



National and Regional Economic Outlook

McGladrey Annual Economic Forecast
January 8, 2015

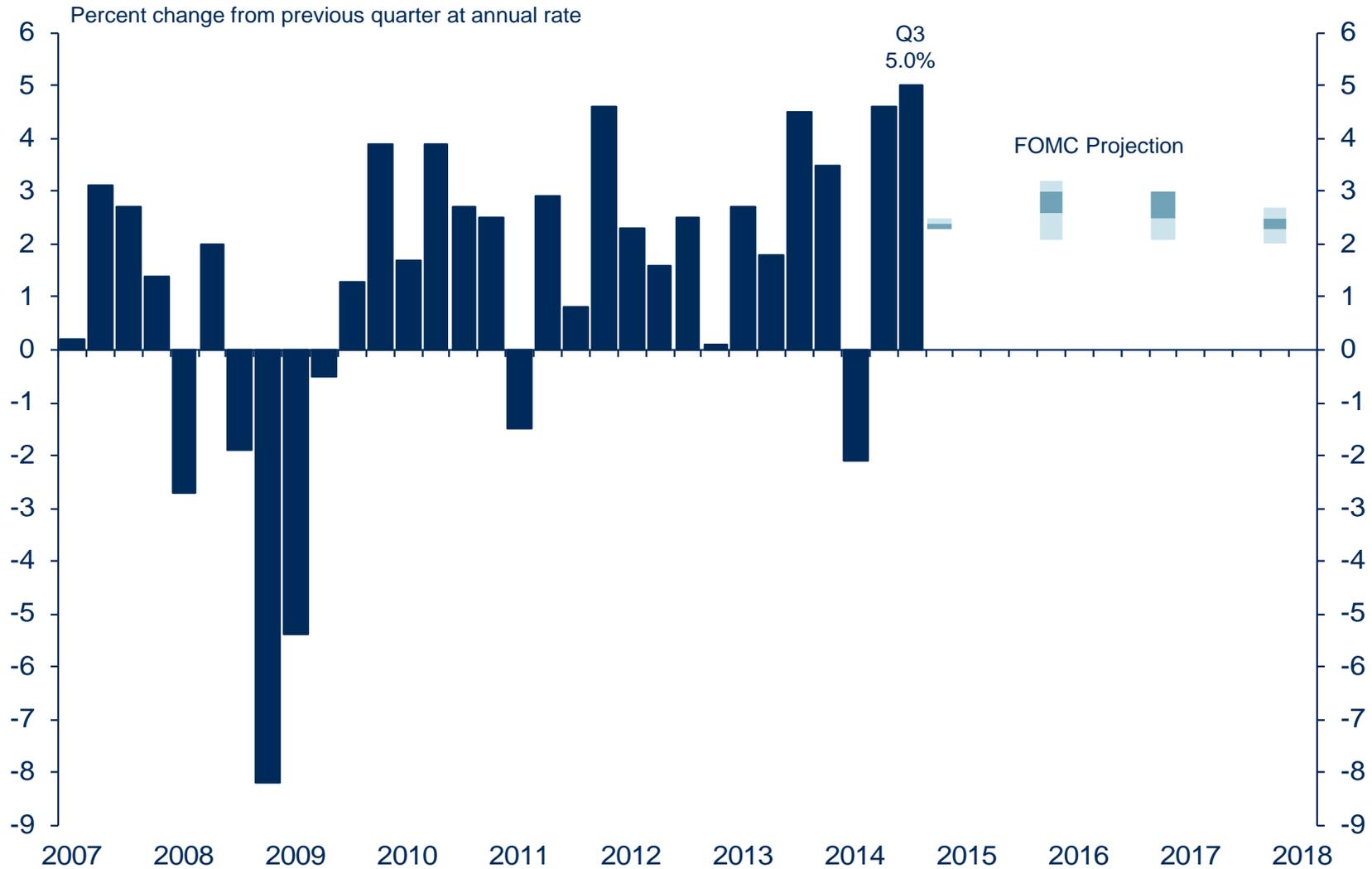


Rick Kaglic
Senior Regional Economist

Overview

Outlook for US

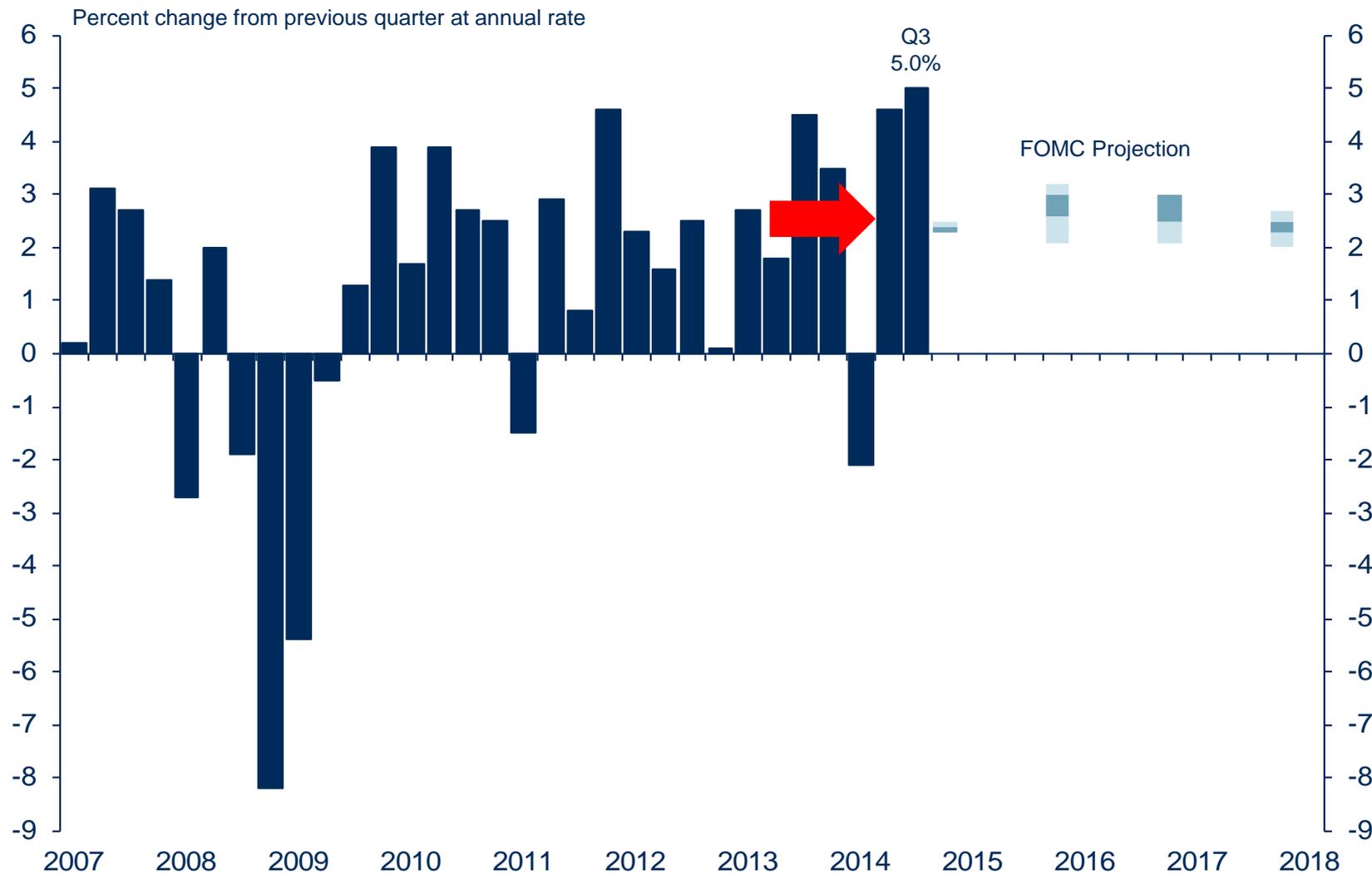
Real Gross Domestic Product



Note: Projection is the central tendency and range from the December 2014 Summary of Economic Projections. Projections of change in real gross domestic product (GDP) are from the fourth quarter of the previous year to the fourth quarter of the year indicated.

