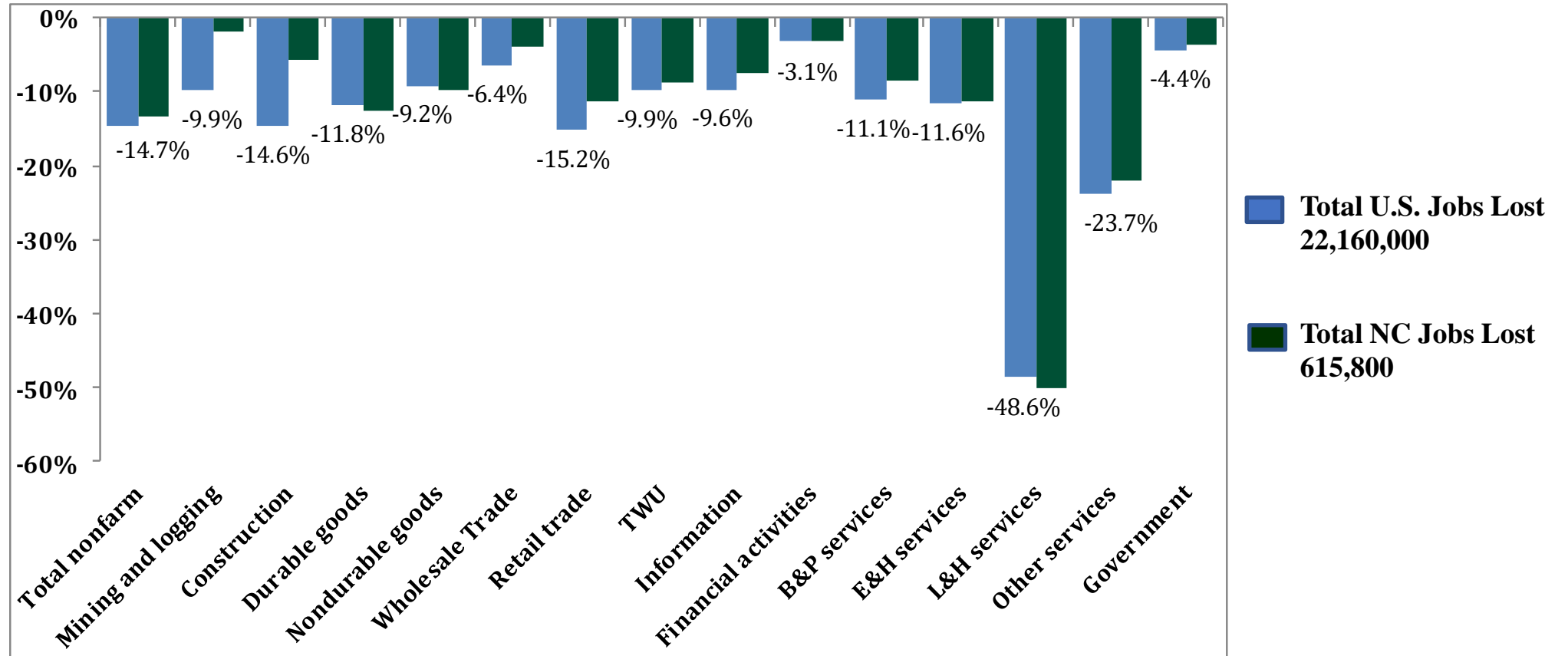
# US GDP vs. NC GDP



# NC Annualized vs. NC Quarterly Percent Change in GDP

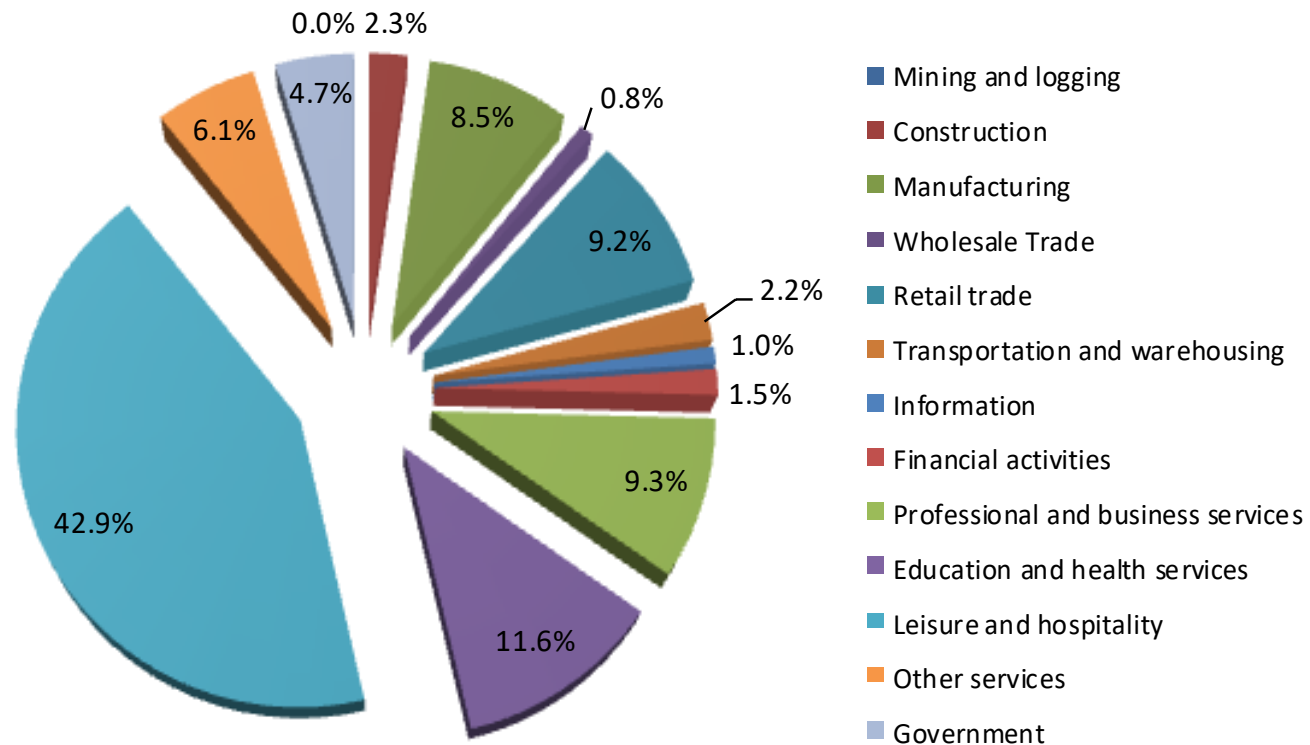


# Percentage Job Losses by Sector: February to April 2020



# North Carolina Job Losses Sector Percent of Total

North Carolina Sector April Job Losses as a Percent of Total



**Total NC Jobs Lost  
615,800**

# State Unemployment Rates: April 2020

Rank	State	April 2020 Unemployment Rate
1	Nevada	28.2
2	Michigan	22.7
3	Hawaii	22.3
4	Rhode Island	17.0
5	Indiana	16.9
6	Ohio	16.8
7	Illinois	16.4
8	New Hampshire	16.3
9	Vermont	15.6
10	California	15.5
11	Kentucky	15.4
12	Mississippi	15.4
13	Washington	15.4
14	New Jersey	15.3
15	West Virginia	15.2
30	North Carolina	12.2
	U.S.	14.7

# NC County Unemployment Rates: April 2020

Rank	County	April 2020 Unemployment Rate(%)
100	Dare County	19.3
99	Swain County	19.3
98	Buncombe County	17.0
97	Scotland County	16.3
96	Graham County	15.9
95	Catawba County	15.7
94	Cumberland County	15.7
93	Edgecombe County	15.4
92	Brunswick County	15.1
91	Guilford County	14.9
89	Haywood County	14.8
90	Rutherford County	14.8
87	Rowan County	14.7
88	Jackson County	14.6
86	Caldwell County	14.4

