

US, NC & Greenville Economic Perspective

Greenville-Pitt County Chamber of Commerce

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Today's Big Picture

- On a significant majority of economic measures, US/NC/GV/Pitt are doing well. Some issues of concern.
- These are AVERAGES; your mileage WILL vary. Trend is often more important than the #.
- We may be around an inflection point.

US Forecast for 2025

- ✓• 2025 GDP 2-3%. First half better than **x** second. 2026 GDP 1-2%.
- ✓? • Unemployment rate 4.5-4.8% YE 2025
- ✓• Inflation may moderate a bit in 2025 but risk is to the upside particularly later in year.
- Interest rates will trend with inflation trend. ✓ **x**

2025 NC/GV Forecast

- ✓ • NC and GV economic activity will generally mirror US
- ✗ • At EOY, NC unemployment rate will be within 0.2-0.4 of US rate. GV will be similar versus NC rate. ✓
- ✓ • GV continues to be a bright light compared to others in the east.

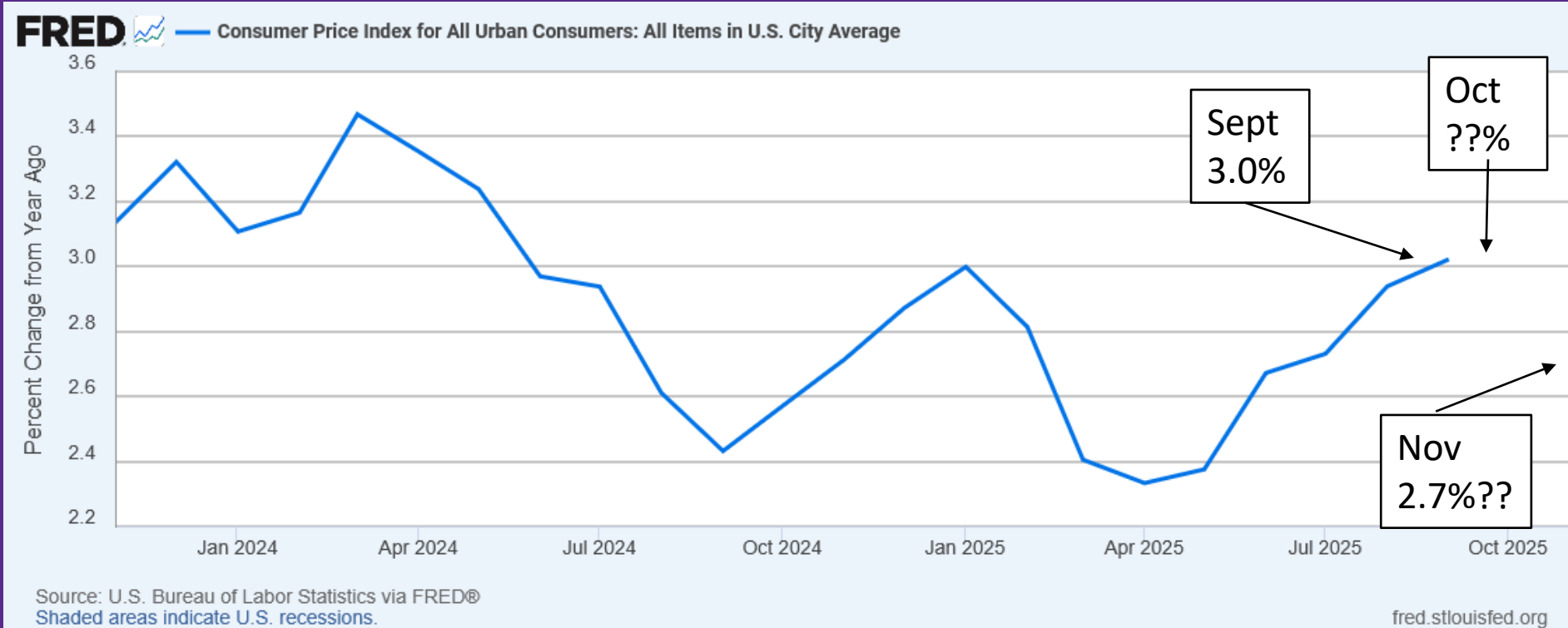
Last 2 ½ years, NC rate has been BETTER than US rate.

United States

Inflation

CPI since 11/2023

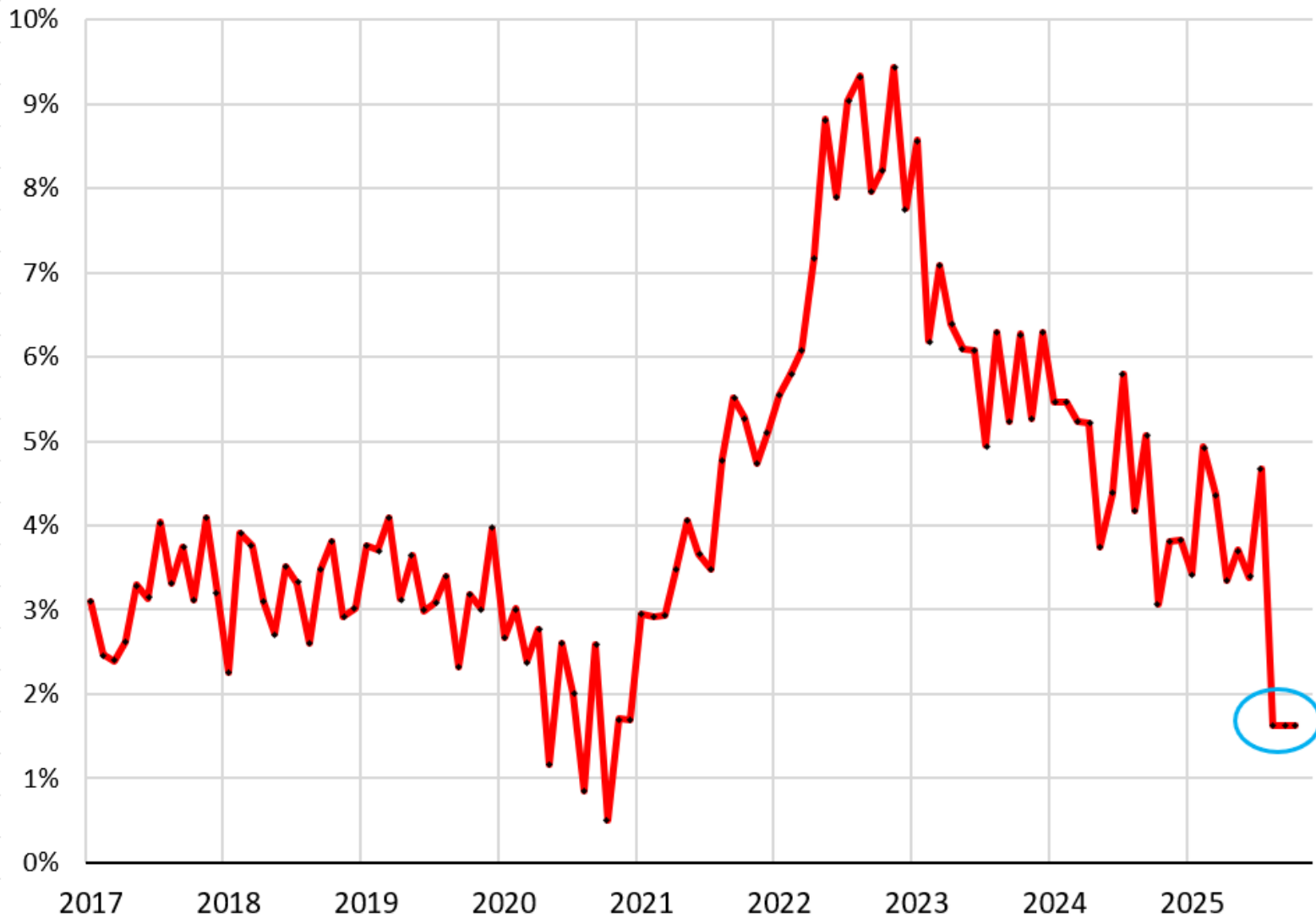
Take November's number with a grain of salt



CPI in October

- 90% of October prices were not collected and cannot be collected. There will never be an October 2025 CPI number.
- Sept. 25 index data was carried forward to Oct. Nov 25 indexes were calculated by comparing Nov 25 index with Oct 25 index. (which came from Sept 25).
- Nov 25 prices were collected over a 2 week period at the end of the month. Concern that some prices may be artificially low.

CPI Owner's Equivalent Rent % Change, Monthly Annualized



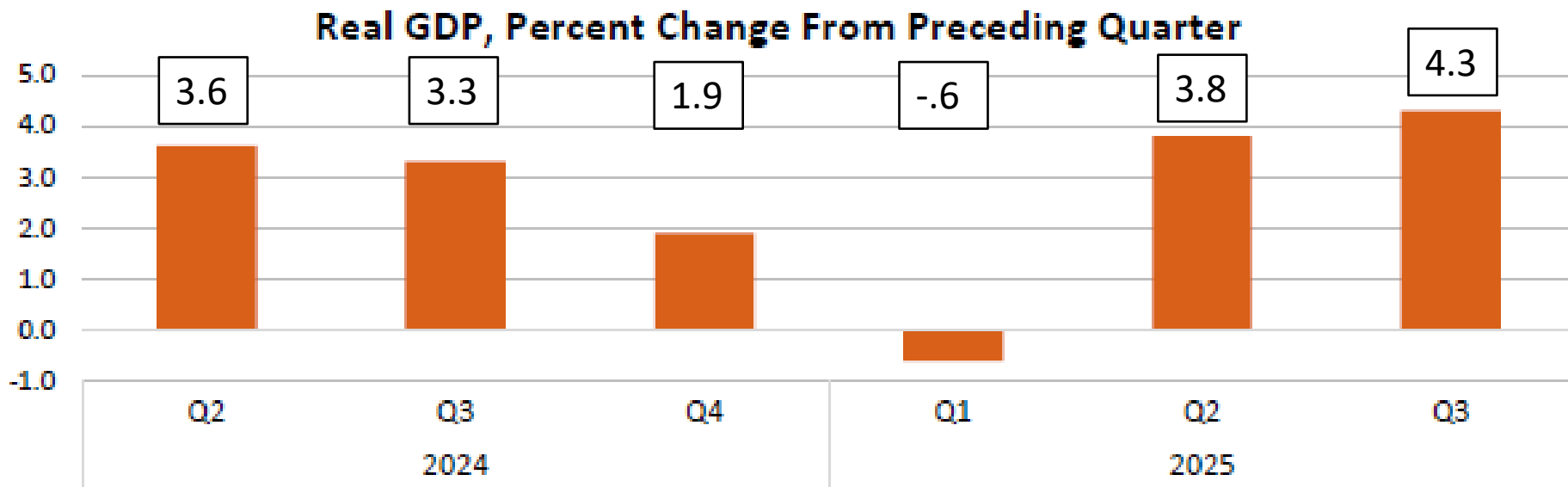
Source: BLS

WOLFSTREET.com



GDP

Real GDP by Quarter (Annual Rate) (Q4 release Feb 20)



U.S. Bureau of Economic Analysis

Seasonally adjusted annual rates

Annual rate for last 4 qtrs. = approx. 2.4%
If Q4 2025 is 2.5%, then annual 2025 = approx. 2.6%
If Q4 2025 is 3.5%, then annual 2025 = approx. 2.8%



