


By: Anirban Basu

MPP, MA, JD, PhD

Sage Policy Group, Inc.

A stylized graphic of a hand holding a magnifying glass over a white circle containing the text "NO TIME TO BUY". The background is dark with red and white abstract shapes.

**NO TIME
TO BUY**

On Behalf of

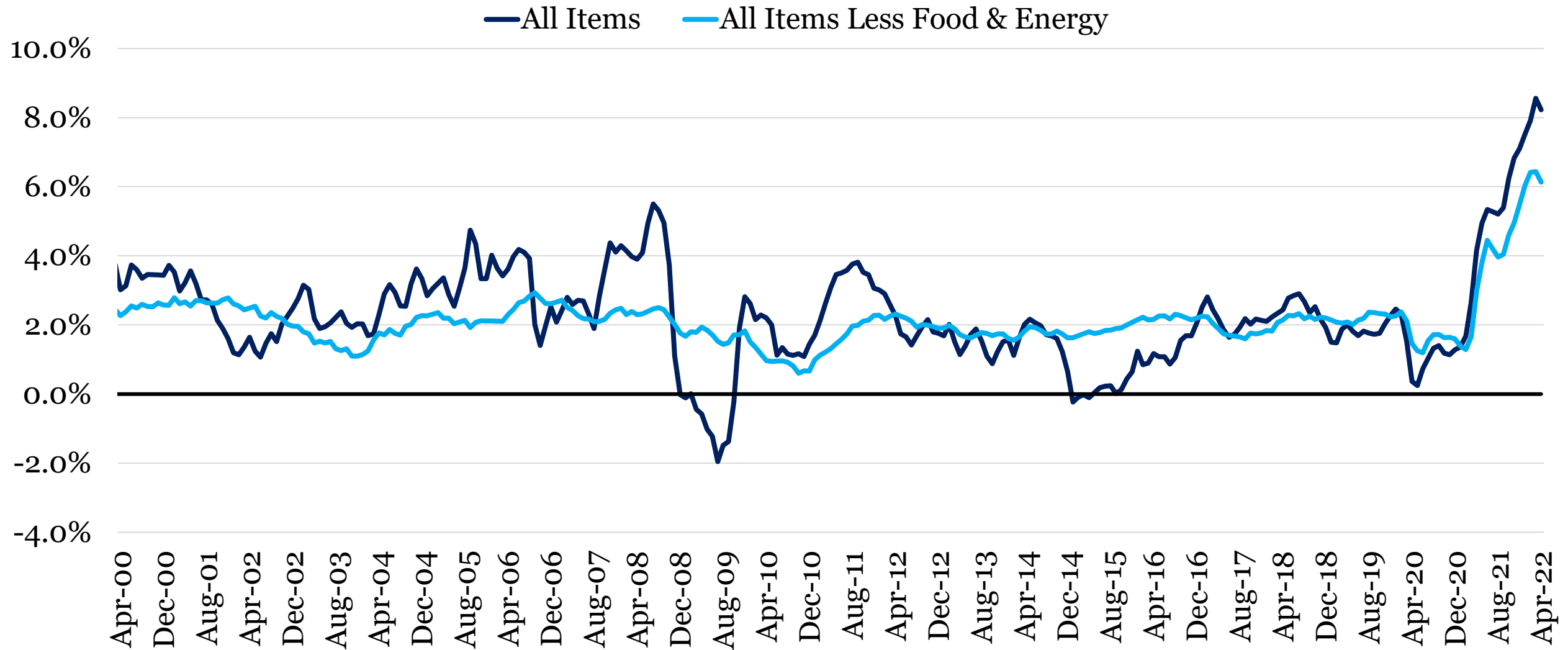
Caroline County Economic Development

June 3rd, 2022

2021 – Specter of Inflation

U.S. Consumer Price Index

12-Month % Change, 2000 – April 2022



A Statement is Not Enough

“...Inflation has risen, largely reflecting transitory factors...”

(FOMC Statement, June 2021)

“...Inflation has risen, largely reflecting transitory factors...”

(FOMC Statement, July 2021)

“...Inflation is elevated, largely reflecting transitory factors...”

(FOMC Statement, September 2021)

“...Inflation is elevated, largely reflecting factors that are expected to be transitory...”

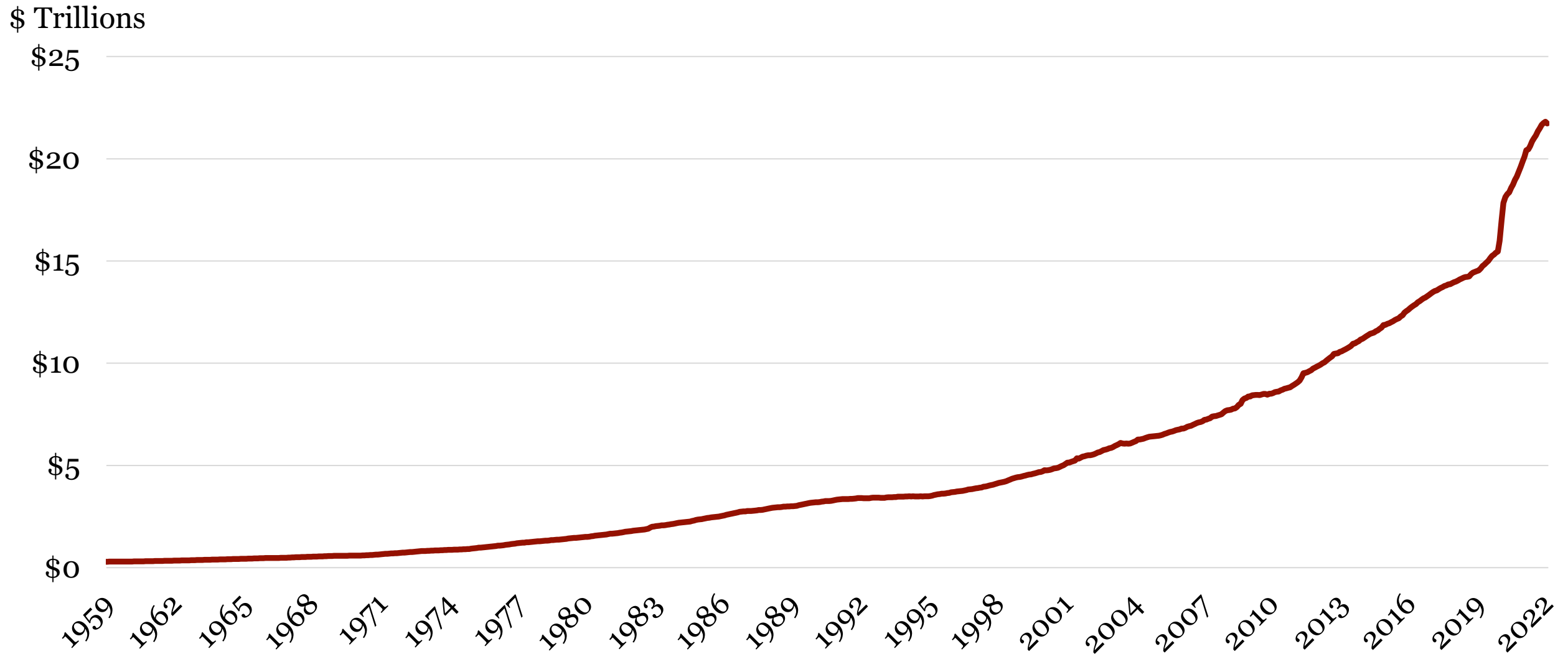
(FOMC Statement, November 2021)

“Supply and demand imbalances related to the pandemic and the reopening of the economy have continued to contribute to elevated levels of inflation.”

(FOMC Statement, December 2021)

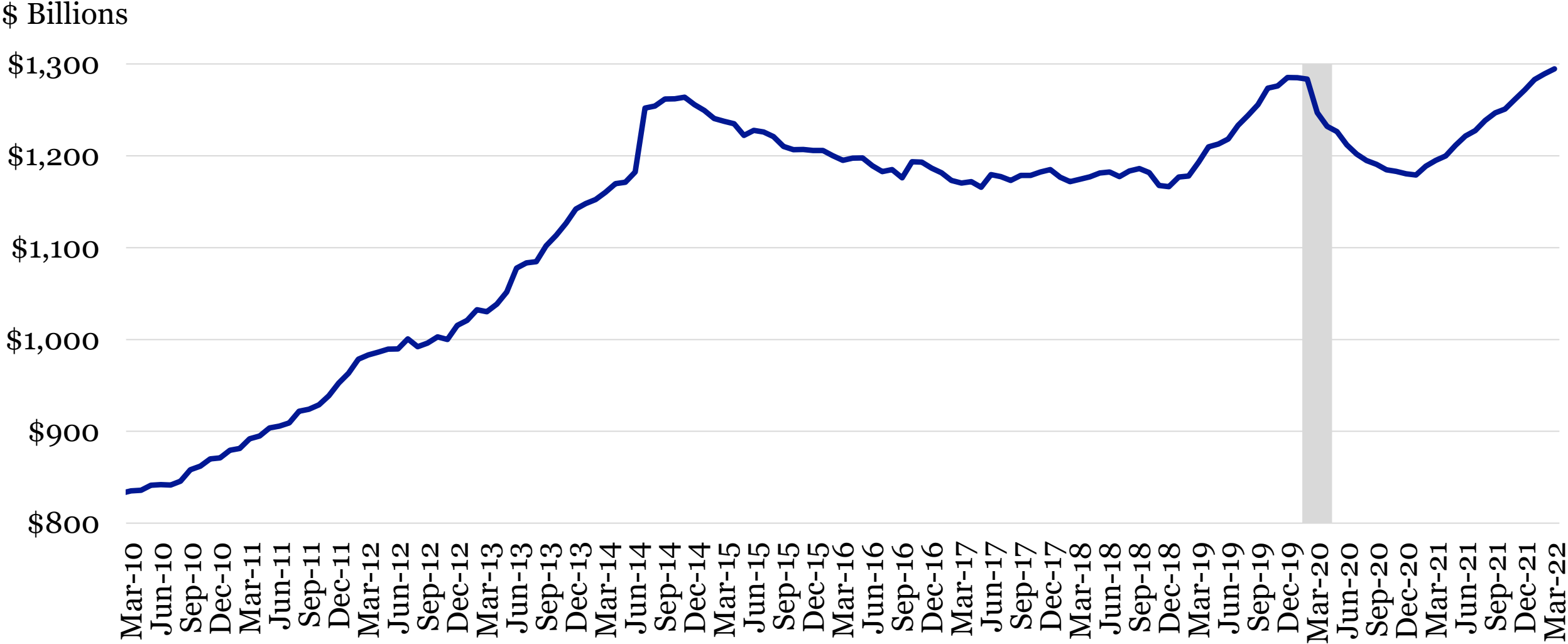
“...These problems have been larger and longer lasting than anticipated, exacerbated by waves of the virus. As a result, overall inflation is running well above our 2 percent longer-run goal and will likely continue to do so well into next year.” (FOMC Chair Jerome Powell, December 2021)

