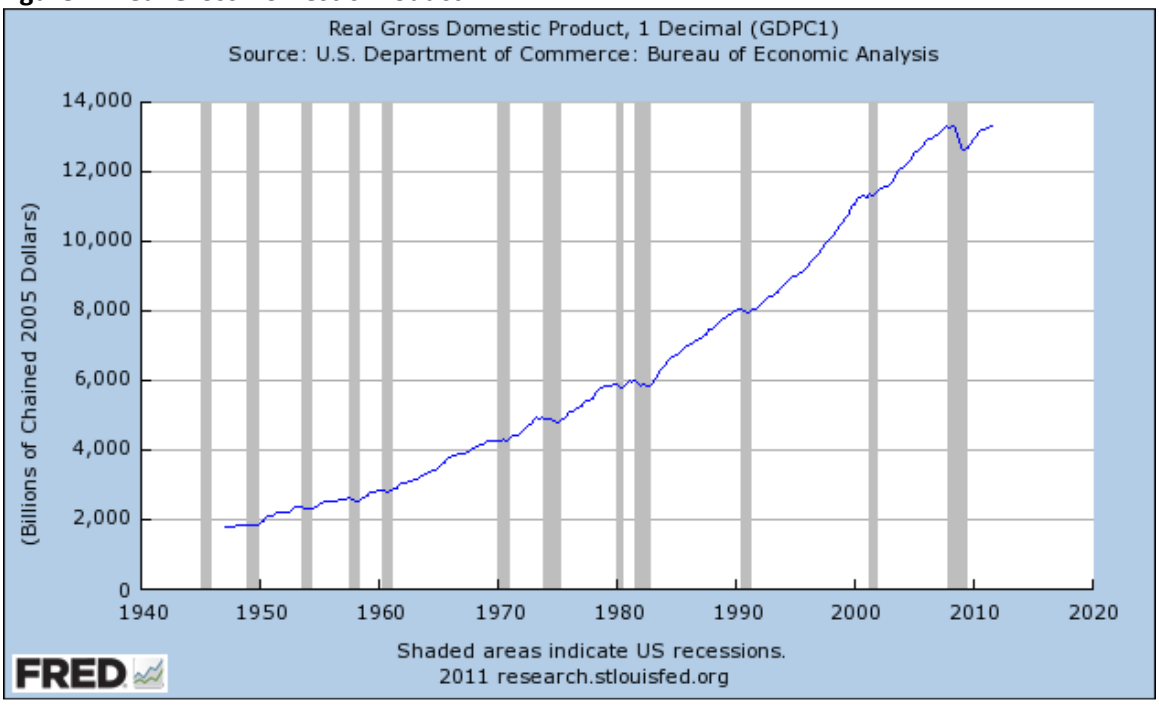
Robeson County: Current Economic Picture

The US Economy

On December 13, 2011, the Fed released a statement pointing to a relatively moderate economic growth in the coming quarters. According to the statement, "While indicators point to some improvement in overall labor market conditions, the unemployment rate remains elevated. Household spending has continued to advance, but business fixed investment appears to be increasing less rapidly and the housing sector remains depressed." (Source: http://federalreserve.gov/newsevents/press/monetary/20111213a.htm)

During the 3rd quarter of 2011 the real gross domestic product (GDP), a measure of economy's output corrected for inflation, grew at an annual rate of 1.8%. Figure 1 plots real GDP data (in levels) measured in 2005 prices.