Employment

(Good news and a few cautionary signs)

Labor Force (empl.+looking)

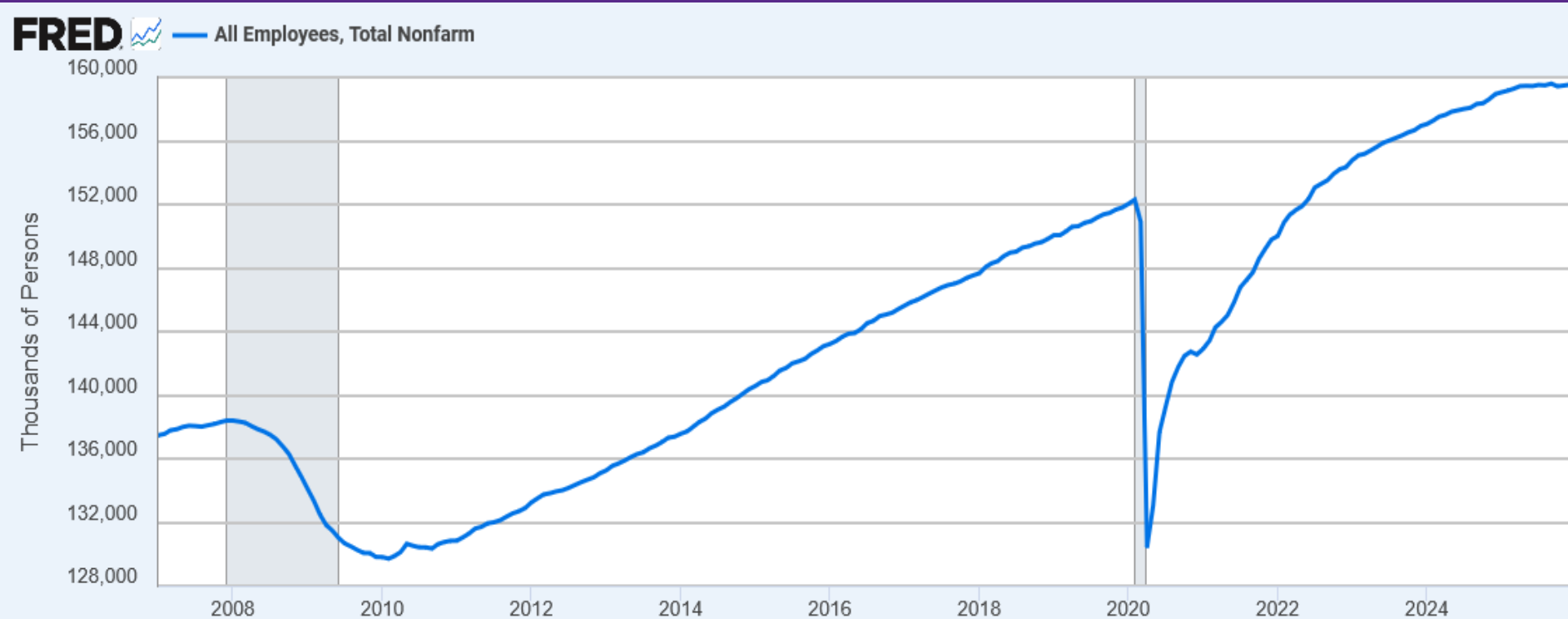
Thru December 2025



Source: U.S. Bureau of Labor Statistics via FRED®
Shaded areas indicate U.S. recessions.

fred.stlouisfed.org

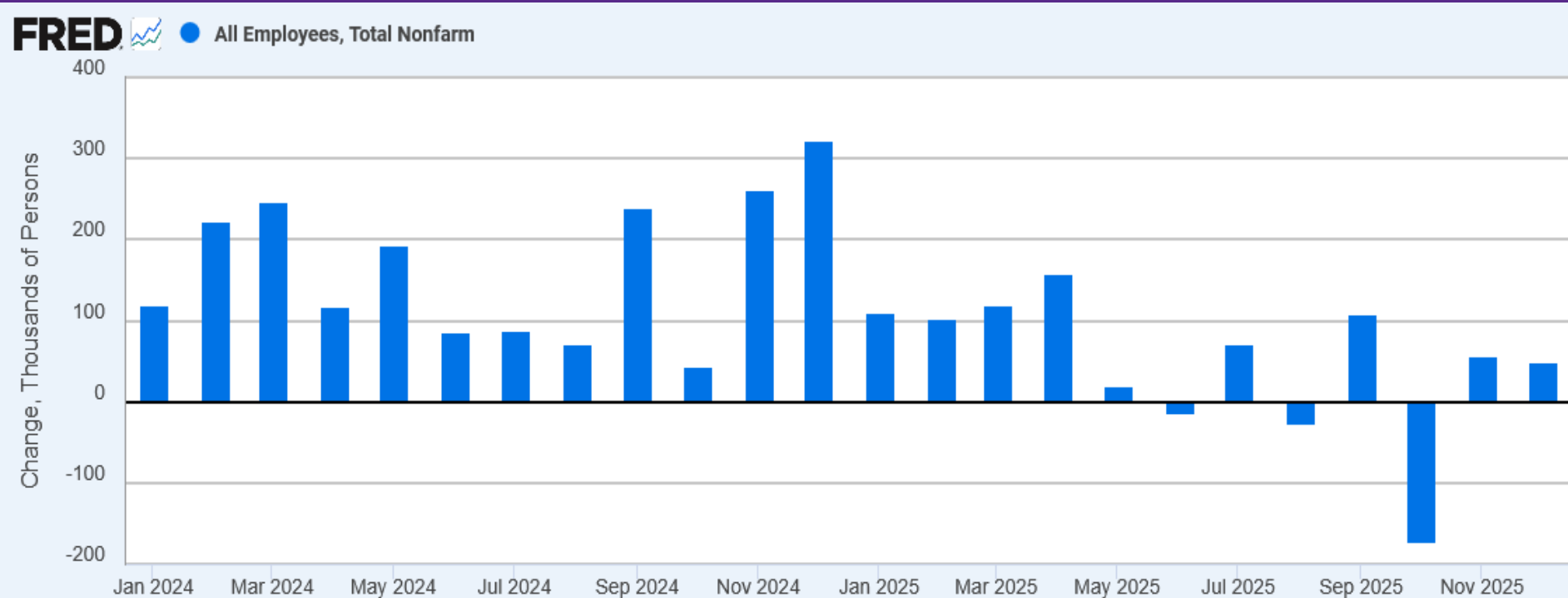
Total Employment (Dec)



Source: U.S. Bureau of Labor Statistics via FRED®
Shaded areas indicate U.S. recessions.

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Monthly Job G/L Last 24 Months



Source: U.S. Bureau of Labor Statistics via FRED®
Shaded areas indicate U.S. recessions.

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Year 2025 = +584,000 (July to Dec = +87,000)
Year 2024 = +2,012,000 Year 2023 = +2,594,000



US Unemployment Rate (Dec)

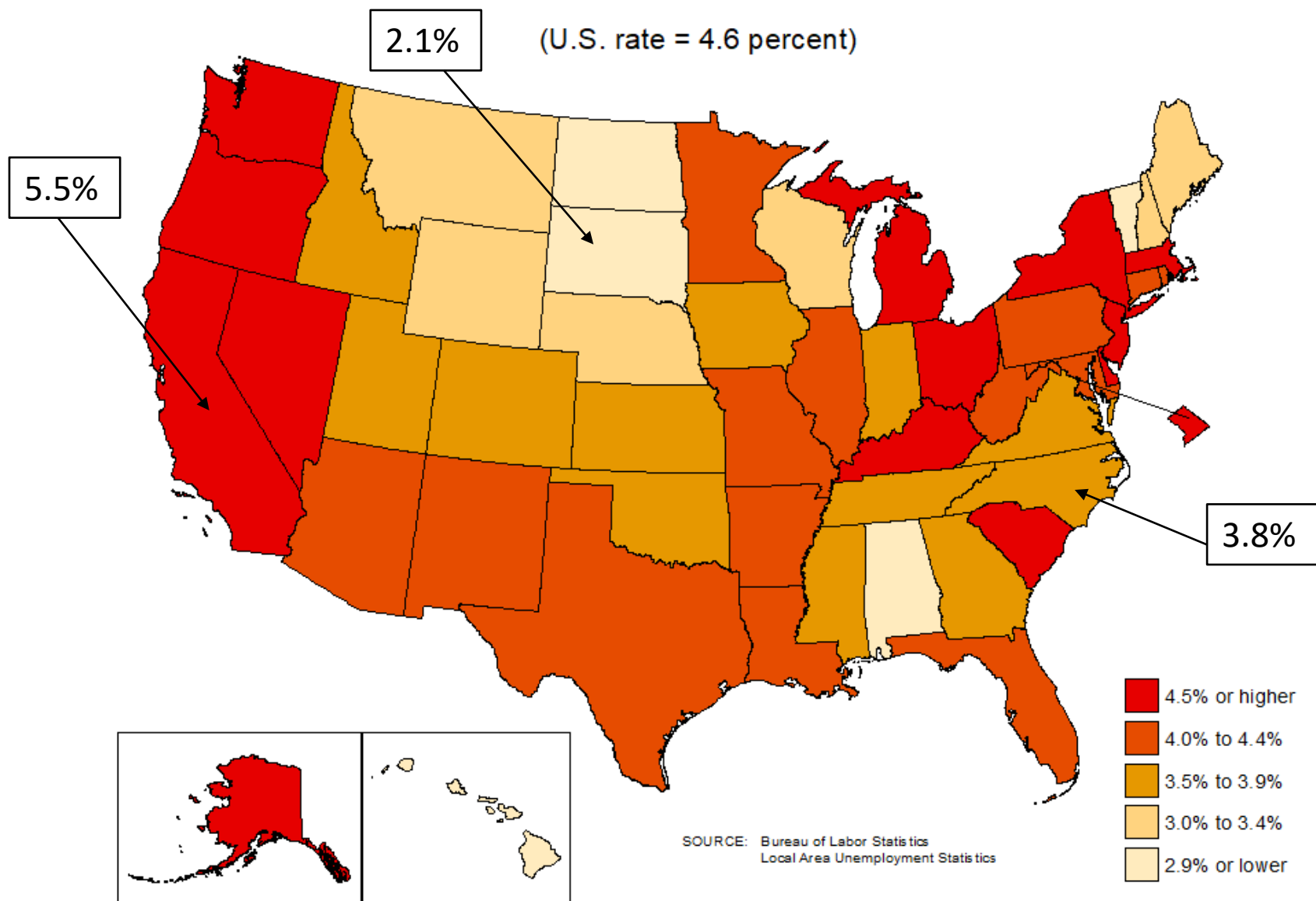


Source: U.S. Bureau of Labor Statistics via FRED®
Shaded areas indicate U.S. recessions.

