Center for Business and Economic Research

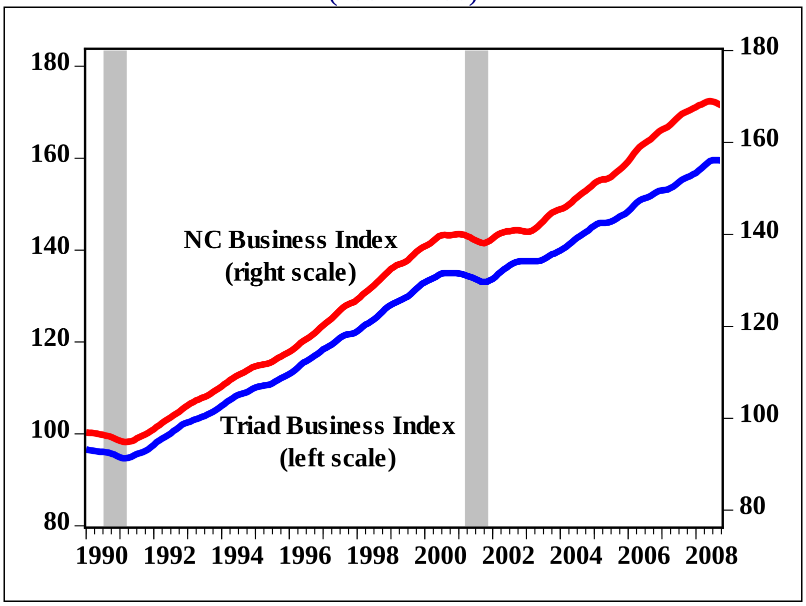
Triad Business Index

(October 2008)

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

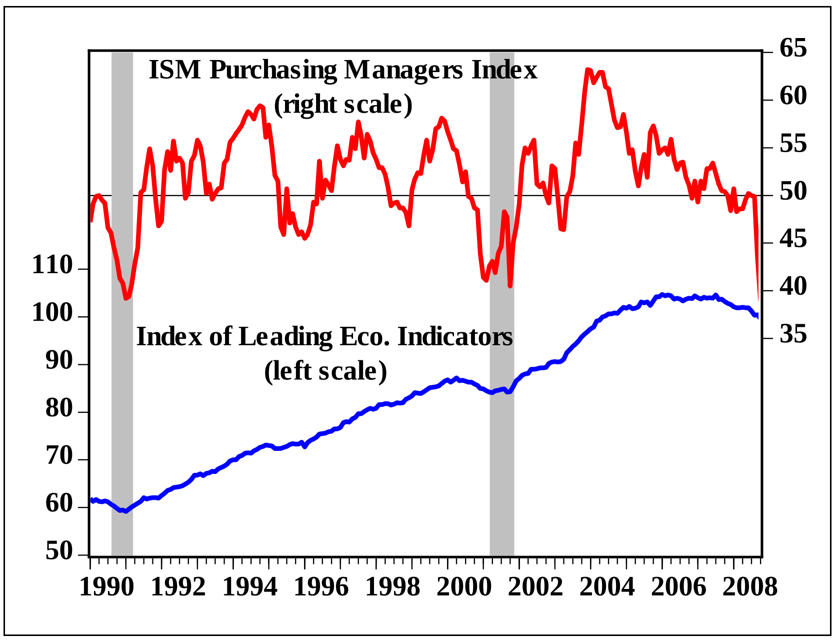
The level of economic activity in the Piedmont Triad[1], as measured by the Piedmont Triad Business Index (1992 = 100), dipped -0.1 percent in October but has gained 2.3 percent over the past 12 months. In contrast, business activity in NC was off -0.2 percent this month and has gained 0.8 percent over the past year.

Triad Business Index
(1992 = 100)



The national index of leading indicators was down -0.8 percent in October, while the Purchasing Managers Index fell to 38.9, indicating a sharp drop in manufacturing and a recession in overall economic activity.

