

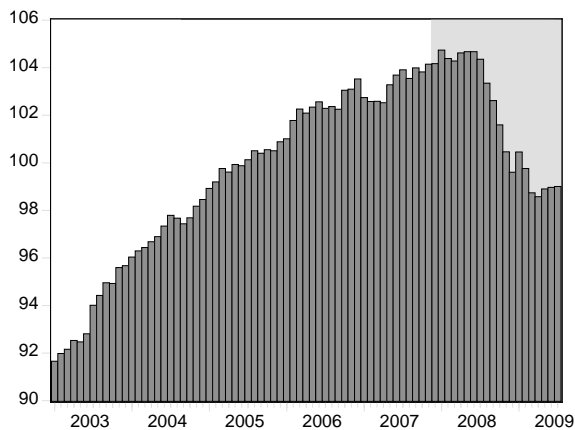
WESTERN NORTH CAROLINA ECONOMIC INDEX

CENTER FOR ECONOMIC RESEARCH & POLICY ANALYSIS • APPALACHIAN STATE UNIVERSITY

July 2009

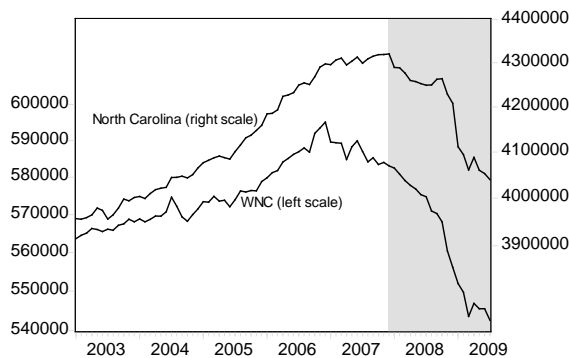
Western North Carolina economic activity, as measured by the Western North Carolina Economic Index, remained unchanged in July 2009. The flat performance in July follows two months of positive movement in regional economic activity.

WNC Economic Index
(2005=100)
National Recession Shaded



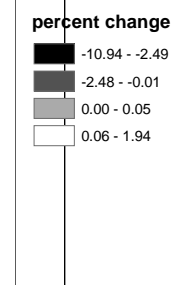
Seasonally adjusted employment for WNC decreased 0.54 percent in July. Statewide adjusted employment decreased 0.3 percent in July. The region has lost over 13,000 jobs since January 2009, and nearly 40,000 since January 2008.

Total Employment
(seasonally adjusted, log scale)
National Recession Shaded



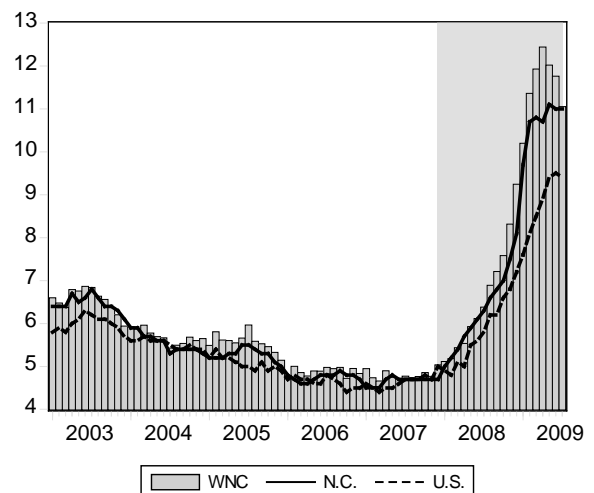
Mapping the growth in employment over the preceding month provides a county-level account of job creation. Seasonally adjusted employment fell in 20 of the 25 WNC counties in July. Graham, Clay and McDowell counties had the largest net job losses (10.94, 4.65 and 3.17 pct), while Alleghany, Buncombe and Henderson counties had the largest net gains (1.94, 0.07 and 0.07 pct).

Change in Employment
from previous month



Seasonally adjusted WNC unemployment registered 11.1 percent in July—down 0.7 points from June. The state unemployment rate remained unchanged at 11.0 percent. The national unemployment rate was 9.4 percent, down 0.1 points from June.

