

# US, NC, and Local Area Economic Conditions

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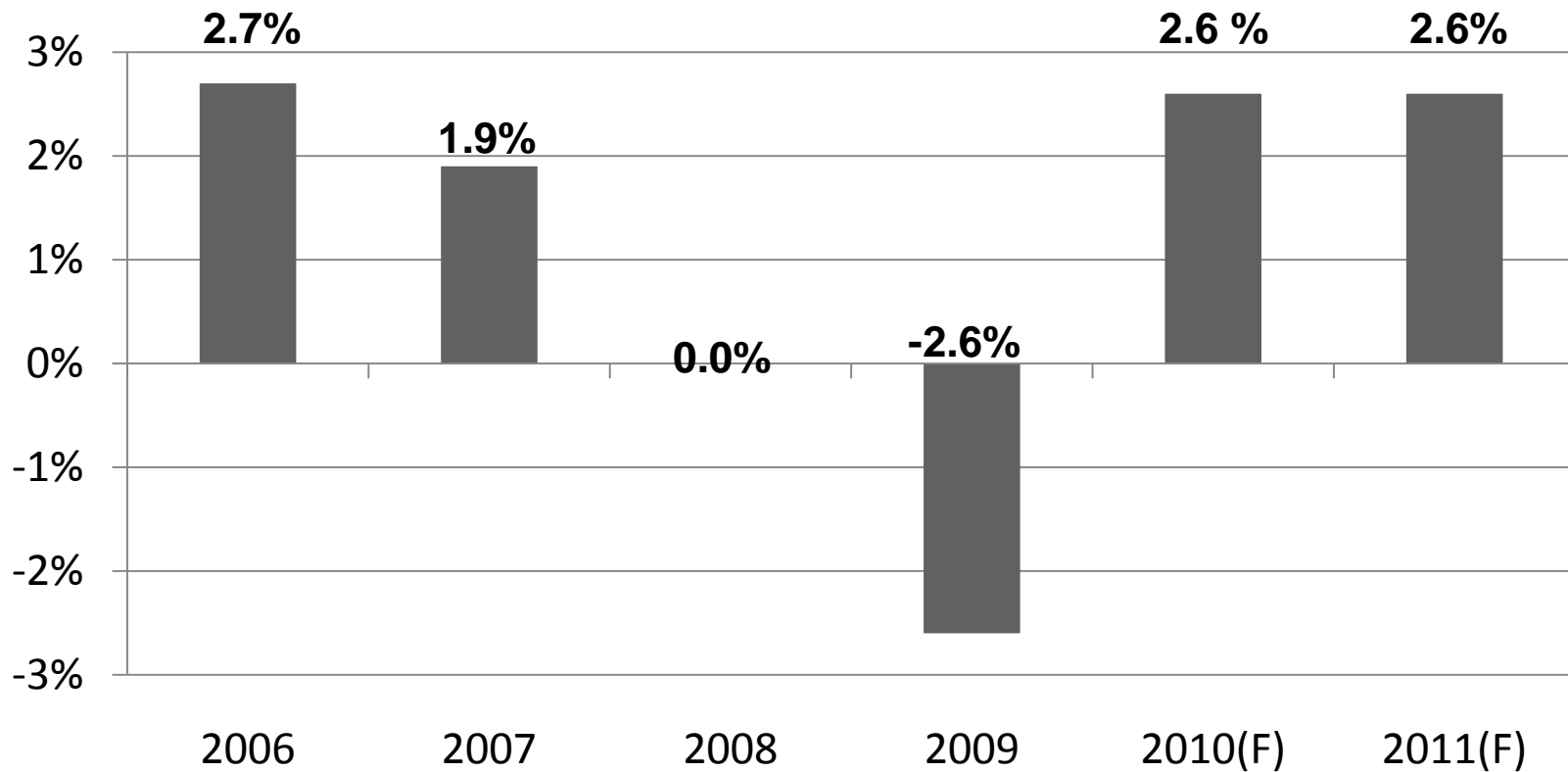
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# Web Slides

- <http://www.csb.uncw.edu/cbes/events/index.htm>

# US Economic Growth



Source: U. S. Department of Commerce; Weekly Economic & Financial Commentary, Economics Group, Wells Fargo Securities, October 8, 2010; National Association of Business Economics, October 12, 2010.

