



Davie County The Economy for 2023 & Beyond



from

chaos

to

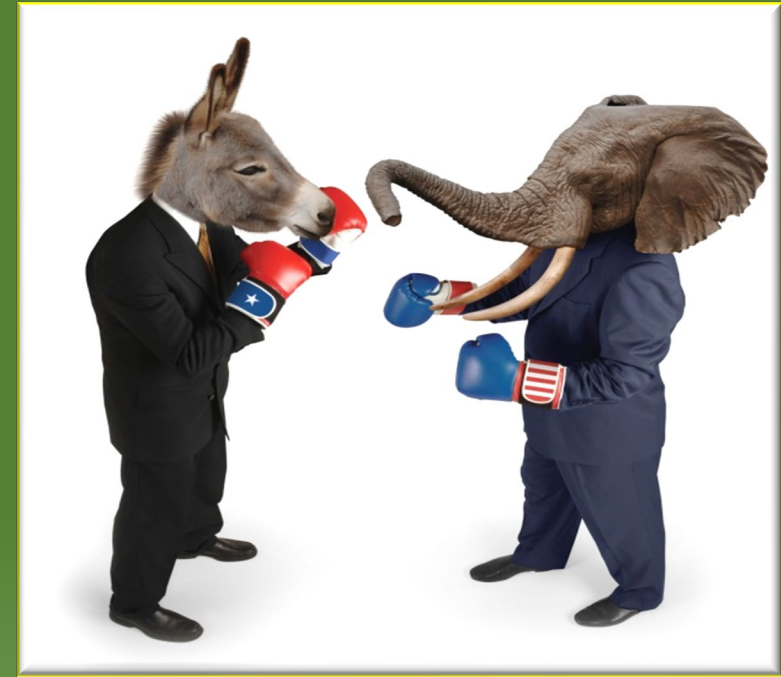
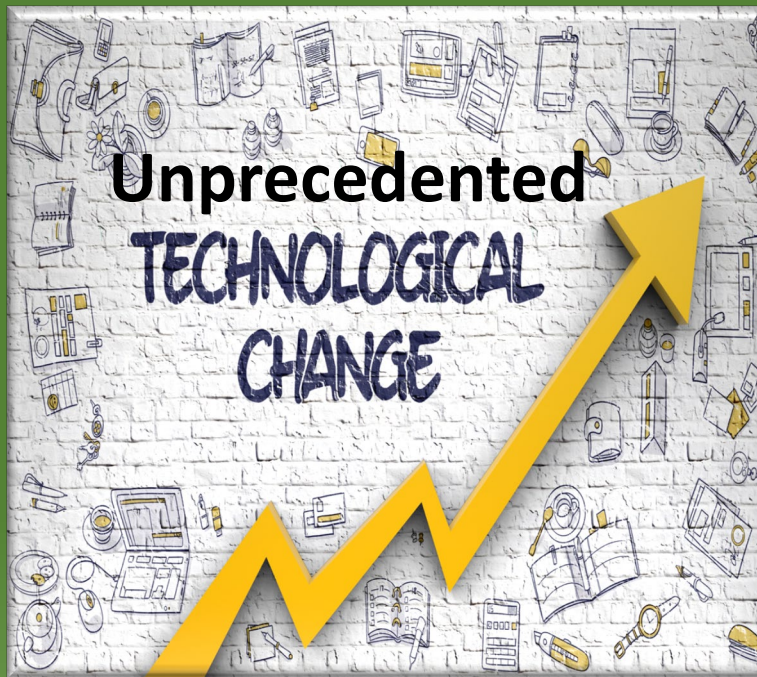
order

Thoughts in 35 Minutes

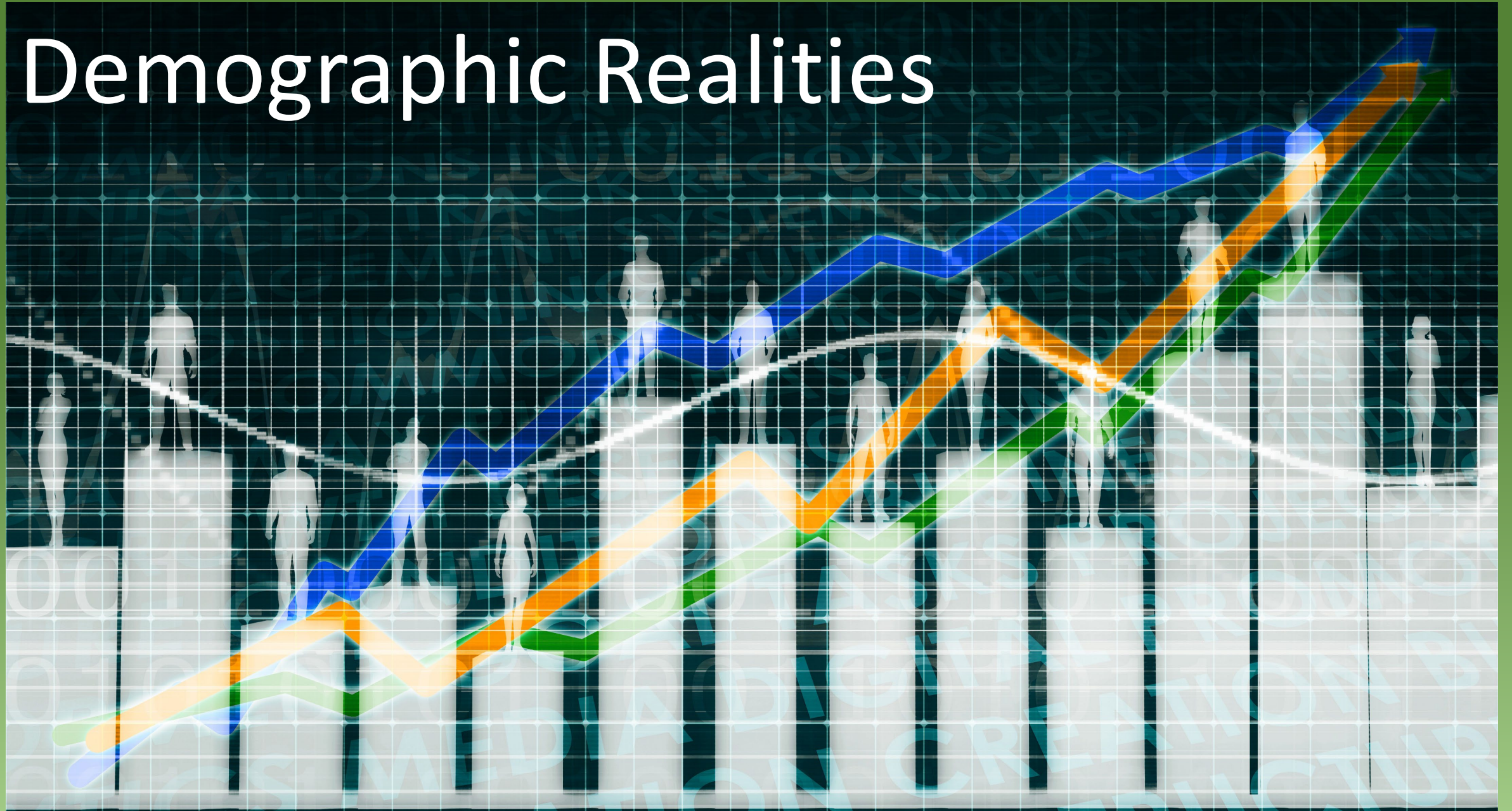
- 1) It is Past Time to Accept Demographic Realities
- 2) Data Analytics and Speed Now Determine Competitiveness
- 3) Globalization is Changing & It May Change Everything & Bring Opportunity
- 4) This is the Economy Renormalizing

If I had More Time, I Would Talk About...

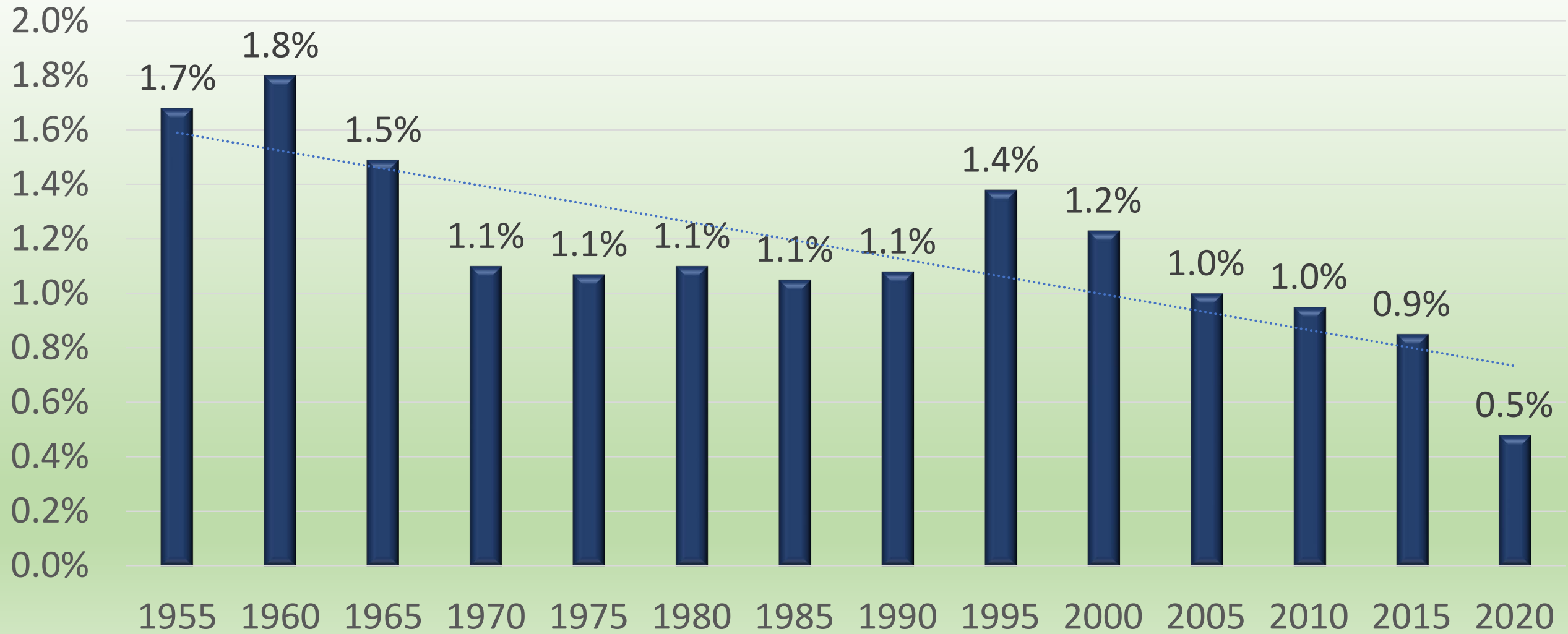
- 1) Unprecedented Tech Change- AI, Robotics, Ag-Tech, Wearables, Materials, Health
- 2) Political Paralysis & the Focus on Win/Lose
- 3) Mounting Weather Impacts & Water Wars
- 4) Existential Reconsideration of Life's Priorities



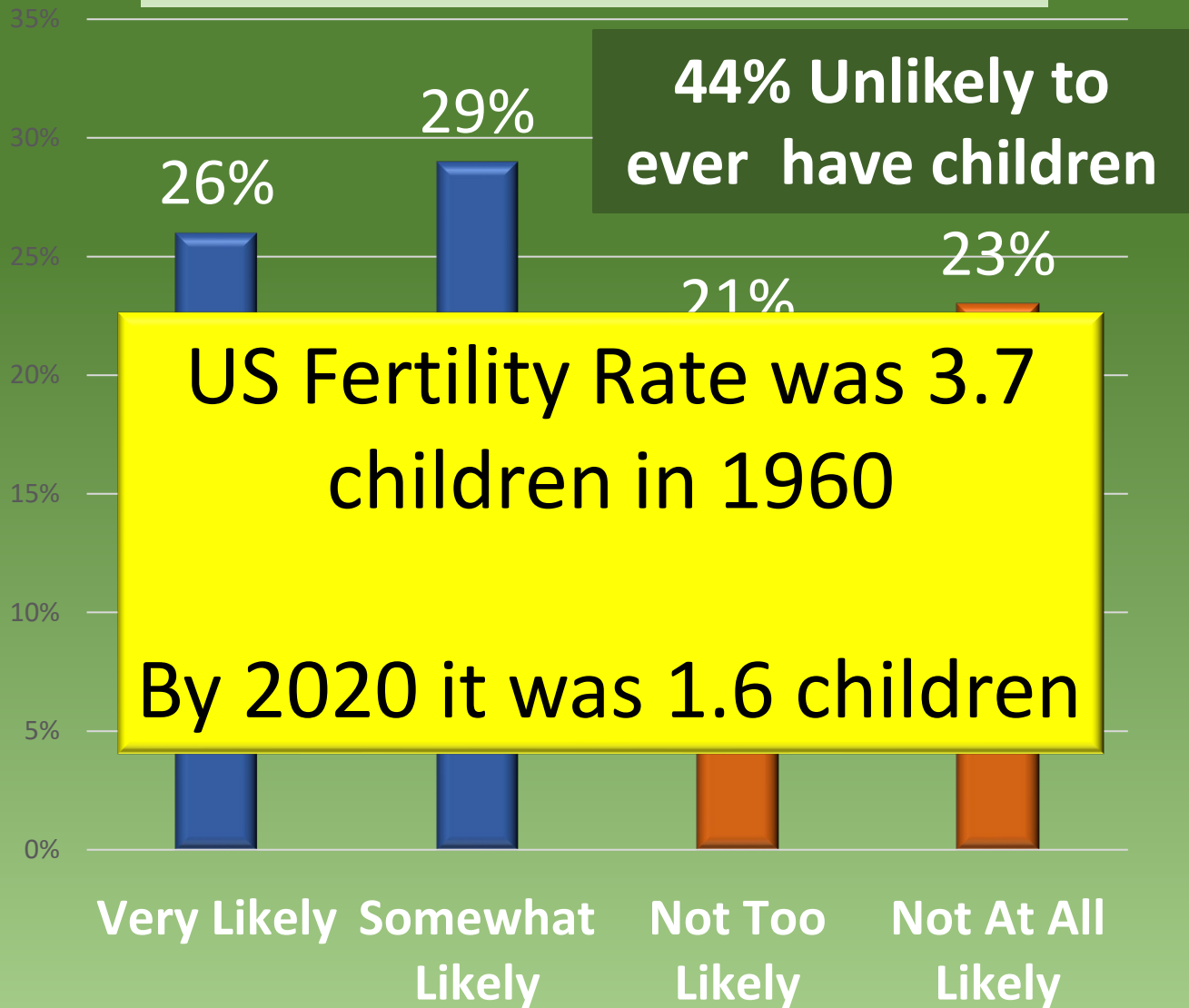
Demographic Realities



US Population Growth Rate is Slowing



% Non Parents Say About Future Children



US Fertility Rate was 3.7 children in 1960
By 2020 it was 1.6 children

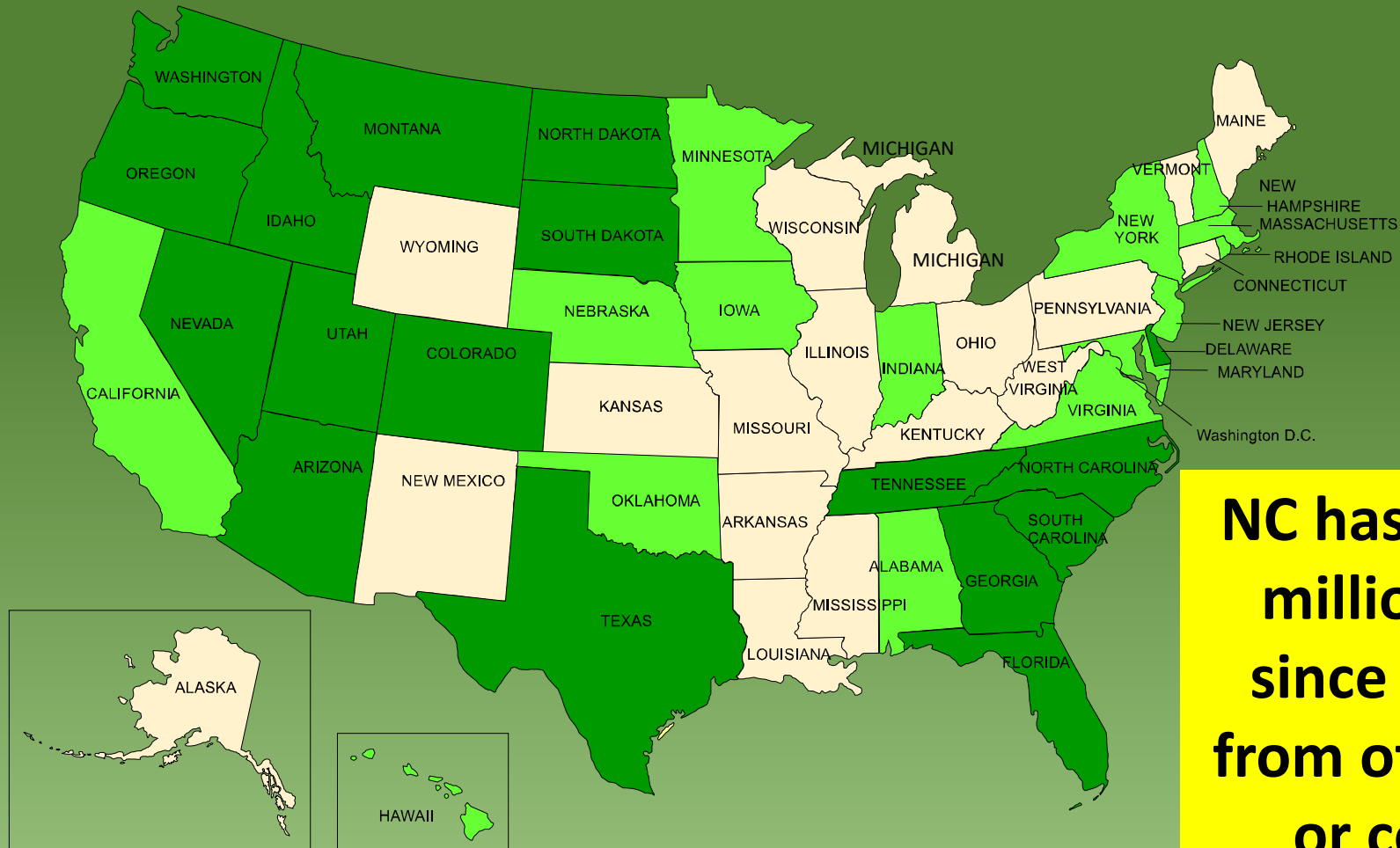
Of 18–49-Year-Old Parents
74% say Unlikely to Have
Additional Children



