

# **2014 North Carolina Development Tier Designations**

Prepared by:

North Carolina Department of Commerce  
Labor and Economic Analysis Division  
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Since 2007 North Carolina has used a three-level system for designating development tiers. The designations, which are mandated by state law, determine a variety of state funding opportunities to assist in economic development. This 2014 report documents the process for calculating tiers and briefly describes reasons that specific counties will change tiers. A North Carolina tier map and a list of counties by development tier are included for reference.

### **How Tier Rankings Are Calculated**

The Development Tier Designation statute (§[143B-437.08](#)) provides specific guidelines for calculating annual tier rankings. This process assigns each county to a designation of Tier 1 (most distressed), Tier 2, or Tier 3 (least distressed). Assuming no ties in rankings, North Carolina will have **40 Tier 1, 40 Tier 2, and 20 Tier 3** counties each year. In the event of a tie for the final position as a Tier 1 or Tier 2 county, both counties will be placed in the lower tier.

#### **Tier rankings take into account four factors:**

- ***Adjusted property tax base per capita*** for the most recent taxable year (2014-15)
- ***Percentage growth in population*** for the most recent 36 months for which data are available (July 2009 – July 2012)
- ***Median household income*** for the most recent twelve months for which data are available (2012)
- ***Average unemployment rate*** for the most recent twelve months for which data are available (September 2012 – August 2013)

The years in parentheses for each variable indicate the years that are used to rank counties for 2014 tier designations. Each county is ranked from 1 to 100 on each variable, making the highest possible ***Distressed County Sum*** 400, and the lowest 4. After calculating the ***Distressed County Sum***, counties are then ranked from most distressed (1) to least distressed (100) in order to determine their ***Distressed County Rank***.

**Additional tier ranking criteria** based on the Development Tier Designation statute specifies the “automatically qualifying criteria” below for Tier 1 and Tier 2 status.

#### **Tier 1 “Automatic Qualifiers”**

- A county must be Tier 1 for at least two consecutive years
- A county with less than 12,000 people
- A county with a population between 12,000 and 49,999 **AND** a poverty rate of 19 percent or greater.

#### **Tier 2 “Automatic Qualifiers”**

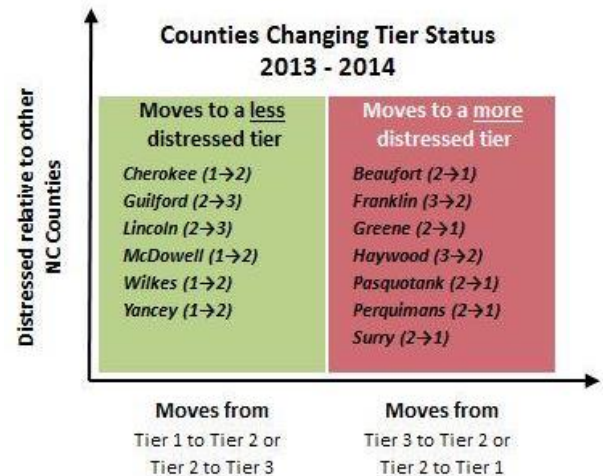
- A county with a population between 12,000 and 49,999

After taking these qualifiers into account, counties are ranked from 1 to 100 to determine Final Year Rank. All components of this process are consistent with the methodology designated in the general statutes.

## 2014 COUNTY TIER RANKINGS

### Summary

Using the most current data available, this summary focuses on North Carolina counties that are likely to experience changes in tier status in 2014. County rankings derive from the Development Tier Designation statute (§143B-437.08) that mandates four development factors for calculating rank as well as additional “automatically qualifying criteria.” Tier rankings provide the basis for assigning each county to a designation of Tier 1 (most distressed, ranks 1-40), Tier 2 (ranks 41-80), or Tier 3 (least distressed, ranks 81-100).



#### Six Counties Move to a Less Distressed Tier

- **Cherokee County** moves from a moderately high level Tier 1 (34) to a low level Tier 2 (42). While its Adjusted Property Tax Base Per Capita ranked lower this year, the county’s Population Growth soared from 79<sup>th</sup> to 52<sup>nd</sup> rank.
- **McDowell County** shifts to an overall rank of 45 from 2013’s 31. The county improved its rank in each development factor, especially in its Adjusted Property Tax Base Per Capita rank, which surged from 72<sup>nd</sup> to 56<sup>th</sup>. Additionally, McDowell County’s rank improved by 11 places in both Median Household Income and Unemployment.
- **Yancey County** completed its mandatory second consecutive year as Tier 1 in 2013 and moves to an overall rank of 47, Tier 2. Its other tier development factors remain similar to last year’s.
- Three counties’ 2013 rankings were close to the next higher tier and moved no more than five places higher in 2014.
  - **Guilford County** (79<sup>th</sup> to 81<sup>st</sup>) returns to its usual Tier 3 designation, due primarily to its increase in Median Household Income rank from 32<sup>nd</sup> to 23<sup>rd</sup>.
  - **Lincoln County** (80<sup>th</sup> to 83<sup>rd</sup>) had tier designation factors that remained stable; however, its Median Household Income rank rose from 18<sup>th</sup> to 8<sup>th</sup>, nudging its return to Tier 3.
  - **Wilkes County** (38<sup>th</sup> to 43<sup>rd</sup>) Wilkes County moves from Tier 1 to Tier 2 for the first time since 2010. A slight increase in rank from 64<sup>th</sup> to 59<sup>th</sup> in Population Growth contributes to the shift.