Source: Bureau of Economic Analysis via Haver Analytics & Federal Reserve Board

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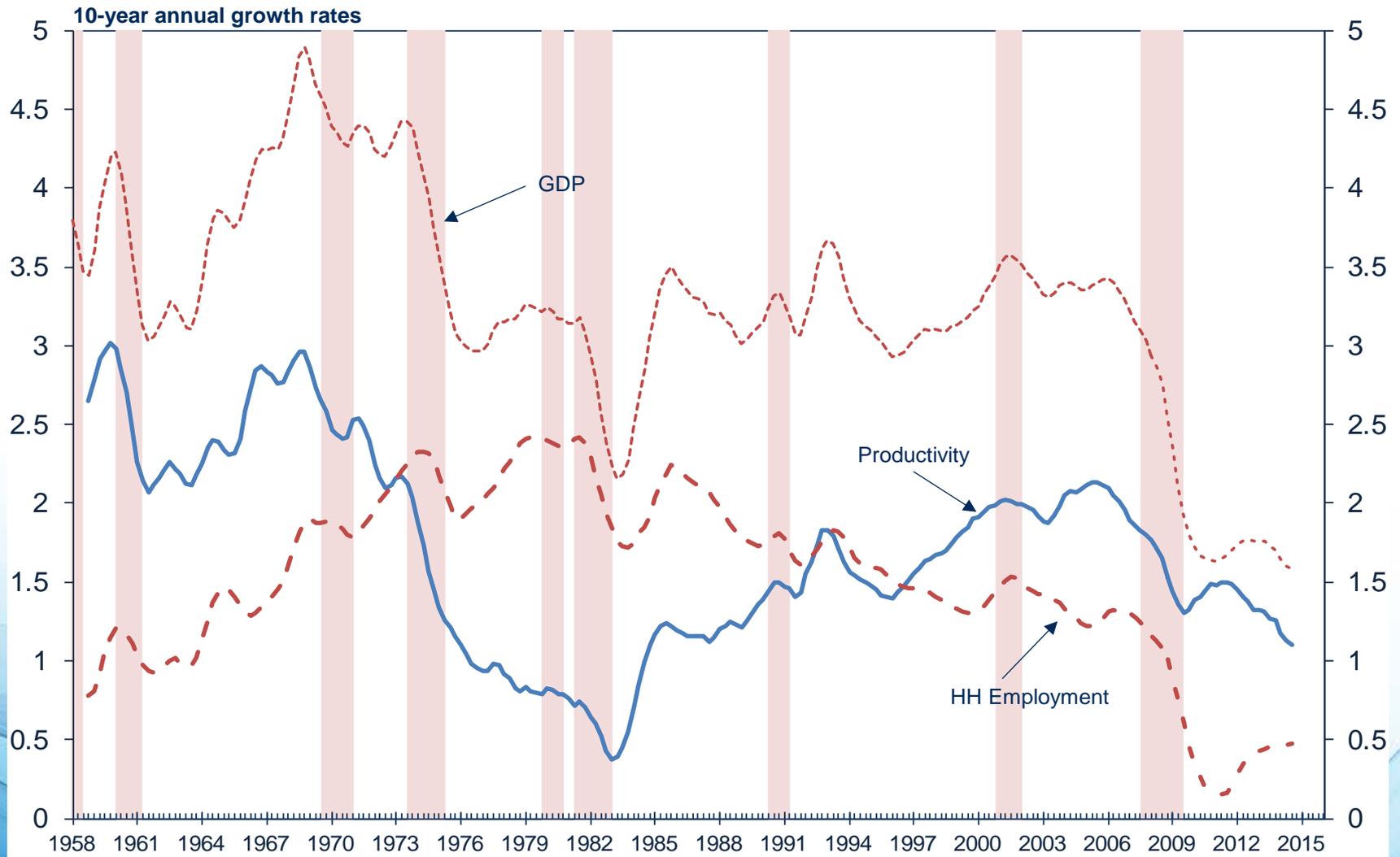
A Closer Look at GDP

Real GDP and Domestic Demand

Percent change from previous quarter at annual rate



Decomposition of Real GDP



Note: Productivity is calculated as real GDP per employee, from the Household Survey.

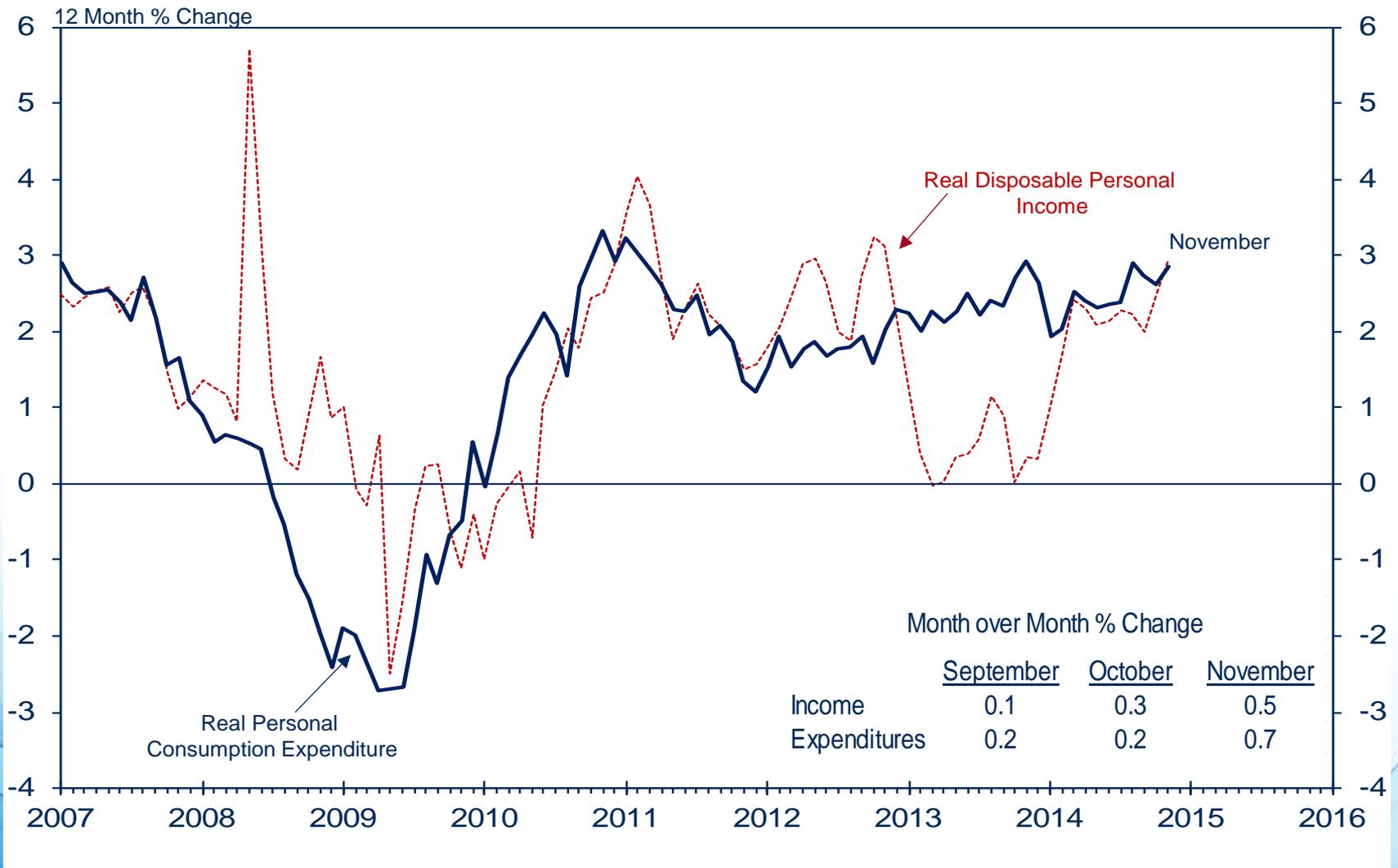
ISM Business Survey Indexes

MANUFACTURING BUSINESS:

