

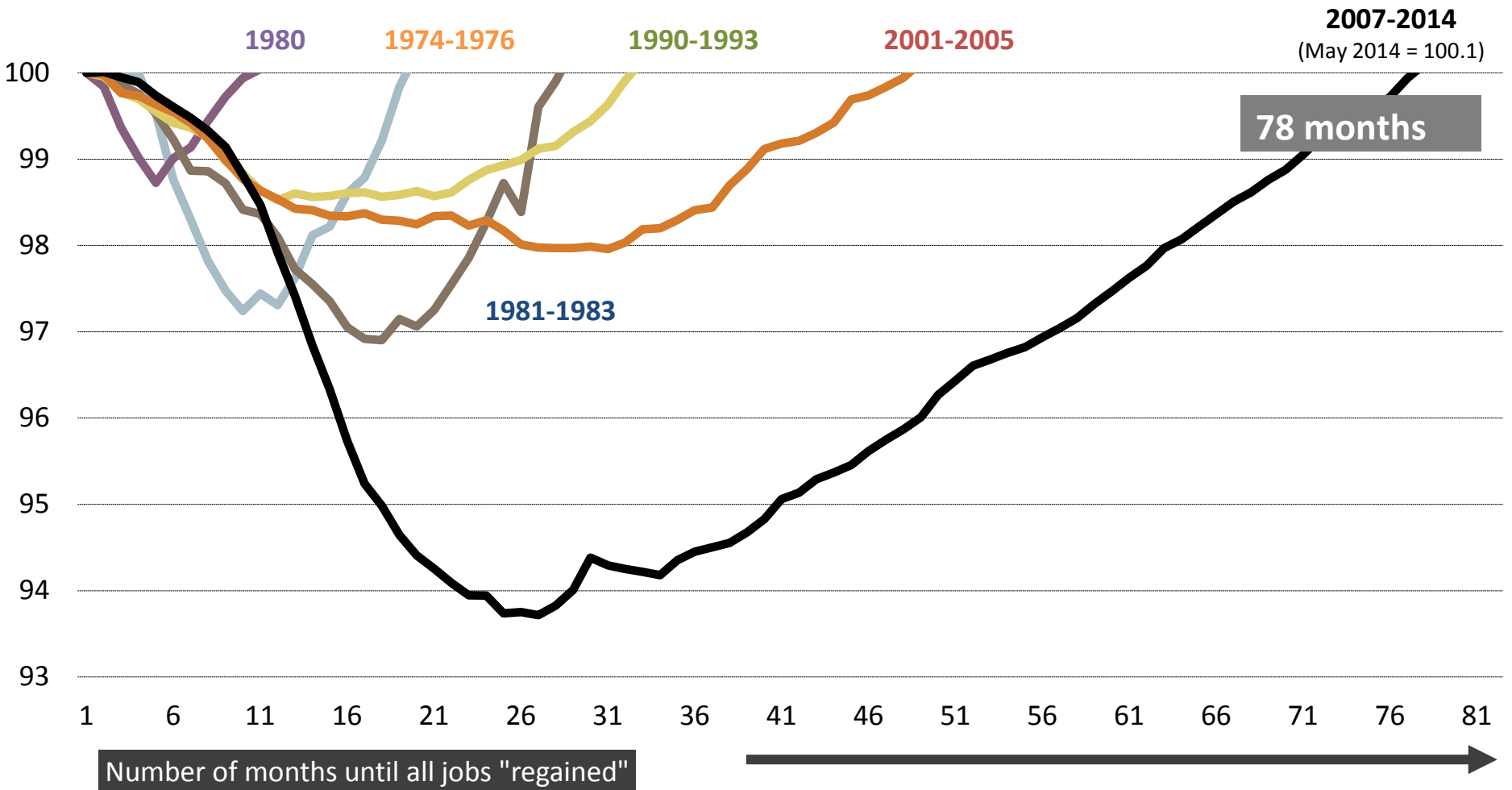
Joint Legislative Economic Development & Global Engagement Oversight Committee



