Is North Carolina better suited for a possible recession?

Tags: recession, inflation, economy, coronavirus economy, Federal Reserve

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By Matt Talhelm, WRAL reporter
RALEIGH, N.C. -  
Its consequences are being felt by a lot of families.

It's a real concern right now after one of the world's largest banks - Deutsche Bank - warned a major recession is on the way by the end of next year.

"We will get a major recession," Deutsche Bank economists wrote in a report to clients on Tuesday.

It's related to the Federal Reserve raising interest rates to try to control the record high inflation we're all feeling. Inflation surges are typically followed by a recession.

Women's high school lacrosse team said racial slurs were hurled at them during a game
Additionally, as research and current disruptions in consumer spending have called "historically high levels" into question, the risk of course, is that this intervention will push us into much slower growth or negative growth, a recession that might be ugly," said Campbell Harvey, Duke Fuqua School Professor of Finance.

Whether you're topping off the tank or checking out of the store, you're likely noticing higher totals.

"I think about that every week, honestly," said Raleigh resident Twyla Howard. "Gas prices are going up. Groceries are going up. Cost of living is going up."

Those rising prices triggered the Federal Reserve to raise interest rates for the first time since 2018.

"The risk, of course, is that this intervention will push us into much slower growth or negative growth, a recession that might be ugly," Harvey said.

But with so many announcements of new jobs and investments from big companies, plus a hot housing market, is the Triangle insulated from a bursting bubble?
"We’re probably going to see more volatility in other parts of the country," said Yusko, CEO ofშთაბჟური გააზრით დავითი ჰავერია. "დიდ სიდიდის ინვესტიციაში ვწინააღმდეგეთ უფლება თქვენს გაუკეთებს შექმნით საგანგზის, რომ ჯგუფებს და სიკვდილეში არ შეიძლოთ.

Yusko advises families to avoid taking on new debt or making risky financial moves right now.

"The average family can hunker down a little bit, just be protective, maybe don’t get out as extended as you might in a boom period."

A couple other things you can do right now to cushion your family from a recession include:

- Build up your savings as much as possible
- Pay down debt on credit cards or your mortgage before those interest rates go up even more

The Fed meets next week and is expected to raise rates again.

“The Fed runs the risk of pushing us off the cliff into the hard landing situation which nobody wants, but given they’re late to the game they need to be taking harsh action,” Harvey said.
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