

Current North Carolina Economic Conditions and the Outlook for the Future

Small Business Advisors of North Carolina
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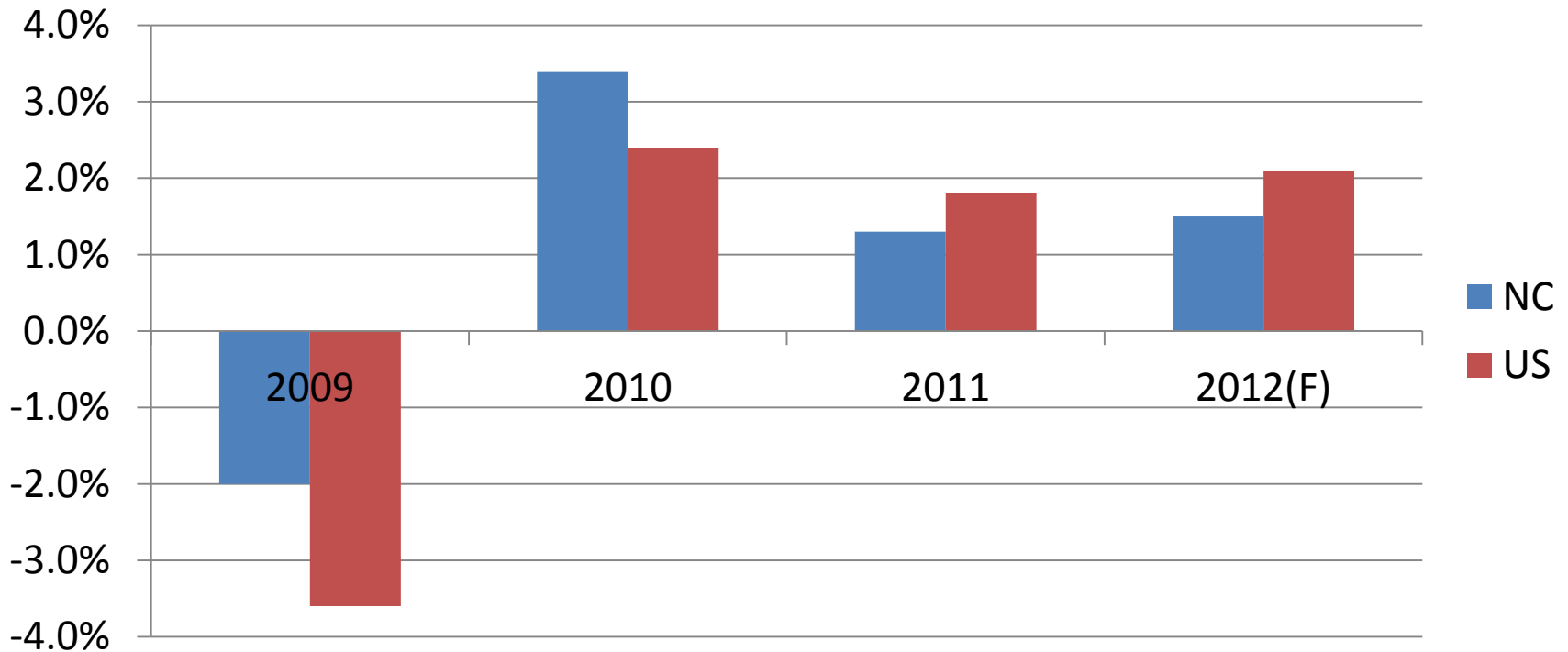
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Web Site for Slides

- <http://www.uncw.edu/swaincenter>

Real Gross Domestic Product Growth Rates



Source: Bureau of Economic Analysis, U. S. Department of Commerce; Economics Group, Wells Fargo Securities, Weekly Economic & Financial Commentary, November 9, 2012; Babson Capital/UNC Charlotte Economic Forecast, September 11, 2012.

The NC Economy in 2012

- Real (inflation adjusted) Gross State Product (GSP) is forecast to grow 1.5% over 2012.
- Ten of the state's 15 economic sectors are forecast to experience output growth.

Strongest Growth	
Sector	Growth Rate in Real Output
Mining	6.4%
Hospitality & Leisure Services	4.6%
Retail Trade	4.4%
Finance, Insurance, & Real Estate	4.3%
Educational & Health Services	4.1%

Source: [Babson Capital/UNC Charlotte Economic Forecast](#), September 11, 2012.



