

Center for Business and Economic Research

Guilford Business Index

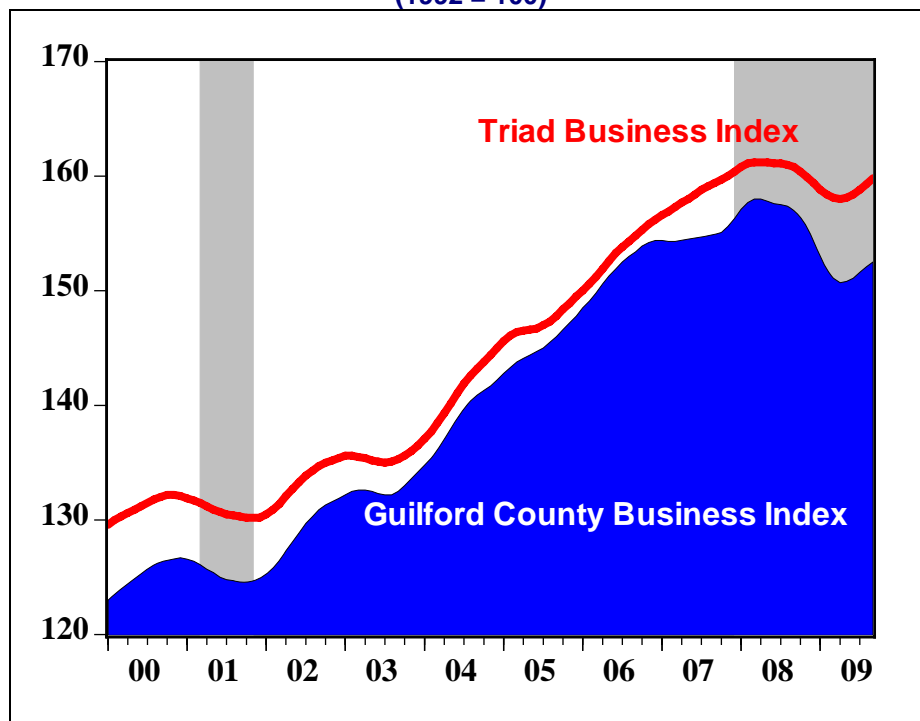
(September 2009)

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 0.3 percent in September (see Table 1). The index, which tracks the pace of economic activity in Guilford County, registered 152.5. This was the 5th consecutive monthly increase in the index since April.

Over the past year, economic activity in Guilford County has fallen more than in the Triad at large.¹ The Guilford Index has dropped -2.9 percent compared to a -0.6 percent decline recorded by the Triad Business Index.

Guilford Business Index
 (1992 = 100)



Unemployment Rate

The unemployment rate in Guilford County in September was 11.2 percent, unchanged from the revised figure for August. The rate of unemployment this month was up from 6.9 percent one year ago.

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.

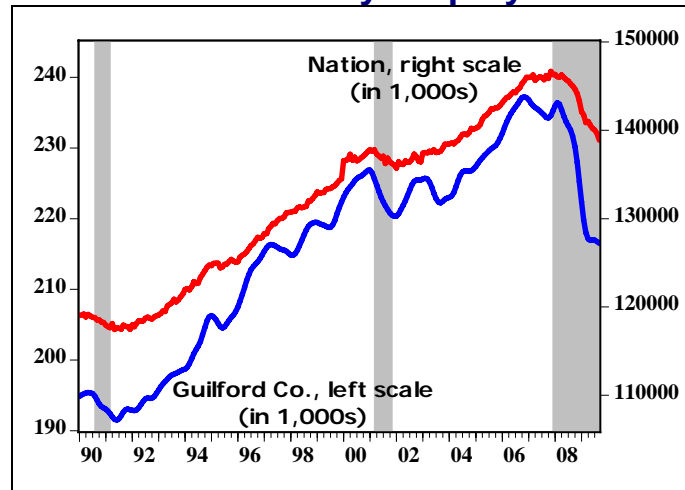
¹ The Triad is defined as an eight-county area that is composed of Alamance, Davie, Forsyth, Guilford, Randolph, Rockingham, Stokes, and Yadkin.

Employment

The number of persons employed in Guilford County (from the household survey) stood at 216,500 down -0.1 percent from August. In comparison, national employment (from the household survey) declined -0.6 percent this month. Over the past 12 months, county employment has fallen -6.6 percent, while at the national level, employment (from the household survey) has dipped -4.3 percent.

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.