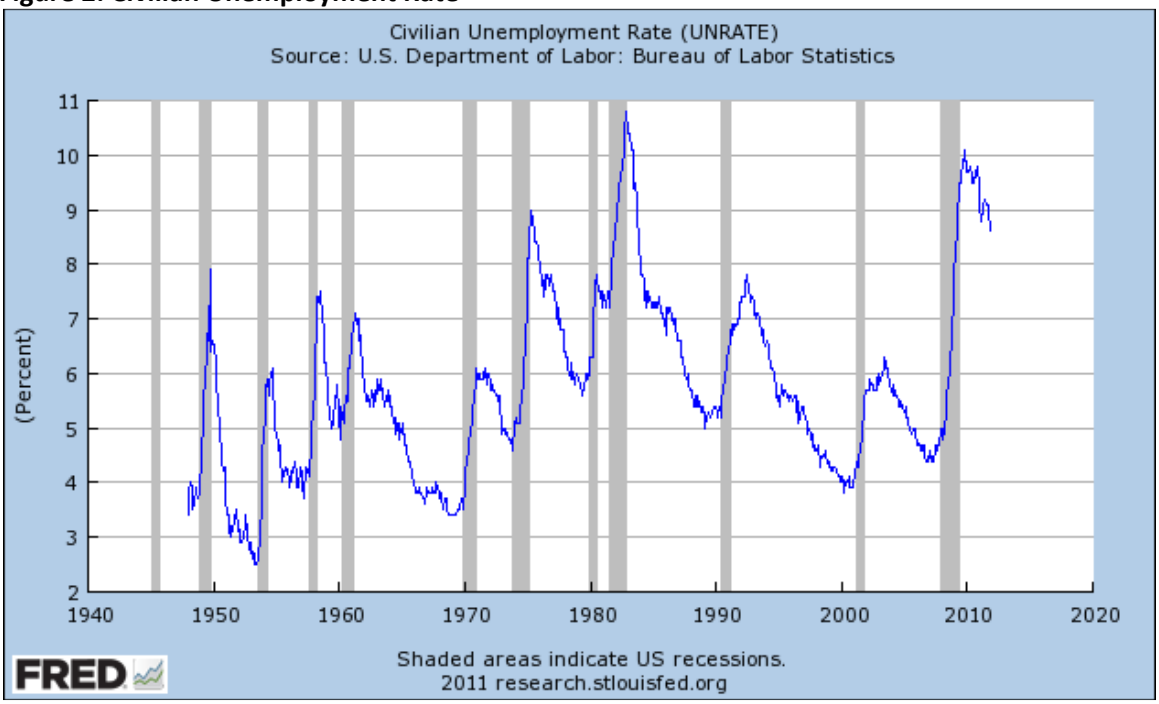
Figure 1: Real Gross Domestic Product



(Source of Graph: www.stlouisfed.org)

While the national civilian unemployment rate dipped to 8.6% in November 2011, it remains high by historic standards. See Figure 2.

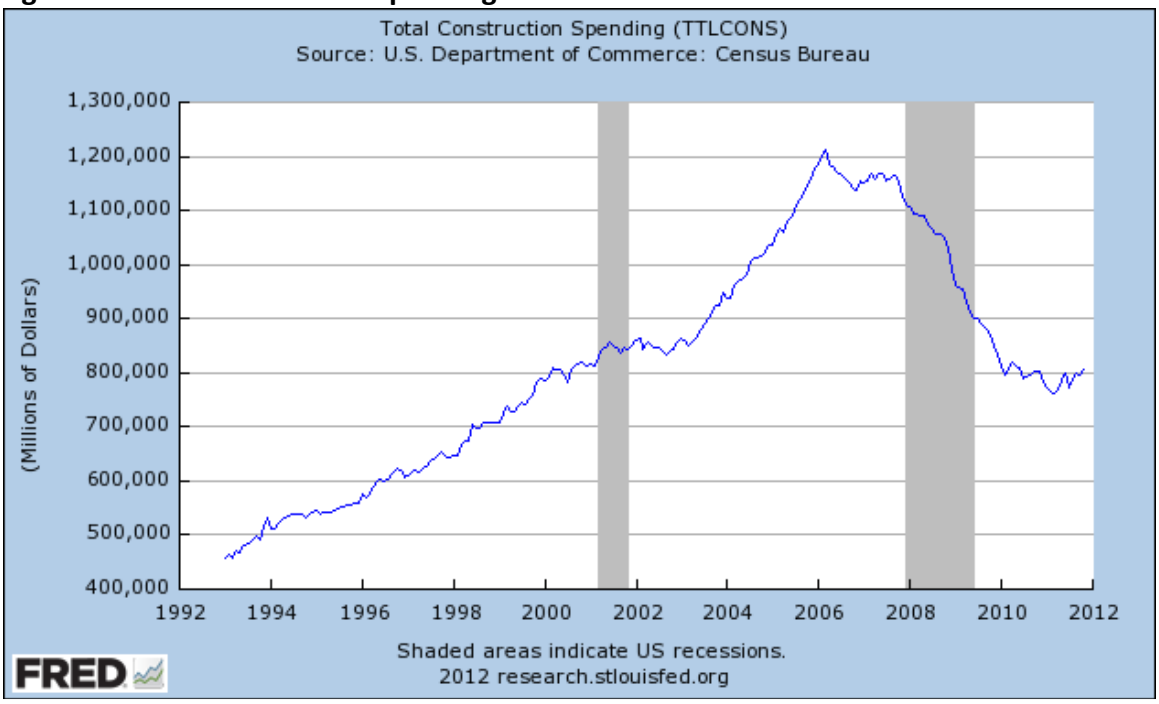
Figure 2: Civilian Unemployment Rate



(Source of Graph: www.stlouisfed.org)

As pointed out in the Fed's statement, total construction spending remains anemic.

