



UNC Charlotte North Carolina
Economic Outlook
ECONOMIC FORECAST
December 10, 2009

Economic Outlook

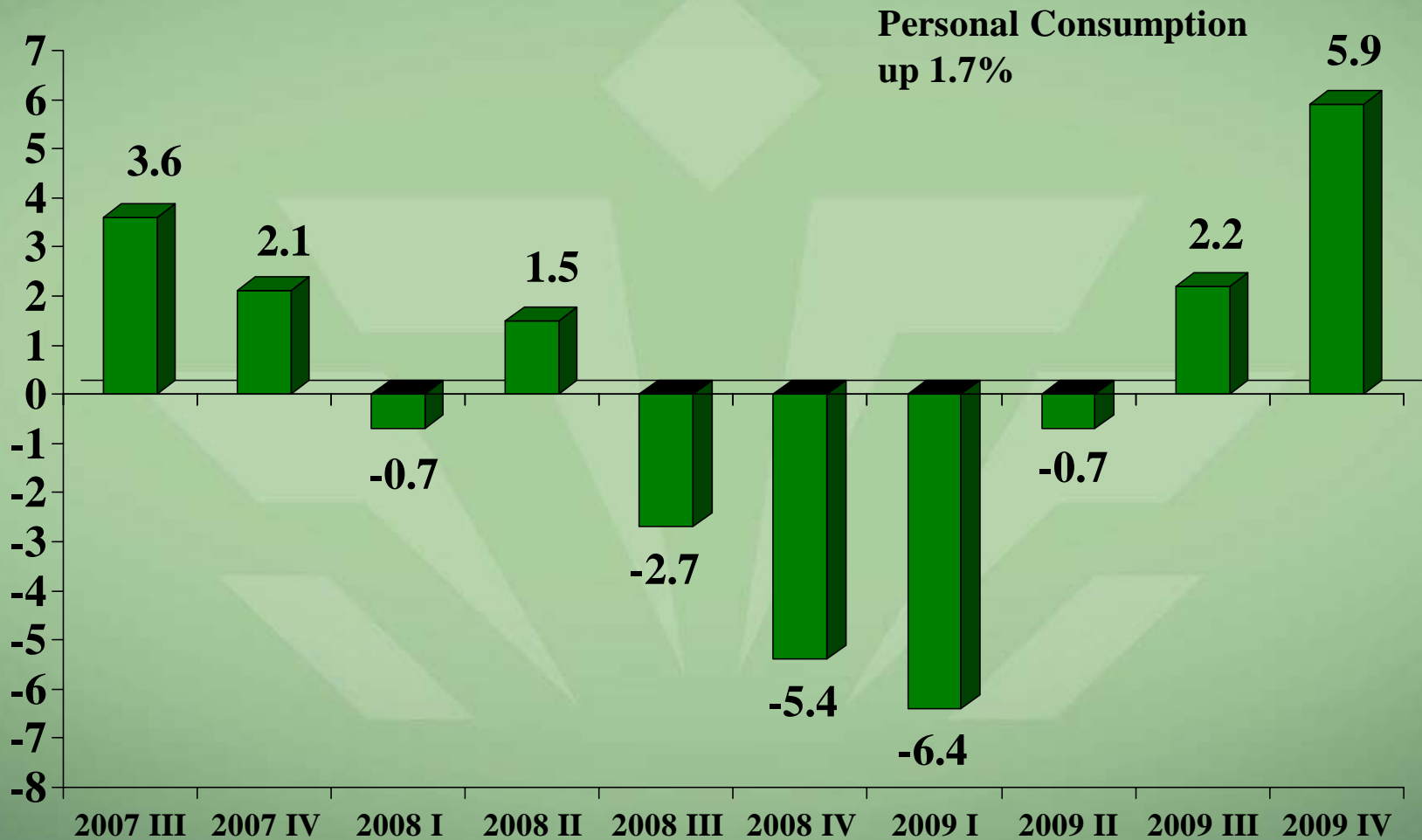
March 23, 2010

The Economy is Recovering



2007/2008/2009/2010

U.S. GDP



But Where Are The Jobs?



State Job Growth 2000-2007

State	2000-2007 Jobs	2000-2007 Percentage Growth
Texas	1001.4	10.50%
California	969.7	6.82%
Florida	791.1	11.05%
Arizona	400.6	17.62%
North Carolina	252.3	6.44%

State Job Losses 2007-2010

State	2000-2007 Jobs	2000-2007 Percentage Growth
California	-1041.3	-6.86%
Florida	-607.6	-7.64%
Michigan	-411.0	-9.69%
Illinois	-379.0	-6.33%
Ohio	-331.8	-6.12%
Georgia	-314.5	-7.57%
Arizona	-261.6	-9.78%
North Carolina	-248.0	-5.94%
New York	-231.0	-2.63%

2008-2010 United States Payroll Employment

- Employment Decline: January 2008
- First 12 Months Decline: -3,623,000
- First 26 Months Decline: -8,425,000
- February Unemployment Rate: 9.7%

2008/2009 North Carolina Payroll Employment

- Employment Decline: December 2007
- First 12 Months Decline: -117,300
- First 24 Months Decline: -283,200
- January Unemployment rate: 11.1%

2008/2009 South Carolina Payroll Employment

- Employment Decline: December 2007
- First 12 Months Decline: -68,600
- First 24 Months Decline: -134,500
- January Unemployment Rate: 12.6%

2000/2009 Employment

Area	Job Gain/ Loss	Percentage
•United States	-1,575,000	-1.1%
•North Carolina	5,000	0.1%
•South Carolina	-43,100	-2.3%

2008/2009 Manufacturing Employment Losses

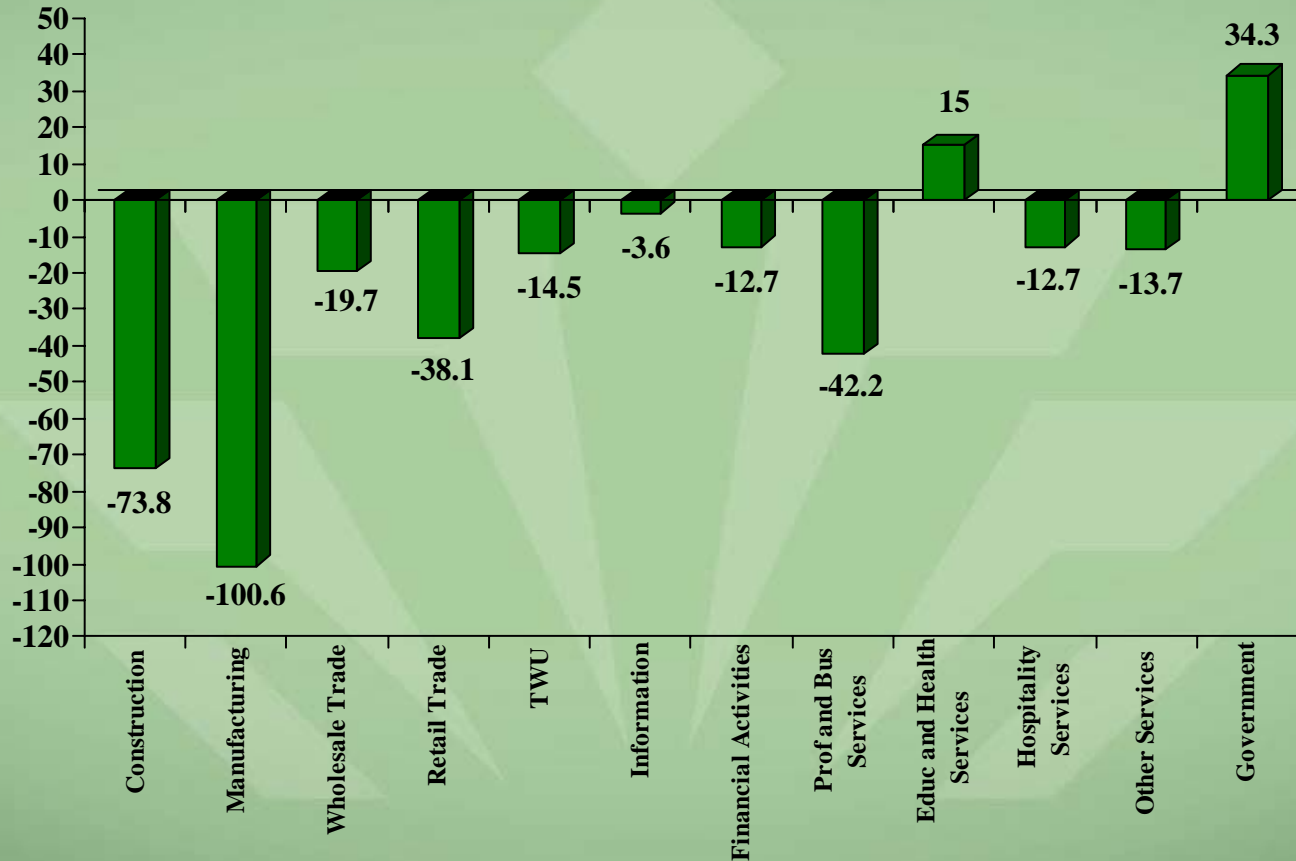
Area	Losses	Percentage
•United States	-2,147,000	-15.6%
•North Carolina	-100,600	-18.9%
•South Carolina	-41,000	-16.5%

2000/2009 Manufacturing Employment Losses

Area	Job Loss	Percentage
•United States	-5,548,000	-32.3%
•North Carolina	-309,200	-41.4%
•South Carolina	-126,200	-37.9%

2007-2009

North Carolina Job Losses by Sector



What Will the Recovery Look Like ?

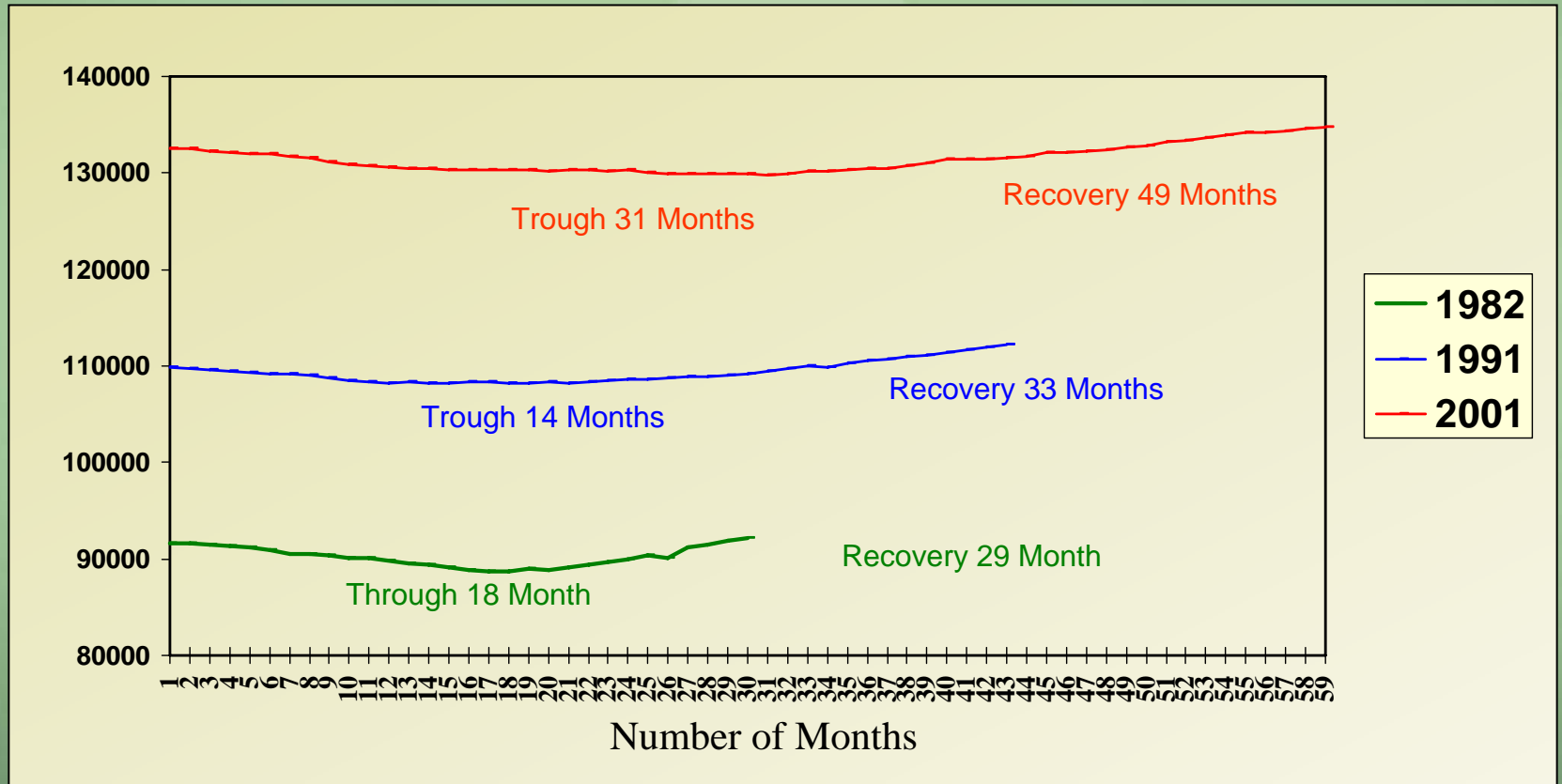
- Deep “V”
- Double Dip “W”
- Slow Recovery “”

Are Recoveries Getting Longer?

