

Robeson County: Current Economic Picture

The US Economy

The health of the US economy remains moderately strong. Labor market conditions have shown further improvement in recent months; and the unemployment rate consistently decreasing. Bureau of Economic Analysis (BEA) informed that the real gross domestic product—the output of goods and services produced by labor and property located in the United States—increased at an annual rate of 4.2 percent in the second quarter of 2014. The BEA reports that the increase in real GDP in the second quarter primarily reflects positive contributions from several factors, of which personal consumption expenditures (PCE), private inventory investment, exports, nonresidential fixed investment, state and local government spending, and residential fixed investment are the major ones.

The second quarter of 2014 remains economically more robust and healthy. The report reveals that the real personal consumption expenditures have increased by 2.5 percent in the second quarter, compared with an increase of 1.2 percent in the first. Durable goods increased 14.3 percent, compared with an increase of 3.2 percent. Nondurable goods increased 1.9 percent in the second quarter; it was unchanged in the first. The sector also have a positive increment, it has increased by 0.8 percent, compared with an increase of 1.3 percent in the first quarter (www.bea.gov). Figure 1 plots these data.

The report reveals the main contributing factors on the **Second-quarter**

- Exports, mainly goods exports, increased after decreasing in the first quarter.
- Nonfarm inventory investment by motor vehicle dealers turned up.
- Consumer spending, notably motor vehicles and parts, increased more than in the first quarter.



Real GDP growth is measured at seasonally adjusted annual rates.

Figure 1: Growth Rate of Real GDP

Per capita personal income is increasing from 2010 to 2013 for all 4 quarters (www.bea.gov).

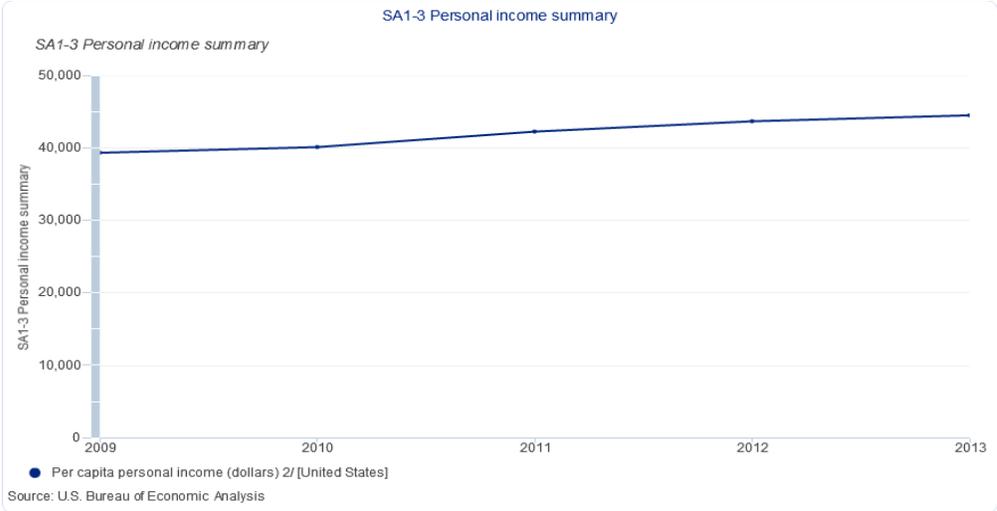


Figure 2. Per Capita Personal Income

A similar picture in the labor market. Bureau of Labor Statistics (BLS) reports that in August 2014, the civilian labor force participation rate, at 62.8 percent, changed little and has been essentially unchanged since April. In August, both the unemployment rate dropped to 6.1 percent. Over the year, the unemployment rate and the number of unemployed persons were down by 1.1 percentage points and 1.7 million, respectively.



Figure 3: National Unemployment Rate

BLS reports that the number of long-term unemployed (those jobless for 27 weeks or more) declined by 192,000 to 3.0 million in August. Over the past 12 months, the number of long-term unemployed has declined by 1.3 million. Figure 3 plots the unemployment rate data.