Unemployment Rate
(seasonally adjusted)
National Recession Shaded



The seasonally adjusted unemployment rate within the region's rural counties registered 11.3 percent, down 0.4 points from June. In the region's metro areas, unemployment decreased 0.2 points in Asheville to 8.7 percent and decreased 1.3 points in Hickory-Morganton-Lenoir to 13.7 percent.



County-level seasonally adjusted unemployment was lower in 22 of the 25 WNC counties in July.

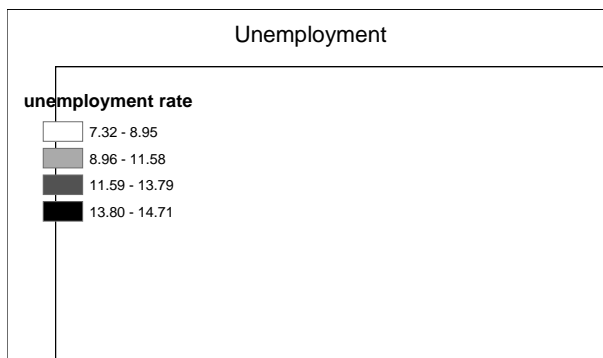
Eighteen of the 25 counties have unemployment rates above 9 percent, 11 counties have rates over 12 percent, and no counties have rates over 15 percent.

Over the past 12 months, county-level unemployment in the WNC region has increased an average of 4.35 points.

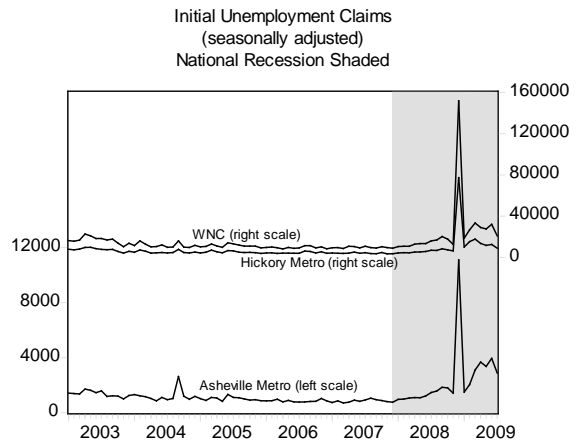
Rutherford, Cherokee and Graham counties had the highest unemployment rates in the region in July (14.71, 14.69 and 14.43). Watauga, Buncombe and Avery counties maintained the lowest unemployment rates for the month (7.32, 8.23 and 8.32 pct).

Caldwell and McDowell counties had the largest monthly declines in unemployment rates in July (2.17 and 2.15 pts). Graham and Transylvania counties had the largest increases in rates (0.55 and 0.25 pts).

See Table 2 for more county rates & rankings.



Seasonally adjusted initial claims for unemployment insurance in the region, a leading indicator of unemployment, decreased 34.5 percent in July. Initial claims decreased 27.0 percent in Asheville and decreased 28.6 percent in Hickory-Morganton-Lenoir.



About the Report

The WNC Economic Index and Report provides a monthly account of economic conditions for the 25 counties in western North Carolina.

The WNC Economic Index and Report is a cooperative effort by the Center for Economic Research & Policy Analysis at Appalachian State University and AdvantageWest. The report is compiled and written by Todd L. Cherry, John W. Dawson and Richard Crepeau.

CENTER FOR ECONOMIC RESEARCH & POLICY ANALYSIS

The Center for Economic Research & Policy Analysis is a multidisciplinary research unit at Appalachian State University that seeks to improve policy and decisionmaking by producing high quality research and disseminating relevant information on current economic and policy issues.