Length of Job Recovery

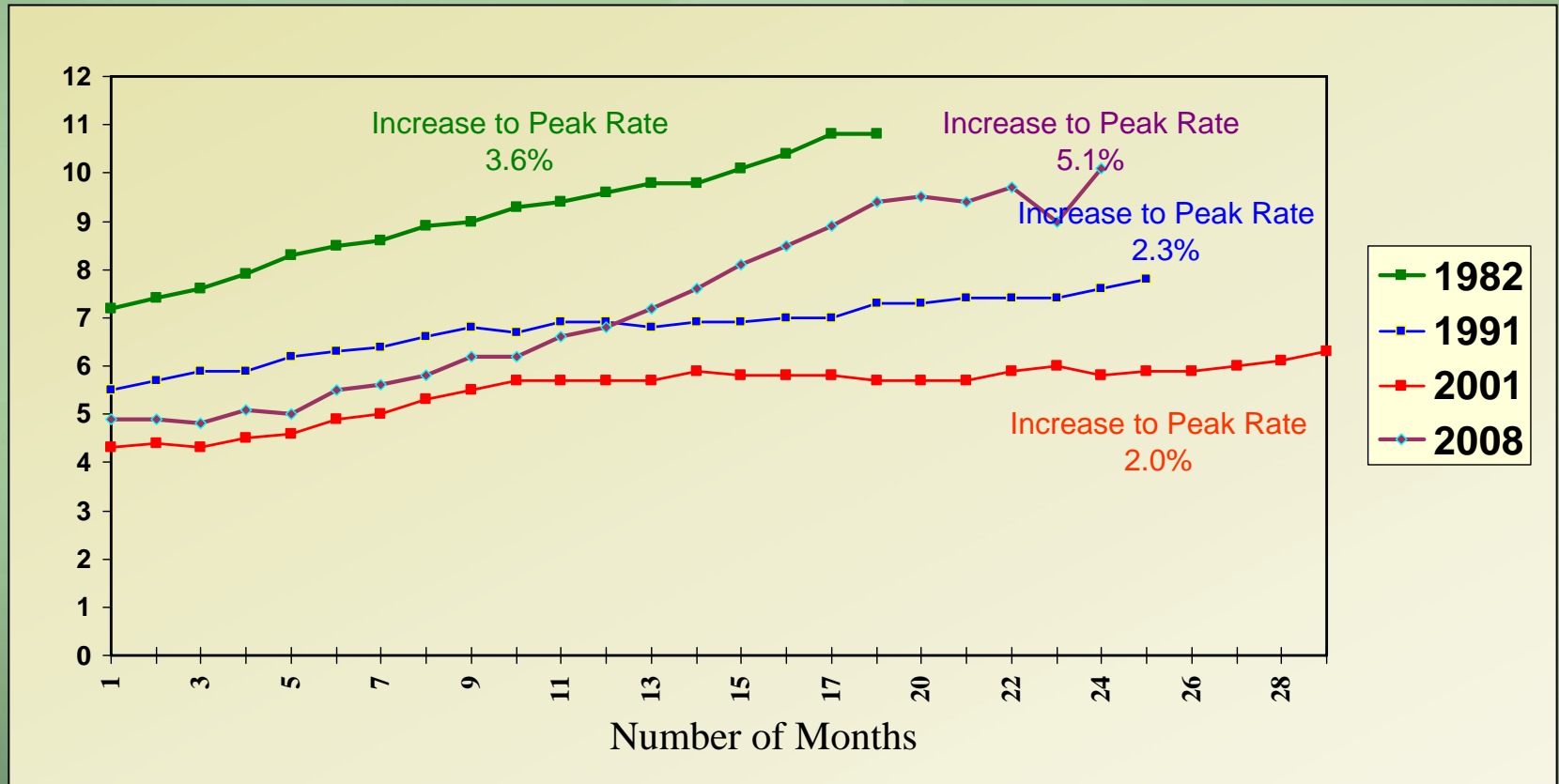
- 1982 29 Months
- 1991 33 Months
- 2001 49 Months

U.S. Employment Patterns: From Recession Start Date



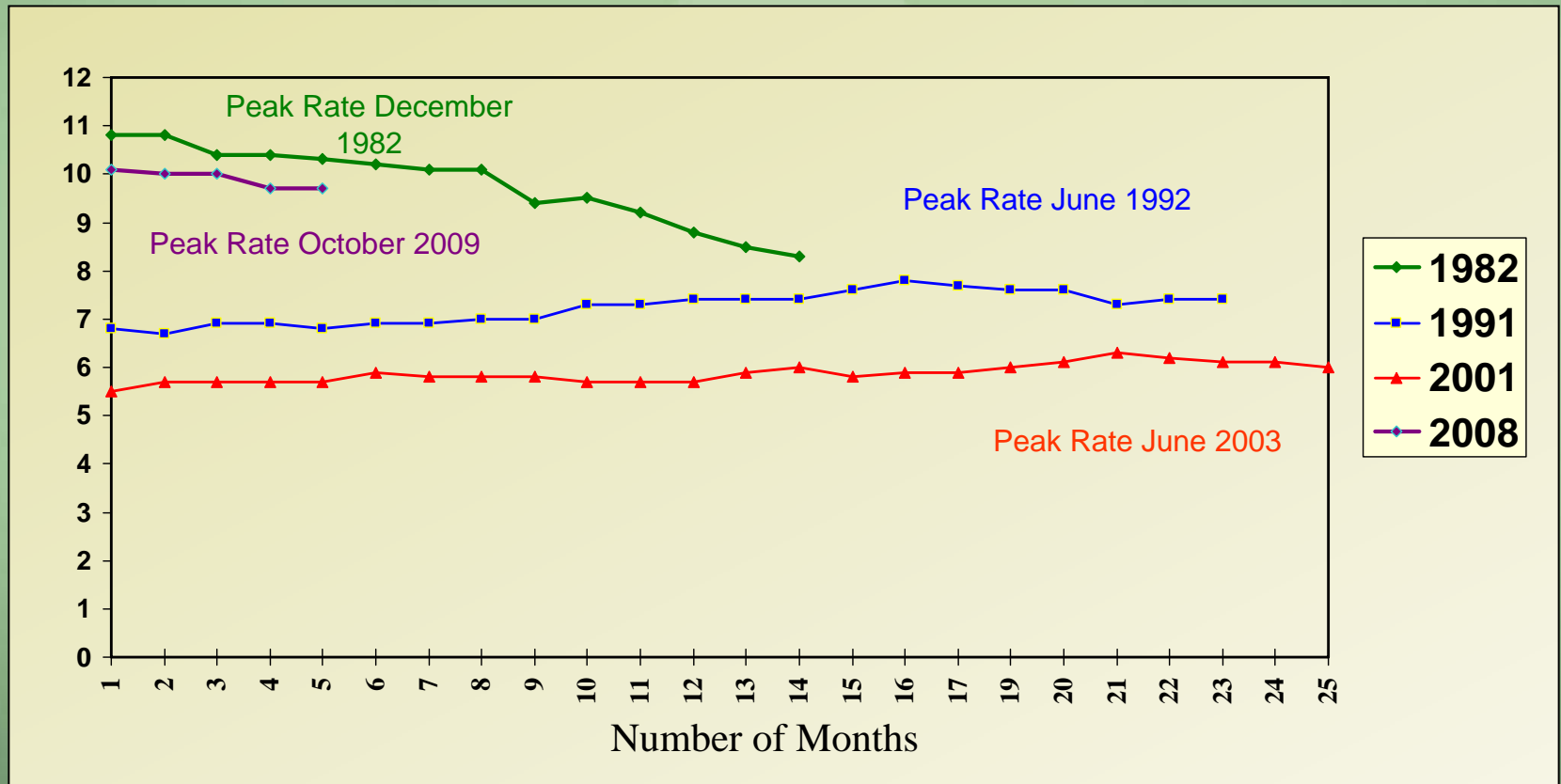
U.S. Unemployment Rate: Recession

From Recession Start Date









U.S. Unemployment Rate: Recovery

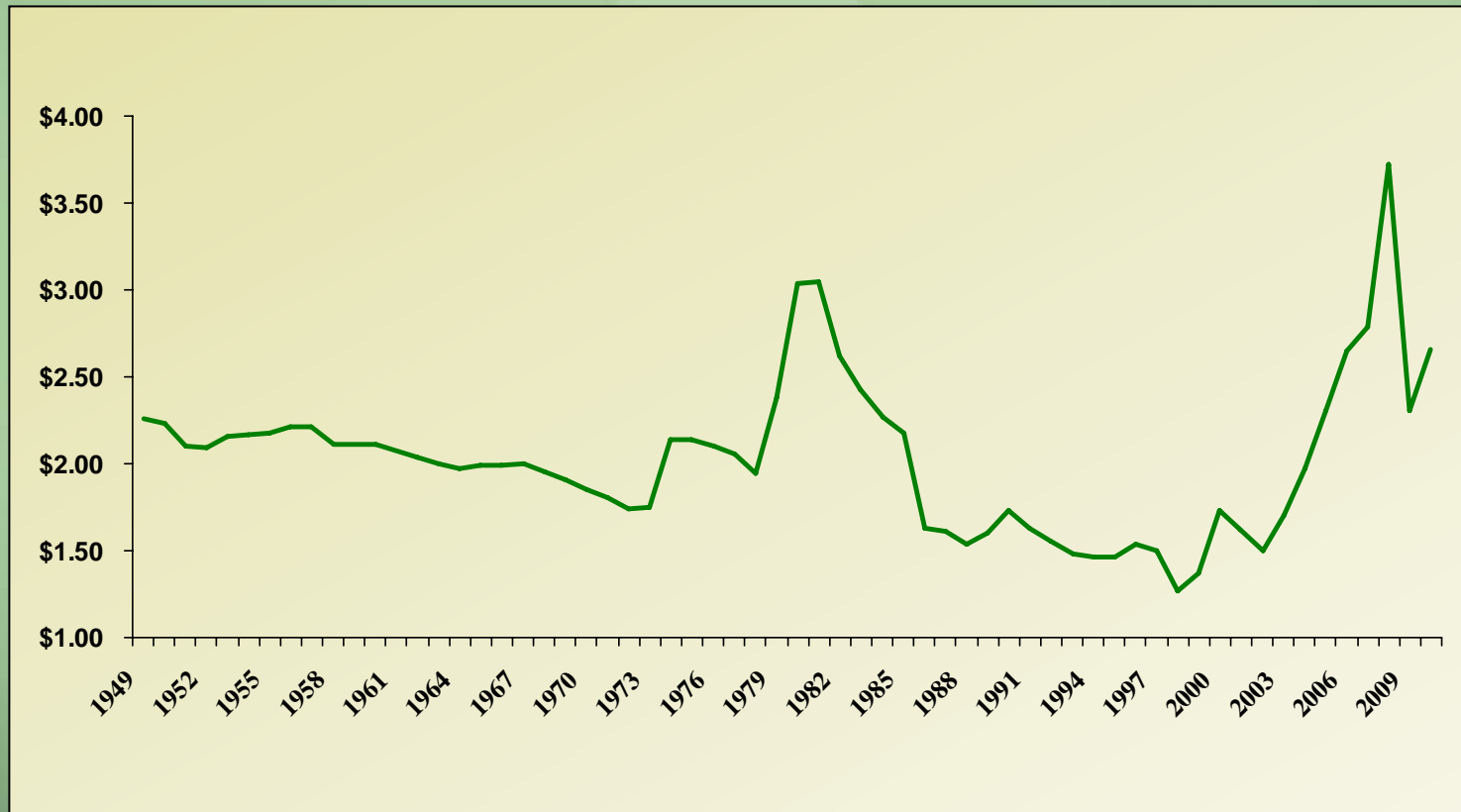
From Recession End Date



Signs For a Positive Recovery

- Oil Prices 
- New Housing Stock 
- Stimulus Package 
- Inflation 
- Interest Rates 
- Trade Deficit 