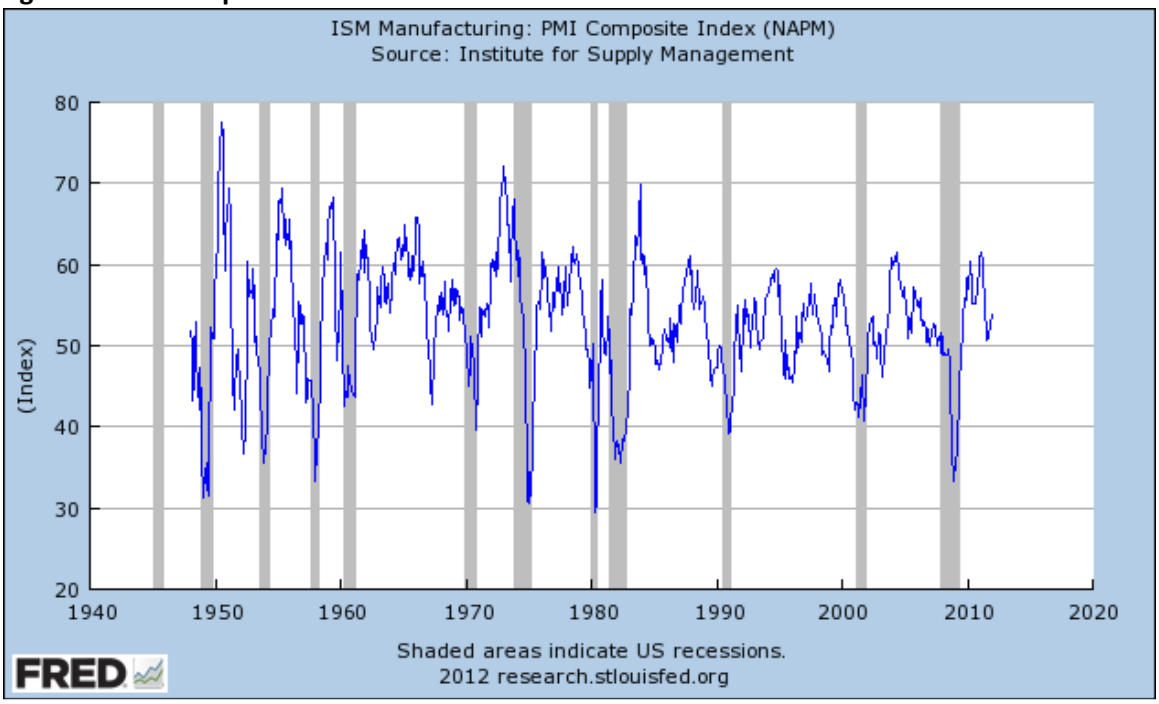
Figure 3: Total Construction Spending



(Source of Graph: www.stlouisfed.org)

Manufacturing, while improving, remains barely above the water. A value of the Institute of Supply Management Index above 50 indicates that "economy is generally expanding." In December 2011, the index value was 53.9, slightly up from a value of 52.7 in November 2011. See Figure 4.

