

U.S. Regional Outlook: Shocks, Setbacks and Successes

Marisa DiNatale, Senior Director

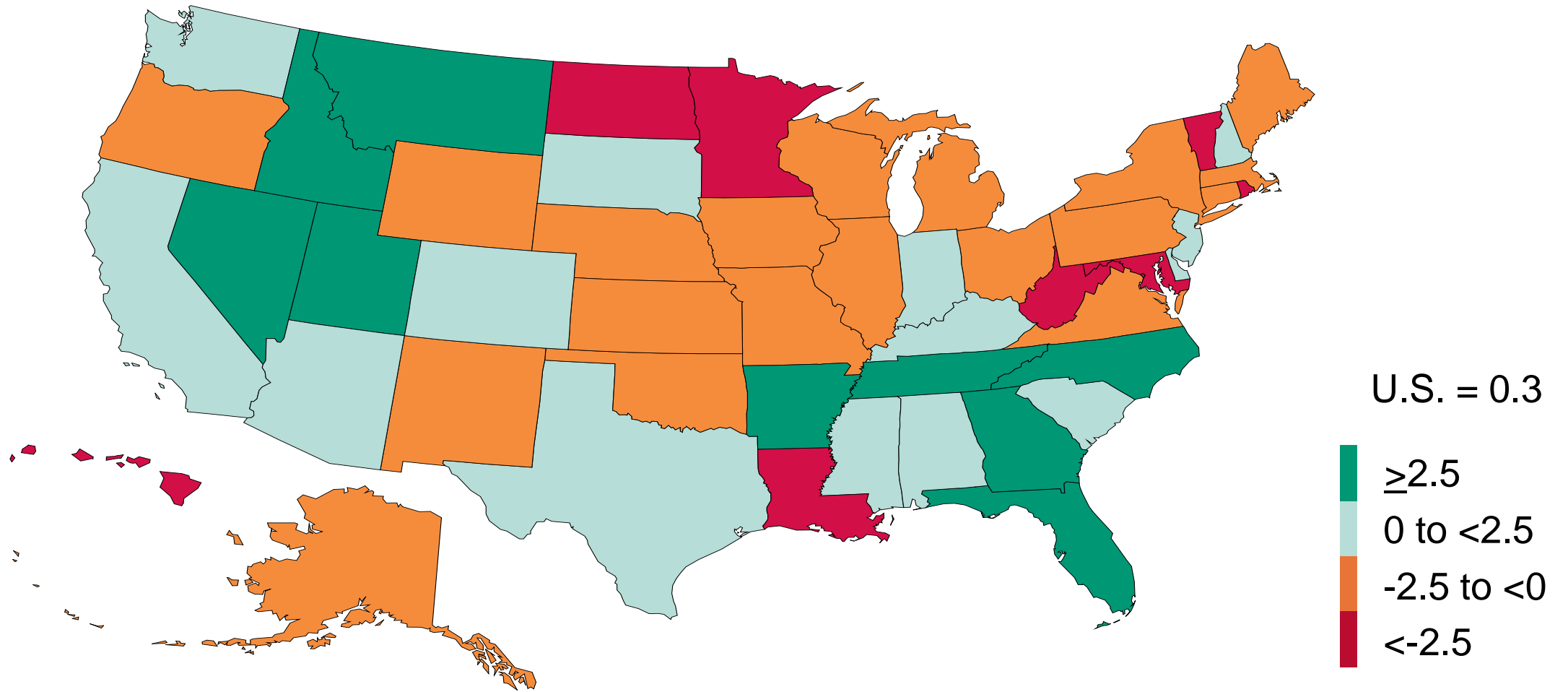
September 2023

1

The Near-Term Picture

Residual Impact of Pandemic Varies Considerably

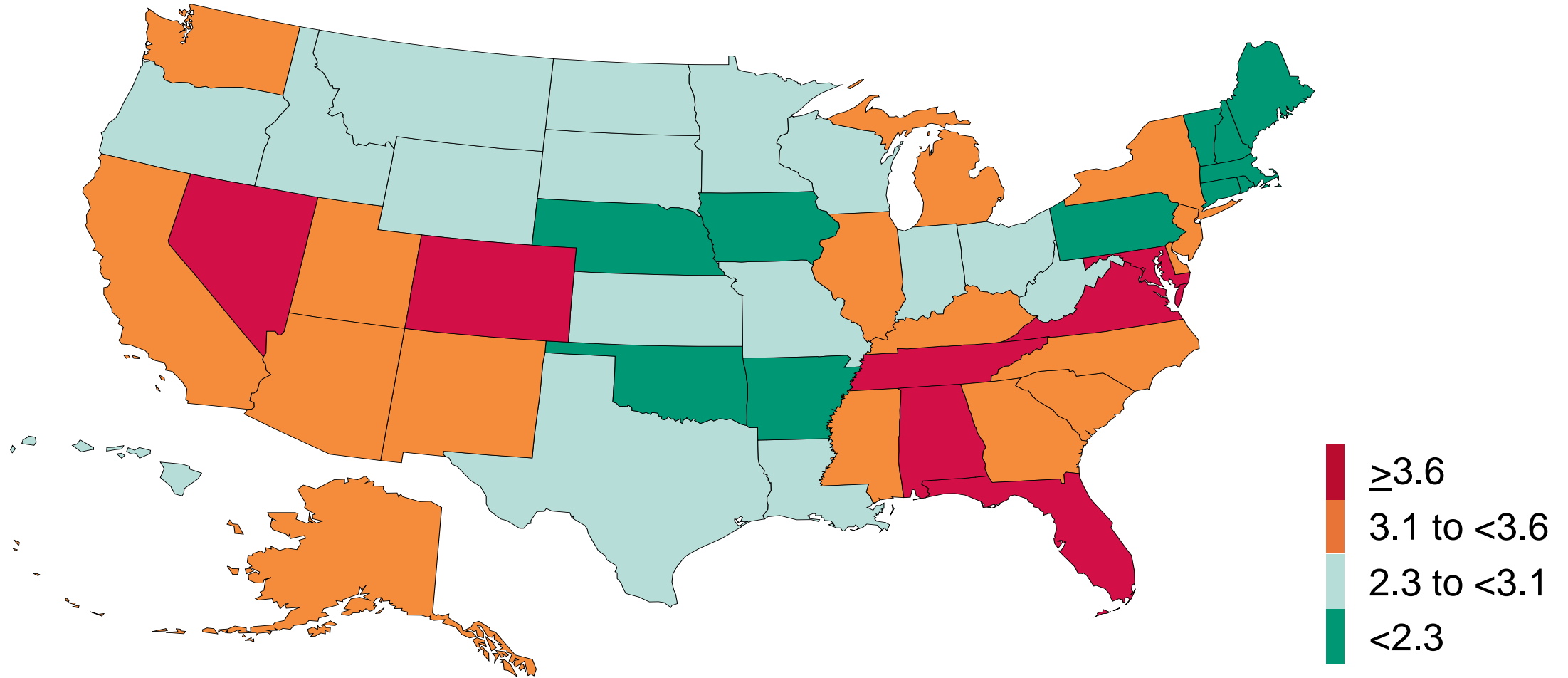
Payroll employment, diff in % chg from 2019Q4 to 2023Q2, Feb 2020 forecast vs. actual



