

WALTON



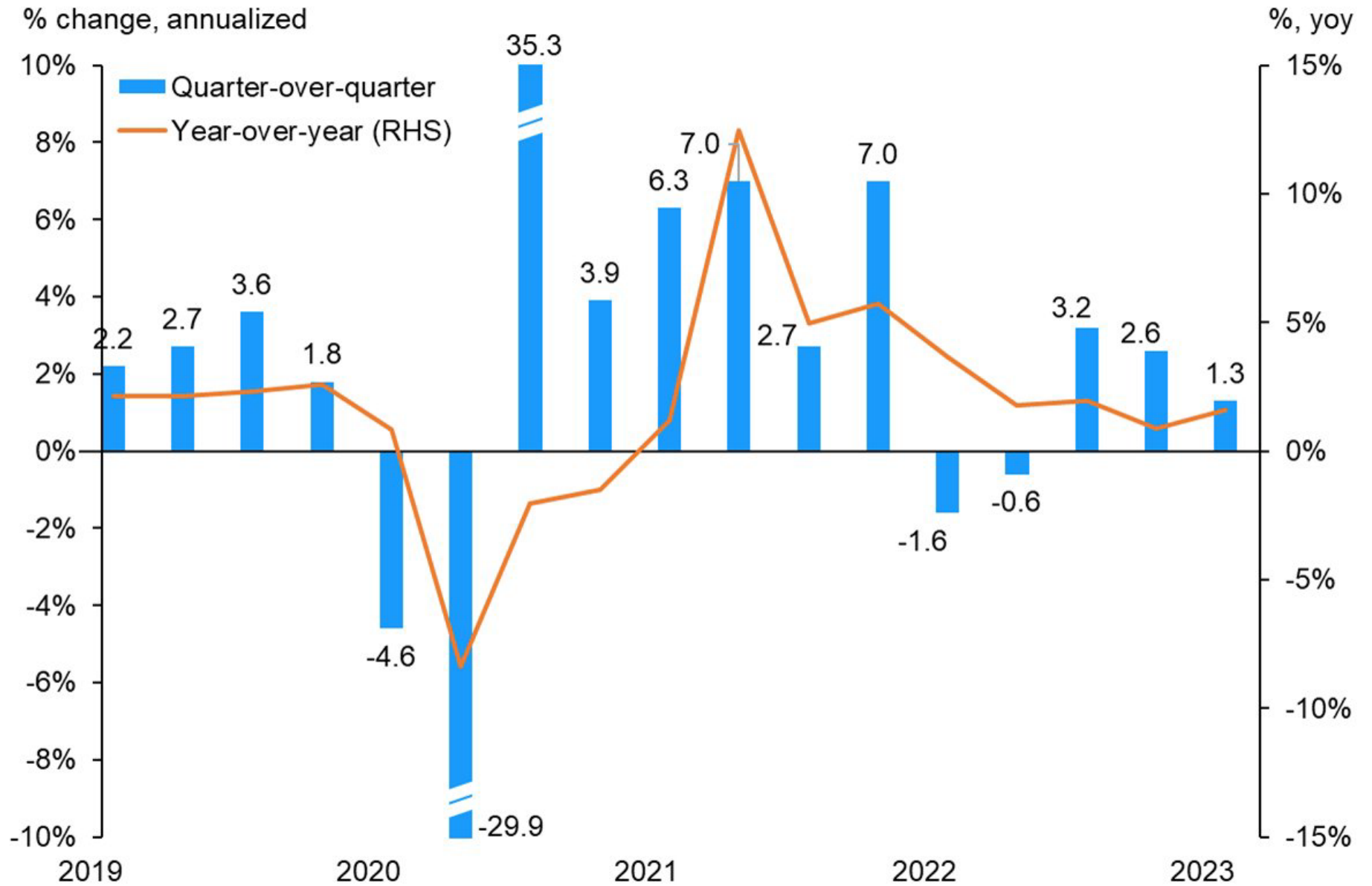
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What should we make of this economy?

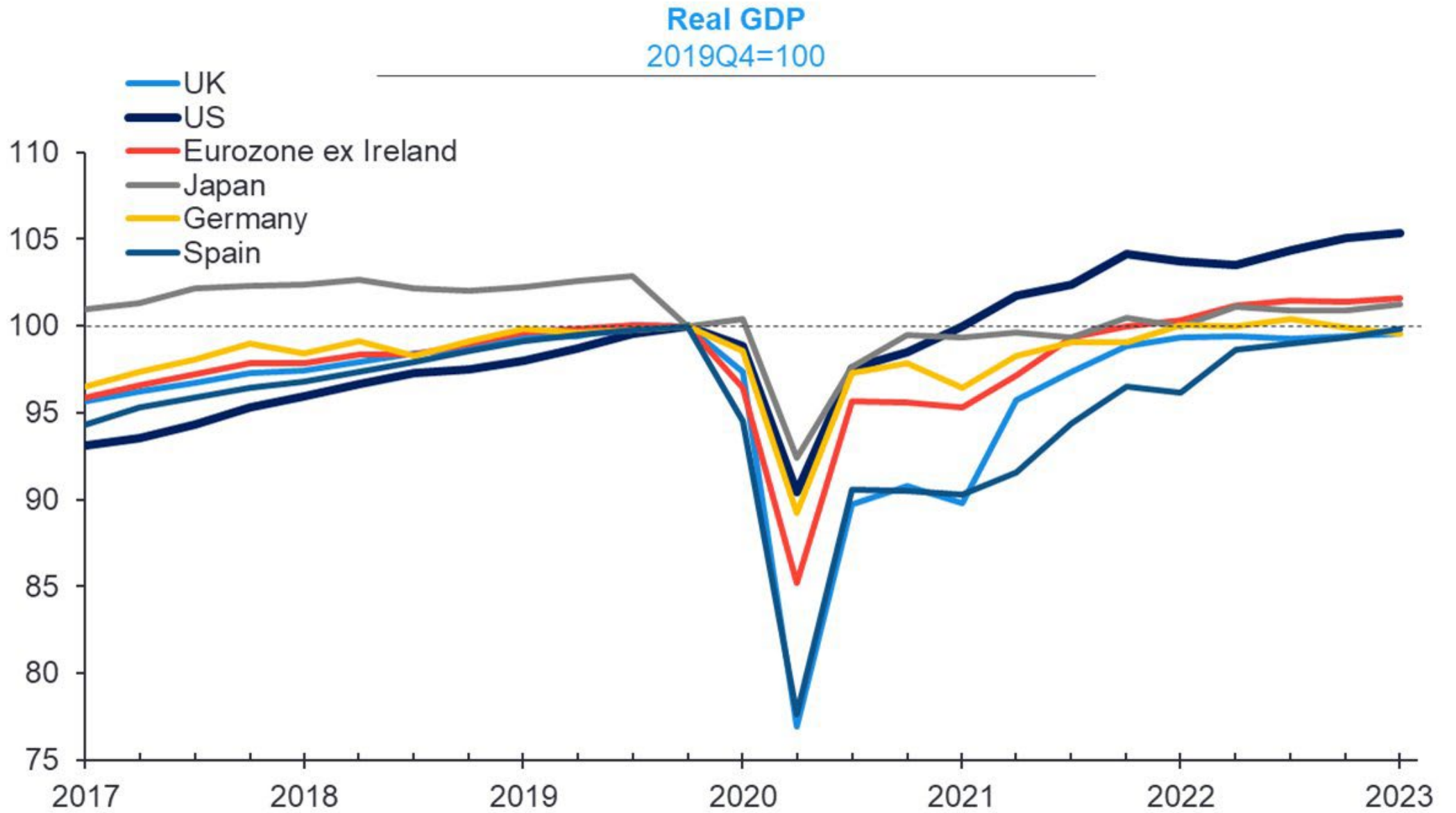
Mervin Jebaraj, Director
Center for Business and Economic Research
June 8, 2023

Twitter: @MervinJebaraj

Real GDP Growth 2019Q1-2023Q1

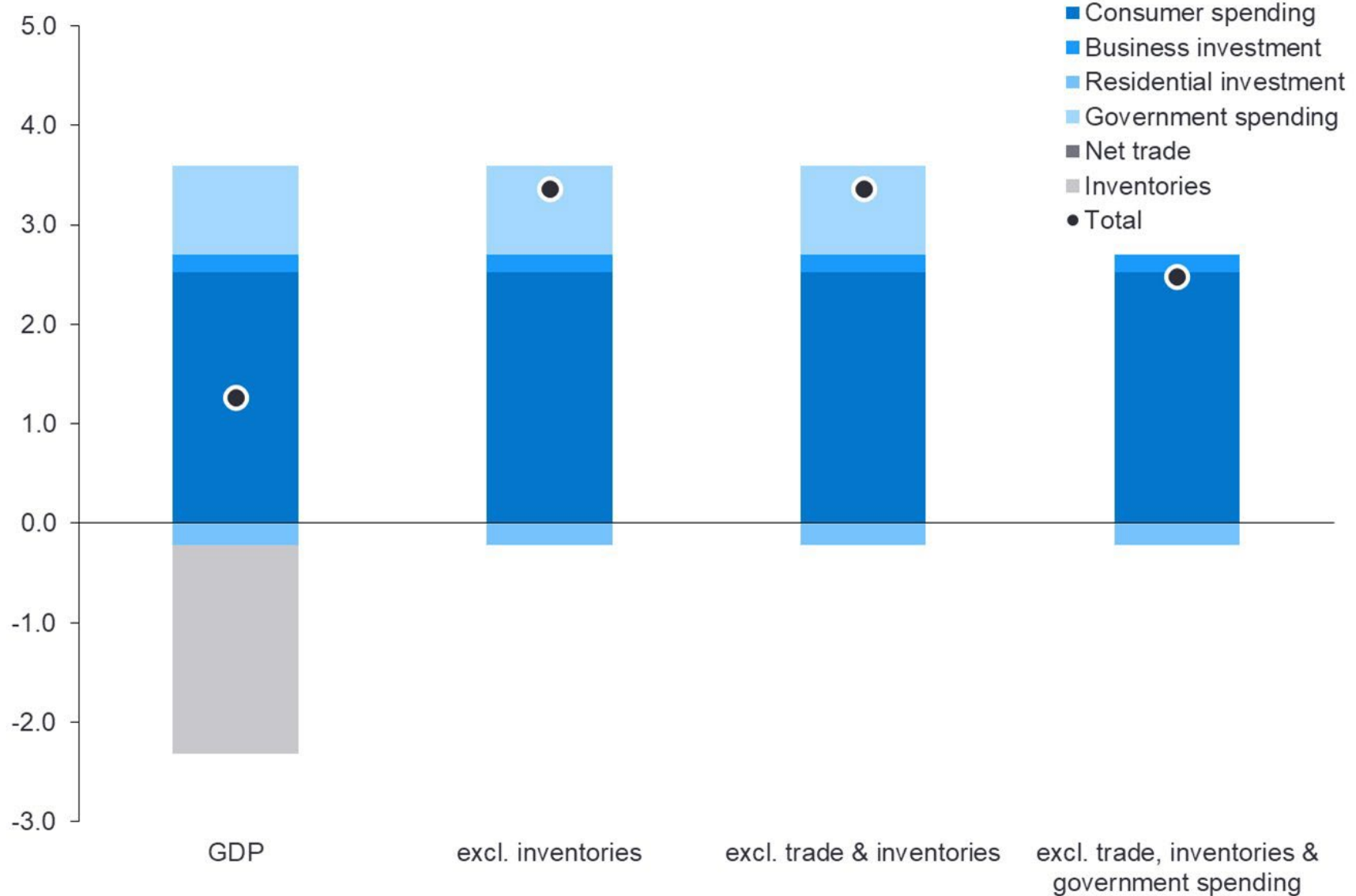


Source: BEA, EY-Parthenon



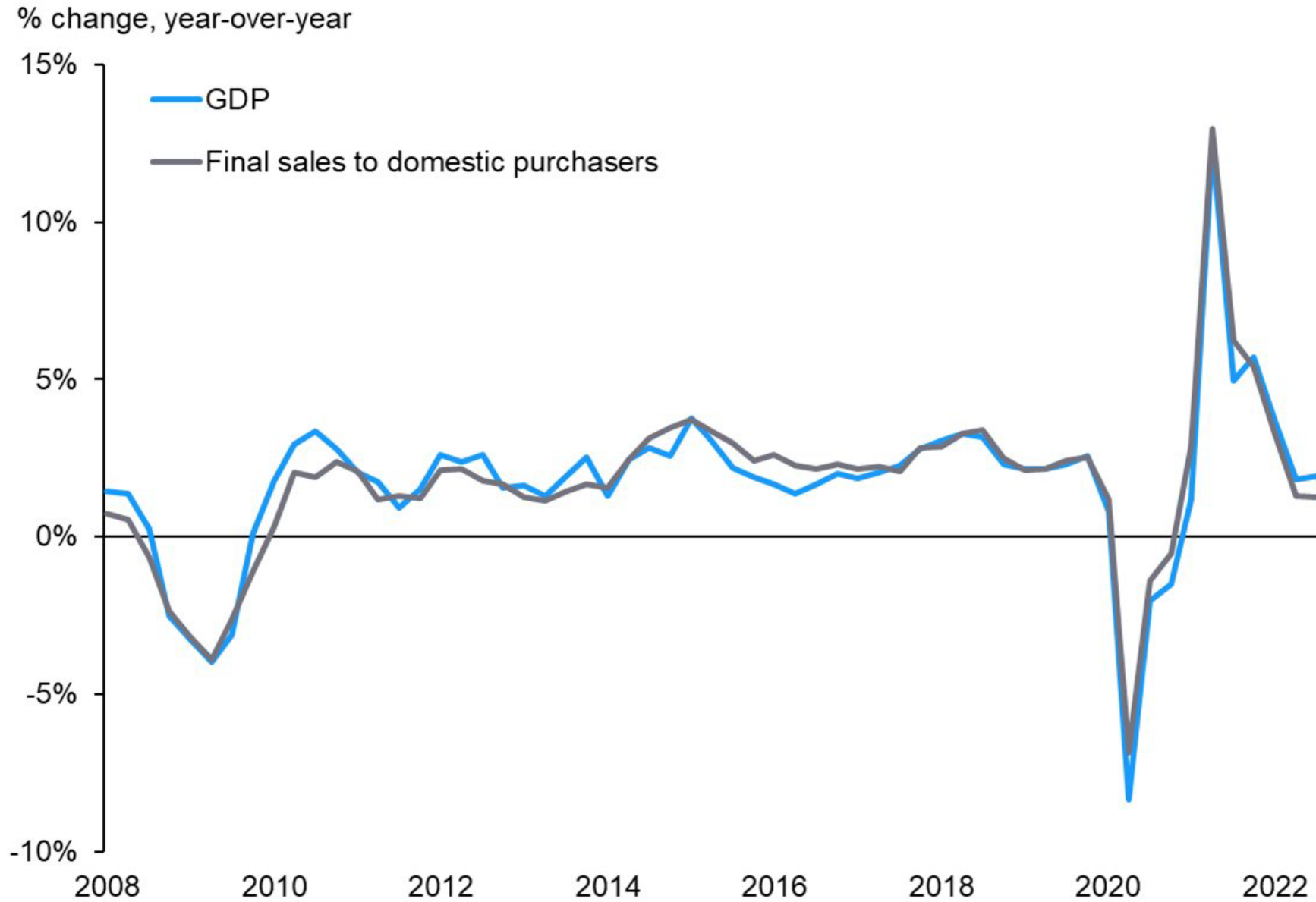
Source: Haver Analytics; EY-Parthenon

Real GDP Percentage points contribution to GDP growth in Q1 2023



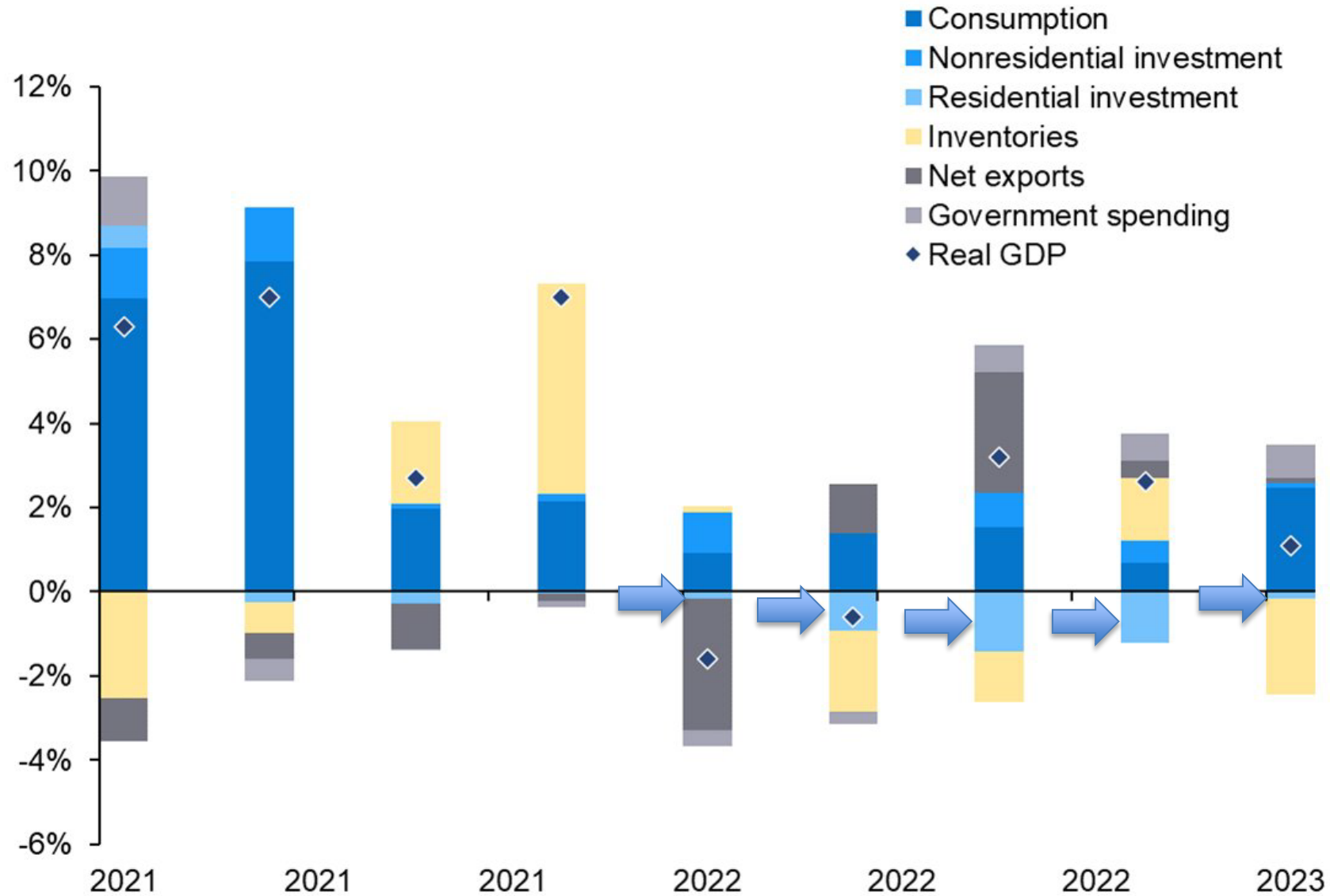
Source: BEA; EY-Parthenon

Real GDP and Final Sales Growth 2008Q1-2023Q1



Source: BEA, EY-Parthenon

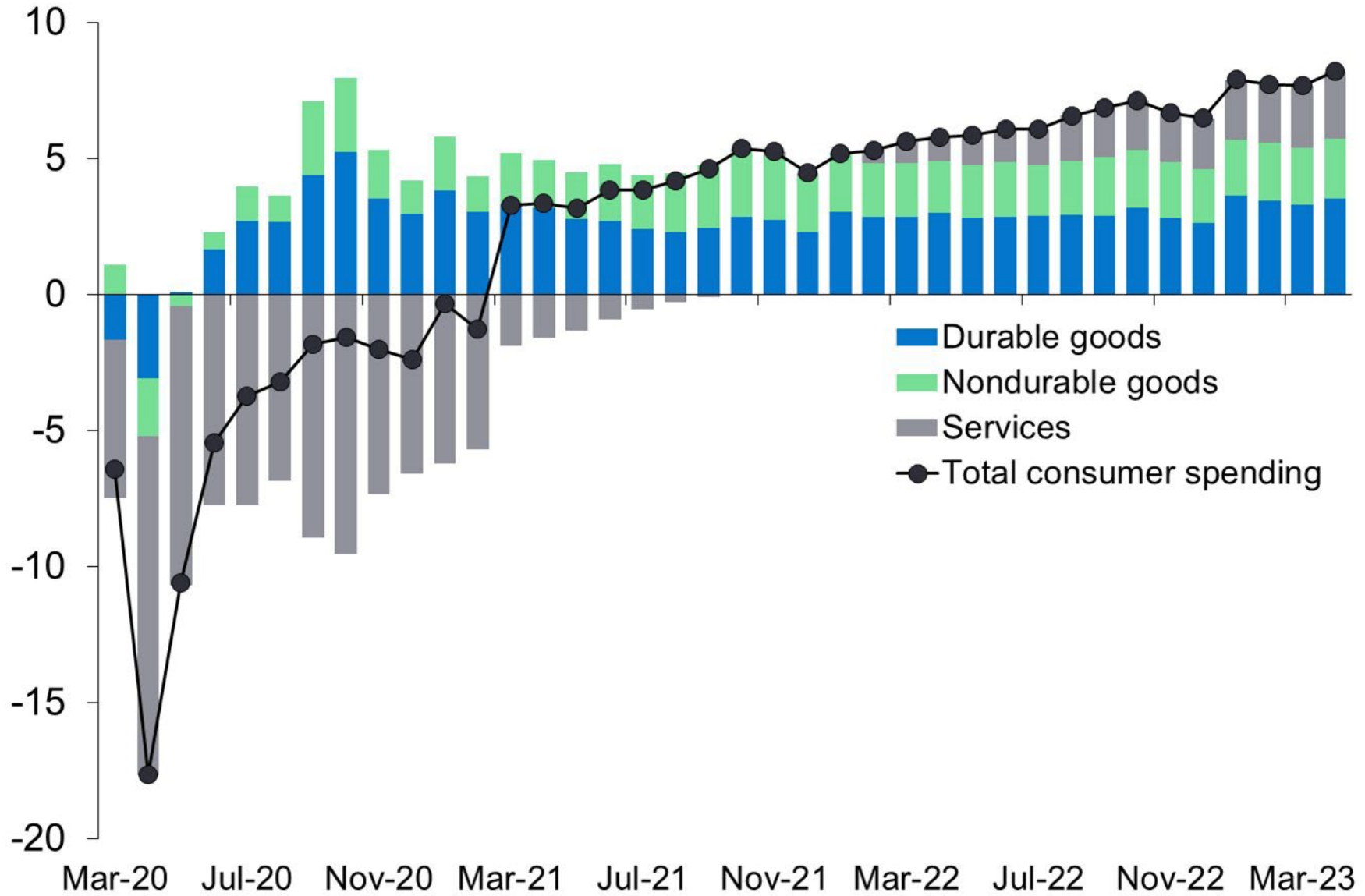
US: Real GDP Growth Contributions Q1 2021- Q1 2023 (%pts, annualized)