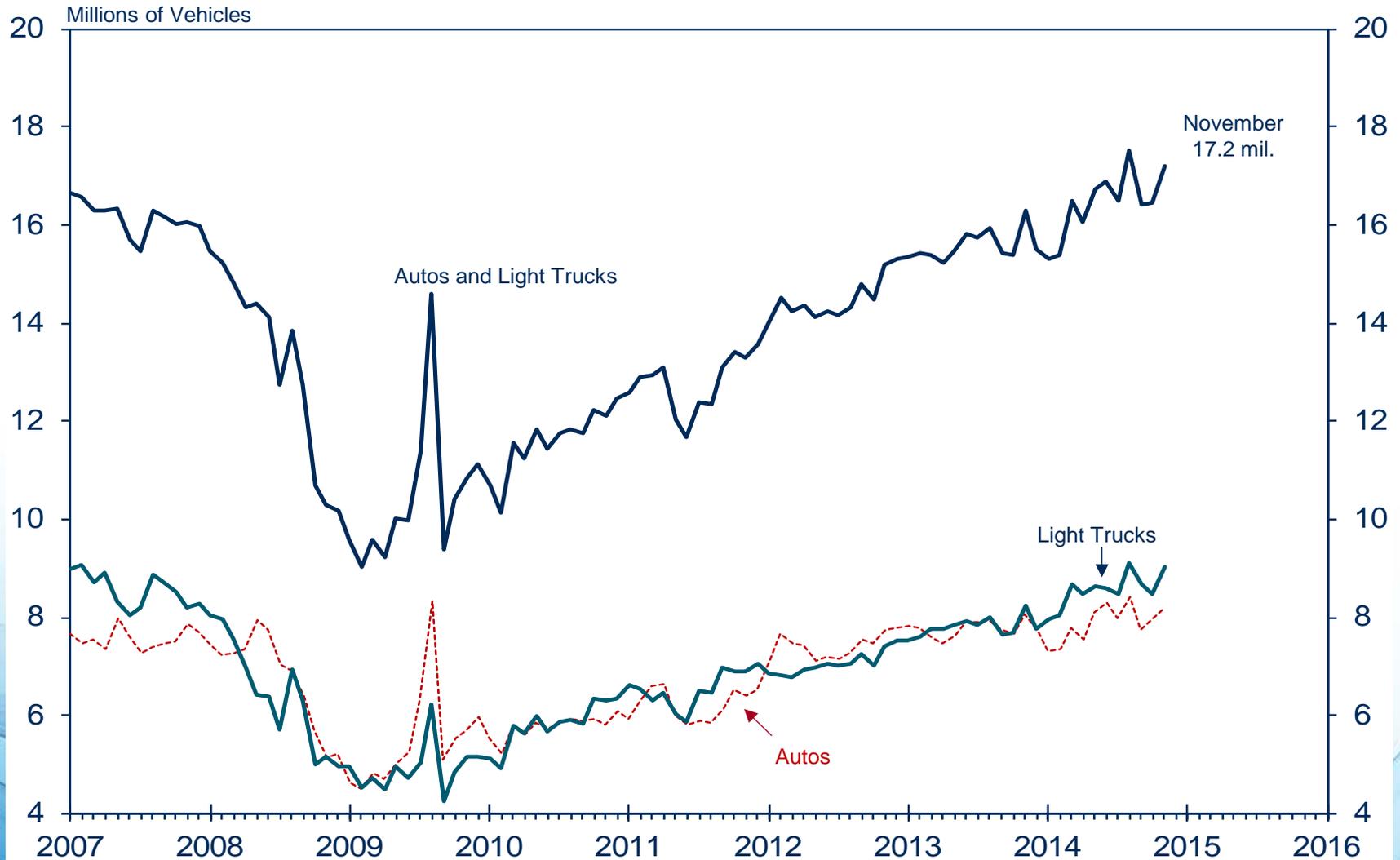
NON-MANUFACTURING BUSINESS:

	<u>Nov.</u>	<u>Dec.</u>		<u>Oct.</u>	<u>Nov.</u>
Purchasing Managers Index	58.7	55.5	Non-Manufacturing Index	57.1	59.3
Production	64.4	58.8	Business Activity	60.0	64.4
New Orders	66.0	57.3	New Orders	59.1	61.4
Employment	54.9	56.8	Employment	59.6	56.7
Supplier Deliveries	56.8	59.3	Supplier Deliveries	49.5	54.5
Inventories	51.5	45.5	Inventories	49.5	55.5
Prices	44.5	38.5	Prices	52.1	54.4
Backlog of Orders	55.0	52.5	Backlog of Orders	51.5	55.5
New Export Orders	55.0	52.0	New Export Orders	53.5	57.0
Imports	56.0	55.0	Imports	56.0	53.5

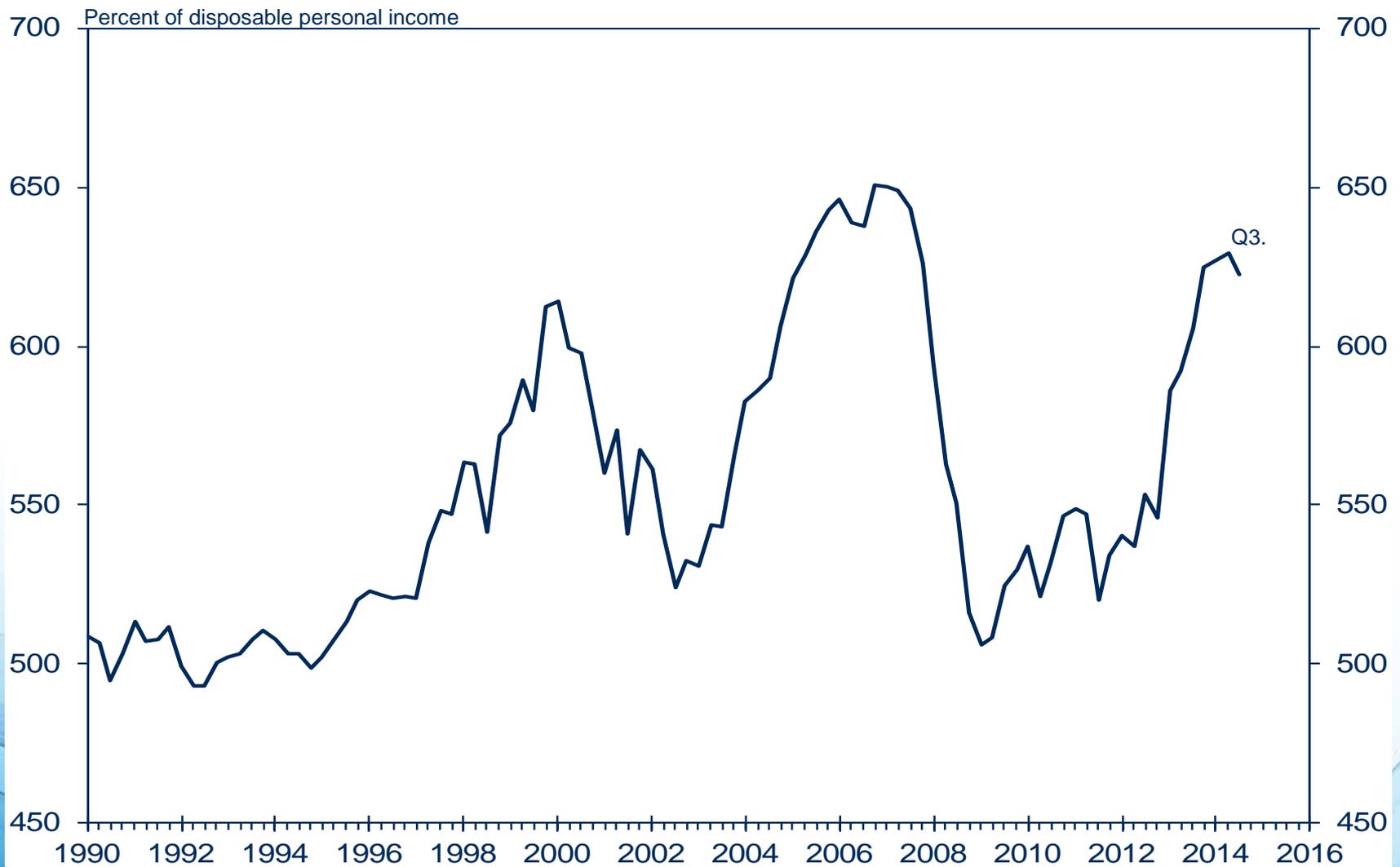
Disposable Personal Income and Expenditures



