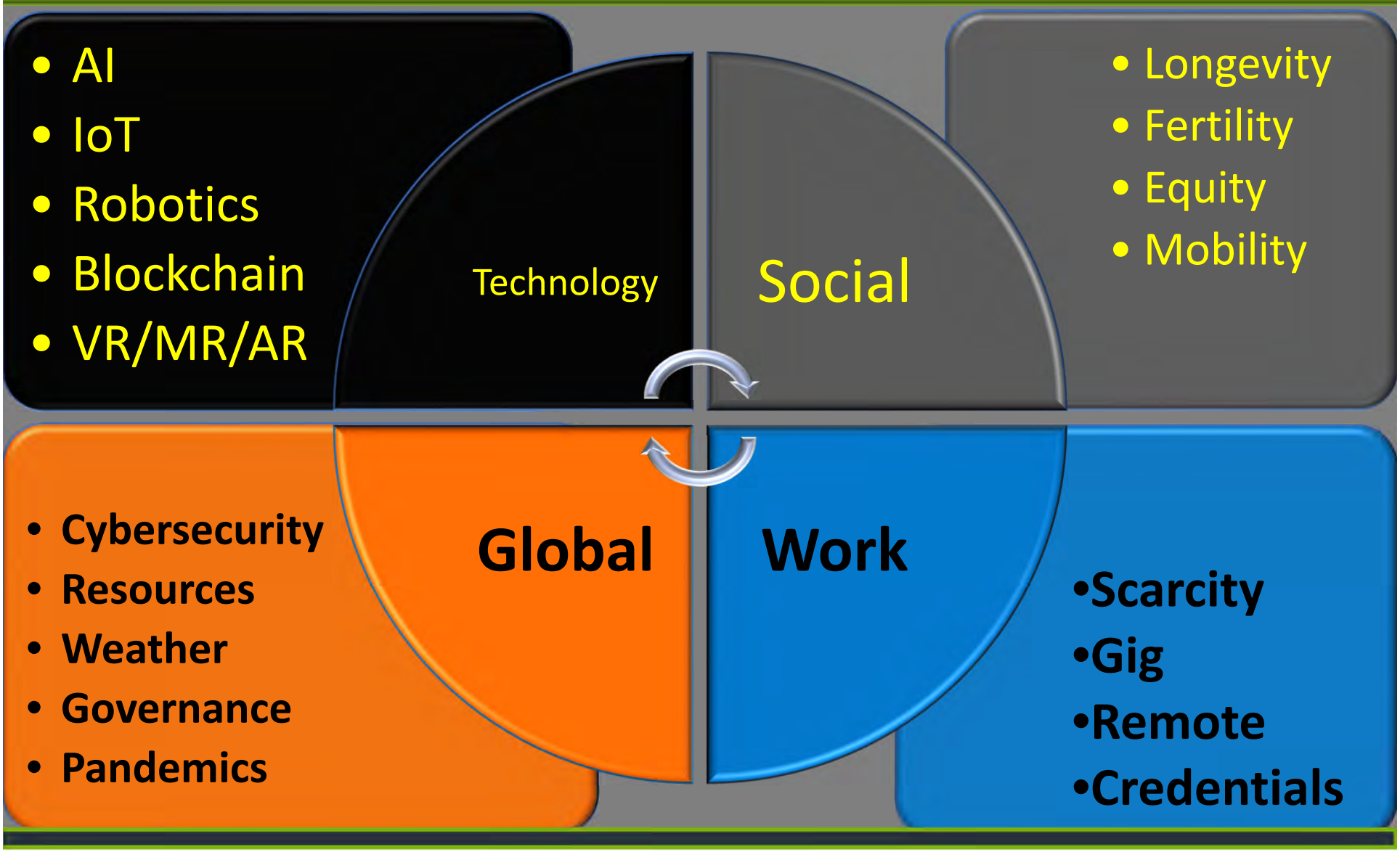
STATE OF THE REGION
2021

PIEDMONT TRIAD
PARTNERSHIP

2019 Complexity, Disruption & Acceleration!

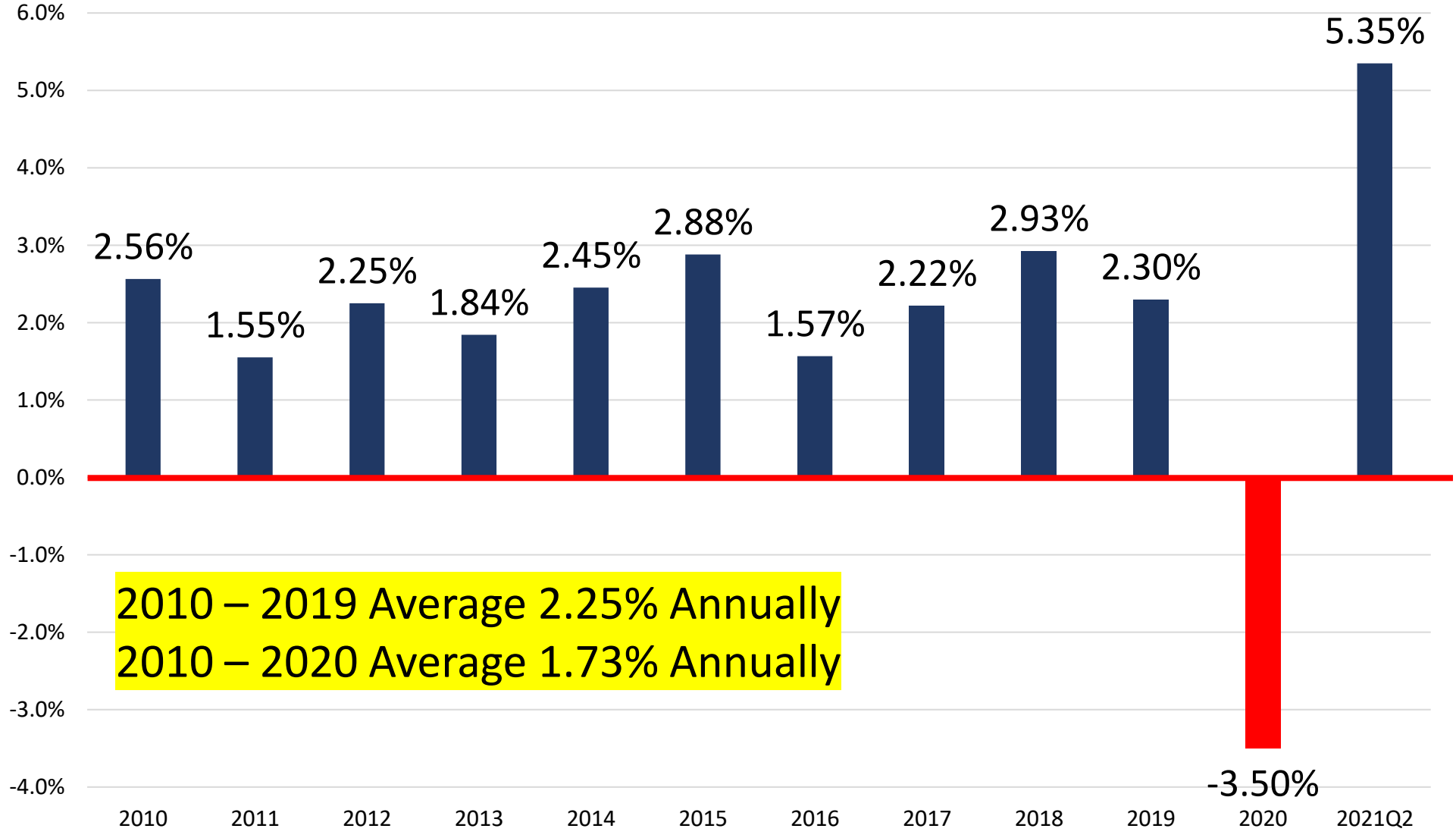


ECONOMIC LEADERSHIP

Is there anyone with us today that thinks you or your community will have less disruption, the pace of change will get slower, or we will have less information complexity going forward?

-ECONO

United States Annual GDP Growth

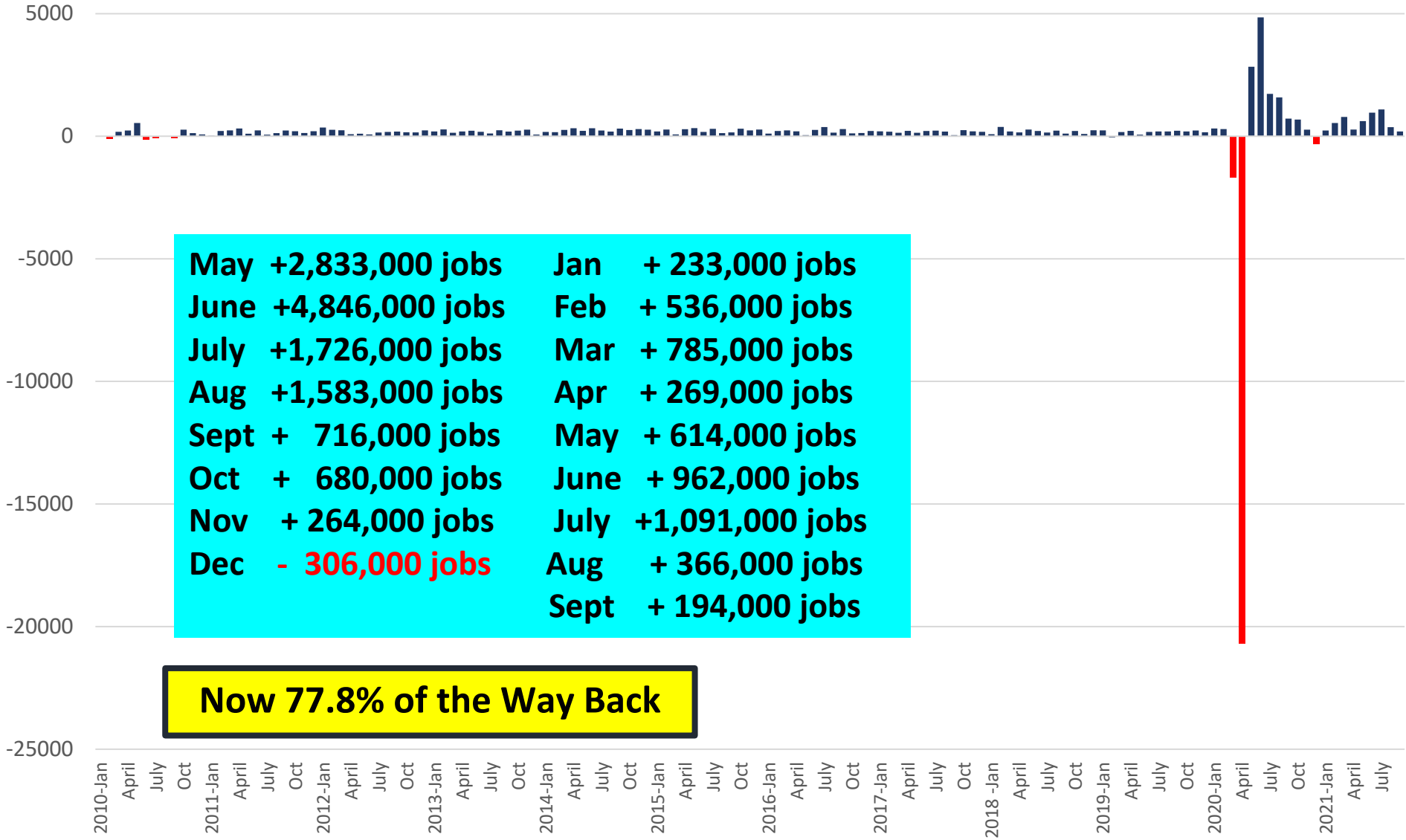


ECONOMIC LEADERSHIP

PIEDMONT TRIAD PARTNERSHIP

Source: US Bureau of Economic Analysis

USA Nonfarm Payroll Employment



May	+2,833,000 jobs	Jan	+ 233,000 jobs
June	+4,846,000 jobs	Feb	+ 536,000 jobs
July	+1,726,000 jobs	Mar	+ 785,000 jobs
Aug	+1,583,000 jobs	Apr	+ 269,000 jobs
Sept	+ 716,000 jobs	May	+ 614,000 jobs
Oct	+ 680,000 jobs	June	+ 962,000 jobs
Nov	+ 264,000 jobs	July	+1,091,000 jobs
Dec	- 306,000 jobs	Aug	+ 366,000 jobs
		Sept	+ 194,000 jobs

