

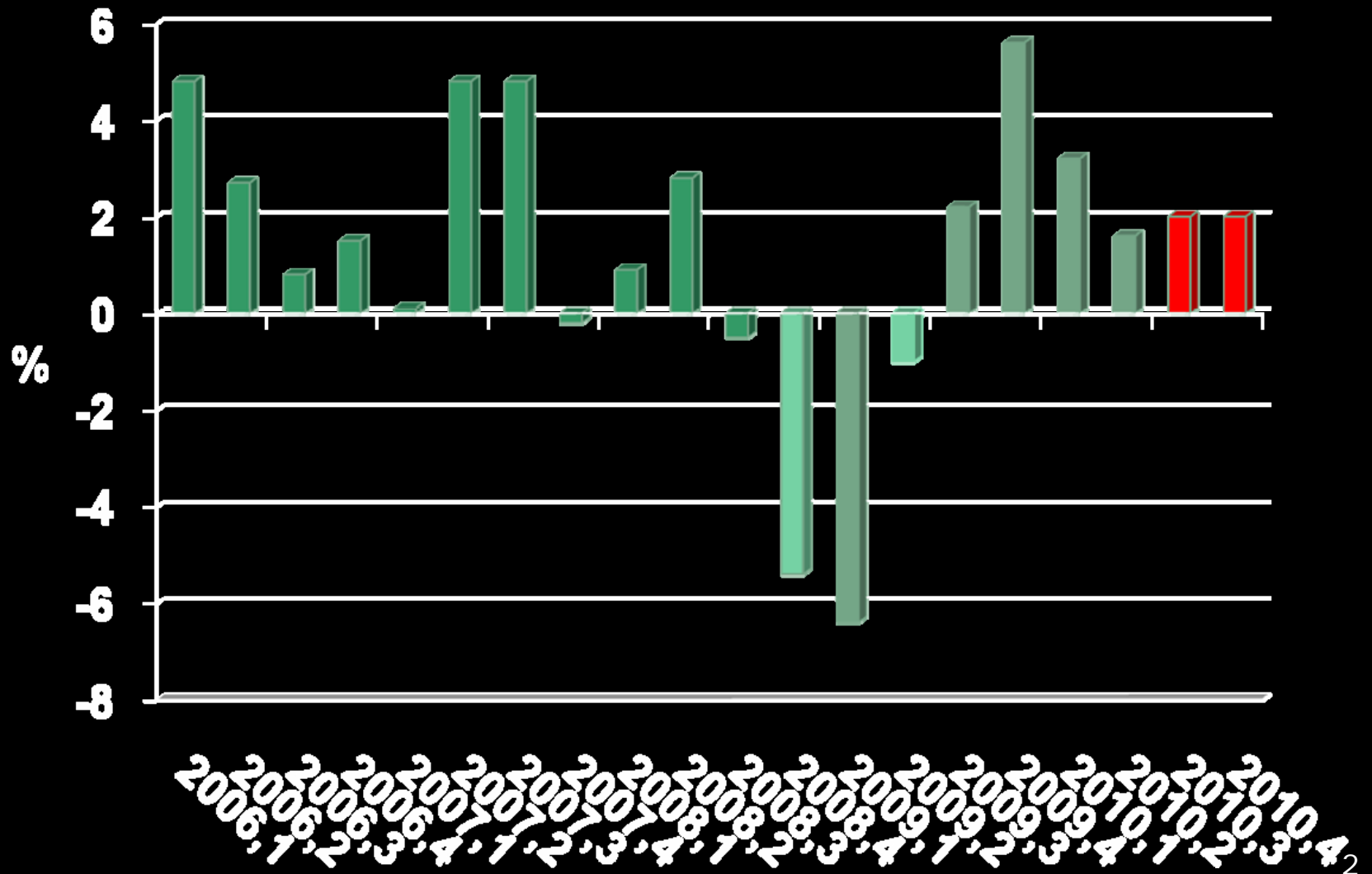
ECONOMIC OUTLOOK: IS GROWTH BACK?



Dr. Michael Walden
Reynolds Distinguished
Professor
North Carolina State
University

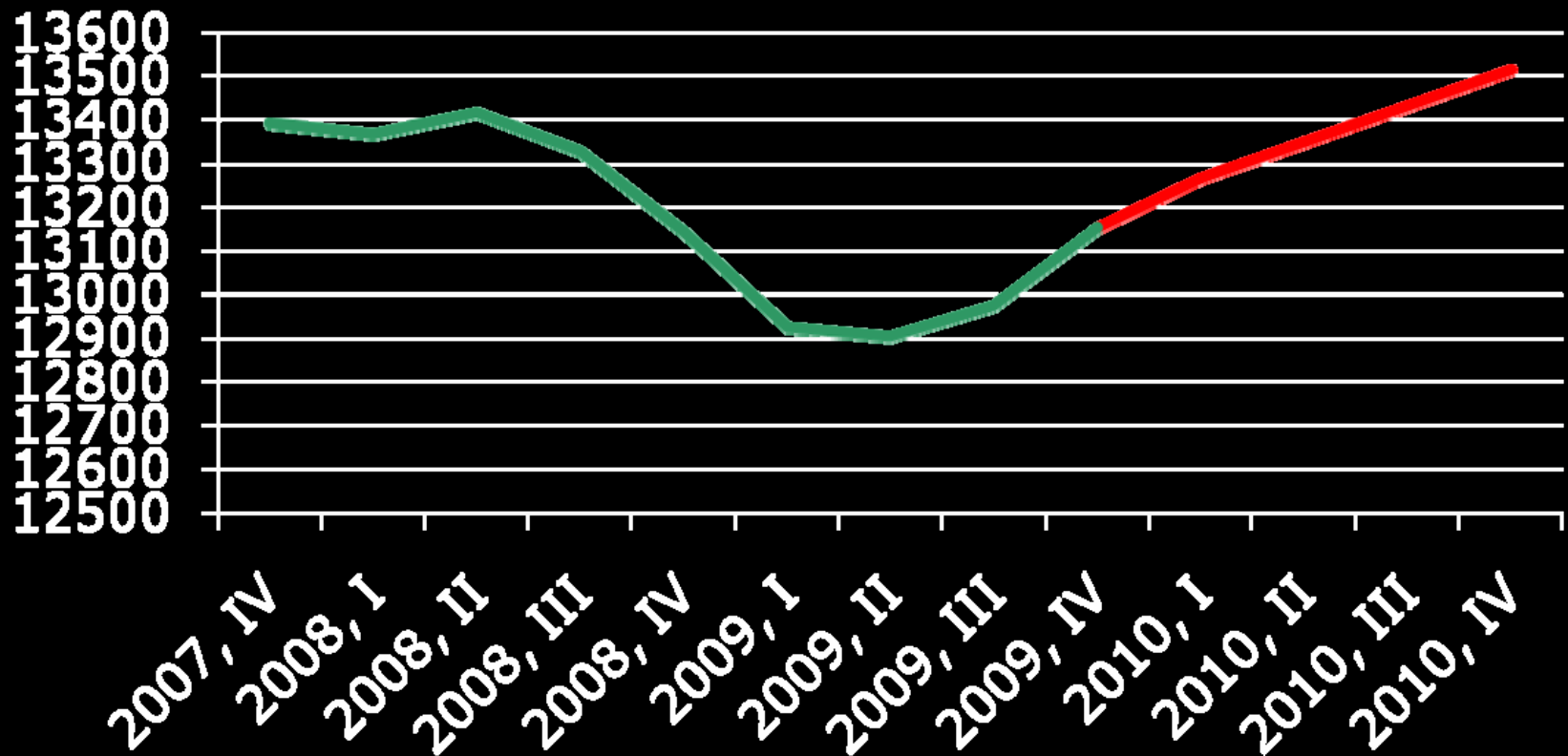
Nation's Economic Report Card: Real GDP

(annualized % change in real GDP)



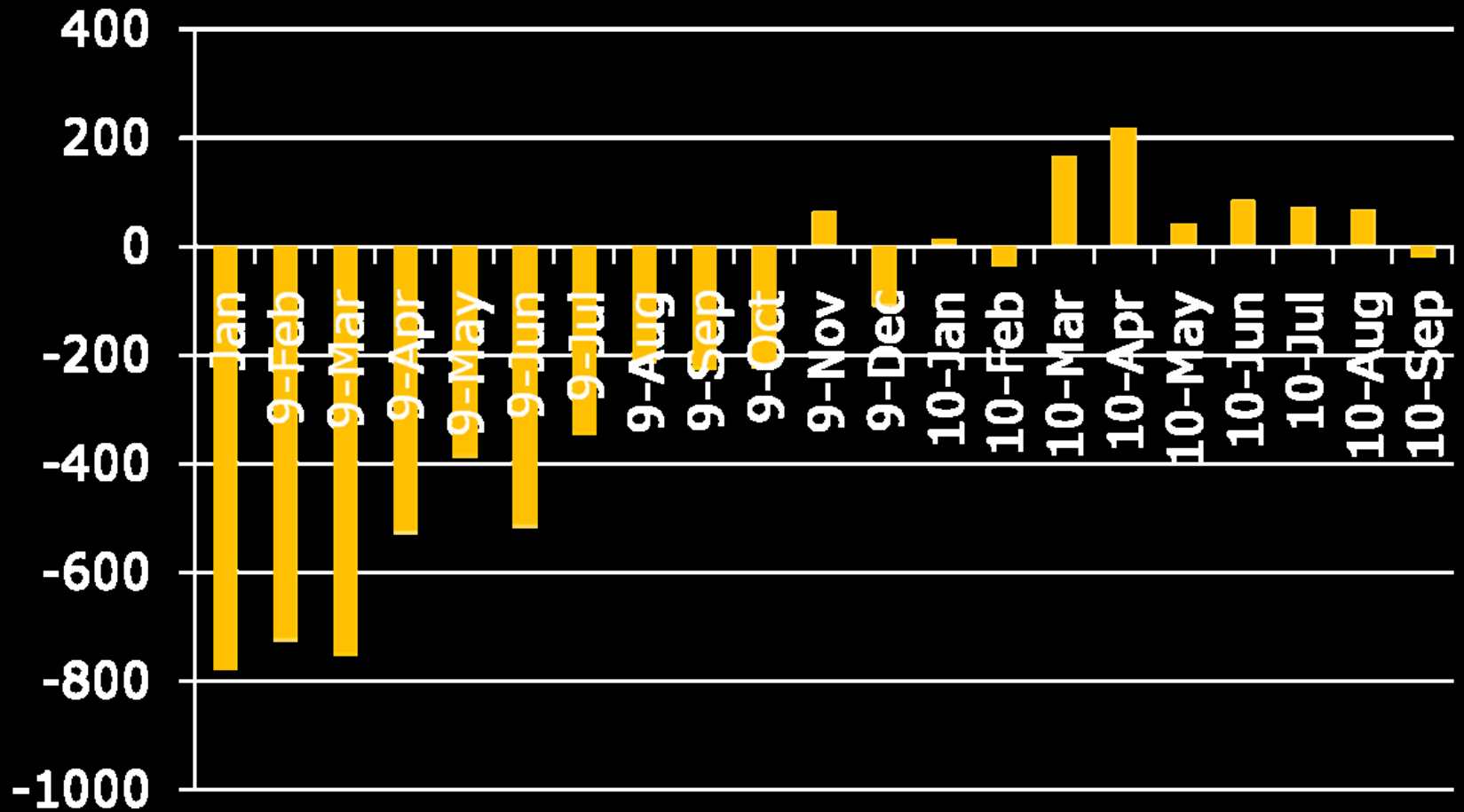
MEANING OF “END TO THE RECESSION”