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WALKER ADVANTAGEWEST
COLLEGE OF BUSINESS

Table 1: Asheville, Hickory and Regional MSA Record

| | Jul 2009 | Jun 2009 | May 2009 | Apr 2009 | Jul 2008 | Change Last Month | Change Last Year |
|-----------------------------------|----------|----------|----------|----------|----------|----------------------|---------------------|
| Asheville | | | | | | | |
| Employment | 187,480 | 187,353 | 187,544 | 188,214 | 197,148 | 0.07% | -4.90% |
| Unemployment Rate | 8.7 | 8.9 | 9.1 | 9.5 | 5.0 | -0.2 | 3.7 |
| Residential Building Permits | 84 | 109 | 70 | 109 | 192 | -23.07% | -56.25% |
| Initial Claims | 4,118 | 6,303 | 5,324 | 5,899 | 2,184 | -34.67% | 88.54% |
| Hickory-Morganton-Lenoir | | | | | | | |
| Employment | 145,706 | 145,727 | 146,332 | 147,573 | 158,793 | -0.01% | -8.24% |
| Unemployment Rate | 13.7 | 15.0 | 15.4 | 15.9 | 7.5 | -1.3 | 6.2 |
| Residential Building Permits | 53 | 57 | 41 | 48 | 81 | -7.16% | -34.70% |
| Initial Claims | 8,088 | 11,714 | 11,085 | 13,001 | 6,406 | -30.95% | 26.27% |
| Charlotte-Gastonia-Concord | | | | | | | |
| Employment | 747,629 | 747,225 | 751,486 | 755,988 | 806,883 | 0.05% | -7.34% |
| Unemployment Rate | 11.5 | 11.9 | 11.9 | 12.0 | 6.4 | -0.5 | 5.1 |
| Raleigh-Cary | | | | | | | |
| Employment | 506,251 | 505,965 | 505,626 | 509,279 | 526,287 | 0.06% | -3.81% |
| Unemployment Rate | 8.4 | 8.5 | 8.8 | 8.9 | 5.1 | -0.2 | 3.3 |
| Winston-Salem | | | | | | | |
| Employment | 216,000 | 215,388 | 214,152 | 215,871 | 227,814 | 0.28% | -5.19% |
| Unemployment Rate | 9.4 | 10.0 | 10.4 | 10.3 | 6.1 | -0.6 | 3.4 |
| Greensboro | | | | | | | |
| Employment | 322,847 | 320,473 | 318,415 | 322,219 | 342,934 | 0.74% | -5.86% |
| Unemployment Rate | 10.8 | 11.5 | 11.8 | 11.7 | 6.6 | -0.7 | 4.2 |
| Johnson City (TN) | | | | | | | |
| Employment | 90,476 | 90,697 | 90,358 | 90,709 | 93,387 | -0.24% | -3.12% |
| Unemployment Rate | 9.5 | 9.2 | 9.6 | 9.0 | 6.2 | 0.2 | 3.2 |
| Kingsport (TN) | | | | | | | |
| Employment | 132,541 | 133,542 | 132,800 | 133,588 | 137,289 | -0.75% | -3.46% |
| Unemployment Rate | 9.2 | 9.4 | 10.0 | 9.2 | 5.9 | -0.3 | 3.2 |
| Knoxville (TN) | | | | | | | |
| Employment | 324,356 | 325,036 | 324,673 | 326,546 | 337,631 | -0.21% | -3.93% |
| Unemployment Rate | 9.1 | 8.7 | 9.0 | 8.6 | 5.9 | 0.4 | 3.2 |
| ----- | | | | | | | |
| Western North Carolina | | | | | | | |
| Unemployment Rate | 11.1 | 11.8 | 12.0 | 12.4 | 6.4 | -0.7 | 4.7 |
| North Carolina | | | | | | | |
| Unemployment Rate | 11.0 | 11.0 | 11.1 | 10.7 | 6.3 | 0.0 | 4.7 |
| United States | | | | | | | |
| Unemployment Rate | 9.4 | 9.5 | 9.4 | 8.9 | 5.8 | -0.1 | 3.6 |

NOTE1: all data are seasonally adjusted and revised each month; monetary figures are also adjusted for inflation (2004 dollars).
NOTE2: The report reflects recent changes regarding the delineation of population centers.

