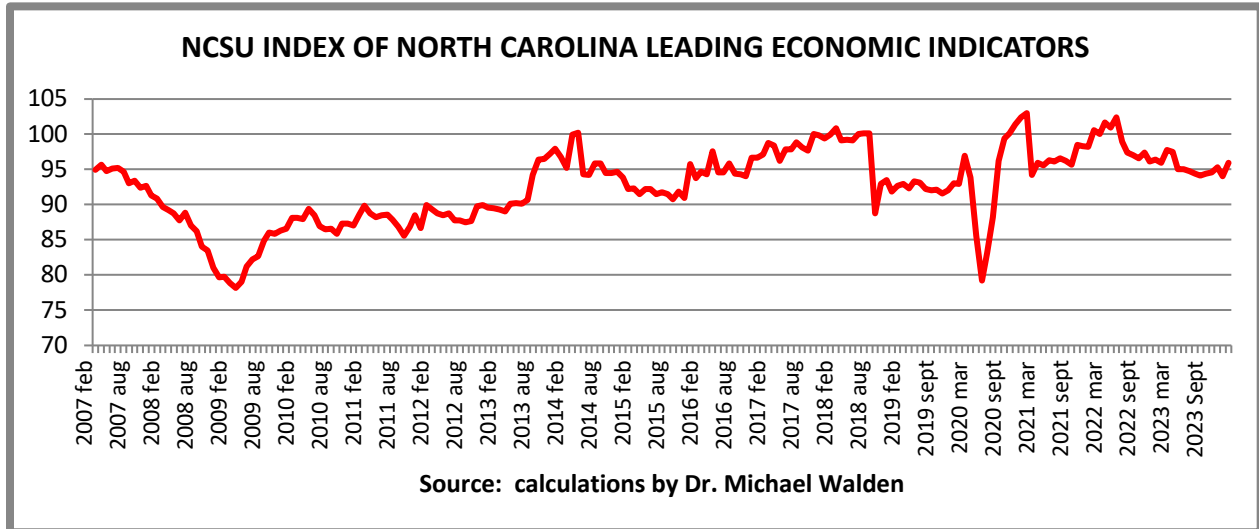


NCSU INDEX OF NORTH CAROLINA LEADING ECONOMIC INDICATORS

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The *NCSU INDEX OF NORTH CAROLINA LEADING ECONOMIC INDICATORS* (the “Index”) gave the State a gift in December, rising 2% to the Index’s highest level since last March. The



improvement was led by a 42.7% drop in initial unemployment claims and a 19.5% rise in building permits. Among the other components of the Index, the US leading index and North Carolina manufacturing hours did not change, while manufacturing earning declined by 0.3%. Although this improvement in the Index does not imply the North Carolina economy won’t have some bumpy moments in 2024, it does suggest any economic challenges in the coming months will be less threatening. More specifically, the positive turn in the Index indicates any probability for a recession in 2024 is now lower. That certainly is good news for the New Year.

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

NC Index	2.3%	0.0%
US Index	0.0%	-6.7%
Claims	-42.7%	-27.0%
Permits	19.5%	59.6%
Hours	0.0%	0.0%
Earnings	-0.3%	-3.0%

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.