Real GDP, \$billions

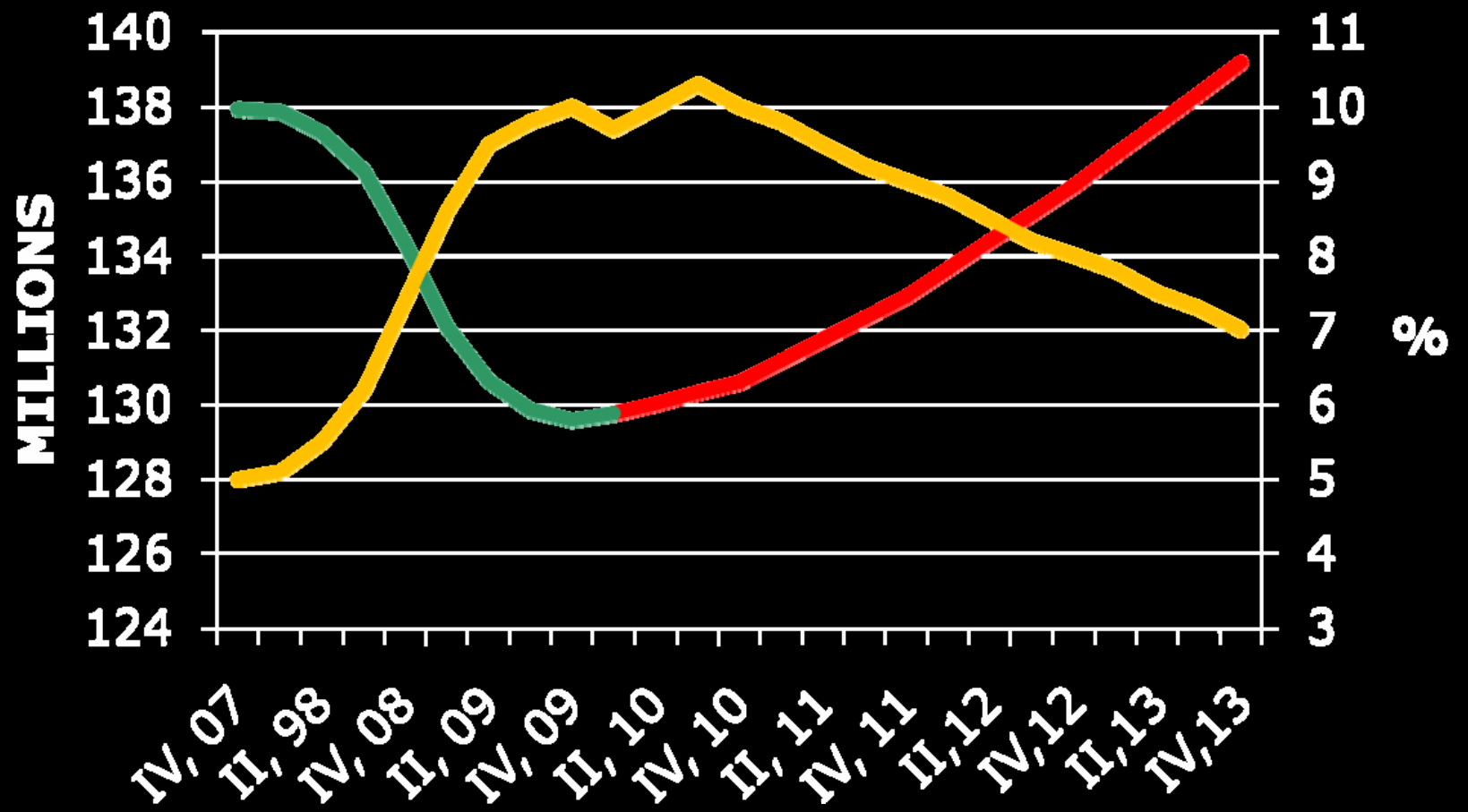


Big Job Losses Have Stopped

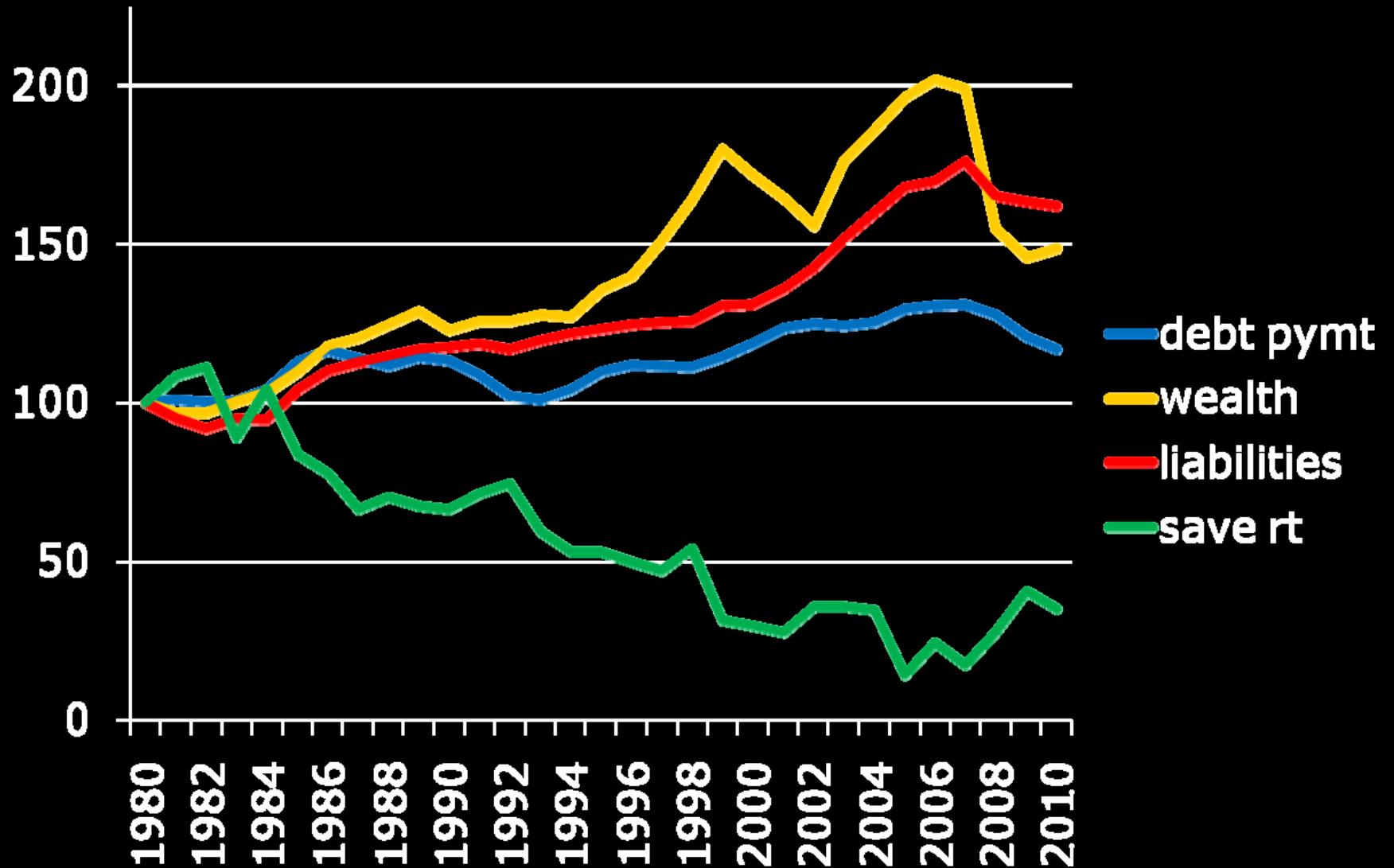
(thousands of jobs)



BUT THE JOB RECOVERY WILL BE SLOW (NONFARM EMP AND UNEMP RATE)