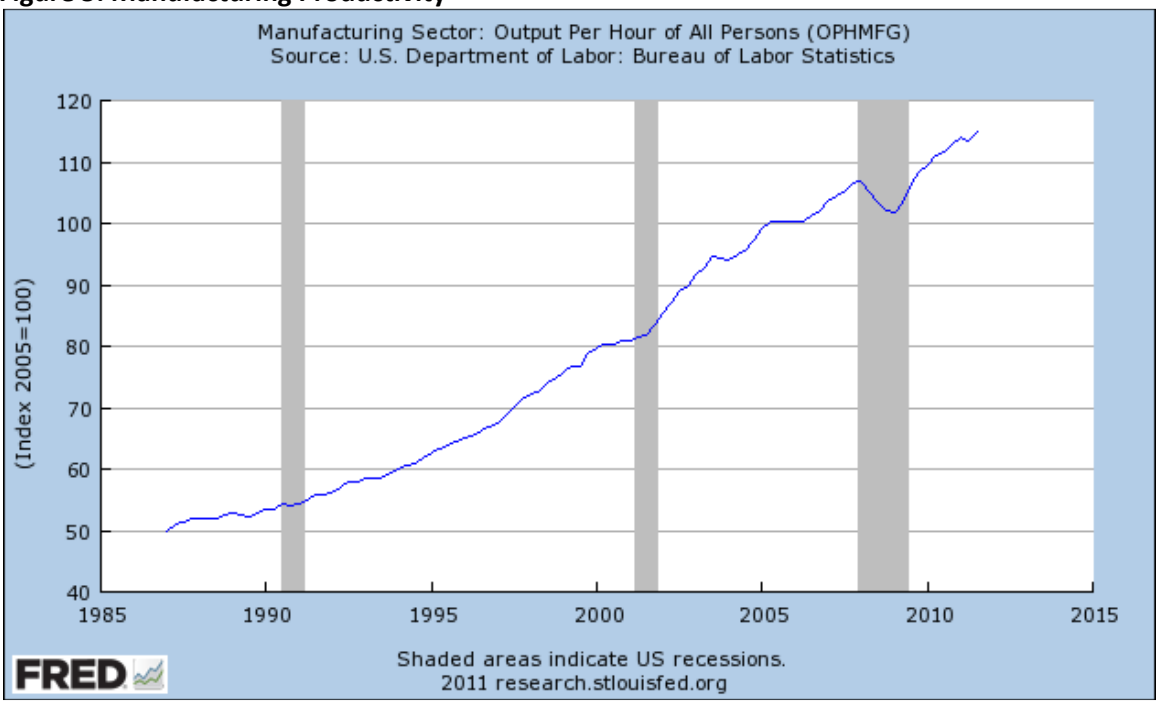
Figure 4: PMI Composite Index



(Source of Graph: www.stlouisfed.org)

Manufacturing productivity, measured as output per unit of labor is improving as firms are producing the increased output with the existing workers. See Figure 5.

