



# Economics Group

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## Georgia's Recovery Continues to Moderate

**Private employers added 23,700 jobs across Georgia in November. The employment survey only includes the first few weeks of the latest COVID spike, however, and hiring will likely moderate further in coming months.**

### Hiring Moderated Further in November

November's 20,900-job gain in nonfarm employment would ordinarily mark a solid month of job growth for Georgia. Such a pace would have translated into more than 250,000 jobs if it was sustained for a year. Unfortunately 2020 is no ordinary year. Georgia lost 532,000 jobs from February to April, as much of the economy was shut down in an effort to slow the spread of COVID and preserve hospital capacity. Georgia was one of the first states to re-open its economy and has seen employment roar back ahead of most other states. Employers have replaced roughly 74% of the jobs lost in March and April, leaving employment just 137,000 jobs below its February peak.

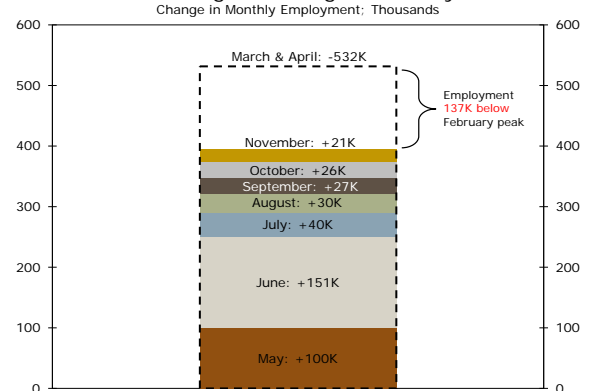
Private employers added 23,700 jobs in November. Hiring rose across most industries but the largest gain, by far, came in transportation, warehousing & utilities, which added 13,000 jobs during the month and accounted for more than half the state's job growth. The increase was mostly at couriers & messengers, reflecting a surge of hiring ahead of the holiday season. Activity at the Port of Savannah has also rebounded, fueling hiring at warehouses and distribution centers as well as trucking and logistics firms.

Hiring also held up well in other blue collar areas. Construction firms added 3,400 jobs in November, reflecting gains in homebuilding and a still solid backlog of commercial projects. Professional & business services added 2,900 jobs, with most of that gain coming in administrative services. Employment fell in the hard-hit leisure & hospitality sector, with restaurants and hotels losing another 1,500 jobs. Government payrolls declined by 2,800 jobs, with all of the drop coming from the federal government. Hiring of temporary Census workers led to a spike in federal payrolls earlier this year, which has now nearly entirely been wound down.

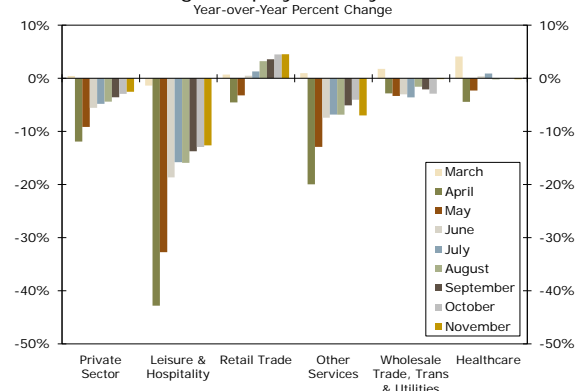
Our forecast for Georgia's economy has been revised to reflect the roll out of COVID vaccines, as well as the expected pullback in economic engagement due to the resurgence of infections. We expect economic growth and employment to slow from November through February but look for a broad-based recovery to take hold in the spring. Real state-level GDP is expected to rise 4.3% in 2021, with the strongest gains coming in the second half of the year. Georgia's role as the economic hub of the rapidly growing Southeast should continue to fuel gains in its key transportation & logistics sectors. Business travel will take longer to recover, however, and this will weigh on the recovery early on. Housing is a notable bright spot, both for homebuilders and Georgia's large building products and floor coverings industries. Georgia also continues to reel in scores of corporate relocations and expansions, particularly in the state's rapidly growing tech sector.

After losing 157,000 jobs in 2020, employers are expected to add 128,000 jobs in 2021 and 165,000 jobs in 2022. Real state-level GDP is expected to rise 4.3% in 2021 and 5.0% in 2022.

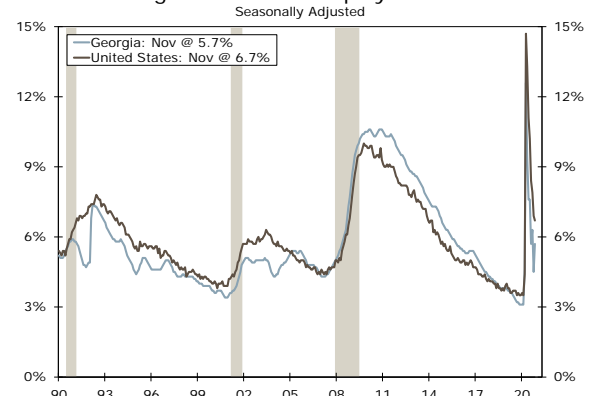
Tracking the Georgia Recovery



Georgia Employment by Sector



Georgia vs. U.S. Unemployment Rate



**Georgia Economic Outlook**

	Actual			Forecast		
	2017	2018	2019	2020	2021	2022
Real Gross Domestic Product by State, \$ Millions	519,453	538,731	547,423	531,547	554,500	582,000
Annual Rate	3.7%	3.7%	1.6%	-2.9%	4.3%	5.0%
Nominal Personal Income, \$ Millions	467,359	493,576	512,138	536,725	528,140	550,500
Nominal Personal Income, Percent Change	5.8%	5.6%	3.8%	4.8%	-1.6%	4.2%
Real Median Household Income, \$	60,475	56,832	56,628	59,012	57,800	59,100
Population, Thousands	10,410	10,511	10,617	10,700	10,820	10,950
Change in Thousands	108	101	106	83	120	130
Percent Change	1.1%	1.0%	1.0%	0.8%	1.1%	1.2%
Nonfarm Employment, Thousands	4,453	4,536	4,614	4,457	4,585	4,750
Change in Thousands	81	83	78	-157	128	165
Percent Change	1.9%	1.9%	1.7%	-3.4%	2.9%	3.6%
Unemployment Rate, Annual Average	4.7%	4.0%	3.4%	6.4%	5.2%	4.4%
Total Housing Permits	49,591	57,926	52,531	45,400	50,000	57,000
Single-Family Permits	39,753	41,377	42,049	38,500	42,000	46,500
Multi-Family Permits	9,838	16,549	10,482	6,900	8,000	10,500
FHFA Home Price Index, Percent Change	6.4%	7.8%	6.2%	5.5%	6.0%	6.2%

Forecast as of: December 17, 2020

Source: National Association of Realtors, Federal Housing Finance Authority, U.S. Department of Commerce, U.S. Department of Labor and Wells Fargo Securities

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