Source: BEA; EY-Parthenon

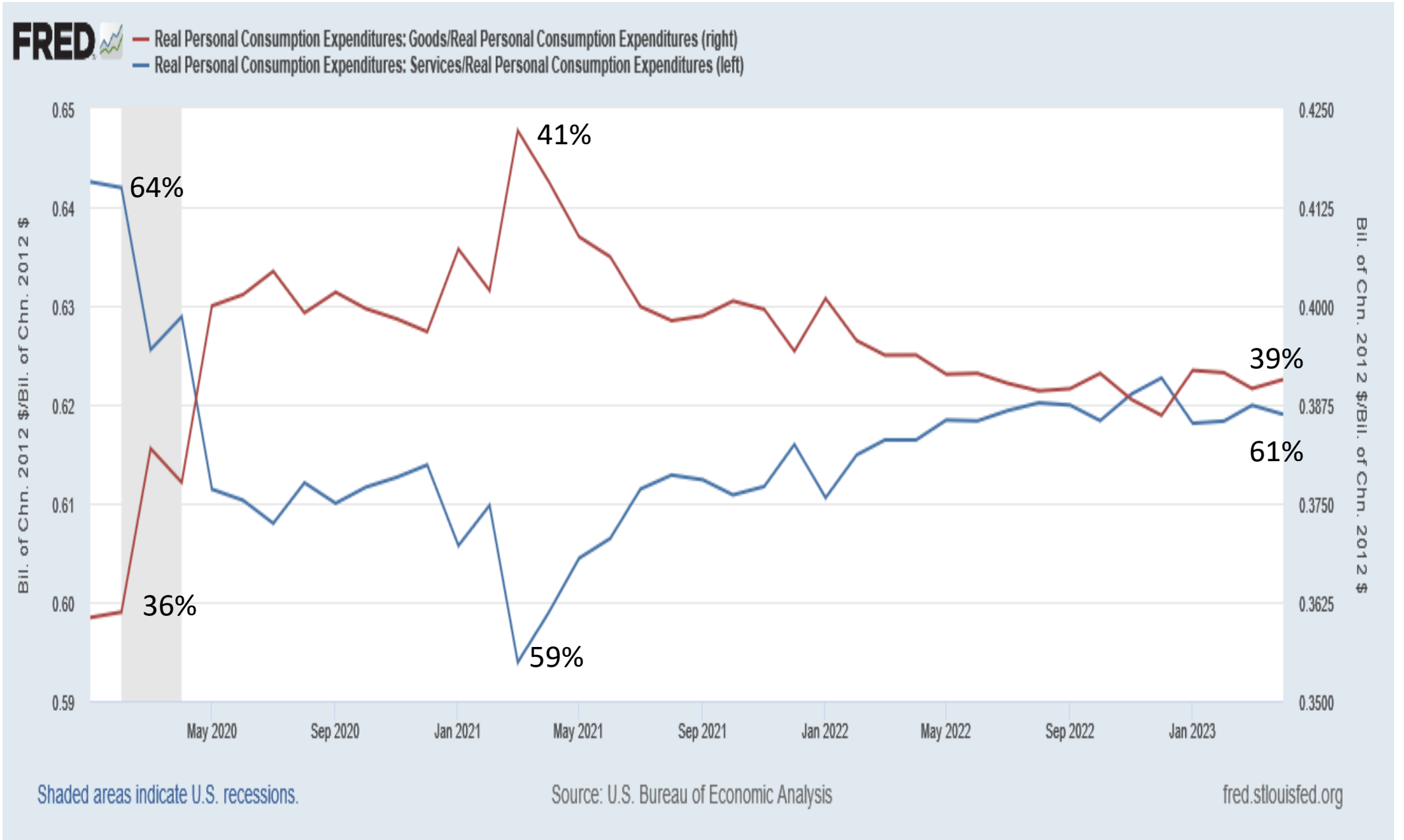
Real personal consumption expenditures

Percent difference from February 2020

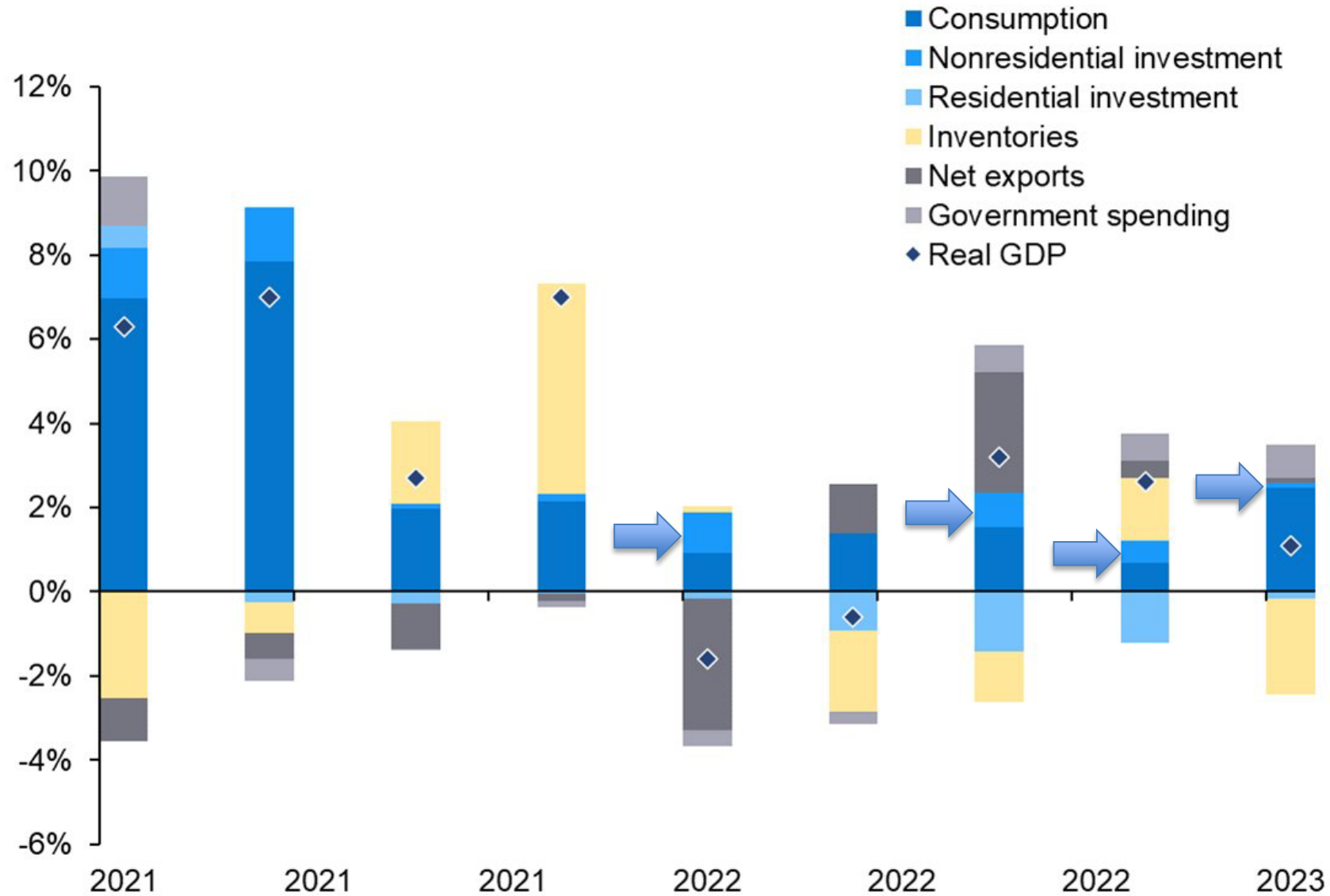


Source: BEA; EY-Parthenon

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US: Real GDP Growth Contributions Q1 2021- Q1 2023 (%pts, annualized)



Source: BEA; EY-Parthenon

Real Construction Spending: Manufacturing



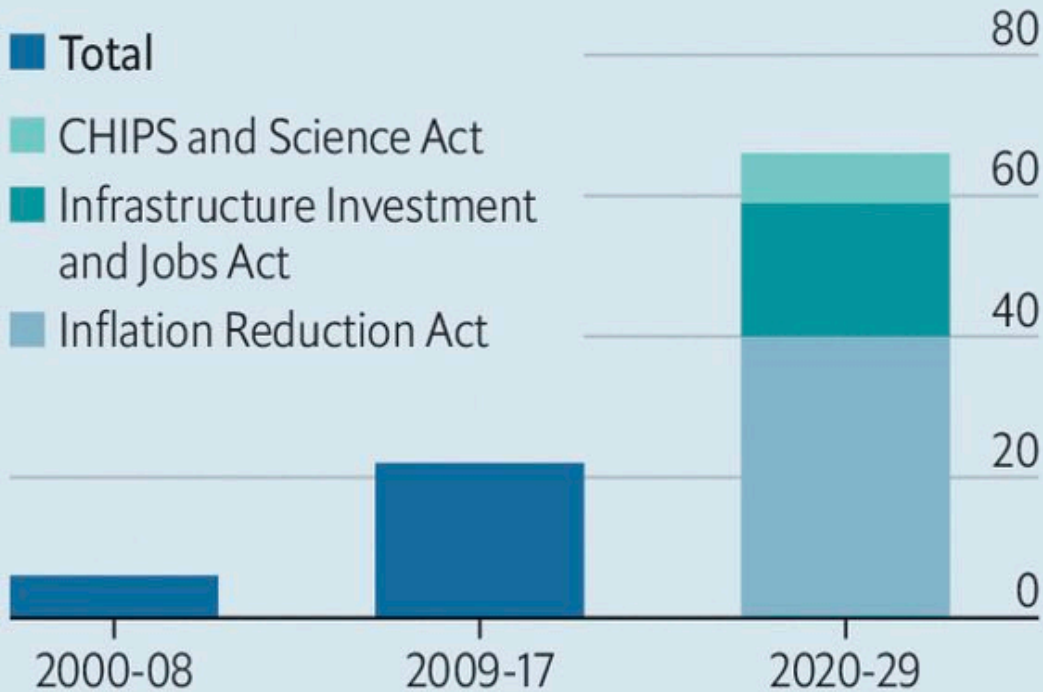
Note: Chart is in inflation-adjusted 2023 dollars.

Source: BLS, Census Bureau



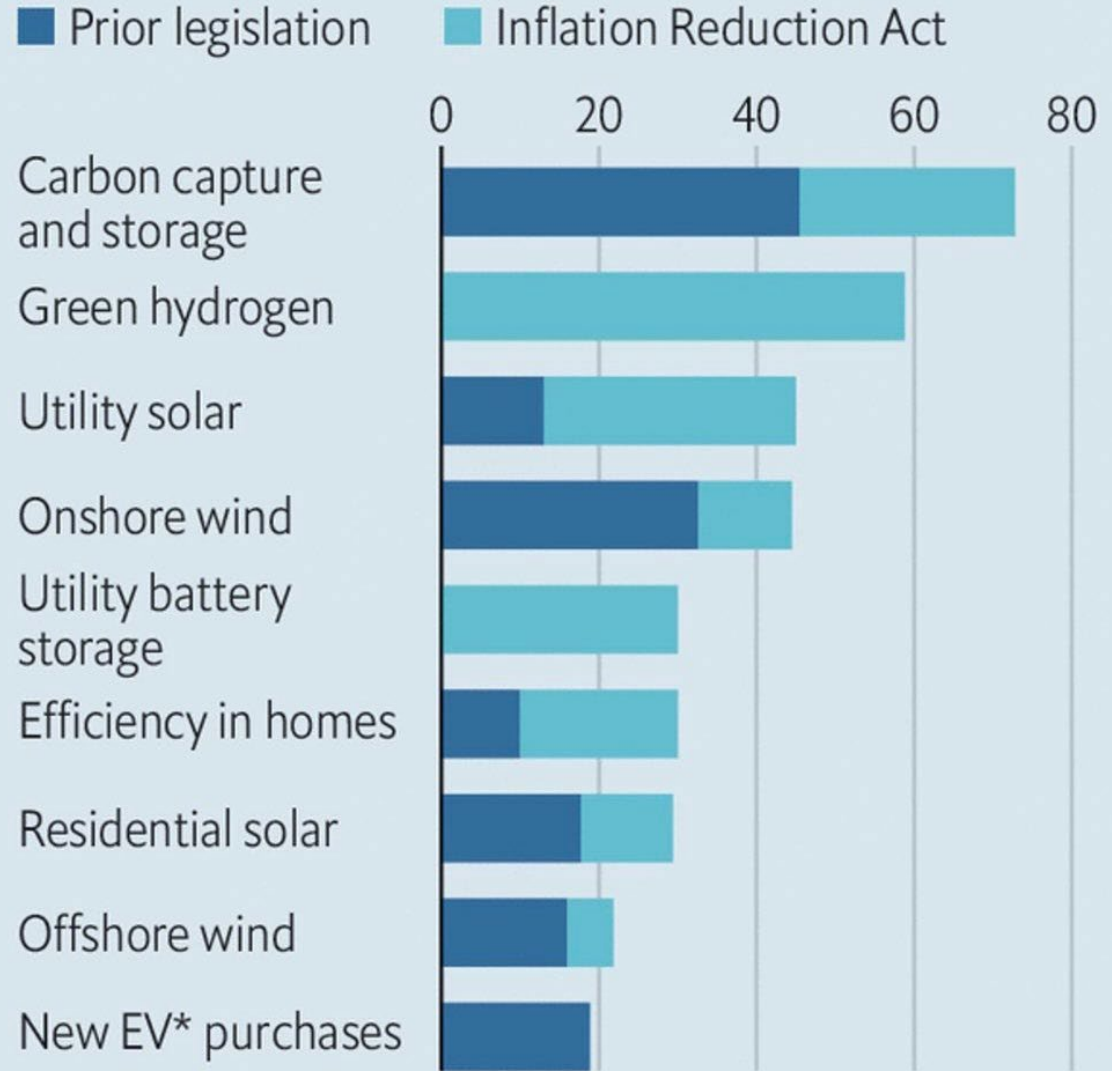
Green giant

United States, federal government spending on climate change, \$bn
Annual average



Sources: RMI; Credit Suisse

United States, tax credits and other incentives for selected clean technologies As % of average total cost, 2022