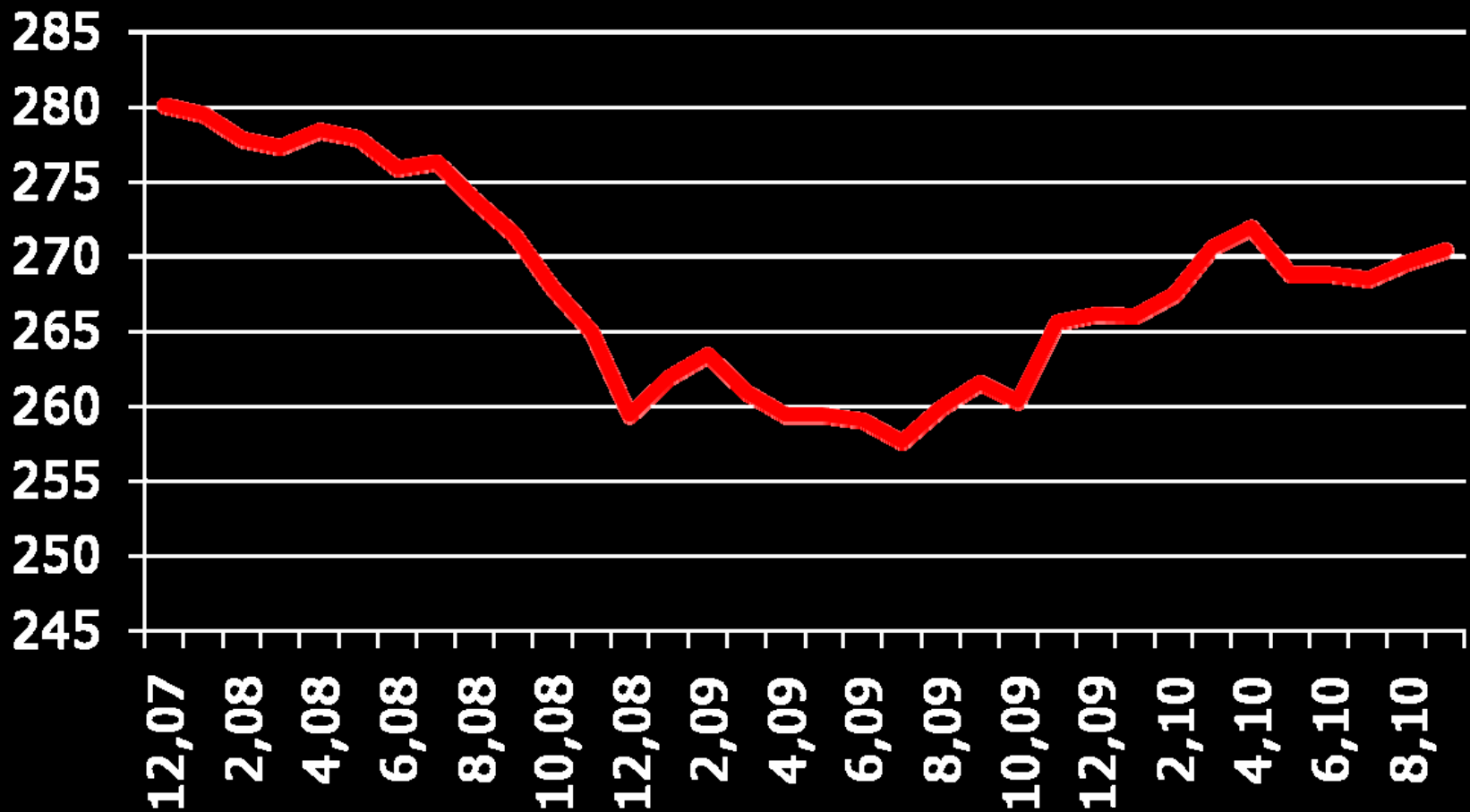


CONSUMER FINANCIAL BEHAVIOR HAS DRAMATICALLY CHANGED (INDICES)



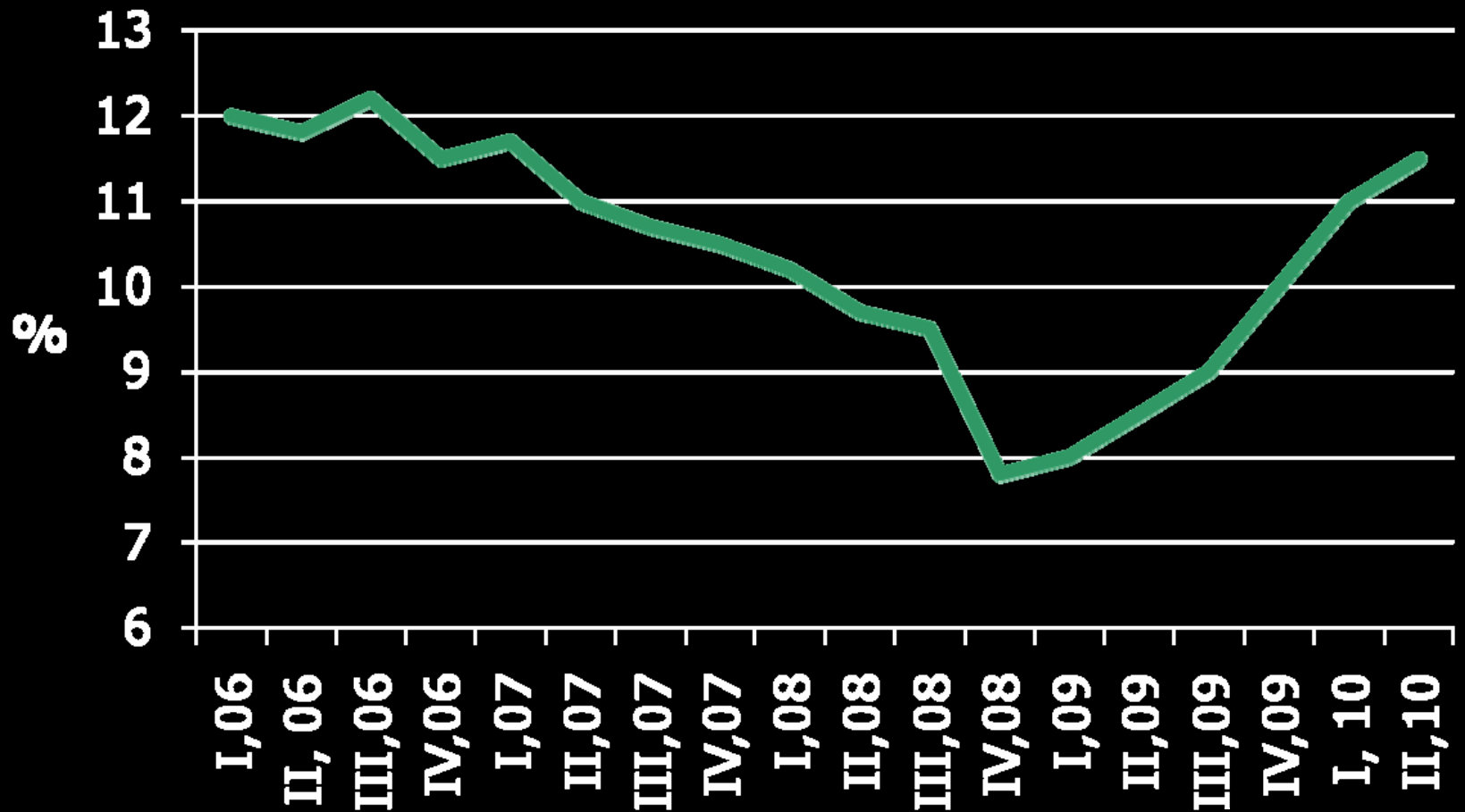
BUT CONSUMER SPENDING AT RETAIL STORES HAS INCREASED

(billions of 2005 \$, seasonally-adjusted, excl. vehicles & parts)