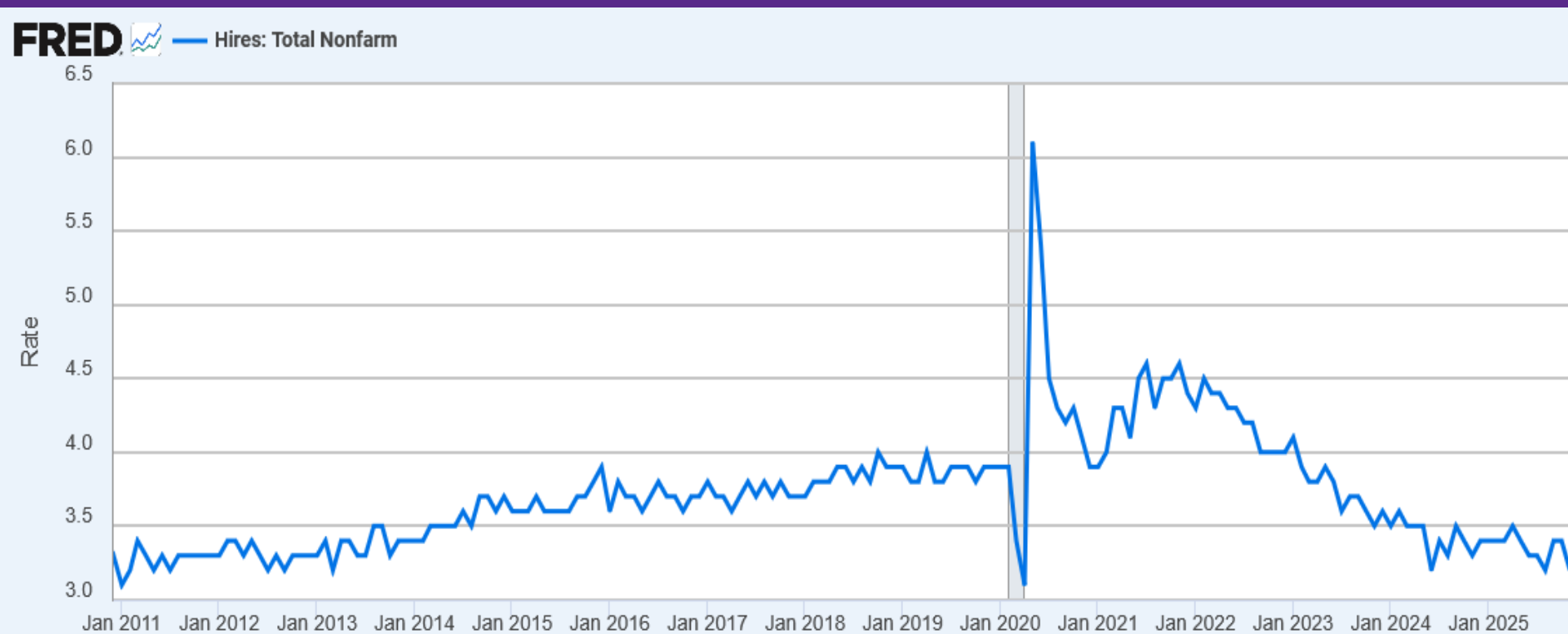
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Dec 24 = 4.1% Dec 25 = 4.4%

Unemployment rates by state, seasonally adjusted, November 2025



Rate of Hires (as % of empl)



Source: U.S. Bureau of Labor Statistics via FRED®
Shaded areas indicate U.S. recessions.

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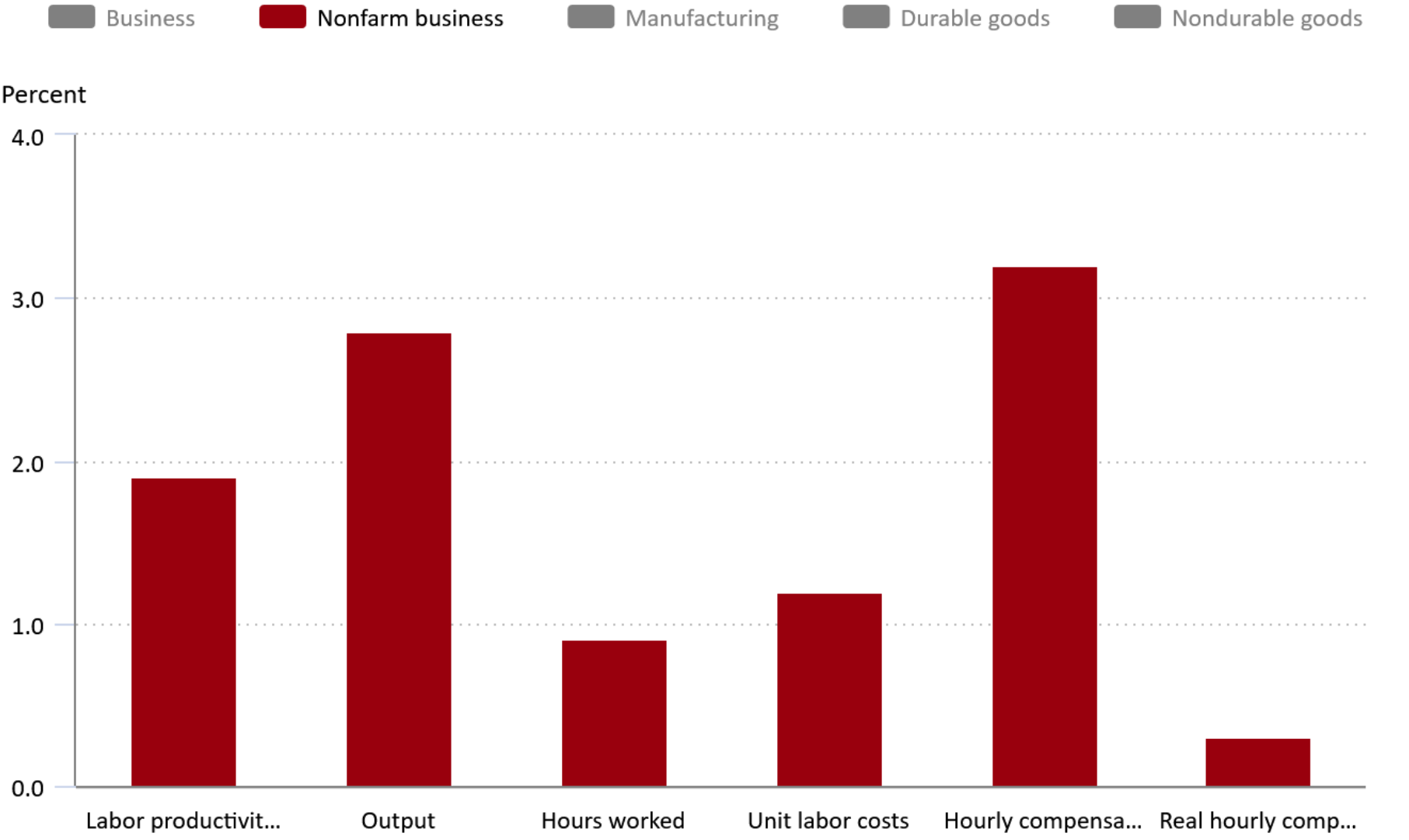
Job Openings (Rate)



Source: U.S. Bureau of Labor Statistics via FRED®
Shaded areas indicate U.S. recessions.

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Productivity and costs by sector, percent change from same quarter a year ago, 3rd quarter 2025

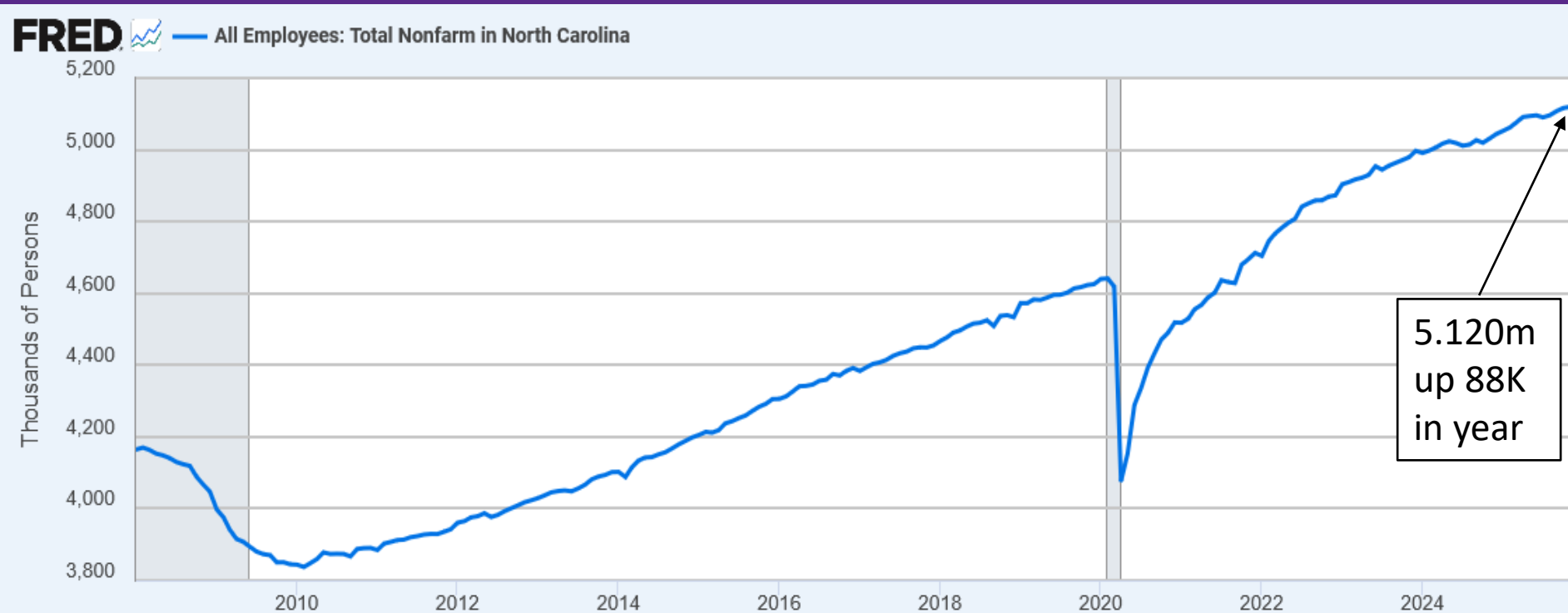


Source: U.S. Bureau of Labor Statistics.