# NC County Unemployment Rates: April 2020

Rank	County	April 2020 Unemployment Rate(%)
1	Bertie County	8.1
2	Chowan County	8.1
3	Duplin County	8.1
4	Sampson County	8.2
5	Camden County	8.3
6	Gates County	8.3
7	Greene County	8.5
8	Lenoir County	8.7
9	Jones County	8.8
10	Hertford County	8.9
11	Pamlico County	8.9
12	Orange County	9.0
13	Beaufort County	9.1
14	Chatham County	9.1
15	Northampton County	9.2

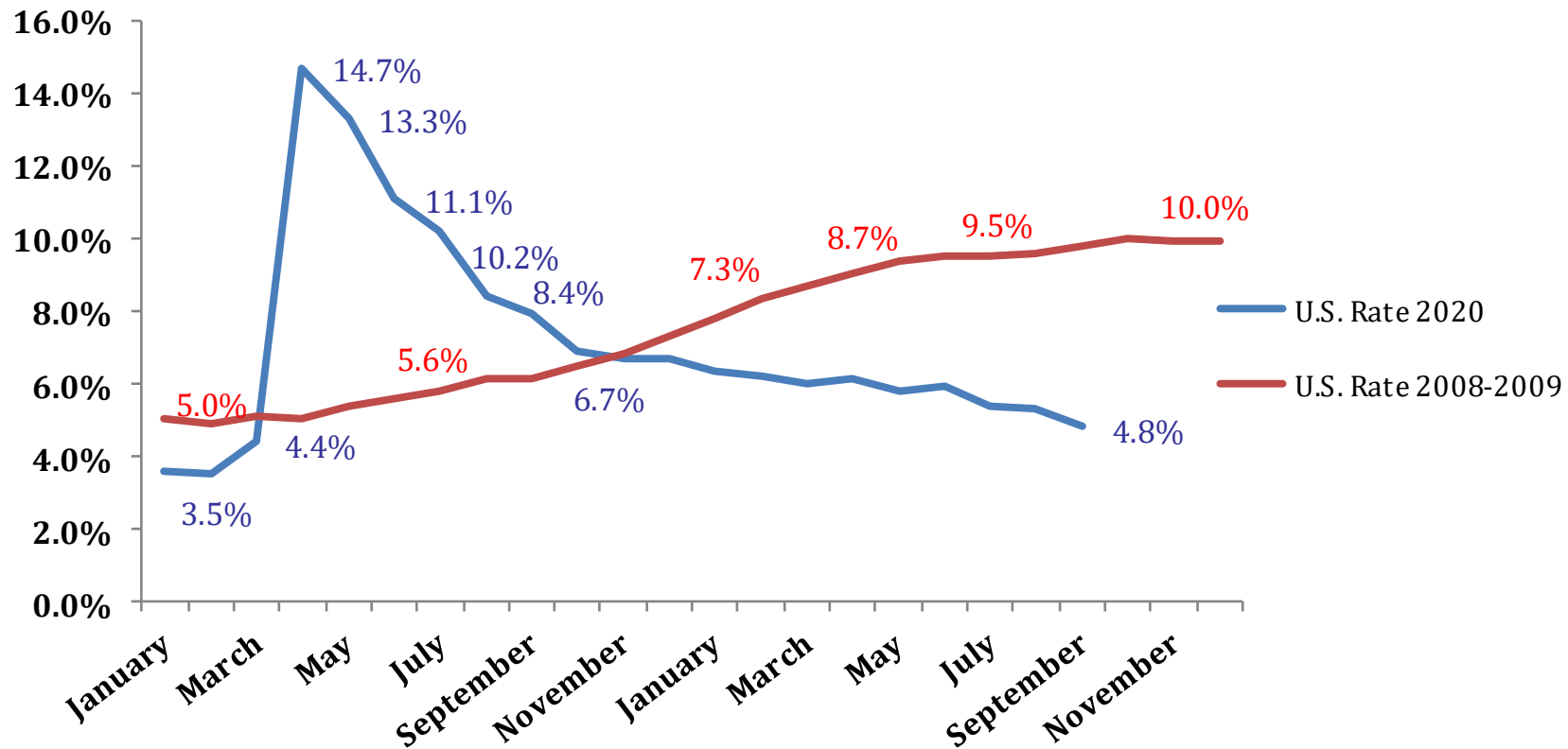
# County Sales Tax Collections: 2019-2020

Rank	County	Sales Tax 2020-2019	Sales Tax 2020/2019	Sales Tax 2019/2018
1	Buncombe	\$(13,430,932)	-4.9%	1.4%
2	Guilford	\$(12,016,005)	-3.1%	7.4%
2	Durham	\$(11,854,584)	-3.1%	8.1%
2	New Hanover	\$(7,721,982)	-3.1%	13.2%
5	Mecklenburg	\$(22,797,872)	-2.0%	5.5%
6	Halifax	\$(445,492)	-1.7%	4.2%
7	Orange	\$(1,336,665)	-1.4%	7.6%
8	Jones	\$(30,492)	-1.1%	29.8%
9	Wake	\$ 5,272,416	0.5%	8.3%
10	Craven	\$ 489,368	0.8%	13.2%
11	Carteret	\$ 601,244	0.9%	13.7%
12	Catawba	\$ 2,247,590	1.9%	5.2%
13	Watauga	\$ 970,569	2.1%	9.5%
14	Cabarrus	\$ 4,811,891	2.7%	3.4%
15	Alamance	\$ 4,724,344	3.8%	4.8%
16	Nash	\$ 2,094,474	3.9%	1.1%
17	Pitt	\$ 4,830,096	4.0%	5.8%
18	Duplin	\$ 929,252	4.2%	10.6%
19	Dare	\$ 3,350,469	4.3%	5.4%
20	Mitchell	\$ 327,552	4.6%	1.7%



# The State and Regional Recovery

# 2007-2009 vs. 2020-2021 Unemployment Rates



# 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%

# State GDP Recovery

Rank	State	2021 QII/2019 Q4
1	Hawaii	93.2%
2	Alaska	94.0%
3	Wyoming	95.0%
4	Oklahoma	95.7%
5	Louisiana	96.3%
6	Connecticut	97.2%
7	Nevada	97.3%
8	Delaware	97.4%
9	West Virginia	98.5%
10	Pennsylvania	98.7%
11	Rhode Island	98.7%
12	Vermont	98.8%
13	Wisconsin	99.1%
14	New Mexico	99.2%
15	Alabama	99.5%
	United States	100.9%

# State Recovery

2019 IV NC RGSP	\$516,623.8 million
2021 IV NC RGSP	\$538,814.4 million
	<b>4.3% higher</b>
2019 December NC Employment	4,611,100
2021 December NC Employment	4,647,600
	<b>36,500 more jobs</b>
2019 December NC Unemployment Rate	3.5%
2021 December NC Unemployment Rate	4.2%
	<b>0.7% higher</b>

# Lowest State September 2021 Unemployment Rates

Rank	State	September 2021 Unemployment Rate
1	Nebraska	2.0
2	Utah	2.4
3	Idaho	2.9
3	New Hampshire	2.9
3	South Dakota	2.9
3	Vermont	2.9
7	Oklahoma	3.0
8	Alabama	3.1
9	Georgia	3.2
10	Montana	3.3
11	North Dakota	3.5
12	Minnesota	3.7
13	Missouri	3.8
13	Virginia	3.8
15	Kansas	3.9
15	Wisconsin	3.9
21	North Carolina	4.2

# Highest State September 2021 Unemployment Rates

Rank	State	September 2021 Unemployment Rate
1	California	7.5
1	Nevada	7.5
3	New Jersey	7.1
3	New York	7.1
5	New Mexico	6.9
6	Connecticut	6.8
6	Illinois	6.8
8	Hawaii	6.6
9	District of Columbia	6.5
10	Alaska	6.3
11	Pennsylvania	6.2
12	Maryland	5.9
13	Louisiana	5.8
13	Mississippi	5.8
15	Arizona	5.7

