

Economics Group

Special Commentary

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North Carolina Mid-Year Economic Outlook

North Carolina’s Recovery is Moving Beyond Its Two Largest Metros

Despite a setback from last fall’s two devastating hurricanes and the lingering uncertainty surrounding international trade and investment, North Carolina’s economy continues to keep pace with the nation. Keeping pace with the nation, however, marks a bit of a deceleration.

The Great Recession hit North Carolina’s financial services and manufacturing sectors particularly hard. North Carolina took longer to recover and generally lagged behind the nation through the first four years of the recovery, but the state’s economy continues to diversify away from its historic dependence on textiles, furniture and tobacco, and is now home to burgeoning IT and life sciences industries, and is also a leading financial center. Job growth ramped up around the middle of the decade but has moderated more recently and slightly trailed the nation, despite continued strong gains in the state’s largest metro areas. The Charlotte and Raleigh regions—home to a growing slate of financial and technology firms—are driving much of the state’s growth, which is increasingly concentrated in professional & business services, financial activities, healthcare and technology. North Carolina’s other 13 metro areas have seen varied degrees of success in attracting new businesses in these faster-growing sectors. Many remain mired in a restructuring process, as they try to re-invent their economies and add new cultural amenities.

The Charlotte and Raleigh regions have driven much of the state’s growth.

North Carolina’s economy grew 2.9% in 2018, yet ended the year with year-over-year growth of 3%, indicating the state had solid momentum heading into 2019. Evidence is beginning to emerge that suggests growth is spreading to other parts of the state, most notably Winston-Salem, Asheville and Hickory. Parts of Eastern North Carolina were devastated by Hurricane Florence last fall and the recovery has been painfully slow. Road improvements have greatly eased access to the region, particularly from Raleigh and, more recently, Charlotte. The state’s ports and rail network are underutilized assets, however, which may drive stronger growth in the future.

Figure 1

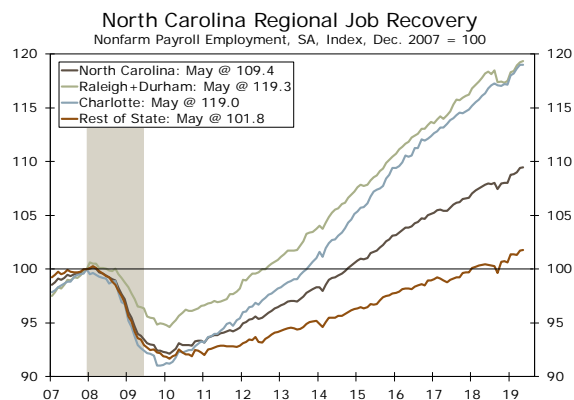
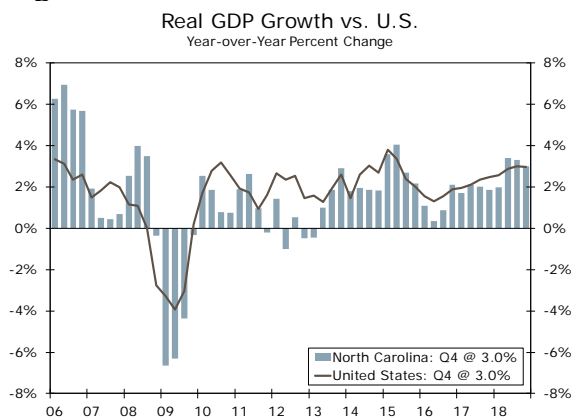


Figure 2



Source: U.S. Department of Labor, U.S. Department of Commerce and Wells Fargo Securities

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Most of the growth is occurring in the state's two largest metro areas—Charlotte and Raleigh.

Charlotte Extends Its Lead

North Carolina employers added nearly 70,000 jobs over the past year, even though payroll growth has dipped slightly below the national rate. While slightly slower, job growth continues to be weighted more toward higher-skilled, higher-paying industries. Professional & business services added nearly 12,000 jobs over the past year, and is growing over 2%. A sampling of recent corporate relocation announcements confirms the attractiveness of the state to businesses seeking lower taxes (the 2.5% corporate tax rate is the lowest in the country), a skilled workforce and affordable property values. Most of the growth is occurring in the state's two largest metro areas—Charlotte and Raleigh—both of which rank among the nation's 10 fastest growing large metro areas.

The Charlotte region is one of the nation's largest financial centers. Banking and finance directly employ 96,000 workers in the Charlotte area, which is home to the headquarters of Bank of America as well as the largest employment base for Wells Fargo. Charlotte will also be the headquarters for Truist, the new company resulting from the merger between Atlanta-based SunTrust and Winston-Salem-based BB&T. The combined company will be the nation's sixth largest bank. In addition, Barings recently relocated its corporate headquarters to its own signature tower on South Tryon Street and Lending Tree announced plans to relocate its headquarters from the Charlotte suburbs to a new 11-story tower it will build in South End.

