

ECONOMIC OUTLOOK: ROLLING OR STROLLING?



Dr. Mike Walden

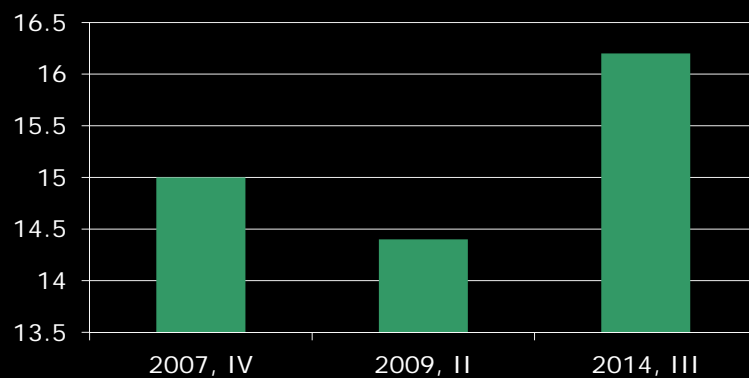
Reynolds
Distinguished
Professor

North Carolina State
University

1

AGGREGATE PRODUCTION HAS TOTALLY RECOVERED

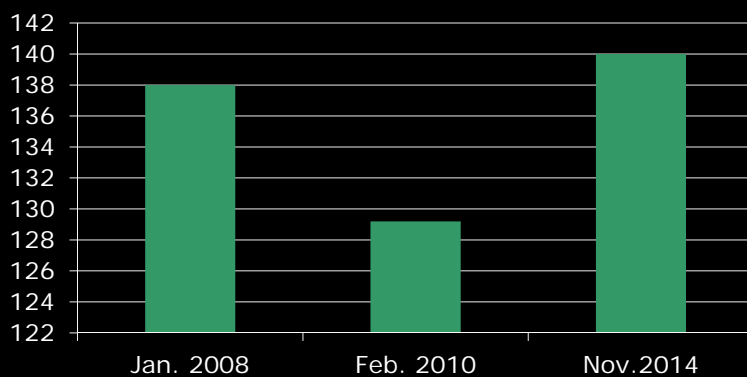
Real GDP, 2009 trillions \$



2

THE JOB MARKET HAS ALSO COME BACK

MILLIONS, NON-FARM, SEAS.-ADJ.



3

BUT JOB MARKET ISSUES LINGER



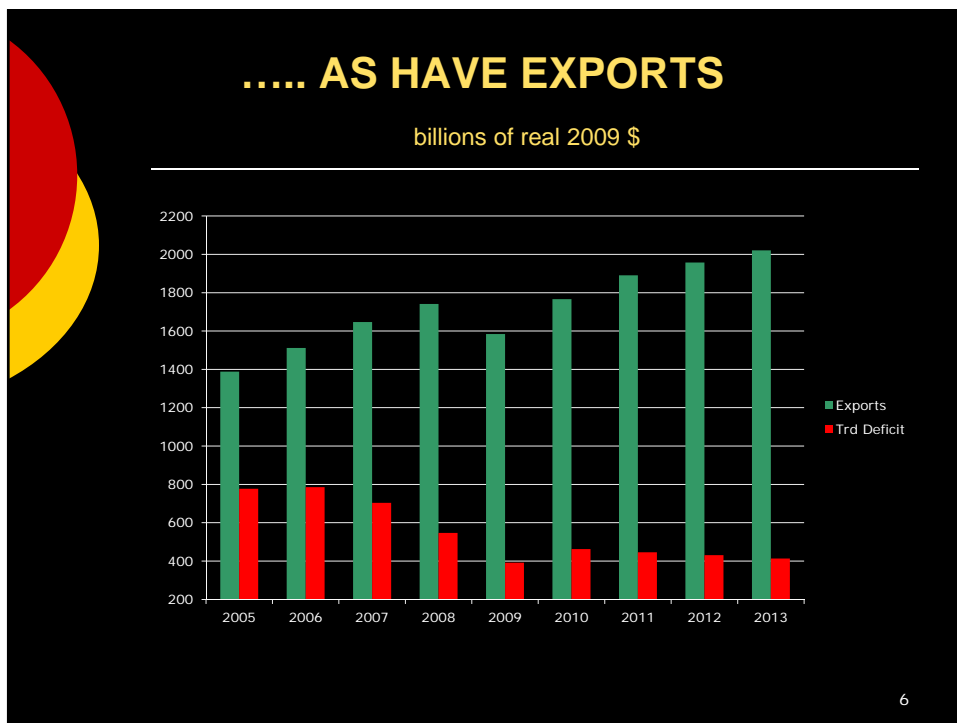
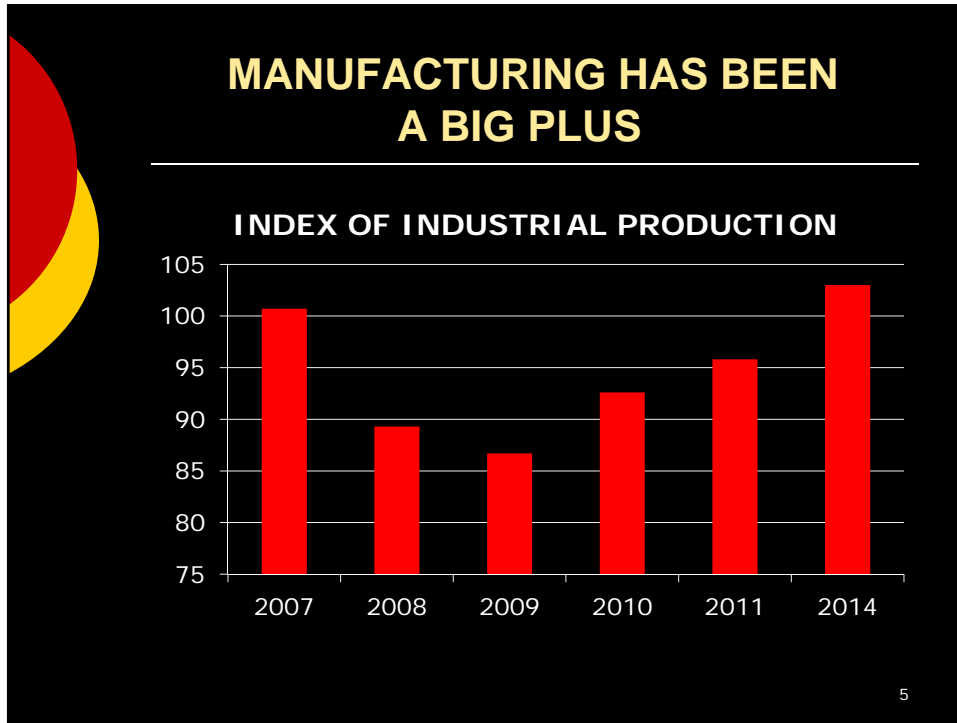
DROP IN LABOR FORCE

