WELCOME TO THE JUMANJI ECONOMY
DID WE GROW OR DID WE SHRINK?
THE NUMBERS SHOW US ON THE BRINK
GDP Grew in the Third Quarter of 2022 After Previous Contraction

2022Q3: $20.0 trillion, 2.6 percent

Source: U.S. Bureau of Economic Analysis
Consumption Continued to Climb but at a Slowing Pace

Source: U.S. Bureau of Economic Analysis

2022Q3: $14.2 trillion, 1.4 percent
Investment Dropped Slightly in the Third Quarter

Source: U.S. Bureau of Economic Analysis

2022Q3: $3.7 trillion, -8.5 percent

Billions of Chained 2012 Dollars

Source: U.S. Bureau of Economic Analysis
Government Spending Remains High Compared to Pre-Pandemic Levels

Source: U.S. Bureau of Economic Analysis

2022Q3: $3.4 trillion, 2.4 percent

Billions of Chained 2012 Dollars

Government consumption expenditures and gross investment

Source: U.S. Bureau of Economic Analysis
Increasing Exports Have Reduced the Trade Deficit

Source: U.S. Bureau of Economic Analysis

Billions of Chained 2012 Dollars

2022Q3: -$1.3 trillion

Source: U.S. Bureau of Economic Analysis
Maryland GDP Growth Stagnated in the Second Quarter of 2022

2022Q2: $368 billion, -0.2 percent

Source: U.S. Bureau of Economic Analysis
Consumer Sentiment is Still Near Record Lows

October 2022: 59.9

Source: University of Michigan
National Unemployment and Underemployment Are Stabilizing at Around Pre-Pandemic Levels

Source: U.S. Bureau of Labor Statistics
PAYING MORE AND GETTING LESS, CAN LEAVE A SHOPPER QUITE DEPRESSED
Consumer Prices Begin to Plateau Nationally and Locally

Source: Bureau of Labor Statistics
Wages Struggle to Increase Alongside Soaring Inflation

Source: U.S. Bureau of Labor Statistics
Global Implications of the War in Ukraine

• In February of 2022, Russia launched a large-scale invasion of Ukraine

• Production and shipping of major Ukrainian exports, like corn and wheat, has been heavily disrupted

• Many countries have reduced or blocked imports of oil and natural gas from Russia

Source: International Monetary Fund and The Washington Post
The Price of Corn and Wheat in the U.S. has Increased Significantly

Ukraine and Russia make up 30 percent of global wheat exports and 18 percent of global corn exports

Source: U.S. Department of Agriculture
Inventory for Cars Cannot Keep Up With Demand

New and used motor vehicle prices have increased over 30 percent since early 2020.

Source: Federal Reserve Economic Data
Supply Chain Disruption Likely to Persist Through 2022 and 2023

- Factory closures/staffing shortages due to COVID
  - Low global vaccine availability
- Shipping delays
- Retail shortages
  - Meat
  - Pharmaceuticals
  - Computer chips
  - Wood pulp for paper and cardboard

Source: The Atlantic
The Spot Price of Crude Oil Dropped in September but Climbed Slightly in October

Oct 2022: $88 per barrel, 3.9 percent

Source: U.S. Energy Information Administration
The U.S. Has Been Draining the Strategic Petroleum Reserves (SPR) at a Rapid Rate

Roughly 400 million barrels (lowest since 1984)

Source: U.S. Energy Information Administration and The Wall Street Journal
Gasoline Prices Steadily Decline After Peaking in June

Source: Federal Reserve Economic Data
RATES ARE RISING IN A FLASH, WILL WE BE SAVED, OR WILL WE CRASH?
The Fed Continues to Raise Interest Rates to Fight Inflation

Sources: FRED, Board of Governors of the Federal Reserve System
Short-Term and Long-Term Bond Rates Are Increasing

Source: U.S. Department of the Treasury
Mortgage Rates Jumped Again in August

![Graph showing the 30 Year Fixed Rate Average, U.S. from February 2020 to October 2022. The rates have increased over time, with a significant jump in August.](Sources: FRED)
Housing Starts Begin to Decline After Hitting a 15-Year High in March

Source: FRED, U.S. Census Bureau
Home Prices Steadily Climb in the Region and Nation

Source: Zillow
Home Sale Price Increases
By County – 2018 to 2022
TOO FEW WORKERS TO BE FOUND, MEANS UNDERSTAFFING ALL AROUND
Job Openings Greatly Outnumber Persons Looking for Work in the U.S.