Historic Real Gasoline Prices 1949-2010 in 2006 Dollars



Energy Price Impact

\$0.50 Per Gallon Increase

United States

Annual Consumption

- 300 billion gallons

Annual Impact

- \$150 billion

Percent of GDP

- 1.1%

North Carolina

Annual Consumption

- 7.5 billion gallons

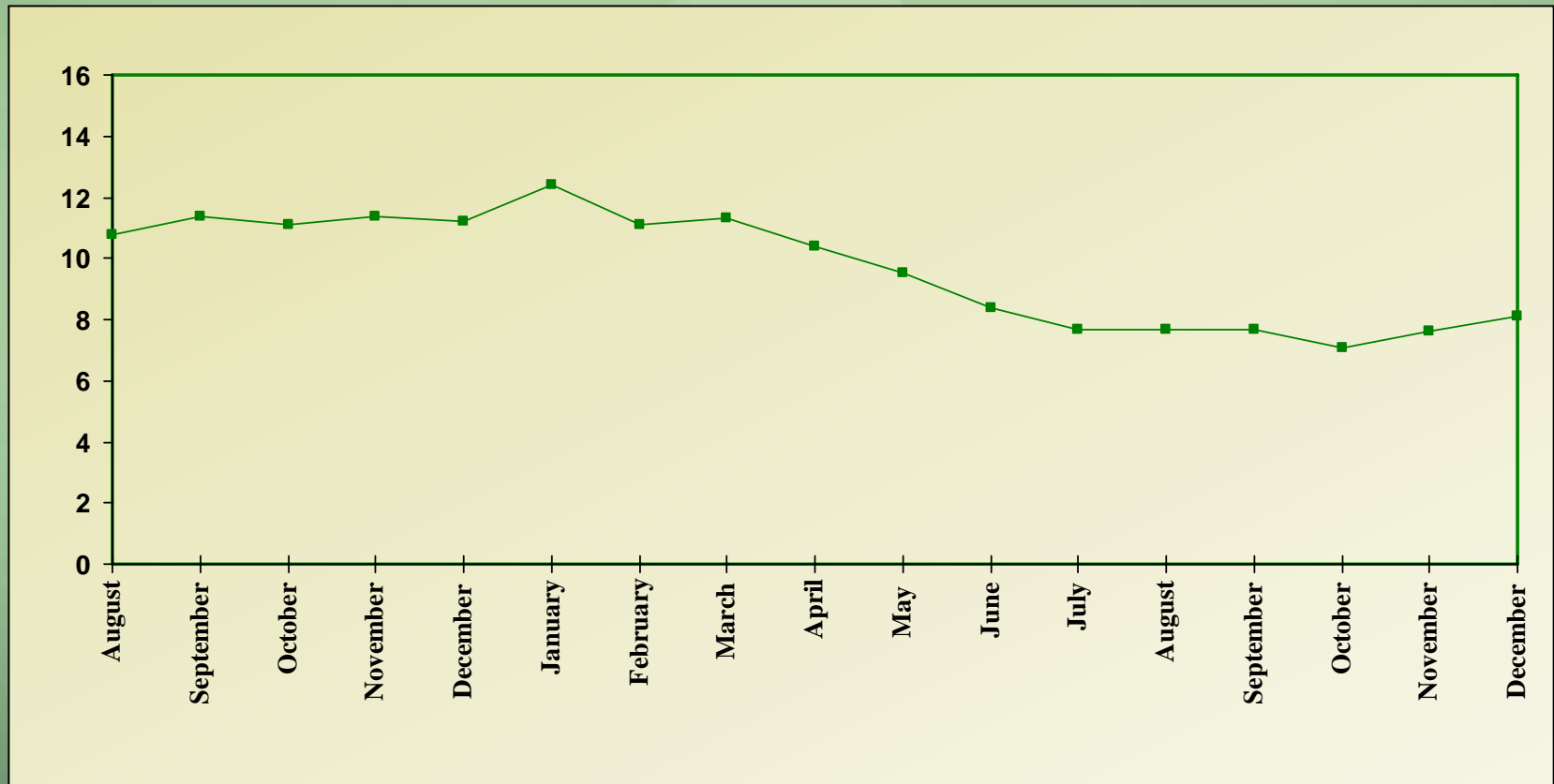
Annual Impact

- \$3.7 billion

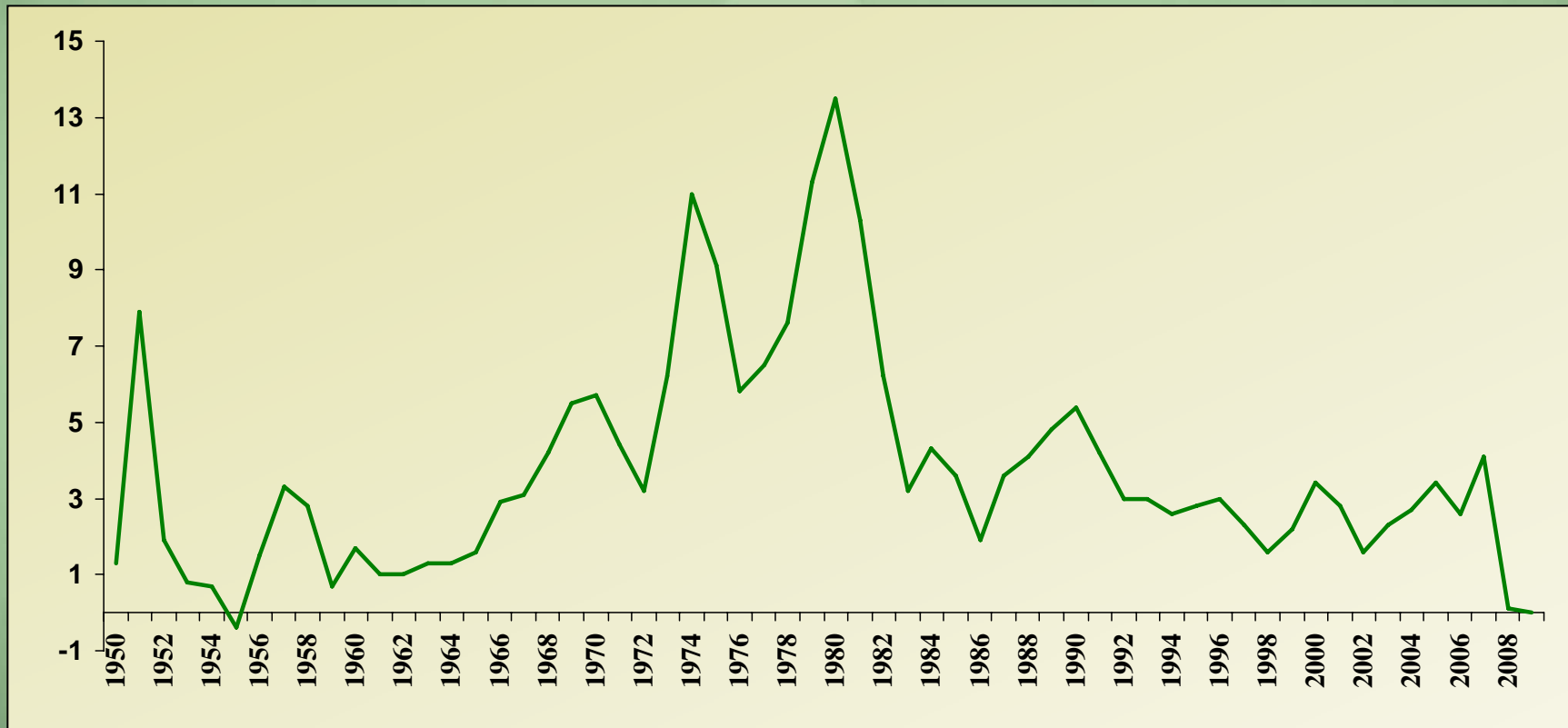
Percent of GSP

- 0.9%

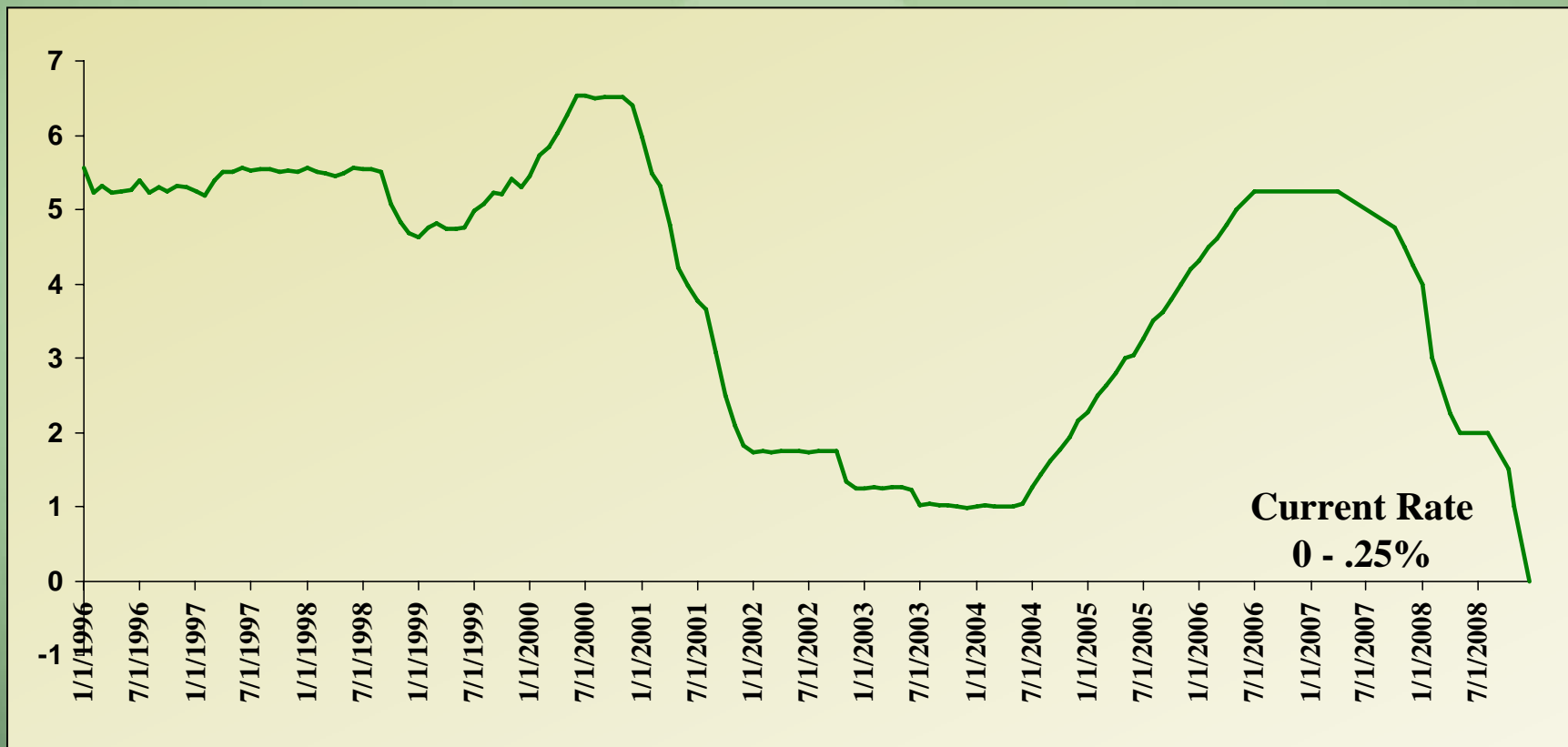
U.S. Monthly New Home Inventory (Millions of Units)