North Carolina

Total Employment, NC Nov. 25



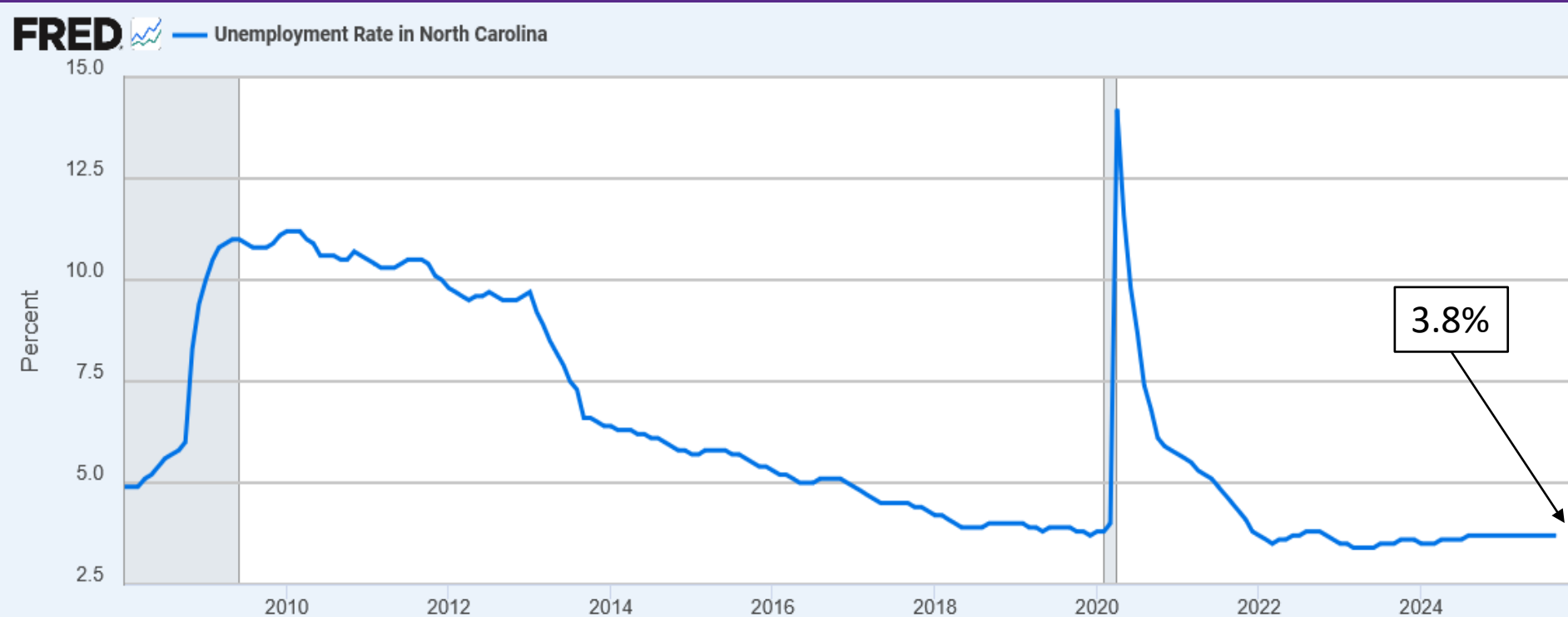
Source: U.S. Bureau of Labor Statistics via FRED®
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Nov 24 to Nov 25, NC up 1.7%. Only two other states were better (SC and MO, both with 2%) (US up 0.4%)



NC Unemployment Rate (Nov)

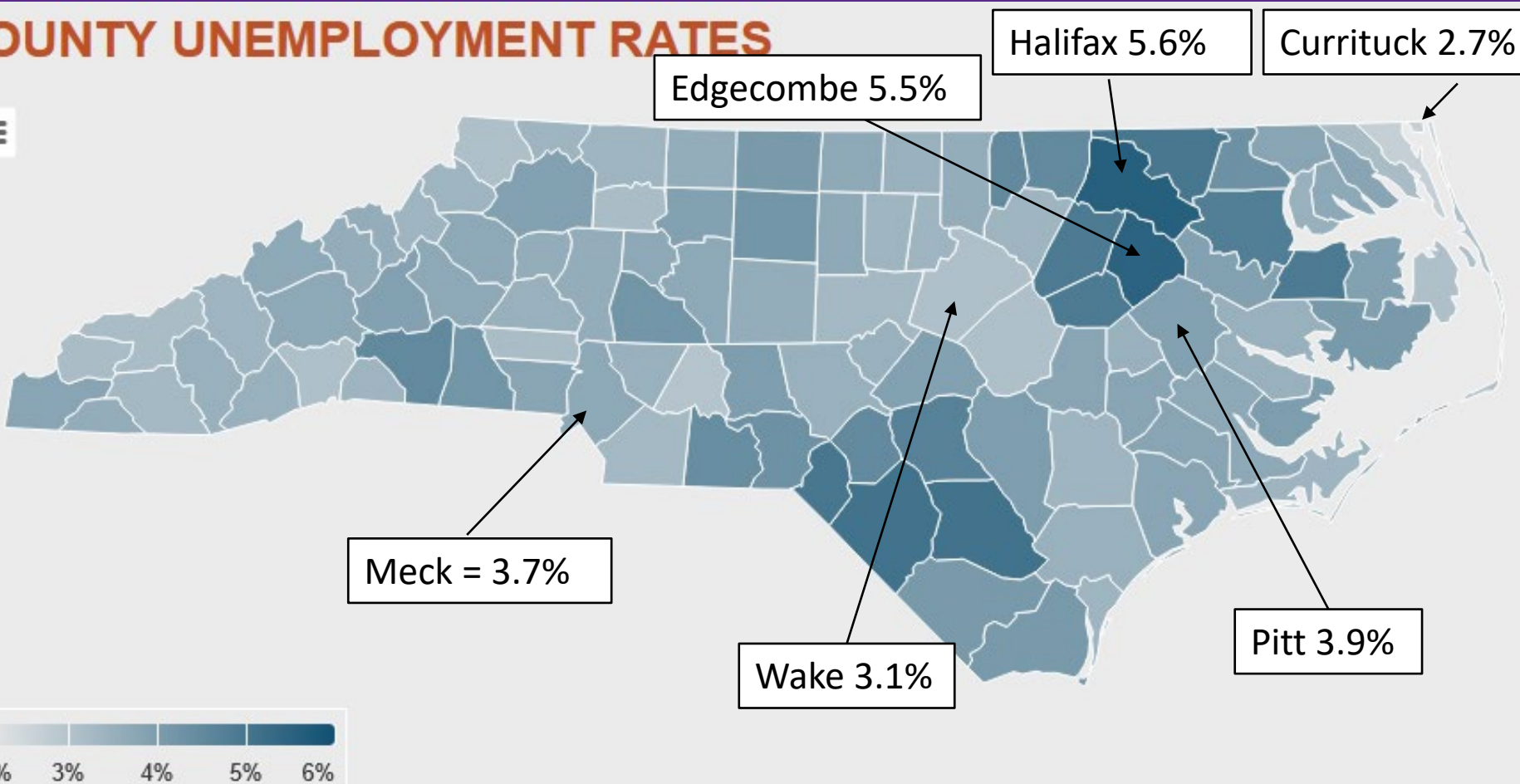


Source: U.S. Bureau of Labor Statistics via FRED®
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County Unemp. Rate Sept 25

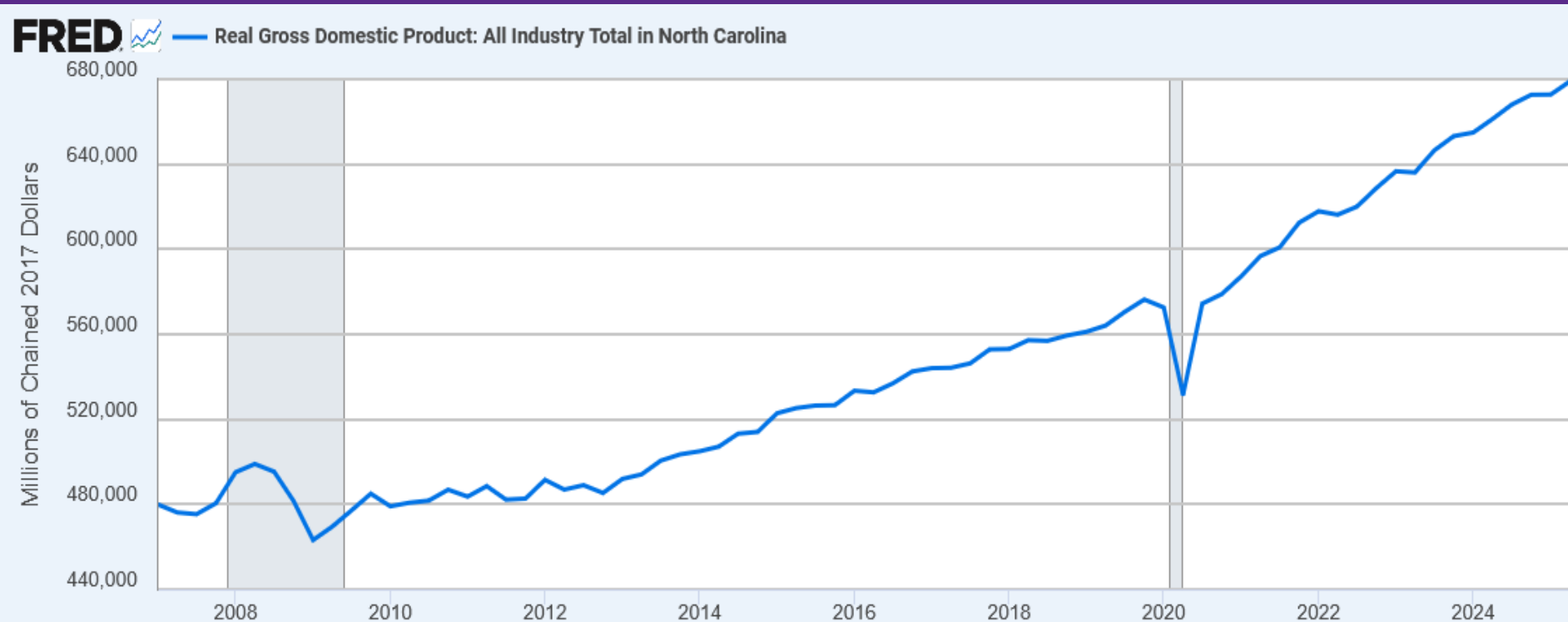
COUNTY UNEMPLOYMENT RATES



State rate in Sept = 3.7%

NC Real GDP (to 2nd Q 25)