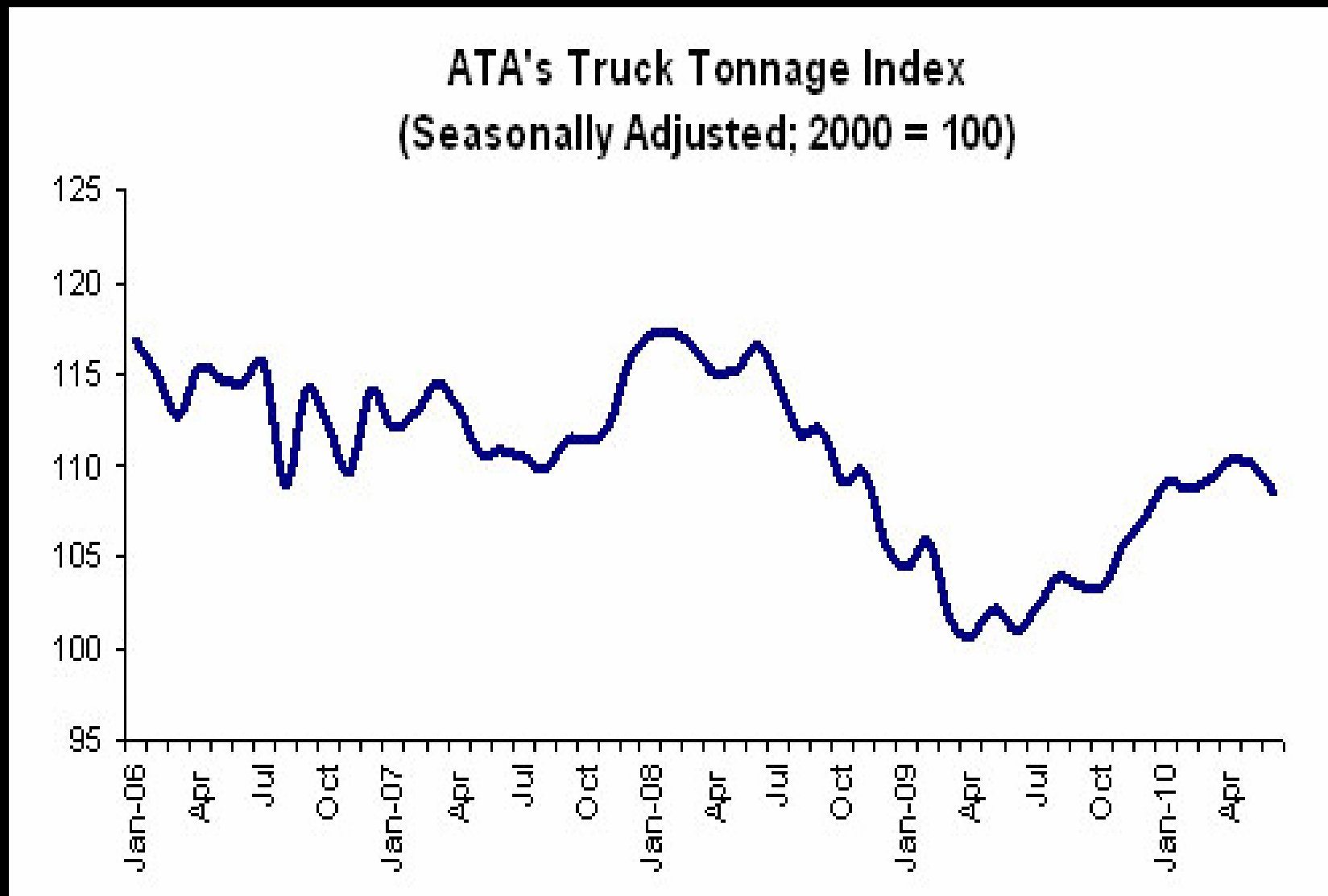


CORPORATE PROFITABILITY HAS ALSO IMPROVED

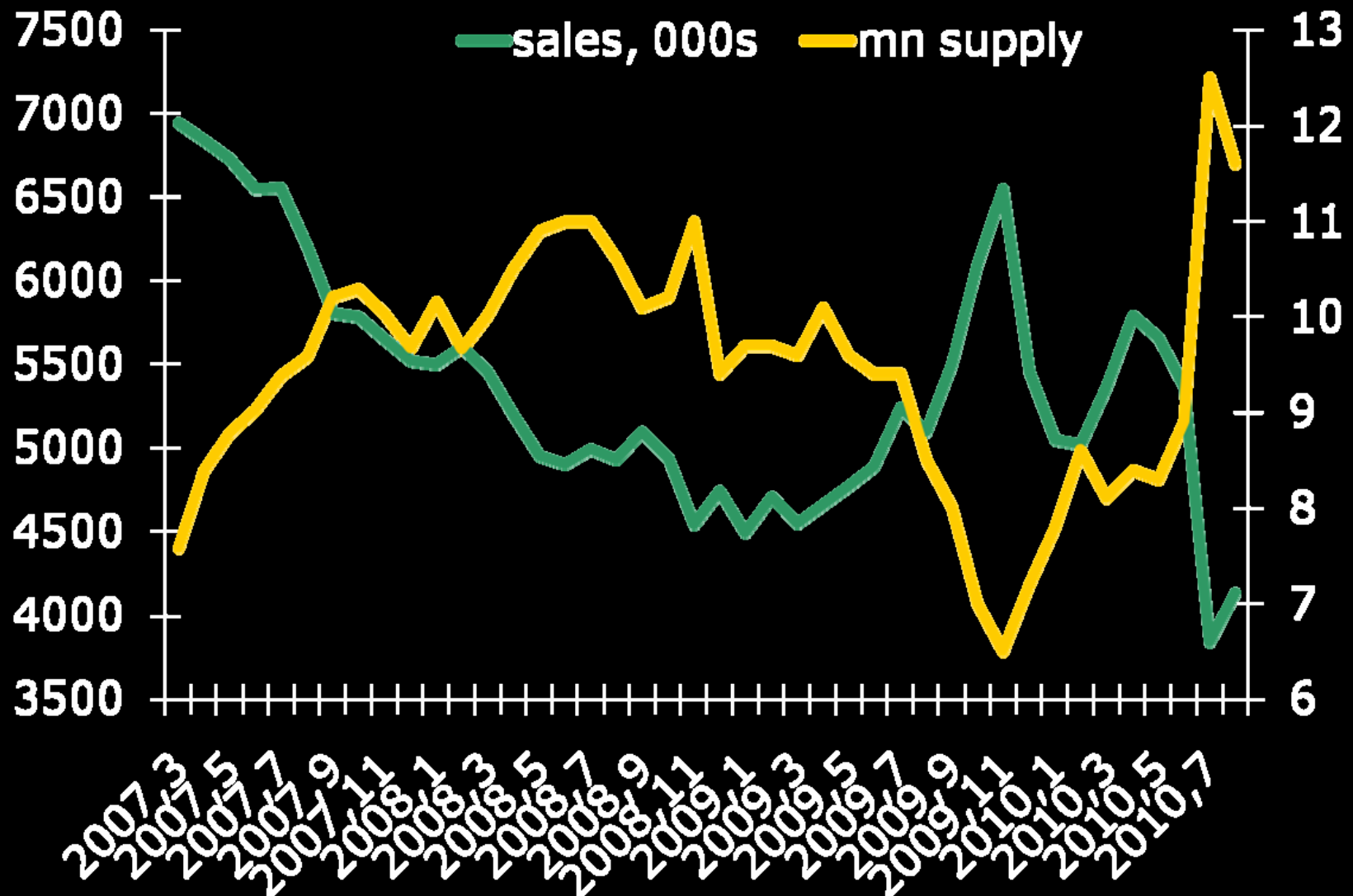
(PRE-TAX, % OF GDP)



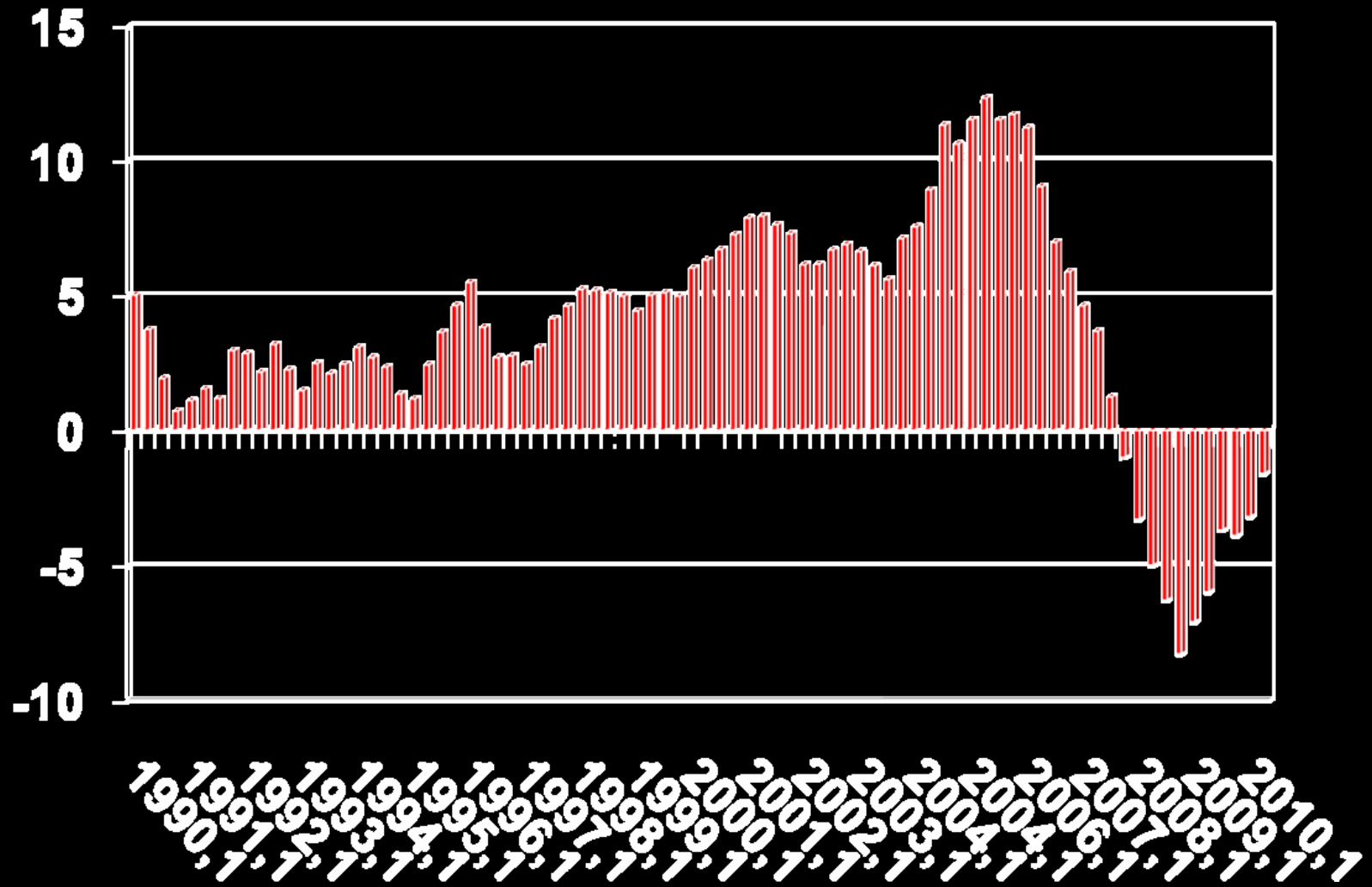
TRUCKING ACTIVITY REFLECTS BROADER ECONOMY



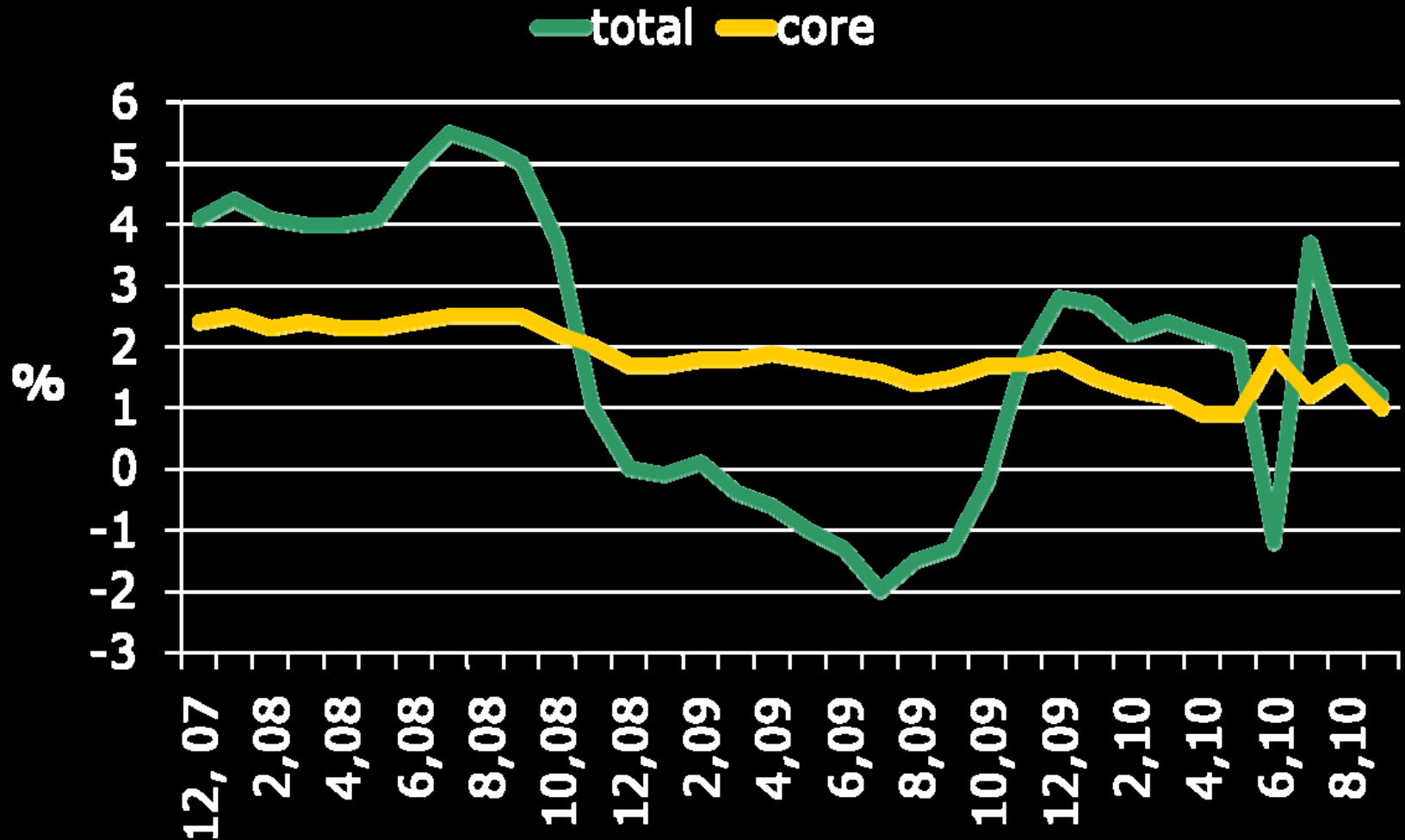
HOUSING MARKET HAS NOT IMPROVED CONSISTENTLY