Sources: BLS, Moody's Analytics

Price Pressures Are Worst in Southeast

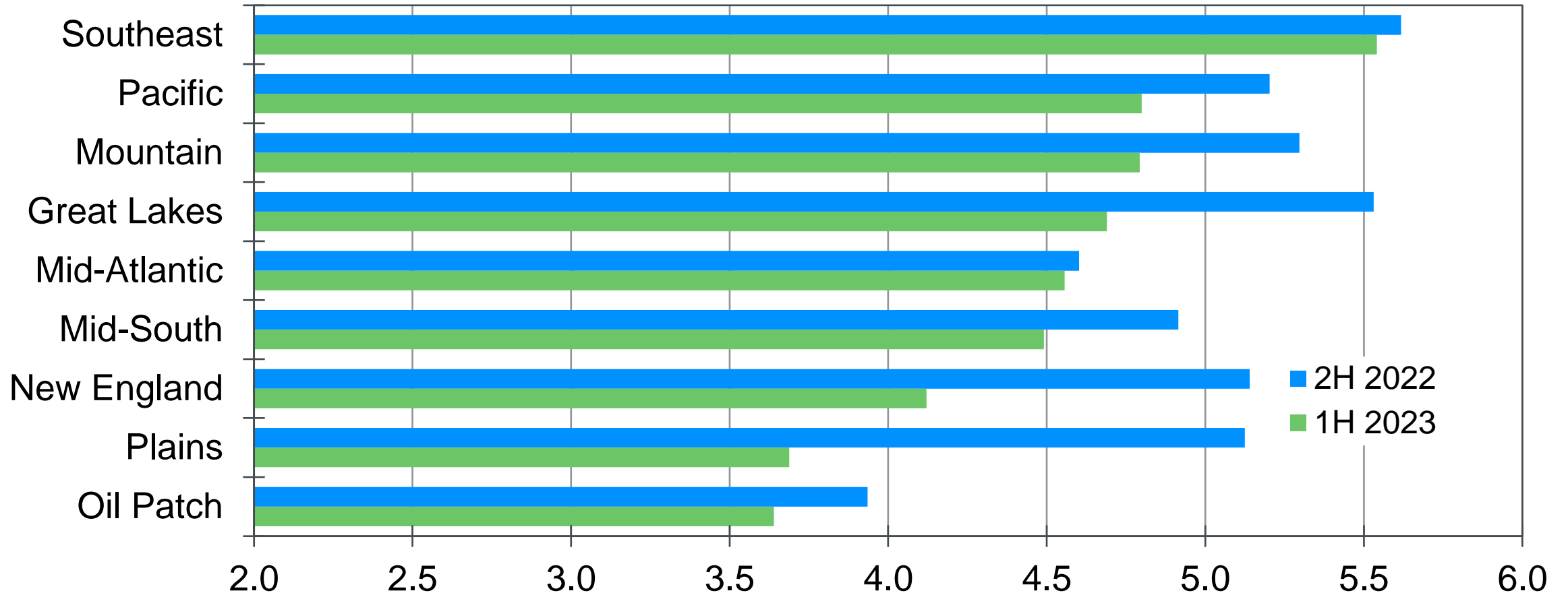
Estimated Consumer Price Index, Jul 2023, % change yr ago