The NC Economy in 2013

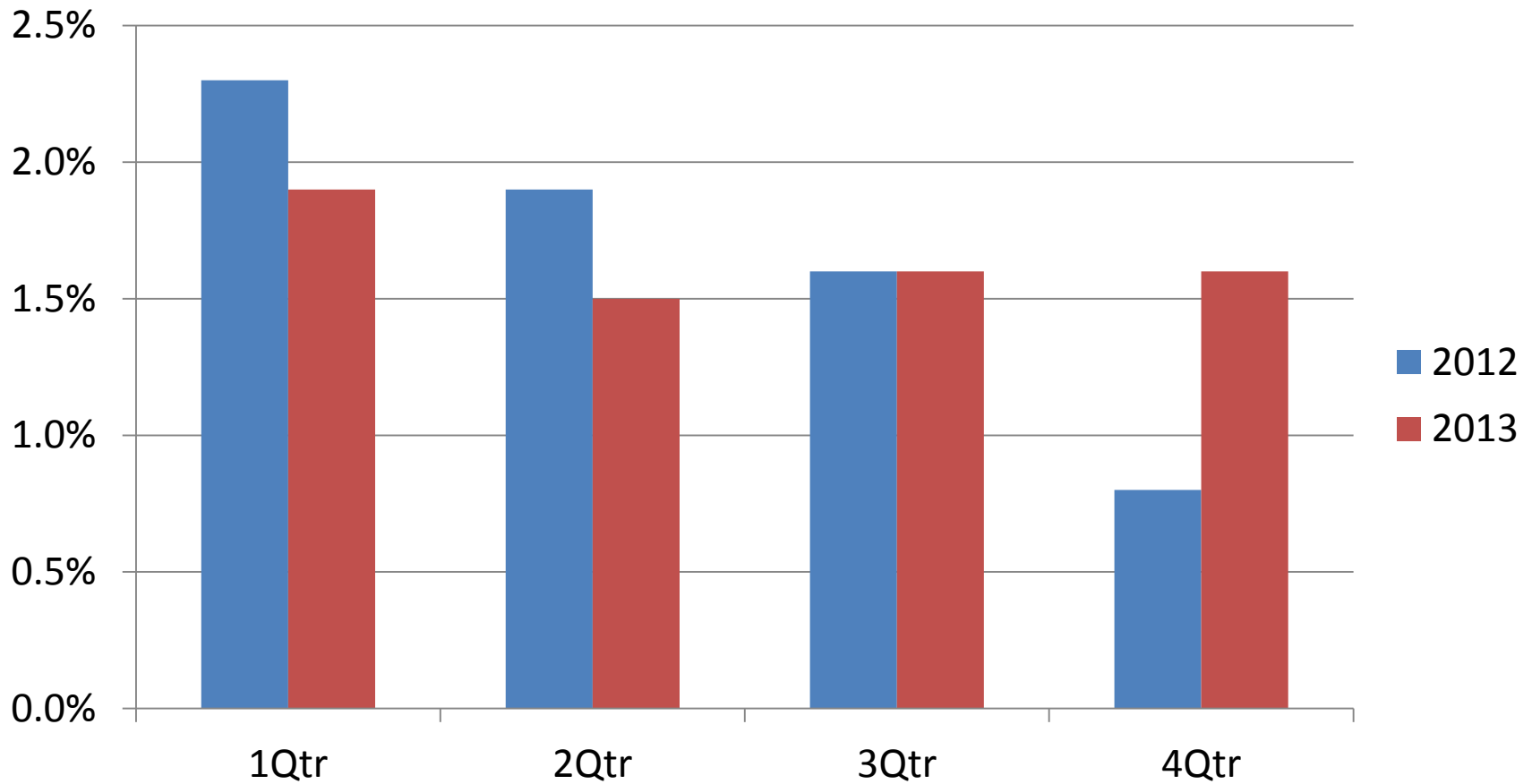
- Real GSP is forecast to grow 1.5% over 2013.
- 14 of the state's 15 economic sectors are forecast to experience output growth.

Strongest Growth	
Sector	Growth Rate in Real Output
Agriculture	8.3%
Other Services	4.5%
Hospitality and Leisure Services	3.8%
Educational & Health Services	3.6%
Transportation, Warehousing, & Utilities	3.2%

Source: [Babson Capital/UNC Charlotte Economic Forecast](#), September 11, 2012.



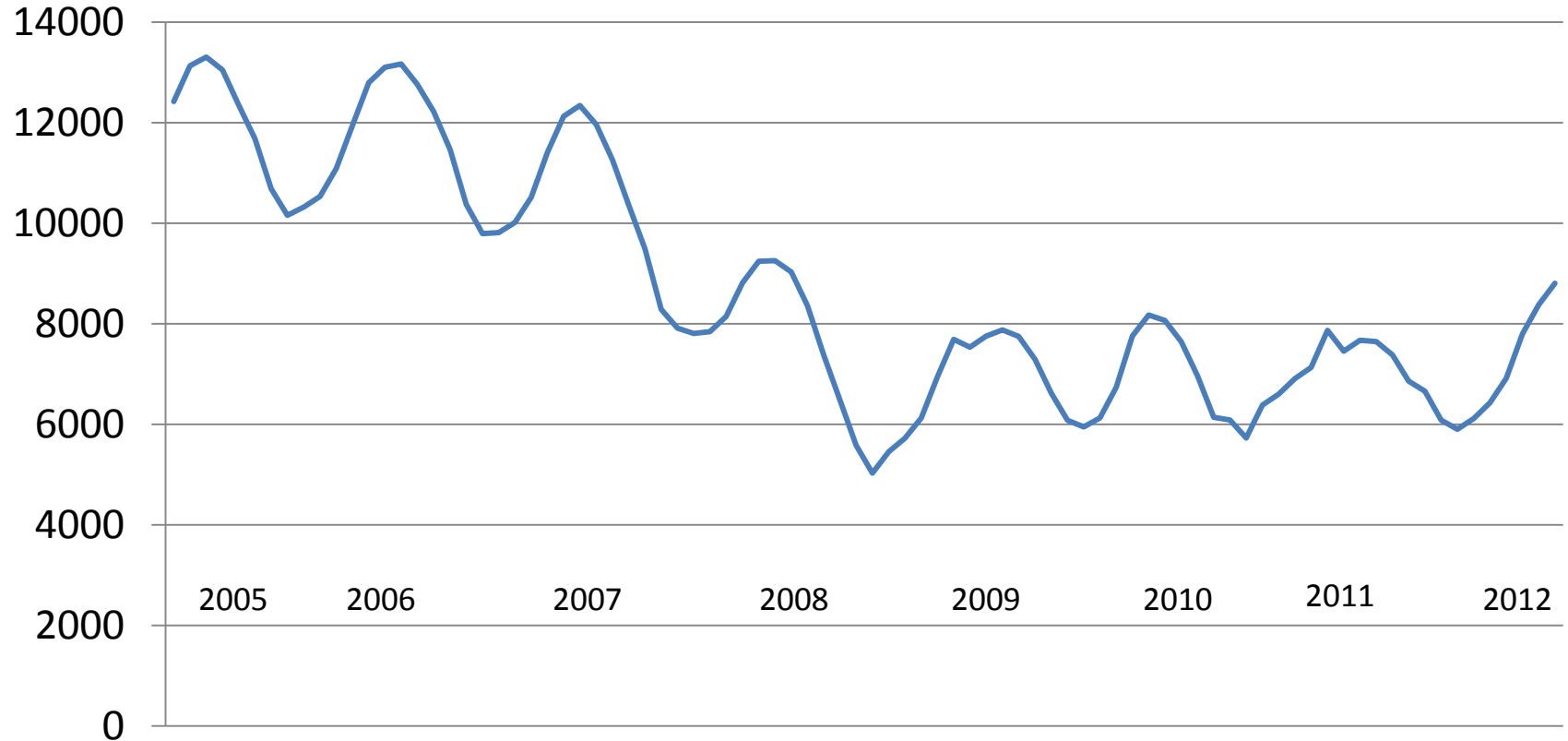
2012-13 Quarterly Growth Rates in NC Real GSP



Source: [Babson Capital/UNC Charlotte Economic Forecast](#), September 11, 2012.