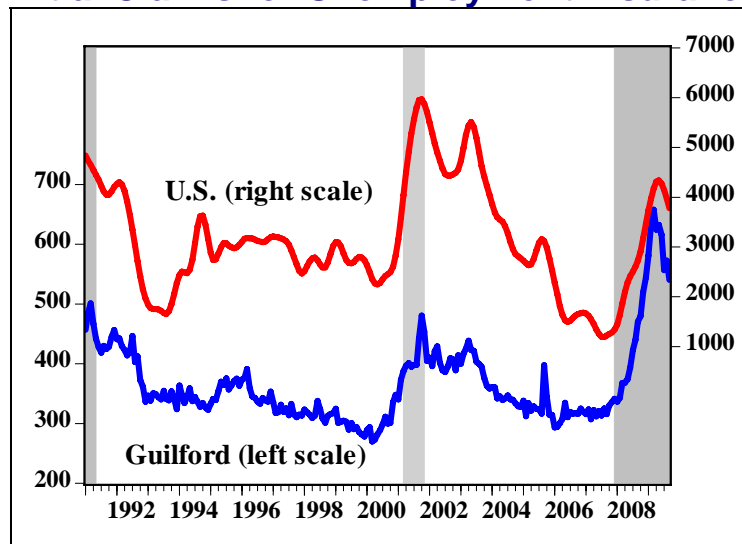
Guilford County Employment



Initial Claims

Initial claims represent first-time filers for unemployment compensation and are generally considered a leading indicator of the unemployment rate. In September, initial claims moved down 4.9 percent after jumping 38.4 percent over the past 12 months. There were 3,777 first-time filers for unemployment insurance this month, or 1.7 percent of those employed in the county. Nationally, claims declined -5.7 percent in September and represent 0.4 percent of those employed.

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 off -1.3 percent in September, after correction for price-level change. Over the past year, retail sales have fallen -8.3 percent in Guilford County, while, at the national level, real retail sales were off -5.7 percent.

Guilford County sales tax collections are down -18.5 percent over the past 12 months, unadjusted for inflation. Collections dropped -2.0 percent in September.

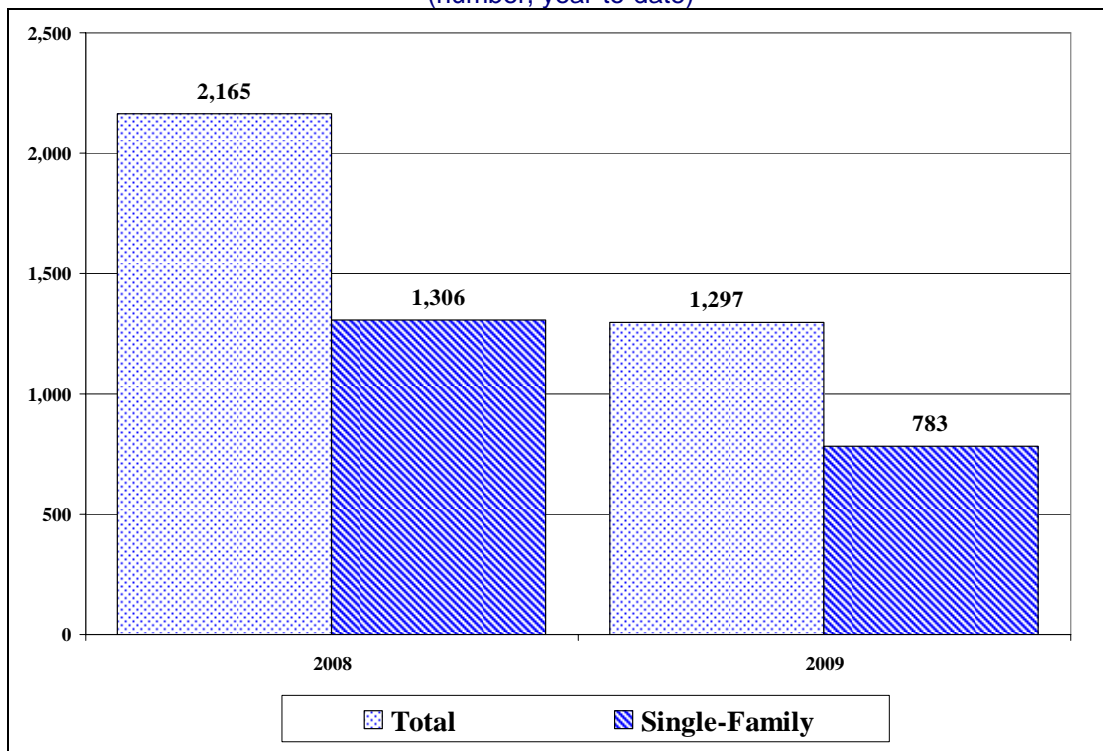
Residential Building Permits

Planned building activity, as measured by residential building permits (calculated on a year-to-date basis), fell -40.1 percent compared to September of last year. Single-family permits are down -40.0 percent.