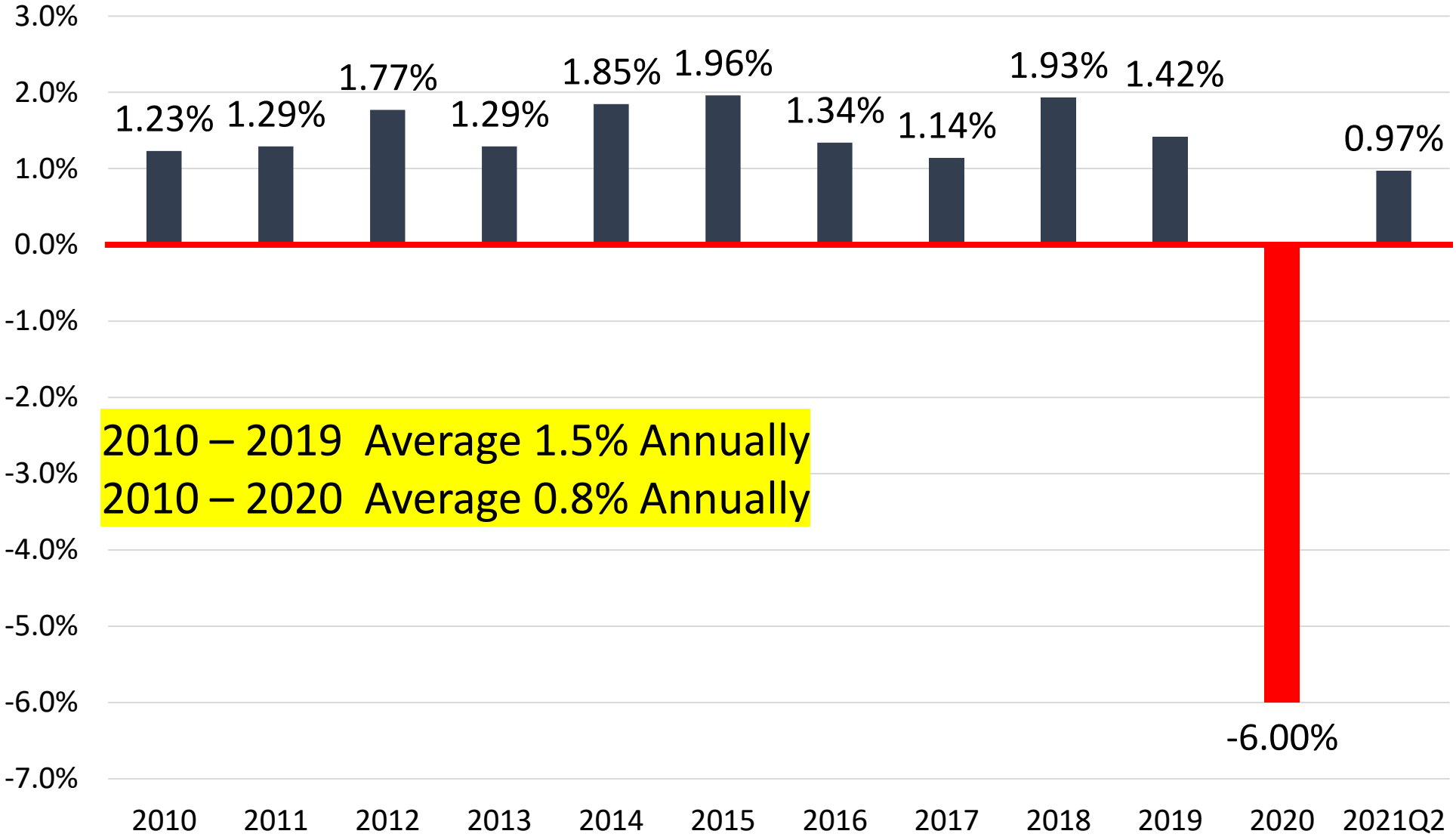
Now 77.8% of the Way Back

ECONOMIC LEADERSHIP

PIEDMONT TRIAD PARTNERSHIP

Source: US Bureau of Labor Statistics

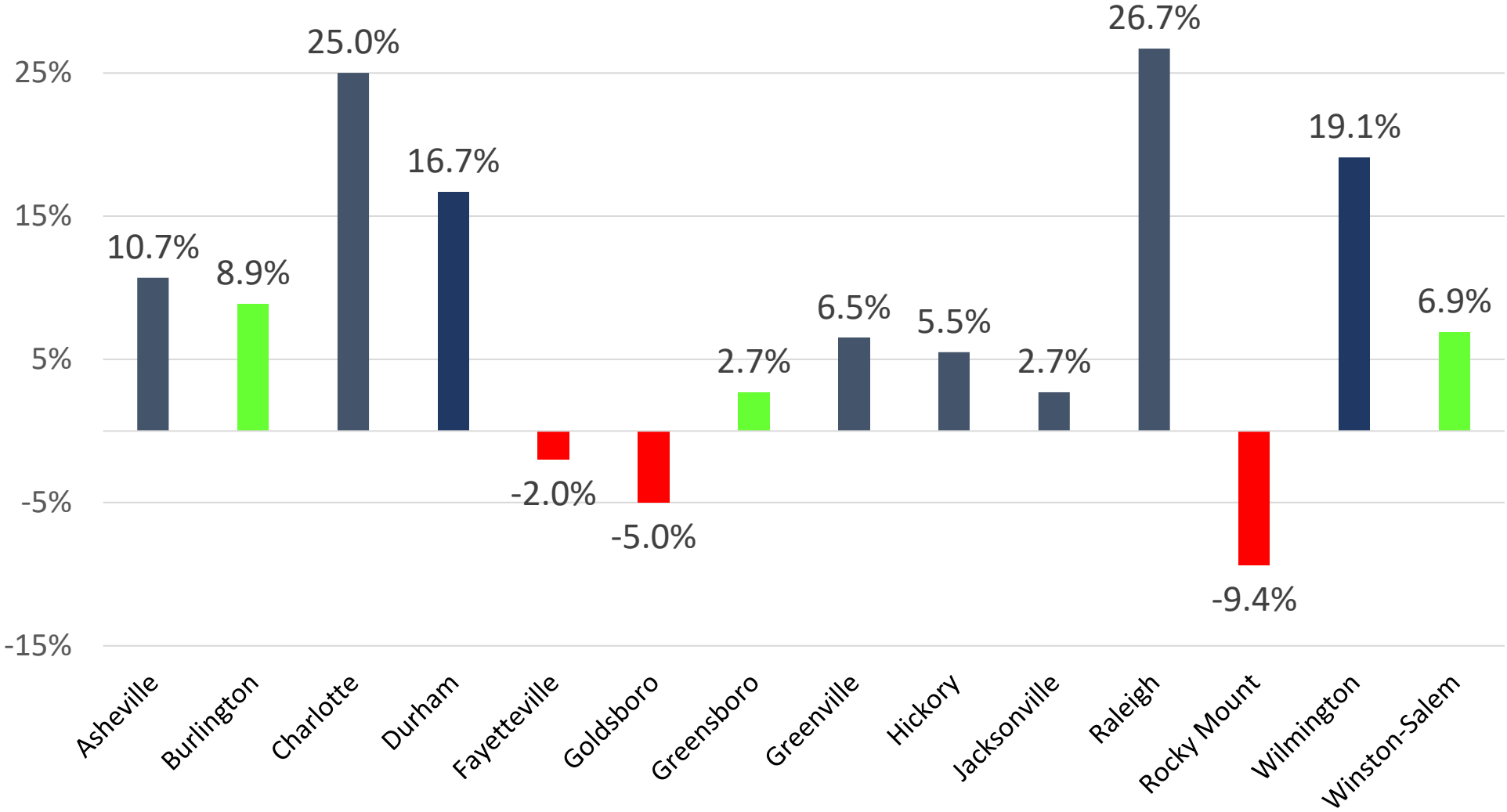
United States Annual Employment Growth



ECONOMIC LEADERSHIP

PIEDMONT TRIAD PARTNERSHIP

NC Metro Total Jobs % Job Growth 2010-2020



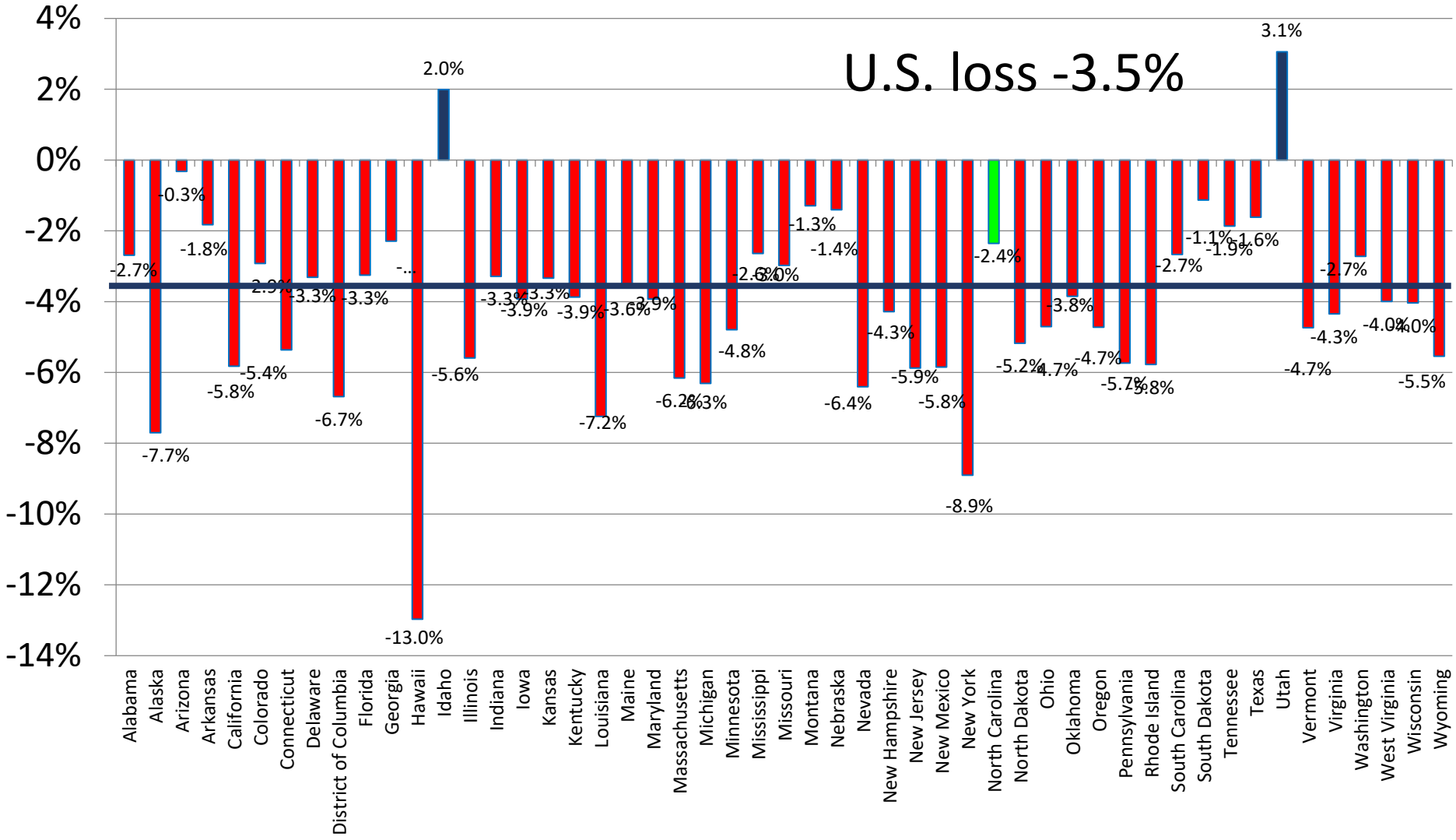
ECONOMIC LEADERSHIP

PIEDMONT TRIAD PARTNERSHIP

Source: NC Department of Commerce - QCEW

All States Since Start of Covid

Total Non-Farm Employment Percentage Change Feb 2020 to August 2021

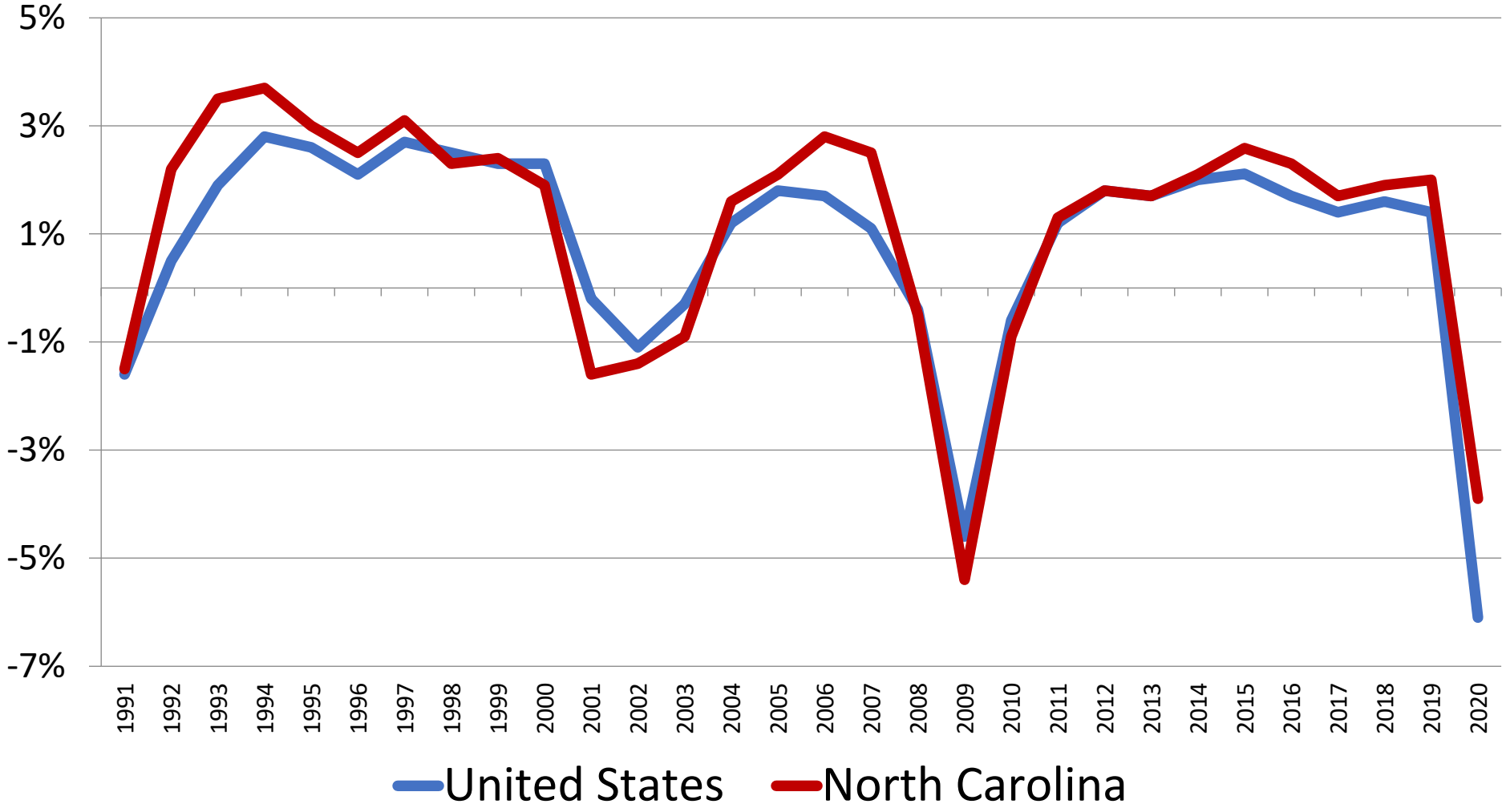


ECONOMIC LEADERSHIP

PIEDMONT TRIAD PARTNERSHIP

Source: US Bureau of Labor Statistics

Percentage Annual Job Change 1990-2020



ECONOMIC LEADERSHIP

PIEDMONT TRIAD PARTNERSHIP

Source: US Bureau of Labor Statistics

Latest Best States for Business Rankings

	Forbes	CNBC	CEO Magazine	Business Facilities
1	North Carolina	Virginia	Texas	Texas
2	Texas	North Carolina	Florida	Virginia
3	Utah	Utah	Tennessee	Tennessee
4	Virginia	Texas	North Carolina	Alabama
5	Florida	Tennessee	Indiana	North Carolina
6	Georgia	Georgia	South Carolina	Indiana
7	Tennessee	Minnesota	Ohio	Georgia
8	Washington	Colorado	Nevada	Florida
9	Colorado	Washington	Georgia	Utah
10	Idaho	Ohio	Arizona	Mississippi

ECONOMIC LEADERSHIP

PIEDMONT TRIAD PARTNERSHIP

Latest Best States for Business Rankings

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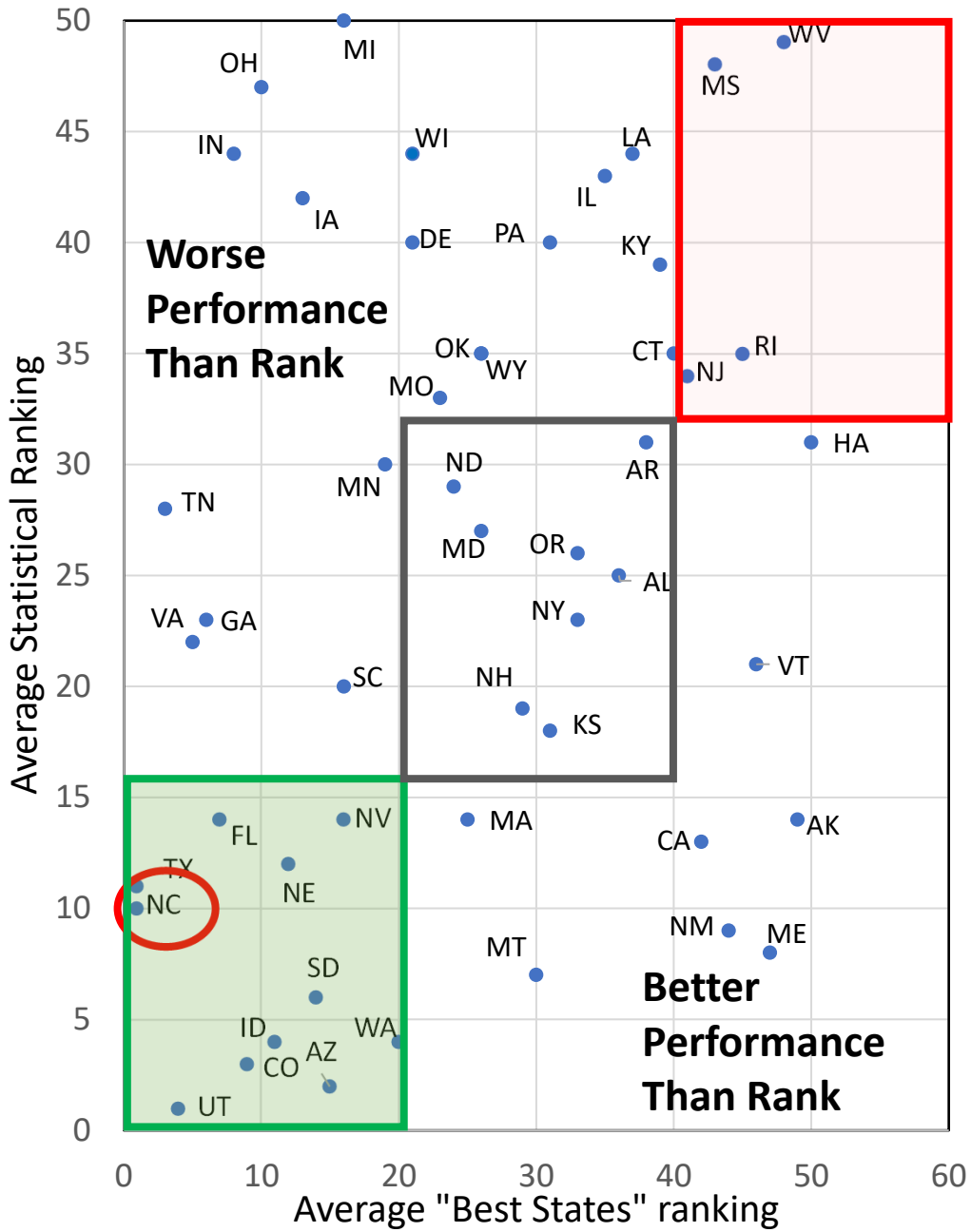
6	Georgia	Georgia	South Carolina	Indiana
7	Tennessee	Minnesota	Ohio	Georgia
8	Washington	Colorado	Nevada	Florida
9	Colorado	Washington	Georgia	Utah
10	Idaho	Ohio	Arizona	Mississippi

ECONOMIC LEADERSHIP

Virginia, Florida, & Utah 3 of 4
Washington, Colorado, Indiana, Ohio 2 of 4

Rankings and Performance



States By Average Ranks by Forbes, CNBC, and Chief Executive

Forbes released 12/19/19; CNBC released 7/13/21; Chief Executive released 4/28/21

Plotted Against

Actual Performance for Job Growth, Wage Growth and Growth in GDP

3 years 2017-2020 Jobs & Wages: BLS QCEW annual; 3 years 2017-2020 GDP: BEA

NC Ranked Compared to All States

	Job Growth	Wage Growth	GDP Growth
1 Year 2019 – 2020	8	31	11
5 Year 2015 – 2020	8	18	13
10 Year 2010 - 2020	12	18	19

DC is included so that all rankings are of 51 “states”

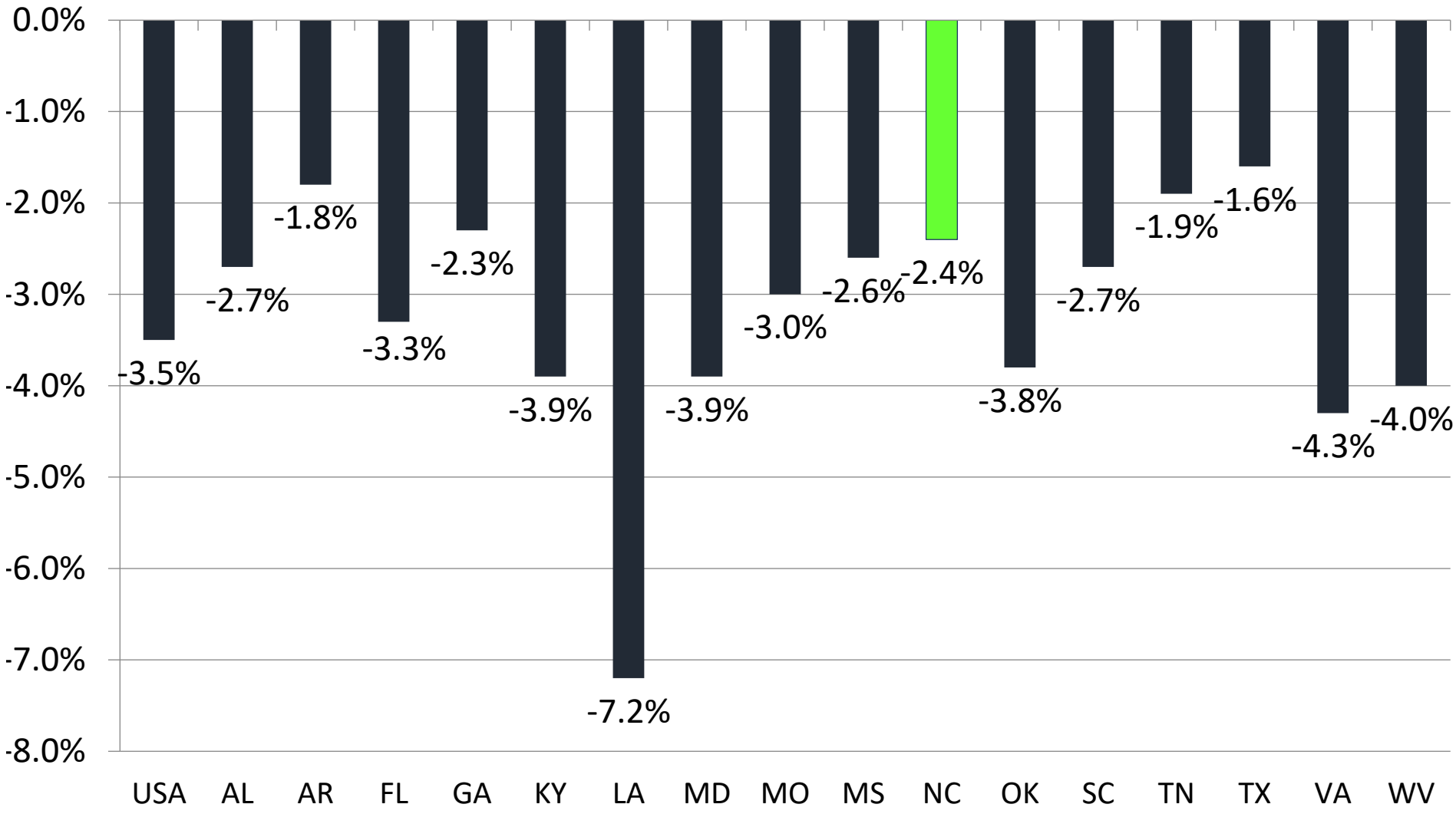
ECONOMIC LEADERSHIP

PIEDMONT TRIAD PARTNERSHIP

Source: BLS Jobs Wages: BLS QCEW annual;
GDP: BEA Real GDP Annual 2012 chained dollars