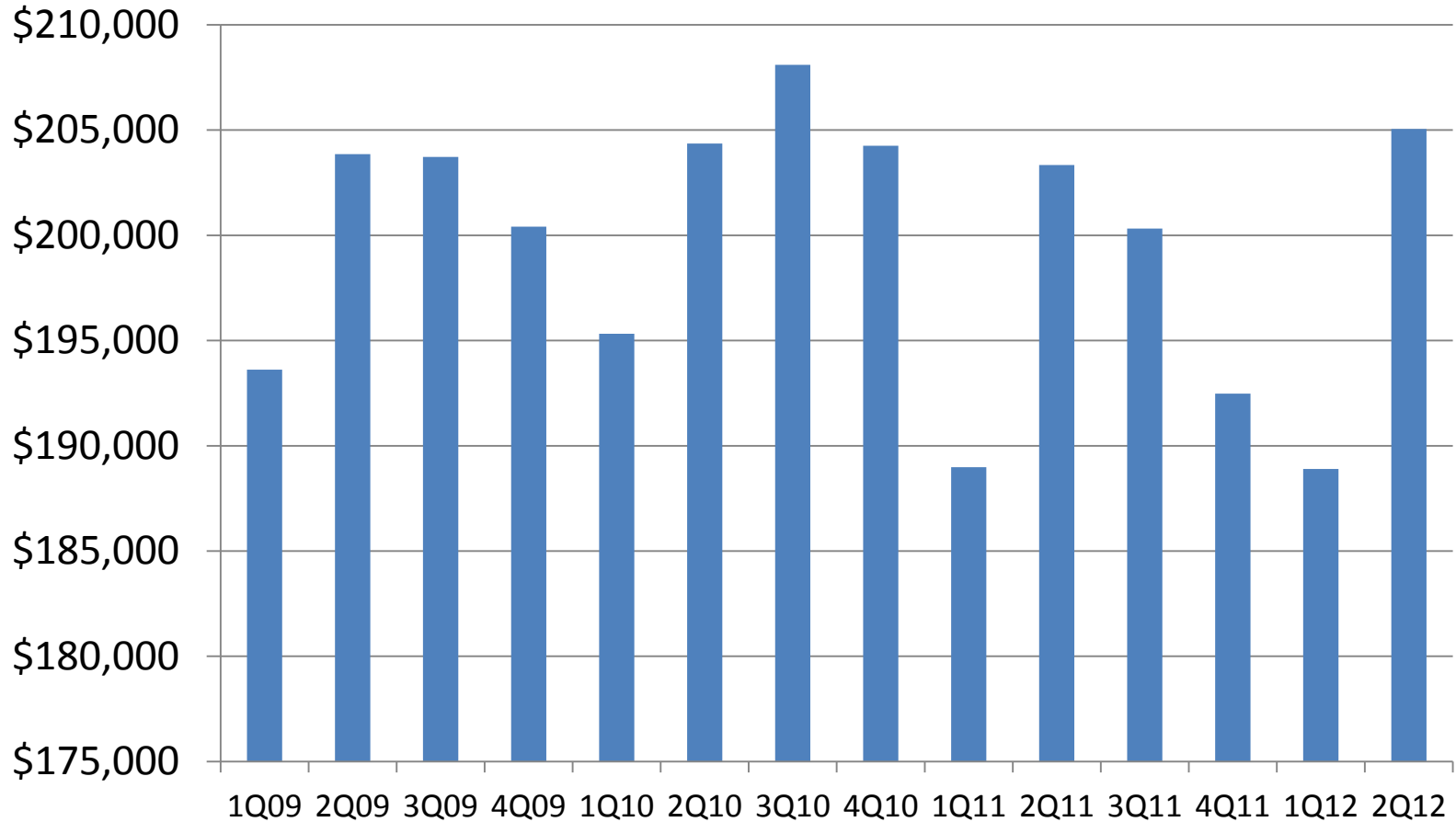
North Carolina Sales of Existing Single-Family Homes (5-Month Centered Moving Average)



Source : NC Association of Realtors.



NC Average Quarterly Single-Family Sales Price



Source: NC Association of Realtors.



North Carolina 1Q2012 Employment and Wages (Largest 10 Employment Sectors)

NAICS ¹ Sector	% of Total Employment	% Change from 1Q2011	% Change from 1Q2007	Average Weekly Wage	
				Wage (\$)	% of All- Sector Average
Health Care & Social Assistance	14.6	1.9	7.1	835.33	96.1
Retail Trade	11.6	2.5	-2.9	486.63	56.0
Local Government	11.5	-0.4	--	764.00	87.9
Manufacturing	11.3	1.0	-19.6	1,088.09	125.2
Educational Services	10.0	-0.5	2.0	744.39	85.7
Public Administration	6.2	1.1	3.8	828.63	98.8
Accommodation & Food Services	8.9	3.8	3.4	287.68	33.1
Administrative & Waste Services	6.5	4.3	5.3	597.18	68.7
Public Administration	6.1	-1.5	3.8	839.72	96.6
Professional & Technical Services	5.2	3.5	7.1	1,315.48	151.4
All Sectors		1.7	-3.9	869.00	

¹ North American Industrial Classification System.

Source: NC Division of Employment Security, NC Department of Commerce.



September 2012 NC Employment

- Employment rose 0.7% to 4.2 million.
- Unemployment fell 0.8% to 448,000.
- The unemployment rate fell 10 basis points to 9.6%.
- 37 mass layoff events
- 3,600 initial claimants for unemployment compensation
 - Down 36% from August
 - Down for two consecutive months

September 2012 NC Employment 12-Month Percent Change

Sector	% Change Sept 2011	Sector	% Change Sept 2011
Total Nonfarm	0.8	Financial Activities	0.7
Professional & Business Service	3.1	Manufacturing	0.3
Education & Health Services	2.2	Other Services	-0.7
Leisure & Hospitality	1.5	Government	-0.8
Trade, Transportation, & Utilities	1.3	Mining & Logging	-3.5
Information	0.9	Construction	-4.7

Source: Bureau of Labor Statistics, US Department of Labor.