# September 2010 US Employment Report

- Nonfarm employment fell 95,000 in September.
  - Government employment fell 159,000.
  - Private sector employment rose 64,000.
- The unemployment rate was unchanged at 9.6%.

Socioeconomic Group	Unemployment Rate (%)
Whites	8.7
Blacks	16.1
Adult Men	9.8
Adult Women	8.0
Teenagers	26.0
Hispanics	12.4

# September 2010 US Employment Report Cont.

- Long-term unemployment ( $\geq 27$  weeks)
  - Unchanged at 6.1 million
    - May 2010 peak of 6.8 million
  - 41.7% of total unemployed
- Involuntary part-time employment rose 612,000 to 9.5 million.
- The number of discouraged workers was 1.2 million, up 503,000 from one year ago.

# September 2010 US Employment Report Cont.

Employment Gains	Employment Losses	Employment Unchanged
Health Care	Construction	Manufacturing
Employment Help Services	Government	Wholesale Trade
Food Services/Drinking Places	Federal Government (Census)	Retail Trade
Mining	State and Local Government	Transportation and Warehousing
		Information
		Financial Activities

# The Outlook

- Consumer Confidence Index
  - At this point in the past two expansions, the index averaged 70.
  - The September 2010 value was 48, down 5 points from the August 2010 value.
  - Consumer spending will likely grow very slowly.
    - Concerns over employment and income prospects
    - Job availability
      - The proportion of households reporting that jobs are difficult to get has risen for three consecutive months.
      - The proportion reporting that jobs are plentiful (3.8%) remains near its all-time low.
    - Home prices will likely remain under pressure.
      - Recent gains were driven by a rise in sales volume fueled by the now-expired tax credit.

# The Outlook Cont.

- Both personal income and spending rose in August.
  - Much of the increase was likely due to the extension of unemployment benefits.
- Four indicators of future employment growth are stabilizing.
  - Length of the workweek
  - Temporary employment
  - Initial jobless claims
  - Number of job openings relative to the size of employment



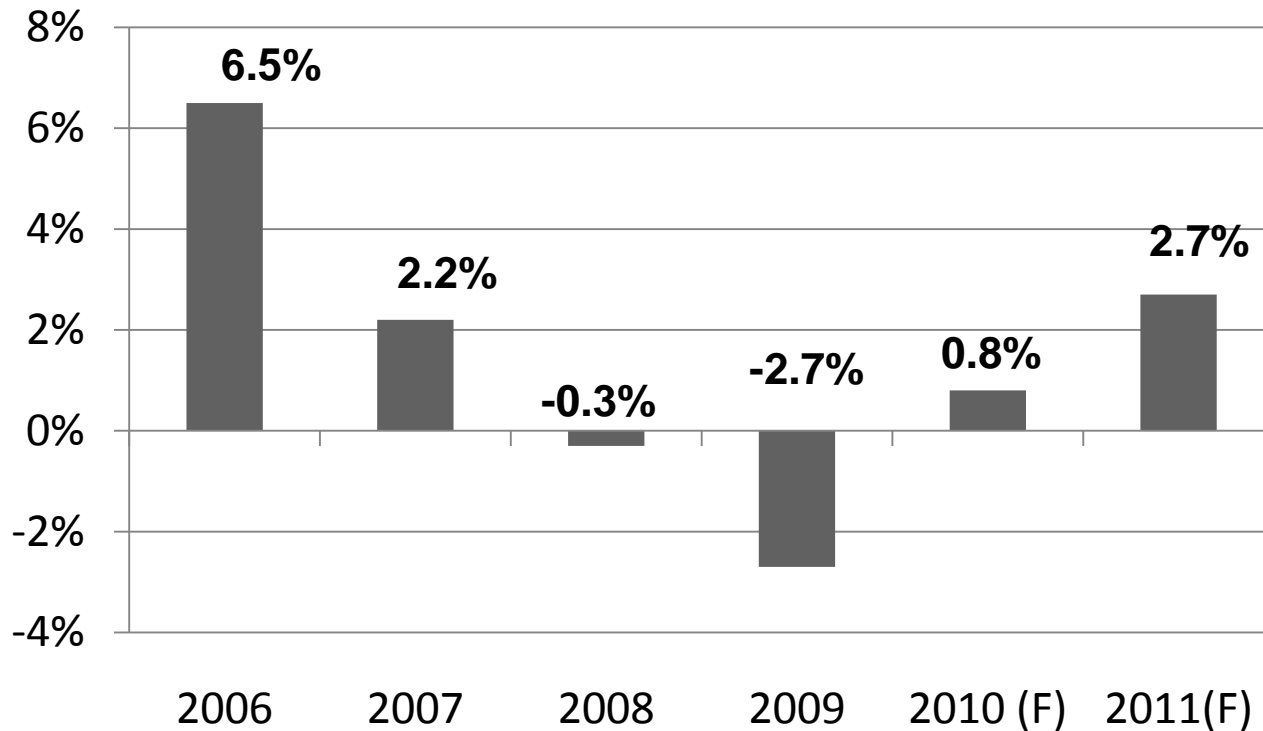
# The Outlook Cont.

