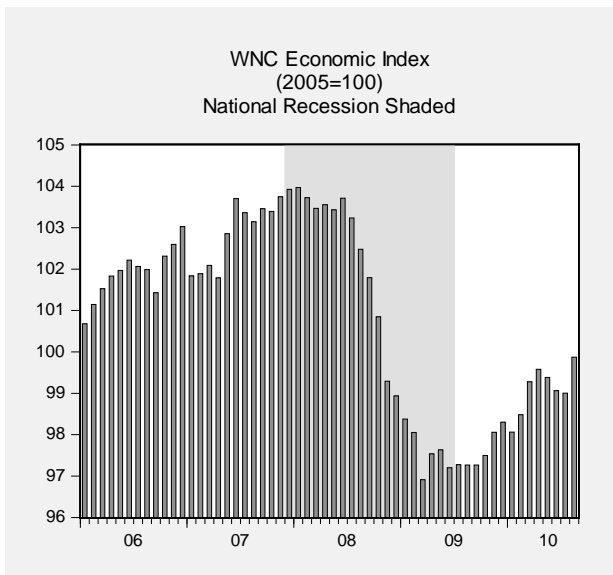


WESTERN NORTH CAROLINA ECONOMIC INDEX

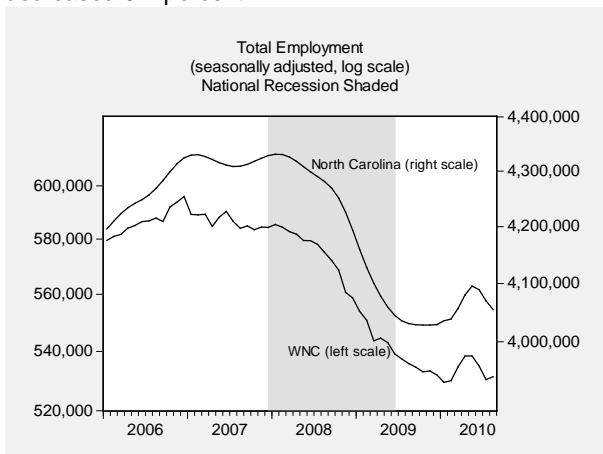
CENTER FOR ECONOMIC RESEARCH & POLICY ANALYSIS • APPALACHIAN STATE UNIVERSITY

August 2010

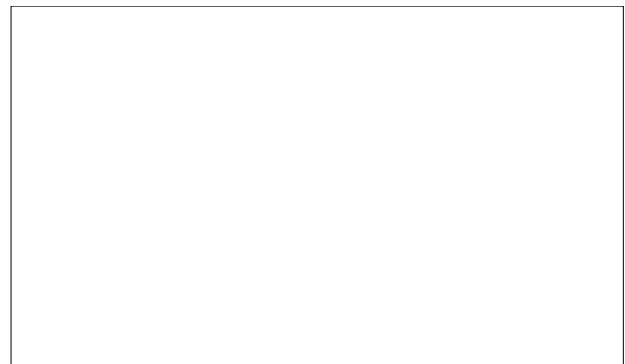
Western North Carolina economic activity, as measured by the Western North Carolina Economic Index, increased 0.9 percent in August 2010. The index, which tracks the level of economic activity in 25 western North Carolina counties, registered the largest increase since July 2007. The increase follows three months of declines that totaled 0.6 percent.



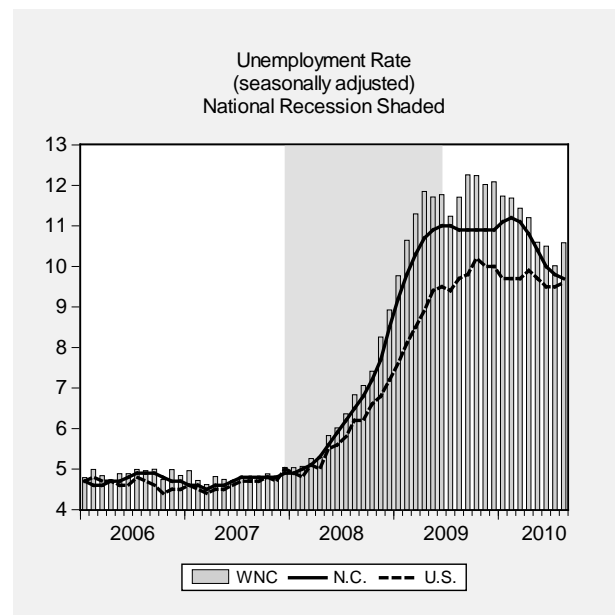
Seasonally adjusted employment for WNC increased 0.19 percent in August, which follows two consecutive months of declines. Statewide adjusted employment decreased 0.4 percent.



