

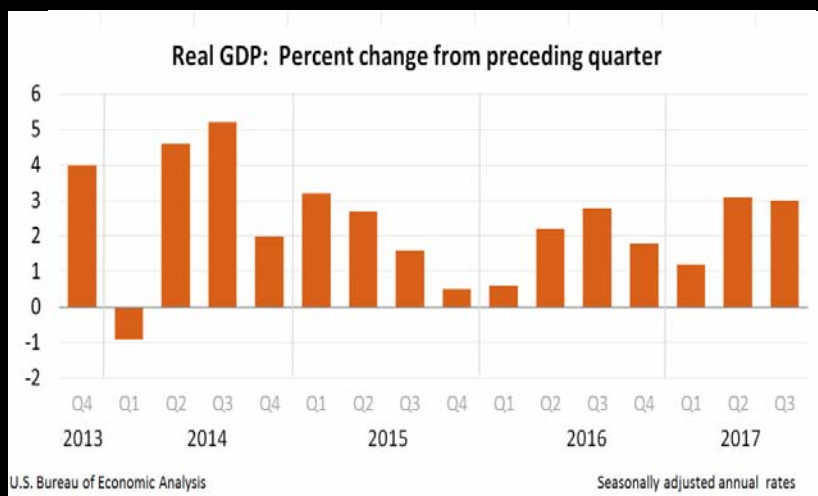
ECONOMIC OUTLOOK: ARE WE STUCK WITH SLOW GROWTH?