- Other countries
  - Economic growth in Japan is slowing.
    - Export growth has slowed.
    - The yen remains strong.
  - Canadian employment continues to rise.
    - A stronger Canadian dollar and weaker US economic growth may result in slower employment growth.
  - Industrial production in the UK is slowing down.
    - Risks include the European debt crisis and austerity measures imposed in continental European countries.

# The Fallacy of “Getting Back to Where We Were”

- “Where we were” was out-of-step with long-term sustainable economic growth.
- Policy proposals aimed at “returning us to where we were” are at odds with the economic reality of the excesses of the previous expansion that were fueled by lax qualifications for housing finance and a highly-leveraged consumer.
  - As a result , economic growth is likely to be lower over the next five years (2010-15) than during the five years leading up to the most recent recession (2002-07).

# NC Economic Growth



Source: UNC Charlotte North Carolina Economic Forecast, September 15, 2010.

# Brunswick County Demographics

2009 Population		109,208
Annual Growth Rate		4.4%
		% of Total
0-19	24,005	22.0
20-29	10,685	9.8
30-39	12,032	11.0
40-49	14,558	13.3
50-59	16,488	15.1
60 & Over	31,440	28.8
Education		
2009 High School Graduates		65,496
2009 Bachelor's Degree		14,043

Source: NC Department of Commerce.



# Brunswick County Demographics

<b>2009 Total Housing</b>	<b>78,319</b>
Median Value	\$144,091
2009 Income	
Median Household Income	\$47,185
Median Household Disposable Income	\$37,308
Income/Capita	\$25,307
2009 Retail Business	
Total Retail Sales (\$M)	\$680.3
Total Retail Businesses	976
Sales/Store	\$697,015

Source: NC Department of Commerce.



# Brunswick County Demographics

2010 Child Care Facilities	
Licensed Child Care Facilities	53
Licensed Child Care Enrollment	1,986
2008 Health Care Providers	
Number of Physicians	108
Per 1,000 Population	10.5
RNs /1,000 Population	48.7
Dentists/1,000 Population	2.6
Pharmacists/1,000 Population	7.7



Source: NC Department of Commerce.

