

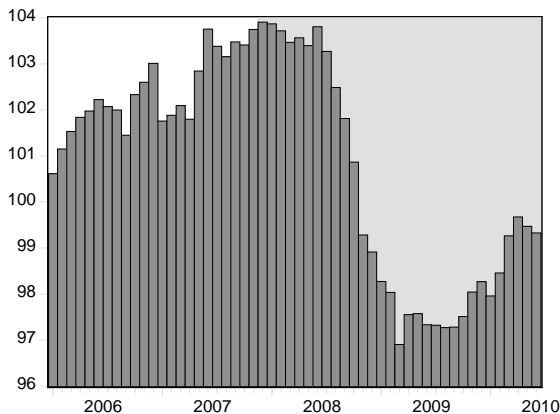
WESTERN NORTH CAROLINA ECONOMIC INDEX

CENTER FOR ECONOMIC RESEARCH & POLICY ANALYSIS • APPALACHIAN STATE UNIVERSITY

June 2010

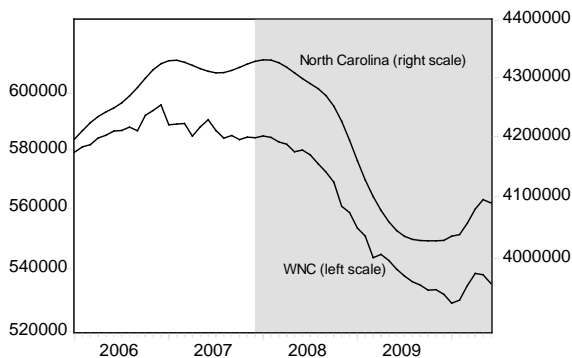
Western North Carolina economic activity, as measured by the Western North Carolina Economic Index, fell 0.1 percent in June 2010—the second consecutive monthly decline. The index, which tracks the level of economic activity in 25 western North Carolina counties, increased at an annual rate of 0.4 percent in the second quarter—down significantly from the 4.0 percent rate for the first quarter of 2010. As a comparison, the national economy grew at 2.4 percent in the second quarter and 3.7 percent in the first quarter.

WNC Economic Index
(2005=100)
National Recession Shaded

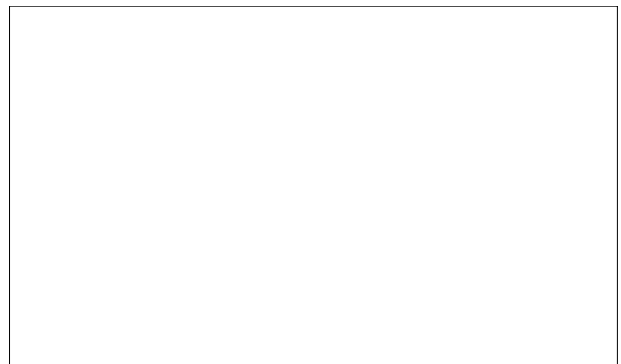


Seasonally adjusted employment for WNC declined 0.53 percent in June, while NC employment fell 0.1 percent. The region has gained 3,442 jobs through the first six months of 2010, with most of those gains occurring in the first quarter of the year.

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

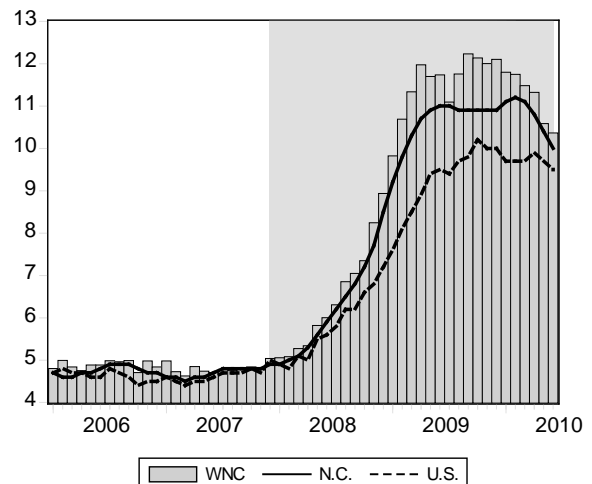


Mapping the growth in employment over the preceding month provides a county-level account of job growth. Seasonally adjusted employment declined in 24 of the 25 WNC counties in June. The lone case of job gains was in Graham County (0.35 pct). Wilkes, Rutherford and Yancey counties had the largest losses in employment (1.82, 1.31 and 1.27 pct).