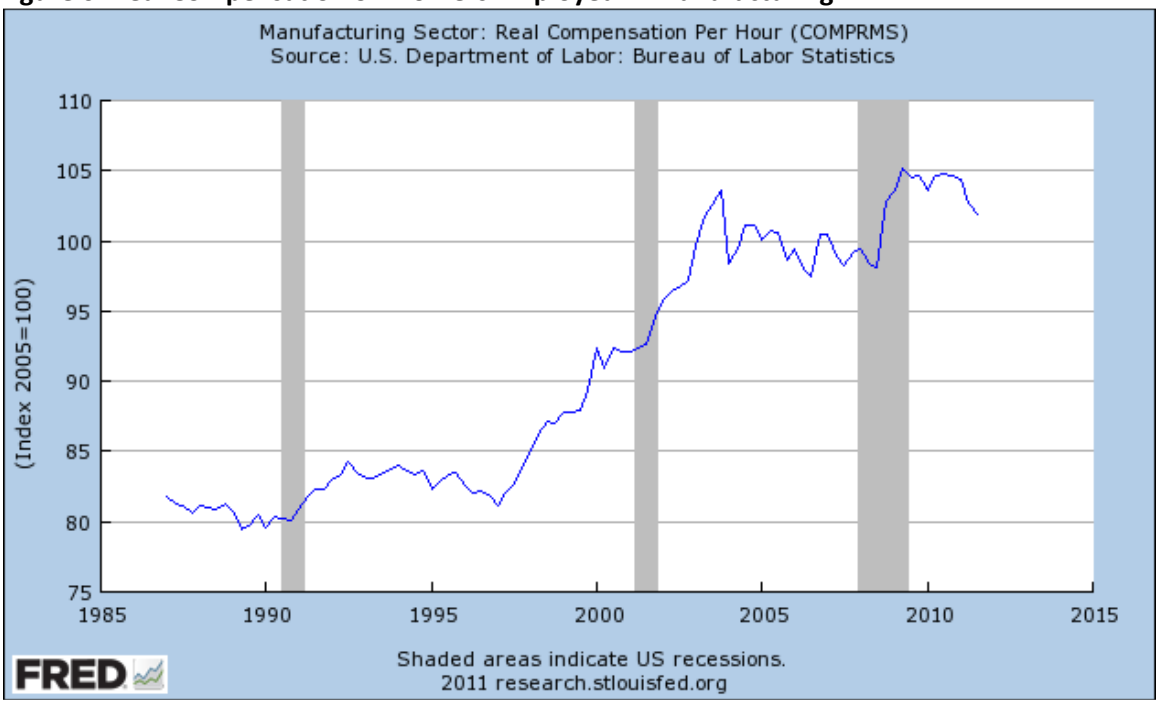
Figure 5: Manufacturing Productivity



(Source of Graph: www.stlouisfed.org)

However, real compensation, compensation adjusted for inflation, of manufacturing workers does not seem to be increasing accordingly. As Figure 6 shows, indeed it has declined in the past three quarters.

Figure 6: Real Compensation of Workers Employed in Manufacturing



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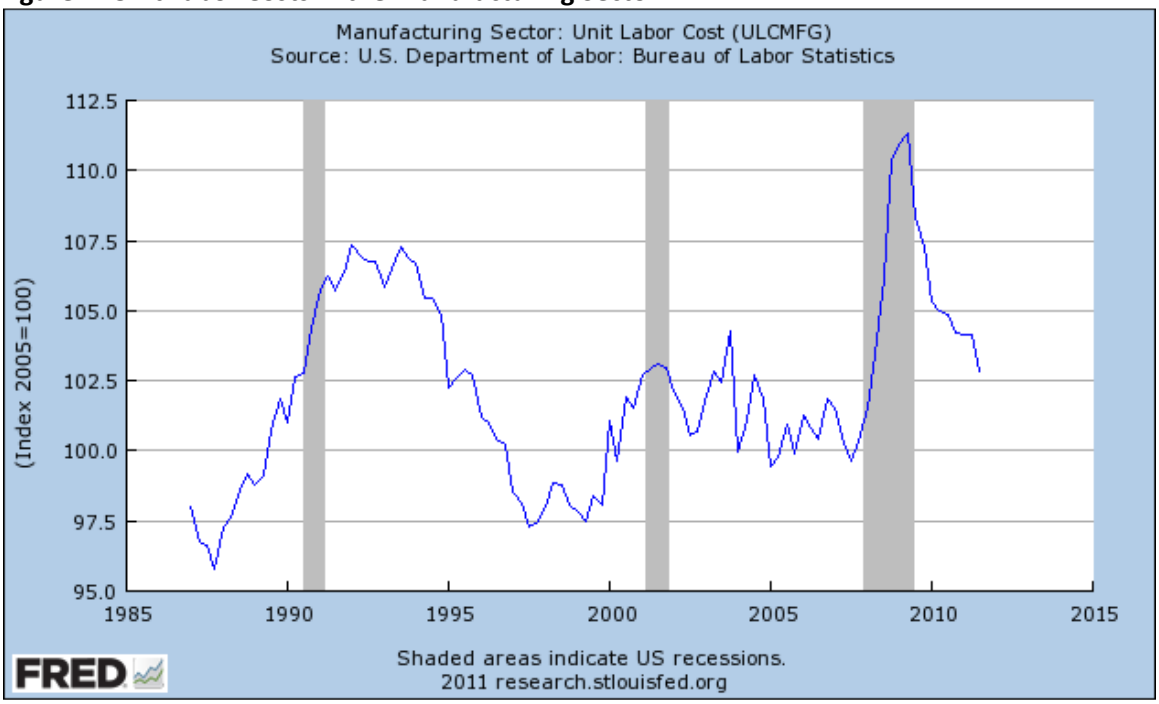
This in turn means a declining labor costs in the manufacturing sector.