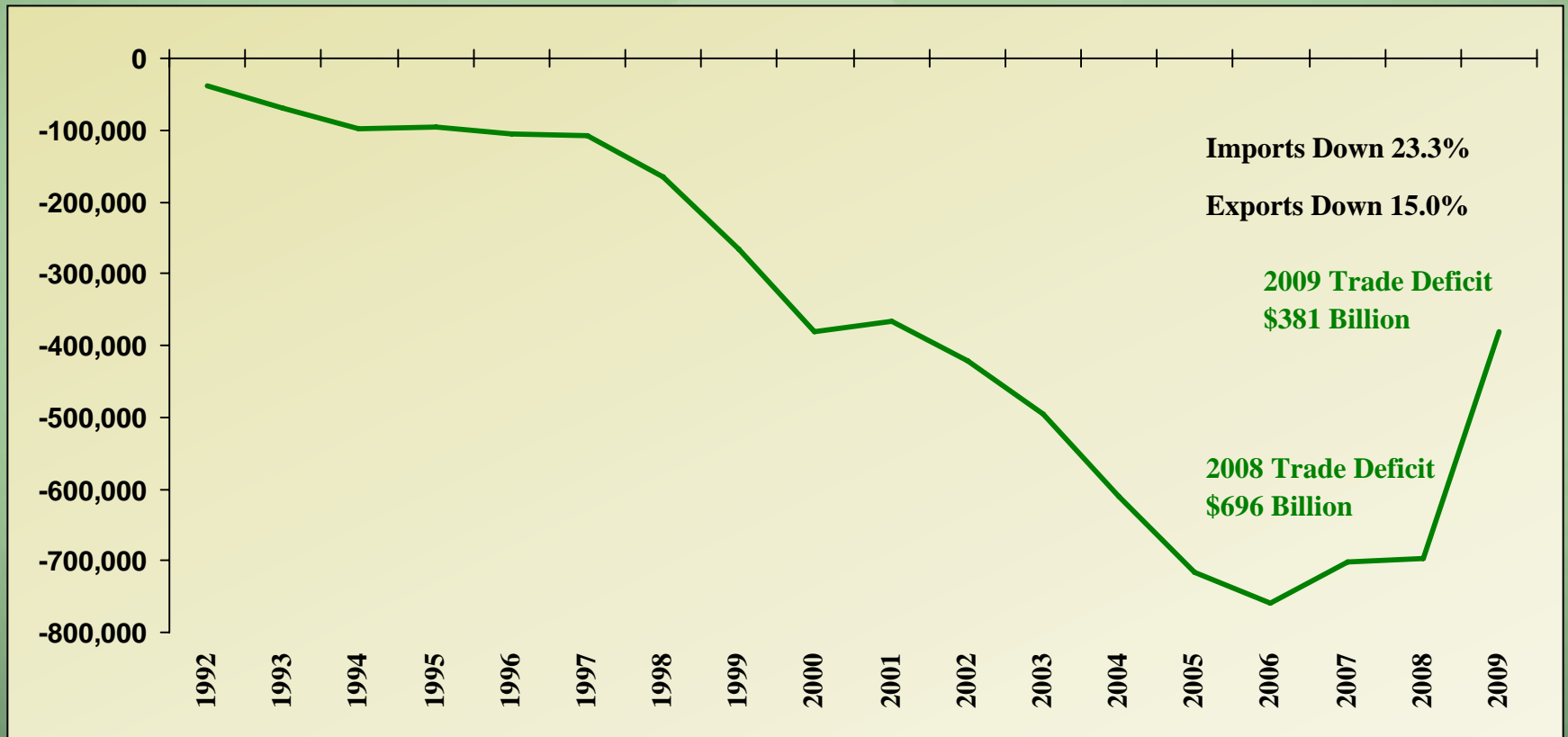
Percentage Changes in CPI 1949-2009









Monthly Federal Funds Rate 1996-2009



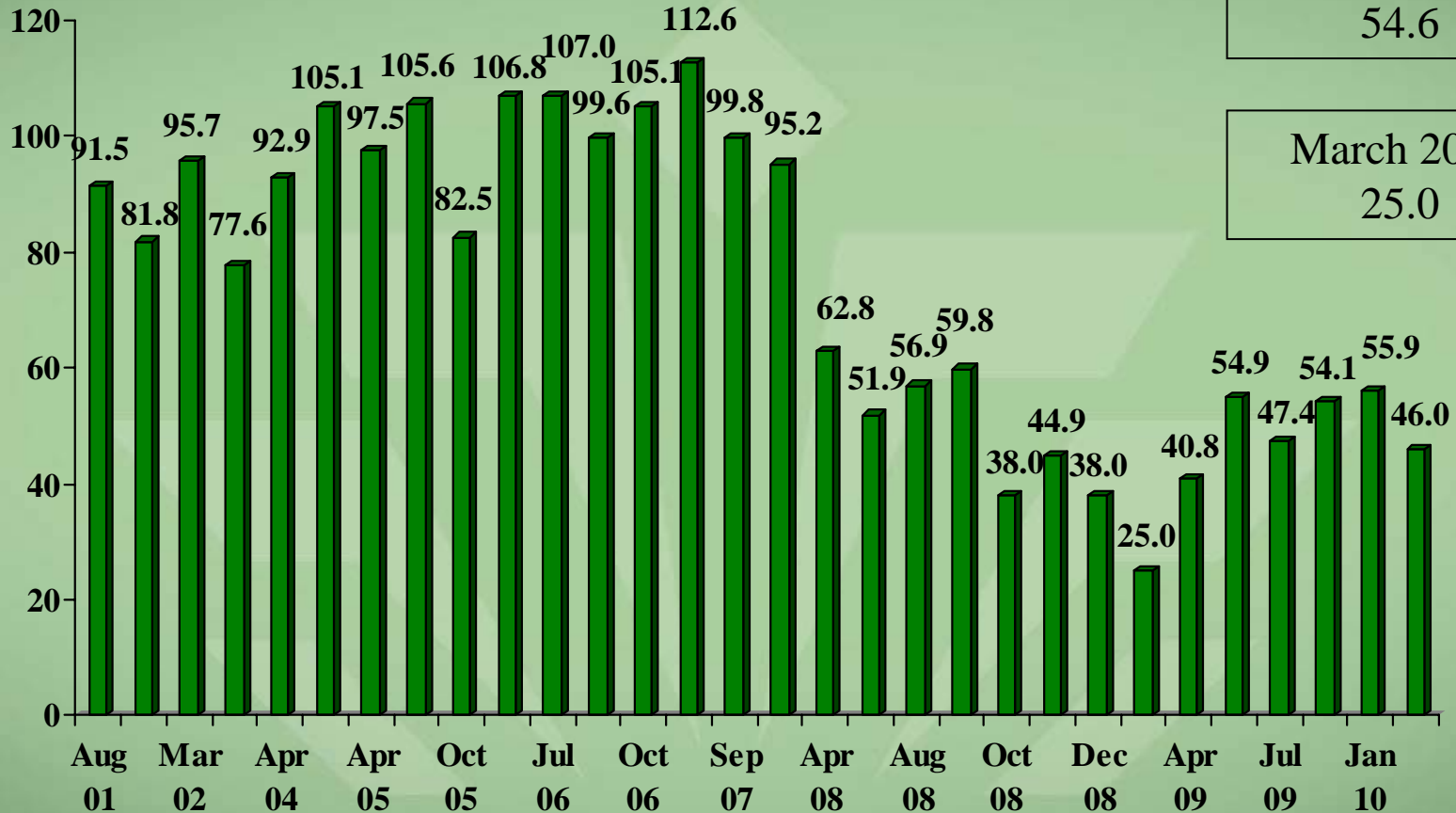
1992-2009 U.S. Trade Deficits



Signs For a Slow Recovery

- Consumer Confidence 
- Budget Deficit 
- Dollar Value 
- Excess Reserves 
- Consumer Credit 
- Unemployment 