Seasonally adjusted WNC unemployment registered 10.4 percent in June—down 0.2 points from the previous month. The state unemployment rate decreased 0.4 points to 10.0 percent. The national unemployment rate fell 0.2 points to 9.5 percent.

Unemployment Rate
(seasonally adjusted)
National Recession Shaded



The seasonally adjusted unemployment rate within the region's rural counties registered 10.8 percent in June, down 0.1 points from May. In the region's metro areas, unemployment registered 12.8 percent in Hickory-Morganton-Lenoir—down 0.2 points from the previous month. Unemployment remained unchanged at 8.1 percent in Asheville.

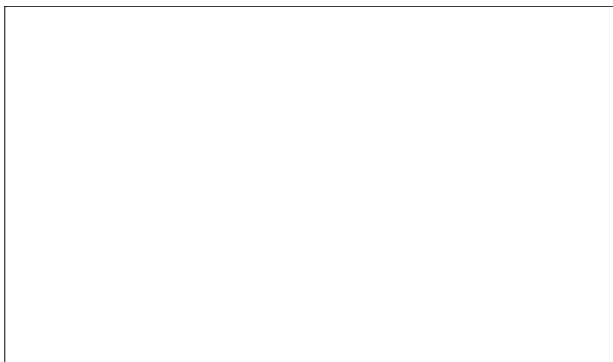


Movement in the county-level seasonally adjusted unemployment rates was mixed in June. For the month, adjusted unemployment rates decreased in 14 of the 25 WNC counties. Caldwell and Graham counties experienced the largest decline in the unemployment rates (0.53 and 0.48 pts), while Alleghany and Madison counties had the largest increases in rates (1.00 and 0.70 pts).

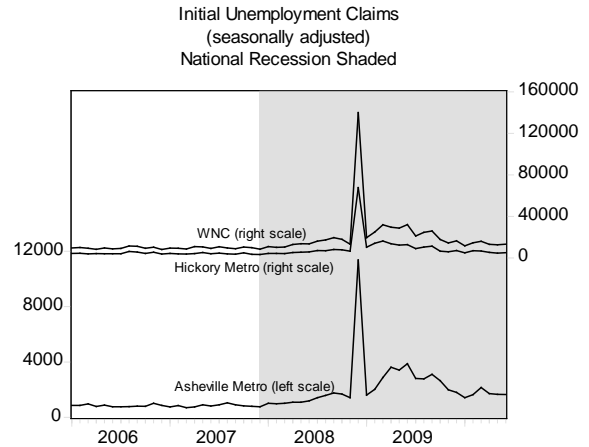
Watauga and Buncombe counties had the lowest unemployment rates in June (7.20 and 7.88 pct), while Rutherford and Caldwell counties had the highest rates (14.74 and 13.94 pct).

Twenty-three of the 25 WNC counties have lower unemployment rates than 12 months ago, with Ashe and Madison counties being the two counties with higher rates.

See Table 2 for more county rates & rankings.



Seasonally adjusted initial claims for unemployment insurance in the region, a leading indicator of unemployment, increased 5.2 percent in June. Initial claims increased 8.2 percent in Hickory-Morganton-Lenoir and remained unchanged in Asheville.



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.