HAVE HOUSING PRICES STOPPED FALLING? (ANNUALIZED % CHANGE)

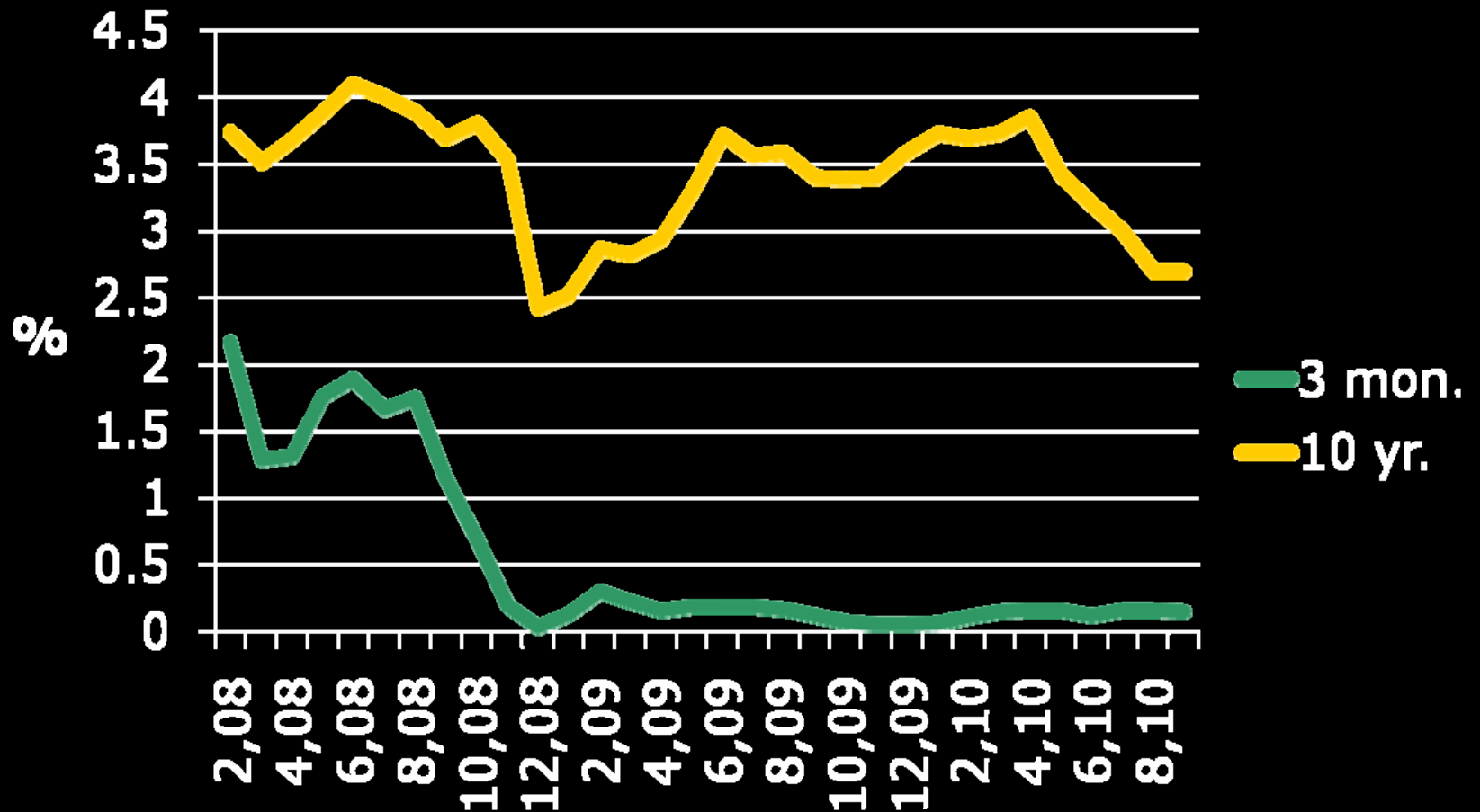


INFLATION IS CURRENTLY NOT A PROBLEM (CPI, total and core)



ARE INTEREST RATES POISED TO RISE?

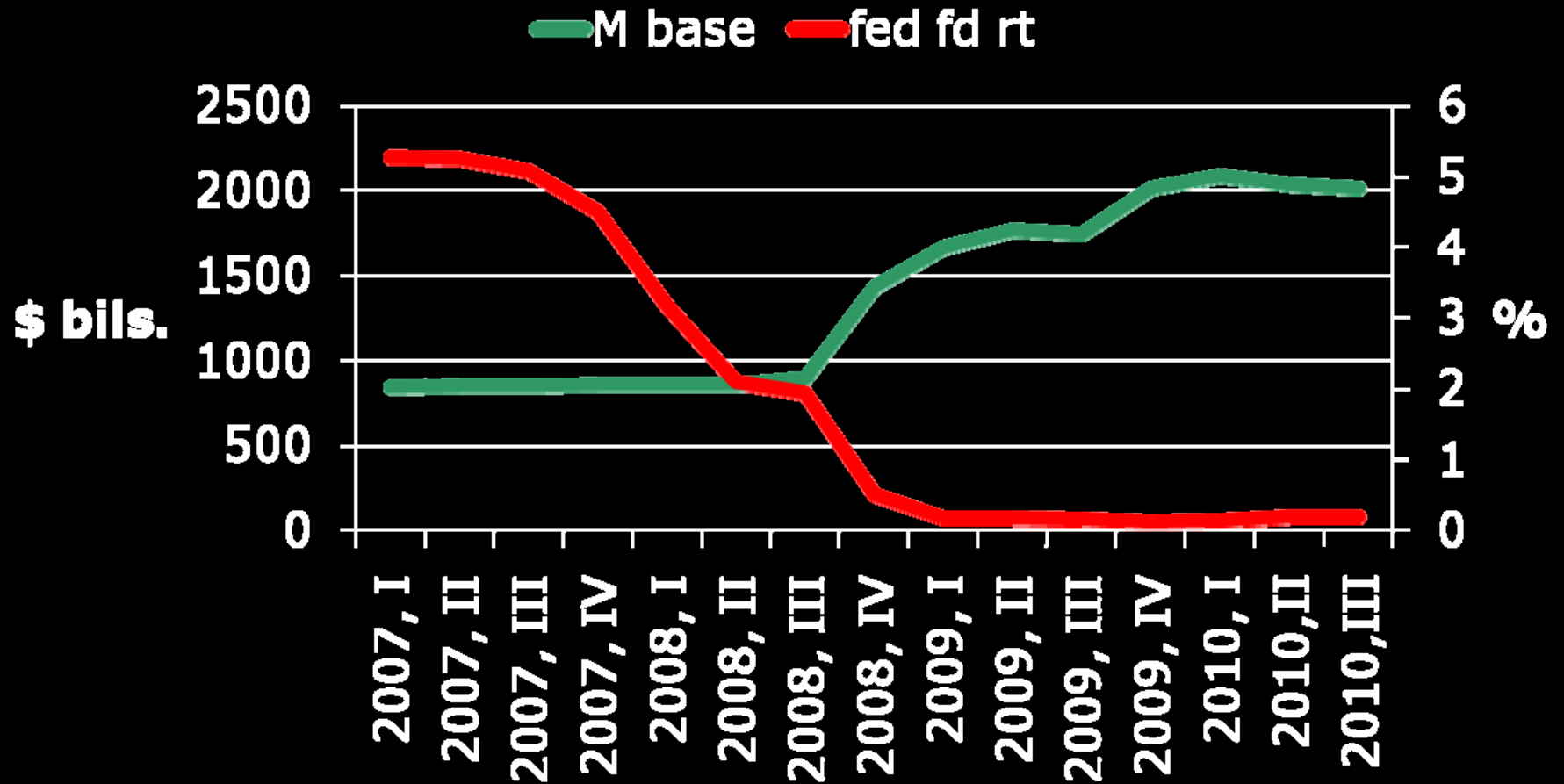
(YIELDS ON TRESURY SECURITIES)



GOVERNMENT POLICY



The Fed's Monetary Policy



GET READY FOR QE2!



MORE MONEY
TO PUSH DOWN LONG
RATES
ALSO TO INCREASE
WEALTH
DANGERS –
INFLATION?
BUBBLES?

