



Davie County The Economy for 2023 & Beyond





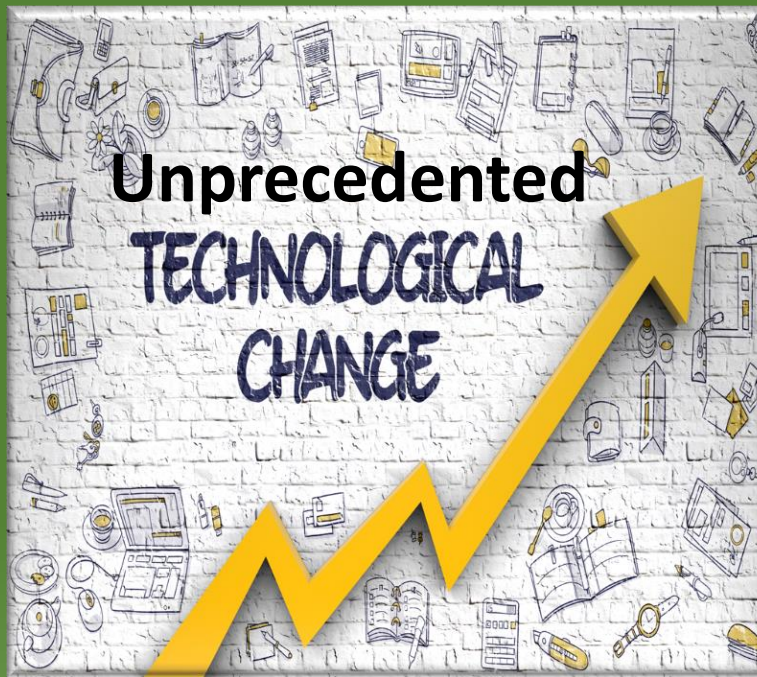
from
chaos
to
order

Thoughts in 35 Minutes

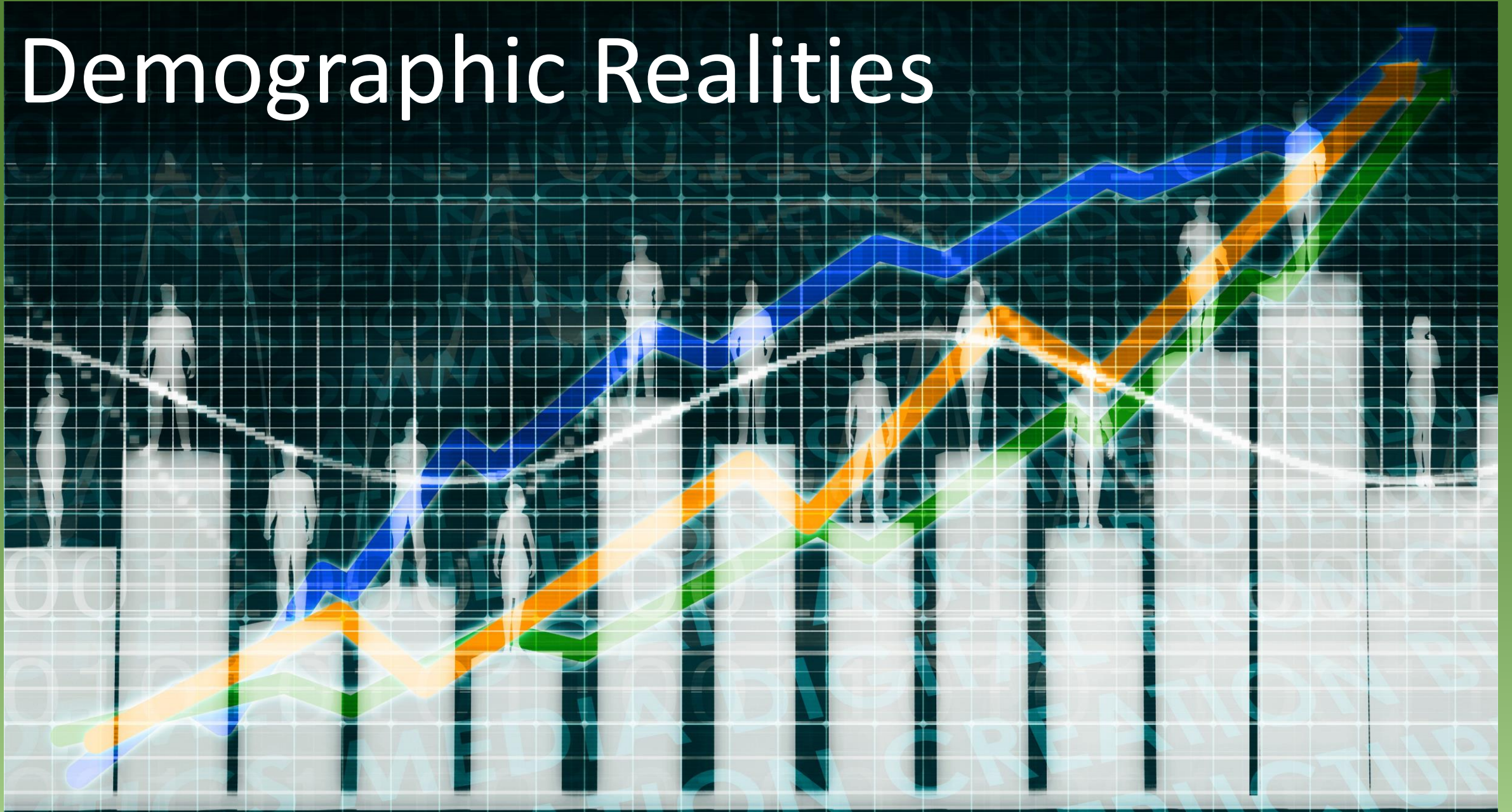
- 1) It is Past Time to Accept Demographic Realities
- 2) Data Analytics and Speed Now Determine Competitiveness
- 3) Globalization is Changing & It May Change Everything & Bring Opportunity
- 4) This is the Economy Renormalizing

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

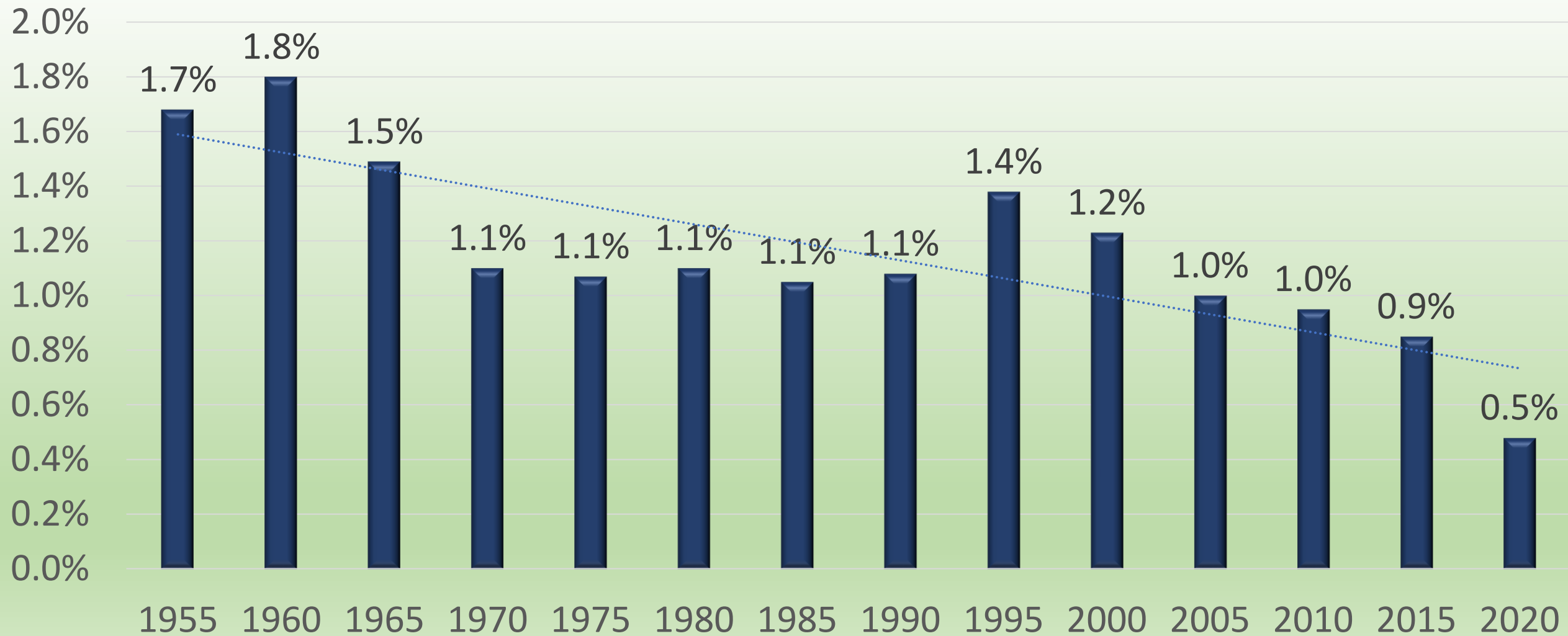
- 1) Unprecedented Tech Change- AI, Robotics, Ag-Tech, Wearables, Materials, Health
- 2) Political Paralysis & the Focus on Win/Lose
- 3) Mounting Weather Impacts & Water Wars
- 4) Existential Reconsideration of Life's Priorities



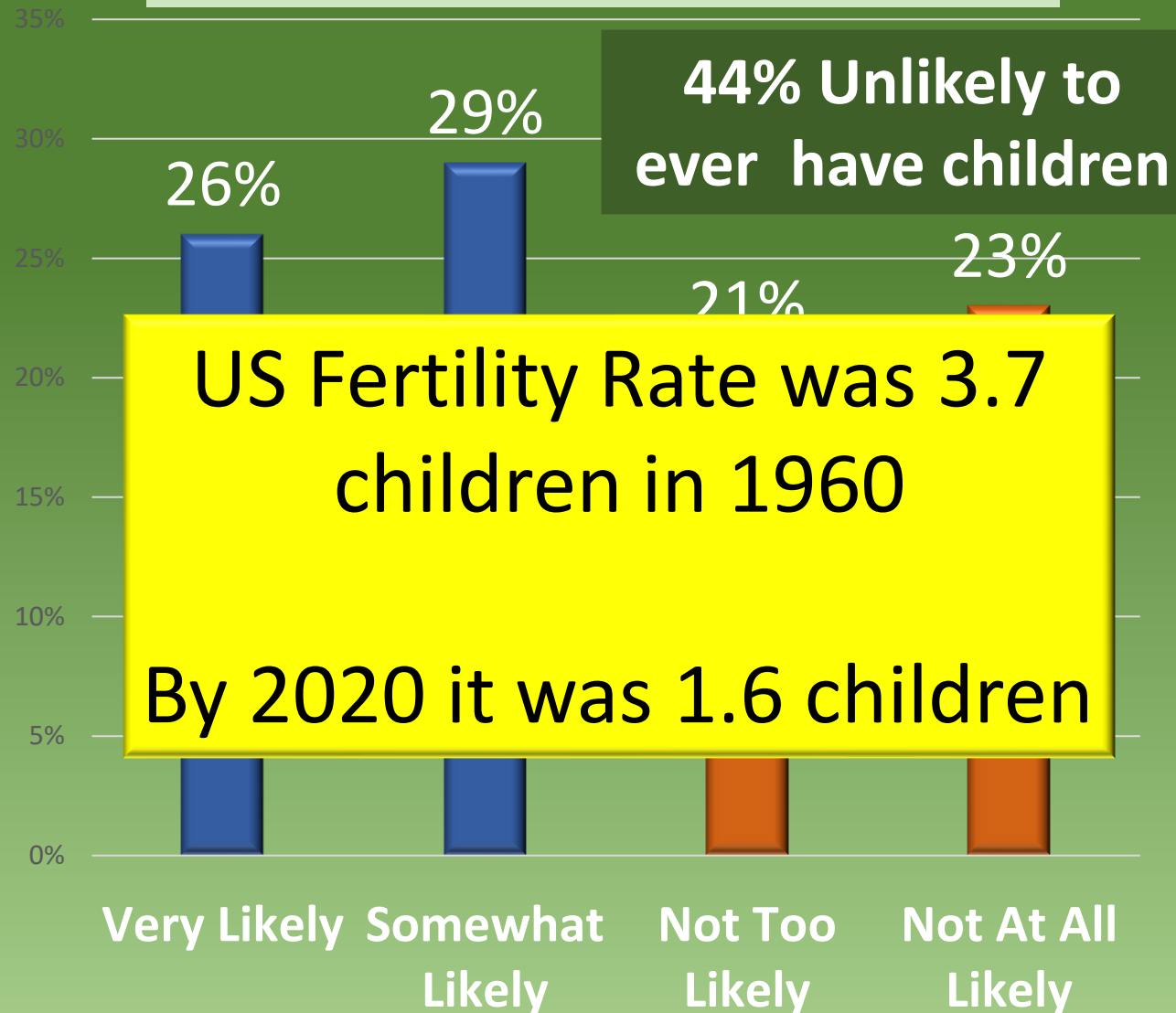
Demographic Realities



US Population Growth Rate is Slowing



% Non Parents Say About Future Children



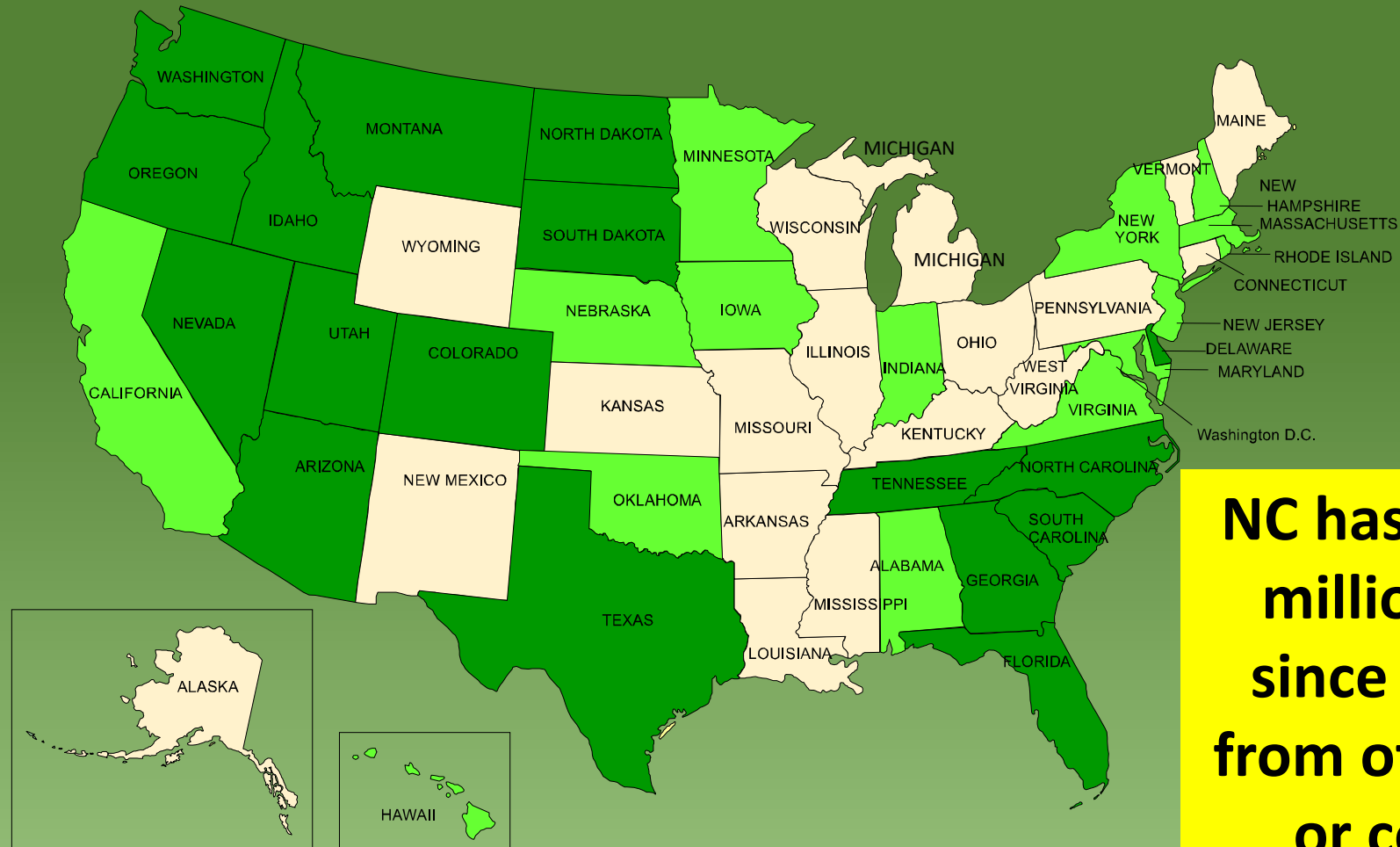
Of 18–49-Year-Old Parents
74% say Unlikely to Have
Additional Children



Population 10 Year Annual Growth Rate



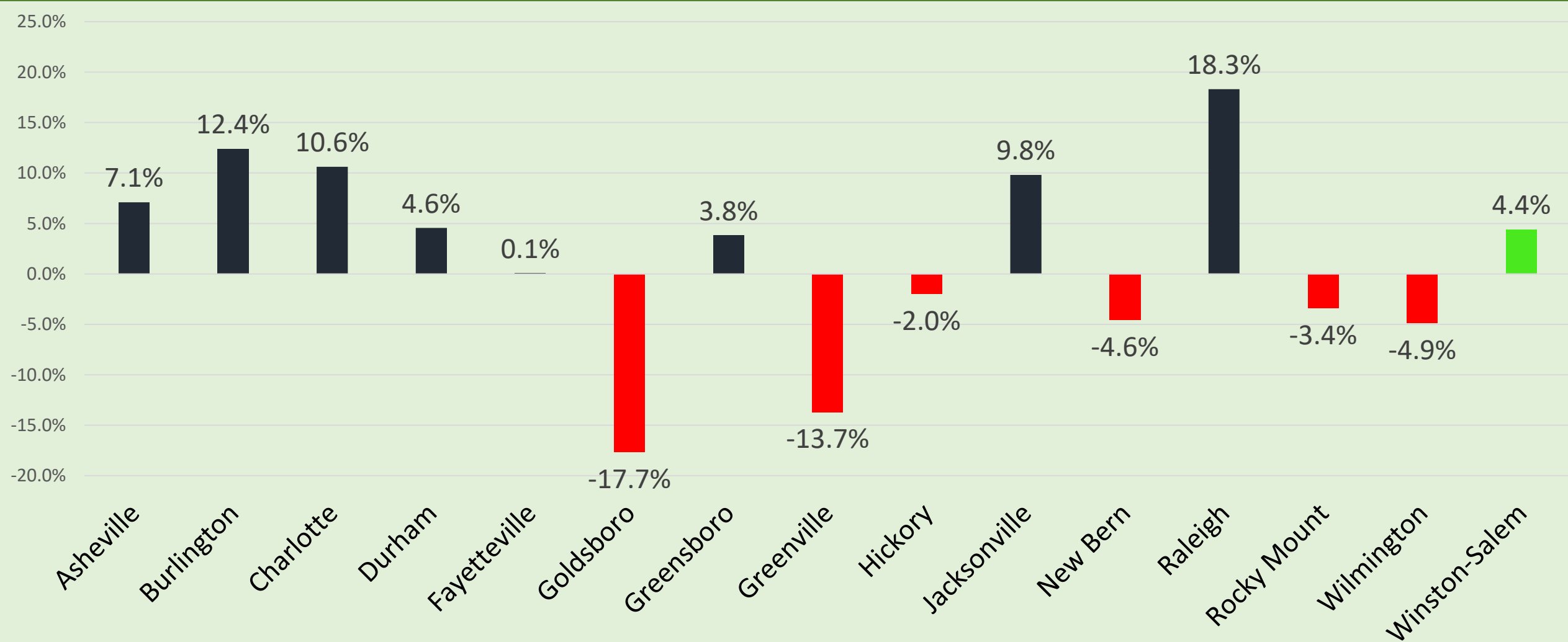
People are
voting with
their feet



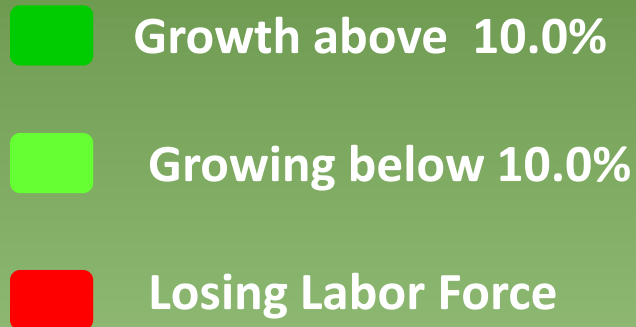
**NC has added 2.5
million people
since 2000, 2/3
from other states
or countries**

