

By: Anirban Basu

MPP, MA, JD, PHD

Sage Policy Group, Inc.



**NO TIME
TO BUY**

On Behalf Of

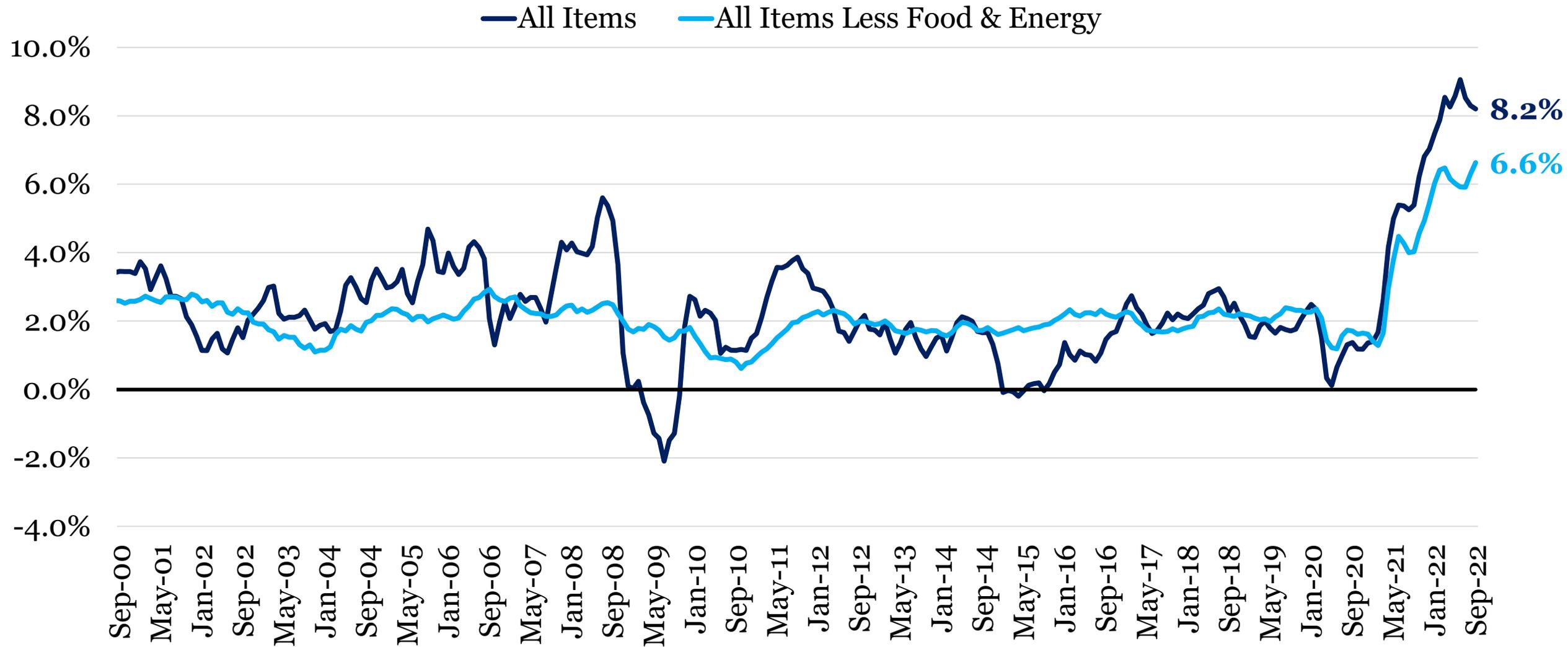
Global Cold Chain Alliance

November 8th, 2022

2021 – Specter of Inflation

U.S. Consumer Price Index

12-Month % Change, 2000 – September 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...”

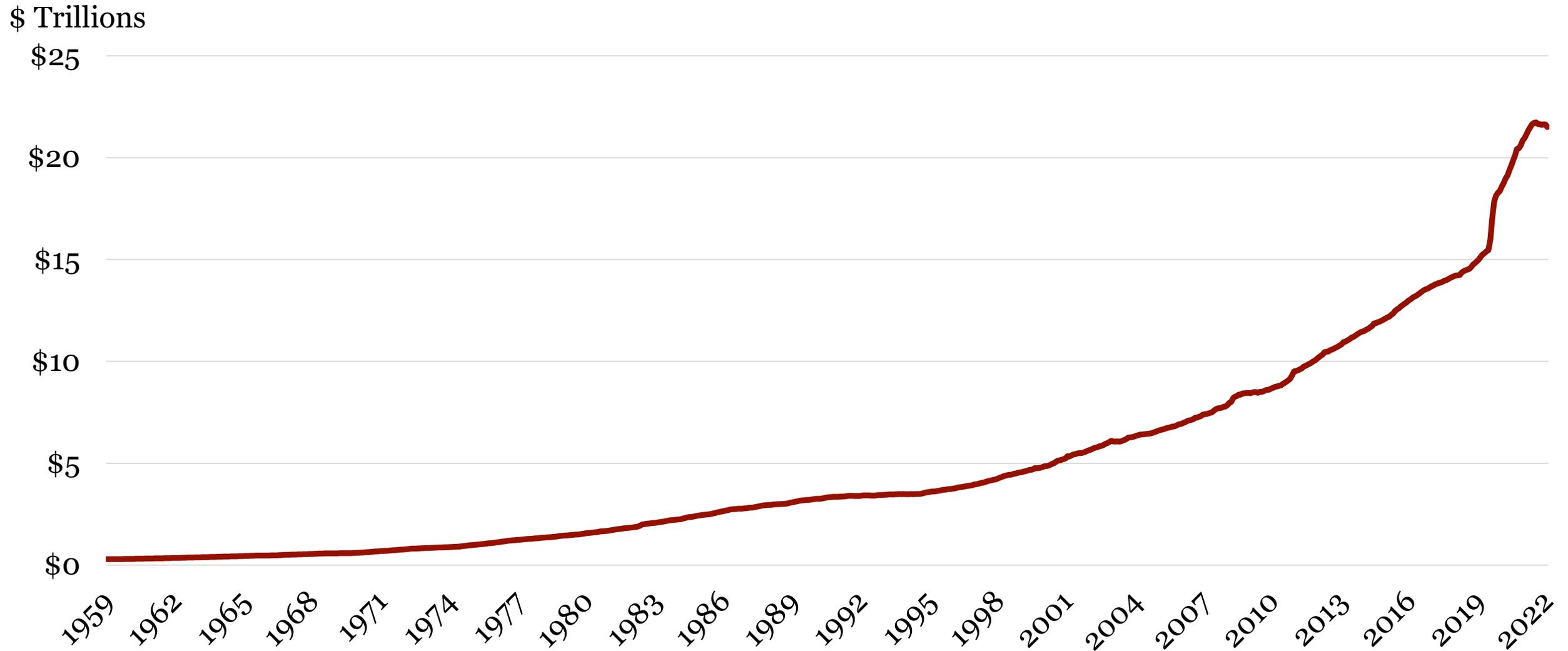
(FOMC Statement, November 2021)

“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)

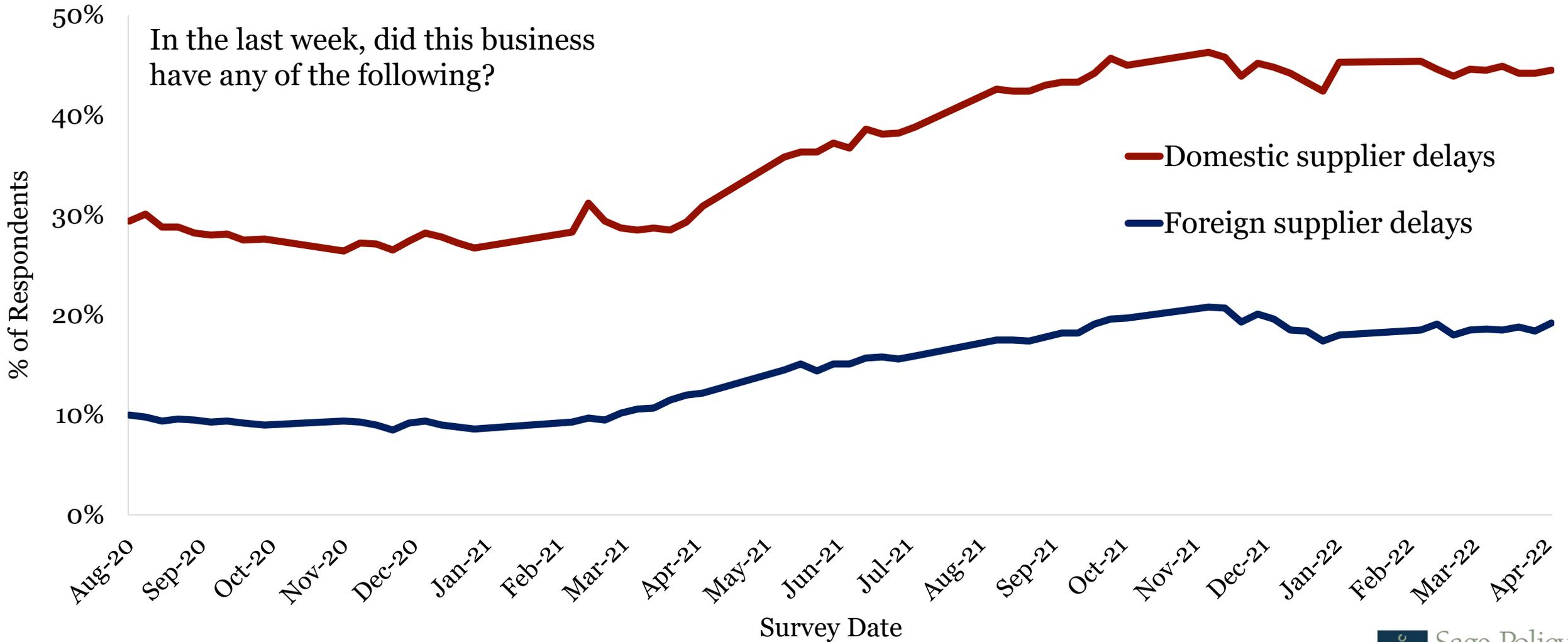
“...These problems have been larger and longer lasting than anticipated, exacerbated by waves of the virus. As a result, overall inflation is running well above our 2 percent longer-run goal and will likely continue to do so well into next year.” (FOMC Chair Jerome Powell, December 2021)

U.S. Money Supply, 1959 – September 2022



U.S. Supply Chain Disruptions & Supplier Delays

Census Bureau Small Business Pulse (SBP) Survey

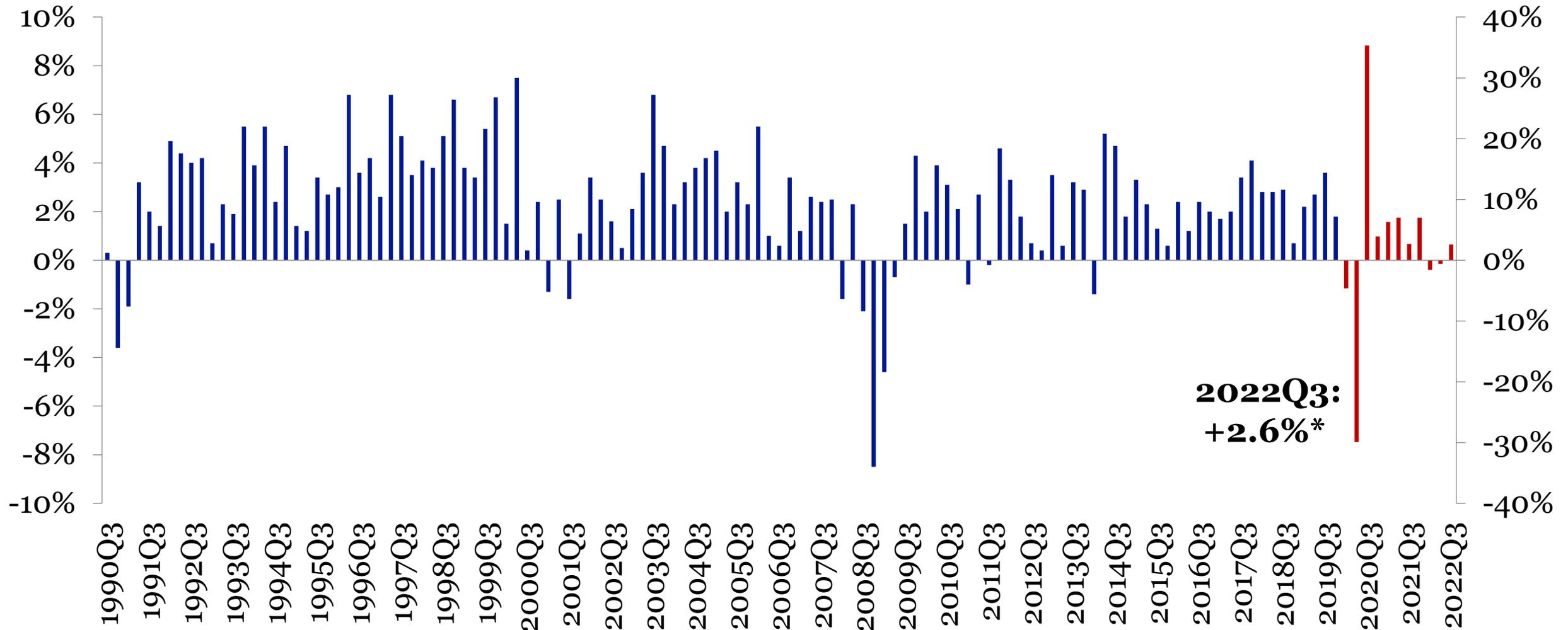


U.S. GDP - For Your Eyes Only

1990-2019

% Change from Preceding Period (SAAR)