# NC Counties with Lower Unemployment Rates August 2019-August 2021

Rank	County	2019.04	2020.04	2019.08	2021.08	2019.08-2021.08
1	Alleghany County	4.6	10.9	4.9	4.1	0.8
1	Hyde County	8.1	14.2	5.7	4.9	0.8
3	Martin County	4.9	9.8	5.6	4.9	0.7
4	Clay County	3.9	11.4	5.1	4.5	0.6
4	Perquimans County	4.7	9.7	5.3	4.7	0.6
6	Beaufort County	4.3	9.1	5.0	4.5	0.5
6	Chowan County	4.6	8.1	5.1	4.6	0.5
6	Greene County	3.5	8.5	4.2	3.7	0.5
6	Carteret County	4.1	10.2	4.1	3.6	0.5
10	Ashe County	3.5	10.2	3.8	3.4	0.4
10	Avery County	3.7	9.5	3.8	3.4	0.4
12	Duplin County	3.7	8.1	4.4	4.1	0.3
12	Chatham County	3.1	9.1	3.7	3.4	0.3
12	Pender County	3.6	11.5	4.2	3.9	0.3
12	Camden County	3.5	8.3	4.1	3.8	0.3
12	Jones County	3.6	8.8	4.3	4	0.3
12	Macon County	3.8	10.9	4.0	3.7	0.3

# NC Counties with Higher Unemployment Rates August 2019-August 2021

Rank	County	2019.04	2020.04	2019.08	2021.08	2019.08-2021.08
1	Scotland County	5.9	16.3	7.1	8.7	-1.6
2	Anson County	3.7	10.3	4.4	5.8	-1.4
3	Edgecombe County	5.7	15.4	6.3	7.6	-1.3
4	Vance County	5.2	14.4	6.2	7.4	-1.2
5	Richmond County	4.8	13.0	5.6	6.7	-1.1
6	Robeson County	4.9	11.8	5.8	6.9	-1.1
7	Cumberland County	4.6	15.7	5.5	6.5	-1.0
8	Warren County	5.3	14.0	6.1	7	-0.9
9	Guilford County	3.7	14.9	4.5	5.3	-0.8
10	Hoke County	4.4	14.1	5.2	6	-0.8
11	Columbus County	4.5	11.4	5.2	5.9	-0.7
12	Rutherford County	4.4	14.8	5.3	6	-0.7
13	Cleveland County	3.6	12.5	4.3	4.9	-0.6
14	Gaston County	3.5	14.1	4.1	4.7	-0.6
15	Mecklenburg County	3.4	13.6	3.8	4.4	-0.6
16	Buncombe County	2.7	17.0	3.2	3.8	-0.6
17	Graham County	4.9	15.9	5.2	5.8	-0.6