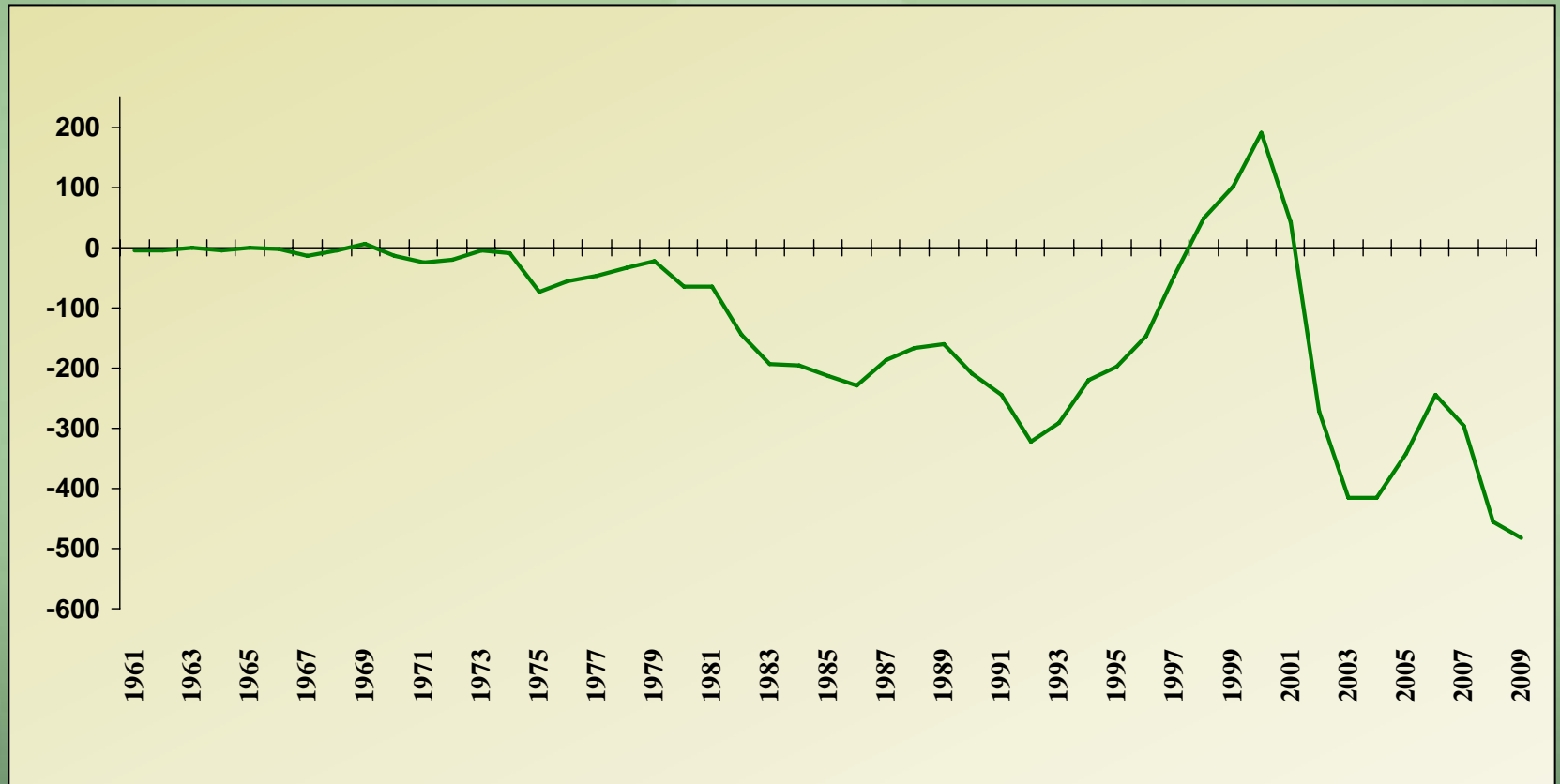
Consumer Confidence



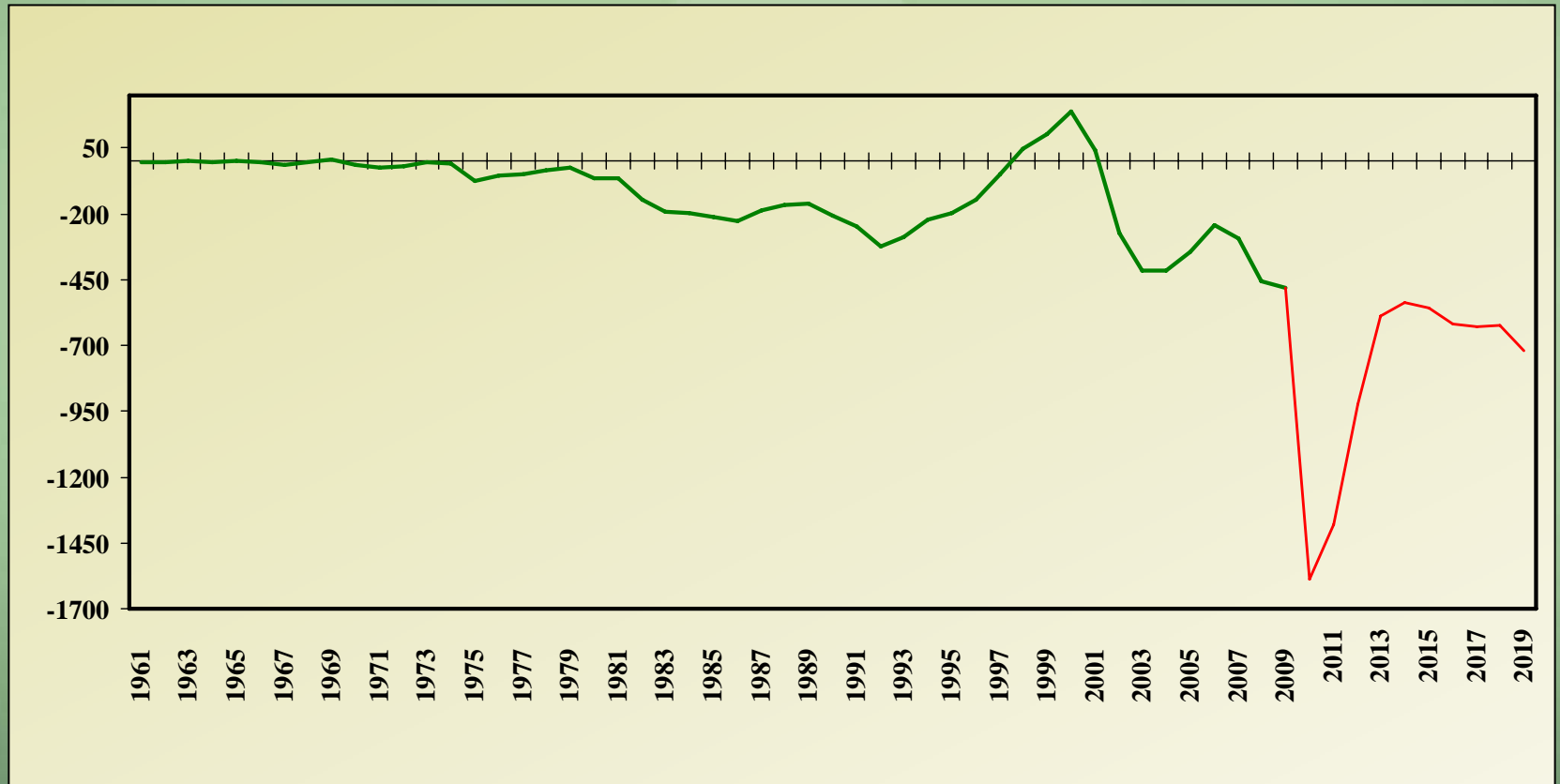
October 1992
54.6

March 2009
25.0

1960-2009 U.S. Budget Deficits



1960-2019 U.S. Budget Deficits

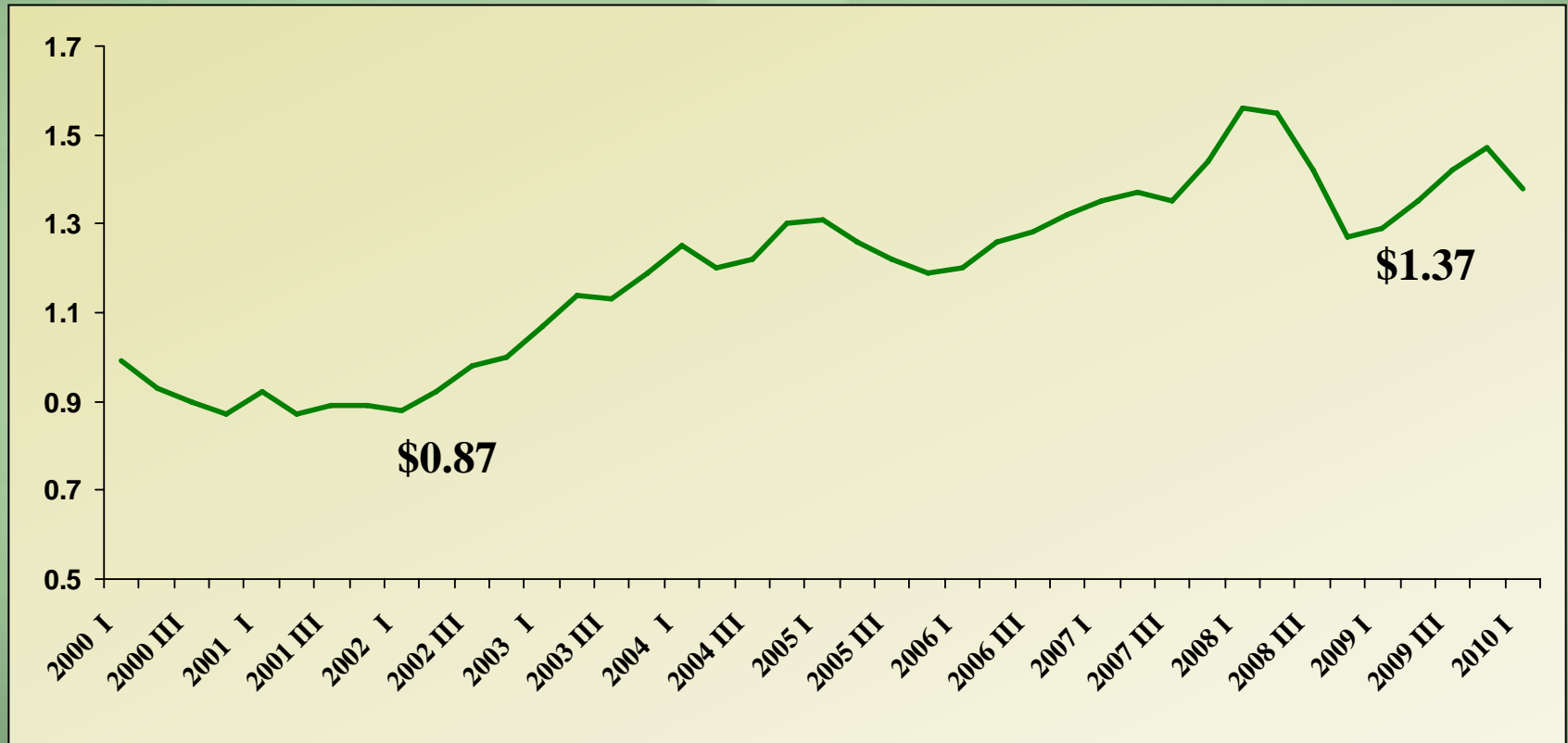


U.S. National Debt

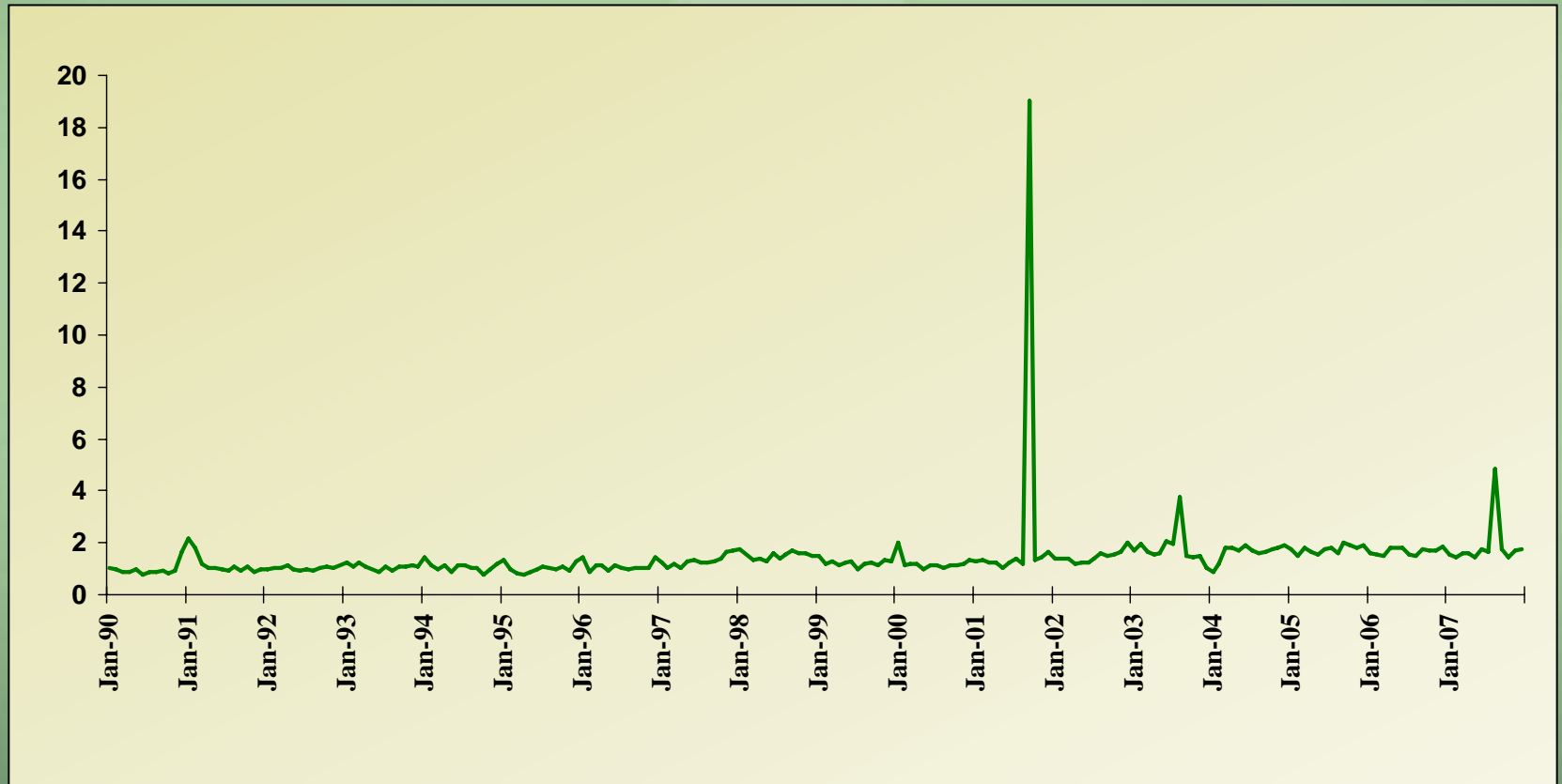
- 2001 IV: \$6.2 trillion
- 2009 IV: \$12.1 trillion
- 95.2 Percent Increase in Eight Years