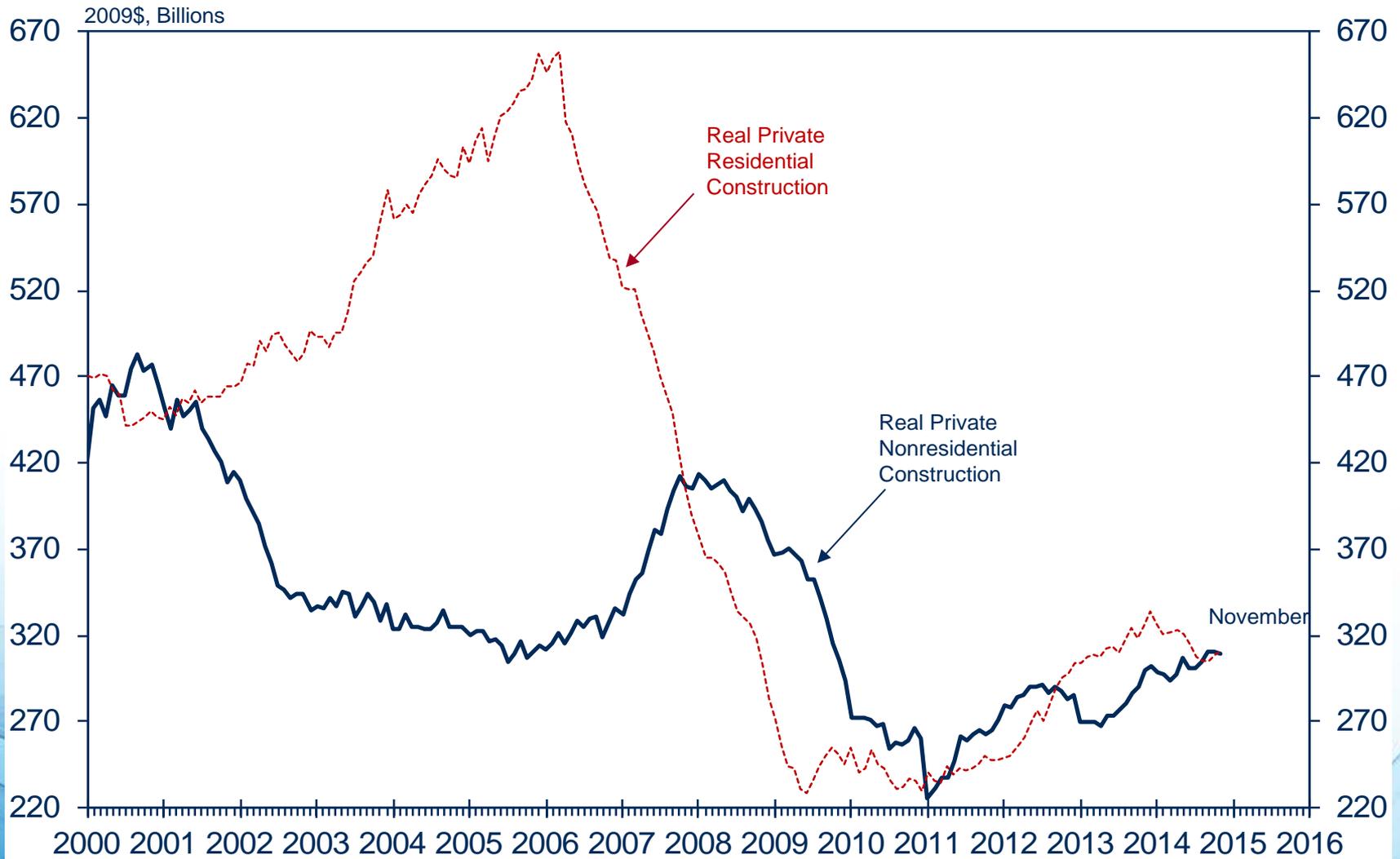
Sales of Automobiles and Light Trucks



Household Net Worth



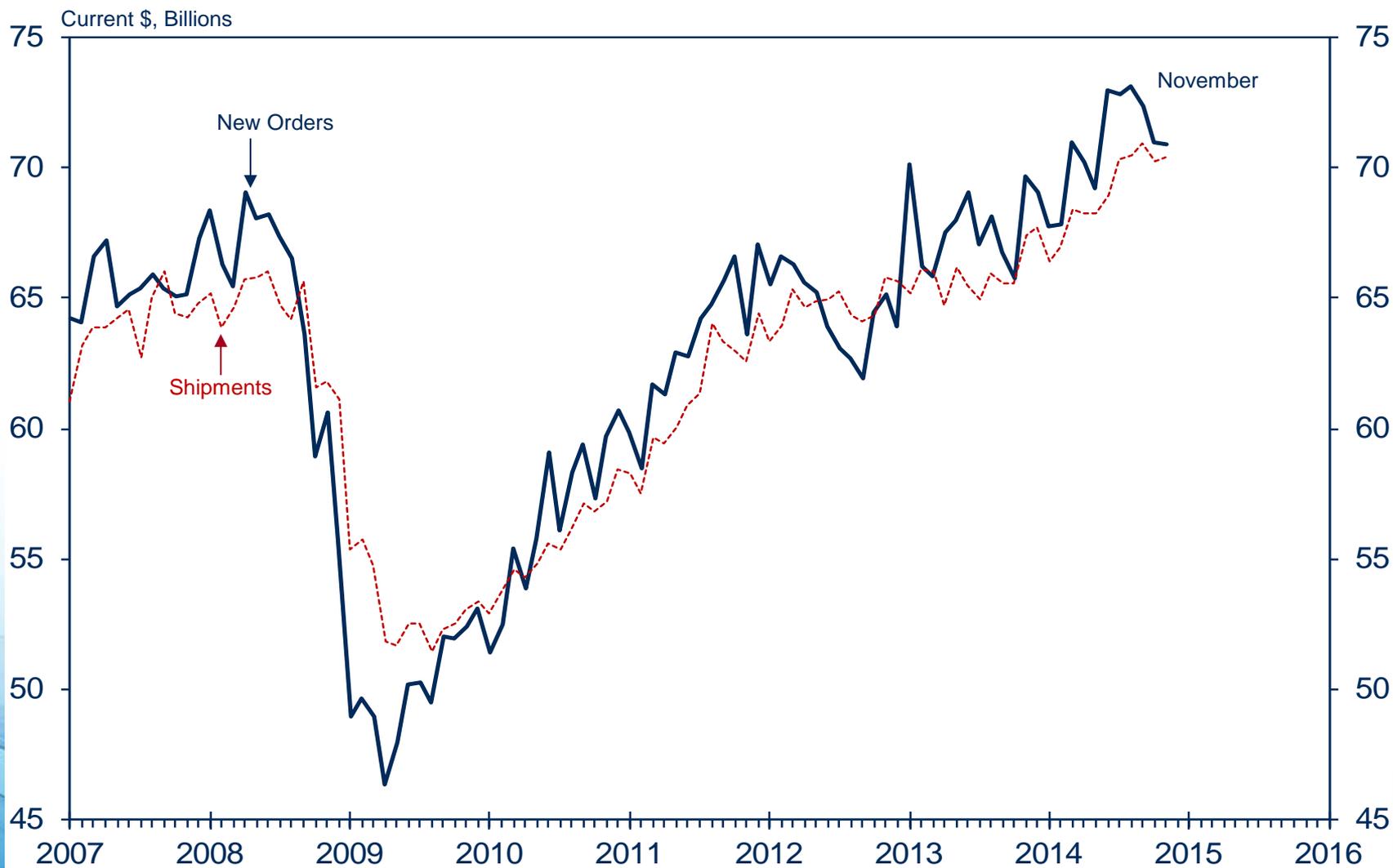
Real Private Construction Put In Place



Notes: Private nonresidential construction deflated using the price index for private fixed investment in nonresidential structures and private residential construction deflated using the private residential investment chain price index.