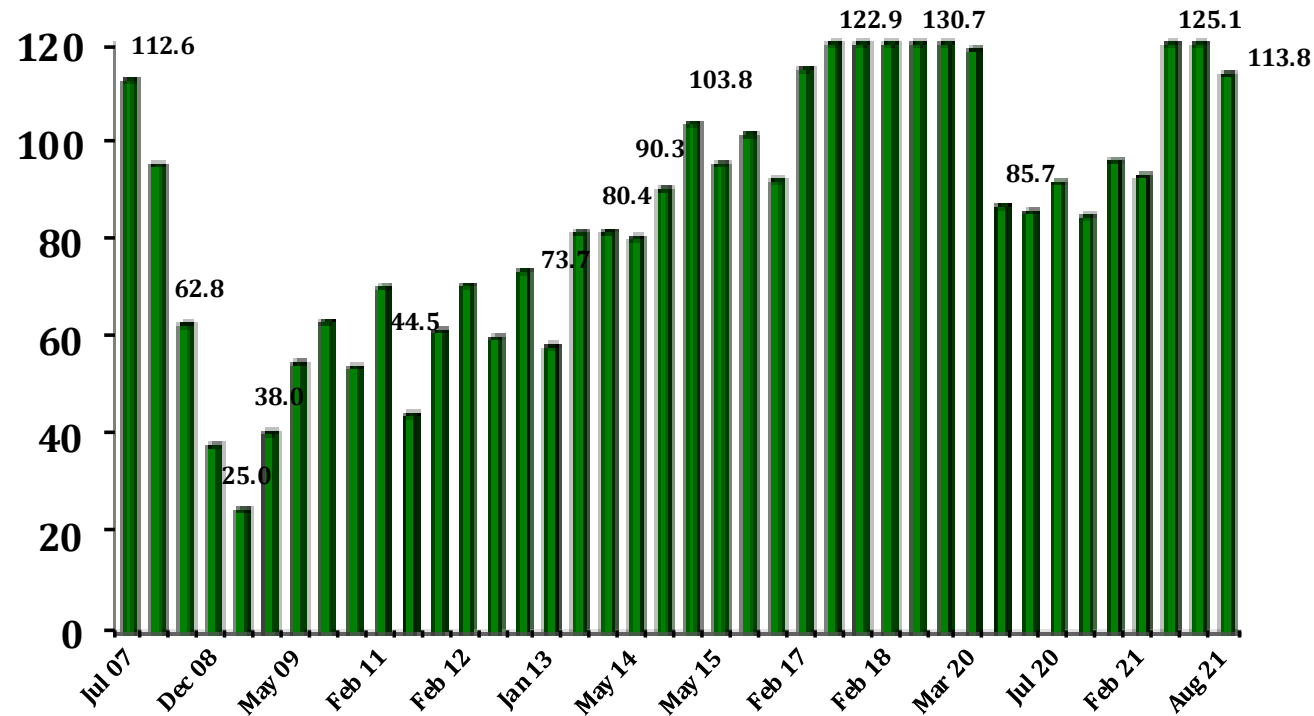
# Consumer Confidence

October 1992  
54.6

March 2009  
25.0

February 2020  
130.7

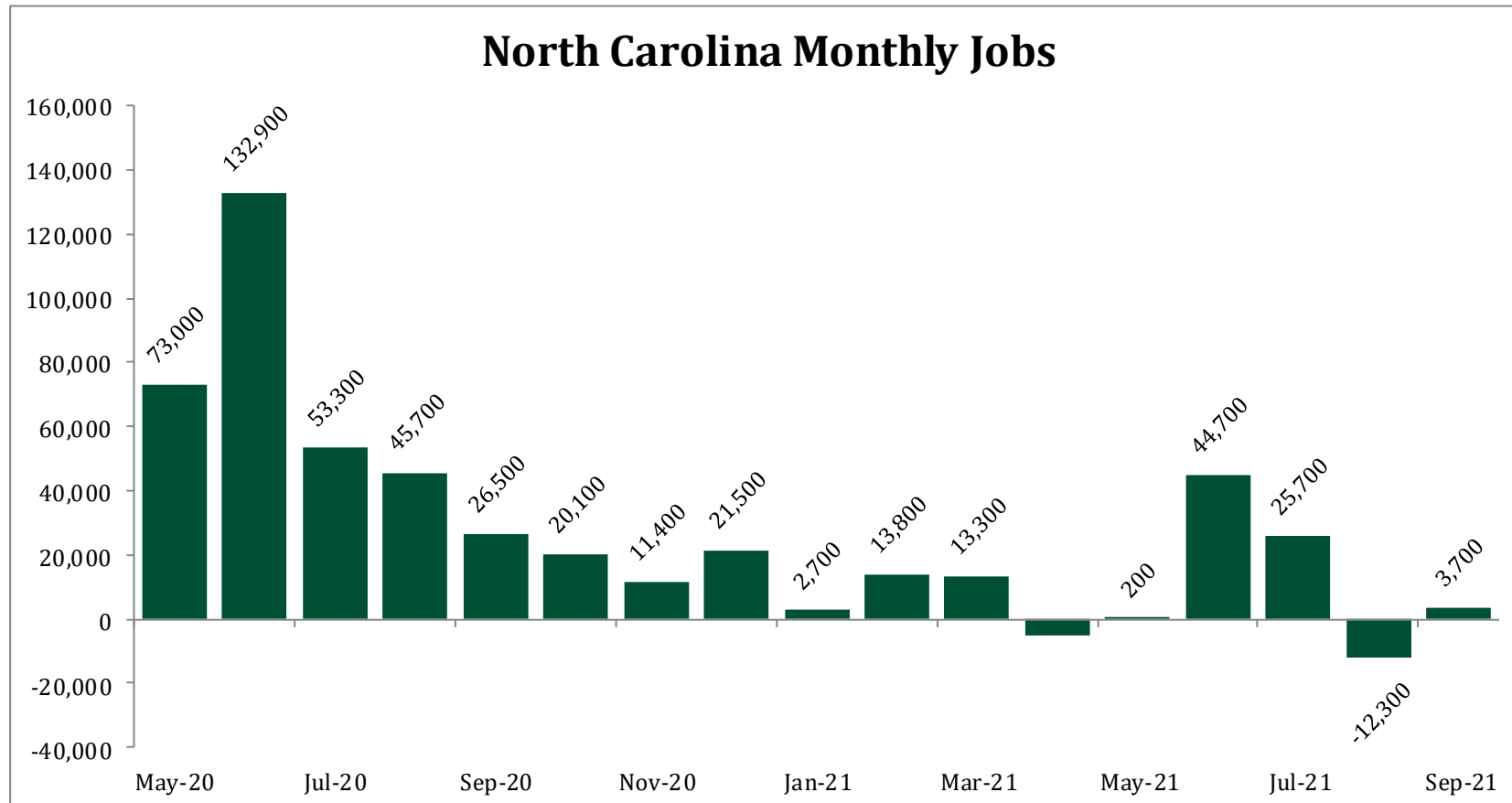
August 2021  
113.8



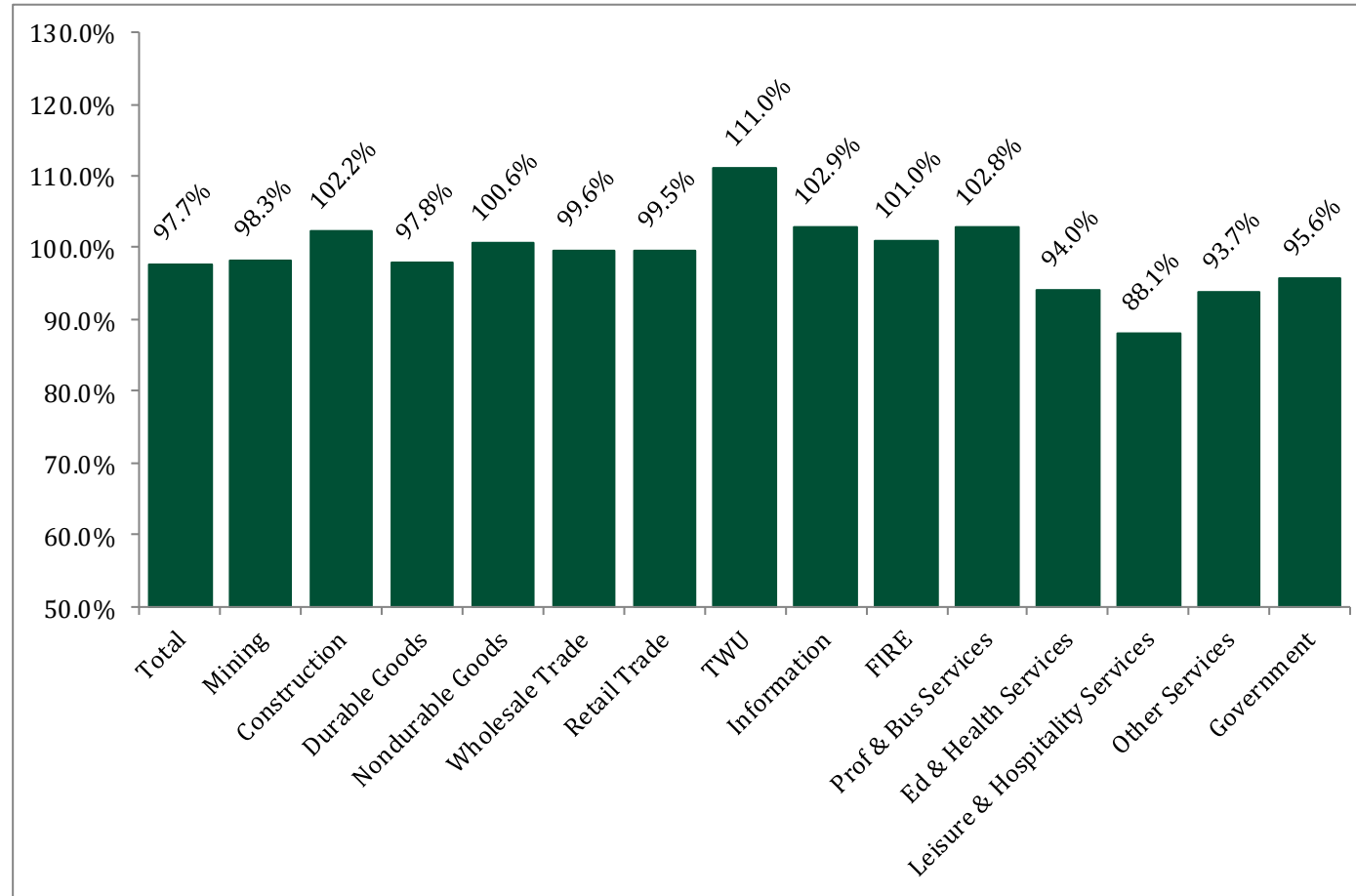


# State Industry Recovery

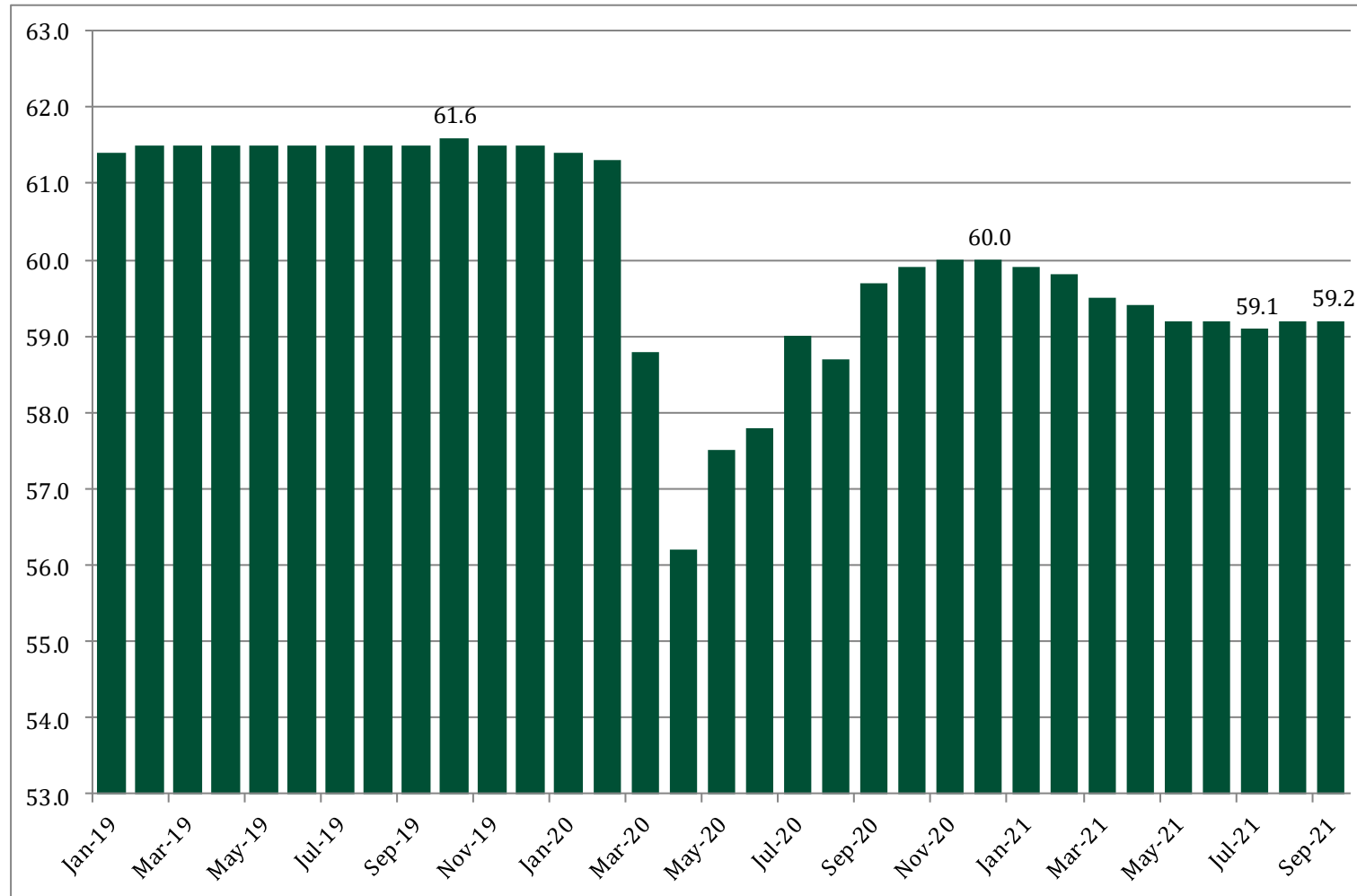
# North Carolina Job Growth



# North Carolina Job Recovery: September 2021/February 2020



# NC Labor Force Participation Rates



-87,106

# Unemployment Rates Adjusted for LFPR

Region	Unemployment Rate	Adjusted Unemployment Rate