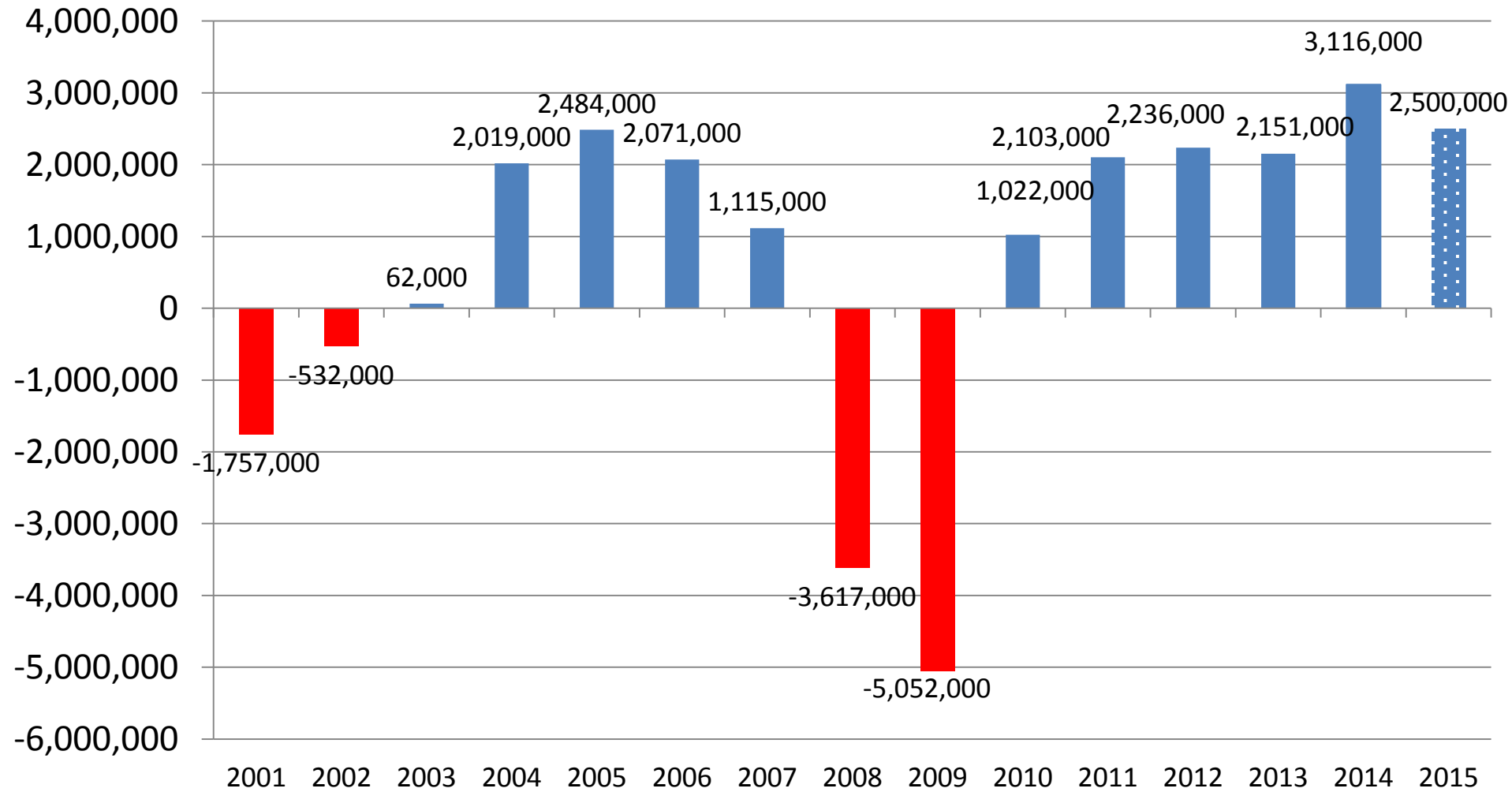
Recessions Compared

RECESSIONARY EMPLOYMENT TRENDS

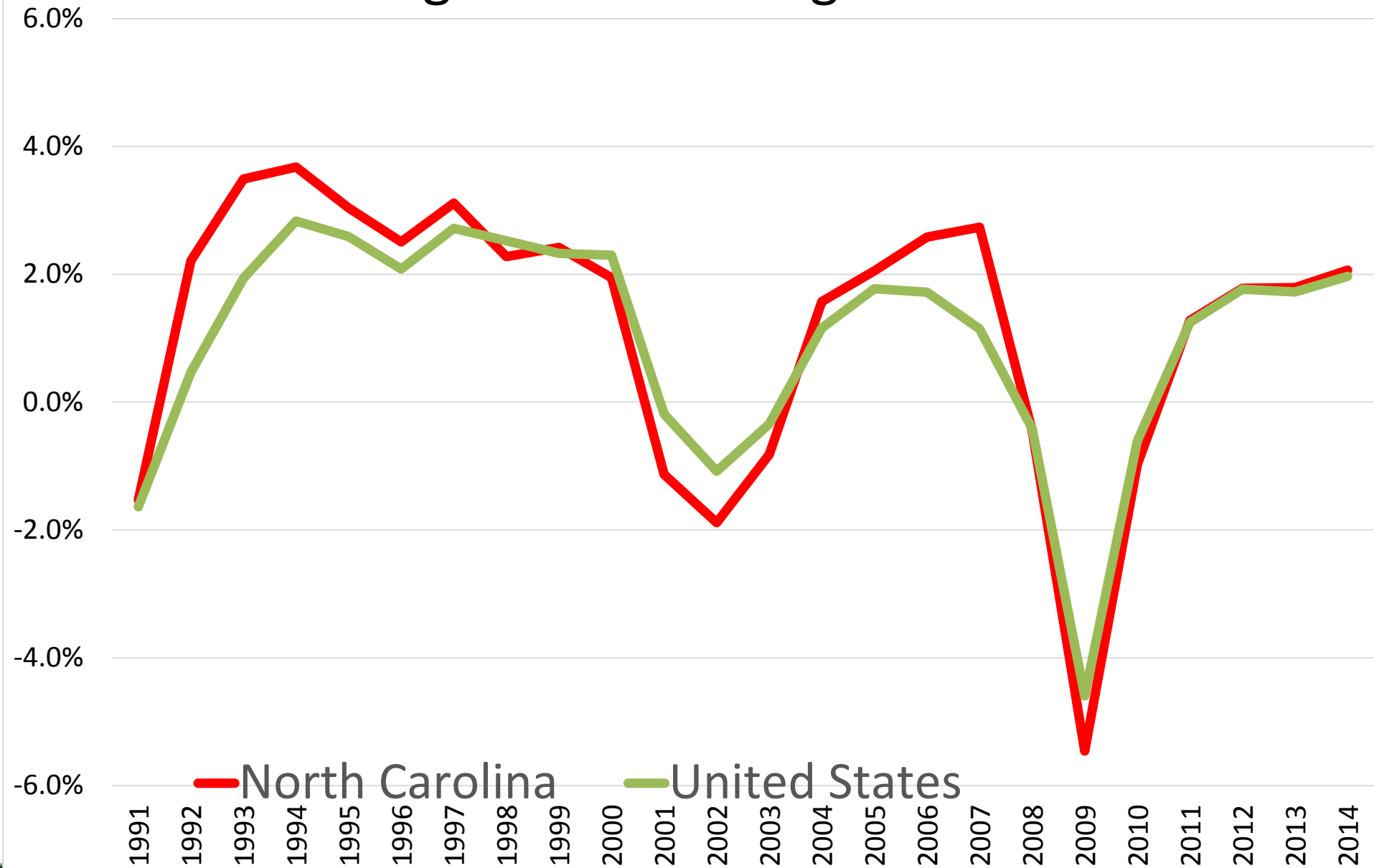
Peak employment = 100



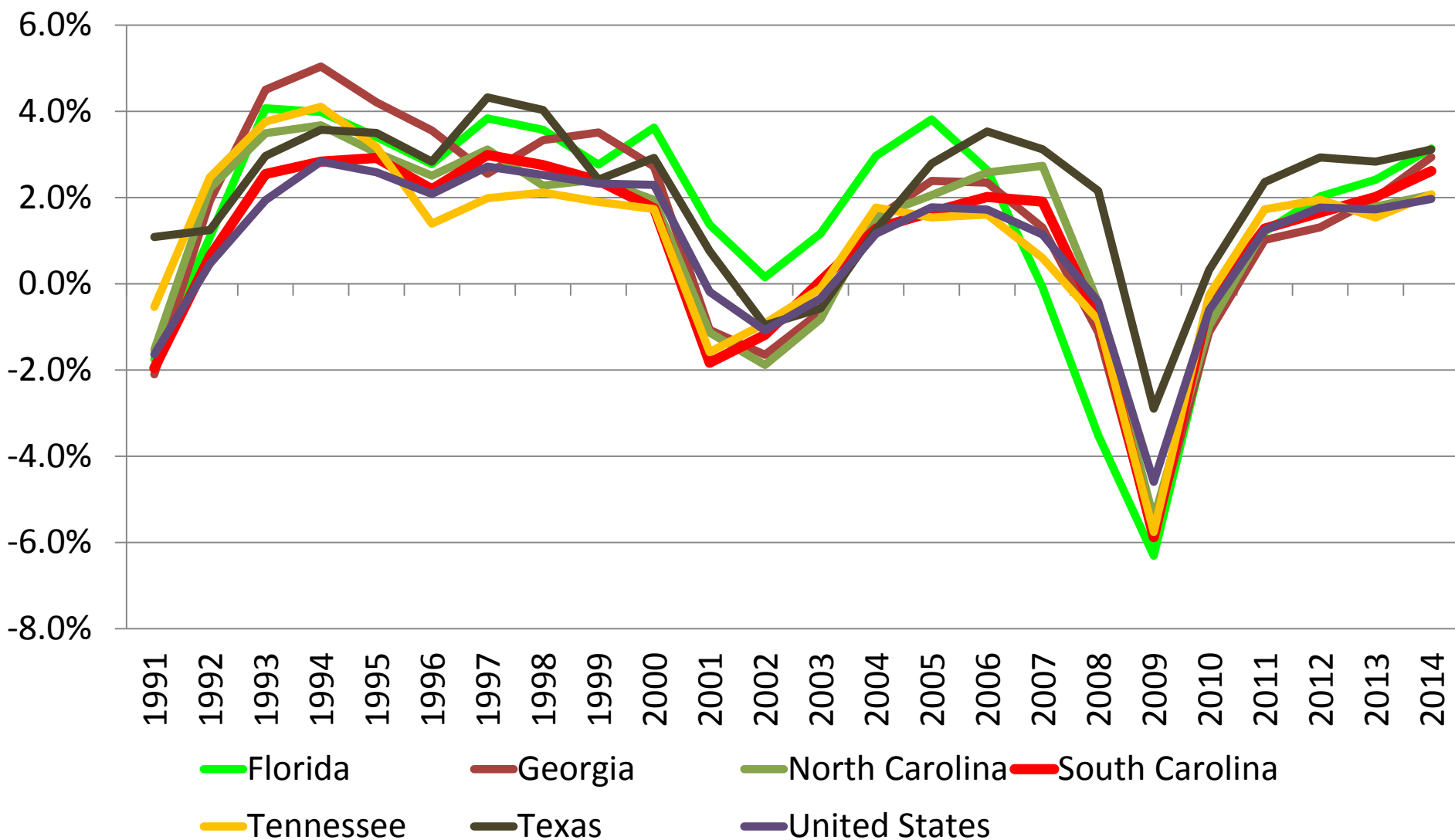
Annual U.S. Employment Change



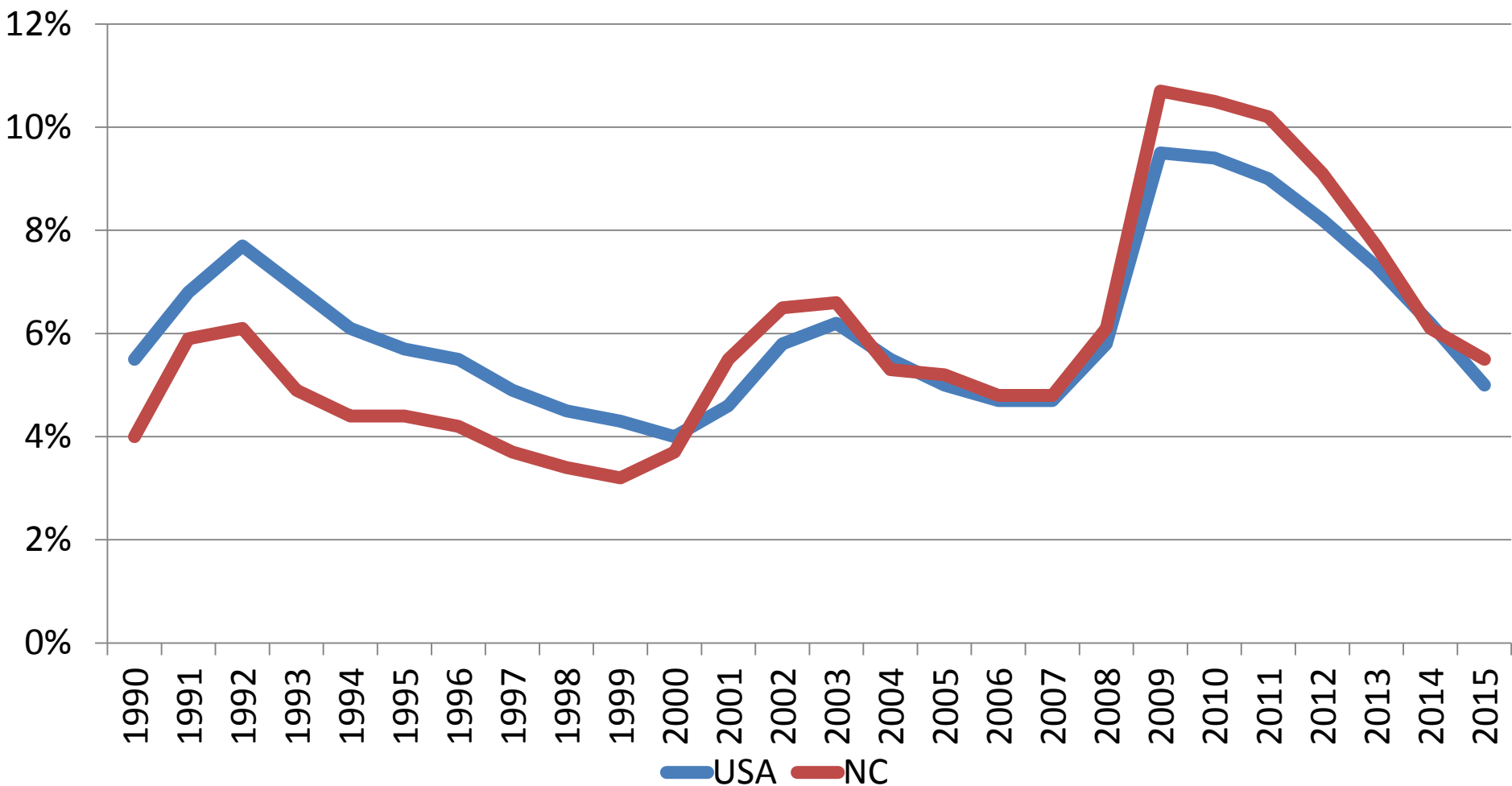
Percentage Annual Change in Total Jobs



Annual Percentage Change Total Jobs

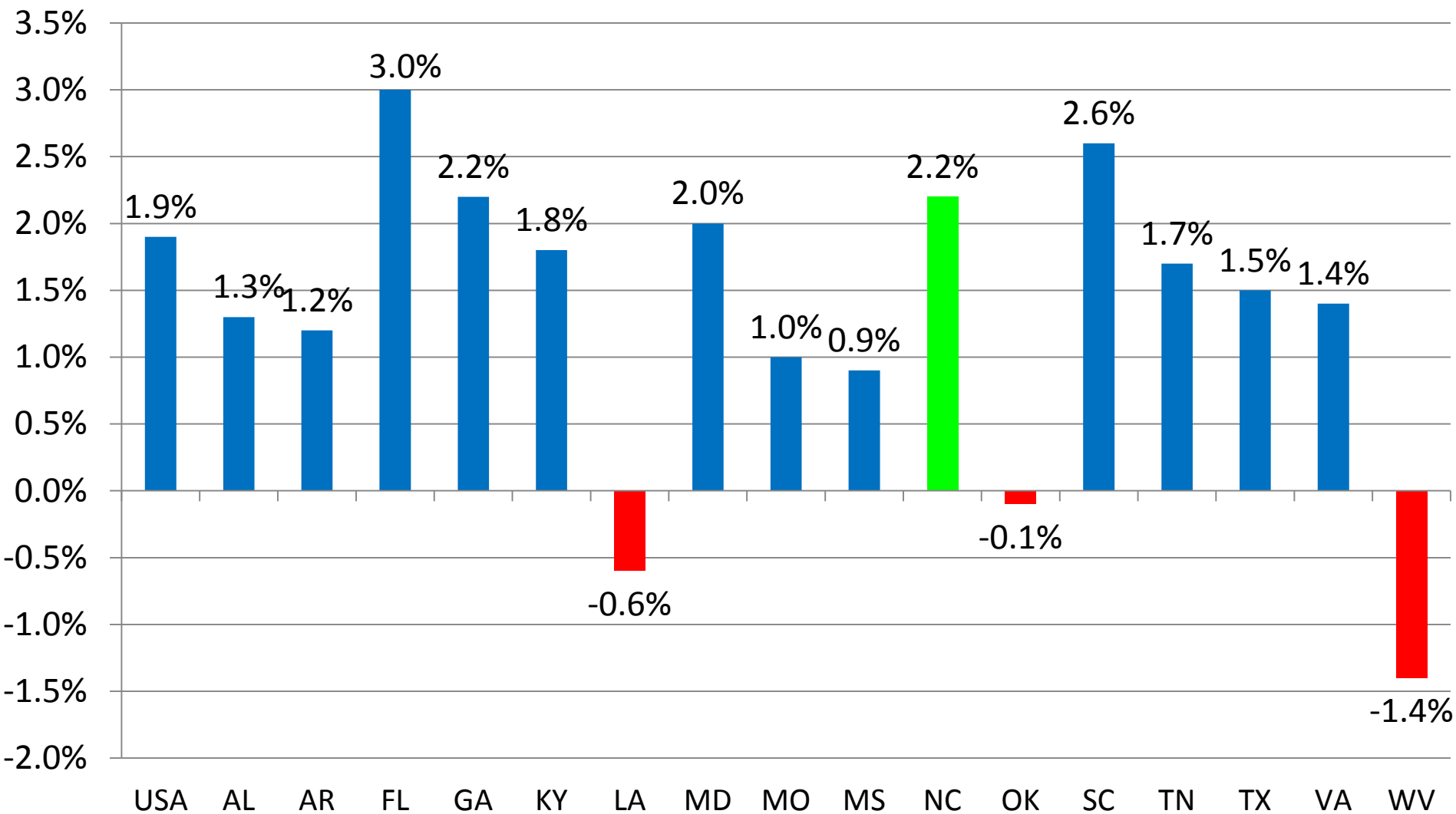


USA & NC Unemployment Rate 1990-2015



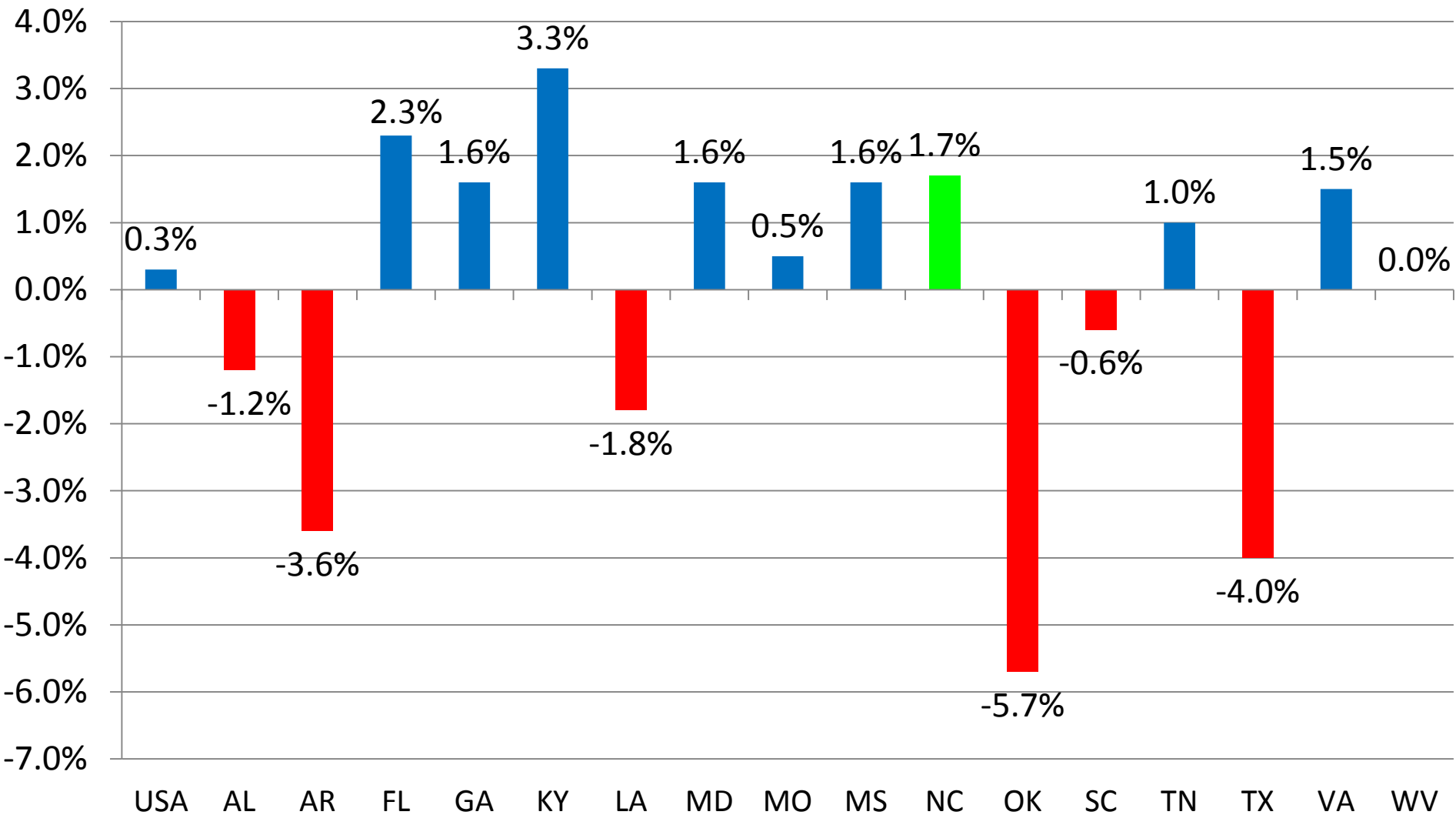