Population 10 Year Annual Growth Rate



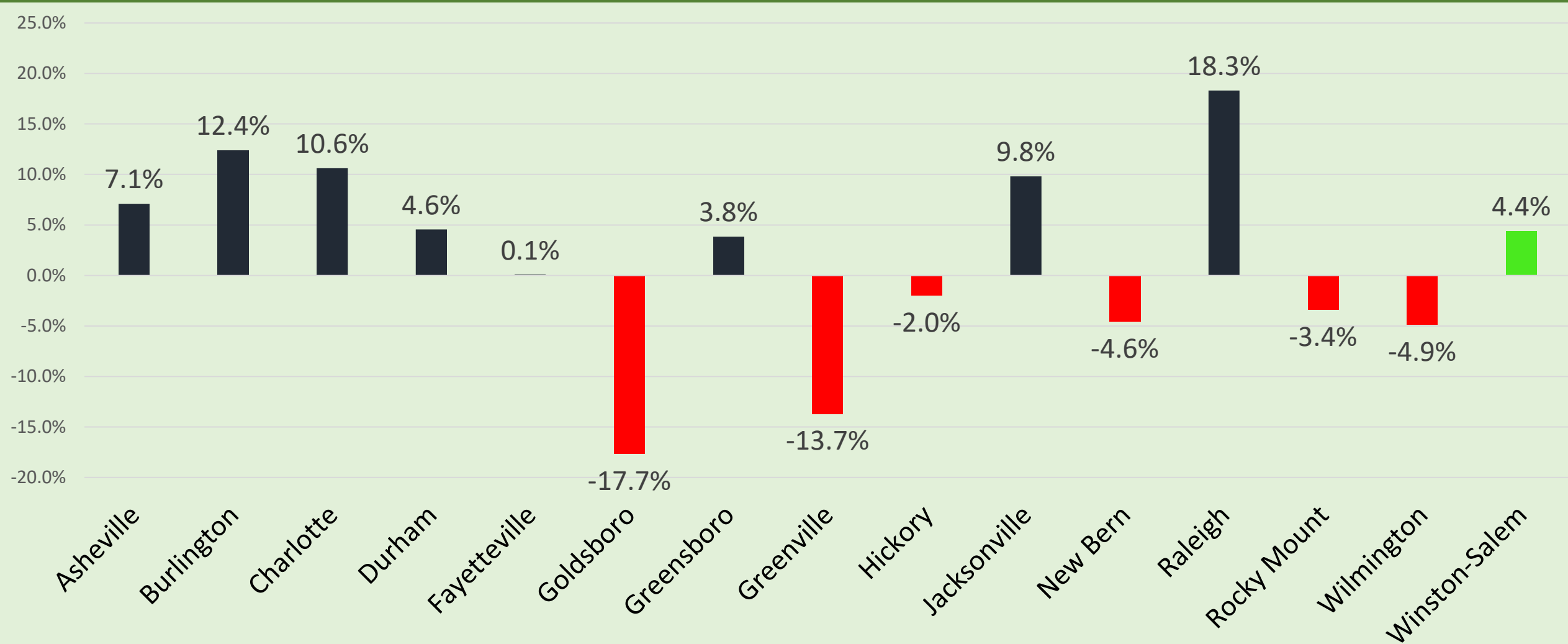
People are voting with their feet



NC has added 2.5 million people since 2000, 2/3 from other states or countries

■ Top Third – over 0.8% ■ Middle Third – 0.4% to 0.8% ■ Bottom Third – under 0.4%

NC Metro Projected Population Growth 2022-2032

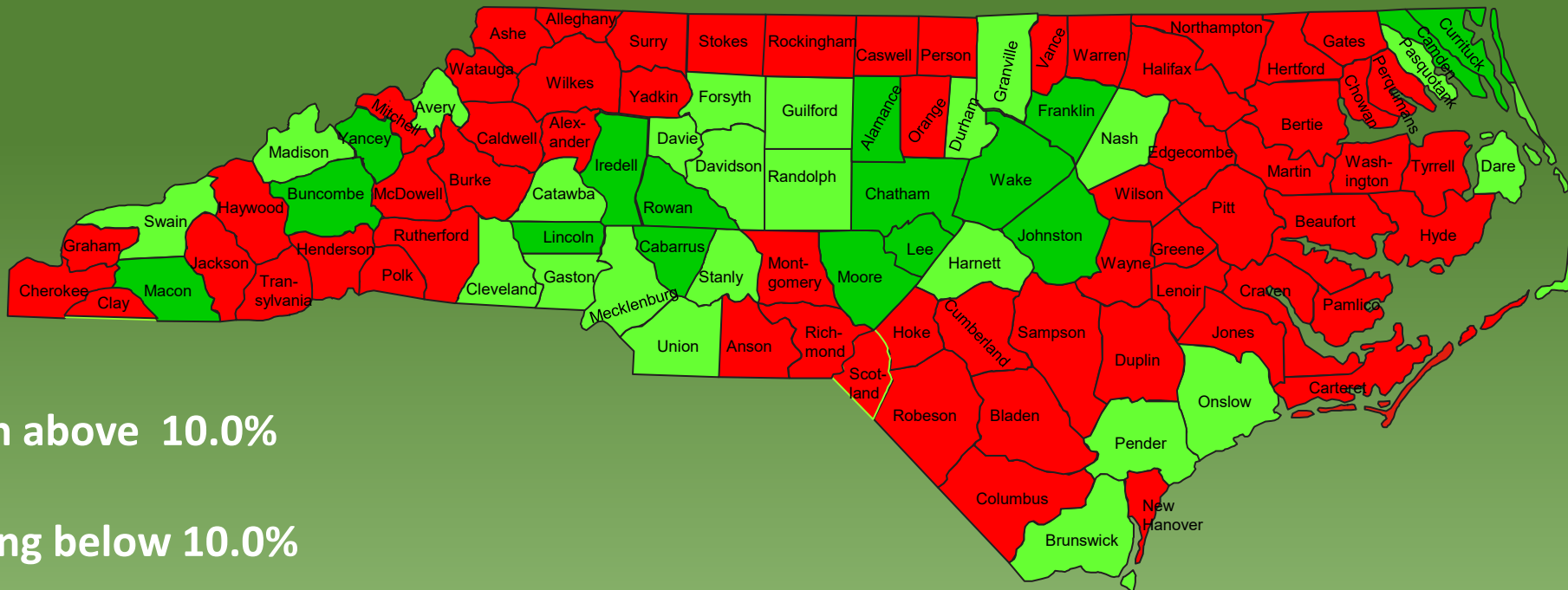


PROJECTED CHANGE IN LABOR FORCE AGE POPULATION

Ages 25 – 64

2022 - 2032

North Carolina state average 3.0% (Davie 7.3%)



 Growth above 10.0%

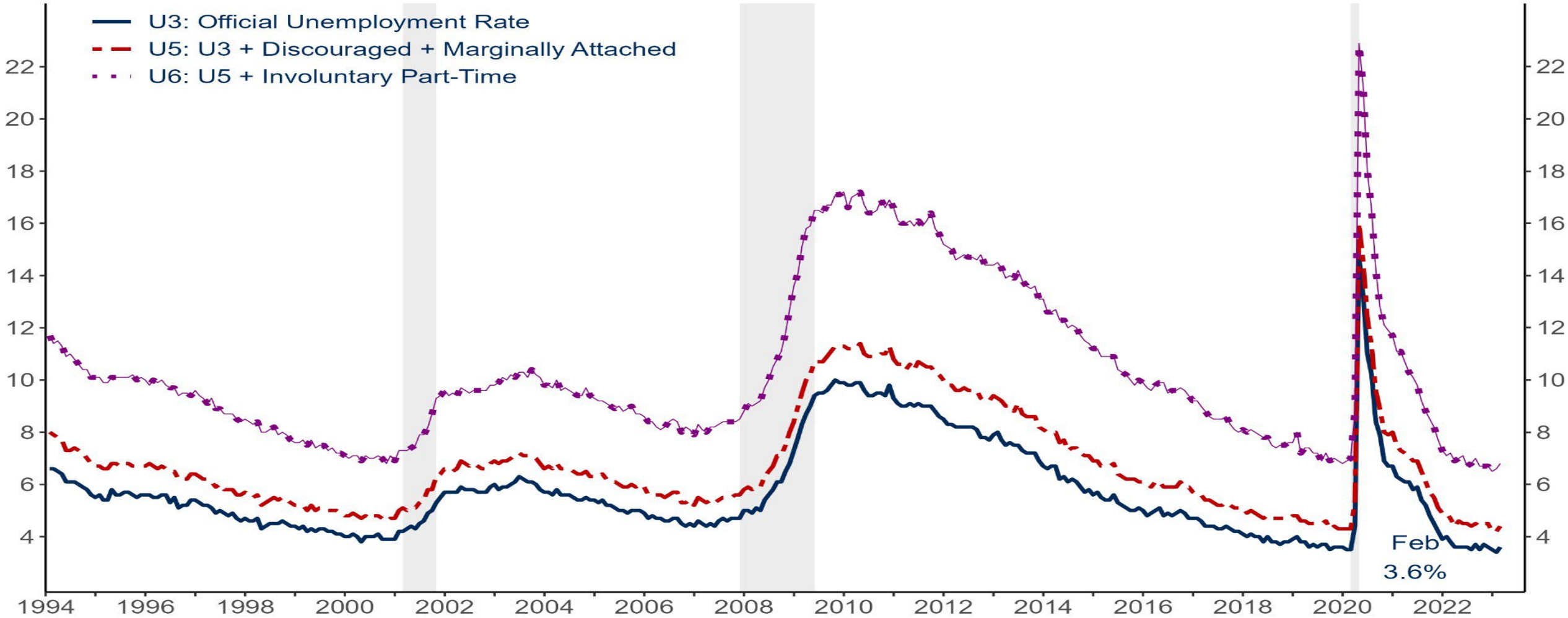
 Growing below 10.0%

 Losing Labor Force

Measures of Labor Utilization

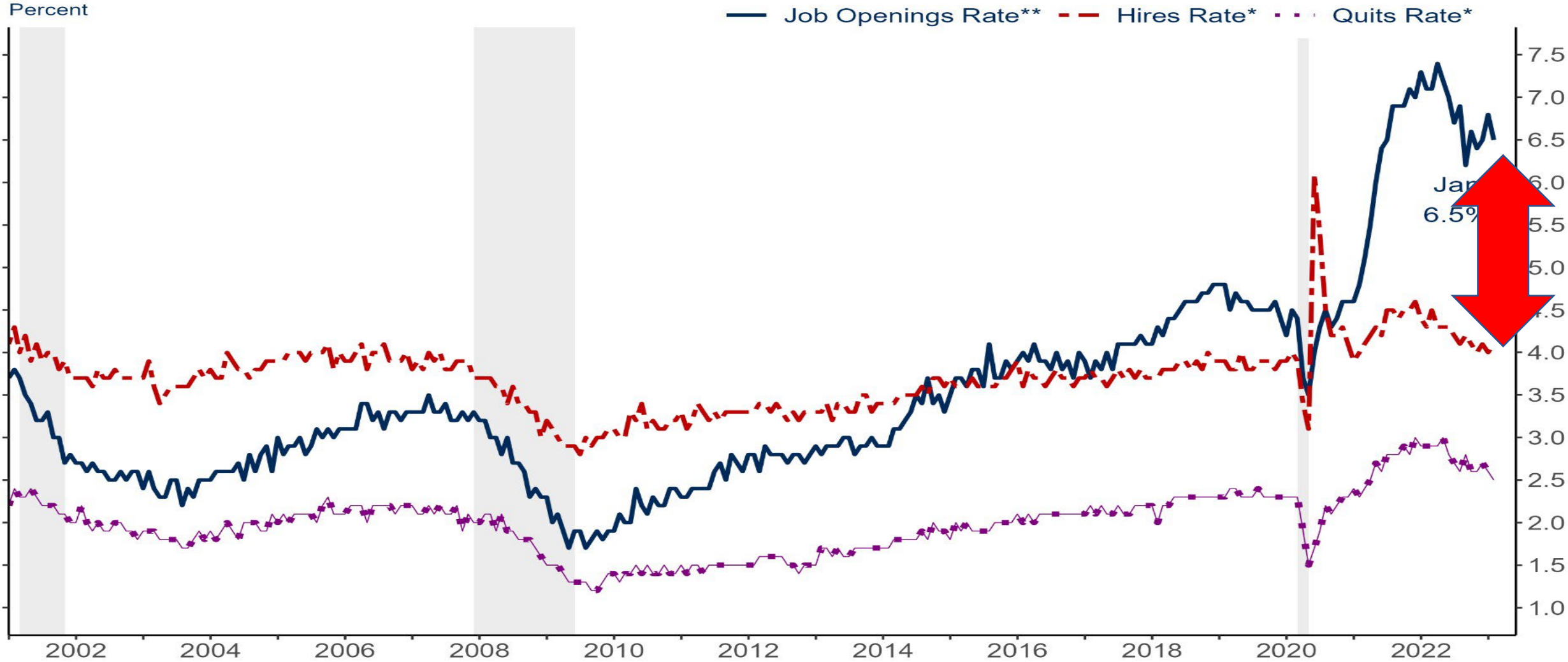
Measures of Labor Utilization

Percent



Labor Market Flows

Labor Market Flows



U.S. job openings per unemployed worker

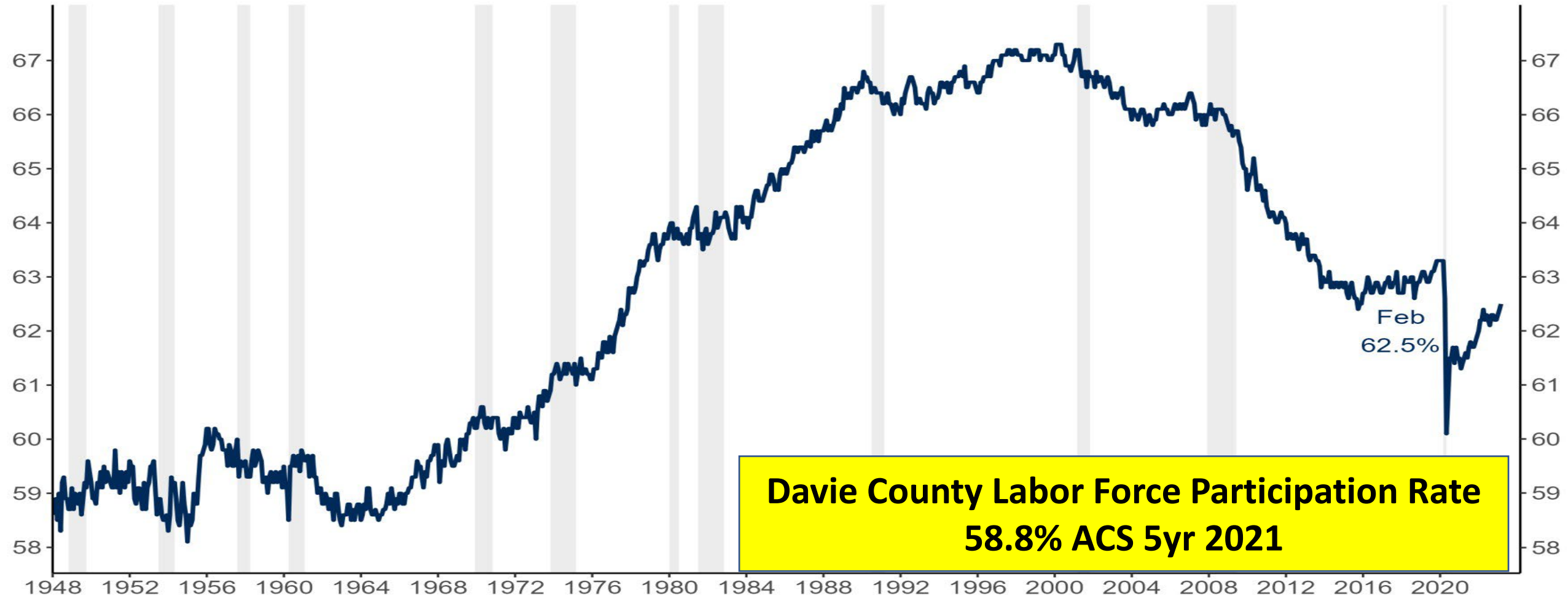
Monthly; December 2000 to January 2023



Data: Bureau of Labor Statistics; Chart: Axios Visuals

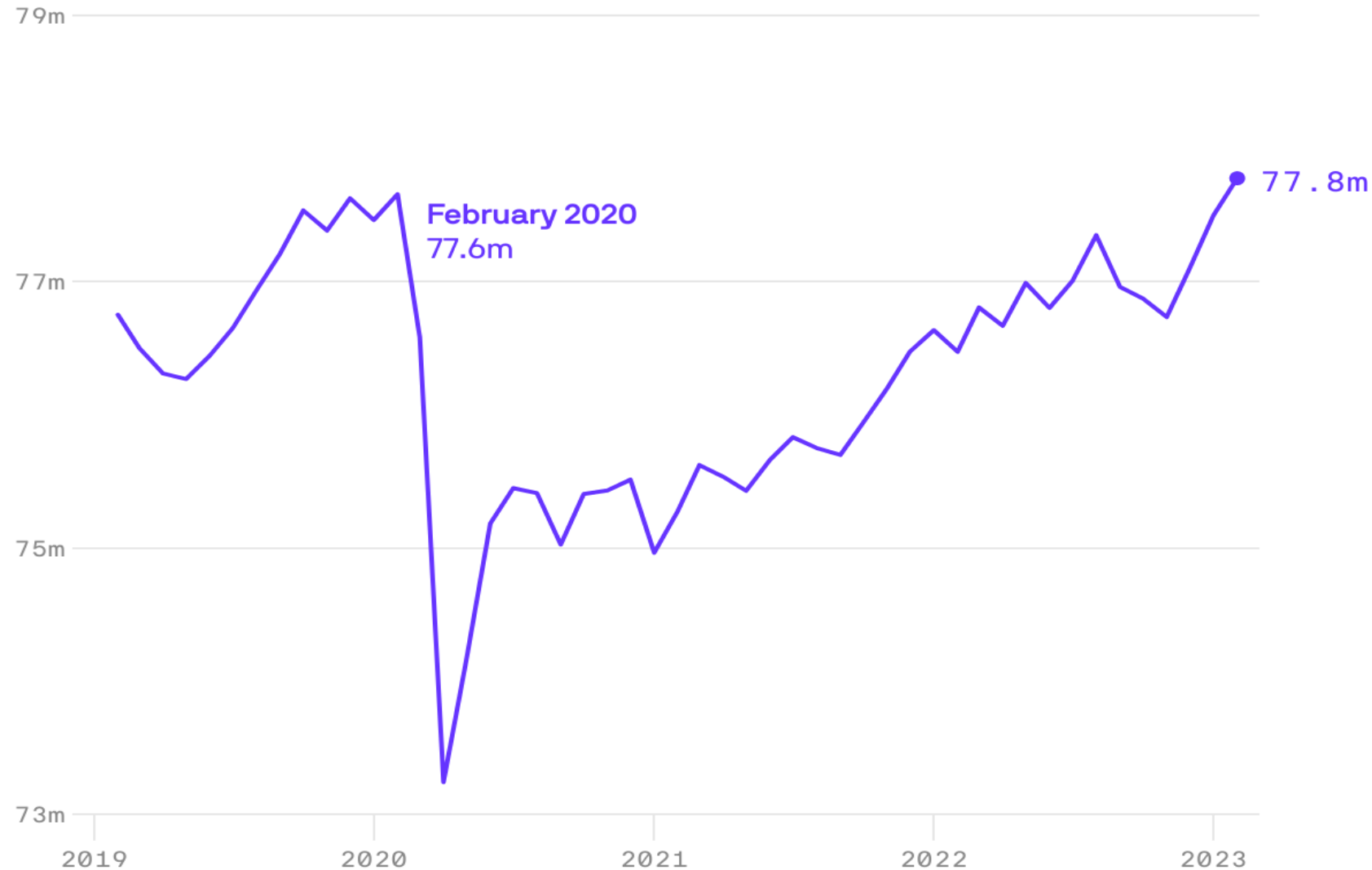
Labor Force Participation

Labor Force Participation
Percent



Women in the U.S. labor force

Monthly; February 2019 to February 2023



Women's labor force participation — that is, the percentage of women working or looking for work — is at 57.2%, almost back to the February 2020 number, 57.9%.