U.S. Money Supply, 1959 – 2022



U.S. Manufacturers' Unfilled Orders

2010 – March 2022



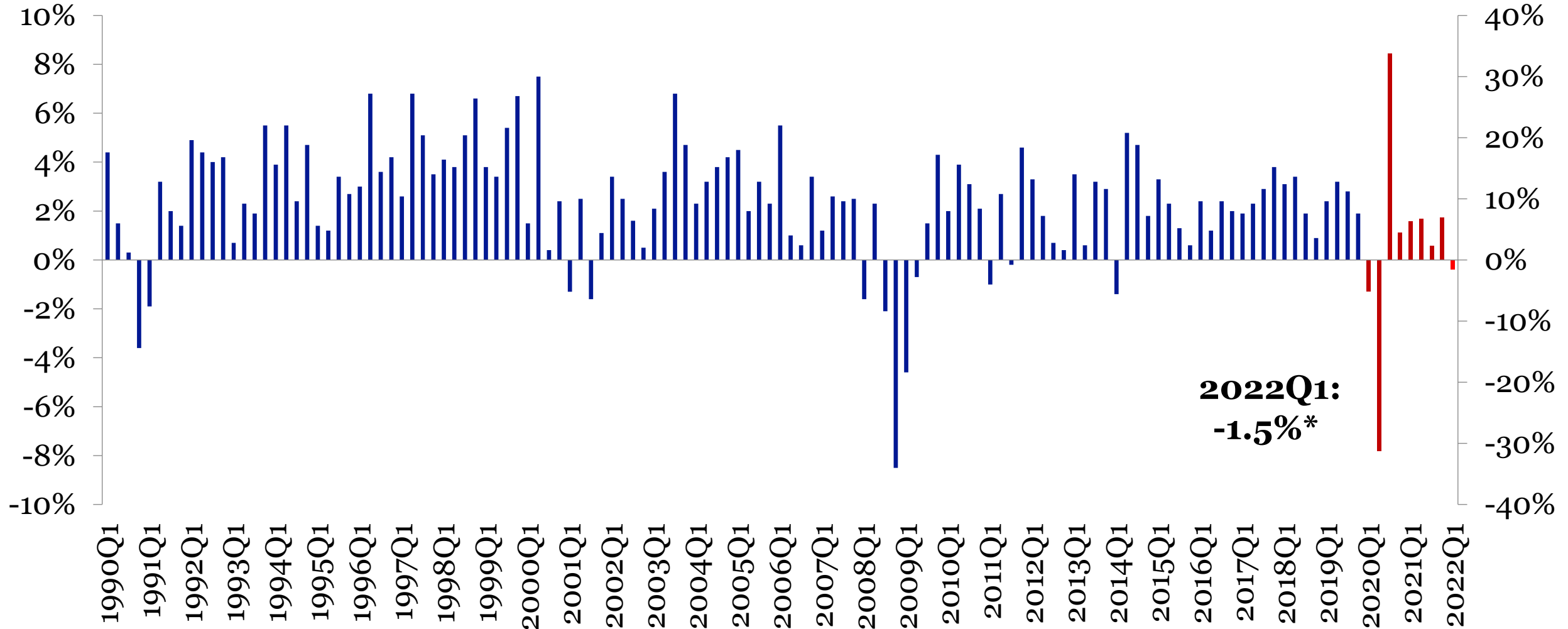
Shaded areas indicate U.S. recessions

U.S. GDP - For Your Eyes Only

1990-2019

% Change from Preceding Period (SAAR)

2020-Present

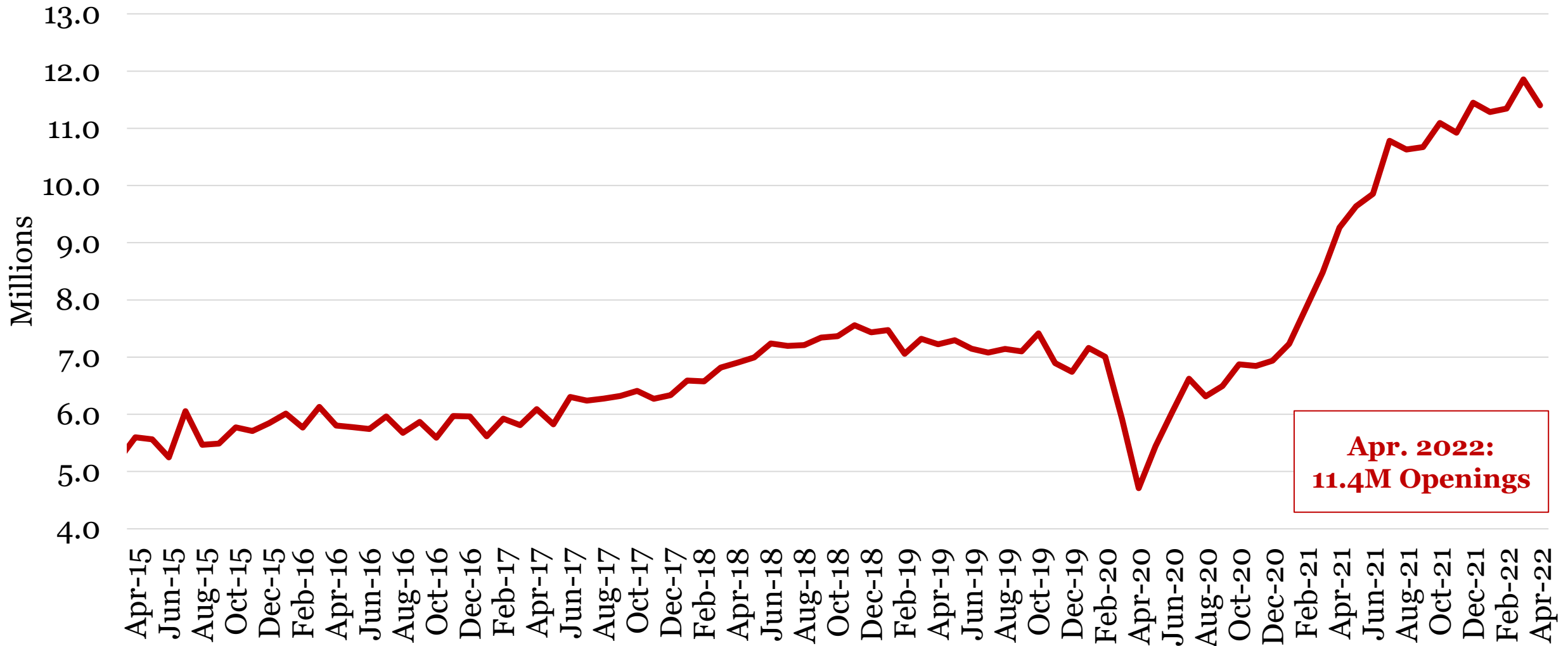


**2022Q1:
-1.5%***

The Employer Who Loved Me

Work Another Day

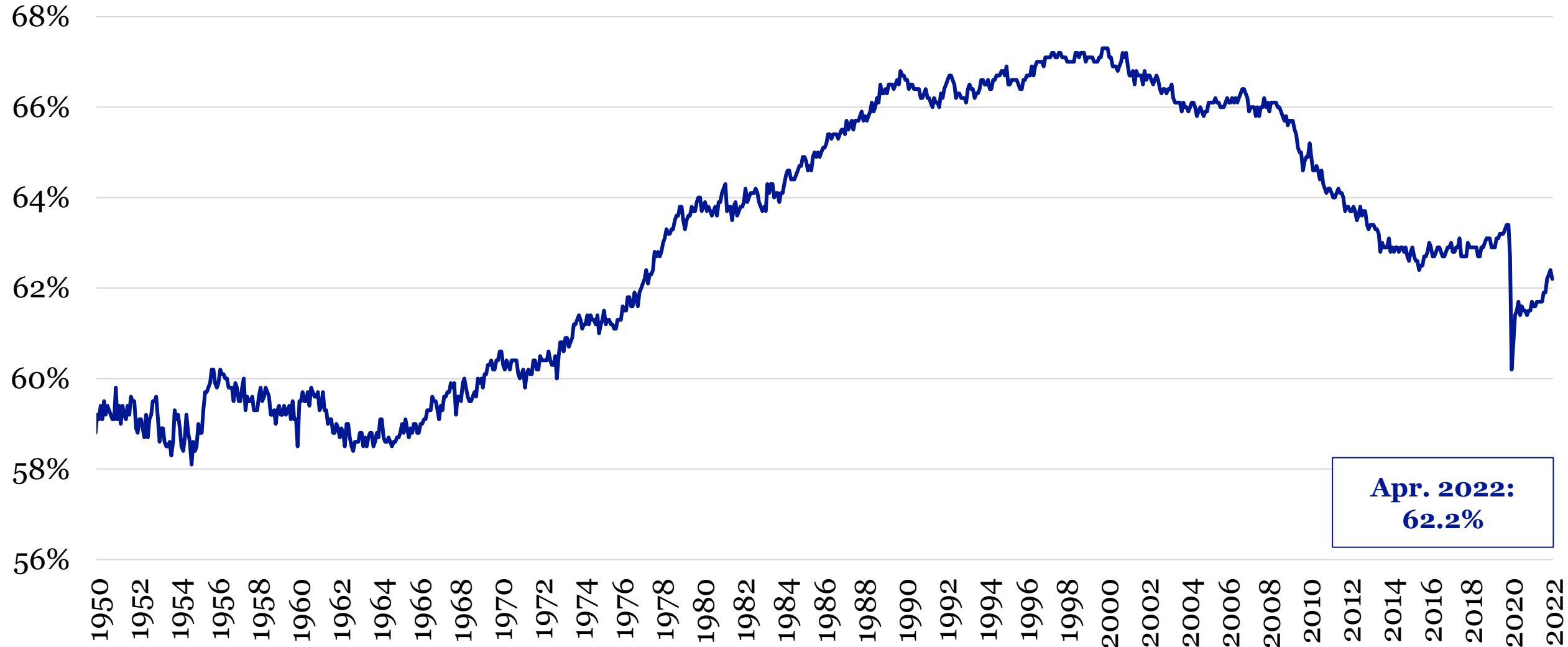
U.S. Job Openings, 2015 – April 2022



**Apr. 2022:
11.4M Openings**

Skyfall

U.S. Labor Force Participation Rate, 1950 – April 2022



**Apr. 2022:
62.2%**

A View to a Remote Worker

GoodHire's survey of 3,500 Americans found that:

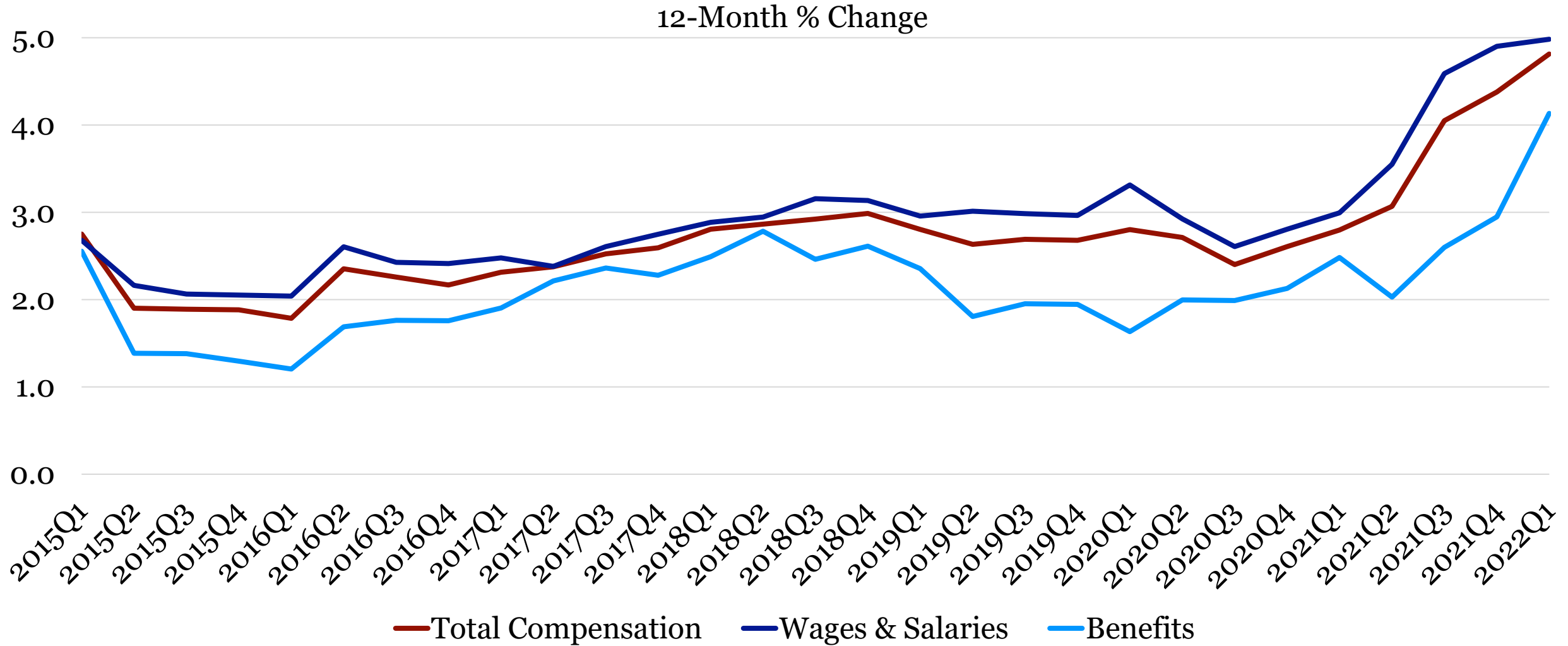
- 68% of Americans would choose remote work options over in-office work;
- 45% would either quit their job or begin searching for a new one if their employer required them to return to their office full-time;
- 74% of Americans believe that companies not offering remote working arrangements will lose major talent in the workforce.

