

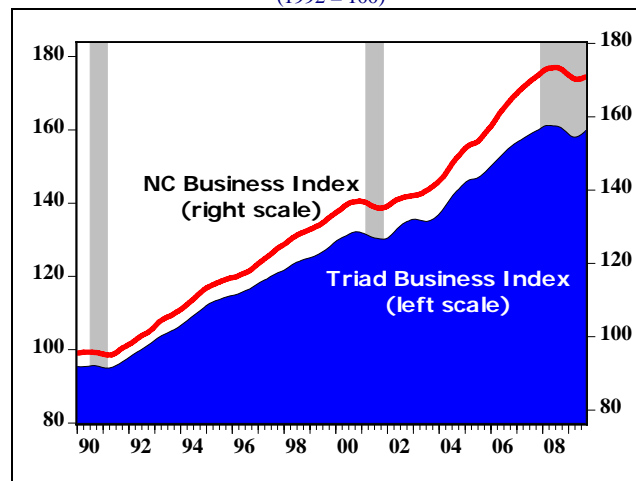
Center for Business and Economic Research

Triad Business Index (September 2009)

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

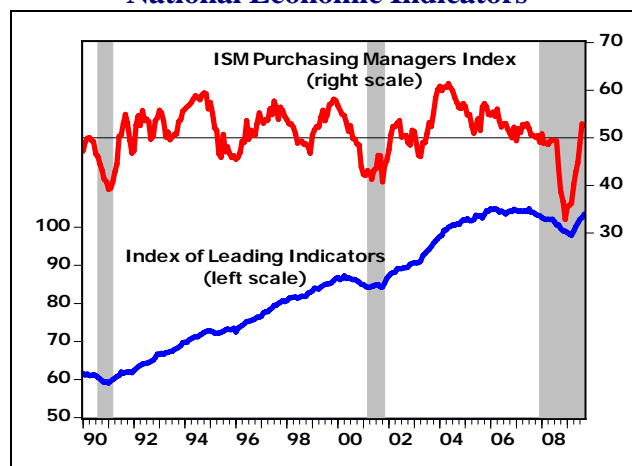
The level of economic activity in the Piedmont Triad¹, as measured by the Piedmont Triad Business Index (1992 = 100), rose 0.3 percent in September, recording its 5th monthly increase since April. Over the past year the index has fallen -0.6 percent. In comparison, business activity in NC was up 0.1 percent this month and has declined -1.3 percent over the past year.

Triad Business Index
(1992 = 100)



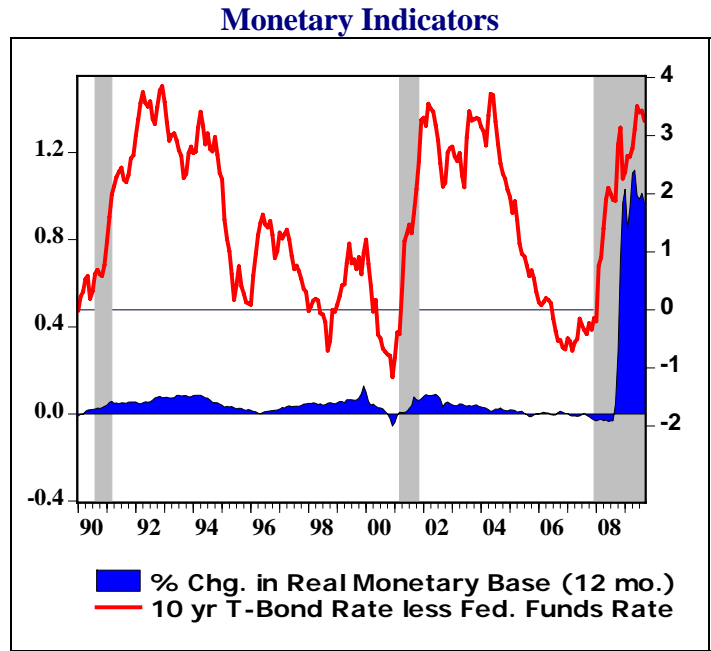
The national index of leading indicators was up 1.0 percent in September, recording a 6th consecutive monthly gain and signaling strongly that the national economy has entered a recovery. The Purchasing Managers Index slipped to 52.6, but still indicating a growing manufacturing sector and suggesting that the overall economy expanded at a 3.6 percent annualized rate in September.

