

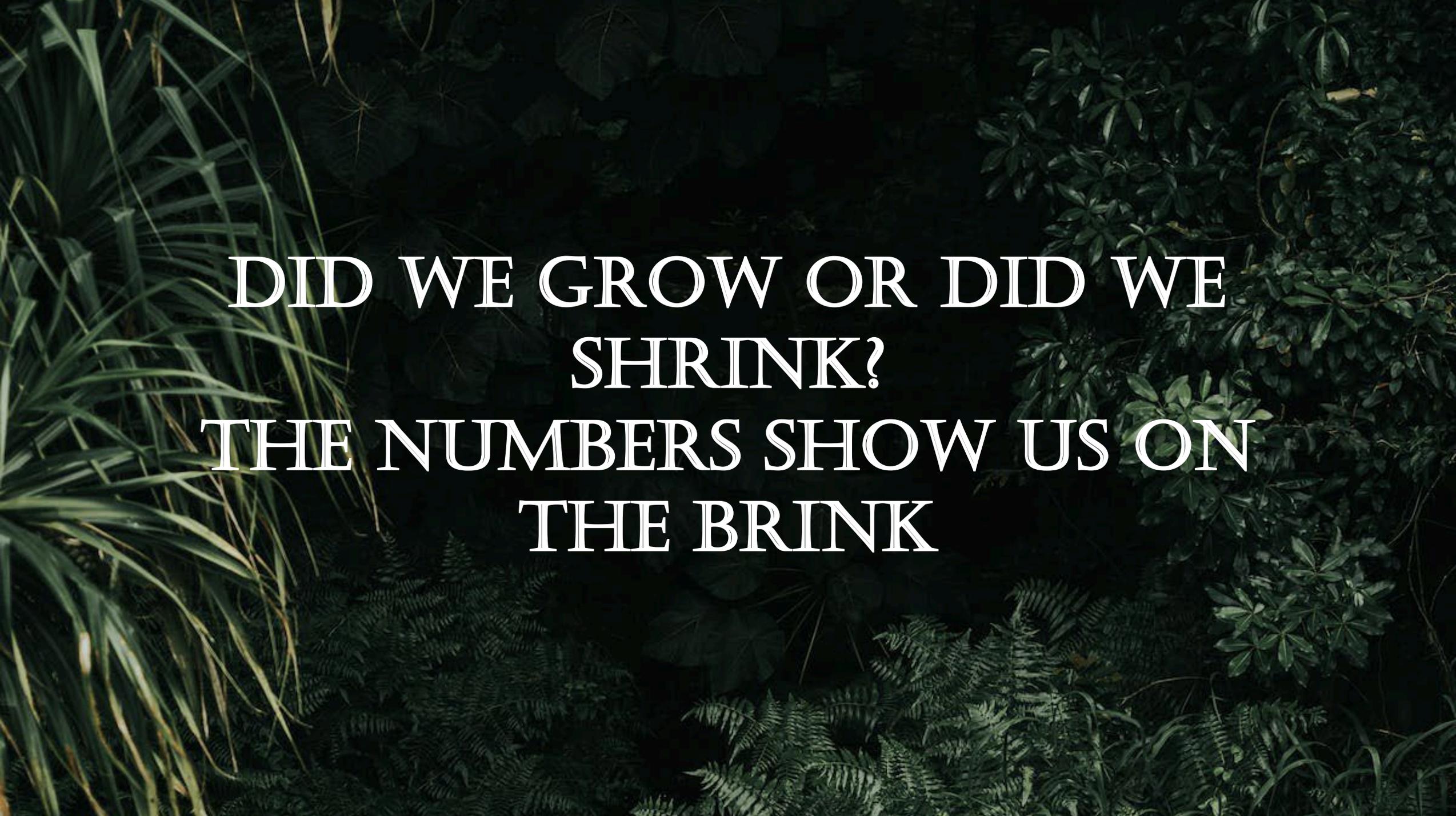


WELCOME TO THE

JUMANJI

ECONOMY

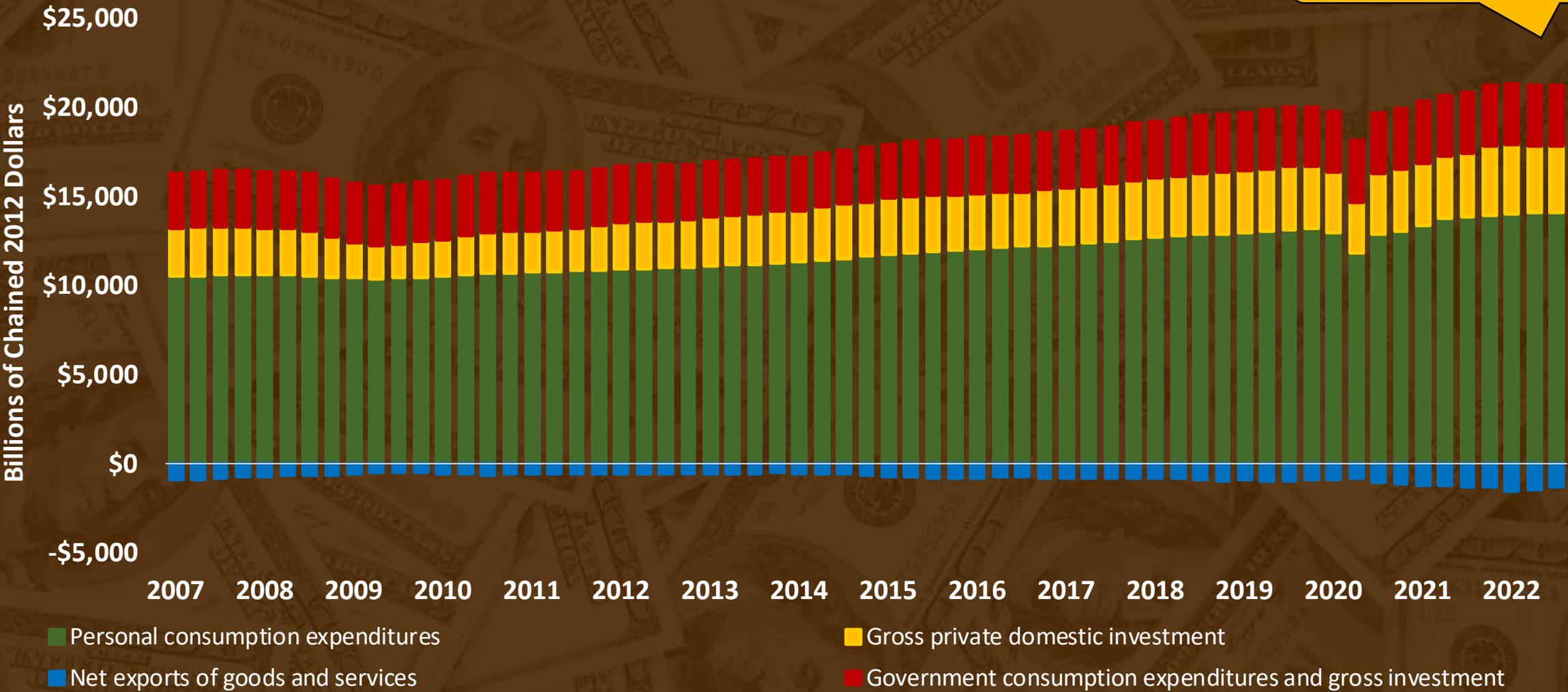




DID WE GROW OR DID WE
SHRINK?
THE NUMBERS SHOW US ON
THE BRINK

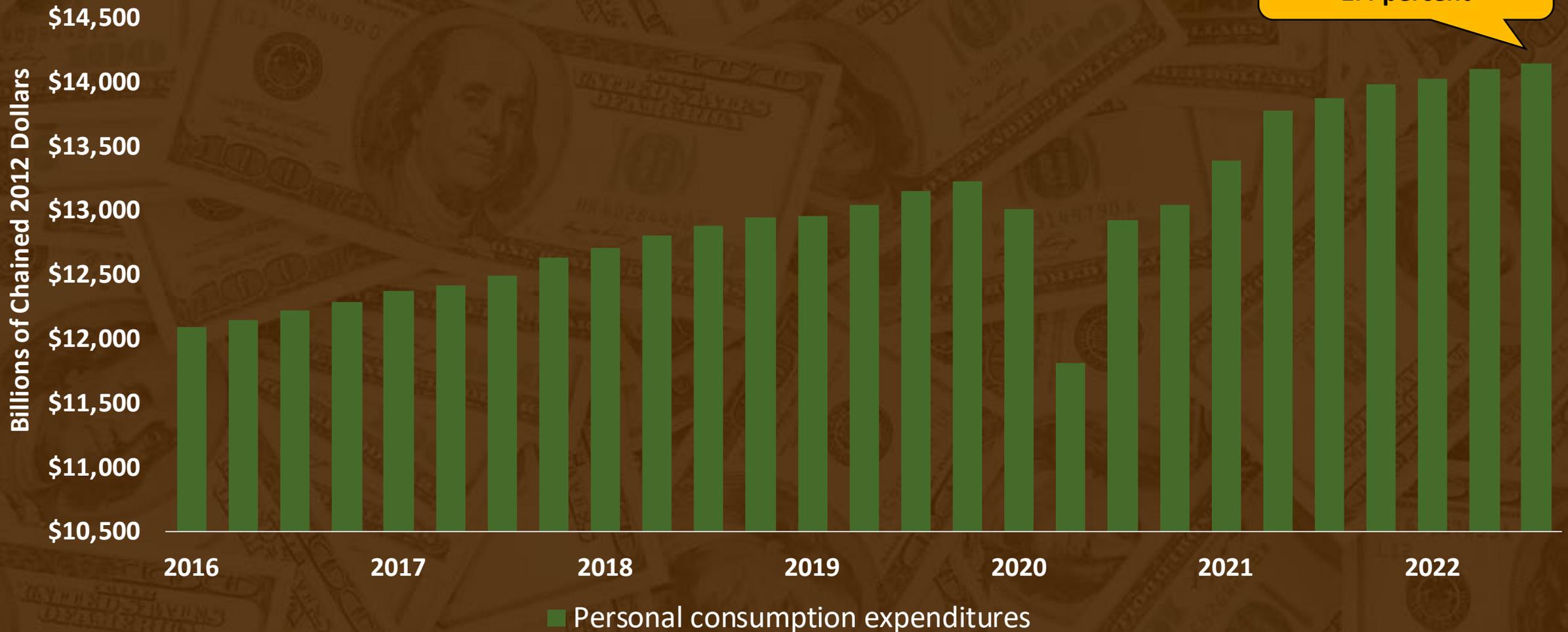
GDP Grew in the Third Quarter of 2022 After Previous Contraction

2022Q3: \$20.0 trillion, 2.6 percent

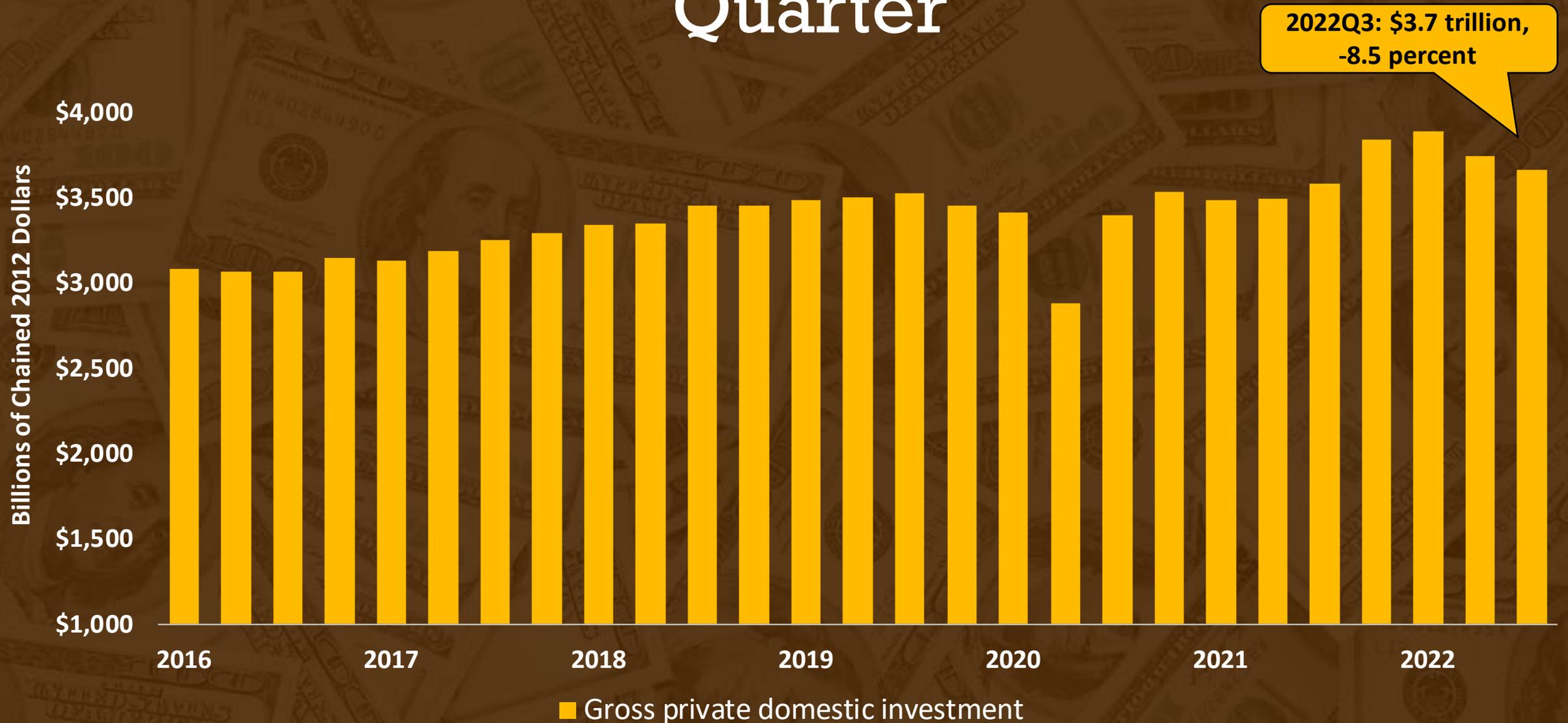


Source: U.S. Bureau of Economic Analysis

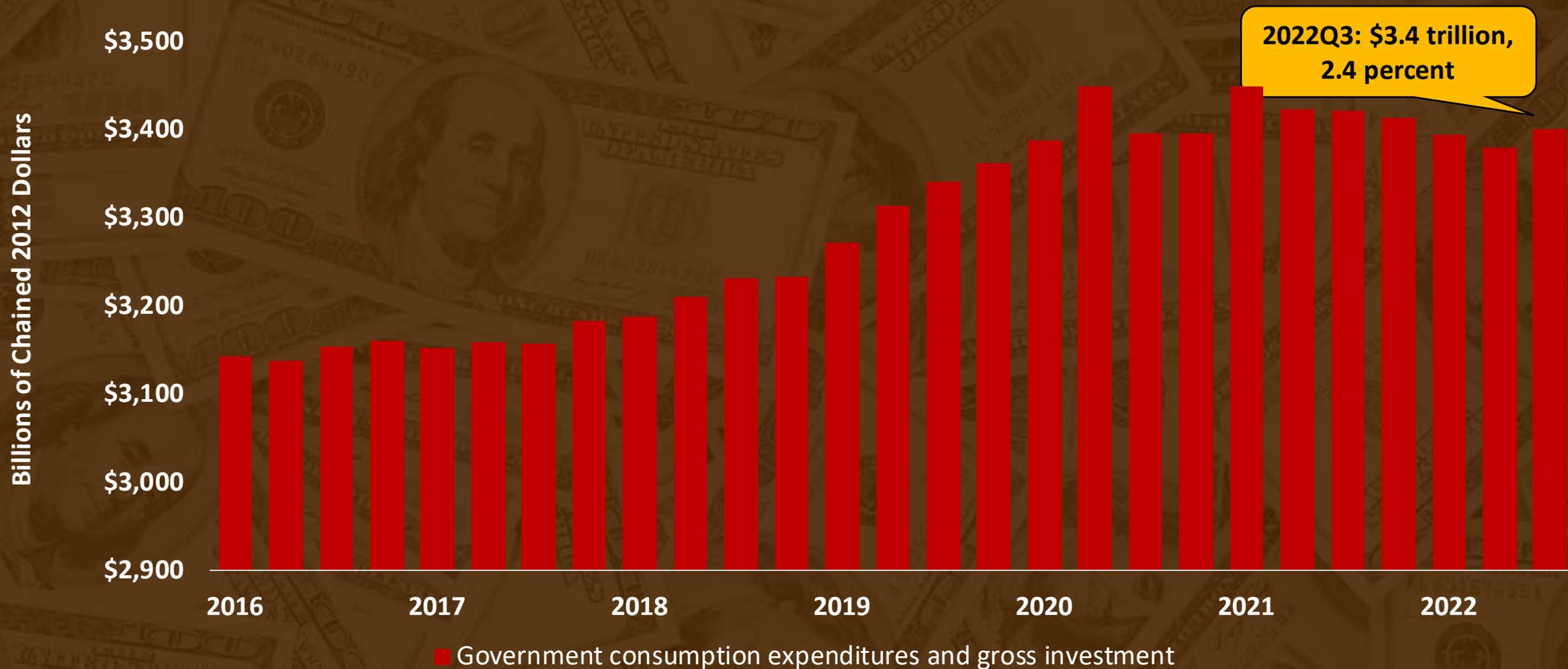
Consumption Continued to Climb but at a Slowing Pace