Ipsos' survey of more than 12,000 people across 29 countries found that two-thirds of working adults surveyed say that:

- They are more productive with a flexible work schedule (65%);
- They want flexibility in the amount of time they go into the office (64%);
- When COVID restrictions are no longer in effect, employers should be more flexible in terms of requiring employees to go to an office (66%).

License to be Paid

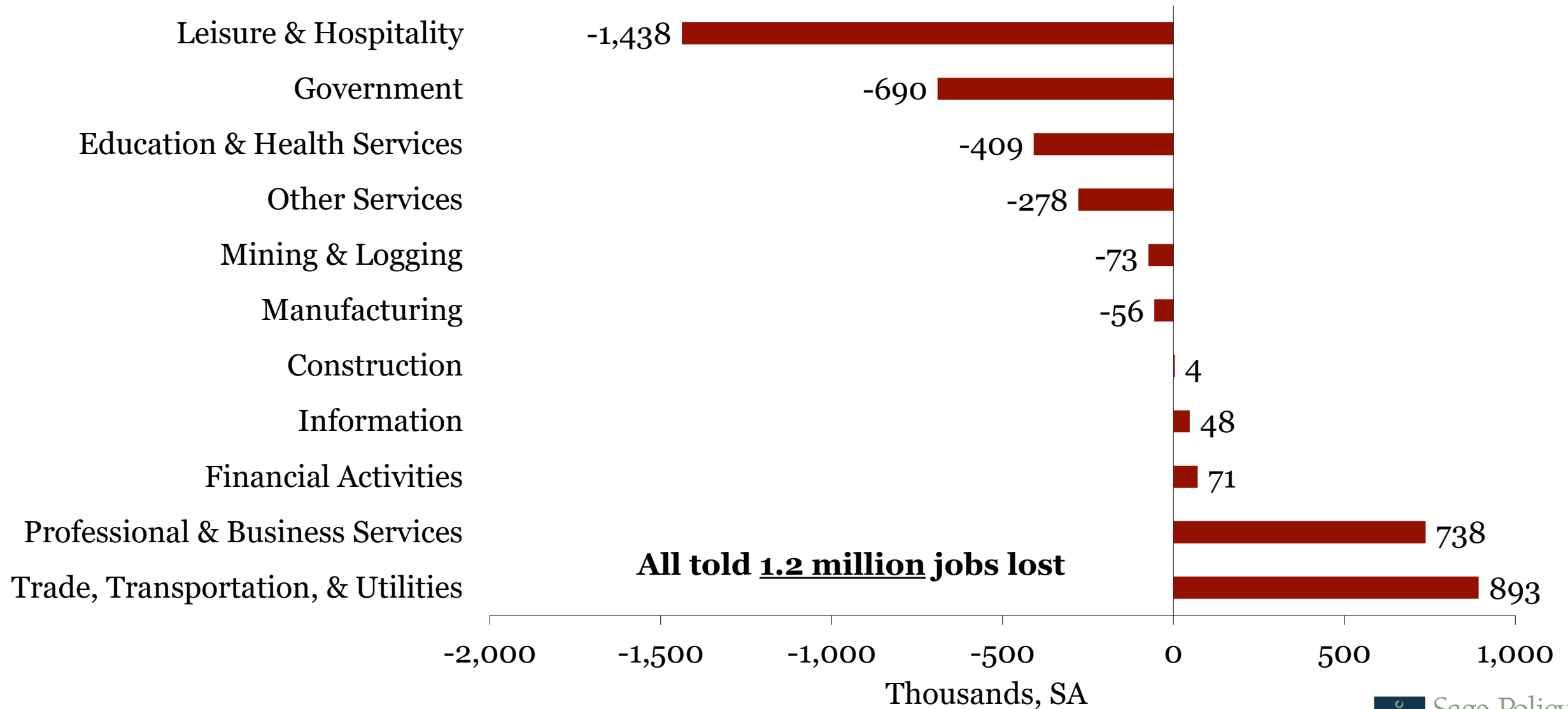
Employment Cost Index, Private Sector Workers, 2015 – 2022



— Total Compensation — Wages & Salaries — Benefits

U.S. Nonfarm Employment by Industry Sector

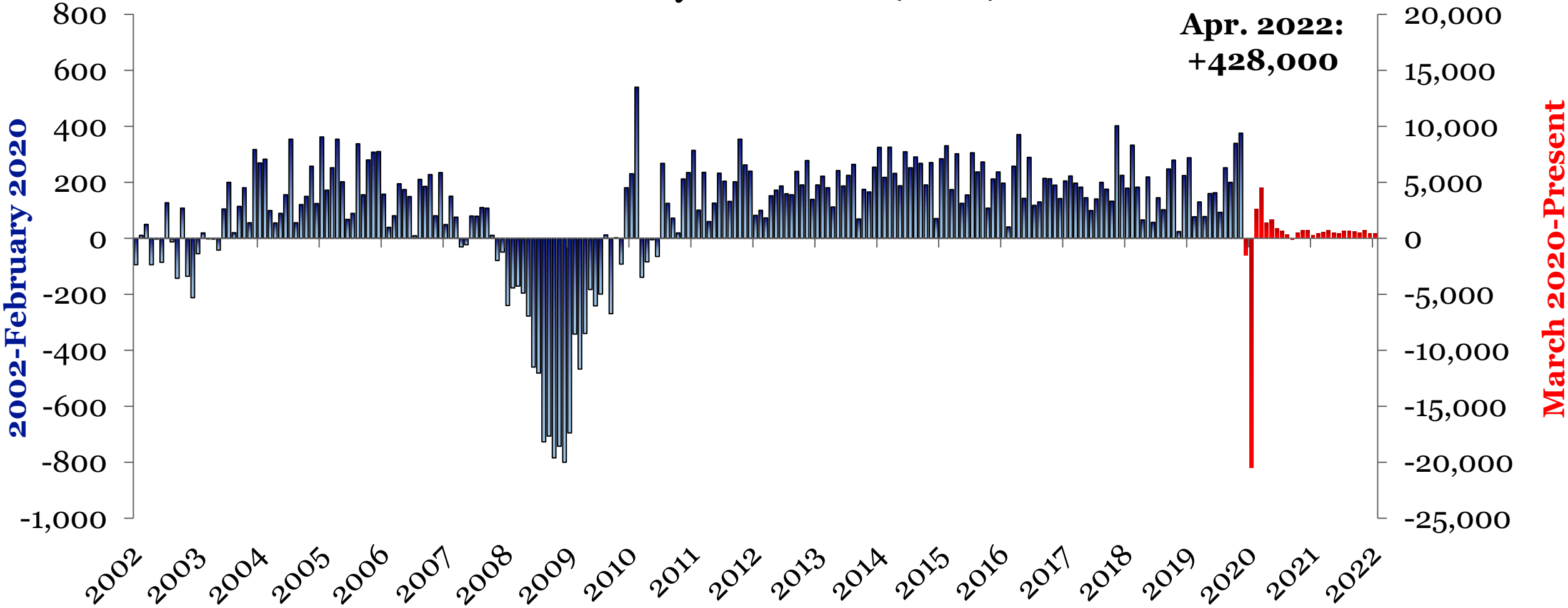
February 2020 v. April 2022



Net Change in U.S. Jobs

2002 – April 2022

Monthly Job Growth (000's)

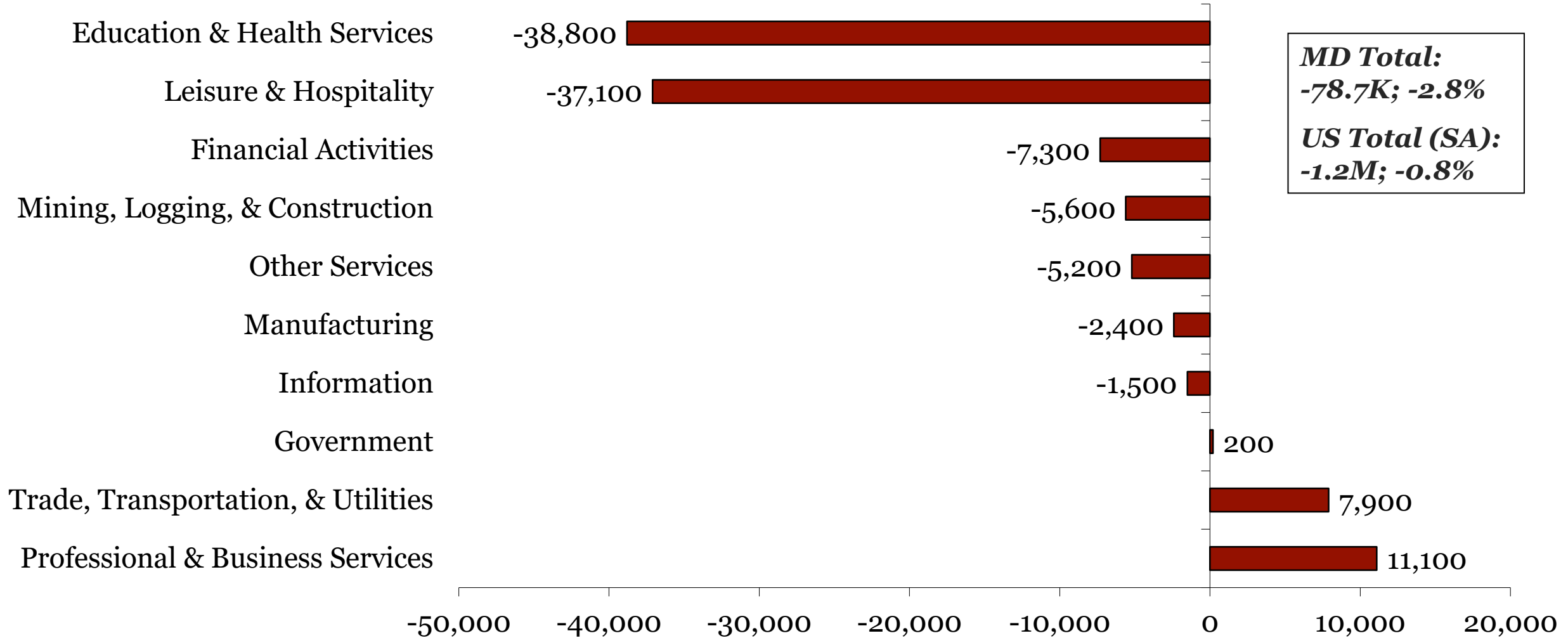


**Apr. 2022:
+428,000**

March 2020-Present

Maryland Nonfarm Employment by Sector (SA)

February 2020 v. April 2022 Absolute Change



*According to the Local Area Unemployment Statistics (LAUS) program
MD lost 171,992 jobs between February 2020 and April 2022.