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

(number, year-to-date)

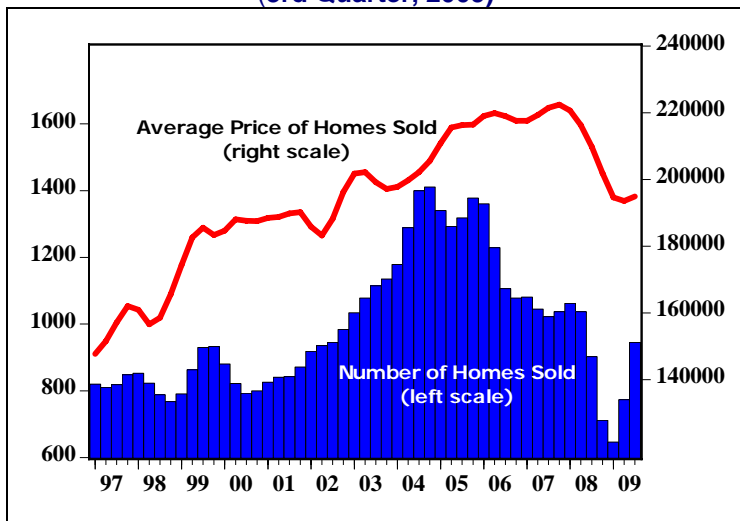


Housing Prices and Sales

In a major turnaround, housing prices in Guilford County rose 0.7 percent in the 3rd quarter but still are down -7.1 percent from the same period one year ago. The number of homes sold jumped 22.2 percent in the 3rd quarter and is up 4.7 percent from last year. The number of homes listed for sale is up 30.9 percent from the 2nd quarter. At the existing sales pace, it will take 13.1 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 (3rd Quarter, 2009)



There were 370 real estate foreclosures in September and 3,614 over the past 12 months. The number in September was up 28.3 percent from September of last year. Foreclosures represent forced sales and are a depressing influence in the housing market.

Table 1: Guilford Business Indicators
(September 2009)

					% Chg Month	% Chg Year
Monthly Indicators	Sep. 2009	Aug. 2009	Jul. 2009	Sep. 2008	Ago	Ago
Guilford County Bus. Index	152.5	152.1	151.6	157.0	0.3%	-2.9%
Piedmont-Triad Bus. Index	159.8	159.3	158.8	160.8	0.3%	-0.6%
Initial Claims for Unemployment Ins.	3,777	3,971	4,143	2,728	-4.9%	38.4%
Total Employment (1,000s)	216.5	216.8	217.0	231.7	-0.1%	-6.6%
Unemployment Rate (%)	11.2	11.2	11.1	6.9	0.1	4.3
Retail Sales (\$ millions)	1,154.0	1,169.7	1,144.8	1,258.7	-1.3%	-8.3%
Residential Building Permits (units, ytd)	1,178	n.a.	n.a.	2,046	n.a.	-42.4%
Real Estate Foreclosures	370	365	355	288	1.4%	28.3%
Guilford County Sales Tax Collections	\$8,989,141	\$9,116,913	\$9,298,512	\$11,189,973	-2.0%	-18.5%
Quarterly Indicators						
Number of Existing Housing Sales	945	774	646	903	22.1%	4.7%
Ave. Housing Price	\$194,945	\$193,529	\$194,667	\$209,772	0.7%	-7.1%
Number of Homes on the Market	4,127	3,152	3,170	3,552	30.9%	16.2%
NATIONAL INDICATORS:						
Initial Claims for Unemployment Ins.	540,300	573,000	556,500	470,400	-5.7%	14.9%
Total Employment (1,000s)	138,864	139,649	140,041	145,029	-0.6%	-4.3%
Unemployment Rate (%)	9.8	9.7	9.4	6.2	0.1	3.6
Retail Sales (\$ millions)	\$744,419	\$755,643	\$739,670	\$789,149	-1.5%	-5.7%
Res. Bldg. Permits (units in 1,000s)	575	580	564	805	-0.9%	-28.6%
Real Estate Foreclosures	332,292	342,569	360,149	410,237	-3.0%	-19.0%
ISM Purchasing Managers Index	52.6	52.9	48.9	43.4	-0.6%	21.2%
Consumer Price Index (CPI-U,sa)	216.0	215.8	215.4	218.8	0.1%	-1.3%

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.

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