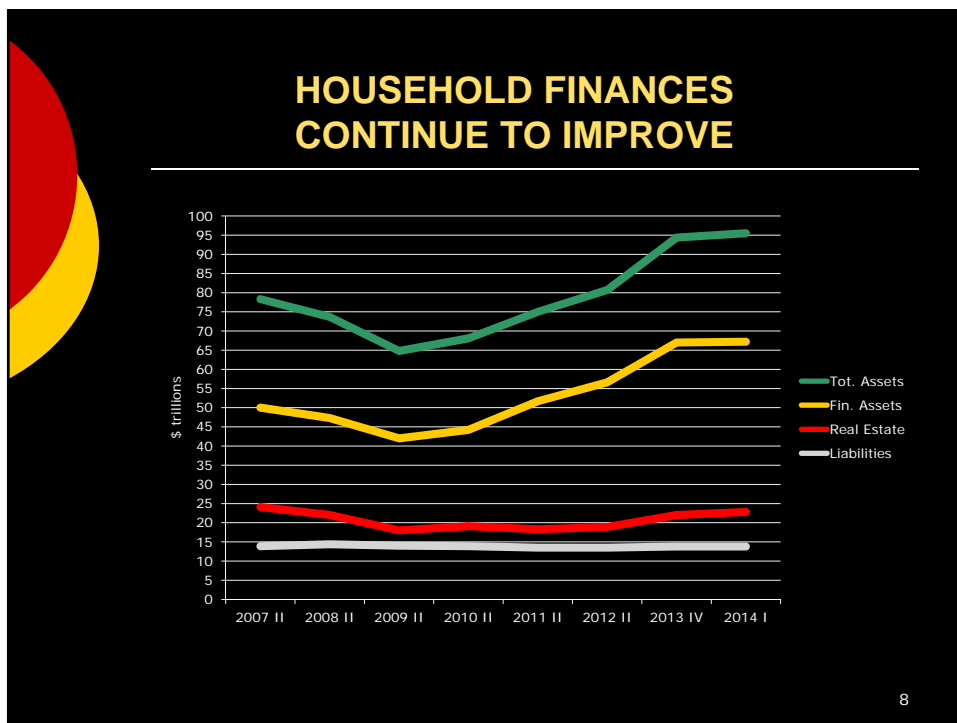
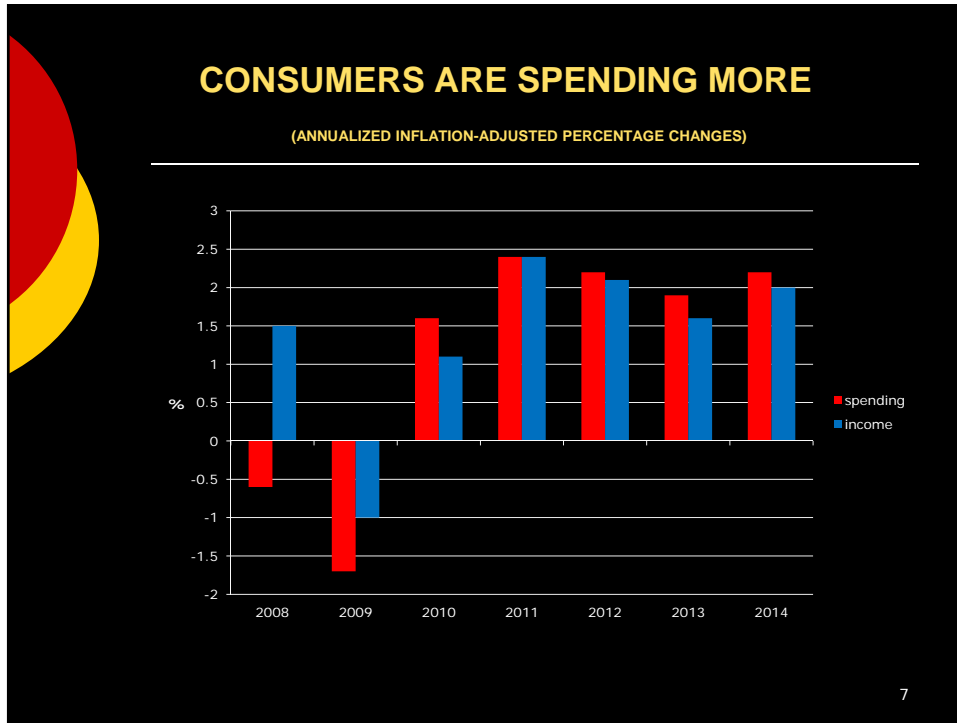
REAL WAGE LOSSES