Men's labor force participation rate is much higher than women's, at 68%, but still down more than a point from pre-pandemic levels.

Share of **men** and **women** who reported a caregiving impact on their employment, 2022

A caregiving impact is defined as not working full time due to family or caregiving responsibilities

Total population



Individuals aged 25-54

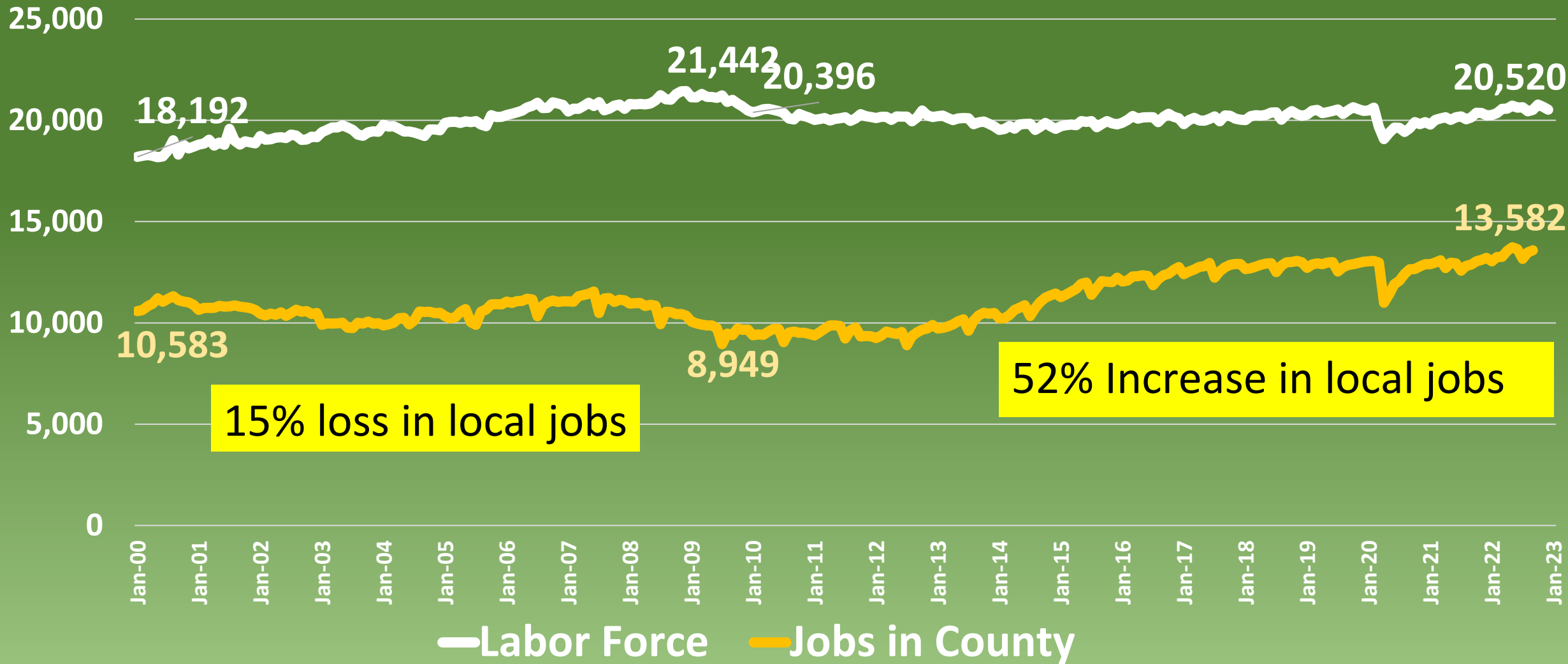


Individuals 25-54 with minor children at home



Davie County Jobs, Labor Force and Employment

January 2000 – December 2022



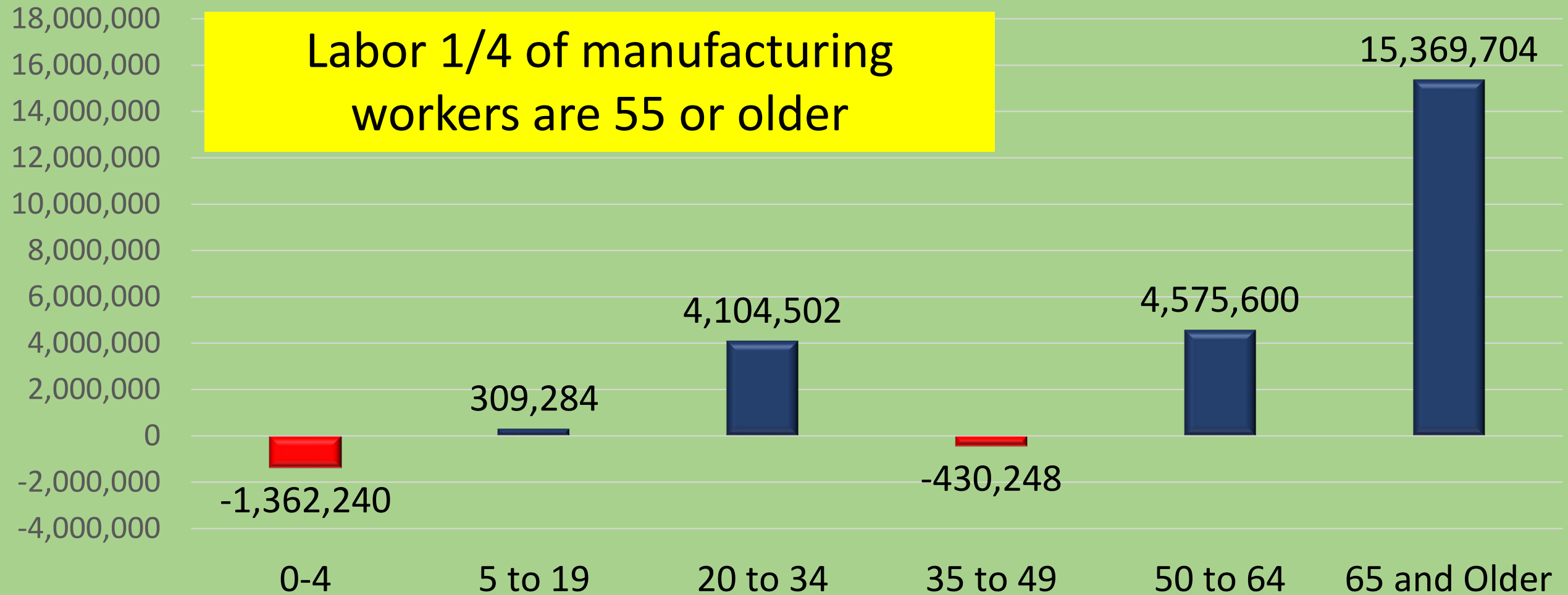
Critical Positions

CRISIS



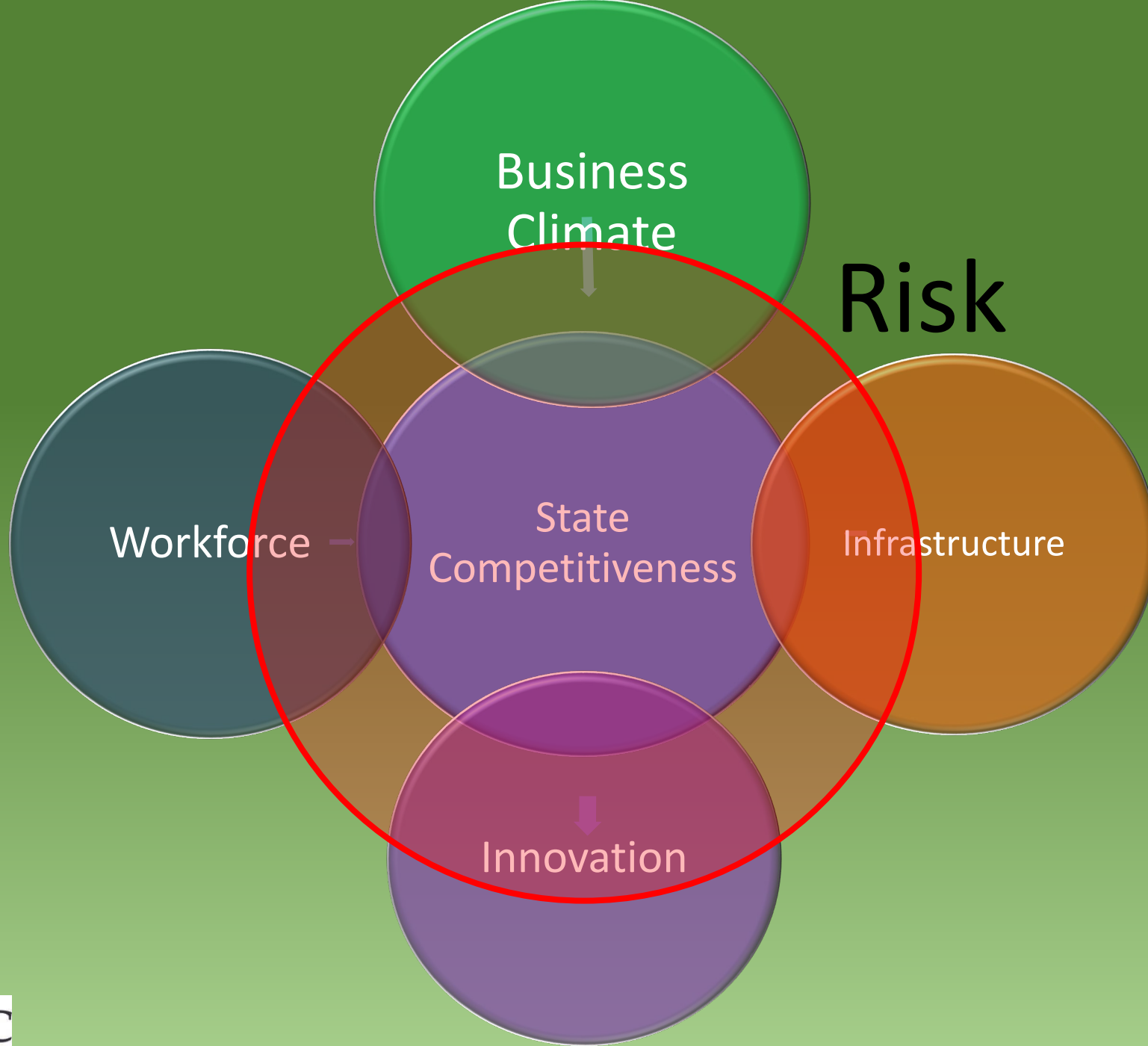
USA - Age

Population Growth 2010-2021

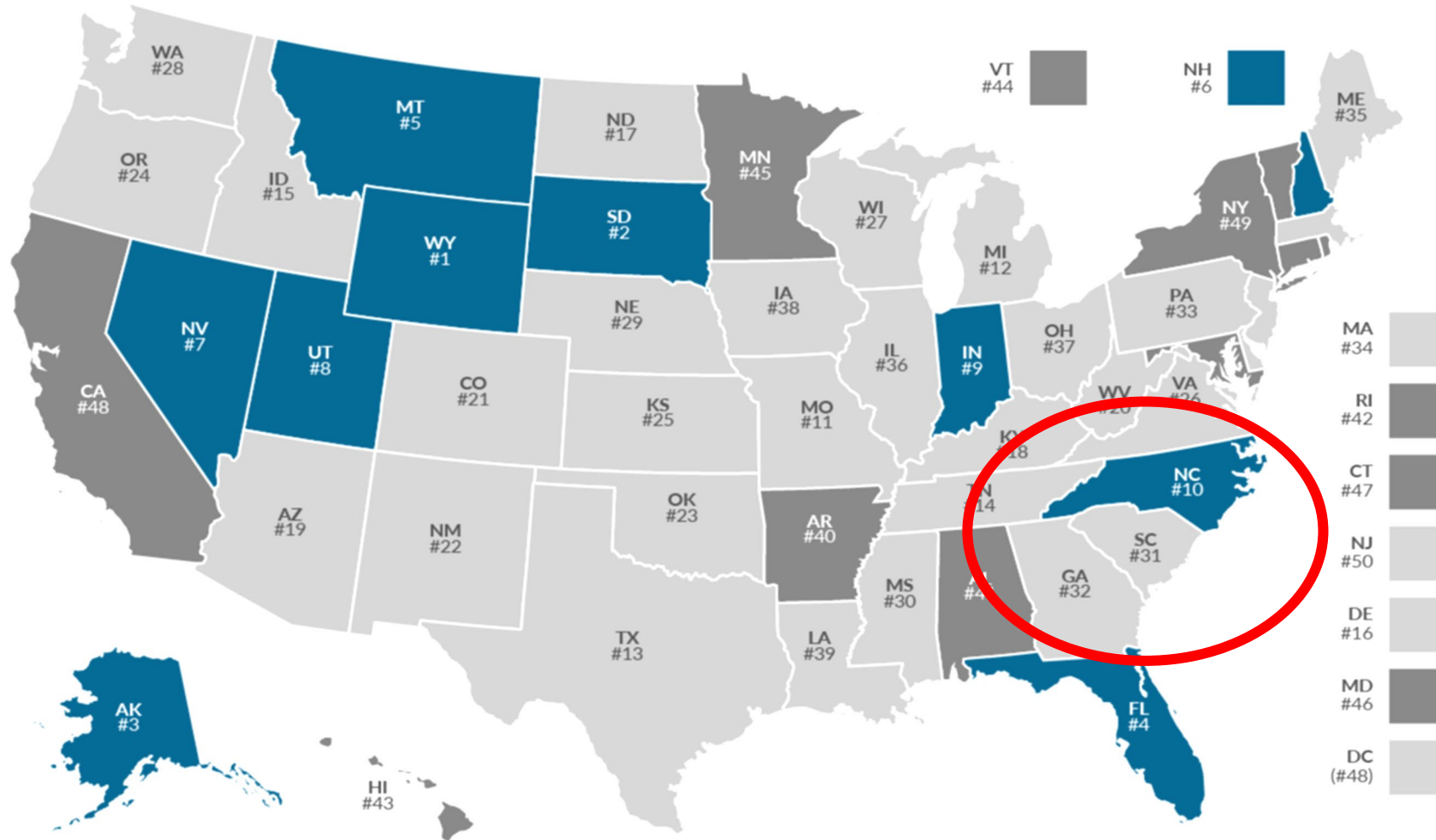


**Competition for Employees Will Intensify for the Foreseeable Future
and Will Result in Prioritizing Staff Retention, Accelerated
Automation, Forced Immigration Reform, and Greater Valuation of
Older Workers- Locally QOL and Housing**







2023 Business Tax Climate



Note: A rank of 1 is best, 50 is worst. D.C.'s score and rank do not affect other states. The report shows tax systems as of July 1, 2022 (the beginning of Fiscal Year 2023).
Source: Tax Foundation.

 10 Best Business Tax Climates
 10 Worst Business Tax Climates

NC Rank 10th

Most Improved Business Climates

- Florida
 - North Carolina
 - Texas
 - Georgia
 - Michigan
 - South Carolina
 - Virginia
- Site Selection 2023