Another measure which represents the percentage of buildings and equipment being utilized for productive purposes is “Capacity Utilization Rate.” Again, while improving, the use of equipment and buildings remains low at 78.2%. Figure 4 plots these data.

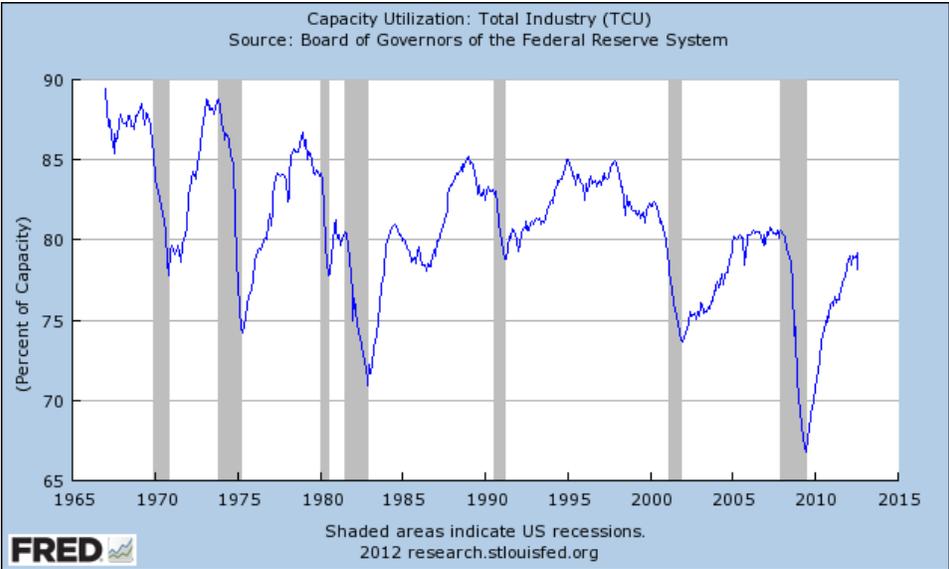


Figure 4: Capacity Utilization

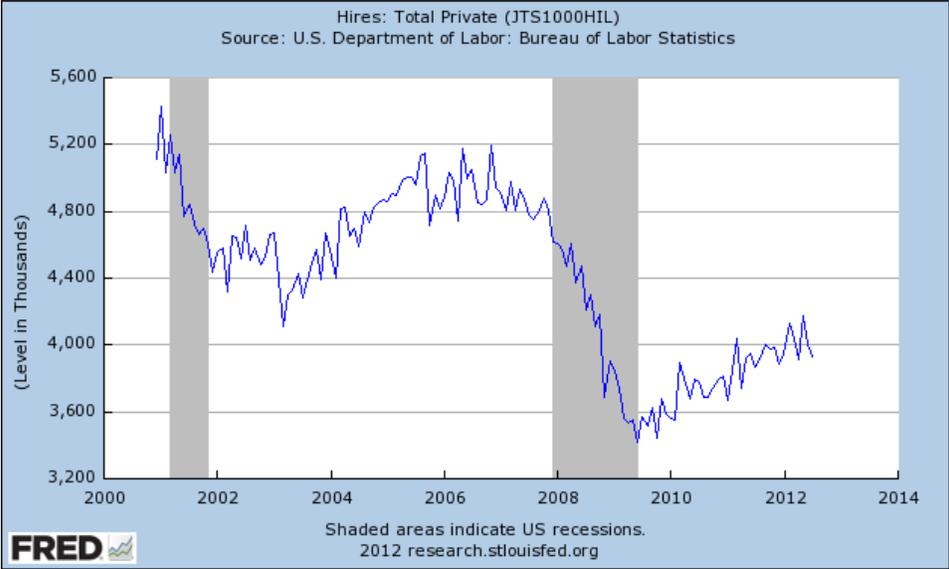


Figure 5: Total Private Hires

The data also show that while a large proportion of buildings and equipment remain unused, the employers are not hiring many workers. Figure 5 plots data for total private hires.