Figure 7: Unit Labor Costs in the Manufacturing Sector

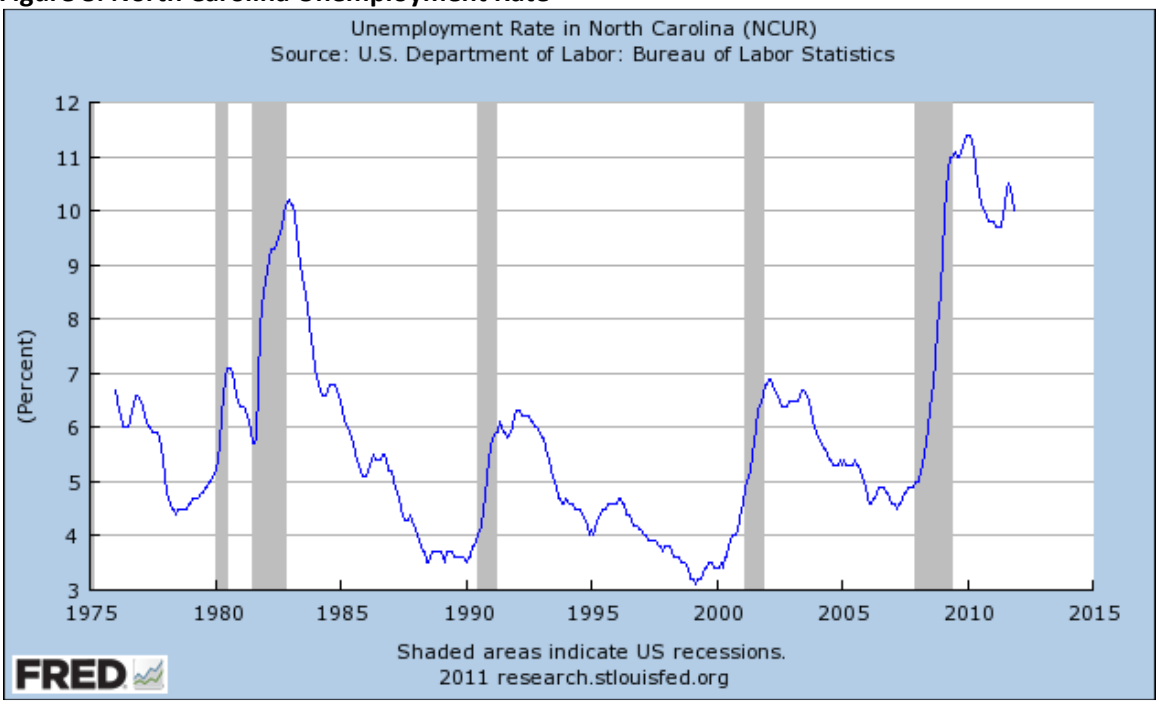


(Source of Graph: www.stlouisfed.org)

North Carolina

Following the national trend, the unemployment rate, while still high, has also declined a bit. The November 2011 data indicate that unemployment rate in North Carolina was 10.0%. It declined from 10.4% in October 2011 and 10.5% in September 2011. See Figure 8 for an historic perspective.

Figure 8: North Carolina Unemployment Rate



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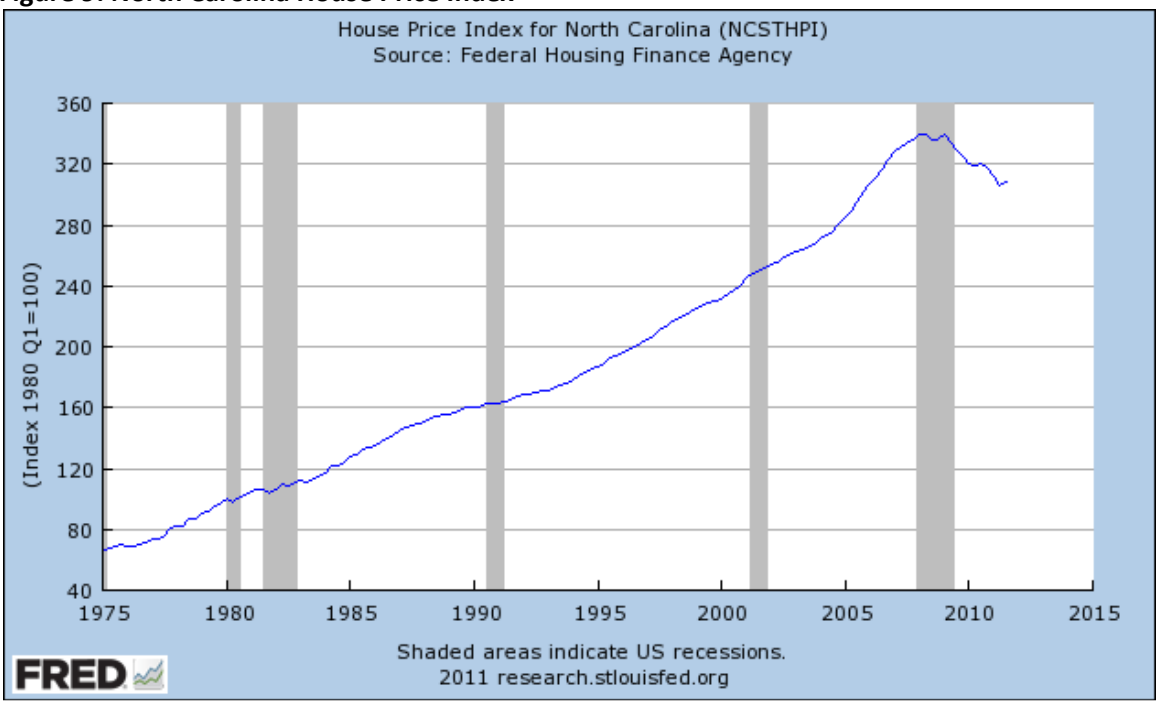
Housing prices continue to fall. See Figure 9 which plots an index of housing prices in North Carolina.