Southern States Since Start of Covid

Total Non-Farm Employment Percentage Change Feb 2020 to August 2021



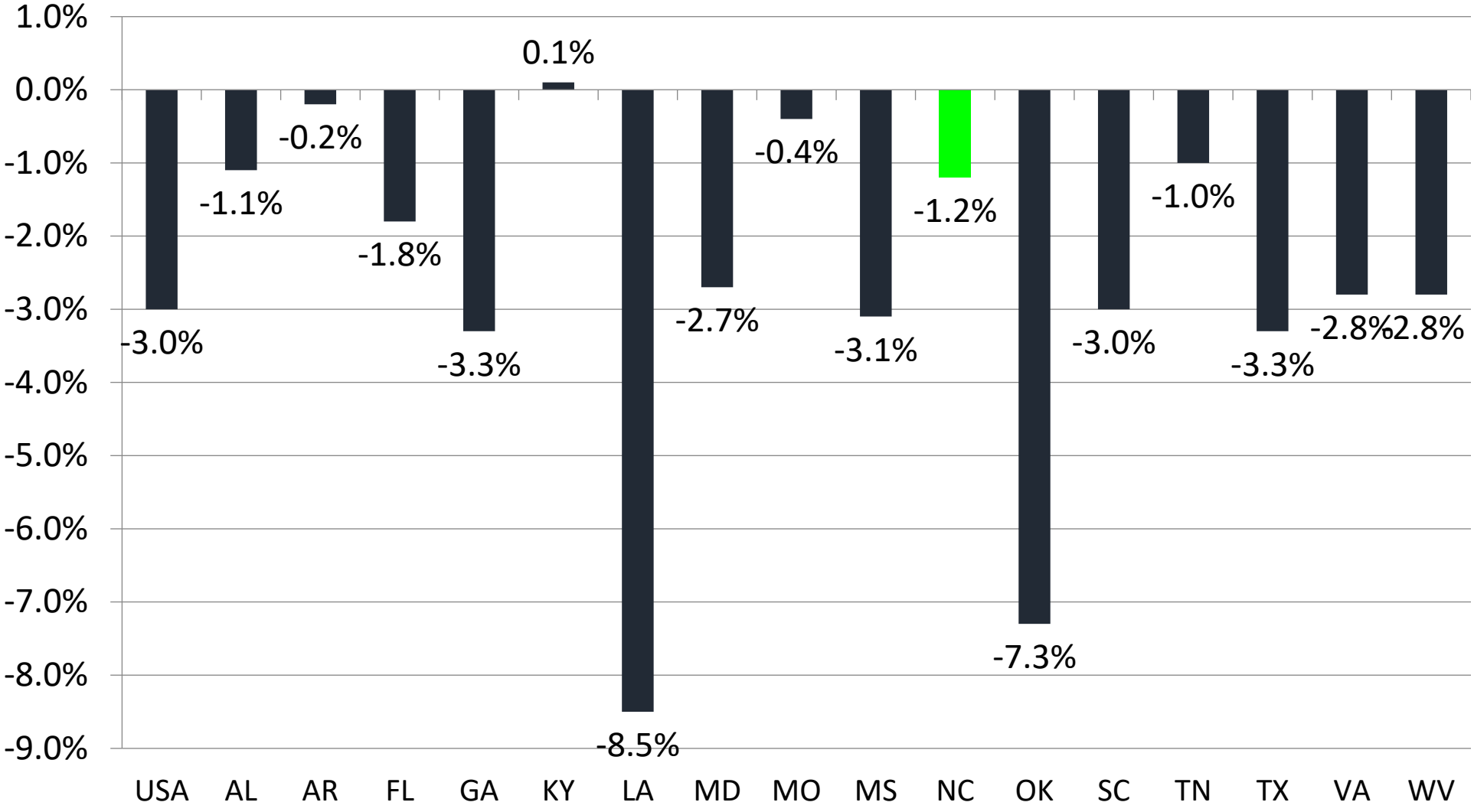
ECONOMIC LEADERSHIP

PIEDMONT TRIAD PARTNERSHIP

Source: US Bureau of Labor Statistics

Southern States Since Start of Covid

Manufacturing Employment Percentage Change Feb 2020 to August 2021



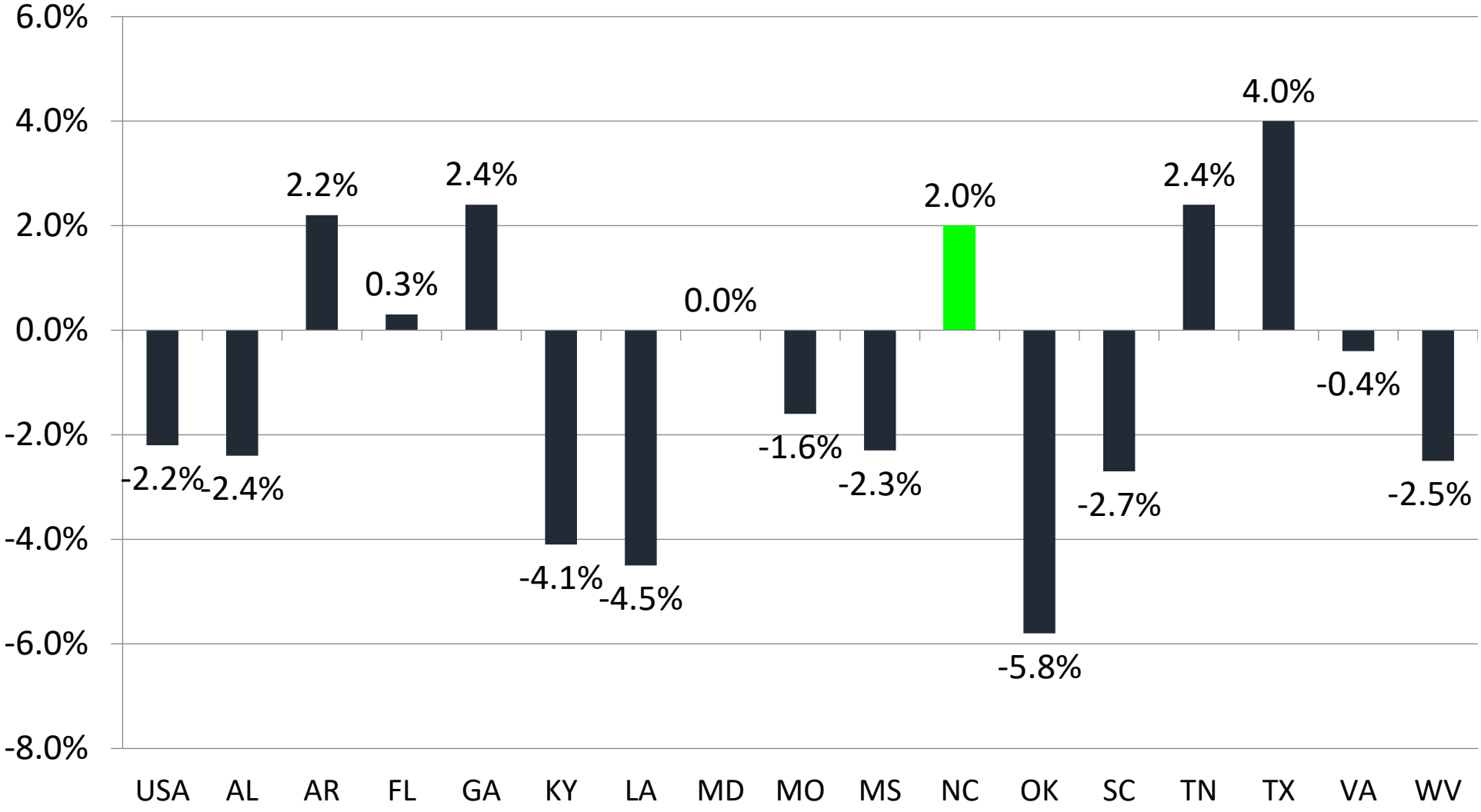
ECONOMIC LEADERSHIP

PIEDMONT TRIAD PARTNERSHIP

Source: US Bureau of Labor Statistics

Southern States Since Start of Covid

Professional & Business Services Employment % Change Feb 2020 to Aug 2021

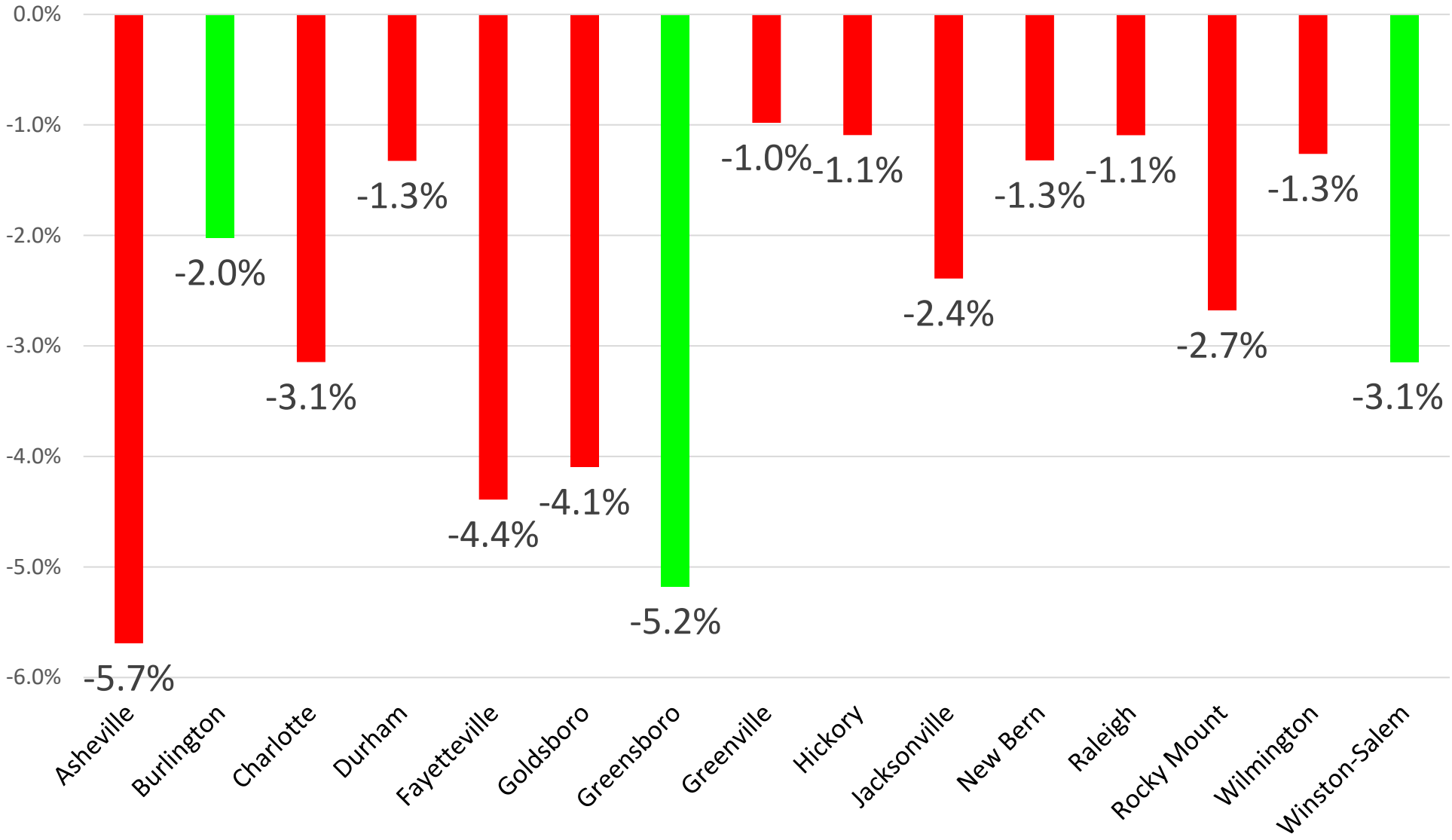


ECONOMIC LEADERSHIP

PIEDMONT TRIAD PARTNERSHIP

Source: US Bureau of Labor Statistics

NC Metro % Non-Farm Employment Change
Since Start of Covid February 2020 - August 2021

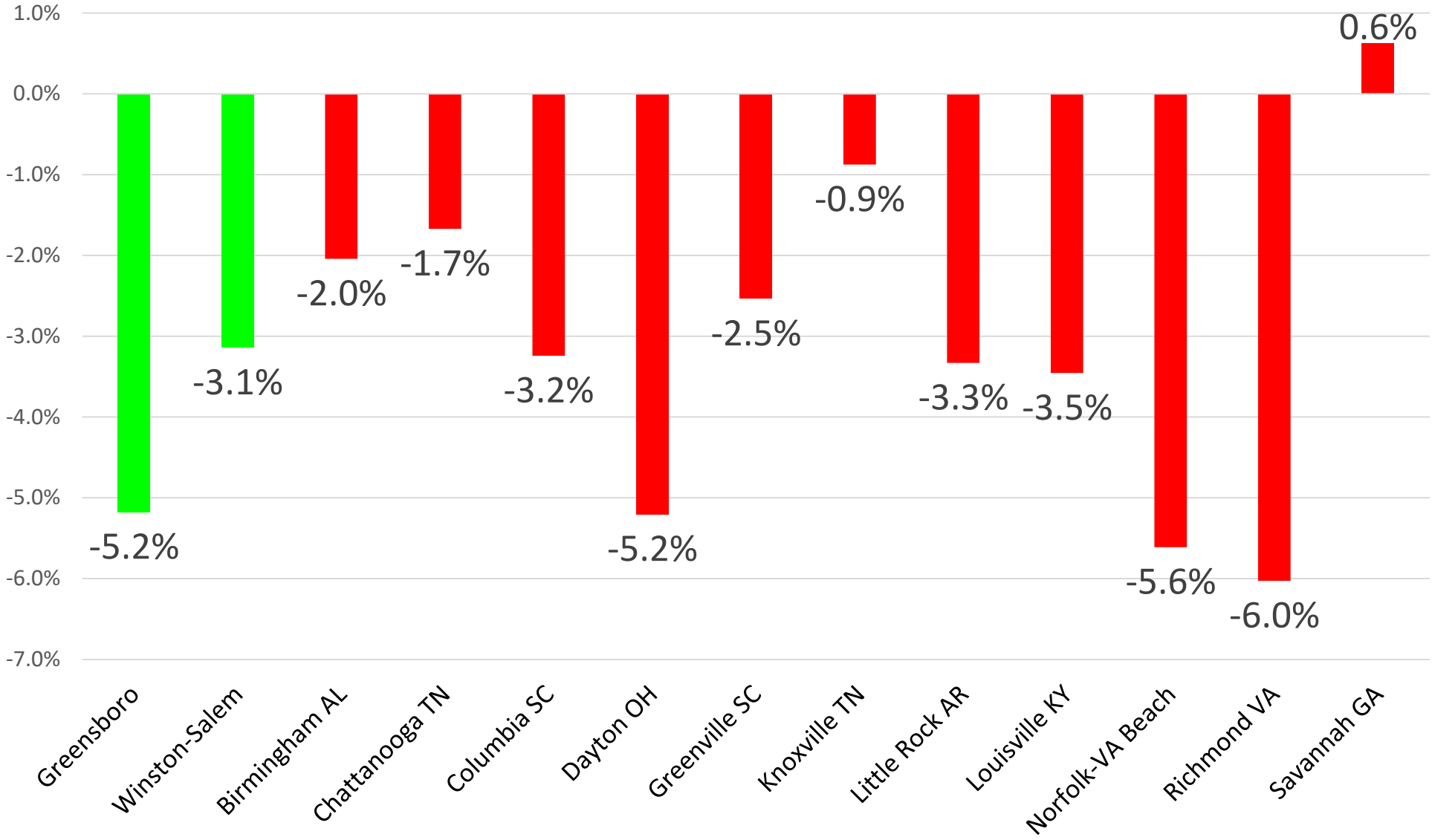


ECONOMIC LEADERSHIP

PIEDMONT TRIAD PARTNERSHIP

Source: US Bureau of Labor Statistics

Similar Size Metros % Non-Farm Employment Change Since Start of Covid February 2020 - August 2021