This is inspite of the fact that unit labor costs, which represent the cost of labor, remain low. Figure 6 plots these data.

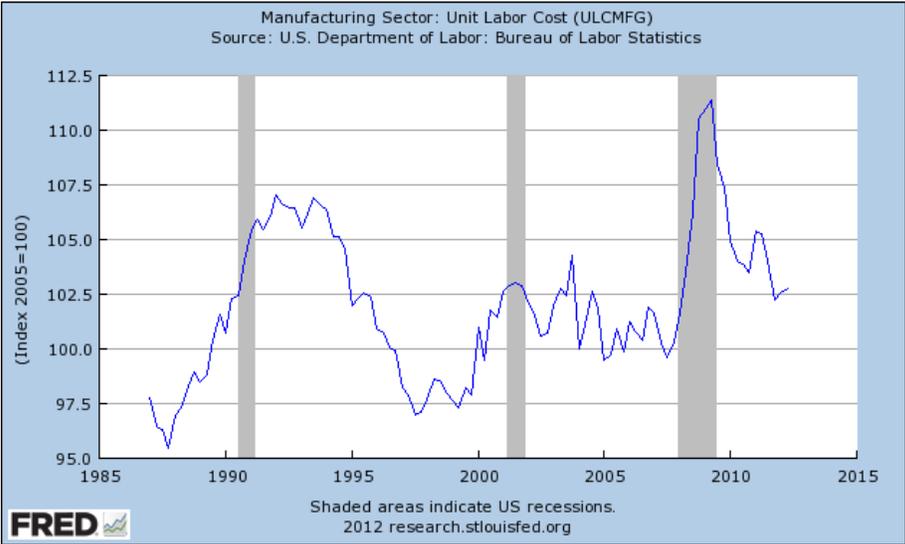


Figure 6: Manufacturing Sector Unit Labor Costs

Government hiring also remains low by historical standards. See Figure 7. In Figure 7, a spike around 2010 represents the hiring of temporary workers for the 2010 census.

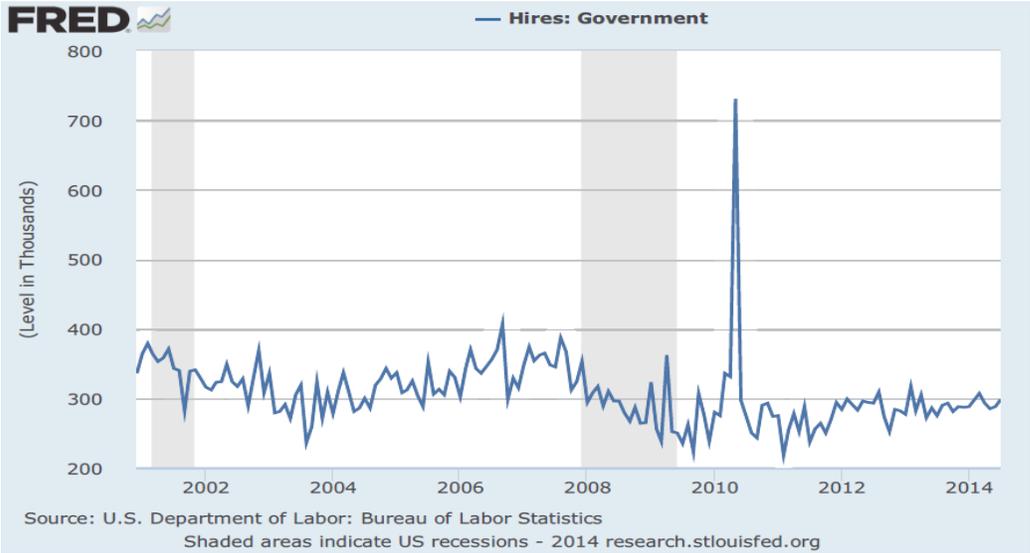


Figure 7: Government Hires

Perhaps one bright spot is the construction sector. Data show an increased hiring in the construction sector. See Figure 8.

