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Gas prices hit record high, as recession fears mount

Matt Talhelm, Heather Leah : 2-3 minutes : 6/3/2022

North Carolina seems to be living in a tale of two economies.

On top of gas prices being at a record high, housing has never been less affordable, and it's also costing more at the grocery checkout. All of that adds up to bad news for family budgets.

Yet optimistic jobs reports, low unemployment, and solid consumer spending seems to tell another.

That new jobs report shows companies added 390,000 workers to the payrolls in May – despite the cost of doing business going up.

Are we on our way to a recession or not?

WRAL News asked NC Central economist Henry McKoy – what's the tipping point toward a downturn?

McKoy says the labor market, gas prices, inflation and supply chain will gives us signs of where the economy is heading in the next few months.

He says when we think about whether a recession is on the way, we have to consider how everyday people operate on a daily basis and how they make ends meet.

"Some kind of contraction of the economy is probably likely. It's just a matter of how soft the landing will be," he says.

New jobs numbers suggest companies are shaking off fears of recession for now.

"The good thing right now is we have a lot of jobs available, but we have to figure out how to match folks in those jobs and make sure those jobs are quality jobs and they are paying well," says McKoy.

Cost of some volunteer roles has gone up due to economic strain

Meals on Wheels volunteer Diane Barber-Whitaker is willing to take the hit to her own wallet to soften the blow for her neighbors in need. Despite the high gas prices hitting their wallets, volunteers for Meals on Wheels drive deliveries on dozens of routes in Raleigh.

For her, it means sometimes choosing between pumping an extra gallon of gas into her vehicle, or choosing to eat lunch that day.

"It's not enough of a factor right now to make me want to stop, and make me feel like this is something I couldn't afford to do," she says.