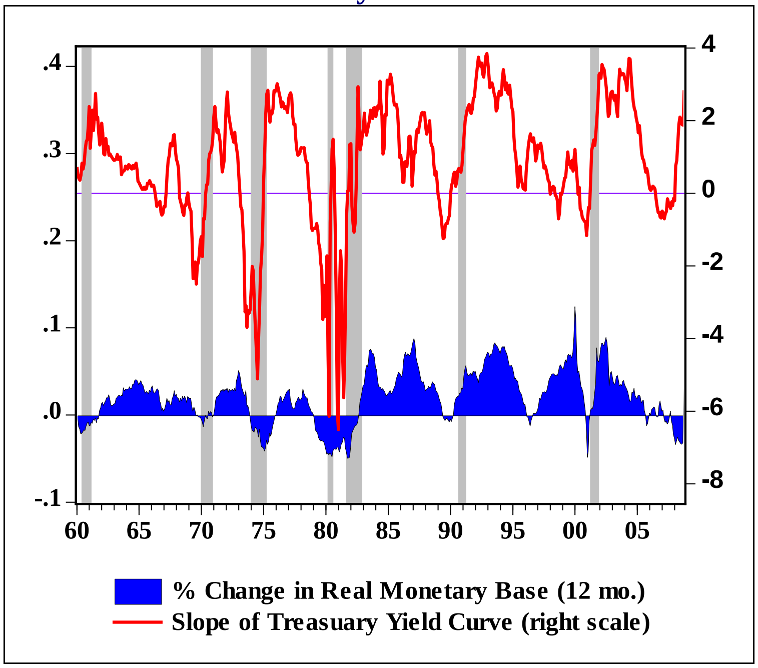
National Economic Indicators



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

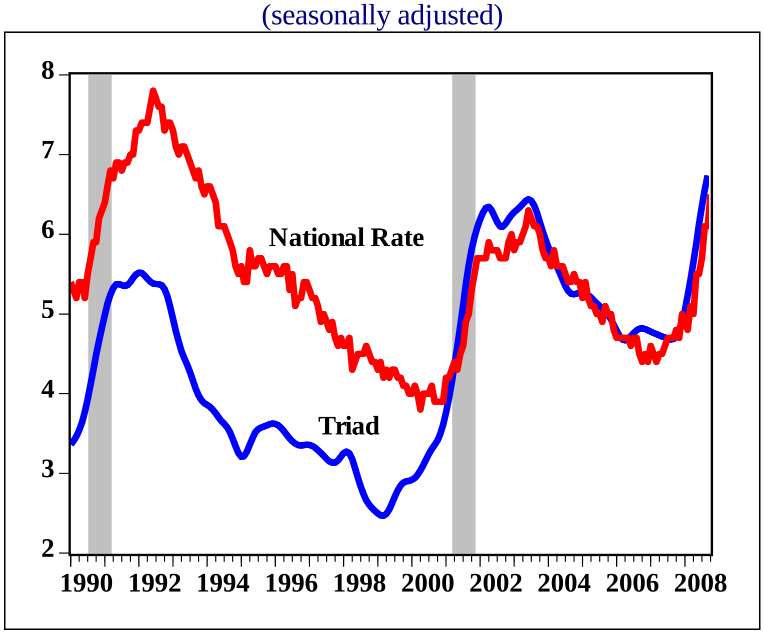
Two monetary indicators which normally lead any upturn in the national economy shifted strongly into positive territory. The real monetary base exploded upward by 32.0 percent over the past 12 months, as the Federal Reserve aggressively expanded its balance sheet extending credit to the banking system, and the spread between the 10-year T-bond and the federal funds rate (or the slope of the Treasury Yield Curve) rose to 2.8 percent as the Fed pushed down short-term lending rates.