North Carolina	4.2%	5.9%
U.S.	4.8%	6.6%

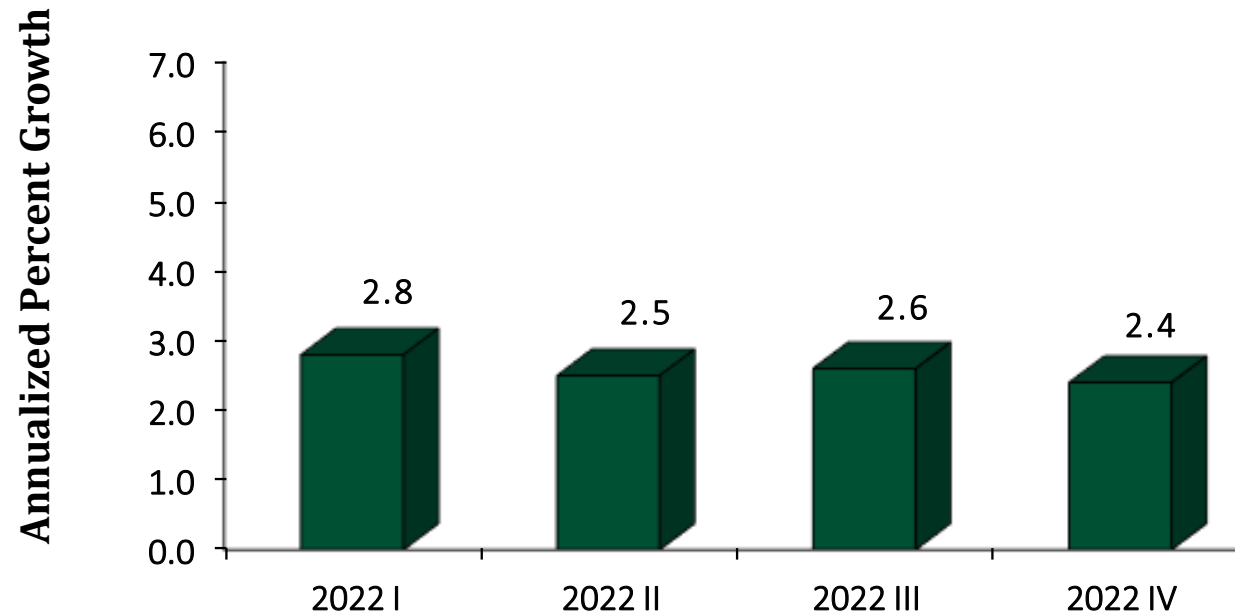


# North Carolina Economy 2022

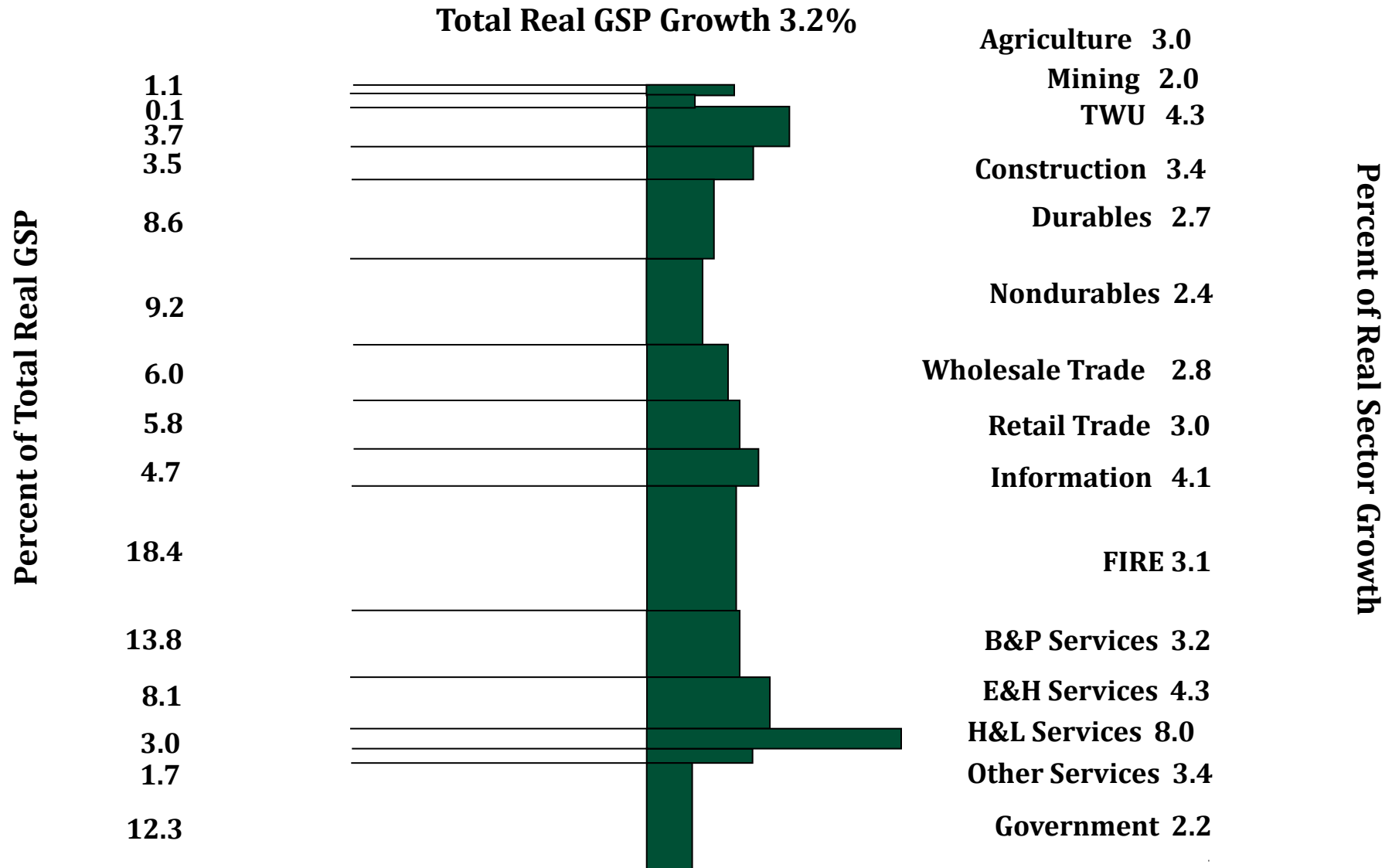


# 2022 Outlook

**2022 Annual GDP Growth Rate: 3.2%**



# 2022 Sector Analysis



# 2022 Year-End Employment Trends

**Total Employment Growth 3.6%**

Mining 0.0  
 Construction 4.8  
 Durables 2.4  
 Nondurables 2.7  
 Wholesale Trade 3.1  
 Retail Trade 1.2  
 TWU 1.3  
 Information 8.9  
 FIRE 4.5