Employment Growth, 25 Largest Metros

February 2020 v. April 2022 Percent Change

Rank	MSA	%	Rank	MSA	%
1	Dallas-Fort Worth-Arlington, TX	5.7%	14	Philadelphia-Camden-Wilm., PA-NJ-DE-MD	-0.9%
2	Riverside-San Bernardino-Ontario, CA	3.6%	15	Seattle-Tacoma-Bellevue, WA	-1.0%
3	Tampa-St. Petersburg-Clearwater, FL	3.3%	16	Chicago-Naperville-Elgin, IL-IN-WI	-1.1%
4	Atlanta-Sandy Springs-Roswell, GA	2.8%	17	Boston-Cambridge-Nashua, MA-NH	-1.2%
5	Charlotte-Concord-Gastonia, NC-SC	2.7%	18	St. Louis, MO-IL	-1.3%
6	Phoenix-Mesa-Scottsdale, AZ	1.9%	19	Portland-Vancouver-Hillsboro, OR-WA	-1.7%
7	Denver-Aurora-Lakewood, CO	1.8%	20	Detroit-Warren-Dearborn, MI	-2.0%
8	San Antonio-New Braunfels, TX	1.5%	20	Washington-Arlington-Alexandria, DC-VA-MD-WV	-2.0%
9	Houston-The Woodlands-Sugar Land, TX	0.2%	22	Minneapolis-St. Paul-Bloomington, MN-WI	-2.1%
10	Orlando-Kissimmee-Sanford, FL	0.0%	23	Los Angeles-Long Beach-Anaheim, CA	-2.6%
11	Miami-Fort Lauderdale-West Palm Beach, FL	-0.1%	24	New York-Newark-Jersey City, NY-NJ-PA	-2.9%
12	San Diego-Carlsbad, CA	-0.5%	25	San Francisco-Oakland-Hayward, CA	-3.0%
13	Baltimore-Columbia-Towson, MD	-0.7%			

Source: U.S. Bureau of Labor Statistics,
Current Employment Statistics (CES) Survey.
Note: data are not seasonally adjusted.

U.S. % Change v. February 2020: -0.8%

Unemployment Rates, 25 Largest Metros

April 2022

Rank	MSA	%	Rank	MSA	%
1	Minneapolis-St. Paul-Bloomington, MN-WI	1.5	13	Denver-Aurora-Lakewood, CO	3.1
2	Tampa-St. Petersburg-Clearwater, FL	2.3	14	Charlotte-Concord-Gastonia, NC-SC	3.2
3	Atlanta-Sandy Springs-Roswell, GA	2.4	14	Dallas-Fort Worth-Arlington, TX	3.2
4	Miami-Fort Lauderdale-West Palm Beach, FL	2.5	16	Baltimore-Columbia-Towson, MD	3.3
4	San Francisco-Oakland-Hayward, CA	2.5	16	San Antonio-New Braunfels, TX	3.3
6	Orlando-Kissimmee-Sanford, FL	2.6	18	Portland-Vancouver-Hillsboro, OR-WA	3.5
6	Seattle-Tacoma-Bellevue, WA	2.6	19	Riverside-San Bernardino-Ontario, CA	3.8
8	Phoenix-Mesa-Scottsdale, AZ	2.7	20	Chicago-Naperville-Elgin, IL-IN-WI	4.1
9	St. Louis, MO-IL	2.9	20	Houston-The Woodlands-Sugar Land, TX	4.1
10	Boston-Cambridge-Nashua, MA-NH	3.0	20	Philadelphia-Camden-Wilm., PA-NJ-DE-MD	4.1
10	San Diego-Carlsbad, CA	3.0	23	Detroit-Warren-Dearborn, MI	4.2
10	Washington-Arlington-Alexandria, DC-VA-MD-WV	3.0	23	New York-Newark-Jersey City, NY-NJ-PA	4.2
			25	Los Angeles-Long Beach-Anaheim, CA	4.3

Source: U.S. Bureau of Labor Statistics,
Current Employment Statistics (CES) Survey.
Note: data are not seasonally adjusted.

U.S. Unemployment Rate: 3.6%

Maryland Unemployment Rates by County

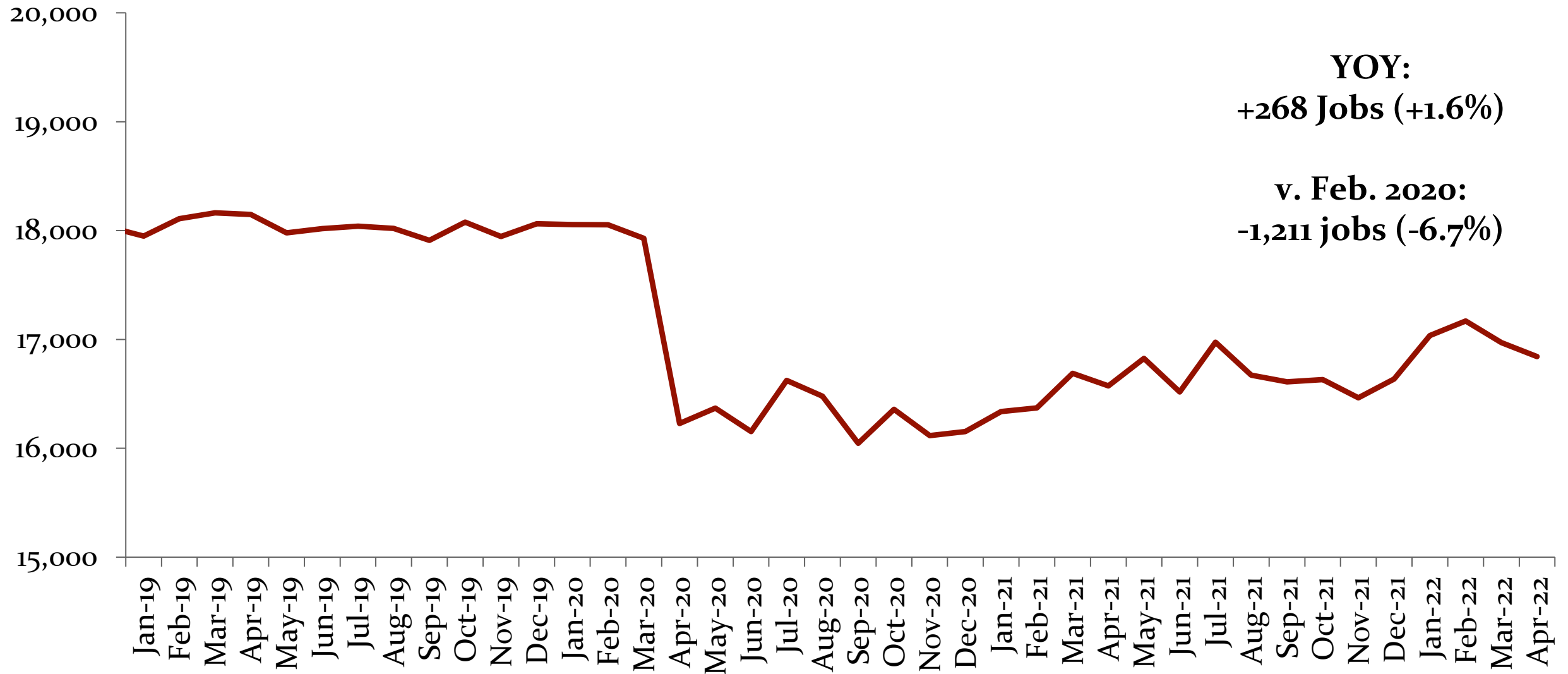
April 2022

Rank	Jurisdiction	%	Rank	Jurisdiction	%
1	Carroll County	2.4	13	Washington County	3.2
2	Queen Anne's County	2.5	14	Cecil County	3.3
3	Howard County	2.6	15	Baltimore County	3.4
4	Anne Arundel County	2.8	16	Charles County	3.5
4	Frederick County	2.8	16	Dorchester County	3.5
4	Harford County	2.8	16	Kent County	3.5
7	Caroline County	2.9	19	Wicomico County	4.1
8	Calvert County	3.0	20	Allegany County	4.4
8	Montgomery County	3.0	21	Prince George's County	4.5
8	St. Mary's County	3.0	22	Baltimore City	4.9
8	Talbot County	3.0	23	Somerset County	5.4
12	Garrett County	3.1	24	Worcester County	5.8

Maryland Unemployment Rate: 4.2%

Caroline County Employment (Place of Residence)

2019 – April 2022

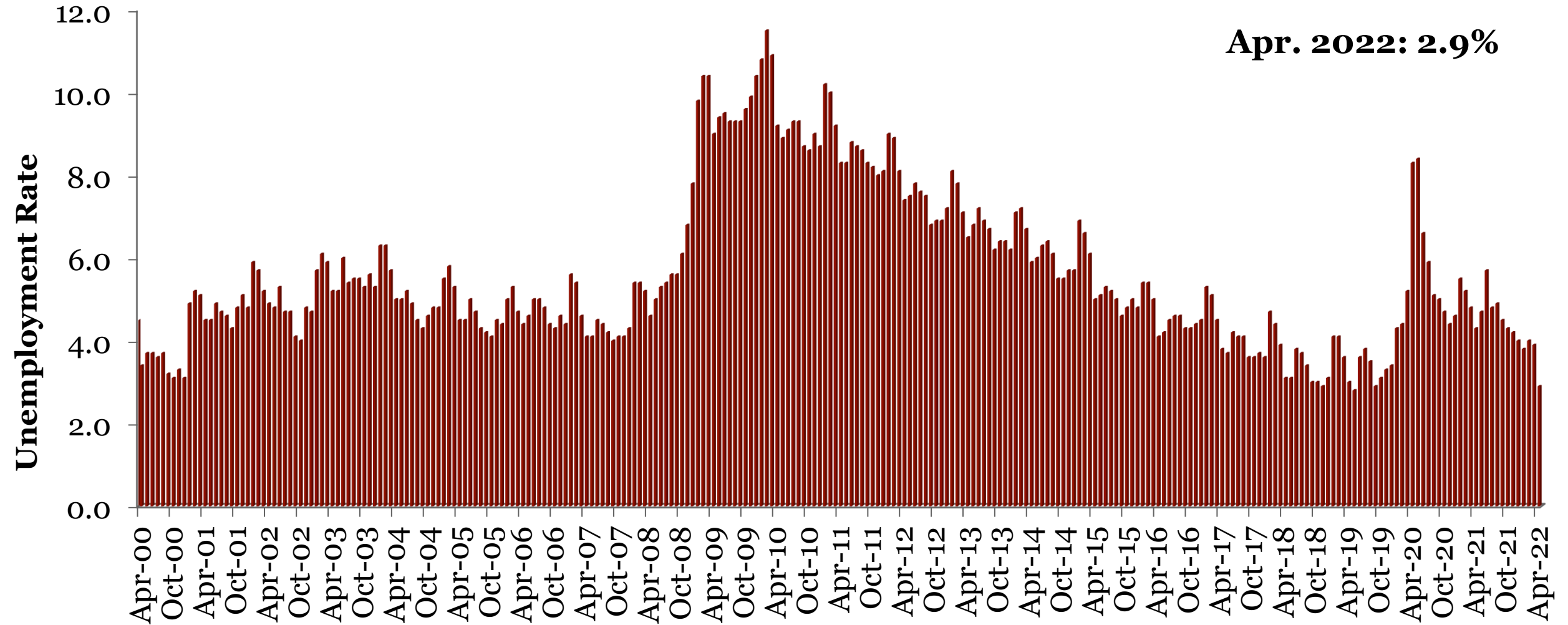


YOY:
+268 Jobs (+1.6%)

v. Feb. 2020:
-1,211 jobs (-6.7%)