Southern States 1-Year

Employment November 2014 to November 2015

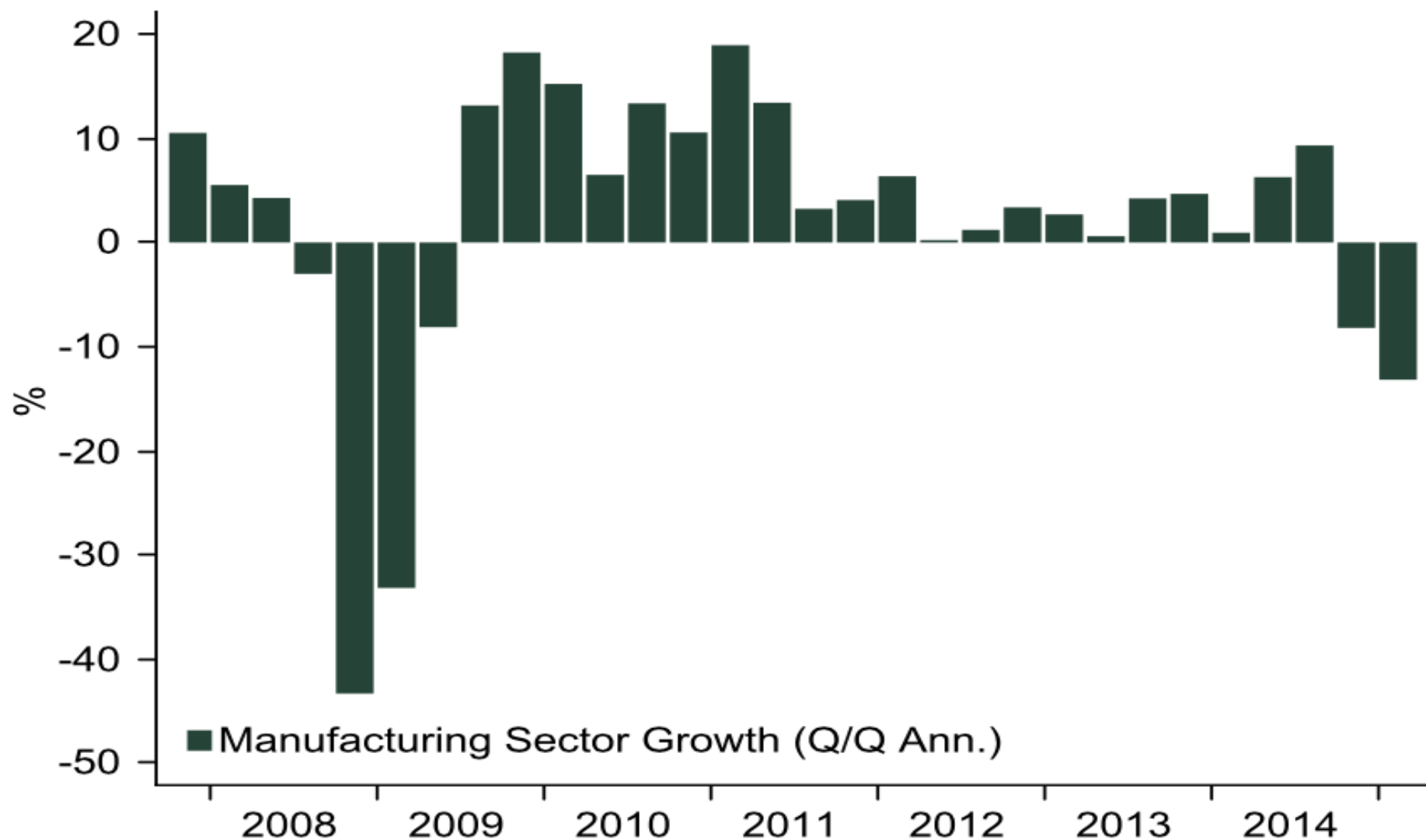


Southern States 1-Year

Manufacturing Employment Nov 2014 to Nov 2015



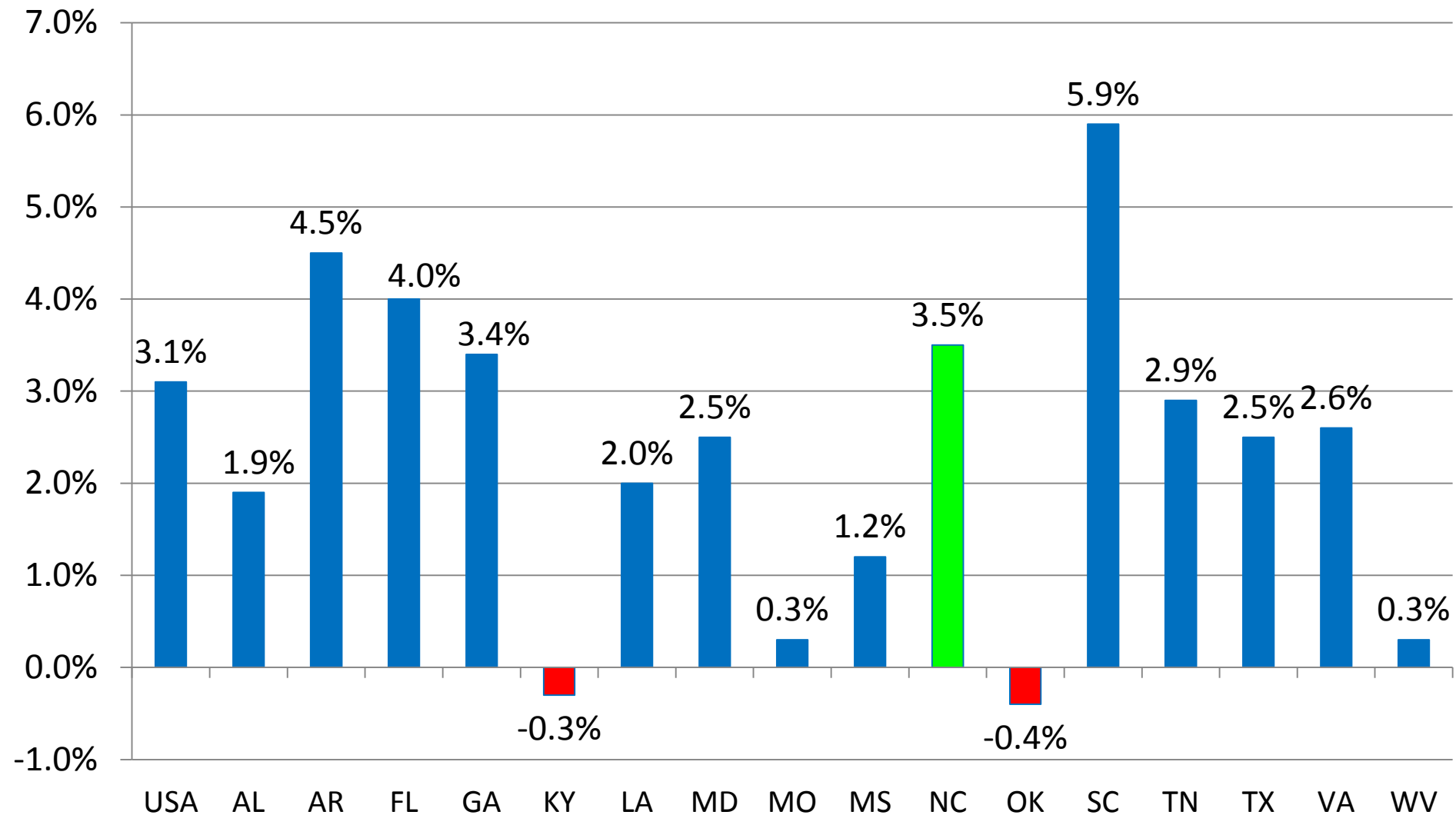
US Manufacturing Sector Recession



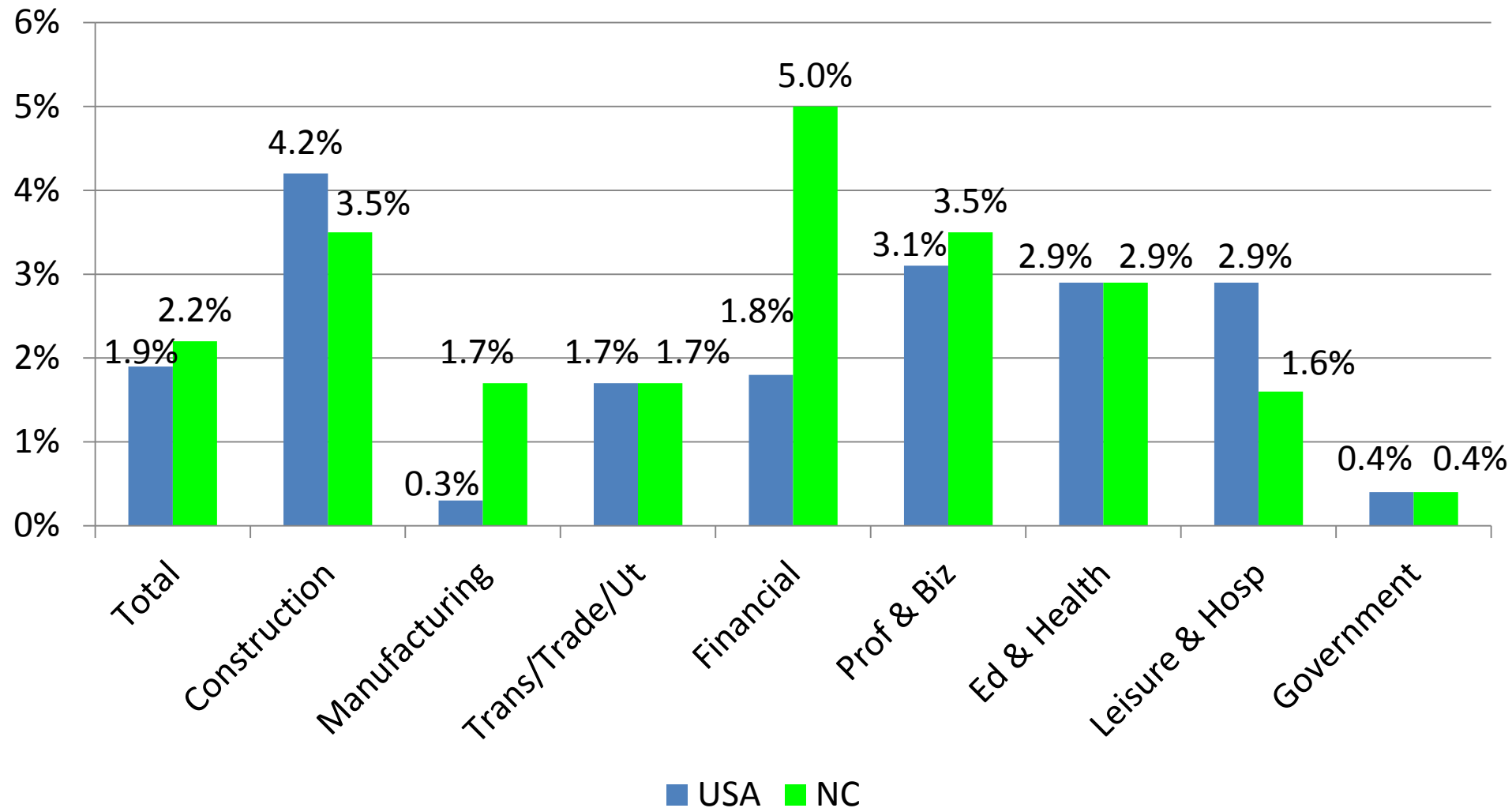
Source: Macrobond, TD Securities

Southern States 1-Year

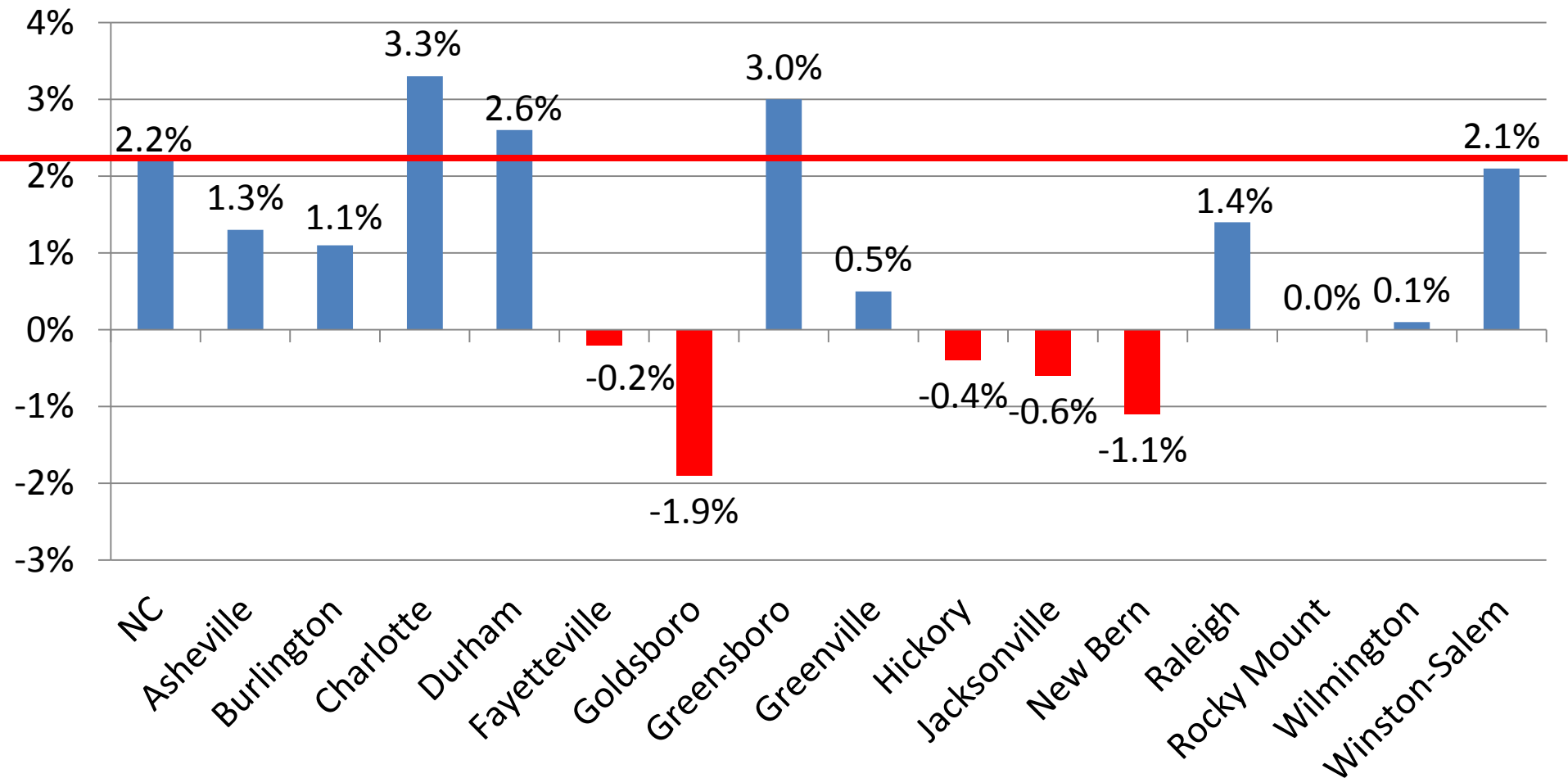
Professional & Business Services Employment Changes Nov 2014 to Nov 2015