Sources: BLS, Moody's Analytics

Wage Gains Slow Most in New England, Great Lakes

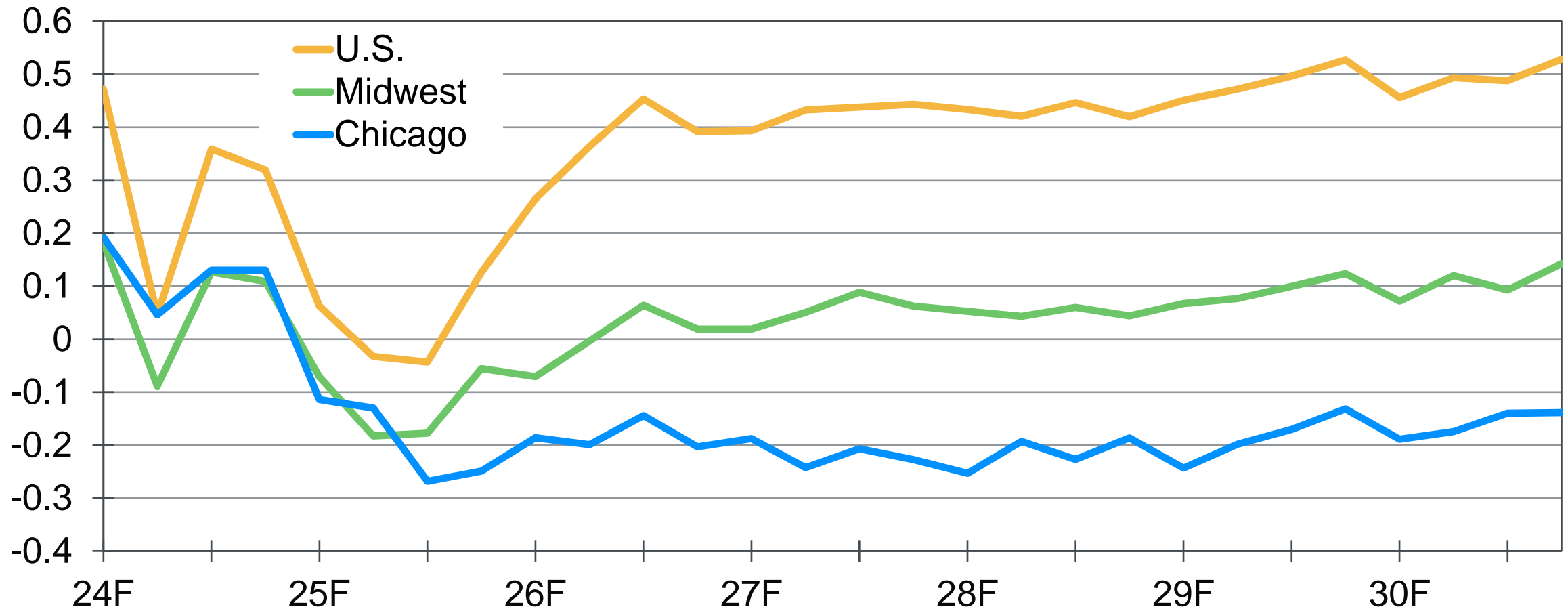
Employment Cost Index, total private industry compensation, % change yr ago



Sources: BLS, Moody's Analytics

Finance Faces Long-Term Challenges in Chicago

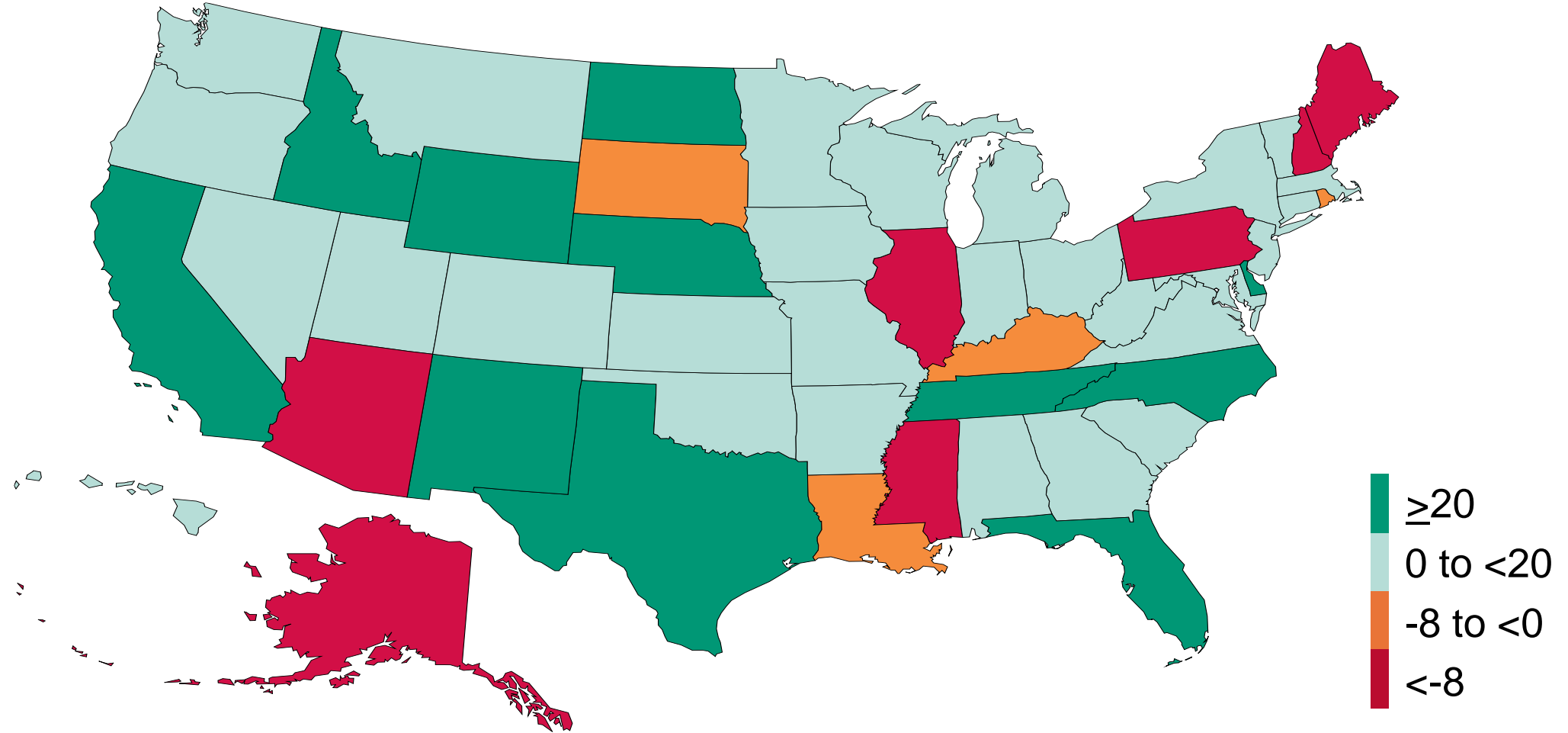
Financial services employment, annualized % chg from prior quarter