Figure 9: North Carolina House Price Index

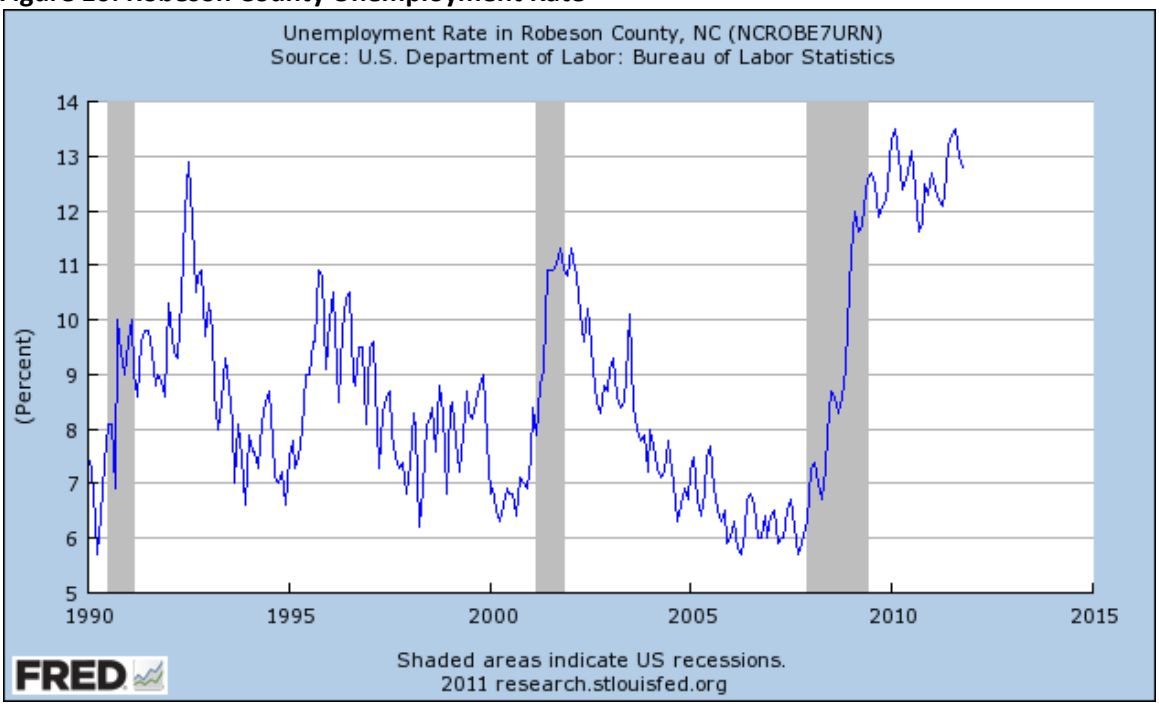


(Source of Graph: www.stlouisfed.org)

Robeson County

According to the latest data available at the time of writing this document, unemployment rate in Robeson County in October 2011 was 12.8%. Following the national and the state-wide trend, it had declined by a fraction from 13.0% in September 2011. Unemployment rate was even higher in August 2011. It was 13.5%. Figure 10 plots these data.

Figure 10: Robeson County Unemployment Rate



(Source of Graph: www.stlouisfed.org)

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