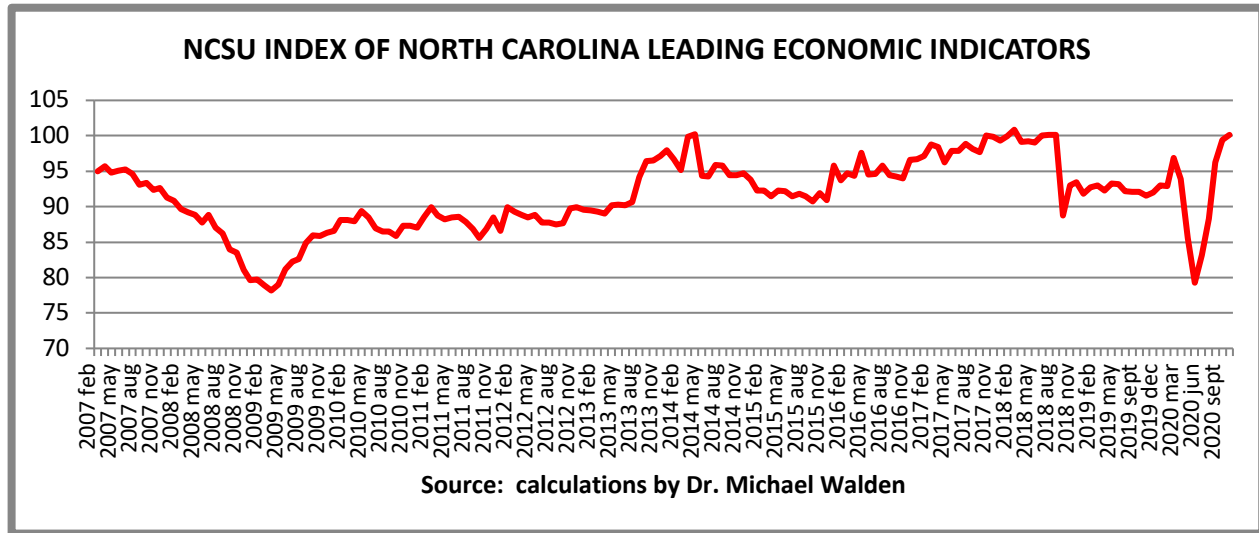


NCSU INDEX OF NORTH CAROLINA LEADING ECONOMIC INDICATORS

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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, continued to signal an improving economy by rising 0,7% in September from its level in August. The national index, initial



jobless claims, and building permits all contributed to the improvement. New jobless claims continued to drop, but are still significantly elevated from a year ago. There was some weakness in the manufacturing sector, with both hours and earnings falling. Still, the Index signals optimism about the state economy in coming months. However, it is good to keep in mind two challenges. The virus is still with us, and it has resurged in recent weeks. This adds uncertainty to economic forecasts. Second, even in the best outcome, we will still be facing major changes in the labor market and the need for massive worker re-training in the months and years ahead as a result of permanent impacts from the virus.

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

INDEX	0.7%	8.7%
ECRI-WLI	0.9%	-3.8%
Claims	-20.7%	271.4%
Permits	13.5%	-6.6%
Hours	-0.7%	2.8%
Earnings	-1.1%	3.1%

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.