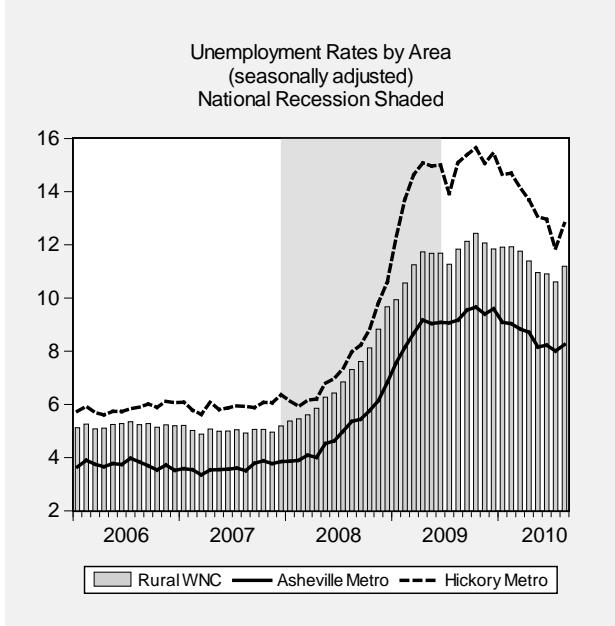
Mapping the growth in employment over the preceding month provides a county-level account of job creation. Changes in seasonally adjusted county-level employment during the month were mixed across the region, falling in 15 of the 25 WNC counties. Yancey, Alleghany and Clay counties had the largest gains in employment (1.76, 0.78 and 0.57 pct). Watauga, Rutherford and Graham counties had the largest losses (0.72, 0.70 and 0.46 pct).



Seasonally adjusted WNC unemployment registered 10.6 percent in August—up 0.6 points from July. The state unemployment rate fell 0.1 points to 9.7 percent, while the national unemployment rate increased 0.1 points to 9.6 percent.



The seasonally adjusted unemployment rate within the region's rural counties increased 0.6 points to 11.2 percent in August. In the region's metro areas, unemployment increased 0.2 points in Asheville to 8.2 percent and increased 1.0 points in Hickory-Morganton-Lenoir to 12.8 percent.



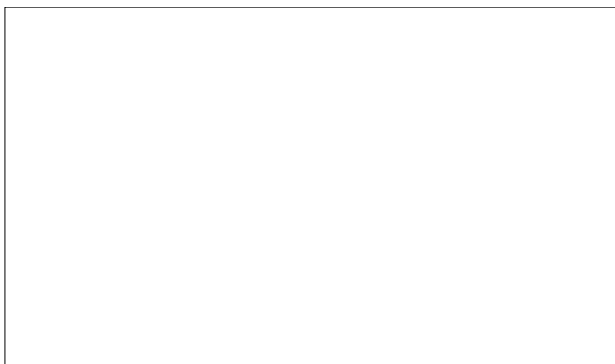
County-level seasonally adjusted unemployment increased in all 25 WNC counties, with an average increase of 0.5 points.

Caldwell, Watauga and Wilkes counties had the largest increases in unemployment rates (1.35, 1.05 and 0.82 pts). Madison, Swain and Transylvania counties had the smallest increases in rates (0.04, 0.10 and 0.14 pts.)

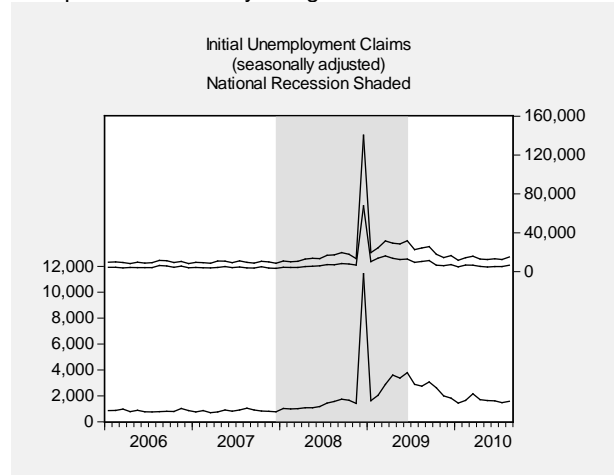
Over the past 12 months, county-level unemployment in the WNC region has decreased in 22 of the 25 WNC counties. Cherokee County has experienced a 1.99 point decline in unemployment rates.

