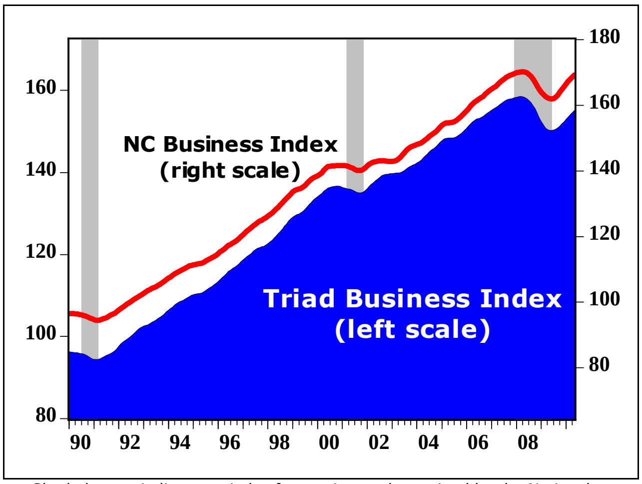
UNCG Bryan School of Business and Economics — positively unique — DIXON HUGHES

(May 2010)

Bryan School of Business & Economics – The University of North Carolina at Greensboro
Index produced by Dr. G. Donald Jud

The level of economic activity in the Piedmont Triad[1], as measured by the Piedmont Triad Business Index (1992 = 100), rose 0.3% in May. Over the past 12 months the index has risen 3.2%. In comparison, business activity in NC was up 0.4% this month and has gained 4.5% over the past year.

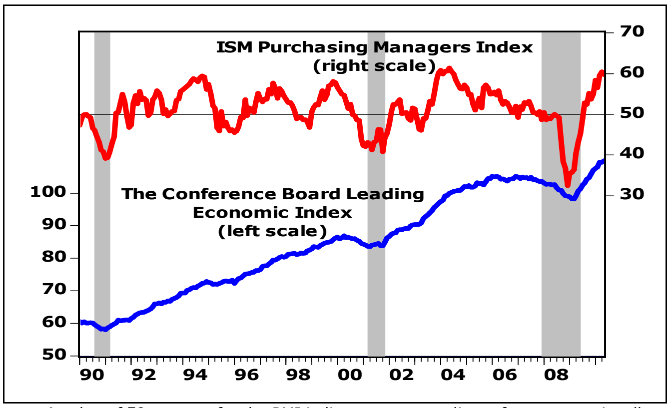
Triad Business Index



Shaded areas indicate periods of recession as determined by the National Bureau of Economic Research.

The Conference Board's Leading Economic Index rose 0.4% in May, and is up 9.2% over the past 12 months. The ISM Purchasing Managers Index was 59.7, indicating a growing manufacturing sector and suggesting that the overall economy expanded at a 5.7% annualized rate in May.

National Economic Indicators

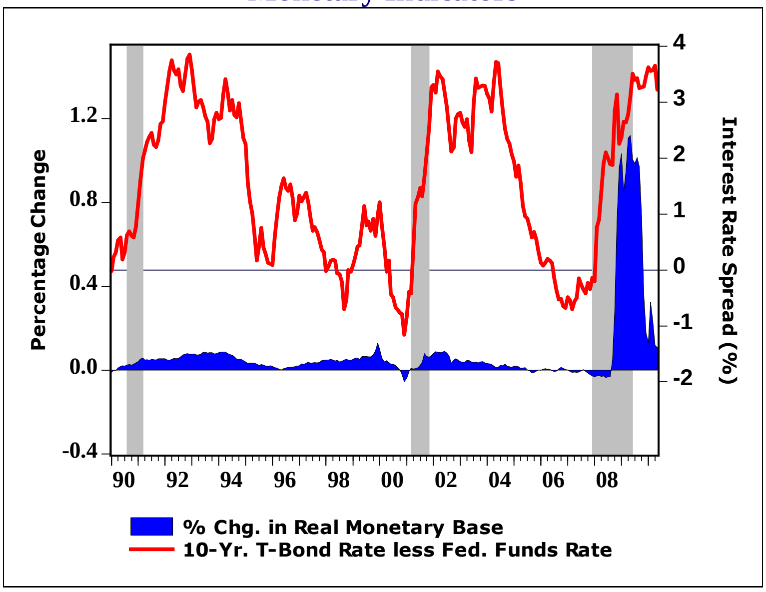


A value of 50 or more for the PMI indicates an expanding mfg. sector nationally.