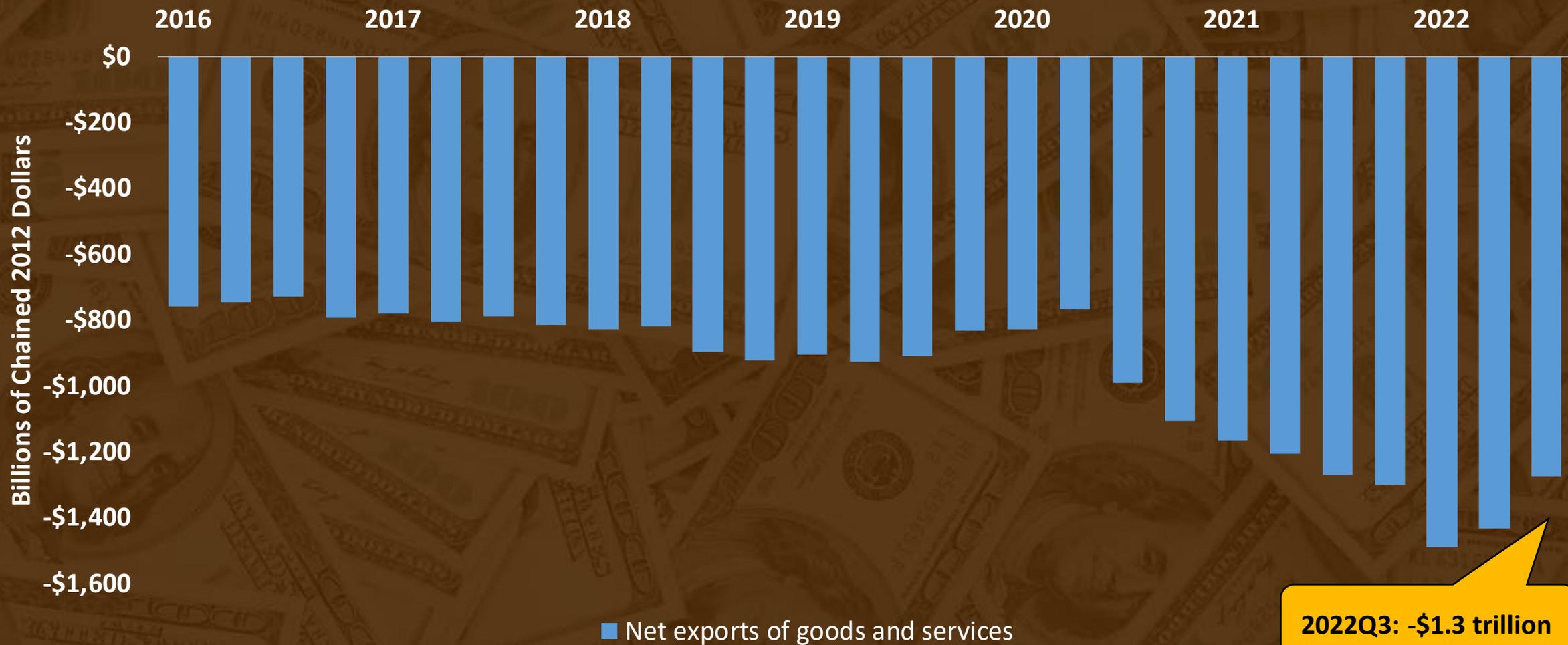
Investment Dropped Slightly in the Third Quarter



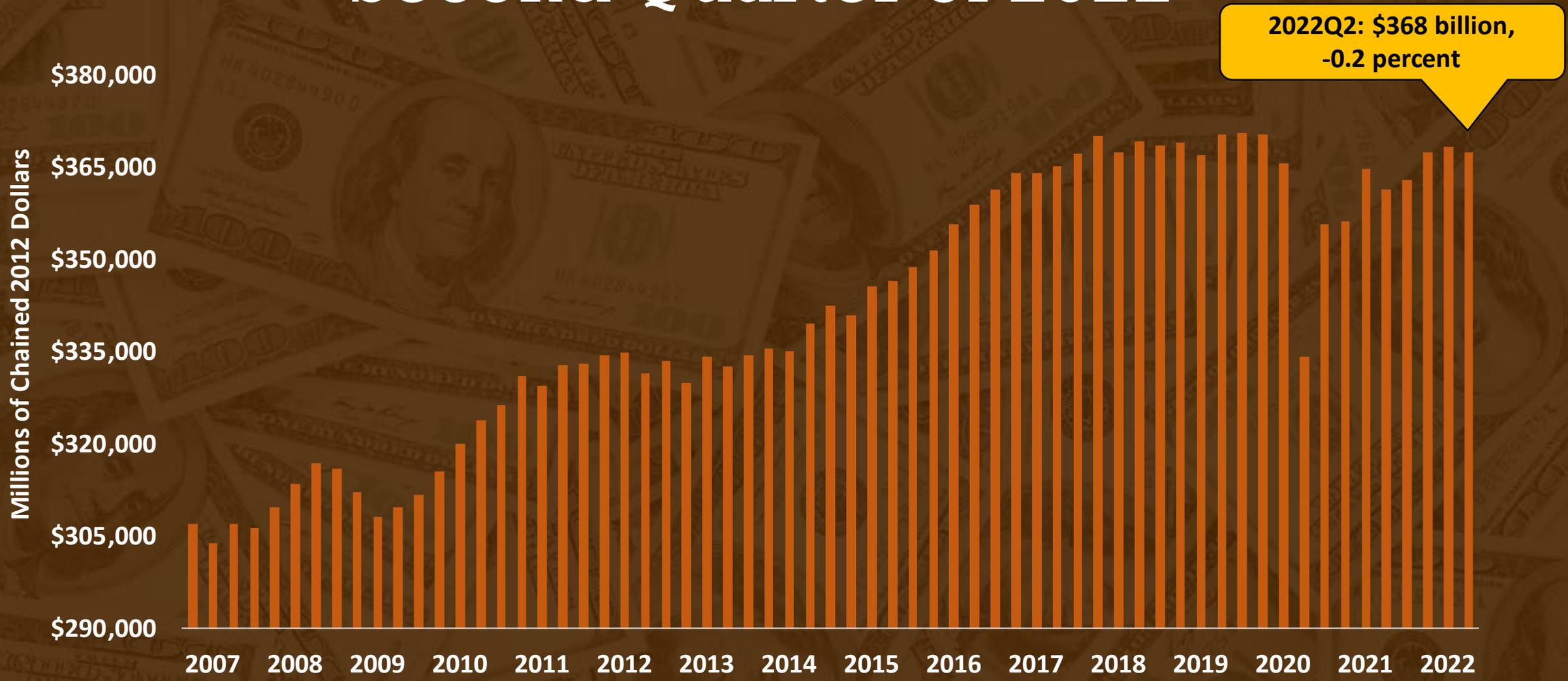
Government Spending Remains High Compared to Pre-Pandemic Levels



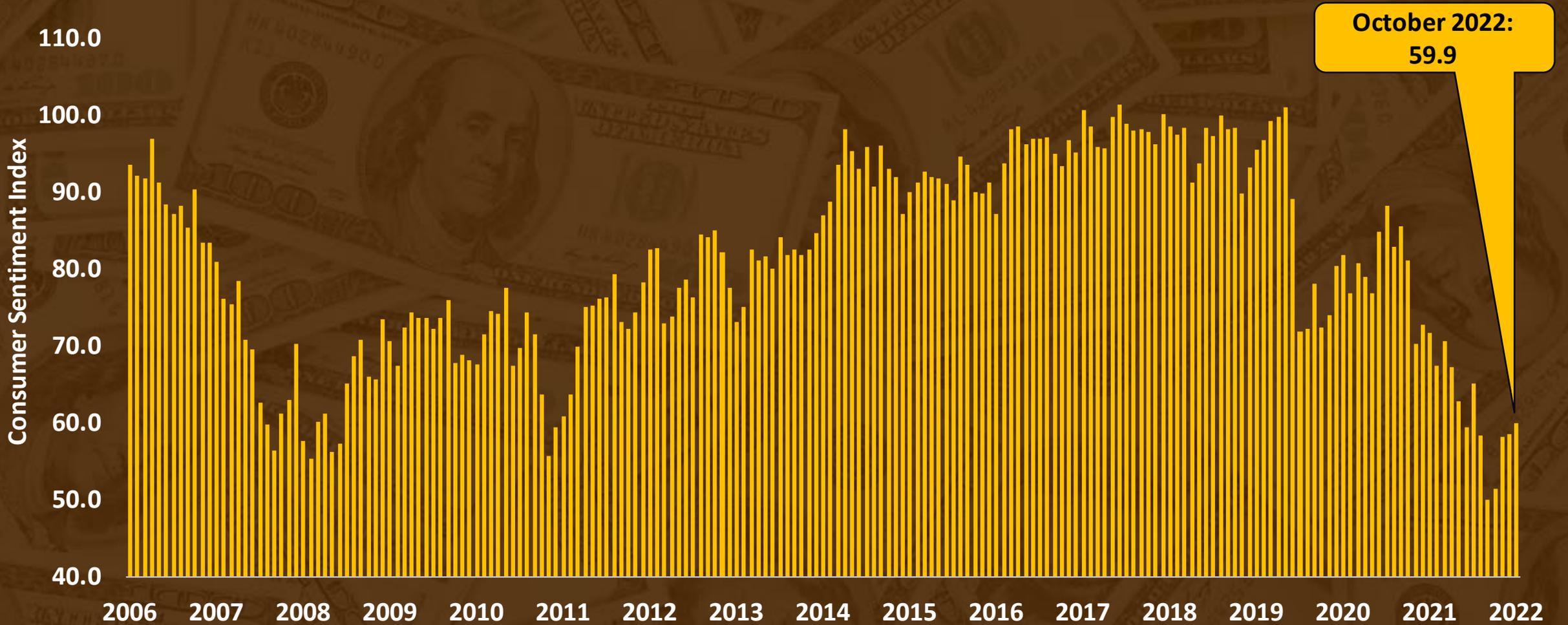
Increasing Exports Have Reduced the Trade Deficit



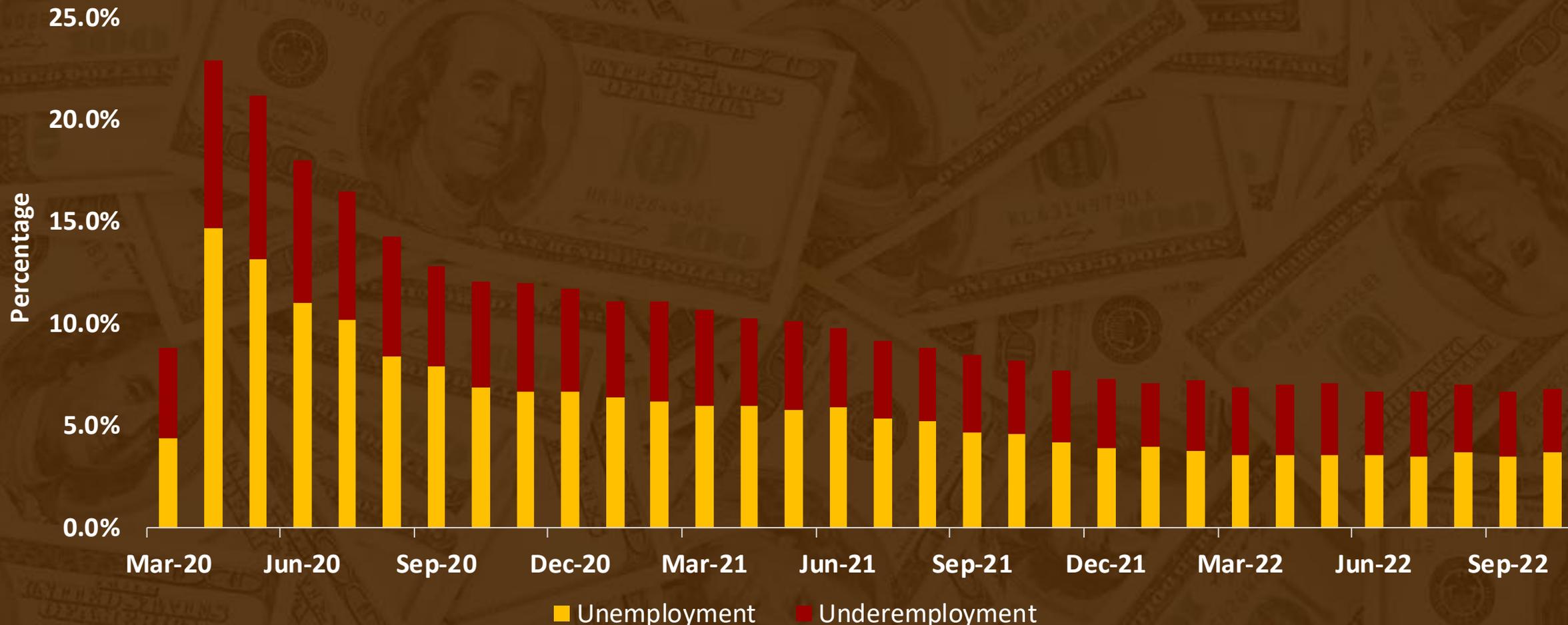
Maryland GDP Growth Stagnated in the Second Quarter of 2022