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

NC Metro Projected Population Growth 2022-2032



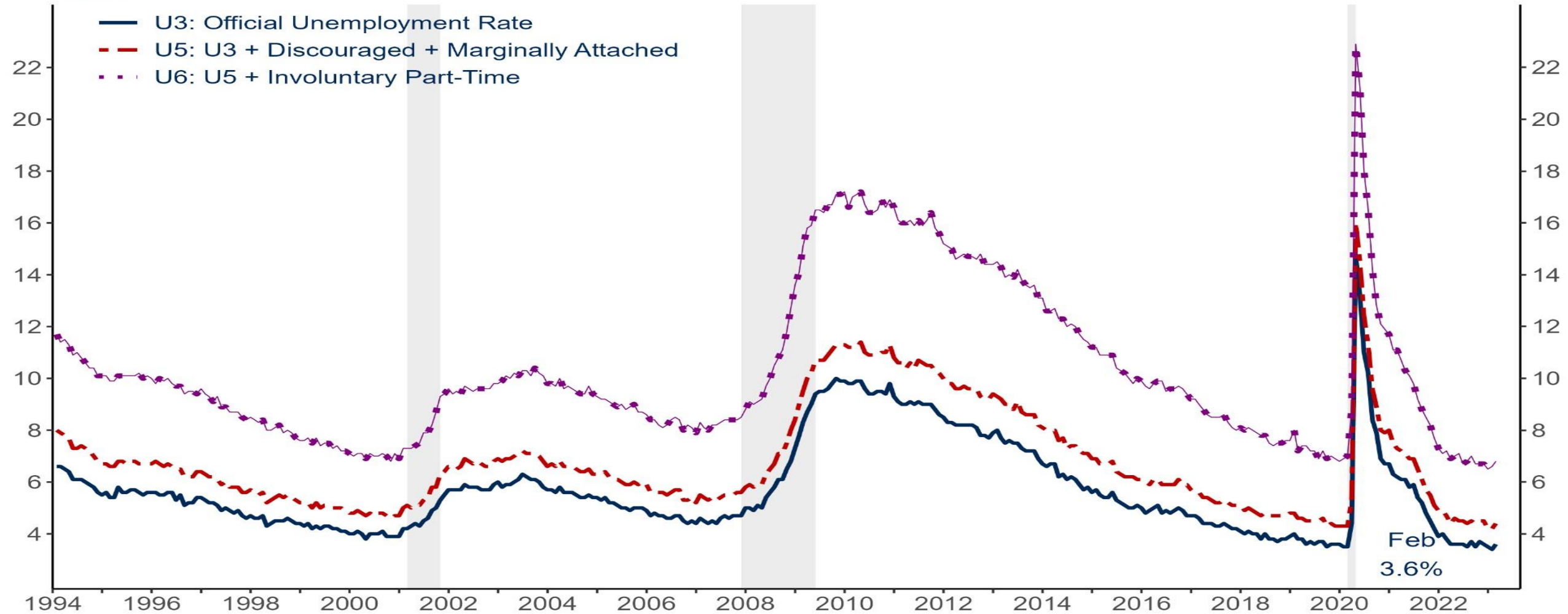
North Carolina state average 3.0% (Davie 7.3%)



Measures of Labor Utilization

Measures of Labor Utilization

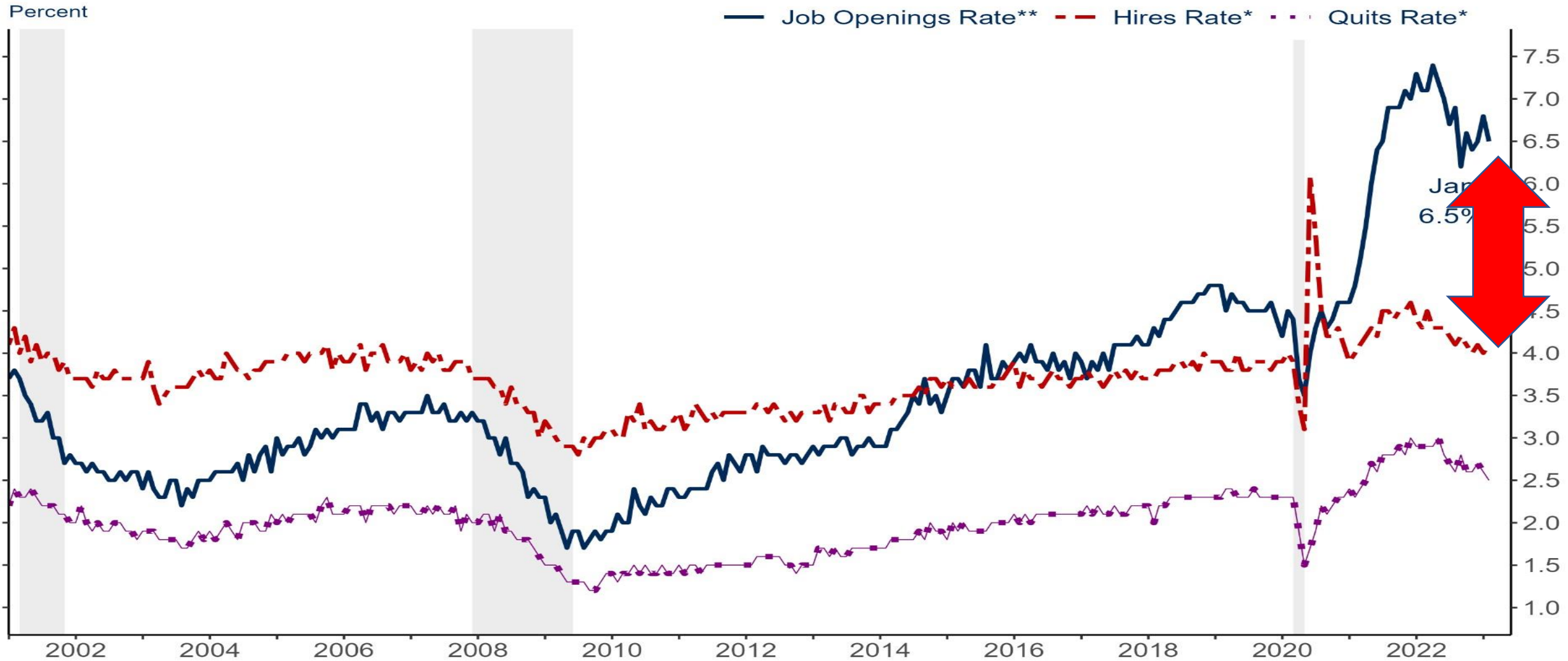
Percent



Source: Bureau of Labor Statistics via Haver Analytics

Labor Market Flows

Labor Market Flows



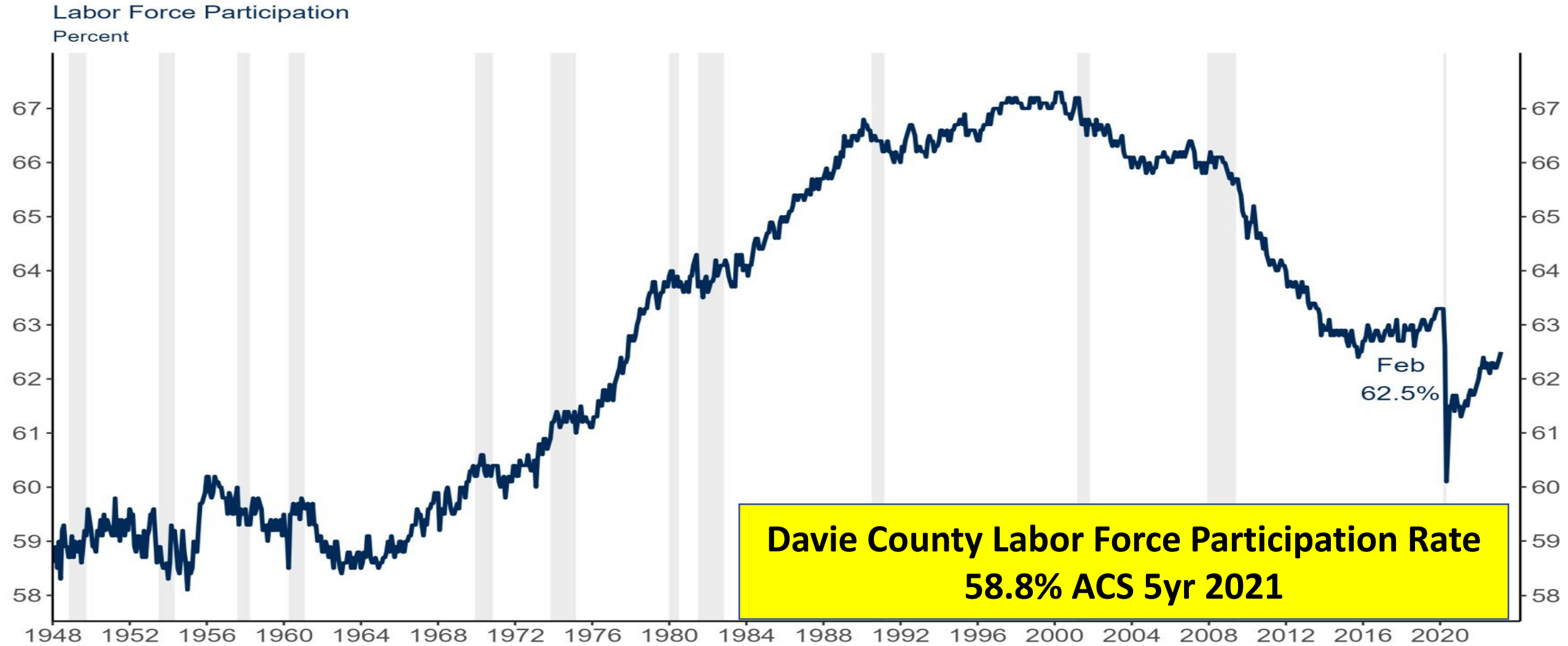
U.S. job openings per unemployed worker

Monthly; December 2000 to January 2023



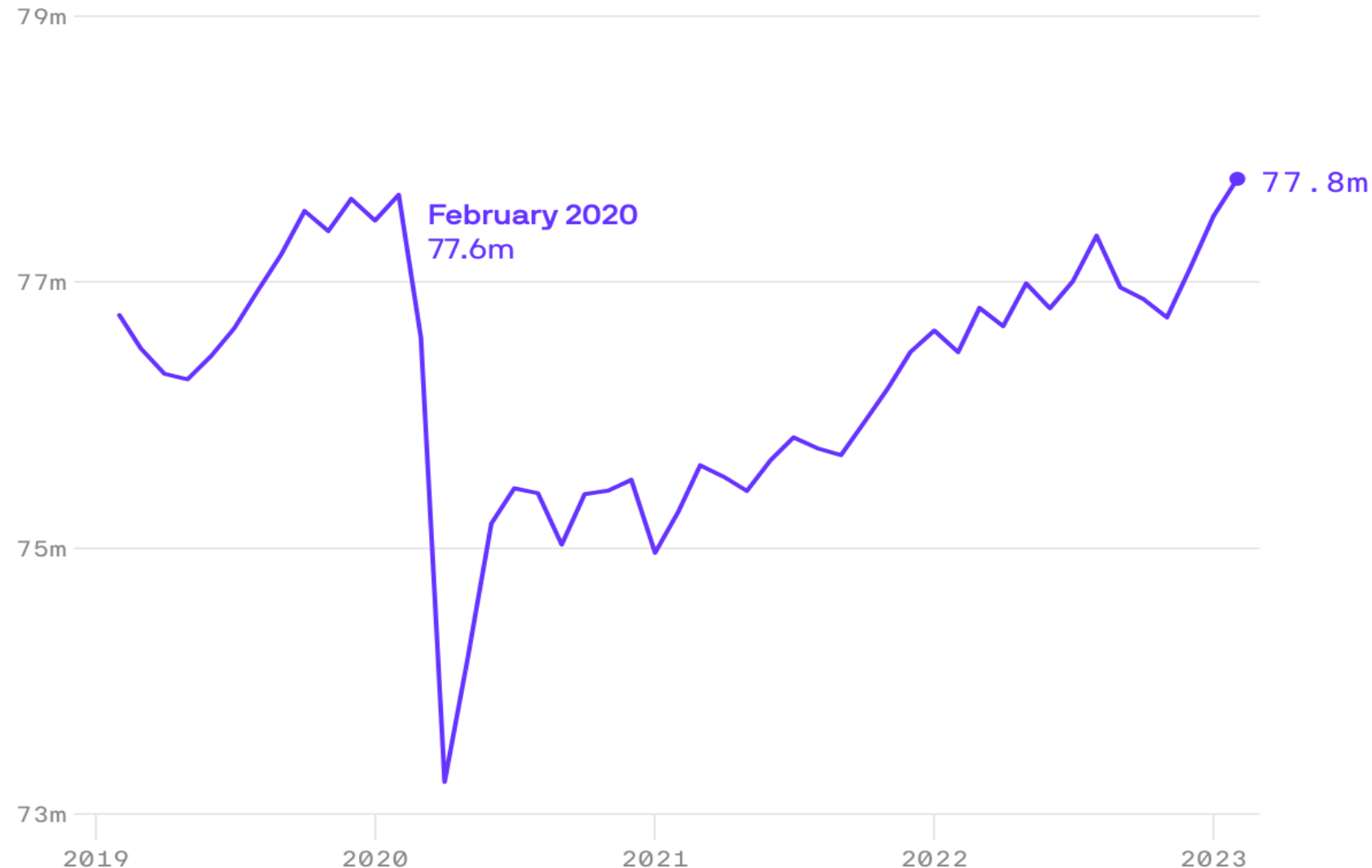
Data: Bureau of Labor Statistics; Chart: Axios Visuals