Other financial institutions with major operations in Charlotte include Ally Financial, which has its CEO and most of its executive team based there, and Dimensional Fund Advisors, which recently moved its East Coast operations into a new tower in South End. Ally employs nearly 2,000 workers in the Queen City and is building a 26-story tower on the southern edge of Uptown. Beyond the associated influx of financial professionals, the efforts of banks to enhance their digital offerings will also likely boost demand for an array of tech and digital jobs. Charlotte is rapidly emerging as a tech hot spot, with young college graduates relocating to the area to fill positions in software development, systems and network analysis, information security, fintech and other tech fields.

Figure 3

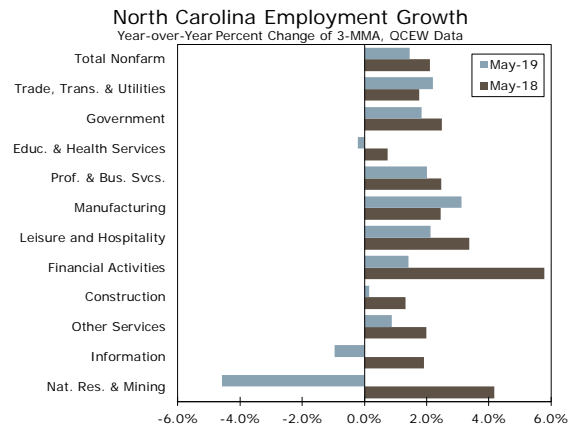
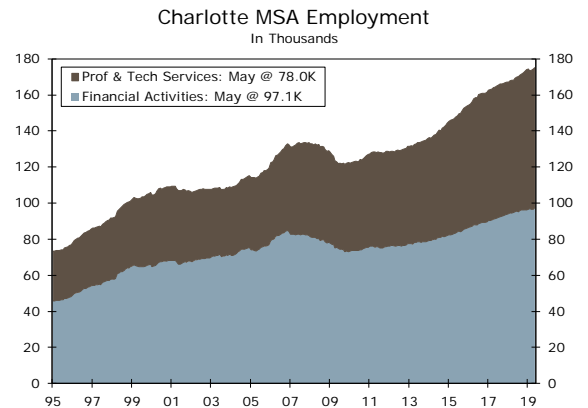


Figure 4



Source: U.S. Department of Labor and Wells Fargo Securities

The strength in job growth is encouraging in-migration. Metro Charlotte added nearly 100 people per day in 2018, and more than 25 firms announced major expansions or relocations. Honeywell is relocating its corporate headquarters from New Jersey to the Queen City, and Avid Exchange announced plans to essentially double its workforce. Areas to the south of Uptown are seeing some of the strongest growth, along the Rail Trail in South End and further south around Ballantyne, and many older industrial properties close to Uptown are being transformed into food and retail experiences catering to the region's growing Millennial population. Krispy Kreme relocated its C-suite and innovation and marketing operations to a renovated warehouse in South End, citing the fast-growing population and young talent, while maintaining its headquarters, supply chain and manufacturing operations in Winston-Salem, its long-time headquarters. Lowe's Home Improvement also chose South End to house its new \$153 million global technology center, which is expected to employ 1,600 workers in a new 23-story tower constructed along the Rail Trail.

The strength of job growth in Charlotte is encouraging in-migration to the region.

Population growth has spread well beyond Mecklenburg County. Since 2010 Charlotte’s fastest population growth has come from just across the state line in York and Lancaster counties in South Carolina, followed by Mecklenburg, Cabarrus and Union counties. Through December 2018, York County posted the second fastest year-over-year employment growth of any large county in the United States, trailing only Midland, Texas, located in the heart of the energy patch. The NFL’s Carolina Panthers recently announced they would relocate their headquarters to York County, planning to build practice and training facilities, as well as office space, a hotel and potentially retail and entertainment space on over 200 acres, after receiving over \$100 million of incentives.

Raleigh Still Poised for Growth

Raleigh remains one of the nation’s fastest growing major metro areas. Home to the state capital, NC State University and part of the Research Triangle, Raleigh is home to one of the most highly educated workforces in the country, which has helped attract a plethora of tech and life sciences firms to the region. The influx of new businesses has diversified Raleigh’s economy away from its earlier dependence on tech hardware into more rapidly growing fields such as cloud-based IT services. Raleigh has become a top destination for firms fleeing higher costs in other major tech hubs, such as San Francisco, Seattle and Denver, and was recently named the #8 market in CBRE’s 2018 Tech Talent report. Nonfarm employment has risen 1.1% over the past year and Raleigh’s unemployment rate fell to just 3.6%, despite ticking up recently amid a moderation in job growth.

