

Center for Business and Economic Research

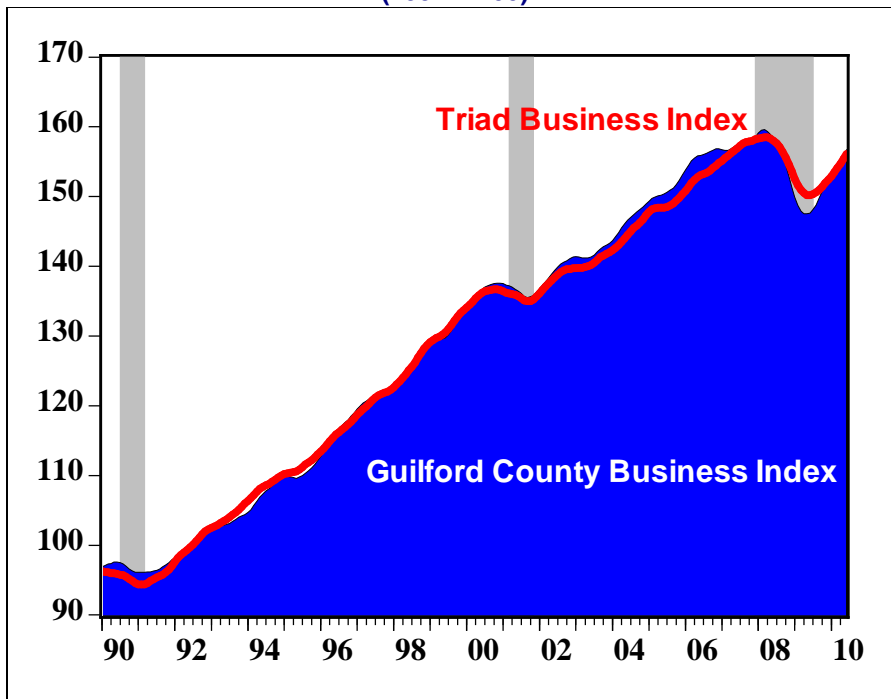
Guilford Business Index (June 2010)

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 Guilford County, NC, as measured by the Guilford Business Index (1992 = 100), rose 0.6% in June (see Table 1). The index, which tracks the pace of economic activity in Guilford County, registered 156.7.

Over the past year, economic activity in Guilford County has risen faster than in the Triad at large.¹ The Guilford Index has gained 6.1% compared to a 3.9% increase recorded by the Triad Business Index.

Guilford Business Index
(1992 = 100)



Unemployment Rate

The unemployment rate in Guilford County in June was 10.4%, down 0.3 percentage points from the revised figure for May. The rate of unemployment this month was substantially lower than the 11.2% rate one year ago and indicates the strength of the recent recovery in the local economy.

The unemployment rate reflects the percentage of the labor force which is unemployed but actively seeking employment. It generally is considered to be a lagging economic indicator. The rate is tabulated each month by the Bureau of Labor Statistics based on a nationwide survey of households.

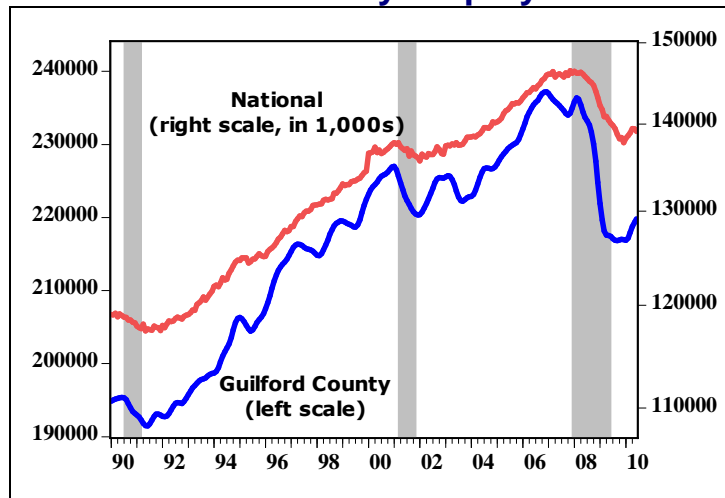
¹ The Triad is defined as an eight-county area that is composed of Alamance, Davie, Forsyth, Guilford, Randolph, Rockingham, Stokes, and Yadkin.

Employment

The number of persons employed in Guilford County (from the household survey) stood at 219,800, up 0.2% from May. In comparison, national employment (from the household survey) was off 0.2% this month. Over the past 12 months, county employment has risen 1.1%, while at the national level, employment (from the household survey) has declined 0.7%.

The number that is reported here for persons employed in Guilford County is tabulated each month by the Bureau of Labor Statistics based on its monthly household survey. It reflects the number of persons living in Guilford County who reported they were actively employed during the month. Employment normally is considered to be a very strong, consistent coincident indicator of economic activity.