Labor Force Participation



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

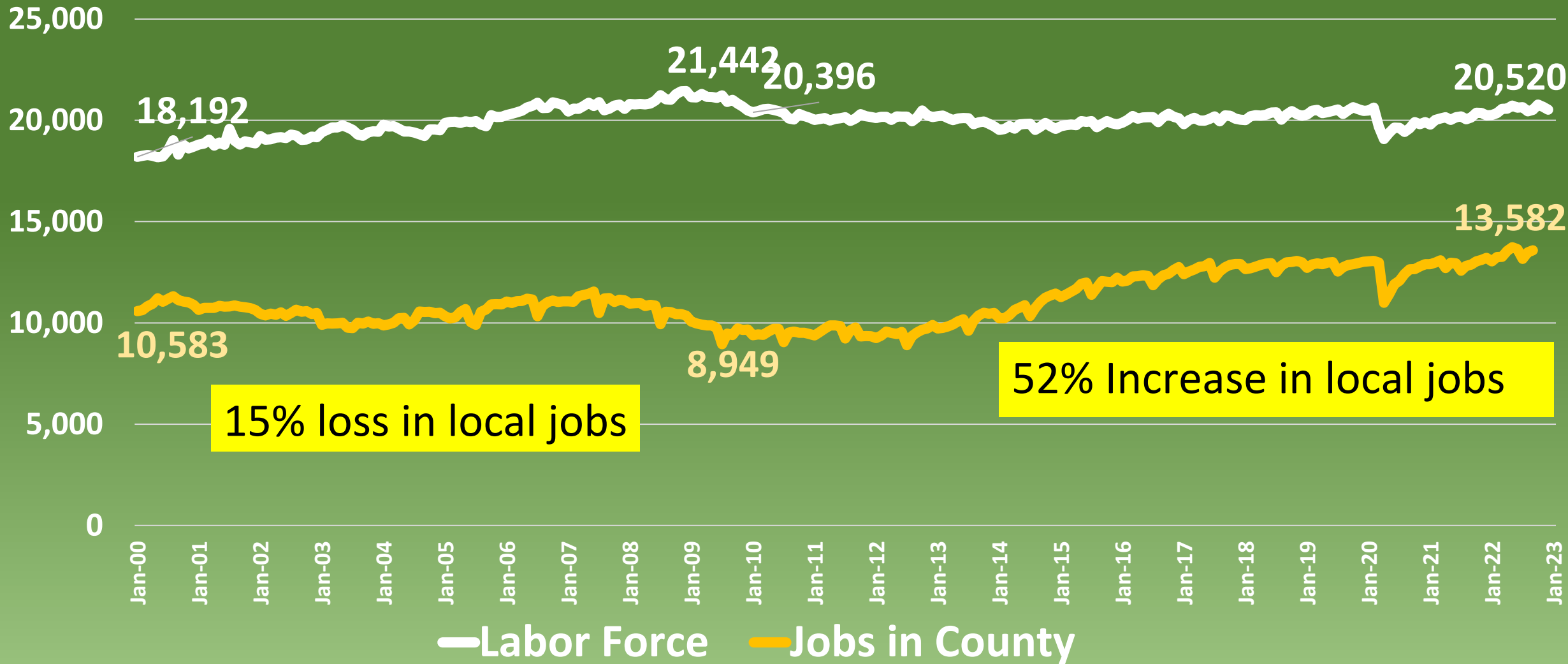


Individuals 25-54 with minor children at home



Davie County Jobs, Labor Force and Employment

January 2000 – December 2022



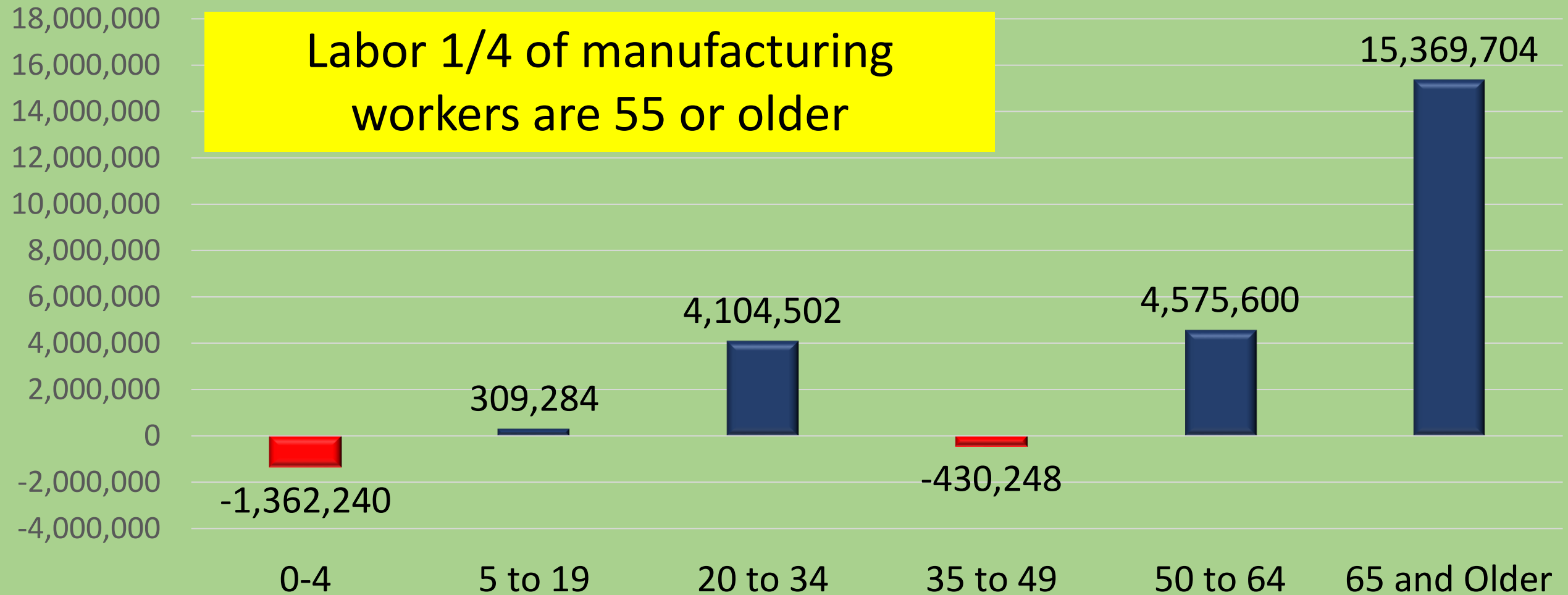
Critical Positions

CRISIS



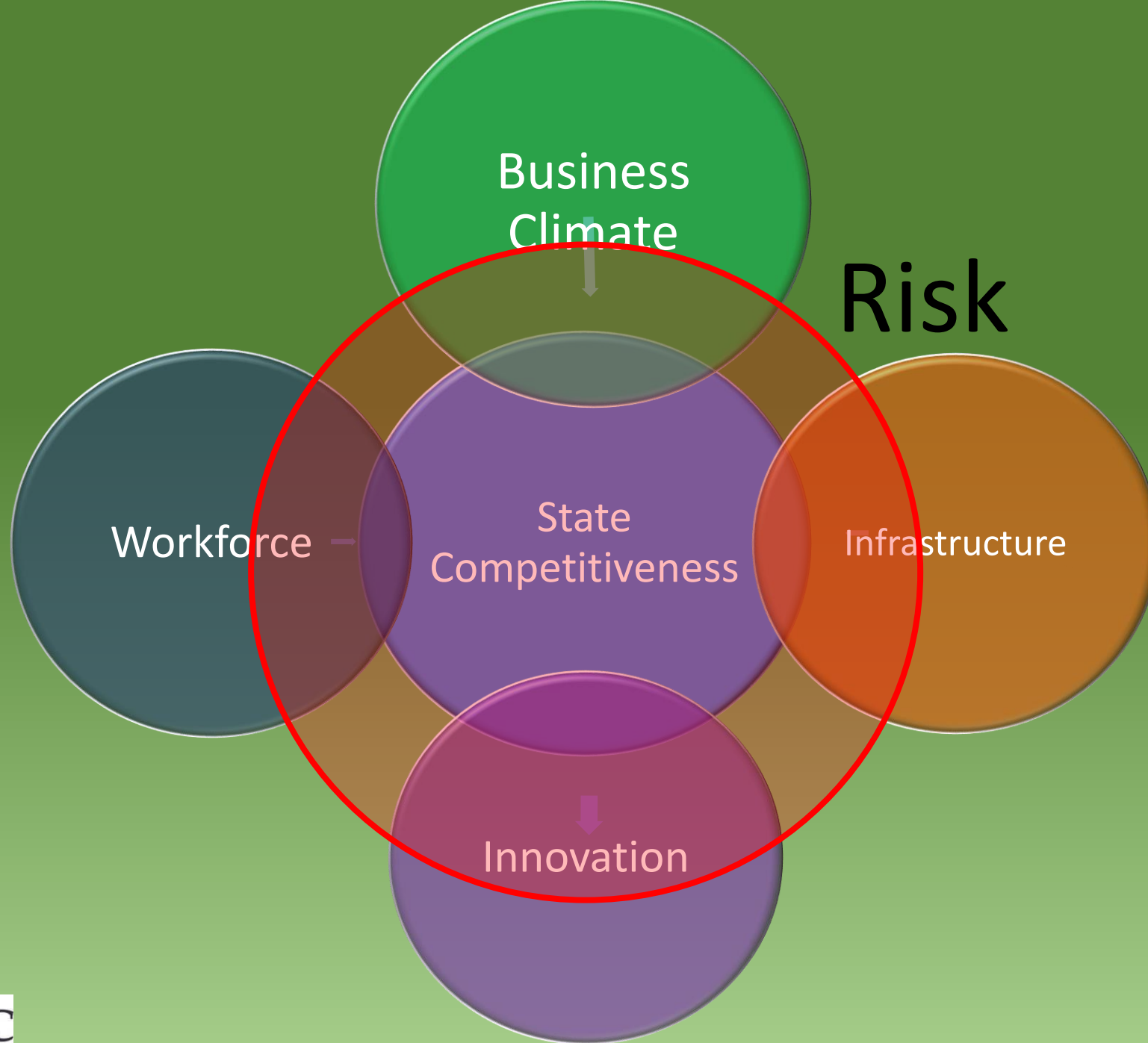
USA - Age

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**



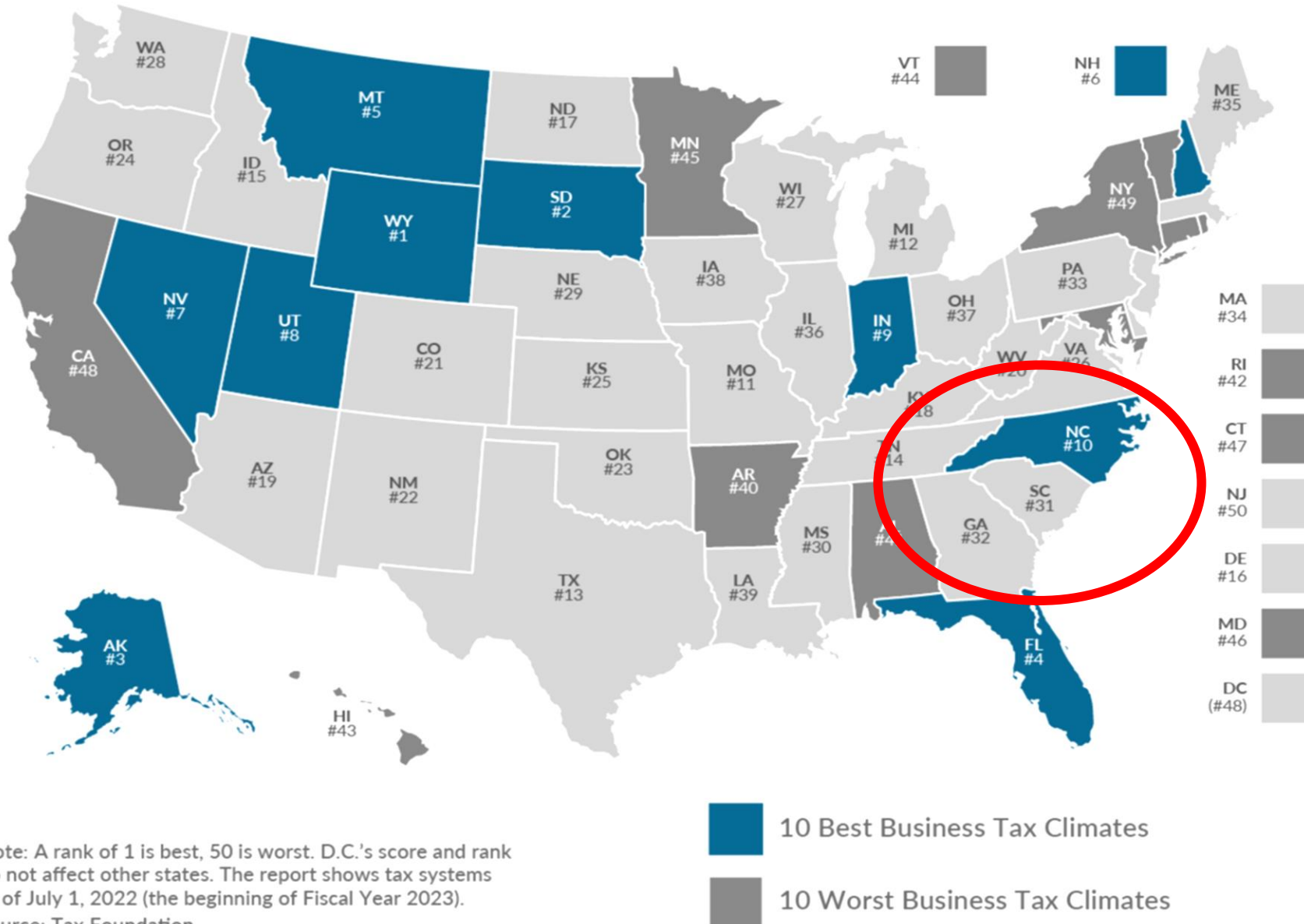


2023 Business Tax Climate

NC Rank 10th

Most Improved Business Climates

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



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).

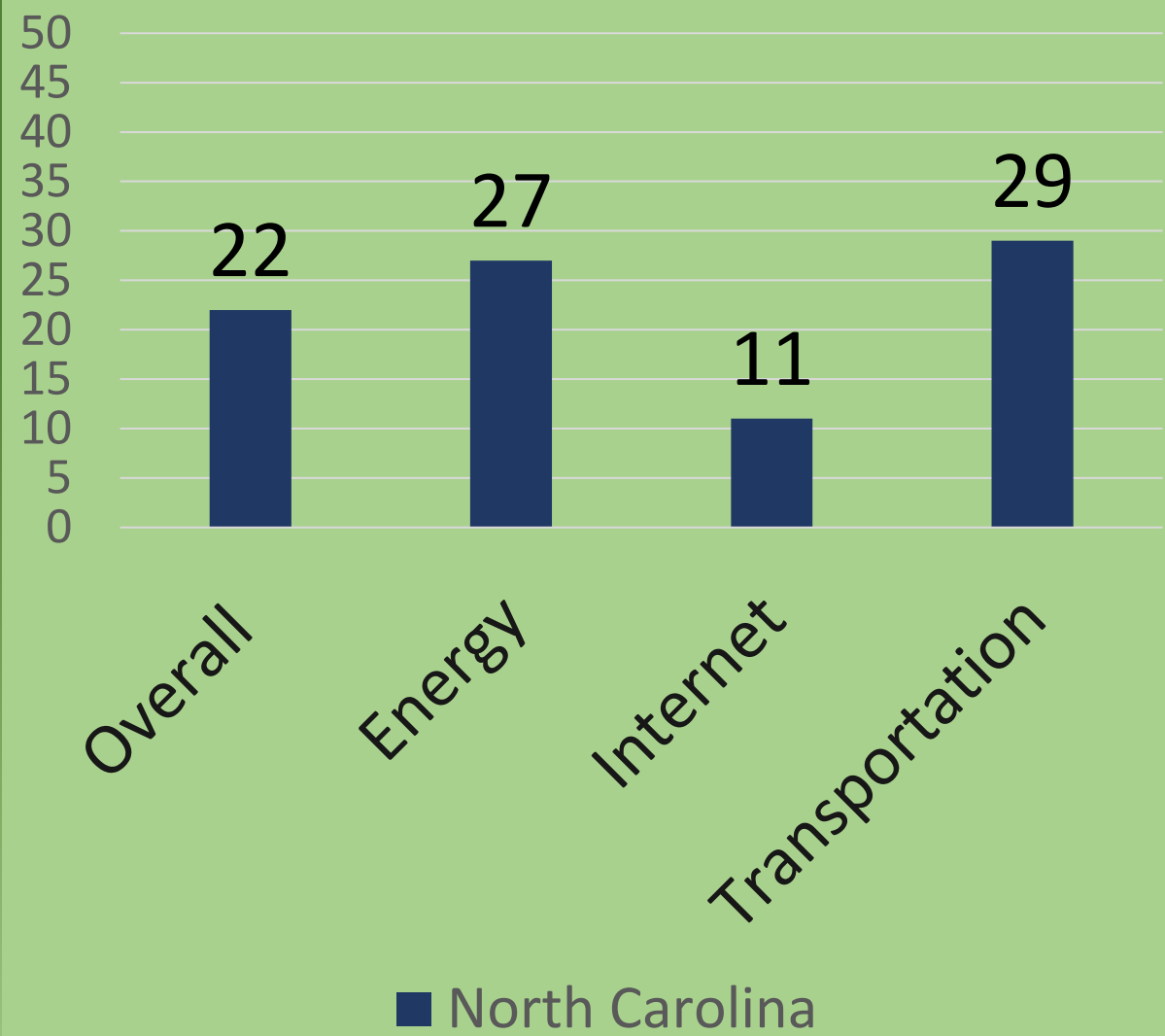
Source: Tax Foundation.