[1] The Triad is defined as an eight-county area that is composed of Alamance, Davie, Forsyth, Guilford, Randolph, Rockingham, Stokes, and Yadkin.

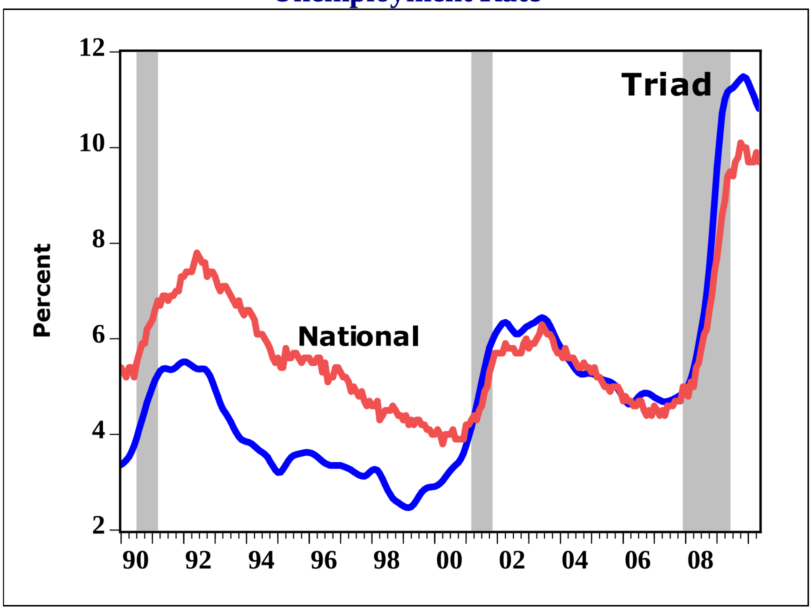
Two monetary indicators which normally lead any upturn in the national economy remained in positive territory. The real monetary base moved upward by 10.8% over the past 12 months, but declined in May, slipping 0.6%. The spread between the 10-year T-bond and the federal funds rate (or the slope of the Treasury Yield Curve) was 3.2%, reflecting continued monetary ease.

Monetary Indicators



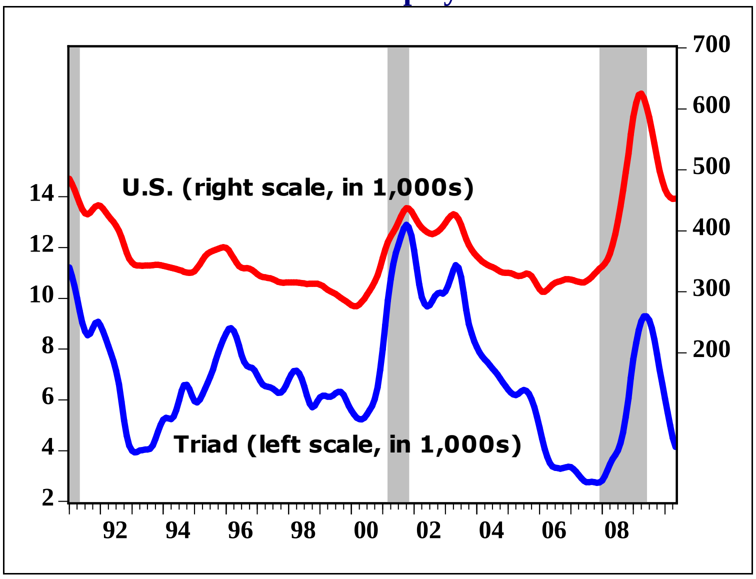
The seasonally adjusted rate of unemployment in the Triad was 10.8% in May, down 0.1 percentage points from last month and 0.4 percentage points over the past 12 months. The national unemployment rate was 9.7%, down 0.2 percentage points from last month but up 0.3 percentage point over the past year.