National Economic Indicators

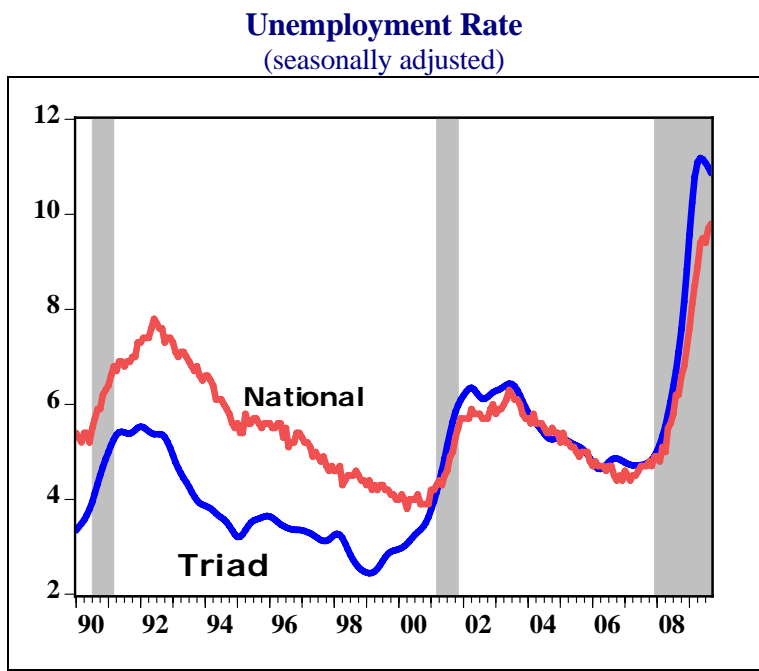


¹ The Triad is defined as an eight-county area that is composed of Alamance, Davie, Forsyth, Guilford, Randolph, Rockingham, Stokes, and Yadkin.

Two monetary indicators which normally lead any upturn in the national economy remained strongly in positive territory. The real monetary base exploded upward by 96.7 percent over the past 12 months, as the Federal Reserve aggressively expanded its balance sheet extending credit to the banking system. The spread between the 10-year T-bond and the federal funds rate (or the slope of the Treasury Yield Curve) was 3.25 percent, reflecting continued monetary ease. Both of these indicators continue to point toward an economic recovery.

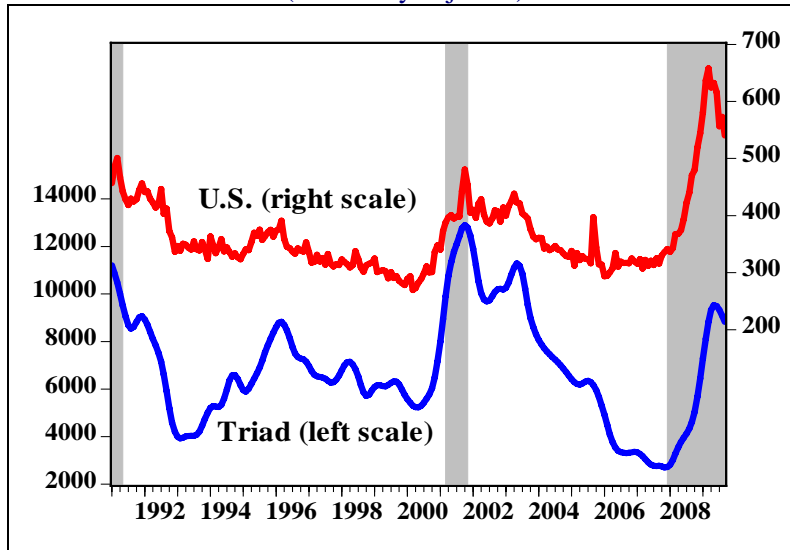


The seasonally adjusted rate of unemployment in the Triad was 10.9 percent in September, down 0.1 percentage point this month, but up 3.8 percentage points over the past 12 months. The national unemployment rate was 9.8 percent, up 0.1 percentage points this month and up 3.6 percentage points over the past year.



