



FOR IMMEDIATE RELEASE

University of North Carolina at Charlotte

Economic Growth Second-Longest Expansion on Record

CHARLOTTE, N.C. - Mar. 13, 2019 - The economy of the United States and North Carolina continues to grow and is a few months shy of being the longest economic expansion on record, UNC Charlotte professor and economist John Connaughton says.

During the Barings/UNC Charlotte Economic Forecast today, Connaughton emphasized the country is currently in the second-longest economic expansion since 1854. This economic expansion has been underway for 116 months, as of March 2019. The longest economic expansion on record is 120 months, recorded in the 1991 to 2001 expansion.

"While nine consecutive years of economic growth is impressive, the size of that economic growth until recently has been somewhat lacking. During the second and third quarters of the year, it appears that the U.S. economy began to feel the impact of the 2018 tax decrease," Connaughton said.

However, for North Carolina, the economic trend has been slightly different, Connaughton said. "GSP growth only increased during the second quarter. Third-quarter GSP growth in North Carolina was down considerably. This was primarily due to a severe decline in the farm sector, which decreased at an annualized rate of 76.3 percent in the third quarter. North Carolina overall fourth quarter GSP should show a rebound once the significant farm sector decline clears."



Connaughton said that consumer confidence remains high over the past quarter. "The Consumer Confidence Index still remains high despite the politics in Washington. In February the index settled at 131.4, down from the October index high of 137.9. With the continued consumer optimism plus job growth and low unemployment, it will take a considerable negative event to slow the economy any time soon."

Unemployment is at a record low. The United States started 2018 with an unemployment rate of 4.1 percent and ended the year at 3.9 percent. North Carolina started 2018 with a 4.5 percent rate of unemployment, which declined to 3.7 percent by the end of the year. The North Carolina unemployment rate is expected to drop to 3.5 percent by December 2019.

Meanwhile, employment in North Carolina is strong. The state is expected to gain 119,500 net jobs during the year, an increase of 2.6 percent over 2018.

Connaughton shared the key economic indicators for 2019. Gross State Product (GSP) is expected to reach a level of \$597,687.5 million in 2019. Real (inflation-adjusted) GSP is expected to increase by 3.3 percent over the 2018 level. Fourteen of the state's fifteen economic sectors are forecast to experience output increases during 2019. The sectors with the strongest expected growth are information with a projected real increase of 6.2 percent; wholesale trade with a projected real increase of 5.2 percent; construction with a projected real increase of 4.8 percent; and retail trade with a projected real increase of 4.5 percent.

Connaughton presented his quarterly forecast to members of the Charlotte business community and the media at a luncheon held at UNC Charlotte Center City. The Forecast is sponsored by Barings.

The full report is available at belkcollege.uncc.edu/forecast. **A new forecast video will be posted this evening.** Connaughton will release the next Barings/UNC Charlotte Economic Forecast report on May 30, 2019.

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*As of Dec. 31, 2018

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UNC Charlotte media contacts:

Kirsten Khire

Belk College of Business 704-687-7601 | 704-885-4131 | kkhire@uncc.edu

Buffie Stephens

External Media Relations Director 704-687-5830 | 980-355-3110 | buffiestephens@uncc.edu

Jason Vaughan

Media Relations Manager 704-687-1750 | 330-421-5094 | jason.vaughan@uncc.edu