Monetary Indicators



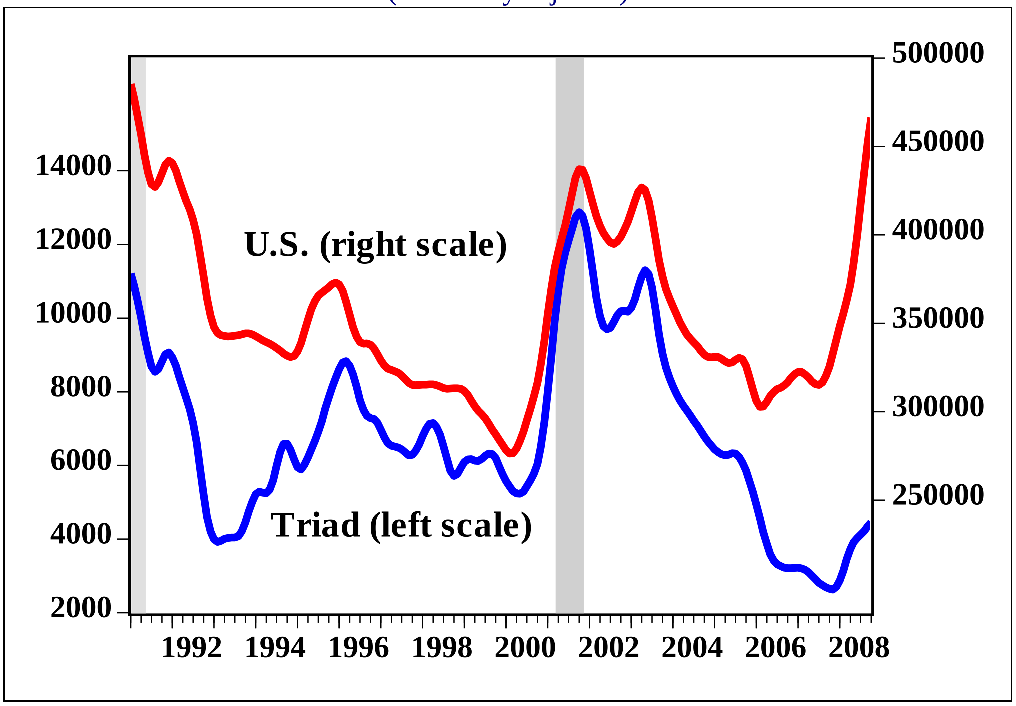
The seasonally adjusted rate of unemployment in the Triad was 7.1 percent in October, up 2.4 percentage points over the past 12 months. The national unemployment rate was 6.5 percent, up 1.7 percentage points over the past year.

Unemployment Rate
(seasonally adjusted)



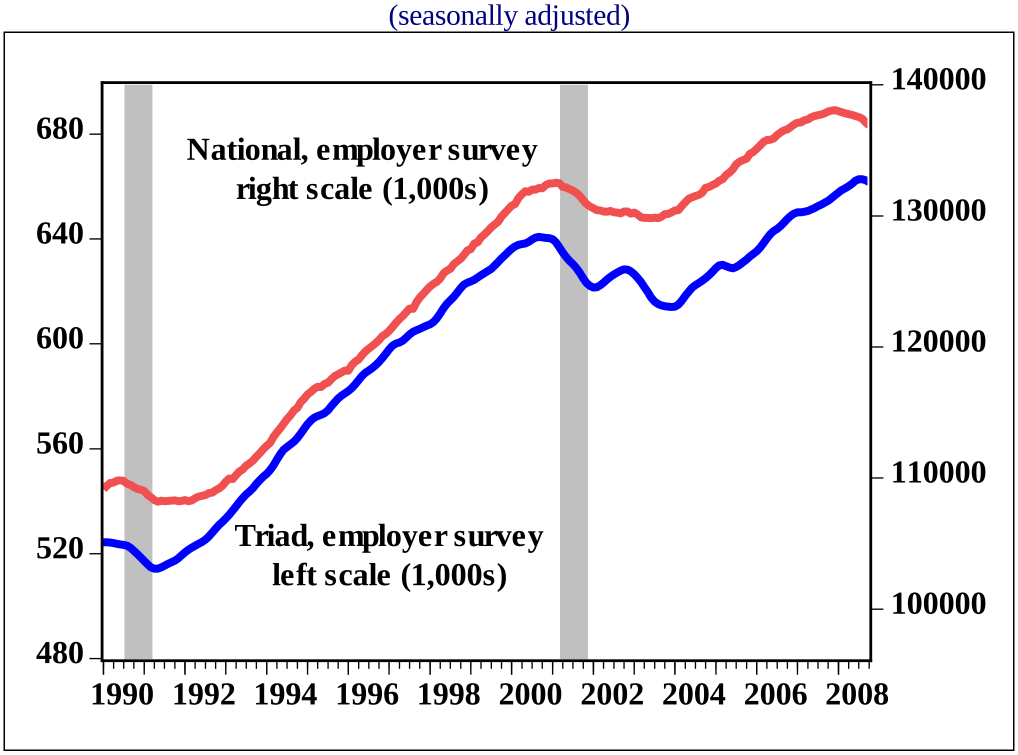
Initial claims for unemployment insurance are a leading indicator for the unemployment rate. Claims in the Triad were up 2.8 percent in October and have risen 51.3 percent over the past 12 months.