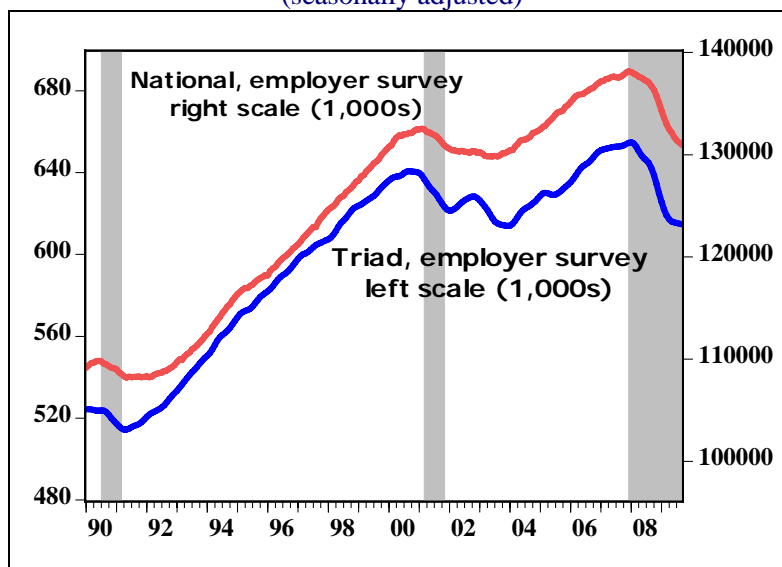
Initial claims for unemployment insurance are a leading indicator of the unemployment rate. Claims in the Triad were down -2.9 percent in September but have risen 91.5 percent over the past 12 months. In September, there were 8,828 new unemployment claims, or 1.4 percent of those employed in the Triad. Nationally, claims declined -5.7 percent in September, providing further evidence of a national economic recovery.

Initial Claims for Unemployment Insurance
(seasonally adjusted)



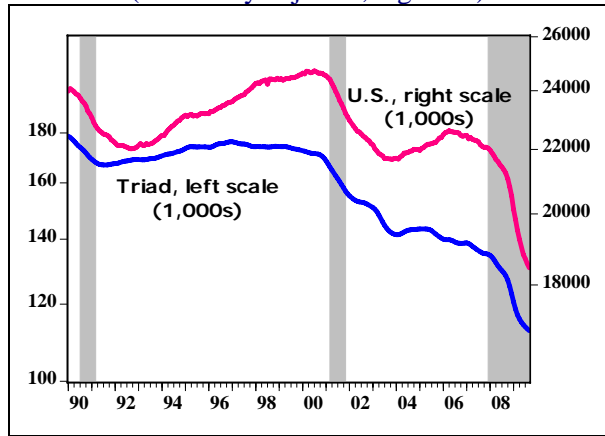
Total nonagricultural wage and salary employment (employer survey) in the Piedmont Triad was essentially unchanged in September. Over the past 12 months, employment has fallen -4.3 percent. For the nation as a whole, employment dipped -0.2 percent in September. Over the past 12 months, national employment has declined -4.2 percent.

Total Employment
(seasonally adjusted)



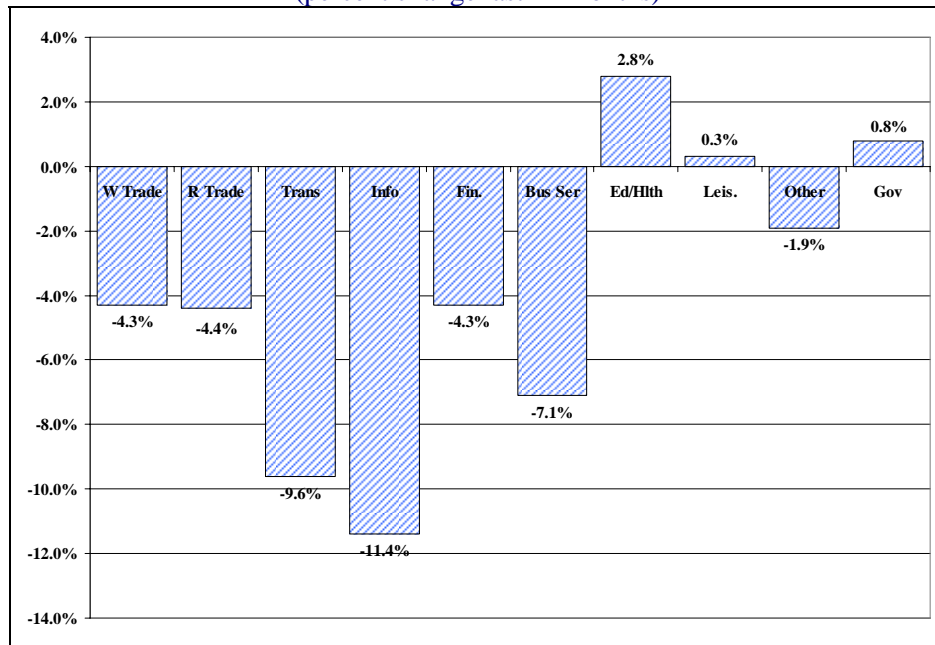
Goods-producing employment in the Triad was down -0.4 percent in September. At the national level, goods-producing employment was off -0.6 percent. Over the past 12 months, the number of goods-producing jobs in the Triad has fallen -12.2 percent, while goods-producing employment nationally has declined -13.1 percent.

