

# White-collar jobs at risk in Georgia, GSU forecaster says

Fed's determination to cut inflation may lead to recession.

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## GEORGIA ECONOMY

The Federal Reserve's determination to cut inflation can only end later this year with job losses and an economic slowdown, if not a full-fledged recession, according to the Economic

Forecasting Center at Georgia State University. But the pain will not be spread evenly, said Rajeev Dhawan, the center's director.

"This is going to be a white-collar job recession," he said Wednesday. "No one will be laying off bartenders and servers or managers of hotels."

Georgia's economy has continued to add jobs thus far. And the state is in position to ride out the downturn with less pain than many other states, thanks to a boom in factory expansions and growing trade traffic through the Georgia ports, he said.

The return of leisure travel and in-person dining has so far also bolstered hospitality, Dhawan said. Nobody will get rid of their person-to-person contact workers."

But even while the tide of overall hiring has continued to rise, an undertow began several months ago with a series of layoffs at a host of high-tech firms — including many with an Atlanta presence, like Facebook, Greenlight, Twitter and Google, he said during the center's quarterly forecasting conference.

Those cuts — coming with continued hikes in the price of food and other staples — foreshadow more selective spending by many consumers, Dhawan said.

The disjointed nature of the economy means it may not look like past recessions, but even so, the state will end this year with fewer jobs than it started, Dhawan

said.

“Almost every sector will be negative in 2023.” Dhawan predicted three more Fed hikes this year.

Higher rates threaten the housing market, partly by keeping current homeowners from selling, said John Hunt, principal in MarketNsight, which tracks housing markets around the Southeast.

The biggest problem is the mismatch between the number of people who want to own a home and the number of homes for sale, he said.

“There was a housing shortage before the pandemic and the pandemic only made it worse. You need 63,000 additional units of inventory in metro Atlanta on the ground right now.”