Unemployment Rate



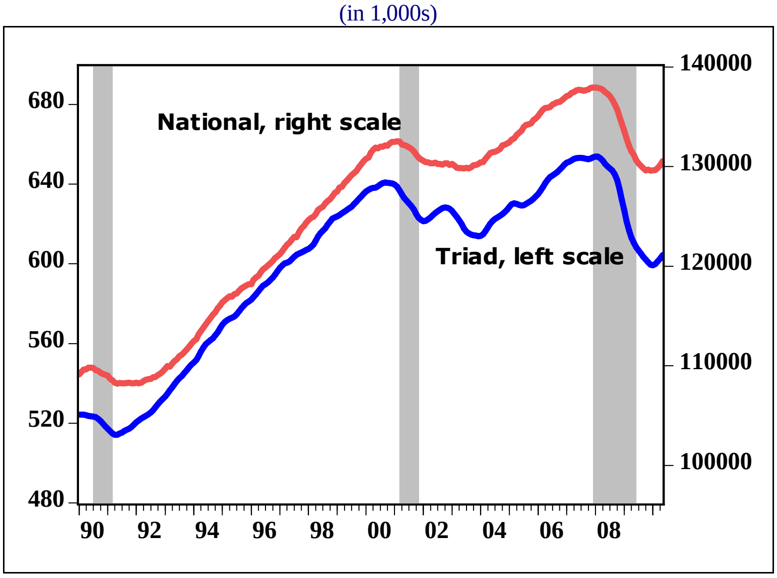
Initial claims for unemployment insurance are a leading indicator of the unemployment rate. Claims in the Triad were down 8.2% in May and have dropped 55.4% over the past 12 months. In May, there were 4,140 new unemployment claims, or 0.7% of those employed in the Triad. Nationally, claims rose 0.3% in May but are down 26.5% over the past 12 months.

Initial Claims for Unemployment Insurance

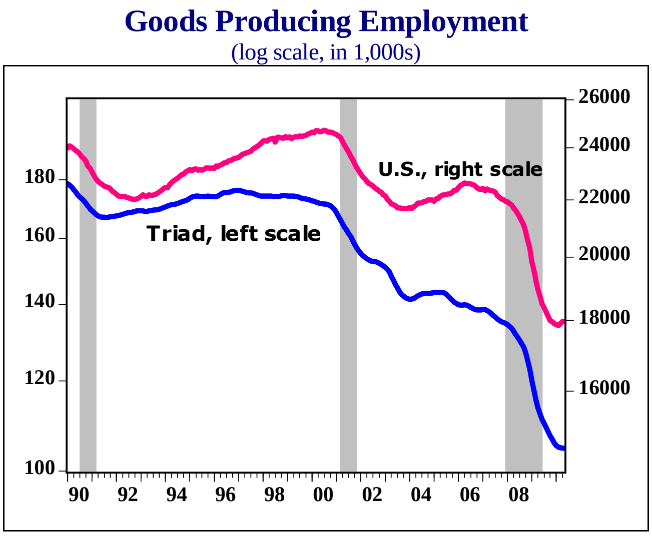


Total nonagricultural wage and salary employment (employer survey) in the Piedmont Triad was up 0.3% in May, recording a 4th consecutive increase since February. Over the past 12 months, employment has fallen 1.0%. For the nation as a whole, employment was higher by 0.3% in May. Over the past 12 months, national employment has declined 0.4%.

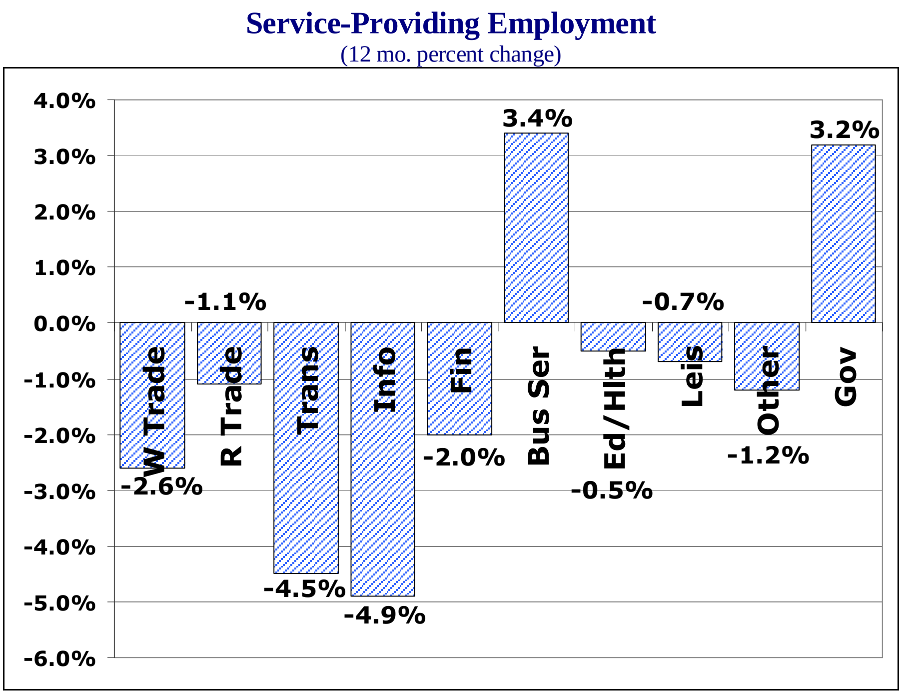
Total Employment
(in 1,000s)



Goods-producing employment in the Triad was essentially unchanged in May. At the national level, goods-producing employment also was unchanged. Over the past 12 months, the number of goods-producing jobs in the Triad has fallen 6.7%, while goods-producing employment nationally has declined 4.1%.