ON FISCAL POLICY



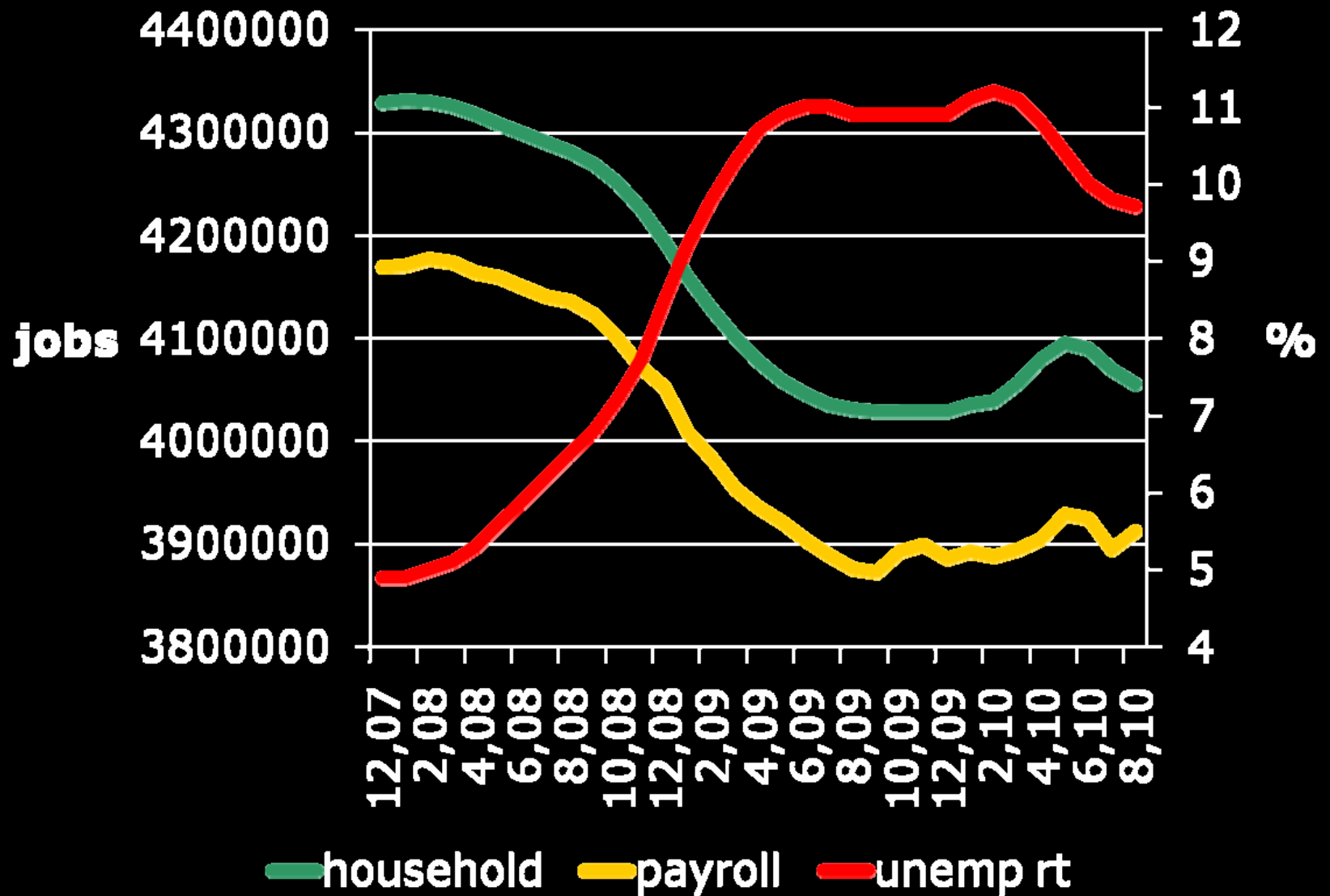
IS MORE STIMULUS
NEEDED TO
SUPPORT DEMAND

OR IS AUSTERITY
NEEDED TO
REDUCE FEARS OF
HIGHER TAXES

NORTH CAROLINA ECONOMIY

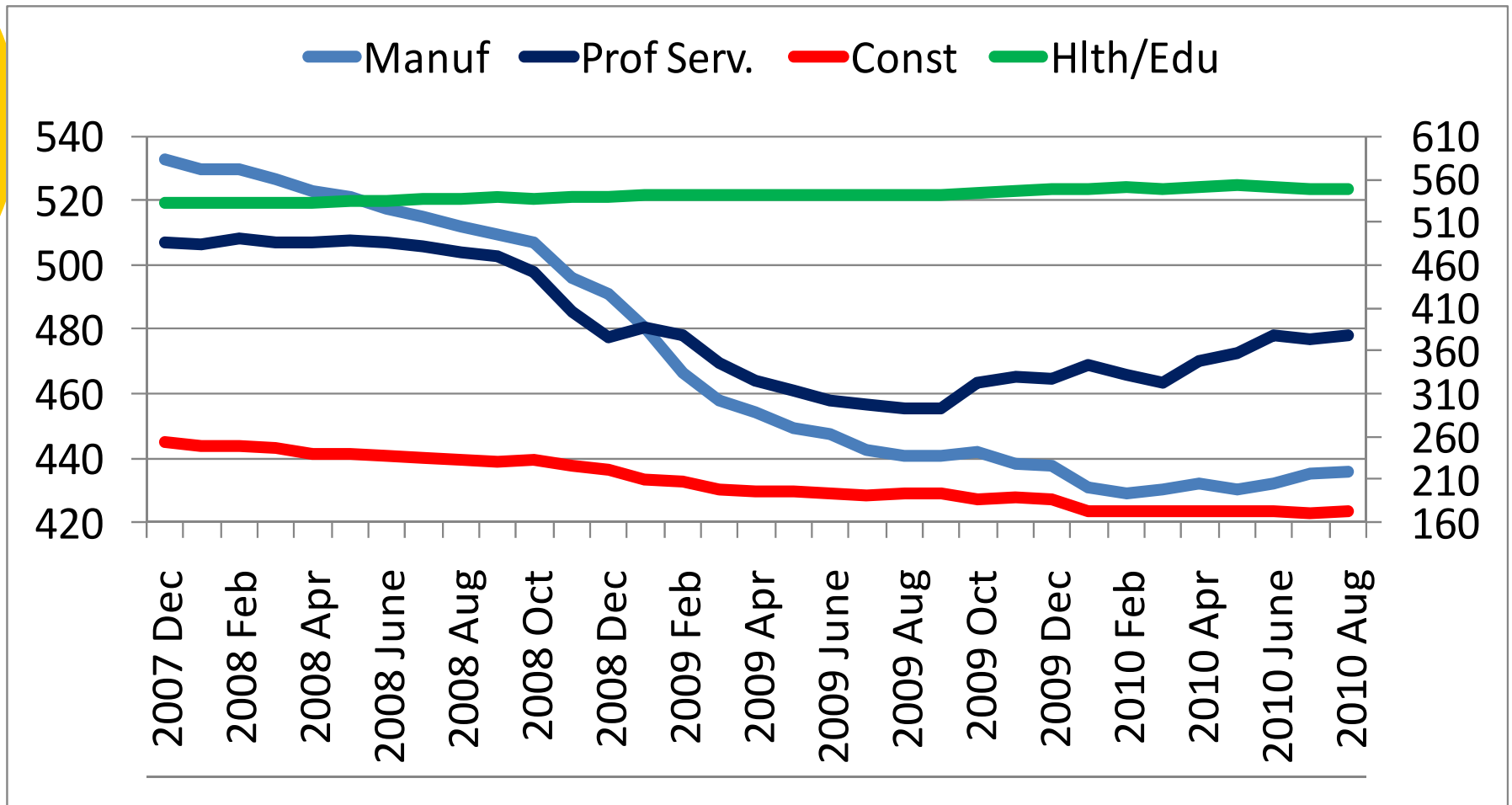


NC JOBS HAVE BEGUN TO COME BACK

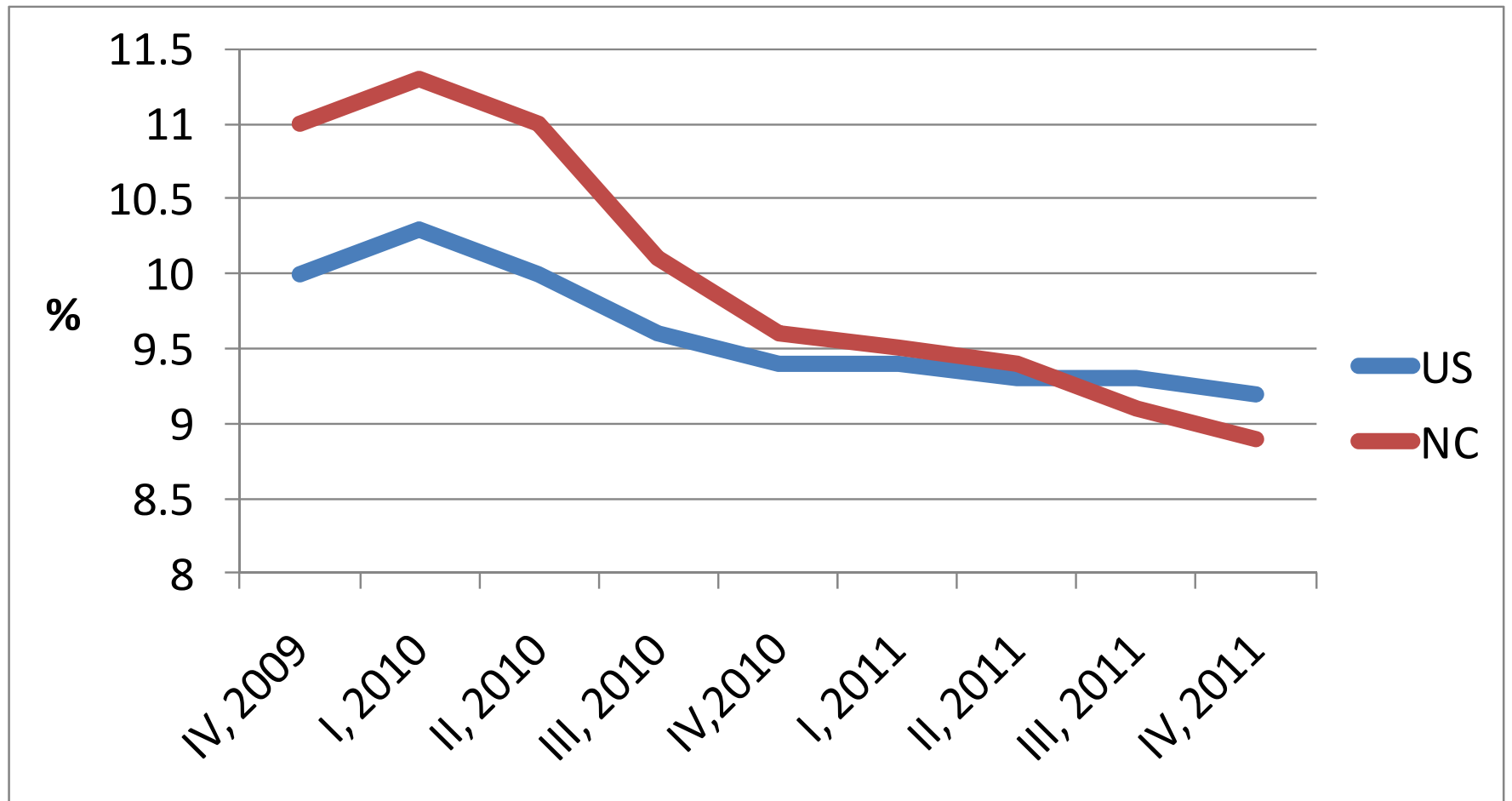


N.C. Major Sector Job Changes

(thousands, manuf and prof. serv on left, const and fin. on right)