- 2019 IV: \$18.9

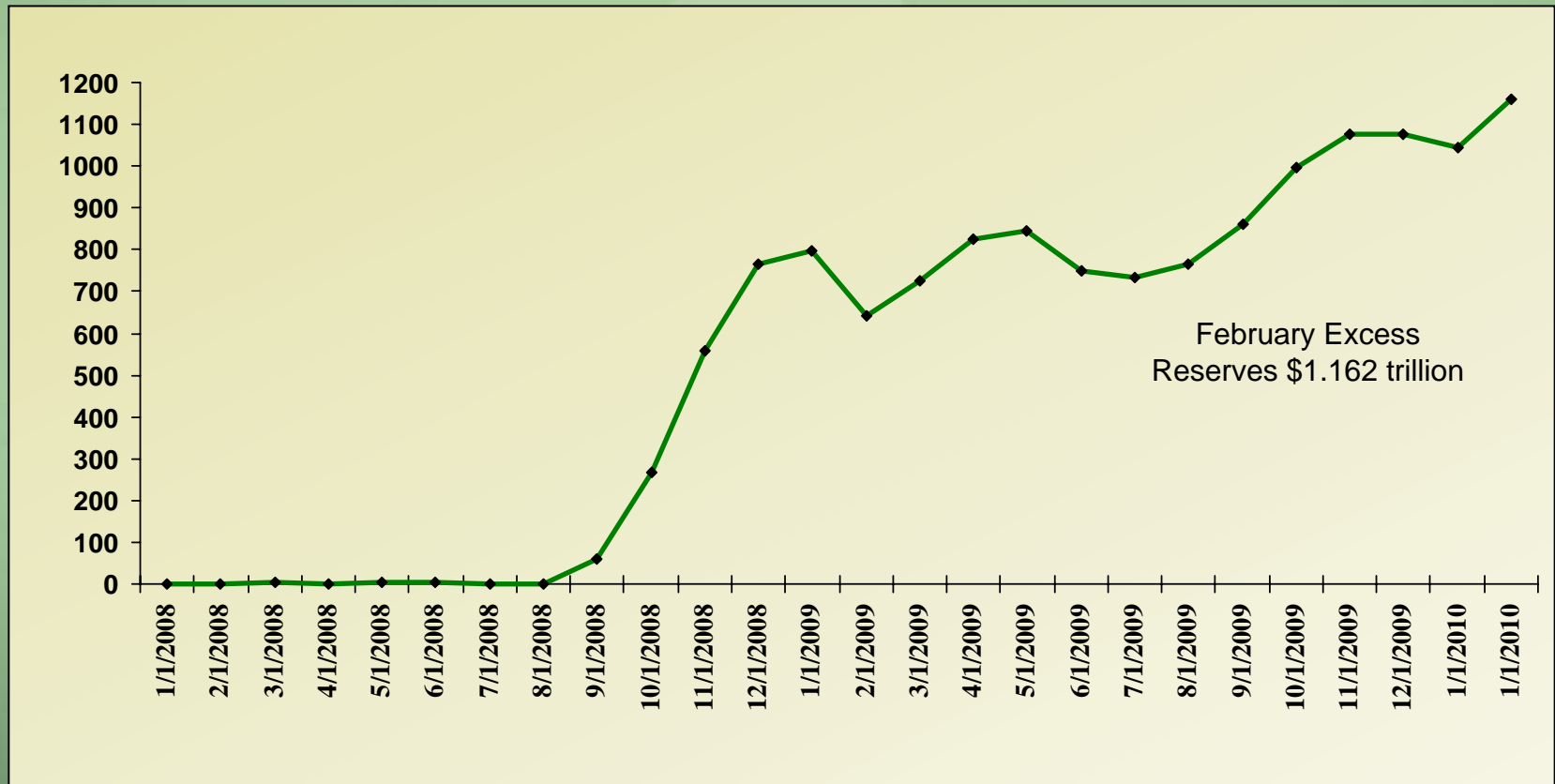
2000-2010 Dollar Price of Euro



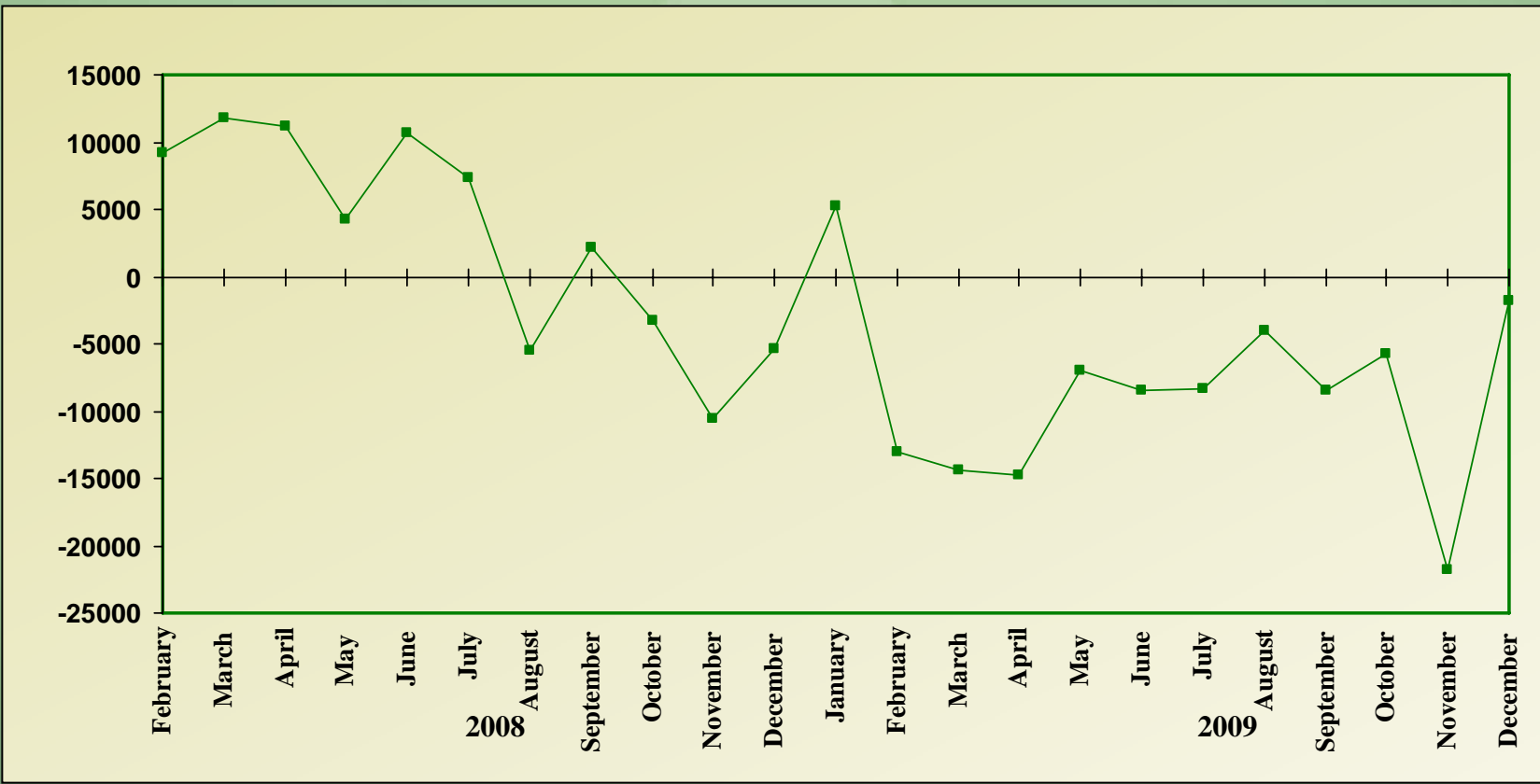
1990 - 2007 Banking System Excess Reserves



Banking System Excess Reserves 2008 - 2010



U.S. Monthly Change in Consumer Credit (Millions of Dollars)