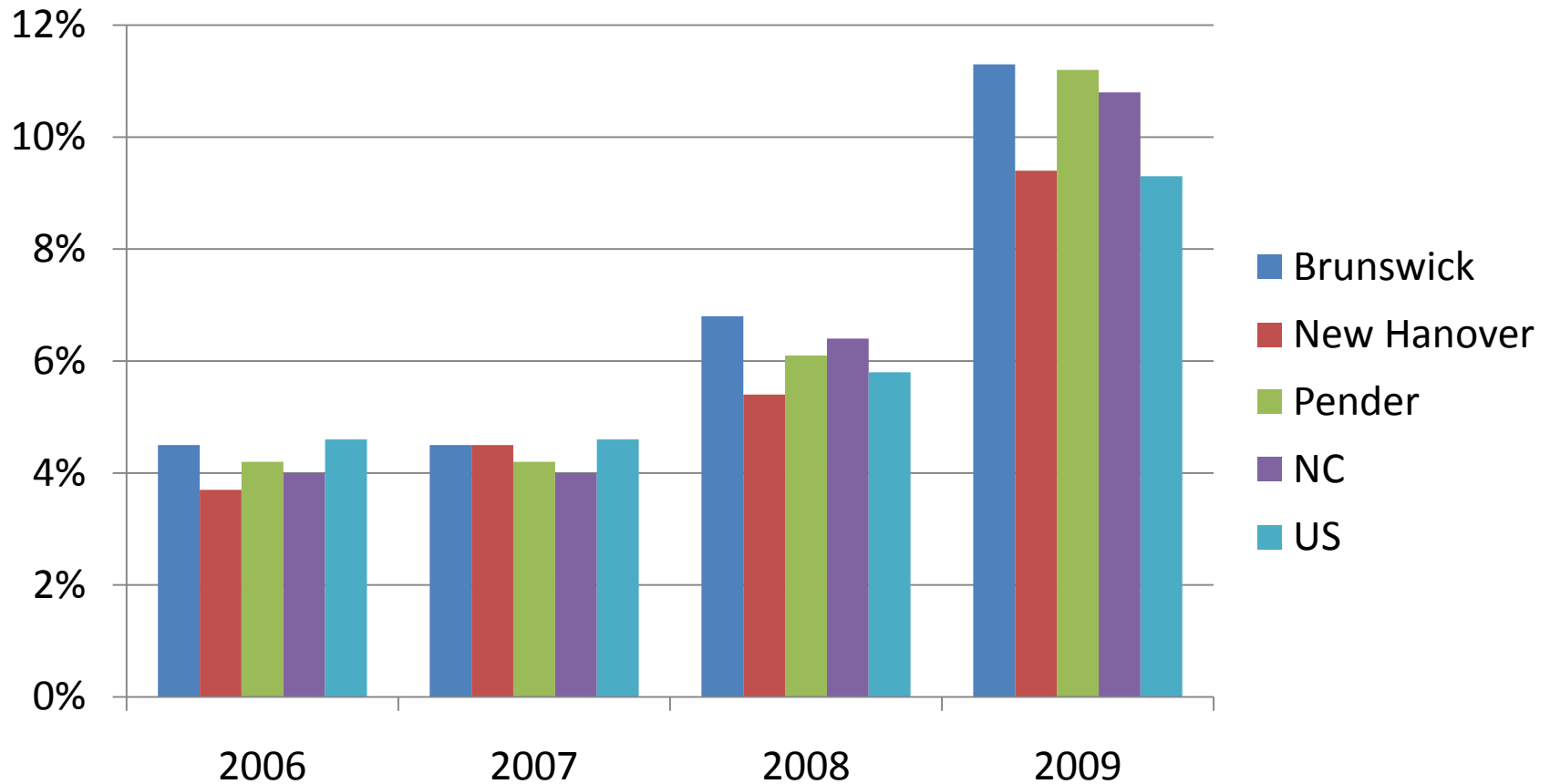
# 2009 Brunswick County Employment and Wages

NAICS Sector	Employment	% of Total	% Change 2007	Average Annual Wages	% of State Average
Local Government	4,360	15.8	6.4	\$36,348	94.1
Retail Trade	4,279	15.6	-0.2	\$22,047	91.6
Accommodations & Food Services	3,284	11.9	-0.6	\$13,156	93.1
Health Care & Social Assistance	2,976	10.8	28.1	\$33,172	81.4
Educational Services	2,480	9.0	6.4	\$33,671	85.7
Public Administration	2,251	8.2	11.1	\$41,234	96.9
Construction	1,681	6.1	-34.3	\$35,266	90.8
Arts, Entertainment & Recreation	1,515	5.5	-1.6	\$19,026	68.6
Manufacturing	1,255	4.6	-26.7	\$38,580	79.1
Administrative & Waste Services	1,063	3.9	-26.3	\$23,986	84.0
Real Estate & Rental & Leasing	1,032	3.8	-18.9	\$29,612	85.3
All Sectors	27,509		-3.7	\$32,604	82.0

Source: NC Employment Security Commission.



