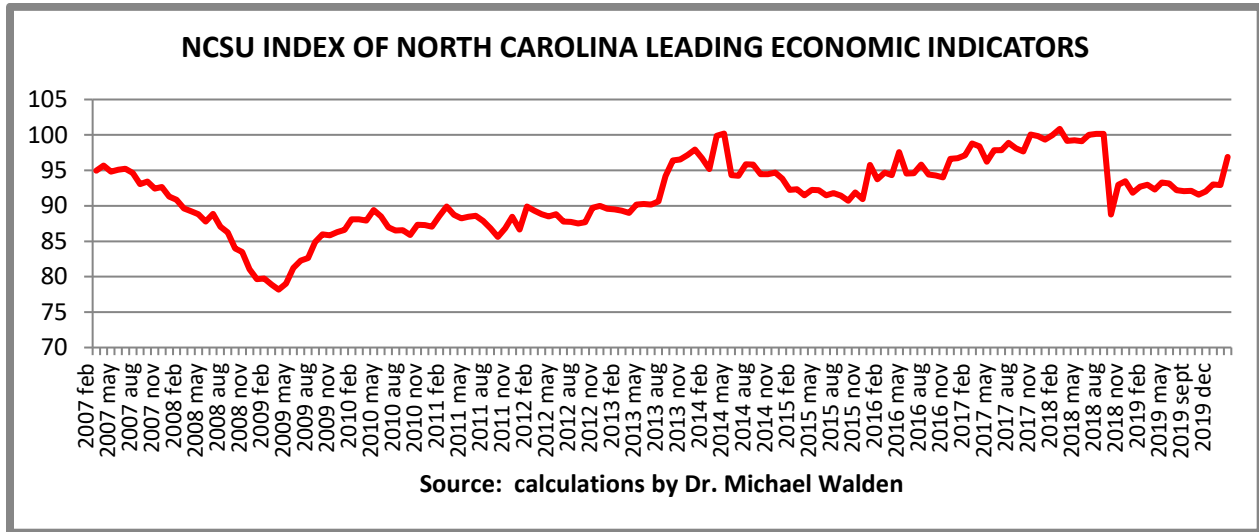


## NCSU INDEX OF NORTH CAROLINA LEADING ECONOMIC INDICATORS

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The *NCSU INDEX OF NORTH CAROLINA LEADING ECONOMIC INDICATORS* (the “Index”), a forecast of the state economy’s direction four to six months ahead, showed a strong start to 2020, with the Index up a robust 4.3% in January from its level in December. All components of the Index improved during the month except for initial claims for unemployment, which rose 9.6%.



Building permits increased over 17% during the month, and were up more than 31% compared to its level the previous year. However, this is the last Index measure prior to the outbreak of the coronavirus. Readings for upcoming months will likely be down, perhaps significantly so. Yet it may be some comfort to note North Carolina entered the virus crisis with a strong economy. When the virus is contained and subsides, the state should resume its economic growth.

### Chg. from prev. month    Chg. from prev. year

<b>INDEX</b>	4.3%	4.5%
<b>ECRI-WLI</b>	1.9%	3.8%
<b>Claims</b>	9.6%	1.9%
<b>Permits</b>	17.2%	31.6%
<b>Hours</b>	1.0%	0.0%
<b>Earnings</b>	0.8%	-1.0%

**About the Index:** The Index is composed of five components: the Economic Cycle Research Institute (ECRI)’s Weekly Leading Index (<http://www.businesscycle.com/resources/>), North Carolina initial claims for unemployment benefits, North Carolina building permits, average weekly hours of work of all North Carolina employees in manufacturing, and average weekly earnings of all North Carolina employees in manufacturing. All data are seasonally-adjusted and modified for differences in prices levels where appropriate. Data are from the U.S. Bureau of Labor Statistics, the U.S. Census Bureau, and ECRI, whose permission to use their Weekly Leading Index is greatly appreciated. All calculations are done by Dr. Michael Walden, and comments can be sent to michael\_walden@ncsu.edu.