2020-Present

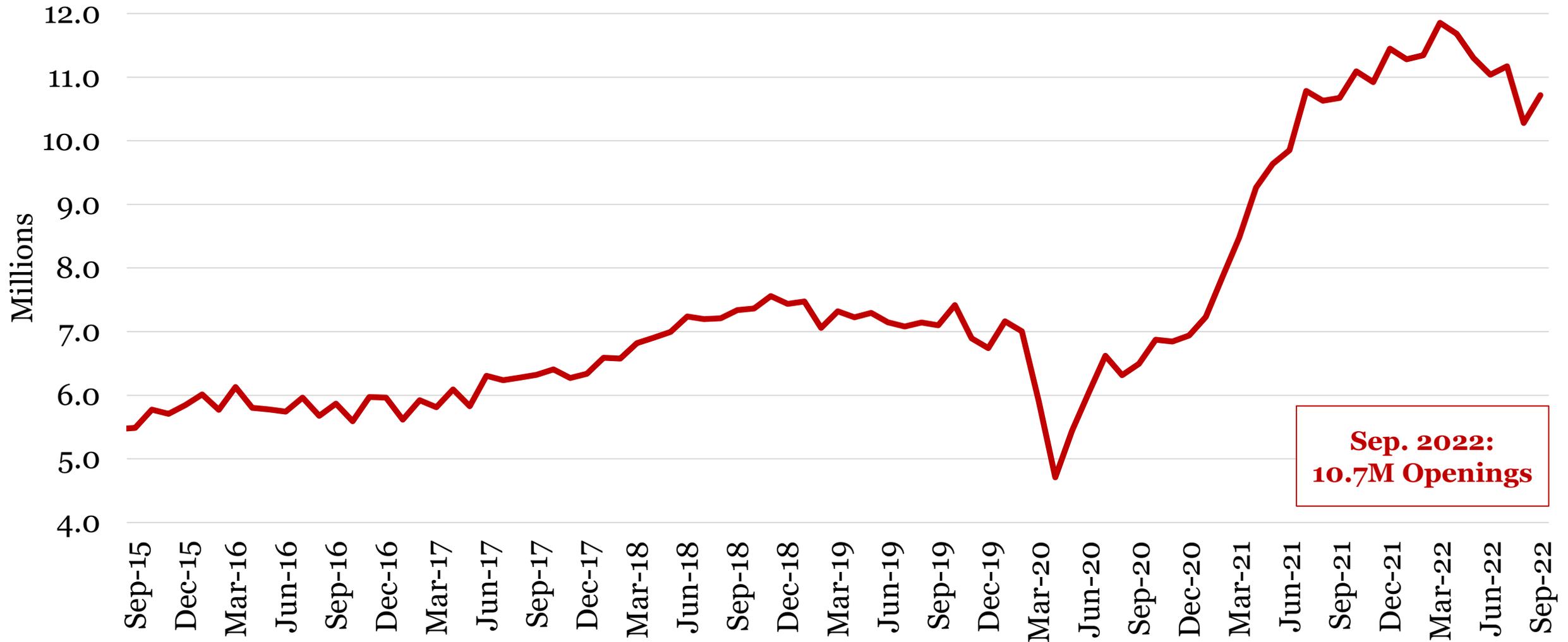


2022Q3:
+2.6%*

The Employer Who Loved Me

Work Another Day

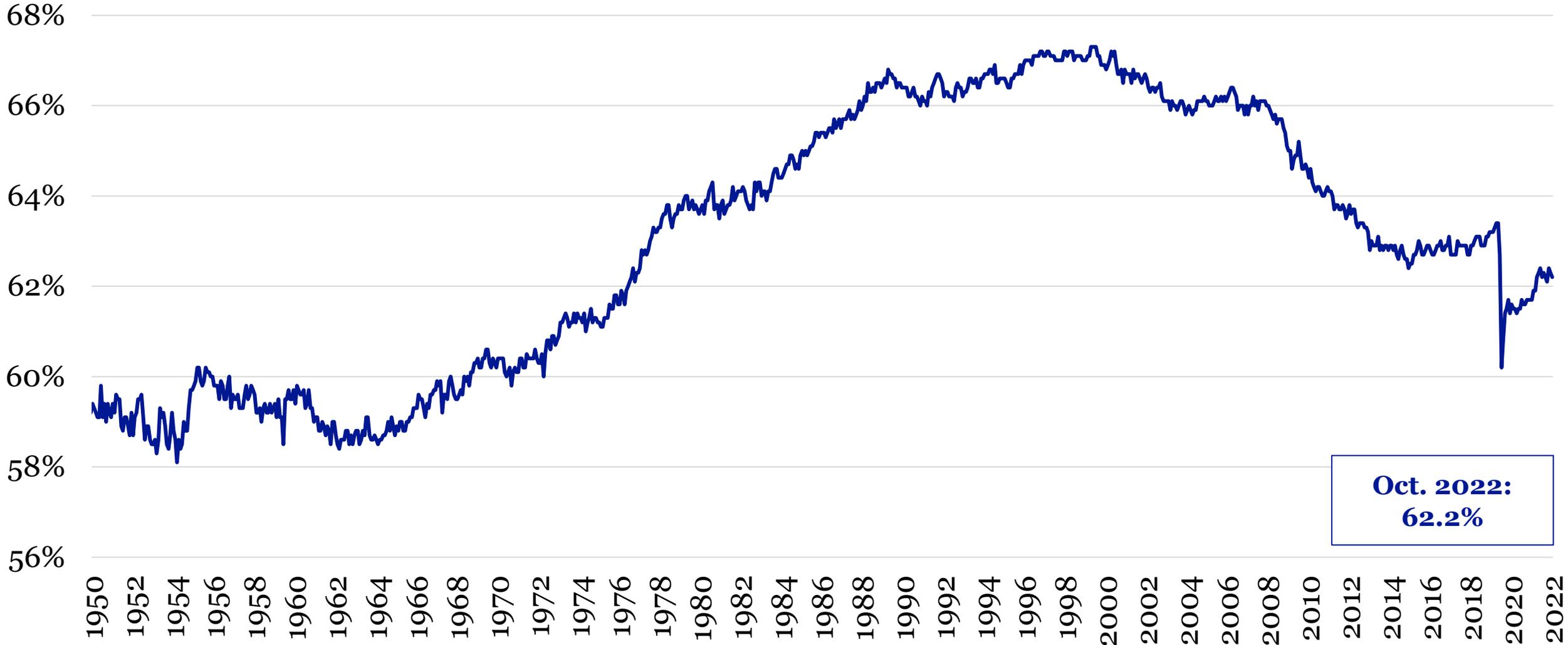
U.S. Job Openings, 2015 – September 2022



**Sep. 2022:
10.7M Openings**

Skyfall

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



A View to a Remote Worker

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

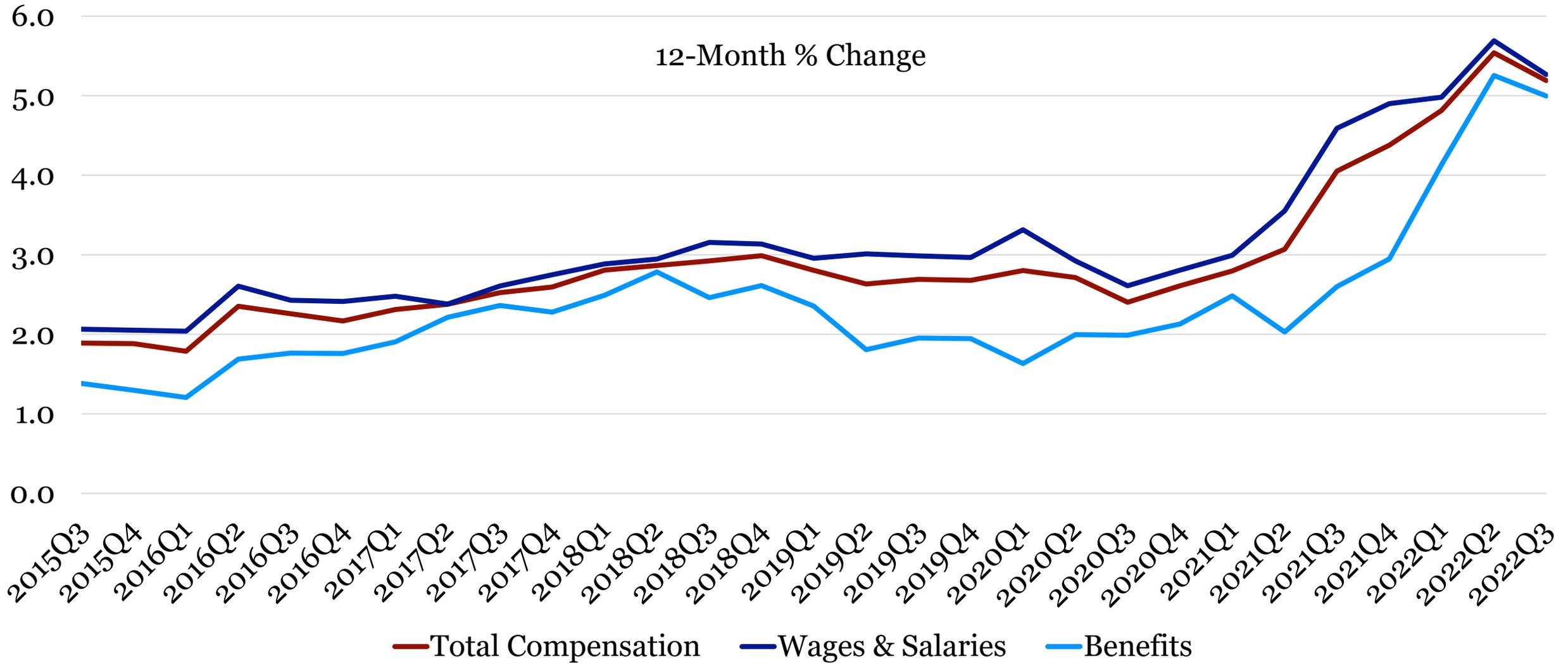
- 68% of Americans would choose remote work options over in-office work;
- 45% would either quit their job or begin searching for a new one if their employer required them to return to their office full-time;
- 74% of Americans believe that companies not offering remote working arrangements will lose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