Sources: BLS, Moody's Analytics

Fiscal Woes in Illinois Could Compound a Downturn

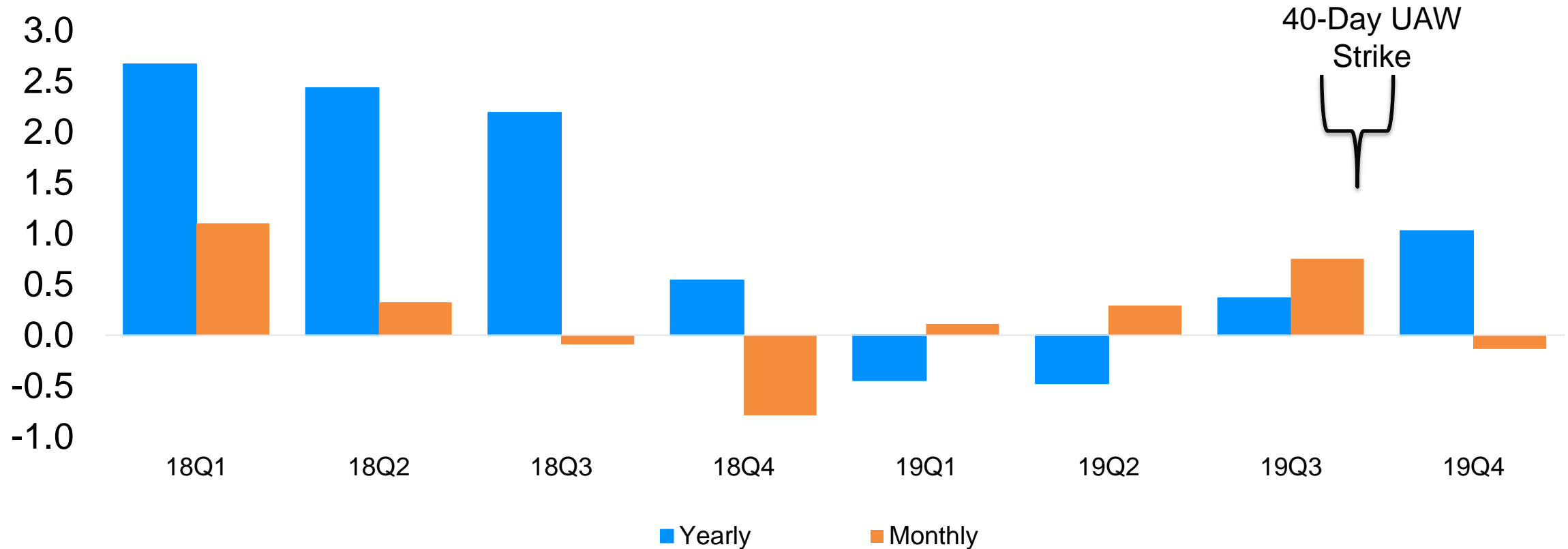
State surpluses/shortfalls net of cash balances as % of FY 2021 general fund revenue