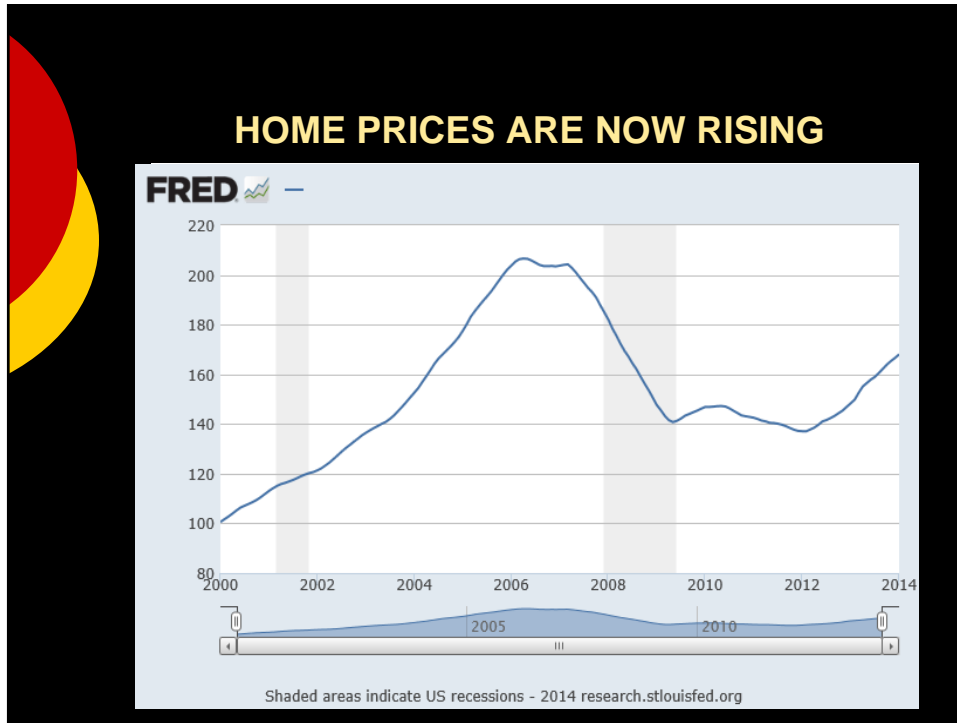
IMPACT OF TECHNOLOGY

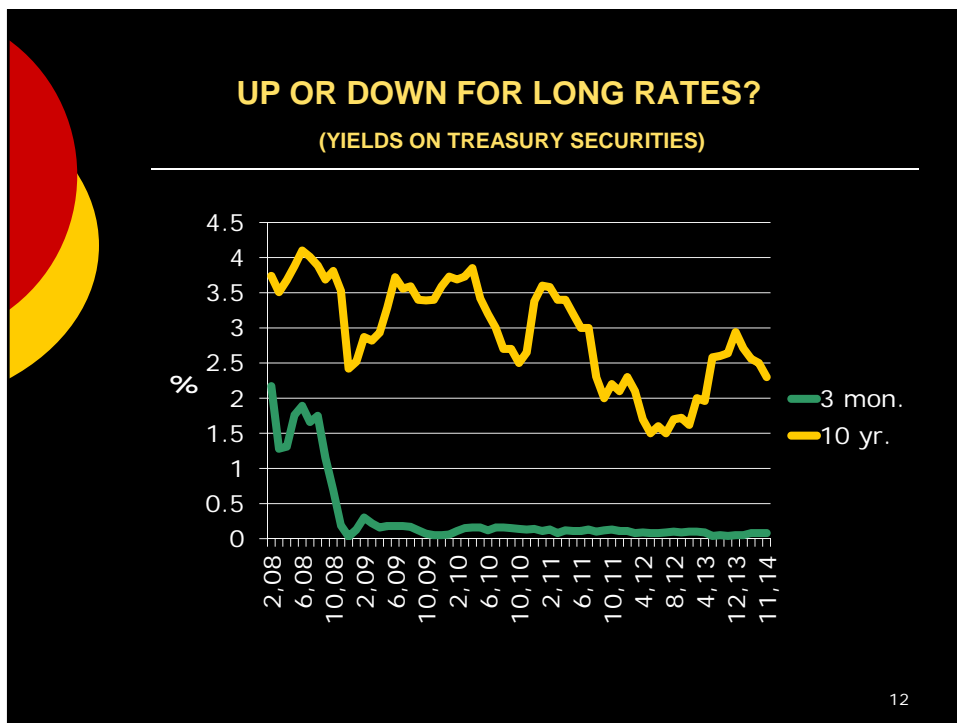
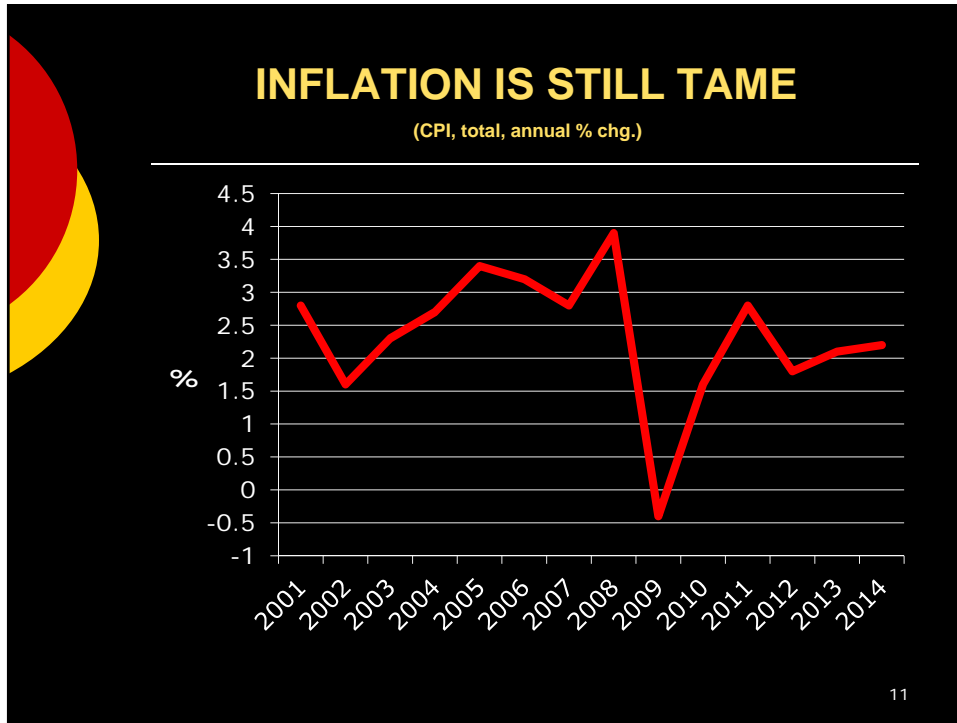
INCOME INEQUALITY

4









WORLD WORRIES

EBOLA

EUROPEAN STAGNATION

STRONGER DOLLAR

MIDDLE EAST



13

NATIONAL FORECASTS



225,000 – 250,000 JOBS CREATED
PER MONTH

2.5% TO 2.75% GDP GROWTH RT

UNEMPLOYMENT NEAR 6.0% AT
YEAR'S END

LONG RUN: STAGNATION
or
INNOVATION?

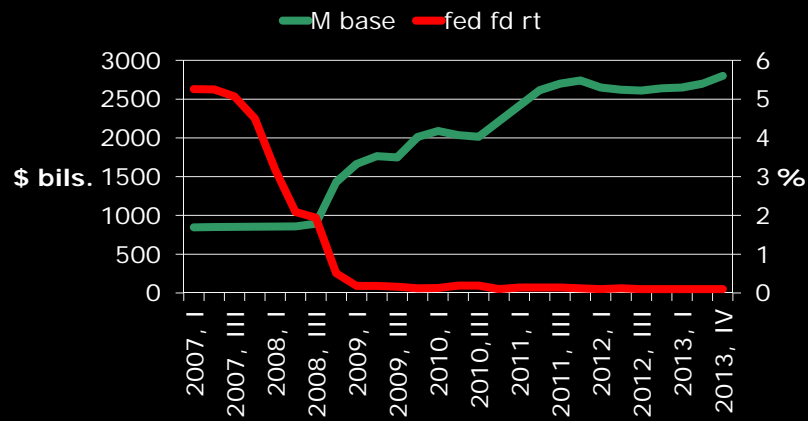
14

GOVERNMENT POLICY



15

THE FED WAS VERY AGGRESSIVE IN FIGHTING THE RECESSION



16

WHERE WILL YELLEN TAKE THE FED, AND HOW FAST?