Net Change in U.S. Jobs

May 2020 – October 2022



Employment Growth, 25 Largest Metros

February 2020 v. September 2022 Percent Change

Rank	MSA	%	Rank	MSA	%
1	Dallas-Fort Worth-Arlington, TX	7.6%	13	Seattle-Tacoma-Bellevue, WA	1.0%
2	Charlotte-Concord-Gastonia, NC-SC	5.3%	15	Baltimore-Columbia-Towson, MD	0.7%
3	Riverside-San Bernardino-Ontario, CA	4.9%	16	Philadelphia-Camden-Wilm., PA-NJ-DE-MD	0.4%
4	Tampa-St. Petersburg-Clearwater, FL	4.7%	17	Boston-Cambridge-Nashua, MA-NH	0.2%
5	Atlanta-Sandy Springs-Roswell, GA	4.4%	18	San Diego-Carlsbad, CA	0.0%
6	Phoenix-Mesa-Scottsdale, AZ	4.0%	19	Minneapolis-St. Paul-Bloomington, MN-WI	-0.2%
7	San Antonio-New Braunfels, TX	3.5%	20	Detroit-Warren-Dearborn, MI	-0.4%
8	Houston-The Woodlands-Sugar Land, TX	2.9%	21	St. Louis, MO-IL	-0.5%
9	Denver-Aurora-Lakewood, CO	2.8%	22	Washington-Arlington-Alexandria, DC-VA-MD-WV	-0.9%
10	Miami-Fort Lauderdale-West Palm Beach, FL	1.9%	23	Los Angeles-Long Beach-Anaheim, CA	-1.3%
11	Orlando-Kissimmee-Sanford, FL	1.6%	23	New York-Newark-Jersey City, NY-NJ-PA	-1.3%
12	Chicago-Naperville-Elgin, IL-IN-WI	1.2%	25	San Francisco-Oakland-Hayward, CA	-1.8%
13	Portland-Vancouver-Hillsboro, OR-WA	1.0%			

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

U.S. % Change 2/2020 v. 10/2022: +0.5%

Unemployment Rates, 25 Largest Metros

September 2022

Rank	MSA	%	Rank	MSA	%
1	Minneapolis-St. Paul-Bloomington, MN-WI	1.9	13	Detroit-Warren-Dearborn, MI	3.3
2	Miami-Fort Lauderdale-West Palm Beach, FL	2.3	13	Seattle-Tacoma-Bellevue, WA	3.3
2	St. Louis, MO-IL	2.3	15	Dallas-Fort Worth-Arlington, TX	3.4
4	Atlanta-Sandy Springs-Roswell, GA	2.5	15	Philadelphia-Camden-Wilm., PA-NJ-DE-MD	3.4
4	San Francisco-Oakland-Hayward, CA	2.5	17	Phoenix-Mesa-Scottsdale, AZ	3.5
4	Tampa-St. Petersburg-Clearwater, FL	2.5	17	San Antonio-New Braunfels, TX	3.5
7	Orlando-Kissimmee-Sanford, FL	2.7	19	Baltimore-Columbia-Towson, MD	3.7
8	Boston-Cambridge-Nashua, MA-NH	2.9	19	New York-Newark-Jersey City, NY-NJ-PA	3.7
9	Charlotte-Concord-Gastonia, NC-SC	3.1	19	Portland-Vancouver-Hillsboro, OR-WA	3.7
9	San Diego-Carlsbad, CA	3.1	22	Riverside-San Bernardino-Ontario, CA	3.9
9	Washington-Arlington-Alexandria, DC-VA-MD-WV	3.1	23	Los Angeles-Long Beach-Anaheim, CA	4.0
			24	Houston-The Woodlands-Sugar Land, TX	4.2
12	Denver-Aurora-Lakewood, CO	3.2	25	Chicago-Naperville-Elgin, IL-IN-WI	4.4

U.S. Unemployment Rate

Sept: 3.5% Oct: 3.7%

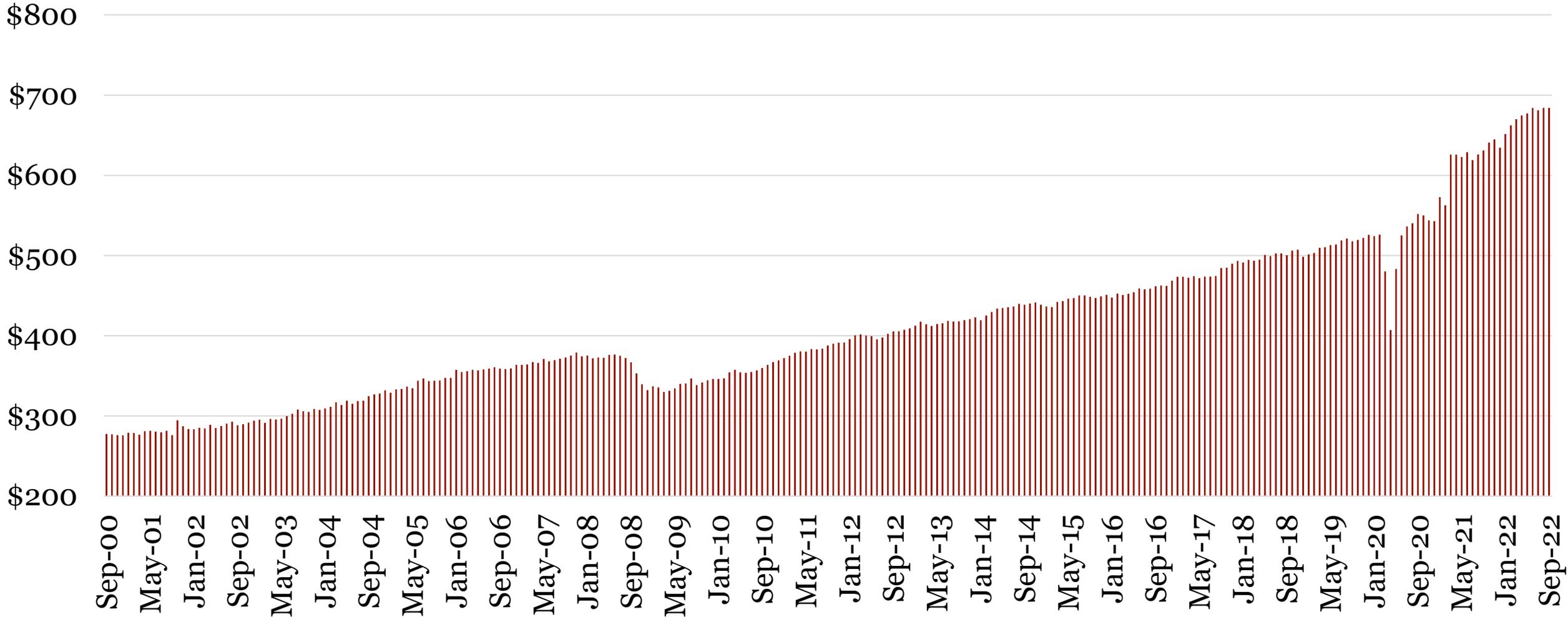
Source: U.S. Bureau of Labor Statistics,
Local Area Unemployment Statistics (LAUS) program.
Note: data are not seasonally adjusted.

Live and Let Buy

U.S. Retail Sales

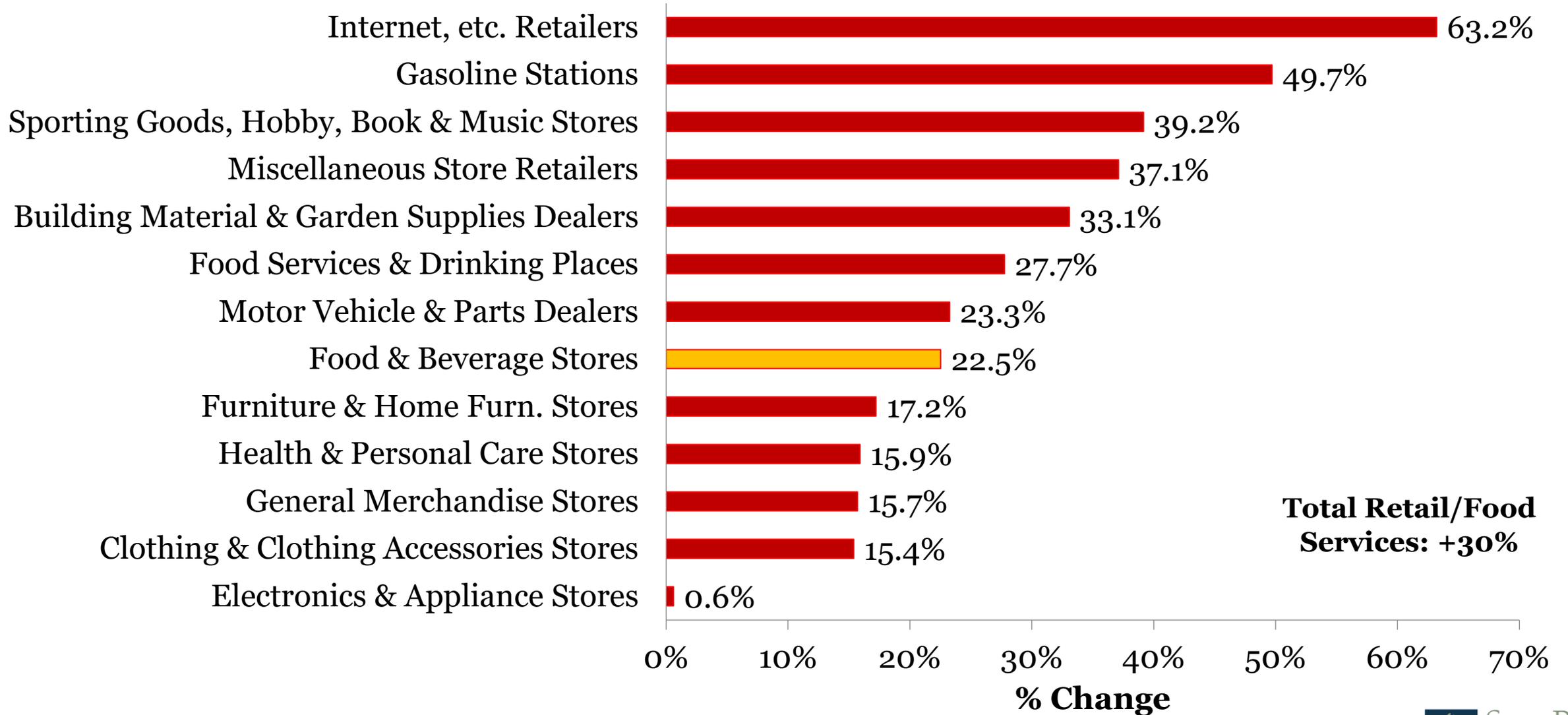
2000 – September 2022

Retail Sales (\$Billions)