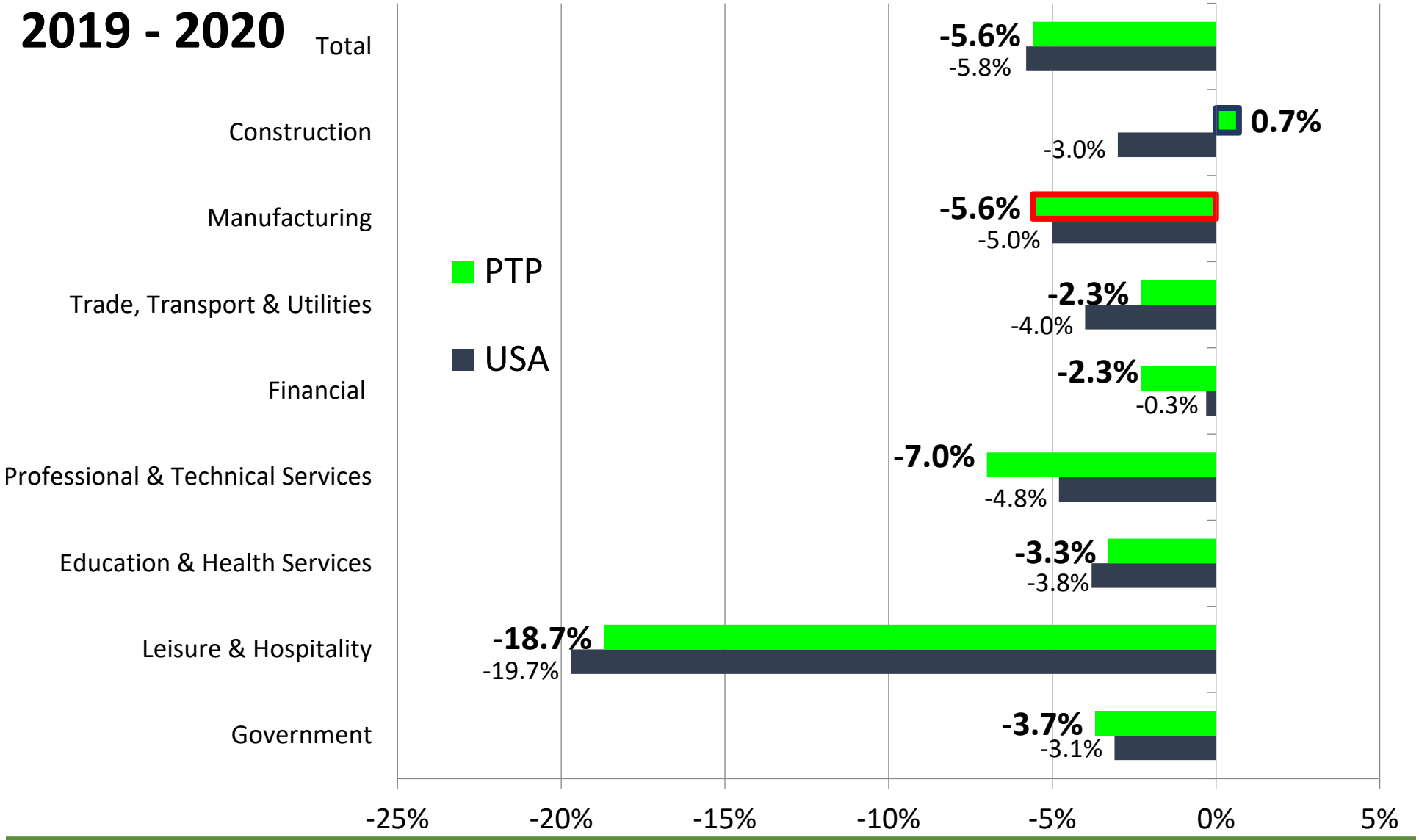


ECONOMIC LEADERSHIP

PIEDMONT TRIAD PARTNERSHIP

Source: US Bureau of Labor Statistics

Employment Gains By Sector U.S. & PTP

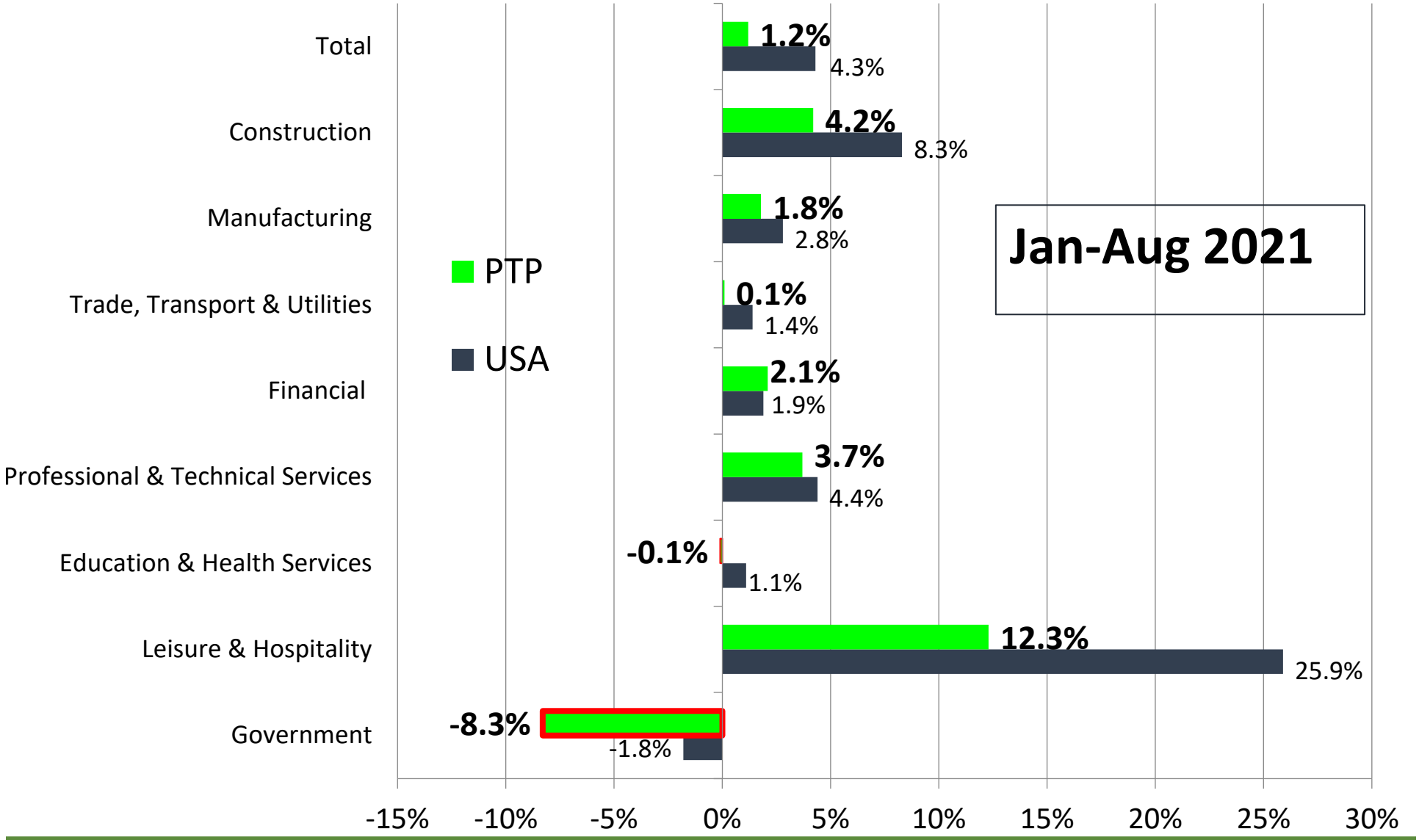


ECONOMIC LEADERSHIP

PIEDMONT TRIAD PARTNERSHIP

Source: NC Commerce D-4 CES & US Bureau of Labor Statistics

Employment Gains By Sector U.S. & PTP



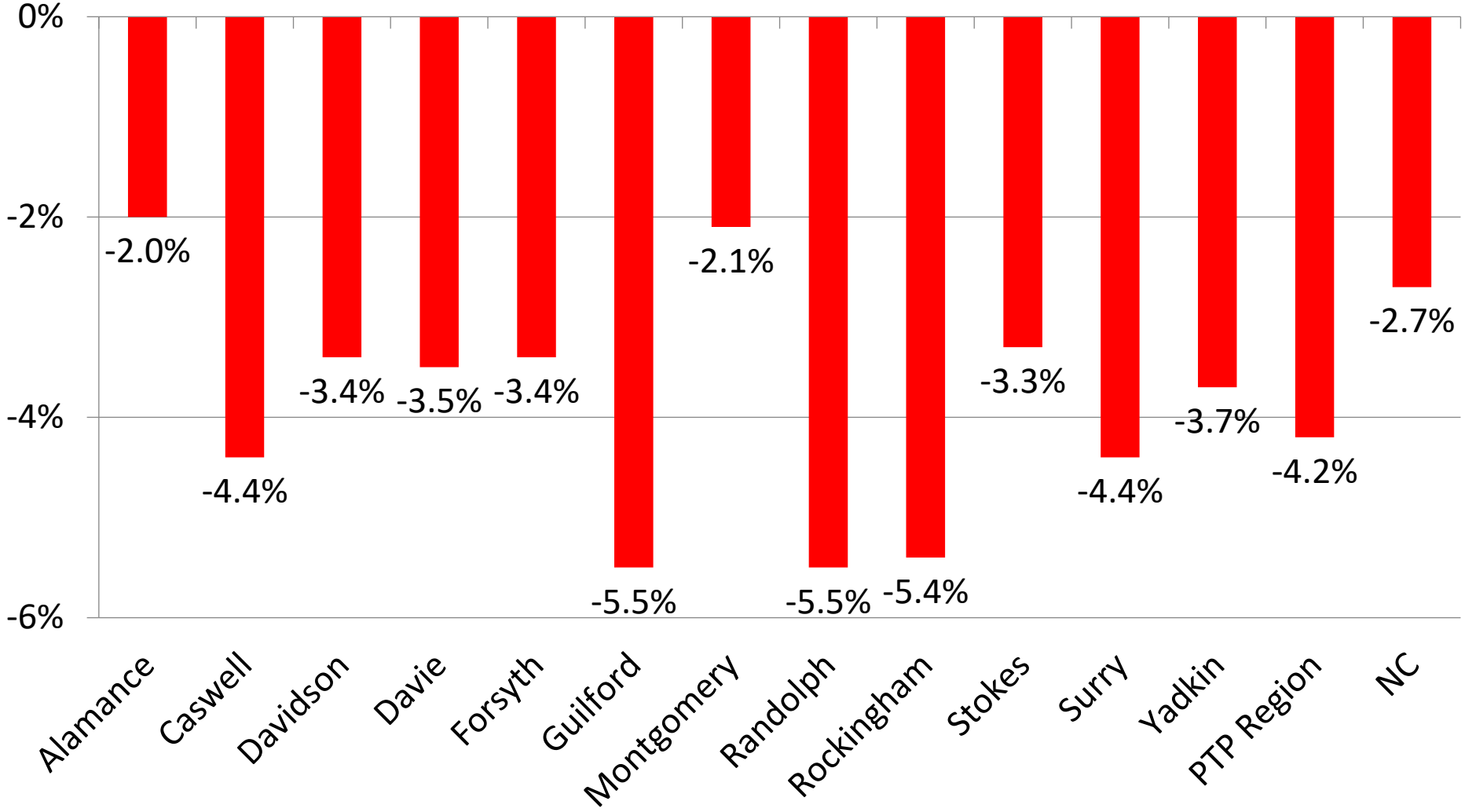
ECONOMIC LEADERSHIP

PIEDMONT TRIAD PARTNERSHIP

Source: NC Commerce D-4 CES & US Bureau of Labor Statistics

PTP County Employment

Since Start of Covid February 2020 - August 2021

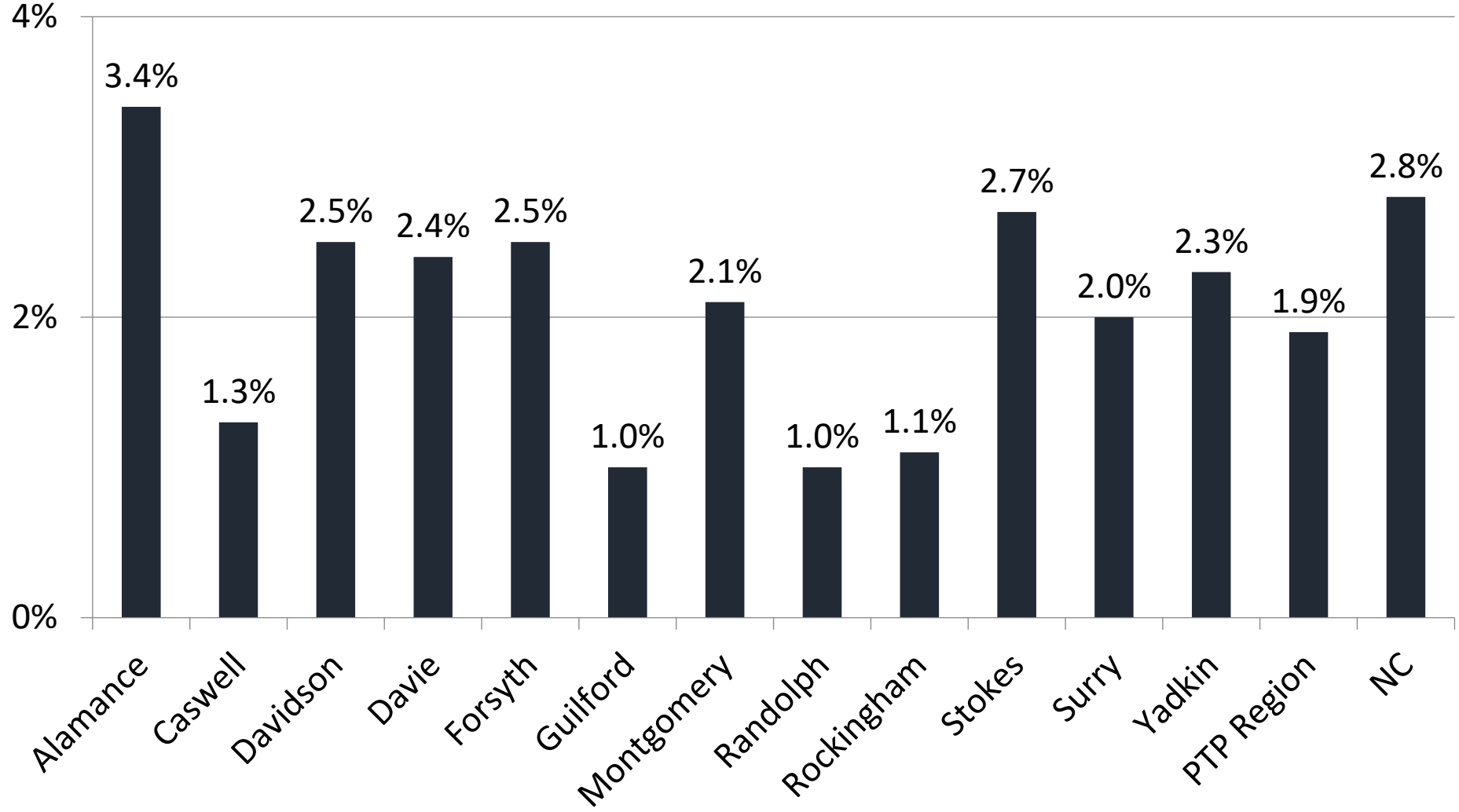


ECONOMIC LEADERSHIP

PIEDMONT TRIAD PARTNERSHIP

Source: NC Department of Commerce - LAUS

PTP County Employment
January 2021 - August 2021



ECONOMIC LEADERSHIP

PIEDMONT TRIAD PARTNERSHIP

Source: NC Department of Commerce - LAUS

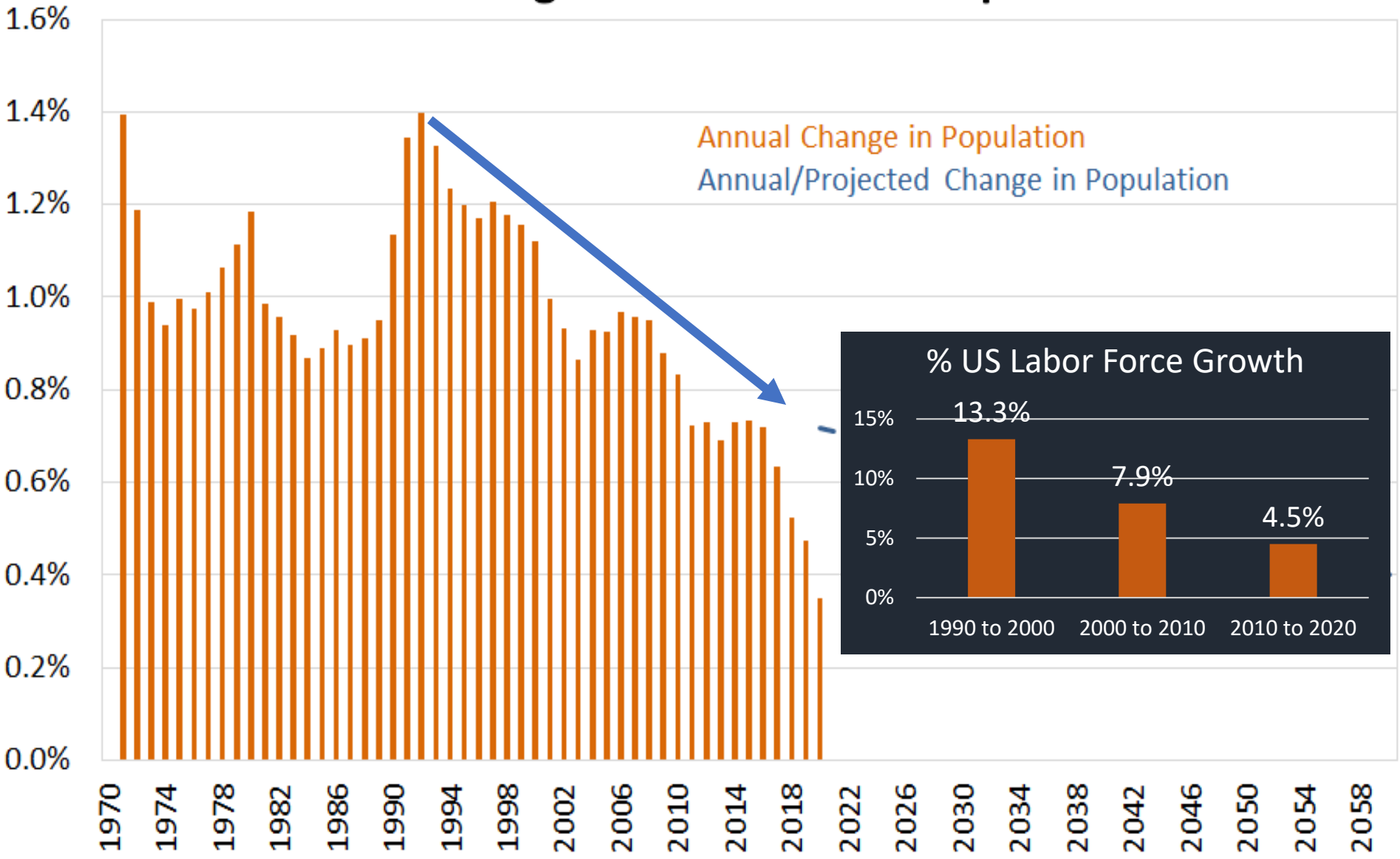
Big
TRENDS
CREATIVE
THINKING

Workforce Crisis

<u>Workforce</u> will be the top competitive factor determining investment & jobs winners and losers for the foreseeable future!

ECONOMIC LEADERSHIP

Annual Change in U.S. Resident Population



NOTES: The actual change in population is as of Dec. 22. The projected change is as of April 16 and displays the actual change from 1970 through 2019.

SOURCES: Census Bureau and Haver Analytics.

Federal Reserve Bank *of* St. Louis

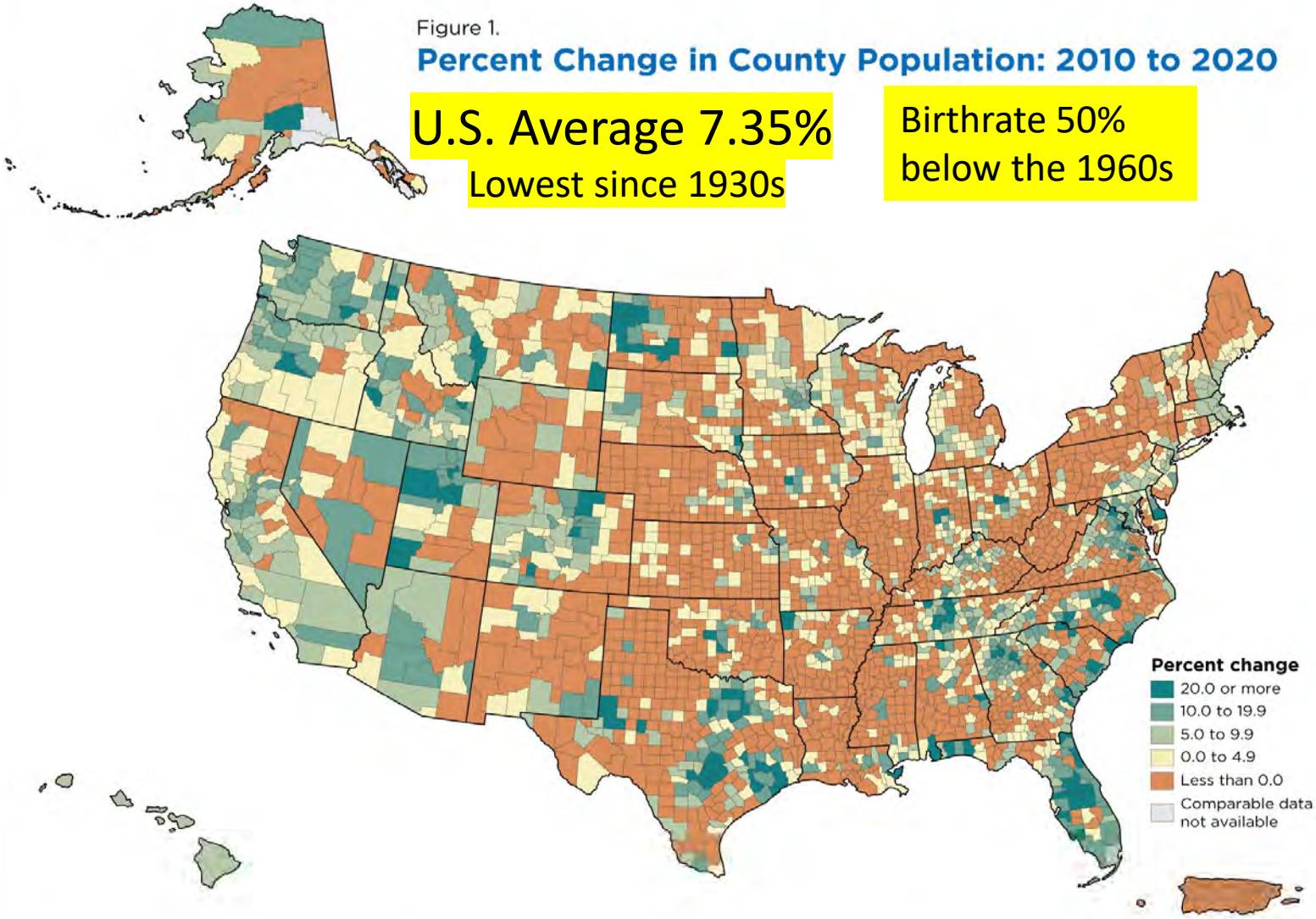
Figure 1.