Goods Producing Employment
(seasonally adjusted, log scale)



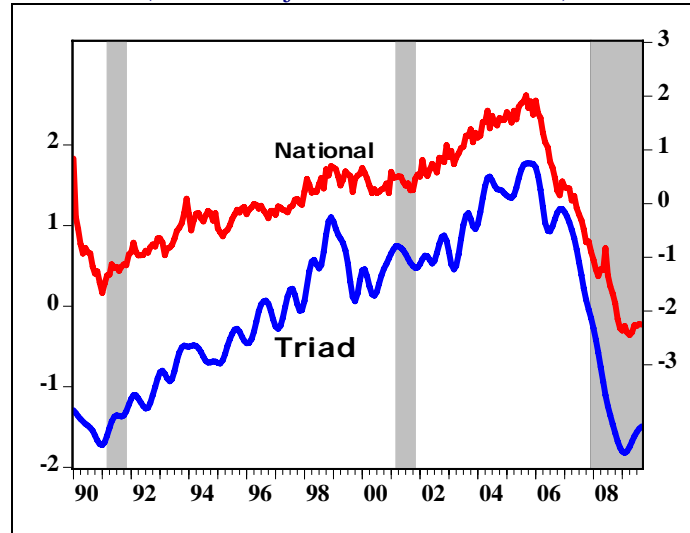
The number of persons in the Triad employed in the service-producing sector was essentially unchanged in September, but higher employment was recorded this month in education & healthcare, leisure, government, and other services. Over the past 12 months, the number of jobs in the service-producing sector has fallen -2.3 percent, while service producing employment nationally has lost -2.6 percent. Over the past year in the Triad, service-producing employment has grown in education & healthcare services (up 2.8%), leisure services (up 0.3%), and government (up 0.8%). Employment has declined in the other sectors of the service economy. The largest declines were in information services and transportation, where employment fell -11.4 and -9.6 percent respectively.

Service-Producing Employment
(percent change last 12 months)



In a continuing turnaround, residential building permits in the Triad, which reflect planned construction, were up 3.6 percent this month, rising for the 7th consecutive month. Over the past 12 months, the pace of planned residential building has risen 1.4 percent. Construction employment has fallen -17.2 percent over the past year and was off -0.8 percent this month.

Residential Building Permits
(inflation-adjusted, normalized scale)