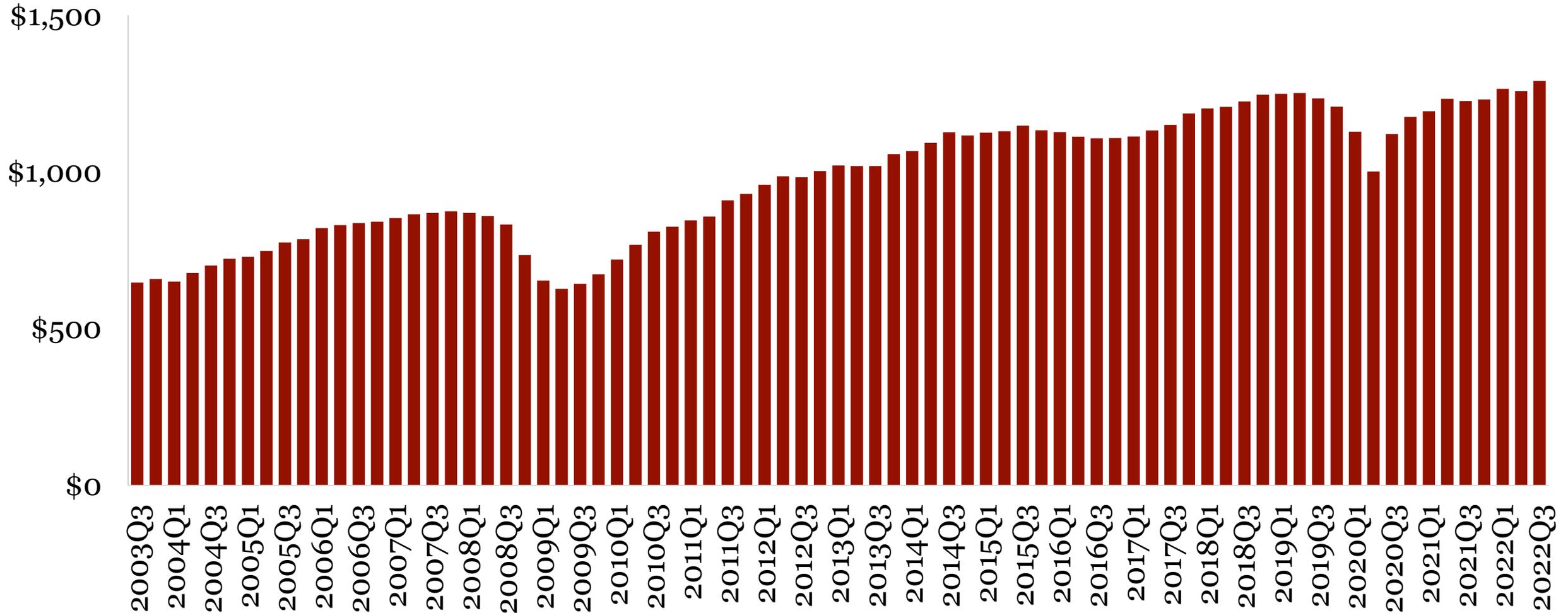
U.S. Retail Sales by Type of Business

February 2020 v. September 2022 % Change



U.S. GDP: Nonresidential Fixed Investment in Equipment 2003 – 2022Q3*

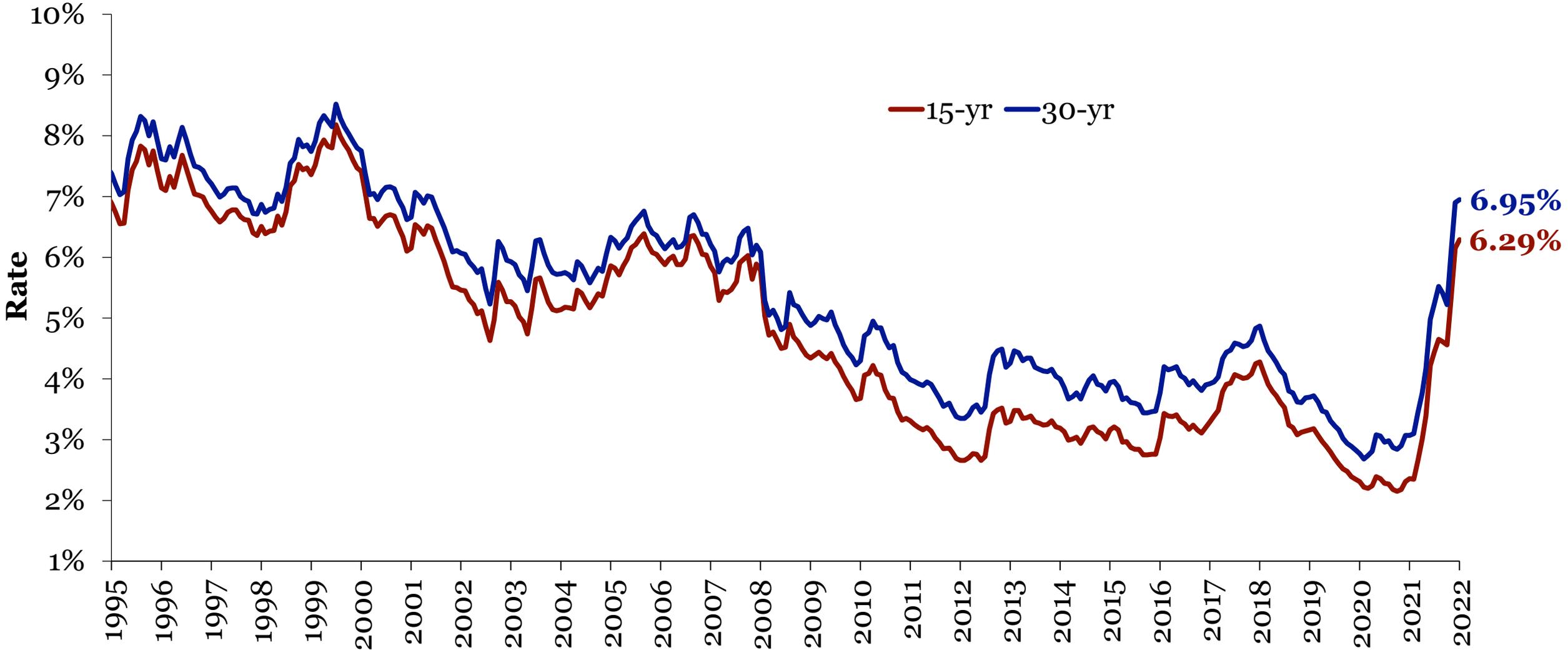
\$ Billions of chained 2012 dollars, seasonally adjusted annual rate



Quantum of Construction

License to Borrow (at Low Rates)

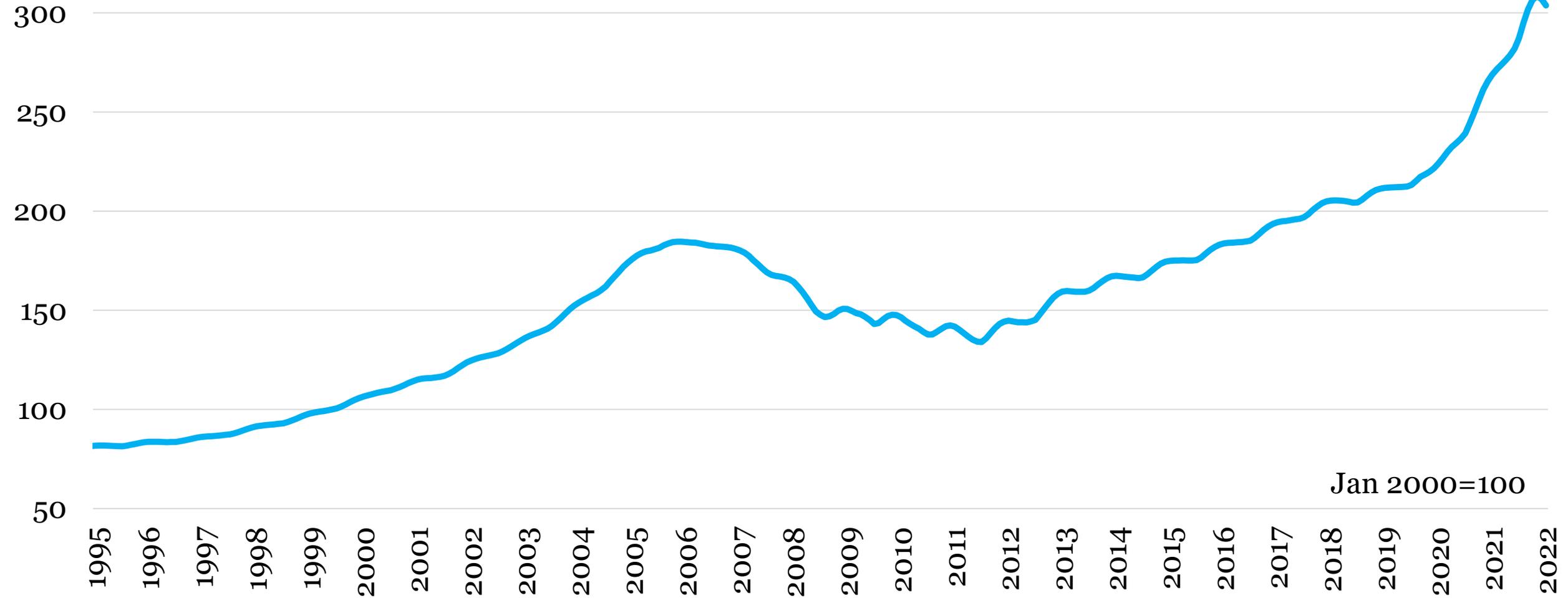
15-Year & 30-Year Fixed Mortgage Rates, 1995 – November 2022*