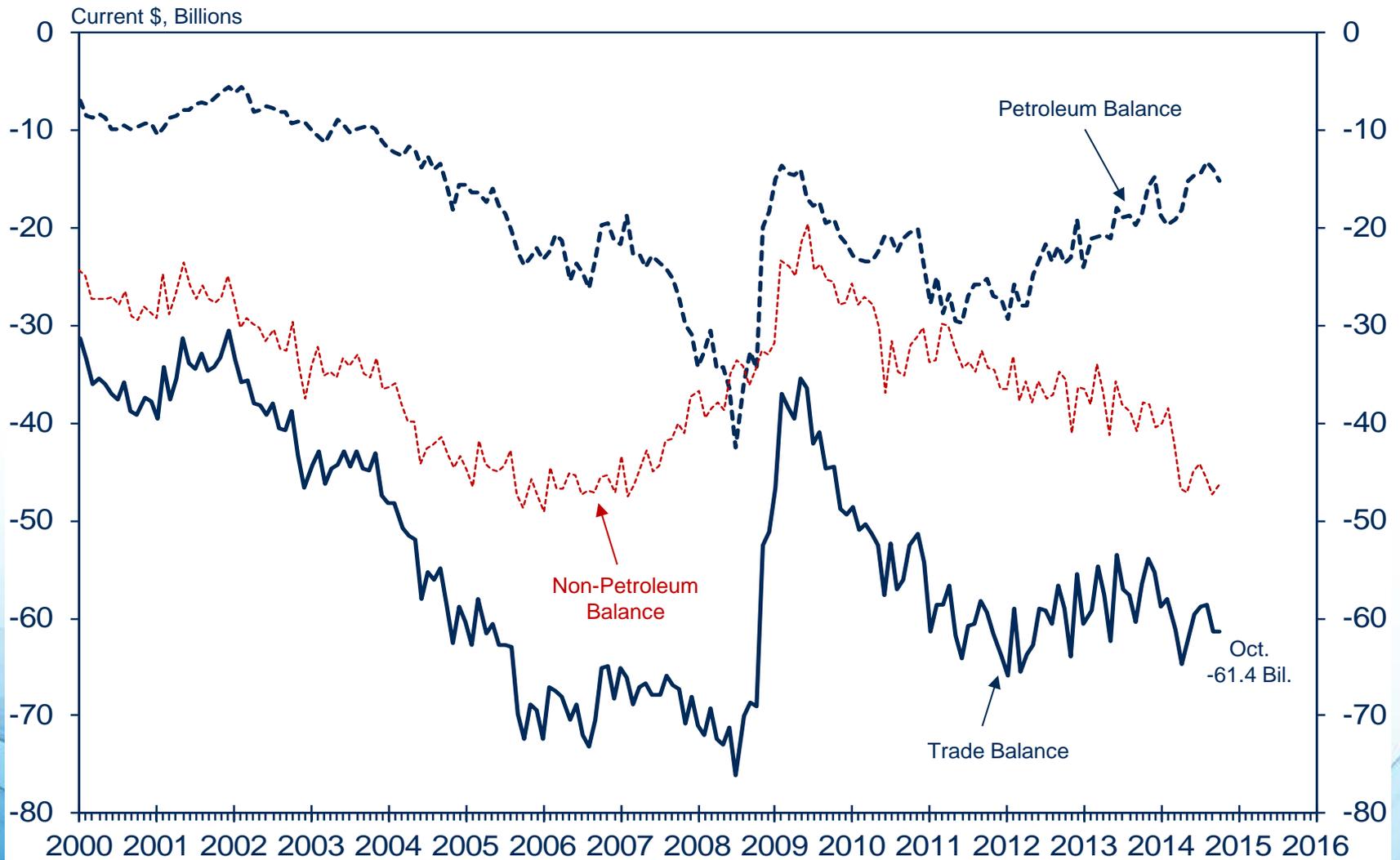
Source: Census Bureau via Haver Analytics 13

Core Capital Goods



Notes: Core capital goods are nondefense capital goods excluding aircraft.

Balance of International Trade



Exchange Value of the USD



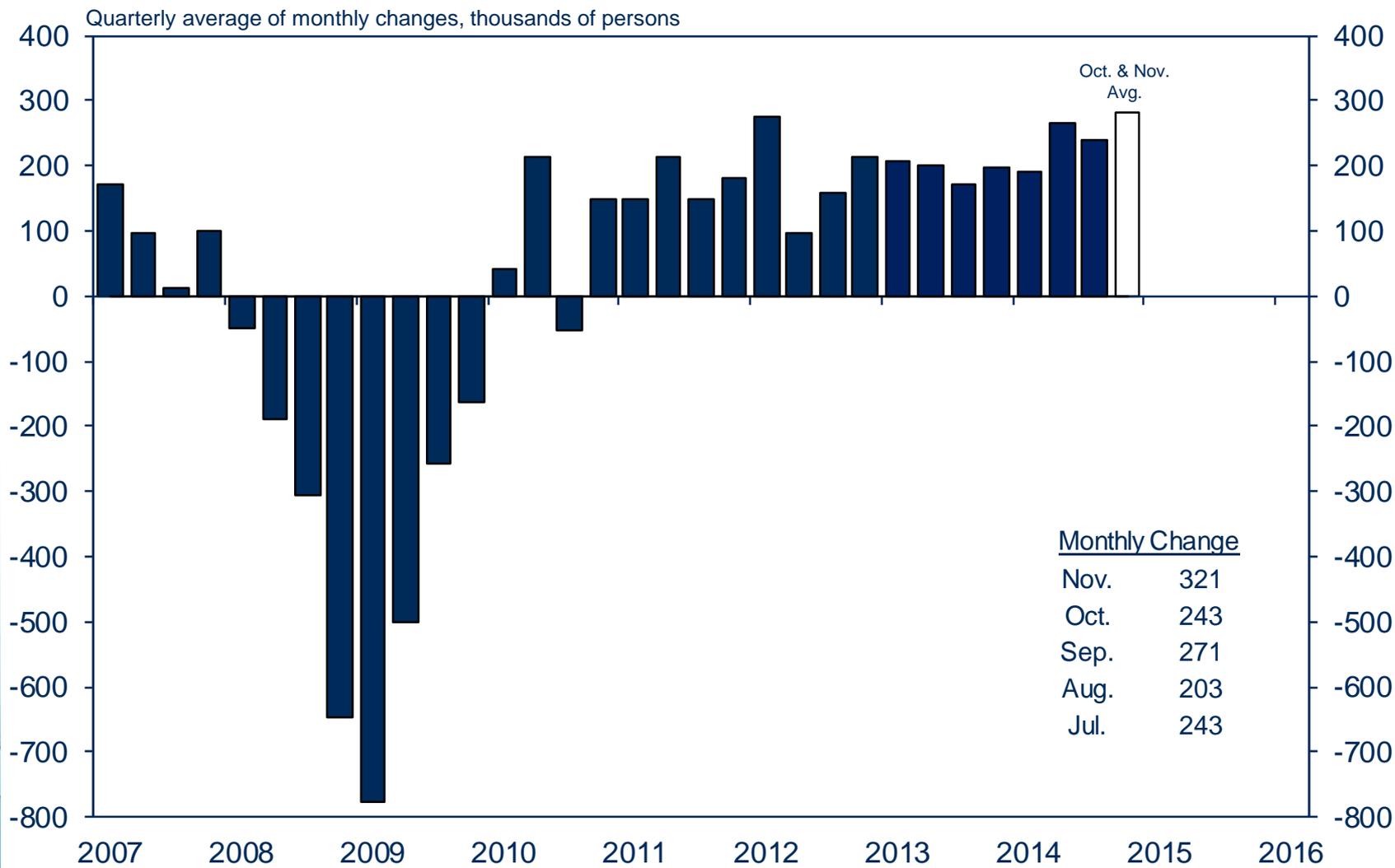
Notes: Measured as the real broad trade-weighted exchange value of the United States Dollar.