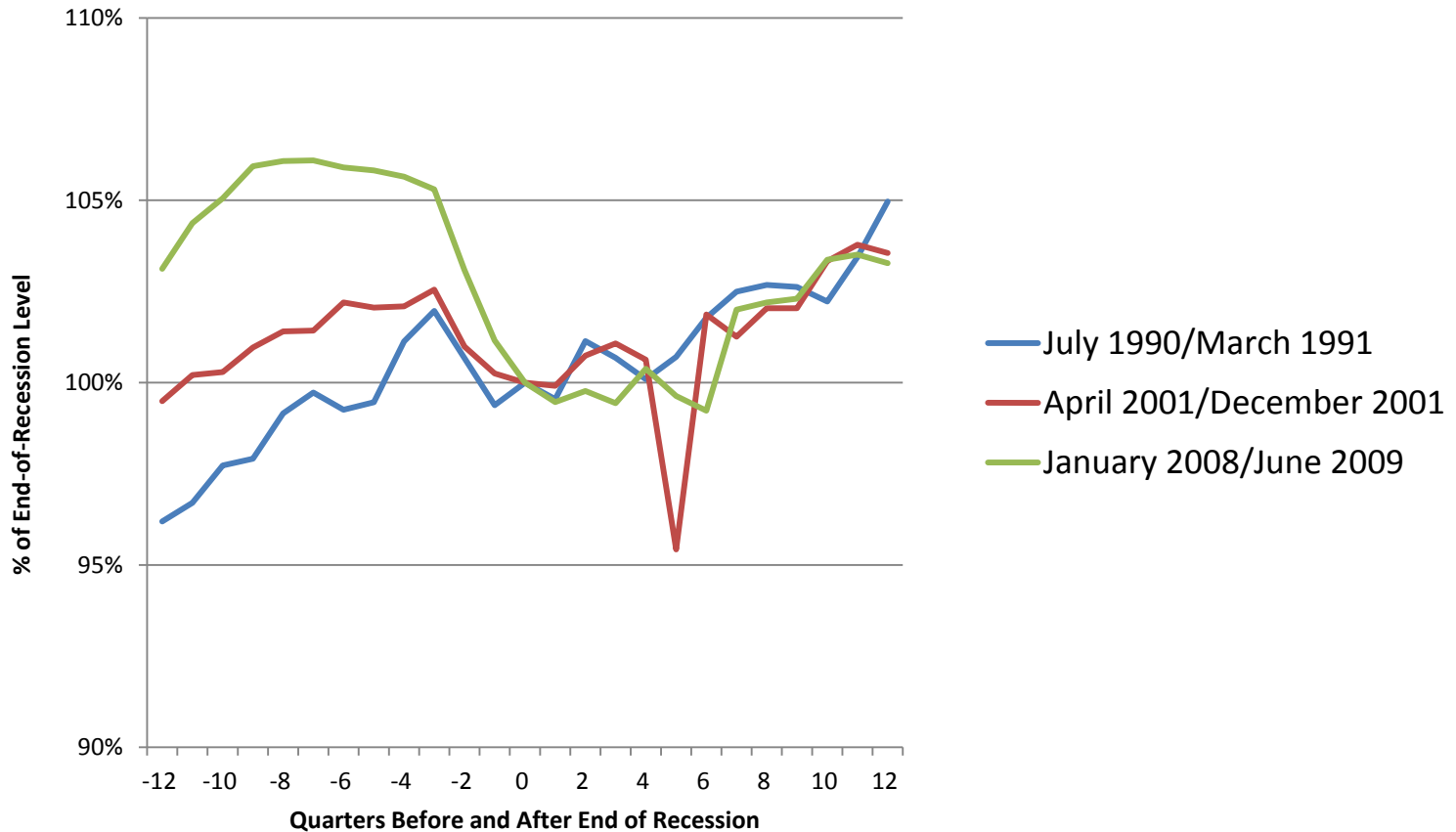
NC MSA Employment Changes

MSA	% Change 1Q11-1Q12	% Change 1Q07-1Q12
Asheville	0.9	-4.3
Burlington	1.9	-4.3
Charlotte-Gastonia-Rock Hill	2.9	-1.7
Durham-Chapel Hill	1.8	-1.1
Fayetteville	0.3	0.3
Goldsboro	1.7	-4.8
Greensboro-High Point	0.9	-6.7
Greenville	2.6	-0.1
Hickory-Lenoir-Morganton	-0.4	-12.7
Jacksonville	0.2	6.8
Raleigh-Cary	2.3	0.9
Rocky Mount	-1.6	-10.3
Wilmington	--	-7.8
Winston-Salem	1.9	-6.4
Total MSA	1.7	-3.2



Source: NC Division of Employment Security, NC Department of Commerce.