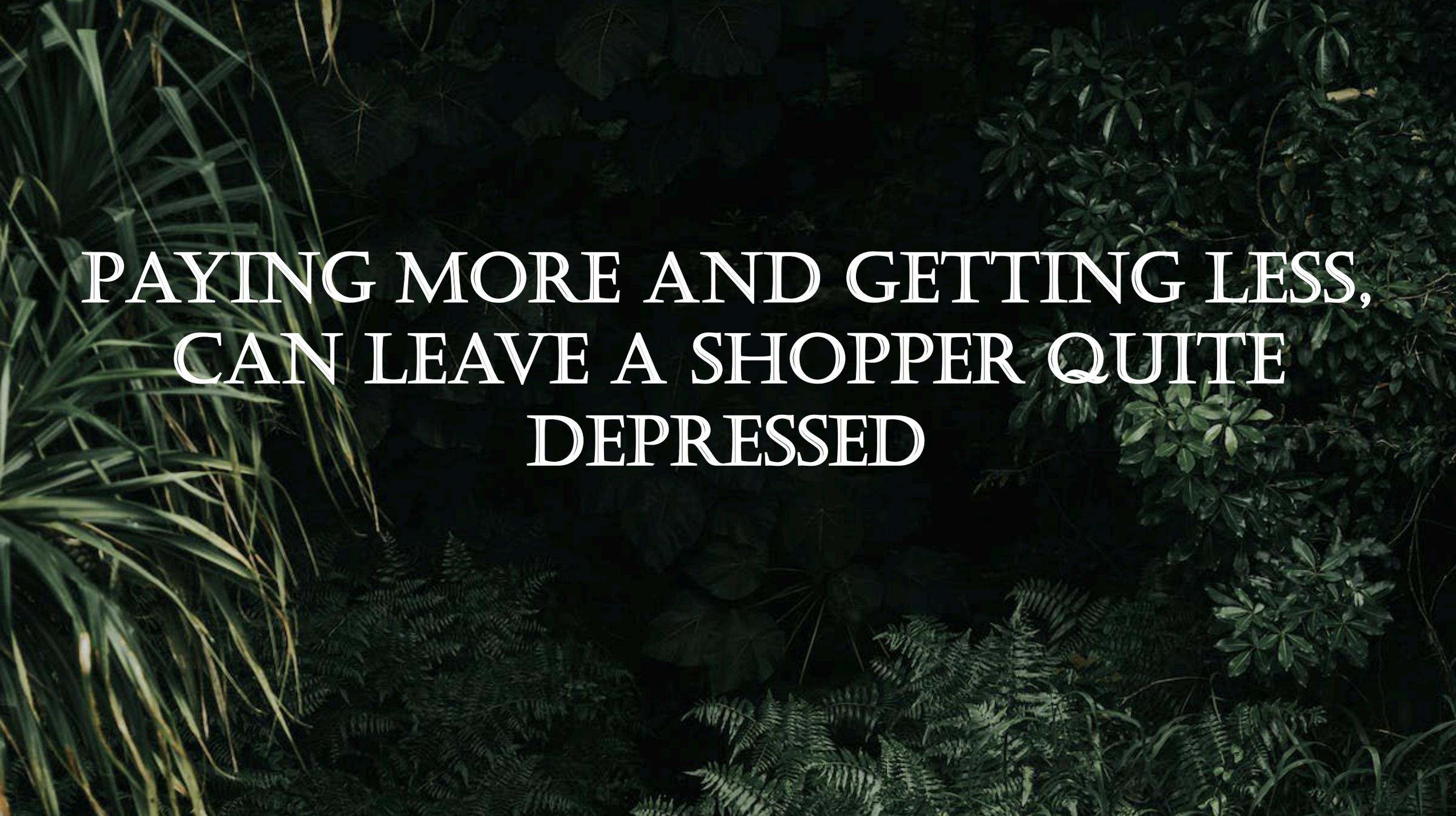


Consumer Sentiment is Still Near Record Lows



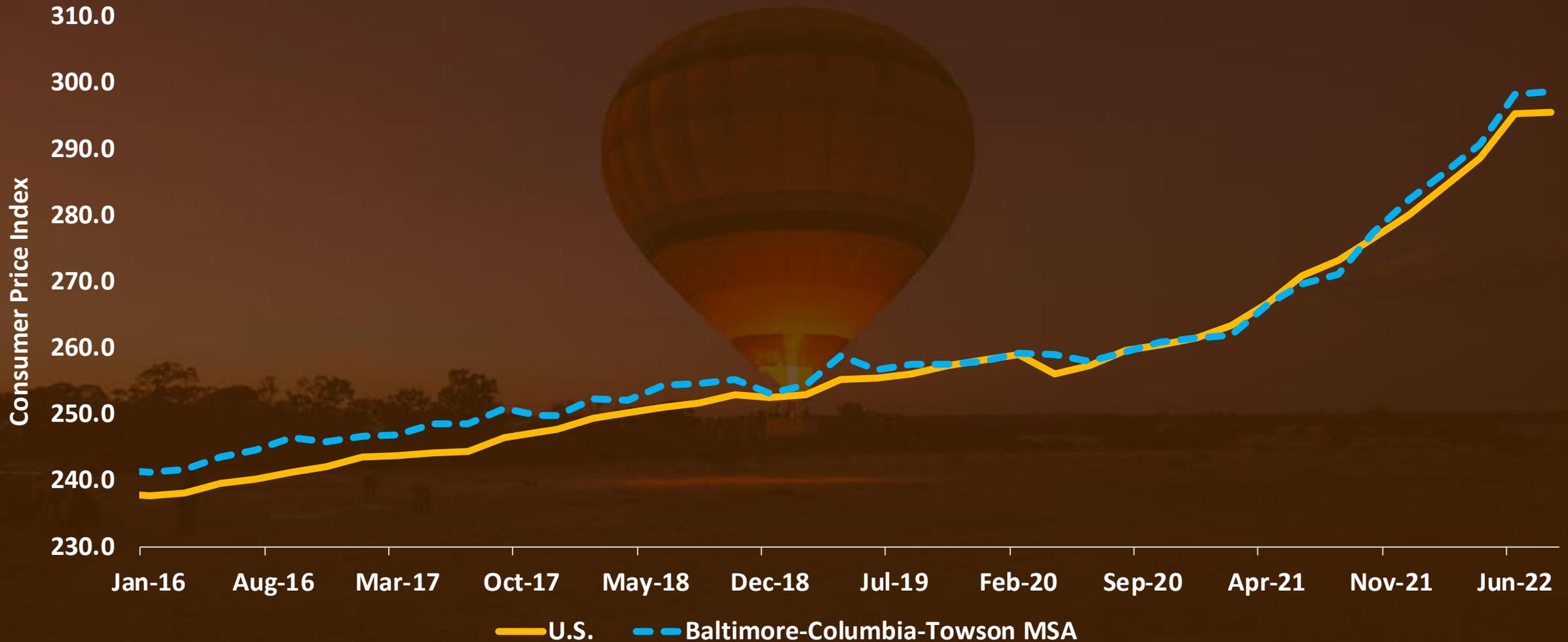
National Unemployment and Underemployment Are Stabilizing at Around Pre-Pandemic Levels



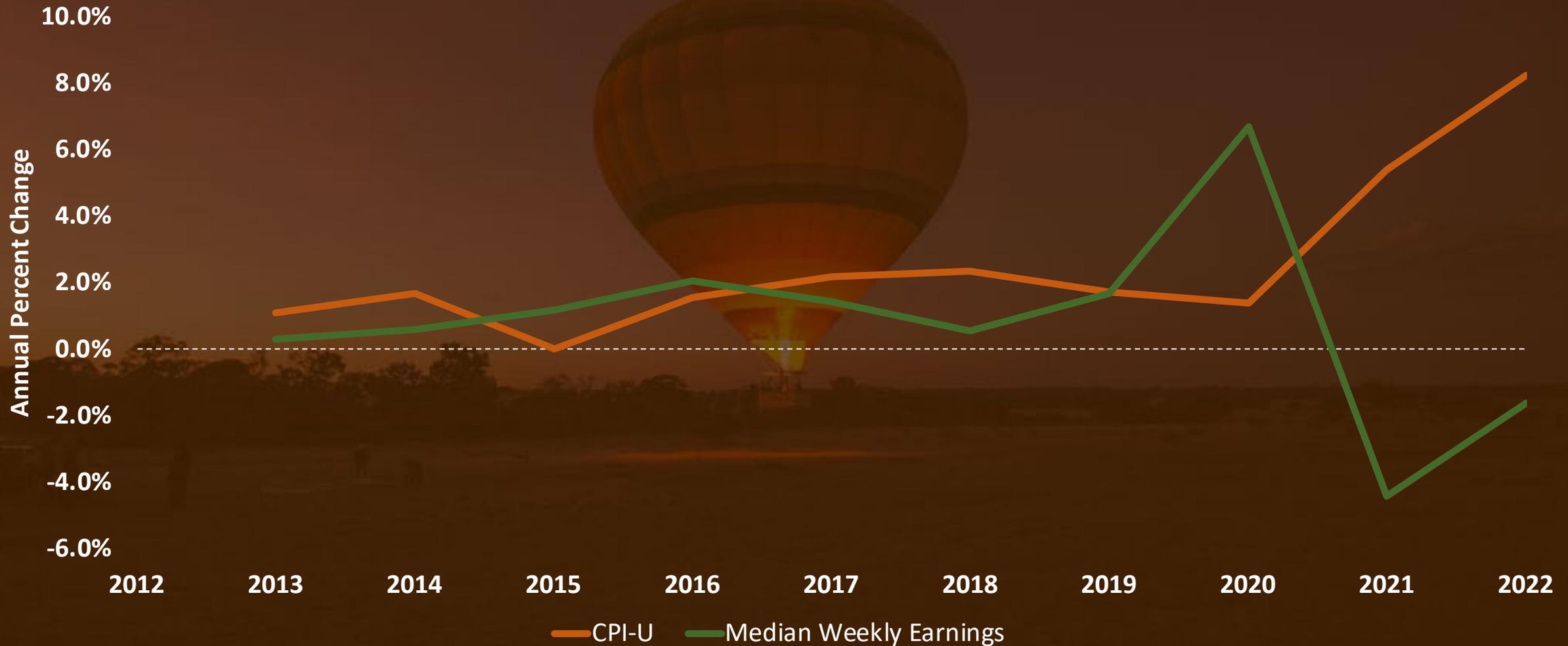


PAYING MORE AND GETTING LESS,
CAN LEAVE A SHOPPER QUITE
DEPRESSED

Consumer Prices Begin to Plateau Nationally and Locally



Wages Struggle to Increase Alongside Soaring Inflation



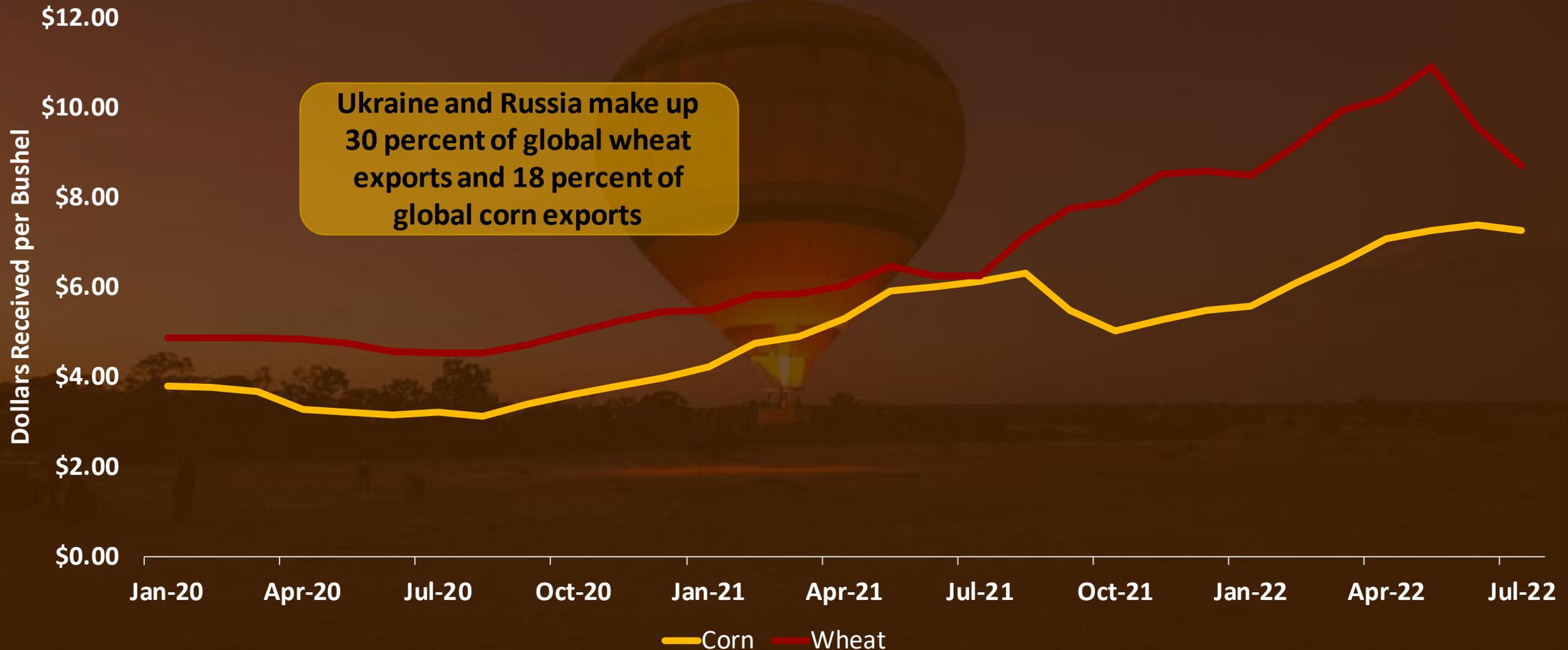
Source: U.S. Bureau of Labor Statistics

Global Implications of the War in Ukraine

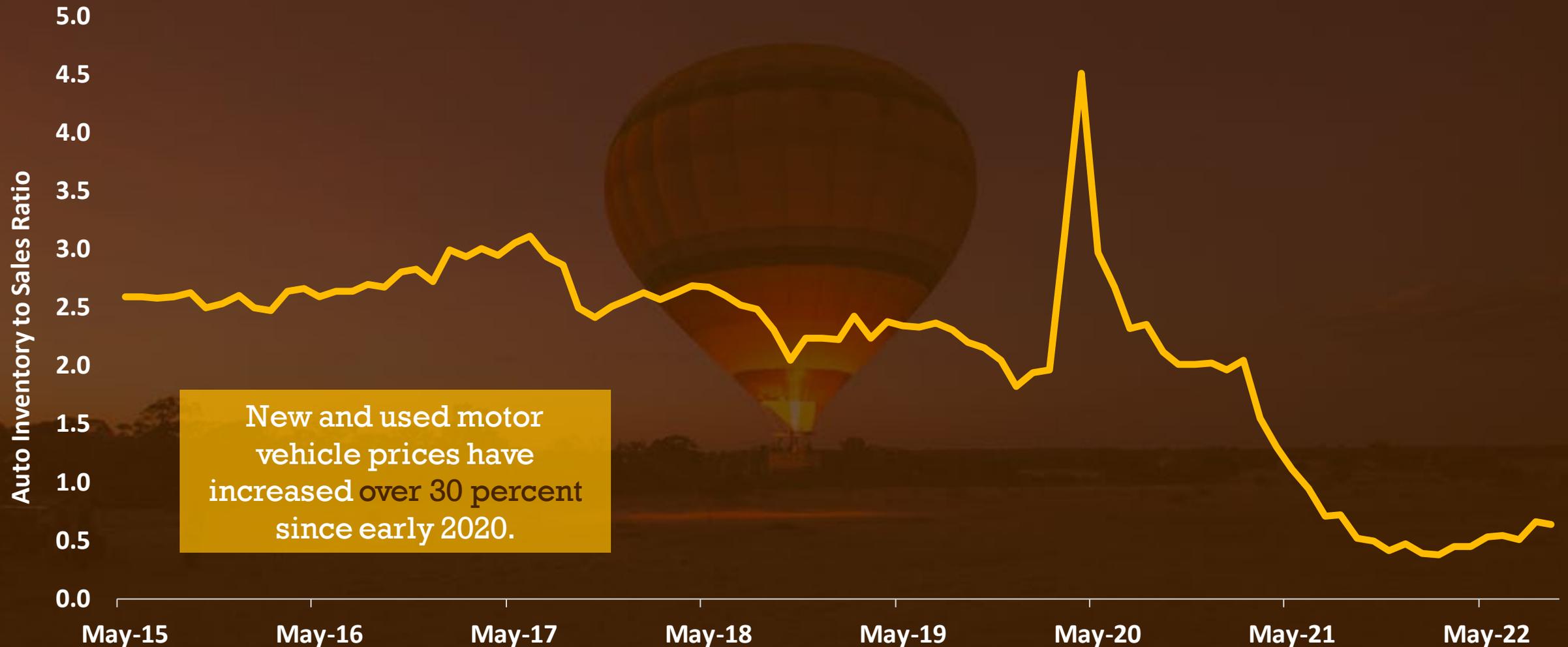
- In February of 2022, Russia launched a large-scale invasion of Ukraine
- Production and shipping of major Ukrainian exports, like corn and wheat, has been heavily disrupted
- Many countries have reduced or blocked imports of oil and natural gas from Russia