Source: Board of Governors via Haver Analytics 16

Recap of Factors Impacting GDP

GDP Forecast for 2015

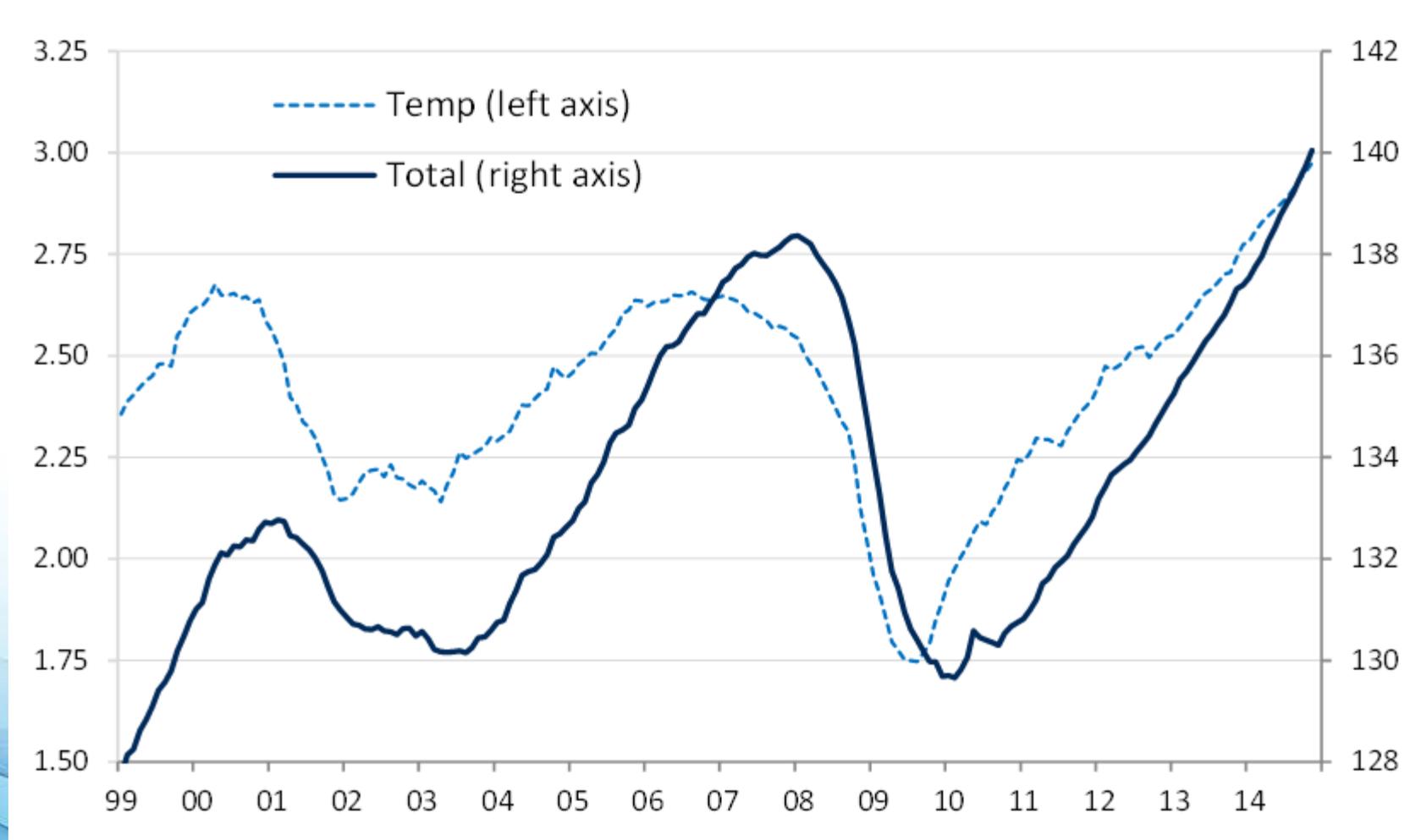
Nonfarm Payroll Employment



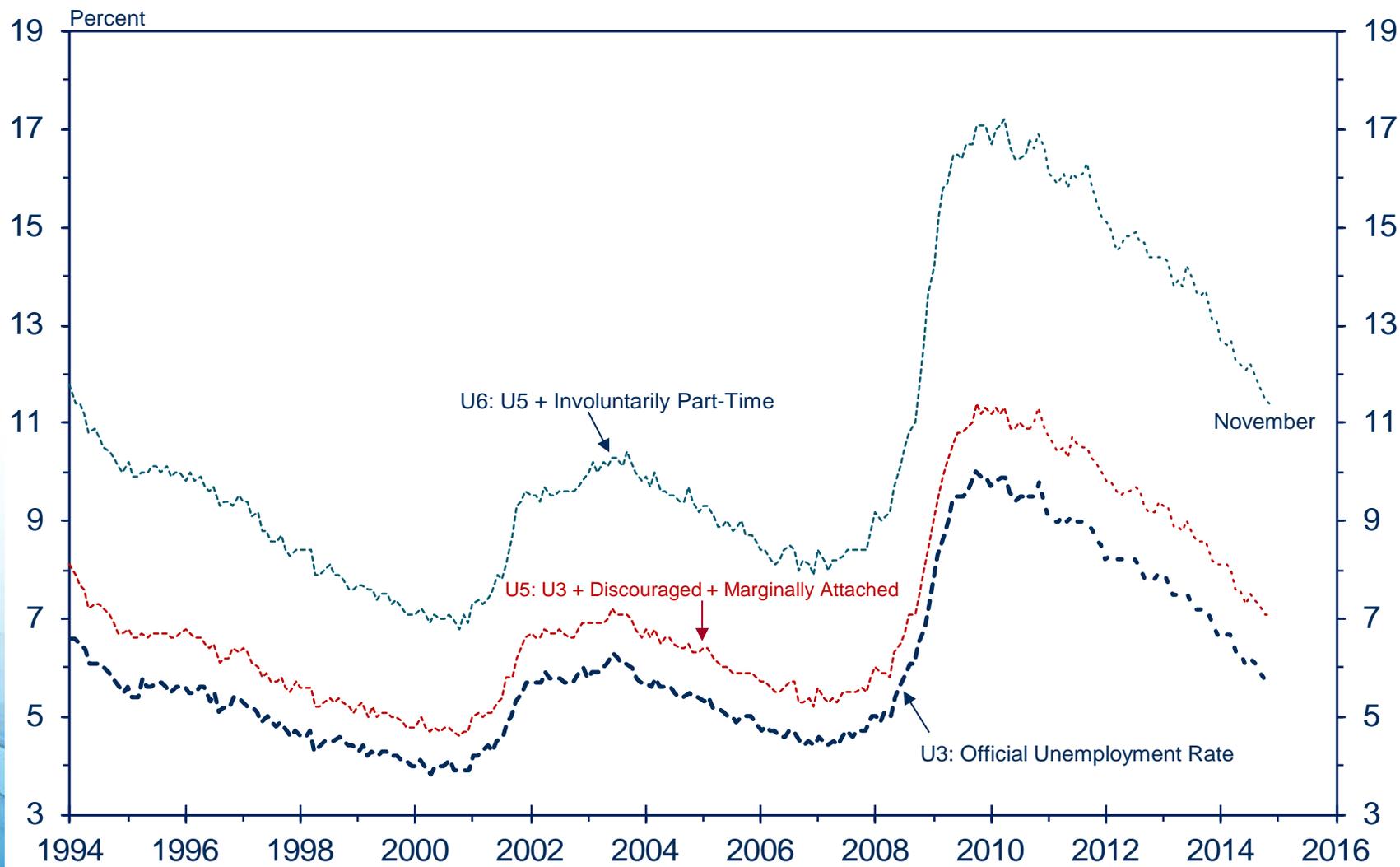
Initial Unemployment Claims