*Week ending 11/3/2022

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

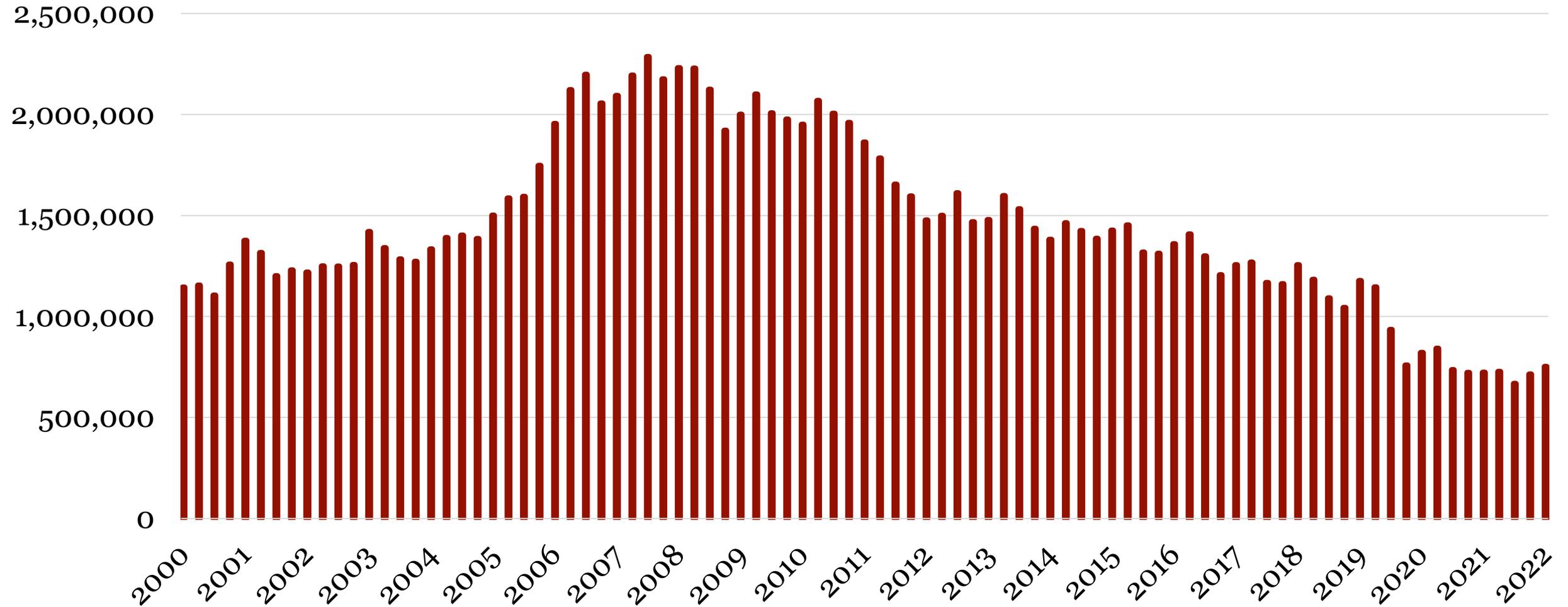
1995 – August 2022



Inventory of Unsold Homes: Vacant Housing Units for Sale*

2000 – 2022Q3

Vacant Housing Units for Sale

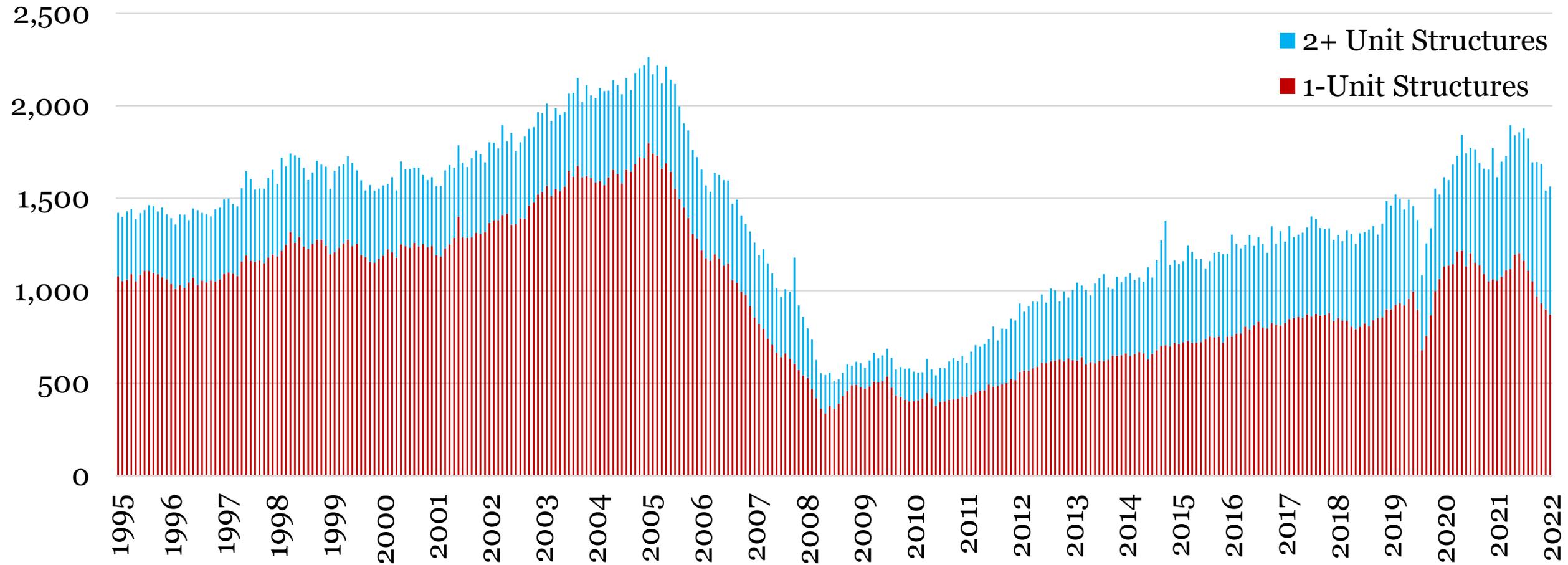


*Units for sale only, excludes units both for rent and sale

U.S. Residential Building Permits

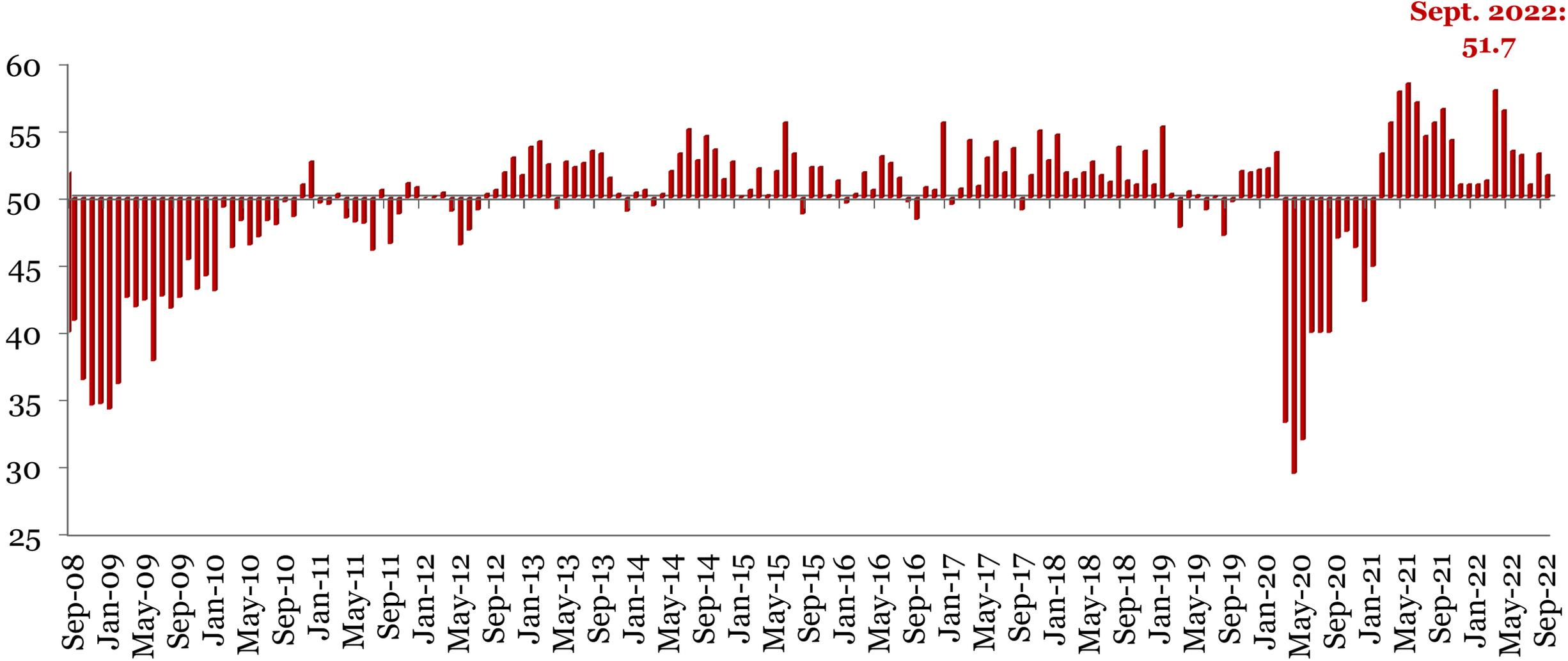
1995 – September 2022

Building Permits (000's of Units), Seasonally Adjusted Annual Rate