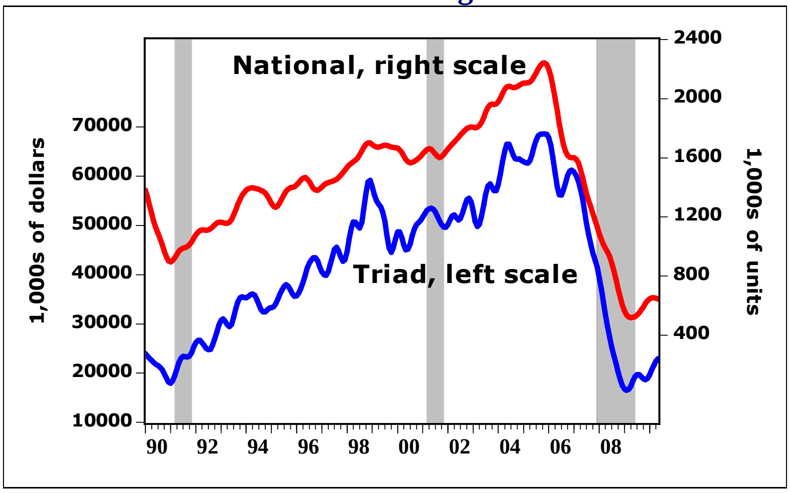


The number of persons in the Triad employed in the service-providing sector was up 0.3% in May, and higher employment was recorded this month in retail trade, professional and business services, education and health care, other services, and government. Over the past 12 months, the number of jobs in the service-providing sector has risen 0.3%, while service providing employment nationally has gained 0.2%. Over the past year in the Triad, service-providing employment has grown in business and professional services (up 3.4%) and government (up 3.2%). Employment has declined in every other sector of the service economy. The largest declines were in information services and transportation, where employment fell 4.9% and 4.5% respectively.



Residential building permits in the Triad, which reflect planned construction, were up 2.5% this month. Over the past 12 months, the pace of planned residential building has risen 24.7%. Construction employment has dropped 8.8% over the past year but was up 0.4% this month, recording its 3rd consecutive increase this year.

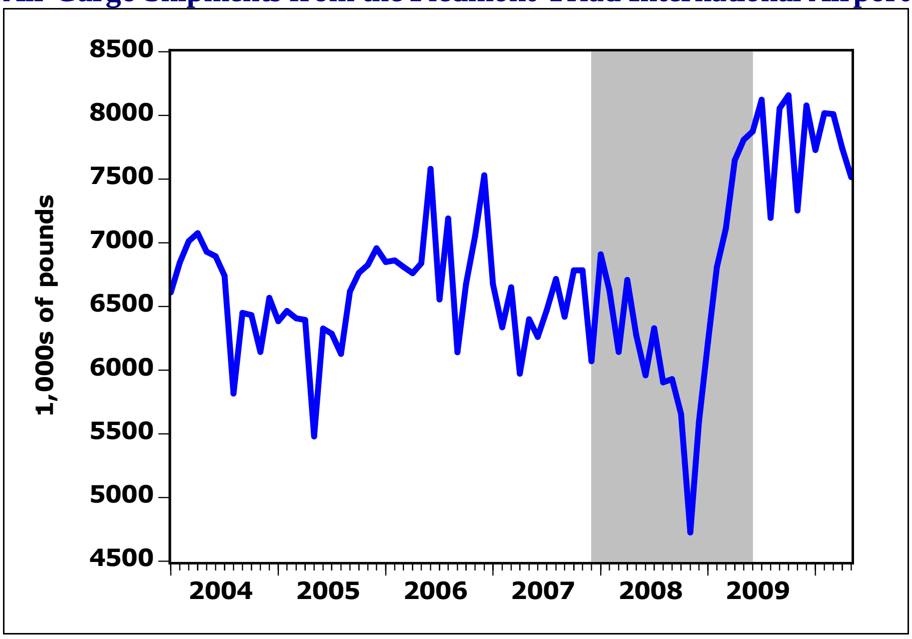
Residential Building Permits



Retail sales totaled $1,006.1 million in May. Corrected for inflation and seasonal variation, retail spending was up 0.4% from April and was up 5.8% from May of last year.