USA & NC Employment Growth November 2014- November 2015



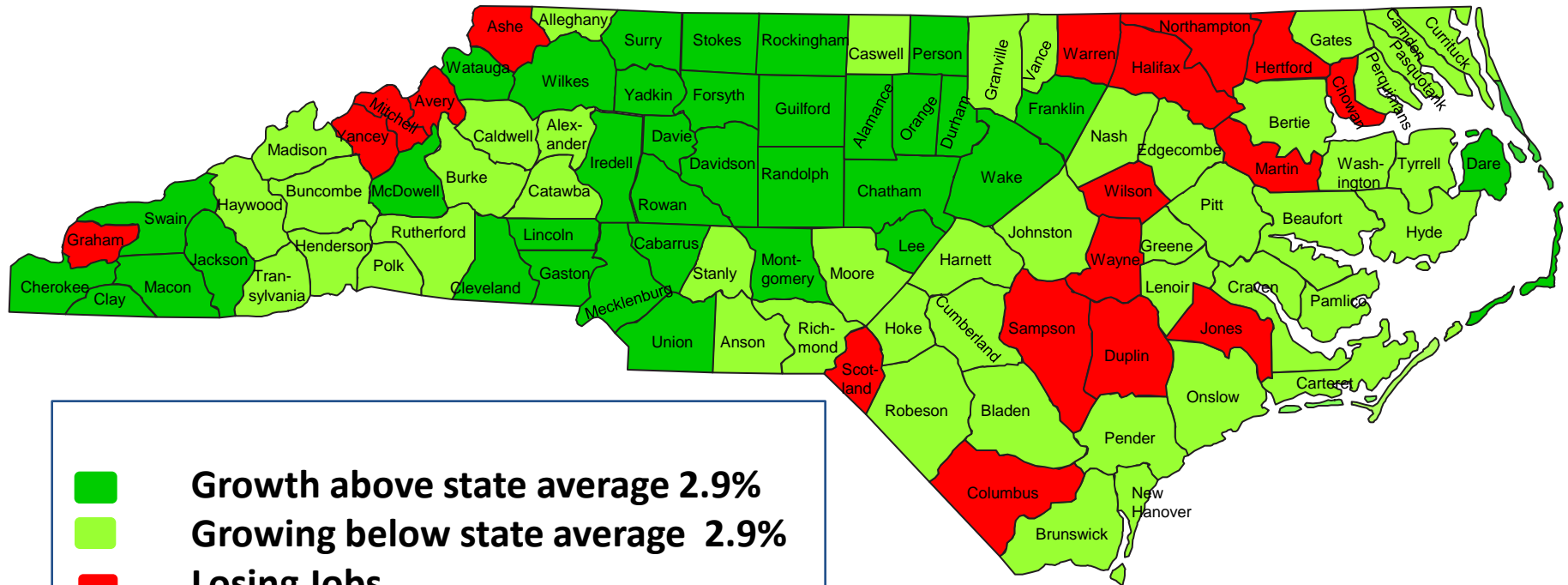
North Carolina Metro Employment Growth- Last 12 months Compared to 12 months ago



CHANGE IN AVERAGE NUMBER OF EMPLOYED PEOPLE

November 2014 to November 2015

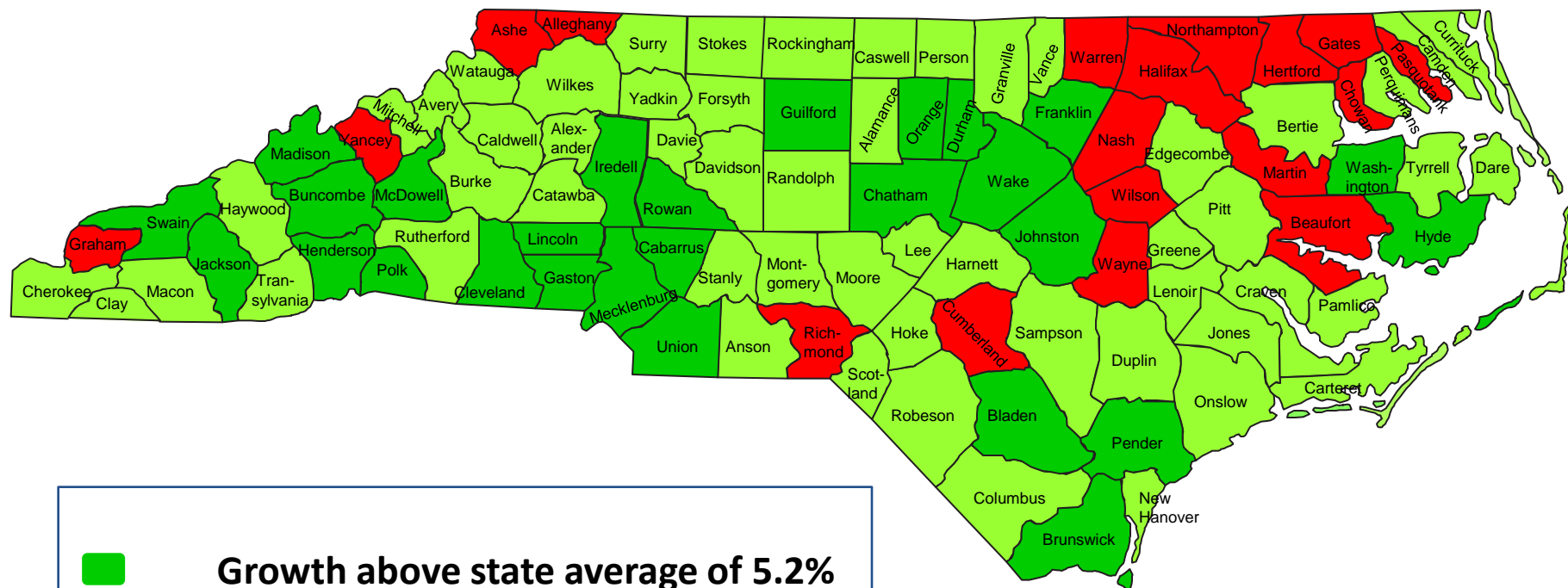
North Carolina state average 2.9%



CHANGE IN AVERAGE NUMBER OF EMPLOYED PEOPLE

November 2012 to November 2015

North Carolina state average 5.2%



- Growth above state average of 5.2%
- Growing below state average of 5.2%
- Losing Jobs

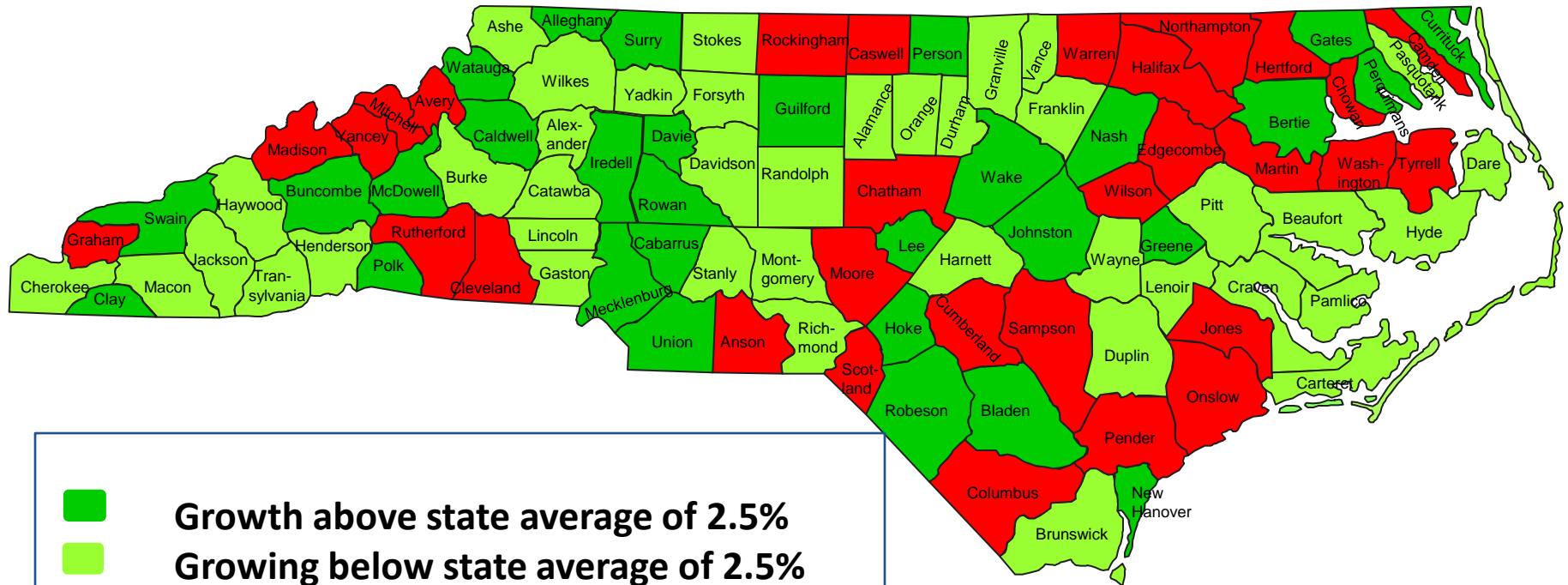
Source: NC Department of Commerce

<http://d4.nccommerce.com/LausSelection.aspx>

CHANGE IN AVERAGE NUMBER OF JOBS

June 2014 to June 2015

North Carolina state average 2.5%



Source: NC Department of Commerce

<http://d4.nccommerce.com/QCEWSelection.aspx>

How Competitive Is North Carolina?



Top Factors for Companies Considering New Investment

- 1) Highway accessibility
- 2) Occupancy or construction costs
- 3) Available land
- 4) Availability buildings
- 5) Availability of **skilled** labor
- 6) Labor costs
- 7) Right-to-work state
- 8) Proximity to major markets
- 9) Energy availability and costs
- 10) Corporate tax rate
- 11) Tax exemptions
- 12) State & Local Incentives



Top Quality of Life Factors for Companies Considering New Investment

- 1) Low crime rate
- 2) Ratings of public schools
- 3) Health care facilities
- 4) Housing availability
- 5) Housing costs
- 6) Colleges & universities in the area
- 7) Recreational opportunities
- 8) Cultural opportunities
- 9) Climate



| American South Tax Rankings- Tax Foundation | | | | |
|---|---------------|-------------------|-----------|--------------|
| (1 is Best, 50 is Worst) | Corporate Tax | Individual Income | Sales Tax | Property Tax |
| Alabama | 27 | 23 | 41 | 10 |
| Arkansas | 40 | 28 | 44 | 19 |
| Florida | 14 | 1 | 12 | 16 |
| Georgia | 8 | 42 | 17 | 30 |
| Kentucky | 29 | 30 | 11 | 17 |
| Louisiana | 23 | 27 | 50 | 24 |
| Maryland | 16 | 45 | 8 | 41 |
| Mississippi | 11 | 21 | 28 | 33 |
| Missouri | 4 | 29 | 29 | 7 |
| North Carolina | 25 | 15 | 33 | 29 |
| Oklahoma | 7 | 40 | 38 | 11 |
| South Carolina | 13 | 41 | 18 | 21 |
| Tennessee | 15 | 8 | 47 | 37 |
| Texas | 39 | 6 | 36 | 36 |
| Virginia | 6 | 39 | 6 | 26 |
| West Virginia | 17 | 26 | 25 | 25 |

| Location Matters-The State Tax Costs of Doing Business (Tax Foundation & KPMG) | | | | | | | |
|--|------------------------|--------------|--------------|---------------------------------|-------------------------------|-------------|---------------------|
| (1 is Best, 50 is Worst) | Corporate Headquarters | R&D Facility | Retail Store | Capital-Intensive Manufacturing | Labor-Intensive Manufacturing | Call Center | Distribution Center |
| Alabama | 20 | 44 | 8 | 19 | 24 | 7 | 3 |
| Arkansas | 24 | 39 | 21 | 44 | 39 | 30 | 17 |
| Florida | 11 | 23 | 19 | 31 | 21 | 14 | 29 |
| Georgia | 16 | 15 | 18 | 9 | 3 | 2 | 4 |
| Kentucky | 8 | 33 | 14 | 25 | 22 | 19 | 16 |
| Louisiana | 27 | 3 | 25 | 16 | 9 | 26 | 34 |
| Maryland | 17 | 10 | 32 | 24 | 4 | 9 | 14 |
| Mississippi | 29 | 28 | 21 | 49 | 35 | 15 | 23 |
| Missouri | 34 | 49 | 38 | 12 | 6 | 31 | 31 |
| N Carolina | 5 | 16 | 5 | 17 | 19 | 12 | 8 |
| Oklahoma | 9 | 25 | 19 | 29 | 29 | 17 | 5 |
| S Carolina | 30 | 36 | 36 | 42 | 20 | 41 | 49 |
| Tennessee | 31 | 40 | 30 | 28 | 30 | 24 | 27 |
| Texas | 14 | 26 | 15 | 23 | 14 | 20 | 35 |
| Virginia | 12 | 35 | 16 | 20 | 2 | 21 | 15 |
| WV | 42 | 48 | 35 | 43 | 47 | 43 | 33 |

Forbes- Best States for Business 2015

1. Utah
- 2. North Carolina**
3. Nebraska
4. North Dakota
5. Colorado
6. Texas
7. Virginia
8. Indiana
9. South Dakota
10. Washington

| | |
|------------------|-----|
| Business Costs | #5 |
| Labor Supply | #9 |
| Regulatory | #4 |
| Economic Climate | #22 |
| Growth Prospects | #10 |
| QOL | #16 |

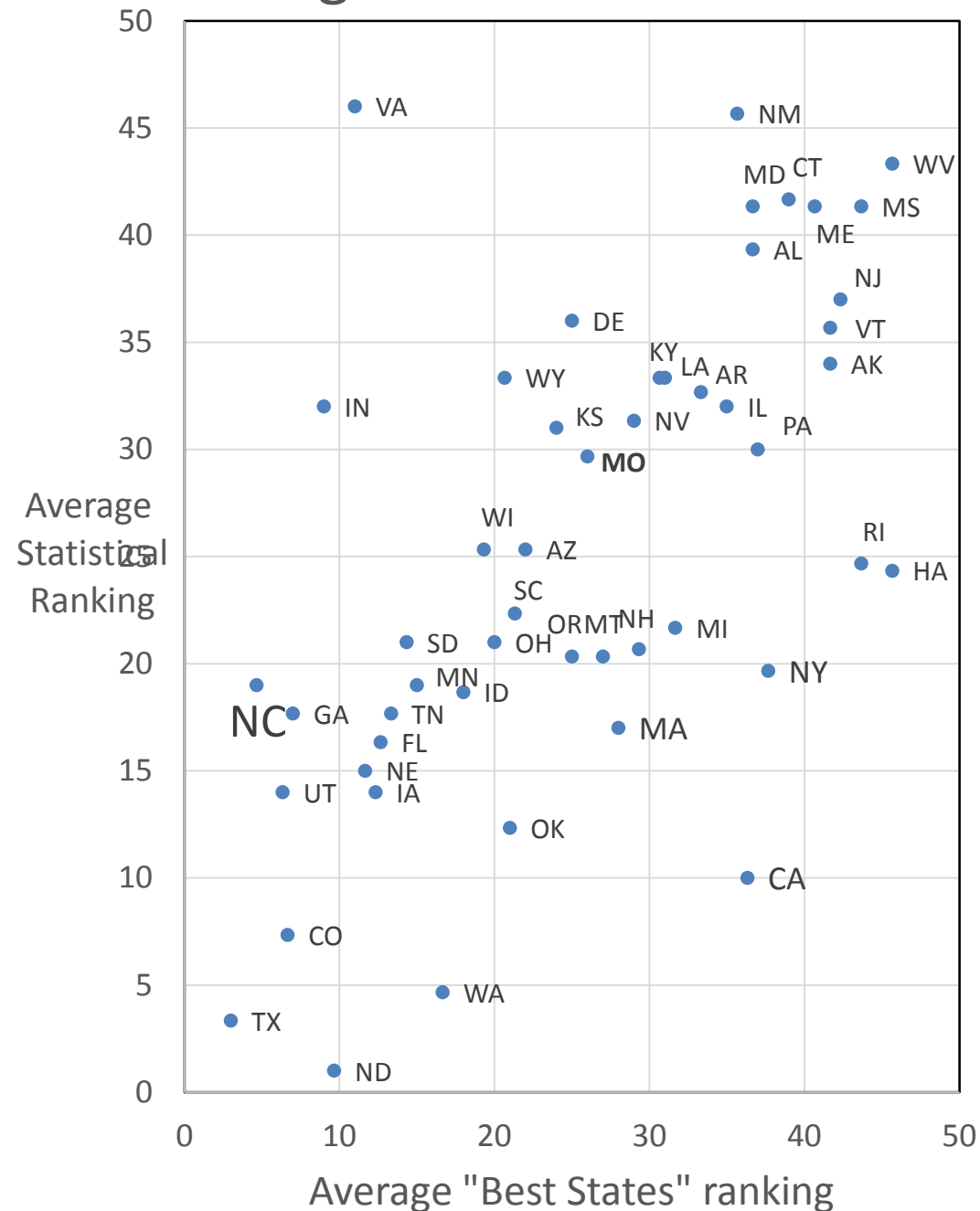


Chief Executive Best States for Business 2015

1. Texas
2. Florida
3. **North Carolina**
4. Tennessee
5. Georgia
6. Indiana
7. Louisiana
8. Nevada
9. Arizona
10. South Carolina