Raleigh remains one of the fastest growing major metro areas in the country by population.

Figure 5

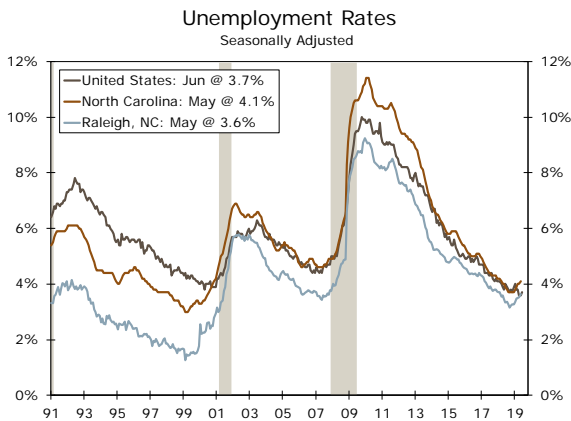
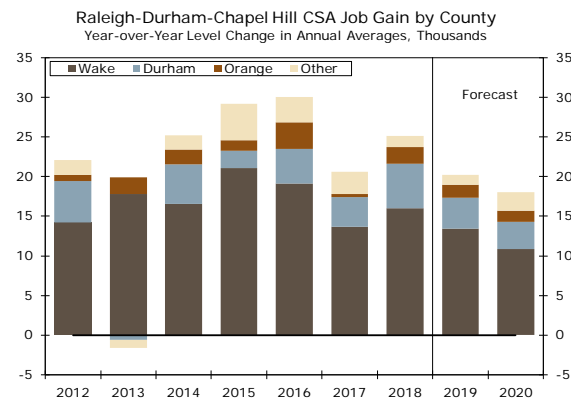


Figure 6



Source: U.S. Department of Labor and Wells Fargo Securities

Despite all its recent success, Raleigh has come up short in landing some potentially transformative relocations. Apple chose Austin over Raleigh for its new campus last year, the U.S. Army also chose Austin for its new Futures Command Center and Amazon selected Arlington, Virginia, for its HQ2. The lack of a huge development win has prompted some soul-searching across the Triangle and in the statehouse over the inability to land “the big one.” Relatively sparse public transit, a perception the region lacks Austin’s “cool” factor and apprehension related to the HB2 bathroom bill have been identified as possible shortcomings. The region’s strong population growth and large base of highly educated workers remain a potent offset, however, and the deep talent pool remains a powerful drawing card for new businesses.

Raleigh has come up short on some potentially transformative relocations.

Life sciences and IT accounted for the bulk of major expansions in the Raleigh area this past year, but the biggest single deal was the relocation of Advanced Auto Parts, which is expanding its local presence by relocating its corporate headquarters from Roanoke and committing to create 435 jobs over the next five years. Other major deals include French biotech firm Collectis, which announced a \$69 million expansion of its Raleigh operations to develop new methods of gene editing for cancer treatment that will potentially add 200 jobs over the next five years, and Seqirus, which announced a \$140 million expansion of its Holly Springs vaccine plant late last year that will create an additional 120 jobs. In addition, Pendo, which develops software that allows digital product teams to better understand their clients’ needs, announced late last year that it would invest \$34.5 million to expand its Raleigh operations and nearly 600 jobs by 2021.

Raleigh and the Durham-Chapel Hill metropolitan areas were split following the 2010 Census, and data for the combined statistical area are not as widely reported as data for the individual metro areas. Despite being split into two MSAs, the three cities are closely tied together and anchor Research Triangle Park (RTP), which is an unincorporated district about three quarters of which is located in Durham County and the remainder in Wake County. Cary and Morrisville are two popular corporate addresses on the Wake County side of the park. Cary is home to some of the largest employers in the Triangle, including SAS Institute, which is headquartered there; MetLife's Global Technology Campus; and a large Network Operations Center for Verizon Wireless. Siemens Medical Solutions, Cree, John Deere and Caterpillar also have significant operations in Cary, and the large cluster of corporate offices supports the area's housing market.

Durham benefits from the stable employment base related to Duke University and its significant healthcare facilities, as well as the sizable life sciences industry that has grown up around it. RTP is home to several of the region's marquee companies, including GlaxoSmithKline, which has its North American headquarters there; IBM, which has several divisions headquartered in RTP and recently closed on its acquisition of Raleigh-based Red Hat Software; Cisco Systems, which has more workers based in RTP than any location outside of Silicon Valley; Network Appliances; Fidelity Investments; Credit Suisse; and Biogen. Despite the plethora of major employers, most of this past year's relocations and expansions took place at smaller firms, many of which are tied to the life sciences sector. The most recent employment data show nonfarm payrolls rising a modest 0.8% over the past year, resulting in a net gain of 2,500 jobs. The unemployment rate has risen slightly but remains low at 3.6%. Jobs data for Durham are often revised significantly.