Next release Jan 23, 2026



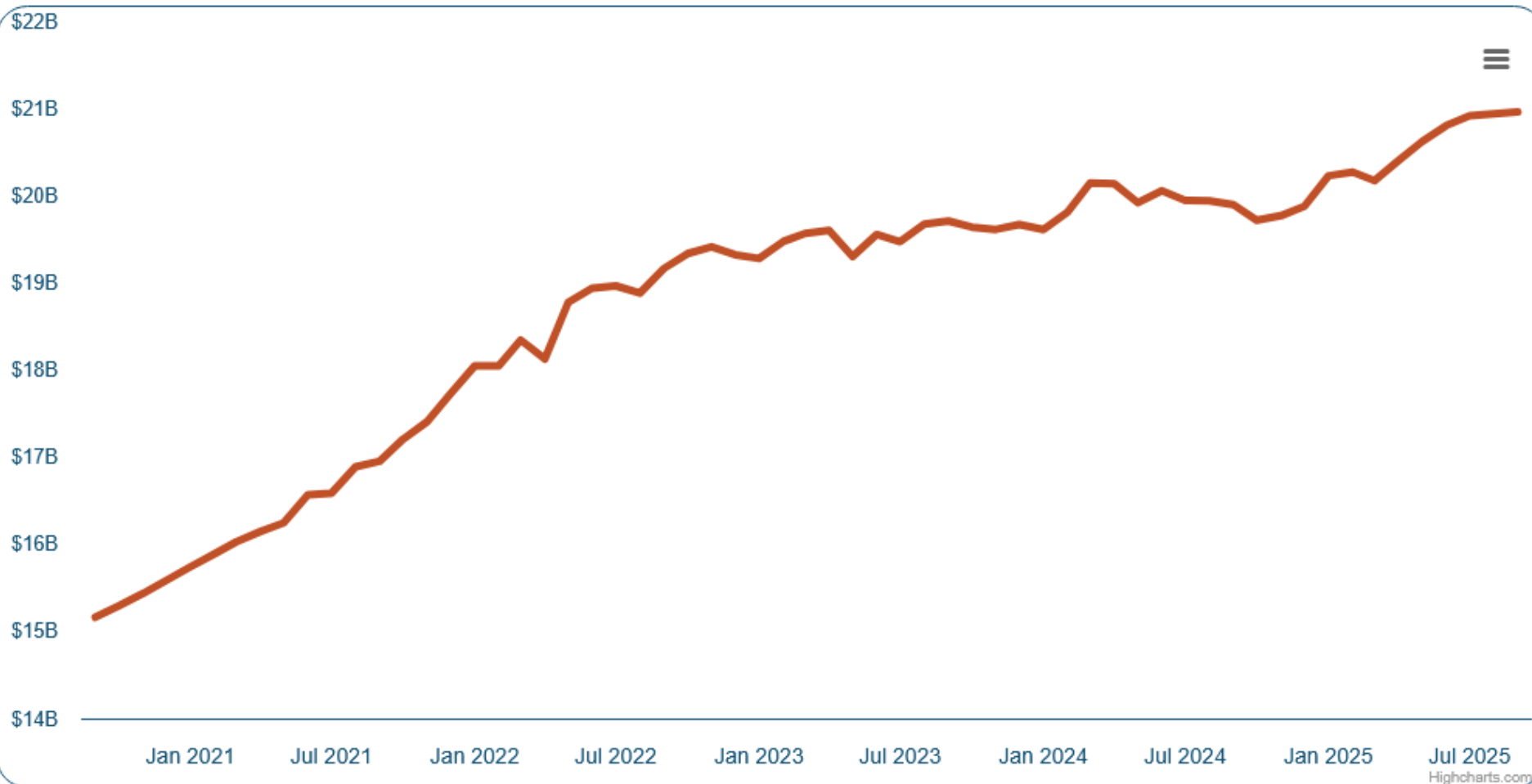
Source: U.S. Bureau of Economic Analysis via FRED®
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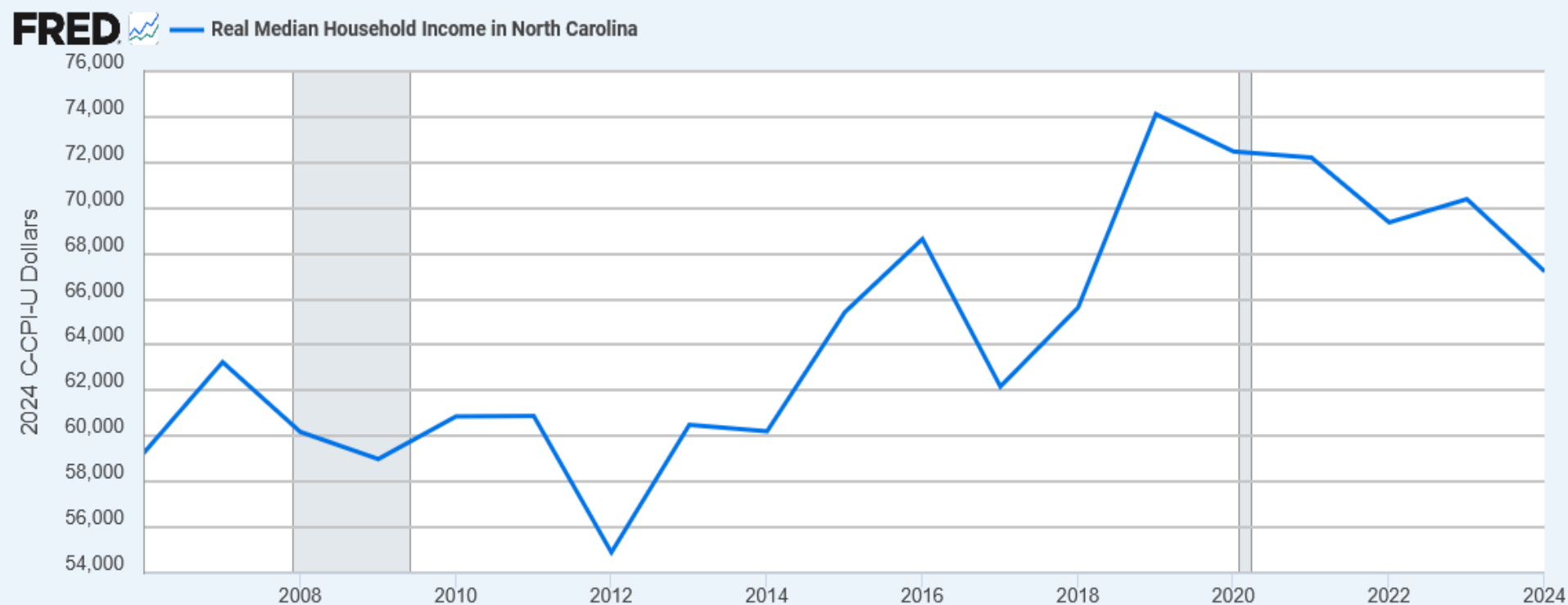
NC Real Taxable Retail Sales

Thru September 2025

REAL TAXABLE RETAIL SALES



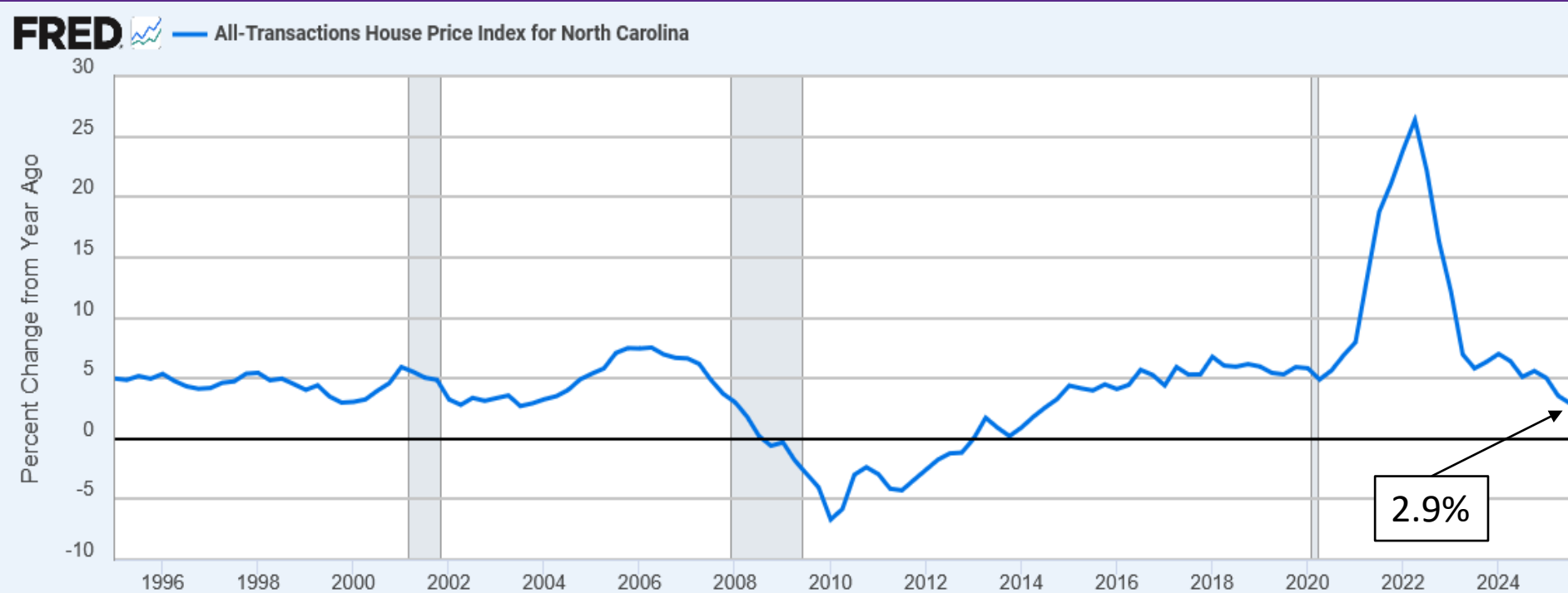
Real Median Household Income (thru 2024)



Source: U.S. Census Bureau via FRED®
Shaded areas indicate U.S. recessions.

fred.stlouisfed.org

NC House Price Index (30 yrs) (% change from prior year)



Source: U.S. Federal Housing Finance Agency via FRED®
Shaded areas indicate U.S. recessions.

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Greenville MSA and Pitt County

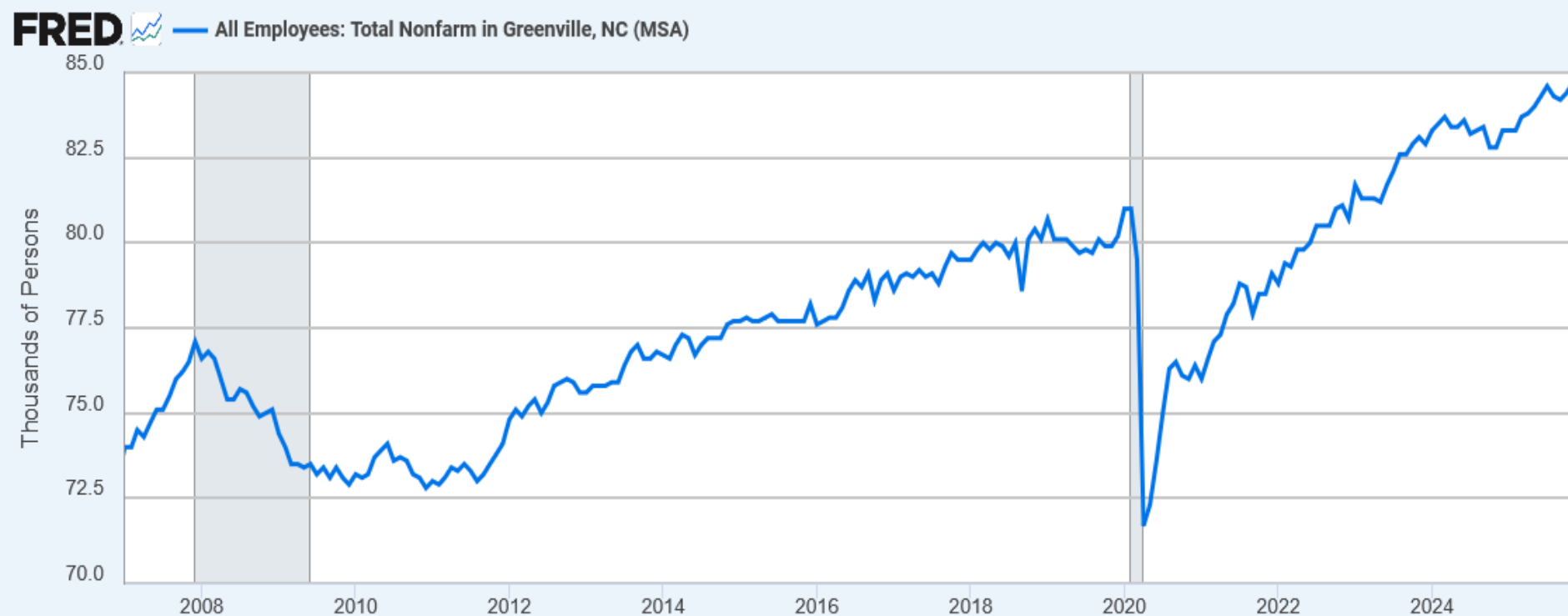
Lots of Good Things Going On

Annual Performance Evaluation

by Area Development and Chmura

- Look at Prime Workforce
 - Labor quality and readiness: STEM employment, ave wages, 25-54 yr olds
- Economic Strength
 - Business performance: Job creation, unempl rates, growth in advanced industry.
- Out of 411 MSAs nationally, GV/Pitt:
 - Top 30 overall (#24), top MSA in NC
 - #23 for Prime Workforce

Employed in GV MSA-Nov 25



Source: U.S. Bureau of Labor Statistics via FRED®
Shaded areas indicate U.S. recessions.