Rankings and Performance

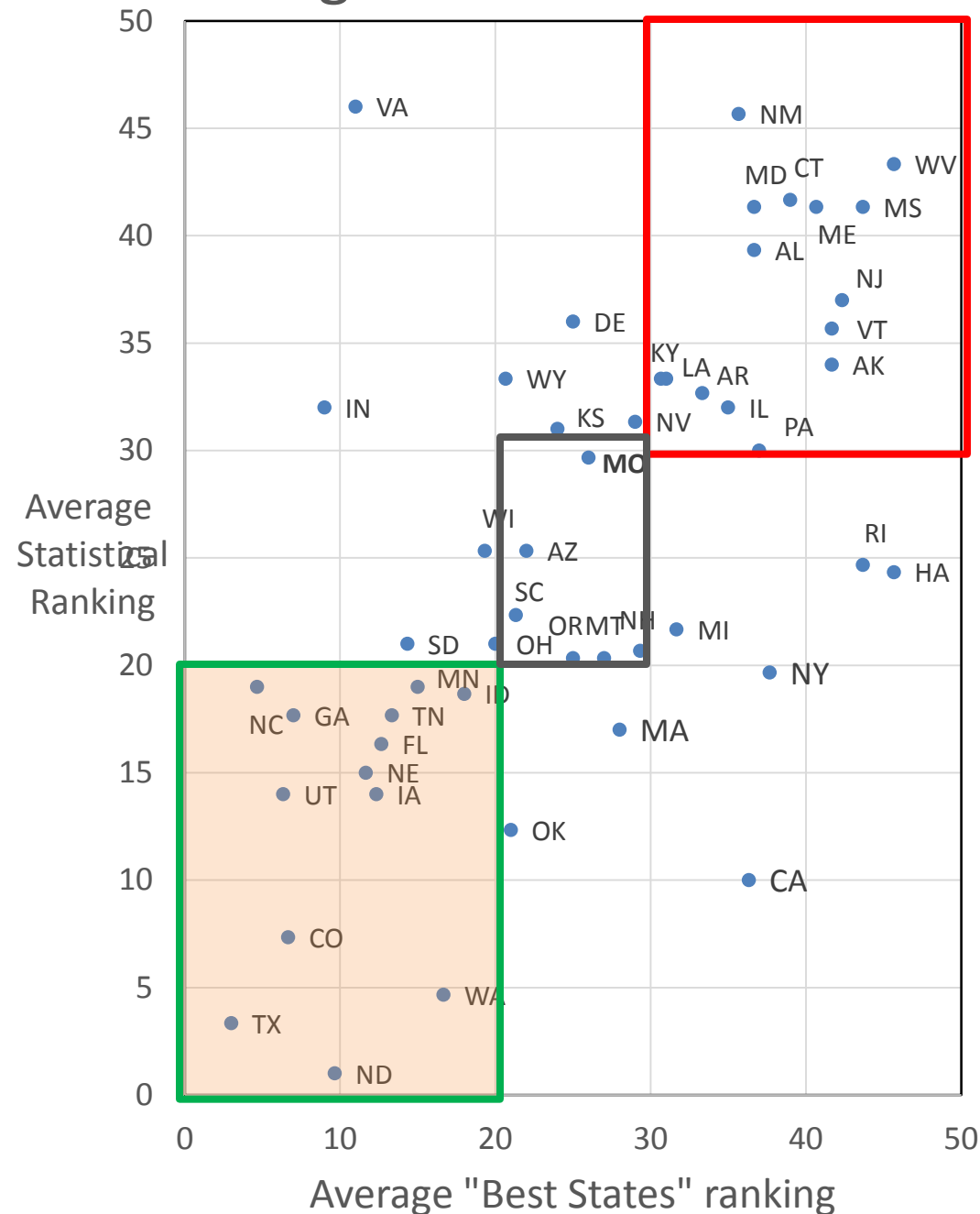


States By Average
Ranks by Forbes,
CNBC, and Chief
Executive

Plotted Against

Actual
Performance for
Job Growth, Wage
Growth and
Growth in GDP

Rankings and Performance

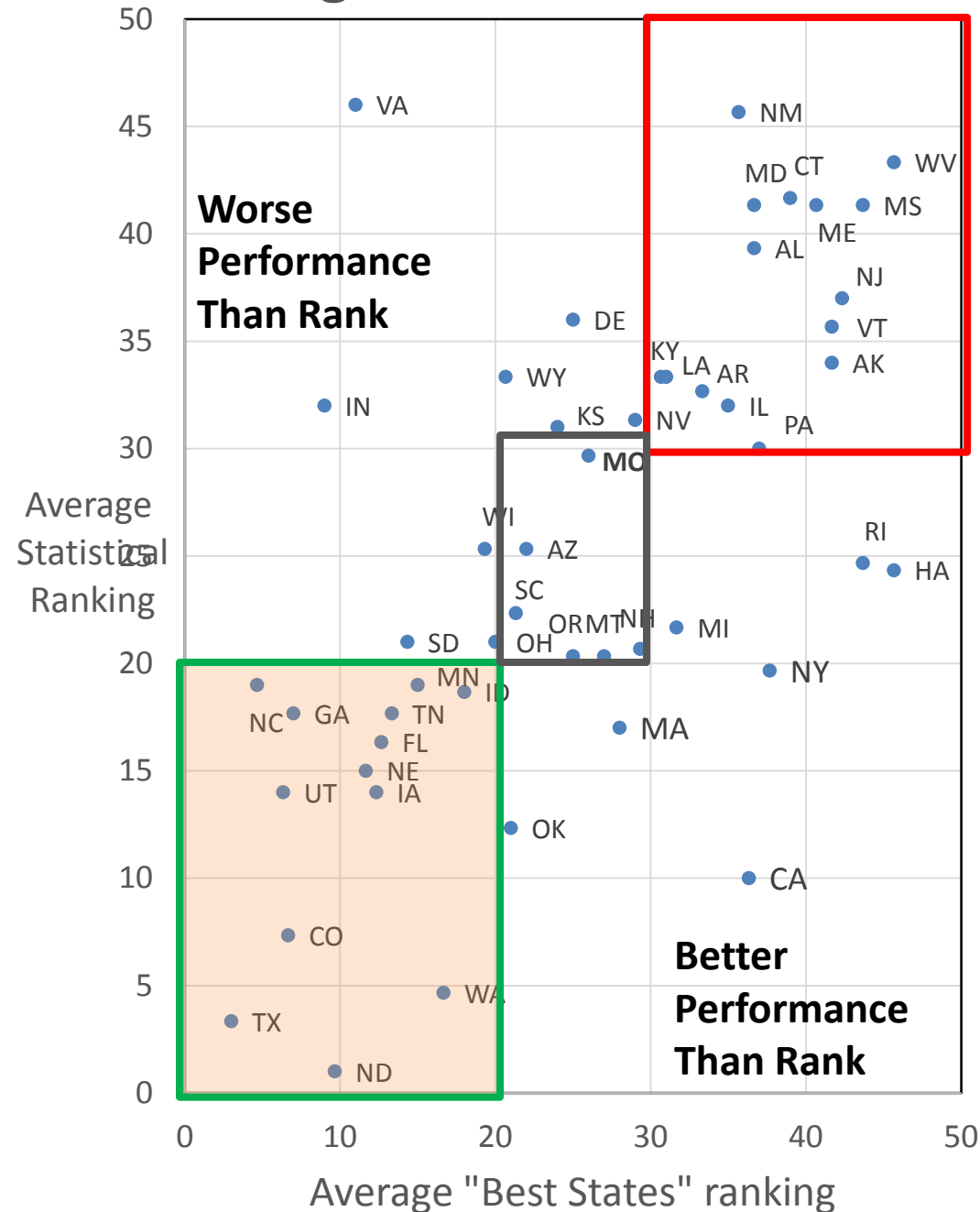


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Rankings and Performance

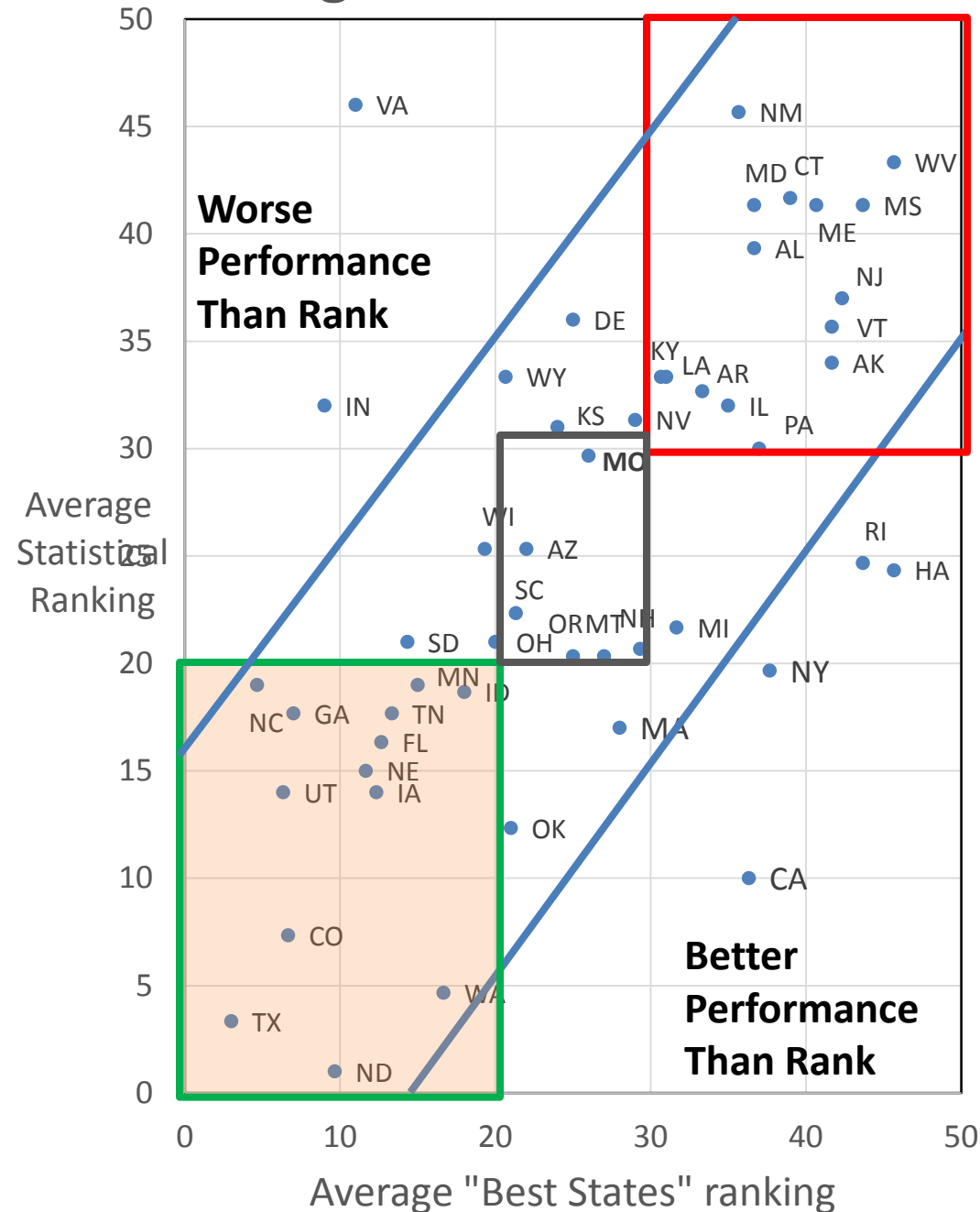


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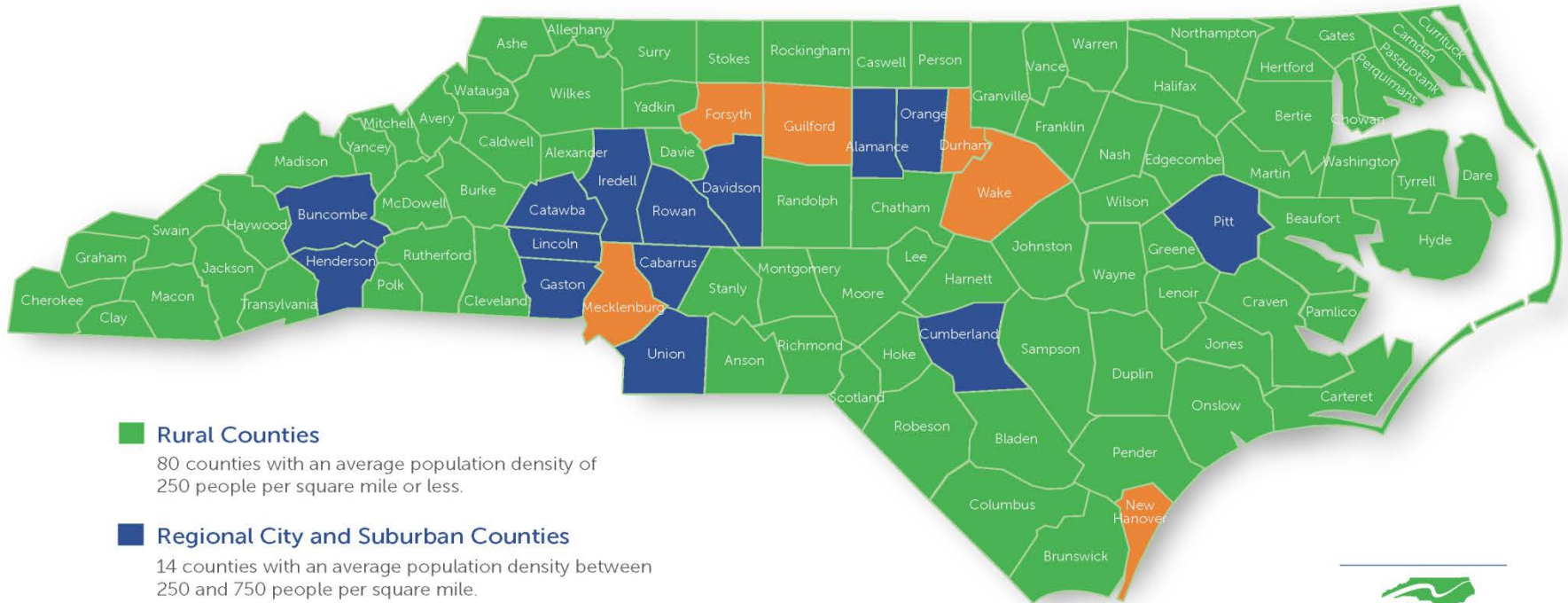
States By Average
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Can Rural North Carolina Compete?