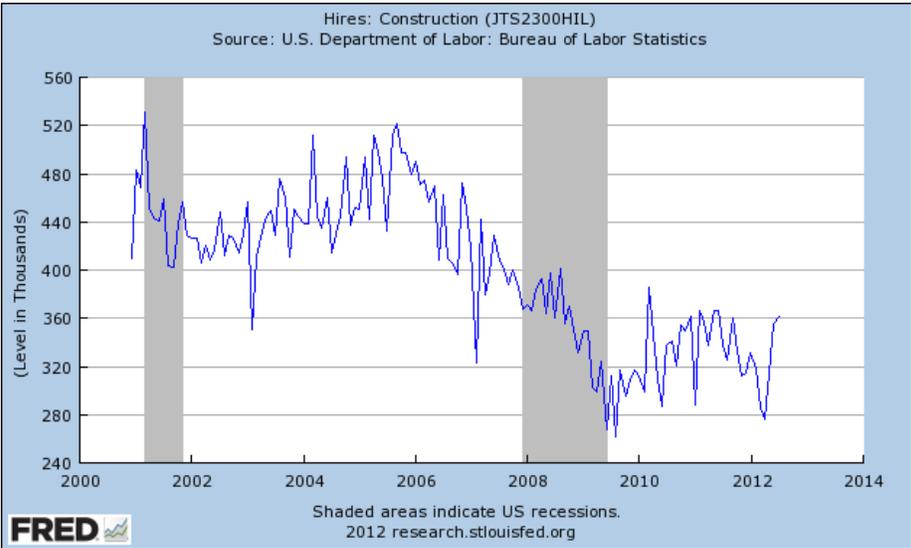


Figure 8: Hires in the Construciton Sector

The new hires on the construction job has increased in 2014. Though in the beginning of 2014 the hiring is pessimistic, but from the second quarter it stated to increase. See Figure 9.



Figure 9: Total Privat Layoffs and Discharges

North Carolina

North Carolina has the similar story that the nation has. While the state output, as measured by state real GDP, i.e. after correcting for inflation, has been increasing, the increase is below what the residents would like it to be. Figure 10 plots North Carolina real GDP data.

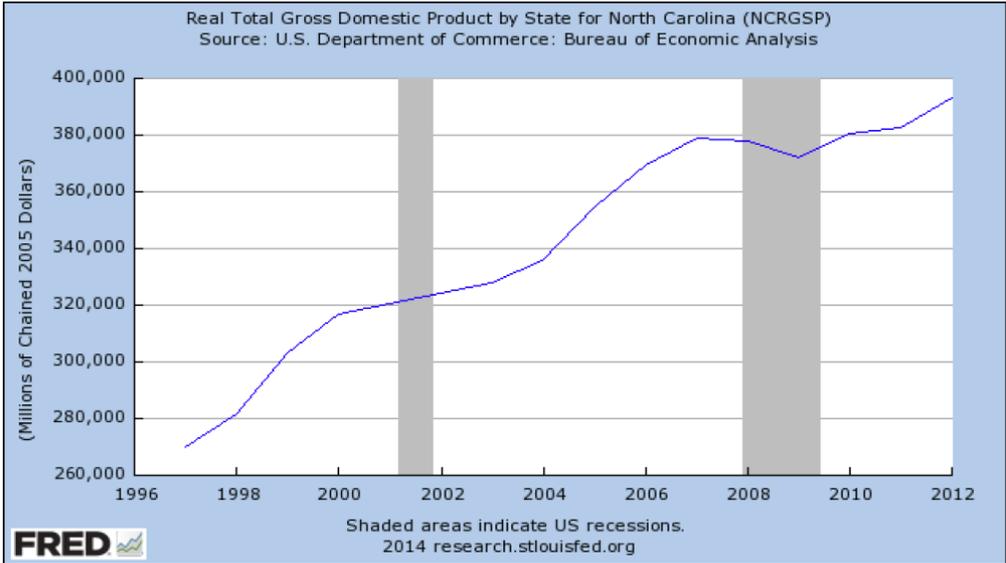


Figure 10: North Carolina Real GDP

The unemployment rate in North Carolina has been declined to 6.7% from 9.7%. However, still remains higher than the national unemployment rate, 6.1% in the second quarter of 2104. See Figure 11.