# Unemployment Rates

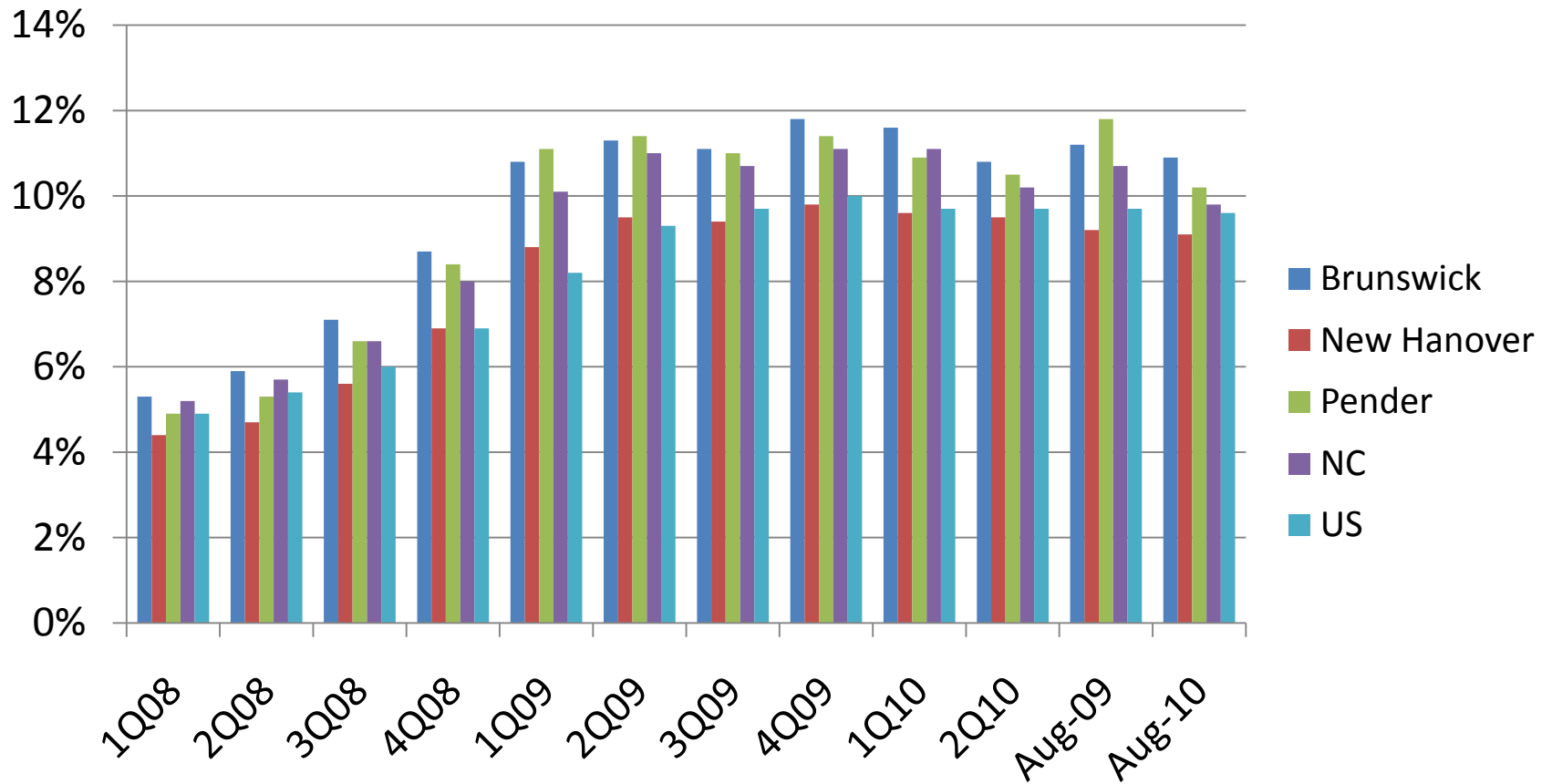


Source: NC Employment Security Commission; Bureau of Labor Statistics, US Department of Labor.





# Unemployment Rates



Source: NC Employment Security Commission; Bureau of Labor Statistics, US Department of Labor.



# Brunswick County Personal Income<sup>1</sup>

Year	% Change in County Personal Income	% Change in State Personal Income	% Change in National Personal Income
2000-01	8.9	3.2	3.8
2001-02	0.3	1.7	2.0
2002-03	6.9	3.0	3.5
2003-04	13.0	7.0	6.0
2004-05	10.8	6.5	5.5
2005-06	10.7	7.1	7.4
2006-07	10.2	6.2	5.5
2007-08	4.7	3.1	2.9

