# NCSU INDEX OF NORTH CAROLINA LEADING ECONOMIC INDICATORS
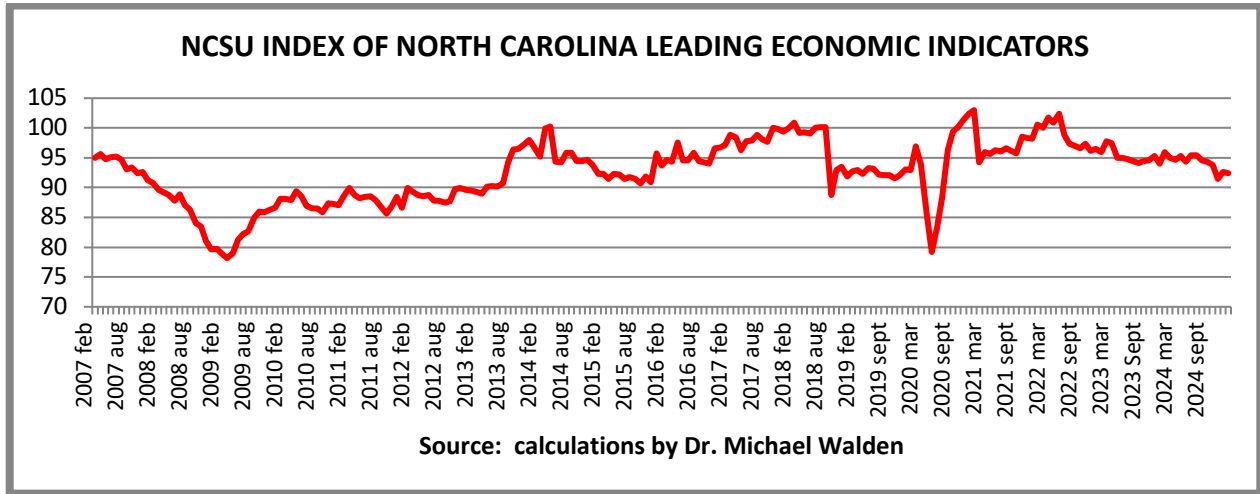
The ***NCSU INDEX OF NORTH CAROLINA LEADING ECONOMIC INDICATORS*** (the "Index"), an indicator of the direction of the State economy in the upcoming months, decreased by 0.2% in December, the latest month with available data.  For the entire year of 2024, measured from December 2023 to December 2024, the Index dropped 4.8%. It is important to emphasize a reduction in the Index



**NCSU INDEX OF NORTH CAROLINA LEADING ECONOMIC INDICATORS**

Source:  calculations by Dr. Michael Walden

does not necessarily predict a recession. Indeed, the national leading index has also been trending lower. We now have the 2024 national economic growth numbers available, and they show the national economy expanded, but at a slower pace than in 2023. The same will likely be the case for North Carolina when the State's 2024 numbers are released. Most economists predict 2025 will be like 2024, with growth, but at a slower pace.

The table shows the factors behind the Index's December dip were broad-based. The only positive result was a large 20% decline in initial unemployment claims, perhaps related to some recovery in the western North Carolina economy after the storms.

|  | Chg. from prev. month | Chg. from prev. year |
|---|---|---|
| **NC Index** | -0.2% | -4.8% |
| **US Index** | -0.1% | -3.4% |
| **Claims** | -20.0% | 6.3% |
| **Permits** | -44.1% | 26.3% |
| **Hours** | -0.2% | -3.0% |
| **Earnings** | -0.8% | -0.1% |

**About the Index:**   The Index is composed of five components:  the national leading index from the Conference Board, 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.