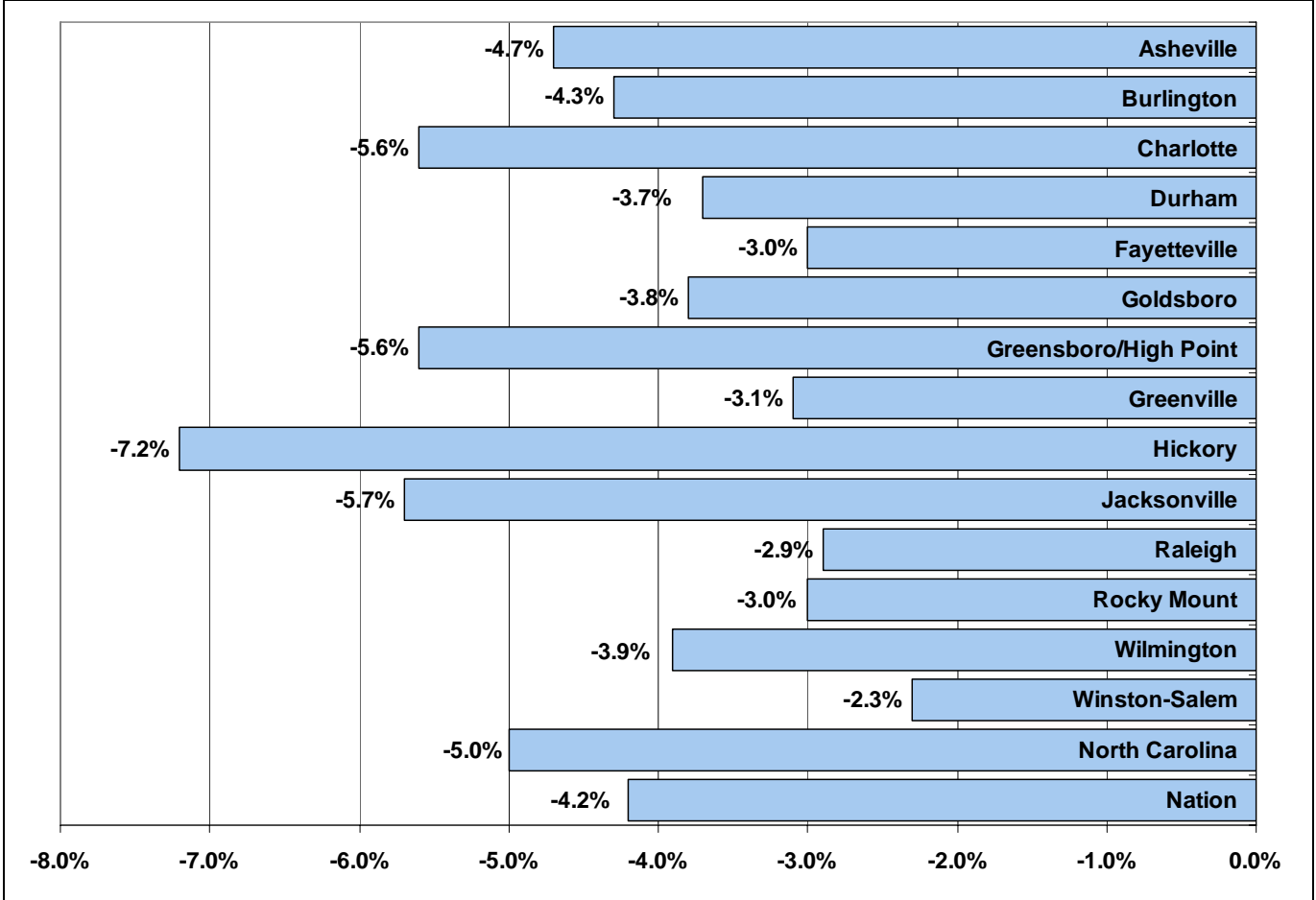


Retail sales totaled \$3.3 billion in September. Corrected for inflation and seasonal variation, retail spending was down -1.5 percent from August and was off -6.3 percent from September of last year.

Total employment across the state has declined -5.0 percent during the past 12 months. Among major metropolitan areas, employment has fallen in every area of the state. Employment recorded the largest declines in Hickory and Jacksonville, where employment was down -7.2 and -5.7 percent respectively. The smallest losses were in Winston-Salem and Raleigh, where employment declined -2.3 and -2.9 percent respectively.

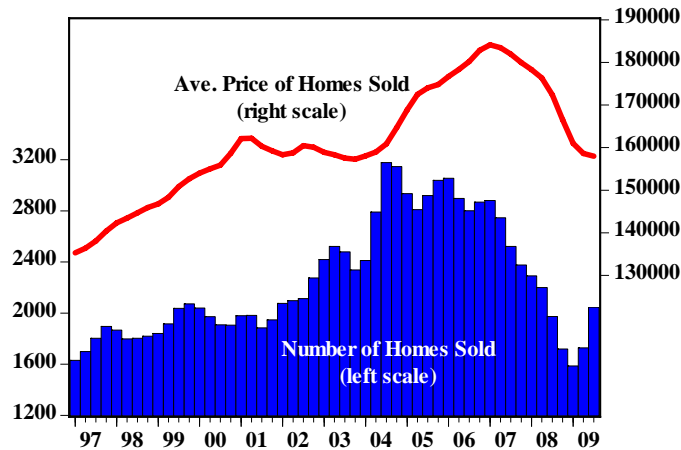
The unemployment rate in North Carolina was 10.8 percent, unchanged from last month but up 4.0 percentage points over the past 12 months.