Table 2: WNC County Unemployment Rankings

| County | Jul 2009 | Rank | Jun 2009 | May 2009 | Apr 2009 | Jul 2008 | % Pt Change Last Month | Rank | % Pt Change Last Year | Rank |
|--------------|----------|------|----------|----------|----------|----------|---------------------------|------|--------------------------|------|
| Alexander | 12.92 | 18 | 15.02 | 15.27 | 15.08 | 7.55 | -2.10 | 3 | 5.37 | 19 |
| Alleghany | 12.09 | 15 | 12.71 | 12.26 | 12.48 | 7.60 | -0.62 | 9 | 4.49 | 15 |
| Ashe | 10.82 | 11 | 10.88 | 13.51 | 13.91 | 6.30 | -0.07 | 22 | 4.52 | 16 |
| Avery | 8.32 | 3 | 9.20 | 9.18 | 9.88 | 6.23 | -0.88 | 7 | 2.09 | 1 |
| Buncombe | 8.23 | 2 | 8.65 | 8.62 | 8.88 | 4.96 | -0.42 | 11 | 3.27 | 5 |
| Burke | 13.79 | 19 | 14.67 | 14.79 | 15.18 | 8.08 | -0.88 | 6 | 5.70 | 22 |
| Caldwell | 14.00 | 22 | 16.17 | 16.17 | 16.30 | 8.50 | -2.17 | 1 | 5.50 | 20 |
| Catawba | 13.91 | 20 | 15.00 | 15.20 | 15.62 | 7.66 | -1.10 | 5 | 6.25 | 23 |
| Cherokee | 14.69 | 24 | 14.93 | 14.74 | 14.32 | 9.12 | -0.24 | 17 | 5.57 | 21 |
| Clay | 11.14 | 12 | 11.09 | 11.53 | 11.34 | 6.20 | 0.04 | 23 | 4.94 | 18 |
| Graham | 14.43 | 23 | 13.88 | 13.77 | 13.55 | 10.18 | 0.55 | 25 | 4.25 | 13 |
| Haywood | 9.37 | 9 | 9.70 | 9.79 | 10.64 | 6.02 | -0.33 | 15 | 3.35 | 6 |
| Henderson | 8.63 | 5 | 9.09 | 9.39 | 9.89 | 5.06 | -0.46 | 10 | 3.57 | 9 |
| Jackson | 8.69 | 6 | 8.93 | 9.00 | 8.96 | 5.12 | -0.24 | 18 | 3.56 | 8 |
| Macon | 10.26 | 10 | 10.68 | 10.88 | 11.04 | 5.91 | -0.42 | 12 | 4.36 | 14 |
| Madison | 9.37 | 8 | 9.62 | 9.49 | 9.78 | 6.19 | -0.26 | 16 | 3.17 | 3 |
| McDowell | 13.96 | 21 | 16.12 | 16.18 | 15.81 | 7.51 | -2.15 | 2 | 6.46 | 24 |
| Mitchell | 12.12 | 16 | 12.51 | 13.15 | 13.13 | 8.58 | -0.39 | 13 | 3.54 | 7 |
| Polk | 8.57 | 4 | 8.77 | 9.07 | 9.42 | 4.94 | -0.21 | 19 | 3.63 | 11 |
| Rutherford | 14.71 | 25 | 14.85 | 15.47 | 17.04 | 7.89 | -0.14 | 20 | 6.82 | 25 |
| Swain | 12.40 | 17 | 12.74 | 13.27 | 12.08 | 7.49 | -0.34 | 14 | 4.91 | 17 |
| Transylvania | 8.96 | 7 | 8.71 | 9.02 | 9.18 | 5.68 | 0.25 | 24 | 3.27 | 4 |
| Watauga | 7.32 | 1 | 7.43 | 7.85 | 7.57 | 4.65 | -0.10 | 21 | 2.67 | 2 |
| Wilkes | 11.84 | 14 | 13.08 | 12.59 | 12.93 | 7.99 | -1.24 | 4 | 3.85 | 12 |
| Yancey | 11.58 | 13 | 12.24 | 12.46 | 12.62 | 7.98 | -0.66 | 8 | 3.59 | 10 |
| ----- | | | | | | | | | | |
| Asheville | 8.7 | | 8.9 | 9.1 | 9.5 | 5.0 | -0.2 | | 3.7 | |
| Hickory | 13.7 | | 15.0 | 15.4 | 15.9 | 7.5 | -1.3 | | 6.2 | |
| WNC | 11.1 | | 11.8 | 12.0 | 12.4 | 6.4 | -0.7 | | 4.7 | |
| NC | 11.0 | | 11.0 | 11.1 | 10.7 | 6.3 | 0.0 | | 4.7 | |
| US | 9.4 | | 9.5 | 9.4 | 8.9 | 5.8 | -0.1 | | 3.6 | |

NOTE: all data are seasonally adjusted and revised each month using the most recent figures from government sources.