Architecture Billings Index

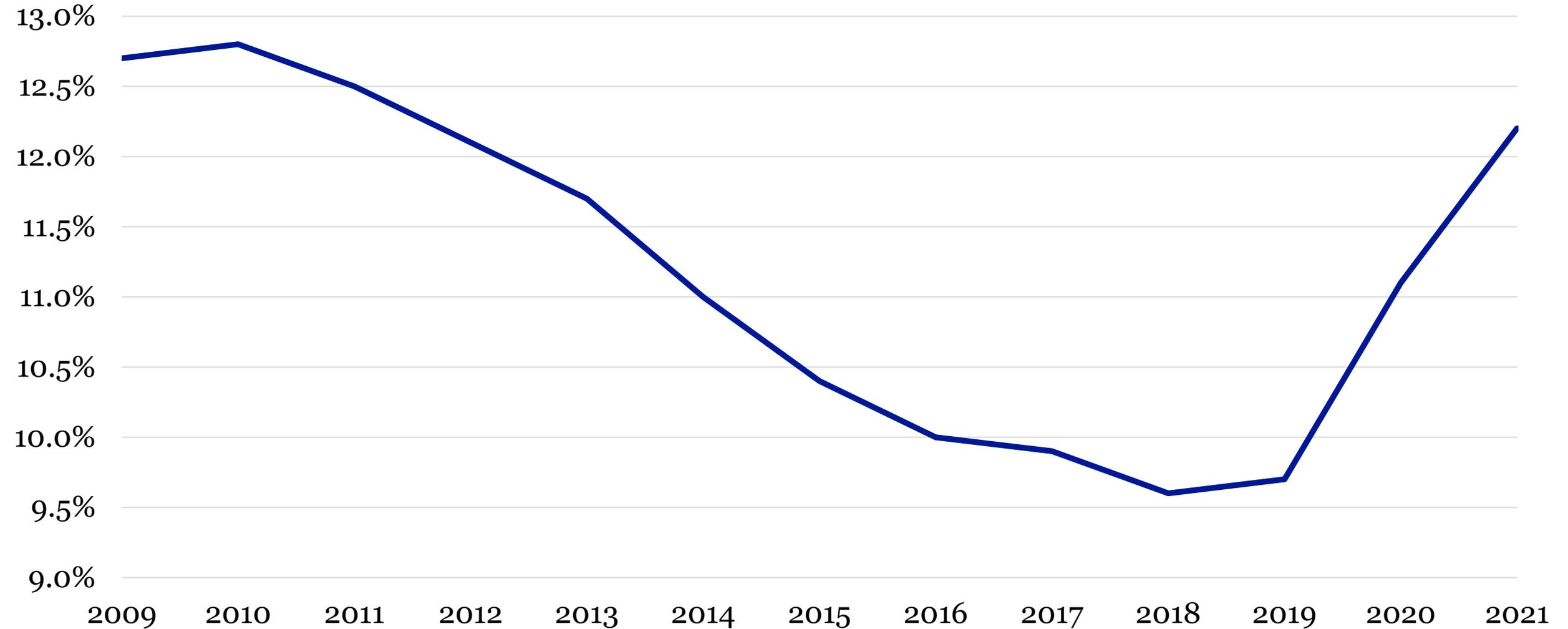
2008 – September 2022



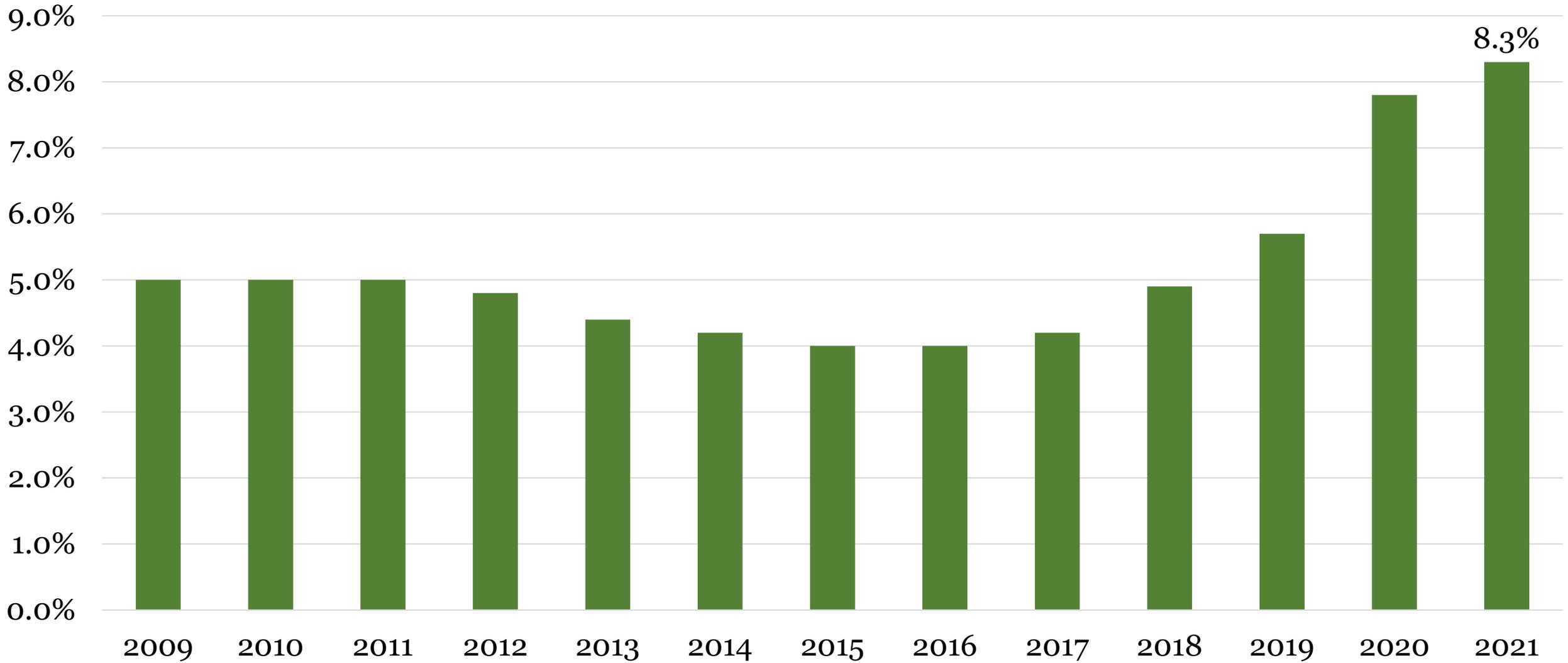
Sept. 2022:
51.7

Occupancy Is Not Enough

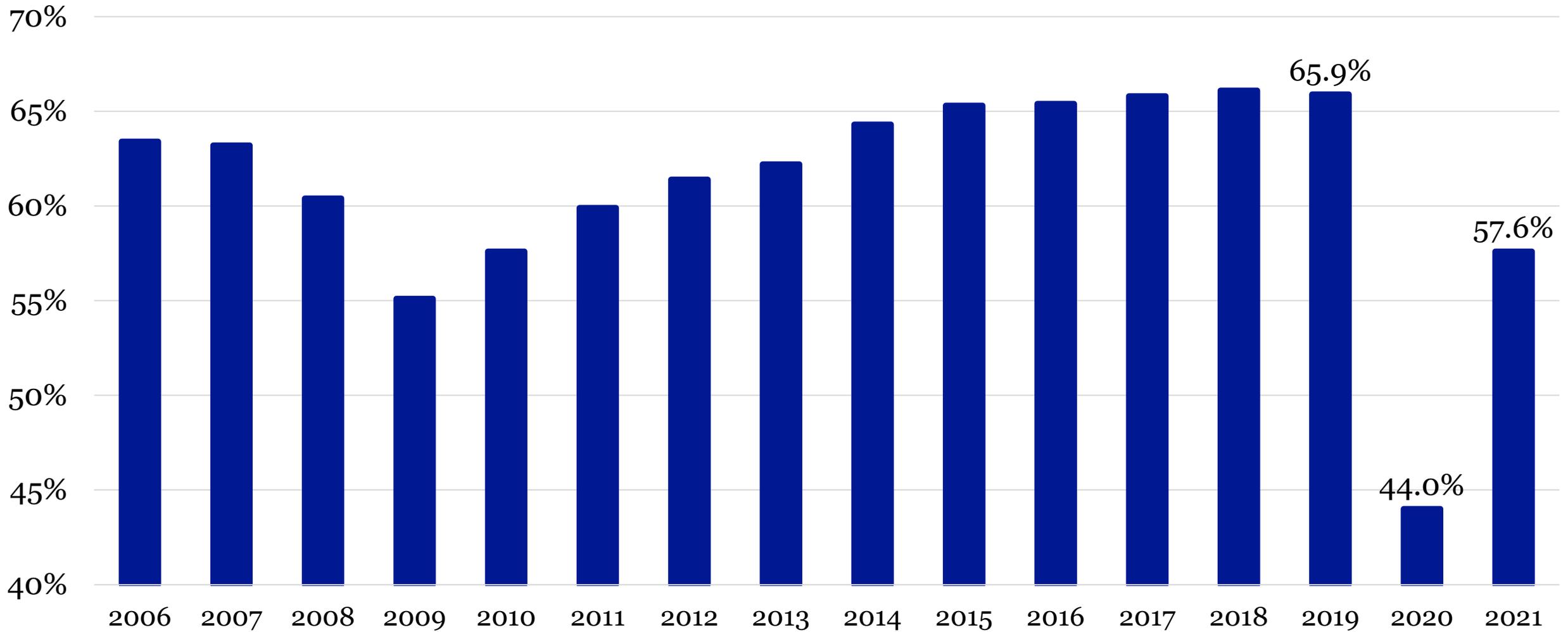
U.S. Office Vacancy, 2009 – 2021



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

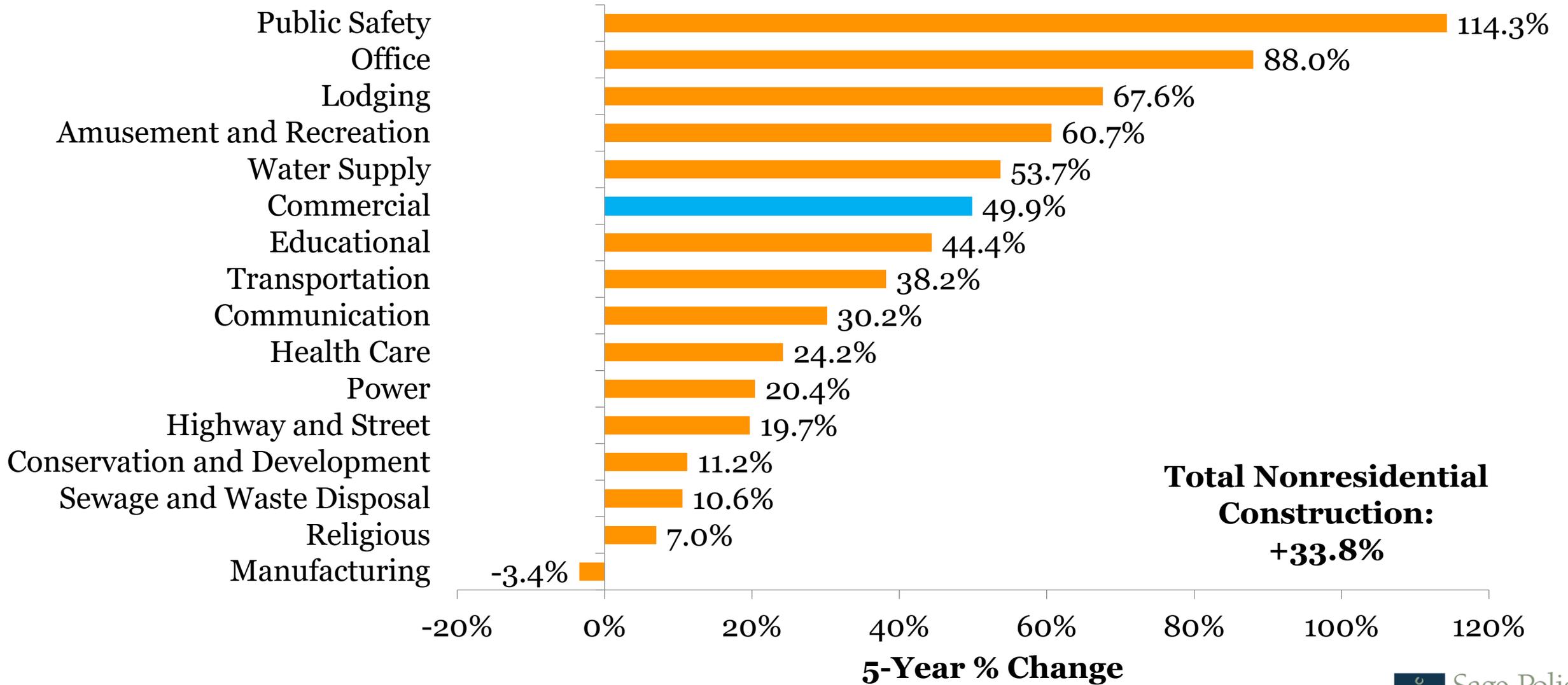


U.S. Hotel Occupancy, 2006 – 2021



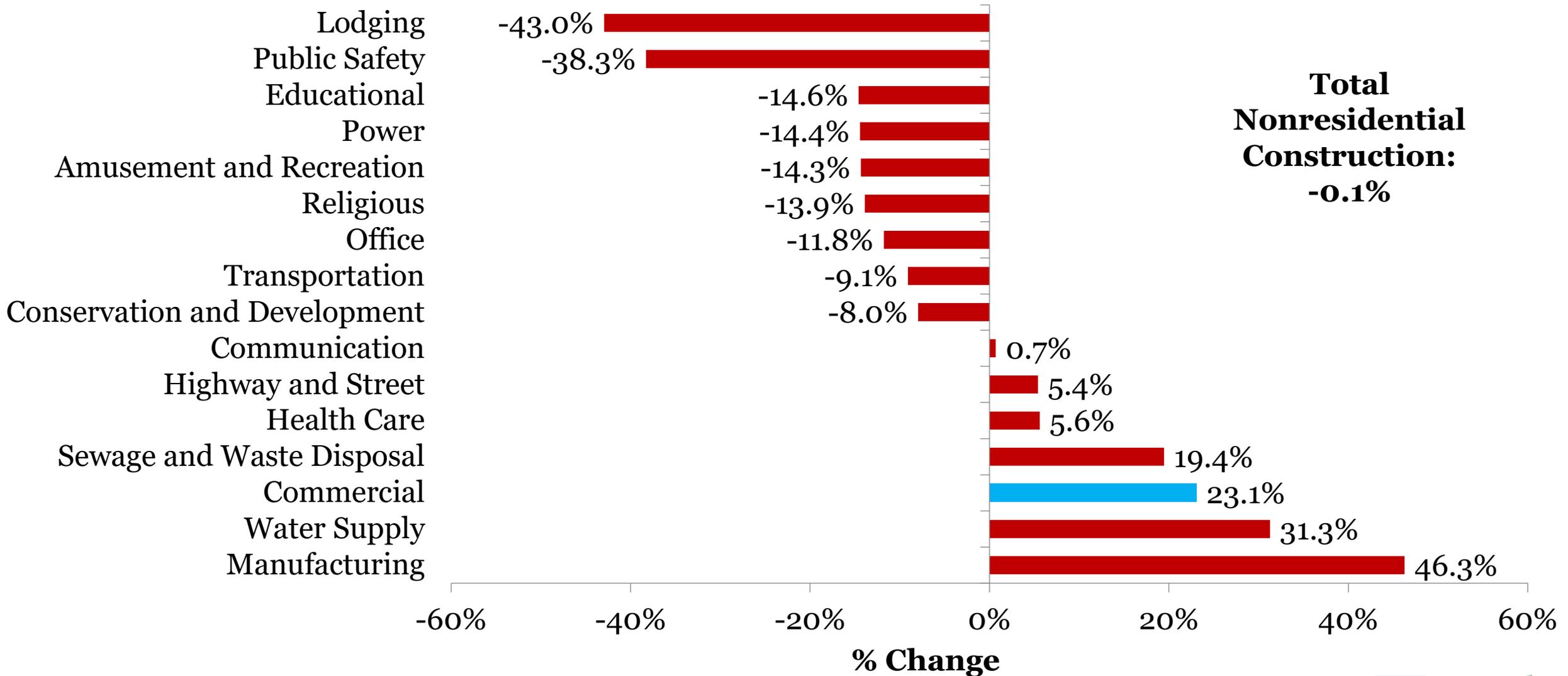
Nonresidential Construction Spending by Subsector