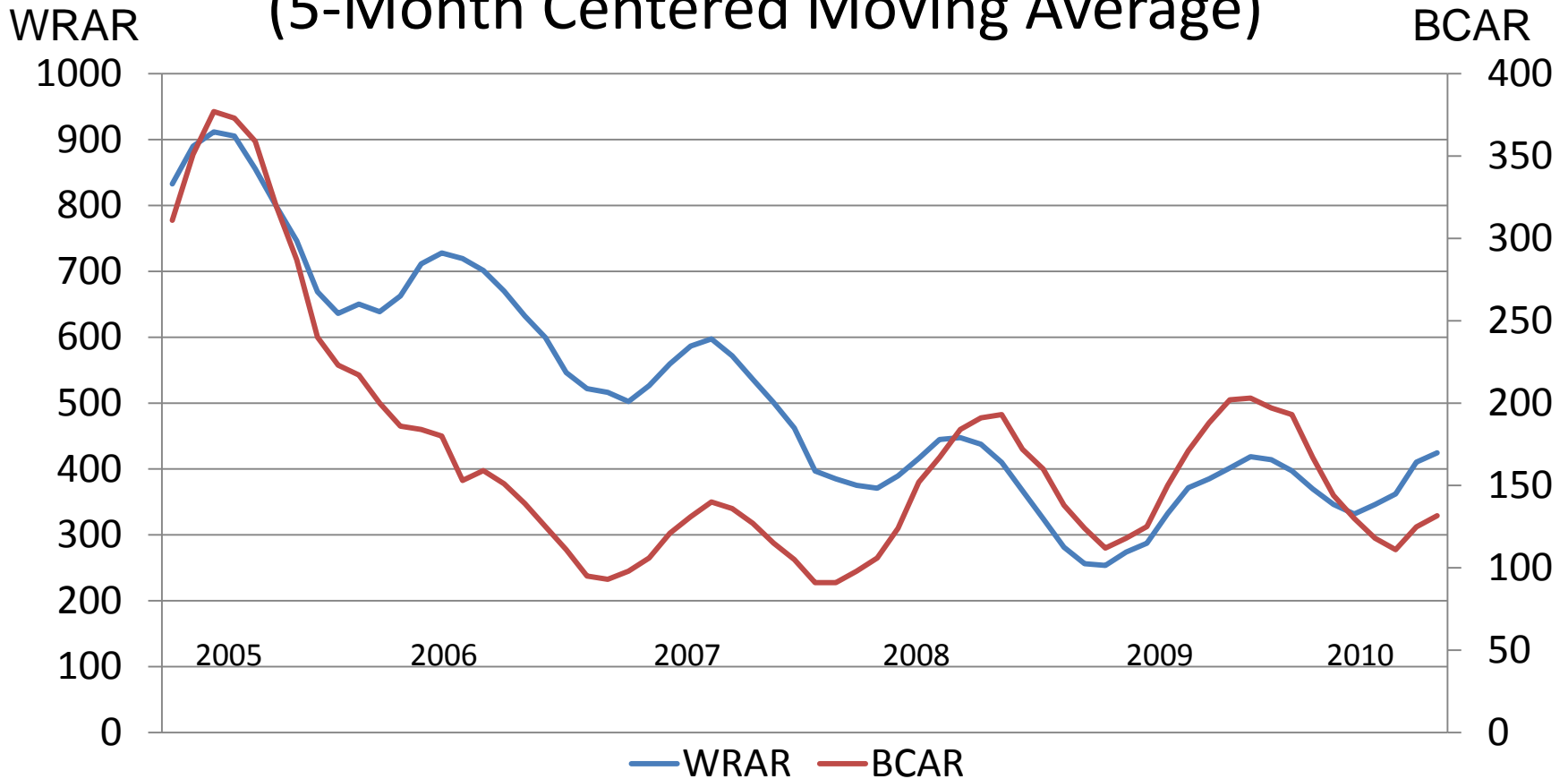
<sup>1</sup>Personal income is income earned by individuals from all sources.

Source: Bureau of Economic Analysis, US Department of Commerce.



