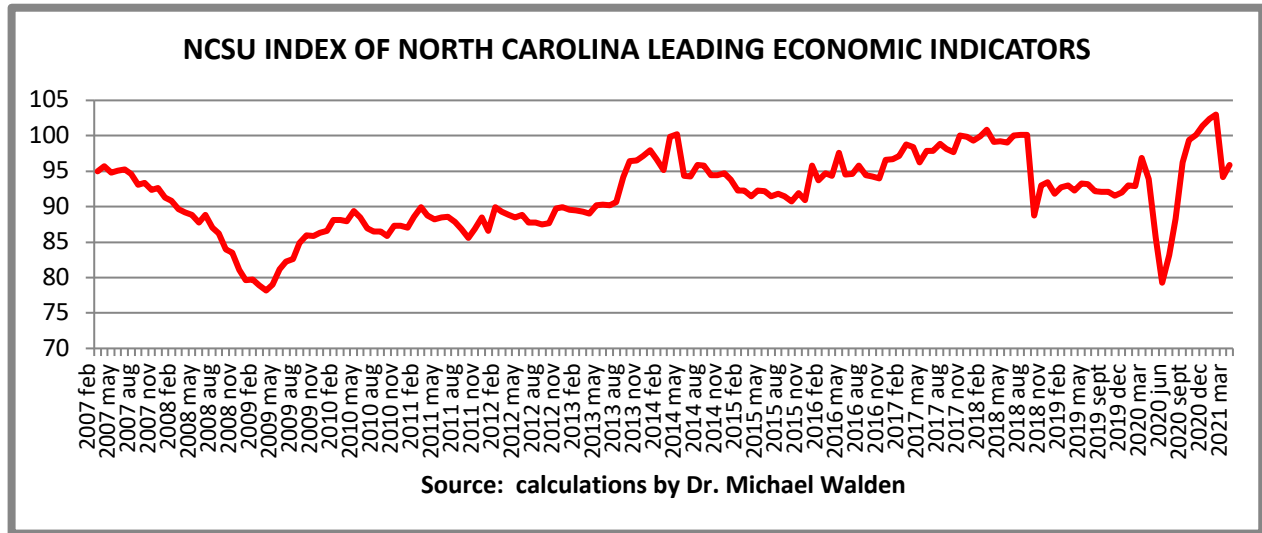


## NCSU INDEX OF NORTH CAROLINA LEADING ECONOMIC INDICATORS

Vol. 12, No. 3

March 2021

The *NCSU INDEX OF NORTH CAROLINA LEADING ECONOMIC INDICATORS* (the “Index”), a forecast of the state economy’s direction four to six months ahead, rose 1.9% in February from its level in January. This was a turnaround from the substantial drop in the Index in January when



the economy was still dealing with the winter surge in cases. With cases diminishing and vaccinations rapidly increasing, economic restrictions have been eased and optimism about a “return to normalcy” is growing. A strong drop in initial jobless claims and a large jump in building permits fueled the Index’s improvement in February. The appearance of Covid-19 variants does present a risk. The challenge is now to boost vaccinations to levels where variants can be suppressed before they gain a foothold. The race still comes down to the fight between the two v’s: vaccinations versus the virus.

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

<b>INDEX</b>	1.9%	12.0%
<b>ECRI-WLI</b>	1.0%	20.0%
<b>Claims</b>	-24.3%	-87.6%
<b>Permits</b>	28.9%	47.5%
<b>Hours</b>	-0.5%	-0.2%
<b>Earnings</b>	-0.3%	0.8%

**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.