ALREADY HAS "TAPERED" MONTHLY MORTGAGE PURCHASES

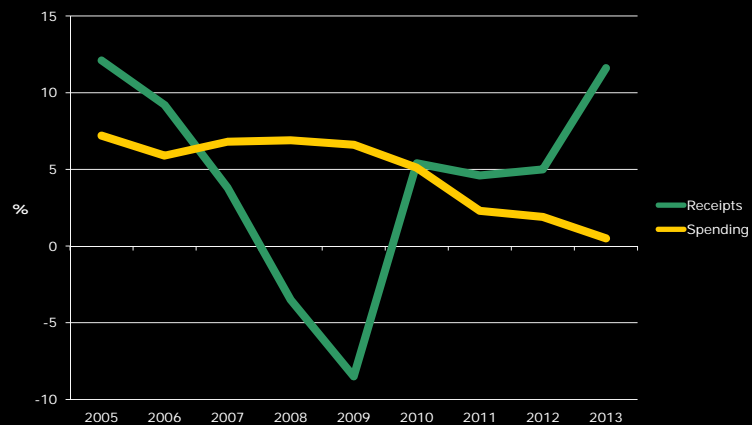
WHEN WILL INTEREST RATES BE INCREASED?

NO "RULES" ON WHEN TO MAKE CHANGES

17

FISCAL POLICY HAS "TIGHTENED"

(% of GDP)



18

THE CONTINUING FISCAL DEBATE



DEMOGRAPHIC PRESSURES ON SPENDING

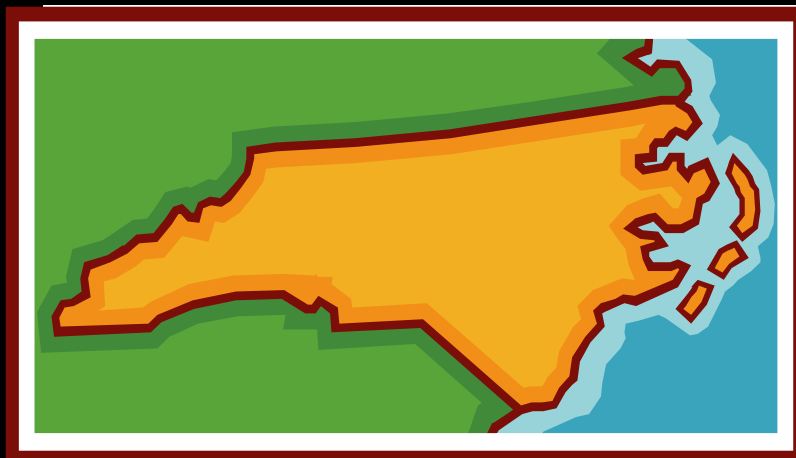
TRANSFERS TAKING THE PLACE OF INVESTMENTS

COMPLEX TAX CODE

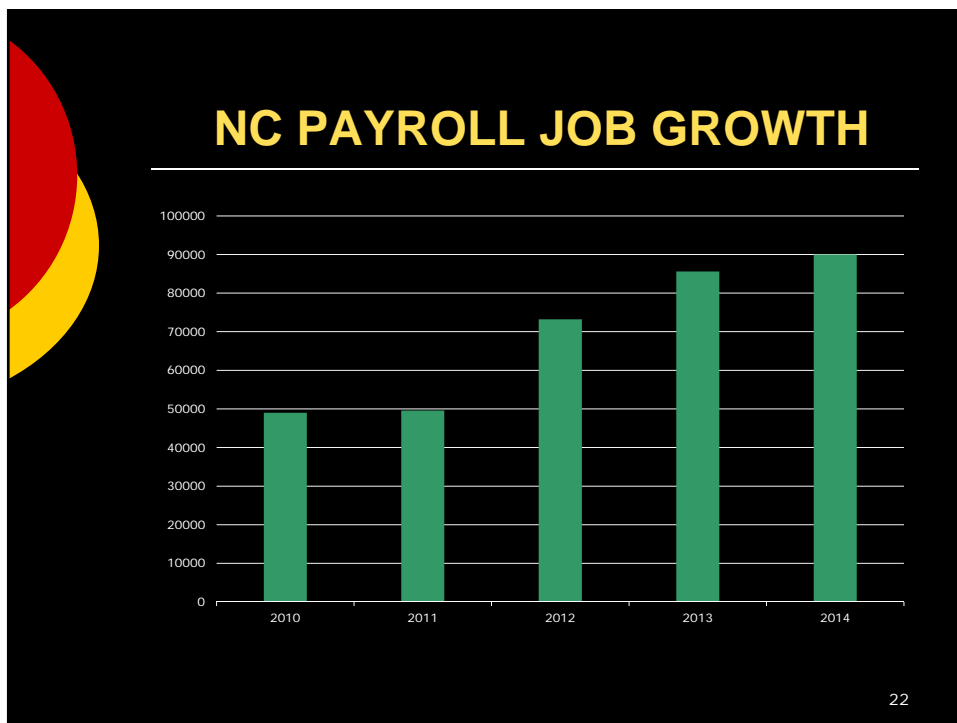
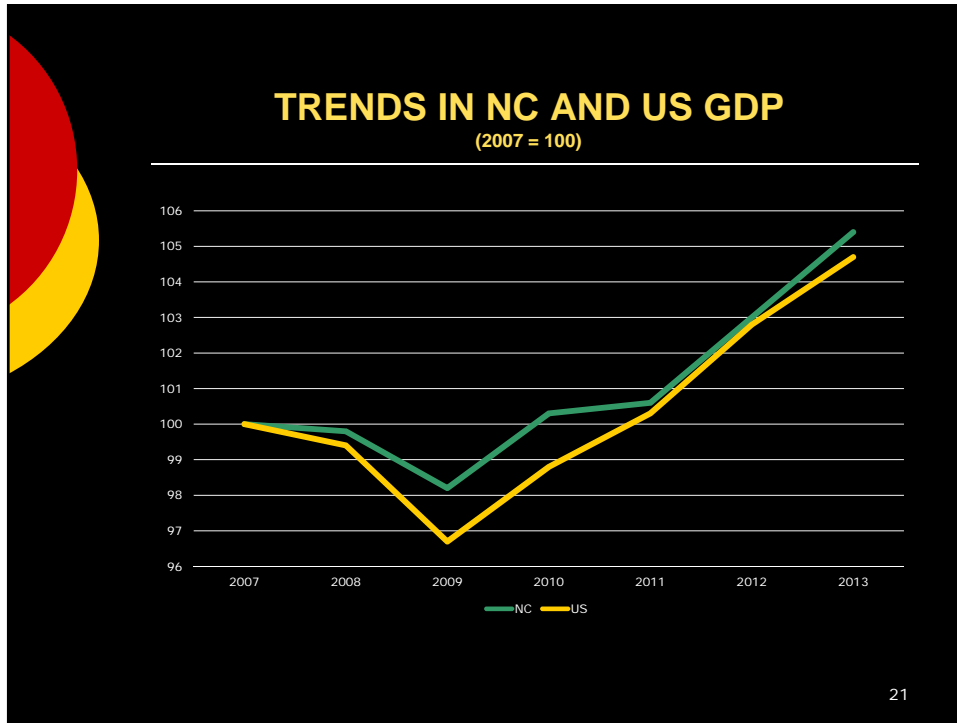
LONG-RUN FISCAL PLAN NEEDED