Sources: NASBO, Moody's Analytics

No Obvious Dip in Michigan Output During Last Strike

Michigan Gross State Product, Bil. Ch. 2012 USD, % Change



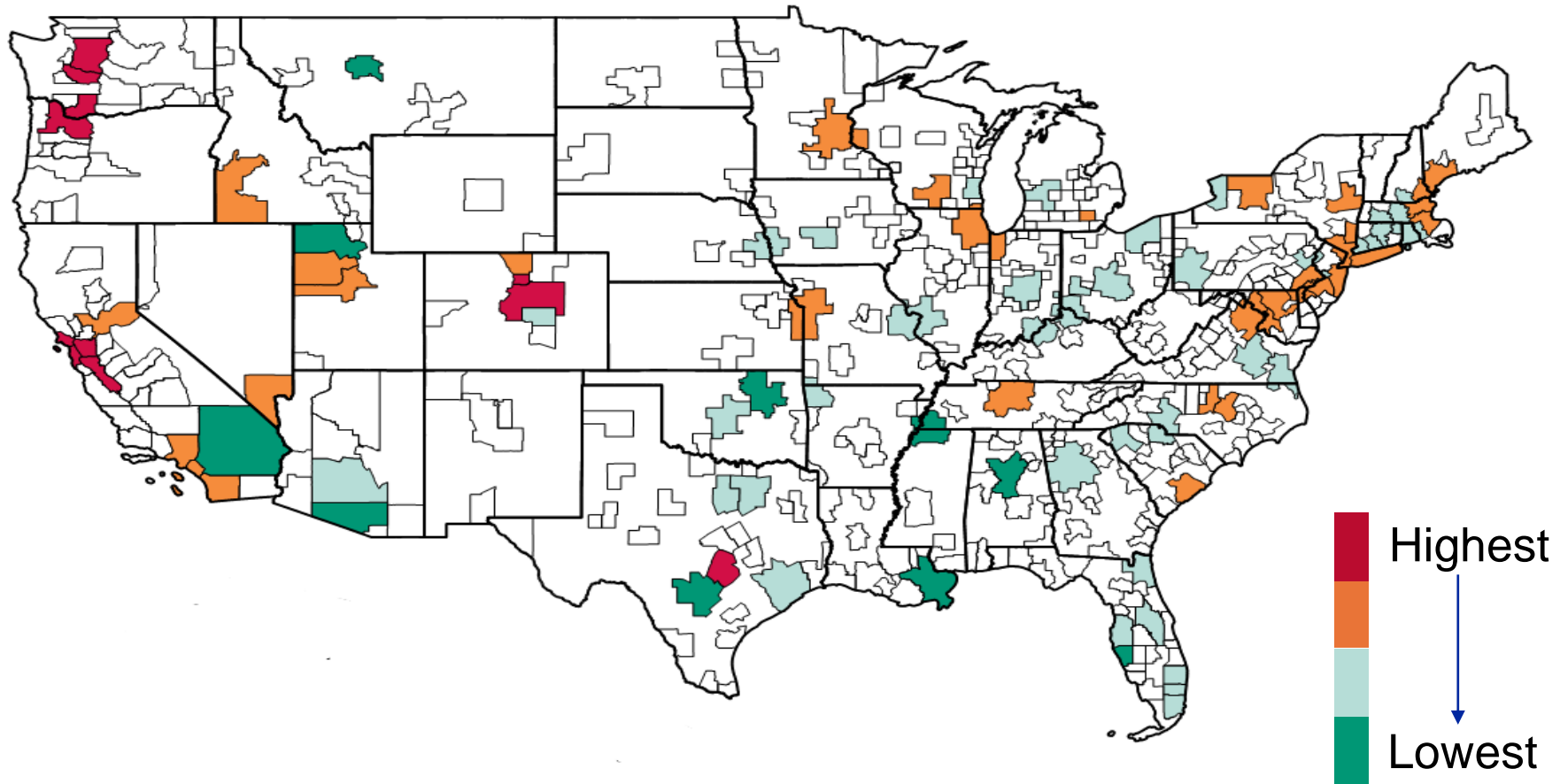
Sources: BEA, Moody's Analytics

2

A Changing Landscape

Remote Work Can Be a Blessing or a Curse

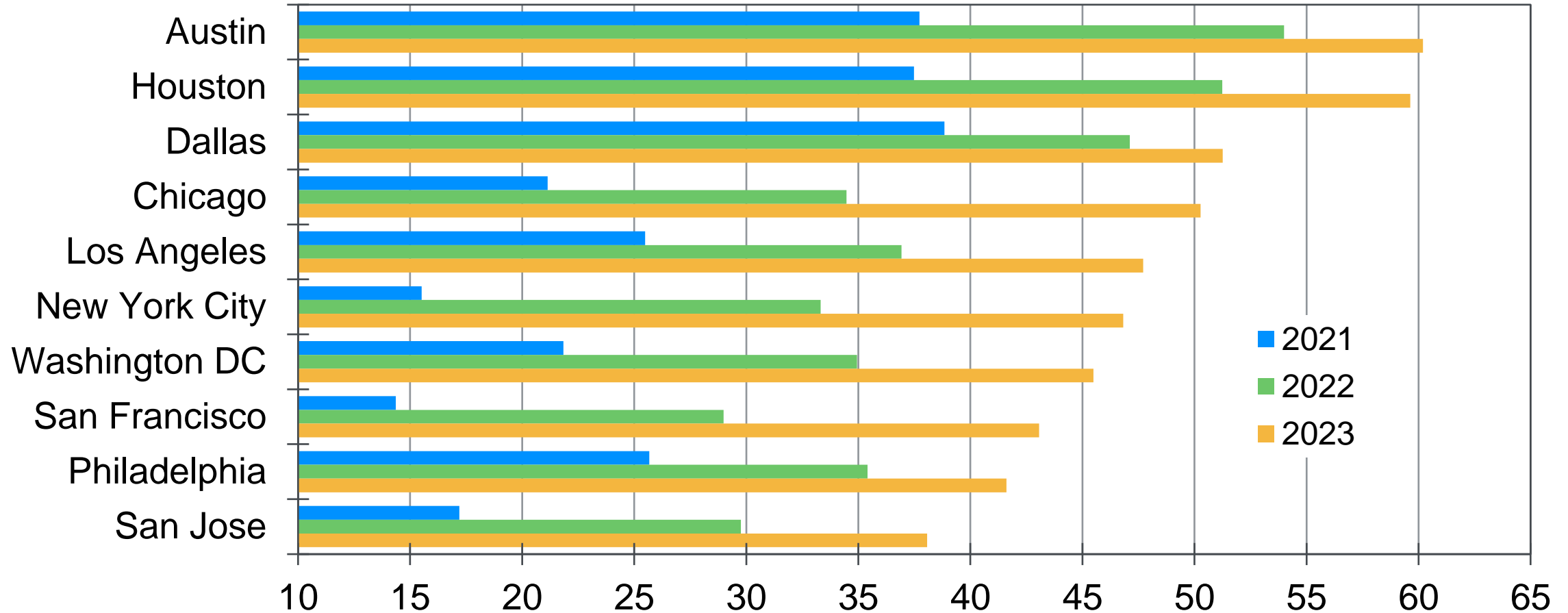
Share of companies in office-using industries that are fully flexible