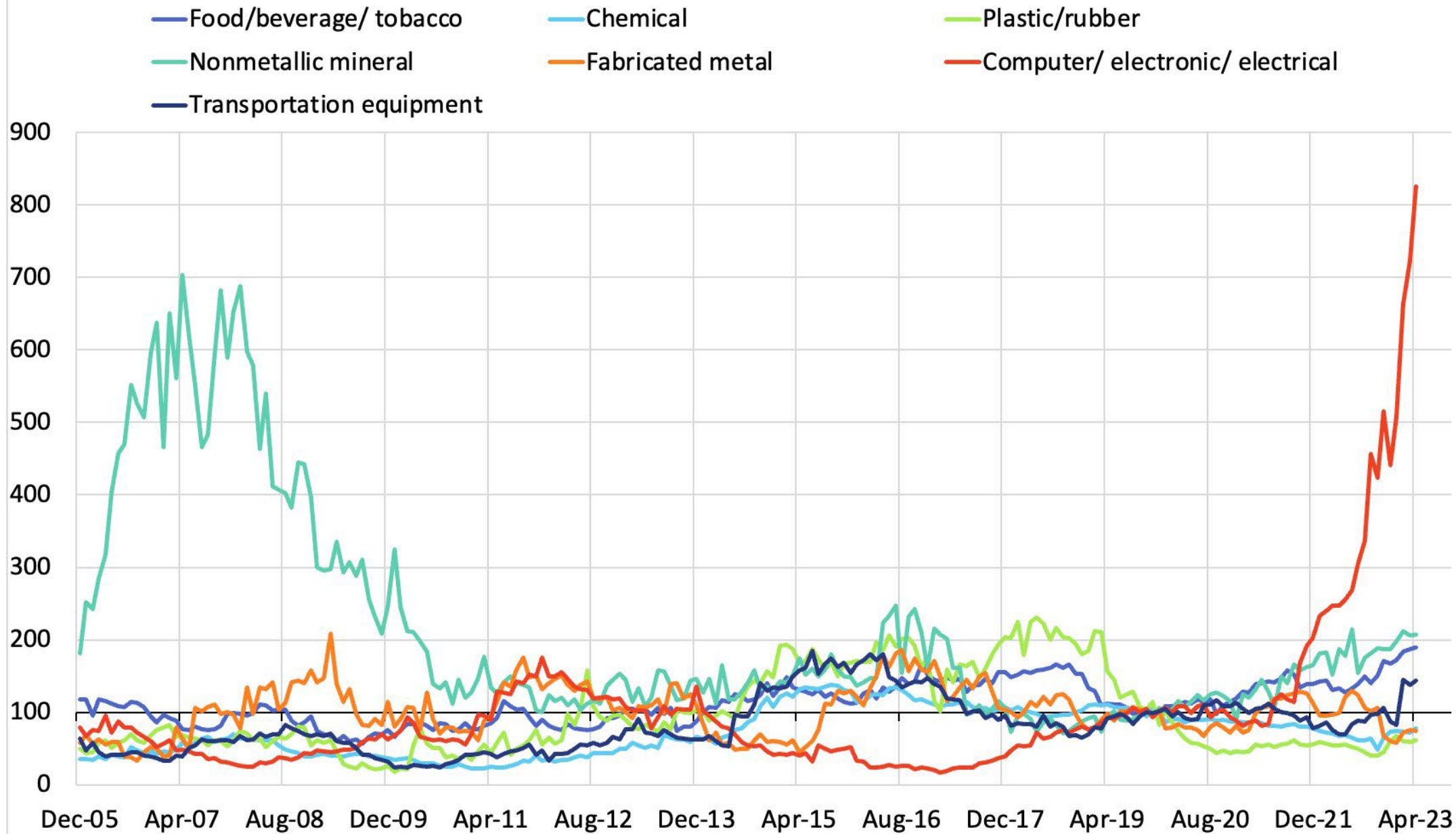


Source: Goldman Sachs

*Electric vehicle



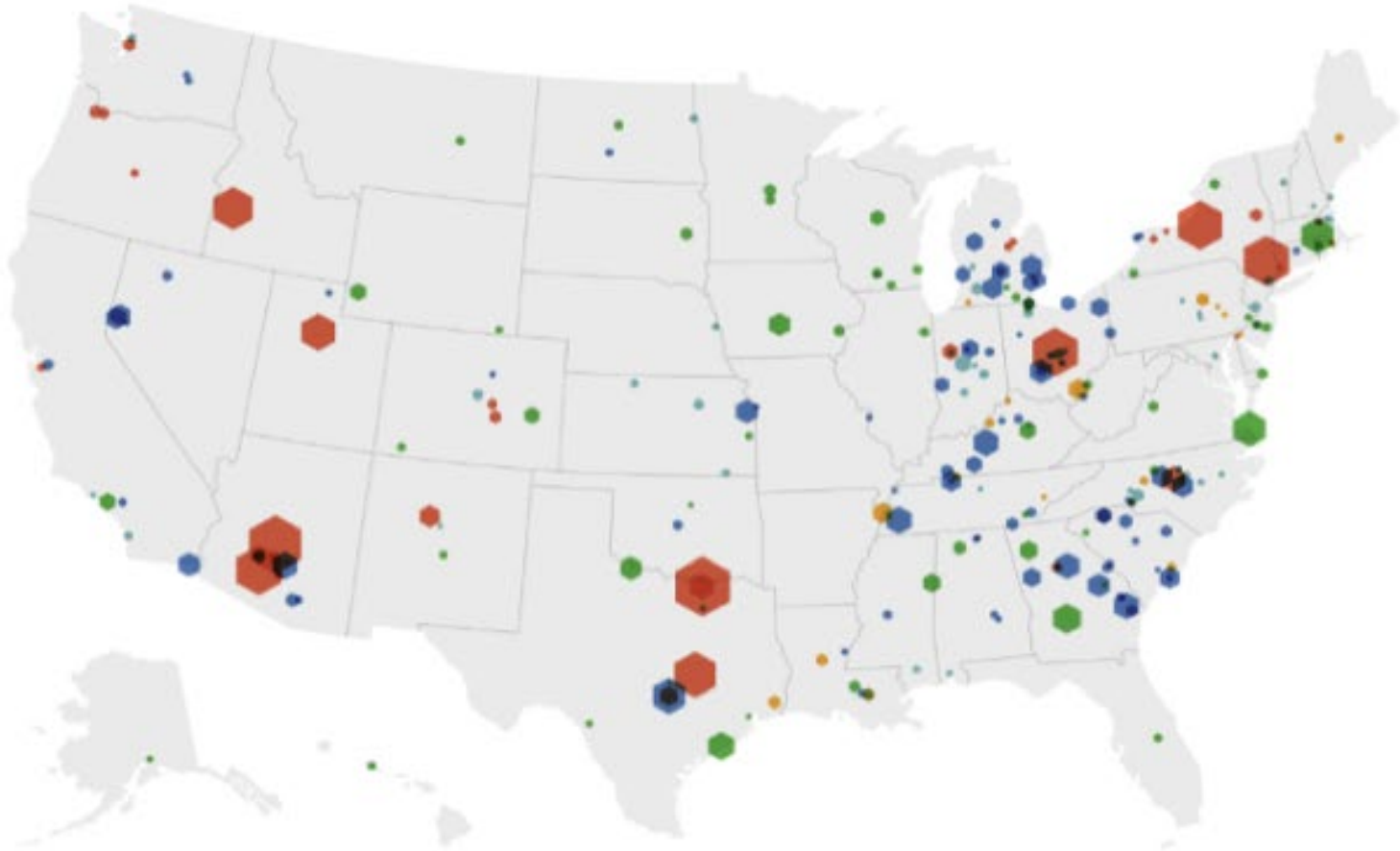
Real Construction Spending (100 = 2019Q4 Level)



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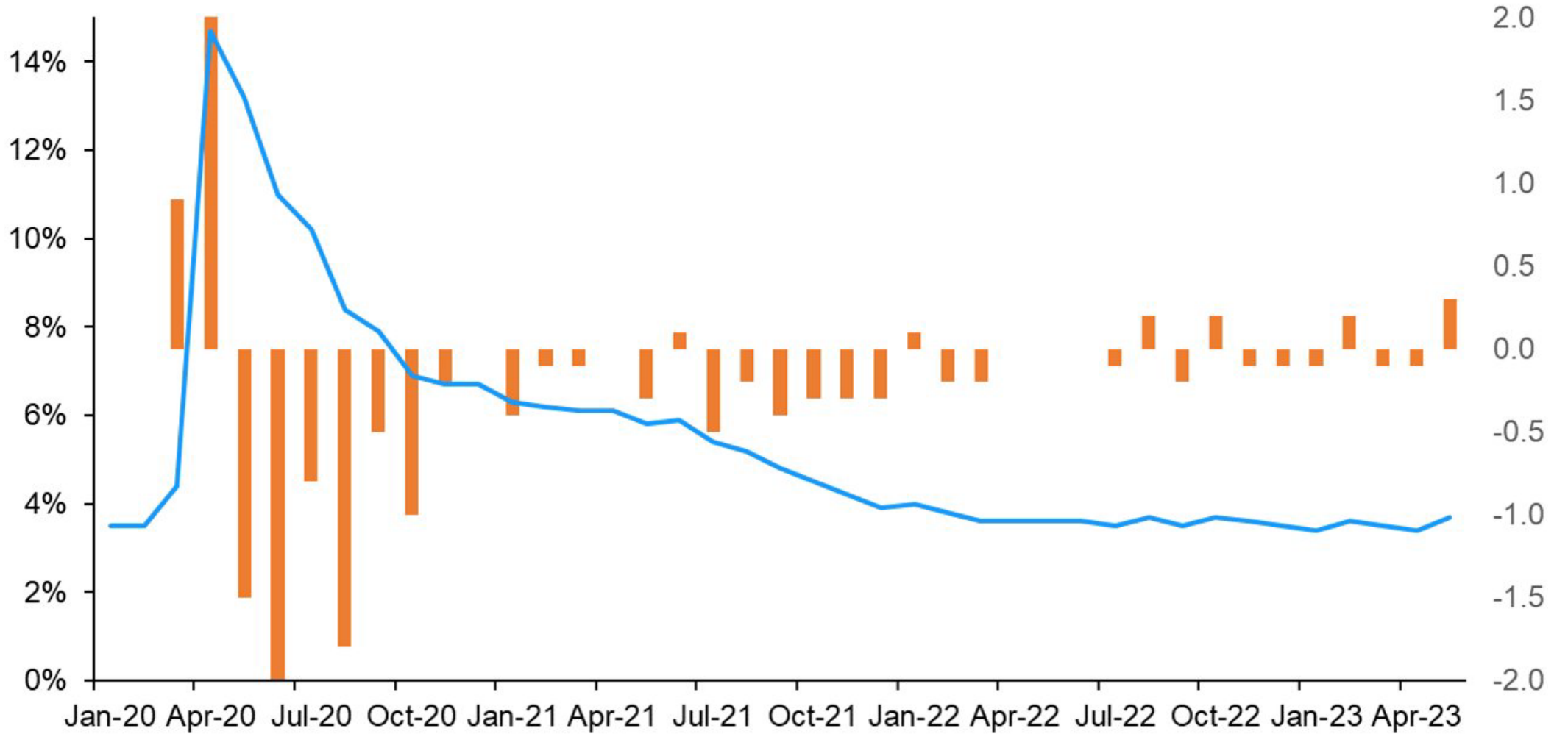
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-  Semiconductors & Electronics
-  Clean Energy
-  EVs & Batteries
-  Heavy Industry
-  Biomanufacturing

Change
Unemployment Rate

Unemployment rate January 2020 - May 2023

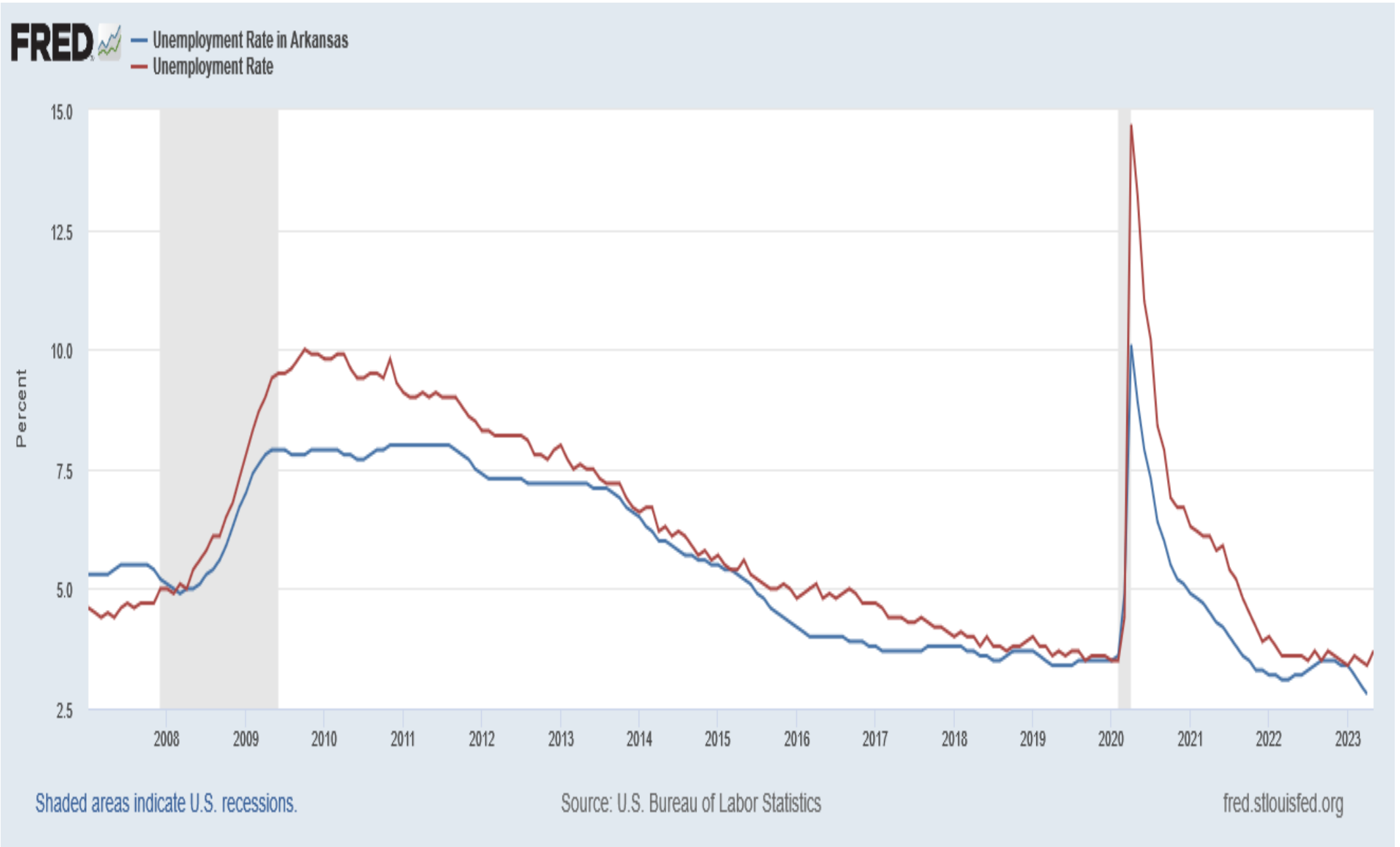


Source: BLS; EY-Parthenon

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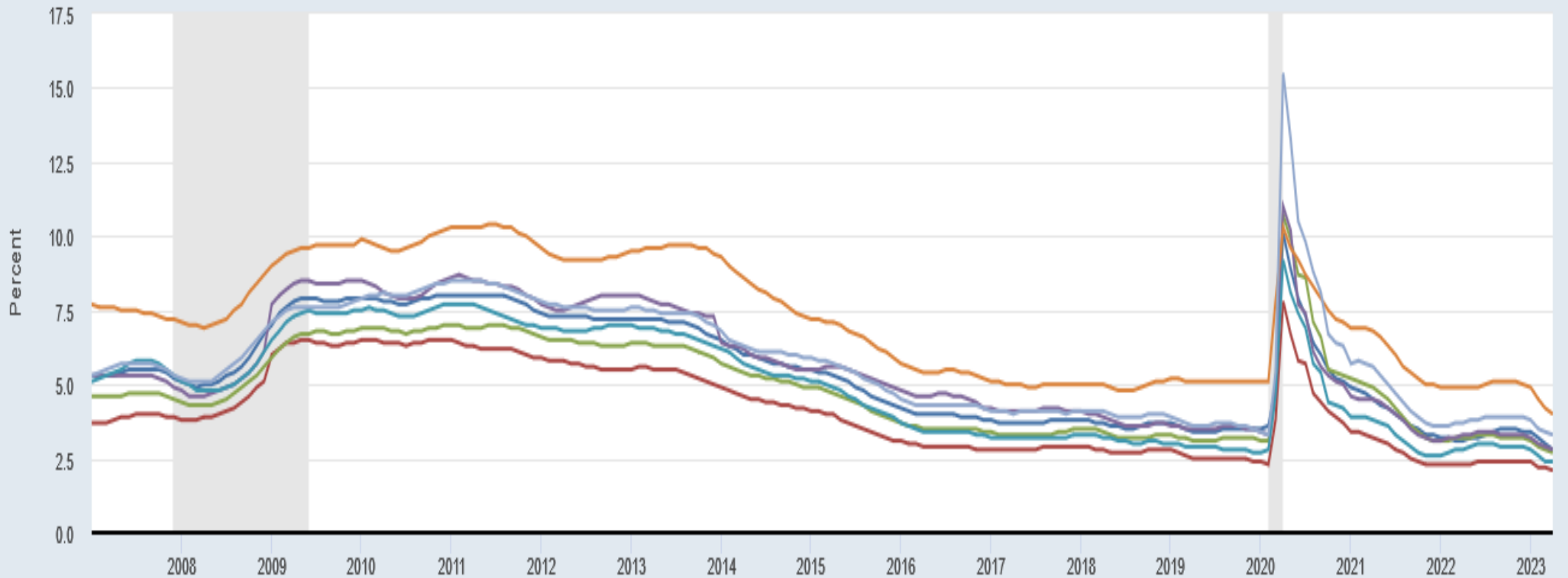
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FRED

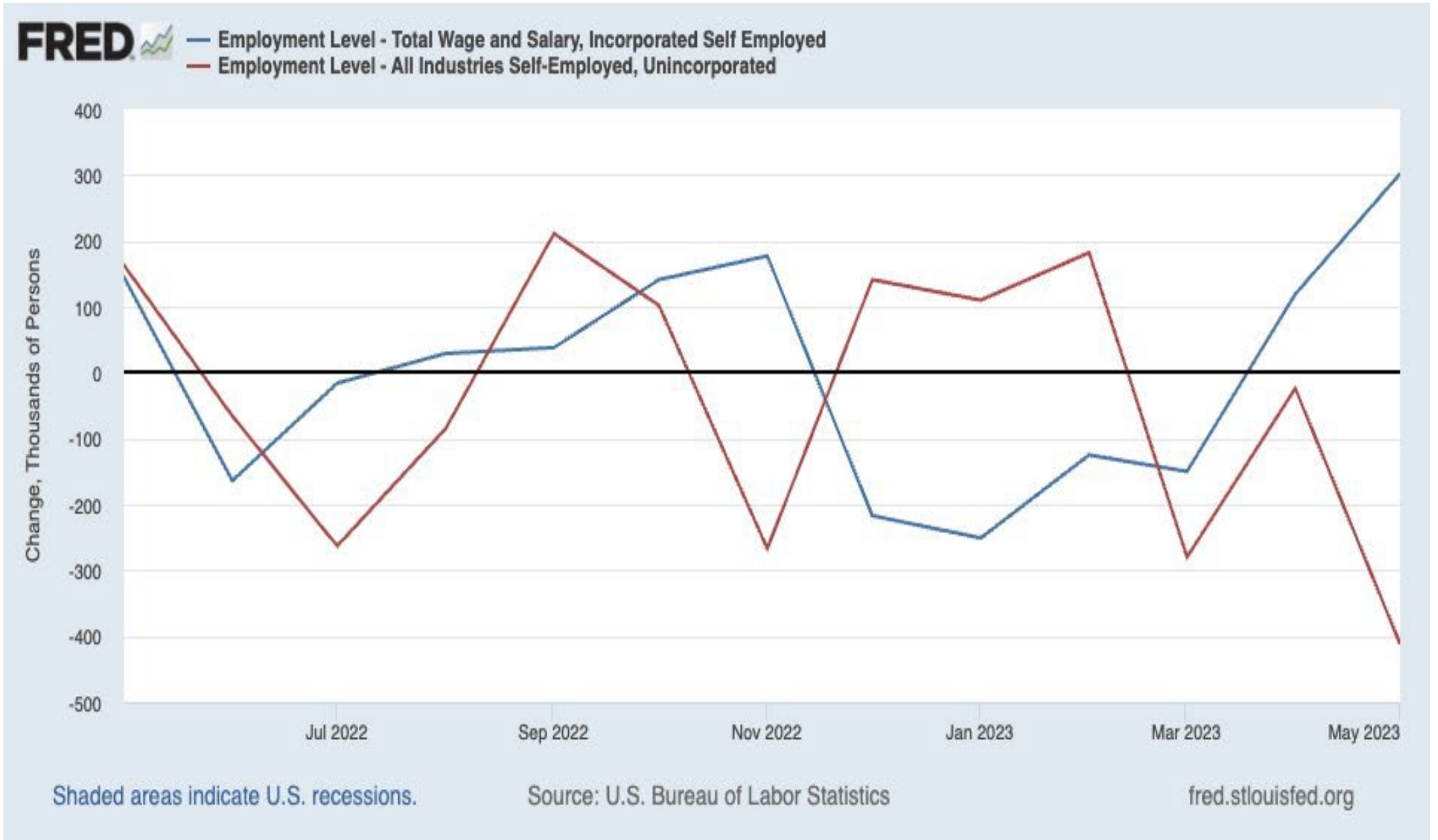
- Unemployment Rate in Arkansas
- Unemployment Rate in Fayetteville-Springdale-Rogers, AR-MO (MSA)
- Unemployment Rate in Little Rock-North Little Rock-Conway, AR (MSA)
- Unemployment Rate in Fort Smith, AR-OK (MSA)
- Unemployment Rate in Jonesboro, AR (MSA)
- Unemployment Rate in Pine Bluff, AR (MSA)
- Unemployment Rate in Hot Springs, AR (MSA)



Shaded areas indicate U.S. recessions.

