

Employment Edged Up in North Carolina in November as Private Sector Jobs Increased

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North Carolina's jobs picture brightened a bit in November as private sector job growth returned with a little more vigor. However, while general economic conditions firmed in December, according to our Carolinas Survey of Business Activity, demand for labor remained somewhat tepid.

Payroll employment in North Carolina increased by 3,800 positions in November. This was a welcome continuation of job gains registered during the prior month. While recent gains have been modest, and left a sizable jobs gap yet to be filled, there were encouraging signs in the data. Perhaps most important was the resumption of more robust job growth in the private sector. Private sector job growth weakened in North Carolina during the spring and summer months, but the roughly 4,600 net new jobs gained in November represented the largest monthly increase in the private sector since March. In another encouraging sign, much of that private sector job growth was seen in the retail trade segment as merchants geared up for the holiday season. While retailers typically boost seasonal employment around the holidays, the increase in 2011 surpassed those experienced during the prior three years. November's employment gains were also bolstered by sizeable increases in wholesale trade, and educational and health services, with more modest contributions from manufacturing, construction, and leisure and hospitality firms. After varying widely over the prior four months, public sector employment declined by about 800 positions in November. The Raleigh and Wilmington areas saw the most substantial job growth last month, with most other regions showing little movement at all. One exception was the Charlotte area, which lost jobs on a seasonally adjusted basis.

Compared to last November, North Carolina's employment base increased by nearly 20,000 despite declines in the public sector that amounted to nearly 12,000 jobs. The biggest portion of that year-over-year gain came in the trade, transportation, and utilities industry where, once again, retail trade played a large role. Retail employment increased by more than 13,000 since last November after declining precipitously between November 2007 and November 2010. Leisure and hospitality – another industry heavily influenced by consumer spending – also saw significant job growth over the year, as did education and health services. Manufacturing employment was up about 1,600 over the last 12 months but construction employment continued to move lower. Roughly half of all jobs gained in the state were created in the Raleigh and Durham MSAs, while Winston Salem and Fayetteville saw significant gains as well. By contrast, a year that started with a lot of promise gave way to economic realities in the Charlotte area – recent job losses pushed the region's year-over-year employment growth into negative territory.

North Carolina's seasonally adjusted unemployment rate moved down to 10 percent in November. While that represents a 0.4 percentage point decline from October's rate, unemployment is still two tenths of a percentage point higher than last November. Results from our Carolinas Survey of Business Activity were positive again in December, signaling increasing business activity. However, the labor demand indicators (number of workers and average hours) showed that employers continued to exercise quite a bit of caution when it came to hiring.