Caroline County Unemployment Rate

2000 – April 2022

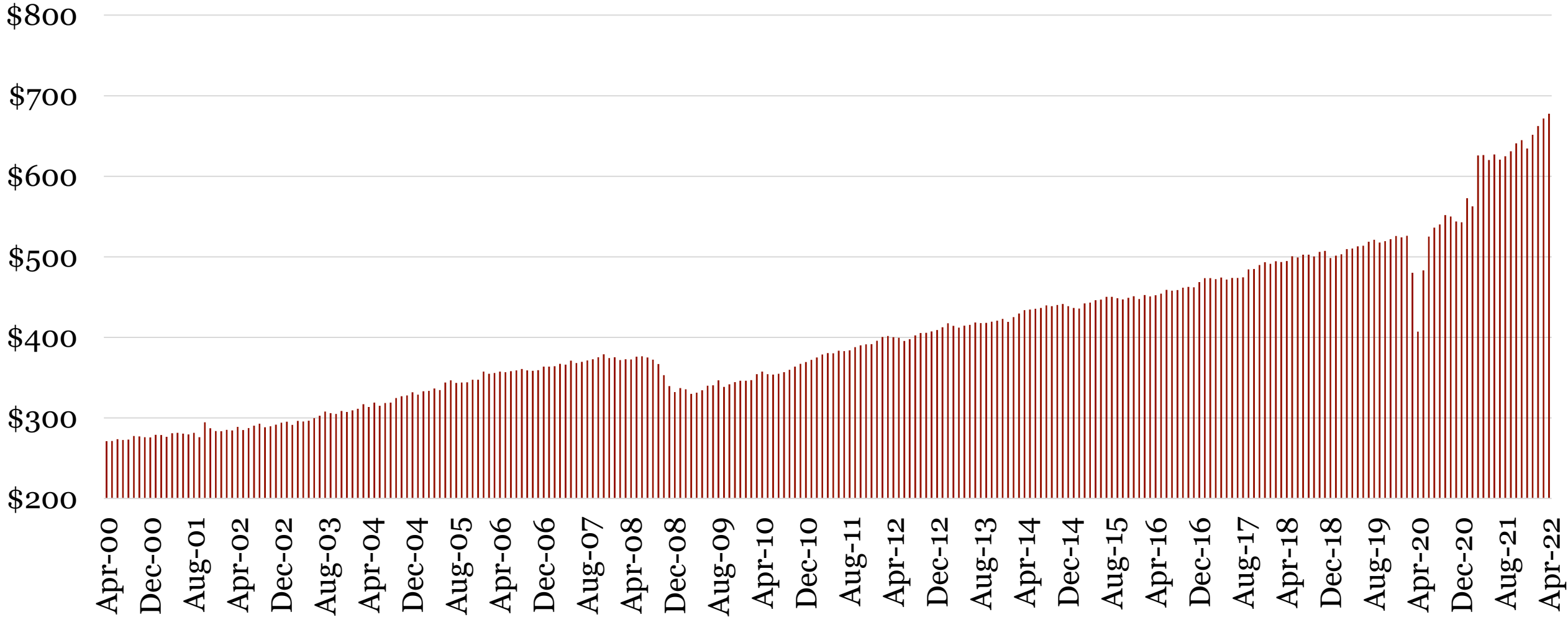


Live and Let Buy

U.S. Retail Sales

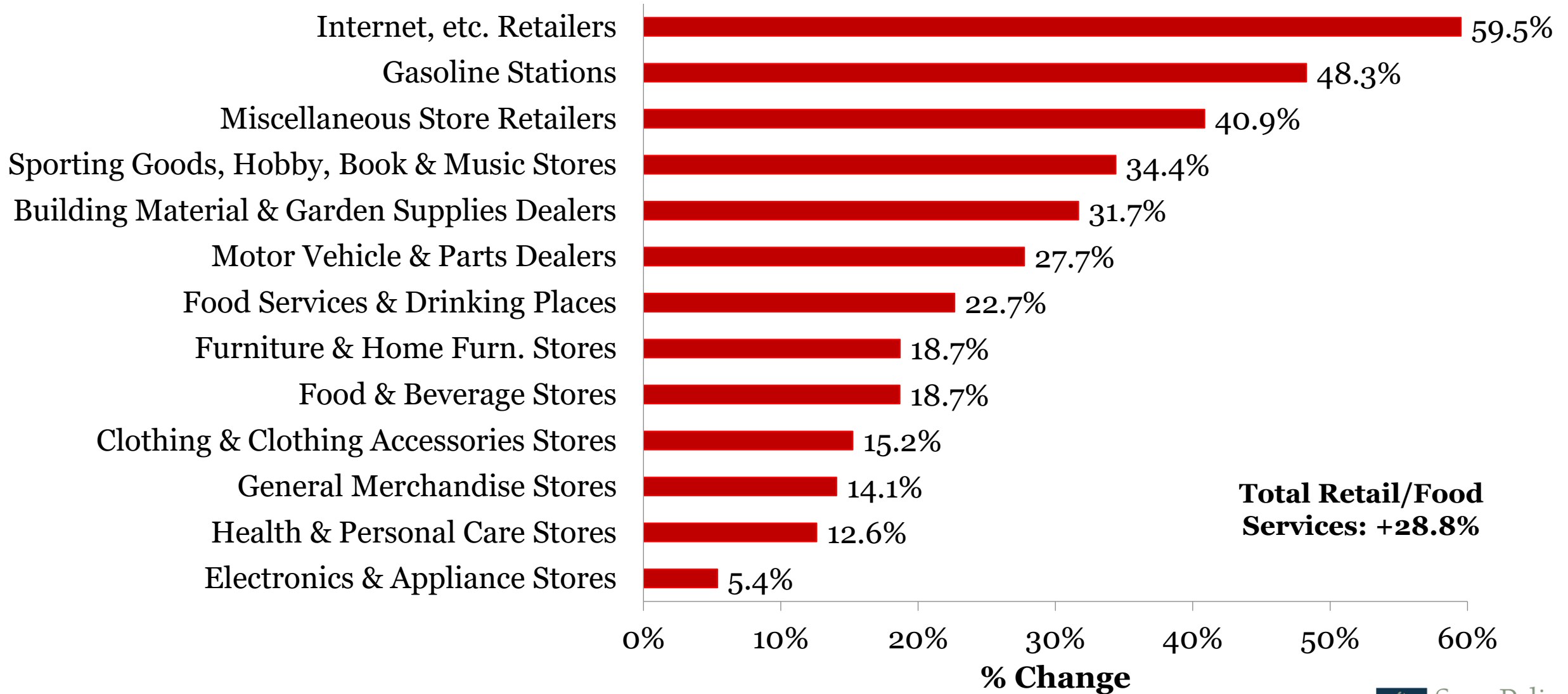
2000 – April 2022

Retail Sales (\$Billions)