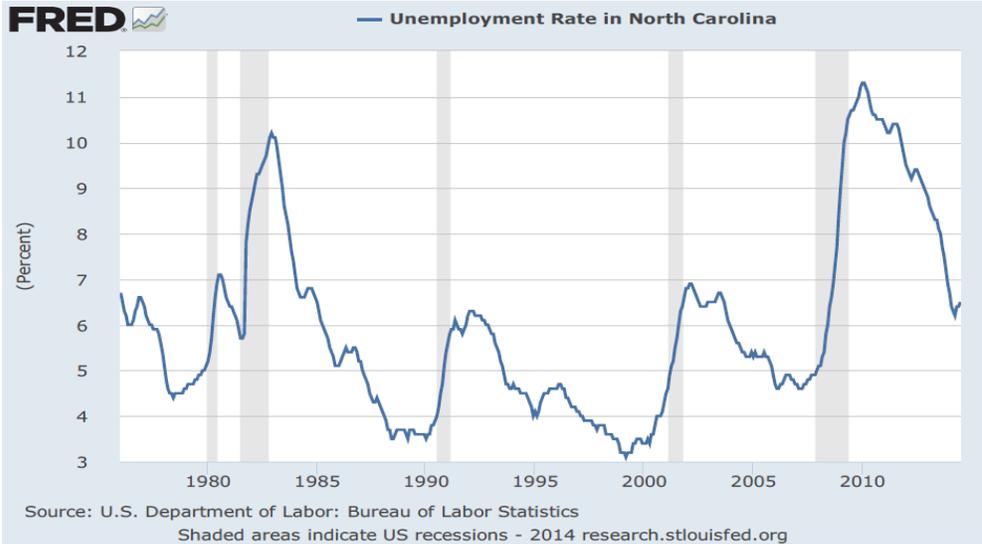


Figure 11: North Carolina Unemployment Rate

As in the case of the US, in North Carolina, the economy, while improving, the improvement rate is rather slow. As Figure 12 shows, per capita income, income divided by the population, has recovered beyond the pre-recession levels. However, the recovery is lackluster.

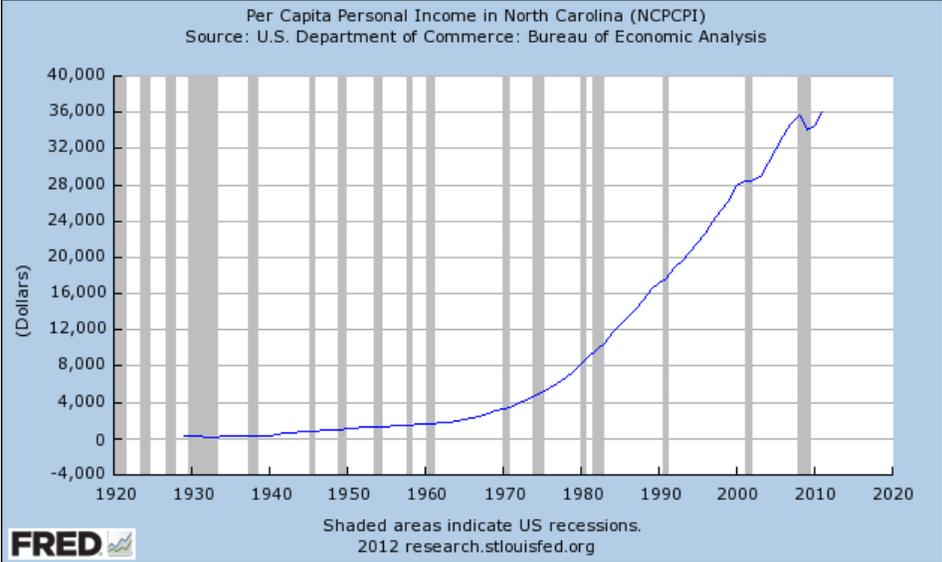


Figure 12: North Carolina per Capita Income

We find similar picture with regard to construction wage—they are recovering and looks more promising during the second quarter of 2014. The Figure 3 shows an positive trend after 2013. See Figure 13.