Initial Claims for Unemployment Insurance
(seasonally adjusted)



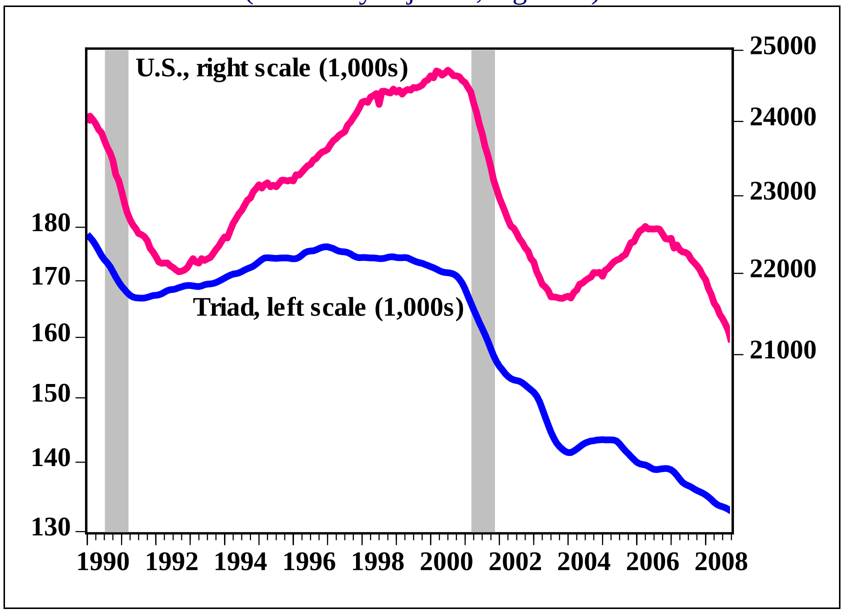
Total nonagricultural wage and salary employment (employer survey) in the Piedmont Triad was lower by -0.1 percent in October. Over the past 12 months, employment has gained 1.1 percent. For the nation as a whole, employment slipped -0.2 percent in October. Over the past 12 months, national employment has declined -0.8 percent.

Total Employment
(seasonally adjusted)



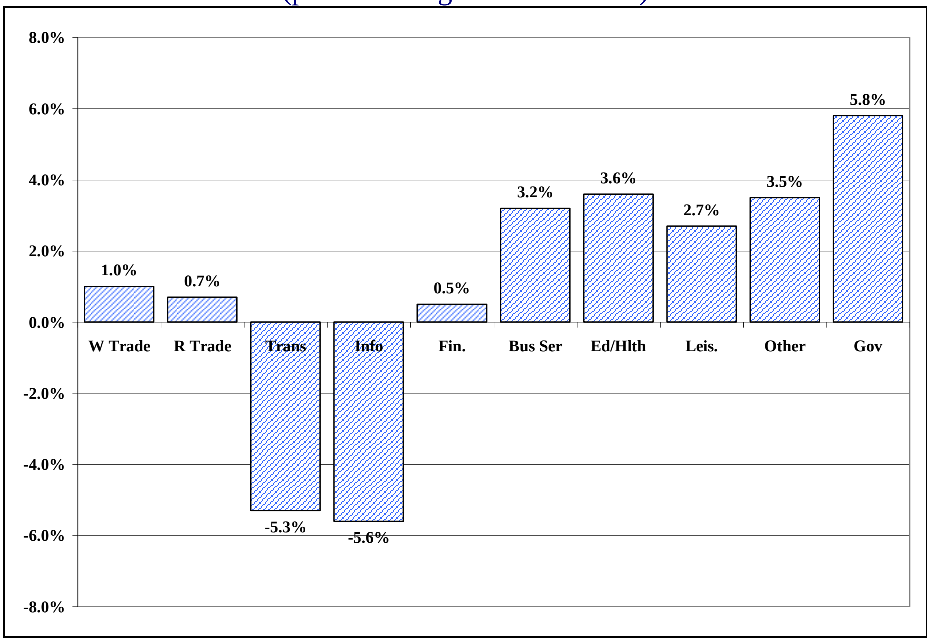
Goods-producing employment in the Triad was down -0.2 percent in October. At the national level, goods-producing employment was off -0.6 percent. Over the past 12 months, the number of goods-producing jobs in the Triad has fallen -2.2 percent, while goods-producing employment nationally has declined -4.3 percent.