The third vertex of the Triangle—Chapel Hill—is much smaller than Raleigh or Durham. Its economy is largely built around the University of North Carolina and the UNC Healthcare system. When you add in the public school system and municipalities, government accounts for half of all jobs in Orange County, which includes the towns of Chapel Hill, Carrboro, Hillsborough, as well as part of Mebane. Nonfarm employment in Orange Country rose 3.1% in 2018, which is the latest data available. Government jobs account for two-thirds of that increase. Private sector payrolls rose 1.9%, with the relatively small construction, manufacturing and professional services sectors posting solid gains. Some of the manufacturing gains reflect the growth in craft breweries. The region also scored a major industrial development win recently, with ABB announcing a \$40 million expansion of its Orange County plant and 400 new jobs. Employment in retail trade and the hospitality sector was roughly unchanged.

The relatively small size of the professional services sector means Chapel Hill does not have the abundance of office parks found in other parts of the Triangle or the myriad of corporate and regional headquarters. Chapel Hill does generate a significant number of startups, however, many of which are tied to healthcare and life sciences. The region's professional services sector is growing, with employment rising 7.9% this past year, for a net gain of nearly 400 jobs.

Durham benefits from the stable employment base related to Duke University and its healthcare facilities.

Chapel Hill generates a number of startups, many of which are tied to healthcare and life sciences.

Figure 7

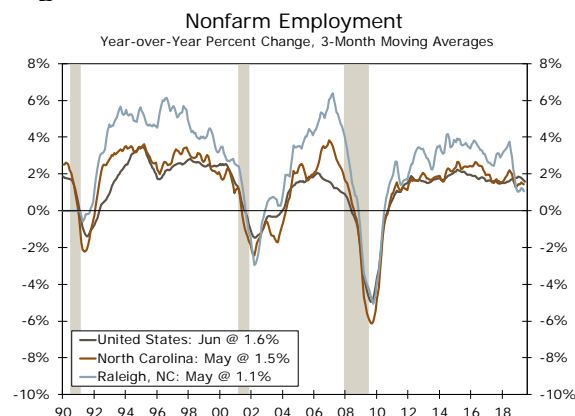
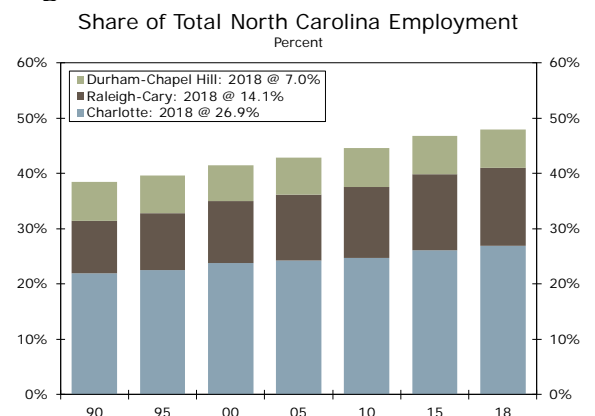


Figure 8



Source: U.S. Department of Labor and Wells Fargo Securities

Where the Expansion Goes from Here

The Charlotte and Triangle regions comprise a growing share of the state’s employment base and the lion’s share of its growth. While there are a few notable pockets of strength—Asheville and Wilmington—the recovery took longer to take shape in much of the rest of the state, and growth has lagged behind the state’s two largest metro areas. The ascendancy of North Carolina’s largest metros reflects a nationwide, and indeed global, trend that goes well beyond the well-noted rural-urban divide. The rise of knowledge-based jobs and the growing importance of agglomeration, spillover effects and superstar firms have encouraged human capital to concentrate in a few leading metros, at the expense of many midsize metro areas and rural economies.

One way to see this trend is to look at the net migration data by major metropolitan area since 2010. Fewer people in general have been moving in recent years, and of those that are moving, a disproportionate share tend to be relatively young—highly sought-after college-educated Millennials pursuing career opportunities—or relatively old retirees. Only a handful of large metro areas show a meaningful gain from net migration since 2010, and Raleigh and Charlotte both rank in the top 15. By contrast, North Carolina’s other large metro areas have not been nearly as successful attracting new residents. Net domestic migration to the Charlotte area, which is the number of people moving in minus the number of people moving away, added 204,273 residents, and accounted for the bulk of its 352,216-person increase since 2010. The Queen City’s younger population also helped generate a 100,545-person natural increase—births minus deaths—and the region gained 45,794 new residents from abroad.