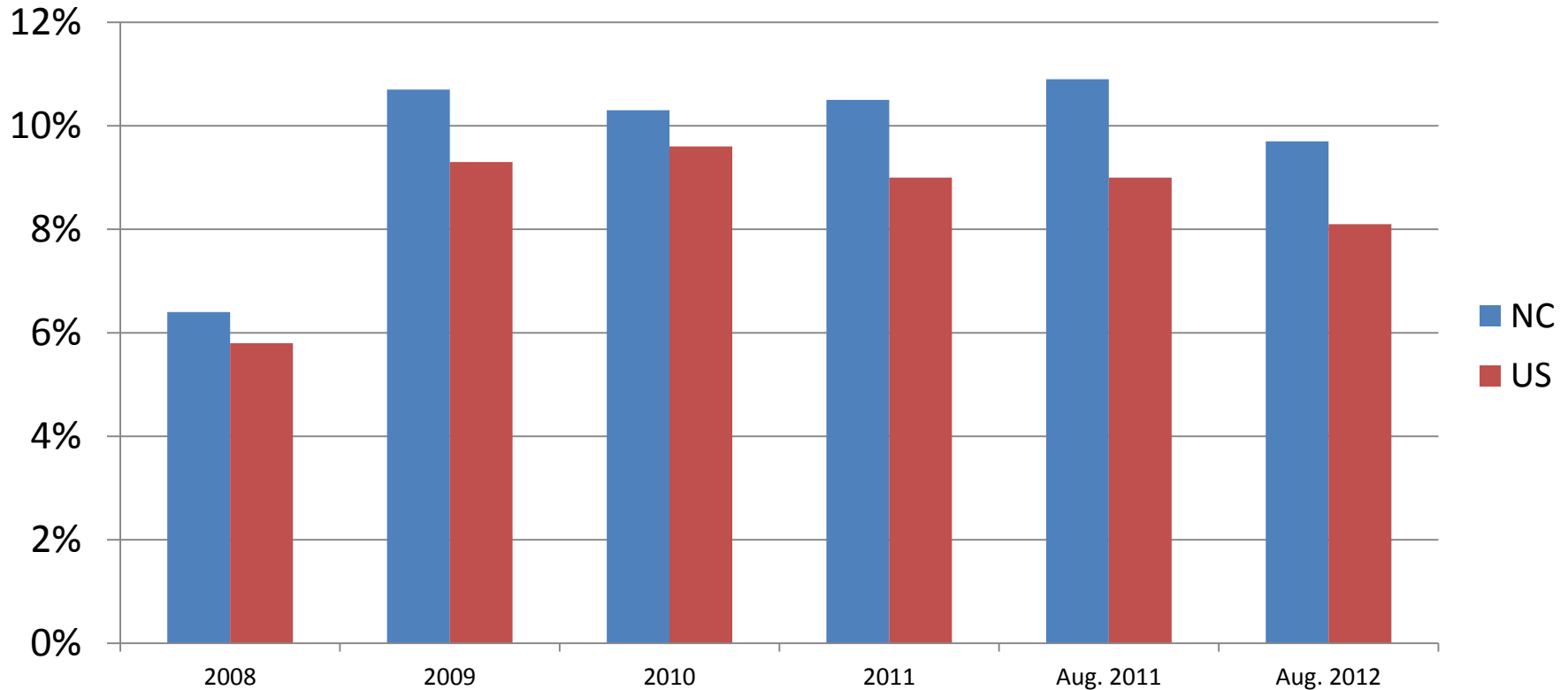
NC Employment Spider Graph



Source: NC Division of Employment Security, NC Department of Commerce.



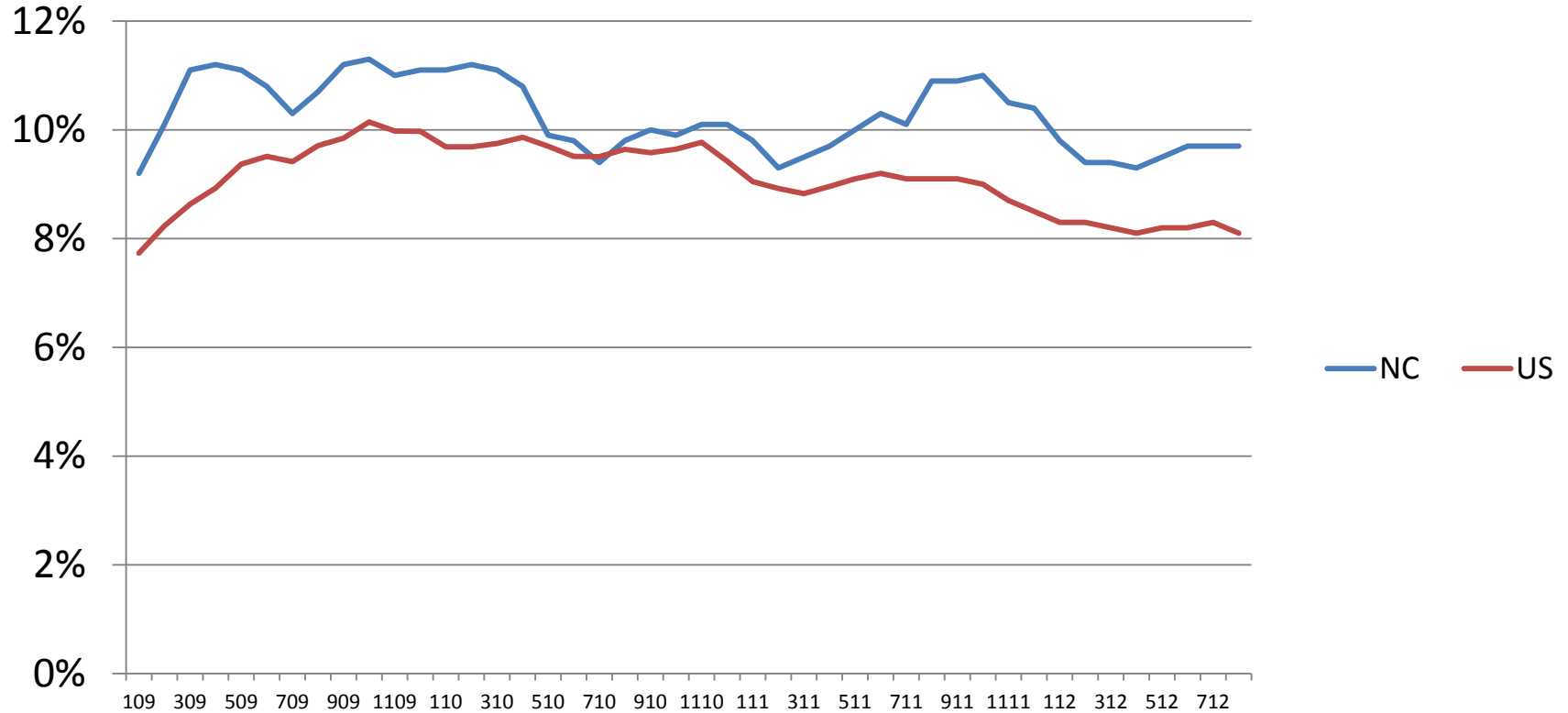
Unemployment Rates



Source: NC Division of Employment Security, NC Department of Commerce; Bureau of Labor Statistics, US Department of Labor.