Goods Producing Employment
(seasonally adjusted, log scale)



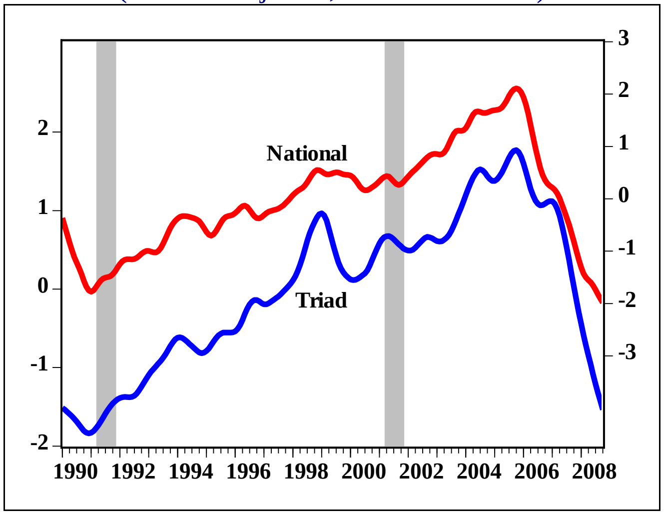
The number of persons in the Triad employed in the service-producing sector slipped -0.1 percent in October. Over the past 12 months, the number of jobs in the service-producing sector has grown 1.9 percent, while service producing employment nationally has lost -0.1 percent. Over the past year, service-producing employment has grown most rapidly in government and in education and healthcare services, where employment has increased 5.8 and 3.6 percent respectively. Employment has declined in transportation and information services.

Service-Producing Employment
(percent change last 12 months)



Residential building permits, which reflect planned construction, were off -5.9 percent this month. Over the past 12 months, the pace of planned residential building has fallen -47.5 percent. Construction employment has dropped -1.8 percent over the past year but was essentially unchanged this month.

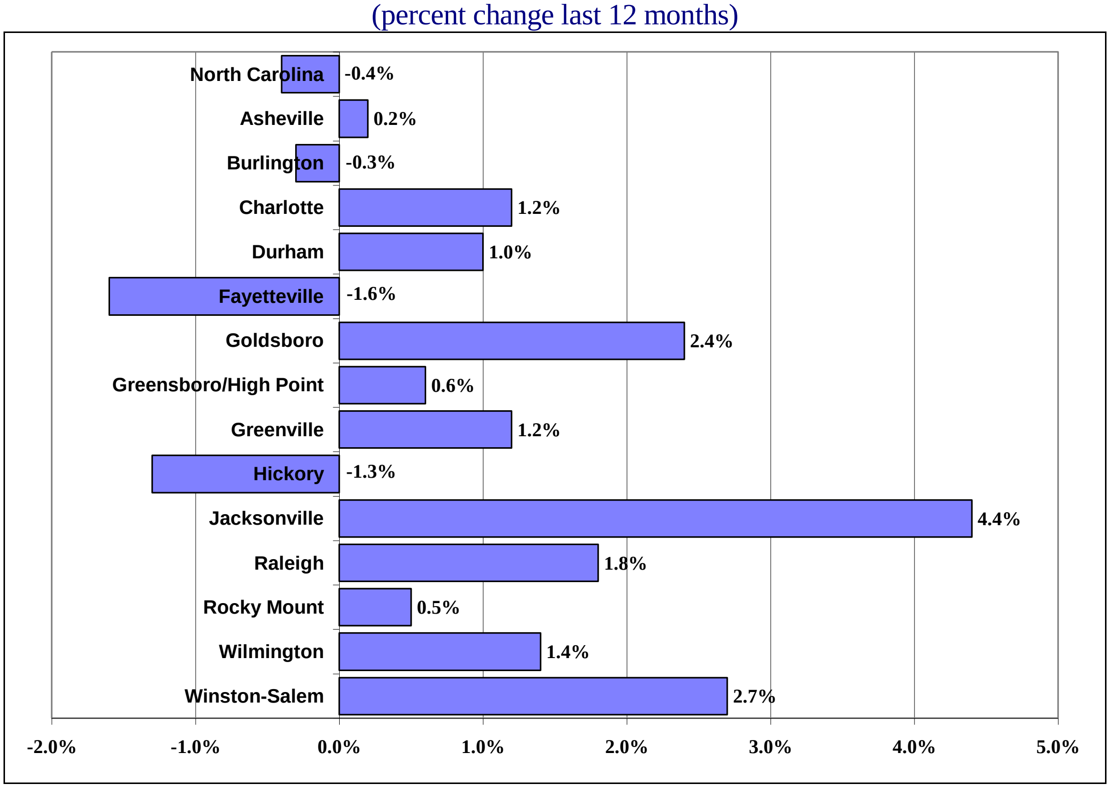
Residential Building Permits
(inflation-adjusted, normalized scale)



Retail sales totaled $1.7 billion in October. Corrected for inflation and seasonal variation, retail spending was down -1.5 percent from September and -5.1 percent from October of last year.