Sources: Scoop, Moody's Analytics

Workers Stay Home in Tech Hubs, Northeast

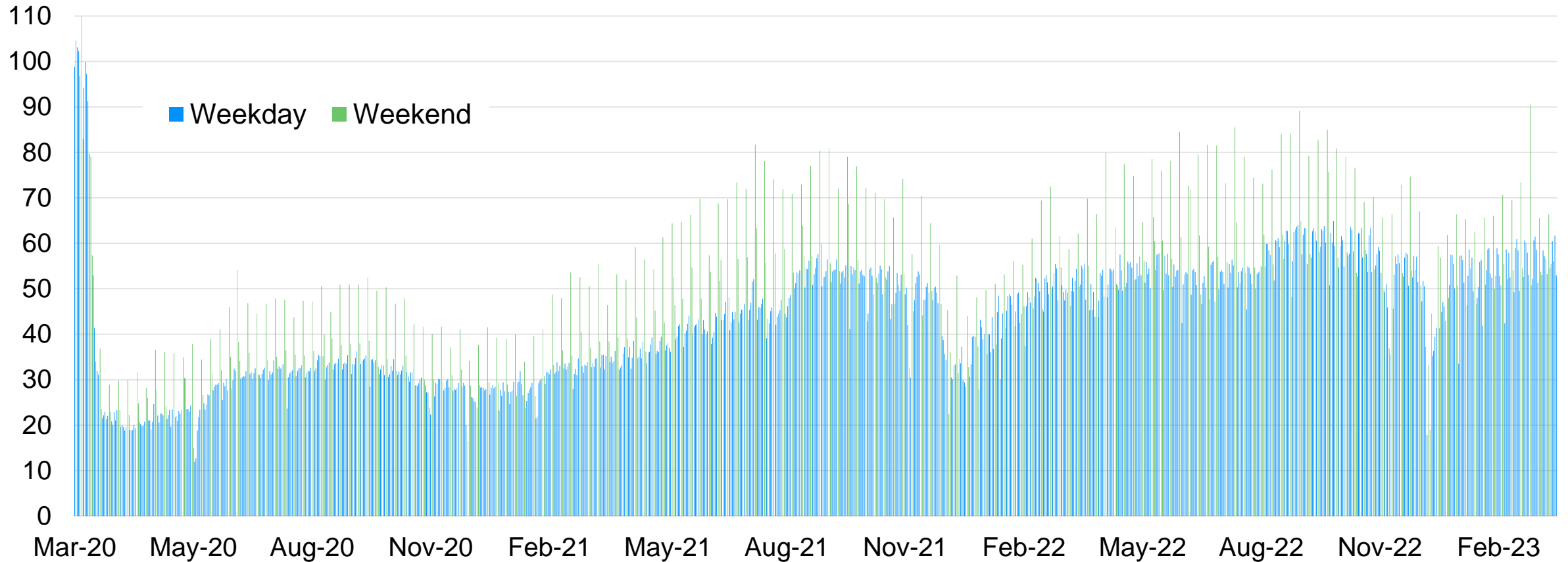
Share of workers to return to the office based on badge swipes in first half of...



Sources: Kastle Systems, Moody's Analytics

Daytime Population Is Still Depressed in Chicago

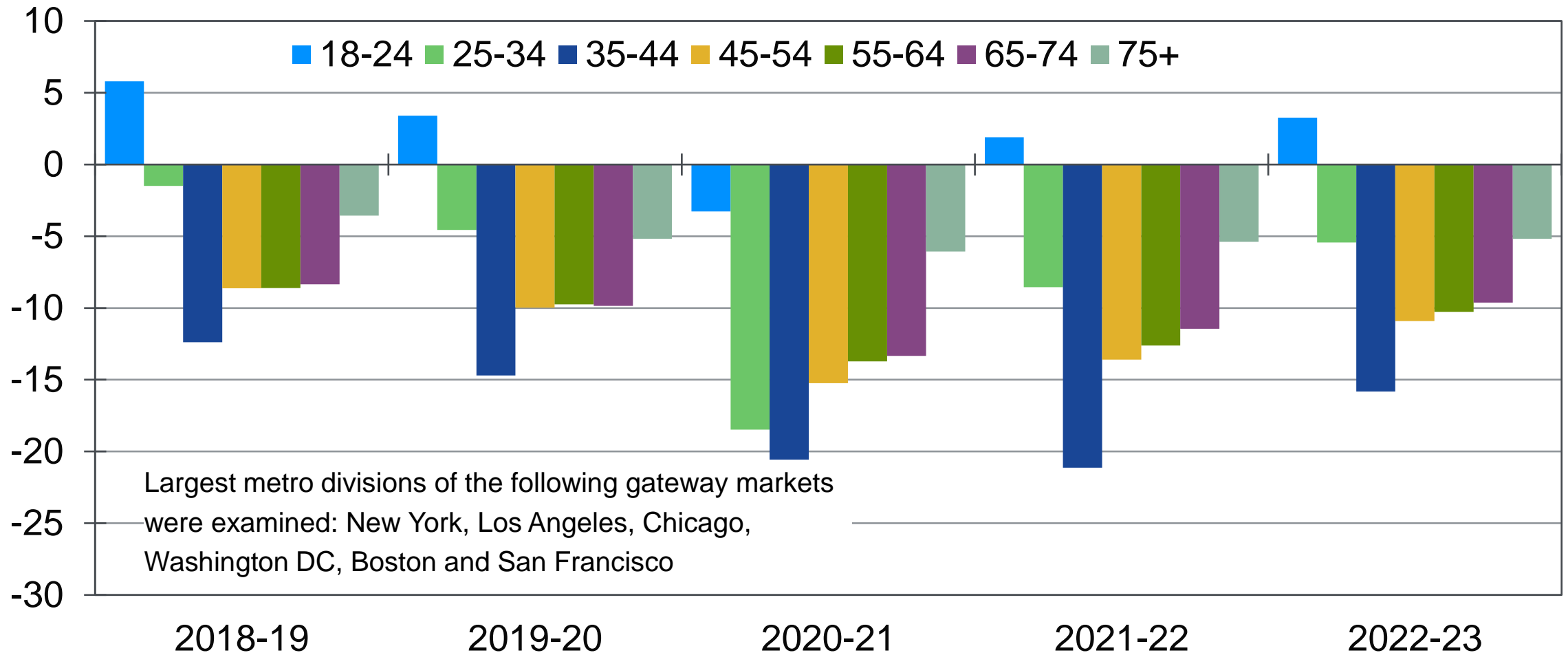
Daily bus and train ridership, 2019 avg = 100