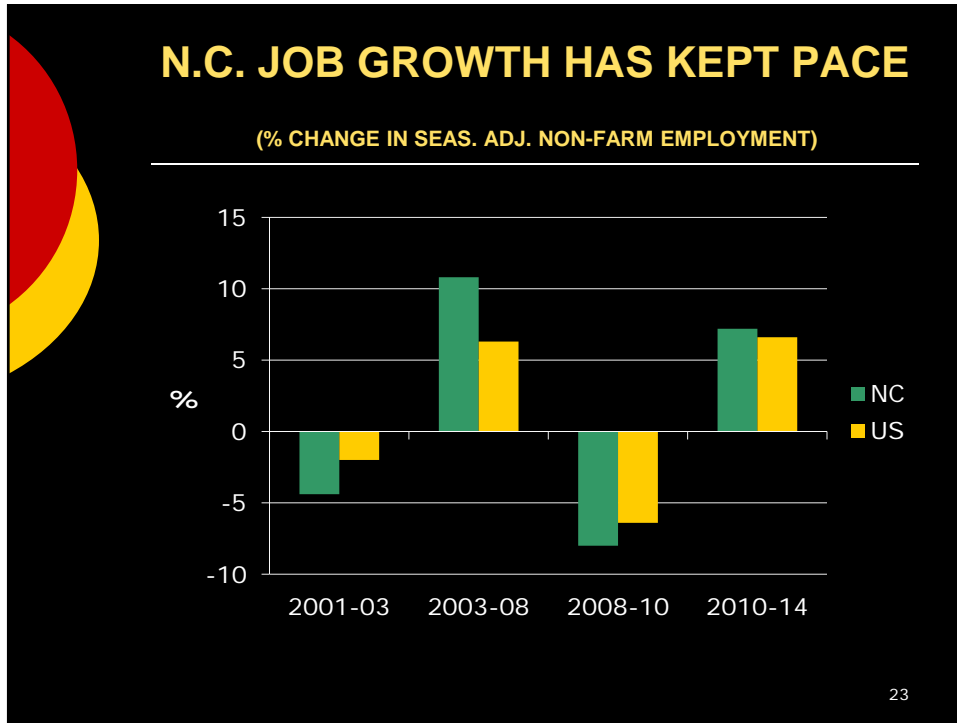
19

NORTH CAROLINA ECONOMY



20

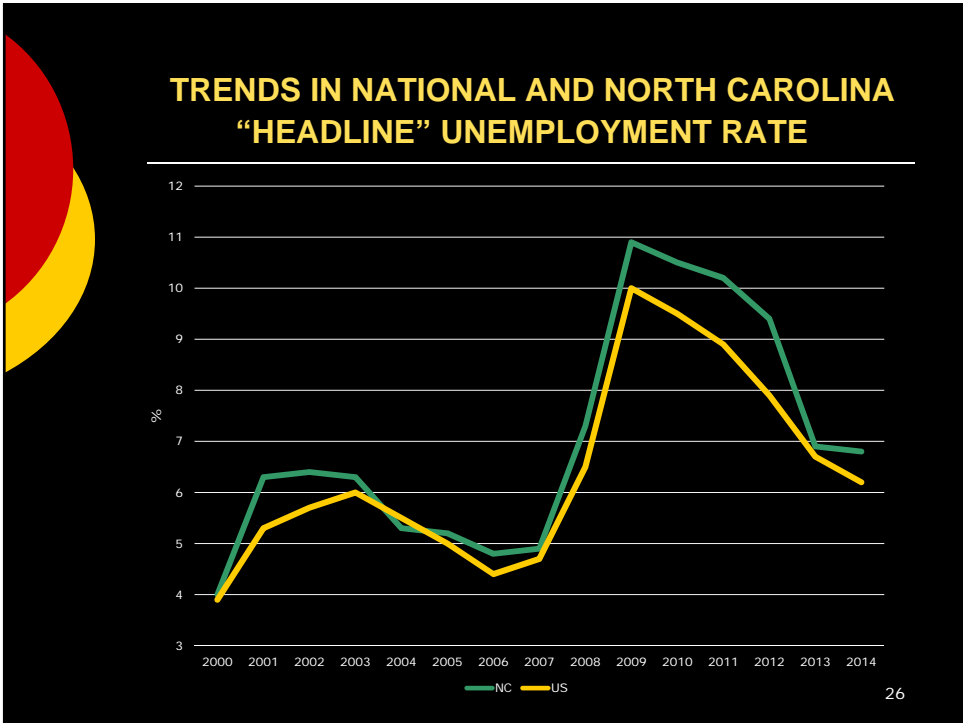
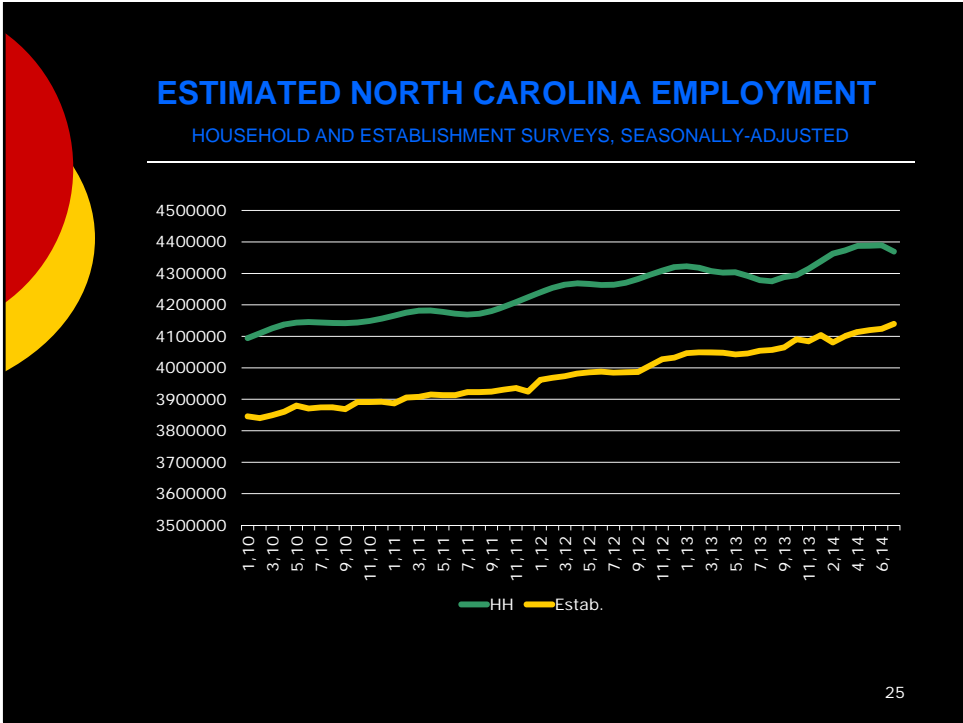