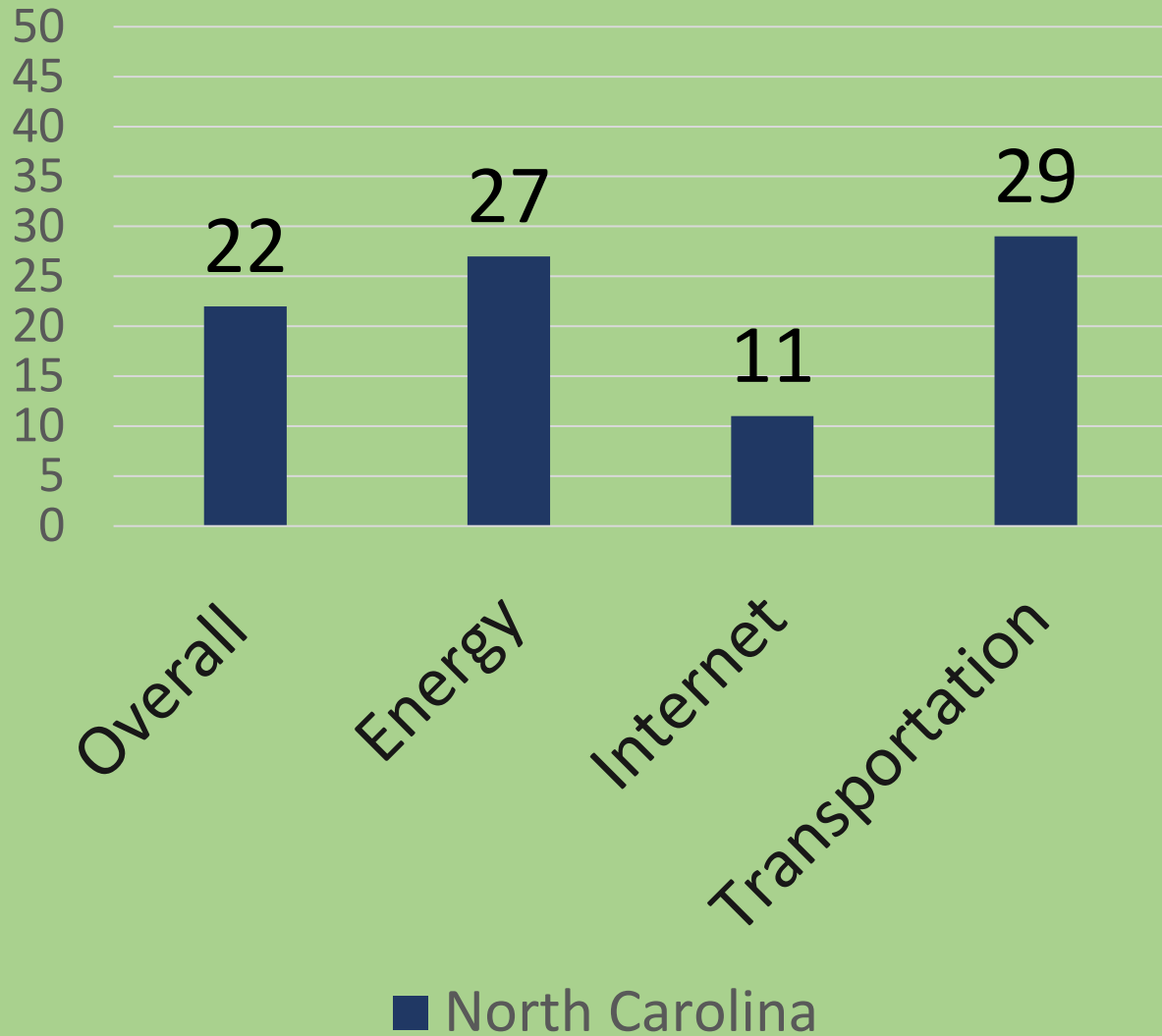
State Legal Climate Rankings



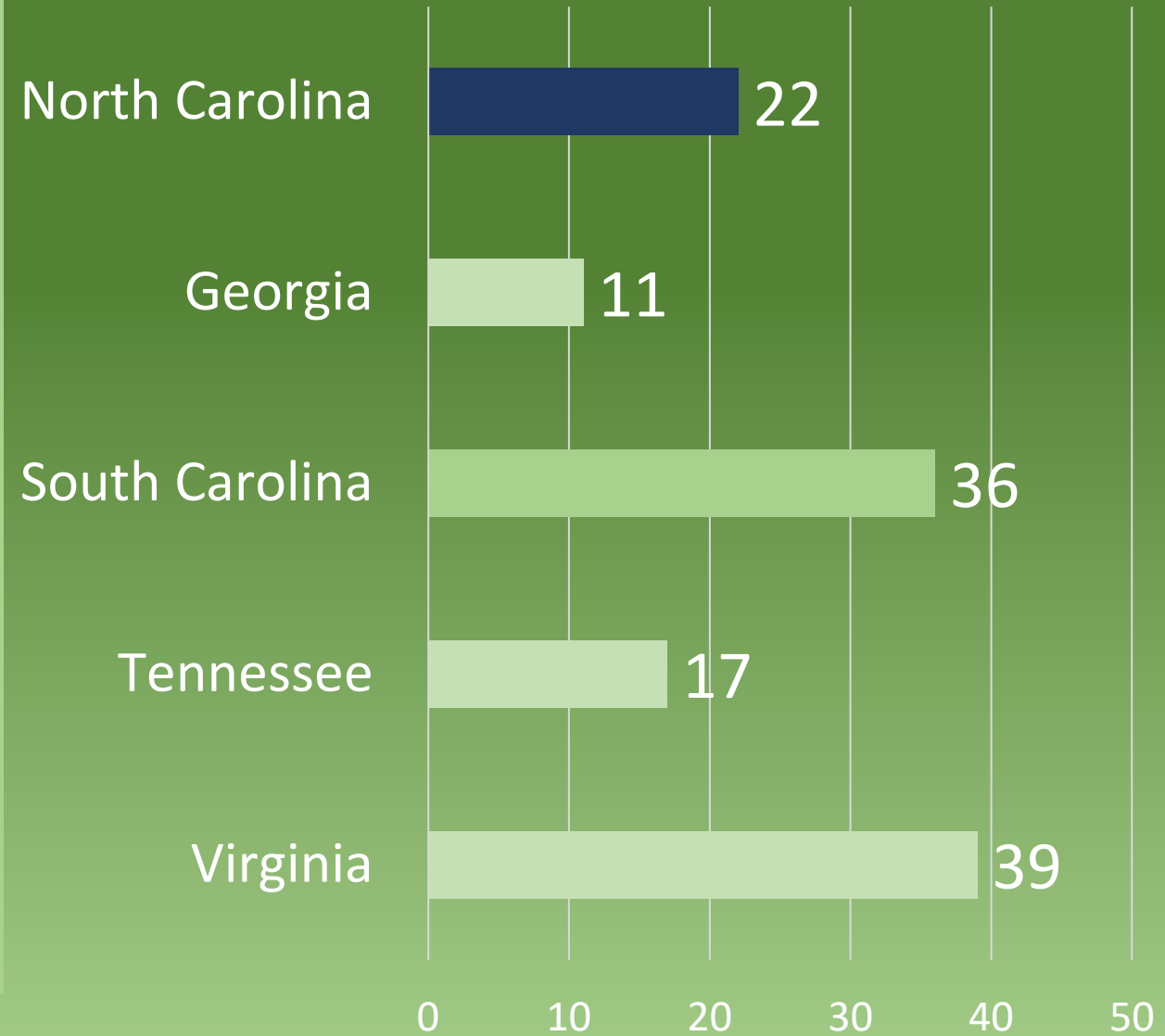
Lowest Third #34 - #50 Middle Third #18 - #33 Best Third #1 - #17

US News Infrastructure Rankings

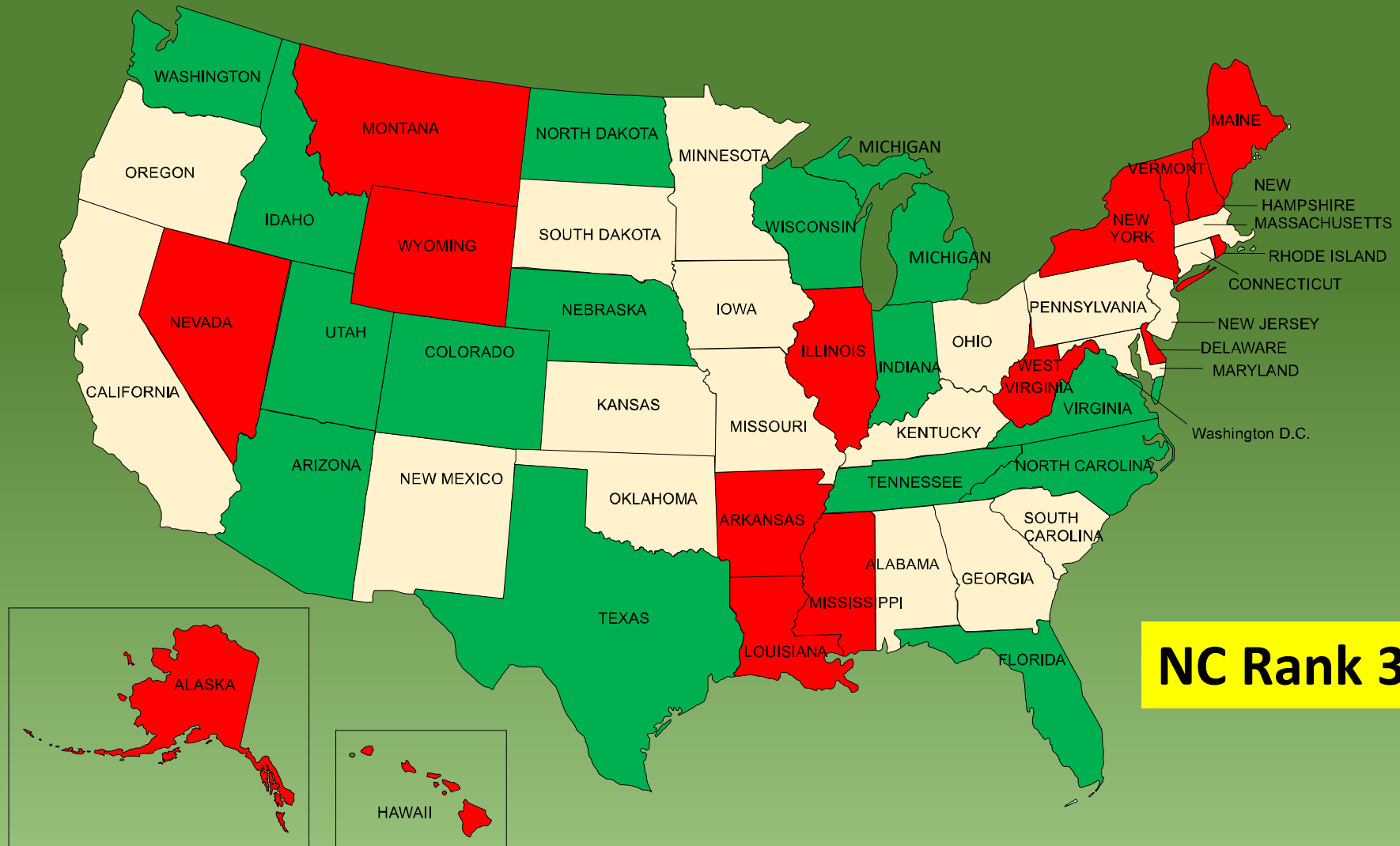
North Carolina



Neighborhood Overall Rankings



2022 Manufacturing Rankings

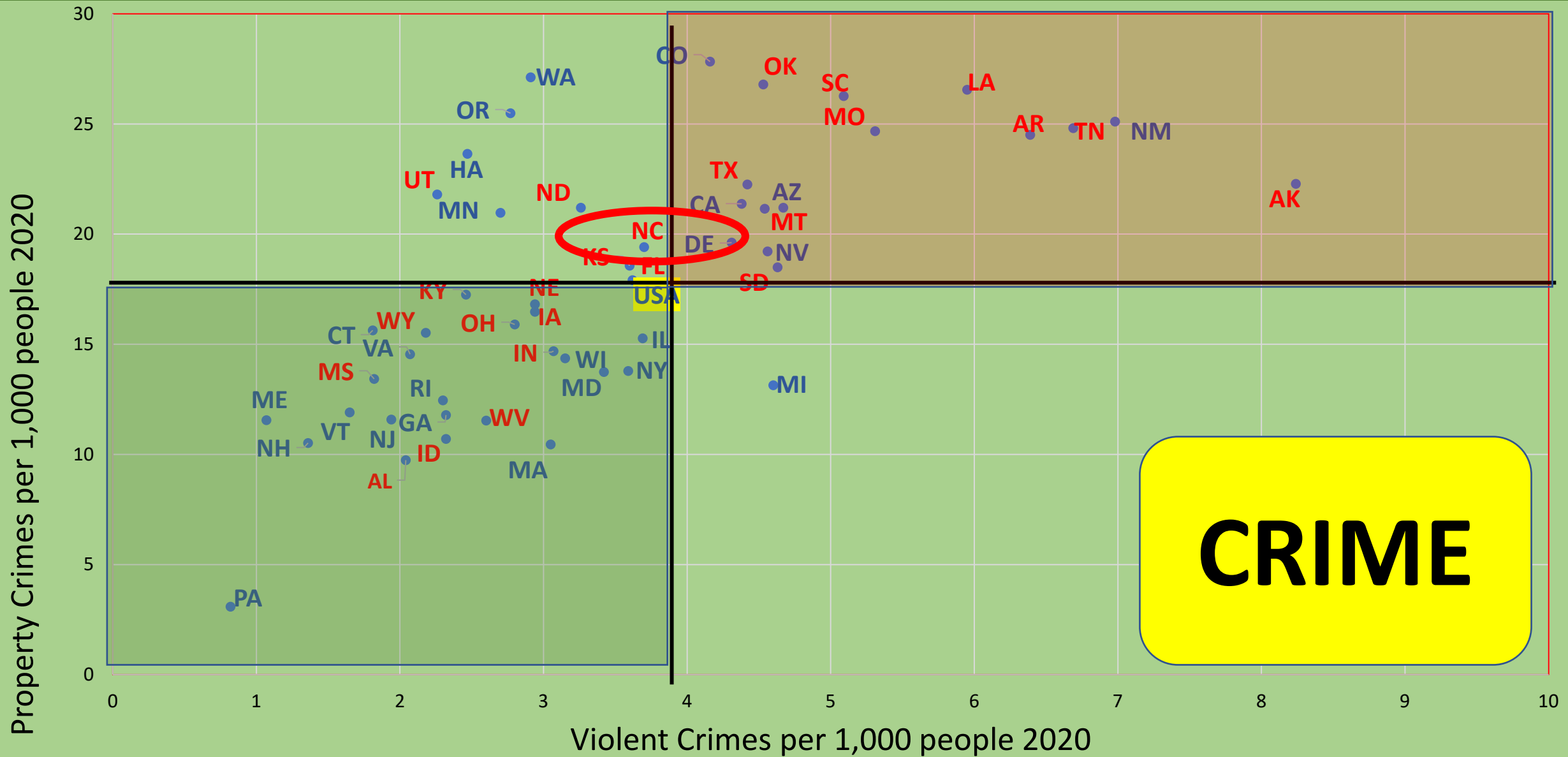


NC Rank 3rd





Violent Crime vs Property Crime



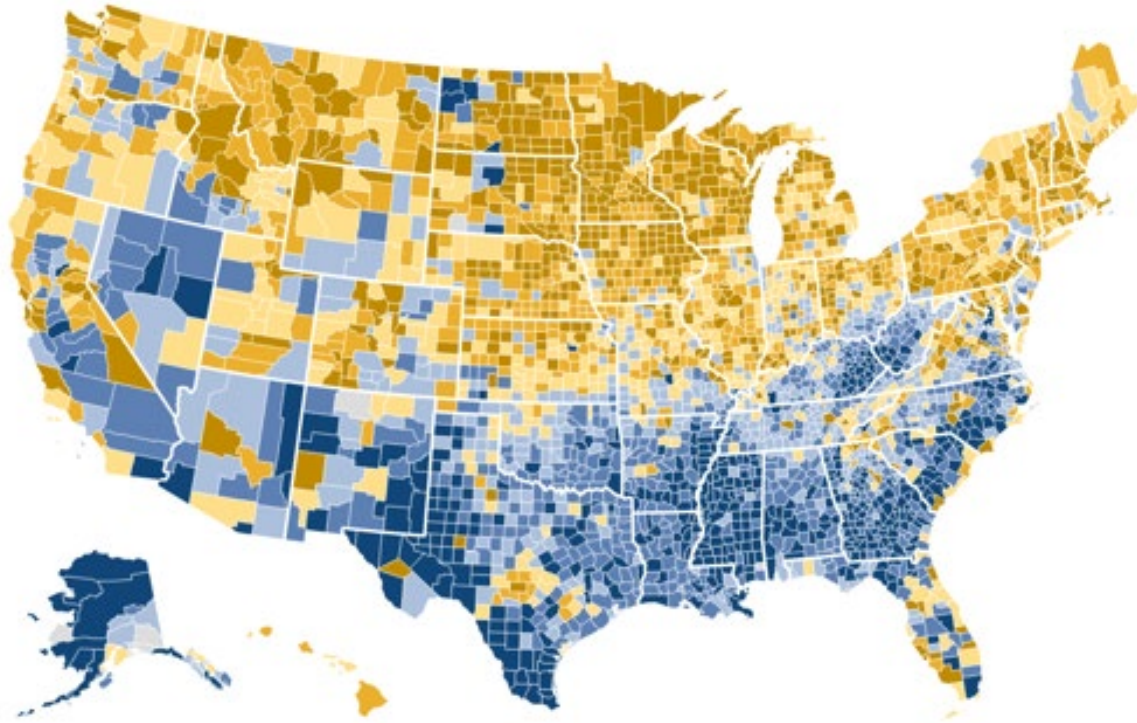
Health Ranking and Productivity



Individual Metrics are Important- But How They Influence Each Other is Critical

Average credit score

■ 687.2-726.0 ■ 726.0-733.7 ■ 733.7-740.3 ■ 740.3-745.8 ■ 745.8-750.9 ■ 750.9-774.3



Note: FICO averages for individuals with credit cards by county as of 2019

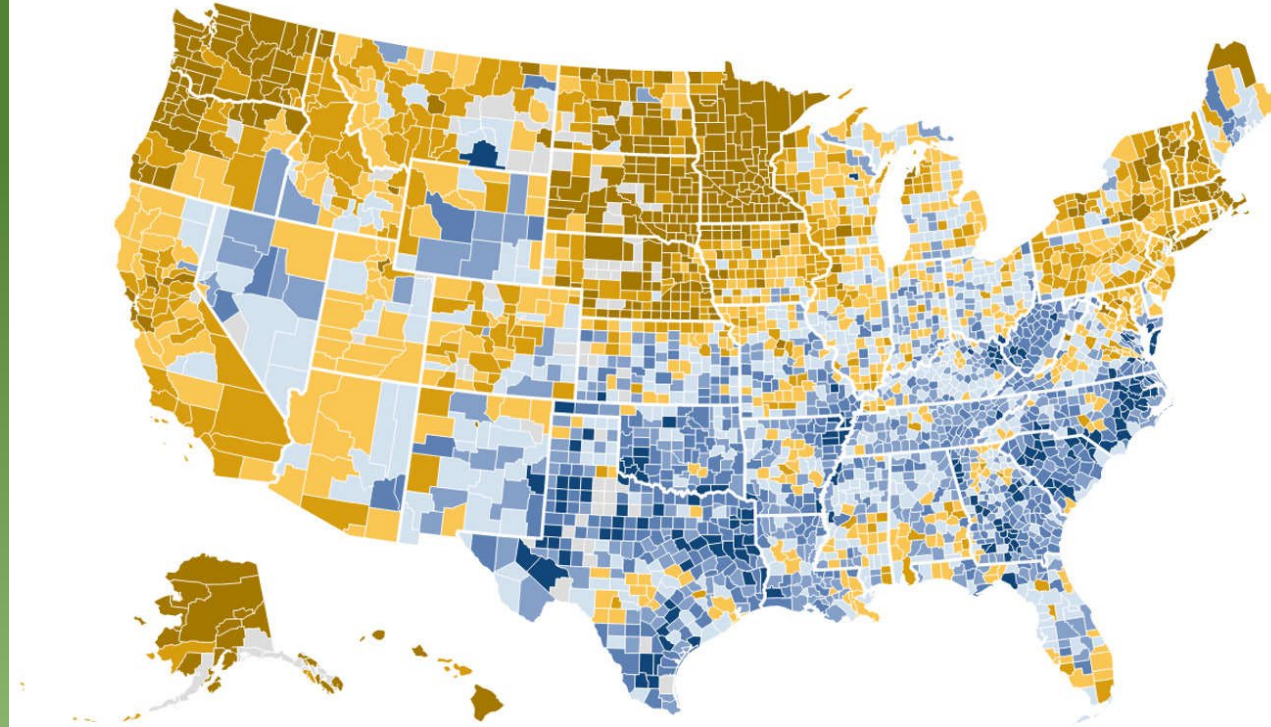
Source: Sumit Agarwal, Andrea Presbitero, André Silva and Carlo Wix

THE WASHINGTON POST

Serious medical debt is a surprisingly regional problem

Share with medical debt in collections, February 2022

■ 6% ■ 10% ■ 14% ■ 18% ■ 22% ■ 29%



Source: Urban Institute

DEPARTMENT OF DATA / THE WASHINGTON POST

A person in a blue suit and tie is pointing their right index finger towards a semi-transparent white rectangular box. The box contains the text 'Losers | Winners'. The background is a blurred blue and white pattern.

There Will Be State & Metro

Losers | Winners

**Predictive Analytics and
Trend Spotting Can Help
You See Where**

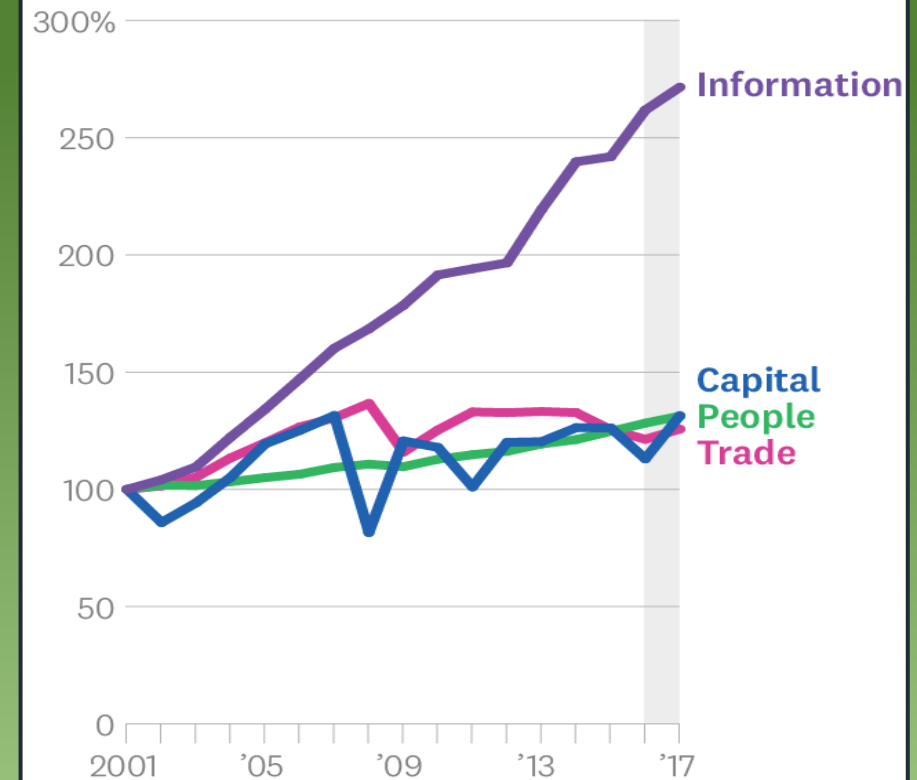
What is (was) Globalization?