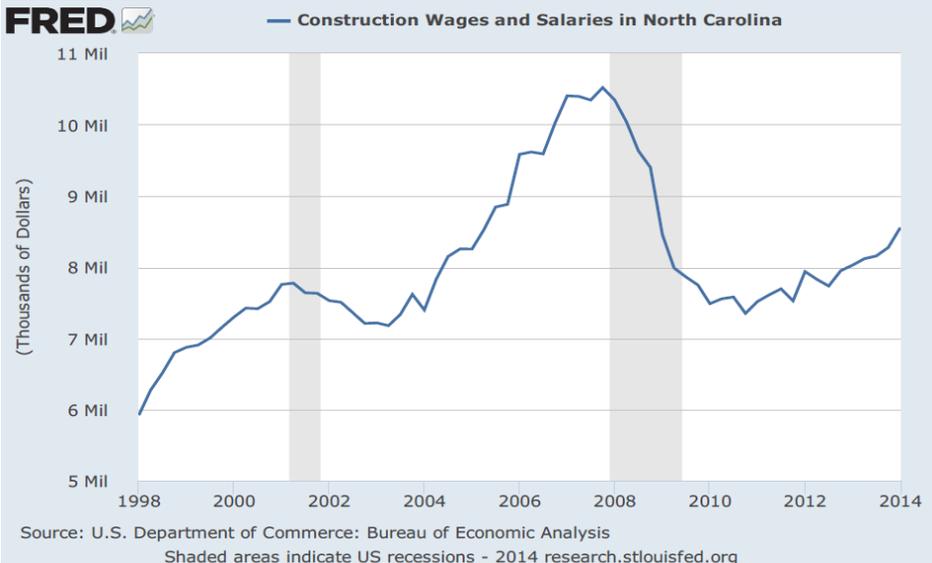


Figure 13: North Carolina Construction Wages and Salaries

Manufacturing employment in North Carolina remains sluggish. It has not fully recovered to pre-recession levels; however a positive move has been observed. See Figure 14.