Percent Change in County Population: 2010 to 2020

U.S. Average 7.35%

Lowest since 1930s

Birthrate 50% below the 1960s

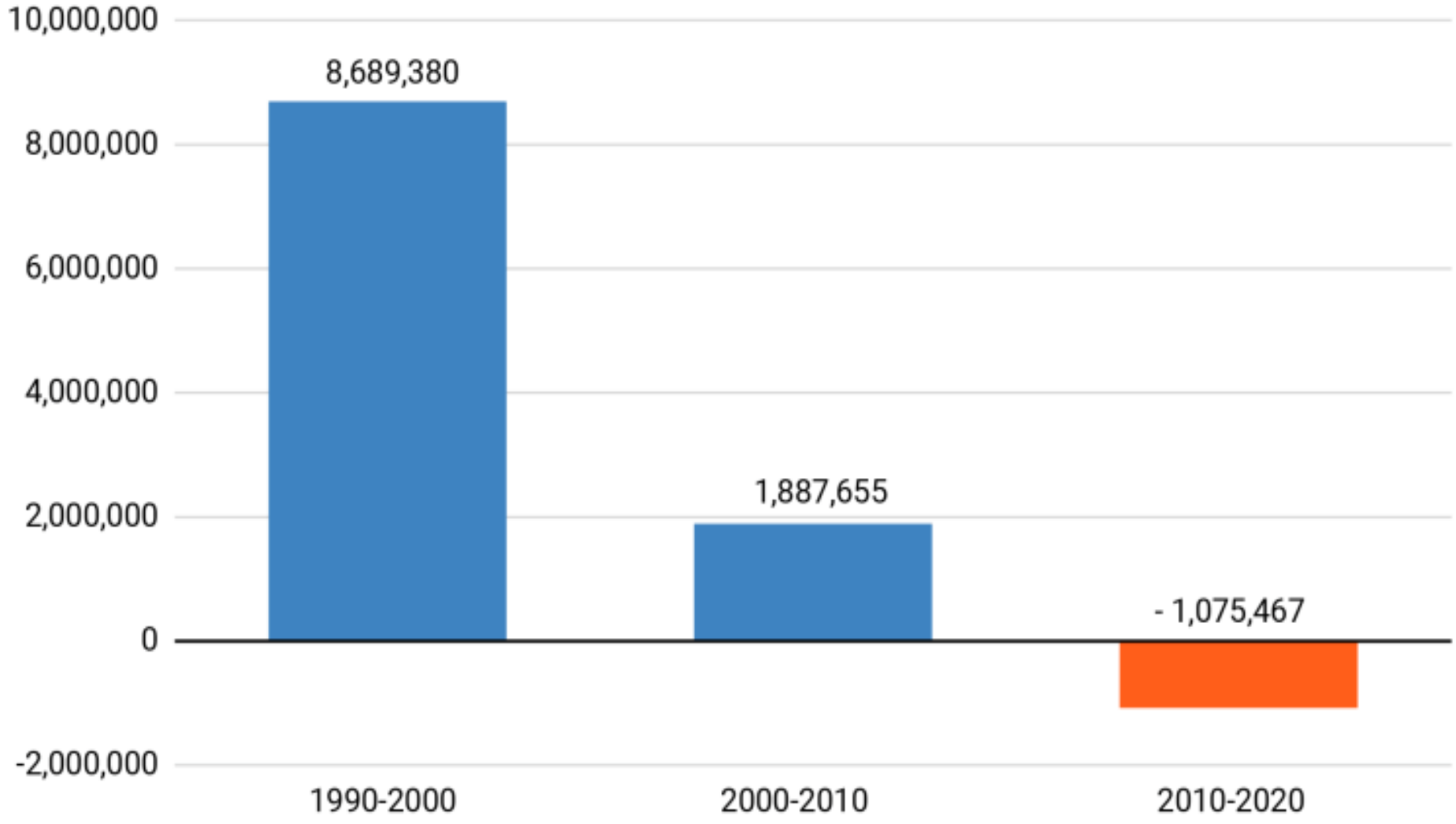


Note: Bedford city, VA, was changed to town status and added to Bedford County, VA, effective July 1, 2013. For purposes of presenting data, Bedford County is treated as if Bedford city were included in it at the time of the 2010 census.

Information on confidentiality protection, nonsampling error, and definitions is available at <https://www2.census.gov/programs-surveys/decennial/2020/technical-documentation/complete-tech-docs/summary-file/>.

Source: U.S. Census Bureau, 2010 Census Redistricting Data (Public Law 94-171) Summary File; 2020 Census Redistricting Data (Public Law 94-171) Summary File.

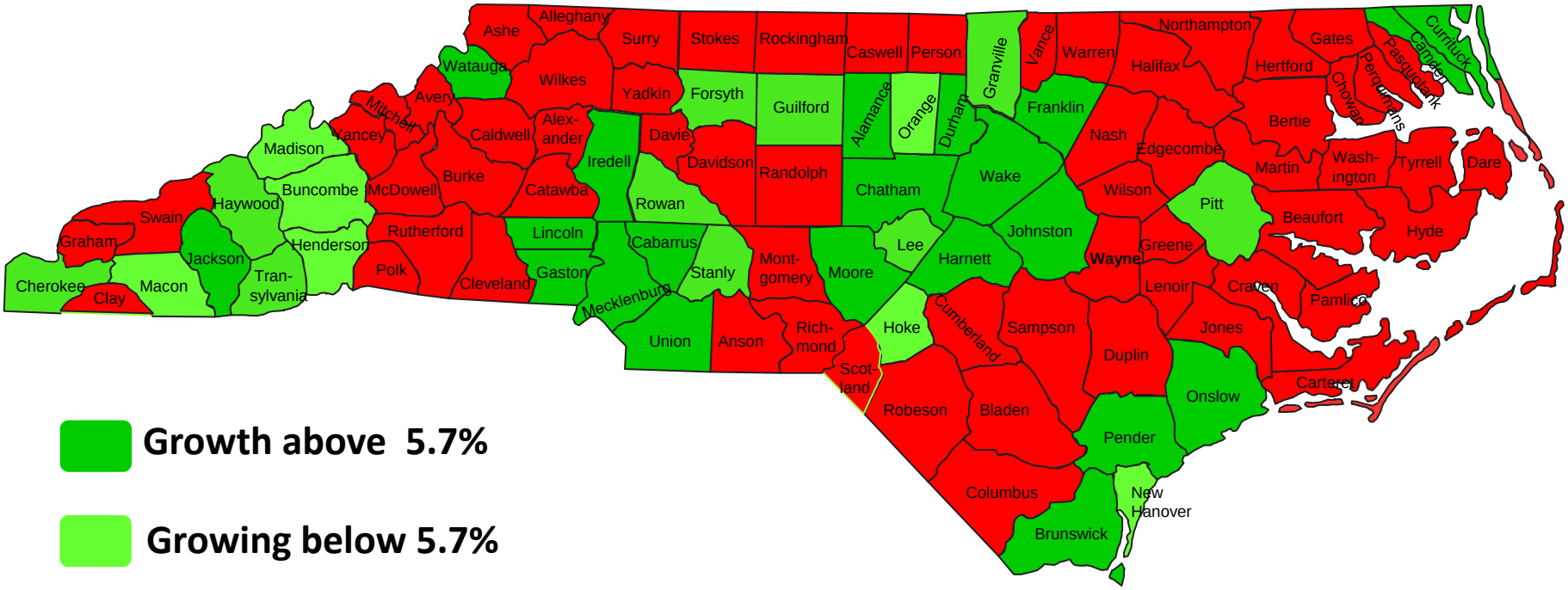
U.S. Under 18 Age Population Change by Decade



Source: William H. Frey analysis of 1990 and 2020 U.S. decennial censuses.

Metropolitan Policy Program at BROOKINGS

PROJECTED CHANGE IN LABOR FORCE AGE POPULATION
Ages 25 – 64 2020 - 2030
North Carolina state average 5.7%



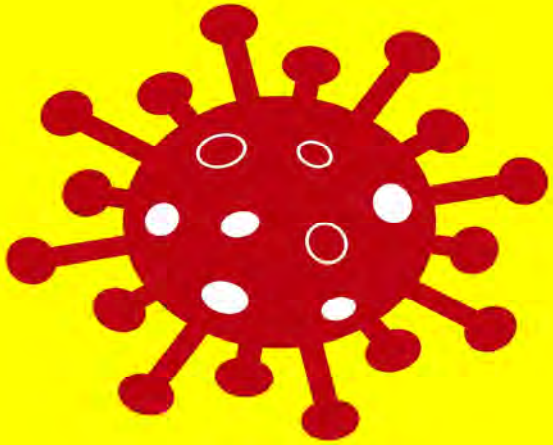
Growth above 5.7%

Growing below 5.7%

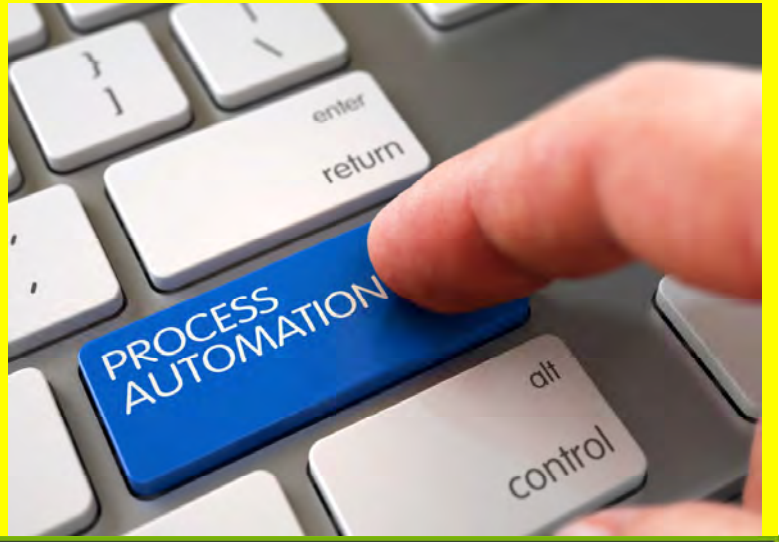
Losing Labor Force

ECONOMIC LEADERSHIP

Source: EMSI 2021.3



COVID 19 IMPACTV



ECONOMIC
LEADERSHIP

Of the 25 million who lost jobs in March-April 2020

1.7 million unemployed

7.7 million out of LF

ECONOMIC LEADERSHIP

Source: Business Insider, Madison Hoff BLS, FRED Oct 2021

Childcare Services Employment is 10.4% less than Pre-Pandemic

ECONOMIC LEADERSHIP

Source: Business Insider, Madison Hoff BLS, FRED Oct 2021

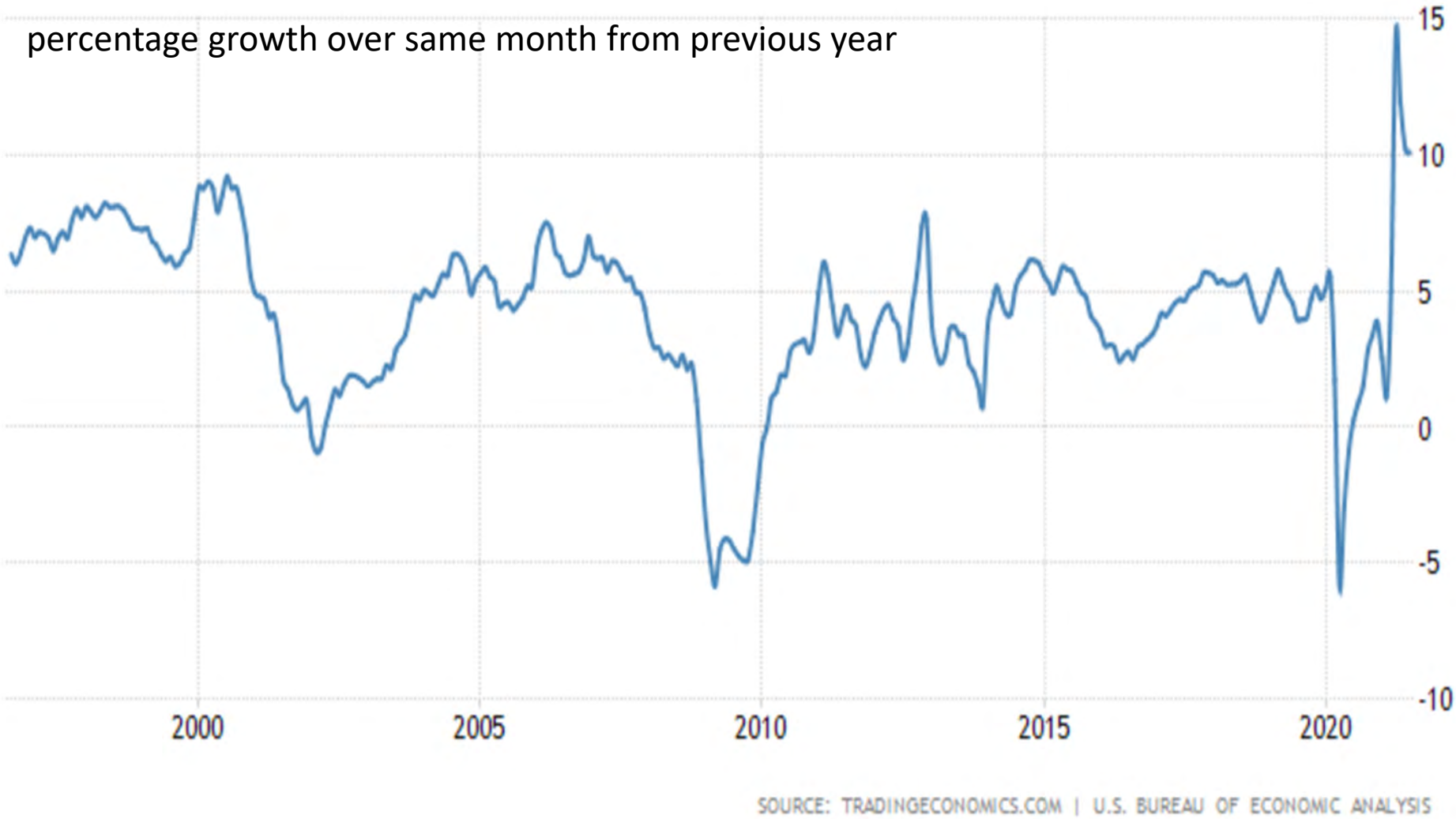
Percent of U.S. population retired

January 2009 to May 2021

ECONOMIC LEADERSHIP

Source: Data: Federal Reserve Bank of Dallas; Chart: Sara Wise/Axios

U.S. 25 Year % Wage Growth



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Source: Trading Economics

Mobility

Annual migration in 1947 showed 20%.

That dropped to 9.3% annually in 2019, a record low.

In a July 2021 poll, 29% of Americans have moved since the pandemic started or plan to move within the next 12 months.

48% of those ages 18-24

46% of those 25-44

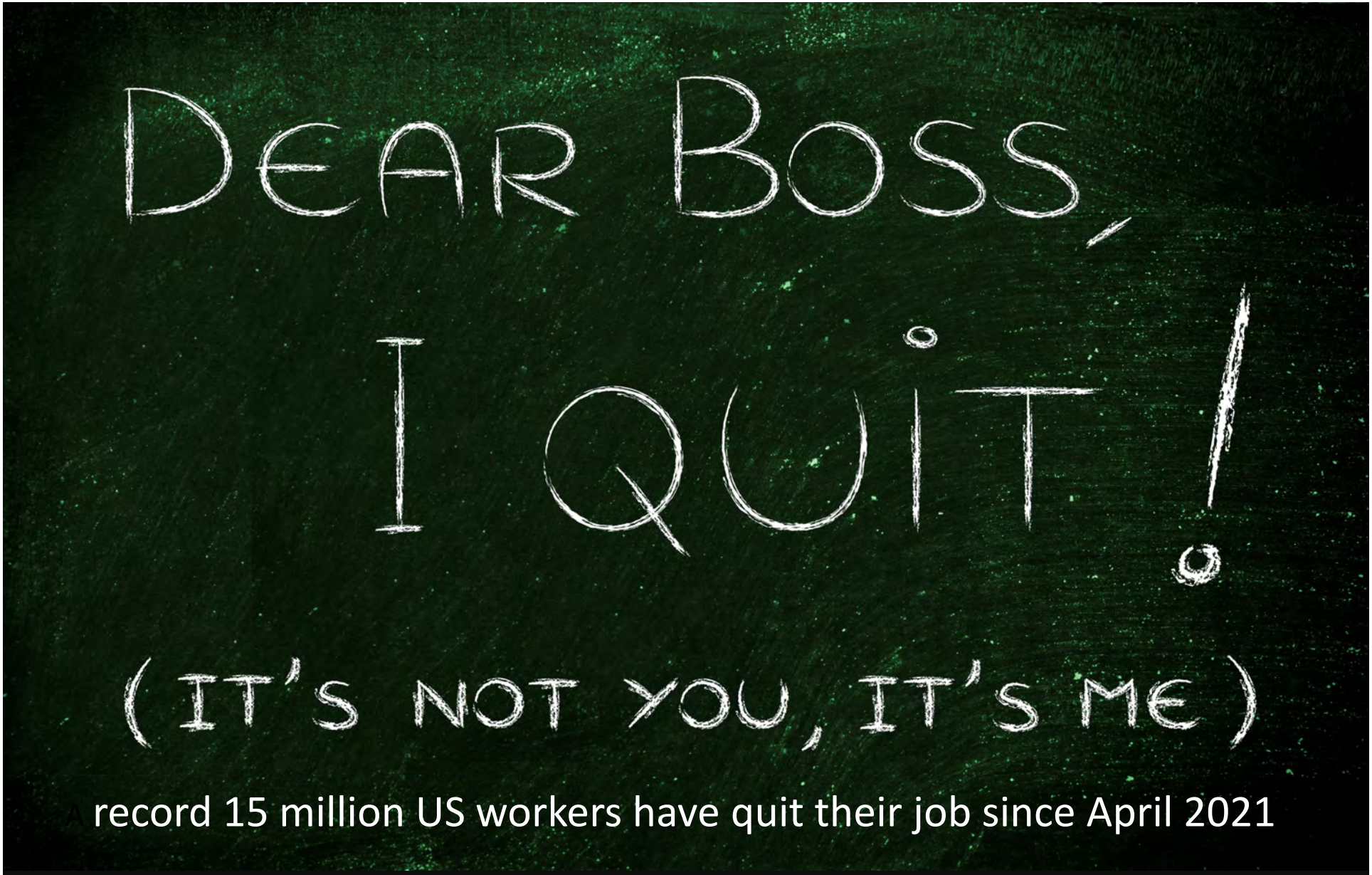
19% of those ages 45-64

7% of those 65 and above

Cost of living, job opportunities, more affordable housing, and being closer to family were leading reasons for moving among all age groups

ECONOMIC LEADERSHIP

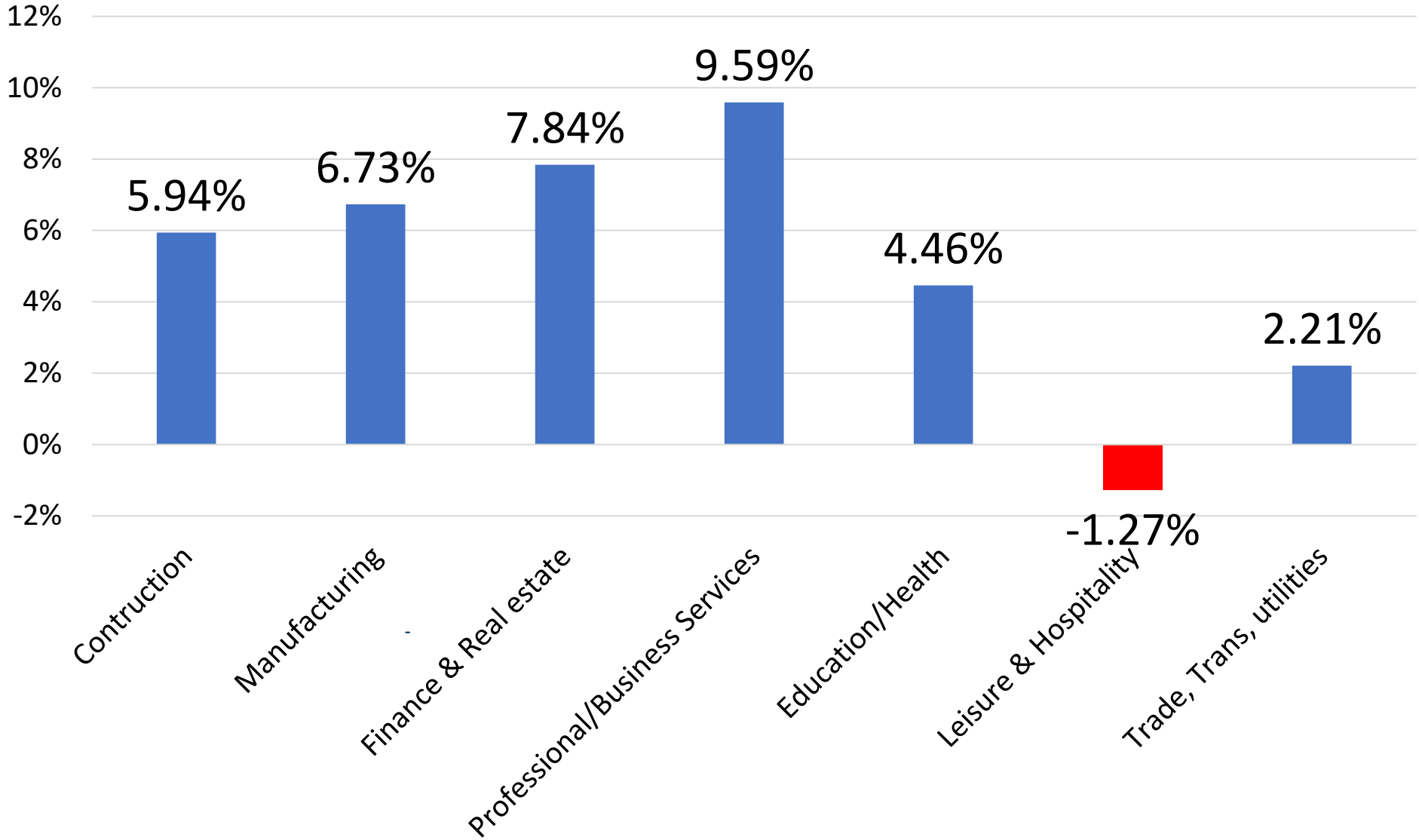
Source: Investors Business Daily and TIPP