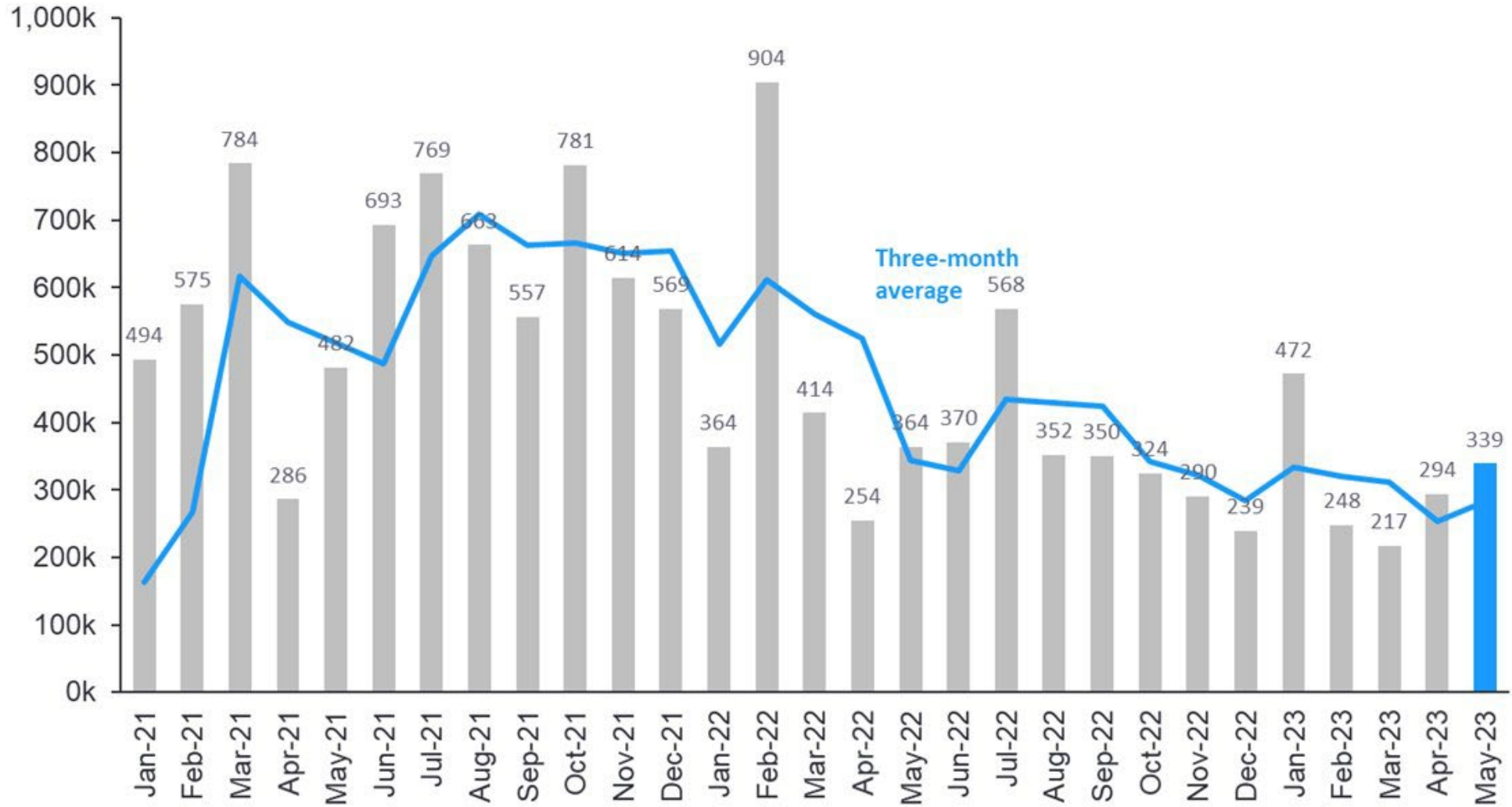
Source: U.S. Bureau of Labor Statistics

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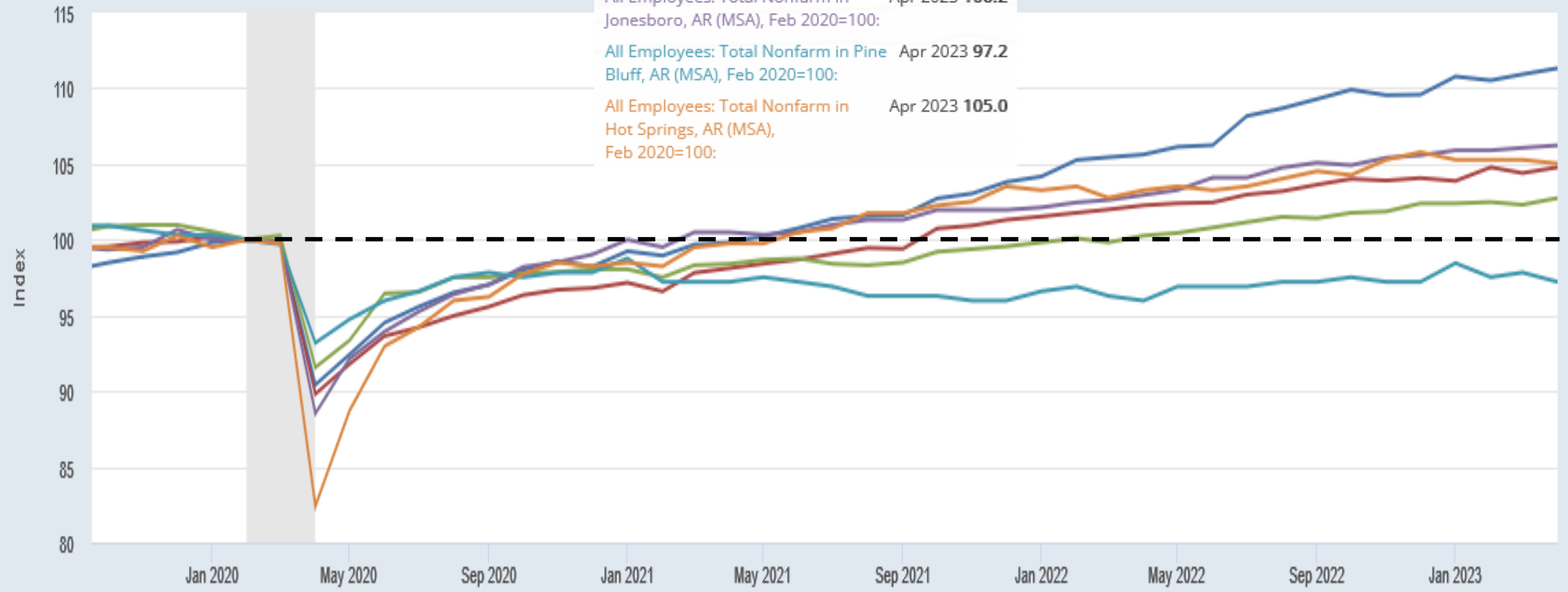


Month-over-month change in total nonfarm employment January 2021 - May 2023



Source: BLS; EY-Parthenon

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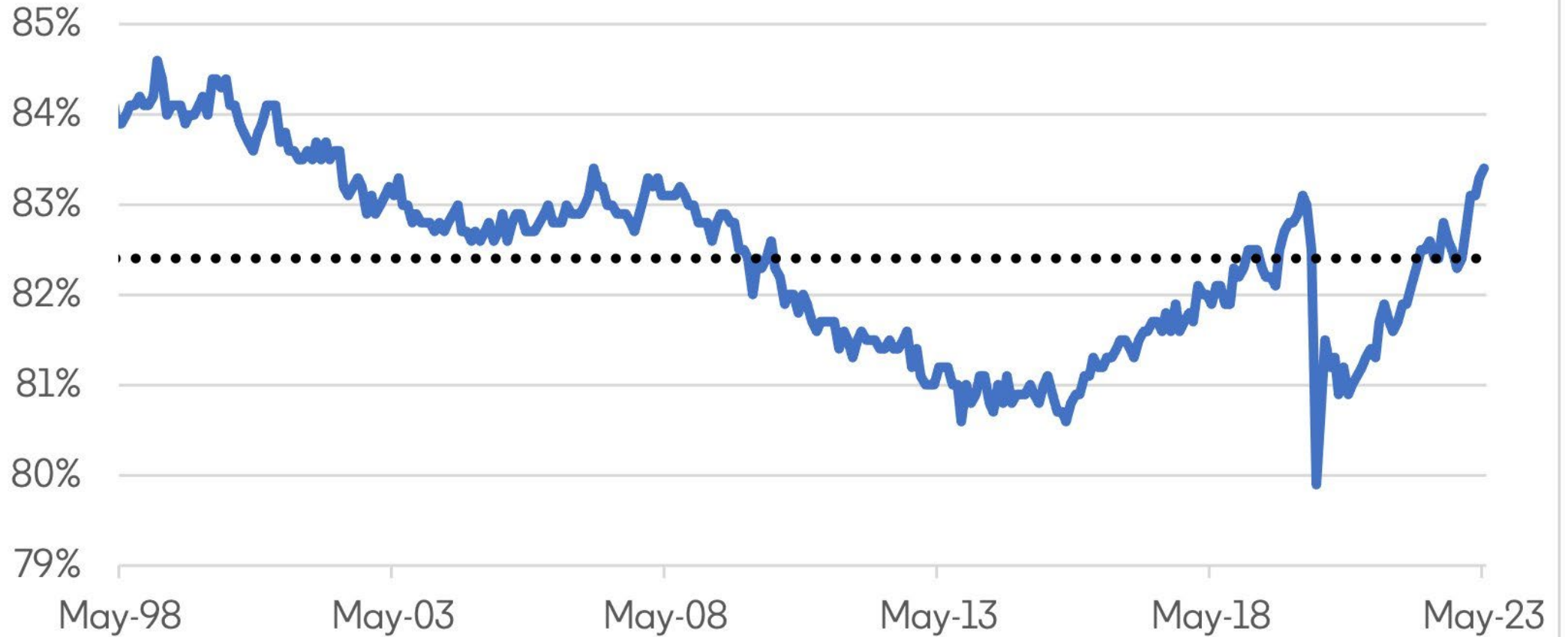


Shaded areas indicate U.S. recessions.

Source: U.S. Bureau of Labor Statistics

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Prime Working Age Labor Force Above Pre-COVID

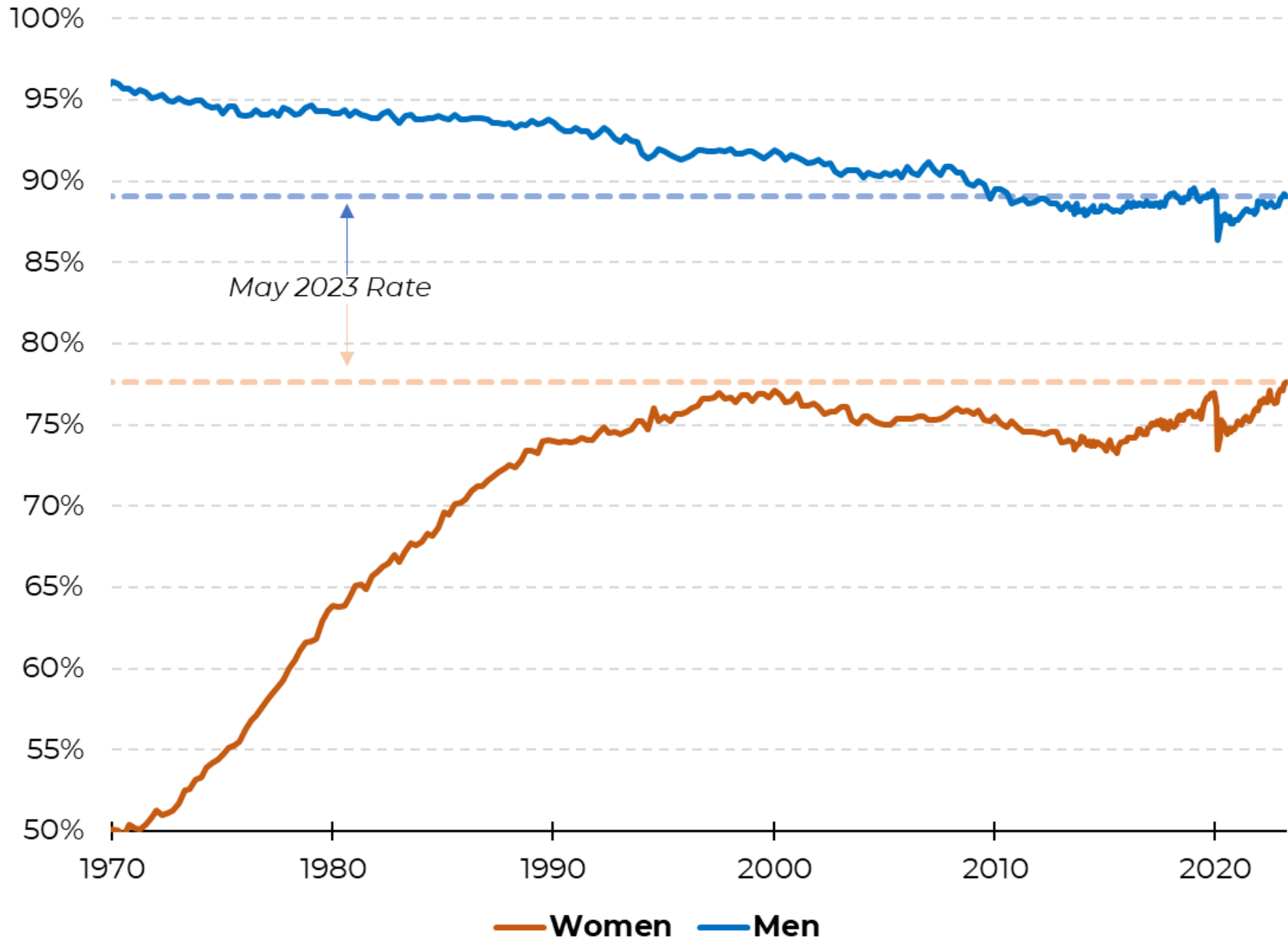


— Prime Working Age Labor Force Participation Rate

..... 25 Year Average

Source: BLS

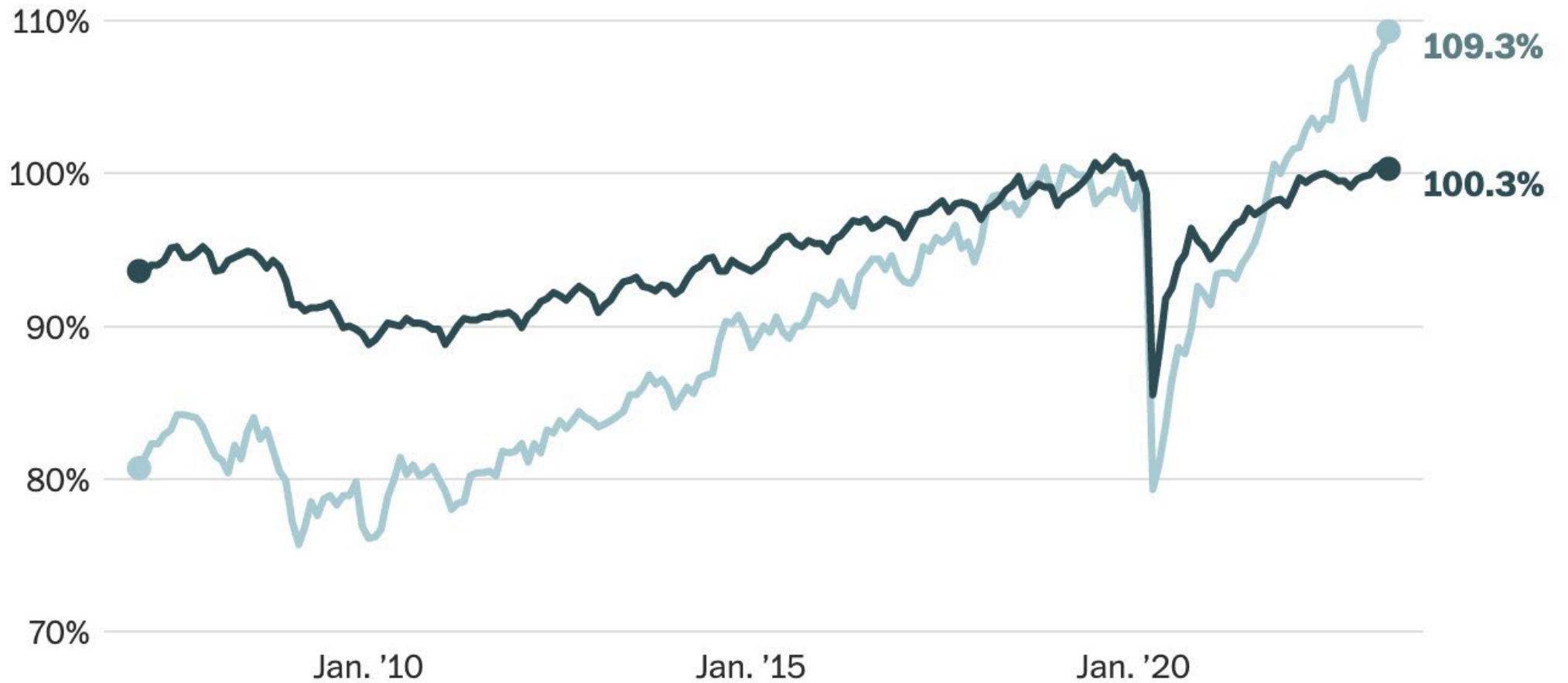
Prime Age (25-54) Labor Force Participation Rate



Employment of foreign-born workers is far above the pre-pandemic peak

Employment levels (Feb. 2020 indexed to 100%)

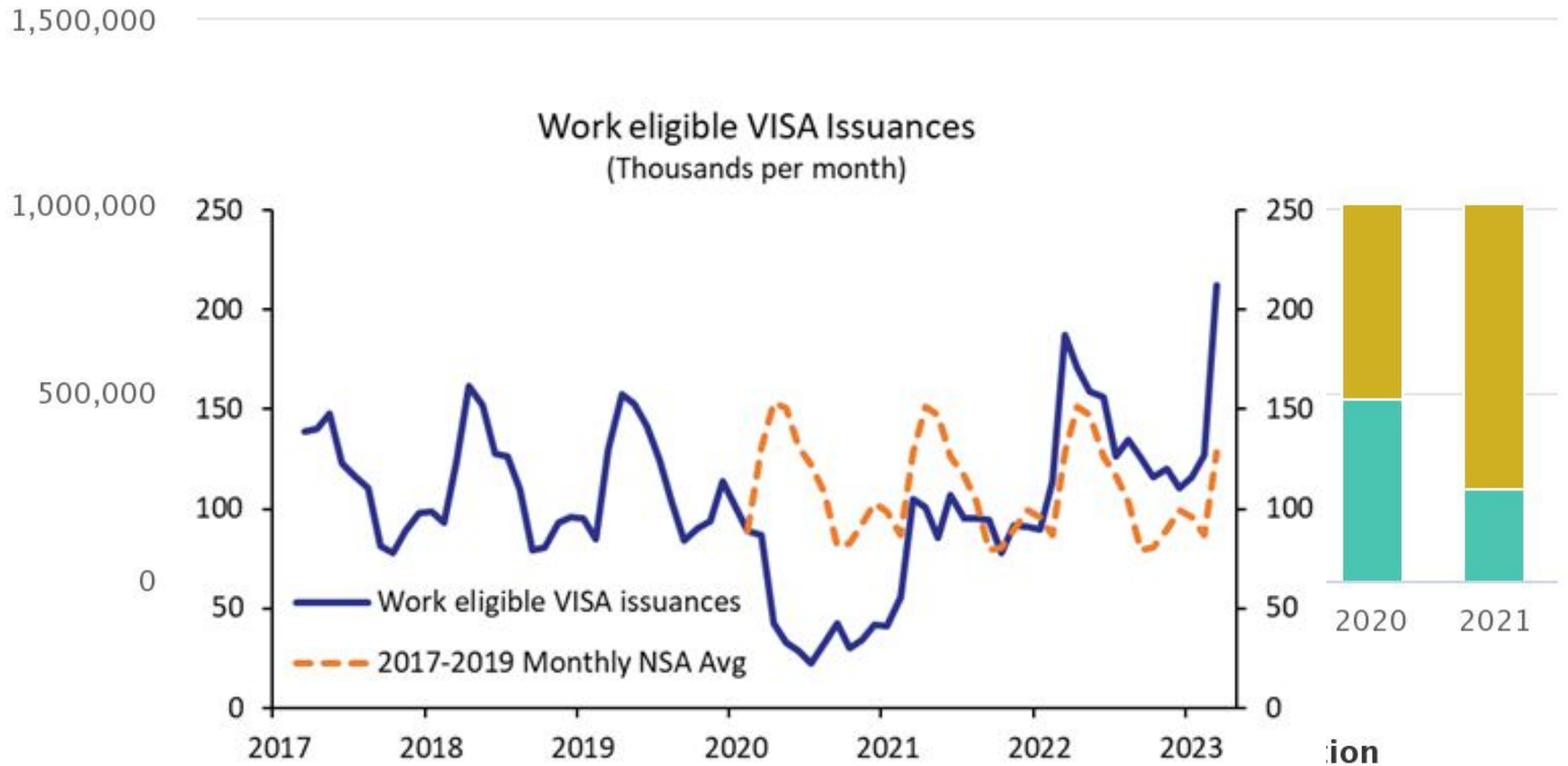
Foreign-born workers Native-born workers



Source: U.S. Bureau of Labor Statistics, via FRED, Federal Reserve Bank of St. Louis