February 2015 v. February 2020



Nonresidential Construction Spending by Subsector

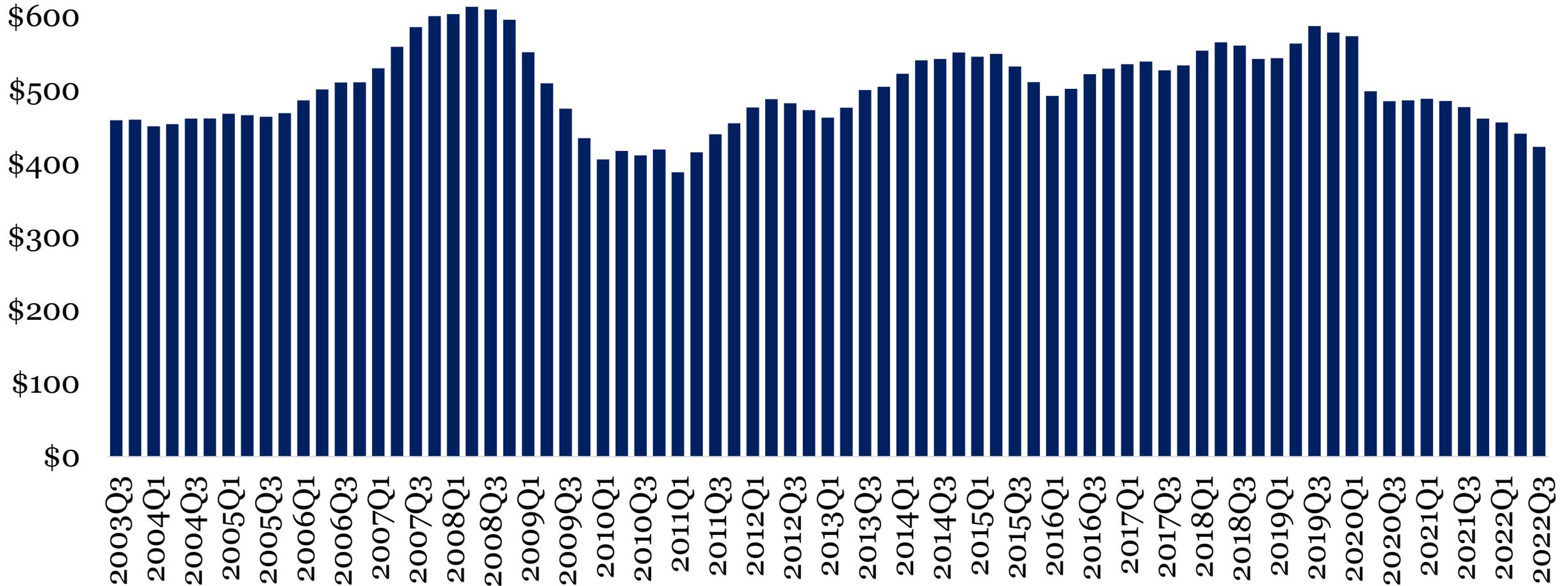
February 2020 v. September 2022



U.S. GDP: Nonresidential Fixed Investment in Structures

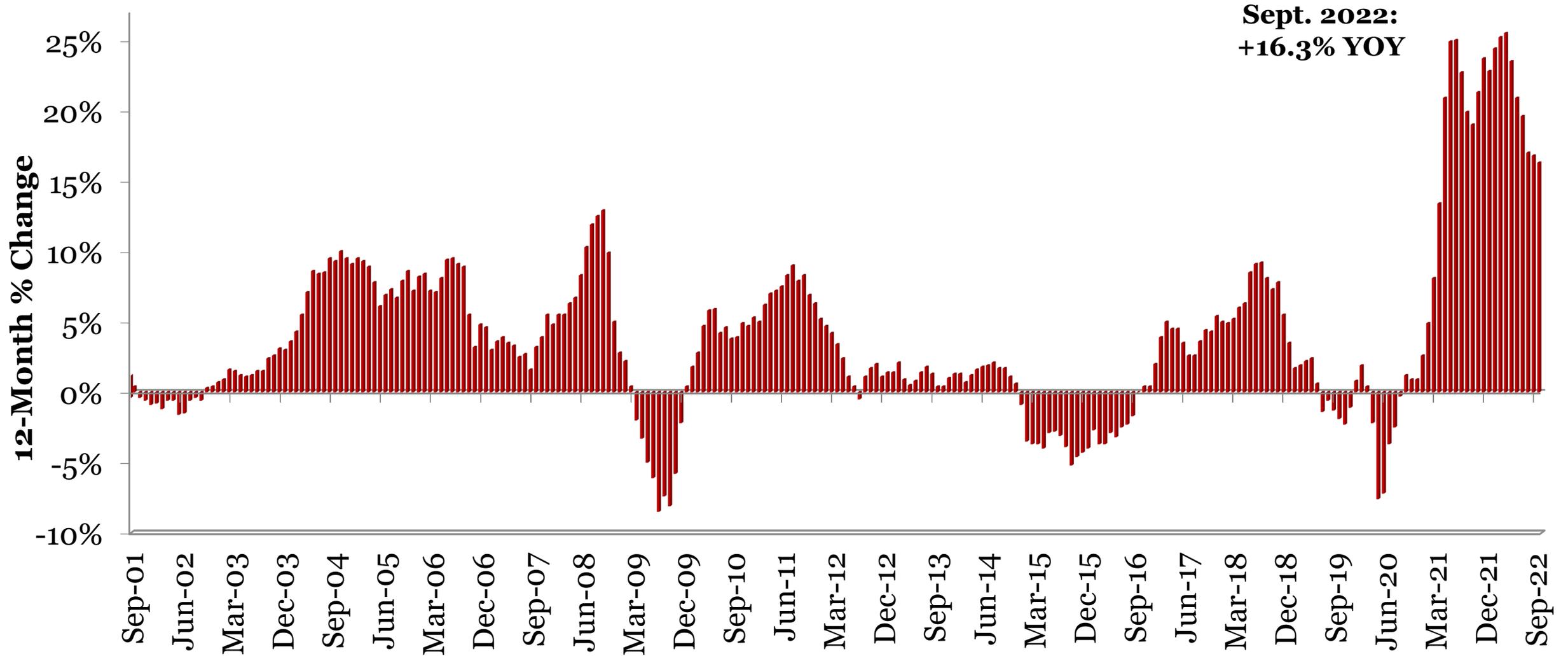
2003 – 2022Q3*

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



Inputs to Construction PPI

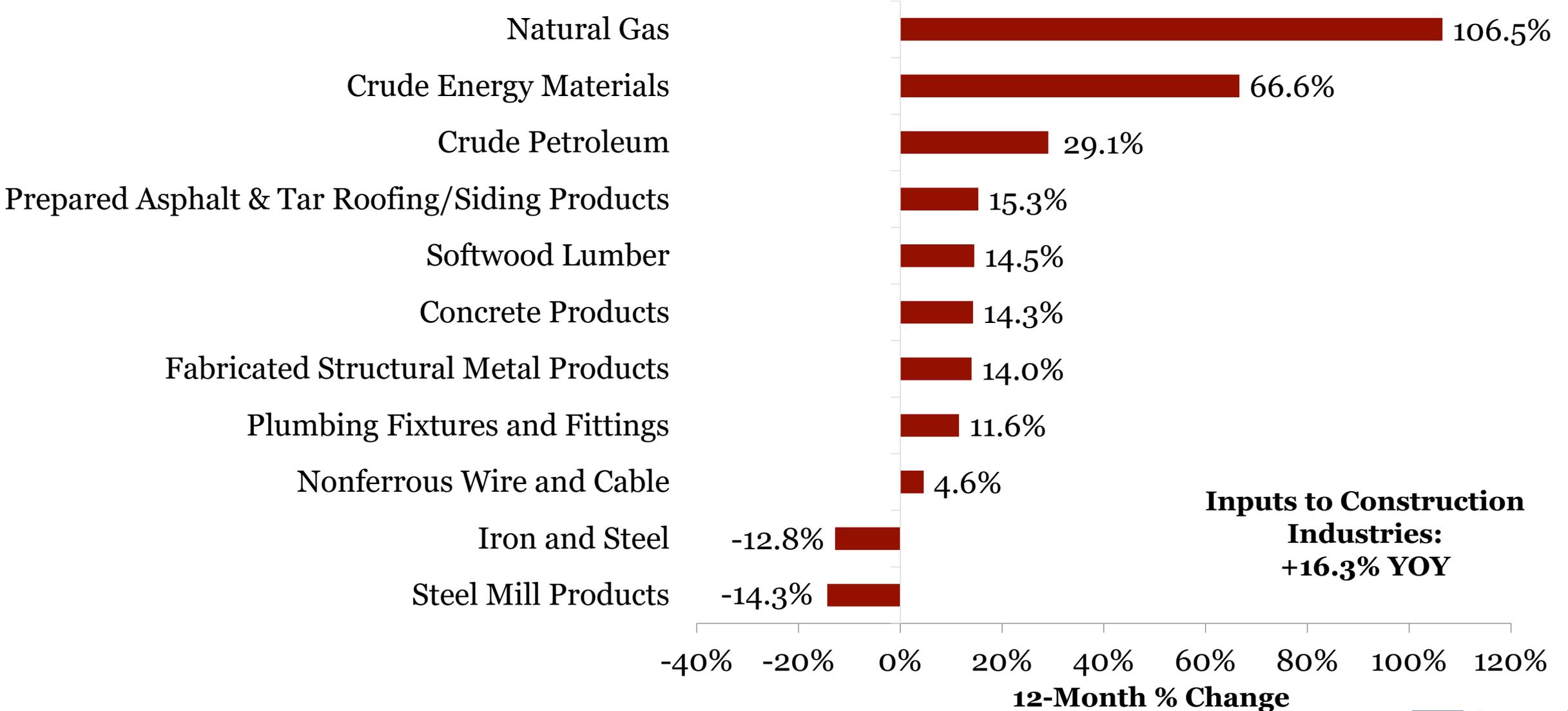
12-Month % Change, 2001 – September 2022



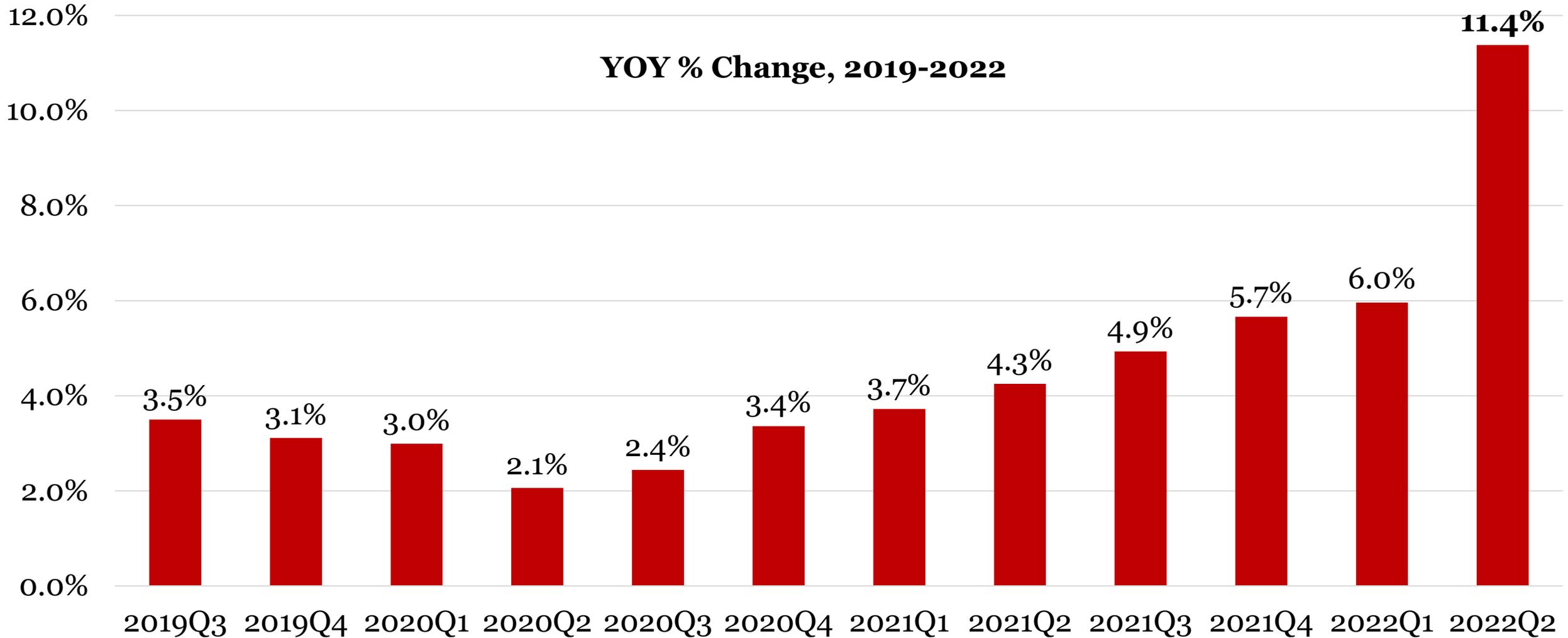
Source: U.S. Bureau of Labor Statistics. Note: Data are not seasonally adjusted

Construction Materials PPI

12-Month % Change as of September 2022



Global Cold Chain Alliance Cold Chain Index (CCI)

