The Regional Outlook: A little Foggy
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Overview

• Positive Outlook
  • Moderate US Growth
  • SENC Outperforming

• Considerable Uncertainty
  • National Level
  • State Level
  • Regional Level
Gross Regional Product

% Growth in RGRP


Wilmington MSA US Metro US

Source: Bureau of Economic Analysis

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Employment

Three County Labor Force
Three County Employment

Source: Bureau of Labor Statistics
Unemployment Rate

Source: BLS/Swain Center
Job Openings

Source: NC Dept. of Commerce
Hours and Earnings Growth

Source: Bureau of Labor Statistics
Businesses Optimistic

Business Expectations

Source: Richmond FRB
Businesses (Cautiously) Optimistic

Prof & Bus Services Employment

Source: Bureau of Labor Statistics
Layoffs are Low

Initial Claims in US (Monthly, 000s)
Initial Claims in NC (Monthly, 000s)

Source: St. Louis Fed/Swain
Incorporations

Source: NC Secretary of State
Foreclosures by month for Brunswick, New Hanover, and Pender counties from 1998 to 2015. The graph shows a peak in foreclosures around 2009 for all three counties, followed by a decline. Source: nccourts.org
Working off Shadow Inventory

Home Prices vs. Construction Income

Source: WRAR/BEA
Consumption Growth

Source: NC Dept. of Commerce
Tourism

Gas Price

Source: US Energy Information Admin.

NHC ROT

Source: New Hanover County
Progress

- Recovery started late, about complete
- U-rate has declined
  - Some slack remaining, ~1.5%
- Job openings remain elevated
  - Matching/reallocation process takes time
- → Capacity for growth
- Hours picking up
- Wages increasing
- Residential sector on firm ground again
- Confidence in income and employment
  - → consumption and risk taking
Turbulence Ahead
Concerns

• Uncertainty
  • National
    • Tax plans / trade
    • Regulations
    • Interest rates
  • State
    • HB2
  • Local
    • Special Use Permit
Sector Strength

Location Quotient

- Stronger than NC
- Weaker than NC
- Similar to NC

Source: Bureau of Labor Statistics
Takeaways

• Reasons for Concern
  • Uncertainty
  • Policy Changes (lagged)
  • Transition costs (lagged)

• But optimistic
  • Slack capacity to grow
  • Incomes improving
  • Fuel prices supportive of travel
  • Strong dollar helps many local industries
Thank You!