Cargo shipments from the Piedmont Triad International Airport declined 2.9% in May and are off 3.7% since May of last year.

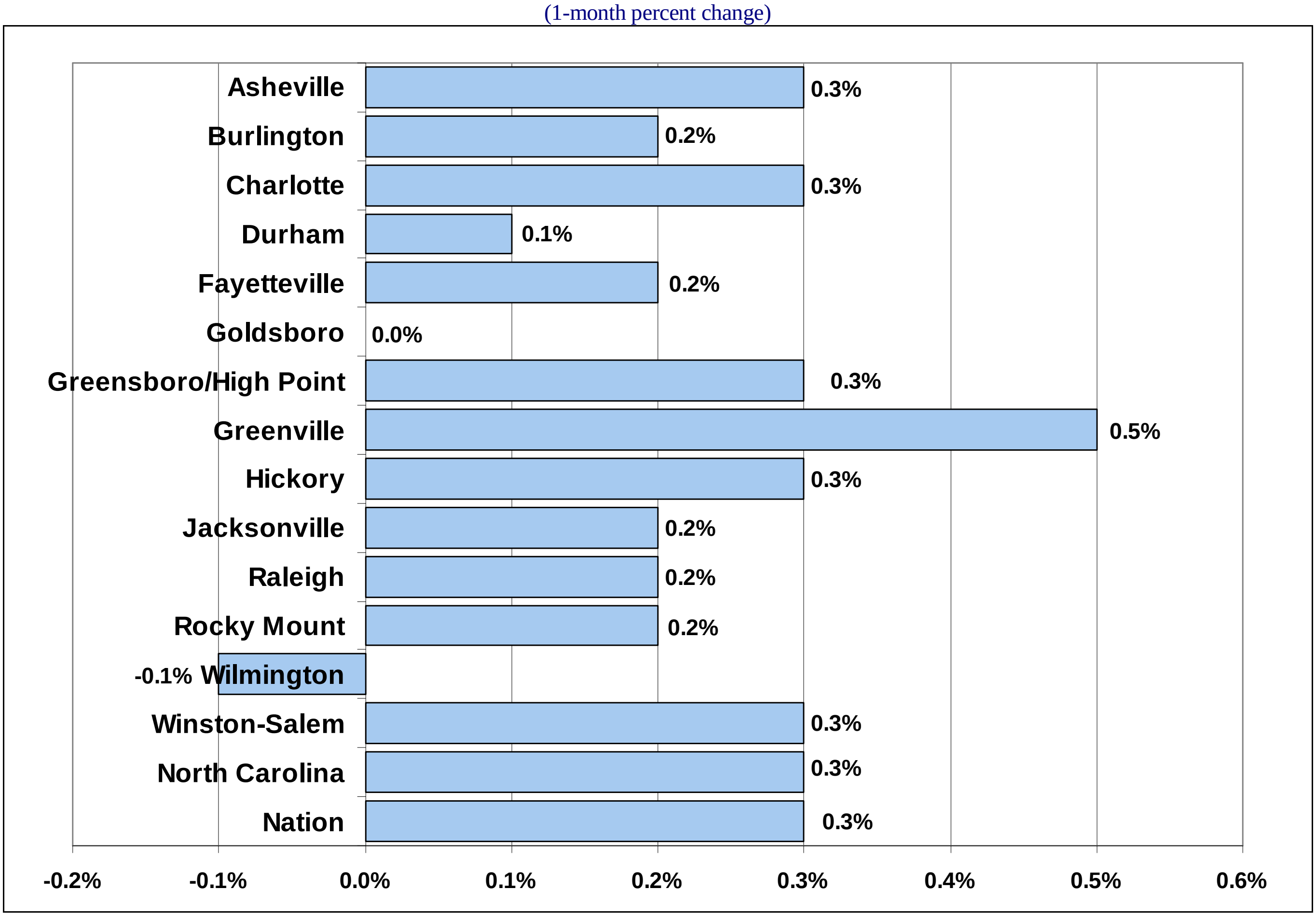
Air Cargo Shipments from the Piedmont-Triad International Airport



Total employment across the state rose 0.3% in May, recording a 5th consecutive monthly gain. Among major metropolitan areas, employment was higher in 12 of the state's 14 metropolitan areas. Employment recorded the largest gain in Greenville, where employment was up 0.5% this month. The only employment loss was in Wilmington, where employment declined 0.1%.