U.S. Retail Sales by Type of Business

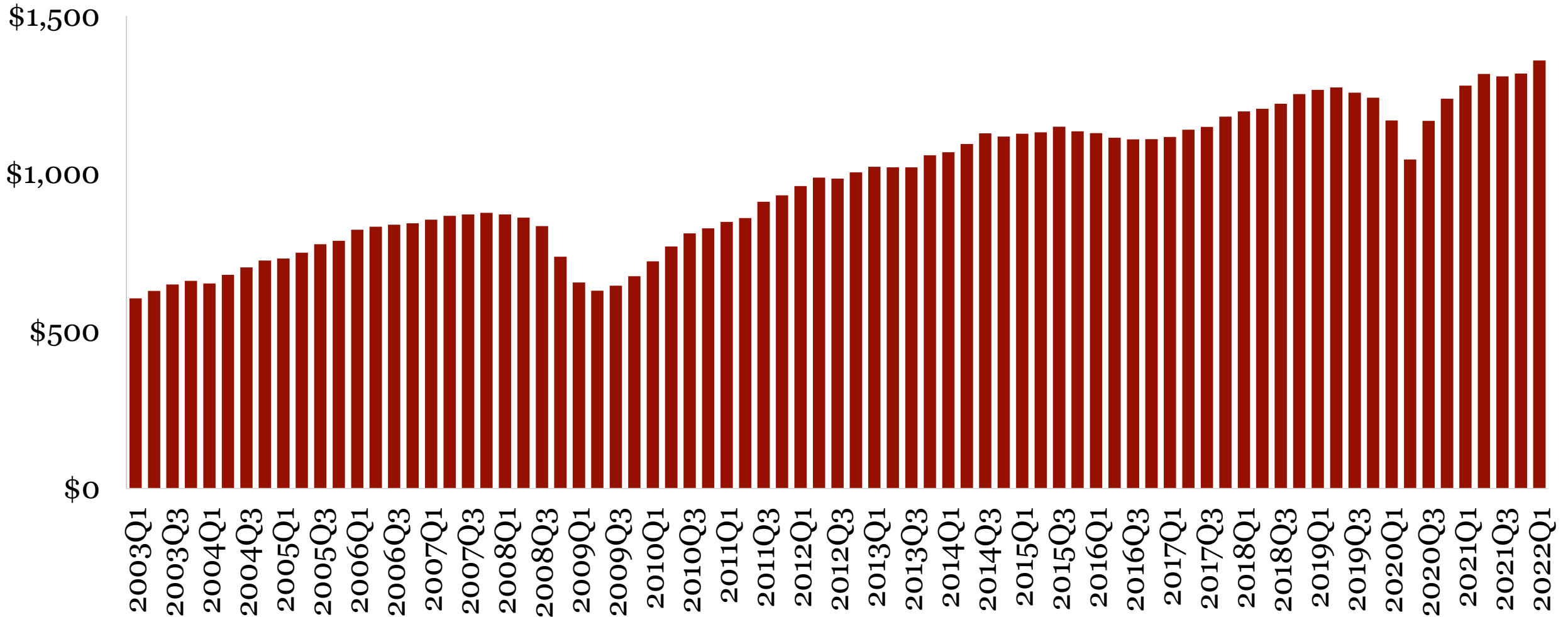
February 2020 v. April 2022 % Change



U.S. GDP: Nonresidential Fixed Investment in Equipment

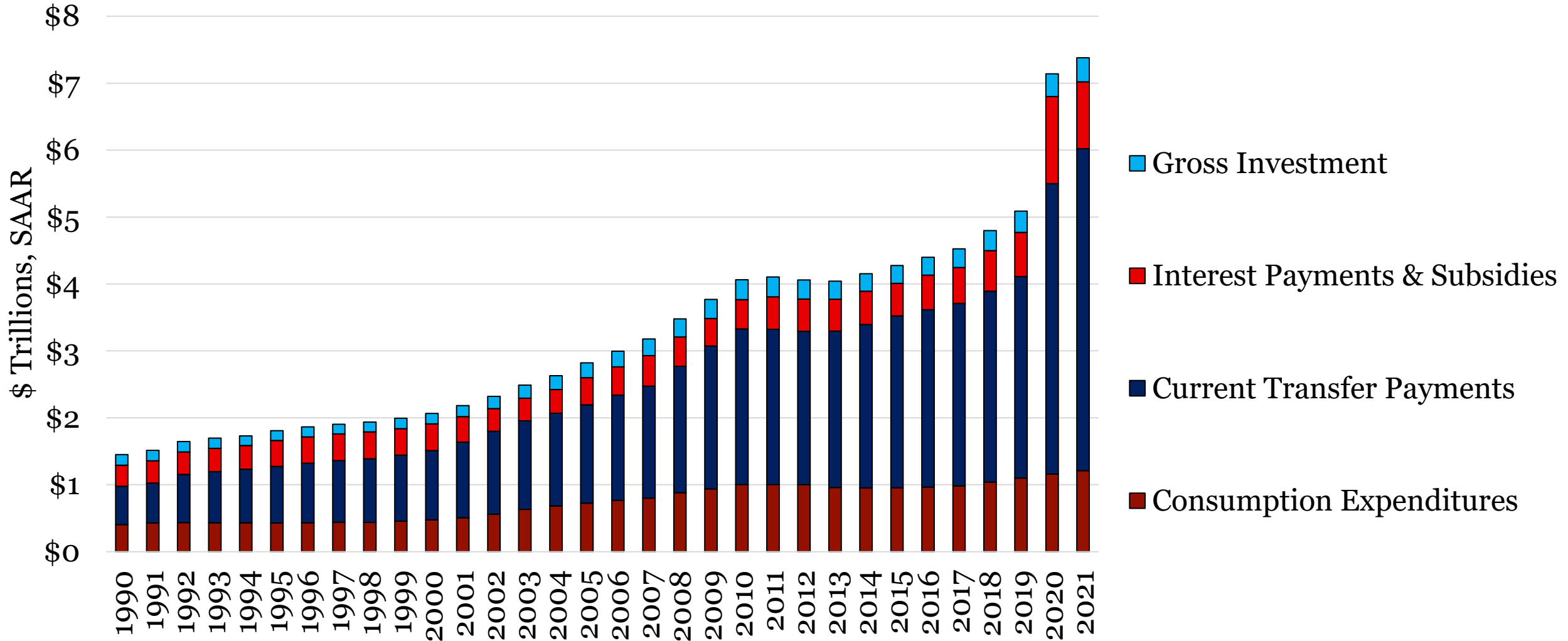
2003 – 2022Q1*

\$ Billions of chained 2012 dollars, seasonally adjusted annual rate



Deficits are Forever

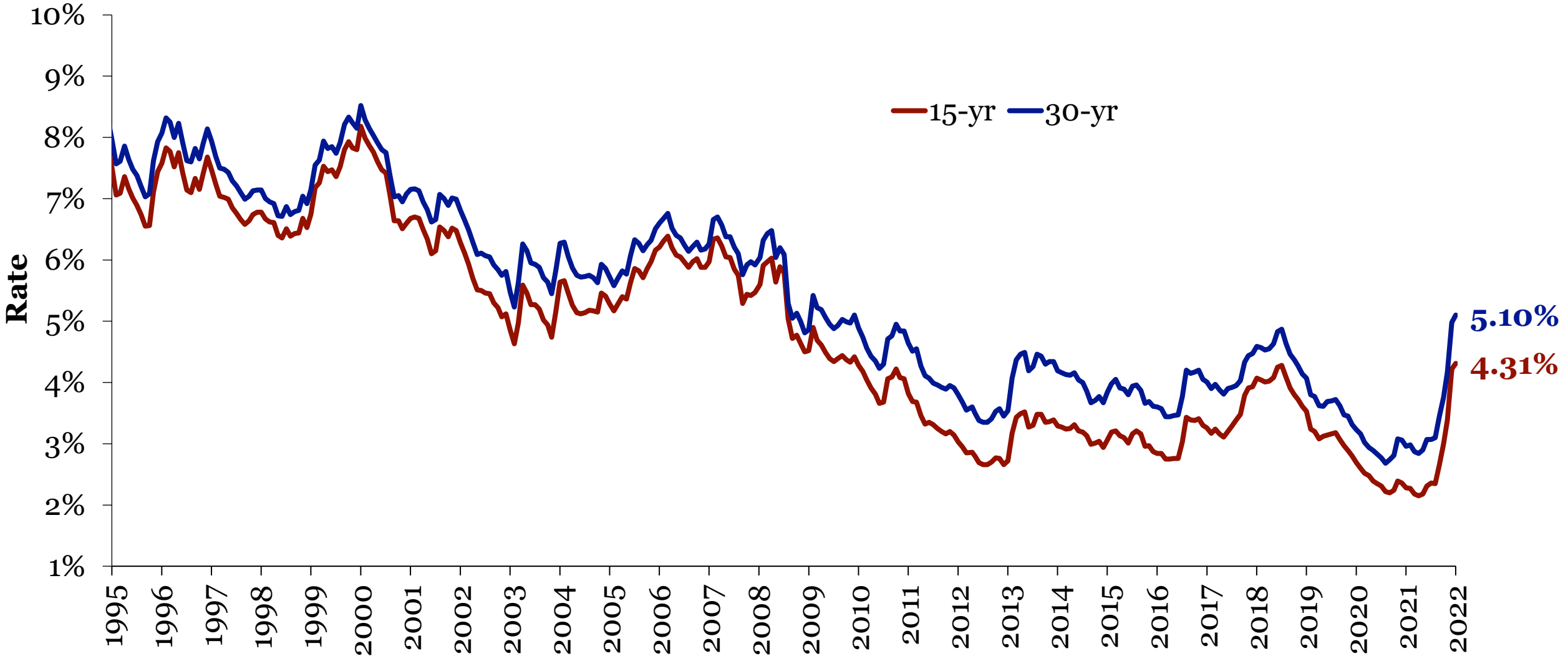
Federal Government Expenditures, 1990 – 2021



Quantum of Construction

License to Borrow (at Low Rates)

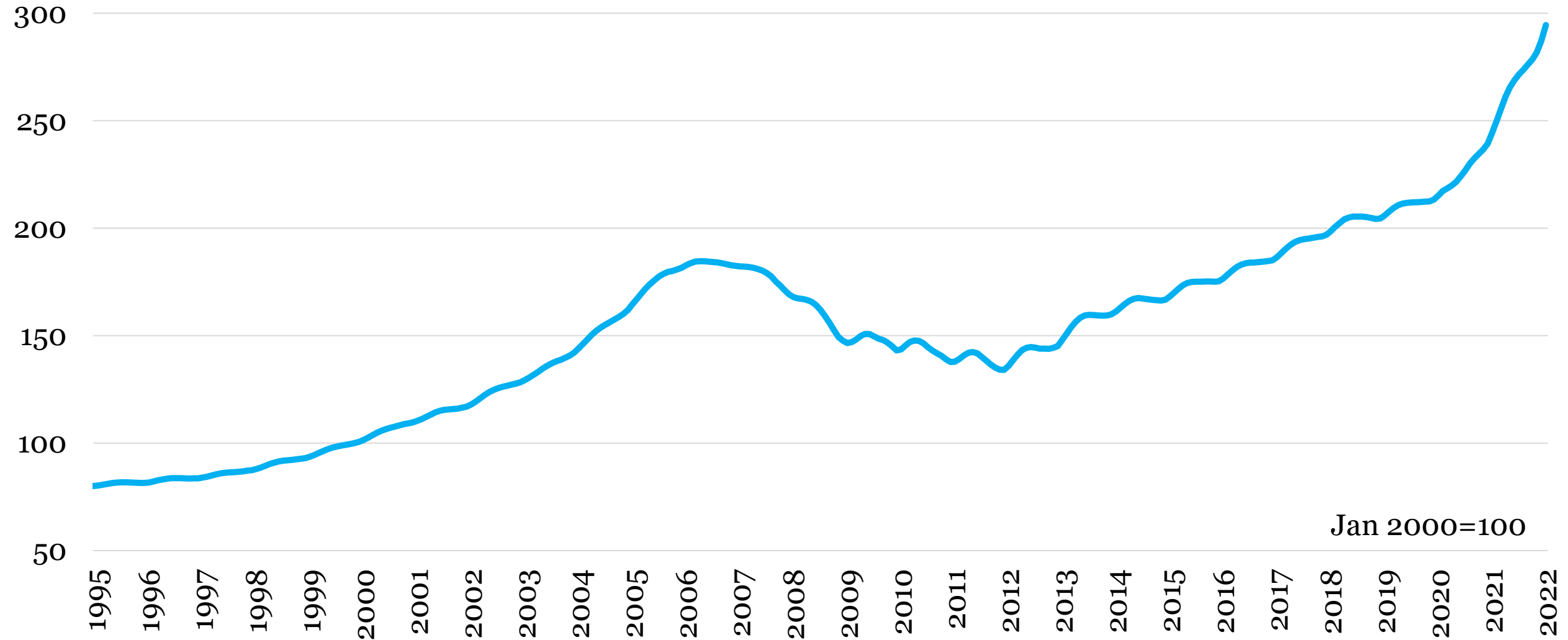
15-Year & 30-Year Fixed Mortgage Rates, 1995 – May 2022*