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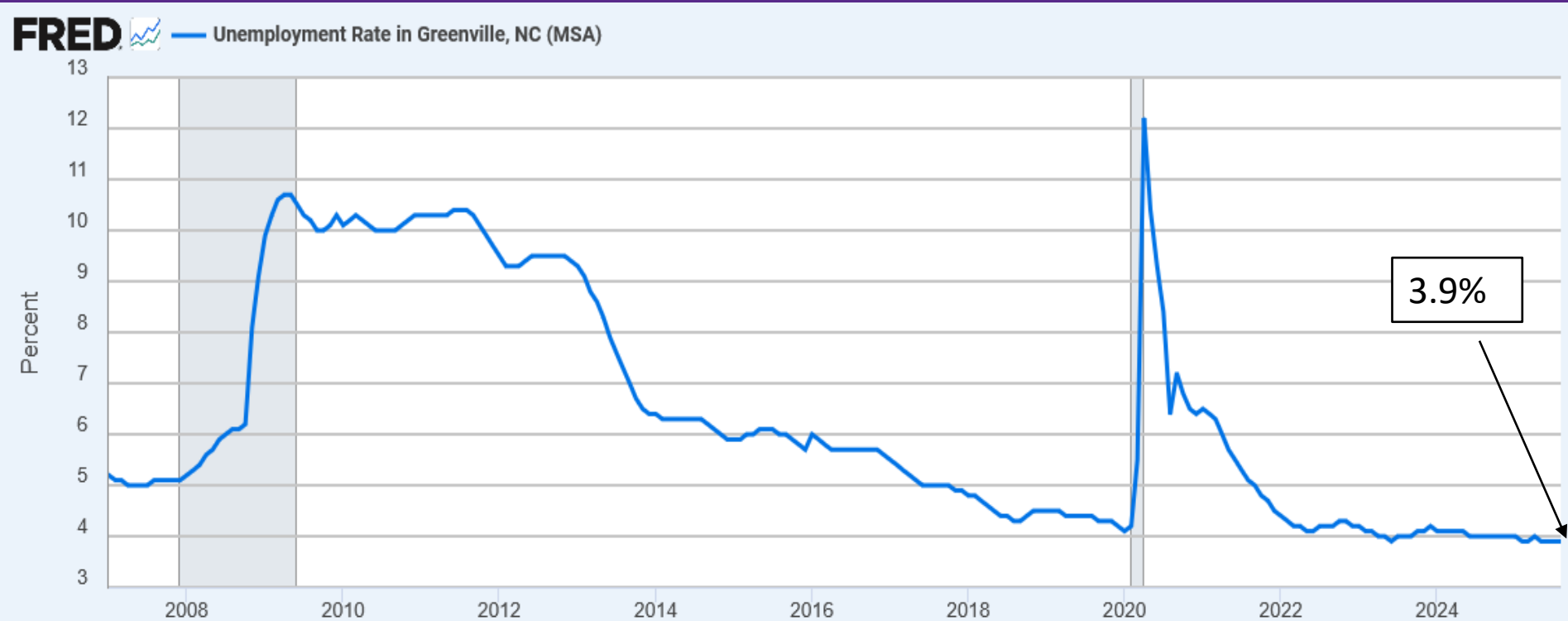
20%+ of growth
was Health related

Nov 24 to Nov 25 up 1,900 jobs, 2.3%
Only surpassed by Charlotte with 2.5% (NC is 1.7%)



Unemployment Rate in GV

Sept, 2025 (update on Jan 16, 2026)



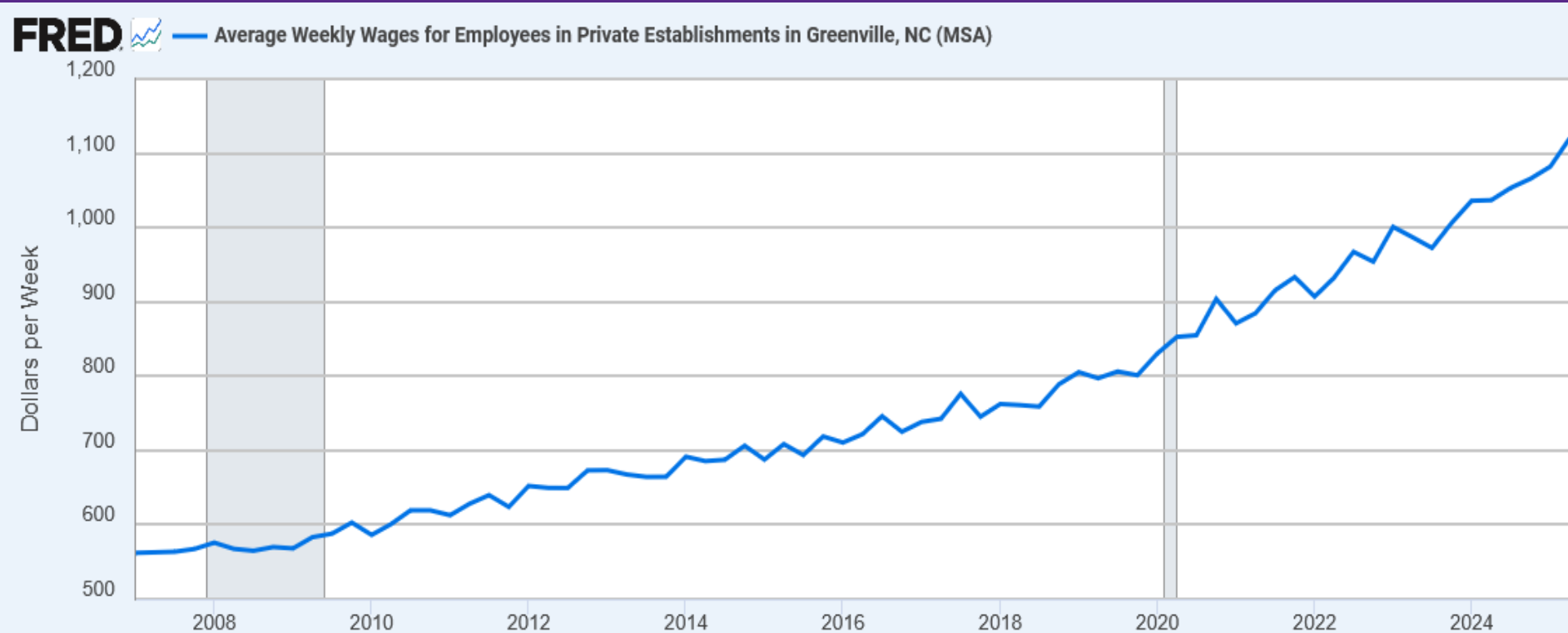
Source: U.S. Bureau of Labor Statistics via FRED®
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GV Unemp Rate has been between 3.9% and 4.1%
for three years straight.



Ave Weekly Wages, GV, Q2 25 (NOT inflation adjusted)



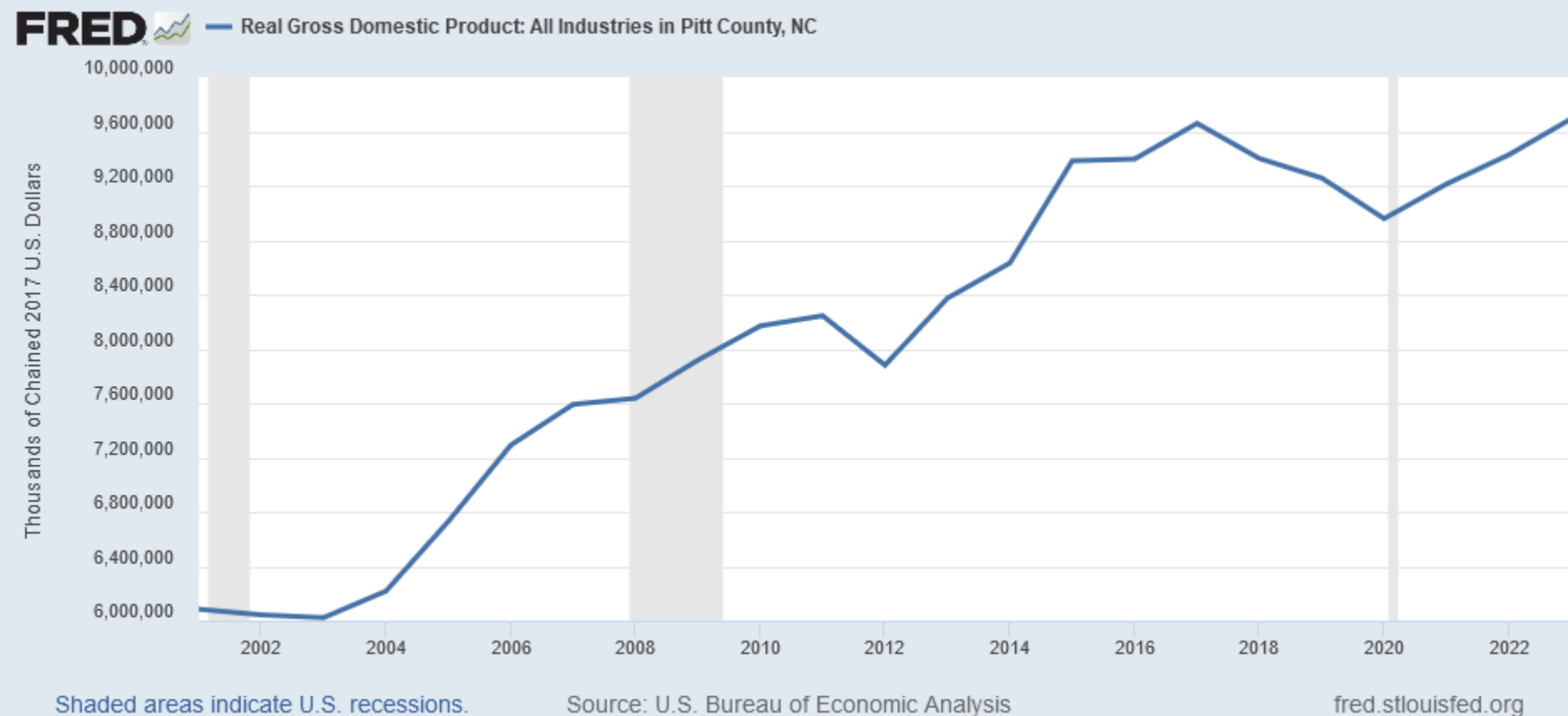
Sources: Federal Reserve Bank of St. Louis; U.S. Bureau of Labor Statistics via FRED®
Shaded areas indicate U.S. recessions.