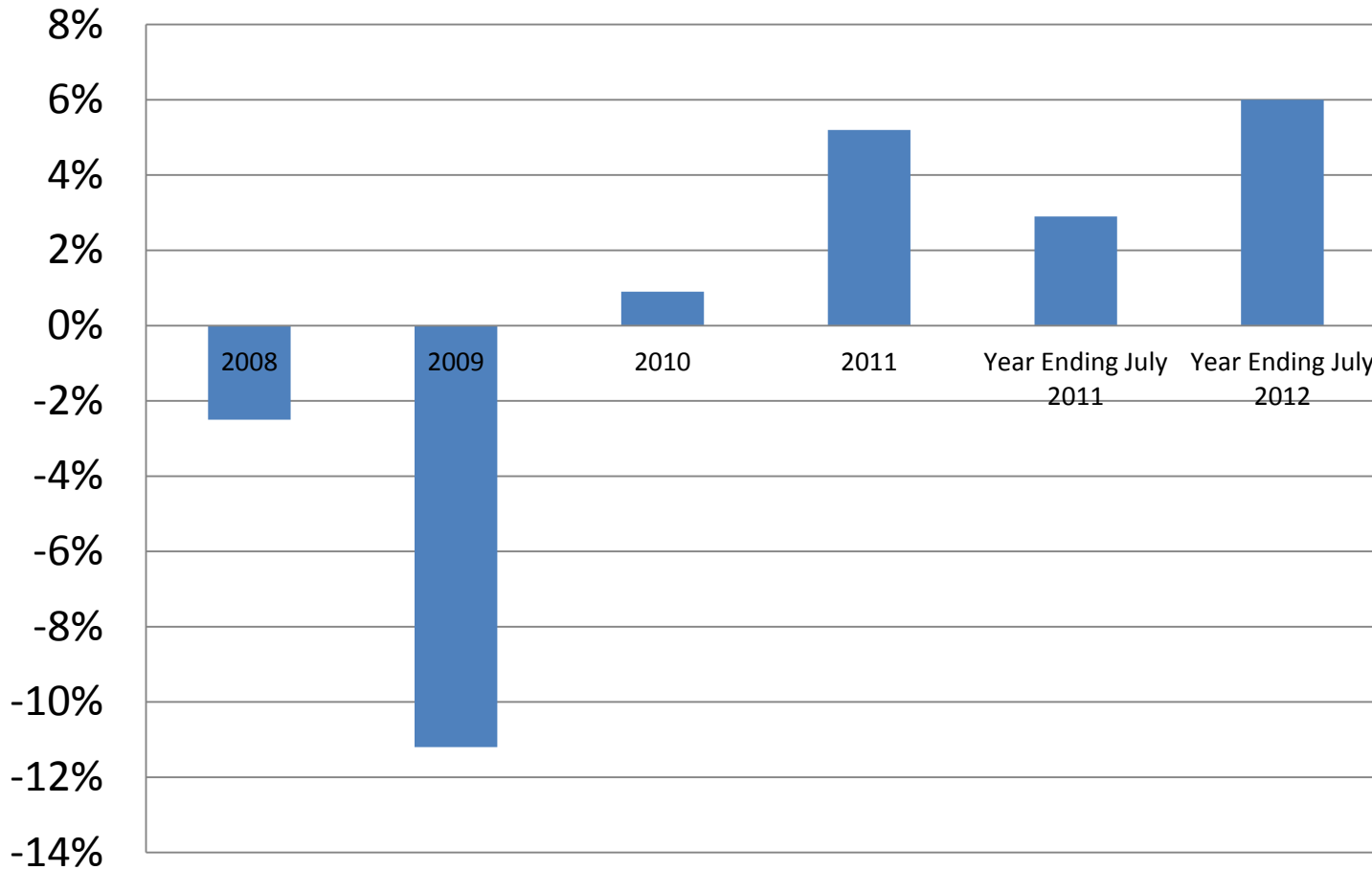
Unemployment Rates (Seasonally Adjusted)



Source: NC Division of Employment Security, NC Department of Commerce; Bureau of Labor Statistics, US Department of Labor.



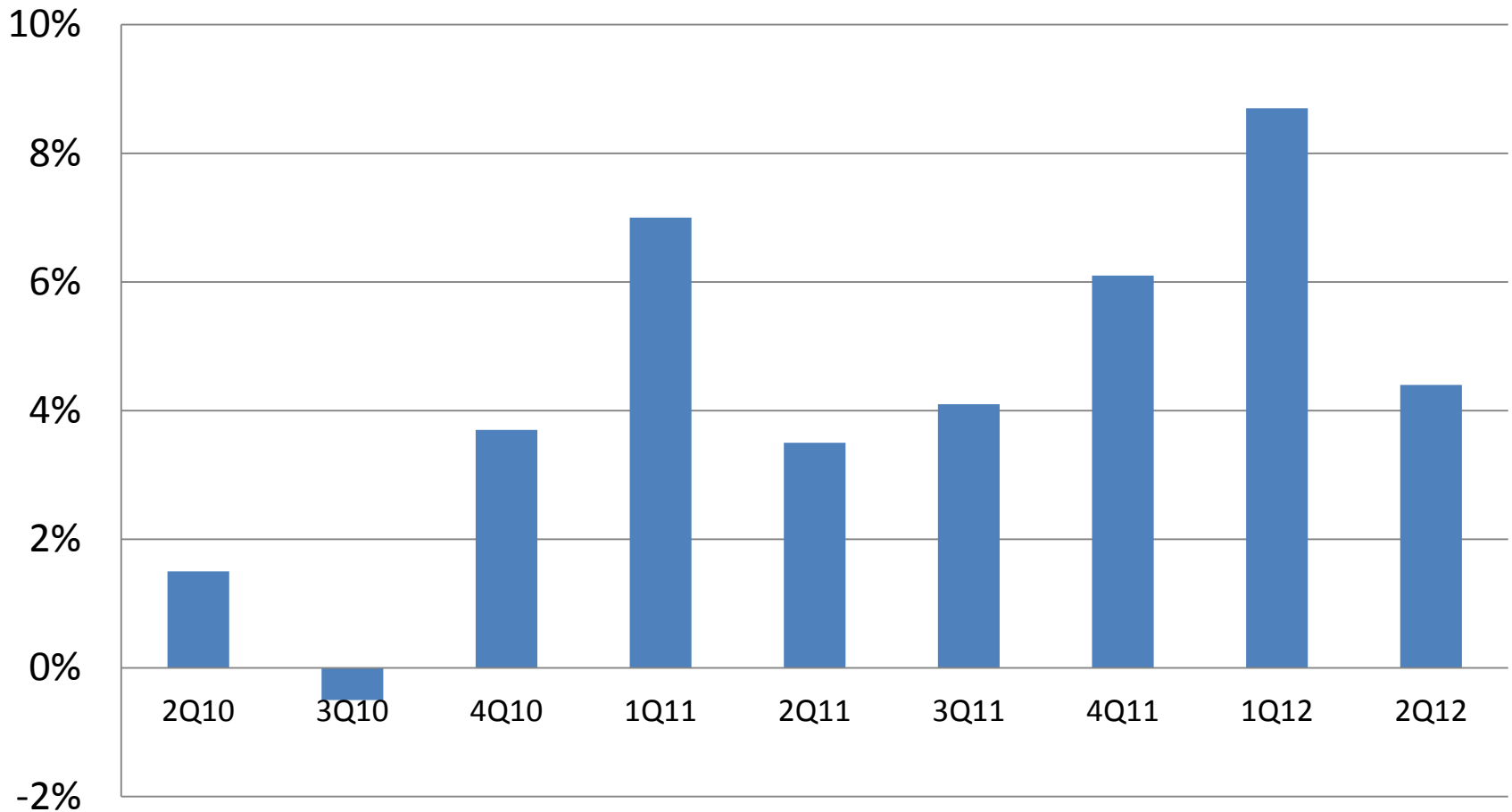
Retail Sales Growth Rates



Source: NC Department of Revenue.



