
Community and Economic Development in North Carolina and Beyond Blog: Current Positive Economic News? Cheer, Then Take a Breath and Look Deeper at the Divided NC Economy

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There have been numerous national reports of positive economic information over the past six months. Unemployment is low, economic growth is steady and even growing, jobs are being created and 10 years later, we are finally moving beyond the devastating impacts of the recession. It would appear that CED professionals should be preparing for how to handle the coming growth. But before launching the celebratory party, it would be better instead to look at the actual distribution of the data that lies underneath the aggregate headline numbers, and consider several disturbing, stark examples of the divided NC economy.

The most recent (December 16, 2016) North Carolina Employment Condition report from the Wells Fargo Economics



Group is an excellen

t example of the need to consider the whole

picture of job data. The first headline refers to a “solid month of hiring”; a second states “New Data Dispute Recent Slowdown in Job Growth.” These are both true and positive. Yet the report also highlights trends that could cause NC CED professionals pause.

First, one can consider the concentration of the good news. Unsurprisingly, the growth is centered in the largest MSAs, particularly the Triangle and Charlotte areas, pointing to the continuing divide between rural and urban areas. This is not a new story, but it is important to note that the gap is continuing to widen, and that even within the strong growth metro areas, there are challenges.

Second, workforce growth has actually outpaced job creation, leading to a slight increase in the unemployment rate. As highlighted in several additional Wells Fargo reports, North Carolina is still one of the most attractive states nationally for in-migration and overall population growth. In addition, it speculates discouraged workers are re-entering the job market, highlighting the *reserve pool of people needing employment that previous statistics had not captured*. Employment statistics are often criticized because they do not necessarily capture underemployment, quality or security of employment, or discouraged workers. To advance economically, ‘good’ jobs are needed for those actively looking, those moving into the area, and those who had given up but are trying again. In effect, the job of CED professionals, even in these relatively strong micro-economies, is not a cake-walk.

But the more disturbing picture comes from completely different types of data that reflect not the ‘in-the-moment’ jobs data, but the underlying, long-term economic condition. CED professionals should track the discussion taking place at Urban 2 point 0, edited by Michael Webb at UNC-Chapel Hill’s Center for Urban and Regional Studies. The focus is not just on



changing conditions or growing inequality. Conversations — and with the Presidential election — politics, are shifting to *where* inequality is growing, and *why*.

This is the bottom-line message at the heart of the discussion presented in *The Atlantic* in 2016: A Year Defined by America's Diverging Economies. The author, Annie Lowrey, lays out how the positive economic news breaks down when considered on a regional basis. Lower population, rural areas are being left behind. A striking statistic was that rural employment is still several percentage points *lower* than before the recession started. The article highlights a report by the Economic Innovation Group around the geographic dispersion of economic growth and



	Growth in the Poor Population Between 2000 and 2010-14.
1	+ 36%
N.C. Congressional District	
2	+ 82%
3	+ 40%
4	+ 80%
5	+ 110%
6	+ 83%
7	+ 63%
8	+ 73%
9	+ 160%
10	+ 72%
11	+ 77%
12	+ 99%









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+ 101%



recovery. The maps are impressive, especially the series showing the distribution of the counties accounting for the majority of net new business establishment in the current recovery nationally. Almost 60% of net business establishment growth is contained in only 20 counties. None of these 'super counties' are in North Carolina. Another map shows that 50% of absolute job growth since 2010 has happened in only 2% of the nation's counties. By this measure, North Carolina does have a winner – Mecklenburg County is one of the super counties. In contrast, about 60% of North Carolina's population live in counties where job growth was less than the national average between 2010-2014.

In an effort to understand how positive economic news does not necessarily reflect economic condition, and, in turn, how that condition may play into political decision-making in North Carolina, look to the interactive map and data provided by the Brookings Institution in its feature Poverty Crosses Party Lines. While some of the growth numbers may be large due to starting from a relatively smaller base, the pattern is clear – every region of the state has seen a measureable increase in the number of people in poverty. Note the time period covers years of economic growth, recession and recent recovery. How poverty can be measured, data, and a discussion of the general condition of the North Carolina from this perspective is also included in the free 2016 SOG report, Documenting Poverty in North Carolina.

The perception of a rural-urban divide is not new, but easy access to data that shows how geographic inequality may dominate future CED efforts, and politics and policy in general, is. If you wish to explore data in your own region, you can start with the Census Bureau site My Congressional District, which has just added business data indicators to other economic and population information.