*Week ending 5/26/2022

S&P Case-Shiller U.S. National Home Price Index

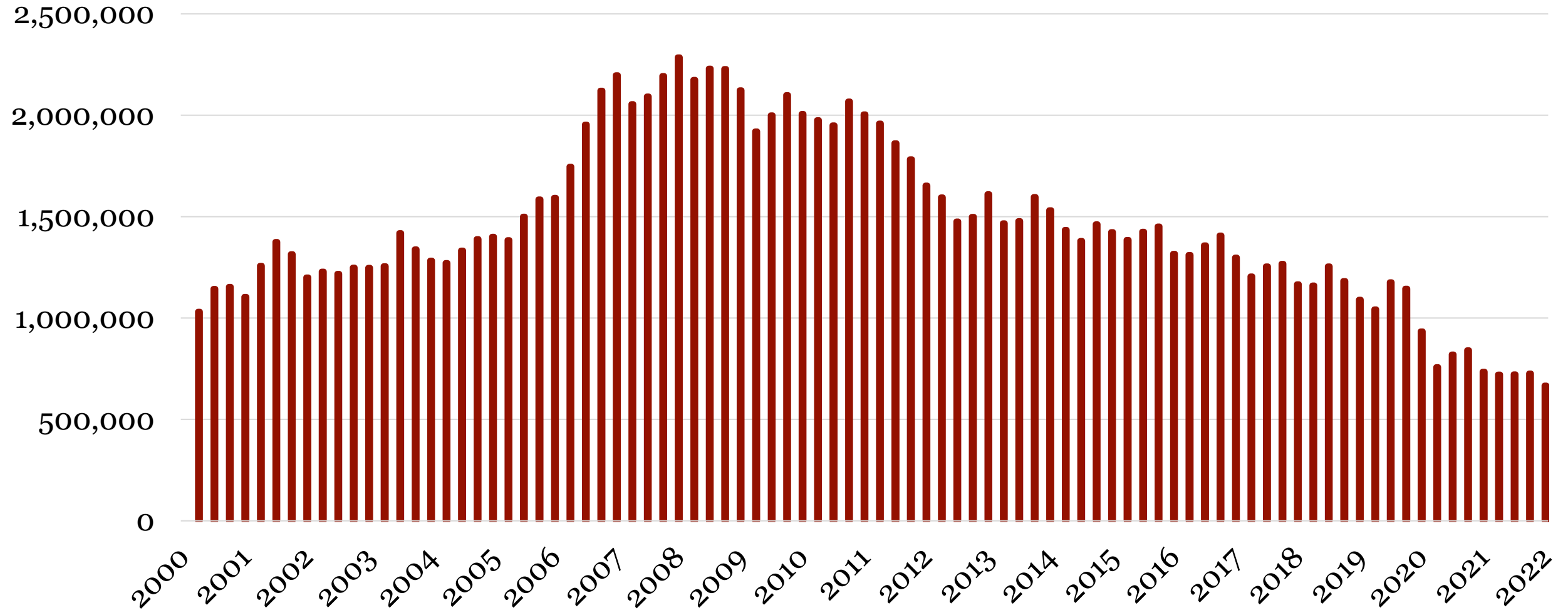
1995 – March 2022



Inventory of Unsold Homes: Vacant Housing Units for Sale*

2000 – 2022Q1

Vacant Housing Units for Sale

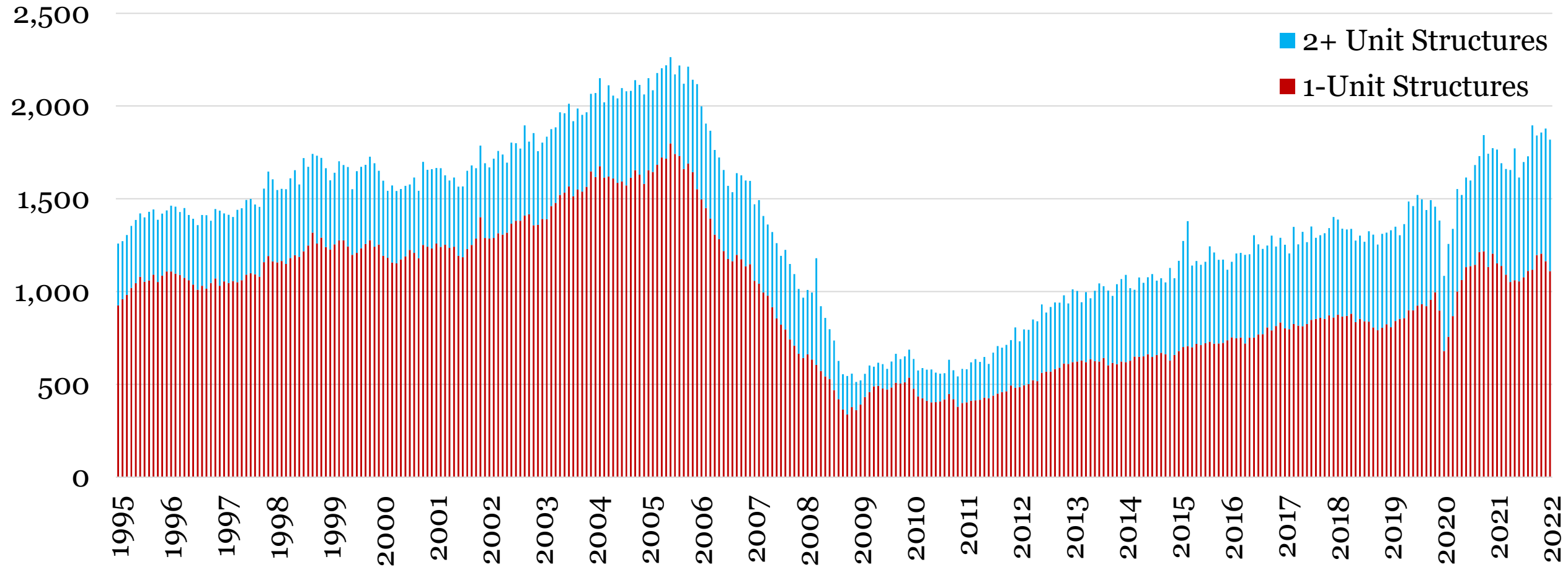


*Units for sale only, excludes units both for rent and sale

U.S. Residential Building Permits

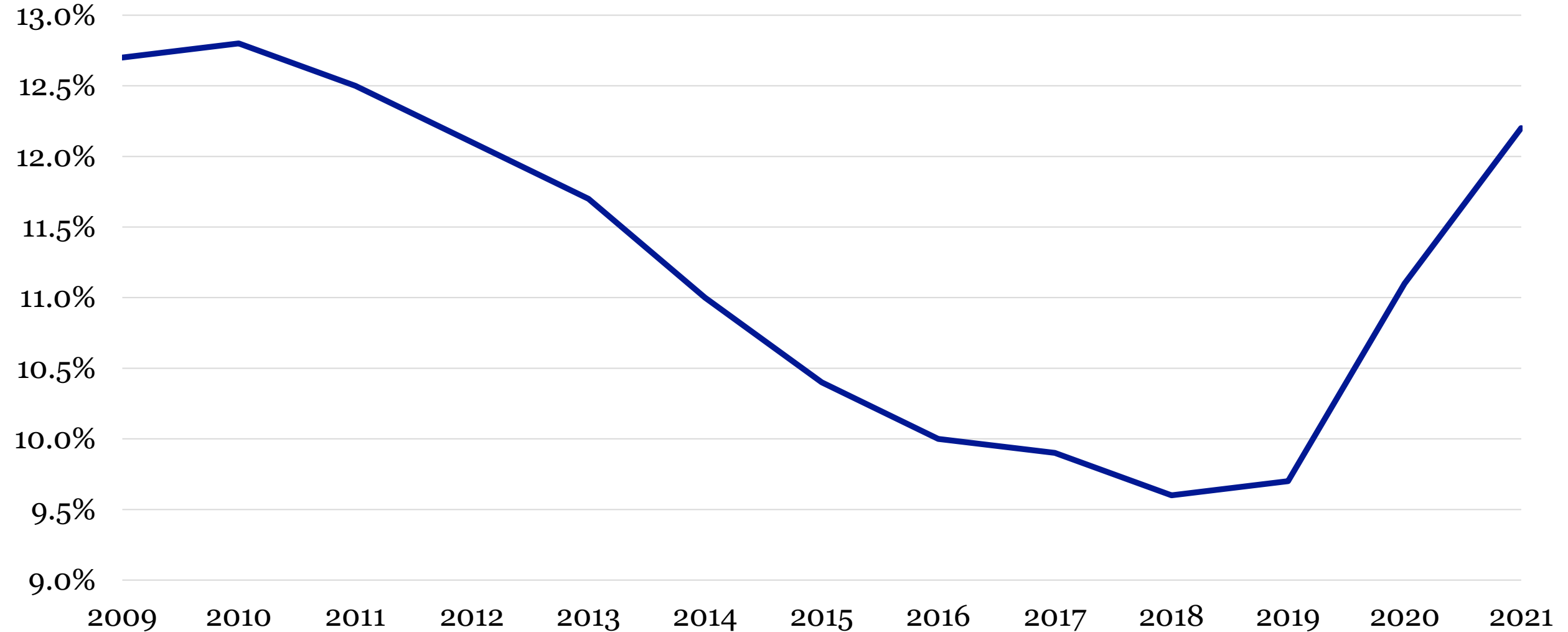
1995 – April 2022

Building Permits (000's of Units)