Sources: Chicago Transit Authority, Moody's Analytics

Big Cities' Losses Persist, Except Among Young Adults

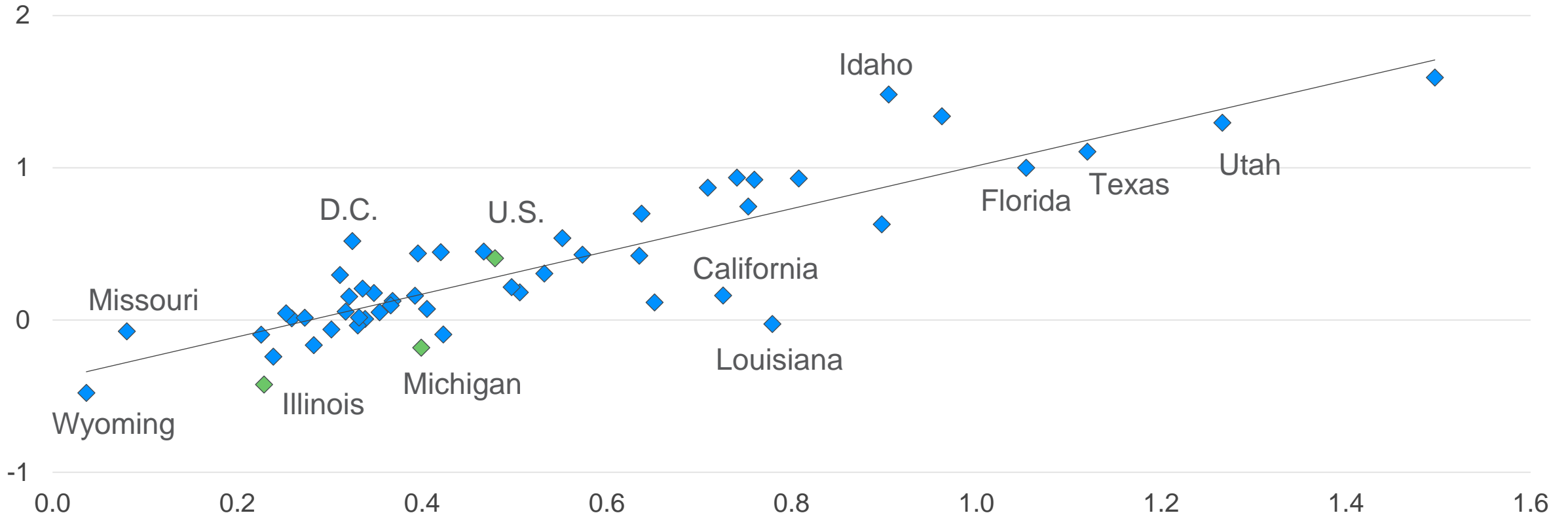
Net migration per thousand residents by age in gateway markets, July to June, #