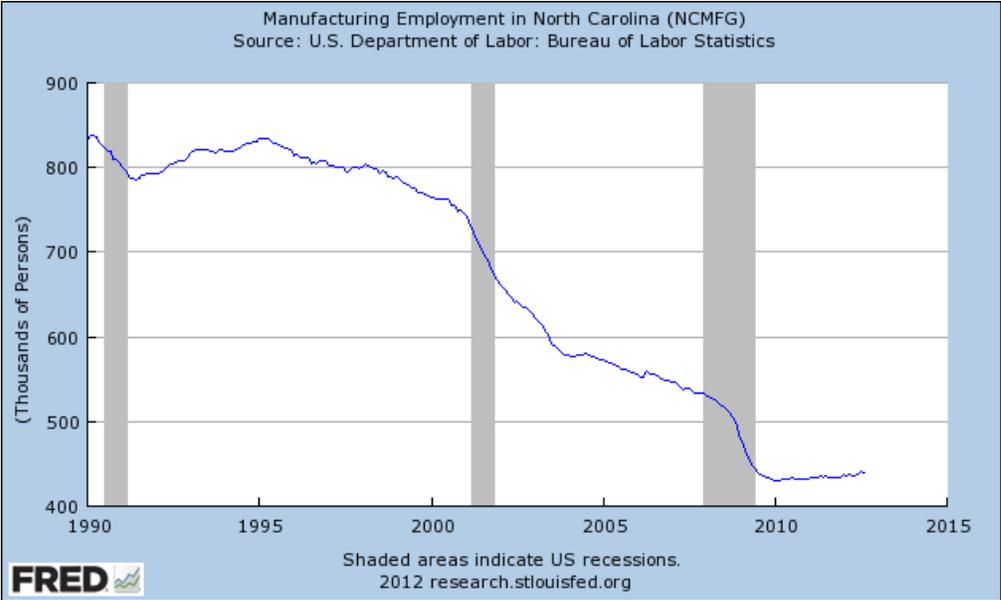


Figure 14: North Carolina Manufacturing Employment

Robeson County

Per Capita Personal Income

Robeson County is one of 100 counties in North Carolina, and is part of the Lumberton, NC Micropolitan Statistical Area. BEA reports that the county’s per capita personal income (PCPI) is \$26,399 as of June 2012. This PCPI ranked 100th in the state and was 70 percent of the state average, \$37,910, and 60 percent of the national average, \$43,735.