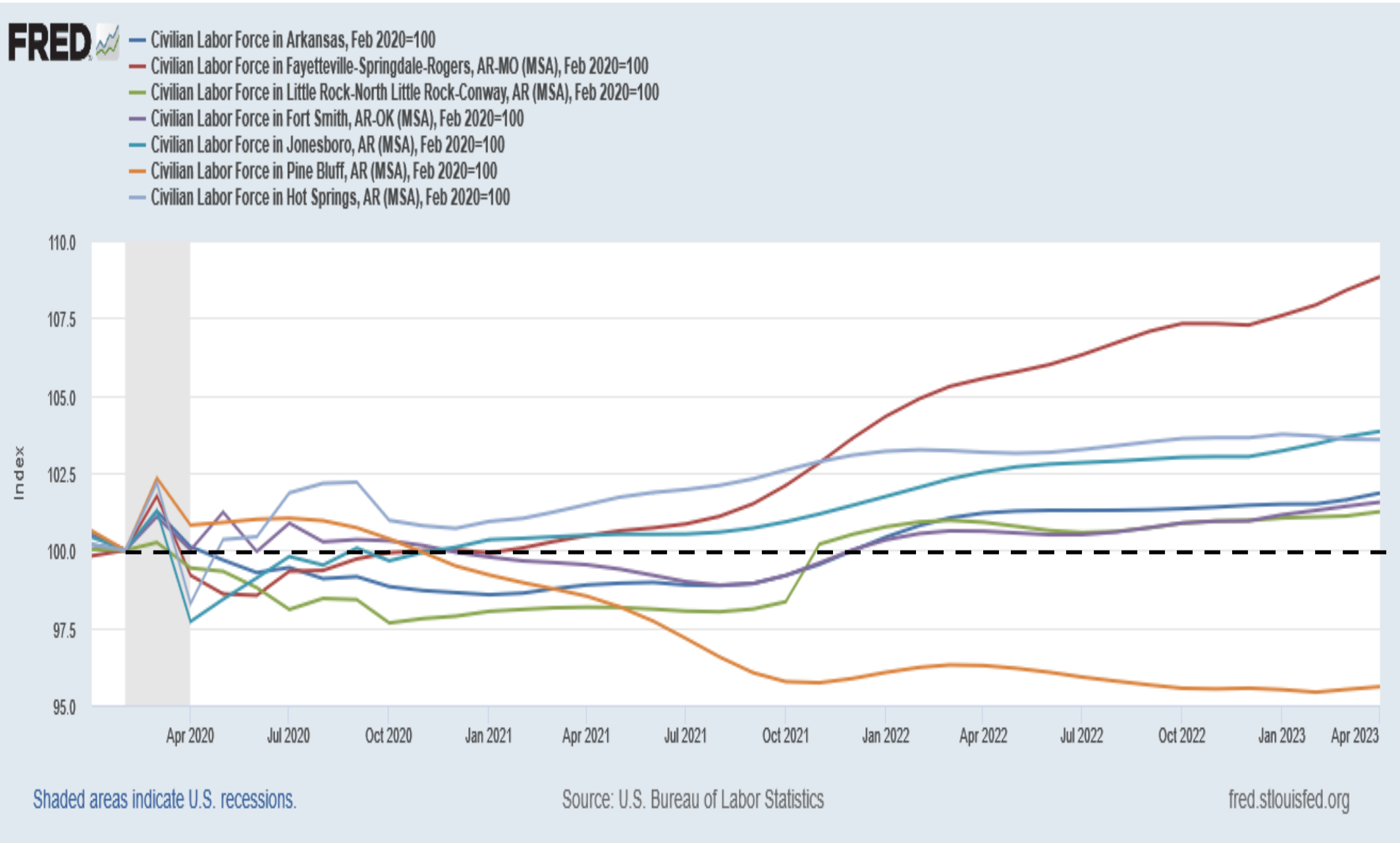
THE WASHINGTON POST

Actual versus projected net international migration



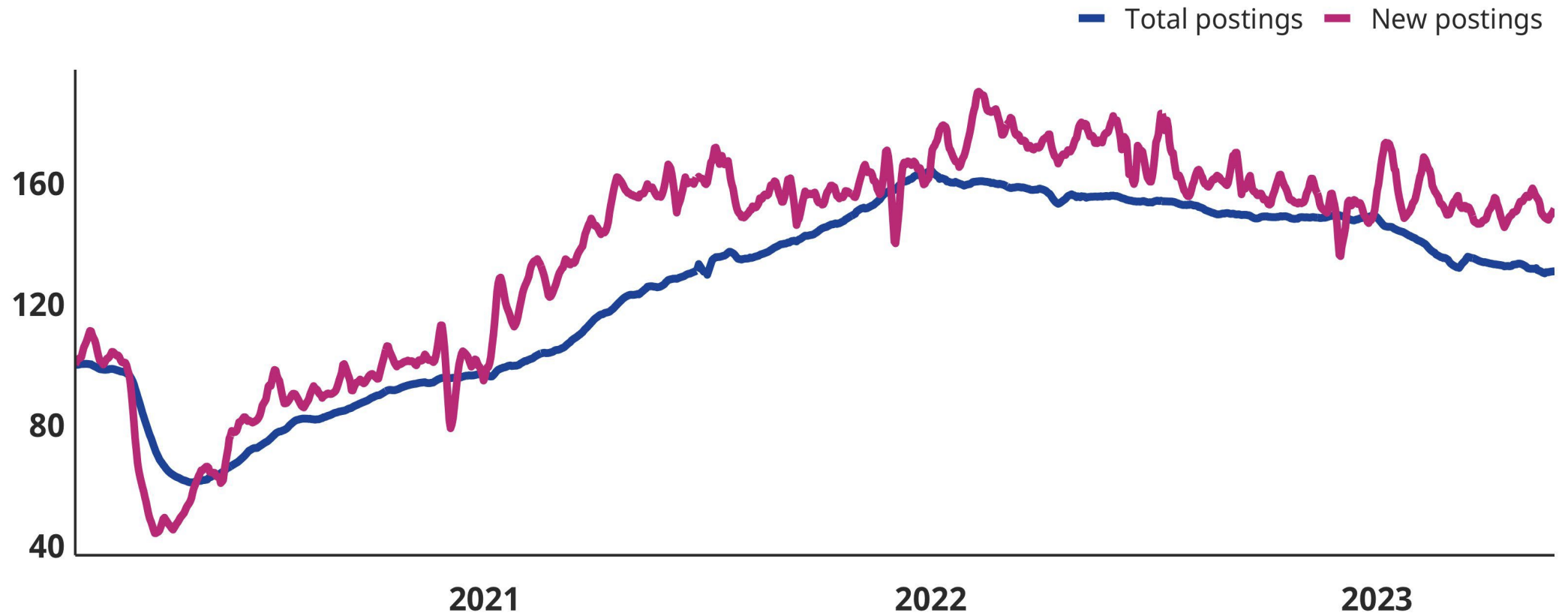
Source: U.S. State Dept., Refugee Processing Center, MacroPolicy Perspectives LLC

Source: U.S. Census Bureau, Vintage 2021 Population Estimates; U.S. Census Bureau, 2017 National Population Projection Series.



Indeed Job Postings Index

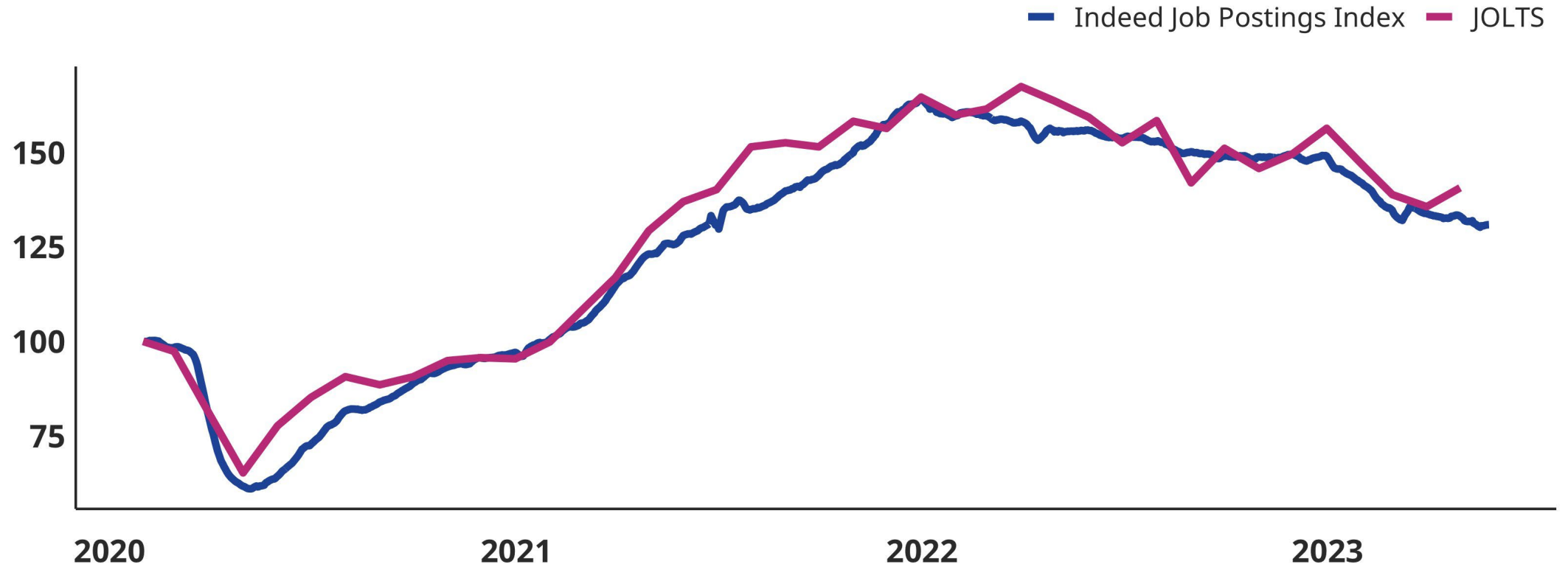
Index, 100 = Feb 1, 2020, Feb 1, 2020 — May 26, 2023



Source: Indeed Job Postings Index. Note: New job postings are those on Indeed for seven days or less.

Tracking job openings and postings

Index, Jan 31, 2020 - May 26, 2023

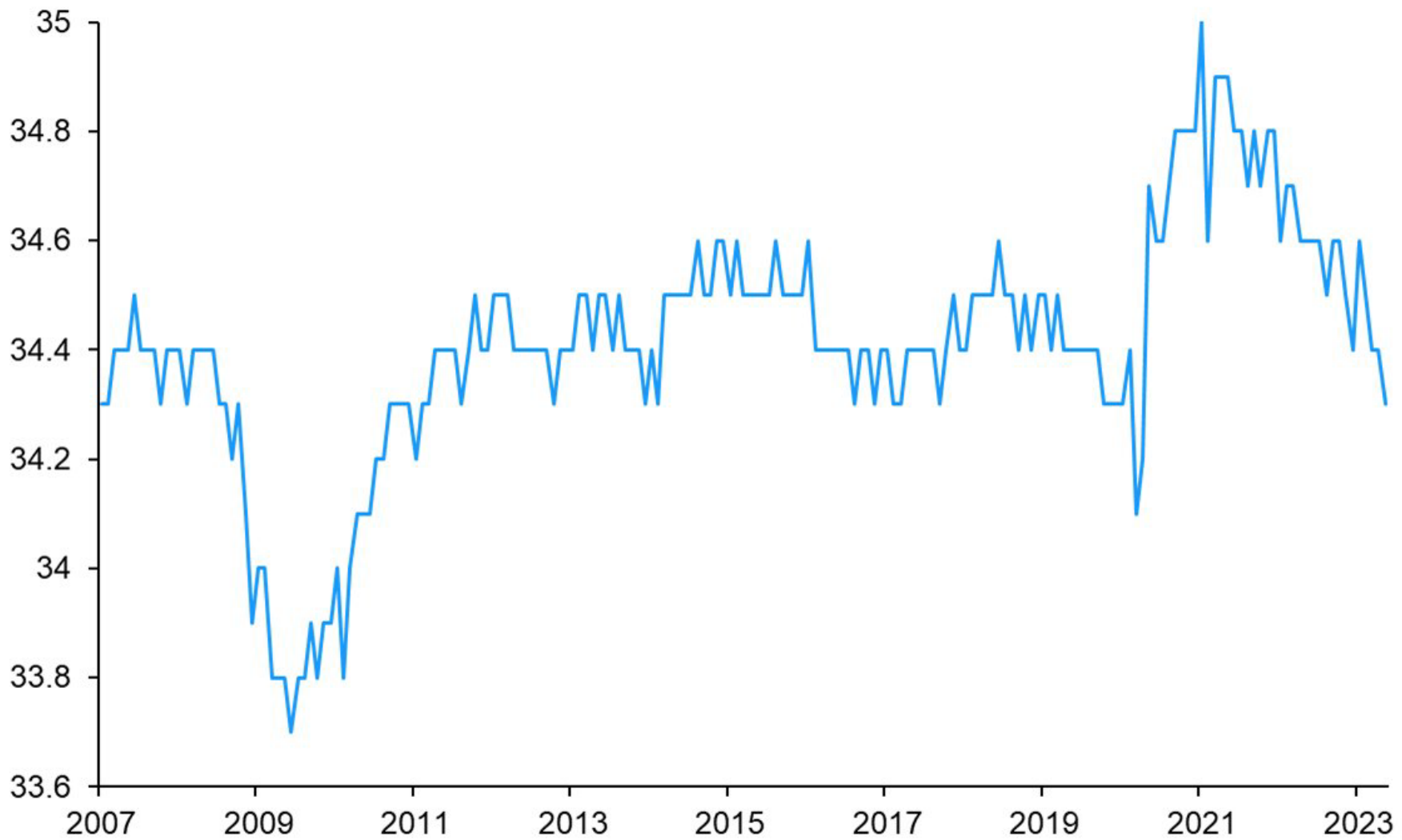


Source: Indeed Job Postings Index, Job Openings and Labor Turnover Survey.
Note: Index is set to 100 = Feb 1, 2020 for Indeed and Jan 2020 (Jan 31, 2020) for JOLTS



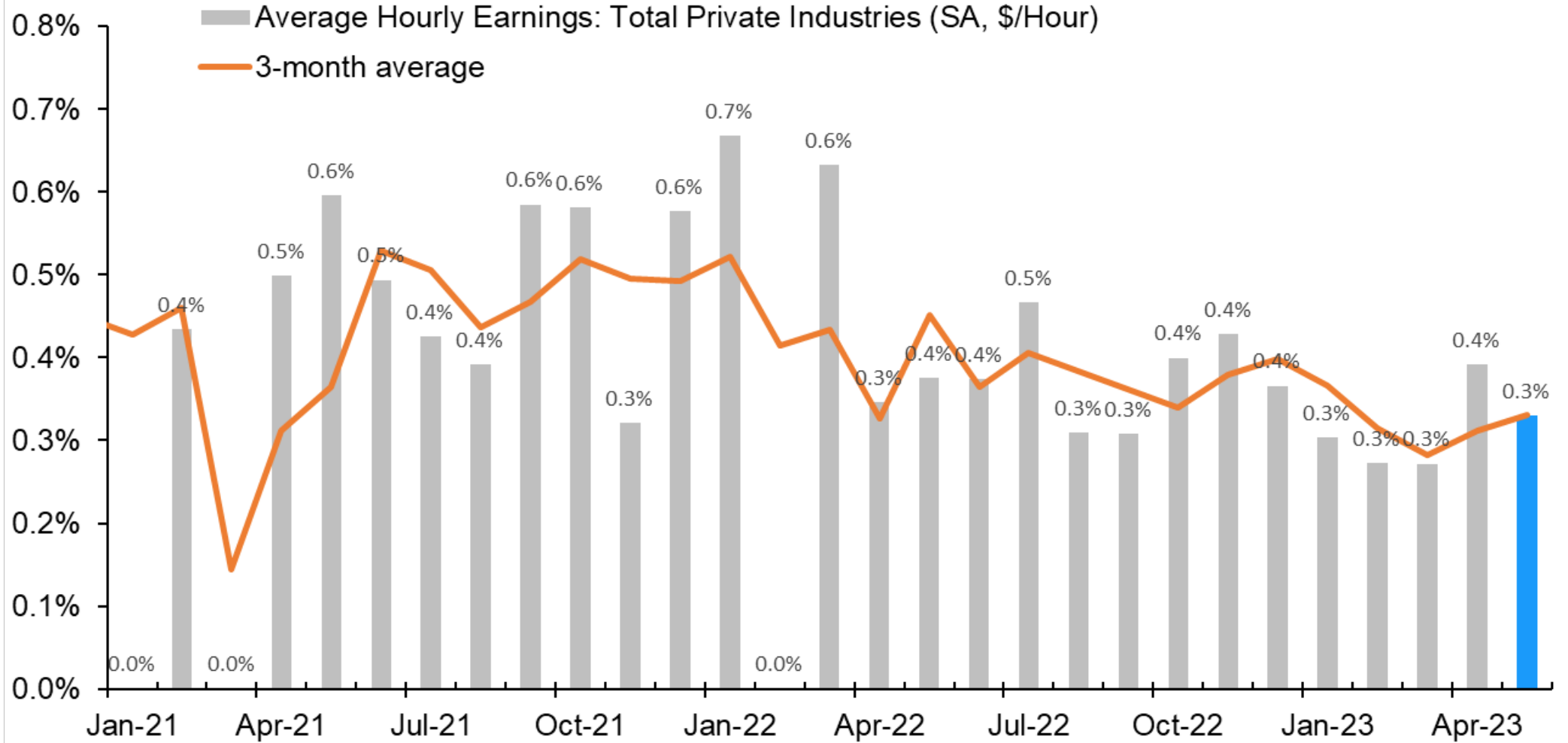
Average weekly hours of all private sector employees

January 2007 - May 2023



Source: Haver Analytics; EY-Parthenon

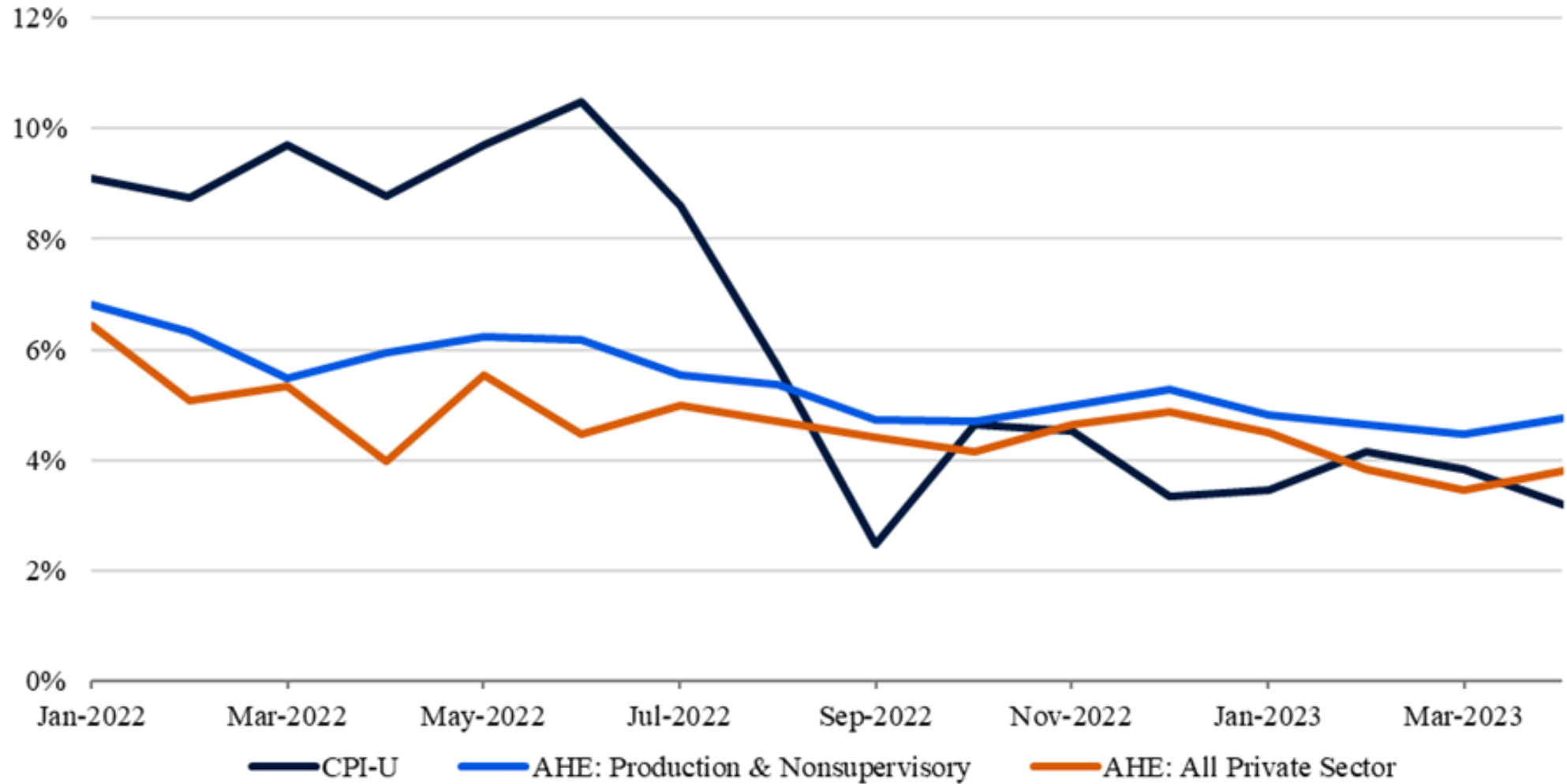
Month-over-month percent change in private average hourly earnings 2021 - 2023



Source: BLS; EY-Parthenon

Figure 3. Nominal wage growth is more in line with inflation than last year.