Nonfarm Payroll Employment

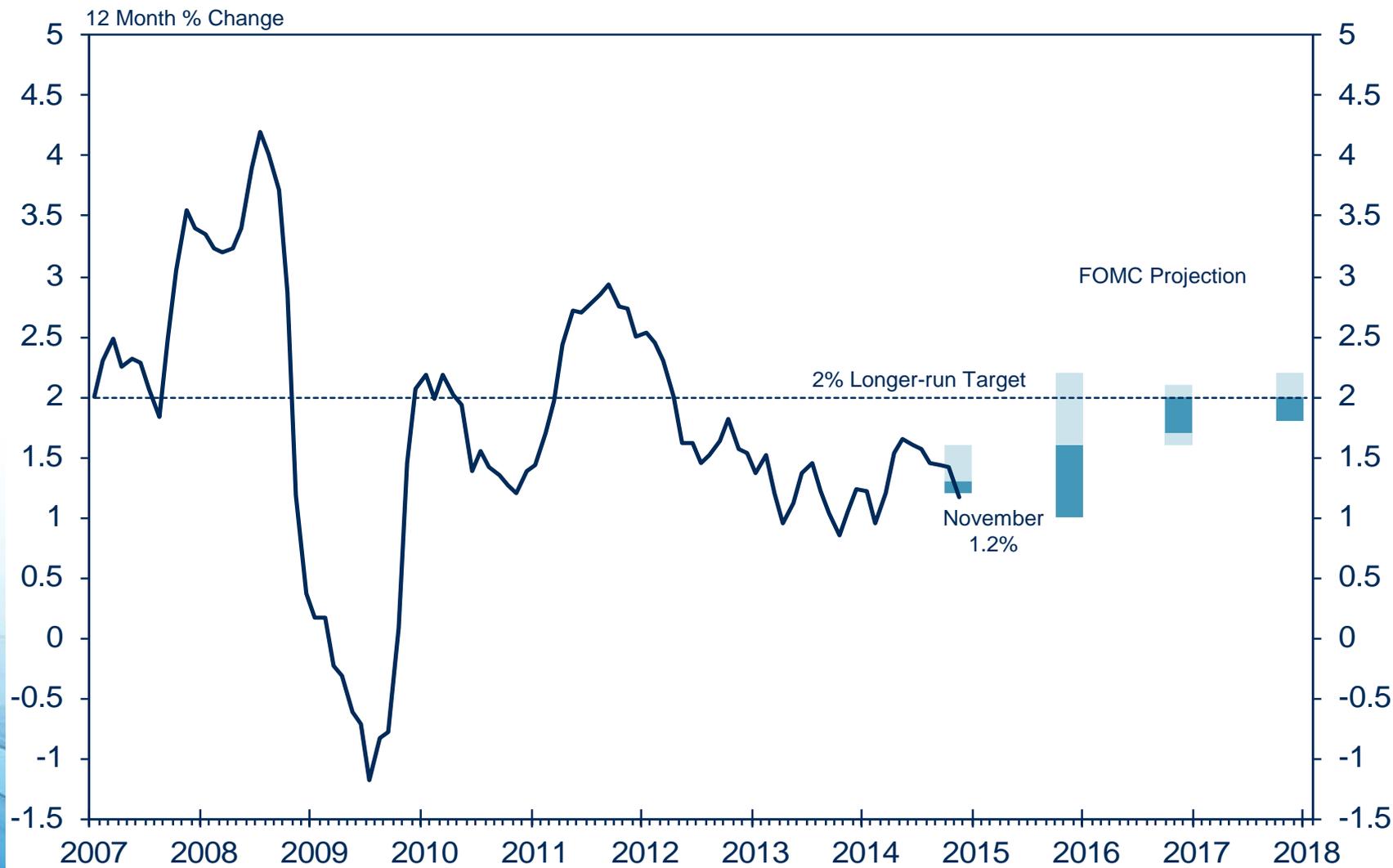


Measures of Labor Utilization



Source: Bureau of Labor Statistics via Haver Analytics

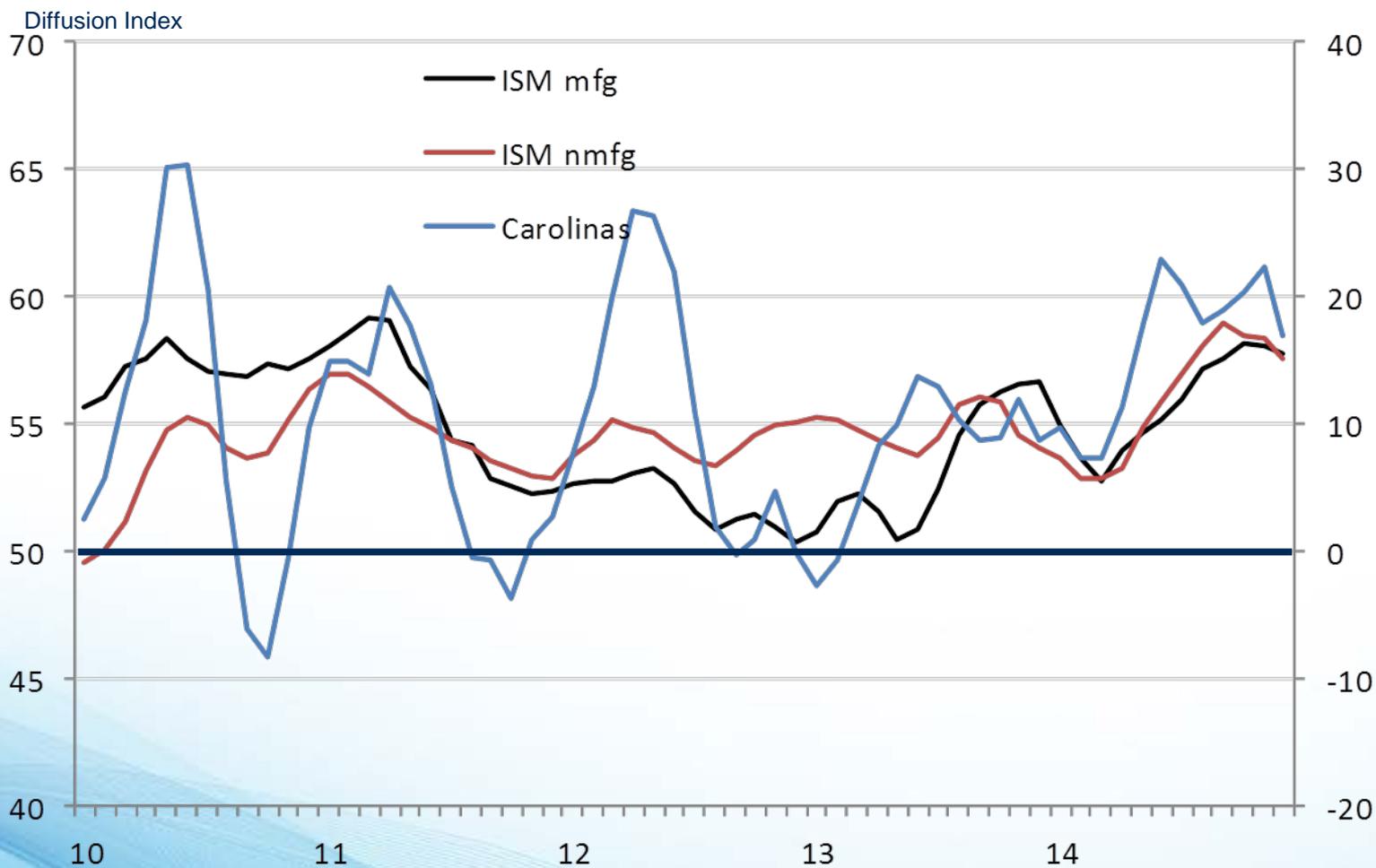
Personal Consumption Expenditure Price Index