#### Seven Counties Move to a More Distressed Tier

- Three counties (**Beaufort, Pasquotank, and Perquimans**) automatically qualify for Tier 1 status because data show that each has a population between 12,000 and 49,999 **AND** a poverty rate of 19 percent or greater.
- The four remaining counties had ranks in 2013 that were very close to the next lower tier designation. In 2014 their ranks shift from one to five places lower, enough to edge them into the next lower tier.
  - **Franklin County** (81<sup>st</sup> to 76<sup>th</sup>) changes to Tier 2 on the basis of decreases in two development factors: Population Growth dropped the county’s rank in this factor from 11<sup>th</sup> to 27<sup>th</sup> and its Median Household Income rank fell by 14 positions.
  - **Greene County** (45<sup>th</sup> to a tie for 40<sup>th</sup>) moves to Tier 1 primarily because its rank fell by 20 places in Median Household Income rank and dropped from 39<sup>th</sup> to 47<sup>th</sup> place in Population Growth.
  - **Haywood County** (83<sup>rd</sup> to 79<sup>th</sup>) continues its shift between Tiers 2 and 3. While its other development factor ranks are similar to 2013’s, the county’s 16-place drop in Population Growth rank accounts for its shift to Tier 2.
  - **Surry County** (41<sup>st</sup> to a tie for 40<sup>th</sup>) moves to Tier 1 with little change in its development factors. It did drop from 69<sup>th</sup> to 76<sup>th</sup> in Adjusted Property Tax Base Per Capita and from 66<sup>th</sup> to 73<sup>rd</sup> in Median Household Income, enough to lower its overall rank by one place.