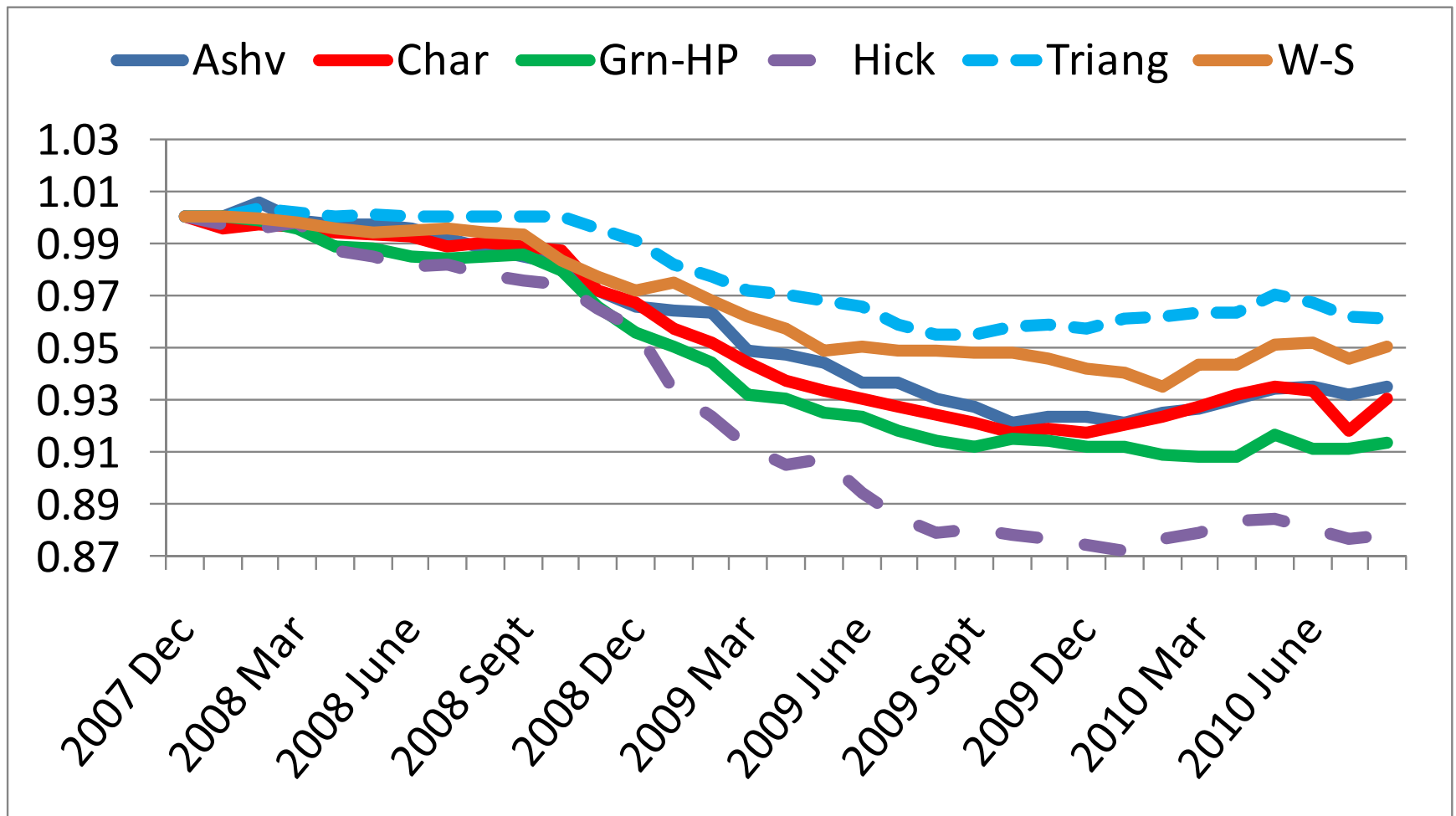


Unemployment Rate Forecasts



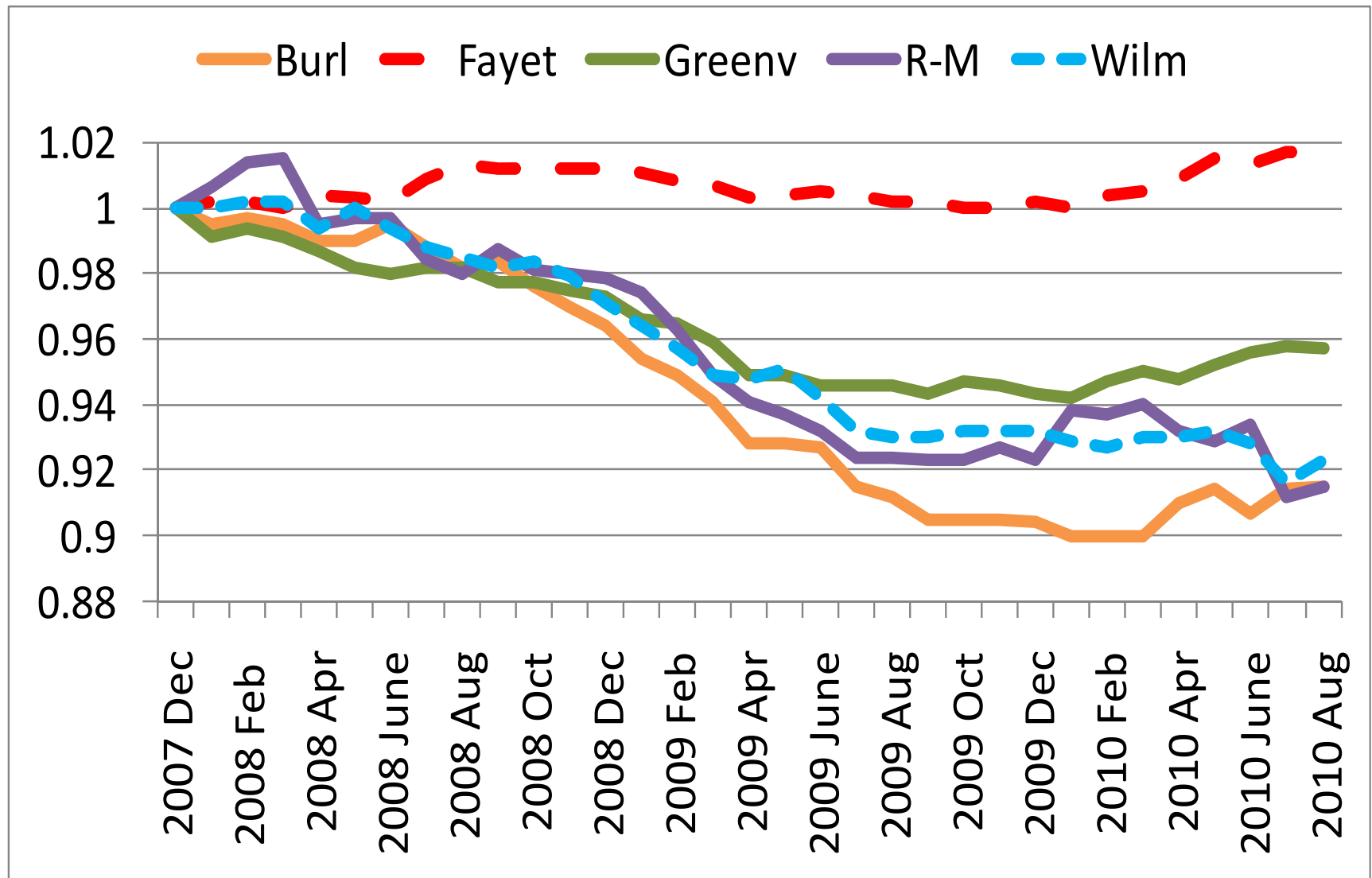
NC Big Metro Job Market Trends

(Index, December 2007 = 100)



NC Small Metro Job Market Trends

(Index, December 2007 = 100)



FORECASTED ANNUAL JOB GAINS IN NC



2010: 36,000

2011: 68,000

2012: 89,000

2013: 99,000

2014: 95,000

TOP HIRING SECTORS – PERCENT OF JOBS CREATED



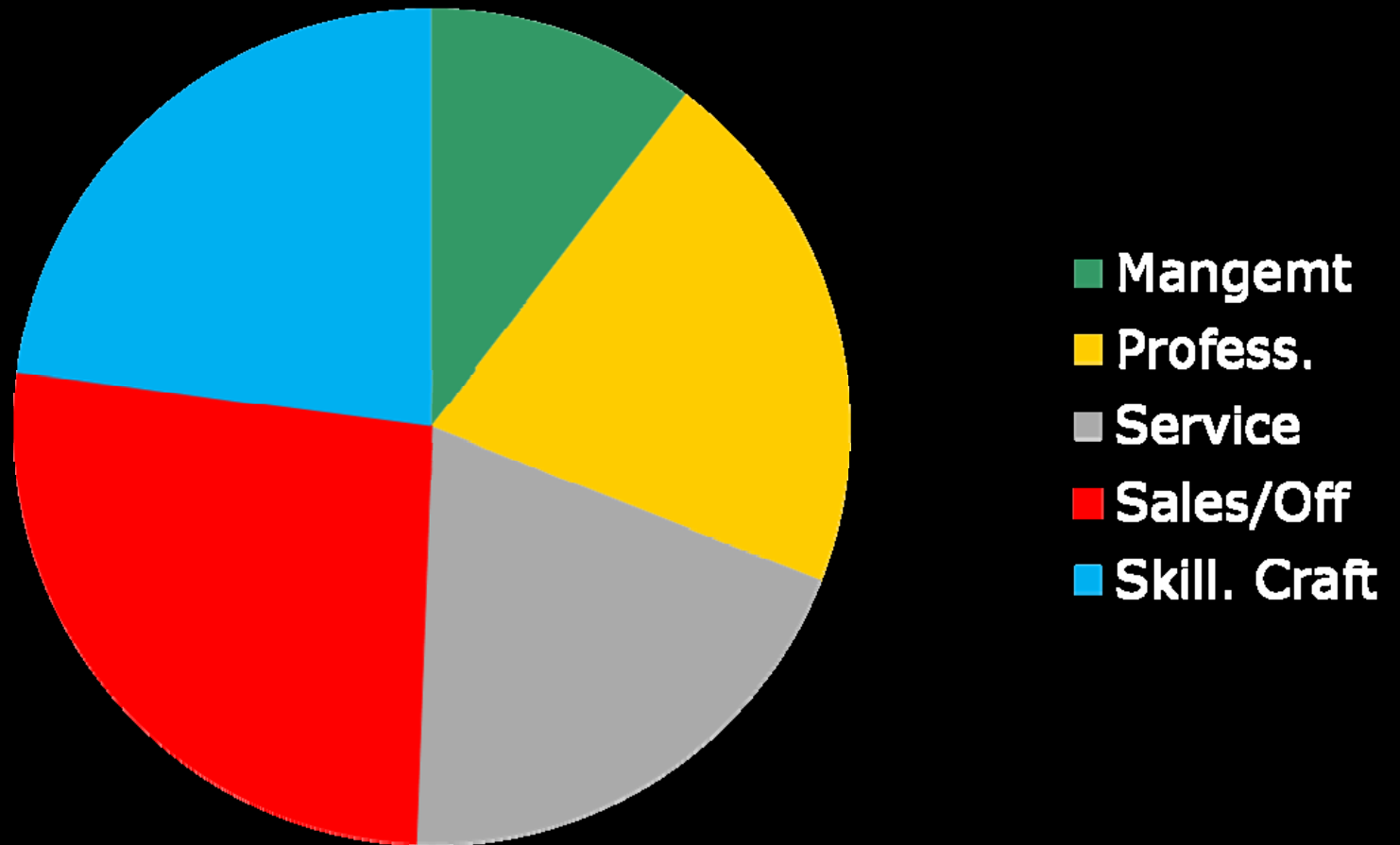
CONSTRUCTION:	9%
CONSULTING:	8%
FOOD SERVICE:	5%
COMPUTER SERVICE:	4%
RETAIL TRADE:	4%
EDUCATION:	4%
NURSING FACILITIES:	4%
HOSPITALS:	4%