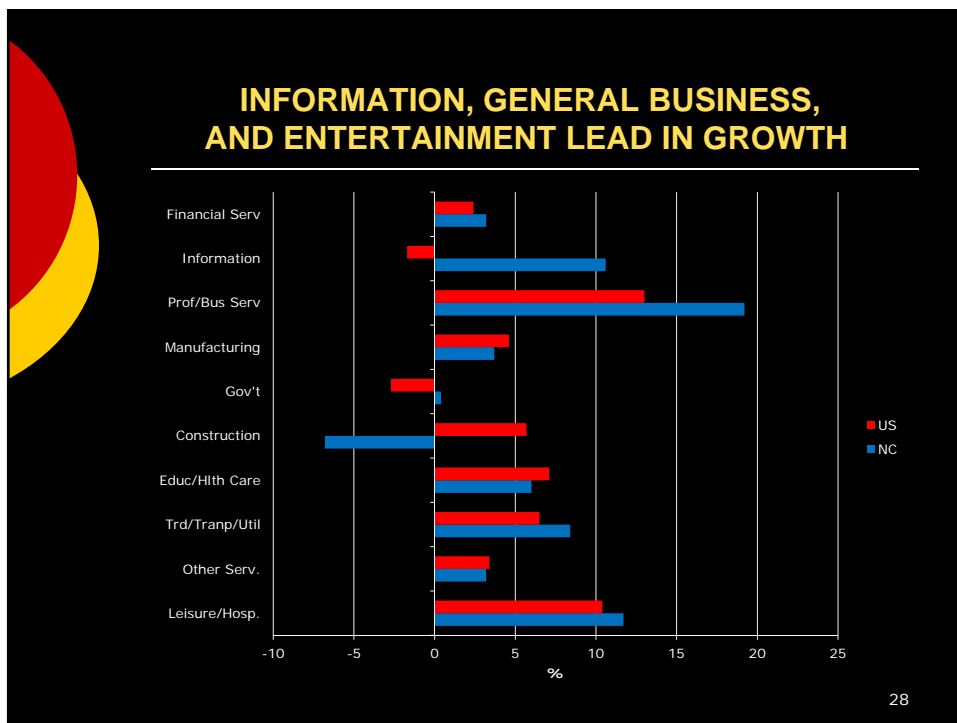
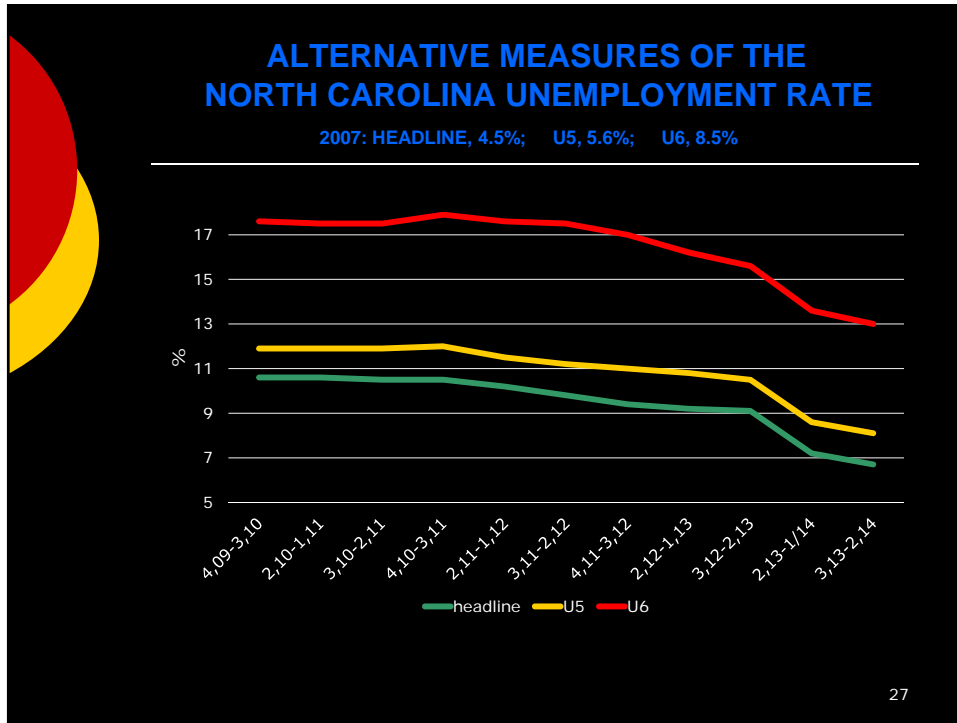