A record 15 million US workers have quit their job since April 2021

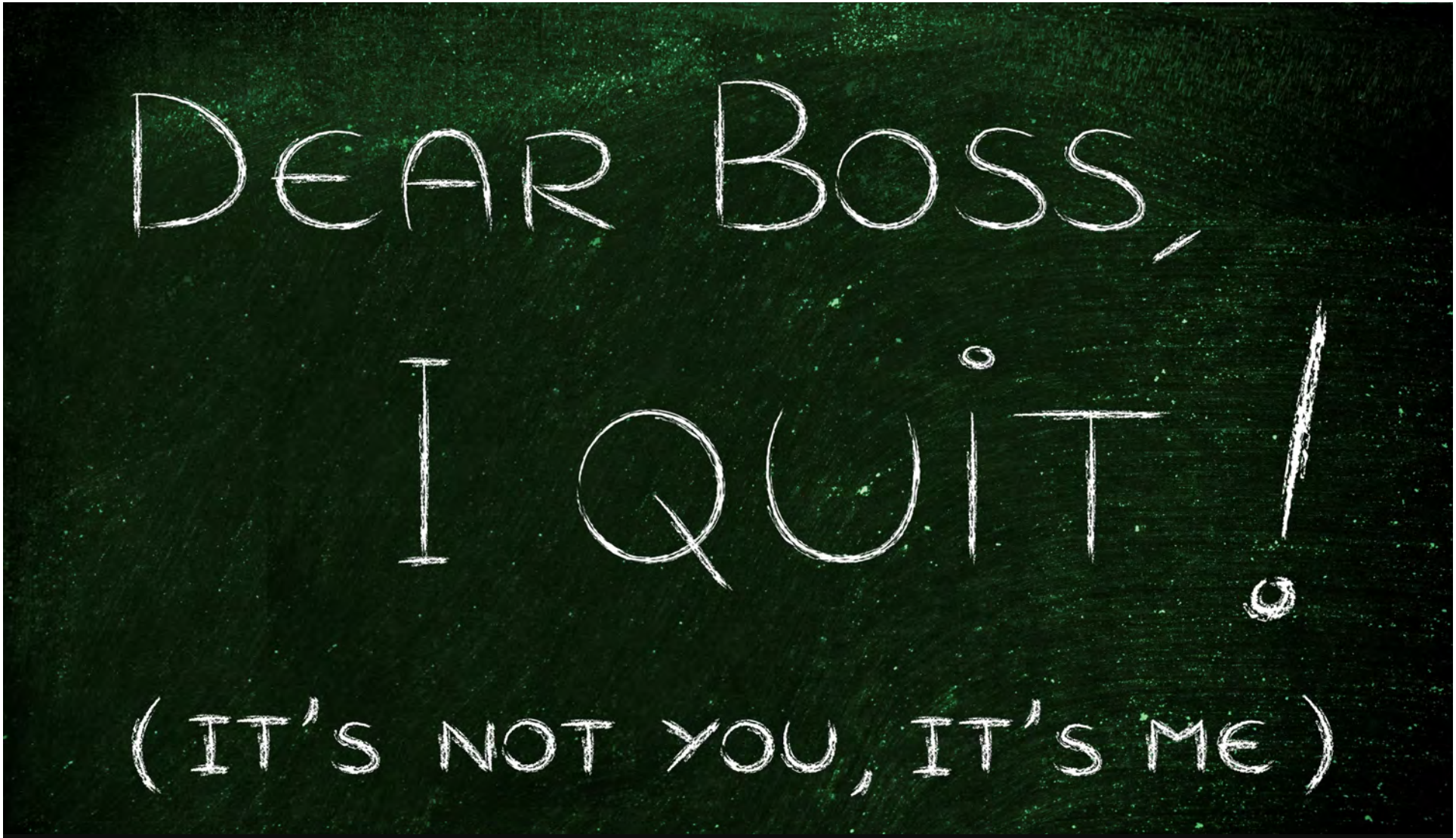
2/3 said because they had a better offer

Quitters - New Job Wage Gain



ECONOMIC LEADERSHIP

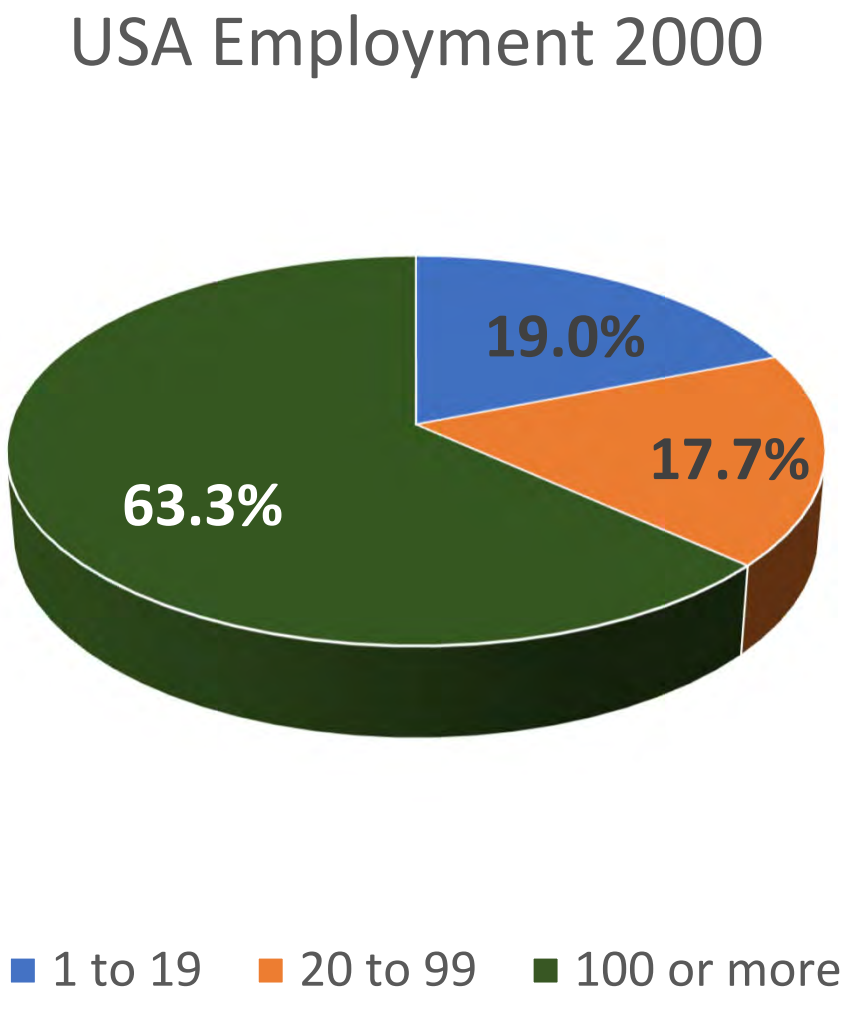
Source: ADP Management, September 2021

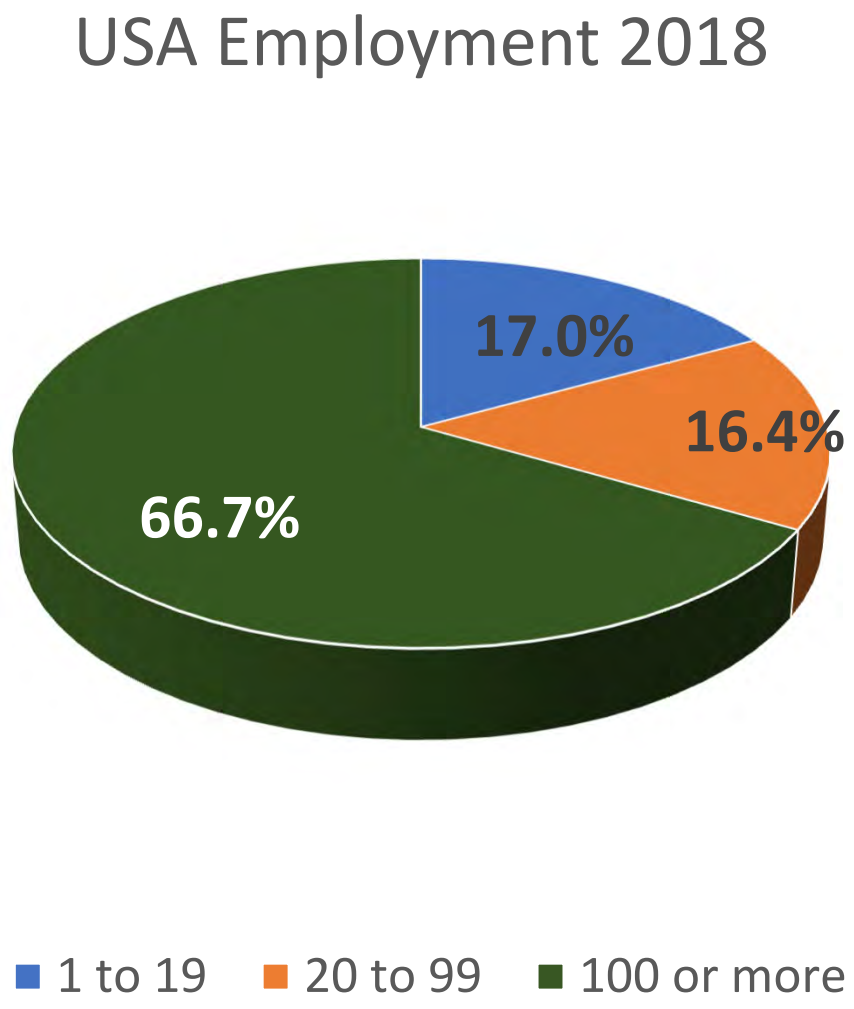


In a recent survey 40% said that they were somewhat likely to leave their current job within 6 months

Business Concentration and Fragmentation

More American are Working for Larger Companies- Consolidations

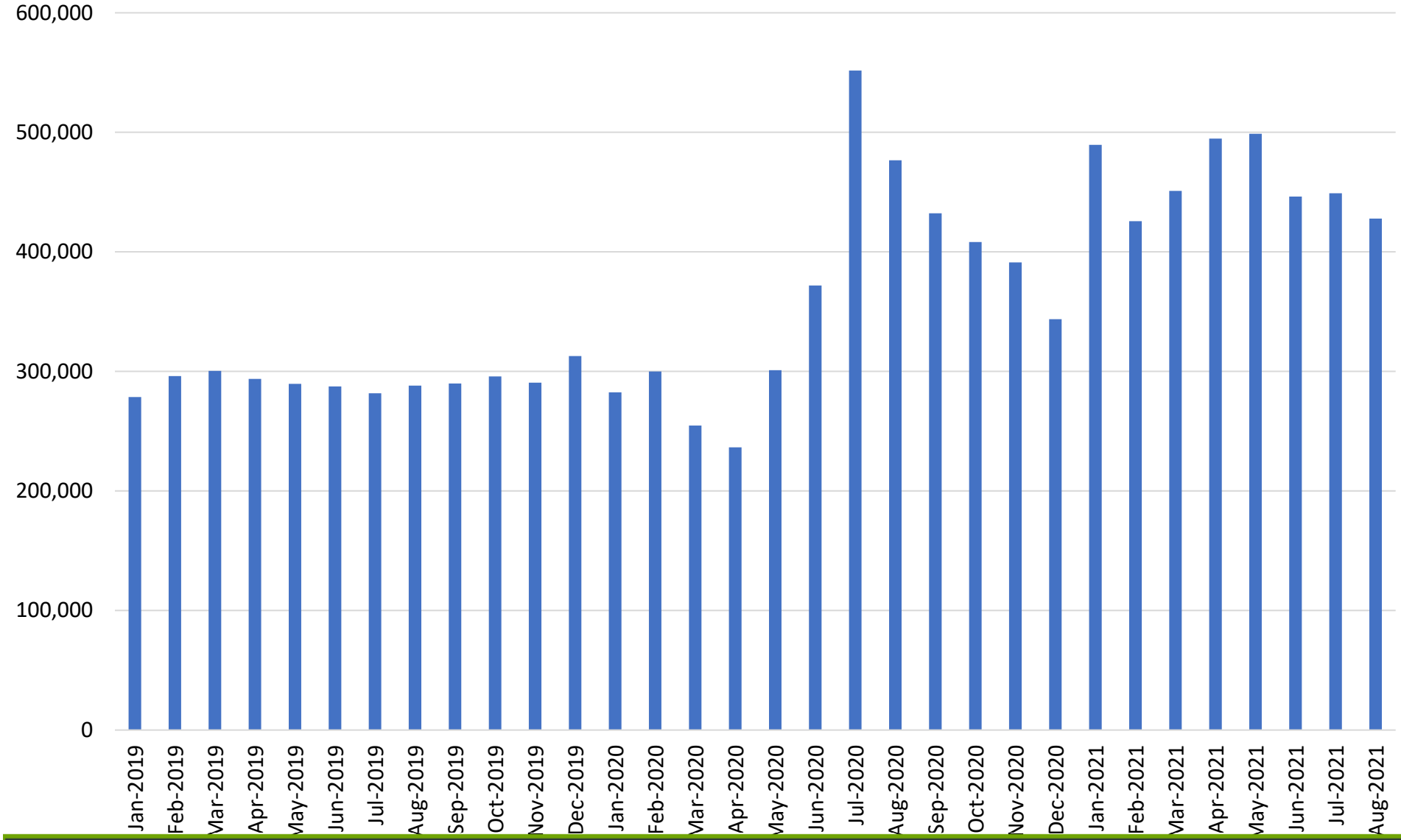




ECONOMIC LEADERSHIP

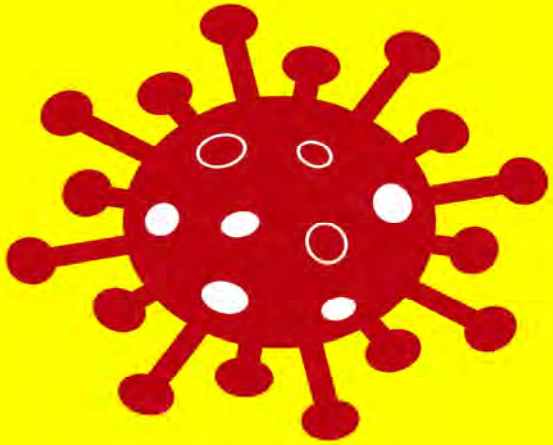
Source: US Small Business Administration

U.S. Business Formations



ECONOMIC LEADERSHIP

Source: US Census Bureau; Business Formation Statistics



COVID 19 IMPACTV

Accelerated Automation

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LEADERSHIP

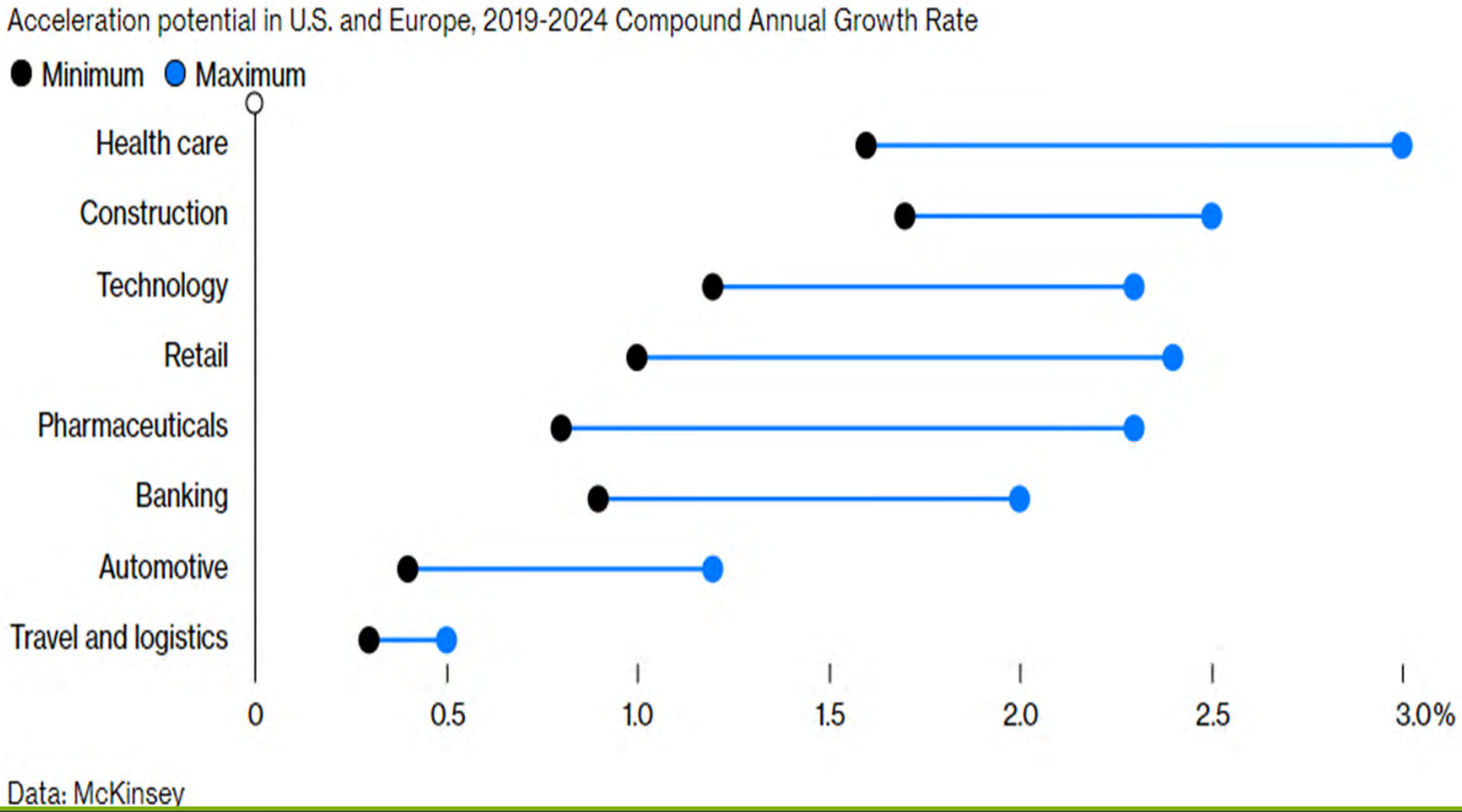
Automation-Productivity Accelerants

"The acceleration in technology is something that feels real and lasting."
Jan Mischke, McKinsey Global Institute

8 of 10 workplaces will introduce or increase the use of robots. 85% say COVID has been a game changer.
Study by ABB Ltd

64% jump in robot purchases in 4th quarter 2020
Robotic Industries Institute

Pandemic-Related Productivity Acceleration in US & Europe



ECONOMIC LEADERSHIP

Source: Bloomberg.com

3m/10ft
Measuring
Tape
15800
Kitchen & Nook
19,87
Dining Room
19,87
Hall
14.18
Entry
3,80
Closet
3,76
Garage
19,52
14780
6150
1150
1350
3820

The Home Ownership Affordability Monitor showed declining national affordability for the 5th consecutive month.