The Price of Corn and Wheat in the U.S. has Increased Significantly



Inventory for Cars Cannot Keep Up With Demand



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

Supply Chain Disruption Likely to Persist Through 2022 and 2023



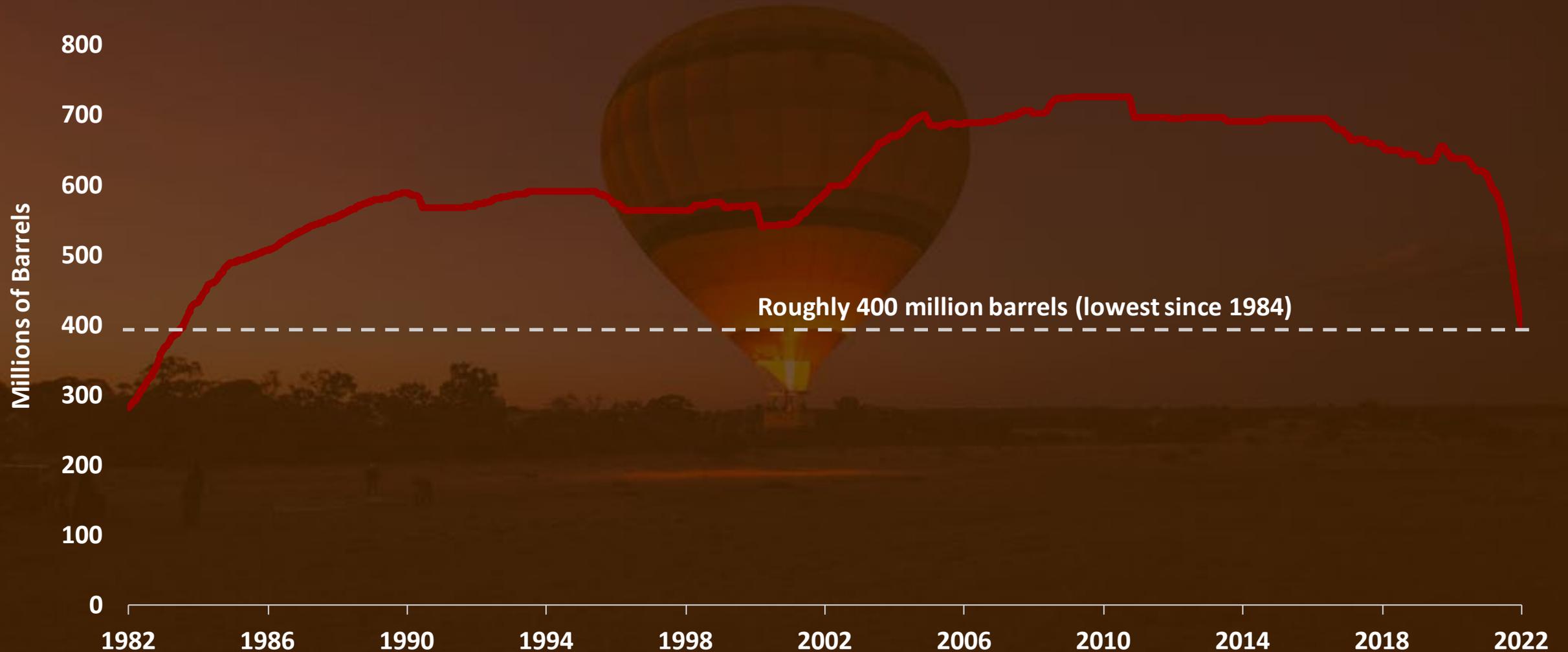
- Factory closures/staffing shortages due to COVID
 - Low global vaccine availability
- Shipping delays
- Retail shortages
 - Meat
 - Pharmaceuticals
 - Computer chips
 - Wood pulp for paper and cardboard

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

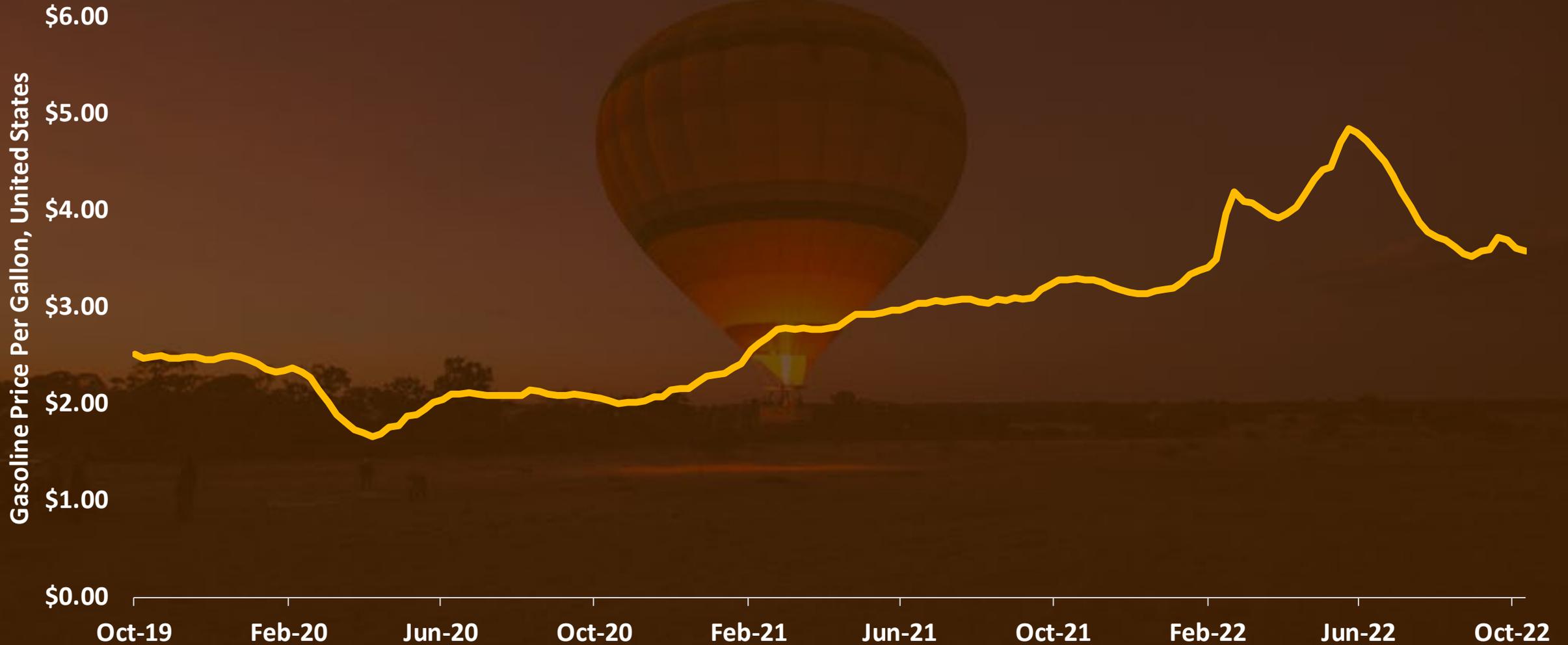


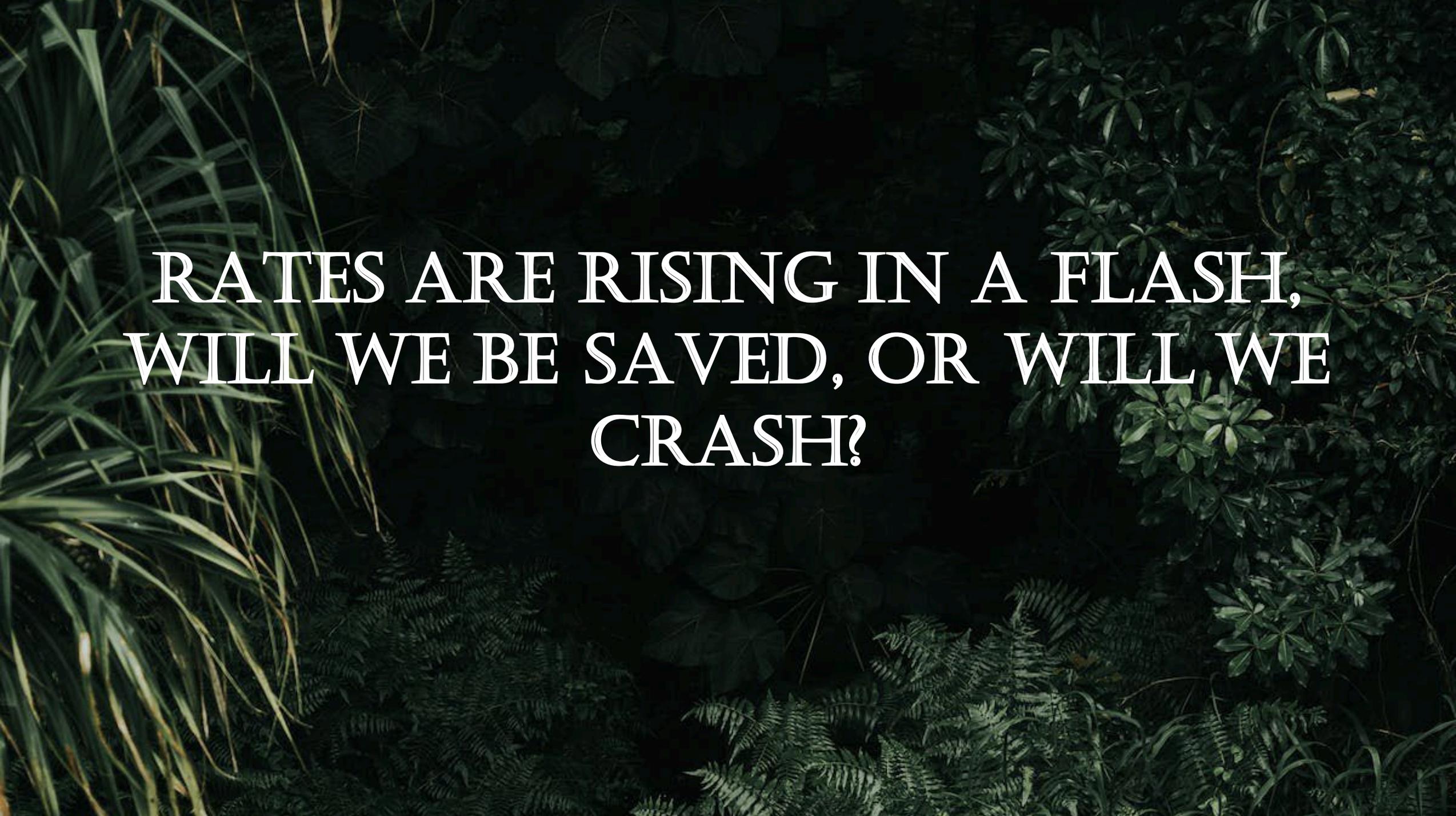
Source: U.S. Energy Information Administration

The U.S. Has Been Draining the Strategic Petroleum Reserves (SPR) at a Rapid Rate



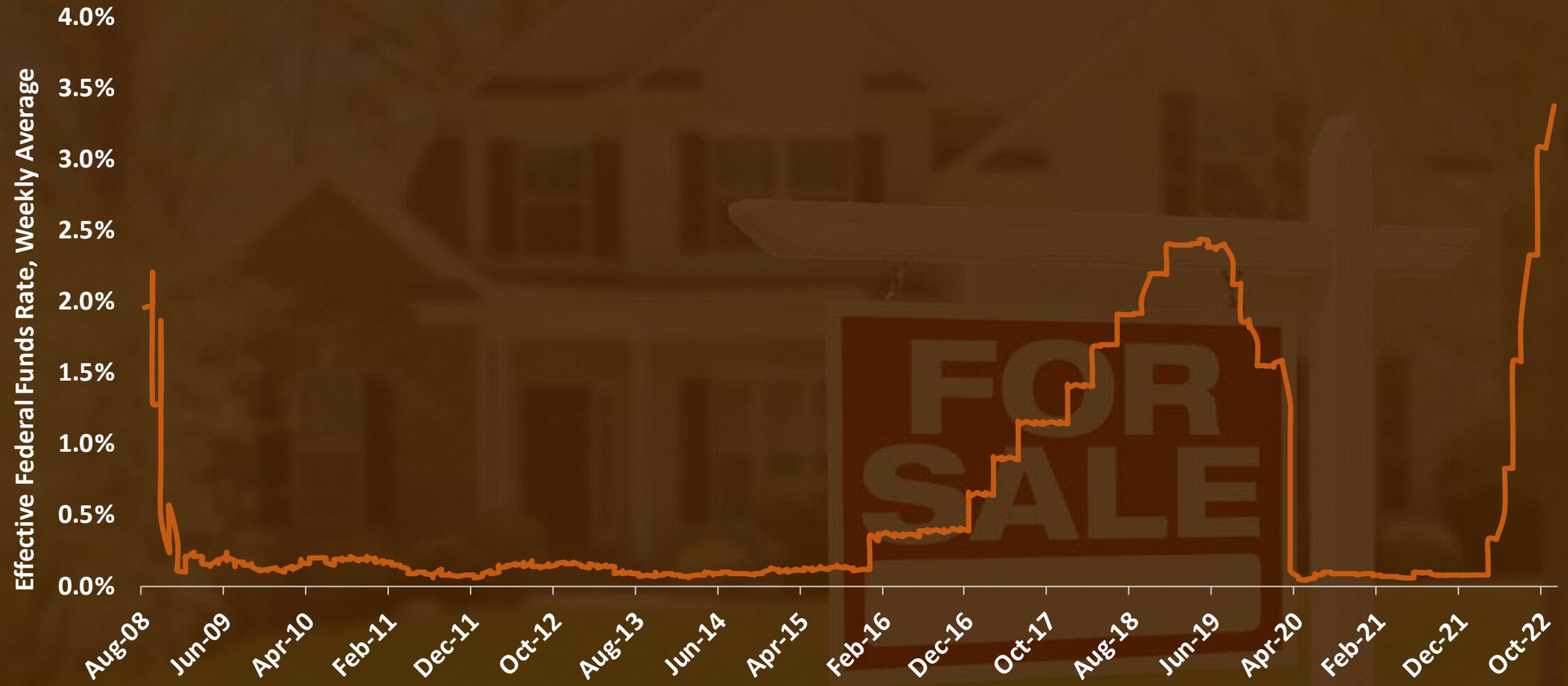
Gasoline Prices Steadily Decline After Peaking in June