Table 3: WNC Economic Index Historic Data

| Year | Month | WNC Index | Percentage Change | Unemployment Rate | Total Employment |
|-------------|--------------|------------------|--------------------------|--------------------------|-------------------------|
| 2009 | 7 | 99.0 | 0.0 | 11.1 | 542,594 |
| 2009 | 6 | 99.0 | 0.1 | 11.8 | 545,540 |
| 2009 | 5 | 98.9 | 0.3 | 12.0 | 545,515 |
| 2009 | 4 | 98.6 | -0.2 | 12.4 | 546,911 |
| 2009 | 3 | 98.7 | -1.0 | 11.9 | 543,568 |
| 2009 | 2 | 99.8 | -0.7 | 11.4 | 549,741 |
| 2009 | 1 | 100.5 | 0.9 | 10.2 | 551,969 |
| 2008 | 12 | 99.6 | -0.9 | 9.2 | 556,176 |
| 2008 | 11 | 100.5 | -1.1 | 8.3 | 560,427 |
| 2008 | 10 | 101.6 | -1.0 | 7.6 | 568,096 |
| 2008 | 9 | 102.6 | -0.7 | 7.2 | 570,269 |
| 2008 | 8 | 103.3 | -1.0 | 6.9 | 570,969 |
| 2008 | 7 | 104.4 | -0.3 | 6.4 | 574,734 |
| 2008 | 6 | 104.7 | 0.0 | 6.1 | 575,334 |
| 2008 | 5 | 104.7 | 0.1 | 5.9 | 576,868 |
| 2008 | 4 | 104.6 | 0.3 | 5.5 | 577,830 |
| 2008 | 3 | 104.3 | -0.1 | 5.4 | 579,127 |
| 2008 | 2 | 104.4 | -0.3 | 5.2 | 580,818 |
| 2008 | 1 | 104.7 | 0.5 | 5.1 | 582,486 |
| 2007 | 12 | 104.2 | 0.0 | 5.0 | 583,081 |
| 2007 | 11 | 104.1 | 0.3 | 4.8 | 584,017 |
| 2007 | 10 | 103.8 | -0.2 | 4.9 | 583,473 |
| 2007 | 9 | 104.0 | 0.4 | 4.8 | 585,288 |
| 2007 | 8 | 103.6 | -0.3 | 4.7 | 584,160 |
| 2007 | 7 | 103.9 | 0.2 | 4.8 | 587,016 |
| 2007 | 6 | 103.7 | 0.4 | 4.7 | 589,916 |
| 2007 | 5 | 103.3 | 0.7 | 4.7 | 588,280 |
| 2007 | 4 | 102.5 | -0.1 | 4.9 | 584,794 |
| 2007 | 3 | 102.6 | 0.0 | 4.7 | 589,229 |
| 2007 | 2 | 102.6 | -0.2 | 4.7 | 589,385 |
| 2007 | 1 | 102.7 | -0.8 | 4.9 | 589,610 |
| 2006 | 12 | 103.5 | 0.4 | 4.8 | 595,068 |
| 2006 | 11 | 103.1 | 0.0 | 5.0 | 593,462 |
| 2006 | 10 | 103.1 | 0.8 | 4.7 | 592,000 |
| 2006 | 9 | 102.3 | -0.1 | 5.0 | 586,809 |
| 2006 | 8 | 102.4 | 0.1 | 4.9 | 587,974 |
| 2006 | 7 | 102.3 | -0.3 | 5.0 | 586,959 |
| 2006 | 6 | 102.6 | 0.2 | 4.9 | 586,240 |
| 2006 | 5 | 102.3 | 0.2 | 4.9 | 585,135 |
| 2006 | 4 | 102.1 | -0.2 | 4.8 | 584,131 |
| 2006 | 3 | 102.3 | 0.5 | 4.9 | 581,818 |
| 2006 | 2 | 101.8 | 0.8 | 5.0 | 581,229 |
| 2006 | 1 | 101.0 | 0.1 | 4.8 | 579,851 |
| 2005 | 12 | 100.9 | 0.4 | 5.1 | 578,848 |
| 2005 | 11 | 100.5 | 0.0 | 5.3 | 576,340 |
| 2005 | 10 | 100.6 | 0.1 | 5.5 | 576,431 |

NOTE: all data are seasonally adjusted and revised each month.