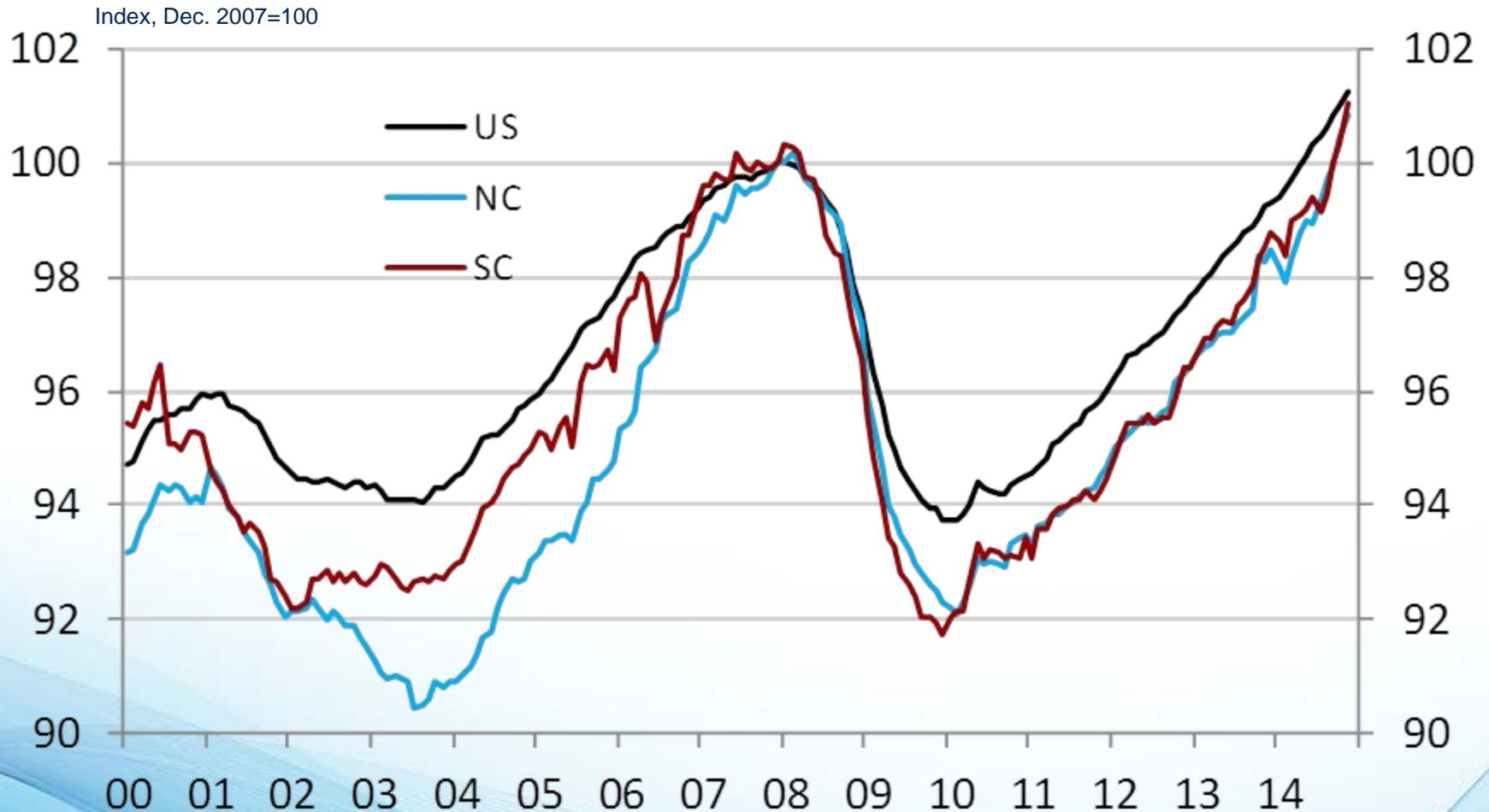
Notes: FOMC projection is the range and central tendency for Q4/Q4 percent changes, from the December 2014 meeting.
 Source: Bureau of Economic Analysis & Board of Governors via Haver Analytics

Outlook for North Carolina

Business Activity

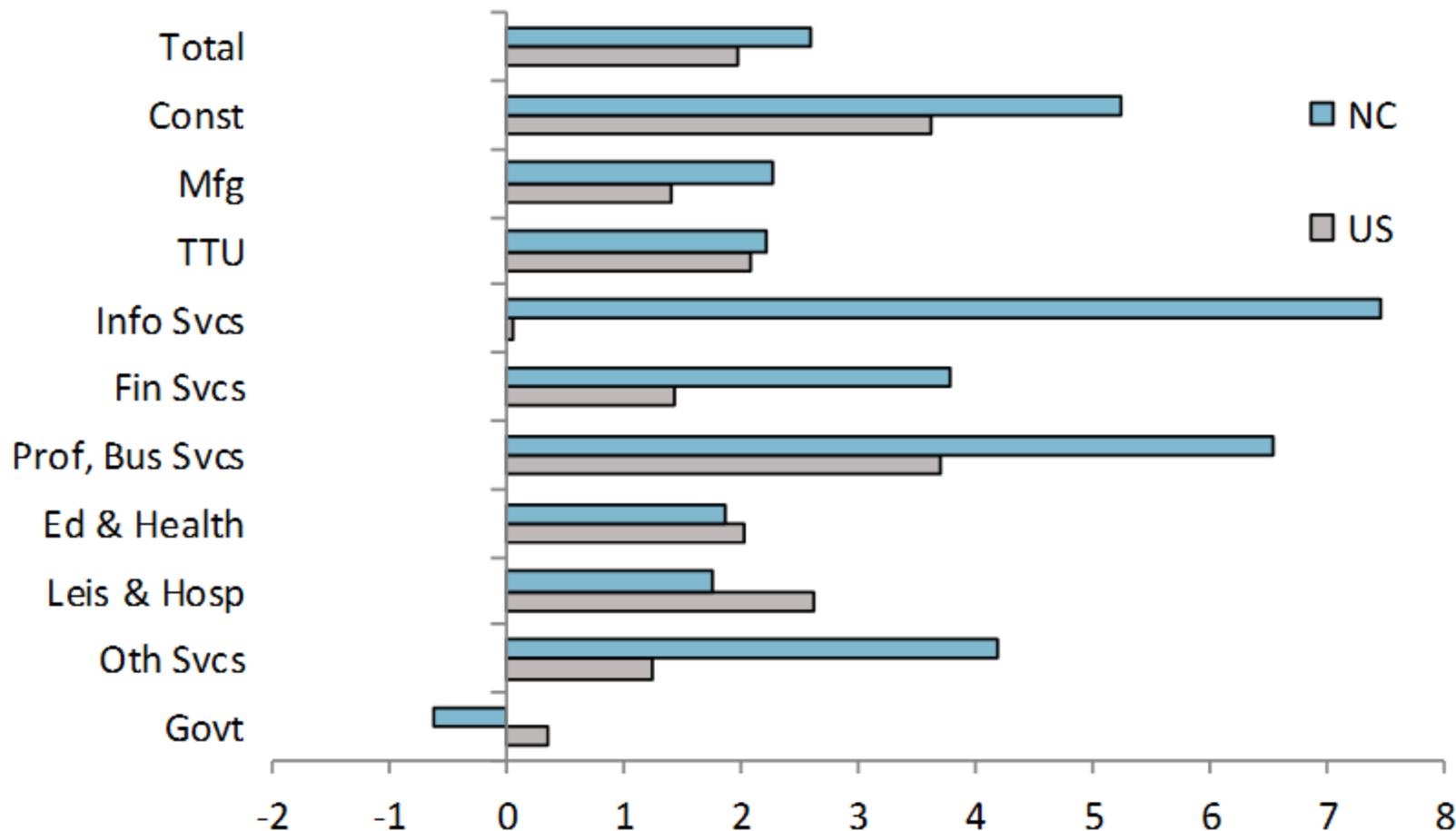


Payroll Employment



Payroll Employment

Percent, change, year over year



In Summary



The views expressed here are those of the author, and do not necessarily represent those of the Federal Reserve Bank of Richmond or the Federal Reserve System.