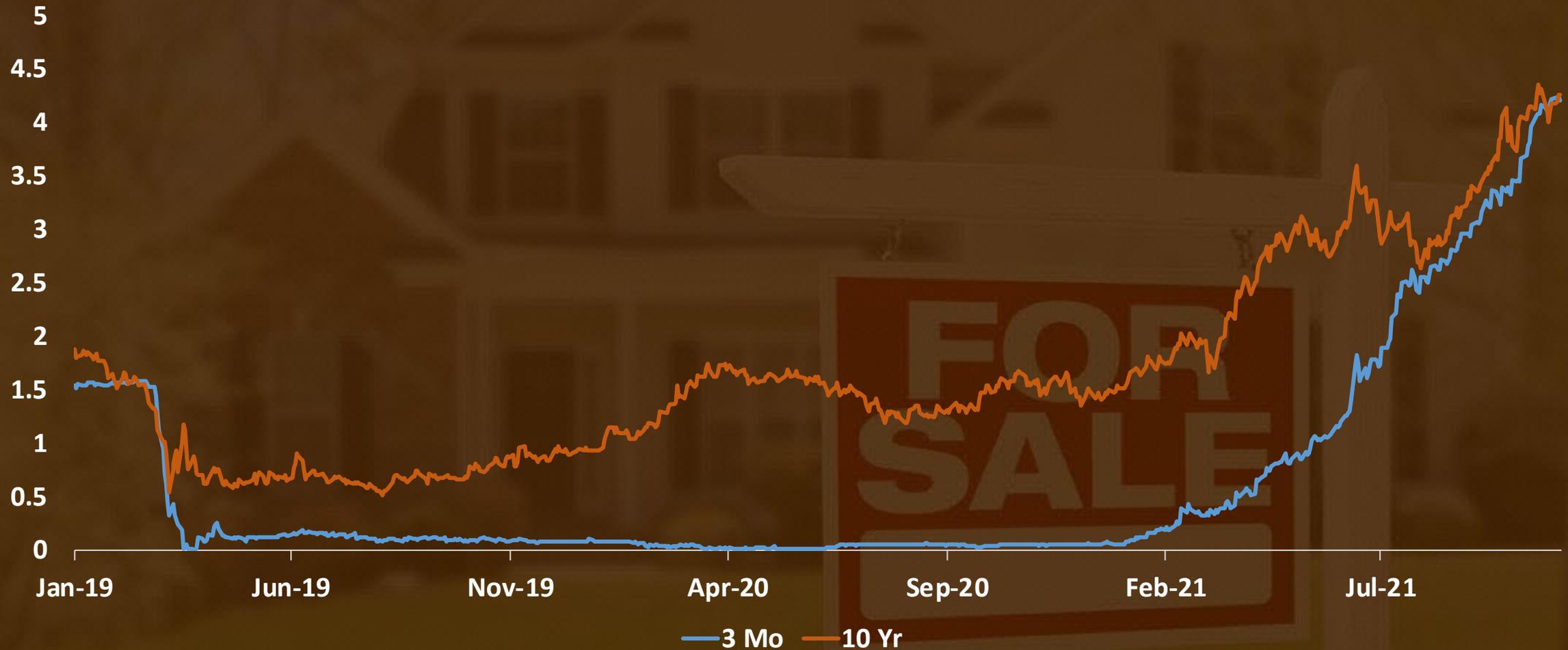
RATES ARE RISING IN A FLASH,
WILL WE BE SAVED, OR WILL WE
CRASH?

The Fed Continues to Raise Interest Rates to Fight Inflation



Sources: FRED, Board of Governors of the Federal Reserve System

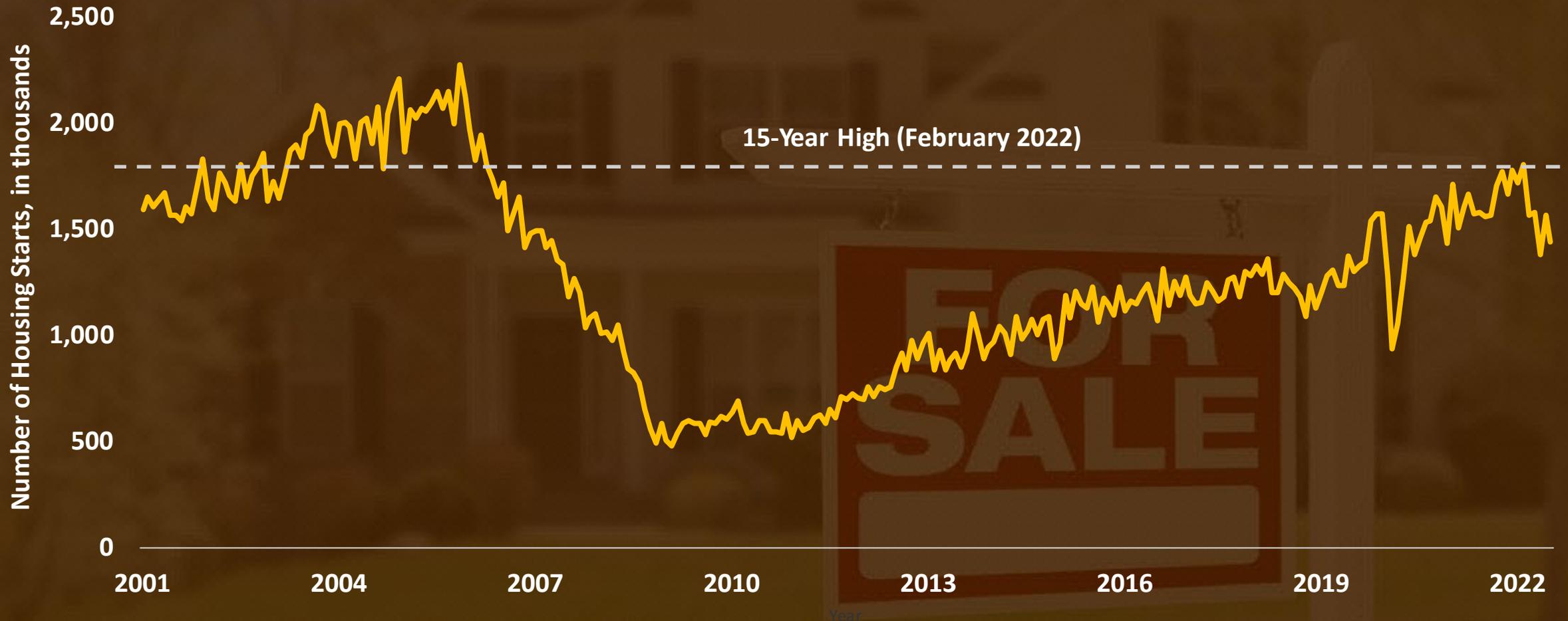
Short-Term and Long-Term Bond Rates Are Increasing