North Carolina Counties (80 Rural)



Rural Counties

80 counties with an average population density of 250 people per square mile or less.

Regional City and Suburban Counties

14 counties with an average population density between 250 and 750 people per square mile.

Urban Counties

6 counties with an average population density that exceeds 750 people per square mile.

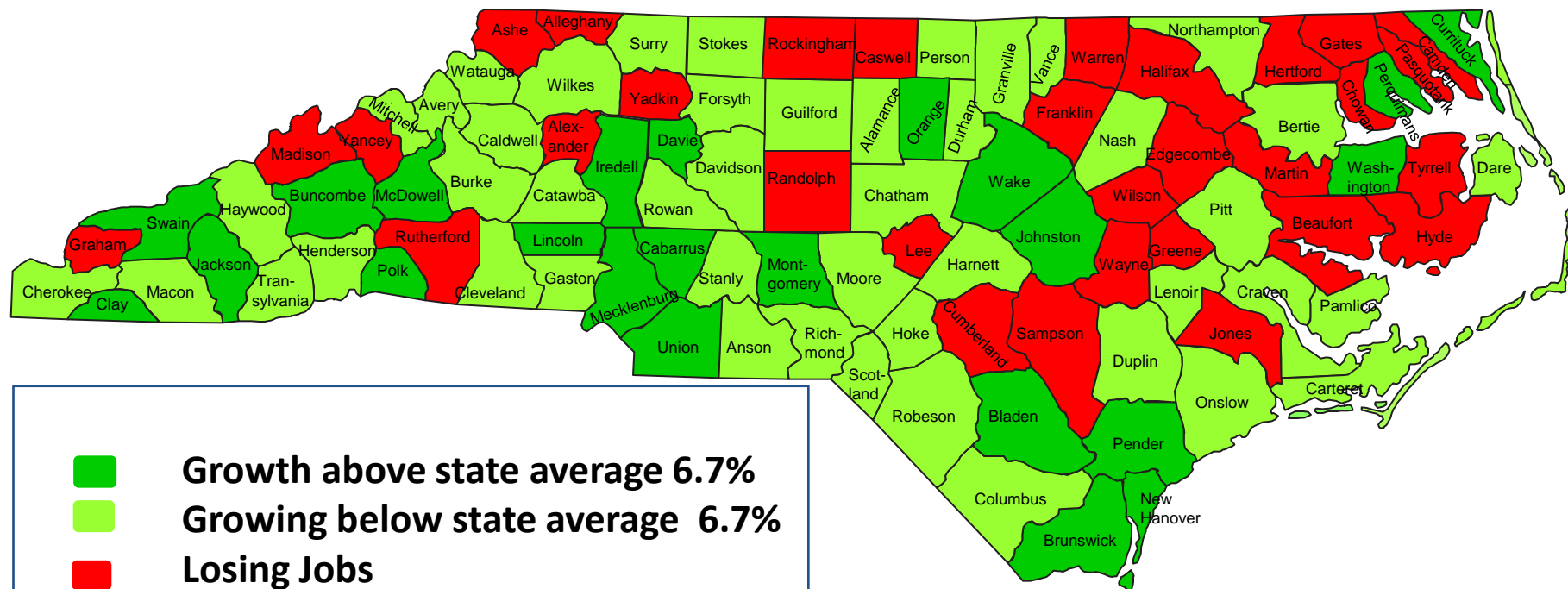
Densities as reported in the 2014 U.S. Census population estimates.



CHANGE IN AVERAGE NUMBER OF JOBS

June 2012 to June 2015

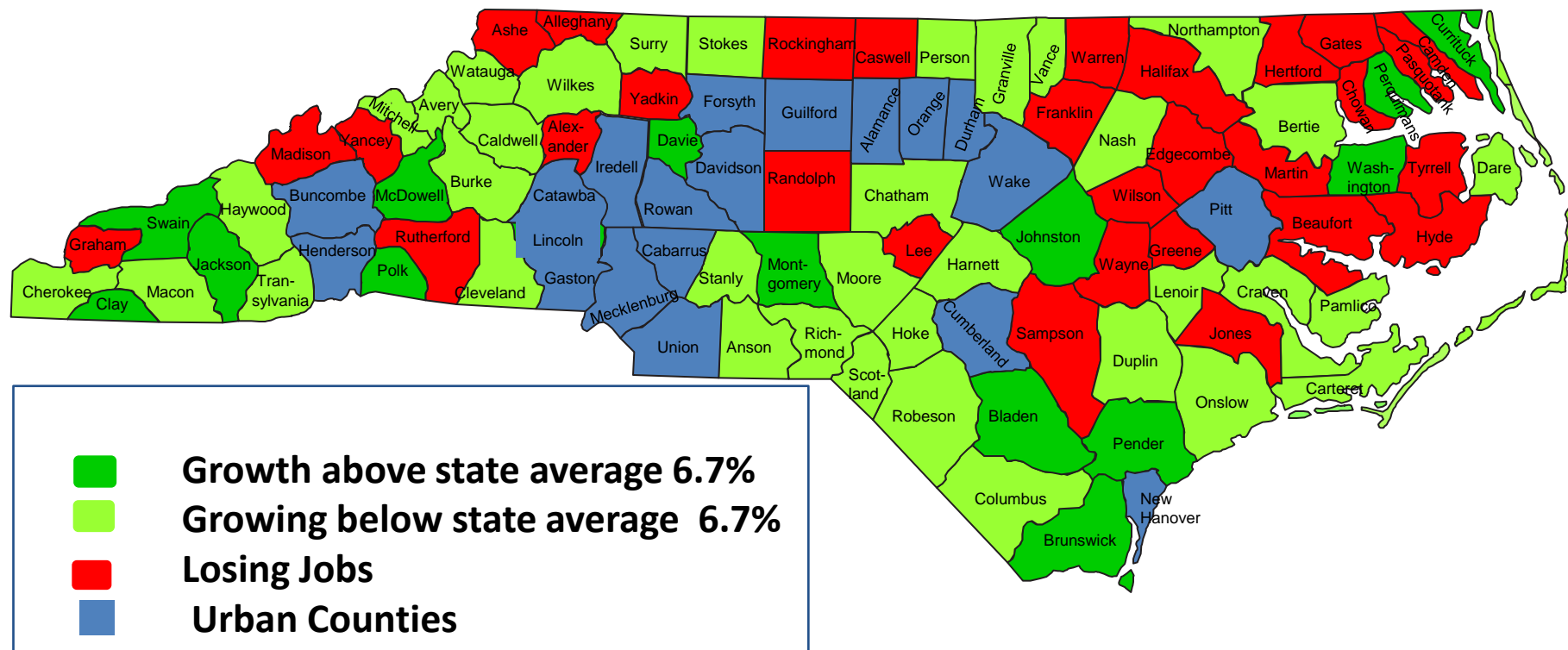
North Carolina state average 6.7%



CHANGE IN AVERAGE NUMBER OF JOBS

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North Carolina state average 6.7%

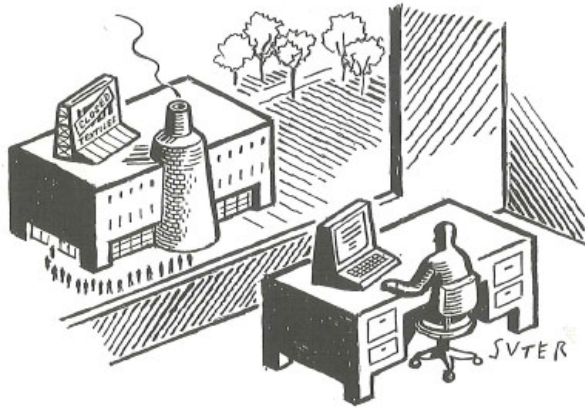


Accelerating Global Urbanization



AFTER THE FACTORIES

CHANGING EMPLOYMENT PATTERNS
IN THE RURAL SOUTH

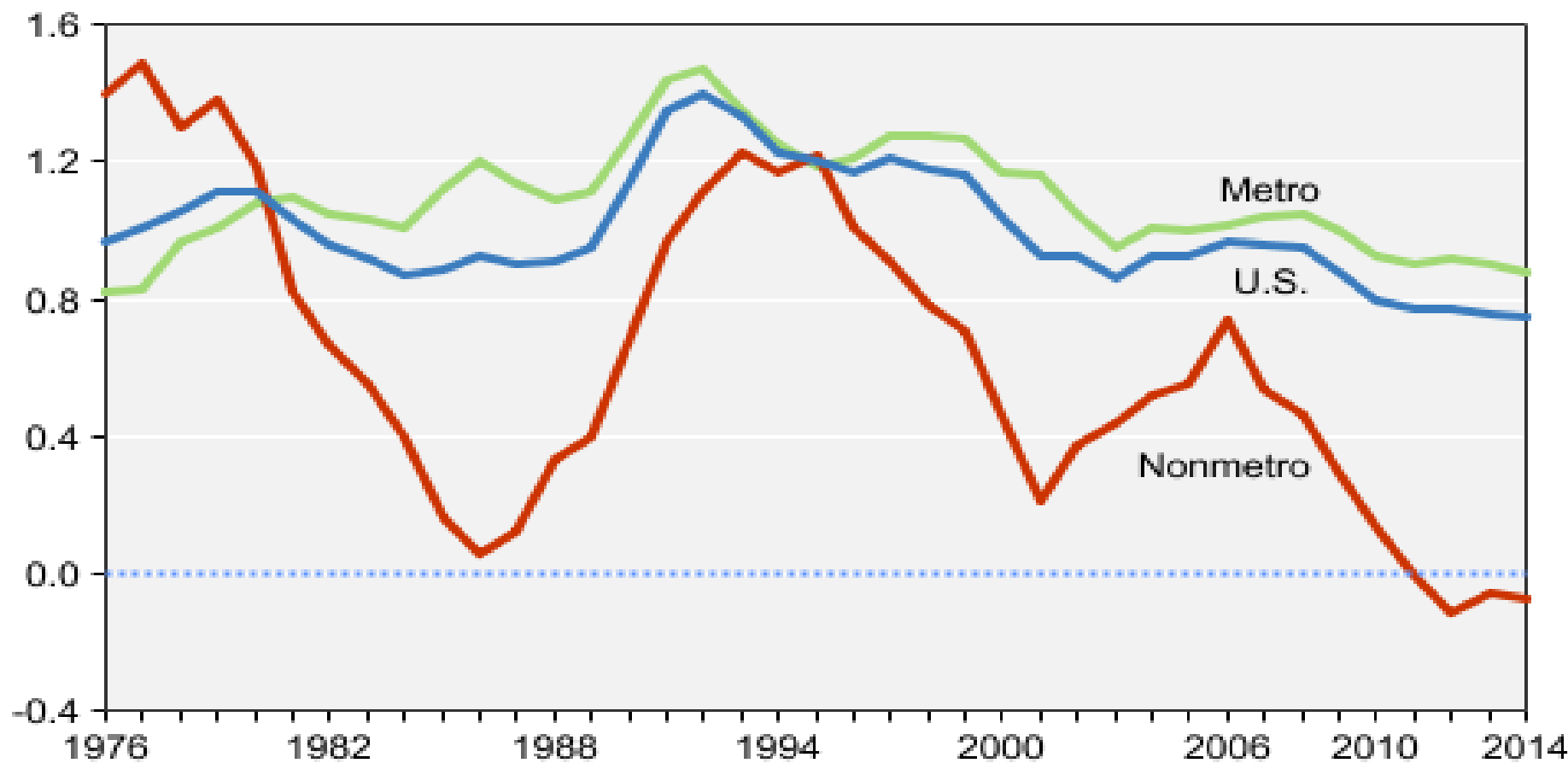


SOUTHERN GROWTH POLICIES BOARD
RESEARCH TRIANGLE PARK, NORTH CAROLINA

“What we begin to notice in 1983 was an alarming economic decline in the non-metropolitan South.”

Population change by metro/nonmetro status, 1976-2014

Percent change from previous year



Note: Metro status changed for some counties in 1980, 1990, 2000, and 2010.
Source: USDA, Economic Research Service using data from U.S. Census Bureau.