Retail Sales Growth Rates (Compared to Previous Year)



Source: NC Department of Revenue.



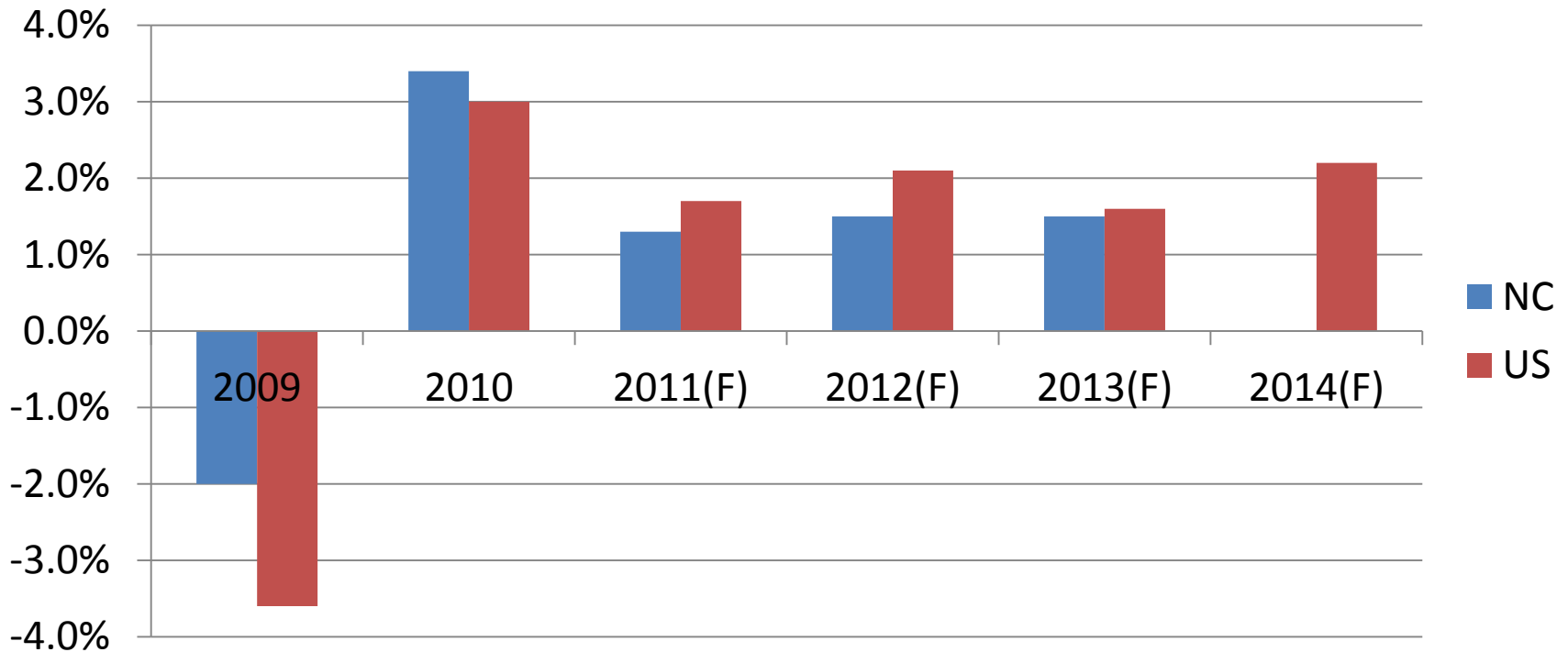
Foreclosures

	North Carolina
2009	60,249
% Change 2008-09	11.7
2010	66,296
% Change 2009-10	10.0
2011	53,218
% Change 2010-11	-19.7
Oct. 2010-Sept. 2011	56,234
% Change Oct. 2009-Sept. 2010	-18.3
Oct. 2011-Sept. 2012	52,274
% Change Oct. 2010-Sept. 2011	-7.0

Source: NC Administrative Office of the Courts.



Real GDP Growth Rates



Source: Bureau of Economic Analysis, U. S. Department of Commerce; Economics Group, Wells Fargo Securities, Weekly Economic & Financial Commentary, November 9, 2012; Babson Capital/UNC Charlotte Economic Forecast, September 11, 2012.

North Carolina State Revenue Outlook

- Through August 2012, general fund revenues were \$26 million below the \$3.01 billion target.
 - Personal income tax collections were \$2.3 million below the target of \$1.6 billion.
 - Sales tax collections were almost 4% below the target of \$37 million.
 - Corporate income tax collections were \$33.5 million above the target.
 - This increase was mainly the result of \$22 million in one-time payments.

Source: Fiscal Research Division, NC General Assembly.



North Carolina State Revenue Outlook Caveat

- The first several months of the fiscal year are the “least important” months as an indicator of revenue trends for the full fiscal year.
 - The major receipts in these months (from sales tax collections and income tax withholding) closely track their respective receipts from the last few months of the prior fiscal year.
 - The impacts of the more volatile revenue sources (corporate income tax collections, non-withholding personal income tax collections) do not show up until the second half of the fiscal year.

Source: Fiscal Research Division, NC General Assembly.



Year-to-Date FY 2012-13 North Carolina State Revenues


- The growth in major economy-based taxes, viz., withheld personal income tax and the sales tax, has slowed over the past few months.
 - Net sales tax collections in July and August slipped below target.
 - Net personal income tax withholding is just under target.

Source: Fiscal Research Division, NC General Assembly.