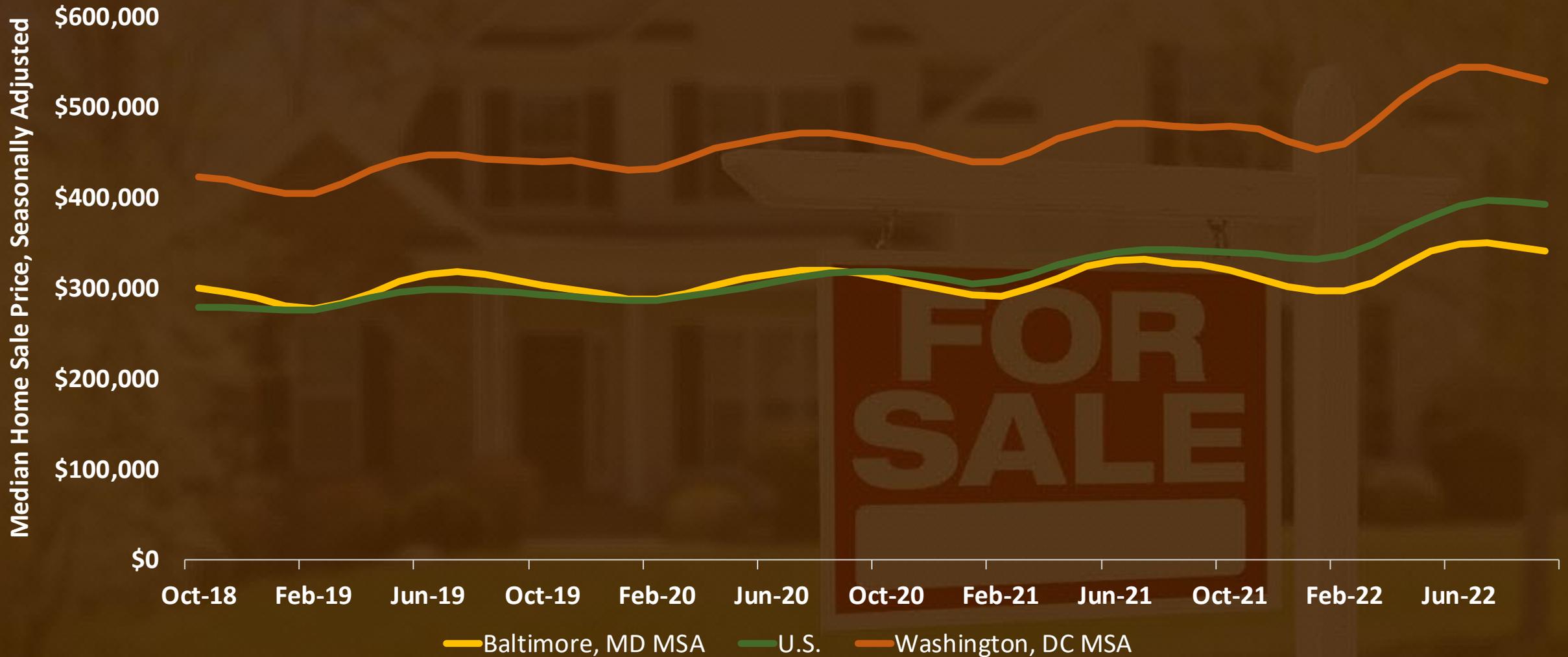
Mortgage Rates Jumped Again in August

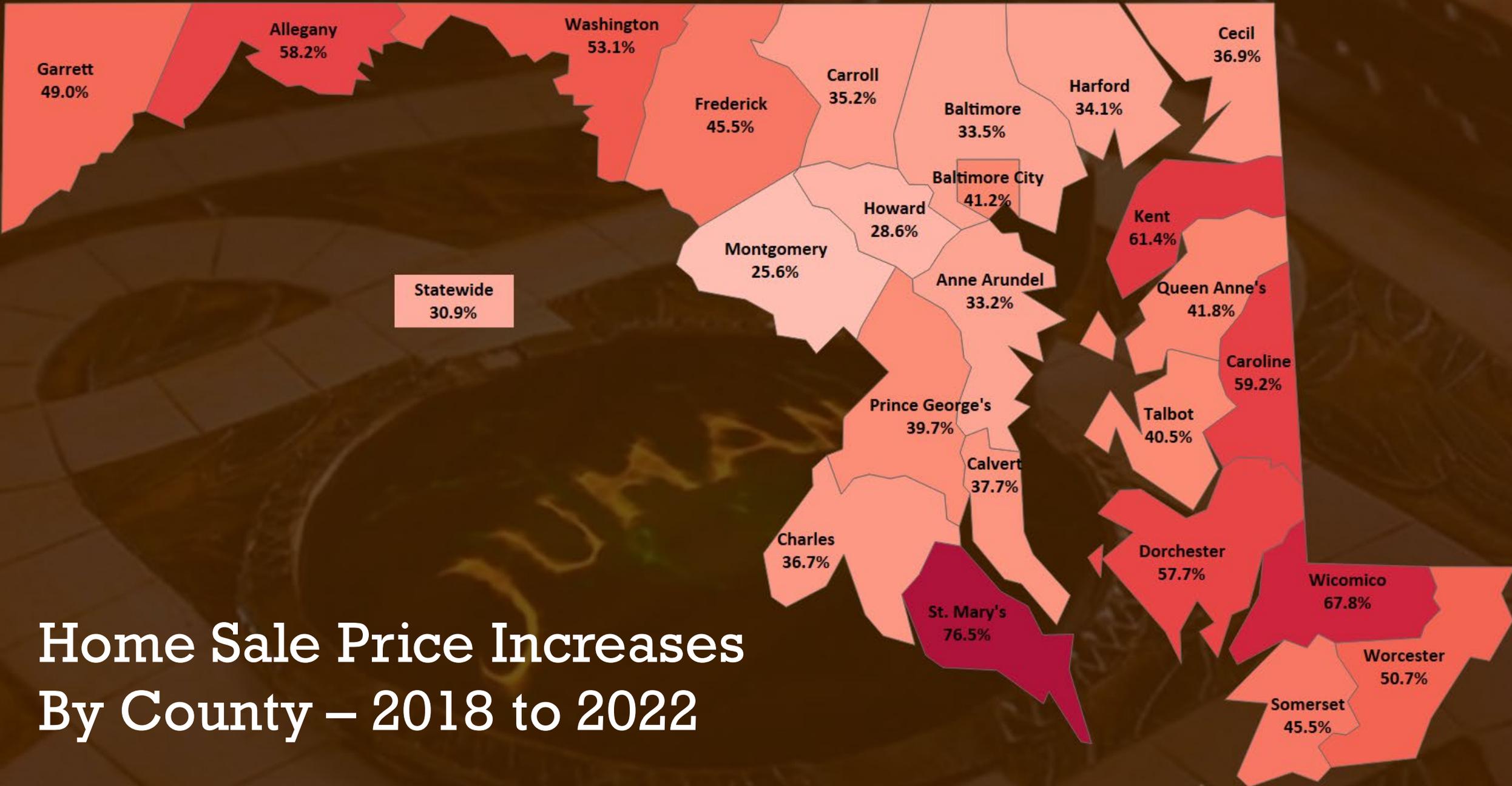


Housing Starts Begin to Decline After Hitting a 15-Year High in March



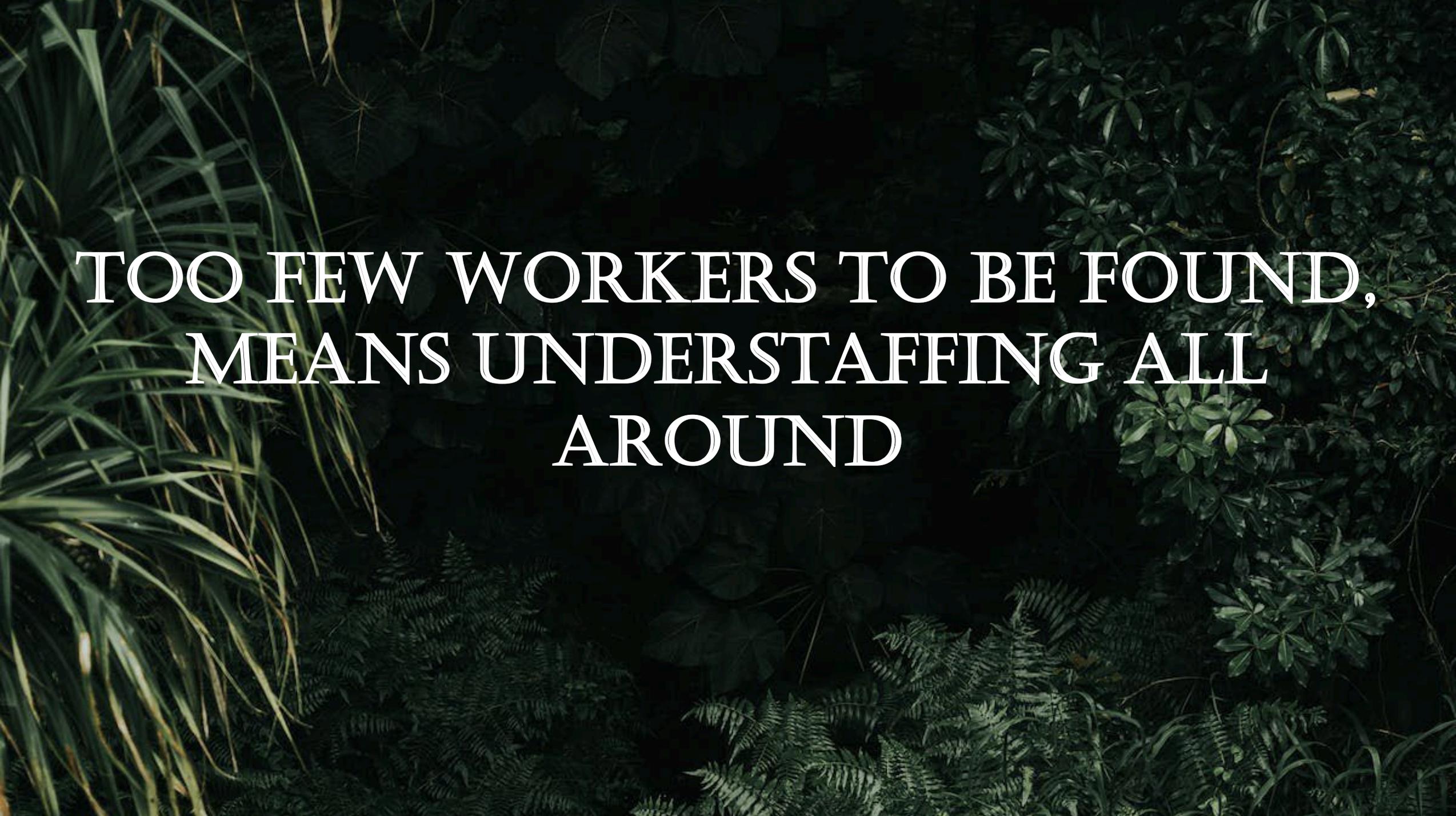
Home Prices Steadily Climb in the Region and Nation





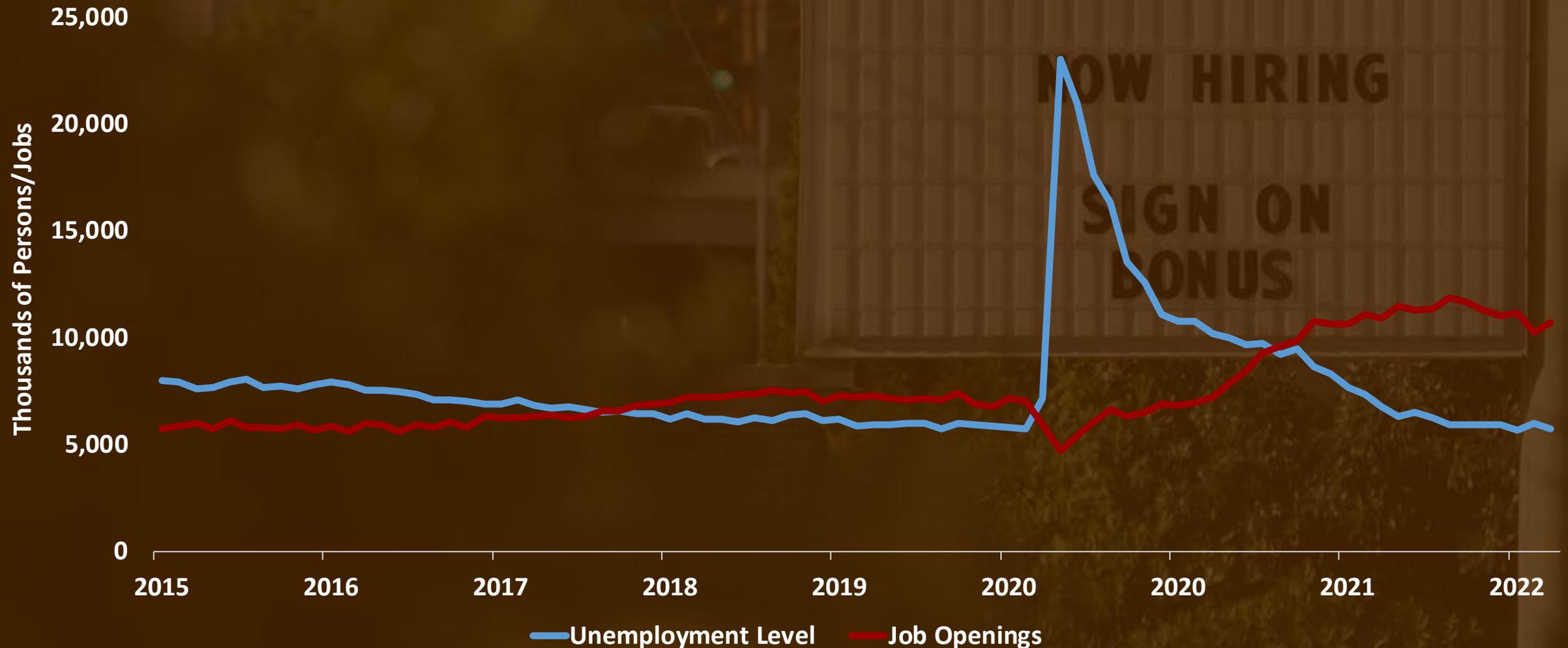
Home Sale Price Increases By County – 2018 to 2022

Source: Maryland REALTORS

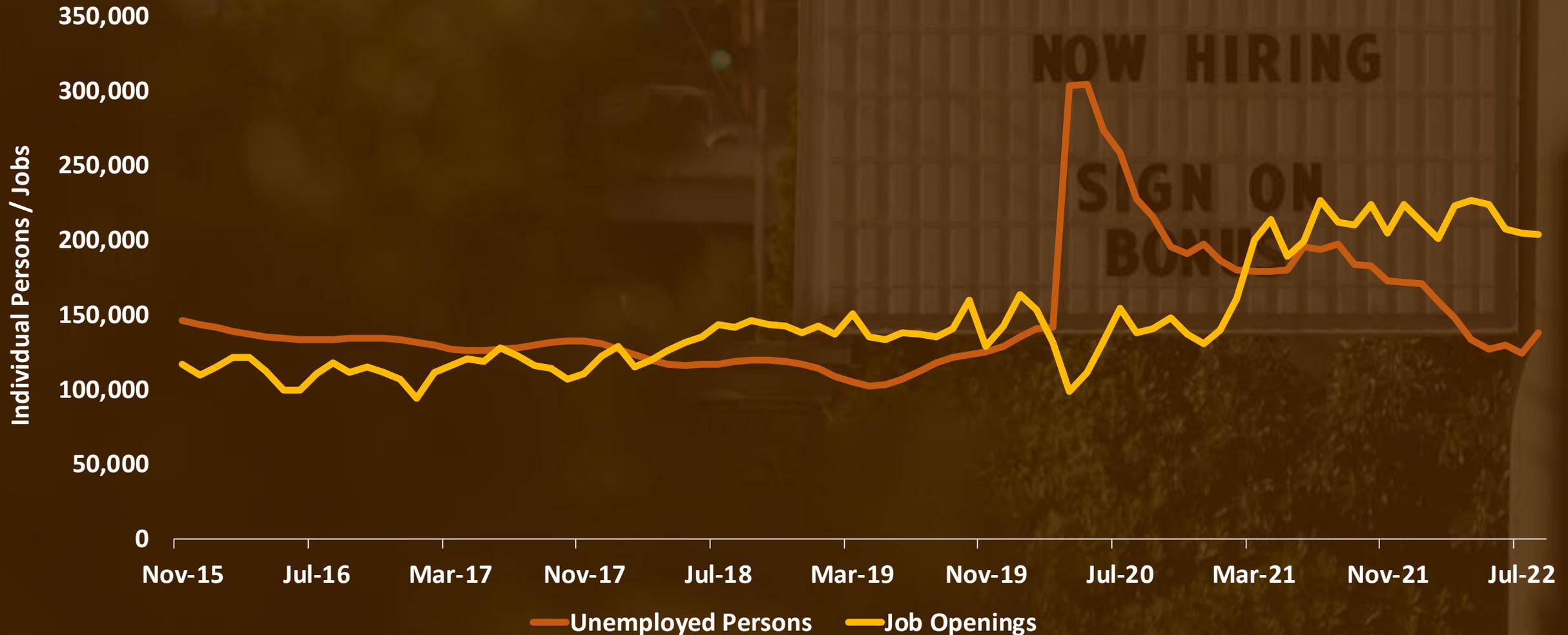


TOO FEW WORKERS TO BE FOUND,
MEANS UNDERSTAFFING ALL
AROUND

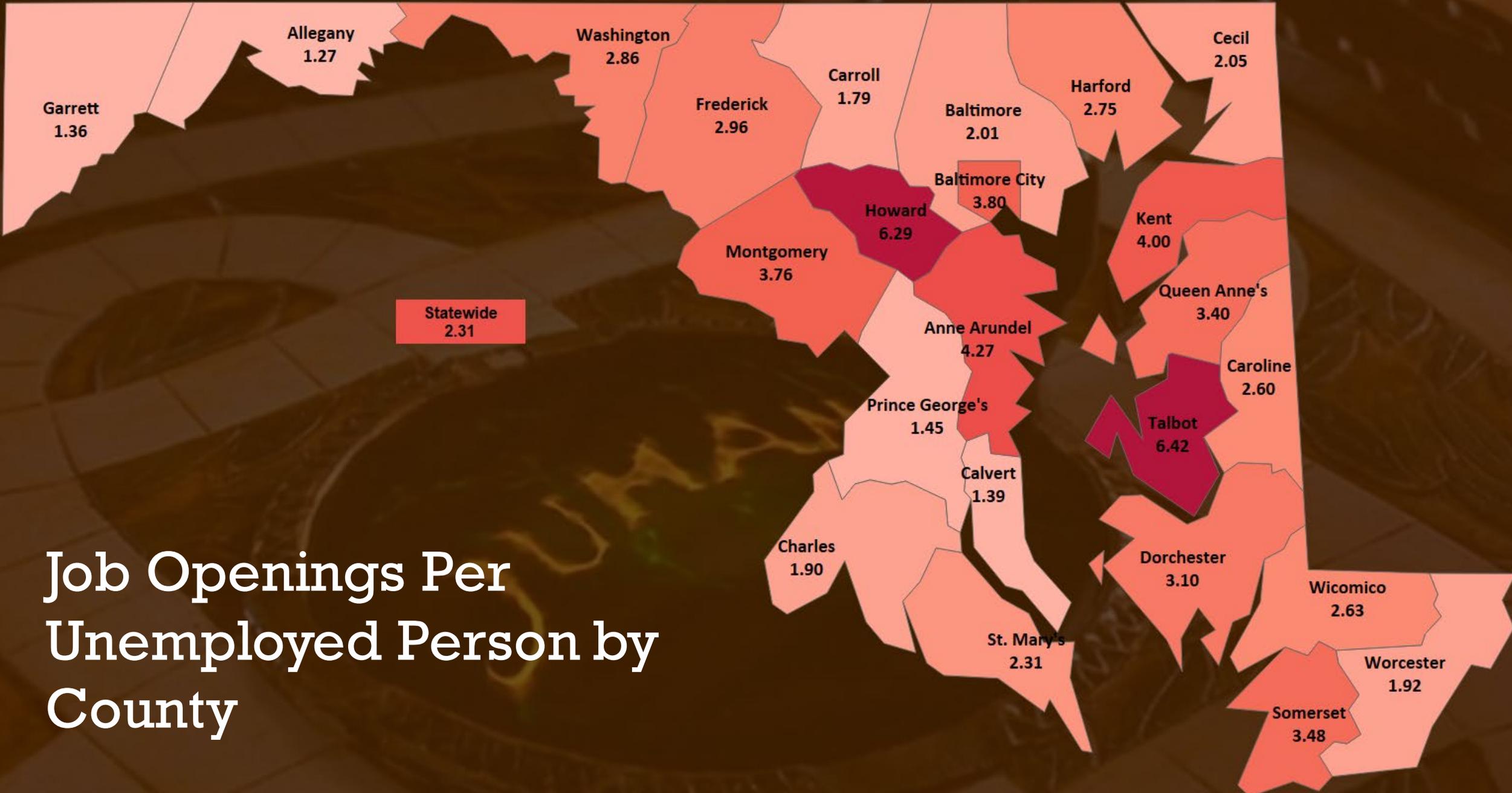
Job Openings Greatly Outnumber Persons Looking for Work in the U.S.