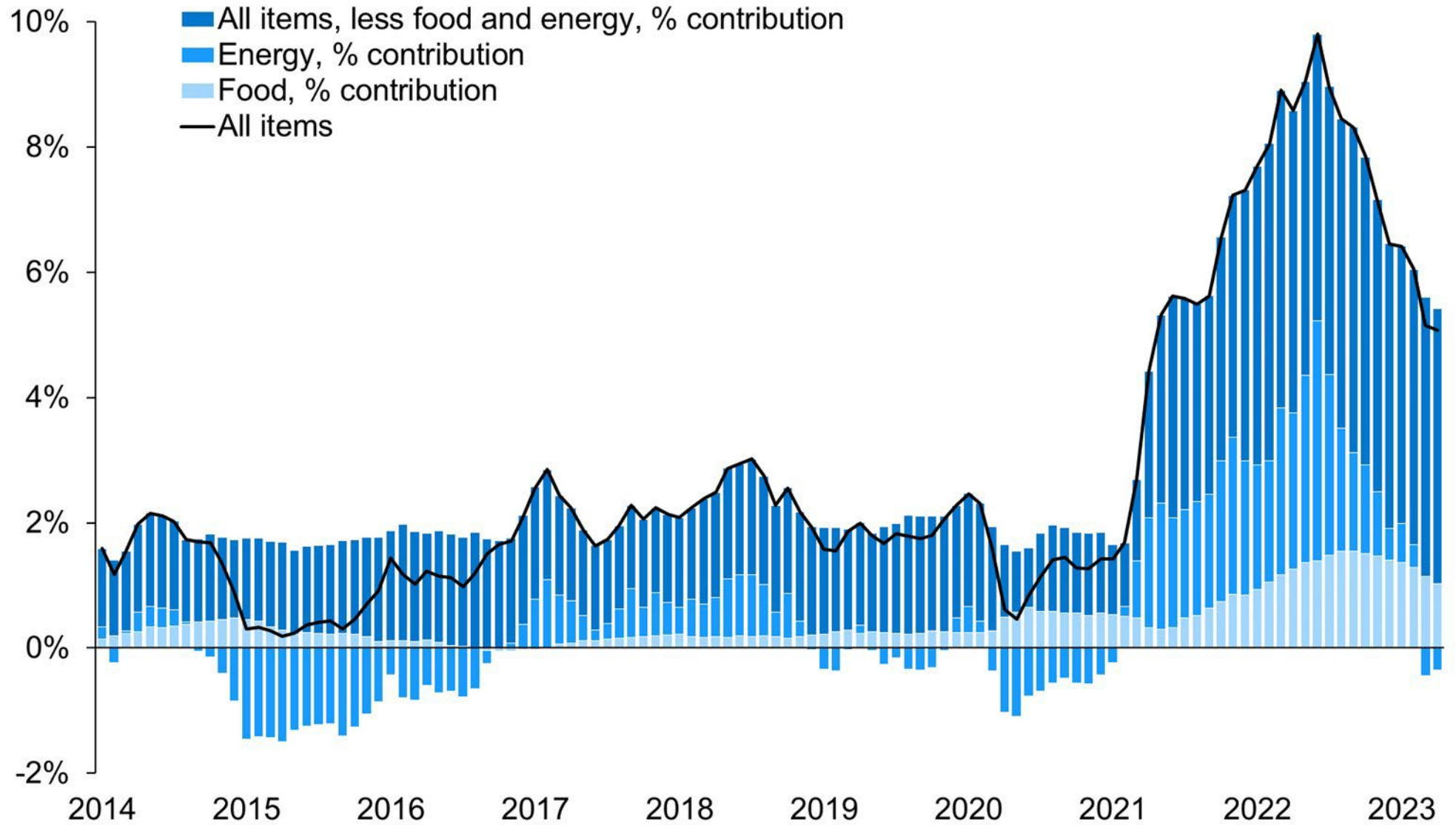
% , three-month change annualized



Sources: Bureau of Labor Statistics; CEA calculations.

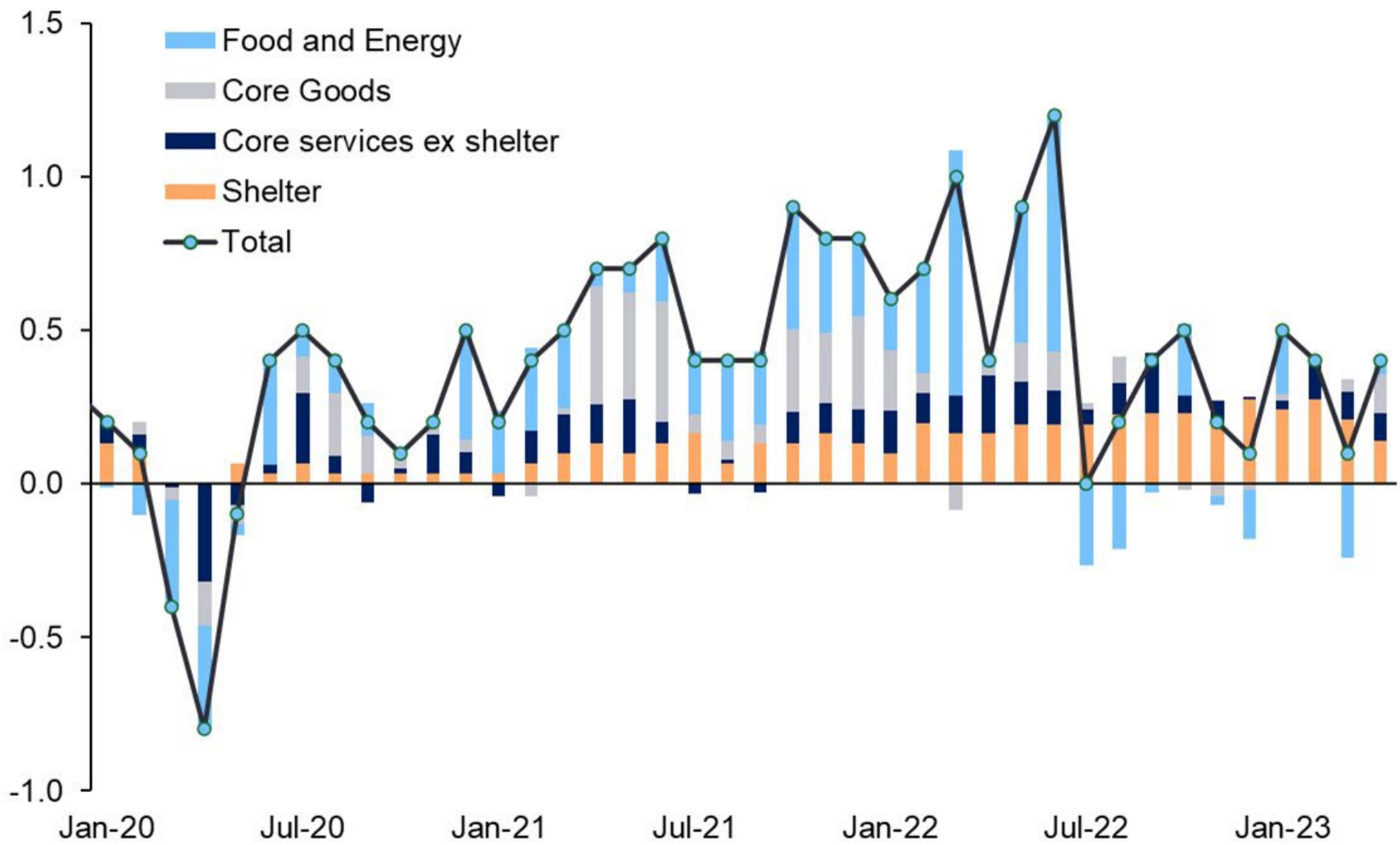
Year-over-year percent change in CPI

January 2014 - April 2023



Source: BLS; EY-Parthenon

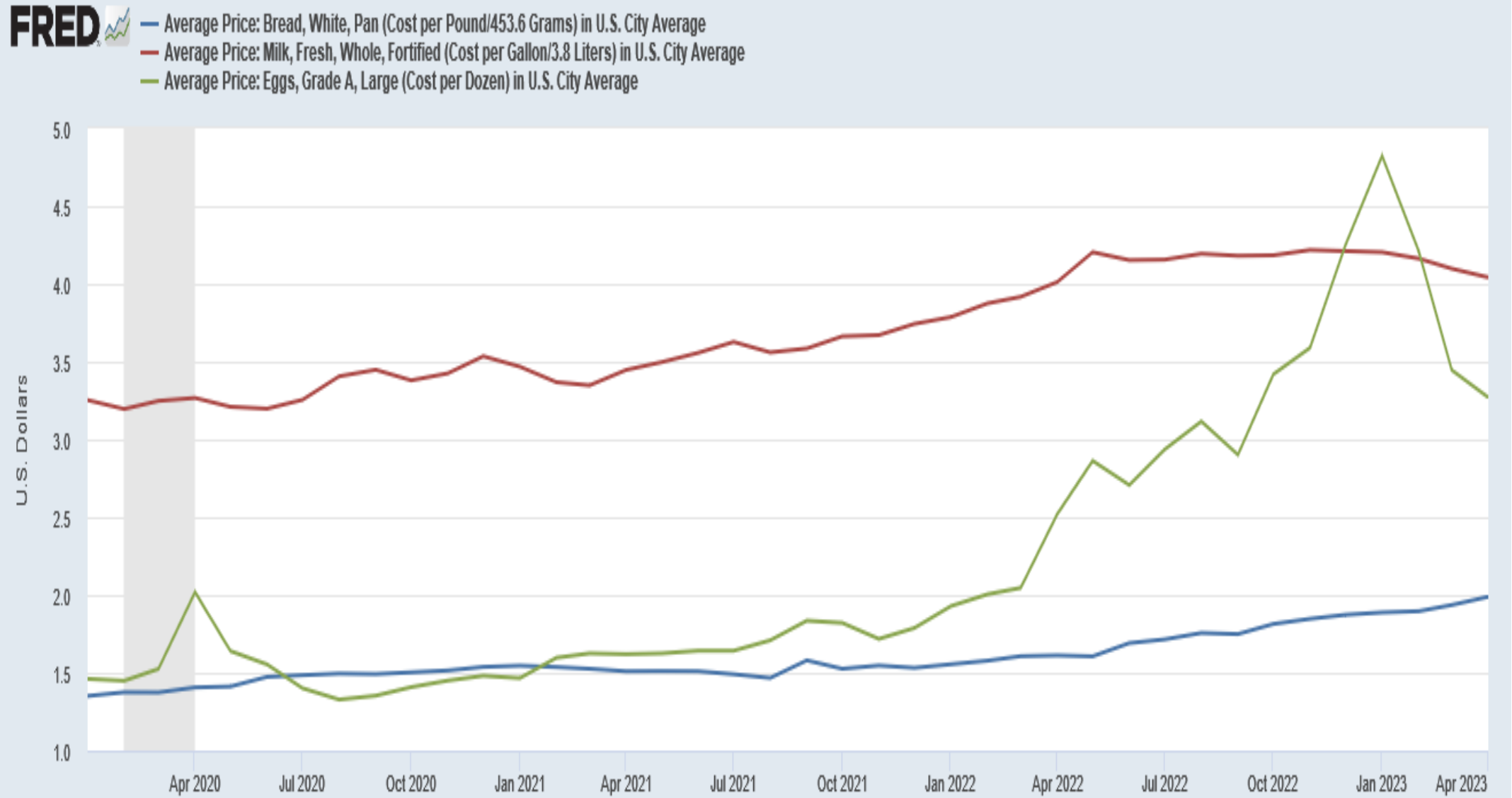
Month-over-month percent change in consumer price index (CPI) January 2020 - April 2023



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Source: BLS; EY-Parthenon



Shaded areas indicate U.S. recessions.

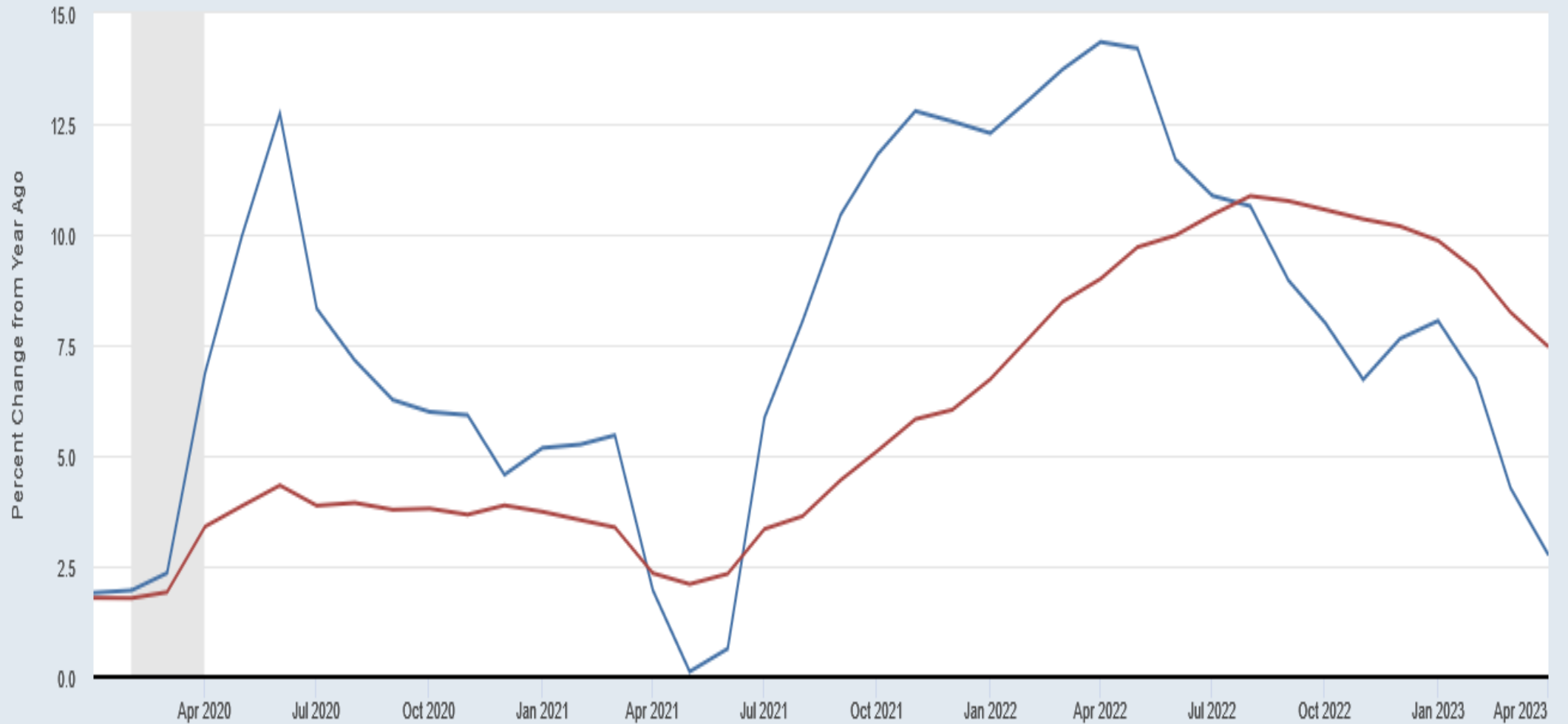
Source: U.S. Bureau of Labor Statistics

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— Consumer Price Index for All Urban Consumers: Meats, Poultry, Fish, and Eggs in U.S. City Average
— Consumer Price Index for All Urban Consumers: Food and Beverages in U.S. City Average



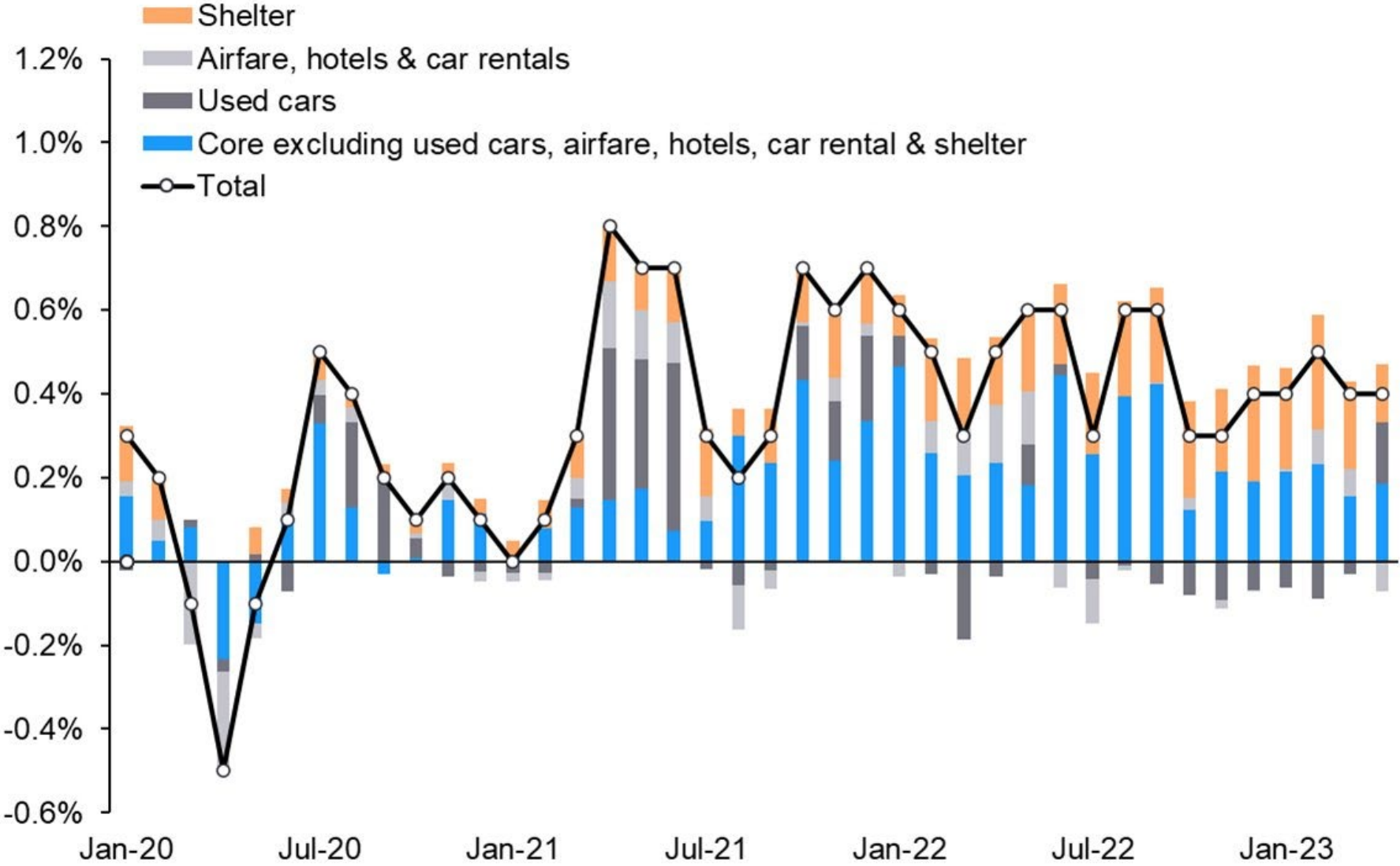
Shaded areas indicate U.S. recessions.