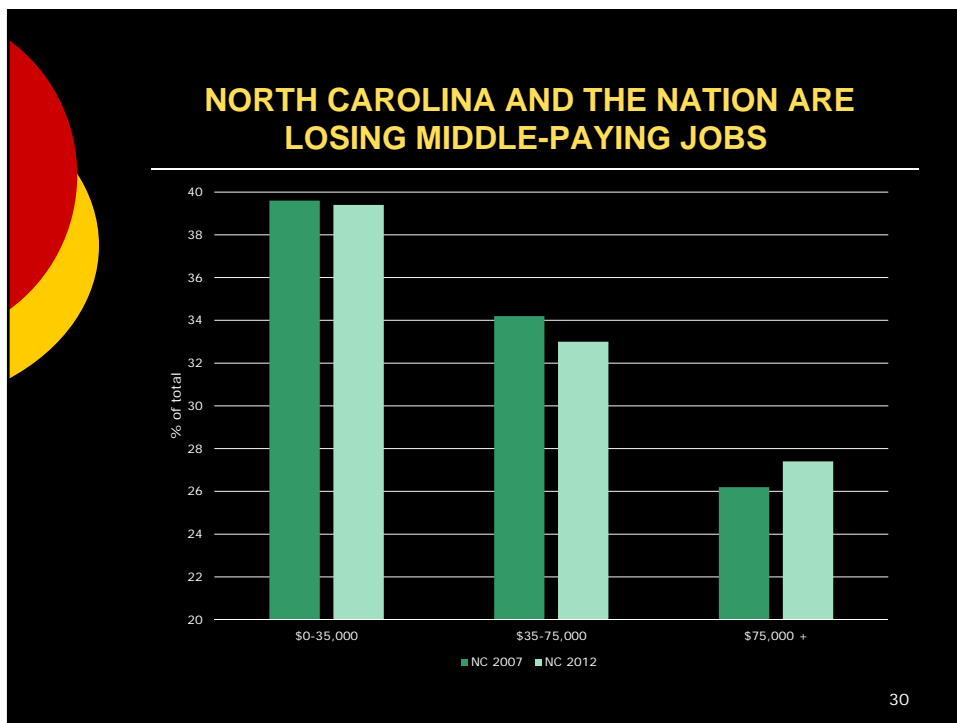
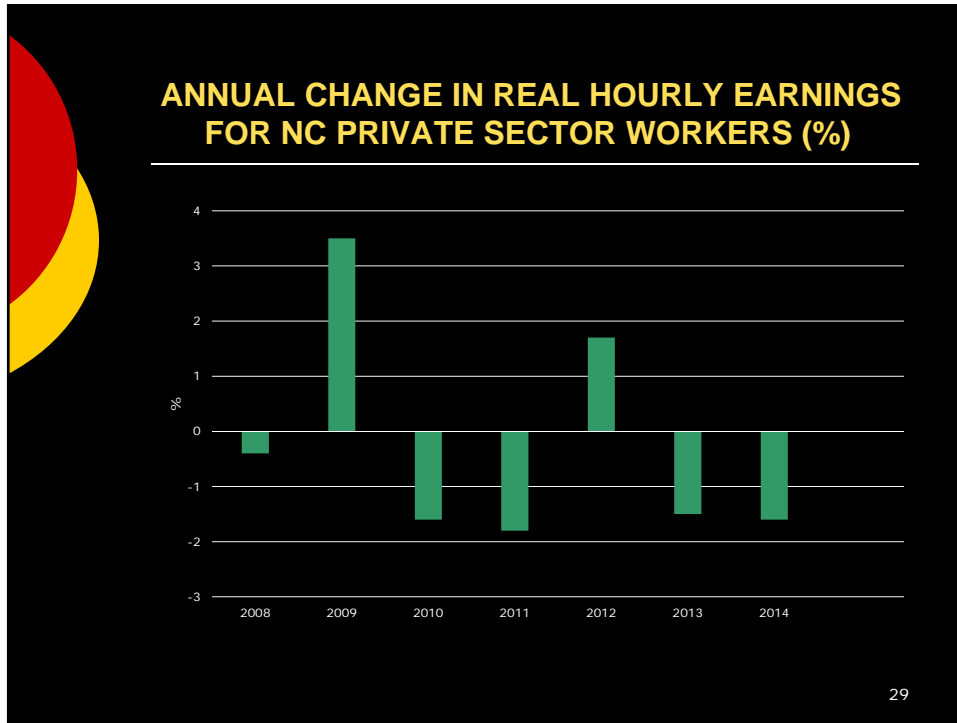
TWO MONTHLY JOB SURVEYS

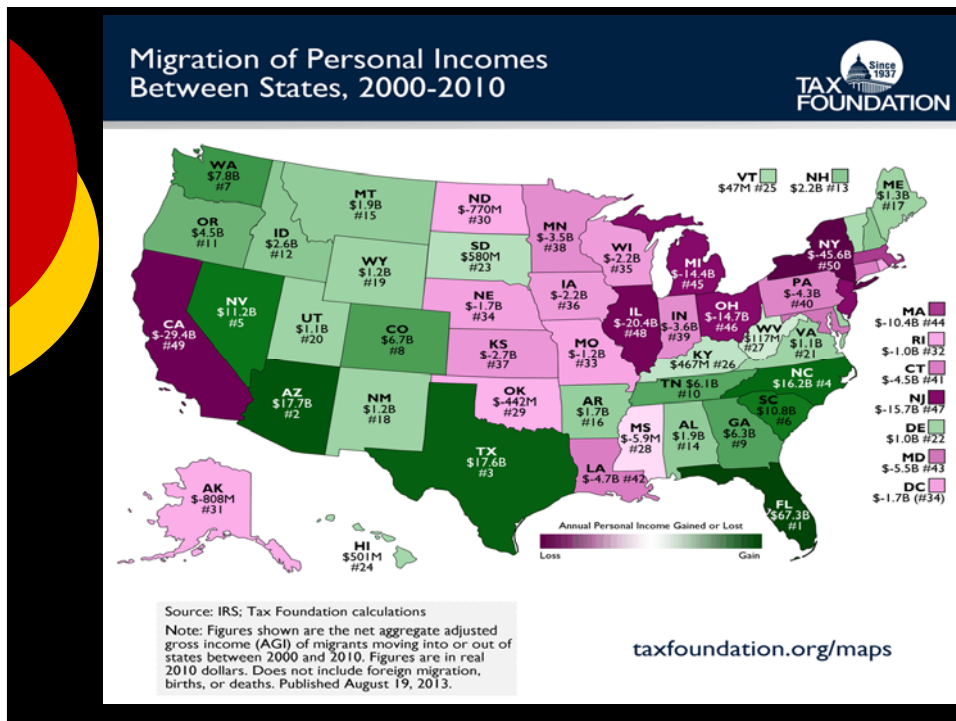
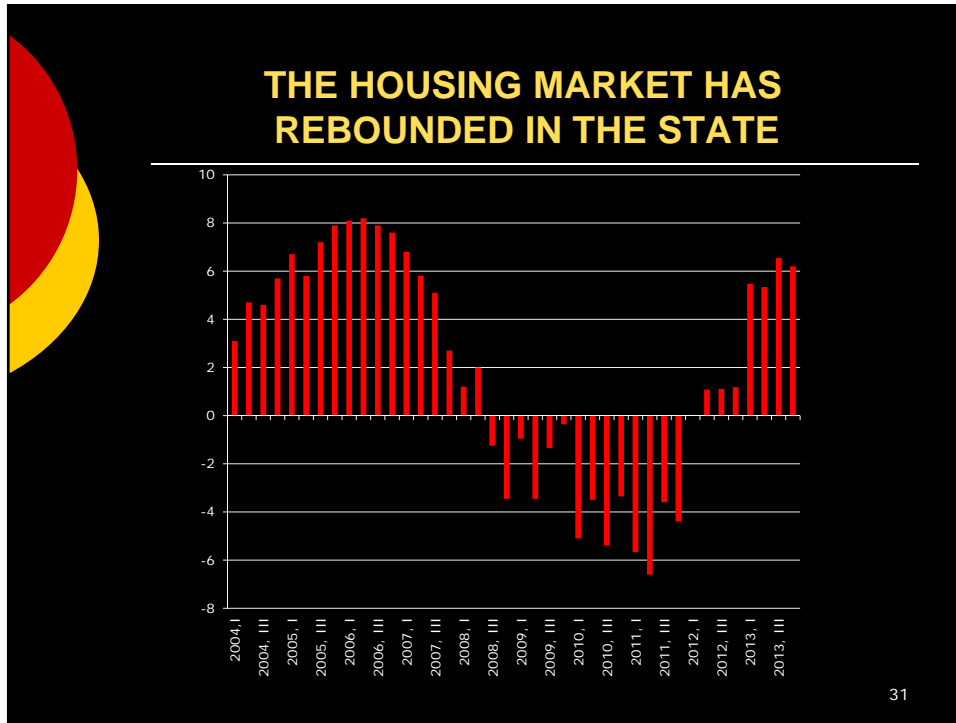
HOUSEHOLD SURVEY	ESTABLISHMENT SURVEY
<i>FEDERAL GOV'T</i>	<i>FEDERAL GOV'T</i>
<i>CONTACTS HH'S</i>	<i>CONTACTS FIRMS</i>
<i>SMALL SAMPLE</i>	<i>LARGER SAMPLE</i>
<i>EMPLOYED OR NOT</i>	<i>COUNTS JOBS</i>
<i>HOUSEHOLD IN STATE</i>	<i>JOB IN STATE</i>
<i>INFO ABOUT JOB SEARCH</i>	<i>WAGES, HRS, INDUSTRY</i>