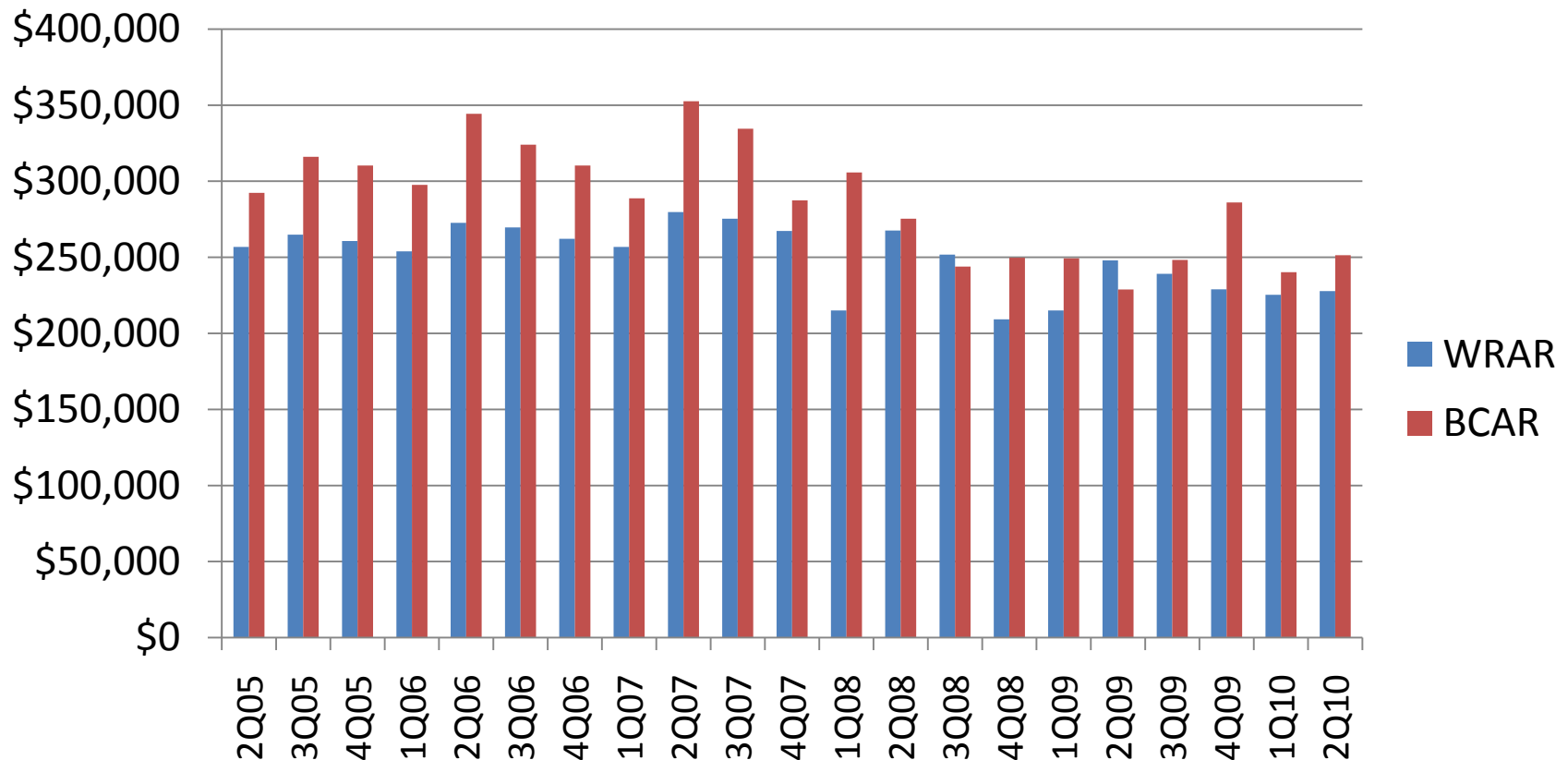
# Sales of Existing Single-Family Structures

(5-Month Centered Moving Average)



Source: NC Association of Realtors.