Dr. Michael L. Walden

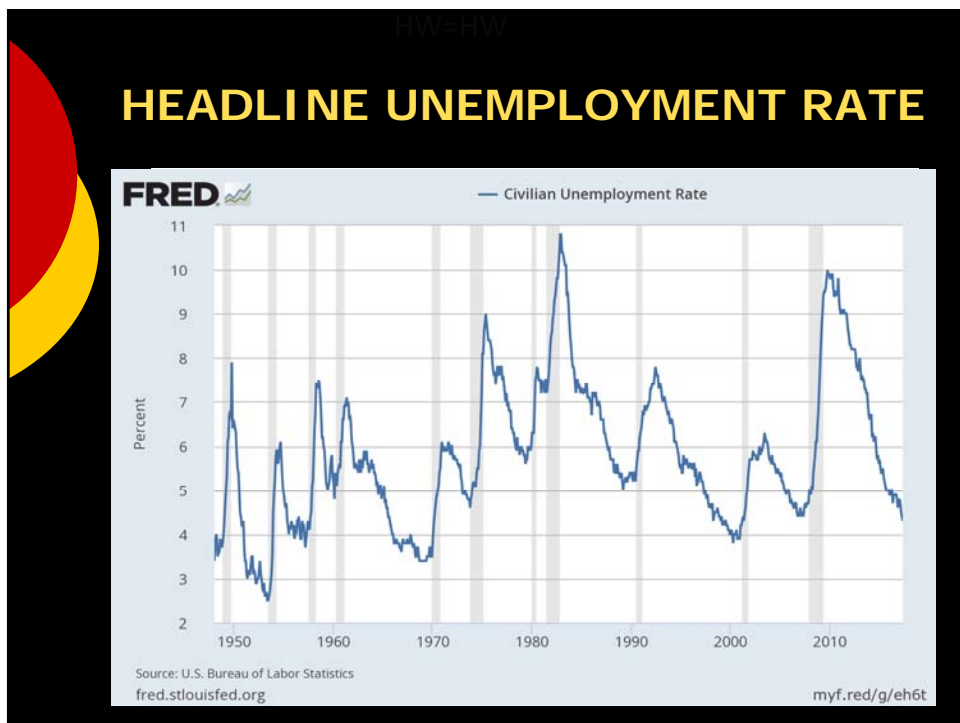


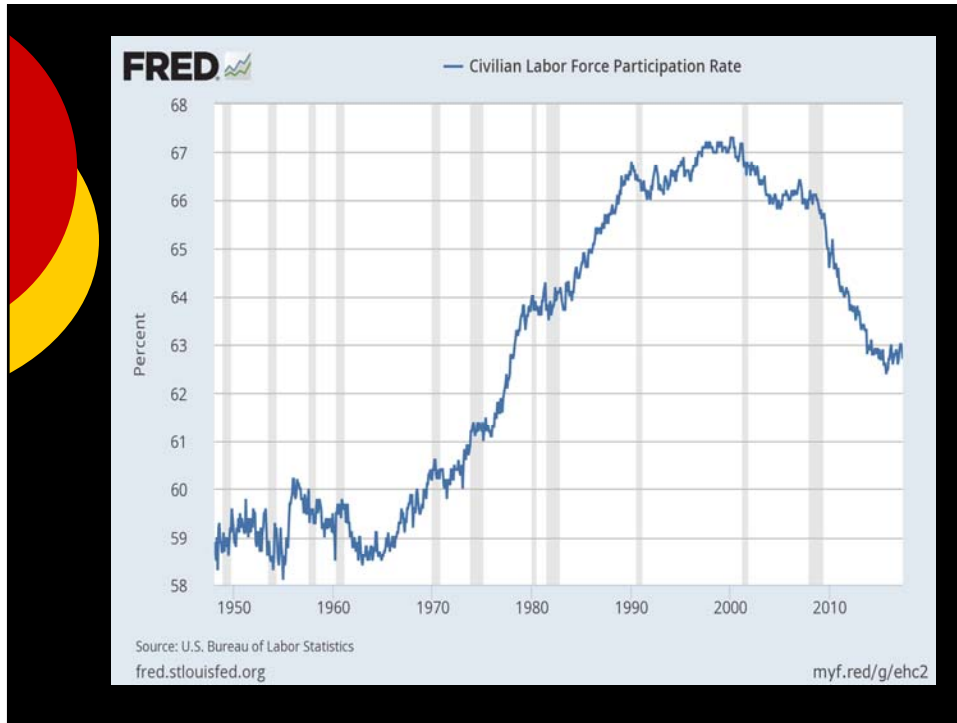
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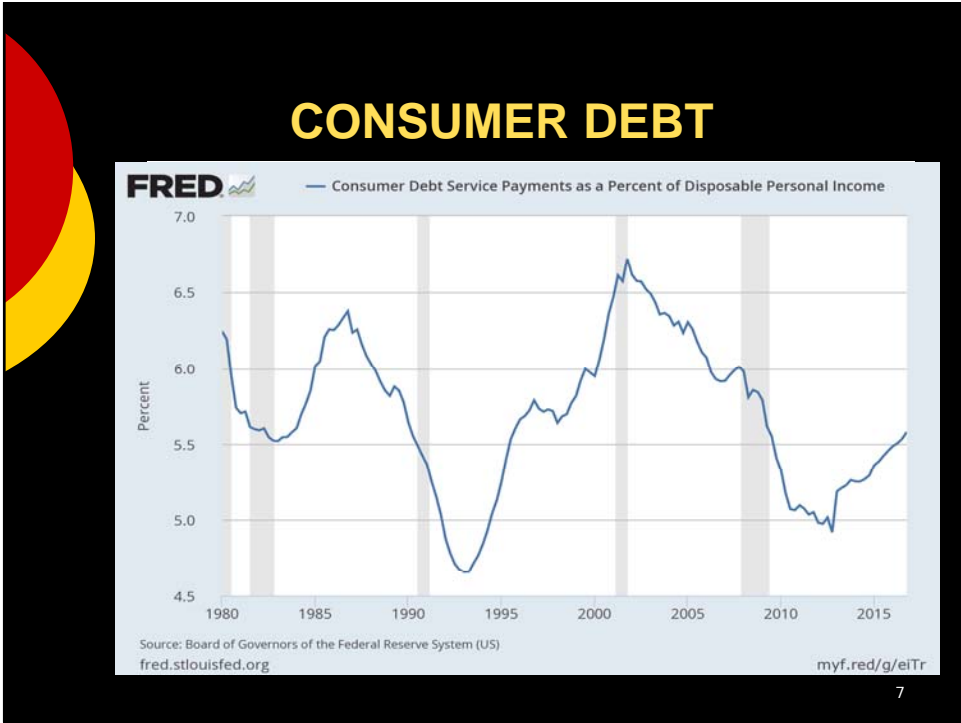
GROSS DOMESTIC PRODUCT GROWTH RATE



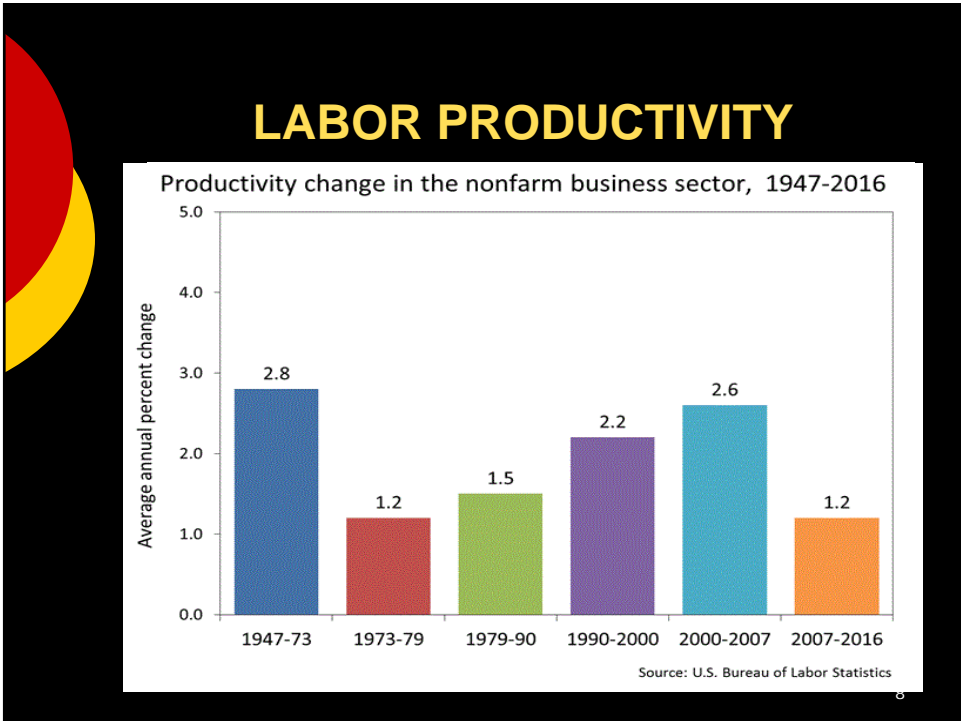
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CONSTRAINT ON ECONOMIC GROWTH