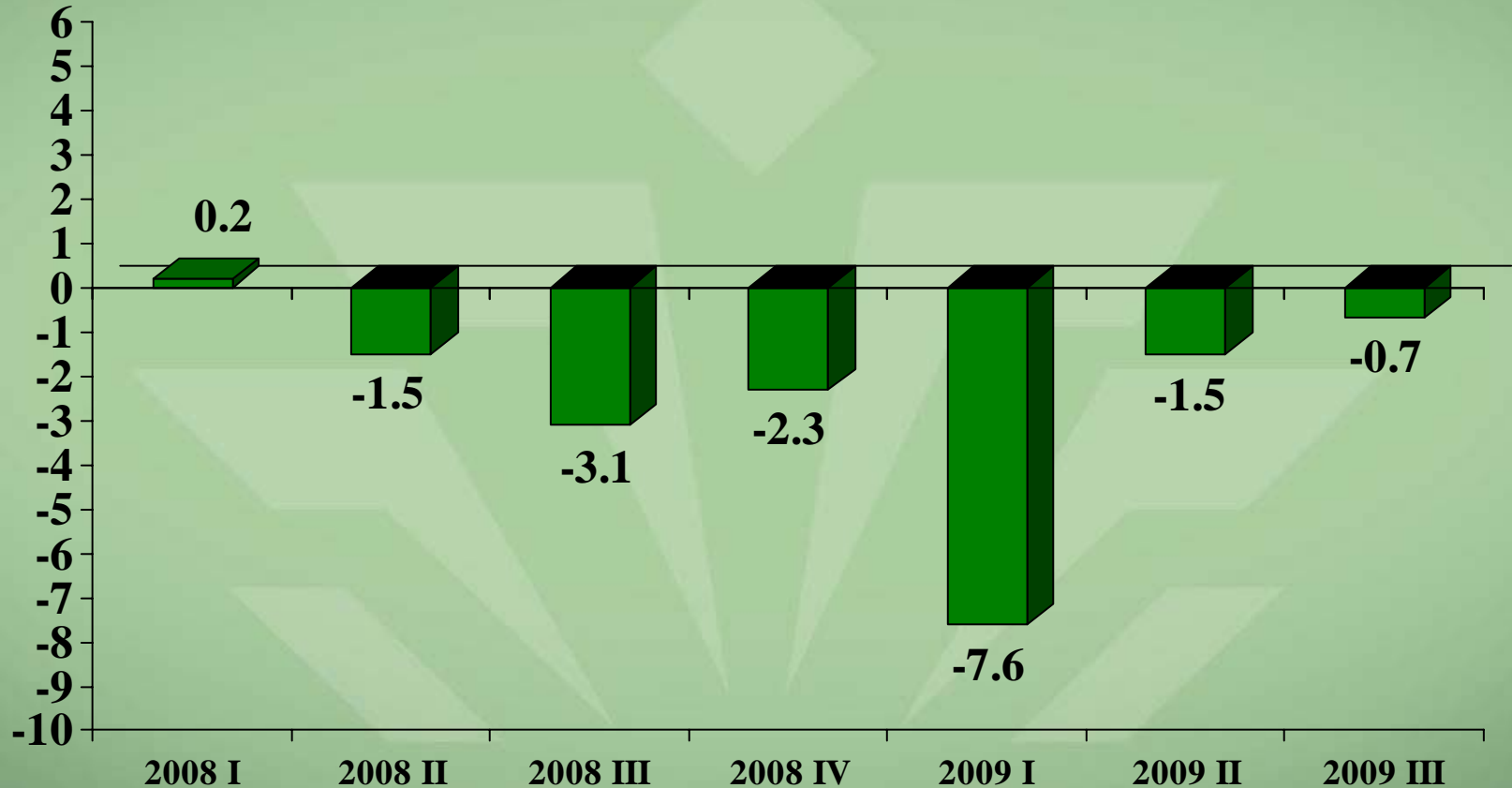


2009/2010 North Carolina Forecast and Recovery

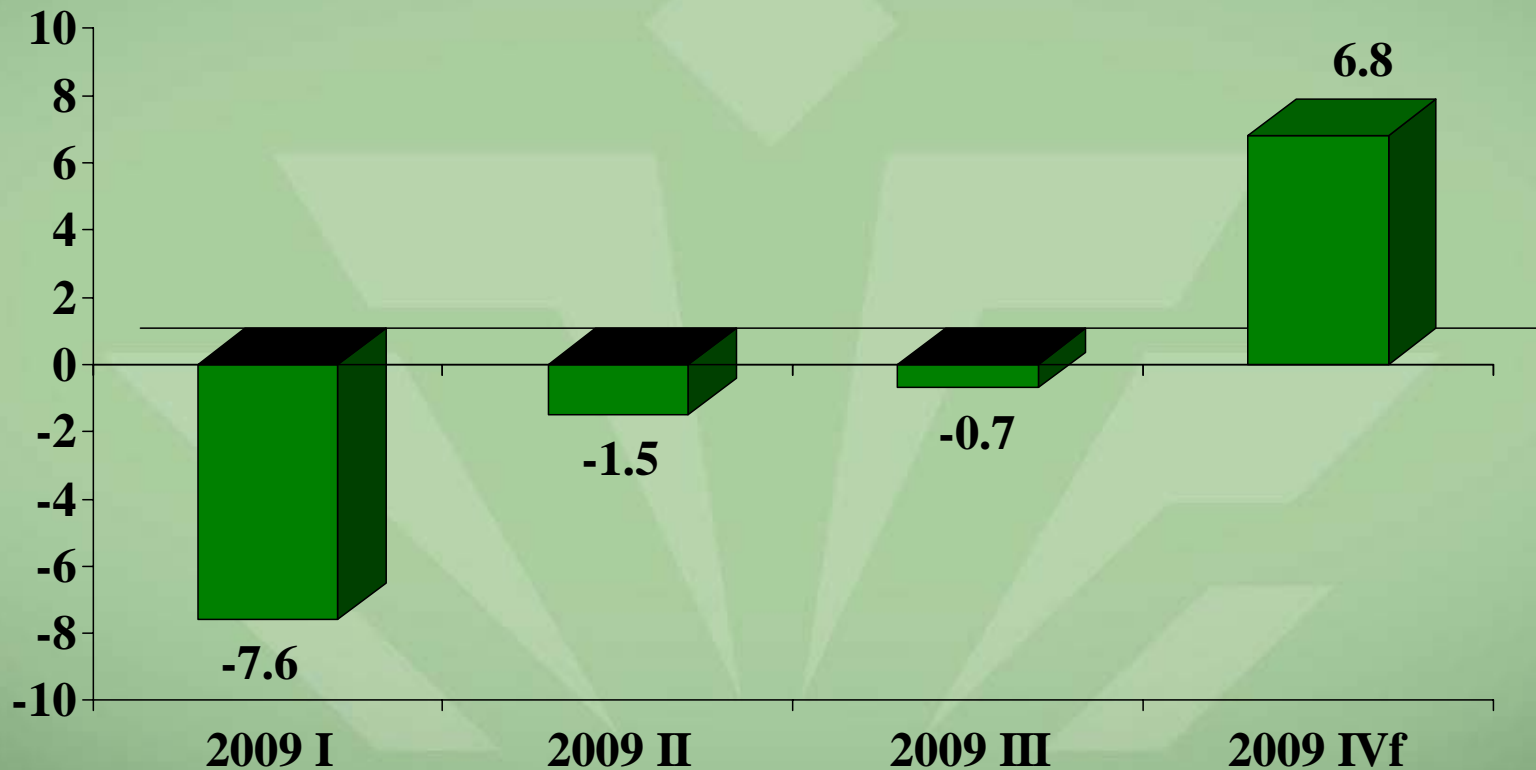


2007/2008/2009

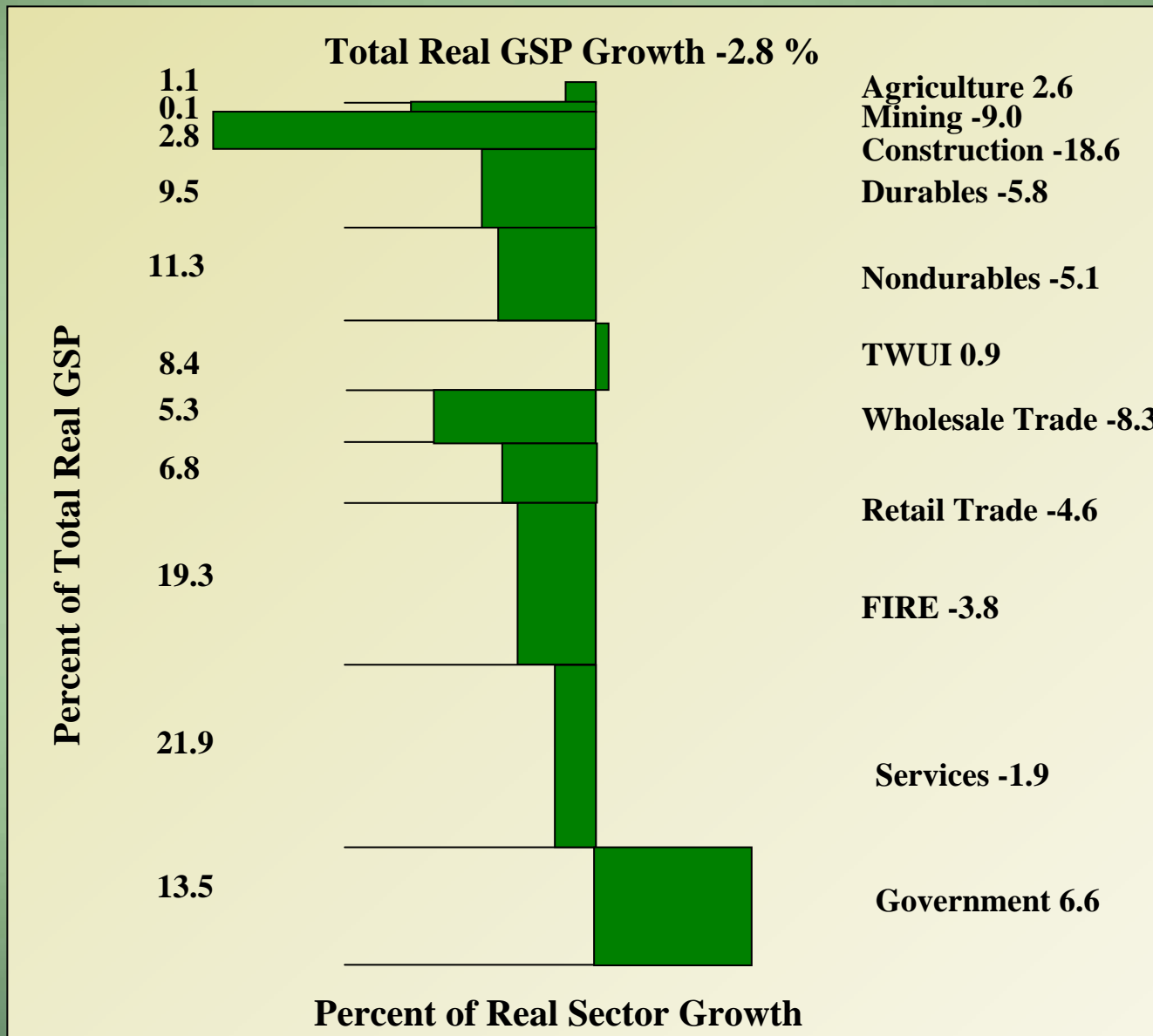
North Carolina GSP



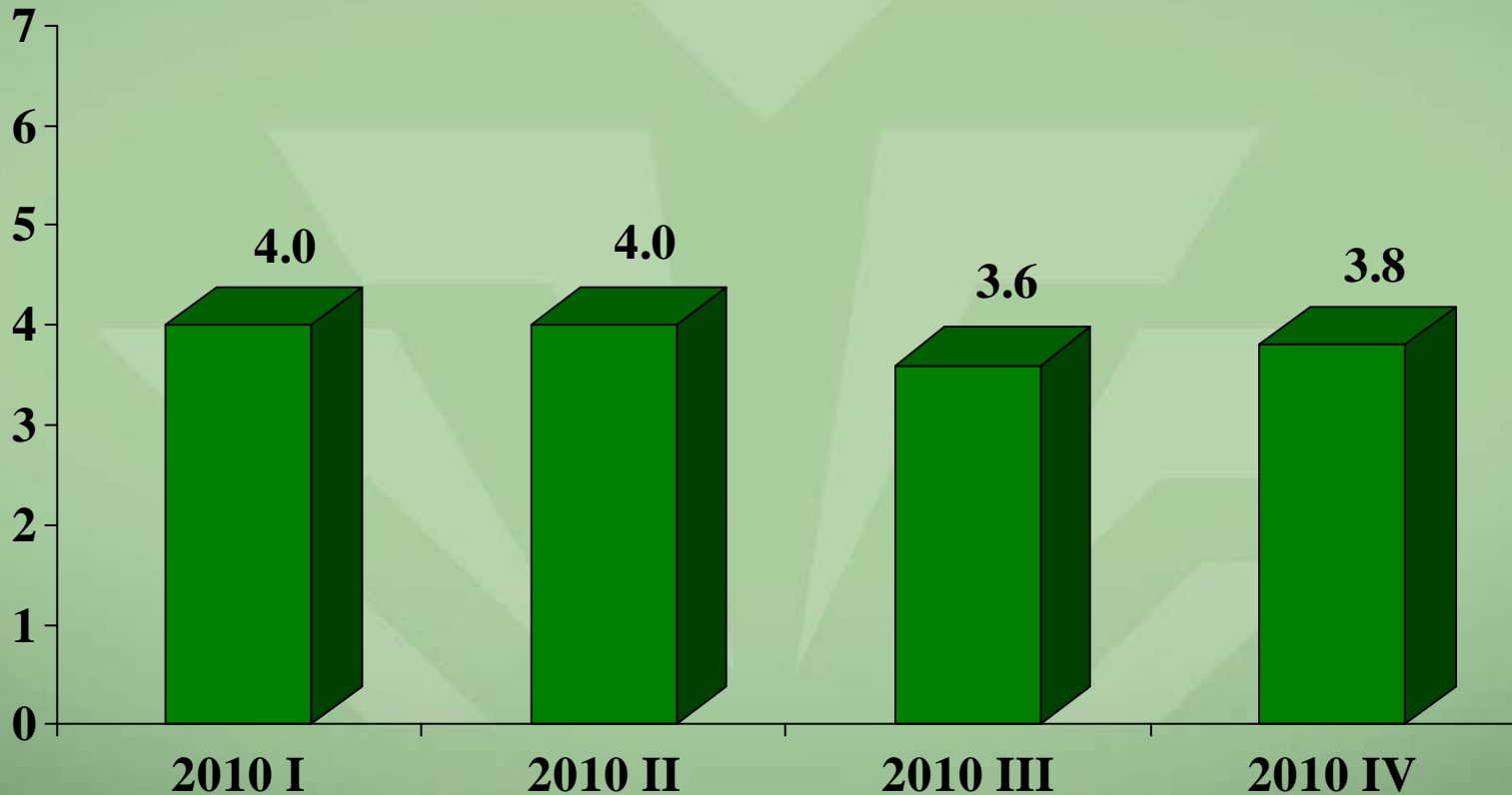
Quarterly Growth Rates in RGSP



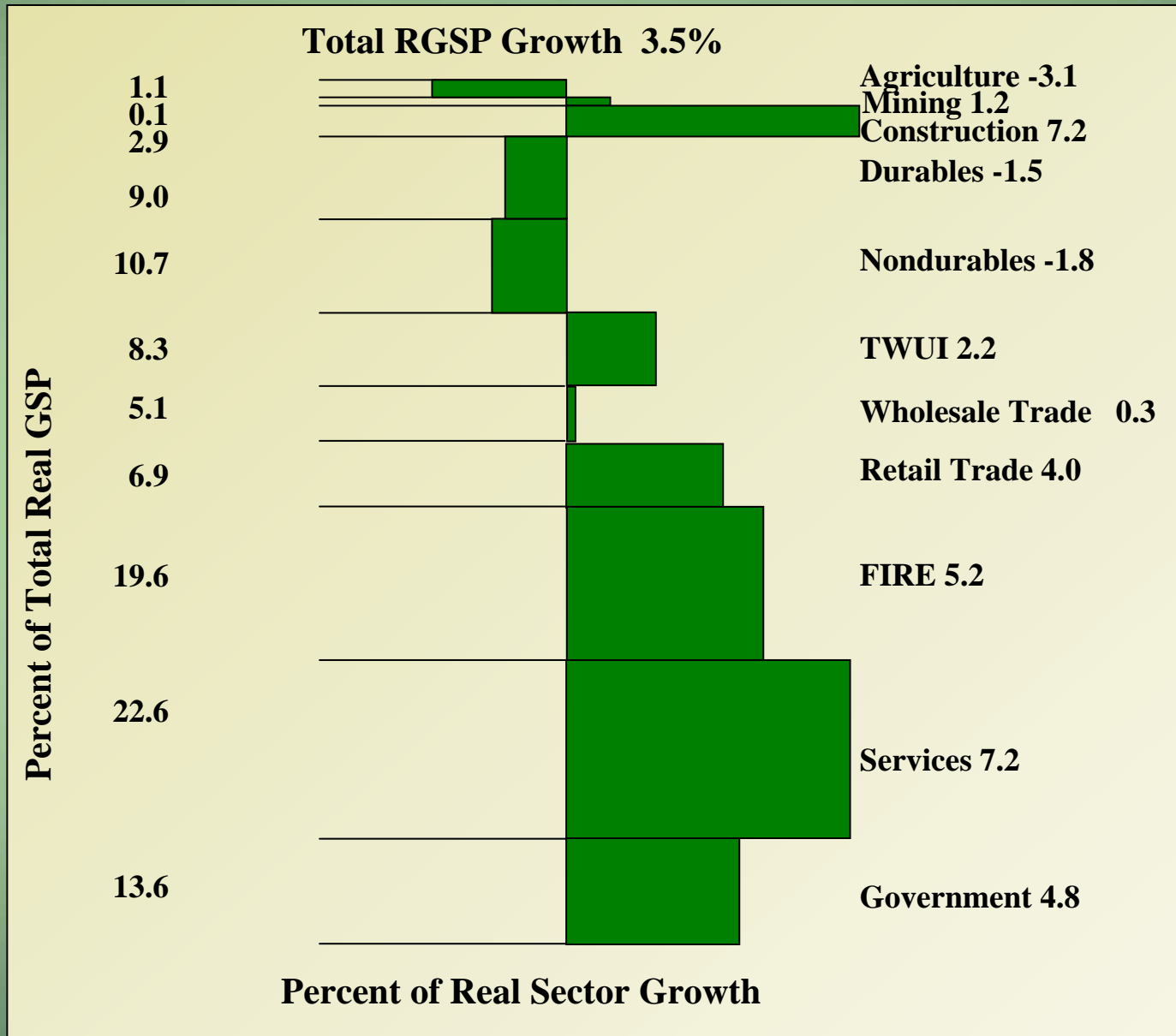
2009 Sector Analysis



Quarterly Growth Rates in Forecasted RGSP

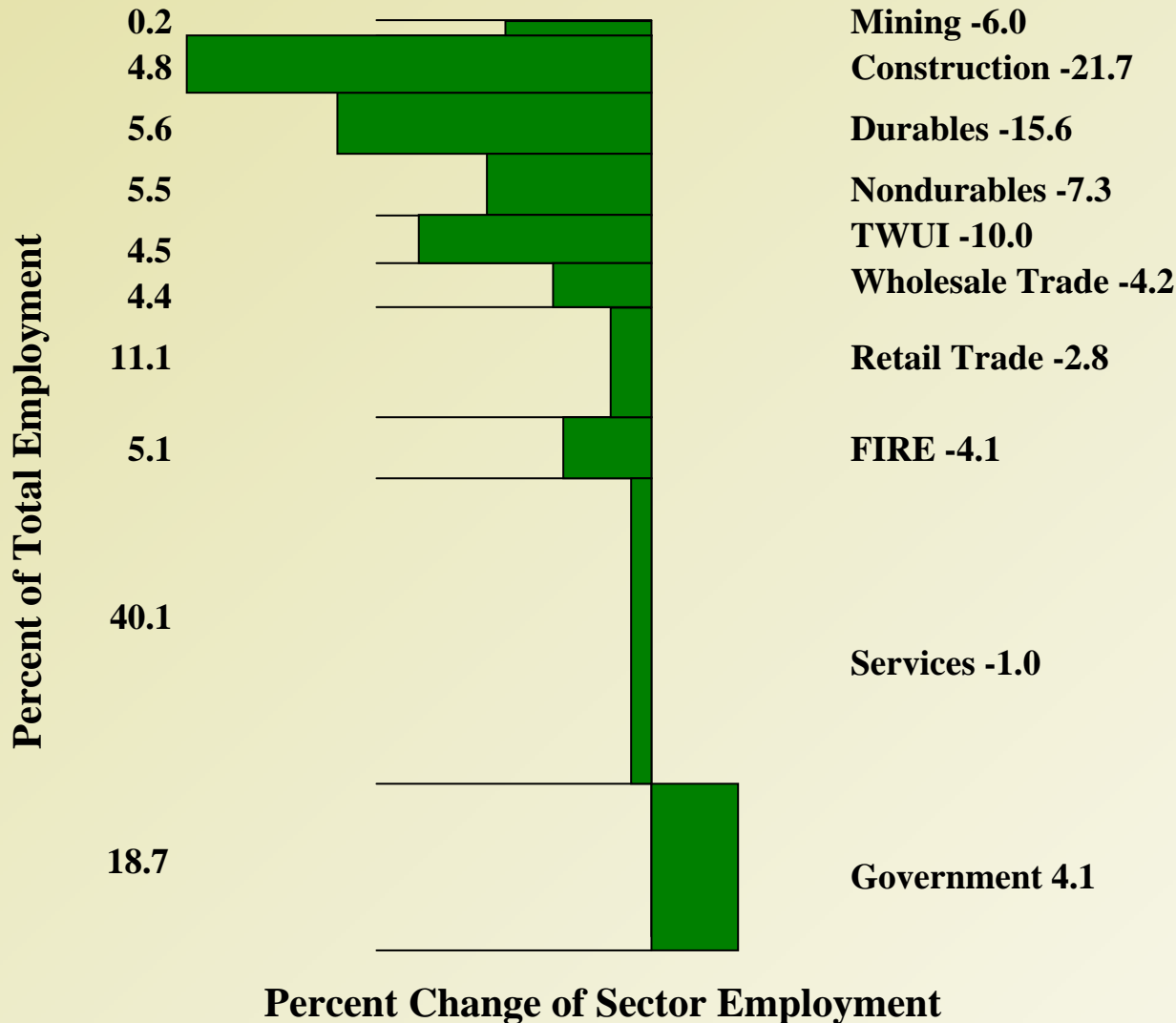


2010 Sector Analysis



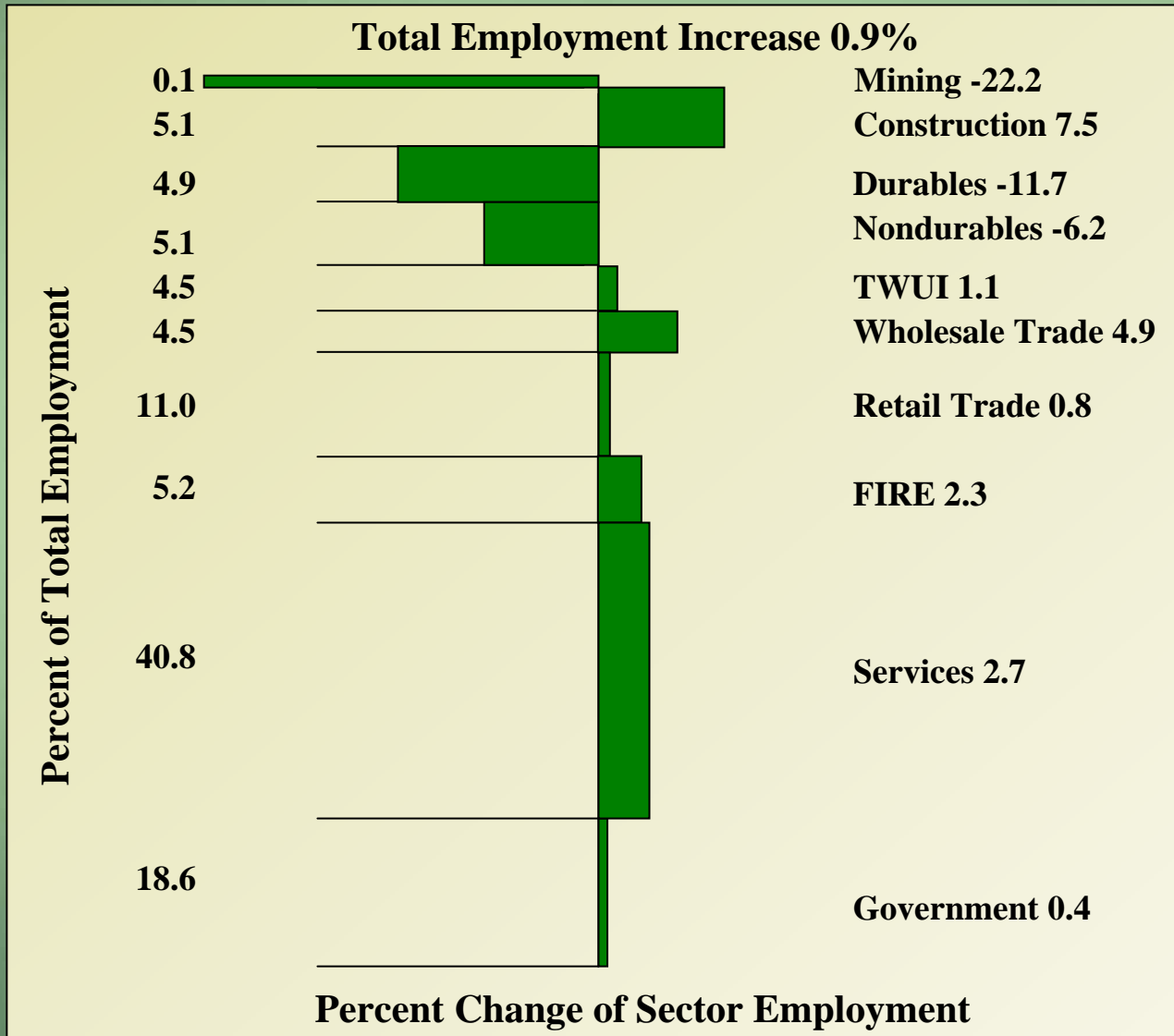