The recovery took longer to take shape in much of the rest of the state, and growth has lagged behind the state’s two largest metro areas.

Figure 9

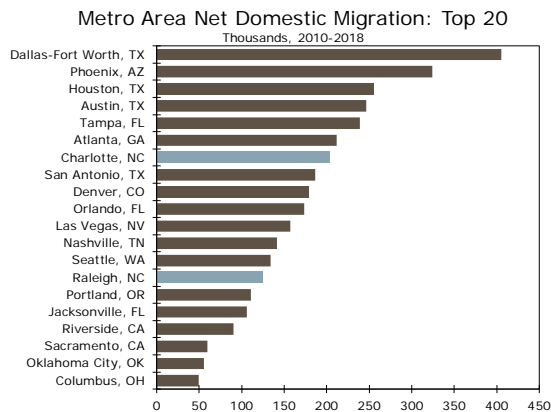
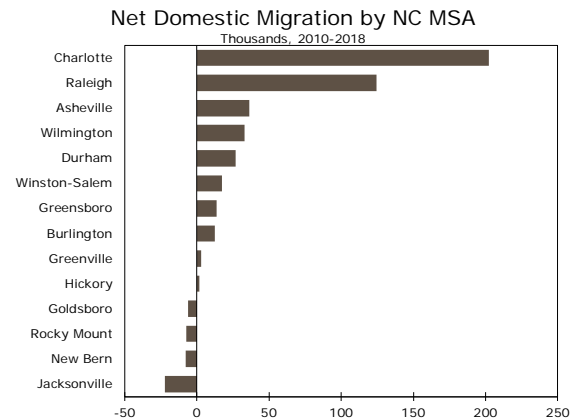


Figure 10



Source: U.S. Department of Commerce and Wells Fargo Securities

The Raleigh metro area added 232,052 residents from 2010 to 2018. Of that gain, net migration from other states accounted for 127,688, while 70,793 came from natural increase and 32,068 came from abroad. Durham has not grown as rapidly, adding a total of 68,752 residents since 2010, with net domestic migration adding 27,470, natural increase adding 22,836 and net migration from abroad adding 18,065.

Population growth falls off considerably in most of North Carolina’s remaining large and mid-sized metropolitan areas. The Greensboro-High Point metro area has added a total of 43,826 residents since 2010, with 14,101 coming from net migration, 16,110 from natural increase and 14,080 from abroad. Winston-Salem added just 30,919 residents, with domestic net migration totaling 17,339 and natural increase adding 9,698. Net migration from abroad totaled 4,252.

Winston-Salem’s economy has had a hard time gaining momentum. The region’s economy was built around the textile and tobacco industry. Hanesbrands and Reynolds American remain large employers, but healthcare, technology and the arts have all become more important in recent years. Wake Forest Baptist Health is the region’s largest employer, followed by Novant Healthcare, BB&T, Wells Fargo, governments, the public school systems and Wake Forest University.

Population growth falls off considerably in most of North Carolina’s remaining large and mid-sized metropolitan areas.

Winston-Salem has had a hard time holding on to corporate headquarters.

While the economy has become more diverse, the past few years have been challenging, as Winston-Salem has had a hard time holding on to corporate headquarters. Piedmont Airlines was founded and headquartered there until it was acquired by USAir in 1989. Today the successor airline, American Airlines, operates a reservations center there. Winston also lost the headquarters of RJR Nabisco earlier in that decade to Atlanta. RJR Nabisco's roots were the R.J. Reynolds Tobacco Company, which was founded in Winston-Salem in 1875. Reynolds American, a subsidiary of British American Tobacco, continues to be headquartered in Winston-Salem and employs about 2,500 workers. Other corporate headquarters that have moved away, through acquisitions or relocating large parts of their business to other areas, include Wachovia Bank and Krispy Kreme.

The BB&T-SunTrust merger will result in the loss of another corporate headquarters. The combined company is establishing its headquarters in Charlotte but will maintain a large presence in Winston-Salem. While departing firms have typically kept their word about maintaining significant operations in Winston-Salem, the sting from losing a corporate headquarters still lingers. If this were not enough, news that Wake Forest University is looking to partner with Atrium Health to establish a four-year medical school in Charlotte has kindled fears that the emergence of new facilities in Charlotte might lure talent and research dollars away from Winston-Salem. The medical school is not a done deal, however, and the size and scope of any potential operation has yet to be determined.