Source: U.S. Bureau of Labor Statistics

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Month-over-month percent change in core consumer price index (CPI)

January 2020 - April 2023



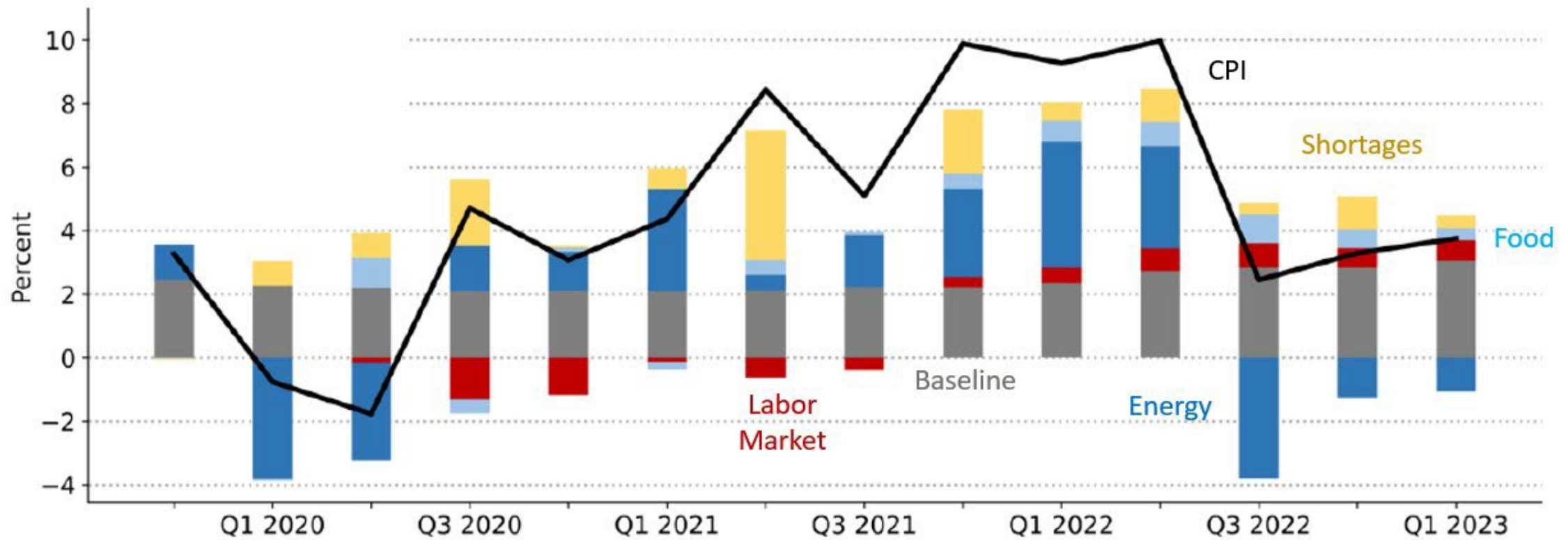
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Source: BLS; EY-Parthenon

The sources of price inflation

Annualized percent change in CPI inflation, 2020:Q1 to 2023:Q1.

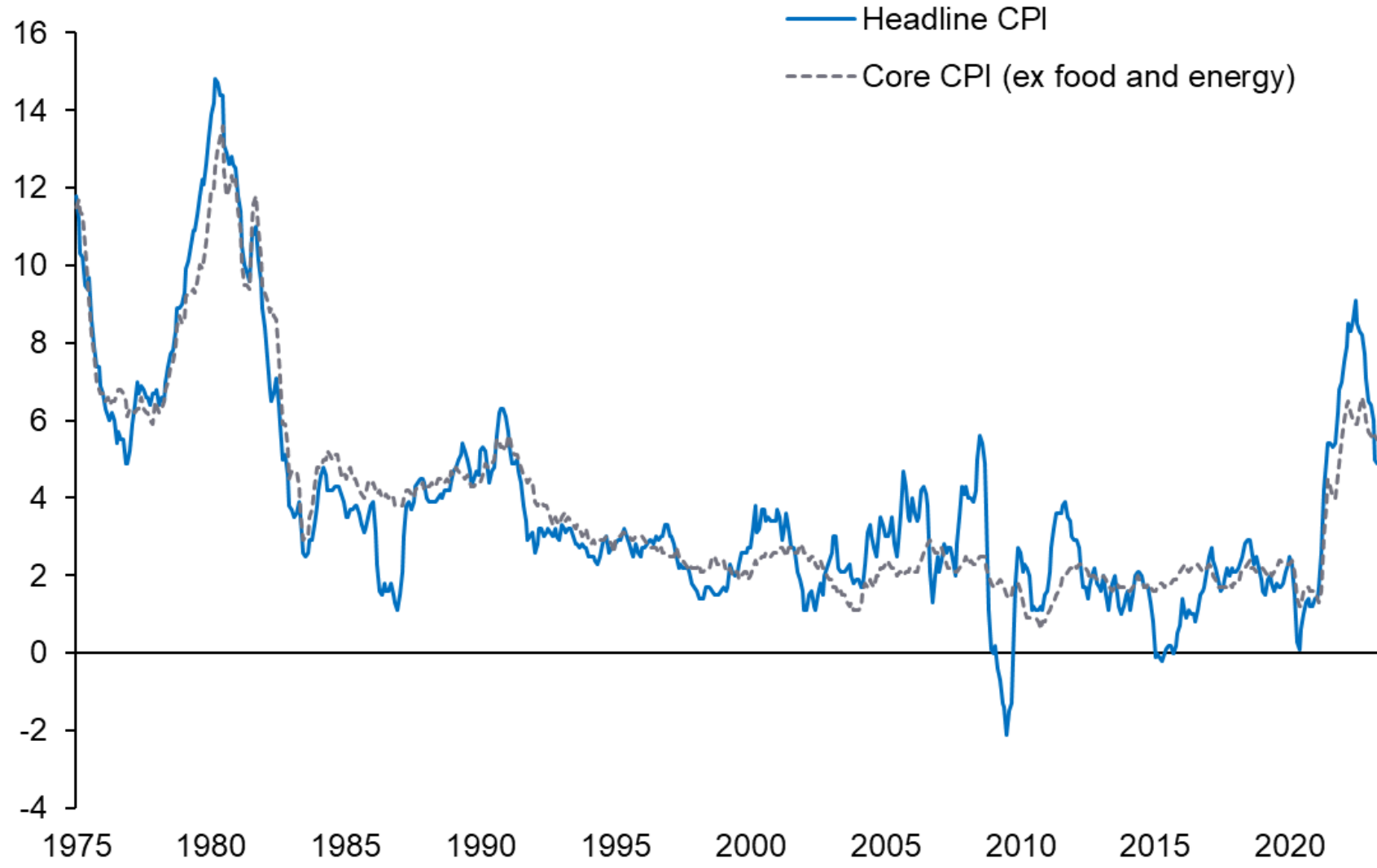


Source: Bernanke and Blanchard (2023). Note: The bars are a general equilibrium, fully dynamic contribution of each variable to inflation in that period