Source: U.S. Bureau of Labor Statistics
The Same is True for Jobs in Maryland

Source: U.S. Bureau of Labor Statistics
Quit Rates Remain High but Show Signs of Leveling Out

Source: U.S. Bureau of Labor Statistics
Labor Force Participation is Lower Than Pre-Pandemic

Source: U.S. Bureau of Labor Statistics
Labor Force Participation Rate Change by County – 2018 to 2021

Sources: U.S. Census Bureau and U.S. Bureau of Labor Statistics
Healthcare, Computer, and Management Occupations Dominate Openings in Maryland

Source: Maryland Workforce Exchange
Government and Healthcare Jobs Have the Largest Current Maryland Employment

- Government: 523.2
- Health Care and Social Assistance: 365.0
- Retail Trade: 274.4
- Professional, Scientific, and Technical Services: 270.7
- Accommodation and Food Services: 215.5
- Administrative and Support and Waste Management and Remediation Services: 180.7
- Mining, Logging, and Construction: 162.2
- Financial Activities: 133.8
- Transportation and Utilities: 123.5
- Other Services: 110.7
- Finance and Insurance: 92.9
- Wholesale Trade: 84.4
- Educational Services: 82.9
- Durable Goods: 58.9
- Non-Durable Goods: 54.2
- Arts, Entertainment, and Recreation: 41.2
- Real Estate and Rental and Leasing: 40.9
- Management of Companies and Enterprises: 27.9

Source: Maryland Workforce Exchange
Top Advertised Tools and Technologies in Job Openings in Maryland

1. Microsoft (MS) Office
2. Python
3. Microsoft PowerPoint
4. Structured query language (SQL)
5. Microsoft Word
6. C++
7. Motor vehicles
8. Ladders
9. JavaScript
10. Microsoft Excel

Source: Maryland Workforce Exchange
FIRES, FLOODS, AND HURRICANES, PUT ALL OUR SYSTEMS UNDER STRAIN
Billion-Dollar Disaster Events are Increasing in Frequency in the U.S.

Source: National Centers for Environmental Information
Hurricane Isaias Caused Extensive Damage to the Northeastern United States

• Hurricane Isaias tore through the U.S. in 2020

• Resulting wind and water damage caused an estimated $4.8 billion in damages

• Costliest cyclone to affect the northeast region since Hurricane Sandy in 2012

Source: National Hurricane Center
As Temperatures Rise, Wildfires Become More Difficult to Contain

Average annual federal spending on fire suppression was $2.5 billion from 2016 to 2020

Sources: Congressional Budget Office and Environmental Protection Agency
Warming Weather Has Led to a Longer Growing Season

Source: Environmental Protection Agency
Coastal Flooding in our Region Has Become More Frequent

Source: Environmental Protection Agency
IF CURRENT HEADLINES MAKE YOU GLUM, JUST THINK OF ALL THAT’S YET TO COME
What the Future Holds

Headwinds

• Continuing War in Ukraine
• Slowing of World Economy
• Rising Interest Rates
• Inflation
• Volatility in Energy Markets
• Election Uncertainty
• Supply Chain Challenges
• Climate Change impacts—more frequent, more severe

Tailwinds

• Strong Labor Markets
• Rising Consumer Sentiment
• Declining Gas Prices
• Softening Home Prices
Maryland’s Economy

• Strong possibility of slowing down as world and national economies impact MD’s economy

• Uncertainty around Federal budget—another shutdown?

• Higher natural gas prices could be a strain on MD’s economy, especially if it is a cold winter

• Labor shortages continue to plague hospitality and eating establishments in addition to IT, health and transportation