2009 Year-End Employment Trends

Total Employment Increase -3.6%



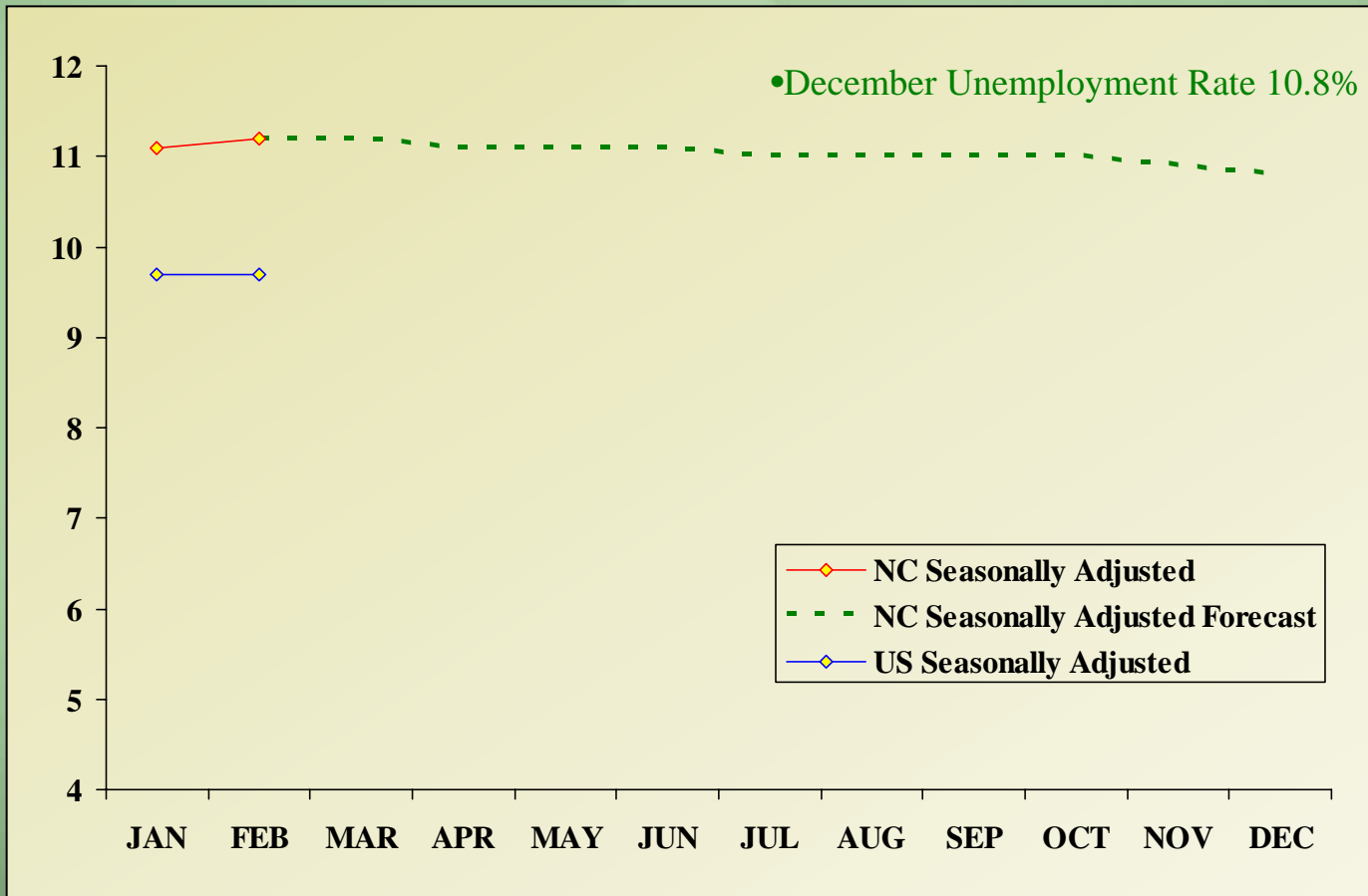
**-145,700
Net Jobs**

2010 Year-End Employment Trends



36,200 Net
Jobs

2010 North Carolina Unemployment Forecast



Where Were We a Year Ago?

November 2008

Fed Funds Rate	.25%
Une Rate	6.8%
Gas Price	\$2.09
Jobs	-2,397,000
Consumer Con	44.9
US \$/Euro	\$1.27

November 2009

Fed Funds Rate	.25%
Une Rate	10.0%
Gas Price	\$2.59
Jobs	-4,078,000
Consumer Con	49.5
US \$/Euro	\$1.47