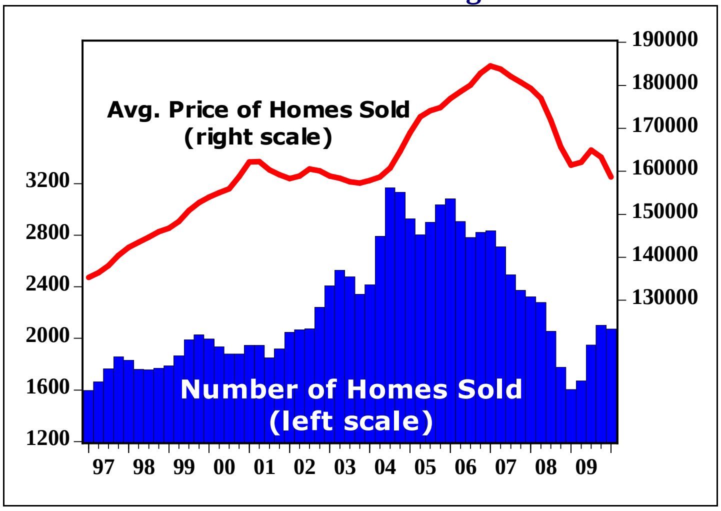
The unemployment rate in North Carolina was 10.3%, down 0.5 percentage points from last month and down 0.6 percentage points over the past 12 months. The unemployment rate has fallen in 12 of 14 metropolitan areas in the state over the past year

MSA Employment Growth
(1-month percent change)



The number of existing, single-family homes sold in the Triad totaled 2,073 in the 1st quarter of 2010, after adjustment for seasonal variation.[2] The number sold was down 1.4% compared to the level of sales recorded in the 4th quarter, but it was 29.2% above the number sold during the 1st quarter one year ago.

Number and Prices of Existing Homes Sold



At the end of the 1st quarter of 2010, the inventory of homes on the market was 9,098, or 6.3 times the number of homes sold in the 1st quarter. At the current sales pace, it will take 18.9 months to exhaust the existing inventory. The number of existing homes offered for sale was up 16.5% from what it was at the end of the 4th quarter, and it was 9.5% higher than at the end of the 1st quarter one year ago.

The price of the average home sold in the 1st quarter was down 2.8% from the previous quarter. The average quality-adjusted price of an existing home in the Triad was $158,718. The average this quarter was down 1.7% from the average recorded in the 1st quarter of last year. By comparison, over the past year, consumer prices nationally have risen 2.2%.

Nationally, the pace of existing home sales has risen 4.3% over the past 12 months.[3] Average home prices are down 0.1% across the nation and 1.6% in the South. The national inventory of unsold homes is down 6.6% over the past 12 months and will take 8.2 months to sell at the existing pace of sales.

The number of real estate foreclosures in the Triad was up 0.6% in May and has risen 16.2% over the past year. Nationally, foreclosures were down 3.3% in May but have risen 1.0% over the past 12 months. There were 908 reported foreclosures in the Triad during May.

[2] The Triad is defined as an eight-county area that is composed of Alamance, Davie, Forsyth, Guilford, Randolph, Rockingham, Stokes, and Yadkin. The Triad is located in the north central area of North Carolina.
[3] This percentage is calculated from April 2009 to April 2010 using National Assn. of Realtors® data.