Center for Economic
Research & Policy Analysis
Appalachian State University
Boone, North Carolina 28608-2051

(ph) 828.262.6081
(fx) 828.262.6105
(e) cerpa@appstate.edu

Visit us online: <http://www.cerpa.appstate.edu>



Table 1: Asheville, Hickory and Regional MSA Record

	June 2010	May 2010	Apr 2010	Mar 2010	June 2009	Change Last Month	Change Last Year
Asheville							
Employment	187,515	188,673	188,294	187,737	187,321	-0.61%	0.10%
Unemployment Rate	8.1	8.1	8.7	8.9	9.1	0.0	-1.0
Residential Building Permits	161	96	81	104	107	68.01%	50.22%
Initial Claims	2,482	2,310	2,579	3238	5658	7.48%	-56.13%
Hickory-Morganton-Lenoir							
Employment	144,253	145,716	145,396	144,959	145,989	-1.00%	-1.19%
Unemployment Rate	12.8	13.0	13.7	14.3	14.9	-0.2	-2.1
Residential Building Permits	31	41	45	93	57	-23.82%	-45.06%
Initial Claims	4,736	4,467	4,983	6,189	11,771	6.03%	-59.76%
Charlotte-Gastonia-Concord							
Employment	766,137	767,965	766,580	763,000	748,261	-0.24%	2.39%
Unemployment Rate	10.7	11.1	11.7	12.5	12.0	-0.4	-1.3
Raleigh-Cary							
Employment	512,641	517,423	514,666	514,095	506,713	-0.92%	1.17%
Unemployment Rate	8.0	8.2	8.8	9.0	8.6	-0.2	-0.6
Winston-Salem							
Employment	216,843	217,430	216,410	215,796	216,038	-0.27%	0.37%
Unemployment Rate	9.3	9.4	9.9	10.3	10.0	-0.1	-0.7
Greensboro							
Employment	321,040	324,188	322,838	322,002	320,699	-0.97%	0.11%
Unemployment Rate	10.5	10.7	11.2	11.6	11.6	-0.2	-1.1
Johnson City (TN)							
Employment	91,665	91,523	90,900	89,419	90,640	0.16%	1.13%
Unemployment Rate	8.6	9.1	9.6	9.6	9.3	-0.4	-0.7
Kingsport (TN)							
Employment	134,393	133,626	132,995	132,225	133,234	0.57%	0.87%
Unemployment Rate	8.3	8.8	9.4	9.6	9.4	-0.5	-1.1
Knoxville (TN)							
Employment	334,586	334,393	333,171	328,583	324,975	0.06%	2.96%
Unemployment Rate	7.6	8.0	8.7	8.5	8.7	-0.4	-1.1

Western North Carolina							
Unemployment Rate	10.4	10.6	11.3	11.5	11.7	-0.2	-1.3
North Carolina							
Unemployment Rate	10.0	10.4	10.8	11.1	11.0	-0.4	-1.0
United States							
Unemployment Rate	9.5	9.7	9.9	9.7	9.5	-0.2	0.0

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.

NOTE3: Tennessee data was unavailable at the time of preparing this report.

Table 2: WNC County Unemployment Rankings

County	June 2010	Rank	May 2010	Apr 2010	Mar 2010	June 2009	% Pt Change Last Month	Rank	% Pt Change Last Year	Rank
Alexander	12.73	19	12.21	12.88	13.66	14.89	0.51	23	-2.17	4
Alleghany	10.73	13	9.74	10.72	11.29	12.68	1.00	25	-1.95	7
Ashe	11.57	15	11.98	12.27	12.40	11.24	-0.41	3	0.33	25
Avery	8.33	5	8.26	8.78	9.19	9.24	0.07	17	-0.91	12
Buncombe	7.88	2	8.02	8.46	8.55	8.71	-0.15	8	-0.83	13
Burke	12.85	21	12.97	13.60	13.92	14.87	-0.13	10	-2.02	6
Caldwell	13.94	24	14.47	15.57	16.46	16.18	-0.53	1	-2.25	3
Catawba	12.52	18	12.66	13.33	13.87	14.99	-0.14	9	-2.48	2
Cherokee	13.45	23	13.27	13.77	14.36	15.15	0.19	20	-1.69	8
Clay	10.17	11	10.45	10.53	11.20	11.26	-0.28	6	-1.09	11
Graham	13.42	22	13.90	14.04	15.10	14.06	-0.48	2	-0.65	17
Haywood	9.10	8	9.11	9.37	9.77	9.80	-0.02	14	-0.71	16
Henderson	7.94	3	7.90	8.69	8.96	9.17	0.04	15	-1.23	10
Jackson	8.60	6	8.80	8.92	8.98	9.07	-0.20	7	-0.47	20
Macon	9.95	10	10.03	10.57	10.51	10.76	-0.08	12	-0.82	14
Madison	9.76	9	9.06	9.57	9.95	9.56	0.70	24	0.20	24
McDowell	12.25	17	12.14	13.17	14.03	16.01	0.11	18	-3.76	1
Mitchell	10.47	12	10.57	10.70	11.41	12.60	-0.10	11	-2.13	5
Polk	8.17	4	7.80	8.74	9.03	8.93	0.38	22	-0.75	15
Rutherford	14.74	25	15.06	15.89	16.12	15.27	-0.32	5	-0.53	18
Swain	11.85	16	11.80	11.61	11.67	12.36	0.05	16	-0.51	19
Transylvania	8.75	7	8.79	9.33	9.54	8.81	-0.04	13	-0.06	23
Watauga	7.20	1	7.59	7.83	8.21	7.63	-0.39	4	-0.43	21
Wilkes	12.76	20	12.61	13.14	13.50	13.12	0.16	19	-0.36	22
Yancey	10.89	14	10.55	10.86	11.72	12.26	0.34	21	-1.37	9