TOP HIRING OCCUPATIONS – PERCENT OF JOBS CREATED

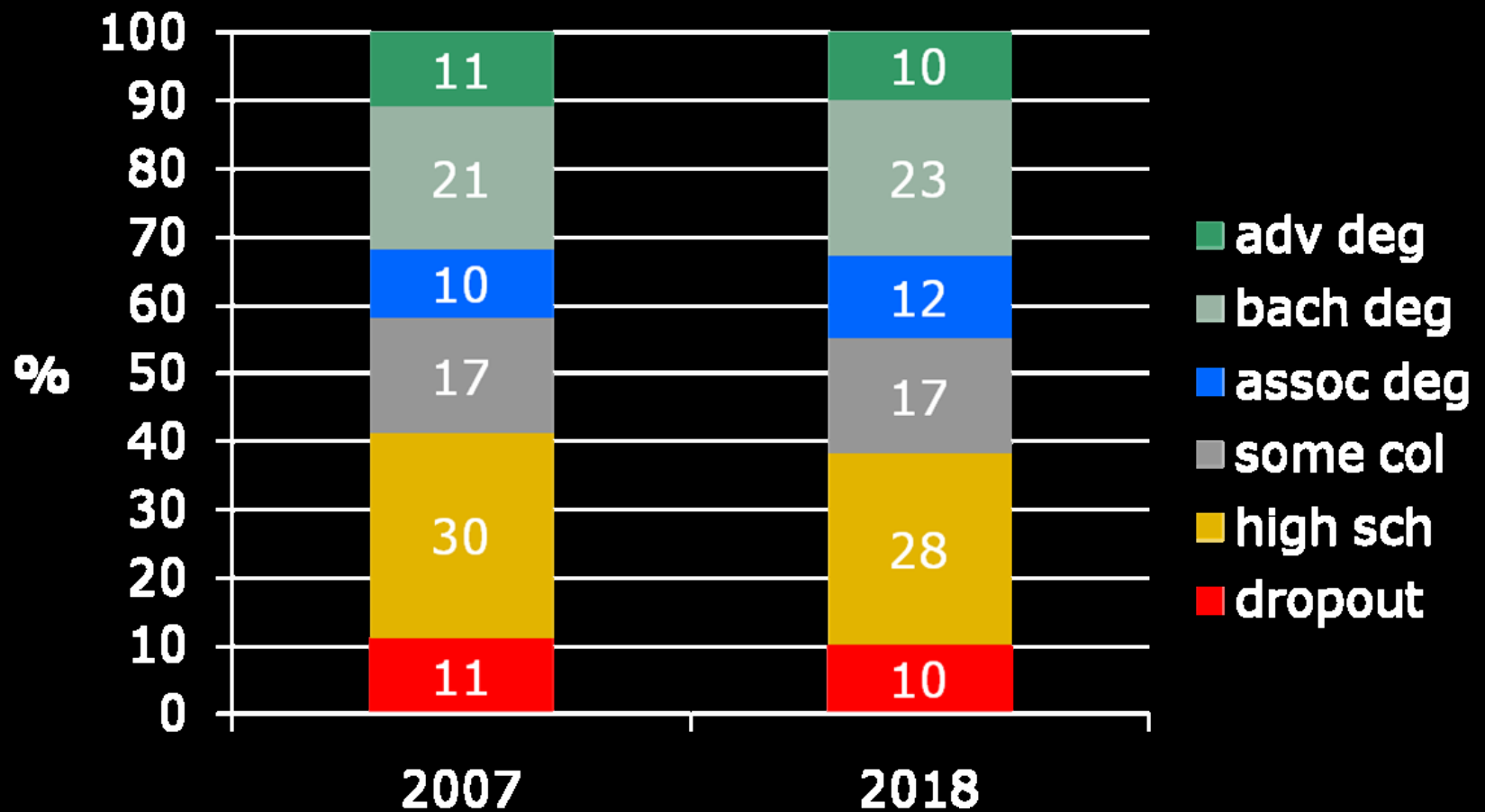


NURSES:	4%
HOME HEALTH AIDES:	3%
CUSTOMER SERVICE:	3%
FOOD PREP WORKERS:	3%
RETAIL SALES AGENTS:	2%
OFFICE CLERKS:	2%
ACCOUNTANTS:	2%
TEACHERS:	2%

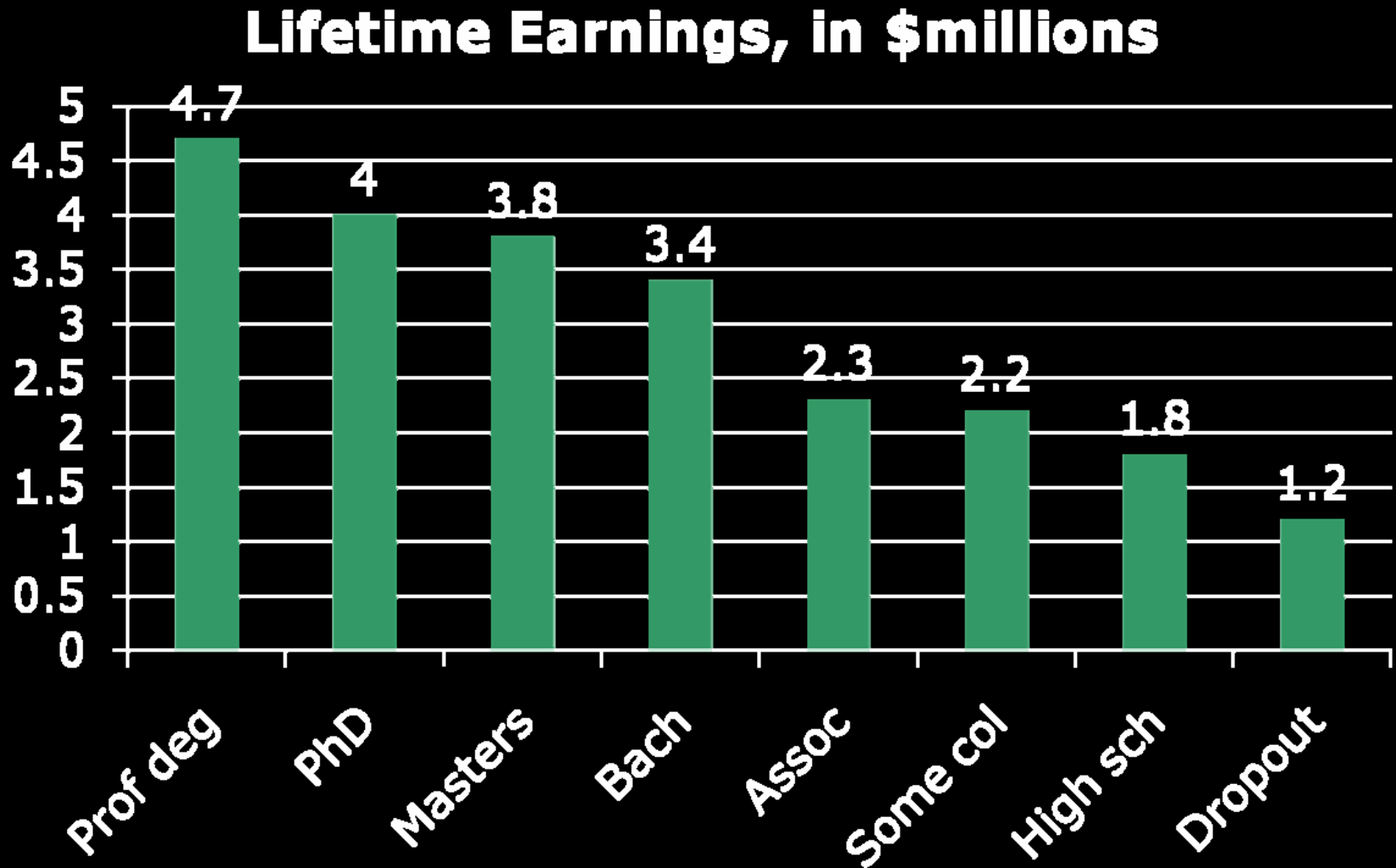
Projections of Job Growth by Broad Category (% of total)



Distribution of Jobs by Educational Requirements, 2007 and 2018



Higher Education Pays- Off!



CONCLUSION



RECESSION OVER
BUT SLOW GROWTH
NO "EASY BUTTON" –
HOUSEHOLDS
MUST REBALANCE
FINANCIAL SHEETS
LONG TERM EFFECTS
OF FED POLICIES