= LABOR FORCE GROWTH
PLUS PRODUCTIVITY GROWTH

$$0.5\% + 1.5\% = 2.0\%$$

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FACTORS BEHIND SLOWDOWN

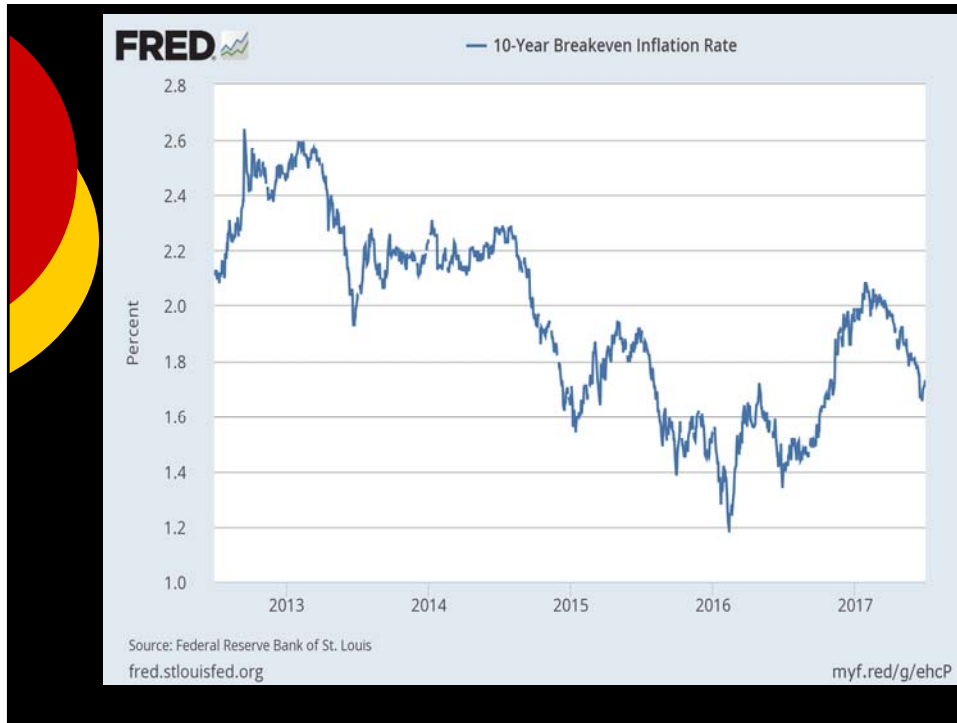


DECLINING BIRTHRATE
AND AGING POPULATION

PEAKING OF
EDUCATIONAL GAINS

SOCIAL MEDIA??