# Average Quarterly Sales Prices of Existing Single-Family Homes

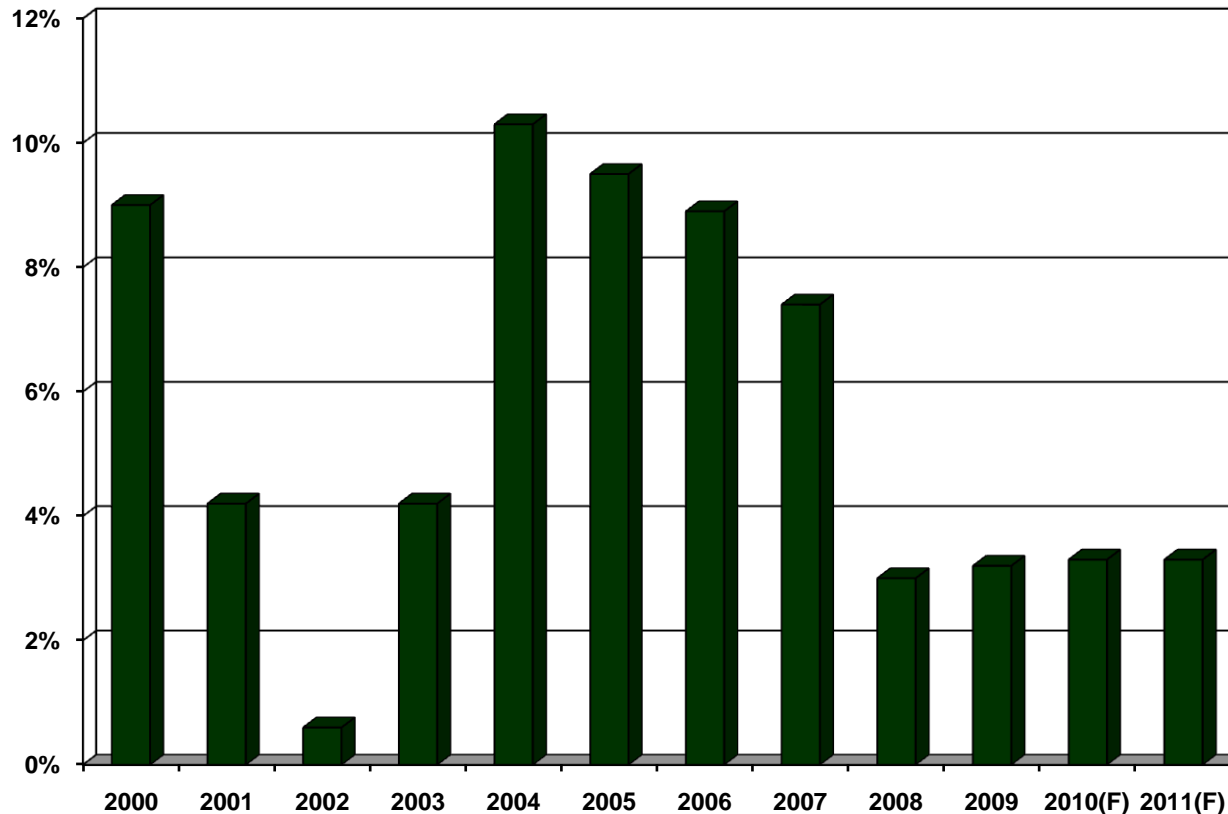


Source: NC Association of Realtors.



# Personal Income Growth in the Wilmington MSA

(Brunswick, New Hanover, and Pender Counties)



Source: U.S. Department of Commerce; Ravija Badarinathi and William W. Hall, Jr., for the Swain Center for Business and Economic Services, Cameron School of Business, UNC Wilmington.

# Committed ARRA Stimulus Funds

## June 2010

Brunswick		New Hanover		Pender	
Area	\$	Area	\$	Area	\$
<u>Highway/ Bridge Cons</u>	\$24,103,727	<u>Unemploy Insurance</u>	\$26,120,105	<u>Unemploy Insurance</u>	\$6,980,432
<u>Clean Water</u>	\$15,028,165	Education Stab	\$13,631,739	<u>Safety Net</u>	\$3,735,169
<u>Unemploy Insurance</u>	\$13,417,526	<u>Safety Net</u>	\$12,791,857	<u>Clean Water</u>	\$3,083,792
<u>Safety Net</u>	\$9,395,918	<u>Local School Districts</u>	\$10,516,795	<u>Local School Districts</u>	\$2,707,179
<u>Local School Districts</u>	\$5,361,687	<u>Clean Water</u>	\$8,692,520	<u>Public Safety Stab</u>	\$2,366,186
Education Stab	\$3,420,904	<u>Highway/Bridge Cons</u>	\$6,650,180	Federal Awards	\$838,000
Federal Awards	\$3,140,000	Research/ Dev	\$3,643,486	Weatherization	\$646,075
Community Services	\$1,504,004	Housing /Community Development	\$3,291,817	<u>Highway/Bridge Cons</u>	\$500,000
Weatherization	\$1,132,409	<u>Public Safety Stab</u>	\$3,163,918	Human Services	\$369,889
<u>Public Safety Stab</u>	\$1,085,307	Justice/Public Safety	\$2,640,592	Community Services	\$304,004
Total	\$79,390,950	Total	\$100,861,428	Total	\$13,990,068

Source: <http://www.ncrecovery.gov>



# Special Thanks



# Quarterly Barometer

- <http://www.csb.uncw.edu/cbes/newsletter/index.htm>