State Legal Climate Rankings

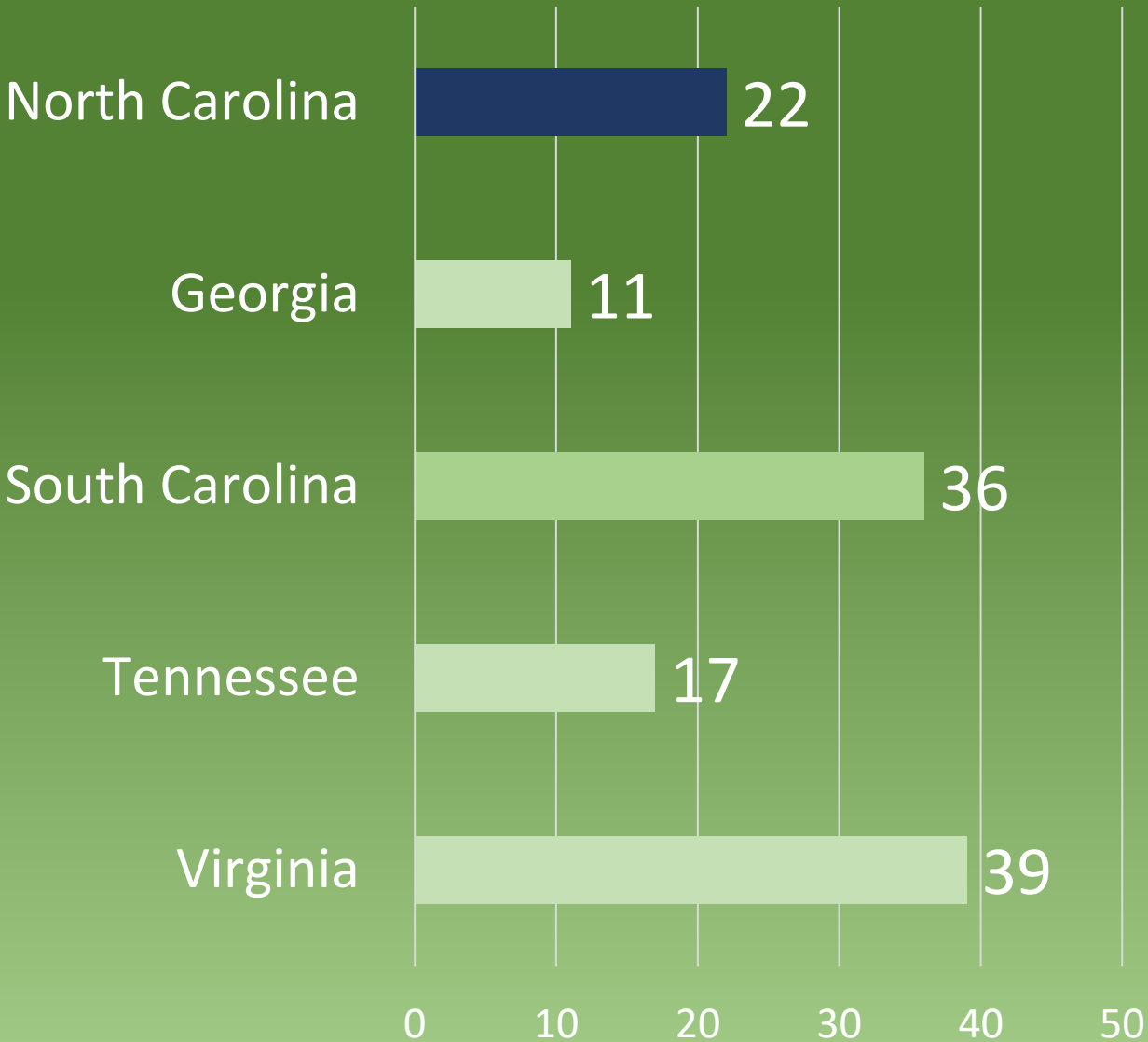


US News Infrastructure Rankings

North Carolina



Neighborhood Overall Rankings



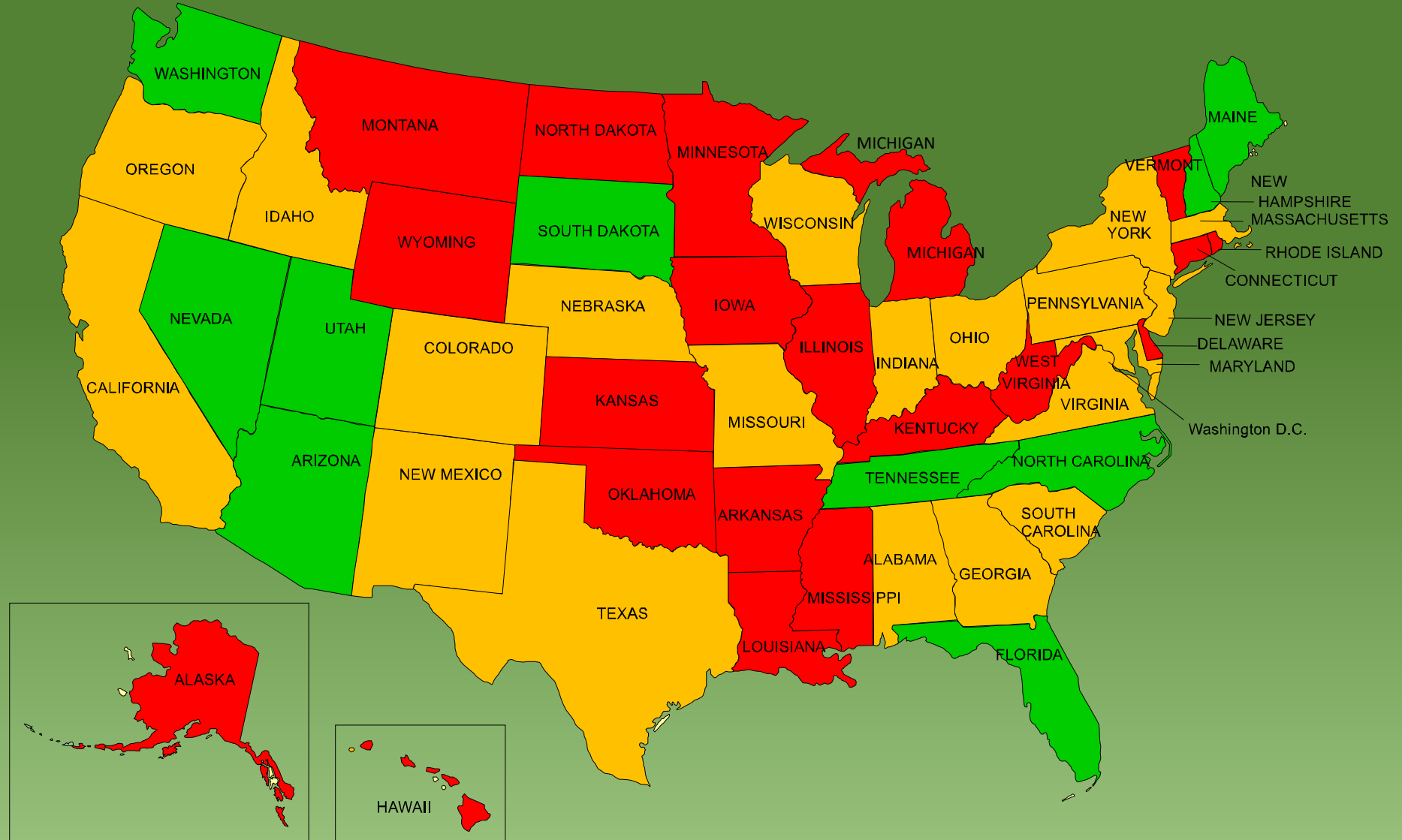
N.C. 17th



Source: Information Technology & Innovation Foundation, June 2022

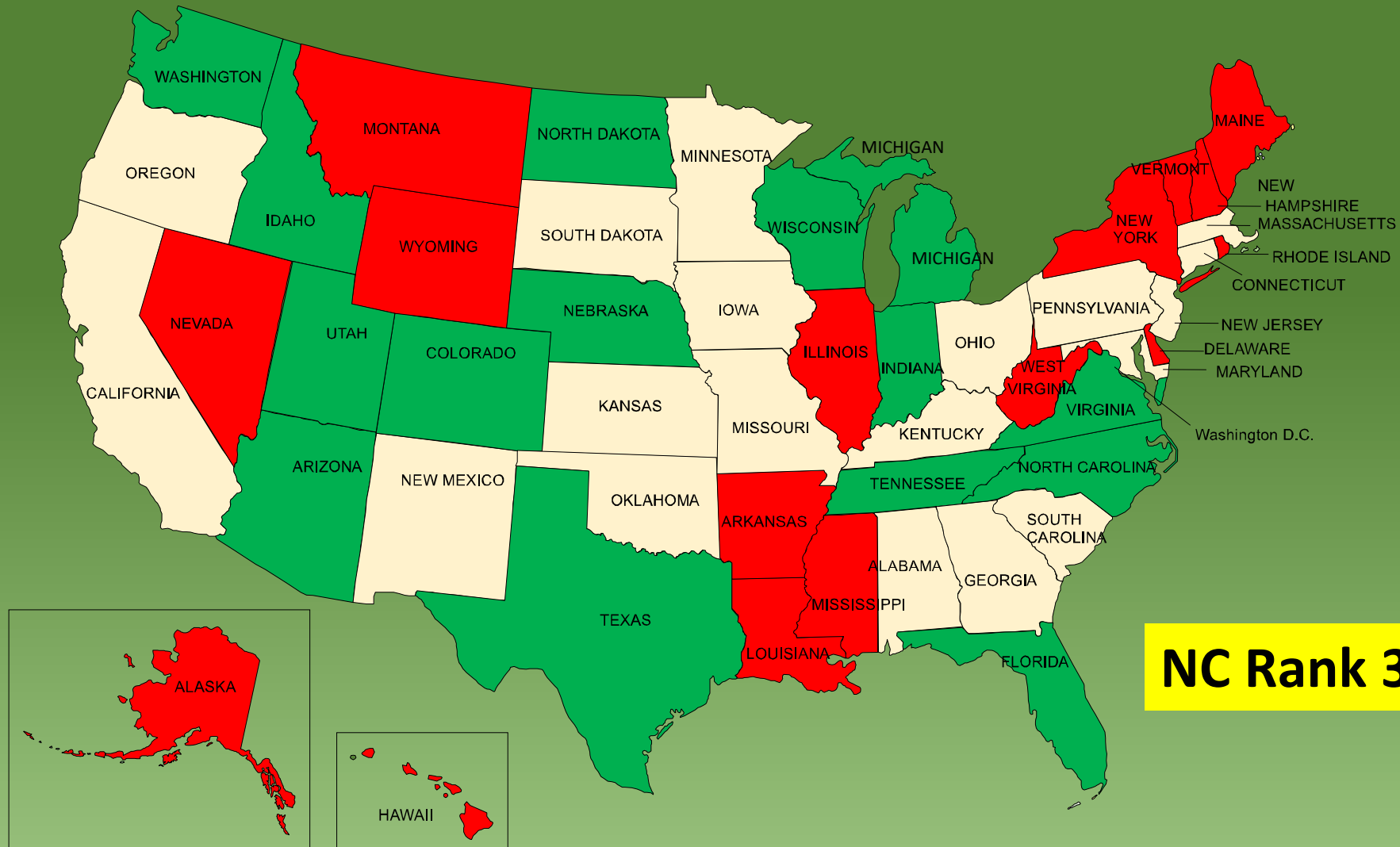
Tech Sector Employment Growth, 2016-2021

N.C. 9th



Top 10 (Percentage growth) Ranked 11 - 30 Ranked 31 - 50

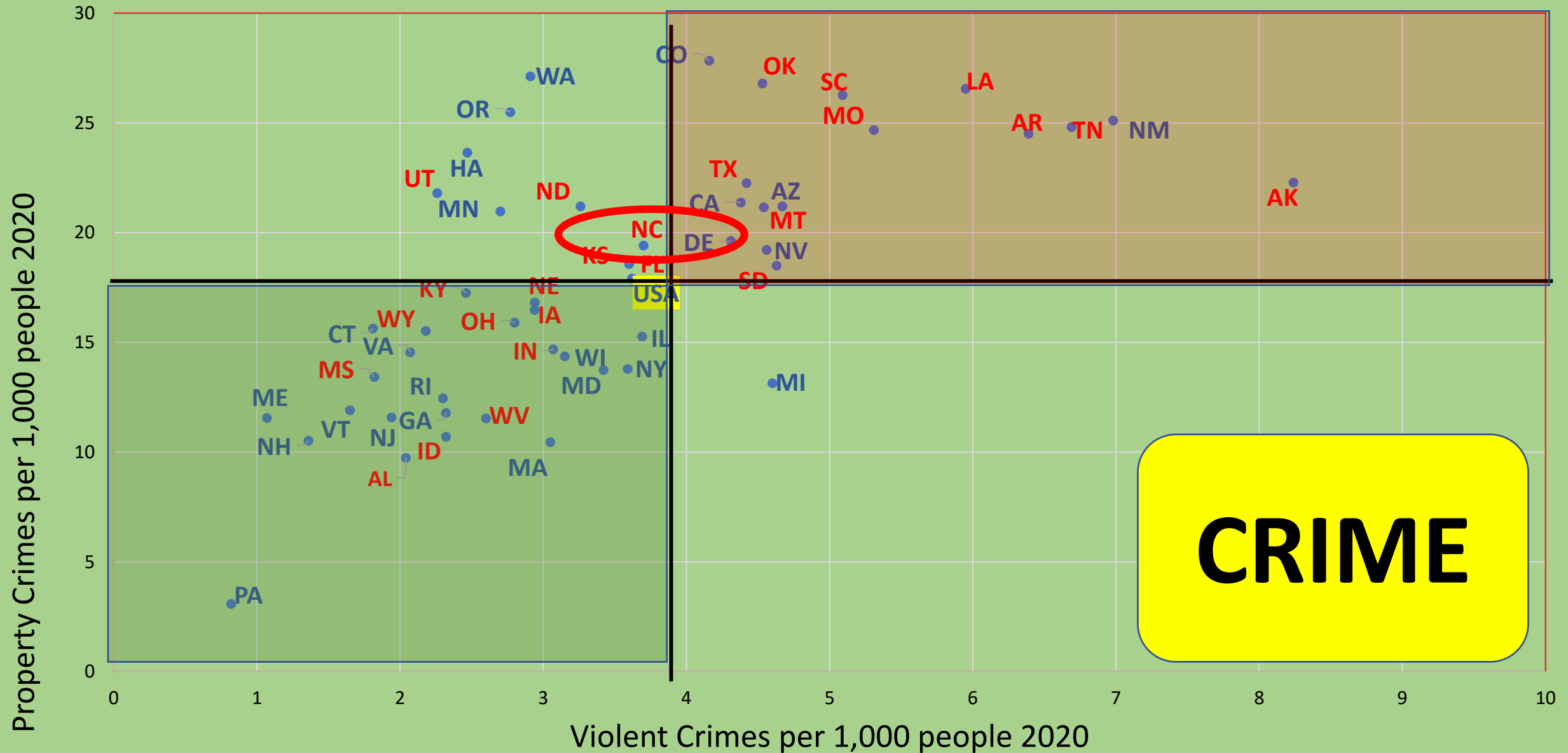
2022 Manufacturing Rankings



NC Rank 3rd



Violent Crime vs Property Crime



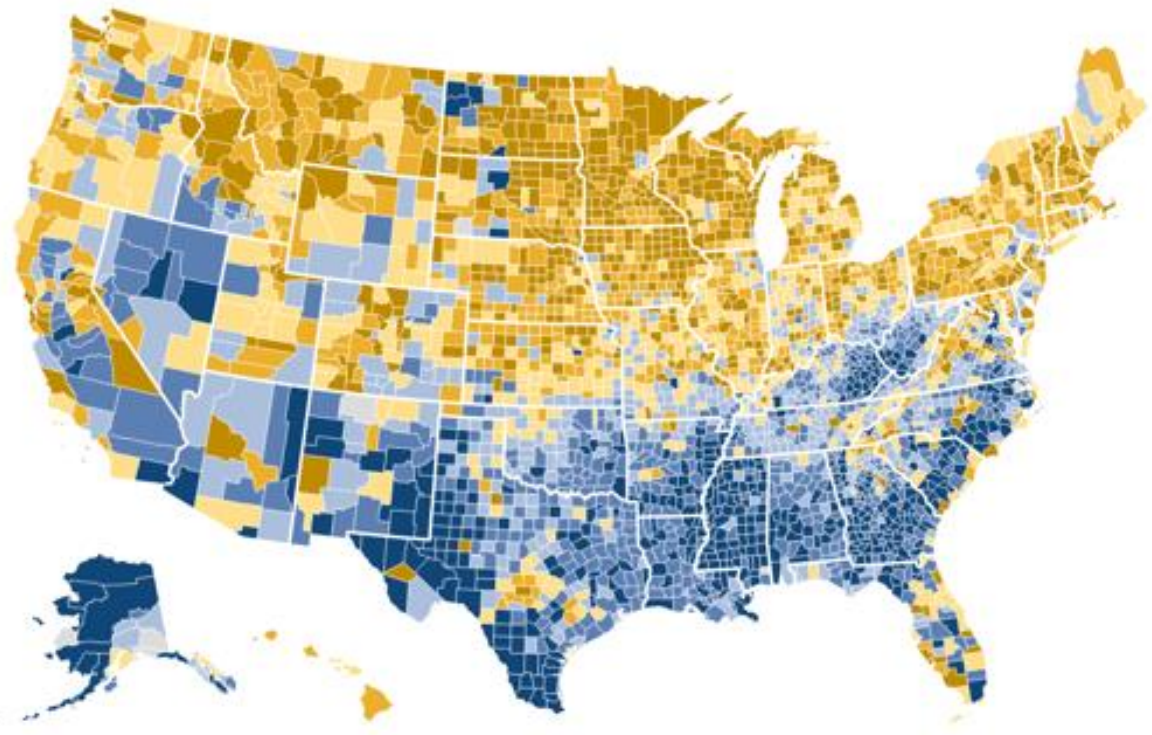
Health Ranking and Productivity



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

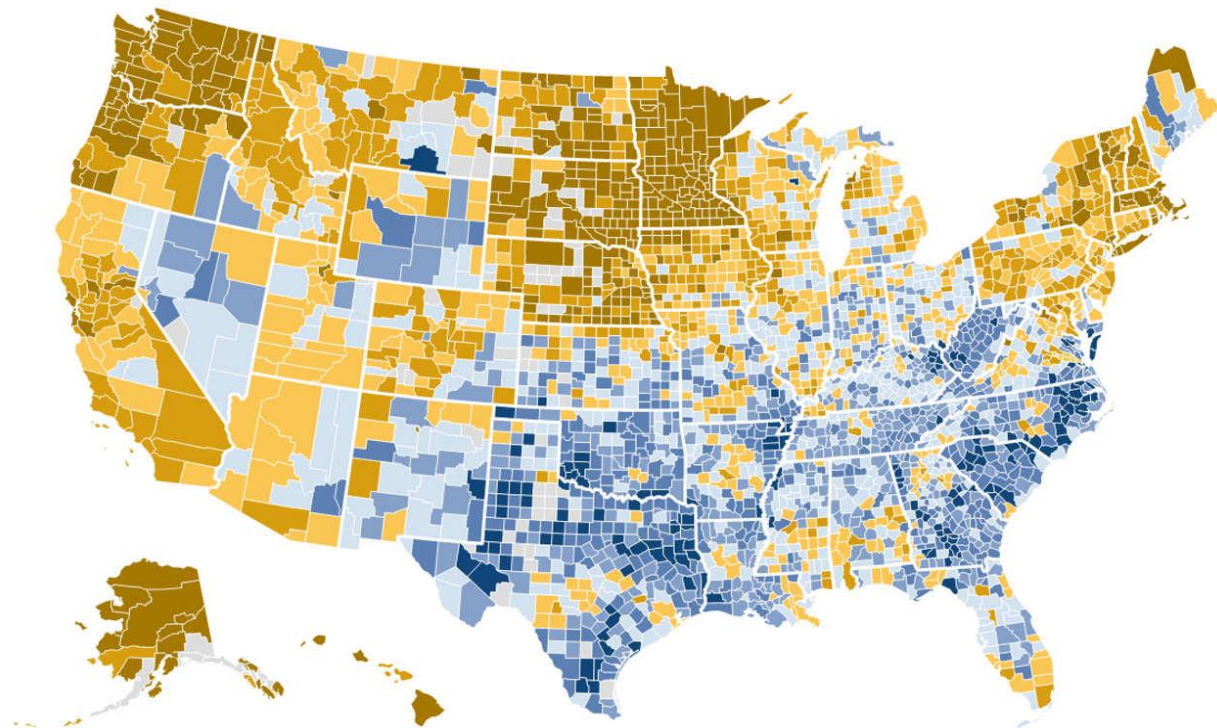


Note: FICO averages for individuals with credit cards by county as of 2019
Source: Sumit Agarwal, Andrea Presbitero, André Silva and Carlo Wix
THE WASHINGTON POST

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 dark suit and blue 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

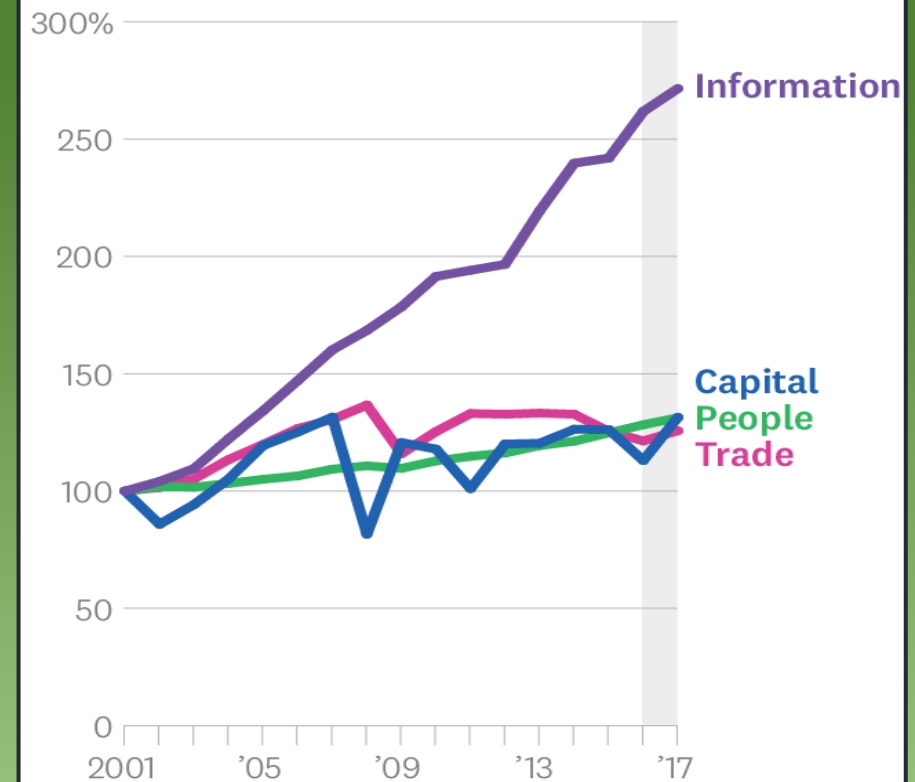
What is (was) Globalization?

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)

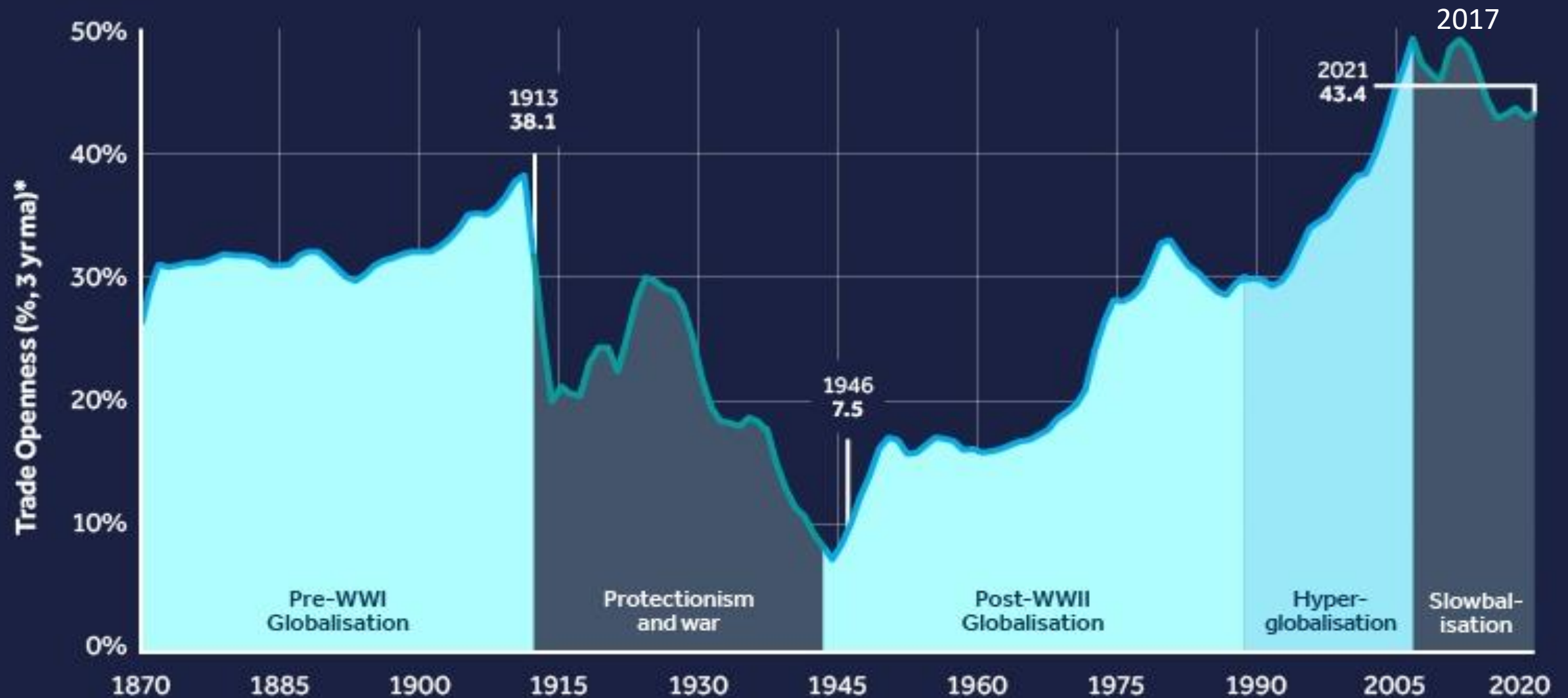
While flows of information show the most growth over time, the percentages of trade, capital, and people flows crossing national borders all increased between 2016 and 2017 as well.