Quarterly Barometer

<http://www.csb.uncw.edu/cbes/newsletter/index.htm>




CAROLINA SCHOOL OF BUSINESS
H. DAVID AND DIANE SWAIN CENTER FOR BUSINESS AND ECONOMIC SERVICES

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Economic Barometer

Volume IV, Issue 4 October 2012

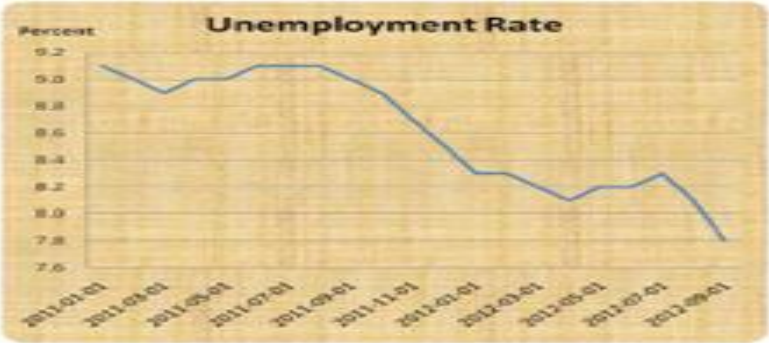
The National Economy: What's Ahead?

Recent Performance Subdued

The U.S. economy has yet to show convincing signs of breaking out from its subpar performance. As shown in the table below, real GDP in the third quarter continued to grow at the same sluggish pace it has over the past couple years.

Growth in Real GDP (in percent)			
2011	2012		
	Q1	Q2	Q3
2	2	1.3	2

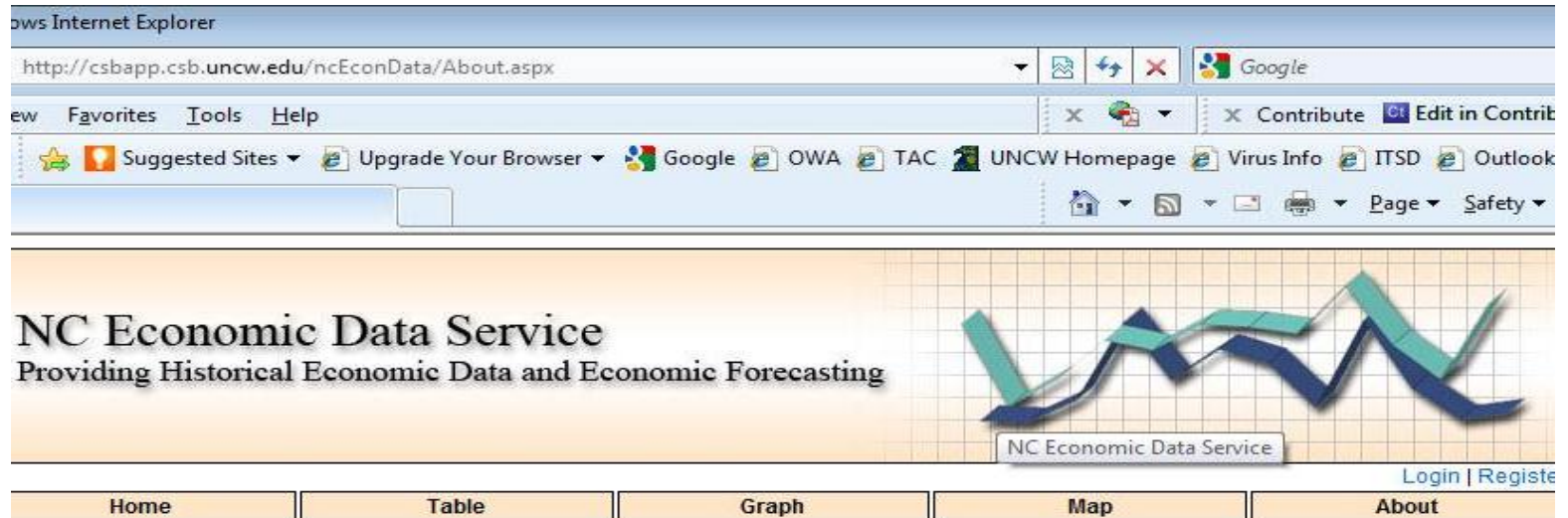
This is below the 2-1/2 percent pace needed to prevent slack from expanding. Thus, the output shortfall remains very large for the start of the fourth year of an economic expansion—despite massive fiscal and monetary stimulus. In contrast, the unemployment rate has fallen more than a percentage point over this period—shown below—with the bulk of the decline owing to falling participations—next page—as discouraged workers left the labor force.



Date	Rate (%)
2011-01-01	9.2
2011-04-01	8.9
2011-07-01	9.5
2011-10-01	9.2
2012-01-01	8.7
2012-04-01	8.3
2012-07-01	8.1
2012-09-01	8.4

Online Data

<http://csbapp.csb.uncw.edu/ncecondata>



The screenshot shows a Microsoft Internet Explorer browser window. The address bar displays the URL <http://csbapp.csb.uncw.edu/ncecondata/About.aspx>. The browser's menu bar includes 'File', 'Favorites', 'Tools', and 'Help'. The toolbar contains various icons for navigation and utility. The main content area features a header for the 'NC Economic Data Service' with the tagline 'Providing Historical Economic Data and Economic Forecasting'. To the right of the text is a 3D line graph with two data series, one in blue and one in green, plotted on a grid. Below the graph is a navigation menu with buttons for 'Home', 'Table', 'Graph', 'Map', and 'About'. In the bottom right corner of the page, there are links for 'Login | Register'.

About The Site

UNCW's Economic Web Service provides twenty years of historical economic data for the southeastern United States. This publicly available data is presented in tables and graphs that can be searched and sorted by specific parameters. It also features a back-end system for administrators to record new data and manipulate old data. The goal of this service is to develop economic models based on historical and emerging trends using accepted forecasting procedures. Government agencies and businesses will then have the capability to use these models to forecast future economic growth for a particular region or industry.

Funding and support for this website comes from Progress Energy and the Center for Business and Economic Services at the University of North Carolina Wilmington. All economic data and analysis was collected and analyzed by Senior Economist Woody Hall. Website design and development supported by Dr. Tom Janicki, Information Systems Department and Josh Tobey, Masters Student in Computer Science and Information Systems at UNCW.