Globalization is a process of interaction and integration among the people, companies and governments of different nations, a process driven by international trade and investment and aided by information technology.

Globalization Is Increasing (So Far)

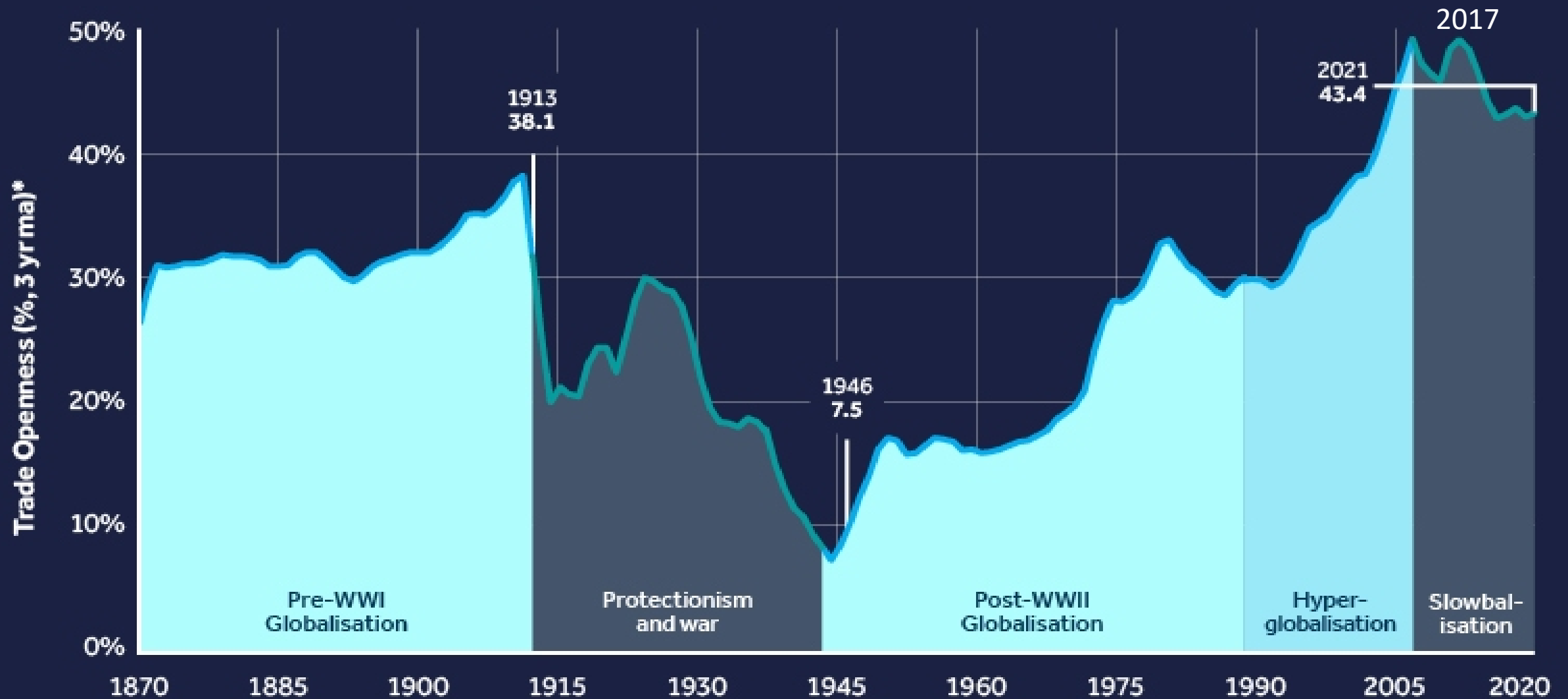
While flows of information show the most growth over time, the percentages of trade, capital, and people flows crossing national borders all increased between 2016 and 2017 as well.

Depth of global connectedness, relative to 2001



Note: Information flows consist of the international share of internet traffic, the international share of total telephone call minutes, and trade in printed publications per capita. Prior to 2005, information flows measured the latter two metrics only. Source: DHL Global Connectedness Index 2018

Globalisation through recent history



Global Poly-Crisis

The World Bank estimates 23 countries – with a combined population of 850 million people – currently face high or medium intensity conflict. The number of conflict-affected countries has doubled over the past decade. Global record of 100 million displace refugees.





World Bank forecasts war in Ukraine will cause 'largest commodity shock' since 1970s

Xi Jinping

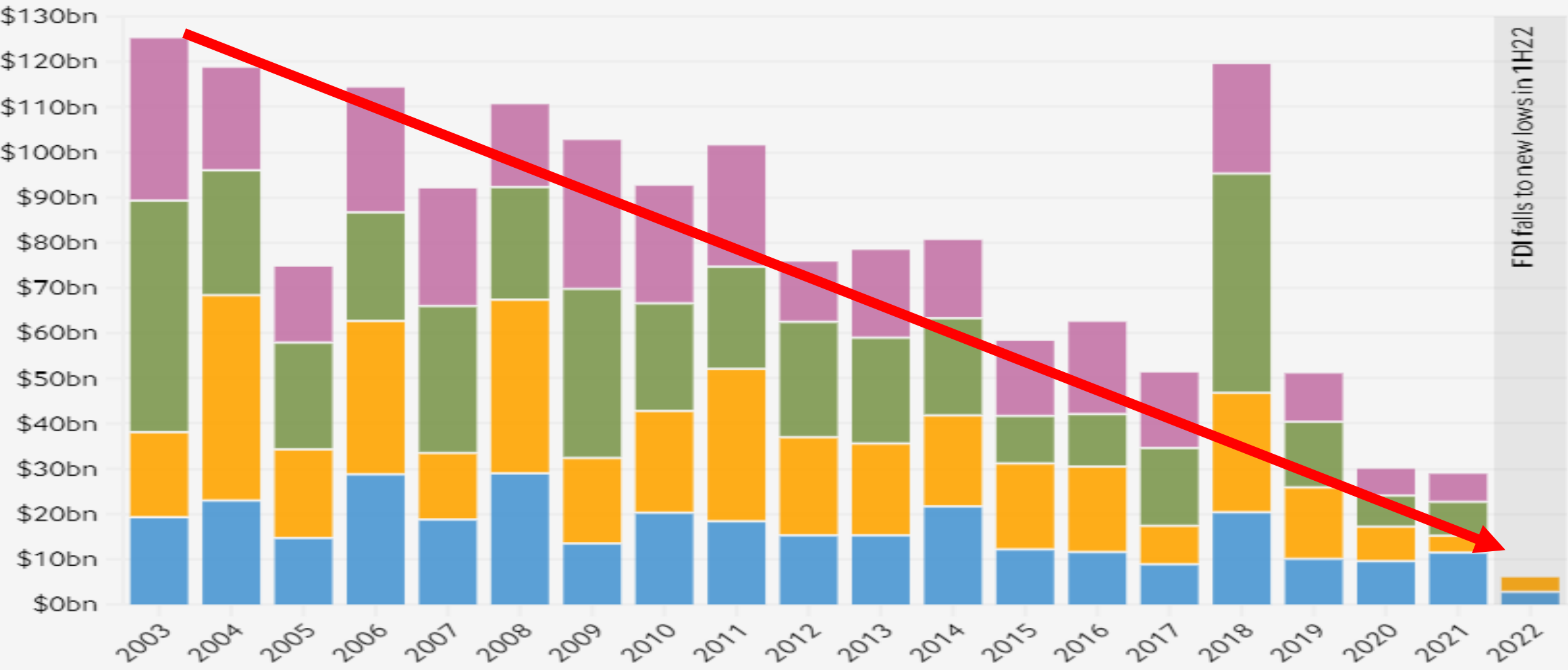


- The quick growing economy and slowly opening society are gone
- Policy makers had expected 5.5% growth this year, but are now reporting 2.9% and many believe much lower
- 65 million homes sit empty (20%)
- Domestic demand has collapsed
- Youth unemployment rate at 18%
- New regs have frozen China tech sector

China FDI touches new record lows in 1H22

Announced greenfield foreign direct investment into China*

1Q 2Q 3Q 4Q



FDI falls to new lows in 1H22

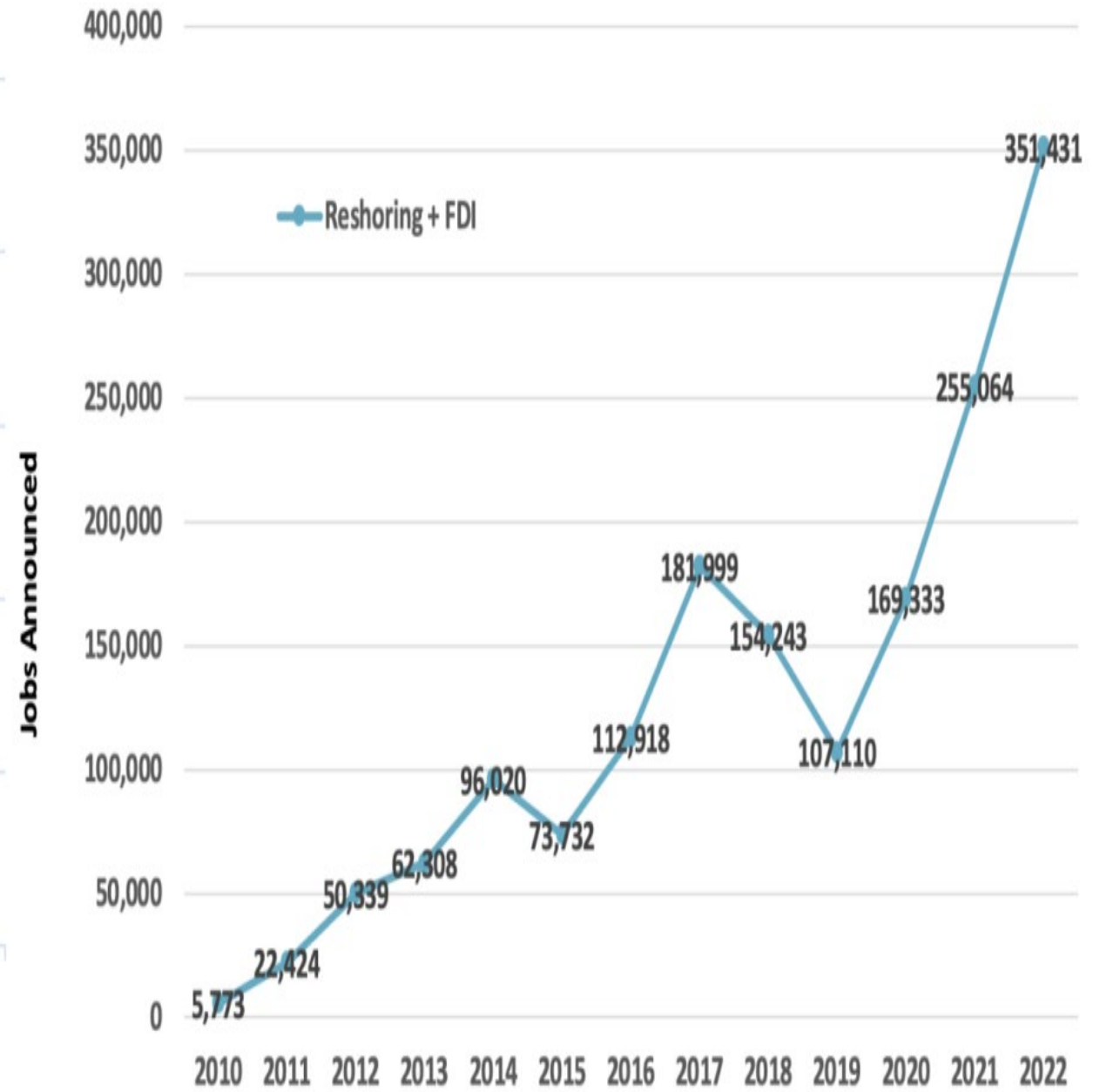
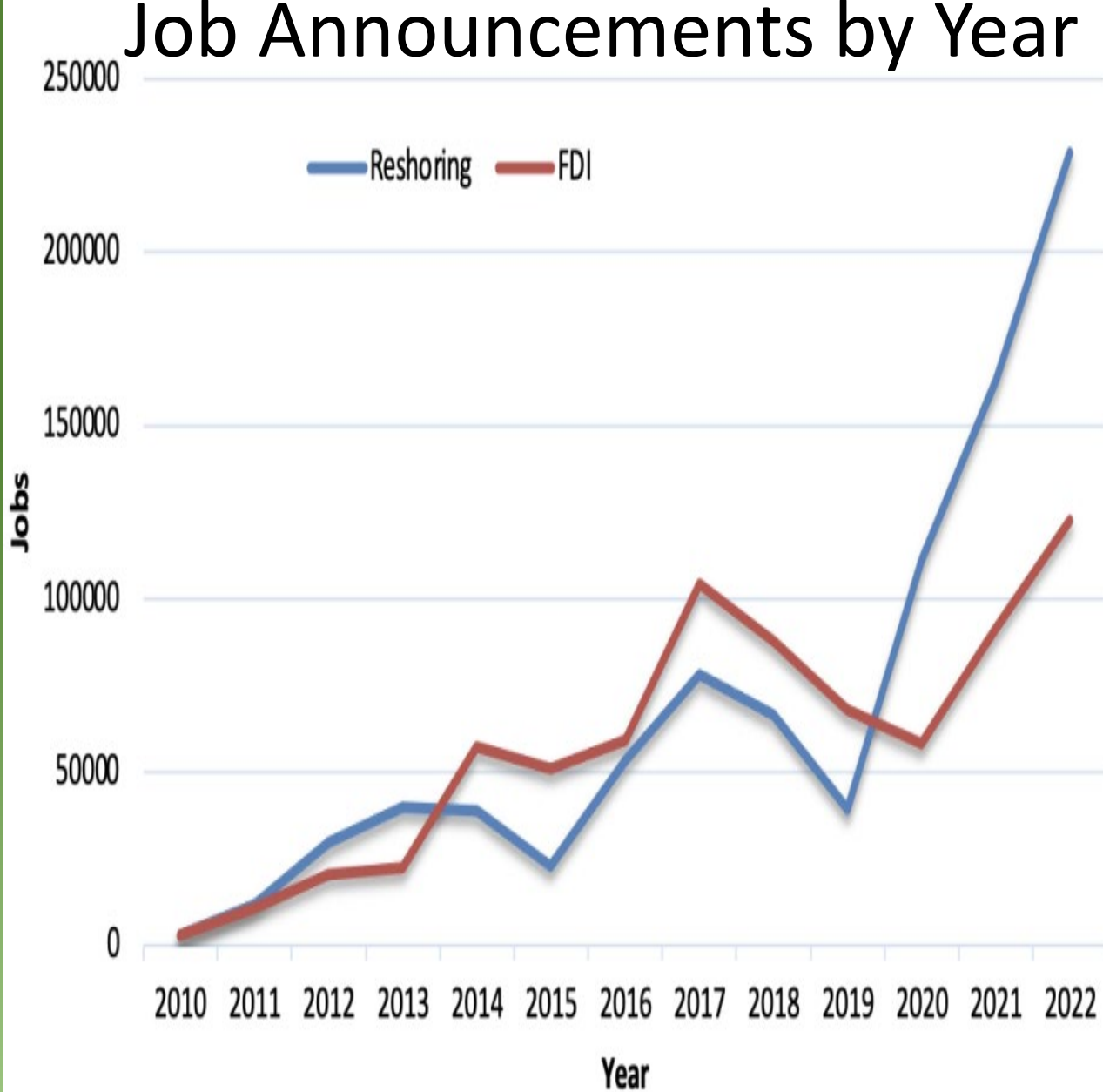
Source: FDI Markets * includes estimates



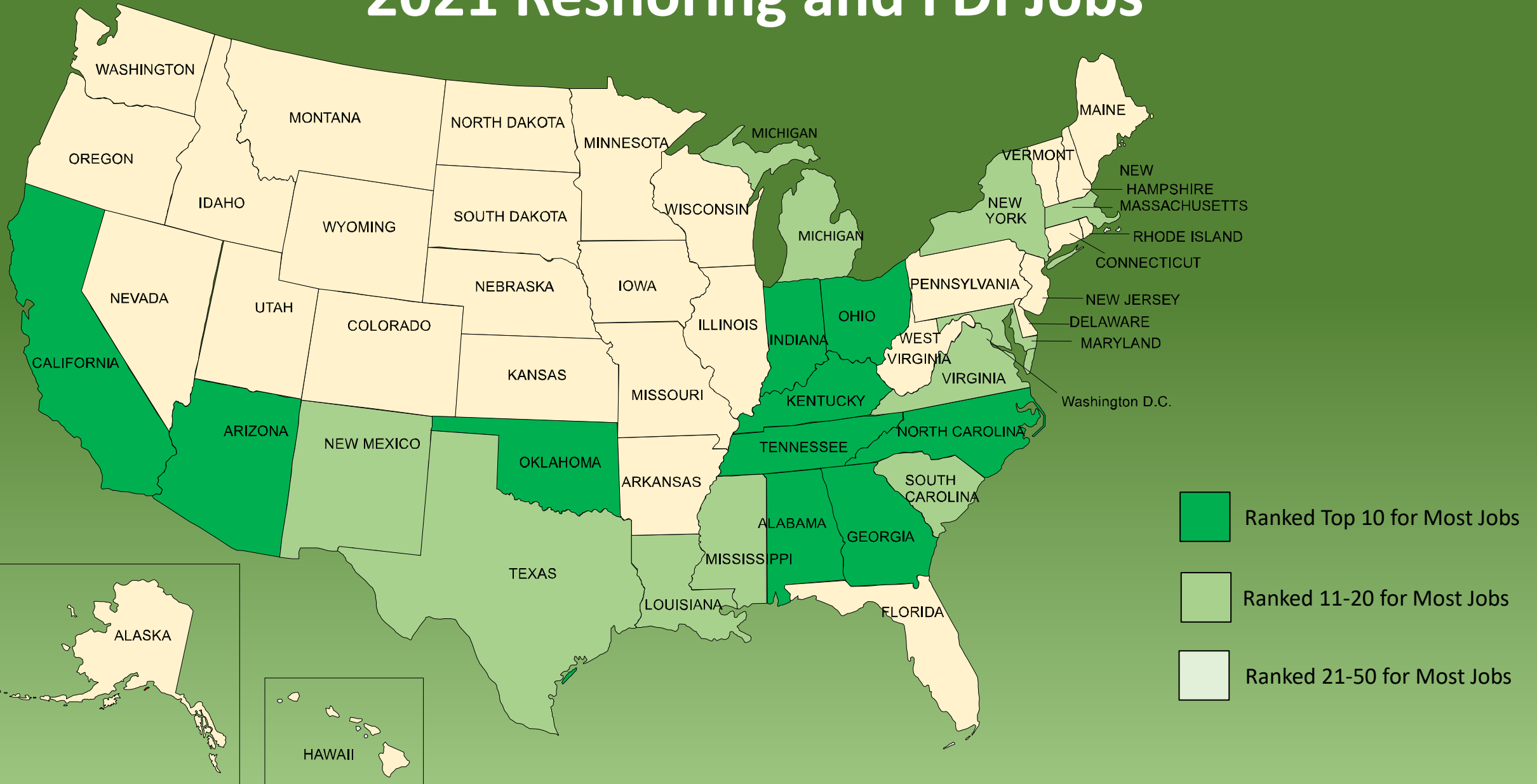
- Site Selection magazine's survey in January 2022 found that 71.5% of national site selection firms said clients were now considering reshoring projects.
- Fictiv's 2022 State of Manufacturing Report-65% of U.S. manufacturing companies want to increase reshoring due to continued supply chain disruptions.