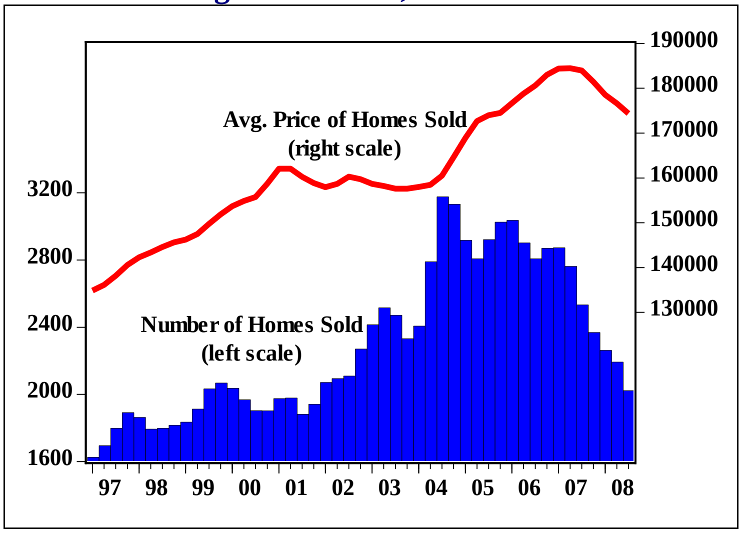
Total employment across the state has declined -0.4 percent during the past 12 months. Among major metropolitan areas, the largest percentage increases were in Jacksonville and Winston-Salem where employment rose 4.4 and 2.7 percent respectively. Employment growth was slowest in Fayetteville and Hickory, where employment was down -1.6 and -1.3 percent respectively. The unemployment rate in North Carolina was 7.0 percent, up 0.1 percentage points from last month and 2.3 percentage points over the past 12 months.

MSA Employment Growth
(percent change last 12 months)



The number of existing, single-family homes sold in the Triad totaled 2,027 in the 3rd quarter of 2008, after adjustment for seasonal variation. The number sold was down -7.8 percent compared to the level of sales recorded in the 2nd quarter, and it was -20.1 percent below the number sold during the 3rd quarter one year ago.

Existing Homes Sold, 1997.1 – 2008.3



At the end of the 3rd quarter of 2008, the inventory of homes on the market was 9,052, or 4.4 times the number of homes sold in the 3rd quarter. At the current sales pace, it will take 13.2 months to exhaust the existing inventory. The number of existing homes offered for sale was up 2.3 percent from what it was at the end of the 2nd quarter, and it was 1.5 percent higher than at the end of the 3rd quarter one year ago.

The price of the average home sold in the 3rd quarter was off -1.3 percent from the previous quarter. The average quality-adjusted price of an existing home in the Triad was $174,396. The average this quarter was down -5.2 percent from the average recorded in the 3rd quarter of last year.

The number of real estate foreclosures in the Triad was of -0.4 percent in October but has risen 8.3 percent over the past 12 months.

Real Estate Foreclosures
(log scale)

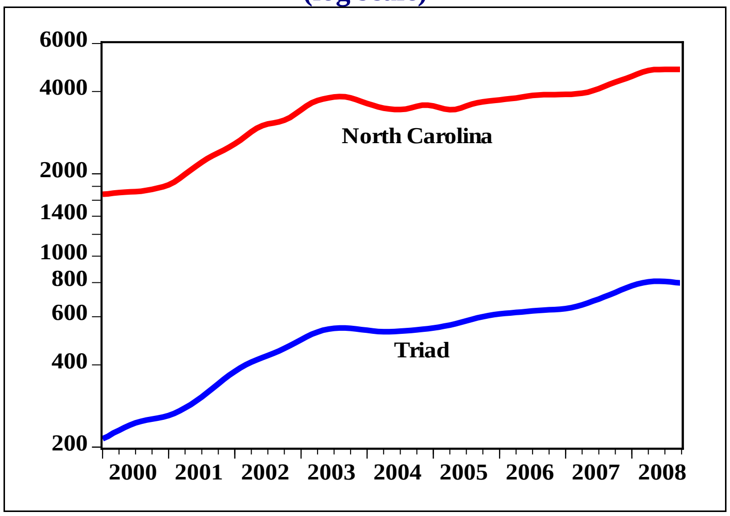


Table 1: Triad Business Index

(October 2008)

