

News from Appalachian

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Unemployment continues to plague Western North Carolina

BOONE—Unemployment rates in Western North Carolina have more than doubled in the past two years from just under 5.0 percent to 12.2 percent. And while the region's economy experienced positive growth in the spring, the region lost some of those gains in the third quarter of this year.

“Employment continues to be a problem,” said Todd Cherry, a co-author of the Western North Carolina Economic Report and director of the Center for Economic Research and Policy Analysis at Appalachian State University. “The region lost jobs in 22 of the last 24 months. The cumulative effect of this trend is tremendous, particularly for the hardest hit areas.”

The Hickory-Lenoir-Morganton metro area has lost about 12 percent of its jobs during the past two years, while Asheville lost nearly 7 percent of its jobs during this period.

The region lost more than 19,000 jobs through the first nine months of 2009.

“Two years ago, the region had unemployment rates under 5.0 percent. Today it is 12.2 percent. So, without question, it is a different reality for the region and beyond,” Cherry said.

“Signals are mixed, so it helps to look more at the bigger picture than any single indicator. The latest gross domestic product numbers indicate the national economy expanded,” he said. “This likely is occurring regionally, and may lead to upward revisions of state and local numbers. A broader look indicates the regional economy is on the road to recovery, but we have much to recover and it may be slow and bumpy.”

According to the report, seasonally adjusted employment for Western North Carolina decreased 0.53 percent in September while statewide adjusted employment increased 0.2 percent. Transylvania, Graham and Swain counties had the largest declines in employment (1.57, 1.20 and 0.85 percent). Watauga, Yancey and Polk were the only counties that did not experience job losses.

Seasonally adjusted WNC unemployment registered 12.2 percent in September—up 0.5 points from August. The state unemployment rate remained unchanged at 10.8 percent. The national unemployment rate increased 0.1 point to 10.8 percent.

The seasonally adjusted unemployment rate within the region's rural counties registered 12.5 percent, up 0.6 points from August. In the region's metro areas, unemployment increased 0.3 points in Asheville to 9.3 percent and increased 0.5 points in Hickory-Morganton-Lenoir to 15.1 percent.

Twenty-two of the 25 counties have unemployment rates above 9 percent, 13 counties have rates over 12 percent, and six counties have rates over 15 percent.

During the past 12 months, county-level unemployment in the region has increased an average of 4.87 points.

Caldwell, Graham and Cherokee counties had the highest unemployment rates in the region in September (16.33, 16.15 and 15.93 percent). Watauga, Buncombe and Polk counties had the lowest unemployment rates for the month (8.37, 8.85 and 8.90 percent).

Graham and Burke counties had the largest increases in rates in September (1.15 and 1.09 points). Alleghany County was the lone county with a decline in unemployment rates for the month (0.18 points).

Seasonally adjusted initial claims for unemployment insurance in the region, a leading indicator of unemployment, increased 9.2 percent in September. Initial claims increased 14.4 percent in Asheville and increased 11.0 percent in Hickory-Morganton-Lenoir.

The WNC Index provides a monthly account of economic conditions for western North Carolina and is typically released the fifth week following each month. For more information, visit www.cerpa.appstate.edu/wncindex.php.

The WNC Index and Report is a cooperative effort by AdvantageWest-North Carolina and Appalachian's Center for Economic Research and Policy Analysis.