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

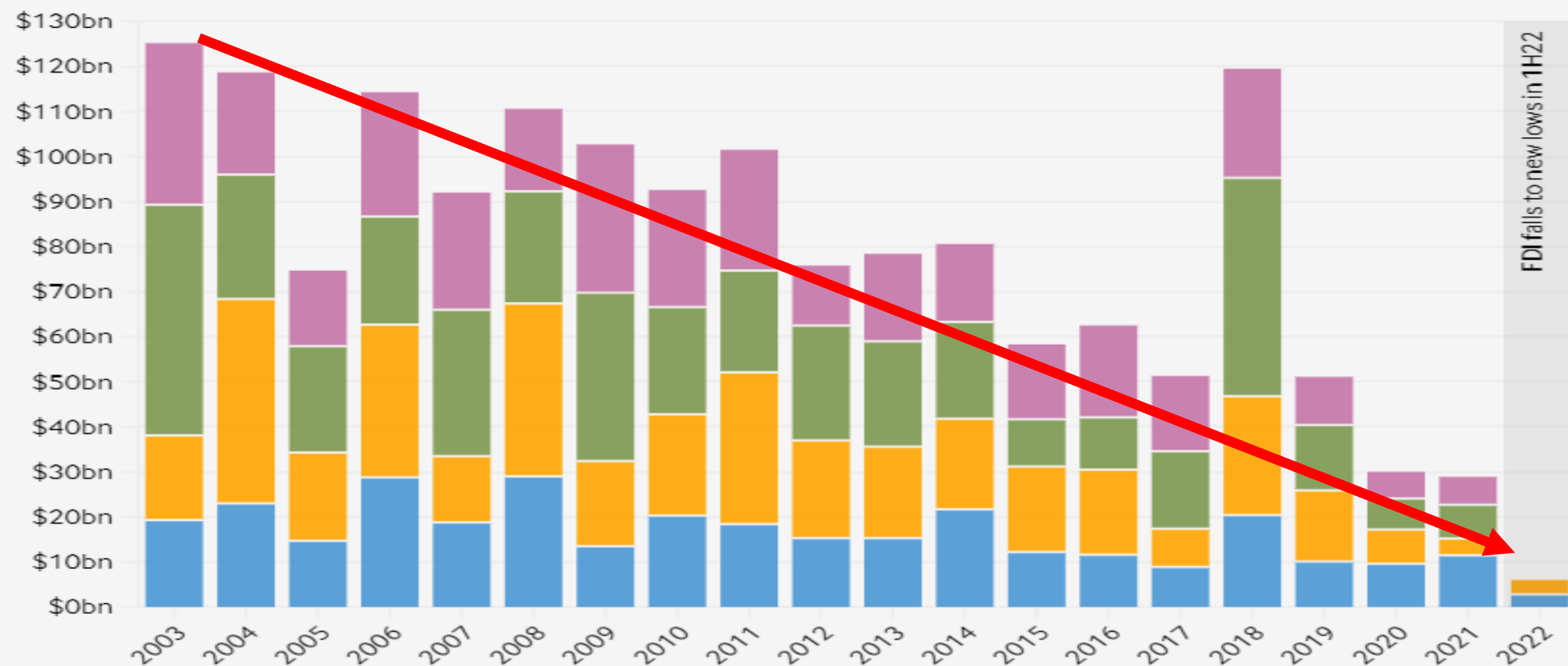


- The quick growing economy and slowly opening society are gone
- Policy makers had expected 5.5% growth this year, but are now reporting 2.9% and many believe much lower
- 65 million homes sit empty (20%)
- Domestic demand has collapsed
- Youth unemployment rate at 18%
- New regs have frozen China tech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

China FDI touches new record lows in 1H22

Announced greenfield foreign direct investment into China*

1Q 2Q 3Q 4Q

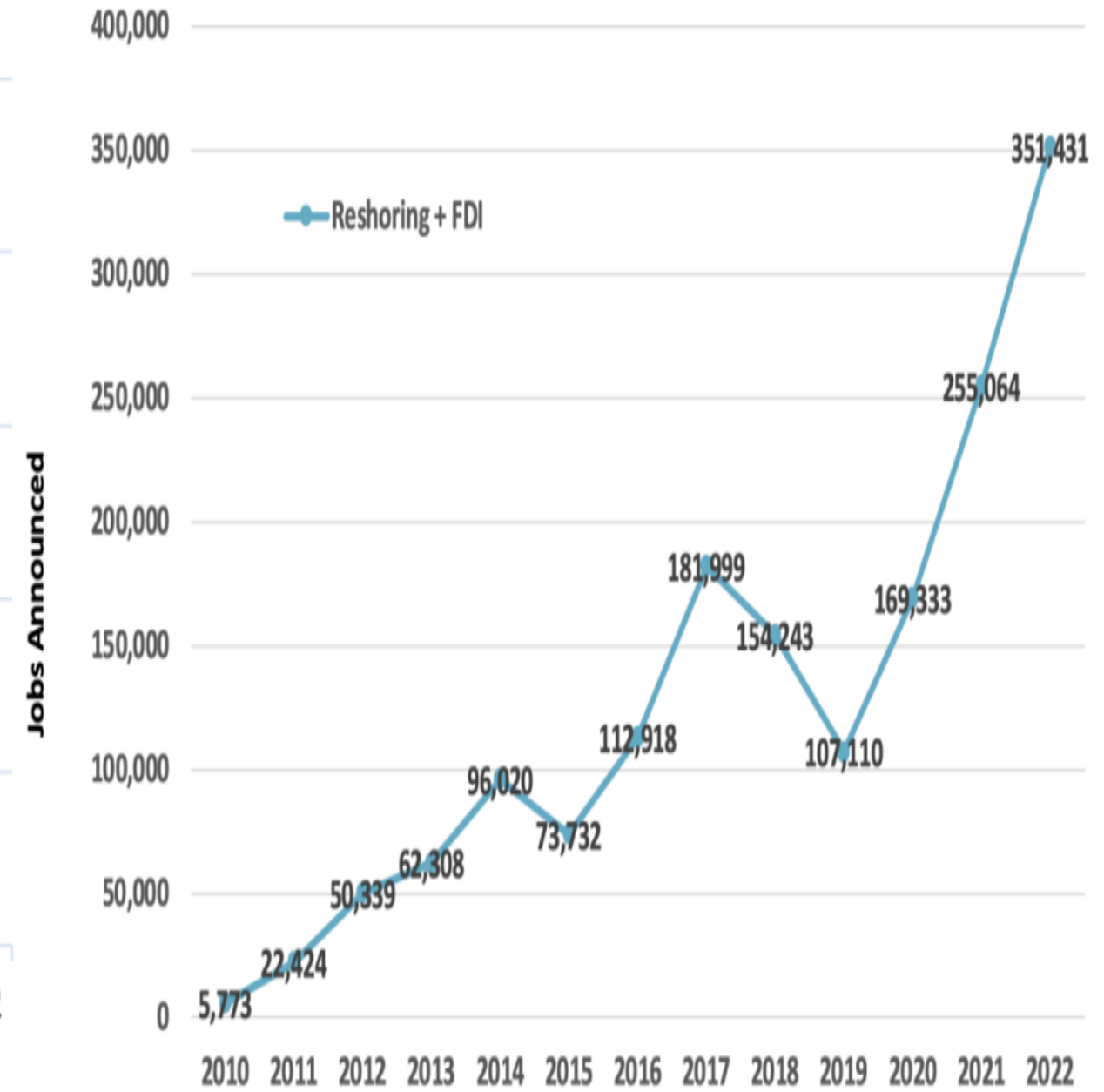
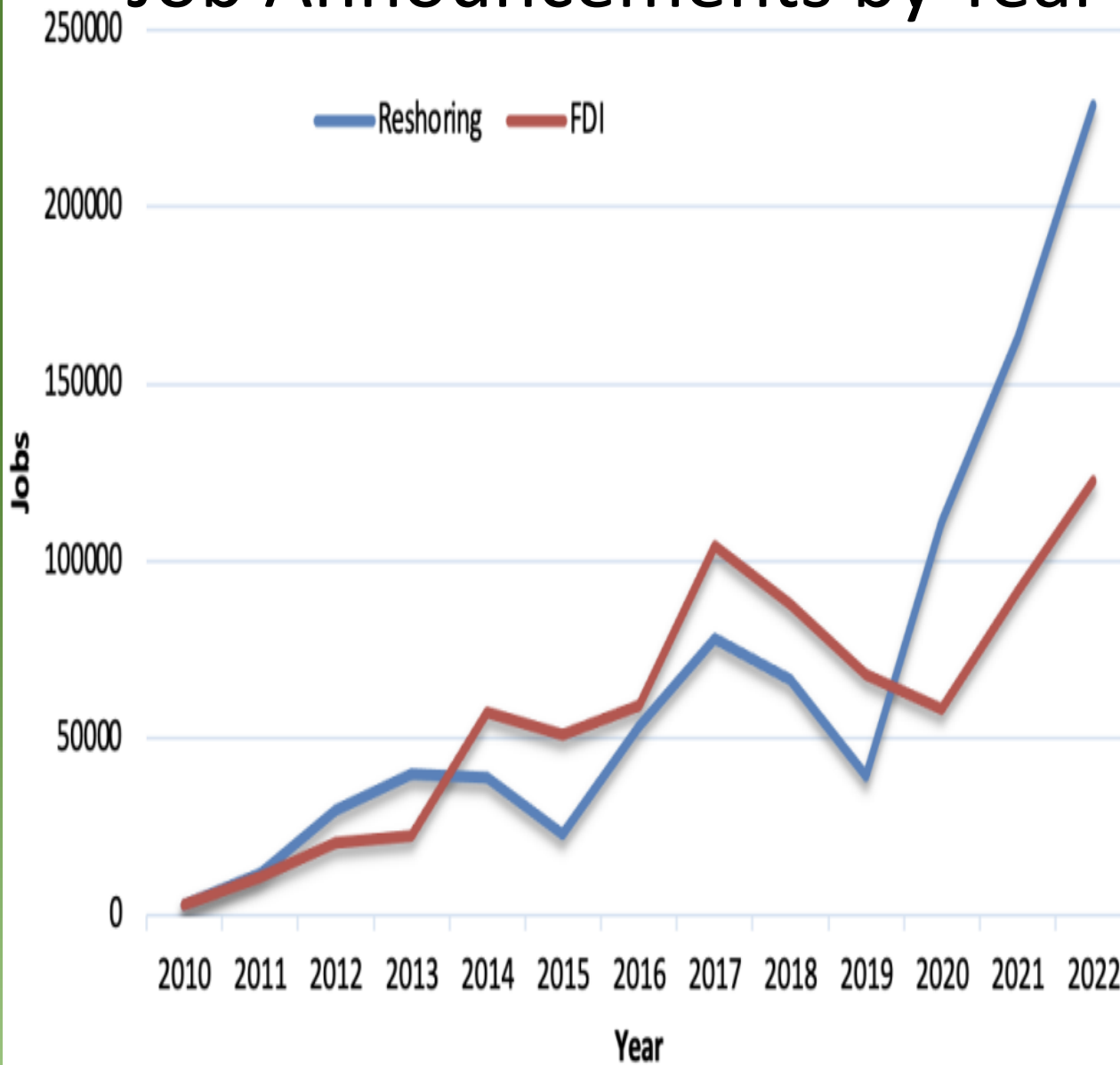


FDI falls to new lows in 1H22

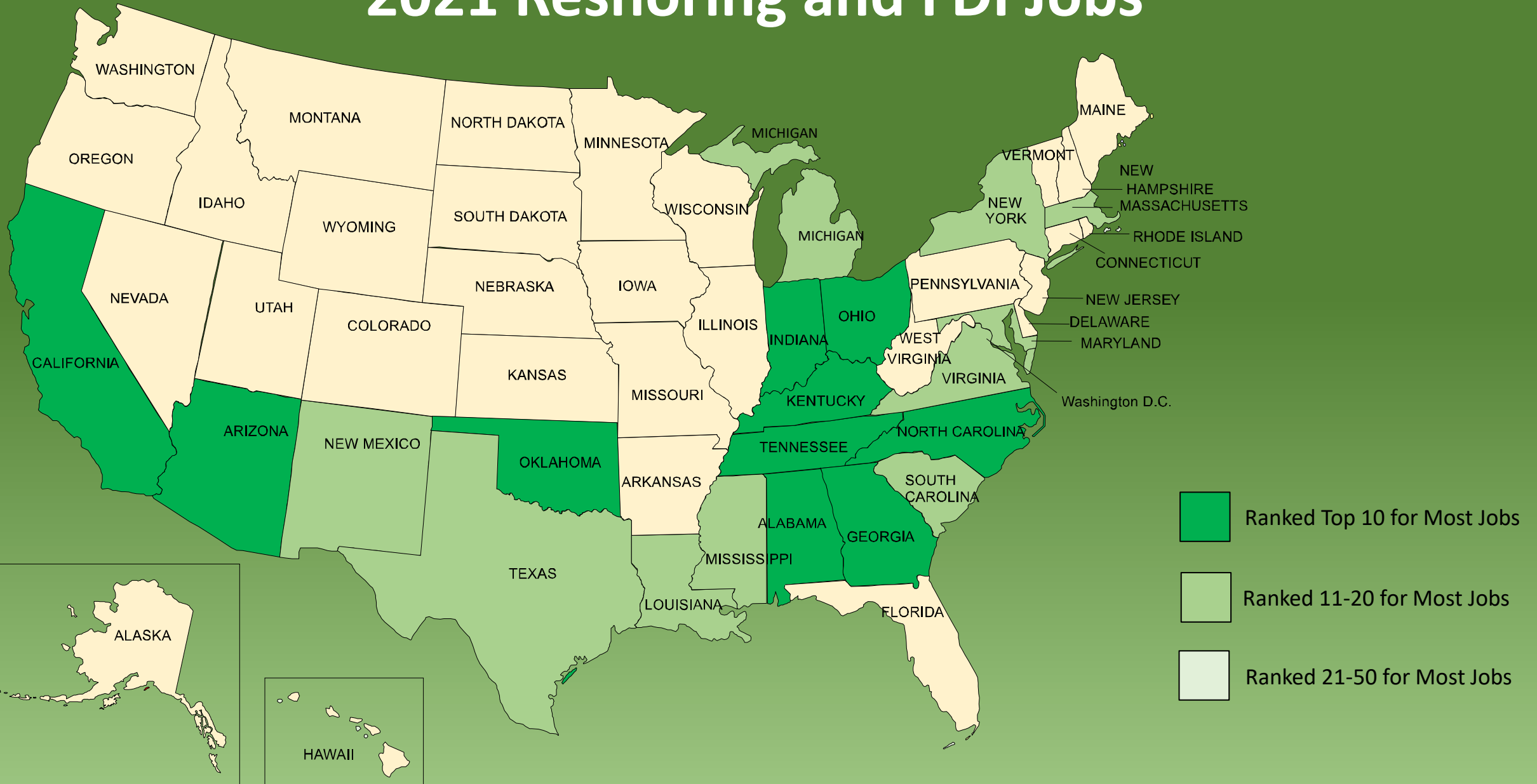
- Site Selection magazine's survey in January 2022 found that 71.5% of national site selection firms said clients were now considering reshoring projects.
- Fictiv's 2022 State of Manufacturing Report-65% of U.S. manufacturing companies want to increase reshoring due to continued supply chain disruptions.



Job Announcements by Year



2021 Reshoring and FDI Jobs



The New Era of Big Power Competition

Hard
Power

Soft
Power

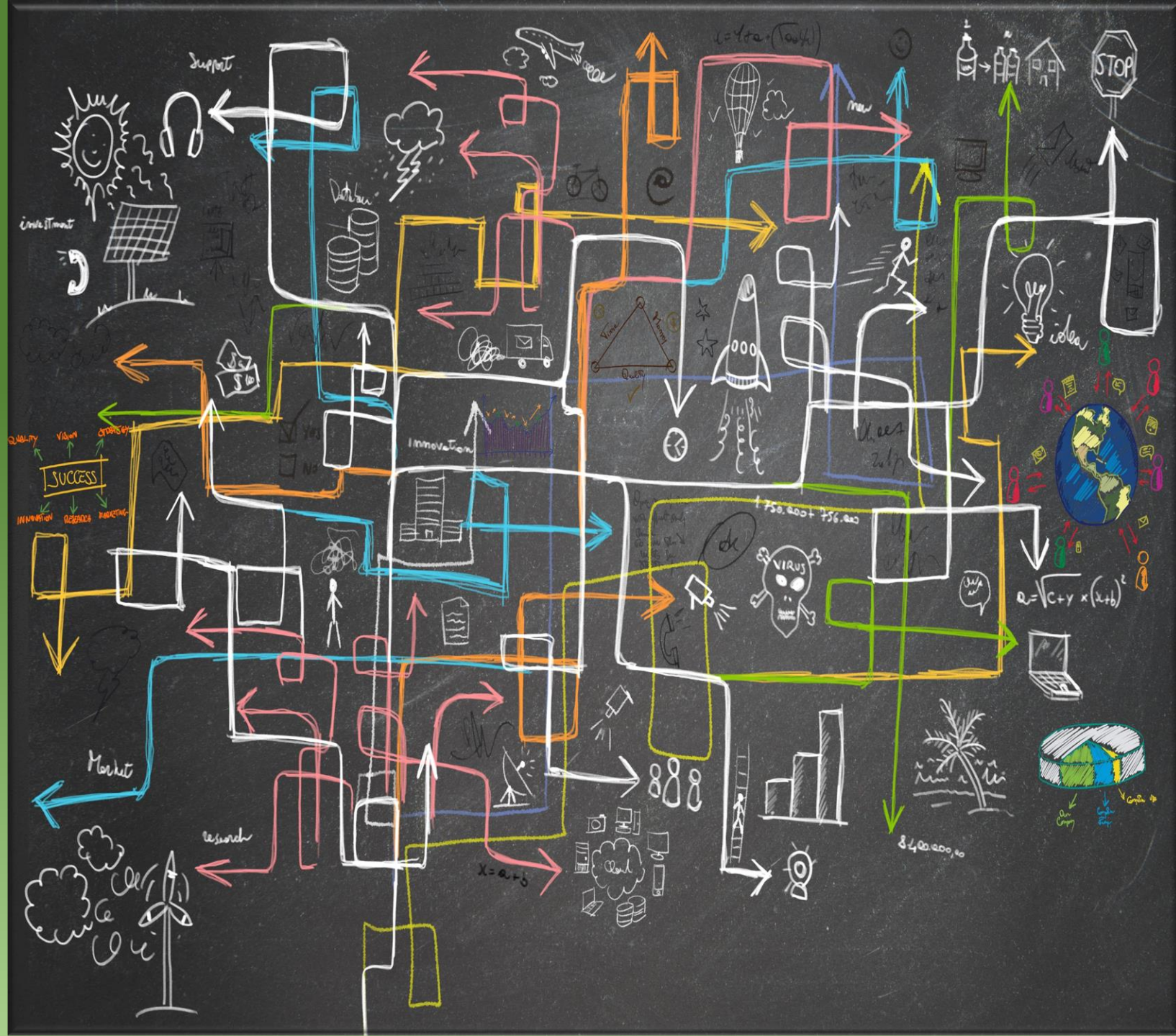
Econ
Power



USAID
FROM THE AMERICAN PEOPLE

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...