Job Announcements by Year



2021 Reshoring and FDI Jobs



The New Era of Big Power Competition

Hard
Power

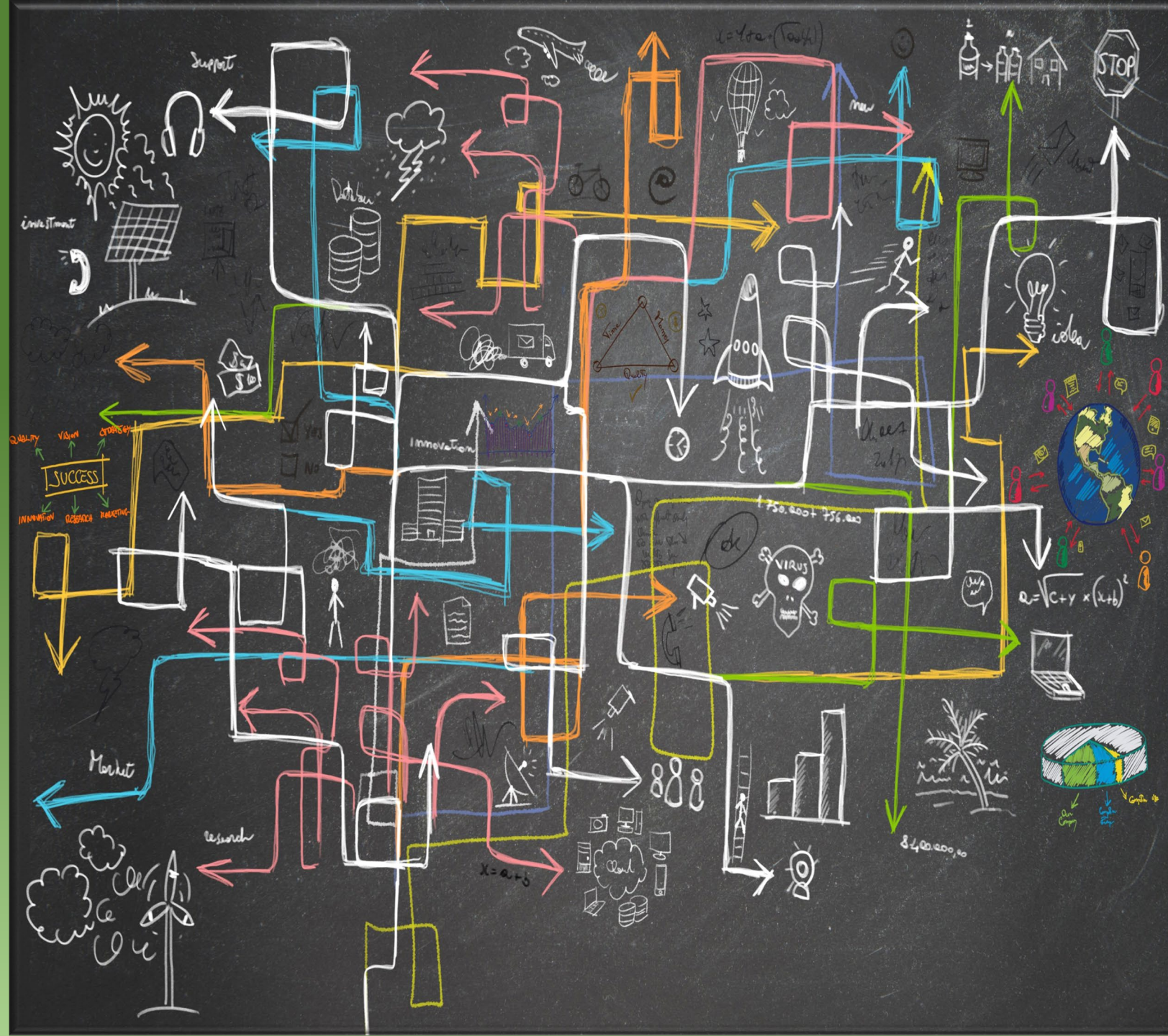
Econ
Power

Soft
Power



The Economy

- Inflation still high
- Unemployment 50-year record low
- Hiring remains strong
- Tech renormalizing
- Housing sales stalled
- Trade deficit improving
- Global GDP growth slow
- Interest rates still rising
- Stock market bouncing
- National debt...





**Oscar
Mayer**

RESEALABLE
FULLY COOKED!

Pumpkin Spice Bologna

MADE WITH CHICKEN & PORK
& Pumpkin & Cinnamon



80
CALORIES
PER SLICE

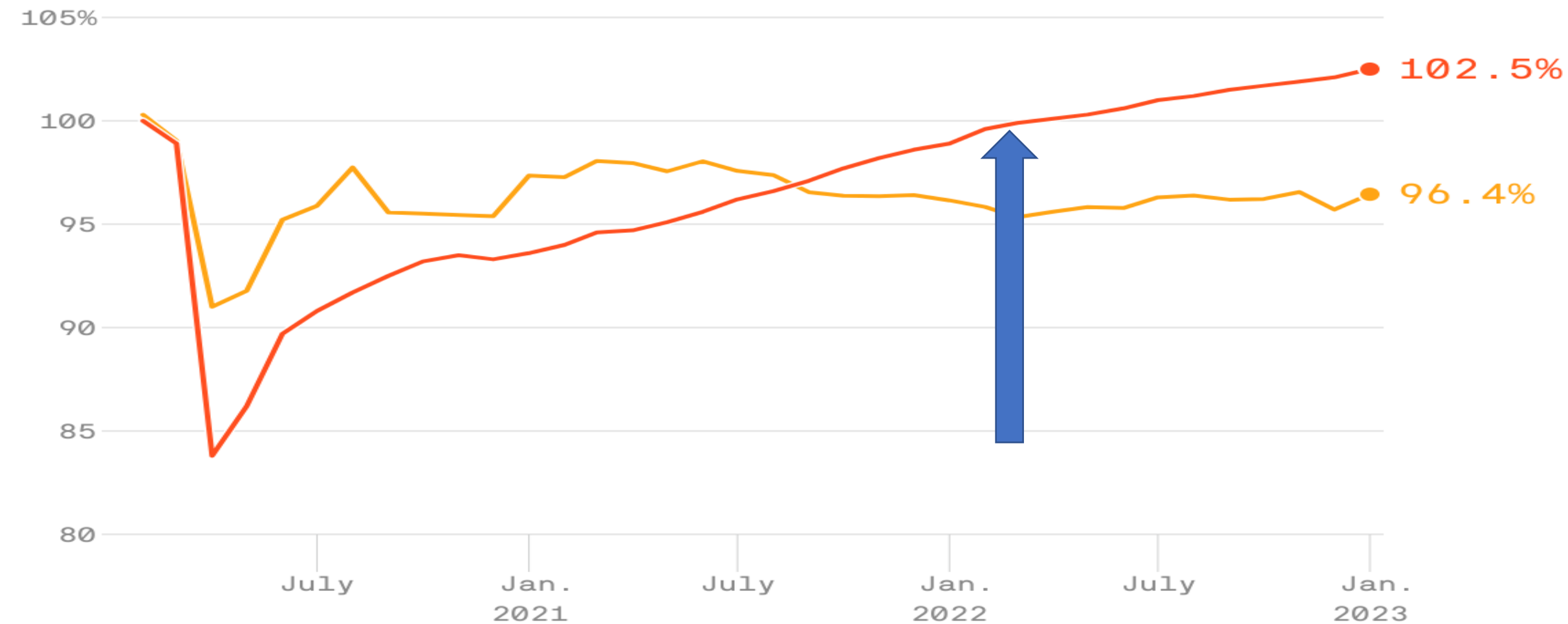
NET WT 16 OZ (1 LB)

FOR BEST QUALITY, PURCHASE AND USE BY DATE SHOWN.
ONCE OPENED, USE WITHIN 7 DAYS. KEEP REFRIGERATED.

Share of U.S. jobs recovered from start of pandemic

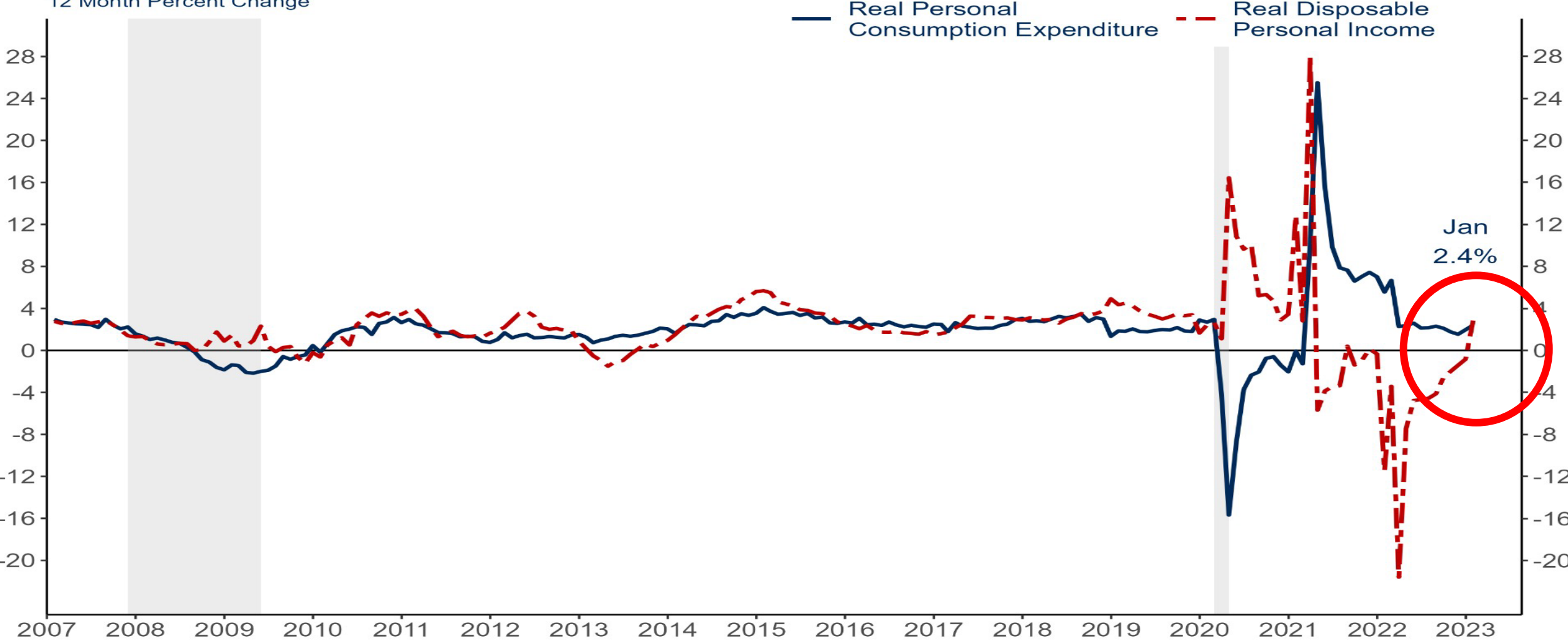
Monthly; February 2020 to January 2023

— Private sector — State and local government jobs



Consumer Spending and Income

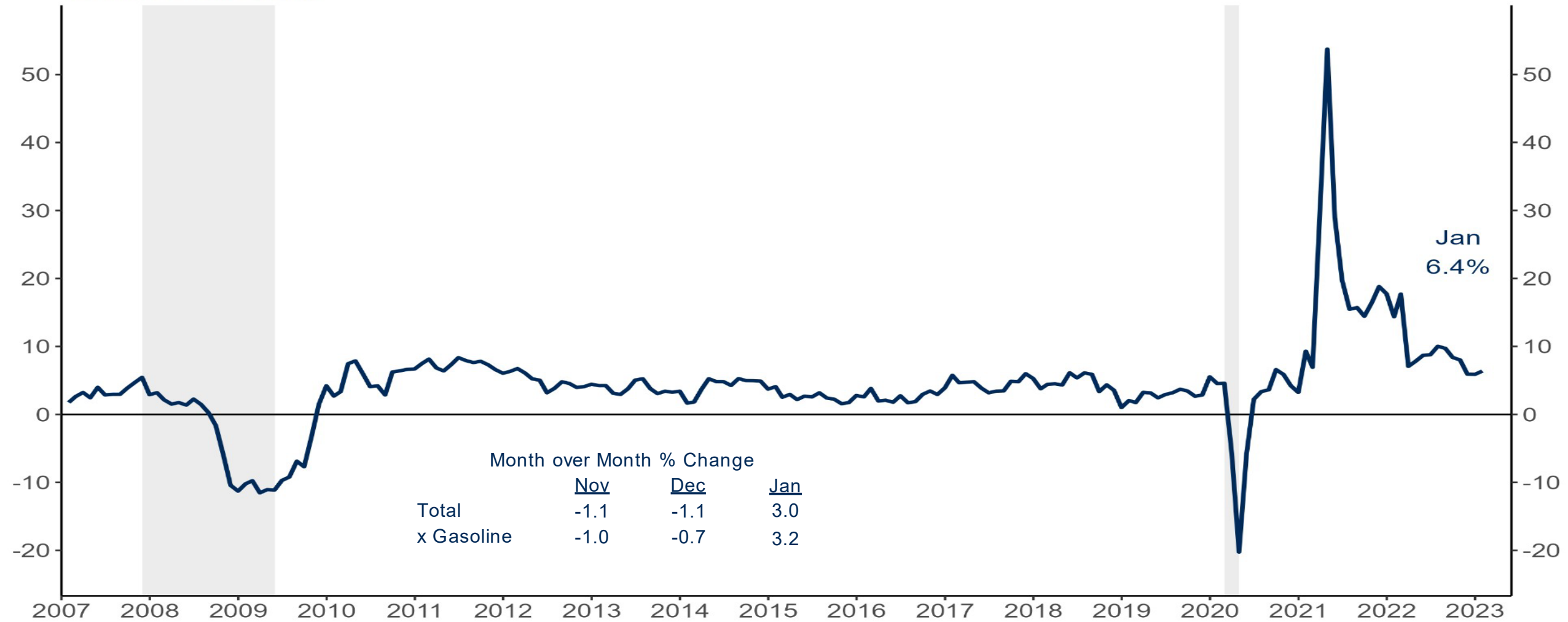
Consumer Spending and Income
12 Month Percent Change