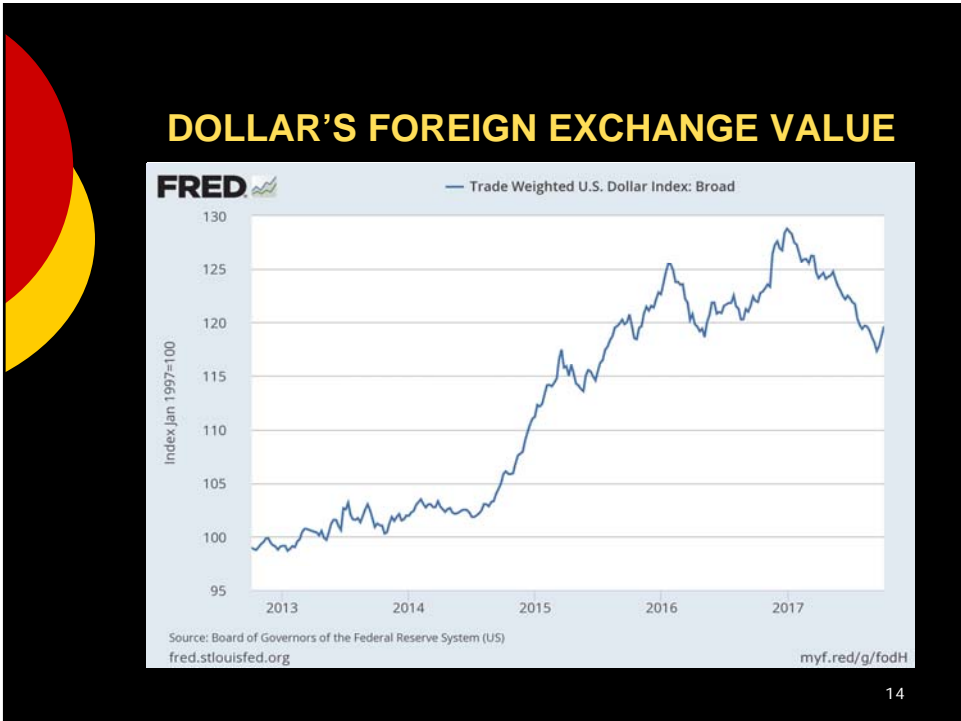
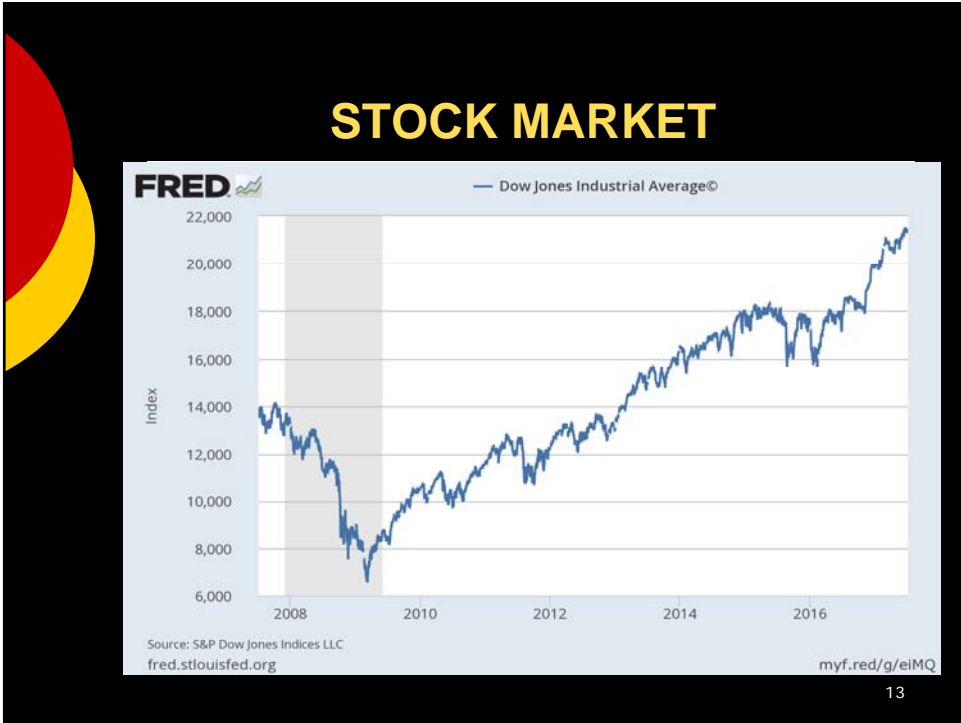
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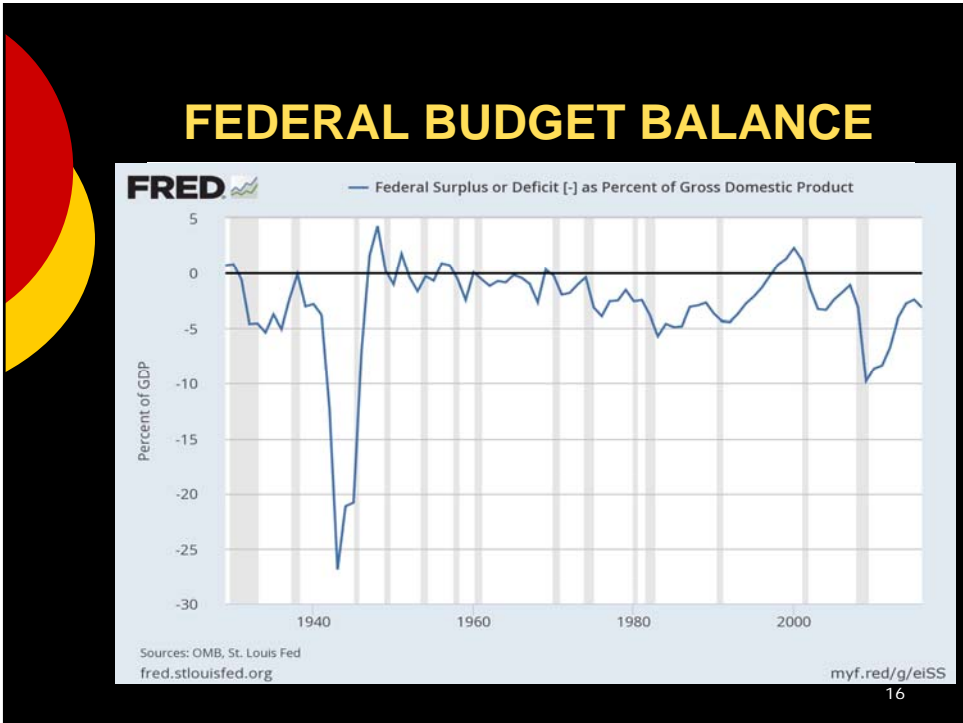