Henderson and Polk counties had the lowest unemployment rates in the region in August (8.00 and 8.15 pct). Sixteen of the 25 counties have unemployment rates over 10 percent.

See Table 2 for more county rates & rankings.



Seasonally adjusted initial claims for unemployment insurance in the region, a leading indicator of unemployment, increased 21.2 percent in August. Initial claims increased 7.1 percent in Asheville and increased 25.5 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.

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

	Aug 2010	Jul 2010	Jun 2010	May 2010	Aug 2009	Change Last Month	Change Last Year
Asheville							
Employment	186,851	186,310	187,610	188,688	185,783	0.29%	0.58%
Unemployment Rate	8.2	8.0	8.2	8.2	9.2	0.2	-1.0
Residential Building Permits	288	122	153	106	96	136.03%	200.26%
Initial Claims	2,251	2,138	2,455	2,299	3,957	5.32%	-43.10%
Hickory-Morganton-Lenoir							
Employment	143,567	143,797	144,392	145,504	145,604	-0.16%	-1.40%
Unemployment Rate	12.8	11.8	13.0	13.1	15.1	1.0	-2.3
Residential Building Permits	35	36	35	40	49	-1.41%	-27.75%
Initial Claims	5,661	4,604	4,752	4,418	10,248	22.97%	-44.76%
Charlotte-Gastonia-Concord							
Employment	760,303	759,853	764,767	767,526	748,887	0.06%	1.52%
Unemployment Rate	10.8	10.7	11.0	11.1	11.6	0.1	-0.8
Raleigh-Cary							
Employment	507,397	509,523	511,389	517,669	507,986	-0.42%	-0.12%
Unemployment Rate	8.2	7.8	8.1	8.2	8.7	0.5	-0.5
Winston-Salem							
Employment	216,140	216,127	216,304	217,477	215,351	0.01%	0.37%
Unemployment Rate	9.2	8.9	9.4	9.4	9.9	0.3	-0.7
Greensboro							
Employment	320,795	320,865	322,038	323,856	319,924	-0.02%	0.27%
Unemployment Rate	10.4	9.8	10.6	10.7	11.4	0.6	-1.1
Johnson City (TN)							
Employment	93,093	92,495	92,129	91,531	89,964	0.65%	3.48%
Unemployment Rate	8.7	8.5	8.5	9.0	9.7	0.2	-1.0
Kingsport (TN)							
Employment	135,188	134,639	134,485	133,653	132,051	0.41%	2.38%
Unemployment Rate	8.8	8.3	8.3	8.8	9.5	0.6	-0.7
Knoxville (TN)							
Employment	339,569	336,332	333,925	334,094	321,278	0.96%	5.69%
Unemployment Rate	7.7	7.7	7.6	8.0	9.1	0.1	-1.4

Western North Carolina							
Unemployment Rate	10.6	10.0	10.5	10.6	11.7	0.6	-1.1
North Carolina							
Unemployment Rate	9.7	9.8	10.0	10.4	10.9	-0.1	-1.2
United States							
Unemployment Rate	9.6	9.5	9.5	9.7	9.7	0.1	-0.1