Occupancy is Not Enough

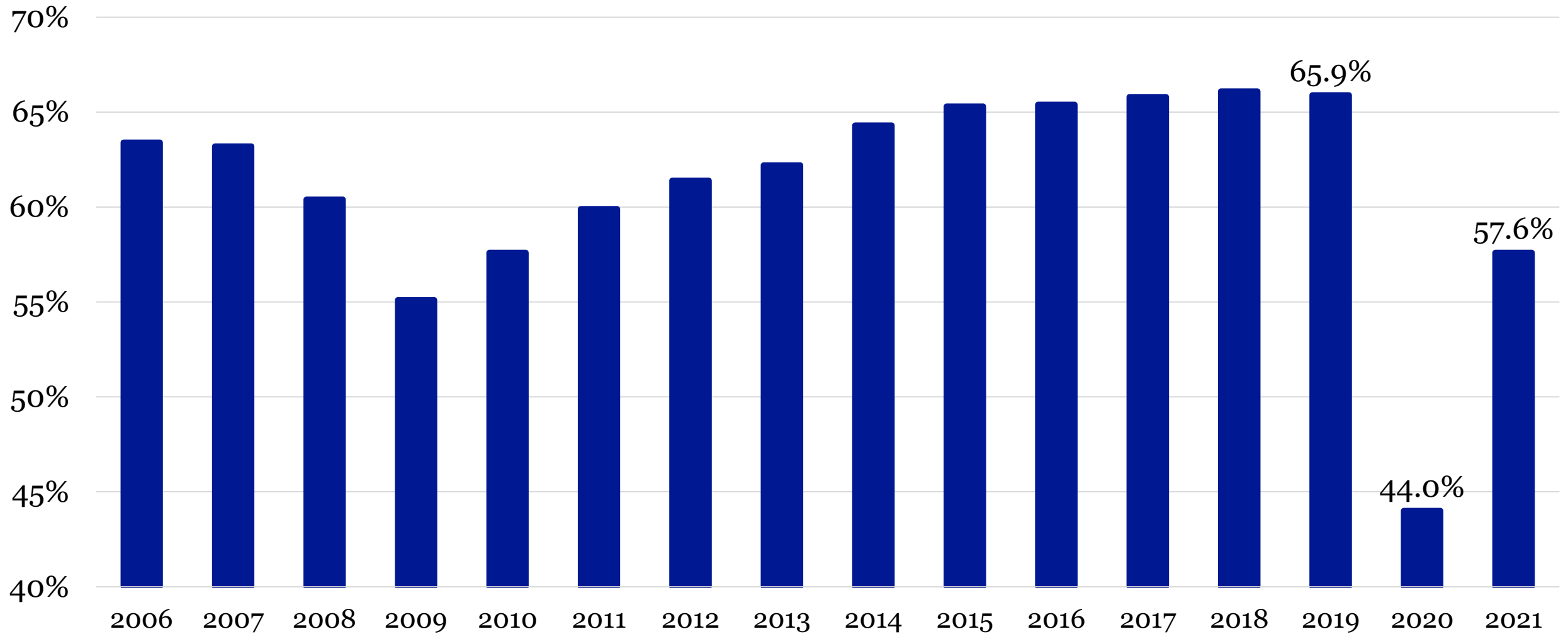
U.S. Office Vacancy, 2009 – 2021



U.S. Retail Space Vacancy: Malls, 2009 – 2021



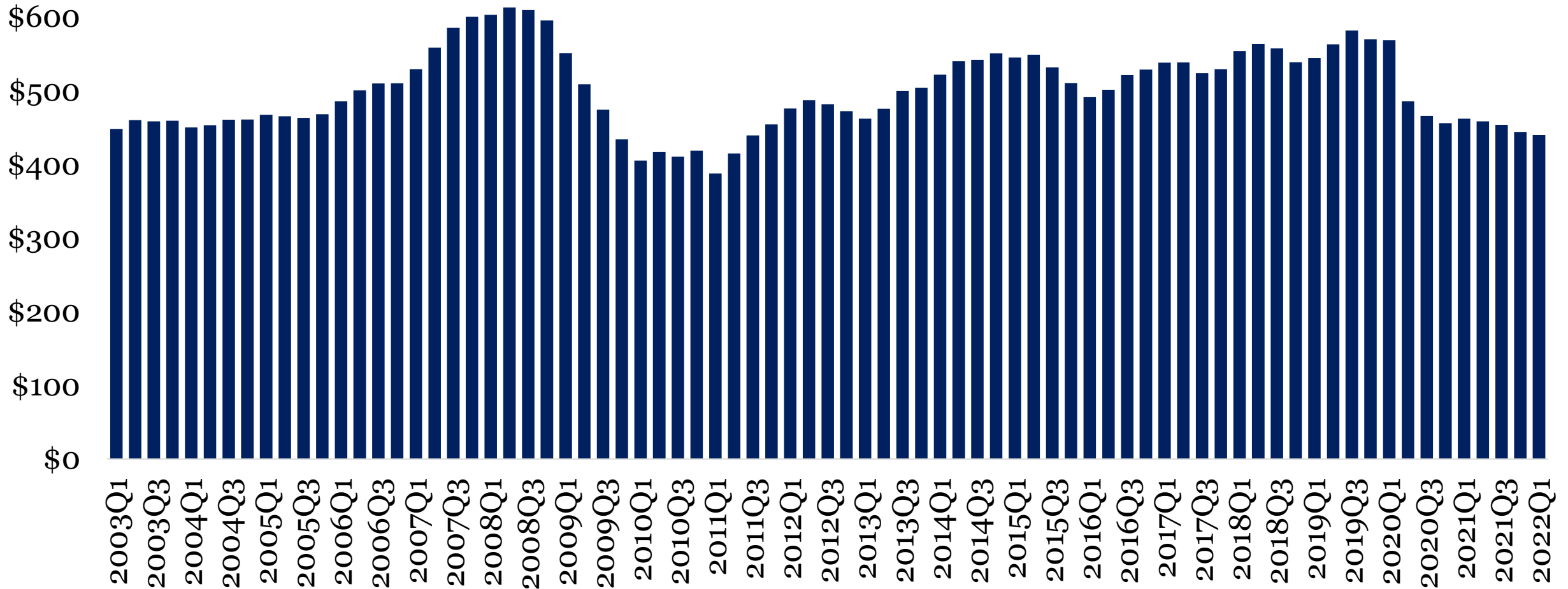
U.S. Hotel Occupancy, 2006 – 2021



U.S. GDP: Nonresidential Fixed Investment in Structures

2003 – 2022Q1*

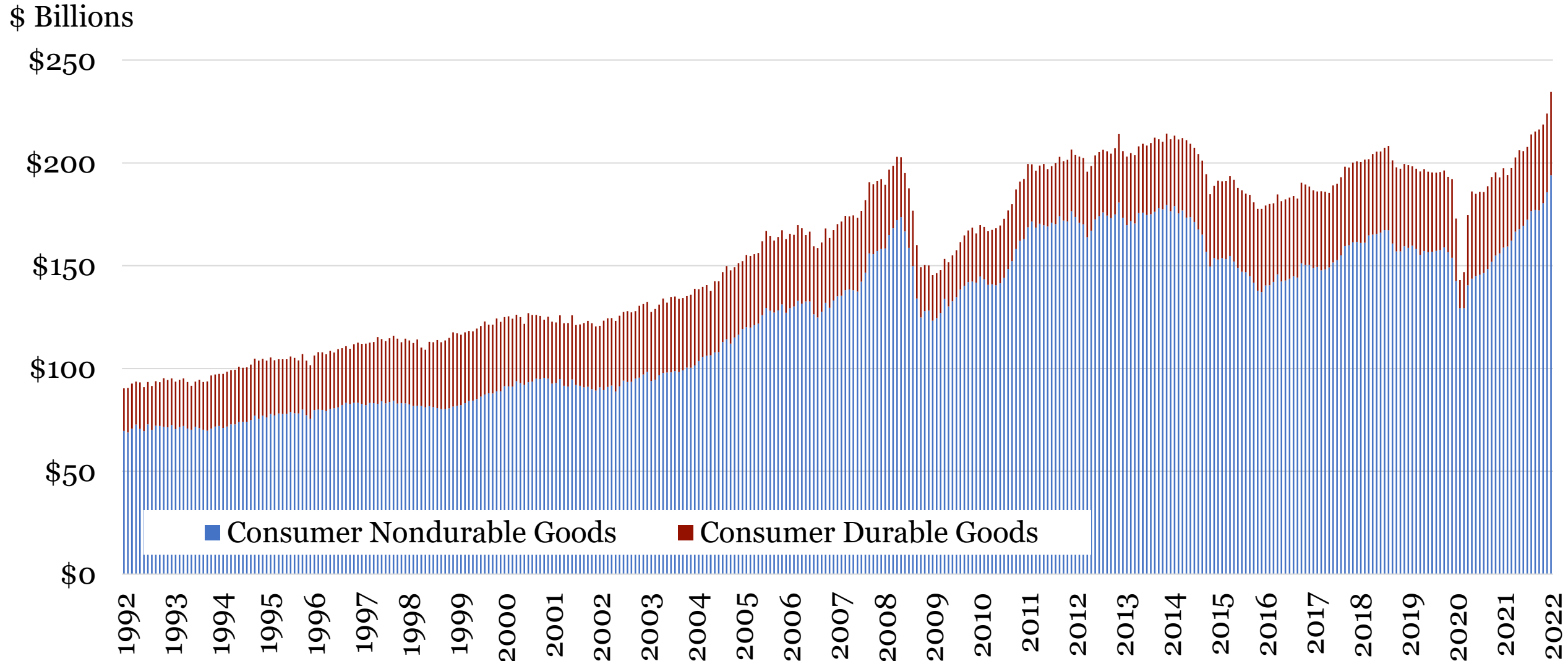
\$ Billions of chained 2012 dollars, seasonally adjusted annual rate



My Name is Ban, Anirban

U.S. Manufacturers' New Orders: Consumer Goods

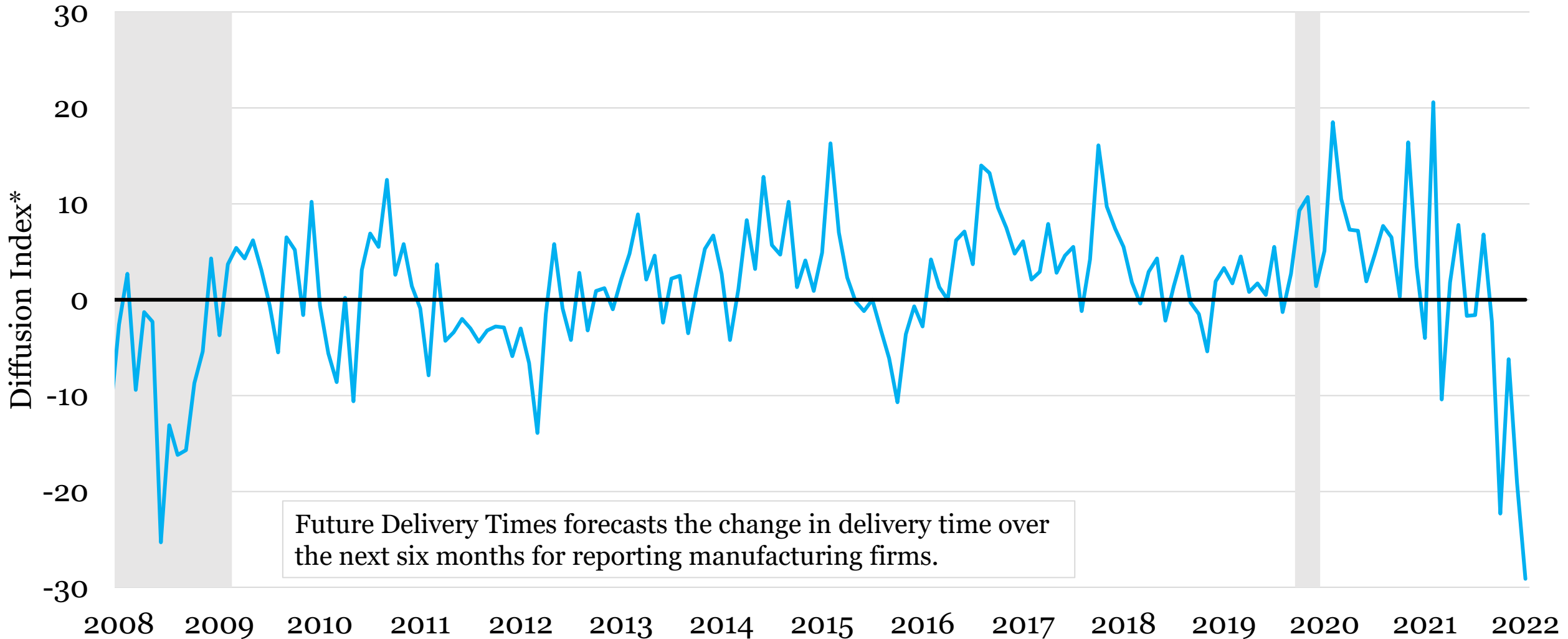
1992 – March 2022



Source: U.S. Census Bureau. Note: Due to the nature of nondurable goods, the reporting figure for both their Shipments and New Orders will be identical.

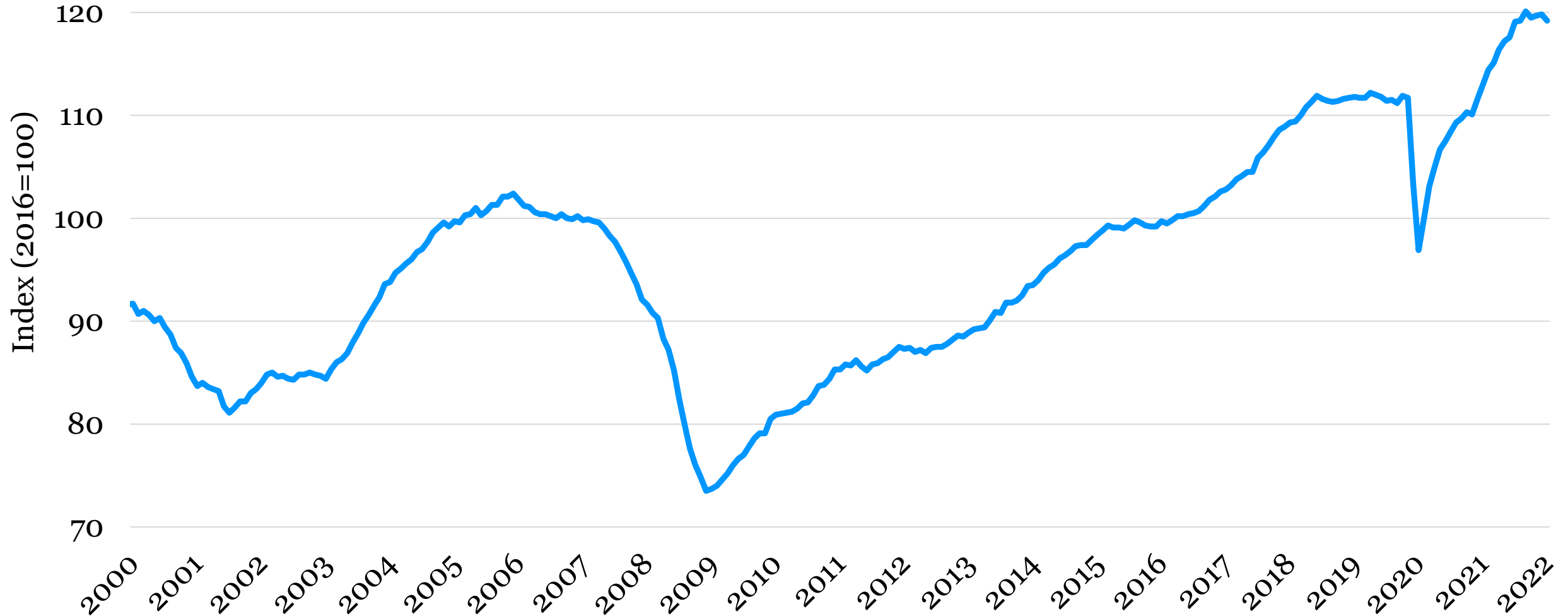
Philly Fed Manufacturing Business Outlook Survey

Future Delivery Times, 2008 – May 2022



Conference Board: U.S. Leading Economic Index

2000 – April 2022



You Only Forecast Twice



- This will be a year of growth, but 2023 could be very different.
- The economy will remain unbalanced, with supply struggling to keep up with demand – Ukraine/Russia and Omicron/China/Europe hampering recovery.
- Along with rising wages amidst the Great Resignation, that translates into higher than average economywide inflation in 2022 (stagflation anyone?).
- Yes, I'm an economist, so I am forecasting interest rates to increase.

Speaking of “For Your Eyes Only”

Sign up for our newsletter at **Basu.substack.com**

- A “Week in Review” post every Friday covering all the economic data releases, the best things I read, and, of course, my absence of humor
- An overview of the BLS jobs report on the first Friday of every month
- A monthly Q&A session
- Occasional posts on specific economic & policy related subjects



Thank You

Please follow me on Twitter -- @sageanirban

Please look for updates of information at
www.sagepolicy.com.

Please contact us when you require economic research
& policy analysis.