B&P Services 2.1

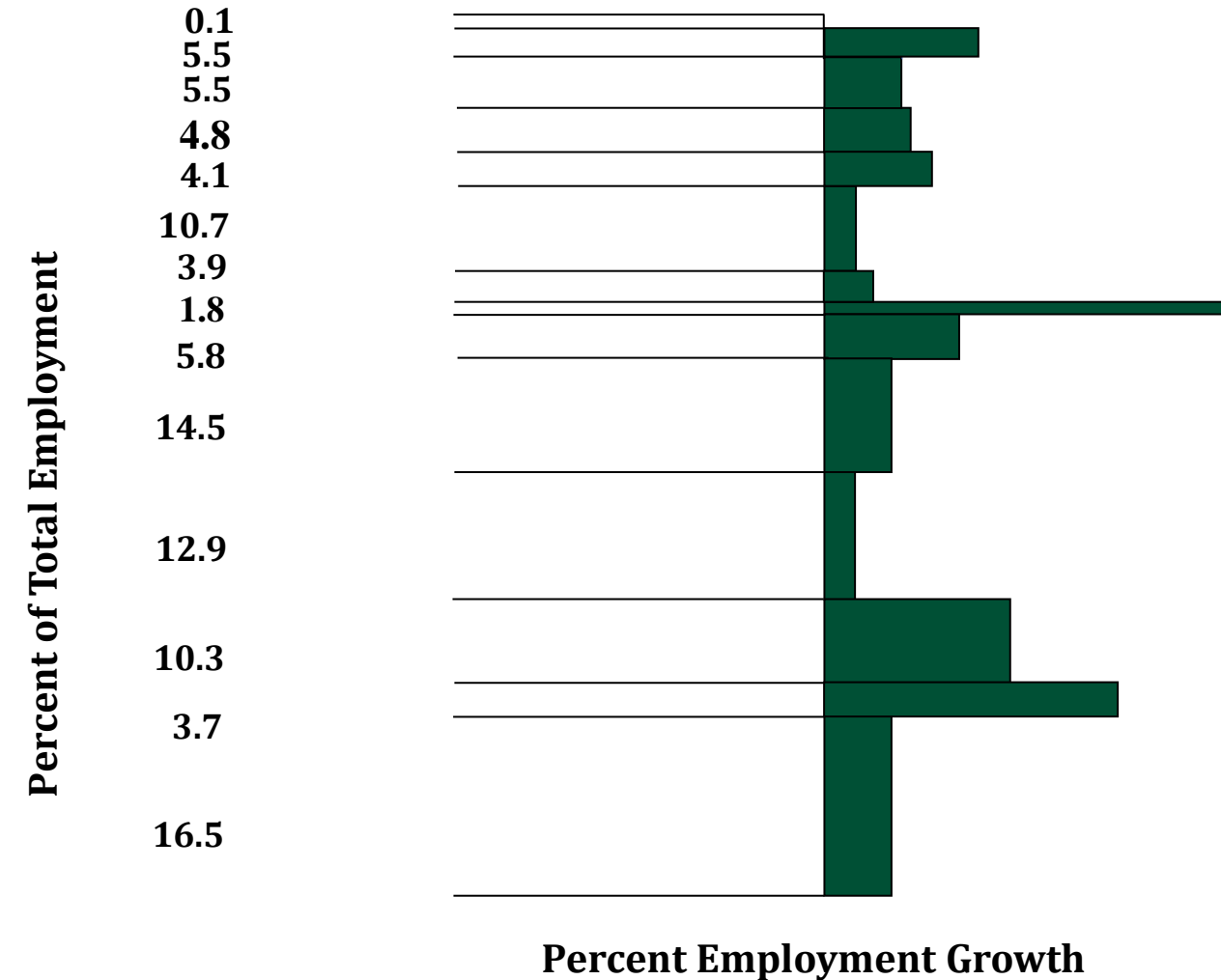
E&H Services 1.2

H&L Services 5.1

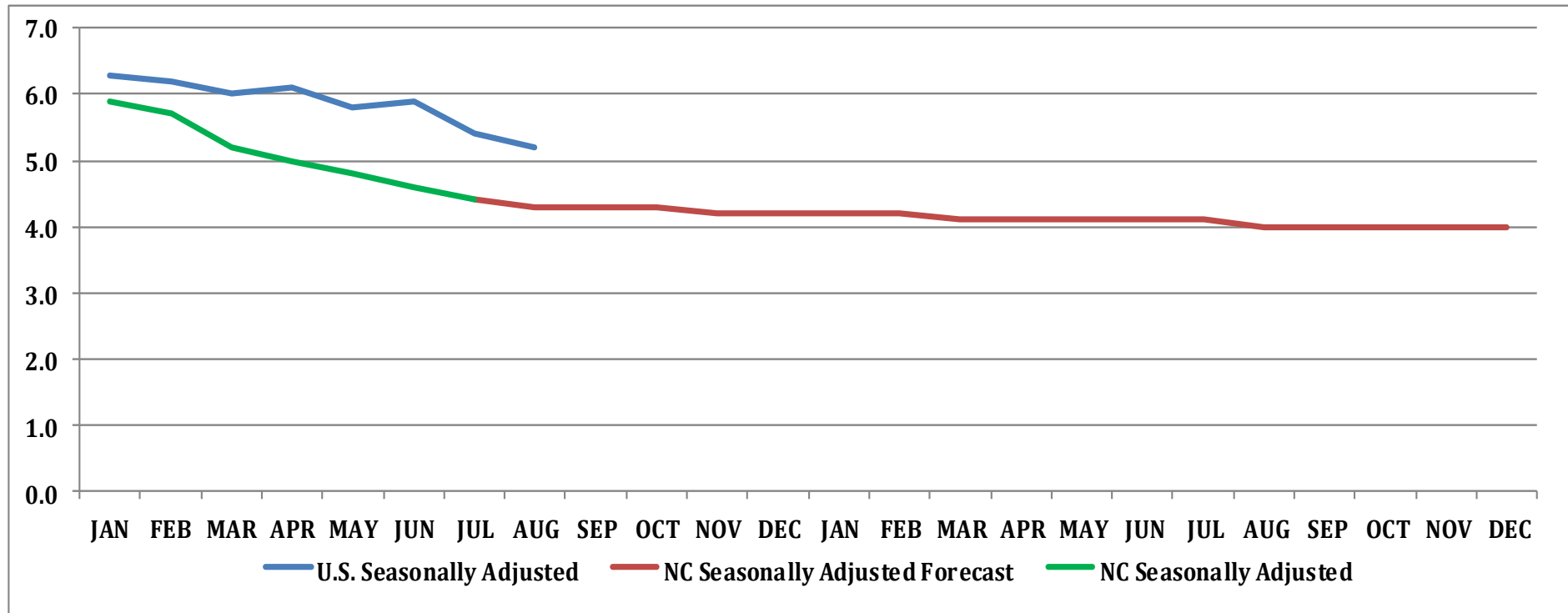
Other Services 7.4

Government 1.5

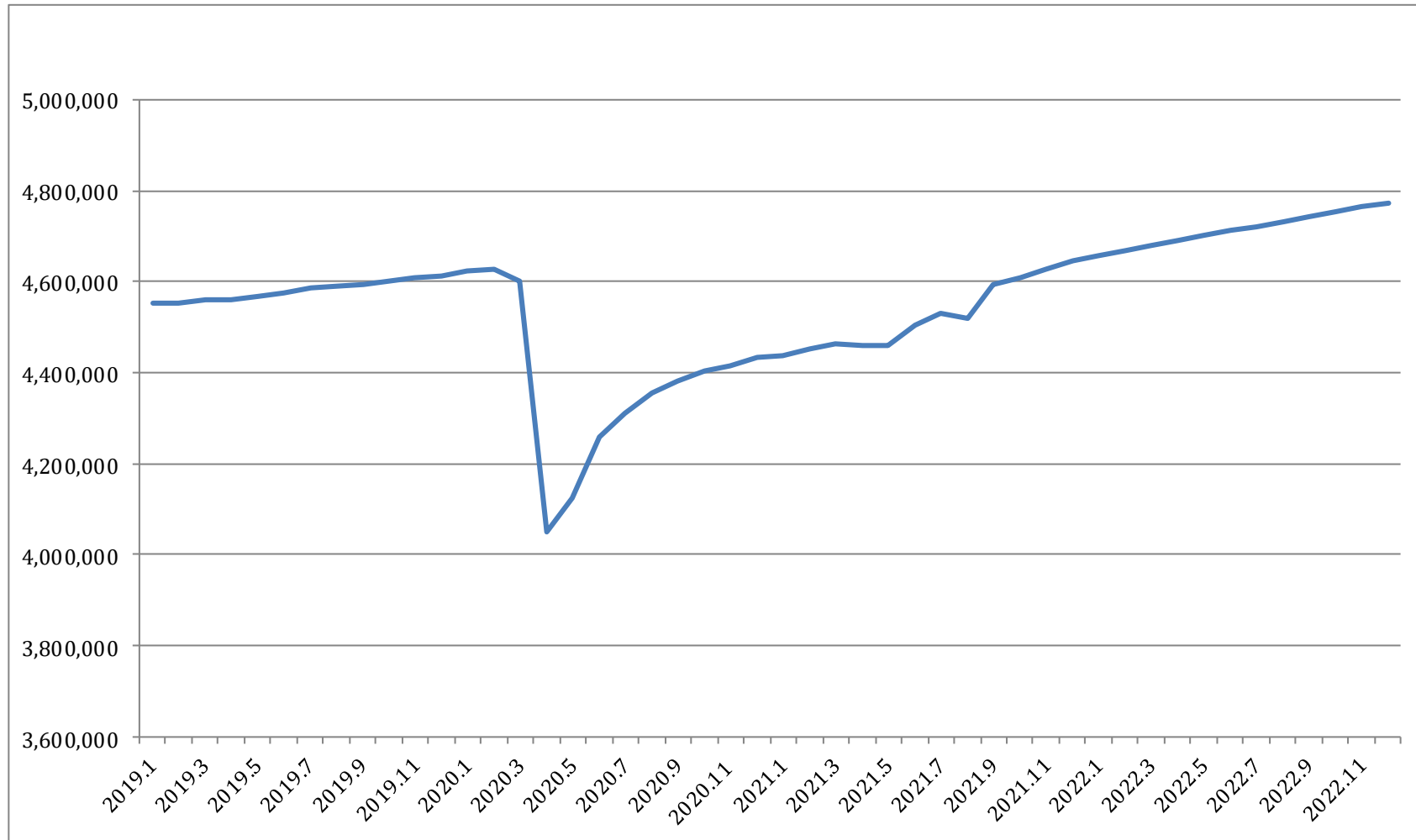
**126,800 Net Jobs**



# 2021 – 2022 North Carolina Unemployment Rate



# North Carolina Total Establishment