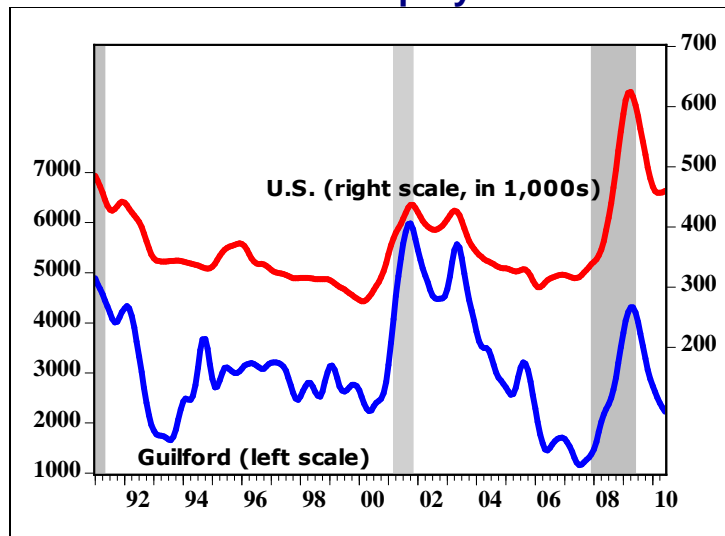
Guilford County Employment



Initial Claims

Initial claims represent first-time filers for unemployment compensation and are generally considered a leading indicator of the unemployment rate. In June, initial claims moved down 3.9% and are down 48.4% over the past 12 months. There were 2,157 first-time filers for unemployment insurance this month, or 1.0% of those employed in the county. Nationally, claims rose 1.4% in June.

Initial Claims for Unemployment Insurance



Consumer Spending

Consumer spending is normally thought to be a coincident indicator of economic activity. Spending, as measured by retail sales, was up 0.2% in June, after correction for price-level change. Over the past year, retail sales have risen 5.6% in Guilford County, while, at the national level, real retail sales were up 5.3%.

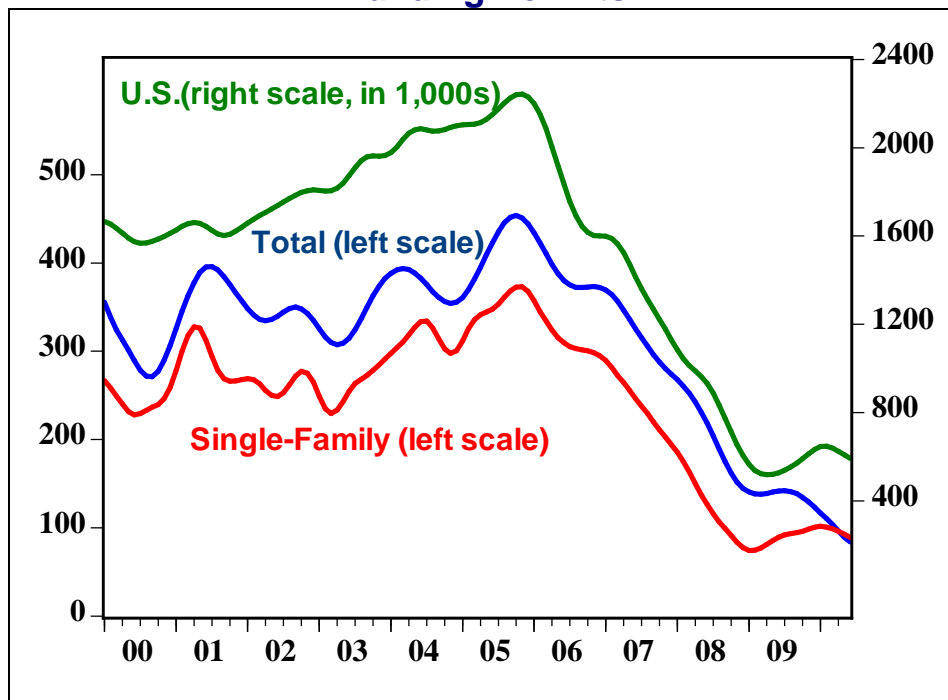
Guilford County sales tax collections were off 0.5% this month, and are down 4.1% over the past 12 months, unadjusted for inflation.

Residential Building Permits

Planned building activity, as measured by total residential building permits, declined 5.6% in June and is down 40.8% over the past year. Single-family permits fell 4.3% in June but are unchanged over the past 12 months. At the national level, total residential permits declined 2.8% in June but are up 12.1% over the past year.

Residential building permits reflect the plans of builders for future residential construction. Permits generally lead actual building starts by 3 to 6 months and are considered an important leading indicator of future economic activity.