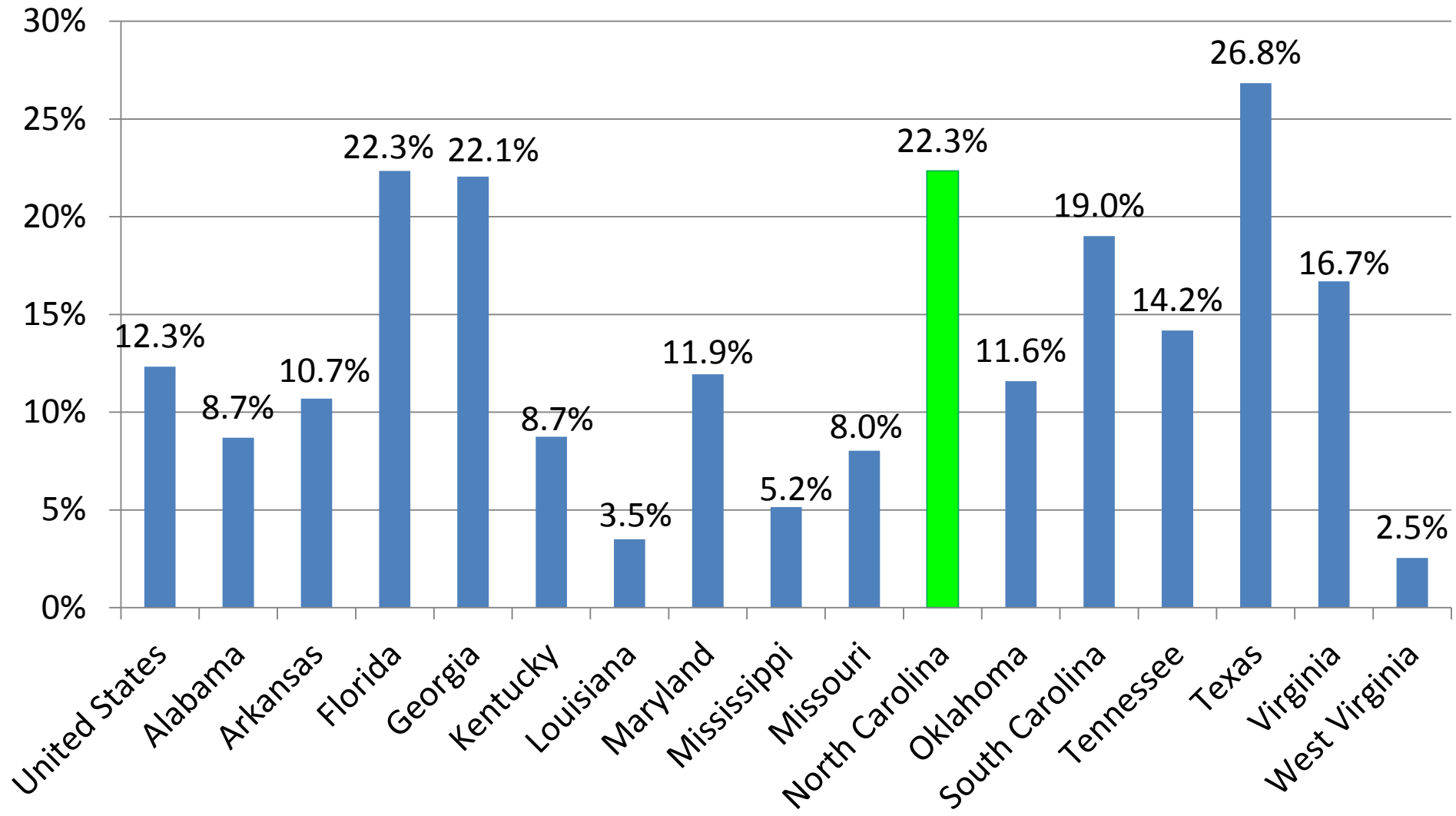
What is a small town?



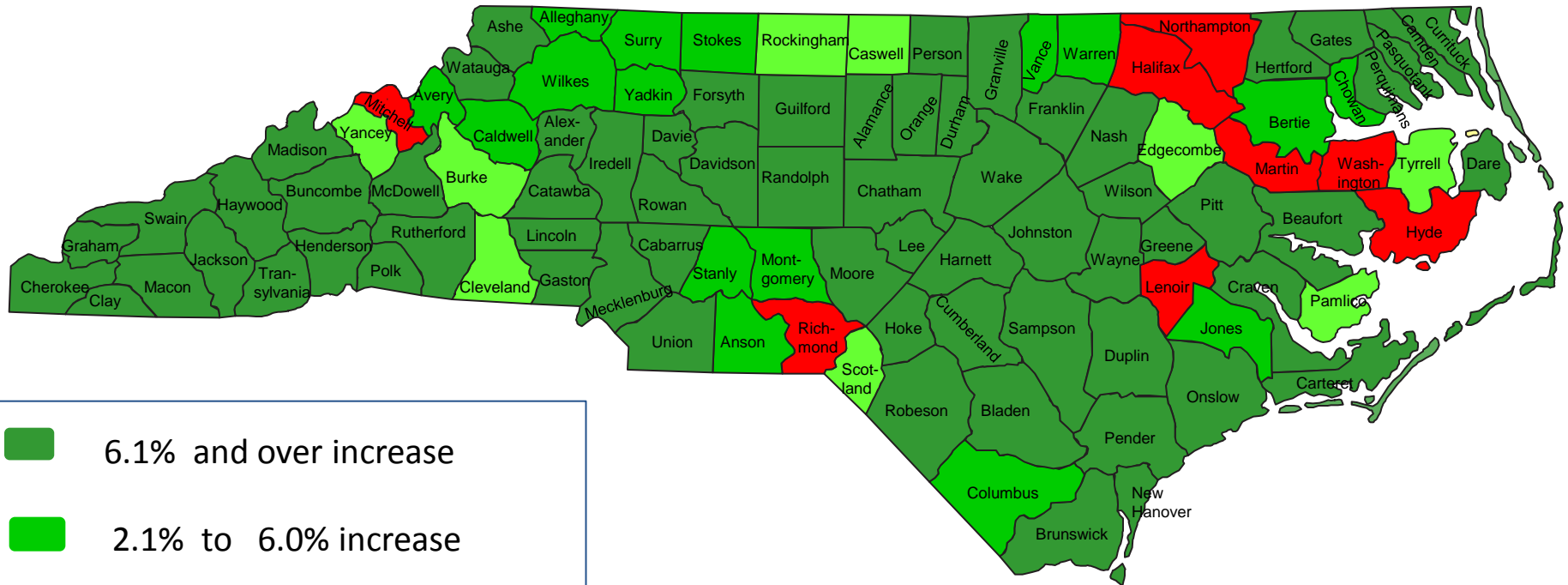
North Carolina has 553 municipalities- over 200 have fewer than 1,000 residents- only 38 have more than 25,000

| Rank | Municipality | County | Population |
|------|---------------|---------------------------------------|------------|
| 1 | Charlotte | Mecklenburg | 803,392 |
| 2 | Raleigh | Wake, Durham | 432,133 |
| 3 | Greensboro | Guilford | 280,801 |
| 4 | Durham | Durham, Orange, Wake | 244,108 |
| 5 | Winston-Salem | Forsyth | 237,885 |
| 6 | Fayetteville | Cumberland | 208,373 |
| 7 | Cary | Wake, Chatham | 148,103 |
| 8 | Wilmington | New Hanover | 113,910 |
| 9 | High Point | Guilford, Davidson, Forsyth, Randolph | 108,552 |
| 10 | Asheville | Buncombe | 89,248 |
| 11 | Greenville | Pitt | 87,436 |
| 12 | Concord | Cabarrus | 85,426 |
| 13 | Jacksonville | Onslow | 76,576 |
| 14 | Gastonia | Gaston | 73,186 |
| 15 | Chapel Hill | Orange, Durham | 59,753 |
| 16 | Rocky Mount | Nash, Edgecombe | 55,958 |
| 17 | Huntersville | Mecklenburg | 53,821 |
| 18 | Burlington | Alamance, Guilford | 51,919 |
| 19 | Wilson | Wilson | 49,030 |
| 20 | Kannapolis | Cabarrus, Rowan | 44,427 |
| 21 | Apex | Wake | 42,672 |
| 22 | Hickory | Catawba, Burke, Caldwell | 40,330 |
| 23 | Indian Trail | Union | 36,628 |
| 24 | Mooresville | Iredell | 36,391 |
| 25 | Goldsboro | Wayne | 35,434 |

Change in Population 2000-2013



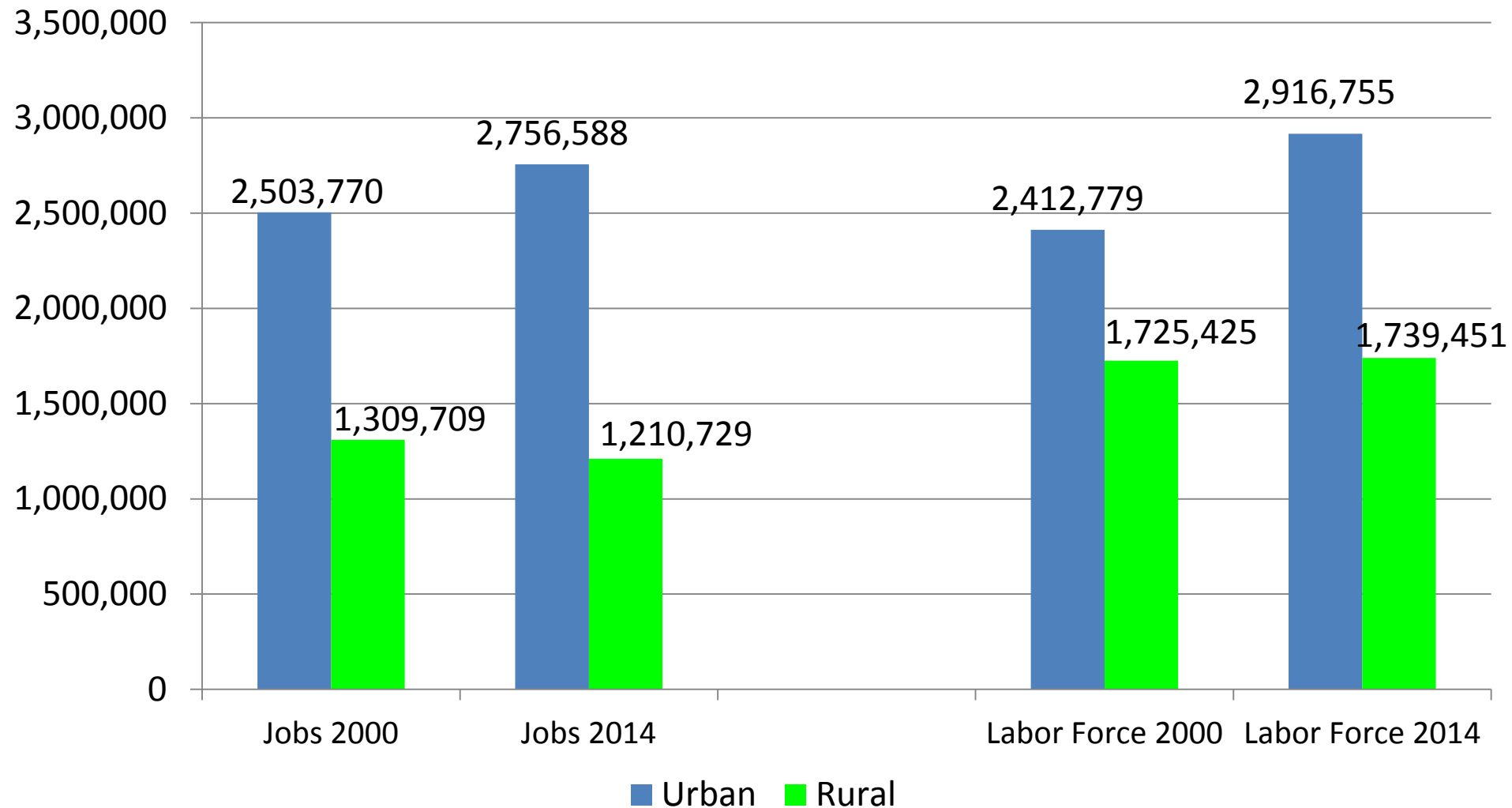
North Carolina Change in Population 2000 to 2013