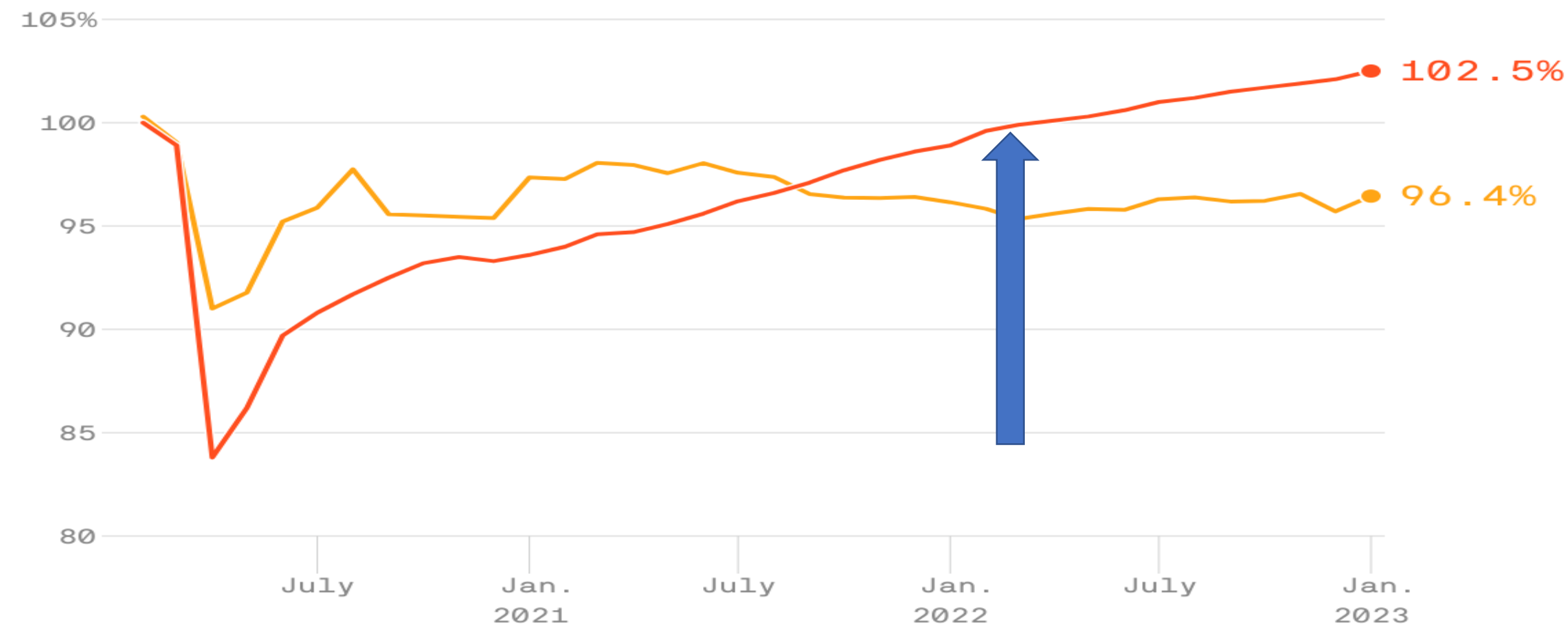




Share of U.S. jobs recovered from start of pandemic

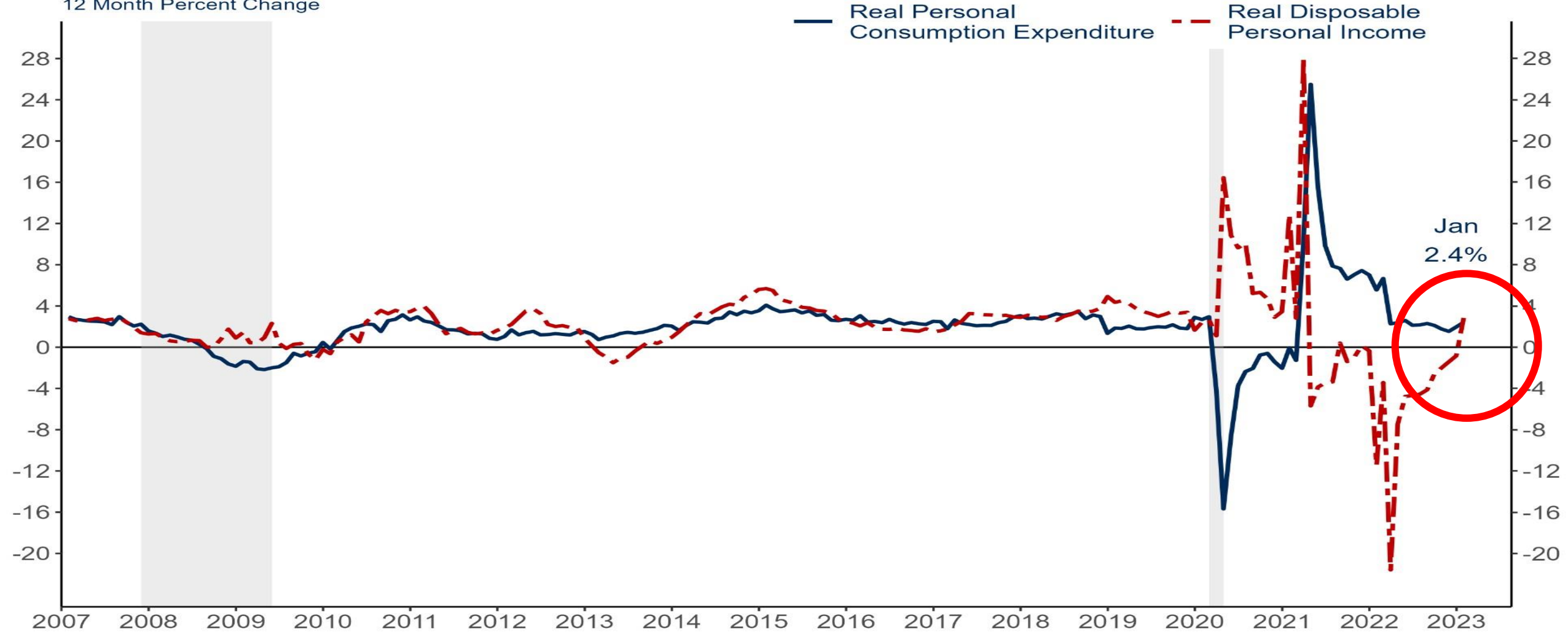
Monthly; February 2020 to January 2023

— Private sector — State and local government jobs



Consumer Spending and Income

Consumer Spending and Income
12 Month Percent Change

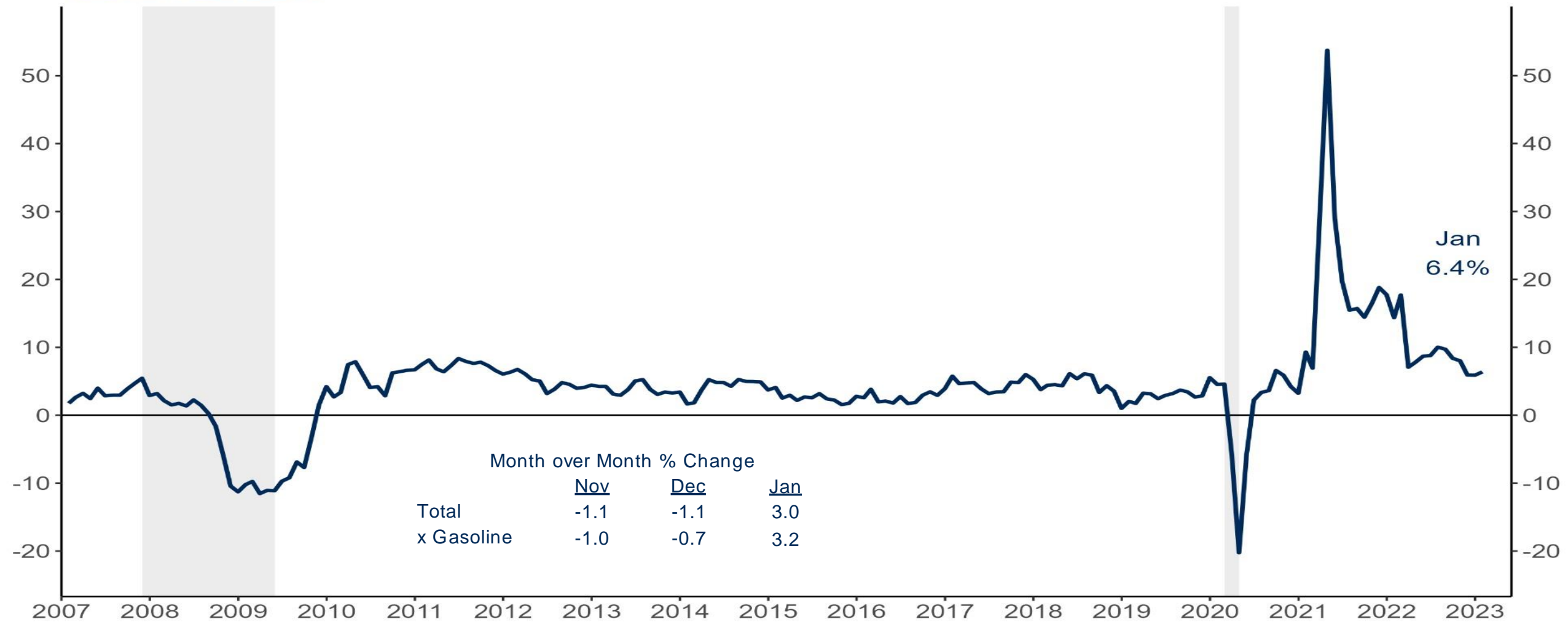


Source: Bureau of Economic Analysis via Haver Analytics

Retail Sales

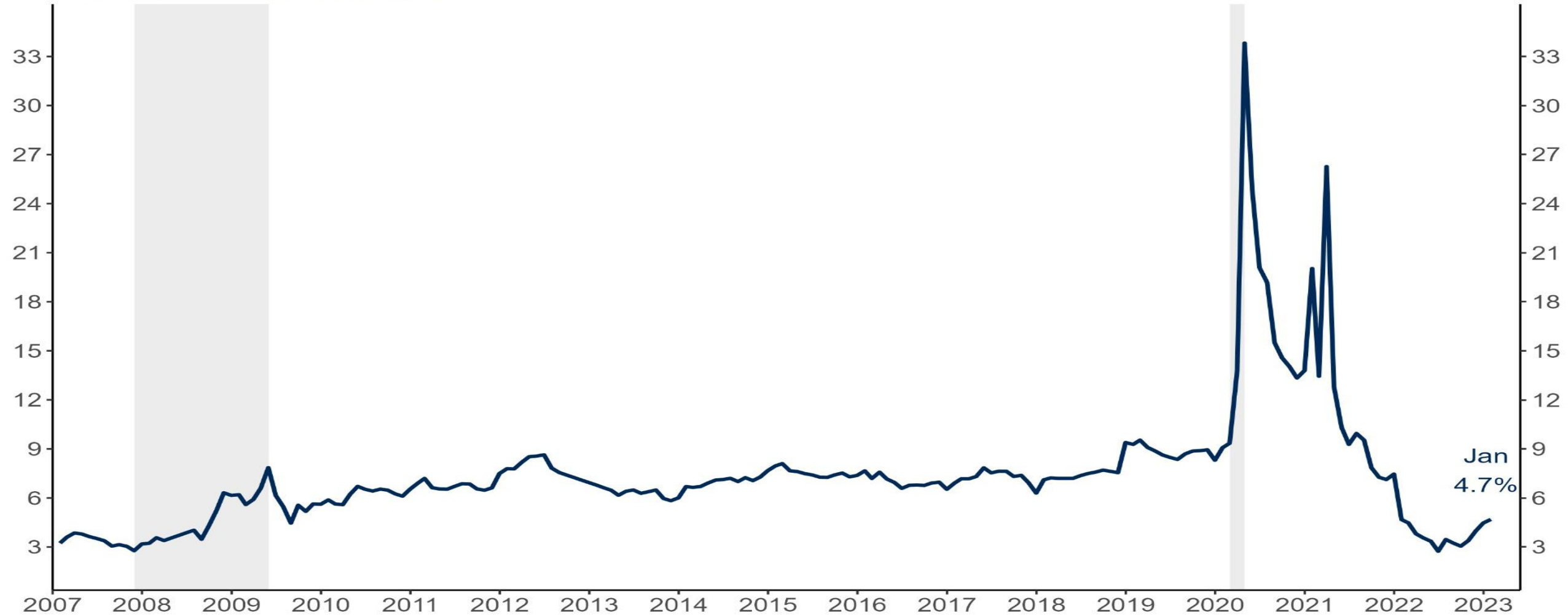
Retail Sales

12 Month Percent Change

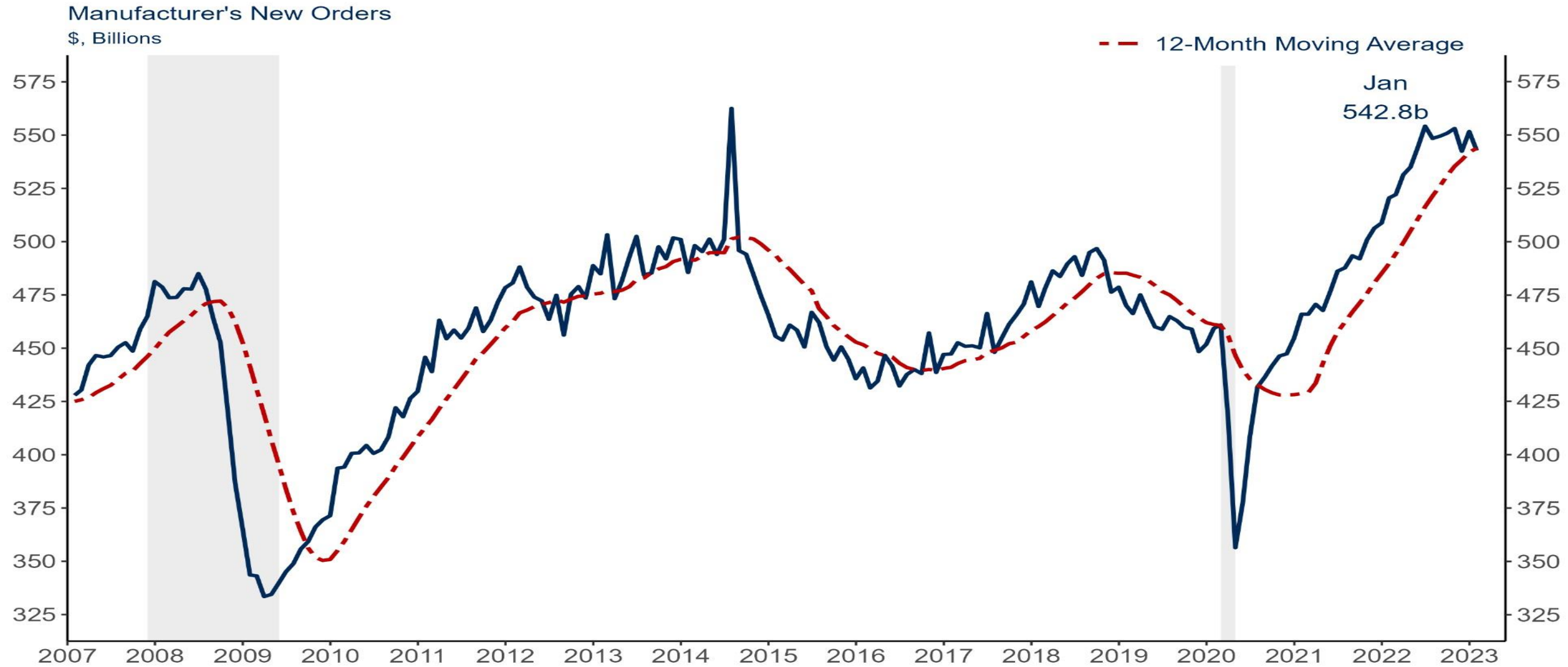


Personal Saving Rate

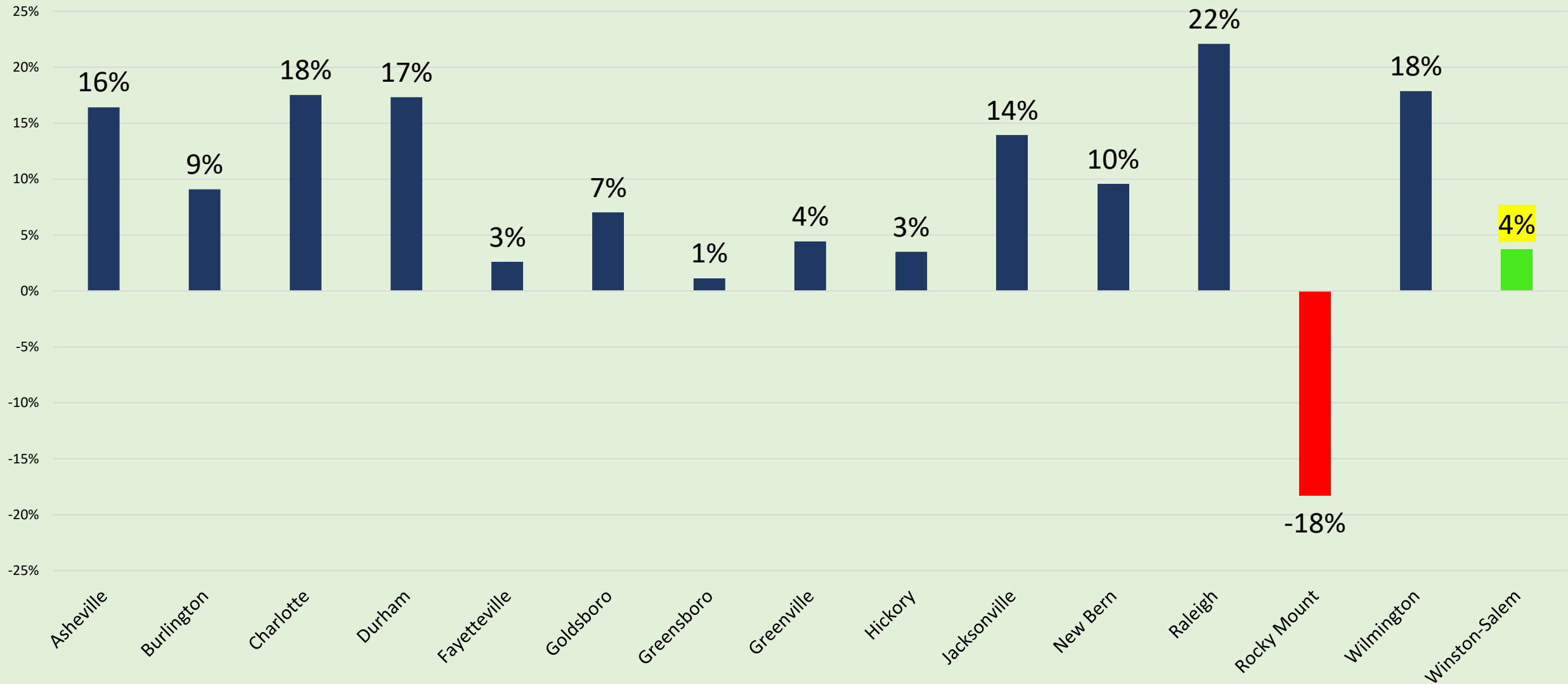
Personal Saving Rate
Percent of Disposable Personal Income