Employment





# Inflation

# Types of Inflation

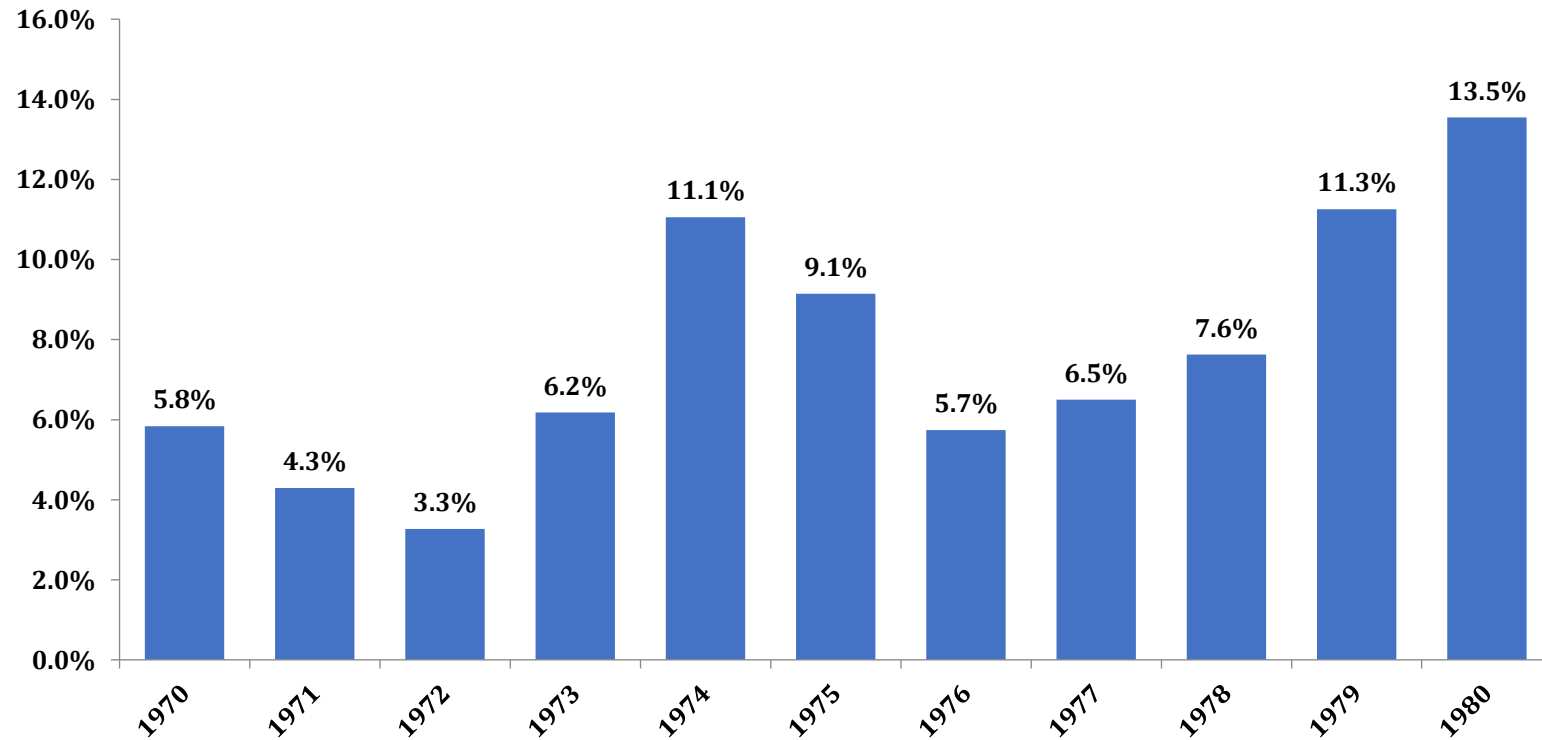
## – Demand Pull

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

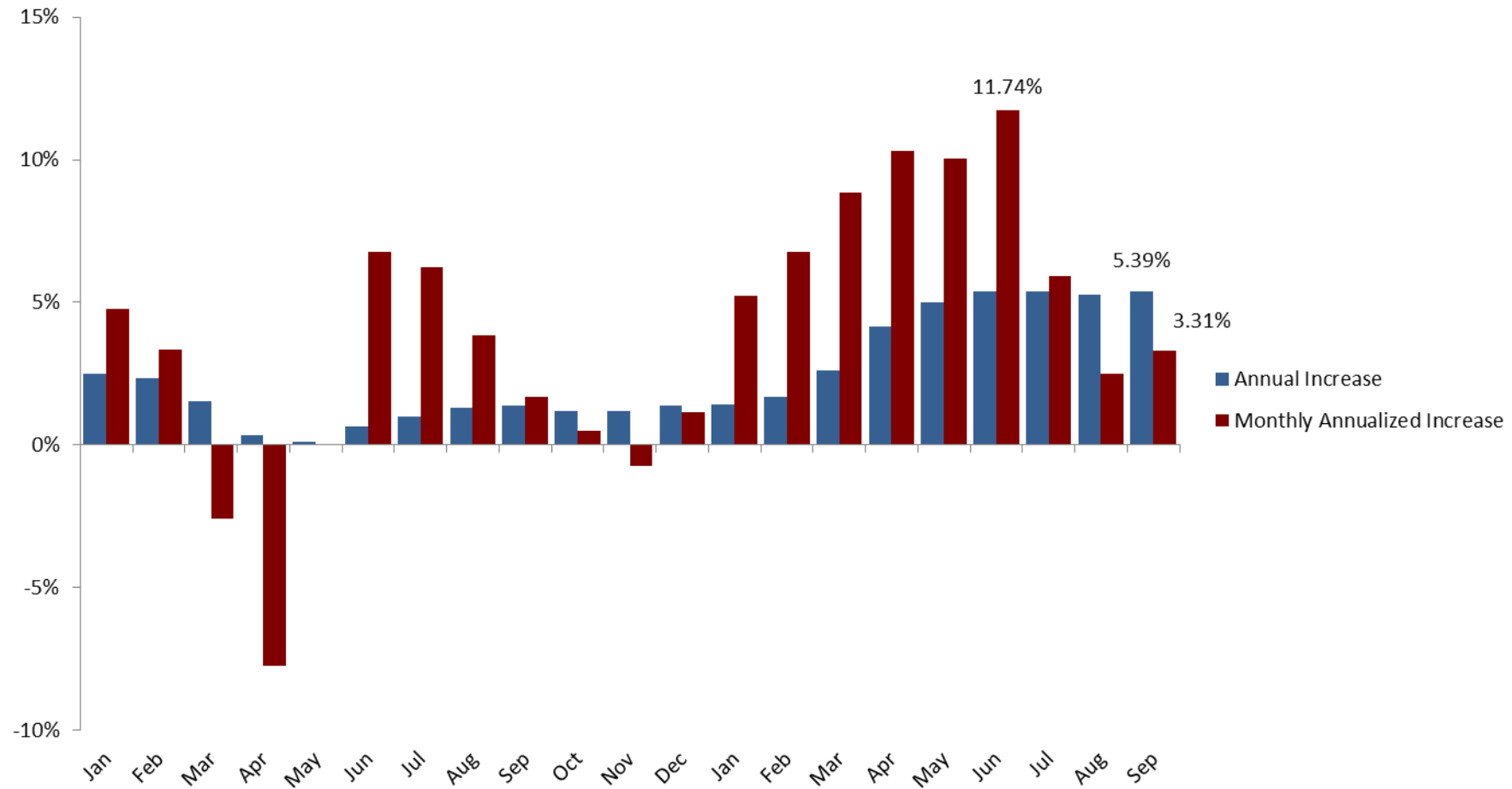
## – Cost Push

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

# U.S. Inflation 1970 - 1980



# 2020-2021 Monthly