INTEREST RATES

	September	March	December
Short	0.30%	0.75%	1.30%
Long	1.60%	2.60%	2.30%

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BOTTOM LINES

TOO EARLY TO TELL IF GROWTH RATE
HAS PERMANENTLY ACCELERATED

JOB MARKET CONTINUES TO IMPROVE

PRODUCTIVITY IS AN ISSUE –LONG RUN

INFLATION AND INTEREST RATES
INDICATE CONTINUED MODEST GROWTH

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MAJOR GOAL OF TRUMP ADMINISTRATION: INCREASE ANNUAL ECONOMIC GROWTH RATE

WANTS TO INCREASE GROWTH RATE TO AT
LEAST 3%

POLICIES TO ACCOMPLISH:

- * TAX RATE REDUCTIONS
- * INFRASTRUCTURE PROJECTS
- * REDUCE REGULATIONS
- * INCREASE ENERGY PRODUCTION
- * REDUCE TRADE DEFICIT

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TAX PLAN OUTLINE



RATE REDUCTIONS

LIMIT ITEMIZED DEDUCTIONS

CHANGE METHOD OF TAXING
FOREIGN CORPORATE EARNINGS

SPECIAL LOW TAX ON
REPATRIATED FOREIGN \$

WILL PLAN "PAY FOR ITSELF"?

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INFRASTRUCTURE PROGRAM



\$1 TRILLION OVER 10 YRS.

REDUCE REGULATIONS TO
SPEED PROCESS

20% GOVERNMENT FINANCE,
80% PRIVATE FINANCE

HOW?

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REDUCE REGULATIONS



SEVERAL EXECUTIVE ORDERS

ALREADY REDUCING

ENVIRONMENTAL, ENERGY,
AND HEALTH CARE
REGULATIONS

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INCREASE ENERGY PRODUCTION



APPROVED KEYSTONE
PIPELINE

LIFTED BAN ON EAST
COAST ENERGY
EXPLORATION

IMPACT FOR NORTH
CAROLINA

22

REDUCE TRADE DEFICIT AND SHIFT PRODUCTION TO THE U.S.



WITHDREW FROM PACIFIC
PARTNERSHIP

TARGETTED TARIFFS

RENEGOTIATE NAFTA

NEGOTIATE ONE-ON-ONE
TRADE DEALS

NO BORDER TAX

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POLICY REPORT CARD



ALL PENDING

EXCEPT
EXECUTIVE
ORDERS

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OUTLOOK



ECONOMIC GROWTH LIKELY
IN THE 2.5% TO 3.0% RANGE

JOBLESS RATE IS ALMOST AT
BOTTOM

BUT ESTIMATED 7 MILLION
NATIONALLY AND 200,000 IN
NORTH CAROLINA WHO HAVE
DROPPED OUT OF WORKFORCE

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IS A RECESSION AHEAD?



ENTERING 9TH YEAR OF
CURRENT GROWTH PERIOD

BUT NON-GOVERNMENT
DEBT IS NOT WORRISOME

STILL, WATCH THE STOCK
AND BOND MARKETS

ALSO, CHINA HAS ISSUES

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A WORD ON THE FEDERAL RESERVE



FED WILL CONTINUE TO CAUTIOUSLY RAISE SHORT-TERM INTEREST RATES

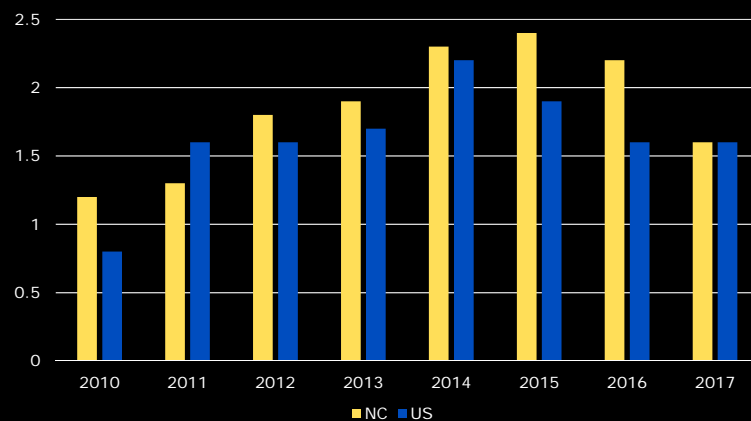
FED HAS ANNOUNCED A PLAN TO REDUCE ITS INVESTMENTS