Sources: Equifax, Moody's Analytics

Sun Belt and Mountain West Will Lead in Population and Job Growth

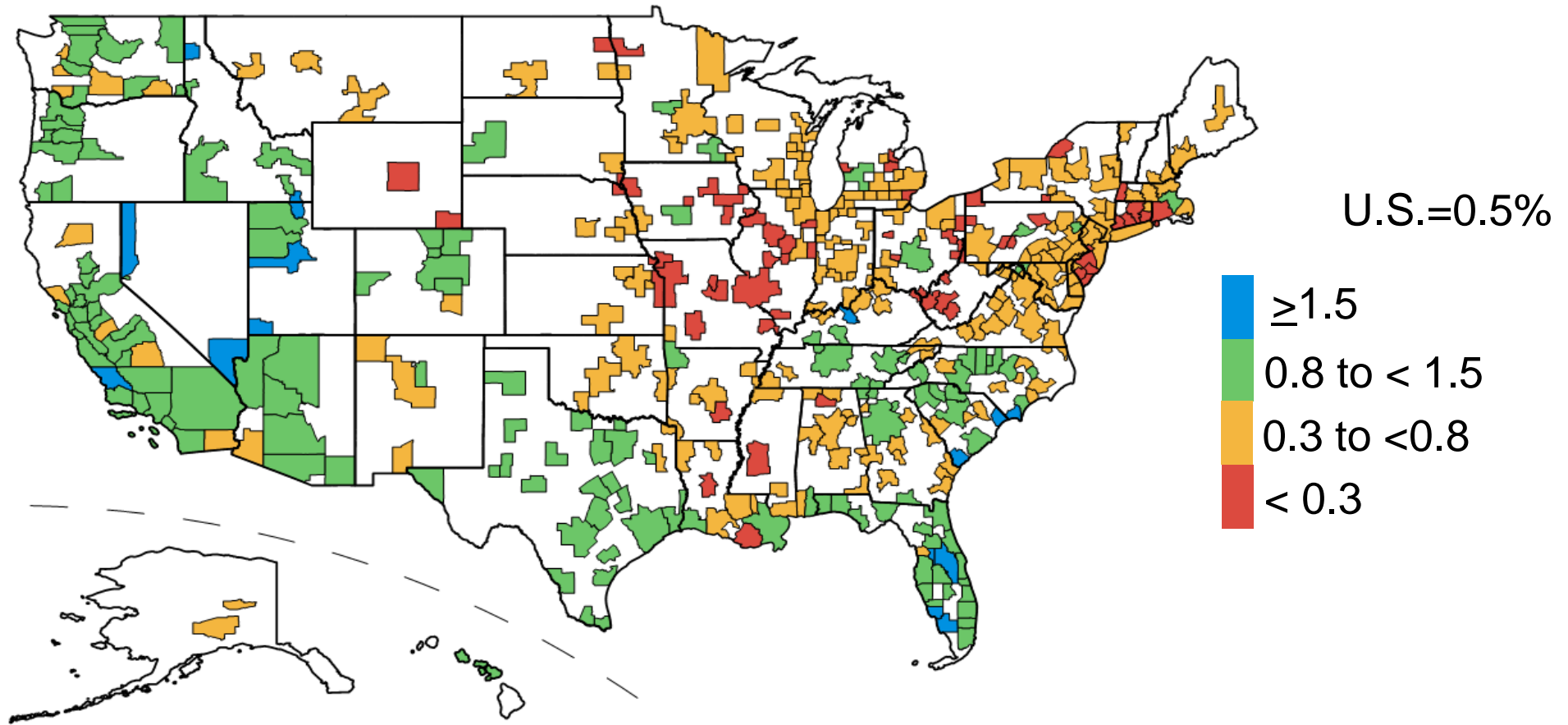
Payroll employment (X) vs. population (Y), annualized % chg, 23Q2 to 26Q2



Sources: BLS, Census Bureau, Moody's Analytics

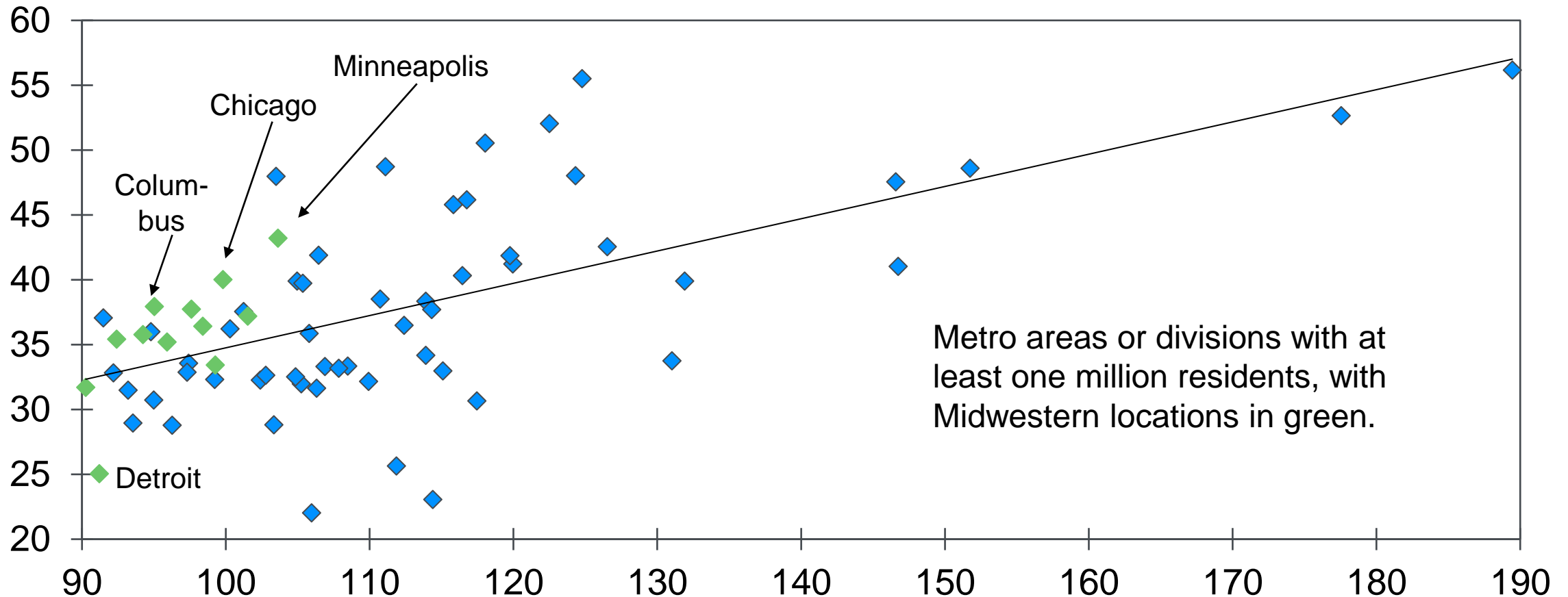
West and South Will Keep Setting the Pace

Payroll employment, annualized % chg, 23Q2 to 26Q2



Workforce and Cost Inject Upside Into Midwest Outlook

Cost of living index (X) vs. share of adults with college degree, % (Y)



Sources: Census Bureau, Moody's Analytics

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