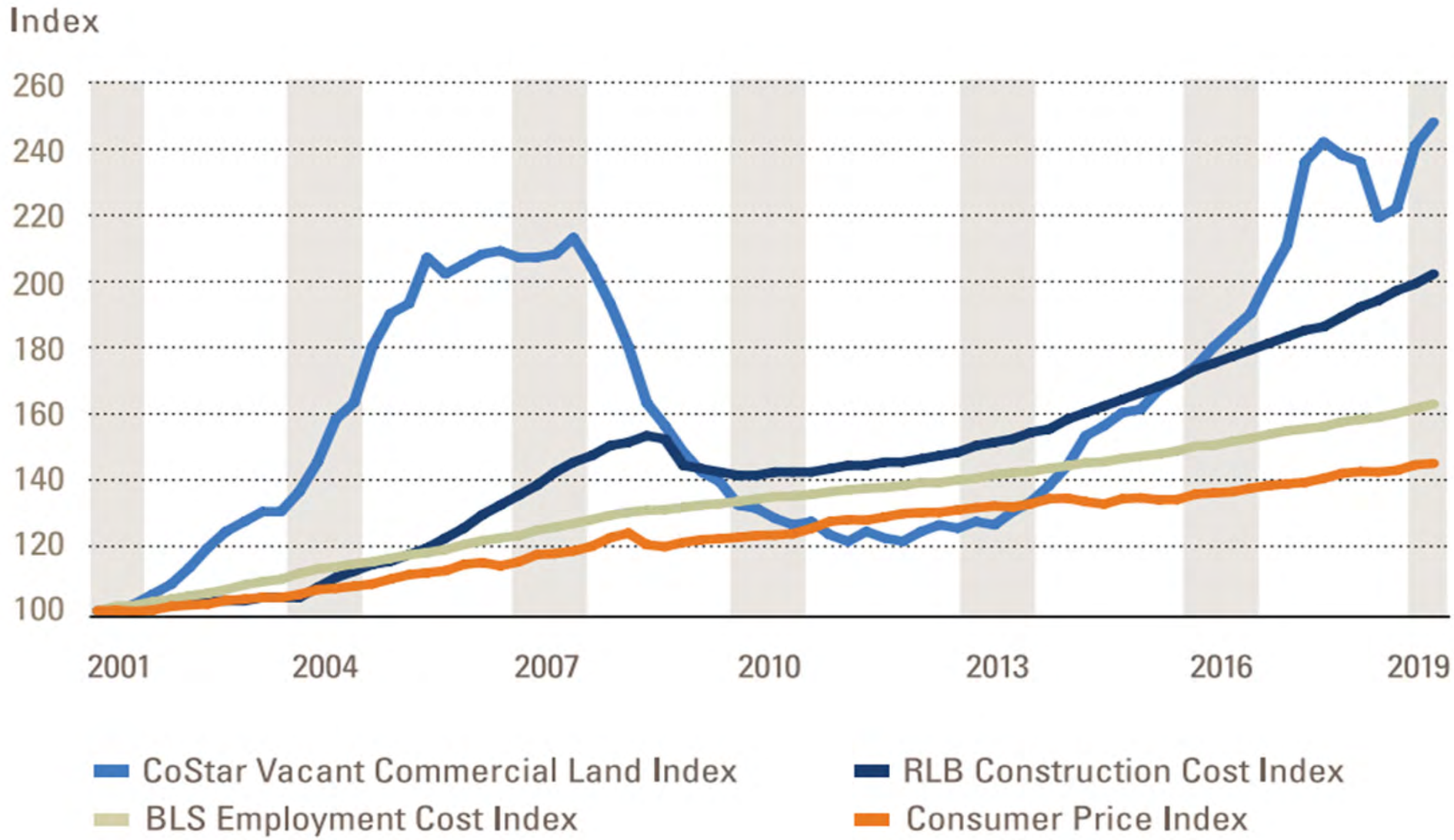
Home prices hit a new record high.

The median U.S. home price rose to $330,500 on a three-month average, with a record gain of 21.6% year-over-year.

ECONOMIC LEADERSHIP

Source: Atlanta Fed

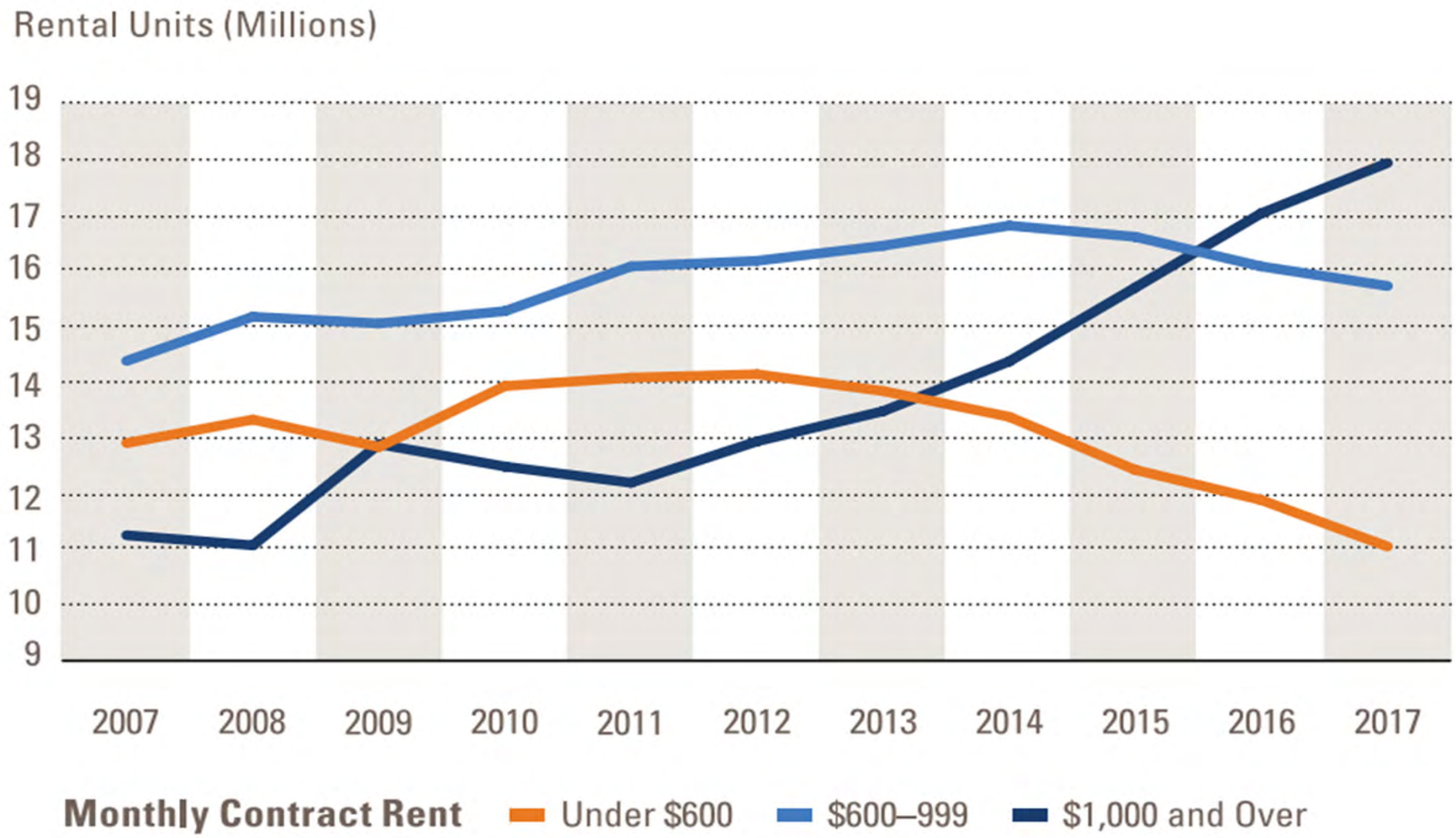
Costs Climb Faster than Inflation



ECONOMIC LEADERSHIP

Source: Joint Center for Housing Studies of Harvard University - *America's Rental Housing 2020*

Number of Rental Units by Rent Cost

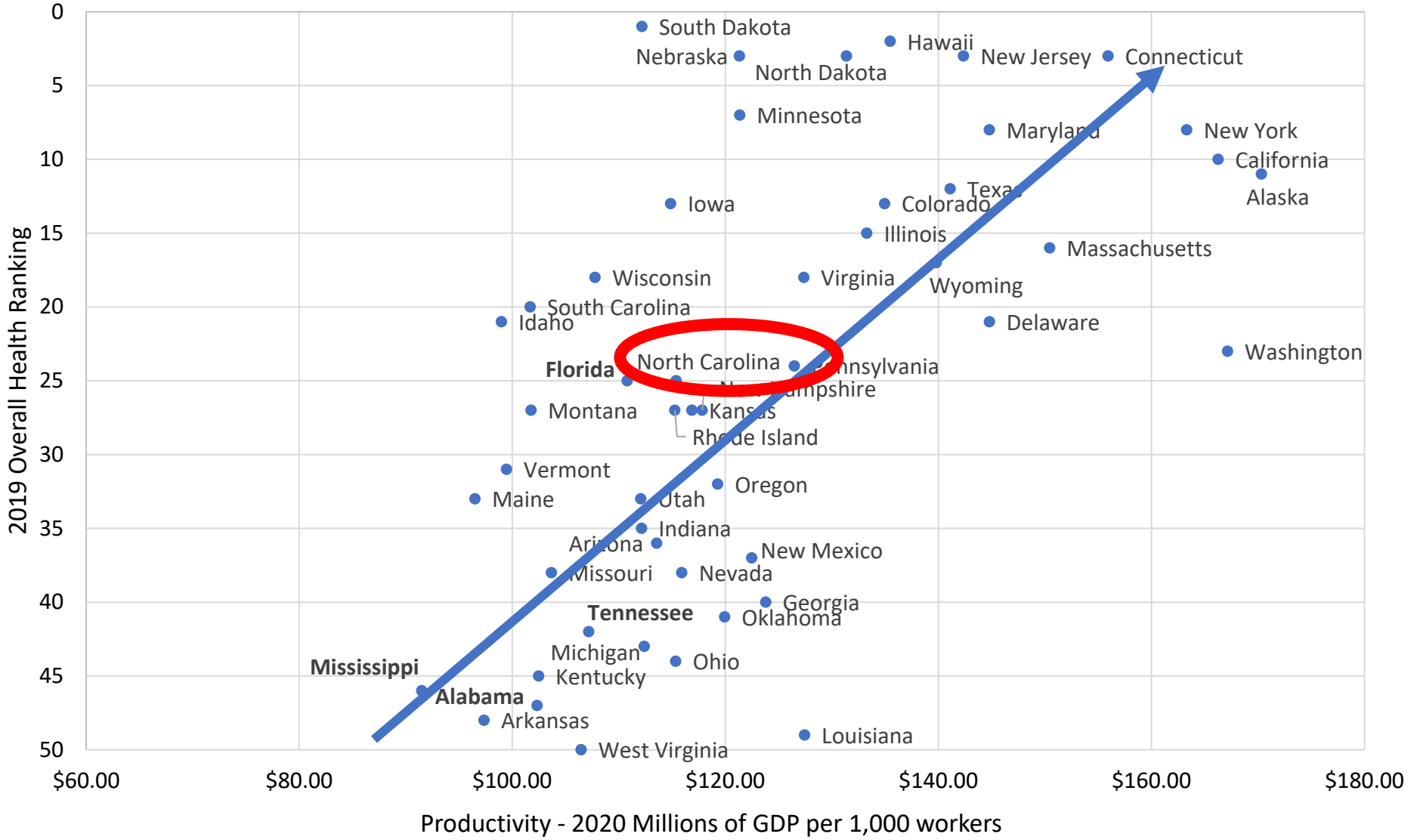


ECONOMIC LEADERSHIP

Source: Joint Center for Housing Studies of Harvard University - *America's Rental Housing 2020*

Think business climate beyond than taxes, regulation and legal

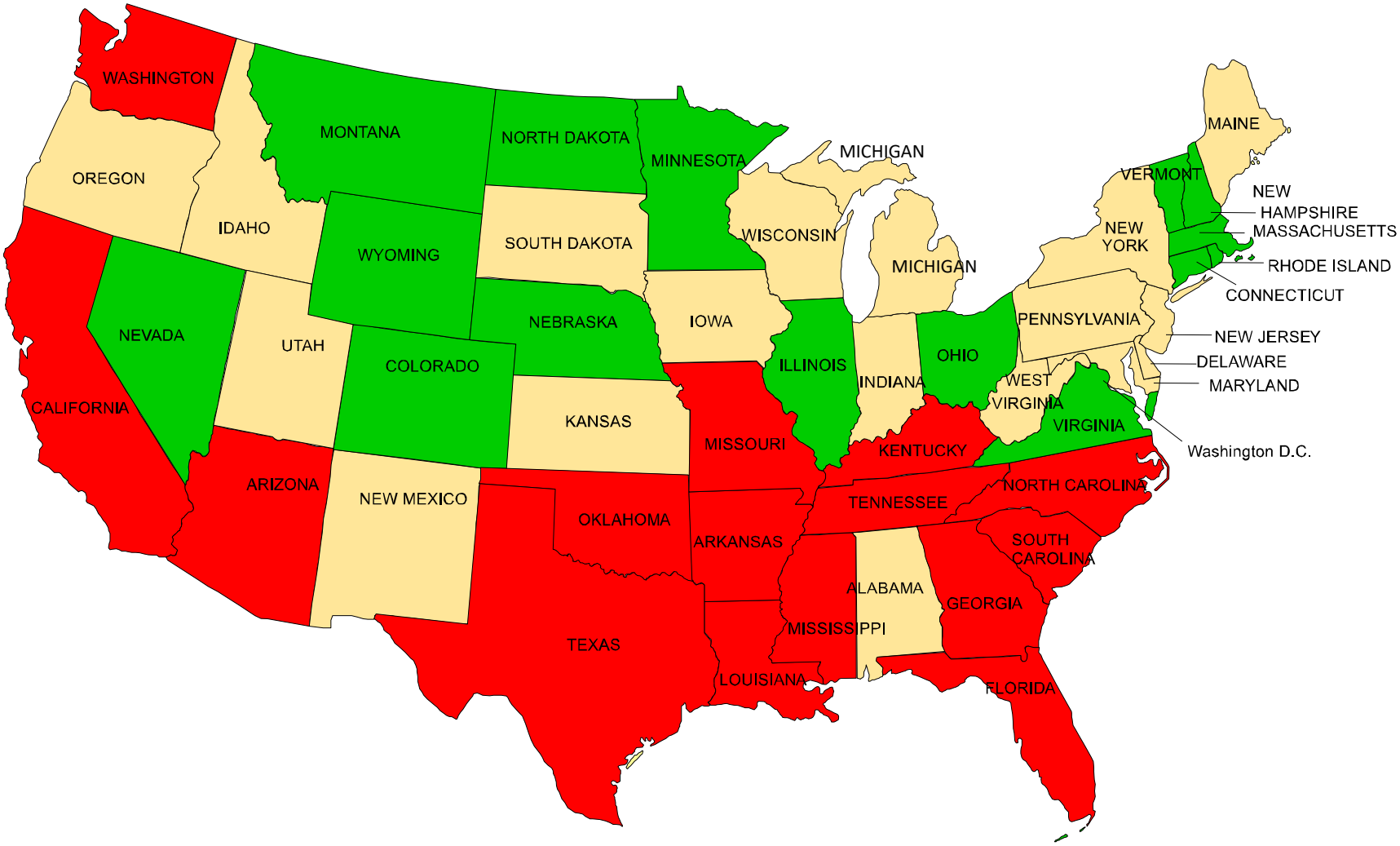
Health and Productivity Rankings



ECONOMIC LEADERSHIP

Source: US News Best States for Health and US Bureau of Economic Analysis

Best & Worst States for Climate/Weather Change



15 lowest risk states

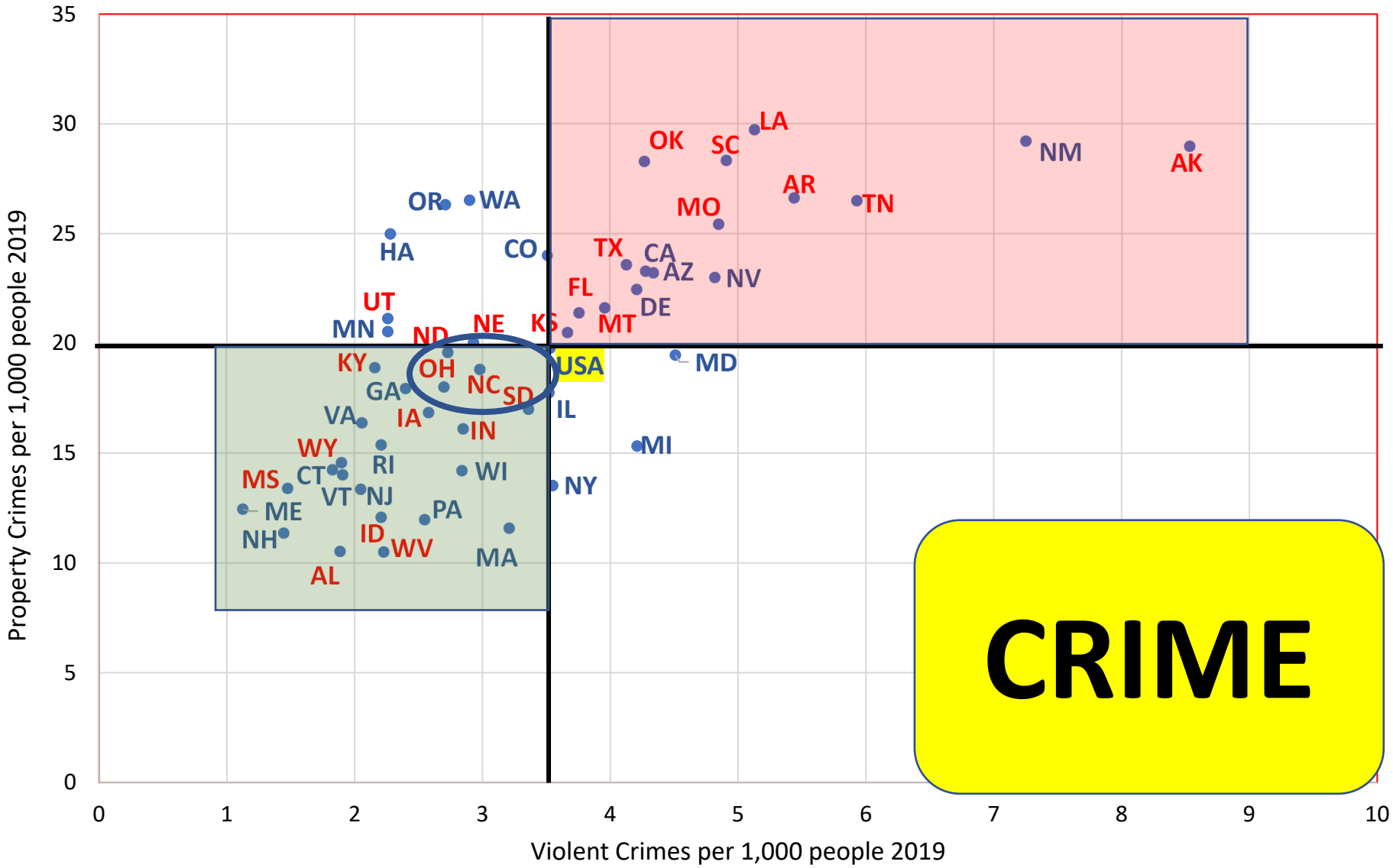
middle risk states

15 highest risk states

ECONOMIC LEADERSHIP

Source: SafeHome.com "Best & Worst States for Climate Change" 6/30/21
Alaska and Hawaii were not included in the index