THREE VACANCIES ON GOVERNING BOARD

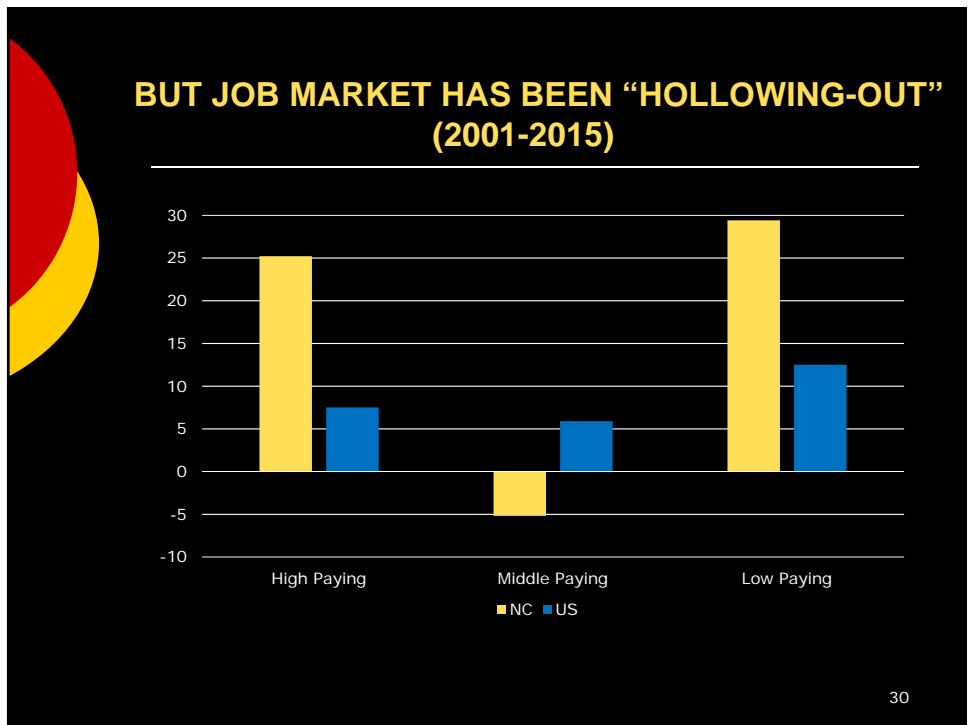
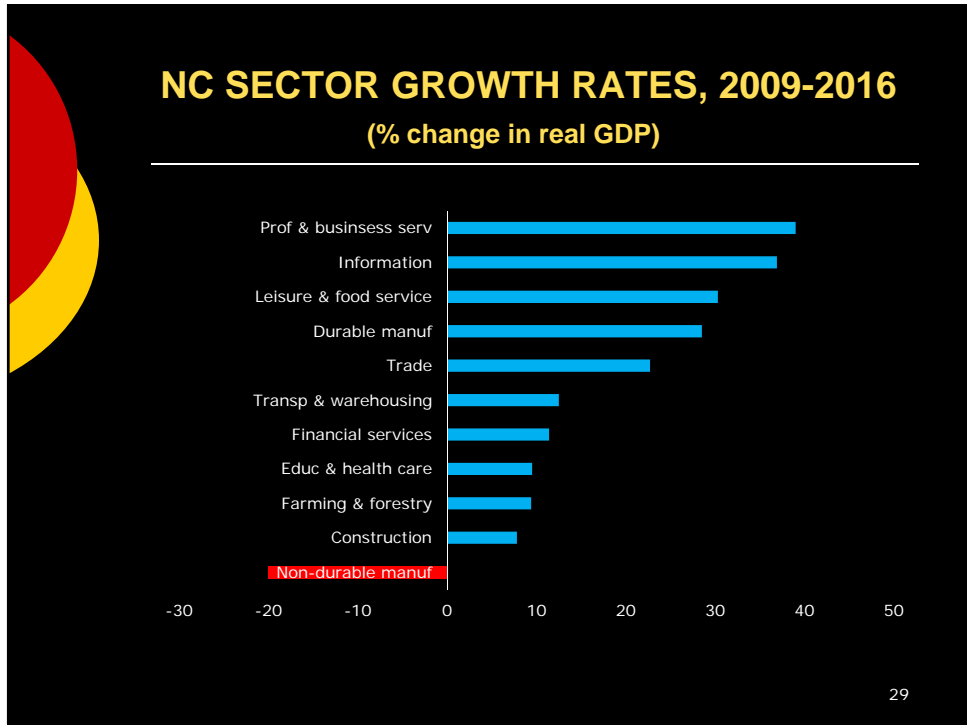
POWELL NOMINATED TO BE NEW CHAIR