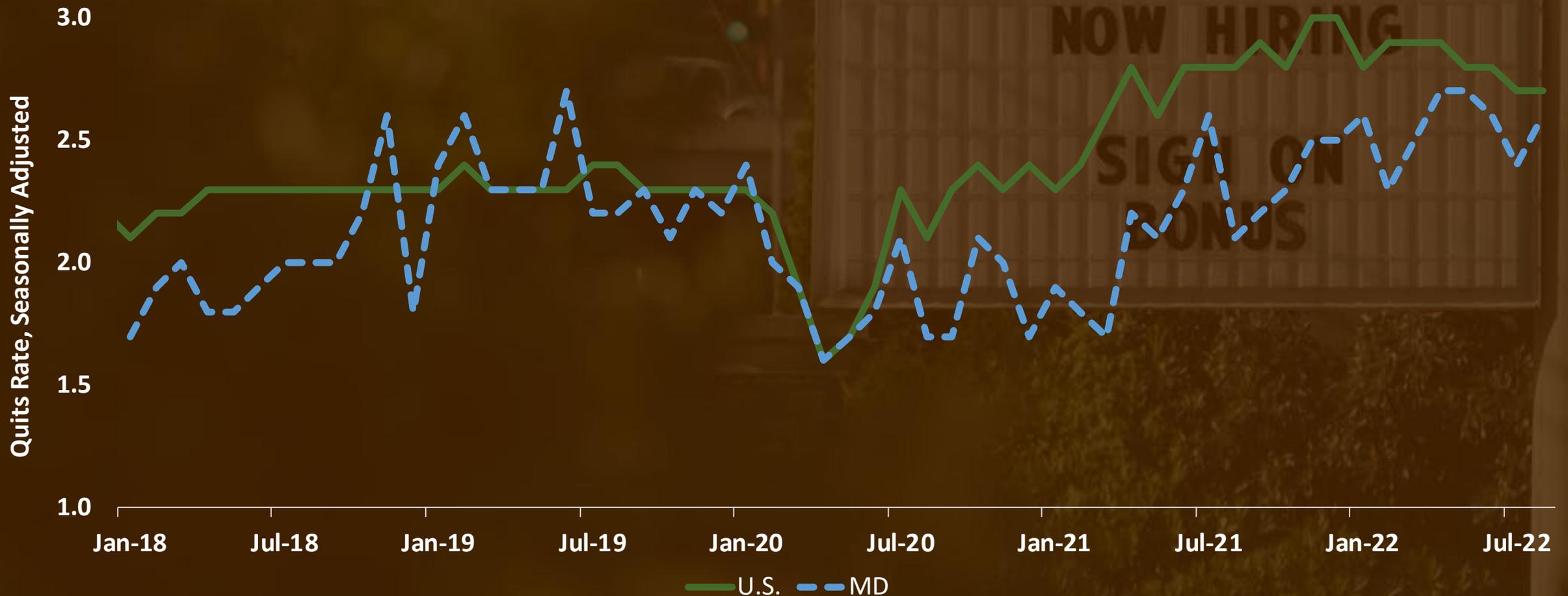
The Same is True for Jobs in Maryland



Job Openings Per Unemployed Person by County

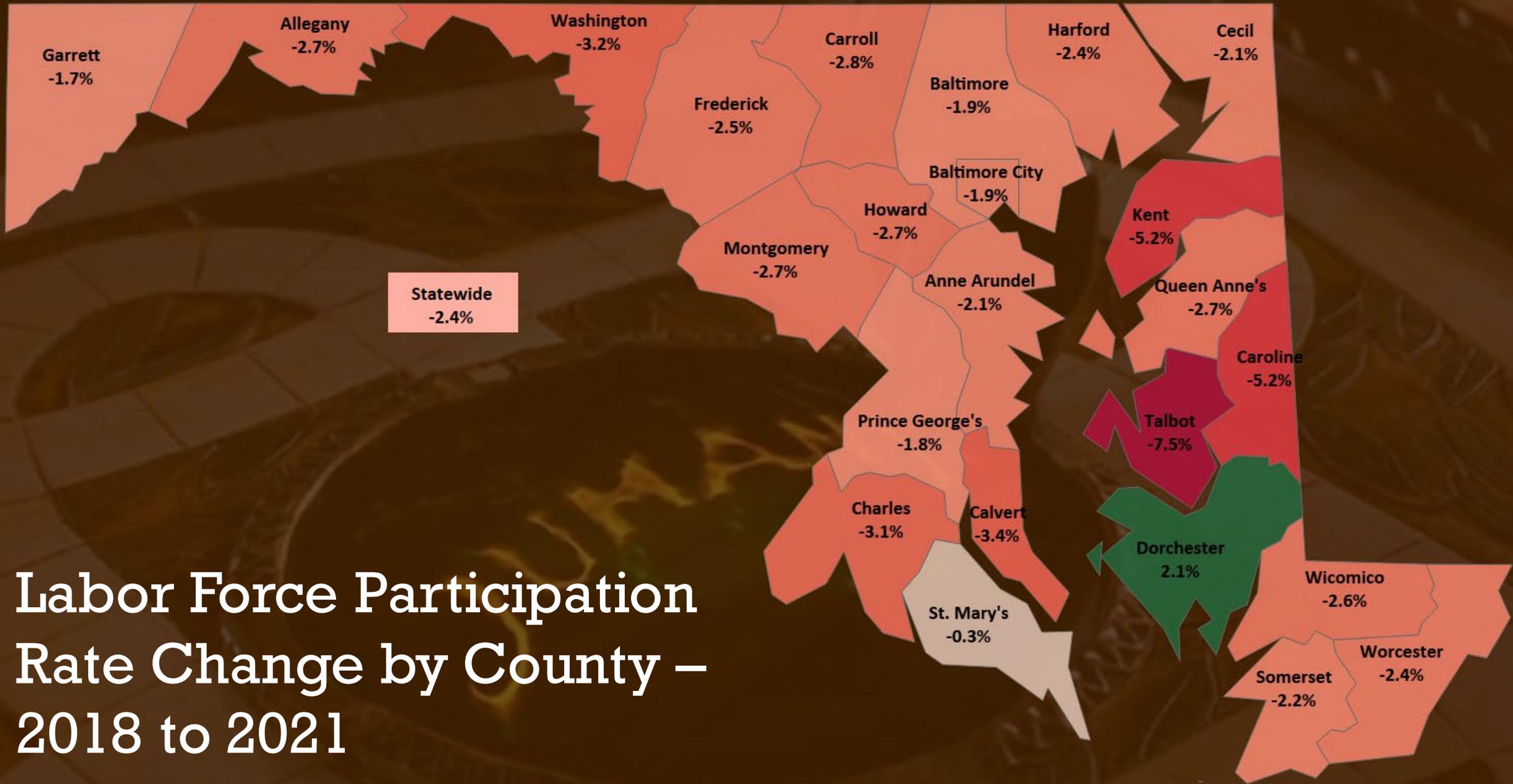


Quit Rates Remain High but Show Signs of Leveling Out



Labor Force Participation is Lower Than Pre-Pandemic

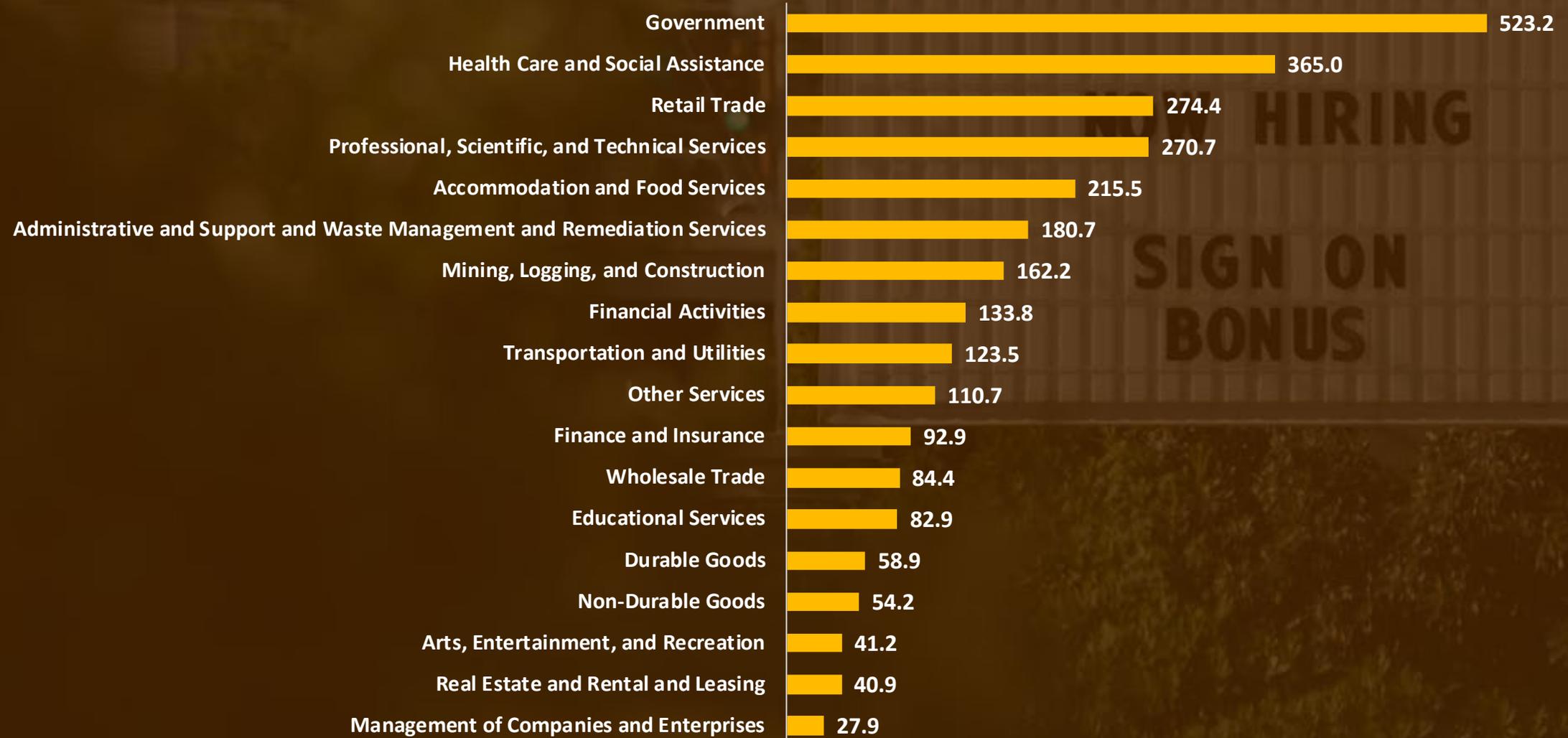




Healthcare, Computer, and Management Occupations Dominate Openings in Maryland



Government and Healthcare Jobs Have the Largest Current Maryland Employment

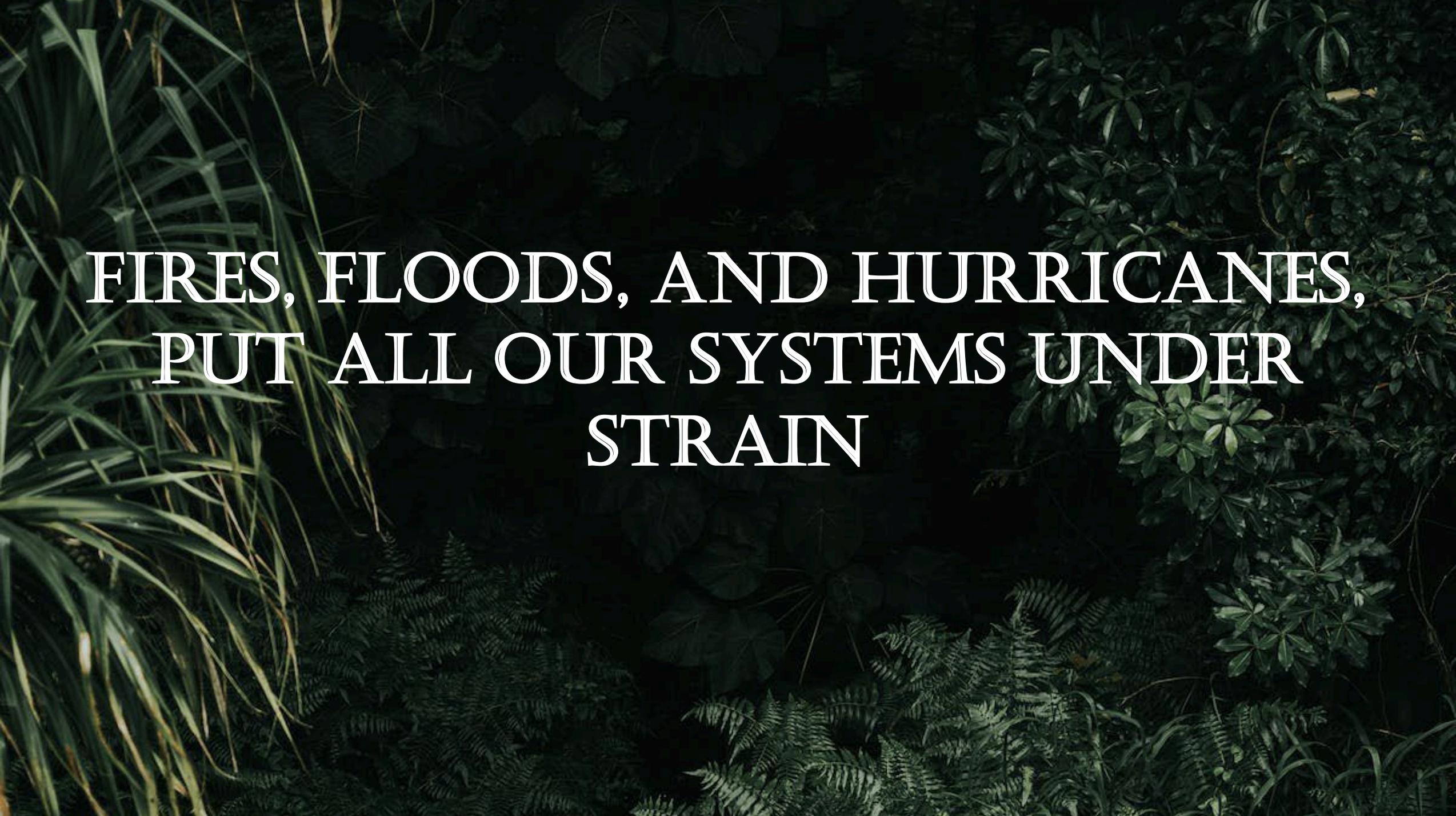


Top Advertised Tools and Technologies in Job Openings in Maryland

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

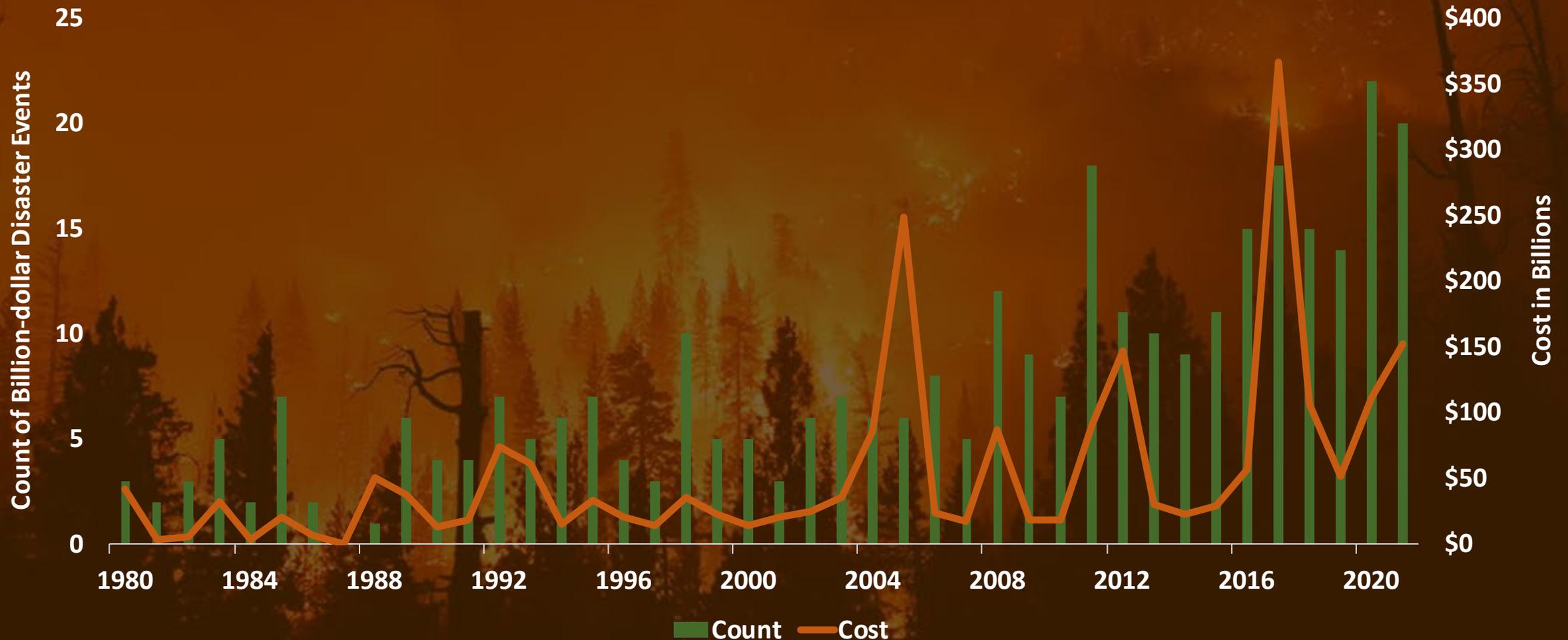
NOW HIRING

SIGN ON
BONUS



FIRES, FLOODS, AND HURRICANES,
PUT ALL OUR SYSTEMS UNDER
STRAIN

Billion-Dollar Disaster Events are Increasing in Frequency in the U.S.