Source: NC Office of State Budget and Management

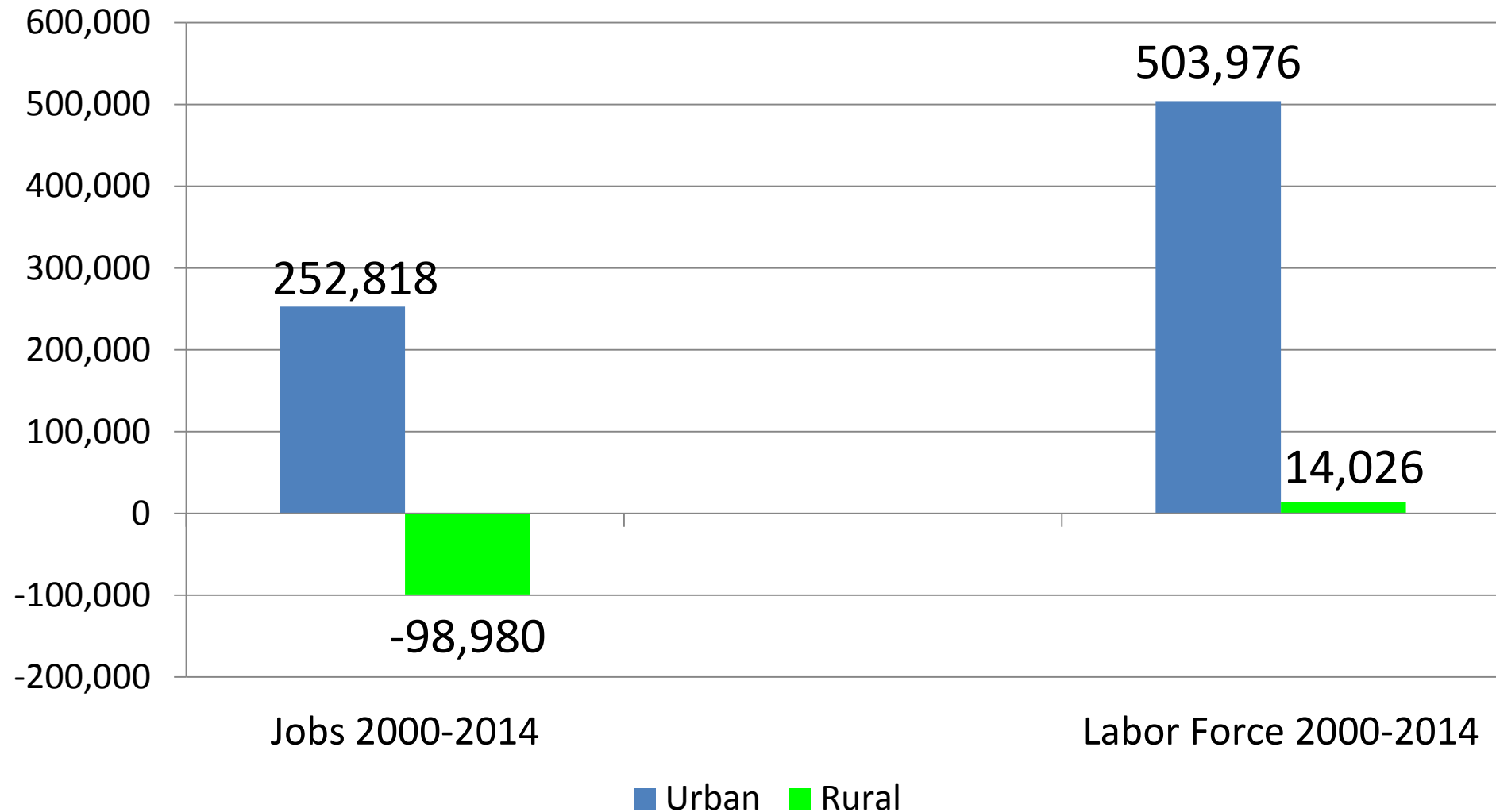
NC Job & Labor Force Shifts 2000-2014

Urban and Rural



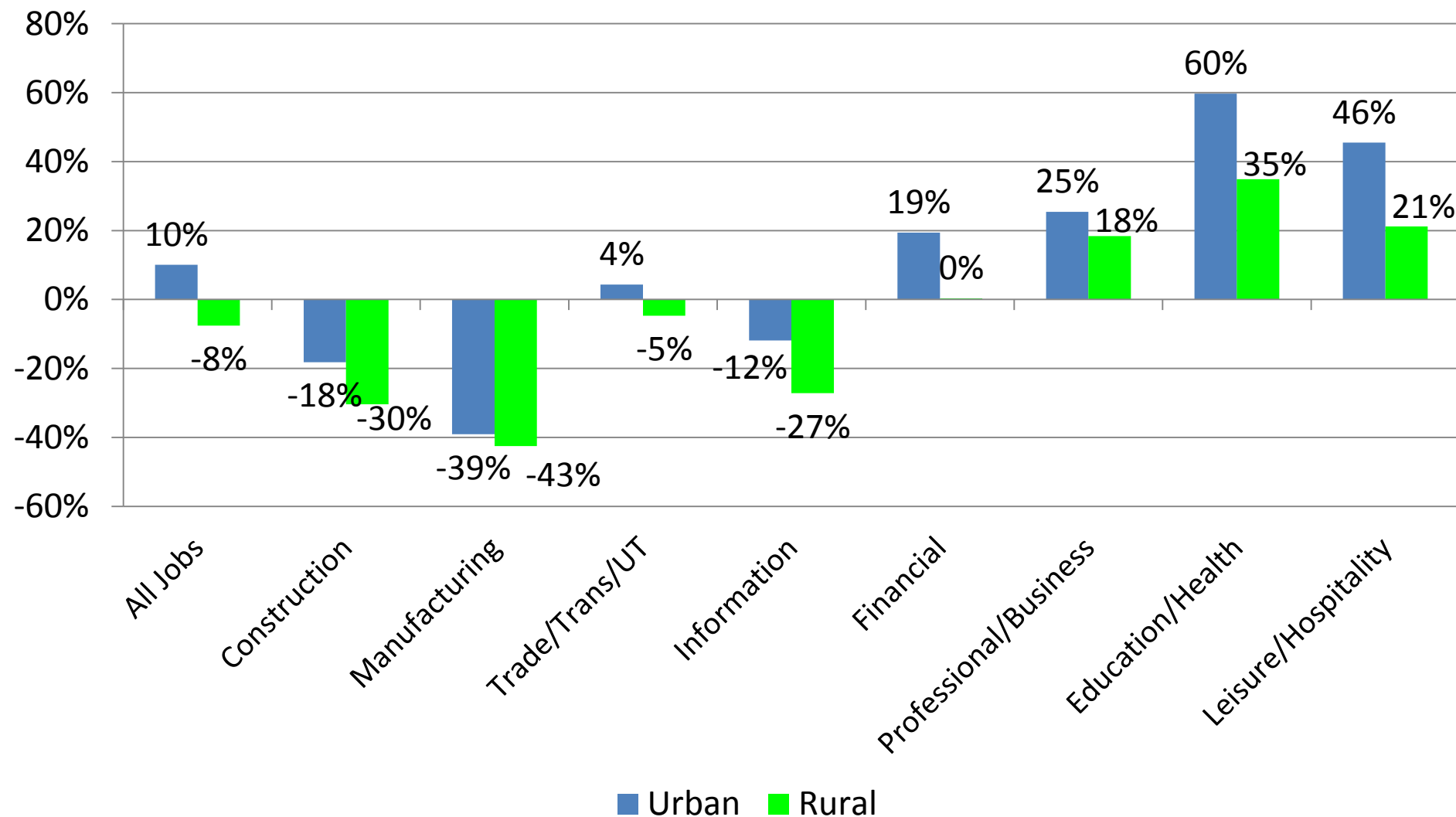
NC Job & Labor Force Shifts 2000-2014

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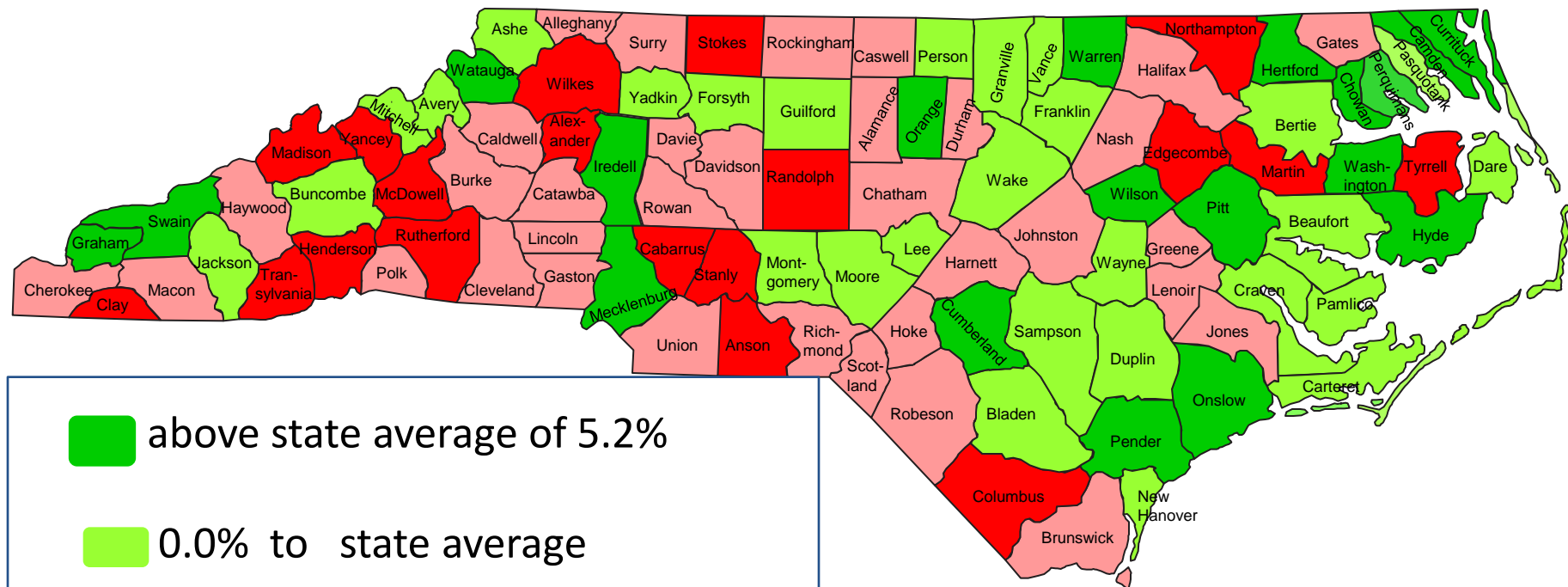


NC Job Changes 2000-2014

Urban and Rural



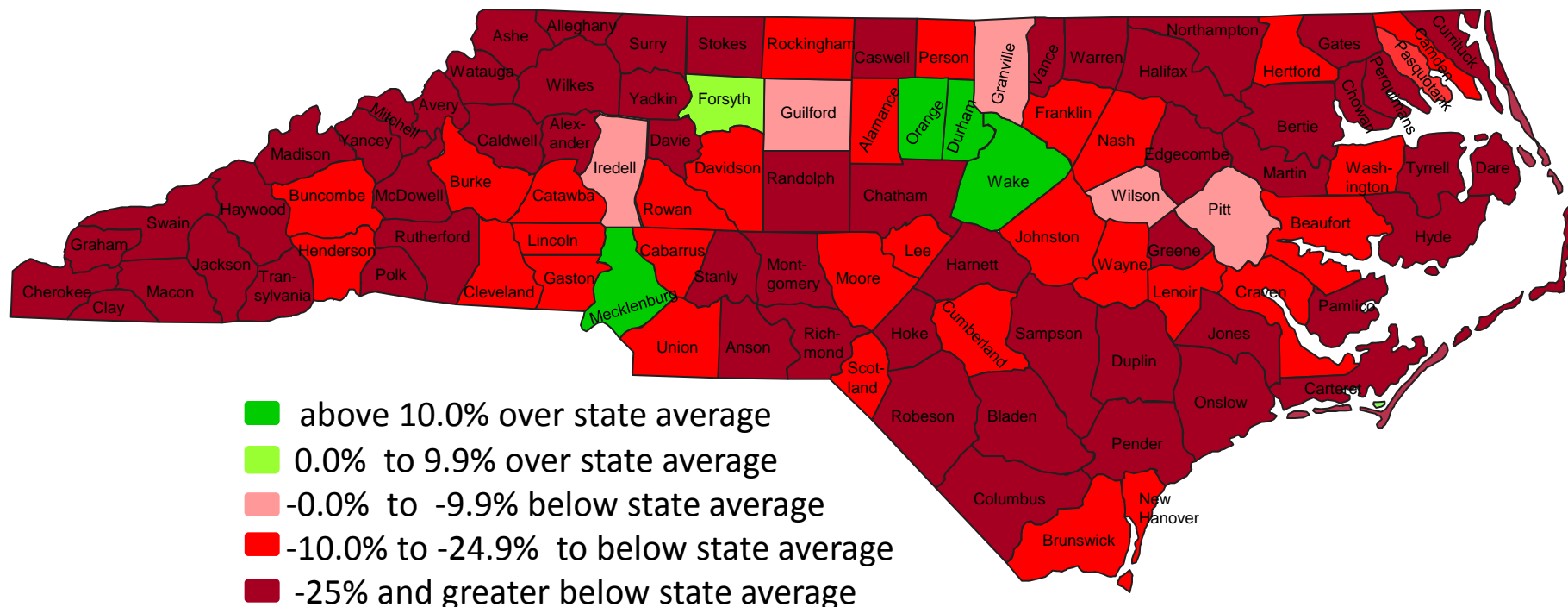
North Carolina CHANGE IN AVERAGE ANNUAL WAGES 2000 to 2014



Source: U.S. Bureau of Labor Statistics, BEA (www.bls.gov)

North Carolina

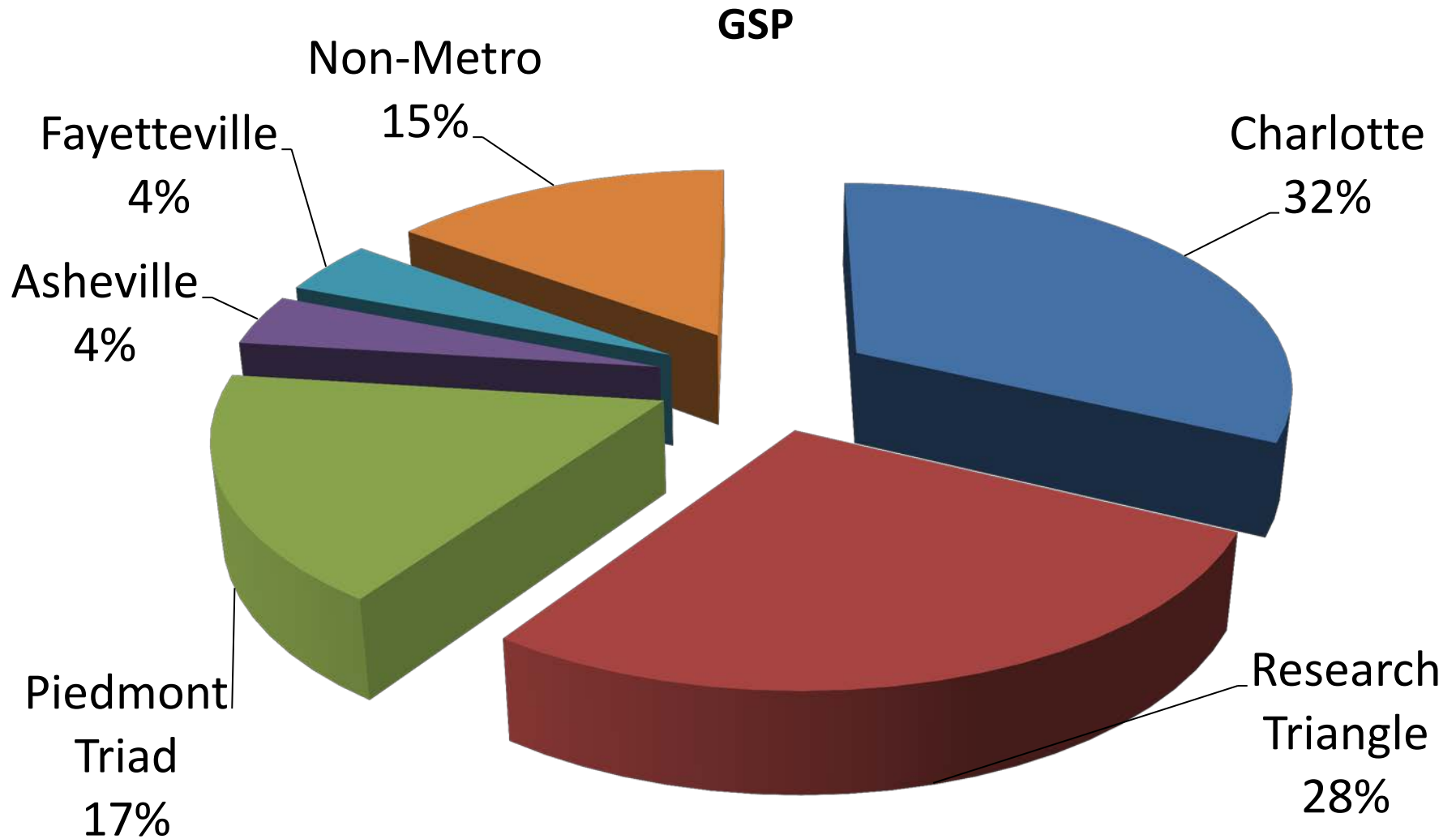
Annual Average Pay 2014
Compared to North Carolina
Average of \$44,969



Source: U.S. Bureau of Labor Statistics (www.bls.gov)

2014 Gross State Product

84.8% of State Total in Metros



Creating More Competitiveness

Top Factors for Companies Considering New Investment

- 1) Highway accessibility
- 2) Occupancy or construction costs
- 3) Available land
- 4) Availability buildings
- 5) Availability of **skilled** labor
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- 7) Right-to-work state
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Quality of Life Issues

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- 5) Housing costs
- 6) Colleges & universities in the area
- 7) Recreational opportunities
- 8) Cultural opportunities
- 9) Climate



Questions?

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