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	Aug 2010	Rank	Jul 2010	Jun 2010	May 2010	Aug 2009	% Pt Change Last Month	Rank	% Pt Change Last Year	Rank
Alexander	12.03	16	11.70	12.79	12.20	14.27	0.34	6	-2.24	3
Alleghany	11.51	14	10.75	10.92	9.66	13.42	0.76	21	-1.92	6
Ashe	11.83	15	11.29	11.52	11.88	11.11	0.54	16	0.72	24
Avery	8.95	6	8.23	8.44	8.27	9.04	0.73	20	-0.09	20
Buncombe	8.19	3	7.79	7.97	8.01	8.68	0.40	10	-0.50	14
Burke	12.79	19	12.43	13.05	12.94	14.04	0.36	7	-1.25	10
Caldwell	13.29	22	11.94	13.83	14.37	15.76	1.35	25	-2.47	2
Catawba	12.47	18	11.97	12.60	12.65	14.55	0.51	15	-2.07	4
Cherokee	13.77	23	13.36	13.59	13.29	15.75	0.40	11	-1.99	5
Clay	10.32	10	9.89	10.23	10.42	11.65	0.43	12	-1.33	8
Graham	14.96	25	14.28	13.81	14.03	14.97	0.68	19	-0.01	22
Haywood	9.58	9	8.78	9.09	9.02	9.89	0.80	22	-0.31	17
Henderson	8.00	1	7.61	8.03	7.90	9.17	0.39	8	-1.16	11
Jackson	9.30	8	8.67	8.58	8.80	9.54	0.64	17	-0.23	18
Macon	10.39	11	9.96	10.02	10.01	10.49	0.43	13	-0.10	19
Madison	8.88	5	8.83	9.83	8.98	9.82	0.04	1	-0.94	12
McDowell	12.08	17	11.41	12.33	12.12	15.21	0.67	18	-3.13	1
Mitchell	10.46	12	10.00	10.56	10.58	11.82	0.46	14	-1.36	7
Polk	8.15	2	7.76	8.24	7.83	8.79	0.39	9	-0.64	13
Rutherford	14.87	24	14.70	14.84	15.06	15.23	0.17	4	-0.37	15
Swain	13.00	21	12.90	12.28	11.99	11.65	0.10	2	1.35	25
Transylvania	8.96	7	8.82	8.86	8.81	9.04	0.14	3	-0.09	21
Watauga	8.20	4	7.15	7.23	7.54	7.87	1.05	24	0.33	23
Wilkes	12.83	20	12.01	12.80	12.53	13.18	0.82	23	-0.35	16
Yancey	10.91	13	10.61	11.00	10.56	12.21	0.30	5	-1.30	9

Asheville	8.2		8.0	8.2	8.2	9.2	0.2		-1.0	
Hickory	12.8		11.8	13.0	13.1	15.1	1.0		-2.3	
WNC	10.6		10.0	10.5	10.6	11.7	0.6		-1.1	
NC	9.7		9.8	10.0	10.4	10.9	-0.1		-1.2	
US	9.6		9.5	9.5	9.7	9.7	0.1		-0.1	

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	8	99.9	0.9	10.6	531,386
2010	7	99.0	-0.1	10.0	530,385
2010	6	99.1	-0.3	10.5	535,005
2010	5	99.4	-0.2	10.6	538,463
2010	4	99.6	0.3	11.2	538,408
2010	3	99.3	0.8	11.4	534,670
2010	2	98.5	0.4	11.7	530,033
2010	1	98.1	-0.2	11.7	529,487
2009	12	98.3	0.2	12.1	531,975
2009	11	98.1	0.6	12.0	533,333
2009	10	97.5	0.2	12.2	533,049
2009	9	97.3	0.0	12.3	534,627
2009	8	97.3	0.0	11.7	535,778
2009	7	97.3	0.1	11.2	537,394
2009	6	97.2	-0.4	11.8	539,117
2009	5	97.6	0.1	11.7	543,017
2009	4	97.5	0.6	11.9	544,569
2009	3	96.9	-1.2	11.3	543,668
2009	2	98.1	-0.3	10.6	550,796
2009	1	98.4	-0.6	9.8	553,932
2008	12	98.9	-0.4	8.9	558,694
2008	11	99.3	-1.5	8.3	560,706
2008	10	100.8	-0.9	7.4	568,691
2008	9	101.8	-0.7	7.1	572,186
2008	8	102.5	-0.7	6.8	575,132
2008	7	103.2	-0.5	6.4	578,061
2008	6	103.7	0.3	6.0	579,409
2008	5	103.4	-0.1	5.8	579,475
2008	4	103.6	0.1	5.3	581,838
2008	3	103.5	-0.2	5.3	582,780
2008	2	103.7	-0.2	5.1	584,394
2008	1	104.0	0.0	5.0	585,394
2007	12	103.9	0.2	5.0	584,356
2007	11	103.7	0.3	4.8	584,464
2007	10	103.4	-0.1	4.9	583,486
2007	9	103.5	0.3	4.8	584,887
2007	8	103.1	-0.2	4.8	584,018
2007	7	103.4	-0.3	4.8	586,600
2007	6	103.7	0.8	4.7	590,308
2007	5	102.9	1.1	4.7	588,094
2007	4	101.8	-0.3	4.8	584,739
2007	3	102.1	0.2	4.6	589,224
2007	2	101.9	0.0	4.7	589,042
2007	1	101.8	-1.2	5.0	589,220
2006	12	103.0	0.4	4.8	595,923
2006	11	102.6	0.3	5.0	593,862

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