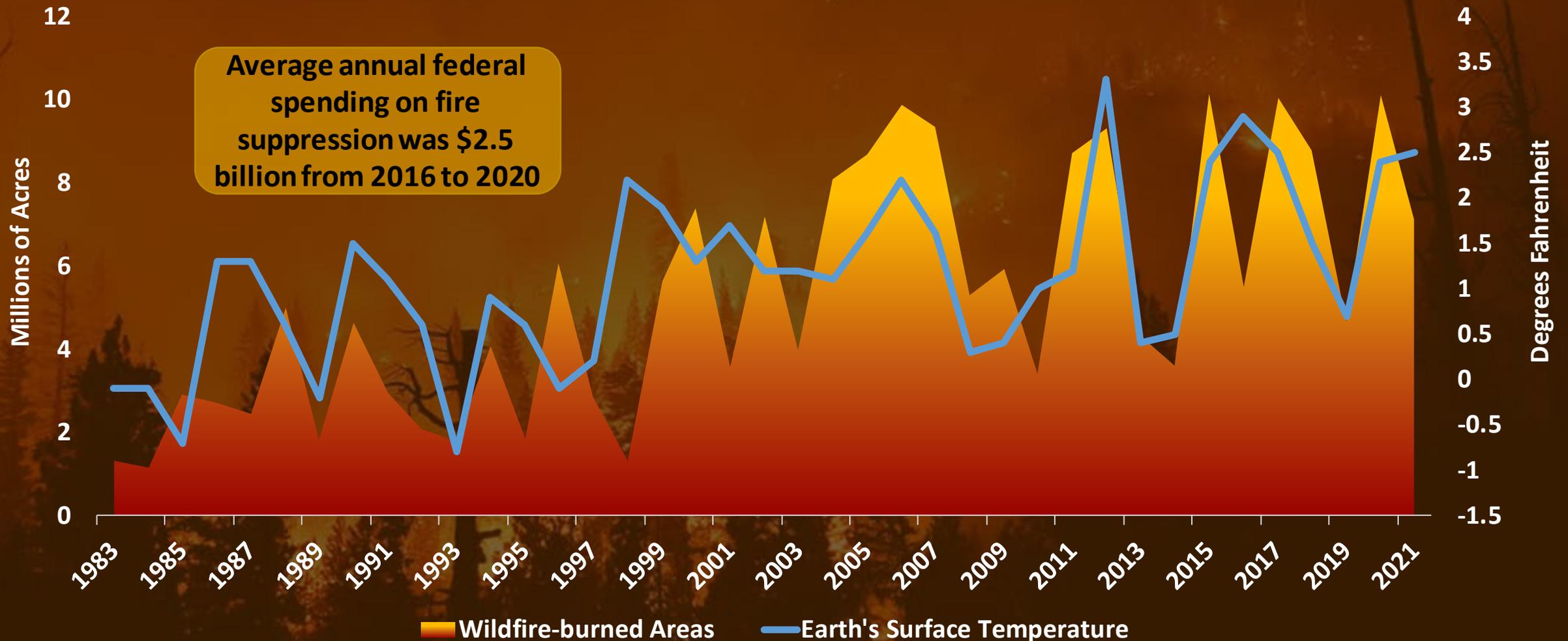


Hurricane Isaias Caused Extensive Damage to the Northeastern United States

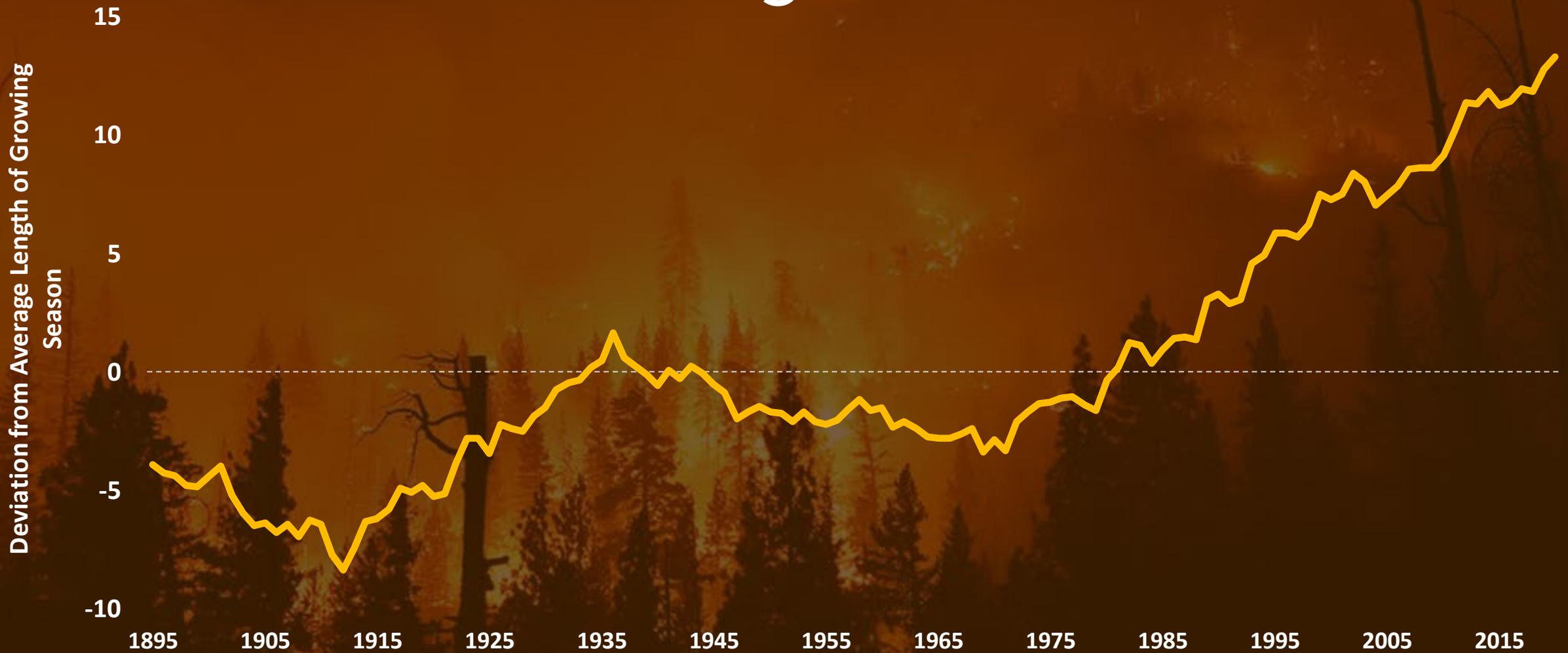
- Hurricane Isaias tore through the U.S. in 2020
- Resulting wind and water damage caused an estimated \$4.8 billion in damages
- Costliest cyclone to affect the northeast region since Hurricane Sandy in 2012



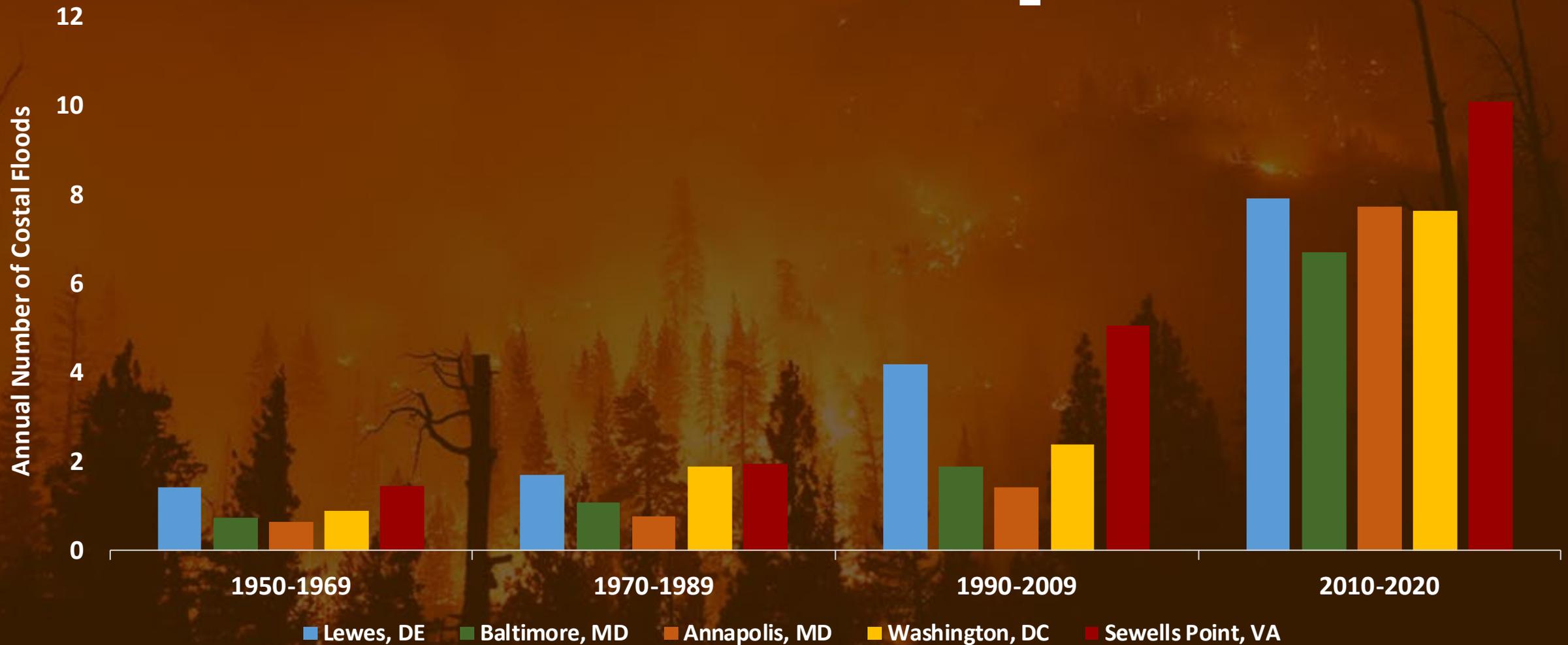
As Temperatures Rise, Wildfires Become More Difficult to Contain

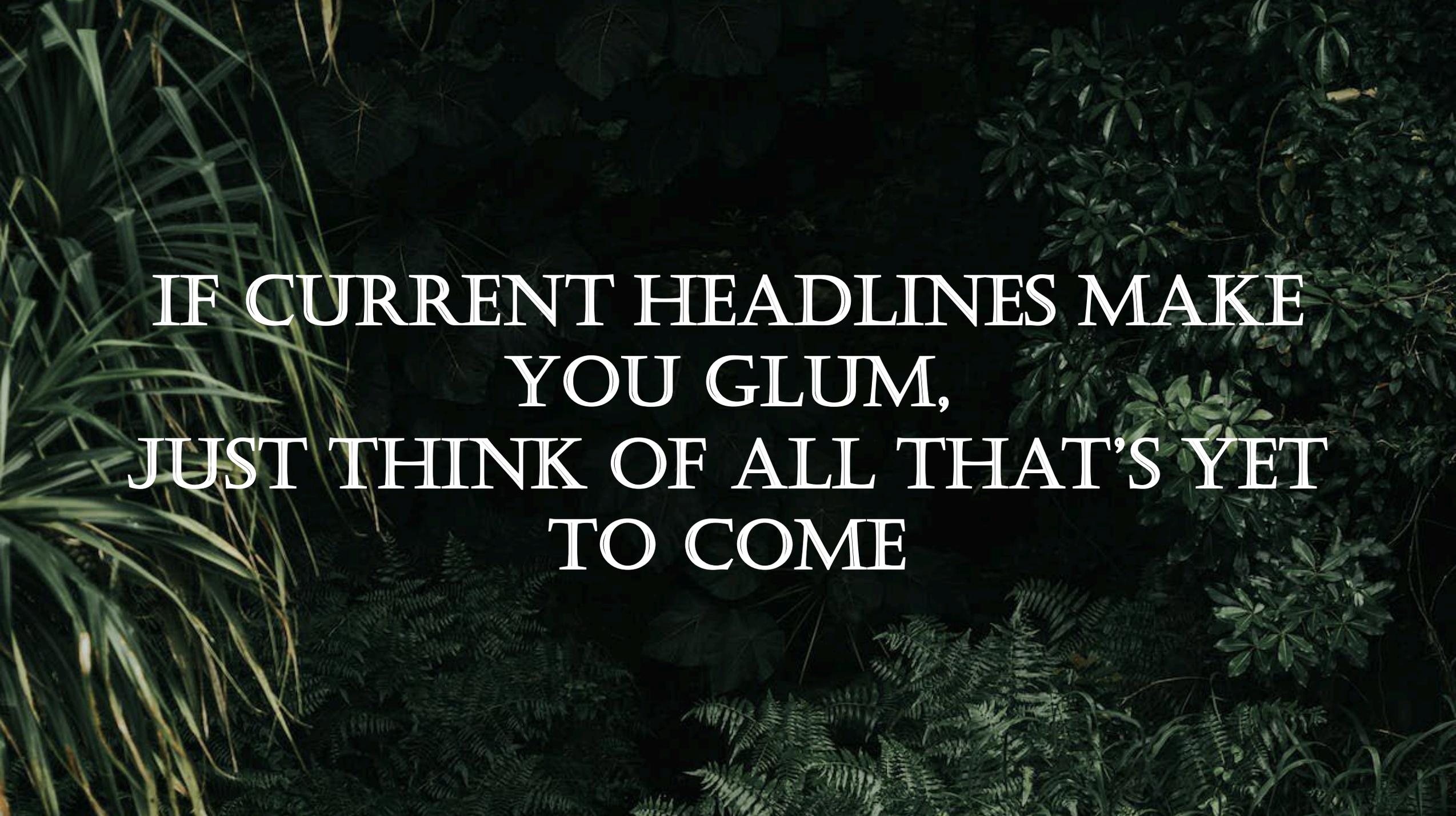


Warming Weather Has Led to a Longer Growing Season



Coastal Flooding in our Region Has Become More Frequent





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

Q&A

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