While the region has seen its share of challenges, job growth has improved over the past year. The region also landed a few notable expansions, including National General Holdings, which announced late last year that it would add 626 jobs, and medical device maker Cook Medical, which is refurbishing a former R.J. Reynolds cigarette factory to make surgical instruments. Efforts to make Winston-Salem more attractive to young professionals are making headway. The 'Winston Under 40' program aims to retain and attract young people that might otherwise be unable to resist the allure of larger markets like Charlotte, Raleigh, Atlanta or Nashville. The Wake Forest Innovation Quarter is one of the fastest growing urban entrepreneurial districts in the nation and represents a major opportunity to attract investment and nurture startups. The metro area added more than 5,000 jobs over the past year, marking a significant acceleration from prior years.

Other parts of the Piedmont Triad are still awaiting some sort of catalyst.

Other parts of the Piedmont Triad are still awaiting some sort of catalyst to reignite economic growth. The persistent loss of textile and furniture jobs has been a strong headwind for much of the past two decades, and Greensboro and High Point have had to constantly reinvent themselves. Greensboro has also endured the loss of large corporate headquarters. One of the more recent losses is apparel and footwear maker VF Corporation, which relocated its headquarters to Denver in order to focus on its fast-growing and more profitable outdoors segment. VF split off its jeans division into a new company, Kontoor Brands, which remains headquartered in Greensboro.

The loss of VF Corporation was a major wakeup call that Greensboro needed to do more to make itself more attractive to the young creative workers desired by new and existing employers. Greensboro is well positioned to benefit from the modest recovery in the region's furniture and textile industries, which is boosting employment in many surrounding towns and also bringing design, marketing and IT jobs back to downtown Greensboro. Extensive improvements to the interstate system have also made the region more attractive to warehouse and distribution centers, particularly fulfillment centers for online retailers like Amazon. In addition, parts of downtown Greensboro and downtown High Point are being redeveloped, with new entertainment facilities anchoring apartment development and attracting new restaurants.

Efforts to make a more immediate and dramatic transformation have generally produced mixed results. Back in 2005, Winston-Salem attracted a Dell Computer plant and in 2011 the region landed an axle assembly plant for Caterpillar's largest mining trucks. While both had some initial success, neither proved to be the agent of change that BMW or Michelin was to Greenville, and both plants fell on hard times. The Dell plant had a hard time competing with contract manufacturers in Asia and was closed in 2010. Lower commodity prices slowed demand for big mining trucks, and Caterpillar repositioned the plant to produce products for its Progress Rail division. The vacant Dell plant eventually attracted Herbalife, which manufacturers a variety of nutritional products there and employs 750 workers.

Economic development efforts to attract the state’s first auto assembly plant in Randolph County near Greensboro also came up short—despite \$1.5 billion of proposed incentives for Toyota. The pitch was unusually well received by Toyota and may have increased the region’s chance of landing a future plant. The Triad has had considerably more success in the aerospace sector, with HondaJet producing small business jets at the Piedmont Triad International Airport (PTI). PTI is also home to a large FedEx hub that has grown considerably over recent years.

Employment growth in North Carolina’s factory sector remains modest, with 1,100 jobs added over the past year and average growth of less than 1% for much of the past three years. Manufacturing still comprises more than 20% of the state’s output and more than 10% of its workforce, both close to the national average. North Carolina’s textile industry is the largest in the nation, and has seen moderate growth, as has the furniture industry. While both are a shadow of their former selves, more production is shifting back to the United States, as companies strive to gain better control over their supply chains and protect intellectual property. The labor costs differential between producing overseas and in the United States also continues to narrow, while transportation costs increase.

Manufacturing still comprises more than 20% of the state’s output and more than 10% of its workforce.

Hickory has seen its economy improve considerably in recent years, as new industry has expanded in the region and the region’s furniture and textile industries have rebounded. Job gains remain relatively modest, however, many employers have open positions they can not fill. The emergence of a ‘data center corridor’ in western North Carolina has spurred investment along 321 from Charlotte towards Hickory and Lenoir. Apple has one of its largest data centers, as well as several large solar farms and biogas fuel cell centers in Maiden in Catawba County. Google has invested well over one billion dollars into its facility in Lenoir, and Facebook, Disney and Bed Bath & Beyond also have data centers in Rutherford and Catawba Counties.

Small Metros Face Challenges

North Carolina’s smaller metro areas have generally seen less growth, as many have long struggled with the secular declines in the textile and tobacco industries. The impact has been greatest in areas surrounding the Piedmont Triad and much of Eastern North Carolina.