MSA Employment Growth
(percent change last 12 months)



The number of existing, single-family homes sold in the Triad totaled 2,046 in the 3rd quarter of 2009, after adjustment for seasonal variation.² The number sold was up 18.4 percent compared to the level of sales recorded in the 2nd quarter, and it was 3.6 percent above the number sold during the 3rd quarter one year ago.

Number and Prices of Existing Homes Sold, 1997.1 – 2009.3
(seasonally adjusted)



At the end of the 3rd quarter of 2009, the inventory of homes on the market was 10,628, or 4.6 times the number of homes sold in the 3rd quarter. At the current sales pace, it will take 13.8 months to exhaust the existing inventory. The number of existing homes offered for sale was up 27.8 percent from what it was at the end of the 2nd quarter, and it was 17.4 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 -0.4 percent from the previous quarter. The average quality-adjusted price of an existing home in the Triad was \$157,957. The average this quarter was down -8.4 percent from the average recorded in the 3rd quarter of last year. By comparison, over the past year, consumer prices nationally have slipped -1.5 percent.

Nationally, the pace of existing home sales has risen 3.4 percent over the past 12 months.³ Average home prices are down -9.3 percent across the nation and -9.9 percent in the South. The national inventory of unsold homes is down -16.4 percent over the past 12 months and will take 8.5 months to sell at the existing pace of sales.

The number of real estate foreclosures in the Triad was up 1.2 percent in September and is up 28.1 percent over the past 12 months. Nationally, foreclosures are up 29.0 percent over the past 12 months.

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 August 2008 to August 2009 using National Assn. of Realtors® data.

Table 1: Triad Business Index
(September 2009)

| Indicators | Sept. 2009 | Aug. 2009 | July 2009 | Sept. 2008 | % Chg Month Ago | % Chg Year Ago |
|---|--------------|--------------|--------------|--------------|-----------------------|----------------------|
| Piedmont-Triad Bus. Index | 159.8 | 159.3 | 158.8 | 160.8 | 0.3% | -0.6% |
| NC Business Index | 170.9 | 170.7 | 170.4 | 173.2 | 0.1% | -1.3% |
| Unemployment Rate | 10.9 | 11.0 | 11.1 | 7.1 | -0.1 | 3.8 |
| Initial Claims for Unemployment Ins. | 8,828 | 9,094 | 9,334 | 4,611 | -2.9% | 91.5% |
| Total Employment (1,000s) | 614.8 | 615.1 | 615.4 | 642.4 | 0.0% | -4.3% |
| Goods-producing | 112.7 | 113.2 | 113.7 | 128.4 | -0.4% | -12.2% |
| Construction | 25.5 | 25.7 | 25.9 | 30.8 | -0.8% | -17.2% |
| Manufacturing | 87.2 | 87.5 | 87.8 | 97.6 | -0.3% | -10.7% |
| Service-producing | 502.1 | 501.9 | 501.7 | 514.0 | 0.0% | -2.3% |
| Wholesale Trade | 614.8 | 615.1 | 615.4 | 642.4 | 0.0% | -4.3% |
| Retail Trade | 65.5 | 65.7 | 65.8 | 68.5 | -0.3% | -4.4% |
| Transportation | 23.5 | 23.6 | 23.8 | 26.0 | -0.4% | -9.6% |
| Information | 7.8 | 7.9 | 7.9 | 8.8 | -1.3% | -11.4% |
| Financial | 35.9 | 35.9 | 36.0 | 37.5 | 0.0% | -4.3% |
| Prof. & Business | 74.8 | 74.9 | 74.9 | 80.5 | -0.1% | -7.1% |
| Education & Health | 104.5 | 104.1 | 103.7 | 101.7 | 0.4% | 2.8% |
| Leisure | 58.3 | 58.1 | 57.8 | 58.1 | 0.3% | 0.3% |
| Other | 25.9 | 25.8 | 25.8 | 26.4 | 0.4% | -1.9% |
| Government | 78.5 | 78.2 | 78.0 | 77.9 | 0.4% | 0.8% |
| Retail Sales (\$ millions) | \$3,317.6 | \$3,367.3 | \$3,300.9 | \$3,539.1 | -1.5% | -6.3% |
| Residential Building Permits (\$1,000s) | \$47,540 | \$45,907 | \$44,274 | \$46,886 | 3.6% | 1.4% |
| Real Estate Foreclosures | 895 | 885 | 862 | 699 | 1.2% | 28.1% |
| NATIONAL INDICATORS: | | | | | | |
| Unemployment Rate | 9.8 | 9.7 | 9.4 | 6.2 | 0.1 | 3.6 |
| Total Employment (1,000s) | 130,947.0 | 131,210.0 | 131,411.0 | 136,732.0 | -0.2% | -4.2% |
| Goods-producing | 18,465.0 | 18,581.0 | 18,713.0 | 21,247.0 | -0.6% | -13.1% |
| Service-producing | 112,482.0 | 112,629.0 | 112,698.0 | 115,485.0 | -0.1% | -2.6% |
| 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% |
| Consumer Price Index (CPI-U,sa) | 216.0 | 215.8 | 215.4 | 218.8 | 0.1% | -1.3% |
| Index of Leading Eco. Indicators | 103.5 | 102.5 | 102.1 | 100.6 | 1.0% | 2.9% |
| Initial Claims for Unemployment Ins. | 540,300 | 573,000 | 556,500 | 470,400 | -5.7% | 14.9% |
| ISM Purchasing Managers Index | 52.6 | 52.9 | 48.9 | 43.4 | 8.2% | 21.9% |