Table 1: Triad Economic Indicators

Indicators	May 2010	Apr. 2010	Mar. 2010	May 2009	% Chg Month Ago	% Chg Year Ago
Piedmont-Triad Bus. Index	**155.1**	**154.6**	**154.1**	**150.3**	**0.3%**	**3.2%**
NC Business Index	**169.3**	**168.6**	**168.0**	**162.0**	**0.4%**	**4.5%**
Unemployment Rate	10.8	10.9	11.1	11.2	-0.1	-0.4
Initial Claims for Unemployment Ins.	4,140	4,511	5,006	9,279	-8.2%	-55.4%
Total Employment (1,000s)	604.4	602.7	601.2	610.4	0.3%	-1.0%
Goods-producing	104.7	104.7	104.8	112.2	0.0%	-6.7%
Construction	23.9	23.8	23.7	26.2	0.4%	-8.8%
Manufacturing	80.8	80.9	81.1	86.0	-0.1%	-6.0%
Service-producing	499.7	498.0	496.4	498.2	0.3%	0.3%
Wholesale Trade	26.1	26.1	26.1	26.8	0.0%	-2.6%
Retail Trade	64.9	64.7	64.6	65.6	0.3%	-1.1%
Transportation	23.3	23.3	23.3	24.4	0.0%	-4.5%
Information	7.8	7.8	7.8	8.2	0.0%	-4.9%
Financial	35.1	35.1	35.1	35.8	0.0%	-2.0%
Prof. & Business	75.0	74.2	73.5	72.5	1.1%	3.4%
Education & Health	102.6	102.5	102.5	103.1	0.1%	-0.5%
Leisure	56.5	56.5	56.5	56.9	0.0%	-0.7%
Other	25.6	25.4	25.3	25.9	0.8%	-1.2%
Government	81.4	81.2	81.0	78.9	0.2%	3.2%
Retail Sales ($ millions)	$1,006.1	$1,002.0	$996.6	$950.8	0.4%	5.8%
Residential Building Permits ($1,000s)	$50,112	$48,893	$47,197	$40,180	2.5%	24.7%
Air Cargo Loadings (1,000s of lbs)	7,516	7,739	8,009	7,807	-2.9%	-3.7%
Real Estate Foreclosures	908	902	892	781	0.6%	16.2%
NATIONAL INDICATORS:						
Unemployment Rate	9.7	9.9	9.7	9.4	-0.2	0.3
Total Employment (1,000s)	130,570.0	130,139.0	129,849.0	131,155.0	0.3%	-0.4%
Goods-producing	17,971.0	17,967.0	17,905.0	18,731.0	0.0%	-4.1%
Service-providing	112,599.0	112,172.0	111,944.0	112,424.0	0.4%	0.2%
Retail Sales ($ millions)	$365,393.2	$364,019.4	$362,223.2	$346,864.8	0.4%	5.3%
Res. Bldg. Permits (units in 1,000s)	646	651	653	520	-0.8%	24.2%
Consumer Price Index (CPI-U,sa)	218.2	218.0	217.6	213.9	0.1%	2.0%
The Conference Board Leading Eco. Indx.	109.9	109.5	109.5	100.6	0.4%	9.2%
Initial Claims for Unemployment Ins.	453,651	452,316	455,062	617,541	0.3%	-26.5%
ISM Purchasing Managers Index	59.7	60.4	59.6	43.2	-1.2%	38.2%

All data are statistically adjusted to eliminate statistical aberrations unrelated to trend and cycle. Monetary figures are deflated by the CPI-U to reflect inflation-adjusted 2009 dollars.

Figures are compiled by Dr. G. Donald Jud, Bryan School of Business & Economics, UNCG, E-mail: Juddon@uncg.edu.

Table 2: North Carolina Metro Indicators

(May 2010)