Retail Sales

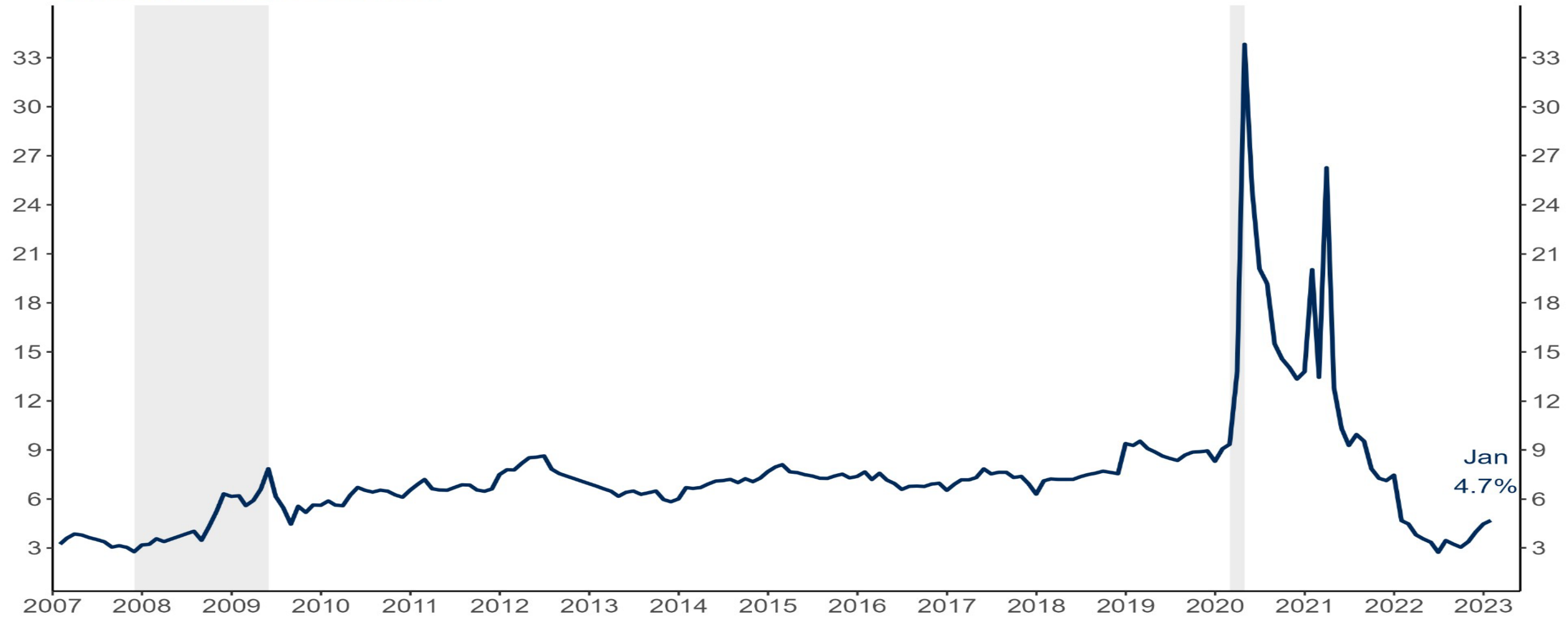
Retail Sales

12 Month Percent Change



Personal Saving Rate

Personal Saving Rate
Percent of Disposable Personal Income



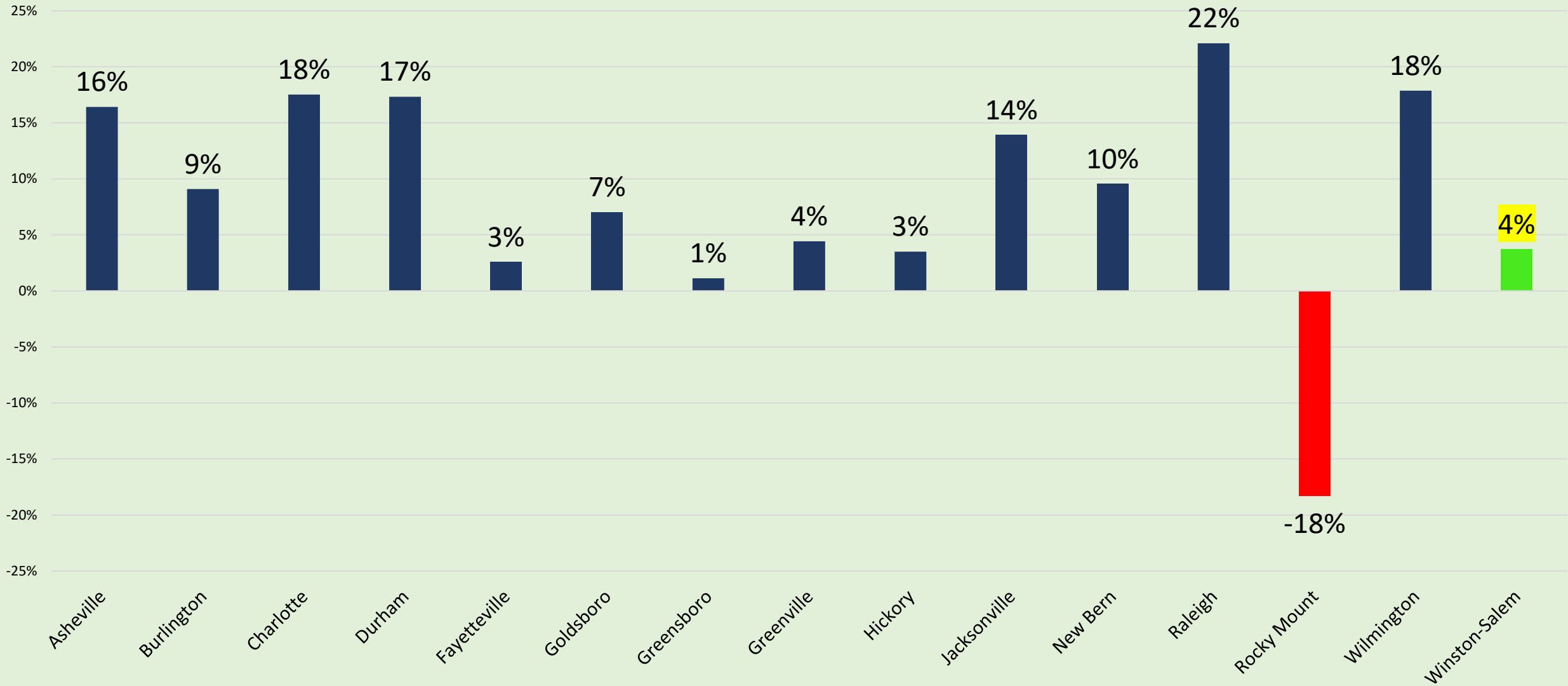
Manufacturers' New Orders

Manufacturer's New Orders

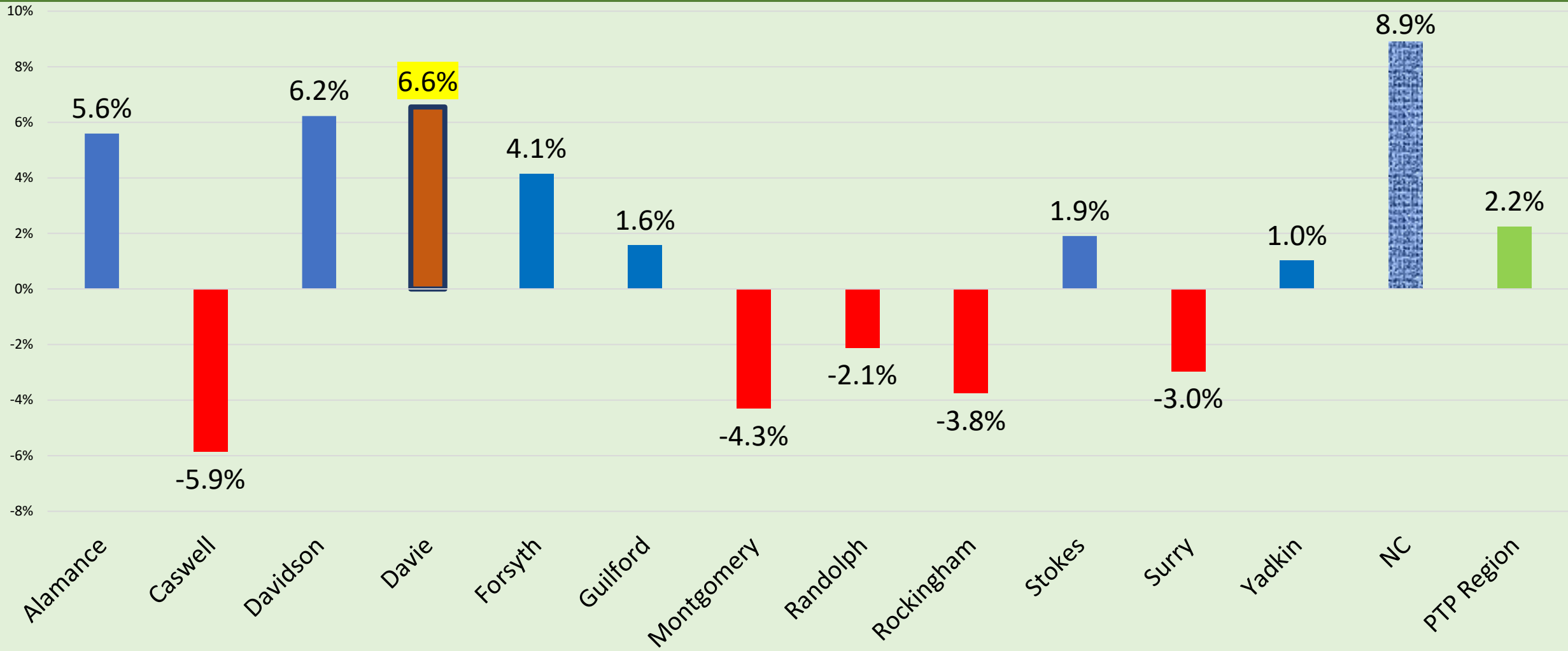
\$, Billions



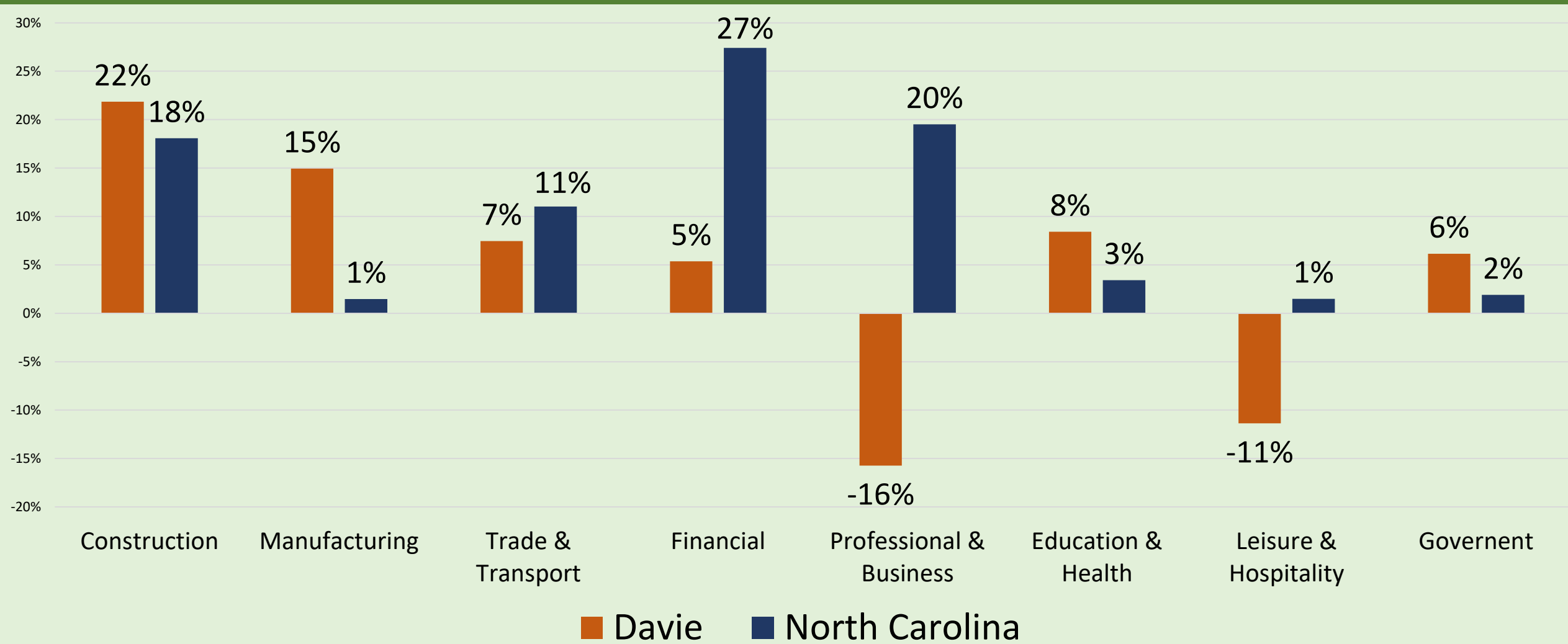
GDP Growth by NC Metro 2016-2021



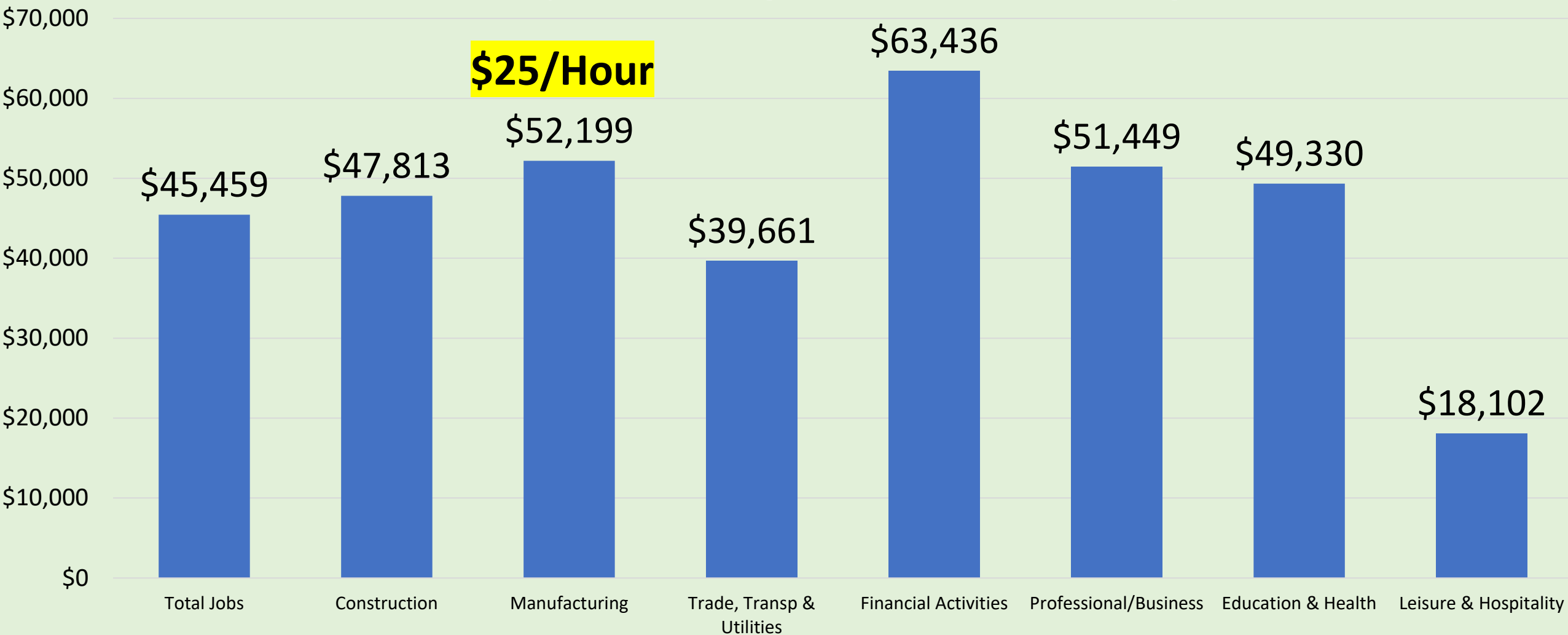
% Job Growth by PTP County Sept 2017-Sept 2022



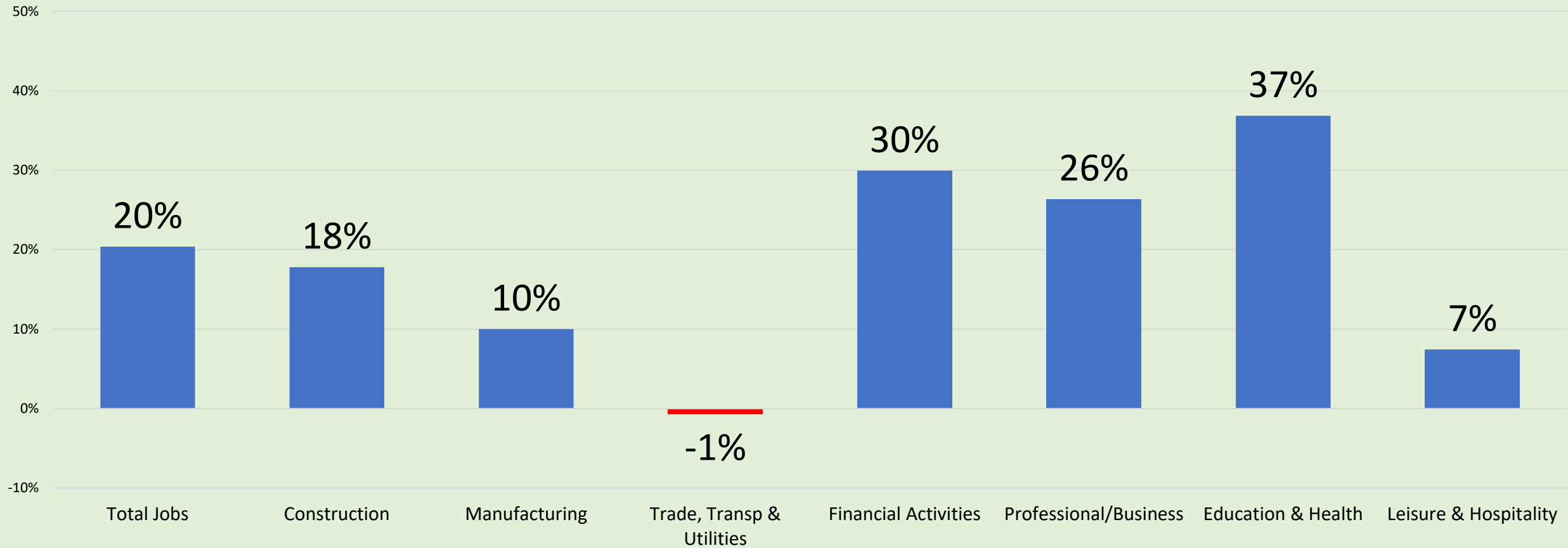
% Job Growth Davie Co. & NC by Sector Sept 2017-Sept 2022