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 Economic Indicators
(September 2009)

| AREA INDICATORS: | THIS MONTH | LAST MONTH | YEAR AGO | Percent Change | |
|------------------------------|------------|------------|----------|----------------|----------|
| | | | | LAST MONTH | YEAR AGO |
| Asheville | | | | | |
| Total Employment (1,000s) | 166.6 | 167.1 | 174.8 | -0.3% | -4.7% |
| Unemployment Rate (%) | 9.1 | 9.0 | 5.7 | 0.1% | 3.4% |
| Burlington | | | | | |
| Total Employment (1,000s) | 57.5 | 57.6 | 60.1 | -0.2% | -4.3% |
| Unemployment Rate (%) | 12.1 | 12.1 | 7.7 | 0.0% | 4.4% |
| Charlotte | | | | | |
| Total Employment (1,000s) | 809.1 | 808.7 | 856.8 | 0.0% | -5.6% |
| Unemployment Rate (%) | 11.8 | 11.8 | 7.3 | 0.0% | 4.5% |
| Durham | | | | | |
| Total Employment (1,000s) | 281.8 | 282.2 | 292.5 | -0.1% | -3.7% |
| Unemployment Rate (%) | 7.9 | 7.9 | 5.5 | 0.0% | 2.4% |
| Fayetteville | | | | | |
| Total Employment (1,000s) | 126.6 | 126.8 | 130.5 | -0.2% | -3.0% |
| Unemployment Rate (%) | 8.9 | 9.0 | 7.1 | -0.1% | 1.8% |
| Goldsboro | | | | | |
| Total Employment (1,000s) | 43.2 | 43.3 | 44.9 | -0.2% | -3.8% |
| Unemployment Rate (%) | 9.0 | 9.1 | 6.7 | -0.1% | 2.3% |
| Greensboro/High Point | | | | | |
| Total Employment (1,000s) | 344.7 | 345.2 | 365.0 | -0.1% | -5.6% |
| Unemployment Rate (%) | 11.7 | 11.7 | 7.4 | 0.0% | 4.3% |
| Greenville | | | | | |
| Total Employment (1,000s) | 75.1 | 75.4 | 77.5 | -0.4% | -3.1% |
| Unemployment Rate (%) | 10.2 | 10.2 | 7.5 | 0.0% | 2.7% |
| Hickory | | | | | |
| Total Employment (1,000s) | 145.9 | 146.2 | 157.3 | -0.2% | -7.2% |
| Unemployment Rate (%) | 15.1 | 15.1 | 8.9 | 0.0% | 6.2% |
| Jacksonville | | | | | |
| Total Employment (1,000s) | 44.9 | 45.3 | 47.6 | -0.9% | -5.7% |
| Unemployment Rate (%) | 8.3 | 8.3 | 6.2 | 0.0% | 2.1% |
| Raleigh | | | | | |
| Total Employment (1,000s) | 504.7 | 504.4 | 519.7 | 0.1% | -2.9% |
| Unemployment Rate (%) | 8.9 | 8.8 | 5.6 | 0.1% | 3.3% |
| Rocky Mount | | | | | |
| Total Employment (1,000s) | 62.0 | 62.1 | 63.9 | -0.2% | -3.0% |
| Unemployment Rate (%) | 13.5 | 13.6 | 10.1 | -0.1% | 3.4% |
| Wilmington | | | | | |
| Total Employment (1,000s) | 139.6 | 139.6 | 145.3 | 0.0% | -3.9% |
| Unemployment Rate (%) | 10.1 | 10.2 | 6.6 | -0.1% | 3.5% |
| Winston-Salem | | | | | |
| Total Employment (1,000s) | 212.2 | 212.1 | 217.3 | 0.0% | -2.3% |
| Unemployment Rate (%) | 9.9 | 10.0 | 6.6 | -0.1% | 3.3% |
| North Carolina | | | | | |
| Total Employment (1,000s) | 3,908.8 | 3,917.6 | 4,112.9 | -0.2% | -5.0% |
| Unemployment Rate (%) | 10.8 | 10.8 | 6.8 | 0.0% | 4.0% |