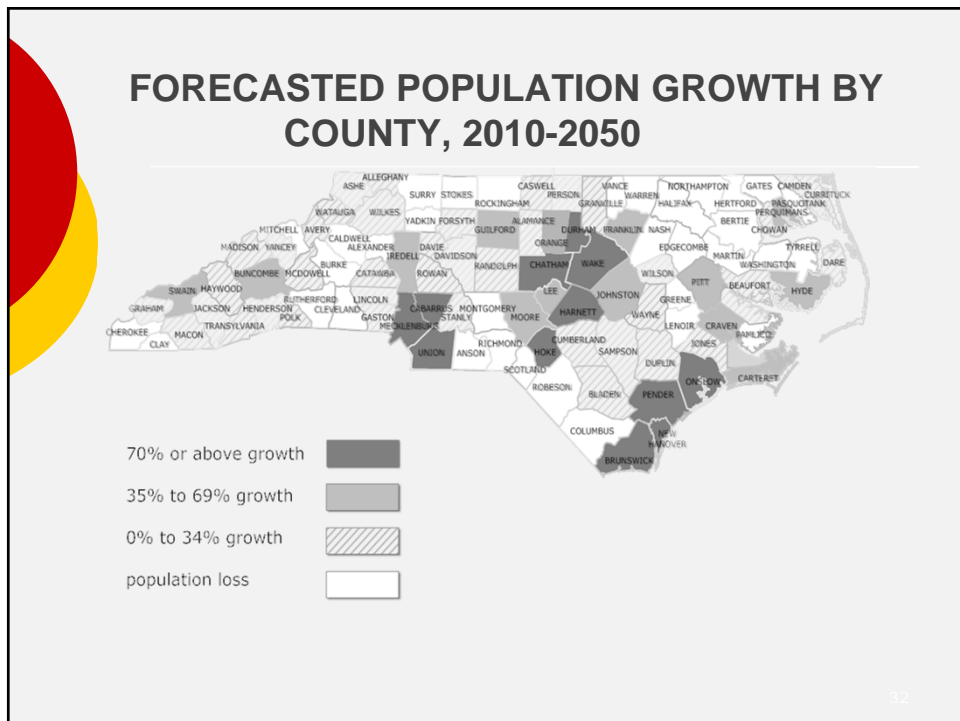
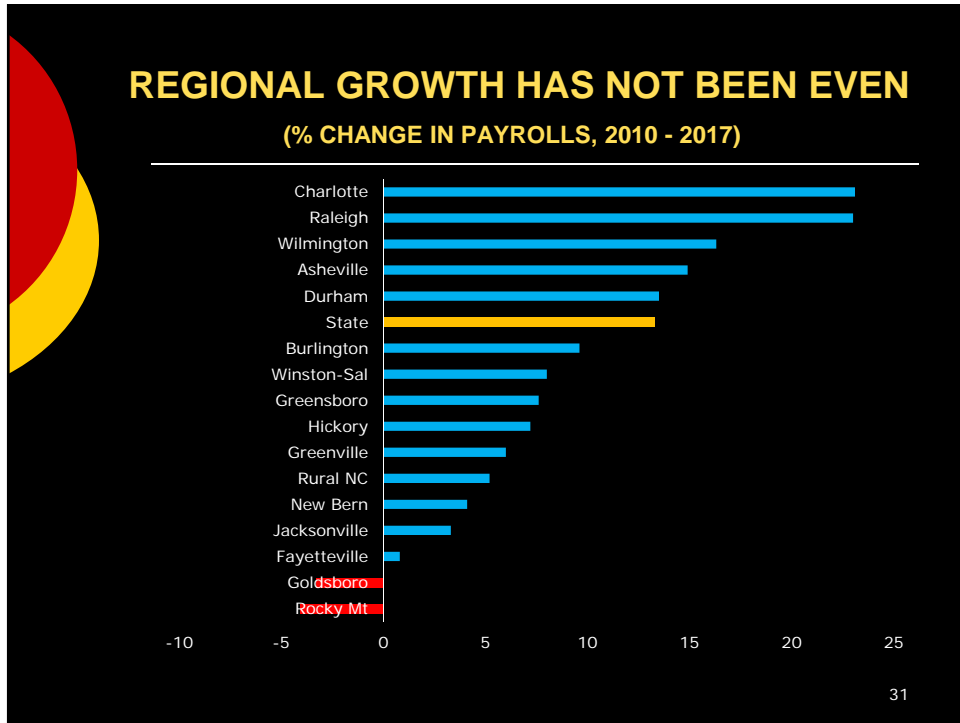
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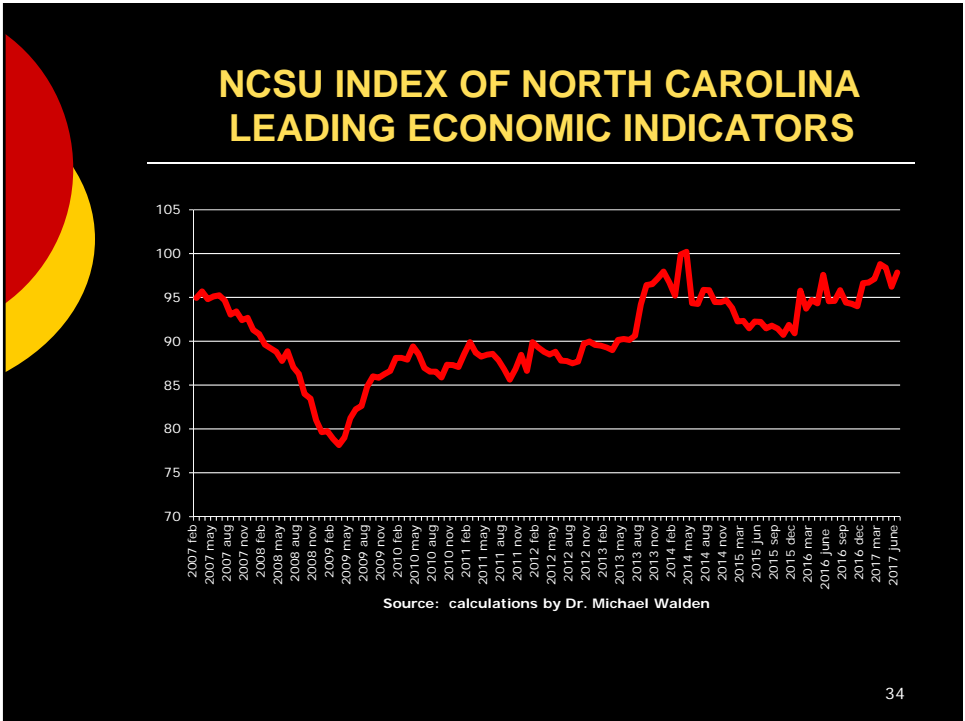
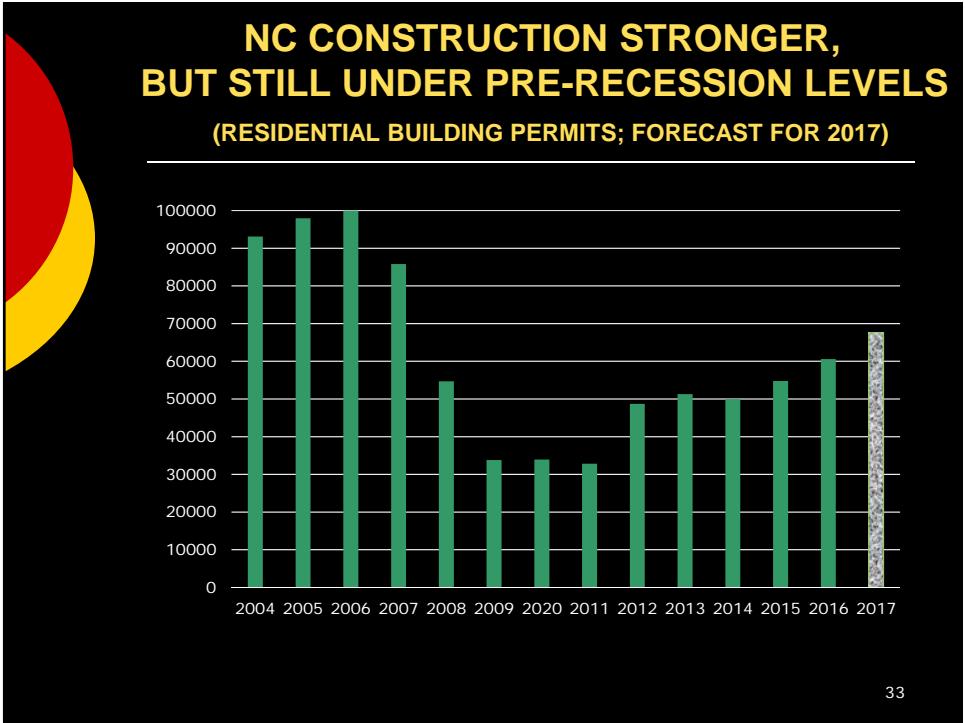
NC AND US JOB GROWTH RATES



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ISSUES FOR THE FUTURE

1. TECHNOLOGICAL UNEMPLOYMENT
2. URBANIZATION OF THE STATE
3. SUPPORT IN DEPOPULATING COUNTIES
4. ACCOMMODATING 3 MILLION MORE RESIDENTS BY 2050
5. POWERING OUR FUTURE
6. TAX SYSTEM FOR A DYNAMIC ECONOMY
7. IMPROVING EDUCATION & RE-SKILLING

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