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2008's number inflation-adjusted is about \$880

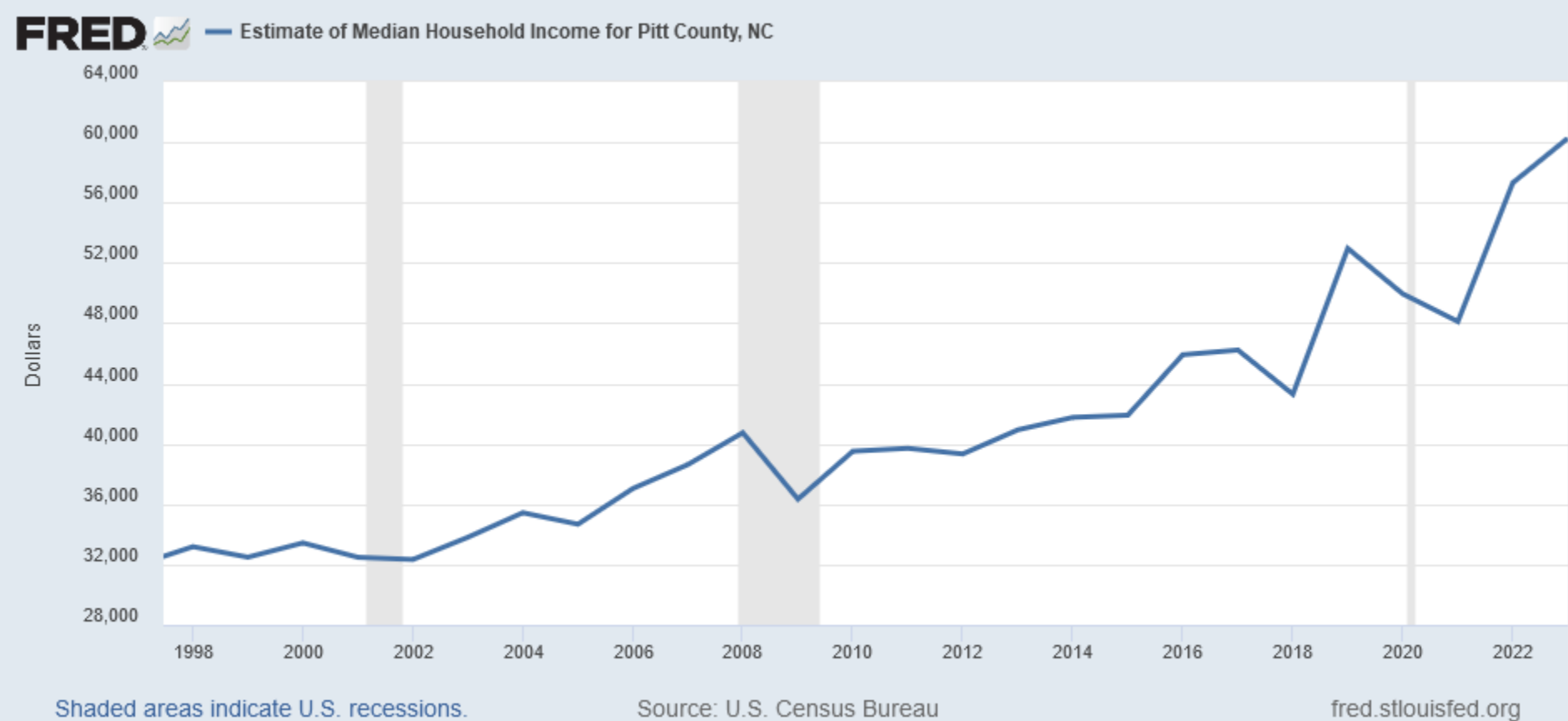
Real GDP, Pitt County (to 2023)

(Next release Feb 5, 2026, about 2 months late)

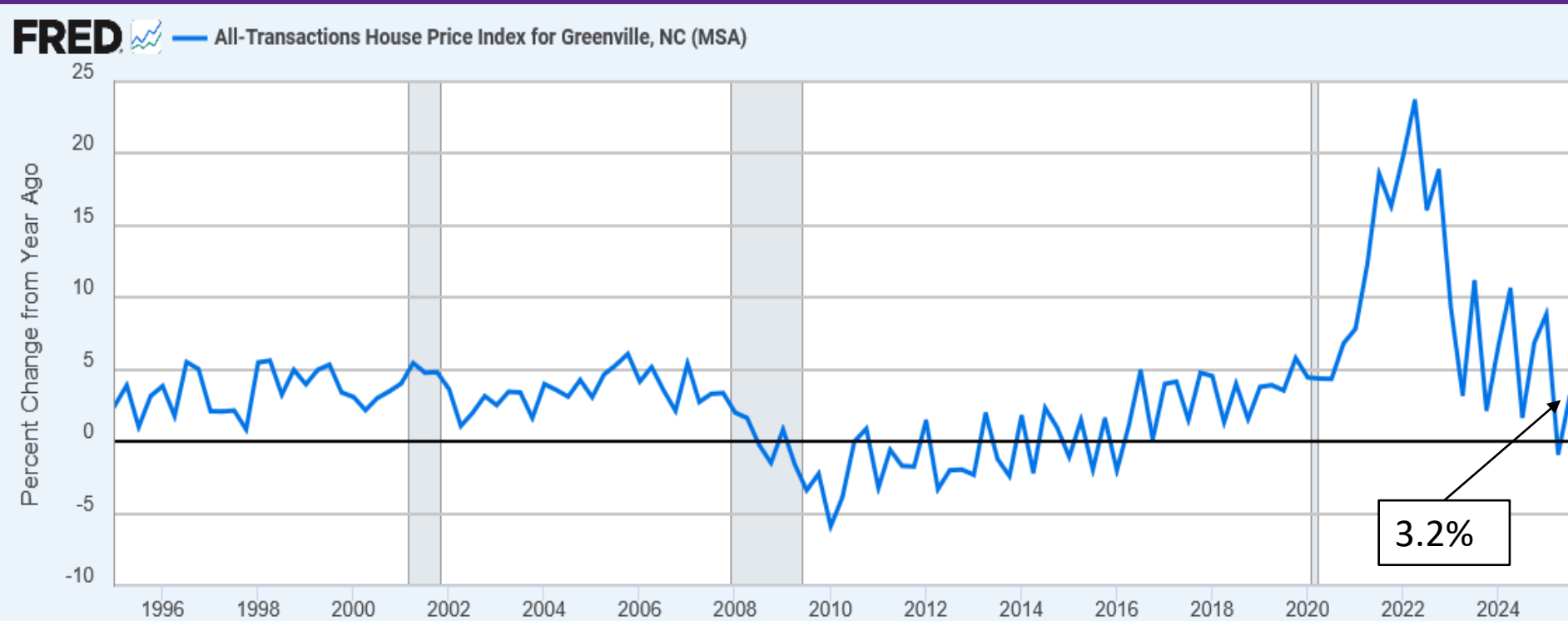


Median Household Income

Annual through 2023



GV House Price Index (30 yrs) (percent change from year ago)



Source: U.S. Federal Housing Finance Agency via FRED®
Shaded areas indicate U.S. recessions.

fred.stlouisfed.org

Artificial Intelligence

Early....Good & Bad

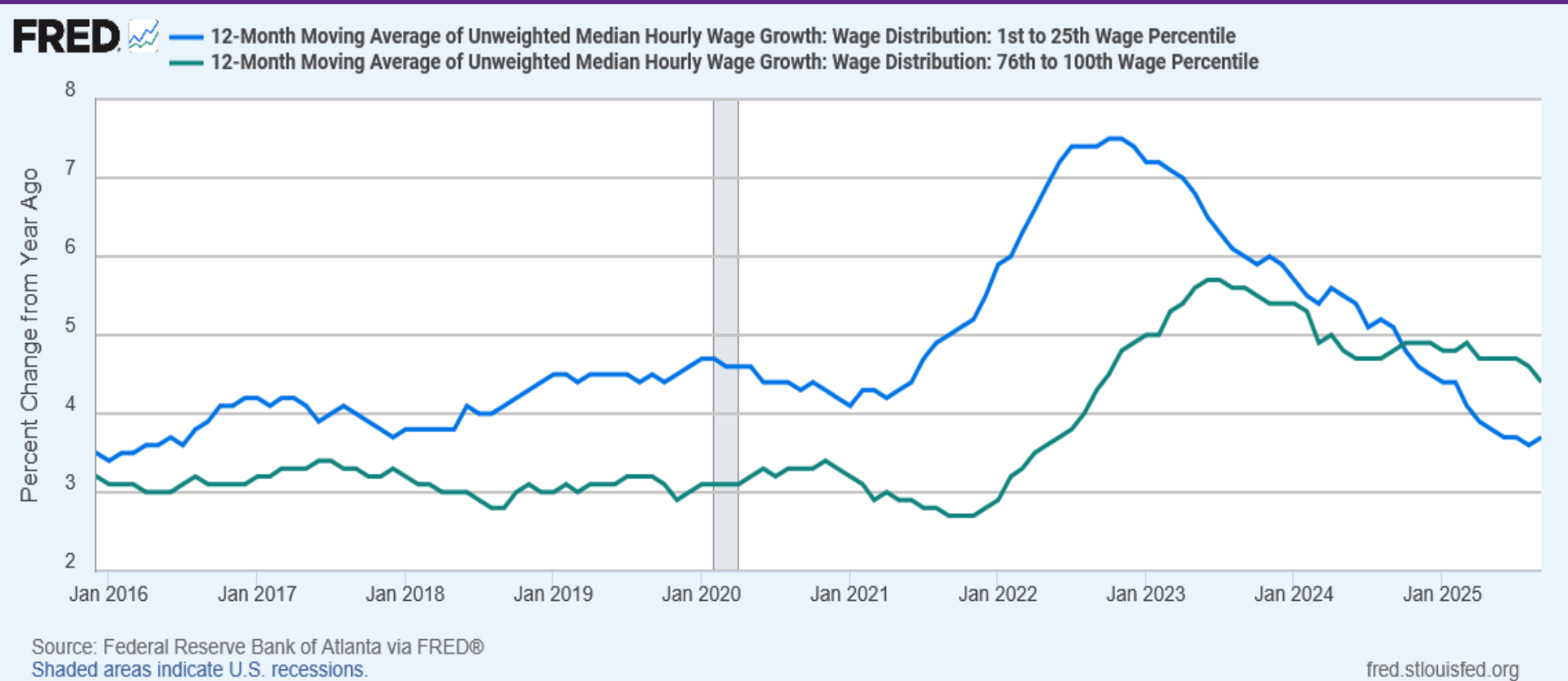
- Early stages. All learning how/when to use it. AI systems/abilities are changing every day.
- AI is catch phrase for wide range of use cases.
- Tractor or Excel?
- Early Excel use vs early AI use

Job Impact Index

- www.ajiindex.com (note double i)
- Seven Factors
 - Routine & Repetitive
 - Lack of Creativity & Complex Problem Solving
 - Low Physical Dexterity & Manual Precision
 - Low Human Interaction & Emotional Intell.
 - Availability of Data & Technology
 - Economic Feasibility & Labor Dynamics
 - Social & Regulatory Acceptance