CPI

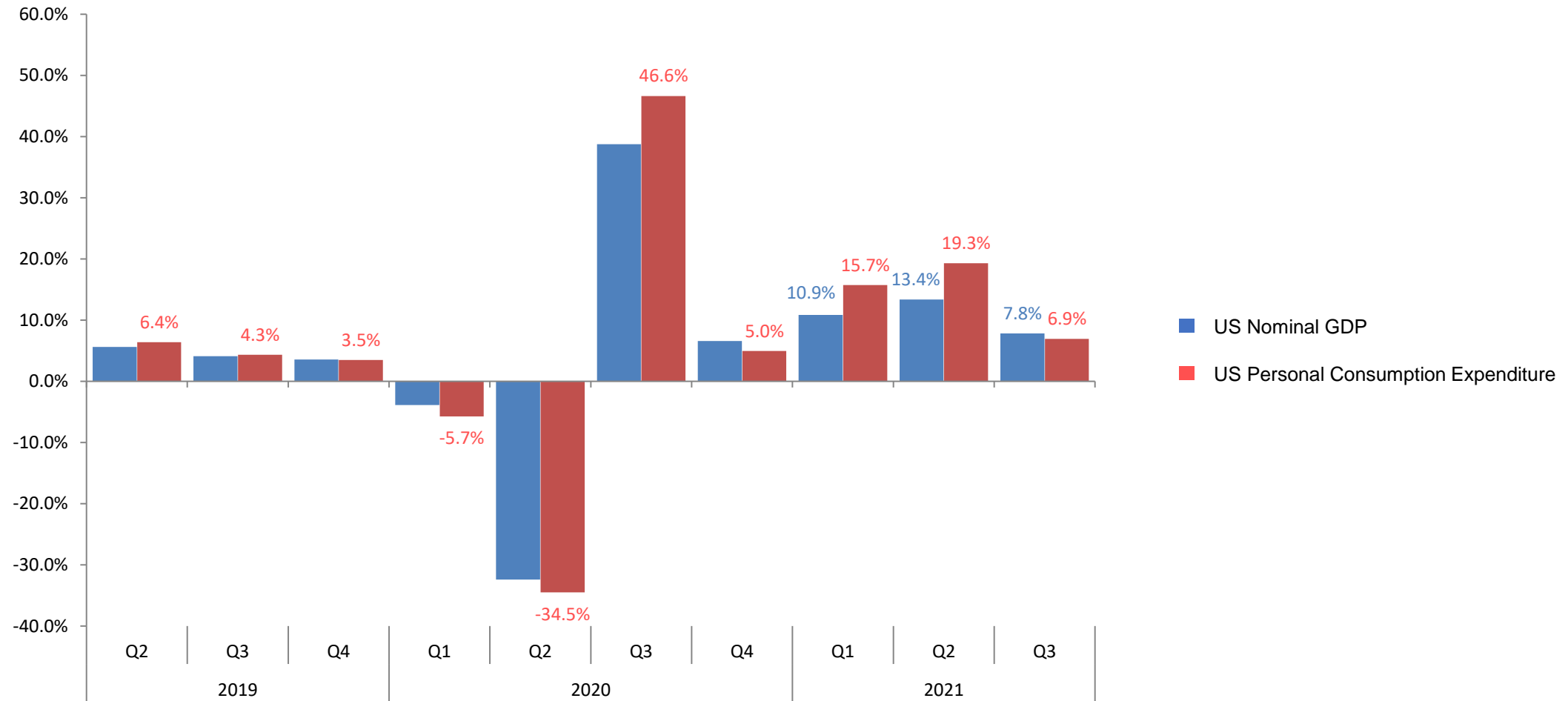


# Stimulus Checks

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
<b>Family Total</b>			<b>\$8,900</b>		

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

# US GDP vs. US Personal Consumption Expenditures





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