Indicators	Oct. 2008	Sept. 2008	Aug. 2008	Oct. 2007	% Chg Month Ago	% Chg Year Ago
Piedmont-Triad Bus. Index	**159.5**	**159.6**	**159.6**	**155.9**	**-0.1%**	**2.3%**
NC Business Index	**168.1**	**168.4**	**168.7**	**166.8**	**-0.2%**	**0.8%**
Unemployment Rate	7.1	6.9	6.7	4.7	0.2	2.4
Initial Claims for Unemployment Ins.	4,010	4,125	4,211	2,651	-2.8%	51.3%
Total Employment (1,000s)	661.7	662.4	662.8	654.6	-0.1%	1.1%
Goods-producing	132.9	133.1	133.3	135.9	-0.2%	-2.2%
Construction	33.1	33.1	33.0	33.7	0.0%	-1.8%
Manufacturing	99.8	100.0	100.3	102.2	-0.2%	-2.3%
Service-producing	528.8	529.3	529.5	518.7	-0.1%	1.9%
Wholesale Trade	30.5	30.4	30.4	30.2	0.3%	1.0%
Retail Trade	72.9	72.9	72.9	72.4	0.0%	0.7%
Transportation	25.2	25.3	25.5	26.6	-0.4%	-5.3%
Information	8.4	8.4	8.5	8.9	0.0%	-5.6%
Financial	38.0	38.0	38.1	37.8	0.0%	0.5%
Prof. & Business	84.1	84.1	84.0	81.5	0.0%	3.2%
Education & Health	104.4	104.1	103.7	100.8	0.3%	3.6%
Leisure	60.8	60.7	60.6	59.2	0.2%	2.7%
Other	26.8	26.8	26.7	25.9	0.0%	3.5%
Government	79.8	79.6	79.4	75.4	0.3%	5.8%
Retail Sales ($ millions)	$1,745.8	$1,772.3	$1,789.3	$1,839.7	-1.5%	-5.1%
Residential Building Permits ($1,000s)	$50,683	$53,870	$56,901	$96,552	-5.9%	-47.5%
Real Estate Foreclosures	797	800	805	736	-0.4%	8.3%
NATIONAL INDICATORS:						
Unemployment Rate	6.5	6.1	6.1	4.8	0.4	1.7
Total Employment (1,000s)	136,899.0	137,139.0	137,423.0	137,977.0	-0.2%	-0.8%
Goods-producing	21,152.0	21,284.0	21,367.0	22,101.0	-0.6%	-4.3%
Service-producing	115,747.0	115,855.0	116,056.0	115,876.0	-0.1%	-0.1%
Retail Sales ($ millions)	$363,696	$370,324	$375,176	$393,029	-1.8%	-7.5%
Res. Bldg. Permits (units in 1,000s)	824	849	879	1,229	-2.9%	-33.0%
Consumer Price Index (CPI-U,sa)	216.6	218.8	218.8	209.1	-1.0%	3.6%
Index of Leading Eco. Indicators	99.6	100.4	100.3	103.2	-0.8%	-3.5%
Initial Claims for Unemployment Ins.	466,326	451,822	435,395	325,573	3.2%	43.2%
ISM Purchasing Managers Index	38.9	43.5	49.9	50.4	-10.6%	-22.8%

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 2008 dollars.

Figures are compiled by Dr. G. Donald Jud, Bryan School of Business & Economics, UNCG, Phone: 336/334-3091 E-mail: Juddon@uncg.edu. This report is available on the Web at http://www.uncg.edu/~juddon

Table 2: North Carolina Economic Indicators

(October 2008)