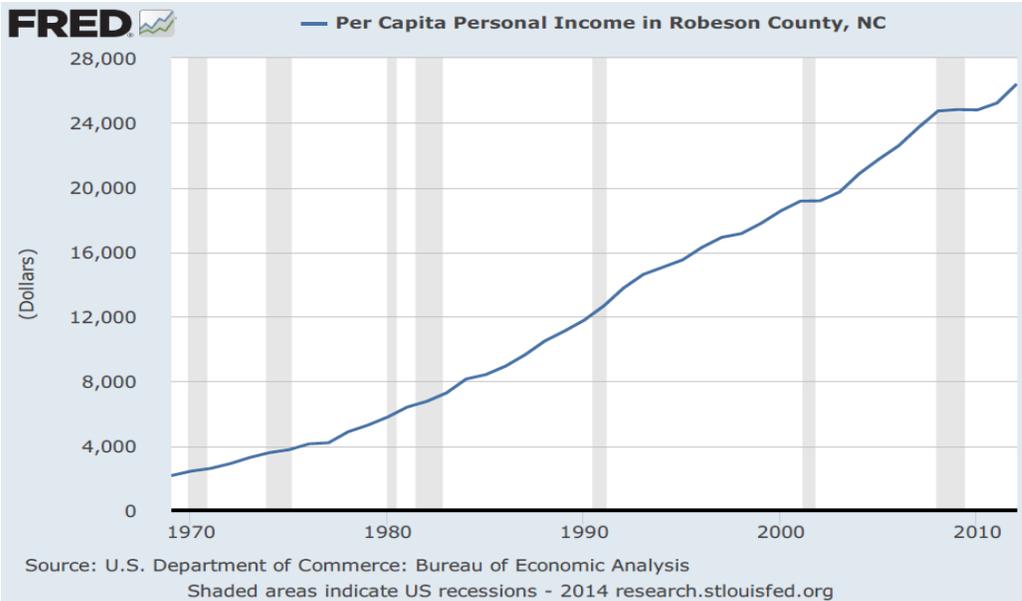


Figure 15 Robeson County per Capita Incomes

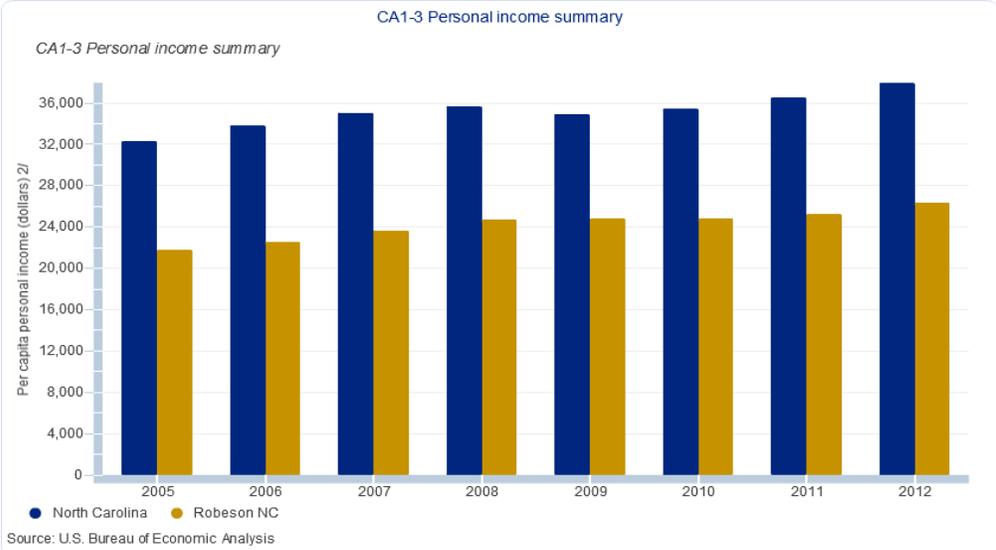


Figure 16: Robeson County per Capita Income and North Carolina

The 2012 PCPI reflected an increase of 4.7 percent from 2011. The 2011-2012 state change was 3.8 percent and the national change was 3.4 percent. In 2002, the PCPI of Robeson was \$19,167 and ranked 98th in the state. The 2002-2012 compound annual growth rate of PCPI was 3.3 percent. The compound annual growth rate for the state was 2.9 percent and for the nation was 3.2 percent. The data shows that Robeson County’s economy is moving at state economic growth pace. Figure 15 plots these data.

Robeson County has the per capita income of \$14,218 as of 2010, which is lower than the state average of \$23,432. Although, the median household income of Robeson County is \$29,667 and has grown by 5.19% since 2000 which is also lower than the state’s income growth rate of 10.57%.

The unemployment rate stays far higher than the national and state unemployment rates, which is about 9.3%. See Figure 17.

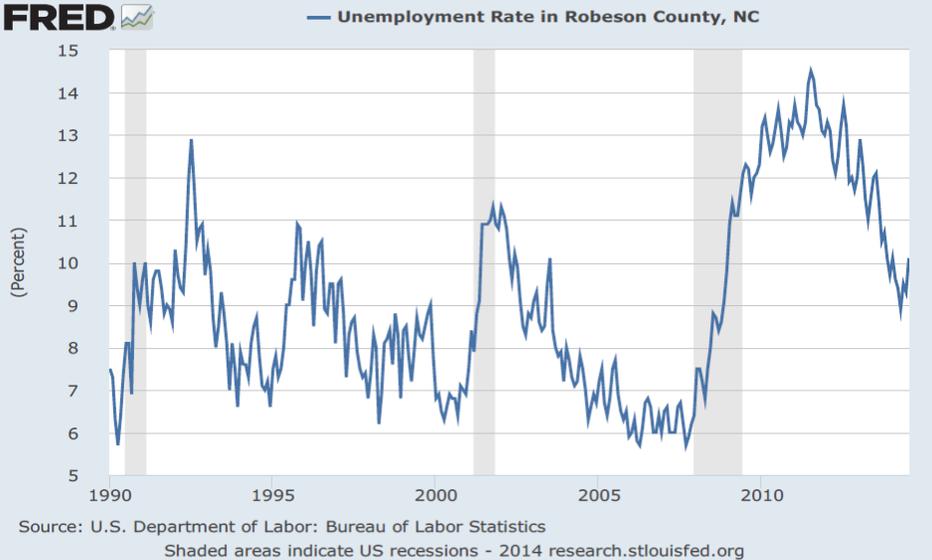


Figure 17: Robeson County Unemployment Rate
For detail information on the county profile as a whole please visit <http://accessnc.commerce.state.nc.us/docs/countyProfile/NC/37155.pdf>

This document was prepared by:

Bishwa S Koirala, Ph.D.
Assistant Professor
School of Business
The University of North Carolina at Pembroke
Email: koiralabs@uncp.edu
Phone: (910) 521-6467
Fax: (910) 521-6750

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