Figure 11

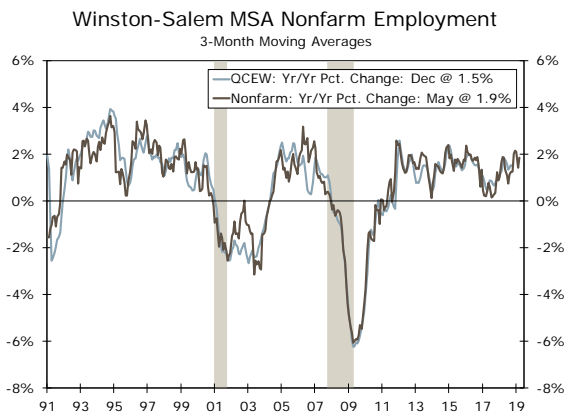
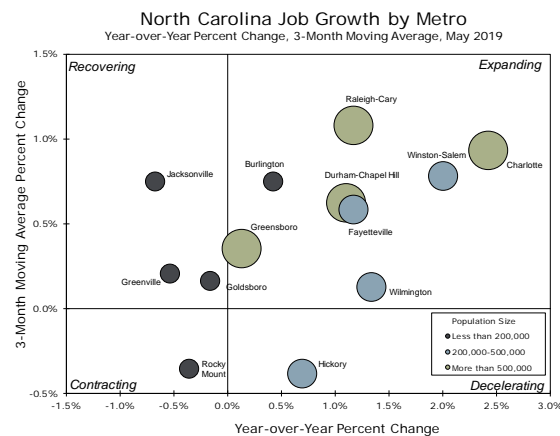


Figure 12



Source: U.S. Department of Labor and Wells Fargo Securities

Rocky Mount and New Bern have seen outright population declines, losing 6,354 and 1,594 residents, respectively, since 2010. All of those declines were in net migration, as more residents moved away from those metro areas than moved to them. Goldsboro also saw a sizeable net out-migration, with 6,196 more residents moving away from Goldsboro than moving to it. Total population still eked out a small increase, however, thanks to a 4,022-person natural increase.

North Carolina’s smaller metro areas have generally seen less growth.

Other North Carolina metro areas that are home to large military installations have endured similar circumstances. Fayetteville, home to Fort Bragg and Pope Air Force Base, saw a net outmigration of 24,251 residents since 2010 but still managed to add 20,771 residents, thanks to a huge 31,190 natural increase. Jacksonville, which is home to Camp LeJeune, has seen a net outmigration

of 15,330 but added 19,884 residents to its population, thanks primarily to a 26,473 natural increase.

The recovery from the storm has been fairly broad-based, albeit slow.

Much of the eastern portion of the state was blown off course by Hurricane Florence in September 2018. The state shed 25,300 jobs that month, with 12,300 of the losses in tourism & hospitality, before promptly reversing those losses in October, with gains of 23,000 and 12,100, respectively. The recovery from the storm has been fairly broad-based, albeit slow, with sustained flooding in coastal and rural regions. The state suffered an estimated \$17 billion in damages, including significant agricultural losses. The more than \$1.2 billion in state and federal aid and the North Carolina Office of Recovery and Resiliency—founded in the aftermath of the storm—are providing crucial financial and operational support to affected regions, but the recovery is ongoing.

Eastern North Carolina has also faced a long, secular slide in agriculture. NC State estimates that agriculture provides over 660,000 jobs across the state, but the number of farms has steadily declined. The North Carolina Rural Center has identified greater innovation and workforce development as key opportunities for the sector. A key challenge is bringing more value-added opportunities to agricultural-driven markets. Among major markets in Eastern North Carolina, Greenville—home to East Carolina University—is seeing payrolls decline modestly, but the unemployment rate remains fairly low at 4.3%. Kinston faces a similar slow-growth challenge.

Wilmington and Asheville are bright spots.

Wilmington is a notable exception to the general economic struggles of much of eastern North Carolina. Tourism along the Carolina coast—in Wilmington, Myrtle Beach and Charleston—has been growing rapidly as these metros represent warm weather, relatively affordable destinations for the growing population of the Southeast within driving distance. Wilmington has added 1,400 jobs in leisure & hospitality alone over the past year, and manufacturing has also been growing around 5% on an annual basis. The region's population has also been growing, thanks to a healthy influx of retirees and growth at the University of North Carolina Wilmington. The growth of the retiree population is evident in overall population growth, which has totaled some 39,555 since 2010. The bulk of that increase has come from net migration, which has totaled 34,795. With so many retirees moving in the area, net natural increase has been held to a modest 4,338 persons. International migration is also less of a factor in Wilmington.