Violent Crime vs Property Crime



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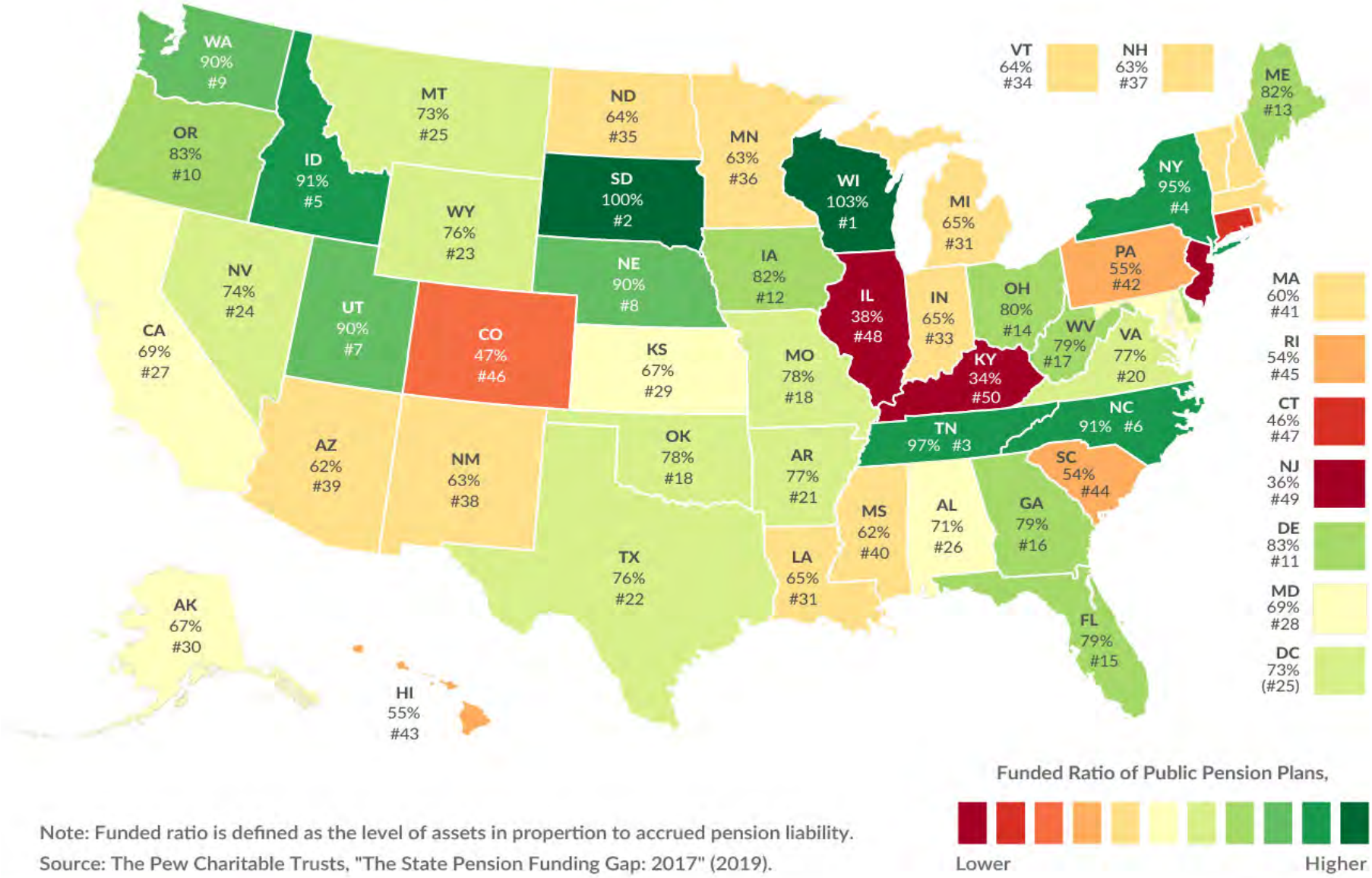
Source: Crime: EMSI 2021.3 from FBI

How Well-Funded Are Pension Plans in Your State?

Funded Ratio of Public Pension Plans, Fiscal Year 2017

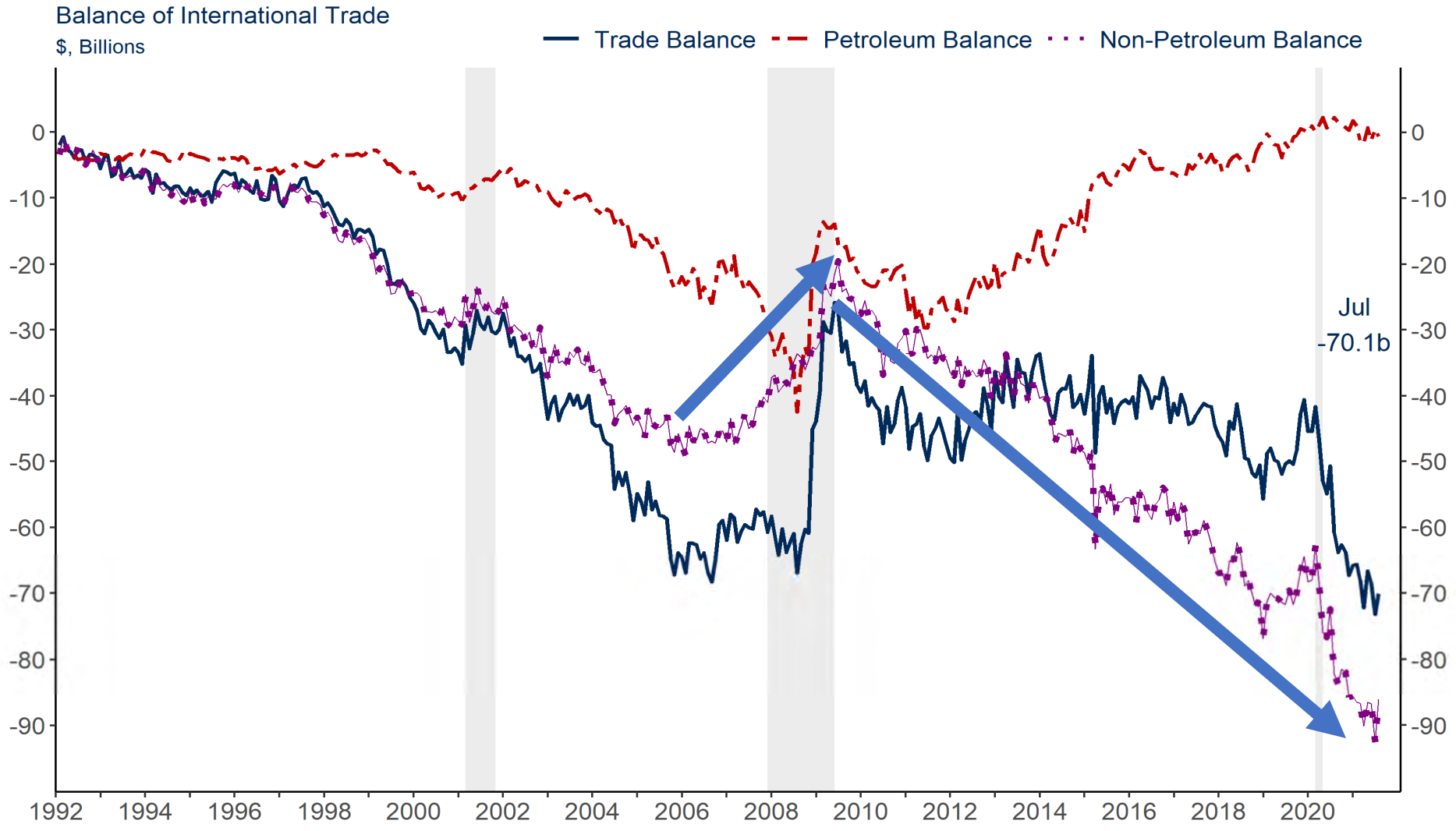


Note: Funded ratio is defined as the level of assets in propertion to accrued pension liability.

Source: The Pew Charitable Trusts, "The State Pension Funding Gap: 2017" (2019).

FINAL
THOUGHTS

Balance of International Trade



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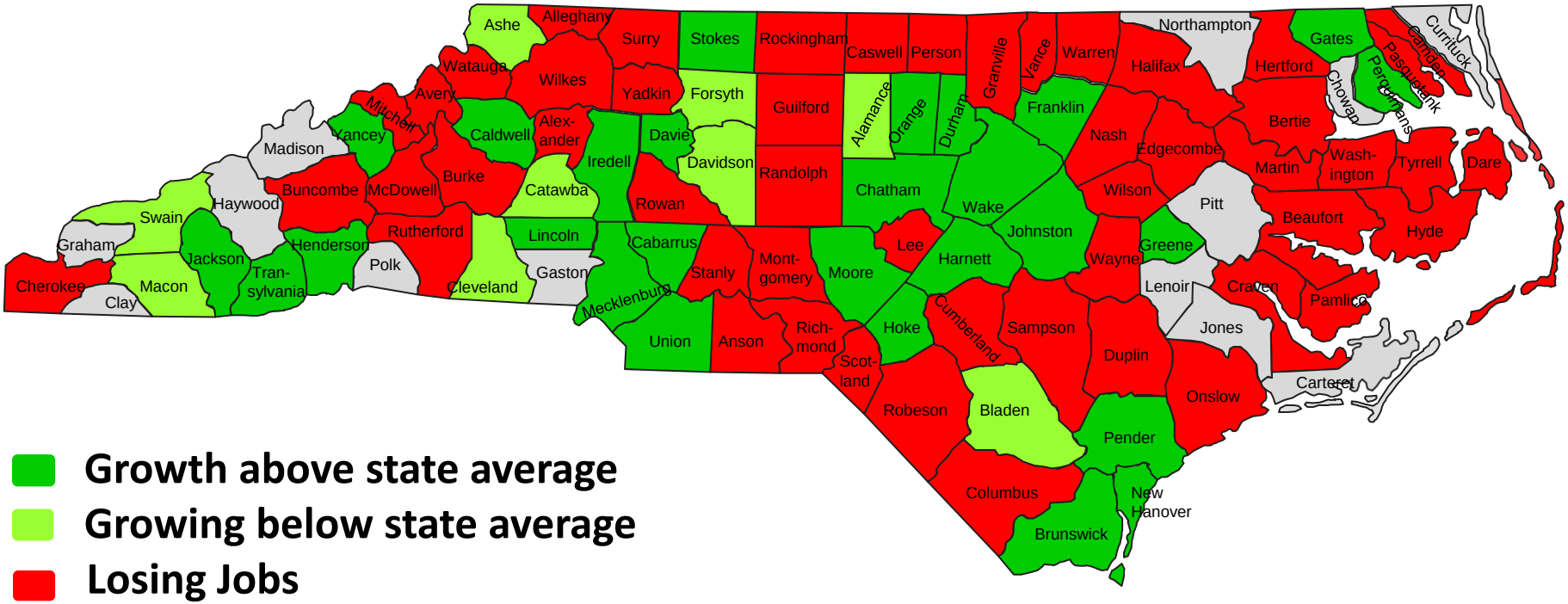
Source: Census Bureau via Haver Analytics

2021 Supply Chain Whack-a-Mole

5 Year Job Growth 2015-2020
North Carolina Average 3.8%



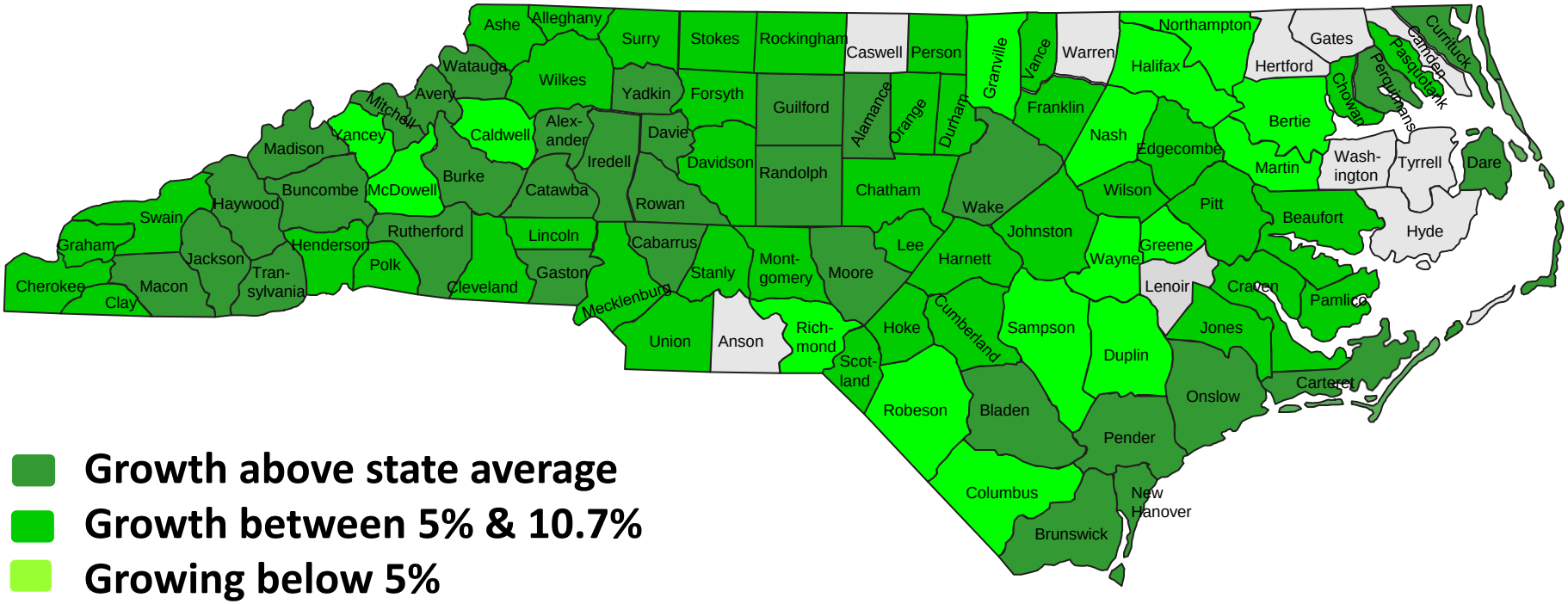
- **Growth above state average**
- **Growing below state average**
- **Losing Jobs**
- **No change – fewer than 100 jobs**

ECONOMIC LEADERSHIP

PIEDMONT TRIAD PARTNERSHIP

Source: NC Commerce D-4 QCEW

Job Growth April 2020 – March 2021
North Carolina Average 10.7%

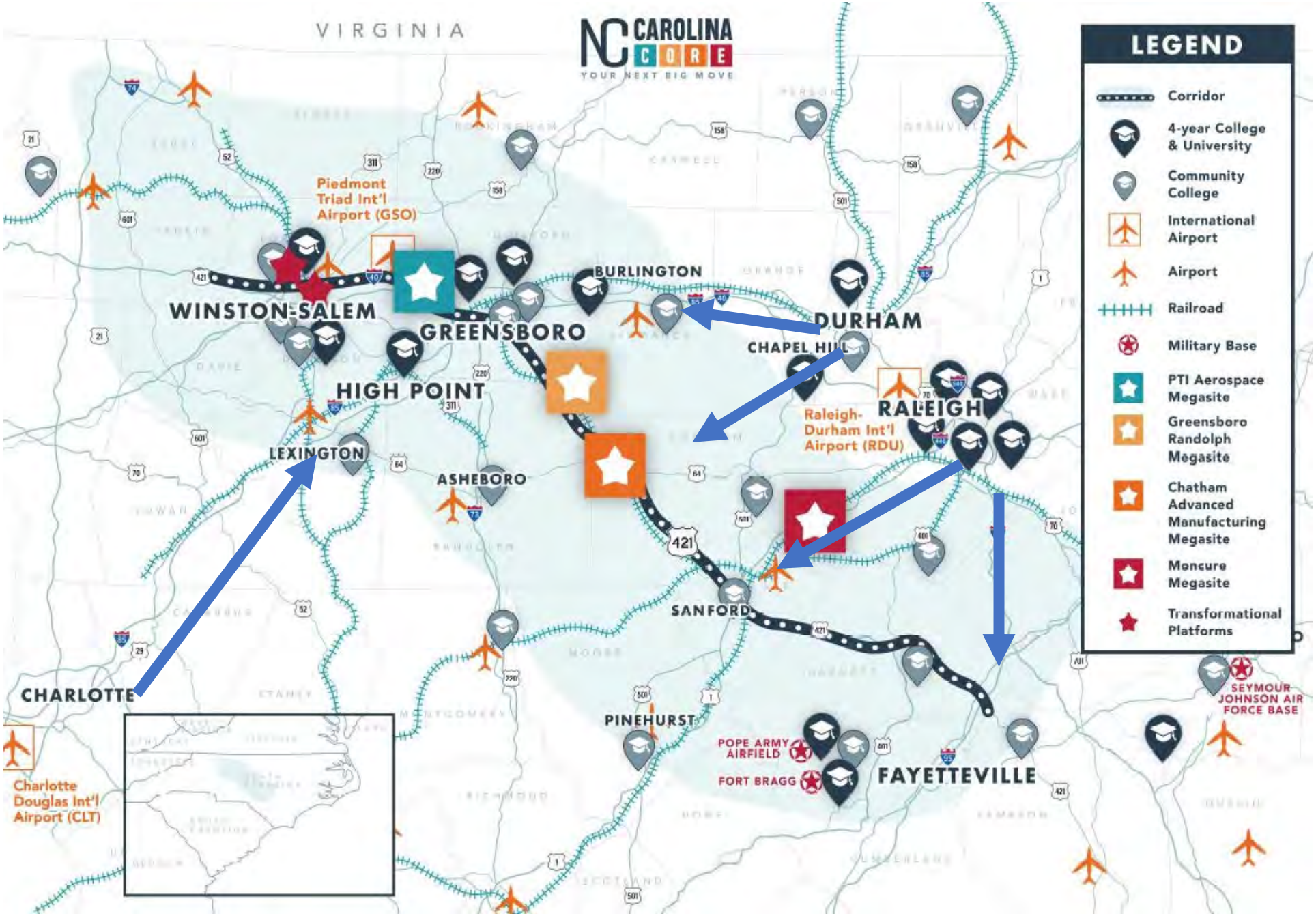


- **Growth above state average**
- **Growth between 5% & 10.7%**
- **Growing below 5%**
- **No change – fewer than 100 jobs**

ECONOMIC LEADERSHIP

PIEDMONT TRIAD PARTNERSHIP

Source: NC Commerce D-4 QCEW


VIRGINIA
NC CAROLINA CORE
YOUR NEXT BIG MOVE
LEGEND
Corridor
4-year College & University
Community College
International Airport
Airport
Railroad
Military Base
PTI Aerospace Megasite
Greensboro Randolph Megasite
Chatham Advanced Manufacturing Megasite
Moncure Megasite
Transformational Platforms
Piedmont Triad Int'l Airport (GSO)
WINSTON-SALEM
GREENSBORO
BURLINGTON
DURHAM
CHAPEL HILL
HIGH POINT
RALEIGH
Raleigh-Durham Int'l Airport (RDU)
LEXINGTON
ASHEBORO
SANFORD
CHARLOTTE
PINEHURST
POPE ARMY AIRFIELD
FORT BRAGG
FAYETTEVILLE
SEYMOUR JOHNSON AIR FORCE BASE
Charlotte Douglas Int'l Airport (CLT)

Predictions for 2021 & Beyond

1) Affordability will drive some increased relocations of people and companies, but not to rural
2) Talent attraction incentive programs explode
3) Workforce shortage will accelerate automation
4) Cluster strength becomes more important due to workforce depth
5) Supply chain targeting will be an increasing priority
6) Small business formation records will be set
7) Data analytics will have more influence on location decisions (companies & people)

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ted@econleadership.com