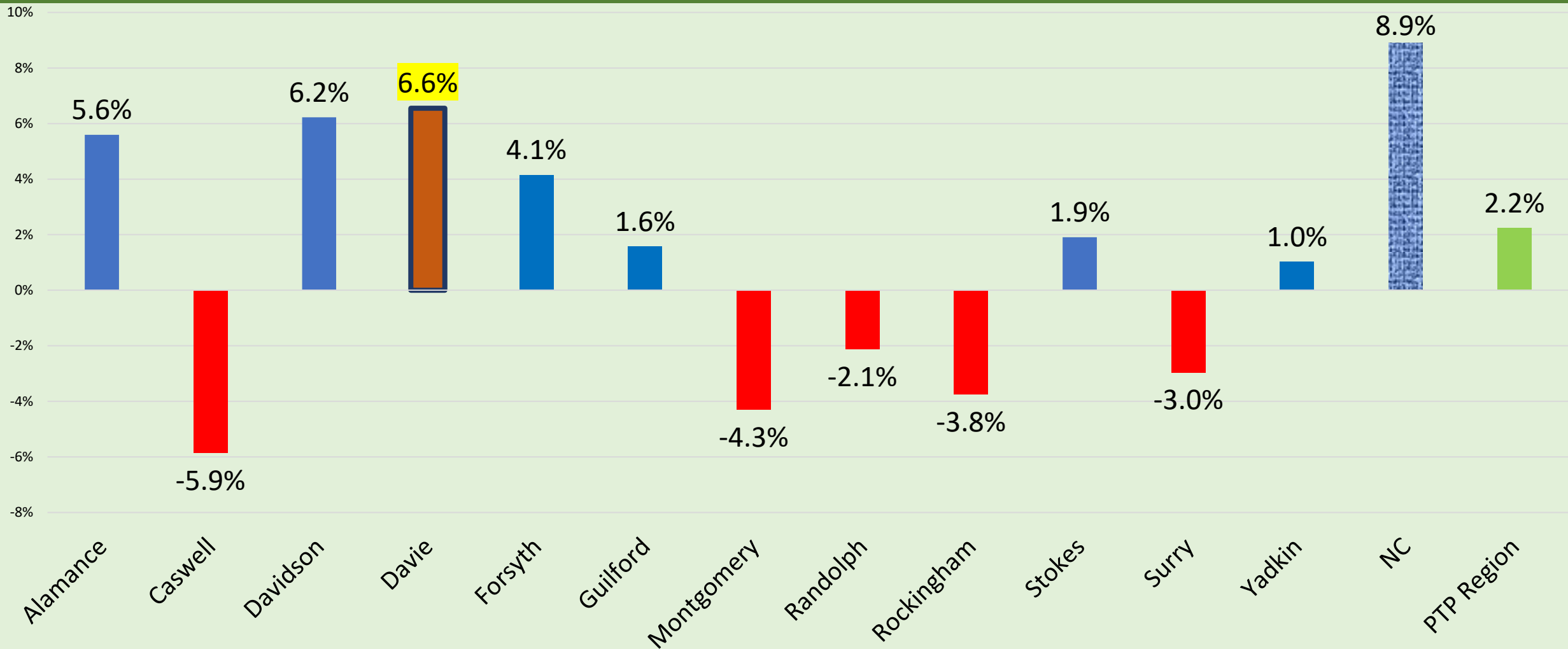
Manufacturers' New Orders



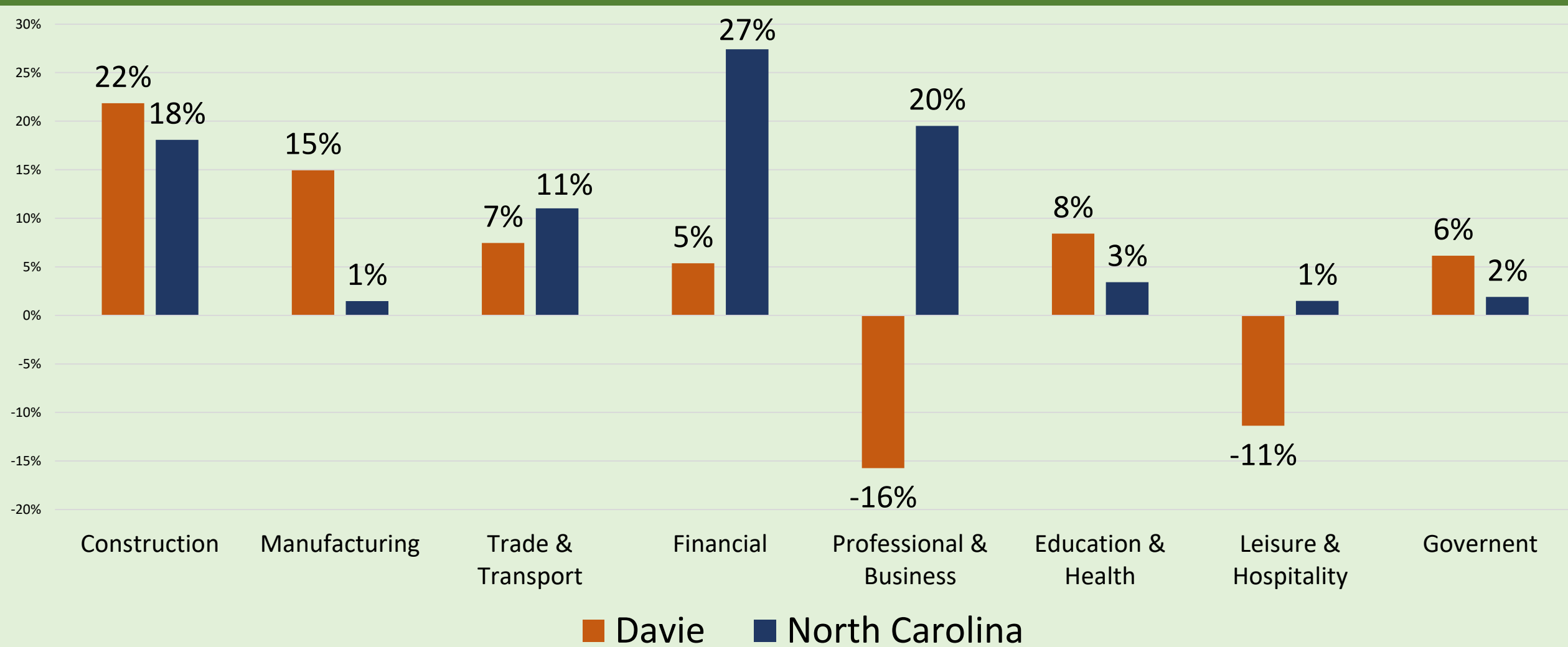
GDP Growth by NC Metro 2016-2021



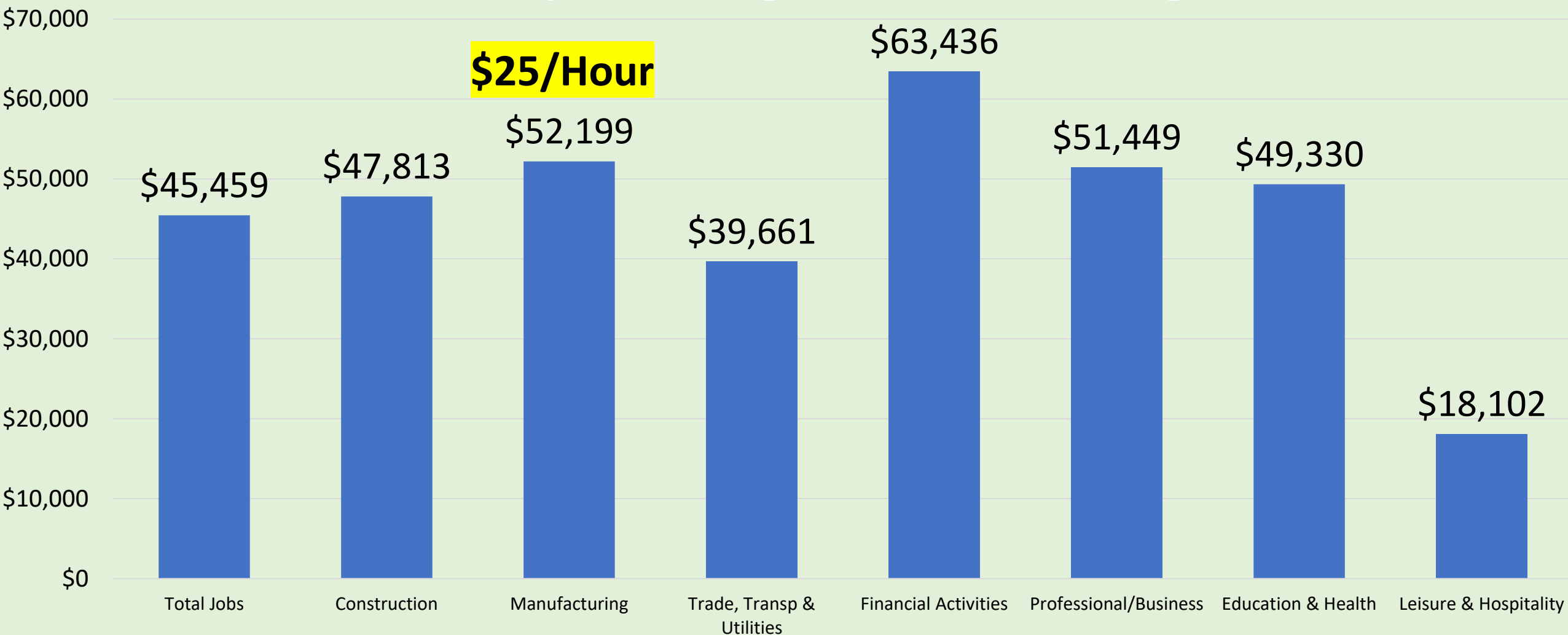
% Job Growth by PTP County Sept 2017-Sept 2022



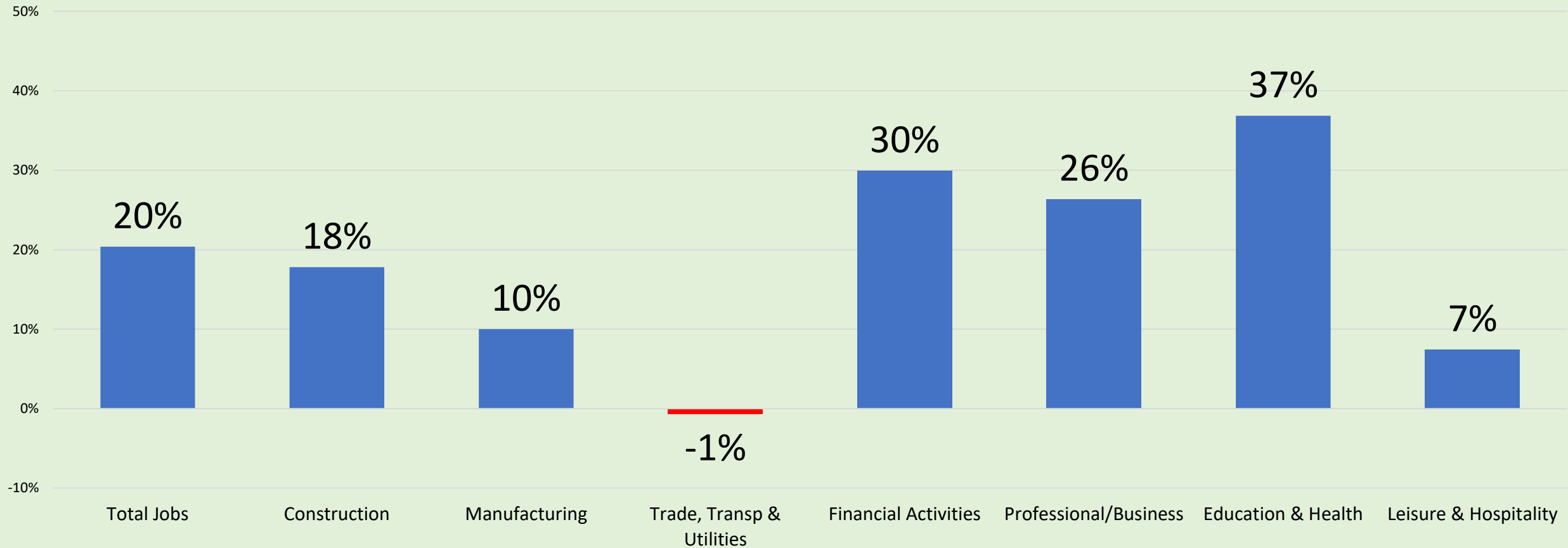
% Job Growth Davie Co. & NC by Sector Sept 2017-Sept 2022



Davie County Average Annual Wage 2021



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

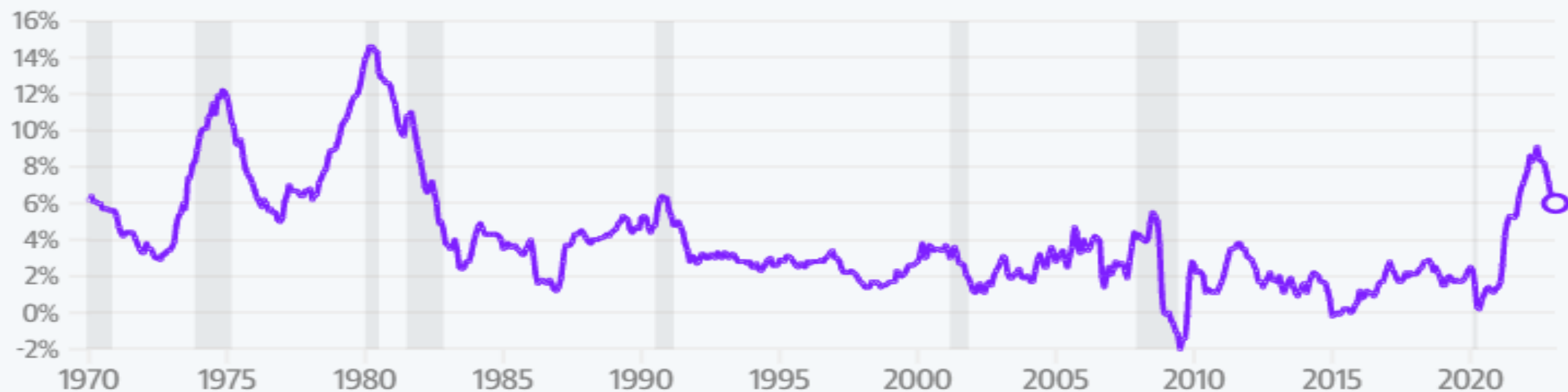


Inflation



ANNUAL INFLATION RATE DROPS TO 6%

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

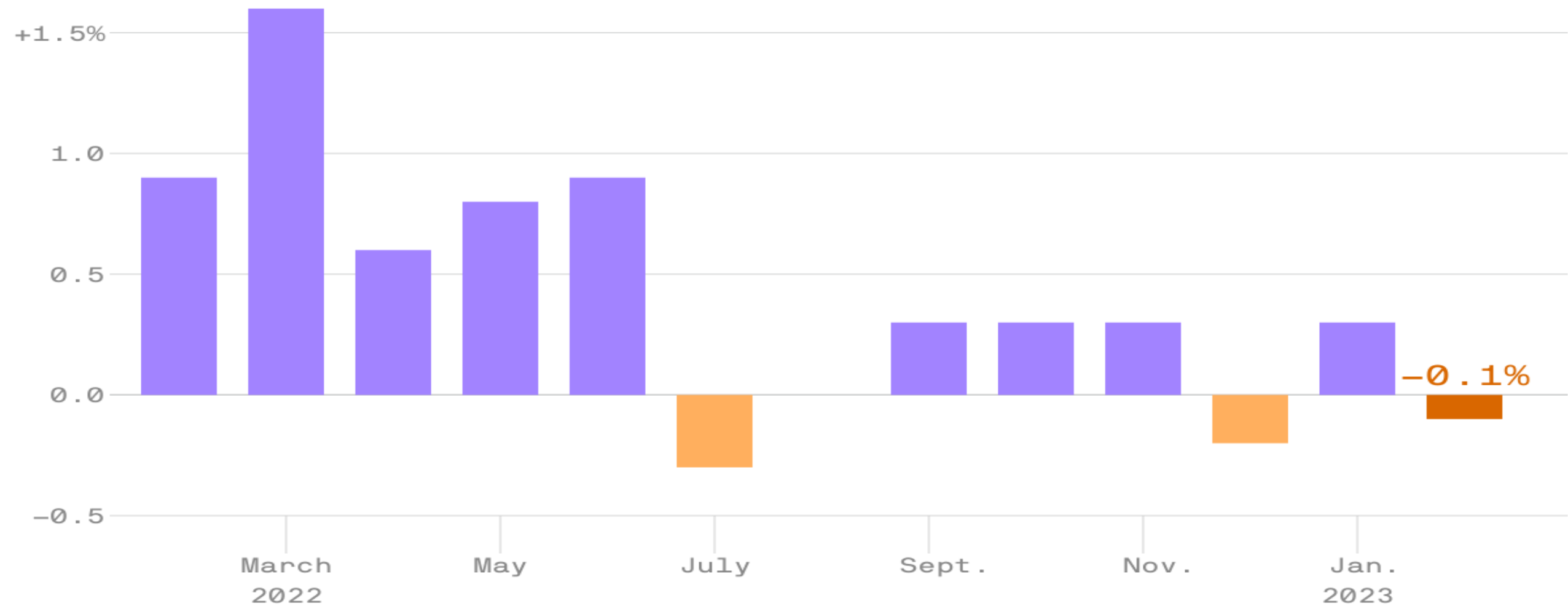


SOURCE: U.S. BUREAU OF LABOR • SHADED AREAS INDICATE U.S. RECESSIONS

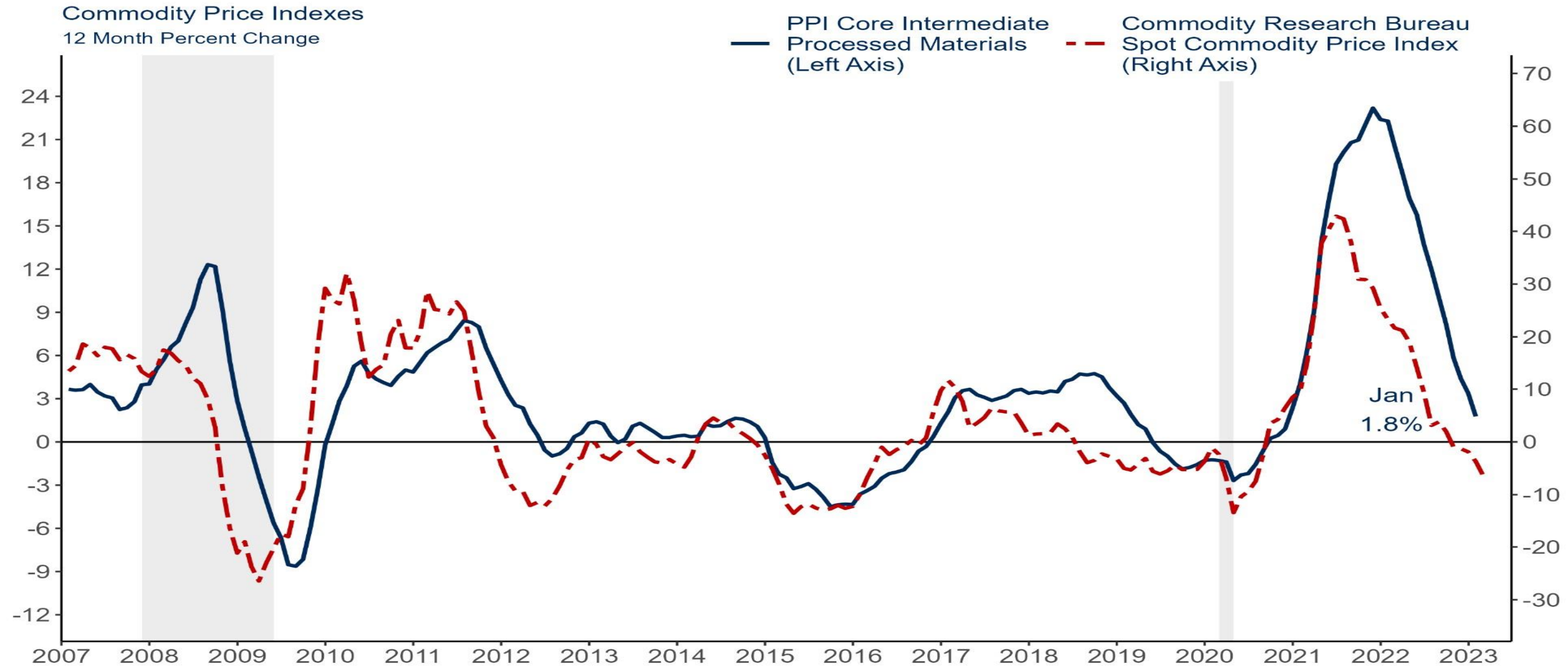
yahoo!
finance

Change in U.S. producer price index

Monthly; January 2022 to January 2023



Commodity Price Indexes



Source: Bureau of Labor Statistics & Commodity Research Bureau via Haver Analytics