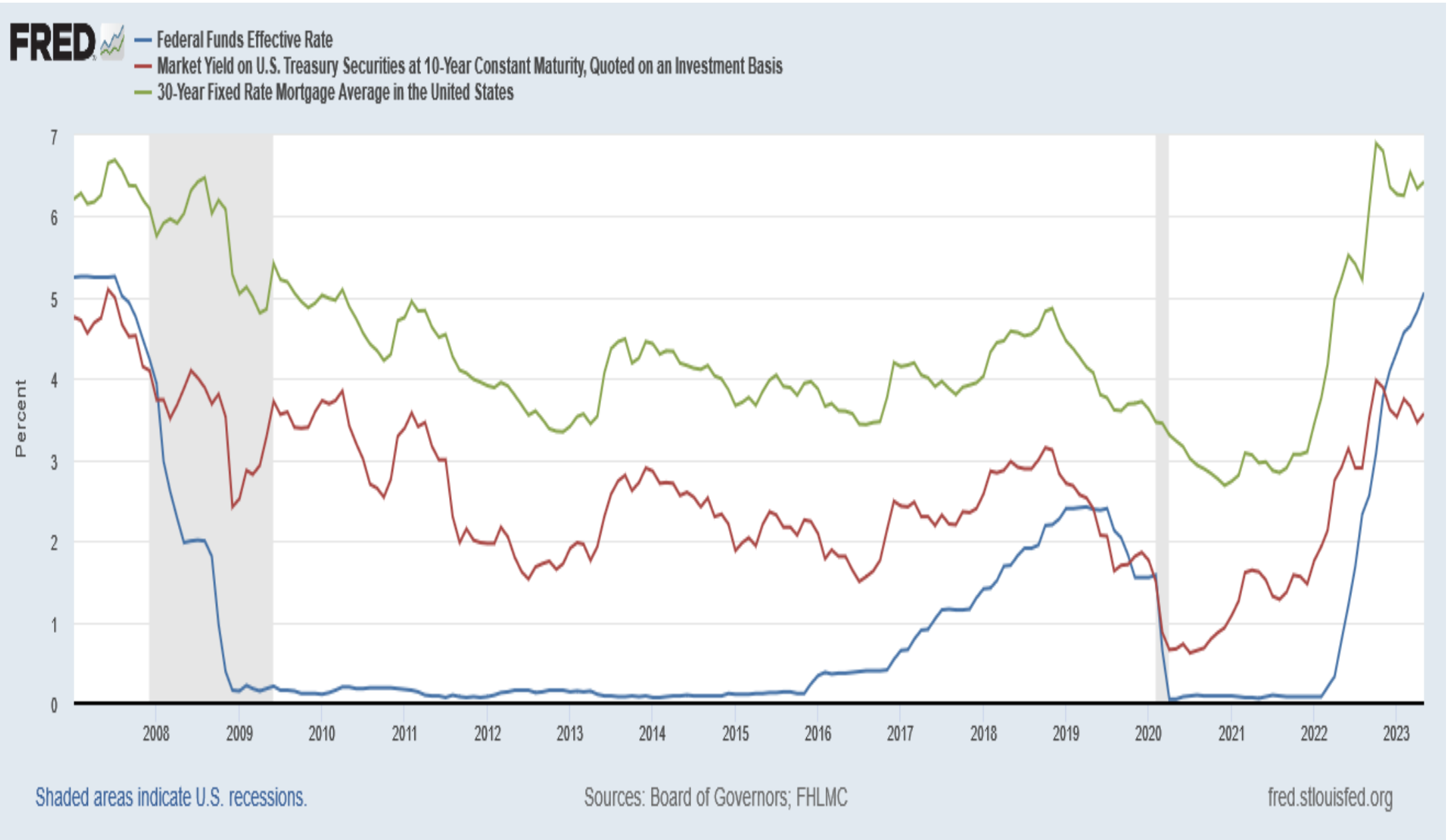




Year-over-year percent change in Consumer Price Index 1975 - 2023



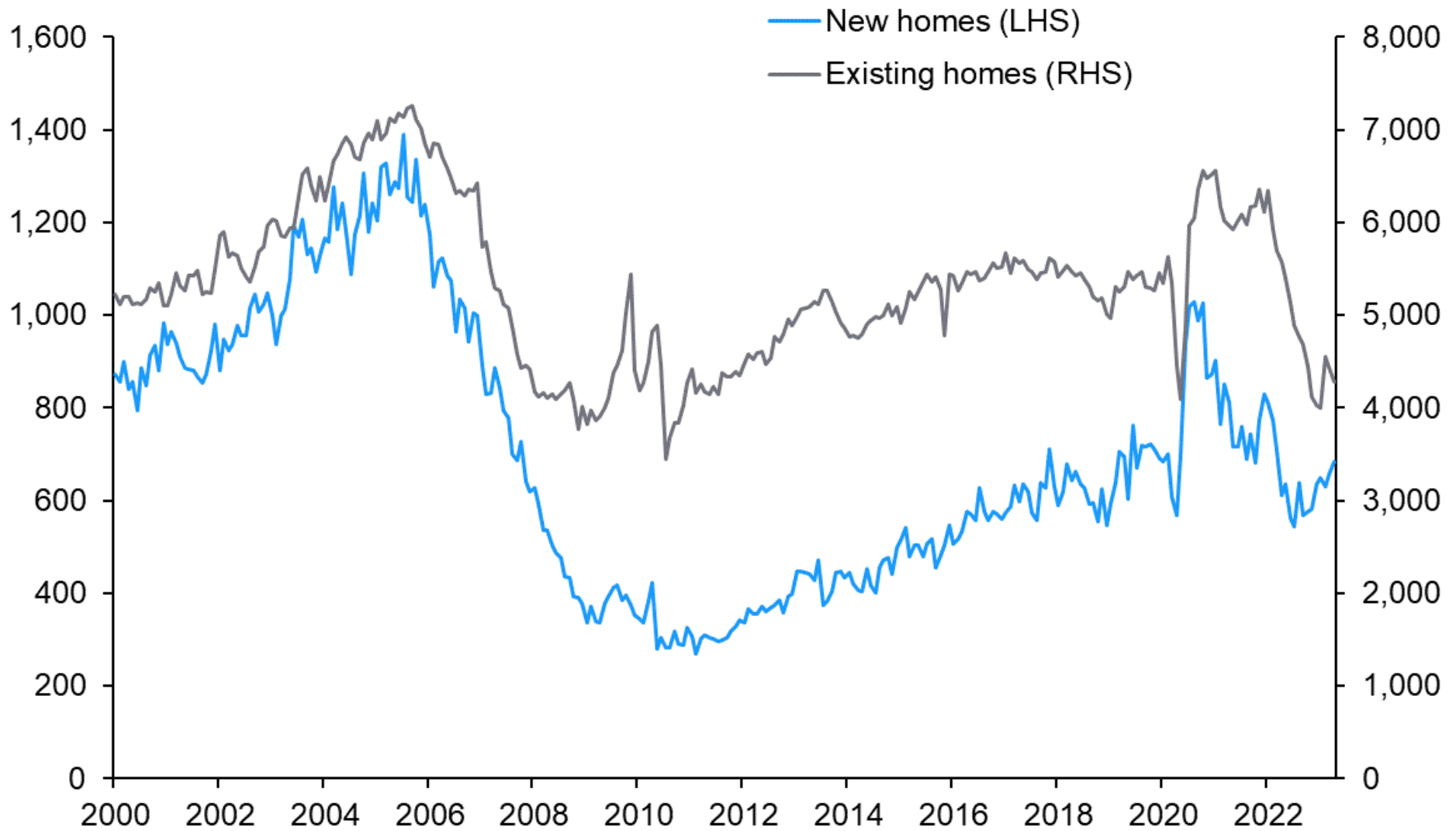
Source: BLS; EY-Parthenon





Existing and new home sales

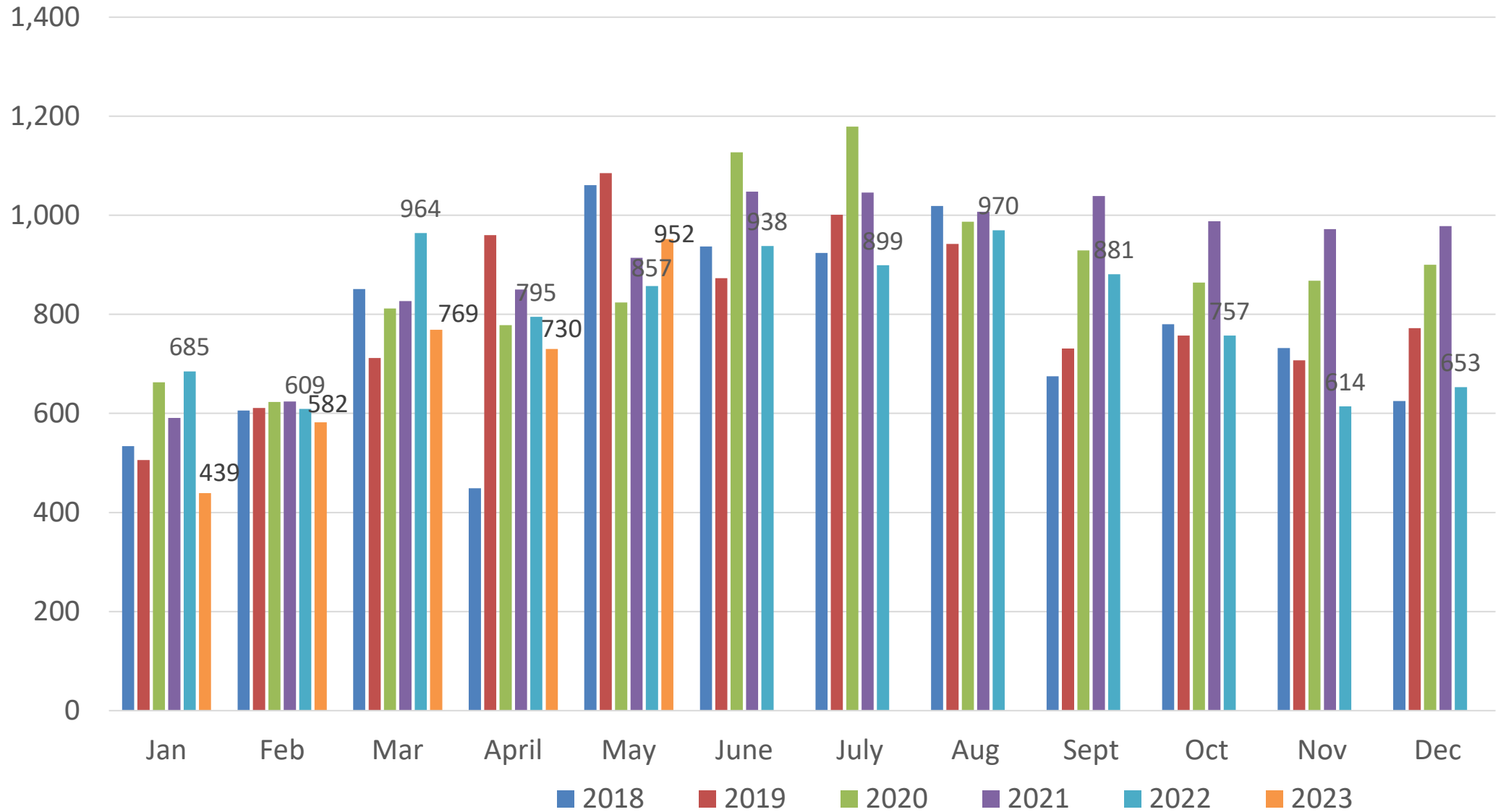
January 2000 - April 2023



Source: National Association of Realtors, Census Bureau, EY-Parthenon



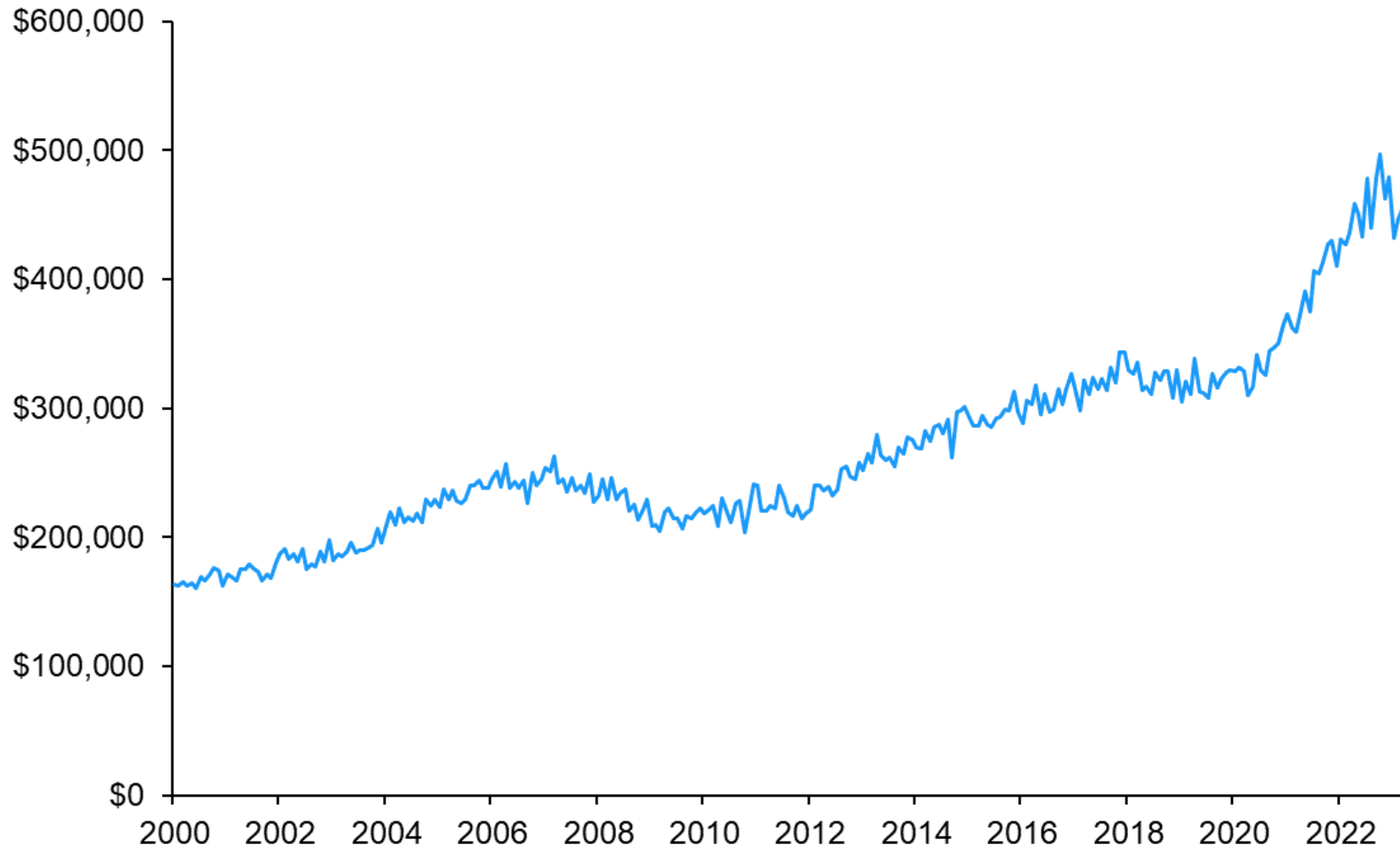
NWA Number of Houses Sold



Source: Skyline Report, MLS Database



Median SFH price January 2000 - April 2023

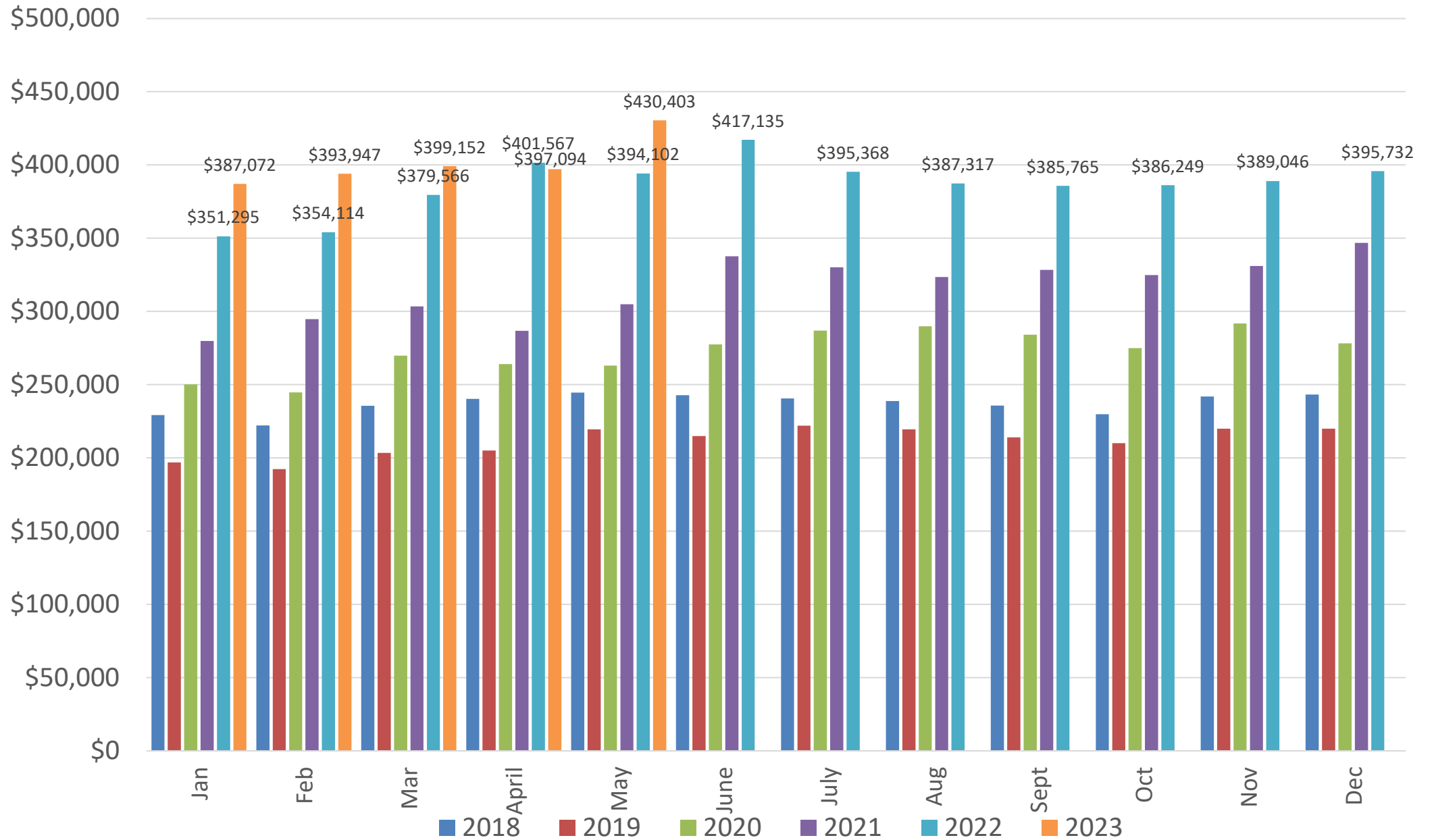


Source: Census Bureau; EY-Parthenon

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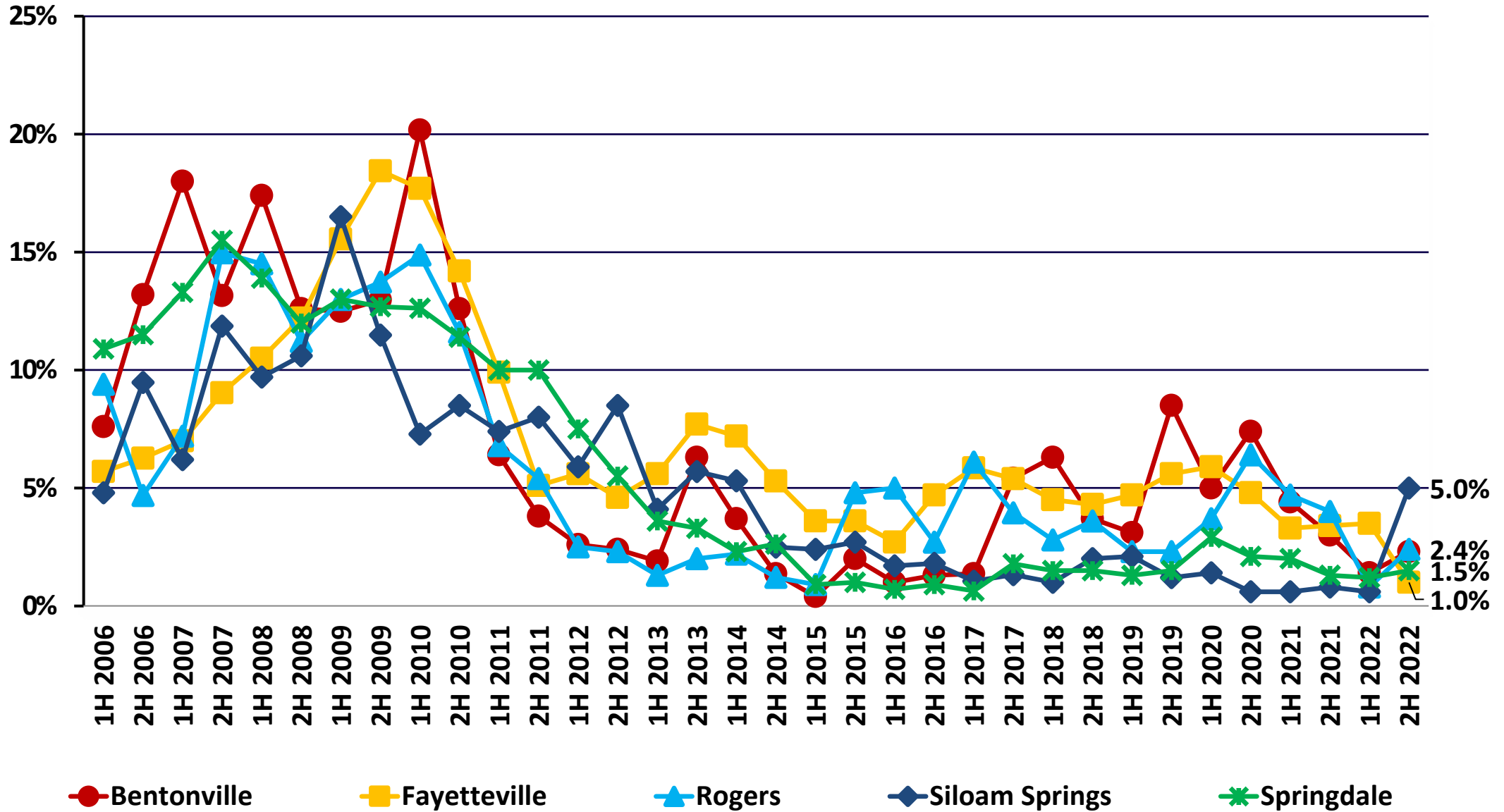


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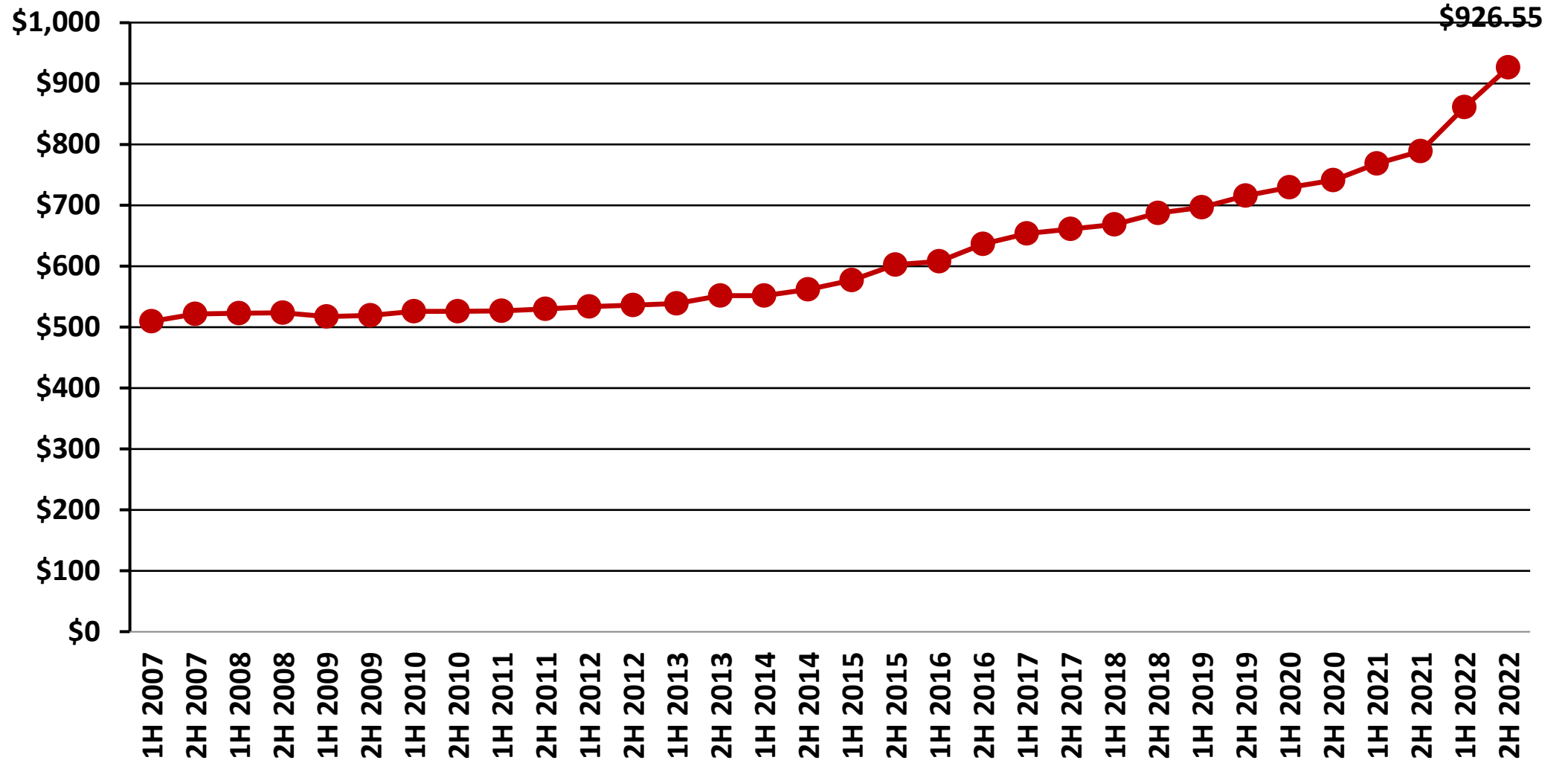
Source: Skyline Report, MLS Database

Selected Cities Multifamily Average Vacancy Rates by City





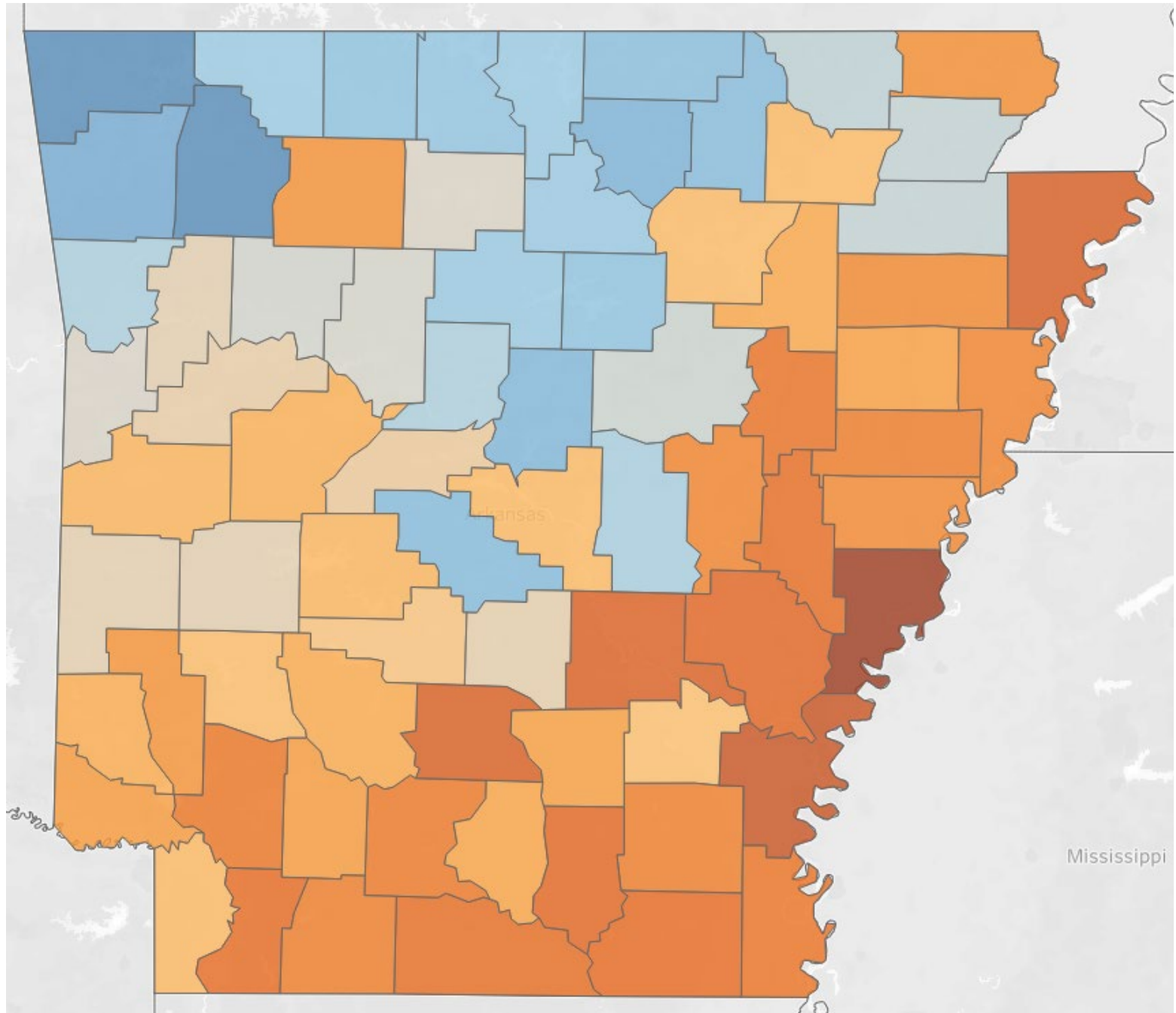
NWA Multifamily Average Price Per Unit



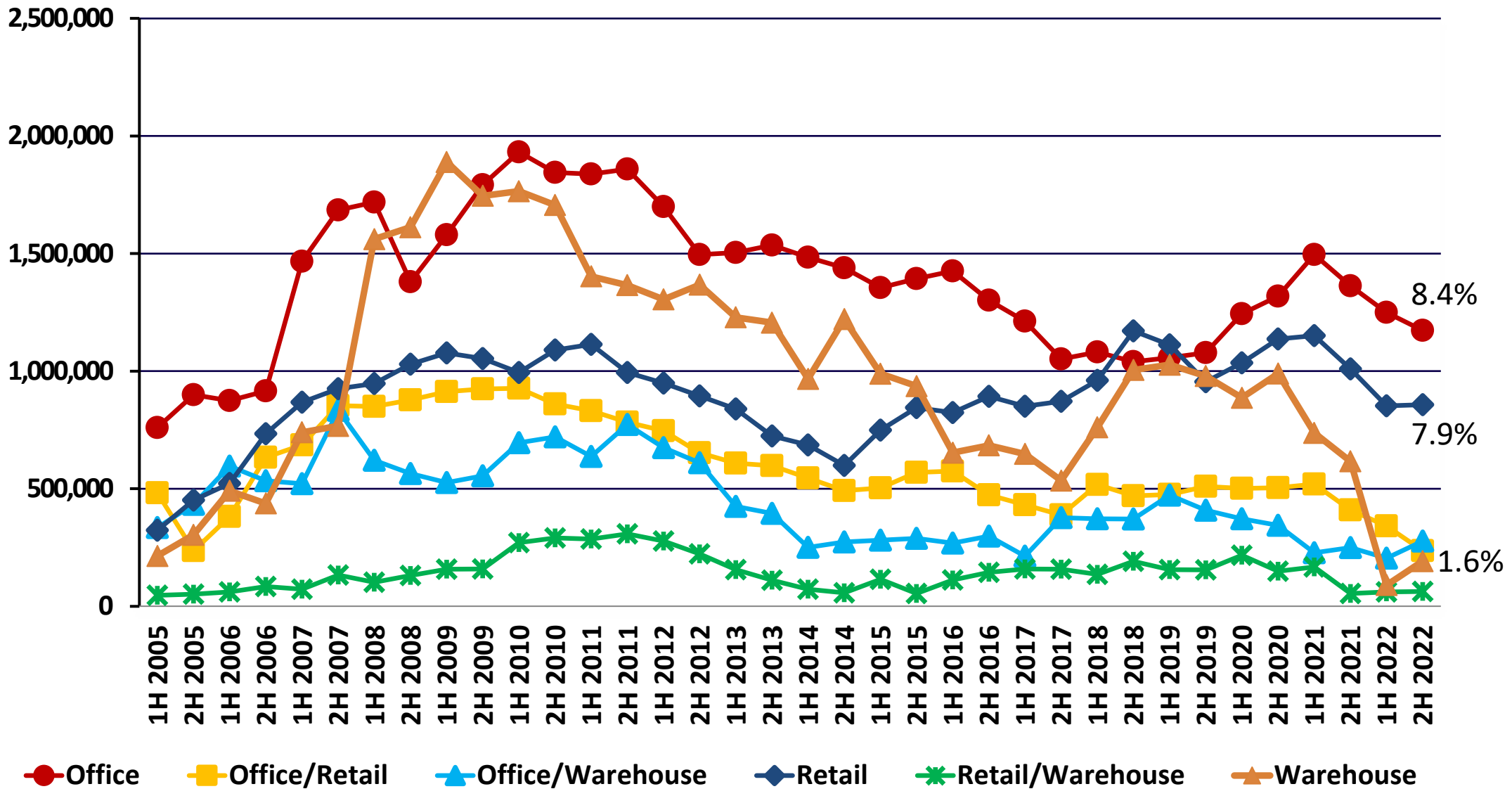
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Northwest Arkansas Available Square Footage



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Questions and Comments?

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