K-Shaped Economy

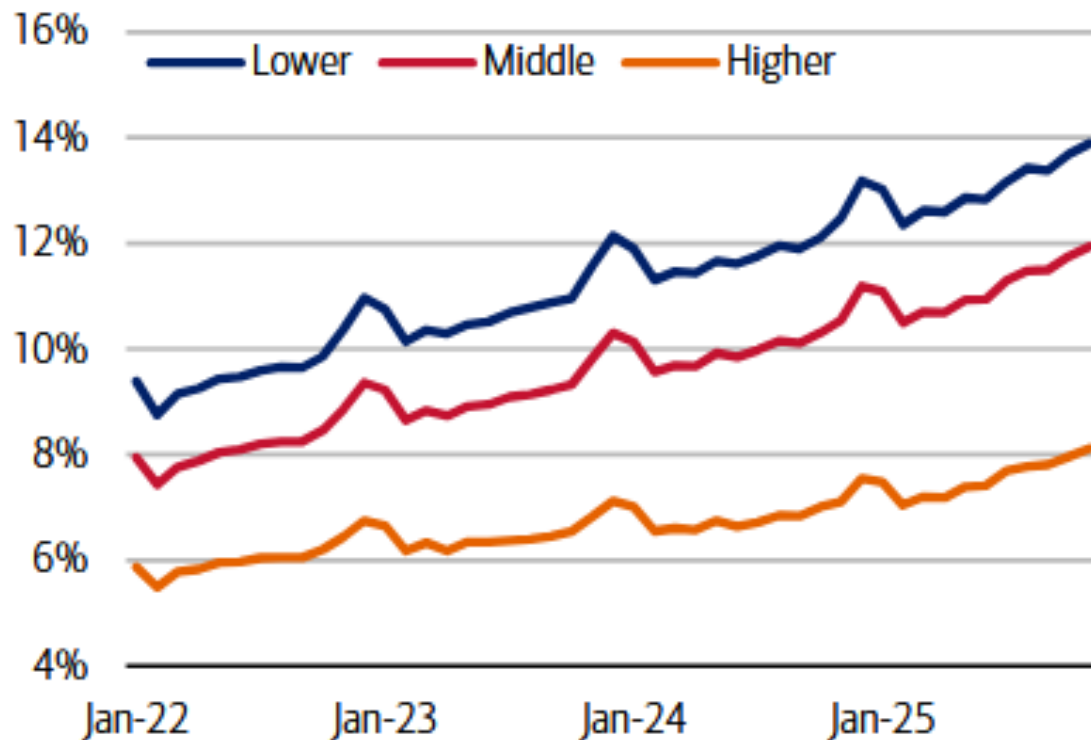
Wage Growth – Top/Bottom



Buy Now Pay Later

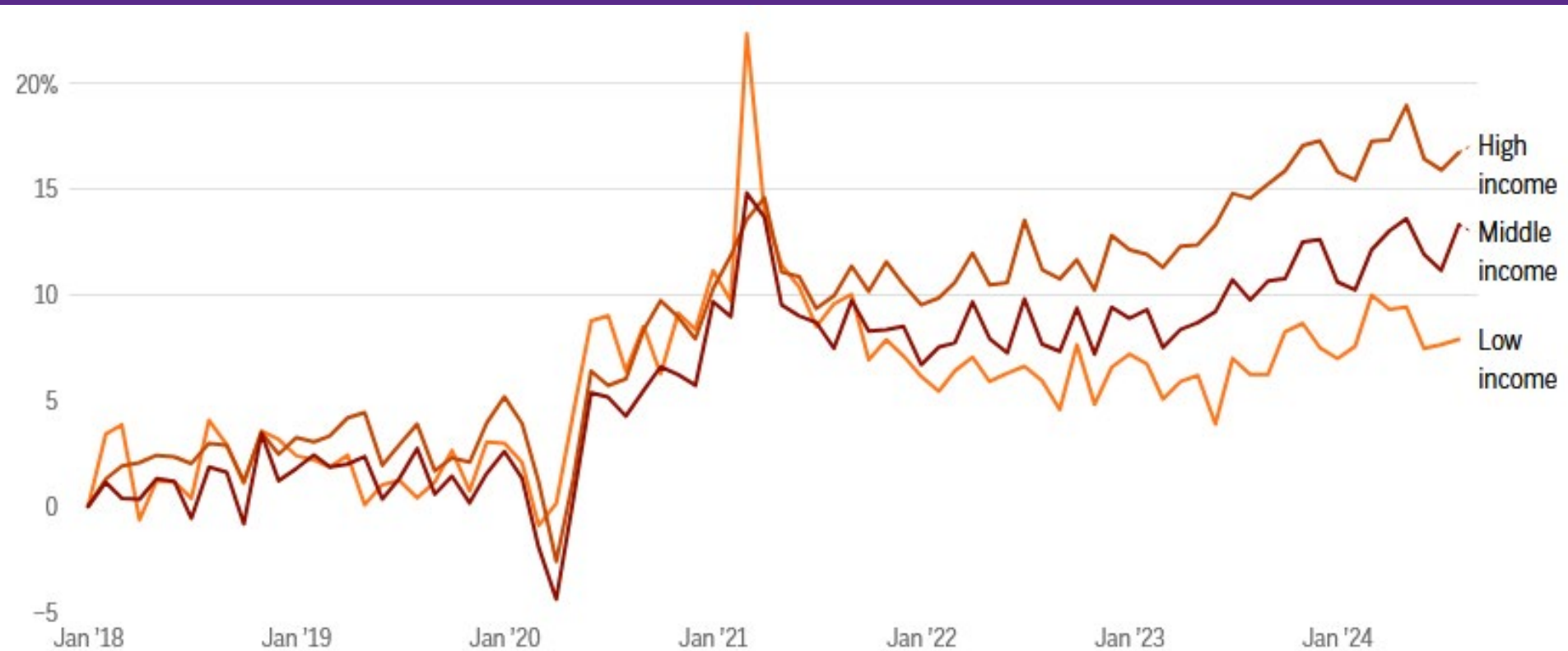
Exhibit 13: A higher share of consumers is using BNPL across all income cohorts, but especially lower- and middle-income households

Share of Bank of America customers with a BNPL payment by income (monthly, %)



Source: Bank of America internal data

% Chg Retail Sales by income



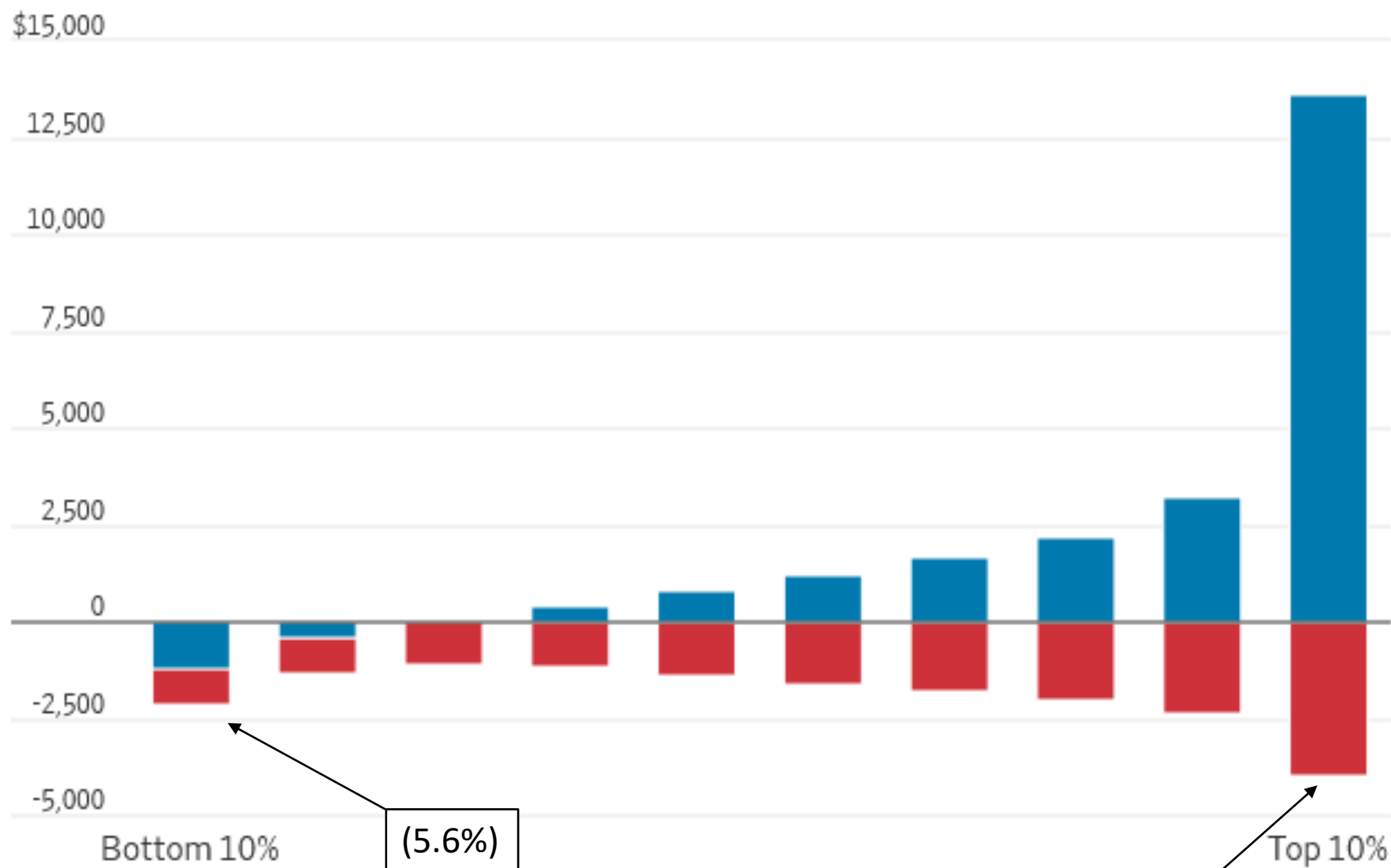
Low income is those earning under \$60,000, middle is \$60,000 to \$100,000, and high is above \$100,000

Source: [Federal Reserve](#) / Graphic: Christopher Rugaber



Combined annualized effect of the One Big Beautiful Bill Act and tariffs by income decile

■ OBBBA ■ 2025 Tariff Increases



Note: From 2026 to 2034.

Source: The Budget Lab at Yale

Looking Forward

We have not talked about

- Federal deficit and debt levels
 - Doesn't matter until it does
- Hyper-accommodative fiscal policy
- Pressure on Fed to lower rates
 - Impact on inflation
- Wealth effect
- Restarting of Federal Student Loan payments (45 million people)

Greater Uncertainty

- The roller coaster is around the top.
 - The cautionary indicators are accumulating
 - Employment-related items are the greater concern.
 - 2026 should be ok, absent left field item(s)
- AI could be significant driver of productivity and economic growth.
 - But at what cost to employment?

US Forecast for 2026

- 2026 GDP 2-3%. If AI drives productivity may be better (while employment worse)
- Unemployment rate 4.6-4.9% YE 2026
- Inflation may moderate a bit in 2026 but risk is to the upside particularly later in year.
- ST interest rates will trend down, LT rates not as much.
 - (in 25, Fed Funds down .75%, ST Treas rates down 0.6%, 10y down 0.4%, and 30y up!)

2026 NC/GV Forecast

- NC and GV economic activity will generally mirror US
- At EOY, NC unemployment rate will be within 0.2-0.4 of US rate. GV will be similar versus NC rate.
- GV continues to be a bright light compared to others in the east.

Takeaways for You

- Increase the “we” and reduce the “me”
- Tune out the rhetoric from Washington and Raleigh. Both sides.
- Be curious. Learn something new every day.
- Stop scrolling.
- Take a deep breath; don’t hyperventilate; turn off the talking heads on podcasts and TV