Table 3: Triad Business Index Historical Values

| Year | Mo. | Index | % Chg. | Total Employment | Goods Producing | U/R |
|------|-----|-------|--------|------------------|-----------------|------|
| 2009 | 9 | 159.8 | 0.3% | 614.8 | 112.7 | 10.9 |
| 2009 | 8 | 159.3 | 0.3% | 615.1 | 113.2 | 11.0 |
| 2009 | 7 | 158.8 | 0.3% | 615.4 | 113.7 | 11.1 |
| 2009 | 6 | 158.4 | 0.2% | 615.7 | 114.3 | 11.2 |
| 2009 | 5 | 158.1 | 0.1% | 616.1 | 115.0 | 11.2 |
| 2009 | 4 | 158.0 | -0.1% | 617.2 | 115.8 | 11.1 |
| 2009 | 3 | 158.1 | -0.2% | 619.2 | 117.0 | 10.8 |
| 2009 | 2 | 158.4 | -0.3% | 622.1 | 118.6 | 10.2 |
| 2009 | 1 | 158.8 | -0.4% | 625.8 | 120.6 | 9.6 |
| 2008 | 12 | 159.4 | -0.3% | 630.0 | 122.9 | 8.8 |
| 2008 | 11 | 159.9 | -0.3% | 634.5 | 125.1 | 8.2 |
| 2008 | 10 | 160.4 | -0.2% | 638.9 | 127.0 | 7.6 |
| 2008 | 9 | 160.8 | -0.1% | 642.4 | 128.4 | 7.1 |
| 2008 | 8 | 161.0 | -0.1% | 644.7 | 129.3 | 6.7 |
| 2008 | 7 | 161.1 | 0.0% | 646.0 | 130.0 | 6.4 |
| 2008 | 6 | 161.1 | -0.1% | 647.1 | 130.6 | 6.1 |
| 2008 | 5 | 161.2 | 0.0% | 648.6 | 131.5 | 5.8 |
| 2008 | 4 | 161.2 | 0.0% | 650.6 | 132.4 | 5.5 |
| 2008 | 3 | 161.2 | 0.1% | 652.8 | 133.4 | 5.3 |
| 2008 | 2 | 161.1 | 0.2% | 654.3 | 134.2 | 5.2 |
| 2008 | 1 | 160.8 | 0.2% | 654.9 | 134.7 | 5.0 |
| 2007 | 12 | 160.4 | 0.2% | 654.6 | 135.1 | 4.9 |
| 2007 | 11 | 160.0 | 0.2% | 654.0 | 135.2 | 4.8 |
| 2007 | 10 | 159.7 | 0.2% | 653.4 | 135.3 | 4.8 |
| 2007 | 9 | 159.4 | 0.2% | 653.0 | 135.5 | 4.7 |
| 2007 | 8 | 159.1 | 0.2% | 652.9 | 135.8 | 4.7 |
| 2007 | 7 | 158.8 | 0.3% | 652.8 | 136.3 | 4.7 |
| 2007 | 6 | 158.4 | 0.3% | 652.6 | 136.7 | 4.7 |
| 2007 | 5 | 158.0 | 0.2% | 652.4 | 137.1 | 4.7 |
| 2007 | 4 | 157.7 | 0.3% | 652.1 | 137.6 | 4.7 |
| 2007 | 3 | 157.3 | 0.3% | 651.7 | 138.2 | 4.7 |
| 2007 | 2 | 156.9 | 0.2% | 651.4 | 138.6 | 4.7 |
| 2007 | 1 | 156.6 | 0.3% | 651.1 | 138.8 | 4.8 |