Davie County Average Annual Wage 2021



Davie County Average Annual Wage Growth by Sector 2010-2021 inflation adjusted

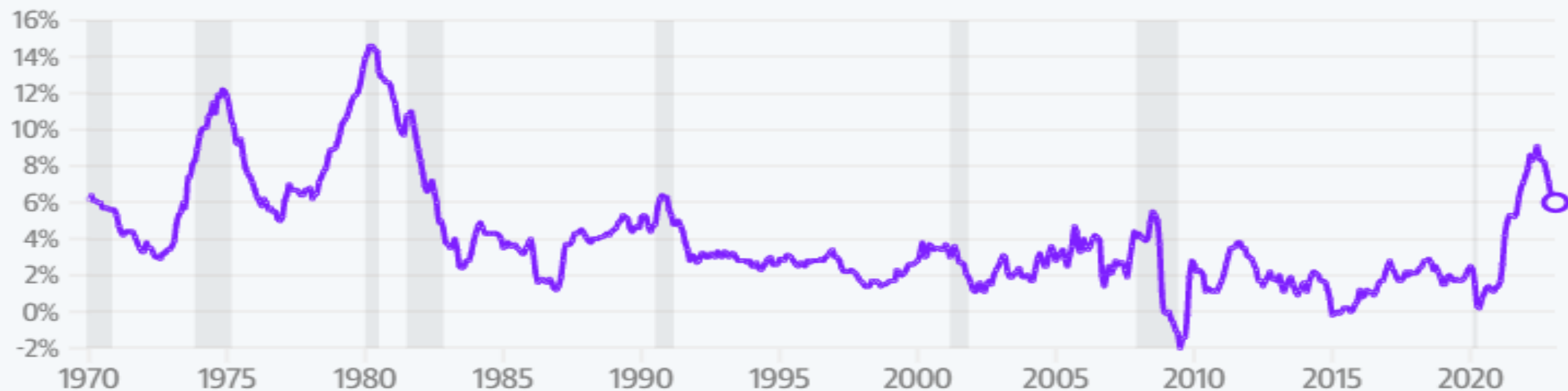


Inflation



ANNUAL INFLATION RATE DROPS TO 6%

U.S. CONSUMER PRICE INDEX, YEAR-OVER-YEAR CHANGE SINCE 1970

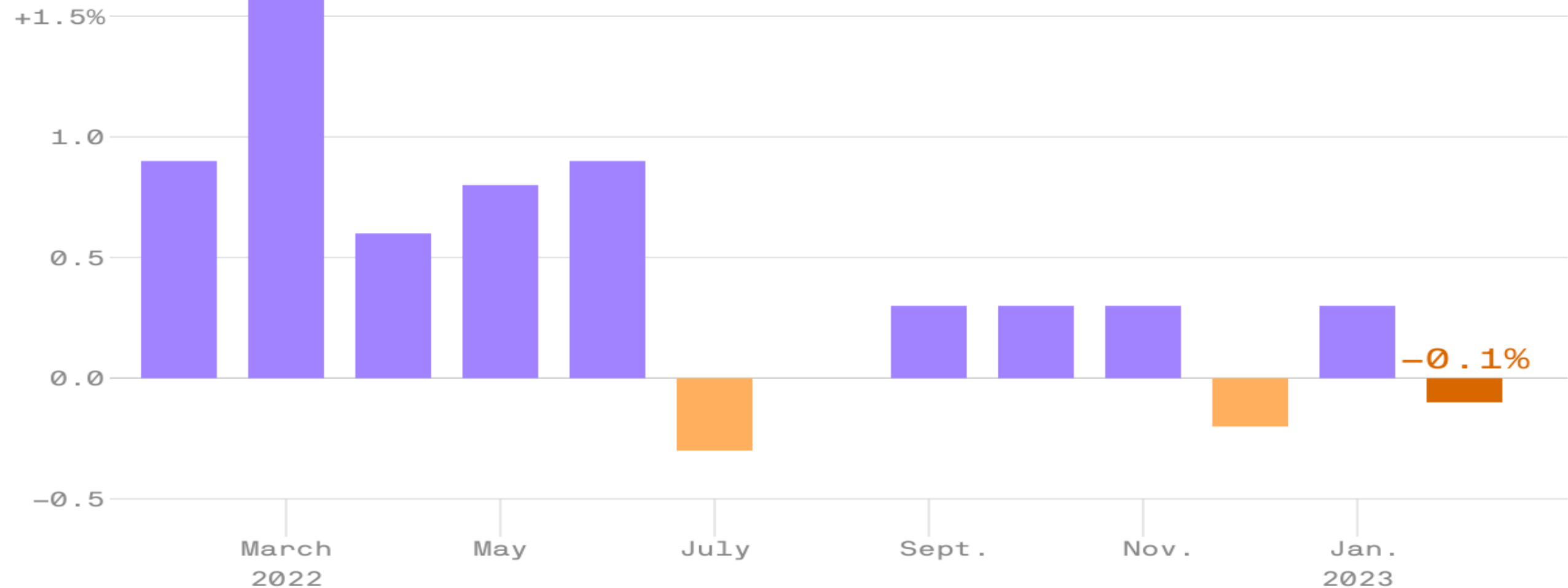


SOURCE: U.S. BUREAU OF LABOR • SHADED AREAS INDICATE U.S. RECESSIONS

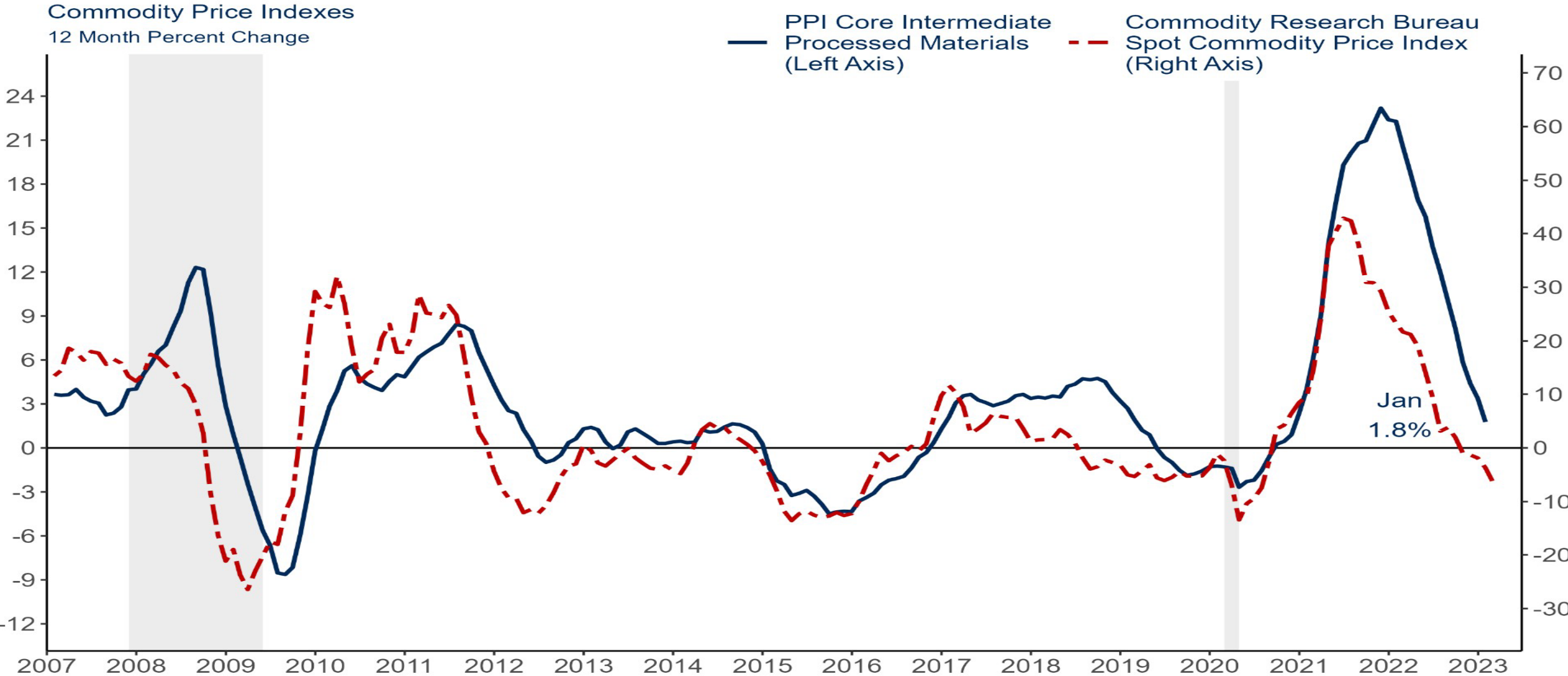
yahoo!
finance

Change in U.S. producer price index

Monthly; January 2022 to January 2023



Commodity Price Indexes



West Texas Intermediate crude oil prices, per barrel

Daily; Jan. 1, 2022, to 12:06pm March 17, 2023



Real Estate Thinking for 2023

Real Estate Headwinds

- Construction labor availability
- Labor costs
- Material costs
- Land costs
- Interest rates
- Inflation



Real Private Construction Put In Place

Real Private Construction Put in Place

2012\$, Billions

— Real Private Nonresidential Construction - - Real Private Residential Construction



Real Estate Sector Thinking for 2023

Office - Record vacancy at the end of 2022, 18.2%.

Negative absorption of 37 million sq ft in 2022. New construction is slowing, some.



Real Estate Sector Thinking for 2023

Lodging - Overall demand still below pre-pandemic levels, but partially offset by higher room rates.

Severe labor shortages.



Real Estate Sector Thinking for 2023

Retail - Resilient demand
with record low
construction. **Vacancy at
15-year low, less than
6%.**

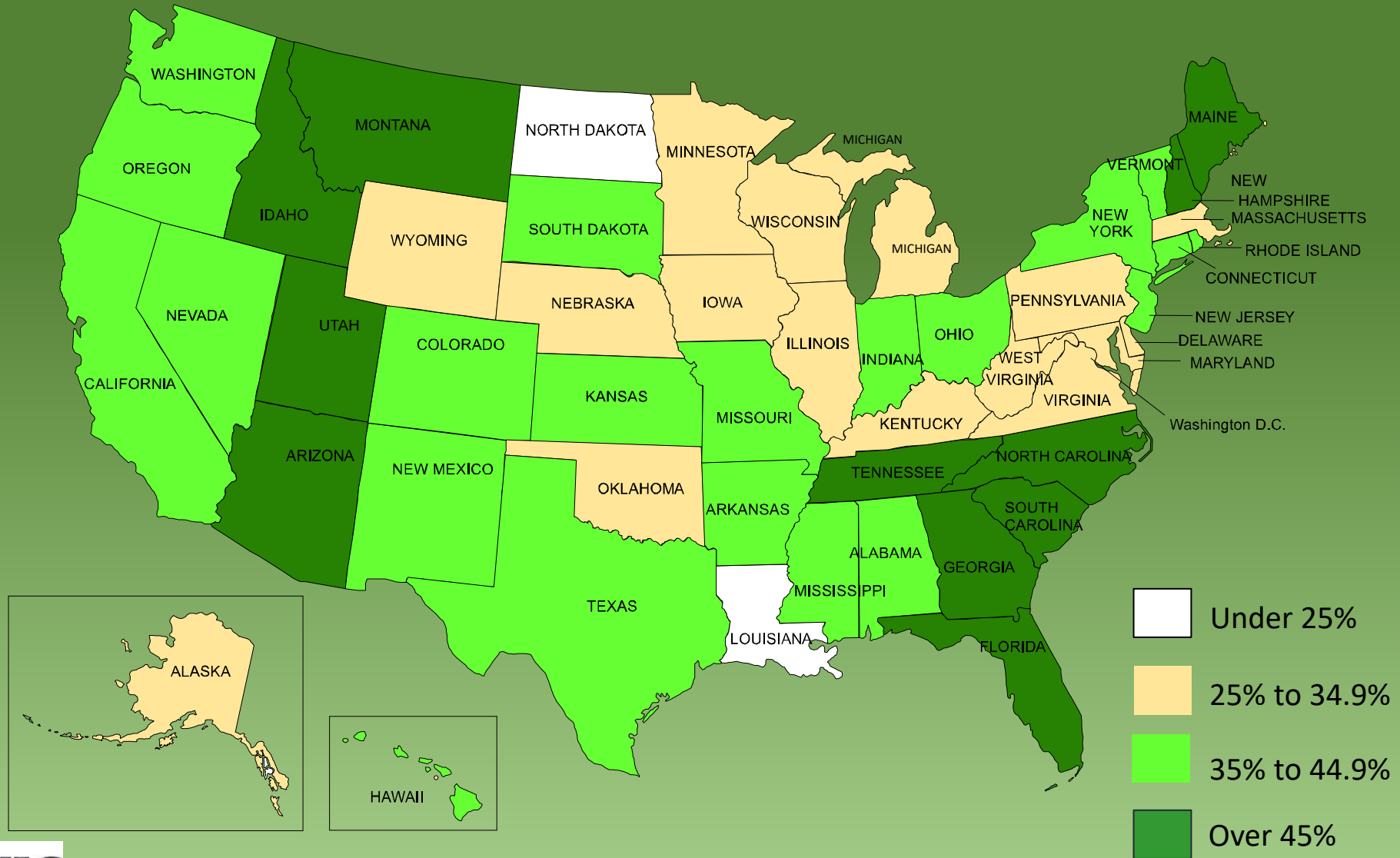


Real Estate Sector Thinking for 2023

Industrial - 3.3% vacancy at the end of 2022, **18% rent increase YoY**. Some moderation in demand, slowing building growth.

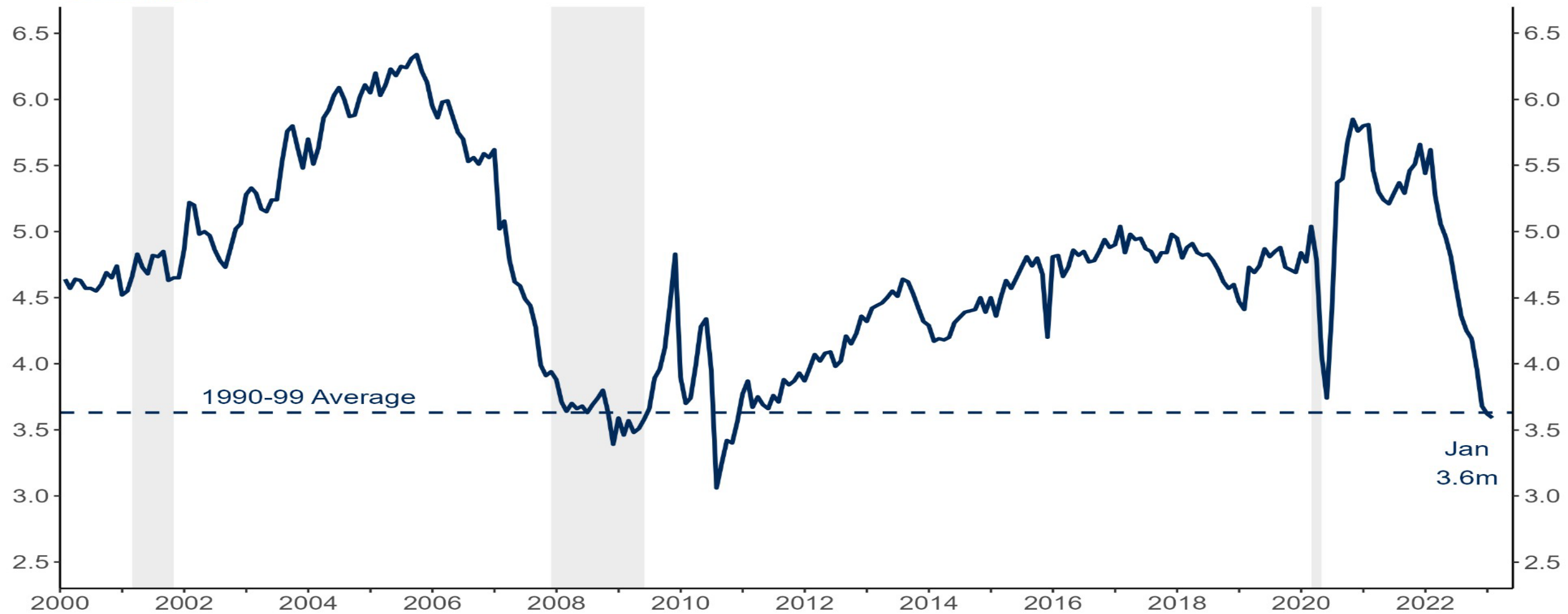


Housing Price Increase 2020Q1 to 2022Q3

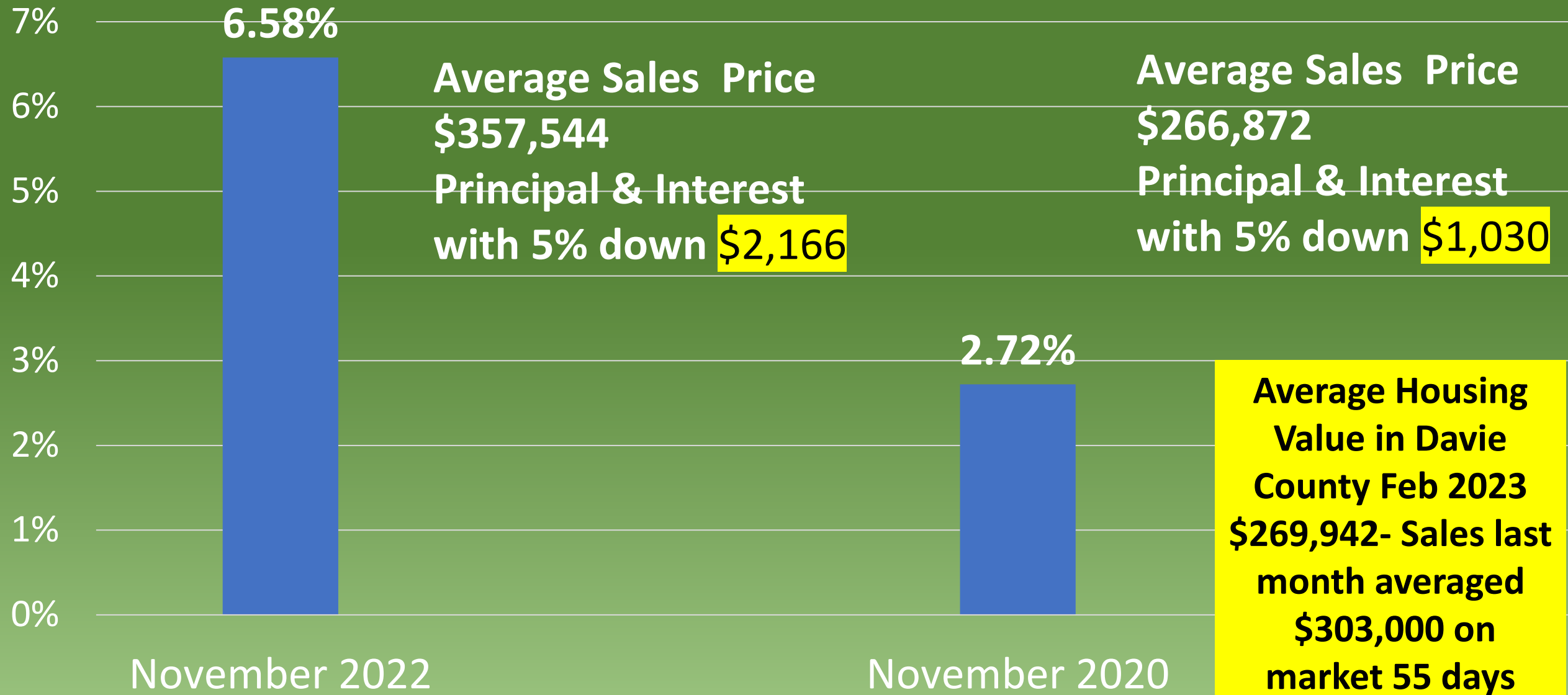


Existing Single-Family Home Sales

Existing Single-Family Home Sales
SAAR, Millions

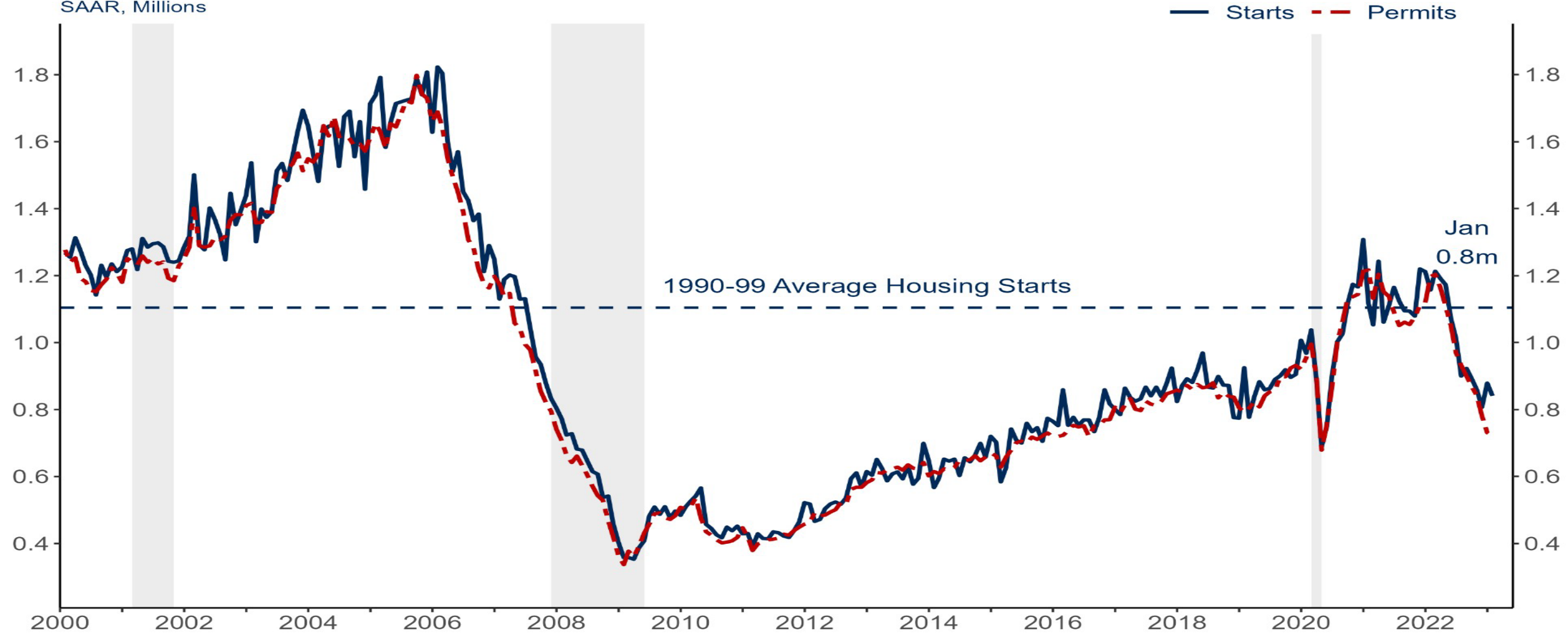


Home Interest Rates and Affordability



Private SF Housing Starts & Permits

Private Single-Family Housing Starts and Permits
SAAR, Millions



Source: Census Bureau via Haver Analytics

Real Estate Sector Thinking for 2023

Residential -
Projections are for
declining sales and
prices that remain
the same or fall
slightly.



US Economic Reset

Return of a National Industrial Policy

Logistics and Supply Chains

Immigration

Tech & Other Monopolies

Political



Most Americans Satisfied With Their Personal Life and Specific Life Aspects



Jan. 2-22, 2023

*Based on employed adults

Those with other answers are not shown.



SO
WHAT?