West Texas Intermediate crude oil prices, per barrel

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



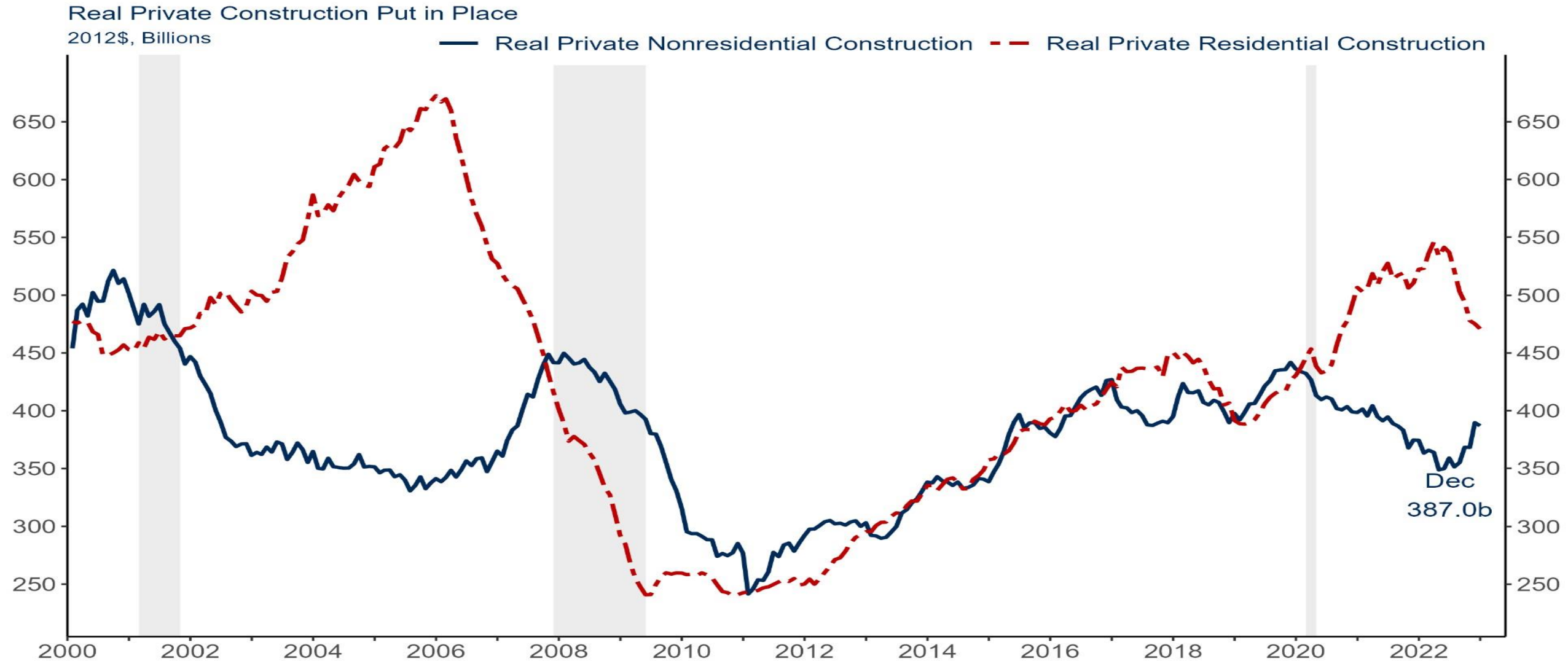
Real Estate Thinking for 2023

Real Estate Headwinds

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



Real Private Construction Put In Place



Real 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%.**

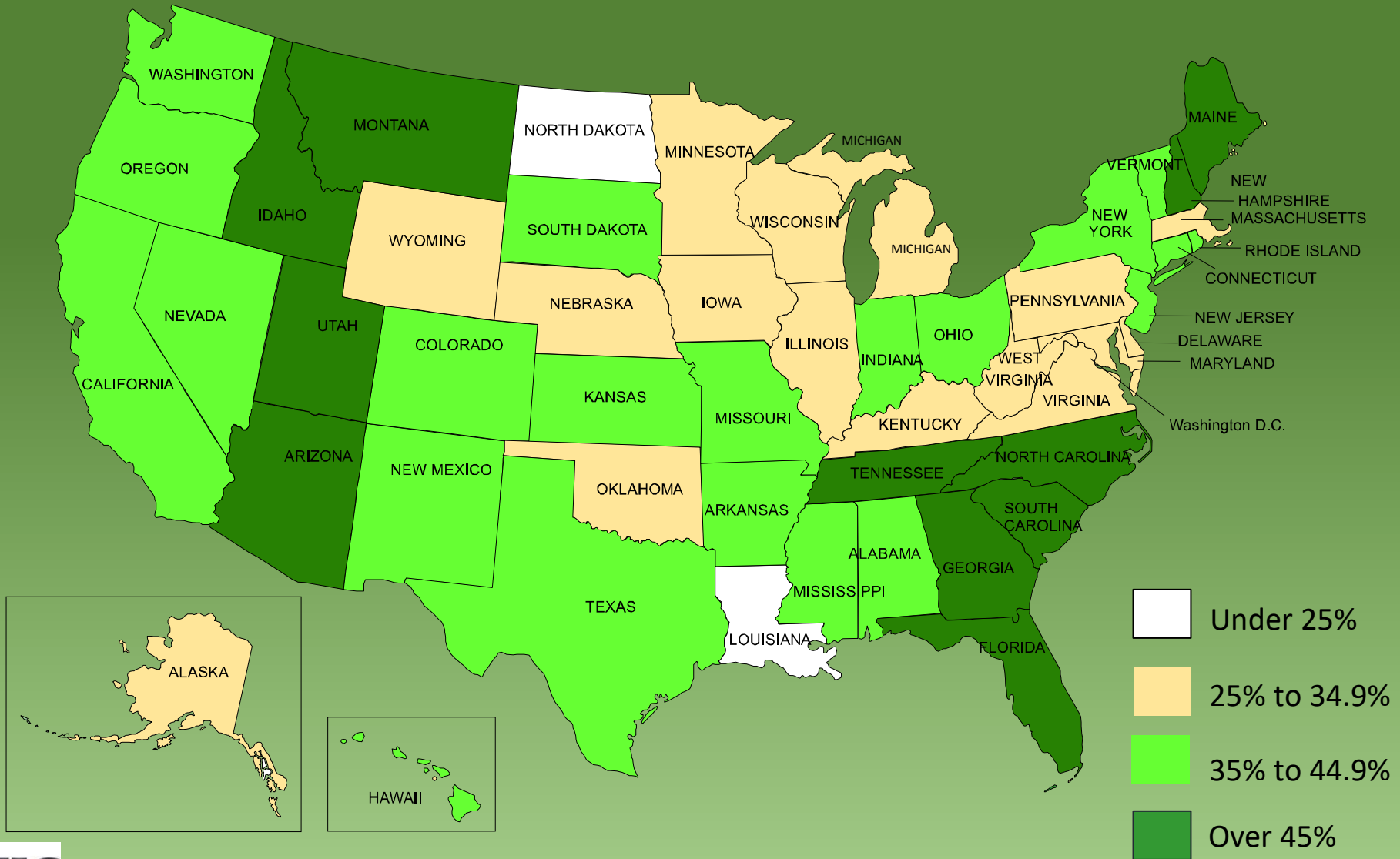


Real Estate Sector Thinking for 2023

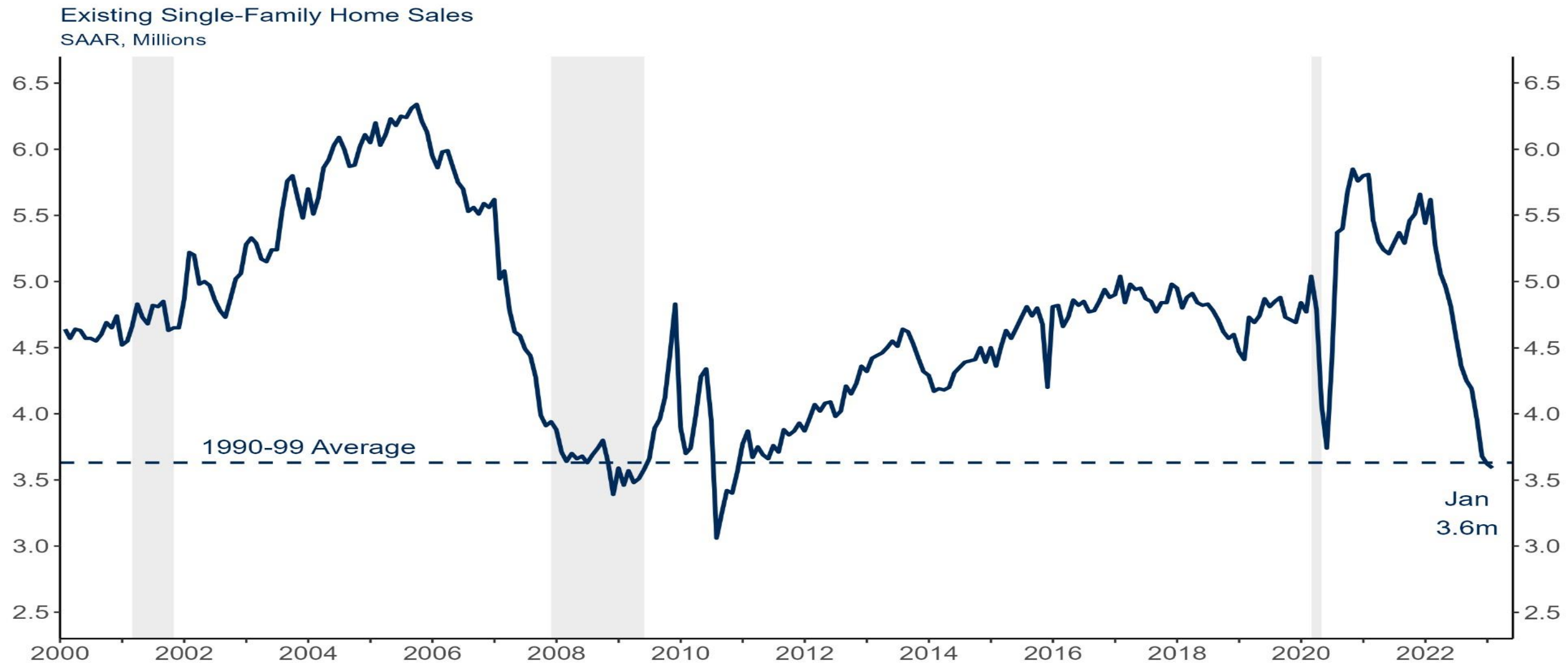
Industrial - 3.3% vacancy at the end of 2022, **18% rent increase YoY**. Some moderation in demand, slowing building growth.



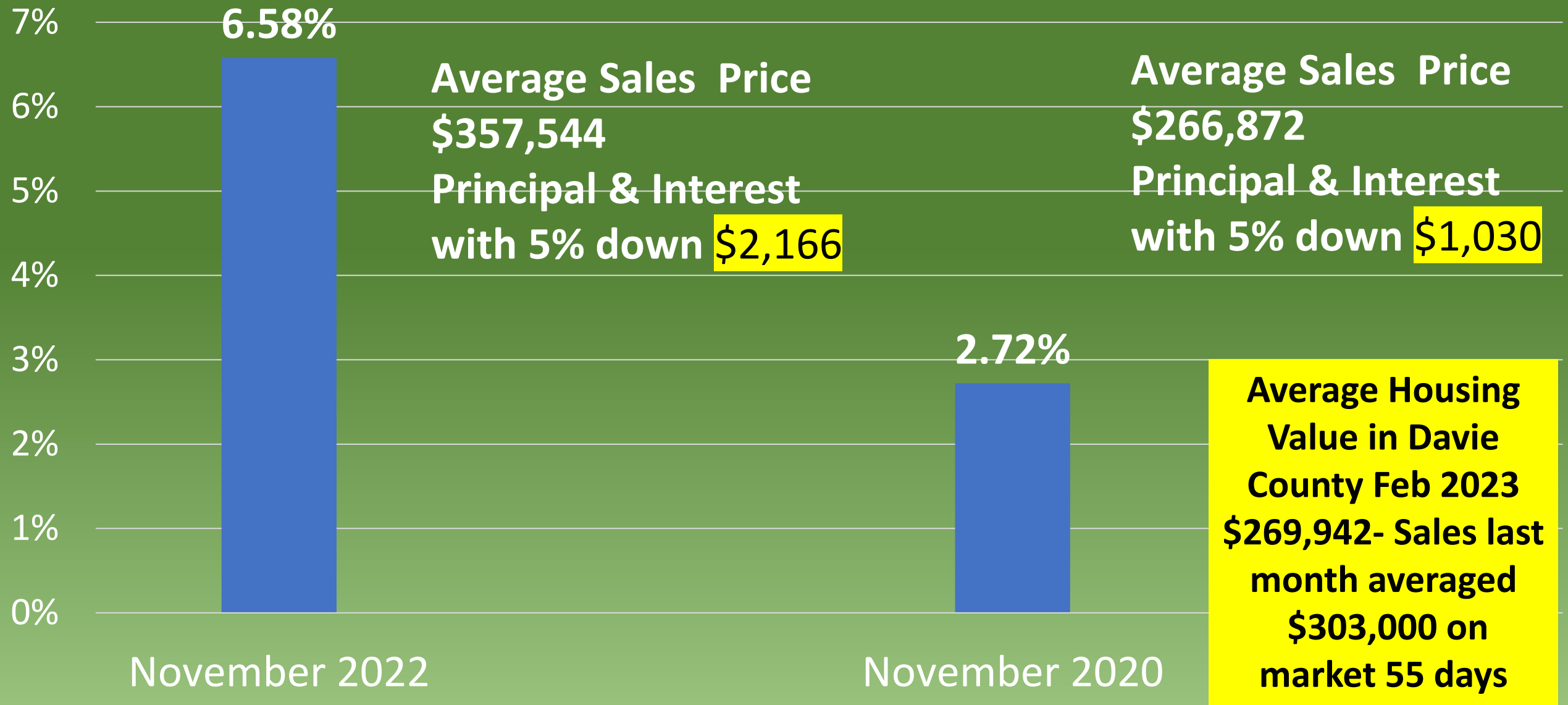
Housing Price Increase 2020Q1 to 2022Q3



Existing Single-Family Home Sales

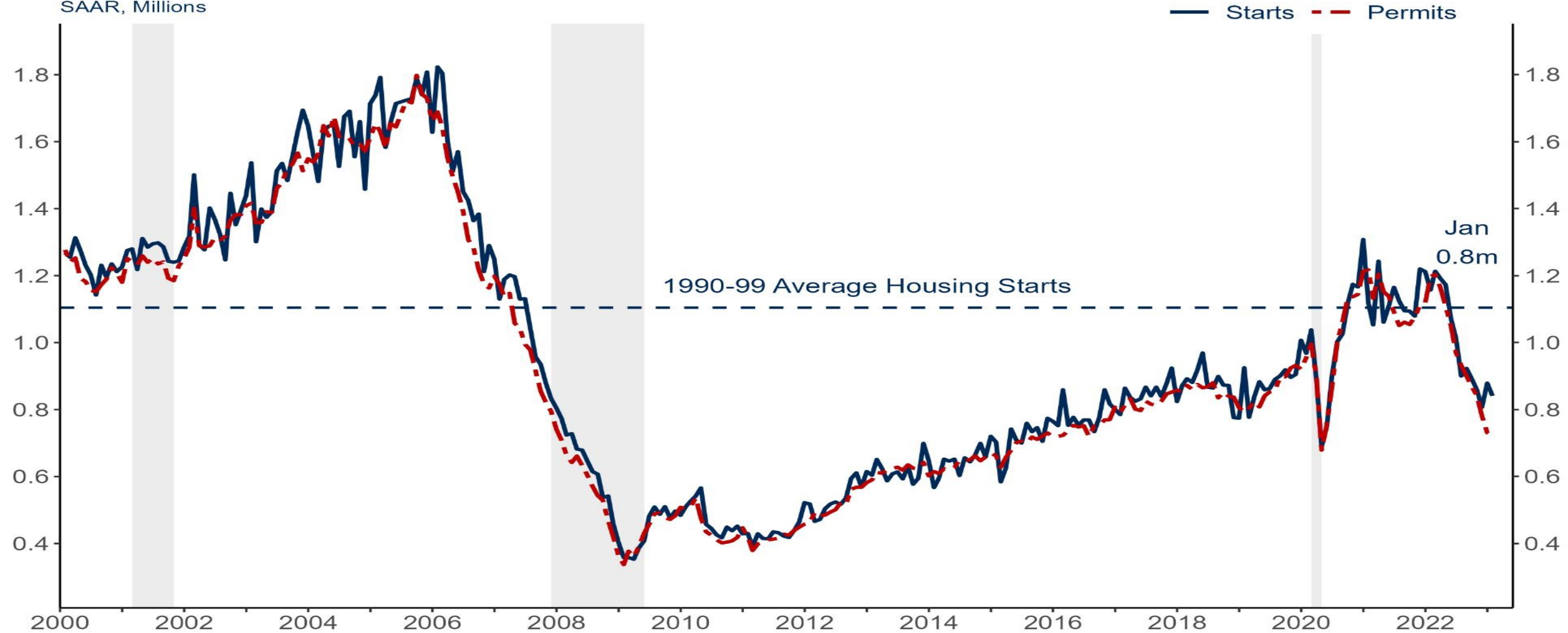


Home Interest Rates and Affordability



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?