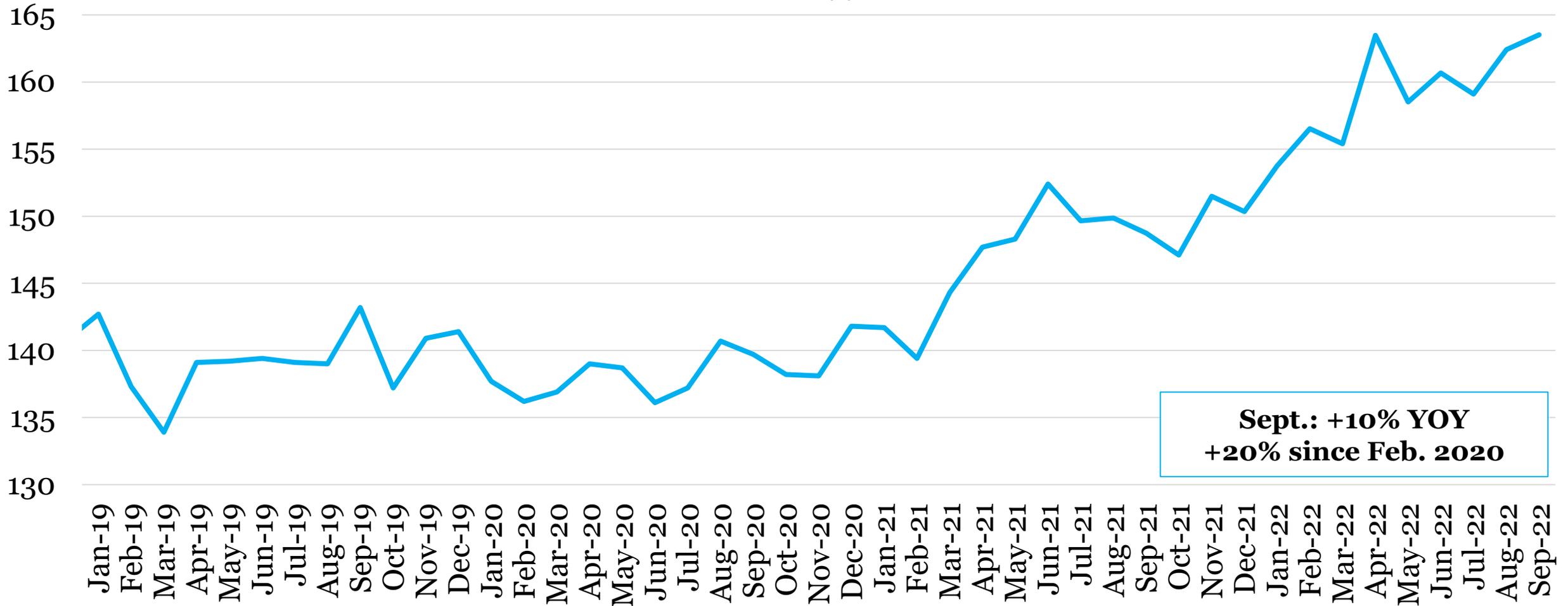


The GCCA's Cold Chain Index (CCI) tracks the growth rates of costs associated with cold storage using predominantly official sources of economic data. The CCI includes five types of expenses: labor, electric power, supplies, repairs, and rent.

PPI by Industry: Refrigerated Warehousing & Storage

January 2019 – September 2022

Index Dec. 1991=100

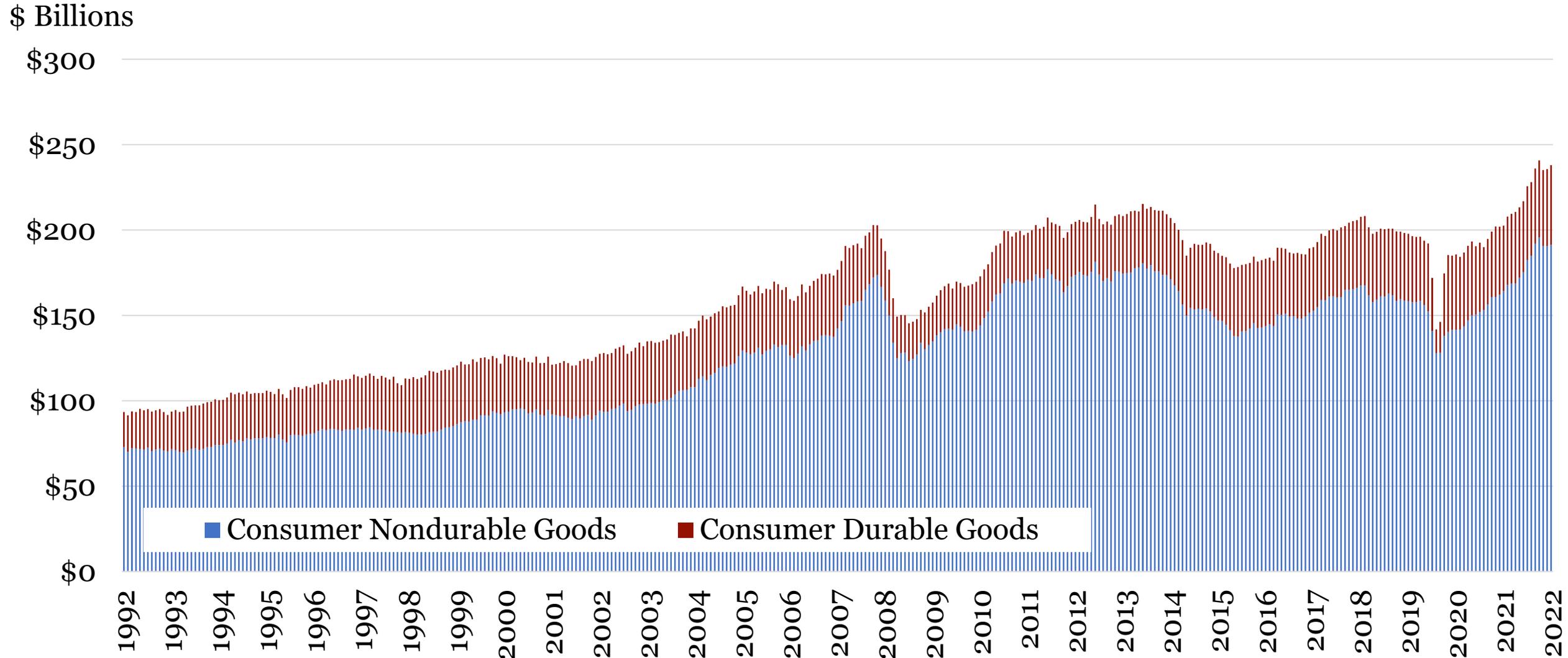


**Sept.: +10% YOY
+20% since Feb. 2020**

My Name is Ban, Anirban

U.S. Manufacturers' New Orders: Consumer Goods

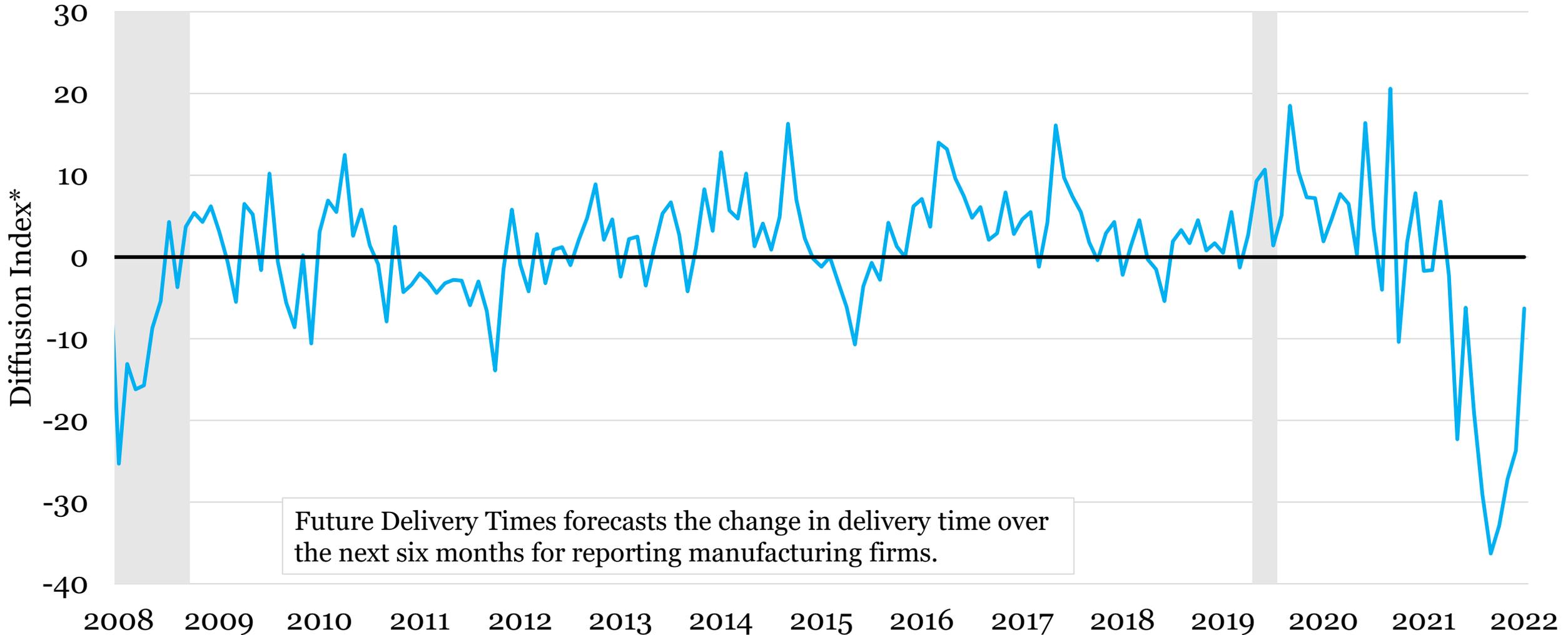
1992 – September 2022



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 – October 2022

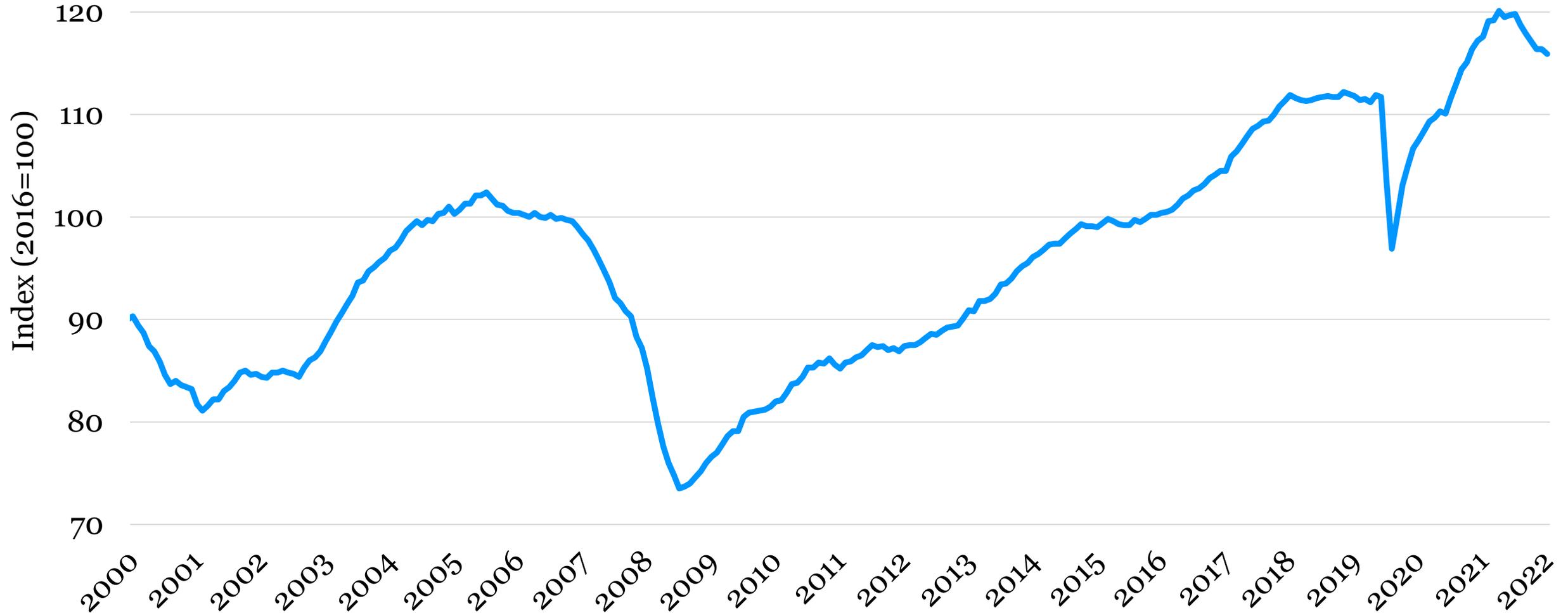


Source: Federal Reserve Bank of Philadelphia *The diffusion index is calculated by taking the percent reporting increases and subtracting the percentage reporting decreases.

U.S. recessions

Conference Board: U.S. Leading Economic Index

2000 – September 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 & 2023 (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**



Free subscribers get:

- An overview of the jobs report on the first Friday of every month
- Occasional posts on specific economic & policy related subjects

Paid subscribers get:

- 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
- A monthly Q&A session

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.