Building Permits

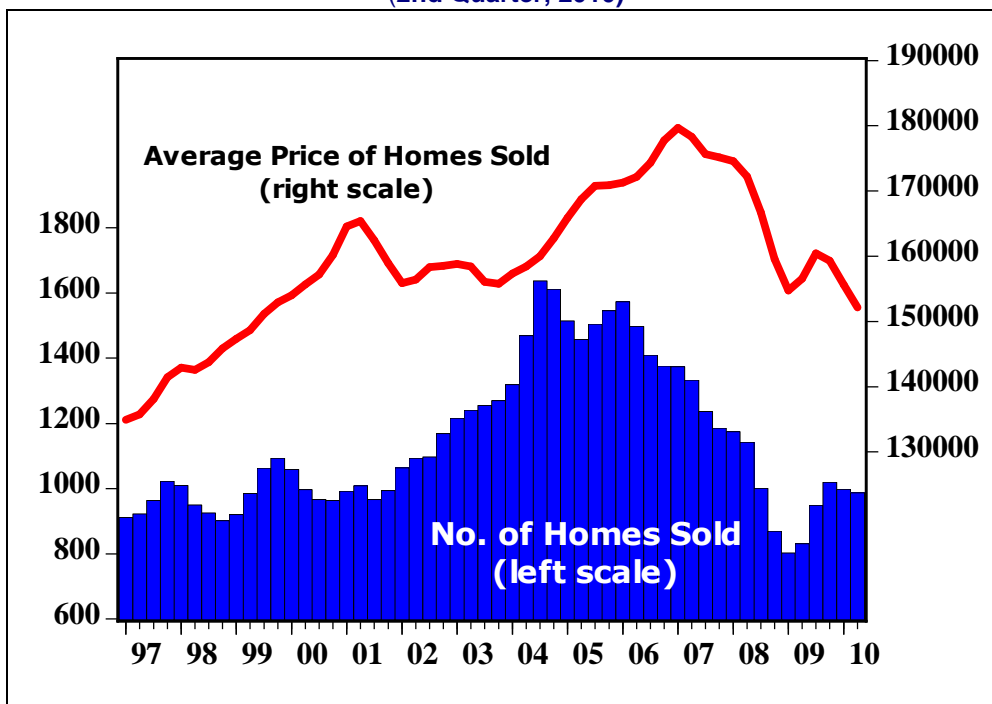


Housing Prices and Sales

Housing prices in Guilford County declined 2.3% in the 2nd quarter and are off 2.8% from the same period one year ago. There were 987 single-family home sales in the 2nd quarter. The number of homes sold slipped 1.1% in the 2nd quarter but rose 18.8% from last year. The number of homes listed for sale is up 12.9% from the 2nd quarter of last year. At the existing sales pace, it will take 10.8 months to exhaust the stock of homes on the market.

The housing sales and price data reported here are collected from the Triad Multiple Listing Service and reflect the sales and average prices paid for existing single-family homes in the county. Sale prices are quality adjusted to standardize the price series for size and other housing attributes. Housing sales and prices are a coincident indicator of economic activity. Generally, housing sales tend to lead any turn in housing prices.

Single-Family Existing Homes (2nd Quarter, 2010)



There were 369 real estate foreclosures in June, up 0.3% from June and up 9.8% over the past year. Foreclosures represent forced sales and are a depressing influence in the housing market.

Table 1: Guilford Business Indicators

(June 2010)

	June 2010	May 2010	Apr. 2010	June 2009	% Chg Month Ago	% Chg Year Ago
Monthly Indicators						
Guilford County Business Index	156.7	155.8	155.0	147.6	0.6%	6.1%
Triad Business Index	156.1	155.4	154.7	150.2	0.5%	3.9%
Initial Claims for Unemployment Ins.	2,157	2,245	2,344	4,183	-3.9%	-48.4%
Total Employment (1,000s)	219.8	219.4	218.7	217.4	0.2%	1.1%
Unemployment Rate (%)	10.4	10.7	10.9	11.2	-0.3	-0.8
Retail Sales (\$ millions)	\$484.9	\$483.9	\$482.4	\$459.0	0.2%	5.6%
Total Residential Building Permits (units)	84	89	96	142	-5.6%	-40.8%
Real Estate Foreclosures	369	368	365	336	0.3%	9.8%
Guilford Co. Sales Tax Collections	\$9,236,187	\$9,279,946	\$9,300,004	\$9,633,179	-0.5%	-4.1%
Quarterly Indicators						
Number of Existing Housing Sales	987	998	1,019	831	-1.1%	18.8%
Avg. Housing Price	\$152,123	\$155,647	\$159,311	\$156,576	-2.3%	-2.8%
Number of Homes on the Market	3,559	3,406	2,862	3,152	4.5%	12.9%
NATIONAL INDICATORS:						
Total Employment (1,000s)	139,119	139,420	139,455	140,038	-0.2%	-0.7%
Unemployment Rate (%)	9.5	9.7	9.9	9.5	-0.2	0.0
Retail Sales (\$ millions)	\$365,058	\$363,686	\$361,891	\$346,547	0.4%	5.3%
Res. Bldg. Permits (units in 1,000s)	592	609	625	528	-2.8%	12.1%
The Conference Board Leading Eco. Indx.	109.8	110.0	109.5	101.3	-0.2%	8.4%
ISM Purchasing Managers Index	56.2	59.7	60.4	45.3	-5.9%	24.1%
Initial Claims for Unemployment Ins.	467,000	460,400	459,100	604,500	1.4%	-22.7%
Consumer Price Index (CPI-U)	218.0	218.2	218	215.7	-0.1%	1.1%

All data are adjusted to eliminate statistical aberrations unrelated to trend and cycle. Monetary figures are deflated by the CPI-U to reflect inflation-adjusted 2010 dollars.

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