Asheville	8.1		8.1	8.7	8.9	9.1	0.0		-1.0	
Hickory	12.8		13.0	13.7	14.3	14.9	-0.2		-2.1	
WNC	10.4		10.6	11.3	11.5	11.7	-0.2		-1.3	
NC	10.0		10.4	10.8	11.1	11.0	-0.4		-1.0	
US	9.5		9.7	9.9	9.7	9.5	-0.2		0.0	

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
2010	6	99.3	-0.1	10.4	535,228
2010	5	99.5	-0.2	10.6	538,083
2010	4	99.7	0.4	11.3	538,485
2010	3	99.3	0.8	11.5	534,602
2010	2	98.5	0.5	11.7	529,899
2010	1	98.0	-0.3	11.8	528,938
2009	12	98.3	0.2	12.1	531,786
2009	11	98.0	0.5	12.0	533,245
2009	10	97.5	0.2	12.1	533,128
2009	9	97.3	0.0	12.2	534,721
2009	8	97.3	-0.1	11.8	535,803
2009	7	97.3	0.0	11.1	537,655
2009	6	97.3	-0.2	11.7	539,857
2009	5	97.6	0.0	11.7	542,688
2009	4	97.6	0.7	12.0	544,651
2009	3	96.9	-1.2	11.3	543,625
2009	2	98.0	-0.2	10.7	550,700
2009	1	98.3	-0.6	9.8	553,357
2008	12	98.9	-0.4	8.9	558,537
2008	11	99.3	-1.6	8.2	560,657
2008	10	100.9	-0.9	7.3	568,789
2008	9	101.8	-0.7	7.0	572,304
2008	8	102.5	-0.8	6.9	575,158
2008	7	103.3	-0.5	6.3	578,243
2008	6	103.8	0.4	6.0	579,929
2008	5	103.4	-0.2	5.8	579,287
2008	4	103.6	0.1	5.3	581,914
2008	3	103.5	-0.2	5.3	582,769
2008	2	103.7	-0.1	5.1	584,337
2008	1	103.9	0.0	5.1	584,827
2007	12	103.9	0.2	5.0	584,246
2007	11	103.7	0.3	4.8	584,445
2007	10	103.4	-0.1	4.8	583,583
2007	9	103.5	0.3	4.8	585,005
2007	8	103.2	-0.2	4.8	584,070
2007	7	103.4	-0.4	4.8	586,703
2007	6	103.8	0.9	4.7	590,577
2007	5	102.8	1.0	4.7	588,033
2007	4	101.8	-0.3	4.8	584,796
2007	3	102.1	0.2	4.6	589,233
2007	2	101.9	0.1	4.7	589,015
2007	1	101.8	-1.2	5.0	588,760
2006	12	103.0	0.4	4.8	595,852
2006	11	102.6	0.3	5.0	593,868
2006	10	102.3	0.9	4.7	592,115
2006	9	101.4	-0.5	5.0	586,669

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