				Percent Change	
Metro Indicators:	**Current Month**	**Last Month**	**Current Month**	**Current Month**	**Current Month**
Asheville					
Total Employment (1,000s)	165.7	165.2	167.1	0.3%	-0.8%
Unemployment Rate (%)	8.6	8.7	9.0	-0.1%	-0.4%
Burlington					
Total Employment (1,000s)	55.6	55.5	56.9	0.2%	-2.3%
Unemployment Rate (%)	11.8	11.9	12.1	-0.1%	-0.3%
Charlotte					
Total Employment (1,000s)	808.5	805.8	812.1	0.3%	-0.4%
Unemployment Rate (%)	11.5	11.8	11.9	-0.3%	-0.4%
Durham					
Total Employment (1,000s)	284.0	283.8	284.5	0.1%	-0.2%
Unemployment Rate (%)	7.7	7.8	7.9	-0.1%	-0.2%
Fayetteville					
Total Employment (1,000s)	129.7	129.5	129.6	0.2%	0.1%
Unemployment Rate (%)	9.0	9.1	9.1	-0.1%	-0.1%
Goldsboro					
Total Employment (1,000s)	42.8	42.8	44.5	0.0%	-3.8%
Unemployment Rate (%)	9.1	9.2	9.3	-0.1%	-0.2%
Greensboro/High Point					
Total Employment (1,000s)	341.0	340.0	344.3	0.3%	-1.0%
Unemployment Rate (%)	11.2	11.3	11.6	-0.1%	-0.4%
Greenville					
Total Employment (1,000s)	75.2	74.8	75.0	0.5%	0.3%
Unemployment Rate (%)	10.0	10.1	10.5	-0.1%	-0.5%
Hickory					
Total Employment (1,000s)	142.9	142.5	145.3	0.3%	-1.7%
Unemployment Rate (%)	13.6	13.9	15.3	-0.3%	-1.7%
Jacksonville					
Total Employment (1,000s)	49.3	49.2	47.6	0.2%	3.6%
Unemployment Rate (%)	7.7	7.8	8.3	-0.1%	-0.6%
Raleigh					
Total Employment (1,000s)	498.8	498.0	501.0	0.2%	-0.4%
Unemployment Rate (%)	8.6	8.7	8.6	-0.1%	0.0%
Rocky Mount					
Total Employment (1,000s)	60.3	60.2	60.5	0.2%	-0.3%
Unemployment Rate (%)	13.3	13.5	13.9	-0.2%	-0.6%
Wilmington					
Total Employment (1,000s)	136.6	136.8	139.2	-0.1%	-1.9%
Unemployment Rate (%)	10.4	10.4	10.2	0.0%	0.2%
Winston-Salem					
Total Employment (1,000s)	208.2	207.5	209.0	0.3%	-0.4%
Unemployment Rate (%)	9.9	10.0	10.2	-0.1%	-0.3%
North Carolina					
Total Employment (1,000s)	3,924.1	3,912.4	3,917.3	0.3%	0.2%
Unemployment Rate (%)	10.3	10.8	10.9	-0.5%	-0.6%

Table 3: Triad Business Index Historical Values

Year	Mo.	Index	% Chg.	Total Employment	Goods Producing	Unemp. Rate
2010	5	155.1	0.3%	604.4	104.7	10.8
2010	4	154.6	0.3%	602.7	104.7	10.9
2010	3	154.1	0.4%	601.2	104.8	11.1
2010	2	153.5	0.3%	599.9	105.0	11.2
2010	1	153.0	0.4%	599.2	105.3	11.4
2009	12	152.4	0.3%	599.6	105.9	11.5
2009	11	151.9	0.4%	600.7	106.6	11.5
2009	10	151.3	0.3%	602.1	107.5	11.4
2009	9	150.9	0.2%	603.6	108.3	11.4
2009	8	150.6	0.1%	605.1	109.2	11.3
2009	7	150.4	0.1%	606.7	110.1	11.2
2009	6	150.3	0.0%	608.4	111.0	11.2
2009	5	150.3	-0.1%	610.4	112.2	11.2
2009	4	150.5	-0.3%	613.2	113.6	11.0
2009	3	150.9	-0.5%	616.8	115.4	10.7
2009	2	151.6	-0.6%	621.4	117.6	10.2
2009	1	152.5	-0.7%	626.8	120.1	9.6
2008	12	153.5	-0.7%	632.5	122.7	8.8
2008	11	154.6	-0.6%	637.7	125.0	8.1
2008	10	155.6	-0.5%	642.0	127.0	7.5
2008	9	156.4	-0.4%	645.0	128.4	7.0
2008	8	157.1	-0.3%	646.8	129.4	6.6
2008	7	157.6	-0.3%	647.9	130.2	6.2
2008	6	158.0	-0.2%	648.9	131.0	5.9
2008	5	158.3	-0.1%	650.2	131.8	5.6
2008	4	158.5	-0.1%	651.7	132.7	5.4
2008	3	158.6	0.1%	653.1	133.4	5.2
2008	2	158.5	0.1%	653.9	134.0	5.0
2008	1	158.3	0.1%	653.9	134.4	4.9
2007	12	158.2	0.1%	653.4	134.7	4.9
2007	11	158.0	0.1%	652.9	135.0	4.8
2007	10	157.9	0.1%	652.6	135.2	4.8
2007	9	157.8	0.1%	652.7	135.5	4.8
2007	8	157.6	0.2%	653.0	136.0	4.7
2007	7	157.3	0.3%	653.2	136.5	4.7
2007	6	156.9	0.3%	653.3	137.0	4.7
2007	5	156.5	0.3%	653.1	137.4	4.7
2007	4	156.1	0.2%	652.7	137.9	4.7
2007	3	155.8	0.2%	652.0	138.3	4.7
2007	2	155.5	0.2%	651.4	138.5	4.7
2007	1	155.2	0.3%	650.7	138.6	4.8