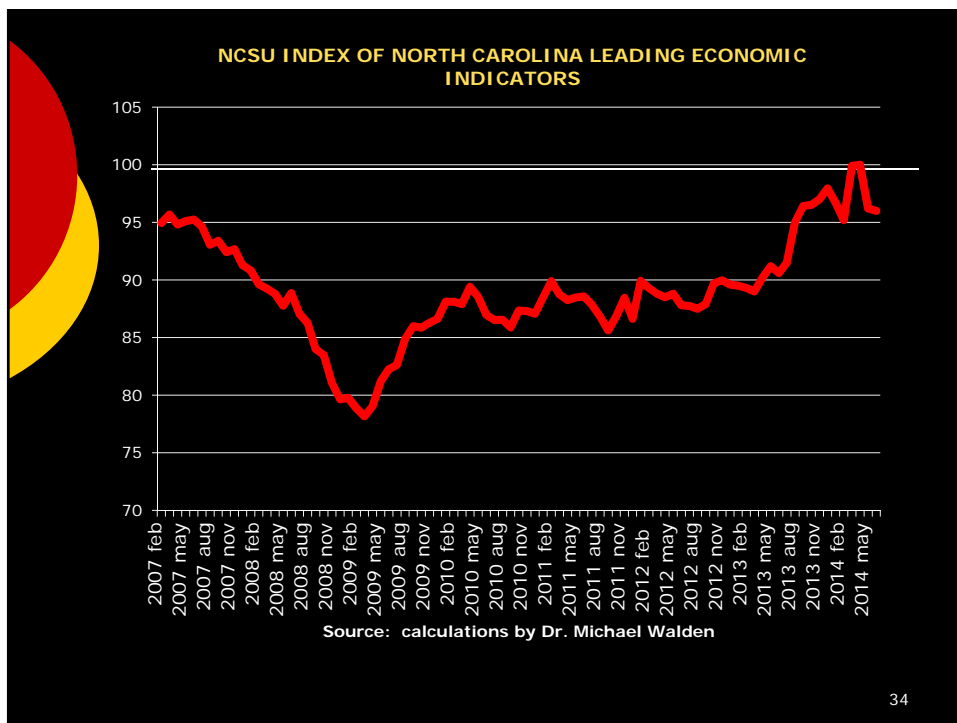
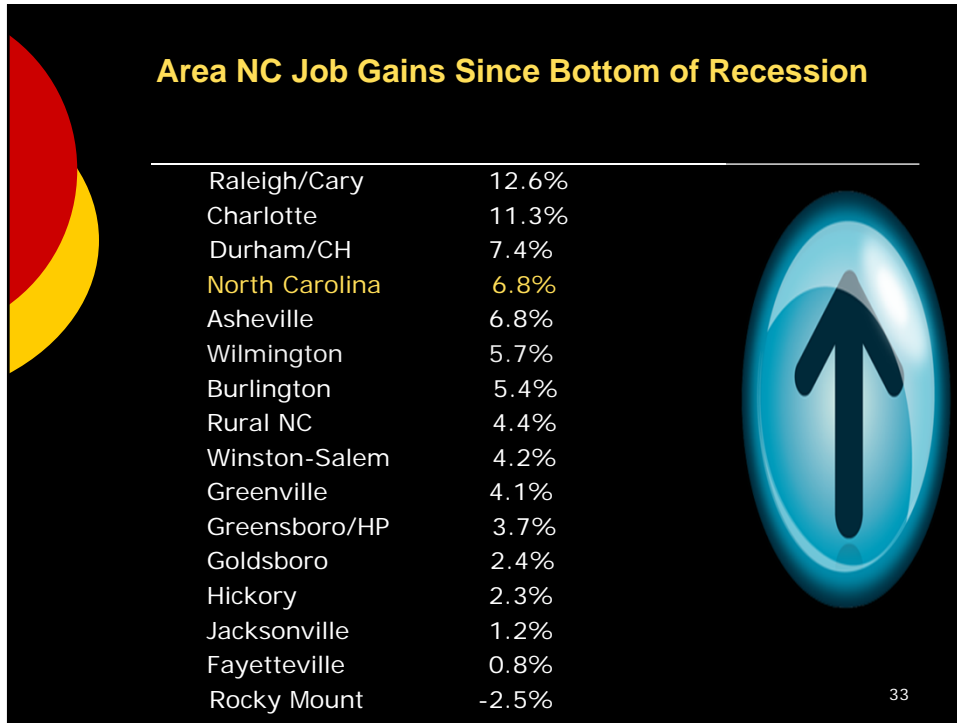
24













NORTH CAROLINA GROWTH PROSPECTS




90,000 TO 100,000 NET NEW PAYROLL JOBS

JOBLESS RATE AT END OF 2014 BETWEEN 6.0% & 6.5%

70% OF JOB CREATION IN CHARLOTTE, TRIANGLE, & TRIAD

COMPETITIVE COSTS, AMENITIES, DYNAMICS OF URBAN AREAS

35




NORTH CAROLINA CHALLENGES

EDUCATIONAL ATTAINMENT

\$ FOR ROADS – WHERE?

MANUFACTURING SHIFT FROM LABOR TO CAPITAL

URBAN – RURAL DIVIDE



36