AREA INDICATORS:	THIS MONTH	LAST MONTH	YEAR AGO	% CHANGE LAST MONTH	% CHANGE YEAR AGO
Asheville					
Total Employment (1,000s)	179.4	179.7	179.0	-0.2%	0.2%
Unemployment Rate (%)	5.7	5.6	3.7	0.1%	2.0%
Burlington					
Total Employment (1,000s)	61.3	61.4	61.5	-0.2%	-0.3%
Unemployment Rate (%)	7.4	7.2	5.0	0.2%	2.4%
Charlotte					
Total Employment (1,000s)	873.5	875.3	863.2	-0.2%	1.2%
Unemployment Rate (%)	7.2	7.0	4.8	0.2%	2.4%
Durham					
Total Employment (1,000s)	293.0	293.0	290.0	0.0%	1.0%
Unemployment Rate (%)	5.4	5.3	3.8	0.1%	1.6%
Fayetteville					
Total Employment (1,000s)	50.5	50.6	51.3	-0.2%	-1.6%
Unemployment Rate (%)	6.9	6.8	5.1	0.1%	1.8%
Goldsboro					
Total Employment (1,000s)	46.4	46.4	45.3	0.0%	2.4%
Unemployment Rate (%)	6.5	6.4	4.7	0.1%	1.8%
Greensboro/High Point					
Total Employment (1,000s)	375.9	376.1	373.7	-0.1%	0.6%
Unemployment Rate (%)	7.3	7.1	4.8	0.2%	2.5%
Greenville					
Total Employment (1,000s)	78.9	79.0	78.0	-0.1%	1.2%
Unemployment Rate (%)	7.4	7.2	5.0	0.2%	2.4%
Hickory					
Total Employment (1,000s)	161.4	161.9	163.6	-0.3%	-1.3%
Unemployment Rate (%)	8.5	8.3	5.8	0.2%	2.7%
Jacksonville					
Total Employment (1,000s)	47.9	47.8	45.9	0.2%	4.4%
Unemployment Rate (%)	6.3	6.2	4.5	0.1%	1.8%
Raleigh					
Total Employment (1,000s)	531.5	531.4	522.3	0.0%	1.8%
Unemployment Rate (%)	5.6	5.4	3.6	0.2%	2.0%
Rocky Mount					
Total Employment (1,000s)	64.9	65.0	64.6	-0.2%	0.5%
Unemployment Rate (%)	10.1	9.8	6.2	0.3%	3.9%
Wilmington					
Total Employment (1,000s)	150.0	150.1	147.9	-0.1%	1.4%
Unemployment Rate (%)	6.6	6.4	4.2	0.2%	2.4%
Winston-Salem					
Total Employment (1,000s)	225.4	225.2	219.4	0.1%	2.7%
Unemployment Rate (%)	6.7	6.5	4.5	0.2%	2.2%
North Carolina					
Total Employment (1,000s)	4,149.8	4,157.7	4,166.4	-0.2%	-0.4%
Unemployment Rate (%)	7.0	6.9	4.7	0.1%	2.3%

Table 3: Triad Business Index Historical Values

Year	Mo.	Index	% Chg.	Total Employment	Goods Producing	U/R
2008	10	159.5	-0.1%	661.7	132.9	7.1
2008	9	159.6	0.0%	662.4	133.1	6.9
2008	8	159.6	0.0%	662.8	133.3	6.7
2008	7	159.6	0.1%	662.8	133.5	6.4
2008	6	159.4	0.3%	662.2	133.6	6.1
2008	5	158.9	0.3%	661.1	133.8	5.9
2008	4	158.4	0.4%	660.2	134.2	5.6
2008	3	157.8	0.3%	659.4	134.6	5.4
2008	2	157.3	0.3%	658.7	134.9	5.2
2008	1	156.8	0.2%	657.8	135.2	5.1
2007	12	156.5	0.3%	656.7	135.5	4.9
2007	11	156.1	0.1%	655.6	135.7	4.8
2007	10	155.9	0.2%	654.6	135.9	4.7
2007	9	155.6	0.2%	653.8	136.1	4.7
2007	8	155.3	0.3%	653.2	136.3	4.7
2007	7	154.8	0.3%	652.6	136.5	4.7
2007	6	154.3	0.3%	651.8	136.8	4.7
2007	5	153.8	0.2%	651.2	137.0	4.7
2007	4	153.5	0.2%	650.7	137.5	4.7
2007	3	153.2	0.1%	650.4	138.1	4.7
2007	2	153.1	0.1%	650.3	138.6	4.8
2007	1	153.0	0.1%	650.2	138.9	4.8
2006	12	152.9	0.2%	649.7	139.0	4.8
2006	11	152.6	0.3%	648.9	139.1	4.8
2006	10	152.2	0.3%	647.6	139.1	4.8
2006	9	151.8	0.2%	646.2	139.0	4.8
2006	8	151.5	0.1%	644.9	138.9	4.8
2006	7	151.3	0.1%	643.9	138.9	4.8
2006	6	151.1	0.2%	643.1	139.1	4.7
2006	5	150.8	0.3%	641.8	139.4	4.7
2006	4	150.3	0.4%	640.3	139.6	4.7
2006	3	149.7	0.5%	638.5	139.7	4.7
2006	2	149.0	0.4%	636.8	139.8	4.7
2006	1	148.4	0.3%	635.4	140.0	4.8