# 2014 North Carolina County Tier Designations

**2014 Tier Designations**

- 1
- 2
- 3

**Tier Change From 2014**

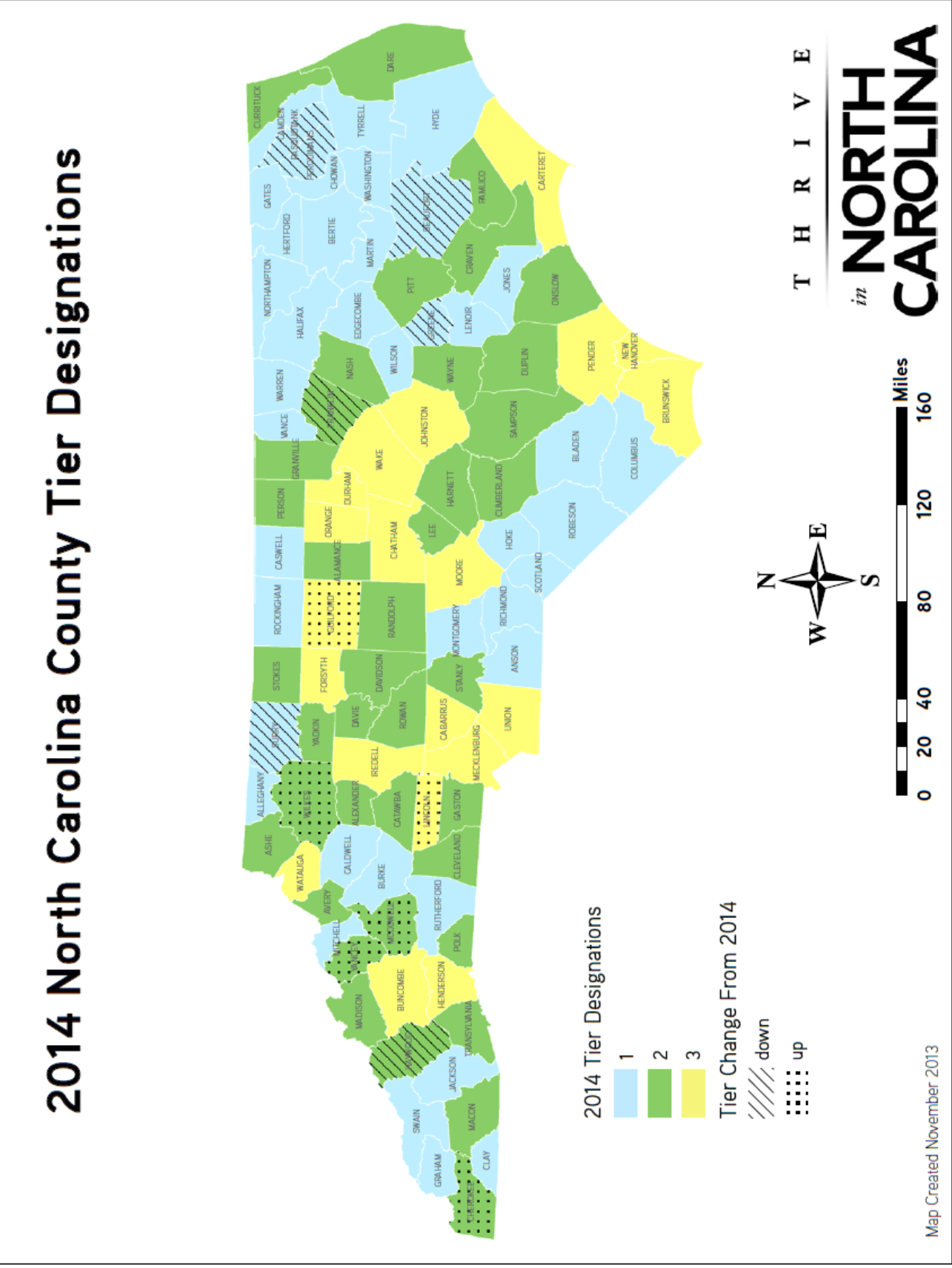
- down
- up

**in NORTH CAROLINA**

**T H R I V E**

**Miles**  
0 20 40 80 120 160

Map Created November 2013



# 2014 North Carolina County Tier Designations

**2014 Tier Designations**

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- 3

**Tier Change From 2014**

- down
- up

**Map of North Carolina**

**T H R I V E**

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2014 North Carolina County Development Tiers									
NC Counties	FINAL 2014 Tiers	Tier Change	Change Direction	NC Counties	FINAL 2014 Tiers	Tier Change	Change Direction	NC Counties	FINAL 2014 Tiers
ALLEGHANY	1			ALAMANCE	2			BRUNSWICK	3
ANSON	1			ALEXANDER	2			BUNCOMBE	3
BEAUFORT	1	BEAUFORT	down	ASHE	2			CABARRUS	3
BERTIE	1			AVERY	2			CARTERET	3
BLADEN	1			CATAWBA	2			CHATHAM	3
BURKE	1			CHEROKEE	2	CHEROKEE	up	DURHAM	3
CALDWELL	1			CLEVELAND	2			FORSYTH	3
CAMDEN	1			CRAVEN	2			GUILFORD	3
CASWELL	1			CUMBERLAND	2			HENDERSON	3
CHOWAN	1			CURRITUCK	2			IREDELL	3
CLAY	1			DARE	2			JOHNSTON	3
COLUMBUS	1			DAVIDSON	2			LINCOLN	3
EDGECOMBE	1			DAVIE	2			MECKLENBURG	3
GATES	1			DUPLIN	2			MOORE	3
GRAHAM	1			FRANKLIN	2	FRANKLIN	down	NEW HANOVER	3
GREENE	1	GREENE	down	GASTON	2			ORANGE	3
HALIFAX	1			GRANVILLE	2			PENDER	3
HERTFORD	1			HARNETT	2			UNION	3
HOKE	1			HAYWOOD	2	HAYWOOD	down	WAKE	3
HYDE	1			LEE	2			WATAUGA	3
JACKSON	1			MACON	2				
JONES	1			MADISON	2				
LENOIR	1			MCDOWELL	2	MCDOWELL	up		
MARTIN	1			NASH	2				
MITCHELL	1			ONSLOW	2				
MONTGOMERY	1			PAMLICO	2				
NORTHAMPTON	1			PERSON	2				
PASQUOTANK	1	PASQUOTANK	down	PITT	2				
PERQUIMANS	1	PERQUIMANS	down	POLK	2				
RICHMOND	1			RANDOLPH	2				
ROBESON	1			ROWAN	2				
ROCKINGHAM	1			SAMPSON	2				
RUTHERFORD	1			STANLY	2				
SCOTLAND	1			STOKES	2				
SURRY	1	SURRY	down	TRANSYLVANIA	2				
SWAIN	1			WAYNE	2				
TYRRELL	1			WILKES	2	WILKES	up		
VANCE	1			YADKIN	2				
WARREN	1			YANCEY	2	YANCEY	up		
WASHINGTON	1								
WILSON	1								

Note: Tier 1 contains 41 counties because Greene & Surry tied for 40th rank.