At the other end of the state, Asheville has positioned itself as more of an innovation economy, having made significant inroads into technology and high-tech manufacturing. Manufacturing employment has surged more than 6% year-over-year, and the unemployment rate has fallen to 3.3%. Endowed with natural beauty and one of the country's more active craft brewery scenes, Asheville has also doubled down on tourism. Hotel development has helped add to downtown street activity and nightlife. Asheville's demographics are similar to Wilmington, with retirees boosting population growth and residential and commercial construction. Healthcare and tourism are other bright spots, as is the University of North Carolina Asheville. The region's older population, however, means that there have been fewer births than deaths since 2010. Gains from international migration also play a smaller role in Asheville's population growth.

Summary and Outlook

Preliminary data show that North Carolina's economy has essentially kept pace with the nation as a whole, which matches the performance of the past few years. Charlotte and Raleigh continue to lead the way in attracting businesses, adding new jobs and new residents. Winston-Salem, Asheville and Wilmington are other notable bright spots, while the state's smaller metros areas have had varying degrees of success retooling their economies and workforces to meaningfully participate in the knowledge-based creative economy that is increasingly concentrated in the largest metro areas.

We are looking for North Carolina's economy to gain momentum during the second half of this year. Nonfarm employment appears to have hit a soft spot in much of the state. Some of the slowdown may be related to some lingering dislocations from last year's hurricanes, particularly in Eastern North Carolina. The employment data in the Triangle also look suspiciously soft given all the apparent strength in that region's tech and life sciences industry. We should also see stronger growth in the Triad, particularly the Greensboro-High Point area. Charlotte's most recent data put it on track to add about 30,000 jobs. Part of that strength will fall on the South Carolina side of the metro area, which is rapidly attracting businesses from Charlotte and elsewhere.

North Carolina Economic Outlook

| | Actual | | | | | | | | | | Forecast | |
|---|---------|---------|---------|---------|---------|---------|---------|---------|---------|--|----------|--|
| | 2012 | 2013 | 2014 | 2015 | 2016 | 2017 | 2018 | 2019 | 2020 | | | |
| Real Gross Domestic Product by State, \$ Millions | 439,571 | 445,361 | 453,629 | 467,754 | 472,931 | 482,010 | 496,110 | 512,000 | 527,300 | | | |
| Annual Rate | 0.1% | 1.3% | 1.9% | 3.1% | 1.1% | 1.9% | 2.9% | 3.2% | 3.0% | | | |
| Nominal Personal Income, \$ Millions | 379,031 | 375,057 | 397,411 | 419,889 | 433,766 | 454,307 | 475,927 | 500,675 | 525,200 | | | |
| Nominal Personal Income, Percent Change | 7.0% | -1.0% | 6.0% | 5.7% | 3.3% | 4.7% | 4.8% | 5.2% | 4.9% | | | |
| Real Median Household Income, \$ | 44,446 | 48,840 | 48,490 | 52,559 | 54,920 | 50,343 | 51,400 | 52,625 | 53,640 | | | |
| Population, Thousands | 9,749 | 9,844 | 9,934 | 10,033 | 10,157 | 10,271 | 10,384 | 10,500 | 10,610 | | | |
| Change in thousands | 92 | 94 | 90 | 99 | 124 | 114 | 113 | 116 | 110 | | | |
| Percent Change | 1.0% | 1.0% | 0.9% | 1.0% | 1.23% | 1.1% | 1.1% | 1.1% | 1.0% | | | |
| Nonfarm Employment, Thousands | 3,985 | 4,057 | 4,140 | 4,240 | 4,340 | 4,411 | 4,488 | 4,565 | 4,635 | | | |
| Change in thousands | 70 | 71 | 83 | 101 | 99 | 72 | 77 | 77 | 77 | | | |
| Percent Change | 1.8% | 1.8% | 2.0% | 2.4% | 2.3% | 1.7% | 1.7% | 1.7% | 1.7% | | | |
| Unemployment Rate, Annual Average | 9.3% | 8.0% | 6.3% | 5.7% | 5.1% | 4.5% | 3.9% | 3.9% | 3.8% | | | |
| Total Housing Permits | 47,828 | 50,787 | 50,642 | 53,512 | 57,090 | 65,009 | 68,375 | 65,750 | 64,500 | | | |
| Single-Family Permits | 29,564 | 34,941 | 35,456 | 37,465 | 41,174 | 46,500 | 48,071 | 48,500 | 49,250 | | | |
| Multi-Family Permits | 18,264 | 15,846 | 15,186 | 16,047 | 15,916 | 18,509 | 20,304 | 17,250 | 15,250 | | | |
| FHFA Home Price Index, Percent Change | -1.6% | 0.8% | 2.4% | 4.4% | 5.3% | 5.9% | 7.3% | 6.8% | 6.2% | | | |

Sources: National Association of Realtors, Federal Housing Finance Authority, U.S. Department of Commerce, U.S. Department of Labor, Moody's Analytics & Wells Fargo Securities
Forecast as of: July 16, 2019

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