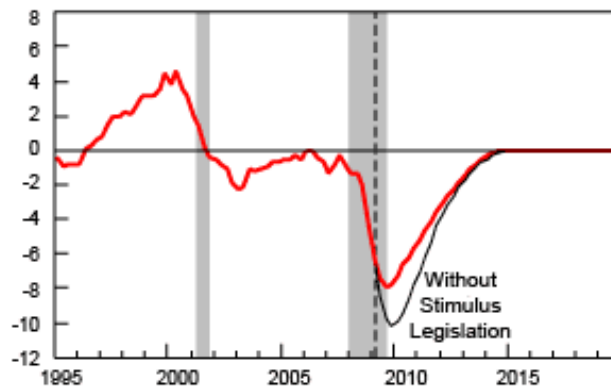


Robeson County: Current Economic Picture

Dr. Douglas W. Elmendorf, Director, Congressional Budget Office (CBO), wrote in his March 2009 blog (<http://cboblog.cbo.gov>) that the first quarter of 2009 did not present much hope. The CBO estimates indicated that real gross domestic product (real GDP), a measure of output of the US, was expected to decline at an annual rate of about 6.2 percent. According to the CBO estimates we can expect the economy to turn around by the end of 2009. However, the gap between actual real GDP and the potential real GDP is expected to persist till 2014. According to the CBO estimates the downturn would have been deeper without the American Recovery and Reinvestment Act, and the actions of the Federal Reserve System, the central bank of the United States, and the US Treasury. See Figure 1.

Figure 1: Gap between the Actual and Potential Real GDP as a Percent of Potential Real GDP



Source: Congressional Budget Office; Department of Commerce, Bureau of Economic Analysis. (<http://cboblog.cbo.gov>. Accessed: 03-27-2009)

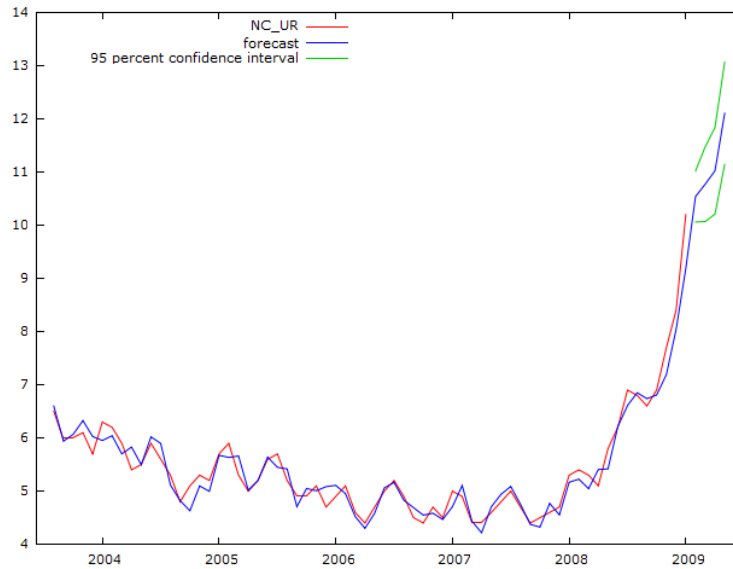
North Carolina and Robeson County

As one would expect North Carolina and Robeson County are not insulated from the economic downturn. According to the latest figures available, the unemployment rate in North Carolina jumped to 10.2 percent, and in Robeson County the unemployment rate jumped to 11.8 percent in January 2009. (Source: United States Department of Labor, Bureau of Labor Statistics. URL: www.bls.gov).

According to our estimates¹ the unemployment rate in North Carolina is expected to rise in the next few months. Our estimates indicate that by May 2009 the unemployment rate may be around 12.1 percent. See Figure 2.

¹ To produce forecasts for North Carolina and Robeson County we use the method outlined in Ramanathan, R. (2002). *Introduction to econometrics with applications* South-Western. ; pp. 392-395 and 449-450. We used Gretl (<http://gretl.sourceforge.net>) to perform econometric analysis.

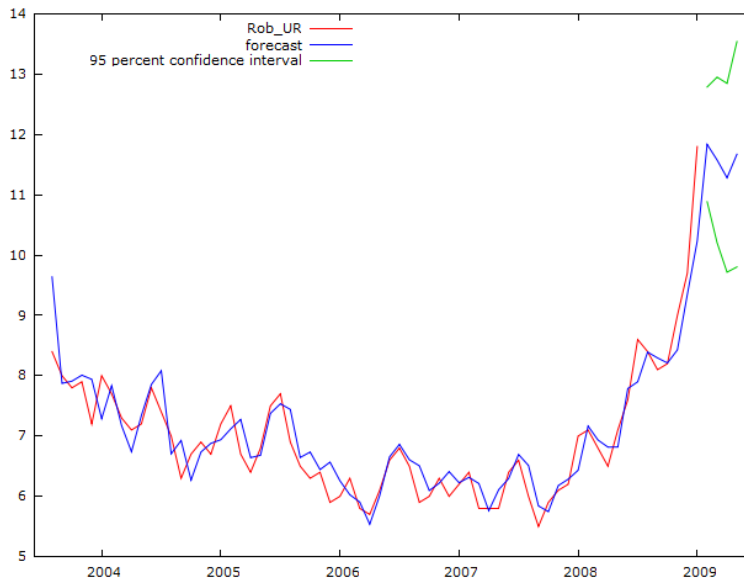
Figure 2: North Carolina Unemployment Rate and its Forecasts



Note: NC_UR represents the North Carolina unemployment rate. (Data Source: United States Department of Labor, Bureau of Labor Statistics. URL: www.bls.gov)

As for Robeson County, our estimates indicate that the unemployment rate may be around 11.7 percent in May 2009. Interestingly, according to our estimates, unemployment rate in Robeson County is expected to decline to around 11.3 percent in April 2009 and then rise again. See Figure 3.

Figure 3: Robeson County Unemployment Rate and its Forecasts



Note: Rob_UR represents the Robeson County unemployment rate. (Data Source: United States Department of Labor, Bureau of Labor Statistics. URL: www.bls.gov)

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